

UNITED BANKERS

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INDERES CORPORATE CUSTOMER COMPANY REPORT



We are still waiting for earnings growth to resume

UB's H1 report was clearly better than expected in terms of numbers. However, the earnings beat was largely due to performance fees, and changes in forecasts have remained minimal. We are still positive on the company's long-term outlook, but in the short term, there are few share price drivers as earnings are going in the wrong direction and the valuation is neutral. We revise our target price for UB to EUR 18.0 (was EUR 19.0) and reiterate our Reduce recommendation.

Performance fees driving earnings beat

UB's H1 revenue was 29.1 MEUR, significantly exceeding our forecast of 26.0 MEUR. The revenue overshoot is largely attributable to performance fees, which the company recorded from forest funds well above our expectations. Structured products also sold better than expected, explaining the remainder of the revenue outperformance. Fees for funds and asset management, the most important for the company's value, were in line with our estimates, growing by about 5%. Consequently, the significance of the revenue overshoot is quite minor. Due to the substantial revenue overperformance, earnings also surpassed expectations, amounting to 8.8 MEUR. Expenses were somewhat higher than we expected, but we believe this is due to growth investments made by the company. The main blemish of the report remains the profitability adjusted for performance fees, which is at a very modest level. However, we are confident that, once revenue finally returns to more robust growth, the company should be able to significantly improve this ratio.

Although new sales remained challenging during the review period, they exceeded our expectations ever so slightly. As expected, net subscriptions to funds were low, but asset management sales continued to show strong progress. Asset management sales have performed very well for some time now, reflecting the company's effective wealth management

concept and successful hiring in recent years. Structured products also sold better than expected. The key challenge in new sales remains the modest sales volume of spearhead products.

Only minor revisions to estimates, back to earnings growth from 2026 onward

There were no surprises in the outlook, and the company was cautiously optimistic about the future. We made very limited changes to our forecasts in response to the H1 report. The increase in the 2025 estimates is solely due to the H1 earnings beat, and the positive estimates changes for 2025-2027 are less than 5%. We predict UB's results will take off in 2026 and the earnings decline in 2025 will be offset by 2027. As before, earnings growth will be driven by AUM growth in Wealth management, especially in strategically important funds (NFF, Renewable Energy and Forest). Real estate funds will slowly start to support growth from 2026 onwards, but the level of sales is more modest in our estimates than in previous years. Profitability based on recurring income will also begin to improve in the coming years as growth accelerates. The dividend will steadily grow in line with the company's dividend policy.

Valuation picture neutral, we remain on hold

UB's valuation level is neutral for 2025-2026, in both absolute and relative terms. In the long term, we believe the expected return on the stock is promising at current levels, but this requires the realization of our forecasted earnings growth. In the short term, there are few share price drivers as earnings are heading in the wrong direction and new sales are sluggish. In the short term, the expected return is limited to a dividend yield of over 6%, which does not sufficiently compensate for bearing the forecast risks. We will continue to monitor the situation from the sidelines and wait for earnings growth to resume.

Recommendation

Reduce

(was Reduce)

Target price:

EUR 18.00

(was EUR 17.00)

Share price:

EUR 17.50

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	62.1	57.3	61.5	67.9
growth-%	19%	-8%	7%	10%
EBIT adj.	23.4	17.7	19.2	22.6
EBIT-% adj.	37.6 %	31.0 %	31.3 %	33.3 %
Net Income	18.0	13.6	14.4	17.5
EPS (adj.)	1.65	1.24	1.30	1.58
P/E (adj.)	10.8	14.1	13.4	11.1
P/B	3.2	3.1	3.0	2.8
Dividend yield-%	6.2 %	6.6 %	6.9 %	7.1 %
EV/EBIT (adj.)	7.8	9.8	9.0	7.4
EV/EBITDA	7.0	8.6	8.1	6.7
EV/S	2.9	3.0	2.8	2.5

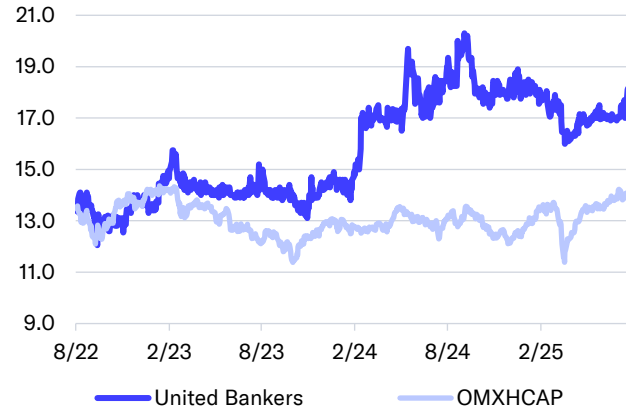
Source: Inderes

Guidance

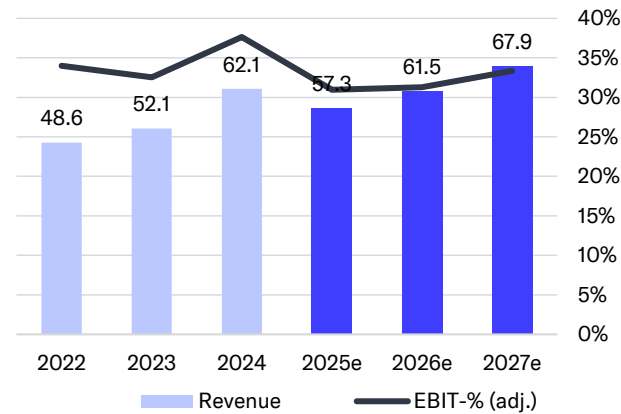
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The company estimates its adjusted operating profit to be significantly below the level of 2024

