SITOWISE

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COMPANY REPORT

Faint indications of improvement

Sitowise's Q1 performance was generally in line with our expectations, though write-downs on Buildings projects slightly weakened the figures. We made no major changes to our estimates. We reiterate our Accumulate recommendation and our target price.

Sales slightly exceeded our expectations and the result was as expected

Sitowise's Q1 revenue increased by 2% to 49.0 MEUR (Q1'25: 48.1 MEUR), while we expected a 0.4% growth to 48.3 MEUR. Infra grew again by a robust 6% to 18.8 MEUR, surpassing our expectations. Digital Solutions' sales remained unchanged year-on-year (9.3 MEUR) as project work shifted toward lower-priced customer segments, but the segment's strategically important recurring revenue continued to grow by 6%. Sales in the Buildings segment decreased by 7% to 13.2 MEUR, but this was due to write-downs on projects. Revenue in Sweden increased by 3% organically, while we had anticipated zero growth. This brought an end to the segment's downward trend that had lasted 10 quarters.

The company's adjusted EBITA settled at 1.9 MEUR (Q1'25: 2.4 MEUR) while our forecast was 2.3 MEUR. However, the company stated that the group's adjusted EBITA margin would have risen year-on-year without the project write-downs. Verbal descriptions of the segments revealed that Infra continued to show strong profitability (over 12%). Digital Solutions also maintained healthy profitability (5-10%). The Swedish and Buildings businesses were loss-making. The net debt/EBITDA ratio decreased to 4.5x (Q4'25: 4.9x), though it remains high. If the result improves in line with our forecasts, the target level of 3x will be reached in 2027. The company still has plenty of time to deliver an improvement in earnings, as the financing package is not due until summer 2028.

No major surprises in the guidance

The company's order book continued to increase slightly when adjusted for the impact of project write-downs. Meanwhile, the number of full-time employees decreased by 2% year-on-year. The number of employees in relation to the workload appears to be more balanced, which forms a basis for our earnings growth expectations. We also consider it a positive sign that employee satisfaction improved in the early part of the year, as it is critical for expert companies. However, the company still expects the construction market recovery to be slow and materialize on a larger scale only in 2027.

Our big-picture forecasts unchanged

We forecast that Sitowise's revenue will increase by 2.5% in 2026 and that its adjusted EBITA margin will end up at 5.9% (2025: 4.7%). We expect a clearer recovery to occur only in the latter half of 2026 and in 2027, when growth will accelerate to 6-8%, thanks to increased construction and investment activity and reduced price competition. In the longer term, we expect the operational leverage to support margin improvement towards an EBITA margin of 9%, though we do not predict the group will return to the company's targeted EBITA margin of 10%.

Realizing earnings growth is crucial

According to our forecasts, the EV/EBITDA ratio will remain high at 8x in 2026. High financial expenses will also significantly erode net earnings, leading to an even higher P/E ratio of >100x. However, it is clear that the company's earnings potential is significantly higher than the current level because the company is now operating at the bottom of the residential construction cycle. Therefore, we believe that the 2027 valuation (EV/EBITDA: 6x, P/E: 14x), as well as the one for 2028 (EV/EBITDA: 5x, P/E: 9x), better reflect Sitowise's valuation in relation to the company's normalized earnings performance. In recent quarters, earnings have stabilized, and as a result, we are prepared to examine the stock's potential and our earnings growth estimates more closely. However, we also remind investors that there are high financial risks if our estimated earnings growth fails to materialize.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 2.60
(was EUR 2.60)

Share price:
EUR 2.39

Business risk

Valuation risk

	2025	2026e	2027e	2028e
Revenue	188.7	193.3	207.7	216.1
growth-%	-2%	2%	7%	4%
EBITA adj.	8.9	11.5	15.6	18.8
EBITA-% adj.	4.7 %	5.9 %	7.5 %	8.7 %
Net Income	-42.4	0.3	6.0	9.6
EPS (adj.)	-0.01	0.01	0.17	0.27

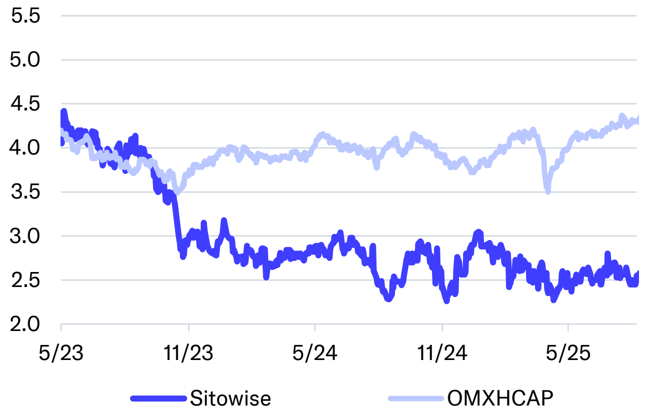
P/E (adj.)	neg.	>100	14.4	8.9
P/B	1.2	1.1	1.0	0.9
Dividend yield-%	0.0 %	0.8 %	2.1 %	5.1 %
EV/EBIT (adj.)	38.0	23.6	11.0	7.9
EV/EBITDA	11.4	8.4	6.2	5.1
EV/S	0.9	0.8	0.7	0.6

Source: Inderes

Guidance (Unchanged)

