

SITOWISE

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COMPANY REPORT



Recovery takes time, we stay on the sidelines

Sitowise's Q2 results were mixed, with revenue in line with expectations but disappointing profitability. A slow recovery remains the prevailing outlook, as indicated by management commentary and market indicators. Consequently, we continue to view the risk/reward ratio as unattractive, stemming from the combination of weak earnings, high leverage, and persistent market uncertainty. As a result, we reiterate our Reduce recommendation and revise our target price to EUR 2.30 per share (was EUR 2.40 per share).

Revenue in line but earnings missed our expectations

Sitowise's Q2 revenue of 49.8 MEUR (-2.1% y/y, organically -1.2%) was broadly in line with expectations. Weakness persisted in the Swedish (-16.9% y/y) and Buildings (-9.3% y/y) business areas due to tough market conditions. Conversely, Infra and Digital Solutions outperformed, growing organically by approximately 8%. Adjusted EBITA declined to 2.5 MEUR (Q2'24: 2.6 MEUR), falling below our estimates. While Infra maintained strong profitability, Buildings and Digital Solutions were below target, and the Swedish business remained unprofitable. Due to a decline in the rolling 12-month EBITDA, the net debt/EBITDA ratio rose to 5.9x (from 4.3x). While this level of leverage is elevated, the company's financing agreement, with maturity until June 12, 2027, provides a buffer. This gives Sitowise time to focus on improving its profitability. Given that the absolute net debt itself is not excessively high, strengthening the company's earnings base is the primary challenge and key to deleveraging.

Estimates revised; market recovery still awaits

Sitowise again refrained from providing guidance due to persistent market uncertainty, with management commentary largely reiterating previous statements. The company noted early signs of a moderate recovery in the Finnish construction market, which has potentially bottomed out. However, this

recovery is expected to be slow and gradual, with new residential construction not expected to recover until 2026. The outlook for the Swedish market remains subdued, with a recovery anticipated only in late 2025 or 2026.

While this outlook was largely in line with our expectations, we have lowered our earnings estimates for the current year following the weaker-than-expected Q2 order intake and profitability. We now estimate a 2% decline in Sitowise's revenue for the full year, with an adjusted EBITA margin of around 5%. We believe that without sales growth, it will be challenging for the company to substantially improve profitability, although restructuring efforts are expected to provide some support.

We have also revised our longer-term estimates downward, as the recovery has been more prolonged than we previously anticipated. We now expect a clearer rebound to emerge only in 2026, with growth accelerating to 6% and 7% in 2027, as construction and investment activity picks up and price competition eases. We expect operational leverage to support margin improvement, targeting near-normal earnings levels from 2027.

We continue to stay on the sidelines

With our 2025-2026 estimates, EV/EBITDA ratios are 12x and 8x, which are reasonable. However, high net financing expenses significantly erode earnings (and cash flow), resulting in high P/E ratios. In our view, the absolute valuation multiples are high as a whole, and the DCF as well as the relative valuation paints a similar picture. Together with the high leverage caused by the weakened profitability (2025e net debt/EBITDA 5.5x), we believe the risk/reward ratio is weak, even though the company's earnings potential is, in our view, higher than the short-term development.

Recommendation

Reduce

(was Reduce)

Target price:

2.30 EUR

(was 2.40 EUR)

Share price:

2.45 EUR

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	192.9	188.5	200.4	213.6
growth-%	-9%	-2%	6%	7%
EBITA adj.	9.6	9.2	12.2	15.9
EBITA-% adj.	5.0 %	4.9 %	6.1 %	7.4 %
Net income	-2.6	-3.0	2.5	6.3
EPS (adj.)	-0.01	-0.03	0.07	0.18
P/E (adj.)	neg.	neg.	35.8	14.0
P/B	0.9	0.8	0.8	0.7
Dividend yield-%	0.0 %	0.0 %	0.8 %	2.0 %
EV/EBIT (adj.)	40.6	39.4	17.9	11.4
EV/EBITDA	11.9	11.6	8.3	6.7
EV/S	1.0	0.9	0.8	0.7

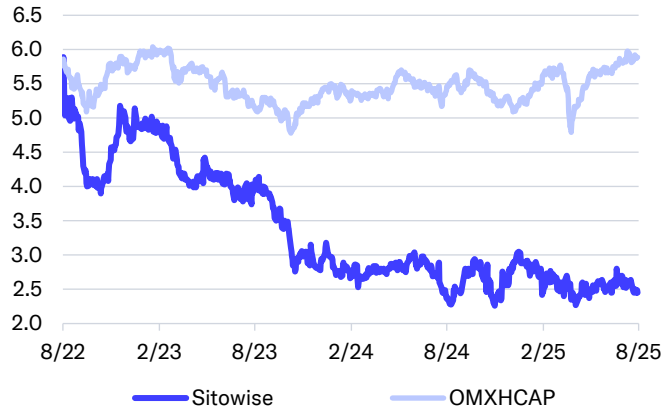
Source: Inderes

Guidance

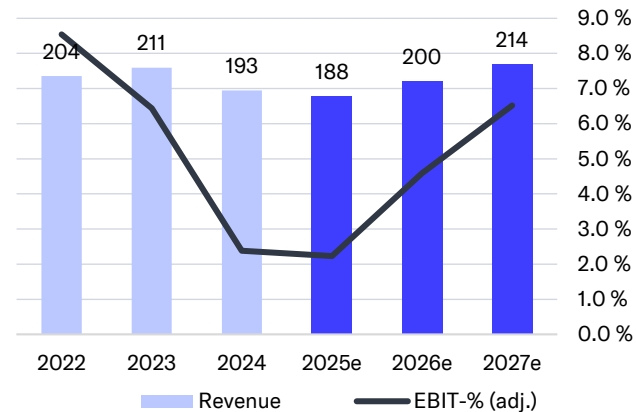
(New guidance)

