RAUTE

11/2/2026 11:15 am EET

This is a translated version of ”Luottamus ensi vuoden tulostasoon sai nostetta” report, published on 11/2/2026



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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Confidence in next year's earnings gets a lift

We reiterate our EUR 16.00 target price and Accumulate recommendation for Raute. Order intake, the focus of Raute's Q3 report, met expectations, and the 4 MEUR cost-savings program the company has launched further increases confidence in the earnings turnaround we forecast for next year. Given the still considerable uncertainties, we make no changes to our estimates for the next few years. We still see Raute's expected return, comprising valuation upside and dividends, as exceeding our required return. Our extensive report on Raute, published in October, can be read here.

The numbers were roughly in line with expectations

In terms of figures, Raute's Q3 report was largely in line with expectations. Profitability was strong, especially given the low revenue of 29 MEUR (Q3 adj. EBITDA margin: 11%), as good operational performance and the ongoing release of project provisions supported the margin. As expected, new orders rose clearly to 53 MEUR, returning the order book to quarter-on-quarter growth at a reasonable 85 MEUR. According to management, demand remains difficult to predict, although discussions have become more active, especially on smaller modernization and efficiency projects.

No major estimate revisions for now

Alongside the report, Raute narrowed its guidance and now expects 2026 revenue of 125–135 MEUR (was 125–145 MEUR) and comparable EBITDA of 13–16 MEUR (was 11–18 MEUR). According to the company, the changes reflect the nine-month actuals, the order book at the end of Q3, and the current demand outlook. Raute's market situation continues to be characterized by customer caution and slow decision-making across all business areas. The root cause is, in particular, weak momentum in global construction, which in turn stems from consumer caution and, in North America, the high cost of new construction. The factors behind the prolonged weak demand are therefore macroeconomic and geopolitical, whereas we consider the company's competitive advantage and market position strong. To adapt to the uncertainties, Raute has also launched a profitability and competitiveness program targeting 4 MEUR in savings, which we consider necessary given the situation.

We make no material changes to our estimates following the report, but the profitability program, which was in line with our expectations, naturally increases our confidence in the earnings turnaround we forecast for 2027–2028. We now expect Raute's revenue to fall by 27% this year to 128 MEUR and adjusted EBITDA by 43% to 14.8 MEUR. In the coming years, we expect moderate improvement from this year's levels, as the recovery in construction begins to support first the company's service orders and gradually also project demand. Higher revenue would quickly be reflected in Raute's profitability, especially in Services and Analyzers. The savings may also slightly boost operating leverage. Our growth forecasts for the coming years are clearly below the company's 2028 revenue target of 250 MEUR. Our profitability forecasts, by contrast, are already close to the company's target of an adjusted EBITDA margin above 12%, driven by recent encouraging developments and ongoing internal development measures.

Valuation low unless earnings decline further next year

On our forecasts, Raute's adjusted P/E for 2026–2027 is about 11x and 10x, with EV/EBIT of 7x and 5x respectively. Even the current-year multiples are around the lower end of the ranges we consider acceptable for Raute. In our view, the share is pricing in a declining and/or unduly weak long-term earnings level. On a one-year horizon, the expected return, comprising valuation upside and a dividend yield of just under 5%, exceeds our required return. Our DCF model also indicates that the share is cheap.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 16.00
(was EUR 16.00)

Share price:
EUR 14.30

Business risk



Valuation risk



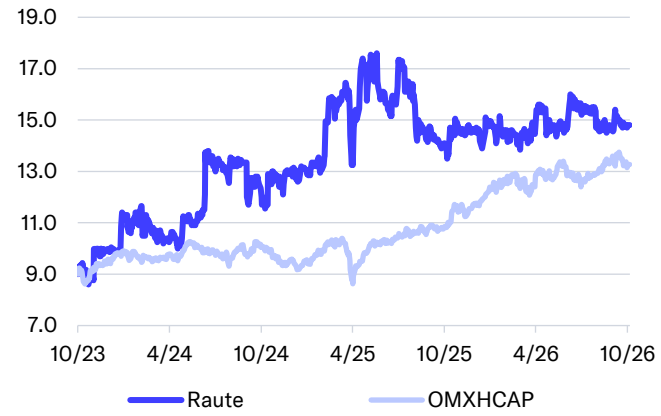
	2025	2026e	2027e	2028e
Revenue	176	128	141	161
growth-%	-14%	-27%	11%	14%
EBIT adj.	19.8	9.9	11.1	15.0
EBIT-% adj.	11.3 %	7.7 %	7.8 %	9.4 %
Net Income	12.9	7.4	8.5	12.0
EPS (adj.)	2.46	1.30	1.50	2.01
P/E (adj.)	6.1	11.4	9.9	7.4
P/B	1.6	1.6	1.5	1.3
Dividend yield-%	4.3 %	4.4 %	5.1 %	5.4 %
EV/EBIT (adj.)	2.8	6.8	5.4	3.6
EV/EBITDA	2.3	4.7	3.9	2.8
EV/S	0.3	0.5	0.4	0.3

Source: Inderes

Guidance (Adjusted)

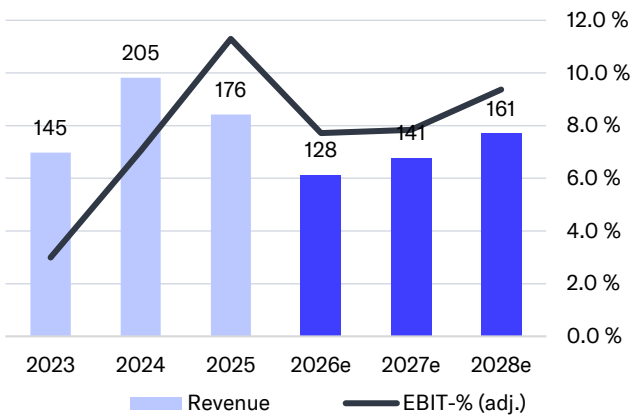
Raute's 2026 revenue is expected to be 125–135 MEUR (176 MEUR in 2025) and comparable EBITDA to be 13–16 MEUR (26.1 MEUR in 2025)

Share price



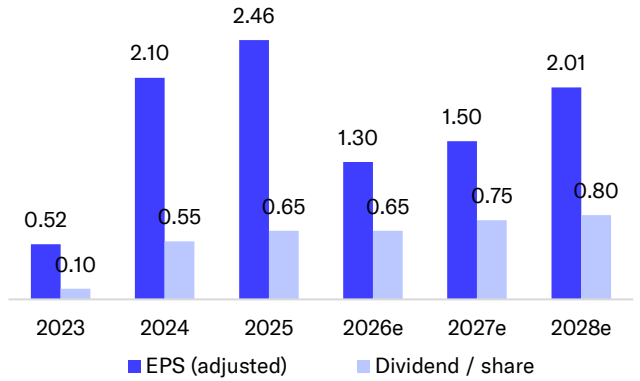
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- The company has a solid and sustainable technological competitive advantage, especially in the high-end segment of plywood and LVL equipment
- Strong drivers supporting demand for wood products
- New recurring service models
- Mergers and acquisitions
- Controlled expansion into other wood product segments

