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24.04.2026 07:45 CEST



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COMPANY REPORT



Flexing the execution muscles

Saab delivered a strong Q1, beating our expectations on revenue, margins, and cash flow. Every business area grew at a double-digit rate, while Surveillance and Dynamics stood out in profitability. The group is also converting its 274 BSEK backlog at a pace that leaves little doubt about its execution ability. The demand environment remains structurally intact, with European rearmament that is not sentiment-driven and does not pause because global attention shifts elsewhere. If anything, a US military with growing commitments in other theatres only strengthens the case for European nations to fund more of their own defense. We therefore see no deterioration in Saab's demand outlook relative to our last update. Against that backdrop, we continue to find the operating and macro fundamentals compelling, while the current valuation makes the expected return more attractive than before. We raise our target price slightly to 622 SEK and raise our recommendation to Accumulate (prev. Reduce).

The quarter was better than the headline first suggested

Order intake disappointed relative to our estimates, but underlying demand remains intact, and revenue growth, profitability, and cash flow all point to solid operational execution. Surveillance and Dynamics drove much of the upside, and the quarter also carried an important strategic signal through Kockums in Poland. Overall, our readthrough is that Saab continues to execute well against a strong backlog, and that near-term performance is being shaped more by delivery and margin discipline than by any weakening in demand.

The near-term story is all about delivery

We lower our order intake assumptions for the full-year 2026 after the Q1 miss to reflect a more cautious view on a few campaign outcomes, but the broader demand

backdrop remains intact. At the same time, our revenue estimates are largely unchanged because Saab's growth over the next few years is supported more by backlog conversion and execution than by near term order timing, while slightly higher earnings estimates reflect the fact that more of that growth is now dropping through to EBIT. In our view, the more important readthrough from the quarter is that profitability is starting to scale better than expected, which supports modest upgrades to earnings and reinforces the view that execution is doing more of the work than the demand environment.

The same vessel in gentler seas

The valuation picture has improved, mainly because the share price has come down rather than because the business has deteriorated. Saab is still not cheap, but the valuation is now easier to justify against strong backlog visibility, improving margins, and a long demand runway tied to European rearmament. The key point is that expected returns now look somewhat better balanced, not because upside has become extraordinary, but because the downside from multiple compression has become less severe. In that sense, the stock looks less stretched than before, while the core investment case remains intact.

An intact thesis at a lower price

Saab still trades at demanding multiples. On our numbers, the stock is valued at P/E ~40-27x 2026-28e, while EV/EBIT stands at ~32-22x over the same period. That is more reasonable for a business with strong backlog visibility, high growth, and improving margins. Our DCF implies a fair value of 622 SEK per share, slightly up from our previous update. We therefore upgrade our recommendation from Reduce to Accumulate. The thesis remains intact, execution continues to support it, and the entry point now looks more reasonable.

Recommendation

Accumulate

(prev. Reduce)

Target price:

622 SEK

(prev. 615 SEK)

Share price:

586 SEK

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	79,146	96,446	114,428	134,372
growth-%	24%	22%	19%	17%
EBIT adj.	7,961	10,350	12,368	14,970
EBIT-% adj.	10.1 %	10.7 %	10.8 %	11.1 %
Net Income	6,314	7,985	9,574	11,658
EPS (adj.)	11.48	14.75	17.69	21.54
P/E (adj.)	46.8	39.7	33.1	27.2
P/B	6.7	6.3	5.5	4.7
Dividend yield-%	0.4 %	0.5 %	0.6 %	0.7 %
EV/EBIT (adj.)	36.7	31.6	26.4	21.5
EV/EBITDA	25.7	23.4	20.1	16.9
EV/S	3.7	3.4	2.8	2.4

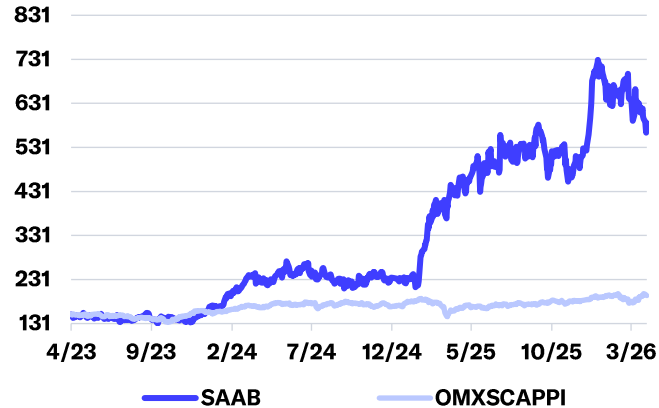
Source: Inderes

Guidance

(Unchanged)

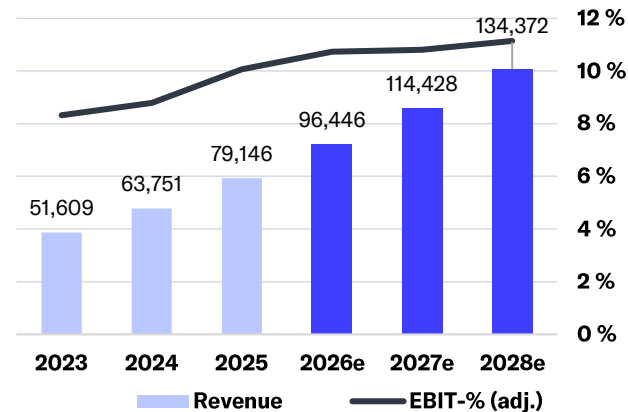
The company did not provide any guidance for 2026. The medium-term guidance for 2023-27 was upgraded from sales CAGR ~18% to ~22%. The guidance for EBIT growth above revenue growth, and operational cash flow conversion of at least 60% over the 5-year period, still hold.

