

NURMINEN LOGISTICS

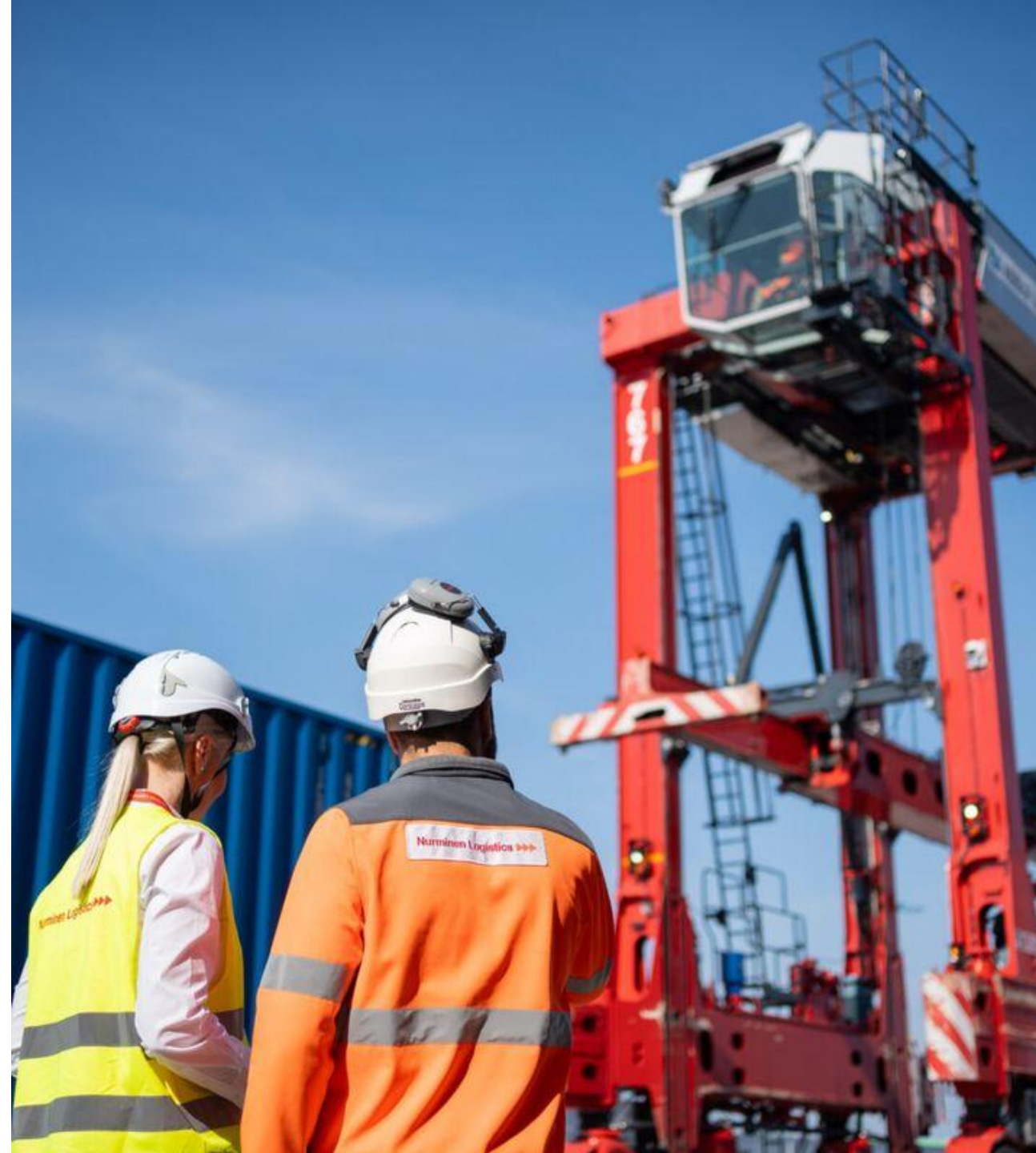
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INDERES CORPORATE CUSTOMER
COMPANY REPORT



The report eased the worst fears

We reiterate our Accumulate recommendation for Nurminen Logistics, but lower our target price to EUR 1.1 (EUR 1.2) The Q3 figures were, unsurprisingly, quite clearly below our estimates, reflecting the profit warning issued earlier in the week. The weaker-than-expected performance was influenced by the Baltic operations and, we believe the sluggish development of international rail logistics. However, relative to the revenue development, we find the margin development encouraging. Reflecting the profit warning and current market situation, our estimates for the coming years decreased significantly, but with the share price drop, we see the share's valuation for the coming years as attractive.

With the profit warning Q3 was below estimates as expected

Nurminen's revenue fell by good 1% to 23.8 MEUR, despite inorganic growth brought about especially by Essinge Rail. The development was clearly below our estimates, as expected with the [profit warning](#) issued earlier in the week. This was due to the development in the Baltics highlighted in the profit warning, as well as the performance of the Swedish business (formerly Essinge), whose organic revenue we believe has been under pressure as improvements to Central European rail infrastructure affected transport times, and due to weak consumer demand in Sweden. The development of the Finnish businesses was stable. New information was that the comparison period's revenue and EBIT were affected by a 1.3 MEUR one-off income item for North Rail. This was due to a contractual tonnage fee based on transport volumes, the terms of which had not been met, and which Nurminen recorded for a longer period in the comparison period. The company has switched to continuous periodization for these, and bookings of a similar magnitude should not occur in the future. Adjusted EBITA was 3.8 MEUR, which was clearly below our expectations, reflecting revenue development and a higher depreciation level. The margin level also fell short of our expectations, but we find the margin development relatively good considering the magnitude of the revenue miss (-21%).

