SCANFIL

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Quality with more attractive pricing

Scanfil's Q2 figures, published on Thursday, were operationally in line with our expectations, and we made virtually no changes to our forecasts for the coming years. The company's outlook is positive in both the short and longer term, and the stock's valuation has also decreased slightly in recent weeks (2026e: adj. EV/EBITA 12x). Thus, the stock's expected annual return has again become cautiously attractive in our view. We reiterate our EUR 12.50 target price for Scanfil but raise our recommendation to Accumulate (was Reduce).

Direction and pace were in line with our expectations in Q2

Scanfil's Q2 revenue grew by 28% to 259 MEUR, exceeding our estimate by 2%. Growth was driven by the ADCO and MB acquisitions (22 pp), while organic growth was just under 5%. The forecast beat came from the inorganic side and slight support from currencies (impact of ~1 pp). Scanfil's adjusted EBITA rose by 31% to 18.6 MEUR, which was practically in line with our estimate. Profitability increased slightly as expected with growth, as the earnings drag from new project ramp-ups likely already decreased. Operating cash flow was weaker than the result at 8 MEUR (-63% y/y) due to the commitment of working capital. Net debt/EBITDA was 1.6x, similar to Q1, marginally exceeding the company's target. Scanfil's balance sheet is in good shape overall. We commented on Scanfil's Q2 figures in more detail here on Friday.

We did not make any forecast changes after the report

As expected, Scanfil reiterated its guidance for 2026 of 940-1,060 MEUR revenue and 64-78 MEUR adjusted EBITA. In addition, the company expects H2 to be better than H1 in terms of both growth and profitability. The reiteration of the guidance and comments regarding H2 were exactly in line with our estimates. Based on the company's comments, the demand situation appears stably good despite geopolitical and economic uncertainties. The situation regarding components and raw materials also seems to be well under control for now, even if not all parts of the supply chain are operating optimally. Internally, Scanfil is in stable and reliable shape. We did not make any changes to Scanfil's short-term operational forecasts beyond a marginal fine-tuning following the report, but we slightly raised our financial cost forecasts due to the Q2 outcome and the working capital level likely remaining somewhat elevated. We forecast Scanfil's adjusted EPS to grow by around 15% by 2028, driven by acquisitions, a gradually recovering economic situation, and organic growth enabled by project wins. The main risks to our forecasts relate to external demand factors driven by the global economy, as well as the smooth functioning of the supply chain. However, we believe the risks associated with the latter factor are significantly smaller this time than in the aftermath of the COVID era.

Valuation is becoming cautiously attractive

Based on our estimates for 2026 and 2027, Scanfil's adjusted P/E ratios are 16x and 13x, while the corresponding EV/EBITA ratios are 12x and 11x. Next year's multiples, which are gradually gaining more weight, are slightly below the company's 5-year medians. Correspondingly, the 12-month expected return, consisting of earnings growth, a downside in multiples (Q2'26 LTM P/E 18x), and a dividend yield of just over 2%, slightly exceeds our required return. The share also has a slight upside relative to our DCF value. Relatively, Scanfil is undervalued by approximately 10-30% compared to global contract manufacturers, but the company's valuation is quite well in line with the mostly more moderately valued Nordic core peers. Thus, we believe the overall valuation picture again supports a positive view on the stock over a 12-month horizon.

Recommendation
Accumulate
(was Reduce)

Target price:
EUR 12.50
(was EUR 12.50)

Share price:
EUR 11.52

Business risk

Valuation risk

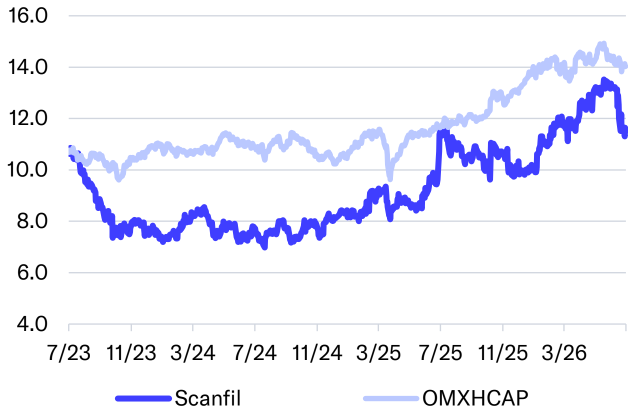
	2025	2026e	2027e	2028e
Revenue	797	1000	1071	1122
growth-%	2%	25%	7%	5%
EBIT adj.	56.4	72.5	81.8	87.2
EBIT-% adj.	7.1 %	7.2 %	7.6 %	7.8 %
Net income	40.9	46.0	56.1	60.9
EPS (adj.)	0.65	0.76	0.90	0.97
P/E (adj.)	15.4	15.2	12.8	11.8
P/B	2.1	2.2	2.0	1.8
Dividend yield-%	2.5 %	2.3 %	2.4 %	2.6 %
EV/EBIT (adj.)	11.8	11.8	10.3	9.3
EV/EBITDA	8.5	8.8	8.1	7.4
EV/S	0.8	0.9	0.8	0.7

Source: Inderes

Guidance (Unchanged)

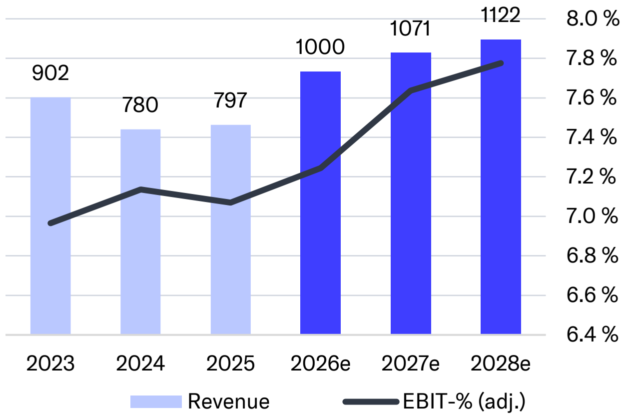
Scanfil estimates that in 2026, its revenue is 940-1,060 MEUR and comparable EBITA 64-78 MEUR.

