

KH GROUP

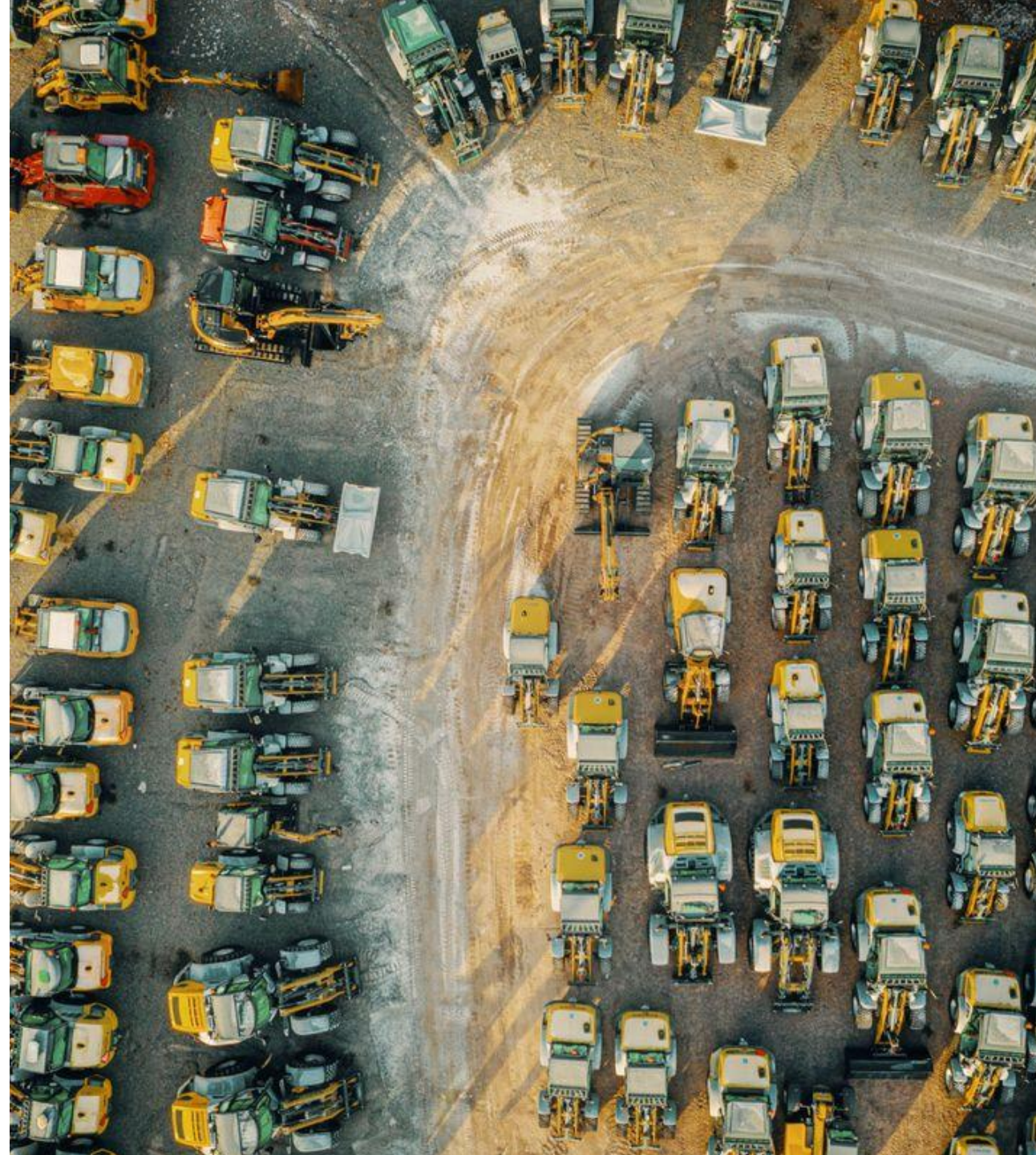
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INDERES CORPORATE CUSTOMER COMPANY REPORT



Time for a breather

Preliminary data from KH Group indicates that the group's strong performance from Q2 has continued. While Q3 revenue was in line with our estimates, profitability was stronger than expected. Despite the stronger-than-expected performance in Q3, our forecasts were already at the upper end of the now-refined full-year guidance range. In light of this, we consider the updated guidance to be conservative, and our estimate adjustments were weighted toward the next few years. We raise our target price to EUR 0.90 (was EUR 0.70) but because of the rise in the share price, we revise our recommendation to Reduce (was Accumulate).

Strong Q2 momentum continued into Q3

On Friday, KH Group revised its guidance for the current year upward. According to initial data, the group's revenue in Q1–Q4 was 157 MEUR, with comparable EBIT of 5.9 MEUR. This means that Q3 revenue came in at approximately 50 MEUR, representing growth of about 10%, which is roughly in line with our previous forecasts. Meanwhile, comparable EBIT was approximately 2.7 MEUR (Q3'25: 1.2 MEUR), exceeding our expectation of 2.0 MEUR clearly. Based on management's comments, this development is driven by the continued strong performance of both subsidiaries. KH-Koneet's systematic efforts to grow in the machine sales business and improve profitability in the rental business have paid off. We are particularly optimistic about the news that the Swedish operations, which have previously struggled with profitability challenges, have turned to the positive during the current year despite unfavorable exchange rates. The Nordic Rescue Group has also shown favorable development, and according to management, the fire and rescue vehicle business is progressing toward its best result ever.

Preliminary information reinforced our confidence in the company's outlook

Even before the guidance update, our estimates for the current year were in line with the upper end of the updated range. Considering

that Q3 profitability was stronger than we expected, the updated guidance seems conservative and leaves room for a positive surprise in Q4, assuming the group's strong momentum continues. The company's management indeed stated that the outlook for the fourth quarter has improved. To achieve the updated guidance range, the company needs an EBIT of 3.1–4.1 MEUR in Q4, which is below the 4.2 MEUR in the comparison period. Our estimates for the current year remained unchanged on an annual basis, though our earnings estimate shifted partially from Q4 to Q3 following the preliminary information. In any case, the preliminary information from KH Group confirmed our assumption of positive business development, which, together with the recent positive signals from the construction sector, gave us the confidence to raise our EBIT estimates for the coming years by 5-9%.