Estimates under pressure, especially in the Baltic region

In connection with the Q3 report, Nurminen reiterated its guidance that it downgraded earlier in the week and expects its 2025 revenue (2024: 105 MEUR) to grow, but comparable EBITA (2024: 19.1 MEUR) to be slightly below or at the same level as the previous year. Reflecting the profit warning and Q3 results, we clearly cut our estimates for the coming years. We cut our revenue estimates, especially for the Baltic region, and also for international rail logistics. We expect these to remain at around Q3 levels for the rest of the year, and in the coming years, we expect only moderate growth from the Baltics. For international rail logistics, we expect revenue levels for intra-European freight car transport to be lower than before, but the decrease in estimates was offset by the launch and ramp-up of Nurminen's new container train connection between Sweden and Italy from the beginning of next year. In other respects, however, our forecasts for the Railway business remained largely unchanged. We now expect the company's revenue for the current year to land at 111 MEUR (was 122 MEUR) and adjusted EBIT to be 18.5 MEUR (was 21.8 MEUR). Our operational earnings estimates for the coming years decreased by around 10%.

Valuation is still attractive enough

With our updated estimates, the P/E ratios for Nurminen, adjusted for PPA amortizations, are approximately 11x and 8x for 2025 and 2026. Relative to our accepted multiple range (P/E 9x-12x), we believe there is upside in earnings-based valuation when looking at next year, even though we see the acceptable valuation weighing on the lower end of the range due to the profit warning and North Rail's large share of earnings. We estimate that the expected return is also supported by profit-sharing enabled by strong cash flow (2025e-27e dividend yield of ~4-6%). Our positive view is also supported by our DCF model, which is set at approximately the target price level.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 1.10

(was EUR 1.20)

Share price:

EUR 0.98

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	104.8	111	119	122
growth-%	-18%	6%	7%	3%
EBIT adj.	19.1	18.5	19.6	18.8
EBIT-% adj.	18.2 %	16.6 %	16.6 %	15.5 %
Net Income	7.1	5.7	9.0	9.1
EPS (adj.)	0.09	0.09	0.12	0.12
P/E (adj.)	11.9	11.5	8.2	8.1
P/B	2.5	2.4	2.0	1.8
Dividend yield-%	5.7 %	4.1 %	6.1 %	6.1 %
EV/EBIT (adj.)	7.1	7.1	6.1	6.0
EV/EBITDA	5.5	5.2	4.6	4.4
EV/S	1.3	1.2	1.0	0.9

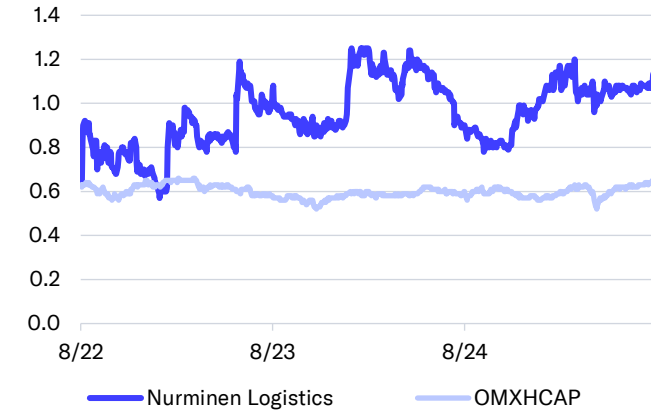
Source: Inderes

Guidance

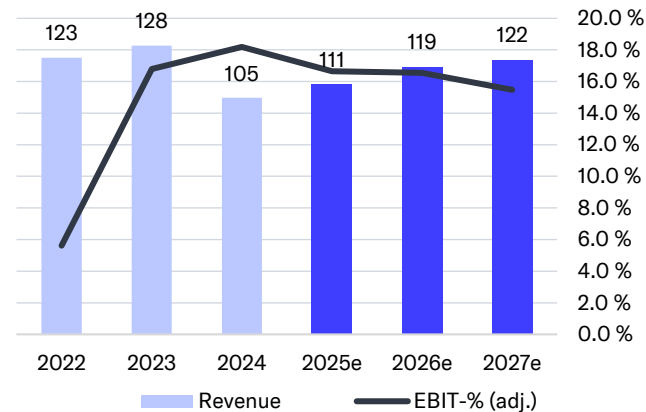
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Nurminen estimates that in 2025 its revenue will grow (2024: 105 MEUR) and comparable EBIT (19.1 MEUR) will increase from 2024.

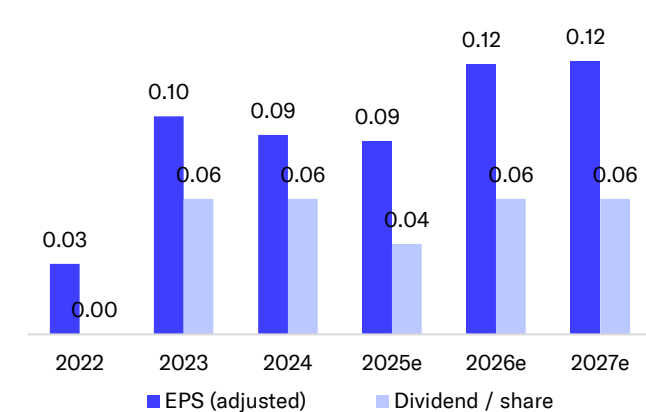
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



Value drivers

- Growth in international business
- Growth of North Rail's business
- Valuation picture changing towards a growth company
- M&A activity
- Potential normalization of the northern route in the medium to long term

Risk factors

- Geopolitical risks (sanctions and counter-sanctions, changes in customer behavior)
- Growth dwindling in rail logistics
- Logistics prices (+/-), especially in North Rail
- Prolonged negative development of the global economy
- Customer risks
- The ownership structures of the Baltic business and North Rail mean that a significant portion of EBIT flows to minority shareholders
- Shortage of comprehensive logistics expertise in the labor market

Valuation	2025e	2026e	2027e
Share price	0.98	0.98	0.98
Number of shares, millions	80.7	80.7	80.7
Market cap	79	79	79
EV	130	121	113
P/E (adj.)	11.5	8.2	8.1
P/E	13.8	8.7	8.7
P/B	2.4	2.0	1.8
P/S	0.7	0.7	0.6
EV/Sales	1.2	1.0	0.9
EV/EBITDA	5.2	4.6	4.4
EV/EBIT (adj.)	7.1	6.1	6.0
Payout ratio (%)	56.5 %	53.6 %	53.1 %
Dividend yield-%	4.1 %	6.1 %	6.1 %

Source: Inderes

Weaker-than-expected figures were known due to the recent profit warning

Revenue grew briskly but fell short of our expectations

Nurmisen's Q3 revenue grew by 24% to 23.8 MEUR in Q2, mainly supported by inorganic growth from the Essinge Rail acquisition. The development was clearly below our expectations, which was, however, predictable given the profit warning earlier in the week. This was due in particular to developments in the Baltics, where revenue fell by ~35% to 6.1 MEUR. The development was affected by temporary export restrictions on certain metals transported from Kazakhstan, as well as uncertainty caused by trade wars, which has been reflected in the volumes of the metal markets. Compared to our expectations, we estimate that another significant factor was the Swedish business (formerly Essinge), whose organic revenue we believe was under pressure due to improvements in Central European rail infrastructure affecting transport times, as well as weak consumer demand in Sweden.

