

EVLI

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Sauli Vilén
+358440258908
sauli.vilen@inderes.fi

INDERES CORPORATE CUSTOMER

COMPANY REPORT



Good start to the year

We revise Evli's target price to EUR 20.0 (was EUR 21.0) reflecting slightly decreased estimates. We still consider Evli a clear long-term winner in the sector, and the earnings growth outlook in the coming years remains good despite short-term market uncertainty. The stock offers a good expected return at the current level and we reiterate our Accumulate recommendation.

A strong start for the year

Evli's Q1 revenue was 27.7 MEUR and slightly higher than our 26.6 MEUR forecast. The revenue overshoot came from non-recurring income, and thus its significance is marginal. The recurring fees, which are critical to the strategy, were fully in line with our forecasts. EBIT was also slightly above our estimate, but due to the weaker mix, the significance of this is also neutral. The lower lines of the income statement were a clear disappointment, as minority interests were significantly higher than we expected. Minority interests have been remarkably high for two quarters in a row now, which raises concerns about the normal level. We continue to believe that the item will be lower than in previous quarters and we will closely monitor its development in the coming quarters. Wealth Management's performance was strong overall and its figures were in line with our expectations. New sales performed excellently considering the circumstances, and Evli's Q1 sales were clearly among the best of the companies we cover.

No major changes to estimates, long-term earnings growth outlook is strong

Evli noted that the market is very uncertain and in a delicate state, but at the same time, the situation seems relatively calm among customers. Thus, new sales have not frozen in the same way as, e.g., during the COVID crisis. We only made small negative estimate changes. The biggest single change is the decline in the earnings share of the associated company Allshares for the coming years, as we expect it to

invest more heavily in growth than before. This year, Evli's earnings will decrease from the excellent level of the comparison period, especially due to decreasing performance fees. In 2026, the company should return to brisk earnings growth, and starting from 2026, we expect earnings growth of approximately 12% p.a. Broad-based growth in Wealth Management and improved cost efficiency drive the earnings improvement.

Our dividend forecasts have remained almost unchanged. For 2025, the dividend exceeds the reported result. However, in recent years, the company has emphasized the importance of a growing dividend in its communications, and we believe that the company will maintain a symbolic dividend increase next spring as well. In terms of the balance sheet, the company can afford this.

Good expected return if earnings return to growth

We believe Evli is undeniably one of the long-term winners in the financial sector. Evli's product and service offering is of high quality, and we believe that Evli's broad product portfolio is an excellent fit for the current market situation. In the long term, the company has excellent prerequisites to continue its strong value creation. Considering these factors, we consider a valuation level of P/E 17-18x suitable for Evli. With the excellent 2024 earnings, the P/E is about 15x and with the forecasted 2025 earnings, it is around 17x, which is in line with our fair value range. With 2026 earnings growth, the P/E is 14x, which we find attractive given Evli's high quality. In addition, the dividend yield is at a good level of around 6-7%. Overall, we see the stock offering a good total expected return, consisting of some 10% annual earnings growth and a 6-7% dividend. We note that without earnings growth, there is no upside in the stock and in this scenario, the expected return would only be based on dividends.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 20.00

(was EUR 21.00)

Share price:

EUR 17.82

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	126.8	107.6	116.6	123.2
growth-%	17%	-15%	8%	6%
EBIT adj.	44.3	40.9	47.6	52.5
EBIT-% adj.	35.0 %	38.0 %	40.9 %	42.6 %
Net Income	44.6	28.6	33.9	38.7
EPS (adj.)	1.16	1.07	1.26	1.43
P/E (adj.)	15.0	16.6	14.1	12.4
P/B	3.1	3.2	3.2	3.1
Dividend yield-%	6.7 %	6.7 %	6.9 %	7.0 %
EV/EBIT (adj.)	10.4	11.7	10.0	9.1
EV/EBITDA	7.5	10.7	9.3	8.5
EV/S	3.7	4.4	4.1	3.9

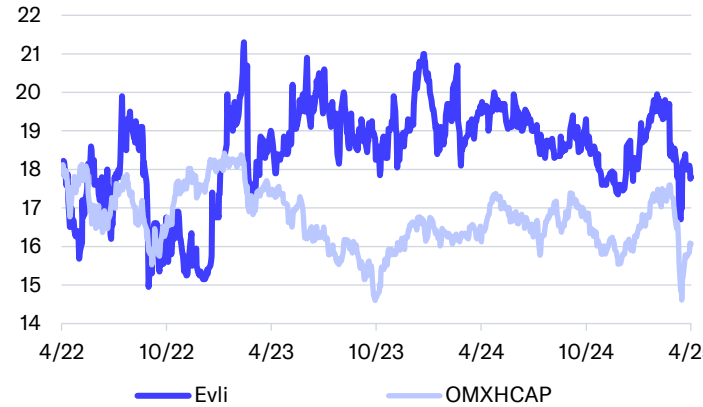
Source: Inderes

Guidance

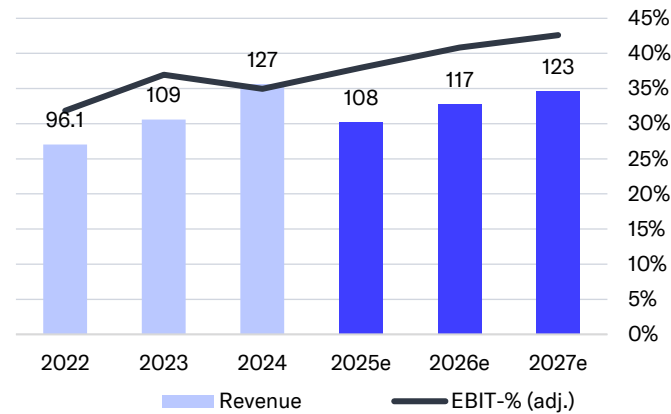
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Due to its strong market position and growth outlook, Evli estimates that its operating result will be clearly positive in 2025.

