ORTHEX

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Good recovery in the Nordic countries

Orthex's Q2 figures were operationally slightly stronger than our expectations, although one-off costs related to strategic projects weighed on the reported result, bringing it below our estimate. During the review period, the revitalized sales in the Nordics and resilient gross margins demonstrated the company's ability to pass on increased production costs to its prices. Due to strong development in the Nordics, we have slightly raised our estimates for the next few years and updated our target price to EUR 4.8 (was EUR 4.4). We raise our recommendation to Accumulate (was Reduce).

Nordic countries supported

Orthex's Q2 revenue grew by 5% to 21.6 MEUR exceedeing our 21.2 MEUR estimate. The structure of growth changed from the beginning of the year, as invoiced sales in the Nordic countries grew by a strong 12%, while sales in the rest of Europe, important for the growth story, decreased by 11%. Growth in Europe was slowed by the temporary suspension of growth initiatives due to price increase negotiations. The higher prices of plastic raw materials due to the Middle East conflict weighed on the gross margin, and adjusted EBIT decreased to 1.4 MEUR, but slightly exceeded our forecast of 1.2 MEUR. The company has been among the first in its industry to raise prices, but we understand that competitors have broadly followed suit. However, price increases particularly affected growth prospects in the European export markets, causing delays in potential new campaigns and distribution agreements. Reported EBIT remained at 0.8 MEUR due to 0.6 MEUR in non-recurring items from strategic development projects. Orthex's balance sheet remained strong, with the net debt to adjusted EBITDA ratio at 1.1x, against a target of below 2.5x. This leaves the company with plenty of leeway for growth investments and M&A.

Nordic strength drove the estimate changes, but significant growth requires pull from the rest of Europe

In connection with the report, we have raised our EBIT estimates for the next few years by 3-6%, driven by recovering demand in the Nordics. Based on the interim report, the demand outlook in the Nordic countries appears better than before, and based on management's comments, Orthex is now seeing signs of recovery in Finland, in addition to Sweden and Norway. However, price increases are weighing on the development of European growth markets more than we expected. Due to Orthex's strong market share in the Nordic countries, it is critical from a long-term value creation perspective that the company can achieve sustainable growth in the European export markets. We expect Orthex's profitability to remain under pressure for the rest of the year, but from next year onwards, the company should achieve earnings growth supported by revenue growth and strengthening relative profitability due to declining raw material costs.

Valuation is cheap with normalized earnings

Orthex's earnings-based valuation appears neutral with this year's weak earnings and becomes favorable with our estimates for next year (P/E: 11x, EV/EBIT 9x). Due to the Middle East conflict and Orthex's sensitivity to oil-based raw materials, there is more uncertainty than usual in the short-term earnings estimates. However, the company's ability to defend its margin in Q2 and the strong balance sheet providing resilience increases confidence to look beyond short-term challenges With a normalized EBIT margin of 11% in 2020-Q2'26, the company's EV/EBIT multiple would be 9x based on our current year revenue estimate of 90 MEUR, which, together with a dividend yield of ~6%, supports the stock's current valuation level.

Recommendation
Accumulate
(was Reduce)

Target price:
EUR 4.80
(was 4.40 EUR)

Share price:
EUR 4.50

Business risk

Valuation risk

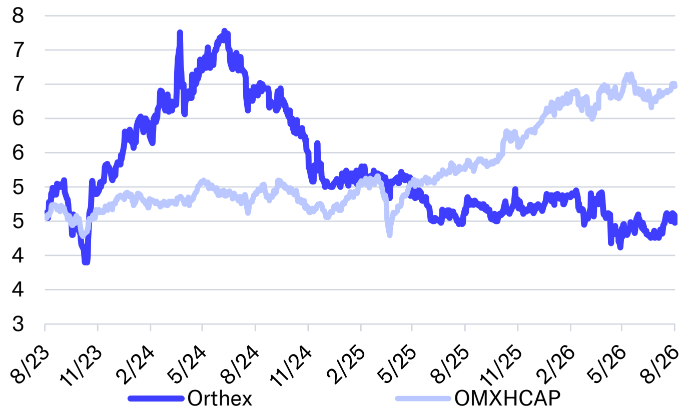
	2025	2026e	2027e	2028e
Revenue	87.2	90.0	94.9	98.3
growth-%	-3%	3%	5%	4%
EBIT adj.	9.8	8.9	10.3	11.6
EBIT-% adj.	11.2 %	9.9 %	10.8 %	11.8 %
Net Income	6.8	5.4	6.9	8.0
EPS (adj.)	0.38	0.34	0.39	0.45
P/E (adj.)	12.2	13.2	11.4	9.9
P/B	2.0	1.9	1.8	1.6
Dividend yield-%	4.9 %	5.4 %	5.6 %	6.3 %
EV/EBIT (adj.)	10.1	10.6	9.2	8.0
EV/EBITDA	6.8	7.0	6.2	5.5
EV/S	1.1	1.0	1.0	0.9

Source: Inderes

Guidance (Unchanged)

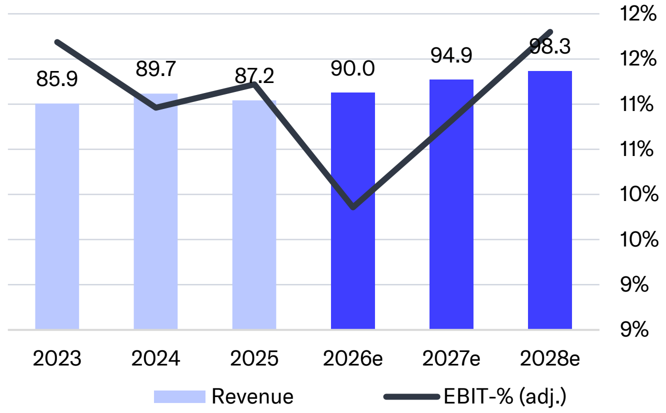
Orthex does not publish a short-term outlook. In the long term, the company targets average organic growth of over 5% and an adjusted EBITA margin of over 18%.