On the other hand, the development of Finnish businesses was relatively stable, which was largely in line with our

expectations. New information in the report was that the comparison period's revenue and EBIT were affected by a 1.3 MEUR one-off income item for North Rail. The item was a contractual tonnage fee, which allows Nurminen to charge its customers for at least some of the contracts if certain agreed minimum transport volumes are not met. However, the company has now moved to continuous periodization of these, and bookings of a similar magnitude should not be seen in the future (the Q3'24 recognition had accumulated over a longer period).

Profitability held its own quite well

The company's adjusted EBITDA was 3.8 MEUR, which fell short of our expectations, reflecting the revenue development and higher depreciation level. The company's margin level also fell short of our expectations, but we feel the margin development was relatively good considering the magnitude of the revenue estimate miss. The comparable EBITA for the Railway business, in turn, settled at 2.7 MEUR, which also fell short of our estimates,

reflecting the revenue development and, in our assessment, North Rail's slightly lower relative margin or higher group costs (group costs are, to our understanding, largely allocated to the Railway business).

In the bottom line, taxes and minority interests were lower than we expected, reflecting the earnings trend, but reported EPS fell below our estimates, in line with operational developments.

Cash flow remained strong

The company's operating cash flow has been at a strong level so far this year (14.1 MEUR). Correspondingly, free cash flow after lease liabilities has been 8.4 MEUR. It is, however, worth noting that part of this belongs to the minority owners of the Baltic and North Rail businesses.

The company's equity ratio at the end of Q3 was 43% (Q3'24: 55%) and net debt to LTM EBITDA was 0.7x. As such, the company's financial position is good, which enables inorganic moves in the short term.

Estimates	Q3'24	Q3'25	Q3'25e	Q3'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. Inderes	Inderes
Revenue	24.2	23.8	30.2			-21%	111
EBITA (adj.)	5.6	3.8	5.3			-28%	18.5
EBIT (rep.)	7.6	3.2	5.1			-37%	17.0
PTP	6.8	2.2	4.1			-47%	12.3
EPS (rep.)	0.07	0.01	0.03			-62%	0.07
Revenue growth-%	-4.0 %	-1.3 %	24.9 %			-26.2 pp	5.8 %
Adj. EBITA-%	23.0 %	16.0 %	17.6 %			-1.6 pp	16.6 %

Source: Inderes

Estimates were under clear pressure, especially in the Baltics

Recently downgraded guidance reiterated as expected

In connection with the Q report, Nurminen reiterated its 2025 guidance that it downgraded earlier in the week and expects its 2025 revenue (2024: 105 MEUR) to grow but comparable EBITA (2024: 19.1 MEUR) to be slightly below or at the same level as the previous year. According to the company, the guidance downgrade is mainly due to the weaker-than-expected volume development in the Baltic businesses. Further, continued railway network improvement investments in Central Europe have hampered the efficiency of rail transport more than anticipated by extending transport times, which has also negatively impacted the development of the Swedish business area (Essinge Rail).

Estimates for the current year decreased clearly

Reflecting the profit warning and Q3 results, we cut our short-term estimates quite clearly. We lowered our revenue estimates, especially for the Baltics and international rail

logistics, which were reflected in the bottom line. We expect these to remain at around Q3 levels for the rest of the year. Our estimates for the Railway business (incl. North Rail) otherwise remained largely unchanged. However, we slightly raised the profitability estimates for the terminal and forwarding businesses, based on the company's positive comments on their development.

Reflecting the revisions and realized development, our revenue estimate for the current year decreased to 111 MEUR, and we expect the company's revenue to grow by just under 6%. We estimate adjusted EBITA to be 18.5 MEUR. In line with the decreased earnings estimates, we also lowered our dividend estimates for the current year.

Longer-term estimate revisions in the same direction

We made similar estimate changes for the longer term, and we expect only moderate growth in Baltic volumes from current levels in the coming years. In terms of international rail logistics, we expect the growth of intra-European freight

car transport to be more moderate than before, but the decrease in estimates was supported by the launch and ramp-up of Nurminen's new container train connection between Sweden and Italy from the beginning of next year. However, we expect the profitability of the businesses to remain at a good level, and raised our expectations slightly for the profitability of the terminal and forwarding businesses in the coming years. Reflecting the revisions, our operational earnings estimates for the coming years decreased by around 10%. In line with more moderate earnings growth, we also slightly raised our financial cost forecasts. The impact on the bottom line was also mitigated by a more favorable distribution of the earnings structure for Nurminen's shareholders (i.e., a decrease in the Baltic earnings share, with significant minority interests).

We have discussed the background of our forecasts in more detail in [our extensive report](#), whose broad guidelines are largely unchanged for the Railway businesses.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	122	111	-9%	129	119	-8%	135	122	-10%
EBITDA	28.4	25.2	-11%	28.8	26.4	-8%	27.7	25.4	-8%
EBIT (exc. NRIs)	21.8	18.5	-15%	22.0	19.6	-11%	21.0	18.8	-10%
EBIT	20.7	17.0	-18%	21.3	18.8	-11%	20.2	18.0	-11%
PTP	16.0	12.3	-23%	18.8	15.8	-16%	18.2	15.8	-13%
EPS (excl. NRIs)	0.11	0.09	-23%	0.14	0.12	-11%	0.14	0.12	-11%
DPS	0.060	0.040	-33%	0.060	0.060	0%	0.060	0.060	0%

Source: Inderes

Valuation is still attractive enough

Risk/reward ratio turned slightly positive

With our updated estimates, the P/E ratios for Nurminen, adjusted for PPA amortizations, are approximately 11x and 8x for 2025 and 2026. The earnings-based valuation is thus within our accepted multiple range (P/E 9x-12x) for the current year, while being slightly below it for next year.

