FRAMERY OYJ

5/28/2026 12:35 noon EEST

This is a translated version of " Äänieristettyä arvonluontia" report, published on 5/28/2026

Thomas Westerholm, Analyst
+358 50 541 2211
thomas.westerholm@inderes.fi

INDERES CORPORATE CUSTOMER

INITIATION OF COVERAGE

Soundproof value creation

We initiate coverage of Framery with a target price of EUR 8.5 and our recommendation set at Accumulate. Framery is the global market leader in soundproofed office workspaces and pods, a growing category that the company has been instrumental in shaping. The investment case combines highly profitable growth and a capital-light business model, which enables an exceptionally generous dividend distribution for a growth company. On an earnings basis, the valuation of the stock appears neutral relative to the company's quality (2026e: P/E 17x, EV/EBIT 14x).

Market leader in soundproofed workspaces

Framery's revenue is mainly generated from the sales of soundproofed office pods, alongside which the company aims to grow rental and SaaS software revenue. Soundproofed office pods represent an estimated target market of ~0.9 BEUR, of which Framery's market share is about 20%. The category has historically seen strong growth, and based on market research commissioned by the company, growth is expected to continue at an annual rate of over 10% until 2030, driven by increasing pod penetration.

Capital-intensive value chain functions are outsourced

Framery's business is capital-light and scalable. In its value chain, the company has outsourced capital-intensive manufacturing operations as well as labor-intensive installation and resale. As a result, the company's return on capital is very high (2024-2025: 93-131%) despite the physical nature of the end product. However, the company handles product assembly itself at its Tampere factory and, in the future, also at its Michigan production facility, which is a key step for the business model to ensure product quality. In our view, Framery's key sources of competitiveness are its first-mover advantage, the distribution network of over 650 resellers the company has built, and a larger scale than its competitors, which enables the manufacturing of components in efficient batches.

Profitable growth and abundant payouts

Framery's historical growth track record is very impressive, and revenue grew by an average of 21% per year in 2018-2025. Last year's 37% growth was exceptionally strong, as a long-term key customer placed more orders than usual. The share of that key customer in revenue rose to 13%, whereas it has typically been around 2%.

Framery is targeting over 10% organic revenue growth and a 25% comparable EBIT margin over the next 3-5 years. Given the very high return on capital, we consider growth in the coming years the key variable for value creation. In our view, the key prerequisites for future growth relate to the continuation of favorable market growth and Framery's ability to productize its service business, which is still in its early stages. For a growth company, Framery's dividend policy is exceptionally generous: the company targets a payout ratio of 70-90%. The low capital-intensity of the business explains this, as the company's growth investments are primarily expensed rather than capitalized.

Warranted valuation level

Framery's investment profile offers a fairly rare combination of strong growth and high profit distribution on Nasdaq Helsinki. The stock's earnings-based valuation (2026e P/E 17x, EV/EBIT 14x) is, in our view, at neutral levels considering the company's profitable growth profile. Based on our estimates for the coming years, Framery's dividend yield will be 5-6%, which is an attractive level for a growth company. Our DCF model, which indicates a per-share value of EUR 8.6, also supports the view that the stock has upside and justifies looking beyond the stock's temporary period of weaker earnings growth.

Recommendation
Accumulate
(was)

Target price:
EUR 8.50
(was EUR)

Share price:
EUR 8.02

Business risk
●●●○○

Valuation risk
●●○○○

	2025	2026e	2027e	2028e
Revenue	222.1	226.7	246.5	271.5
growth-%	37%	2%	9%	10%
EBIT adj.	50.5	50.2	55.3	62.8
EBIT-% adj.	22.7 %	22.2 %	22.4 %	23.1 %
Net Income	20.4	36.8	40.7	46.8
EPS (adj.)	0.38	0.47	0.51	0.59
P/E (adj.)	22.1	17.2	15.6	13.6
P/B	14.5	9.9	8.4	7.1
Dividend yield-%	2.8 %	4.6 %	5.1 %	5.9 %
EV/EBIT (adj.)	14.4	13.7	12.3	10.7
EV/EBITDA	15.5	12.2	10.9	9.5
EV/S	3.3	3.0	2.8	2.5

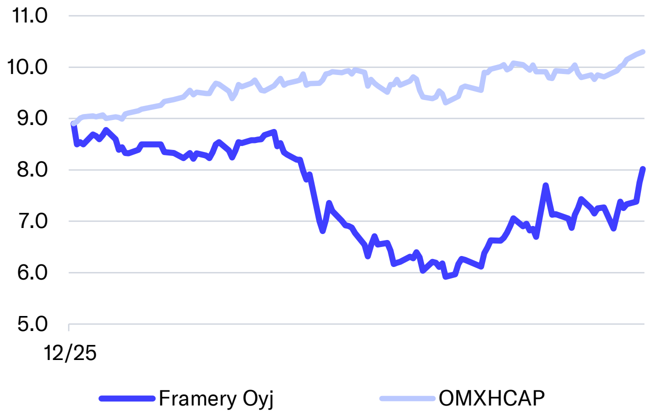
Source: Inderes

Guidance (Unchanged)

Framery does not provide any guidance.

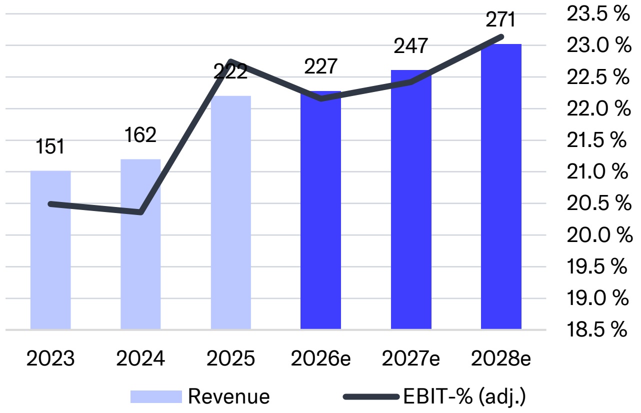
Contents

Share price



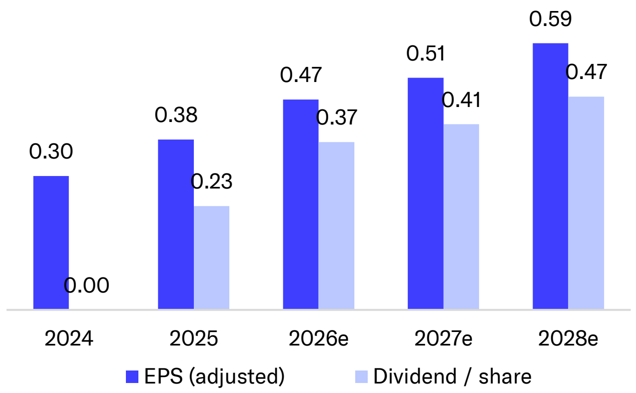
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Leading market position in a growing target market
- High profitability despite strong growth
- Asset-light business model limits investment needs and creates preconditions for generous profit distribution
- Opportunity to expand the target market and strengthen customer retention with services

Risk factors

- Major office furniture manufacturers' investments in the sector
- Service business is still modest despite growth investments
- Business model is dependent on the Tampere assembly plant

Valuation	2026e	2027e	2028e
Share price	8.02	8.02	8.02
Number of shares, millions	79.1	79.1	79.1
Market cap	635	635	635
EV	687	682	672
P/E (adj.)	17.2	15.6	13.6
P/E	17.3	15.6	13.6
P/B	9.9	8.4	7.1
P/S	2.8	2.6	2.3
EV/Sales	3.0	2.8	2.5
EV/EBITDA	12.2	10.9	9.5
EV/EBIT (adj.)	13.7	12.3	10.7
Payout ratio (%)	80.0 %	80.0 %	80.0 %
Dividend yield-%	4.6 %	5.1 %	5.9 %

Source: Inderes

Framery in brief

Framery is the global market leader in factory-built, relocatable, soundproofed office pods.

CAGR: 21%

Revenue growth in 2018-2025

MEUR 222

Revenue 2025

MEUR 50.5

Comparable EBIT 2025

470

Average headcount in 2025

2010

Year of establishment

2010-2017

Framery is founded by Samu Hällfors and a co-founder (2010)

Framery O launched (2013)

Framery O redesign (2015)

Framery Q launched (2016)

2018-2022

Framery 2Q launched (2018)

Vaaka Partners joins to promote growth (2018)

US logistics center commissioned (2018)

First smart soundproofed office pod: Framery One launched (2021)

APAC logistics center commissioned (2022)

2023-

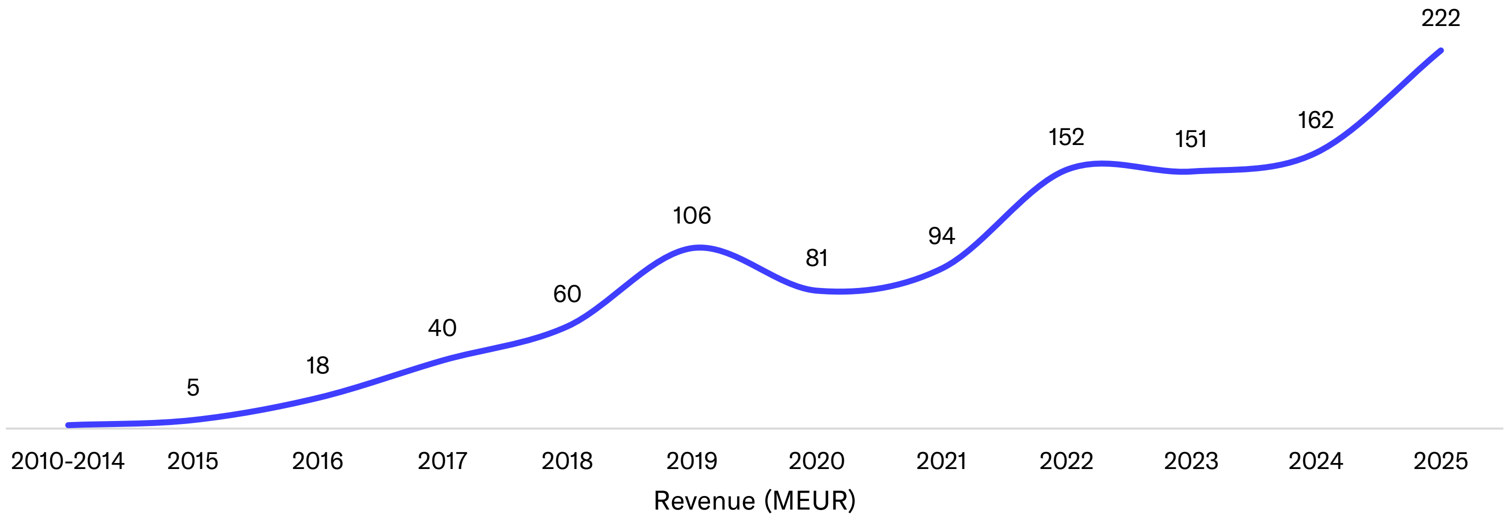
Framery Connect smart office software launched (2023)

Smart Pod products launched (2024)

Room Display door-side screen and Space Overview software launched (2024)

IPO on Nasdaq Helsinki; the company raised 20 MEUR in gross proceeds (2025)

Investment in a US assembly plant (2026)



Company description and business model 1/7

Market leader in factory-built soundproofed office pods

Framery, based in Tampere, Finland, is the global market leader in factory-built, relocatable, soundproofed office pods (hereafter referred to as pods). The company was founded to solve a problem every open-plan office creates: too much noise, too little focus. Framery was among the first companies to launch pods, playing a significant role in the formation of the category. The company designs, assembles, markets, and sells pods and related digital solutions. In its value chain, Framery focuses on key value-adding components, enabling a light and scalable business model. The business is highly international, with export markets accounting for over 95% of revenue.

Revenue is weighted towards soundproofed office pods

Framery's revenue is almost entirely generated from the sale of soundproofed office pods, which takes place primarily through an international reseller network. Pod sales is a one-time source of income, although repeat purchases of Framery's workspaces are common among customers. Framery believes its products have the most advanced features on the market. From a customer experience perspective, it is critical that the pods provide good sound attenuation and have good ventilation. Achieving these features simultaneously, along with humidity control, is the main challenge in pod design. All Framery pods feature 30 dB speech attenuation, integrated touchscreens, automatic occupancy detection, 4G connectivity for automatic software updates, and calendar integration. Framery targets the mid-price range with its products. The final price of the pods typically ranges from 7,000 to 21,000 euros, depending on their model and specifications, while their typical lifespan is 5–10 years.

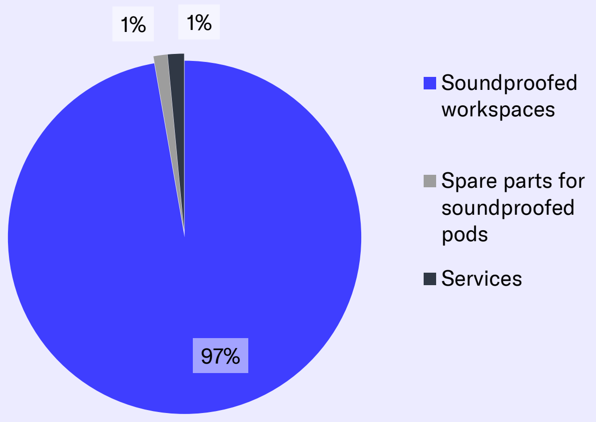
Framery's pod offering consists of four collections: Framery One Compact, Framery One, Framery Four, and Framery Six. These new generation products are largely similar in features but differ in size and intended use. The pods are customizable, with a variety of interior and exterior color schemes available. The materials of the pods are replaceable, which enables product maintenance and spare parts sales. In Framery's business, pod maintenance is outsourced to resellers, and we estimate that the primary role of spare parts sales is to enhance customer satisfaction.

The system is built into all of the company's new generation workspaces, which enhances product differentiation. It offers users basic functions for space management and information on utilization rates. This creates a direct communication channel between Framery and end-customers, which is rare in the office furniture market and deepens customer relationships. However, utilizing all functionalities requires a Framery Plus subscription.

Services are the next source of growth

Services account for approximately one percent of Framery's revenue. This revenue stream is recurring and includes both the pod rental service (Framery Subscribed) and revenue generated from the smart office system subscription (Framery Plus).

Framery's revenue breakdown



Framery's smart workspace range

Framery One Compact

Framery One

Framery Four

Framery Six

Company description and business model 2/7

The Framery Subscribed rental service was launched in Finland in 2019. The service has recently been expanded to new markets and is currently offered in eight countries in Europe. At the end of September 2025, the Framery Subscribed installed base totaled 895 pods, while the company's sold workspaces in 2025 are estimated to be around 20 thousand pods. Despite the rental service's currently small size, we believe it has achieved a good penetration rate in its most mature markets.

Pods are leased directly from Framery's balance sheet with a monthly fee that covers the product warranty, related maintenance and intra-city relocation, and access to the Framery Plus software service. Maintenance and upkeep of rental pods are included in the service, and local resellers are responsible for providing these personnel-intensive services. Customers can upgrade or cancel their service model subscription with a three-month notice period. After the contract period, Framery is responsible for collecting the pod from the customer. The goal is to reuse returned pods for new Framery Subscribed customers to maintain fleet utilization. In addition, Framery maintains a small secondary market for former rental pods and Framery products released by customers, which we believe supports customer satisfaction.

Framery estimates that renting pods enables an average gross margin per pod some three times higher compared to selling them, considering the revenue generated from their sale after the rental period ends. Under the Framery Subscribed model, revenue is generated slower than through pod sales, but from this perspective, we believe the revenue generated from rentals is more attractive. According to the company, a single Framery One product generates EUR 14,300 over a 48-month rental period, based on historical figures. In addition to high profitability, the pod rental service expands Framery's potential customer base. According to management's estimate, approximately 70% of Framery Subscribed customers choose Framery due to the rental service, meaning the rental service cannibalizes only about 30% of direct pod sales and expands the potential customer base.

Smart office solution

Framery's smart office system is compatible with smart pods (i.e. new generation products launched in 2024). In addition to Framery's own workspaces, the smart office system can be utilized in traditional meeting rooms and, for example, as a reservation system for parking spaces.

The smart office system enables some functionalities free of charge, but comprehensive workspace analytics and calendar booking functionalities, for example, require a Framery Plus subscription. Framery Plus is priced according to the number of spaces connected to the system. The spaces connected to the system can be pods supplied by Framery, but also other spaces that utilize Framery's sensors – for example, meeting rooms. This aligns with industry norms, where solutions are typically priced based on the number of spaces or users. Currently, Framery charges EUR 11 per space, but the price will be raised to EUR 15.75 in January 2027. Based on our observations, Framery's pricing is affordable compared to competitors, which should support user growth.

Framery Smart Office system components

Framery Connect platform

Framery Connect enables the management of utilization data for smart pods and other connected spaces on a centralized platform.

Framery Connect

The Framery Connect sensor is a workspace occupancy sensor that enables anonymous real-time tracking of space utilization for any office space.

Framery Room Display

The Framery Room Display software is a room booking system.

Framery Space Overview

Framery Space Overview software shows real-time availability of spaces and helps in finding suitable workspaces.

Framery App

Framery App enables searching for and booking workspaces.

Company description and business model 3/7

In 2023, the company launched Framery Connect, a platform for managing soundproofed office pods and other connected spaces, upon which the Framery Plus subscription service has since been built. The Framery Plus subscription service is still in its early stages, with software subscription revenue totaling 7 TEUR in Q3'25. In October 2025, Framery had a total of ~490 paid spaces connected to the Framery Plus service (note: a single customer may have multiple spaces in use). Based on our experience, the ability to book workspaces via calendars, in particular, is a feature that users would find challenging to give up once the software trial period ends. We estimate that the added value of workspace analytics will be emphasized in larger organizations, where the large number of workspaces makes it difficult for an office manager to assess their utilization rates.

