

KH GROUP

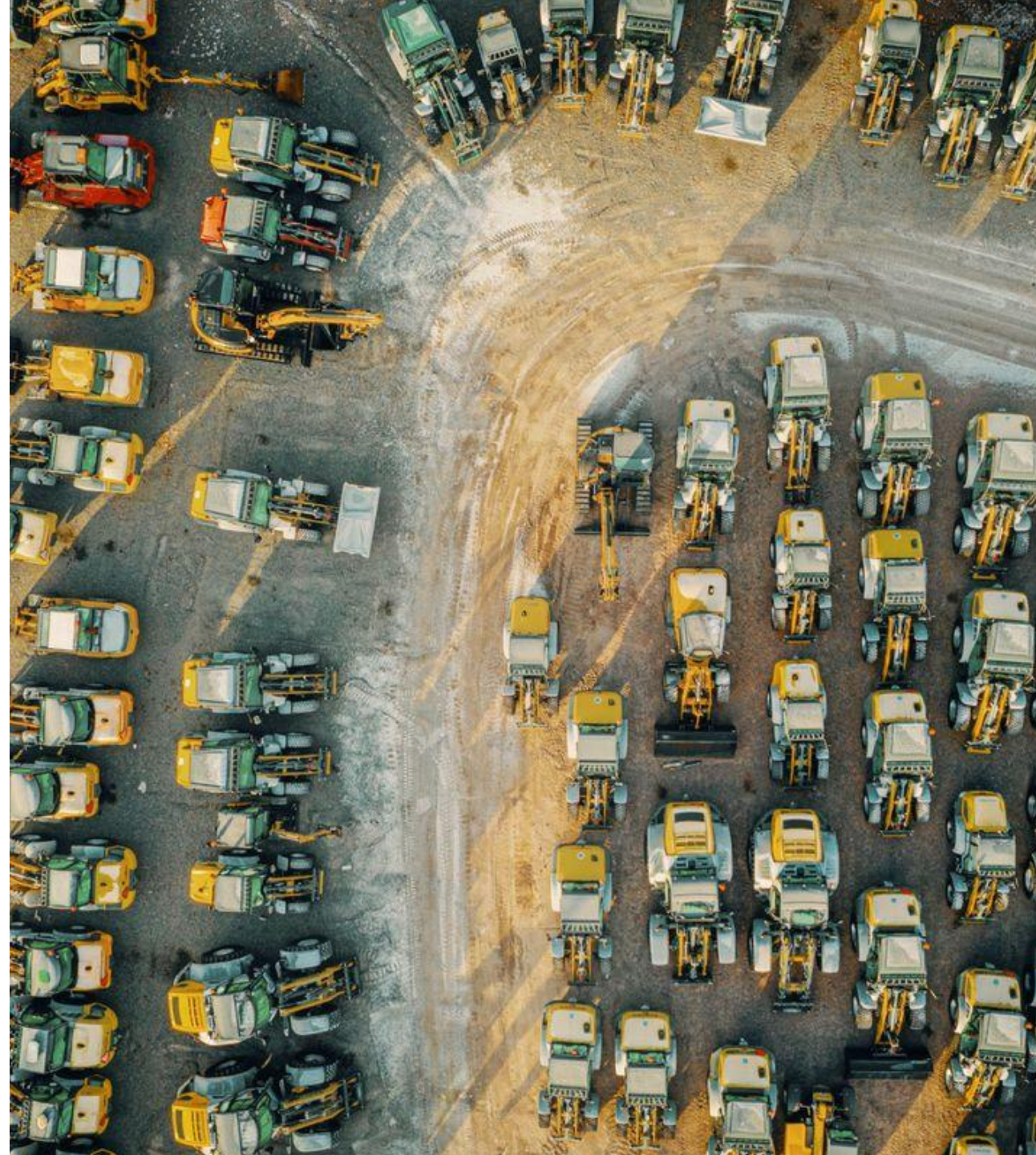
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INDERES CORPORATE CUSTOMER COMPANY REPORT



The story is taking shape

The change of CEO at KH-Koneet and the integration of NRG into the group's strategy stole the spotlight on KH Group's earnings day. In our opinion, the decision of KH-Koneet's founder and CEO to step down from the company's operational duties is a clear setback. Although KH Group has considerable potential over the cycle, driving the turnaround and improving the quality of the Swedish business under the new CEO will raise the risk profile of the investment story, in our view. We reiterate our Reduce recommendation and revise our target price to EUR 0.50 (previously EUR 0.52).

Good growth in continuing operations

KH Group issued a profit warning in September, meaning that the main features of the Q3 report were fairly well established. Both KH-Koneet and NRG achieved good growth, though KH-Koneet's profitability weakened year-on-year due to the decline in the Finnish machine rental business. On a positive note, the challenges faced by Swedish machine rental in Q2 seem to be in the past, though the performance of KH-Koneet's various businesses has unfortunately been volatile this year. NRG achieved cautious earnings growth, supported by increased revenue in a seasonally quiet quarter. Although Indoor Group's revenue declined sharply, the company managed to protect its profitability better than expected, improving relative profitability from the comparison period with recovered gross margins and efficiency measures.

Earnings day came with surprises

KH Group's earnings day brought two key surprises: 1) KH-Koneet's founder and CEO, Teppo Sakari, has decided to step down from his operational role in the company and 2) NRG will be integrated into the group's strategy. We have described Sakari as a key person for KH-Koneet, and now the risk associated with this key person is materializing at a very difficult time. Amid a challenging economic cycle, KH-Koneet's profitability is under pressure, and despite its good size, the Swedish machine

dealership is not yet creating value. We assess that incorporating NRG into the strategy means, in practice, that the KH Group will no longer actively seek to sell the company. We assume that the views of the KH Group and potential buyers on NRG's value simply do not coincide, leading to this decision. NRG's financial performance is strong, it has a healthy order book, and the KH Group has no urgent need to sell the company. In this context, holding on to the company seems like a better option than selling at a low price, even though the erratic strategy undermines its credibility.