Share price



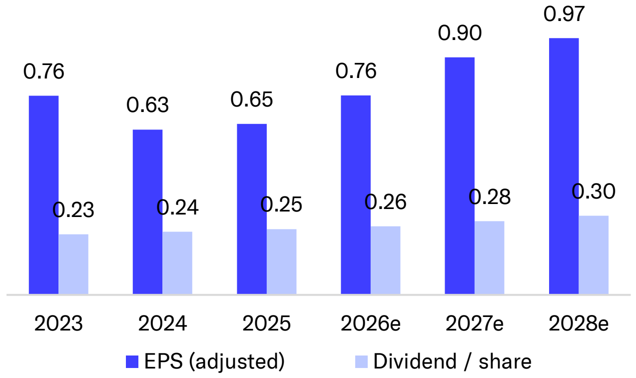
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Organic growth with the market and key customers
- Benefiting from the green trend and growth in the defense sector
- Accelerating growth through M&A
- Strong financial track record

Risk factors

- Demand comes partly from somewhat cyclical sectors
- Tightening competition and changes in the competitive field
- Limited pricing power
- Inflation
- Failure in acquisitions

Valuation	2026e	2027e	2028e
Share price	11.5	11.5	11.5
Number of shares, millions	65.7	65.7	65.7
Market cap	757	757	757
EV	853	841	810
P/E (adj.)	15.2	12.8	11.8
P/E	16.5	13.5	12.4
P/B	2.2	2.0	1.8
P/S	0.8	0.7	0.7
EV/Sales	0.9	0.8	0.7
EV/EBITDA	8.8	8.1	7.4
EV/EBIT (adj.)	11.8	10.3	9.3
Payout ratio (%)	37.2 %	32.8 %	32.4 %
Dividend yield-%	2.3 %	2.4 %	2.6 %

Source: Inderes

Operational direction and pace were in line with our expectations

Growth slightly ahead of estimates thanks to M&A and FX

Scanfil's revenue grew by 22% in Q2 to 259 MEUR, which exceeded our estimate slightly. The ADCO and MB acquisitions accounted for ~22 pps of the growth. In addition, contrary to our expectations, currencies provided a boost of around 2 pps to the top line. Organic growth, on the other hand, was just under 5%, which was roughly in line with our estimate. Naturally, the fastest growth came from North America and Central Europe, boosted by M&A. Northern Europe also grew organically at a good pace of just under 6%, while APAC's organic growth remained soft at just above 1%. After the full support of acquisitions and organic growth, the new Aerospace & Defense customer segment's revenue share was just over 10% in Q2, largely in line with our estimate. The largest customer's share of revenue also fell below 10% in Q2, so the company's customer risks have leveled off a bit again.

Operational profitability improved as well as expected

Scanfil's adjusted EBITA rose with inorganic and organic revenue growth by 31% to 18.6 MEUR. Our forecast was very well in line with the actual earnings. In Q2, growth also supported profitability, as the ramp-up pressures of new projects likely decreased, and the higher margin of the integrated MB and ADCO acquisitions compared to "old Scanfil" supported relative profitability. There were no significant surprises in the regional earnings or relative profitability compared to our forecasts or the units' fairly balanced baseline EBITA margins of 7-9%.

On the bottom line, PPA depreciation (which we treat as an adjustment item) was in line with our estimates, and the company also recorded marginally other non-recurring expenses for Q2 (not in our forecasts). Financing expenses, on the other hand, rose faster than we estimated. In turn, there were no surprises in taxes. Thus, Scanfil's reported EPS in Q2 rose slightly with the operating profit to EUR 0.17 but remained somewhat below our estimates, mainly due to higher-than-expected financing costs.

In terms of cash flow, the report was weaker than expected. Cash flow from operating activities more than halved from the comparison period, landing at 8 MEUR in Q2, as operations continued to tie up working capital. We estimate that the reasons for the tie-ups are normal seasonality, organic growth, and, to some extent, preparation for the tightening component and raw material market. The need for working capital financing was also at least partly responsible for higher-than-expected financing costs.

Balance sheet remains solid even after the acquisitions

The net debt-to-EBITDA ratio rose marginally above the upper limit of the company's target range to 1.6x at the end of Q1 (Q2'25: 0.2x). We estimate Scanfil will quickly return within its guidance range as earnings trend upwards and cash flow recovers at least to some extent during the year. Overall, we believe the company's balance sheet position is completely unproblematic, and the company would have the capacity for new acquisitions, if desired, at the latest next year.

Estimates MEUR / EUR	Q2'25 Comparison	Q2'26 Actualized	Q2'26e Inderes	Q2'26e Consensus	Consensus Low	 High	Difference (%) Act. vs. inderes	2026e Inderes
Revenue	202	259	254				2%	1000
EBITA (oik.)	14.2	18.6	18.4				1%	72.5
EBIT	13.3	17.2	17.4				-1%	67.7
PTP	13.5	15.2	16.3				-7%	61.9
EPS (reported)	0.16	0.17	0.19				-8%	0.70
Revenue growth-%	3.4 %	28.1 %	25.4 %				2.6 pp	25.5 %
EBITA-% (oik.)	7.0 %	7.2 %	7.2 %				-0.1 pp	7.2 %

Source: Inderes

There was no need for estimate revisions

The reiterated guidance was in line with our expectations

As expected, Scanfil reiterated its guidance for 2026 of 940-1,060 MEUR revenue and 64-78 MEUR adjusted EBITA. In addition, the company expects H2 to be better than H1 in terms of both growth and profitability, as the advanced integration of MB and ADCO, continued operational improvements, ramp-up of new customer projects, and positive development in the Aerospace & Defense business will support both growth and profitability. The reiteration of the guidance and comments regarding H2 were exactly in line with our estimates.

Based on the company's comments, Scanfil's demand situation appears stably good despite geopolitical and economic uncertainties, partly supported by relatively high global investment activity (incl. data centers, defense, and green transition). The company's comments on demand were also somewhat more positive than those of its Swedish peer Note regarding Energy & Cleantech and MedTech & Life Science. The positive demand outlook, a customer structure suited to the prevailing market situation, and a well-functioning sales engine are also reflected in the continued strong sales of new projects in Q2. In Q2, new projects sold rose by over 70% to an annualized 72 MEUR (incl. a previously announced large project of ~25 MEUR). The availability of components and raw materials also seems to be well under control for now, even if not all parts of the supply chains are functioning optimally. Internally, Scanfil is in stable and reliable shape, as long as the availability of raw materials and components does not significantly worsen and disrupt operations as it did in 2021-2022.

We made no significant estimate revisions

Following the report, we did not make any changes to Scanfil's near-term operational revenue and earnings forecasts beyond a marginal refinement. However, we shifted the focus of our revenue and earnings estimates slightly from Q3 to Q4 after reassessing the seasonality of MB's production in particular. However, we slightly raised our estimates for the company's financing costs due to the Q2 outcome and the working capital requirement, which will likely remain somewhat elevated at least this year. Overall, our forecasts remained virtually unchanged.