Share price



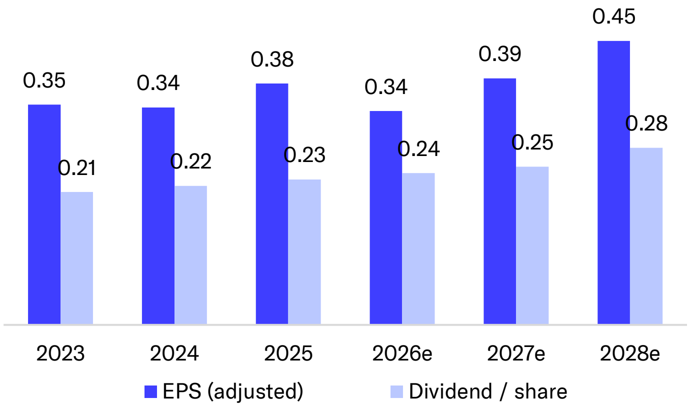
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Large and defensive target market
- Favorable megatrends drive product demand growth
- Leading position in the Nordic countries and the possibility of expanding to Europe through key customers
- Fragmented industry offers opportunities for acquisitions
- Known consumer brands
- Strong relations with retail chains
- Efficient and automated production with short delivery times

Risk factors

- Fluctuations in raw material prices and disruptions in availability
- Dependence on the operation of own production facilities
- Production capacity limits growth
- Success on export markets
- M&A risks
- Plastics have a bad reputation as a raw material

Valuation	2026e	2027e	2028e
Share price	4.45	4.45	4.45
Number of shares, millions	17.8	17.8	17.8
Market cap	79	79	79
EV	94	94	93
P/E (adj.)	13.2	11.4	9.9
P/E	14.6	11.4	9.9
P/B	1.9	1.8	1.6
P/S	0.9	0.8	0.8
EV/Sales	1.0	1.0	0.9
EV/EBITDA	7.0	6.2	5.5
EV/EBIT (adj.)	10.6	9.2	8.0
Payout ratio (%)	78.5 %	64.1 %	62.3 %
Dividend yield-%	5.4 %	5.6 %	6.3 %

Source: Inderes

Figures broadly in line with expectations, but many underlying variables

Growth was stronger than we expected

In terms of sales, Orthex's Q2 was stronger than we expected, but the development was surprisingly uneven. Revenue grew by 5% to 21.4 MEUR, exceeding our 21.2 MEUR estimate. The development was partly supported by exchange rates in the Nordics, as currency-neutral revenue increased by 4%. Geographically, however, the development was surprising. Invoiced sales in the Nordic countries increased by 12%, driven by implemented price increases and increased sales volume. In our view, the strong growth in the Nordic countries demonstrates Orthex's ability to pass on increased production costs to its prices. Invoiced sales in the rest of Europe contracted by 11%, falling short of our expectations. Due to price increase negotiations, the company had to postpone growth initiatives in the European growth markets, and we estimate that the volume of lower-margin campaign sales decreased significantly from the comparison period. By category, invoiced sales grew by 8% in the storage product group and by 4% in kitchen products, while the home and garden product group contracted by 1%.

Reported margin fell short of our expectations due to one-off strategic projects

The key theme in Orthex's second quarter was a significant increase in raw material prices, which weighed on the company's relative profitability. Compared to the cost inflation cycle of 2022, the company has reacted faster this year with price increases and by limiting campaign sales, which has supported relative profitability. In Q2, the company's gross profit margin contracted to 25% from 28% in the comparison period, which was in line with our expectations. Seasonally, Q2 is already Orthex's weakest quarter in terms of profitability due to maintenance shutdowns at production facilities and a typically less favorable sales mix. Orthex's Q2 comparable EBIT of 1.4 MEUR slightly exceeded our estimate of 1.2 MEUR due to a higher gross profit than expected and a lighter cost structure However, the company's reported EBIT of 0.8 MEUR was below our expectations, as it recorded 0.6 MEUR in non-recurring costs related to strategic development projects. The company did not elaborate on these strategic development projects, but based on their size, we estimate they are related to organic development projects rather than the pursuit of inorganic growth (fees related to M&A transactions are mainly charged upon the completion of the transaction). We note that Orthex records non-recurring expenses very rarely, which strengthens our confidence that these items are exceptional in nature.

Balance sheet position remains strong

Orthex's free cash flow in H1 was at a healthy 3.1 MEUR. Supported by strong cash flow, the balance sheet remained strong, and the net debt to adjusted EBITDA ratio was only 1.1x at the end of the review period (Q2'25: 1.2x), which is clearly below the company's targeted upper limit of 2.5x. A strong balance sheet provides Orthex with resilience against negative surprises, such as those in the Middle East. Additionally, it allows for potential acquisitions and organic investments that can strengthen production capacity closer to Europe’s growth markets.

Estimates MEUR / EUR	Q2'25 Comparison	Q2'26 Actualized	Q2'26e Inderes	Q2'26e Consensus	Difference (%) Act. vs. inderes	2026e Inderes
Revenue	20.5	21.6	21.2		2%	90.0
Gross margin	5.8	5.4	5.3		2%	24.5
EBIT (adj.)	1.7	1.4	1.2		15%	8.9
EBIT	1.7	0.8	1.2		-33%	8.3
EPS (reported)	0.05	0.01	0.04		-61%	0.31
Revenue growth-%	-2.3 %	5.2 %	3.2 %		2.1 pp	3.2 %
EBIT-% (adj.)	8.4 %	6.3 %	5.6 %		0.7 pp	9.9 %

Source: Inderes

We revised our near-term estimates upwards

Success in the European export markets will determine the longer-term growth story

True to form, Orthex did not provide guidance for the current year. However, this year's outlook seems to be twofold: In the Nordic countries, the company has been able to grow volume-based despite price increases, while in the European growth markets, price increases have so far weakened the company's growth prospects. Based on management's comments, demand has shown signs of recovery in Sweden and Norway for some time, and now Finland is also starting to show similar signs. Our key estimates changes revolve around the geographical distribution of sales. Based on Q2, Orthex can grow in the Nordic countries despite volume-based price increases. Thus, we have raised our estimates for invoiced sales in the Nordic countries but slightly reduced our growth estimate for European export markets. However, in the European growth markets, price increases seem to have a clearly discouraging effect on growth, which we estimate is partly due to the greater weight of campaign sales. However, from Q3 onwards, we expect the company to achieve growth in the European growth markets as comparison periods become easier.