Big-picture forecasts unchanged

Our estimate changes for the next few years are minimal. We see significant earnings growth potential at KH-Koneet, supported by the cyclical recovery of the construction sector. While the Finnish business is clearly value-creating in our books, KH-Koneet needs to improve the profitability of its machine dealership in Sweden for growth abroad to be value-creating. With the upcoming change in CEO, we believe the associated risk has increased. As in the current year, we expect NRG to perform very strongly in 2026, after which profitability will moderate and be pushed closer to historical levels in our forecasts as demand normalizes. For NRG, we believe that the company's ability to grow in export markets is essential when considering its future, over-cycle normalized profitability.

Horizon of valuation is too distant

Based on our current year's estimates, KH Group's EV/EBIT multiple is very high at 20x, and even with our forecasts accounting for a significant earnings improvement next year, it remains high at 14x. However, due to KH Group's relatively low profitability and significant financial leverage, an earnings-based valuation is sensitive to even small changes in forecasts. Our DCF model, which indicates longer-term potential, implies a value of EUR 0.51 per share for the group. However, the model relies on sustainable profitability improvements.

Recommendation

Reduce

(was Reduce)

Target price:

EUR 0.50

(was EUR 0.52)

Share price:

EUR 0.46

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	194	200	214	236
growth-%	-52%	3%	7%	11%
EBIT adj.	7.2	5.4	6.9	9.2
EBIT-% adj.	3.7 %	2.7 %	3.2 %	3.9 %
PTP	1.6	0.3	2.1	4.7
Net Income	6.7	-0.2	1.1	3.4
EPS (adj.)	-0.40	0.01	0.02	0.06
Dividend	0.00	0.00	0.00	0.00

P/E (adj.)	neg.	36.2	23.4	7.9
P/B	0.6	0.5	0.5	0.5
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	14.2	19.8	13.8	10.3
EV/EBITDA	5.0	5.6	4.4	4.0
EV/S	0.5	0.5	0.4	0.4

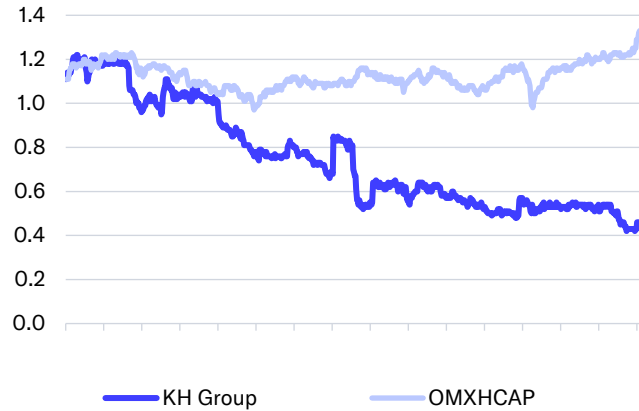
Source: Inderes

Guidance

(Unchanged)

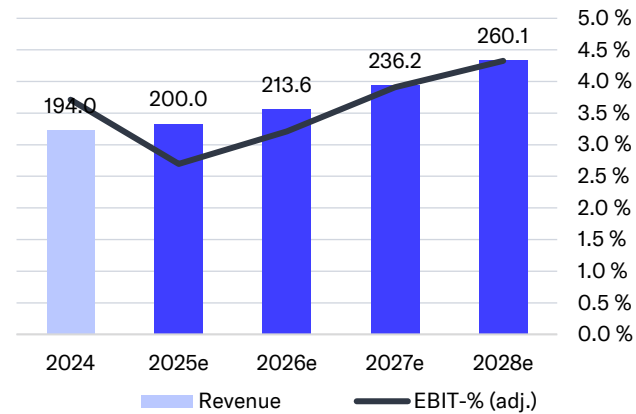
KH Group estimates that in 2025, the revenue from continuing operations will be 190-200 MEUR and the comparable EBIT will be 5-6 MEUR.

Share price



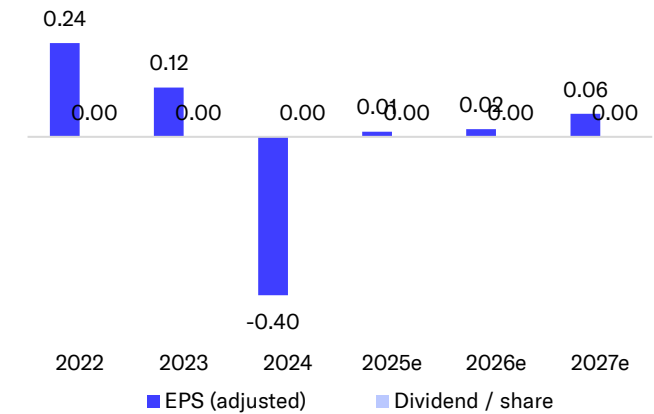
Source: Millstream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Systematic development of holdings
- M&A transaction
- Dismantling the current ownership structure

Risk factors

- Deteriorating economic situation
- Among the portfolio companies, especially Indoor Group and KH-Koneet Group are cyclical
- Indoor's balance sheet risk
- Tightening competitive situation
- Postponement of sensible exit opportunities due to weak capital markets

Valuation	2025e	2026e	2027e
Share price	0.46	0.46	0.46
Number of shares, millions	58.1	58.1	58.1
Market cap	27	27	27
EV	107	95	95
P/E (adj.)	36.2	23.4	7.9
P/E	neg.	23.4	7.9
P/B	0.5	0.5	0.5
P/S	0.1	0.1	0.1
EV/Sales	0.5	0.4	0.4
EV/EBITDA	5.6	4.4	4.0
EV/EBIT (adj.)	19.8	13.8	10.3
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Growth a surprise, profitability mixed

Development was uneven

Following the profit warning issued in September, expectations for the KH Group's Q3 report were low, and the subsidiaries performed fairly well under the circumstances. KH-Koneet's Q3 revenue grew 13% to 37.9 MEUR, exceeding our forecast of 35.3 MEUR. Based on this growth, it is clear that the company gained market share during the quarter. The review period for the Swedish operations was reported to be significantly stronger than last year, with increases in both revenue and EBIT year-on-year. According to the company, Sweden's machine rental, which performed poorly in Q2, developed well in Q3, and the recovery in performance is clearly a positive development. During the quarter, however, KH-Koneet faced challenges in Finland, where revenue grew, but EBIT fell short of last year's level. The company reported that it was a difficult quarter for rental operations in Finland, which were negatively affected not only by the quiet summer months but also the sales of used rental equipment being lower than in the comparison period.

