

KONE

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This is a translated version of "Historiallinen harppaus
huipulle vaatii tasapainoilua" report, published on 5/4/2026

COMPANY REPORT



Historic leap to the top requires balancing acts

We reiterate our Reduce recommendation and EUR 56 target price for KONE. The company's Q1 result was in line with expectations, but the main focus was on the historic merger with TK Elevator. We believe the industrial logic of the transaction is very clear, but its final form and timing are subject to uncertainty due to competition authority reviews. In addition, if the merger goes through, a significant integration process still lies ahead. We believe the big picture balances increased long-term potential with medium-term risks. Overall, we believe the risks outweigh the opportunities, and an independent KONE's valuation is neutral.

Q1 result was expected; independent company's estimates unchanged

KONE's operating result in Q1 was in line with expectations, but order development was slightly below forecasts. In connection with the report, the company specified its revenue guidance for the current year slightly upwards and estimates its revenue growth to be 3–6% in comparable currencies (was 2–6%). In turn, KONE expects the adjusted EBIT margin to remain within the range of 12.3% to 13.0%. Our operational estimates for independent KONE remained practically unchanged. We have not yet included the merger in our forecasts, as there is still uncertainty regarding its final form and timeline due to the competition authority processes.

TK Elevator negotiations concluded

On the morning of the results day, KONE announced that it would merge with TK Elevator (TKE) in an M&A transaction involving cash and share consideration. If the transaction is completed as targeted, KONE would clearly become the largest player in the industry, and the merger would also support its margins due to TKE's higher relative profitability. In our view, the industrial logic of the merger is clear. The focus is particularly on the growth of the maintenance base and the companies' complementary geographical strengths. At the same time, these increase

opportunities in the modernization of the existing equipment base. The merger is expected to create annual synergies of up to 700 MEUR in the medium term, but there is still uncertainty regarding their realization. The biggest risks to the deal's completion are related to competition authority proceedings, and we do not believe that some divestitures can be ruled out. In our view, the probability of the entire deal falling through is quite small, but naturally there is uncertainty related to the interpretations of different competition authorities, and these may affect the viability of the deal and the targeted synergies. We also believe that KONE's target timeline (12-18 months), especially the lower end of the range, seemed optimistic given the size of the deal. In connection with such a massive merger, the risk of integration challenges would also be significant in the first few years, in our assessment, and KONE's indebtedness would also increase to a high level.

Balance between risk and potential

KONE's debt-free purchase price for TKE was 29.4 BEUR at the closing price on the day before the transaction, which corresponds to an EV/EBIT multiple of 21x-22x based on realized earnings. The valuation is clearly above the elevator industry players' median 12-month forward-looking multiples for the last five years (EV/EBIT 17x-19x). Due to the valuation level of the transaction, successful integration and the realization of synergy benefits will be critical for value creation. With our very rough estimates, we assess that the acquisition will create value by the turn of the decade (total expected return of 12-15% per annum) if it proceeds as planned. On the other hand, fewer synergies or other earnings pressure would quickly lower the expected return closer to the required return. Overall, we believe that the risks related to the final form and timing of the transaction, as well as its integration, weigh more heavily, as the earnings expectations do not leave significant room for changes in assumptions and are also very back-end loaded. Our view is also supported by KONE's neutral valuation as an independent company (DCF ~EUR 56).

Recommendation

Reduce

(was Reduce)

Target price:

EUR 56.00

(was EUR 56.00)

Share price:

EUR 54.20

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	11245	11694	12352	13038
growth-%	1%	4%	6%	6%
EBIT adj.	1369.3	1485.0	1641.6	1777.3
EBIT-% adj.	12.2 %	12.7 %	13.3 %	13.6 %
Net income	980.1	1114.2	1241.7	1347.4
EPS (adj.)	1.96	2.19	2.42	2.62
P/E (adj.)	31.0	24.7	22.4	20.7
P/B	11.2	9.4	8.5	7.6
Dividend yield-%	3.0 %	3.3 %	3.3 %	3.7 %
EV/EBIT (adj.)	22.6	18.5	16.6	15.1
EV/EBITDA	18.7	15.4	13.8	12.7
EV/S	2.8	2.4	2.2	2.1

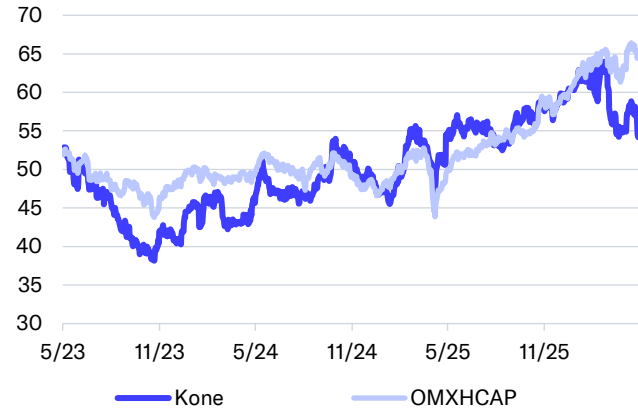
Source: Inderes

Guidance

(Adjusted)

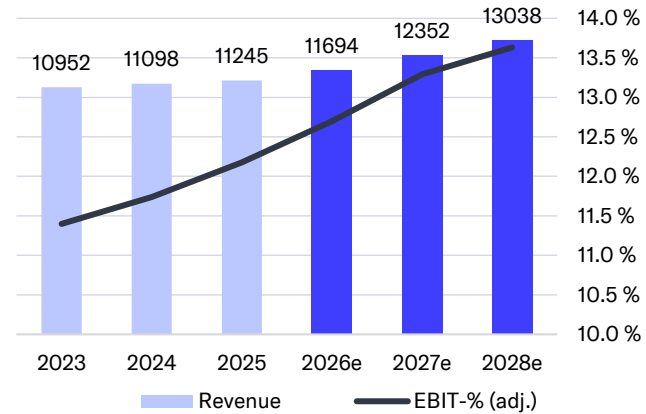
KONE expects its sales to grow 3-6% at comparable exchange rates in 2026 and its adjusted EBIT margin to be in the range of 12.3-13.0%.

Share price



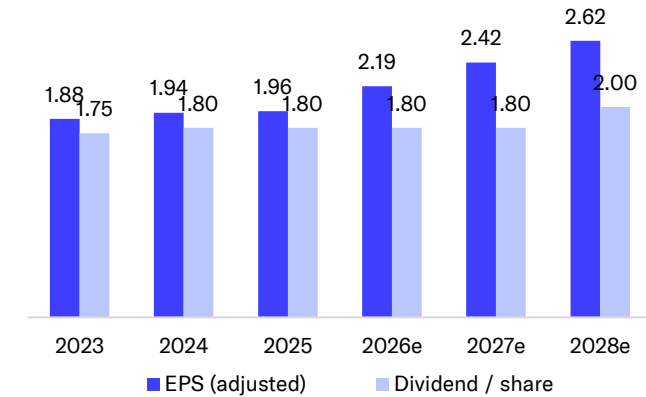
Source: Millstream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Global growth in Modernization
- Demand recovery in the new equipment market
- The renewed operating model supports margins
- Rise of new digital services
- Synergy benefits from the TK Elevator merger and considerable long-term opportunities, especially in the aftermarket segment

Risk factors

- Delayed recovery of the Chinese construction market and persistent fierce price competition
- Western markets remain sluggish
- Differentiation through digital services is proving difficult
- Regulatory and integration risks of the TK Elevator acquisition process

Valuation	2026e	2027e	2028e
Share price	54.2	54.2	54.2
Number of shares, millions	517.9	517.9	517.9
Market cap	28068	28068	28068
EV	27501	27196	26783
P/E (adj.)	24.7	22.4	20.7
P/E	25.2	22.6	20.8
P/B	9.4	8.5	7.6
P/S	2.4	2.3	2.2
EV/Sales	2.4	2.2	2.1
EV/EBITDA	15.4	13.8	12.7
EV/EBIT (adj.)	18.5	16.6	15.1
Payout ratio (%)	83.6 %	75.0 %	76.8 %
Dividend yield-%	3.3 %	3.3 %	3.7 %

Source: Inderes

Earnings in line with expectations, orders below estimates

Revenue slightly exceeded expectations

KONE's reported revenue grew by just over 1% in Q1, slightly exceeding our estimate. As expected, currencies posed a headwind, and at comparable exchange rates, revenue grew by just under 7%. In connection with the report, the company reclassified the Modernization business, previously reported under Maintenance, and adjusted the comparative period data accordingly. Thus, comparing the development of business segments against forecasts is not meaningful. Of the business areas, reported revenue for New Building Solutions decreased slightly from the comparison period (-3% y/y). In contrast, Service (+3% y/y) and Modernization (+6% y/y) revenues were growing. By region, reported revenue in China continued to decline (-6% y/y), but in comparable currencies, development reached the level of the comparison period for the first time in a while. In the Americas, reported revenue also saw a slight decrease (-2% y/y vs. +9% y/y at comparable exchange rates), while in

Europe and APMEA (Asia-Pacific, Middle East, and Africa), growth was 5% (5–16% y/y at comparable exchange rates). China's share of revenue decreased to 17% (Q1'25: 19%).

