

# TELESTE

7/7/2026 11:30 am EEST

This is a translated version of "Tuloskasvulle rakennettu lisää kaistaa" report, published on 7/7/2026



Atte Riikola, Analyst  
+358 44 593 4500  
atte.riikola@inderes.fi



Roni Peuranheimo, Analyst  
+358 505610455  
roni.peuranheimo@inderes.fi

INDERES CORPORATE CUSTOMER

# EXTENSIVE REPORT



# More bandwidth built for earnings growth

We reiterate our Accumulate recommendation and EUR 4.2 target price for Teleste. The North American campaign of Teleste's Networks segment is progressing well, and with a significantly expanded customer base, future growth rests on broader shoulders than before. This year, uncertainty is mainly created by the merger of key customers Cox and Charter, which is affecting the timing of orders, but in the big picture, DOCSIS 4.0 investments are continuing. In Europe, the market has simultaneously picked up after earlier caution, which Teleste benefits from due to its strong market position. New customers and efficiency measures in Public Safety and Mobility also support the continuation of profitable growth. Compared to the earnings growth outlook for the coming years, Teleste's share valuation (2026e adj. P/E 9.5x) appears very moderate.

## North American expansion in Networks has progressed very well in recent years

In the Networks segment (2025: 60% of revenue), Teleste's years of work on North American expansion finally began to bear fruit last year, with revenue in the region growing by over 100% and already accounting for 31% of the segment's revenue. In addition to two significant frame agreements (Cox and Rogers), the company already has over 20 customers in North America. At the same time, the European market outlook has recently improved and will likely support Teleste's growth in the coming years, even though the long-term outlook is still gradually decreasing. However, expansion into North America is critical for long-term growth, and in light of the good development in recent years, the associated risk level has clearly decreased. Thanks to the efficiency measures taken, growth is now also reflected in Networks' margin (2025 adj. EBIT 10.1% vs. 2024: 7.9%).

## Solid growth outlook for Public Safety and Mobility

In Public Safety and Mobility (2024: 40% of revenue), the order book (Q1'26: 90.8 MEUR), weighted toward passenger

information solutions, is at a healthy level and supports the unit's stable growth outlook. The segment's expanded customer base, steadily growing market, and implemented efficiency measures provide a solid foundation for continued profitable growth. The good work in recent years in improving procurement and project management is reflected in the segment's adjusted EBIT margin rising to 6.0% last year (2024: 3.5%). We still see room for improvement in profitability, although margins are always under tight pressure in highly competitive major rolling stock manufacturer accounts.

## Earnings growth continues this year

Teleste guides for revenue of 140-160 MEUR and an adjusted EBIT of 7-10 MEUR for this year. Earnings are expected to be weighted toward H2, which, after a strong Q1, bodes well for the full year's performance. We forecast revenue of 145 MEUR and an adjusted EBIT of 9.2 MEUR for the current year (6.4% of revenue). Teleste is targeting average revenue growth of over 10% in 2025-2030 and an adjusted EBIT margin of 7-12% by 2030. In light of the more efficient cost structure in recent years, we consider achieving at least the lower end of the profitability target to be realistic. Regarding growth, our estimates are still clearly more cautious than the company's targets.

## Valuation looks very moderate for the coming years

After several challenging years, Teleste's investor story turned a new page last year, as earnings growth offered by the North American market began to materialize properly. With improved earnings performance, the stock's valuation already receives support from the 2025 realized earnings (EV/EBIT 11x). With our 2026 estimates, Teleste's adjusted P/E ratio is 9.5x and a corresponding EV/EBIT ratio is 8x. We consider these levels to be moderate, as Teleste's medium-term earnings potential is still higher than this year. Our DCF model (EUR 4.7) also indicates upside potential.

## Recommendation

### Accumulate

(was Accumulate)

### Target price:

### EUR 4.20

(was EUR 4.20)

### Share price:

EUR 3.47

## Business risk



## Valuation risk



	2025	2026e	2027e	2028e
<b>Revenue</b>	139	145	157	163
<b>growth-%</b>	4.6 %	4.3 %	8.3 %	3.9 %
<b>EBIT adj.</b>	7.1	9.2	10.4	11.4
<b>EBIT-% adj.</b>	5.1 %	6.4 %	6.6 %	7.0 %
<b>Net income</b>	2.8	6.5	7.5	8.4
<b>EPS (adj.)</b>	0.17	0.36	0.41	0.46
<b>P/E (adj.)</b>	22.3	9.6	8.5	7.6
<b>P/B</b>	1.2	1.0	0.9	0.9
<b>Dividend yield-%</b>	2.1 %	2.9 %	3.5 %	4.0 %
<b>EV/EBIT (adj.)</b>	12.4	8.4	7.0	6.0
<b>EV/EBITDA</b>	7.5	5.5	4.7	4.1
<b>EV/S</b>	0.6	0.5	0.5	0.4

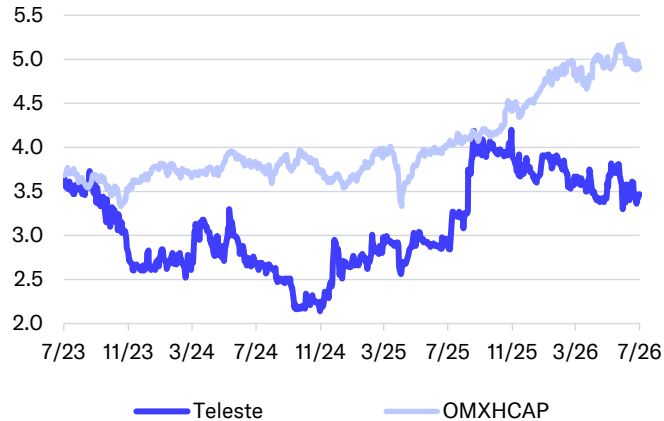
Source: Inderes

## Guidance

(Unchanged)

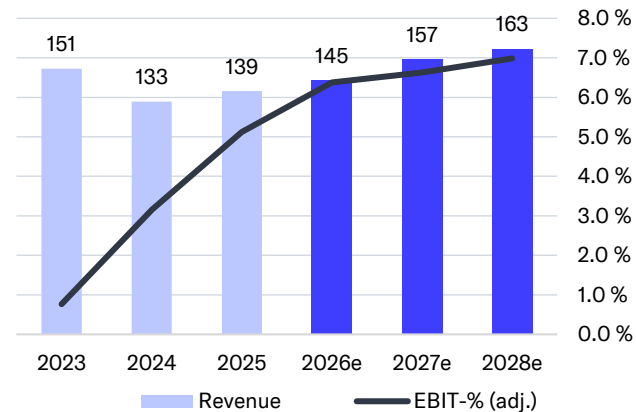
Teleste estimates that revenue in 2026 will amount to 140-160 MEUR and that the adjusted operating result in 2026 will be 7-10 MEUR.

## Share price



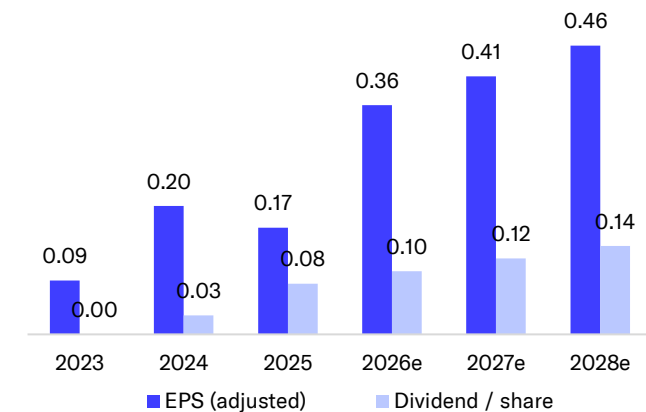
Source: Millstream Market Data AB

## Revenue and EBIT % (adj.)



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Start of volume deliveries of distributed architecture and DOCSIS 4.0 products in particular
- Expansion to North American market
- Growth driven by a streamlined cost structure will support profitability in the coming years
- Strong market position in Europe in network equipment
- Profitable growth in Public Safety and Mobility, where the market is steadily growing and Teleste has a strong market position

## Risk factors

- Operator investments are cyclical, and in the short term, the merger of Cox and Charter creates uncertainty for orders
- Long-term structural decline in the European market for the Networks segment
- Risks related to component availability and supply chains
- Competitive market pressure and limited pricing power in the face of large operators

Valuation	2026e	2027e	2028e
Share price	3.47	3.47	3.47
Number of shares, millions	18.3	18.3	18.3
Market cap	64	64	64
EV	77	73	68
P/E (adj.)	9.6	8.5	7.6
P/E	9.8	8.5	7.6
P/B	1.0	0.9	0.9
P/S	0.4	0.4	0.4
EV/Sales	0.5	0.5	0.4
EV/EBITDA	5.5	4.7	4.1
EV/EBIT (adj.)	8.4	7.0	6.0
Payout ratio (%)	28.1 %	29.4 %	30.7 %
Dividend yield-%	2.9 %	3.5 %	4.0 %

Source: Inderes

# Contents

Company description and business model	<b>5-12</b>
Investment and risk profile	<b>13-15</b>
Market	<b>16-24</b>
Strategy	<b>25-27</b>
Financial situation	<b>28-30</b>
Estimates	<b>31-35</b>
Valuation	<b>36-39</b>
Tables	<b>40-44</b>
Disclaimer and recommendation history	<b>45</b>

# Teleste in brief

Teleste develops, manufactures, and sells subscriber network equipment enabling broadband connectivity, and acts as a service provider for telecommunications operators' networks. The company also offers passenger information and video surveillance systems for public transportation and public sector customers.

**138.6 MEUR (+4.6% vs. 2024)**

Revenue in 2024

**7.1 MEUR (5.1% of revenue)**

EBIT (adj.) 2025

**630**

Personnel at the end of 2025

**MEUR 114.5**

Order book at the end of 2025

**60% / 40%**

Revenue share 2025: Networks / Public Safety and Mobility

### 2010-2016

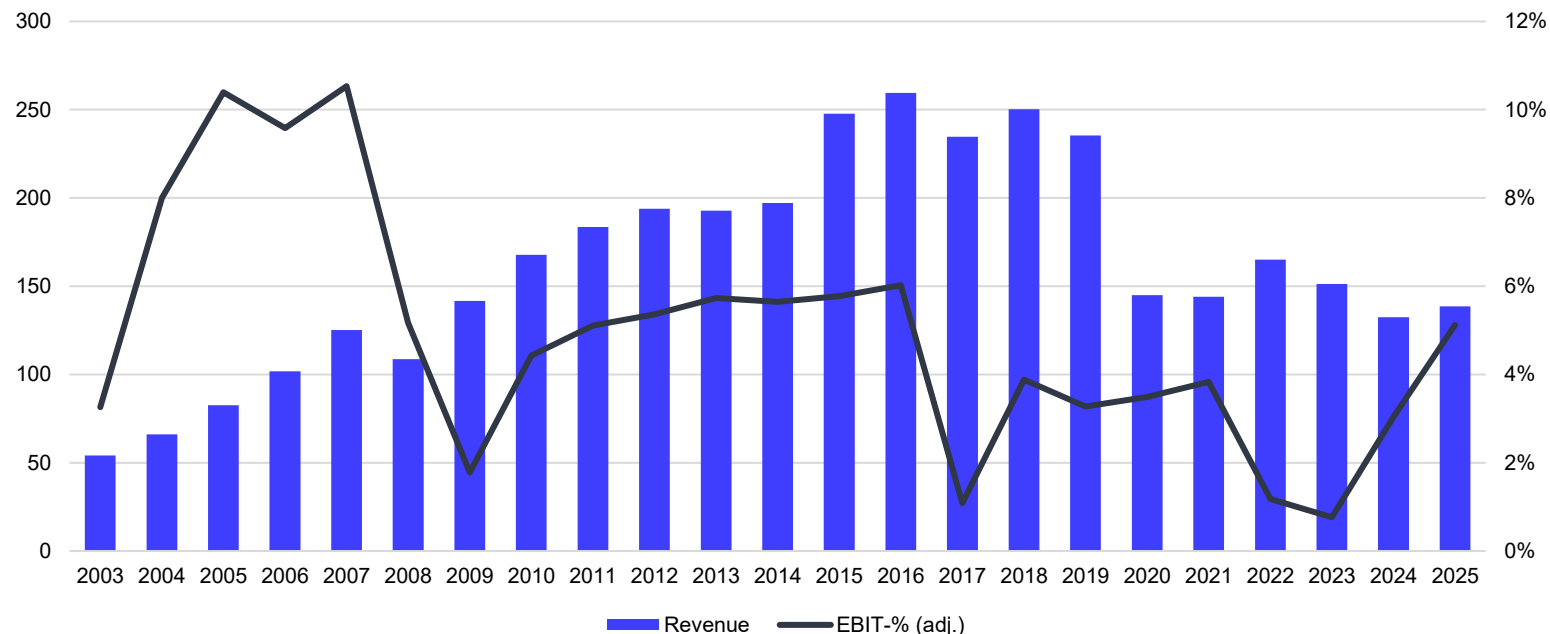
- Teleste's earnings growth supported by its success in the DOCSIS 3.1 technology cycle for access network products combined with the acquisition of Mitron (2015)
- Services business profitability at a weak level, especially in Germany

### 2017-2020

- Networks market declines as DOCSIS 3.1 investment wanes.
- Profitable growth in Public Safety and Mobility
- Divestment of German services business (2020)

### 2021-2025

- Component shortages and cost inflation weaken delivery capacity and profitability
- Weak economic outlook and rising interest rates impact operator investments in 2023-2024
- In Networks, deliveries to North America start in 2024, and volumes grow strongly in 2025
- With the adjustment measures, volume growth will start to be reflected in earnings in 2024-2025
- In Public Safety and Mobility, profitability improvements and expanding the customer base



# Company description and business model 1/6

## Company description

### International technology group

Teleste is an international technology group established in 1954 that develops and offers video and broadband technologies, related services as well as passenger information and video security systems. The company's revenue in 2025 was 138.6 MEUR and adjusted EBIT 7.1 MEUR (5.1% of revenue). Teleste employed 630 people at the end of 2025.

Teleste is a developer, manufacturer and seller of network equipment for telecommunications operators' cable and fiber networks, as well as a service provider. The company also provides video security and passenger information applications and solutions for rail transport and public sector customers. Video and data processing, transfer and management are at the core of Teleste's various businesses. Teleste's head office is located in Kaarina, close to Turku, and the company has offices in 20 countries. Most of the network equipment is still produced in Finland and Asia, although this year production capacity has been expanded to Mexico to serve the North American market. The company's product development activities are mainly based in Finland and Poland.

### Access network products (Networks)

Teleste's product offering includes all access network products for cable networks, from video headends to house network products for broadband subscribers. This part of the cable network is also known as HFC (Hybrid Fiber-Coaxial) network, as it uses optical fiber and coaxial cables.

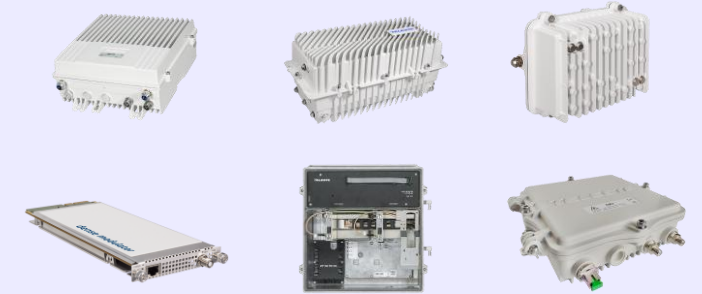
In simple terms, the structure of the cable network can be

described as follows: 1) a fiber cable from the backbone of the cable network goes to the headend (in Helsinki, for example, one can be found in Pasila), 2) from there, a fiber cable goes to nodes located in the "field" near the end user (for example, network cabinets in the street), 3) from these nodes, coaxial cables go to houses and apartments.

Telecommunications operators invest in their networks to deliver faster and more reliable internet connections to end users, as data traffic volumes continue to grow with advancing digitalization. Teleste's access network products enable operators to cost-effectively increase network speed by upgrading the equipment inside the headend and network equipment cabinets. Teleste has a strong market position in network equipment in Europe and the company has successfully expanded into North America in recent years, which began to be clearly reflected in the company's revenue in 2025.

In the area of access network equipment, the previous investment cycle focused on DOCSIS 3.1-compliant technology, which has already reached a mature stage. For several years, Teleste's product development has focused on equipment for distributed access architecture and technology complying with the DOCSIS 4.0 standard. Operators have been planning investments in these new technologies for a long time. Of these, the deployment of distributed access architecture in particular has been slower than expected, but the prospects for DOCSIS 4.0 migration are currently strong, especially in North America, where there is a significant investment backlog. Also in Europe, operators in certain countries will upgrade their network equipment to DOCSIS 4.0, with initial deliveries starting in 2025.

## Examples of Teleste products in the Networks segment



## Teleste's Networks customers



# Company description and business model 2/6

## Network services and automated network management software for telcos

The size of Teleste's services business has been significantly reduced as a result of the divestments made. Today, these services include in particular network design and monitoring. In Finland, for example, Teleste has long monitored Elisa's networks in its network operations center, and in 2025 the operation and development of broadband and TV services delivered via Telia Finland's cable network will also be transferred to Teleste. In addition to Finland, the focus of the services business is on the UK.

In network management, the future direction is the development of comprehensive network management systems that can manage the entire network from central systems to home terminals. As a result, there will be a growing need for automated analytics systems. Teleste aims to become more involved in this developing and software-oriented business in the future, which, if successful, could be a new highly profitable business area for the company. This business is being promoted through a strategic partnership with Polystar, in which Teleste's network management platform and Polystar's analytics platform are combined into a comprehensive solution. In the first phase, the concept and model will be piloted with a few operators. This area is unlikely to generate significant revenue in the coming years, but it is an interesting long-term growth driver.

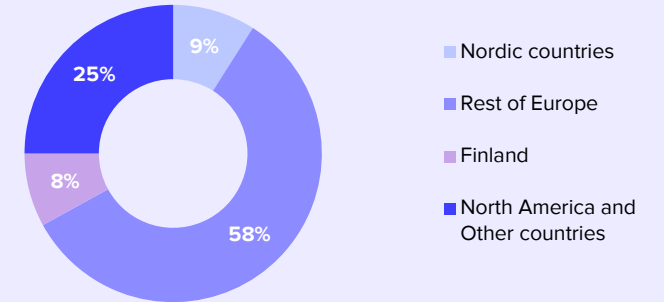
## Passenger information and security solutions (Public Safety and Mobility)

In addition to its business serving telecom operators, Teleste provides comprehensive video security and

information solutions to rolling stock manufacturers, the public sector and public transport operators. By far the largest share of revenue comes from rolling stock manufacturers, who are supplied with both passenger information and video security solutions for their trains. On the public transport side, similar systems and information displays are also supplied to train stations, among others. These train and station systems are increasingly linked in real time.

Teleste's strength in video security is its large systems, where multi-object cameras, recorders and workstations are networked into one unified video security system. Overall, however, video security is a much smaller business than passenger information solutions. In passenger information, Teleste's long-term growth outlook is good, further supported by the expanding customer base in recent years. However, due to the customer base and large projects, the business requires a long-term approach.

