ELTEL

10/30/2026 07:30 am CET

Christoffer Jennel, Analyst
46731589555
christoffer.jennel@inderes.com

INDERES CORPORATE CUSTOMER

COMPANY REPORT

Margins keep climbing as sales take a breather

Eltel's Q3 report was mixed relative to our expectations. Sales fell more than we had expected, as lower fiber rollout volumes in Finland and completed Smart meter projects in Sweden weighed on the top line. Profitability, however, improved once again, reaching its highest level since 2015, extending the streak to thirteen consecutive quarters of year-on-year margin gains. The quarter's main highlight was a record volume of new long-term contracts, led by the large Telenor agreement in Norway. Together with the Vattenfall agreement signed in October, these give good visibility into revenue from 2027 onward. Management reiterated its confidence in reaching the 5% adjusted EBITA margin target within the previously stated timeframe, but we continue to believe the burden of proof rests with Eltel to demonstrate the 5% target is achievable on management's timeline, especially as starting up the new contracts will bring extra costs in 2027. We lower our revenue estimates by 3-4% and our adjusted EBITA estimates by 2-3%. However, following the share price decline on the report day, we reiterate our Accumulate recommendation with a slightly lowered target price of SEK 18.3 (was SEK 18.5).

Weaker sales, but higher margins and a record order book

Eltel's revenue declined by ~6% to 196 MEUR, clearly below our estimate of 212 MEUR. In Finland, the large fiber-to-the-home rollout of recent years is winding down, and in Sweden large Smart meter projects have been completed, while the new contracts will only start to contribute next year. Despite the lower sales, profitability improved, with adjusted EBITA rising to 11 MEUR (Q3'25: 9.1 MEUR), and the margin climbed to 5.6% (4.3%). In our view, this shows that the improvements are lasting rather than one-offs. Contracts are better protected against cost inflation, operations have become more efficient, and Eltel has been quick to adjust its cost base when volumes fall. Finland, for example, lifted its margin above 10% even though its sales fell by 9%. At the same time, the record order book of ~1.7 BEUR means that a large part of Eltel's revenue for the coming years is already secured, with volumes from the new contracts expected to ramp up from early 2027 and be fully visible from Q3'27. The next tests are therefore how smoothly Eltel can start up its new contracts, and whether Denmark can return to acceptable profitability.

Lower revenue base, margin path intact

Following the report, we lower our 2026-28e revenue estimates by 3-4%, while the cuts to our adjusted EBITA estimates are smaller at 2-3%, as higher margin assumptions in Finland, Sweden and Norway partly offset the lower volumes. The cuts reflect a lower starting point for the existing business rather than any change in our view of the new contracts. Following our estimate revisions, we now expect adjusted EBITA margins of 3.7%/4.1%/4.6% (was 3.6%/4.0%/4.5%). At the country-unit level, we pull forward the Telenor ramp-up in Norway but clearly cut our Denmark & Germany estimates, where we currently see no evidence of a margin recovery. Our 2026e EPS rises due to a one-off tax income in Q3, while our 2027–28e EPS estimates fall by ~3%.

Risk/reward remains favorable after the share price decline

On our updated estimates, Eltel's 2026e earnings-based multiples remain elevated (EV/EBITDA ~7x, EV/EBIT ~13x, adj. P/E ~17x), and the 2027e multiples (~6x, ~11x, ~14x) sit around the upper end of our acceptable ranges. However, as 2026 draws to a close and the new contracts mainly lift our 2028 estimates, we continue to give 2028 increasing weight in our assessment, where the valuation looks attractive (~5x, ~8x, ~10x). With thirteen consecutive quarters of year-on-year margin improvement now behind it, a structurally more resilient business and a significantly strengthened contract base, we remain comfortable placing meaningful weight on forward-looking valuation. Our DCF model indicates a value per share of SEK 18.3, in line with our target price. Our estimates also remain below management's 5% margin target, which in our view offers further upside should the turnaround continue as planned. Overall, following the share price decline on the report day, we continue to see the risk-adjusted expected return as attractive.

Recommendation
Accumulate
(prev. Accumulate)

Target price:
SEK 18.30
(prev. SEK 18.50)

Share price:
SEK 16.50

Business risk

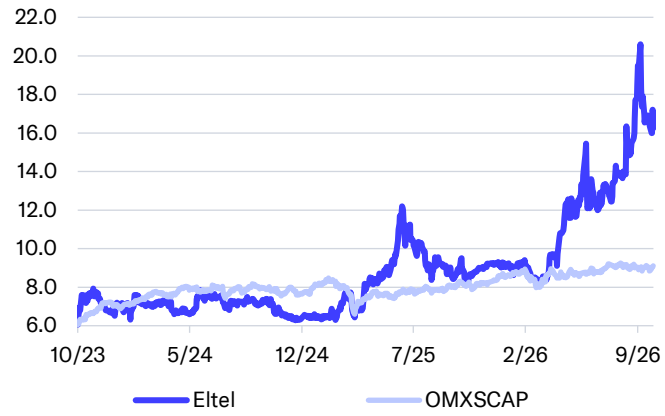
Valuation risk

	2025	2026e	2027e	2028e
Revenue	817.8	819.4	861.1	911.2
growth-%	-1%	0%	5%	6%
EBIT adj.	20.7	30.0	34.9	42.2
EBIT-% adj.	2.5 %	3.7 %	4.1 %	4.6 %
Net Income	2.2	11.5	16.7	23.6
EPS (adj.)	0.01	0.09	0.11	0.15
P/E (adj.)	72.1	17.0	14.0	9.9
P/B	0.8	1.4	1.2	1.1
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	13.6	13.1	11.1	8.5
EV/EBITDA	5.7	6.9	5.9	4.9
EV/S	0.3	0.5	0.4	0.4

Source: Inderes

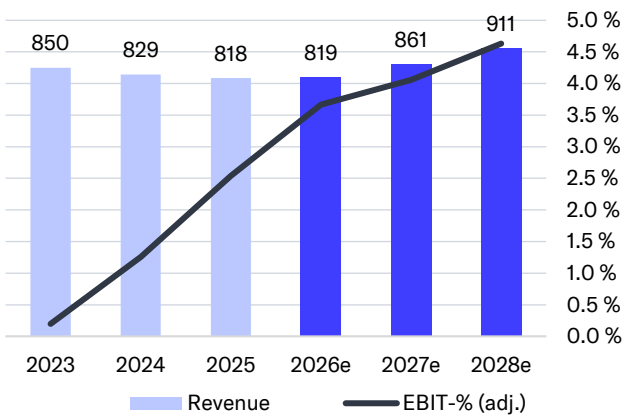
Guidance (Eltel provides no guidance)

Share price



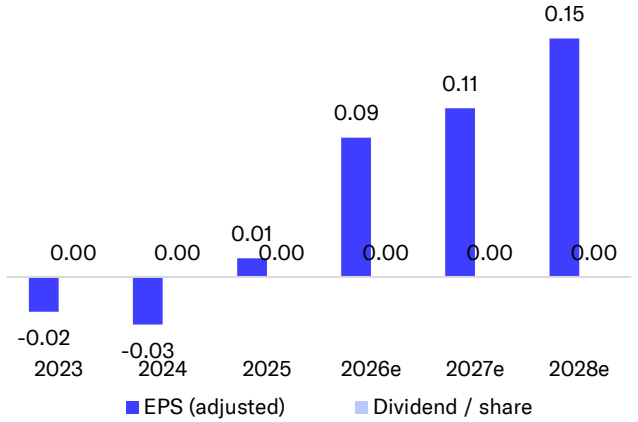
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Sustainable profitability improvement, which would also support the cash flow
- Long-term business growth drivers are healthy, especially in Power
- Expanding into new and adjacent markets and leveraging its geographical coverage
- Broadening the customer base

Risk factors

- Failure in the profitability turnaround
- Pricing and project risks
- Tight competitive situation and low barriers to entry
- Dependency on investments
- Scarce labor market and, thus difficulties to find skilled workforce
- A major customer facing challenges

Valuation	2026e	2027e	2028e
Share price (EUR)	1.49	1.49	1.49
Number of shares, millions	156.7	156.7	156.7
Market cap (MEUR)	234	234	234
EV (MEUR)	394	387	357
P/E (adj.)	17.0	14.0	9.9
P/E	20.4	14.0	9.9
P/B	1.4	1.2	1.1
P/S	0.3	0.3	0.3
EV/Sales	0.5	0.4	0.4
EV/EBITDA	6.9	5.9	4.9
EV/EBIT (adj.)	13.1	11.1	8.5
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Revenue miss, margin beat and a record order book (1/2)

Top line misses as fiber and major projects fade

In Q3, Group revenue declined 6% year-on-year to 196 MEUR, ~7% below our forecast of 212 MEUR. FX changes had a slightly positive impact on the top line (+2 MEUR), mainly from the stronger Norwegian krone, which we had flagged as an upside risk to our estimates, but organic growth was clearly negative at -6.6%. Instead of the return to modest growth we expected after the abrupt normalization of the Finnish growth rate in Q2, the top line thus weakened further. Management attributed the decline to lower fiber rollout volumes and a reduced contribution from major projects, which is also visible in the service split, where installation delivery fell 12% year-on-year and upgrade services 6%, while maintenance was flat.

Across the country units, the miss was concentrated in Finland and Sweden. Finland delivered revenue of 92.5 MEUR (-9% y/y, Inderes: 103 MEUR), as Communication fell 20% y/y following the normalization of the FTTH rollout cycle, while Power declined slightly against a strong comparison period despite high activity in Emerging services. Sweden came in at 50.4 MEUR (-5% y/y, Inderes: 55.5 MEUR); Communication grew 7% on demand in telecom, public infrastructure and defense, but Power more than halved following the closure of Smart meter projects. Denmark & Germany declined to 26.7 MEUR (-7% y/y, Inderes: 27.3 MEUR), broadly in line with our cautious estimate, as lower Communication volumes and grid constraints in the Danish power sector outweighed a strong performance in Smart meters and public infrastructure. Norway came in at 25.3 MEUR (+4% y/y reported, -3% organic, Inderes: 25.2 MEUR), in line with our estimate, with growth in Emerging services (data centers) unable to fully offset lower telecommunications volumes.

During Q3, Eltel's contract signings reached a record level, with new contracts signed for a total value (TCV) of ~681 MEUR (Q3'25: 176 MEUR), lifting the total order book to ~1.7 BEUR (Q2'26: ~1.2 BEUR). The intake was dominated by the landmark ~475 MEUR partnership with Telenor Norway, under which Eltel becomes Telenor's sole nationwide contracting partner, and the 73 MEUR KONSTANT frame agreement in Denmark, which adds new Danish Power volumes from February 2027.

According to management, ~90% of the order book increase relates to service and maintenance contracts. The committed order backlog, however, decreased to 556 MEUR (Q2'26: 576 MEUR, +16% y/y), implying order intake slightly below net sales in the quarter. Management expects volumes from the new contracts to increase gradually from Q1'27, with the full net sales effect visible only from Q3'27. In addition, the Vattenfall agreement (~138 MEUR for the initial four-year period, ~275 MEUR incl. options) was signed in October after the appeals process concluded and therefore falls into the Q4 order intake.

