

# KH Group

## Company report

8/17/2023



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This report is a summary translation of the report “Uskomme edelleen pitkään aikaväliin” published on 08/17/2023 at 10:35 pm EEST.

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# We still believe in the long term

KH Group's H1 report turned to disappointment as the previously strong-performing crown jewel, KH-Koneet Group, started to suffer more than expected from the weak construction cycle. As a result, we adjusted our sum-of-the-parts calculation downwards. We still see clear value in the parts relative to the low current price, but it is realistic to expect value unwinding to occur only when the target markets for Indoor and KH-Koneet Group start to recover from their downturn. We lower our target price to EUR 1.05 (was EUR 1.20) and our recommendation to Accumulate (was Buy).

## Indoor's cash flow was clearly better than expected

Indoor Group's Q2 net sales decreased by 7% to EUR 47 million as the exceptionally difficult market situation continued. EBITDA (IFRS) decreased to EUR 3.5 million (Q2'22: 3.6 MEUR), when we expected a small recovery. However, the company's cash flow clearly exceeded our expectations as net debt decreased by almost EUR 9 million year-on-year. Overall, we increased our estimate of the value of the Indoor holding by EUR 1 million to EUR 25.7 million. The current year will be modest for Indoor, with the bottom line slightly in the red in our estimates. The ERP project should be completed at the turn of the year, and the improved functionality it will bring, ERP implementation costs disappearing, and the gradual recovery in consumer purchasing power should return our estimate to a more normal, healthy level.

## KH-Koneet Group's great growth story took a step backwards in the quarter

KH-Koneet Group's net sales fell by 16% in Q2 to EUR 46 million and EBITDA (IFRS) decreased to EUR 5.3 million (Q2'22: 6.7 MEUR), while we had expected the figures to remain close to the levels of the comparison period. The drop in net sales was due to lower machinery sales, as rental net sales increased year-on-year. We lowered our estimates for KH-Koneet Group as the cyclical downturn started to affect the company more than expected. We cut the value of the KH-Koneet Group ownership to EUR 41.3 million (was 50.9 MEUR). Looking beyond the cycle, KH-Koneet Group still has the greatest potential in terms of value development of the target companies, which could still increase its value significantly if strong growth continues. The smallest holding NRG finally started to show signs of life as the challenges of platform delivery eased and we increased the holding to EUR 1.3 million (was 0.5 MEUR). HTJ continued to develop steadily, but its result was slightly below our estimates, and we revised its value to EUR 11.6 million (was 12.5 MEUR). We have kept our company-specific estimates in line with the old reporting but will change them to IFRS reporting before the Q3 report.

## We still see hidden value in the parts

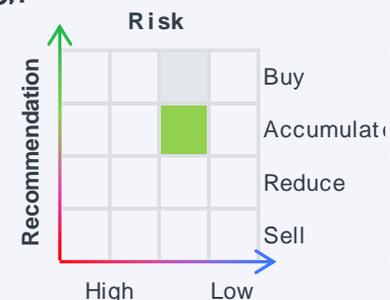
The SOTP value we have calculated for KH Group now stands at EUR 62 million, or EUR 1.07 per share, and relative to this, we believe the stock remains undervalued. However, we do not see any real drivers for the stock in the 12-month horizon, as we expect Indoor to continue to underperform in a challenging consumer market and KH-Koneet Group's performance is also weighed down by the weak construction sector. However, relative to the normal level of earnings we estimate for these companies, the investor can now buy holdings cheaply enough that we still see the risk/return ratio as good, even though there is no exact visibility on the timing of an improvement in market conditions for the time being. Also, compared to KH Group's net asset value (EUR 1.5), the P/B valuation (0.6x) is very low, as the main holdings have made strong returns on capital in normal markets. Eventually, the company intends to become an industrial group built around KH-Koneet Group. We believe that the remaining KH-Koneet Group would be priced at higher multiples than our current estimate as an independent listed company. For Indoor, we find it likely that KHG eventually exits it by listing it on the stock exchange.

## Recommendation

**Accumulate**  
(previous Buy)

**EUR 1.05**  
(previous EUR 1.20)

**Share price:**  
0.95



# KH-Koneet Group missed estimates, others close to expectations

## Indoor's sales drop in line with expectations

Indoor Group's Q2 net sales decreased by 7% to EUR 47 million as the exceptionally difficult market situation continued. EBITDA decreased to EUR 3.5 million (Q2'22: 3.6 MEUR), while we forecast a slight recovery to EUR 4.7 million. The earnings miss was partly explained by the fact that the implementation of the ERP system still resulted in one-off costs of EUR 0.7 million, which we had no longer expected. The costs of the ERP project are expected to fall in the second half of 2023 as the project enters its final phase. The system is expected to go into production in H1'2024. Indoor said it will continue to take measures to improve profitability during the current year, including assessing profitability levels in stores and closing underperforming stores. In addition, the product range and sales planning will be developed to better meet demand.

## KH-Koneet Group now fell short of expectations

The overall market environment for KH-Koneet Group remained moderate in both Finland and Sweden during Q2 but deteriorated from Q1. Trade in earthmoving machinery slowed somewhat as demand in the construction sector weakened.

KH-Koneet Group's net sales fell by 16% in Q2 to EUR 46 million and EBITDA decreased to EUR 5.3 million (Q2'22: 6.7 MEUR), while we had expected the figures to remain close to the levels of the comparison period. The decrease in turnover was due to lower machinery sales. Net sales from rentals increased year-on-year. In addition to the demand situation, the net sales development was affected by the weakening of the SEK against the euro. Adjusted for FX effects, KH-Koneet Group's net sales decreased by 12%. The decrease in earnings was mainly due to lower sales, as fixed costs decreased

year-on-year. By anticipating purchases and maintaining high inventory levels, the company has sought to buffer the negative impact of higher purchase prices for machinery on the sales margin. We believe that the company is in a better position than its competitors to do this due to its strong balance sheet.