Share price



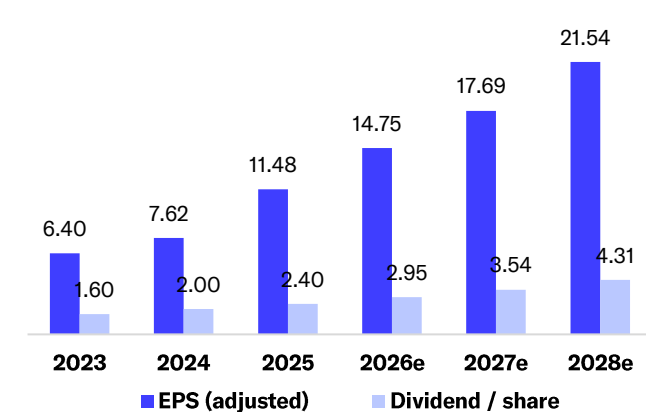
Source: Millstream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- Strong position in core technology niches within a stable market characterized by multi-decade upcycles
- Solid value-creation track record through organic growth, complemented by selective bolt-on M&A to enhance the tech portfolio
- Clear runway to capture meaningful growth in the Americas and parts of Asia
- Path toward ~12% EBIT margin, supported by operating leverage and a strategy to grow EBIT faster than sales
- Increasing societal relevance via civil-security and digital-infrastructure solutions

Risk factors

- Risk of over-investing in capacity during a long upcycle
- Growth and profitability are highly execution dependent; major missteps or managerial errors could have severe long-term effects
- Failure to develop or acquire relevant technologies that open future growth channels
- Fierce competition from larger, established defense peers

Valuation	2026e	2027e	2028e
Share price	586.0	586.0	586.0
Number of shares, millions	541.3	541.3	541.3
Market cap	317,204	317,204	317,204
EV	326,817	325,999	322,317
P/E (adj.)	39.7	33.1	27.2
P/E	39.7	33.1	27.2
P/B	6.3	5.5	4.7
P/S	3.3	2.8	2.4
EV/Sales	3.4	2.8	2.4
EV/EBITDA	23.4	20.1	16.9
EV/EBIT (adj.)	31.6	26.4	21.5
Payout ratio (%)	20.0 %	20.0 %	20.0 %
Dividend yield-%	0.5 %	0.6 %	0.7 %

Source: Inderes

Like a machine with more operating leverage than first assumed

Orders below our expectations, but demand is intact

We expected order intake of ~25 BSEK, driven by a higher share of large orders. The intake was held back by a halving of Dynamics order intake and was closer to consensus than to our estimate. The miss is notable but not truly surprising, as Q1 has shown no historical seasonal strength in order intake.

Surveillance leads execution beat

Quarterly revenue grew 21% year-on-year, or 24% organically, driven by solid execution across all business areas. We had expected growth of ~18%. Currency headwinds reduced reported growth by 2 pp, which is worth keeping in mind in the current stronger SEK environment. Surveillance stood out, with growth well above our expectations (~32% vs Inderes 18%). Dynamics' sales growth came in slightly below our estimate at 15.6% versus 17%. Aeronautics grew 15% against our 19%

expectation, supported by solid Gripen program deliveries. Kockums sales rose 13% year-on-year versus our 16% estimate, reflecting somewhat optimistic delivery assumptions on our part. That said, the sales headline still understates the strategic progress. Poland has selected Saab for its next-generation submarine program, and contract negotiations are now formally underway. We expect the contract to be booked before H2, at which point it should become a material order intake catalyst for the newly formed Naval business area.

Margin surprises to the upside

Group EBIT margin came in at 10%, well above our 8.4% estimate. Surveillance and Dynamics were the main contributors, with margins of 9.6% and 17.5%, respectively, versus our expected 8.9% and 15.7%, supported by strong project execution and a favorable mix. Kockums EBIT fell to 7.6% from 9.0%, reflecting higher marketing costs linked to ongoing campaigns. Aeronautics was in line with our

estimate but remains weighed down by T-7A program start up costs.

Q1 cash flow was solid, and the balance sheet remains healthy

Working capital was slightly positive at 141 MSEK, and operational cash flow came in at ~1 BSEK, a significant improvement from -14 MSEK in the same period last year, driven by higher profit and strong customer advance payments. Free cash flow remained negative at -301 MSEK, partly distorted by a supplementary tax payment related to FY2025 that inflated cash taxes to ~1.2 BSEK in the quarter. Dynamics was the strongest contributor to operational cash flow, while Aeronautics still drags it, reflecting the ongoing investment cycle. Surveillance generated strong advance payments, and Kockums improved meaningfully year-on-year. Net liquidity held essentially flat. Other than that, the balance sheet showed no material changes outside of the expected inventory build tied to capacity expansion.