Correspondingly, with the profit warning, we see the justified valuation of the stock having decreased to the lower end of the range (previously the midpoint) due to increased uncertainty (incl. growth in required return). This is especially related to the Baltic operations and partly to the growth outlook for international rail transport (especially Essinge). However, we still expect the company to achieve a high return on capital, driven by North Rail, and our confidence in the sustainability of the company's margin levels remains unchanged in the medium term (incl. recently renewed contracts). We believe the acceptable valuation is still depressed by the prominent role of North Rail in earnings generation with the contraction of the Baltic business, as well as uncertainty regarding the sustainability of North Rail's current performance in the long term. The risk level is also sustained by globally elevated geopolitical risks and their impacts on the economy, as well as binary risks related to North Rail and the Baltic business, which for the latter have also partially materialized. In our view, the probability of risks related to North Rail is low, but if they materialize, their impact would be very significant. In our view, an increase in acceptable valuation would require a broadening of the earnings distribution.

However, we believe the risk level has decreased due to the company's current strong cash flow generation capability and strengthened balance sheet, which enables acquisitions already in the short term. Thus, we see sufficient upside in the earnings-based valuation looking ahead to next year. We

believe the company's financial position and cash flow enable a good level of profit distribution (dividend yield of 4-6% in the coming years) without major inorganic growth initiatives.

Expected total return in the medium term

Assuming Nurminen's earnings development progresses in line with our expectations, we believe the stock could justifiably be priced at around 9-11x with the realized earnings at the end of 2027 if no significant changes occur in market pricing or interest rates. This would be equivalent to a value of some EUR 1.1-1.3 per share. Converted to an annual return, this would correspond to an average of 10%, in addition to which we estimate the share offers an average annual baseline return of around 5% through the dividend. Thus, the medium-term total expected return is above the required return on equity of 11.5% we apply.

Option to restore the China link

Currently, investors also get an option on the potentially significant recovery of the northern route. However, we still find it difficult to rely on the normalization of the operating environment for the northern route (incl. customer behavior). On the other hand, Nurminen has increased its offering, customer base, and geographical coverage after the suspension of the northern route. Reflecting this, we see that its longer-term potential in a positive scenario has clearly grown, but we do not believe this can be given significant weight due to the geopolitical situation.

DCF value at around target price level

The good EUR 1.1 per share level indicated by our conservative (i.e., long-term profitability forecasts clearly below the current level) DCF calculation continues to support our positive view of the share, also considering the company's current earnings level.

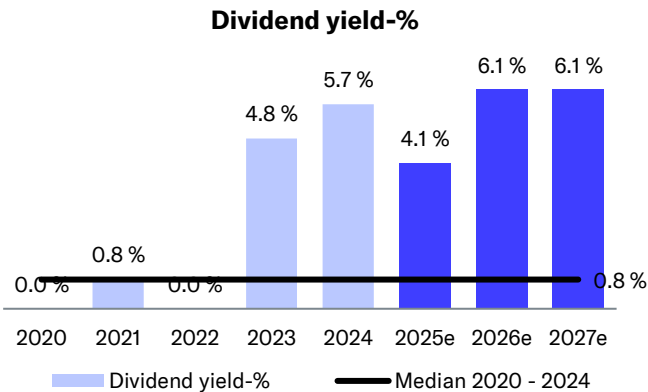
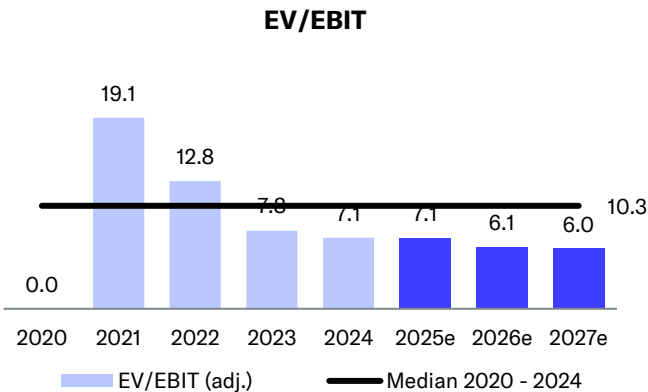
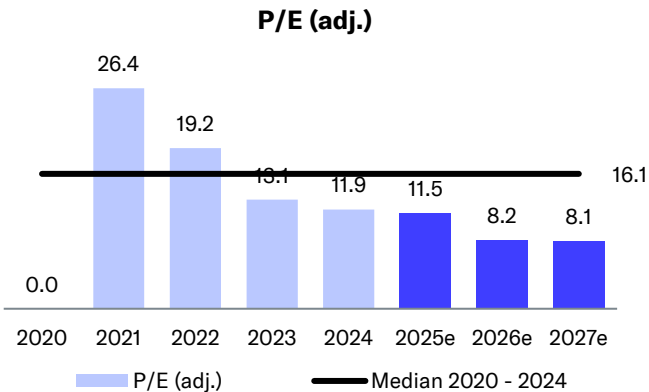
Valuation	2025e	2026e	2027e
Share price	0.98	0.98	0.98
Number of shares, millions	80.7	80.7	80.7
Market cap	79	79	79
EV	130	121	113
P/E (adj.)	11.5	8.2	8.1
P/E	13.8	8.7	8.7
P/B	2.4	2.0	1.8
P/S	0.7	0.7	0.6
EV/Sales	1.2	1.0	0.9
EV/EBITDA	5.2	4.6	4.4
EV/EBIT (adj.)	7.1	6.1	6.0
Payout ratio (%)	56.5 %	53.6 %	53.1 %
Dividend yield-%	4.1 %	6.1 %	6.1 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	0.45	1.96	0.60	1.26	1.05	0.98	0.98	0.98	0.98
Number of shares, millions	44.6	77.1	78.0	78.1	78.2	80.7	80.7	80.7	80.7
Market cap	20	151	47	98	82	79	79	79	79
EV	106	194	88	168	135	130	121	113	106
P/E (adj.)	neg.	26.4	19.2	13.1	11.9	11.5	8.2	8.1	8.1
P/E	neg.	12.8	neg.	6.9	11.6	13.8	8.7	8.7	8.7
P/B	7.3	10.0	3.6	3.6	2.5	2.4	2.0	1.8	1.6
P/S	0.2	1.1	0.4	0.8	0.8	0.7	0.7	0.6	0.6
EV/Sales	1.3	1.4	0.7	1.3	1.3	1.2	1.0	0.9	0.8
EV/EBITDA	22.1	15.4	14.1	4.4	5.5	5.2	4.6	4.4	4.3
EV/EBIT (adj.)	>100	19.1	12.8	7.8	7.1	7.1	6.1	6.0	5.7
Payout ratio (%)	0.0 %	10.5 %	0.0 %	32.7 %	66.1 %	56.5 %	53.6 %	53.1 %	53.0 %
Dividend yield-%	0.0 %	0.8 %	0.0 %	4.8 %	5.7 %	4.1 %	6.1 %	6.1 %	6.1 %