...but margins extend the improvement streak

Group adjusted EBITA amounted to 11.0 MEUR, a 5.6% margin, slightly below our estimate in absolute terms (11.4 MEUR) but ahead in margin (5.4%), and well above the comparison period (9.1 MEUR, 4.3%). Both are the highest quarterly levels since 2015, and the quarter marked the thirteenth consecutive quarter of year-on-year margin improvement.

At the country-unit level, profitability improved in all segments except Denmark & Germany.

Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	208	196	212				-7%	819
EBITDA	16.2	18.4	18.7				-2%	56.8
EBITA (adj.)	9.1	11.0	11.4				-3%	30.0
EBIT	8.8	10.1	11.4				-11%	27.7
PTP	3.9	6.1	7.3				-16%	11.5
EPS (adj.)	0.02	0.05	0.04				27%	0.09
EPS (reported)	0.02	0.05	0.04				27%	0.07
Revenue growth-%	-1.0 %	-5.8 %	1.9 %				-7.6 pp	0.2 %
EBITA-% (adj.)	4.3 %	5.6 %	5.4 %				0.2 pp	3.7 %

Eltel Q3'26: Record orderbook, now growth must follow

Revenue miss, margin beat and a record order book (2/2)

Finland was again the margin leader at 10.3% (Inderes 9.2%, Q3'25: 8.7%), as both Communication and Power improved despite the sharp volume decline, underlining the unit's ability to adapt its cost base. Management has initiated an organizational adjustment in Finland following the FTTH decline, to be completed before year-end. Sweden improved to 3.5% (Inderes 3.9%, Q3'25: 1.8%), driven by Communication, while lower Power volumes and margins after the Smart meter closures held back the improvement. Norway delivered a margin of 4.0% (Inderes 4.2%, Q3'25: 1.7%), further consolidating its multi-quarter recovery and lifting rolling 12-month adjusted EBITA to ~3 MEUR. Denmark & Germany fell to 0.9% (Inderes 2.5%, Q3'25: 3.9%), with profitability declining in both Communication and Power despite improvement in Smart meters, so the effects of the April rightsizing measures are not yet visible. Group support function costs were lower than we expected (-1.6 MEUR; Inderes -2.0 MEUR; Q3'25: -2.2 MEUR), and items affecting comparability amounted to -1.0 MEUR, mainly resizing costs in Denmark and Sweden.

Below EBIT (10.1 MEUR; Inderes 11.4 MEUR), net financial costs were -3.9 MEUR (Q3'25: -4.8 MEUR). PTP amounted to 6.1 MEUR (Inderes 7.3 MEUR; Q3'25: 3.9 MEUR). Taxes were positive at +2.6 MEUR due to the recognition of previously non-valued tax losses, lifting reported EPS to EUR 0.05 (Inderes 0.04; Q3'25: EUR 0.02). Management reiterated its confidence in reaching the 5% group adjusted EBITA margin target within 12–18 months of February 2026 (a stance first taken in the Q4'25 report), and stated that the task now is to convert the strong commercial momentum into profitable delivery.

Cash flow improved year-on-year

Operating cash flow was slightly positive at 0.5 MEUR, a clear improvement from the comparison period (Q3'25: -19 MEUR). Cash flow before working capital changes strengthened to 13 MEUR (Q3'25: 10 MEUR) on the improved earnings, while the seasonal working capital build, typical for Eltel's high-activity summer and fall months, was markedly smaller than a year ago (WC delta: -12 MEUR vs -29 MEUR in Q3'25). After capex and lease payments, free cash flow amounted to -9 MEUR (Q3'25: -27 MEUR). On a trailing twelve-month basis, OCF rose to ~26 MEUR (~42 MEUR adjusting for the one-off 16 MEUR Swedish tax-deferral repayment included in Q1 working capital changes), and LTM free cash flow after capex and lease payments improved to -8 MEUR (Q2'26: -25 MEUR), or ~+8 MEUR excluding the tax-deferral payment. In our view, this marks an encouraging turning point, as underlying free cash flow has now turned positive on a rolling basis. That said, the improved P&L has still not fully translated into proportional cash generation, and we continue to view cash conversion as the single most important watchpoint over the coming quarters. While management does not expect the new contracts to require meaningful working capital, we note that advances received from customers have declined (67 MEUR vs 80 MEUR a year ago), and that the remaining ~14 MEUR of the Swedish tax deferral is due in September 2027.

Due to the seasonally weak cash flow, net debt increased to 179 MEUR (Q2'26: 170 MEUR; FY25: 142 MEUR), and the reported leverage ratio (net debt / adj. EBITDA) was unchanged at 3.1x (Q2'26: 3.1x), still well above the 1.5–2.5x target corridor. We continue to view the pace of deleveraging and cash conversion as key watchpoints.

Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	208	196	212				-7%	819
EBITDA	16.2	18.4	18.7				-2%	56.8
EBITA (adj.)	9.1	11.0	11.4				-3%	30.0
EBIT	8.8	10.1	11.4				-11%	27.7
PTP	3.9	6.1	7.3				-16%	11.5
EPS (adj.)	0.02	0.05	0.04				27%	0.09
EPS (reported)	0.02	0.05	0.04				27%	0.07
Revenue growth-%	-1.0 %	-5.8 %	1.9 %				-7.6 pp	0.2 %
EBITA-% (adj.)	4.3 %	5.6 %	5.4 %				0.2 pp	3.7 %

Eltel Q3'26: Record orderbook, now growth must follow

Lower revenue base, margin path intact (1/3)

Estimate revisions

Following the Q3 report, we lower our revenue estimates by 3-4% for 2026-28, while our adjusted EBITA estimates come down only by 2-3%. The cuts reflect a lower starting point for the existing business rather than any change to our view of the new contracts. We have also shifted the mix between country units, as we expect more growth in Norway, where the Telenor ramp-up moves forward, and lower margins in Denmark & Germany. We now expect group revenue of 819 MEUR in 2026 (was 848 MEUR), 861 MEUR in 2027 (was 893 MEUR) and 911 MEUR in 2028 (was 947 MEUR). Adjusted EBITA is 30.0/34.9/42.2 MEUR (prev. 30.8/35.6/43.0 MEUR), and our adjusted EBITA margin estimates rise slightly to 3.7%, 4.1% and 4.6% (from 3.6%, 4.0% and 4.5%).

Finland is the main source of the cut (2026e revenue -5%), as the decline in fiber-to-the-home volumes is set to continue and we expect the new contracts to not sufficiently offset this in Q4. In Sweden (-4%), Power volumes are lower following the completion of the Smart meter projects, and the Vattenfall agreement only starts in June 2027. We keep our Q4 margin assumptions largely unchanged, as Q3 showed that Eltel can lift margins despite lower volumes. Finland reached a 10.3% margin even though revenue fell 9%, which we view as supportive to our margin assumptions for the unit in outer years.

For 2027–2028, the revisions at the country-unit level point in different directions. In Finland, we lower revenue by ~7%, as the lower 2026 exit carries forward and Q1'27 faces a tough comparison following the large solar project that boosted Q1'26 (+29% y/y). However, we raise our margin assumptions to 7.2%/7.4% (from 6.7%/6.9%), as the reorganization savings will be fully visible in 2027, so absolute EBITA falls only slightly. In Sweden, our 2027–2028 revenue estimates are only marginally lower, as most of the Q3 shortfall came from the completed Smart meter projects and the Vattenfall agreement drives growth from H2'27. We nudge up our 2027 margin to 4.5% (was 4.3%), as the new organization and rightsizing measures took effect on 1 October. In Norway, we raise our 2027 revenue estimate by ~3% to 125 MEUR and adjusted EBITA by ~16% to 5.1 MEUR. Management indicated that Telenor volumes start in Q4'26, increase in H1'27 and reach full effect from Q3'27, i.e. somewhat earlier than we had modeled, and that the agreement carries a margin "where it should be from the start" with only two new locations needed. We therefore assume a shallower start-up dip and a ~5% margin from H2'27.

Denmark & Germany is the clearest cut. We lower adjusted EBITA by 20-30% for 2026-2028, and our margin assumptions now stand at 1.8%, 2.4% and 3.6% (prev. 2.5%, 3.3% and 4.4%). The Q3 margin was only 0.9%, management describes the Danish workload as too low, and no further measures are planned. The KONSTANT agreement should be gradually supportive from February 2027, but recruitment of ~40 technicians comes before the revenue, and our previous estimates assumed a margin recovery for which we currently see no evidence.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	848	819	-3%	893	861	-4%	947	911	-4%
EBITDA	58.5	56.8	-3%	66.8	66.0	-1%	74.1	73.3	-1%
EBIT (exc. NRIs)*	30.8	30.0	-3%	35.6	34.9	-2%	43.0	42.2	-2%
EBIT	29.5	27.7	-6%	35.6	34.9	-2%	43.0	42.2	-2%
PTP	13.0	11.5	-12%	21.7	21.0	-3%	30.8	30.0	-3%
EPS (excl. NRIs)	0.07	0.09	27%	0.11	0.11	-3%	0.15	0.15	-3%

*EBIT (exc. NRIs) refers to adjusted EBITA.

Eltel, Webcast, Q3'26

Lower revenue base, margin path intact (2/3)

Below EBIT, our 2026e pre-tax profit falls by 12%, reflecting the lower operating result. However, our 2026e EPS rise by ~27%, as Q3 included a positive tax effect of 2.6 MEUR from recognizing previously unrecognized tax loss carry-forwards. We treat this as a one-off and do not extrapolate it into 2027–2028, where our EPS estimates fall by ~3%, in line with the lower operating result.

Beyond the forecast period, we raise our terminal EBIT margin to 3.2% (was 3.0%). As in our mid-October report, where we raised it from 2.8%, we see the long-term framework agreements with Telenor, Vattenfall and KONSTANT as improving the visibility and quality of Eltel's revenue base. Q3 added further support, in our view, as ~90% of the order book increase relates to recurring service and maintenance work, and Eltel expanded its margins despite a ~6% drop in revenue. We still consider the terminal margin somewhat conservative compared with the 5% target and our 2028e margin of 4.6%.

Overall, we see the revisions as modest. The lower revenue base is partly offset by higher margins in Finland, Sweden and Norway, and our 2028e adjusted EBITA is cut by only ~2%.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	848	819	-3%	893	861	-4%	947	911	-4%
EBITDA	58.5	56.8	-3%	66.8	66.0	-1%	74.1	73.3	-1%
EBIT (exc. NRIs)*	30.8	30.0	-3%	35.6	34.9	-2%	43.0	42.2	-2%
EBIT	29.5	27.7	-6%	35.6	34.9	-2%	43.0	42.2	-2%
PTP	13.0	11.5	-12%	21.7	21.0	-3%	30.8	30.0	-3%
EPS (excl. NRIs)	0.07	0.09	27%	0.11	0.11	-3%	0.15	0.15	-3%

*EBIT (exc. NRIs) refers to adjusted EBITA.