No guidance due to market uncertainty

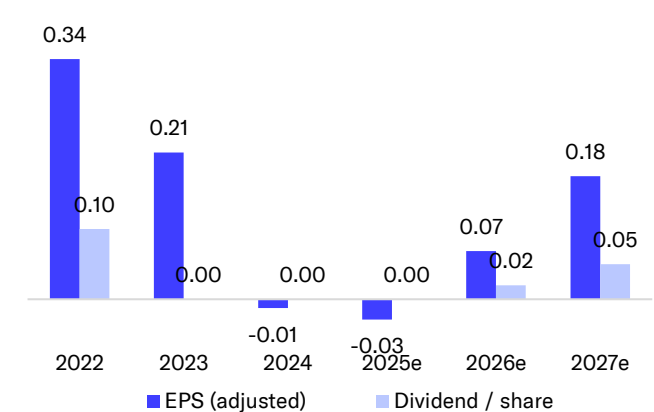
Share price



Revenue and EBIT-% (adj.)



EPS and DPS



Value drivers

- Above-market growth in a recovering market
- Return to strong profitability
- Strong cash flow and low investment need
- Efficient and diversified 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

- Cyclical of the underlying construction market
- Maintaining a good profitability level sustainably
- A clear and prolonged market downturn after good years
- Challenges created by Nordic expansion and a new market
- Failure in acquisitions
- Leverage and growth financing

Valuation	2025e	2026e	2027e
Share price	2.45	2.45	2.45
Number of shares, millions	35.8	35.8	35.8
Market cap	88	88	88
EV	166	165	159
P/E (adj.)	neg.	35.8	14.0
P/B	0.8	0.8	0.7
EV/Sales	0.9	0.8	0.7
EV/EBITDA	11.6	8.3	6.7
EV/EBIT (adj.)	39.4	17.9	11.4
Payout ratio (%)	0.0 %	29.2 %	28.5 %
Dividend yield-%	0.0 %	0.8 %	2.0 %

Source: Inderes

No clear signs of a pickup

Revenue development in line with our expectations

Sitowise's revenue declined by 2.1% year-on-year (organically -1.2%) to 49.8 MEUR, relatively in line with our expectations. The Swedish business continued to show weak performance, with revenue falling by 16.9% year-on-year to 7.2 MEUR, primarily due to the persistently sluggish construction market, as anticipated. Similar market conditions also affected the Buildings business, leading to overcapacity and intense price competition. Consequently, Q2 revenue in this segment declined by 9.3% to 14.1 MEUR, also roughly in line with our estimates. The Infra and Digital Solutions business areas outperformed the rest of the Group and grew organically by some 8%, owing to more stable demand. Revenue in the Infra business amounted to 19.2 MEUR, and Digital Solutions revenue reached 9.4 MEUR, both relatively in line with our expectations.

At the group level, order intake was down by some 26% q/q and 19% y/y and reversed the positive trend seen in the last quarter. This was mainly due to the absence of larger

project wins, particularly within the Infra business area. The Group's order book decreased by ~9% y/y and totaled 148 MEUR.

Earnings below our estimates

Sitowise's adjusted EBITA declined to 2.5 MEUR in Q2 (Q2'24: 2.6 MEUR) and was below our estimate of 3.0 MEUR. The adjusted EBITA margin (5.1% vs. 5.0% last year) was, as anticipated, under pressure from the combined impact of lower revenue and a tight pricing environment. While the Infra business area maintained a good profitability above the target level (adj. EBITA >12%), the Buildings business (0-5%) and Digital Solutions (5-10%) continued to show a profitability below the target level. The Swedish business remained loss-making and there were not yet any clear signals of a turnaround. In the bottom lines of the income statement, EPS was also below our estimates due to the weaker operating profitability and slightly higher financing expenses than our expectations.

Earnings improvement is essential for reducing leverage

Cash flow from operating activities was obviously burdened by the weak operating result, however, it improved driven by the release of working capital. On a trailing 12-month basis, which better takes the seasonal variations into account, the net cash flow from operating activities amounted 12.4 MEUR (13.5 MEUR).

At the end of the reporting period, Sitowise's net debt stood at 53.3 MEUR, slightly lower than the previous year. However, due to a decline in the rolling 12-month EBITDA, the net debt/EBITDA ratio rose to 5.9x (from 4.3x). While this level of leverage is elevated, the company's financing agreement, with maturity until June 12, 2027, provides a buffer. This gives Sitowise time to focus on improving its profitability. Given that the absolute net debt itself is not excessively high, strengthening the company's earnings base is the primary challenge and key to deleveraging.