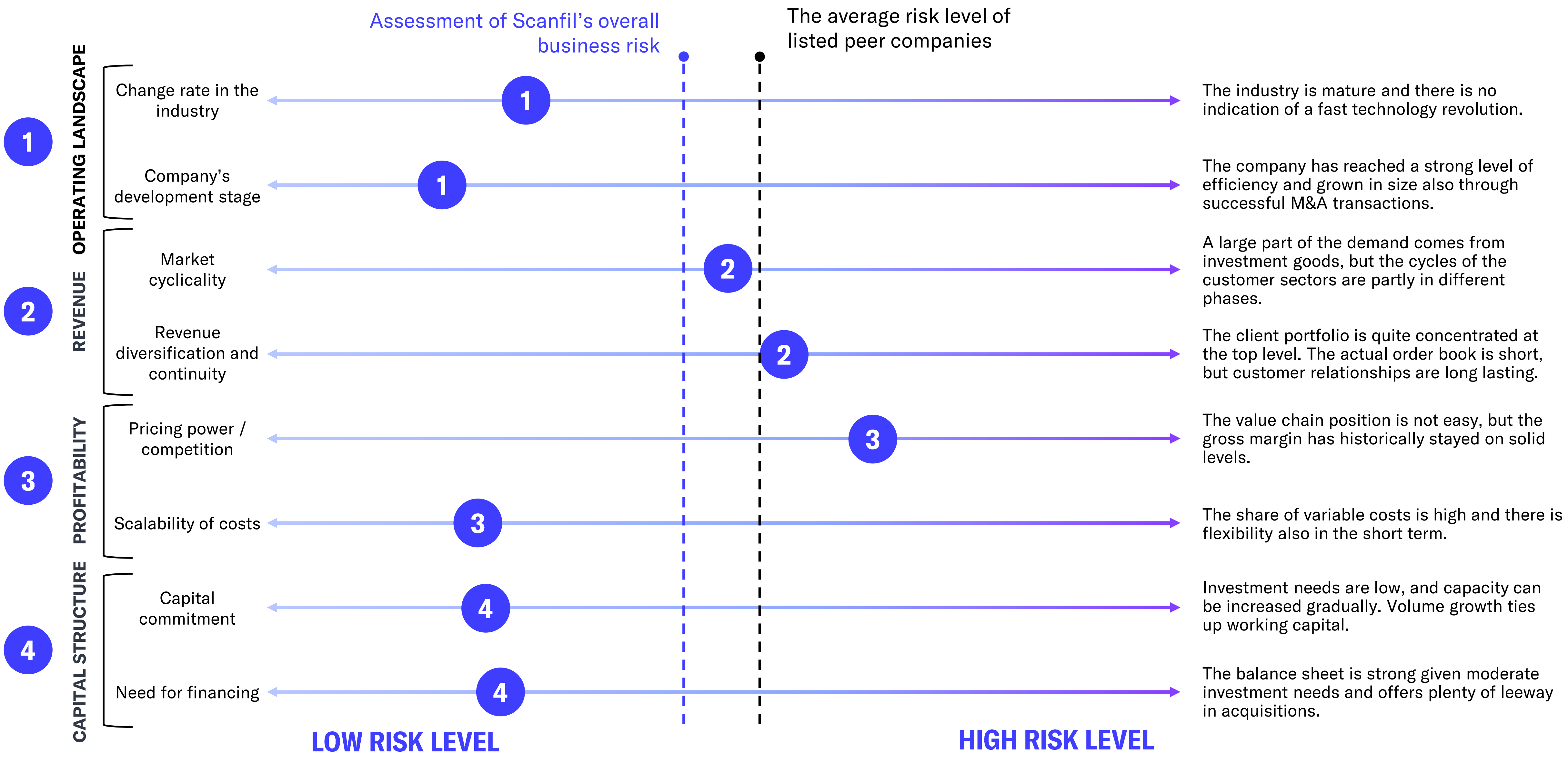
We forecast Scanfil's adjusted EPS to grow by around 15% by 2028, driven by acquisitions, a gradually recovering economic situation, and organic growth enabled by project wins. The main risks to our forecasts relate to external demand factors driven by the global economy, as well as the smooth functioning of the supply chain. However, we believe the risks associated with the latter factor are significantly smaller this time than in the aftermath of the COVID era. We believe that the risks related to the integration of the acquisitions decreased another notch with the report, as the development of MB, in particular, was strong in the early part of the year and ADCO's was good.

Our more detailed forecast scenario has been discussed in Scanfil's extensive report published in June

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	993	1000	1%	1060	1071	1%	1111	1122	1%
EBIT (exc. NRIs)	72.6	72.5	0%	80.9	81.8	1%	86.3	87.2	1%
EBIT	68.2	67.7	-1%	76.9	77.8	1%	82.3	83.2	1%
PTP	63.8	61.9	-3%	72.5	73.4	1%	78.8	79.7	1%
EPS (excl. NRIs)	0.78	0.76	-3%	0.89	0.90	1%	0.96	0.97	1%
DPS	0.27	0.26	-4%	0.29	0.28	-3%	0.31	0.30	-3%

Source: Inderes

Risk profile of the business model



Valuation is becoming cautiously attractive

Expected return is sufficient again

Scanfil's stock is primarily valued on an earnings basis in the market. We believe that Scanfil's adjusted P/E multiple of 12x-16x and adjusted EV/EBITA multiple of 10x-13x are still acceptable based on the company's and the industry's growth and return on capital potential, the stock's risk level, and its largely strong historical track record. We have also covered the cornerstones of the share's valuation in our recent extensive report on Scanfil.

In our estimate, Scanfil's P/E ratios for 2026 and 2027 are around 16x and 13x, while the corresponding EV/EBITA ratios are some 12x and 11x. We expect dividend yields to settle at just over 2% in the coming years. The earnings-based valuation is about 10% above the company's historical medians with this year's multiples. Correspondingly, next year's multiples, which are gradually gaining more weight, are around or below the company's long-term, rather moderate median levels. Therefore, we believe the stock's valuation is cautiously attractive relative to acceptable valuation levels for the company, even though expectations have risen over the past year, and for example, the company's volume-based EV/S multiple of 0.9x (2026e) does not provide a margin of safety against forecast errors. However, we consider the stock to be cautiously attractively priced in the short term after the ~10% share price decline in the last month.

We believe that the expected return, consisting of earnings growth, a dividend yield of just over 2%, and a downside in multiples (Q2'26 LTM P/E 18x), is slightly higher than the required return. The fair value of the share has the potential to rise steadily as our forecasts materialize, even in the medium term. In our view, a continued clear rise in the share price in the short term would require stronger earnings growth than we forecast and reaching the upper end of the guidance ranges.

Relative valuation and DCF reflect the reasonable pricing of the share

Compared to a peer group of global contract manufacturers, Scanfil's earnings-based valuation is discounted. We have traditionally accepted a small premium for Scanfil due to its long-term track record and positioning in industrial electronics with better margin potential. In our view, the peer group, valued clearly above its long-term average, is expensive in the short term (2026e: P/E 20x, EV/EBIT 15x). The share prices of global peers, which rose sharply in early 2023, have been under pressure during the summer, reflecting risks associated with elevated valuations, which we believe still persist to some extent. Among the Nordic peers, Kitron is clearly more highly valued than Scanfil, while Note and Hanza's valuations are fairly comparable to Scanfil's. Incap, on the other hand, is clearly undervalued relative to Scanfil. Thus, we believe Scanfil's valuation is very neutral compared to its Nordic core peers. In our view, the Nordic core peers are not remarkably expensive in absolute terms either.

Scanfil's DCF model is also on par with our target price at around EUR 12.7 per share. Thus, in light of the DCF, the share would also have a slight upside. The model's average profitability corresponds to Scanfil's realized margin level and is, on average, roughly in line with the target level of 7-8% (adj. EBITA). We kept our model's required return at 8.8% (CoE). In our opinion, the DCF model gives a good picture of the stock's fair value.