Operating result in line with our expectations

KONE's adjusted EBIT was 294 MEUR, which was in line with our and consensus estimates. This corresponded to an adjusted EBIT margin of 10.8%, which barely missed expectations. In our view, margin development was supported by the increased relative share of aftermarket services compared to the comparison period. On the other hand, the company stated that declining margins in China and a slightly negative impact from exchange rates acted as headwinds. The company recorded restructuring costs of just under 11 MEUR affecting comparability for the quarter. The cost burden on the lower lines was broadly in line with expectations, but due to non-recurring expenses, reported EPS fell slightly below expectations.

Orders fell short of forecasts

KONE's order intake (2,331 MEUR, -2.0% y/y) saw a slight decline, which was slightly below both our expectation (2,426 MEUR) and the consensus (2,364 MEUR). However, at comparable exchange rates, growth was 3.9%.

According to the company, orders grew by double digits year-on-year at comparable exchange rates in Europe and APMEA, but declined slightly in the Americas and clearly in China. The Chinese new equipment market continued to be a drag on development. The margin of orders received was stable year-on-year.

Cash flow and financial position are at their usual strong level

In Q1, KONE's net cash flow from operations (incl. lease liability payments) was 345 MEUR (Q1'25: 369 MEUR), and free cash flow after acquisitions was 312 MEUR (Q1'25: 322 MEUR). At the end of the quarter, the company was clearly in a net cash positive position (208 MEUR) even after dividend payments.

Estimates MEUR / EUR	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus		Difference (%)	2026e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	2672	2708	2661	2690	2642	2814	2%	11694
EBIT (adj.)	280	294	291	295	279	310	1%	1485
EBIT	277	283	291	293	279	310	-3%	1459
PTP	280	279	285	295	279	313	-2%	1467
EPS (reported)	0.41	0.41	0.42	0.43	0.40	0.47	-2%	2.15
Revenue growth-%	4.1 %	1.3 %	-0.4 %	0.7 %	-1.1 % - 5.3 %		1.8 pp	4.0 %
EBIT-% (adj.)	10.5 %	10.8 %	10.9 %	11.0 %	10.5 % - 11.0 %		-0.1 pp	12.7 %

Source: Inderes & Vara
Research (4/24/2026, 11-13
forecasts) (consensus)

Estimates for independent KONE remained virtually unchanged

Specified revenue guidance

In connection with the report, KONE specified its revenue guidance for the current year slightly upwards and estimates its revenue growth to be 3–6% in comparable currencies (was 2-6%). In turn, KONE expects the adjusted EBIT margin to remain within the range of 12.3% to 13.0%. We believe the upward revision of the lower end of the growth guidance was also expected, as we considered the previous guidance cautious (cf. 2025 order book growth of 4.5% y/y in comparable currencies). According to the company, if exchange rates remain at April 2026 levels, they would not have a material impact on the EBIT margin (previously about 10 basis points).

Key revenue drivers include positive outlooks in the Maintenance and Modernization businesses, as well as a solid order book. However, the decline in the Chinese new equipment market is expected to continue, weighing on growth prospects. Key profitability drivers include revenue growth in the Maintenance and Modernization businesses and a greater contribution from efficiency programs.

Correspondingly, pressure on margins continues to come from New Building Solutions in China and wage inflation. Geopolitical tensions also weigh on earnings. However, the earnings call focused on the TKE acquisition, so there was little commentary on the near term. In the report, the company commented that if the conflict in the Middle East were to be prolonged, its effects would be more visible in the coming quarters. However, the company currently sees growth opportunities in all regions, especially in maintenance and modernization, despite the uncertainties. We estimate the company will further refine its guidance during the current year.

Market outlook unchanged

The company did not make any changes to its 2026 market outlook in connection with the report. For New Building Solutions, the outlook remains mixed: the company expects the market to grow slightly (less than 5%) in North America and Europe. Activity in APMEA is expected to grow clearly (5–10%), while in China it is expected to decline clearly. In Maintenance, the company

expects clear growth in the APMEA region, while elsewhere it anticipates slight growth. The growth outlook for modernization, on the other hand, remains very strong: In Europe +5-10% year-on-year and +10% in the rest of the world.

Forecasts remained almost unchanged

We made only minor refinements to our revenue forecasts in connection with this report (incl. the reclassification mentioned earlier). However, based on the actual development, our margin forecast for the current year decreased to the midpoint of the guidance range at 12.7% (was 12.8%). We also made very minor adjustments to our margin estimates for the coming years. However, we expect the company to achieve its targeted margin improvement (2027 adjusted EBIT%: 13-14%) on schedule. However, we have revised our dividend forecasts downwards, reflecting the ongoing acquisition process and the company's comments that it aims to keep the dividend stable in the coming years. Our estimates still reflect a standalone company.

Estimate revisions MEUR / EUR	2026e		Change %	2027e		Change %	2028e		Change %
	Old	New		Old	New		Old	New	
Revenue	11685	11694	0%	12382	12352	0%	13017	13038	0%
EBITDA	1800	1790	-1%	1982	1967	-1%	2118	2113	0%
EBIT (excl. NRIs)	1491	1485	0%	1663	1642	-1%	1787	1777	-1%
EBIT	1476	1459	-1%	1648	1627	-1%	1772	1762	-1%
PTP	1482	1467	-1%	1656	1637	-1%	1783	1776	0%
EPS (excl. NRIs)	2.19	2.19	0%	2.45	2.42	-1%	2.63	2.62	0%
DPS	1.95	1.80	-8%	2.20	1.80	-18%	2.40	2.00	-17%

Source: Inderes

Biggest company in the industry in the making

TK Elevator negotiations concluded

On Wednesday, KONE [announced](#) that it will merge with Germany's TK Elevator (TKE) to form the world's leading elevator and escalator company. The announced debt-free transaction price is roughly 29.4 BEUR, and the valuation with TKE's realized earnings would be around 21x-22x EV/EBIT without synergy benefits, which would be largely in line with KONE's own realized 2025 valuation. The multiples are quite clearly above the median 12-month forward-looking multiples of elevator industry players over the last five years (EV/EBIT 17x-19x). However, the merger is expected to create significant annual synergies of some 700 MEUR. Considering the synergies, the transaction's valuation would fall to an attractive level of around 14x EV/EBIT, taking into account the nature of the industry, even though directly attributing synergies to the purchase price is a simplification. Naturally, there is uncertainty regarding the full realization of the targeted synergies.

The structure of the transaction

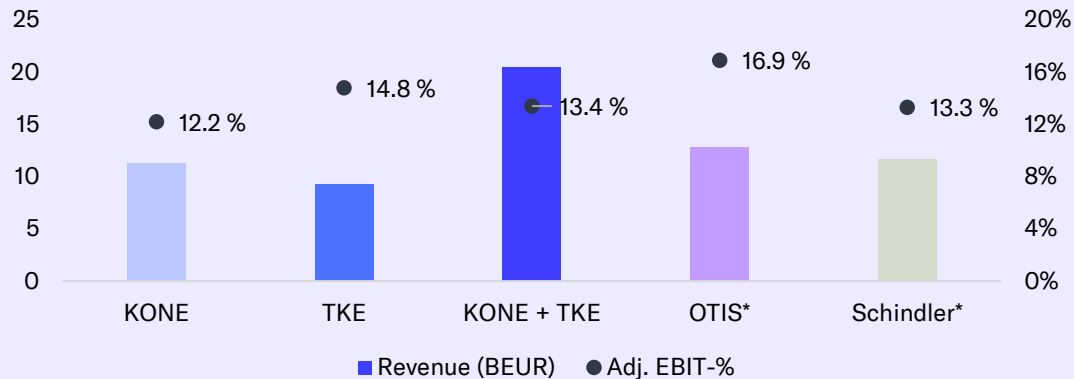
The consideration paid by KONE to the sellers consists of a cash component of 5 BEUR and a maximum of 270 million new KONE B-series shares. The value of the share consideration, based on the closing price before the transaction announcement, is ~15.2 BEUR, representing an ownership stake of about 33.8% in the combined company. The maximum number of shares is locked, and KONE's share price development may thus affect the final price of the transaction. Antti Herlin, who will continue as KONE's Chairman of the Board and main owner (with over 50% of the voting rights after the transaction), has pledged to buy 1 BEUR worth of shares from TKE's owners at market terms upon the closing of the deal. The remaining shares held by TKE's owners are subject to a 180-day lock-up period following the completion of the transaction. Most of TKE's existing interest-bearing net debt, totaling ~9.2 BEUR, is intended to be refinanced.