Eltel, Webcast, Q3'26

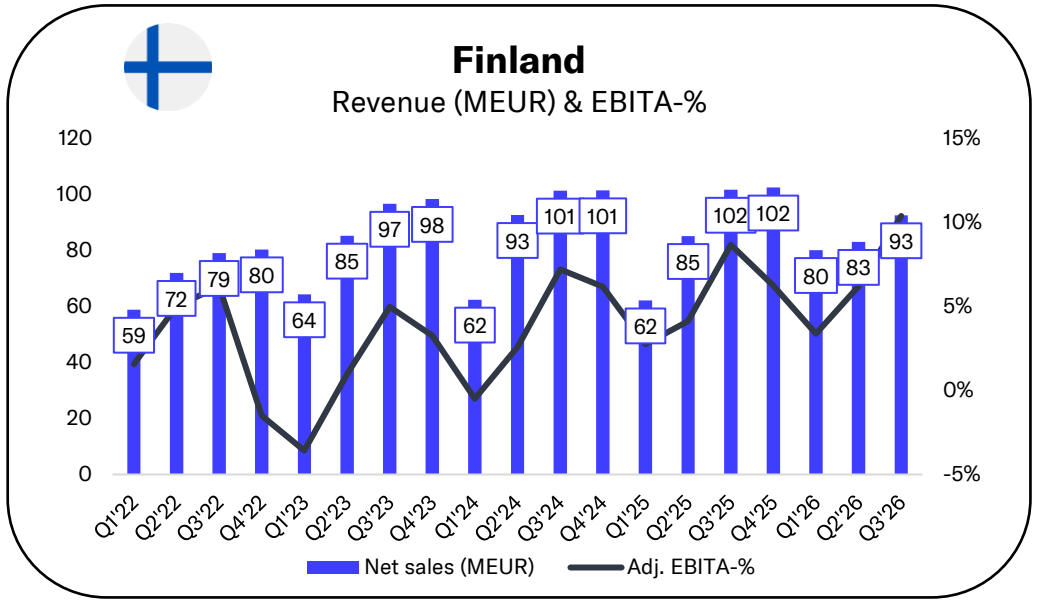
Lower revenue base, margin path intact (3/3)

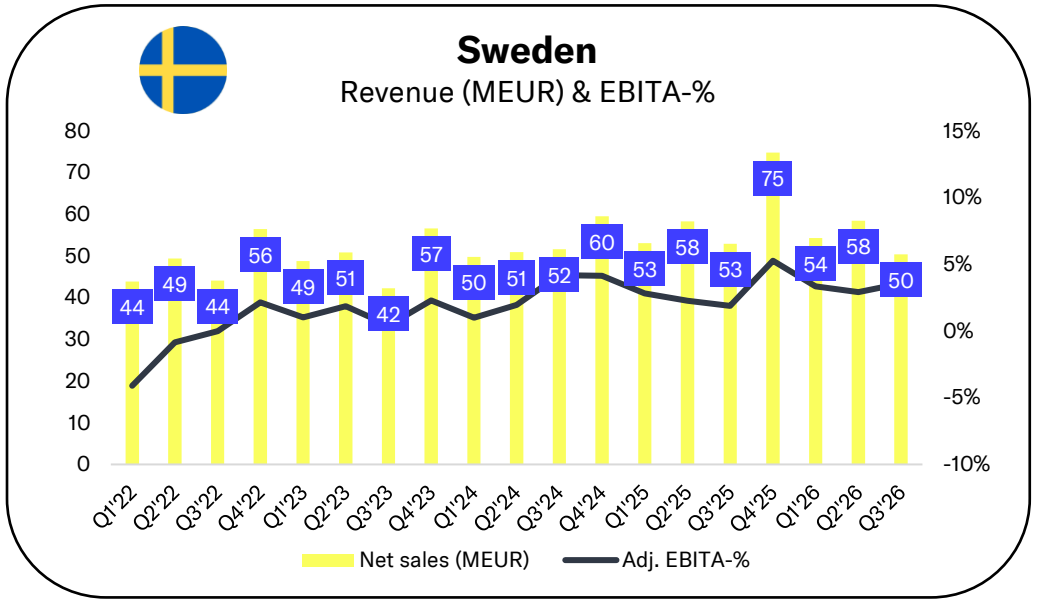
Operational earnings drivers

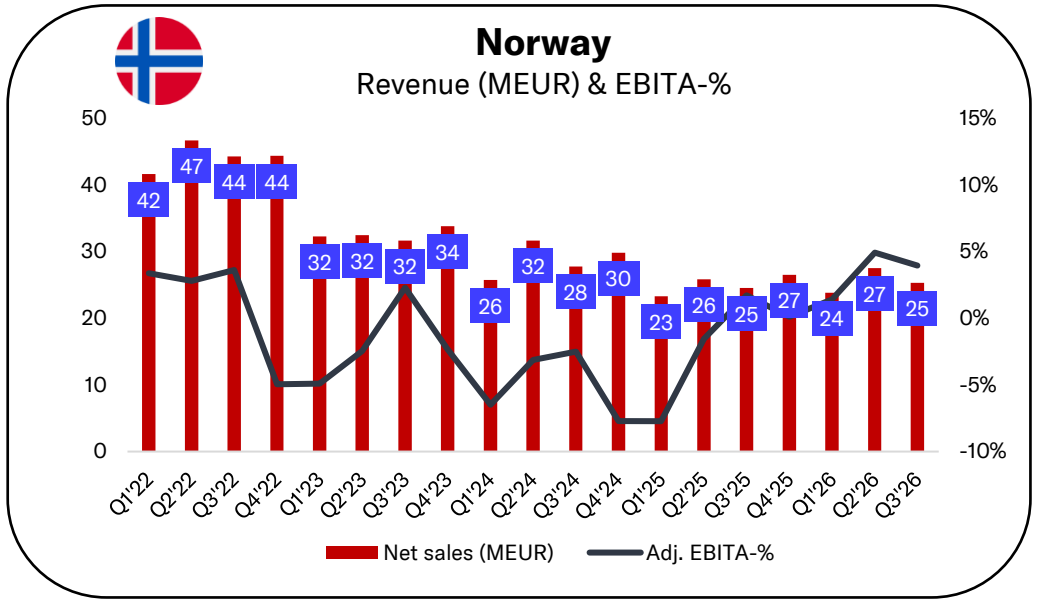
- During Q3, Eltel signed new contracts worth ~681 MEUR (Q3'25: 176 MEUR), a record level, with the total order book amounting to ~1.7 BEUR (Q3'25: ~1.2 BEUR). On a trailing 12-month basis, the company has signed new contracts worth ~1.2 BEUR. The committed order backlog stood at 556 MEUR at the end of Q3 (Q2'26: 576 MEUR), up 16% year-on-year. According to management, ~90% of the order book increase relates to service and maintenance contracts, which further raises the share of recurring revenue (~70% of year-to-date net sales). The Telenor agreement (~475 MEUR over the initial five-year term, with extension options taking the potential total value towards 1 BEUR) secures the existing Norwegian revenue base and adds new volume as Telenor consolidates its supplier structure, while the 73 MEUR KONSTANT agreement adds new Danish Power volumes from February 2027. In addition, the Vattenfall agreement (~138 MEUR for the initial four-year period, ~275 MEUR incl. options), signed in October, is not yet included in the order book and will be reflected in Q4. Together, these multi-year framework agreements provide strong revenue visibility well beyond 2027, although, as frame agreements without volume guarantees, the volumes are customer estimates rather than commitments.
- A key structural driver of profitability improvement is the continued shift toward Emerging services. In Q3'26, Emerging services accounted for 13% of Group revenue (Q3'25: 14%), as a large solar project in Finland that contributed strongly to the comparison period has been completed. Its share of new contract value was only 3%, diluted by the large, Classic-weighted Telenor and KONSTANT agreements, which we do not view as a concern given their recurring nature. Emerging services still account for around half of the sales pipeline, with a clear shift from renewable energy towards data centers, where Eltel has recently entered the "white space" in Norway and Finland. Management reiterated its ambition for Emerging services to reach 25% of net sales by the end of 2027. Emerging services carry a stronger EBITA margin profile than classic services, despite a lower gross margin, reflecting a more flexible cost structure with a higher share of subcontractors and lower overhead requirements. As this mix shift continues, we expect it to be a meaningful contributor to margin expansion.
- Broadening the customer base is another structural driver where Emerging services expansion and increased traction within public infrastructure and defense play an important role. A more diversified customer base reduces concentration risk and improves the durability of growth across cycles.
- Additional profitability improvement drivers include continued efficiency and utilization gains across country units. According to management, at least half of the margin improvement over the past four years has come from the commercial side (pricing, contract terms and indexation) and close to half from internal operational efficiency.

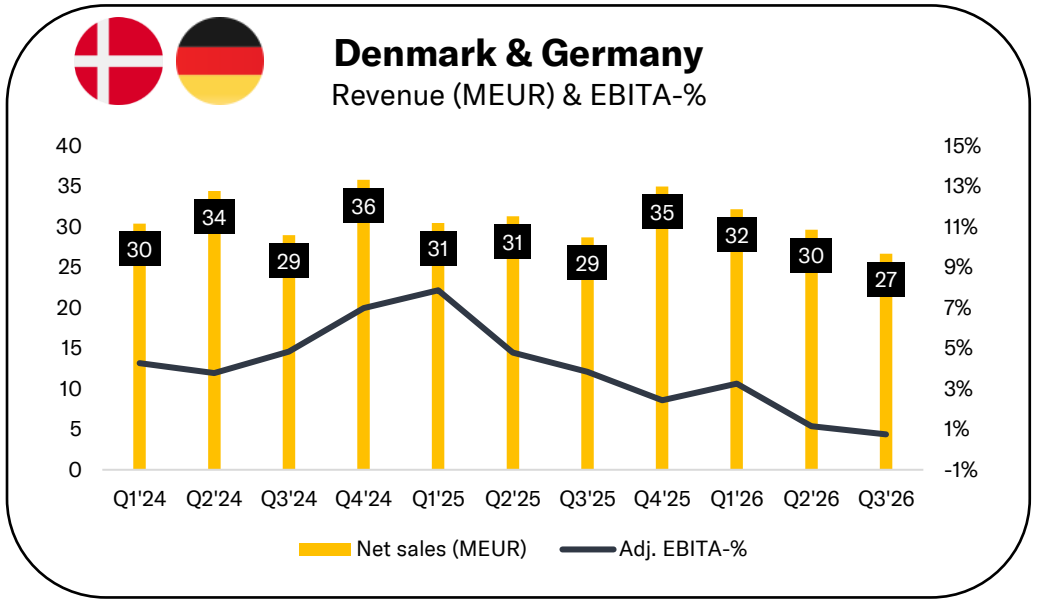
Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	848	819	-3%	893	861	-4%	947	911	-4%
EBITDA	58.5	56.8	-3%	66.8	66.0	-1%	74.1	73.3	-1%
EBIT (exc. NRIs)	30.8	30.0	-3%	35.6	34.9	-2%	43.0	42.2	-2%
EBIT	29.5	27.7	-6%	35.6	34.9	-2%	43.0	42.2	-2%
PTP	13.0	11.5	-12%	21.7	21.0	-3%	30.8	30.0	-3%
EPS (excl. NRIs)	0.07	0.09	27%	0.11	0.11	-3%	0.15	0.15	-3%