Estimates	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus	2026
MSEK / SEK	Comparison	Actualized	Inderes	Consensus	Low High	Inderes
Revenue	15,792	19,164	18,568	19,451	18,285 - 20,812	95,849
EBIT (adj.)	1,454	1,920	1,561	1,714	1,557 - 1,900	10,150
Net income	1,277	1,437	1,232	1,314	1,238 - 1,515	7,940
EPS (adj.)	2.34	2.65	2.28	2.42	2.27 - 2.79	14.61
Order backlog						
Order intake	19,144	18,243	25,046	18,491	11,168 - 25,046	130,235
Revenue growth-%	11.3 %	21.4 %	17.6 %	23.2 %	15.8 % - 31.8 %	21.9 %
EBIT-% (adj.)	9.2 %	10.0 %	8.4 %	8.8 %	8.5 % - 9.1 %	10.6 %

Source: Inderes & Modular Finance consensus (20.04.26, 10 estimates)

The near-term story remains about delivery

Structural demand does not turn on one weak print

Demand fundamentals remain intact. European rearmament remains structural rather than sentiment-driven, and a US military with growing priorities elsewhere only strengthens the case for Europe to fund more of its own defense. In our view, Saab's demand environment is no weaker than it was three months ago. That said, Q1 order intake came in below our expectations, and we lowered our full-year estimate accordingly. We do not offset the shortfall by assuming stronger intake in the remaining quarters. That approach is further supported by two campaign-level uncertainties. The Peru contract now appears lost, and the frigate program outcome remains unresolved. Both represent a downside that we think is better reflected than ignored. It also reflects the risk that rising global economic uncertainty could slow procurement decisions in the near term as fiscal priorities come under greater pressure.

The revenue depends more on throughput than orders

Despite the order intake miss, our revenue estimates are largely unchanged, with only minor mechanical adjustments. That reflects our continued confidence in Saab's execution, which is reinforced by the Q1 performance, with every business area delivering double-digit growth. The company is converting its 274 BSEK backlog at a good pace. With ~143 BSEK set to convert in 2026 and 2027 alone, near-term growth depends far more on delivery performance than on new order bookings. The backlog provides a degree of revenue visibility that is rare even within the defense sector. With growth in the high-teens across the forecast period, we continue to think that execution matters increasingly more than demand.

The flywheel seems to be starting to spin faster

We raise our profitability estimates modestly across the forecast period to reflect the Q1 margin outperformance.

Dynamics and Surveillance suggest to us that operating leverage may be arriving earlier than expected, with both segments delivering margins above our estimates. The underlying driver is that marketing and administrative costs are growing far more slowly than revenue, which means a larger share of incremental sales is falling through to EBIT. With group EBIT margin rising from 10% today toward 11% through 2028, the story is not just volume growth, but a business that is learning to scale without growing its cost base at the same pace. Our long-term margin target of 12% now looks increasingly achievable rather than ambitious. In this case, execution rather than the demand environment is doing most of the work.

Estimate revisions	2026	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MSEK / SEK	Old	New	%	Old	New	%	Old	New	%
Revenue	95,849	96,446	1%	113,892	114,428	0%	133,747	134,372	0%
EBIT (adj.)	10,150	10,350	2%	12,153	12,368	2%	14,744	14,971	2%
Net income	7,940	7,985	1%	9,426	9,574	2%	11,535	11,658	1%
EPS (adj.)	14.68	14.75	0%	17.71	17.69	0%	21.55	21.54	0%
DPS	2.94	2.95	0%	3.49	3.54	1%	4.27	4.31	1%
Order intake	130,235	120,441	-8%	141,695	141,296	0%	147,216	147,388	0%

Source: Inderes

The tide has turned

The ship has drifted into more navigable waters

In this update, the valuation picture looks different, but the change comes from price rather than any meaningful shift in fundamentals. Saab still screens as expensive in absolute terms, yet 2026-27 multiples of ~40-33x P/E and 32-26x EV/EBIT are now moving into ranges that are harder to dismiss outright, especially for a business growing EBIT by 20-30% per annum, carrying a 274 BSEK backlog on ~83 BSEK LTM revenue, and expanding margins.

Our long-term acceptable multiples of ~22-25x P/E and ~17-20x EV/EBIT are now most relevant in 2028-29, brought forward from our previous 2030 view. That shift reflects the rerating in the share price, not any deterioration in the business.

The case remains anchored on the structural rearmament. European defense spending is still moving toward 3.5% of GDP for core defense and 5% in total. Our view is that the first phase of rearmament was skewed toward short-cycle products and ammunition. The next phase, which is now starting to take shape, should lean more toward larger platforms, submarines, fighter aircraft, and advanced surveillance systems, where Saab's positioning is strong. Order intake may slow gradually beyond 2028, but the demand runway still looks credible into the mid-2030s. At current multiples, we feel that investors are not paying for a peak cycle. They are paying for a prolonged one, and the unfolding macro backdrop, if anything, continues to support that view rather than weaken it.

Expected return remains narrow despite better risk

Our valuation framework breaks expected shareholder return into three buckets: earnings growth, dividend yield, and multiple change. Earnings growth remains the main

driver through the forecast period, while dividend yield adds a modest contribution. The offset is a gradual multiple contraction as the stock derates toward our long-term acceptable ranges. On that basis, expected total shareholder return still lands modestly above our cost of equity.

That spread is too narrow to support a high conviction call in either direction. What has improved since our last update is not the return profile but the risk profile. At the previous valuation, even a small disappointment on execution or demand could have triggered a much sharper rerating. That asymmetry has narrowed. The stock is still not cheap, but it is materially less exposed to the kind of violent multiple compression that previously made the risk/reward unattractive.

A more compelling story behind the DCF

Saab's business is predictable enough to model. Revenue is backed by a visible backlog, margins are expanding in a consistent direction, and capital allocation follows a pattern. That makes a DCF a natural fit, translating those observable drivers directly into an intrinsic value estimate. Unchanged since our previous update, for 2027-35, we model revenue growth tapering from ~19% toward a 3% terminal rate, with a 12% terminal EBIT margin. We apply a 7.6% WACC and a 7.7% cost of equity. As before, most of the value still sits in the terminal years. For a long-term investor who is comfortable with the demand thesis, the setup looks more attractive than before. For one who requires a wider margin of safety, the expected return still does not clear the bar. All in, we arrive at an equity value of 622 SEK per share, slightly up from our previous update, which also becomes our target price.