Geographical breakdown of Group revenue 2025



## Teleste's Public Safety and Mobility customers

### Rolling stock manufacturers



### Public transport and rail operators



### Security and public transport infrastructure providers



# Company description and business model 3/6

## Business model

Teleste is a combination of equipment, services and software business. In 2025, products accounted for 90% of revenue and services for 10%. Teleste reports its activities related to access network products and services in the Networks segment, which accounted for 60% of revenue last year. Here, the order book (Q4'25: 24.8 MEUR) is typically shorter and orders received are normally delivered within a few months. The role of the Networks services business has been significantly reduced by the divestments made and its impact on the group figures is limited today.

Passenger information and security solutions are reported in the Public Safety and Mobility unit (2025: 40% of revenue). Here, orders received as well as revenue can fluctuate on a quarterly basis, due to the timing and deliveries of large projects. Due to large multi-year projects, Teleste's order book is also concentrated in this business area (Q4'25: 89.7 MEUR).

Teleste's business is based on strong technological expertise, and the company continuously invests in its product business. Product development costs represented 11% of revenue in 2025. In Networks, product development focuses on DOCSIS 4.0-compliant products, as well as network telemetry and remote management solutions. In Public Safety and Mobility, product development projects focused on passenger transport information systems and customer-specific product platforms.

### Networks segment

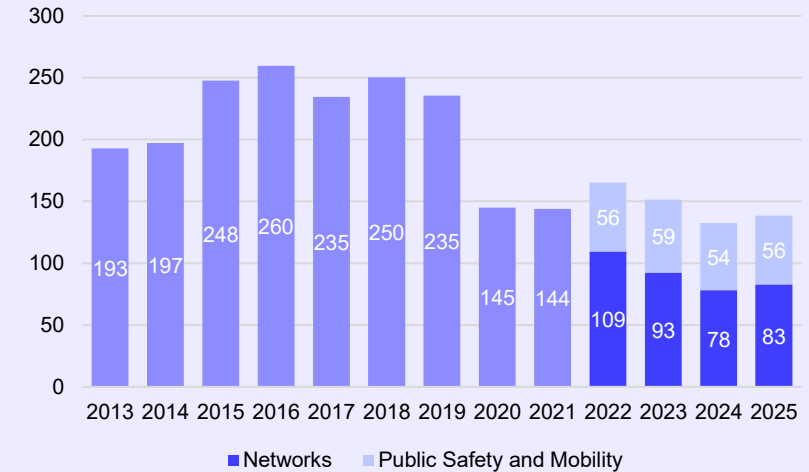
Networks' key product categories are active and passive subscriber network equipment, network management systems, video headends, and video-on-demand solutions. Product design and development are mainly carried out at

the Littoinen plant. In addition to Littoinen, production takes place at contract manufacturers in Asia and Mexico. The aim is to maximize production flexibility by maintaining a lightweight production structure through Lean practices. For North America, the company expanded its production capacity to Mexico in 2025 with the help of contract manufacturing partners. In addition, the company has expanded its assembly operations at the New Jersey distribution center.

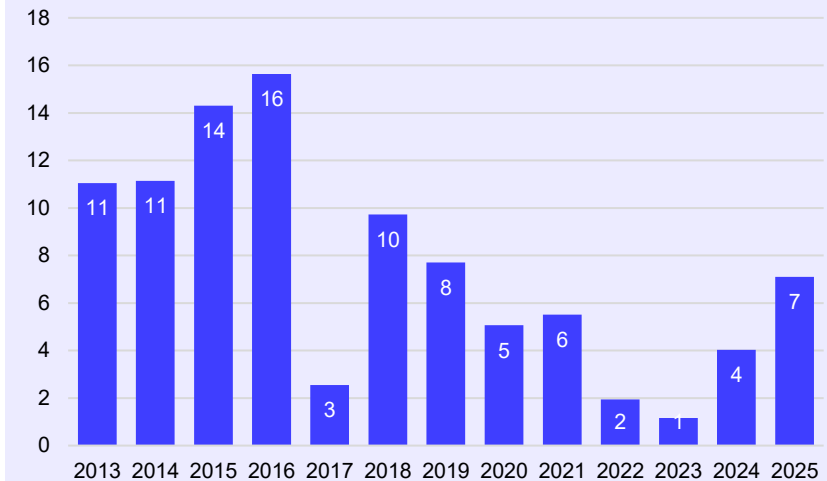
The most technologically advanced optical equipment and amplifiers are manufactured in Turku. These are produced on a make-to-order basis, where products are manufactured only when an order is received from a customer. This avoids unnecessary production in stock. In 2022-2023, the company had to build up exceptionally high inventories to ensure its delivery capacity due to the low availability of components. These challenges largely abated during 2024.

In the case of access network products, the technological features of the equipment vary between customers and countries, especially in Europe. It is therefore logical to have product development and production under one roof. This means that products can move more quickly from the drawing board to the production line and on to the customer. This makes the Littoinen plant very competitive against low-cost production. However, in the newer technology generations, some product areas are more standardized than before, and Teleste's competitive advantage of small customized product lines is somewhat diluted in these areas. However, standardization enables benefits in components and materials, which supports gross margins. Mass-volume products and products requiring less technological expertise are outsourced by Teleste.

Revenue development (MEUR)



Adjusted EBIT development (MEUR)



# Company description and business model 4/6

## Networks customers

Teleste's network equipment is used by all major European cable operators, to whom Teleste delivers its products directly. Small and medium-sized operators in Central and Eastern Europe and North America are served through distributors. Larger customers in North America are also served directly. As part of its network equipment, Teleste delivers headends globally to operators and the hospitality segment. Teleste already has over 20 customers and two frame agreements in North America, one of which is with the company's current main customer, Cox Communications. Deliveries to North America started in 2024, and volumes increased significantly in 2025. Last year, North America and other countries accounted for 31% of the unit's revenue (2024: 16%).

Access network equipment is subject to strong price erosion, which is normal for the industry and is exacerbated by the consolidation of Teleste's customer base. Price erosion puts pressure on margins and thus hurts profitability. Volume growth is often the best or only way to counter price erosion, in addition to continued efficiency improvements.

## DOCSIS 4.0 investments are finally underway

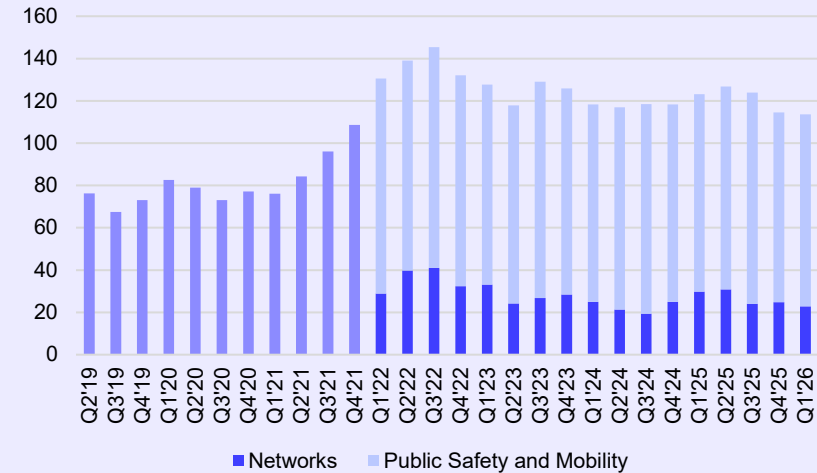
In Broadband Networks, preparations for investments in distributed architecture technology began already in the last decade, while sales of traditional HFC technologies were simultaneously in gradual decline. However, the technology cycle started clearly slower than expected, which was further slowed down by the outbreak of the COVID pandemic. As a result, the demand for first-generation distributed architecture products missed the mark and this overall investment wave fell well short of

initial expectations. Teleste's future growth is supported by operators investing in new DOCSIS 4.0 standard network equipment. DOCSIS 4.0 will allow network speeds to be increased by increasing the frequency spectrum of coaxial cables from the current 1.2 GHz to 1.8 GHz, or alternatively by changing the modulation of network equipment. Teleste's technology is focused on increasing the frequency spectrum and in particular on amplifiers that comply with the new standard. DOCSIS 4.0 offers clear growth potential in the coming years, as the technology will result in a very large number of amplifiers being replaced in the coaxial network. Teleste also appears to have a competitive offering for this technology, supported by its success with previous DOCSIS 3.1 technology.

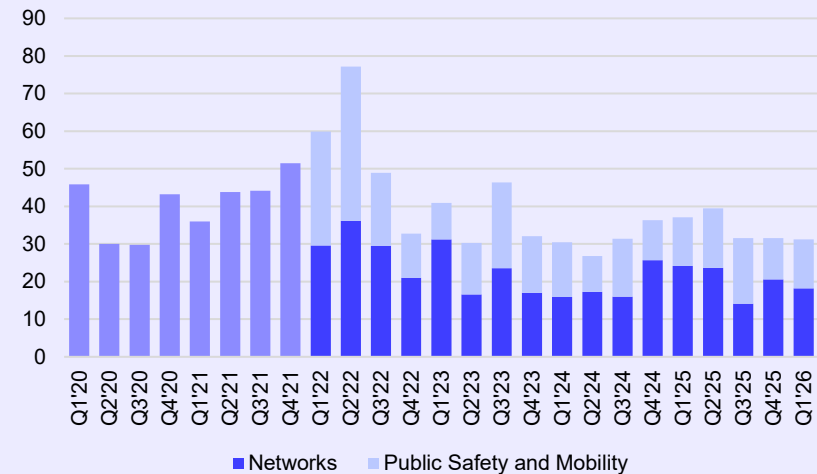
The transition to the DOCSIS 4.0 standard is clearly a larger investment wave in North America, where operators' networks already have significant renovation debt. In Europe, the scale of DOCSIS 4.0 investments will be smaller, as new operator investments here are more focused on fiber technologies. However, certain operators are also starting to invest in 4.0 technology, with the first projects commencing in 2025.

Currently, it appears that after the DOCSIS 4.0 upgrades, there will be at least one more technology transition, which will increase the frequency spectrum to 3.0 GHz. After this, the laws of physics will practically limit further upgrades to cable networks. New network investments by operators are mostly focused on fiber networks. Nevertheless, investments in cable networks are expected to continue for at least the next decade. Teleste has also started to make preliminary plans in its product development to adapt to this long-term technology transition.

Order book per quarter (MEUR)



Orders received per quarter (MEUR)



# Company description and business model 5/6

## Public Safety and Mobility

Teleste's Public Safety and Mobility business offers end-to-end video security and passenger information applications, with Teleste's own products covering transmission, recording and management of video, as well as passenger information solutions. The scope also includes service business related to the maintenance of the delivered systems. Passenger information solutions account for the largest share of Public Safety and Mobility revenue, while video security solutions represent a much smaller share. Customers are typically provided with extensive end-to-end projects that cover development, delivery, and maintenance.

### Passenger information solutions

In the field of public transport information solutions, Teleste develops and sells information systems and equipment mainly for rail traffic. Teleste has strong relationships with major European rolling stock manufacturers. The most important customers for passenger information solutions are rolling stock manufacturers (Alstom, Stadler, and Caf) and major city and rail operators. The largest markets are Europe and North America.

French train manufacturer Alstom is Teleste's largest customer, with a significant increase in size following the acquisition of Bombardier's rail business in 2021. Alstom faced challenges in 2023, partly related to the large projects it inherited from Bombardier. This put a strain on the company's cash flow and also created risks for Teleste, as every effort was made to tighten the screw. However, the situation has since improved and Teleste has several projects underway with Alstom.

In passenger information solutions, Teleste's profitability

suffered significantly from cost inflation, as the order book included many fixed-price projects. This practice, which is industry standard, proved problematic in an inflationary environment. From 2022, new contracts included clauses for possible price increases. By 2024, most of the problematic projects had been delivered and a significant improvement in profitability was seen (adj. EBIT 3.5% vs. 2023: -0.7%).

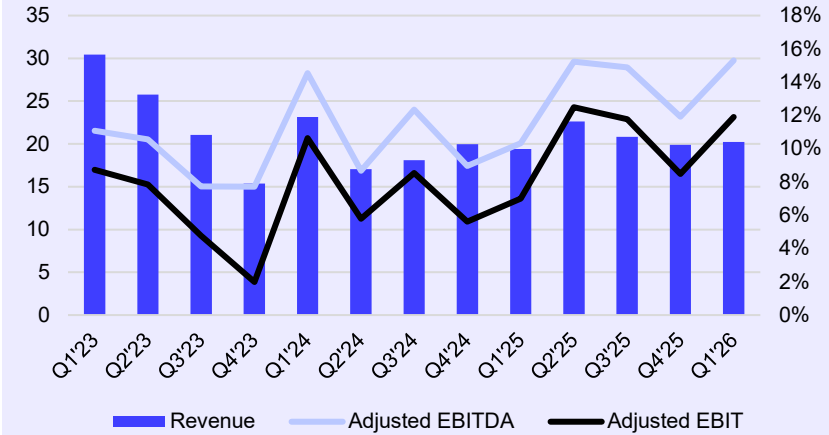
In recent years, Teleste has done a good job of improving the efficiency of Public Safety and Mobility operations, both in procurement and project management. In 2025, the adjusted EBIT margin rose to 6.0%, and we estimate there is still some room for improvement in profitability. However, when serving large and demanding customers, margins are always tight, and defending profitability requires continuous effort from Teleste.

### Video security solutions

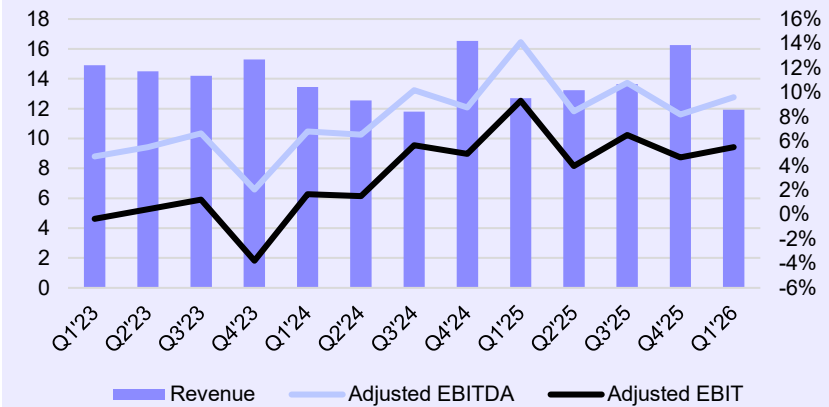
In video security, Teleste's focus is on demanding video security sites where multi-object cameras, recorders and workstations are networked into one unified video security system. Video security applications are often joined together with other systems, such as those involving traffic control, alarm and crisis management systems. Trains today are also typically equipped with both passenger information and video security solutions.

The majority of video surveillance revenue comes from software and project deliveries, with a smaller portion coming from equipment sales. Projects always require customization and integration, which in turn limits the scalability of the software business. System reliability is the most critical competitive factor, and Teleste has a strong reputation in this regard.

Networks revenue and profitability per quarter



Public Safety and Mobility revenue and profitability per quarter



# Company description and business model 6/6

Teleste's competitive advantage also includes strong technological expertise in video management and the ability to integrate customer-specific systems into comprehensive solutions. High replacement costs mean that customer loyalty is very good, but this also contributes to limiting the scope for new sales.

In video security, Teleste's customer base consists mainly of public sector operators. The main customer groups are cities and authorities responsible for road, rail and air traffic. As the customers are mainly public sector operators, the decision-making times for orders can be long or delayed from the original plan. Sales processes are also often highly competitive. However, if successful, single large projects can secure demand for several years. We understand that video security projects also typically have good margins.

## Businesses support each other

The synergies between video security and information solutions enable Teleste to offer comprehensive solutions for public transport, including both information solutions and video security for trains and stations. Teleste is practically the only supplier that delivers systems to both rolling stock manufacturers and station infrastructure. The company aims to leverage its position in the future and steer the industry in a direction where it can deliver more comprehensive systems to both trains and stations simultaneously through public transport operators. The framework agreements won in early 2026 with the French and Belgian state railways are promising steps for this development.

The product development and production of video security software and management systems takes place in Poland.

Conversely, the product development and production of information systems and equipment is mainly carried out in Finland and Poland. Here, Teleste mainly develops applications, so the production is staff-centric and therefore does not tie up much capital. The business should therefore be somewhat scalable, although individual large projects will always require customization.

# Business model

## Teleste Group

(Group expenses 2025: -4.6 MEUR)

### Networks

60% of revenue (2025)  
Revenue: 82.8 MEUR adj. EBIT-%: 10.1%

### Public Safety and Mobility

40% of revenue (2025)  
Revenue: 55.8 MEUR adj. EBIT-%: 6.0%

#### Network equipment

- Active and passive products, headends and video-on-demand solutions of access networks. Fast deliveries and short order book.
- Majority of product development and manufacturing in Turku. Mass-volume products outsourced from China and Taiwan.
- Production capacity has been expanded to Mexico due to growing volumes in North America

#### Network services and software

- Network planning, maintenance and expert services
- Operations mainly in the UK and Finland
- Network management and analytics are growing areas

#### Passenger information and safety solutions

- End-to-end solutions of video security and passenger information. Large projects and long order book.
- Product development in Poland and Finland

Direct sales

Added value provided by dealers

Direct sales

Direct sales

Large telecom operators in Europe and North America

Small and medium-sized telecom operators

Cable, broadband and telecom operators in Europe and North America

Rolling stock manufacturers, the public sector and rail and urban transport operators

# Investment profile

## Successful expansion to North America is reflected in improved earnings performance

After several challenging years, Teleste's investor story turned a new page last year, as earnings growth offered by the North American market began to materialize properly. Teleste's investment profile, previously that of a turnaround company, has begun to shift towards that of an earnings growth company. The North American campaign is progressing well, and with a significantly expanded customer base, future growth rests on broader shoulders than before. This year, uncertainty is mainly created by the merger of key customers Cox and Charter, which is affecting the timing of orders, but in the big picture, DOCSIS 4.0 investments are continuing. In Europe, the market has simultaneously picked up after earlier caution, which Teleste benefits from due to its strong market position. The expanded customer base and efficiency measures in Public Safety and Mobility also support the continuation of profitable growth.

With the turnaround in earnings and the reduction of inventories, the balance sheet has also improved clearly, which enables the implementation of the strategy and strategic acquisitions when the opportunity arises. Overall, Teleste now has the prerequisites to achieve more stable profitable growth in the coming years, and the company's financial targets (revenue growth 2025-2030 CAGR 10% and adjusted EBIT 7-12%) seek significantly stronger development than the current level.

## Strengths and drivers

**Success with new network equipment technologies:** Volume deliveries of distributed architecture and especially DOCSIS 4.0 products offer Teleste clear earnings growth potential.

**Expansion in North America** offers significant growth potential for years to come. The medium-term investment plans of the company's main customers (Cox Communications and Rogers) already support Teleste's growth, and the company also has a foot in the door of several mid-sized operators. The network telemetry and remote management capabilities developed by the company will serve as a competitive advantage and differentiator in North America.

**Profitable growth in Public Safety and Mobility:** Business growth is supported by urbanization, the modernization of trains and systems, and the growing need for security. Teleste is well-positioned with large customers and has also succeeded in expanding its customer base. Here, the efficiency measures taken in recent years also support the improvement in profitability.

**Strong market position in Europe for conventional HFC products:** The company has gained a competitive advantage from the technologies it has developed and from the fact that the market for cable network equipment in Europe is fragmented and not standardized. However, the market for traditional HFC products is in a mature phase and in decline.