Risk factors

- Highly cyclical demand
- Prolonged period of weak demand
- Project and product development risks
- Limited price competitiveness in the subsegment
- Risks related to potential acquisitions
- Competitiveness in other wood products segments
- Sustainability of Wood Processing profitability through the cycle

Valuation	2026e	2027e	2028e
Share price	14.8	14.8	14.8
Number of shares, millions	5.97	5.97	5.97
Market cap	88	88	88
EV	67	60	54
P/E (adj.)	11.4	9.9	7.4
P/E	11.9	10.4	7.4
P/B	1.6	1.5	1.3
P/S	0.7	0.6	0.6
EV/Sales	0.5	0.4	0.3
EV/EBITDA	4.7	3.9	2.8
EV/EBIT (adj.)	6.8	5.4	3.6
Payout ratio (%)	52.4 %	52.8 %	39.8 %
Dividend yield-%	4.4 %	5.1 %	5.4 %

Source: Inderes

Direction as expected, but defense slightly ahead of our estimates

Earnings held up better than expected despite the revenue decline

Raute's Q3 revenue fell by ~34% from a reasonable comparison level to 29 MEUR, missing our forecast. As we expected, the decline came particularly from Wood Processing (-47%) and Analyzers (-8%), reflecting the recent decline in the order book and customers' generally lower activity levels. Services, by contrast, grew slightly (+3%) from a low comparison period. Geographically, North America was the only market area to grow year-on-year. The root cause of Raute's customers' sluggish investment and, to some extent, production activity (i.e. service demand) is the continued weakness in global construction.

Adjusted EBITDA more than halved in Q3 from an exceptionally high comparison period to 3.2 MEUR, but moderately exceeded our forecast despite the revenue miss. The earnings beat and good profitability relative to revenue were supported by strong operational performance and cost control. Contrary to our expectations, Raute was also able to continue releasing earlier project provisions. This likely pushed Wood Processing's profitability to a somewhat atypically high level again in Q3 relative to revenue (Q3 adj. EBITDA margin: 10%). In Services and Analyzers, margins (Q3 adj. EBITDA margin: 13% and 11%) were roughly in line with our expectations, but neither unit can reach its potential at current volumes. Services profitability also did not improve despite revenue growth. Below EBITDA, the company recorded small one-off costs for Q3, typical near-zero financial expenses, and a normal tax rate. On the strong operating result, reported EPS came in at EUR 0.25, slightly above our forecast.

Cash flow recovered as order intake turned

The report was strong in cash flow terms, with cash flow from operating activities of ~7 MEUR in Q3. The improvement from both the comparison period and the previous quarter came almost entirely from customer advance payments (~9 MEUR), reflecting stronger order intake and especially the advance on the relatively large 31 MEUR order from Estonia. Raute's working capital had been less favorable than its long-term average, tying up capital (clearly positive working capital) due to the recent sluggish order flow. The improved operating cash flow can therefore be seen more as a return toward the average than a radical change, as Raute's short-term cash flow is driven particularly by changes in working capital.

Raute's balance sheet remains very strong

On the stronger cash flow, net cash rose to ~21 MEUR. At the end of Q3, Raute's equity ratio was a solid 66% (target: above 40%). As in the comparison period, net gearing was clearly negative, at -38% at the end of Q3. The balance sheet is therefore very strong, helping Raute weather all kinds of market conditions and enabling strategic acquisitions.

Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	43.7	28.9	30.7				-6%	128
Adjusted EBITDA	6.5	3.2	2.9				10%	14.6
EBIT	5.1	2.0	1.7				16%	9.4
PTP	5.1	2.0	1.7				16%	9.5
EPS (reported)	0.65	0.25	0.22				13%	1.24
Revenue growth-%	-5.8 %	-33.7 %	-29.7 %				-4 pp	-27.1 %
Adj. EBITDA-%	14.9 %	11.1 %	9.5 %				1.6 pp	11.4 %

Source: Inderes

No changes to estimates after Q3 report

Order intake improved in Q3, at least temporarily

As we expected, Raute's new orders rose clearly to 53 MEUR. According to management, demand remains difficult to predict, and in our view, the sluggishness of global construction does not point to a sharp turnaround in demand, although discussions have become more active, particularly on smaller modernization and efficiency projects. We believe Raute's competitive advantages have held up and that the company will secure orders at least in line with its historical market share when demand eventually recovers.

With a book-to-bill ratio clearly above one in Q3, the order book grew by nearly 30% quarter-on-quarter, although it was still down ~20% year-on-year. At 85 MEUR at the end of Q3 (including an order cancellation in the APAC region), the order book is at a reasonable level in our view. The company should therefore enter next year from at least a tolerable starting position, provided Q4 orders do not fall completely flat.

Estimates unchanged despite the cost-savings program

We make no changes to our forecasts for Raute for the coming years following the report, but the profitability program, which was in line with our expectations, certainly increases our confidence in the earnings turnaround we forecast for next year. We expect the program to reduce personnel expenses in particular, as the company says global headcount may decrease by 50 employees. Naturally, the company is also reviewing other expenses and inefficiencies as part of the program. Raute aims to achieve the 4 MEUR in savings by the end of 2027, so their earnings impact will likely be visible in both 2027 and 2028. The company appeared to aim for the savings to flow directly to earnings (rather than partly passing them on to customers or reinvesting them elsewhere), but our forecasts still include some safety margin in this regard.