Estimates MEUR / EUR	Q2'24 Comparison	Q2'25 Actualized	Q2'25e Inderes	Q2'25e Consensus	Consensus Low High	Difference (%) Act. vs. Inderes	2025e Inderes
Revenue	50.9	49.8	49.3			1%	188.5
EBITA (adj.)	2.6	2.5	3.0			-16%	9.2
EBITA	1.1	2.1	2.0			4%	6.3
EBIT	1.1	1.0	2.0			-48%	2.2
PTP	-0.2	-0.6	0.5			-214%	-3.9
EPS (reported)	0.00	-0.01	0.01			-175%	-0.08
Revenue growth-%	-9.9 %	-2.2 %	-3.1 %			0.9 pp	-2.3 %
EBITA-% (adj.)	5.0 %	5.1 %	6.1 %			-1 pp	4.9 %

Source: Inderes

No major profitability turnaround without sales growth

We expect the recovery to be gradual

As anticipated, Sitowise again refrained from providing financial guidance, underscoring persistent market uncertainty and no material improvement in visibility. Management commentary offered no significant new insights, largely reiterating previous statements. While Sitowise observes early signs of a moderate recovery in the Finnish construction market, suggesting it may have bottomed out, this recovery is expected to be slow and gradual, materializing towards the end of 2025. New residential construction is still only expected to recover in 2026. The Swedish construction market outlook remains subdued, with recovery not anticipated until late 2025 or even 2026.

We have revised our short-term estimates

While we had expected Sitowise to largely reaffirm its previous outlook, the weaker-than-expected Q2 order

intake and profitability has led us to lower our estimates for the current year. We now estimate a 2% decline in Sitowise's revenue for the full year, with an adjusted EBITA margin of around 5%. We believe that without significant top-line growth, it will be challenging for the company to substantially improve profitability, although restructuring efforts are expected to provide some support.

In the bottom line, we forecast a negative EPS of EUR -0.03 per share, burdened by high financing costs. Given the company's financial situation and cash flow, we do not expect a dividend payout in 2025, as the focus will likely remain on improving leverage.

Lowering 2026-2027 estimates due to a slow recovery

We have revised our 2026-2027 estimates downward, as the recovery has been more prolonged than we previously anticipated. We now expect a clearer rebound to emerge only in 2026, driven by a gradually improving market, a

stronger order book, and better utilization rates.

Furthermore, we have revised our 2025 adjusted EBITA margin estimate down to 6.1% from our previous 6.6%. We anticipate that stronger sales growth will translate into operating leverage, resulting in improved earnings. As a result, we expect the company to return to near-normal earnings levels from 2027 onward. Once the financial and operational situation has stabilized, we also see potential to accelerate growth through strategic acquisitions.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	191	188	-1%	207	200	-3%	221	214	-3%
EBITDA	18.5	14.3	-23%	24.8	19.7	-20%	27.7	23.6	-15%
EBITA (adj.)	12.5	9.2	-26%	17.2	12.2	-29%	20.0	15.9	-21%
EBITA	10.5	6.3	-40%	17.2	12.2	-29%	20.0	15.9	-21%
PTP	0.7	-3.9	-659%	8.5	3.1	-63%	12.3	8.1	-35%
EPS (excl. NRIs)	0.07	-0.03	-140%	0.18	0.07	-63%	0.27	0.18	-35%
DPS	0.05	0.00	-100%	0.14	0.02	-86%	0.19	0.05	-74%

We wait for a better risk/reward

Forecast risk remains high

The last years have been challenging, with earnings falling significantly short of their potential reflecting the weak market conditions and at least partly non-recurring costs. Thus, the earnings level in the recent year should not be the new normal. However, in the current operating environment, forecast risks are elevated by the fact that the turnaround in the construction and investment activity is difficult to predict, and a further prolongation of the current difficult market situation cannot be ruled out, as there have been no clear signs of improvement. It should also be noted that the company currently carries high leverage, mainly due to a weak operating performance. In our view, the combination of subdued earnings development and increased leverage also raises the stock's risk level, which, together with the uncertainty related to the development of the operating environment justifies a high required return.

Earnings-based valuation multiples are high

Sitowise's EV/S ratio is around 0.9x for 2025 and 2026. In our view, this is a moderate level given the profitability potential of this type of service business. However, we believe that relying on a purely revenue-based valuation would require confidence in a market turnaround already in the short term. Furthermore, relative to recent profitability levels, we do not consider this level to be unjustified, and we believe that a higher valuation on a revenue basis would require an increase in profitability from current levels. The above thinking is well reflected in the earnings-based valuation of the stock, as our updated forecasts put Sitowise's P/E multiples for 2025-2026 at negative and 14x, respectively. The EV/EBIT ratios for these years are 39x and 18x. Thus, the current year's earnings-based valuation

is very high and, on a net profit basis, reflects the fact that the high net financing expenses eat up a large part of the operating result. With the earnings improvement we expect, we believe that valuation multiples will come down to neutral levels in 2026-2027.