**A potential M&A card in Teleste's share:** The convergence of network technologies and the consolidation of operators are accelerating the pressure for mergers in the sector. We believe it is possible that a larger competitor could be interested in the Networks business. Consolidation may also open up M&A opportunities for Teleste. The fragmented Public Safety and Mobility market also offers opportunities for M&A.

## Key risks

**Slowdown in operator investments** in a weakened

economic environment has dampened demand prospects in recent years, especially in Europe. However, the situation has started to pick up during 2026.

**Success with new technology cycles in network equipment:** The transition of cable operators to distributed access architecture and DOCSIS 4.0 solutions is changing the market for network equipment suppliers and may affect their market shares. Teleste appears to be well positioned in new technologies and has succeeded in gaining market share in North America.

**Challenges in the North American expansion** would significantly weaken Teleste's earnings growth prospects, as the access network equipment market in Europe is in long-term decline. There are always risks involved in expanding into a new market, and growth may not always go according to plan. However, these risks have diminished in recent years as a result of the progress made, customers already won, and volume growth.

**The ongoing merger of Cox and Charter** creates short-term uncertainty and slows down order development as Cox optimizes its balance sheet for the arrangement. After the merger, there is also a risk that Teleste's position in the new, larger entity could weaken. On the other hand, the new, larger entity creates new opportunities for Teleste, as Charter has not previously been a Teleste customer.

**Component shortages and supply chain problems** have created challenges for Teleste's delivery capacity and profitability, especially in 2021-2022. Due to AI investments, certain components and memory are again seeing price increases and availability challenges, but the situation is still well under control for Teleste.

# Investment profile

- 1 Successful expansion into North America in the Networks segment supports earnings development
- 2 Recovery of the European network equipment market, where Teleste has a strong market position
- 3 Public Safety and Mobility's expanded customer base strengthens its stable growth outlook
- 4 Improved cost structure creates preconditions for earnings profitability improvement in both businesses
- 5 Balance sheet has strengthened thanks to improved performance, supporting strategy implementation

## Potential

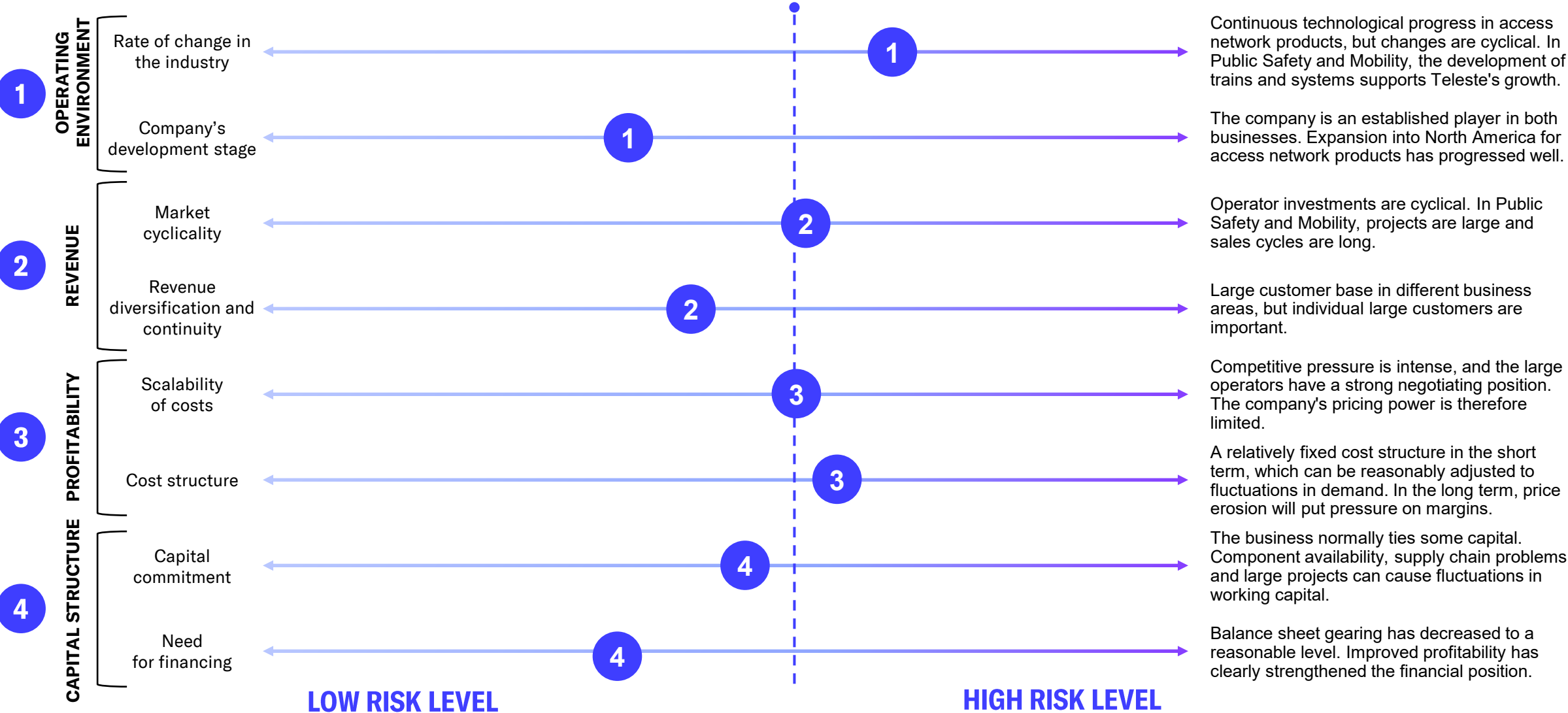
- Volume deliveries of distributed architecture and especially DOCSIS 4.0 products
- In North America, there is potential for significant volume growth in Networks
- With an optimized cost structure, growth supports profitability development
- Profitable growth in Public Safety and Mobility
- Potential target for structural arrangements in the long term

---

## Risks

- Operator investments are cyclical, and in the short term, the merger of Cox and Charter creates uncertainty for orders
- In the Networks segment, the European market is in structural decline in the long term
- Risks related to component availability and supply chains
- Tight competitive pressure in the market and limited pricing power due to large operators

# Risk profile of the business



# Market 1/6

## Networks

The European cable network market varies from country to country and there is no single European market. Cable networks in different countries have been built at different times and with different technical solutions. As a result, there is a wide range of different country-specific products in access network equipment and it has been difficult to develop standard products. For Teleste, the short, customized product series required by customers in the European market and the fragmented nature of the market have been a good thing, as it has been able to compete against mass-volume products and achieve a very strong market position. DOCSIS 4.0 products are more standardized than before, which supports production efficiency and can enable better margins than before.

Teleste has a broad customer base in the network equipment market. The company has strong ties with all major European telecommunications operators that manage cable networks, and its customer base also includes medium and small cable operators. In North America, Teleste already has over 20 customers, of which Cox Communications and Rogers are significant in size.

## Market size

The growth phase for European cable operators has ended, and in recent years, fiber-to-the-premises (FTTP) networks have begun to erode cable's market share. In several European countries, such as Spain, Portugal, and the UK, cable operators have begun decommissioning their HFC networks and transitioning to FTTP. According to a study commissioned by the European Commission, in 2024, approximately 40% of households in EU countries had access to DOCSIS 3.0 compliant cable networks, and 33% had access to DOCSIS 3.1 compliant networks. DOCSIS 3.0 coverage decreased slightly year-on-year as fiber networks became more widespread, but DOCSIS 3.1 coverage remained stable.

In Europe, the size of Teleste's market for access network products was estimated at 300 MEUR about 5 years ago, but as the market has contracted in recent years, a more relevant estimate is around 200 MEUR. The company has a strong market position in Europe (up to ~50% in passive and amplifier products), which has strengthened in recent years as smaller players have gone bankrupt.

In 2025, the decline in the European market stopped, and some markets already saw a recovery in investments. In the coming years, as certain countries and operators transition to DOCSIS 4.0 technology, the European market may experience a temporary upturn. In the long term, the market is likely to decline as new investments are made primarily in fiber networks. Based on current indications, investments in DOCSIS 4.0 technology are expected to be made in at least the Benelux countries, the Netherlands, Switzerland, Austria, and the Czech Republic. However, as we understand it, France, the UK, Ireland, Portugal and Spain are no longer participating in the next round of upgrades. In Germany, networks are only now being upgraded to the previous-generation 1.2 GHz equipment, and technological decisions have made it impossible to go beyond this in the future, to our understanding.

Teleste's growth in the coming years will depend on its expansion into North America, a market that is about four times larger than Europe. The market size is also expected to grow in the medium term. However, Teleste will not directly enter the new market with its entire product portfolio due to limited resources. Moreover, due to the technology choices of the US operators (Comcast), the entire market is not even within the company's reach without major R&D investments. Teleste's focus on the market will be to provide nodes for distributed access architecture and specifically 1.8 GHz amplifiers. The relevant market for Teleste in North America is estimated at approximately 300 MUSD.

## Market for the Networks segment

- Europe is a structurally declining market
- Growing market in North America
- High entry barriers
- Continuous price erosion
- Customers consolidating

## Market size



~200 MEUR

Teleste has a very strong market position



~300 MUSD\*\*

Market potential for distributed architecture and DOCSIS 4.0 products

\*\*The total network equipment market in North America is approximately 4x larger than in Europe. Initial relevant market for Teleste in North America estimated at around 300 MUSD

## North American market breakdown

~1/3 Comcast

Not relevant for Teleste due to technology choices in the short term

~1/3 Charter

The Cox merger could open up opportunities for Teleste here

~1/3 Other operators

Teleste's priority target operators

# Market 2/6

## Market trends

The growth of the network equipment market is supported by constantly increasing data volumes, which place demands on connection speeds and network quality. Operators need to invest in increasing the capacity and speed of their cable networks in order to remain competitive and cope with the increasing load on their networks. The COVID pandemic further increased broadband traffic, but it was still something that operators were able to respond to with DOCSIS 3.1 network upgrades. Particularly in North America, investment in network equipment is being driven not only by higher data speeds, but also by the need to increase the remote manageability and intelligence of networks through software. The aim is to improve the reliability of online services and reduce operating costs. Teleste has strong expertise in this area, as Europe is well ahead of the curve in this area.

Currently, network equipment is increasingly being upgraded to DOCSIS 4.0 compliant devices. A few years ago, DOCSIS 4.0 technology was already considered the last significant investment wave in cable infrastructure, which would maintain its competitiveness against fiber networks for at least the next 10 years. Currently, research and development projects are underway for DOCSIS 5.0 technology, so another technology transition may be on the horizon. DOCSIS 5.0 aims for a download speed of 25 Gbps using a 3 GHz spectrum. However, at some point, the physical limits of how much more performance can be extracted from cable networks will come into play.

In the last decade, the European network market has seen significant M&A activity and strong consolidation of the customer base. Cable operators have merged to achieve economies of scale, and the market has also seen M&A

between cable and mobile operators to expand product portfolios. US cable operators have not shown much interest in the European market, but the European company Altice has made major acquisitions in the US. In 2018, Vodafone acquired Liberty Global's cable operations in Germany, Hungary, the Czech Republic and Romania in an 18.4 BEUR arrangement. Most recently, Teleste's largest North American customer, Cox Communications, is merging with Charter in a 34.5 BUSD deal that is expected to be completed in the second half of 2026. The consolidation of Teleste's customer base is creating larger and larger customers. With larger customers, purchasing power is strengthened as purchasing departments become more professional and volumes increase. This, combined with fierce competition, leads to greater price erosion. In the longer term, the Cox/Charter merger also creates significant opportunities for Teleste, as Charter has not previously been a Teleste customer.

Another trend is the virtualization of telecommunications networks, which can accelerate the price erosion of equipment and reduce the need for separate network equipment in certain parts of the cable network. Virtualization allows telecom network functions to run on programmed standard hardware. This transfers the intelligence and value of networks from the hardware to the software layer. It is our understanding that virtualization is not an immediate threat to Teleste's products but applies to other areas of the cable network (especially core networks). We also believe that Teleste is at the forefront of the industry in the development of intelligence and remote manageability of its own products. Moreover, we believe that it would not even be possible to virtualize all the features of the nodes, amplifiers and passive products manufactured by the company.

## Networks segment market trends and their impact on Teleste



- Constantly increasing data volumes
- Operators' need to increase network capacity and speed
- Need to improve remote manageability and intelligence of networks
- Investments in next-generation network equipment underway



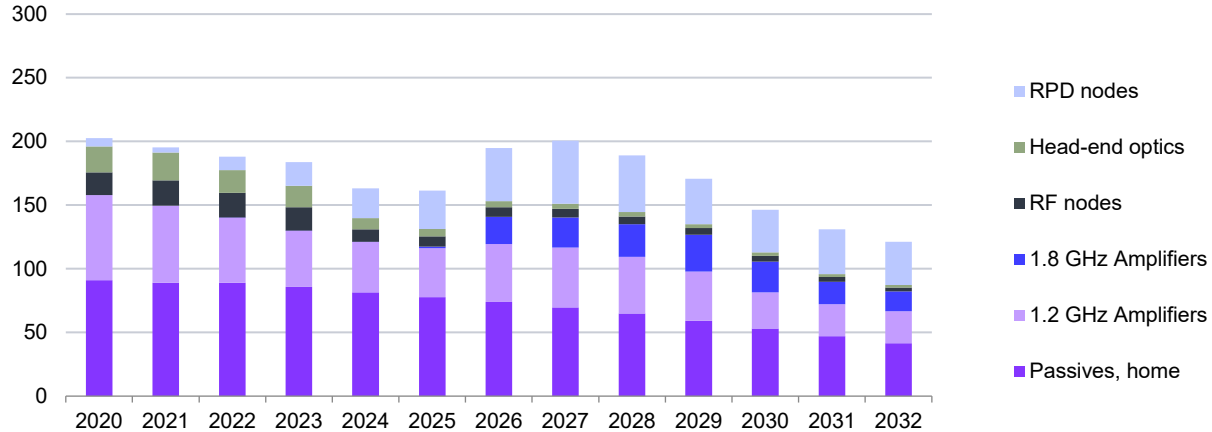
- Network virtualization
- Shift to fiber solutions in the long term (+10 years)



- Consolidation of the customer base
- Price erosion
- The long-term structural downward trend of the European market

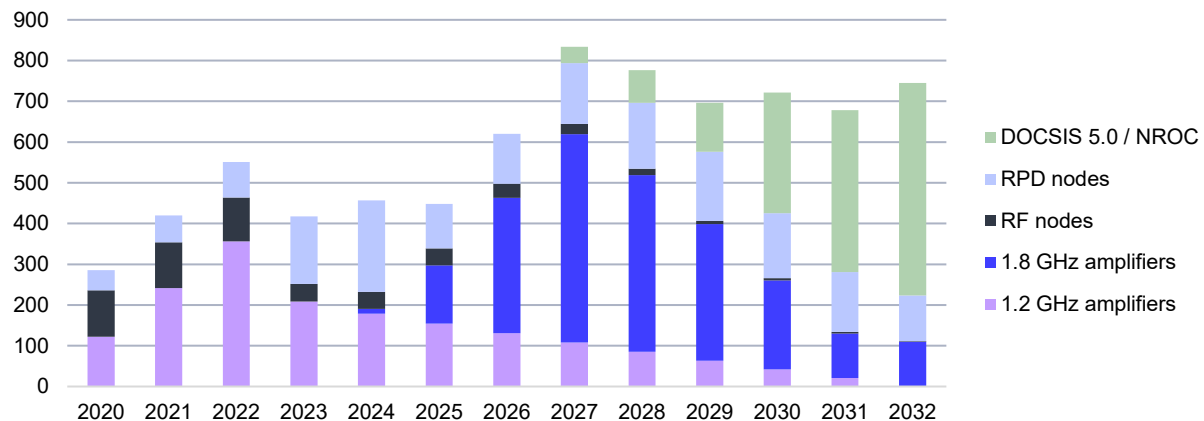
# Market for the Networks segment

## European market by product area



- In Europe, the DOCSIS 4.0 investment wave will be smaller than previous waves.
- DOCSIS 4.0 investments are mainly focused on the Netherlands, Belgium, Switzerland, and Austria.
- Fiber network construction is gradually replacing existing cable network infrastructure in some countries.
- In Germany, DOCSIS 3.1 investments will still be made
- Despite a declining market, Teleste believes it can increase its market share in Europe

## North American market by product area



- In North America, cable broadband is the dominant fixed network technology. The market is about 4 times larger than Europe.
- Cable network infrastructure covers over 90% of US households.
- Over 60% of US households subscribe to broadband from a cable operator.
- DOCSIS 4.0 investments will be widely implemented in existing cable infrastructure.
- After the DOCSIS 4.0 investment wave, North America will likely see at least one more technology cycle (DOCSIS 5.0) and 5G services via cable networks.

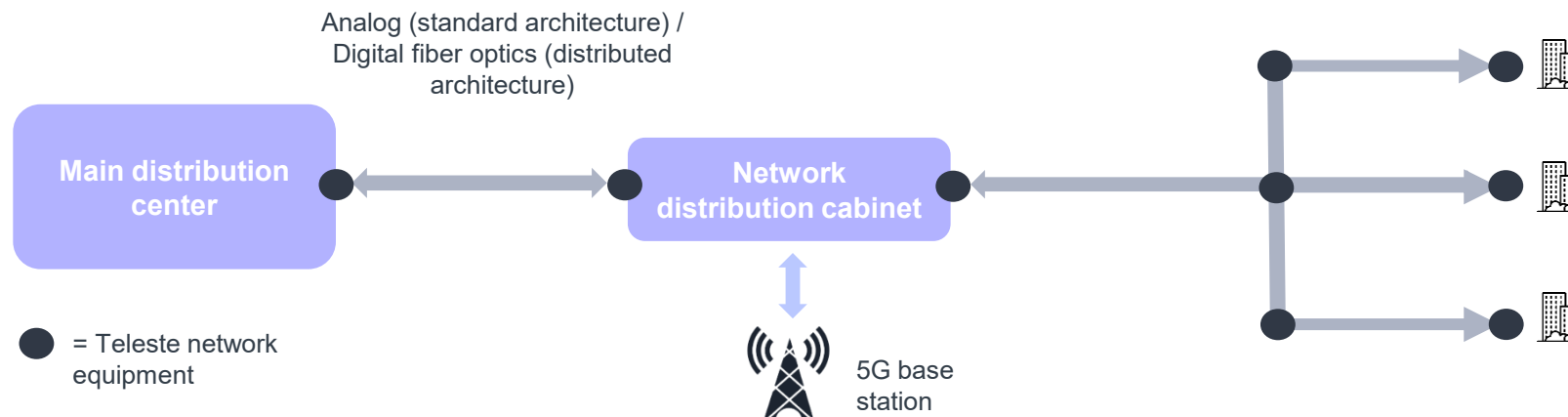
# New technologies in cable networks

## Distributed architecture

- ⇒ In the traditional architecture, the main distribution centers are full of hardware, running out of physical space. Expanding real estate is an expensive way for an operator to increase capacity.
- ⇒ In a distributed architecture, the number of devices and capacity in the main distribution center is reduced. Power consumption and space savings for operators. Investment in network equipment is reduced and some of Teleste's existing core products are cannibalized.
- ⇒ Increasing equipment and capacity, especially in network distribution cabinets. Investment in network equipment increases. Intelligence is being brought into the field, which will also enable new applications such as acting as a backbone for 5G. Demand for Teleste's new solutions is growing.