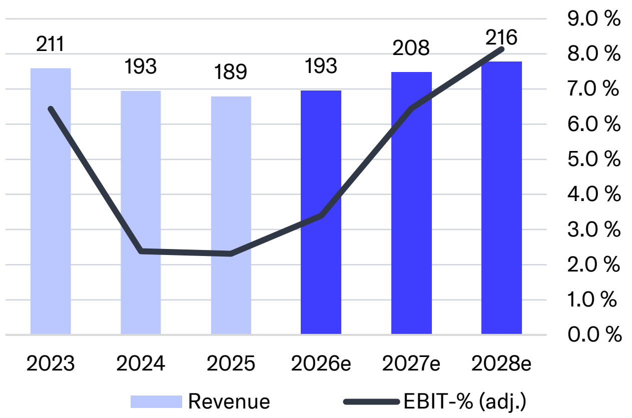
No guidance due to market uncertainty

Share price



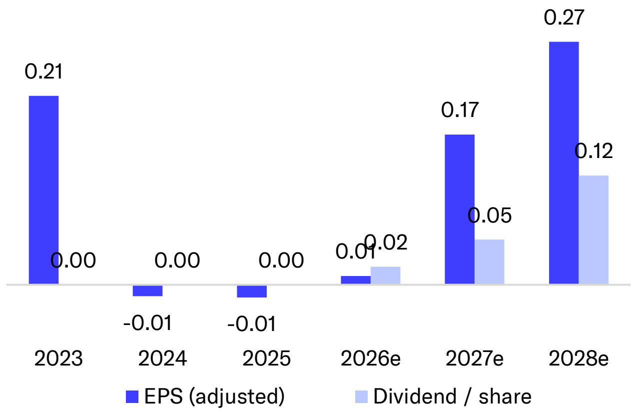
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Growth in a recovering market
- Return to strong profitability
- Strong cash flow and low investment need in a normal market
- Efficient business model as well as digitalization expertise create competitive advantage
- Increasing share of consulting and design in the construction value chain driven by megatrends
- Opportunities created by sustainable development regulation

Risk factors

- Cyclicality of the underlying construction market
- Uncertainty related to normal profitability levels
- A clear and prolonged market downturn after good years
- Prolongation of problems in Sweden
- Failure in acquisitions
- Leverage and growth financing

Valuation	2026e	2027e	2028e
Share price	2.39	2.39	2.39
Number of shares, millions	35.8	35.8	35.8
Market cap	86	86	86
EV	155	147	138
P/E (adj.)	>100	14.4	8.9
P/B	1.1	1.0	0.9
EV/Sales	0.8	0.7	0.6
EV/EBITDA	8.4	6.2	5.1
EV/EBIT (adj.)	23.6	11.0	7.9
Payout ratio (%)	206.4 %	30.0 %	45.0 %
Dividend yield-%	0.8 %	2.1 %	5.1 %

Source: Inderes

Write-downs of Buildings projects weighed on the figures

Revenue slightly exceeded our expectations despite write-downs

Sitowise's revenue increased by 2% to 49.0 MEUR (25: 48.1 MEUR), while we forecast a 0.4% growth to 48.3 MEUR. This outperformance relative to our expectations was primarily driven by a robust 6% growth in the most important Infra business, supported by road and rail projects secured last year.

The market environment for Digital Solutions remained challenging, and revenue was flat year-on-year. However, ARR in the product business grew by 5.8%, with SaaS products already accounting for approximately one-third of Digital Solutions' revenue. As a whole, the segment fell slightly short of our expectations.

Revenue in Sweden increased by about 3% organically, while we had anticipated zero growth. This brought an end to the segment's downward trend that had lasted 10 quarters. The company also noted that the Swedish construction market has shown gradual signs of recovery in early 2026 but that market development remains subject to considerable uncertainty. Based on the comments, however, the turnaround in the segment has not yet progressed significantly due to the continued tight pricing environment, and the segment remained clearly unprofitable.

Buildings' sales decreased by 7%, but this was explained by write-downs on the segment's projects. Without this impact, we believe the segment would have been profitable and improved from the comparison period.

Profitability remained low relative to potential

The company's adjusted EBITA settled at 1.9 MEUR (Q1'25: 2.4 MEUR) while our forecast was 2.3 MEUR. However, the company stated that the group's adjusted EBITA margin would have improved year-on-year without the project write-downs. Based on this, with project write-downs adjusted for, the figure would have exceeded 2.5 MEUR. As expected, profitability was supported by the company's previously implemented adjustment measures and a reduction in personnel. This was reflected in an increase in the billing rate to 73.2% (Q1’25: 71.6%). The pricing environment remained tight, especially in the Buildings and Sweden businesses, which hindered earnings improvement.

Slightly positive developments from cash flow

Based on the cash flow statement, cash flow from operating activities also edged into positive territory at 0.3 MEUR (Q1'25: -1.4 MEUR), continuing the positive trend in working capital optimization at the end of last year. The gearing ratio (net debt/adjusted EBITDA) has now fallen to 4.5x (Q1’25: 5.1x). The level is still very high, but earnings growth is needed for the company to get closer to its target net debt/EBITDA level of below 3.0x.

Estimates	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus		Difference (%)	2026
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	48.1	49.0	48.3				1%	193.3
EBITA (adj.)	2.4	1.9	1.9				0%	11.5
EBIT	-0.3	0.0	0.0				100%	6.6
EPS (reported)	-0.04	-0.04	0.00				-819%	0.01
Revenue growth-%	-6.6 %	1.9 %	0.4 %				1.5 pp	2.4 %
EBITA-% (adj.)	5.0 %	3.9 %	4.4 %				-0.5 pp	5.9 %

Source: Inderes

Forecasts remain unchanged overall, and we expect recovery in the coming years

No surprises in the outlook either

Sitowise still did not provide numerical guidance for 2026 due to uncertainty regarding the timing of the construction market recovery. However, the company reiterated its business-specific outlook (stable in Infra and Digital Solutions, and weak but improving in Sweden and Buildings).

Net orders received during the quarter totaled 46.8 MEUR, but it is also worth noting, when examining this figure, that 6.9 MEUR of old suspended projects were removed from the order book of the Buildings business during the review period, as these projects are no longer expected to commence. This caused the value of orders received during the review period to fall below Q1 revenue, but excluding write-downs, the order book would have grown by approximately 3% overall. Thus, the underlying development was in line with our growth estimates. The company's order book decreased as a whole to 150 MEUR (Q4'25: 152.5 MEUR). Notably, data centers became one of the key growth drivers during the review period, especially in the Buildings business area, and their demand is expected to support revenue development going forward as well.