Relative valuation

In relative terms, based on 2025-2026 EV/EBITDA ratios, Sitowise is valued at an average discount of 6% compared to its peers, while based on the P/E ratio, the company's valuation rises to a premium. Thus, the relative valuation reflects the same earnings-related challenge and the gap between the operating profit and net profit. However, as a whole, the earning-based relative valuation does not support an upside for the stock. The challenges related to the earnings level are also reflected in Sitowise's revenue-based valuation, as the share is valued at a 25% discount with the EV/S multiple, and the median level for peers is 1.2x EV/S. Considering the industry's profitability potential, this is roughly the level at which it is justified to price an average player over time. Thus, we believe this reflects the stock's potential if the company can demonstrate that its profitability potential exceeds recent developments and, simultaneously, lower the risk level related to its financial position as earnings rise.

We reiterate our Reduce recommendation

In our view, the absolute valuation multiples are high, and the DCF as well as the relative valuation paints a similar picture. Together with the high leverage caused by the weakened profitability, we believe the risk/reward ratio is weak. As a result, we reiterate our Reduce recommendation and revise our target price to EUR 2.30 per share (was EUR 2.40 per share).

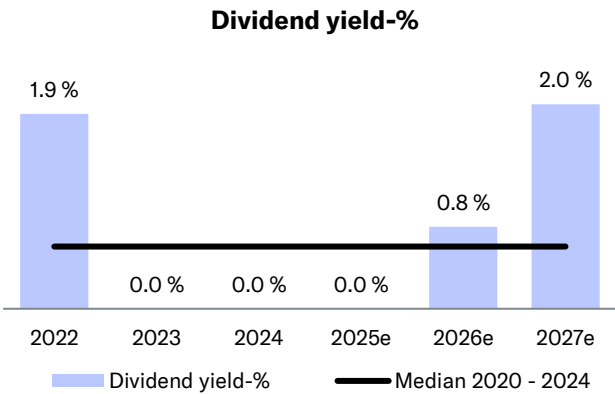
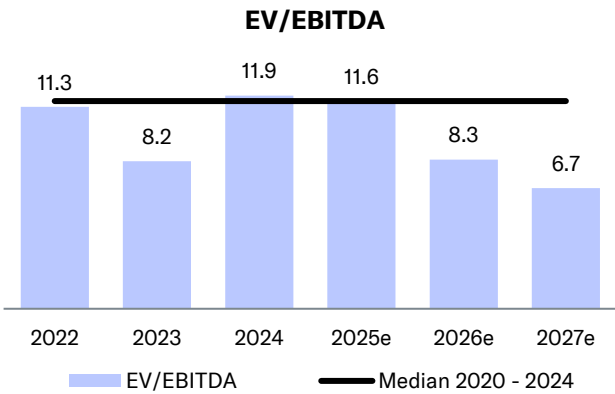
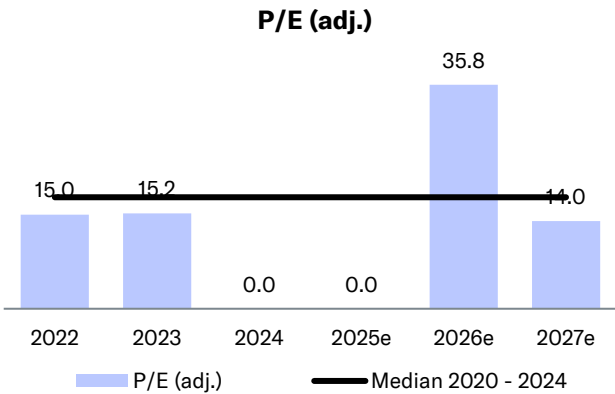
Valuation	2025e	2026e	2027e
Share price	2.45	2.45	2.45
Number of shares, millions	35.8	35.8	35.8
Market cap	88	88	88
EV	166	165	159
P/E (adj.)	neg.	35.8	14.0
P/B	0.8	0.8	0.7
EV/Sales	0.9	0.8	0.7
EV/EBITDA	11.6	8.3	6.7
EV/EBIT (adj.)	39.4	17.9	11.4
Payout ratio (%)	0.0 %	29.2 %	28.5 %
Dividend yield-%	0.0 %	0.8 %	2.0 %

Source: Inderes

Valuation table

Valuation	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	8.05	5.14	3.18	3.05	2.45	2.45	2.45	2.45
Number of shares, millions	35.4	35.5	35.6	35.8	35.8	35.8	35.8	35.8
Market cap	285	182	113	109	88	88	88	88
EV	345	268	197	186	166	165	159	151
P/E (adj.)	27.4	15.0	15.2	neg.	neg.	35.8	14.0	8.8
P/B	2.5	1.6	0.9	0.9	0.8	0.8	0.7	0.7
EV/Sales	1.9	1.3	0.9	1.0	0.9	0.8	0.7	0.7
EV/EBITDA	13.3	11.3	8.2	11.9	11.6	8.3	6.7	5.5
EV/EBIT (adj.)	18.2	15.4	14.5	40.6	39.4	17.9	11.4	8.3
Payout ratio (%)	45.2 %	45.2 %	0.0 %	0.0 %	0.0 %	29.2 %	28.5 %	45.0 %
Dividend yield-%	1.2 %	1.9 %	0.0 %	0.0 %	0.0 %	0.8 %	2.0 %	5.1 %