## No major surprises in smaller holdings

Among the smaller holdings, HTJ continued to perform solidly, with good cash flow and strong net sales growth, but EBIT was flat year-on-year, and thus slightly below our expectations. Nordic Rescue Group's (NRG) results improved as expected and adjusted for Vema Lift, the company's EBIT doubled to EUR 0.6 million, a faster recovery than expected. This was partly due to the fact that the company's long-standing component availability challenges were eased.

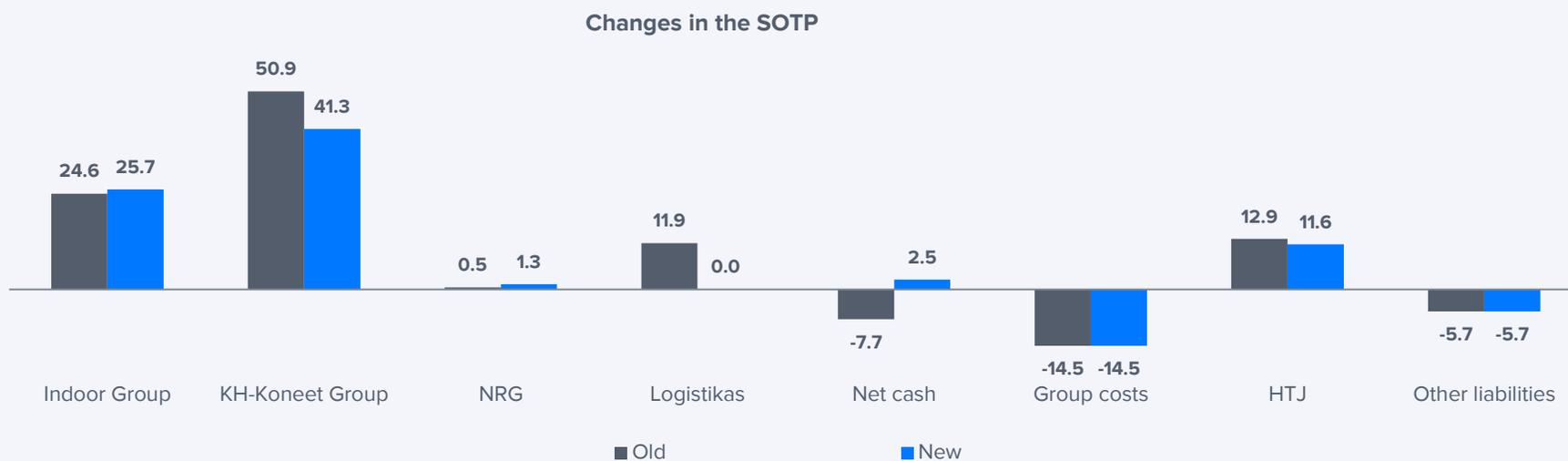
| Revenue             | H1'22      | H1'23      | H1'23e  | Growth | Diff-%           |
|---------------------|------------|------------|---------|--------|------------------|
| MEUR                | Comparison | Actualized | Inderes | Act.   | Act. vs. Inderes |
| Indoor Group        | 93         | 88         | 87      | -6%    | 0%               |
| KH-Koneet Group     | 97         | 90         | 98      | -8%    | -9%              |
| Nordic Rescue Group | 23         | 19         | 20      | -17%   | -6%              |
| HTJ                 | 10.5       | 13.2       | 12.9    | 26%    | 2%               |
| EBITDA (IFRS)       | H1'22      | H1'23      | H1'23e  | Growth | Diff-%           |
| MEUR                | Comparison | Actualized | Inderes | Act.   | Act. vs. Inderes |
| Indoor Group        | 6.8        | 7.9        | 9.0     | 16%    | -12%             |
| KH-Koneet Group     | 10.2       | 10.0       | 11.6    | -2%    | -14%             |
| Nordic Rescue Group | 0.1        | 1.0        | 1.1     | 900%   | -9%              |
| HTJ                 | 1.4        | 1.3        | 1.5     | -7%    | -13%             |

Source: Inderes

# We lowered our estimate of the value of KH-Koneet Group

## The changes we made

- We note to investors that we have so far used FAS forecasts for holdings other than Indoor. We will change the company-specific forecasts to the new IFRS reporting format in our next company update before the Q3 results. This is because going through new figures is a time-consuming process.
- In Q2, Indoor's profitability adjusted for one-off ERP costs was slightly below our expectations, but the company's cash flow clearly exceeded our expectations as net debt decreased by almost EUR 9 million year-on-year. Overall, we increased our estimate of the value of the Indoor holding by EUR 1 million to EUR 25.7 million.
- We lowered our estimates for KH-Koneet Group as the cyclical downturn started to affect the company more than expected. We cut the value of the KH-Koneet Group ownership to EUR 41.3 million (was 50.9 MEUR).
- The smallest holding NRG finally started to show signs of life as the challenges of platform delivery eased and we increased the value of the holding to EUR 1.3 million (was 0.5 MEUR).
- HTJ continued to develop steadily, but its result was slightly below our estimates, and we revised its value to EUR 11.6 million (was MEUR 12.5)
- The proceeds from the sale of Logistikas were transferred to the parent company's cash



# Price below the conservative sum of the parts

## Sum of the parts creates the basis for valuation

Company-specific estimates and the valuation multiples we use are presented in full on pages 6-9. Page 11 presents the valuation of the holdings' peer groups. The sum of the parts we calculate for the company is now EUR 62 million or EUR 1.07 per share.