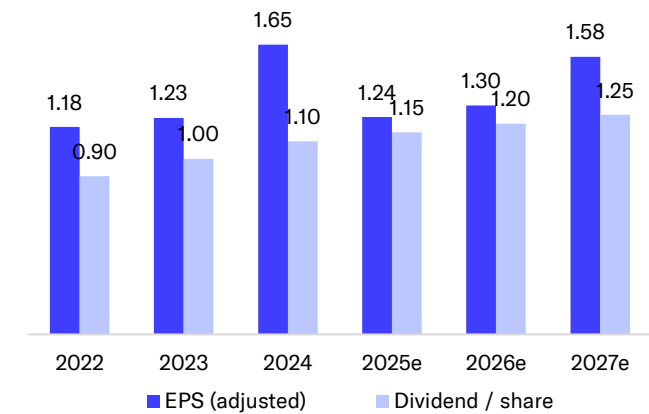
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



Value drivers

- New product launches
- Increase in the size of existing products
- Further improvement potential in cost efficiency
- M&A transactions and consolidation of the industry

Risk factors

- Deterioration of the market situation
- The share of non-recurring revenue is still significant
- Profitability still relatively weak without performance fees

	2025e	2026e	2027e
Share price	17.5	17.5	17.5
Number of shares, millions	11.0	11.0	11.1
Market cap	192	193	194
EV	174	173	168
P/E (adj.)	14.1	13.4	11.1
P/E	14.1	13.4	11.1
P/B	3.1	3.0	2.8
P/S	3.4	3.1	2.9
EV/Sales	3.0	2.8	2.5
EV/EBITDA	8.6	8.1	6.7
EV/EBIT (adj.)	9.8	9.0	7.4
Payout ratio (%)	92.9 %	92.0 %	79.1 %
Dividend yield-%	6.6 %	6.9 %	7.1 %

Source: Inderes

Performance fees driving brisk earnings beat

UB's H1 revenue was 29.1 MEUR, significantly down from the exceptionally strong level in the comparison period. However, revenue far exceeded our forecast of 26.0 MEUR. This overperformance in revenue is largely attributable to performance fees, which the company recorded in the amount of 6.8 MEUR, while our forecast was 4.5 MEUR. According to our calculations, the performance fees virtually entirely derive from forest funds and Renewable Energy. Structured products also sold better than expected, explaining the remainder of the revenue outperformance. Fees for funds and asset management, the most important for the company's value, were in line with our estimates, growing by about 5%. Consequently, the significance of the revenue overshoot is quite minor.

Clear revenue beat in performance fees

Although new sales remained challenging during the review period, they exceeded our expectations ever so slightly. As expected, net subscriptions to funds were low at 30 MEUR.

Asset management sales continued to develop well, totaling 105 MEUR. Asset management sales have performed very well for some time now, reflecting the company's effective wealth management concept and successful hiring in recent years. Structured products also sold better than expected, with the volume of 45 MEUR seen in H1 being the highest level since 2018. The key challenge in new sales remains the modest sales volume of spearhead products.

Result was very good

Due to the substantial revenue overperformance, earnings also surpassed expectations, amounting to 8.8 MEUR. Expenses were somewhat higher than we expected, but we believe this is due to growth investments made by the company. The main blemish of the report remains the profitability adjusted for performance fees, which is at a very modest level. This was not surprising, as it is difficult to improve the ratio when revenue is declining. However, we

are confident that, once revenue finally returns to more robust growth, the company should be able to significantly improve this ratio.

No surprises in the outlook

As expected, UB reiterated its guidance and estimates its adjusted operating profit to be significantly below the level of 2024. Although H1 clearly exceeded our expectations, the guidance remains very valid, with the 2024 figures being exceptionally high as a result of the divestment from the NFF2 fund.

The company was cautiously optimistic in terms of outlook, which is in line with comments from the rest of the sector. Geopolitical tensions have eased, and despite turbulence, capital markets have performed strongly. While we expect the market situation to gradually improve, H2 is unlikely to bring any major fireworks, especially on the alternative side.

Estimates	H1'24	H1'25	H1'25e	H1'25e	Consensus		Difference (%)	2025
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	33.0	29.1	26.0				12%	57.3
EBIT (adj.)	13.5	8.8	6.7				32%	17.7
EPS (adj.)	0.94	0.63	0.45				39%	1.22
Revenue growth-%	33.5 %	-11.9 %	-21.1 %				9.3 pp	-7.8 %
EBIT-% (adj.)	40.9 %	30.2 %	25.7 %				4.6 pp	31.0 %

Source: Inderes

No major forecast changes

Estimate revisions

- We made very limited changes to our forecasts in response to the H1 report. The increase in the 2025 estimates is solely due to the H1 earnings beat, and the positive estimates changes for 2025-2027 are less than 5%.

