SCANFIL

10/27/2025 09:40 am EET

This is a translated version of " Hyvää on vuoden sihdillä sopivasti hinnassa" report, published on 10/27/2025

Antti Viljakainen
+358 44 591 2216
antti.viljakainen@inderes.fi

INDERES CORPORATE CUSTOMER

COMPANY REPORT

On a one-year horizon, the stock is appropriately priced

In our view, the overall picture of Scanfil's Q3 report published on Friday was fairly neutral and we did not make any material changes to our forecasts following the report. We reiterate our Reduce recommendation and EUR 10.50 target price for Scanfil. The company's outlook is positive in both the short and longer term, but in our opinion, the stock has adequately priced in the expected earnings growth (2026e: adj. EV/EBITA 11x). Thus, the 12-month expected return does not become attractive enough from the current valuation level within a one-year horizon.

Revenue turned to growth in Q3 as expected

In Q3, Scanfil's revenue increased by 10% to 191 MEUR. Organically, we estimate that revenue declined by about 5%, as the SRX acquisition supported revenue by around 5%, or 8.4 MEUR. In turn, FX burdened growth by just under 3 percentage points. Scanfil's adjusted EBITA rose in Q3 hand in hand with revenue growth by 10% to 14.1 MEUR. Profitability (adj. EBITA-%) was again in line with our forecasts and the comparison period at 7.4%. The figures did not quite reach our estimates, but there was no major drama involved in the Q3 development. The company sold new projects worth 72 MEUR in Q3, which was more than 30% higher than in the comparison period (incl. one large contract). We commented on Scanfil's Q3 numbers in more detail on Friday here.

We did not make any forecast changes after the report

Scanfil reiterated its guidance of 2025 of 780-920 MEUR revenue and 55-68 MEUR adjusted EBIT. Repetition of the instructions was in line with our expectations, although the forks are very wide and the upper sides are optimistic. The company commented positively on the Q4 outlook, which is supported by new projects won in the last two years and the demand for investment goods in Europe also seems to be picking up slightly.

We shifted the completion schedules of the ADCO and MB acquisitions forward by a few weeks, which had a slightly negative impact on our Q4 forecasts. Otherwise, the forecast changes remained minor, as we had expected clear organic growth in the coming years, and the project profits, which are likely to convert into revenue quite slowly, did not cause pressure to change our forecasts (although the risk associated with the forecasts decreased slightly). We forecast Scanfil's adjusted EPS to grow by around 15% by 2028, driven by acquisitions, a gradually recovering economic situation, and organic growth enabled by project wins. The main risks to our forecasts relate to external demand factors such as the global economy. Internally, we believe the company is in pretty good shape, although the integration of two almost simultaneous acquisitions adds a notch to the risk level associated with the company's own operations in the coming quarters.

We believe the share is roughly correctly priced

Based on our estimates for 2025 and 2026, Scanfil's adjusted P/E ratios are 16x and 13x, while the corresponding EV/EBITA ratios are 14x and 11x. In our view, the multiples for next year, which take into account the acquisitions and are partly dependent on the market situation improving, are neutral, so in the short term, we believe the stock's valuation is quite fully priced. Correspondingly, we believe that the expected annual return, consisting of earnings growth, the downside in multiples (Q3'25 LTM P/E 18x), and a dividend yield of just over 2%, remains unnecessarily modest. Also, when viewed against the DCF value, the upside in the share has been exhausted. Relatively, Scanfil is undervalued by approximately 10-20% compared to both global contract manufacturers and Nordic core peers. However, the global peer group and many Nordic peers are already priced at quite high levels and clearly above their medium-term averages. We are not entirely convinced of the sustainability of the situation in the longer term, so relative valuation continues to have a moderate weight in the formation of our view.

Recommendation
Reduce
(was Reduce)

Target price:
EUR 10.50
(was EUR 10.50)

Share price:
EUR 11.06

Business risk

Valuation risk

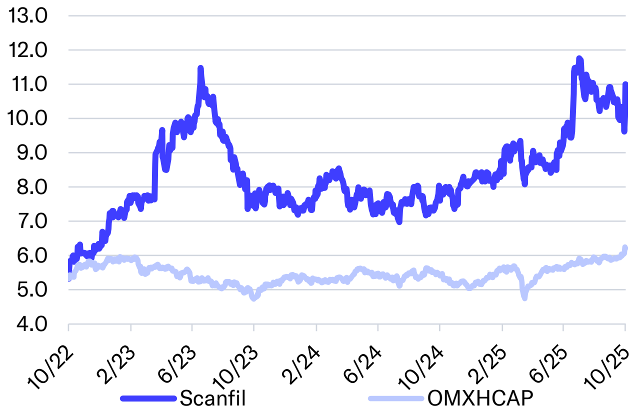
	2024	2025e	2026e	2027e
Revenue	780	830	998	1068
growth-%	-13%	6%	20%	7%
EBIT adj.	54.9	59.4	74.1	81.7
EBIT-% adj.	7.0 %	7.2 %	7.4 %	7.7 %
Net income	38.9	40.8	49.4	55.4
EPS (adj.)	0.62	0.67	0.82	0.91
P/E (adj.)	13.3	16.4	13.6	12.2
P/B	1.9	2.3	2.1	1.9
Dividend yield-%	2.9 %	2.4 %	2.5 %	2.7 %
EV/EBIT (adj.)	10.2	13.8	11.0	9.8
EV/EBITDA	7.6	10.4	8.1	7.4
EV/S	0.7	1.0	0.8	0.7

Source: Inderes

Guidance (Unchanged)

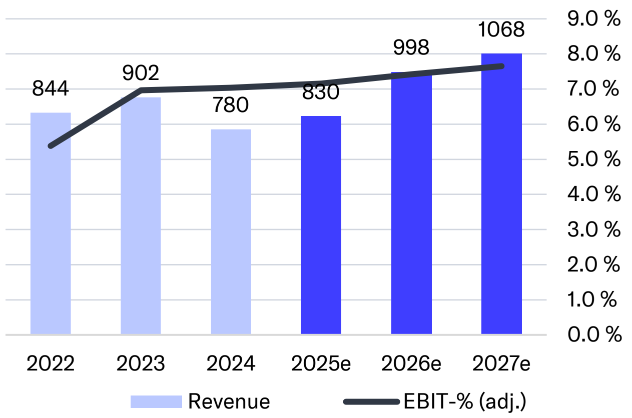
Scanfil estimates that in 2025, its revenue is 780-920 MEUR and adjusted EBITA 55-68 MEUR

Share price



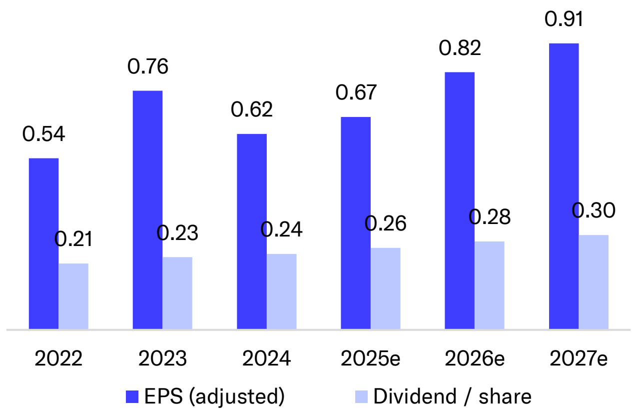
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Organic growth with the market and key customers
- Benefiting from the green trend
- Accelerating growth through M&A
- Strong financial track record
- Increase in acceptable valuation