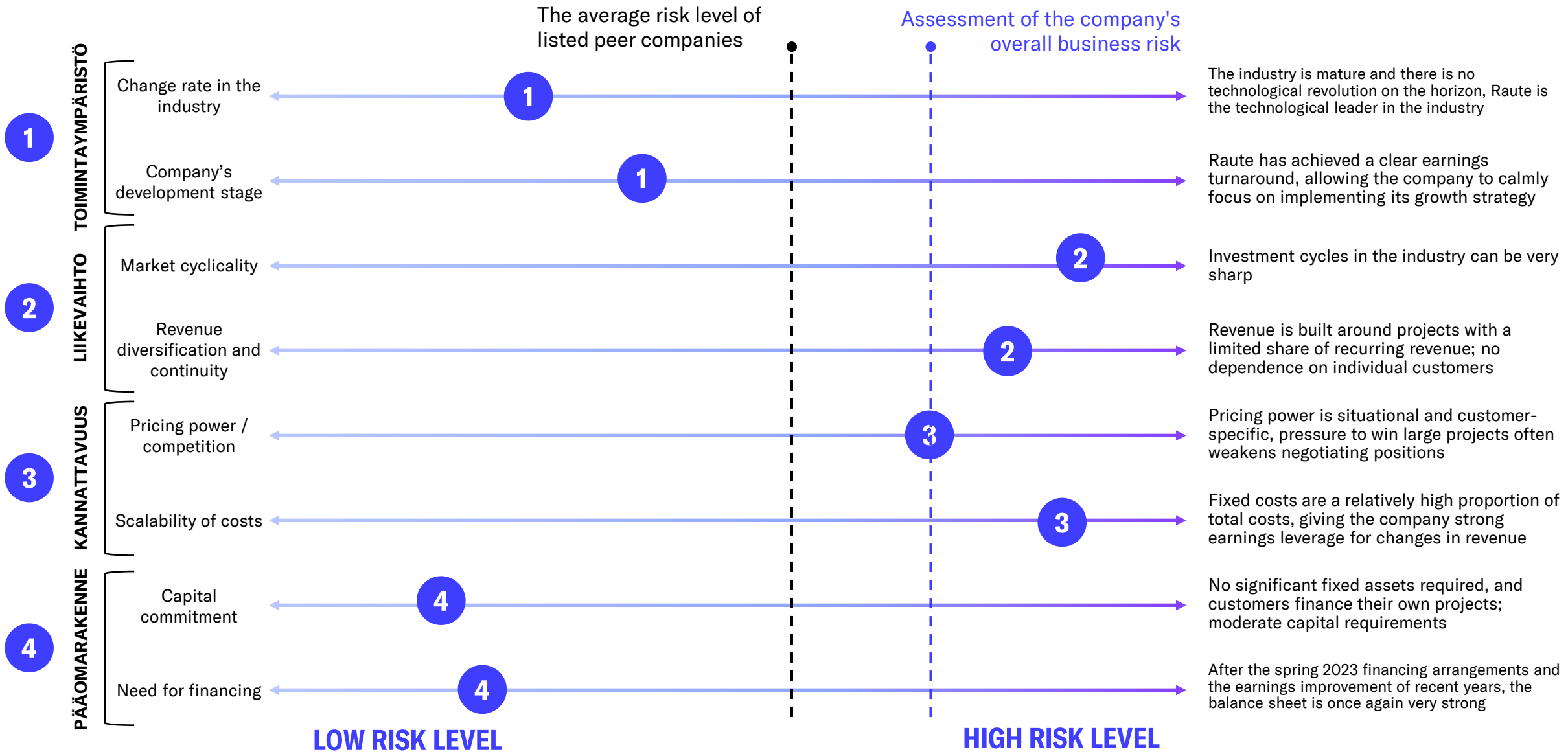
We now expect Raute's revenue to fall by 27% this year to 128 MEUR and adjusted EBITDA by 43% to 14.8 MEUR. In the coming years, we expect moderate improvement from this year's levels, as the recovery in construction begins to support first the company's service orders and gradually also project demand. Higher revenue would quickly be reflected in Raute's profitability, especially in Services and Analyzers, which have significant operating leverage. The cost-savings measures will also increase operating leverage.

Our growth forecasts for the coming years are well below the company's 2028 revenue target of 250 MEUR, as the prolonged weak cycle and the hurdles it creates for strategy execution are already making the target look remarkably tough. Even in the best case, reaching the revenue target would also require acquisitions, which we do not forecast. Supported by strong profitability development and ongoing internal development measures, our margin forecasts for Raute for 2026–2028 are already close to the company's margin target (adj. EBITDA margin above 12% through the cycle).

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	130	128	-1%	141	141	0%	161	161	0%
EBITDA	14.0	14.3	2%	15.5	15.5	0%	19.4	19.4	0%
EBIT (exc. NRIs)	9.5	9.9	4%	11.1	11.1	0%	15.0	15.0	0%
EBIT	9.1	9.4	3%	10.7	10.7	0%	15.0	15.0	0%
PTP	9.2	9.5	3%	10.9	10.9	0%	15.4	15.4	0%
EPS (excl. NRIs)	1.26	1.31	3%	1.50	1.50	0%	2.01	2.01	0%
DPS	0.65	0.65	0%	0.75	0.75	0%	0.80	0.80	0%

Source: Inderes

Risk profile of the business



We remain greedy on the stock

Valuation multiples are moderate

On our forecasts, Raute's adjusted P/E for 2026–2027 is ~11x and 10x, with EV/EBIT of 7x and 5x respectively. We recommend that investors monitor both multiples for Raute, as EV multiples are significantly affected by net cash, which fluctuates with project progress. We estimate that the company's working capital is currently slightly less favorable than normal, even though prepayments have normalized somewhat following the Q3 order from Estonia. Working capital may therefore currently offer investors an extra margin of safety.

We believe next year's multiples, which are gradually becoming the focus, are low. In our extensive report from October 2026, we estimated Raute's acceptable valuation multiples at 10x–14x P/E and 7x–10x EV/EBIT. We therefore see the share's valuation as attractive even on current-year multiples, and we believe the share has already priced in a larger and/or more prolonged earnings decline than we forecast. In relative terms, the share also trades at a discount of several tens of percent to its peer group. In our view, this discount is excessive, even though some discount is naturally justified while Raute's business remains significantly more volatile than its peers'. That said, we consider the peer group itself quite expensive.

Other metrics tell the same story

Raute's EV/S of 0.5x for this year is above its five-year median, but in absolute terms, the level is low relative to the company's clearly strengthened margin profile. The P/B of 1.6x (2026e), meanwhile, is slightly below its five-year median. Considering the business structure, we therefore do not consider the share particularly highly valued on either metric. Balance sheet and revenue-based valuation may already provide some support for the share, even if earnings turn out slightly weaker than we expect next year. In our view, this slightly supports the share's risk/reward.

Our DCF value for Raute, roughly EUR 18 per share, is above the share price. We raise the risk-free rate in our model to 3% (prev. 2.5%) but keep our required return unchanged, as we consider it already quite high given the share's structurally high risk profile. Our model also does not assume miracles in growth or profitability: in the terminal period, revenue is roughly at the level of the 2024–2025 actuals, and profitability only corresponds to the long-term average adjusted for crisis periods (the global financial crisis, the COVID-19 pandemic, and Russia's war of aggression). Even on these assumptions, the DCF model points to an undervalued share, which supports a positive view.