Operational earnings drivers

- In our forecasts, the company’s earnings growth is driven by AUM growth in Wealth management, especially in strategically important funds (NFF, Renewable Energy and Forest). Real estate funds will slowly start to support growth from 2026 onwards, but the level of sales is more modest in our estimates than in previous years. As a result of strong new sales, we forecast management fees to increase by an annual average of more than 10% between 2025 and 2028, with accelerating growth towards the end of the period. Asset Management's role in growth is also emphasized, as its sales have undergone a successful readjustment over the last 1.5 years.
- We have confidence in the company's long-term outlook, as it is doing the right things in its strategy, its product offering is in good shape and the sales machine has proven its functionality. Therefore, one should not be overly concerned about the short-term market headwinds.
- The leap in profitability improvement based on recurring income remains to be seen, but we still see no reason why this indicator should not improve in line with growth in the coming years. The company certainly has an opportunity to prove itself here, as improvements have been long overdue for years.
- We have continuously raised our performance fee estimates and expect them to remain close to their 2021-2024 peak levels in the future as well. Predicting these is extremely difficult, as visibility is poor and fees come from individual funds.

Estimate revisions	2025	2025	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	53.6	57.3	7%	59.6	61.5	3%	66.7	67.9	2%
EBIT (exc. NRIs)	14.9	17.7	19%	18.3	19.2	5%	22.4	22.6	1%
EBIT	14.9	17.7	19%	18.3	19.2	5%	22.4	22.6	1%
EPS (excl. NRIs)	1.02	1.22	20%	1.24	1.30	5%	1.57	1.58	1%
DPS	1.15	1.15	0%	1.20	1.20	0%	1.25	1.25	0%

Source: Inderes

Summary of earnings forecasts

MEUR	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Fee and commission income	29.1	32.2	34.3	43.4	48.3	49.4	58.7	54.4	58.9	65.5
Funds	14.9	20.8	24.3	32.7	39.0	40.8	49.6	41.2	42.8	47.4
Management fees	10.2	13.3	15.5	19.3	23.1	25.9	26.6	27.5	29.2	33.5
Performance fees	3.7	5.7	7.0	11.5	14.4	13.6	21.8	12.3	12.0	12.0
Subscription and redemption	1.0	1.9	1.7	1.9	1.5	1.3	1.3	1.4	1.5	1.9
Asset management	3.2	4.1	4.6	6.5	5.4	5.2	7.0	8.1	10.7	12.7
Structured investment	5.4	3.2	2.0	1.2	2.2	2.5	1.3	3.1	2.3	2.3
Capital markets services	5.5	4.1	3.4	3.1	1.7	1.0	0.7	1.9	3.2	3.2
Other income	0.6	0.3	0.0	0.4	0.3	2.7	3.5	3.0	2.6	2.4
Income from investment services	29.7	32.5	34.4	43.8	48.6	52.2	62.1	57.3	61.5	67.9
Fee and commission expenses	-3.9	-4.5	-4.6	-5.3	-5.1	-4.8	-5.3	-5.4	-6.3	-7.2
Net fee and commission income	25.8	28.0	29.7	38.5	43.4	47.3	56.9	51.9	55.2	60.7
Personnel expenses	-12.1	-14.0	-14.0	-16.3	-17.5	-19.0	-21.0	-21.5	-23.6	-25.1
Other expenses	-8.3	-8.1	-7.4	-8.0	-9.4	-11.4	-12.2	-12.5	-12.4	-12.9
Operating profit	5.4	5.9	8.3	14.3	16.5	17.0	23.4	17.7	19.2	22.6
NRIs	0.0	-0.8	-0.2	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Comparable EBIT-%	18.1 %	18.3 %	24.3 %	32.7 %	33.9 %	32.6 %	37.6 %	30.9 %	31.3 %	33.3 %
Personnel expenses/employee (tEUR)	-92	-102	-108	-119	-118	-119	-130	-129	-138	-143
Personnel (FTE)	130	135	129	137	148	160	161	166	171	176
Assets under management (MEUR)	2900	3565	3772	4800	4411	4585	4807	5021	5486	6026
Private equity funds	441	708	806	990	1254	1409	1326	1355	1600	1920
Traditional funds	729	875	859	1108	718	845	1070	1038	1138	1238
Other fund capital	668	752	560	682	630	635	584	676	646	616
Asset management	1062	1230	415	530	441	367	529	642	792	942
Other assets under management				1490	1367	1330	1298	1310	1310	1310
Funds' fee income / fund AUM (%)	0.81%	0.89%	1.09%	1.17%	1.50%	1.41%	1.66%	1.34%	1.26%	1.25%
Management fees / fund AUM (%)	0.56%	0.57%	0.70%	0.69%	0.89%	0.90%	0.89%	0.90%	0.86%	0.89%
Share of recurring income*	46%	54%	59%	59%	59%	63%	57%	66%	68%	71%
Share of non-recurring income	54%	46%	41%	41%	41%	37%	43%	34%	32%	29%

Recurring income = fund management fees + wealth management fees

We are waiting for earnings growth to resume

We have examined the valuation of UB using a cash flow model (DCF) and valuation multiples. Our key valuation metrics suggest that the stock is fairly neutrally valued in the short term. In the long term, we believe the expected return on the stock is promising at current levels, but this requires the realization of our forecasted earnings growth. In the short term, there are few share price drivers as earnings are heading in the wrong direction and new sales are sluggish. We revise our target price to EUR 18.0 (was EUR 17.0) to reflect minor positive changes in our estimates. We reiterate our Reduce recommendation and will wait for signs of a return to earnings growth.