Demand for the Framery Plus application is yet to be proven, but we believe Framery's other business operations improve its chances of success. This is because pods offer Framery an effective customer acquisition channel for its software service; customers receive a unified, integrated platform for space management from Framery, and they do not need to acquire additional hardware to enable the smart office system. Framery leverages its pod sales as a customer acquisition channel for the Plus application by offering new customers a one-year free trial of the Framery Plus application. The first free trial periods ended in May-June 2025 for 246 customers. Of these customers, Framery was able to convert 12.4% into paying Plus customers. According to Framery, this figure underestimates the company's ability to convert Plus software trial users into paying subscribers, as a large portion of the first cohort purchased their products before all system functionalities were launched.

In addition to new customers, Framery aims to grow its smart office system by offering software trial periods to existing customers who do not yet have it (i.e. customers whose products are all previous-generation soundproofed office pods). Additionally, the software is sold to entities that do not yet have Framery products. We believe Framery has strong potential to expand its customer reach among existing clients, as currently only 35% of Framery pods in use are new-generation smart pods. In our view, pods create clear sales synergies for the smart office system. However, we are reserved about Framery's ability to expand into entirely new customer accounts with software as the primary offering, as we believe differentiation in smart office software is challenging, and Framery does not enjoy the same market-leading position as it does with its pods.

The business is highly international...

Framery's business is highly international, with its products sold in over 90 countries. The largest single market is the United States (28% of 2025 revenue). This creates a clear currency exposure to the US dollar, as Framery's cost structure is primarily euro-denominated. India was the company's second-largest market, accounting for 8% of revenue. Framery divides its revenue into Europe, Middle East and Africa, North, Central and South America, and Asia-Pacific. The most significant of these is Europe, the Middle East, and Africa, which accounted for slightly over half of the group's revenue last year. According to the company, sales in the Asia-Pacific region typically include larger project sales, which emphasizes quarterly fluctuations.

Free features of the smart office platform:

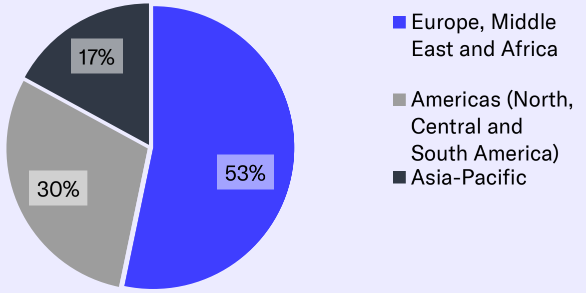
- Limited analytics from Framery Connect
- Unlimited user accounts
- Workspace naming and space management
- Maintenance requests

Framery Plus features

- All smart office system features
- Framery Connect analytics
- Smart workspace booking system
- Mobile bookings via the Framery app
- Real-time room availability and booking
- Workspace reservations with Microsoft/Google calendars
- Continuous wireless product updates

Price EUR 11 per workspace
(EUR 15.75 from 2027 onwards)

Framery's revenue distribution by market area in 2025



Company description and business model 4/7

...and relies on resellers

Framery's sales primarily occur through its network of over 650 resellers, which the company had at the time of its listing. Resellers are responsible for product sales, showroom displays, deliveries, installation, and maintenance. Due to the extensive reseller network, Framery's exposure to its largest reseller is very limited, in our view, at 1-3%, which restricts the resellers' negotiating power with Framery. Framery provides a public recommended retail price for its products, but distributors are responsible for their own pricing. We understand that distributors typically price the product at a 10-30% premium to their purchase price. The company does not aim to expand product distribution to every channel, but to maintain pricing discipline, customers must have the option to choose between resellers. Resellers are generally very satisfied with their cooperation with Framery, as evidenced by a very high NPS score of 85 (scale: -100 to 100). Framery has over 50 sales representatives globally who actively manage the reseller network to optimize sales performance. Framery sells its products directly to end-customers in two markets: Finland and Sweden. In our view, direct sales in these markets are mainly due to the company's Finnish roots and the structure of the local reseller landscape. Direct sales markets account for ~5% of Framery's revenue, so their direct impact on the Group's sales is limited. However, the company strategically utilized them to collect data on, for example, return rates, wear and tear, aftermarket operations, and maintenance costs of pod rentals before expanding the Framery Subscribed model to reseller-driven markets. We consider it likely that direct sales markets will continue to be utilized for validating new products or business operations. We do not expect the company to open new direct sales markets due to the personnel-intensive nature of direct sales.

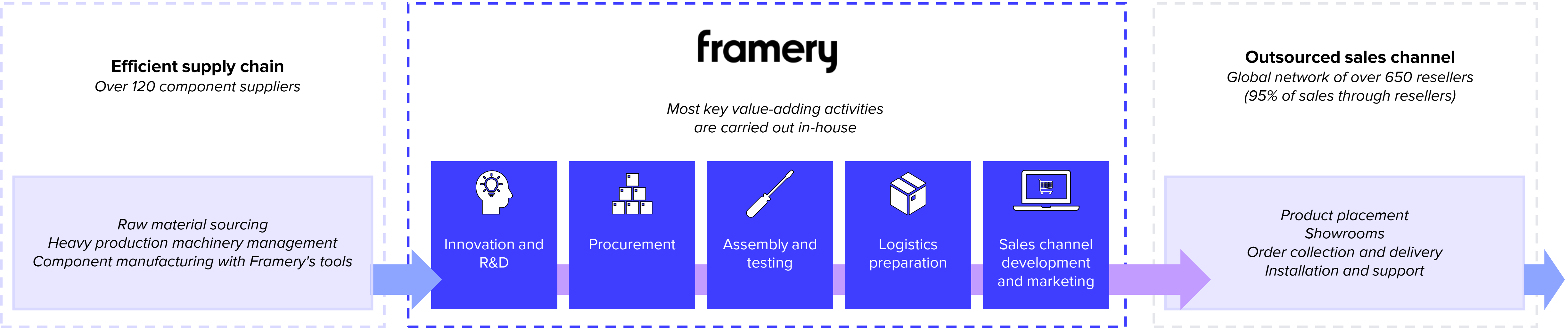
Broad clientele

At the time of its listing, Framery had over 11,900 end-customers in more than 100 countries. The customer list is truly impressive, as it includes over 70% of the top 100 companies on Forbes' 2025 Global 2000 list. The customer base is broadly distributed across various industries, including technology, finance, banking and insurance, medicine and healthcare, manufacturing, consumer goods, consulting and professional services, as well as the public sector and non-profit organizations. We estimate that private sector end-customers account for 90-95% of revenue. According to the company, 97% of customers who have purchased Framery's soundproofed office pods continue to use them, and the company's customer retention is the highest in the industry. This claim is supported by a high end-customer NPS score of 56 in the industry context (the average for the pod market is 22). Although the share of recurring revenue is low, sales are heavily concentrated on existing customers: 65% of Framery's revenue comes indirectly from repeat end-customers. In our view, in addition to high customer satisfaction, the continuity of revenue is partly explained by customer behavior, as pods are typically initially tested on a small scale in one location before larger acquisitions. In any case, high customer retention is a sign of customer satisfaction. In our view, Framery is strong in customer relationships where the client is genuinely willing to invest in the functionality of their workspaces. Conversely, we estimate that the most price-sensitive customers are more challenging for Framery.

Framery's reference customers

1) Based on market research commissioned by Framery

Company description and business model 5/7



Value chain focuses on value-adding activities

Framery is very selective about its value chain position. The company focuses on high value-added activities and primarily outsources capital and labor-intensive stages of the value chain to its partners, which supports the scalability of the business model and improves capital return potential. At the time of the IPO, 73% of the company's employees were white-collar workers.

In the upstream value chain, Framery emphasizes local sourcing for its procurement, with over 90% of purchases coming from Europe, though electronic components for the smart office system primarily originate from China. However, the company has alternative suppliers for these outside of China as well. Despite a broad supplier base, Framery's supply chain appears concentrated, as the 10 largest component suppliers accounted for 48% of purchases. However, this is because many of Framery's suppliers operate in the automotive industry and produce long series very efficiently, which we believe supports the concentration of procurement. In collaboration with them, Framery typically owns and manages production molds, but heavy production equipment is outsourced. Owning the molds facilitates switching suppliers, but we estimate this would still be a laborious, though not impossible, process.

Framery's products are assembled and prepared for delivery at its assembly facility in Tampere. Controlling assembly is crucial for ensuring product quality. In addition, the company has three third-party managed logistics centers located in Lempäälä, Michigan, and Singapore. Through its logistics centers, the company aims to shorten its delivery times and reduce its reliance on air freight. Products are delivered to customers in flat-pack boxes. Typically, products are delivered within four weeks of order, and despite the international nature of the business, product logistics costs are only about 7% of Framery's revenue.

In the second half of 2026, Framery will convert its Michigan logistics center into an assembly plant. This enables the company to meet North American demand with locally tailored products. Framery estimates this will optimize the company's working capital needs and accelerate its ability to respond to market-specific changes. Expanding assembly also reduces the business's dependence on the Tampere factory and improves supply chain resilience against trade tensions such as tariffs. However, one challenge in decentralizing assembly is the reduction of economies of scale as component suppliers' production batches shorten. Framery estimates that the Tampere facility's capacity is sufficient to more than double current production volumes, so capacity constraints were not a key factor behind the investment decision.

Company description and business model 6/7

Gross margins are at a good level

Framery's income statement is broken down by expense type, but the company nevertheless detailed its gross margins for recent years in its listing prospectus. The company's gross margin has increased from 45% in 2022 to 47% during the first three quarters of 2023, which is a high level in the office furniture market and indicates an ability to differentiate from competitors. However, the company's gross margin has been under pressure in recent years. In our view, the gross margin in 2024 was pressured by the ramp-up of a new product generation and the parallel manufacturing of the previous generation during the transition period. During the first three quarters of 2025, the gross margin deteriorated due to the impact of US import tariffs and a weak dollar.

In general, however, the new pod generation has supported the company's margin profile, as, despite its improved product features, the material costs of the new smart pod generation are, according to the company, 8% lower compared to the previous generation's plywood-based products. However, Framery maintained the relative price level of its new generation products despite their improved features, which enhanced the perceived value of the products and, in our view, demonstrates an emphasis on long-term competitiveness. However, with the new product line, the company was also able to reduce assembly costs by 25% by transitioning from cell-based assembly to line assembly, which supports relative profitability. In the longer term, gross margins will experience structural upward pressure from the service business, provided the company successfully scales it. Gross margins are higher for pod subscription services and Framery Plus software revenue than for pod sales.

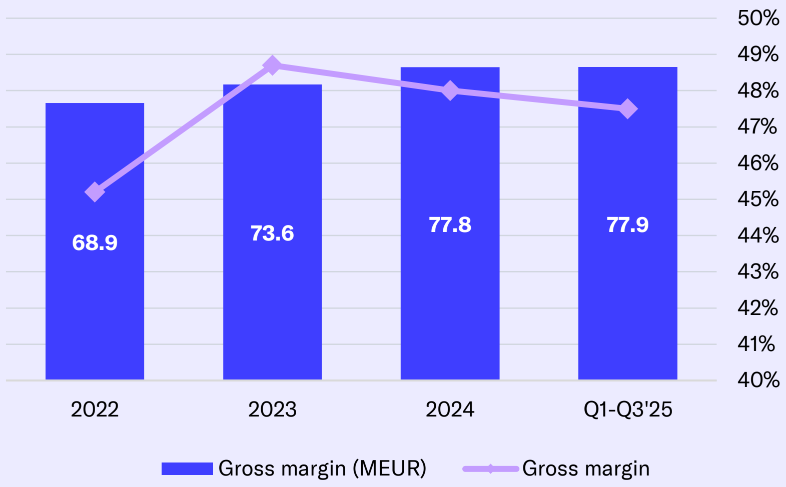
Cost structure includes many variable or semi-fixed elements

Framery's most significant expense, materials and services, primarily consists of the company's material purchases. In recent years, this item has been 47–49% of revenue. Aluminum and steel are the company's key raw material purchases, so changes in their price or tariff levels sensitively affect the company's profitability. However, in our view, Framery's strong pricing power limits the effects of cost inflation. Framery has outsourced the personnel and investment-heavy parts of its value chain, which explains the moderate share of these expense items in revenue Personnel expenses have been roughly 18-20% of Framery's revenue. We estimate this expense item to be semi-fixed, allowing for a slight scalability with growth.

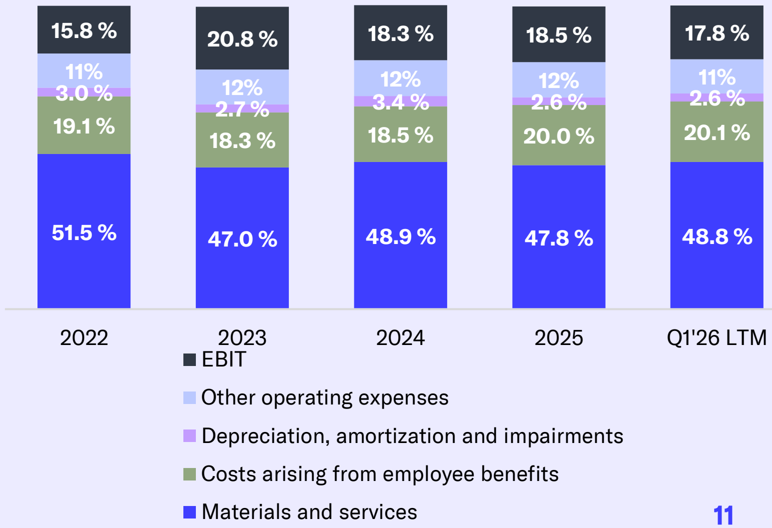
Framery's depreciation accrues from the company's machinery and equipment, leased premises, and capitalized development expenses. Depreciation also accounts for the impairment of pods in the Framery Subscribed rental service, so growth in the rental service would increase the level of depreciation.

Other operating expenses include a wide range of items, from software, marketing, and R&D expenses to foreign exchange losses and external services. Costs incurred from the listing were also recorded under this item, which explains the temporary relative increase in this expense item in 2025. We estimate that this expense item is ~19% of Framery's revenue on a normalized basis. We view this expense item as largely variable, and thus it does not offer significant scalability as the company grows.

Gross margin is at a strong level



Framery's relative income statement



Company description and business model 7/7

Light capital requirements

Despite the physical nature of its products, Framery's business model is asset-light due to its position in the value chain. In recent years, the business has tied up approximately 15 MEUR in working capital and 21-24 MEUR in property, plant, and equipment and other intangible assets. However, the company's balance sheet is larger than the operational capital requirement of its business model due to 69 MEUR in goodwill. The goodwill originated from Vaaka Partners' investment. Framery's growth has been entirely organic, which is why we find it more fruitful to assess profitability and capital requirements adjusted for goodwill.

Due to its asset-light business model, starting assembly operations in the US will require an investment of less than one million euros from Framery, according to the company's estimate. In our view, the investment in assembly operations primarily requires premises, tools, and equipment. The US assembly plant is intended to be operated in cooperation with the company's long-term partner, as a result of which Framery's own staffing needs in the US are estimated to increase from only 30 to 40 people.

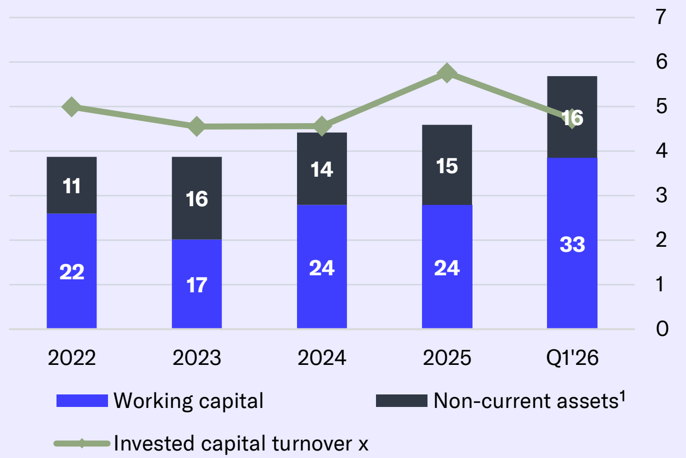
Framery's fast delivery times enable resellers, with a few exceptions for individual showroom models, to avoid holding products on their balance sheets. In our assessment, this will slightly increase the company's working capital requirements but improve distributor satisfaction with the partnership. Additionally, delivering products on demand provides Framery with near real-time visibility into demand trends and facilitates reacting to various demand shocks. To enable fast delivery times, Framery designs its products to be modular, which keeps the number of stock-keeping units in check despite the customization options for the products.

R&D investments are kept in-house

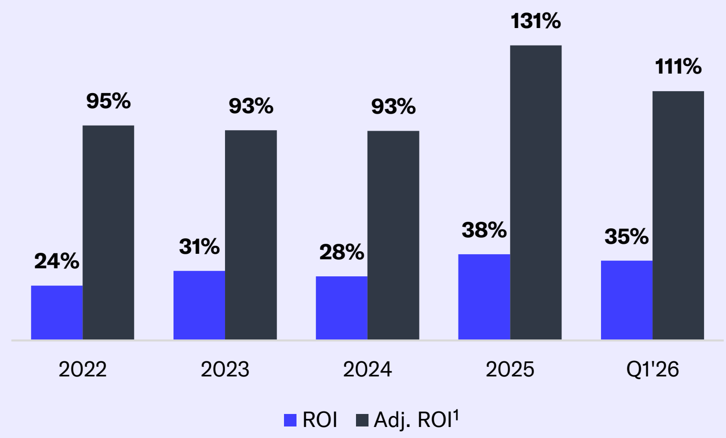
Framery's product development in recent years has focused on a new generation of pods and a smart office system. Through its R&D investments, the company has aimed to improve the user experience by making pods lighter, reducing their material and assembly costs, and decreasing product packaging sizes. The company has patented its solutions for, among other things, pod sound insulation, ventilation, self-closing door hinge solutions, and the structure and electronics of smart pods. In September 2025, Framery had 27 granted patents, 52 active patent applications, over 200 registered design rights, and 15 trademarks, through which the company protects its product portfolio. Product development enables the company to leverage economies of scale as a market leader, as R&D investments are spread across a larger volume of products sold compared to smaller competitors.

