

PUUILO OYJ

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INDERES CORPORATE CUSTOMER COMPANY REPORT



Spot on

Puuiilo's Q1 report was clearly stronger than expected. In practice, all of the key metrics developed in a clearly more positive direction. Although the short-term valuation of the stock appears nominally high, we believe our estimated earnings growth and good dividend yield make the stock's risk/reward ratio attractive. We reiterate our Accumulate recommendation and raise the target price to EUR 17.5 (was EUR 14.0) as strong earnings growth extends further through the expansion in Sweden.

A strong start to the financial year

Puuiilo's financial year started strongly, with EBITA increasing by 50% year on year. In terms of profitability, EBITA rose to the highest Q1 level in the company's stock market history (15.7%). Earnings growth was a result of revenue growth, improved gross margin, and the scaling of fixed costs. In our assessment, the key factor scaling the cost structure during the quarter was the accelerated revenue growth of like-for-like stores (8%). Although Puuiilo's sales performance was supported by the market recovery, the company still gained market share due to the appeal of its concept.

Guidance unchanged, although signs warrant an upgrade

Puuiilo reiterated its 2026 guidance. It indicates that revenue will be 480-510 MEUR (2025: 442 MEUR), with adj. EBITA 80-90 MEUR (2025: 77 MEUR). Following a strong Q1 performance and a moderate outlook for the rest of the year, we raised our near-term estimates and consider the earnings guidance to be quite conservative. For this reason, our EBITA estimate (93 MEUR) is above the guidance range. In our view, the current earnings guidance would require comparable growth to slow down and profitability to clearly weaken year-on-year during Q2-Q4'26. We do not consider this warranted, although inflation and interest rate hikes may slightly weaken market demand. Overall, we forecast Puuiilo's earnings to increase by 16% annually in the medium term. The main risk to our estimates is a significant weakening of the economic situation, which we do not consider likely.

Preparations in Sweden are progressing

Puuiilo plans to begin its internationalization journey in 2027 by opening its first store in neighboring Sweden. Puuiilo is currently in several negotiations for new retail locations and is ramping up its processes for internationalization. These will relatively increase the company's cost structure in 2026, as it will not yet generate any revenue against these costs. At this stage, we have added a total of 4 new stores in Sweden to our estimates for 2027-30, and from then on, 2-4 new stores per year. We estimate that store openings will weaken the company's profitability due to rising marketing investments and lower sales and earnings from new stores.

In the best-case scenario, Sweden could become an even larger business than Finland. At the same time, it would prove the scalability of Puuiilo's concept and the management's expertise in leading international operations. In that case, the expansion would likely continue to the next country. However, for the time being, we believe it is very challenging to rely on this scenario due to poor visibility. Our starting point is that sales in Sweden will gradually increase, but clear earnings support is only expected in the 2030s.

We believe the risk/reward ratio is sufficient

We find the stock's short-term valuation to be high, which limits the expected return on the stock. However, we believe this is justified due to the company's strong earnings growth outlook, which lowers the valuation multiples to attractive levels (2028e P/E 16x and IFRS 16 adj. EV/EBIT 12x) for a company generating a strong return on invested capital (ROIC ~30%). EV/EBIT 12x). We want to emphasize that the aforementioned multiples do not tolerate any earnings hiccups, which, if realized, would put downward pressure on the share price. The expected return is supported by a solid dividend yield of 5-6%. We therefore believe that the stock's expected return is already very attractive, supporting a strongly positive view. The DCF model (EUR 17.7) also indicates upside in the share.

Recommendation

Accumulate

(was Accumulate)

Target price:

17.50 EUR

(was EUR 14.00)

Share price:

16.04 EUR

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	442.3	508.6	577.4	649.5
growth-%	15%	15%	14%	12%
EBIT adj.	75.4	91.7	101.8	113.8
EBIT-% adj.	17.0 %	18.0 %	17.6 %	17.5 %
Net Income	56.0	68.5	78.1	87.6
EPS (adj.)	0.66	0.81	0.92	1.03
P/E (adj.)	18.6	19.8	17.4	15.5
P/B	10.6	12.2	10.8	9.1
Dividend yield-%	5.4 %	4.7 %	4.7 %	5.3 %
EV/EBIT (adj.)	15.6	16.4	14.9	13.4
EV/EBITDA	12.1	13.1	11.9	10.6
EV/S	2.7	3.0	2.6	2.4

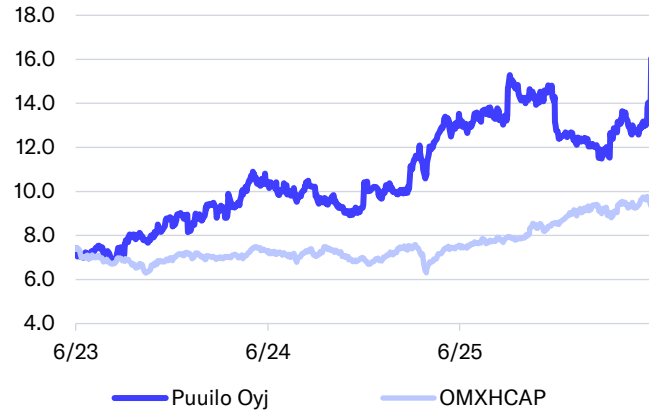
Source: Inderes

Guidance

(Unchanged)

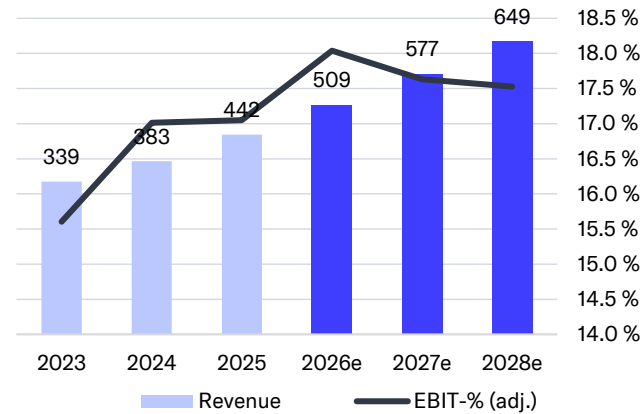
Puuiilo predicts that its revenue for 2026 will be 480-510 MEUR (2025: 442 MEUR) and the adjusted EBITA will be in the range of 80-90 MEUR (2025: 77 MEUR).