Without earnings growth, expected return remains modest

Based on our earnings forecasts for 2025–2026, UB’s earnings-based valuation is 14-13x, which we consider a neutral level. Over the past five years, UB has traded at an average P/E of 14x. The company's positive earnings growth outlook and clear operational improvements over the past 5 years would justify even higher valuations, but the emphasis on performance fees in the earnings mix clearly lowers the acceptable valuation level for the company.

As a result, we view the valuation of the share as neutral at current levels and find it difficult to see any upside until earnings start growing properly again. While it is clear that the company will return to earnings growth starting in 2026, the rate of growth remains uncertain. The expected near-term return relies largely on a strong dividend yield of +6%.

Relative to its peers, UB is priced roughly in line with them. We believe this is justified and cannot think of reasons why UB would deserve higher valuation multiples than its peers. This also supports our view that the stock is correctly priced.

Cash flow model reflects long-term potential

According to our DCF model, the value for UB is around EUR 21.5. We note that the model expects UB to recover quickly from the earnings dip in 2025 and to deliver strong earnings growth from then on. We believe that the DCF model gives a true picture of the company's potential once the short-term uncertainty is resolved. We apply a 10% ROE requirement to UB, which is moderately in line with the company's main peers. With UB, the required return is increased in particular by the forecast risks associated with performance fees. Consequently, a lower level than the current one would also be justified if UB could improve its fee mix and increase its profitability based on recurring fees.

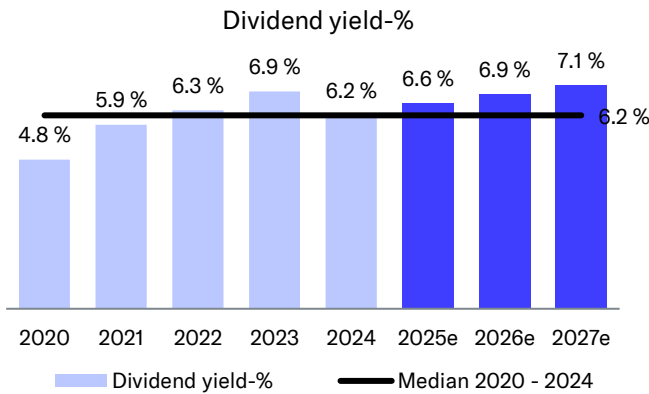
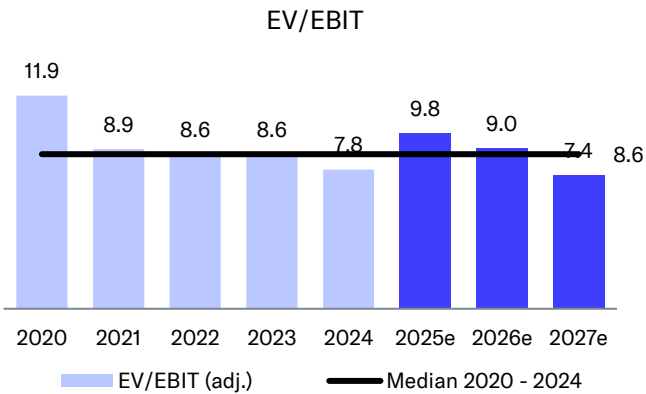
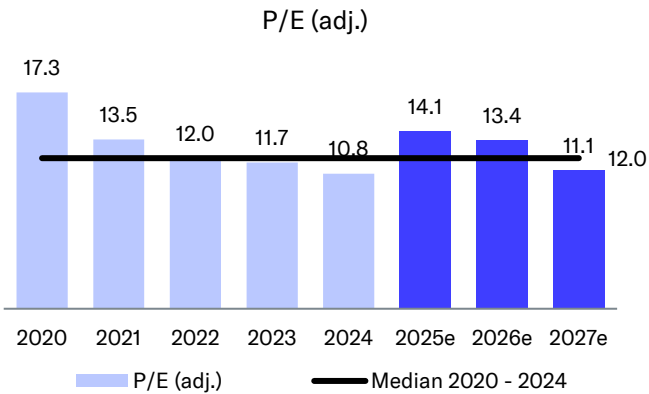
	2025e	2026e	2027e
Share price	17.5	17.5	17.5
Number of shares, millions	11.0	11.0	11.1
Market cap	192	193	194
EV	174	173	168
P/E (adj.)	14.1	13.4	11.1
P/E	14.1	13.4	11.1
P/B	3.1	3.0	2.8
P/S	3.4	3.1	2.9
EV/Sales	3.0	2.8	2.5
EV/EBITDA	8.6	8.1	6.7
EV/EBIT (adj.)	9.8	9.0	7.4
Payout ratio (%)	92.9 %	92.0 %	79.1 %
Dividend yield-%	6.6 %	6.9 %	7.1 %

