

# KOSKISEN

5/12/2025 2:05 pm EEST

This is a translated version of "Lupaavia numeroita suhdanteeseen nähden" report, published on 5/12/2025



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# COMPANY REPORT



# Promising numbers given the economic cycle

We raise our recommendation for Koskisen to Accumulate (was Reduce) and our target price to EUR 8.25 (was EUR 7.50), in light of a moderate increase in estimates and a slight decrease in the required return. Koskisen's Q1 report was significantly better than we expected, especially thanks to excellent volume growth in the Sawn Timber Industry. We didn't make any big changes to our near-term forecasts for the lower lines of the income statement, but the strong performance at this stage of the construction cycle already has lowered the risk level of the stock in our book. As a result, we believe that the expected return on the stock has turned positive, as the valuation of the stock is also moderate.

## Powerful start to the year

In Q1, Koskisen's revenue increased by 35% to 86 MEUR and adj. EBITDA by more than 70% to 9.5 MEUR. Operating result rose driven by very strong volume growth in the Sawn Timber Industry, beating all consensus forecasts, although the company's market situation remained sluggish due to continued low activity in the construction sector. The company was able to achieve very good sales in the market at a reasonable price, and deliveries in the Sawn Timber Industry probably hit the target almost perfectly. Although the Panel Industry's results were down, particularly due to the rise in birch log prices, the Panel Industry still exceeded our forecasts. We commented on the result [here](#) on Friday.

## Estimate changes were moderately positive

Koskisen reiterated its guidance for 2025 according to which revenue will grow from last year (2024: 282 MEUR revenue) and the adjusted EBITDA margin will be 7-11%. This in itself was to be expected, as the company is not in the habit of qualifying its guidance with adjectives, and the acquisition of lisveden Metsä, which will dilute the company's margins in the short term, will be completed in early June. The market situation is also uncertain, and construction has not recovered, although the underlying sentiment, at least in the Panel Industry market, seems to be cautiously positive based on the comments.

We included the acquisition of lisveden Metsä in our estimates from the beginning of June, as approvals for the deal have been received from key stakeholders. The arrangement has been particularly supportive of our revenue and also our EBITDA forecasts, but the impact on the lower lines has been smaller, especially for the next few years. Given the partly unclear drivers of volume growth in the Sawn Timber Industry and the risks associated with a tightening of trade policies, we have so far refrained from significantly raising our estimates for the company for the remaining quarters of the year and for the coming years, but the Q1 estimate beat clearly raised our forecasts for this year. In the Sawn Timber industry, developments were promising at this stage of the cycle, which reduced the risks to the earnings improvement already included in our forecasts. We expect Koskisen's revenue and EBITDA to continue to grow, driven by the gradual recovery of the construction cycle, investment efficiency gains and the acquisition of lisveden Metsä. However, high raw material prices will limit the profitability improvement, even though revenue is increasing.

## Expected return already starting to look attractive

Koskisen's 2025 and 2026 EV/EBITDA ratios that consider the strong balance sheet are around 6x and 5x and the P/B ratio (Q1'25 ACT) is around 1.1x. The multiples are weighted within our approved ranges for this year, factoring in Koskisen's estimated return on capital and risk profile, which we consider cautiously attractive given the upward earnings trajectory and slightly lower risk profile of the stock. The stock's DCF is also higher than the share price, thanks to increased estimates and a slight decline in the required return. Thus, Koskisen's expected return based on earnings growth, falling multiples (Q1'25 LTM P/E 17x) and around 2% dividend is, in our view, already slightly above the required return on a one-year horizon. As the European economy and construction recover, the company could also have the potential for a longer earnings growth streak from current levels, which would be a strong driver for the stock even in the medium term.

## Recommendation

**Accumulate**  
(was Reduce)

## Target price:

**EUR 8.25**  
(was EUR 7.25)

**Share price:**  
**EUR 7.54**

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
Revenue	282.2	367.8	423.8	442.9
growth-%	4%	30%	15%	5%
EBIT adj.	13.1	22.1	28.8	32.2
EBIT-% adj.	4.7 %	6.0 %	6.8 %	7.3 %
Net Income	8.3	15.0	20.4	23.7
EPS (adj.)	0.36	0.64	0.85	0.99
P/E (adj.)	19.1	11.9	8.9	7.7
P/B	1.1	1.0	1.0	0.9
Dividend yield-%	1.7 %	2.7 %	3.3 %	4.0 %
EV/EBIT (adj.)	14.8	9.9	7.5	6.3
EV/EBITDA	8.0	6.1	4.9	4.2
EV/S	0.7	0.6	0.5	0.5

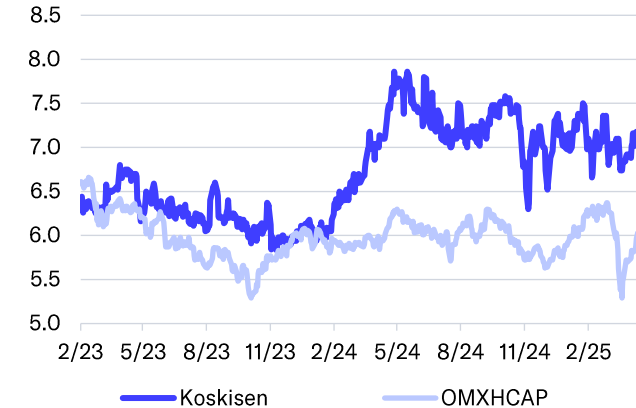
Source: Inderes

## Guidance

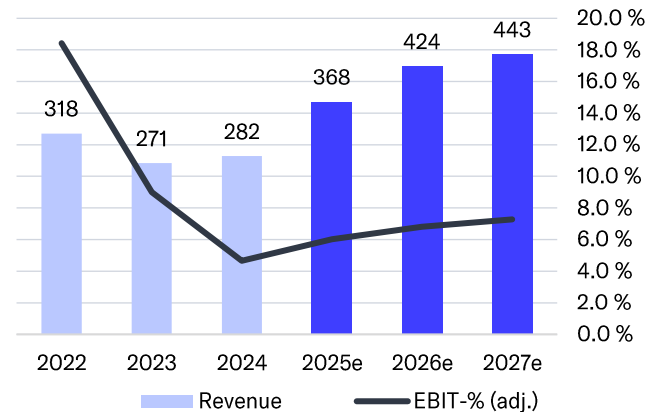
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Koskisen Group's revenue for 2025 is expected to grow from the 2024 level. The adjusted EBITDA margin is expected to be 7-11%.