A clear leap to become the industry's largest company

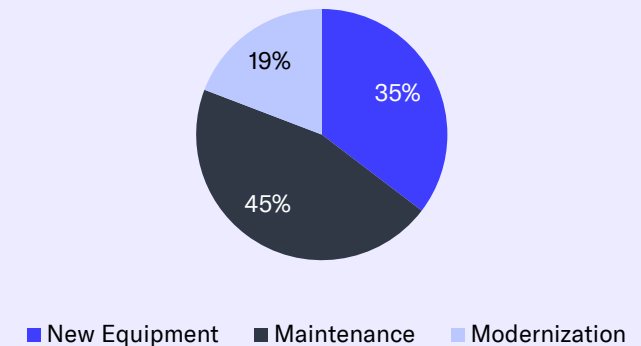
The combined group's illustrative revenue would have been ~20.5 BEUR in the last fiscal year, which is almost double KONE's 2025 revenue of 11.2 BEUR. At its 2024 CMD, KONE estimated the elevator and escalator market size to be 80-85 BEUR. Relative to this, the combined company's global market share could, in our estimation, roughly rise to about 20-25%. If the merger is successfully completed, KONE would clearly become the largest player in the industry (cf. Otis revenue 2025: 14.4 BUSD, Schindler 10.9 BCHF).

The combined company's Service and Modernization business would have accounted for ~65% of revenue (KONE 2025: 64%). In addition, TKE's service base (1.4 million units) complements KONE's base, bringing the total to around 3.2 million units. Meanwhile, the combined group's adjusted EBIT would have been over 2.7 BEUR (KONE 2025: 1.4 BEUR) and the EBIT margin would have been 13.4% (KONE 2025: 12.2%).

Industry revenues and profitability in 2025



Merged company revenue breakdown (2025)



* Revenues converted to euros using average 2025 exchange rates
Source: KONE, OTIS, Schindler

The industrial logic of the merger is undeniable

TKE's profitability has improved significantly

The release also disclosed TKE's income statement data for recent years, indicating that the company's revenue development has been relatively stable (average growth in line with KONE).

TKE, on the other hand, has significantly improved its profitability. However, TKE has managed to increase its profitability considerably. The company's adjusted EBIT margin has risen from 12.3% in fiscal year 2023 to as high as 14.8% by the end of fiscal year 2025. On the other hand, the company has recorded items affecting comparability (162-277 MEUR) that are significantly larger than KONE's in recent years, which have contributed to margin development. Even when adjusted for these, the trend has been clearly upward. Items affecting comparability have included restructuring costs, capital gains/losses related to corporate reorganizations, and other expenses and income consisting of consulting and implementation costs related to improving

operational efficiency and performance, as well as product portfolio change costs. In our view, these still raise certain questions about the sustainable margin level of the business, and whether short-term profitability has been boosted at the expense of long-term sustainability. However, the increased profitability reduces the potential for further improvement, at least for an independent company.

Clear strategic benefits in the aftermarket

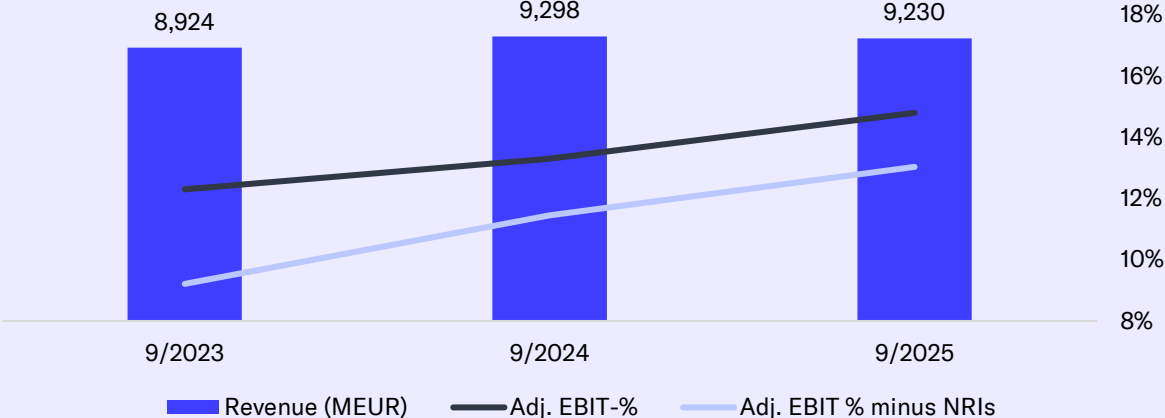
In our view, the industrial logic and strategic considerations of a KONE and TKE merger are quite clear, stemming from significant synergy opportunities in supply chains and aftermarket operations (especially the existing maintenance base), where economies of scale are very important. For the aftermarket, the focus is on a significant increase in the number, geographical reach, and density of the maintenance base, which enables increased operational efficiency. At the same time, this increases opportunities in the industry's most significant long-term growth driver, which is the modernization of the existing equipment base. In addition, the merger would

also directly support KONE's margins as described above.

The geographical distribution would be quite balanced

The companies also complement each other well geographically, as KONE has a strong foothold in Asia, while TKE has one in the US. In addition, TKE is present in South America and South Korea, where KONE does not currently operate. Based on last year's figures, ~40% of KONE's revenue came from Europe, 35% from APMEA and China, and 25% from the Americas, while TKE generated as much as 45% from the Americas. The merged company's geographical revenue distribution would be quite balanced: Europe 35%, APMEA & China 30%, and the Americas 35%, which would also reduce dependence on individual market areas and lower the risk level. We estimate that KONE's primary interest was in TKE's North American operations (especially the US), which we believe are very attractive from a business perspective. In this region, KONE has had the smallest market share among major players, while TKE has held a strong position.

Historical development of TKE



Other TKE key figures

- ~65% of revenue comes from Maintenance and Modernization
- ~45% of revenue from the Americas
- Service base of over 1.4 million units
- Operations in over 100 countries
- Over 50,000 employees

Significant synergy potential, but competition authority risks still exist

Significant synergy potential

The company stated that the estimated 700 MEUR in cost synergies would be roughly divided into three equal parts: maintenance networks (e.g. increased density, route optimization), product synergies (e.g. combined R&D costs, platform integration, procurement), and administrative cost savings. The company did not elaborate further on the assumptions behind the synergies but stated it would revisit them later and was confident in achieving them. This level would represent roughly 3-4% of the combined company's revenue, and the company expects these effects to be fully realized in the third year after the transaction's completion. The synergy potential was clearly higher than our expectations, as we had previously estimated the synergy potential to be roughly in the mid-single-digit percentage range of the acquired business's revenue in the medium term (~250-550 MEUR).

It estimates one-time costs to be around 1.0–1.2x the targeted synergies, with these costs materializing within

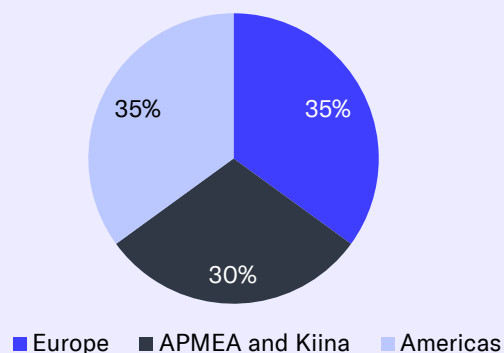
the first two years of the transaction's completion. The company has not included potential revenue synergies. The company also estimates that refinancing TKE's debt will have a positive impact of ~200 MEUR on financing costs, as it expects the combined entity to secure relatively cheaper financing compared to TKE. As stated above, the realization of synergies significantly impacts the final valuation of the transaction, and naturally, there is uncertainty associated with achieving them in full.

