NORRHYDRO

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Turnaround progresses despite guidance risk

A strong start to the year turned into weaker demand in Q2 due to geopolitical uncertainty. In our view, the company's guidance is uncertain, but we still consider the stock's valuation attractive, even if earnings remain near the lower end of the guidance range, as we currently forecast. The company has largely succeeded in significantly improving its profitability and strengthening its balance sheet. We reiterate our Accumulate recommendation but lower the target price to EUR 1.4 due to estimate cuts and guidance risk (from EUR 1.7).

Figures missed expectations, but the balance sheet has developed in a healthier direction

Q2 was weaker than expected as the decline in revenue was reflected in the earnings lines. Revenue decreased by 13% year-on-year, influenced by customer caution amid geopolitical uncertainty. EBITDA decreased to 0.44 MEUR (Q2'25: 0.99 MEUR, we estimated 1.07 MEUR). In addition, the reported figures were negatively impacted by the company reducing the capitalization of R&D expenses on the balance sheet, although this does not have a corresponding impact on cash flow. However, H1 as a whole was on par with the comparison period in terms of revenue and stronger in terms of EBITDA, thanks to a good Q1.

The company has been able to reduce its debt relatively significantly in the early part of the year, which was also reflected in lower net financing expenses. Net debt at the end of June was only 7.9 MEUR, or 2.8x EBITDA (3.4x at the end of 2025). The company paid a dividend of EUR 0.02 per share to shareholders in May, totaling 0.22 MEUR.

Weak demand increases guidance risk

We lowered our 2026 revenue estimate by 3% and our EBITDA estimate by 15% due to a weaker-than-expected Q2 earnings report. The company reiterated its guidance, according to which 2026 revenue is expected to be 30-32 MEUR (2025: 28.7 MEUR) and reported EBITDA 3-4 MEUR (2025: 2.65 MEUR). The guidance implies H2 revenue growth of 9-24%, which cannot be taken for granted due to strong comparison figures and weak Q2 order intake. We interpreted that the outlook for Q3 is clear, but there is some uncertainty regarding Q4 demand. The forest and construction sectors remain challenging, whereas the defense, mining, and marine industries, among others, are performing well. The company has invested in new customer acquisition in recent years and expects this to be more clearly reflected in revenue starting from the end of the year. Regarding NorrDigi, the company commented on growing interest in electromechanical actuators (EMA), but no concrete significant orders are yet known.

Valuation is cheap even at the lower end of the guidance range

Although our revenue forecasts are slightly below guidance and our EBITDA forecasts are near the lower end of guidance, the stock's earnings-based valuation appears quite reasonable (EV/EBIT 2026e: 10x). When considering the negative impact of NorrDigi, which is in an early stage of development, on earnings (0.5-1.0 MEUR/year), the valuation of the conventional cylinder business can be considered quite favorable. In our view, the gradual reduction of the debt burden has decreased balance sheet risk, although intangible assets are subject to impairment risk if NorrDigi's growth does not progress in the coming years. We estimate that the conventional cylinder business still has medium-term earnings growth potential as the utilization rates of the modern factory increase, which, combined with the favorable valuation, keeps the risk/reward ratio attractive.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 1.40
(was EUR 1.70)

Share price:
EUR 1.16

Business risk ●●●●○

Valuation risk ●●●●○

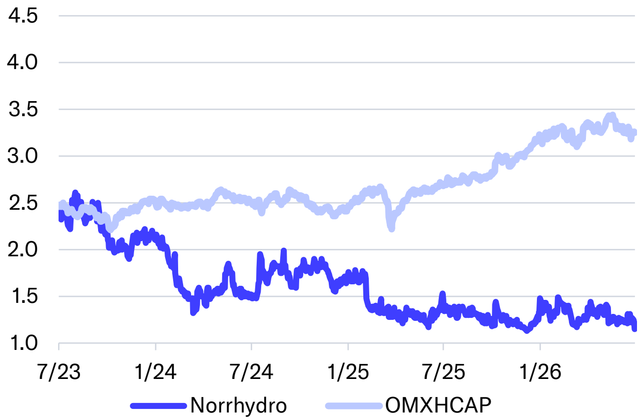
	2025	2026e	2027e	2028e
Revenue	28.7	29.7	32.6	36.2
growth-%	18%	3%	10%	11%
EBIT adj.	1.4	2.0	2.3	2.9
EBIT-% adj.	5.0 %	6.7 %	7.1 %	8.1 %
Net income	0.2	0.9	1.1	1.7
EPS (adj.)	0.03	0.09	0.11	0.16
Dividend	0.02	0.03	0.04	0.07
P/E (adj.)	41.7	13.2	10.7	7.4
P/B	1.6	1.4	1.3	1.2
Dividend yield-%	1.7 %	2.6 %	3.4 %	6.0 %
EV/EBIT (adj.)	15.6	10.2	8.4	6.2
EV/EBITDA	8.4	6.4	5.0	4.0
EV/S	0.8	0.7	0.6	0.5

Source: Inderes

Guidance (Unchanged)

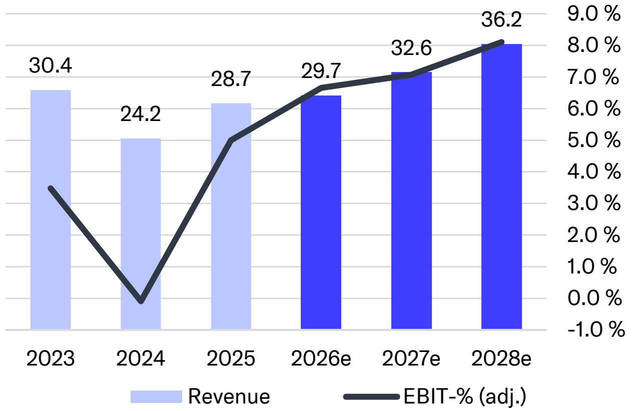
Revenue for 2026 is estimated to be 30-32 MEUR and EBITDA 3-4 MEUR.