A return to a normalized margin level requires a decrease in plastic raw material prices

It is difficult to predict Orthex's profitability trends in the near future until the Middle East conflict subsides. In Q2, however, the company demonstrated its ability to pass on increased raw material costs to its own sales prices. In addition, both the futures markets and oil price estimates predict a gradual decrease in raw material costs, which supports the company's outlook. Despite this, we expect Orthex's earnings to weaken further in the remainder of the year, as the company aims for sustainable long-term pricing rather than fully passing on increased raw material costs. In our estimates, Orthex's relative margin will strengthen next year, supported by decreased plastic raw material prices, but the company will only reach the normalized margin level of recent years in 2028.

The price development of the plastic raw materials used by Orthex is inherently impossible to predict, and the current politically unstable environment increases price volatility. However, we believe Orthex's normalized profitability level can be trusted, as despite the pressure, the business remains clearly profitable and the company has no balance sheet risk.

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	89.5	90.0	1%	93.2	94.9	2%	96.3	98.3	2%
EBIT (exc. NRIs)	8.5	8.9	4%	10.0	10.3	3%	11.0	11.6	6%
EBIT	8.5	8.3	-2%	10.0	10.3	3%	11.0	11.6	6%
PTP	7.1	6.9	-4%	8.5	8.7	3%	9.5	10.0	6%
EPS (excl. NRIs)	0.32	0.34	6%	0.38	0.39	3%	0.42	0.45	6%
DPS	0.24	0.24	0%	0.25	0.25	0%	0.28	0.28	0%

Source: Inderes

Orthex, Webcast, Q2'26

Valuation supports patience

Based on next year's estimates, the valuation seems favorable

Based on our updated estimates, adjusted P/E ratios for 2026 and 2027 are 13x and 12x, while the corresponding EV/EBIT ratios are 11x and 9x. We find the valuation of the stock neutral with the profit level this year and turns favorable with next year's forecasts. The company's profitability is under pressure this year, after which we have assumed that the company's gross margin will gradually normalize to the historical average of 29% in 2027-2028. As the current inflation peak subsides, Orthex's relative profitability could temporarily expand if raw material prices decrease in the coming years and the company can maintain its current pricing. However, we do not expect this to be fully reflected in Orthex's profitability, as we believe that competition would cause pressure in the future to either lower prices or rely more on campaign sales to protect the market position. The previous downcycle in plastic raw material prices (2023-2024) also did not indicate a sustainable expansion of gross margins. Thus, we have reservations about the company's ability to maintain its prices in the face of a significant decline in raw material prices. So far, the company's track record has nevertheless spoken for some degree of pricing power.

In our estimates, Orthex's normalized EBIT margin over the cycle is around 11–12%. This is a good level compared to history, but significantly below the company's own targeted level. In our view, relying on Orthex's targeted 18% EBITA margin is unwarranted at this stage of the investment story and with the current track record.

DCF model argues for upside

Our DCF model indicates a value of EUR 5.4 per share for Orthex. Our DCF model assumes an EBIT margin of around 11-12% and revenue growth of around 2-5%. We consider the assumptions realistic, but due to Orthex's short history as a listed company, its track record of cycle-normalized performance is still limited. We suspect that bulking of the storage solution product group is a key risk for maintaining the company's longer-term profitability. However, in our view, the desire (and pressure) of retailers to move their supply chains closer to their customers is one factor limiting the intensification of competition.

The consolidator is also a potential takeover target

In connection with the IPO, Orthex stated that the plastic industry is suitable for consolidation and it intends to actively monitor the acquisition targets. So far, M&A transactions have remained at the level of talk in the public investment case. However, the company has experience in M&A, and the management was involved in acquiring and integrating Sveico and Hammarplast into Orthex in the early 2010s. The growing balance sheet provides the company with increasing leeway, and we estimate that with debt financing alone, the company would have firepower worth nearly 30 MEUR for M&A. However, at current valuation levels, Orthex itself could be an attractive target for an industrial buyer. With our 2025-2026 EBIT estimates, Orthex is priced at a discount of over 20% compared to its peers. In our view, the discount pricing relative to peers provides limited support for the valuation given the risk of prolonged growth challenges.

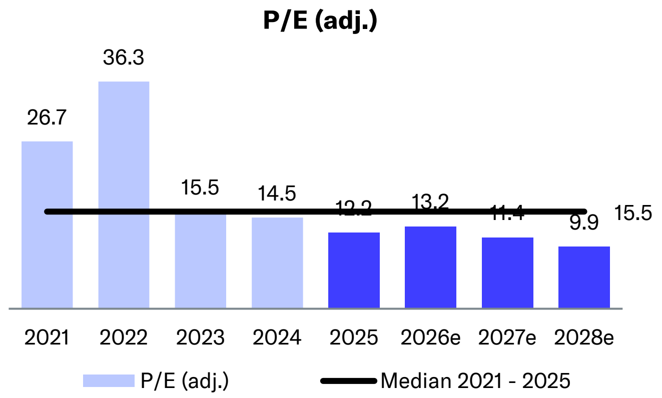
Valuation	2026e	2027e	2028e
Share price	4.45	4.45	4.45
Number of shares, millions	17.8	17.8	17.8
Market cap	79	79	79
EV	94	94	93
P/E (adj.)	13.2	11.4	9.9
P/E	14.6	11.4	9.9
P/B	1.9	1.8	1.6
P/S	0.9	0.8	0.8
EV/Sales	1.0	1.0	0.9
EV/EBITDA	7.0	6.2	5.5
EV/EBIT (adj.)	10.6	9.2	8.0
Payout ratio (%)	78.5 %	64.1 %	62.3 %
Dividend yield-%	5.4 %	5.6 %	6.3 %