The overall picture of the order book across different business operations also remained unchanged. Order books were at a good level in the Infra and Digital Solutions businesses, whereas those in the Buildings and Sweden business areas stayed at low levels.

During Q1, the number of full-time employees decreased by 2% year-on-year to 1,710. The size of the workforce and the order book thus appear to be in a better position than before, which forms a basis for our earnings growth expectations in 2026.

However, we expect a clearer recovery to occur only in the latter half of 2026 and in 2027, when growth will accelerate to 6-8%, thanks to increased construction and investment activity and reduced price competition. In the longer term, we expect the operational leverage to support margin improvement towards an EBITA margin of 9%, though we do not predict the entire group will return to the company's targeted EBITA margin of 10%.

Overall, the outlook was in line with our forecasts, and we did not make any major revisions to them.

We currently estimate that full-year 2026 revenue will grow by 2.5% to 193 MEUR, with adjusted EBITA rising to 11.5 MEUR (2025: 8.9 MEUR).

Company updated its strategy earlier

The company updated its strategy and financial targets earlier in March, and our separate commentary on them can be found here. Overall, based on Q1 performance, we believe the strategy's implementation has gotten off to a good start so far. According to the company's comments, employee satisfaction had also improved, which is crucial early evidence that things are moving in the right direction.

Estimate revisions MEUR / EUR	2026 Old	2026 New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	192	193	0%	207	208	0%	215	216	0%
EBITA (adj.)	11.8	11.5	-3%	15.4	15.6	1%	18.7	18.8	1%
EBIT	7.8	6.6	-16%	13.2	13.4	1%	17.4	17.6	1%
PTP	1.8	0.3	-81%	7.5	7.5	-1%	12.1	12.1	0%
EPS (excl. NRIs)	0.04	0.01	-76%	0.17	0.17	-1%	0.27	0.27	0%
DPS	0.02	0.02	0%	0.05	0.05	0%	0.00	0.00	

Normalized earnings level is higher than today

Looking further ahead, the multiples are attractive

Sitowise's 2026e valuation is still rising to a high level due to weak performance (2026e EV/EBITDA: 8x and 2026 P/E >100x). During 2027, Sitowise's performance should gradually improve towards the company's normal profit level. Therefore, we believe that the 2027 valuation (EV/EBITDA: 6x, P/E: 14x) and the one for 2028 (EV/EBITDA: 5x, P/E: 9x) better reflect Sitowise's valuation in relation to the company's normalized earnings.

The key question for the investment case and the expected return on the share is thus the company's normal margin level. There is more uncertainty than usual associated with this because we believe the Buildings market, which is important to the company, will remain lower than in its peak years for a long time to come. We also note that the company's debt sustainability and, at the same time, the level of risk associated with the debt depend on normalized earnings and cash flow. If the margin were to remain close to the 2025 level, the share would be very expensive, and the balance sheet would need to be strengthened, for example, with a share issue or an expensive hybrid loan.

In peer analysis, different underlying markets of operators must be considered

Based on 2026e and 2027e EV/EBITDA multiples, Sitowise is valued at an average of around 10% higher than its peers. However, the company's valuation rises to a clear premium when measured by P/E ratios, as financial expenses consume a large portion of the operating result. However, the longer-term earnings improvement potential on the bottom line is greater than that of its competitors due to a weak starting point and Sitowise having suffered more from the weak Buildings market than its peers.

If the earnings recovery and market upturn occur as our estimates predict, valuation multiples will decrease to more attractive levels than peers in the long term.

Cash flow model offers upside

Our DCF calculation on page 11 gives a value of EUR 2.9, offering an upside for the share. We normally consider the DCF model to be well suited to Sitowise's valuation. In a good market, the company's business generates healthy, predictable cash flow and requires little investment. However, at the bottom of the cycle and with current performance, cash flow is being absorbed by financial expenses, leaving nothing to distribute to owners. An essential question, from the perspective of the value provided by the DCF calculation as well, is at what rate the market and Sitowise's results will begin to recover. We have used a rather high cost of capital (WACC 9.4%), as forecasting risks are elevated in the current market.

In our model, the company's revenue growth stabilizes at 1% in the terminal period after stronger growth (~5%) during a period marked by market recovery (2027-2029), and the EBIT margin gradually rises to 8.5% of revenue. This corresponds to an EBITA margin of around 9%, which is below the company’s target level (10%).

Our longer-term growth projections are moderate, but it should be noted that Sitowise cannot grow faster than the market indefinitely, nor can construction consulting grow faster than construction indefinitely. Our profitability expectations are optimistic based on current performance, but moderate based on history and potential.

Based on various valuation methods, we consider Sitowise's current valuation to have a sufficiently attractive risk/reward for a positive recommendation, even though both potential returns and risks are currently elevated.