## Key future value drivers:

1) success in the development of KH-Koneet, 2) success in developing other target companies prior to exit so that sales prices can rise. We feel it was the right solution to focus on KH-Koneet, because we believe the greatest potential of the holdings lies here. As the strong growth of KH continues, it could increase its value clearly, both through earnings growth and an increasing acceptable valuation level. However, the cooling of the target market also brings short-term risks to earnings development.

Indoor's value for the company has in recent years come from its stable strong cash flow. Before the pandemic years (2013-2019), the Finnish furniture market was relatively stable and we believe that it will start stabilizing again from 2024, when consumers' purchasing power starts to catch up to inflation. As the operating environment normalizes, the company will, according to our estimates, again grind out a good dividend yield to its owners from 2024, since almost the entire net result can be paid out as dividends as working capital or investments only tie up limited amounts of capital.

HTJ also generates good cash flow thanks to its capital-light business. At the current level of earnings, its value is already well placed to develop positively as net debt is reduced. NRG's earnings potential has clearly declined with the bankruptcy of Vema Lift. However, the risks associated with a successful turnaround have also disappeared. In Q2, the

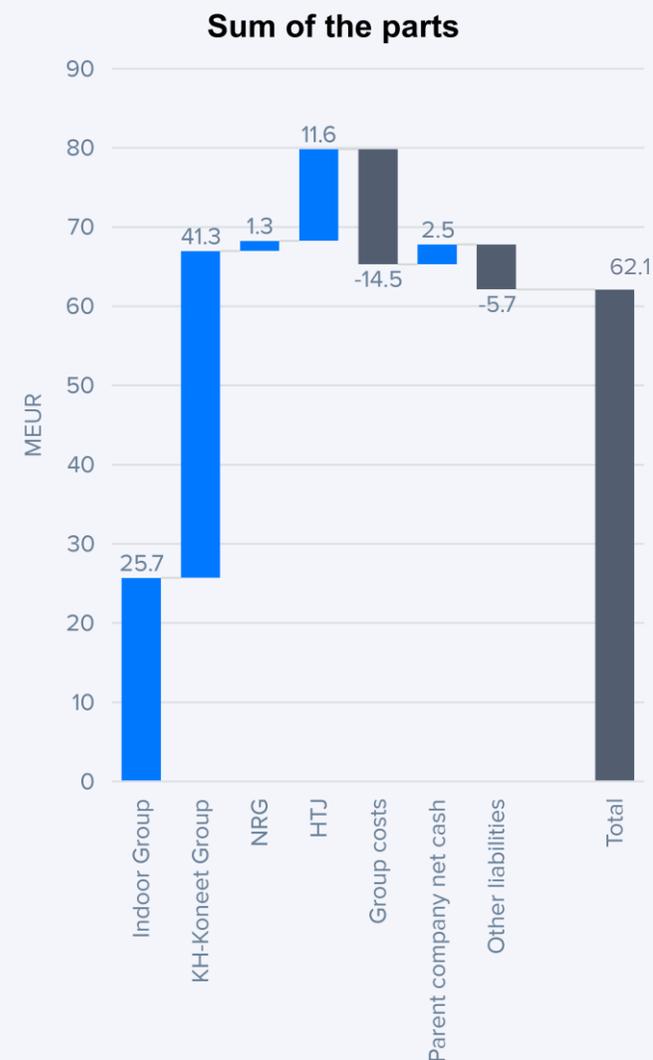
remaining Saurus and Sala started to show encouraging signs of recovery, but NRG's weight in the SOTP is still very low.

## New strategy aims to release the value hidden in the parts

In H1'23, KH Group has now transformed itself from a private equity company into a conglomerate. The root cause of the transformation into a conglomerate is that the earnings of the company's various unlisted holdings and group expenses are combined in the same income statement, balance sheet and cash flow statement (cf. e.g. Aspo). This makes it easier for investors to make their own assessment of the corporate cluster's value compared to the current model, where changes in the fair value of holdings in the balance sheet determine the company's result.

Ultimately, KH Group intends to become an industrial group built around KH-Koneet Group and dispose of other target companies. On page 10, we have added our DCF calculation for KH-Koneet. The calculation indicates that KH-Koneet could independently be roughly as valuable as KH Group's market cap at present and that the investor would thus in a way receive the other parts free of charge. The calculation is provisional as it is still based on the FAS accounts.

We would also like to point out to investors that the net present value of group expenses in our SOTP calculation (EUR -0.25/share) has the potential to decline in the future, once the divestment of the parts proceeds and the parent company is thus eventually no longer needed. However, so far we have not lowered the negative weight in our calculation, as 1) we have no visibility on how fast the dismantling of the parts will progress and 2) at least part of the current group costs will be borne by KH-Koneet Group, as being a listed company also creates costs.



NB: The 'other liabilities' row in the sum of the parts relates to the redemption option of KH-Koneet's and HTJ's minorities. We believe these options will be used, as we believe they have been agreed at a favorable price.

# Indoor Group

Indoor Group has been a very successful investment in the past years, especially through the strong cash flow the company generates.

## Company description

Indoor Group Oy owns retail chains Asko and Sotka, and the company also includes the sofa factory Insofa Oy located in Lahti, as well as Indoor Group AS that is responsible for Estonian operations.