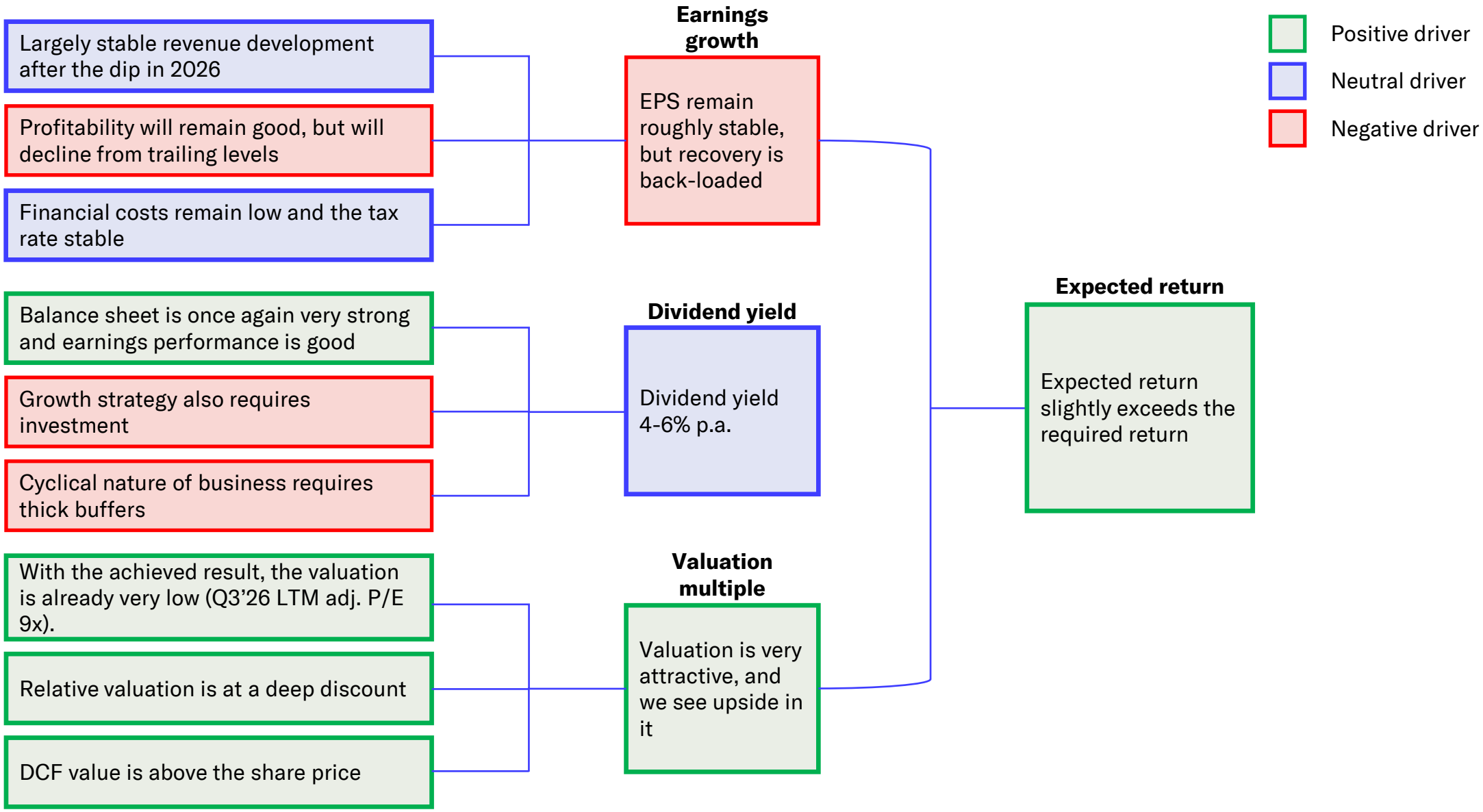
It is hard to be negative about the expected return unless forecasts fall significantly short

From the current share price, we believe Raute's 12-month expected return exceeds our required return, despite the decline in LTM earnings, given clear upside in multiples (Q3'26 LTM adj. P/E ~9x) and a dividend yield of just under 5%. The main risks to our view relate to the forecasts. The expected return could fall short of our expectations if earnings were to slump on a prolonged period of weak demand caused by problems in the global economy and/or geopolitics. We expect the valuation to rise as the company's order intake turns from low levels to gradual growth. In the short term, the share will be driven by order news and signs of a construction recovery in a good scenario, and by their absence in a bad one.

Valuation	2026e	2027e	2028e
Share price	14.8	14.8	14.8
Number of shares, millions	5.97	5.97	5.97
Market cap	88	88	88
EV	67	60	54
P/E (adj.)	11.4	9.9	7.4
P/E	11.9	10.4	7.4
P/B	1.6	1.5	1.3
P/S	0.7	0.6	0.6
EV/Sales	0.5	0.4	0.3
EV/EBITDA	4.7	3.9	2.8
EV/EBIT (adj.)	6.8	5.4	3.6
Payout ratio (%)	52.4 %	52.8 %	39.8 %
Dividend yield-%	4.4 %	5.1 %	5.4 %

Source: Inderes

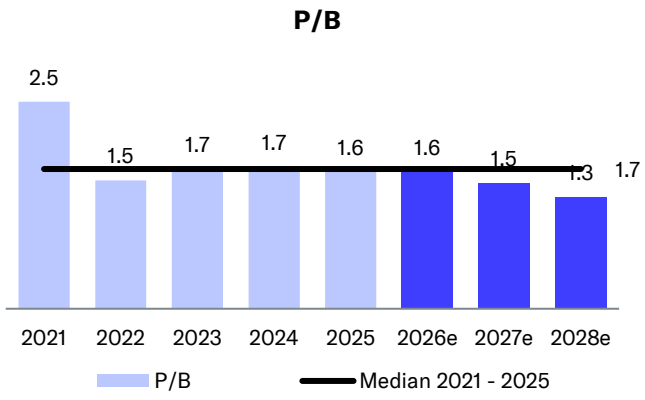
Total Shareholder Return drivers Q3'26a-2028e