Antitrust risks and timeline

In our view, the biggest uncertainty regarding the arrangement relates to the approval of competition authorities and the duration of the process. [Last time](#), KONE's partner would have been CVC Capital Partners, to whom the parts that competition authorities would not have approved would likely have been sold. This time, KONE is solely behind the offer but commented that it expects to receive the necessary approvals within 12–18 months despite this and will cooperate with various

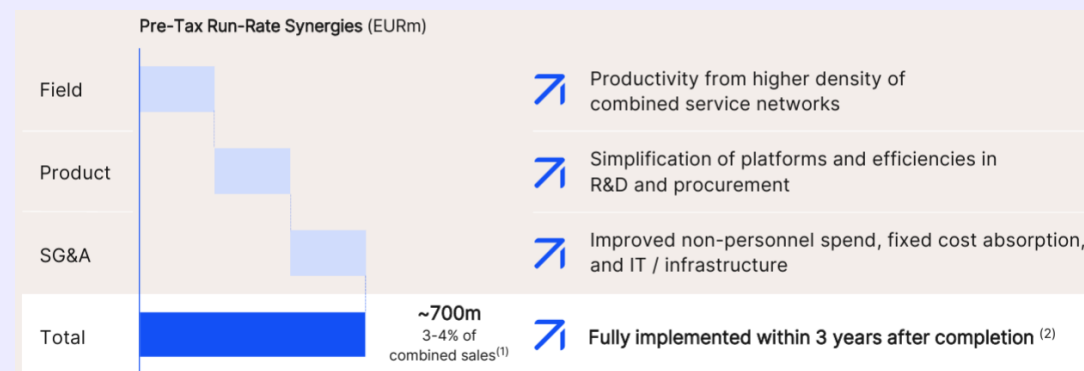
authorities. The company did not comment on more specific questions regarding competition authorities during the earnings call. In our view, the combined company's global market share would not in itself be an issue, but we believe there is a high risk that the market share in certain regions will be considered too large. The clearest risks to the completion of the transaction are particularly focused on the European region. Thus, we believe the company may have to divest some additional parts of the entity. In our view, the probability of the entire deal falling through is quite small, but naturally there is uncertainty related to the interpretations of different competition authorities, and these may affect the viability of the deal and the targeted synergies. Thus, the risk of the merger proceeding as planned is high. We also believe that the target timeline, especially the lower end of the range, seemed optimistic given the size of the transaction and, for example, Schindler's previous [comments](#).

Merged company's geographical revenue distribution (2025)



Source: KONE

Distribution of synergies



⁽¹⁾ CALCULATED AS A SUM OF KONE AND TKE FY25 SALES, DEC-YE FOR KONE AND SEP-YE FOR TKE
⁽²⁾ 1-1.2X SYNERGIES CUMULATIVE ONE-OFF IMPLEMENTATION COSTS EXPECTED TO BE INCURRED ACROSS 2 YEARS.

Integration would also not be painless, debt levels would clearly increase

Thus, a delay in the schedule cannot be ruled out. Thus, it is essential to see how the companies develop as independent entities, as attention may be more focused on finalizing the deal and future integration.

Significant integration risks

If the deal goes through, we believe the integration challenges associated with such a massive merger would be significant. Combining over 100,000 employees (KONE ~65,000, TKE over 50,000) and two different corporate cultures is a massive undertaking. Success requires the efficient integration of service networks without compromising the level of customer service. We also estimate that achieving the full synergies of the transaction in Maintenance would likely require a significant reduction in the combined companies' personnel, which increases risks given the strong position of trade unions in some parts of TK Elevator's network. Regarding trade unions, there has been at least some initial critical sentiment from Germany so far. In addition, there are also risks related to customers' attitudes towards the transaction. Nor can we rule out potentially intensifying

temporary price competition between players in connection with a transaction that would revolutionize the industry's dynamics.

However, we consider it a positive that KONE's current management, led by Philippe Delorme and Ilkka Hara, would continue to lead the combined company, bringing continuity to the integration process. This is a historic and bold move by KONE, which, if successful, will permanently elevate the company's scale and earnings power to a new level.

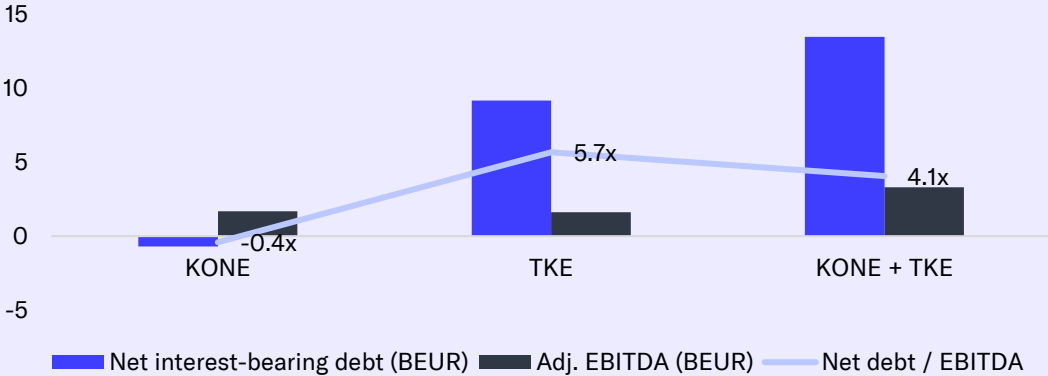
Indebtedness will clearly increase

The company stated its goal is to maintain an investment grade credit rating. However, with the transaction, the company's indebtedness would clearly increase, and the net debt to EBITDA ratio would rise to approximately 4.1x based on the illustrative figures disclosed (illustrative combined net debt 13.5 BEUR, adjusted EBITDA 3.3 BEUR). The company did not yet provide more detailed answers to questions on how it intends to maintain the level, but promised to revert closer to the closing of the transaction.

Naturally, any required divestments could reduce the need for debt. In addition, KONE has been conducting a strategic review of its doors business (~2% of KONE's revenue), through which the company could free up at least some capital to finance the transaction.

The company also continues to aim for dividend distribution (at least 50% of earnings), but stated that reducing indebtedness is also a clear priority. In our view, the leverage would rise to an absolutely high level, but this is balanced by stable business operations and KONE's strong cash flow profile. Thus, we would not see high indebtedness becoming a problem unless there is a significant weakening in the global economy and the cash flow profile of the combined businesses at least somewhat matches KONE's current profile. Nevertheless, the increasing amount of debt would raise KONE's risk profile from its current level during the initial years of the merger.

Net interest-bearing debt and adjusted EBITDA (2025)



Source: KONE

Valuation 1/3

Valuation as an independent company at a neutral level

Based on our updated estimates, the independent KONE's EV/EBIT multiples for 2026 and 2027, considering its strong balance sheet, are around 19x and 17x. The corresponding P/E ratios are around 25x and 22x. This year's multiples are neutral compared to KONE's last five years' 12-month forward median multiples (EV/EBIT ~19x, P/E ~25x, source: Bloomberg). In contrast, the 2027 multiples are already at a moderately attractive level compared to historical figures, but naturally, this requires the realization of our forecasted margin improvement and revenue growth. In addition, the forecasts for the standalone company involve more uncertainty than usual due to the potential effects of the acquisition process (e.g. a possible shift in focus from strategy execution to closing the deal, customer attitudes towards the merger, or potentially increasing price competition from competitors).

However, we believe the multiples are at a justified level for a defensive quality company like KONE (cf. 2025 ROE: 35%). In our view, the company's prerequisites for a sustainable increase in earnings have improved due to the growing share of aftermarket services in earnings, the favorable long-term growth outlook for Modernization, and the decreased exposure to China. In our view, significantly higher multiples than the current ones would require stronger earnings growth than our current assumptions, which is not indicated by the company's current year guidance, for example. In addition, we believe that the upside for multiples is limited by the presumably more modest earnings growth rate after the margin improvement we forecast for the coming years, as well as the already high absolute valuation (e.g. the stock's valuation based on the last 12 months' actual earnings is P/E 28x, EV/EBIT 20x).

Relative valuation

KONE is currently valued at a clear premium compared to its closest competitors, Otis and Schindler. Among the main competitors, we believe that Otis's valuation can be considered low in historical perspective, while Schindler's is somewhat neutral (last 5 years peer median 12-month fwd. EV/EBIT ratios 17x-18x, 12-month fwd. P/E ratios 23x-26x). Thus, we find it difficult to see an upside in the stock through relative valuation, despite a possible clear relative strengthening of its market position.

DCF value at our target price level

Our view of the stock being neutrally priced as an independent company is also supported by our DCF model, which emphasizes long-term potential and amounts to approximately EUR 56. As described above, in our forecasts, we expect the company to be able to sustainably raise its margin level from recent years and maintain a sustainable earnings leap.

Deal's valuation multiples are high based on realized earnings

As noted earlier, the announced debt-free purchase price of the TKE transaction would correspond to an EV/EBIT multiple of some 21x-22x based on realized earnings, excluding synergy benefits. This, in turn, is high compared to KONE's current valuation, and especially compared to its peers' current valuations. It is, of course, possible that TKE's earnings growth will push the multiple lower already this year, but there is no visibility on this. At the same time, it is worth noting that the increase in the purchase price from the previously rumored 25 BEUR cannot be considered very surprising in a concentrated and quite profitable industry.