## DOCSIS 4.0

- ⇒ A new cable network standard that increases the frequency spectrum in coaxial cables from 1.2 GHz to 1.8 GHz.
- ⇒ Enables up to 10 Gb speeds over a cable network, allowing network speeds to be increased without major fiber investments.
- ⇒ The DOCSIS 4.0 standard covers all network elements from central systems to home terminals. Teleste's main product in the North American market are amplifiers at the end of the cable network, which are being upgraded to meet the new standard. The number of amplifiers is many times higher than that of network distribution cabinets, but the level of intelligence is lower. Investment in network equipment increases.



# Market 3/6

## Competition in cable network technologies

The European network equipment market has historically been highly competitive, although at the same time the demands of technology and its rapid evolution have set a high barrier to entry. Network equipment is often customized for a specific country or customer, so there are not really any mass-volume Asian suppliers in the competitive landscape. In passive products, where the technological configuration is low, there are more competitors. Teleste's competitors include Vector, Technetix, Wisi, BKtel, CommScope (now Vistance Network), Harmonic, ATX, Vecima, and Applied Optoelectronics, among others. Of the European competitors, Technetix is approximately the same size as Teleste and is also active in North America. Wisi, BKtel and Vector are smaller players than Teleste. In North America, Vistance Network is a very large player, but, for example, Vecima and ATX are in the same size range as Teleste.

In Europe, the cooling of operator investments in recent years and the weak economic situation have driven smaller operators into corporate restructuring and bankruptcy, which has contributed to easing competitive pressure in recent years. Broadly speaking, Teleste and Technetix currently have the European market largely divided between them. A structurally declining market is unlikely to attract many new entrants.

CommScope (now Vistance Network), which acquired Arris in 2018, has a strong market position in North America. Vistance Network has a strong market position in North America. However, over the years, the company's balance sheet has been heavily leveraged due to acquisition-driven growth, which has proven problematic as markets have deteriorated and interest rates have risen. To strengthen its balance sheet, the company had to sell its Connectivity and

Cable Solutions unit, but the business competing with Teleste in DOCSIS 4.0 solutions remained with the company. We estimate that the challenges faced by CommScope have partly helped Teleste gain a stronger foothold in the North American market in recent years.

## Competition as network technologies converge

Several years ago, the future of fixed networks was questioned due to the rise of mobile networks. In reality, the importance of fixed network technologies has only grown and will continue to grow in the era of 5G and AI. The world has gone mobile, but at the same time wireless networks need a stronger fixed network in the background to function. The different network technologies thus complement each other, rather than simply competing with each other. For example, a cable network can be used as the backbone of a 5G radio network. The line between mobile and fixed broadband networks has therefore become blurred. For operators, this has meant having to cover different network technologies, which has historically led to consolidation. With network convergence, Teleste's customer base, and consequently its competitive landscape, has also consolidated over the years.

In the last decade, network convergence has seen companies such as Nokia and Huawei trying to expand into the cable market. Yet Huawei has virtually withdrawn from the cable market, largely as a result of sanctions imposed on the company in the US and Europe. Nokia entered the cable market in 2016 with the acquisition of US-based Gainspeed. However, Nokia failed to expand into the challenging market as expected and sold these businesses to Teleste's competitor Vecima in 2020. In Vecima's hands, the growth of these businesses has been very strong and the size of the business has multiplied from the starting point.

## Competitors in network equipment



## Competitors in network services



+ Local actors

# Market 4/6

In the past, the market entry of large players offering comprehensive "turnkey" network deliveries appeared to be a clear competitive threat to Teleste. Based on current knowledge, the competitive threat from major players such as Cisco, Nokia and Huawei has clearly diminished. Instead of looking for end-to-end solutions, operators seem to be reluctant to be locked into single-vendor technologies. Therefore, we believe that there will continue to be room in the network market for players like Teleste that specialize in a particular area of technology. In the bigger picture, we believe that Teleste's Networks business would still be an attractive component for many players if the consolidation of network infrastructure vendors continues.

In the longer term, however, fixed networks will be challenged by fiber networks, which already account for the bulk of new network investments. On the other hand, maintenance investments in cable networks will continue well into the future, as upgrading cable networks is significantly more cost-effective compared to fiber optic construction. In addition, the rise in interest rates has clearly slowed investment in fiber, at least temporarily.

## Network services

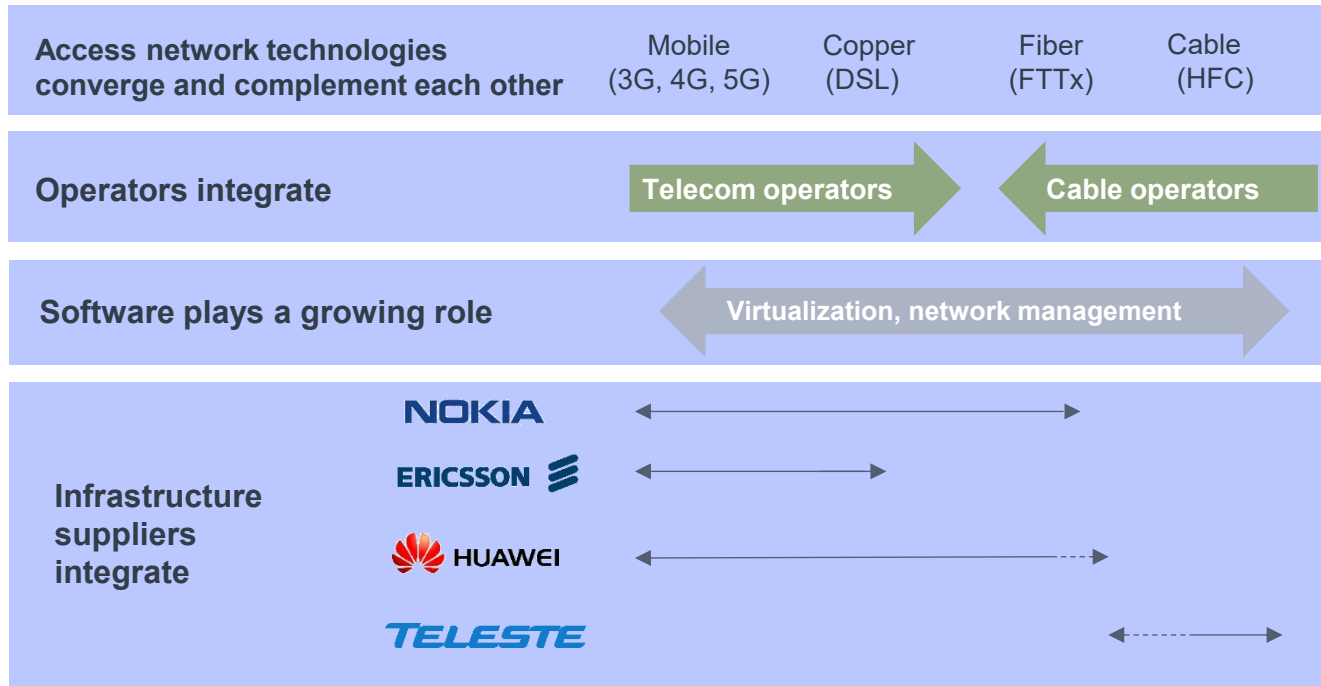
The services business was Teleste's largest segment in terms of market size before the divestment of the German operations. Now the assessment of the actual market potential is less relevant, as the size of the business is significantly small. In the services business, Teleste's growth opportunities are concentrated in network management, where the company announced an agreement with Telia in late 2024 to outsource the operation of broadband and TV services. A similar agreement with Elisa was made in 2025.

In the services business, Teleste's competitors include numerous small local service providers and large global network companies (such as Nokia, Ericsson and Huawei). In addition, the company's indirect competitors are the operators' internal service organizations and, in particular, the global service organizations of the large operators.

The growth of the services business is supported by the increasing outsourcing of telecommunications network management by operators. Operators are also looking to centralize their purchasing and are therefore increasingly looking for suppliers that can provide equipment and services as comprehensive solutions. However, outsourcing network maintenance to external suppliers is not as common in cable networks as it has been among mobile operators.

The service provider has to be extremely efficient to deliver the benefits of outsourcing profitably to the operator. In the long term, we see automation as a key competitive advantage. Thus, as the services market grows, its labor intensity will decrease markedly. Operators have a chronic need to streamline their operations and reduce the labor intensity of their business. In the long term, the strongest players will be the large global service providers with the capacity to invest in automation and service platforms. In our view, Teleste's divestments in the services business are indicative of these market trends, and we believe that the company's focus on the product business is a good solution.

# Convergence of telecommunications networks



- Customers become bigger and stronger buyers
- Network providers are becoming larger suppliers of total solutions as a result of consolidation of the customer base
- Customer pressure is also driving demand for specialized operators, some of which specialize in selected technologies
- Teleste's Networks business as a potential consolidation target

# Market 5/6

## Public Safety and Mobility

Teleste's passenger information solutions customers are mainly large European rolling stock manufacturers and railway operators. While Teleste operates globally in video security, the company's main geographical areas are North America and Europe. Examples of customer segments are transportation, cities, national defense and security. In selected vertical groups, Teleste has invested in high-end systems (complex, sophisticated systems), as the consumer market (small systems with low configuration) is more competitive and less valuable.

Teleste has good references in these businesses. The company's video security customers include the City of Paris, Cape Town Police, Chicago Transit Authority, Fintraffic, Trafikverket, Asfinag, the US Department of Transportation and Helsinki City Transport (HKL). Customers for passenger information solutions include railway operators (such as Alstom, Stadler, Caf and Siemens) and public transport operators (such as HKL, SL, Banedanmark, Translink and Toronto Transit).

Teleste's customer base has undergone significant changes since the company's largest customer, Alstom, acquired Bombardier's rail business in 2020. After the acquisition, there was a risk that Teleste's customer position could be weakened as the company reassessed its suppliers. In light of developments in recent years, Teleste's position as a supplier to Alstom has only strengthened, which in our view demonstrates the company's competitiveness. While having an important strategic customer provides Teleste with growth opportunities, the bargaining power of a large customer increases quality requirements and maintains price

pressure.

Another significant change was the frame agreement signed in late 2024 with Siemens Mobility, one of the world's leading rolling stock manufacturers. In addition, Teleste won Hitachi as a new customer in 2025. Building a position in these large account takes time, however, but when successful, such accounts are often long-term and switching costs are high.

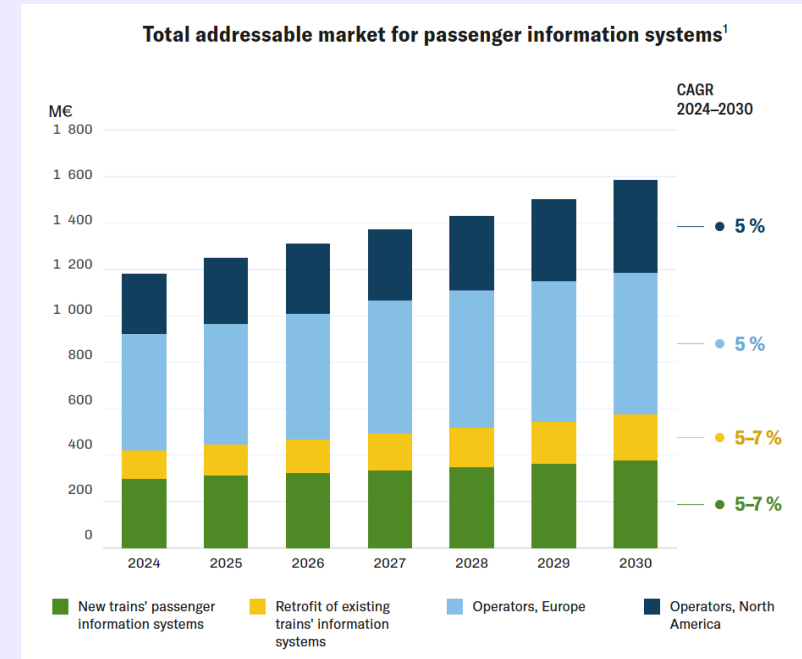
### Market size

Based on various sources, Teleste has estimated the market size for passenger information systems in North America and Europe to have been over 400 MEUR in 2025. The market is expected to grow at an annual rate of some 5-7% until 2030. Here, large multi-year projects can run into the millions, which is also reflected in the large fluctuations in Teleste's order intake between quarters. Teleste estimates that the market potential for passenger information displays and systems installed in train and metro stations, among other places, was almost 800 MEUR in 2025. Here, the market is expected to grow at a rate of ~ 5%.

The total global market for video security is in the tens of billions. However, due to Teleste's geographical and customer focus, the size of the relevant market for the company is significantly smaller. Teleste has estimated the total size of its niche market to be around 200 MEUR in Europe and the US. The market is expected to grow moderately in the medium term. As the customers are mainly public sector operators, the decision-making times for orders can be long and project timelines are often delayed. We understand that typical order sizes in video security range from one million to a few million.

## Passenger information solutions and information displays

- Key customers are European rolling stock manufacturers and railway operators
- Many different players in the market
- Trends of urbanization and growing public transport



## Video security solutions

- Many small product competitors, integrators in end-to-end solutions
- Mainly public-sector customers
- Slow sales cycles
- Underlying trends in urbanization and public safety

Market size (2024)



~200 MEUR

# Market 6/6

## Market trends

The growth of the Public Safety and Mobility market is supported by megatrends such as urbanization and the increasing need for security. With urbanization, the demand for continuously improving passenger information solutions is growing, so that road traffic, trains, buses, and other transport connections operate smoothly and flexibly. The growing population in cities also increases the need for security, and video security can monitor various threats more effectively than before.

Video security is moving toward more and more comprehensive situational awareness systems that integrate multiple security systems into one (e.g., border control, weather, police and emergency services). Technological trends include video analytics, recognition and artificial intelligence applications, adding intelligence to solutions.

## Competition

Teleste's competitors in passenger information solutions include the Belgian company Televic and Wabtec, which acquired the German company Annax. Competitors also include suppliers of display devices such as GDS, Lumino, Aesys, Funkwerk, and Luminator. Teleste has good relations with Europe's largest rolling stock manufacturers and railway operators, which helps it to compete. Teleste is also the only supplier that delivers displays and systems to both rolling stock manufacturers and station infrastructure, whereas these two areas otherwise have their own dedicated operators. The company's vision is to better leverage this position and, through public transport operators, influence the systems of trains already in the

planning stages. The company aims to expand its customer base among public transport operators, which would also diversify the company's dependence on individual rolling stock manufacturers. A fragmented market can also offer opportunities for M&A, and there are potential acquisition targets among companies supplying train systems and systems for train stations.

The video security market in Europe is highly fragmented. There are many different actors in the market with different roles in video security. The market includes small application suppliers, equipment suppliers, integrators, administrators and system suppliers. Teleste has focused on designing larger systems that can integrate third-party software and hardware. Video security applications are a very niche area, which makes the market less attractive for large players. As a result, Teleste has several smaller competitors, the most important of which are Genetec and Milestone. In situational awareness systems, Teleste competes with large IT integrators.

## Competitors in passenger information solutions



## Competitors in information displays



## Competitors in video security solutions



# Strategy 1/2

## Networks strategy has recently progressed nicely in the right direction

In recent years, Teleste's strategy in the Networks segment has aimed for market leadership in 1.8 GHz amplifiers (DOCSIS 4.0) and a strong position in distributed architecture. In addition, expansion into North America has been central, while the company aims to maintain a strong position in Europe. In these respects, the strategy has progressed very well in recent years, as the company has already won over 20 new customers in North America, of which Cox and Rogers are very significant operators. North American growth has also started to be reflected in the company's figures as earnings growth. In Europe, the market situation has been sluggish in recent years, but Teleste has nevertheless succeeded in strengthening its position here. During 2026, the market situation has started to pick up, and DOCSIS 4.0 investments have also begun in Europe.

Teleste's European expertise in areas such as remote updates is one of its competitive advantages in North America, as operators are increasingly interested in reducing their costs. We believe Teleste was previously ahead of its competitors in this regard, but competitors have developed similar features in their own products in recent years. In light of the numerous customer wins, Teleste's product offering in North America appears to be very competitive overall.

Expansion into North America is crucial for long-term growth, as Teleste expects the European access network market to decline in the longer term as network investments increasingly focus on fiber networks. The growth outlook for North America, on the other hand, is brighter as the country has significantly more cable networks and will continue to invest heavily in them. As a result, Teleste's business focus

will shift significantly more from Europe to North America.

The success of the North American expansion is also evidenced by Teleste's investment in building new capacity in Mexico. The first products have been delivered from Mexico in early 2026. In addition, Teleste has expanded its cooperation with contract manufacturing partner GPV to serve North American customers. Moving production closer to customers also helps the company optimize working capital. At the same time, the company is increasingly focusing its R&D efforts on meeting the demands of North American customers.

## Preparing a vision beyond cable technology

After DOCSIS 4.0, one more upgrade cycle (1.8GHz → 3.0 GHz) is planned for cable networks, but new network investments are mostly focused on fiber networks. Investment in cable networks is therefore likely to be well below current levels at some point in the late 2030s. Teleste has started to make investments in its product development to adapt to this long-term technology transition. For Networks, this therefore likely means a shift from cable technologies increasingly to fiber, network management software, or expansion into entirely new business areas. Teleste's product range already includes passive products for fiber networks, but the replacement of cable products will obviously require a significant renewal of the product offering in the long term. This technology transition creates uncertainty for Teleste's outlook in the very long term, but in the company's long history, its businesses have also been through many transformations already. The preparations for this change have also started very well in advance.

## Aim for market leadership in passenger information solutions

Teleste has important European customers in passenger information solutions (Alstom, Stadler, Caf), where the company aims to expand. Between 2022 and 2023, cost inflation and fixed-price projects posed a challenge, but these challenges have been overcome and in 2024-2025 the segment's profitability already improved significantly. Thanks to the expanded customer base in recent years, as well as cost savings and efficiency measures, the conditions for profitable growth remain strong going forward. Teleste is continuously striving to improve its efficiency in this area and has, for example, concentrated its software development activities. The company has also developed the S-ARRIVE software platform, which will reduce the need for project-specific customization in the future. Growth opportunities are also seen in the maintenance business, which in principle has relatively high margins.

# Strategy 2/2

## Aim for a strong position in selected areas of video security

In video security, one of Teleste's strategic objectives is to grow in existing customer groups (e.g. public transport, public areas, smart city and airports). According to Teleste, the market for network management systems is saturated and the growth outlook is fairly stable. Comprehensive situational awareness systems and the introduction of video security software in trains offer growth opportunities.

Successful growth in video security would support Teleste's profitability, as we estimate that the software-focused business model offers a good profitability profile. Slow new customer acquisition and long sales cycles are a challenge. As a result, the current business is dependent on the upgrade cycles of existing customers' systems. It would also be strategically important for the company to be able to expand its customer base to enable growth.

## Financial targets

In April 2025, Teleste published its long-term financial targets for 2030, in light of which the company aims for profitable growth in both its Networks and Public Safety and Mobility businesses. Teleste aims for average annual revenue growth of 10% until 2030. Regarding the growth rate, there may be differences between individual years, which in our view are influenced by the timing of operators' investments in Networks and the timing of large projects in Public Safety and Mobility. In our view, the growth target is ambitious compared to the company's history, but achievable with good strategy execution. This is aided by an expanded customer base in both businesses and, in particular, successful expansion into North America in the Networks segment. Our

forecasts at this point are still more cautious than the company's targets.