Framery capitalizes certain development costs on its balance sheet, which include external services, materials, and directly allocated fees. Development expenditures are depreciated over 3 years, while intangible rights and software are depreciated over 5 years If R&D investments do not meet the company's capitalization criteria, they are recorded as part of other operating expenses. The company will capitalize 0.8-1.1 MEUR in intangible assets in 2024-2025, so the capitalizations have a limited impact on earnings. R&D expenses recognized in the income statement have been 2.3-2.9 MEUR.

The business ties up limited capital...

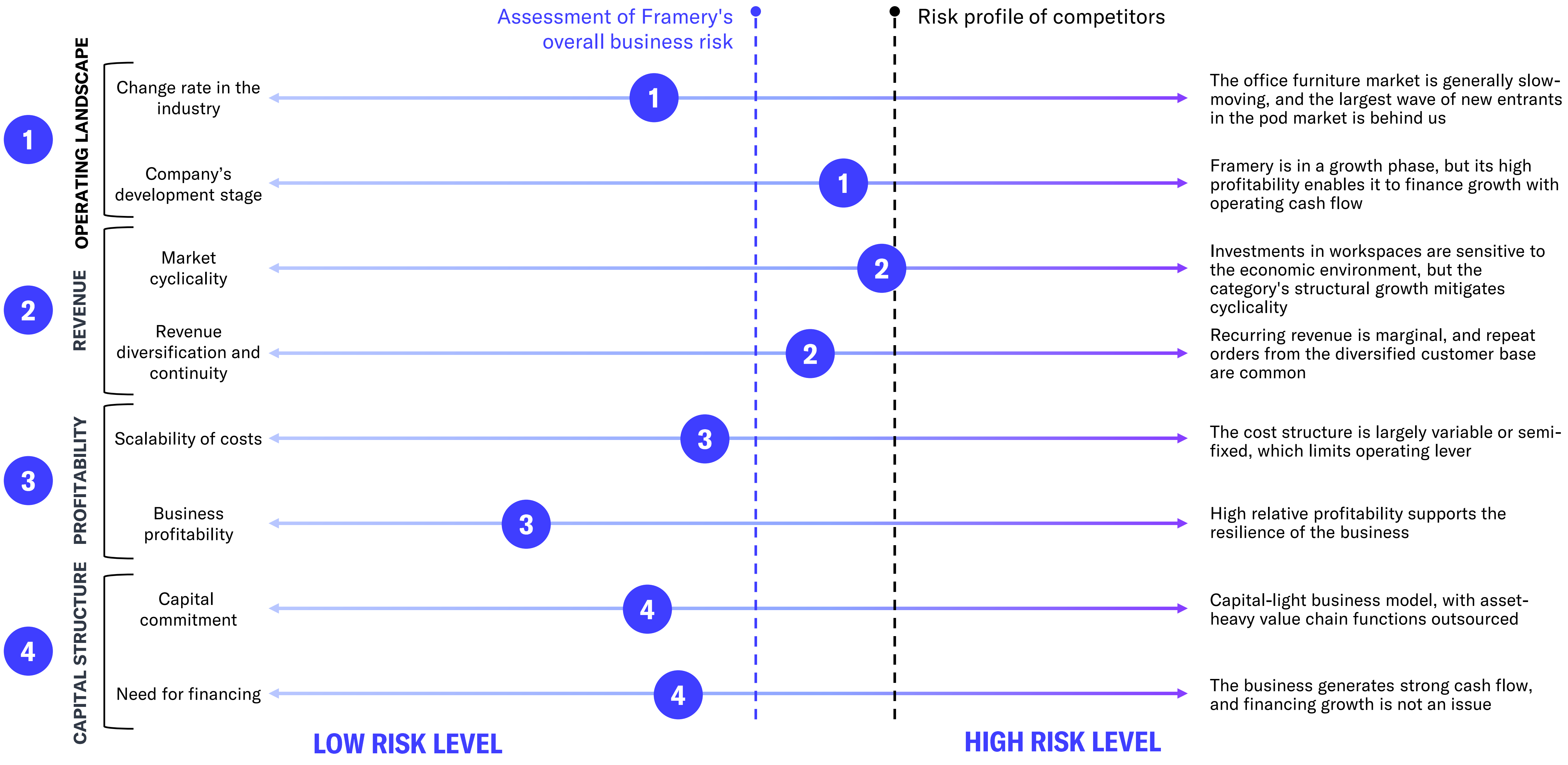


...which enables a very high return on investment[2]



1) Adjusted for goodwill and non-recurring items

Risk profile of the business model



Management team and ownership

One of the founders at the helm

Samu Hällfors is one of Framery's founders and has served as the company's CEO since 2017. Since 2017, Framery's revenue has grown by an average of 23%, and with the high profitability of its business, this growth has been very value-creative. Given the company's strong historical performance, we are positive about the founder leading the company. In our view, this gives the CEO more authority in strategic decision-making and facilitates emphasizing long-term choices. In our view, the CEO's background as a founder increases their commitment to the company and its success. Hällfors is the company's second-largest shareholder, which we see as an additional incentive for value creation.

Lauri Isotalo has served as the company's CFO since 2017, and has thus been part of the significant value creation of the last decade. With his ownership of over 400,000 shares, we believe Isotalo's incentives are aligned with the interests of the shareholders. Looking at Framery's management team, we are positive about the management's ownership – every member of the management team is among the top 100 largest shareholders. The management team consists of 10 members, which we consider quite extensive relative to the company's size. Although the management team is extensive, all its members are Finnish, which we find surprising given the company's highly international business. Despite the composition of the management team, the company's sales team is global, which we consider a prerequisite for international growth. Framery's Board of Directors does, however, include two US citizens, one of whom has an extensive background in the North American office furniture market. In spring 2026, Framery established a performance-based incentive program for its key personnel for the years 2026-2030. The system's earning criteria are tied to the stock's total return, adjusted EBIT, and CO_2 emission reductions. We are positive about the inclusion of total return in the system, as we believe this is an effective metric for aligning the interests of owners and key personnel. The system covers approximately 50 key personnel, and the maximum amount of remuneration corresponds to 455 thousand shares (~0.6% of all shares).

Ownership structure is fairly concentrated

Framery was listed on Nasdaq Helsinki in December 2025. In the offering, Framery raised 20 MEUR in gross proceeds, and existing shareholders sold shares worth 210 MEUR. Despite the IPO, the ownership structure remains quite concentrated, with the 10 largest shareholders holding almost 60% of the shares. Framery's largest owner is the private equity firm Vaaka Partners, which invested in the company in 2018. The investment price is not public information, but given Framery's strong performance, we assume the investment has been very profitable for Vaaka Partners. Due to the limited investment horizon of Vaaka Partners' funds, the main owner will likely divest its ownership within a certain timeframe. Given their significant ownership, we expect them to favor larger block trades. Other major shareholders of Framery include pension companies Varma and Elo, private equity firm AlpInvest Partners, and angel investor Kim Väisänen. Each of them owned shares prior to the IPO. WIP Asset Management, Handelsbanken, Säästöpankki, OP, Danske Bank, Evli, and S-Pankki acted as cornerstone investors in the IPO.

Framery's management team and management ownership[1]

Name	Position	Holding
Samu Hällfors	CEO	5,153,790
Lauri Isotalo	CFO	402,627
Lasse Karvinen	Head of Sales	740,924
Daniela Tjeder	Chief Marketing Officer	355,257
Hannu Seppä	Head of Supply Chain	284,204
Anni Hallila	Head of People and Culture	236,838
Tomi Nokelainen	Interim Head of R&D	58,188
Oona Vilermo	Strategy Director	58,188
Henrik Skyttä	Head of Customer Operations	21,856
Arto Vahvanen	Head of Smart Office Solutions	18,601

Framery's 10 largest shareholders[1]

	Name	Number of shares	% of shares
1.	**Vaaka Partners**	17,168,650	21.7%
2.	**Samu Hällfors**	5,153,790	6.5%
3.	**Pension Insurance Company Varma**	5,087,008	6.4%
4.	**Alpinvest Partners**	5,084,937	6.4%
5.	**Pension Insurance Company Elo**	3,052,205	3.9%
6.	**Kim Väisänen**	2,731,313	3.5%
7.	**Janus Henderson Investors**	2,092,855	2.6%
8.	**Hissipuhe Oy**	2,059,920	2.6%
9.	**Paio Global Oy**	2,001,431	2.5%
10.	**Handelsbanken Fonder**	1,994,000	2.5%
	10 largest total	**46,426,109**	**58.7%**
	Total shares	**79,148,831**	**100%**

1) 4/30/2026

Industry and competitive landscape 1/5

Target markets are growing strongly

Framery's target markets can be divided into two parts: soundproofed office pods and smart office systems. In soundproofed office pods, the company is a clear market leader, whereas in smart office systems, the company is still a marginal player. Framery's key target markets are North America, Western and Northern Europe, Singapore, Hong Kong, and Australia. According to market research commissioned by Framery, the size of these markets in 2024 was ~0.9 BEUR for soundproofed office pods and 1.5 BEUR for smart office systems. From Framery's perspective, there is an overlap between the categories, as Framery has integrated the smart office system into its pods. However, market-level data for the target market is scarce, which inevitably reduces the accuracy of estimates. Framery has a team of arround five people whose job is to collect market data to support decision-making.

Framery's target markets have grown strongly in recent years, and this growth is expected to continue. The shift of work communities to open-plan offices and hybrid work are two key growth drivers in Framery's target markets. Based on market research commissioned by the company, soundproofed office pods are expected to grow by 12% annually between 2024 and 2030, while smart office systems are expected to grow by 15%. In our view, the estimates sound high, but on the other hand, market growth has historically been very strong. Other market research providers also generally expect market growth of over 10%, although publicly available pod market studies are, in our view, generally of poor quality.

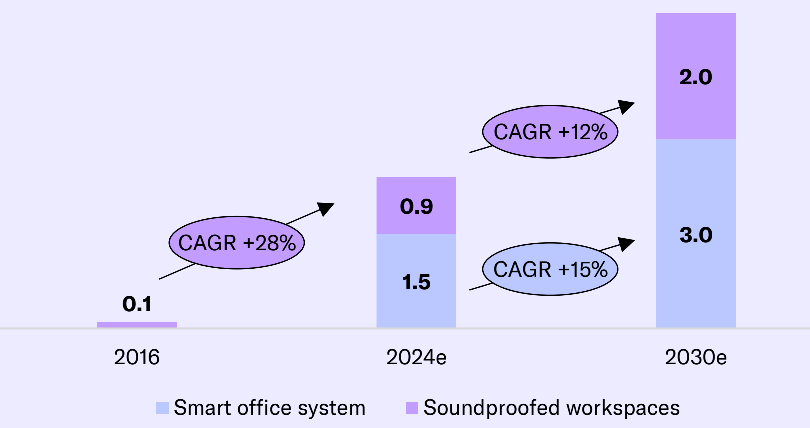
Europe is the most mature pod market

So far, Europe has been the most mature pod market, measured by the ratio of soundproofed office pods to employees, but other markets are expected to follow suit. Between 2024 and 2030, the European pod market is expected to grow by ~14% annually, North America by about 16%, and the Asia-Pacific region by 12% annually. Driven by growth, the number of installed pods is expected to increase significantly. The number of installed pods in Framery's target markets was estimated at 0.2 million in 2019 and 0.7 million in 2024, and this number is expected to grow to 1.4 million by 2030. Office furniture distributors also anticipate strong growth: they expect the increasing penetration rate of pods to boost their share of revenue from 8% to 13% between 2024 and 2027.

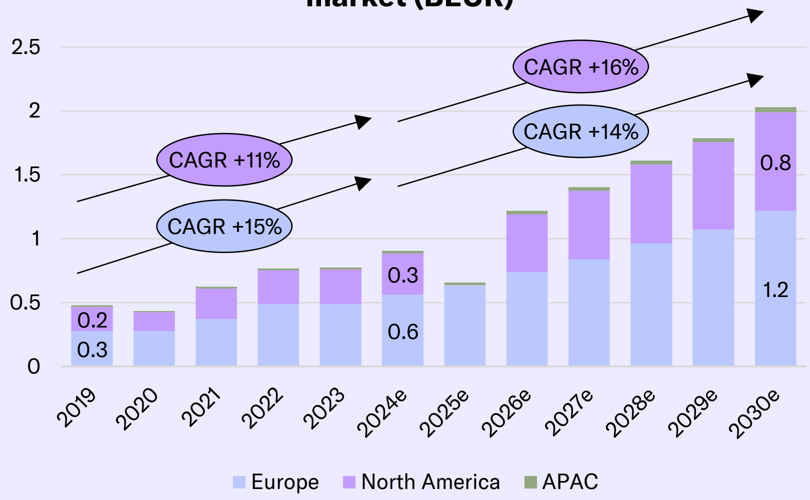
The projected growth of the pod market is based on three factors: an increase in pod penetration (i.e. the number of pods relative to employees), growing replacement demand, and price increases Of these drivers, the development of pod penetration is the most critical, as the estimate assumes the penetration rate will double from 27% to 54% between 2024 and 2030. This leaves room for further penetration growth in the 2030s. A 100% penetration rate would correspond to an installed base of approximately 2.5 million pods in Framery's core markets, while the theoretical maximum estimated in market research would be around 5-6 million pods. The growth in the number of installed pods also belatedly increases replacement demand in the industry, as the lifecycle of pods is around 5–11 years. In 2024, replacement demand was estimated at 38,000 pods, and it is expected to rise to 130,000 pods by 2030, which would account for about half of the total demand.

1) Third-party market research commissioned by Framery, 2) Share of installed pods relative to the market's full potential. 100% assumes that 50% of companies in the target markets utilize pods

Market developments in Framery's core market (BEUR)



Estimated total pod market in Framery's target market (BEUR)[1]



1) Source: A third-party market research commissioned by Framery

Industry and competitive landscape 2/5

Pricing is the third factor driving growth in the pod market. Framery's management does not expect it to be a key driver for market development, although forecasts are based on annual real price increases of ~1%. The increasing prevalence of larger pods is also expected to support per-pod pricing. We estimate that positive price development will be concentrated in higher-quality products, where improving quality and product features support pricing. We expect the pricing environment to remain particularly tight among price-sensitive customers, with the benefits of improved production efficiencies largely flowing through to end-customers.

The growth of the pod market has not been linear historically, which is also evident in Framery's own figures. In a weak economic environment, cost savings and hiring freezes make investing in office comfort and the work environment more challenging, encouraging work communities to postpone investments. This introduces a cyclical element to demand, despite the structural growth drivers.

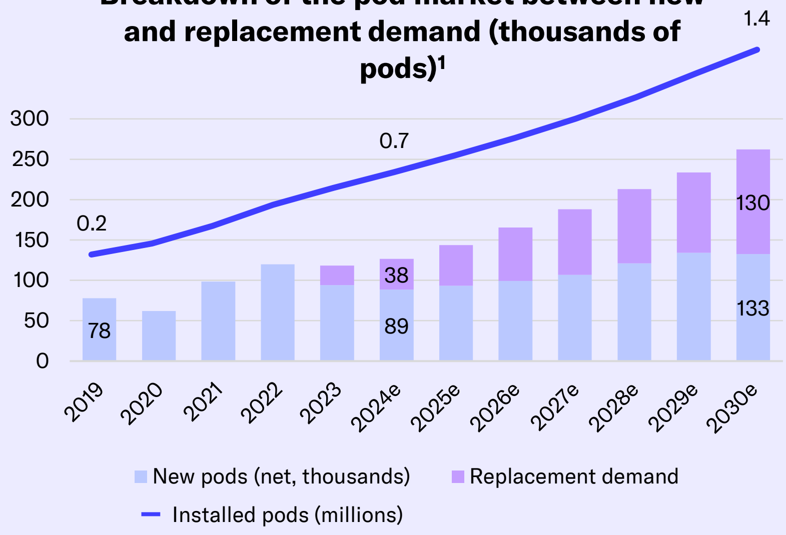
Framery is the largest pod manufacturer globally

Framery is a clear market leader in soundproofed office pods in its key markets, where it had an estimated market share of roughly 17–19% in 2023. The pod market is estimated to have grown by some 16% between 2023 and 2025, in light of which Framery gained market share with an annual growth rate of ~21%. A key factor behind the faster-than-market growth was the launch of a new generation of pods in 2024. Framery is an industry leader in product features, pricing its products competitively despite advanced functionalities (e.g. soundproofing, ventilation, and smart office features). In the pod market, Framery competes with around 180 players. Between 2018 and 2021, the pod market attracted many new entrants, and the number of competitors grew from 95 to 177. In our view, the wave of new entrants was explained by the industry's strong growth and the unfilled niche in the reseller network. However, reseller pod selections have since matured, which has raised the barrier to entry. Between 2022 and 2025, only 10 new competitors have entered Framery's target market annually. A similar number has exited the industry annually, which has led to a stabilization in the number of players. Thus, Framery enjoys a first-mover advantage in its target market, as it has succeeded in building the industry's broadest distribution network and production capacity during the early stages of the industry's development.