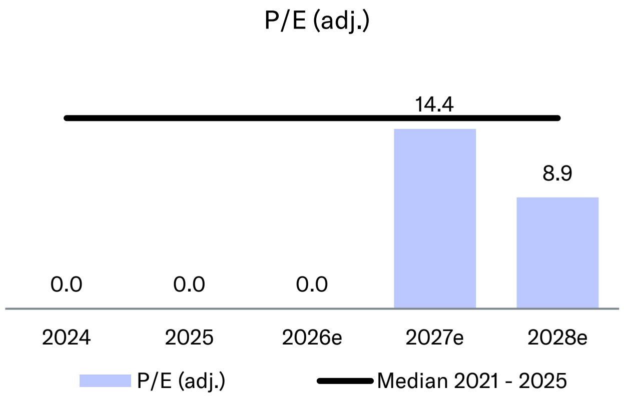
Valuation	2026e	2027e	2028e
Share price	2.39	2.39	2.39
Number of shares, millions	35.8	35.8	35.8
Market cap	86	86	86
EV	155	147	138
P/E (adj.)	>100	14.4	8.9
P/B	1.1	1.0	0.9
EV/Sales	0.8	0.7	0.6
EV/EBITDA	8.4	6.2	5.1
EV/EBIT (adj.)	23.6	11.0	7.9
Payout ratio (%)	206.4 %	30.0 %	45.0 %
Dividend yield-%	0.8 %	2.1 %	5.1 %

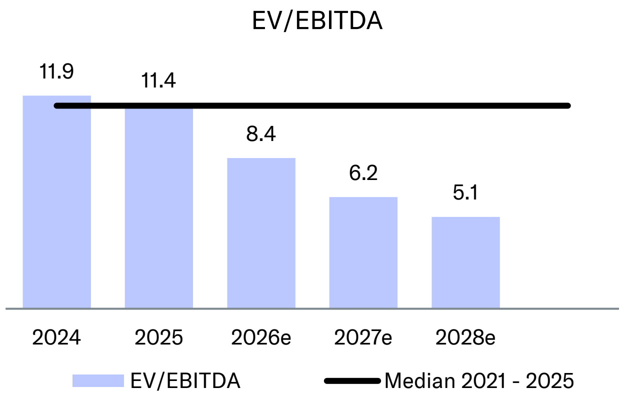
Source: Inderes

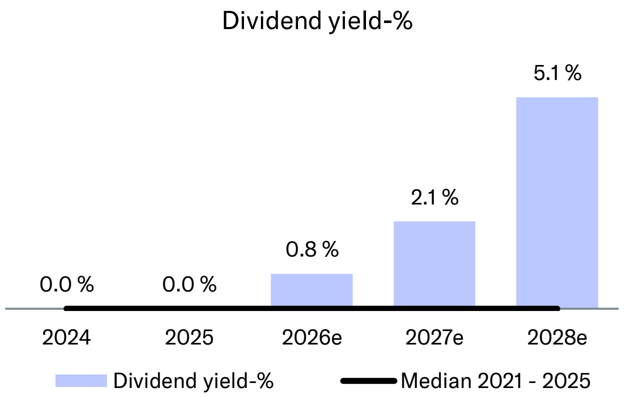
Valuation table

Valuation	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	5.14	3.18	3.05	2.59	2.39	2.39	2.39	2.39
Number of shares, millions	35.5	35.6	35.8	35.8	35.8	35.8	35.8	35.8
Market cap	182	113	109	93	86	86	86	86
EV	268	197	186	165	155	147	138	131
P/E (adj.)	15.0	15.2	neg.	neg.	>100	14.4	8.9	7.9
P/B	1.6	0.9	0.9	1.2	1.1	1.0	0.9	0.9
EV/Sales	1.3	0.9	1.0	0.9	0.8	0.7	0.6	0.6
EV/EBITDA	11.3	8.2	11.9	11.4	8.4	6.2	5.1	4.7
EV/EBIT (adj.)	15.4	14.5	40.6	38.0	23.6	11.0	7.9	6.9
Payout ratio (%)	45.2 %	0.0 %	0.0 %	0.0 %	206.4 %	30.0 %	45.0 %	50.0 %
Dividend yield-%	1.9 %	0.0 %	0.0 %	0.0 %	0.8 %	2.1 %	5.1 %	6.4 %

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	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Sweco AB	4256	4773	14.7	13.3	11.5	10.5	1.6	1.5	17.9	16.1	3.1	3.4	3.4
Afry AB	1177	1670	10.3	8.3	6.8	6.0	0.7	0.7	11.4	8.5	5.9	6.1	0.9
Rejlers AB	310	386	12.5	10.1	7.1	6.3	0.8	0.8	12.5	10.1	3.8	4.1	1.5
Solwers Oyj	22	51	19.2	11.9	7.1	5.9	0.6	0.6	31.7	10.4		2.4	0.5
Etteplan Oyj	183	255	12.1	9.8	6.4	5.6	0.7	0.7	11.8	9.4	3.7	4.9	1.4
Norconsult ASA	1095	1226	13.8	10.7	8.0	7.2	1.2	1.1	13.7	11.7	4.9	5.9	3.5
Sitowise (Inderes)	86	155	23.6	11.0	8.4	6.2	0.8	0.7	246.7	14.4	0.8	2.1	1.1
Average			13.5	10.7	7.8	6.9	0.9	0.9	16.0	11.0	4.4	4.7	2.1
Median			12.5	10.4	7.1	6.3	0.8	0.8	13.1	10.4	4.4	4.9	1.5
Diff-% to median			88%	6%	19%	-1%	-2%	-8%	1784%	38%	-81%	-57%	-26%