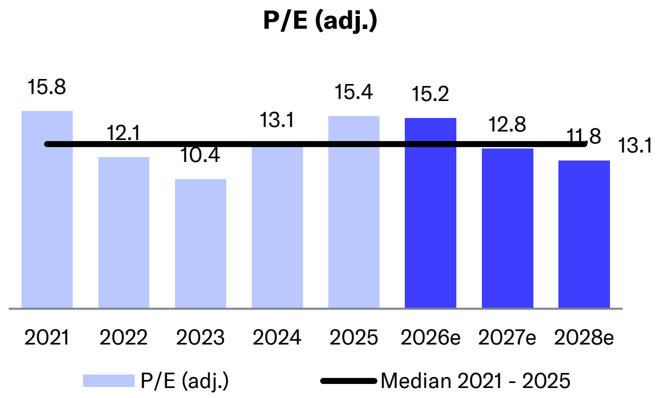
Valuation	2026e	2027e	2028e
Share price	11.5	11.5	11.5
Number of shares, millions	65.7	65.7	65.7
Market cap	757	757	757
EV	853	841	810
P/E (adj.)	15.2	12.8	11.8
P/E	16.5	13.5	12.4
P/B	2.2	2.0	1.8
P/S	0.8	0.7	0.7
EV/Sales	0.9	0.8	0.7
EV/EBITDA	8.8	8.1	7.4
EV/EBIT (adj.)	11.8	10.3	9.3
Payout ratio (%)	37.2 %	32.8 %	32.4 %
Dividend yield-%	2.3 %	2.4 %	2.6 %

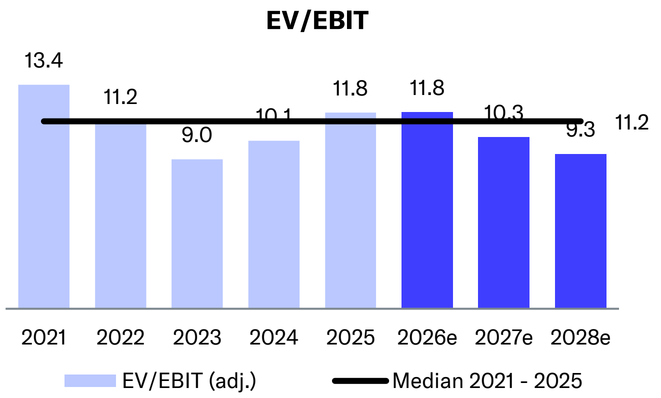
Source: Inderes

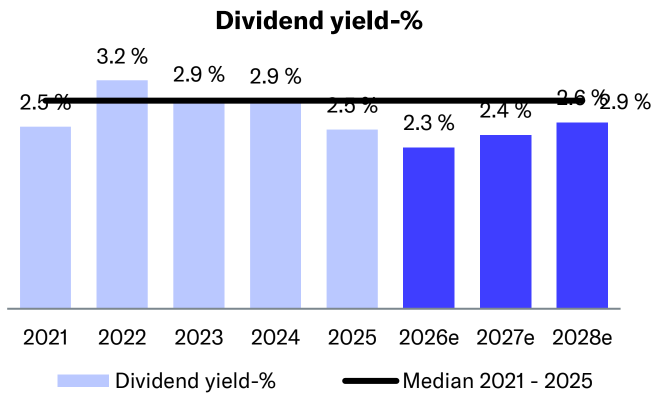
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	7.46	6.58	7.83	8.25	9.98	**11.52**	**11.52**	**11.52**	**11.52**
Number of shares, millions	64.5	64.5	65.3	65.3	65.4	**65.7**	**65.7**	**65.7**	**65.7**
Market cap	481	424	511	538	653	**757**	**757**	**757**	**757**
EV	541	510	563	560	662	**853**	**841**	**810**	**774**
P/E (adj.)	15.8	12.1	10.4	13.1	15.4	**15.2**	**12.8**	**11.8**	**11.1**
P/E	16.2	12.1	10.6	14.0	16.0	**16.5**	**13.5**	**12.4**	**11.6**
P/B	2.3	1.9	1.9	1.9	2.1	**2.2**	**2.0**	**1.8**	**1.6**
P/S	0.7	0.5	1.9	0.7	0.8	**0.8**	**0.7**	**0.7**	**0.6**
EV/Sales	0.8	0.6	0.6	0.7	0.8	**0.9**	**0.8**	**0.7**	**0.7**
EV/EBITDA	9.8	8.1	7.0	7.6	8.5	**8.8**	**8.1**	**7.4**	**6.6**
EV/EBIT (adj.)	13.4	11.2	9.0	10.1	11.8	**11.8**	**10.3**	**9.3**	**8.4**
Payout ratio (%)	41.1 %	38.7 %	31.1 %	40.6 %	40.0 %	**37.2 %**	**32.8 %**	**32.4 %**	**32.2 %**
Dividend yield-%	2.5 %	3.2 %	2.9 %	2.9 %	2.5 %	**2.3 %**	**2.4 %**	**2.6 %**	**2.8 %**

Source: Inderes







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

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT 2026e	 2027e	EV/EBITDA 2026e	 2027e	EV/S 2026e	 2027e	P/E 2026e	 2027e	Dividend yield-% 2026e	 2027e	P/B 2026e
Incap	254	262	9.0	7.6	6.9	6.0	0.9	0.8	10.9	9.5			1.6
Kitron	1682	1713	15.8	12.9	12.7	10.6	1.5	1.3	20.2	16.8	1.5	1.9	4.2
Hanza	742	921	13.0	11.3	8.1	7.3	1.0	0.9	16.0	13.0	1.5	2.0	1.9
Pegatron	6025	5099	11.0	8.0	5.7	4.8	0.2	0.1	14.6	12.1	4.7	5.5	1.0
Celestica	33683	34025	25.3	16.8	22.3	15.2	2.0	1.4	33.1	22.0			12.4
Flextronics	41237	42424	28.3	20.8	21.7	16.3	1.8	1.5	39.6	29.0			9.3
Foxconn	91081	88423	9.3	7.7	7.1	6.0	0.3	0.3	13.6	11.2	3.7	4.5	1.7
Jabil	29244	31057	17.8	14.1	12.8	10.6	1.0	0.8	25.0	19.1	0.1	0.1	20.6
Hana Microelectronics	904	601	27.3	18.1	9.8	8.0	1.1	0.9	37.8	25.8	1.8	2.4	1.3
TT Electronics	246	320	7.9	6.5	5.6	4.9	0.6	0.6	13.4	8.4	2.7	2.8	1.0
Fabrinet	15246	14409	33.6	26.8	29.3	23.3	3.6	2.9	35.3	28.5			7.4
Universal Scientific	8416	7200	20.2	12.6	13.7	9.8	0.8	0.7	26.1	17.4	1.6	2.2	2.9
Venture Corporation	3271	2418	13.2	12.3	11.6	10.8	1.3	1.3	19.7	18.5	4.7	4.7	1.7
Plexus	5945	5885	23.6	20.8	18.7	16.8	1.4	1.3	31.0	27.6			4.3
Note	382	527	12.3	10.5	9.1	7.8	1.2	1.1	13.3	10.6			2.1
Lacroix	98	163	7.2	6.2	4.5	4.1	0.4	0.3	7.5	5.9	2.6	6.0	
Scanfil (Inderes)	**757**	**853**	**11.8**	**10.3**	**8.8**	**8.1**	**0.9**	**0.8**	**15.2**	**12.8**	**2.3**	**2.4**	**2.2**
Average			**17.2**	**13.3**	**12.5**	**10.1**	**1.2**	**1.0**	**22.3**	**17.2**	**2.5**	**3.2**	**4.9**
Median			**14.5**	**12.4**	**10.7**	**8.9**	**1.0**	**0.9**	**19.9**	**17.1**	**2.2**	**2.6**	**2.1**
Diff-% to median			**-19%**	**-17%**	**-18%**	**-9%**	**-18%**	**-15%**	**-24%**	**-25%**	**3%**	**-6%**	**3%**

