KOSKISEN

11/6/2026 8:35 pm EET

This is a translated version of ”Uutisvirta on ollut mollivoittoista” report, published on 11/6/2026



Antti Viljakainen, Head of Research
+358 44 591 2216
antti.viljakainen@inderes.fi

INDERES CORPORATE CUSTOMER

COMPANY REPORT



News flow has been largely negative

We reiterate our Reduce recommendation for Koskisen and lower our target price for the company to EUR 7.50 (was EUR 8.50). We lowered our near-term forecasts for Koskisen significantly following the largely negative news flow in Q3. The cyclical recovery in the construction sector has continuously receded, and we consider the stock to be expensive relative to its weak short-term earnings performance. Consequently, we believe the expected return on Koskisen shares will be modest over our target price horizon, despite our belief that the company has good earnings growth potential once the construction sector eventually turns around.

Market faced headwinds in Q3

In October, Koskisen held a call ahead of the Q3 silent period, which we discussed in more detail earlier here. Koskisen will publish its Q3 report on Thursday, November 12. The depression in the construction sector (housing in particular) continued in Q3, more or less as expected, but we estimate that the recent rise in market interest rates will delay the turnaround further into next year. Instead, log prices saw an increase in Q3 after a slight decline in the summer, a trend that is more negative than we had previously expected. Logistics costs have followed a similar trend, rising in Q3 due to the high and rising price of fuel. Considering the above factors, we have adjusted our Q3 forecasts for Koskisen quite significantly downward, as the quarter is expected to be seasonally weak. We expect the company's revenue to have grown by approximately 6% in Q3 and adjusted EBITDA to have fallen by approximately 20% to 2.3 MEUR. We estimate that the Sawn Timber Industry has nearly fallen to the break-even point in a challenging operating environment, while the Panel Industry has the potential to surpass the very low comparison figure, thanks to the birch plywood segment. Our estimates are significantly below consensus.

We slashed our near-term forecasts significantly

We expect Koskisen to reiterate its guidance for the current year, according to which the company's revenue will grow in 2026 and the EBITDA margin will decrease from 8.1% last year. The company is unlikely to be able to report any improvement in the operating environment in the Q3 report. Due to negative news flow, we lowered our forecasts for Koskisen's adjusted EBITDA by around 6–16% for the current year and the coming years. These changes were most notable in the Sawn Timber Industry, where earnings forecasts were weighed down by declines in volume and price assumptions driven by the construction sector, as well as higher cost projections. In the Panel Industry, the revisions were clearly smaller but still negative. Given the low margins, the changes were clearly more pronounced at the lower lines. The company's earnings will decline significantly this year, but we expect Koskisen's profitability to slowly recover starting next year, driven by a turnaround in the construction cycle, efficiency benefits from investments, synergies from the acquisition of Iisveden Metsä, and the easing of the worst inflationary pressures. In our estimates, persistently high raw material prices will limit profitability in the coming years despite revenue growth. Thus, we estimate the company will fall quite clearly short of its margin target (cf. over 15% EBITDA-% over the cycle vs. 2026e-2028e adj. EBITDA-% 6-10%).

Current share price already reflects a higher-than-current earnings level

Koskisen's EV/EBITDA ratios for 2026 and 2027, considering the balance sheet structure, are around 12x and 7x, and the respective P/E ratios are > 100x and 14x. The multiples are clearly above the ranges we accept for this year and at the upper ends for next year, considering the company's estimated return on capital and risk profile. We view this as a challenging short-term picture overall. Thus, we believe that Koskisen's expected return, consisting of earnings growth, declining multiples (Q2'26 LTM P/E of about 70x), and a dividend yield below 1%, will be below the required return over a 12-month horizon. The upside to the share's DCF value, which considers a longer-term perspective, is also limited. As the European economy and construction sector recover, Koskisen could have good earnings leverage, but we remain cautious on the stock as signs of a market turnaround are still nowhere to be seen.

Recommendation
Reduce
(was Reduce)

Target price:
EUR 7.50
(was EUR 8.50)

Share price:
EUR 7.90

Business risk



Valuation risk



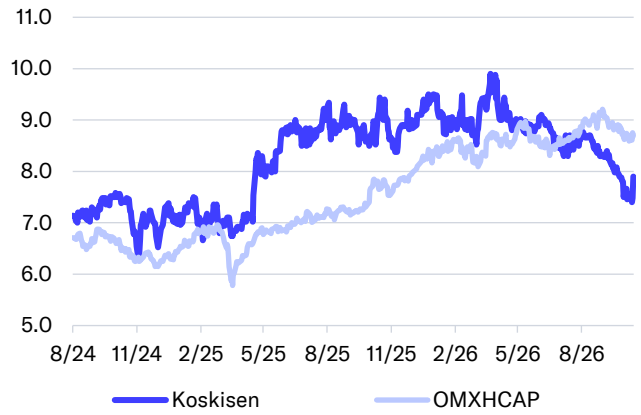
	2025	2026e	2027e	2028e
Revenue	354.9	400.6	440.5	467.9
growth-%	26%	13%	10%	6%
EBIT adj.	14.5	5.9	19.5	28.6
EBIT-% adj.	4.1 %	1.5 %	4.4 %	6.1 %
Net Income	8.6	1.5	13.4	21.2
EPS (adj.)	0.37	0.07	0.56	0.88
P/E (adj.)	24.7	>100	14.2	9.0
P/B	1.3	1.2	1.1	1.0
Dividend yield-%	1.5 %	0.5 %	1.9 %	3.2 %
EV/EBIT (adj.)	19.0	43.3	12.3	7.9
EV/EBITDA	9.5	11.5	6.7	5.1
EV/S	0.8	0.6	0.5	0.5

Source: Inderes

Guidance (Unchanged)

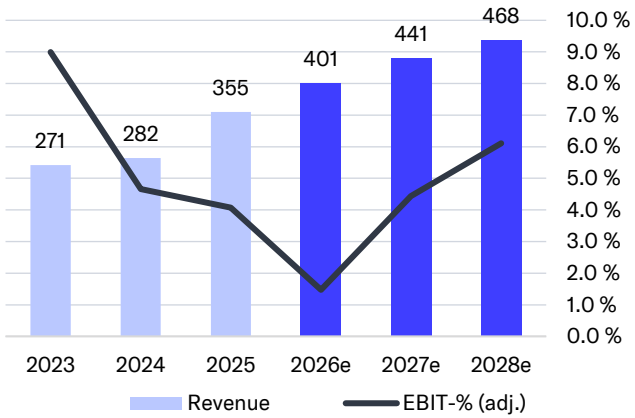
Koskisen group's revenue for 2026 is expected to grow from the 2025 level. The adjusted EBITDA margin is expected to be below the level of full year 2025 (2025: 8.1%).