## Business model

Indoor Group has a nationwide retail network in Finland. The importance of e-commerce has also increased in the company's multi-channel business model.

## Investment story

Sievi Capital acquired a majority holding in Indoor in 2017 from Kesko. During COVID years the company's performance was strong. The strategy updated in summer 2020 aims to continue improving profitability so that the EBIT margin would double from the 2019 level.

## Competitive advantage

Indoor Group's competitive edge is well-known brands, good market position and the high volumes it generates. The own sofa factory in Lahti also enables demand-driven product tailoring for Asko.



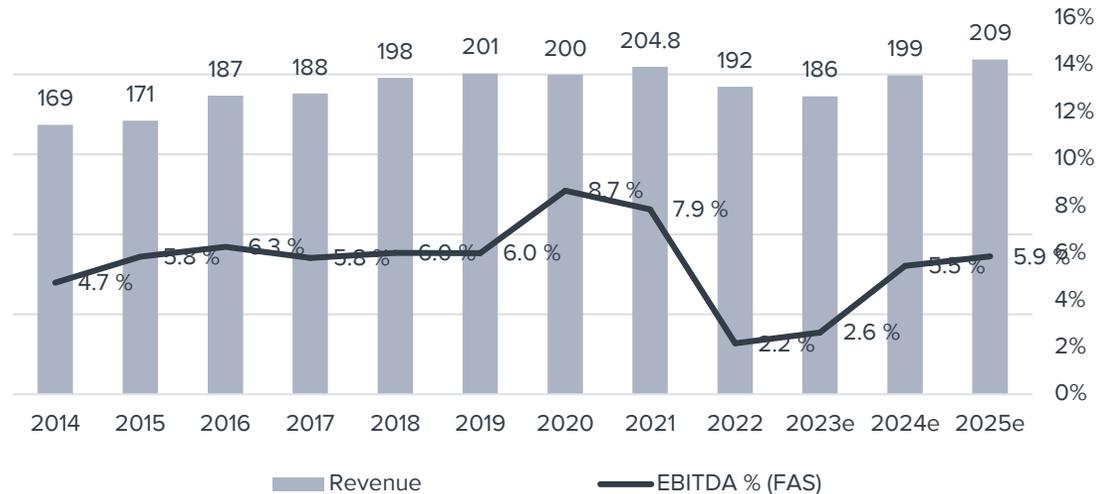
EV/EBITDA\*  
**4.9x**  
2023e

Estimated EV\*  
**117**  
MEUR

Holding  
**58.3%**  
2021

Holding  
**25.7**  
MEUR

## Key figures and estimates \*\*(FAS):



### Value drivers

- Sharpening brands and pricing
- Utilizing customer data
- The source of growth is expansion of product groups and e-commerce
- Strong cash flow and good return on capital
- Streamlining operations by harmonizing background processes



### Risk factors

- Low consumer confidence and declining purchasing power lasting longer than expected
- Overall market growth has been slow before COVID
- Forcing growth through expensive acquisitions
- Tighter competition
- Successful upgrade of ERP system



### Valuation

- Valuation with EV/EITDA ratios on level with the peer group when the non-recurring ERP system costs are adjusted. 2023 P/E ratios are, however, elevated as poor performance is particularly evident in the bottom line.
- We expect Indoor to return to generating a more normal result in 2024 when the P/E ratio is 10x.

• EV and EBITDA under IFRS, adjusted for ERP implementation costs.

• \*\* in the projections in the graph, EBITDA under FAS in order to keep the time series comparable. In IFRS accounting, EBITDA is some EUR 17 million higher and net liabilities EUR 67 million higher than in FAS. The figures in the graph have not been adjusted for ERP costs.

# KH-Koneet Group

KH-Koneet Group has been a very successful investment as the group has developed excellently since its formation and the expansion in Sweden has also been a great success.

## Company description

KH-Koneet Group is an importer and retailer of construction and earth-moving machinery. It also offers maintenance and spare part services. The company also has an earth-moving machinery rental company founded in 2018 and in 2019 the company expanded to Sweden with an acquisition.

## Business model

KH-Koneet has a comprehensive network and service offering in Finland and now also in Sweden. There are very few intermediate stages in the supply chain. In the company's business model, the sellers are essential and the cost structure is flexible with its success.

## Investment story

Sievi Capital invested in KH-Koneet Group in 2017. The growth of the group consisting of separate companies has been strong during the investment period. Now the company seeks profitable growth, especially in Sweden, where market shares are still low

## Competitive advantage

The company has also been able to build strong relationships and a good negotiating position to both manufacturers and customers. The company's agile and self-directed organization also brings a clear competitive advantage.