In terms of profitability, Teleste targets an adjusted EBIT of 7-12% by 2030, compared to 5.1% in 2025. In light of the more efficient cost structure in recent years and continuous growth, we consider achieving at least the lower end of the profitability target to be realistic. We forecast profitability to rise to 7% in the coming years.

Teleste describes its dividend policy as follows: "Teleste intends to be an interesting investee corporation in which the investment's increase in value and the dividend yield form a competitive combination. The annual proposal for the dividend is validated by the Board in consideration of profitability, financial situation and needs for investment necessitated by profitable growth." The company has a history of paying an annual dividend, but no dividend was paid in 2022-2023 due to the poor result, working capital commitment and investments needed for the North American expansion. In 2024-2025, Teleste's earnings performance and balance sheet position strengthened significantly, which was reflected in the company's return to paying dividends.

## Strategic focus areas



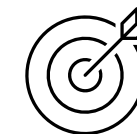
### Networks

- **Meeting North American market requirements:** To accelerate growth and win new customers, technology development priorities and the roadmap have been optimized to better meet customer requirements and schedules
- **Strengthening production capacity:** Expanded cooperation with contract manufacturing partner GPV and the opening of a high-capacity production center in Mexico. The first products have been delivered from Mexico in early 2026.
- **Long-term technology investments:** Continuing investments in the development of products and standards based on cable and fiber technologies.
- **Long-term renewal of offerings:** Increased investments in software development and the development of an intelligent network management solution. Expanding the offering to analytics, automation and AI. Growing high value-added services.

### Public Safety and Mobility

- **Growth in existing products and customer segments:** The customer base has been successfully expanded in recent years
- The goal is to achieve a leading position in public transport information and security solutions
- In video security, the goal is to maintain a strong position in security solutions for selected authorities
- Thanks to the cost savings and efficiency measures taken, the conditions for profitable growth are good.

## Financial targets



### Targets until 2030

- Profitable growth in both business segments
- Average annual revenue growth of 10%
- Adjusted EBIT of 7-12% of revenue by 2030

### Inderes' comments on the objectives

- The targets are ambitious when compared to history, but achievable with good strategy execution, given the more efficient cost structure in recent years and the strengthened growth outlook in both businesses
- Our growth forecasts are still clearly more modest than the company's targets, but we expect profitability to rise to 7% in the coming years.

# Financial position 1/2

## Past development

Teleste's revenue grew at an average rate of 11% between 2005 and 2016. In addition to organic growth, the company has made numerous acquisitions over the years. In 2009, Teleste acquired four German companies in the services business, but these were divested in 2020 due to chronic poor profitability. Mitron, acquired in 2015, had a revenue impact of approximately 27 MEUR. After a record year in 2016 (revenue 260 MEUR), Teleste's revenue decreased by an average of 3% per year in 2017-2019 due to the weak development of its access network products and services business.

Since then, the company has practically faced various challenges until 2024. In 2020, the COVID pandemic disrupted operations in all of Teleste's business areas. In 2021-2022, demand recovered, leading to order books reaching new records. However, component shortages limited the company's ability to deliver and thus its revenue growth. The weakened economic outlook in 2023-2024 caused European operators to curb their investments, which was particularly evident in the collapse of the Networks segment's revenue. However, in 2024, deliveries in North America began in the Networks segment, and momentum accelerated in 2025. The European market has also shown signs of a turnaround, and overall, Teleste's growth prospects have strengthened during 2025-2026. Public Safety and Mobility's revenue has developed steadily in recent years.

Before the financial crisis, Teleste had an EBIT margin of around 10%, but since 2009 profitability has been structurally well below this level. Fierce price competition and weak profitability in the services business initially kept margins low. After the divestment of the German services

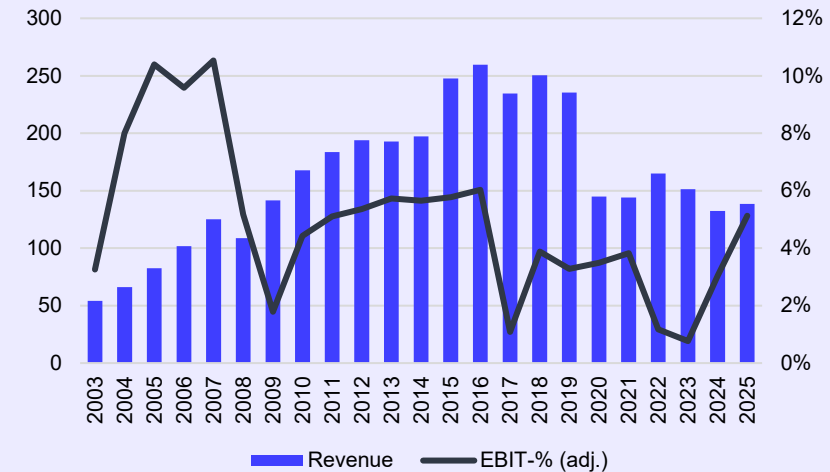
business, Teleste's profitability profile improved, but component shortages and cost inflation created a new profitability challenge in large fixed-price projects for passenger information solutions. Their impact on profitability was largely offset by 2024. Between 2023 and 2024, the company has made major cost structure adjustments, resulting in a reduction of the fixed cost structure. The efficiency of both business units has also improved. This was already reflected in profitability in 2024, and the adjusted EBIT margin (2024: 3.0%) improved significantly despite a further decline in revenue (-12%). In 2025, the margin improved to 5.1% as revenue growth was reflected in the bottom line.

## Cost structure

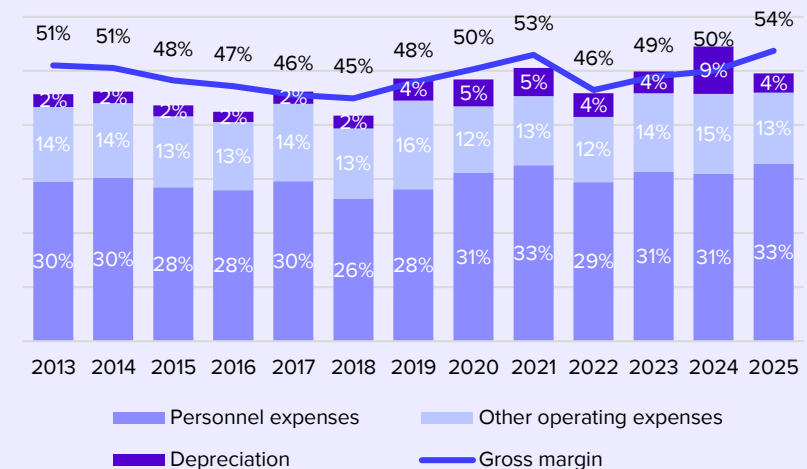
Materials and services are Teleste's largest cost item (2025: 46% of revenue). The share of this item has gradually decreased from the 2022 level (54%), when the gross margin was burdened particularly by the combination of cost inflation and fixed-price projects for passenger information systems. In the long term, the gross margin will be under pressure from continued price erosion in the network equipment market. The best way to combat price erosion is to increase volumes. Overall, we do not expect the change in focus of Networks from Europe to North America to significantly change Teleste's gross margins.

Of the operating expenses in 2025, personnel expenses accounted for 33%, other operating expenses for 13% and depreciation and amortization for around 4% of revenue. We see moderate scalability potential in Teleste's operating expenses (especially personnel) as revenue continues to grow in the coming years, even though growth in North America will require further investment.

Revenue and profitability-%



Cost structure, % of revenue



# Financial position 2/2

## High inventories brought down significantly in recent years

Teleste's balance sheet has historically been quite strong in general, which has given the company room for maneuver and enabled it to make acquisitions. During the 2010s, Teleste's equity ratio was around 45-50% and its net gearing was around 10-25%.

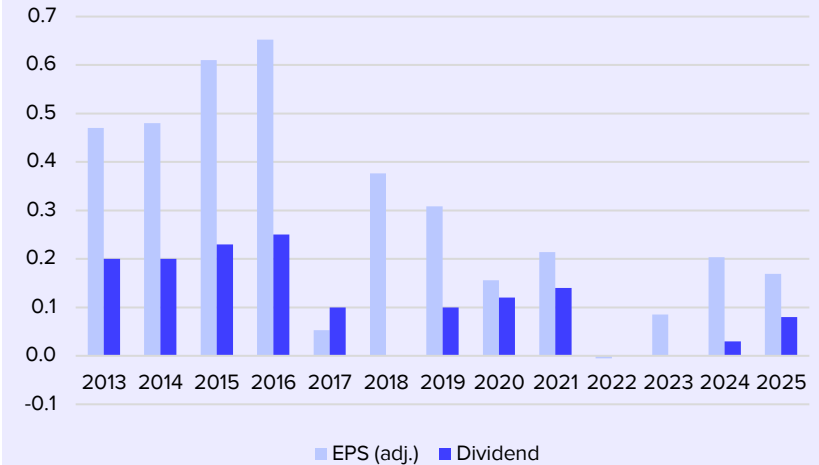
During 2022, the balance sheet deteriorated as Teleste was forced to significantly increase its inventory levels to ensure security of supply. In addition, trade receivables ballooned and the company had to finance the increased working capital with new debt financing. Between 2023 and 2024, the component shortage situation started to ease and the company managed to significantly reduce its working capital. The favorable development continued throughout 2025, which has restored Teleste's balance sheet to a very solid position. At the end of 2025, the company's net gearing was 34% and its equity ratio was 48%. The reduced debt and improved result are also reflected in the significant improvement of the net debt/EBITDA ratio (Q4'25: 1.7x vs. Q4'24: 2.8x).

In the coming years, growing volumes in North America should not significantly tie up working capital, as Teleste has increased its production capacity on the continent. Previously, all products were delivered from Finland. However, at times, the company's major customers may optimize their working capital and extend their payment terms to suppliers. Due to working capital fluctuations, Teleste's cash flow can vary strongly in both directions on a quarterly/annual basis. We estimate that in the longer term around 50-70% of the company's adjusted EBIT could be converted into free cash flow.

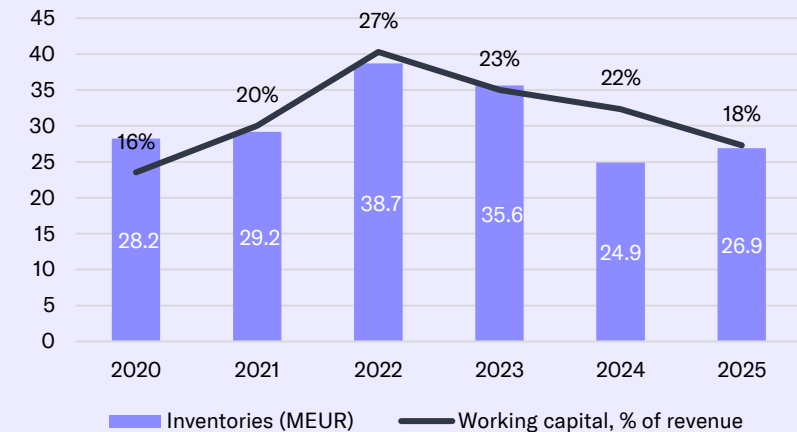
Teleste's balance sheet total at the end of 2024 was approximately 121 MEUR. The balance sheet assets consisted mainly of trade receivables (33 MEUR), inventories (25 MEUR) and cash (9 MEUR). In addition, the company has goodwill from previous acquisitions (30 MEUR) on its balance sheet. Property, plant and equipment amounted to 12 MEUR, a part of which are fixed assets according to IFRS 16. Intangible assets, mainly related to R&D capitalizations, amounted to 9 MEUR, which decreased from the previous year (2023: 13 MEUR) due to an impairment (-6 MEUR). The impairment was related, among other things, to the slower-than-expected development in the distributed access architecture market.

Balance sheet liabilities consisted mainly of equity (55 MEUR), interest-bearing liabilities (34 MEUR) and interest-free liabilities (30 MEUR).

EPS and dividend



Development of inventories and net working capital

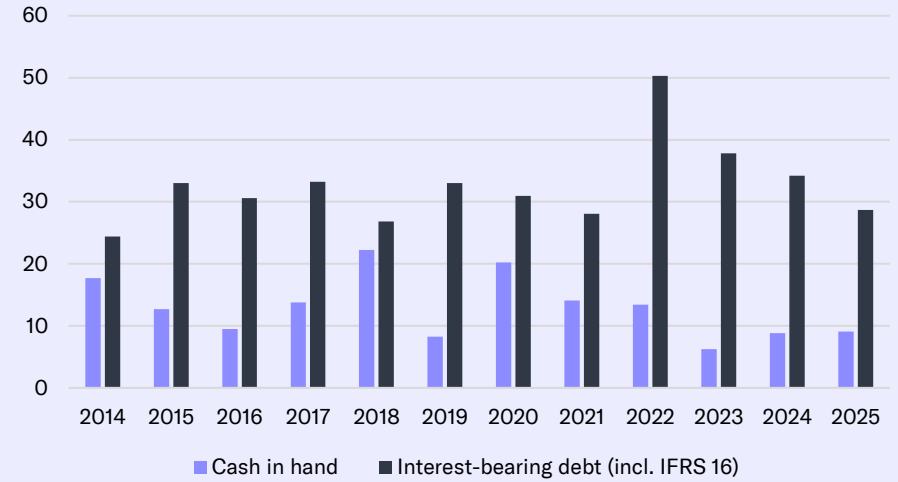


# Financial position

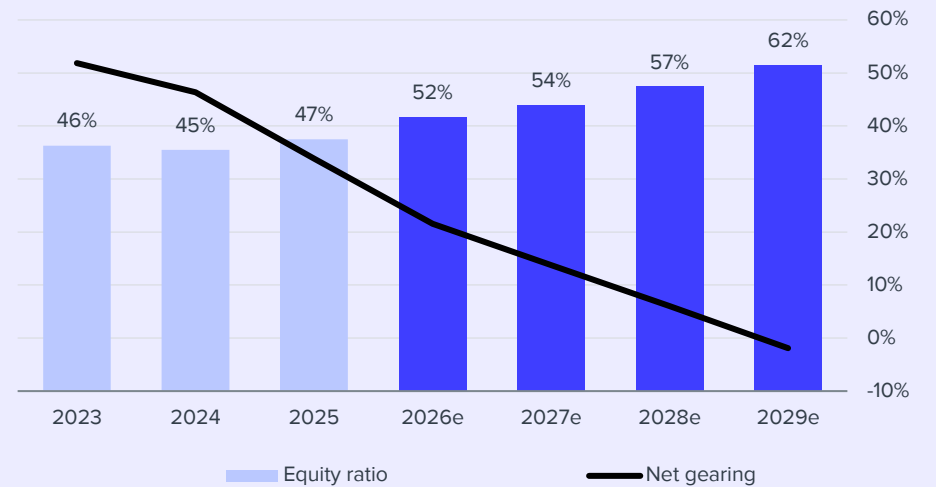
Balance sheet Q4'25



Cash and interest-bearing liabilities (MEUR)



Taseen avainlukujen kehitys



# Estimates 1/3

## Basis for the estimates

We forecast the development of Teleste's revenue through the two business units reported by the company. We model the cost structure and profitability at the group level, which is also the basis for our efforts to understand the profitability trend and earnings distribution at the segment level. We have not changed our estimates in connection with this report.

In the medium term, Teleste's business development will be driven in particular by the advancement of the DOCSIS 4.0 technology cycle. The North American market plays a critical role in this, as the technology cycle there will be significantly larger than in Europe. Crucial for growth is the position Teleste achieves in the market. Developments in recent years have been promising in this area, and in 2025, 31% of Networks' revenue already came from North America and other regions (2024: 16%).

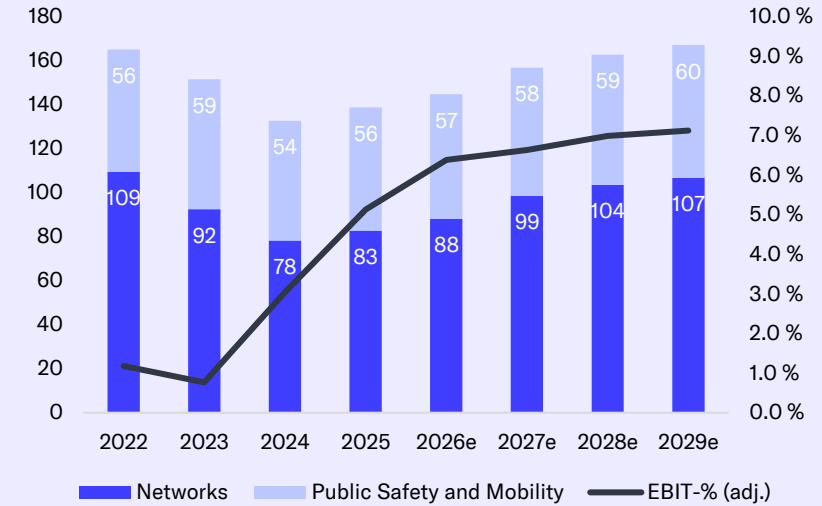
The weak market environment in recent years has kept European operator customers cautious with their investments, but the outlook began to brighten at the end of last year. The launch of DOCSIS 4.0 investments appears to be turning the European market to growth this year and in the coming years, although in the longer term the market still seems to be in a structural decline. Given Teleste's high market share, investment decisions by European operators would very likely end up in the company's pocket. We expect Europe to support Teleste's revenue development in the coming years, but our longer-term growth expectations rely entirely on North America. We believe that at some point, revenue from the North American market will exceed that of Europe. In terms of volume, North America can at best offer significant growth

compared to Teleste's current size, as the market is about 4 times larger than Europe.

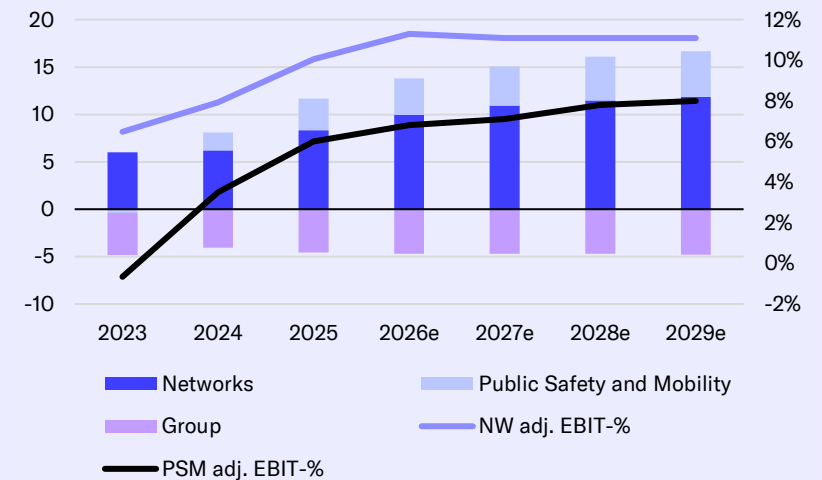
Public Safety and Mobility's order intake grew last year, and the order book (Q1'26: 90.8 MEUR) is at a good level. Teleste's efforts to enhance business operations, particularly in procurement and project management, have yielded improved profitability. The company is now also able to raise prices under its contracts, whereas fixed-price contracts became a challenge during the component shortage following the COVID-19 pandemic. An expanded customer base and implemented business efficiency measures create a solid foundation for continued profitable growth. Going forward, profitability will be driven, among other things, by an increase in the share of high-margin maintenance business. The markets below are also expected to experience steady, healthy growth, supported by urbanization and the growth of public transport.

