

# VERVE

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INDERES CORPORATE CUSTOMER  
**COMPANY REPORT**



# Execution credibility test begins

Verve will publish its Q1 report on Wednesday, May 27. We expect the report to reflect a seasonally softer start to the year, further dampened by FX headwinds, front-loaded sales force investments, and the lingering impact of the large customer loss from late 2025. Near-term, we are watching two things: whether the company can stabilize cash conversion through its securitization program expansion, and when sales productivity will inflect. Ahead of Q1, we have recalibrated our estimates to reflect a more cautious Q1 outlook, lower IFRS 15 revenue recognition impact, and H1-weighted one-off costs, while maintaining our full-year view largely intact. As such, we reiterate our Accumulate recommendation and leave our target price unchanged at SEK 18.

## Q1 pressured by FX, one-offs, and tough comparables

We expect Q1 reported revenue of 140 MEUR, representing ~6% like-for-like growth and 28% reported growth, driven largely by the Acardo and Captify acquisitions. Organic growth is expected in the low- to mid-single digits on an FX-adjusted basis (we estimate ~9-10 pp FX headwind), as Verve faces a tough comparison period with Q1'25 organic growth of 16%, and the lingering impact of the large customer loss in Q4'25. We estimate Q1 adjusted EBITDA at 26 MEUR, representing a 19% margin, down from 23% in Q1'25. Further, we estimate reported EBITDA to be softer at 23 MEUR, as we include ~3 MEUR in one-off costs, primarily related to M&A integration for Captify and Acardo. Beyond one-offs, Q1 profitability faces pressure from front-loaded sales force investments of ~10 MEUR concentrated in H1'26. In our view, the most critical aspect of the Q1 report will be the cash flow statement and management's progress on expanding the receivables securitization program, with two additional legal entities planned for H1'26, which is vital to improving cash conversion following weak 2025 performance.

## Quarterly recalibration, but intact full-year outlook

Ahead of the Q1 report, we have recalibrated our quarterly estimates within 2026, lowering Q1 and Q2 while increasing Q4 to

absorb the shortfall, reflecting H2-weighted phasing rather than a change to our full-year view. Our FY26 net revenue estimate remains broadly intact at 564 MEUR (was 569 MEUR, -0.9%), and our adjusted EBITDA estimate is unchanged at 155.5 MEUR. We have lowered our IFRS 15 revenue recognition estimate from 29 MEUR to 23 MEUR in Q1 and from 130 MEUR to 120 MEUR for the full year, aligning more closely with 2025's 116 MEUR impact. As such, our reported revenue estimates for 2026 decreased by some 2% to 684 MEUR (was 697 MEUR). Additionally, we have included 6 MEUR in full-year non-recurring costs, primarily concentrated in H1, resulting in reported EBITDA of 149.5 MEUR (was 155.4 MEUR) while adjusted EBITDA remains unchanged. The Q1 net revenue reduction was primarily driven by stronger-than-modeled FX headwinds. Our H2-weighted phasing reflects an expected stronger second half, as FX headwinds ease, the impact of the customer loss gradually fades, and new hires reach full effectiveness.

## We leave our recommendation and target price unchanged

Verve's valuation multiples remain depressed in absolute terms (2026e\*: 6x EV/adj. EBIT and 11x EV/adj. FCFF). We assess that these low multiples reflect persistent investor doubts regarding the company's ability to convert earnings into meaningful cash, further weighed down by above-target leverage levels and the challenging sentiment around open-internet ad tech more broadly. For a valuation re-rating to take hold, we believe management will need to deliver tangible evidence of improved cash conversion, validate that the efficiency gains from platform unification are durable, demonstrate clear progress on reducing net debt toward target levels, and restore confidence through a track record of consistent operational execution. If management successfully meets these benchmarks through 2026, we see material upside from current levels. However, the focus remains squarely on management to deliver results, and we believe the stock price is unlikely to meaningfully increase until execution risk diminishes.

## Recommendation

**Accumulate**

(prev. Accumulate)

## Target price:

**SEK 18.00**

(prev. SEK 18)

## Share price:

SEK 15.99

## Business risk



## Valuation risk



MEUR	2025	2026e	2027e	2028e
<b>Revenue</b>	550.9	683.6	747.6	811.1
<b>growth-%</b>	26%	24%	9%	8%
<b>EBIT adj.</b>	99.0	119.6	150.5	166.1
<b>EBIT-% adj.</b>	18.0 %	17.5 %	20.1 %	20.5 %
<b>Net Income</b>	0.7	37.3	65.3	77.1
<b>EPS (adj.)</b>	0.15	0.32	0.42	0.48
<b>P/E (adj.)</b>	8.5	4.6	3.5	3.0
<b>P/B</b>	0.6	0.6	0.6	0.5
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %	0.0 %
<b>EV/EBIT (adj.)</b>	7.1	6.2	4.6	3.7
<b>EV/EBITDA</b>	5.3	4.9	3.8	3.1
<b>EV/S</b>	1.3	1.1	0.9	0.8

Source: Inderes

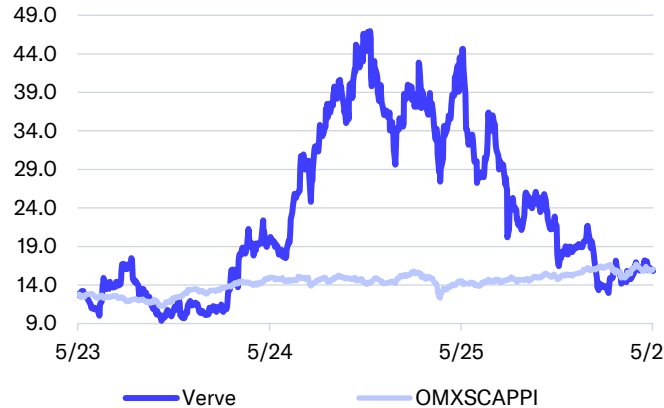
## Guidance

(Unchanged)

For FY26 Verve expects:  
Revenue between 680-730 MEUR  
Adjusted EBITDA between 145-175 MEUR

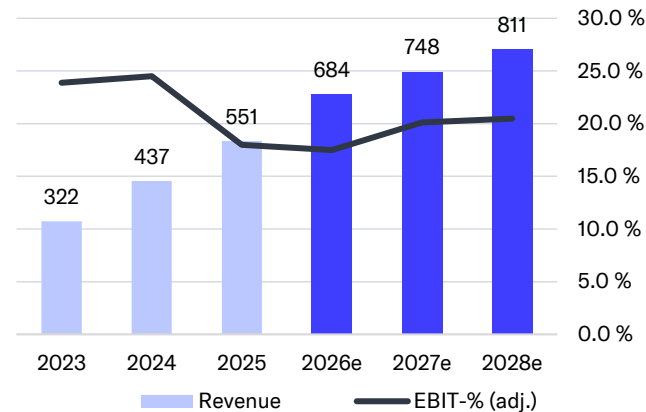
\* EBIT is adjusted for PPA amortization and one-off costs, and FCFF is adjusted for earn-outs.