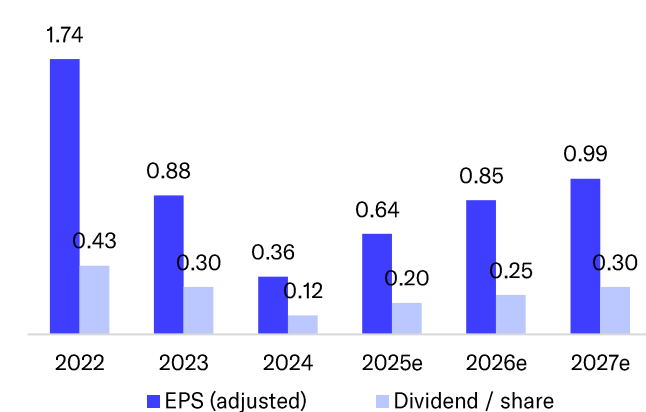
## Share price



## Revenue and EBIT-% (adj.)



## EPS and dividend



## Value drivers

- Healthy long-term demand trends
- Increasing exports and finding customers who appreciate customization
- Potential for improvement in the level of profitability
- Business generates value (ROIC>WACC) in a favorable cycle
- War-related supply disruptions help Panel Industry for the foreseeable future

## Risk factors

- Cyclical demand
- Tight competition situation in for Sawn Timber Industry
- Removal of the supply disruptions in Panel Industry
- Tight timber market in Finland

Valuation	2025e	2026e	2027e
Share price	7.54	7.54	7.54
Number of shares, millions	23.7	24.1	24.1
Market cap	174	182	182
EV	220	217	203
P/E (adj.)	11.9	8.9	7.7
P/E	11.9	8.9	7.7
P/B	1.0	1.0	0.9
P/S	0.5	0.4	0.4
EV/Sales	0.6	0.5	0.5
EV/EBITDA	6.1	4.9	4.2
EV/EBIT (adj.)	9.9	7.5	6.3
Payout ratio (%)	30.8 %	29.5 %	30.4 %
Dividend yield-%	2.7 %	3.3 %	4.0 %

Source: Inderes

# Sawn Timber Industry saw very good business in Q1

## Sawn Timber Industry reached excellent volume levels

In Q1, Koskisen's revenue grew by 35% to 86 MEUR from a weak strike-affected comparison figure, above consensus and also our forecast. The growth was mainly driven by higher volumes in the Sawn Timber Industry, but the development of average prices in both businesses was also slightly positive, in line with our expectations. The company was very successful in finding reasonably priced deals in the Sawn Timber Industry, as demand driven by the construction sector remains sluggish. The company was able to achieve very good sales in the market at a reasonable price, and deliveries in the Sawn Timber Industry probably hit the target almost perfectly. A slight restocking of low inventories in the value chain may also have supported deliveries ahead of the summer season. The company did not report any significant new customers in the Sawn Timber Industry. In the Panel Industry, Koskisen grew by 8% to 38 MEUR. Growth was driven in particular by the product mix and the Kore business, as volume growth (excluding Kore) was

stable. Revenue in the Panel Industry also exceeded our estimate.

## Improved result driven by growth

Koskisen's adjusted EBITDA increased by more than 70% year-on-year to 9.5 MEUR in Q1, well above our forecast, which was at the upper end of the consensus range. The earnings improvement and estimate beat came primarily from the Sawn Timber Industry, where volume growth and improved production efficiency as a result of investment ramp-ups multiplied the operating result, even though log prices remain high. In Q1, profitability was also boosted by by-product sales to the energy sector. Encouragingly, the Sawn Timber Industry was able to achieve fairly good profitability, even at current prices for the end product and wood, with machines running at high capacity at times. The Panel Industry's performance deteriorated, mainly due to higher birch log prices and other inflationary factors, but the decline was less than we had estimated. The slight loss in the Other segment was broadly in line with our expectations.

On the lower lines, the net burden of depreciation, finance costs and tax rate in Q1 was marginally higher than our expectations, but the strong operating performance lifted EPS above all forecasts to EUR 0.18. In terms of cash flow, the report was significantly below earnings, as very strong volume growth and probably also the seasonal nature of Q1 drove working capital sharply higher. This pushed Koskisen's operating cash flow into the red by about 1 MEUR at the beginning of the year. Still, thanks to the good result, cash flow improved clearly year-on-year. However, we expect the company's cash flow to improve as the year progresses.

## Balance sheet can handle investments well

Koskisen's net gearing at the end of Q1 was a moderate 17% (Q1'24: net gearing 5%). In our view, the cash and share acquisition of Iisveden Metsä and this year's investments in the Panel Industry will still slightly increase gearing, but they will not change the overall picture of the balance sheet structure and the risk profile of the share, provided that the earnings trend continues to be upward.