NRG's revenue grew by 23% in Q3, which clearly exceeded our 6.6 MEUR estimate. The growth of revenue was due to the larger delivery volumes of Saurus and a year-on-year increase in invoicing for vehicle chassis. However, Sala Brand's revenue was slightly lower than in the comparison period. Some of NRG's sales are very low-margin, so it is more relevant to monitor the company's development at the EBIT level. The EBIT of 0.2 MEUR was in line with our expectations. NRG is said to have a good outlook for deliveries of rescue vehicles until the end of next year, and the order books for 2027 are also filling up at a good rate.

Although Indoor Group's revenue declined more sharply than we expected, the company was able to improve its relative profitability, and its earnings exceeded our forecast. Considering the sharp decline in revenue, the result level of 1.5 MEUR was surprisingly strong. According to the company, sales margins were higher than in the comparison period, and the change negotiations held last year also supported profitability. However, the impact of the change

negotiations held in June 2025 was limited. In our view, Indoor Group's encouraging quarter improves KH Group's chances of completing the sale of Indoor. KH Group aims to complete the sale by the end of this year. At the end of the review period, Indoor Group did not fulfill its covenant terms, but the financing provider has agreed not to demand repayment of the loans until March 31, 2026.

Balance sheet position could be stronger

At the end of the quarter, KH Group's interest-bearing net debt from continuing operations amounted to 79.4 MEUR, a high level of 4.1x relative to comparable EBIT over the previous 12 months. For January–September, KH Group's cash flow from operating activities was at a good level of 9.0 MEUR. However, the impact of discontinued operations, i.e., the effect of Indoor Group's reduction of its store network, was 11.8 MEUR, resulting in negative cash flow from continuing operations for the current year.

Revenue	Q3'24	Q3'25	Q3'25e	Growth	Growth	Difference (%)	2025e
MEUR	Comparison	Actualized	Inderes	Estimate	Act.	Act. vs. inderes	Estimate
Indoor Group	46.0		36.8	-20%			133
KH-Koneet Group	33.6		35.3	5%			157
Nordic Rescue Group	6.1		6.6	8%			43
Adj. EBIT (IFRS)	Q3'24	Q3'25	Q3'25e	Growth	Growth	Difference (%)	2025e
MEUR	Comparison	Actualized	Inderes	Estimate	Act.	Act. vs. inderes	Estimate
Indoor Group	1.8		1.0	-43%	-17%	46%	-3.6
KH-Koneet Group	1.9		1.7	-8%	-21%	-14%	4.7
Nordic Rescue Group	0.0		0.2			1%	3.2
Unallocated costs	-0.4		-0.6				-2.4

Source: Inderes. NOTE: The figures for the comparison period are pro forma

Big picture of estimates remains unchanged

Guidance reiterated as expected

As expected, KH Group reiterated its guidance of 190-200 MEUR revenue and 5-6 MEUR comparable EBIT. In our view, the guidance appears cautious regarding revenue, and our updated revenue estimate is right at the upper end of the guidance. Our comparable EBIT estimate is at the mid-point of the guidance at 5.4 MEUR. While achieving the guidance is a clear baseline scenario for us, it leaves no room for KH-Koneet to perform at the level seen in Q2.

A lot of new information in the interim report

The biggest surprise for us in the interim report was the decision by Teppo Sakari, founder and CEO of KH-Koneet, to step down from his operational duties at the company in the first half of 2026. In our opinion, the company's business operations in Finland are somewhat personified by Sakari, who has built KH-Koneet into a truly high-quality player in its domestic market. We think the new CEO has

some really big shoes to fill. The challenge of changing the baton is compounded by the weak business environment and Swedish machine dealership, whose profitability level needs improvement.

KH Group's interim report featured a headline announcing the integration of rescue vehicles into its strategy. NRG will no longer be actively marketed for sale, though we believe the company is still available at the right price. There are no plans to integrate KH-Koneet and NRG, and we do not expect the group to seek full ownership of the company. If offers for the company are clearly below the KH Group's view of its value, forcing a sale is not reasonable.

Estimate changes for the next few years are minimal

We see significant earnings growth potential at KH-Koneet in the coming years, driven by the cyclical recovery of the construction sector. Meanwhile, we expect NRG to continue its strong performance next year, after which the

company's earnings will normalize to a more moderate level, in our estimation, as strong demand eases. We believe that the company's export successes could boost its normalized revenue and performance in the longer term, but we would like to see more evidence of this from the company at this stage.

Our estimate changes for the next few years are moderate. We have slightly raised NRG's growth expectations, buoyed by the company's strong growth and robust order book. As for KH-Koneet, we have slightly lowered our earnings estimate for next year due to the Q3 earnings miss. Despite the limited changes in forecasts, we believe that the risks related to KH-Koneet's performance have increased following the announced change in CEO. According to interviews with management, KH-Koneet is reviewing both internal and external successor options, indicating that the company did not have an internal contingency plan for this situation.

