

# LINDEX GROUP

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This is a translated version of "Vahva lopetus vuodelle ja positiiviset näkymät" report, published on 2/10/2025



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# COMPANY REPORT

A blurred image of the LINDEX logo in red, reflected on a glass surface. The background is out of focus, showing warm interior lights and architectural elements.

# Strong end to the year and positive outlook

Lindex's Q4 result was stronger than we expected and the outlook for the year is slightly positive. We increased our forecasts for this year, while otherwise our view remains unchanged. The most important issue for the investment thesis is the sale of the department store business, which is still pending. We reiterate our Buy recommendation and EUR 3.5 target price.

## Q4 result was strong, revenue as expected

The Lindex Group's revenue decreased slightly in terms of reported figures but increased by 1% in local currencies, beating our estimates by 1%. The Group's comparable EBIT improved to 36 MEUR (Q4'23: 30 MEUR, Inderes: 31 MEUR) and the full-year result reached the mid-point of the guidance, at 75 MEUR, compared to our forecast of 68 MEUR in January (which we raised to 70 MEUR prior to the results as there was no profit warning). The Lindex division's adjusted EBIT was 27 MEUR, well above our expectations (23 MEUR) and the comparison period (22 MEUR). The Lindex division's gross margin was 66.0%, slightly up year-on-year and above our expectations (65.0%). Fixed costs were also lower than expected. This allowed Lindex to improve its performance after a weaker Q3. The Stockmann division's adjusted EBIT was 10.5 MEUR, also better than the comparison period and our expectations (both 9 MEUR), largely due to slightly higher revenue.

## Guidance suggests familiar profit level of around 80 MEUR

Lindex's adjusted EBIT for both 2022 and 2023 was 80 MEUR and 75 MEUR last year. The guidance for this year is 70-90 MEUR, which means that the earnings level is expected to remain very similar to recent years. Lindex expects revenue to grow by 0-4% in local currencies, although the company believes that the market situation to remain challenging, especially in H1. Our revenue forecast for the year had already been for 2% growth earlier, and we have not made any changes in this respect. Our adj. EBIT estimate for this year was increased to 79 MEUR (previously 75 MEUR).

## Restructuring process threatens to drag on

At the turn of the year, Lindex filed an appeal against the decision of the district court in the only disputed restructuring case with LocalTapiola. In our view, it is unlikely that the parties will reach an agreement on the amount of compensation and it is therefore even more likely that the litigation will continue to the end. This could possibly, or even probably, mean that final decisions will not be made until 2026. However, we believe that Lindex will seek some form of agreement (e.g. an escrow arrangement) to end the restructuring process, even if the litigation over the final restructuring debt continues. The end of the restructuring will, among other things, allow the company to operate more freely, distribute dividends and make financial arrangements. In our view, it would also facilitate the potential sale of the department store business, although we do not think that the restructuring itself would directly prevent a sale. As expected, the Q4 report did not provide any new information on the strategic review of the department store business, i.e. the Stockmann division. The company extended the process to H1'25 before Christmas and has not said anything about the progress of the review. We continue to believe that Lindex is looking to divest the department store business, which we think would be very supportive for the stock.

## The potential of a structural change still offers a good expected return

As the company undertakes a strategic assessment of its department store business, we believe that the sum-of-the-parts model is the best valuation method, which values the company at just over EUR 4 per share. However, this should consider the uncertainties related to the manner and schedule of the possible structural changes in department stores. Overall, however, we think the expected return is good. With the current structure, the company's 2024 EV/EBIT (adjusted for lease liabilities) is around 10x, which we think is quite high, so the upside is mainly in potential restructuring.

## Recommendation

**Buy**

(was Buy)

## Target price:

**EUR 3.50**

(was EUR 3.50)

## Share price:

2.80

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
<b>Revenue</b>	940	961	966	968
<b>growth-%</b>	-1%	2%	1%	0%
<b>EBIT adj.</b>	75	79	81	89
<b>EBIT-% adj.</b>	8.0 %	8.2 %	8.4 %	9.2 %
<b>Net Income</b>	13	28	28	34
<b>EPS (adj.)</b>	0.15	0.17	0.17	0.21
<b>P/E (adj.)</b>	18.9	16.1	16.3	13.6
<b>P/B</b>	1.1	1.1	1.1	1.0
<b>Dividend yield-%</b>	0.0 %	2.9 %	3.2 %	3.6 %
<b>EV/EBIT (adj.)</b>	13.6	13.1	12.6	11.3
<b>EV/EBITDA</b>	6.4	5.6	5.4	5.1
<b>EV/S</b>	1.1	1.1	1.1	1.0

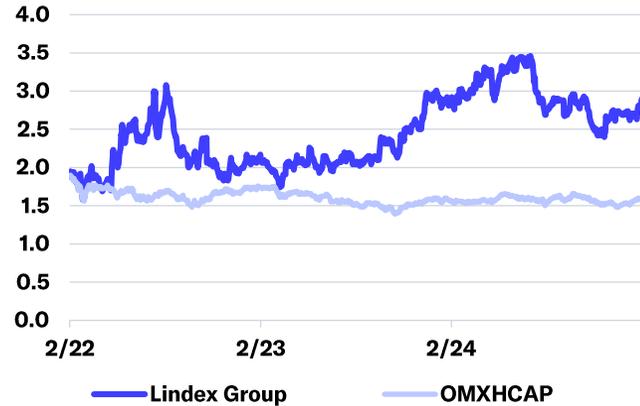
Source: Inderes

## Guidance

(New guidance)