Share price



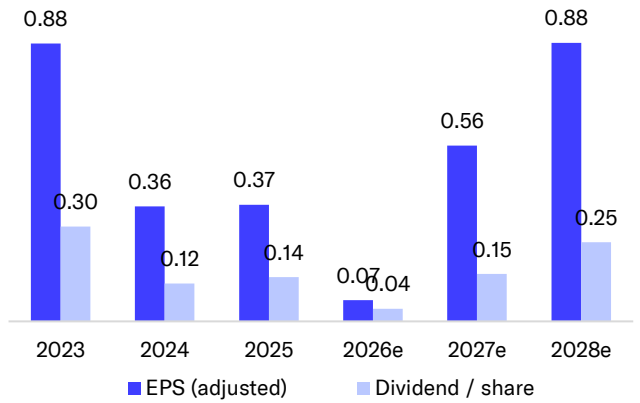
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- Healthy long-term demand trends
- Increasing exports and finding customers who appreciate customization
- Potential for improvement in the level of profitability
- Business generates value (ROIC>WACC) in a favorable cycle
- War-related supply disruptions help Panel Industry for the foreseeable future

Risk factors

- Cyclicality of demand and dependence on construction activity
- Tight competition situation in for Sawn Timber Industry
- Removal of the supply disruptions in Panel Industry
- Tight timber market in Finland

Valuation	2026e	2027e	2028e
Share price	7.90	7.90	7.90
Number of shares, millions	24.1	24.1	24.1
Market cap	190	190	190
EV	255	241	227
P/E (adj.)	>100	14.2	9.0
P/E	>100	14.2	9.0
P/B	1.2	1.1	1.0
P/S	0.5	0.4	0.4
EV/Sales	0.6	0.5	0.5
EV/EBITDA	11.5	6.7	5.1
EV/EBIT (adj.)	43.3	12.3	7.9
Payout ratio (%)	62.9 %	27.0 %	28.4 %
Dividend yield-%	0.5 %	1.9 %	3.2 %

Source: Inderes

Q3 has likely been very difficult for the company

We expect both businesses to have grown

Q3 is typically Koskisen's clearly weakest quarter of the year, as it is characterized by production breaks in July due to employee summer vacations and maintenance needs and, conversely, vacations among Central European customers in August (and partly in September).

We forecast Koskisen's revenue to have grown by 6% in Q3 from a rather low comparison level. Our estimate is slightly below consensus. We estimate that growth was generated by both businesses. In the Sawn Timber Industry, we believe the company fairly successfully sold its increased capacity on the market, and Q3 production likely slightly exceeded the comparison period, with a small decline in prices only partly offsetting this boost. In the Panel Industry, Q3'25 was notably weak in production terms, so we estimate that Koskisen had the prerequisites for slight volume growth in the segment. The market situation may have also been slightly better than in the comparison period for birch plywood in Q3, with average birch plywood prices rising slightly due to inflation.

We estimate that earnings decline continued in Q3 as well

We estimate that Koskisen's adjusted EBITDA decreased by ~20% from the weak comparison period to 2.3 MEUR in Q3. We have significantly lowered our forecast due to a news flow that was much weaker than we expected for the quarter, as well as largely lackluster Q3 reports from Nordic forest companies' mechanical forest industry units. Our forecast is quite clearly below the consensus estimate of a slight improvement in earnings.

We estimate that the Sawn Timber Industry has nearly fallen to the break-even point in a challenging operating environment (incl. low final product prices, high log prices, and an increased price gap between logs and fiber), while the Panel Industry has the potential to surpass the zero-level comparison figure, thanks to volume growth in the birch plywood segment. Due to seasonality, a moderate market at best, still-mild headwinds from the ramp-up of investments, and inflation, we estimate that the unit has no basis for good earnings. Our estimates are significantly below consensus.

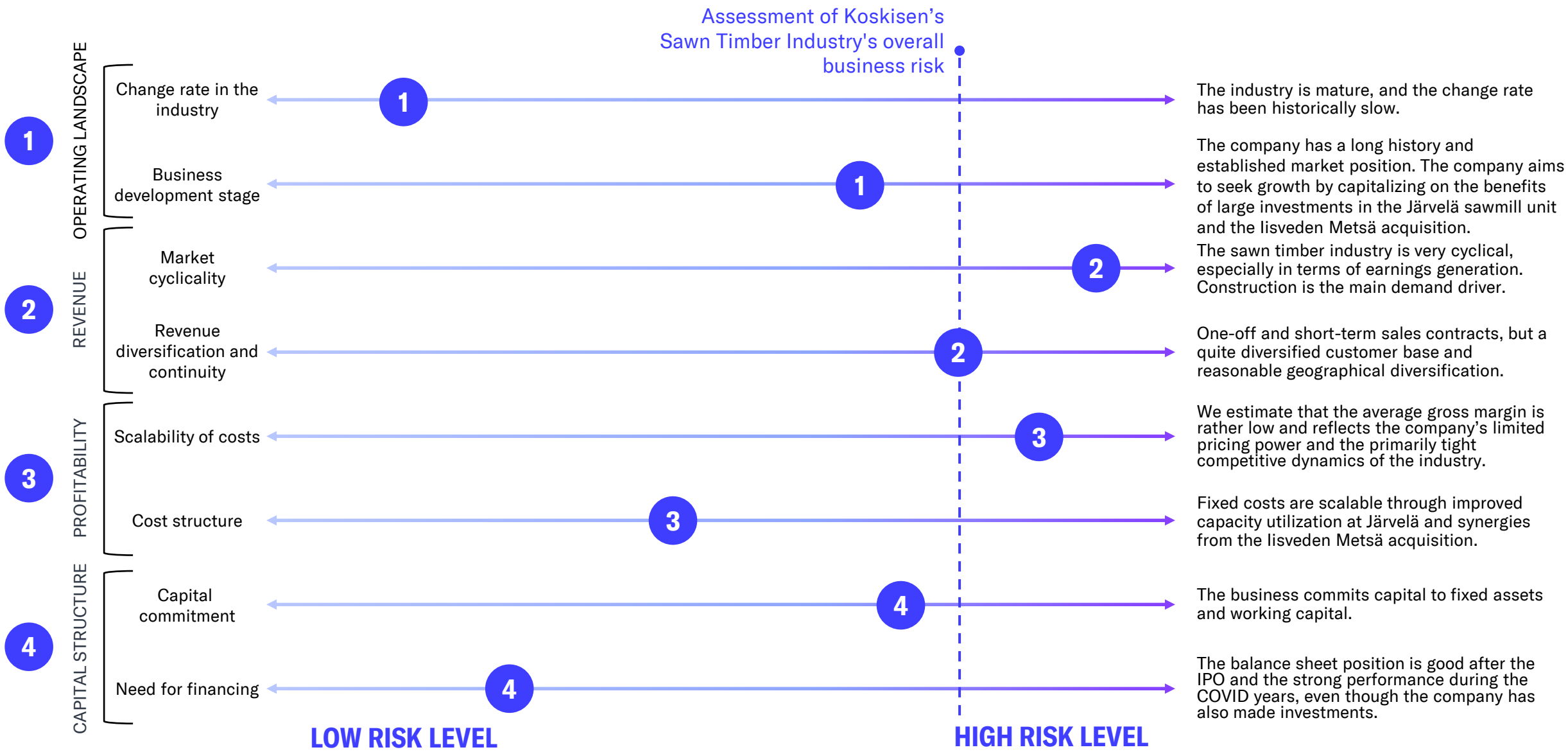
While our Q3 forecasts do not include any non-recurring expenses, we consider small negative non-recurring items possible, as the company announced a change in the head of the Panel Industry division during Q3. On the lower lines, we expect adjusted EBIT to have remained in negative territory and reported EPS to have fallen into the red (incl. roughly normal financial expenses and positive tax items).