Share price



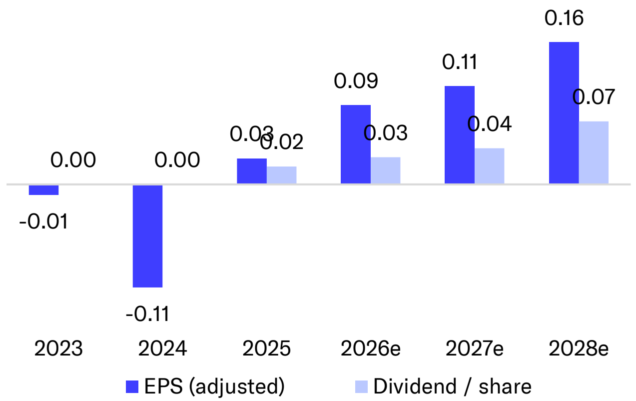
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Growth potential in basic cylinders through market recovery and market share gains
- The modern factory's scalability supports profitability
- NorrDigi's growth opportunity in higher technology products
- Impressive customer list and close, long-term customer relationships

Risk factors

- Cyclicality of key customer industries
- Concentration of customer base
- Failure to commercialize NorrDigi
- The balance sheet is indebted and contains significant capitalized development costs

Valuation	2026e	2027e	2028e
Share price	1.16	1.16	1.16
Number of shares, millions	11.0	11.0	11.0
Market cap	13	13	13
EV	20	19	18
P/E (adj.)	13.2	10.7	7.4
P/E	14.5	11.5	7.7
P/B	1.4	1.3	1.2
P/S	0.4	0.4	0.4
EV/Sales	0.7	0.6	0.5
EV/EBITDA	6.4	5.0	4.0
EV/EBIT (adj.)	10.2	8.4	6.2
Payout ratio (%)	37.4 %	39.5 %	46.7 %
Dividend yield-%	2.6 %	3.4 %	6.0 %

Source: Inderes

Q2 was surprisingly weak

Uncertainty in customer industries

Norrhydro Group's Q2 revenue was 7.7 MEUR, down 13% year-on-year. Revenue was 7% below our forecast. According to the company, demand was weighed down by, among other things, uncertainty caused by the geopolitical situation in the Middle East, which led customers to postpone orders. In addition, customers have reduced inventory levels due to recession fears. According to the company, these factors collectively had a 10-15% negative impact on Q2 order intake. Demand has remained strong in the defense, mining, and marine segments, but the recovery in the construction sector has been slower than anticipated. For the full H1, revenue was roughly at the level of the comparison period.

Q2 earnings fell short of expectations, H1 still above comparison period

EBITDA for Q2 was 0.44 MEUR, showing a significant year-on-year drop (Q2’25: 0.99 MEUR). The same applied to EBIT, which decreased to 0.13 MEUR (Q2'25: 0.67 MEUR). The earnings lines were thus clearly below our estimates, which assumed a moderate year-on-year improvement. On the other hand, thanks to the strong profitability in Q1, the overall H1 result was stronger than in the comparison period (EBITDA 1.35 MEUR vs. H1’25: 1.23 MEUR).

The Q2 material margin was clearly weaker than in previous quarters, but we estimate this to be mainly due to decreased production volumes and quarterly variation. For H1 as a whole, the material margin improved to 50.2% (H1’25: 47.8%), continuing the positive trend of recent years. Personnel costs, in turn, increased by 7%, which weighed on profitability. This was because NorrDigi's product development costs are no longer capitalized on the balance sheet to the same extent as before, but are expensed directly through the income statement. Average headcount in H1 decreased by 7% from the previous year.

Cash flow in the first half of the year has been strong

The company has been able to reduce its debt relatively significantly in the early part of the year, as a result of which net financing expenses have also started to decline. Net debt at the end of June was only 7.9 MEUR, or 2.8 times EBITDA (net debt at the end of 2025 was 9.1 MEUR, 3.4x EBITDA). This is despite the company paying a capital repayment to shareholders of EUR 0.02 per share, or a total of 0.22 MEUR, in May. In addition to improved earnings, working capital decreased in H1, which is not necessarily a sustainable trend, as working capital is likely to increase further in the remainder of the year as business growth resumes.

Estimates	Q2'25	Q2'26	Q2'26e	Q2'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	8.9	7.7	8.3				-7%	29.7
EBITDA	0.99	0.44	1.07				-59%	3.1
EBIT	0.67	0.13	0.75				-83%	1.9
EPS (adj.)	0.03	-0.01	0.05				-122%	0.09
Revenue growth-%	13.5 %	-13%	5.0 %				-18.5 pp	3%
EBIT-% (adj.)	6.9 %	1.6 %	9.0 %				-7.4 pp	6.4 %

Source: Inderes

Growth turnaround is expected towards the end of the year

Earnings estimates decreased by the amount of the Q2 miss

- We lowered our 2026 revenue estimate by 3% and our EBITDA estimate by 15% due to a weaker-than-expected Q2 earnings report. The decrease in the EBITDA estimate practically corresponds to the Q2 miss, meaning the H2 EBITDA estimate is largely unchanged. We forecast H2 revenue to grow by 7.5%, whereas H1 revenue did not grow at all.
- The company reiterated its guidance, according to which 2026 revenue is expected to be 30-32 MEUR (2025: 28.7 MEUR) and reported EBITDA 3-4 MEUR (2025: 2.65 MEUR). The guidance implies H2 revenue growth of 9-24%, which cannot be taken for granted due to strong comparison figures and weak Q2 order intake. We interpreted that the outlook for Q3 is clear, but there is some uncertainty regarding Q4 demand.
- The forest and construction sectors remain challenging, whereas the defense, mining, and marine industries, among others, are performing well.
- The company has invested in new customer acquisition in recent years and expects this to be more clearly reflected in revenue starting from the end of the year.
- Overall, we still see NorrDigi's growth outlook as uncertain. The company commented on the growing interest in electromechanical actuators, but no concrete significant orders are yet known. Regarding NorrDigi MCC, the company sees progress in its development work. The solution must first pass internal tests before it can be given to the customer for testing by the end of the year.