Source: Inderes

Valuation table

	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	10.7	13.6	14.2	14.4	17.8	17.5	17.5	17.5	17.5
Number of shares, millions	10.4	10.4	10.6	10.8	10.9	11.0	11.0	11.1	11.1
Market cap	112	141	151	155	195	192	193	194	195
EV	102	129	142	147	182	174	173	168	160
P/E (adj.)	17.3	13.5	12.0	11.7	10.8	14.1	13.4	11.1	8.9
P/E	17.9	13.7	12.0	11.7	10.8	14.1	13.4	11.1	8.9
P/B	2.9	3.2	3.2	3.0	3.2	3.1	3.0	2.8	2.5
P/S	3.3	3.2	3.1	3.0	3.1	3.4	3.1	2.9	2.6
EV/Sales	3.0	2.9	2.9	2.8	2.9	3.0	2.8	2.5	2.1
EV/EBITDA	10.2	8.1	7.7	7.6	7.0	8.6	8.1	6.7	5.2
EV/EBIT (adj.)	11.9	8.9	8.6	8.6	7.8	9.8	9.0	7.4	5.7
Payout ratio (%)	85.4 %	80.3 %	76.4 %	81.1 %	66.7 %	92.9 %	92.0 %	79.1 %	85.0 %
Dividend yield-%	4.8 %	5.9 %	6.3 %	6.9 %	6.2 %	6.6 %	6.9 %	7.1 %	9.5 %

Source: Inderes



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

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Alexandria	117	112	9.1	8.2	7.7	7.1	2.2	2.0	12.6	11.5	7.6	8.0	3.4
Aktia	766								9.1	9.6	7.9	8.5	1.1
CapMan	337	330	10.8	7.8	10.3	7.5	5.2	4.3	16.6	12.1	7.9	8.4	1.8
eQ	548	536	18.5	13.9	17.8	13.5	8.9	7.2	23.9	18.9	4.2	5.3	7.3
Evli	512	512	11.4	10.1	10.6	9.4	4.7	4.3	16.2	14.4	6.2	6.4	3.4
Taaleri	208	211	11.0	5.1	10.5	5.1	3.9	2.8	18.0	8.1	3.3	7.4	0.9
Titanium	64	52	9.2	9.1	8.2	8.3	2.6	2.5	13.9	13.4	7.0	7.3	4.1
Mandatum	2990	2588	15.0	16.9	15.0	16.9	15.8	16.4	21.4	21.1	16.8	11.8	2.9
United Bankers (Inderes)	193	173	9.8	9.0	8.6	8.1	3.0	2.8	14.1	13.4	6.6	6.9	3.1
Average			12.1	10.2	11.4	9.7	6.2	5.6	16.5	13.6	7.6	7.9	3.1
Median			11.0	9.1	10.5	8.3	4.7	4.3	16.4	12.8	7.3	7.7	3.1
Diff-% to median			-10%	-1%	-18%	-3%	-35%	-35%	-14%	5%	-10%	-11%	-1%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	H1'24	H2'24	2024	H1'25	H2'25e	2025e	2026e	2027e	2028e
Revenue	52.1	33.0	29.1	62.1	29.1	28.2	57.3	61.5	67.9	75.2
EBITDA	19.2	14.7	11.4	26.1	10.0	10.2	20.2	21.4	25.0	30.6
Depreciation	-2.2	-1.2	-1.5	-2.7	-1.2	-1.3	-2.5	-2.2	-2.4	-2.6
EBIT (excl. NRI)	17.0	13.5	9.9	23.4	8.8	8.9	17.7	19.2	22.6	28.0
EBIT	17.0	13.5	9.9	23.4	8.8	8.9	17.7	19.2	22.6	28.0
Net financial items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PTP	17.0	13.5	9.9	23.4	8.8	8.9	17.7	19.2	22.6	28.0
Taxes	-3.1	-3.0	-2.0	-4.9	-1.8	-1.9	-3.7	-4.0	-4.3	-5.3
Minority interest	-0.5	-0.2	-0.2	-0.4	-0.3	-0.3	-0.6	-0.8	-0.8	-0.8
Net earnings	13.3	10.3	7.7	18.0	6.7	6.8	13.4	14.4	17.5	21.9
EPS (adj.)	1.23	0.94	0.70	1.64	0.61	0.62	1.22	1.30	1.58	1.96
EPS (rep.)	1.23	0.94	0.70	1.65	0.61	0.62	1.24	1.30	1.58	1.96

Key figures	2023	H1'24	H2'24	2024	H1'25	H2'25e	2025e	2026e	2027e	2028e
Revenue growth-%	7.4 %	33.5 %	6.2 %	19.2 %	-12.0 %	-3.0 %	-7.8 %	7.2 %	10.4 %	10.7 %
Adjusted EBIT growth-%	2.8 %	93.2 %	-1.1 %	37.8 %	-34.8 %	-9.4 %	-24.1 %	8.4 %	17.7 %	23.7 %
EBITDA-%	36.8 %	44.6 %	39.1 %	42.0 %	34.4 %	36.2 %	35.3 %	34.9 %	36.9 %	40.7 %
Adjusted EBIT-%	32.5 %	40.9 %	33.9 %	37.6 %	30.3 %	31.6 %	31.0 %	31.3 %	33.3 %	37.2 %
Net earnings-%	25.5 %	31.2 %	26.6 %	29.0 %	22.9 %	23.9 %	23.4 %	23.4 %	25.8 %	29.1 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	32.8	47.0	47.6	48.5	49.3
Goodwill	15.6	15.6	15.6	15.6	15.6
Intangible assets	6.1	6.6	7.3	8.1	8.7
Tangible assets	2.9	2.1	1.9	2.0	2.2
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	8.2	22.8	22.8	22.8	22.8
Other non-current assets	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	43.3	41.5	41.8	44.2	49.8
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	32.7	26.3	21.3	21.3	21.3
Receivables	1.2	1.8	1.7	1.8	2.0
Cash and equivalents	9.4	13.3	18.7	21.0	26.4
Balance sheet total	76.1	88.5	89.3	92.7	99.1