Estimates	Q1'24	Q1'25	Q1'25e	Q1'25e	Consensus		Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	63.7	86.3	74.9	72.9	63.7	86.3	15%	368
EBITDA (adj.)	5.5	9.5	7.1	6.5	5.5	9.5	33%	35.8
EPS (reported)	0.10	0.18	0.18	0.09	0.10	0.18	-1%	0.63
Revenue growth-%	-13.0 %	35.4 %	17.5 %	14.4 %	-100.0 %	-100.0 %	17.9 pp	30.3 %
EBITDA-% (adj.)	8.7 %	11.0 %	9.5 %	8.9 %			1.5 pp	9.7 %

Source: Inderes &  
Koskisen, 3 estimates  
(consensus)



# Purchase of lisveden Metsä main driver of forecast changes

## Guidance remained unchanged quite as expected

Koskisen reiterated its guidance for 2025, according to which revenue will grow from last year (2024: 282 MEUR revenue) and the adj. EBITDA-% will be 7-11%. This in itself was fully expected. The company is not in the habit of qualifying its guidance with adjectives, and the lisveden Metsä acquisition, which will dilute Koskisen’s short-term margins, will be completed in early June. Market conditions are also uncertain, and construction has not picked up, although the underlying market sentiment seems cautiously positive based on the comments at the start of Q2, which is important for the full-year result. The H2 outlook is of course much more uncertain, and H2 is in any case weaker than H1 for Koskisen due to the timing of production shutdowns.

Longer term, a recovery in construction is clearly the main driver of revenue, for which we believe the fall in interest rates and the German infrastructure and defense investment package are a good basis. Progress on the German deal would also be positive for the birch plywood business, which

is driven by the logistics sector. Conversely, there is also a risk of negative effects from a tightening of trade policies.

## lisveden Metsä acquisition key reason for revised forecast

We included the lisveden Metsä acquisition in our estimates from the beginning of June, as the deal has been approved by key stakeholders (such as the Annual General Meeting of lisveden Metsä; the competition authorities in Finland and Estonia). The merger has been particularly supportive of our revenue and also our EBITDA forecasts, but the lower lines have been less impacted, especially in the next few years, as the increase in net debt estimates for the purchase price (EV 22.5 MEUR) raised the finance cost forecasts and the share count increased due to the share component. At this stage, we were cautious about adding synergy forecasts to our projections as the company had not disclosed the scale of the benefits. On the other hand, we had already assumed in our earlier forecasts that Koskisen would be able to procure birch logs to meet the increased capacity needs of the Panel Industry investments.

We did not raise our expectations for the Sawn Timber Industry’s volume growth rate in the report, despite a much stronger than expected Q1, as the drivers of growth in Q1 and their sustainability from quarter to quarter are not fully clear. The risks associated with the tightening trade policies also argue for a degree of caution. As such, we have so far refrained from materially raising our estimates for Koskisen for the remaining quarters of the year and for the coming years, but the Q1 estimate beat clearly raised our forecasts for this year. In the Sawn Timber industry, promising growth for this stage of the cycle reduced the risks to the earnings improvement already included in our forecasts. We expect Koskisen's revenue and EBITDA to continue to grow, driven by the gradual recovery of the construction cycle, efficiency gains of investments (65% of the gains from the Järvelä saw line investment have now been achieved and the gains of at least 1.4 MEUR from the log yard investment are to follow) and the lisveden Metsä acquisition. However, continued high raw material prices will limit the profitability improvement.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	317	368	16%	351	424	21%	370	443	20%
EBITDA	32.1	35.8	12%	40.6	44.3	9%	44.4	48.6	9%
EBIT (exc. NRIs)	19.1	22.1	16%	26.9	28.8	7%	29.8	32.2	8%
EBIT	19.1	22.0	16%	26.9	28.8	7%	29.8	32.2	8%
PTP	16.0	18.8	18%	24.5	25.6	4%	27.5	29.0	5%
EPS (excl. NRIs)	0.55	0.64	15%	0.85	0.85	0%	0.95	0.99	3%
DPS	0.17	0.20	18%	0.24	0.25	4%	0.30	0.30	0%

Source: Inderes

Koskisen, Webcast, Q1’25 (in Finnish)



# Valuation picture already starting to turn moderately green

## Main focus on earnings multiples

We focus on earnings-based multiples in Koskisen's valuation. We feel acceptable EV/EBITDA ratios for Koskisen are roughly 4-7x, considering the growth and profitability levels of the business and the risk profile. The acceptable P/E based valuation range is 10x-14x in our opinion. On an annual basis, the multiples may occasionally stretch to a wide range, especially due to the strong cyclicity of the Sawn Timber Industry.

## We view valuation picture as cautiously positive

With our 2024 and 2025 estimates, Koskisen's P/E ratios are around 12x and 9x and corresponding EV/EBITDA ratios are around 6x and 5x. Thus, the share is priced at the midpoints of our acceptable valuation ranges based on the current year's multiples, which carry the most weight, and around the bottom end of the ranges based on next year's improved, but still uncertain, earnings level multiples. As such, we view the valuation as already cautiously attractive given the slightly lowered forecast risks and the earnings growth curve, which has already been on an upward trajectory for several quarters.

The balance sheet-based P/B of 1.1x (Q1'25 ACT) is also moderate, as our forecasts for Koskisen's average ROCE and ROE narrowly exceed our estimate of the company's cost of capital. We have lowered our required return to reflect the already slightly lower risk profile in our estimation. We believe that the balance sheet value of equity provides certain support for the share, even though balance sheet valuations below the balance sheet value of equity are no exception in the industry. However, a more pronounced increase in the balance sheet valuation would

require more robust value creation than our current projections (i.e. ROCE-% > WACC-%).