Source: Inderes



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

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
Sweco AB	5141	5680	24.8	21.2	18.1	16.7	2.2	2.1	30.7	26.4	1.7	2.0	5.3
Afry AB	1514	2740	17.8	15.8	11.2	10.7	1.1	1.1	14.1	13.6	3.9	4.1	1.3
Rejlers AB	377	431	17.9	15.2	10.8	9.6	1.2	1.1	21.7	18.4	2.2	2.6	2.3
Solwers Oyj	48	65	13.4	21.0	8.2	8.9	1.0	0.7	15.1	28.2	1.3	0.8	0.8
Etteplan Oyj	266	351	13.4	16.2	7.8	8.7	1.0	1.0	13.8	23.9	3.2	2.0	2.3
Norconsult ASA	1192	1208	19.3	17.8	12.0	11.3	1.6	1.5	22.9	20.0	2.1	3.0	7.0
Sitowise (Inderes)	88	166	39.4	17.9	11.6	8.3	0.9	0.8	-85.4	35.8	0.0	0.8	0.8
Average			17.8	17.9	11.3	11.0	1.4	1.2	19.7	21.7	2.4	2.4	3.2
Median			17.8	17.0	11.0	10.1	1.2	1.1	18.4	21.9	2.2	2.3	2.3
Diff-% to median			121%	5%	6%	-18%	-24%	-26%	-564%	63%	-100%	-65%	-66%

Source: Refinitiv / Inderes

Income statement

Income statement	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	204.4	210.9	51.5	50.9	41.8	48.7	192.9	48.1	49.8	41.5	49.0	188.5	200.4	213.6	222.3
Infra	60.0	65.6	17.0	18.0	15.5	17.9	68.4	17.6	19.2	15.8	18.4	71.0	73.1	75.0	76.5
Buildings	79.4	70.8	16.1	15.5	12.2	13.6	57.4	14.2	14.1	11.6	13.3	53.2	57.5	64.4	67.6
Digital Solutions	22.1	29.9	7.0	7.0	6.5	7.6	28.1	9.3	9.4	8.4	9.1	36.2	39.8	42.9	45.0
Sweden	42.9	44.5	11.4	10.4	7.7	9.6	39.1	7.0	7.2	5.7	8.2	28.0	30.0	31.4	33.2
EBITDA	23.8	23.2	5.1	4.3	3.3	3.0	15.6	2.8	4.1	3.7	3.6	14.3	19.7	23.6	27.4
Depreciation	-10.6	-11.5	-3.1	-3.2	-3.5	-3.3	-13.2	-3.1	-3.0	-3.0	-2.9	-12.0	-10.6	-9.6	-9.1
EBITA (adj.)	20.4	17.0	3.4	2.6	2.4	1.2	9.6	2.4	2.5	2.1	2.1	9.2	12.2	15.9	19.5
EBITA	16.1	15.3	3.1	2.2	1.3	0.9	7.4	0.8	2.1	1.7	1.7	6.3	12.2	15.9	19.5
EBIT	13.2	11.7	2.0	1.1	-0.2	-0.4	2.5	-0.3	1.0	0.7	0.7	2.2	9.2	13.9	18.3
Net financial items	-2.9	-4.6	-1.2	-1.3	-1.6	-1.7	-5.8	-1.6	-1.6	-1.5	-1.5	-6.2	-6.0	-5.9	-5.5
PTP	10.3	7.1	0.7	-0.2	-1.8	-2.1	-3.4	-1.8	-0.6	-0.8	-0.8	-3.9	3.1	8.1	12.8
Taxes	-2.4	-1.6	-0.2	0.0	0.4	0.5	0.7	0.4	0.1	0.2	0.2	0.9	-0.7	-1.8	-2.8
Minority interest	-0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	7.8	5.6	0.6	-0.1	-1.4	-1.6	-2.6	-1.4	-0.4	-0.6	-0.6	-3.0	2.5	6.3	10.0
EPS (adj.)	0.34	0.21	0.03	0.01	-0.01	-0.04	-0.01	0.01	-0.01	-0.01	-0.01	-0.03	0.07	0.18	0.28
EPS (rep.)	0.22	0.16	0.02	0.00	-0.04	-0.05	-0.07	-0.04	-0.01	-0.02	-0.02	-0.08	0.07	0.18	0.28