In terms of cash flow, we estimate that Q3 remained difficult for the company, as earnings are weak and inflation may also increase the company's working capital. Investments are expected to slow down, though, as the Järvelä channel kiln project was completed in the summer, and the second phase of the Panel Industry's investment program is expected to be smaller than the first, according to our estimates. We estimate that the company's balance sheet position has remained under control, although the net debt/EBITDA ratio may have been somewhat elevated at the end of the quarter due to the weak result.

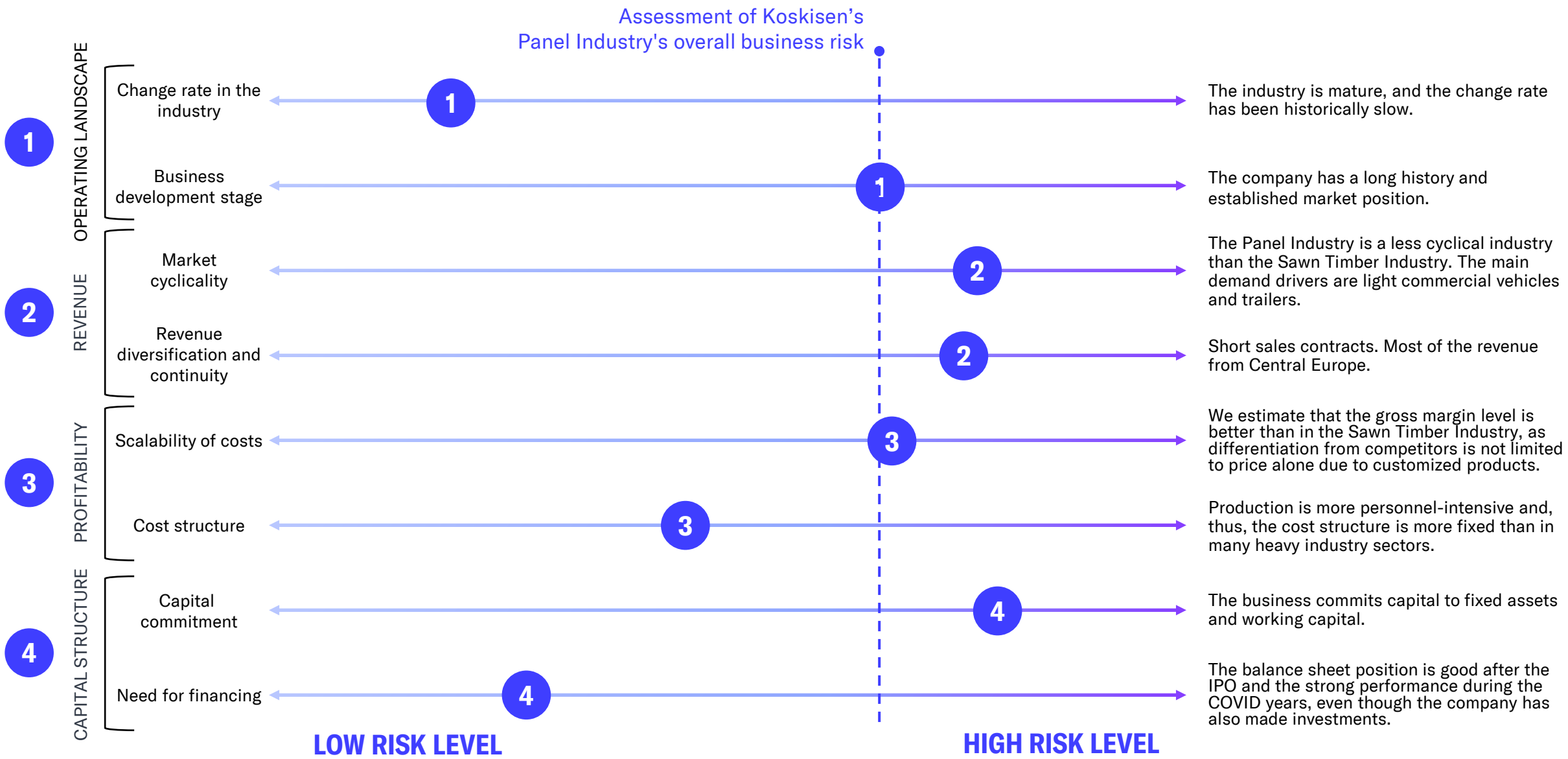
Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Consensus		2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	83.8		89.2	93.7	0.0	0.0	401
EBITDA (adj.)	2.8		2.3	4.0	0.0	0.0	22.1
EPS (reported)	-0.07		-0.09	-0.03	0.00	0.00	0.06
Revenue growth-%	23.6 %		6.4 %	11.8 %	-100.0 %	-100.0 %	12.9 %
EBITDA-% (adj.)	3.4 %		2.6 %	4.3 %			5.5 %

Source: Inderes & Modular Finance (consensus)

Risk profile of Koskisen's Sawn Timber Industry



Risk profile of Koskisen's Panel Industry



Earnings likely to dip deeper than our previous expectations and recover more slowly

We expect the guidance to stay the same

We expect Koskisen to reiterate its guidance for the current year, according to which the company's revenue will grow in 2026 and the EBITDA margin will decrease from 8.1% last year. The company is unlikely to be able to report any improvement in the operating environment in the Q3 report.

We expect the challenging market situation to continue at least through the winter

In light of recent news, we do not expect a recovery in global (residential) construction until at least next spring or summer, as elevated and partly high interest rates, weak consumer confidence, and challenges to purchasing power are acting as brakes. Similarly, the price of logs in Finland has remained high, with the price of spruce stocks in particular already approaching previous peaks. In our view, Koskisen's competitors are also facing an extremely challenging business environment, and we believe the company is in a relatively strong position thanks to Järvelä's investments and the high quality of its products. Thus, especially in the Sawn Timber Industry (and the chipboard segment), the operating environment that is difficult by even historical standards is also putting pressure on supply, but it would be very slow for the market to balance through a reduction in supply.

The market situation for birch plywood is clearly better due to supply constraints caused by Russia's war of aggression, but Europe's sluggish economic growth, challenges in the automotive sector (e.g., driving power and haulage company profitability), and the high price of birch logs are limiting the pace of improvement in the birch plywood market. However, we estimate that next year will be more stable for Koskisen regarding birch plywood as the burden of investment ramp-ups diminishes and management structures in the segment are also streamlined.