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Share price	54.2	54.2	54.2
Number of shares, millions	517.9	517.9	517.9
Market cap	28068	28068	28068
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P/E	25.2	22.6	20.8
P/B	9.4	8.5	7.6
P/S	2.4	2.3	2.2
EV/Sales	2.4	2.2	2.1
EV/EBITDA	15.4	13.8	12.7
EV/EBIT (adj.)	18.5	16.6	15.1
Payout ratio (%)	83.6 %	75.0 %	76.8 %
Dividend yield-%	3.3 %	3.3 %	3.7 %

Source: Inderes

Valuation 2/3

Due to KONE's recent share price decline, the transaction price has decreased by approximately 600 MEUR. Due to the high acquisition price, successful integration and the realization of synergy benefits will be critical for value creation in the medium term.

Considerable uncertainty remains, value creation possible in the long run

There is still considerable uncertainty and open questions regarding the combination, such as its final form, timeline, and forecasts. However, we have tried to outline the potential of the transaction with our drastically simplified forecasts, which are based on published illustrative combined figures, our forecasts for independent KONE, and rough assumptions. In our assumptions, we have expected the transaction to be completed as planned in late 2027. Our key assumptions are (see also the graph on the right):

- The revenues of both companies are growing in line with our current independent KONE forecasts
- KONE's margin develops independently in line with our current assumptions, while TKE's independent margin remains stable
- The adjusted EBIT margin we use corresponds to the adjusted amount for PPA amortization. We estimate that the PPA amortizations will be very large due to the transaction (compared to TKE's current ~250 MEUR p.a. + the difference between the preliminary purchase price and net assets of ~13.4 BEUR, which will be allocated between goodwill and intangible assets subject to amortization). These have no cash flow effect for the purpose of our illustrative calculation

- Synergies are realized steadily according to the target schedule
- Integration costs are 1.1x the targeted synergies and are evenly distributed over two years. In addition, we assume that TKE's comparability-affecting costs will remain at 150 MEUR (including potential differences in accounting practices). We assume these costs are cash flow-based
- Net debt at the end of 2027 is the same as in the illustrative combined figures (13.5 BEUR)
- New interest-bearing debt of 14.2 BEUR (TKE's net debt and cash consideration). The loan interest rate is 4%, which is a moderate estimate considering the indebtedness, but this is supported by the stable nature of the business and a good cash flow profile.
- The Group's effective tax rate is 23%
- A maximum of 270 million new shares will be issued
- The dividend per share is stable at EUR 1.80 per share
- The annual net debt reduction is adjusted EBIT – financial costs – taxes – dividends

Using these assumptions, the combined company would achieve an adjusted EBIT of approximately 4.4 BEUR by the end of 2030, corresponding to a substantial 17.0% margin. Thus, with our assumptions, the company's margin level would also rise clearly above KONE's current long-term target of 16%. However, we still consider this an optimistic target scenario, given the numerous uncertainties related to the transaction. Using industry average multiples for the earnings (EV/EBIT 17x-19x), the combined entity's debt-free value would be 74.9-83.8 BEUR at the end of 2030.

Illustrative scenario if synergies materialize

	2025	2026e	2027e	2028e	2029e	2030e
KONE revenue	11,245	11,694	12,352	13,038	13,658	14,241
TKE revenue	9,230	9,599	10,139	10,702	11,211	11,689
Total revenue	20,475	21,293	22,491	23,740	24,869	25,931
Growth-%		4.0%	5.6%	5.6%	4.8%	4.3%
KONE adj. EBIT	1,369	1,485	1,642	1,777	1,896	1,980
Margin	12.2%	12.7%	13.3%	13.6%	13.9%	13.9%
TKE adj. EBIT	1,365	1,420	1,499	1,583	1,658	1,729
Margin	14.8%	14.8%	14.8%	14.8%	14.8%	14.8%
Synergies				233	467	700
Adj. EBIT total	2,734	2,905	3,141	3,593	4,021	4,409
Margin	13.4%	13.6%	14.0%	15.1%	16.2%	17.0%
Comparable cash flow-affecting expenses				-535	-535	-150
Net financial expenses				-560	-540	-506
Taxes				-575	-678	-863
Dividend				-1,418	-1,418	-1,418
Net liabilities			13,492	12,986	12,135	10,663
Number of shares			788	788	788	788
Enterprise value (EV/EBIT 17x)				61,081	68,350	74,948
Enterprise value (EV/EBIT 19x)				68,267	76,391	83,766
Market cap (EV/EBIT 17x)				48,095	56,214	64,285
Market cap (EV/EBIT 19x)				55,281	64,256	73,103
Per-share value (EV/EBIT 17x)				61.0	71.3	81.6
Per-share value (EV/EBIT 19x)				70.2	81.6	92.8
Average annual return to year-end (EV/EBIT 17x)				4.6%	7.8%	9.2%
Average annual return to year-end (EV/EBIT 19x)				10.2%	11.8%	12.2%
Dividend yield (EUR 1.8 / share)				3.3%	3.3%	3.3%

Valuation 3/3

We have used forward-looking multiples, simplifying them to realized earnings, while assuming that synergy benefits are already fully reflected in the results. By deducting our estimated net debt 10.6 BEUR at the end of 2030), the market value of the entity would be 64.3-73.1 BEUR, or approximately EUR 81.6-92.8 per share with the new share count. Converted to an annual return at the current share price, this would mean roughly 9-12% per year, in addition to which we estimate the share offers an annual dividend yield of a good 3%. With these assumptions, the risk-adjusted expected return would become clearly attractive, but the expected return would be very back-loaded. At the same time, we estimate that KONE's risk profile will rise from current levels, at least initially, if the transaction closes.

Balancing potential and risks

By changing the assumptions such that the targeted synergies are not achieved at all (or the profitability of the independent businesses otherwise declines), the combined company's margin would rise from current levels, but would still only reach 14.3% in the coming years. Naturally, earnings development could also be affected by revenue growth assumptions. In this scenario, the average annual expected return from share price appreciation would remain at 4-7%. In this scenario, the expected return would exceed the required return only slightly, which highlights the importance of synergy realization for shareholder value creation.

The presented scenarios should only be interpreted as roughly indicative, as they contain numerous assumptions and simplifications. In addition, we have assumed that the transaction will be completed on the planned scale and approximately on schedule, which involves considerable uncertainty. These can have a significant impact on the

combined company's financials or expected annual returns. Naturally, integration processes or the development of independent companies may also turn out better or worse than our current assumptions. There is also considerable uncertainty regarding cash flow development. Based on current scenarios, we believe the acquisition has the potential to create clear shareholder value, but this is balanced by high risks.

Overall, the industrial logic of the merger is undeniable, and if realized, the arrangement will clearly increase the company's long-term potential, but realizing these benefits will take time. The clearest benefits of the transaction would likely materialize in the longer term, beyond the current forecast period. At the same time, we see KONE's investment story as having clearly shifted from its previous focus on organic growth (incl. acquisitions of smaller maintenance companies) and margin improvement sought through its own actions. In our view, the short to medium-term investment story will focus on the completion of the merger and the massive integration process that lies ahead, both of which involve significant risks and uncertainties. In addition, the outcomes are not in the company's own hands (e.g., regulatory processes).

We see the overall picture as a balancing act between increased long-term potential and medium-term risks. Overall, we believe that the short- and medium-term risks related to the final form and timing of the transaction, as well as the integration, still weigh heavily, as the expected returns in our average scenarios are currently in the high single digits or low double digits, leaving little room for changes in assumptions. At the same time, the expected returns are back-loaded. Our view is supported by the neutral valuation of an independent KONE.