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	192.9	48.1	49.8	40.5	50.3	188.7	49.0	50.5	41.7	52.1	193.3	207.7	216.1	222.5
Group	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Infra	68.4	17.6	19.2	16.1	20.2	73.1	18.8	19.8	16.6	20.8	76.0	78.2	79.8	82.2
Buildings	57.4	14.2	14.1	11.3	13.3	52.9	13.2	14.1	11.5	13.8	52.7	60.0	63.0	64.9
Digital Solutions	33.6	9.3	9.4	8.3	9.4	36.4	9.3	9.4	8.7	9.9	37.2	40.1	42.1	43.4
Sweden	33.6	7.0	7.2	4.8	7.4	26.4	7.7	7.3	4.9	7.5	27.4	29.4	31.1	32.1
EBITDA	15.6	2.8	4.1	3.5	4.1	14.5	2.8	5.0	4.7	5.9	18.4	23.6	26.8	27.7
Depreciation	-13.2	-3.1	-3.0	-3.0	-42.9	-52.0	-2.8	-3.0	-3.0	-3.0	-11.8	-10.2	-9.3	-8.8
EBIT	2.5	-0.3	1.0	0.5	-38.8	-37.5	0.0	2.0	1.7	2.9	6.6	13.4	17.6	18.9
EBITA (adj.)	9.6	2.4	2.5	1.7	2.2	8.9	1.9	3.0	2.7	3.9	11.5	15.6	18.8	19.4
Net financial items	-5.8	-1.6	-1.6	-1.5	-1.5	-6.1	-1.7	-1.5	-1.5	-1.5	-6.2	-5.9	-5.5	-5.3
PTP	-3.4	-1.8	-0.6	-1.0	-40.3	-43.7	-1.7	0.5	0.2	1.4	0.3	7.5	12.1	13.6
Taxes	0.7	0.4	0.1	0.3	0.2	1.1	0.4	-0.1	0.0	-0.3	0.0	-1.5	-2.4	-2.7
Minority interest	0.1	0.0	0.0	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-0.1	0.0	0.0	0.0	-1.1	-1.2	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.3
Net earnings	-2.6	-1.4	-0.4	-0.7	-39.9	-42.4	-1.3	0.4	0.2	1.1	0.3	6.0	9.6	10.9
EPS (adj.)	-0.01	0.01	-0.01	-0.02	0.00	-0.01	-0.04	0.01	0.00	0.03	0.01	0.17	0.27	0.30
EPS (rep.)	-0.07	-0.04	-0.01	-0.02	-1.11	-1.18	-0.04	0.01	0.00	0.03	0.01	0.17	0.27	0.30

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-%	-8.5 %	-6.6 %	-2.2 %	-3.1 %	3.3 %	-2.2 %	1.9 %	1.4 %	3.0 %	3.5 %	2.4 %	7.5 %	4.0 %	3.0 %
Adjusted EBITA growth-%	-52.9 %	-48.2 %	-57.4 %	-65.3 %	-60.4 %	-7.4 %	-22.4 %	18.9 %	59.2 %	74.5 %	29.2 %	36.1 %	20.6 %	3.1 %
EBITDA-%	8.1 %	5.9 %	8.2 %	8.6 %	8.2 %	7.7 %	5.7 %	9.9 %	11.3 %	11.3 %	9.5 %	11.3 %	12.4 %	12.5 %
Adjusted EBITA-%	5.0 %	5.1 %	5.1 %	4.2 %	4.4 %	4.7 %	3.9 %	5.9 %	6.5 %	7.4 %	5.9 %	7.5 %	8.7 %	8.7 %

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	198	158	154	152	152
Goodwill	159	121	121	121	121
Intangible assets	11.6	9.1	5.2	2.9	1.7
Tangible assets	25.3	26.4	26.5	26.7	27.1
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	1.9	0.3	0.3	0.3	0.3
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.8	1.8	1.8	1.8	1.8
Current assets	68.8	71.5	73.3	78.7	83.6
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.6	0.9	0.9	0.9	0.9
Receivables	50.7	48.1	49.3	53.0	55.1
Cash and equivalents	17.5	22.6	23.2	24.9	27.6
Balance sheet total	267	230	228	231	235

Source: Inderes

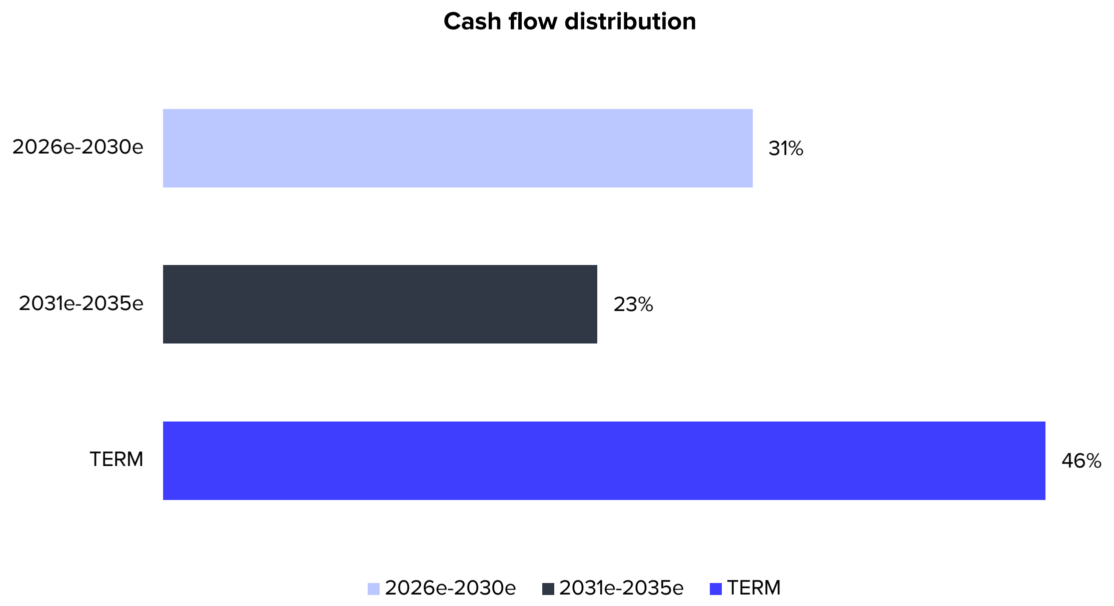
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	115	76.9	77.2	82.5	90.3
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	23.3	-17.1	-16.7	-11.5	-3.6
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-0.1	-3.5	-3.5	-3.5	-3.5
Other equity	92.0	97.3	97.3	97.3	97.3
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	87.5	87.4	0.7	75.7	75.7
Deferred tax liabilities	1.0	0.6	0.6	0.6	0.6
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	86.2	86.7	0.0	75.0	75.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.3	0.1	0.1	0.1	0.1
Current liabilities	64.3	65.5	150	73.1	69.2
Interest bearing debt	8.4	8.5	92.3	11.3	5.0
Payables	55.5	55.5	56.1	60.2	62.7
Other current liabilities	0.4	1.5	1.5	1.5	1.5
Balance sheet total	267	230	228	231	235

