FRAMERY OYJ

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



North American demand quiets growth concerns

Driven by exceptionally strong momentum in North America, Framery's Q3 report allayed concerns about the company's earlier slowdown in growth. Growth excluding the largest customer accelerated much more than we expected, and profitability clearly exceeded our estimates. Following the report, we raise our earnings forecasts for the coming years somewhat. With revenue growth back on track and a moderate valuation, the share's risk/reward is attractive, so we raise our recommendation to Buy (was Accumulate). We reiterate our EUR 8.0 target price.

North America drove faster-than-expected growth

Framery's Q3 revenue grew slightly year-on-year, clearly beating our forecast, even though the comparison period still included exceptionally large orders from the company's largest customer. Revenue excluding the largest customer, a better gauge of demand, grew by 12%, well above our 5% forecast, breaking the slowing trend in underlying growth. Framery's performance and demand environment differed significantly across market areas. Growth was driven by the Americas, where underlying revenue surged by 63%, while EMEA was sluggish and APAC weak. According to Framery, showroom orders for the new Gradus product family significantly exceeded expectations, and assembly in Michigan started on schedule. On strong revenue and a lighter-than-expected cost structure, adjusted EBIT rose to 12.6 MEUR, comfortably above our forecast.

Fading comparison effect brings growth into view

While North America showed strong momentum, Europe was sluggish. Economic growth in Europe is slower than in the US, and soundproof office pods are also a more mature product category there, which makes high growth harder to sustain. A cyclical recovery would, however, also lift the European figures.

In any case, Framery will find it easier to show revenue growth going forward, as the exceptionally large purchases by its largest customer drop out of the comparison figures. In Q4, these account for only ~3.7 MEUR of comparison-period revenue (Q3'25: 7.4 MEUR), and the effect will even out in Q1'27. We expect this to strengthen confidence in Framery's profitable growth story over the coming quarters, and we forecast revenue growth to accelerate to 7–10% in the coming years. We raise our growth forecasts for the Americas and lower our EMEA forecasts, resulting in a slight increase in our earnings forecasts. Given Framery's high margins, earnings growth depends heavily on revenue, and growth is generally highly value-accretive.

Risk/reward is attractive

Framery's strong balance sheet and robust cash flow give management plenty of headroom for capital allocation, such as the share buybacks launched during the quarter. At current valuation levels, we view the company's opportunistic buybacks favorably, and over the long term, they could become a key source of shareholder returns. On our 2026–2027 estimates, the share trades at around 14x P/E with a dividend yield of ~6%, which we consider moderate for a highly profitable growth company. Our DCF value of EUR 8.7 per share also points to upside in the share price. In the coming quarters, we will be watching in particular how the Gradus product range moves from dealer showrooms into customer projects and whether European demand stabilizes, as both will be decisive for next year's growth trajectory. If growth accelerates as we expect, we also see upside potential in Framery's current valuation multiples.

Recommendation
Buy
(was Accumulate)

Target price:
EUR 8.00
(was EUR 8.00)

Share price:
EUR 6.90

Business risk



Valuation risk



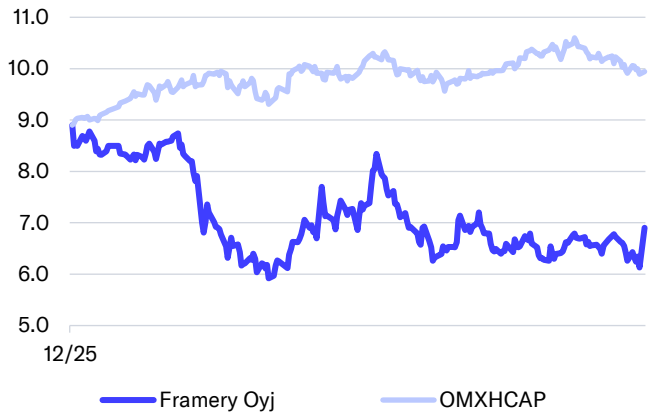
	2025	2026e	2027e	2028e
Revenue	222.1	223.1	239.3	263.9
growth-%	37%	0%	7%	10%
EBIT adj.	50.5	50.6	53.8	62.3
EBIT-% adj.	22.7 %	22.7 %	22.5 %	23.6 %
Net Income	20.4	39.7	39.7	46.4
EPS (adj.)	0.38	0.48	0.51	0.60
P/E (adj.)	22.1	14.5	13.5	11.5
P/B	14.5	8.1	7.2	6.0
Dividend yield-%	2.8 %	5.9 %	5.9 %	6.9 %
EV/EBIT (adj.)	14.4	11.6	10.8	9.2
EV/EBITDA	15.5	9.9	9.5	8.1
EV/S	3.3	2.6	2.4	2.2

Source: Inderes

Guidance (Unchanged)