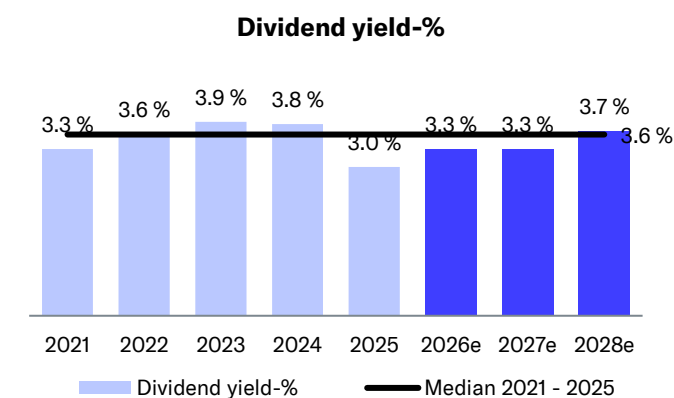
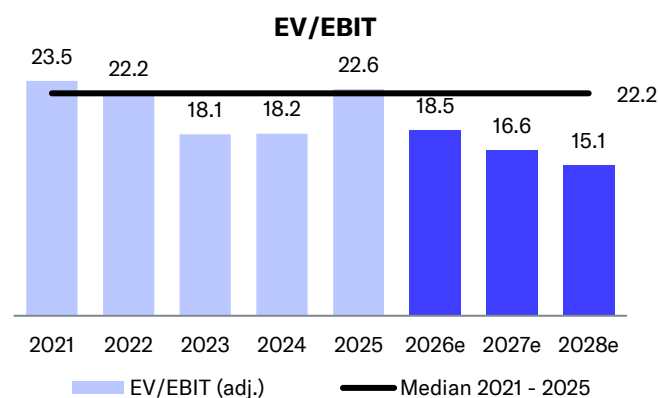
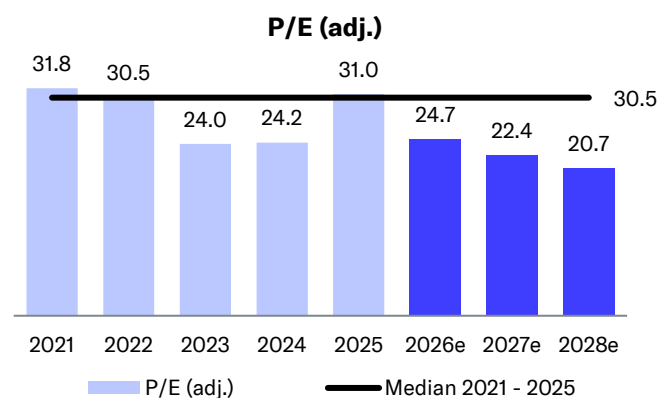
Illustrative scenario without synergies

	2025	2026e	2027e	2028e	2029e	2030e
KONE revenue	11,245	11,694	12,352	13,038	13,658	14,241
TKE revenue	9,230	9,599	10,139	10,702	11,211	11,689
Total revenue	20,475	21,293	22,491	23,740	24,869	25,931
Growth-%		4.0%	5.6%	5.6%	4.8%	4.3%
KONE adj. EBIT	1,369	1,485	1,642	1,777	1,896	1,980
Margin	12.2%	12.7%	13.3%	13.6%	13.9%	13.9%
TKE adj. EBIT	1,365	1,420	1,499	1,583	1,658	1,729
Margin	14.8%	14.8%	14.8%	14.8%	14.8%	14.8%
Synergies				0	0	0
Adj. EBIT total	2,734	2,905	3,141	3,360	3,554	3,709
Margin	13.4%	13.6%	14.0%	14.2%	14.3%	14.3%
Comparable cash flow-affecting expenses				-535	-535	-150
Net financing expenses				-560	-547	-528
Taxes				-521	-569	-697
Dividend				-1,418	-1,418	-1,418
Net liabilities			13,492	13,166	12,680	11,763
Number of shares			788	788	788	788
Enterprise value (EV/EBIT 17x)				57,114	60,416	63,048
Enterprise value (EV/EBIT 19x)				63,833	67,524	70,466
Market cap (EV/EBIT 17x)				43,948	47,737	51,285
Market cap (EV/EBIT 19x)				50,668	54,844	58,702
Per-share value (EV/EBIT 17x)				55.8	60.6	65.1
Per-share value (EV/EBIT 19x)				64.3	69.6	74.5
Average annual return to year-end (EV/EBIT 17x)				1.1%	3.1%	4.0%
Average annual return to year-end (EV/EBIT 19x)				6.6%	7.1%	7.1%
Dividend yield (EUR 1.8 / share)				3.3%	3.3%	3.3%

Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	63.0	48.3	45.2	47.0	60.6	54.2	54.2	54.2	54.2
Number of shares, millions	518.0	517.1	517.2	517.5	517.9	517.9	517.9	517.9	517.9
Market cap	32652	24975	23358	24324	31362	28068	28068	28068	28068
EV	30724	23908	22611	23694	30970	27501	27196	26783	26380
P/E (adj.)	31.8	30.5	24.0	24.2	31.0	24.7	22.4	20.7	19.3
P/E	32.2	32.2	25.2	25.6	32.0	25.2	22.6	20.8	19.5
P/B	10.3	8.8	8.5	8.5	11.2	9.4	8.5	7.6	6.8
P/S	3.1	2.3	2.1	2.2	2.8	2.4	2.3	2.2	2.1
EV/Sales	2.9	2.2	2.1	2.1	2.8	2.4	2.2	2.1	1.9
EV/EBITDA	20.0	18.5	15.4	15.4	18.7	15.4	13.8	12.7	11.8
EV/EBIT (adj.)	23.5	22.2	18.1	18.2	22.6	18.5	16.6	15.1	13.9
Payout ratio (%)	107.1%	116.7%	97.7%	97.8%	95.0%	83.6%	75.0%	76.8%	79.0%
Dividend yield-%	3.3%	3.6%	3.9%	3.8%	3.0%	3.3%	3.3%	3.7%	4.1%

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	
Otis Worldwide Corp	25134	31163	14.9	13.6	13.8	12.7	2.4	2.3	18.5	16.5	2.3	2.4	
Schindler Holding AG	31045	27204	16.6	15.4	13.9	13.1	2.3	2.2	25.0	23.0	2.6	2.9	5.6
Assa Abloy AB	36207	42141	17.5	16.0	14.5	13.4	2.9	2.8	22.5	20.2	1.9	2.1	3.5
Koninklijke Philips NV	21560	26527	13.1	11.7	8.6	7.8	1.5	1.4	15.0	13.2	3.9	4.1	1.8
Ingersoll Rand Inc	25935	28995	18.5	17.1	15.9	14.8	4.3	4.1	22.3	20.3	0.1	0.1	2.7
Johnson Controls International PLC	75459	83260	25.8	22.6	21.6	19.3	3.9	3.7	30.5	26.0	1.1	1.2	6.4
Dover Corp	25838	27238	18.3	16.9	15.3	14.3	3.7	3.5	21.2	19.4	0.9	1.0	3.8
Honeywell International Inc	114423	136073	18.2	16.5	16.3	14.9	4.1	3.8	20.2	18.5	2.3	2.4	8.0
Kone (Inderes)	28068	27501	18.5	16.6	15.4	13.8	2.4	2.2	24.7	22.4	3.3	3.3	9.4
Average			17.9	16.2	15.0	13.8	3.1	3.0	21.9	19.6	1.9	2.0	4.6
Median			17.8	16.2	14.9	13.8	3.3	3.2	21.7	19.8	2.1	2.3	3.8
Diff-% to median			4%	2%	3%	0%	-29%	-30%	14%	13%	58%	47%	147%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	11098	2672	2850	2762	2961	11245	2708	2924	2927	3134	11694	12352	13038	13658
New Building Solutions	4507	929	1071	1020	1078	4098	899	1039	1030	1083	4051	4132	4277	4363
Maintenance	4504	1259	1257	1242	1296	5055	1295	1314	1335	1394	5337	5684	5997	6296
Modernization	2088	484	522	500	587	2093	514	571	562	657	2305	2536	2764	2999
EBITDA	1541	355	415	413	472	1655	368	457	458	507	1790	1967	2113	2245
Depreciation	-292	-78	-77	-79	-85	-319	-85	-79	-80	-87	-330	-340	-351	-364
EBIT (excl. NRI)	1303	280	347	341	402	1369	294	378	378	435	1485	1642	1777	1896
EBIT	1249	277	338	334	387	1336	283	378	378	420	1459	1627	1762	1881
Net financial items	5.2	2.9	21.7	-27.4	-5.4	-8.2	-4.4	4.0	4.0	4.0	7.6	10.0	13.6	17.6
PTP	1254	280	360	307	381	1327	279	382	382	424	1467	1637	1776	1898
Taxes	-293.1	-64.3	-82.7	-80.1	-108	-334.8	-64.1	-89.4	-89.4	-99	-342	-383	-416	-444
Minority interest	-9.7	-2.7	-3.2	-2.5	-3.7	-11.9	-2.4	-2.8	-2.8	-2.7	-11	-12	-13	-14
Net earnings	951	213	274	224	269	980	212	290	290	322	1114	1242	1347	1440
EPS (adj.)	1.94	0.42	0.55	0.45	0.55	1.96	0.43	0.56	0.56	0.64	2.19	2.42	2.62	2.80
EPS (rep.)	1.84	0.41	0.53	0.43	0.52	1.89	0.41	0.56	0.56	0.62	2.15	2.40	2.60	2.78