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
Kuehne + Nagel	21767	24804	15.2	14.9	9.7	9.4	0.9	0.9	18.6	18.1	4.3	4.3	6.2
DSV	49552	49201	18.5	14.9	12.6	10.1	1.5	1.3	27.7	22.0	0.5	0.5	2.9
Hapag Lloyd	23077	21881	29.4	89.7	7.6	9.3	1.2	1.3	32.8	29.8	1.3	1.9	1.3
Id Logistics	2911	4007	24.3	21.7	6.8	6.2	1.1	1.0	42.4	34.6			4.3
Nurminen Logistics (Inderes)	79	130	7.1	6.1	5.2	4.6	1.2	1.0	11.5	8.2	4.1	6.1	2.4
Average			21.9	35.3	9.2	8.8	1.2	1.1	30.4	26.1	2.1	2.2	3.7
Median			21.4	18.3	8.6	9.4	1.2	1.1	30.3	25.9	1.3	1.9	3.6
Diff-% to median			-67%	-66%	-40%	-51%	1%	-9%	-62%	-68%	205%	231%	-34%

Source: Refinitiv / Inderes

Income statement

Income statement	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	123	128	35.2	22.5	24.2	22.9	105	32.4	27.9	23.8	26.7	111	119	122	127
Group	123	128	35.2	22.5	24.2	22.9	105	32.4	27.9	23.8	26.7	111	119	122	127
EBITDA	6.2	38.4	7.3	4.6	8.6	4.2	24.7	8.1	5.8	5.5	5.7	25.2	26.4	25.4	24.5
Depreciation	-2.8	-5.3	-1.4	-1.3	-1.0	-1.7	-5.4	-1.9	-1.9	-2.3	-2.1	-8.2	-7.6	-7.4	-6.9
EBIT (excl. NRI)	6.9	21.5	5.9	4.0	5.6	3.7	19.1	6.5	4.3	3.8	3.9	18.5	19.6	18.8	18.4
EBIT	3.4	33.1	5.9	3.4	7.6	2.5	19.3	6.2	3.9	3.2	3.7	17.0	18.8	18.0	17.6
Net financial items	-1.5	-3.7	-0.8	-0.9	-0.8	-0.6	-3.1	-1.7	-1.2	-1.0	-0.8	-4.7	-3.0	-2.2	-1.7
PTP	1.9	29.3	5.1	2.4	6.8	1.9	16.2	4.5	2.7	2.2	2.9	12.3	15.8	15.8	15.9
Taxes	-0.5	-6.1	-0.2	-2.7	-0.1	-0.2	-3.1	-1.5	-0.6	-0.6	-0.5	-3.1	-3.2	-3.0	-3.0
Minority interest	-2.5	-8.9	-2.5	-0.6	-1.6	-1.3	-6.0	-1.4	-0.7	-0.7	-0.8	-3.5	-3.6	-3.7	-3.7
Net earnings	-1.0	14.3	2.4	-0.9	5.1	0.5	7.1	1.7	1.5	1.0	1.6	5.7	9.0	9.1	9.1
EPS (adj.)	0.03	0.10	0.03	-0.01	0.04	0.02	0.09	0.02	0.02	0.02	0.02	0.09	0.12	0.12	0.12
EPS (rep.)	-0.01	0.18	0.03	-0.01	0.07	0.01	0.09	0.02	0.02	0.01	0.02	0.07	0.11	0.11	0.11

Key figures	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-13.3 %	4.4 %	40.3 %	-28.8 %	-4.0 %	-50.3 %	-18.1 %	-7.8 %	23.9 %	-1.3 %	16.6 %	5.8 %	7.0 %	2.6 %	4.5 %
Adjusted EBIT growth-%		212.1 %	61.3 %	-29.4 %	-20.3 %	-30.1 %	-11.3 %	10.6 %	9.0 %	-31.5 %	4.9 %	-3.1 %	6.4 %	-4.1 %	-2.4 %
EBITDA-%	5.1 %	30.0 %	20.7 %	20.5 %	35.4 %	18.5 %	23.6 %	25.1 %	20.8 %	23.2 %	21.5 %	22.7 %	22.3 %	20.9 %	19.3 %
Adjusted EBIT-%	5.6 %	16.8 %	16.7 %	17.5 %	23.0 %	16.1 %	18.2 %	20.0 %	15.4 %	16.0 %	14.5 %	16.6 %	16.6 %	15.5 %	14.4 %
Net earnings-%	-0.8 %	11.2 %	6.9 %	-4.2 %	21.2 %	2.1 %	6.8 %	5.2 %	5.3 %	4.0 %	6.0 %	5.2 %	7.6 %	7.5 %	7.2 %