Valuation assumes continued clear improvement in performance

Based on our current-year estimates, KH Group's valuation is high (P/E 20x, EV/EBIT 13x), but with our estimates anticipating clear earnings improvement next year, the valuation becomes neutral (P/E 10x, EV/EBIT 10x). Our estimates require a clear improvement in KH-Koneet's earnings, the conditions for which appear better than before, based on the promising profitability development of the Swedish business. However, due to KH Group's low relative profitability and significant financial leverage, earnings-based valuation is sensitive to even small forecast changes. Our DCF model, which indicates longer-term potential, implies a value of EUR 0.94 per share for the group, although the model relies on a sustainable improvement in profitability. Although a P/B ratio of 1.0x is not particularly high, according to our estimates, raising the return on equity of KH Group to a normalized level, in line with its required return on capital, would require sustained improvement in the profitability of KH-Koneet's Swedish operations.

Recommendation

Reduce

(was Accumulate)

Target price:

EUR 0.90

(was EUR 0.70)

Share price:

EUR 0.92

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	205	225	251	274
growth-%	5%	10%	11%	9%
EBIT adj.	6.4	10.0	13.1	14.5
EBIT-% adj.	3.1 %	4.4 %	5.2 %	5.3 %
PTP	1.4	3.3	6.7	8.1
Net Income	0.5	1.5	4.6	5.6
EPS (adj.)	0.01	0.05	0.10	0.11
Dividend	0.00	0.00	0.00	0.00

P/E (adj.)	38.0	20.2	9.5	8.1
P/B	0.6	1.0	1.0	0.9
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	15.7	12.8	9.9	9.1
EV/EBITDA	5.0	5.5	4.8	4.4
EV/S	0.5	0.6	0.5	0.5

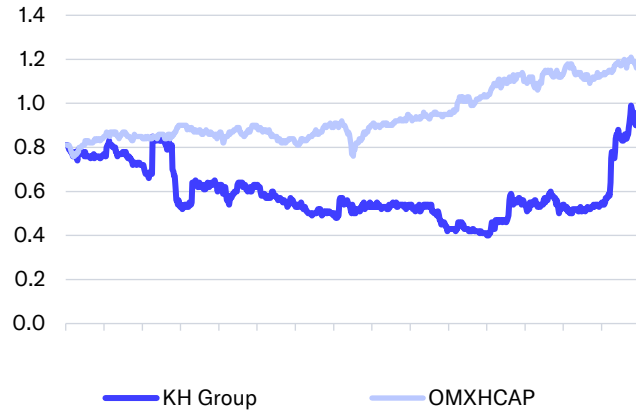
Source: Inderes

Guidance

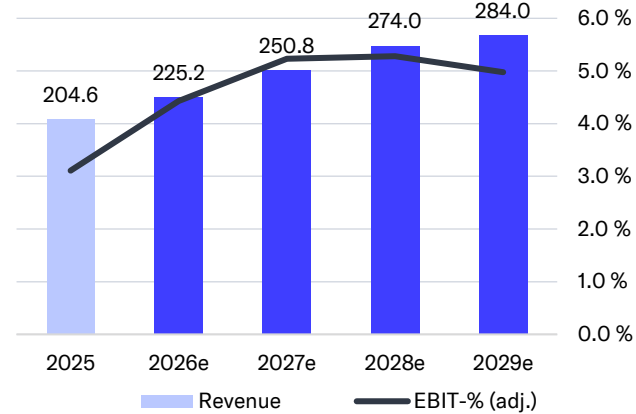
(Upgraded)

KH Group estimates that its 2026 revenue will be 210-230 MEUR and comparable EBIT will be 9-10 MEUR.

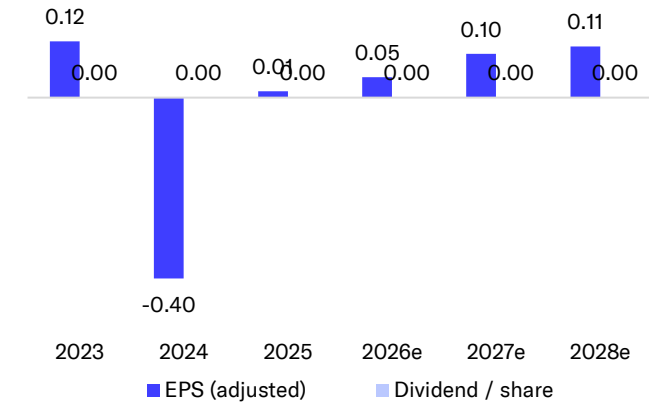
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



Value drivers

- Systematic development of holdings
- M&A transactions
- Renewal of subsidiaries' financing base and simplification of structures
- Developing the brand portfolio

Risk factors

- Deteriorating economic situation
- The risk related to KH-Koneet's development due to the change in management
- KH Maskin's profitability challenges dragging on
- Loss of investment opportunities due to tight balance sheet position

Valuation	2026e	2027e	2028e
Share price	0.92	0.92	0.92
Number of shares, millions	58.1	58.1	58.1
Market cap	53	53	53
EV	128	130	132
P/E (adj.)	20.2	9.5	8.1
P/E	35.9	11.7	9.5
P/B	1.0	1.0	0.9
P/S	0.2	0.2	0.2
EV/Sales	0.6	0.5	0.5
EV/EBITDA	5.5	4.8	4.4
EV/EBIT (adj.)	12.8	9.9	9.1
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Another strong quarter

Key features of Q3 are known with advance information

KH Group will publish its Q3 report on Friday, October 30. Based on the company's preliminary information, the report's main figures are already known, so on earnings day, we will focus not on the exact figures but on the drivers behind the earnings improvement and the outlook for the rest of the year. According to the company, both KH-Koneet and NRG have developed positively after the summer. We expect strong profitability development to lean toward KH-Koneet because Q3 is usually a particularly quiet period for Nordic Rescue Group (NRG). Since KH Group owns 100% of KH-Koneet and 68.1% of NRG, the value development of the subsidiaries does not have a uniform impact from the perspective of shareholders.