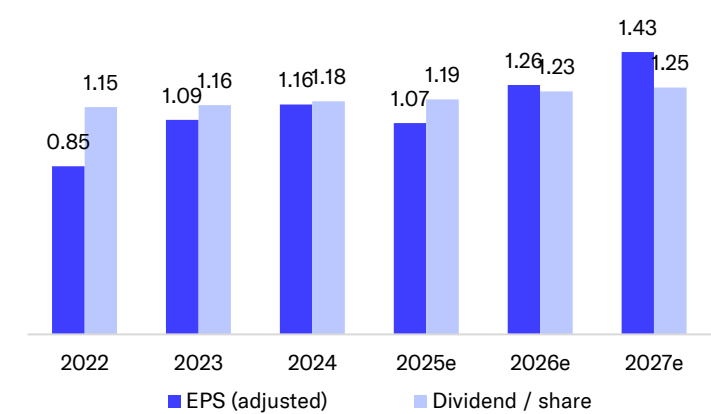
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



Value drivers

- Growth in current products
- International sales
- Private equity fund business
- Scalability
- Release of capital
- M&As
- Allshares' growth and exit toward the end of the decade

Risk factors

- Market risks and earnings volatility
- Continued price pressure in conventional wealth management
- Significant increase in the popularity of passive investment strategies

Valuation	2025e	2026e	2027e
Share price	17.8	17.8	17.8
Number of shares, millions	26.7	26.9	27.1
Market cap	474	478	481
EV	477	478	475
P/E (adj.)	16.6	14.1	12.4
P/E	16.6	14.1	12.4
P/B	3.2	3.2	3.1
P/S	4.4	4.1	3.9
EV/Sales	4.4	4.1	3.9
EV/EBIT (adj.)	11.7	10.0	9.1
Payout ratio (%)	111.2 %	97.5 %	87.5 %
Dividend yield-%	6.7 %	6.9 %	7.0 %

Source: Inderes

Good start to the year

Evli’s Q1 revenue was 27.7 MEUR and slightly higher than our 26.6 MEUR forecast. At segment level, Wealth Management's revenue was slightly below our estimates due to lower-than-expected performance fees. Correspondingly, the Investment Bank’s Q1 was strong and its revenue was a whopping (2.8 vs. 1.5 MEUR) and better than our expectations. Due to the revenue mix, the small revenue beat was insignificant, as the strategically critical recurring fees were fully in line with our forecasts.

EBIT was also slightly above our estimate, but due to the weaker mix, the significance of this is also neutral. The lower lines of the income statement were a clear disappointment, as minority interests were significantly higher than we expected. This also pushed EPS below our estimates. Minority interests have been remarkably high for two quarters in a row, which is naturally negative for investors. Based on the company management's comments, it seems that minority interests have included

more non-recurring items than normal during the review periods. In any case, this is the item that we will follow closely in the coming quarters. We see a small risk that the numerous minority agreements signed over the past five years or so (almost all alternative funds include a minority) will ultimately prove surprisingly expensive in the form of a large minority interest.

Wealth Management roars ahead

Wealth Management's performance was strong overall and its EBIT at 10.1 MEUR was in line with our expectations. Against our estimates, performance fees were close to zero, but brokerage activity compensated for this and was clearly higher than expected. Assets under management were slightly lower than we expected (19 vs. 19.4 BNEUR), but new sales was excellent considering the circumstances. In Q1, the company collected 332 MEUR net subscriptions to funds, and the level is one of the absolute best of the companies we cover. The company was also

able to continue private equity fund (Q1 +70 MEUR) and international sales (+70 MEUR). In 2024, the company’s sales developed surprisingly poorly, even though the market situation was very favorable. In H2’24, the company created a turn in international sales, and now domestic sales seem to perform well. New sales are the single most important metric for the company's value creation, and we believe Evli's product offering is still an excellent fit for the current market. Thus, the company has all the prerequisites to continue its strong new sales also in the coming quarters.

As expected, the company did not touch its cautious guidance. Evli noted that the market is very uncertain and in a delicate state, but at the same time, the situation seems relatively calm among customers. Thus, new sales have not frozen in the same way as, e.g., during the COVID crisis.

Estimates	Q1'24	Q1'25	Q1'25e	Q1'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. inderes	Actualized
Revenue	42.9	27.7	26.6			4%	108
EBIT (adj.)	11.2	11.4	10.9			5%	40.9
EPS (adj.)	0.29	0.27	0.29			-7%	1.07
EPS (reported)	0.81	0.27	0.31			-13%	1.07
Revenue growth-%	66.7 %	-35.4 %	-38.0 %			2.6 pp	-15.1 %
EBIT-% (adj.)	26.1 %	41.2 %	41.0 %			0.2 pp	38.0 %

Source: Inderes

Estimates unchanged in the big picture

Estimate revisions

- We made small, mostly negative, changes to our estimate after the Q1 report. The key changes are a clear increase in minority interests and a decrease in the result of associates. In terms of associates, Allshares, which is 40% owned by the company, is currently strongly focused on growth, and we estimate that its earnings are at a low level. The investment will most likely be realized mainly at the end of the decade, when the holding is sold.
- In Wealth Management, we cut our estimates slightly as a result of the stock market decline caused by the trade war. At the same time, however, we have revised our new sales estimates a smidgen upwards for the coming years, as the company's new sales have taken major steps back on the right track in recent quarters. These factors largely offset each other.
- We have also revised the tax rate for Finnish operations to 18% as of January 1, 2027, due to the Government's tax ruling.
- Our dividend estimates remain unchanged. For 2025, the dividend exceeds the reported result. However, in recent years, the company has emphasized the importance of a growing dividend in its communications, and we believe that the company will maintain a symbolic dividend increase in 2025 as well. In terms of balance sheet and solvency, the company can afford this.