Source: Inderes

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

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	88.0	70.1	66.5	62.5	58.9
Goodwill	0.9	7.4	7.4	7.4	7.4
Intangible assets	1.3	6.2	5.4	4.7	3.9
Tangible assets	77.2	51.0	48.1	44.9	42.0
Associated companies	0.2	0.1	0.1	0.1	0.1
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	1.0	0.1	0.1	0.1	0.1
Deferred tax assets	7.5	5.4	5.4	5.4	5.4
Current assets	25.8	31.4	32.6	28.9	29.6
Inventories	1.1	1.1	1.2	1.3	1.3
Other current assets	0.0	1.1	1.1	1.1	1.1
Receivables	11.9	12.9	13.6	14.6	15.0
Cash and equivalents	12.8	16.3	16.6	11.9	12.2
Balance sheet total	114	102	99.1	91.4	88.5

Source: Inderes

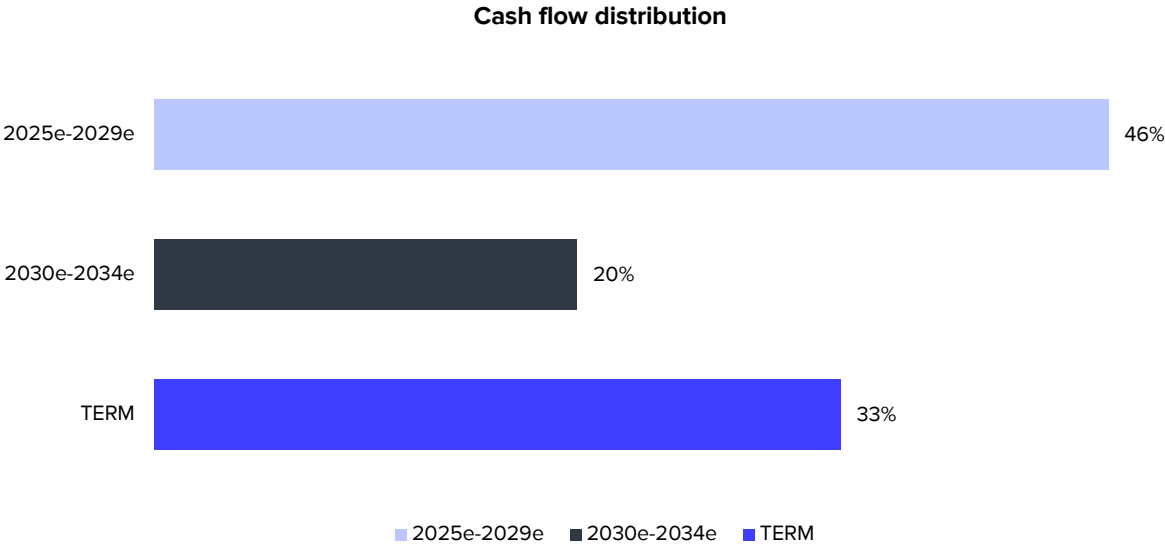
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	45.9	41.2	42.2	48.0	52.3
Share capital	4.2	4.2	4.2	4.2	4.2
Retained earnings	-14.8	-7.3	-6.3	-0.5	3.8
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	38.0	35.7	35.7	35.7	35.7
Minorities	18.4	8.6	8.6	8.6	8.6
Non-current liabilities	30.0	36.8	31.1	22.9	16.9
Deferred tax liabilities	2.8	1.6	1.6	1.6	1.6
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	27.2	35.1	29.4	21.2	15.2
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.1	0.0	0.0	0.0	0.0
Current liabilities	37.9	23.6	25.8	20.5	19.3
Interest bearing debt	21.2	10.7	12.3	6.1	4.6
Payables	16.5	11.7	12.4	13.3	13.6
Other current liabilities	0.1	1.2	1.2	1.2	1.2
Balance sheet total	114	102	99.1	91.4	88.5