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	30.6	29.7	-3%	34.0	32.6	-4%	37.9	36.2	-5%
EBITDA	3.7	3.1	-15%	4.2	3.8	-8%	5.0	4.6	-8%
EBIT (exc. NRIs)	2.5	2.0	-20%	2.6	2.3	-12%	3.4	2.9	-12%
EBIT	2.4	1.9	-21%	2.5	2.2	-12%	3.3	2.8	-13%
EPS (excl. NRIs)	0.13	0.09	-33%	0.13	0.11	-18%	0.19	0.16	-16%
DPS	0.00	0.03		0.04	0.04	0%	0.07	0.07	0%

Source: Inderes

Turnaround continuation is alluring

Investment profile: Two different elements

Norrhydro's equity story consists of two very different elements. Forecasting the long-term earnings level of the conventional cylinder business is relatively straightforward and reliable due to the long history and mature nature of the industry. On the other hand, there is not yet a strong understanding of the earnings potential of the new NorrDigi technologies. NorrDigi's operations are currently unprofitable due to a lack of significant revenue, but if successful, it offers potential to strengthen the margin and value creation profile in the long term.

The company's earnings have been weak in recent history due to costs associated with the ramp-up of the new factory, the development of NorrDigi technologies, and weak demand in key customer segments. However, the earnings turnaround seen over the last year or so has reversed the balance sheet's high indebtedness, thereby decreasing the risk level associated with the financial position. Debt levels are still somewhat elevated, and in our view, the balance sheet cannot withstand significant disappointments in earnings and cash flow development.

Conventional cylinders alone offer reasonable earnings growth potential

The turnaround in earnings has significantly lowered the stock's earnings-based valuation. In our view, a fair valuation level of EV/EBIT 9-12x could be applied to a company operating as a subcontractor in the engineering sector that generates a reasonable return on capital.

Based on our 2026 forecasts, the EV/EBIT would be only 10x, which we believe is a cautiously attractive level for Norrhydro Group, considering the company's relatively strong long-term growth profile (5% realized annual growth over a 10-year period), the early development stage of NorrDigi, and the current, partly unfavorable business cycle in customer industries. If the cyclical recovery and NorrDigi's commercial breakthrough materialize, the share could have strong upside potential. The balance sheet's debt leverage also amplifies the impact of the earnings outlook on the share price.

The DCF value, which is slightly above our target price level, also supports a positive view on the stock. Due to the nature of the company's business portfolio (i.e., two different businesses), the DCF margin of error is exceptionally high, even though our required return in the model is quite high.

Valuing NorrDigi is challenging

There is considerable uncertainty regarding the realization of NorrDigi's growth, and our medium-term forecasts are relatively demanding. However, in our view, the share price does not reflect significant successes for NorrDigi, as the commercialization schedule has been delayed in recent years. We consider it likely that as the commercialization of the solutions progresses, investors would begin to front-load value to NorrDigi's growth again. However, this would require concrete successes and the solutions to reach commercial use in significant volumes. We have estimated that in NorrDigi's breakthrough scenario (based on 2031 forecasts), the discounted standalone value of the business could be around EUR 1 per share (assuming an EV/EBIT of 15x), which could almost double the share price from current levels. On the other hand, as long as there is no evidence of the business's commercial success, the unprofitability of the operations will weigh down the company's valuation.

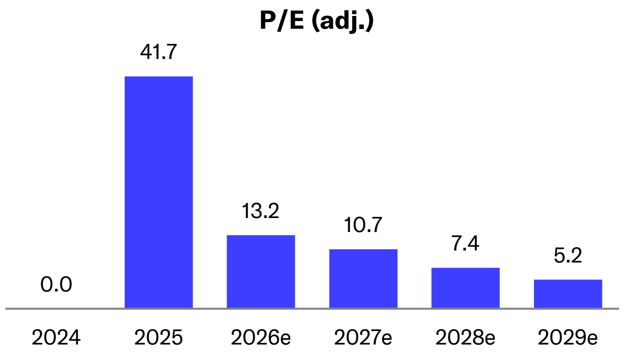
Valuation	2026e	2027e	2028e
Share price	1.16	1.16	1.16
Number of shares, millions	11.0	11.0	11.0
Market cap	13	13	13
EV	20	19	18
P/E (adj.)	13.2	10.7	7.4
P/E	14.5	11.5	7.7
P/B	1.4	1.3	1.2
P/S	0.4	0.4	0.4
EV/Sales	0.7	0.6	0.5
EV/EBITDA	6.4	5.0	4.0
EV/EBIT (adj.)	10.2	8.4	6.2
Payout ratio (%)	37.4 %	39.5 %	46.7 %
Dividend yield-%	2.6 %	3.4 %	6.0 %