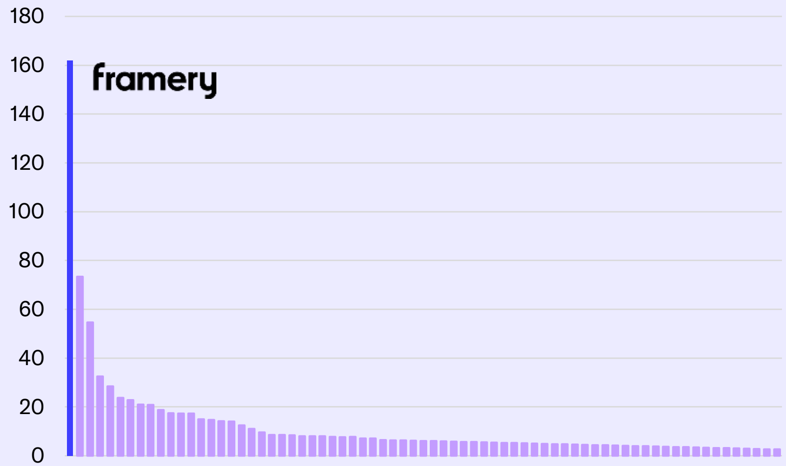
Pod manufacturers competing with Framery are unlisted companies or belong to a larger decentralized entity, which means that financial figures for them are limited. Based on market research commissioned by Framery, few competitors have achieved a sufficient scale to operate profitably. We estimate that, in addition to production costs, another key challenge for many competitors is the lack of technical expertise to manufacture sufficiently high-quality pods. This assessment is supported, in our view, by Framery's high end-customer NPS (Framery 56, industry average adjusted for Framery 22).

In the pod market, competing directly on price is challenging without highly efficient production and economies of scale, as material costs are relatively consistent regardless of the product's target price point (assuming a certain level of soundproofing is desired for the product).

Breakdown of the pod market between new and replacement demand (thousands of pods)[1]



Revenue of pod manufacturers 2024 (MEUR)[1]



1) Source: A third-party market research commissioned by Framery

Industry and competitive landscape 3/5

In our view, Framery's key competitors are Mikomax, ROOM, and Orangebox. Large players in the office furniture market are clearly interested in pods as a category, as Haworth acquired Mikomax, the industry's second-largest player, in 2021. In addition, Steelcase acquired Orangebox in 2021 and OFS acquired ROOM in 2024.

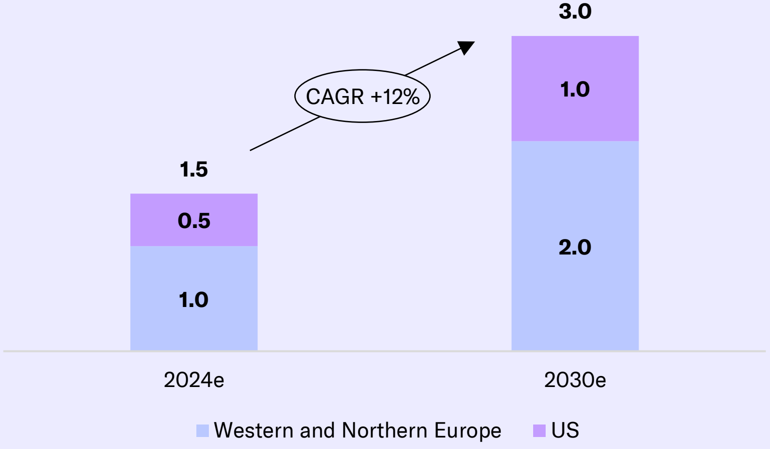
In our view, there is clear industrial logic in acquiring pod manufacturers, as large players in the office furniture market can provide capital for growth investments and expand their distribution through their own channels. In addition, belonging to a large player can, in our estimation, bring economies of scale in material procurement and deepen customer relationships with distributors through a broad product offering. However, we believe that being part of a large player is not exclusively beneficial for pod manufacturers. In our view, it may limit a pod manufacturer's long-term international growth potential. Other product categories of the manufacturer may guide thinking and resource allocation such that the pod product is developed primarily as a complementary solution to the rest of the product portfolio, rather than through independent product-driven development.

The competitive landscape of the pod market includes many small local players whose competitiveness relies on local presence and market knowledge. In our view, these players are unable to fully capitalize on the economies of scale offered by efficient industrial production, which increases their production costs and weakens their ability to invest in product development. In the pod market, market-specific regulation also complicates the international scaling of business. Regulations can differ, for example, in relation to fire safety legislation, electrical approvals, material requirements, and earthquake requirements, as well as construction legislation, the interpretations of which vary slightly around the world. Framery has tackled this challenge by designing all its products to account for market-specific differences in target markets, but this dynamic can slow down expansion into new markets. With the upcoming US assembly, Framery will also manufacture soundproofed office pods specifically tailored to North American preferences. Chinese pod manufacturers like Dancoo and Cyspace have entered the pod market and compete primarily on price. The office furniture market has generally been challenging for Chinese companies in Western countries. In our view, one of the buyers' concerns regarding Chinese products relates to data security and privacy protection, which hinders their market entry.

The smart office system industry is quite broad

The smart office system market consists of hardware such as sensors and door displays, and software such as room booking systems and analytics. Based on market research commissioned by Framery, the market size is estimated to be 1.5 BEUR in the United States and Western and Northern Europe, and is projected to grow by ~12% between 2024 and 2030. We believe it is important to note that despite the estimate's narrower geographical coverage, the smart office system market is estimated to be larger than the pod market. The growing prevalence of open-plan offices and hybrid work is expected to drive the growth of smart office systems as workplaces seek to utilize their spaces more efficiently. Moreover, the increasing adoption of smart pods is expected to support the growth of smart office systems. Pricing is expected to remain in line with inflation, with additional growth dependent on potential new product features.

Estimated size and development of the smart office market, BEUR[1]



Industry and competitive landscape 4/5

The smart office market covers a wide range of players

The smart office market can be divided into four segments: pod manufacturers, room booking software providers, usage data aggregators, and large technology companies. According to management's assessment, Framery is the only significant pod manufacturer that offers an integrated smart office system. This creates a distinctive market position for the company and, in our view, enhances the perceived quality of its products among buyers. Room booking software providers, on the other hand, are pure SaaS players that sell reservation systems and calendar integrations. Usage data aggregators collect and process space utilization data gathered by their sensors. Large technology companies, in turn, offer office solutions as part of a broader IT ecosystem and primarily compete for larger clients.

Framery is the only major pod manufacturer that offers a smart office system. This sets the company apart and can provide a competitive advantage among customers who value ease of use. To serve this segment, we believe Framery's software must be able to offer functionalities comparable to those of its competitors. In such cases, the ease of a unified ecosystem may outweigh competitors' more advanced features in decision-making. In our view, Mikomax and Orangebox would have the prerequisites to develop their own smart office systems. Due to their smaller size, the investment may not be attractive, as the pod business is only a small part of their parent companies' overall operations.

In our view, Framery's position as a new entrant is particularly challenging with customers who do not yet have the company's smart pods. This is because competitors have years of lead in product development and a large customer base from which they receive valuable feedback to improve their operations. In addition, success in their own category is vital for competitors focusing on a single piece of the ecosystem, which leads management's attention and strategic decision-making to be concentrated on them. However, we understand that Framery is in discussions with smart office system customers who do not yet have the company's pods, so we will be following any potential updates regarding this customer segment with interest.

In our view, the most problematic competitor group for Framery's smart office system is large technology companies. These typically offer functionalities like space reservation to their corporate customers for free as part of a broader license. Thus, we believe large technology companies can erode the smart office system market's pricing power by expanding the functionalities they offer to their customers. In our view, the exposure is further increased by the fact that industry players are building their services to complement the ecosystems of large technology companies, which is especially true for room booking software providers. Proprietary hardware offers some protection to usage data aggregators from the competitive threat posed by large technology companies. However, this does not completely eliminate the threat they pose, as Cisco, for example, has integrated its own sensors into its network infrastructure.

Structure of the smart office market

1. Pod manufacturers

framery

2. Room booking software providers

Envoy, Robin, Skedda, eptura

3. Usage data aggregators

Verge Sense, Density, butlr

4. Big technology companies

Microsoft, Google, Cisco, zoom

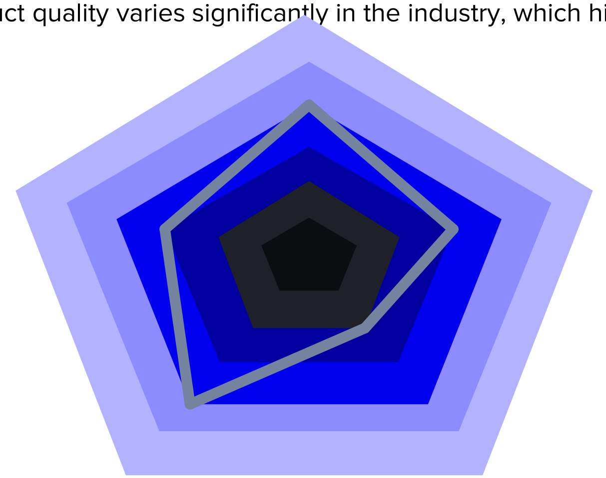
Industry and competitive landscape 5/5

Current competitive situation (moderate*)

- Competition is intense, especially in lower-priced products, and a large portion of pod manufacturers are unprofitable
- The industry's growth currently limits the intensity of competition, but the situation may change as the category matures
- Unlocking economies of scale is possible, but it requires extensive distribution and significant initial investments
- Product quality varies significantly in the industry, which highlights the importance of branding

Threat of substitutes (low*)

- The rise of hybrid work, combined with the flexibility and more affordable price point of pods, mitigates the threat that private offices pose to pods
- The nature of work and the widespread shift to working from home is a more significant threat, but the post-pandemic trend has been a growing return to offices for work communities
- Acoustic partitions and office acoustic design offer an affordable alternative, especially for price-sensitive customers
- A widespread reduction in office work would naturally be negative



Bargaining power of suppliers (low*)

- The manufacturing of modules purchased by Framery does not require specialized expertise, and there are no critical bottlenecks in the supply chain. However, Framery is a small customer for suppliers serving the automotive industry, which reduces the company's bargaining power
- The recovery of the European automotive industry would strengthen suppliers' bargaining power

Threat of new competitors (moderate*)

- The barrier to entry is not particularly high, but it has increased with the saturation of distribution channels. In the premium segment, competition also requires significant investments in product development
- The industry's strong growth outlook will likely continue to attract new entrants
- The best prerequisites for market entry are with large office furniture manufacturers, who have their own distribution to facilitate business scaling
- The limited size of the industry reduces the interest of larger companies in it

Bargaining power of buyers (low*)

- Framery's reseller network is diversified, with the largest reseller contributing only a few percent to the company's revenue
- The risk of resellers vertically integrating into the manufacturing of smart pods is virtually non-existent
- Resellers do not have significant switching costs, but Framery's strong brand recognition, high customer retention, and good product margins raise the threshold for replacing the company in the distribution channel

Source: Inderes

* Inderes' assessment of the threat posed by industry forces to Framery, on a scale of no threat, negligible, low, moderate, high, and very high.

Strategy and financial targets 1/3

Growth-driven strategy

Framery's strategy is growth-driven and relies on continuous development of product features and strengthening product distribution. In our view, the focus areas are justified, as product features and distribution, together with a seamless customer experience, play a critical role in maintaining the company's competitive advantages. To develop product features, the company's strategic projects focus on strengthening its market position in all core market areas and promoting the adoption of the smart office system to scale the SaaS business. A key shift in product features occurred in 2024 when Framery launched a new generation of smart soundproofed office pods. With this change, the most important raw materials and value chain shifted from the wood and plywood emphasis typical of the office furniture market to the deep-drawn steel characteristic of the automotive industry. New product launches are key drivers for revenue growth, and according to Framery, demand grew in 2025 across all customer segments, supported by the new generation of pods. The change makes production better suited for larger batches, which reduced the per-product manufacturing cost by an estimated 8% despite the improved durability and features of the products. In our view, the change in production method is a concrete example of how Framery can capitalize on economies of scale in its business. When launching the new product generation, Framery kept product prices roughly unchanged despite improved product features to expand its customer base and strengthen its price perception among customers. We velieve that this demonstrates patience in developing the business and the company's long-term competitiveness, rather than optimizing for short-term results. In our view, this may also indicate pressure from competition to share efficiency gains achieved in its own operations with customers.

In 2025, Framery's product development focused particularly on the smart office system, the launches of which we have summarized on the following page. The SaaS revenue from the smart office platform represents only a marginal revenue stream for Framery, but it has only recently been launched and its revenue is very high-margin. However, more central than the earnings impact of SaaS revenue, in our view, is the ecosystem effect of the entire smart office system, which differentiates Framery's pods from competitors and creates switching costs for the customer through workspace integration.

We believe expanding the Framery Subscribed rental service model is an easy decision due to the model's high profitability and its ability to expand the customer base. However, to support these estimates, we want to see concrete signs of growth in service revenue. In general, we note that in Framery's strategy communication, SaaS and Subscribed businesses play key roles despite their very limited scale so far.

Key themes of the growth strategy

Best smart workspaces and best smart office system	Effortless global availability

Strategic projects

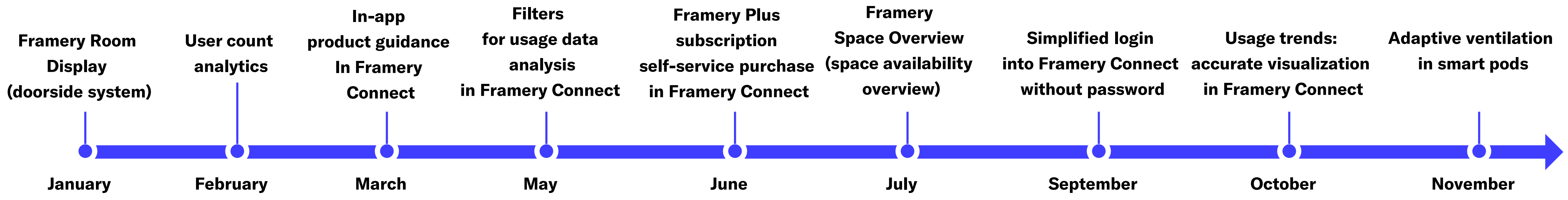
1. Further strengthening the leading market position in all core market areas	2. Promoting the adoption of the smart office system to scale the SaaS business	3. Promoting growth through custom distribution strategies	4. Global deployment of the Framery Subscribed rental service model in collaboration with resellers to reach new customers

Strategy and financial targets 2/3

Framery's product development process and ongoing development projects[1]

Project	Significant product updates	New product concepts	Small product updates
Ongoing projects	1	4	4
Future projects	4	6	19
Typical development cycle	~2 years	Case-by-case	~6 months

2025 smart office system releases



1) 12/31/2025

Strategy and financial targets 3/3

Financial targets

Framery's board has set the following financial targets for the company for the next 3-5 years:

- **Growth:** Over 10% average annual organic revenue growth compared to 2025
- **Profitability**: 25% adjusted EBIT margin in the medium term
- **Leverage**: Net debt / adjusted EBITDA below 2.0x
- **Payout:** The goal is to pay out 70–90% of the net income for the financial year as dividends. Part of the payout can be carried out through share buybacks

Framery's annual growth target of over 10% appears conservative at first glance compared to its historical growth rate. However, it should be noted that 10% is the minimum level of the target. As the company's market share in pods is already around 20%, future growth will increasingly rely on general market growth and the discovery of new growth areas. In addition, the target's comparison year is 2025, which was exceptionally strong due to significant orders from a major key customer. With an increased global market share, growth will also become more cyclical and dependent on new product launches than before. Due to its high profitability, Framery's growth is genuinely value-creating, and we consider it to be the primary mechanism for value creation in the future as well.

In the medium term, Framery aims for a comparable EBIT margin of 25%, compared to 20-23% in recent years. Given the favorable profitability trend in recent years and the improved competitiveness of the new product generation, we consider the target realistic as growth continues. Since Framery's profitability is already very high, we consider aggressive margin improvement to be risky, as it could lead to excessively high prices or neglect of investments required for growth. With this in mind, we believe there is a huge difference in whether improved profitability is sought through pricing or a scalable cost structure.

Framery targets a net debt to comparable EBITDA ratio of less than 2.0x. Within the target range, we believe the leverage will remain at a conservative level relative to cash flow. At the end of 2025, the ratio was 1.2x, leaving plenty of room to leverage the balance sheet. The capital-light business model somewhat limits the balance sheet's debt capacity, as the company has limited collateral or salable assets to reduce financial leverage.

Despite its growth-driven strategy, Framery aims to distribute 70-90% of its earnings to its owners. The asset-light business model limits the capital required for growth, which enables high growth despite a generous dividend payout. Due to low investment needs, growth investments are mainly expensed rather than capitalized. In our view, the company does not have the prerequisites to deepen its competitive advantages by expanding into more capital-intensive operations in the value chain, which limits investment opportunities. We are positive that, as part of the profit distribution policy, a portion of the funds can be distributed through share buybacks. With strong cash flow and balance sheet flexibility, share price declines could open up attractive investment opportunities for Framery, provided the company has the courage for opportunistic capital allocation.