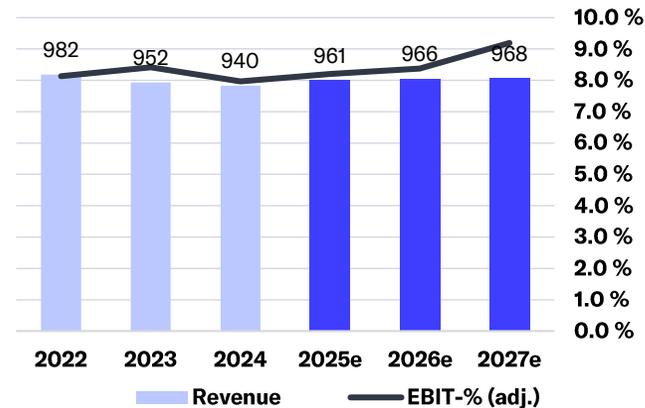
Lindex Group expects revenue in local currencies to grow by 0-4% in 2025 compared to 2024. The Group's adjusted operating result is estimated to be 70-90 MEUR.

## Share price



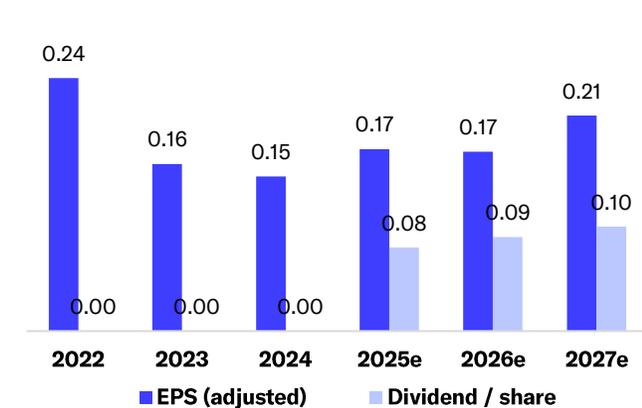
Source: Millistream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Lindex division's cash flow and value creation
- Divestment of the Stockmann division or gradual improvement in its profitability
- Corporate restructuring ending, which enables, e.g., dividend distribution and alleviates structural arrangements

## Risk factors

- Department stores destroy value, and we see no operational change to this in the next few years
- During and after the restructuring, the company's access to funding may be limited
- Lindex's result, like the fashion industry in general, has been unpredictable

Valuation	2025e	2026e	2027e
Share price	2.80	2.80	2.80
Number of shares, millions	163.4	165.1	165.1
Market cap	462	462	462
EV	1028	1020	1007
P/E (adj.)	16.1	16.3	13.6
P/E	16.1	16.3	13.6
P/B	1.1	1.1	1.0
P/S	0.5	0.5	0.5
EV/Sales	1.1	1.1	1.0
EV/EBITDA	5.6	5.4	5.1
EV/EBIT (adj.)	13.1	12.6	11.3
Payout ratio (%)	46.4 %	52.4 %	48.5 %
Dividend yield-%	2.9 %	3.2 %	3.6 %

Source: Inderes

# Q4 result was strong

## Revenue slightly positive in local currencies

The Lindex Group's revenue decreased slightly in terms of reported figures but increased by 1% in local currencies. The Lindex division's revenue grew by 1% (2% in local currencies), broadly in line with our forecast. The Stockmann division's revenue decreased by 1%, which was nevertheless slightly better than our expectations and the Finnish market development. In total, revenue exceeded our estimates by 1%.

## Result improved year-on-year and clearly exceeded our expectations

The Group's comparable EBIT improved to 36 MEUR (Q4'23: 30 MEUR, Inderes: 31 MEUR) and the full-year result reached the mid-point of the guidance, at 75 MEUR, compared to our forecast of 68 MEUR in January (which we raised to 70 MEUR prior to the results as there was no profit warning). The Lindex division's adjusted EBIT was 27 MEUR, well above our expectations (23 MEUR) and the

comparison period (22 MEUR). The Lindex division's gross margin was 66.0%, slightly up year-on-year and above our expectations (65.0%). Fixed costs were also lower than expected. This allowed Lindex to improve its performance after a weaker Q3. The Stockmann division's adjusted EBIT was 10.5 MEUR, also better than the comparison period and our expectations (both 9 MEUR), largely due to slightly higher revenue. The reported result was negatively impacted by small one-off costs. There were no major surprises on the lower lines of the income statement.

## Balance sheet remains net cash positive

Lindex's Q4 operating cash flow was good and strong in line with its typical seasonality. The balance sheet, which was on the net debt side in Q3, excluding lease liabilities, turned into a positive net cash position of just over 30 MEUR at the end of Q4. Of the Lindex division's investment in the new distribution center (110 MEUR in total), just under 15 MEUR are still outstanding and in

connection with the last restructuring dispute, we estimate that Lindex will have to pay an additional 16 MEUR to LocalTapiola. Given the good cash flow generation of the business, we expect the company to remain net cash positive in the future. The virtually interest-free bond issued by Lindex in connection with the restructuring will mature in summer 2026. Lindex cannot pay a dividend during the restructuring period, so no dividend will be paid for the past year either.

## Itis department store to close

The company also announced that plans to close the Stockmann department store in Itis, Helsinki, at the end of the summer when the lease expires. However, the company said this would not have a significant economic impact. The Itis store was halved in size a couple of years ago and its closure comes as no surprise to us. We estimate that its impact on revenue is only a couple of percent of the Stockmann division's revenue and therefore marginal at group level.