Estimate revisions	2025e	2025e	Muutos	2026e	2026e	Muutos	2027e	2027e	Muutos
Revenue (MEUR)	Old	New	%	Old	New	%	Old	New	%
Indoor Group	136	133	-2%	138	135	-2%	141	138	-2%
KH Koneet	156	157	1%	167	168	1%	190	192	1%
NRG	42.1	42.8	2%	44.6	45.4	2%	43.3	44.5	3%
Adj. EBIT (MEUR)									
Indoor Group	-4.1	-3.6		1.7	1.6	-2%	3.1	3.0	-2%
KH Koneet	5.2	4.7	-9%	6.5	6.3	-3%	9.0	9.0	0%
NRG	3.1	3.2	5%	2.9	3.0	2%	2.2	2.2	3%
Unallocated costs	-2.5	-2.4		-2.0	-2.0	0%	-1.9	-1.9	0%

Source: Inderes

Valuation does not encourage risk-taking quite yet

KH-Koneet's historical track record becoming increasingly difficult to rely on

In KH Group's case, it's easy to imagine a scenario in which KH-Koneet's performance recovers toward historical levels, enabling significant earnings growth and a repricing of the share. Although KH-Koneet has a strong historical track record, relying on it is becoming more difficult, in our view, due to recent developments, the poorly performing Swedish machine dealership, and the announced CEO change. However, these factors, together with the complex group structure of KH Group and the long (and expensive) restructuring journey, lead us to take a cautious stance on the share at this stage.

Earnings-based valuation requires too much patience

KH Group's earnings-based valuation is very high with our 2025-2026 estimates and only appears neutral with our 2027 estimates, which rely on a significant earnings improvement. The company's accepted valuation level is elevated in the short term due to cyclically pressured profitability. Nevertheless, the multiples for the coming years still seem high considering the current downward earnings trend and the upcoming CEO change in the group's most important business. Due to KH Group's significant leverage, the value of equity is highly sensitive to changes in the company's performance. Together with the company's variable earnings performance and KH-Koneet's cyclical business, this makes an accurate valuation difficult.

The group's earnings-based multiples do not consider Indoor Group, classified as an asset held for sale. In our view, Indoor Group can no longer be valued due to its weak earnings performance and indebted balance sheet. The company's exit from the group would presumably be a

relief for investors, as this would ensure that management's time or resources are not unnecessarily spent on the company and that the parent company does not allocate new capital to the company. During our interview, KH Group's CEO did not want to rule out the possibility of further capitalization of Indoor Group by the KH Group. We understand that the company does not want to restrict itself in the Indoor Group's divestment process, but allocating capital to Indoor has historically been a disastrous decision. Additionally, the integration of NRG into the group's strategy has, for the time being, removed one of the near-term price drivers of the share.

The DCF model indicates the value over the cycle

Our DCF model, which reflects the potential of KH Group's continuing businesses, indicates a value of EUR 0.51 per share. In connection with the report, we have increased the required return on capital for the share to 9.1% (was 8.9%), as the change in KH-Koneet's CEO increases our perception of risk related to the estimates. The model considers the company's normalized potential over the longer-term cycle. We assume KH Group's EBIT margin will normalize to a higher level of 5.5% compared to recent years, as KH-Koneet's Swedish operations mature, the rapid growth rate stabilizes, and the weight of machine rental, which has a higher relative profitability profile, increases. We believe it is clear that a recovery in the demand environment would also support a strengthening of relative profitability. Looking further ahead, however, strengthening the profitability of the Swedish business plays a critical role in enabling growth-driven value creation. However, in our view, it is challenging to fully rely on the long-term potential as KH-Koneet's profitability is developing in the wrong direction and due to the company's upcoming CEO change.

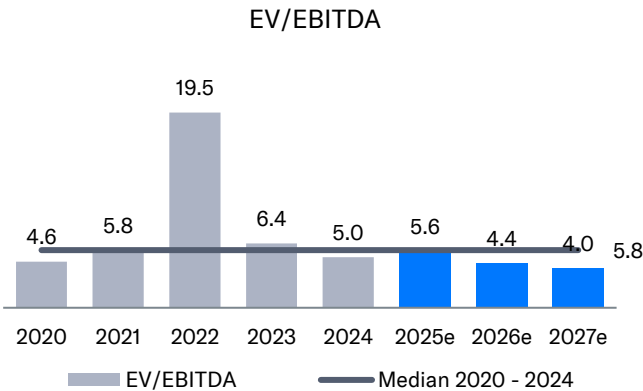
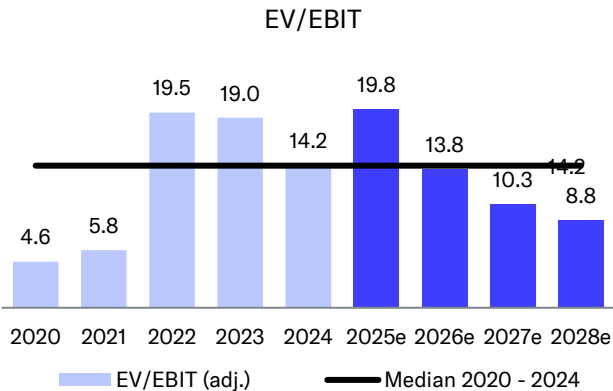
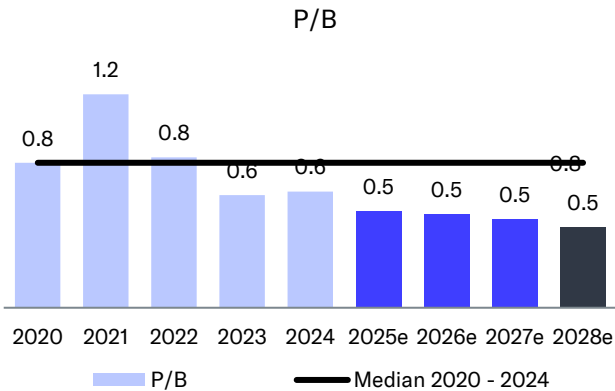
Valuation	2025e	2026e	2027e
Share price	0.46	0.46	0.46
Number of shares, millions	58.1	58.1	58.1
Market cap	27	27	27
EV	107	95	95
P/E (adj.)	36.2	23.4	7.9
P/E	neg.	23.4	7.9
P/B	0.5	0.5	0.5
P/S	0.1	0.1	0.1
EV/Sales	0.5	0.4	0.4
EV/EBITDA	5.6	4.4	4.0
EV/EBIT (adj.)	19.8	13.8	10.3
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	1.08	1.92	1.18	0.81	0.56	0.46	0.46	0.46	0.46
Number of shares, millions	58.0	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1
Market cap	63	112	69	47	32	27	27	27	27
EV	54	116	232	205	102	107	95	95	99
P/E (adj.)	6.3	6.1	5.0	6.5	neg.	36.2	23.4	7.9	5.5
P/E	6.3	6.1	5.0	neg.	neg.	neg.	23.4	7.9	5.5
P/B	0.8	1.2	0.8	0.6	0.6	0.5	0.5	0.5	0.5
P/S	19.6	9.7	0.2	0.1	0.2	0.1	0.1	0.1	0.1
EV/Sales	16.9	10.1	0.5	0.5	0.5	0.5	0.4	0.4	0.4
EV/EBITDA	4.6	5.8	19.5	6.4	5.0	5.6	4.4	4.0	3.7
EV/EBIT (adj.)	4.6	5.8	19.5	19.0	14.2	19.8	13.8	10.3	8.8
Payout ratio (%)	23.4 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Dividend yield-%	3.7 %	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 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
United Rentals Inc	47791	59584	16.8	15.6	9.4	8.9	4.3	4.0	20.1	18.4	0.8	0.9	6.2
H&E Equipment Services Inc													
McGrath RentCorp	2327	2798	13.7	12.7	9.2	8.7	3.4	3.3	18.0	16.6	1.8	1.8	
Speedy Hire PLC	144	393	14.2	11.0	3.6	3.3	0.8	0.8	15.5	10.7	8.9	5.6	0.6
VP PLC	259	491	9.2	9.1	3.9	4.0	1.2	1.1	8.2	8.2	6.9	7.1	1.5
Wetteri Oyj	30	130	388.2	15.4	10.1	6.8	0.3	0.3		14.5			0.5
Bilia AB	1186	1988	16.1	13.8	8.3	7.6	0.5	0.5	15.5	12.7	4.6	5.2	2.5
Ferronordic AB	59	213	29.4	13.2	5.7	4.8	0.5	0.5		10.5	2.0	1.3	0.5
KH Group (Inderes)	27	107	19.8	13.8	5.6	4.4	0.5	0.4	36.2	23.4	0.0	0.0	0.5
Average			69.7	13.0	7.2	6.3	1.6	1.5	15.5	13.1	4.2	3.6	1.9
Median			16.1	13.2	8.3	6.8	0.8	0.8	15.5	12.7	3.3	3.5	1.0
Diff-% to median			23%	5%	-33%	-34%	-33%	-42%	133%	85%	-100%	-100%	-47%