Key figures	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	14.0 %	3.2 %	-8.0 %	-9.9 %	-8.4 %	-7.8 %	-8.5 %	-6.6 %	-2.2 %	-0.7 %	0.7 %	-2.3 %	6.4 %	6.6 %	4.1 %
Adjusted EBITA growth-%	-3.6 %	-16.6 %	-28.3 %	-56.9 %	-50.4 %	-78.7 %	-43.8 %	-27.7 %	-1.1 %	-12.4 %	78.7 %	-3.4 %	32.1 %	30.1 %	23.2 %
EBITDA-%	11.6 %	11.0 %	9.9 %	8.4 %	7.9 %	6.1 %	8.1 %	5.9 %	8.2 %	9.0 %	7.4 %	7.6 %	9.8 %	11.0 %	12.3 %
Adjusted EBITA-%	10.0 %	8.1 %	6.6 %	5.0 %	5.8 %	2.5 %	5.0 %	5.1 %	5.1 %	5.1 %	4.3 %	4.9 %	6.1 %	7.4 %	8.8 %

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	202	198	194	192	190
Goodwill	158	159	159	159	159
Intangible assets	11.9	11.6	8.6	5.6	3.6
Tangible assets	29.3	25.3	24.4	24.8	25.3
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	1.9	1.9	1.9	1.9	1.9
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.7	0.8	0.8	0.8	0.8
Current assets	76.6	68.8	64.7	69.7	75.3
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	1.8	0.6	0.6	0.6	0.6
Receivables	59.2	50.7	50.9	55.1	59.8
Cash and equivalents	15.6	17.5	13.2	14.0	15.0
Balance sheet total	278	267	259	261	266

Source: Inderes

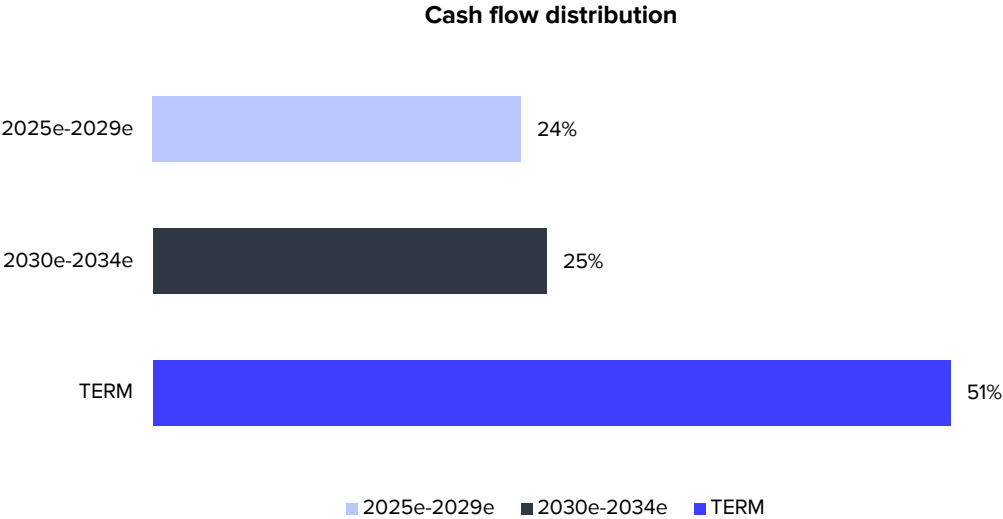
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	120	115	112	115	120
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	25.8	23.3	20.2	22.7	28.3
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.3	-0.1	0.0	0.0	0.0
Other equity	93.2	92.0	92.0	92.0	92.0
Minorities	0.3	0.0	0.0	0.0	0.0
Non-current liabilities	92.0	87.5	81.3	81.3	76.3
Deferred tax liabilities	1.5	1.0	1.0	1.0	1.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	90.5	86.2	80.0	80.0	75.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.3	0.3	0.3	0.3
Current liabilities	66.9	64.3	65.3	65.4	68.9
Interest bearing debt	8.2	8.4	11.2	10.8	10.9
Payables	58.3	55.5	53.7	54.1	57.7
Other current liabilities	0.4	0.4	0.4	0.4	0.4
Balance sheet total	278	267	259	261	266