### Estimate of earnings growth rate



### Value creation potential



### Risk profile



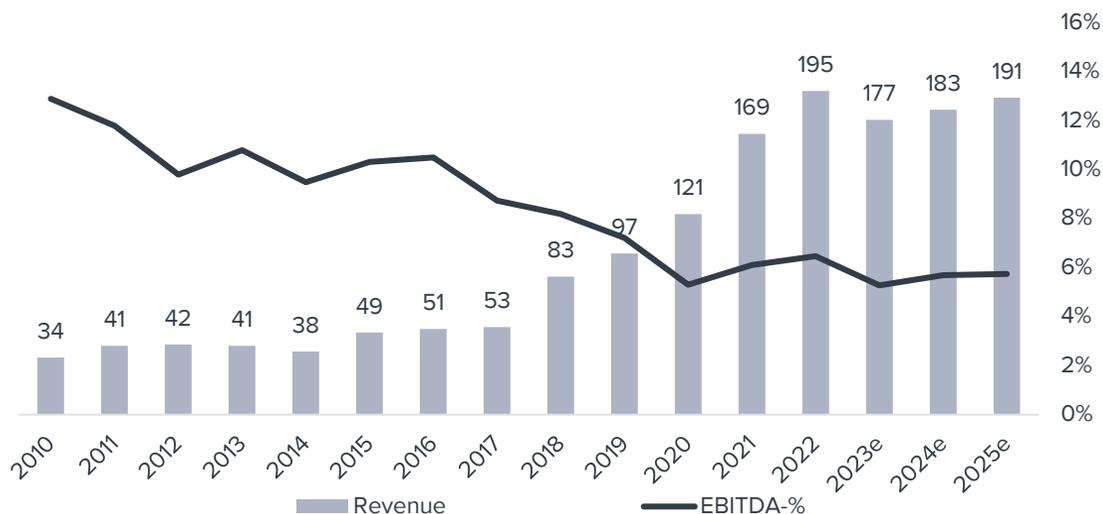
EV/EBITDA  
**7.5x**  
2023e

Estimated EV  
**70.1**  
MEUR

Holding\*  
**100%**  
2022

Holding  
**41.3**  
MEUR

## Key figures and estimates:



### Value drivers

- Sales growth in Sweden through expansion of the network and representation
- Introducing the operating model of KH-Koneet to Sweden and raising profitability to the level of Finland
- Increase rental activities



### Risk factors

- Success of the acquisition
- Deterioration of the market situation
- Tightening competition
- Manufacturer's M&A transactions
- Effect of component shortage on availability
- As the Group grows, maintaining a self-directed culture can create challenges



### Valuation

- We currently value the company with an EV/EBITDA ratio of 7.5x with 2023 estimates

2010-2016 figures are pro-forma figures including Edeco Tools Oy, KH-Koneet Oy, KH-Engineering Oy

\*Sievi Capital's holding at the end of 2022 was 90.7%, but it has an option to increase its holding to 100%

# Nordic Rescue Group

The company completed the acquisition in February 2020 and so far it has been a clear failure for the company and the holding is heavily in the red.

## Company description

Saurus' premises are located in Jyväskylä and Sala Brand's in Sweden. The Group has a strong position on its domestic markets in Finland and Sweden.

## Business model

Saurus' and Sala Brand's business consists of the assembly of rescue vehicles. Sales is targeted directly at domestic end customers.

## Investment story

The former owner of the companies Kiitokori sold the companies in a generation changeover. Under Sievi, NRG's story has been bumpy, as Vema Lift failed to deliver on its promises concerning international growth. Vema Lift was declared bankrupt at the end of 2022.

## Competitive advantage

Strong brands and market position in Finland and Sweden, skilled personnel and long customer relationships also bring competitive advantages.



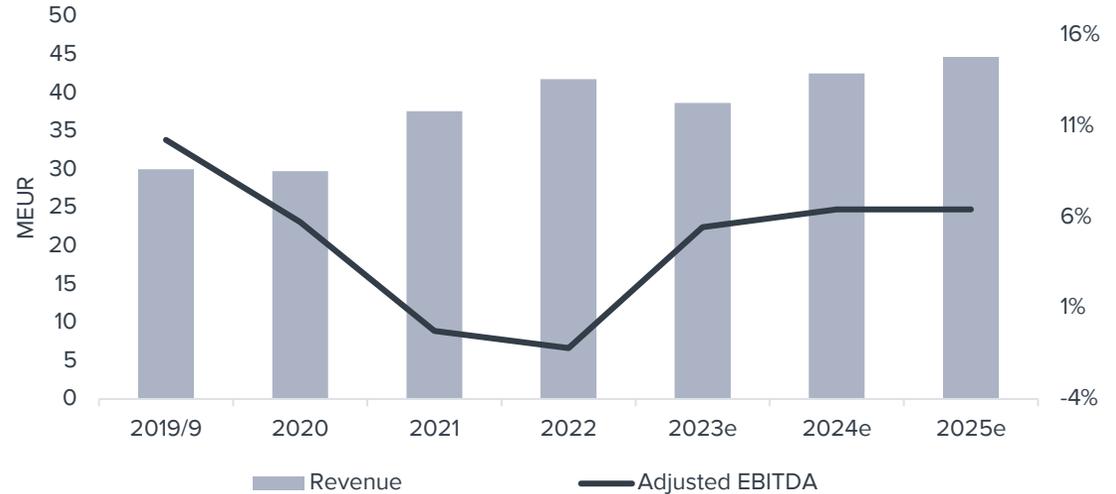
EV/EBITDA  
**6.0x**  
2023e

Estimated EV  
**12.6**  
MEUR

Holding  
**68.1%**  
2022

Holding  
**1.3**  
MEUR

## Key figures and estimates:



### Value drivers

- After Vema Lift's bankruptcy, the focus is on the Finnish and Swedish markets
- Easing of component shortage
- Increasing production capacity at the rate of demand
- Accelerating production lead times and improving working capital
- Adjusting the cost level of the parent company to the shrinking group



### Risk factors

- Weakening economic situation
- Tightening competitive situation
- A new component shortage could again have a negative impact on platform deliveries, as the position in the value chain is not particularly good



### Valuation

- Limited impact on KHG's value for the time being due to the company's high debt burden

# Rakennuttajatoimisto HTJ

Rakennuttajatoimisto HTJ is the company's latest acquisition carried out in October 2021.

## Company description

HTJ is a construction consulting company established in 1999. The company provides building construction management and supervision services, as well as building engineering services and infrastructure construction services.