DCF-calculation

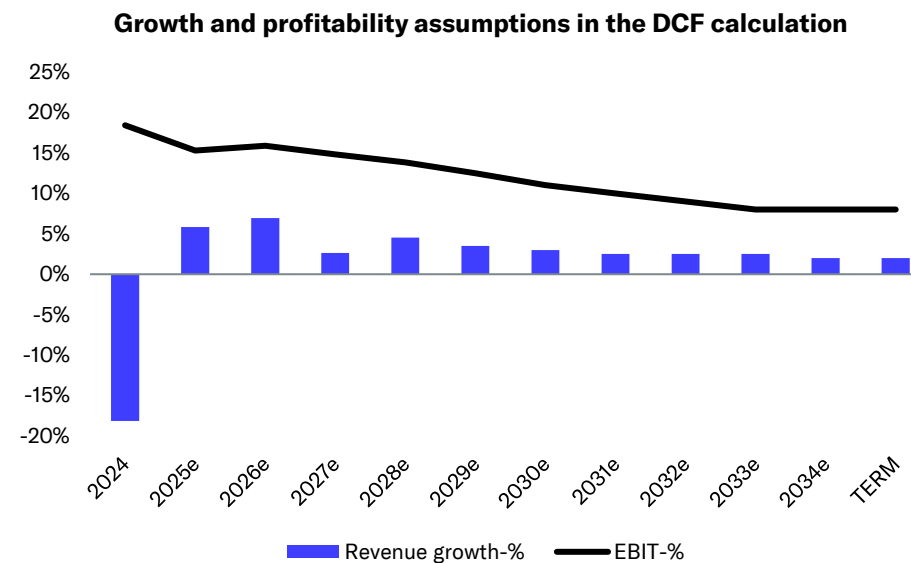
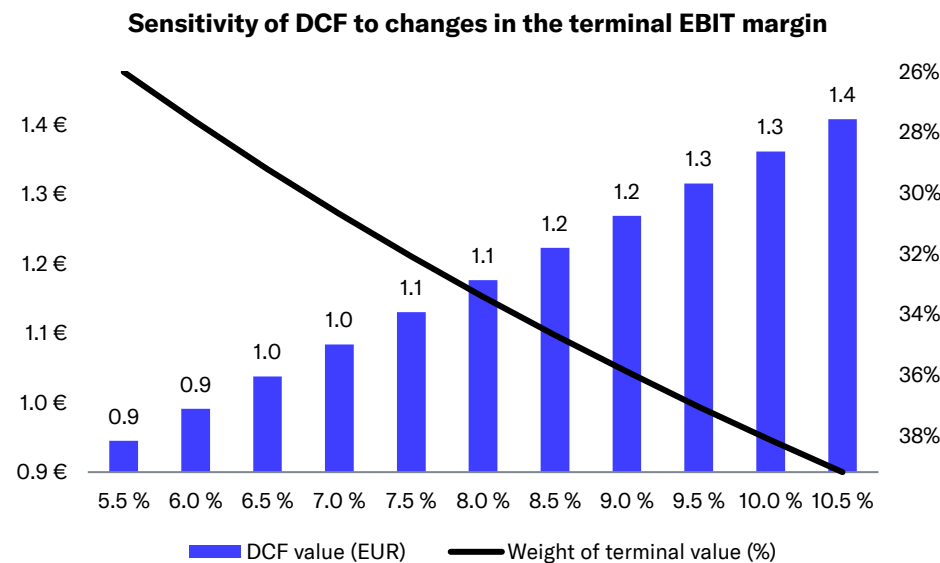
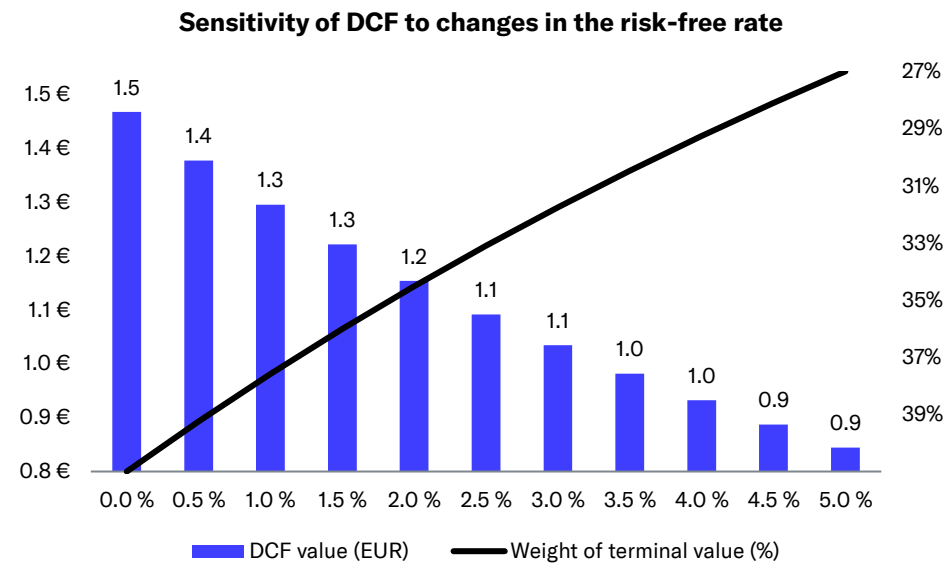
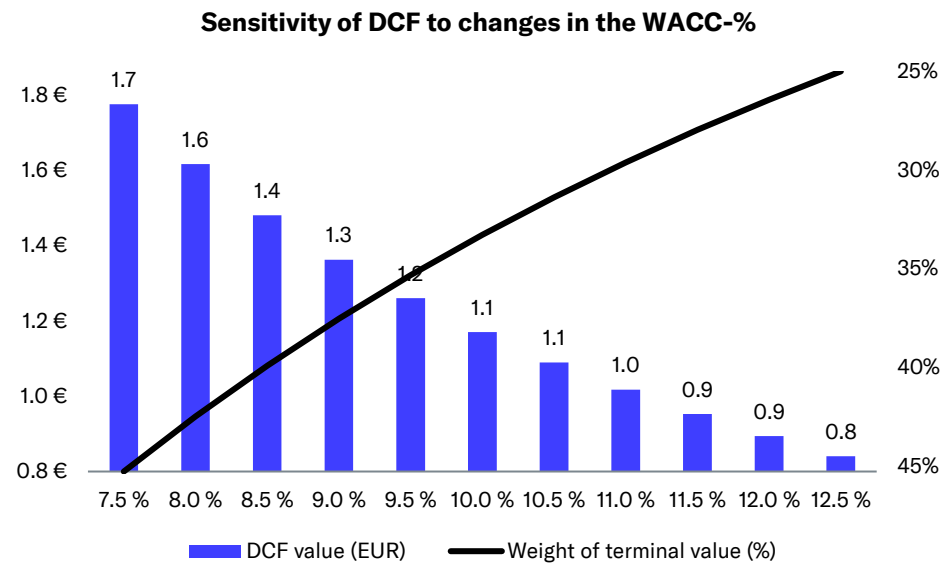
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-18.1 %	5.8 %	7.0 %	2.6 %	4.5 %	3.5 %	3.0 %	2.5 %	2.5 %	2.5 %	2.0 %	2.0 %
EBIT-%	18.4 %	15.3 %	15.9 %	14.8 %	13.8 %	12.5 %	11.0 %	10.0 %	9.0 %	8.0 %	8.0 %	8.0 %
EBIT (operating profit)	19.3	17.0	18.8	18.0	17.6	16.5	14.9	13.9	12.8	11.7	11.9	
+ Depreciation	5.4	8.2	7.6	7.4	6.9	6.7	6.6	6.1	5.8	5.5	5.3	
- Paid taxes	-2.2	-3.1	-3.2	-3.0	-3.0	-2.9	-2.6	-2.4	-2.2	-2.0	-2.0	
- Tax, financial expenses	-0.6	-1.2	-0.6	-0.4	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	
+ 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	-5.8	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
Operating cash flow	16.0	20.8	22.4	21.9	21.0	19.9	18.6	17.3	16.1	14.9	14.9	
+ 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	10.3	-4.6	-3.6	-3.7	-3.8	-5.0	-4.0	-4.1	-4.2	-4.2	-5.4	
Free operating cash flow	26.3	16.2	18.8	18.2	17.2	14.9	14.6	13.2	11.9	10.7	9.5	
+/- Other	-15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	11.3	16.2	18.8	18.2	17.2	14.9	14.6	13.2	11.9	10.7	9.5	121
Discounted FCFF		15.9	16.8	14.8	12.7	10.0	8.9	7.3	6.0	4.9	4.0	50.5
Sum of FCFF present value		152	136	119	104	91.6	81.6	72.7	65.3	59.3	54.4	50.5
Enterprise value DCF		152										
- Interest bearing debt		-46										
+ Cash and cash equivalents		16										
-Minorities		-26										
-Dividend/capital return		-4.7										
Equity value DCF		91.4										
Equity value DCF per share		1.13										