Estimates MEUR / EUR	Q4'23	Q4'24	Q4'24e	Q4'24e	Consensus		Difference (%)	2024
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Tot.
Revenue	274	274	272	278			1%	940
EBIT (adj.)	30.3	36.1	31.2	-			16%	74.9
EBIT	28.9	33.1	31.2	32.2			6%	60.9
EPS (reported)	0.06	0.12	0.11	0.11			10%	0.08
DPS	0.00	0.00	0.00	0.00				0.00
Revenue growth-%	0.6 %	-0.2 %	-0.8 %	1.5 %			0.6 pp	-1.2 %
EBIT-% (adj.)	11.0 %	13.2 %	11.5 %				1.7 pp	8.0 %

Source: Inderes & Bloomberg,  
3 analysts (consensus)

## Lindex Q4'24: Strong end to the year (in English)



# This year's estimates revised upwards

## Guidance around the familiar 80 MEUR

Lindex's adjusted EBIT for both 2022 and 2023 was 80 MEUR and 75 MEUR last year. The guidance for this year is 70-90 MEUR, which means that the earnings level is expected to remain very similar to recent years. Lindex expects revenue to grow by 0-4% in local currencies, although the company believes that the market situation to remain challenging, especially in H1. Our revenue forecast for the year had already been for 2% growth earlier, and we have not made any changes in this respect. The closure of the Itis department store may cause a slight fluctuation in the Stockmann division's figures, as the potential clearance sale would increase revenue in the summer and the closure would reduce revenue from the fall onwards. However, we believe this will have only a minor impact on the results.

## Forecasts up for this year

With Lindex's Q4 margins significantly higher than expected, the starting point for this year is also more positive than we

had previously expected. Therefore, we have raised our adj. EBIT forecast to 79 MEUR, close to the mid-point of the guidance. For next year, we have slightly increased the EBIT forecast, but also the financial expense forecast, which leads in a slight decrease of the lower lines of the forecast. We have also revised our estimates of the new distribution center's impact on depreciation, resulting in lower depreciation projections.

## Restructuring process may to take longer than expected

Lindex has appealed the decision of the district court in the only disputed restructuring case with LocalTapiola. We find it unlikely that the parties will reach an agreement on the level of compensation and it is therefore even more likely that the litigation will continue to the end. This could possibly, or even probably, mean that final decisions will not be made until 2026. However, we believe that Lindex will seek some form of agreement (e.g. an escrow arrangement) to end the restructuring process, even if the litigation over the final restructuring debt continues. The end of the restructuring

will, among other things, allow the company to operate more freely, distribute dividends and make financial arrangements. In our view, it would also facilitate the potential sale of the department store business, although we do not think that the restructuring itself would directly prevent a sale.

## No new information on strategic assessment

Regarding the strategic review of the department store business, the Stockmann division, the company extended the process to H1'25 before Christmas and has not provided any update on the progress of the review. We continue to believe that Lindex is looking to divest the department store business, which we think would be very supportive for the stock. The timing may be partly related to the above dispute, i.e., Lindex may want to wait until the end of the restructuring process is in sight before announcing the results of the strategic assessment, although the company has not said so directly. In addition to the restructuring timeline, the main question is likely to be whether Lindex can find a buyer/taker for the department stores on terms suitable for Lindex.

Estimate revisions	2024	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	939	940	0%	960	961	0%	970	966	0%
EBITDA	159	160	1%	187	183	-2%	192	189	-2%
EBIT (exc. NRIs)	70	75	7%	75	79	5%	80	81	2%
EBIT	59	61	3%	75	79	5%	80	81	2%
PTP	27	29	5%	41	44	6%	47	45	-4%
EPS (excl. NRIs)	0.14	0.15	8%	0.15	0.17	13%	0.18	0.17	-7%
DPS	0.00	0.00	0%	0.08	0.08	0%	0.09	0.09	0%

Source: Inderes

## Lindex Group, Webcast, Q4'24



# Structural change offers good risk/reward

## There are some challenges in valuation

We feel there are a few factors that make the valuation of Lindex Group difficult. Firstly, a loss-making department stores business affects the company's earnings multiples, which makes it difficult to use group figures as a whole. Secondly, the performance of both divisions has been very volatile over the last decade, so finding some kind of normal level is not self-evident. Third, the company's large lease obligations distort its balance sheet and EV-based figures. Fourth, the company does not recognize tax assets on the results of loss-making operations, which raises the tax rate and thus lowers net income and increases the P/E ratio. Based on these facts, we feel a need to look at figures that have been adjusted in various ways. After the company announced the strategic assessment of the department stores business, we find the sum of the parts to be the best valuation method. However, this should consider the uncertainties related to the manner and schedule of the possible structural changes in department stores.

## Valuation summary – Buy

We consider the company's valuation attractive in terms of the risk/reward ratio, given the potential of structural arrangements. This potential is very near with the company's strategic assessment published in September 2023 and the restructuring process remaining with only one disputed debt. As such, we already consider the earnings-based valuation highish. We are not expecting a dividend until 2025 (the restructuring needs to be completed before a dividend can be paid), so it has a small but slightly positive impact.

The values indicated by the sum of the parts are well above the current share price. They assume the value of

the department stores to be slightly negative or zero. This may materialize if the company decides to divest the department stores at the end of the strategic assessment. On the other hand, if department stores remain part of the group, their losses and negative cash flow continue to burden the company at least for the time being. Our DCF model assumes that the department stores will be cash-flow neutral starting in 2029.