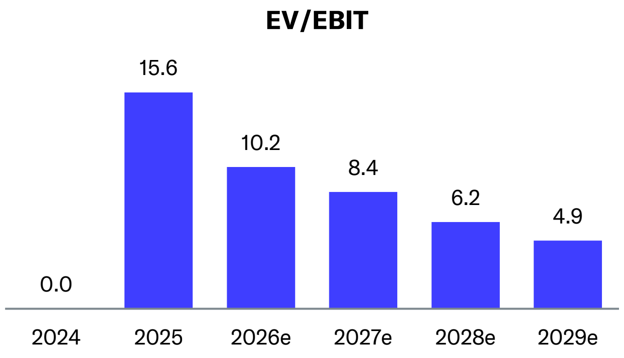
Source: Inderes

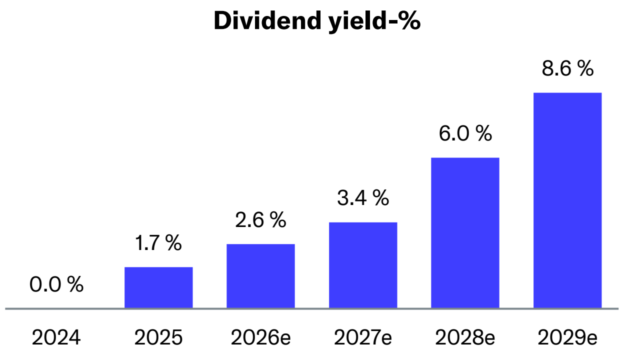
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	4.32	3.13	2.07	1.62	1.20	**1.16**	**1.16**	**1.16**	**1.16**
Number of shares, millions	8.46	10.9	10.9	11.0	11.0	**11.0**	**11.0**	**11.0**	**11.0**
Market cap	47	34	23	18	13	**13**	**13**	**13**	**13**
EV	47	42	32	27	22	**20**	**19**	**18**	**17**
P/E (adj.)	23.2	21.5	neg.	neg.	41.7	**13.2**	**10.7**	**7.4**	**5.2**
P/E	>100	>100	neg.	neg.	56.5	**14.5**	**11.5**	**7.7**	**5.2**
P/B	4.2	3.2	2.5	2.3	1.6	**1.4**	**1.3**	**1.2**	**1.0**
P/S	1.9	1.1	0.7	0.7	0.5	**0.4**	**0.4**	**0.4**	**0.3**
EV/Sales	1.9	1.4	1.1	1.1	0.8	**0.7**	**0.6**	**0.5**	**0.4**
EV/EBITDA	15.9	19.7	29.4	21.8	8.4	**6.4**	**5.0**	**4.0**	**3.3**
EV/EBIT (adj.)	21.8	17.8	30.5	neg.	15.6	**10.2**	**8.4**	**6.2**	**4.9**
Payout ratio (%)	185.1 %	1521.2 %	0.0 %	0.0 %	94.2 %	**37.4 %**	**39.5 %**	**46.7 %**	**45.1 %**
Dividend yield-%	1.4 %	1.9 %	0.0 %	0.0 %	1.7 %	**2.6 %**	**3.4 %**	**6.0 %**	**8.6 %**

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**
Kesla Oyj	14	25	12.5		8.4		0.6	0.7	12.6		2.8		1.2
Robit Plc	26	43	21.3	21.3	7.1	7.1	0.5	0.5			4.1		0.6
Ponsse Oyj	630	649	18.4	15.6	9.3	8.5	0.9	0.9	68.2	19.9	2.0	3.0	1.9
Kalmar	2433	2476	12.6	11.2	9.2	8.9	1.5	1.4	16.2	14.8	2.8	3.0	3.3
Hiab	3407	3187	11.5	14.8	9.4	12.5	1.3	2.1	15.9	21.2	3.2	2.5	2.9
Metso Corp	12841	13962	18.5	18.3	15.4	14.9	2.9	2.7	25.0	25.0	2.3	2.4	5.0
Sandvik AB	44484	47508	25.3	24.5	18.6	18.4	4.3	4.4	34.5	31.7	1.5	1.5	5.3
Kongsberg Gruppen ASA	22204	21856	37.3	29.0	29.7	23.8	5.0	4.2	47.7	34.1	1.0	2.3	13.1
Enerpac Tool Group Corp	1526	1586	14.3	13.6	12.1	11.8	3.1	3.0	19.5	19.0			3.7
Interpump Group SpA	3826	4132	11.5	12.0	8.7	8.8	2.0	2.0	16.1	16.3	0.9	1.0	2.0
Parker-Hannifin Corp	106267	114224	31.1	28.2	26.7	25.2	6.6	6.6	38.8	36.0	0.6	0.7	10.2
Donaldson Company Inc	9088	9441	19.8	18.4	16.5	15.7	3.0	3.0	26.6	24.5	1.1	1.2	6.8
SMC Corp	25036	21299	16.2	13.9	16.4	17.0	5.1	5.0	26.6	29.9	1.2	1.4	2.6
Norrhydro (Inderes)	**13**	**20**	**10.2**	**8.4**	**6.4**	**5.0**	**0.7**	**0.6**	**13.2**	**10.7**	**2.6**	**3.4**	**1.4**
Average			**19.0**	**18.0**	**14.6**	**14.6**	**3.0**	**3.0**	**28.8**	**25.2**	**1.9**	**1.8**	**4.4**
Median			**17.3**	**15.6**	**13.8**	**14.9**	**2.9**	**2.8**	**26.6**	**24.7**	**1.5**	**1.5**	**3.1**
Diff-% to median			**-41%**	**-46%**	**-54%**	**-66%**	**-77%**	**-79%**	**-50%**	**-57%**	**78%**	**127%**	**-53%**