Overall, Teleste is well-positioned to continue growing in both of its businesses in the coming years. With a more efficient cost structure, growth should also scale to the bottom line, as the company's financial targets anticipate. With an improving earnings level, the company also has the potential to increase its dividend in the medium term, unless capital is allocated more aggressively to, for example, acquisitions.

Revenue and profitability



Segment-specific earnings and profitability assumptions



# Estimates 2/3

## Earnings growth continues in 2026

Teleste guides for revenue of 140-160 MEUR and an adjusted EBIT of 7-10 MEUR for this year. The guidance practically anticipates growth in both revenue (2025: 139 MEUR) and earnings (2025: 7.1 MEUR) from the previous year. Earnings are expected to be weighted toward H2, which, after a strong Q1, bodes well for the full year's performance. We forecast revenue of 145 MEUR and an adjusted EBIT of 9.2 MEUR for the current year.

The merger of Cox and Charter is expected to be completed in the second half of the year, which introduces uncertainty regarding the key customer's short-term investment levels. However, this is a shift in order timing, as Cox has not discontinued its DOCSIS 4.0 investment projects. Increased deliveries in Europe seemed to offset developments in North America well, at least in the early part of the year. Outlook for growth in North America also remains very good beyond a few quarters, as the company already has over 20 customers on the continent. For Rogers, Canada's largest operator, order development has been cautious thus far, as the company is working through its existing inventory. Nevertheless, Rogers appears poised to become a significant new customer for Teleste in the coming years. Following the Cox merger, Teleste may have opportunities to win a share of Charter. We forecast the Networks segment's revenue to grow by 6% this year, with growth weighted towards Q3-Q4 (10-20%). In Q2, we expect revenue to decline by 7% from a strong comparison period.

The expanded customer base of Public Safety and Mobility and the implemented efficiency measures create a solid

foundation for continued profitable growth. Earlier this year, Teleste won framework agreements with both the French and Belgian national railways, under which station displays and systems will be supplied on a large scale. We expect the segment's revenue to grow slightly by 1.4% this year.

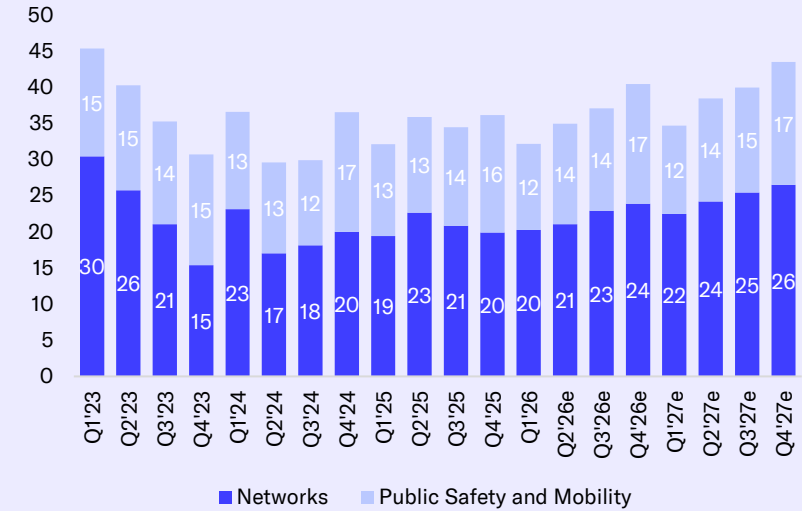
Challenges related to component availability and prices bring a certain degree of uncertainty to Teleste's outlook. Due to AI investments, certain semiconductors and memory chips have become scarce, and high demand is also driving up their prices. Despite this, Teleste successfully protected its margins in the early part of the year, and the company has proactively acquired components for its inventory. From the perspective of working capital optimization, deliveries through a contract manufacturer in Mexico will bring new opportunities this year.

## Estimates for 2027-2028

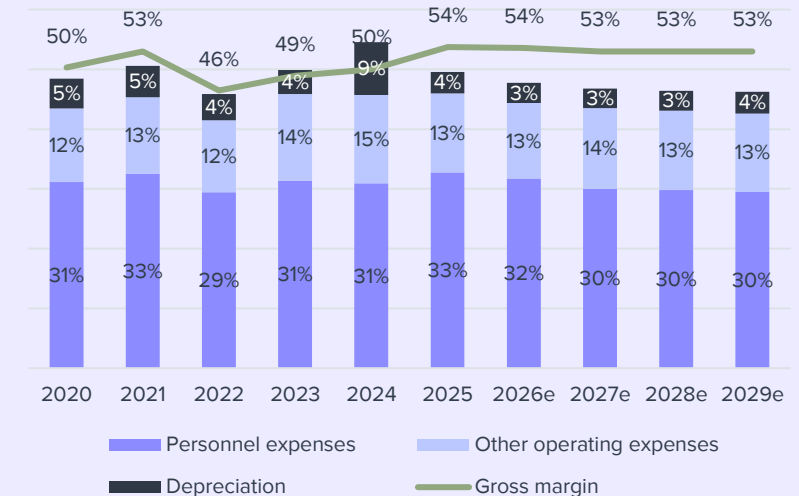
We expect Teleste to continue its strong growth in 2027 (+8%), still driven by the Networks segment (forecast +12%). We estimate that the existing North American customers already won will enable growth alongside the recovery in Europe, although the company also has the potential to win new operator customers. We expect Public Safety and Mobility's revenue to continue to grow moderately (forecast +2.5%). In light of the company's targets, the pace could be even faster.

We expect Teleste's adjusted EBIT to improve to 10.4 MEUR (6.6% of revenue) in 2027, as both businesses should still have scalability potential in profitability as growth continues.

## Revenue development per quarter



## Cost structure, % of revenue



Source: Inderes

# Estimates 3/3

In 2028, we expect Teleste's growth rate to slow to 4% as Networks' growth moderates. If the company succeeds in winning new, larger operator customers in North America or expanding with existing customers, the growth rate could be stronger than our forecasts. If Teleste were to lose its position as a supplier to Cox after the merger, growth could also fall short of our expectations. For Europe, the market outlook for the next few years is still unclear. We expect Public Safety and Mobility to continue growing at 2%. We expect the adjusted EBIT to grow to 11.4 MEUR in 2028, which would bring the margin (7.0%) to the lower end of Teleste's target range (7-12%).

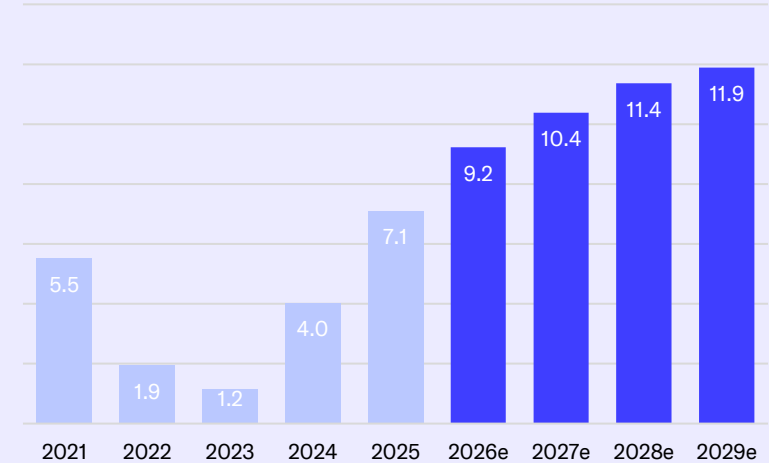
## Long-term estimates

In our forecast model, we expect Teleste's revenue to grow by a 2.6% in 2029 and then to slow down to 2% in the period 2030-2034. After this, our terminal growth expectation is 1.5%. One should be cautious with Teleste's medium and long-term forecasts, as the European market, which is still important for the company, is in structural decline in the longer term, and operators' investments in new technologies are cyclical.

According to our estimates, profitability will peak in 2029 (EBIT-% 7.1%). Thereafter, we forecast a gradual decline in profitability towards 6.0%, which is also our terminal assumption. Thus, we expect profitability to remain at roughly the current level in the long term, which is not a particularly aggressive expectation given the company's targets. However, the profitability level we are forecasting is reasonably good compared to Teleste's history. In our opinion, Teleste's business structure has improved in recent years, so a comparison to a history colored by challenges is not entirely straightforward.

Teleste also has the potential to outperform our current estimates, but this will require good success in expanding in North America. In this regard, recent years have been promising, but at the same time, the European market's long-term development remains a negative driver. Uncertainty in long-term forecasts is caused by the technology cycles in Teleste's markets and the resulting fluctuations in annual revenue. Overall, investments in cable networks will decrease in the long term, and Teleste's business focus may shift more towards fiber technologies, network management software, or other new areas. Successful product development is therefore crucial for the company's long-term growth prospects.

## Adjusted EBIT development (MEUR)



## EPS and dividend



# 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
<b>Revenue</b>	<b>133</b>	<b>32.2</b>	<b>35.9</b>	<b>34.5</b>	<b>36.1</b>	<b>139</b>	<b>32.2</b>	<b>34.9</b>	<b>37.1</b>	<b>40.4</b>	<b>145</b>	<b>157</b>	<b>163</b>	<b>167</b>
Networks	78.2	19.4	22.6	20.8	19.9	82.8	20.2	21.0	22.9	23.9	88.1	98.6	104	107
Public Safety and Mobility	54.3	12.7	13.2	13.6	16.2	55.8	11.9	13.9	14.2	16.6	56.6	58.0	59.2	60.3
<b>EBITDA</b>	<b>6.3</b>	<b>2.7</b>	<b>3.2</b>	<b>3.4</b>	<b>2.4</b>	<b>11.8</b>	<b>2.9</b>	<b>3.2</b>	<b>3.9</b>	<b>4.0</b>	<b>14.0</b>	<b>15.5</b>	<b>16.7</b>	<b>18.0</b>
Depreciation	-11.7	-1.3	-1.2	-1.2	-1.3	-5.0	-1.2	-1.2	-1.2	-1.2	-4.9	-5.1	-5.3	-6.2
<b>Liikevoitto (oik.)</b>	<b>4.2</b>	<b>1.5</b>	<b>2.2</b>	<b>2.3</b>	<b>1.2</b>	<b>7.1</b>	<b>1.9</b>	<b>1.9</b>	<b>2.7</b>	<b>2.7</b>	<b>9.2</b>	<b>10.4</b>	<b>11.4</b>	<b>11.9</b>
<b>Liikevoitto</b>	<b>-5.4</b>	<b>1.5</b>	<b>2.0</b>	<b>2.2</b>	<b>1.2</b>	<b>6.8</b>	<b>1.8</b>	<b>1.9</b>	<b>2.7</b>	<b>2.7</b>	<b>9.1</b>	<b>10.4</b>	<b>11.4</b>	<b>11.9</b>
Net financial items	-1.7	-0.9	-1.9	-0.6	-0.4	-3.8	-0.3	-0.3	-0.3	-0.2	-1.0	-0.8	-0.6	-0.4
<b>PTP</b>	<b>-7.1</b>	<b>0.6</b>	<b>0.1</b>	<b>1.6</b>	<b>0.8</b>	<b>3.0</b>	<b>1.5</b>	<b>1.6</b>	<b>2.5</b>	<b>2.5</b>	<b>8.1</b>	<b>9.6</b>	<b>10.7</b>	<b>11.5</b>
Taxes	1.0	0.0	0.2	-0.3	-0.3	-0.4	-0.1	-0.4	-0.5	-0.6	-1.5	-2.1	-2.4	-2.5
Minority interest	0.2	0.1	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net earnings</b>	<b>-5.9</b>	<b>0.6</b>	<b>0.4</b>	<b>1.3</b>	<b>0.4</b>	<b>2.8</b>	<b>1.4</b>	<b>1.3</b>	<b>1.9</b>	<b>2.0</b>	<b>6.5</b>	<b>7.5</b>	<b>8.4</b>	<b>8.9</b>
<b>EPS (adj.)</b>	<b>0.20</b>	<b>0.03</b>	<b>0.03</b>	<b>0.08</b>	<b>0.03</b>	<b>0.17</b>	<b>0.08</b>	<b>0.07</b>	<b>0.10</b>	<b>0.11</b>	<b>0.36</b>	<b>0.41</b>	<b>0.46</b>	<b>0.49</b>
<b>EPS (rep.)</b>	<b>-0.32</b>	<b>0.03</b>	<b>0.02</b>	<b>0.07</b>	<b>0.02</b>	<b>0.15</b>	<b>0.07</b>	<b>0.07</b>	<b>0.10</b>	<b>0.11</b>	<b>0.36</b>	<b>0.41</b>	<b>0.46</b>	<b>0.49</b>

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
<b>Revenue growth-%</b>	-12.4 %	-12%	21%	15%	-1%	4.6 %	0%	-3%	8%	12%	4.3 %	8.3 %	3.9 %	2.6 %
<b>Adjusted EBIT growth-%</b>	261%	-6%	384%	73%	39%	70%	29%	-11%	18%	126%	30%	12%	10%	5%
<b>EBITDA-%</b>	4.7 %	8.4 %	9.0 %	9.8 %	6.7 %	8.5 %	9.1 %	9.0 %	10.6 %	9.8 %	9.7 %	9.9 %	10.3 %	10.8 %
<b>Adjusted EBIT-%</b>	3.2 %	4.5 %	6.0 %	6.6 %	3.3 %	5.1 %	5.8 %	5.5 %	7.3 %	6.7 %	6.4 %	6.6 %	7.0 %	7.1 %
<b>Net earnings-%</b>	-4.4 %	2.0 %	1.1 %	3.7 %	1.2 %	2.0 %	4.3 %	3.6 %	5.2 %	4.9 %	4.5 %	4.8 %	5.1 %	5.3 %

Lähde: Inderes

# Balance sheet

Assets	2024	2025	2026e	2027e	2028e
<b>Non-current assets</b>	<b>53.7</b>	<b>54.7</b>	<b>55.5</b>	<b>56.3</b>	<b>57.0</b>
Goodwill	30.1	30.1	30.1	30.1	30.1
Intangible assets	8.8	11.3	13.1	14.7	16.0
Tangible assets	11.5	10.1	9.2	8.3	7.7
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	0.1	0.0	0.0	0.0	0.0
Deferred tax assets	3.2	3.1	3.1	3.1	3.1
<b>Current assets</b>	<b>67.4</b>	<b>68.0</b>	<b>67.3</b>	<b>71.6</b>	<b>74.1</b>
Inventories	24.9	26.9	26.5	28.2	29.3
Other current assets	1.0	1.2	1.2	1.2	1.2
Receivables	32.7	30.9	31.0	32.9	33.8
Cash and equivalents	8.8	9.1	8.7	9.4	9.8
<b>Balance sheet total</b>	<b>121</b>	<b>123</b>	<b>123</b>	<b>128</b>	<b>131</b>

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
<b>Equity</b>	<b>54.8</b>	<b>57.9</b>	<b>63.0</b>	<b>68.6</b>	<b>74.8</b>
Share capital	7.0	7.0	7.0	7.0	7.0
Retained earnings	46.2	48.4	53.5	59.1	65.3
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	2.3	2.5	2.5	2.5	2.5
Minorities	-0.7	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>26.7</b>	<b>23.3</b>	<b>20.2</b>	<b>17.5</b>	<b>13.8</b>
Deferred tax liabilities	0.1	0.0	0.0	0.0	0.0
Provisions	2.0	2.3	2.3	2.3	2.3
Interest bearing debt	24.7	20.9	17.8	15.1	11.4
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
<b>Current liabilities</b>	<b>39.6</b>	<b>41.5</b>	<b>39.6</b>	<b>41.8</b>	<b>42.4</b>
Interest bearing debt	9.6	7.8	4.4	3.8	2.9
Payables	29.9	33.6	35.1	38.0	39.5
Other current liabilities	0.1	0.1	0.1	0.1	0.1
<b>Balance sheet total</b>	<b>121</b>	<b>123</b>	<b>123</b>	<b>128</b>	<b>131</b>

# Valuation 1/4

## Near-term moderate valuation and continued earnings growth make risk/reward attractive

After several challenging years, Teleste's investor story turned a new page last year, as earnings growth offered by the North American market began to materialize properly. With improved earnings performance, the stock's valuation already receives support from 2025 realized earnings (EV/EBIT 11x), although this multiple is still quite neutral. The company's track record in conquering North America is constantly strengthening, and with a significantly expanded customer base last year, future growth also rests on broader shoulders than before. A recovery in the European market will also support future development. With the strengthening earnings trend and the moderate valuation for the coming years, we find the stock's risk/reward ratio attractive.

With our 2026 estimates, Teleste's adjusted P/E ratio is 9.5x and a corresponding EV/EBIT ratio is 8x. We consider these levels to be moderate, as Teleste's medium-term earnings potential is still higher than this year. If the earnings growth we forecast continues, the share's valuation multiples (P/E 8.5x and EV/EBIT 7x) will become very moderate in 2027.

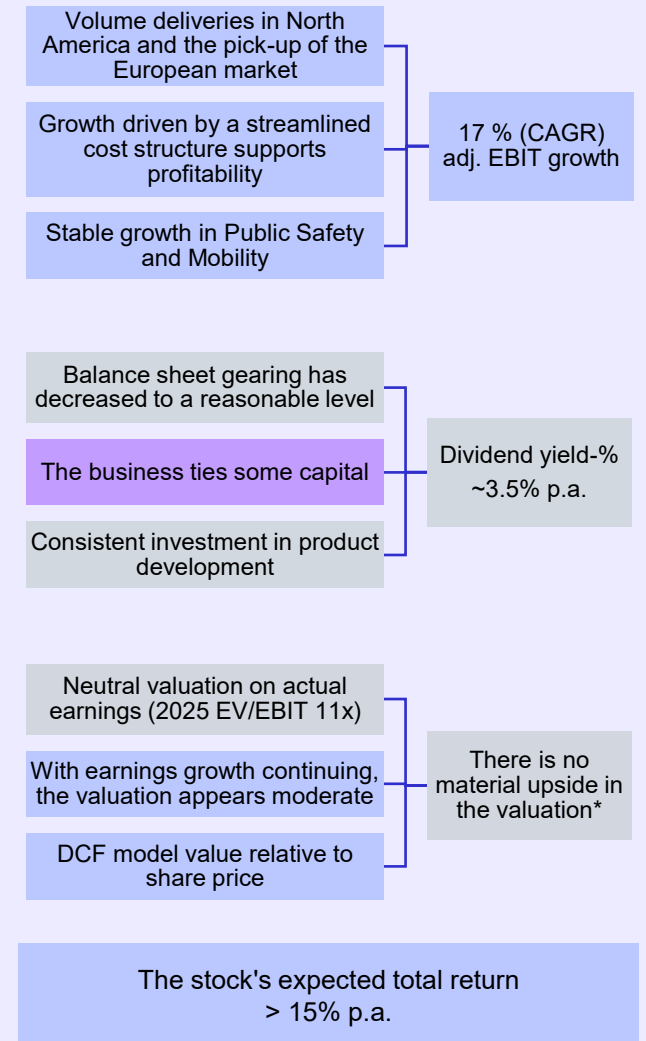
In a positive scenario, Teleste would have the potential to perform well above our current forecasts, provided the company makes excellent progress with its expansion in North America. The company's financial targets (CAGR growth 25-30: 10% and adj. EBIT 7-12%) also clearly aim for stronger growth and better profitability development than our current estimates. The earnings growth would also allow the company to significantly increase its dividend, which would support the expected return. The

current dividend yield of about 3-4% over the next few years does not yet materially support the valuation.