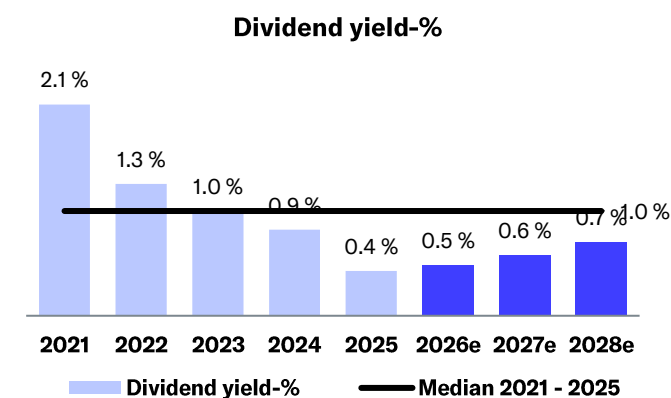
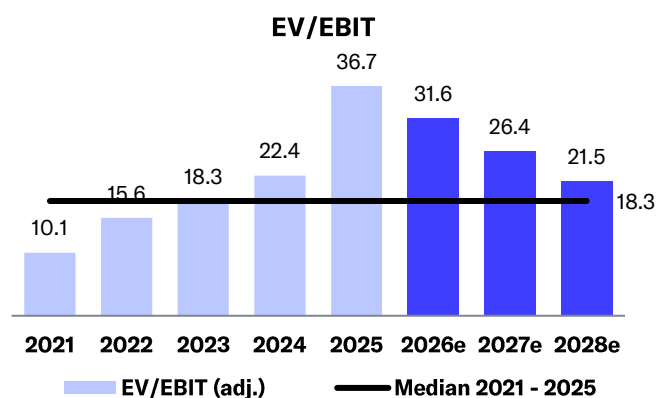
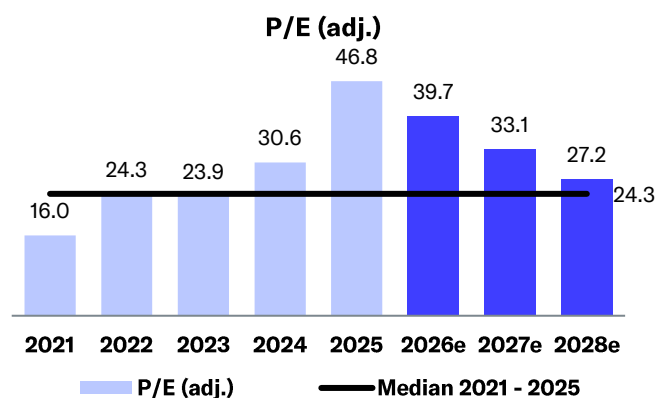
Valuation	2026e	2027e	2028e
Share price	586.0	586.0	586.0
Number of shares, millions	541.3	541.3	541.3
Market cap	317,204	317,204	317,204
EV	326,817	325,999	322,317
P/E (adj.)	39.7	33.1	27.2
P/E	39.7	33.1	27.2
P/B	6.3	5.5	4.7
P/S	3.3	2.8	2.4
EV/Sales	3.4	2.8	2.4
EV/EBITDA	23.4	20.1	16.9
EV/EBIT (adj.)	31.6	26.4	21.5
Payout ratio (%)	20.0 %	20.0 %	20.0 %
Dividend yield-%	0.5 %	0.6 %	0.7 %

Source: Inderes

Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	58.4	101.0	153.0	233.0	537.6	586.0	586.0	586.0	586.0
Number of shares, millions	528.7	528.6	531.5	540.1	540.8	541.3	541.3	541.3	541.3
Market cap	30,847	53,392	81,325	125,846	290,734	317,204	317,204	317,204	317,204
EV	29,089	51,229	78,729	125,585	292,157	326,817	325,999	322,317	313,430
P/E (adj.)	16.0	24.3	23.9	30.6	46.8	39.7	33.1	27.2	22.8
P/E	16.0	24.3	24.1	30.2	46.0	39.7	33.1	27.2	22.8
P/B	1.3	1.8	2.5	3.5	6.7	6.3	5.5	4.7	4.0
P/S	0.8	1.3	1.6	2.0	3.7	3.3	2.8	2.4	2.0
EV/Sales	0.7	1.2	1.5	2.0	3.7	3.4	2.8	2.4	2.0
EV/EBITDA	6.0	9.5	12.0	14.9	25.7	23.4	20.1	16.9	14.2
EV/EBIT (adj.)	10.1	15.6	18.3	22.4	36.7	31.6	26.4	21.5	17.9
Payout ratio (%)	33.8 %	32.0 %	25.2 %	25.9 %	20.6 %	20.0 %	20.0 %	20.0 %	20.0 %
Dividend yield-%	2.1 %	1.3 %	1.0 %	0.9 %	0.4 %	0.5 %	0.6 %	0.7 %	0.9 %