Source: Refinitiv / Inderes

Income statement

Income statement	2023	2024	H1'25	H2'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**30.4**	**24.2**	**14.9**	**13.8**	**28.7**	**7.2**	**7.6**	**6.6**	**8.3**	**29.7**	**32.6**	**36.2**	**40.2**
EBITDA	**1.1**	**1.3**	**1.23**	**1.42**	**2.65**	**0.93**	**0.44**	**0.51**	**1.26**	**3.14**	**3.84**	**4.55**	**5.18**
Depreciation	-1.4	-1.3	-0.65	-0.65	-1.30	-0.33	-0.31	-0.31	-0.30	-1.25	-1.62	-1.70	-1.72
EBIT (excl. NRI)	**1.1**	**0.0**	**0.61**	**0.82**	**1.44**	**0.62**	**0.15**	**0.22**	**0.99**	**1.97**	**2.31**	**2.93**	**3.46**
EBIT	**-0.3**	**-0.1**	**0.57**	**0.78**	**1.35**	**0.59**	**0.13**	**0.20**	**0.97**	**1.89**	**2.22**	**2.85**	**3.46**
Net financial items	-1.2	-1.2	-0.57	-0.55	-1.12	-0.21	-0.25	-0.25	-0.25	-0.96	-0.91	-0.81	-0.44
PTP	**-1.4**	**-1.3**	**0.01**	**0.23**	**0.23**	**0.39**	**-0.12**	**-0.05**	**0.72**	**0.93**	**1.31**	**2.04**	**3.02**
Taxes	0.0	0.0	0.00	0.00	0.00	0.00	0.01	0.00	-0.06	-0.05	-0.20	-0.39	-0.57
Net earnings	**-1.4**	**-1.3**	**0.01**	**0.23**	**0.23**	**0.39**	**-0.11**	**-0.05**	**0.66**	**0.88**	**1.12**	**1.65**	**2.44**
EPS (adj.)	**-0.01**	**-0.11**	**0.00**	**0.02**	**0.03**	**0.04**	**-0.01**	**0.00**	**0.06**	**0.09**	**0.11**	**0.16**	**0.22**
EPS (rep.)	**-0.13**	**-0.12**	**0.00**	**0.02**	**0.02**	**0.04**	**-0.01**	**0.00**	**0.06**	**0.08**	**0.10**	**0.15**	**0.22**

Key figures	2023	2024	H1'25	H2'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	2.2 %	-20.2 %	13.5 %	24.3 %	18.5 %	0.0 %	-48.9 %	0.0 %	-40.0 %	3.4 %	9.9 %	10.9 %	11.2 %
Adjusted EBIT growth-%										37.6 %	16.9 %	27.1 %	18.0 %
EBITDA-%	3.6 %	5.2 %	8.2 %	10.3 %	9.2 %	12.9 %	5.8 %	7.8 %	15.2 %	10.6 %	11.8 %	12.6 %	12.9 %
Adjusted EBIT-%	3.5 %	-0.1 %	4.1 %	5.9 %	5.0 %	8.6 %	2.0 %	3.3 %	11.9 %	6.7 %	7.1 %	8.1 %	8.6 %
Net earnings-%	-4.8 %	-5.5 %	0.1 %	1.6 %	0.8 %	5.4 %	-1.5 %	-0.8 %	8.0 %	3.0 %	3.4 %	4.6 %	6.1 %

Source: Inderes

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

Balance sheet

Assets	2025	2026e	2027e	2028e	2029e
Non-current assets	**14.0**	**13.1**	**12.9**	**12.8**	**12.9**
Goodwill	0.3	0.3	0.3	0.3	0.3
Intangible assets	8.5	8.2	8.1	8.1	8.2
Tangible assets	5.3	4.5	4.4	4.3	4.4
Other investments	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	**9.6**	**9.8**	**10.7**	**11.8**	**12.9**
Inventories	8.2	8.4	9.1	10.0	11.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	1.1	1.1	1.3	1.4	1.6
Cash and equivalents	0.3	0.3	0.3	0.4	0.4
Balance sheet total	**23.6**	**22.9**	**23.6**	**24.5**	**25.8**

Source: Inderes

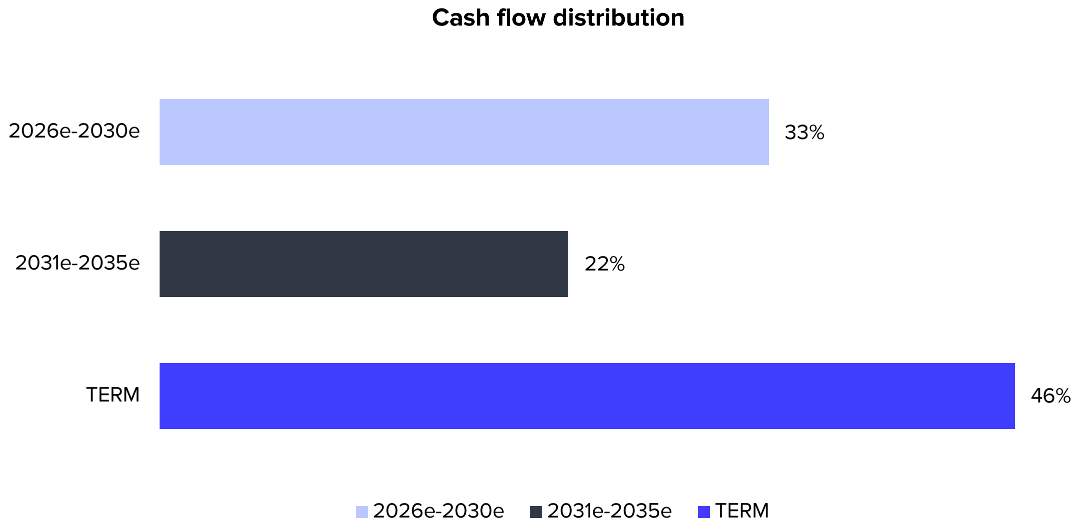
Liabilities & equity	2025	2026e	2027e	2028e	2029e
Equity	**8.2**	**8.8**	**9.6**	**10.8**	**12.5**
Share capital	4.3	4.3	4.3	4.3	4.3
Retained earnings	-6.5	-5.8	-5.0	-3.8	-2.1
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Other equity	10.4	10.4	10.4	10.4	10.4
Non-current liabilities	**5.9**	**5.2**	**4.7**	**4.0**	**3.2**
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	5.9	5.2	4.7	4.0	3.2
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	**9.5**	**8.9**	**9.3**	**9.7**	**10.1**
Interest bearing debt	3.4	2.4	2.2	1.8	1.4
Payables	6.1	6.4	7.1	7.8	8.7
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**23.6**	**22.9**	**23.6**	**24.5**	**25.8**