Share price



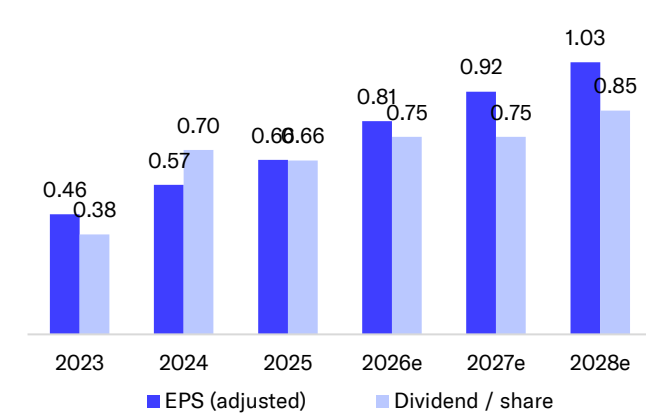
Source: Millstream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Increasing the number of stores to over 90
- Internationalization
- Significant growth potential remaining in ramping up existing stores
- Growth in private label
- As a result of growth, improved bargaining power with suppliers and scaling of costs
- Further streamlining of operating expenditure levels

Risk factors

- Increased competition as key competitors also expand their brick-and-mortar networks
- Global disruptions in product availability and the rise of protectionism
- Successful category management
- Weakened consumer purchasing power in a cost-inflationary environment
- Professionalization of construction and urbanization

Valuation	2026e	2027e	2028e
Share price	16.0	16.0	16.0
Number of shares, millions	84.8	84.8	84.8
Market cap	1360	1360	1360
EV	1504	1520	1526
P/E (adj.)	19.8	17.4	15.5
P/E	19.9	17.4	15.5
P/B	12.2	10.8	9.1
P/S	2.7	2.4	2.1
EV/Sales	3.0	2.6	2.4
EV/EBITDA	13.1	11.9	10.6
EV/EBIT (adj.)	16.4	14.9	13.4
Payout ratio (%)	92.9 %	81.4 %	82.3 %
Dividend yield-%	4.7 %	4.7 %	5.3 %

Source: Inderes

A very strong start

A strong quarter in terms of sales

Puulo's Q1 revenue grew by a whopping 16% year-on-year to 104 MEUR. Revenue growth was driven by new stores (+6 y/y) as well as like-for-like growth (8%) that continued to pick up. The number of customers also increased both for the entire network (15%) and comparable stores (6%), which we believe signals the attractiveness of Puulo's concept. Based on this, we can state that the average purchase of the company's customers increased for the second consecutive quarter. This may indicate a structural turnaround in customer demand, as the average purchase has decreased roughly since 2022. Growing shopping baskets were also reflected in online sales (+18%), where higher-priced consumer goods are particularly sold. We estimate that the company has continued to gain market share, largely due to a combination of an attractive concept and a low price level.

Improved earnings are proof of the business model's scalability

Puulo's Q1 adjusted EBITA rose by as much as 50% from the comparison period to 16 MEUR. Q1 profitability (15.7% of revenue) is the company's highest quarterly profitability in its listed history. The earnings growth was driven by both an improved gross margin and a cost structure that scaled with sales growth. The gross margin, which improved by around 2 percentage points to 39%, was supported by significant growth in profitable private label products, whose development has been very positive in recent years. The ratio of fixed costs to revenue decreased as both personnel costs and other expenses scaled. We believe this communicates the strength of Puulo's business model, meaning that as comparable growth accelerates, the costs of comparable stores and administration remain almost unchanged. Overall, we consider the earnings performance particularly strong,

considering that the company is currently undertaking a ramp-up project for its Swedish business, which has increased Puulo's cost base.

The cash register is dinging

Puulo's free cash flow rose to 17 MEUR (Q1'25: 14 MEUR), largely driven by strong earnings performance. Considering that summer season products are already in stores' inventories and cash has increased to 41 MEUR, we find it likely that the company will once again distribute an extraordinary dividend at the end of the fiscal year. At the same time, the company's balance sheet position continued to strengthen, as the balance sheet is currently virtually debt-free (IFRS 16 adj. net debt/EBITDA 0.3x).

Estimates	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus	Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. Inderes	Inderes
Revenue	89.3	104	96.1	100.0		8%	509
EBITA (oik.)	10.8	16.3	10.9	-		50%	84.7
EBIT	10.4	15.7	10.5	11.4		50%	91.5
EPS (reported)	0.09	0.13	0.08	0.09		53%	0.73
Revenue growth-%	18.4 %	16.2 %	7.6 %	12.0 %		8.6 pp	15.0 %
EBITA-% (oik.)	12.1 %	15.7 %	11.3 %	-		4.4 pp	16.6 %

Source: Inderes & Bloomberg
(consensus, 6 estimates)

Strong Q1 bodes well

Outlook unchanged

The company reiterated its 2026 guidance. The guidance indicates that revenue will be between 480 and 510 MEUR (2025: 442 MEUR), with adj. EBITA between 80 and 90 MEUR (2025: 77 MEUR). Measured at the midpoints, the company expects revenue growth of around 12% (2025: 15.4 %) and an EBITA margin of 17.2% (2025: 17.4%).

Estimates raised, guidance seems cautious

Supported by the very strong Q1 and the market development of the retail sector (especially the hardware trade), which has continued rising in Q2, we raised our estimates for the near future by approximately 10%. We believe Puuilo's comparable revenue growth will continue for the rest of the year, driven by the strong appeal of its concept. In addition to good comparable sales development, we forecast a total of eight new stores for the current financial year. As many as nine stores may be

opened, but the latest opening would be in January 2027, which is a small month in terms of sales. Overall, we expect 2026e revenue to increase by 15% to 509 MEUR and adj. EBITA to rise to 93 MEUR (EBITA margin 18.3%).