Risk factors

- Demand comes partly from somewhat cyclical sectors
- Demand is investment-driven and therefore somewhat sensitive to interest rates
- Tightening competition and changes in the competitive field
- Limited pricing power
- Inflation

Valuation	2025e	2026e	2027e
Share price	11.1	11.1	11.1
Number of shares, millions	65.4	65.4	65.4
Market cap	724	724	724
EV	820	813	797
P/E (adj.)	16.4	13.6	12.2
P/E	17.7	14.7	13.1
P/B	2.3	2.1	1.9
P/S	0.9	0.7	0.7
EV/Sales	1.0	0.8	0.7
EV/EBITDA	10.4	8.1	7.4
EV/EBIT (adj.)	13.8	11.0	9.8
Payout ratio (%)	41.7 %	37.1 %	35.5 %
Dividend yield-%	2.4 %	2.5 %	2.7 %

Source: Inderes

Our expectations were slightly higher for Q3

Revenue turned to organic growth

In Q3, Scanfil's revenue increased by 10% to 191 MEUR from a modest comparison level. The SRX acquisition supported growth by 8.4 MEUR, or about 5 percentage points, and currencies created a headwind of just under 3 percentage points for the top-line. Thus, currency-adjusted organic growth rose to a good 8% level after a long negative period. However, Q3 revenue was slightly below our expectations, especially due to currencies. Of the regions, all but Central Europe, which contracted slightly, grew significantly. The only forecast beat, however, came from Northern Europe, where apparently a single customer or project in the Cleantech&Energy segment was boosting revenue in Q3.

Profitability was in line with expectations and Q3'24

Scanfil's adjusted EBITA rose with revenue by 10% to 14.1 MEUR. Profitability (adj. EBITA-%) settled at 7.4%, in line with the comparison period and our estimate, but the earnings also slightly missed our expectations, driven by revenue.

Exchange rates had a clearly negative impact of 0.9 MEUR on the Q3 result. Of the regions, Northern Europe clearly exceeded our estimates due to good growth and probably also the high margins of the mentioned project, while in other regions the earnings fell short of our expectations.

On the bottom line, in Q3 Scanfil recorded over 1 MEUR in non-recurring costs related to the ADCO and MB acquisitions, in addition to the usual PPA amortizations. Financing expenses were roughly at the company's normal level, but the tax rate rose slightly higher than our expectations. Thus, Scanfil's reported Q3 EPS only increased by one cent year-on-year to EUR 0.14 per share, meaning that operational earnings growth did not carry through to the bottom line with the usual strength. In terms of cash flow, Q3 was relatively weaker for Scanfil, as cash flow from operating activities decreased by approximately 66% from the comparison period, which was supported by the release of working capital, to 7 MEUR. The reason for the weak cash flow was capital tied up especially in inventories due to volume growth, which is typical in the industry.

The balance sheet remains solid even after the acquisitions

Scanfil's net debt to EBITDA ratio was 0.1x (cf. the financial target below 1.5x) at the end of Q3. The combined debt-free price of the ADCO and MB acquisitions, which are reasonably financed with debt, is 95 MEUR, excluding the earn-out for the MB acquisition. Thus, the company's balance sheet structure will change significantly during Q4, but in our view, Scanfil's net debt to pro forma EBITDA ratio will remain in the range of 1x-1.5x even after the transactions. The company also has or will have contingent considerations from the SRX and MB acquisitions totaling approximately 60 MEUR, but this will not affect net debt until the earn-out is fully or partially realized. Most of the earn-outs may also materialize only in 2026-2027, once the scale of the earn-out of the MB transaction has been determined. We do not expect the company to make acquisitions in the short term, but the need to integrate ADCO and MB into Scanfil before further moves is a greater reason for our view than balance sheet constraints.

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	173	191	197				-3%	830
EBITA (adj.)	12.8	14.1	14.6				-3%	59.4
EBIT	12.4	12.6	13.5				-7%	55.3
PTP	12.2	12.0	13.1				-8%	52.9
EPS (reported)	0.13	0.14	0.16				-13%	0.62
Revenue growth-%	-18.6 %	10.4 %	13.7 %				-3.3 pp	6.5 %
EBITA-% (adj.)	7.4 %	7.4 %	7.4 %				0 pp	7.2 %

Source: Inderes

There was no need for major estimate revisions

The reiterated guidance was in line with our expectations

Scanfil reiterated its guidance of 2025 of 780-920 MEUR revenue and 55-68 MEUR adjusted EBIT. The reiteration of the guidance was in line with our expectations, although the ranges are very wide and the upper ends are optimistic. The company commented positively on the Q4 outlook, which is also supported by new projects won in the last two years (incl. in Q3, the annualized value of new projects won grew by over 70% to 72 MEUR, including one larger logistics customer contract). The macroeconomic situation in the company's largest market area, Europe, also appears to be developing positively, as nascent signs of economic recovery are already in sight. Correspondingly, the general macro picture in the United States and China is more uncertain, but Scanfil has performed well in both regions with its operating model based on local production, at least for now. Without an escalation of trade and geopolitical risks, we believe the economic picture and Scanfil's investment-driven demand have the potential to develop positively in the coming years. The guidance does not yet include the ADCO and MB acquisitions announced in the summer, which we expect to be completed during Q4, despite the delay in the ADCO deal and the recent fire at MB's main factory in Cortona.

We made no significant estimate revisions

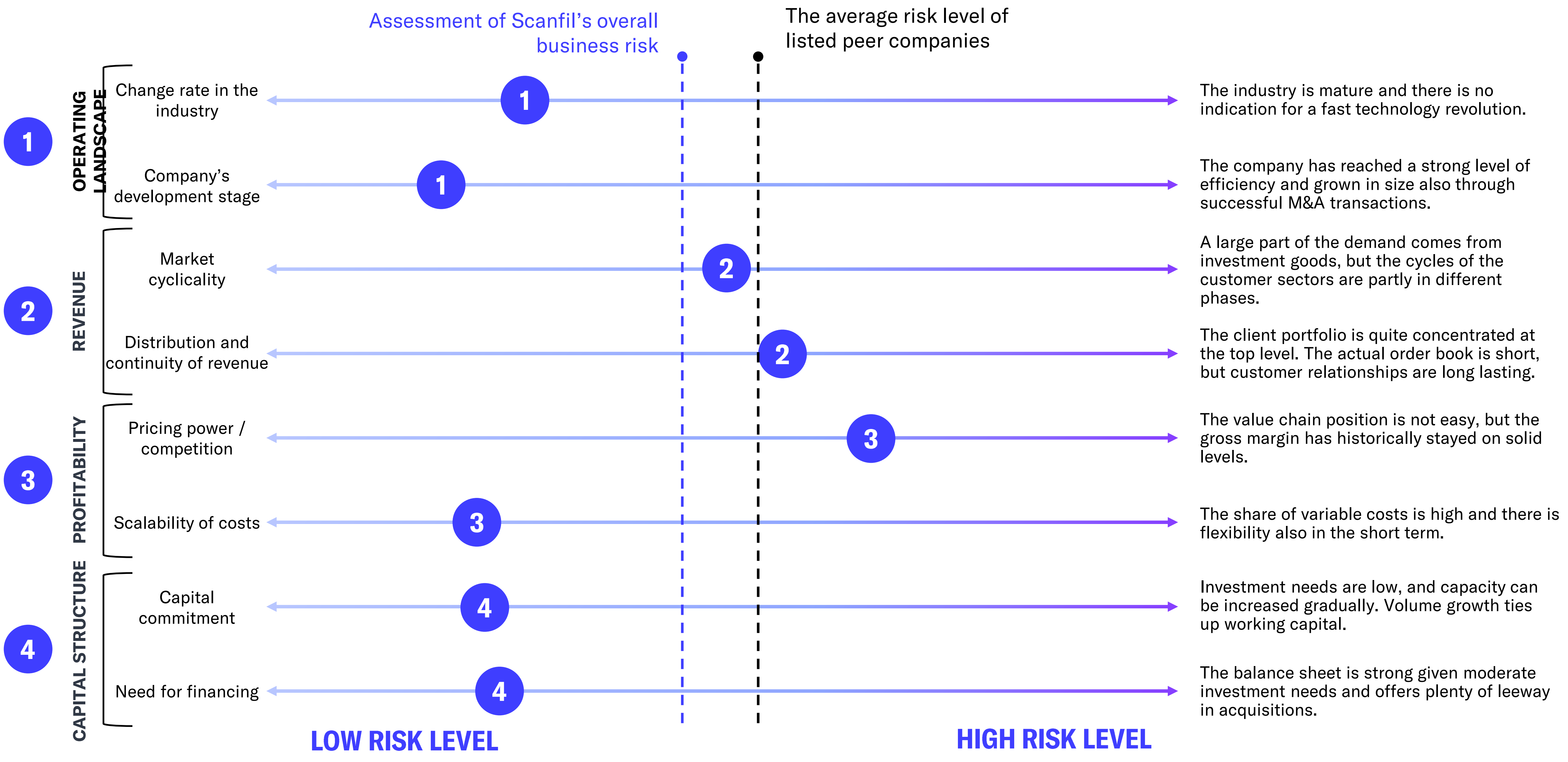
We shifted the completion schedules of the two recent acquisitions forward by a few weeks, which had a slightly negative impact on our Q4 forecasts. We also slightly raised our tax rate forecasts, reflecting recent developments. Otherwise, the forecast changes remained minor, as we had expected organic growth in the coming years, and the project profits in Q3, which are likely to convert into revenue quite slowly, did not cause pressure to change our forecasts. However, the level of risk associated with the forecasts decreased due to Q3 earnings and positive comments regarding the sales pipeline. In addition, we marginally raised our forecasts for Scanfil's tax rate for the entire forecast horizon in light of recent actuals.

We expect Scanfil's revenue to grow by just over 6% to 830 MEUR this year and adjusted EBITA by 8% to 59.4 MEUR. Our estimates are thus slightly below the mid-points of the guidance ranges. We forecast Scanfil's adjusted EPS to grow by around 15% by 2028, driven by acquisitions, a gradually recovering economic situation, and organic growth enabled by project wins. The main risks to our forecasts relate to external demand factors such as the global economy. Internally, we believe the company is in pretty good shape (including customer satisfaction rising to a record high level in the study published in connection with the Q3 report), although the integration of two almost simultaneous acquisitions, in our view, slightly increases the level of risk associated with the company's own operations in the coming quarters.

Estimate revisions MEUR / EUR	2025e Old	2025e New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	844	830	-2%	1006	998	-1%	1076	1068	-1%
EBIT (exc. NRIs)	60.9	59.4	-2%	75.7	74.1	-2%	83.0	81.7	-2%
EBIT	56.8	55.3	-3%	70.6	69.0	-2%	77.9	76.6	-2%
PTP	54.6	52.9	-3%	66.1	64.5	-3%	73.7	72.3	-2%
EPS (excl. NRIs)	0.70	0.67	-3%	0.85	0.82	-4%	0.94	0.91	-3%
DPS	0.26	0.26	0%	0.28	0.28	0%	0.30	0.30	0%

Source: Inderes

Risk profile of the business model



Appropriately fully priced on a 12-month perspective

Next year's multiples are also somewhat neutral

Scanfil's share price has risen by over 30% this year. In our view, the share price increase has been driven by putting the balance sheet to work through M&A, an increased focus on the defense sector with its good prospects due to M&A, rising peer valuations, and the materialization of the organic growth outlook for the coming years. Although the outlook for the defense sector is good and its opening to Scanfil is positive, we do not currently see a need to drastically change the share's valuation multiples, as the defense sector will be Scanfil's smallest customer segment after the ADCO and MB acquisitions, with a revenue share of just under 10%. We believe that Scanfil's adjusted P/E multiple of 12x-15x and adjusted EV/EBITA multiple of 10x-12x are still acceptable based on the company's growth and return on capital potential, the stock's risk level, and its largely strong historical track record..

In our estimate, Scanfil's P/E ratios for 2025 and 2026 are around 16x and 13x, while the corresponding EV/EBITA ratios are some 14x and 11x. We expect dividend yields to settle at a level of 2-3% in the coming years. The earnings-based valuation is above the company's historical medians with this year's multiples. Correspondingly, for next year, the multiples are on par with medium-term median levels. Therefore, in our view, the stock's valuation has become more demanding this year, especially considering that the realization of our 2026 forecasts, which fully account for the acquisitions, also requires a sustainable improvement in the operating environment. Thus, we consider the stock to be fully priced in the short term. We believe that the expected return, consisting of earnings growth, a dividend yield of just over 2%, and a downside in multiples (Q2'25 LTM TOT P/E 18x), remains modest on a 12-month horizon.

Thus, a continued rise in the share price would, in our view, require stronger earnings growth than our forecasts.

Peer group valuation and especially DCF reflect full valuation

Compared to a peer group of global contract manufacturers, Scanfil's earnings-based valuation is rather neutral. We have traditionally accepted a small premium for Scanfil due to its long-term track record and positioning in industrial electronics with better margin potential, but in our view, the peer group, valued clearly above its long-term average, is already quite expensive in the short term (2026e: P/E 17x, EV/EBIT 12x).

Therefore, we do not find the relative valuation of the share too attractive. Among the Nordic peers, Kitron and Note are valued clearly higher than Scanfil. In our opinion, the valuation of core peers already entails more risks than potential, which is why we do not base our view on the assumption that Scanfil's stock would be priced more strongly through peers.

Scanfil's DCF model is also on par with our target price at around EUR 10.5 per share. Thus, alson in light of the DCF, the stock's valuation is fully priced. The model's average profitability corresponds to Scanfil's realized margin level (and is, on average, roughly in line with the target level of 7-8%). We kept our model's required return at 9.2% (CoE), to which we have not made any changes in connection with this update. Considering these factors and Scanfil's reasonable long-term predictability, we also give a reasonable weight to the DCF signals in Scanfil. In our opinion, the DCF model also gives a good picture of the share's fair value.

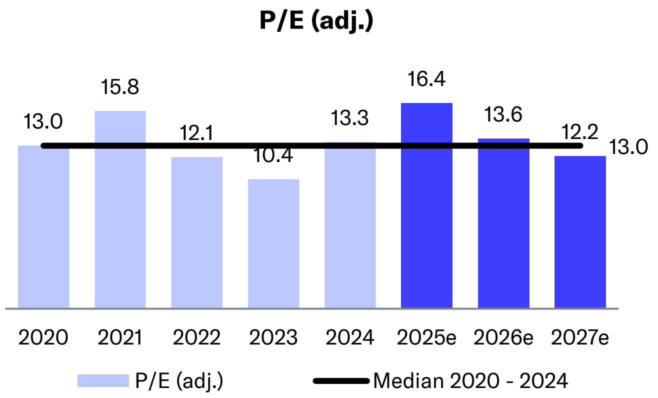
Valuation	2025e	2026e	2027e
Share price	11.1	11.1	11.1
Number of shares, millions	65.4	65.4	65.4
Market cap	724	724	724
EV	820	813	797
P/E (adj.)	16.4	13.6	12.2
P/E	17.7	14.7	13.1
P/B	2.3	2.1	1.9
P/S	0.9	0.7	0.7
EV/Sales	1.0	0.8	0.7
EV/EBITDA	10.4	8.1	7.4
EV/EBIT (adj.)	13.8	11.0	9.8
Payout ratio (%)	41.7 %	37.1 %	35.5 %
Dividend yield-%	2.4 %	2.5 %	2.7 %

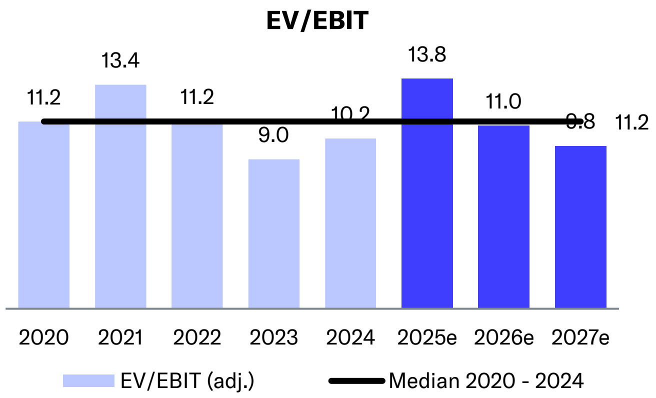
Source: Inderes

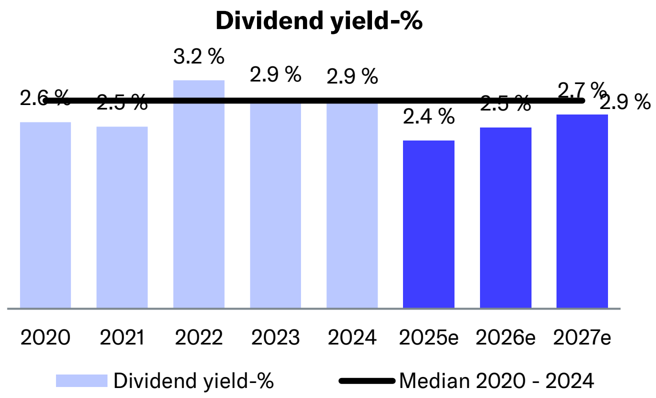
Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	6.52	7.46	6.58	7.83	8.25	**11.1**	**11.1**	**11.1**	**11.1**
Number of shares, millions	64.5	64.5	64.5	65.3	65.3	**65.4**	**65.4**	**65.4**	**65.4**
Market cap	420	481	424	511	538	**724**	**724**	**724**	**724**
EV	439	541	510	563	560	**820**	**813**	**797**	**760**
P/E (adj.)	13.0	15.8	12.1	10.4	13.3	**16.4**	**13.6**	**12.2**	**11.5**
P/E	11.4	16.2	12.1	10.6	13.8	**17.7**	**14.7**	**13.1**	**12.3**
P/B	2.3	2.3	1.9	1.9	1.9	**2.3**	**2.1**	**1.9**	**1.7**
P/S	0.7	0.7	1.9	0.6	0.7	**0.9**	**0.7**	**0.7**	**0.6**
EV/Sales	0.7	0.8	0.5	0.6	0.7	**1.0**	**0.8**	**0.7**	**0.7**
EV/EBITDA	7.2	9.8	8.1	7.0	7.6	**10.4**	**8.1**	**7.4**	**6.8**
EV/EBIT (adj.)	11.2	13.4	11.2	9.0	10.2	**13.8**	**11.0**	**9.8**	**8.9**
Payout ratio (%)	29.7 %	41.1 %	38.7 %	31.1 %	40.2 %	**41.7 %**	**37.1 %**	**35.5 %**	**35.6 %**
Dividend yield-%	2.6 %	2.5 %	3.2 %	2.9 %	2.9 %	**2.4 %**	**2.5 %**	**2.7 %**	**2.9 %**

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 2025e	 2026e	EV/EBITDA 2025e	 2026e	EV/S 2025e	 2026e	P/E 2025e	 2026e	Dividend yield-% 2025e	 2026e	P/B 2025e
Incap	277	242	9.7	7.8	7.7	6.5	1.1	1.0	18.8	11.8			1.9
Kitron	1208	1307	21.0	16.8	16.3	13.5	1.9	1.6	28.9	21.6	1.3	1.8	5.1
Hanza	548	689	18.9	12.2	11.3	7.2	1.3	1.0	25.4	17.3	0.7	1.2	3.2
Pegatron	5690	5016	14.6	10.6	6.2	5.1	0.2	0.2	15.1	12.2	4.9	5.3	1.0
Celestica	28025	28422	39.4	31.2	33.1	26.2	2.9	2.3	51.1	40.5			15.1
Flextronics	20572	21788	17.7	15.7	13.1	11.9	1.0	1.0	24.5	21.0			5.1
Foxconn	92794	92943	13.9	11.3	10.1	8.3	0.4	0.3	17.2	14.4	2.9	3.5	1.9
Jabil	19003	20140	15.0	13.3	10.1	9.4	0.8	0.7	22.0	18.6	0.2	0.2	14.2
Hana Microelectronics	550	285	10.0	7.5	4.2	3.4	0.5	0.5	19.9	15.6	3.2	3.8	0.8
TT Electronics	196	295	8.1	6.4	5.4	4.6	0.5	0.5	12.0	7.7	1.9	3.6	0.9
Fabrinet	12802	11986	39.7	32.8	34.1	28.1	4.1	3.5	40.9	34.0			7.6
Universal Scientific	5761	5178	22.6	17.2	13.0	11.1	0.7	0.6	27.1	21.0	1.2	1.6	2.1
Venture Corporation	2837	2025	12.3	11.6	10.6	10.0	1.2	1.1	18.5	17.5	5.1	5.0	1.4
Plexus	3482	3337	16.8	15.0	12.3	11.4	1.0	0.9	20.9	19.9			2.9
Note	481	494	14.2	12.0	10.7	9.3	1.4	1.3	17.8	15.6	2.6		3.1
Katek	270	355	6.8	6.9	4.6	4.7	0.3	0.4	8.2	8.6			1.4
Lacroix	53	144	8.0	5.9	4.2	3.8	0.3	0.3		4.4		4.8	
Scanfil (Inderes)	**724**	**820**	**13.8**	**11.0**	**10.4**	**8.1**	**1.0**	**0.8**	**16.4**	**13.6**	**2.4**	**2.5**	**2.3**
Average			**17.0**	**13.8**	**12.2**	**10.3**	**1.1**	**1.0**	**23.0**	**17.7**	**2.4**	**3.1**	**4.2**
Median			**14.6**	**12.0**	**10.6**	**9.3**	**1.0**	**0.9**	**20.4**	**17.3**	**2.3**	**3.5**	**2.5**
Diff-% to median			**-5%**	**-9%**	**-2%**	**-12%**	**3%**	**-8%**	**-20%**	**-22%**	**4%**	**-28%**	**-8%**

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	**902**	**199**	**196**	**173**	**212**	**780**	**193**	**202**	**191**	**244**	**830**	**998**	**1068**	**1118**
America	37.5	8.6	8.8	9.7	10.9	38.0	11.7	11.8	12.7	18.4	54.6	76.3	79.4	83.3
APAC	184	40.1	45.5	42.7	61.0	189	52.2	59.5	53.8	63.5	229	245	262	275
Central Europe	390	84.6	76.1	65.4	77.2	303	69.5	67.5	63.3	96.5	297	413	446	468
Northern Europe	309	69.1	67.2	56.5	64.6	257	60.6	65.6	63.1	67.9	257	270	286	298
Eliminations / group expenses	-19.3	-3.5	-2.1	-1.0	-1.5	-8.1	-1.4	-2.2	-1.7	-2.0	-7.3	-6.0	-6.0	-6.0
EBITDA	**80.4**	**17.7**	**19.0**	**17.5**	**19.8**	**74.0**	**17.6**	**19.2**	**18.5**	**23.9**	**79.2**	**100.0**	**108**	**112**
Depreciation	-19.1	-5.0	-5.1	-5.1	-5.9	-21.1	-5.7	-5.9	-5.9	-6.4	-23.9	-31.0	-31.4	-31.3
EBITA (oik.)	**62.8**	**13.1**	**14.3**	**12.8**	**14.7**	**54.9**	**12.6**	**14.2**	**14.1**	**18.5**	**59.4**	**74.1**	**81.7**	**85.5**
EBIT	**61.3**	**12.7**	**13.9**	**12.4**	**13.9**	**52.9**	**11.9**	**13.3**	**12.6**	**17.5**	**55.3**	**69.0**	**76.6**	**80.4**
America (adj. EBITA)	2.7	0.5	0.8	0.8	1.1	3.2	0.8	0.9	1.0	1.9	4.6	6.0	6.6	7.2
APAC (adj. EBITA)	10.7	3.0	4.4	3.9	3.9	15.2	3.6	5.1	4.2	5.3	18.2	19.6	21.0	22.0
Central Europe (adj. EBITA)	31.6	6.9	5.1	4.4	6.2	22.6	5.2	4.9	4.1	7.2	21.4	32.5	37.1	38.8
Northern Europe (adj. EBITA)	18.1	2.8	4.0	3.7	3.9	14.4	3.1	3.7	5.4	4.9	17.1	16.6	17.6	18.1
Eliminations / group expenses	-1.5	-0.4	-0.4	-0.4	-0.7	-1.9	-0.1	-0.4	-0.7	-0.6	-1.8	-0.6	-0.6	-0.6
Net financial items	0.3	0.2	0.0	-0.2	-1.5	-1.5	-1.2	0.2	-0.6	-0.8	-2.4	-4.6	-4.3	-3.7
PTP	**61.7**	**12.9**	**14.0**	**12.2**	**12.4**	**51.4**	**10.7**	**13.5**	**12.0**	**16.7**	**52.9**	**64.5**	**72.3**	**76.8**
Taxes	-13.4	-3.1	-3.2	-3.1	-3.1	-12.5	-2.4	-3.0	-2.8	-3.8	-12.0	-14.8	-16.6	-17.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.3	-0.3	-0.4
Net earnings	**48.3**	**9.8**	**10.8**	**9.1**	**9.3**	**38.9**	**8.3**	**10.5**	**9.2**	**12.8**	**40.8**	**49.4**	**55.4**	**58.7**
Net earnings	**48.2**	**9.8**	**10.8**	**9.1**	**9.3**	**38.9**	**8.3**	**10.5**	**9.2**	**12.8**	**40.8**	**49.4**	**55.4**	**58.7**
EPS (adj.)	**0.76**	**0.15**	**0.17**	**0.14**	**0.15**	**0.62**	**0.14**	**0.17**	**0.16**	**0.21**	**0.67**	**0.82**	**0.91**	**0.96**
EPS (rep.)	**0.74**	**0.15**	**0.17**	**0.14**	**0.14**	**0.60**	**0.13**	**0.16**	**0.14**	**0.20**	**0.62**	**0.75**	**0.85**	**0.90**

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	6.9 %	-11.4 %	-19.6 %	-18.6 %	-3.9 %	-13.5 %	-3.2 %	3.4 %	10.4 %	15.1 %	6.5 %	20.2 %	6.9 %	4.8 %
Adjusted EBIT growth-%	38.3 %	-15.5 %	-20.1 %	-17.9 %	6.4 %	-12.6 %	-3.8 %	-0.7 %	10.2 %	26.3 %	8.3 %	24.7 %	10.2 %	4.7 %
EBITDA-%	8.9 %	8.9 %	9.7 %	10.1 %	9.3 %	9.5 %	9.2 %	9.5 %	9.7 %	9.8 %	9.5 %	10.0 %	10.1 %	10.0 %
Adjusted EBIT-%	7.0 %	6.6 %	7.3 %	7.4 %	6.9 %	7.0 %	6.5 %	7.0 %	7.4 %	7.6 %	7.2 %	7.4 %	7.7 %	7.6 %
Net earnings-%	5.3 %	4.9 %	5.5 %	5.2 %	4.4 %	5.0 %	4.3 %	5.2 %	4.8 %	5.2 %	4.9 %	4.9 %	5.2 %	5.3 %

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	**112**	**152**	**251**	**253**	**223**
Goodwill	7.7	29.1	99.1	99.1	69.1
Intangible assets	10.4	20.0	20.1	20.2	20.3
Tangible assets	85.3	94.9	123	125	125
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.5	0.5	0.5	0.5	0.5
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	7.7	7.7	7.7	7.7	7.7
Current assets	**406**	**387**	**408**	**454**	**483**
Inventories	209	168	187	210	222
Other current assets	2.7	4.9	4.9	4.9	4.9
Receivables	174	165	183	200	214
Cash and equivalents	21.2	48.5	33.2	39.9	42.7
Balance sheet total	**518**	**539**	**690**	**734**	**728**