DCF-calculation

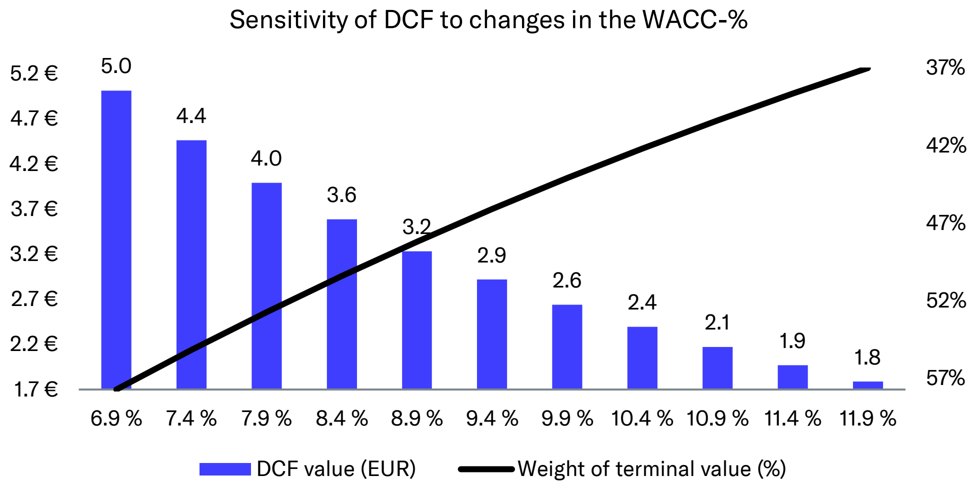
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-2.2 %	2.4 %	7.5 %	4.0 %	3.0 %	2.5 %	2.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
EBIT-%	-19.9 %	3.4 %	6.4 %	8.1 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %
EBIT (operating profit)	-37.5	6.6	13.4	17.6	18.9	19.4	19.8	20.0	20.2	20.4	20.6	
+ Depreciation	52.0	11.8	10.2	9.3	8.8	8.6	8.6	8.6	8.7	8.9	9.0	
- Paid taxes	-0.4	0.0	-1.5	-2.4	-2.7	-2.8	-2.9	-2.9	-3.0	-3.0	-3.1	
- Tax, financial expenses	-1.8	0.3	-1.2	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	3.5	-0.7	0.5	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	
Operating cash flow	15.8	18.0	21.4	23.6	24.2	24.3	24.6	24.7	24.9	25.2	25.6	
+ Change in other long-term liabilities	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-11.0	-8.0	-8.2	-8.3	-8.5	-8.7	-8.8	-9.0	-9.2	-9.4	-9.6	
Free operating cash flow	4.6	10.0	13.2	15.3	15.7	15.7	15.7	15.7	15.8	15.9	16.0	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	4.6	10.0	13.2	15.3	15.7	15.7	15.7	15.7	15.8	15.9	16.0	193
Discounted FCFF		9.4	11.4	12.1	11.3	10.3	9.5	8.7	8.0	7.3	6.7	81.6
Sum of FCFF present value		176	167	156	143	132	122	112	104	95.7	88.4	81.6
Enterprise value DCF		176										
- Interest bearing debt		-95.2										
+ Cash and cash equivalents		22.6										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		104										
Equity value DCF per share		2.9										

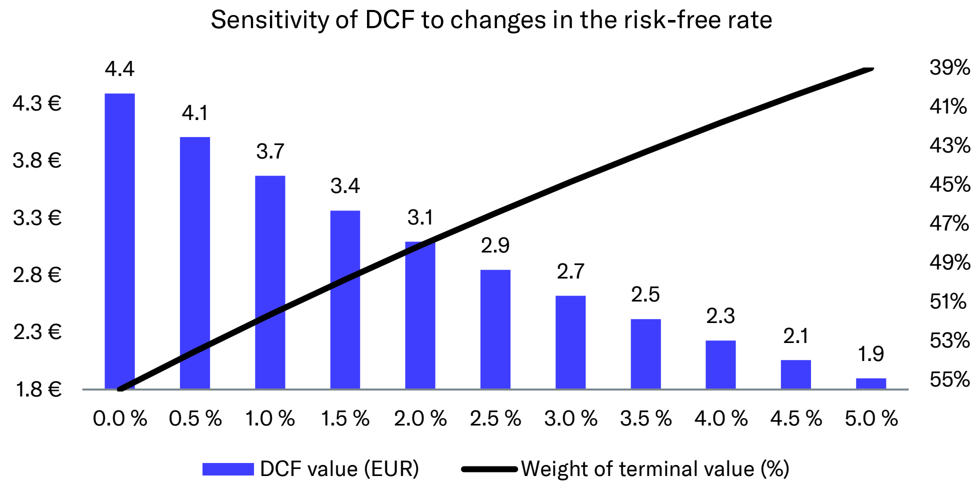
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	5.5 %
Equity Beta	1.45
Market risk premium	4.75%
Liquidity premium	1.20%
Risk free interest rate	2.5 %
Cost of equity	10.6 %
Weighted average cost of capital (WACC)	9.4 %