We emphasize that our earnings estimate is above the current guidance. In our view, an outcome in line with the current guidance range would require a significantly weaker performance for the rest of the year compared to Q1, which we do not believe is warranted in Puuilo's case. Of course, geopolitical tensions and inflation may affect the company's performance, but we believe the company can tackle these challenges, for example, through systematic pricing. However, a significant escalation of geopolitical tensions and a faster-than-macro-forecast tightening of inflation would be negative risk factors, particularly for end-demand and thus for our growth estimates for Puuilo.

We also slightly increased our basic dividend estimates and added an extra dividend of EUR 0.15 for the current

financial year due to the company's strong cash position and cash flow outlook.

Sweden's mild conquest included in estimates

In connection with the update, we added the first Swedish stores to Puuilo's estimates. We estimate the company will open a total of 4 stores in the neighboring country during 2027-30. This is smaller than the number the company is aiming for (max. 10). The stores in Sweden support the company's sales development and our higher long-term estimates, but in our view, the expansion will weaken the company's cost efficiency for the first few years. The cost pressures are influenced by marketing investments as well as lower sales and earnings per store in Finland. Therefore, we expect a decreasing EBITA margin (17.9% in 2027, 17.5% in 2039). At the Group level, we estimate Puuilo's network to comprise 99 stores by the end of the strategy period in 2030.

Estimate revisions	2026e	2026	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	495	509	3%	562	577	3%	627	649	4%
EBIT (exc. NRIs)	83.1	91.7	10%	95.6	102	7%	106	114	8%
EBIT	83.1	91.5	10%	95.6	102	7%	106	114	8%
PTP	77.1	85.5	11%	89.2	95.3	7%	99.1	107	8%
EPS (excl. NRIs)	0.73	0.81	11%	0.86	0.92	7%	0.96	1.03	8%

Source: Inderes

Earnings growth main driver of attractive risk/reward ratio

Valuation becomes attractive, supported by earnings growth

Puulo's P/E ratio (22x), measured by the last 12 months' realized earnings, is high. However, our estimated earnings growth (16%) will lower the valuation multiples to moderate levels in the medium term. In our view, the 2028e 16x P/E and 12x EV/EBITA multiples (IFRS 16 adj.) are attractive for a high-quality, growing company. Thus, earnings growth acts as an essential driver of the expected return and share price. We emphasize that the combination of high backward-looking multiples and a potential earnings disappointment would lead to a rather sharp share price decline. However, we believe the risk of a positive earnings revision is higher, which makes the share's valuation attractive.

Premium is justified

When gauging the relative valuation, we give main weight to the P/E ratio. The comparability of EV-based multiples is impaired by differences in IFRS 16 lease terms between companies, which affects net debt.

Examined with the P/E ratio, the company is priced at a premium to its peers. Peers trade at a 2026e P/E ratio of around 16x and Puulo at 20x. We see the premium as justified due to Puulo's strong earnings growth outlook and better return on capital than its peers.

Excellent return on capital justifies high balance-sheet-based pricing

Puulo trades significantly above its book value, with 2025 P/B and EV/IC multiples of 12x and 5x, respectively, based on its balance sheet. However, this is justified given the

company's high return on capital. In the recent past, return on equity has exceeded 50%, while the corresponding return on capital employed has been around 30%. We anticipate this strong value creation will continue thanks to earnings growth and a capital-efficient business model, which, in turn, will support a valuation clearly above book value going forward as well.

Cash flow model supports upside

We consider the DCF model a reliable valuation method due to Puulo's strong and fairly predictable cash flow profile. Our DCF model indicates that the stock's fair value is EUR 17.7. This is above the stock price, indicating upside and supporting our positive view. Our long-term estimates include an assumption of moderate expansion in Sweden (2+ stores per year starting from 2030). If the pilot model proves viable, store openings will be significantly higher than we expect. On the other hand, if internationalization fails completely, our long-term estimates are too optimistic, which slightly increases forecast risks.