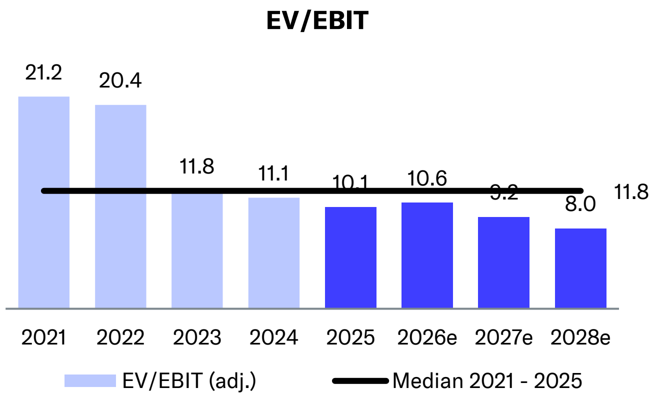
Source: Inderes

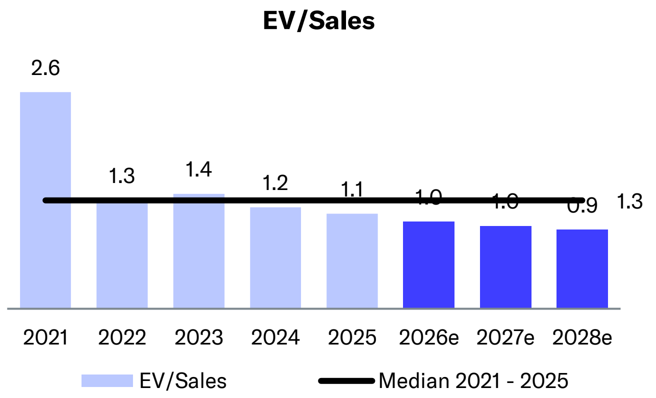
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	11.5	4.68	5.40	5.00	4.65	**4.45**	**4.45**	**4.45**	**4.45**
Number of shares, millions	17.8	17.8	17.8	17.8	17.8	**17.8**	**17.8**	**17.8**	**17.8**
Market cap	204	83	96	89	83	**79**	**79**	**79**	**79**
EV	230	109	118	109	99	**94**	**94**	**93**	**92**
P/E (adj.)	26.7	36.3	15.5	14.5	12.2	**13.2**	**11.4**	**9.9**	**9.4**
P/E	33.8	39.2	13.9	14.5	12.2	**14.6**	**11.4**	**9.9**	**9.4**
P/B	6.4	2.8	2.8	2.5	2.0	**1.9**	**1.8**	**1.6**	**1.5**
P/S	2.3	1.0	1.1	1.0	0.9	**0.9**	**0.8**	**0.8**	**0.8**
EV/Sales	2.6	1.3	1.4	1.2	1.1	**1.0**	**1.0**	**0.9**	**0.9**
EV/EBITDA	17.4	11.8	7.9	7.7	6.8	**7.0**	**6.2**	**5.5**	**5.2**
EV/EBIT (adj.)	21.2	20.4	11.8	11.1	10.1	**10.6**	**9.2**	**8.0**	**7.6**
Payout ratio (%)	53.0 %	92.2 %	54.1 %	63.9 %	60.3 %	**78.5 %**	**64.1 %**	**62.3 %**	**63.4 %**
Dividend yield-%	1.6 %	2.4 %	3.9 %	4.4 %	4.9 %	**5.4 %**	**5.6 %**	**6.3 %**	**6.7 %**

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 2026e	 2027e	EV/EBITDA 2026e	 2027e	EV/S 2026e	 2027e	P/E 2026e	 2027e	Dividend yield-% 2026e	 2027e	P/B 2026e
Duni AB	333	614	17.5	11.5	9.6	7.0	0.9	0.9	17.9	10.3	7.1	7.4	1.1
Fiskars Oyj Abp	1113	1649	17.4	14.4	9.7	8.6	1.4	1.4	22.2	15.8	5.6	5.8	1.6
Harvia Oyj	811	869	18.7	16.2	15.9	13.9	3.8	3.4	24.3	20.7	1.9	2.2	5.5
Leifheit AG	118	105		11.0	12.4	5.8	0.5	0.4		19.5	6.3	7.6	1.4
Marimekko Oyj	390	398	12.2	11.2	9.2	8.6	2.0	1.9	15.1	13.8	5.4	5.3	4.7
Rapala VMC Corp	60	159	12.0	11.3	6.5	6.2	0.7	0.6	23.7	14.7		0.7	0.5
Thule Group AB	2043	2412	14.9	13.3	12.4	11.2	2.5	2.4	18.3	16.0	4.3	4.9	2.9
Nokian Tyres plc	2113	2928	23.8	17.2	10.9	9.1	2.0	1.8	24.7	17.2	2.0	2.6	1.7
Assa Abloy AB	35590	41739	17.3	15.8	14.4	13.2	2.9	2.7	22.2	19.8	1.9	2.2	3.5
Newell Brands Inc	2220	6340	9.8	10.4	6.8	7.4	1.0	1.0	8.0	8.8	4.8	4.7	1.0
DOMETIC Group	688	1688	9.8	8.0	6.5	5.7	0.9	0.9	7.4	5.5	4.1	5.2	0.3
Raisio Oyj	395	313	11.4	9.8	8.3	7.3	1.4	1.3	16.1	15.2	6.3	6.7	1.5
Husqvarna AB	1978	2826	10.4	8.6	5.5	4.8	0.7	0.7	13.6	10.4	3.5	4.6	0.9
Helen of Troy Ltd	566	1165	11.1	8.3	7.3	6.9	0.8	0.8	8.1	7.8			0.8
Orthex (Inderes)	**79**	**94**	**10.6**	**9.2**	**7.0**	**6.2**	**1.0**	**1.0**	**13.2**	**11.4**	**5.4**	**5.6**	**1.9**
Average			**14.3**	**11.9**	**9.7**	**8.3**	**1.5**	**1.4**	**17.1**	**14.0**	**4.4**	**4.6**	**2.0**
Median			**12.2**	**11.3**	**9.4**	**7.4**	**1.2**	**1.2**	**17.9**	**14.9**	**4.5**	**4.9**	**1.5**
Diff-% to median			***-13%***	***-18%***	***-26%***	***-16%***	***-12%***	***-14%***	***-27%***	***-23%***	***19%***	***15%***	***28%***