Operational earnings drivers:

- For 2025, we expect Evli's comparable earnings (sales gain for the incentive business adjusted) to decrease by approximately 10%. The decline is driven by exceptionally high performance fees and fees in investment banking in the comparison period. Also, the market correction will throw a spanner in the works of earnings growth in the short term.
- Starting from 2026, we expect the company to return to clear earnings growth, with an average earnings growth of approximately 12% in 2026-2028. Earnings growth is naturally driven by Wealth Management and, in particular, growing recurring fees. We are cautious in terms of performance fees in our estimates, as visibility into them is weak. However, we believe the company has accumulated significant performance fee potential in alternative investment funds, and if these are realized, the performance fee level could rise clearly higher than our forecast.
- We note that stronger revenue growth than we expect would also flow quite efficiently to the bottom lines of the income statement due to the relatively fixed cost structure. Therefore, growth in assets under management and fee income are Evli's most important key indicators for investors. In our view, Evli should be able to achieve revenue of over 1 BNEUR per year with its current engine.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	108	108	-1%	116	117	1%	122	123	1%
EBIT	43.2	40.9	-5%	48.6	47.6	-2%	52.4	52.5	0%
PTP	43.2	40.9	-5%	48.6	47.6	-2%	52.4	52.5	0%
EPS (excl. NRIs)	1.20	1.07	-11%	1.35	1.26	-7%	1.46	1.43	-2%
DPS	1.20	1.19	-1%	1.23	1.23	0%	1.25	1.25	0%

Source: Inderes

Expected return is good if there is earnings growth

Multiple-based pricing is attractive

In our view, Evli is undeniably one of the long-term winners in the financial sector. The company's product and service offering is of high quality, and we believe that Evli's broad product portfolio is an excellent fit for the current market situation. In the long term, the company has excellent prerequisites to continue its strong value creation.

In addition, like other asset managers, the company's growth ties up only a limited amount of capital, which positively impacts the accepted valuation level. The company's earnings are also not very dependent on non-recurring items such as performance fees, which we feel lowers the risk level associated with earnings and cash flows. However, we point out that conventional wealth management plays a large role at Evli, which means market volatility affects Evli more than many of its peers.

Considering these factors, we find a valuation level of P/E 17-18x suitable for Evli. With the excellent 2024 earnings, the P/E is about 15x and with the forecasted 2025 earnings, it is around 17x, which is in line with our fair value range. We also note that the PE ratio does not consider Evli's associated companies, of which the value of Allshares in particular may prove very valuable in the future. The associated companies are now valued at approximately 25 MEUR (around EUR 1 per share) on the balance sheet, but especially Allshares' value could be significantly higher than this in a good scenario in connection with an exit at the end of the decade. With 2026 earnings growth, the P/E is 14x, which we find attractive given Evli's high quality.

In addition, the dividend yield is at a good level of around 6-7%. We feel the risk level associated with the dividend has decreased in recent years as the company has clarified

its dividend policy and emphasized the importance of a growing dividend.

Overall, we see the stock offering a good total expected return, consisting of some 10% annual earnings growth and a 6-7% dividend. We note that without earnings growth, there is no upside in the stock and in this scenario, the expected return would only be based on dividends. In the next few quarters, our estimates do not expect earnings to grow and short-term share price drivers are scarce. However, looking 12 months ahead, the company's earnings are clearly growing again, which should also start supporting the share price.

Evli is justifiably priced at a premium relative to its domestic peer group, as the company is at the absolute top of the industry. The entire sector is currently valued at around its historical levels, which we consider justified, and we see the valuation of the entire sector as very reasonable at the moment.

The DCF model supports the valuation

Our DCF-based fair value for Evli's share is almost unchanged at around EUR 22. Consequently, the impact of estimate revisions for the next few years on the value indicated by our DCF model remained quite limited. In our terminal period estimates, we have applied a growth assumption of 2.5% and a normalized EBIT level of 40%. The cash flow model is quite applicable to Evli, as the earnings of the business convert well into cash flow. The DCF model provides a fairly good picture of the company's fair value, and even against this backdrop, the current valuation of the stock is not too demanding. Our cash flow model and its assumptions are found in the report's appendices.