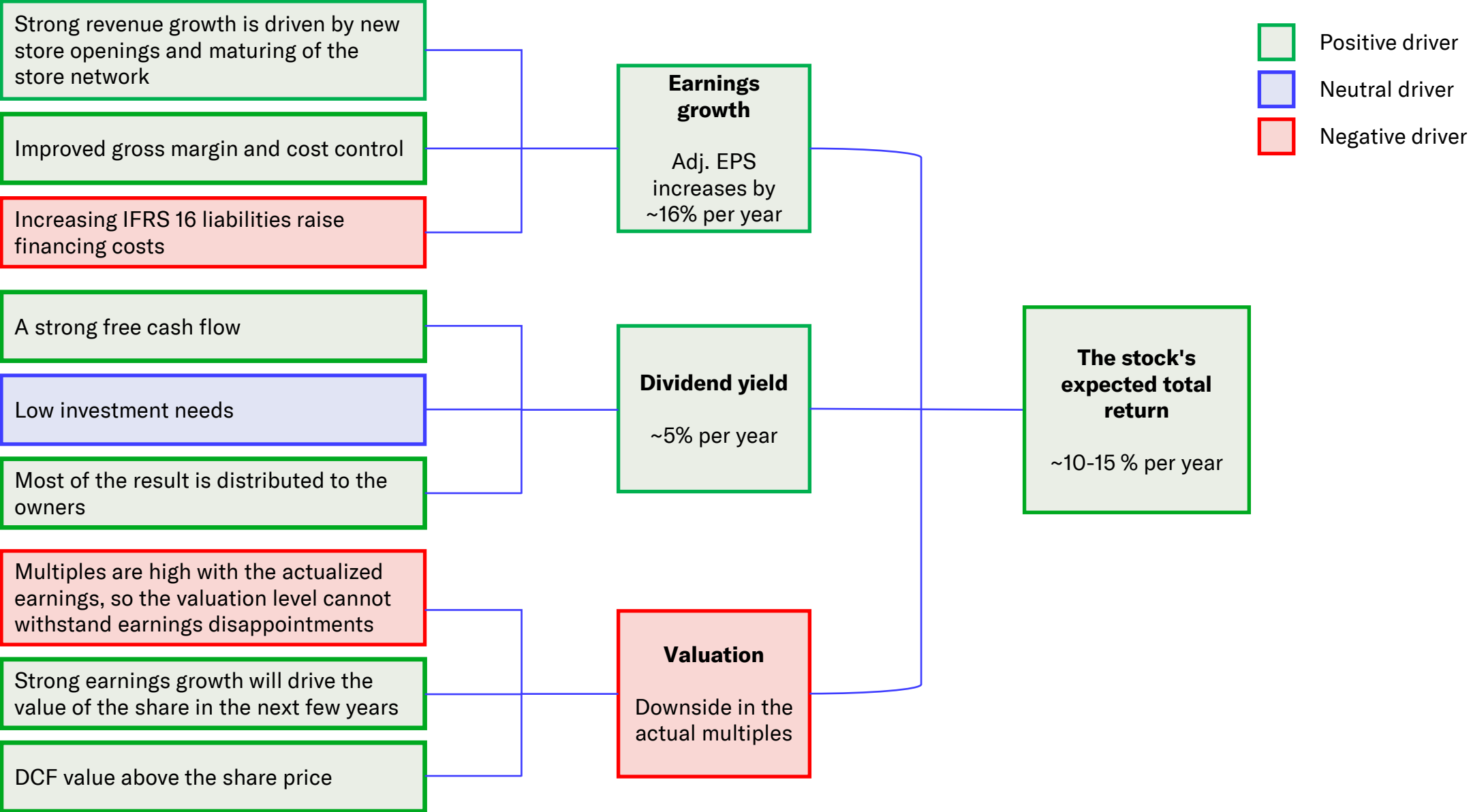
Overall expected return attractive

Based on the realized earnings, the share's valuation is high, which, in our view, acts as a negative driver for the expected return. However, the earnings growth we predict more than offsets the negative impact of the multiples. In addition, expected returns are supported by the reasonably solid foundation of a 5-6% dividend yield. Overall, the share's expected return thus exceeds the required return, meaning we characterize the risk/reward ratio of the share as sufficient.

Valuation	2026e	2027e	2028e
Share price	16.0	16.0	16.0
Number of shares, millions	84.8	84.8	84.8
Market cap	1360	1360	1360
EV	1504	1520	1526
P/E (adj.)	19.8	17.4	15.5
P/E	19.9	17.4	15.5
P/B	12.2	10.8	9.1
P/S	2.7	2.4	2.1
EV/Sales	3.0	2.6	2.4
EV/EBITDA	13.1	11.9	10.6
EV/EBIT (adj.)	16.4	14.9	13.4
Payout ratio (%)	92.9 %	81.4 %	82.3 %
Dividend yield-%	4.7 %	4.7 %	5.3 %

Source: Inderes

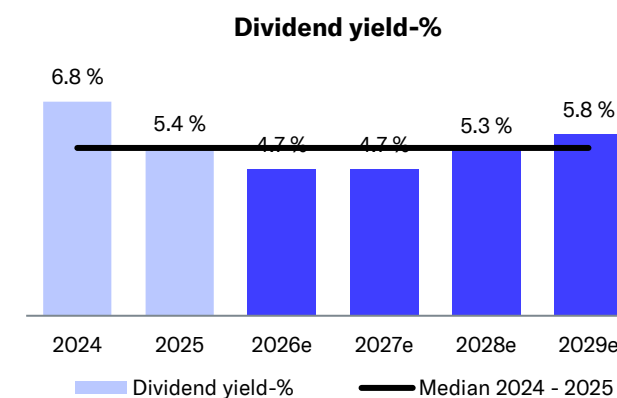
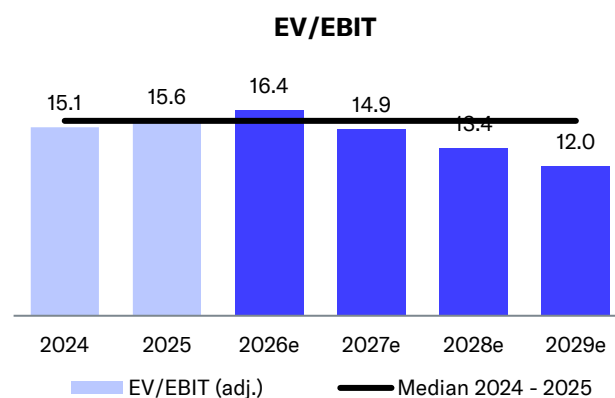
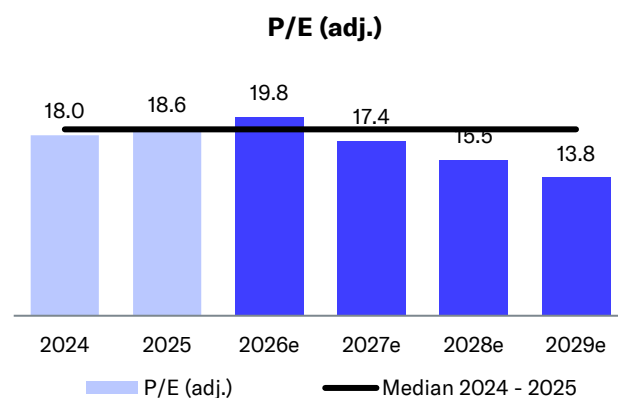
Total Shareholder Return drivers 2025-28e



Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	7.99	6.32	9.26	10.2	12.3	16.0	16.0	16.0	16.0
Number of shares, millions	84.8	84.8	84.8	84.8	84.8	84.8	84.8	84.8	84.8
Market cap	677	536	785	867	1044	1360	1360	1360	1360
EV	775	630	886	982	1174	1504	1520	1526	1530
P/E (adj.)	19.4	15.0	20.3	18.0	18.6	19.8	17.4	15.5	13.8
P/E	21.2	15.3	20.3	18.0	18.6	19.9	17.4	15.5	13.8
P/B	10.0	7.0	9.2	8.5	10.6	12.2	10.8	9.1	7.7
P/S	2.5	1.8	2.3	2.3	2.4	2.7	2.4	2.1	1.9
EV/Sales	2.9	2.1	2.6	2.6	2.7	3.0	2.6	2.4	2.1
EV/EBITDA	13.9	10.4	13.1	11.7	12.1	13.1	11.9	10.6	9.5
EV/EBIT (adj.)	16.4	13.2	16.8	15.1	15.6	16.4	14.9	13.4	12.0
Payout ratio (%)	80.0 %	82.9 %	83.3 %	123.3 %	99.9 %	92.9 %	81.4 %	82.3 %	80.0 %
Dividend yield-%	3.8 %	5.4 %	4.1 %	6.8 %	5.4 %	4.7 %	4.7 %	5.3 %	5.8 %