Source: Refinitiv / Inderes

Income statement

Income statement	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**85.9**	**89.7**	**21.0**	**20.5**	**23.4**	**22.3**	**87.2**	**21.6**	**21.6**	**23.7**	**23.2**	**90.0**	**94.9**	**98.3**	**101**
Nordics	68.7	71.1	17.3	15.9	18.3	17.4	68.9	17.1	17.8	18.7	17.7	71.3	73.5	75.3	76.8
Rest of Europe	18.5	20.3	4.3	5.1	5.3	5.4	20.1	5.0	4.6	5.6	5.9	21.1	22.8	24.4	26.1
Rest of world	0.8	0.9	0.1	0.2	0.1	0.1	0.5	0.3	0.1	0.1	0.1	0.6	0.6	0.6	0.6
Discounts and credits	-2.0	-2.6	-0.7	-0.7	-0.3	-0.6	-2.3	-0.9	-0.9	-0.7	-0.6	-3.0	-1.9	-2.0	-2.1
EBITDA	**14.9**	**14.3**	**2.9**	**2.9**	**4.5**	**4.3**	**14.7**	**3.4**	**2.1**	**4.1**	**3.9**	**13.5**	**15.2**	**16.8**	**17.5**
Depreciation	-4.1	-4.4	-1.2	-1.2	-1.2	-1.3	-4.9	-1.3	-1.3	-1.3	-1.3	-5.2	-5.0	-5.2	-5.4
EBIT (excl. NRI)	**10.0**	**9.8**	**1.7**	**1.7**	**3.3**	**3.0**	**9.8**	**2.1**	**1.4**	**2.8**	**2.6**	**8.9**	**10.3**	**11.6**	**12.1**
EBIT	**10.8**	**9.8**	**1.7**	**1.7**	**3.3**	**3.0**	**9.8**	**2.1**	**0.8**	**2.8**	**2.6**	**8.3**	**10.3**	**11.6**	**12.1**
Share of profits in assoc. compan.	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	0.0
Net financial items	-2.2	-2.1	-0.1	-0.6	-0.2	-0.3	-1.2	-0.4	-0.4	-0.3	-0.3	-1.4	-1.6	-1.6	-1.5
PTP	**8.5**	**7.8**	**1.6**	**1.2**	**3.1**	**2.7**	**8.6**	**1.7**	**0.4**	**2.5**	**2.3**	**6.9**	**8.7**	**10.0**	**10.6**
Taxes	-1.6	-1.7	-0.3	-0.3	-0.7	-0.6	-1.8	-0.3	-0.1	-0.5	-0.5	-1.4	-1.8	-2.1	-2.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**6.9**	**6.1**	**1.3**	**0.9**	**2.4**	**2.2**	**6.8**	**1.4**	**0.3**	**2.0**	**1.8**	**5.4**	**6.9**	**8.0**	**8.4**
EPS (adj.)	**0.35**	**0.34**	**0.07**	**0.05**	**0.14**	**0.12**	**0.38**	**0.08**	**0.05**	**0.11**	**0.10**	**0.34**	**0.39**	**0.45**	**0.47**
EPS (rep.)	**0.39**	**0.34**	**0.07**	**0.05**	**0.14**	**0.12**	**0.38**	**0.08**	**0.01**	**0.11**	**0.10**	**0.31**	**0.39**	**0.45**	**0.47**

Key figures	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	2.2 %	4.4 %	-4.7 %	-2.3 %	2.5 %	-6.6 %	-2.8 %	2.7 %	5.2 %	1.1 %	3.9 %	3.2 %	5.5 %	3.6 %	3.2 %
Adjusted EBIT growth-%	85.2 %	-2.1 %	-37.8 %	11.0 %	19.5 %	10.2 %	-0.5 %	20.9 %	-20.4 %	-15.3 %	-13.6 %	-9.3 %	15.8 %	12.9 %	4.1 %
EBITDA-%	17.3 %	15.9 %	14.0 %	14.2 %	19.4 %	19.2 %	16.8 %	15.6 %	9.7 %	17.4 %	16.7 %	15.0 %	16.1 %	17.1 %	17.2 %
Adjusted EBIT-%	11.7 %	11.0 %	8.2 %	8.4 %	14.3 %	13.5 %	11.2 %	9.6 %	6.3 %	12.0 %	11.2 %	9.9 %	10.8 %	11.8 %	11.9 %
Net earnings-%	8.0 %	6.8 %	6.2 %	4.4 %	10.4 %	9.7 %	7.8 %	6.3 %	1.2 %	8.5 %	7.8 %	6.0 %	7.3 %	8.1 %	8.3 %

Source: Inderes

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	**44.6**	**46.4**	**45.5**	**46.7**	**47.6**
Goodwill	21.7	22.7	22.7	22.7	22.7
Intangible assets	0.0	0.0	0.2	0.2	0.2
Tangible assets	21.9	22.2	22.5	23.7	24.6
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	0.1	0.1	0.1	0.1	0.1
Deferred tax assets	0.9	1.4	0.0	0.0	0.0
Current assets	**40.9**	**39.9**	**39.6**	**41.8**	**43.3**
Inventories	12.5	12.1	12.6	13.3	13.8
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	18.0	16.0	16.2	17.1	17.7
Cash and equivalents	10.5	11.8	10.8	11.4	11.8
Balance sheet total	**85.6**	**86.3**	**85.1**	**88.5**	**90.8**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**35.8**	**40.4**	**41.7**	**44.4**	**47.9**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	29.3	32.2	33.5	36.2	39.8
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-1.4	0.3	0.3	0.3	0.3
Other equity	7.9	7.9	7.9	7.9	7.9
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**27.1**	**24.3**	**21.6**	**22.0**	**20.9**
Deferred tax liabilities	0.8	0.7	0.7	0.7	0.7
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	26.3	23.5	20.9	21.3	20.2
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	**22.6**	**21.7**	**21.7**	**22.1**	**22.0**
Interest bearing debt	4.5	4.9	4.9	5.3	5.7
Payables	17.4	15.2	15.3	15.2	14.7
Other current liabilities	0.8	1.6	1.6	1.6	1.6
Balance sheet total	**85.6**	**86.3**	**85.1**	**88.5**	**90.8**