Source: Refinitiv / Inderes

Income statement

Income statement	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	40.4	52.2	39.7	61.7	194	41.8	54.2	45.3	58.7	200	214	236	260
KH-Koneet	29.2	41.1	33.6	45.8	150	33.1	43.6	37.9	42.6	157	168	192	215
Indoor Group	37.8	37.1	46.0	40.7	162	34.1	30.5	34.3	34.2	133	135	138	141
Nordic Rescue Group	11.1	11.1	6.1	15.9	44.2	8.7	10.6	7.5	16.1	42.8	45.4	44.5	45.4
EBITDA	2.4	6.4	3.3	8.2	20.3	3.6	4.2	4.5	6.8	19.0	21.4	23.9	26.5
Depreciation	-2.9	-4.3	-2.2	-5.1	-14.5	-3.7	-3.7	-3.6	-3.5	-14.6	-14.5	-14.7	-15.2
EBIT (excl. NRI)	-0.1	2.4	1.5	3.4	7.2	0.2	0.8	1.2	3.3	5.4	6.9	9.2	11.3
EBIT	-0.5	2.1	1.1	3.1	5.8	-0.1	0.5	0.9	3.3	4.5	6.9	9.2	11.3
KH-Koneet	-0.4	2.0	1.9	2.8	6.3	-0.1	0.8	1.5	2.5	4.7	6.3	9.0	10.8
Indoor Group	-0.3	-2.6	1.8	-0.4	-1.6	-2.5	-2.8	1.5	0.2	-3.6	1.6	3.0	3.1
Nordic Rescue Group	0.7	0.9	0.0	1.2	2.8	0.8	0.8	0.2	1.4	3.2	3.0	2.2	2.4
Unallocated items and PPA depreciation	-0.8	-0.8	-0.8	-0.9	-3.3	-0.8	-1.1	-0.8	-0.7	-3.5	-2.4	-2.0	-1.9
Net financial items	-1.5	-1.4	-1.2	-0.1	-4.2	-0.4	-1.3	-0.9	-1.6	-4.2	-4.8	-4.5	-4.7
PTP	-1.9	0.7	-0.2	3.0	1.6	-0.5	-0.9	-0.1	1.7	0.3	2.1	4.7	6.5
Taxes	0.2	-0.1	0.0	-0.3	-0.2	0.1	0.2	0.0	-0.3	0.0	-0.4	-0.9	-1.3
Minority interest	0.5	1.5	0.0	3.3	5.3	-0.1	-0.2	0.0	-0.1	-0.4	-0.5	-0.4	-0.4
Net earnings	-2.8	-1.5	2.8	-23.3	-24.7	-0.5	-0.8	-0.1	1.3	-0.2	1.1	3.4	4.8
EPS (adj.)	-0.04	-0.02	0.06	-0.40	-0.40	0.00	-0.01	0.00	0.02	0.01	0.02	0.06	0.08
EPS (rep.)	-0.05	-0.02	0.05	-0.40	-0.42	-0.01	-0.01	0.00	0.02	0.00	0.02	0.06	0.08