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	1.3 %	4.1 %	1.8 %	0.3 %	-0.5 %	1.3 %	1.4 %	2.6 %	6.0 %	5.8 %	4.0 %	5.6 %	5.5 %	4.8 %
Adjusted EBIT growth-%	4.4 %	6.5 %	3.7 %	6.6 %	4.0 %	5.1 %	5.0 %	8.9 %	10.9 %	8.3 %	8.5 %	10.5 %	8.3 %	6.7 %
EBITDA-%	13.9 %	13.3 %	14.6 %	15.0 %	15.9 %	14.7 %	13.6 %	15.6 %	15.6 %	16.2 %	15.3 %	15.9 %	16.2 %	16.4 %
Adjusted EBIT-%	11.7 %	10.5 %	12.2 %	12.3 %	13.6 %	12.2 %	10.8 %	12.9 %	12.9 %	13.9 %	12.7 %	13.3 %	13.6 %	13.9 %
Net earnings-%	8.6 %	8.0 %	9.6 %	8.1 %	9.1 %	8.7 %	7.8 %	9.9 %	9.9 %	10.3 %	9.5 %	10.1 %	10.3 %	10.5 %

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	3440	3468	3520	3565	3622
Goodwill	1558	1553	1553	1553	1553
Intangible assets	333	337	354	366	382
Tangible assets	899	943	977	1011	1051
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	150	154	154	154	154
Other non-current assets	15.0	13.9	13.9	13.9	13.9
Deferred tax assets	485	469	469	469	469
Current assets	5844	5584	5831	6160	6501
Inventories	857	843	877	926	977
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	3173	3013	3157	3335	3520
Cash and equivalents	1814	1728	1797	1898	2004
Balance sheet total	9284	9052	9351	9725	10123

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	2893	2827	3015	3332	3755
Share capital	66.2	66.2	66.2	66.2	66.2
Retained earnings	2450	2528	2711	3021	3438
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	351	204	204	204	204
Minorities	26.3	29.4	34.7	40.7	47.1
Non-current liabilities	1255	1091	1023	877	669
Deferred tax liabilities	232	241	241	241	241
Provisions	186	176	176	176	176
Interest bearing debt	838	673	605	459	251
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	5136	5134	5312	5516	5700
Interest bearing debt	145	355	319	242	133
Payables	4991	4779	4993	5274	5567
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	9284	9052	9351	9725	10123

DCF calculation

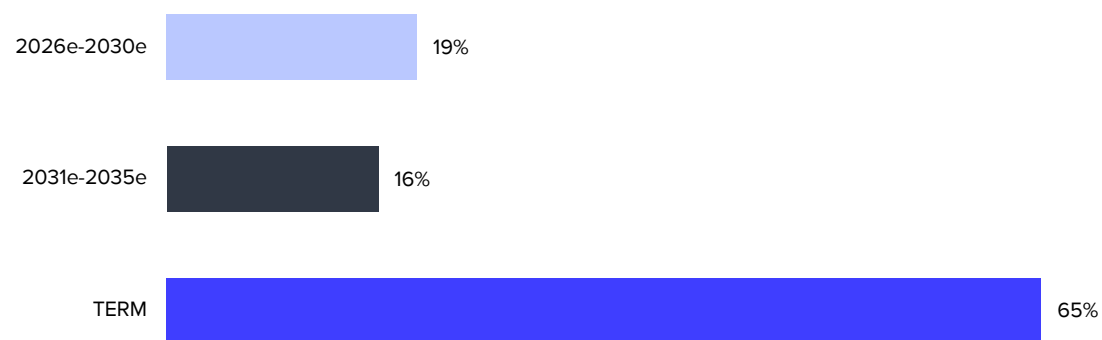
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	1.3 %	4.0 %	5.6 %	5.5 %	4.8 %	4.3 %	3.4 %	3.2 %	3.0 %	3.0 %	2.5 %	2.5 %
EBIT-%	11.9 %	12.5 %	13.2 %	13.5 %	13.8 %	13.8 %	13.4 %	13.2 %	13.0 %	12.5 %	12.5 %	12.5 %
EBIT (operating profit)	1336	1459	1627	1762	1881	1965	1973	2006	2035	2015	2066	
+ Depreciation	319	330	340	351	364	375	385	390	397	403	402	
- Paid taxes	-309	-342	-383	-416	-444	-465	-467	-475	-481	-476	-488	
- Tax, financial expenses	-8.1	-3.6	-3.3	-2.8	-2.1	-1.7	-1.7	-1.9	-2.2	-2.7	-3.1	
+ Tax, financial income	6.0	5.3	5.6	5.9	6.2	6.9	7.3	7.1	7.2	7.4	7.6	
- Change in working capital	-37.1	35.6	54.0	56.2	50.9	47.9	39.7	38.7	37.4	38.5	33.6	
Operating cash flow	1307	1485	1640	1757	1856	1928	1936	1965	1993	1985	2018	
+ Change in other long-term liabilities	-9.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-363	-382	-386	-408	-412	-418	-417	-419	-423	-398	-411	
Free operating cash flow	934	1103	1254	1349	1443	1511	1519	1546	1570	1587	1608	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	934	1103	1254	1349	1443	1511	1519	1546	1570	1587	1608	37091
Discounted FCFF		1055	1121	1128	1127	1103	1037	986	936	885	837	19322
Sum of FCFF present value		29537	28482	27360	26233	25105	24002	22966	21980	21044	20159	19322
Enterprise value DCF		29537										
- Interest bearing debt		-1028										
+ Cash and cash equivalents		1728										
+ Associated companies		21.7										
-Minorities		-327										
-Dividend/capital return		-931.0										
Equity value DCF		29000										
Equity value DCF per share		56.0										

WACC

Tax-% (WACC)	22.5 %
Target debt ratio (D/(D+E))	5.0 %
Cost of debt	2.5 %
Equity Beta	1.00
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	7.3 %
Weighted average cost of capital (WACC)	7.0 %