DCF-calculation

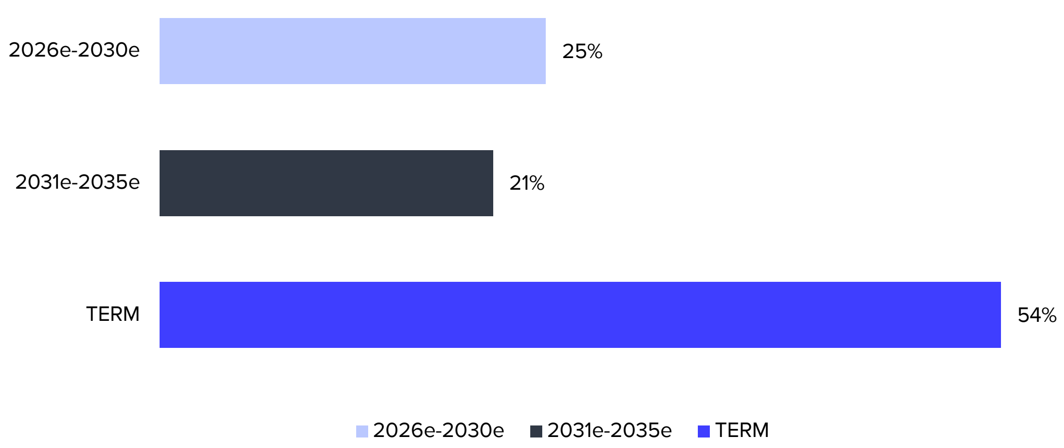
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-2.8 %	3.2 %	5.5 %	3.6 %	3.2 %	3.0 %	2.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	11.2 %	9.2 %	10.8 %	11.8 %	11.9 %	12.0 %	12.0 %	11.5 %	11.5 %	11.5 %	11.5 %	11.5 %
EBIT (operating profit)	**9.8**	**8.3**	**10.3**	**11.6**	**12.1**	**12.5**	**12.9**	**12.6**	**12.8**	**13.1**	**13.3**	
+ Depreciation	4.9	5.2	5.0	5.2	5.4	5.7	5.9	6.0	6.2	6.3	6.4	
- Paid taxes	-2.4	0.0	-1.8	-2.1	-2.2	-2.3	-2.4	-2.3	-2.4	-2.5	-2.6	
- Tax, financial expenses	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-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	1.0	-0.6	-1.7	-1.5	-0.5	-0.5	-0.4	-0.4	-0.4	-0.4	-0.4	
Operating cash flow	**13.0**	**12.5**	**11.4**	**12.9**	**14.5**	**15.2**	**15.7**	**15.7**	**16.0**	**16.3**	**16.6**	
+ 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	-6.1	-5.6	-6.2	-6.1	-6.7	-6.5	-6.6	-6.6	-6.7	-6.8	-7.0	
Free operating cash flow	**6.8**	**6.9**	**5.2**	**6.8**	**7.8**	**8.7**	**9.1**	**9.1**	**9.3**	**9.4**	**9.6**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	6.8	6.9	5.2	6.8	7.8	8.7	9.1	9.1	9.3	9.4	9.6	140
Discounted FCFF		**6.7**	**4.6**	**5.6**	**5.8**	**5.9**	**5.7**	**5.2**	**4.9**	**4.6**	**4.3**	**62.4**
Sum of FCFF present value		116	109	105	98.9	93.1	87.2	81.4	76.2	71.3	66.7	62.4

Enterprise value DCF	**116**
- Interest bearing debt	-28.5
+ Cash and cash equivalents	11.8
+ Associated companies	0.0
-Minorities	0.0
-Dividend/capital return	-4.1
Equity value DCF	**95.1**
Equity value DCF per share	**5.4**

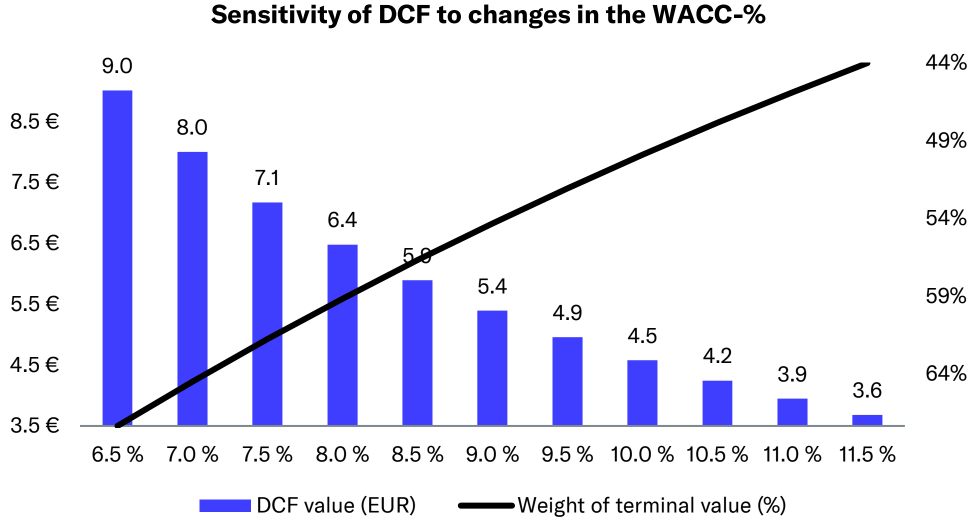
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	6.5 %
Equity Beta	1.25
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	**9.4 %**
Weighted average cost of capital (WACC)	**9.0 %**