Country-unit overview



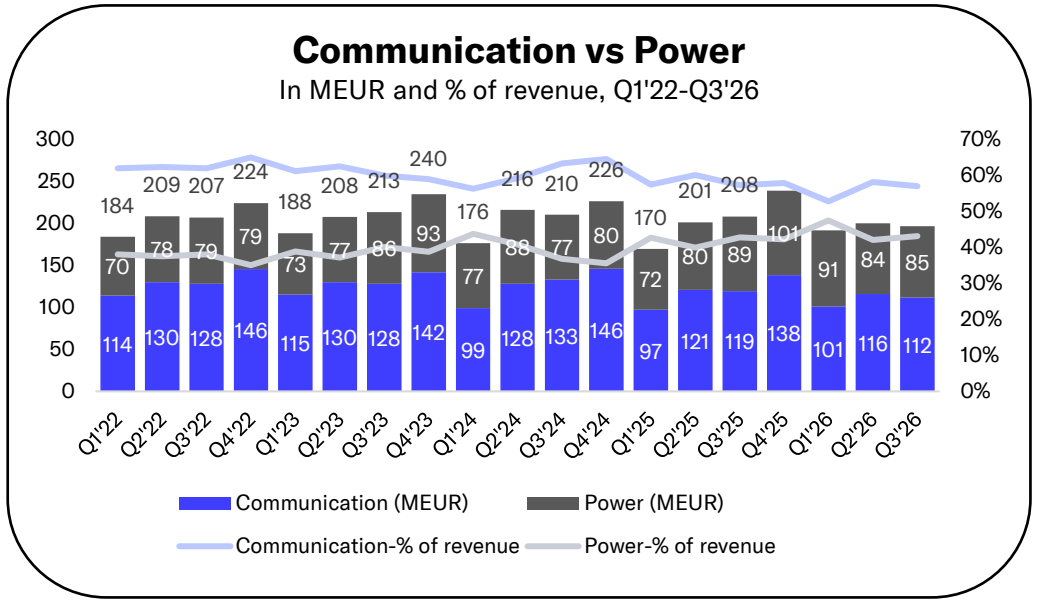


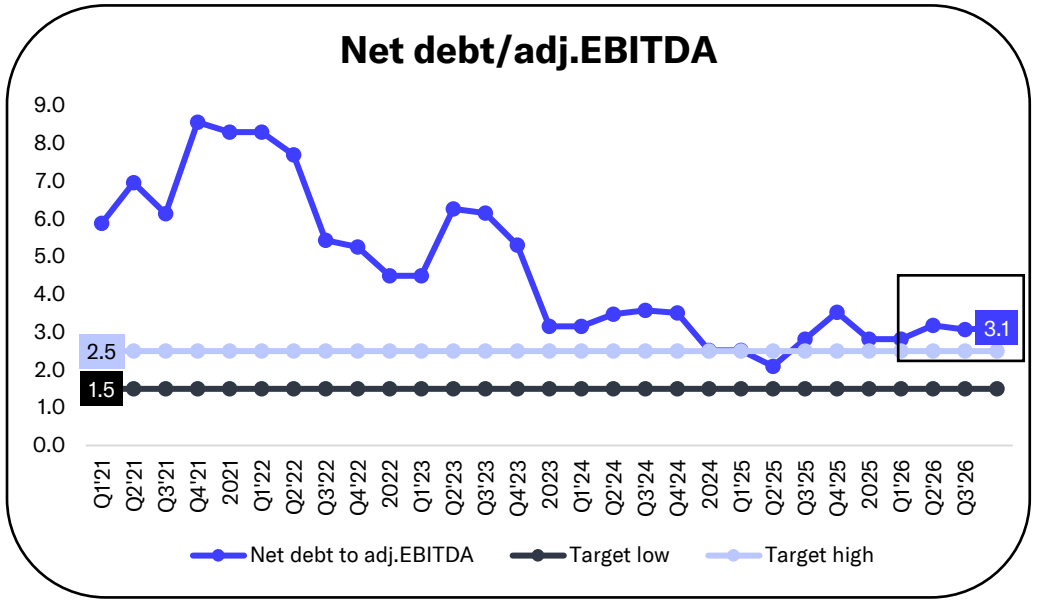


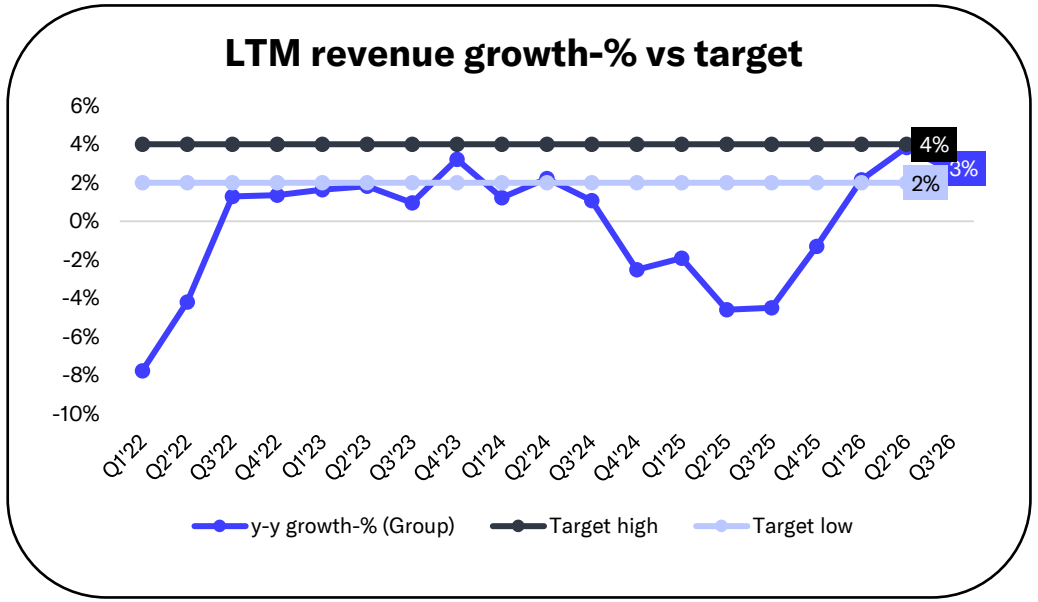


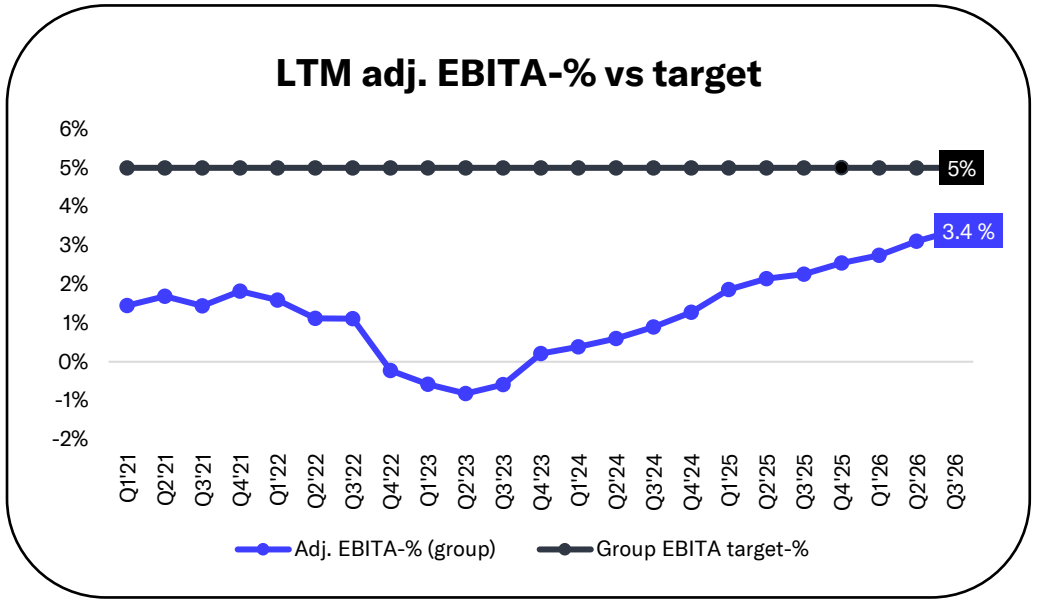
Source: Eltel

Performance vs. financial targets







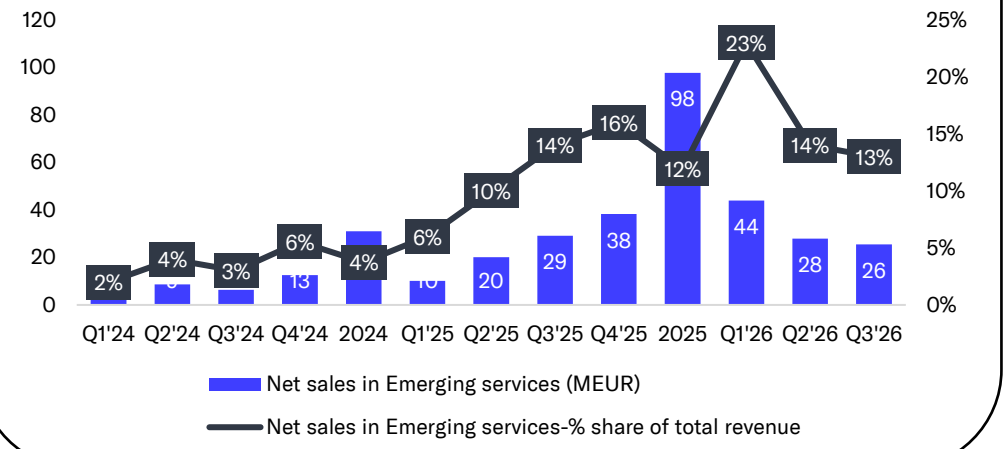


Source: Eltel

Other operational metrics

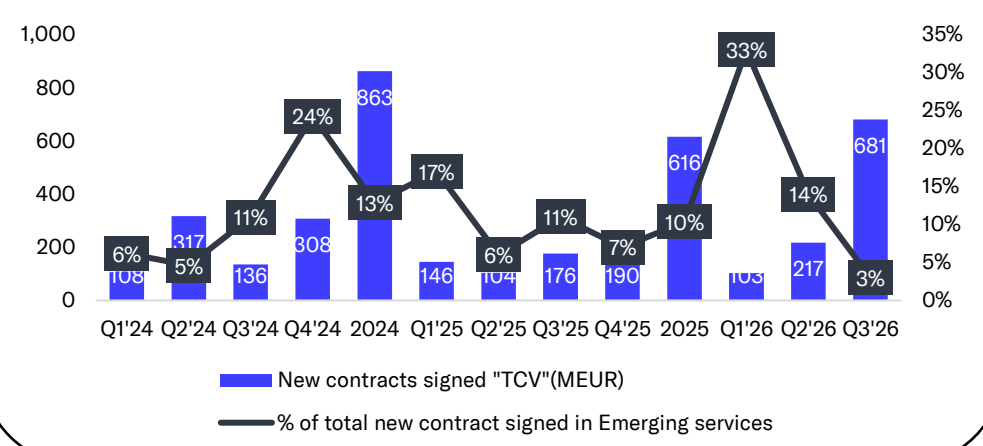
Revenue in Emerging Services

MEUR and -% of total revenue, Q1'24-Q3'26

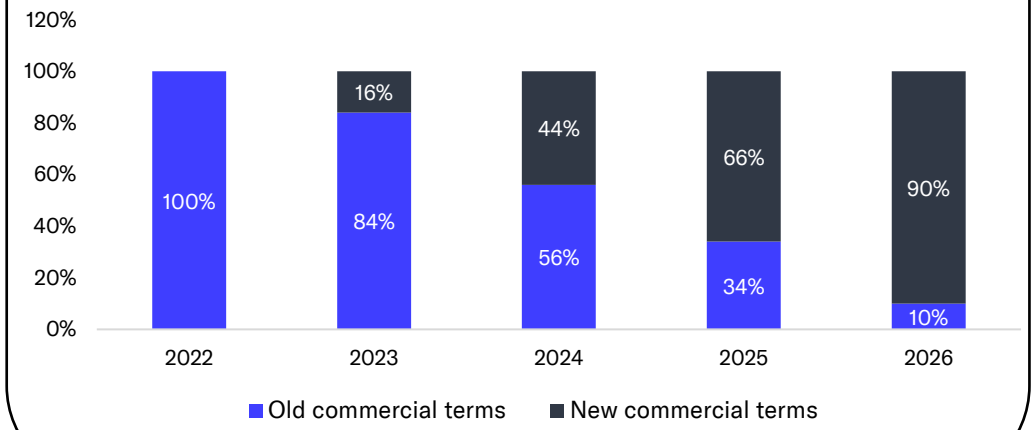


New contract signed, TCV

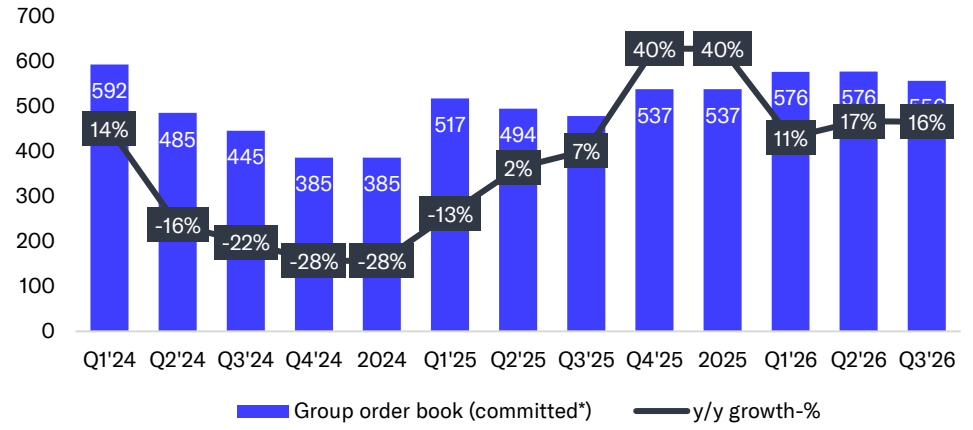
In MEUR and % of signed contract value from Emerging services



New commercial terms, impact on portfolio



Committed order book (Group)*



*Defined as the total value of committed purchase orders received but not yet recognized as net sales. It does not include frame agreements unless a binding purchase order has been received.

Source: Eltel

Share price dip keeps the upside attractive (1/2)

Valuation methods

We approach the valuation of Eltel primarily through absolute valuation multiples. We also use a total expected return calculation for the coming years and a DCF to support the valuation.

Due to the company's improved profitability profile, the valuation can be considered using different earnings-based multiples. We favor the EV-based multiples as they better capture Eltel's balance sheet structure, but we also look at the P/E ratio. We look at multiples in absolute terms and in relative terms compared to a peer group. Visibility into Eltel's business has historically been limited by its volatile performance, so our valuation has focused on the near term. However, given the consistent profitability improvements, the approaching end of 2026, and the fact that the recently signed contracts are mainly visible in our 2028 estimates, we give 2027 and 2028 increasing weight in our assessment.

Absolute valuation and valuation sensitivity to margins

Based on our updated estimates and following the share price decline on the report day, we continue to view the overall valuation as attractive on a slightly longer time horizon. On our estimates, Eltel's 2026 EV/EBITDA is around 7x, with EV/EBIT and adjusted P/E at around 13x and 17x, which places the current year above our acceptable ranges. Due to the strong earnings growth we expect, our 2027e multiples fall to more reasonable levels (EV/EBITDA: ~6x; EV/EBIT: ~11x; P/E: ~14x), roughly at the upper end of our acceptable ranges (EV/EBITDA: 5x-7x, EV/EBIT: 8x-11x, P/E: 9x-13x). On our 2028 estimates, which include the full run-rate of the Telenor, Vattenfall and KONSTANT volumes, the multiples (EV/EBITDA: ~5x; EV/EBIT: ~8x; P/E: ~10x) sit at the low end of or below our acceptable ranges, which in our view continues to offer a sufficient valuation cushion.

As always, the valuation rests heavily on whether profitability continues to improve in line with our expectations. Eltel has now delivered thirteen consecutive quarters of year-on-year profitability improvement,, which further strengthens our confidence in the turnaround. That said, the rolling 12-month margin stands at 3.4%, and Q3 is seasonally the strongest quarter. We believe the business is structurally more resilient than in prior cycles, driven by a more flexible cost structure, improved contractual protection through indexation, a broadened customer base (top-5 customers down to ~40% of revenue from over 50% three years ago), and a growing share of higher-margin Emerging services. The record order intake in Q3 (Telenor, KONSTANT) and the Vattenfall agreement signed in October also improve revenue visibility well beyond 2027, in our view. We think this, combined with the consistent margin improvement, justifies placing greater weight on 2027-28 multiples in our overall valuation.