Source: Inderes



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

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2026e
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	
Leonardo	31,723	33,901	17.4	14.8	12.5	11.0	1.6	1.5	24.0	20.1	1.2	1.5	3.0
BAE Systems	73,139	79,462	19.0	17.1	14.8	13.5	2.1	1.9	25.5	22.3	1.9	2.1	5.1
Airbus	131,709	130,774	17.2	14.5	12.2	10.5	1.6	1.5	22.8	19.2	2.1	2.4	4.5
Rolls-Royce	110,095	107,545	22.9	20.3	19.4	17.4	4.1	3.8	30.9	26.6	1.1	1.2	28.9
Lockheed Martin	109,232	124,233	15.2	14.5	12.9	12.4	1.8	1.8	18.6	17.4	2.5	2.6	13.5
RTX Corporation	207,898	235,617	22.7	20.6	17.4	16.0	2.9	2.8	26.4	24.0	1.6	1.7	3.5
Northrop Grumman	71,464	81,977	21.6	19.1	15.5	14.4	2.2	2.1	21.3	19.5	1.7	1.8	4.4
General Dynamics	74,130	79,312	16.4	15.0	13.9	12.9	1.7	1.6	19.7	17.8	2.0	2.1	3.1
L3Harris Technologies	52,864	61,437	19.6	18.0	16.4	15.2	3.1	2.9	28.7	24.6	1.5	1.6	3.0
Rheinmetall AG	66,447	66,593	25.0	17.3	20.2	14.3	4.6	3.4	35.8	25.0	1.2	1.6	10.1
Elbit Systems Ltd.	35,054	34,668	45.8	40.6	37.3	34.4	4.6	4.2	58.5	52.6	0.4	0.4	8.1
Dassault Aviation	23,687	14,391	17.7	14.5	13.9	11.7	1.7	1.5	19.4	16.5	1.8	2.1	3.3
Leidos	16,195	19,173	10.1	9.6	9.1	8.7	1.3	1.2	12.3	11.6	1.2	1.6	3.3
Huntington Ingalls Industries	12,328	13,971	22.7	18.6	15.7	13.5	1.3	1.2	21.0	17.9	1.5	1.6	2.6
Hanwha Aerospace	42,207	49,242	19.3	15.8	16.2	13.4	2.8	2.5	30.9	24.3	0.4	0.5	5.9
Kongsberg Gruppen	30,232	28,750	34.4	26.2	28.1	21.9	4.9	4.0	40.7	31.3	1.9	2.5	13.4
Hensoldt	9,000	9,691	27.1	21.9	18.4	15.5	3.5	3.0	41.5	31.8	0.9	1.2	8.2
Thales	49,838	51,245	17.7	15.8	13.6	12.3	2.2	2.0	22.8	19.9	1.8	2.0	5.5
Renk	5,516	5,897	22.5	18.5	18.8	15.4	3.8	3.3	32.1	26.1	1.3	1.6	9.3
Babcock International	6,806	7,206	15.1	14.0	12.0	11.0	1.2	1.2	21.3	19.2	0.8	1.0	8.9
SAAB (Inderes)	29,310	30,200	31.6	26.4	23.4	20.1	3.4	2.8	39.7	33.1	0.5	0.6	6.3
Average			21.5	18.3	16.9	14.8	2.6	2.4	27.7	23.4	1.4	1.6	7.4
Median			19.4	17.2	15.6	13.5	2.2	2.0	24.7	21.2	1.5	1.6	5.3
Diff-% to median			62%	53%	50%	49%	56%	41%	61%	56%	-67%	-63%	20%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	63,751	15,792	19,786	15,871	27,697	79,146	19,164	24,404	18,597	34,281	96,446	114,428	134,372	154,760
Aeronautics	16,689	4,525	4,424	4,438	5,746	19,133	5,199	5,088	5,370	6,838	22,494	26,093	30,190	34,417
Dynamics	14,605	3,143	5,714	3,411	8,397	20,665	3,634	7,771	4,059	10,916	26,380	32,448	39,262	46,721
Surveillance	22,014	5,274	6,544	5,517	9,961	27,296	6,949	7,853	6,289	12,152	33,244	39,227	45,700	52,281
Kockums	8,364	2,253	2,388	1,861	3,129	9,631	2,551	2,806	2,084	3,770	11,212	13,118	15,085	17,046
Combitech	4,306	1,182	1,340	1,025	1,430	4,977	1,367	1,554	1,179	1,667	5,767	6,632	7,494	8,318
Eliminations/corporate	-2,227	-585	-624	-381	-966	-2,556	-536	-668	-385	-1,063	-2,651	-3,090	-3,359	-4,024
EBITDA	8,402	2,140	2,831	2,173	4,203	11,347	2,731	3,460	2,450	5,328	13,969	16,237	19,098	22,037
Depreciation	-2,740	-686	-854	-799	-942	-3,281	-811	-879	-899	-1,030	-3,619	-3,869	-4,128	-4,488
EBIT (excl. NRI)	5,604	1,454	1,872	1,374	3,261	7,961	1,920	2,581	1,551	4,298	10,350	12,368	14,970	17,549
EBIT	5,662	1,454	1,977	1,374	3,261	8,066	1,920	2,581	1,551	4,298	10,350	12,368	14,970	17,549
Net financial items	-373	167	-12	-115	-87	-47	-67	-49	-126	70	-172	-249	-214	34
PTP	5,289	1,621	1,965	1,259	3,174	8,019	1,853	2,532	1,425	4,368	10,178	12,119	14,757	17,583
Taxes	-1,079	-344	-429	-284	-606	-1,663	-387	-527	-360	-861	-2,135	-2,545	-3,099	-3,692
Minority interest	-39	-9	-7	-18	-8	-42	-29	-8	-7	-14	-58	0	0	0
EPS (adj.)	7.62	2.34	2.63	1.77	4.73	11.48	2.65	3.69	1.95	6.45	14.75	17.69	21.54	25.66
EPS (rep.)	7.72	2.34	2.83	1.77	4.73	11.68	2.65	3.69	1.95	6.45	14.75	17.69	21.54	25.66