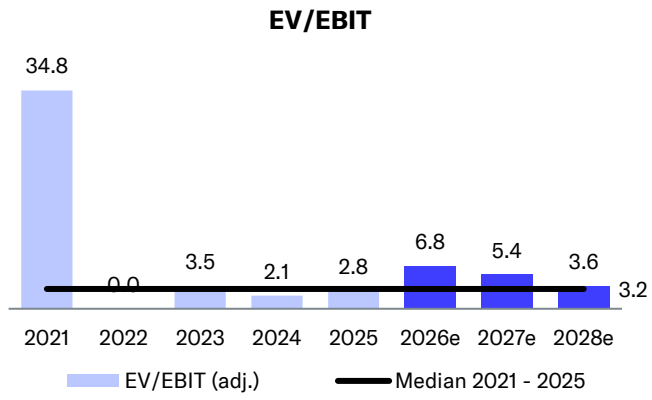


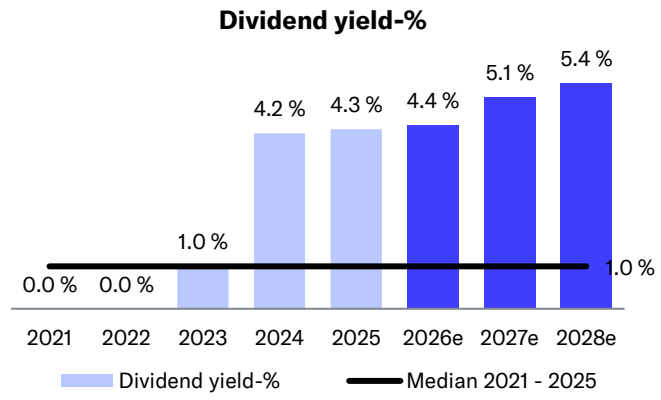
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	19.8	8.26	9.84	13.1	15.1	**14.80**	**14.80**	**14.80**	**14.80**
Number of shares, millions	4.26	4.26	6.02	6.02	5.97	**5.97**	**5.97**	**5.97**	**5.97**
Market cap	84	35	59	79	90	**88**	**88**	**88**	**88**
EV	72	42	15	30	55	**67**	**60**	**54**	**49**
P/E (adj.)	53.0	neg.	18.7	6.2	6.1	**11.4**	**9.9**	**7.4**	**7.0**
P/E	neg.	neg.	50.8	6.5	7.1	**11.9**	**10.4**	**7.4**	**7.0**
P/B	2.5	1.5	1.7	1.7	1.6	**1.6**	**1.5**	**1.3**	**1.2**
P/S	0.6	0.2	0.4	0.4	0.5	**0.7**	**0.6**	**0.6**	**0.5**
EV/Sales	0.5	0.3	0.1	0.1	0.3	**0.5**	**0.4**	**0.3**	**0.3**
EV/EBITDA	34.8	neg.	2.3	1.6	2.3	**4.7**	**3.9**	**2.8**	**2.4**
EV/EBIT (adj.)	34.8	neg.	3.5	2.1	2.8	**6.8**	**5.4**	**3.6**	**3.1**
Payout ratio (%)	0.0 %	0.0 %	44.5 %	27.3 %	30.0 %	**52.4 %**	**52.8 %**	**39.8 %**	**42.3 %**
Dividend yield-%	0.0 %	0.0 %	1.0 %	4.2 %	4.3 %	**4.4 %**	**5.1 %**	**5.4 %**	**6.1 %**

Source: Inderes







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

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**
Glaston	41	59	6.4	8.7	3.4	3.8	0.4	0.3	9.7	8.8	4.1	5.7	0.6
Ponsse	602	628	16.1	12.5	8.7	7.6	0.9	0.8	20.9	16.2	2.7	3.2	1.7
Kesla	13	19	19.3	6.4	9.6	4.8	0.4	0.4		11.5			1.8
Robit	28	48	9.6	8.0	6.0	5.3	0.5	0.5	12.2	8.4			0.6
Metso	14134	15339	18.1	15.3	14.9	12.8	2.7	2.5	23.2	19.5	2.5	2.8	4.9
Valmet	4949	5864	11.8	9.9	8.1	7.3	1.1	1.1	14.1	11.7	4.9	5.5	1.9
Hiab	3523	3359	13.5	9.7	10.9	7.8	1.9	1.5	19.0	14.1	2.3	2.8	3.3
Konecranes	7220	7227	12.8	10.9	10.5	9.1	1.7	1.5	17.3	14.5	2.7	3.1	3.1
Kalmar	2403	2414	10.4	9.2	8.2	7.4	1.3	1.3	13.6	12.1	3.3	3.5	2.9
Raute (Inderes)	**88**	**67**	**6.8**	**5.4**	**4.7**	**3.9**	**0.5**	**0.4**	**11.4**	**9.9**	**4.4**	**5.1**	**1.6**
Average			**13.1**	**10.1**	**8.9**	**7.3**	**1.2**	**1.1**	**16.3**	**13.0**	**3.2**	**3.8**	**2.3**
Median			**12.8**	**9.7**	**8.7**	**7.4**	**1.1**	**1.1**	**15.7**	**12.1**	**2.7**	**3.2**	**1.9**
Diff-% to median			**-47%**	**-44%**	**-45%**	**-47%**	**-52%**	**-60%**	**-28%**	**-18%**	**61%**	**59%**	**-14%**