DCF-calculation

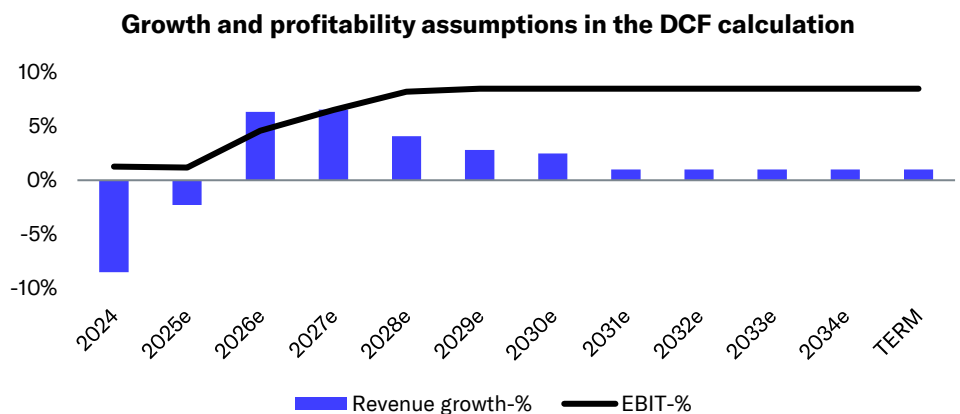
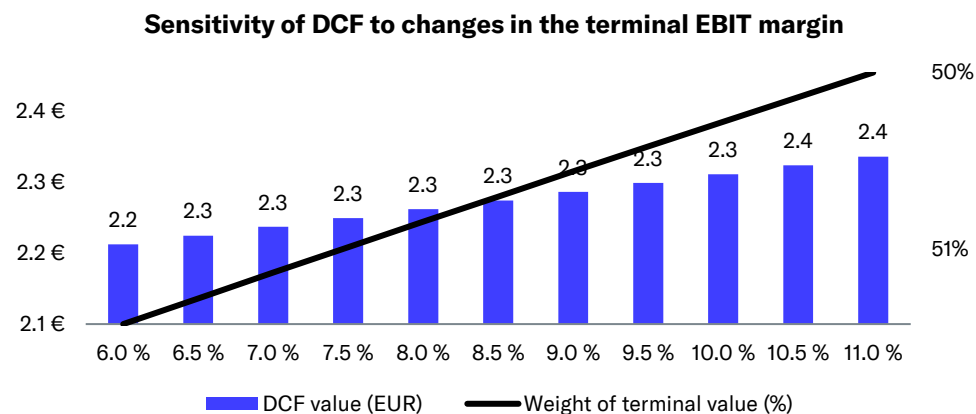
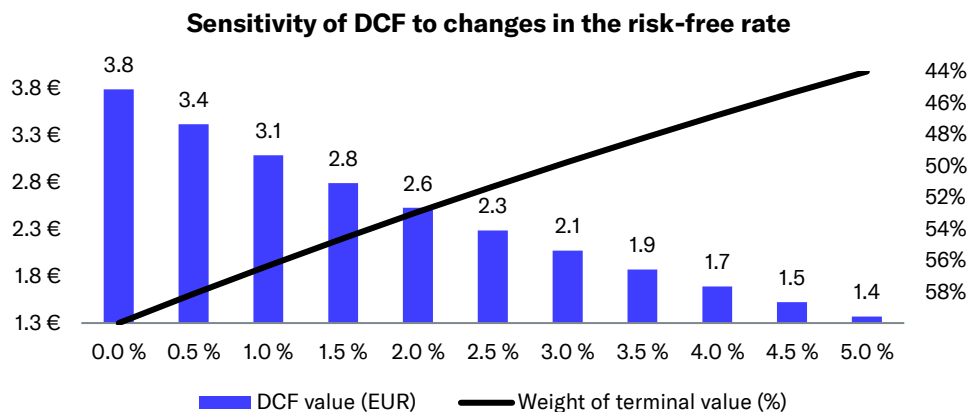
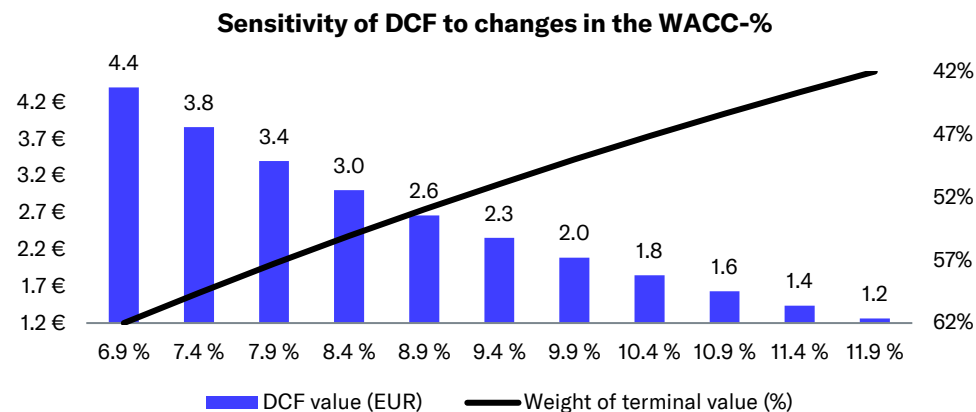
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-8.5 %	-2.3 %	6.4 %	6.6 %	4.1 %	2.8 %	2.5 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
EBIT-%	1.3 %	1.2 %	4.6 %	6.5 %	8.2 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %
EBIT (operating profit)	2.5	2.2	9.2	13.9	18.3	19.4	19.9	20.1	20.3	20.5	20.7	
+ Depreciation	13.2	12.0	10.6	9.6	9.1	8.8	8.7	8.6	8.7	8.8	8.9	
- Paid taxes	0.1	0.9	-0.7	-1.8	-2.8	-3.1	-3.2	-3.3	-3.3	-3.3	-3.4	
- Tax, financial expenses	-1.2	-1.4	-1.3	-1.3	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	6.9	-2.0	-3.8	-1.1	-1.2	-1.2	-0.1	0.0	0.0	0.0	0.0	
Operating cash flow	21.4	11.8	13.9	19.4	22.2	22.7	24.1	24.3	24.5	24.7	25.0	
+ Change in other long-term liabilities	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-9.6	-8.0	-8.0	-8.2	-8.3	-8.5	-8.7	-8.8	-9.0	-9.2	-9.4	
Free operating cash flow	12.2	3.8	5.9	11.2	13.8	14.2	15.4	15.5	15.5	15.5	15.6	
+/- Other	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	11.7	3.8	5.9	11.2	13.8	14.2	15.4	15.5	15.5	15.5	15.6	189
Discounted FCFF		3.6	5.2	9.1	10.2	9.6	9.5	8.7	8.0	7.3	6.8	81.8
Sum of FCFF present value		160	156	151	142	132	122	113	104	95.9	88.6	81.8
Enterprise value DCF		160										
- Interest bearing debt		-94.6										
+ Cash and cash equivalents		17.5										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		82.8										
Equity value DCF per share		2.3										