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		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Europris ASA	1399	1842	13.2	11.0	7.7	6.8	1.3	1.2	15.2	12.2	4.4	4.9	3.2
Byggmax Group AB	254	455	13.6	12.3	5.1	4.9	0.8	0.8	11.5	10.3	4.3	4.8	1.0
Clas Ohlson AB	2444	2450	16.9	15.0	13.0	11.5	2.1	1.9	21.4	19.1	2.5	2.9	7.7
Axfood AB	5332	6795	18.7	17.1	9.1	8.5	0.8	0.8	21.6	19.5	3.6	3.8	7.6
Dollar General Corp	20996	23787	13.0	11.6	8.7	7.9	0.7	0.6	16.9	14.9	2.2	2.2	2.8
Kesko Oyj	8534	12273	17.5	16.1	9.3	8.7	0.9	0.9	18.6	16.5	4.5	5.0	3.0
Musti Group Oyj	508	723	11.7	12.3	7.0	6.4	1.4	1.3	11.3		5.9		2.0
Verkkokauppa.com Oyj	130	145	11.9	9.1	7.0	6.3	0.3	0.3	13.6	11.1	5.9	6.6	3.3
Tokmanni Oyj	418	699	8.1	7.3	3.1	2.9	0.4	0.4	11.2	9.0	5.3	6.5	1.4
Rusta	1007	1488	16.5	14.3	7.2	7.3	1.3	1.2	18.4	14.9	3.5	3.4	4.2
Tractor Supply	13969	15651	11.9	11.1	8.9	8.3	1.1	1.1	14.4	13.3	3.1	3.3	5.3
Puulo Oyj (Inderes)	1360	1504	16.4	14.9	13.1	11.9	3.0	2.6	19.8	17.4	4.7	4.7	12.2
Average			13.9	12.5	7.8	7.2	1.0	0.9	15.8	14.1	4.1	4.3	3.8
Median			13.2	12.3	7.7	7.3	0.9	0.9	15.2	14.1	4.3	4.3	3.2
Diff-% to median			24%	22%	71%	63%	215%	192%	30%	24%	8%	9%	279%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	383	89.3	136	116	101	442	104	155	135	115	509	577	649	731
EBITDA	84.0	15.8	32.8	27.0	21.7	97.3	21.5	38.8	30.5	23.7	114	128	144	162
Depreciation	-18.7	-5.4	-5.3	-5.6	-5.7	-22.0	-5.8	-5.7	-5.7	-5.7	-22.9	-26.4	-30.2	-33.9
EBIT (excl. NRI)	65.2	10.4	27.5	21.4	16.1	75.4	15.9	33.1	24.8	18.0	91.7	102	114	128
EBIT	65.2	10.4	27.5	21.4	16.0	75.3	15.7	33.1	24.8	18.0	91.5	102	114	128
Net financial items	-5.1	-1.4	-1.4	-1.4	-1.2	-5.5	-1.5	-1.5	-1.5	-1.5	-6.0	-6.5	-7.1	-7.6
PTP	60.1	9.0	26.0	20.0	14.8	69.8	14.2	31.6	23.3	16.5	85.5	95.3	107	120
Taxes	-12.0	-1.8	-5.2	-3.9	-2.9	-13.8	-2.8	-6.3	-4.7	-3.3	-17.1	-17.2	-19.2	-21.7
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	48.1	7.2	20.8	16.1	11.9	56.0	11.4	25.3	18.6	13.2	68.5	78.1	87.6	98.7
EPS (adj.)	0.57	0.09	0.25	0.19	0.14	0.66	0.14	0.30	0.22	0.16	0.81	0.92	1.03	1.16
EPS (rep.)	0.57	0.09	0.25	0.19	0.14	0.66	0.13	0.30	0.22	0.16	0.81	0.92	1.03	1.16

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	13.3 %	18.4 %	13.2 %	13.7 %	17.7 %	15.4 %	16.2 %	14.2 %	16.0 %	13.9 %	15.0 %	13.5 %	12.5 %	12.5 %
Adjusted EBIT growth-%	23.5 %	37.6 %	12.5 %	11.1 %	15.4 %	15.6 %	52.3 %	20.6 %	15.5 %	11.8 %	21.7 %	11.0 %	11.8 %	12.4 %
EBITDA-%	21.9 %	17.7 %	24.1 %	23.3 %	21.4 %	22.0 %	20.7 %	25.0 %	22.6 %	20.6 %	22.5 %	22.2 %	22.2 %	22.2 %
Adjusted EBIT-%	17.0 %	11.7 %	20.2 %	18.5 %	15.9 %	17.0 %	15.3 %	21.4 %	18.4 %	15.6 %	18.0 %	17.6 %	17.5 %	17.5 %
Net earnings-%	12.6 %	8.1 %	15.3 %	13.9 %	11.7 %	12.7 %	11.0 %	16.3 %	13.8 %	11.4 %	13.5 %	13.5 %	13.5 %	13.5 %

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	139	149	165	183	201
Goodwill	33.5	33.5	33.5	33.5	33.5
Intangible assets	16.0	13.7	14.0	14.3	14.6
Tangible assets	88.0	100.0	116	134	150
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	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	1.3	1.6	1.6	1.8	2.0
Current assets	142	168	192	218	247
Inventories	116	123	142	161	181
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	8.2	11.6	12.7	14.4	16.2
Cash and equivalents	18.3	33.0	37.9	43.1	49.3
Balance sheet total	281	317	358	402	447

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	102	98.9	111	126	150
Share capital	29.1	29.0	29.0	29.0	29.0
Retained earnings	72.7	69.9	82.4	97.0	121
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	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	122	151	184	204	219
Deferred tax liabilities	2.5	2.3	2.3	2.3	2.3
Provisions	1.0	1.1	1.1	1.1	1.1
Interest bearing debt	118	147	181	201	216
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	57.4	67.2	62.0	71.5	77.9
Interest bearing debt	15.0	16.2	1.0	2.2	0.0
Payables	42.4	51.0	61.0	69.3	77.9
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	281	317	358	402	447