We expect that KH-Koneet carried NRG through a quiet quarter

Based on preliminary information, the KH Group's revenue increased by approximately 10% year-on-year in the third

quarter due to the strong performance of both subsidiaries. In conjunction with the preliminary information, the company reported that its systematic efforts to grow KH-Koneet's machine sales had paid off, which, when combined with NRG's robust order book, has fueled the group's impressive growth, in our estimation. KH Group's comparable EBIT for Q3 settled at 2.7 MEUR, which is a clear improvement from 1.2 MEUR in the comparison period. We expect the improvement in earnings to be concentrated in KH-Koneet, whose profit warning indicates growth in machine sales and whose Swedish operations have shown encouraging signs of improved profitability this year after long suffering from profitability issues. The continuation of the turnaround in Sweden was already a key earnings driver in the second quarter, and its durability is critical for KH-Koneet's long-term value creation. Additionally, we expect the reduction of the parent company's expenses to have supported the group's earnings.

In the report, we will pay particular attention to the development of KH-Koneet's gross margins, the profitability of the rental business, and the earnings distribution by subsidiary.

On the day of the earnings release, we will seek insight into the reasons for the improved outlook and the starting points of the businesses for Q4. For NRG, Q4 is seasonally strong, and the record-high order book supports delivery volumes, so we will monitor management's views on whether production capacity is sufficient. For KH-Koneet, our attention is drawn to the development of the cyclical demand environment and the durability of the turnaround in Sweden, as the company's performance is sensitive to changes in the economic environment. In addition, we will monitor updates on efficiency measures, such as the relocation of the head office to Klaukkala in Nurmijärvi in early October and the consolidation of administrative functions, estimated to lighten the cost structure by approximately 1 MEUR in 2027.

Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Act. vs. inderes	Inderes
Revenue	45.3	50.0	50.0		0%	225
EBIT (adj.)	1.2	2.7	2.7		0%	10.0
EBIT	0.9	-	2.4			8.8
PTP	0.0	-	1.1			3.3
EPS (adj.)	0.00	-	0.02			0.05
EPS (reported)	0.00	-	0.01			0.03
Revenue growth-%	14.1 %	10.3 %	10.3 %		0 pp	10.1 %
EBIT-% (adj.)	2.6 %	5.4 %	5.4 %		0 pp	4.4 %

Source: Inderes

Improved outlook drove estimate changes

Guidance was refined

The KH Group's updated guidance estimates revenue at 210-230 MEUR and an increase in comparable EBIT to 9-10 MEUR (2025: 6.4 MEUR). Previously, the company's guidance was that both revenue and comparable EBIT would increase year-on-year. According to preliminary data, revenue for January–September was 156.6 MEUR and comparable EBIT was 5.9 MEUR. Our previous forecasts were already at the upper limit of the updated guidance but relied on a stronger Q4. From this perspective, the new guidance seems cautious. The guidance range anticipates Q4 comparable EBIT to be 3.1–4.1 MEUR, whereas it was around 4.2 MEUR in the comparison period. Even the upper end of the guidance range requires an EBIT lower than that of the strong comparison period, despite the fact that earnings performance strengthened by around 3.7 MEUR in January–September. Management also commented that both subsidiaries' businesses have developed positively

after the summer and that the outlook for Q4 has improved. In our view, this caution may be due to the timing of deliveries for KH-Koneet and NRG, which may have bolstered the current quarter at the expense of the next one.

We raised our estimates for the coming years

Our estimates for the current year remained virtually unchanged at the upper end of the guidance range. With a stronger-than-expected Q3 result, we now estimate that comparable EBIT will remain at around the level of the comparison period in Q4. For 2027-2028, we raised our revenue forecasts by 2% and our adjusted EBIT forecasts by 5-9%. These forecast changes are driven by an improved outlook for subsidiaries and a brighter outlook for the construction sector, reflected in the demand for KH-Koneet's machines and rentals. We forecast that the group's adjusted EBIT will grow to 13.1 MEUR next year, a trend that will be further supported by annual cost savings of approximately 1 MEUR beginning in 2027. Due to the

group's significant financial expenses, increases in EBIT forecasts have a strong ripple effect on lower-level earnings rows.

Data center projects are a key question mark for KH-Koneet

For KH-Koneet's development in the coming years, we consider the extent to which the company's customers gain access to the planned data center projects in Finland and Sweden to be crucial. Based on the Q2 earnings call, KH Group has already seen clear signs of this. According to management, heavy excavators are in use almost around the clock at data center construction sites because rapid project completion is paramount to customers. However, management was unable to quantify the impact of data center demand yet. NRG's record-high order book in turn provides good visibility for the coming years, so the key uncertainty in the forecasts remains related to KH-Koneet's cyclically sensitive demand.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	224	225	1%	245	251	2%	268	274	2%
EBITDA	23.5	23.4	0%	26.1	27.2	4%	29.1	29.8	2%
EBIT (exc. NRIs)	10.0	10.0	0%	12.1	13.1	9%	13.8	14.5	5%
EBIT	8.9	8.8	0%	11.0	12.1	9%	12.8	13.5	5%
PTP	3.3	3.3	-1%	5.6	6.7	19%	7.2	8.0	11%

Source: Inderes

Valuation requires continued strong development

Growth is strong, but much of the value is already priced in

In evaluating the valuation level of KH Group, we prefer earnings-based valuation multiples. The company's 2026-2027 EV/EBIT multiples are 13-10x. The valuation is high, and based on our forecasts of a clear improvement in earnings next year, it is shifting toward neutral. Due to KH-Koneet's cyclically pressured profitability and the underperformance of the Swedish business, the company's earnings level can strengthen very quickly as post-cyclical machine trade recovers, which the current year has already shown signs of. However, upward pressure on interest rates is a cause for concern regarding the company's future demand outlook, as we believe it could lead to the postponement of machine investments, particularly among smaller customers.