Considering this overall picture, we estimate that the expected return for the share, formed by the fairly clear earnings growth, the valuation downside (Q1'25 LTM P/E 17x) and a dividend yield of around 2%, just exceeds the required return. The expected return would turn more clearly positive in the medium term if Koskisen could raise its profitability to its target of over 15% adj. EBITDA-% (cf. our estimates of adj. EBITDA-%: 10-12%). At best, this will only be possible when a better cycle arrives, beyond our target price horizon of more than 12 months, as there are still no signs of a rapid recovery in construction. Similarly, at current valuations, we do not see significant downside for the stock as long as earnings growth does not turn significantly negative, e.g. due to a tariff-induced recession or an increasingly tight raw material market. This supports the risk/reward ratio of the stock at the moment.

## DCF value somewhat above the share price

In relative terms, with 2024 and 2025 estimates Koskisen is priced at a discount relative to the loosely connected peer group with high earnings multiples. On a balance sheet basis, valuation is at a premium. The overall picture of the relative valuation is therefore ambiguous and, in our view, does not support a strong view in either direction.

We give weight to the DCF model in our valuation despite it being sensitive to the variables of the terminal period. Our DCF model indicates a share value at our target price, which, like the other methods, supports our view of a new, cautiously positive expected return for the stock.

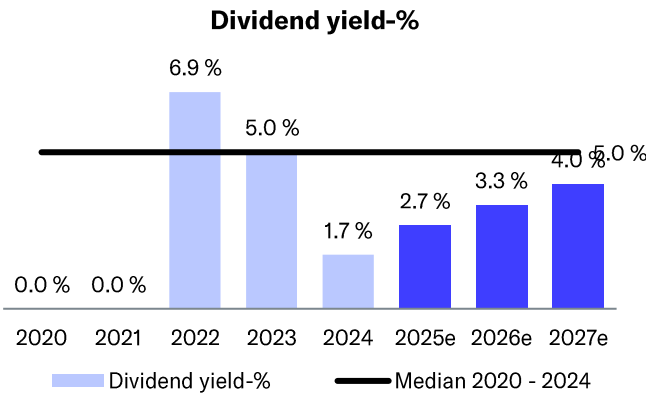
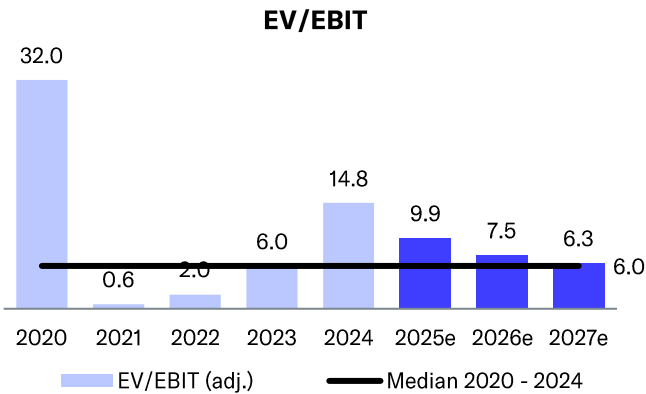
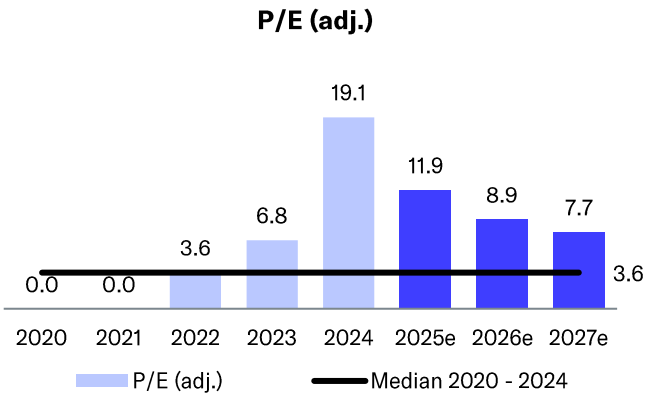
Valuation	2025e	2026e	2027e
Share price	7.54	7.54	7.54
Number of shares, millions	23.7	24.1	24.1
Market cap	174	182	182
EV	220	217	203
P/E (adj.)	11.9	8.9	7.7
P/E	11.9	8.9	7.7
P/B	1.0	1.0	0.9
P/S	0.5	0.4	0.4
EV/Sales	0.6	0.5	0.5
EV/EBITDA	6.1	4.9	4.2
EV/EBIT (adj.)	9.9	7.5	6.3
Payout ratio (%)	30.8 %	29.5 %	30.4 %
Dividend yield-%	2.7 %	3.3 %	4.0 %

Source: Inderes

# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price			6.28	6.00	6.96	7.54	7.54	7.54	7.54
Number of shares, millions			23.0	23.0	23.0	23.7	24.1	24.1	24.1
Market cap			145	138	160	174	182	182	182
EV			116	146	195	220	217	203	191
P/E (adj.)			3.6	6.8	19.1	11.9	8.9	7.7	7.0
P/E			3.6	6.8	19.3	11.9	8.9	7.7	7.0
P/B			1.1	0.9	1.1	1.0	1.0	0.9	0.8
P/S			0.5	0.5	0.6	0.5	0.4	0.4	0.4
EV/Sales			0.4	0.5	0.7	0.6	0.5	0.5	0.4
EV/EBITDA			1.8	4.4	8.0	6.1	4.9	4.2	3.8
EV/EBIT (adj.)			2.0	6.0	14.8	9.9	7.5	6.3	5.6
Payout ratio (%)			25.1 %	34.2 %	33.4 %	30.8 %	29.5 %	30.4 %	35.0 %
Dividend yield-%			6.9 %	5.0 %	1.7 %	2.7 %	3.3 %	4.0 %	5.0 %