## Share price



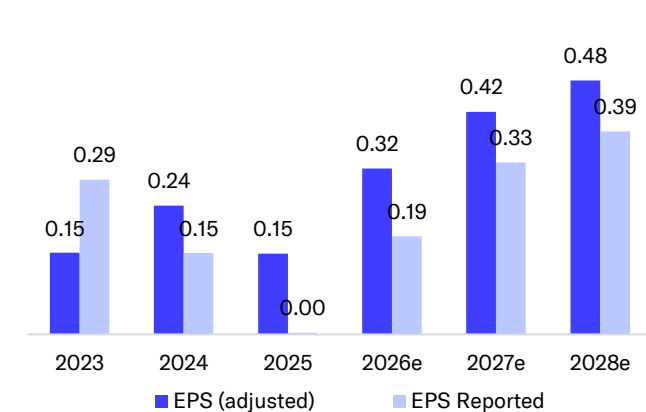
Source: Millstream Market Data AB

## Revenues and operating profit-%



Source: Inderes

## Earnings per share



Source: Inderes

## Value drivers

- High single-digit growth in the programmatic ad market over the medium to long term, with In-app and CTV markets growing even faster
- Market-leading mobile In-App SSP in the US
- Proprietary targeting solutions designed for an increasingly fragmented and privacy-constrained identifier landscape
- Strong and increasing industry recognition could boost revenue growth
- A trusted end-to-end omnichannel platform
- Own first-party content that provides data to the ad platform

## Risk factors

- Failing to maintain/increase market share in programmatic advertising
- Market disruption due to technological (e.g. AI) or regulatory reasons
- Macroeconomic challenges could constrain marketing budgets and decelerate growth
- Heightened execution risk following the platform outage, weak cash flow generation, and elevated leverage
- Credibility gap after operational setbacks increases risk if 2026 delivery falls short

Valuation	2026e	2027e	2028e
<b>Share price (EUR)</b>	1.46	1.46	1.46
<b>Number of shares, millions</b>	200.1	200.1	200.1
<b>Market cap (MEUR)</b>	292	292	292
<b>EV (MEUR)</b>	737	687	613
<b>P/E (adj.)</b>	4.6	3.5	3.0
<b>P/E</b>	7.8	4.5	3.8
<b>P/B</b>	0.6	0.6	0.5
<b>P/S</b>	0.4	0.4	0.4
<b>EV/Sales</b>	1.1	0.9	0.8
<b>EV/EBITDA</b>	4.9	3.8	3.1
<b>EV/EBIT (adj.)</b>	6.2	4.6	3.7
<b>EV/FCFF (adj.)*</b>	11.1	7.4	5.7
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %

Source: Inderes

# Muted start, H2 acceleration expected (1/2)

## Revenue growth driven by M&A despite FX and customer loss headwinds

Ahead of the Q1 report, we have recalibrated our quarterly revenue and EBITDA estimates within 2026, lowering Q1 and slightly reducing Q2 while increasing Q4 to absorb the shortfall. Importantly, our full-year 2026 net revenue estimate remains broadly intact at 564 MEUR (was: 569 MEUR, -0.9%), as does our adjusted EBITDA estimate at 155.5 MEUR (was: 155.4 MEUR, flat). These adjustments reflect quarterly timing and phasing rather than a change in our fundamental full-year view.

We have also recalibrated our IFRS 15 revenue recognition assumptions, lowering our estimated Q1 impact from 29 MEUR to 23 MEUR. For the full year, we have reduced our IFRS 15 estimate from 130 MEUR to 120 MEUR, aligning more closely with 2025's 116 MEUR impact. This adjustment affects reported revenue only and does not impact net revenue.

Following these changes, we now expect Q1 net revenue of 117 MEUR (was 120 MEUR) and Q1 reported revenue of 140 MEUR

(was 149 MEUR), representing ~6% like-for-like growth and 28% reported growth versus Q1'25, largely driven by the Acardo and Captify acquisitions completed in late 2025. The 3 MEUR reduction in Q1 net revenue largely reflects higher FX headwinds than we previously modelled, and we now estimate a ~9-10pp headwind in Q1. Adjusted for FX, we expect Q1 organic growth in the low- to mid-single digits, as Verve faces a somewhat tougher comparison period with 16% organic growth coupled with the large customer loss in Q4'25.

Looking at the broader US macroeconomic landscape, the first quarter ended on a more turbulent note amid an escalating US-Iran conflict, which resulted in rising inflation and further softening of already dampened US consumer sentiment. However, the US economy remains quite resilient, with GDP growing at 2% in Q1 and the labor market still holding up well. Q1 commentary from peer group companies generally points to a macro environment that has become increasingly complex in 2026 due to geopolitical tensions, with advertisers navigating a rapidly evolving landscape.

Yet, the ad spending environment appears to have been quite stable within the open internet space, with year-on-year median growth among the peer group we track standing at 10% in Q1, a slight uptick from 9% in Q4'25. However, it is clear that Walled Gardens (Google, Meta, and Amazon) continue to capture market share within the broader digital ad market, growing at an accelerated rate of 24% year-on-year in Q1 compared to 23% median growth in Q4'25. On this basis, we expect Verve's organic growth to trail both the open internet and Walled Gardens in Q1. However, including the impact of M&A, Verve's total growth should more closely align with the open internet peer group.

## Front-loaded investments and one-offs to weigh on Q1 margins

On profitability, we estimate Q1 adjusted EBITDA at 26 MEUR (was 27 MEUR), representing a 19% margin (Q1'25: 23%). However, we expect reported EBITDA to be softer at 23 MEUR due to ~3 MEUR in non-recurring costs now incorporated into our Q1 model.

Estimates MEUR / EUR	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus		2026e
	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Reported revenue	132		140	148	136	- 161	684
EBITDA (adj.)	30.2		26.3	29.0	26.2	- 35.7	156
EBITDA	27.5		23.3	27.5	21.5	- 33.2	150
EBIT (adj.)	23.3		17.3	18.8	15.5	- 22.4	120
EBIT	16.7		9.4	12.7	6.2	- 19.9	93.8
PTP	3.5		-1.6	-0.4	-5.2	- 5.6	49.7
EPS (adj.)	0.02		0.00	0.00	-0.03	- 0.03	0.32
EPS (reported)	0.00		-0.01	-0.01	-0.03	- 0.03	0.19
DPS				-	0.00	- 0.00	0.00
Revenue growth-%	-		5.8 %	12.3 %	3.0 %	- 21.9 %	24.1 %
EBIT-% (adj.)	17.7 %		12.4 %	12.7 %	11.4 %	- 13.9 %	17.5 %

Source: Inderes & Bloomberg

# Muted start, H2 acceleration expected (2/2)

These Q1 one-offs primarily include M&A integration costs for Captify and Acardo, while also acknowledging that some costs tied to office closures from post-merger footprint rationalization and organizational streamlining measures, including recently announced workforce reductions, could fall into Q1 but are more likely concentrated in Q2.