The story is slightly different for NRG, as the company is enjoying a very strong demand cycle and its profitability is at a record high. With a record-high order book of nearly 60 MEUR, we believe the short-term visibility for maintaining earnings performance is good, although assessing the normalized profitability level in the longer term is more challenging.

The DCF model argues for a neutral valuation

Our DCF model, which reflects the potential of KH Group's continuing businesses, indicates a value of EUR 0.94 per share. Due to KH Group's significant financial leverage, the model is nevertheless particularly sensitive to changes in forecasts. The model takes into account the company's longer-term normalized potential over the cycle. We assume KH Group's EBIT margin will normalize to a higher

level of 5.5% compared to recent years, as KH-Koneet's Swedish operations mature, the rapid growth rate stabilizes, and the weight of machine rental, which has a higher relative profitability profile, increases. We believe it is clear that a stronger recovery in the demand environment would also support a strengthening of relative profitability. Looking further ahead, however, strengthening the profitability of the Swedish business plays a critical role in enabling growth-driven value creation. However, in our view, it is challenging to fully rely on the long-term potential due to the profitability challenges of recent years.

Balance sheet-based valuation does not provide material support for the share

KH Group's balance sheet-based P/B ratio is 1.0x. However, it is challenging to rely on balance sheet-based valuation, as KH Group has not demonstrated its ability to generate a moderate return on equity at the group level. Due to KH-Koneet's cyclical nature, though, returns on capital should be assessed across the cycle, without placing too much weight on previous challenging years for the industry. At the subsidiary level, we are confident in the profitability of KH-Koneet's Finnish business and NRG, but at the group level, we believe exceeding the cost of capital requires either the growth of value-creating businesses to a larger scale or a sustainable turnaround in KH-Koneet's Swedish business.

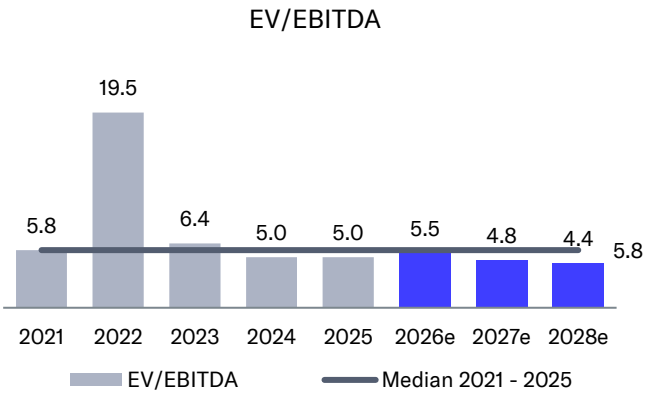
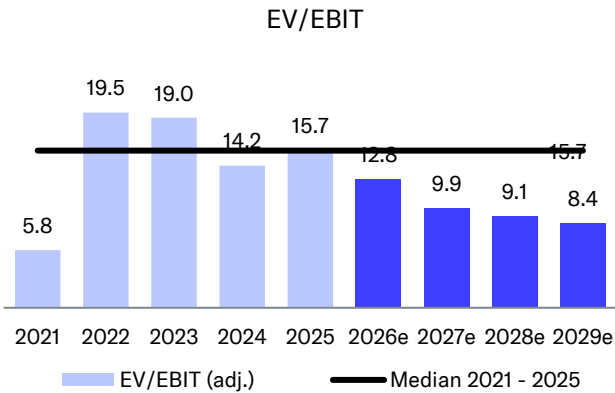
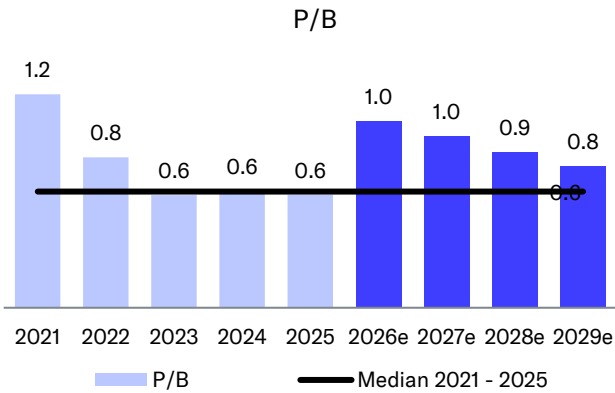
Valuation	2026e	2027e	2028e
Share price	0.92	0.92	0.92
Number of shares, millions	58.1	58.1	58.1
Market cap	53	53	53
EV	128	130	132
P/E (adj.)	20.2	9.5	8.1
P/E	35.9	11.7	9.5
P/B	1.0	1.0	0.9
P/S	0.2	0.2	0.2
EV/Sales	0.6	0.5	0.5
EV/EBITDA	5.5	4.8	4.4
EV/EBIT (adj.)	12.8	9.9	9.1
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	1.92	1.18	0.81	0.56	0.54	0.92	0.92	0.92	0.92
Number of shares, millions	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1
Market cap	112	69	47	32	31	53	53	53	53
EV	116	232	205	102	100	128	130	132	126
P/E (adj.)	6.1	5.0	6.5	neg.	38.0	20.2	9.5	8.1	7.4
P/E	6.1	5.0	neg.	neg.	neg.	35.9	11.7	9.5	8.4
P/B	1.2	0.8	0.6	0.6	0.6	1.0	1.0	0.9	0.8
P/S	9.7	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2
EV/Sales	10.1	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.4
EV/EBITDA	5.8	19.5	6.4	5.0	5.0	5.5	4.8	4.4	4.0
EV/EBIT (adj.)	5.8	19.5	19.0	14.2	15.7	12.8	9.9	9.1	8.4
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes



The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
United Rentals Inc	58727	71337	17.6	15.6	9.9	9.1	4.5	4.1	21.5	18.4	0.7	0.8	6.7
Sunbelt Rentals Holdings Inc	27512	27512	12.4	11.3	6.5	6.1	2.8	2.5	20.1	17.7	1.5	1.5	4.2
McGrath RentCorp	2479	3002	12.3	11.3	9.1	8.6	3.5	3.3	17.6	16.4	1.7	1.8	2.3
Speedy Hire PLC	75	398	21.8	13.0	3.8	3.2	0.8	0.7		9.8	7.2	7.7	
VP PLC	243	494	10.3	10.2	4.1	3.9	1.2	1.2	10.4	8.5	7.0	7.7	1.6
Wetteri Oyj	27	116		15.7	9.4	5.4	0.3	0.3		14.3			1.1
Bilia AB	1204	1971	14.7	13.0	7.7	7.3	0.5	0.5	13.3	11.3	4.7	5.4	2.5
Ferronordic AB	122	287	15.0	12.3	5.2	4.7	0.6	0.6	11.4	9.4			0.9
KH Group (Inderes)	53	128	12.8	9.9	5.5	4.8	0.6	0.5	20.2	9.5	0.0	0.0	1.0
Average			14.9	12.8	7.0	6.0	1.8	1.7	15.7	13.2	3.8	4.1	2.7
Median			14.7	12.7	7.1	5.8	1.0	1.0	15.5	12.8	3.2	3.6	2.3
Diff-% to median			-13%	-22%	-24%	-17%	-43%	-46%	31%	-26%	-100%	-100%	-54%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	403	194	41.8	54.2	45.3	63.2	205	44.6	62.3	50.0	68.3	225	251	274	284
KH-Koneet	152	150	33.1	43.6	37.9	48.2	163	35.3	49.0	42.0	52.5	179	202	224	233
Nordic Rescue Group	38.3	44.2	8.7	10.6	7.5	15.1	41.8	9.3	13.3	8.0	15.8	46.4	48.7	49.7	50.7
EBITDA	31.9	20.3	3.6	4.1	4.5	7.6	19.8	2.1	7.8	6.1	7.5	23.4	27.2	29.8	31.4
Depreciation	-35.0	-14.5	-3.7	-3.7	-3.6	-3.6	-14.6	-3.5	-3.7	-3.7	-3.7	-14.6	-15.1	-16.3	-17.3
EBIT (excl. NRI)	10.8	7.2	0.2	0.8	1.2	4.2	6.4	-1.1	4.3	2.7	4.1	10.0	13.1	14.5	15.0
EBIT	-3.1	5.8	-0.1	0.5	0.9	4.0	5.2	-1.4	4.1	2.4	3.8	8.8	12.1	13.5	14.1
KH-Koneet	9.0	6.3	-0.1	0.8	1.5	3.4	5.6	-1.1	3.0	2.8	3.0	7.7	11.8	13.0	13.8
Nordic Rescue Group	1.9	2.8	0.8	0.8	0.2	1.5	3.3	0.4	1.6	0.3	1.5	3.8	3.2	3.2	3.0
Unallocated items and PPA depreciation	-17.7	-3.3	-0.8	-1.1	-0.8	-0.7	-3.5	-0.8	-0.5	-0.7	-0.8	-2.8	-2.9	-2.7	-2.7
Net financial items	-12.3	-4.2	-0.4	-1.3	-0.9	-1.1	-3.8	-1.6	-1.4	-1.3	-1.3	-5.6	-5.4	-5.4	-5.2
PTP	-15.4	1.6	-0.5	-0.9	0.0	2.8	1.4	-3.1	2.7	1.1	2.5	3.3	6.7	8.1	8.9
Taxes	3.3	-0.2	0.1	0.2	0.0	-0.7	-0.3	0.2	-0.3	-0.2	-0.5	-0.9	-1.3	-1.6	-1.8
Minority interest	5.2	5.3	-0.1	-0.2	0.0	-0.3	-0.6	0.0	-0.4	-0.1	-0.4	-0.9	-0.8	-0.8	-0.8
Net earnings	-6.7	-24.7	-0.5	-0.8	-0.1	1.1	-0.3	-2.9	1.9	0.8	1.6	1.5	4.6	5.6	6.4
EPS (adj.)	0.12	-0.40	0.00	-0.01	0.00	0.02	0.01	-0.04	0.04	0.02	0.03	0.05	0.10	0.11	0.12
EPS (rep.)	-0.11	-0.42	-0.01	-0.01	0.00	0.02	-0.01	-0.05	0.03	0.01	0.03	0.03	0.08	0.10	0.11

Key figures	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-6.0 %	-51.9 %	3.5 %	3.9 %	14.1 %	2.5 %	5.5 %	6.7 %	14.9 %	10.3 %	8.0 %	10.1 %	11.4 %	9.3 %	3.6 %
Adjusted EBIT growth-%		-33.3 %	433.3 %	-66.9 %	-20.5 %	23.0 %	-11.7 %	-630.0 %	451.3 %	128.0 %	-3.6 %	56.9 %	31.5 %	10.2 %	3.7 %
EBITDA-%	7.9 %	10.5 %	8.7 %	7.6 %	9.9 %	11.9 %	9.7 %	4.7 %	12.5 %	12.2 %	10.9 %	10.4 %	10.8 %	10.9 %	11.1 %
Adjusted EBIT-%	2.7 %	3.7 %	0.5 %	1.4 %	2.6 %	6.6 %	3.1 %	-2.4 %	6.9 %	5.4 %	5.9 %	4.4 %	5.2 %	5.3 %	5.3 %
Net earnings-%	-1.7 %	-12.7 %	-1.2 %	-1.5 %	-0.2 %	1.7 %	-0.2 %	-6.4 %	3.0 %	1.7 %	2.3 %	0.7 %	1.8 %	2.1 %	2.2 %
KH-Koneet adj. EBIT-%	5.9 %	4.2 %	-0.3 %	1.8 %	4.0 %	7.0 %	3.4 %	-3.1 %	6.1 %	6.7 %	5.7 %	4.3 %	5.8 %	5.8 %	5.9 %
NRG adj. EBIT-%	5.0 %	6.3 %	9.2 %	7.5 %	2.7 %	10.0 %	7.9 %	4.5 %	12.0 %	3.5 %	9.8 %	8.3 %	6.5 %	6.5 %	6.0 %