## Business model

The company focuses on expert activities that generate good ROE and cash flow. The foundation of the service offering is versatile construction management, supervision and project management services.

## Investment story

The market for the services provided by HTJ is estimated to have grown by an average of some 6% p.a. in 2015-2020. Under Sievi, HTJ also carried out its first acquisition (Infrap Oy spring 2022). In the past, the company has grown only organically.

## Competitive advantage

The company has a strong growth track record and the business has grown organically by some 50% since 2017. Long-term customer relationships, skilled and committed personnel, and a strong service concept and brand form the competitive advantages of HTJ's operations.

### Estimate of earnings growth rate



### Value creation potential



### Risk profile



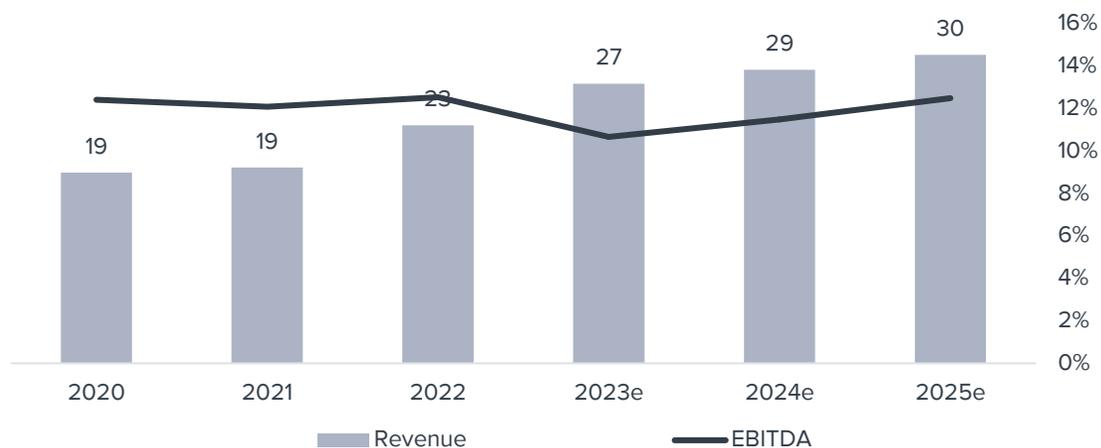
EV/EBITDA  
**6.8x**  
2023e

Estimated EV  
**19.6**  
MEUR

Holding\*  
**100%**  
2022

Holding  
**11.6**  
MEUR

## Key figures and estimates:



### Value drivers

- Strongly growing target market
- Continue growing stronger than the market organically
- In recent years, the biggest growth has come from infrastructure services, which continue to show significant growth potential
- Acquisitions as a growth catalyst



### Risk factors

- Weakening economic situation
- Tightening competitive situation
- Failure in acquisitions



### Valuation

- A clear discount to listed peers is justified due to the smaller size.

\*KHG's holding at the end of 2022 was 91.7%, but it has an option to increase its holding to 100%