For the full year, we have added 6 MEUR in non-recurring costs, concentrated in H1, resulting in full-year reported EBITDA of 149.5 MEUR (was 155.4 MEUR) while adjusted EBITDA remains unchanged at 155.5 MEUR. Beyond one-offs, we also expect Q1 profitability to be pressured by management's guided front-loaded sales force investments of ~ 10 MEUR concentrated in H1'26, as the company aims to increase US sales managers to 150 by year-end (from ~35 at the beginning of 2025). Additionally, while the impact will be limited due to its size, we expect the Captify integration to be initially margin-dilutive. We will also be looking for further signs of efficiency gains from the SSP platform unification completed in 2025, which we believe will support margin expansion as sales productivity ramps up in the second

half of the year.

Overall, our H2-weighted quarterly phasing on net revenue and earnings reflects our view of a stronger second half as FX headwinds that are predominantly felt in H1 ease, gradual recovery from the large customer loss that occurred in Q4'25 takes hold, and front-loaded sales force investments in Q1 and Q2 that weigh on near-term profitability give way to improved productivity as new staff reach full effectiveness later in the year. Furthermore, the organizational efficiency measures should provide a modest tailwind to outer-year profitability, and we have slightly lifted our adjusted EBITDA estimates for 2027-2028 to reflect these benefits.

## Burden of proof on cash conversion and deleveraging

We believe the most critical aspect of the Q1 report will be the cash flow statement and management's progress on the deleveraging path. Following a very weak cash flow performance in 2025, management has prioritized the expansion of its receivables securitization program, with two additional legal

entities planned for inclusion in H1'26. In our view, successful expansion is vital to neutralizing the working capital impact of growth and improving cash conversion.

In terms of cash flow, Q1 is seasonally the smallest quarter as the company pays publishers after Q4. The cash flow profile typically improves as the year progresses, as do rest of the financials. However, as Verve tied an unusually high level of working capital in Q4, largely due to limitations on its securitization program, management noted that cash tied up in Q4 accounts receivables to flow back into the business during Q1, providing a positive effect on working capital. As such, due to this timing effect, we expect this to be supportive to Verve's free cash flow in Q1, and therefore show a lower seasonality than usual. We also expect working capital to gradually normalize throughout the year as the company actively works to add more operating units to its securitization program in the first half of 2026 to better manage liquidity as the business scales. We currently estimate that net leverage will decline gradually to 2.8x by the end of 2026, which is still above the long-term target of 1.5–2.5x.

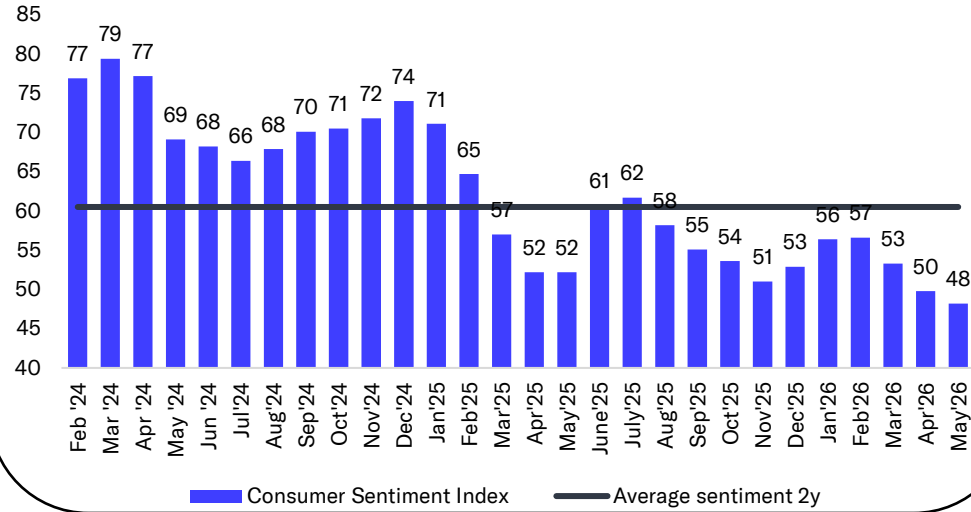
Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	697	684	-2%	762	748	-2%	824	811	-2%
EBITDA	155	150	-4%	181	182	1%	193	195	1%
EBIT (excl. NRIs)*	119	120	0%	149	150	1%	164	166	1%
EBIT	99.7	93.8	-6%	130	131	1%	145	147	1%
PTP	55.5	49.7	-11%	85.4	87.1	2%	101	103	2%
EPS (excl. NRIs)	0.31	0.32	3%	0.42	0.42	1%	0.47	0.48	1%
DPS	0.00	0.00	0%	0.00	0.00	0%	0.00	0.00	0%

Source: Inderes

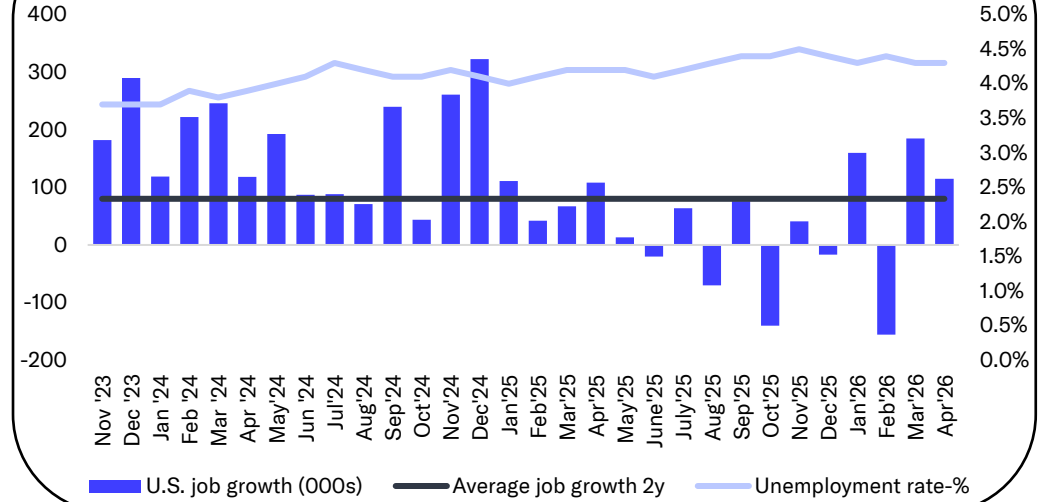
\* EBIT is adjusted for PPA amortization and one-off costs