Group financial objectives

Framery's financial objectives:

- Annual organic revenue growth: **+10%**
- Medium-term adj. EBIT-%: **25%**
- Net debt / adj. EBITDA: **<2.0x**
- Payout ratio: **70-90%**

Financial position 1/2

The balance sheet is characterized by lightness

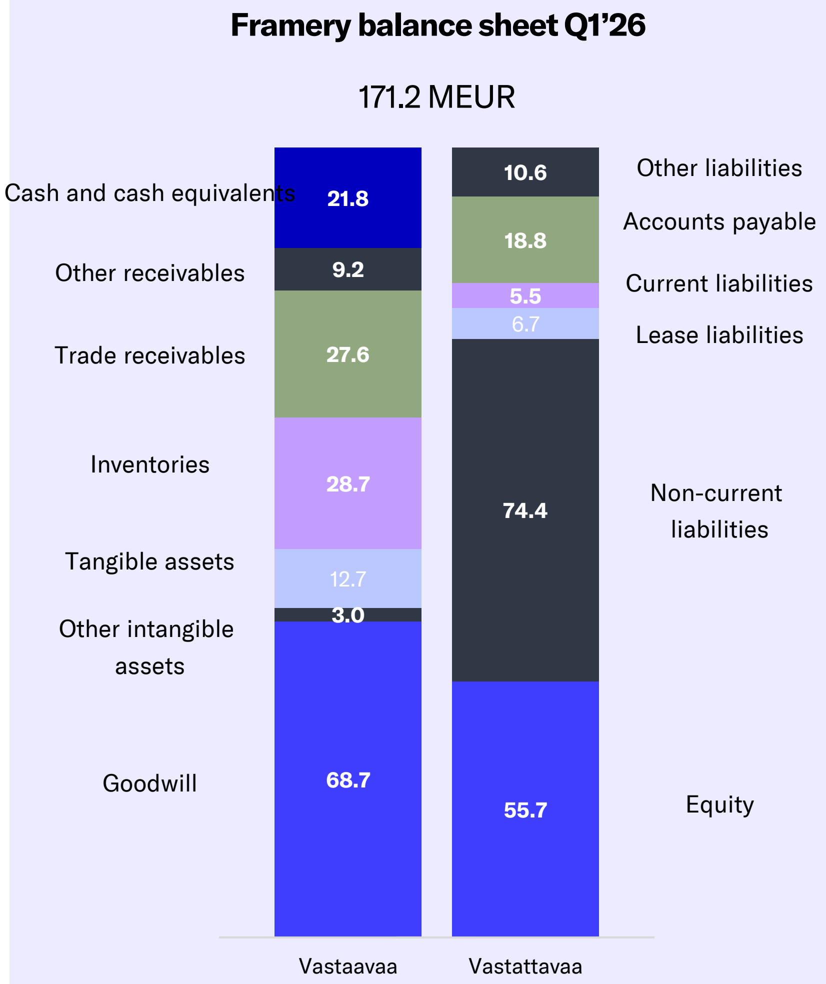
Framery's balance sheet is very light due to the company's position in the value chain. At the end of Q1'26, the balance sheet total was 172 MEUR, of which 69 MEUR was goodwill. Since the company's historical growth and value creation are not based on acquisitions, we prefer to assess capital requirements adjusted for goodwill. In its business model, Framery carries inventory on behalf of distributors, which slightly increases its level. At the end of Q1’26, inventories amounted to 29 MEUR. Other key items on the company's balance sheet include trade receivables of 28 MEUR, tangible assets of 13 MEUR, and cash and cash equivalents of 22 MEUR. Framery's working capital turnover is around 70-80 days. In recent years, the working capital cycle has accelerated (i.e., assets invested in working capital are released faster), driven by the slower turnover of accounts payable. The continuation of the trend may indicate strengthening bargaining power with suppliers. Tangible assets will increase slightly as assembly operations begin in the United States, but this balance sheet impact is expected to be small on Framery's scale. Excluding the large cash position, we believe the balance sheet is efficiently utilized, and there is no significant hidden value outside the core business.

Balance sheet leaves room for capital allocation

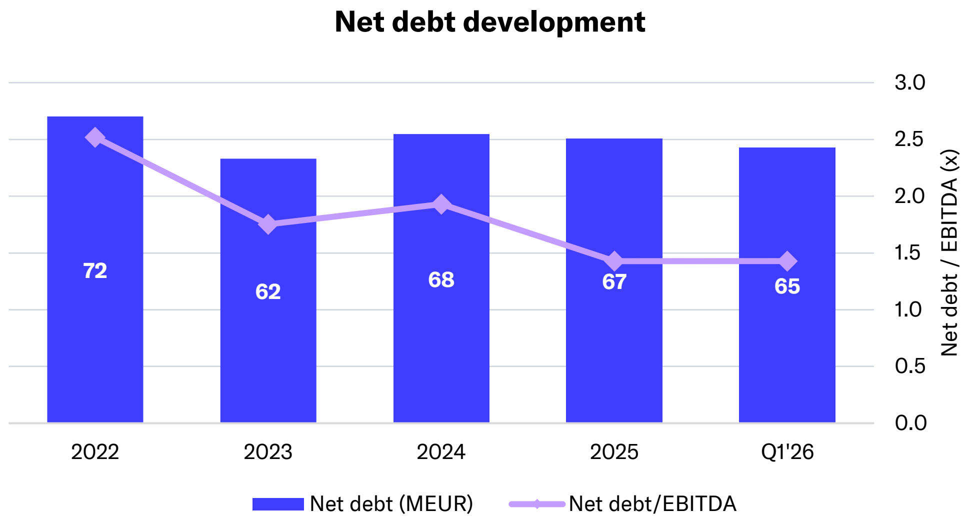
At the end of Q1’26, Framery’s equity was just under 56 MEUR and the equity ratio was 32%. Adjusted for goodwill, the company's equity would be clearly negative, which reflects the capital-light nature of the business model (a significant portion of investments that strengthen competitiveness are expensed in the income statement, which reduces equity). However, due to the company's high profitability, we do not see a write-down risk related to the company's goodwill. Due to the asset-light balance sheet, we believe that relating net debt to the company's earnings capacity is more meaningful than relating it to equity, and the company's net debt/EBITDA ratio was 1.2x, which we consider a moderate level.

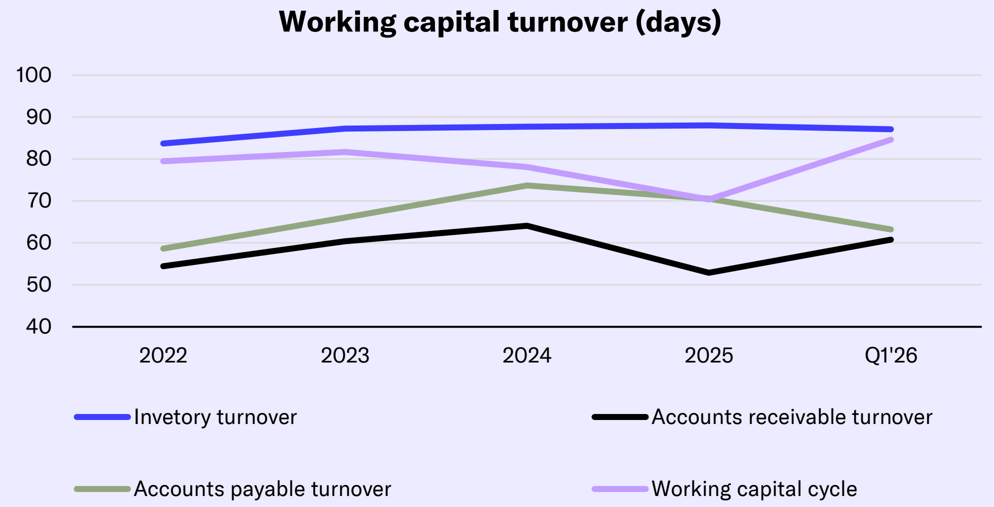
At the end of 2025, Framery refinanced its balance sheet. The current financing package consists of an 80 MEUR term loan, a 15 MEUR revolving credit facility, and a 5 MEUR overdraft facility negotiated in 2026. The term loan has a maturity of five years, and the company repays it in semi-annual installments of 2.7 MEUR until the remainder is paid at maturity. The company's revolving credit facility, on the other hand, can be flexibly drawn down over the next five years and was not drawn down at all at the end of Q1'26, but its existence provides flexibility for growth investments and capital allocation opportunities. Framery's debt financing has a long maturity, which we believe supports the long-term development of the business and reduces the already low liquidity risk.

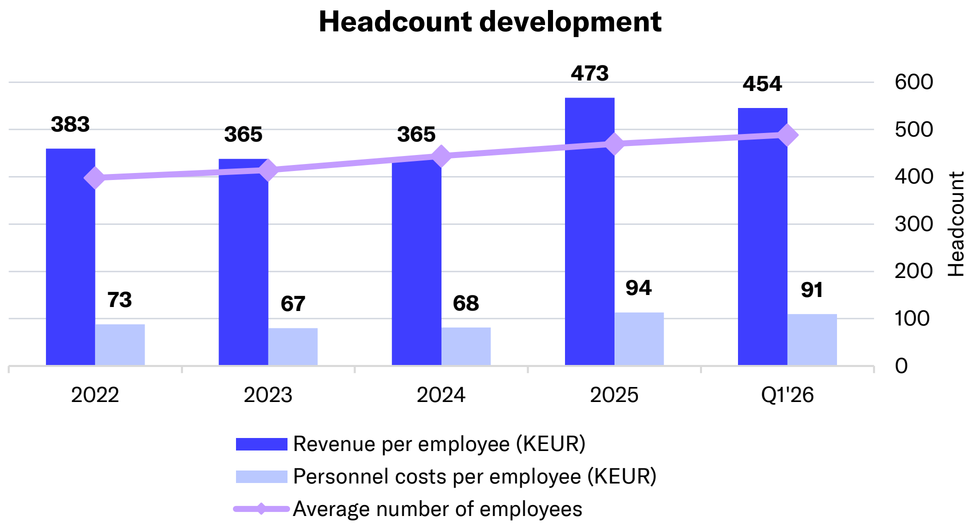
Framery pays a floating interest rate on its financing, which consists of the Euribor reference rate and an interest margin, exposing the company to changes in interest rate levels. The interest margin is tied to the net debt to EBITDA ratio and was 1.25% for the term loan and 1% for the revolving credit facility at the time of the IPO. In our view, Framery's debt capital is affordable, and by allocating it to growth, we believe the company has excellent conditions for value creation. Framery's new financing package includes a covenant tied to the net debt/EBITDA ratio, requiring a maximum ratio of 3.25x, which leaves the company considerable room to leverage its balance sheet. However, based on the company's financial targets, the covenant threshold is quite clearly at a higher level than the capital structure Framery is aiming for.

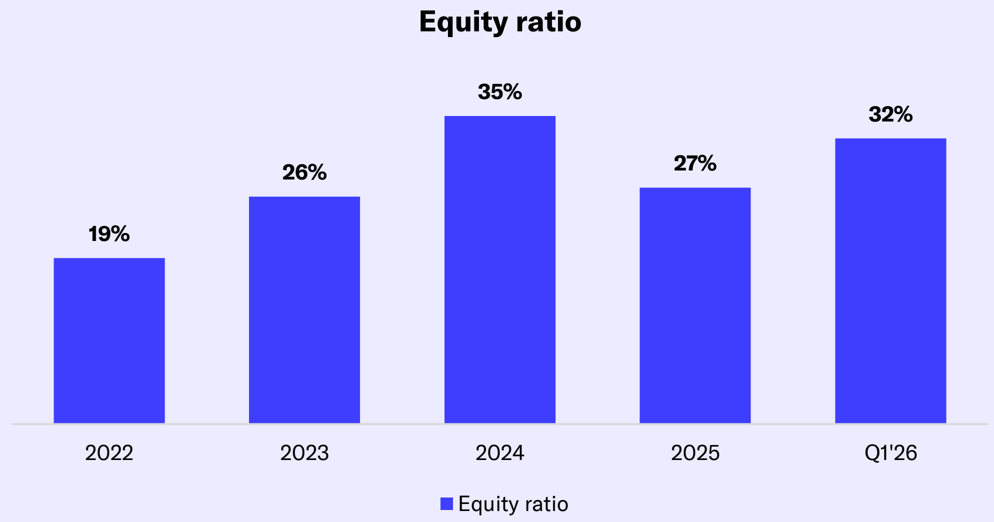


Financial position 2/2









Investment profile 1/2

1. Leading market position in a growing industry
2. Strong historical track record of value creation
3. Capital-light business model enables strong cash flow
4. High customer retention and satisfaction
5. The founder and CEO is at the helm, and the management team has significant ownership in the company

Potential

- Asset-light business model enables a generous distribution of profits despite growth investments
- Expanding the target market with a smart office system and pod rental
- Successful ramp-up of the software business could increase the switching costs of Framery's solutions
- Opportunity to leverage the international distribution network to realize sales synergies from M&A

Risks

- Investments by large office furniture manufacturers in the pod market and the resulting increase in competition
- Framery's future growth will increasingly depend on market growth due to its significant market share
- Modest development of service revenue despite investments
- Business depends on the Tampere assembly plant
- Despite the continuity of customer relationships, revenue is heavily weighted towards one-off sales

Investment profile 2/2

Profitable growth company

Framery is a profitable growth company with a strong track record of international growth. Capital and labor-intensive activities in the value chain are outsourced to suppliers and resellers, making the business model capital-light and scalable. The asset-light nature of the business and the limited investment needs for growth explain the company's relatively high dividend distribution policy. Despite the company's high profitability, Framery's end customers and distributors are very satisfied with the cooperation. In our view, this reflects the company's ability to create significant value in its value chain.

Potential

Economies of scale arise from the scalability of fixed costs. Framery is about twice the size of its closest competitor and holds approximately a 20% share of the pod market. Investments in brand, research, and product development are largely fixed costs, and their per-unit burden decreases as production volume increases. A smaller competitor must either accept higher costs per unit or weaker investments in R&D and branding—either option erodes its competitiveness over time. The advantage is also evident in production batches. Deep-draw workshops that manufacture components for Framery can run their production in long series, which lowers unit costs throughout the supply chain. This materialized in the launch of a new product generation: the shift from plywood to deep-drawn steel improved product features while manufacturing costs decreased by 8%.

Framery's network of over 650 distributors is one of its most difficult-to-replicate competitive advantages. In the office furniture market, distributors have a limited ability to maintain active sales relationships with multiple competing brands simultaneously, which makes Framery's position in distributors' product portfolios defensible. Strategically, the distribution network also provides growth optionality. It has enabled the rapid geographical expansion of the Subscribed rental model. This optionality also creates opportunities for M&A, as Framery accelerates the market entry of complementary products or services through its existing distribution network. However, inorganic growth is not a strategic priority communicated by the company.

Framery's service revenue (Subscribed leasing and Framery Plus) currently represents a small portion of total revenue, but we consider it strategically significant for three reasons: it expands the target market, increases customer switching costs, and improves the predictability of revenue streams. Both service models are also structurally strengthening the company's profitability profile. However, service revenue did not grow in 2025, partly due to customer redemptions of rental pods. In connection with the IPO, the company stated that it had converted 12% of the first wave of Framery Plus trial customers into paying customers, and that the trend had developed positively. From a SaaS strategy perspective, the conversion rate of trial customers, along with the average billing per customer, are the key metrics for this business, but Framery does not report them yet. Due to the slow development of service revenue last year, Framery still needs to prove the demand for its service model among customers. Nevertheless, we consider the investments in service businesses justified, and the company's current high profitability provides ample room for them. In the current setup, we consider the risk of the company not investing enough in growth to be greater than the risk of excessive investments.

Risks

Competitors' R&D investments pose a long-term risk to Framery's pricing power if its technological lead narrows compared to more affordably priced alternatives. The risk does not apply evenly across the entire customer base. In our view, switching costs are higher for large corporate customers: purchasing decisions emphasize seamlessness, supplier reliability, and integration into existing processes more than price. For a customer integrated into Framery's smart office ecosystem, switching to a cheaper competitor is not just a price difference, but a laborious process. In this segment, we believe the threat posed by competition is smaller. In the mid-market segment, price is a more central purchasing criterion, and we estimate the risk to be more genuine, especially in new customer acquisition where a customer relationship or ecosystem tie does not yet exist. If a competitor can offer a sufficiently similar product at a clearly lower price, Framery's pricing power in this segment may weaken. However, the risk is limited by the recently launched product generation, in connection with which Framery kept its pricing practically unchanged despite improved features. In our view, this reduces concerns about the narrowing of the technological lead, but this lead must continue to be defended with continuous R&D investments.

Estimates 1/3

Estimate model

We model Framery's revenue development by market area, according to the revenue breakdown reported by the company. In 2025, one of Framery's long-standing customers made an exceptionally large number of purchases, which temporarily accelerated revenue growth to a very high level. To normalize for exceptionally large purchases, we also model the company's performance separately for the largest customer and other revenue. Framery does not have separate reporting segments, so we model the company's development at the group level, excluding revenue.

Business environment risks have increased during the current year

At the beginning of the current year, the global economic situation was exceptionally strong: a boom in technology investments, eased trade policy tensions, fiscal support from some countries, and favorable financing conditions created a foundation upon which the IMF was prepared to raise its growth forecasts. However, the closure of the Strait of Hormuz and damage to the region's energy infrastructure threaten to trigger an energy crisis, which has darkened the outlook due to inflationary pressures and increased interest rate expectations. In April, the IMF lowered its global GDP growth forecast from 3.1% to 2.9%. Overall, growth forecasts for the current year are rather mixed in Framery's largest markets. The IMF currently expects the crisis to have a relatively transient impact. Instead of focusing on the forecast change in their base scenario, we emphasize the increased negative forecast scenarios, the most destructive of which is a stagflationary environment, where the risk grows as the crisis prolongs.