DCF calculation

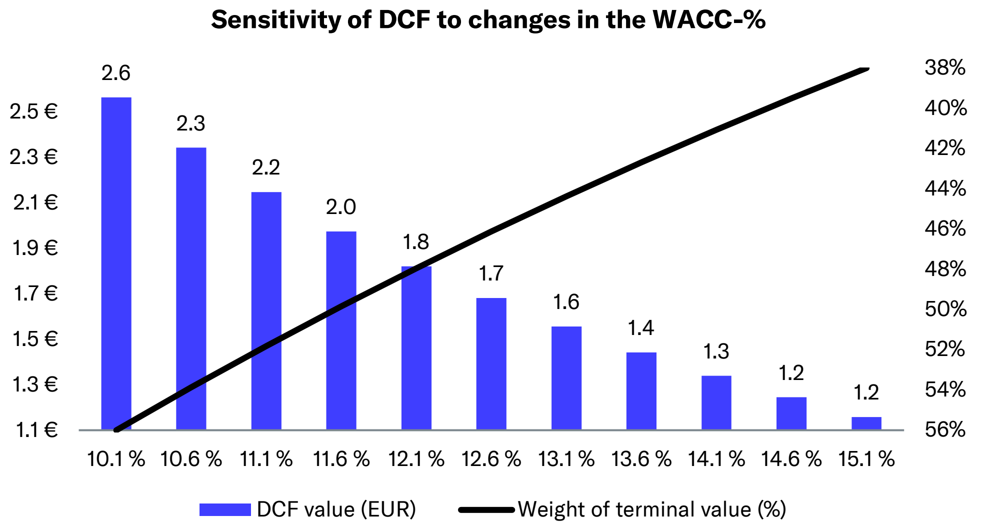
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	18.5 %	3.4 %	9.9 %	10.9 %	11.2 %	12.3 %	10.1 %	7.6 %	10.0 %	10.0 %	2.5 %	2.5 %
EBIT-%	4.7 %	6.4 %	6.8 %	7.9 %	8.6 %	9.0 %	9.0 %	9.0 %	8.0 %	8.0 %	8.0 %	8.0 %
EBIT (operating profit)	**1.4**	**1.9**	**2.2**	**2.8**	**3.5**	**4.1**	**4.5**	**4.8**	**4.7**	**5.2**	**5.3**	
+ Depreciation	1.3	1.3	1.6	1.7	1.7	1.7	1.8	1.9	2.1	2.1	2.2	
- Paid taxes	0.0	0.0	-0.2	-0.4	-0.6	-0.7	-0.8	-0.8	-0.9	-1.0	-1.0	
- Tax, financial expenses	0.0	0.0	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
- Change in working capital	-0.5	0.2	-0.2	-0.3	-0.2	-0.3	-0.4	-0.3	-0.5	-0.5	-0.1	
Operating cash flow	**2.1**	**3.2**	**3.3**	**3.8**	**4.3**	**4.7**	**5.0**	**5.5**	**5.3**	**5.7**	**6.3**	
- Gross CAPEX	-0.5	-0.3	-1.4	-1.6	-1.9	-2.1	-2.4	-2.8	-2.6	-2.6	-2.4	
Free operating cash flow	**1.6**	**2.9**	**1.9**	**2.1**	**2.4**	**2.6**	**2.6**	**2.6**	**2.7**	**3.1**	**3.9**	
FCFF	1.6	2.9	1.9	2.1	2.4	2.6	2.6	2.6	2.7	3.1	3.9	39.3
Discounted FCFF		**2.8**	**1.6**	**1.6**	**1.6**	**1.5**	**1.3**	**1.2**	**1.1**	**1.1**	**1.3**	**12.7**
Sum of FCFF present value		27.9	25.1	23.6	22.0	20.4	18.8	17.5	16.3	15.1	14.0	12.7
Enterprise value DCF		**27.9**										
- Interest bearing debt		-9.4										
+ Cash and cash equivalents		0.3										
+ Associated companies		0.0										
-Dividend/capital return		-0.2										
Equity value DCF		**18.6**										
Equity value DCF per share		**1.69**										

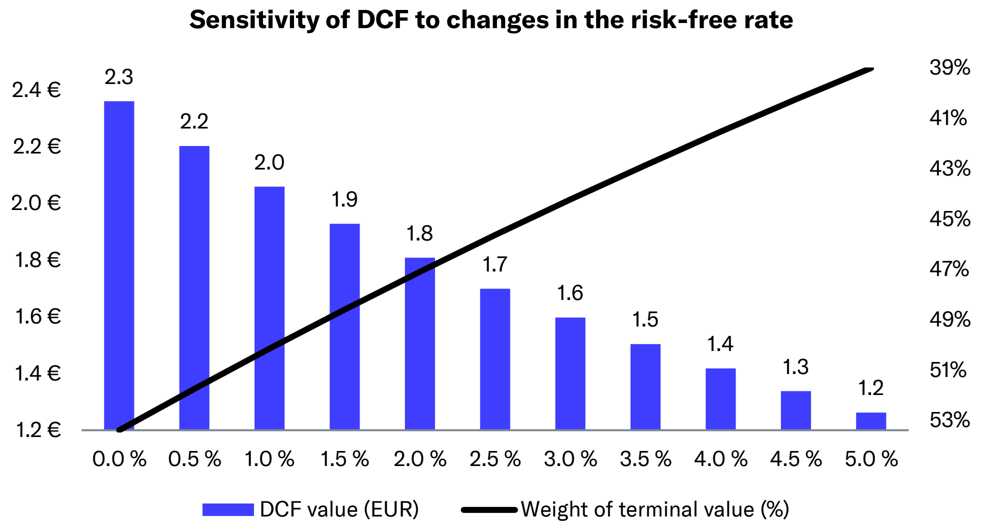
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	4.4 %
Equity Beta	2.30
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
Cost of equity	**14.9 %**
Weighted average cost of capital (WACC)	**12.6 %**