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	184	72.2	71.1	73.9	77.4
Goodwill	7.7	7.7	7.7	7.7	7.7
Intangible assets	10.3	9.2	8.2	7.3	6.6
Tangible assets	51.4	50.8	54.1	58.9	63.0
Associated companies	110	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.4	0.1	0.0	0.0	0.0
Deferred tax assets	4.1	4.5	1.2	0.0	0.0
Current assets	87.7	84.5	93.5	103	111
Inventories	60.2	60.2	65.3	71.5	76.7
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	18.5	20.7	20.3	22.6	24.7
Cash and equivalents	9.0	3.6	7.9	8.8	9.6
Balance sheet total	272	157	165	177	188

Source: Inderes

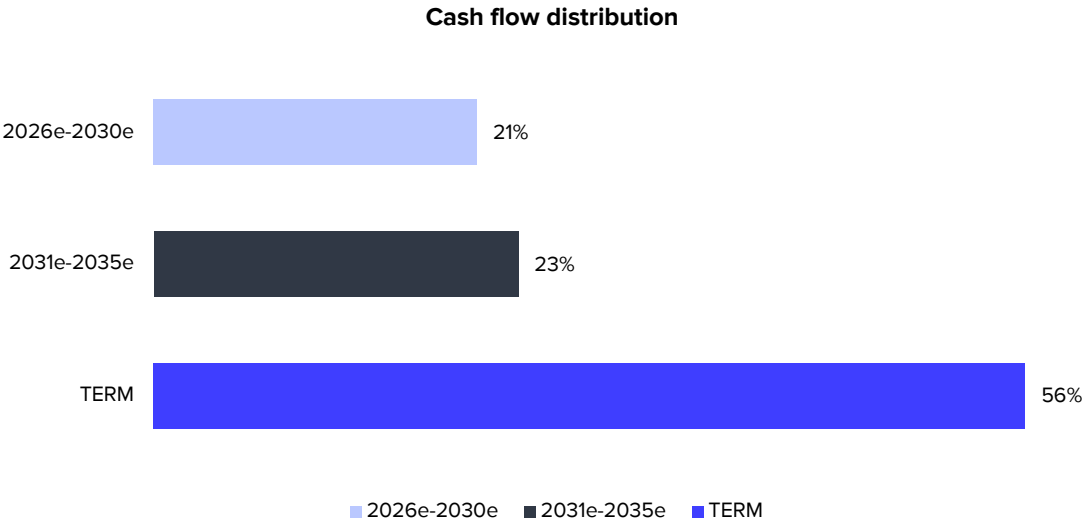
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	49.3	49.7	51.2	55.8	61.4
Share capital	15.2	15.2	15.2	15.2	15.2
Retained earnings	21.9	34.5	36.0	40.6	46.2
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	12.9	0.0	0.0	0.0	0.0
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	-0.6	0.0	0.0	0.0	0.0
Non-current liabilities	57.9	48.0	54.7	57.2	58.7
Deferred tax liabilities	2.1	1.9	1.9	1.9	1.9
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	55.9	46.1	52.8	55.3	56.8
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	165	59.0	58.7	63.8	68.2
Interest bearing debt	23.3	25.9	22.6	23.7	24.4
Payables	31.3	33.1	36.0	40.1	43.8
Other current liabilities	110	0.0	0.0	0.0	0.0
Balance sheet total	272	157	165	177	188