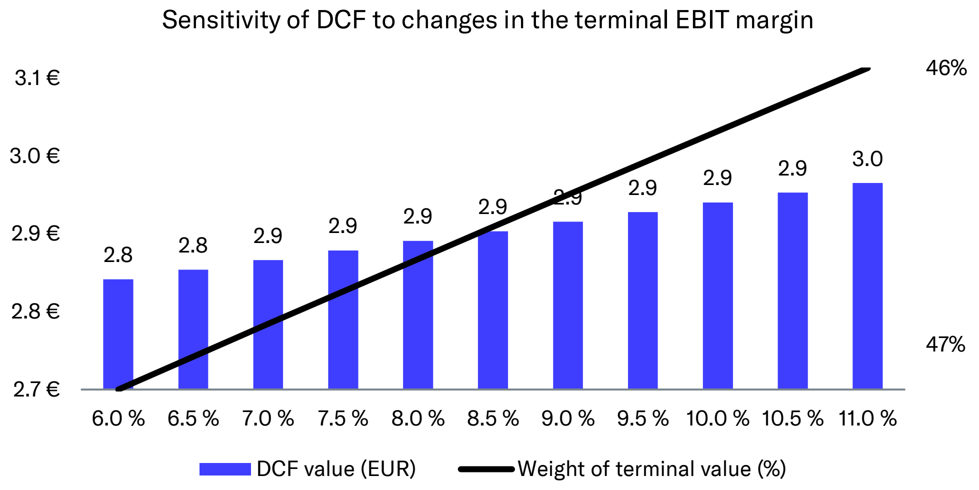
Source: Inderes

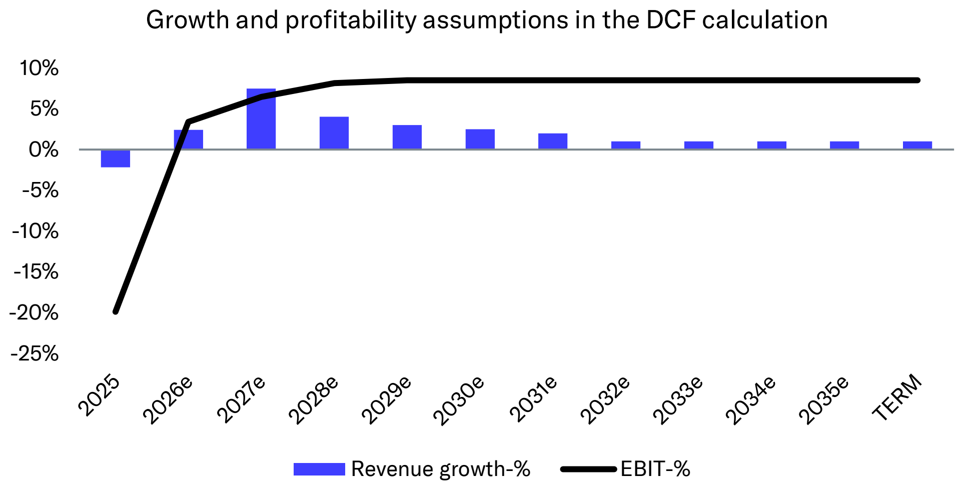


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	210.9	192.9	188.7	193.3	207.7
EBITDA	23.2	15.6	14.5	18.4	23.6
EBIT	11.7	2.5	-37.5	6.6	13.4
PTP	7.1	-3.4	-43.7	0.3	7.5
Net Income	5.6	-2.6	-42.4	0.3	6.0
Extraordinary items	-1.9	-2.1	-41.9	0.0	0.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	278.4	267.1	229.8	227.8	231.2
Equity capital	119.6	115.3	76.9	77.2	82.5
Goodwill	158.0	158.6	120.7	120.7	120.7
Net debt	83.1	77.1	72.6	69.2	61.4

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	23.2	15.6	14.5	18.4	23.6
Change in working capital	-0.7	6.9	3.5	-0.7	0.5
Operating cash flow	20.1	21.4	15.8	18.0	21.4
CAPEX	-11.1	-9.6	-11.0	-8.0	-8.2
Free cash flow	9.0	11.7	4.6	10.0	13.2

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.9	1.0	0.9	0.8	0.7
EV/EBITDA	8.2	11.9	11.4	8.4	6.2
EV/EBIT (adj.)	14.5	40.6	38.0	23.6	11.0
P/E (adj.)	15.2	neg.	neg.	>100	14.4
P/B	0.9	0.9	1.2	1.1	1.0
Dividend-%	0.0 %	0.0 %	0.0 %	0.8 %	2.1 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.16	-0.07	-1.18	0.01	0.17
EPS (adj.)	0.21	-0.01	-0.01	0.01	0.17
OCF / share	0.56	0.60	0.44	0.50	0.60
OFCF / share	0.25	0.33	0.13	0.28	0.37
Book value / share	3.35	3.22	2.14	2.15	2.30
Dividend / share	0.00	0.00	0.00	0.02	0.05

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	3%	-9%	-2%	2%	7%
EBITDA growth-%	-2%	-33%	-7%	27%	28%
EBIT (adj.) growth-%	-22%	-66%	-5%	51%	104%
EPS (adj.) growth-%	-39%	-106%	-12%	168%	1618%
EBITDA-%	11.0 %	8.1 %	7.7 %	9.5 %	11.3 %
EBIT (adj.)-%	6.4 %	2.4 %	2.3 %	3.4 %	6.4 %
EBIT-%	5.5 %	1.3 %	-19.9 %	3.4 %	6.4 %
ROE-%	4.7 %	-2.2 %	-44.1 %	0.5 %	7.5 %
ROI-%	5.4 %	1.2 %	-19.7 %	3.8 %	7.9 %
Equity ratio	42.9 %	43.2 %	33.4 %	33.9 %	35.7 %
Gearing	69.5 %	66.9 %	94.4 %	89.6 %	74.5 %
Net debt/EBITDA	3.6	4.9	5.0	3.8	2.6
EBITDA/net financials	5.1	2.7	2.4	2.9	4.0