Current year will be spent digesting last year's strong performance

Framery does not provide guidance for the current year. Q1 revenue was flat year-on-year, while comparable EBIT declined from the previous year's very strong level of 16.7 MEUR to 14.0 MEUR. Adjusted for a customer who placed exceptionally large orders last year, Q1 revenue still grew by 15%, which we believe is a healthier metric for assessing underlying demand. The company's growth in Q1 was inconsistent, with EMEA revenue remaining at the previous year's level, Americas revenue growing by 54%, and APAC revenue contracting by 51%. The APAC region, in particular, benefited from large customer orders in the comparison period, which explains the fluctuation in market-specific growth figures. The weakened profitability is due to tariffs that came into effect after the comparison period, an inflated cost structure driven by growth targets, and a reversal in exchange rates. While a strong dollar supported profitability in the comparison period, the weakened exchange rate burdened Q1'26 earnings. Seasonally, Q1 and Q4 are Framery's strongest quarters, meaning that Q1 revenue or profitability cannot be extrapolated to future quarters.

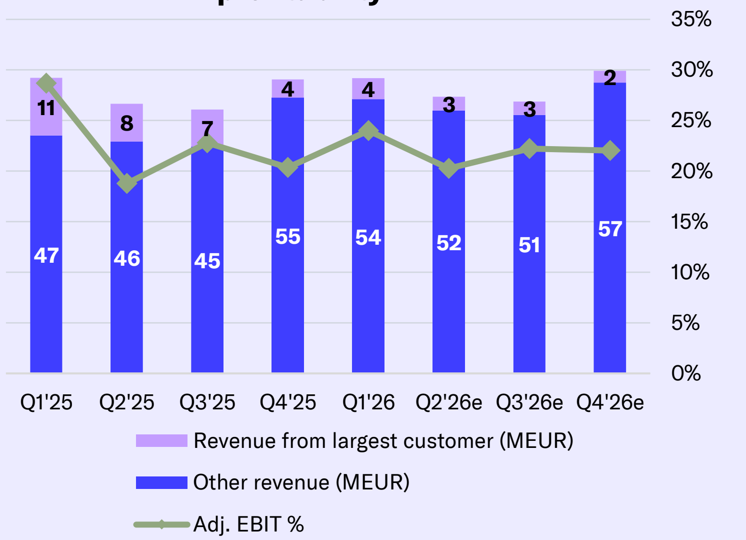
Framery announced that it implemented price increases in the second half of 2025 and during 2026 to mitigate the impact of US tariffs. This was partly visible in the Q1'26 figures, and the full impact is expected in the first half of the current year. During the review period, the tariff situation turned favorable for Framery, as the 15% IEEPA tariffs in the United States were replaced with 10% tariffs, and the classification of tariffs on aluminum and steel was changed. As a result, a significant portion of the company's tariff codes are no longer subject to steel and aluminum tariffs.

Framery's key target markets and their growth forecasts

Share of Framery's revenue	2023	2024	2025	2026e	2027e
US		24.6%	27.7%		
India		2.9%	8.0%		
Germany		7.9%	6.6%		
UK		5.9%	6.0%		
Switzerland		6.6%	4.8%		
Other		52.0%	46.9%		

GDP growth[1]	2023	2024	2025	2026e	2027e
US	2.9%	2.8%	2.1%	2.3%	2.1%
India	7.2%	7.1%	7.6%	6.5%	6.5%
Germany	-0.9%	-0.5%	0.2%	0.8%	1.2%
UK	0.3%	1.1%	1.3%	0.8%	1.3%
Switzerland	0.9%	1.4%	1.3%	1.3%	1.3%

Framery's quarterly revenue and profitability



Source: IMF

Estimates 2/3

The company estimates that the impact of US tariffs will be halved as a result, starting early in the year. Tariffs temporarily in effect in Canada earlier in the year were also removed during Q1, and the company estimates that the tariffs paid there will be fully refunded. In its Q1 report, the company stated that it expects the Middle East conflict to have an impact of less than 1 MEUR on revenue, which is a moderate level for a company of Framery's size. However, the company did raise the possibility of office furniture projects being postponed, which would also negatively affect Framery.

In our current year forecasts, we expect Framery's growth to accelerate towards the end of the year as the impact of a large individual customer diminishes in the comparison period figures. In our 2026 forecasts, Framery's revenue will grow by 2% (12% when adjusted for the large customer). In its IPO prospectus, Framery stated that its largest customer placed more orders for 2026 than in previous historical periods. We expect this customer's purchases to remain higher this year than historical levels (2022-2024 ~2% of Framery's revenue). The comparable EBIT margin in our current year forecasts is 22% (2025: 23%). We note that Framery has recorded significant non-recurring expenses in 2022–2025, which is why, in addition to adjusted earnings, the company's reported figures should also be monitored when assessing profitability.

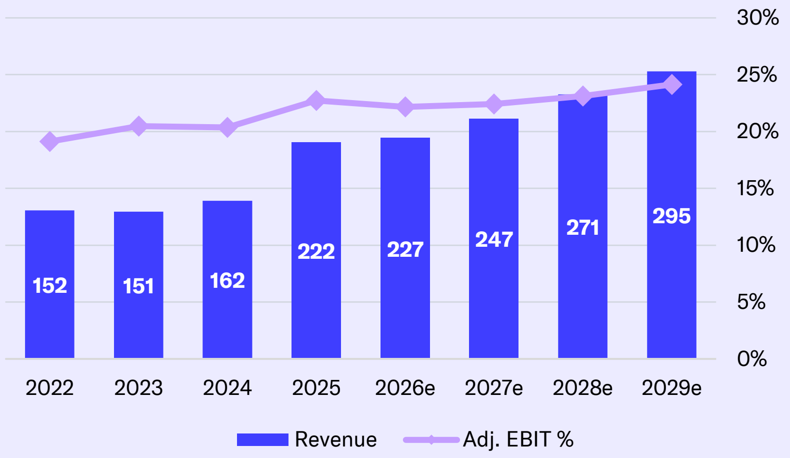
Lower tariffs and the price increases implemented by the company support the company's gross margin in our forecasts for the rest of the year. At the same time, however, we expect that increased component and transportation costs, as well as growth investments (such as the launch of US assembly operations), will hinder margin improvement. Framery is also investigating the recovery of illegal US IEEPA tariffs, although our forecasts do not currently account for any decisions related to them.

Growth accelerates in our 2027-2028 forecasts

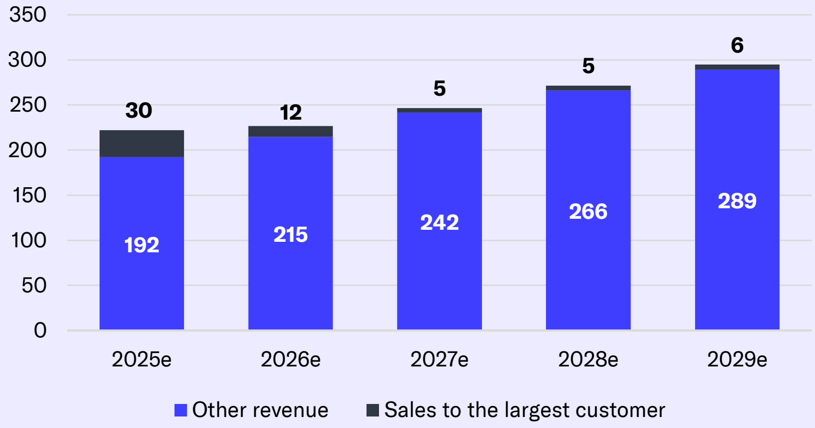
In 2027-2028, we expect Framery's growth to accelerate to 9-10% as exceptionally large purchases by a major customer exit the comparison period figures. We assume that this customer will continue to actively purchase Framery products, but its share of the group's sales will decrease to its historical levels, around 2%. In 2027, we anticipate APAC and Europe to be the primary growth drivers, as these markets have lower baseline figures compared to America. In our 2028 forecasts, the American market, with its strongest growth outlook, will be Framery's growth driver. We expect Framery's relative profitability to strengthen slightly in 2026-2027, as cost inflation eases and growth enables the scaling of fixed costs.

In our forecasts, the company's growth in the coming years will be slightly below the growth predicted by the market research commissioned by Framery. We emphasize that this is related more to our skepticism towards the growth rate predicted by the market research than to Framery's ability to maintain or increase its market share. Thus, market growth in line with the market research forecasts would inherently create upward pressure on our estimates. Considering the market's growth outlook, Framery's target markets still offer significant growth potential in the 2030s, provided that the penetration rates in these markets follow the development seen in Finland. In the longer term, Framery's sales will increasingly shift from new sales to replacement demand, which we estimate will lead to more stable revenue development.

Revenue and EBIT development



We expect the purchasing behavior of Framery's largest customer to normalize



Source: IMF

Estimates 3/3

Considering Framery's longer-term growth prospects, we believe it is crucial for the company to demonstrate its ability to grow in services, as this would expand its target market and improve its margin potential. In our forecasts, Framery's comparable EBIT margin will reach a peak of 24% in 2029, which is slightly below the mid-term target of 25%.

Growth in the services business would also be an important indication of the company's ability to innovate and create new successful products and services alongside the traditional pod business. During 2025, Framery expanded its Subscribed rental service from three countries to five, and distribution has since expanded to cover a total of eight different countries. We are therefore closely monitoring developments this year to confirm demand for the rental model.

Low investment needs create the conditions for a generous payout

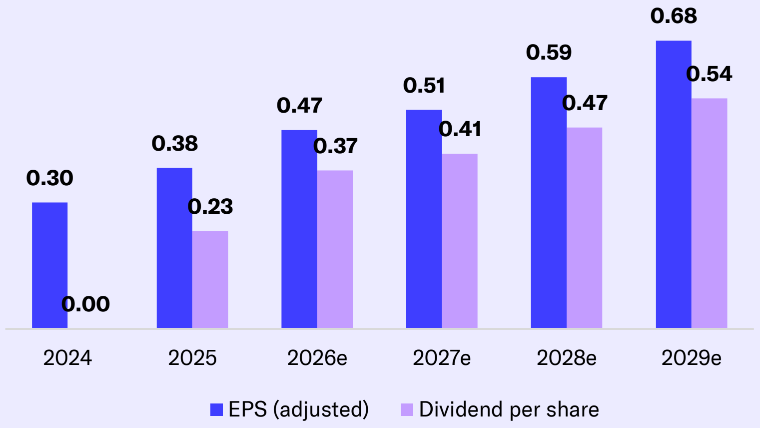
Despite a stable comparable EBIT forecast, we expect Framery's EPS to grow from EUR 0.38 to EUR 0.47 this year (2025 reported EPS: EUR 0.26). This is partly due to non-recurring items in 2025 related to the company's IPO and its preparations. Another key earnings driver is the clear decrease in financing costs due to the balance sheet refinancing carried out at the end of 2025. This reduced Framery's interest expenses to EURIBOR + 1.25%, whereas the company had previously paid EURIBOR + 4–5.75% for its term loan. The balance sheet refinancing resulted in financing costs in 2025.

For the 2025 results, Framery's Annual General Meeting decided to distribute a dividend of EUR 0.23 per share, which corresponded to 89% of the reported earnings per share. The dividend was paid at the beginning of May. In our forecasts for the coming years, Framery's EPS is expected to grow strongly, supported by value-creating growth and lower financing costs, which creates the conditions for increased profit distribution. We expect the company to distribute 80% of its earnings as dividends, which is in line with its 70-90% dividend policy. The IPO and balance sheet refinancing resulted in significant non-recurring costs for the company, which, in our view, impacted the dividend proposal. This leaves room for a larger dividend increase in spring 2026, in our view. Our profit distribution forecasts only include dividends, but we emphasize that the company may distribute a portion of its earnings to investors through share buybacks instead of dividends. We advocate for this solution, especially if the company executes buybacks in a disciplined and counter-cyclical manner when the share price is under pressure due to temporary macroeconomic or company-specific challenges.

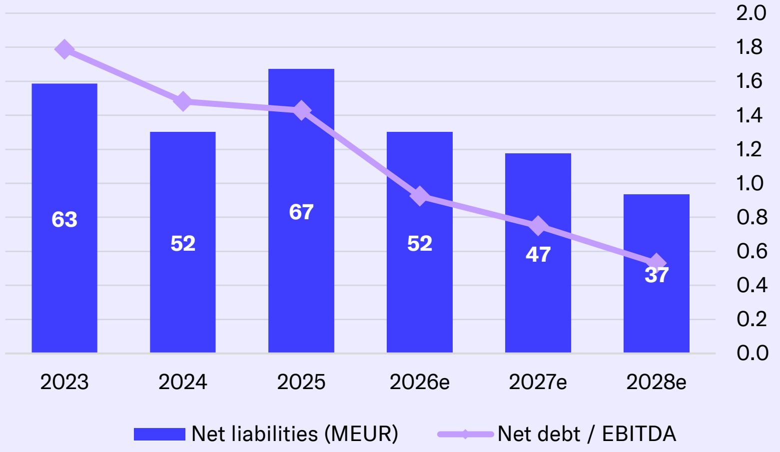
Balance sheet is strengthening despite payouts

At the end of 2025, Framery's net debt stood at 67 MEUR, which corresponded to 1.4 times the reported EBITDA for the previous 12 months. Despite our generous dividend forecasts, the company's balance sheet will strengthen significantly in the coming years, as future growth requires only limited capital. In line with our forecasted earnings growth, the net debt/EBITDA ratio will decrease particularly rapidly. This leaves the company with room for maneuver for an extra dividend or opportunistic capital allocation, such as M&A.

EPS and dividend



Balance sheet strengthens in our near-term estimates



Source: IMF

Income statement

Income statement	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**151**	**162**	**58.4**	**53.3**	**52.2**	**58.2**	**222**	**58.4**	**54.7**	**53.8**	**59.9**	**227**	**247**	**271**	**295**
Europe, Middle East, Africa	91.6	99.0	30.5	28.6	27.6	31.7	118	30.7	30.0	28.9	33.3	123	135	147	159
Americas	39.4	43.4	13.4	17.4	16.6	18.5	65.9	20.5	19.2	18.4	19.4	77.6	82.2	92.1	101
APAC	20.0	19.8	14.6	7.3	8.0	8.0	37.9	7.1	5.5	6.4	7.2	26.2	29.1	32.0	34.5
EBITDA	**35.5**	**35.2**	**16.8**	**6.8**	**11.8**	**11.5**	**46.9**	**15.3**	**12.6**	**13.5**	**14.9**	**56.3**	**62.6**	**70.6**	**79.5**
Depreciation	-4.0	-5.6	-1.5	-1.5	-1.5	-1.5	-5.8	-1.4	-1.5	-1.6	-1.7	-6.2	-7.3	-7.8	-8.3
EBIT (excl. NRI)	**31.0**	**33.0**	**16.7**	**10.0**	**11.9**	**11.9**	**50.5**	**14.0**	**11.1**	**12.0**	**13.2**	**50.2**	**55.3**	**62.8**	**71.2**
EBIT	**31.5**	**29.6**	**15.4**	**5.3**	**10.3**	**10.0**	**41.0**	**13.9**	**11.1**	**12.0**	**13.2**	**50.1**	**55.3**	**62.8**	**71.2**
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-7.4	-5.7	-2.6	-2.8	-2.2	-5.8	-13.4	-0.9	-0.9	-0.9	-0.8	-3.5	-3.1	-2.9	-2.6
PTP	**24.0**	**23.9**	**12.7**	**2.5**	**8.1**	**4.3**	**27.7**	**13.0**	**10.2**	**11.1**	**12.4**	**46.6**	**52.1**	**59.9**	**68.6**
Taxes	-4.7	-4.3	-3.2	-1.3	-1.7	-1.1	-7.3	-2.8	-2.1	-2.3	-2.6	-9.8	-11.5	-13.2	-15.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**19.3**	**19.6**	**9.5**	**1.2**	**6.4**	**3.2**	**20.4**	**10.2**	**8.0**	**8.8**	**9.8**	**36.8**	**40.7**	**46.8**	**53.5**
EPS (adj.)		**0.30**	**0.14**	**0.08**	**0.10**	**0.06**	**0.38**	**0.13**	**0.10**	**0.11**	**0.12**	**0.47**	**0.51**	**0.59**	**0.68**
EPS (rep.)		**0.25**	**0.12**	**0.02**	**0.08**	**0.04**	**0.26**	**0.13**	**0.10**	**0.11**	**0.12**	**0.46**	**0.51**	**0.59**	**0.68**

Key figures	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-0.9 %	7.3 %				17.2 %	37.0 %	-0.1 %	2.5 %	3.1 %	2.9 %	2.1 %	8.7 %	10.1 %	8.7 %
Adjusted EBIT growth-%		6.6 %				-18.4 %	53.1 %	-16.0 %	10.6 %	0.5 %	10.5 %	-0.6 %	10.0 %	13.6 %	13.4 %
EBITDA-%	23.5 %	21.7 %	28.8 %	12.7 %	22.5 %	19.8 %	21.1 %	26.3 %	23.0 %	25.2 %	24.8 %	24.8 %	25.4 %	26.0 %	26.9 %
Adjusted EBIT-%	20.5 %	20.4 %	28.5 %	18.8 %	22.8 %	20.5 %	22.7 %	24.0 %	20.2 %	22.2 %	22.0 %	22.2 %	22.4 %	23.1 %	24.1 %
Net earnings-%	12.8 %	12.1 %	16.2 %	2.3 %	12.4 %	5.5 %	9.2 %	17.5 %	14.7 %	16.3 %	16.3 %	16.2 %	16.5 %	17.2 %	18.1 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**87.4**	**88.2**	**88.7**	**89.9**	**91.3**
Goodwill	68.7	68.7	68.7	68.7	68.7
Intangible assets	3.5	2.9	4.1	4.4	4.9
Tangible assets	10.5	12.5	15.9	16.8	17.6
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	4.7	4.1	0.0	0.0	0.0
Current assets	**74.5**	**81.3**	**88.3**	**96.2**	**108**
Inventories	22.0	29.2	29.5	32.0	35.3
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	32.1	32.3	36.3	41.9	46.2
Cash and equivalents	20.5	19.8	22.5	22.2	26.4
Balance sheet total	**162**	**170**	**177**	**186**	**199**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**56.6**	**45.5**	**64.1**	**75.3**	**89.6**
Share capital	0.0	0.1	0.1	0.1	0.1
Retained earnings	28.9	26.4	45.0	56.2	70.4
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-0.2	0.3	0.3	0.3	0.3
Other equity	12.2	18.8	18.8	18.8	18.8
Minorities	15.8	0.0	0.0	0.0	0.0
Non-current liabilities	**71.1**	**80.2**	**75.0**	**69.6**	**64.2**
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.4	0.4	0.4	0.4
Interest bearing debt	71.1	79.8	74.6	69.2	63.8
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	**34.2**	**43.9**	**37.9**	**41.2**	**45.3**
Interest bearing debt	1.5	6.9	0.0	0.0	0.0
Payables	32.7	36.9	37.9	41.2	45.3
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**162**	**170**	**177**	**186**	**199**

Valuation and recommendation 1/2

Valuation summary and recommendation

We initiate coverage of Framery with a target price of EUR 8.5 and our recommendation set at Accumulate. Framery's investment case combines profitable organic growth with high payout capacity. Framery's historical growth track record is strong, and thanks to a high return on invested capital, this growth has also been highly value-generative. With a market share of some 20%, the company's growth in pods is inevitably approaching the market growth rate In the future, the service business could shift growth into a higher gear, but at this stage, the company's ability to scale it remains unproven.