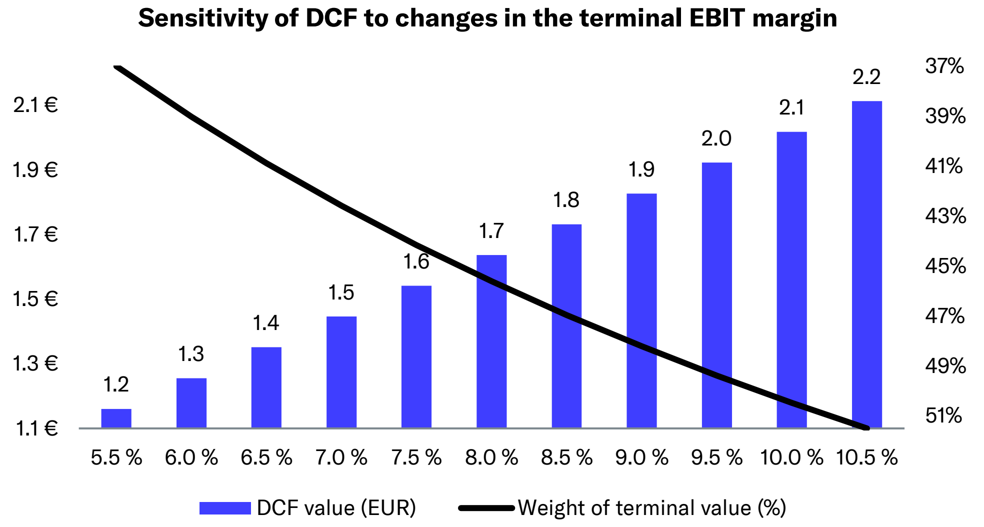
Source: Inderes

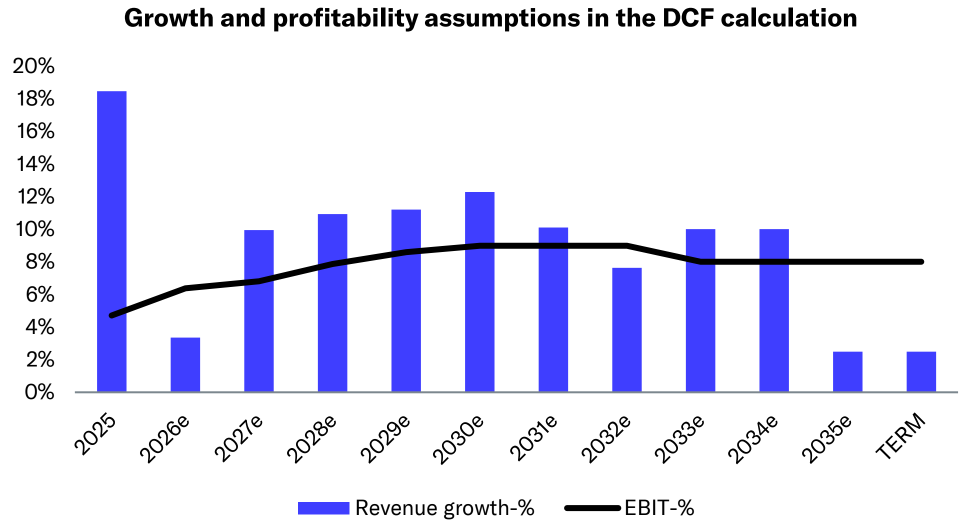


DCF sensitivity calculations and key assumptions in graphs









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
Revenue	30.4	24.2	28.7	**29.7**	**32.6**
EBITDA	1.1	1.3	2.7	**3.1**	**3.8**
EBIT	-0.3	-0.1	1.4	**1.9**	**2.2**
PTP	-1.4	-1.3	0.2	**0.9**	**1.3**
Net Income	-1.4	-1.3	0.2	**0.9**	**1.1**
Extraordinary items	-1.3	-0.1	-0.1	**-0.1**	**-0.1**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	25.4	24.0	23.6	**22.9**	**23.6**
Equity capital	8.9	7.9	8.2	**8.8**	**9.6**
Goodwill	0.3	0.3	0.3	**0.3**	**0.3**
Net debt	9.6	9.6	9.1	**7.3**	**6.6**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	1.1	1.3	2.7	**3.1**	**3.8**
Change in working capital	0.3	0.9	-0.5	**0.2**	**-0.2**
Operating cash flow	1.4	2.2	2.1	**3.2**	**3.3**
CAPEX	-1.5	-1.3	-0.5	**-0.3**	**-1.4**
Free cash flow	-0.1	0.9	1.6	**2.9**	**1.9**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S		**1.1**	**0.8**	**0.7**	**0.6**
EV/EBITDA		**21.8**	**8.4**	**6.4**	**5.0**
EV/EBIT (adj.)		**neg.**	**15.6**	**10.2**	**8.4**
P/E (adj.)		**neg.**	**41.7**	**13.2**	**10.7**
P/B	2.5	**2.3**	**1.6**	**1.4**	**1.3**
Dividend-%		**0.0 %**	**1.7 %**	**2.6 %**	**3.4 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.13	-0.12	0.02	**0.08**	**0.10**
EPS (adj.)	-0.01	-0.11	0.03	**0.09**	**0.11**
OCF / share	0.13	0.20	0.19	**0.29**	**0.30**
OFCF / share	-0.01	0.08	0.15	**0.26**	**0.17**
Book value / share	0.81	0.72	0.74	**0.80**	**0.87**
Dividend / share	0.00	0.00	0.02	**0.03**	**0.04**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	2%	-20%	18%	**3%**	**10%**
EBITDA growth-%	-35%	15%	111%	**19%**	**22%**
EBIT (adj.) growth-%	-55%	-102%	6391%	**38%**	**17%**
EPS (adj.) growth-%	-108%	-874%	125%	**205%**	**24%**
EBITDA-%	3.6 %	5.2 %	9.2 %	**10.6 %**	**11.8 %**
EBIT (adj.)-%	3.5 %	-0.1 %	5.0 %	**6.7 %**	**7.1 %**
EBIT-%	-0.8 %	-0.3 %	4.7 %	**6.4 %**	**6.8 %**
ROE-%	-14.8 %	-15.7 %	2.9 %	**10.4 %**	**12.1 %**
ROI-%	-1.2 %	-0.3 %	7.7 %	**11.2 %**	**13.6 %**
Equity ratio	35.0 %	33.1 %	34.5 %	**38.6 %**	**40.8 %**
Gearing	108.6 %	120.9 %	111.3 %	**82.8 %**	**68.1 %**
Net debt/EBITDA	8.8	7.6	3.4	**2.3**	**1.7**
EBITDA/net financials	0.9	1.0	2.4	**3.3**	**4.2**