Given that the valuation rests heavily on continued margin improvement, we illustrate on the next page how sensitive the forward multiples are to our EBIT margin estimates. Our base case of 3.7% in 2026, 4.1% in 2027 and 4.6% in 2028 translates into EV/EBIT multiples of around 13x, 11x and 8x, respectively. With only Q4 remaining, the 2026 sensitivity is becoming less relevant, and we focus on the outer years. In 2027 (50-bps upside: ~10x vs 50-bps downside: ~13x), the current price still leaves limited room for disappointment, which we find important given the start-up costs of the new contracts and the weak profitability in Denmark & Germany. In 2028, however, even a 50-bps margin shortfall would keep the multiple within our range (~9x), while 50 bps of upside would lower it to ~8x. In addition, we acknowledge that the margin path is not only an execution question but also an external one, where macro uncertainty and elevated fuel and input costs could weigh on utilization and the cost base, although indexation clauses largely compensate for the latter with a lag.

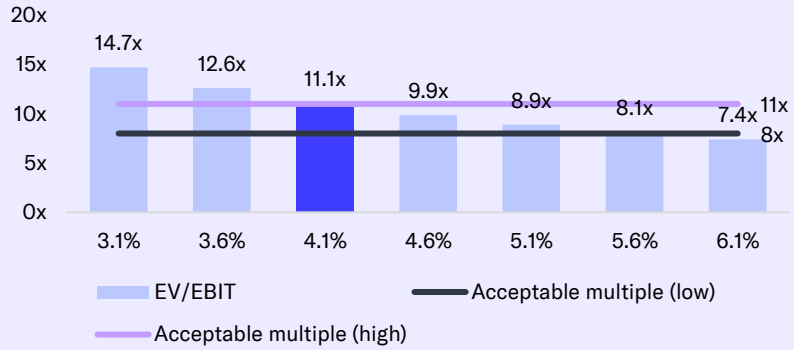
On balance, we believe margin execution remains the central valuation driver, but we think the demonstrated resilience, illustrated by the margin expansion despite lower volumes in Q3, keeps the risk/reward attractive.

Valuation	2026e	2027e	2028e
Share price (EUR)	1.49	1.49	1.49
Number of shares, millions	156.7	156.7	156.7
Market cap (MEUR)	234	234	234
EV (MEUR)	394	387	357
P/E (adj.)	17.0	14.0	9.9
P/E	20.4	14.0	9.9
P/B	1.4	1.2	1.1
P/S	0.3	0.3	0.3
EV/Sales	0.5	0.4	0.4
EV/EBITDA	6.9	5.9	4.9
EV/EBIT (adj.)	13.1	11.1	8.5
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

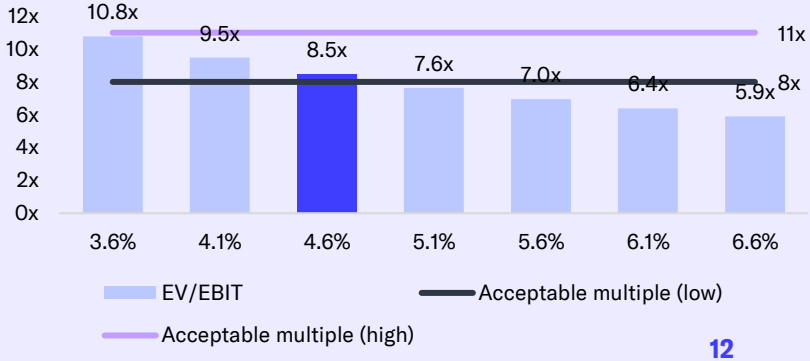
EV/EBIT at different margin levels in 2027

vs acceptable multiples



EV/EBIT at different margin levels in 2028

vs acceptable multiples



Share price dip keeps the upside attractive (2/2)

Trading in line with peers

On our updated estimates, Eltel trades broadly in line with its peer group. For 2027, the peer group's median EV/EBITDA, EV/EBIT and P/E multiples are ~6x, 11x, and ~12x, respectively, against Eltel's roughly 6x, 11x and 14x. We expect Eltel's revenue growth to be slightly below peers (CAGR 26-28e: ~4% vs. 6%) and its EBIT growth to be clearly stronger (CAGR 26-28e: ~27% vs. 13%). However, Eltel has relatively higher leverage and a softer margin profile than its peers. Overall, we believe an in-line valuation relative to the peer group is justified, and we do not see the peer comparison as a significant source of upside or downside.

Expected return in the coming years

We have also looked at an investor's expected return over the next few years by applying our acceptable valuation multiples to our 2028 earnings estimates. In our view, Eltel could be valued at 9x-11x EV/EBIT and around 11x-13x P/E at the end of 2028 based on our current estimates, if the profitability improvement remains intact and there are no major changes in the company's growth outlook. The multiples would be broadly in line with the peer group's current valuation. Given this and our current estimates, we believe that Eltel could be valued at roughly SEK 18.5-23.6 per share at the end of 2028 (at the current EUR/SEK FX rate). At the current share price of SEK 16.50, we estimate that the expected annual return would be around 12% on average, and thus, above the cost of equity that we use. We don't expect investors to receive any base return from dividends in the medium term. The expected return is also back-loaded and depends on an EV-based valuation, which adds further uncertainty, e.g., regarding the capital structure, which we find difficult to forecast over a longer period. Importantly, this calculation rests on our estimate of a 4.6% adjusted EBITA margin in 2028. Should Eltel reach or exceed management's 5% target, the 2028 earnings base and the corresponding fair value would be higher.