With the current structure, we expect the company to reach 6-7% return on capital and 7-9% return on free cash flow in the medium term. The company could also pay this out as a dividend in the longer term if there are no bigger investments. The earnings and dividend income generated by the current estimates are not as such sufficient to award a positive view of the share.

## Getting rid of department stores would raise the value to over EUR 4

We believe that the sum of the parts is an interesting and useful perspective to the valuation of the stock. In our neutral scenario, we value the Lindex division at around 700 MEUR, which, with 2024-2025 earnings estimates, means an EV/EBIT of around 8.5x (excluding lease liabilities). Lindex's closest peers KappAhl and MQ were usually priced below 10x EV/EBIT when listed. Considering the increased interest rate and IFRS 16 effects, the valuation could be expected to be slightly lower in the current market, although larger peers such as H&M are of course valued higher. With an EBIT of 80 MEUR, which we estimate to be the normalized earnings level, the Lindex division generates about 55 MEUR in free cash flow/net profit. By discounting this with a 1.5–2% growth assumption and a 9.5 % required return, the current value of the Lindex division is also about 700 MEUR.

Valuation	2025e	2026e	2027e
Share price	2.80	2.80	2.80
Number of shares, millions	163.4	165.1	165.1
Market cap	462	462	462
EV	1028	1020	1007
P/E (adj.)	16.1	16.3	13.6
P/E	16.1	16.3	13.6
P/B	1.1	1.1	1.0
P/S	0.5	0.5	0.5
EV/Sales	1.1	1.1	1.0
EV/EBITDA	5.6	5.4	5.1
EV/EBIT (adj.)	13.1	12.6	11.3
Payout ratio (%)	46.4 %	52.4 %	48.5 %
Dividend yield-%	2.9 %	3.2 %	3.6 %

Source: Inderes

# Valuation is highish with the current structure

Translated into a P/E ratio this means around 13x. This is below the level of Nordic retail sector peers (12–18x for 2025, median 16x), and significantly below the level of the larger global competitors H&M (18x) and Inditex (above 25x). We believe that the strong global market position and brand of these companies offer them clearly better growth prospects than the Lindex division, which makes the higher valuation justified.

If the company found a taker for its department stores business (i.e. sell it off at zero price), the value of the company would only consist of the Lindex division and would be over EUR 4 per share (see calculation on the right). However, the calculation must consider small group costs and negative cash flow generated by department stores as long as they are part of the group. Naturally, the company can also receive a small price for divesting the department stores, although we do not expect the sum from this clearly loss-making business to be significant. It is also possible that the company would in practice have to pay the buyer of the department stores, which would mean the value in the transaction would be negative as well. Thus, the structural arrangements of the department stores business clearly have the potential to create value in the company.

## Multiples and expected returns under the current structure

We feel one should not look directly at multiples calculated based on reported figures in the company's valuation. In our view, the sensible way to look at the current structure is to look at the EV/EBIT figure, which excludes rental liabilities. If we remove lease liabilities

from EV their earnings impact included in financing items should be considered, which gives a comparable figure without IFRS 16 effects. In this way, EV/EBIT (or in practice EV/PTP) for this year would be around 10x. This is on the high side for Lindex with its current structure, highlighting the need for restructuring in terms of value creation.

We estimate the company's net result and also sustainable cash flow level in 2025 to be 29 MEUR, which implies a cash flow yield of around 6%. If Lindex Group is net debt-free, the company could, at least in principle, distribute the entire cash flow as dividends, as long as it is technically possible after the restructuring. In addition, we believe that earnings growth of around 5% over the next few years is realistic under the current structure. Longer term, however, we believe that the current structure has lower earnings growth expectations and that the current valuation level is on the high side. As a result, we do not believe that the expected return under the current structure is attractive relative to the risks and required returns.

## Probability weighted expected return

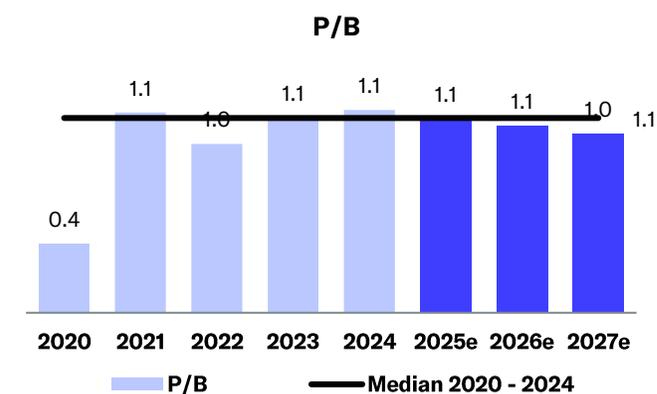
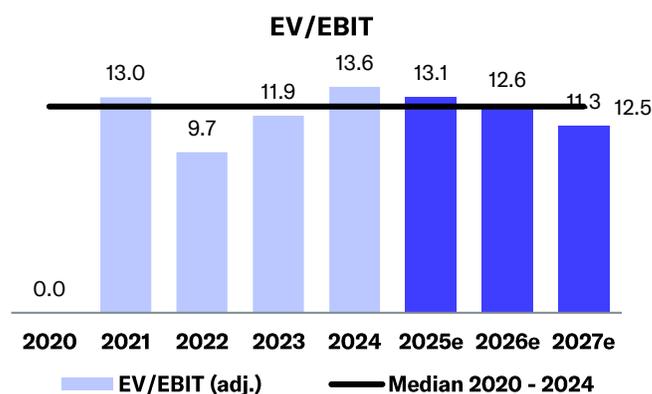
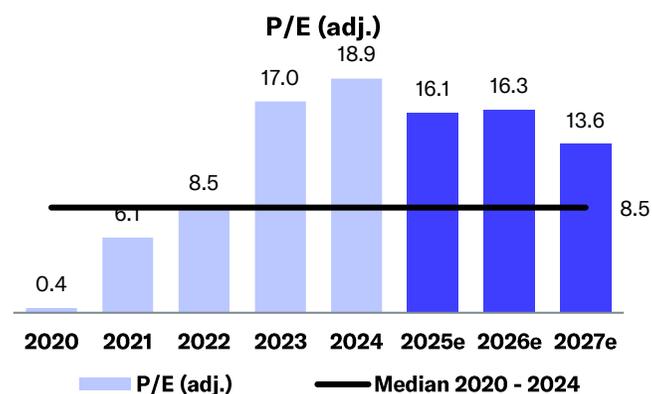
Without restructuring, we believe the expected return on the stock over the next few years will remain in the 5-10% range indicated by its sustainable cash flow yield and earnings growth. If we assume that the probability of the around EUR 4 sum-of-the-parts value realizing is, e.g., 2/3 within a year (and the remaining 1/3 for, e.g., 7.5% return) the expected return rises to around 30%. Our target price of EUR 3.5 also offers an expected return of approximately 30%.