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	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	204.4	210.9	192.9	188.5	200.4	EPS (reported)	0.22	0.16	-0.07	-0.08	0.07
EBITDA	23.8	23.2	15.6	14.3	19.7	EPS (adj.)	0.34	0.21	-0.01	-0.03	0.07
EBIT	13.2	11.7	2.5	2.2	9.2	OCF / share	0.50	0.56	0.60	0.33	0.39
PTP	10.3	7.1	-3.4	-3.9	3.1	OFCF / share	-0.51	0.25	0.33	0.10	0.16
Net Income	7.8	5.6	-2.6	-3.0	2.5	Book value / share	3.29	3.35	3.22	3.13	3.20
Extraordinary items	-4.3	-1.9	-2.1	-2.0	0.0	Dividend / share	0.10	0.00	0.00	0.00	0.02
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	280.7	278.4	267.1	258.9	261.5	Revenue growth-%	14%	3%	-9%	-2%	6%
Equity capital	116.9	119.6	115.3	112.3	114.8	EBITDA growth-%	-8%	-2%	-33%	-9%	38%
Goodwill	157.6	158.0	158.6	158.6	158.6	EBIT (adj.) growth-%	-8%	-22%	-66%	-8%	119%
Net debt	85.6	83.1	77.1	78.0	76.8	EPS (adj.) growth-%	16%	-39%	-106%	126%	-339%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	11.6 %	11.0 %	8.1 %	7.6 %	9.8 %
EBITDA	23.8	23.2	15.6	14.3	19.7	EBIT (adj.)-%	8.5 %	6.4 %	2.4 %	2.2 %	4.6 %
Change in working capital	-3.0	-0.7	6.9	-2.0	-3.8	EBIT-%	6.4 %	5.5 %	1.3 %	1.2 %	4.6 %
Operating cash flow	17.9	20.1	21.4	11.8	13.9	ROE-%	6.8 %	4.7 %	-2.2 %	-2.6 %	2.2 %
CAPEX	-36.1	-11.1	-9.6	-8.0	-8.0	ROI-%	6.4 %	5.4 %	1.2 %	1.1 %	4.5 %
Free cash flow	-18.2	9.0	11.7	3.8	5.9	Equity ratio	41.6 %	42.9 %	43.2 %	43.4 %	43.9 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	73.2 %	69.5 %	66.9 %	69.4 %	66.9 %
EV/S	1.3	0.9	1.0	0.9	0.8						
EV/EBITDA	11.3	8.2	11.9	11.6	8.3						
EV/EBIT (adj.)	15.4	14.5	40.6	39.4	17.9						
P/E (adj.)	15.0	15.2	neg.	neg.	35.8						
P/B	1.6	0.9	0.9	0.8	0.8						
Dividend-%	1.9 %	0.0 %	0.0 %	0.0 %	0.8 %						

Source: Inderes

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

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2021-03-29	Reduce	8.60 €	8.50 €
2021-05-20	Accumulate	9.30 €	8.78 €
2021-08-26	Accumulate	9.30 €	8.27 €
2021-11-11	Accumulate	9.30 €	8.33 €
2022-03-03	Accumulate	7.60 €	6.50 €
2022-05-04	Accumulate	7.20 €	6.05 €
2022-05-19	Buy	7.20 €	5.74 €
2022-08-18	Accumulate	6.50 €	5.50 €
2022-10-27	Buy	5.50 €	3.90 €
2022-11-02	Buy	5.50 €	4.15 €
2022-11-29	Accumulate	5.50 €	4.75 €
2023-03-01	Accumulate	5.40 €	4.89 €
2023-05-10	Accumulate	5.10 €	4.40 €
2023-08-17	Buy	5.00 €	4.00 €
2023-09-05	Buy	5.00 €	3.99 €
2023-10-20	Accumulate	4.00 €	3.38 €
2023-11-03	Accumulate	3.30 €	2.88 €
2024-02-28	Accumulate	3.00 €	2.65 €
2024-05-10	Accumulate	3.20 €	2.88 €
2024-07-15	Reduce	2.90 €	2.80 €
2024-08-01	Reduce	2.70 €	2.89 €
2024-08-14	Reduce	2.50 €	2.42 €
2024-11-08	Reduce	2.50 €	2.41 €
2025-01-24	Reduce	2.70 €	2.85 €
2025-02-13	Reduce	2.50 €	2.42 €
2025-05-14	Reduce	2.40 €	2.37 €
2025-08-14	Reduce	2.30 €	2.45 €



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