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	23.5 %	11.3 %	30.4 %	17.2 %	32.8 %	24.1 %	21.4 %	23.3 %	17.2 %	23.8 %	21.9 %	18.6 %	17.4 %	15.2 %
Adjusted EBIT growth-%	30.5 %	22.1 %	40.6 %	17.5 %	70.5 %	42.1 %	32.0 %	37.9 %	12.9 %	31.8 %	30.0 %	19.5 %	21.0 %	17.2 %
EBITDA-%	13.2 %	13.6 %	14.3 %	13.7 %	15.2 %	14.3 %	14.3 %	14.2 %	13.2 %	15.5 %	14.5 %	14.2 %	14.2 %	14.2 %
Adjusted EBIT-%	8.8 %	9.2 %	9.5 %	8.7 %	11.8 %	10.1 %	10.0 %	10.6 %	8.3 %	12.5 %	10.7 %	10.8 %	11.1 %	11.3 %
Net earnings-%	6.5 %	8.0 %	7.7 %	6.0 %	9.2 %	8.0 %	7.5 %	8.2 %	5.7 %	10.2 %	8.3 %	8.4 %	8.7 %	9.0 %

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	34,421	42,126	45,253	47,368	48,040
Goodwill	5,572	5,572	5,572	5,572	5,572
Intangible assets	7,426	7,013	7,661	8,297	8,928
Tangible assets	15,779	22,052	23,685	25,080	25,121
Associated companies	3,078	3,346	3,501	3,501	3,501
Other investments	1,610	3,321	3,962	3,962	3,962
Other non-current assets	435	410	437	435	435
Deferred tax assets	521	412	435	521	521
Current assets	65,402	82,578	94,293	105,656	117,558
Inventories	21,825	25,439	34,720	41,194	47,030
Other current assets	16,993	22,627	23,888	25,556	28,201
Receivables	14,843	19,154	23,147	27,463	31,577
Cash and equivalents	11,741	15,358	12,538	11,443	10,750
Balance sheet total	99,823	124,704	139,546	153,023	165,598

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	35,812	43,676	50,363	58,340	68,083
Share capital	8,273	8,273	8,273	8,273	8,273
Retained earnings	27,035	34,899	41,586	49,563	59,306
Hybrid bonds	0	0	0	0	0
Revaluation reserve	0	0	0	0	0
Other equity	195	195	195	195	195
Minorities	309	309	309	309	309
Non-current liabilities	14,296	17,284	21,692	20,162	16,518
Deferred tax liabilities	1,070	2,017	1,819	1,819	1,819
Provisions	2,238	2,035	1,958	1,958	1,958
Interest bearing debt	9,465	12,673	17,704	16,174	12,530
Convertibles	0	0	0	0	0
Other long term liabilities	1,523	559	211	211	211
Current liabilities	49,715	63,744	67,492	74,522	80,997
Interest bearing debt	919	2,036	2,489	2,375	1,887
Payables	17,915	22,337	25,076	28,607	33,593
Other current liabilities	30,881	39,371	39,926	43,540	45,518
Balance sheet total	99,823	124,704	139,546	153,023	165,598

DCF-calculation

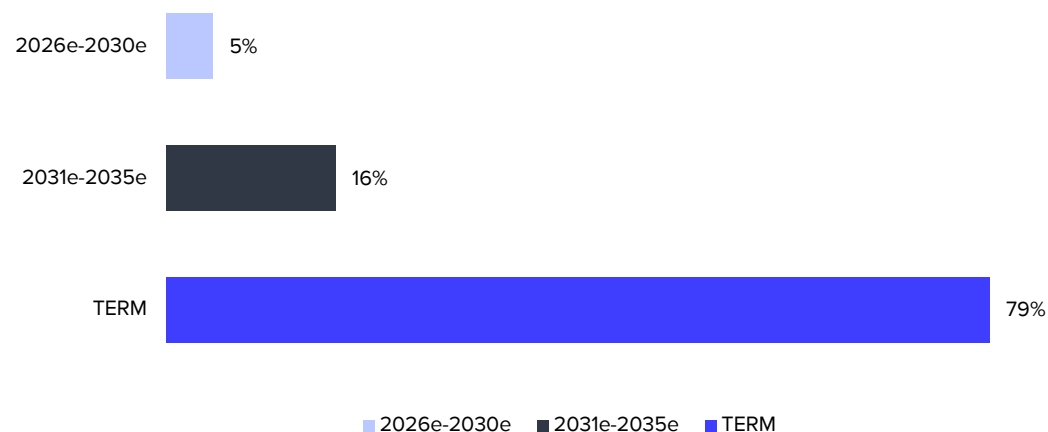
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	24.1 %	21.9 %	18.6 %	17.4 %	15.2 %	14.0 %	13.7 %	13.5 %	13.1 %	12.0 %	3.0 %	3.0 %
EBIT-%	10.2 %	10.7 %	10.8 %	11.1 %	11.3 %	11.0 %	11.4 %	11.8 %	12.0 %	12.0 %	12.0 %	12.0 %
EBIT (operating profit)	8,066	10,350	12,368	14,970	17,549	19,407	22,868	26,866	30,900	34,608	35,647	
+ Depreciation	3,281	3,619	3,869	4,128	4,488	4,827	5,196	5,593	5,702	5,722	5,771	
- Paid taxes	-607	-2,356	-2,631	-3,099	-3,692	-4,142	-4,918	-5,769	-6,587	-7,435	-7,728	
- Tax, financial expenses	-158	-226	-203	-173	-139	-127	-130	-132	-135	-137	-138	
+ Tax, financial income	148	190	151	128	146	193	245	259	233	304	380	
- Change in working capital	-647	-11,241	-5,313	-5,632	-2,371	-5,738	-4,846	-4,007	-4,112	-3,365	-3,731	
Operating cash flow	10,083	336	8,241	10,323	15,981	14,421	18,416	22,810	26,001	29,697	30,201	
+ Change in other long-term liabilities	-1,167	-425	0	0	0	0	0	0	0	0	0	
- Gross CAPEX	-10,827	-6,568	-5,898	-4,800	-5,000	-5,200	-5,400	-5,600	-5,800	-6,000	-6,000	
Free operating cash flow	-1,911	-6,657	2,343	5,523	10,981	9,221	13,016	17,210	20,201	23,697	24,201	
+/- Other	0	0	0	0	0	0	0	0	0	0	0	
FCFF	-1,911	-6,657	2,343	5,523	10,981	9,221	13,016	17,210	20,201	23,697	24,201	543,342
Discounted FCFF		-6,330	2,071	4,537	8,384	6,543	8,585	10,551	11,511	12,551	11,914	267,487
Sum of FCFF present value		337,805	344,135	342,064	337,527	329,143	322,600	314,015	303,464	291,952	279,401	267,487
Enterprise value DCF		337,805										
- Interest bearing debt		-14,709										
+ Cash and cash equivalents		15,358										
+ Associated companies		0										
-Minorities		-1,958										
-Dividend/capital return		0										
Equity value DCF		336,496										
Equity value DCF per share		622										