# Macro snapshot

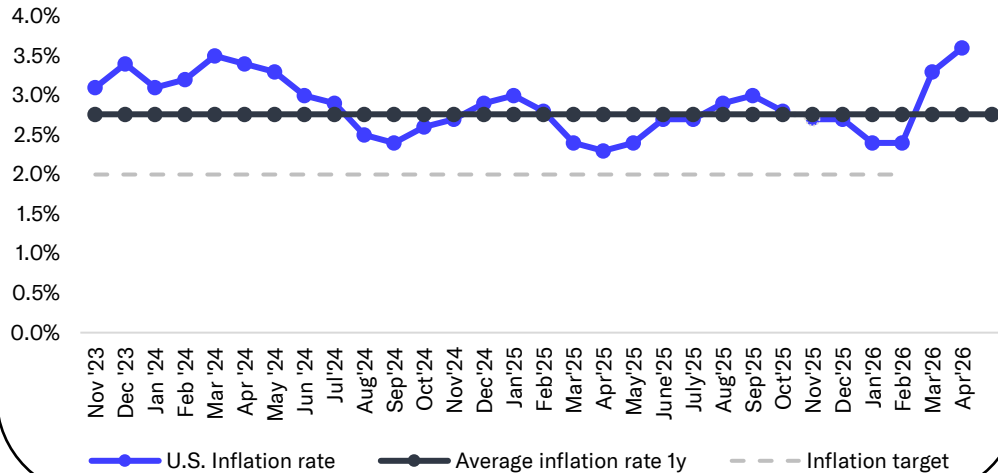
## U.S. consumer sentiment



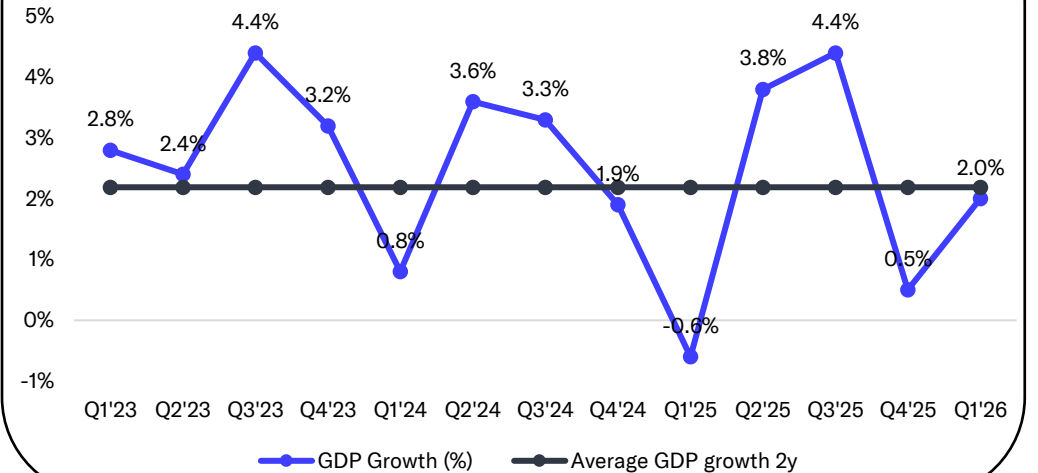
## U.S. Labor market



## U.S. Inflation rate



## U.S. GDP Growth

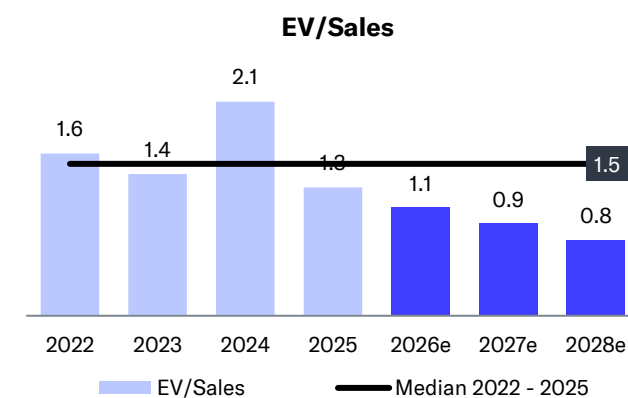
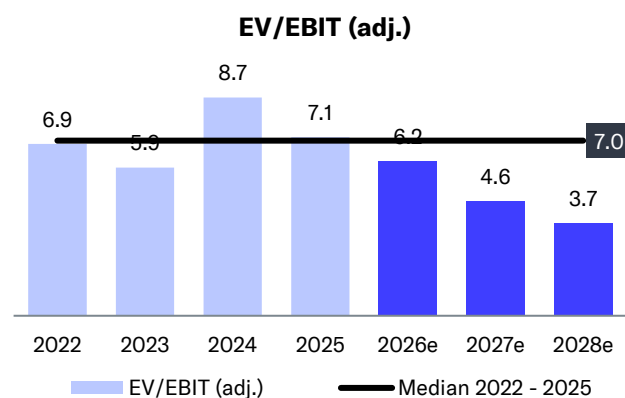
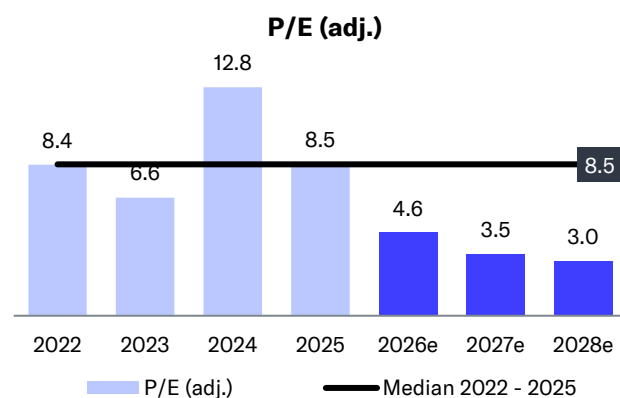