SOTP	Value, MEUR
Lindex	700
Department stores and other costs	-50
Total	650
Debt excluding lease liabilities	-73
Cash at the end of 2025	96
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Value of the share capital	673
Value per share	4.1

# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	1.14	1.96	2.05	2.72	2.79	<b>2.80</b>	<b>2.80</b>	<b>2.80</b>	<b>2.80</b>
Number of shares, millions	72.0	114.0	155.2	160.5	160.4	<b>163.4</b>	<b>165.1</b>	<b>165.1</b>	<b>165.1</b>
Market cap	80	303	320	432	451	<b>462</b>	<b>462</b>	<b>462</b>	<b>462</b>
EV		889	774	953	1022	<b>1028</b>	<b>1020</b>	<b>1007</b>	<b>993</b>
P/E (adj.)	0.4	6.1	8.5	17.0	18.9	<b>16.1</b>	<b>16.3</b>	<b>13.6</b>	<b>12.4</b>
P/E	neg.	4.7	3.1	8.4	33.8	<b>16.1</b>	<b>16.3</b>	<b>13.6</b>	<b>12.4</b>
P/B	0.4	1.1	1.0	1.1	1.1	<b>1.1</b>	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>
P/S	>100	0.3	0.3	0.5	0.5	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
EV/Sales		1.0	0.8	1.0	1.1	<b>1.1</b>	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>
EV/EBITDA		4.8	3.0	5.4	6.4	<b>5.6</b>	<b>5.4</b>	<b>5.1</b>	<b>4.9</b>
EV/EBIT (adj.)		13.0	9.7	11.9	13.6	<b>13.1</b>	<b>12.6</b>	<b>11.3</b>	<b>10.8</b>
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	<b>46.4 %</b>	<b>52.4 %</b>	<b>48.5 %</b>	<b>50.0 %</b>
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	<b>2.9 %</b>	<b>3.2 %</b>	<b>3.6 %</b>	<b>4.0 %</b>