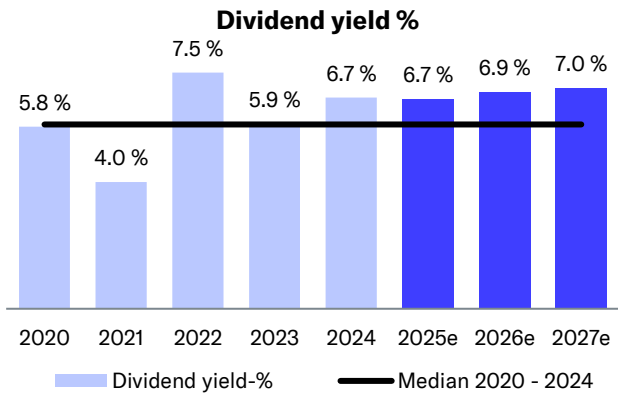
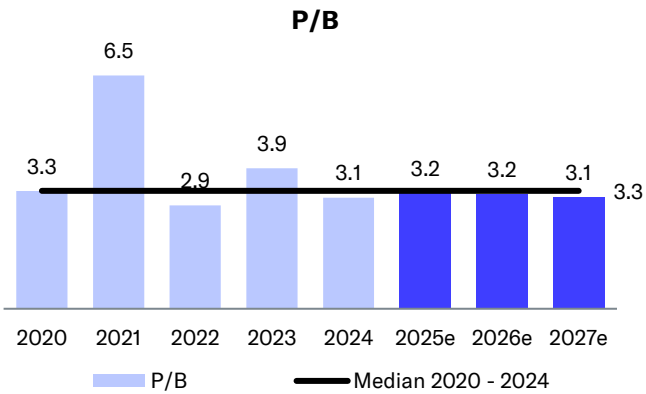
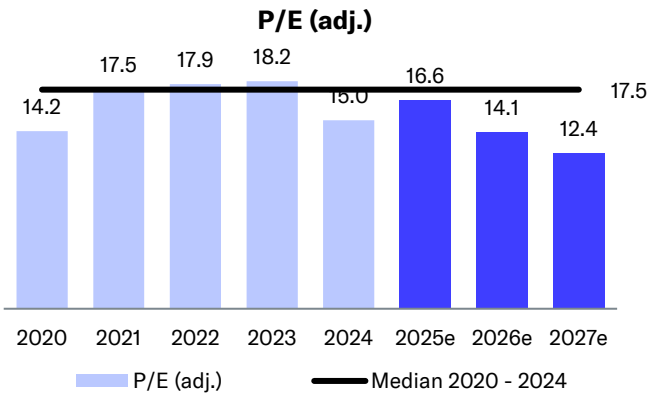
Valuation	2025e	2026e	2027e
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P/E (adj.)	16.6	14.1	12.4
P/E	16.6	14.1	12.4
P/B	3.2	3.2	3.1
P/S	4.4	4.1	3.9
EV/Sales	4.4	4.1	3.9
EV/EBIT (adj.)	11.7	10.0	9.1
Payout ratio (%)	111.2 %	97.5 %	87.5 %
Dividend yield-%	6.7 %	6.9 %	7.0 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	12.6	26.2	15.3	19.7	17.5	17.8	17.8	17.8	17.8
Number of shares, millions	24.1	24.1	24.5	26.5	26.5	26.7	26.9	27.1	27.2
Market cap	303	632	401	522	463	474	478	481	483
EV	320	713	400	516	463	477	478	475	469
P/E (adj.)	14.2	17.5	17.9	18.2	15.0	16.6	14.1	12.4	11.7
P/E	14.2	17.5	17.9	18.2	10.4	16.6	14.1	12.4	11.7
P/B	3.3	6.5	2.9	3.9	3.1	3.2	3.2	3.1	3.0
P/S	3.8	5.5	4.2	4.8	3.7	4.4	4.1	3.9	3.8
EV/Sales	4.0	6.2	4.2	4.7	3.7	4.4	4.1	3.9	3.6
EV/EBIT (adj.)	11.0	13.4	13.1	12.8	10.4	11.7	10.0	9.1	8.4
Payout ratio (%)	82.5 %	70.8 %	145.1 %	106.9 %	70.1 %	111.2 %	97.5 %	87.5 %	84.5 %
Dividend yield-%	5.8 %	4.0 %	7.5 %	5.9 %	6.7 %	6.7 %	6.9 %	7.0 %	7.2 %