DCF-calculation

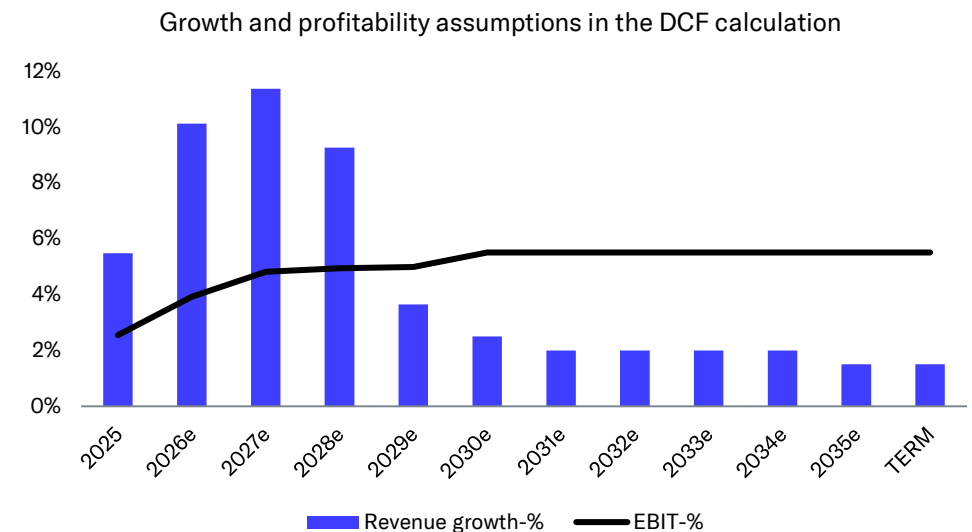
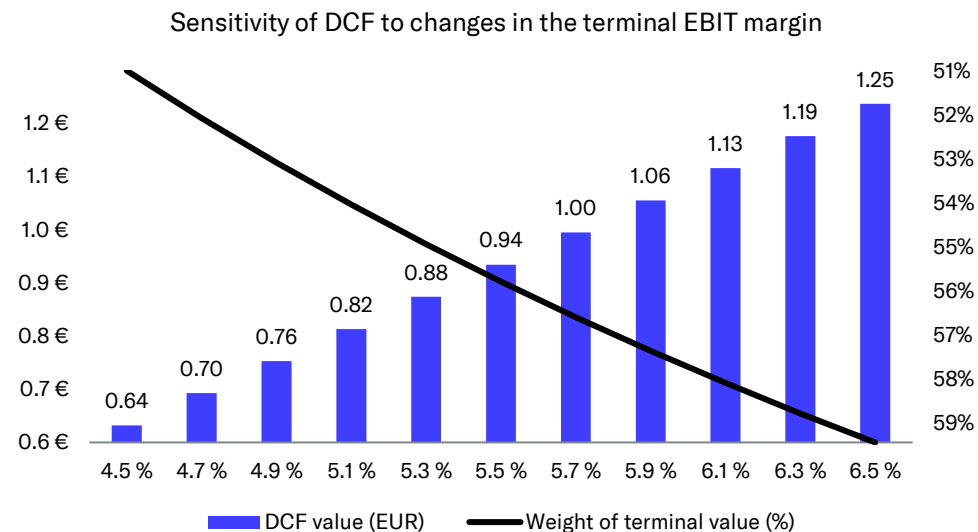
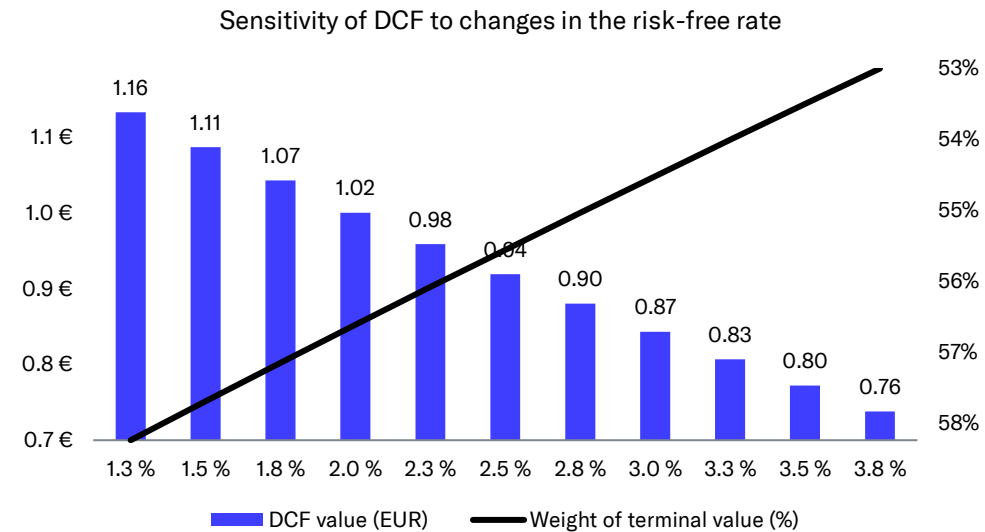
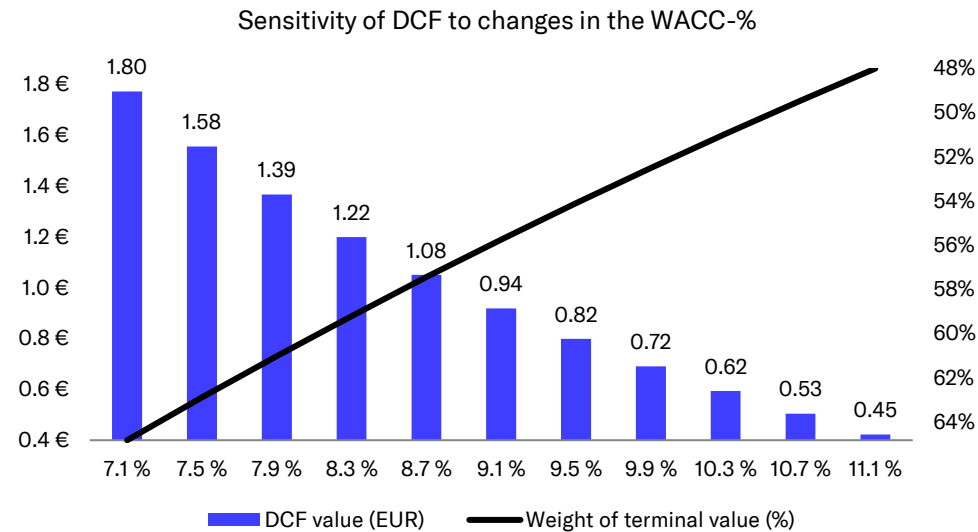
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%		10.1 %	11.4 %	9.3 %	3.6 %	2.5 %	2.0 %	2.0 %	2.0 %	2.0 %	1.5 %	1.5 %
EBIT-%	2.5 %	3.9 %	4.8 %	4.9 %	5.0 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %
EBIT (operating profit)	5.2	8.8	12.1	13.5	14.1	16.0	16.3	16.7	17.0	17.3	17.6	
+ Depreciation	14.6	14.6	15.1	16.3	17.3	17.4	17.8	18.1	18.4	18.7	19.0	
- Paid taxes	-0.8	2.4	-0.1	-1.6	-1.8	-2.2	-2.4	-2.5	-2.7	-2.9	-3.0	
- Tax, financial expenses	-0.8	-1.5	-1.1	-1.1	-1.0	-1.0	-0.9	-0.8	-0.7	-0.6	-0.5	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital		-1.7	-4.4	-3.6	-0.7	0.0	-1.2	-1.2	-1.2	-1.2	-0.9	
Operating cash flow		22.6	21.6	23.5	27.9	30.2	29.7	30.2	30.8	31.3	32.2	
+ Change in other long-term liabilities		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX		-16.8	-19.1	-19.7	-17.6	-18.6	-18.7	-19.1	-19.5	-19.9	-19.9	
Free operating cash flow		5.9	2.5	3.8	10.3	11.6	10.9	11.1	11.3	11.4	12.2	
+/- Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF		5.9	2.5	3.8	10.3	11.6	10.9	11.1	11.3	11.4	12.2	162
Discounted FCFF		5.7	2.2	3.1	7.8	8.1	6.9	6.4	6.0	5.6	5.5	72.6
Sum of FCFF present value		130	124	122	119	111	103	96.0	89.6	83.6	78.0	72.6
Enterprise value DCF		130										
- Interest bearing debt		-72.0										
+ Cash and cash equivalents		3.6										
+ Associated companies		0.0										
-Minorities		-6.6										
-Dividend/capital return		0.0										
Equity value DCF		54.8										
Equity value DCF per share		0.94										