Key figures	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-59.7 %	-48.0 %	-59.3 %	-41.3 %	-51.9 %	3.5 %	3.9 %	14.1 %	-4.9 %	3.1 %	6.8 %	10.6 %	10.1 %
Adjusted EBIT growth-%	-105.5 %	-18.6 %	-70.9 %	100.9 %	-33.3 %	-433.3 %	-66.9 %	-21.9 %	-4.7 %	-25.1 %	27.1 %	34.7 %	21.9 %
EBITDA-%	6.0 %	12.3 %	8.2 %	13.3 %	10.5 %	8.7 %	7.7 %	9.8 %	11.5 %	9.5 %	10.0 %	10.1 %	10.2 %
Adjusted EBIT-%	-0.1 %	4.5 %	3.7 %	5.5 %	3.7 %	0.5 %	1.4 %	2.6 %	5.5 %	2.7 %	3.2 %	3.9 %	4.3 %
Net earnings-%	-6.8 %	-2.8 %	7.1 %	-37.7 %	-12.7 %	-1.2 %	-1.5 %	-0.2 %	2.2 %	-0.1 %	0.5 %	1.4 %	1.9 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	213	184	183	182	183
Goodwill	39.9	7.7	7.7	7.7	7.7
Intangible assets	63.8	10.3	9.4	8.7	8.4
Tangible assets	103	51.4	52.3	53.8	56.7
Associated companies	0.0	110	110	110	110
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.7	0.4	0.0	0.0	0.0
Deferred tax assets	5.3	4.1	3.9	1.8	0.0
Current assets	135	87.7	85.0	88.6	95.7
Inventories	100.0	60.2	60.0	61.9	66.1
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	23.7	18.5	18.0	19.2	21.3
Cash and equivalents	11.1	9.0	7.0	7.5	8.3
Balance sheet total	348	272	268	271	278

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	79.3	49.3	49.8	50.9	54.3
Share capital	15.2	15.2	15.2	15.2	15.2
Retained earnings	46.6	21.9	21.7	22.9	26.2
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	12.9	12.9	12.9	12.9	12.9
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	4.7	-0.6	0.0	0.0	0.0
Non-current liabilities	122	57.9	55.6	55.0	55.7
Deferred tax liabilities	12.7	2.1	2.1	2.1	2.1
Provisions	0.1	0.0	0.0	0.0	0.0
Interest bearing debt	106	55.9	53.5	53.0	53.7
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.6	0.0	0.0	0.0	0.0
Current liabilities	147	165	163	165	168
Interest bearing debt	60.4	23.3	22.9	22.7	23.0
Payables	86.2	31.3	30.0	32.0	35.4
Other current liabilities	0.0	110	110	110	110
Balance sheet total	348	272	268	271	278

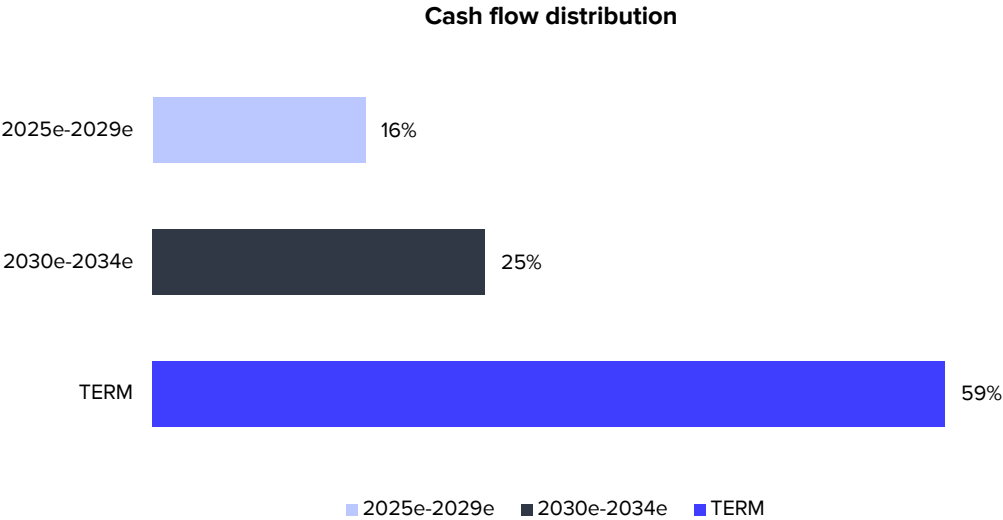
DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%		3.1 %	6.8 %	10.6 %	10.1 %	2.5 %	2.5 %	2.0 %	2.0 %	2.0 %	1.5 %	1.5 %
EBIT-%	3.0 %	2.2 %	3.2 %	3.9 %	4.3 %	5.0 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %
EBIT (operating profit)	5.8	4.5	6.9	9.2	11.3	13.3	15.0	15.3	15.6	15.9	16.2	
+ Depreciation	14.5	14.6	14.5	14.7	15.2	16.0	16.0	16.1	16.4	16.7	17.0	
- Paid taxes	-9.6	0.3	1.6	0.9	-1.3	-1.7	-2.1	-2.3	-2.4	-2.5	-2.7	
- Tax, financial expenses	-0.5	0.0	-1.0	-0.9	-0.9	-0.9	-0.9	-0.8	-0.7	-0.7	-0.6	
+ 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		-0.6	-1.1	-2.8	-5.3	-1.4	-1.5	-1.2	-1.2	-1.3	-1.0	
Operating cash flow		18.7	21.0	21.0	19.0	25.2	26.6	27.1	27.7	28.2	29.0	
+ 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	
- Gross CAPEX		-14.1	-15.3	-17.3	-18.3	-16.2	-16.3	-17.4	-17.7	-18.1	-18.1	
Free operating cash flow		4.7	5.6	3.8	0.6	9.0	10.3	9.7	9.9	10.1	10.9	
+/- Other		-2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF		2.7	5.6	3.8	0.6	9.0	10.3	9.7	9.9	10.1	10.9	146
Discounted FCFF		2.6	5.1	3.1	0.5	6.3	6.6	5.7	5.3	5.0	4.9	65.5
Sum of FCFF present value		111	108	103	99.7	99.2	93.0	86.4	80.7	75.4	70.4	65.5
Enterprise value DCF		111										
- Interest bearing debt		-79.2										
+ Cash and cash equivalents		9.0										
-Minorities		-10.5										
-Dividend/capital return		0.0										
Equity value DCF		29.9										
Equity value DCF per share		0.521										