Source: Inderes



The market value and enterprise value in the table take into account the projected 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		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Interfor Corp	455	1034			18.4		0.5	0.5					0.4
Boise Cascade	2959	2882	5.1	6.7	4.3	5.2	0.5	0.5	7.2	9.3	9.8	6.6	1.6
West Fraser Timber	5261	5108		171.2	10.1	8.7	0.9	0.9	7462.8	173.6	1.6	1.7	0.8
Canfor	1015	1481			80.9		0.4	0.5					0.4
Stora Enso	6829	10673	42.1	18.4	11.4	9.1	1.1	1.2	44.4	18.8	3.3	3.0	0.6
STEICO	334	490	16.1	11.7	8.2	5.9	1.3	1.3	18.5	14.2	1.8	2.4	1.2
Louisiana-Pacific	5596	5677	21.8	11.9	14.8	9.5	2.5	2.2	29.5	16.1	1.1	1.2	4.3
Stella-Jones	2606	3699	11.6	11.7	9.6	9.2	1.7	1.7	13.2	13.6	1.3	1.4	2.5
Koskisen (Inderes)	174	220	9.9	7.5	6.1	4.9	0.6	0.5	11.9	8.9	2.7	3.3	1.0
Average			19.3	38.6	19.7	7.9	1.1	1.1	1262.6	40.9	3.1	2.7	1.5
Median			16.1	11.8	10.8	8.9	1.0	1.1	24.0	15.1	1.7	2.1	1.0
Diff-% to median			-38%	-36%	-43%	-45%	-41%	-52%	-51%	-41%	56%	61%	4%

Source: Refinitiv / Inderes



# 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	271	63.7	77.8	67.8	72.9	282	86.2	91.2	89.7	101	368	424	443	460
Sawn Timber Industry	122	29.0	47.2	23.9	39.7	140	48.7	49.1	52.2	57.4	207	239	243	253
Panel Industry	149	34.7	30.6	43.9	33.1	142	37.6	42.1	37.5	43.3	160	185	199	207
Other / 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
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
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
EBITDA	33.0	5.5	9.4	3.6	5.7	24.2	9.4	11.4	4.6	10.4	35.8	44.3	48.6	50.8
Depreciation	-8.6	-2.4	-2.5	-3.2	-3.1	-11.2	-3.2	-3.4	-3.6	-3.6	-13.8	-15.5	-16.4	-16.5
EBIT (excl. NRI)	24.4	3.1	6.9	0.5	2.6	13.1	6.3	8.0	1.0	6.8	22.1	28.8	32.2	34.3
EBIT	24.4	3.1	6.9	0.4	2.6	13.0	6.2	8.0	1.0	6.8	22.0	28.8	32.2	34.3
Sawn Timber Industry (EBITDA)	3.3	0.7	1.6	1.7	3.3	7.2	5.4	4.5	2.2	4.5	16.5	20.9	23.2	24.5
Panel Industry (EBITDA)	29.3	5.3	8.1	1.8	2.5	17.7	4.5	7.3	2.7	6.3	20.8	24.9	26.8	27.8
Other / Eliminations	0.4	-0.4	-0.3	0.2	-0.2	-0.7	-0.5	-0.4	-0.3	-0.3	-1.5	-1.5	-1.5	-1.5
Depreciation	-8.6	-2.4	-2.5	-3.2	-3.1	-11.2	-3.2	-3.4	-3.6	-3.6	-13.8	-15.5	-16.4	-16.5
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
Net financial items	-0.3	-0.4	-0.7	-1.0	-1.0	-3.1	-1.0	-0.8	-0.8	-0.7	-3.3	-3.3	-3.2	-2.7
PTP	24.0	2.8	6.2	-0.6	1.6	10.0	5.3	7.2	0.2	6.1	18.8	25.6	29.0	31.6
Taxes	-3.8	-0.5	-1.3	0.1	0.0	-1.7	-1.1	-1.4	0.0	-1.2	-3.8	-5.1	-5.2	-5.7
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	20.2	2.3	4.9	-0.5	1.6	8.3	4.2	5.7	0.2	4.9	15.0	20.4	23.7	25.9
EPS (adj.)	0.88	0.10	0.21	-0.02	0.07	0.36	0.19	0.24	0.01	0.21	0.64	0.85	0.99	1.08
EPS (rep.)	0.88	0.10	0.21	-0.02	0.07	0.36	0.18	0.24	0.01	0.21	0.63	0.85	0.99	1.08

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-%	-14.6 %	-13.0 %	5.3 %	22.3 %	6.1 %	4.0 %	35.4 %	17.2 %	32.3 %	38.2 %	30.3 %	15.2 %	4.5 %	3.8 %
Adjusted EBIT growth-%	-58.3 %	-70.6 %	-41.8 %	-151.8 %	-12.2 %	-46.1 %	102.3 %	16.0 %	93.4 %	159.5 %	68.4 %	30.4 %	11.6 %	6.5 %
EBITDA-%	12.2 %	8.7 %	12.0 %	5.4 %	7.8 %	8.6 %	10.9 %	12.4 %	5.1 %	10.4 %	9.7 %	10.5 %	11.0 %	11.1 %
Adjusted EBIT-%	9.0 %	4.9 %	8.8 %	0.8 %	3.6 %	4.7 %	7.4 %	8.7 %	1.1 %	6.8 %	6.0 %	6.8 %	7.3 %	7.5 %
Net earnings-%	7.4 %	3.6 %	6.3 %	-0.8 %	2.2 %	2.9 %	4.8 %	6.3 %	0.2 %	4.9 %	4.1 %	4.8 %	5.4 %	5.6 %

The full-year EPS was calculated using the number of shares at the end of the year.