We dropped our near-term forecasts significantly

Due to negative news flow, we lowered our forecasts for Koskisen's adjusted EBITDA by around 6–16% for the current year and the coming years. These changes were most notable in the Sawn Timber Industry, where earnings forecasts were weighed down by macro-based declines in volume and price assumptions, as well as higher cost projections. In the Panel Industry, the revisions were clearly smaller but still negative. Given the low margins, the changes were clearly more pronounced at the lower lines. The company's earnings will decline significantly this year, but we expect Koskisen's profitability to slowly recover starting next year, driven by a turnaround in the construction cycle, efficiency benefits from investments, synergies from the acquisition of Iisveden Metsä, and the easing of the worst inflationary pressures. In our estimates, persistently high raw material prices will limit profitability in the coming years despite revenue growth. Thus, we estimate the company will fall quite clearly short of its margin target (cf. over 15% EBITDA-% over the cycle vs. 2026e-2028e adj. EBITDA-% 6-10%). Our new estimates are quite clearly below the consensus for the coming years.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	406	401	-1%	446	441	-1%	466	468	0%
EBITDA	26.4	22.1	-16%	40.7	36.1	-11%	47.7	44.9	-6%
EBIT (exc. NRIs)	10.5	5.9	-44%	24.5	19.5	-20%	31.5	28.6	-9%
EBIT	10.4	5.8	-44%	24.5	19.5	-20%	31.5	28.6	-9%
PTP	6.5	1.9	-71%	21.4	16.4	-24%	29.0	25.9	-11%
EPS (excl. NRIs)	0.21	0.07	-68%	0.73	0.56	-24%	0.99	0.88	-11%
DPS	0.10	0.04	-60%	0.20	0.15	-25%	0.30	0.25	-17%

Source: Inderes

Strategy and financial targets

Focus areas of Koskisen's strategy

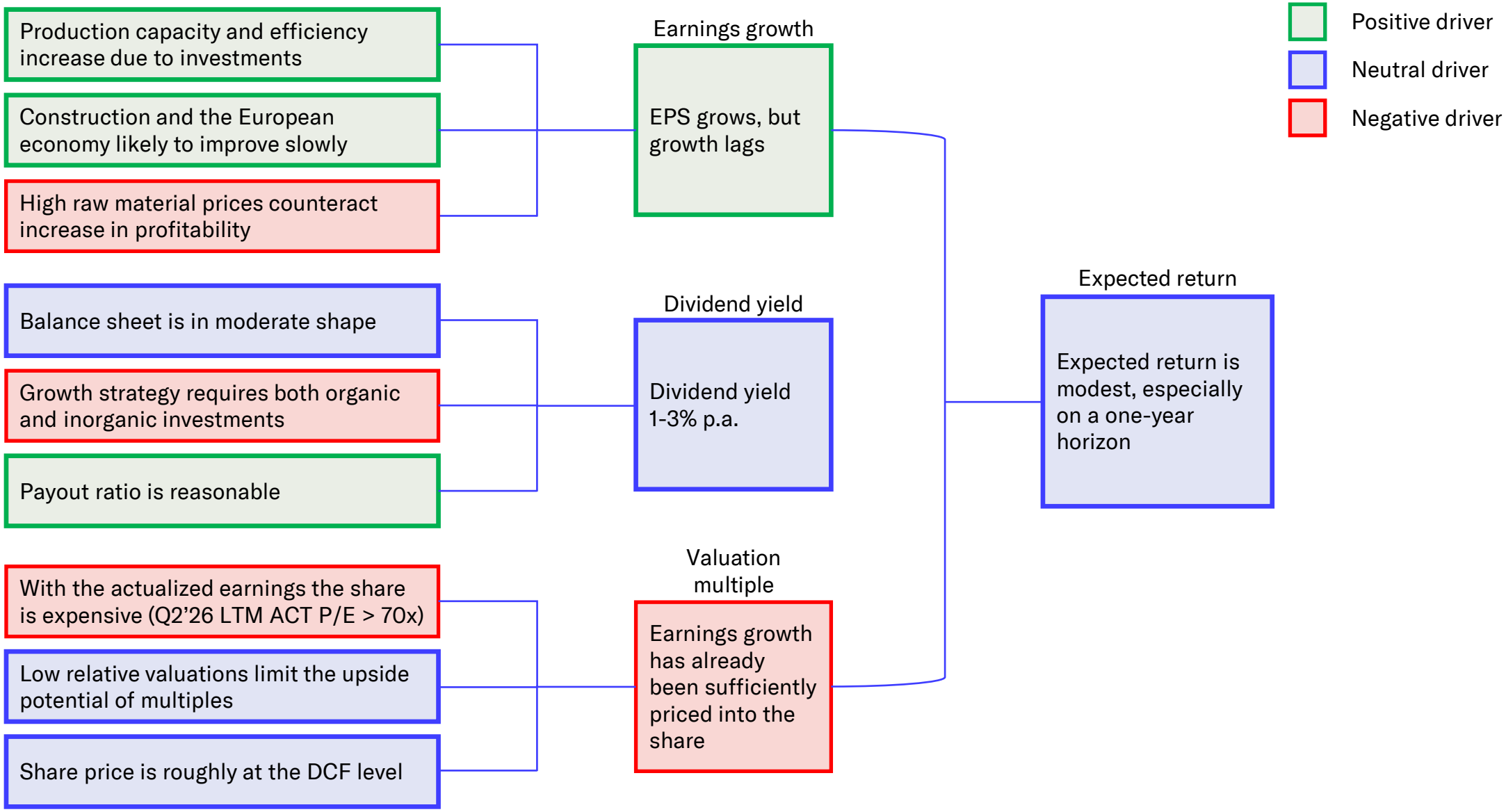
Value creation for customers	Development of current activities	Taking bold steps	Promoting responsibility and sustainable development
Koskisen **focuses** on high-quality and customized products, customer-oriented service and innovative solutions.	Koskisen aims to **strengthen** the competitiveness and differentiation of its factories, product development and efficiently implement new initiatives.	Koskisen **plans** and **prepares** for possible acquisitions and investments.	Koskisen **considers** the wise use of natural resources in its operations, strives to mitigate climate change and invests in sustainable bioeconomy solutions.

Inderes' comments on Koskisen's strategic focus areas

- Considering Finland's high production cost level, we do not believe Koskisen has sustainable cost advantages in an international comparison, even though the company's factories (especially the new Järvelä saw line) are efficient. Therefore, we feel focusing on quality, customization and innovative solutions is the logical and almost only option for the company to achieve higher profitability than the industry average.
- In terms of customer value creation, it is also essential to gradually increase the value added of production through, e.g., processing, Kore products, and in the long term, possibly also through completely new wood products.
- We believe the development of the current business includes the commercial side and developing the production efficiency of the factories (incl., e.g., investments in the Panel Industry).
- Regarding efficiency, there is significant improvement potential in the new Järvelä saw line (including increasing capacity by removing bottlenecks), and not all the benefits of the investments have yet been fully reflected in the income statement.
- On the commercial side, the company must be able to sell the new and potentially growing capacity in Järvelä and also other existing products to the market in an increasingly profitable manner.
- The company is looking at possible M&A transactions, also after the Iisveden Metsä acquisition, especially in the Sawn Timber Industry in Finland, and organic investment opportunities in the Panel Industry.
- A transaction in the Sawn Timber Industry that would clearly increase the size class, has minor overlaps, and generates cost synergies (wood sourcing in particular) in Finland could be sensible. In the Kore segment, acquisitions could create value considering the estimated good capital return of the businesses.
- Bold steps will likely require significant capital in due course, which requires the company to maintain a strong balance sheet.
- There are growing pressures on forest use from different sectors, so ensuring the general acceptability of the forest industry requires sensible use of raw materials.
- Koskisen's products are clearly carbon-negative and thus mitigate climate change, which gives the company a good starting point for benefiting from the sustainability trend.
- Focusing on responsibility will probably require investments from the company, but some of these will also open up new business opportunities.

Source: Koskisen, Inderes

Total Shareholder Return drivers Q2’26 LTM-2028e



We're still in no rush regarding this share

Main focus on earnings multiples

We focus on earnings-based multiples in Koskisen's valuation. We feel acceptable EV/EBITDA ratios for Koskisen are roughly 4-7x, considering the growth and profitability levels of the business and the risk profile. The acceptable P/E based valuation range is 10x-14x in our opinion. We have discussed the logic of our Koskisen valuation in more detail in our extensive report published in the spring (can be read here).