Source: Inderes

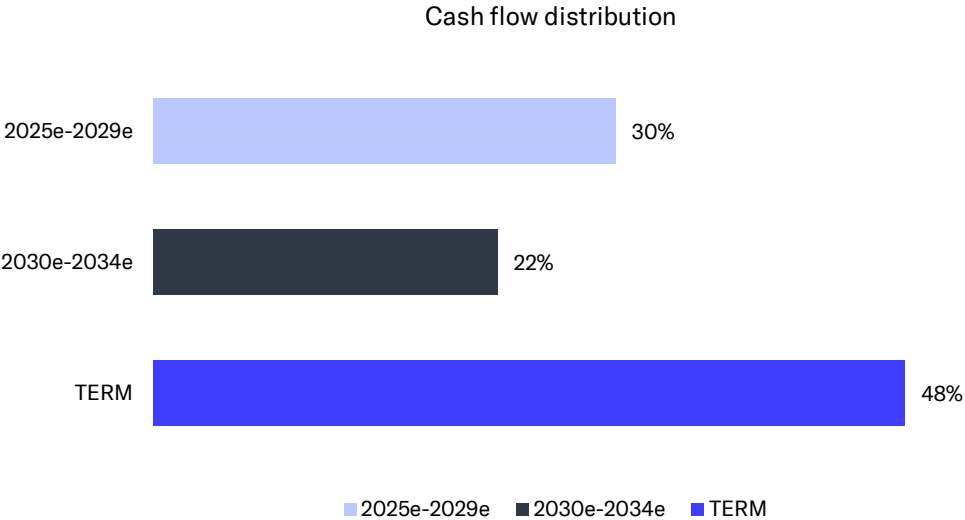
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	51.6	61.4	63.5	66.0	71.1
Share capital	5.5	5.5	5.5	5.5	5.5
Retained earnings	22.8	35.3	36.9	38.7	42.9
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	22.9	20.3	20.3	20.3	20.3
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	0.4	0.3	0.8	1.6	2.4
Non-current liabilities	3.0	1.8	1.8	1.8	1.8
Deferred tax liabilities	3.0	1.8	1.8	1.8	1.8
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	0.0	0.0	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	21.5	25.2	24.0	24.9	26.1
Interest bearing debt	0.0	0.0	0.0	0.0	0.0
Payables	8.1	12.6	11.5	12.3	13.6
Other current liabilities	13.5	12.6	12.6	12.6	12.6
Balance sheet total	76.1	88.4	89.3	92.7	99.1

DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	19.2 %	-7.8 %	7.2 %	10.4 %	10.7 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	2.5 %	2.5 %
EBIT-%	37.6 %	31.0 %	31.3 %	33.3 %	37.2 %	34.0 %	33.0 %	32.0 %	30.0 %	29.0 %	29.0 %	29.0 %
EBIT (operating profit)	23.4	17.7	19.2	22.6	28.0	26.3	26.3	26.3	25.4	25.3	25.9	
+ Depreciation	2.7	2.5	2.2	2.4	2.6	2.8	3.0	3.1	3.2	3.3	3.4	
- Paid taxes	-6.2	-3.7	-4.0	-4.3	-5.3	-5.0	-5.0	-5.0	-4.8	-4.8	-4.9	
- 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	9.4	4.0	0.7	1.1	1.2	0.4	0.4	0.4	0.4	0.4	0.4	
Operating cash flow	29.4	20.5	18.1	21.8	26.5	24.5	24.7	24.8	24.2	24.2	24.7	
+ 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	-16.9	-3.1	-3.1	-3.3	-3.3	-3.5	-3.5	-3.6	-3.6	-3.7	-4.4	
Free operating cash flow	12.4	17.5	15.0	18.6	23.2	21.0	21.2	21.2	20.6	20.5	20.3	
+/- Other	0.0	-6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	12.4	11.5	15.0	18.6	23.2	21.0	21.2	21.2	20.6	20.5	20.3	277
Discounted FCFF		11.1	13.2	14.8	16.9	13.9	12.7	11.6	10.2	9.3	8.3	114
Sum of FCFF present value		235	224	211	196	179	166	153	141	131	122	114
Enterprise value DCF		235										
- Interest bearing debt		0.0										
+ Cash and cash equivalents		13.3										
-Minorities		-0.8										
-Dividend/capital return		-6.0										
Equity value DCF		236										
Equity value DCF per share		21.5										