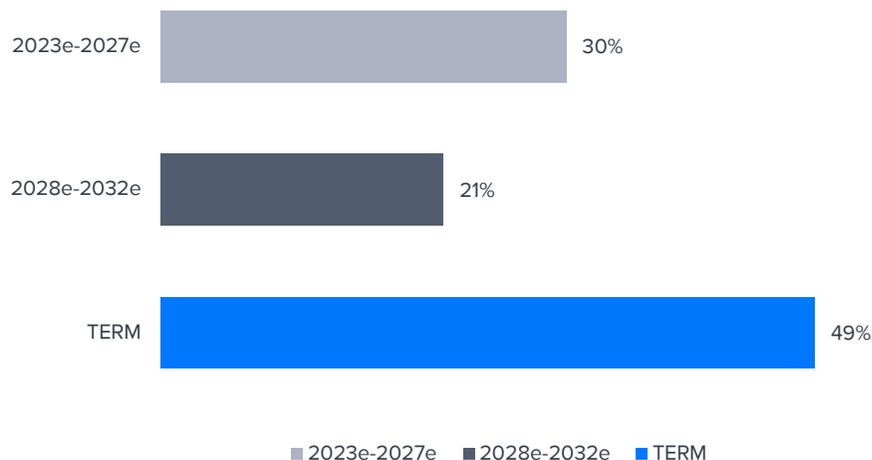
# DCF

| DCF calculation KH-Koneet (FAS)               | 2022        | 2023e       | 2024e      | 2025e      | 2026e      | 2027e       | 2028e       | 2029e       | 2030e       | 2031e       | 2032e       | TERM        |
|---|-------------|-------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Revenue growth-%                              | 15.4 %      | -8.9 %      | 3.0 %      | 4.0 %      | 4.0 %      | 5.0 %       | 5.0 %       | 2.0 %       | 2.0 %       | 2.0 %       | 2.0 %       | 2.0 %       |
| EBIT-%  | 5.6 %       | 4.4 %       | 4.9 %      | 5.0 %      | 5.0 %      | 4.8 %       | 4.8 %       | 4.8 %       | 4.8 %       | 4.8 %       | 4.8 %       | 4.8 %       |
| <b>EBIT (operating profit)</b>                | <b>10.2</b> | <b>7.8</b>  | <b>8.9</b> | <b>9.5</b> | <b>9.9</b> | <b>10.0</b> | <b>10.5</b> | <b>10.7</b> | <b>10.9</b> | <b>11.1</b> | <b>11.3</b> |             |
| + Depreciation                                | 2.9         | 1.5         | 1.1        | 1.3        | 1.4        | 1.5         | 1.3         | 1.5         | 1.6         | 1.7         | 1.7         |             |
| - Paid taxes                                  | -2.4        | -1.4        | -1.6       | -1.7       | -1.9       | -1.9        | -2.0        | -2.0        | -2.1        | -2.1        | -2.1        |             |
| - Tax, financial expenses                     | -0.2        | -0.3        | -0.3       | -0.3       | -0.2       | -0.2        | -0.2        | -0.2        | -0.2        | -0.2        | -0.2        |             |
| + 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                   | -8.0        | 2.0         | -1.2       | -1.7       | -1.8       | -2.3        | -2.4        | -1.0        | -1.0        | -1.0        | -1.1        |             |
| <b>Operating cash flow</b>                    | <b>0.9</b>  | <b>9.5</b>  | <b>6.9</b> | <b>7.1</b> | <b>7.4</b> | <b>7.1</b>  | <b>7.2</b>  | <b>8.9</b>  | <b>9.2</b>  | <b>9.4</b>  | <b>9.7</b>  |             |
| + Change in other long-term liabilities       | 0.0         | 0.0         | 0.0        | 0.0        | 0.0        | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |             |
| - Gross CAPEX                                 | -0.5        | -1.6        | -1.6       | -1.7       | -1.7       | -1.8        | -1.9        | -1.9        | -2.0        | -2.0        | -2.0        |             |
| <b>Free operating cash flow</b>               | <b>0.4</b>  | <b>7.9</b>  | <b>5.3</b> | <b>5.4</b> | <b>5.7</b> | <b>5.3</b>  | <b>5.3</b>  | <b>7.0</b>  | <b>7.2</b>  | <b>7.4</b>  | <b>7.7</b>  |             |
| +/- Other                                     | 0.0         | 0.0         | 0.0        | 0.0        | 0.0        | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |             |
| FCFF  | 0.4         | 7.9         | 5.3        | 5.4        | 5.7        | 5.3         | 5.3         | 7.0         | 7.2         | 7.4         | 7.7         | 96.5        |
| <b>Discounted FCFF</b>                        |             | <b>7.7</b>  | <b>4.7</b> | <b>4.3</b> | <b>4.1</b> | <b>3.4</b>  | <b>3.2</b>  | <b>3.8</b>  | <b>3.5</b>  | <b>3.3</b>  | <b>3.1</b>  | <b>39.0</b> |
| Sum of FCFF present value                     |             | 80.1        | 72.4       | 67.8       | 63.4       | 59.3        | 55.9        | 52.7        | 49.0        | 45.4        | 42.1        | 39.0        |
| <b>Enterprise value DCF</b>                   |             | <b>80.1</b> |            |            |            |             |             |             |             |             |             |             |
| - Interest bearing debt                       |             | -44.9       |            |            |            |             |             |             |             |             |             |             |
| + Cash and cash equivalents                   |             | 17.0        |            |            |            |             |             |             |             |             |             |             |
| -Minorities                                   |             | 0.0         |            |            |            |             |             |             |             |             |             |             |
| -Dividend/capital return                      |             | 0.0         |            |            |            |             |             |             |             |             |             |             |
| <b>Equity value DCF</b>                       |             | <b>52.2</b> |            |            |            |             |             |             |             |             |             |             |
| <b>Oman pääoman arvo DCF per Sievin osake</b> |             | <b>0.90</b> |            |            |            |             |             |             |             |             |             |             |

## WACC

|  |               |
|--|---------------|
| Tax-% (WACC)                                   | 20.0 %        |
| Target debt ratio (D/(D+E))                    | 20.0 %        |
| Cost of debt                                   | 5.0 %         |
| Equity Beta                                    | 1.30          |
| Market risk premium                            | 4.75%         |
| Liquidity premium                              | 3.00%         |
| Risk free interest rate                        | 2.5 %         |
| <b>Cost of equity</b>                          | <b>11.7 %</b> |
| <b>Weighted average cost of capital (WACC)</b> | <b>10.1 %</b> |

## Cash flow distribution



# Peer group valuations

| Indoor Group (IFRS)* | EV          | EV/EBITDA 23 | EV/EBITDA 24 | P/E 23      | P/E 24     |
|----------------------|-------------|--------------|--------------|-------------|------------|
| Surteco Group SE     | 653         | 7.7          | 5.3          | 24.8        | 7.7        |
| Nobia AB             | 506         | 5.8          | 4.8          | 45.5        | 18.6       |
| Maisons du Monde SA  | 1139        | 5.1          | 4.7          | 13.2        | 10.3       |
| Leon's Furniture Ltd | 1103        | 5.1          | 4.8          | 9.1         | 8.0        |
| Williams-Sonoma Inc  | 1101        | 4.7          | 5.9          | 8.1         | 9.8        |
| <b>Median</b>        | <b>1101</b> | <b>5.1</b>   | <b>4.8</b>   | <b>13.2</b> | <b>9.8</b> |
| Indoor Group         | 117         | 4.9          | 4.0          | neg.        | 9.8        |
| Diff-%               | -89%        | -4%          | -17%         | -           | 0%         |

NB: Indoor's EBITDA in 2023 is weakened in our estimate by a one-off EUR 1.5 million due to the ERP system update and we have adjusted this item in the 2023 figures.