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	**780**	**193**	**202**	**191**	**211**	**797**	**229**	**259**	**238**	**274**	**1000**	**1071**	**1122**	**1172**
America	38.0	11.7	11.8	12.7	13.9	50.1	17.7	19.8	19.7	21.4	78.6	81.7	85.8	89.3
APAC	189	52.2	59.5	53.8	51.9	217	55.0	62.8	57.6	57.1	232	249	261	276
Central Europe	303	69.5	67.5	63.3	75.6	276	92.2	108	95.1	121	417	458	481	500
Northern Europe	257	60.6	65.6	63.1	70.9	260	65.5	69.5	66.9	76.6	278	290	301	313
Eliminations / Group costs	-8.1	-1.4	-2.2	-1.7	-1.2	-6.5	-1.4	-1.4	-1.5	-1.5	-5.8	-7.0	-7.0	-7.0
EBITDA	**73.7**	**17.5**	**19.2**	**18.2**	**23.1**	**78.0**	**21.3**	**25.1**	**24.1**	**26.7**	**97.3**	**104**	**110**	**117**
Depreciation	-21.1	-5.6	-5.9	-5.6	-6.5	-23.6	-7.1	-7.9	-7.3	-7.3	-29.6	-26.1	-26.9	-28.0
EBITA (oik.)	**55.7**	**12.6**	**14.2**	**14.1**	**15.5**	**56.4**	**15.6**	**18.6**	**17.8**	**20.4**	**72.5**	**81.8**	**87.2**	**92.5**
EBIT	**52.6**	**11.9**	**13.3**	**12.6**	**16.6**	**54.4**	**14.2**	**17.2**	**16.8**	**19.4**	**67.7**	**77.8**	**83.2**	**88.5**
America (adj. EBITA)	3.3	0.8	0.9	1.0	0.7	3.4	1.1	1.6	1.7	1.8	6.2	6.8	7.3	7.7
APAC (adj. EBITA)	14.6	3.6	5.1	4.2	4.5	17.4	4.1	5.3	5.0	4.9	19.3	20.6	22.1	23.6
Central Europe (adj. EBITA)	24.2	5.2	4.9	4.1	6.8	21.0	6.8	8.4	7.5	9.8	32.5	37.6	40.3	42.8
Northern Europe (adj. EBITA)	14.4	3.1	3.7	5.4	4.8	17.0	4.4	4.7	4.5	5.0	18.6	19.8	20.6	21.4
Eliminations / Group costs	-0.8	-0.1	-0.4	-0.7	-1.2	-2.4	-0.8	-1.5	-1.0	-1.0	-4.3	-3.0	-3.0	-3.0
Adjustment items	-3.1	-0.7	-0.9	-1.5	1.1	-2.0	-1.4	-1.4	-1.0	-1.0	-4.8	-4.0	-4.0	-4.0
Net financial items	-1.5	-1.2	0.2	-0.6	-1.6	-3.2	-1.1	-2.0	-1.5	-1.2	-5.8	-4.4	-3.6	-3.2
PTP	**51.1**	**10.7**	**13.5**	**12.0**	**15.0**	**51.2**	**13.1**	**15.2**	**15.3**	**18.2**	**61.9**	**73.4**	**79.7**	**85.4**
Taxes	-12.5	-2.4	-3.0	-2.8	-2.1	-10.3	-3.3	-4.2	-3.8	-4.6	-15.9	-17.2	-18.7	-20.1
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	**38.6**	**8.3**	**10.5**	**9.2**	**12.9**	**40.9**	**9.8**	**11.0**	**11.5**	**13.7**	**46.0**	**56.1**	**60.9**	**65.3**
Net earnings	**38.6**	**8.3**	**10.5**	**9.2**	**12.9**	**40.9**	**9.8**	**11.0**	**11.5**	**13.7**	**46.0**	**56.1**	**60.9**	**65.3**
EPS (adj.)	**0.63**	**0.14**	**0.17**	**0.16**	**0.18**	**0.65**	**0.17**	**0.19**	**0.19**	**0.22**	**0.76**	**0.90**	**0.97**	**1.04**
EPS (rep.)	**0.59**	**0.13**	**0.16**	**0.14**	**0.20**	**0.62**	**0.15**	**0.17**	**0.17**	**0.21**	**0.70**	**0.85**	**0.93**	**0.99**

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-%	-13.5 %	-3.2 %	3.4 %	10.4 %	-0.6 %	2.2 %	19.0 %	28.1 %	24.3 %	30.0 %	25.5 %	7.1 %	4.8 %	4.5 %
Oikaistun EBITA:n kasvu-%	-11.4 %	-3.4 %	-0.8 %	10.4 %	-0.4 %	1.3 %	23.8 %	31.0 %	26.4 %	32.3 %	28.6 %	12.8 %	6.7 %	6.1 %
EBITDA-%	9.4 %	9.1 %	9.5 %	9.5 %	10.9 %	9.8 %	9.3 %	9.7 %	10.1 %	9.7 %	9.7 %	9.7 %	9.8 %	9.9 %
Oikaistu EBITA-%	7.1 %	6.5 %	7.0 %	7.4 %	7.3 %	7.1 %	6.8 %	7.2 %	7.5 %	7.4 %	7.2 %	7.6 %	7.8 %	7.9 %
Net earnings-%	4.9 %	4.3 %	5.2 %	4.8 %	6.1 %	5.1 %	4.3 %	4.2 %	4.8 %	5.0 %	4.6 %	5.2 %	5.4 %	5.6 %