WACC

Tax-% (WACC)	21.0 %
Target debt ratio (D/(D+E))	4.0 %
Cost of debt	5.0 %
Equity Beta	1.1
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	7.7 %
Weighted average cost of capital (WACC)	7.6 %

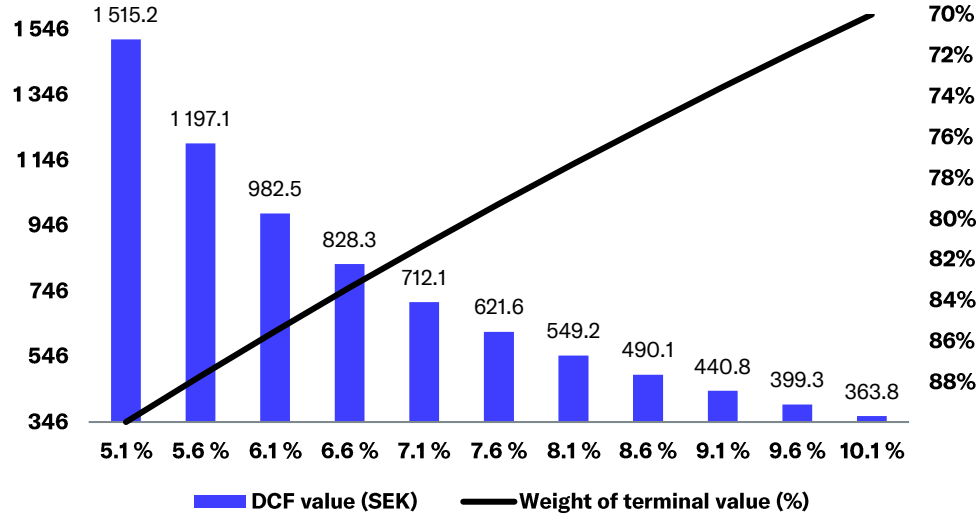
Source: Inderes

Cash flow distribution

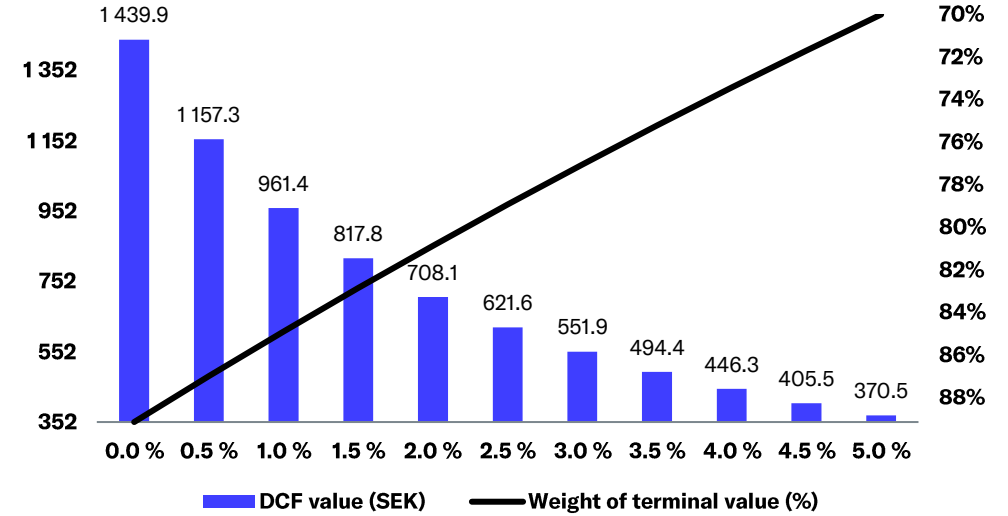


DCF sensitivity calculations and key assumptions in graphs

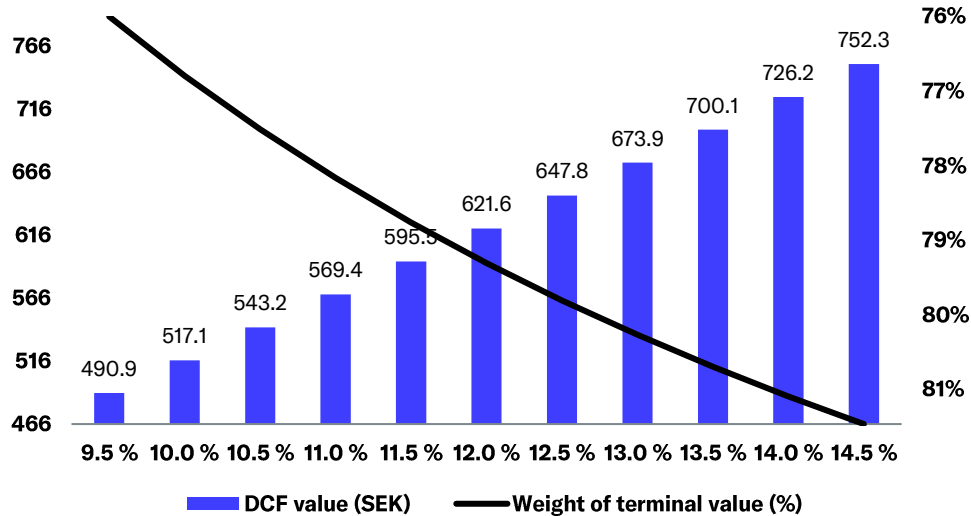
Sensitivity of DCF to changes in the WACC-%