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**205**	**51.9**	**43.8**	**43.7**	**36.2**	**176**	**33.5**	**33.0**	**28.9**	**32.5**	**128**	**141**	**161**	**168**
Wood Processing	147	37.9	30.4	31.6	24.4	124	22.8	21.1	16.9	19.5	80.3	88.1	103	108
Services	42.1	10.3	9.9	8.5	9.6	38.3	8.3	8.1	8.8	10.1	35.3	38.7	41.4	43.0
Analyzers	15.3	3.7	3.5	3.5	2.3	13.0	2.3	3.9	3.2	3.0	12.4	14.6	16.0	16.8
Adjustments	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
Depreciation	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
EBITDA	**19.1**	**7.3**	**4.5**	**6.3**	**5.5**	**23.6**	**4.0**	**3.7**	**3.2**	**3.4**	**14.3**	**15.5**	**19.4**	**20.5**
Depreciation	-5.4	-1.4	-2.5	-1.2	-1.2	-6.3	-1.3	-1.3	-1.2	-1.2	-4.9	-4.8	-4.3	-4.6
EBIT (excl. NRI)	**14.4**	**6.0**	**3.9**	**5.4**	**4.5**	**19.8**	**3.0**	**2.7**	**2.0**	**2.2**	**9.9**	**11.1**	**15.0**	**15.8**
EBIT	**13.7**	**5.9**	**1.9**	**5.1**	**4.4**	**17.3**	**2.8**	**2.5**	**2.0**	**2.2**	**9.4**	**10.7**	**15.0**	**15.8**
Wood Processing (adj. EBITDA)	11.4	5.5	4.2	4.8	4.0	18.4	3.6	2.7	1.7	1.6	9.6	7.1	9.3	9.7
Services (adj. EBITDA)	6.9	1.6	1.9	1.2	2.0	6.7	0.8	0.6	1.2	1.6	4.2	6.4	7.0	7.5
Analyzers (adj. EBITDA)	1.5	0.3	0.4	0.5	-0.2	1.0	-0.2	0.6	0.4	0.3	1.1	2.4	3.0	3.2
Adjustments (in EBITDA)	-0.7	-0.1	-2.0	-0.3	-0.2	-2.6	-0.2	-0.2	-0.1	-0.1	-0.6	-0.4	0.0	0.0
Depreciation	-5.4	-1.4	-2.5	-1.2	-1.2	-6.3	-1.3	-1.3	-1.2	-1.2	-4.9	-4.8	-4.3	-4.6
Net financial items	1.4	-0.1	0.4	0.0	0.1	0.3	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.4
PTP	**15.1**	**5.8**	**2.3**	**5.1**	**4.4**	**17.6**	**2.8**	**2.5**	**2.0**	**2.2**	**9.5**	**10.9**	**15.4**	**16.3**
Taxes	-3.0	-1.5	-1.1	-1.2	-0.8	-4.7	-0.6	-0.5	-0.5	-0.5	-2.0	-2.4	-3.4	-3.6
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
Net earnings	**12.1**	**4.2**	**1.2**	**3.9**	**3.6**	**12.9**	**2.2**	**2.0**	**1.5**	**1.7**	**7.4**	**8.5**	**12.0**	**12.7**
EPS (adj.)	**2.10**	**0.71**	**0.43**	**0.70**	**0.62**	**2.46**	**0.40**	**0.36**	**0.27**	**0.28**	**1.31**	**1.50**	**2.01**	**2.13**
EPS (rep.)	**2.00**	**0.69**	**0.19**	**0.65**	**0.59**	**2.12**	**0.37**	**0.33**	**0.26**	**0.28**	**1.24**	**1.42**	**2.01**	**2.13**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	40.7 %	16.1 %	-23.3 %	-5.8 %	-35.9 %	-14.2 %	-35.5 %	-24.6 %	-33.7 %	-10.1 %	-27.1 %	10.5 %	13.5 %	4.7 %
Adjusted EBIT growth-%	231.5 %	273.7 %	-6.0 %	9.9 %	20.3 %	37.4 %	-50.6 %	-30.5 %	-62.2 %	-52.3 %	-50.2 %	12.2 %	35.8 %	5.3 %
EBITDA-%	9.4 %	14.0 %	10.2 %	14.4 %	15.3 %	13.4 %	12.0 %	11.3 %	11.0 %	10.3 %	11.2 %	10.9 %	12.1 %	12.2 %
Adjusted EBIT-%	7.1 %	11.6 %	8.9 %	12.4 %	12.5 %	11.3 %	8.9 %	8.2 %	7.0 %	6.7 %	7.7 %	7.8 %	9.4 %	9.4 %
Net earnings-%	5.9 %	8.2 %	2.7 %	9.0 %	9.9 %	7.4 %	6.8 %	5.8 %	5.3 %	5.2 %	5.8 %	6.0 %	7.5 %	7.5 %

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	**30.1**	**24.2**	**23.2**	**23.9**	**26.2**
Goodwill	1.7	1.7	1.7	1.7	1.7
Intangible assets	9.9	9.2	9.2	9.2	9.2
Tangible assets	15.1	11.6	10.7	11.4	13.6
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.1	1.0	1.0	1.0	1.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	3.2	0.7	0.7	0.7	0.7
Current assets	**106**	**83.2**	**72.2**	**83.2**	**96.9**
Inventories	23.5	15.4	16.6	17.7	19.3
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	24.9	27.4	30.7	32.5	38.5
Cash and equivalents	57.5	40.3	24.8	33.0	39.1
Balance sheet total	**136**	**107**	**95.4**	**107**	**123**

Source: Inderes

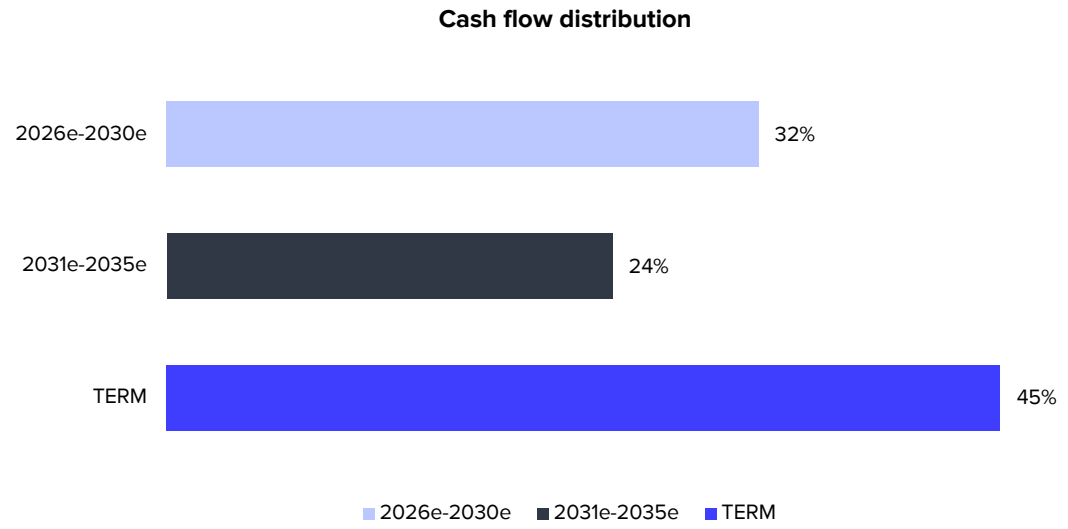
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**49.7**	**58.0**	**54.0**	**58.6**	**66.1**
Share capital	8.3	8.3	8.3	8.3	8.3
Retained earnings	7.2	15.3	18.9	23.4	31.0
Hybrid bonds	3.0	3.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	31.2	31.4	26.9	26.9	26.9
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**4.7**	**3.2**	**4.0**	**5.0**	**5.0**
Deferred tax liabilities	0.0	0.6	0.6	0.6	0.6
Provisions	0.4	1.1	0.4	0.4	0.4
Interest bearing debt	4.3	1.4	3.0	4.0	4.0
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	**81.6**	**46.2**	**37.4**	**43.6**	**51.9**
Interest bearing debt	1.3	0.8	1.0	1.0	1.0
Payables	76.3	40.9	32.0	38.2	46.6
Other current liabilities	3.9	4.4	4.4	4.4	4.4
Balance sheet total	**136**	**107**	**95.4**	**107**	**123**