DCF model

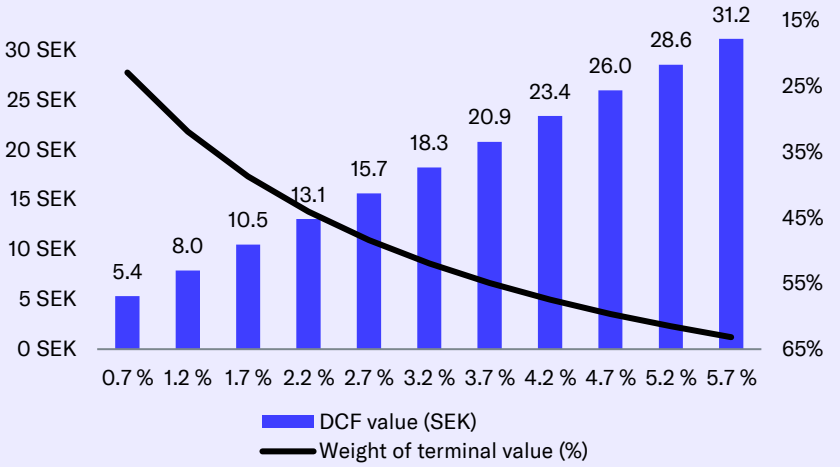
As mentioned in our updated extensive report (Oct 2025), we place more weight on the DCF model in the valuation, given Eltel's gradual and steady improvement in profitability in recent years. It's worth noting that the model is very sensitive to terminal period variables, but we believe we have used sufficiently conservative estimates for these compared to the industry context. We expect low single-digit growth (CAGR 26-30e: ~3%) and further margin expansion until 2028, after which we have smoothed out the margin trajectory, and top-line growth gradually tapers toward the 2% terminal growth rate. In the terminal period, we expect the EBIT margin to stabilize at around 3.2% (was 3.0%), which we still consider conservative relative to Eltel's 5% target and our 2028e margin of 4.6%. The weight of the terminal in the model is 52%, which we consider a reasonable level. Our DCF model indicates a value of EUR 1.65, or SEK 18.3, per share (was SEK 18.5), which is above the current share price and supports our valuation.

We have gone through the assumptions of the DCF model and the expected return for the coming years in more detail in our updated extensive report.

We reiterate our Accumulate recommendation

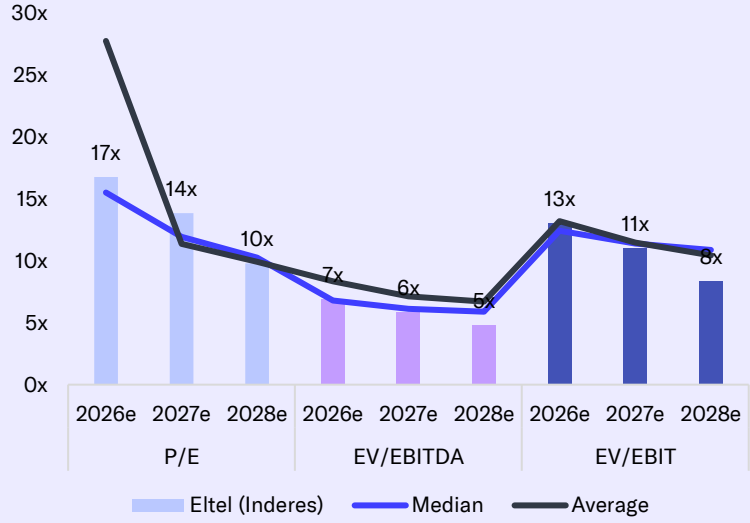
Reflecting this overall picture, we see the risk-adjusted expected return on the share to be above the cost of equity we use over the next 12 months. Although we lower our estimates following the Q3 revenue miss, the share price decline on the report day has more than offset the revisions. As such, we reiterate our Accumulate recommendation, while slightly lowering our target price to SEK 18.3 (was SEK 18.5) in line with our DCF value. Near-term multiples are still not cheap, but the record order intake substantially improves visibility, and on our 2028 estimates the valuation looks attractive.

Sensitivity of DCF to changes in the terminal EBIT margin



Eltel vs peer group

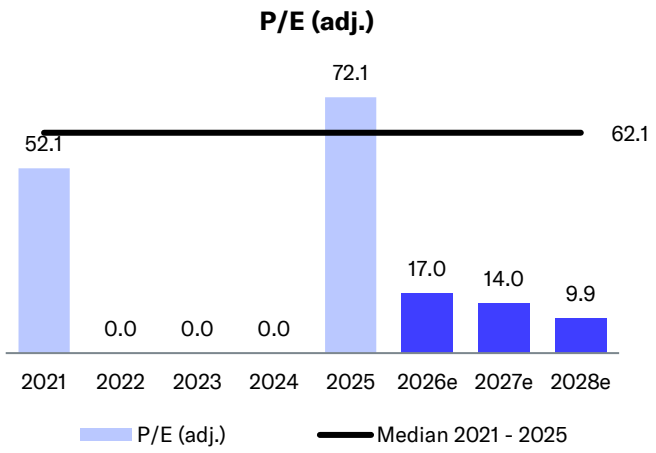
2026-2028e

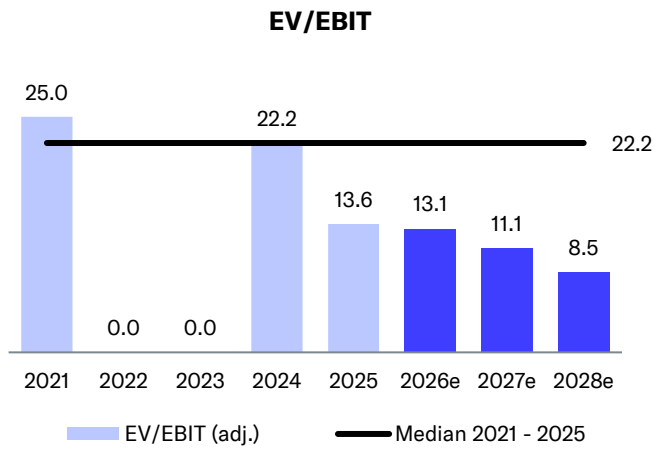


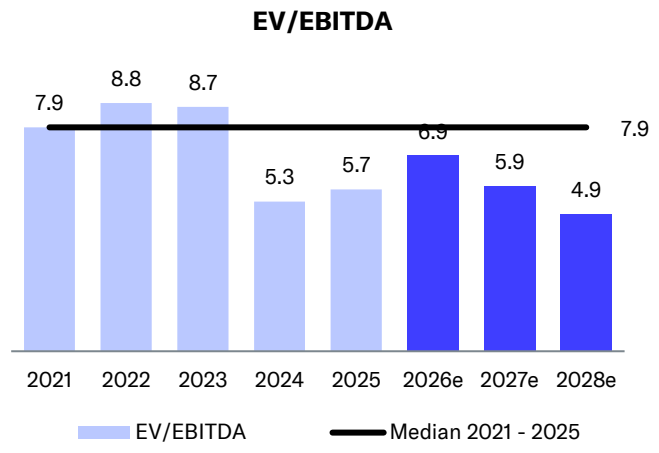
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	1.53	0.74	0.55	0.56	0.85	**1.49**	**1.49**	**1.49**	**1.49**
Number of shares, millions	156.6	156.7	156.7	156.7	156.7	**156.7**	**156.7**	**156.7**	**156.7**
Market cap (MEUR)	239	115	86	88	133	**234**	**234**	**234**	**234**
EV (MEUR)	369	245	214	231	282	**394**	**387**	**357**	**332**
P/E (adj.)	52.1	neg.	neg.	neg.	72.1	**17.0**	**14.0**	**9.9**	**9.0**
P/E	55.7	neg.	neg.	neg.	>100	**20.4**	**14.0**	**9.9**	**9.0**
P/B	1.1	0.6	0.5	0.6	0.8	**1.4**	**1.2**	**1.1**	**1.0**
P/S	0.3	0.1	0.1	0.1	0.2	**0.3**	**0.3**	**0.3**	**0.3**
EV/Sales	0.5	0.3	0.3	0.3	0.3	**0.5**	**0.4**	**0.4**	**0.4**
EV/EBITDA	7.9	8.8	8.7	5.3	5.7	**6.9**	**5.9**	**4.9**	**4.5**
EV/EBIT (adj.)	25.0	neg.	>100	22.2	13.6	**13.1**	**11.1**	**8.5**	**7.7**
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**

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**
Bravida Holding	2839	3072	16.6	14.2	12.6	11.1	1.1	1.0	20.2	17.1	2.7	2.9	3.2
Enersense International	77	119	12.3	8.3	6.6	5.2	0.4	0.3	93.8	11.9		0.7	2.3
Instalco	989	1464	17.4	13.5	10.7	9.0	1.1	1.0	17.4	12.9	1.7	2.2	3.0
Netel Holding	13	109	11.4	10.0	6.6	6.0	0.4	0.4	9.5	4.2			0.2
Spie SA	7301	9805	12.5	11.4	8.8	8.1	0.9	0.8	13.6	12.2	2.9	3.2	3.0
Transtema	18	64		14.2	6.8	4.3	0.3	0.4		10.2			0.4
Vinci Energies	63011	88645	9.1	8.8	6.4	6.1	1.2	1.1	11.9	11.0	4.9	5.2	1.9
Eltel (Inderes)	**234**	**394**	**13.1**	**11.1**	**6.9**	**5.9**	**0.5**	**0.4**	**17.0**	**14.0**	**0.0**	**0.0**	**1.4**
Average			**13.2**	**11.5**	**8.3**	**7.1**	**0.8**	**0.7**	**27.7**	**11.4**	**3.0**	**2.9**	**2.0**
Median			**12.4**	**11.4**	**6.8**	**6.1**	**0.9**	**0.8**	**15.5**	**11.9**	**2.8**	**2.9**	**2.3**
Diff-% to median			***6%***	***-3%***	***2%***	***-4%***	***-45%***	***-45%***	***9%***	***18%***	***-100%***	***-100%***	***-40%***