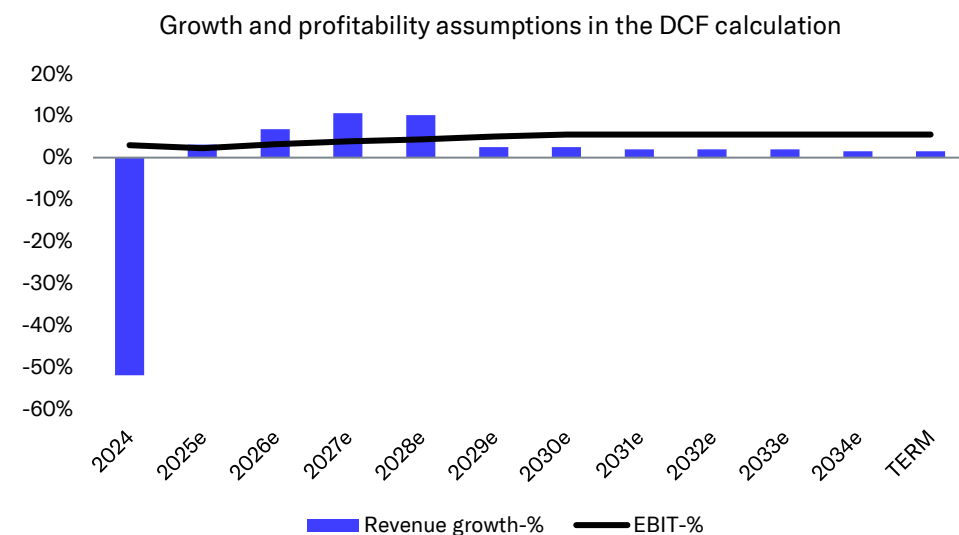
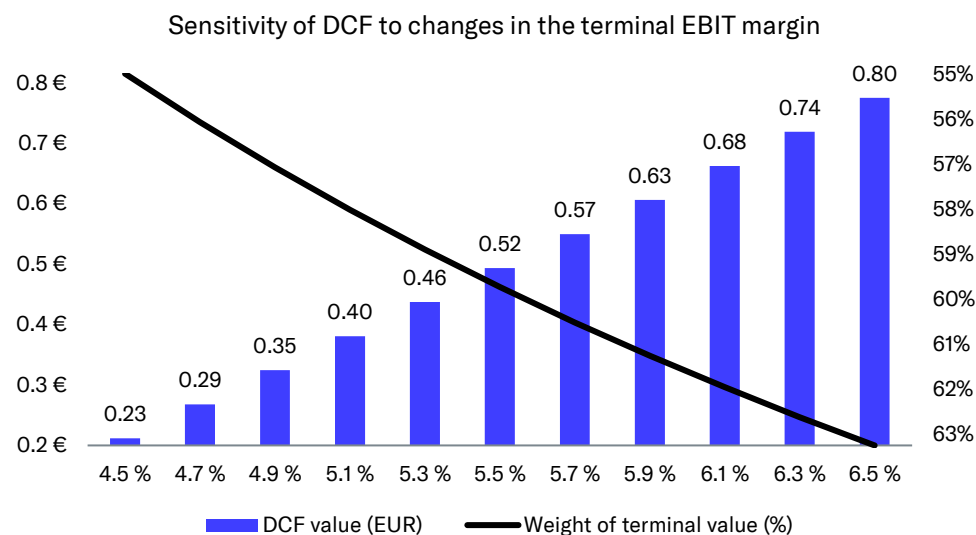
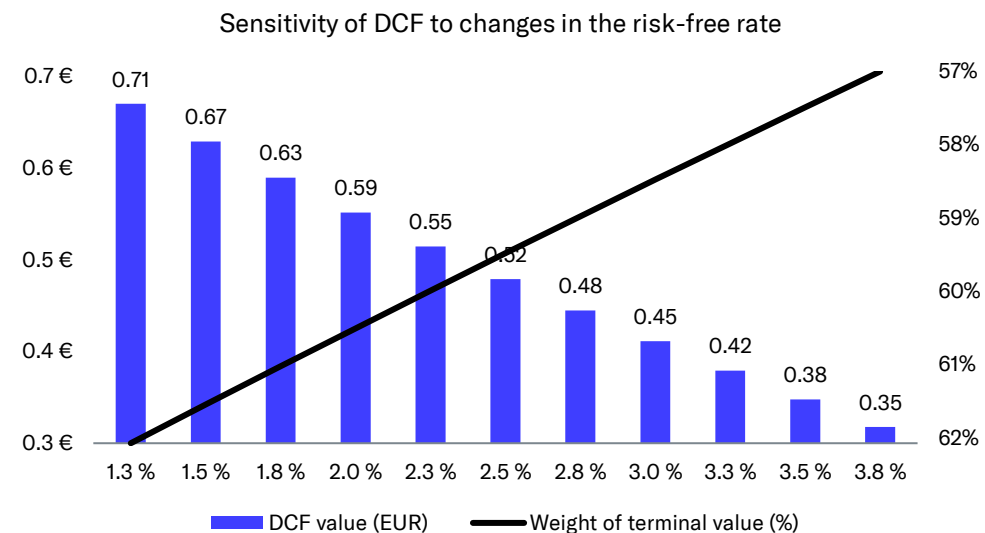
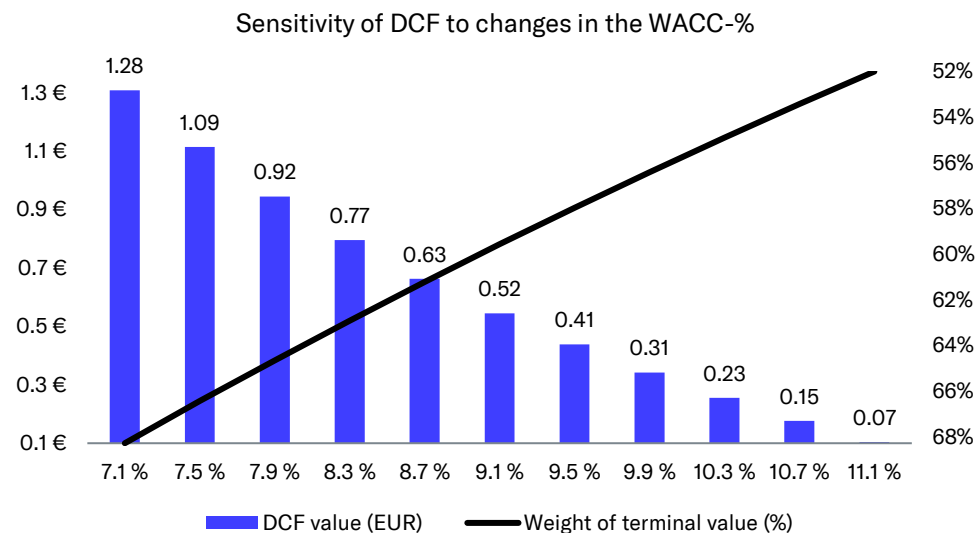
WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	50.0 %
Cost of debt	7.0 %
Equity Beta	1.60
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	2.5 %
Cost of equity	12.6 %
Weighted average cost of capital (WACC)	9.1 %