In our view, the stock's earnings-based valuation is neutral, although a 5-6% dividend yield is generally high for a growth company. On a 12-month horizon, however, we believe the stock's upside potential is limited by orders from a major key account, which are declining year-over-year, thereby weighing on reported growth and earnings performance.

Earnings-based multiples and the DCF model are suitable for valuation

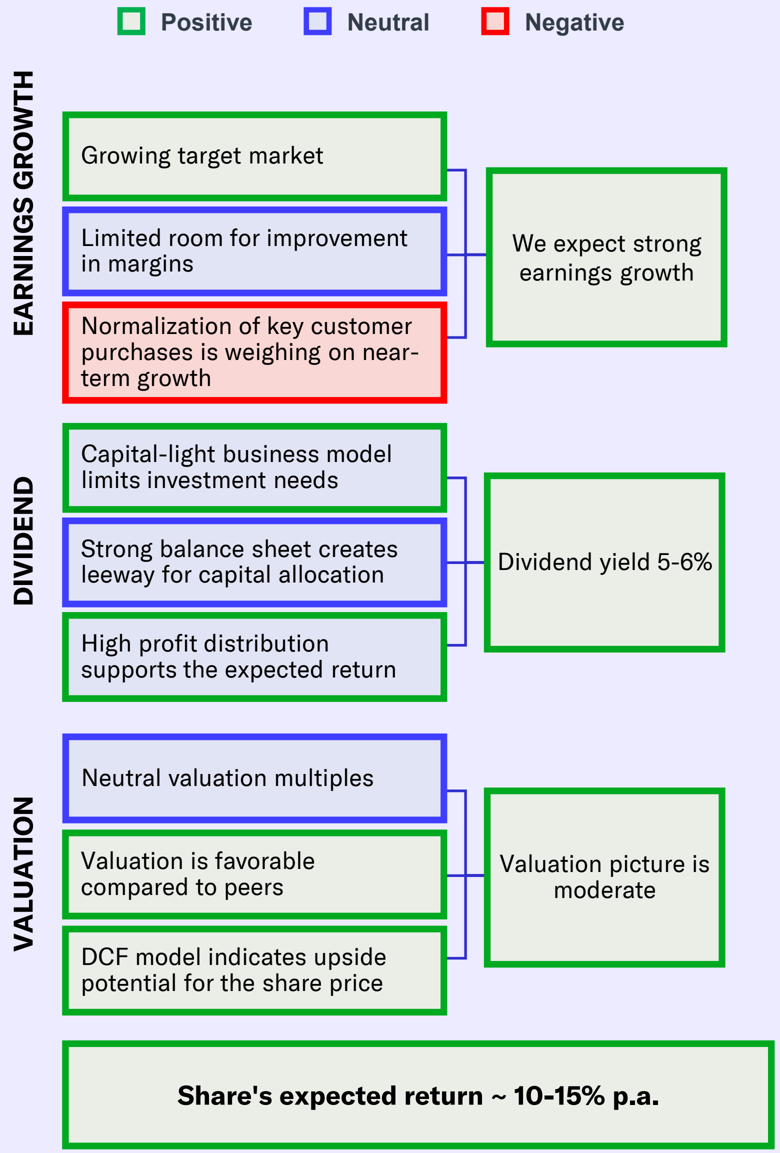
Given Framery's mature profitability and capital-light business model, we favor the DCF model and earnings-based multiples when assessing the share's valuation. Generally, a strong growth track record and a capital-light business model raise the company's acceptable valuation level, as the low capital requirement enables both high growth and generous payouts. While Framery’s sales are almost entirely one-off, revenue is heavily weighted towards repeat orders from existing customers. This increases predictability and, in our view, the share's acceptable valuation level.

We believe that valuation multiples higher than the Nasdaq Helsinki median are justified

Based on our 2026-2027 forecasts, Framery's P/E multiples are 17-16x, while the corresponding EV/EBIT multiples are 14-12x. In our view, the levels are justified for a high-profitability growth company, but they clearly incorporate expectations of future growth. Framery's profitability is already at a very high level, which emphasizes revenue growth as a driver of earnings growth. However, the valuation levels clearly exceed the Nasdaq Helsinki median forward P/E ratio, which is around 13x. Over the longer term, we see potential upside even in the current fair valuation, should the company succeed in convincing the market of its ability to expand its addressable market through its service business. With Framery's generous profit distribution, the dividend yield forms a key part of the stock's expected return for the next few years. Due to low investment needs, the share's cash flow yield largely corresponds to the dividend yield in our forecasts. From a capital allocation perspective, we find generous profit distribution particularly attractive if the company utilizes it for share buybacks while the share price is under pressure due to temporary challenges in the business environment. Against this background, we see potential for the share to generate an annual expected return of ~ 10-15% in the coming years.

Our forecasts are slightly more cautious than the company's financial targets. If the company achieves 10% annual revenue growth in line with its financial targets and an adjusted EBIT margin of 25% during 2026–2029, the EV/EBIT multiple based on our 2030 forecasts would be 8x, which would be a low level relative to the company's quality profile.

Total shareholder return drivers 2026-2028e



Valuation and recommendation 2/2

DCF model recognizes upside in the stock

Our DCF model indicates a per-share value of EUR 8.6 for Framery. We have applied a cost of equity of 8.9% and a weighted average cost of capital (WACC) of 8.2% for Framery. In our long-term forecasts, we expect Framery's comparable EBIT margin to normalize to 20% due to intensifying competition. At this level, however, the business remains highly profitable and value-creating due to its light capital requirements. In our forecasts, Framery's revenue growth gradually slows down from 7% in 2030 towards our 2% terminal growth forecast. The weight of the terminal period is at a moderate 58% in our forecasting.

In our assessment, the key variable for the value implied by the DCF model is the revenue level. If the global market for soundproofed office pods follows the penetration rate development of the Finnish market, the company will have more room for growth in the 2030s than we have forecast. Another interesting factor is, of course, the development of the service business as well as potential organic and inorganic expansions into new product categories, which our forecasts do not currently account for. The company's extensive global distribution network creates the conditions for the rapid scaling of new products, which in the longer term could be key to maintaining growth potential. Framery still has limited evidence of this potential, but demonstrating it would further extend the high-growth phase.

P/B valuation is difficult to apply due to the capital-light business model

Based on our current year estimates, Framery's P/B ratio is 10x, which is a very high level. However, we believe that P/B valuation is problematic for pricing Framery. This is due to the company's capital-light position in the value chain and the fact that investments supporting competitiveness are mainly expensed in the income statement. As a result, in our view, the company's balance sheet position understates its equity.

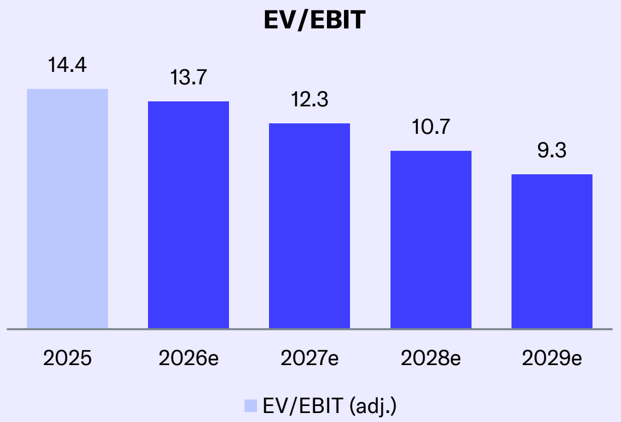
Valuation is attractive relative to high-quality peers, although relying on them is challenging

It is challenging to build a relevant peer group for Framery with a similar growth and profitability profile and similar demand drivers. This is because relevant competitors are either part of a larger group or are unlisted. Conversely, companies operating in the office furniture market do not possess a growth or profitability profile similar to Framery's, which necessitates creativity when selecting peer companies.

We have assembled a peer group of growth companies that, like Framery, combine a physical end product, a brand, and a leading position in their respective industries or niches. Some of the peer companies are significantly larger than Framery, which slightly reduces comparability. Compared to its peers, Framery's valuation appears quite attractive. On an EV/EBIT basis, the company is priced at a 21-32% discount. In addition, according to our estimates, Framery offers a clearly higher dividend yield than the peer group. Due to the differing industries and demand drivers of the peers, we do not place significant weight on peer analysis, although it offers an interesting way to outline how the company's valuation multiples may evolve as it accumulates a track record as a publicly listed company.

Valuation level	2026e	2027e	2028e
Share price	8.02	8.02	8.02
Number of shares, millions	79.1	79.1	79.1
Market cap	635	635	635
Enterprise value (EV)	687	682	672
P/E (adj.)	17.2	15.6	13.6
P/E	17.3	15.6	13.6
P/B	9.9	8.4	7.1
P/S	2.8	2.6	2.3
EV/Sales	3.0	2.8	2.5
EV/EBITDA	12.2	10.9	9.5
EV/EBIT (adj.)	13.7	12.3	10.7
Dividend/earnings (%)	80.0%	80.0%	80.0%
Dividend yield-%	4.6%	5.1%	5.9%

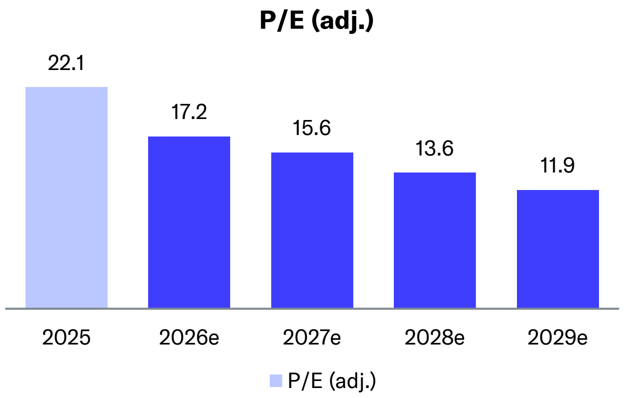
Source: Inderes

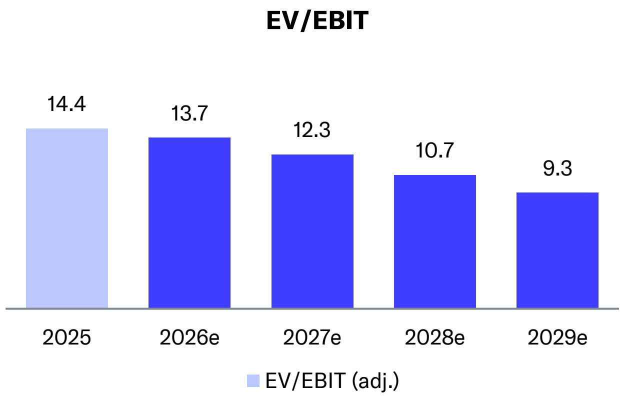


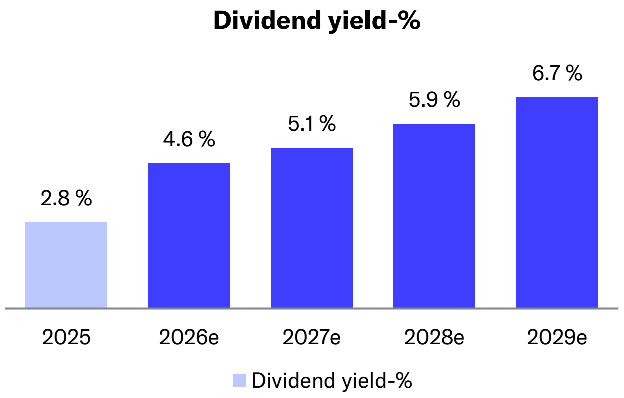
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price					8.35	**8.02**	**8.02**	**8.02**	**8.02**
Number of shares, millions					79.1	**79.1**	**79.1**	**79.1**	**79.1**
Market cap					661	**635**	**635**	**635**	**635**
EV					728	**687**	**682**	**672**	**661**
P/E (adj.)					22.1	**17.2**	**15.6**	**13.6**	**11.9**
P/E					32.4	**17.3**	**15.6**	**13.6**	**11.9**
P/B					14.5	**9.9**	**8.4**	**7.1**	**6.0**
P/S					3.0	**2.8**	**2.6**	**2.3**	**2.2**
EV/Sales					3.3	**3.0**	**2.8**	**2.5**	**2.2**
EV/EBITDA					15.5	**12.2**	**10.9**	**9.5**	**8.3**
EV/EBIT (adj.)					14.4	**13.7**	**12.3**	**10.7**	**9.3**
Payout ratio (%)					89.4 %	**80.0 %**	**80.0 %**	**80.0 %**	**80.0 %**
Dividend yield-%					2.8 %	**4.6 %**	**5.1 %**	**5.9 %**	**6.7 %**

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 Company	Market cap MEUR	EV MEUR	EV/EBIT 2026e	 2027e	EV/EBITDA 2026e	 2027e	EV/S 2026e	 2027e	P/E 2026e	 2027e	Dividend yield-% 2026e	 2027e	P/B 2026e
Harvia Oyj	736	786	17.1	15.0	14.5	12.9	3.5	3.2	22.4	19.4	2.2	2.4	5.0
Engcon AB	764	781	21.3	15.6	18.5	13.9	3.8	3.2	35.4	25.5	1.7	2.2	12.8
MIPS AB	611	620	22.6	15.4	20.4	14.5	8.5	6.6	30.2	19.7	2.4	3.4	9.2
NIBE AB	7066	8662	19.4	17.1	13.1	11.9	2.2	2.1	23.9	20.5	1.3	1.5	2.3
Rational AG	7499	6964	20.2	18.6	18.2	16.8	5.2	4.8	27.7	25.8	2.7	2.8	7.5
Framery Oyj (Inderes)	**635**	**687**	**13.7**	**12.3**	**12.2**	**10.9**	**3.0**	**2.8**	**17.2**	**15.6**	**4.6**	**5.1**	**9.9**
Average			**20.1**	**16.3**	**16.9**	**14.0**	**4.6**	**4.0**	**27.9**	**22.2**	**2.0**	**2.5**	**7.4**
Median			**20.2**	**15.6**	**18.2**	**13.9**	**3.8**	**3.2**	**27.7**	**20.5**	**2.2**	**2.4**	**7.5**
Diff-% to median			**-32%**	**-21%**	**-33%**	**-21%**	**-21%**	**-14%**	**-38%**	**-24%**	**116%**	**110%**	**31%**