Overall, we see that Teleste could be priced at around 10x-13x P/E and 9x-11x EV/EBIT in the longer term, depending on the earnings growth outlook and financial structure. The cyclical nature of the business, the pressure on profitability from large customers, the ongoing need for investments, and we believe the business model that ties up working capital justify a somewhat lower valuation than the Helsinki Stock Exchange average. However, at the current pace, the company is continuously improving its business profile as profitability improves in both businesses.

## Total shareholder return drivers

2025-2028e  
■ Positive ■ Neutral ■ Negative



# Valuation 2/4

## Sum-of-the-parts calculation

We have also examined the valuation of Teleste using the sum-of-the-parts calculation. In the calculation, we value the company's two reported businesses separately and also take into account the present value of group expenses. The calculation is based on our estimates for 2026.

In the calculation, we price Networks at an EV/EBIT multiple of 10x-12x. The cyclical nature of the business, its limited profitability potential, and the relatively subdued long-term growth outlook for the market, in our view, somewhat limit the acceptable valuation multiples for the business. That said, as a small player, Teleste has the opportunity to gain market share in North America and create value through earnings growth.

We value Public Safety and Mobility at an 8x-10x EV/EBIT multiple. In our view, video security solutions are a business with a good profitability profile for Teleste. The challenge lies in the relatively small size of the business and limited growth opportunities. In passenger information solutions, we estimate that the long-term profitability potential is rather limited in the face of large customers, which also limits the acceptable valuation. Here, however, the market growth prospects are stable thanks to the underlying megatrends, and Teleste has room to grow through new customer acquisition and also with existing customers.

Applying the above assumptions, Teleste's share value in the neutral scenario is 85 MEUR (4.7 EUR/share) with a range of 3.9-5.4 EUR/share. On a sum-of-the-parts basis, upside in the share can therefore be justified, and as

earnings growth materializes over the coming years, the sum-of-the-parts value could, in our view, increase further.

Sum of the parts	Lower end	Neutral	Upper end
<b>Networks</b>			
EBIT (adj.)	10.0	10.0	10.0
X valuation multiple	10x	11x	12x
<b>Enterprise value (MEUR)</b>	<b>100</b>	<b>110</b>	<b>120</b>
<b>Public Safety and Mobility</b>			
EBIT (adj.)	3.9	3.9	3.9
X valuation multiple	8x	9x	10x
<b>Enterprise value (MEUR)</b>	<b>31</b>	<b>35</b>	<b>39</b>
<b>Group expenses (NPV, MEUR)</b>	<b>-47</b>	<b>-47</b>	<b>-47</b>
<b>Total enterprise value</b>	<b>85</b>	<b>99</b>	<b>113</b>
Net liabilities 2026e	-14	-14	-14
<b>Value of entire stock</b>	<b>71</b>	<b>85</b>	<b>99</b>
<i>Per share</i>	3.9	4.7	5.4

# Valuation 3/4

## Peer group

We have compiled Teleste's peer group of companies operating in the cable and telecommunications markets. For example, North American companies Vistance Networks, Harmonic and Vecima are Teleste's competitors in access network equipment, although they also operate in different product areas to some extent. Nokia and Ericsson are also included in the peer group, as they are active in much the same sector of network infrastructure and services as Teleste. Overall, it is difficult to find a perfect peer company for Teleste, as no other company has exactly the same business structure. In addition, most of the companies in the peer group are on average many times larger than Teleste. Therefore, we give relatively little weight to the peers in the valuation.

The entire peer group is valued at a median level of 26x P/E and 20x EV/EBIT for 2026. We believe the peer group's valuation level has risen to a high level, driven by the AI hype prevalent in the stock markets, which has pushed the valuations of certain companies to very high levels. For example, accelerating AI investments have led to strong growth in demand for optical networks, benefiting Ciena, Cisco, and Nokia.

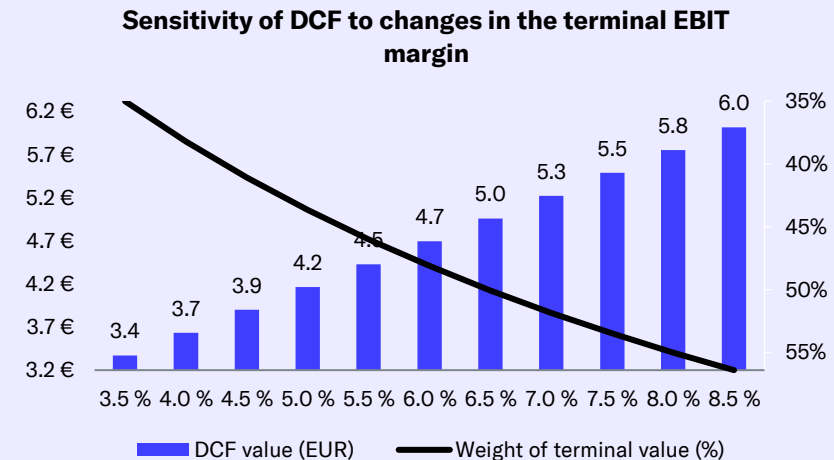
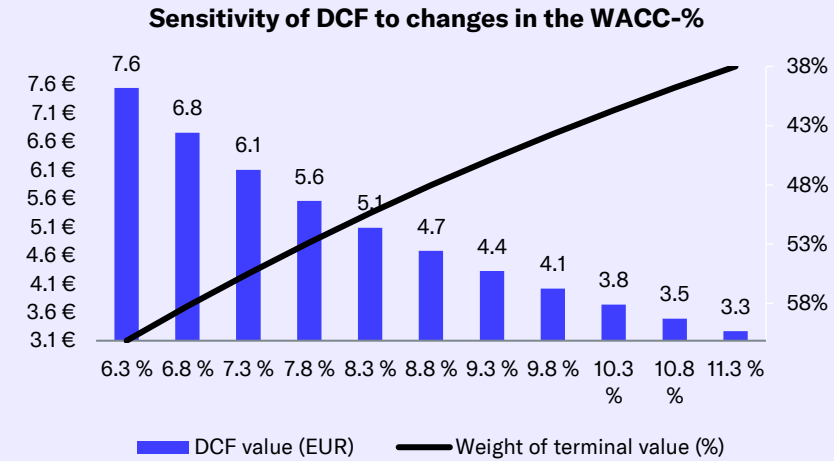
Vecima, which is closest to Teleste in size, is valued for 2026-2027 at approximately 47x-11x P/E multiples and 20x-8x EV/EBIT multiples. The high multiples for the current year are due to the forecast low earnings level. For 2027, a clear improvement in profitability is expected, which would also lead to a more moderate valuation level. On our estimates, Teleste's corresponding 2027 multiples (P/E 8.5x and EV/EBIT 7x) are even lower.

On an earnings basis, Teleste is valued significantly below its peer group for the next few years. The company's significantly smaller size and below-average profitability profile compared to its peers support a lower valuation as well. Teleste also does not directly benefit from AI investments, unlike some companies in its peer group. The lower profitability is also reflected in the fact that Teleste (2026e 0.5x) is priced more than 80% below its peer group (2.8x). On the whole, we do not see Teleste's discount to its peers as a real driver for the stock. However, the peer group valuations are not a real drag on the valuation of Teleste's shares either, at least for now.

## DCF valuation

Our DCF model indicates a value of EUR 4.7 per Teleste share. The assumptions of the model have been discussed in the estimates section. We have used a terminal assumption of 1.5% for growth and 6.0% for EBIT.

In the DCF model, we have set the WACC at 8.8% and the ROE requirement at 10.1%. In our view, the required return is at a reasonable level considering the current interest rate level and the risk profile of Teleste's business. We note that Teleste's DCF model is quite sensitive to the long-term profitability assumption and the required rate of return used, as illustrated by the adjacent figures.



# Valuation 4/4

## Scenario analysis

We have used the scenario analysis to illustrate the possible development of Teleste's share in three different scenarios (poor, baseline and strong) looking ahead to 2029. The biggest variable in the scenarios is revenue growth, the main driver of which is the progress of the North American expansion. With stronger growth, we also expect Teleste's profitability to scale slightly better.

In our baseline scenario, based on our estimates, we have applied an EV/EBIT multiple of 8.5x, which, considering Teleste's financial structure at the time, would imply a P/E multiple of ~12x. Under these assumptions, Teleste's enterprise value would be 101 MEUR in 2029. According to our forecasts, Teleste would have generated enough free cash flow by now for its balance sheet to turn net cash positive. In addition, taking into account the dividends paid along the way, Teleste's share price would then be EUR 6.0. This would mean an annual expected return of some

17%. The baseline scenario also suggests that Teleste's share has clear value creation potential as the company's strategy progresses in the coming years.

In the strong scenario, we expect revenue to grow by an average of 10% and the EBIT margin to reach 8.8%. In this scenario, the volumes generated in North America would already be very significant. We apply an EV/EBIT multiple of 9x in this scenario, which would correspond to a P/E multiple of around 13x. In this scenario, the share price would be EUR 9.2, implying an expected annual return of 32%. This scenario is a good reflection of the stock's potential if the expansion into North America is very successful and profitability rises to the level targeted by the company.

In the poor scenario, we expect revenue to grow slowly and profitability to remain at a more subdued level. In this scenario, we apply an EBIT multiple of 8x, which would mean a P/E multiple of around 10.5x. With these

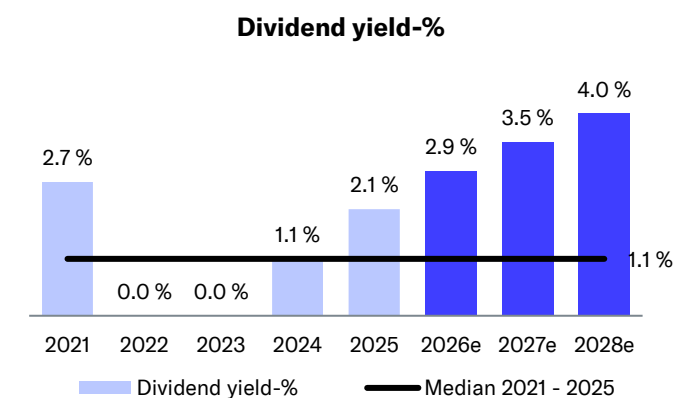
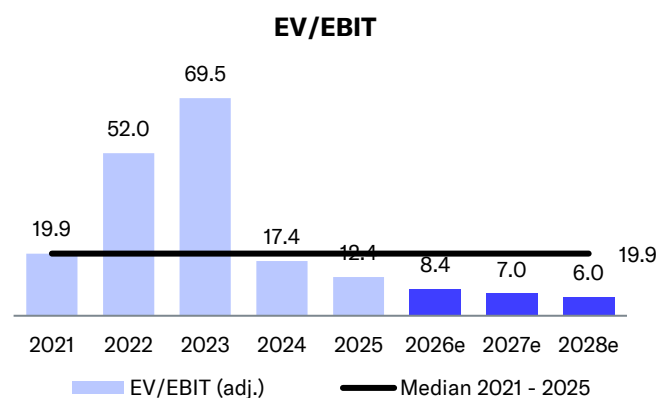
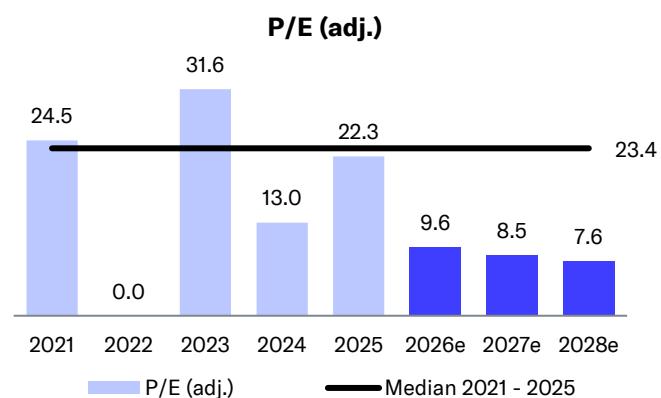
assumptions, the share price would be EUR 3.5, meaning the share would practically stagnate in the coming years. In our view, this indicates that earnings growth must continue for the stock to have upside potential in the coming years. However, even in this scenario, Teleste's result remains at a very good level compared to its history, so it is by no means a worst-case scenario.

Scenarios until 2029	Poor	Baseline	Strong
Revenue (MEUR)	150	167	195
Growth-% (CAGR 25-29)	3%	6%	10%
EBIT (adj.)	8.3	11.9	17.2
EBIT-%	5.5%	7.1%	8.8%
EV/EBIT multiple	8.0x	8.5x	9.0x
<b>EV</b>	<b>66</b>	<b>101</b>	<b>154</b>
Net debt/cash 2029e + dividends	-2	8	14
<b>Market cap 2029e</b>	<b>64</b>	<b>109</b>	<b>168</b>
Share price	3.5	6.0	9.2
Return potential	1%	72%	166%
Annual expected return	0%	17%	32%
P/E in 2029	10.5x	12.2x	12.9x

# Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	5.24	3.54	2.70	2.64	3.76	<b>3.47</b>	<b>3.47</b>	<b>3.47</b>	<b>3.47</b>
Number of shares, millions	18.2	18.2	18.2	18.2	18.2	<b>18.3</b>	<b>18.3</b>	<b>18.3</b>	<b>18.3</b>
Market cap	95	65	49	48	69	<b>64</b>	<b>64</b>	<b>64</b>	<b>64</b>
EV	109	101	80	73	88	<b>77</b>	<b>73</b>	<b>68</b>	<b>62</b>
P/E (adj.)	24.5	neg.	31.6	13.0	22.3	<b>9.6</b>	<b>8.5</b>	<b>7.6</b>	<b>7.1</b>
P/E	13.4	neg.	neg.	neg.	24.7	<b>9.8</b>	<b>8.5</b>	<b>7.6</b>	<b>7.1</b>
P/B	1.4	1.1	0.8	0.9	1.2	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>
P/S	0.7	0.4	0.3	0.4	0.5	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>
EV/Sales	0.8	0.6	0.5	0.6	0.6	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>
EV/EBITDA	6.7	13.0	14.4	11.6	7.5	<b>5.5</b>	<b>4.7</b>	<b>4.1</b>	<b>3.4</b>
EV/EBIT (adj.)	19.9	52.0	69.5	17.4	12.4	<b>8.4</b>	<b>7.0</b>	<b>6.0</b>	<b>5.2</b>
Payout ratio (%)	35.9 %	0.0 %	0.0 %	neg.	52.5 %	<b>28.1 %</b>	<b>29.4 %</b>	<b>30.7 %</b>	<b>32.8 %</b>
Dividend yield-%	2.7 %	0.0 %	0.0 %	1.1 %	2.1 %	<b>2.9 %</b>	<b>3.5 %</b>	<b>4.0 %</b>	<b>4.6 %</b>

Source: Inderes



# 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
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	
Nokia	61866	59426	25.3	21.6	23.7	19.3	2.8	2.7	33.4	30.0	1.5	1.6	2.8
Ericsson	32546	30456	11.3	10.6	9.2	8.6	1.5	1.5	16.1	14.6	3.1	3.0	3.2
Cisco	388160	400975	21.2	19.3	19.3	17.7	7.3	6.7	26.3	23.5	1.5	1.5	8.9
ZTE	20809	25799	32.1	27.4	18.1	16.6	1.3	1.1	28.2	22.8	1.6	2.0	2.2
Harmonic	1334	1336	15.7	12.8	14.5	12.0	3.1	2.7	22.0	18.1			
Motorola	61314	68389	19.9	18.4	18.0	16.8	6.1	5.7	24.9	22.8	1.2	1.2	19.8
Viavi Solutions	8981	9492	35.9	25.9	31.7	23.5	7.2	6.1	44.5	32.4			10.5
Vistance Networks	2394	1289	4.3	3.9	4.0	3.5	0.7	0.7	10.0	9.4			2.0
Ciena	52261	52552	50.5	34.3	44.4	31.0	9.5	7.5	64.7	44.1			19.2
Fiberhome	10837	12770	59.9	54.2	46.8	44.8	3.4	2.9	43.0	30.8	0.4	0.4	4.4
Adtran	900	1302	17.1	12.9	8.1	6.8	1.3	1.2	22.9	16.7			7.5
Calix	2145	1932	15.1	10.6	13.4	9.6	1.9	1.6	21.7	15.4			3.1
Vecima Networks	191	228	20.0	8.1	7.5	4.8	1.3	1.0	46.5	10.7			
<b>Teleste (Inderes)</b>	<b>64</b>	<b>77</b>	<b>8.4</b>	<b>7.0</b>	<b>5.5</b>	<b>4.7</b>	<b>0.5</b>	<b>0.5</b>	<b>9.6</b>	<b>8.5</b>	<b>2.9</b>	<b>3.5</b>	<b>1.0</b>
<b>Average</b>	<b>49518</b>	<b>51227</b>	<b>25.2</b>	<b>20.0</b>	<b>19.9</b>	<b>16.5</b>	<b>3.6</b>	<b>3.2</b>	<b>31.1</b>	<b>22.4</b>	<b>1.5</b>	<b>1.6</b>	<b>7.6</b>
<b>Median</b>	<b>10837</b>	<b>12770</b>	<b>20.0</b>	<b>18.4</b>	<b>18.0</b>	<b>16.6</b>	<b>2.8</b>	<b>2.7</b>	<b>26.3</b>	<b>22.8</b>	<b>1.5</b>	<b>1.6</b>	<b>4.4</b>
<b>Diff-% to median</b>			<b>-58%</b>	<b>-62%</b>	<b>-69%</b>	<b>-72%</b>	<b>-81%</b>	<b>-82%</b>	<b>-64%</b>	<b>-63%</b>	<b>97%</b>	<b>121%</b>	<b>-77%</b>