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

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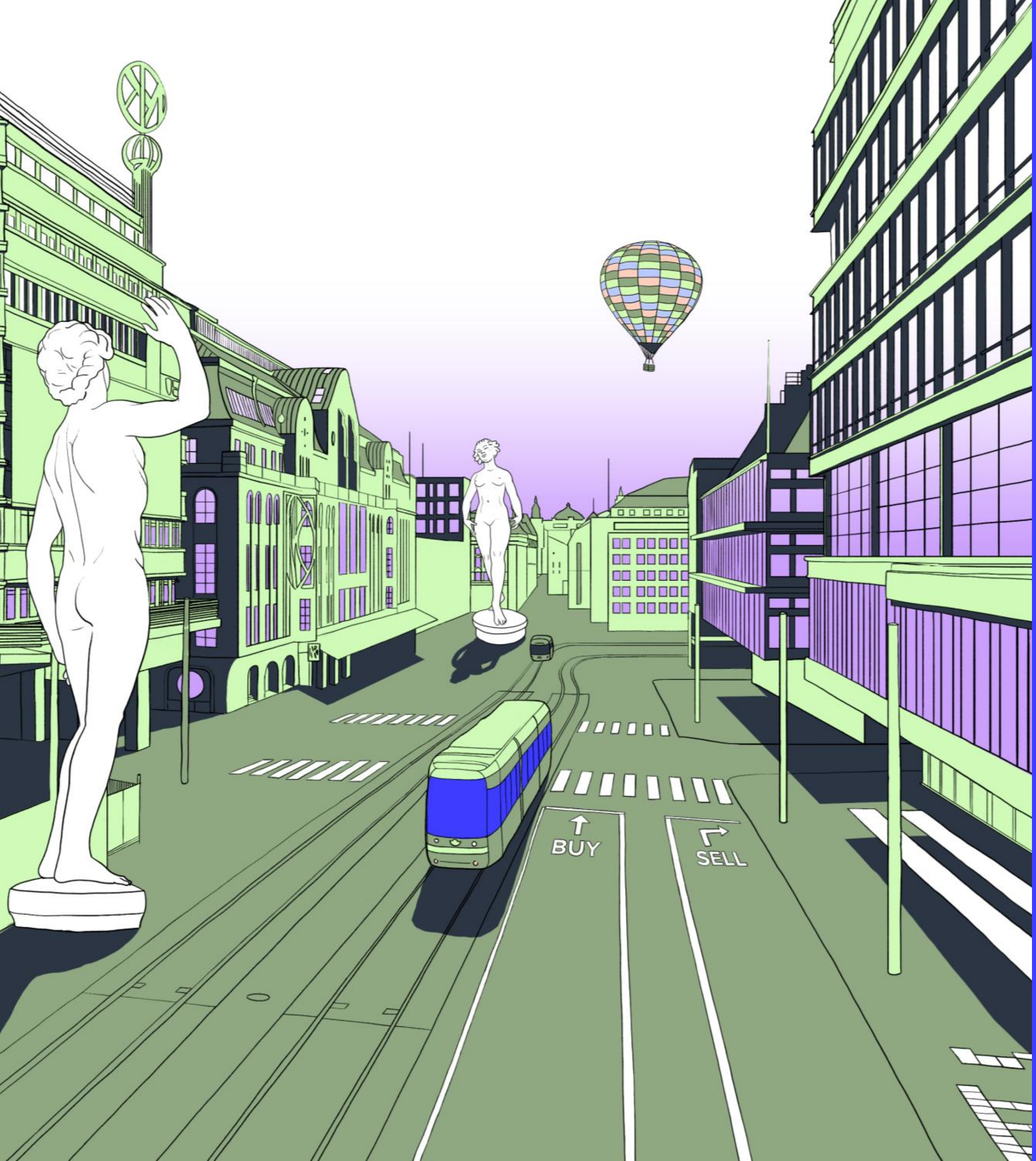
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
12/2/2021	Sell	3.60 €	4.14 €
12/16/2021	Reduce	3.60 €	3.58 €
12/23/2021	Reduce	3.85 €	4.20 €
2/14/2022	Reduce	4.00 €	3.76 €
4/21/2022	Reduce	4.10 €	3.77 €
8/19/2022	Reduce	4.10 €	3.85 €
11/14/2022	Accumulate	3.70 €	3.19 €
2/20/2022	Accumulate	3.90 €	3.49 €
5/31/2023	Reduce	3.20 €	3.02 €
8/8/2023	Accumulate	2.60 €	2.22 €
8/14/2023	Accumulate	2.80 €	2.53 €
1/10/2024	Accumulate	2.50 €	2.20 €
2/25/2024	Reduce	1.80 €	1.75 €
7/30/2024	Reduce	1.60 €	1.55 €
8/2/2024	Accumulate	2.10 €	1.80 €
10/18/2024	Accumulate	2.10 €	1.74 €
2/20/2025	Reduce	1.50 €	1.48 €
6/18/2025	Accumulate	1.40 €	1.17 €
7/15/2025	Reduce	1.40 €	1.53 €
10/24/2025	Accumulate	1.60 €	1.41 €
12/2/2025	Accumulate	1.60 €	1.22 €
2/20/2026	Accumulate	1.70 €	1.49 €
4/23/2026	Accumulate	1.70 €	1.44 €
7/15/2026	Accumulate	1.40 €	1.16 €



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