Source: Inderes

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	**152**	**162**	**281**	**265**	**265**
Goodwill	29.1	36.3	88.3	72.3	72.3
Intangible assets	20.0	20.6	46.4	42.5	38.6
Tangible assets	94.9	96.7	106	110	114
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.5	0.5	0.5	0.5	0.5
Other non-current assets	0.0	0.0	31.5	31.5	31.5
Deferred tax assets	7.7	8.2	8.2	8.2	8.2
Current assets	**387**	**432**	**474**	**498**	**521**
Inventories	168	177	214	225	236
Other current assets	4.9	5.4	4.9	4.9	4.9
Receivables	165	176	215	225	236
Cash and equivalents	48.5	74.7	40.0	42.8	44.9
Balance sheet total	**539**	**595**	**755**	**763**	**786**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**291**	**315**	**345**	**384**	**427**
Share capital	2.0	2.0	2.0	2.0	2.0
Retained earnings	256	281	311	350	393
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	33.4	31.1	32.0	32.0	32.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**63.7**	**59.8**	**146**	**108**	**89.5**
Deferred tax liabilities	9.7	8.6	14.6	14.6	14.6
Provisions	1.8	1.9	1.8	1.8	1.8
Interest bearing debt	41.9	45.5	93.7	87.9	69.3
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	10.3	3.8	36.0	3.8	3.8
Current liabilities	**184**	**220**	**264**	**270**	**270**
Interest bearing debt	27.8	38.7	42.4	39.0	28.1
Payables	154	175	215	225	236
Other current liabilities	2.8	6.6	6.6	6.6	6.6
Balance sheet total	**539**	**595**	**755**	**763**	**786**

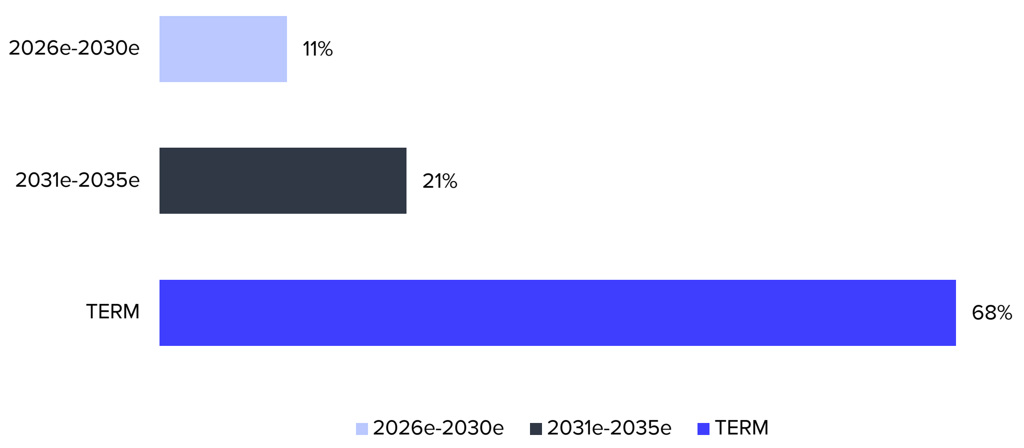
DCF calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	2.2 %	25.5 %	7.1 %	4.8 %	4.5 %	4.5 %	4.0 %	4.0 %	4.0 %	3.0 %	2.5 %	2.5 %
EBIT-%	6.8 %	6.8 %	7.3 %	7.4 %	7.6 %	7.2 %	7.2 %	7.1 %	7.0 %	6.8 %	6.8 %	6.8 %
EBIT (operating profit)	**54.4**	**67.7**	**77.8**	**83.2**	**88.5**	**88.2**	**91.7**	**94.1**	**96.4**	**97.1**	**99.5**	
+ Depreciation	23.6	29.6	26.1	26.9	28.0	28.6	28.8	29.4	29.8	30.0	30.0	
- Paid taxes	-11.9	-9.9	-17.2	-18.7	-20.1	-20.3	-21.3	-22.0	-22.6	-22.8	-23.3	
- Tax, financial expenses	-0.8	-1.7	-1.1	-0.9	-0.8	-0.5	-0.4	-0.4	-0.4	-0.4	-0.4	
+ Tax, financial income	0.1	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.4	
- Change in working capital	5.8	-36.3	-10.9	-10.7	-10.6	-11.1	-10.3	-10.7	-11.1	-8.7	-7.5	
Operating cash flow	**71.2**	**49.5**	**74.8**	**79.9**	**85.1**	**85.0**	**88.7**	**90.7**	**92.5**	**95.6**	**98.7**	
+ Change in other long-term liabilities	-6.4	32.1	-32.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-33.2	-148.5	-10.1	-27.1	-27.1	-28.1	-28.1	-28.1	-29.1	-29.1	-30.6	
Free operating cash flow	**31.6**	**-66.8**	**32.5**	**52.8**	**58.0**	**56.9**	**60.6**	**62.6**	**63.4**	**66.5**	**68.1**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	31.6	-66.8	32.5	52.8	58.0	56.9	60.6	62.6	63.4	66.5	68.1	1217
Discounted FCFF		**-64.5**	**28.9**	**43.5**	**44.1**	**40.0**	**39.4**	**37.5**	**35.1**	**34.0**	**32.2**	**576**
Sum of FCFF present value		846	911	882	838	794	754	715	677	642	608	576
Enterprise value DCF		**846**										
- Interest bearing debt		-84.2										
+ Cash and cash equivalents		74.7										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		-16.4										
Equity value DCF		**820**										
Equity value DCF per share		**12.5**										

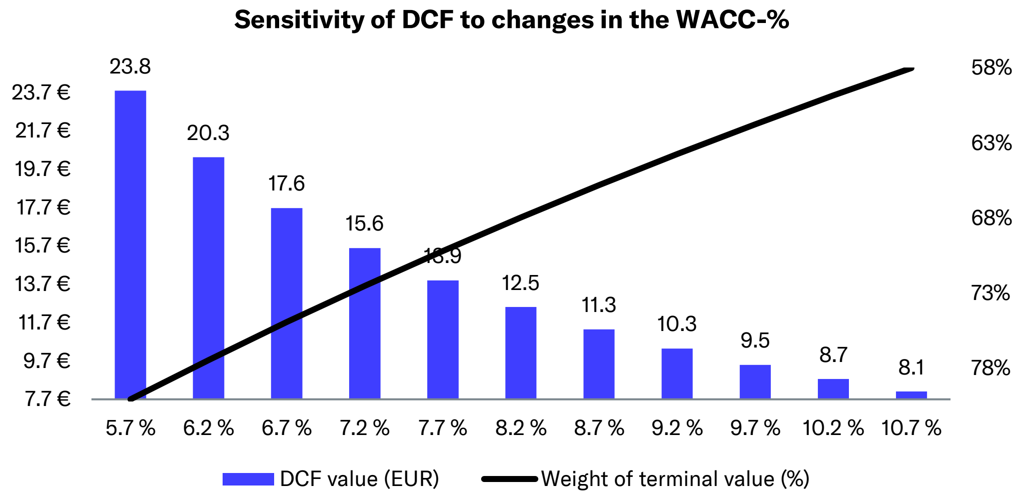
WACC	
Tax-% (WACC)	23.5 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	4.5 %
Equity Beta	1.32
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	**8.8 %**
Weighted average cost of capital (WACC)	**8.2 %**