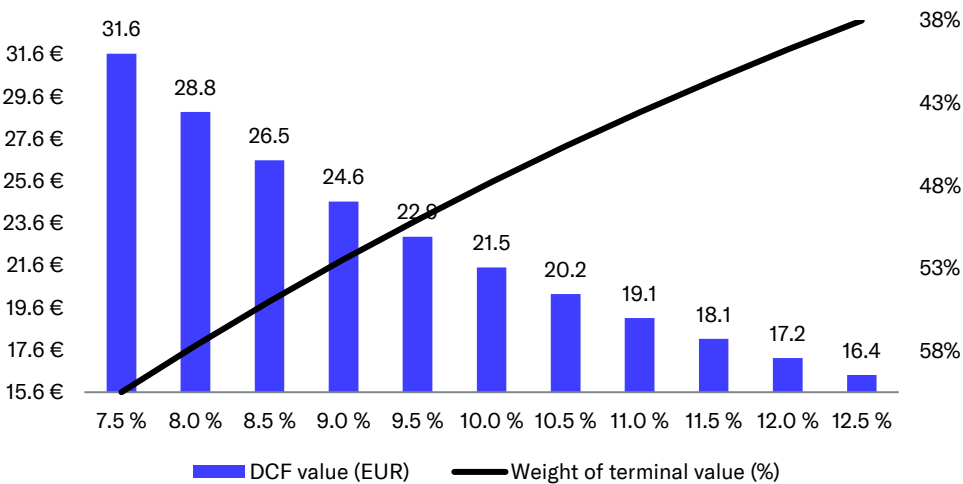
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.80%
Risk free interest rate	2.5 %
Cost of equity	10.0 %
Weighted average cost of capital (WACC)	10.0 %

Source: Inderes

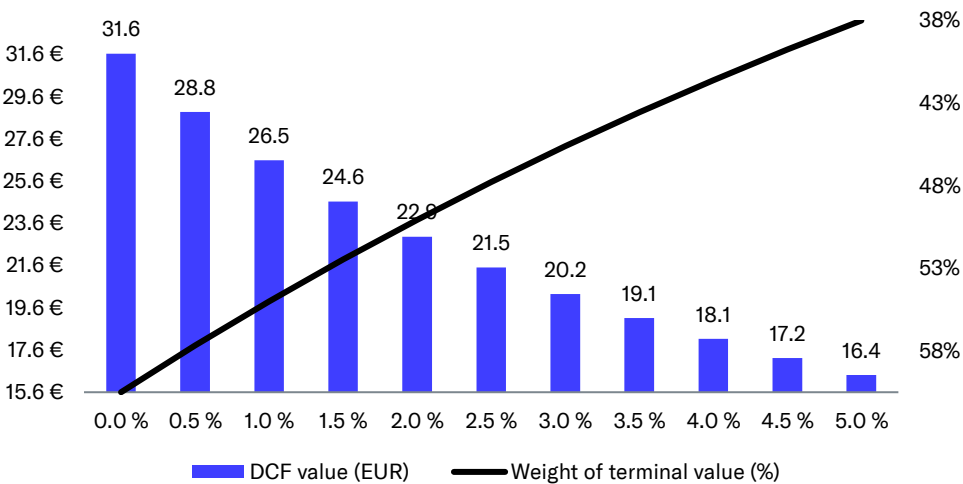


DCF sensitivity calculations and key assumptions in graphs

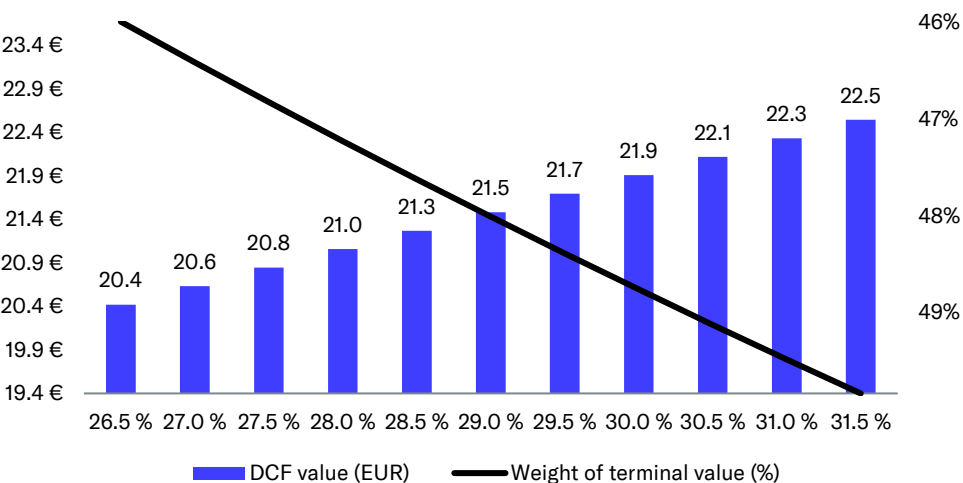
Sensitivity of DCF to changes in the WACC-%