The valuation picture is challenging in the short term

With our 2024 and 2025 estimates, Koskisen's P/E ratios are over 100x and 14x and corresponding EV/EBITDA ratios are around 12x and 7x. Thus, the stock is priced above our accepted ranges based on this year's weak earnings and within the ranges based on next year's improved yet, in absolute terms, at most satisfactory and still uncertain earnings level. Therefore, we consider the valuation based on earnings multiples to be neutral at most on a 12-month horizon.

The balance sheet-based P/B of 1.2x (2026e) is also at a sufficient level, as Koskisen has not achieved a return on equity exceeding the cost of equity since 2023. According to our forecasts, Koskisen's average return on capital and equity will only marginally exceed our estimate of the company's cost of capital in the long term. In this update, we have slightly raised Koskisen's required return, driven particularly by an increase in the expected risk-free rate to 3% (prev. 2.5%). However, a more pronounced increase in the balance sheet valuation would require more robust value creation than our current projections (i.e. ROCE-% > WACC-%). In our view, balance sheet-based valuation is still insufficient to support the stock if the weak earnings cycle prolongs, as balance sheet valuations below the book value of equity are not uncommon in the industry. Looking at the current year and recent history, balance sheet valuation is also challenging, as Koskinen's return on capital will clearly fall below the required rates of return. While this might be overlooked in individual years, over a longer horizon, pricing the balance sheet at a premium relative to its book value requires Koskisen to achieve significantly better returns on equity than in recent years and at the current level.

Considering this overall picture, we estimate that the expected return for Koskisen's stock, stemming from earnings growth transitioning from a low level, significant valuation downside (Q2'26 LTM P/E about 70x), and a dividend of below 1%, is unsatisfactory on a one-year horizon. The expected return would turn more attractive or very attractive in the medium term if Koskisen could raise its margin to its target of over 15% adj. EBITDA-% or close to it (vs. our estimated adj. EBITDA-% of ~8-10% in 2027-2028). At best, this will only be possible during a better cycle, i.e., beyond our 12-month target price horizon.

DCF value only slightly above the share price

The interpretation of peer group valuations is currently hindered by the modest performance of many peers, making earnings-based multiples appear unusually high. Based on the balance sheet, Koskisen's valuation is at a premium, while earnings multiples are mixed. Our DCF model for Koskisen indicates a share value of around EUR 8 per share, which is slightly above our target price level. Thus, the DCF would provide a slightly positive signal of the share's potential, but, in our view, it does not change the overall picture colored by high short-term multiples into a positive one on its own.

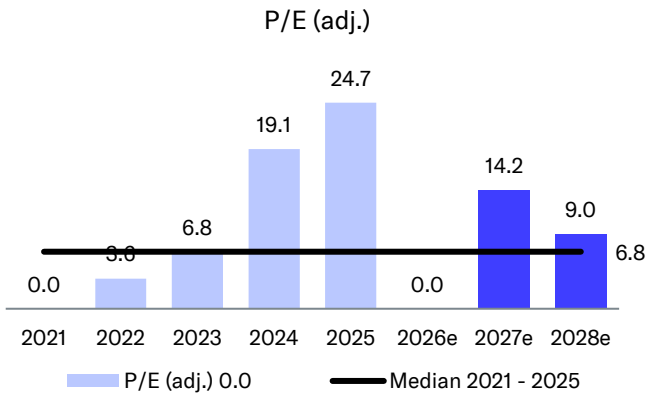
Valuation	2026e	2027e	2028e
Share price	7.90	7.90	7.90
Number of shares, millions	24.1	24.1	24.1
Market cap	190	190	190
EV	255	241	227
P/E (adj.)	>100	14.2	9.0
P/E	>100	14.2	9.0
P/B	1.2	1.1	1.0
P/S	0.5	0.4	0.4
EV/Sales	0.6	0.5	0.5
EV/EBITDA	11.5	6.7	5.1
EV/EBIT (adj.)	43.3	12.3	7.9
Payout ratio (%)	62.9 %	27.0 %	28.4 %
Dividend yield-%	0.5 %	1.9 %	3.2 %

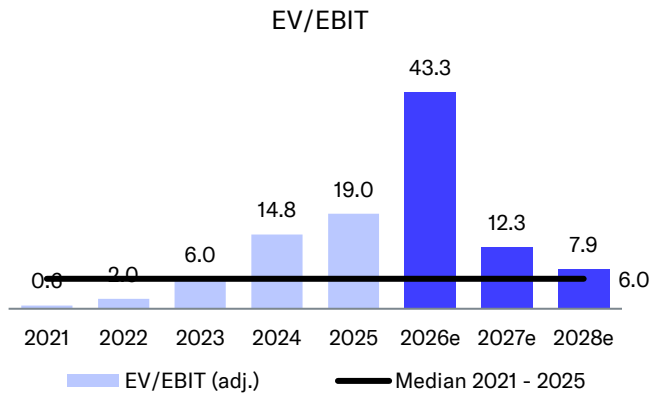
Source: Inderes

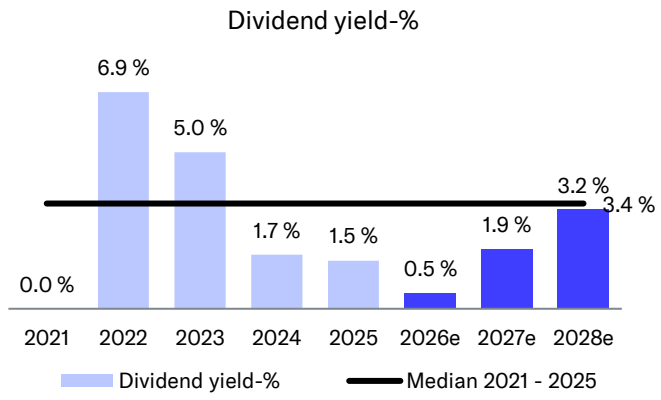
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price		6.28	6.00	6.96	9.10	7.90	7.90	7.90	7.90
Number of shares, millions		23.0	23.0	23.0	23.7	24.1	24.1	24.1	24.1
Market cap		145	138	160	219	190	190	190	190
EV		116	146	195	274	255	241	227	211
P/E (adj.)		3.6	6.8	19.1	24.7	>100	14.2	9.0	7.6
P/E		3.6	6.8	19.3	25.0	>100	14.2	9.0	7.6
P/B		1.1	0.9	1.1	1.3	1.2	1.1	1.0	0.9
P/S		0.5	0.5	0.6	0.6	0.5	0.4	0.4	0.4
EV/Sales		0.4	0.5	0.7	0.8	0.6	0.5	0.5	0.4
EV/EBITDA		1.8	4.4	8.0	9.5	11.5	6.7	5.1	4.4
EV/EBIT (adj.)		2.0	6.0	14.8	19.0	43.3	12.3	7.9	6.6
Payout ratio (%)		25.1 %	34.2 %	33.4 %	39.2 %	62.9 %	27.0 %	28.4 %	33.7 %
Dividend yield-%		6.9 %	5.0 %	1.7 %	1.5 %	0.5 %	1.9 %	3.2 %	4.4 %