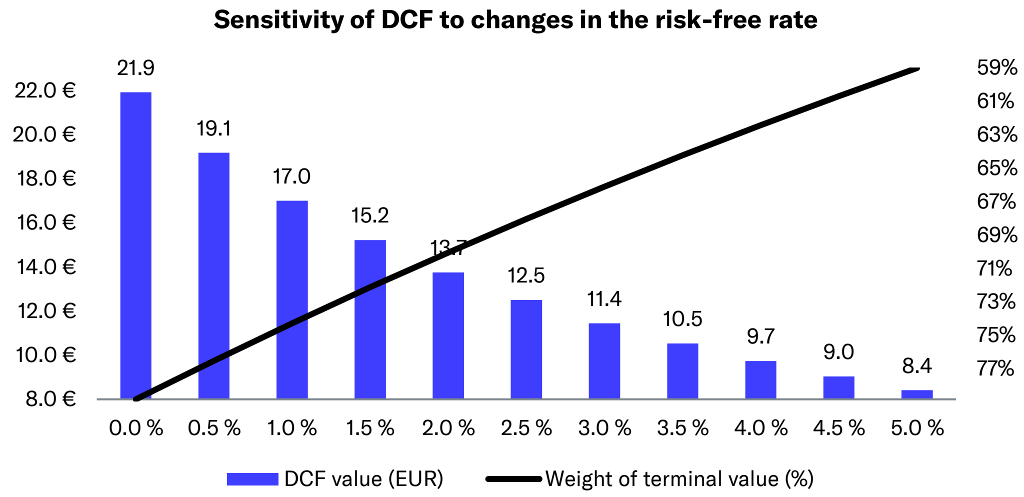
Source: Inderes

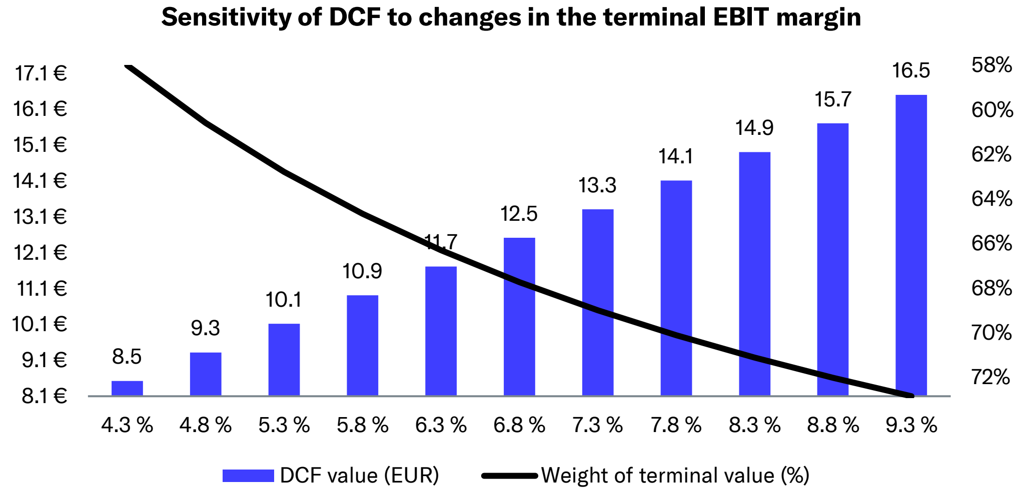
Cash flow distribution

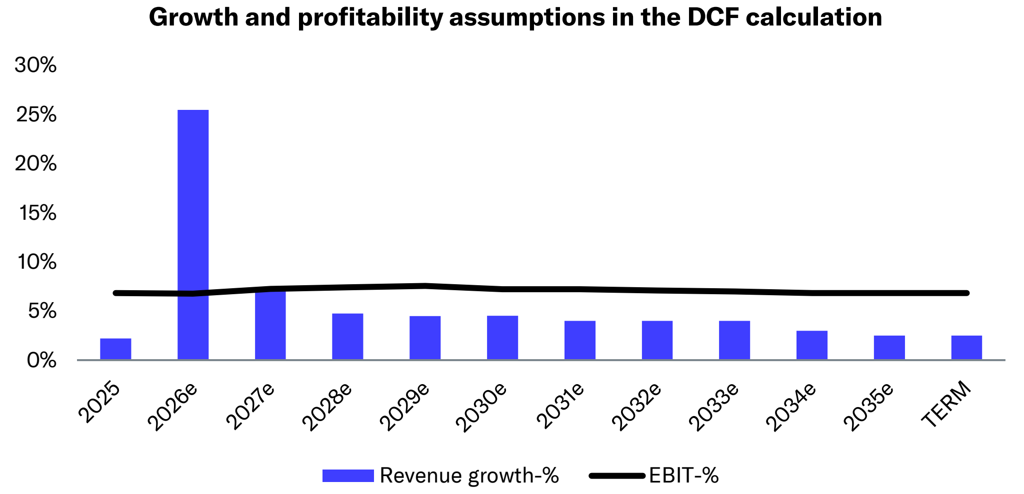


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	902	780	797	**1000**	**1071**
EBITDA	80.4	73.7	78.0	**97.3**	**103.9**
EBIT	61.3	52.6	54.4	**67.7**	**77.8**
PTP	61.7	51.1	51.2	**61.9**	**73.4**
Net Income	48.2	38.6	40.9	**46.0**	**56.1**
Extraordinary items	-1.5	-3.1	-2.0	**-4.8**	**-4.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	518	539	595	**755**	**763**
Equity capital	266	291	315	**345**	**384**
Goodwill	7.7	29.1	36.3	**88.3**	**72.3**
Net debt	51.7	21.2	9.5	**96.1**	**84.1**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	80.4	73.7	78.0	**97.3**	**103.9**
Change in working capital	-2.0	31.1	5.8	**-36.3**	**-10.9**
Operating cash flow	66.3	95.9	71.2	**49.5**	**74.8**
CAPEX	-24.3	-61.7	-33.2	**-148.5**	**-10.1**
Free cash flow	42.3	45.2	31.6	**-66.8**	**32.5**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.6	0.7	0.8	**0.9**	**0.8**
EV/EBITDA	7.0	7.6	8.5	**8.8**	**8.1**
EV/EBIT (adj.)	9.0	10.1	11.8	**11.8**	**10.3**
P/E (adj.)	10.4	13.1	15.4	**15.2**	**12.8**
P/B	1.9	1.9	2.1	**2.2**	**2.0**
Dividend-%	2.9 %	2.9 %	2.5 %	**2.3 %**	**2.4 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.74	0.59	0.62	**0.70**	**0.85**
EPS (adj.)	0.76	0.63	0.65	**0.76**	**0.90**
OCF / share	1.02	1.47	1.09	**0.75**	**1.14**
OFCF / share	0.65	0.69	0.48	**-1.02**	**0.49**
Book value / share	4.08	4.46	4.81	**5.25**	**5.84**
Dividend / share	0.23	0.24	0.25	**0.26**	**0.28**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	7%	-13%	2%	**25%**	**7%**
EBITDA growth-%	28%	-8%	6%	**25%**	**7%**
EBIT (adj.) growth-%	38%	-11%	1%	**29%**	**13%**
EPS (adj.) growth-%	39%	-17%	3%	**17%**	**19%**
EBITDA-%	8.9 %	9.4 %	9.8 %	**9.7 %**	**9.7 %**
EBIT (adj.)-%	7.0 %	7.1 %	7.1 %	**7.2 %**	**7.6 %**
EBIT-%	6.8 %	6.7 %	6.8 %	**6.8 %**	**7.3 %**
ROE-%	19.6 %	13.8 %	13.5 %	**13.9 %**	**15.4 %**
ROI-%	18.3 %	15.2 %	14.5 %	**15.6 %**	**15.8 %**
Equity ratio	51.3 %	54.0 %	52.9 %	**45.7 %**	**50.4 %**
Gearing	19.4 %	7.3 %	3.0 %	**27.9 %**	**21.9 %**
Net debt/EBITDA	0.6	0.3	0.1	**1.0**	**0.8**
EBITDA/net financials	-236.5	47.8	24.4	**16.8**	**23.7**