Sources: U.S. Bureau of Labor Statistics, University of Michigan

# Valuation table

Valuation	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price (EUR)	1.60	1.02	3.12	1.30	<b>1.46</b>	<b>1.46</b>	<b>1.46</b>	<b>1.46</b>
Number of shares, millions	156.2	159.2	186.7	200.1	<b>200.1</b>	<b>200.1</b>	<b>200.1</b>	<b>200.1</b>
Market cap (MEUR)	255	163	583	260	<b>292</b>	<b>292</b>	<b>292</b>	<b>292</b>
EV (MEUR)	525	456	934	706	<b>737</b>	<b>687</b>	<b>613</b>	<b>524</b>
P/E (adj.)	8.4	6.6	12.8	8.5	<b>4.6</b>	<b>3.5</b>	<b>3.0</b>	<b>2.9</b>
P/E	neg.	3.5	20.2	>100	<b>7.8</b>	<b>4.5</b>	<b>3.8</b>	<b>3.6</b>
P/B	0.8	0.5	1.3	0.6	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>	<b>0.4</b>
P/S	0.8	0.5	1.3	0.5	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>
EV/Sales	1.6	1.4	2.1	1.3	<b>1.1</b>	<b>0.9</b>	<b>0.8</b>	<b>0.6</b>
EV/EBITDA	5.6	4.8	7.0	5.3	<b>4.9</b>	<b>3.8</b>	<b>3.1</b>	<b>2.6</b>
EV/EBIT (adj.)	6.9	5.9	8.7	7.1	<b>6.2</b>	<b>4.6</b>	<b>3.7</b>	<b>3.1</b>
EV/FCFF (adj.)*	5.5	19.9	9.9	76.6	<b>11.1</b>	<b>7.4</b>	<b>5.7</b>	<b>4.9</b>
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>

Source: Inderes



\*Adjusted for earn-outs

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		P/B 2026e
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	
Aplovin Corp	138,150	138,802	25.1	19.1	23.3	17.9	19.6	15.1	29.9	22.3	31.5
Magnite Inc	1,654	1,797	16.9	13.8	7.8	6.9	2.8	2.6	12.3	10.5	1.9
Trade Desk Inc	8,578	7,370	12.9	10.9	6.8	6.1	2.7	2.4	11.4	9.8	3.2
PubMatic Inc	403	278			5.7	4.8	1.1	1.0			1.1
DoubleVerify Holdings Inc	1,252	1,111	9.2	7.6	4.6	4.2	1.6	1.4	19.6	14.3	1.2
Criteo SA	743	483	3.3	2.6	1.5	1.4	0.5	0.5	4.1	3.7	0.7
Liveramp Holdings Inc	1,952	1,605	10.3	8.7	10.0	8.6	2.3	2.1	16.4	13.3	2.4
Taboola	1,063	991	6.6	9.0	5.0	4.6	0.6	0.5	8.1	7.7	
Zeta Global	3,933	3,854	14.6	11.3	11.3	9.2	2.5	2.2	18.8	15.0	3.3
Nexxen International	401	313	7.7	6.7	2.9	2.6	0.9	0.9	7.7	6.8	
Viant Technology	619	635	38.6	22.7	10.0	7.7	1.7	1.4	29.5	21.1	2.1
<b>Verve (Inderes)</b>	<b>292</b>	<b>737</b>	<b>6.2</b>	<b>4.6</b>	<b>4.9</b>	<b>3.8</b>	<b>1.1</b>	<b>0.9</b>	<b>4.6</b>	<b>3.5</b>	<b>0.6</b>
<b>Average</b>			<b>14.5</b>	<b>11.2</b>	<b>8.1</b>	<b>6.7</b>	<b>3.3</b>	<b>2.7</b>	<b>15.8</b>	<b>12.4</b>	<b>5.3</b>
<b>Median</b>			<b>11.6</b>	<b>9.9</b>	<b>6.8</b>	<b>6.1</b>	<b>1.7</b>	<b>1.4</b>	<b>14.3</b>	<b>11.9</b>	<b>2.1</b>
<b>Diff-% to median</b>			<b>-47%</b>	<b>-54%</b>	<b>-27%</b>	<b>-38%</b>	<b>-36%</b>	<b>-36%</b>	<b>-68%</b>	<b>-71%</b>	<b>-70%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
<b>Revenue</b>	<b>437</b>	<b>109</b>	<b>106</b>	<b>142</b>	<b>194</b>	<b>551</b>	<b>140</b>	<b>159</b>	<b>174</b>	<b>211</b>	<b>684</b>	<b>748</b>	<b>811</b>	<b>872</b>
<b>EBITDA (excl. NRI)</b>	133	30.2	29.5	26.1	48.6	134	27.4	31.1	39.3	57.6	155	181	193	200
<b>EBITDA</b>	<b>129</b>	<b>27.5</b>	<b>27.0</b>	<b>21.8</b>	<b>45.8</b>	<b>122</b>	<b>23.3</b>	<b>29.2</b>	<b>38.5</b>	<b>58.5</b>	<b>150</b>	<b>182</b>	<b>195</b>	<b>200.0</b>
Depreciation	-38.2	-10.8	-10.4	-15.4	-16.6	-53.1	-13.9	-13.9	-13.9	-13.9	-55.7	-51.1	-48.2	-50.9
<b>EBIT (excl. NRI)</b>	<b>107</b>	<b>23.3</b>	<b>22.8</b>	<b>15.4</b>	<b>37.5</b>	<b>99.0</b>	<b>17.3</b>	<b>22.2</b>	<b>30.6</b>	<b>49.5</b>	<b>120</b>	<b>150</b>	<b>166</b>	<b>149</b>
<b>EBIT</b>	<b>90.3</b>	<b>16.7</b>	<b>16.6</b>	<b>6.5</b>	<b>29.2</b>	<b>69.1</b>	<b>9.4</b>	<b>15.2</b>	<b>24.6</b>	<b>44.6</b>	<b>93.8</b>	<b>131</b>	<b>147</b>	<b>149</b>
Net financial items	-58.5	-13.2	-20.8	-12.6	-15.2	-61.9	-11.0	-11.0	-11.0	-11.0	-44.1	-44.1	-44.0	-41.3
<b>PTP</b>	<b>31.8</b>	<b>3.5</b>	<b>-4.2</b>	<b>-6.2</b>	<b>14.1</b>	<b>7.2</b>	<b>-1.6</b>	<b>4.2</b>	<b>13.6</b>	<b>33.5</b>	<b>49.7</b>	<b>87.1</b>	<b>103</b>	<b>108</b>
Taxes	-3.0	-3.3	4.6	2.6	-10.4	-6.5	0.4	-1.1	-3.4	-8.4	-12.4	-21.8	-25.7	-27.0
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>28.8</b>	<b>0.18</b>	<b>0.4</b>	<b>-3.6</b>	<b>3.7</b>	<b>0.7</b>	<b>-1.2</b>	<b>3.2</b>	<b>10.2</b>	<b>25.2</b>	<b>37.3</b>	<b>65.3</b>	<b>77.1</b>	<b>80.9</b>
<b>EPS (adj.)</b>	<b>0.24</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>	<b>0.06</b>	<b>0.15</b>	<b>0.03</b>	<b>0.05</b>	<b>0.08</b>	<b>0.15</b>	<b>0.32</b>	<b>0.42</b>	<b>0.48</b>	<b>0.40</b>
<b>EPS (rep.)</b>	<b>0.15</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.02</b>	<b>0.02</b>	<b>0.00</b>	<b>-0.01</b>	<b>0.02</b>	<b>0.05</b>	<b>0.13</b>	<b>0.19</b>	<b>0.33</b>	<b>0.39</b>	<b>0.40</b>

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
<b>Revenue growth-%</b>	35.7 %	32.2 %	9.9 %	24.8 %	34.4 %	26.1 %	28.1 %	50.0 %	22.3 %	8.9 %	24.1 %	9.4 %	8.5 %	7.5 %
<b>Adjusted EBIT growth-%</b>	39.2 %	40.2 %	-1.7 %	-38.8 %	-10.9 %	-7.5 %	-25.7 %	-2.6 %	98.3 %	31.9 %	20.8 %	25.8 %	10.4 %	-10.2 %
<b>EBITDA-%</b>	29.4 %	25.2 %	25.4 %	15.4 %	23.6 %	22.2 %	16.7 %	18.3 %	22.2 %	27.7 %	21.9 %	24.4 %	24.0 %	22.9 %
<b>Adjusted EBIT-%</b>	24.5 %	21.4 %	21.5 %	10.9 %	19.4 %	18.0 %	12.4 %	13.9 %	17.6 %	23.4 %	17.5 %	20.1 %	20.5 %	17.1 %
<b>Net earnings-%</b>	6.6 %	0.2 %	0.4 %	-2.5 %	1.9 %	0.1 %	-0.9 %	2.0 %	5.9 %	11.9 %	5.5 %	8.7 %	9.5 %	9.3 %

Source: Inderes

# Balance sheet

Assets	2024	2025	2026e	2027e	2028e
<b>Non-current assets</b>	<b>1013</b>	<b>1021</b>	<b>1007</b>	<b>1000</b>	<b>999</b>
Goodwill	718	715	715	715	715
Intangible assets	269	258	244	237	236
Tangible assets	4.3	13.0	13.0	13.1	13.3
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	4.9	7.1	7.1	7.1	7.1
Deferred tax assets	17.0	27.9	27.9	27.9	27.9
<b>Current assets</b>	<b>239</b>	<b>232</b>	<b>300</b>	<b>363</b>	<b>455</b>
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	31.7	30.0	41.0	44.9	48.7
Receivables	60.9	113	144	163	177
Cash and equivalents	147	89.0	115	156	230
<b>Balance sheet total</b>	<b>1252</b>	<b>1252</b>	<b>1307</b>	<b>1363</b>	<b>1454</b>

Source: Inderes

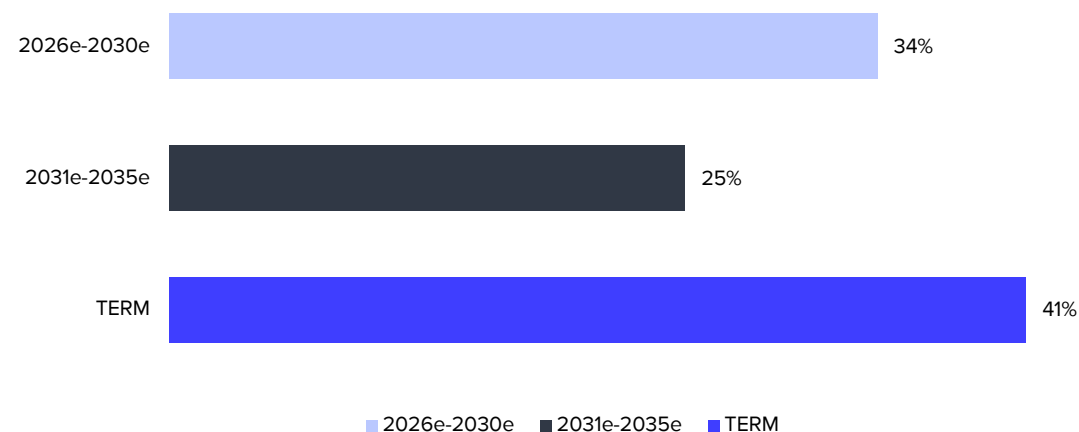
Liabilities & equity	2024	2025	2026e	2027e	2028e
<b>Equity</b>	<b>451</b>	<b>423</b>	<b>460</b>	<b>526</b>	<b>603</b>
Share capital	1.6	1.6	1.6	1.6	1.6
Retained earnings	76.9	77.6	115	180	257
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	372	344	344	344	344
Minorities	0.2	0.2	0.2	0.2	0.2
<b>Non-current liabilities</b>	<b>499</b>	<b>525</b>	<b>600</b>	<b>591</b>	<b>591</b>
Deferred tax liabilities	21.7	25.9	25.9	25.9	25.9
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	446	474	550	550	550
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	31.0	24.3	24.3	14.9	14.9
<b>Current liabilities</b>	<b>303</b>	<b>305</b>	<b>246</b>	<b>247</b>	<b>260</b>
Interest bearing debt	52.0	60.4	10.0	0.0	0.0
Payables	145	147	171	182	195
Other current liabilities	106	97.6	65.3	65.3	65.3
<b>Balance sheet total</b>	<b>1253</b>	<b>1253</b>	<b>1307</b>	<b>1363</b>	<b>1454</b>

# DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	26.1 %	24.1 %	9.4 %	8.5 %	7.5 %	6.5 %	4.0 %	3.5 %	3.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	12.5 %	13.7 %	17.5 %	18.1 %	17.1 %	16.6 %	15.6 %	15.6 %	14.3 %	13.9 %	13.9 %	13.9 %
<b>EBIT (operating profit)</b>	<b>69.1</b>	<b>93.8</b>	<b>131</b>	<b>147</b>	<b>149</b>	<b>154</b>	<b>151</b>	<b>156</b>	<b>147</b>	<b>147</b>	<b>150</b>	
+ Depreciation	53.1	55.7	51.1	48.2	50.9	56.0	55.7	60.0	59.2	59.4	55.1	
- Paid taxes	-13.2	-12.4	-21.8	-25.7	-27.0	-30.4	-30.6	-32.4	-30.7	-31.2	-32.4	
- Tax, financial expenses	-15.5	-11.0	-11.0	-11.0	-10.3	-8.1	-7.1	-6.6	-6.1	-5.6	-5.1	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-56.8	-50.1	-12.5	-4.7	6.4	5.8	-0.7	-0.7	-0.6	4.7	0.2	
<b>Operating cash flow</b>	<b>36.7</b>	<b>76.0</b>	<b>137</b>	<b>154</b>	<b>169</b>	<b>177</b>	<b>168</b>	<b>176</b>	<b>169</b>	<b>175</b>	<b>168</b>	
+ Change in other long-term liabilities	-6.7	0.0	-9.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-49.9	-42.0	-44.1	-46.7	-49.3	-53.0	-55.7	-59.8	-62.0	-61.0	-55.0	
<b>Free operating cash flow</b>	<b>-19.9</b>	<b>34.0</b>	<b>83.5</b>	<b>107</b>	<b>120</b>	<b>125</b>	<b>112</b>	<b>116</b>	<b>107</b>	<b>114</b>	<b>113</b>	
+/- Other	33.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	13.1	34.0	83.5	107	120	125	112	116	107	114	113	1181
<b>Discounted FCFF</b>		<b>31.8</b>	<b>69.8</b>	<b>80.1</b>	<b>80.3</b>	<b>74.7</b>	<b>60.3</b>	<b>56.0</b>	<b>46.1</b>	<b>43.8</b>	<b>39.0</b>	<b>407</b>
Sum of FCFF present value		989	957	888	807	727	652	592	536	490	446	407
<b>Enterprise value DCF</b>		<b>989</b>										
- Interest bearing debt		-614.9										
+ Cash and cash equivalents		89.0										
+ Associated companies		0.0										
-Minorities		-0.1										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>463</b>										
<b>Equity value DCF per share</b>		<b>2.3</b>										
<b>Equity value DCF per share (SEK)</b>		<b>25</b>										

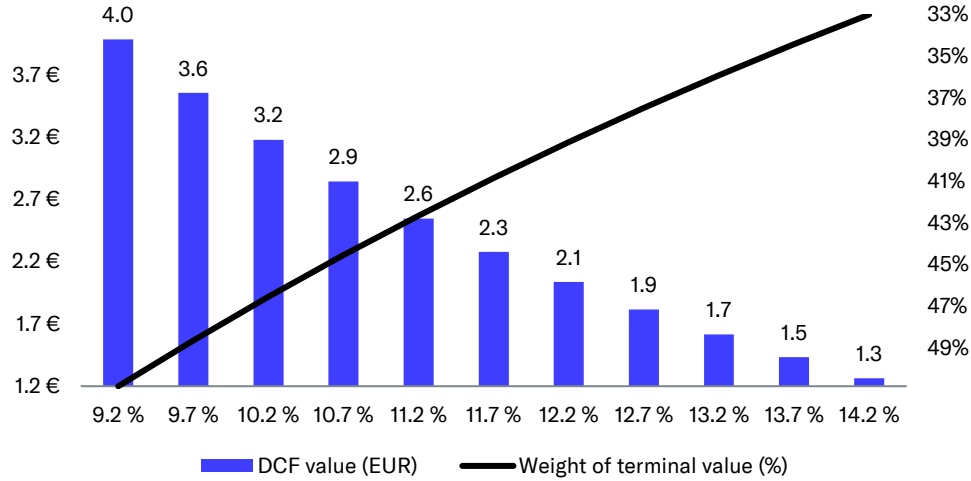
WACC	
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E))	15.0 %
Cost of debt	8.2 %
Equity Beta	1.80
Market risk premium	4.75%
Liquidity premium	1.64%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>12.7 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>11.7 %</b>

## Cash flow distribution

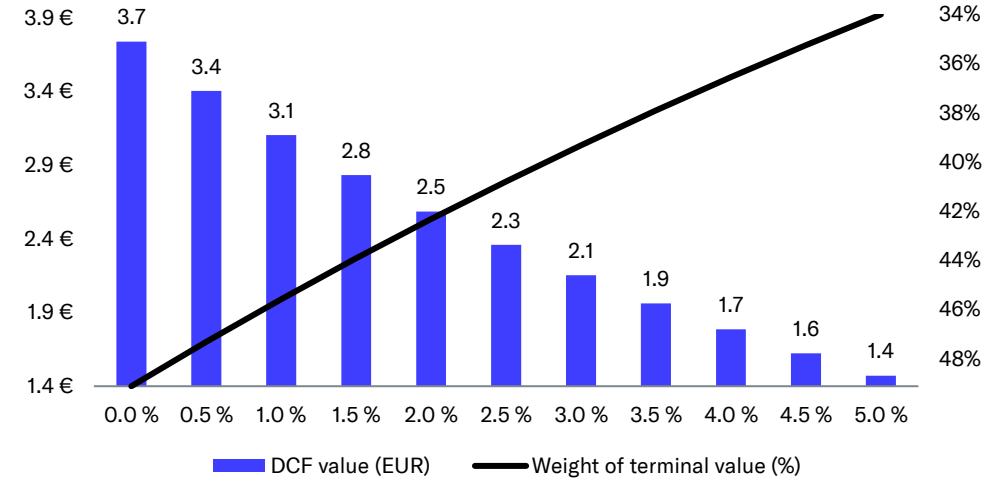


# DCF sensitivity calculations and key assumptions in graphs

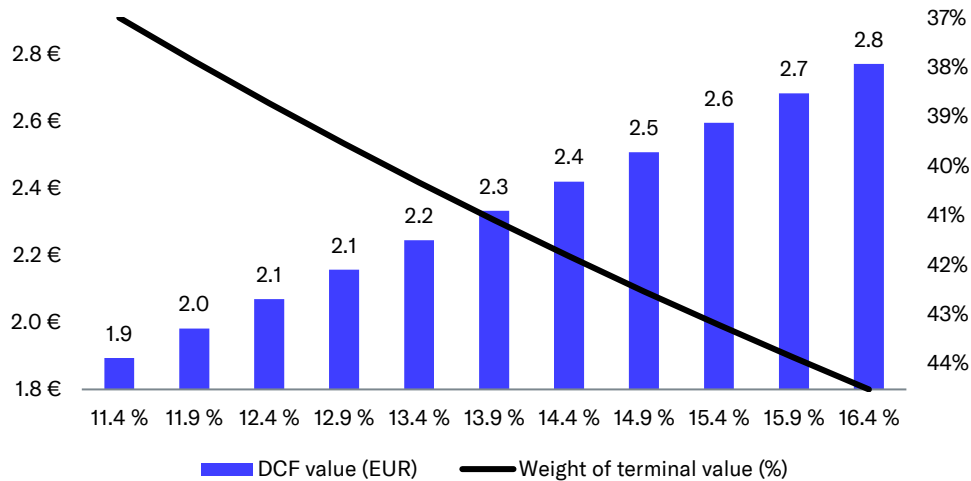
Sensitivity of DCF to changes in the WACC-%