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
Interfor Corp	618	1167			20.8		0.6	0.6					0.4
Boise Cascade	2416	2513	4.4	5.8	3.7	4.5	0.4	0.4	6.4	8.2	11.2	7.5	1.4
West Fraser Timber	4856	5134		171.5	10.1	8.7	0.9	0.9	6967.0	162.0	1.7	1.8	0.8
Canfor	1147	1785			98.2		0.5	0.5					0.5
Stora Enso	7701	10982	43.3	18.9	11.7	9.3	1.2	1.2	51.4	21.7	2.9	2.6	0.7
STEICO	227	333	11.0	7.6	5.6	4.0	0.9	0.9	12.9	9.3	2.6	3.5	0.8
Louisiana-Pacific	4906	4981	19.1	10.4	13.0	8.3	2.2	1.9	25.7	14.0	1.2	1.3	3.7
Stella-Jones	2156	3118	9.8	9.8	8.1	7.8	1.5	1.4	11.1	11.4	1.5	1.6	2.1
Koskisen (Inderes)	190	255	43.3	12.3	11.5	6.7	0.6	0.5	117.9	14.2	0.5	1.9	1.2
Average			17.5	37.3	21.4	7.1	1.0	1.0	1179.1	37.8	3.5	3.0	1.3
Median			11.0	10.1	10.9	8.1	0.9	0.9	19.3	12.7	2.2	2.2	0.8
Diff-% to median			295%	22%	5%	-17%	-29%	-40%	512%	12%	-77%	-13%	49%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	282	86.2	89.7	83.8	95.1	355	105	104	89.2	102	401	441	468	483
Sawn Timber Industry	140	48.7	47.5	50.2	57.5	204	64.6	61.3	52.3	59.0	237	251	264	276
Panel Industry	142	37.6	42.2	33.6	37.6	151	40.4	43.0	37.0	43.1	163	190	204	207
Other / Eliminations	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
Depreciation	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
Adjustments	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
EBITDA	24.2	9.4	10.5	2.8	6.1	28.8	6.5	7.4	2.3	5.9	22.1	36.1	44.9	48.4
Depreciation	-11.2	-3.2	-3.5	-3.8	-4.0	-14.5	-4.0	-4.1	-4.1	-4.1	-16.3	-16.5	-16.3	-16.4
EBIT (excl. NRI)	13.1	6.3	6.8	-0.9	2.3	14.5	2.6	3.3	-1.8	1.8	5.9	19.5	28.6	32.0
EBIT	13.0	6.2	7.0	-1.0	2.1	14.3	2.5	3.3	-1.8	1.8	5.8	19.5	28.6	32.0
Sawn Timber Industry (EBITDA)	7.2	5.4	4.2	2.6	2.0	14.3	2.9	1.6	0.4	1.5	6.5	15.1	19.5	21.6
Panel Industry (EBITDA)	17.7	4.5	6.7	0.2	4.3	15.7	4.0	5.5	2.4	4.9	16.8	23.0	27.4	28.8
Other / Eliminations	-0.7	-0.5	-0.5	0.1	-0.3	-1.2	-0.4	0.3	-0.5	-0.5	-1.2	-2.0	-2.0	-2.0
Depreciation	-11.2	-3.2	-3.5	-3.9	-3.9	-14.5	-4.0	-4.1	-4.1	-4.1	-16.3	-16.5	-16.3	-16.4
Adjustments	0.0	0.0	-0.1	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-3.1	-1.0	-0.9	-1.0	-0.7	-3.6	-1.2	-0.9	-0.9	-0.9	-3.9	-3.2	-2.7	-1.4
PTP	10.0	5.3	6.1	-2.0	1.4	10.7	1.3	2.4	-2.7	0.9	1.9	16.4	25.9	30.5
Taxes	-1.7	-1.1	-1.0	0.4	-0.4	-2.1	-0.4	-0.3	0.5	-0.2	-0.4	-2.9	-4.7	-5.5
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
Net earnings	8.3	4.2	5.0	-1.6	1.0	8.6	0.9	2.1	-2.2	0.7	1.5	13.4	21.2	25.0
EPS (adj.)	0.36	0.19	0.20	-0.07	0.05	0.37	0.04	0.09	-0.09	0.03	0.07	0.56	0.88	1.04
EPS (rep.)	0.36	0.18	0.21	-0.07	0.04	0.36	0.04	0.09	-0.09	0.03	0.06	0.56	0.88	1.04

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	4.0 %	35.4 %	15.3 %	23.6 %	30.5 %	25.8 %	21.8 %	16.3 %	6.4 %	7.3 %	12.9 %	10.0 %	6.2 %	3.3 %
Adjusted EBIT growth-%	-46.1 %	102.3 %	-0.8 %	-277.6 %	-13.7 %	10.1 %	-59.7 %	-51.2 %	91.4 %	-20.0 %	-59.2 %	231.2 %	46.2 %	11.8 %
EBITDA-%	8.6 %	10.9 %	11.7 %	3.4 %	6.4 %	8.1 %	6.2 %	7.1 %	2.6 %	5.8 %	5.5 %	8.2 %	9.6 %	10.0 %
Adjusted EBIT-%	4.7 %	7.4 %	7.6 %	-1.1 %	2.4 %	4.1 %	2.4 %	3.2 %	-2.0 %	1.8 %	1.5 %	4.4 %	6.1 %	6.6 %
Net earnings-%	2.9 %	4.8 %	5.6 %	-1.9 %	1.1 %	2.4 %	0.8 %	2.0 %	-2.4 %	0.7 %	0.4 %	3.0 %	4.5 %	5.2 %

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	151	180	186	184	184
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	1.0	3.0	3.4	3.8	4.2
Tangible assets	146	172	178	175	175
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	3.9	4.4	4.4	4.4	4.4
Other non-current assets	0.0	0.2	0.2	0.2	0.2
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	126	142	146	154	162
Inventories	49.2	62.4	64.1	66.1	70.2
Other current assets	21.6	24.1	24.1	24.1	24.1
Receivables	23.8	31.4	38.1	41.9	44.5
Cash and equivalents	31.8	24.4	20.0	22.0	23.4
Balance sheet total	277	322	332	338	346

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	149	163	162	174	192
Share capital	1.5	1.5	1.5	1.5	1.5
Retained earnings	65.2	71.1	69.2	81.7	99.3
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	82.3	90.8	90.8	90.8	90.8
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	64.6	85.8	89.6	78.8	67.1
Deferred tax liabilities	7.2	9.5	9.5	9.5	9.5
Provisions	0.2	0.2	0.2	0.2	0.2
Interest bearing debt	54.2	69.7	73.5	62.7	50.9
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.1	6.4	6.4	6.4	6.4
Current liabilities	63.3	72.9	81.0	85.0	87.3
Interest bearing debt	12.1	9.3	11.5	10.3	9.0
Payables	35.7	46.2	52.1	57.3	60.9
Other current liabilities	15.6	17.4	17.4	17.4	17.4
Balance sheet total	277	322	332	338	346

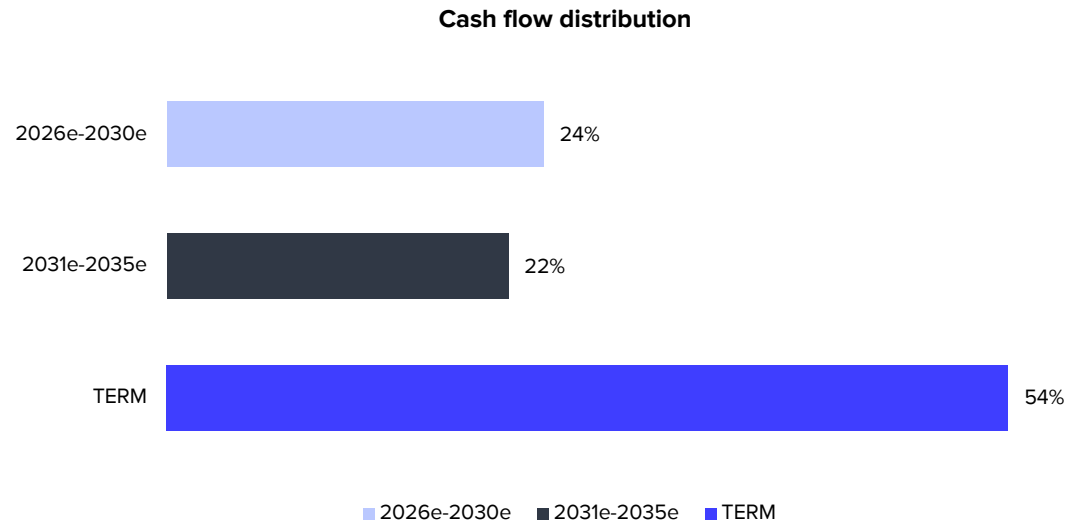
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	25.8 %	12.9 %	10.0 %	6.2 %	3.3 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.0 %	2.0 %
EBIT-%	4.0 %	1.4 %	4.4 %	6.1 %	6.6 %	6.5 %	6.5 %	6.0 %	5.6 %	5.6 %	5.6 %	5.6 %
EBIT (operating profit)	14.3	5.8	19.5	28.6	32.0	32.2	33.0	31.2	29.9	30.6	31.2	
+ Depreciation	14.5	16.3	16.5	16.3	16.4	16.1	16.0	16.1	16.4	16.7	17.0	
- Paid taxes	0.2	-0.4	-2.9	-4.7	-5.5	-5.5	-5.7	-5.4	-5.2	-5.3	-5.5	
- Tax, financial expenses	-0.8	-0.9	-0.6	-0.5	-0.3	-0.3	-0.3	-0.2	-0.2	-0.2	-0.2	
+ Tax, financial income	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
- Change in working capital	-11.0	-2.4	-0.6	-3.1	-1.8	-1.4	-1.4	-1.5	-1.5	-1.5	-1.3	
Operating cash flow	17.4	18.5	32.0	36.6	40.9	41.2	41.6	40.3	39.4	40.3	41.4	
+ Change in other long-term liabilities	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-43.6	-22.4	-14.4	-16.4	-17.4	-18.4	-18.4	-19.4	-20.4	-20.4	-18.2	
Free operating cash flow	-22.9	-3.9	17.6	20.2	23.5	22.8	23.2	20.9	19.0	19.9	23.1	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-22.9	-3.9	17.6	20.2	23.5	22.8	23.2	20.9	19.0	19.9	23.1	316
Discounted FCFF		-3.8	15.8	16.6	17.7	15.6	14.6	12.0	10.0	9.5	10.1	138
Sum of FCFF present value		256	260	244	228	210	194	180	168	158	148	138

Enterprise value DCF	256
- Interest bearing debt	-79.0
+ Cash and cash equivalents	24.4
+ Associated companies	0.0
-Minorities	0.0
-Dividend/capital return	-3.4
Equity value DCF	198
Equity value DCF per share	8.2

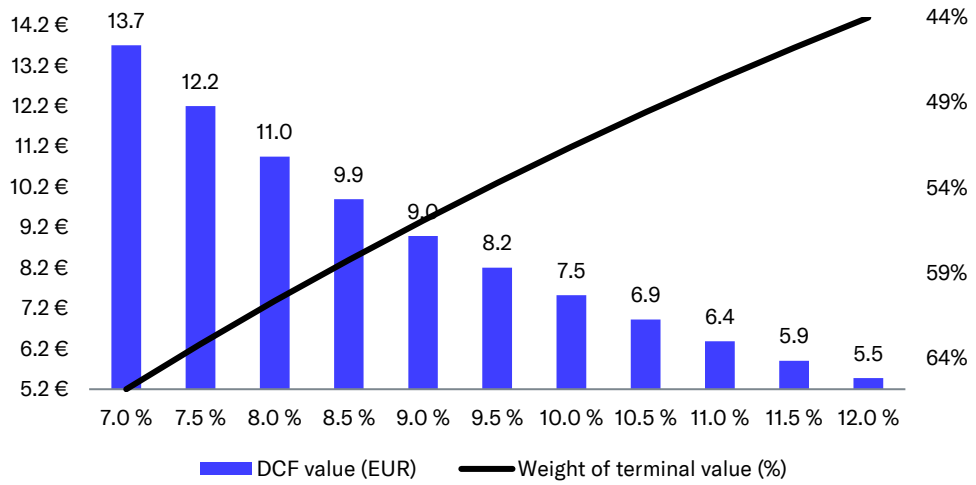
WACC	
Tax-% (WACC)	18.0 %
Target debt ratio (D/(D+E)	17.5 %
Cost of debt	5.0 %
Equity Beta	1.60
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	3.0 %
Cost of equity	10.6 %
Weighted average cost of capital (WACC)	9.5 %

Source: Inderes

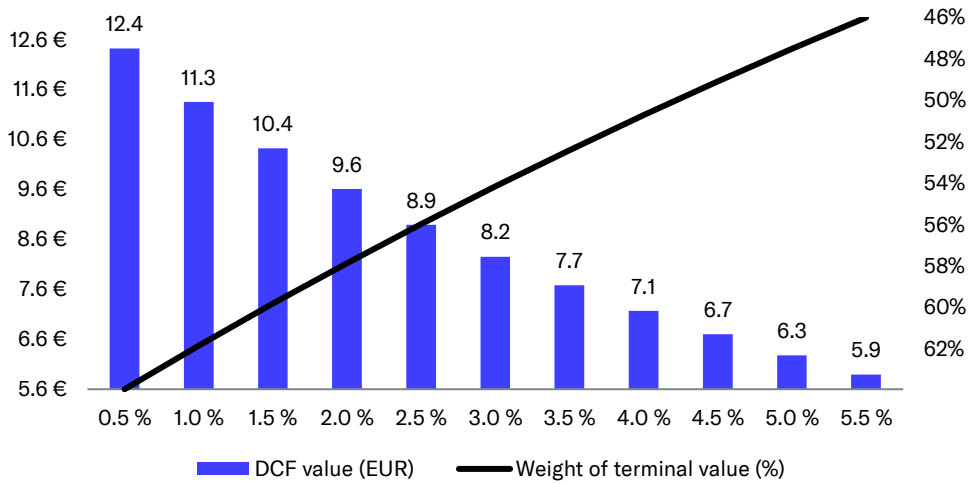


DCF sensitivity calculations and key assumptions in graphs

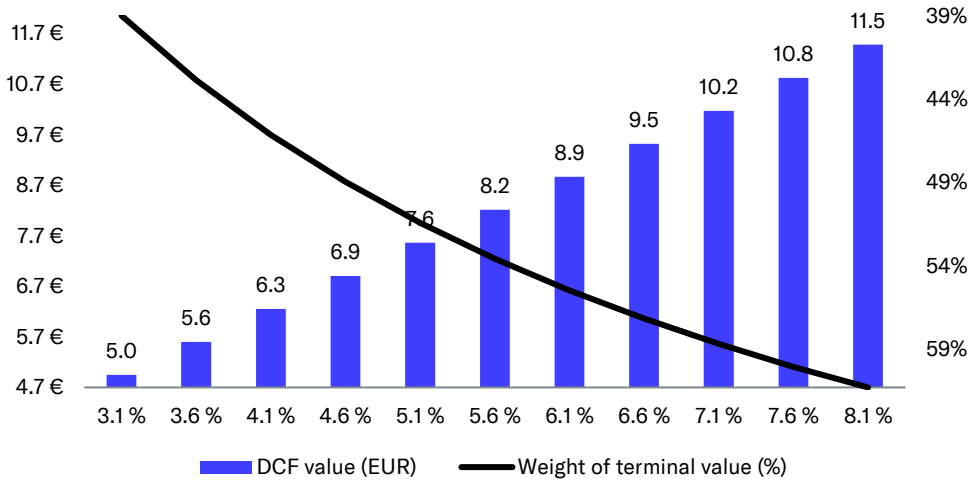
Sensitivity of DCF to changes in the WACC-%



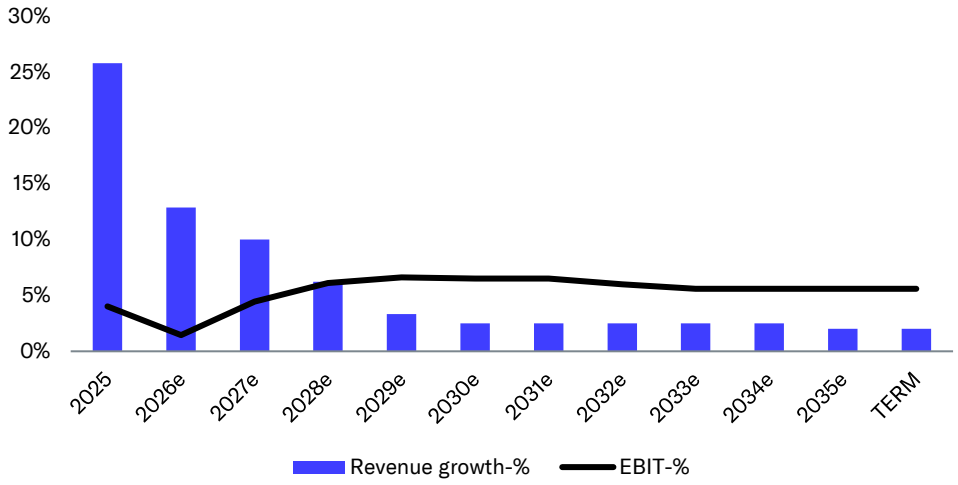
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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	271.2	282.2	354.9	400.6	440.5
EBITDA	33.0	24.2	28.8	22.1	36.1
EBIT	24.4	13.0	14.3	5.8	19.5
PTP	24.0	10.0	10.7	1.9	16.4
Net Income	20.2	8.3	8.6	1.5	13.4
Extraordinary items	0.0	-0.1	-0.2	-0.1	0.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	269.2	277.1	322.1	332.1	337.7
Equity capital	147.2	149.1	163.3	161.5	174.0
Goodwill	0.0	0.0	0.0	0.0	0.0
Net debt	7.9	34.4	54.6	64.9	50.9

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	33.0	24.2	28.8	22.1	36.1
Change in working capital	-24.9	-8.9	-11.0	-2.4	-0.6
Operating cash flow	6.2	14.7	17.4	18.5	32.0
CAPEX	-33.7	-32.2	-43.6	-22.4	-14.4
Free cash flow	-27.3	-17.5	-22.9	-3.9	17.6

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.5	0.7	0.8	0.6	0.5
EV/EBITDA	4.4	8.0	9.5	11.5	6.7
EV/EBIT (adj.)	6.0	14.8	19.0	43.3	12.3
P/E (adj.)	6.8	19.1	24.7	>100	14.2
P/B	0.9	1.1	1.3	1.2	1.1
Dividend-%	5.0 %	1.7 %	1.5 %	0.5 %	1.9 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.88	0.36	0.36	0.06	0.56
EPS (adj.)	0.88	0.36	0.37	0.07	0.56
OCF / share	0.27	0.64	0.73	0.77	1.33
OFCF / share	-1.19	-0.76	-0.97	-0.16	0.73
Book value / share	6.40	6.47	6.89	6.70	7.22
Dividend / share	0.30	0.12	0.14	0.04	0.15

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-15%	4%	26%	13%	10%
EBITDA growth-%	-50%	-27%	19%	-23%	63%
EBIT (adj.) growth-%	-58%	-46%	10%	-59%	231%
EPS (adj.) growth-%	-50%	-59%	1%	-82%	730%
EBITDA-%	12.2 %	8.6 %	8.1 %	5.5 %	8.2 %
EBIT (adj.)-%	9.0 %	4.7 %	4.1 %	1.5 %	4.4 %
EBIT-%	9.0 %	4.6 %	4.0 %	1.4 %	4.4 %
ROE-%	14.3 %	5.6 %	5.5 %	0.9 %	8.0 %
ROI-%	12.1 %	6.4 %	6.4 %	2.5 %	8.0 %
Equity ratio	55%	54%	51%	49%	52%
Gearing	5%	23%	33%	40%	29%
Net debt/EBITDA	0.2	1.4	1.9	2.9	1.4
EBITDA/net financials	97.8	7.9	8.1	5.7	11.3

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

Disclaimer and recommendation history

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

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

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

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

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

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

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

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

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

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

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

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/24/2023	Reduce	6.00 €	6.35 €
3/17/2023	Reduce	6.00 €	6.29 €
	Analyst changed		
5/25/2023	Reduce	6.75 €	6.40 €
8/11/2023	Accumulate	6.75 €	6.19 €
8/25/2023	Accumulate	7.50 €	6.40 €
11/20/2023	Accumulate	7.00 €	6.35 €
2/13/2024	Accumulate	6.75 €	6.05 €
2/19/2024	Accumulate	6.75 €	6.18 €
4/12/2024	Reduce	6.75 €	7.18 €
5/15/2024	Reduce	7.00 €	7.60 €
8/19/2024	Reduce	7.50 €	7.50 €
11/18/2024	Reduce	7.25 €	7.08 €
1/16/2025	Reduce	7.25 €	7.14 €
2/18/2025	Reduce	7.25 €	7.10 €
5/12/2025	Accumulate	8.25 €	7.54 €
8/19/2025	Reduce	9.00 €	9.22 €
11/11/2025	Reduce	9.00 €	9.10 €
11/17/2025	Reduce	9.00 €	9.08 €
2/16/2026	Reduce	9.00 €	9.04 €
4/20/2026	Reduce	9.00 €	9.60 €
5/18/2026	Reduce	8.50 €	8.80 €
8/14/2026	Reduce	8.50 €	8.56 €
11/6/2026	Reduce	7.50 €	7.90 €



CONNECTING INVESTORS AND COMPANIES.

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

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

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

inderes.se

Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

inderes.