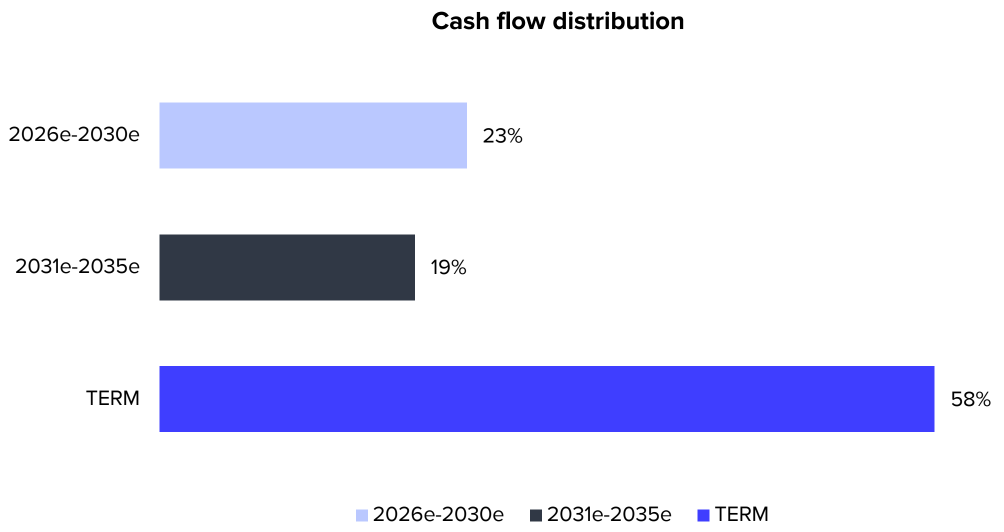
Source: Refinitiv / Inderes

DCF calculation

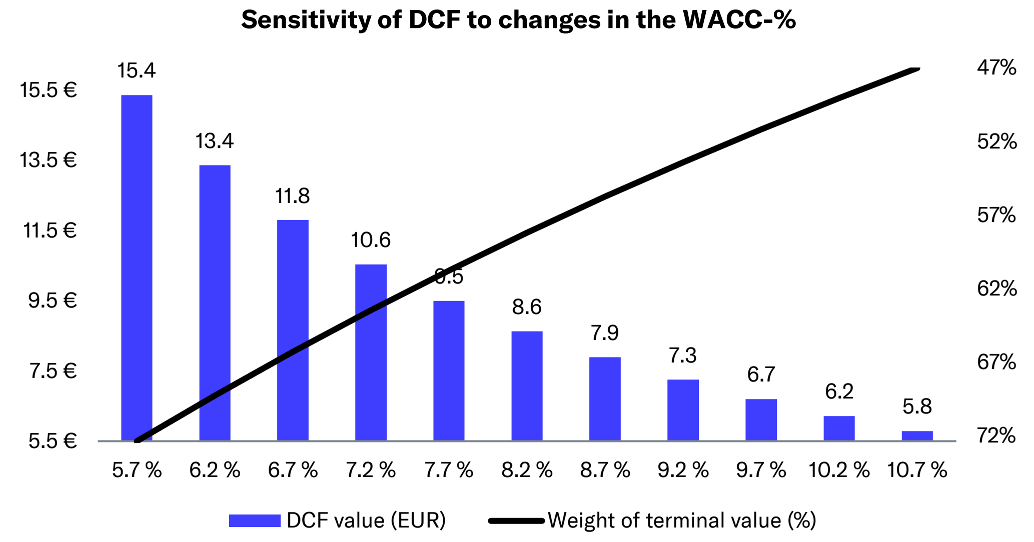
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	37.0 %	2.1 %	8.7 %	10.1 %	8.7 %	7.0 %	6.0 %	5.0 %	3.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	18.5 %	22.1 %	22.4 %	23.1 %	24.1 %	22.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %
EBIT (operating profit)	**41.0**	**50.1**	**55.3**	**62.8**	**71.2**	**69.5**	**66.9**	**70.3**	**72.4**	**73.8**	**75.3**	
+ Depreciation	5.8	6.2	7.3	7.8	8.3	9.0	9.0	9.6	10.1	10.4	10.6	
- Paid taxes	-6.7	-5.7	-11.5	-13.2	-15.1	-14.8	-14.4	-15.2	-15.8	-15.8	-16.2	
- Tax, financial expenses	-3.5	-0.8	-0.7	-0.7	-0.6	-0.5	-0.3	-0.3	-0.2	-0.4	-0.4	
+ 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	-3.2	-3.3	-4.9	-3.3	-3.1	-2.7	-2.5	-2.2	-1.4	-1.0	-1.0	
Operating cash flow	**33.4**	**46.6**	**45.5**	**53.4**	**60.7**	**60.4**	**58.7**	**62.2**	**65.1**	**67.0**	**68.3**	
+ Change in other long-term liabilities	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-7.3	-10.7	-8.6	-9.1	-10.2	-9.1	-10.5	-10.9	-10.9	-10.9	-11.1	
Free operating cash flow	**26.5**	**35.8**	**37.0**	**44.3**	**50.5**	**51.3**	**48.2**	**51.3**	**54.2**	**56.1**	**57.2**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	26.5	35.8	37.0	44.3	50.5	51.3	48.2	51.3	54.2	56.1	57.2	947
Discounted FCFF		**34.2**	**32.6**	**36.2**	**38.1**	**35.8**	**31.1**	**30.6**	**29.9**	**28.6**	**26.9**	**446**
Sum of FCFF present value		770	736	703	667	629	593	562	531	502	473	446
Enterprise value DCF		**770**										
- Interest bearing debt		-86.7										
+ Cash and cash equivalents		19.8										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		-18.2										
Equity value DCF		**685**										
Equity value DCF per share		**8.7**										

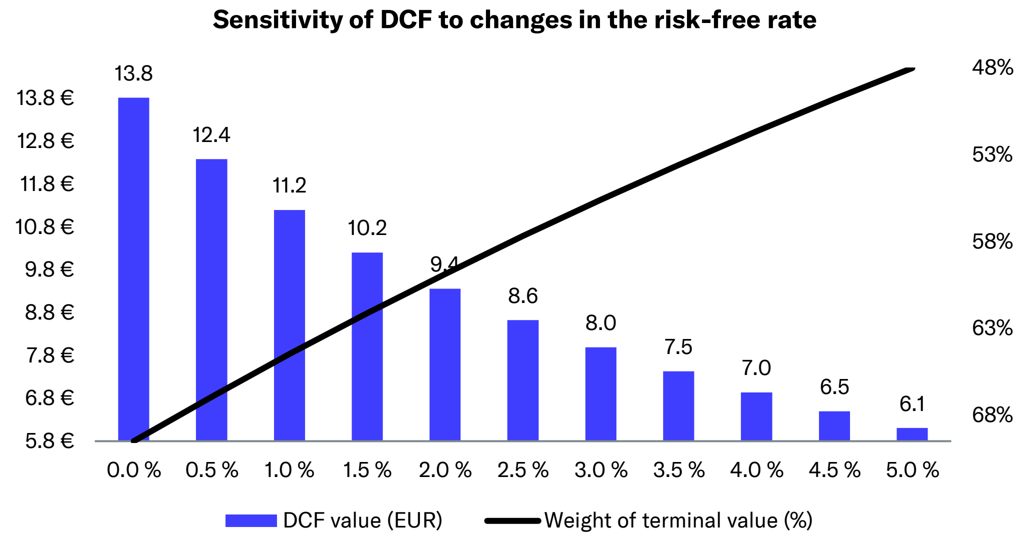
WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	15.0 %
Cost of debt	5.0 %
Equity Beta	1.35
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	**8.9 %**
Weighted average cost of capital (WACC)	**8.2 %**

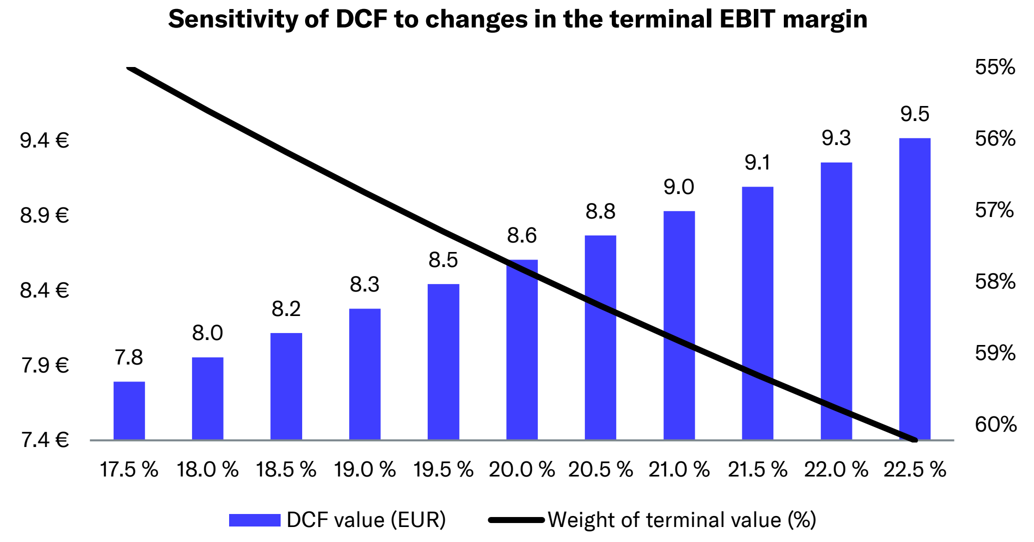
Source: Inderes

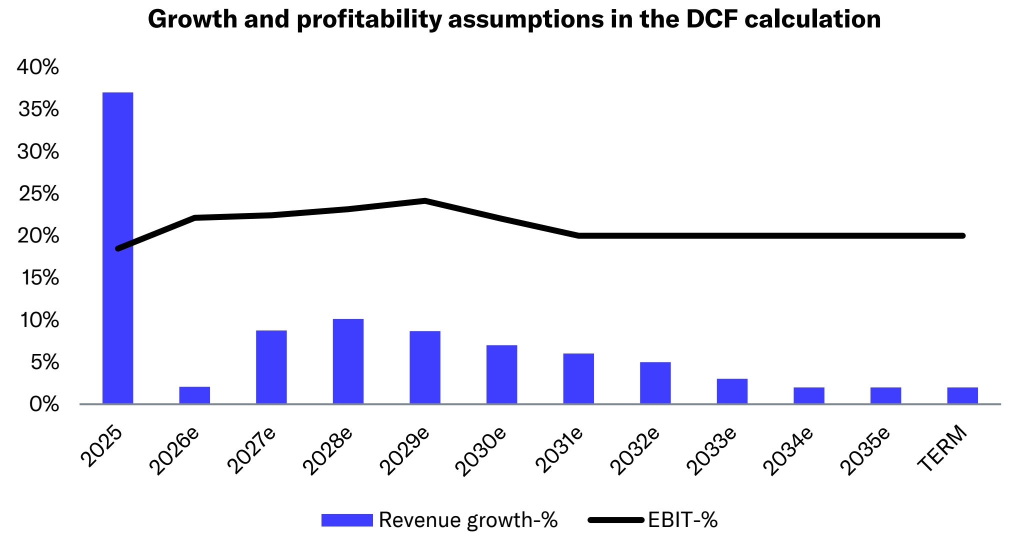


DCF sensitivity calculations and key assumptions in graphs









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	2028e
Revenue	151.1	162.1	222.1	**226.7**	**246.5**	**271.5**
EBITDA	35.5	35.2	46.9	**56.3**	**62.6**	**70.6**
EBIT	31.5	29.6	41.0	**50.1**	**55.3**	**62.8**
PTP	24.0	23.9	27.7	**46.6**	**52.1**	**59.9**
Net Income	19.3	19.6	20.4	**36.8**	**40.7**	**46.8**
Extraordinary items	0.5	-3.4	-9.5	**-0.1**	**0.0**	**0.0**

Balance sheet	2023	2024	2025	2026e	2027e	2028e
Balance sheet total	142.8	161.9	169.5	**177.0**	**186.1**	**199.1**
Equity capital	36.9	56.6	45.5	**64.1**	**75.3**	**89.6**
Goodwill	68.7	68.7	68.7	**68.7**	**68.7**	**68.7**
Net debt	63.4	52.1	66.9	**52.1**	**47.0**	**37.4**

Cash flow	2023	2024	2025	2026e	2027e	2028e
EBITDA	35.5	35.2	46.9	**56.3**	**62.6**	**70.6**
Change in working capital	4.4	-4.4	-3.2	**-3.3**	**-4.9**	**-3.3**
Operating cash flow	33.8	24.0	33.4	**46.6**	**45.5**	**53.4**
CAPEX	-8.7	-3.9	-7.3	**-10.7**	**-8.6**	**-9.1**
Free cash flow	23.9	15.8	26.5	**35.8**	**37.0**	**44.3**

Valuation multiples	2023	2024	2025	2026e	2027e	2028e
EV/S	0.4	0.3	3.3	**3.0**	**2.8**	**2.5**
EV/EBITDA	1.8	1.5	15.5	**12.2**	**10.9**	**9.5**
EV/EBIT (adj.)	2.0	1.6	14.4	**13.7**	**12.3**	**10.7**
P/E (adj.)		0.0	22.1	**17.2**	**15.6**	**13.6**
P/B	0.0	0.0	14.5	**9.9**	**8.4**	**7.1**
Dividend-%			2.8 %	**4.6 %**	**5.1 %**	**5.9 %**

Source: Inderes

Per share data	2023	2024	2025	2026e
EPS (reported)		0.25	0.26	**0.46**
EPS (adj.)		0.30	0.38	**0.47**
OCF / share		0.31	0.42	**0.59**
OFCF / share		0.20	0.33	**0.45**
Book value / share		0.53	0.58	**0.81**
Dividend / share	0.00	0.00	0.23	**0.00**

Growth and profitability	2023	2024	2025	2026e
Revenue growth-%	-1%	7%	37%	**2%**
EBITDA growth-%	24%	-1%	33%	**20%**
EBIT (adj.) growth-%	6%	7%	53%	**-1%**
EPS (adj.) growth-%			27%	**23%**
EBITDA-%	23.5 %	21.7 %	21.1 %	**24.8 %**
EBIT (adj.)-%	20.5 %	20.4 %	22.7 %	**22.2 %**
EBIT-%	20.8 %	18.3 %	18.5 %	**22.1 %**
ROE-%	146.1 %	62.0 %	47.2 %	**67.1 %**
ROI-%	28.0 %	24.3 %	31.4 %	**37.1 %**
Equity ratio	25.8 %	35.0 %	26.9 %	**36.2 %**
Gearing	172.0 %	91.9 %	147.0 %	**81.2 %**
Net debt/EBITDA	1.8	1.5	1.4	**0.9**
EBITDA/net financials	4.8	6.1	3.5	**16.1**

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. Per-share figures are calculated using the number of shares at year-end.

Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
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

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

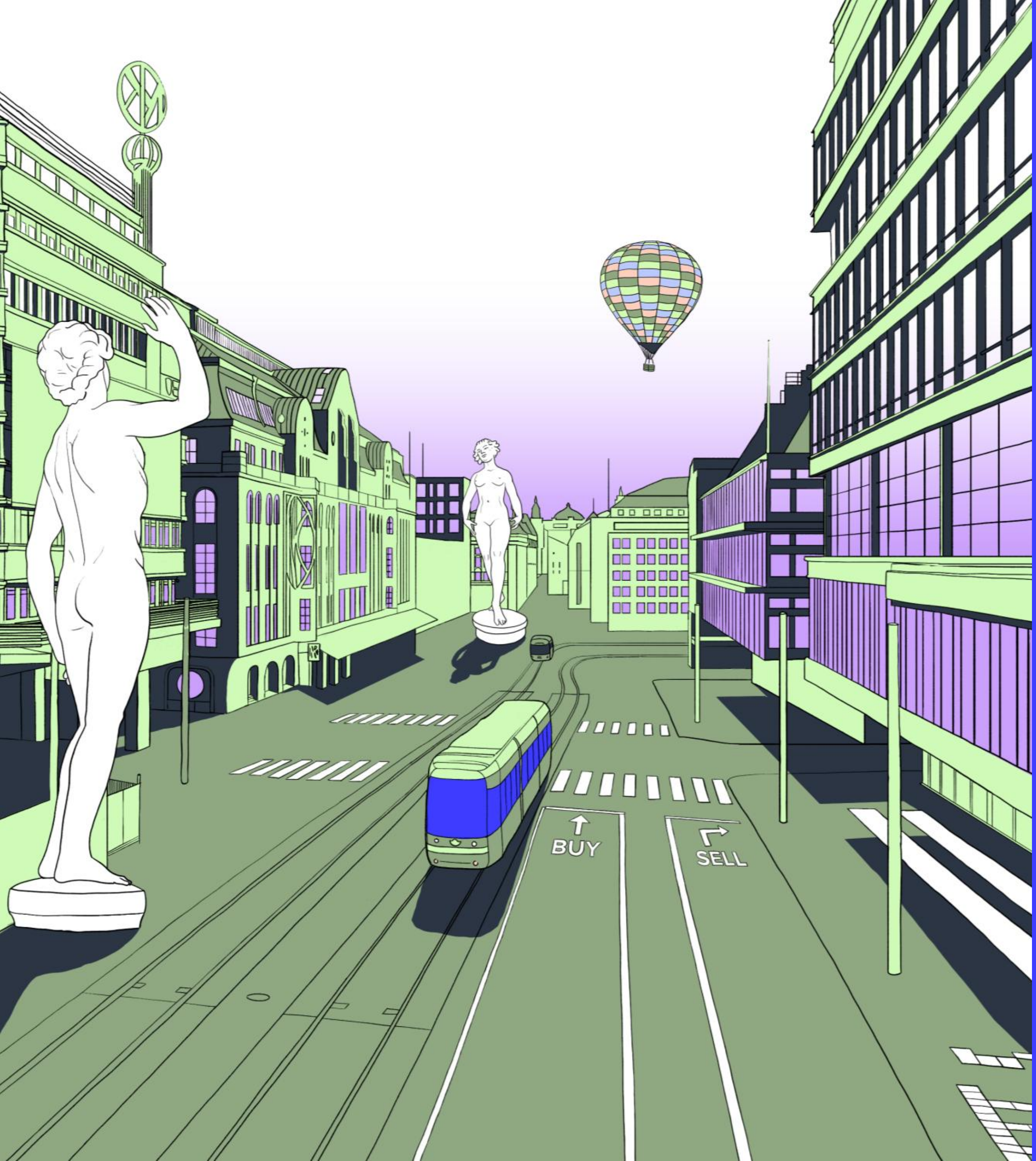
Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
5/28/2026	Accumulate	8.50 €	8.02 €



CONNECTING INVESTORS AND COMPANIES.

Inderes democratizes financial information by connecting investors and listed companies. For investors, we are an investing community and a trusted source of financial information and equity research. For listed companies, we are a partner in delivering high-quality investor relations. Over 500 listed companies in Europe use our investor relations products and equity research services to provide better investor communications to their shareholders.

Our goal is to be the most investor-minded company in finance. Inderes was founded in 2009 by investors, for investors. As a Nasdaq First North-listed company, we understand the day-to-day reality of our customers.

Inderes Ab
Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

inderes.se

Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi