

KH GROUP

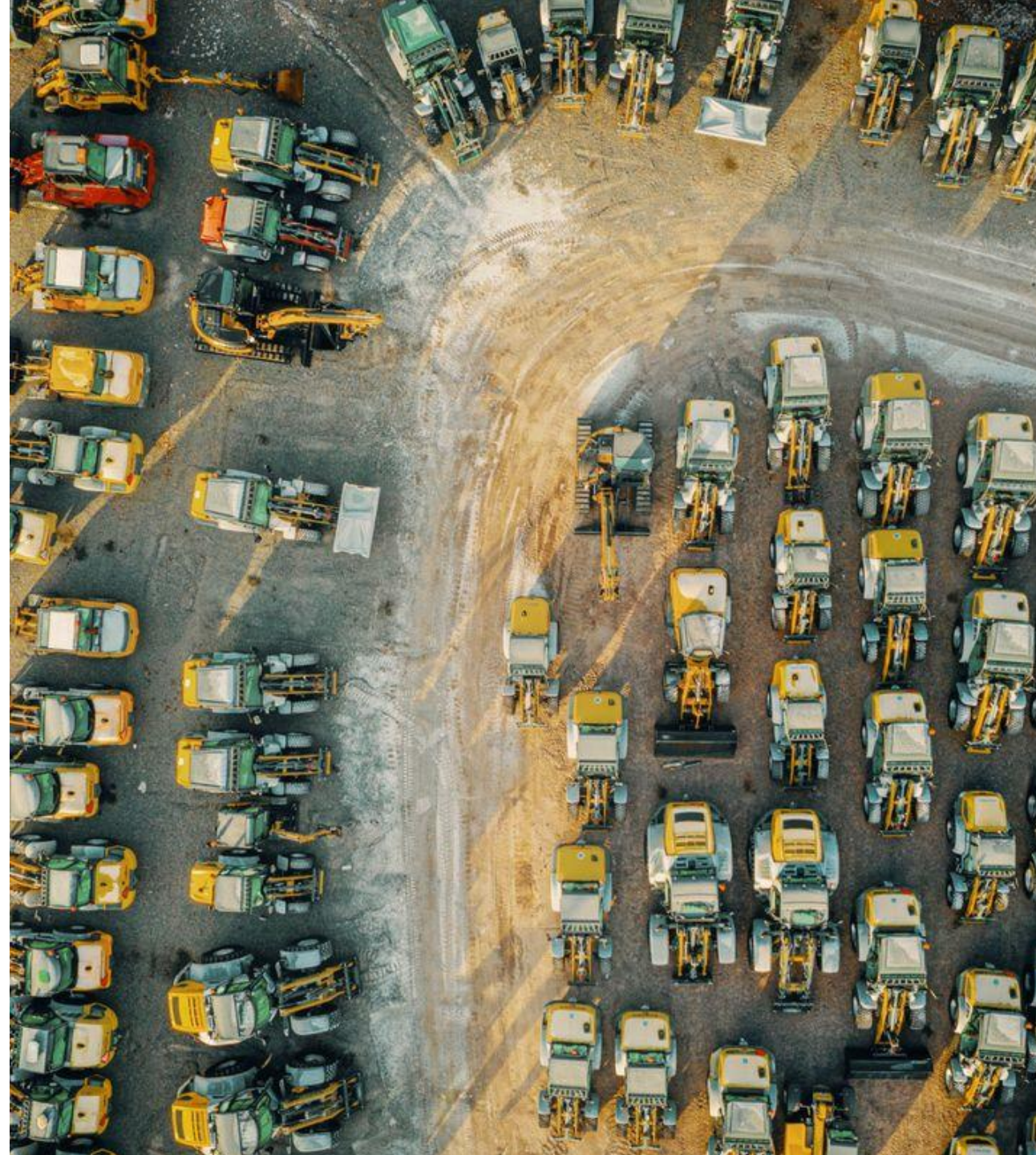
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INDERES CORPORATE CUSTOMER COMPANY REPORT



Divestments are approaching

KH Group's Q4 followed a familiar formula: KH-Koneet and NRG performed well, considering the circumstances, but Indoor Group's situation deteriorated further. In connection with initiating Indoor's sales process, KH Group wrote down in full Indoor's equity and capital loans granted to the company. In our view, the value of the Indoor holding with its current earnings is entirely speculative, and we cut the company's value significantly in our sum of the parts. We reiterate our Accumulate recommendation but revise our target price to EUR 0.65 (was EUR 0.68).

Indoor Group's equity was written down fully

With the preliminary data provided, KH Group's Q4 report was already largely known. Despite the weakness of the construction sector, KH-Koneet achieved strong growth driven by an expanded sales network and increased machine rental. NRG's growth was very strong, although it was supported by vehicle deliveries being moved to the past quarter. Indoor Group's revenue, in turn, declined significantly more than the market, and the review period did not yet provide any indication of the benefits of the new ERP system or operating model. The profitability of KH-Koneet and NRG was strong, driven by growth, but Indoor's negative EBIT was a clear disappointment and weakened confidence in the company's competitiveness.

Prior to the earnings release, the group recognized Indoor Group as an asset held for sale and the value of the holding was recognized at fair value based on market soundings made by a financial advisor. The write-down covered Indoor's equity in full, and the earnings call made it clear that the capital loan granted to the company was also written down. Given KH Group's strategy, divesting Indoor is natural, but considering the rapid timetable for the divestment and the company's weak financial condition, the potential sales price is probably weak. From an investment case perspective, the silver lining of divesting the

company is that it would prevent inefficient capital allocation to the company, which we have flagged as a risk. After the review period, KH Group granted Indoor another subordinated loan of 1 MEUR, and the company redeemed KH-Koneet's minority holding for 2 MEUR.

A similar year to 2024 is expected for continuing operations

KH Group's guidance for this year is that the revenue and result from continuing operations will be approximately the same as in the comparison period. The guidance does not include Indoor Group, but management said that they will continue to report Indoor figures separately in the future. Regarding NRG's outlook, demand for rescue vehicles is said to have weakened in Finland towards the end of the year due to delays in wellbeing services counties' purchasing decisions. As a result, the visibility provided by the order book has decreased for the business, and the order book has contracted year on year. We expect KH-Koneet to continue growing this year, but NRG's weaker year will overshadow the development. Our updated forecasts are in line with the guidance for continuing operations. For NRG, we lowered our estimates for the next few years due to the communicated more cautious outlook, while for Indoor, we made a significant cut to our earnings estimates for the next few years.

Cutting Indoor's value depressed the sum of the parts

Our sum-of-the-parts calculation indicates a value of EUR 0.80 per share for KH Group. With the full write-down of Indoor's equity, we view the company's value as a speculative option. However, the strong performance and redemption of minorities in KH-Koneet, a key piece of the story, will advance the investment case. For the company's value, evidence of a return to growth in return on capital plays a key role in strengthening the international growth story.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 0.65

(was EUR 0.68)

Share price:

0.55

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	315	194	207	232
growth-%	-22%	-38%	7%	12%
EBIT adj.	6.0	6.9	7.7	10.7
EBIT-% adj.	1.9 %	3.6 %	3.7 %	4.6 %
PTP	-3.5	0.5	1.4	4.7
Net Income	2.7	0.4	1.0	4.1
EPS (adj.)	-0.42	0.01	0.02	0.07
Dividend	0.00	0.00	0.00	0.00
P/E (adj.)	neg.	74.7	30.8	7.8
P/B	0.6	0.6	0.6	0.6
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	28.6	25.2	22.3	16.7
EV/EBITDA	5.0	8.0	8.0	7.2
EV/S	0.5	0.9	0.8	0.8

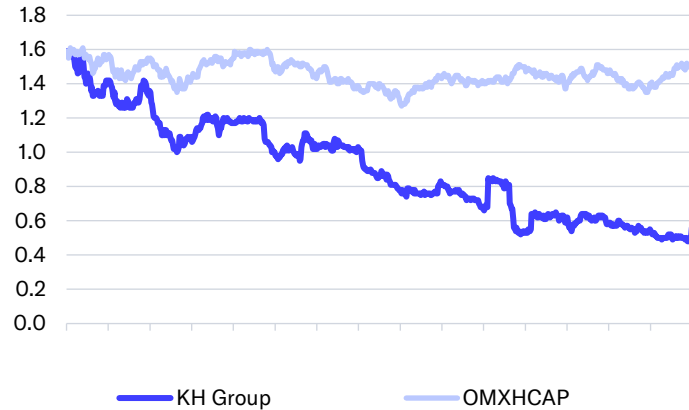
Source: Inderes

Guidance

(Unchanged)

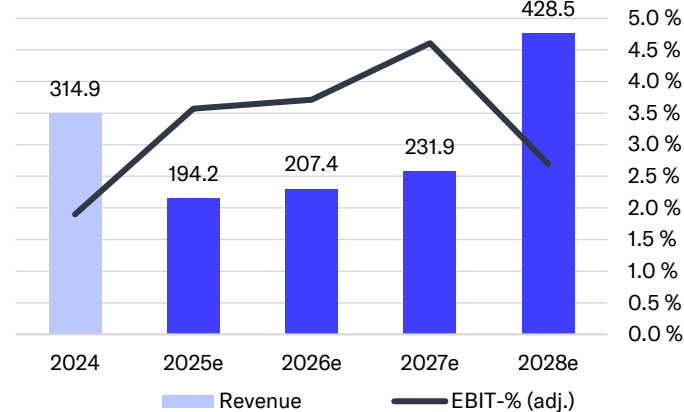
KH Group estimates that both the revenue (194 MEUR) and the comparable EBIT (7.2 MEUR) will remain approximately at the same level year-on-year.

Share price



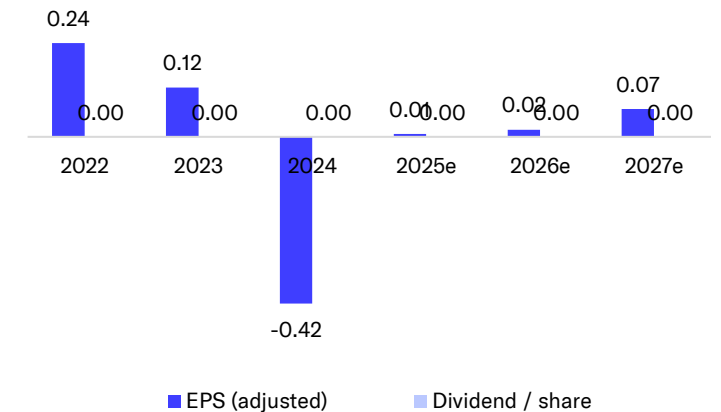
Source: Millstream Market Data AB

Revenue and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

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

Risk factors

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

Valuation	2025e	2026e	2027e
Share price	0.55	0.55	0.55
Number of shares, millions	58.1	58.1	58.1
Market cap	32	32	32
EV	174	172	178
P/E (adj.)	74.7	30.8	7.8
P/E	74.7	30.8	7.8
P/B	0.6	0.6	0.6
P/S	0.2	0.2	0.1
EV/Sales	0.9	0.8	0.8
EV/EBITDA	8.0	8.0	7.2
EV/EBIT (adj.)	25.2	22.3	16.7
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Figures were already largely known

Continuing operations grew strongly

Despite the weakness in the construction sector, KH-Koneet achieved 17% revenue growth in Q4, driven by an expanded sales network and increased machine rental. On the earnings call, management pointed out that distributors' restocking was not behind the strong growth. NRG, in turn, was the bright spot of the report in terms of growth with its nearly 40% revenue growth, which was achieved with practically previously fully sold capacity. The quarter included more vehicle deliveries than usual in both Finland and Sweden, which weakens the comparability of the quarter. Indoor Group's revenue decreased by 15% year-on-year, which was below the market decline of about 6%. Indoor's revenue contraction was affected by the decrease in the number of stores in Finland and the termination of operations in Estonia but challenges with, e.g., the new ERP system were not highlighted.

Profitability of continuing operations was at a good level

The profitability of KH-Koneet fell short of the strong comparison level in Q4, although, according to the group, gross margins in both operating countries were almost at the level of the comparison period. Profitability was decreased by, e.g., costs related to the opening the Luleå branch. In KH-Koneet, a slight sacrifice of short-term profitability to strengthen growth seems justified. NRG's earnings growth was driven by increased revenue. Indoor Group's earnings were depressed by the decline in revenue and, according to our estimates, the change negotiations carried out during Q4. Due to poor performance, Indoor Group did not meet the covenants of its financing at the end of September. The company's immediate financial risk is mitigated by an agreement with the financier, valid until the end of May, according to which loans are not matured. Considering the earnings cycle of the furniture market, selling Indoor Group with the current figures is far from ideal, but the prolonged weakness of the market and Indoor

Group's continued difficulties have understandably left KH Group with a weak hand to play.

KH-Koneet's minority holding was redeemed on good terms

At the end of the review period, KH Group's net debt amounted to 139 MEUR, and net gearing was very high at 283%, boosted by the Indoor Group write-down. However, net debt from continuing operations was lower at 70 MEUR and the parent company had a net cash position of 8.8 MEUR. After the review period, the Group allocated 2.0 MEUR to redeem the remaining 4.9% minority holding of KH-Koneet. The transaction priced KH-Koneet at approximately 41 MEUR, making it value-creating for KH Group in our view. After the review period, KH Group also granted Indoor another shareholder loan of 1 MEUR and was the only owner to participate in the company's financing. The solution may be justified if Indoor's sales can be finalized with its help, but so far, additional investments in Indoor Group have been disastrous for value creation.

Revenue MEUR	Q4'23 Comparison	Q4'24 Actualized	Q4'24e Inderes	Growth Estimate	Growth Act.	Difference (%) Act. vs. Inderes	2024 Actualized
Indoor Group	48.1	40.7	40.7	-15 %	-15 %	0 %	162
KH-Koneet Group	39.1	45.8	48.0	23 %	17 %	-5 %	150
Nordic Rescue Group	11.4	15.9	13.7	20 %	39 %	16 %	44
Adj. EBITT (IFRS) MEUR	Q4'23 Comparison	Q4'24 Actualized	Q4'24e Inderes	Growth Estimate	Growth Act.	Difference (%) Act. vs. Inderes	2024 Actualized
Indoor Group	0.6	-0.4	-0.5				-1.6
KH-Koneet Group	3.2	2.8	2.8	-12 %	-13 %	-1 %	6.3
Nordic Rescue Group	0.9	1.2	1.0	17 %	33 %	14 %	2.8
Unallocated costs	-0.6	-0.6	-0.5				-2.0

Source: Inderes. NB! Comparison period figures are pro forma

Estimates cut for Indoor Group and NRG

Indoor’s estimated fair value does not strengthen confidence in the short-term outlook

During the review period, KH Group made a 28.9 MEUR write-down on its Indoor Group holding after updating the fair value of the holding based on market soundings by a financial advisor. After the write-down, Indoor Group's asset value equals its liabilities, meaning that no value is given to the shareholdings of or capital loans granted to Indoor (excl. the shareholder loan granted in January 2025). In the case of Indoor Group, the benefits to be derived from the new operating model and ERP system have not yet been seen. In light of this, initiating the sale of the subsidiary and the full write-down of the value of the holding does not strengthen confidence in a short-term earnings turnaround. Understandably, KH Group is committed to implementing the strategic divestments within a specific time window, and turning the company

around could still require new financing but based on the market sounding by the financial advisor and the company's earnings cycle, the timing of the divestment is far from ideal. In light of the challenges the furniture market has faced in recent years, we believe finding a suitable partner for the reorganization within the industry would be challenging, given the weak balance sheet positions of the players. In our view, this means potential buyers could be found among private equity investors and players expanding from abroad to Finland.

Communication about NRG's outlook was cautious

For NRG, the earnings day confirmed our suspicion that Q4 had an exceptionally high number of deliveries and that 2024 was the peak of the cycle, driven by a full order book. Regarding NRG's outlook, demand for rescue vehicles was said to have weakened in Finland towards the end of the year due to delays in the wellbeing services

counties' purchasing decisions. Thus, the visibility provided by the order book has decreased for the business and the order book has contracted. After a strong 2024, we believe the starting point for divesting the NRG holding has improved considerably, despite the weakened order book.

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
Revenue (MEUR)	Old	New	%	Old	New	%	Old	New	%
Indoor Group	162	162	0 %	162	160	-1 %	166	164	-1 %
KH Koneet	152	150	-1 %	155	155	0 %	168	168	0 %
NRG	42,0	44,2	5 %	42,8	39,1	-9 %	43,7	39,9	-9 %
Adj. EBIT (MEUR)									
Indoor Group	-1.6	-1.6		2.4	1.9	-21 %	4.3	3.9	-8 %
KH Koneet	6.3	6.3	0 %	7.0	7.0	0 %	8.1	8.1	1 %
NRG	2.6	2.8	6 %	2.1	1.9	-5 %	1.7	1.6	-9 %
Unallocated costs	-1.8	-2.0		-1.8	-2.0	11 %	-1.8	-1.9	6 %

Source: Inderes

Changes in the SOTP

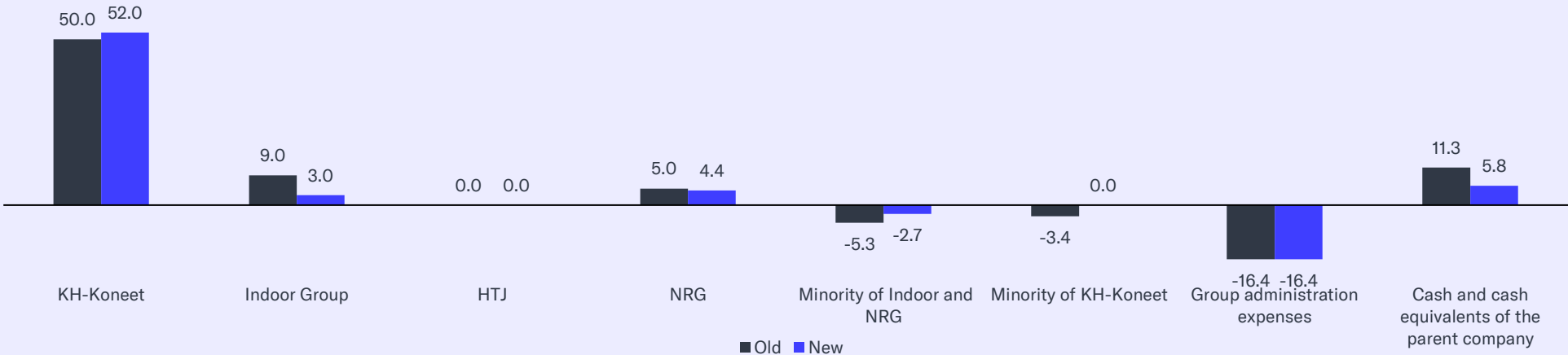
Big cut to Indoor, revisions elsewhere

We made a significant cut to our view of Indoor Group's value as the subsidiary's sale is likely to happen in a weak cycle with poor performance. Based on KH Group's fair value estimate, we believe that investors should view Indoor's value as a possible option and not, at this stage, rely on the company for KH Group's investment thesis. If the company is divested in the near future, the purchase price is unlikely to be ideal, but on the other hand, it would stop the capital outflow from the group to the company, which would leave more capital to be invested in KH-Koneet, NRG, and dividend distribution.

With the estimate changes, we have lowered our view of NRG's fair value. For KH-Koneet, the value increased slightly as based on the company's balance sheet its balance sheet

position was stronger than we expected at year-end. In our opinion, KH-Koneet becoming fully owned by KH Group is a positive development, as it simplifies the investment case. The purchase price of around 41 MEUR was also attractive considering our fair value view. We believe the transaction's valuation was based on the pre-defined valuation multiple in the shareholders' agreement, which explains the cheap valuation. KH-Koneet's minority interest in our model has dropped to zero due to the redemption of minority interests. We have correspondingly deducted the investments in KH-Koneet and Indoor from the parent company's cash funds.

Changes in the SOTP



Sum of the parts is the best-suited valuation method

Formation of the SOTP value

We approach KH Group's valuation through a sum-of-the-parts calculation. In our view, the method is suitable for the group, as the current group structure is to be dismantled, which enables value to be released. At the same time, due to the subsidiaries' differing cash flow and risk profiles, their growth, profitability and acceptable valuation multiples differ considerably.

In our SOTP, we have estimated the fair value of each of KH Group's subsidiaries using company-specific DCF models and by comparing the multiple-based fair value valuation to company-specific peers' valuations. In the subsidiary-specific valuation, we utilize company-specific financial statements that comply with FAS accounting (excl. Indoor Group reports under IFRS, which slightly weakens the comparability of the figures with peers and increases the forecast risk associated with the valuation. We deduct the expenses of minority holdings and group administration from the company-specific fair value assessment.

Group administration expenses consume the fair value of the whole

We have estimated that normalized group administration costs are EUR 1.8 million, which we have discounted at an 11% cost of capital from now to eternity. Expenditure has been slightly higher in recent years, but we expect it to fall when the strategy is clear and as it progresses. One could argue for a larger drop in group costs when the group only includes KH-Koneet.

Formation of SOTP (MEUR)	Equity value DCF	Fair value	Net debt 2025e	EV 2025e
KH-Koneet	62.4	52.0	27.4	79.4
Indoor Group	9.7	3.0	68.1	71.1
NRG	5.7	4.4	10.6	15.0
- Minority of Indoor and NRG		-2.7		
- Minority of KH-Koneet		0.0		
- Group administration expenses		-16.4		
+ Parent company's net cash		5.8		
= Sum of the parts		46.2		
Group's current market cap		31.9		
Discount to SOTP		-31%		
Per share value indicated by SOTP		0.80 €		

Implicit valuation multiples of the subsidiaries

In the adjacent table, we have tried to illustrate the implicit valuation multiples of KH Group's subsidiaries based on our fair value estimates. The multiples follow FAS accounting except for Indoor Group, as the company's financial statements follow the FAS standard. To improve comparability, we have adjusted goodwill depreciation from our earnings estimates. We have not predicted dividend distribution, which means the cash flow generated by the companies directly lowers their net debt and EV, which must be considered when comparing multiples to peers.

Substantial repricing of KH-Koneet requires return on capital to recover

For KH-Koneet, the earnings-based valuation seems neutral/moderate this year and turns clearly attractive in the coming years, driven by earnings growth. For KH Group's investment case, KH-Koneet's encouraging performance despite the weak business environment is quite positive, as the investment case will be fully built around the company in the future. Relative to its peers, our valuation prices KH-Koneet at a discount, which we believe is justified by its smaller size and more limited growth potential than its peers. In our view, KH-Koneet's business and growth are value-creating, and as a result, we feel the balance sheet-based valuation (2025 P/B: 1.2x) provides a backbone for the valuation at the current level. Significant expansion of the multiples requires, however, that KH-Koneer manages to reverse the downward trend of return on capital that began in 2021. We suspect growth investments in Sweden and weakness in the construction sector will depress the return on capital in the short term, but the value created by growth is limited without a recovery in the ratio.

Poor earnings performance and a rapid sales schedule complicate Indoor's valuation

Measured by EBITDA, Indoor seems cheap, although due to the high depreciation/EBITDA ratio, the multiple may be misleading and our net profit forecast is negative. Indoor has historically achieved high margins, but with the weak earnings level of recent years, the company's competitiveness seems to have weakened considerably. This is also due to the continuous contraction in the home furniture market that has lasted for almost four years. With Indoor's sales process proceeding on a tight schedule, a market recovery is unlikely to be materially reflected in the company's figures before the divestment. If Indoor Group's earnings turnaround materializes, we see significant upside in the company's potential valuation level, but relying on it is challenging given the tight divestment schedule. Considering Indoor's leveraged balance sheet, even small changes in the company's debt-free purchase price strongly affect the value of equity, which may be non-existent for KH Group.

Volatile historical figures make it difficult to assess a normalized earnings level

NRG's revenue- and earnings-based valuation multiples are moderate, which is explained by the company's high risk profile and turnaround status. With strong brands and market positions like Saurus and Sala, a higher valuation level could be justified as positive profitability evidence accumulates. Assessing the company's sustainable performance is still difficult with the current track record, which we feel should be reflected in acceptable valuation multiples. Due to the significant financial leverage, changes in the company's performance are reflected with a leverage in the value of equity.

KH-Koneet	2025e	2026e	2027e	2028e
EV/S	0.4	0.4	0.3	0.3
EV/EBITDA	9.0	7.1	5.3	4.5
EV/Adj. EBIT	10.1	8.0	6.1	5.7
Adj. P/E	11.4	8.8	6.3	6.2
P/B	1.2	1.1	1.0	0.8

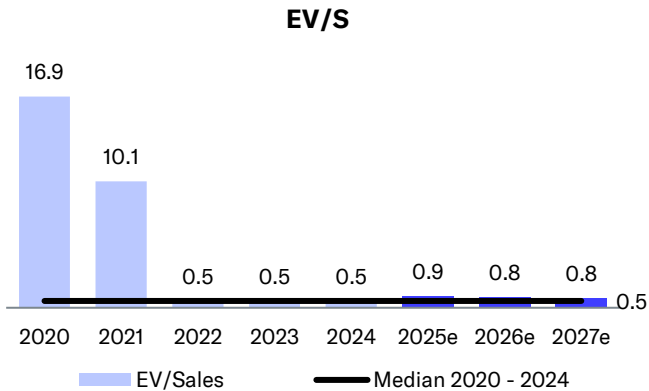
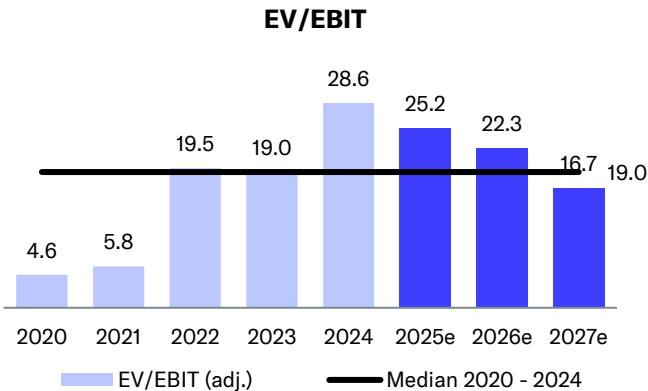
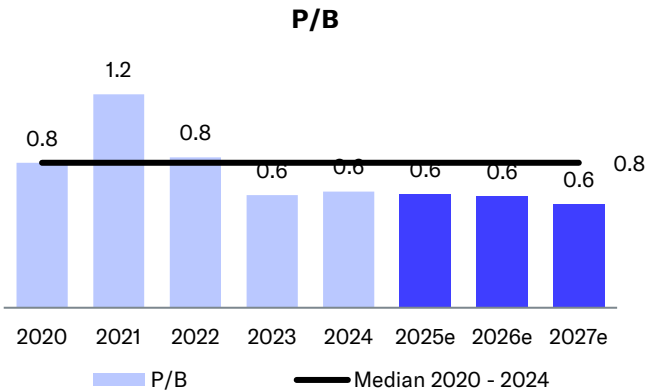
Indoor Group	2025e	2026e	2027e	2028e
EV/S	0.4	0.4	0.4	0.3
EV/EBITDA	4.1	3.3	3.0	2.5
EV/EBIT	-68.7	16.4	13.1	11.2
Adj. P/E	-0.5	-686.2	3.9	2.1

NRG	2025e	2026e	2027e	2028e
EV/S	0.4	0.4	0.4	0.3
EV/EBITDA	6.5	7.6	7.3	6.9
EV/Adj. EBIT	7.9	9.6	9.2	8.7
Adj. P/E	7.7	11.9	9.0	7.1
P/B	-0.8	-0.7	-0.6	-0.5

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	1.08	1.92	1.18	0.81	0.56	0.55	0.55	0.55	0.55
Number of shares, millions	58.0	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1
Market cap	63	112	69	47	32	32	32	32	32
EV	54	116	232	205	171	174	172	178	183
P/E (adj.)	6.3	6.1	5.0	6.5	neg.	74.7	30.8	7.8	6.4
P/E	6.3	6.1	5.0	neg.	neg.	74.7	30.8	7.8	6.4
P/B	0.8	1.2	0.8	0.6	0.6	0.6	0.6	0.6	0.5
P/S	19.6	9.7	0.2	0.1	0.1	0.2	0.2	0.1	0.1
EV/Sales	16.9	10.1	0.5	0.5	0.5	0.9	0.8	0.8	0.4
EV/EBITDA	4.6	5.8	19.5	6.4	5.0	8.0	8.0	7.2	6.4
EV/EBIT (adj.)	4.6	5.8	19.5	19.0	28.6	25.2	22.3	16.7	15.8
Payout ratio (%)	23.4 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Dividend yield-%	3.7 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes



Income statement

Income statement	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	78.1	89.3	85.7	61.7	315	42.4	53.8	42.2	55.8	194	207	232	428
KH-Koneet	29.2	41.1	33.6	45.8	150	31.0	43.2	35.6	45.3	155	168	191	214
Indoor Group	37.8	37.1	46.0	40.7	162	37.2	37.1	45.1	40.9	160	164	168	173
Nordic Rescue Group	11.1	11.1	6.1	15.9	44.2	11.4	10.7	6.5	10.5	39.1	39.9	40.9	41.9
EBITDA						3.9	6.0	5.4	6.4	21.7	21.3	24.7	28.4
Depreciation						-3.7	-3.7	-3.7	-3.7	-14.8	-13.6	-14.0	-16.9
EBIT (excl. NRI)	-0.4	-0.3	3.3	3.4	6.0	0.2	2.3	1.7	2.7	6.9	7.7	10.7	11.6
EBIT	-0.7	-1.1	2.6	3.1	3.9	0.2	2.3	1.7	2.7	6.9	7.7	10.7	11.6
KH-Koneet	-0.4	2.0	1.9	2.8	6.3	0.0	2.2	2.1	2.6	7.0	8.1	10.9	11.8
Indoor Group	-0.3	-2.6	1.8	-0.4	-1.6	-0.3	-0.4	2.0	0.6	1.9	3.9	4.7	4.8
Nordic Rescue Group	0.7	0.9	0.0	1.2	2.8	0.7	0.6	0.1	0.6	1.9	1.6	1.6	1.7
Unallocated items	-0.8	-1.4	-1.1	-0.6	-3.8	-0.5	-0.5	-0.5	-0.5	-2.0	-2.0	-1.9	-1.9
Net financial items	-2.7	-2.3	-2.3	0.0	-7.4	-1.6	-1.6	-1.6	-1.6	-6.4	-6.3	-6.0	-5.8
PTP	-3.4	-3.4	0.3	3.0	-3.5	-1.4	0.7	0.1	1.1	0.5	1.4	4.7	5.8
Taxes	0.4	0.0	0.0	-0.3	0.0	0.3	-0.1	0.0	-0.2	-0.1	-0.3	-0.9	-1.2
Minority interest	-0.2	0.4	2.6	3.3	6.1	0.0	0.0	0.0	0.0	0.0	-0.1	0.3	0.4
Net earnings	-3.2	-3.0	2.8	-23.3	-26.6	-1.1	0.6	0.1	0.9	0.4	1.0	4.1	5.0
EPS (adj.)	-0.05	-0.04	0.06	-0.40	-0.42	-0.02	0.01	0.00	0.01	0.01	0.02	0.07	0.09
EPS (rep.)	-0.06	-0.05	0.05	-0.40	-0.46	-0.02	0.01	0.00	0.01	0.01	0.02	0.07	0.09

Key figures	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%						-45.7 %	-39.7 %	-50.8 %	-9.5 %	-38.3 %	6.8 %	11.8 %	84.8 %
Adjusted EBIT growth-%						-145.3 %	-875.9 %	-47.1 %	-20.7 %	16.0 %	11.1 %	38.6 %	8.2 %
EBITDA-%						9.2 %	11.2 %	12.9 %	11.4 %	11.2 %	10.3 %	10.6 %	6.6 %
Adjusted EBIT-%	-0.5 %	-0.3 %	3.8 %	5.5 %	1.9 %	0.4 %	4.3 %	4.1 %	4.8 %	3.6 %	3.7 %	4.6 %	2.7 %
Net earnings-%	-4.1 %	-3.3 %	3.3 %	-37.7 %	-8.4 %	-2.7 %	1.1 %	0.3 %	1.5 %	0.2 %	0.5 %	1.8 %	1.2 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	213	184	184	184	193
Goodwill	39.9	7.7	7.7	7.7	7.7
Intangible assets	63.8	10.3	10.5	10.0	10.1
Tangible assets	103	51.4	52.4	54.0	65.4
Associated companies	0.0	110	110	110	110
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.7	0.4	0.0	0.0	0.0
Deferred tax assets	5.3	4.1	3.6	2.1	0.0
Current assets	135	87.7	63.1	67.4	75.4
Inventories	100.0	60.2	46.6	49.8	55.7
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	23.7	18.5	6.8	7.3	8.1
Cash and equivalents	11.1	9.0	9.7	10.4	11.6
Balance sheet total	348	272	247	251	269

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	79.3	49.3	50.4	51.4	55.5
Share capital	15.2	15.2	15.2	15.2	15.2
Retained earnings	46.6	21.9	22.3	23.3	27.4
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	12.9	12.9	12.9	12.9	12.9
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	4.7	-0.6	0.0	0.0	0.0
Non-current liabilities	122	57.9	93.4	92.1	96.7
Deferred tax liabilities	12.7	2.1	2.1	2.1	2.1
Provisions	0.1	0.0	0.0	0.0	0.0
Interest bearing debt	106	55.9	91.3	90.1	94.6
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.6	0.0	0.0	0.0	0.0
Current liabilities	147	165	104	108	116
Interest bearing debt	60.4	92.2	60.9	60.0	63.1
Payables	86.2	31.3	42.7	47.7	53.3
Other current liabilities	0.0	41.1	0.0	0.0	0.0
Balance sheet total	348	272	247	251	269

Peer group valuation 1/2

KH -Koneet's peer group valuation Yhtiö	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		P/B 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
UNITED RENTALS	38135	50114	12.8	11.8	7.4	7.0	3.4	3.2	14.1	12.8	4.2
H&E EQUIPMENT SERVICES	3219	4543	19.4	19.0	7.0	6.8	3.2	3.0	25.5	24.0	4.9
MCGRATH RENTCORP	2576	3121	14.7	13.6	9.6	9.0	3.6	3.4	19.1	17.2	NA
SPEEDY HIRE	109	354	12.0	10.0	3.1	2.9	0.7	0.7	10.6	7.0	0.4
VP	259	499	8.9	8.8	3.8	3.7	1.1	1.1	7.9	7.6	1.4
WETTERI OYJ	36	141	15.9	12.0	4.1	5.9	0.3	0.3		9.7	0.6
BILIA A	1189	2004	13.4	11.9	7.8	7.2	0.5	0.5	12.4	10.4	2.3
KH Koneet (Inderes, FAS)	52	79	10.1	8.0	9.0	7.1	0.4	0.4	11.4	8.8	
Average			13.9	12.5	6.1	6.1	1.8	1.7	14.9	12.7	2.3
Median			13.4	11.9	7.0	6.8	1.1	1.1	13.2	10.4	1.9
<i>Diff-% to median</i>			-25%	-33%	28%	5%	-60%	-65%	-14%	-15%	

Indoor's peer group valuation Yhtiö	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		P/B 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
SURTECO GROUP (XET)	279	620	13.4	11.7	5.7	5.4	0.7	0.7	11.1	9.1	0.7
NOBIA	241	670	21.7	13.7	6.6	5.5	0.7	0.7	38.0	10.9	0.6
MAISONS DU MONDE	112	709		22.3	4.8	4.1	0.7	0.7		24.2	0.2
LEON'S FURNITURE	1050	1115	8.8	8.3	5.7	5.5	0.7	0.7	12.0	10.9	NA
WILLIAMS-SONOMA	18641	17876	13.9	14.3	11.9	12.1	2.5	2.5	19.3	19.2	10.1
Indoor Group (Inderes, IFRS)	52	71	-68.7	16.4	4.1	3.3	0.4	0.4	-0.5	-686.2	
Average			14.4	14.1	6.9	6.5	1.1	1.0	20.1	14.9	2.9
Median			13.7	13.7	5.7	5.5	0.7	0.7	15.7	10.9	0.6
<i>Diff-% to median</i>				20%	-27%	-40%	-36%	-41%			

Peer group valuation 2/2

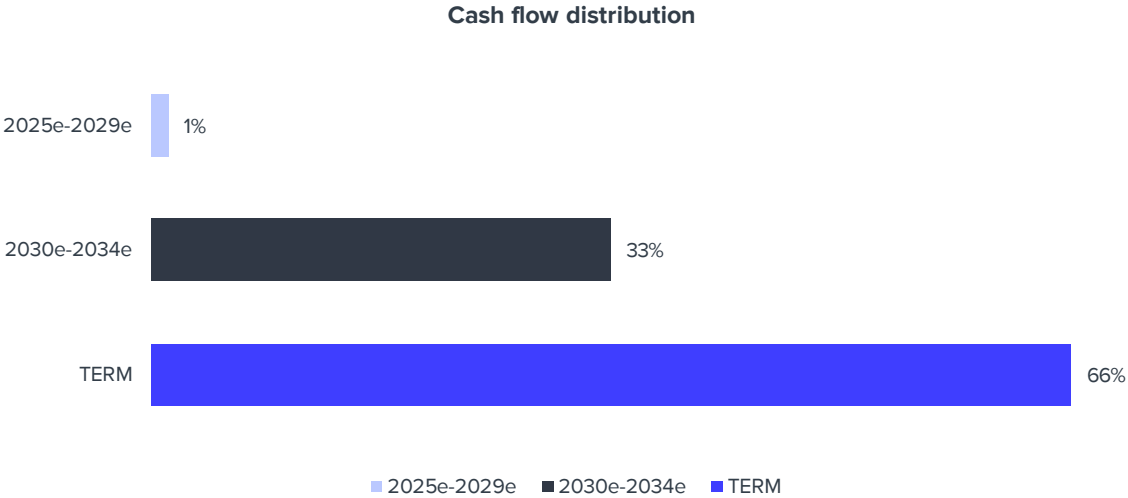
NRG's peer group valuation Yhtiö	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
ROSENBAUER INTL.	407	875	11.4	10.5	8.1	7.6	0.6	0.6	8.6	7.0	1.2
OSHKOSH	5717	6472	6.8	6.0	5.6	5.1	0.7	0.6	8.8	7.5	1.3
REV GROUP	1506	1607	9.6	7.6	8.3	6.8	0.7	0.7	13.2	10.1	3.2
NRG (Inderes, FAS)	4	15	7.9	9.6	6.5	7.6	0.4	0.4	7.7	11.9	-0.8
Average			9.2	8.0	7.4	6.5	0.7	0.6	10.2	8.2	1.9
Median			9.6	7.6	8.1	6.8	0.7	0.6	8.8	7.5	1.3
<i>Diff-% to median</i>			-18%	26%	-20%	13%	-42%	-41%	-12%	58%	

DCF-calculation 1/3, KH-Koneet

DCF model KH-Koneet (FAS)	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-14.9 %	3.5 %	3.6 %	8.0 %	14.0 %	12.0 %	10.0 %	6.0 %	4.0 %	2.5 %	2.0 %	1.5 %	1.5 %
EBIT-% (adj.)	4.8 %	3.0 %	3.5 %	3.8 %	4.6 %	4.4 %	5.0 %	5.0 %	5.0 %	5.0 %	4.5 %	4.0 %	4.0 %
EBIT (adj.)	8.0	5.2	6.2	7.3	10.0	10.8	13.5	14.3	14.8	15.2	14.0	12.6	
+ Depreciation	2.7	2.3	2.7	2.9	3.3	3.7	4.0	4.3	4.5	4.6	4.7	4.7	
- Paid taxes	-1.9	-1.4	-1.6	-1.8	-2.3	-2.3	-2.4	-2.0	-2.1	-2.1	-1.9	-1.7	
- Change in working capital	-5.2	2.2	-11.0	-1.0	-4.2	-5.4	-4.4	-1.7	-0.1	-1.9	-1.6	-1.2	
Operating cash flow	1.4	0.0	-3.7	7.4	6.7	6.7	10.7	14.9	17.1	15.7	15.2	14.4	
+ 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	0.0	
- Gross CAPEX	0.0	0.0	-5.7	-2.1	-6.9	-2.0	-7.5	-2.0	-7.6	-2.0	-7.7	-3.8	
Free operating cash flow	1.3	0.0	-9.5	5.3	-0.1	4.8	3.2	12.9	9.5	13.7	7.5	10.6	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	1.3	0.0	-9.5	5.3	-0.1	4.8	3.2	12.9	9.5	13.7	7.5	10.6	133
Discounted FCFF			-8.8	4.5	-0.1	3.4	2.1	7.6	5.1	6.7	3.4	4.3	54.4
Sum of FCFF present value			82.5	91.4	86.9	86.9	83.6	81.5	73.9	68.8	62.1	58.7	54.4
Enterprise value DCF			82.5										
- Interest bearing debt			-20.8										
+ Cash and cash equivalents			0.6										
-Minorities			0.0										
-Dividend/capital return			0.0										
Equity value DCF			62.4										

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	30.0 %
Cost of debt	6.0 %
Equity Beta	1.40
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	2.5 %
Cost of equity	11.7 %
Weighted average cost of capital (WACC)	9.6 %

Source: Inderes

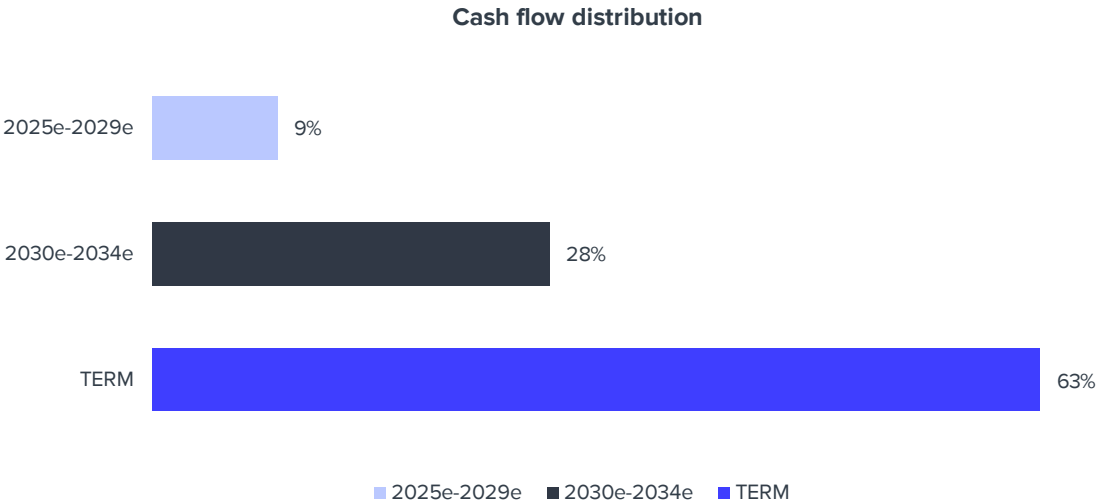


DCF-calculation 2/3, Indoor Group

DCF model Indoor Group (IFRS)	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-3.1 %	-13.3 %	-0.8 %	2.5 %	2.5 %	2.5 %	2.5 %	2.0 %	2.0 %	2.0 %	1.5 %	0.5 %	0.5 %
EBIT-%	0.6 %	-1.0 %	1.2 %	2.4 %	2.8 %	2.8 %	4.0 %	4.0 %	4.0 %	4.0 %	3.8 %	3.8 %	3.8 %
EBIT (operating profit)	1.1	-1.6	1.9	3.9	4.7	4.8	7.1	7.2	7.4	7.5	7.2	7.3	
+ Depreciation	20.9	18.1	15.2	15.6	16.0	16.4	16.8	17.1	17.5	17.8	18.1	18.2	
- Paid taxes	-0.2	0.3	-0.4	-0.8	-0.9	-1.0	-1.4	-1.4	-1.5	-1.5	-1.4	-1.5	
- Change in working capital	8.6	-1.4	-3.0	-1.5	-5.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operating cash flow	26.2	15.4	13.7	17.3	14.7	20.3	22.5	22.9	23.4	23.8	23.9	24.0	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-20.5	-9.0	-17.2	-14.8	-15.3	-15.8	-16.3	-16.4	-16.8	-14.0	-18.9	-18.5	
Free operating cash flow	5.7	6.4	-3.5	2.5	-0.6	4.5	6.2	6.5	6.6	9.9	5.0	5.6	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	5.7	6.4	-3.5	2.5	-0.6	4.5	6.2	6.5	6.6	9.9	5.0	5.6	86.7
Discounted FCFF			-3.3	2.2	-0.5	3.5	4.5	4.4	4.2	5.9	2.8	2.9	45.0
Sum of FCFF present value			77.9	74.8	72.6	73.1	69.6	65.1	60.7	56.5	50.7	47.9	45.0
Enterprise value DCF			77.9										
- Interest bearing debt			-69.0										
+ Cash and cash equivalents			0.7										
-Minorities			0.0										
-Dividend/capital return			0.0										
Equity value DCF			9.6										

WACC		
Tax-% (WACC)		20.0 %
Target debt ratio (D/(D+E))		75.0 %
Cost of debt		6.5 %
Equity Beta		1.5
Market risk premium		4.75%
Liquidity premium		2.5 %
Risk free interest rate		2.5 %
Cost of equity		12.1 %
Weighted average cost of capital (WACC)		6.9 %

Source: Inderes



DCF-calculation 3/3, NRG

DCF model NRG (FAS)	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-8.4 %	15.6 %	-11.5 %	2.0 %	2.5 %	2.5 %	2.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBITDA-%	5.2 %	-5.3 %	5.9 %	4.9 %	4.9 %	4.9 %	4.4 %	4.4 %	4.4 %	4.4 %	4.4 %	4.0 %	4.0 %
EBIT (operating profit)	0.9	-3.6	0.3	0.0	0.0	0.0	0.7	1.5	1.5	1.6	1.6	1.4	
+ Depreciation	1.1	1.3	2.0	2.0	2.0	2.0	1.2	0.4	0.4	0.5	0.5	0.5	
- Paid taxes	-0.5	-0.6	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	
- Change in working capital	7.2	0.5	-4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operating cash flow	0.0	-2.4	-2.3	1.6	1.7	1.7	1.6	1.6	1.6	1.7	1.7	1.6	
+ 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	0.0	
- Gross CAPEX	-0.2	5.0	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	
Free operating cash flow	-0.2	2.6	-2.6	1.2	1.2	1.3	1.1	1.2	1.2	1.2	1.2	1.1	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-0.2	2.6	-2.6	1.2	1.2	1.3	1.1	1.2	1.2	1.2	1.2	1.1	17.7
Discounted FCFF			-2.5	1.1	1.0	0.9	0.8	0.7	0.7	0.6	0.6	0.5	8.1
Sum of FCFF present value			15.1	15.0	14.0	13.0	12.0	11.2	10.5	9.8	9.2	8.6	8.1
Enterprise value DCF			15.1										
- Interest bearing debt			-9.8										
+ Cash and cash equivalents			0.3										
-Minorities			0.0										
-Dividend/capital return			0.0										
Equity value DCF			5.7										

WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	65.0 %
Cost of debt	7.0 %
Equity Beta	1.80
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	2.5 %
Cost of equity	13.6 %
Weighted average cost of capital (WACC)	8.4 %

Source: Inderes

Cash flow distribution

Period	Percentage
2025e-2029e	10%
2030e-2034e	25%
TERM	64%

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	428.9	403.2	314.9	194.2	207.4	EPS (reported)	0.24	-0.11	-0.46	0.01	0.02
EBITDA	11.9	31.9	34.0	21.7	21.3	EPS (adj.)	0.24	0.12	-0.42	0.01	0.02
EBIT	11.9	-3.1	3.9	6.9	7.7	OCF / share	-0.64	0.75	0.96	0.28	0.39
PTP	11.7	-15.4	-3.5	0.5	1.4	FCF / share	-4.17	0.17	2.74	0.02	0.14
Net Income	13.8	-6.7	-26.6	0.4	1.0	Book value / share	1.40	1.29	0.86	0.87	0.88
Extraordinary items	0.0	-13.9	-2.1	0.0	0.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	377.0	347.7	271.7	247.4	251.2	Revenue growth-%	3630%	-6%	-22%	-38%	7%
Equity capital	87.8	79.3	49.3	50.4	51.4	EBITDA growth-%	-41%	168%	7%	-36%	-2%
Goodwill	37.7	39.9	7.7	7.7	7.7	EBIT (adj.) growth-%	-41%	-9%	-45%	16%	11%
Net debt	158.2	154.9	139.1	142.5	139.7	EPS (adj.) growth-%	-25%	-48%	-439%	-102%	143%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	2.8 %	7.9 %	10.8 %	11.2 %	10.3 %
EBITDA	11.9	31.9	34.0	21.7	21.3	EBIT (adj.)-%	2.8 %	2.7 %	1.9 %	3.6 %	3.7 %
Change in working capital	-55.7	14.0	31.2	-4.4	1.3	EBIT-%	2.8 %	-0.8 %	1.2 %	3.6 %	3.7 %
Operating cash flow	-37.3	43.4	55.7	16.5	22.6	ROE-%	15.8 %	-8.5 %	-42.7 %	0.9 %	2.0 %
CAPEX	-207.3	-35.1	107.6	-15.6	-14.7	ROI-%	6.4 %	-1.2 %	1.8 %	3.5 %	3.8 %
Free cash flow	-242.1	9.7	159.3	1.0	7.9	Equity ratio	23.3 %	22.8 %	18.1 %	20.4 %	20.5 %
						Gearing	180.2 %	195.2 %	282.1 %	283.0 %	271.8 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	0.5	0.5	0.5	0.9	0.8						
EV/EBITDA	19.5	6.4	5.0	8.0	8.0						
EV/EBIT (adj.)	19.5	19.0	28.6	25.2	22.3						
P/E (adj.)	5.0	6.5	neg.	74.7	30.8						
P/B	0.8	0.6	0.6	0.6	0.6						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

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

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.

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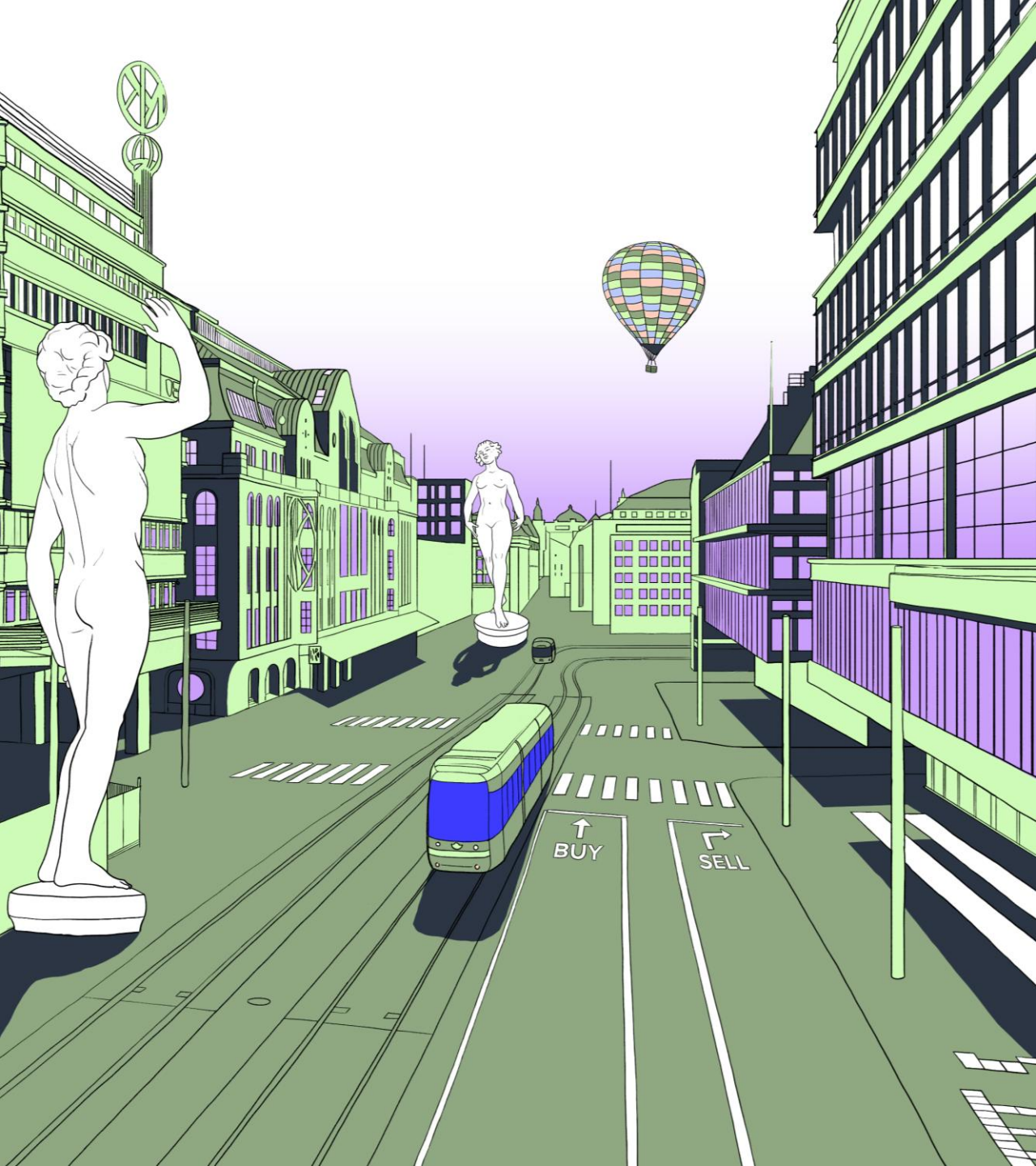
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Recommendation history (>12 mo)

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



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