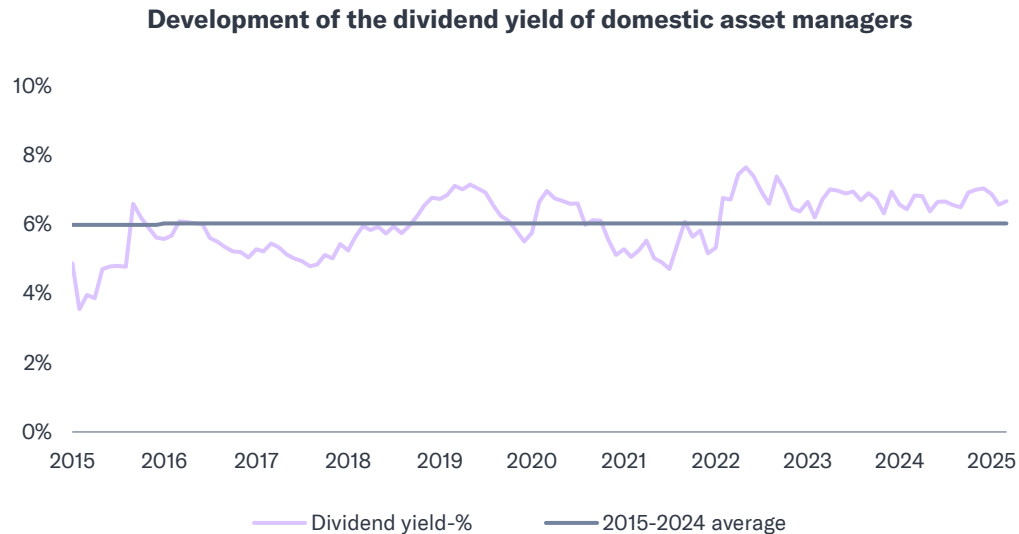
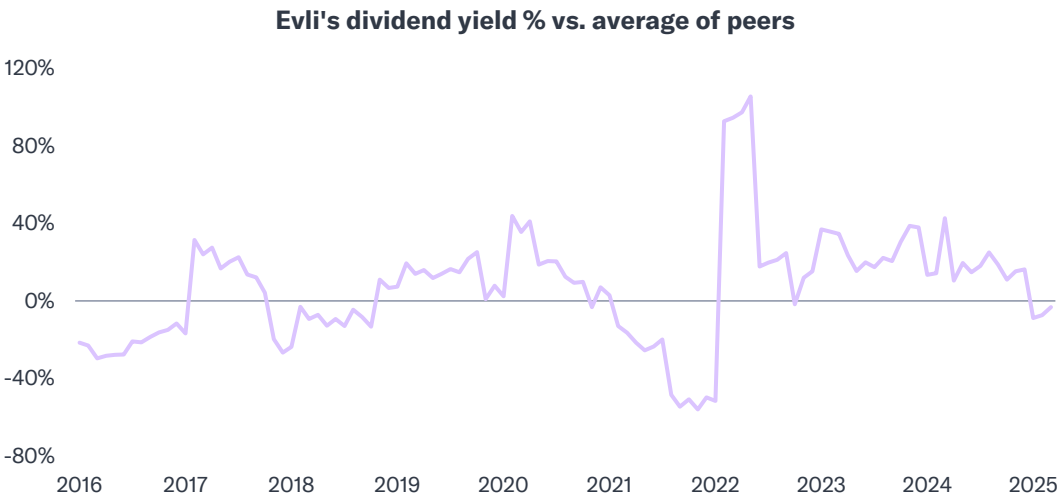
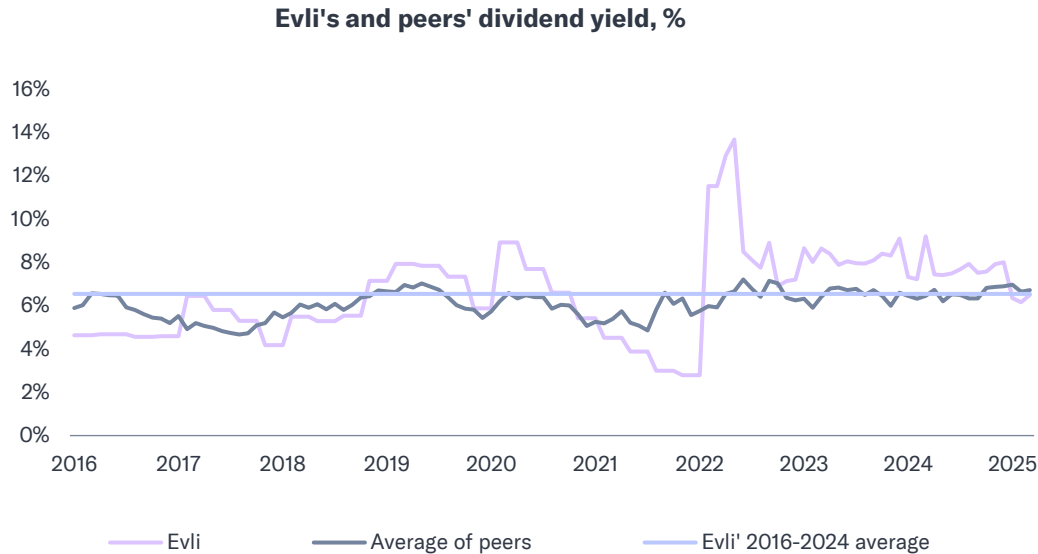
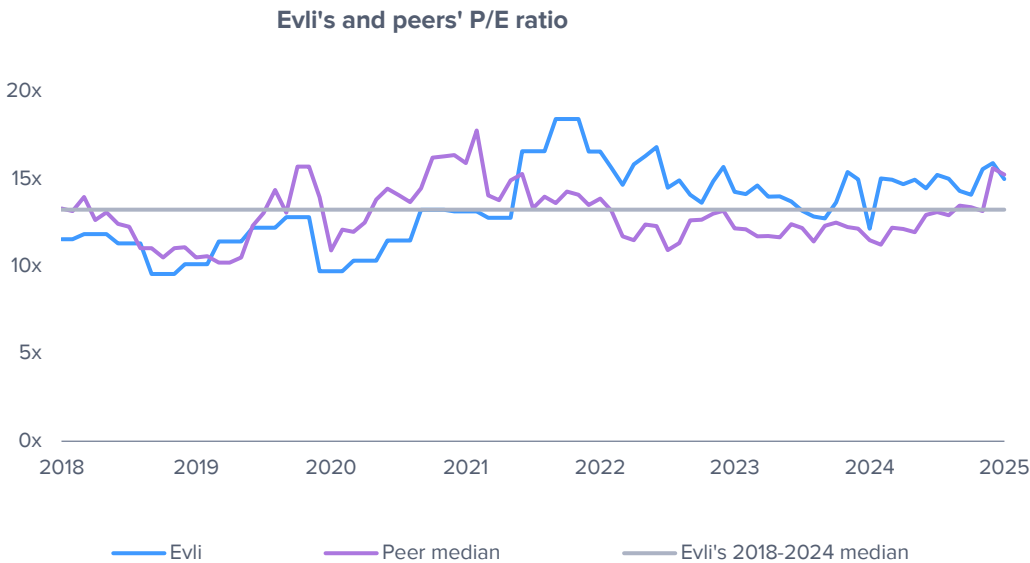
Source: Inderes



Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Alexandria	97	92	7.5	6.7	6.3	5.8	1.8	1.6	10.4	9.5	9.2	9.6	2.8
Aktia	714								7.9	8.3	8.6	8.8	1.0
CapMan	323	292	8.5	7.4	8.2	7.1	4.4	4.0	13.1	11.9	8.2	8.8	1.7
eQ	430	394	11.1	8.7	10.7	8.5	5.9	4.9	15.2	12.2	6.9	8.5	5.4
Taaleri	213	183	6.2	6.0	6.1	6.0	2.9	2.7	10.9	9.5	5.5	6.3	1.0
Titanium	73	61	8.7	9.7	7.9	8.7	2.9	3.0	13.4	14.5	7.8	7.3	4.7
United Bankers	180	165	10.6	8.3	9.1	7.4	3.0	2.7	15.7	12.3	7.0	7.3	2.9
Evli (Inderes)	474	477	11.7	10.0	10.7	9.3	4.4	4.1	16.6	14.1	6.7	6.9	3.2
Average			8.8	7.8	8.1	7.2	3.5	3.1	12.4	11.2	7.6	8.1	2.8
Median			8.6	7.8	8.1	7.3	3.0	2.8	13.1	11.9	7.8	8.5	2.8
Diff-% to median			35%	28%	32%	29%	49%	44%	27%	18%	-14%	-18%	15%