Source: Inderes

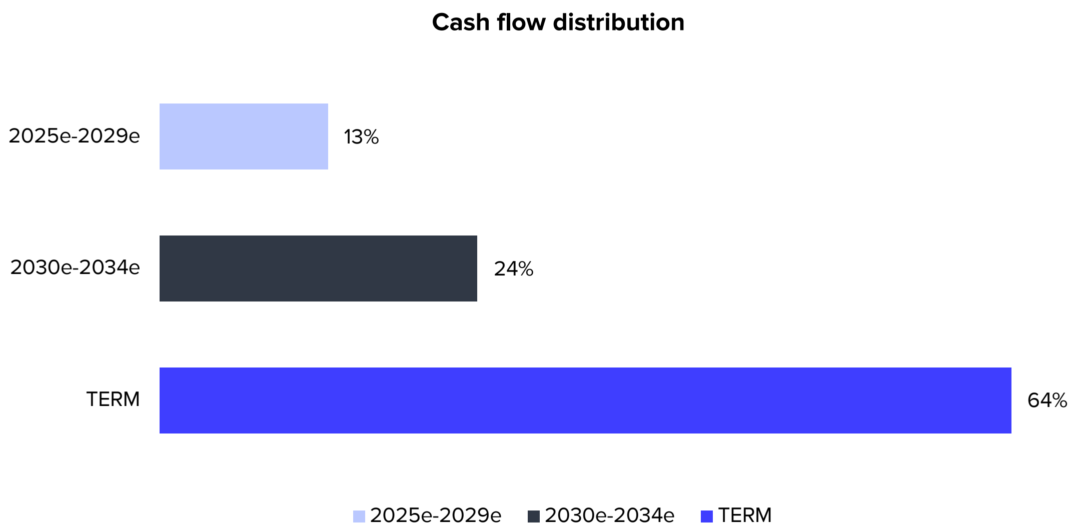
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	**266**	**291**	**320**	**352**	**389**
Share capital	2.0	2.0	2.0	2.0	2.0
Retained earnings	230	256	281	313	350
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	33.8	33.4	34.1	34.1	34.1
Minorities	0.0	0.0	3.0	3.0	3.0
Non-current liabilities	**25.4**	**63.7**	**156**	**141**	**89.0**
Deferred tax liabilities	5.7	9.7	9.7	9.7	9.7
Provisions	1.1	1.8	1.8	1.8	1.8
Interest bearing debt	18.6	41.9	85.2	85.8	77.5
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	0.0	10.3	59.0	44.0	0.0
Current liabilities	**227**	**184**	**215**	**240**	**249**
Interest bearing debt	54.3	27.8	37.4	37.8	32.9
Payables	167	154	174	200	214
Other current liabilities	5.5	2.8	2.8	2.8	2.8
Balance sheet total	**518**	**539**	**690**	**734**	**728**

DCF calculation

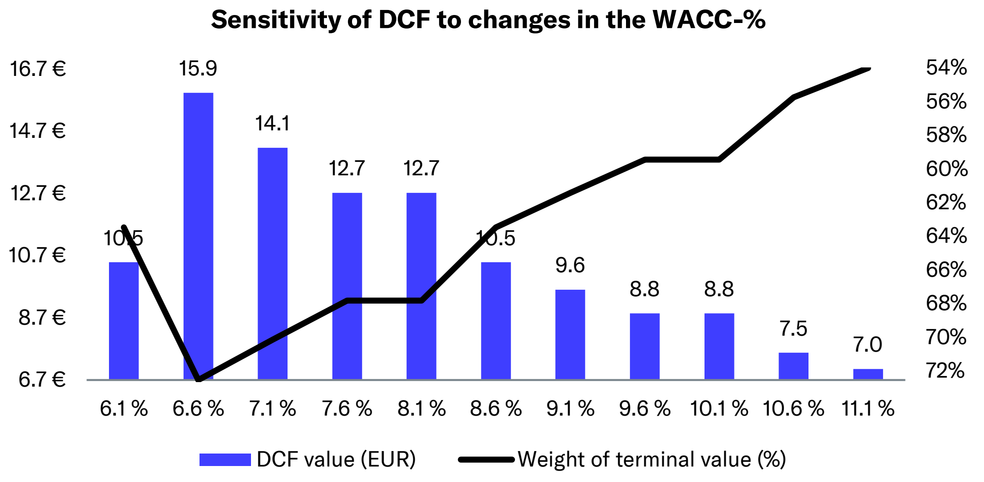
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-13.5 %	6.5 %	20.2 %	6.9 %	4.8 %	4.0 %	4.0 %	3.5 %	3.5 %	3.0 %	2.0 %	2.0 %
EBIT-%	6.8 %	6.7 %	6.9 %	7.2 %	7.2 %	7.1 %	6.9 %	6.8 %	6.7 %	6.6 %	6.6 %	6.6 %
EBIT (operating profit)	**52.9**	**55.3**	**69.0**	**76.6**	**80.4**	**82.6**	**83.5**	**85.1**	**86.2**	**88.7**	**90.5**	
+ Depreciation	21.1	23.9	31.0	31.4	31.3	31.6	30.8	30.2	30.2	27.9	26.8	
- Paid taxes	-8.5	-12.0	-14.8	-16.6	-17.7	-18.5	-19.0	-19.4	-19.7	-20.4	-20.8	
- Tax, financial expenses	-0.5	-0.7	-1.2	-1.1	-0.9	-0.6	-0.4	-0.4	-0.4	-0.4	-0.4	
+ Tax, financial income	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.3	0.4	
- Change in working capital	31.1	-15.4	-14.5	-12.4	-8.3	-6.9	-7.1	-6.0	-8.8	-7.8	-5.3	
Operating cash flow	**96.3**	**51.2**	**69.6**	**78.0**	**85.0**	**88.3**	**88.0**	**89.7**	**87.8**	**88.4**	**91.2**	
+ Change in other long-term liabilities	11.0	48.7	-15.0	-44.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-61.7	-154.1	-28.1	3.9	-26.1	-26.1	-26.1	-27.1	-27.1	-27.1	-27.5	
Free operating cash flow	**45.6**	**-54.2**	**26.5**	**37.9**	**58.9**	**62.2**	**61.9**	**62.6**	**60.7**	**61.3**	**63.7**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	45.6	-54.2	26.5	37.9	58.9	62.2	61.9	62.6	60.7	61.3	63.7	987
Discounted FCFF		**-53.4**	**24.0**	**31.7**	**45.3**	**44.1**	**40.4**	**37.6**	**33.6**	**31.3**	**29.9**	**463**
Sum of FCFF present value		728	781	757	726	680	636	596	558	525	493	463
Enterprise value DCF		**728**										
- Interest bearing debt		-69.7										
+ Cash and cash equivalents		48.5										
-Minorities		-6.9										
-Dividend/capital return		-15.7										
Equity value DCF		**684**										
Equity value DCF per share		**10.5**										

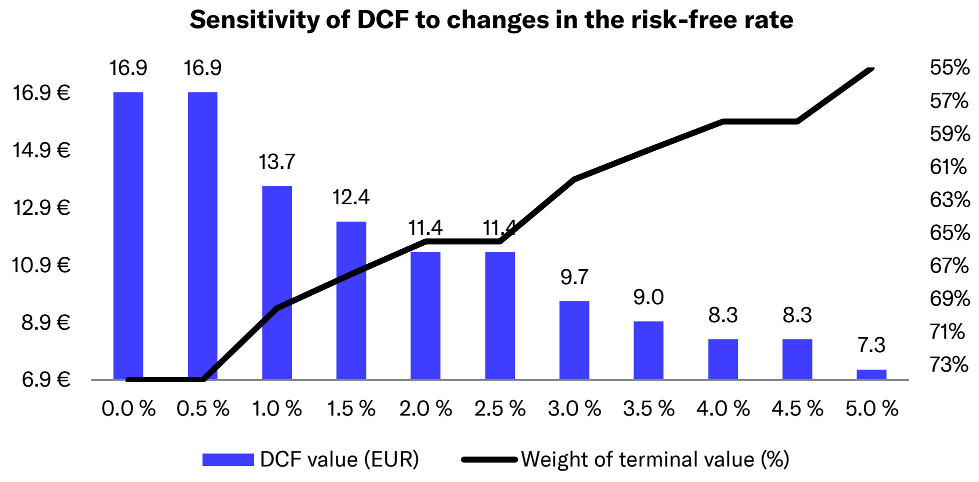
WACC	
Tax-% (WACC)	23.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	4.5 %
Equity Beta	1.40
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	**9.2 %**
Weighted average cost of capital (WACC)	**8.6 %**

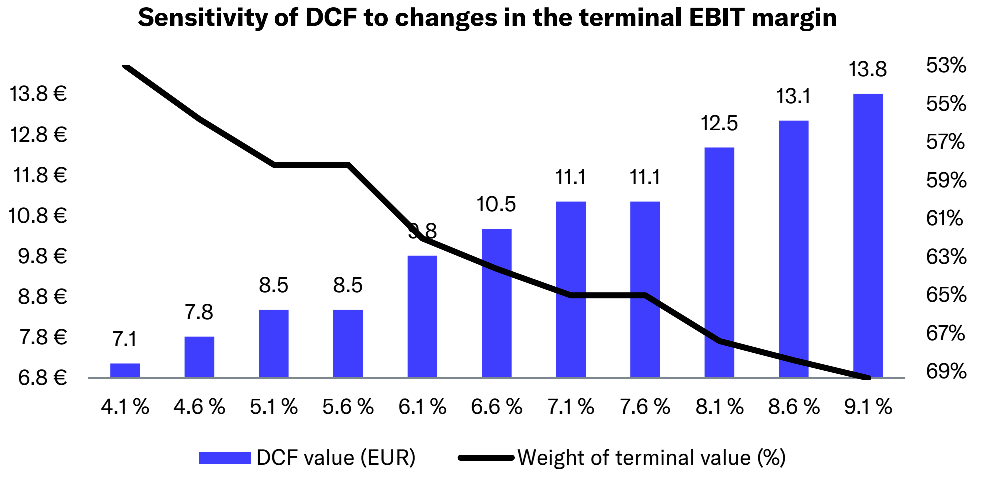
Source: Inderes

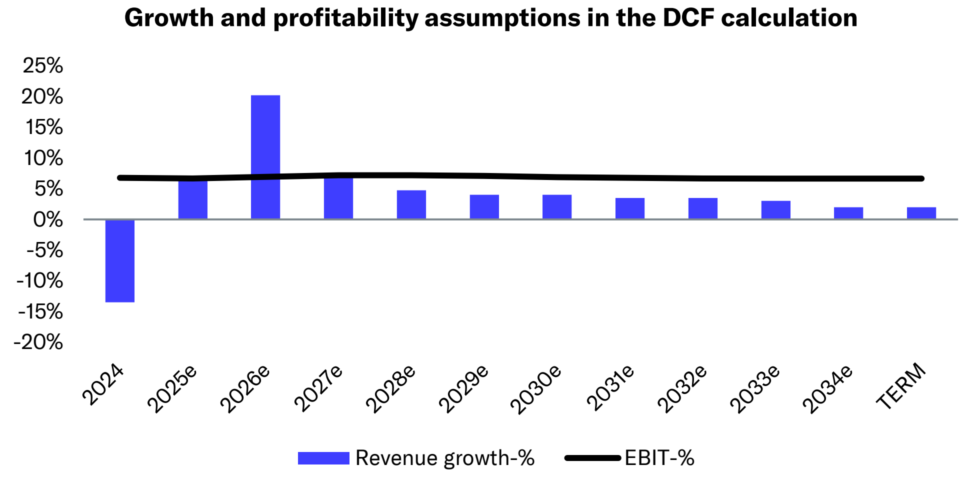


DCF sensitivity calculations and key assumptions in graphs









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
Revenue	844	902	780	**830**	**998**
EBITDA	62.9	80.4	74.0	**79.2**	**100.0**
EBIT	45.4	61.3	52.9	**55.3**	**69.0**
PTP	41.7	61.7	51.4	**52.9**	**64.5**
Net Income	35.0	48.2	38.9	**40.8**	**49.4**
Extraordinary items	0.0	-1.5	-1.9	**-4.1**	**-5.1**

Per share data	2022	2023	2024	2025e	2026e
EPS (reported)	0.54	0.74	0.60	**0.62**	**0.75**
EPS (adj.)	0.54	0.76	0.62	**0.67**	**0.82**
OCF / share	0.24	1.02	1.48	**0.78**	**1.06**
OFCF / share	-0.10	0.65	0.70	**-0.83**	**0.41**
Book value / share	3.51	4.08	4.46	**4.84**	**5.34**
Dividend / share	0.21	0.23	0.24	**0.26**	**0.28**

Balance sheet	2022	2023	2024	2025e	2026e
Balance sheet total	526	518	539	**690**	**734**
Equity capital	227	266	291	**320**	**352**
Goodwill	7.7	7.7	29.1	**99.1**	**99.1**
Net debt	85.5	51.7	21.2	**89.4**	**83.7**

Growth and profitability	2022	2023	2024	2025e	2026e
Revenue growth-%	21%	7%	-13%	**6%**	**20%**
EBITDA growth-%	14%	28%	-8%	**7%**	**26%**
EBIT (adj.) growth-%	13%	38%	-13%	**8%**	**25%**
EPS (adj.) growth-%	15%	39%	-18%	**9%**	**21%**
EBITDA-%	7.5 %	8.9 %	9.5 %	**9.5 %**	**10.0 %**
EBIT (adj.)-%	5.4 %	7.0 %	7.0 %	**7.2 %**	**7.4 %**
EBIT-%	5.4 %	6.8 %	6.8 %	**6.7 %**	**6.9 %**
ROE-%	16.1 %	19.6 %	14.0 %	**13.4 %**	**14.8 %**
ROI-%	14.5 %	18.3 %	15.3 %	**13.9 %**	**15.2 %**
Equity ratio	43.1 %	51.3 %	54.0 %	**46.3 %**	**48.0 %**
Gearing	37.7 %	19.4 %	7.3 %	**27.9 %**	**23.8 %**

Cash flow	2022	2023	2024	2025e	2026e
EBITDA	62.9	80.4	74.0	**79.2**	**100.0**
Change in working capital	-39.9	-2.0	31.1	**-15.4**	**-14.5**
Operating cash flow	15.7	66.3	96.3	**51.2**	**69.6**
CAPEX	-22.6	-24.3	-61.7	**-154.1**	**-28.1**
Free cash flow	-6.7	42.3	45.6	**-54.2**	**26.5**

Valuation multiples	2022	2023	2024	2025e	2026e
EV/S	0.6	0.6	0.7	**1.0**	**0.8**
EV/EBITDA	8.1	7.0	7.6	**10.4**	**8.1**
EV/EBIT (adj.)	11.2	9.0	10.2	**13.8**	**11.0**
P/E (adj.)	12.1	10.4	13.3	**16.4**	**13.6**
P/B	1.9	1.9	1.9	**2.3**	**2.1**
Dividend-%	3.2 %	2.9 %	2.9 %	**2.4 %**	**2.5 %**

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.

Disclaimer and recommendation history

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

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

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

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

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

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

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

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

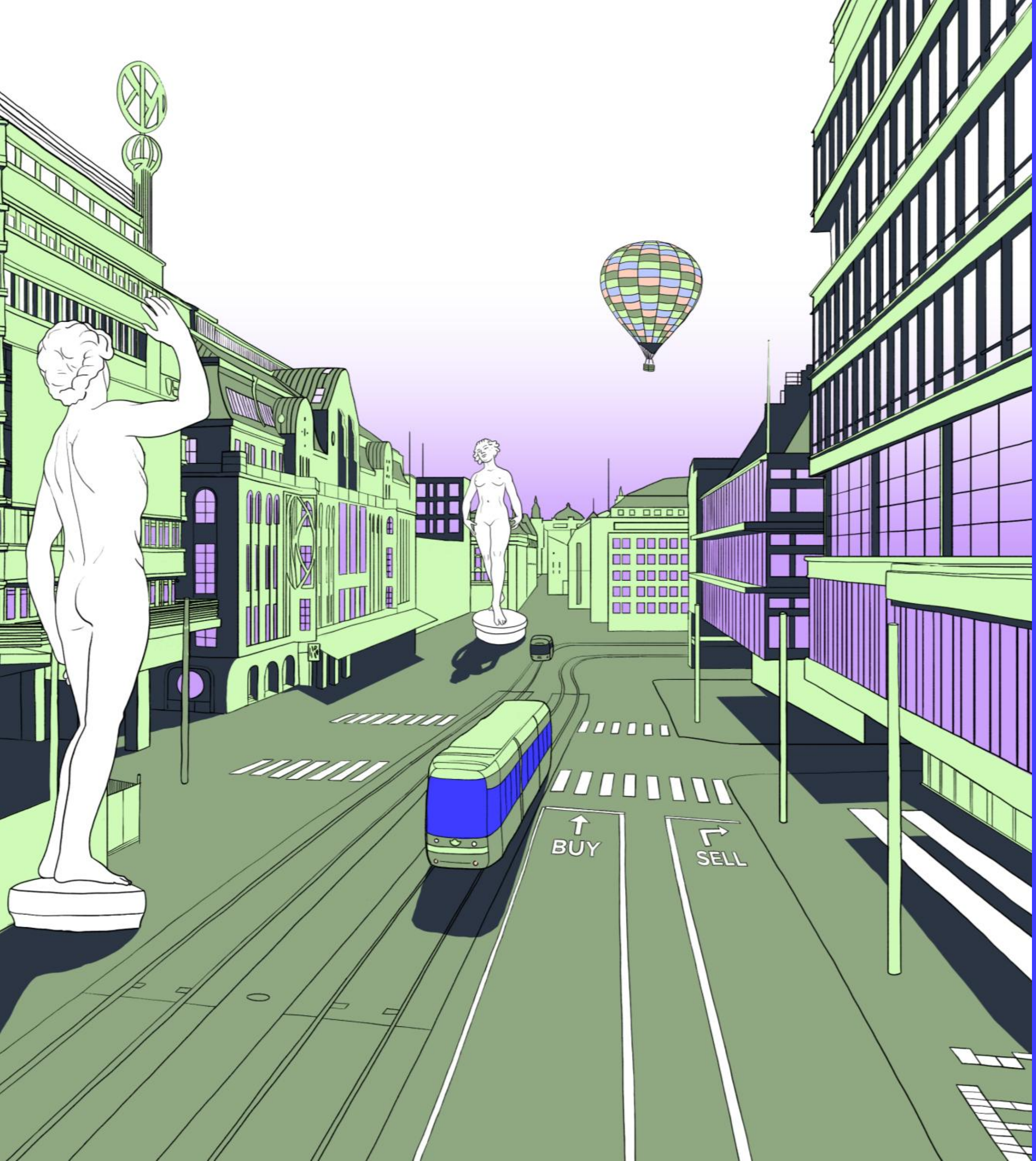
Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with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

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

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

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
4/26/2019	Accumulate	4.50 €	4.20 €
8/12/2019	Accumulate	4.50 €	4.04 €
10/28/2019	Accumulate	4.75 €	4.35 €
1/17/2020	Accumulate	5.25 €	4.94 €
2/20/2020	Accumulate	5.60 €	5.20 €
3/23/2020	Accumulate	4.25 €	3.73 €
4/25/2020	Accumulate	5.00 €	4.48 €
8/5/2020	Accumulate	5.50 €	5.18 €
8/10/2020	Accumulate	6.00 €	5.56 €
10/28/2020	Buy	6.00 €	5.14 €
12/15/2020	Accumulate	6.30 €	5.96 €
3/19/2021	Accumulate	7.30 €	6.90 €
4/9/2021	Accumulate	8.00 €	7.56 €
4/26/2021	Accumulate	8.60 €	8.08 €
6/14/2021	Accumulate	8.60 €	8.06 €
8/8/2021	Accumulate	8.75 €	8.30 €
10/14/2021	Accumulate	8.75 €	7.94 €
10/27/2021	Accumulate	8.75 €	7.78 €
12/13/2021	Reduce	8.30 €	7.96 €
2/16/2022	Accumulate	8.00 €	7.08 €
2/23/2022	Accumulate	8.00 €	6.84 €
4/19/2022	Accumulate	8.00 €	7.04 €
6/1/2022	Accumulate	7.60 €	6.66 €
7/14/2022	Accumulate	7.60 €	6.98 €
8/8/2022	Accumulate	7.60 €	6.76 €
10/27/2022	Buy	7.25 €	5.84 €
2/22/2023	Accumulate	8.25 €	7.74 €
4/23/2023	Reduce	9.00 €	9.13 €
4/26/2023	Reduce	9.00 €	9.67 €
7/6/2023	Reduce	9.50 €	10.38 €
7/31/2023	Reduce	10.00 €	10.56 €
8/7/2023	Reduce	10.00 €	10.64 €
9/14/2023	Accumulate	10.00 €	8.51 €
10/16/2023	Accumulate	9.00 €	7.64 €
10/30/2023	Accumulate	9.00 €	7.38 €
2/25/2024	Accumulate	9.00 €	7.71 €
4/25/2024	Accumulate	9.00 €	7.78 €
6/11/2024	Accumulate	9.00 €	7.48 €
8/7/2024	Accumulate	9.00 €	7.35 €
10/7/2024	Accumulate	9.00 €	7.38 €
10/28/2024	Accumulate	8.70 €	7.87 €
2/24/2025	Accumulate	9.40 €	8.76 €
4/9/2025	Accumulate	9.00 €	8.08 €
4/25/2025	Reduce	9.00 €	8.76 €
7/18/2025	Reduce	10.50 €	11.32 €
10/27/2025	Reduce	10.50 €	11.06 €



CONNECTING INVESTORS AND COMPANIES.

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

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

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

inderes.se

Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

inderes.