Source: Inderes



# 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	
Lindex	453	1072	14.1	13.3	5.8	5.7	1.1	1.1	12.7	11.2	3.4	3.9	1.0
H & M	21108	26389	15	14	7	7	1	1	17.3	15.7	5.0	5.4	4.8
Fast Retailing	99283	91355	23.5	22.4	19.0	17.5	4.2	3.9	37.9	35.2	0.9	1.0	6.8
Inditex	164123	157808	21.1	19.1	14.9	9.8	4.1	3.8	27.9	25.2	3.3	3.6	8.3
Tokmanni	804	1347	11.2	10.1	5.3	5.0	0.8	0.7	11.5	9.9	5.9	6.7	2.6
Puulo	848	941	14.8	13.0	11.4	10.1	2.5	2.2	17.8	15.8	4.7	5.4	8.5
Kesko	7011	9932	14.4	13.4	7.7	7.3	0.8	0.8	14.8	13.5	5.5	5.8	2.4
Clas Ohlson	1443	1571	16.2	15.2	9.6	9.1	1.6	1.5	19.2	18.2	2.5	2.7	6.9
<b>Lindex Group (Inderes)</b>	<b>462</b>	<b>1028</b>	<b>13.1</b>	<b>12.6</b>	<b>5.6</b>	<b>5.4</b>	<b>1.1</b>	<b>1.1</b>	<b>16.1</b>	<b>16.3</b>	<b>2.9</b>	<b>3.2</b>	<b>1.1</b>
<b>Average</b>			<b>16</b>	<b>15</b>	<b>10</b>	<b>9</b>	<b>2</b>	<b>2</b>	<b>19.2</b>	<b>17.4</b>	<b>4.0</b>	<b>4.4</b>	<b>4.9</b>
<b>Median</b>			<b>14.8</b>	<b>13.4</b>	<b>7.7</b>	<b>7.3</b>	<b>1.2</b>	<b>1.2</b>	<b>17.3</b>	<b>15.7</b>	<b>4.6</b>	<b>5.0</b>	<b>4.8</b>
<b>Diff-% to median</b>			<b>-12%</b>	<b>-6%</b>	<b>-27%</b>	<b>-26%</b>	<b>-12%</b>	<b>-11%</b>	<b>-7%</b>	<b>4%</b>	<b>-38%</b>	<b>-36%</b>	<b>-77%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
<b>Revenue</b>	<b>952</b>	<b>193</b>	<b>252</b>	<b>222</b>	<b>274</b>	<b>940</b>	<b>194</b>	<b>261</b>	<b>228</b>	<b>278</b>	<b>961</b>	<b>966</b>	<b>968</b>	<b>985</b>
Lindex	633	131	170	159	169	629	132	175	165	175	647	666	683	700
Stockmann	319	62	82	63	105	312	62	86	63	103	314	300	285	285
<b>EBITDA</b>	<b>177</b>	<b>17.8</b>	<b>45.0</b>	<b>39.9</b>	<b>57.1</b>	<b>160</b>	<b>21.2</b>	<b>54.2</b>	<b>44.2</b>	<b>63.2</b>	<b>183</b>	<b>189</b>	<b>198</b>	<b>201</b>
Depreciation	-100	-25.4	-24.7	-24.9	-23.9	-99	-25.0	-25.0	-27.0	-27.0	-104	-108	-109	-109
<b>EBIT (excl. NRI)</b>	<b>80.1</b>	<b>-6.5</b>	<b>29.5</b>	<b>15.7</b>	<b>36.2</b>	<b>75</b>	<b>-3.8</b>	<b>29.2</b>	<b>17.2</b>	<b>36.2</b>	<b>79</b>	<b>81</b>	<b>89</b>	<b>92</b>
<b>EBIT</b>	<b>76.5</b>	<b>-7.6</b>	<b>20.3</b>	<b>15.0</b>	<b>33.2</b>	<b>60.9</b>	<b>-3.8</b>	<b>29.2</b>	<b>17.2</b>	<b>36.2</b>	<b>79</b>	<b>81</b>	<b>89</b>	<b>92</b>
Lindex	90	4.2	30.8	21.1	26.8	83	5.0	30.0	23.0	26.0	84	83	88	90
Stockmann	-6	-9.4	-0.6	-4.5	10.6	-4	-8.0	0.0	-5.0	11.0	-2.0	1.0	4.0	5.0
Non-allocated	-3.9	-1.2	-0.8	-0.9	-1.1	-4.0	-0.8	-0.8	-0.8	-0.8	-3.2	-3.0	-3.0	-3.0
Net financial items	-30	-6.5	-8.1	-8.7	-9.1	-32	-9.0	-9.0	-8.5	-8.5	-35	-36	-38	-37
<b>PTP</b>	<b>47</b>	<b>-14.1</b>	<b>12.2</b>	<b>6.3</b>	<b>24.1</b>	<b>28.6</b>	<b>-12.8</b>	<b>20.2</b>	<b>8.7</b>	<b>27.7</b>	<b>44</b>	<b>45</b>	<b>52</b>	<b>55</b>
Taxes	5.0	-1.3	-5.2	-4.5	-4.4	-15.3	4.5	-7.1	-3.0	-9.7	-15.3	-16.4	-17.4	-17.8
Minority interest	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
<b>Net earnings</b>	<b>52</b>	<b>-15.4</b>	<b>7.0</b>	<b>1.9</b>	<b>19.8</b>	<b>13.2</b>	<b>-8.3</b>	<b>13.1</b>	<b>5.7</b>	<b>18.0</b>	<b>28</b>	<b>28</b>	<b>34</b>	<b>37</b>
<b>EPS (adj.)</b>	<b>0.16</b>	<b>-0.09</b>	<b>0.10</b>	<b>0.02</b>	<b>0.12</b>	<b>0.15</b>	<b>-0.05</b>	<b>0.08</b>	<b>0.03</b>	<b>0.11</b>	<b>0.17</b>	<b>0.17</b>	<b>0.21</b>	<b>0.23</b>
<b>EPS (rep.)</b>	<b>0.32</b>	<b>-0.10</b>	<b>0.04</b>	<b>0.01</b>	<b>0.12</b>	<b>0.08</b>	<b>-0.05</b>	<b>0.08</b>	<b>0.03</b>	<b>0.11</b>	<b>0.17</b>	<b>0.17</b>	<b>0.21</b>	<b>0.23</b>

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
<b>Revenue growth-%</b>	-3.1 %	-2.9 %	-0.2 %	-2.1 %	-0.3 %	-1.2 %	0.6 %	3.7 %	2.7 %	1.6 %	2.2 %	0.6 %	0.2 %	1.8 %
<b>Adjusted EBIT growth-%</b>	0.4 %	170.8 %	-6.6 %	-23.8 %	19.5 %	-6.5 %	-41.5 %	-1.0 %	9.6 %	0.0 %	5.2 %	2.8 %	9.9 %	3.1 %
<b>EBITDA-%</b>	18.6 %	9.2 %	17.9 %	18.0 %	20.9 %	17.0 %	10.9 %	20.8 %	19.4 %	22.7 %	19.0 %	19.6 %	20.4 %	20.4 %
<b>Adjusted EBIT-%</b>	8.4 %	-3.4 %	11.7 %	7.1 %	13.2 %	8.0 %	-2.0 %	11.2 %	7.5 %	13.0 %	8.2 %	8.4 %	9.2 %	9.3 %
<b>Net earnings-%</b>	5.4 %	-8.0 %	2.8 %	0.8 %	7.2 %	1.4 %	-4.3 %	5.0 %	2.5 %	6.5 %	3.0 %	2.9 %	3.5 %	3.8 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>963</b>	<b>989</b>	<b>1010</b>	<b>1017</b>	<b>1023</b>
Goodwill	251	243	243	243	243
Intangible assets	115	114	114	114	114
Tangible assets	562	598	619	625	631
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.9	0.9	0.9	0.9	0.9
Other non-current assets	3.2	3.3	3.3	3.3	3.3
Deferred tax assets	30.3	30.6	30.6	30.6	30.6
<b>Current assets</b>	<b>348</b>	<b>327</b>	<b>303</b>	<b>305</b>	<b>305</b>
Inventories	163	170	163	164	165
Other current assets	5.3	0.4	0.4	0.4	0.4
Receivables	42.0	42.3	43.2	43.5	43.6
Cash and equivalents	138	115	96.1	96.6	96.8
<b>Balance sheet total</b>	<b>1311</b>	<b>1316</b>	<b>1313</b>	<b>1322</b>	<b>1328</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>393</b>	<b>394</b>	<b>423</b>	<b>438</b>	<b>457</b>
Share capital	77.6	77.6	77.6	77.6	77.6
Retained earnings	257	271	299	314	333
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-17.3	-34.4	-34.4	-34.4	-34.4
Other equity	75.9	80.4	80.4	80.4	80.4
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>629</b>	<b>642</b>	<b>602</b>	<b>602</b>	<b>602</b>
Deferred tax liabilities	51.0	52.3	52.3	52.3	52.3
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	578	589	550	550	550
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.3	0.4	0.0	0.0	0.0
<b>Current liabilities</b>	<b>290</b>	<b>280</b>	<b>288</b>	<b>282</b>	<b>269</b>
Interest bearing debt	81.6	97.1	112	105	91.8
Payables	178	164	173	174	174
Other current liabilities	29.7	19.0	3.0	3.0	3.0
<b>Balance sheet total</b>	<b>1312</b>	<b>1316</b>	<b>1313</b>	<b>1322</b>	<b>1328</b>

# DCF-calculation, IFRS 16 excluded

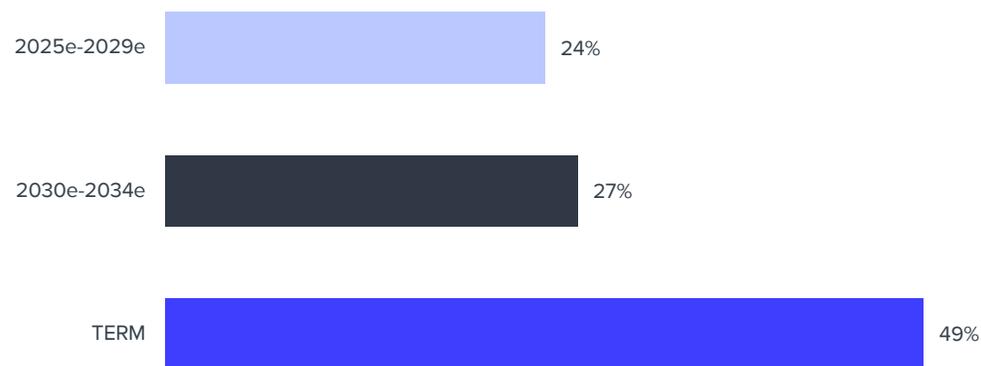
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-1.2 %	2.2 %	0.6 %	0.2 %	1.8 %	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %	1.0 %	1.0 %
EBIT-%	6.5 %	8.2 %	8.4 %	9.2 %	9.3 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %
<b>EBIT (operating profit)</b>	<b>61</b>	<b>79</b>	<b>81</b>	<b>89</b>	<b>92</b>	<b>99</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>101</b>	<b>102</b>	
+ Depreciation	22	24	28	29	29	30	30	30	30	30	30	
- Paid taxes	-14	-15	-16	-17	-18	-19	-19	-20	-20	-20	-21	
- Tax, financial expenses	-7	-7	-8	-8	-8	-11	-11	-10	-10	-10	-9	
+ Tax, financial income	0	0	0	0	0	0	0	0	0	0	0	
- Change in working capital	-27	-2	0	0	-1	0	0	0	0	0	0	
<b>Operating cash flow</b>	<b>35</b>	<b>78</b>	<b>85</b>	<b>92</b>	<b>95</b>	<b>99</b>	<b>99</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>101</b>	
+ Change in other long-term liabilities	-49	0	0	0	0	0	0	0	0	0	0	
- Gross CAPEX	-125	-45	-35	-35	-35	-35	-34	-33	-33	-33	-38	
<b>Free operating cash flow</b>	<b>-139</b>	<b>33</b>	<b>50</b>	<b>57</b>	<b>60</b>	<b>64</b>	<b>65</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>63</b>	
+/- Other	0	-28	-27	-27	-27	-23	-23	-23	-23	-23	-24	
FCFF	-139	5	23	31	33	40	42	43	44	44	39	472
<b>Discounted FCFF</b>		<b>6</b>	<b>25</b>	<b>31</b>	<b>31</b>	<b>34</b>	<b>32</b>	<b>30</b>	<b>28</b>	<b>26</b>	<b>21</b>	<b>253</b>
Sum of FCFF present value		518	511	486	455	425	391	359	328	300	274	253
<b>Enterprise value DCF</b>		<b>518</b>										
- Interest bearing debt		-72										
+ Cash and cash equivalents		115										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>560</b>										
<b>Equity value DCF per share</b>		<b>3.4</b>										

## WACC

Tax-% (WACC)	21.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	5.0 %
Equity Beta	1.25
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>9.4 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>9.4 %</b>

Source: Inderes

## Cash flow distribution



■ 2025e-2029e ■ 2030e-2034e ■ TERM

# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	981.7	951.7	940.1	<b>961.0</b>	<b>966.4</b>	EPS (reported)	0.66	0.32	0.08	<b>0.17</b>	<b>0.17</b>
EBITDA	258.1	176.7	159.8	<b>182.8</b>	<b>189.2</b>	EPS (adj.)	0.24	0.16	0.15	<b>0.17</b>	<b>0.17</b>
EBIT	154.9	76.5	60.9	<b>78.8</b>	<b>81.0</b>	OCF / share	1.43	0.75	0.70	<b>0.97</b>	<b>1.00</b>
PTP	129.2	46.6	28.6	<b>43.8</b>	<b>44.8</b>	FCF / share	1.89	-0.29	-0.08	<b>0.20</b>	<b>0.30</b>
Net Income	101.7	51.7	13.2	<b>28.5</b>	<b>28.4</b>	Book value / share	2.16	2.45	2.46	<b>2.59</b>	<b>2.65</b>
Extraordinary items	75.1	-3.6	-14.0	<b>0.0</b>	<b>0.0</b>	Dividend / share	0.00	0.00	0.00	<b>0.08</b>	<b>0.09</b>
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	1275.5	1310.5	1316.0	<b>1313.1</b>	<b>1321.6</b>	Revenue growth-%	9%	-3%	-1%	<b>2%</b>	<b>1%</b>
Equity capital	335.5	393.1	394.1	<b>422.6</b>	<b>437.7</b>	EBITDA growth-%	40%	-32%	-10%	<b>14%</b>	<b>4%</b>
Goodwill	250.9	250.9	242.9	<b>242.9</b>	<b>242.9</b>	EBIT (adj.) growth-%	17%	0%	-6%	<b>5%</b>	<b>3%</b>
Net debt	454.4	521.6	571.4	<b>566.2</b>	<b>558.0</b>	EPS (adj.) growth-%	-25%	-34%	-8%	<b>18%</b>	<b>-1%</b>
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	26.3 %	18.6 %	17.0 %	<b>19.0 %</b>	<b>19.6 %</b>
EBITDA	258.1	176.7	159.8	<b>182.8</b>	<b>189.2</b>	EBIT (adj.)-%	8.1 %	8.4 %	8.0 %	<b>8.2 %</b>	<b>8.4 %</b>
Change in working capital	-2.4	-68.7	-27.1	<b>-1.8</b>	<b>-0.2</b>	EBIT-%	15.8 %	8.0 %	6.5 %	<b>8.2 %</b>	<b>8.4 %</b>
Operating cash flow	222.4	120.5	111.6	<b>158.3</b>	<b>165.1</b>	ROE-%	33.7 %	14.2 %	3.4 %	<b>7.0 %</b>	<b>6.6 %</b>
CAPEX	8.5	-166.3	-124.8	<b>-125.0</b>	<b>-115.0</b>	ROI-%	15.3 %	7.6 %	5.7 %	<b>7.3 %</b>	<b>7.4 %</b>
Free cash flow	293.8	-46.2	-13.1	<b>32.9</b>	<b>50.1</b>	Equity ratio	26.3 %	30.0 %	29.9 %	<b>32.2 %</b>	<b>33.1 %</b>
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	135.4 %	132.7 %	145.0 %	<b>134.0 %</b>	<b>127.5 %</b>
EV/S	0.8	1.0	1.1	<b>1.1</b>	<b>1.1</b>						
EV/EBITDA	3.0	5.4	6.4	<b>5.6</b>	<b>5.4</b>						
EV/EBIT (adj.)	9.7	11.9	13.6	<b>13.1</b>	<b>12.6</b>						
P/E (adj.)	8.5	17.0	18.9	<b>16.1</b>	<b>16.3</b>						
P/B	1.0	1.1	1.1	<b>1.1</b>	<b>1.1</b>						
Dividend-%	0.0 %	0.0 %	0.0 %	<b>2.9 %</b>	<b>3.2 %</b>						

Source: Inderes

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Date	Recommendation	Target	Share price
11/18/2022	Reduce	2.00 €	1.97 €
1/20/2023	Reduce	2.10 €	2.05 €
2/27/2023	Reduce	2.10 €	2.00 €
3/21/2023	Accumulate	2.10 €	1.76 €
5/2/2023	Accumulate	2.35 €	2.11 €
7/24/2023	Accumulate	2.40 €	2.08 €
9/26/2023	Accumulate	2.80 €	2.34 €
10/30/2023	Buy	2.80 €	2.13 €
11/17/2023	Accumulate	2.80 €	2.47 €
12/19/2023	Accumulate	3.10 €	2.73 €
2/12/2024	Accumulate	3.20 €	2.82 €
4/29/2024	Accumulate	3.50 €	2.96 €
7/16/2024	Accumulate	3.50 €	3.28 €
7/22/2024	Accumulate	3.50 €	2.98 €
9/23/2024	Buy	3.50 €	2.74 €
10/28/2024	Buy	3.50 €	2.77 €
2/4/2025	Buy	3.50 €	2.79 €
2/10/2025	Buy	3.50 €	2.80 €



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