Source: Inderes



DCF sensitivity calculations and key assumptions in graphs



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

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	428.9	403.2	194.0	200.0	213.6	EPS (reported)	0.24	-0.11	-0.42	0.00	0.02
EBITDA	11.9	31.9	20.3	19.0	21.4	EPS (adj.)	0.24	0.12	-0.40	0.01	0.02
EBIT	11.9	-3.1	5.8	4.5	6.9	OCF / share	-0.64	0.75	1.90	0.32	0.36
PTP	11.7	-15.4	1.6	0.3	2.1	OFCF / share	-4.17	0.17	3.91	0.05	0.10
Net Income	13.8	-6.7	-24.7	-0.2	1.1	Book value / share	1.40	1.29	0.86	0.86	0.88
Extraordinary items	0.0	-13.9	-1.4	-0.9	0.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	377.0	347.7	271.7	268.3	270.6	Revenue growth-%	3630%	-6%	-52%	3%	7%
Equity capital	87.8	79.3	49.3	49.8	50.9	EBITDA growth-%	-41%	168%	-36%	-6%	12%
Goodwill	37.7	39.9	7.7	7.7	7.7	EBIT (adj.) growth-%	-41%	-9%	-33%	-25%	27%
Net debt	158.2	154.9	70.2	69.5	68.2	EPS (adj.) growth-%	-25%	-48%	-422%	-103%	55%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	2.8 %	7.9 %	10.5 %	9.5 %	10.0 %
EBITDA	11.9	31.9	20.3	19.0	21.4	EBIT (adj.)-%	2.8 %	2.7 %	3.7 %	2.7 %	3.2 %
Change in working capital	-55.7	14.0	100.1	-0.6	-1.1	EBIT-%	2.8 %	-0.8 %	3.0 %	2.2 %	3.2 %
Operating cash flow	-37.3	43.4	110.3	18.7	21.0	ROE-%	15.8 %	-8.5 %	-39.6 %	-0.3 %	2.3 %
CAPEX	-207.3	-35.1	123.2	-14.1	-15.3	ROI-%	6.4 %	-1.2 %	3.1 %	3.5 %	5.4 %
Free cash flow	-242.1	9.7	227.4	2.7	5.6	Equity ratio	23.3 %	22.8 %	18.1 %	18.6 %	18.8 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	180.2 %	195.2 %	142.4 %	139.6 %	133.9 %
EV/S	0.5	0.5	0.5	0.5	0.4						
EV/EBITDA	19.5	6.4	5.0	5.6	4.4						
EV/EBIT (adj.)	19.5	19.0	14.2	19.8	13.8						
P/E (adj.)	5.0	6.5	neg.	36.2	23.4						
P/B	0.8	0.6	0.6	0.5	0.5						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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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
12/15/2021	Accumulate	2.00 €	1.94 €
3/4/2022	Buy	1.80 €	1.52 €
3/17/2022	Accumulate	1.80 €	1.64 €
5/6/2022	Buy	1.80 €	1.36 €
8/18/2022	Accumulate	1.50 €	1.29 €
11/4/2022	Buy	1.40 €	1.14 €
12/16/2022	Buy	1.40 €	1.17 €
2/21/2023	Accumulate	1.35 €	1.20 €
3/1/2023	Accumulate	1.20 €	1.08 €
5/5/2023	Buy	1.20 €	1.03 €
8/18/2023	Accumulate	1.05 €	0.95 €
Analyst changed			
10/30/2023	Accumulate	0.90 €	0.77 €
11/2/2023	Accumulate	0.90 €	0.79 €
3/11/2024	Accumulate	0.80 €	0.68 €
3/22/2024	Accumulate	0.95 €	0.85 €
5/2/2024	Accumulate	0.80 €	0.70 €
5/7/2024	Reduce	0.65 €	0.61 €
6/10/2024	Accumulate	0.72 €	0.64 €
8/12/2024	Reduce	0.60 €	0.58 €
8/19/2024	Accumulate	0.65 €	0.57 €
11/4/2024	Accumulate	0.68 €	0.60 €
3/17/2025	Accumulate	0.68 €	0.56 €
3/24/2025	Accumulate	0.65 €	0.55 €
5/7/2025	Accumulate	0.65 €	0.53 €
8/18/2025	Accumulate	0.60 €	0.51 €
9/22/2025	Reduce	0.52 €	0.49 €
11/3/2025	Reduce	0.50 €	0.46 €



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