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>130</b>	<b>151</b>	<b>178</b>	<b>181</b>	<b>183</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	1.3	1.0	1.4	1.8	2.2
Tangible assets	124	146	172	174	176
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	4.6	3.9	4.6	4.6	4.6
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.1	0.0	0.0	0.0	0.0
<b>Current assets</b>	<b>140</b>	<b>126</b>	<b>158</b>	<b>174</b>	<b>181</b>
Inventories	37.5	49.2	55.2	59.3	62.0
Other current assets	22.9	21.6	21.6	21.6	21.6
Receivables	23.4	23.8	36.8	42.4	44.3
Cash and equivalents	55.8	31.8	44.1	50.9	53.2
<b>Balance sheet total</b>	<b>269</b>	<b>277</b>	<b>336</b>	<b>355</b>	<b>364</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>147</b>	<b>149</b>	<b>168</b>	<b>184</b>	<b>202</b>
Share capital	1.5	1.5	1.5	1.5	1.5
Retained earnings	51.5	65.2	77.5	93.3	111
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	94.2	82.3	89.5	89.5	89.5
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>64.1</b>	<b>64.6</b>	<b>91.2</b>	<b>88.1</b>	<b>78.0</b>
Deferred tax liabilities	5.7	7.2	7.2	7.2	7.2
Provisions	0.2	0.2	0.2	0.2	0.2
Interest bearing debt	55.2	54.2	80.8	77.7	67.5
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.1	3.1	3.1	3.1	3.1
<b>Current liabilities</b>	<b>57.8</b>	<b>63.3</b>	<b>75.8</b>	<b>82.5</b>	<b>83.8</b>
Interest bearing debt	8.5	12.1	8.7	8.4	7.2
Payables	32.8	35.7	46.5	53.6	56.0
Other current liabilities	16.5	15.6	20.6	20.6	20.6
<b>Balance sheet total</b>	<b>269</b>	<b>277</b>	<b>336</b>	<b>355</b>	<b>364</b>

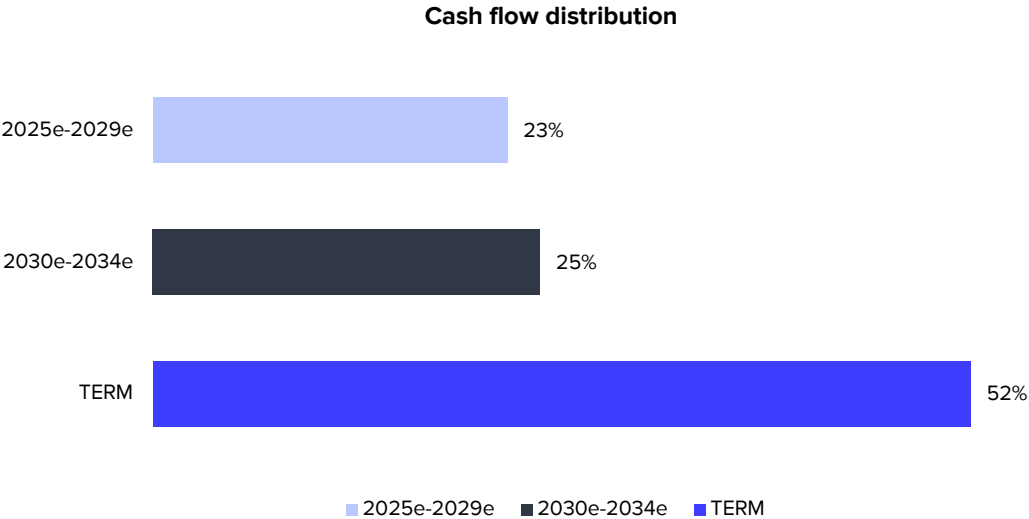
# DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	4.0 %	30.3 %	15.2 %	4.5 %	3.8 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.0 %	2.0 %
EBIT-%	4.6 %	6.0 %	6.8 %	7.3 %	7.5 %	7.0 %	6.5 %	6.0 %	5.6 %	5.6 %	5.6 %	5.6 %
<b>EBIT (operating profit)</b>	<b>13.0</b>	<b>22.0</b>	<b>28.8</b>	<b>32.2</b>	<b>34.3</b>	<b>33.0</b>	<b>31.4</b>	<b>29.7</b>	<b>28.4</b>	<b>29.1</b>	<b>29.7</b>	
+ Depreciation	11.2	13.8	15.5	16.4	16.5	16.6	16.6	16.7	16.7	16.7	16.7	
- Paid taxes	-0.2	-3.8	-5.1	-5.2	-5.7	-5.6	-5.4	-5.1	-5.0	-5.1	-5.3	
- Tax, financial expenses	-0.6	-0.8	-0.8	-0.7	-0.6	-0.5	-0.4	-0.4	-0.3	-0.3	-0.3	
+ Tax, financial income	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	
- Change in working capital	-8.9	-3.0	-2.7	-2.2	-6.0	-0.3	-0.3	-0.3	-0.3	-1.3	-1.1	
<b>Operating cash flow</b>	<b>14.7</b>	<b>28.3</b>	<b>35.9</b>	<b>40.6</b>	<b>38.7</b>	<b>43.3</b>	<b>42.0</b>	<b>40.7</b>	<b>39.7</b>	<b>39.3</b>	<b>40.0</b>	
+ 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	-32.2	-41.0	-18.4	-18.4	-17.4	-17.4	-17.4	-17.4	-17.4	-17.4	-18.0	
<b>Free operating cash flow</b>	<b>-17.5</b>	<b>-12.7</b>	<b>17.5</b>	<b>22.2</b>	<b>21.3</b>	<b>25.9</b>	<b>24.6</b>	<b>23.3</b>	<b>22.3</b>	<b>21.9</b>	<b>22.0</b>	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-17.5	-12.7	17.5	22.2	21.3	25.9	24.6	23.3	22.3	21.9	22.0	294
<b>Discounted FCFF</b>		<b>-12.0</b>	<b>15.0</b>	<b>17.4</b>	<b>15.2</b>	<b>16.9</b>	<b>14.7</b>	<b>12.6</b>	<b>11.0</b>	<b>9.9</b>	<b>8.8</b>	<b>118</b>
Sum of FCFF present value		228	240	225	207	192	175	160	148	137	127	118
<b>Enterprise value DCF</b>		<b>228</b>										
- Interest bearing debt		-66.3										
+ Cash and cash equivalents		31.8										
-Minorities		0.0										
-Dividend/capital return		-2.8										
<b>Equity value DCF</b>		<b>190</b>										
<b>Equity value DCF per share</b>		<b>8.25</b>										