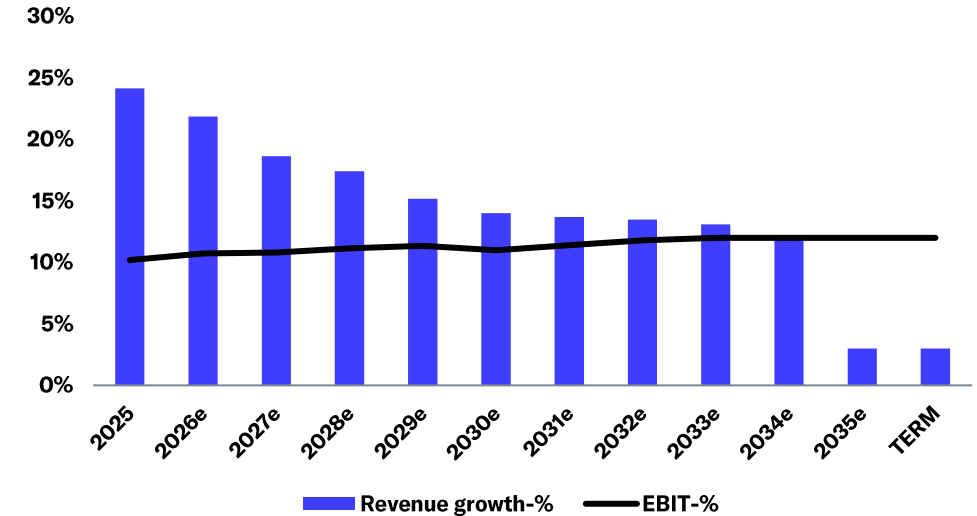
Sensitivity of DCF to changes in the risk-free rate



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	Per share data	2023	2024	2025	2026e	2027e
Revenue	51,609	63,751	79,146	96,446	114,428	EPS (reported)	6.36	7.72	11.68	14.75	17.69
EBITDA	6,558	8,402	11,347	13,969	16,237	EPS (adj.)	6.40	7.62	11.48	14.75	17.69
EBIT	4,272	5,662	8,066	10,350	12,368	OCF / share	10.34	17.69	18.65	0.62	15.22
PTP	4,418	5,289	8,019	10,178	12,119	OFCF / share	4.32	1.32	-3.53	-12.30	4.33
Net Income	3,381	4,171	6,314	7,985	9,574	Book value / share	60.27	65.73	80.19	92.47	107.21
Extraordinary items	-22	58	105	0	0	Dividend / share	1.60	2.00	2.40	0.00	0.00
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	82,759	99,823	124,704	139,546	153,023	Revenue growth-%	23%	24%	24%	22%	19%
Equity capital	32,362	35,812	43,676	50,363	58,340	EBITDA growth-%	21%	28%	35%	23%	16%
Goodwill	5,424	5,572	5,572	5,572	5,572	EBIT (adj.) growth-%	31%	31%	42%	30%	19%
Net debt	-3,426	-1,357	-649	7,655	7,106	EPS (adj.) growth-%	54%	19%	51%	28%	20%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	12.7 %	13.2 %	14.3 %	14.5 %	14.2 %
EBITDA	6,558	8,402	11,347	13,969	16,237	EBIT (adj.)-%	8.3 %	8.8 %	10.1 %	10.7 %	10.8 %
Change in working capital	-331.0	2711.0	-647	-11,241	-5,313	EBIT-%	8.3 %	8.9 %	10.2 %	10.7 %	10.8 %
Operating cash flow	5,497	9,557	10,083	336	8,241	ROE-%	11.0 %	12.4 %	16.0 %	17.1 %	17.7 %
CAPEX	-4,213	-7,637	-10,827	-6,568	-5,898	ROI-%	12.3 %	14.1 %	16.8 %	17.5 %	17.8 %
Free cash flow	2,294	711	-1,911	-6,657	2,343	Equity ratio	39.1 %	35.9 %	35.0 %	36.1 %	38.1 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	-10.6 %	-3.8 %	-1.5 %	15.2 %	12.2 %
EV/S	1.5	2.0	3.7	3.4	2.8	Net debt/EBITDA	-0.5	-0.2	-0.1	0.5	0.4
EV/EBITDA	12.0	14.9	25.7	23.4	20.1	EBITDA/net financials	-44.9	22.5	241.4	81.2	65.2
EV/EBIT (adj.)	18.3	22.4	36.7	31.6	26.4						
P/E (adj.)	23.9	30.6	46.8	39.7	33.1						
P/B	2.5	3.5	6.7	6.3	5.5						
Dividend-%	1.0 %	0.9 %	0.4 %	0.5 %	0.6 %						

Source: Inderes

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

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2025-09-15	Sell	310	537
2025-10-27	Sell	310	522
2026-01-30	Sell	550	698
2026-02-06	Reduce	615	639
2026-04-23	Accumulate	622	586



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