Source: Refinitiv / Inderes

# DCF calculation

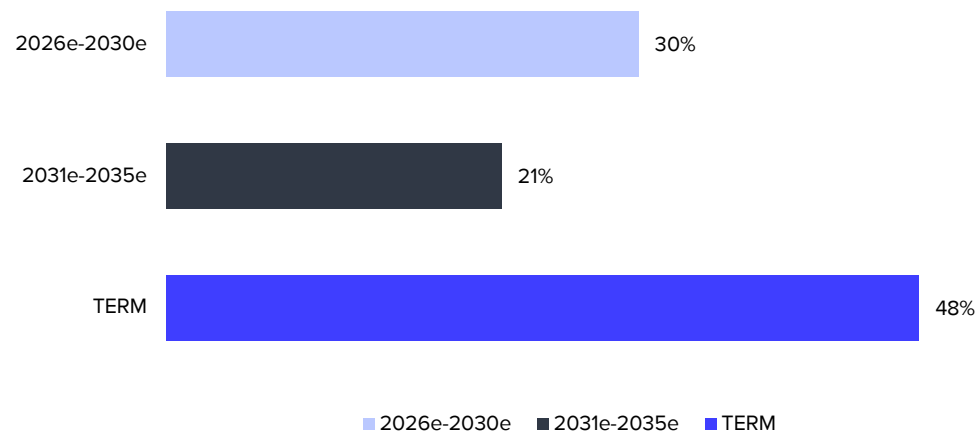
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	4.6 %	4.3 %	8.3 %	3.9 %	2.6 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	1.5 %	1.5 %
EBIT-%	4.9 %	6.3 %	6.6 %	7.0 %	7.1 %	6.6 %	6.5 %	6.4 %	6.3 %	6.2 %	6.0 %	6.0 %
<b>EBIT (operating profit)</b>	<b>6.8</b>	<b>9.1</b>	<b>10.4</b>	<b>11.4</b>	<b>11.9</b>	<b>11.2</b>	<b>11.3</b>	<b>11.3</b>	<b>11.4</b>	<b>11.4</b>	<b>11.2</b>	
+ Depreciation	5.0	4.9	5.1	5.3	6.2	6.1	6.0	6.0	6.0	6.0	6.0	
- Paid taxes	-0.4	-1.5	-2.1	-2.4	-2.5	-2.4	-2.5	-2.5	-2.5	-2.5	-2.5	
- Tax, financial expenses	-0.5	-0.2	-0.2	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	
+ 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	3.3	1.8	-0.7	-0.6	-0.5	-0.1	0.0	-0.1	-0.1	-0.5	-0.4	
<b>Operating cash flow</b>	<b>14.1</b>	<b>14.0</b>	<b>12.4</b>	<b>13.6</b>	<b>15.0</b>	<b>14.7</b>	<b>14.9</b>	<b>14.7</b>	<b>14.7</b>	<b>14.4</b>	<b>14.4</b>	
+ Change in other long-term liabilities	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-5.9	-5.7	-5.9	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	
<b>Free operating cash flow</b>	<b>8.5</b>	<b>8.3</b>	<b>6.5</b>	<b>7.6</b>	<b>9.0</b>	<b>8.7</b>	<b>8.9</b>	<b>8.7</b>	<b>8.7</b>	<b>8.4</b>	<b>8.4</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	8.5	8.3	6.5	7.6	9.0	8.7	8.9	8.7	8.7	8.4	8.4	116
<b>Discounted FCFF</b>		<b>8.0</b>	<b>5.8</b>	<b>6.2</b>	<b>6.7</b>	<b>6.0</b>	<b>5.6</b>	<b>5.0</b>	<b>4.6</b>	<b>4.1</b>	<b>3.7</b>	<b>51.9</b>
Sum of FCFF present value		108	99.6	93.9	87.7	81.0	75.0	69.5	64.4	59.8	55.7	51.9
<b>Enterprise value DCF</b>		<b>108</b>										
- Interest bearing debt		-28.7										
+ Cash and cash equivalents		9.1										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		-1.5										
<b>Equity value DCF</b>		<b>86.6</b>										
<b>Equity value DCF per share</b>		<b>4.7</b>										

## WACC

Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.15
Market risk premium	4.75%
Liquidity premium	2.10%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>10.1 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.8 %</b>

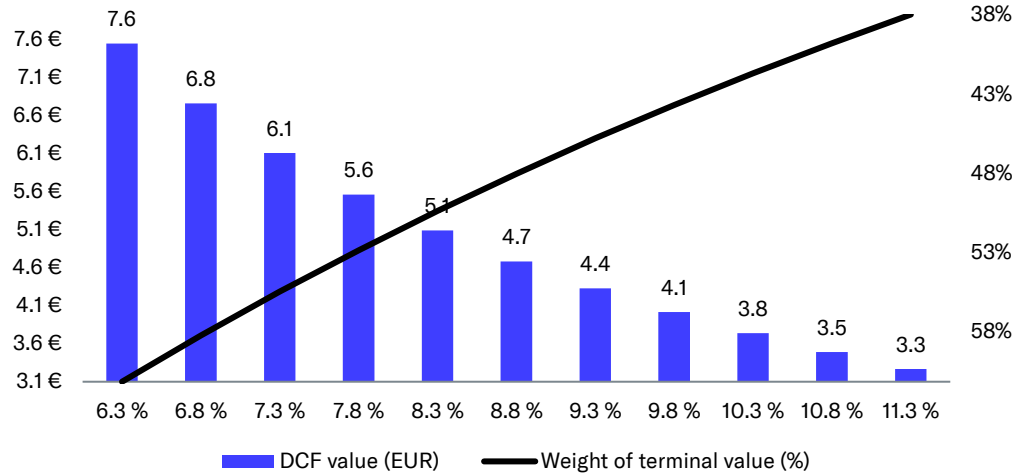
Source: Inderes

## Cash flow distribution

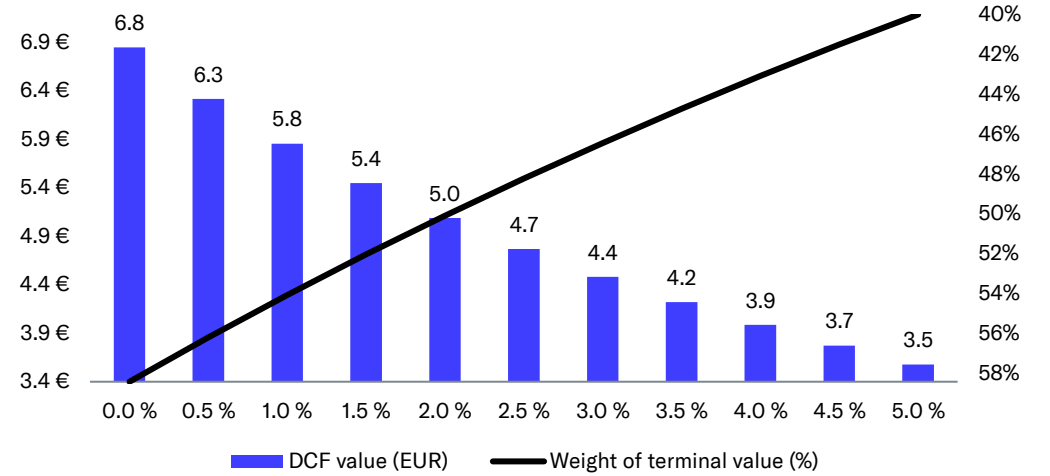


# DCF sensitivity calculations and key assumptions in graphs

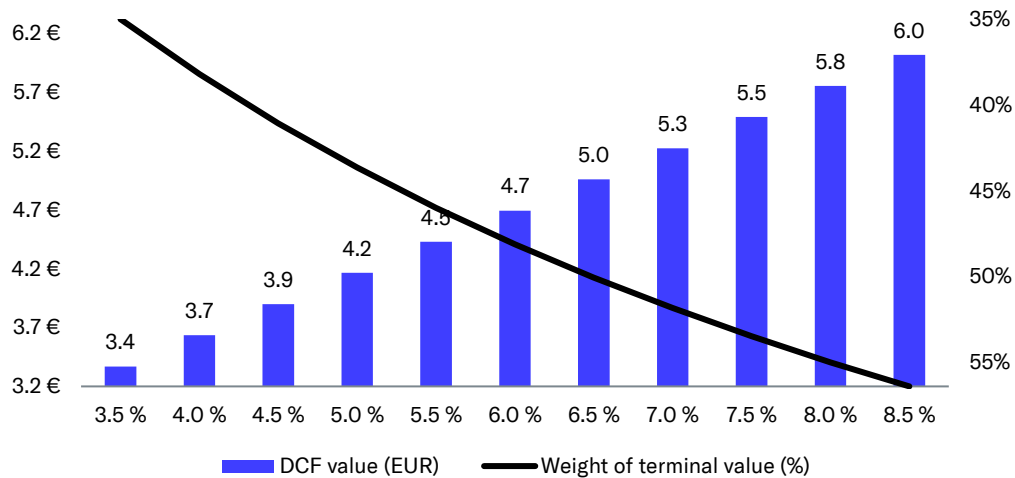
Sensitivity of DCF to changes in the WACC-%



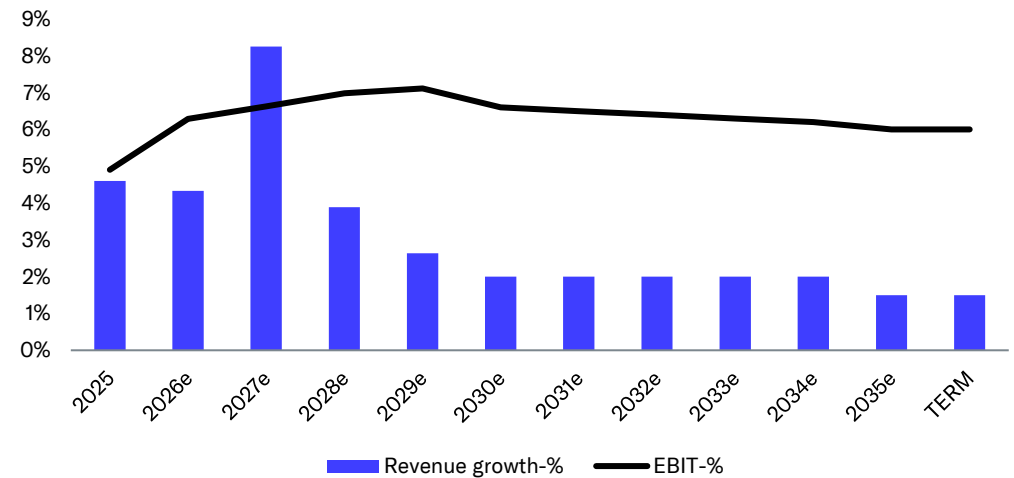
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

# Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	151.3	132.5	138.6	<b>144.6</b>	<b>156.6</b>	EPS (reported)	0.00	-0.32	0.15	<b>0.36</b>	<b>0.41</b>
EBITDA	5.6	6.3	11.8	<b>14.0</b>	<b>15.5</b>	EPS (adj.)	0.09	0.20	0.17	<b>0.36</b>	<b>0.41</b>
EBIT	-0.5	-5.4	6.8	<b>9.1</b>	<b>10.4</b>	OCF / share	0.86	0.68	0.77	<b>0.77</b>	<b>0.68</b>
PTP	-2.4	-7.1	3.0	<b>8.1</b>	<b>9.6</b>	OFCF / share	0.32	0.42	0.47	<b>0.46</b>	<b>0.36</b>
Net Income	-0.1	-5.9	2.8	<b>6.5</b>	<b>7.5</b>	Book value / share	3.36	3.04	3.17	<b>3.43</b>	<b>3.74</b>
Extraordinary items	-1.6	-9.6	-0.3	<b>-0.1</b>	<b>0.0</b>	Dividend / share	0.00	0.03	0.08	<b>0.10</b>	<b>0.12</b>
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	132.2	121.2	122.7	<b>122.8</b>	<b>127.9</b>	Revenue growth-%	-8%	-12%	5%	<b>4%</b>	<b>8%</b>
Equity capital	60.9	54.8	57.9	<b>63.0</b>	<b>68.6</b>	EBITDA growth-%	-28%	13%	87%	<b>19%</b>	<b>11%</b>
Goodwill	30.1	30.1	30.1	<b>30.1</b>	<b>30.1</b>	EBIT (adj.) growth-%	-41%	261%	70%	<b>30%</b>	<b>12%</b>
Net debt	31.6	25.4	19.6	<b>13.6</b>	<b>9.5</b>	EPS (adj.) growth-%	1724%	138%	-17%	<b>115%</b>	<b>13%</b>
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	3.7 %	4.7 %	8.5 %	<b>9.7 %</b>	<b>9.9 %</b>
EBITDA	5.6	6.3	11.8	<b>14.0</b>	<b>15.5</b>	EBIT (adj.)-%	0.8 %	3.2 %	5.1 %	<b>6.4 %</b>	<b>6.6 %</b>
Change in working capital	9.0	6.8	3.3	<b>1.8</b>	<b>-0.7</b>	EBIT-%	-0.3 %	-4.1 %	4.9 %	<b>6.3 %</b>	<b>6.6 %</b>
Operating cash flow	15.8	12.5	14.1	<b>14.0</b>	<b>12.4</b>	ROE-%	-0.1 %	-10.0 %	4.9 %	<b>10.8 %</b>	<b>11.4 %</b>
CAPEX	-7.4	-5.7	-5.9	<b>-5.7</b>	<b>-5.9</b>	ROI-%	-0.5 %	-5.7 %	7.7 %	<b>10.6 %</b>	<b>12.0 %</b>
Free cash flow	5.9	7.6	8.5	<b>8.3</b>	<b>6.5</b>	Equity ratio	46.3 %	45.5 %	47.5 %	<b>51.6 %</b>	<b>53.9 %</b>
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	51.9 %	46.3 %	33.9 %	<b>21.5 %</b>	<b>13.8 %</b>
EV/S	0.5	0.6	0.6	<b>0.5</b>	<b>0.5</b>	Net debt/EBITDA	5.7	4.0	1.7	<b>1.0</b>	<b>0.6</b>
EV/EBITDA	14.4	11.6	7.5	<b>5.5</b>	<b>4.7</b>	EBITDA/net financials	2.9	3.7	3.1	<b>13.5</b>	<b>19.8</b>
EV/EBIT (adj.)	69.5	17.4	12.4	<b>8.4</b>	<b>7.0</b>						
P/E (adj.)	31.6	13.0	22.3	<b>9.6</b>	<b>8.5</b>						
P/B	0.8	0.9	1.2	<b>1.0</b>	<b>0.9</b>						
Dividend-%	0.0 %	1.1 %	2.1 %	<b>2.9 %</b>	<b>3.5 %</b>						

Source: Inderes

# Disclaimer and recommendation history

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

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

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

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

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

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

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

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

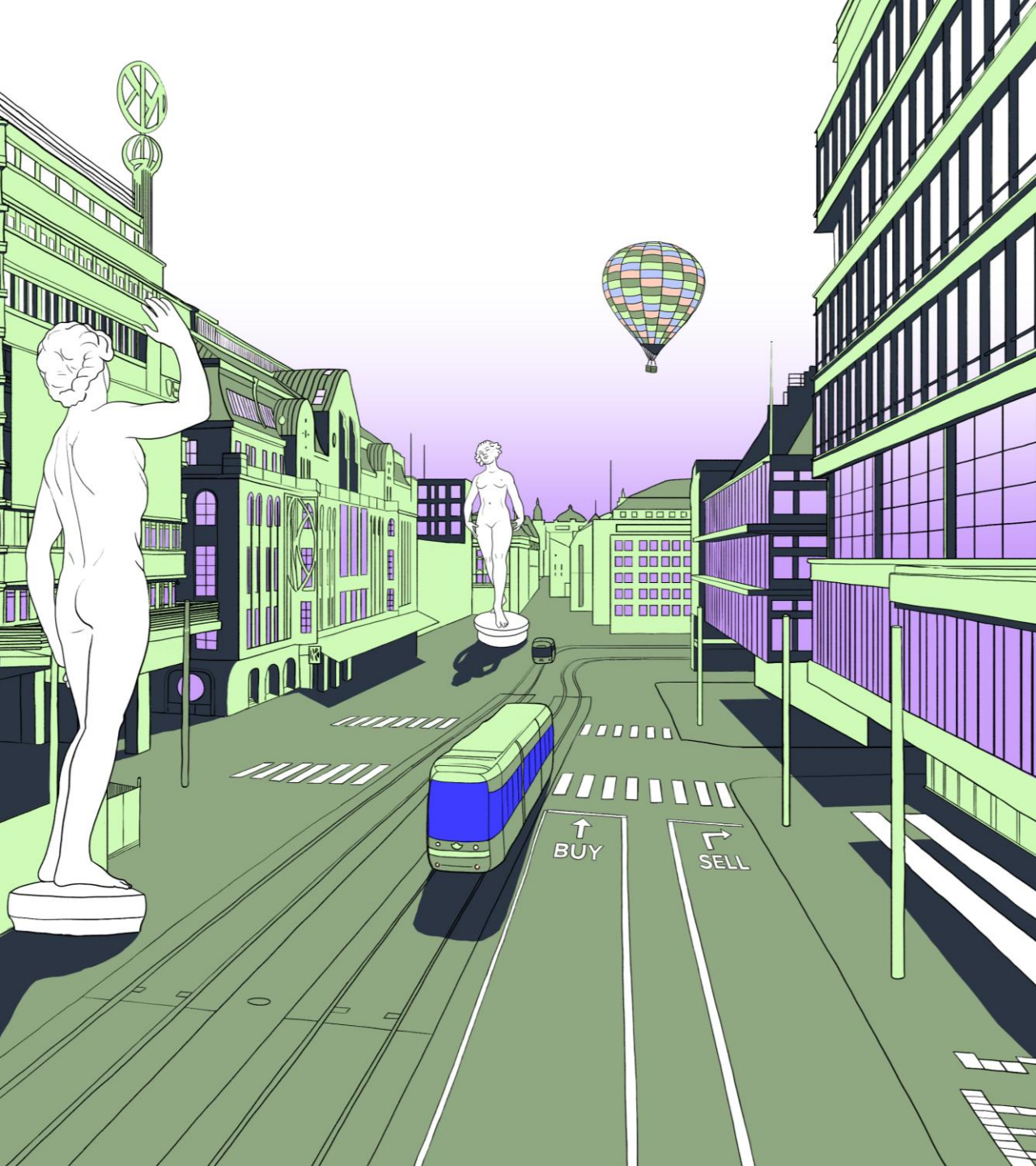
Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with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

More information about research disclaimers can be found at [www.inderes.fi/research-disclaimer](http://www.inderes.fi/research-disclaimer).

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

## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/12/2021	Accumulate	5.50 €	4.99 €
5/7/2021	Accumulate	6.10 €	5.76 €
8/13/2021	Reduce	6.10 €	6.16 €
9/21/2021	Accumulate	6.00 €	5.00 €
11/5/2021	Reduce	5.50 €	5.20 €
2/10/2022	Reduce	5.00 €	5.16 €
5/6/2022	Reduce	4.30 €	4.20 €
6/21/2022	Reduce	3.90 €	4.10 €
8/11/2022	Reduce	3.90 €	3.95 €
11/4/2022	Reduce	3.70 €	3.39 €
12/9/2022	Reduce	3.70 €	3.85 €
2/10/2023	Reduce	3.70 €	3.96 €
5/5/2023	Accumulate	4.10 €	3.68 €
8/11/2023	Accumulate	3.90 €	3.47 €
11/3/2023	Reduce	3.00 €	2.95 €
12/17/2023	Reduce	2.60 €	2.64 €
1/17/2024	Reduce	2.60 €	2.70 €
2/12/2024	Reduce	2.60 €	2.77 €
5/6/2024	Reduce	2.60 €	2.88 €
8/15/2024	Reduce	2.60 €	2.50 €
9/17/2024	Reduce	2.30 €	2.26 €
11/7/2024	Reduce	2.40 €	2.27 €
2/12/2025	Accumulate	3.20 €	2.89 €
3/4/2025	Accumulate	3.20 €	2.80 €
5/8/2025	Accumulate	3.30 €	2.96 €
8/15/2025	Accumulate	4.00 €	3.75 €
11/6/2025	Reduce	4.10 €	4.04 €
11/24/2025	Accumulate	4.10 €	3.67 €
2/6/2026	Accumulate	4.10 €	3.82 €
2/16/2026	Accumulate	4.20 €	3.78 €
5/11/2026	Accumulate	4.20 €	3.68 €
7/7/2026	Accumulate	4.20 €	3.47 €



# CONNECTING INVESTORS AND COMPANIES.

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

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

## **Inderes Ab**

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

[inderes.se](http://inderes.se)

## **Inderes Oyj**

Porkkalankatu 5  
00180 Helsinki  
+358 10 219 4690

[inderes.fi](http://inderes.fi)

**inde  
res.**