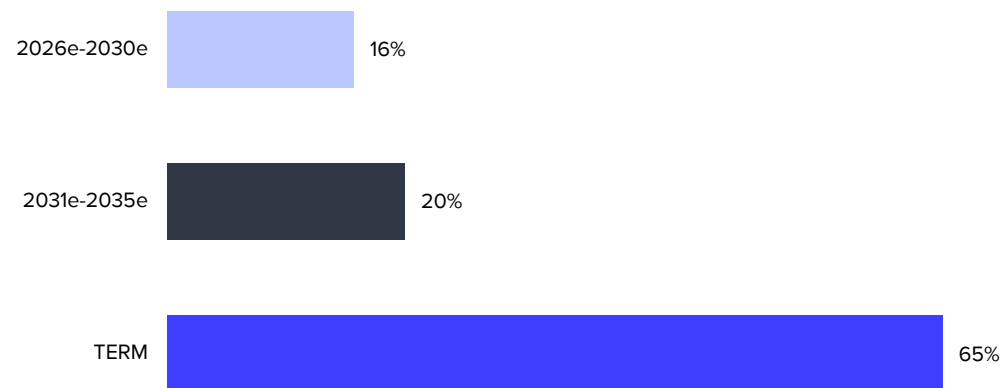
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	15.4 %	15.0 %	13.5 %	12.5 %	12.5 %	9.8 %	9.0 %	8.0 %	7.0 %	4.0 %	2.0 %	2.0 %
EBIT-%	17.0 %	18.0 %	17.6 %	17.5 %	17.5 %	17.5 %	17.5 %	17.5 %	17.5 %	17.0 %	17.0 %	17.0 %
EBIT (operating profit)	75.3	91.5	102	114	128	141	153	165	177	179	182	
+ Depreciation	22.0	22.9	26.4	30.2	33.9	37.0	39.7	42.0	44.1	45.9	47.5	
- Paid taxes	-14.3	-17.1	-17.4	-19.4	-21.9	-24.0	-26.0	-28.0	-29.9	-30.1	-32.0	
- Tax, financial expenses	-1.1	-1.2	-1.2	-1.3	-1.4	-1.5	-1.8	-2.0	-2.1	-2.2	-2.3	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	
- Change in working capital	-2.6	-9.5	-12.6	-13.2	-14.9	-13.1	-13.3	-12.8	-12.1	-7.4	-3.9	
Operating cash flow	79.3	86.7	97.0	110	124	139	152	164	177	185	193	
+ Change in other long-term liabilities	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-31.7	-39.3	-44.3	-47.3	-48.8	-49.8	-50.8	-51.8	-52.8	-53.8	-53.0	
Free operating cash flow	47.7	47.4	52.7	62.8	74.9	89.1	101	113	124	131	140	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	47.7	47.4	52.7	62.8	74.9	89.1	101	113	124	131	140	2309
Discounted FCFF		45.3	46.7	51.4	56.7	62.3	65.3	67.3	68.4	66.8	66.0	1089
Sum of FCFF present value		1685	1640	1593	1542	1485	1423	1358	1290	1222	1155	1089
Enterprise value DCF		1685										
- Interest bearing debt		-163.4										
+ Cash and cash equivalents		33.0										
+ 0		0.0										
-Minorities		0.0										
-Dividend/capital return		-56.0										
Equity value DCF		1499										
Equity value DCF per share		17.7										

WACC

Tax-% (WACC)	18.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	9.2 %
Weighted average cost of capital (WACC)	8.2 %