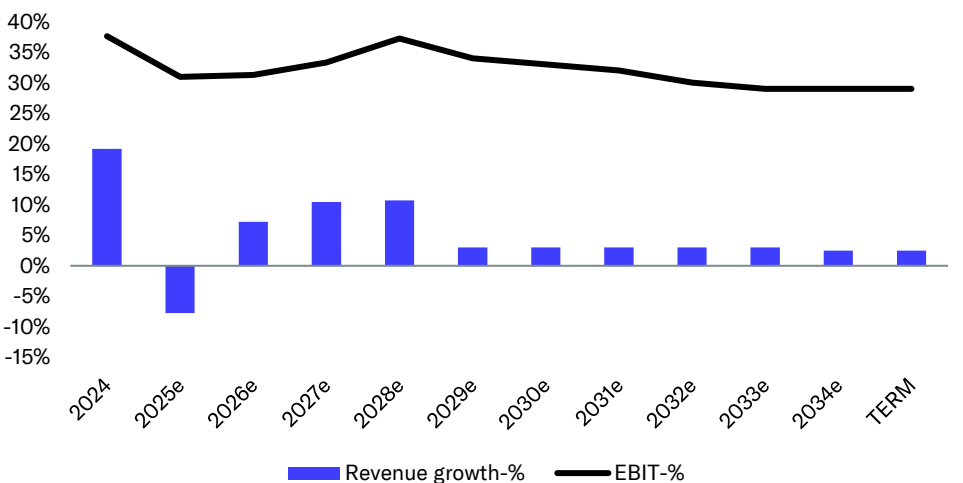
Sensitivity of DCF to changes in the risk-free rate



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	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	48.6	52.1	62.1	57.3	61.5	EPS (reported)	1.18	1.23	1.65	1.24	1.30
EBITDA	18.4	19.2	26.1	20.2	21.4	EPS (adj.)	1.18	1.23	1.65	1.24	1.30
EBIT	16.5	17.0	23.4	17.7	19.2	OCF / share	0.74	1.22	2.69	1.87	1.64
PTP	16.5	17.0	23.4	17.7	19.2	OFCF / share	0.53	0.94	1.14	1.05	1.36
Net Income	12.5	13.3	18.0	13.6	14.4	Book value / share	4.50	4.75	5.59	5.71	5.84
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share	0.90	1.00	1.10	1.15	1.20
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	71.6	76.1	88.5	89.3	92.7	Revenue growth-%	11%	7%	19%	-8%	7%
Equity capital	48.1	51.6	61.4	63.5	66.0	EBITDA growth-%	16%	4%	36%	-22%	6%
Goodwill	15.6	15.6	15.6	15.6	15.6	EBIT (adj.) growth-%	14%	3%	38%	-24%	8%
Net debt	-9.5	-9.4	-13.3	-18.7	-21.0	EPS (adj.) growth-%	17%	4%	34%	-25%	5%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	37.9 %	36.8 %	42.0 %	35.3 %	34.9 %
EBITDA	18.4	19.2	26.1	20.2	21.4	EBIT (adj.)-%	34.0 %	32.5 %	37.6 %	31.0 %	31.3 %
Change in working capital	-8.1	-3.4	9.4	4.0	0.7	EBIT-%	34.0 %	32.5 %	37.6 %	31.0 %	31.3 %
Operating cash flow	7.8	13.2	29.4	20.5	18.1	ROE-%	27.5 %	26.9 %	32.1 %	22.0 %	22.6 %
CAPEX	-2.3	-3.0	-16.9	-3.1	-3.1	ROI-%	35.0 %	34.1 %	41.4 %	28.4 %	29.7 %
Free cash flow	5.6	10.2	12.4	11.5	15.0	Equity ratio	67.1 %	67.8 %	69.4 %	71.1 %	71.2 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-19.8 %	-18.1 %	-21.6 %	-29.4 %	-31.9 %
EV/S	2.9	2.8	2.9	3.0	2.8						
EV/EBITDA	7.7	7.6	7.0	8.6	8.1						
EV/EBIT (adj.)	8.6	8.6	7.8	9.8	9.0						
P/E (adj.)	12.0	11.7	10.8	14.1	13.4						
P/B	3.2	3.0	3.2	3.1	3.0						
Dividend-%	6.3 %	6.9 %	6.2 %	6.6 %	6.9 %						

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. 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
8/23/2019	Reduce	7.50 €	7.40 €
12/16/2019	Sell	8.20 €	9.35 €
12/20/2019	Sell	8.20 €	8.95 €
2/7/2020	Reduce	9.00 €	9.45 €
3/3/2020	Reduce	9.00 €	8.90 €
3/23/2020	Reduce	6.40 €	6.90 €
5/14/2020	Reduce	7.50 €	7.75 €
6/8/2020	Reduce	8.00 €	7.95 €
8/27/2020	Reduce	8.80 €	9.00 €
10/26/2020	Reduce	9.00 €	9.30 €
2/22/2021	Reduce	11.00 €	12.80 €
5/26/2021	Reduce	13.00 €	13.15 €
8/27/2021	Reduce	12.50 €	14.30 €
9/24/2021	Reduce	14.00 €	13.60 €
2/21/2022	Reduce	14.00 €	13.95 €
4/11/2022	Reduce	14.00 €	13.70 €
8/29/2022	Reduce	14.00 €	13.85 €
2/6/2023	Accumulate	16.00 €	14.30 €
2/20/2023	Accumulate	16.00 €	14.80 €
8/25/2023	Accumulate	16.00 €	14.80 €
2/19/2024	Accumulate	17.00 €	14.60 €
3/7/2024	Accumulate	19.00 €	17.00 €
6/26/2024	Reduce	19.00 €	18.55 €
8/26/2024	Reduce	19.00 €	19.35 €
2/14/2025	Reduce	18.00 €	17.90 €
5/19/2025	Reduce	17.00 €	17.15 €
8/22/2025	Reduce	18.00 €	17.50 €



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