DCF calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-14.2 %	-27.1 %	10.5 %	13.5 %	4.7 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	9.8 %	7.3 %	7.6 %	9.4 %	9.4 %	8.0 %	7.0 %	6.0 %	5.5 %	5.5 %	5.5 %	5.5 %
EBIT (operating profit)	**17.3**	**9.4**	**10.7**	**15.0**	**15.8**	**13.9**	**12.5**	**11.0**	**10.4**	**10.7**	**10.9**	
+ Depreciation	6.3	4.9	4.8	4.3	4.6	5.3	5.8	6.0	6.0	6.2	6.4	
- Paid taxes	-1.6	-1.9	-2.4	-3.4	-3.6	-3.2	-2.9	-2.5	-2.4	-2.5	-2.5	
- Tax, financial expenses	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	
- Change in working capital	-29.4	-13.4	3.3	0.8	-0.5	-0.4	-0.4	-0.4	-0.4	-0.4	-0.3	
Operating cash flow	**-7.4**	**-1.0**	**16.5**	**16.8**	**16.5**	**15.7**	**15.1**	**14.2**	**13.7**	**14.2**	**14.7**	
+ Change in other long-term liabilities	0.7	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-2.9	-4.0	-5.5	-6.6	-6.5	-6.8	-6.5	-6.0	-6.7	-6.7	-6.9	
Free operating cash flow	**-9.6**	**-5.8**	**11.0**	**10.2**	**10.0**	**9.0**	**8.6**	**8.2**	**7.0**	**7.5**	**7.8**	
+/- Other	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-9.2	-5.6	11.0	10.2	10.0	9.0	8.6	8.2	7.0	7.5	7.8	91.5
Discounted FCFF		**-5.5**	**9.7**	**8.2**	**7.2**	**5.9**	**5.1**	**4.4**	**3.4**	**3.3**	**3.1**	**36.0**
Sum of FCFF present value		80.7	86.2	76.5	68.3	61.0	55.2	50.1	45.7	42.3	39.0	36.0
Enterprise value DCF		**80.7**										
- Interest bearing debt		-5.3										
+ Cash and cash equivalents		40.3										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		-3.9										
Equity value DCF		**112**										
Equity value DCF per share		**18.7**										

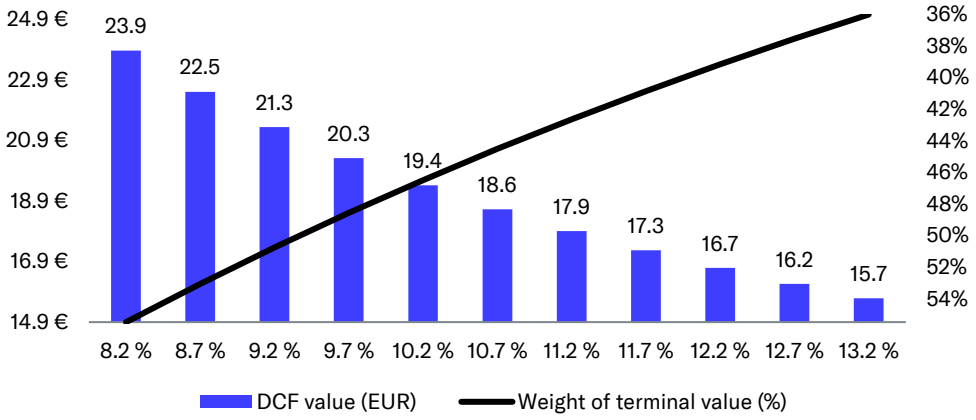
WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E)	5.0 %
Cost of debt	6.0 %
Equity Beta	1.80
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	**11.1 %**
Weighted average cost of capital (WACC)	**10.7 %**

Source: Inderes

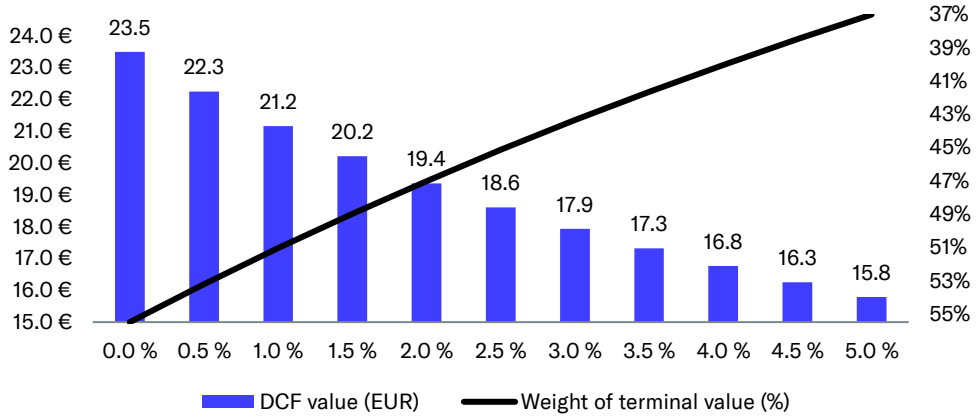


DCF sensitivity calculations and key assumptions in graphs

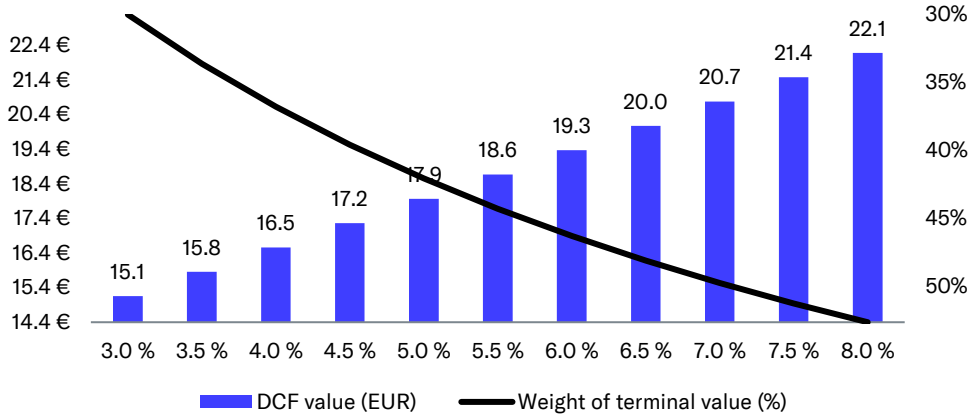
Sensitivity of DCF to changes in the WACC-%