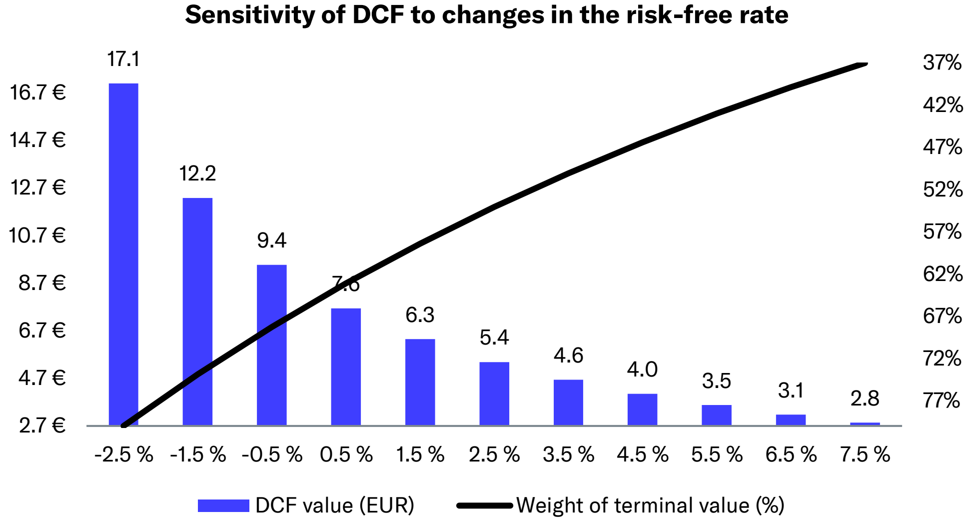
Source: Inderes

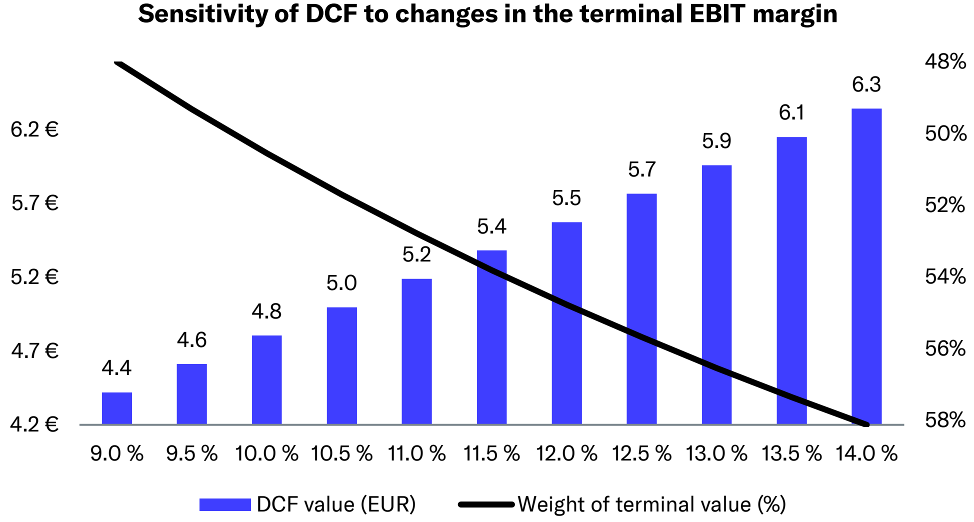
Cash flow distribution

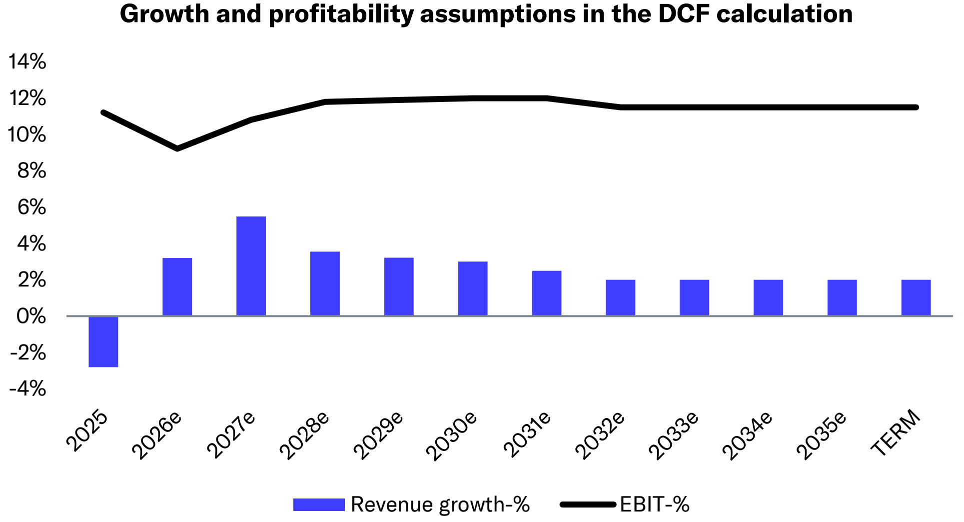


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	85.9	89.7	87.2	**90.0**	**94.9**
EBITDA	14.9	14.3	14.7	**13.5**	**15.2**
EBIT	10.8	9.8	9.8	**8.3**	**10.3**
PTP	8.5	7.8	8.6	**6.9**	**8.7**
Net Income	6.9	6.1	6.8	**5.4**	**6.9**
Extraordinary items	0.7	0.0	0.0	**-0.6**	**0.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	85.6	85.6	86.3	**85.1**	**88.5**
Equity capital	34.4	35.8	40.4	**41.7**	**44.4**
Goodwill	22.3	21.7	22.7	**22.7**	**22.7**
Net debt	22.3	20.3	16.6	**15.0**	**15.2**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	14.9	14.3	14.7	**13.5**	**15.2**
Change in working capital	-0.8	1.2	1.0	**-0.6**	**-1.7**
Operating cash flow	12.1	13.2	13.0	**12.5**	**11.4**
CAPEX	-4.4	-4.8	-6.1	**-5.6**	**-6.2**
Free cash flow	7.7	8.4	6.8	**6.9**	**5.2**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	1.4	1.2	1.1	**1.0**	**1.0**
EV/EBITDA	7.9	7.7	6.8	**7.0**	**6.2**
EV/EBIT (adj.)	11.8	11.1	10.1	**10.6**	**9.2**
P/E (adj.)	15.5	14.5	12.2	**13.2**	**11.4**
P/B	2.8	2.5	2.0	**1.9**	**1.8**
Dividend-%	3.9 %	4.4 %	4.9 %	**5.4 %**	**5.6 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.39	0.34	0.38	**0.31**	**0.39**
EPS (adj.)	0.35	0.34	0.38	**0.34**	**0.39**
OCF / share	0.68	0.74	0.73	**0.71**	**0.64**
OFCF / share	0.43	0.47	0.39	**0.39**	**0.29**
Book value / share	1.94	2.02	2.27	**2.35**	**2.50**
Dividend / share	0.21	0.22	0.23	**0.24**	**0.25**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	2%	4%	-3%	**3%**	**5%**
EBITDA growth-%	61%	-4%	3%	**-8%**	**13%**
EBIT (adj.) growth-%	87%	-2%	-1%	**-9%**	**16%**
EPS (adj.) growth-%	170%	-1%	11%	**-11%**	**15%**
EBITDA-%	17.3 %	15.9 %	16.8 %	**15.0 %**	**16.1 %**
EBIT (adj.)-%	11.7 %	11.0 %	11.2 %	**9.9 %**	**10.8 %**
EBIT-%	12.5 %	11.0 %	11.2 %	**9.2 %**	**10.8 %**
ROE-%	21.5 %	17.4 %	17.8 %	**13.2 %**	**16.1 %**
ROI-%	16.0 %	14.6 %	14.5 %	**12.2 %**	**14.8 %**
Equity ratio	40.3 %	41.9 %	46.8 %	**49.1 %**	**50.2 %**
Gearing	64.8 %	56.8 %	41.2 %	**35.9 %**	**34.3 %**
Net debt/EBITDA	1.5	1.4	1.1	**1.1**	**1.0**
EBITDA/net financials	6.7	6.9	12.4	**9.5**	**9.8**