Evli's valuation vs. peers



The peer group includes Alexandria, Evli, EQ, CapMan, UB, Titanium and Taaleri

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	109	42.9	29.3	24.5	30.0	127	27.7	26.1	24.5	29.4	107.6	116.6	123.2	128.6
Wealth management and investor clients	84.2	23.3	24.1	22.4	26.6	96.4	22.8	24.3	22.6	26.0	95.6	104	111	116
Advisory and corporate clients	15.8	5.0	2.0	1.0	1.9	9.9	2.8	1.2	1.0	2.0	7.0	7.0	7.2	7.3
Group functions	8.7	14.6	3.2	1.1	1.5	20.5	2.0	0.6	0.9	1.4	4.9	5.3	5.1	4.9
Unallocated & eliminations	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	45.7	26.1	13.1	11.5	11.2	61.9	12.3	9.6	11.3	11.4	44.7	51.2	56.0	59.3
Depreciation	-5.5	-1.1	-1.0	-0.8	-0.9	-3.8	-0.9	-0.9	-1.0	-1.0	-3.8	-3.6	-3.5	-3.5
EBIT (excl. NRI)	40.2	11.2	12.1	10.7	10.3	44.3	11.4	8.7	10.3	10.4	40.9	47.6	52.5	55.7
EBIT	40.2	25.0	12.1	10.7	10.3	58.1	11.4	8.7	10.3	10.4	40.9	47.6	52.5	55.7
Wealth management and investor clients	33.0	9.6	8.7	11.3	10.4	39.8	10.1	8.5	10.1	9.4	38.1	44.7	49.6	53.3
Advisory and corporate clients	2.7	1.1	1.1	0.5	0.7	3.3	1.4	0.2	0.3	0.9	2.7	2.6	2.6	2.6
Group functions	4.5	14.4	2.4	-1.0	-0.7	15.0	0.0	0.0	-0.1	0.1	0.1	0.3	0.4	-0.2
Unallocated & eliminations	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	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
PTP	40.2	25.0	12.1	10.7	10.3	58.1	11.4	8.7	10.3	10.4	40.9	47.6	52.5	55.7
Taxes	-8.2	-1.9	-2.4	-2.2	-1.7	-8.2	-2.4	-1.7	-2.1	-2.1	-8.3	-9.7	-9.7	-10.3
Minority interest	-3.3	-1.5	-1.2	-0.7	-2.0	-5.3	-1.6	-0.8	-0.8	-0.9	-4.0	-4.1	-4.1	-4.3
Net earnings	28.7	21.6	8.6	7.8	6.6	44.6	7.4	6.2	7.5	7.4	28.6	33.9	38.7	41.2
EPS (adj.)	1.09	0.29	0.32	0.29	0.25	1.16	0.28	0.23	0.28	0.28	1.07	1.26	1.43	1.51
EPS (rep.)	1.09	0.81	0.32	0.29	0.25	1.68	0.28	0.23	0.28	0.28	1.07	1.26	1.43	1.51

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	13.1 %	66.7 %	11.1 %	-5.3 %	-2.2 %	16.6 %	-35.5 %	-10.9 %	-0.3 %	-2.1 %	-15.1 %	8.4 %	5.6 %	4.4 %
Adjusted EBIT growth-%	31.4 %	19.8 %	23.7 %	4.8 %	-5.2 %	10.2 %	2.1 %	-27.8 %	-3.8 %	0.8 %	-7.8 %	16.6 %	10.2 %	6.2 %
EBITDA-%	42.0 %	60.8 %	44.6 %	47.0 %	37.3 %	48.8 %	44.6 %	36.9 %	46.2 %	38.7 %	41.5 %	43.9 %	45.5 %	46.1 %
Adjusted EBIT-%	37.0 %	26.1 %	41.3 %	43.6 %	34.3 %	35.0 %	41.4 %	33.5 %	42.1 %	35.3 %	38.0 %	40.9 %	42.6 %	43.3 %
Net earnings-%	26.4 %	50.3 %	29.3 %	31.8 %	22.1 %	35.2 %	26.9 %	23.9 %	30.5 %	25.2 %	26.5 %	29.1 %	31.4 %	32.0 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	120	134	132	132	132
Goodwill	41.8	37.7	37.7	37.7	37.7
Intangible assets	6.9	6.9	6.3	6.0	5.8
Tangible assets	12.4	10.7	10.7	10.8	10.9
Associated companies	5.2	24.0	24.0	24.0	24.0
Other investments	48.4	49.1	49.1	49.1	49.1
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	5.0	5.3	4.0	4.0	4.0
Current assets	225	228	160	167	172
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	74.4	79.3	79.3	79.3	79.3
Receivables	24.6	17.4	16.1	17.5	18.5
Cash and equivalents	126	131	64.6	70.0	73.9
Balance sheet total	345	362	292	298	303

Source: Inderes

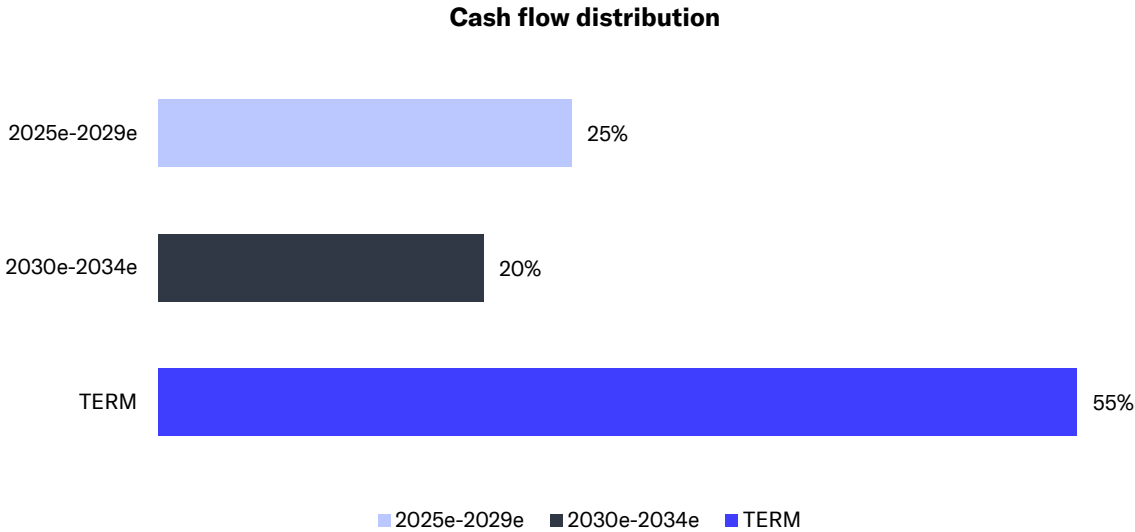
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	137	154	151	153	159
Share capital	53.7	53.7	53.7	53.7	53.7
Retained earnings	67.5	83.8	81.1	83.3	88.9
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-5.7	-5.7	-5.7	-5.7	-5.7
Other equity	17.5	17.5	17.5	17.5	17.5
Minorities	4.1	4.2	4.2	4.2	4.2
Non-current liabilities	5.8	9.0	3.0	3.0	3.0
Deferred tax liabilities	2.4	3.0	3.0	3.0	3.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	3.4	6.0	0.0	0.0	0.0
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	202	199	138	142	142
Interest bearing debt	107	99.4	42.4	44.8	42.6
Payables	27.3	27.8	23.7	25.7	27.1
Other current liabilities	67.8	71.9	71.9	72	72
Balance sheet total	345	362	292	298	303

DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	16.6 %	-15.1 %	8.4 %	5.6 %	2.6 %	4.0 %	4.0 %	3.5 %	3.0 %	3.0 %	2.5 %	2.5 %
EBIT-%	45.8 %	38.0 %	40.9 %	42.6 %	42.4 %	40.0 %	40.0 %	40.0 %	40.0 %	40.0 %	40.0 %	40.0 %
EBIT (operating profit)	58.1	40.9	47.6	52.5	53.5	52.6	54.7	56.6	58.3	60.1	61.6	
+ Depreciation	3.8	3.8	3.6	3.5	3.5	3.5	3.6	3.7	3.8	3.9	4.0	
- Paid taxes	-7.9	-7.0	-9.7	-9.7	-9.9	-9.7	-10.1	-10.5	-10.8	-11.1	-11.4	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ 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	6.9	-2.9	0.6	0.5	0.2	0.4	0.4	0.3	0.3	0.3	0.3	
Operating cash flow	60.9	34.8	42.2	46.8	47.4	46.8	48.5	50.1	51.6	53.1	54.4	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	1.3	-3.2	-3.4	-3.5	-3.7	-3.8	-4.0	-4.1	-4.2	-4.4	-4.4	
Free operating cash flow	62.2	31.6	38.8	43.3	43.7	43.0	44.6	46.0	47.3	48.7	50.0	
+/- Other	-13.2	-2.1	-1.9	-1.7	-1.7	-1.7	-1.7	-1.7	-1.7	-1.7	-1.7	
FCFF	49.0	29.5	36.9	41.6	42.0	41.3	42.9	44.3	45.6	47.0	48.3	766
Discounted FCFF		27.8	32.0	33.0	30.6	27.6	26.3	25.0	23.6	22.3	21.0	334
Sum of FCFF present value		603	575	543	510	480	452	426	401	377	355	334
Enterprise value DCF		603										
- Interest bearing debt		-105.4										
+ Cash and cash equivalents		131										
-Minorities		-25.0										
-Dividend/capital return		-31.3										
Equity value DCF		573										
Equity value DCF per share		21.5										

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	3.5 %
Equity Beta	1.15
Market risk premium	4.75 %
Liquidity premium	1.00 %
Risk free interest rate	2.5 %
Cost of equity	9.0 %
Weighted average cost of capital (WACC)	9.0 %

Source: Inderes



Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	96.1	108.7	126.8	107.6	116.6	EPS (reported)	0.85	1.09	1.68	1.07	1.26
EBITDA	35.7	45.7	61.9	44.7	51.2	EPS (adj.)	0.85	1.09	1.16	1.07	1.26
EBIT	30.6	40.2	58.1	40.9	47.6	OCF / share	3.40	2.09	2.30	1.30	1.57
PTP	30.9	40.2	58.1	40.9	47.6	FCF / share	1.86	1.70	1.85	1.11	1.37
Net Income	20.8	28.7	44.6	28.6	33.9	Book value / share	5.66	5.02	5.64	5.49	5.53
Extraordinary items	0.0	0.0	13.8	0.0	0.0	Dividend / share	1.15	1.16	1.18	1.19	1.23
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	366.6	344.7	361.6	291.8	298.3	Revenue growth-%	-17%	13%	17%	-15%	8%
Equity capital	143.3	137.1	153.5	150.8	153.0	EBITDA growth-%	-38%	28%	35%	-28%	15%
Goodwill	42.0	41.8	37.7	37.7	37.7	EBIT (adj.) growth-%	-42%	31%	10%	-8%	17%
Net debt	-8.6	-15.9	-25.8	-22.1	-25.2	EPS (adj.) growth-%	-43%	28%	7%	-8%	18%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	37.1 %	42.0 %	48.8 %	41.5 %	43.9 %
EBITDA	35.7	45.7	61.9	44.7	51.2	EBIT (adj.)-%	31.8 %	37.0 %	35.0 %	38.0 %	40.9 %
Change in working capital	61.0	18.0	6.9	-2.9	0.6	EBIT-%	31.8 %	37.0 %	45.8 %	38.0 %	40.9 %
Operating cash flow	83.3	55.2	60.9	34.8	42.2	ROE-%	17.7 %	21.2 %	31.6 %	19.3 %	23.0 %
CAPEX	-37.8	-10.1	1.3	-3.2	-3.4	ROI-%	13.7 %	16.2 %	23.0 %	18.1 %	24.4 %
Free cash flow	45.5	45.1	49.0	29.5	36.9	Equity ratio	39.1 %	39.8 %	42.5 %	51.7 %	51.3 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-6.0 %	-11.6 %	-16.8 %	-14.7 %	-16.5 %
EV/S	4.2	4.7	3.7	4.4	4.1						
EV/EBITDA	11.2	11.3	7.5	10.7	9.3						
EV/EBIT (adj.)	13.1	12.8	10.4	11.7	10.0						
P/E (adj.)	17.9	18.2	15.0	16.6	14.1						
P/B	2.9	3.9	3.1	3.2	3.2						
Dividend-%	7.5 %	5.9 %	6.7 %	6.7 %	6.9 %						