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**829**	**170**	**201**	**208**	**239**	**818**	**191**	**199**	**196**	**232**	**819**	**861**	**911**	**933**
Finland	358	62.1	85.0	102	102	351	80.1	83.0	92.5	98.8	354	355	367	374
Sweden	212	53.1	58.3	53.0	74.8	239	54.3	58.6	50.4	70.3	234	252	269	279
Norway	115	23.3	25.8	24.4	26.5	100.0	23.8	27.4	25.3	28.6	105	125	140	143
Denmark & Germany	130	30.5	31.4	28.7	35.0	126	32.2	29.7	26.7	33.6	122	127	133	136
Other business	24.3	1.9	2.4	2.4	2.6	9.3	1.9	2.4	2.6	2.6	9.5	9.2	9.0	8.8
Eliminations	-9.7	-1.3	-1.9	-1.9	-2.3	-7.4	-1.0	-1.6	-1.2	-1.5	-5.3	-7.0	-7.0	-7.0
EBITDA	**16.6**	**7.2**	**9.7**	**16.2**	**16.0**	**49.1**	**10.3**	**11.4**	**17.5**	**17.7**	**56.8**	**66.0**	**73.3**	**73.6**
Depreciation	-34.7	-6.9	-7.7	-7.4	-7.7	-29.7	-7.2	-7.2	-7.4	-7.3	-29.1	-31.1	-31.0	-30.4
EBIT (excl. NRI)	**10.4**	**0.9**	**2.5**	**9.1**	**8.3**	**20.7**	**3.1**	**5.6**	**11.0**	**10.4**	**30.0**	**34.9**	**42.2**	**43.2**
EBIT	**-18.1**	**0.3**	**2.0**	**8.8**	**8.3**	**19.4**	**3.1**	**4.2**	**10.1**	**10.4**	**27.7**	**34.9**	**42.2**	**43.2**
Finland	15.7	1.7	3.4	8.8	6.4	20.3	2.7	5.2	9.6	7.2	24.7	25.5	27.1	27.3
Sweden	6.1	1.5	1.3	1.0	3.9	7.7	1.8	1.8	1.8	4.0	9.3	11.3	13.2	13.1
Norway	-5.7	-1.8	-0.4	0.4	0.0	-1.8	0.3	1.4	1.0	1.0	3.7	5.1	7.0	7.0
Denmark & Germany	6.5	2.4	1.5	1.1	0.9	5.9	1.1	0.4	0.2	0.6	2.2	3.0	4.8	5.7
Other business	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
Group functions	-12.2	-2.9	-3.3	-2.3	-2.9	-11.4	-2.8	-3.1	-1.5	-2.4	-9.8	-10.0	-9.9	-9.9
Items affecting comparability	-28.5	-0.6	-0.5	-0.2	0.0	-1.3	0.0	-1.4	-1.1	0.0	-2.4	0.0	0.0	0.0
Acquisition-related amortization	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	-12.7	-2.4	-2.7	-4.9	-4.2	-14.1	-4.6	-3.8	-3.9	-3.9	-16.2	-14.0	-12.2	-10.1
PTP	**-30.8**	**-2.1**	**-0.7**	**3.9**	**4.1**	**5.3**	**-1.5**	**0.4**	**6.1**	**6.5**	**11.5**	**21.0**	**30.0**	**33.1**
Taxes	1.6	-0.6	-0.2	-0.9	-0.4	-2.1	-0.4	-0.8	2.6	-0.9	0.5	-3.9	-6.0	-6.6
Minority interest	-0.6	-0.1	-0.2	-0.4	-0.3	-1.0	-0.1	-0.1	-0.3	-0.1	-0.5	-0.4	-0.4	-0.4
Net earnings	**-29.8**	**-2.8**	**-1.0**	**2.6**	**3.4**	**2.2**	**-2.0**	**-0.4**	**8.4**	**5.4**	**11.5**	**16.7**	**23.6**	**26.1**
EPS (adj.)	**-0.03**	**-0.02**	**-0.01**	**0.02**	**0.02**	**0.01**	**-0.01**	**0.01**	**0.06**	**0.03**	**0.09**	**0.11**	**0.15**	**0.17**
EPS (rep.)	**-0.21**	**-0.02**	**-0.01**	**0.02**	**0.02**	**0.00**	**-0.01**	**0.00**	**0.05**	**0.03**	**0.07**	**0.11**	**0.15**	**0.17**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-2.5 %	-3.8 %	-6.9 %	-1.0 %	5.7 %	-1.3 %	12.8 %	-0.8 %	-5.7 %	-2.7 %	0.2 %	5.1 %	5.8 %	2.4 %
Adjusted EBIT growth-%	519.0 %	122.7 %	455.6 %	10.4 %	44.9 %	99.4 %	244.4 %	122.0 %	22.0 %	24.9 %	44.9 %	16.2 %	20.9 %	2.4 %
EBITDA-%	2.0 %	4.2 %	4.8 %	7.8 %	6.7 %	6.0 %	5.4 %	5.7 %	8.9 %	7.6 %	6.9 %	7.7 %	8.0 %	7.9 %
Adjusted EBIT-%	1.3 %	0.5 %	1.2 %	4.3 %	3.5 %	2.5 %	1.6 %	2.8 %	5.6 %	4.5 %	3.7 %	4.1 %	4.6 %	4.6 %
Net earnings-%	-3.6 %	-1.6 %	-0.5 %	1.2 %	1.4 %	0.3 %	-1.0 %	-0.2 %	4.3 %	2.3 %	1.4 %	1.9 %	2.6 %	2.8 %

Source: Inderes

*EBIT (exc. NRIs) refers to adjusted EBITA.

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

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**380**	**387**	**389**	**389**	**389**
Goodwill	249	254	254	254	254
Intangible assets	30.3	31.6	32.0	32.1	32.2
Tangible assets	59.4	59.1	61.0	60.9	60.8
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	13.4	15.3	15.3	15.3	15.3
Deferred tax assets	27.2	27.3	27.3	27.3	27.3
Current assets	**206**	**269**	**253**	**265**	**301**
Inventories	19.3	38.3	27.0	25.0	23.2
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	165	187	184	192	201
Cash and equivalents	21.3	43.8	41.6	47.6	76.4
Balance sheet total	**585**	**656**	**642**	**654**	**690**

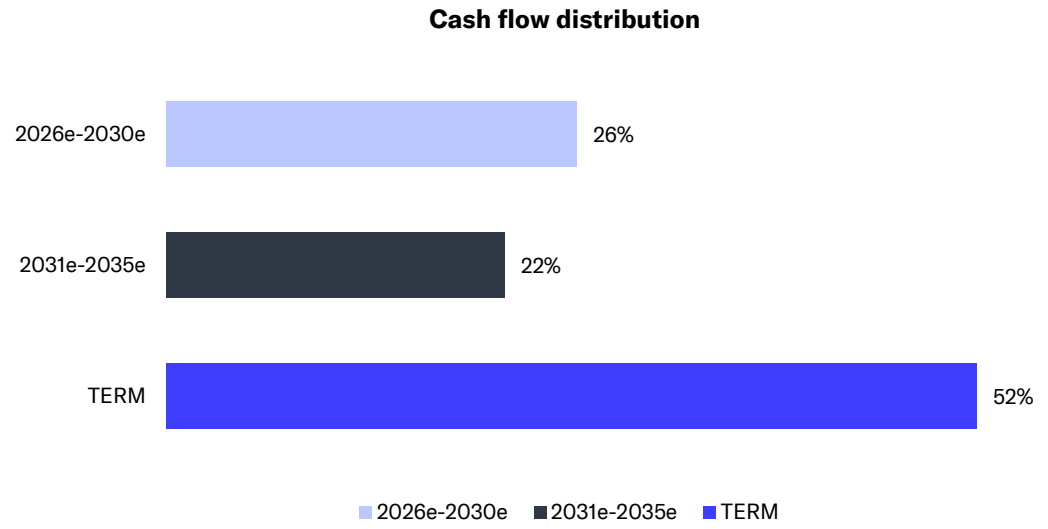
Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**189**	**169**	**180**	**197**	**221**
Share capital	162	1.6	1.6	1.6	1.6
Retained earnings	-423.7	-426.4	-414.9	-398.3	-374.7
Hybrid bonds	25.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	418	585	585	585	585
Minorities	8.0	8.5	8.5	8.5	8.5
Non-current liabilities	**106**	**203**	**206**	**192**	**192**
Deferred tax liabilities	10.7	12.0	10.7	10.7	10.7
Provisions	5.2	5.9	5.9	5.9	5.9
Interest bearing debt	51.8	161	165	165	165
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	37.9	24.2	24.2	10.2	10.2
Current liabilities	**290**	**283**	**256**	**265**	**278**
Interest bearing debt	83.2	24.7	25.0	25.0	25.0
Payables	203	256	228	237	250
Other current liabilities	3.8	3.1	3.1	3.1	3.1
Balance sheet total	**585**	**656**	**642**	**654**	**690**

DCF-calculation

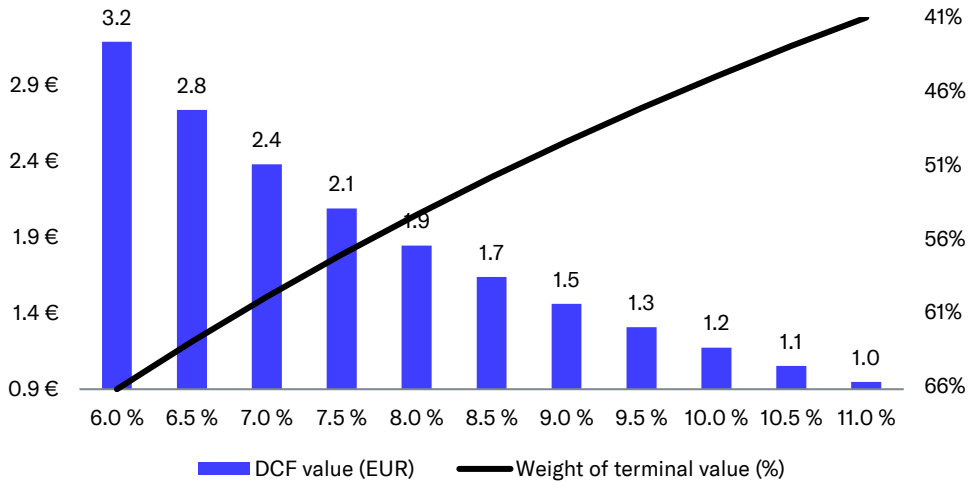
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-1.3 %	0.2 %	5.1 %	5.8 %	2.4 %	2.4 %	2.4 %	2.4 %	2.4 %	2.4 %	2.0 %	2.0 %
EBIT-%	2.4 %	3.4 %	4.1 %	4.6 %	4.6 %	4.4 %	4.3 %	4.0 %	3.8 %	3.2 %	3.2 %	3.2 %
EBIT (operating profit)	**19.4**	**27.7**	**34.9**	**42.2**	**43.2**	**42.1**	**42.1**	**40.1**	**39.1**	**33.7**	**34.4**	
+ Depreciation	29.7	29.1	31.1	31.0	30.4	30.7	30.9	31.2	31.5	31.2	31.1	
- Paid taxes	-0.8	-0.8	-3.9	-6.0	-6.6	-6.6	-6.6	-6.3	-6.1	-5.1	-5.2	
- Tax, financial expenses	-2.8	0.7	-2.7	-2.6	-2.2	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	
+ Tax, financial income	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.4	
- Change in working capital	11.2	-14.3	3.4	5.3	-1.7	0.6	1.6	1.6	0.7	2.8	0.9	
Operating cash flow	**56.6**	**42.4**	**63.0**	**70.1**	**63.3**	**64.9**	**66.1**	**64.9**	**63.4**	**61.0**	**59.6**	
+ Change in other long-term liabilities	-13.0	0.0	-14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-36.9	-31.4	-31.1	-31.1	-31.1	-31.1	-31.6	-31.9	-31.1	-31.1	-31.1	
Free operating cash flow	**6.7**	**11.0**	**17.9**	**39.0**	**32.2**	**33.8**	**34.5**	**33.0**	**32.3**	**29.9**	**28.5**	
+/- Other	-3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	3.6	11.0	17.9	39.0	32.2	33.8	34.5	33.0	32.3	29.9	28.5	452
Discounted FCFF		**10.8**	**16.2**	**32.7**	**24.8**	**24.1**	**22.7**	**20.0**	**18.0**	**15.4**	**13.5**	**214**
Sum of FCFF present value		413	402	386	353	328	304	281	261	243	228	214
Enterprise value DCF		**413**										
- Interest bearing debt		-185.8										
+ Cash and cash equivalents		43.8										
+ Associated companies		0.0										
-Minorities		-11.6										
-Dividend/capital return		0.0										
Equity value DCF		**259**										
Equity value DCF per share		**1.65**										
Equity value DCF per share (SEK)		**18.3**										