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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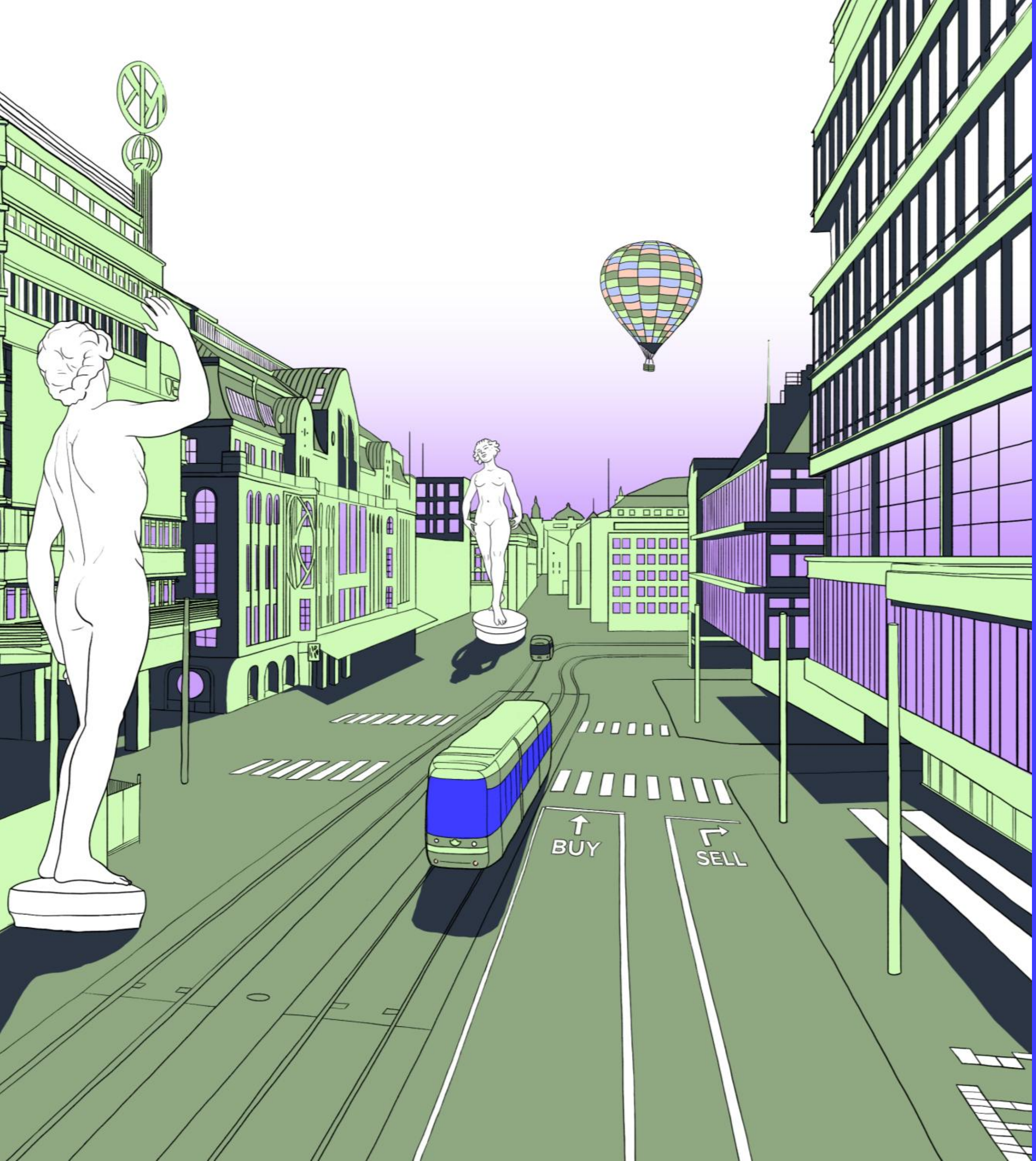
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
3/26/2021	Accumulate	8.50 €	7.42 €
5/12/2021	Accumulate	11.00 €	10.15 €
8/26/2021	Accumulate	13.00 €	11.48 €
9/20/2021	Buy	13.00 €	10.50 €
11/11/2021	Accumulate	12.50 €	11.63 €
Analyst changed			
1/13/2022	Accumulate	11.50 €	10.44 €
3/10/2022	Accumulate	8.00 €	7.14 €
5/11/2022	Reduce	7.00 €	6.68 €
8/26/2022	Reduce	5.00 €	5.42 €
10/11/2022	Accumulate	4.40 €	3.93 €
11/14/2022	Accumulate	5.80 €	5.27 €
3/9/2023	Accumulate	5.60 €	5.05 €
5/18/2023	Accumulate	5.60 €	4.99 €
8/25/2023	Accumulate	5.40 €	4.64 €
11/8/2023	Buy	6.00 €	4.95 €
3/6/2024	Accumulate	7.00 €	6.39 €
3/22/2024	Accumulate	7.00 €	6.26 €
5/16/2024	Accumulate	7.20 €	6.74 €
8/23/2024	Accumulate	7.00 €	6.34 €
11/17/2024	Buy	6.50 €	5.54 €
2/26/2025	Accumulate	6.00 €	5.22 €
3/13/2025	Accumulate	6.00 €	5.24 €
5/16/2025	Accumulate	5.50 €	4.87 €
8/22/2025	Accumulate	5.50 €	4.82 €
11/14/2025	Accumulate	5.50 €	4.97 €
3/6/2026	Accumulate	5.30 €	4.66 €
4/14/2026	Reduce	5.00 €	4.92 €
5/8/2026	Reduce	4.40 €	4.31 €
8/19/2026	Accumulate	4.80 €	4.45 €



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