Source: Inderes

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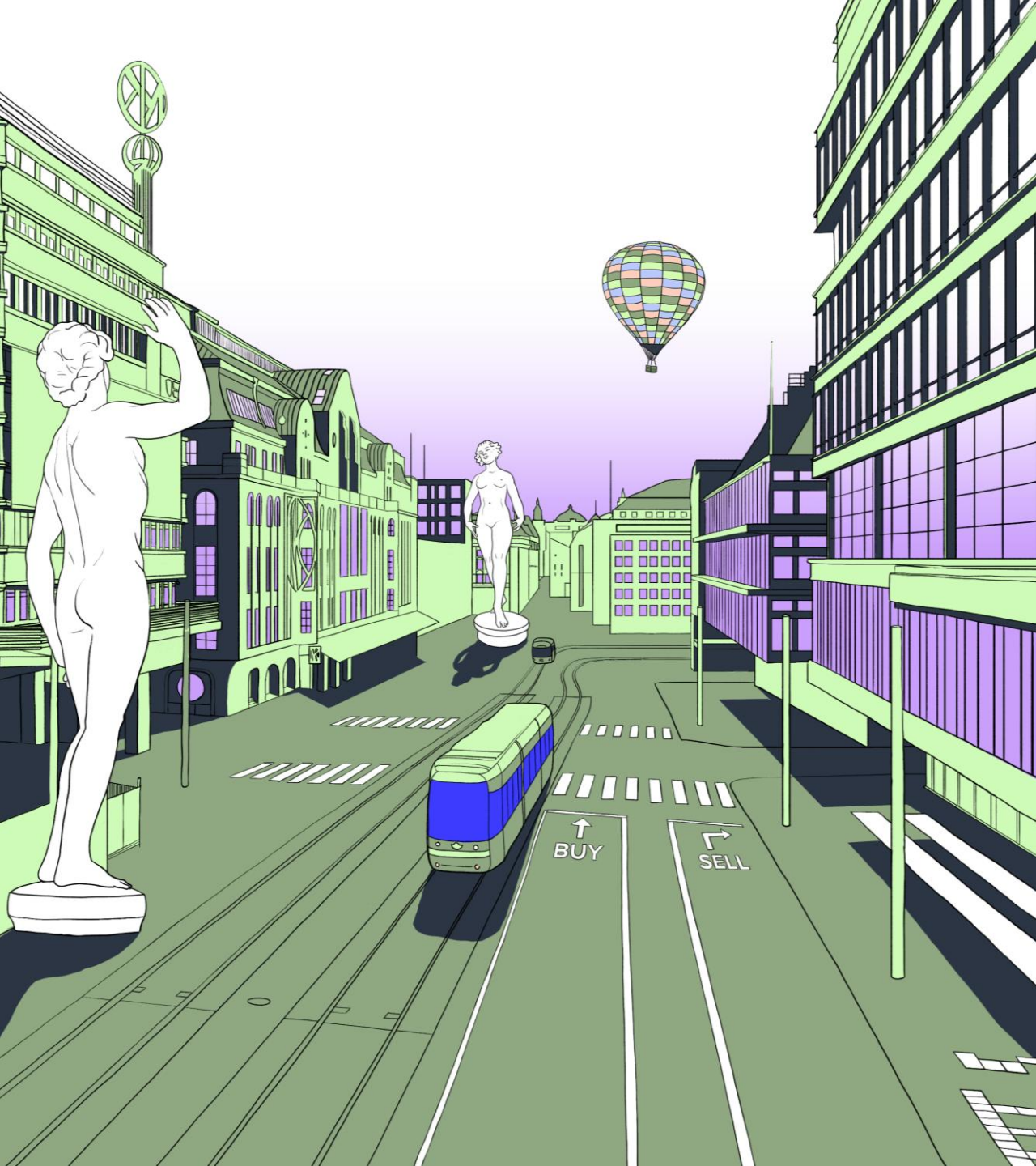
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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
3/6/2020	Reduce	11.50 €	11.80 €
3/13/2020	Accumulate	9.00 €	7.56 €
4/9/2020	Reduce	8.50 €	8.56 €
4/17/2020	Reduce	8.50 €	8.58 €
6/5/2020	Reduce	9.00 €	9.68 €
7/15/2020	Accumulate	10.00 €	9.18 €
9/18/2020	Accumulate	10.50 €	9.70 €
10/26/2020	Accumulate	11.50 €	10.80 €
12/29/2020	Reduce	12.00 €	12.55 €
1/25/2021	Accumulate	16.50 €	14.85 €
4/16/2021	Accumulate	21.00 €	19.10 €
7/15/2021	Accumulate	24.50 €	23.80 €
10/21/2021	Accumulate	24.50 €	23.60 €
1/7/2022	Reduce	24.50 €	26.90 €
1/26/2022	Reduce	22.00 €	22.10 €
3/14/2022	Reduce	20.00 €	19.35 €
4/25/2022	Reduce	20.00 €	18.60 €
5/20/2022	Accumulate	18.00 €	16.38 €
6/13/2022	Reduce	18.00 €	18.15 €
7/18/2022	Reduce	18.00 €	17.55 €
10/3/2022	Reduce	17.00 €	16.30 €
10/21/2022	Reduce	16.00 €	15.60 €
1/27/2023	Accumulate	19.00 €	17.90 €
4/26/2023	Accumulate	20.00 €	18.95 €
7/19/2023	Accumulate	21.00 €	20.40 €
10/30/2023	Accumulate	21.00 €	18.60 €
1/26/2024	Reduce	20.00 €	20.30 €
2/26/2024	Reduce	20.00 €	19.40 €
3/7/2024	Reduce	21.00 €	20.10 €
4/23/2024	Accumulate	22.00 €	19.50 €
7/16/2024	Accumulate	22.00 €	19.40 €
10/28/2024	Accumulate	22.00 €	18.75 €
1/30/2025	Accumulate	21.00 €	18.80 €
4/28/2025	Accumulate	20.00 €	17.77 €



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Inderes Ab

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

Inderes Oyj

Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.se

inderes.fi

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