WACC	
Tax-% (WACC)	19.0 %
Target debt ratio (D/(D+E))	50.0 %
Cost of debt	7.0 %
Equity Beta	1.60
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	2.5 %
Cost of equity	12.6 %
Weighted average cost of capital (WACC)	9.1 %

Source: Inderes



DCF sensitivity calculations and key assumptions in graphs



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	403.2	194.0	204.6	225.2	250.8	EPS (reported)	-0.11	-0.42	-0.01	0.03	0.08
EBITDA	31.9	20.3	19.8	23.4	27.2	EPS (adj.)	0.12	-0.40	0.01	0.05	0.10
EBIT	-3.1	5.8	5.2	8.8	12.1	OCF / share	0.75	1.90	-1.59	0.39	0.37
PTP	-15.4	1.6	1.4	3.3	6.7	OFCF / share	0.17	3.91	-1.85	0.10	0.04
Net Income	-6.7	-24.7	-0.3	1.5	4.6	Book value / share	1.29	0.86	0.86	0.88	0.96
Extraordinary items	-13.9	-1.4	-1.2	-1.2	-1.1	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	347.7	271.7	156.7	164.6	176.8	Revenue growth-%	-6%	-52%	5%	10%	11%
Equity capital	79.3	49.3	49.7	51.2	55.8	EBITDA growth-%	168%	-36%	-2%	18%	16%
Goodwill	39.9	7.7	7.7	7.7	7.7	EBIT (adj.) growth-%	-9%	-33%	-12%	57%	32%
Net debt	154.9	70.2	68.4	67.6	70.2	EPS (adj.) growth-%	-48%	-422%	104%	220%	113%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	7.9 %	10.5 %	9.7 %	10.4 %	10.8 %
EBITDA	31.9	20.3	19.8	23.4	27.2	EBIT (adj.)-%	2.7 %	3.7 %	3.1 %	4.4 %	5.2 %
Change in working capital	14.0	100.1	-110.5	-1.7	-4.4	EBIT-%	-0.8 %	3.0 %	2.5 %	3.9 %	4.8 %
Operating cash flow	43.4	110.3	-92.3	22.6	21.6	ROE-%	-8.5 %	-39.6 %	-0.7 %	2.9 %	8.6 %
CAPEX	-35.1	123.2	-12.5	-16.8	-19.1	ROI-%	-1.2 %	3.1 %	4.2 %	7.1 %	9.2 %
Free cash flow	9.7	227.4	-107.5	5.9	2.5	Equity ratio	22.8 %	18.2 %	31.8 %	31.1 %	31.5 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	195.2 %	142.4 %	137.7 %	132.1 %	125.9 %
EV/S	0.5	0.5	0.5	0.6	0.5	Net debt/EBITDA	4.9	3.5	3.5	2.9	2.6
EV/EBITDA	6.4	5.0	5.0	5.5	4.8	EBITDA/net financials	2.6	4.9	5.2	4.2	5.0
EV/EBIT (adj.)	19.0	14.2	15.7	12.8	9.9						
P/E (adj.)	6.5	neg.	38.0	20.2	9.5						
P/B	0.6	0.6	0.6	1.0	1.0						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						
Source: Inderes											

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Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
12/15/2021	Accumulate	2.00 €	1.94 €
3/4/2022	Buy	1.80 €	1.52 €
3/17/2022	Accumulate	1.80 €	1.64 €
5/6/2022	Buy	1.80 €	1.36 €
8/18/2022	Accumulate	1.50 €	1.29 €
11/4/2022	Buy	1.40 €	1.14 €
12/16/2022	Buy	1.40 €	1.17 €
2/21/2023	Accumulate	1.35 €	1.20 €
3/1/2023	Accumulate	1.20 €	1.08 €
5/5/2023	Buy	1.20 €	1.03 €
8/18/2023	Accumulate	1.05 €	0.95 €
Analyst changed			
10/30/2023	Accumulate	0.90 €	0.77 €
11/2/2023	Accumulate	0.90 €	0.79 €
3/11/2024	Accumulate	0.80 €	0.68 €
3/22/2024	Accumulate	0.95 €	0.85 €
5/2/2024	Accumulate	0.80 €	0.70 €
5/7/2024	Reduce	0.65 €	0.61 €
6/10/2024	Accumulate	0.72 €	0.64 €
8/12/2024	Reduce	0.60 €	0.58 €
8/19/2024	Accumulate	0.65 €	0.57 €
11/4/2024	Accumulate	0.68 €	0.60 €
3/17/2025	Accumulate	0.68 €	0.56 €
3/24/2025	Accumulate	0.65 €	0.55 €
5/7/2025	Accumulate	0.65 €	0.53 €
8/18/2025	Accumulate	0.60 €	0.51 €
9/22/2025	Reduce	0.52 €	0.49 €
11/3/2025	Reduce	0.50 €	0.46 €
11/28/2025	Reduce	0.45 €	0.42 €
2/13/2026	Reduce	0.60 €	0.55 €
3/23/2026	Reduce	0.60 €	0.55 €
5/6/2026	Reduce	0.55 €	0.54 €
8/17/2026	Accumulate	0.70 €	0.64 €
10/12/2026	Reduce	0.90 €	0.92 €



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