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	45.0 %
Cost of debt	7.8 %
Equity Beta	1.22
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	3.0 %
Cost of equity	**10.3 %**
Weighted average cost of capital (WACC)	**8.5 %**

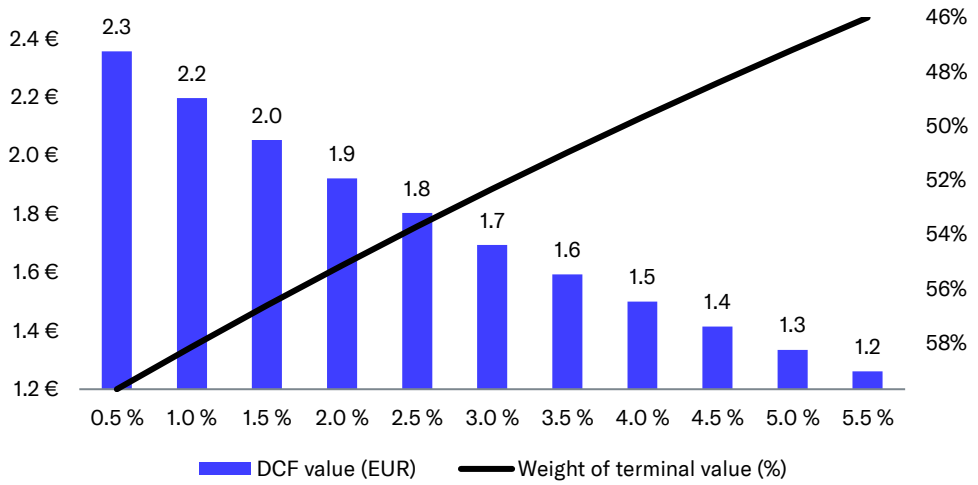


DCF sensitivity calculations and key assumptions in graphs

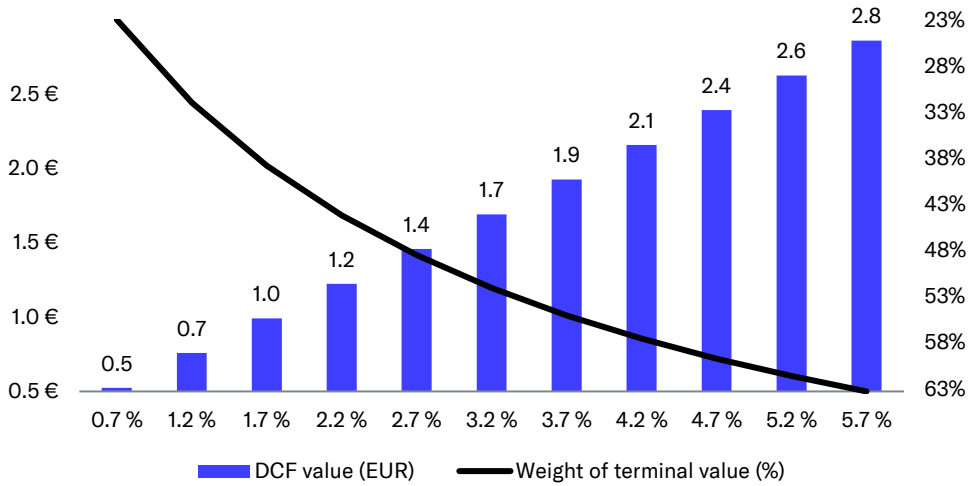
Sensitivity of DCF to changes in the WACC-%



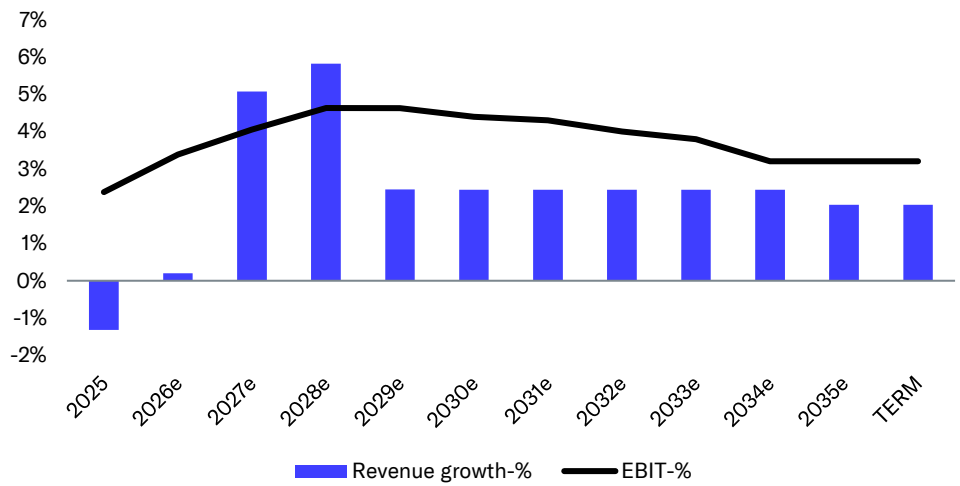
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	850.1	828.7	817.8	**819.4**	**861.1**
EBITDA	24.8	16.6	49.1	**56.8**	**66.0**
EBIT	-5.3	-18.1	19.4	**27.7**	**34.9**
PTP	-18.0	-30.8	5.3	**11.5**	**21.0**
Net Income	-8.0	-29.8	2.2	**11.5**	**16.7**
Extraordinary items	-7.0	-28.5	-1.3	**-2.3**	**0.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	624.2	585.4	655.5	**642.1**	**653.7**
Equity capital	223.6	189.4	168.9	**180.4**	**197.0**
Goodwill	253.6	249.3	253.7	**253.7**	**253.7**
Net debt	100.2	113.7	142.0	**148.4**	**142.4**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	24.8	16.6	49.1	**56.8**	**66.0**
Change in working capital	25.8	-19.3	11.2	**-14.3**	**3.4**
Operating cash flow	47.7	-1.6	56.6	**42.4**	**63.0**
CAPEX	-33.2	-28.4	-36.9	**-31.4**	**-31.1**
Free cash flow	15.0	3.5	3.6	**11.0**	**17.9**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.3	0.3	0.3	**0.5**	**0.4**
EV/EBITDA	8.7	5.3	5.7	**6.9**	**5.9**
EV/EBIT (adj.)	>100	22.2	13.6	**13.1**	**11.1**
P/E (adj.)	neg.	neg.	72.1	**17.0**	**14.0**
P/B	0.5	0.6	0.8	**1.4**	**1.2**
Dividend-%	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.07	-0.21	0.00	**0.07**	**0.11**
EPS (adj.)	-0.02	-0.03	0.01	**0.09**	**0.11**
OCF / share	0.30	-0.01	0.36	**0.27**	**0.40**
OFCF / share	0.10	0.02	0.02	**0.07**	**0.11**
Book value / share	1.38	1.16	1.02	**1.10**	**1.20**
Dividend / share	0.00	0.00	0.00	**0.00**	**0.00**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	3%	-3%	-1%	**0%**	**5%**
EBITDA growth-%	-11%	-33%	196%	**16%**	**16%**
EBIT (adj.) growth-%	191%	519%	99%	**45%**	**16%**
EPS (adj.) growth-%	77%	-36%	139%	**649%**	**21%**
EBITDA-%	2.9 %	2.0 %	6.0 %	**6.9 %**	**7.7 %**
EBIT (adj.)-%	0.2 %	1.3 %	2.5 %	**3.7 %**	**4.1 %**
EBIT-%	-0.6 %	-2.2 %	2.4 %	**3.4 %**	**4.1 %**
ROE-%	-3.8 %	-15.0 %	1.3 %	**6.9 %**	**9.3 %**
ROI-%	-1.4 %	-5.4 %	5.7 %	**7.8 %**	**9.4 %**
Equity ratio	39.6 %	35.5 %	28.0 %	**30.5 %**	**32.7 %**
Gearing	44.8 %	60.0 %	84.1 %	**82.3 %**	**72.3 %**
Net debt/EBITDA	4.0	6.8	2.9	**2.6**	**2.2**
EBITDA/net financials	2.0	1.3	3.5	**3.5**	**4.7**

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.

Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

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

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
5/30/2024	Reduce	SEK 7.20	SEK 6.60
7/26/2024	Reduce	SEK 7.20	SEK 7.50
11/1/2024	Reduce	SEK 7.20	SEK 7.38
2/17/2025	Reduce	SEK 7.20	SEK 6.48
5/2/2025	Accumulate	SEK 9.00	SEK 7.88
7/25/2025	Reduce	SEK 9.70	SEK 10.45
10/16/2025	Accumulate	SEK 9.70	SEK 8.52
10/31/2025	Accumulate	SEK 9.90	SEK 8.90
2/16/2026	Accumulate	SEK 10.20	SEK 9.20
5/4/2026	Accumulate	SEK 11.20	SEK 9.74
6/25/2026	Reduce	SEK 13.80	SEK 14.35
7/17/2026	Accumulate	SEK 14.00	SEK 12.20
7/22/2026	Accumulate	SEK 13.90	SEK 12.25
9/9/2026	Reduce	SEK 15.40	SEK 16.35
10/13/2026	Accumulate	SEK 18.50	SEK 16.55
10/30/2026	Accumulate	SEK 18.30	SEK 16.50

CONNECTING INVESTORS AND COMPANIES.

Inderes democratizes financial information by connecting investors and listed companies. For investors, we are an investing community and a trusted source of financial information and equity research. For listed companies, we are a partner in delivering high-quality investor relations. Over 500 listed companies in Europe use our investor relations products and equity research services to provide better investor communications to their shareholders.

Our goal is to be the most investor-minded company in finance. Inderes was founded in 2009 by investors, for investors. As a Nasdaq First North-listed company, we understand the day-to-day reality of our customers.

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

inderes.se

Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

inderes.