Source: Inderes

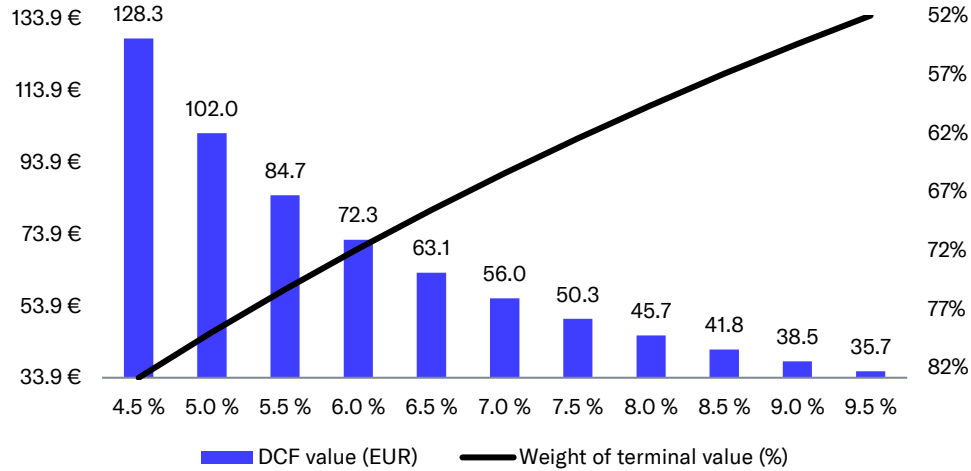
Cash flow distribution



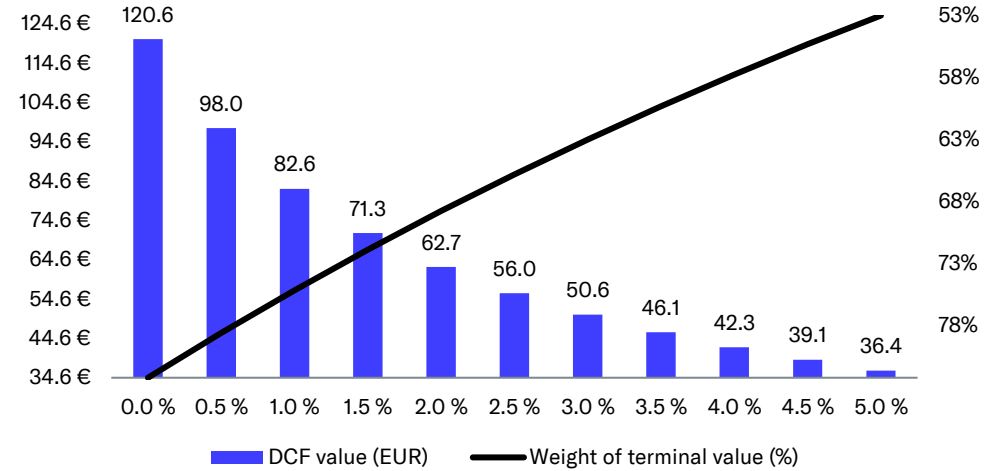
■ 2026e-2030e ■ 2031e-2035e ■ TERM

DCF sensitivity calculations and key assumptions in graphs

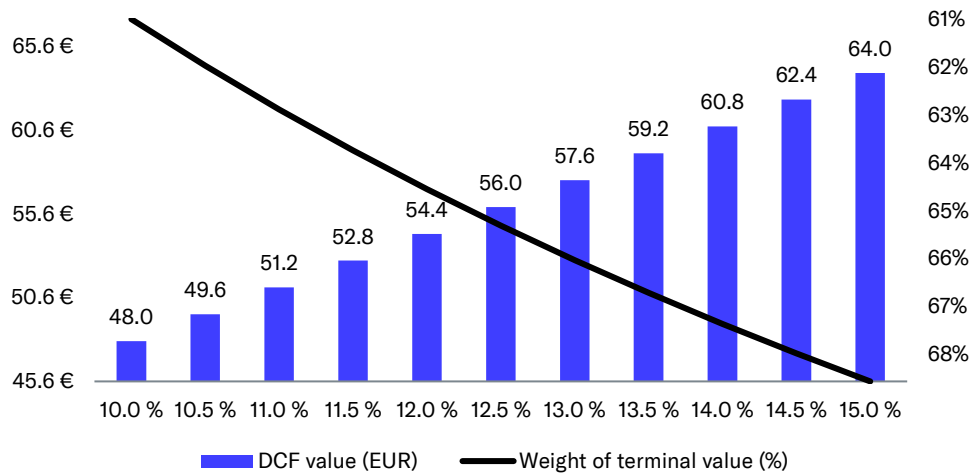
Sensitivity of DCF to changes in the WACC-%



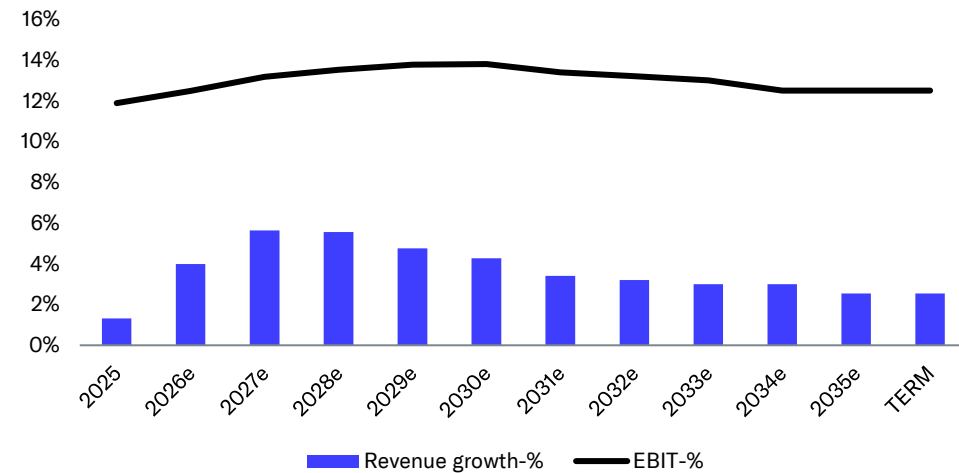
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. 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	10952.3	11098.4	11245.2	11693.7	12352.2	EPS (reported)	1.79	1.84	1.89	2.15	2.40
EBITDA	1469.5	1541.2	1655.2	1789.7	1966.6	EPS (adj.)	1.88	1.94	1.96	2.19	2.42
EBIT	1200.1	1249.0	1336.2	1459.4	1626.6	OCF / share	2.19	2.47	2.52	2.87	3.17
PTP	1206.2	1254.2	1326.8	1467.0	1636.5	OFCF / share	1.38	1.29	1.80	2.13	2.42
Net Income	925.8	951.4	980.1	1114.2	1241.7	Book value / share	5.32	5.54	5.40	5.76	6.36
Extraordinary items	-48.3	-54.0	-33.1	-25.6	-15.0	Dividend / share	1.75	1.80	1.80	1.80	1.80
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	8730.8	9284.3	9052.0	9350.7	9724.9	Revenue growth-%	0%	1%	1%	4%	6%
Equity capital	2786.0	2893.1	2826.8	3015.2	3331.8	EBITDA growth-%	14%	5%	7%	8%	10%
Goodwill	1469.0	1558.4	1552.9	1552.9	1552.9	EBIT (adj.) growth-%	16%	4%	5%	8%	11%
Net debt	-1013.4	-831.2	-699.8	-872.5	-1197.2	EPS (adj.) growth-%	19%	3%	1%	12%	10%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	13.4 %	13.9 %	14.7 %	15.3 %	15.9 %
EBITDA	1469.5	1541.2	1655.2	1789.7	1966.6	EBIT (adj.)-%	11.4 %	11.7 %	12.2 %	12.7 %	13.3 %
Change in working capital	-58.4	68.8	-37.1	35.6	54.0	EBIT-%	11.0 %	11.3 %	11.9 %	12.5 %	13.2 %
Operating cash flow	1134.3	1280.0	1306.8	1484.8	1640.0	ROE-%	33.1 %	33.9 %	34.6 %	38.6 %	39.6 %
CAPEX	-442.0	-601.2	-363.0	-381.7	-385.9	ROI-%	35.4 %	35.1 %	35.2 %	38.0 %	41.4 %
Free cash flow	711.8	667.8	934.3	1103.1	1254.1	Equity ratio	40.9 %	39.8 %	39.9 %	41.5 %	44.4 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	-36.4 %	-28.7 %	-24.8 %	-28.9 %	-35.9 %
EV/S	2.1	2.1	2.8	2.4	2.2	Net debt/EBITDA	-0.7	-0.5	-0.4	-0.5	-0.6
EV/EBITDA	15.4	15.4	18.7	15.4	13.8	EBITDA/net financials	-240.9	-298.7	201.9	-235.5	-197.5
EV/EBIT (adj.)	18.1	18.2	22.6	18.5	16.6						
P/E (adj.)	24.0	24.2	31.0	24.7	22.4						
P/B	8.5	8.5	11.2	9.4	8.5						
Dividend-%	3.9 %	3.8 %	3.0 %	3.3 %	3.3 %						

Source: Inderes

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

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
7/20/2018	Reduce	43.00 €	47.30 €
10/26/2018	Reduce	42.00 €	40.60 €
1/25/2019	Reduce	40.00 €	42.73 €
4/29/2019	Sell	41.00 €	48.90 €
7/19/2019	Sell	41.00 €	51.12 €
10/24/2019	Sell	42.00 €	54.18 €
1/29/2020	Sell	45.00 €	61.02 €
3/24/2020	Sell	42.00 €	46.90 €
4/23/2020	Sell	46.00 €	55.00 €
7/20/2020	Sell	48.00 €	64.28 €
9/23/2020	Sell	61.00 €	73.38 €
10/23/2020	Sell	61.00 €	71.26 €
1/29/2021	Sell	61.00 €	67.08 €
4/30/2021	Sell	61.00 €	66.12 €
7/21/2021	Sell	61.00 €	70.82 €
11/1/2021	Reduce	59.00 €	58.72 €
2/3/2022	Reduce	57.00 €	56.80 €
5/2/2022	Accumulate	51.00 €	46.09 €
7/15/2022	Accumulate	51.00 €	45.85 €
7/22/2022	Accumulate	51.00 €	44.38 €
8/31/2022	Reduce	44.00 €	40.89 €
10/17/2022	Reduce	41.50 €	39.09 €
1/27/2023	Reduce	46.00 €	52.48 €
4/28/2023	Reduce	47.50 €	51.98 €
7/21/2023	Reduce	47.50 €	45.47 €
10/26/2023	Reduce	42.00 €	39.50 €
1/24/2024	Reduce	42.00 €	43.14 €
1/28/2024	Reduce	43.00 €	46.31 €
4/24/2024	Accumulate	50.00 €	45.05 €
7/22/2024	Accumulate	50.00 €	46.99 €
9/30/2024	Reduce	52.00 €	53.70 €
10/26/2024	Accumulate	55.00 €	51.22 €
<i>Analyst changed</i>			
1/31/2025	Accumulate	55.00 €	50.46 €
5/2/2025	Reduce	55.00 €	54.50 €
7/21/2025	Reduce	55.00 €	54.68 €
10/27/2025	Reduce	56.00 €	58.44 €
2/9/2026	Reduce	56.00 €	60.04 €
5/4/2026	Reduce	56.00 €	54.20 €



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