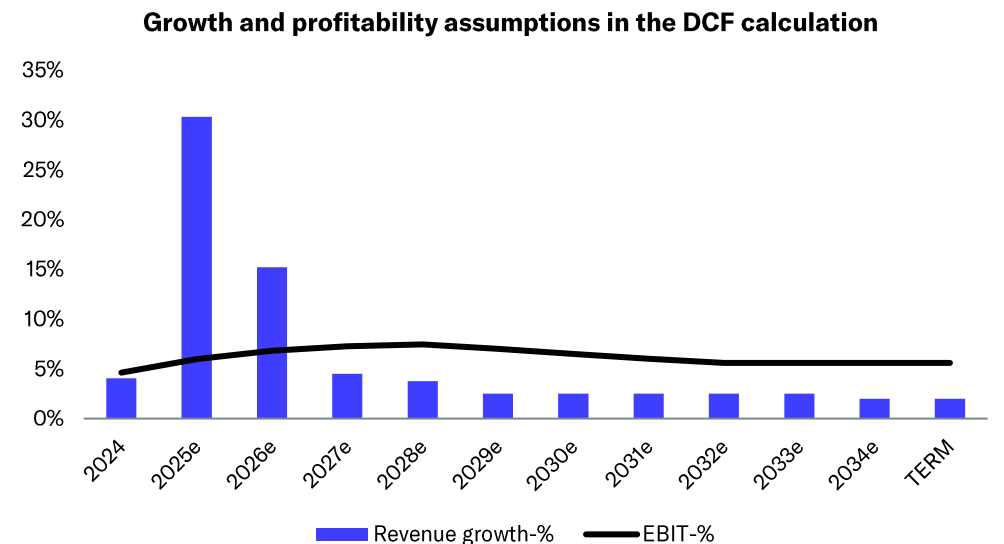
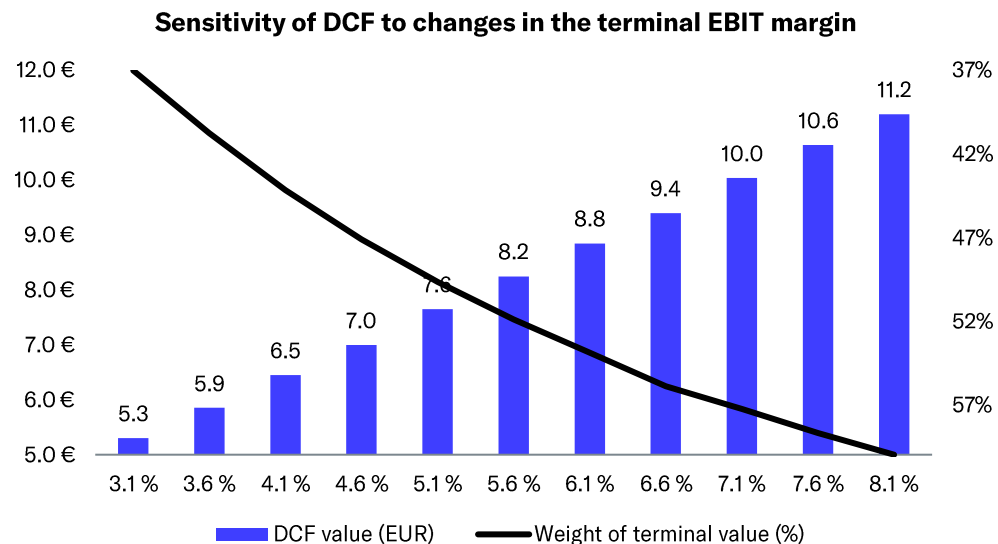
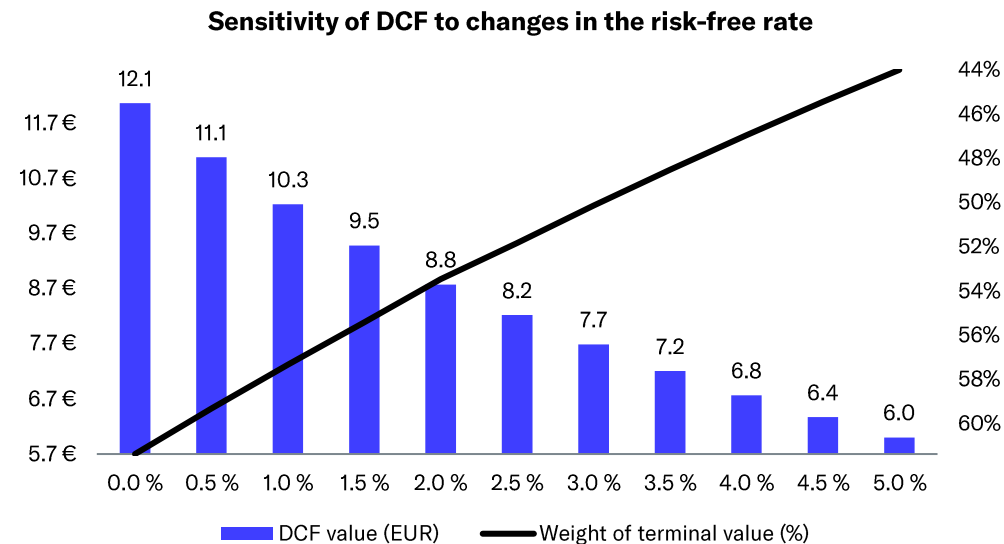
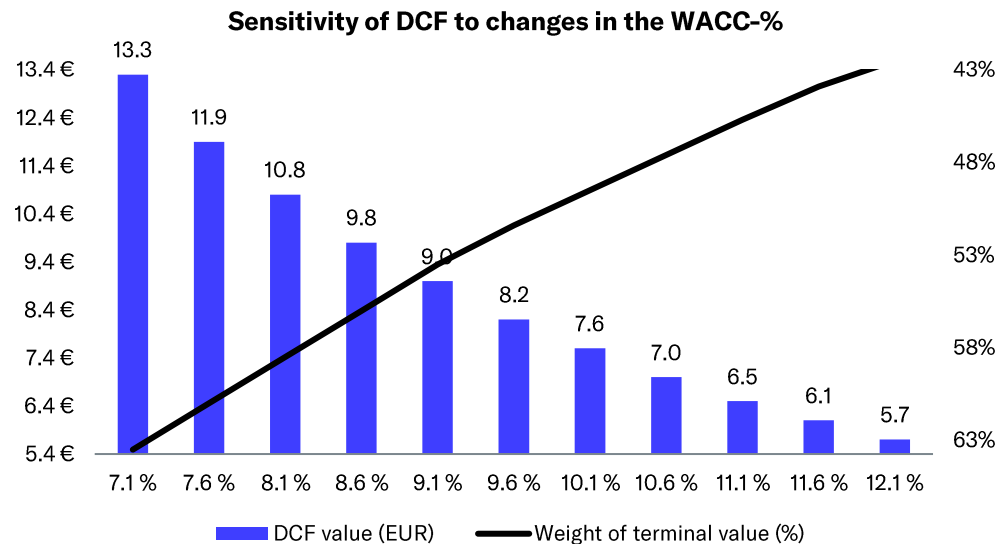
## WACC