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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

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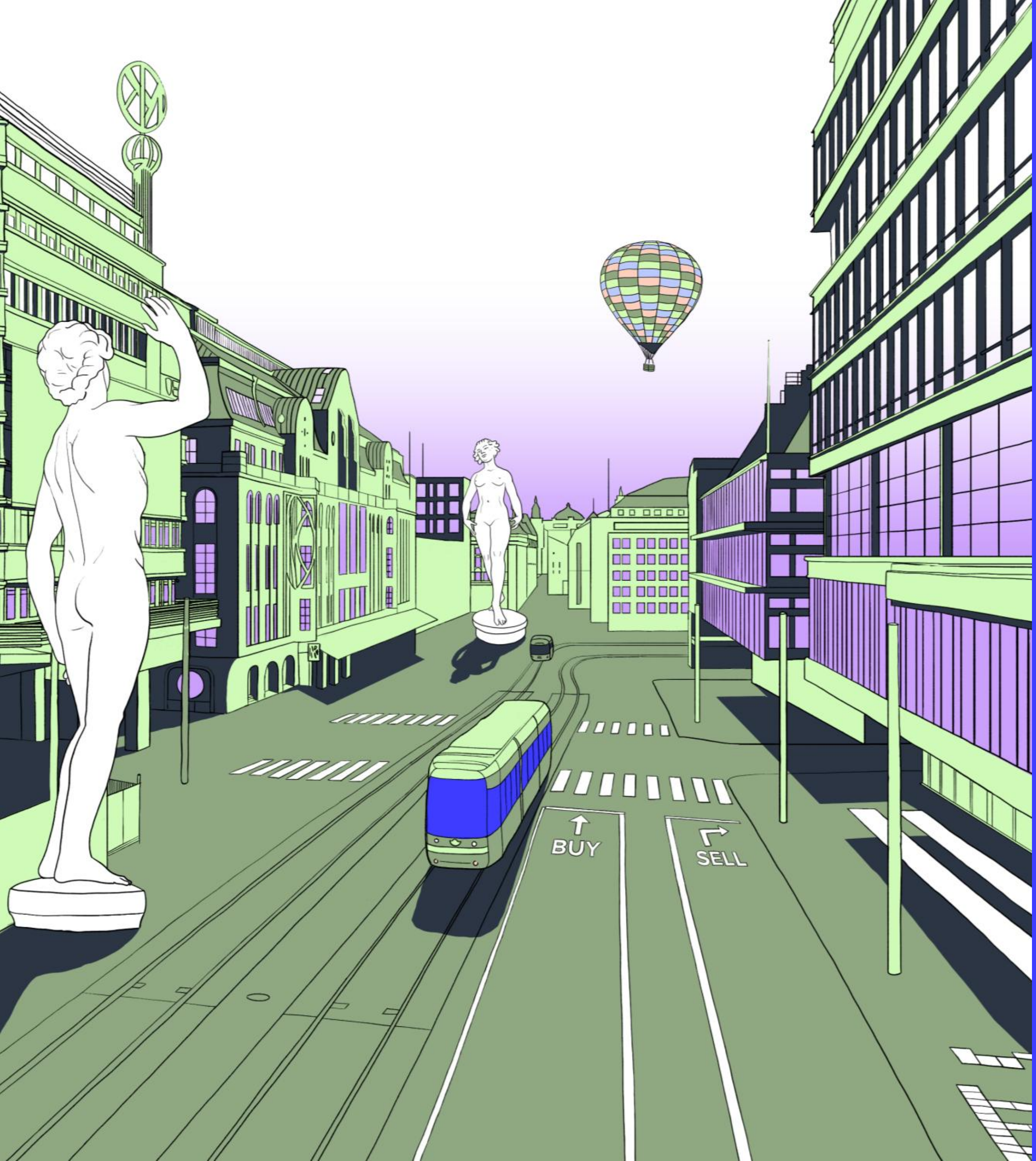
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
3/29/2021	Reduce	8.60 €	8.50 €
5/20/2021	Accumulate	9.30 €	8.78 €
8/26/2021	Accumulate	9.30 €	8.27 €
11/11/2021	Accumulate	9.30 €	8.33 €
3/3/2022	Accumulate	7.60 €	6.50 €
5/4/2022	Accumulate	7.20 €	6.05 €
5/19/2022	Buy	7.20 €	5.74 €
8/18/2022	Accumulate	6.50 €	5.50 €
10/27/2022	Buy	5.50 €	3.90 €
11/2/2022	Buy	5.50 €	4.15 €
11/29/2022	Accumulate	5.50 €	4.75 €
3/1/2023	Accumulate	5.40 €	4.89 €
5/10/2023	Accumulate	5.10 €	4.40 €
8/17/2023	Buy	5.00 €	4.00 €
9/5/2023	Buy	5.00 €	3.99 €
10/20/2023	Accumulate	4.00 €	3.38 €
11/3/2023	Accumulate	3.30 €	2.88 €
2/28/2024	Accumulate	3.00 €	2.65 €
5/10/2024	Accumulate	3.20 €	2.88 €
7/15/2024	Reduce	2.90 €	2.80 €
8/1/2024	Reduce	2.70 €	2.89 €
8/14/2024	Reduce	2.50 €	2.42 €
11/8/2024	Reduce	2.50 €	2.41 €
1/24/2025	Reduce	2.70 €	2.85 €
2/13/2025	Reduce	2.50 €	2.42 €
5/14/2025	Reduce	2.40 €	2.37 €
8/14/2025	Reduce	2.30 €	2.45 €
Analyst changed			
11/7/2025	Reduce	2.20 €	2.38 €
1/13/2026	Reduce	2.20 €	2.35 €
2/12/2026	Accumulate	2.60 €	2.34 €
5/7/2026	Accumulate	2.60 €	2.39 €



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