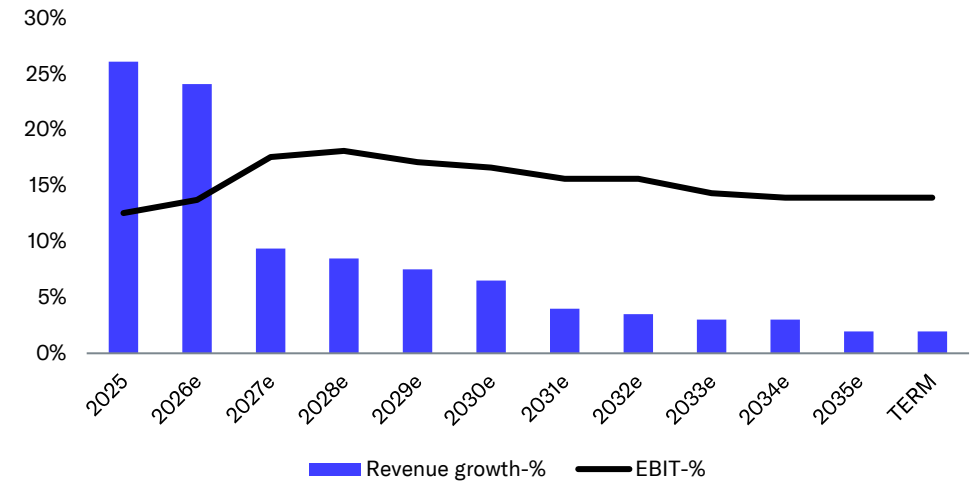
Sensitivity of DCF to changes in the risk-free rate



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	Per share data	2023	2024	2025	2026e	2027e
Revenue	322.0	437.0	550.9	<b>683.6</b>	<b>747.6</b>	EPS (reported)	0.29	0.15	0.00	<b>0.19</b>	<b>0.33</b>
EBITDA	128.5	128.5	122.1	<b>149.5</b>	<b>182.3</b>	EPS (adj.)	0.15	0.24	0.15	<b>0.32</b>	<b>0.42</b>
EBIT	99.0	90.3	69.1	<b>93.8</b>	<b>131.2</b>	OCF / share	0.69	0.87	0.18	<b>0.38</b>	<b>0.68</b>
PTP	48.9	31.8	7.2	<b>49.7</b>	<b>87.1</b>	OFCF / share	0.26	-0.19	0.07	<b>0.17</b>	<b>0.42</b>
Net Income	46.7	28.8	0.7	<b>37.3</b>	<b>65.3</b>	Book value / share	2.21	2.41	2.11	<b>2.30</b>	<b>2.63</b>
Extraordinary items	22.1	-16.8	-30.0	<b>-25.8</b>	<b>-19.3</b>	Dividend / share	0.00	0.00	0.00	<b>0.00</b>	<b>0.00</b>
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	1007.0	1252.4	1252.5	<b>1306.8</b>	<b>1363.5</b>	Revenue growth-%	-1%	36%	26%	<b>24%</b>	<b>9%</b>
Equity capital	352.5	450.9	423.1	<b>460.4</b>	<b>525.7</b>	EBITDA growth-%	52%	0%	-5%	<b>22%</b>	<b>22%</b>
Goodwill	578.0	718.0	714.7	<b>714.7</b>	<b>714.7</b>	EBIT (adj.) growth-%	0%	39%	-8%	<b>21%</b>	<b>26%</b>
Net debt	292.8	351.2	445.9	<b>444.9</b>	<b>394.5</b>	EPS (adj.) growth-%	-18%	58%	-37%	<b>106%</b>	<b>34%</b>
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	39.9 %	29.4 %	22.2 %	<b>21.9 %</b>	<b>24.4 %</b>
EBITDA	128.5	128.5	122.1	<b>149.5</b>	<b>182.3</b>	EBIT (adj.)-%	23.9 %	24.5 %	18.0 %	<b>17.5 %</b>	<b>20.1 %</b>
Change in working capital	-14.1	56.0	-56.8	<b>-50.1</b>	<b>-12.5</b>	EBIT-%	30.7 %	20.7 %	12.5 %	<b>13.7 %</b>	<b>17.5 %</b>
Operating cash flow	109.5	162.3	36.7	<b>76.0</b>	<b>137.0</b>	ROE-%	13.8 %	7.2 %	0.2 %	<b>8.4 %</b>	<b>13.2 %</b>
CAPEX	-15.5	-232.3	-49.9	<b>-42.0</b>	<b>-44.1</b>	ROI-%	13.1 %	10.5 %	7.2 %	<b>9.5 %</b>	<b>12.5 %</b>
Free cash flow	41.3	-35.9	13.1	<b>34.0</b>	<b>83.5</b>	Equity ratio	35.0 %	36.0 %	33.8 %	<b>35.2 %</b>	<b>38.6 %</b>
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	83.1 %	77.9 %	105.4 %	<b>96.6 %</b>	<b>75.0 %</b>
EV/S	1.4	2.1	1.3	<b>1.1</b>	<b>0.9</b>	Net debt/EBITDA	2.3	2.7	3.7	<b>3.0</b>	<b>2.2</b>
EV/EBITDA	4.8	7.0	5.3	<b>4.9</b>	<b>3.8</b>	EBITDA/net financials	2.6	2.2	2.0	<b>3.4</b>	<b>4.1</b>
EV/EBIT (adj.)	5.9	8.7	7.1	<b>6.2</b>	<b>4.6</b>						
P/E (adj.)	6.6	12.8	8.5	<b>4.6</b>	<b>3.5</b>						
P/B	0.5	1.3	0.6	<b>0.6</b>	<b>0.6</b>						
Dividend-%	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>						

Source: Inderes

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

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Date	Recommendation	Target	Share price
2022-12-12	Buy	23 kr	16.90 kr
2023-01-03	Buy	26 kr	18.00 kr
2023-06-01	Buy	22 kr	12.70 kr
2023-09-01	Buy	21 kr	15.20 kr
2023-12-01	Buy	16 kr	10.10 kr
2024-03-01	Buy	17 kr	12.09 kr
2024-03-21	Buy	20 kr	16.98 kr
<i>Change of Analyst</i>			
2024-05-08	Accumulate	24 kr	20.85 kr
2024-06-24	Buy	28 kr	18.52 kr
2024-07-05	Accumulate	29 kr	25.25 kr
2024-08-13	Accumulate	35 kr	31.55 kr
2024-08-30	Accumulate	38 kr	33.65 kr
2024-10-31	Accumulate	50 kr	45.20 kr
2024-11-29	Accumulate	50 kr	41.00 kr
2025-02-28	Buy	57 kr	42.85 kr
2025-04-09	Buy	45 kr	29.60 kr
2025-05-28	Buy	45 kr	34.24 kr
2025-08-18	Buy	32 kr	20.20 kr
2025-09-19	Buy	36 kr	25.70 kr
2025-11-19	Buy	26 kr	17.99 kr
2026-01-27	Buy	24 kr	18.37 kr
2026-02-20	Buy	20 kr	13.82 kr
2026-04-08	Accumulate	18 kr	14.74 kr
2026-05-21	Accumulate	18 kr	15.99 kr



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