Tax-% (WACC)	18.0 %
Target debt ratio (D/(D+E))	17.5 %
Cost of debt	5.0 %
Equity Beta	1.75
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>10.8 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>9.6 %</b>

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	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	317.7	271.2	282.2	367.8	423.8	EPS (reported)	1.73	0.88	0.36	0.63	0.85
EBITDA	66.3	33.0	24.2	35.8	44.3	EPS (adj.)	1.74	0.88	0.36	0.64	0.85
EBIT	58.2	24.4	13.0	22.0	28.8	OCF / share	2.07	0.27	0.64	1.19	1.49
PTP	57.8	24.0	10.0	18.8	25.6	OFCF / share	2.43	-1.19	-0.76	-0.54	0.72
Net Income	39.8	20.2	8.3	15.0	20.4	Book value / share	5.90	6.40	6.47	7.12	7.65
Extraordinary items	-0.3	0.0	-0.1	-0.1	0.0	Dividend / share	0.43	0.30	0.12	0.20	0.25
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	258.6	269.2	277.1	335.5	355.0	Revenue growth-%	0%	-15%	4%	30%	15%
Equity capital	135.8	147.2	149.1	168.5	184.3	EBITDA growth-%		-50%	-27%	48%	24%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%		-58%	-46%	68%	30%
Net debt	-28.5	7.9	34.4	45.4	35.2	EPS (adj.) growth-%		-50%	-59%	74%	34%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	20.9 %	12.2 %	8.6 %	9.7 %	10.5 %
EBITDA	66.3	33.0	24.2	35.8	44.3	EBIT (adj.)-%	18.4 %	9.0 %	4.7 %	6.0 %	6.8 %
Change in working capital	12.3	-24.9	-8.9	-3.0	-2.7	EBIT-%	18.3 %	9.0 %	4.6 %	6.0 %	6.8 %
Operating cash flow	47.6	6.2	14.7	28.3	35.9	ROE-%	0.0 %	14.3 %	5.6 %	9.4 %	11.6 %
CAPEX	-22.0	-33.7	-32.2	-41.0	-18.4	ROI-%	0.0 %	12.1 %	6.4 %	9.6 %	11.2 %
Free cash flow	55.9	-27.3	-17.5	-12.7	17.5	Equity ratio	52.5 %	54.7 %	53.8 %	50.2 %	51.9 %
						Gearing	-21.0 %	5.4 %	23.1 %	26.9 %	19.1 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	0.4	0.5	0.7	0.6	0.5						
EV/EBITDA	1.8	4.4	8.0	6.1	4.9						
EV/EBIT (adj.)	2.0	6.0	14.8	9.9	7.5						
P/E (adj.)	3.6	6.8	19.1	11.9	8.9						
P/B	1.1	0.9	1.1	1.0	1.0						
Dividend-%	6.9 %	5.0 %	1.7 %	2.7 %	3.3 %						

Source: Inderes

The market value and enterprise value in the table take into account the projected change in the number of shares and net debt for the forecast years. Key figures per share have been calculated using the number of shares at the end of the year.



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Date	Recommendation	Target	Share price
2/24/2023	Reduce	6.00 €	6.35 €
3/17/2023	Reduce	6.00 €	6.29 €
Analyst changed			
5/25/2023	Reduce	6.75 €	6.40 €
8/11/2023	Accumulate	6.75 €	6.19 €
8/25/2023	Accumulate	7.50 €	6.40 €
11/20/2023	Accumulate	7.00 €	6.35 €
2/13/2023	Accumulate	6.75 €	6.05 €
2/19/2024	Accumulate	6.75 €	6.18 €
4/12/2024	Reduce	6.75 €	7.18 €
5/15/2024	Reduce	7.00 €	7.60 €
8/19/2024	Reduce	7.50 €	7.50 €
11/18/2024	Reduce	7.25 €	7.08 €
1/16/2025	Reduce	7.25 €	7.14 €
2/18/2025	Reduce	7.25 €	7.10 €
5/12/2025	Accumulate	8.25 €	7.54 €



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