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

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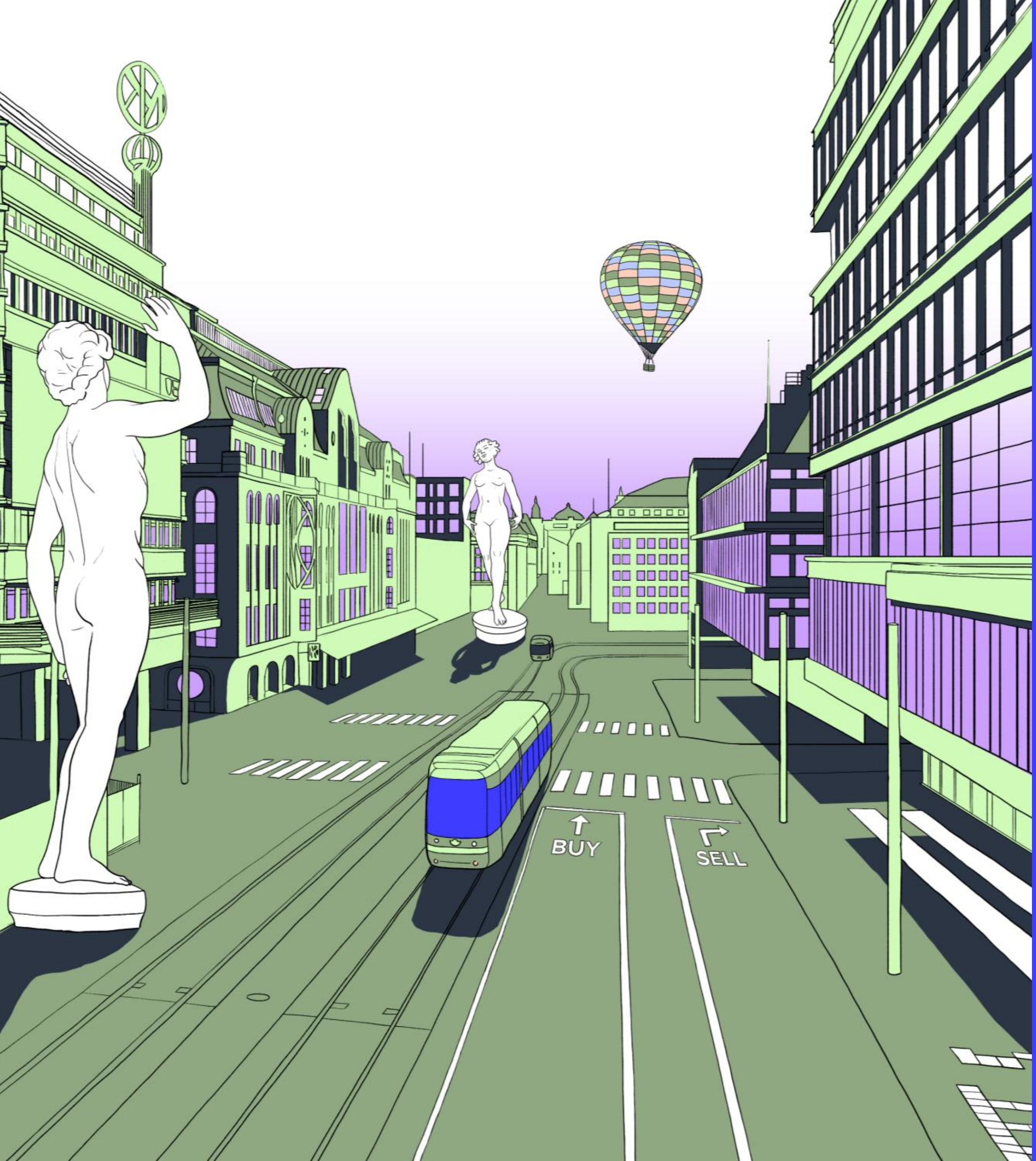
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/16/2022	Accumulate	8.00 €	7.08 €
2/23/2022	Accumulate	8.00 €	6.84 €
4/19/2022	Accumulate	8.00 €	7.04 €
6/1/2022	Accumulate	7.60 €	6.66 €
7/14/2022	Accumulate	7.60 €	6.98 €
8/8/2022	Reduce	7.60 €	6.76 €
10/27/2022	Reduce	7.25 €	5.84 €
2/22/2023	Reduce	8.25 €	7.74 €
4/23/2023	Reduce	9.00 €	9.13 €
4/26/2023	Reduce	9.00 €	9.67 €
7/6/2023	Reduce	9.50 €	10.38 €
7/31/2023	Reduce	10.00 €	10.56 €
8/7/2023	Reduce	10.00 €	10.64 €
9/14/2023	Accumulate	10.00 €	8.51 €
10/16/2023	Accumulate	9.00 €	7.64 €
10/30/2023	Accumulate	9.00 €	7.38 €
2/25/2024	Accumulate	9.00 €	7.71 €
4/25/2024	Accumulate	9.00 €	7.78 €
6/11/2024	Accumulate	9.00 €	7.48 €
8/7/2024	Accumulate	9.00 €	7.35 €
10/7/2024	Accumulate	9.00 €	7.38 €
10/28/2024	Accumulate	8.70 €	7.87 €
2/24/2025	Accumulate	9.40 €	8.76 €
4/9/2025	Accumulate	9.00 €	8.08 €
4/25/2025	Reduce	9.00 €	8.76 €
7/18/2025	Reduce	10.50 €	11.32 €
10/27/2025	Reduce	10.50 €	11.06 €
12/12/2025	Accumulate	10.50 €	9.82 €
2/2/2026	Reduce	11.00 €	11.30 €
2/23/2026	Reduce	11.50 €	11.64 €
4/24/2026	Reduce	11.50 €	12.42 €
6/17/2026	Reduce	12.50 €	13.16 €
7/17/2026	Accumulate	12.50 €	11.52 €



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