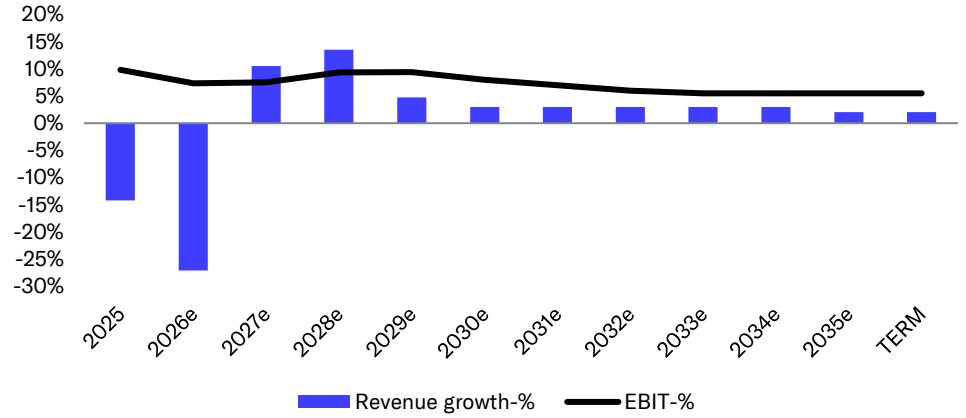
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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
Revenue	145	205	176	**128**	**141**
EBITDA	6.7	19.1	23.6	**14.3**	**15.5**
EBIT	1.9	13.7	17.3	**9.4**	**10.7**
PTP	1.8	15.1	17.6	**9.4**	**10.9**
Net Income	1.4	12.1	12.9	**7.4**	**8.5**
Extraordinary items	-2.5	-0.7	-2.6	**-0.5**	**-0.4**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	135.4	136.0	107.3	**95.4**	**107.2**
Equity capital	38.4	49.7	58.0	**54.0**	**58.6**
Goodwill	1.7	1.7	1.7	**1.7**	**1.7**
Net debt	-46.8	-51.9	-38.0	**-20.8**	**-28.0**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	6.7	19.1	23.6	**14.3**	**15.5**
Change in working capital	31.7	-5.8	-29.4	**-13.4**	**3.3**
Operating cash flow	42.5	7.7	-7.4	**-1.0**	**16.5**
CAPEX	-3.6	-2.7	-2.9	**-4.0**	**-5.5**
Free cash flow	39.6	5.2	-9.2	**-5.6**	**11.0**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.1	0.1	0.3	**0.5**	**0.4**
EV/EBITDA	2.3	1.6	2.3	**4.7**	**3.9**
EV/EBIT (adj.)	3.5	2.1	2.8	**6.8**	**5.4**
P/E (adj.)	18.7	6.2	6.1	**11.4**	**9.9**
P/B	1.7	1.7	1.6	**1.6**	**1.5**
Dividend-%	1.0 %	4.2 %	4.3 %	**4.4 %**	**5.1 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.19	2.00	2.12	**1.24**	**1.42**
EPS (adj.)	0.52	2.10	2.46	**1.30**	**1.50**
OCF / share	7.06	1.28	-1.24	**-0.17**	**2.76**
OFCF / share	6.57	0.87	-1.54	**-0.94**	**1.84**
Book value / share	6.38	8.26	9.72	**9.05**	**9.82**
Dividend / share	0.10	0.55	0.65	**0.65**	**0.75**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-8%	41%	-14%	**-27%**	**11%**
EBITDA growth-%	169%	185%	23%	**-39%**	**8%**
EBIT (adj.) growth-%	160%	231%	37%	**-50%**	**12%**
EPS (adj.) growth-%	140%	301%	17%	**-47%**	**15%**
EBITDA-%	4.6 %	9.4 %	13.4 %	**11.2 %**	**10.9 %**
EBIT (adj.)-%	3.0 %	7.1 %	11.3 %	**7.7 %**	**7.8 %**
EBIT-%	1.3 %	6.7 %	9.8 %	**7.3 %**	**7.6 %**
ROE-%	4.4 %	27.5 %	24.0 %	**13.2 %**	**15.0 %**
ROI-%	5.9 %	28.9 %	30.8 %	**16.7 %**	**18.3 %**
Equity ratio	50.9 %	54.6 %	65.7 %	**77.8 %**	**78.0 %**
Gearing	-121.8 %	-104.4 %	-65.5 %	**-38.5 %**	**-47.8 %**
Net debt/EBITDA	-7.0	-2.7	-1.6	**-1.5**	**-1.8**
EBITDA/net financials	100.3	-13.5	-67.7	**-2381.7**	**-84.1**

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.

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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

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/1/2019	Reduce	22.50 €	21.80 €
10/2/2019	Accumulate	26.00 €	24.70 €
10/31/2019	Accumulate	26.00 €	23.80 €
1/15/2020	Reduce	26.00 €	27.10 €
2/14/2020	Reduce	24.00 €	25.60 €
3/19/2020	Reduce	18.00 €	19.00 €
4/30/2020	Sell	18.00 €	20.60 €
5/14/2020	Reduce	18.00 €	18.60 €
7/24/2020	Reduce	18.00 €	19.00 €
10/30/2020	Reduce	19.00 €	19.00 €
2/15/2021	Reduce	22.00 €	23.60 €
3/9/2021	Reduce	22.00 €	21.70 €
4/29/2021	Reduce	24.00 €	23.30 €
5/14/2021	Accumulate	25.00 €	23.00 €
7/26/2021	Reduce	24.00 €	23.50 €
10/25/2021	Reduce	23.00 €	22.00 €
1/26/2022	Accumulate	21.00 €	18.75 €
2/14/2022	Accumulate	21.00 €	19.55 €
3/3/2022	Reduce	16.50 €	15.00 €
5/2/2022	Reduce	14.00 €	13.00 €
22/062022	Reduce	13.00 €	11.90 €
7/25/2022	Reduce	11.00 €	10.40 €
10/24/2022	Reduce	10.00 €	9.56 €
12/1/2022	Reduce	10.00 €	9.50 €
2/15/2023	Reduce	10.00 €	10.00 €
3/10/2023	Reduce	10.00 €	9.00 €
5/2/2023	Accumulate	12.00 €	10.10 €
5/24/2023	Accumulate	11.50 €	10.80 €
6/8/2023	Buy	11.50 €	8.50 €
8/22/2023	Buy	11.50 €	8.44 €
8/25/2023	Buy	11.50 €	9.20 €
1/3/2024	Osta	12.50 €	9.88 €
2/16/2024	Accumulate	12.50 €	10.50 €
5/6/2024	Osta	12.50 €	10.40 €
6/25/2024	Accumulate	15.00 €	13.35 €
8/9/2024	Accumulate	16.00 €	13.55 €
10/17/2024	Buy	16.00 €	11.65 €
10/23/2024	Buy	17.00 €	12.90 €
10/24/2024	Buy	17.00 €	12.75 €
2/14/2025	Buy	18.00 €	14.50 €
4/21/2025	Buy	18.00 €	15.05 €
4/28/2025	Accumulate	19.00 €	17.35 €
5/8/2025	Accumulate	19.00 €	15.75 €
8/13/2025	Accumulate	17.00 €	15.00 €
10/21/2025	Accumulate	17.00 €	14.70 €
10/31/2025	Accumulate	17.00 €	15.15 €
2/13/2026	Accumulate	16.00 €	14.15 €
5/4/2026	Accumulate	16.00 €	14.40 €
5/8/2026	Accumulate	16.00 €	14.55 €
8/7/2026	Reduce	16.00 €	15.35 €
8/12/2026	Accumulate	16.00 €	14.60 €
10/14/2026	Accumulate	16.00 €	14.80 €



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.

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