| HTJ (FAS)          | EV          | EV/EBITDA 23 | EV/EBITDA 24 | EV/S 23    |
|--------------------|-------------|--------------|--------------|------------|
| Sitowise Group Oyj | 226         | 7.8          | 6.9          | 1.0        |
| Sweco AB (publ)    | 3846        | 13.4         | 12.4         | 1.6        |
| Afry AB            | 2034        | 8.4          | 7.8          | 0.9        |
| Rejlers AB (publ)  | 288         | 7.8          | 7.0          | 0.8        |
| WSP Global Inc     | 18610       | 14.4         | 13.2         | 2.5        |
| Etteplan Oyj       | 477         | 9.9          | 9.2          | 1.3        |
| Arcadis NV         | 4907        | 10.0         | 9.2          | 1.1        |
| <b>Median</b>      | <b>2034</b> | <b>9.9</b>   | <b>9.2</b>   | <b>1.1</b> |
| HTJ                | 20          | 6.8          | 6.0          | 0.7        |
| Diff-%             | -99%        | -32%         | -35%         | -34%       |

| KH-Koneet Group (FAS) | EV          | EV/EBITDA 23 | EV/EBITDA 24 | P/E 23     | P/E 24      |
|-----------------------|-------------|--------------|--------------|------------|-------------|
| Ponsse Oyj            | 881         | 10.2         | 9.6          | 19.4       | 18.0        |
| Palfinger AG          | 1733        | 6.1          | 5.9          | 8.4        | 7.9         |
| Volvo AB              | 53844       | 7.5          | 8.7          | 9.0        | 11.3        |
| Deere & Comp          | 162500      | 12.0         | 12.2         | 13.3       | 13.2        |
| Caterpillar Inc       | 156212      | 11.6         | 11.2         | 13.8       | 13.1        |
| AGCO Corp             | 9919        | 5.5          | 5.6          | 7.9        | 8.0         |
| Terex Corp            | 4015        | 6.2          | 6.2          | 8.2        | 8.2         |
| <b>Median</b>         | <b>9919</b> | <b>7.5</b>   | <b>8.7</b>   | <b>9.0</b> | <b>11.3</b> |
| KH-Koneet Group       | 70          | 7.5          | 6.7          | 8.2        | 7.0         |
| Diff-%                | -99%        | 0%           | -23%         | -9%        | -38%        |

Note: In our net income projections for KH-Koneet Group, we have adjusted for goodwill amortization, which is done in FAS accounting, but no longer in IFRS accounting.

| Nordic Rescue Group (FAS) | EV         | EV/EBITDA 23 | EV/EBITDA 24 | EV/S 23    |
|---------------------------|------------|--------------|--------------|------------|
| Rosenbauer Int AG         | 682        | 11.2         | 8.2          | 0.6        |
| Oshkosh Corp              | 6165       | 8.0          | 7.2          | 0.7        |
| REV Group Inc             | 935        | 8.1          | 7.1          | 0.4        |
| <b>Median</b>             | <b>935</b> | <b>8.1</b>   | <b>7.2</b>   | <b>0.6</b> |
| Nordic Rescue Group*      | 12.6       | 6.0          | 4.6          | 0.3        |
| Diff-%                    | -99%       | -26%         | -35%         | -48%       |

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|------------|--|
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| Sell       | The 12-month risk-adjusted expected shareholder return of the share is very weak       |

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## Recommendation history (>12 mo)

| Date       | Recommendation | Target | Share price |
|------------|----------------|--------|-------------|
| 8/23/2019  | Reduce         | 1.25 € | 1.24 €      |
| 10/30/2019 | Reduce         | 1.25 € | 1.23 €      |
| 11/29/2019 | Accumulate     | 1.30 € | 1.21 €      |
| 1/8/2020   | Reduce         | 1.40 € | 1.40 €      |
| 1/30/2020  | Reduce         | 1.25 € | 1.35 €      |
| 3/4/2020   | Reduce         | 1.15 € | 1.18 €      |
| 4/27/2020  | Reduce         | 0.90 € | 0.87 €      |
| 4/29/2020  | Accumulate     | 0.92 € | 0.88 €      |
| 6/23/2020  | Accumulate     | 0.98 € | 0.89 €      |
| 8/26/2020  | Accumulate     | 1.10 € | 1.04 €      |
| 10/30/2020 | Buy            | 1.15 € | 1.01 €      |
| 2/25/2021  | Buy            | 1.30 € | 1.19 €      |
| 4/14/2021  | Accumulate     | 1.55 € | 1.49 €      |
| 4/30/2021  | Accumulate     | 1.55 € | 1.48 €      |
| 6/17/2021  | Buy            | 1.65 € | 1.34 €      |
| 8/18/2021  | Accumulate     | 2.10 € | 2.06 €      |
| 8/19/2021  | Accumulate     | 2.80 € | 2.39 €      |
| 9/30/2021  | Buy            | 2.80 € | 1.95 €      |
| 11/1/2021  | Accumulate     | 2.50 € | 2.09 €      |
| 12/15/2021 | Accumulate     | 2.00 € | 1.94 €      |
| 3/4/2022   | Buy            | 1.80 € | 1.52 €      |
| 3/17/2022  | Accumulate     | 1.80 € | 1.64 €      |
| 5/6/2022   | Buy            | 1.80 € | 1.36 €      |
| 8/18/2022  | Accumulate     | 1.50 € | 1.29 €      |
| 11/4/2022  | Buy            | 1.40 € | 1.14 €      |
| 12/16/2022 | Buy            | 1.40 € | 1.17 €      |
| 2/21/2023  | Accumulate     | 1.35 € | 1.20 €      |
| 3/1/2023   | Accumulate     | 1.20 € | 1.08 €      |
| 5/5/2023   | Buy            | 1.20 € | 1.03 €      |
| 8/15/2023  | Buy            | 1.20 € | 1.01 €      |
| 8/18/2023  | Accumulate     | 1.05 € | 0.95 €      |



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