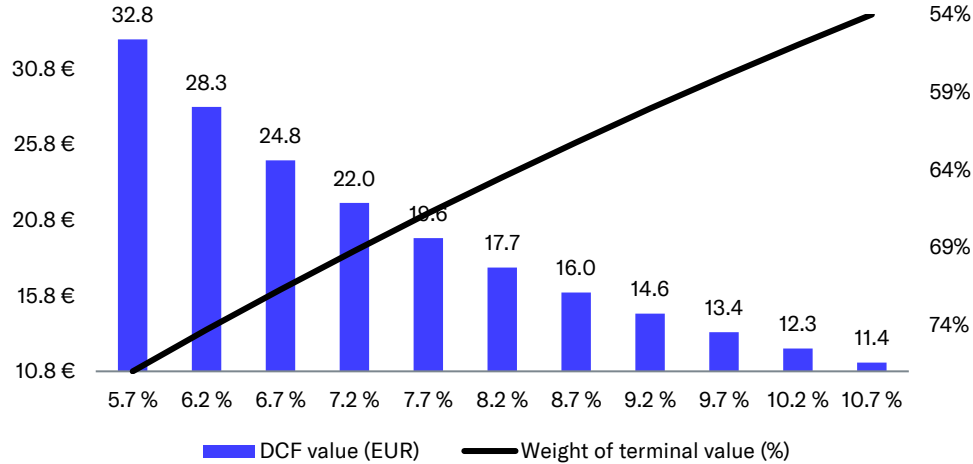
Cash flow distribution



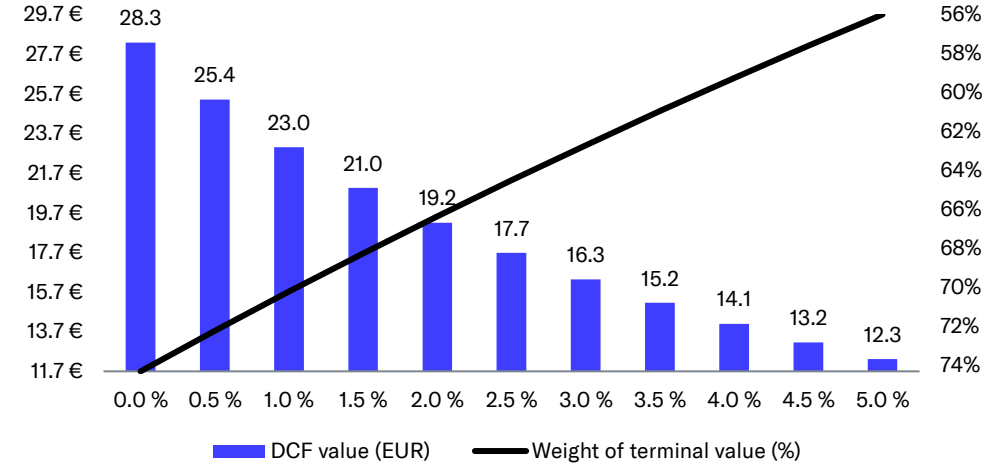
■ 2026e-2030e ■ 2031e-2035e ■ TERM

DCF sensitivity calculations and key assumptions in graphs

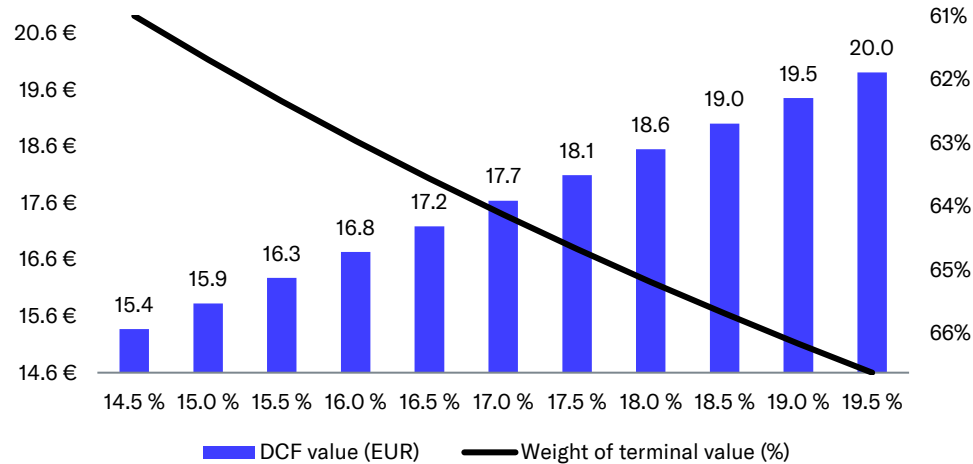
Sensitivity of DCF to changes in the WACC-%



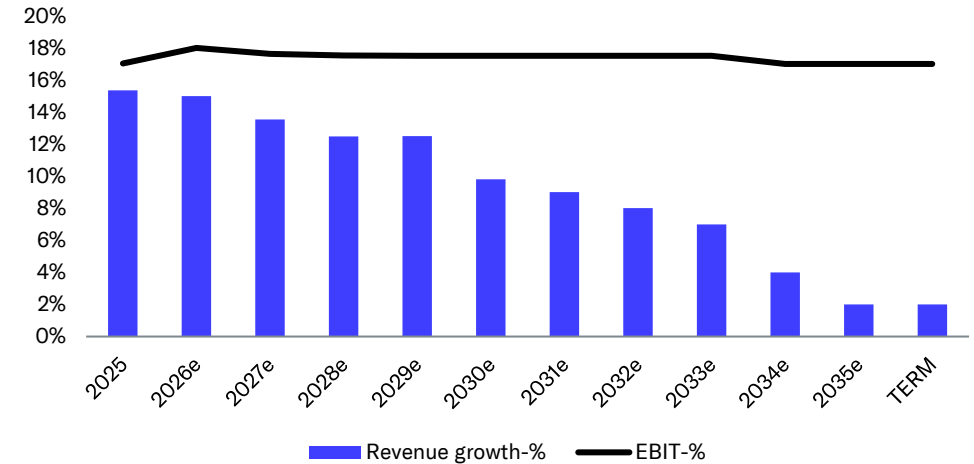
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. NBI The terminal value weight (%) is presented on a reverse scale for clarity.

Summary

Income statement	2024	2025	2026e	2027e	Per share data	2024	2025	2026e	2027e
Revenue	383.4	442.3	508.6	577.4	EPS (reported)	0.57	0.66	0.81	0.92
EBITDA	84.0	97.3	114.4	128.2	EPS (adj.)	0.57	0.66	0.81	0.92
EBIT	65.2	75.3	91.5	101.8	OCF / share	0.62	0.94	1.02	1.14
PTP	60.1	69.8	85.5	95.3	FCF / share	0.26	0.56	0.56	0.62
Net Income	48.1	56.0	68.5	78.1	Book value / share	1.20	1.17	1.31	1.49
Extraordinary items	0.0	-0.1	-0.2	0.0	Dividend / share	0.70	0.66	0.75	0.75
Balance sheet	2024	2025	2026e	2027e	Growth and profitability	2024	2025	2026e	2027e
Balance sheet total	280.8	316.7	357.6	401.7	Revenue growth-%	13%	15%	15%	14%
Equity capital	101.8	98.9	111.4	126.0	EBITDA growth-%	24%	16%	18%	12%
Goodwill	33.5	33.5	33.5	33.5	EBIT (adj.) growth-%	24%	16%	22%	11%
Net debt	114.8	130.4	143.8	160.0	EPS (adj.) growth-%	24%	17%	22%	14%
Cash flow	2024	2025	2026e	2027e	EBITDA-%	21.9 %	22.0 %	22.5 %	22.2 %
EBITDA	84.0	97.3	114.4	128.2	EBIT (adj.)-%	17.0 %	17.0 %	18.0 %	17.6 %
Change in working capital	-18.2	-2.6	-9.5	-12.6	EBIT-%	17.0 %	17.0 %	18.0 %	17.6 %
Operating cash flow	52.3	79.3	86.7	97.0	ROE-%	51.5 %	55.8 %	65.1 %	65.8 %
CAPEX	-30.5	-31.7	-39.3	-44.3	ROI-%	29.5 %	30.3 %	33.0 %	32.7 %
Free cash flow	21.9	47.7	47.4	52.7	Equity ratio	36.3 %	31.2 %	31.2 %	31.4 %
Valuation multiples	2024	2025	2026e	2027e	Gearing	112.8 %	131.9 %	129.0 %	127.0 %
EV/S	2.6	2.7	3.0	2.6	Net debt//EBITDA	1.4	1.3	1.3	1.2
EV/EBITDA	11.7	12.1	13.1	11.9	EBITDA/net financing costs	16.5	17.7	19.1	19.6
EV/EBIT (adj.)	15.1	15.6	16.4	14.9					
P/E (adj.)	18.0	18.6	19.8	17.4					
P/B	8.5	10.6	12.2	10.8					
Dividend-%	6.8 %	5.4 %	4.7 %	4.7 %					

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. Per-share figures are calculated using the number of shares at year-end.