WACC	
Tax-% (WACC)	19.5 %
Target debt ratio (D/(D+E))	30.0 %
Cost of debt	8.0 %
Equity Beta	1.60
Market risk premium	4.75%
Liquidity premium	1.40%
Risk free interest rate	2.5 %
Cost of equity	11.5 %
Weighted average cost of capital (WACC)	10.0 %

Source: Inderes



DCF sensitivity calculations and key assumptions in graphs



Source: Inderes. NB! The terminal value weight (%) is presented on a reverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	122.5	128.0	104.8	110.9	118.6	EPS (reported)	-0.01	0.18	0.09	0.07	0.11
EBITDA	6.2	38.4	24.7	25.2	26.4	EPS (adj.)	0.03	0.10	0.09	0.09	0.12
EBIT	3.4	33.1	19.3	17.0	18.8	OCF / share	0.08	0.47	0.21	0.26	0.28
PTP	1.9	29.3	16.2	12.3	15.8	FCF / share	0.07	-0.03	0.14	0.20	0.23
Net Income	-1.0	14.3	7.1	5.7	9.0	Book value / share	0.17	0.35	0.42	0.42	0.49
Extraordinary items	-3.5	11.6	0.2	-1.5	-0.8	Dividend / share	0.00	0.06	0.06	0.04	0.06
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	69.7	113.8	101.5	99.1	91.4	Revenue growth-%	-13%	4%	-18%	6%	7%
Equity capital	24.1	45.9	41.2	42.2	48.0	EBITDA growth-%	-51%	518%	-36%	2%	5%
Goodwill	0.9	0.9	7.4	7.4	7.4	EBIT (adj.) growth-%	-32%	212%	-11%	-3%	6%
Net debt	28.9	35.6	29.5	25.0	15.4	EPS (adj.) growth-%	-58%	210%	-8%	-3%	40%
						EBITDA-%	5.1 %	30.0 %	23.6 %	22.7 %	22.3 %
Cash flow	2022	2023	2024	2025e	2026e	EBIT (adj.)-%	5.6 %	16.8 %	18.2 %	16.6 %	16.6 %
EBITDA	6.2	38.4	24.7	25.2	26.4	EBIT-%	2.8 %	25.9 %	18.4 %	15.3 %	15.9 %
Change in working capital	1.0	2.6	-5.8	-0.2	-0.2	ROE-%	-7.4 %	70.9 %	23.6 %	17.3 %	24.8 %
Operating cash flow	6.2	36.4	16.0	20.8	22.4	ROI-%	5.6 %	43.1 %	21.3 %	19.9 %	23.7 %
CAPEX	-1.0	-38.6	10.3	-4.6	-3.6	Equity ratio	34.7 %	41.8 %	40.7 %	44.4 %	54.9 %
Free cash flow	5.3	-2.2	11.3	16.2	18.8	Gearing	119.8 %	77.6 %	71.7 %	59.4 %	32.2 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	0.7	1.3	1.3	1.2	1.0						
EV/EBITDA	14.1	4.4	5.5	5.2	4.6						
EV/EBIT (adj.)	12.8	7.8	7.1	7.1	6.1						
P/E (adj.)	19.2	13.1	11.9	11.5	8.2						
P/B	3.6	3.6	2.5	2.4	2.0						
Dividend-%	0.0 %	4.8 %	5.7 %	4.1 %	6.1 %						

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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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

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
1/9/2018	Reduce	0.56 €	0.58 €
3/9/2018	Reduce	0.52 €	0.54 €
6/6/2018	Reduce	0.50 €	0.49 €
8/10/2018	Reduce	0.42 €	0.45 €
12/19/2018	Reduce	0.27 €	0.28 €
3/11/2019	Sell	0.27 €	0.35 €
8/7/2019	Sell	0.27 €	0.30 €
8/12/2019	Sell	0.25 €	0.27 €
3/9/2020	Sell	0.25 €	0.28 €
8/10/2020	Sell	0.25 €	0.34 €
3/8/2021	Sell	0.35 €	0.70 €
8/4/2021	Sell	0.45 €	1.16 €
8/9/2021	Reduce	1.10 €	1.21 €
Analyst changed			
11/19/2021	Accumulate	1.70 €	1.53 €
3/4/2022	Accumulate	1.25 €	1.10 €
4/19/2022	Reduce	1.25 €	1.28 €
8/5/2022	Accumulate	1.00 €	0.83 €
11/16/2022	Reduce	0.70 €	0.73 €
2/15/2023	Accumulate	1.10 €	0.98 €
3/2/2023	Accumulate	1.10 €	0.91 €
5/29/2023	Buy	1.40 €	1.04 €
8/4/2023	Buy	1.40 €	0.99 €
10/23/2023	Buy	1.25 €	0.85 €
1/25/2024	Accumulate	1.40 €	1.25 €
3/1/2024	Accumulate	1.40 €	1.23 €
4/26/2024	Accumulate	1.40 €	1.20 €
7/30/2024	Accumulate	1.05 €	0.90 €
8/5/2024	Accumulate	1.05 €	0.88 €
10/30/2024	Buy	1.05 €	0.84 €
11/12/2024	Buy	1.20 €	0.97 €
2/28/2025	Accumulate	1.20 €	1.10 €
4/25/2025	Accumulate	1.20 €	1.10 €
6/16/2025	Accumulate	1.20 €	1.04 €
8/1/2025	Accumulate	1.20 €	1.11 €
10/24/2025	Accumulate	1.10 €	0.98 €



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