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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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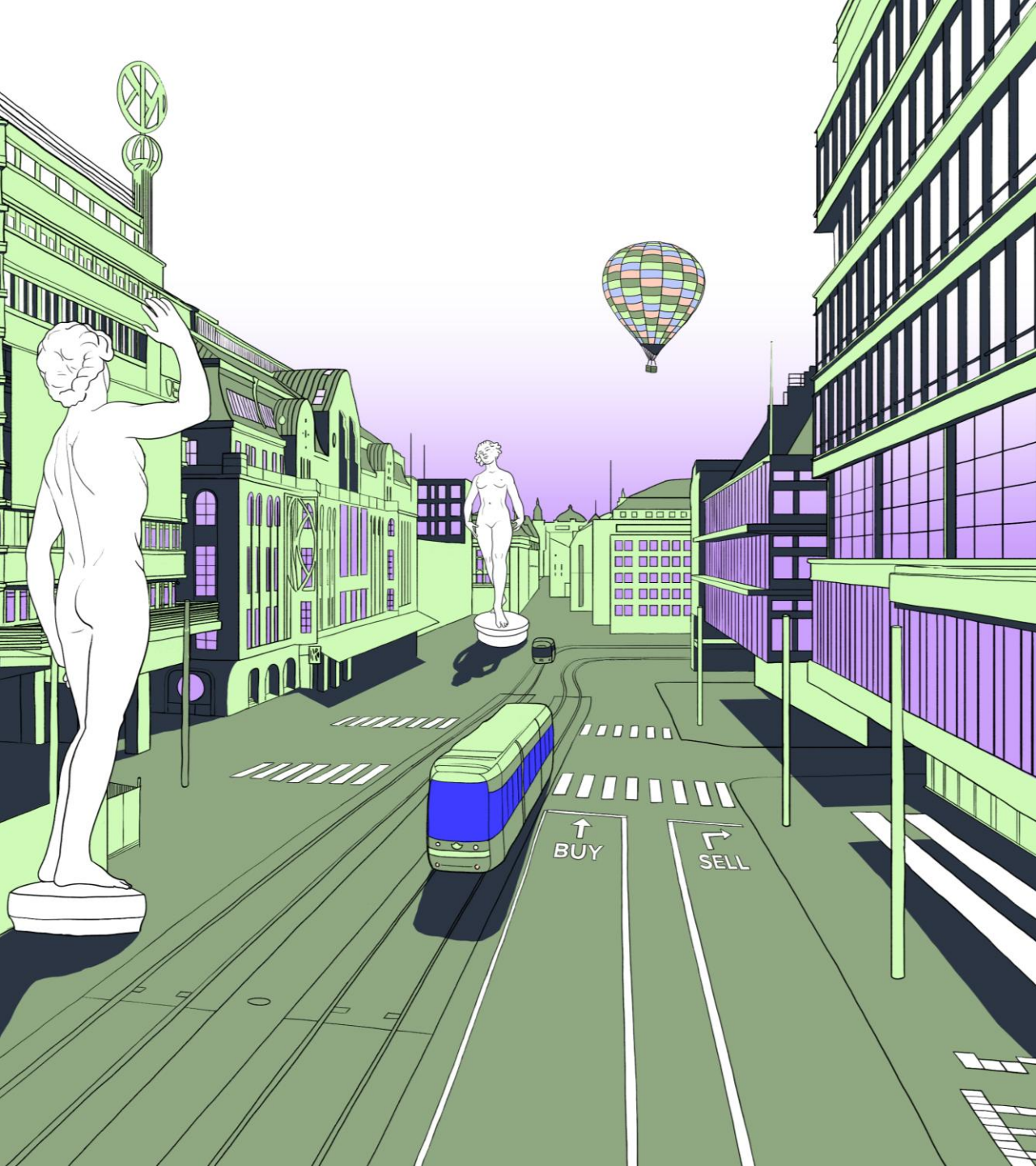
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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
10/12/2021	Accumulate	8.50 €	7.77 €
12/17/2021	Accumulate	10.00 €	8.88 €
4/1/2022	Buy	8.50 €	6.72 €
5/27/2022	Buy	6.00 €	5.16 €
6/15/2022	Buy	6.00 €	4.79 €
9/8/2022	Buy	6.00 €	4.94 €
9/16/2022	Buy	6.00 €	4.92 €
12/16/2022	Buy	6.70 €	5.92 €
3/31/2023	Osta	7.00 €	6.11 €
5/16/2023	Accumulate	8.00 €	7.34 €
6/15/2023	Accumulate	8.00 €	7.18 €
<i>Analyst changed</i>			
9/13/2023	Accumulate	8.50 €	7.63 €
9/25/2023	Accumulate	9.00 €	7.93 €
12/14/2023	Accumulate	9.00 €	8.41 €
3/21/2024	Reduce	9.00 €	9.26 €
3/28/2024	Accumulate	10.00 €	9.18 €
4/24/2024	Accumulate	11.00 €	9.99 €
6/13/2024	Accumulate	11.50 €	10.31 €
9/13/2024	Accumulate	11.00 €	9.84 €
12/12/2024	Accumulate	11.50 €	10.07 €
12/30/2024	Accumulate	11.50 €	10.14 €
3/10/2025	Accumulate	12.00 €	11.16 €
3/28/2025	Reduce	12.00 €	12.09 €
6/11/2025	Reduce	13.50 €	13.52 €
9/12/2025	Reduce	14.50 €	14.72 €
12/11/2025	Accumulate	14.50 €	13.15 €
3/18/2026	Buy	14.00 €	11.90 €
3/26/2026	Accumulate	14.00 €	12.65 €
6/12/2026	Accumulate	17.50 €	16.04 €



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