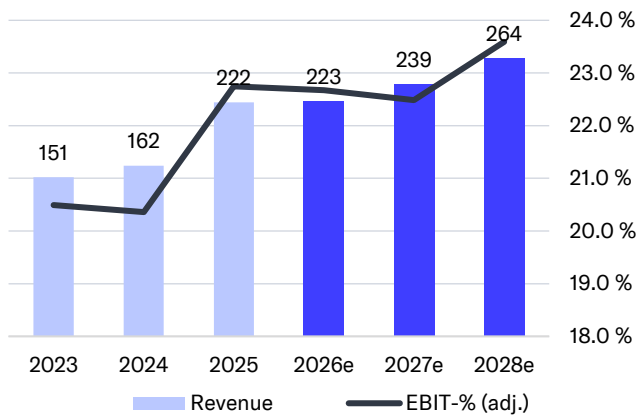
Framery does not provide any guidance.

Share price



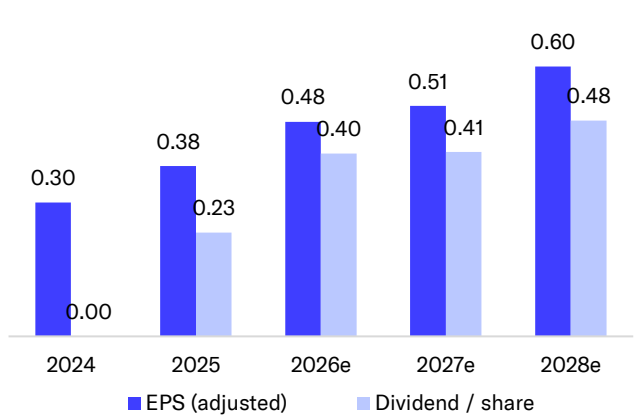
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- Leading market position in a growing target market
- High profitability despite strong growth
- Asset-light business model limits investment needs and creates preconditions for generous profit distribution
- Opportunity to expand the target market and strengthen customer retention with services

Risk factors

- Major office furniture manufacturers' investments in the sector
- Service business is still modest despite growth investments
- Business model is dependent on the Tampere assembly plant

Valuation	2026e	2027e	2028e
Share price	6.90	6.90	6.90
Number of shares, millions	78.4	77.7	77.7
Market cap	541	536	536
EV	589	582	572
P/E (adj.)	14.5	13.5	11.5
P/E	13.6	13.5	11.5
P/B	8.1	7.2	6.0
P/S	2.4	2.2	2.0
EV/Sales	2.6	2.4	2.2
EV/EBITDA	9.9	9.5	8.1
EV/EBIT (adj.)	11.6	10.8	9.2
Payout ratio (%)	80.0 %	80.0 %	80.0 %
Dividend yield-%	5.9 %	5.9 %	6.9 %

Source: Inderes

North America carried the quarter above expectations

North America accelerated underlying growth excluding the largest customer

Framery's Q3 report addressed our main concern, the slowdown in underlying growth.
Revenue grew by 2.3% to 53.4 MEUR, clearly beating our 49.4 MEUR forecast, even though the comparison period still included exceptionally large deliveries to the company's largest customer.
Revenue excluding this customer grew by 11.6%, well above both our 5% forecast and the 7% growth seen in Q2. Growth was driven by the Americas, where revenue grew by 31.7% to 21.9 MEUR and underlying revenue by a remarkable 62.8% (Q2'26: 34.0%). As a rule, Framery's resellers do not keep the company's products in stock, so revenue is a good reflection of end-customer orders. Growth in the Americas is, however, initially supported by deliveries of introductory batches of the new Gradus product family to resellers. Gradus still accounted for a small share of revenue in Q3, but dealers placed over 200 showroom orders, which according to Framery clearly exceeded expectations. Assuming a unit price of 10 TEUR for showroom products, dealers' showroom orders would add over 2 MEUR to Framery's revenue. Margins on demonstration units are lower than on other sales, so replacing these deliveries with customer orders will support margins going forward. Framery expects the product family to contribute significantly to its 2027 figures.

Europe and Asia remained sluggish

EMEA revenue fell by 8.7% to 25.2 MEUR, and underlying revenue by 2.0%. According to the CEO, momentum is positive in Western Europe, while parts of the Northern and Central European markets have clearly lagged. Underlying revenue in the APAC region fell by 22.7%, and Framery believes higher oil prices weighed on demand there. As larger projects can easily cause swings in APAC revenue, we would not read too much into a single quarter.

A light cost structure lifted profitability well above our estimate

Adjusted EBIT rose to 12.6 MEUR (Q3'25: 11.9 MEUR), clearly beating our 9.3 MEUR estimate on stronger-than-expected revenue and a leaner cost structure. The material margin was stable year-on-year at 50.7% (Q3'25: 50.8%). Assembly in Michigan started on schedule, and according to the company, ramp-up costs remained below 1 MEUR. EPS was EUR 0.12, well above our EUR 0.08 forecast. Supported by strong cash flow, net debt fell to 62.2 MEUR (Q4'25: 66.9 MEUR), with net debt/adjusted EBITDA at a moderate 1.1x. This leaves Framery considerable room for larger capital allocation decisions.

Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	52.2	53.4	49.4	51.0	0.0	0.0	8%	223
EBIT (adj.)	11.9	12.6	9.3	11.3	0.0	0.0	36%	50.6
EBIT	10.3	12.6	9.3	11.3	0.0	0.0	36%	53.0
EPS (reported)	0.08	0.12	0.08	0.10	0.00	0.00	45%	0.51
Revenue growth-%	-53.6 %	2.3 %	-5.4 %	-2.3 %	-100.0 %	-100.0 %	7.7 pp	0.4 %
EBIT-% (adj.)	22.8 %	23.7 %	18.8 %	22.2 %			4.8 pp	22.7 %

Source: Inderes & Modular Finance, 4 analysts (consensus)

Earnings estimates raised on strong US momentum

Growth increasingly weighted toward the Americas

We raise our revenue forecasts by 2% for the current year and 1% for the following years, but the regional changes are clearly larger. We raise our Americas forecasts substantially and now expect the region to grow by ~20% in Q4 and by over 10% next year, supported by the Gradus product family and local assembly in Michigan. According to CBRE, the US office vacancy rate fell for the fifth consecutive quarter in Q3, to 18.2%, which supports the region's demand outlook. At the same time, we lower our EMEA forecasts, as underlying revenue in the region has declined for two consecutive quarters. Weaker economic growth in Europe and a more mature product category are slowing growth there. A cyclical recovery would, however, lift Europe's figures, and Framery is strengthening its sales organization in the region to accelerate growth.

Reported growth to accelerate as the comparison effect fades

According to Framery, the comparison effect from its largest customer will be clearly smaller in Q4 and even out in Q1'27, bringing reported growth closer to underlying growth. We forecast revenue growth of 7% next year and 10% in 2028, which requires the strong momentum in the Americas to continue and EMEA to return to moderate growth. In EMEA, growth will be supported by deliveries of the One Work smart office pod from March 2027.

Longer term, we are following with particular interest the growth of the currently small service revenue (Q3'26: 0.9 MEUR, +13%), which plays a key role in expanding Framery's target market and lays the foundation for predictable, high-margin recurring revenue.

Earnings forecasts rise despite cost pressure, with buybacks lifting EPS

We raise our adjusted EBIT forecasts for 2026–2028 by 5–7%. In Q3, headcount and average wages were below our expectations, but the cost structure faces pressure from the new logistics center in the UK and sales recruitment. According to management, the ramp-up of the Gradus product family will weigh on product margins for the next couple of quarters, as showroom products are sold to dealers at a discount and production volumes are still low. Given Framery's strong track record of value-creating growth, we are confident in the company's planned growth investments. We also incorporate Framery's share buyback program into our forecasts, so our adjusted EPS rises more than EBIT.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	219	223	2%	237	239	1%	261	264	1%
EBITDA	56.8	59.3	4%	57.7	61.4	6%	67.1	70.3	5%
EBIT (exc. NRIs)	48.1	50.6	5%	50.2	53.8	7%	59.1	62.3	5%
EBIT	50.6	53.0	5%	50.2	53.8	7%	59.1	62.3	5%
PTP	47.4	49.9	5%	47.1	50.8	8%	56.3	59.5	6%
EPS (excl. NRIs)	0.44	0.48	7%	0.46	0.51	10%	0.55	0.60	8%

Source: Inderes

Framery, Q3'26



Time is on the side of a value-creating growth company

Recovered growth makes the moderate multiples attractive

Framery's investment profile combines rapid growth, very high profitability, and generous dividends in a way that is rare on Nasdaq Helsinki. After Q2, the share price was weighed down by the slowdown in underlying growth, but the reacceleration in Q3 clearly eases this concern. We still see Europe's sluggish demand and the pressure on margins from growth investments as near-term pain points. On our 2026–2027 forecasts, Framery's adjusted P/E is ~14x and EV/EBIT 12x and 11x. We believe these levels are attractive for a profitable growth company like Framery, which is well placed to pay generous dividends. Beyond earnings growth and dividends, we also see potential for the valuation multiples to rise if Framery convinces the market of its longer-term growth headroom through accelerating revenue growth.

Our forecasts are currently more cautious than the company's financial targets. If Framery achieved its target of over 10% annual growth from the 2025 level and an adjusted EBIT margin of 25% by 2030, the current enterprise value would be less than 7x 2030 EBIT. Based on our current dividend forecasts and a justified EV/EBIT of ~11–14x, this would enable an attractive annual return of ~15–20% through the end of the decade. Reaching the targets would, however, also require European growth to recover.

Profit distribution supports the expected return

Supported by generous distributions, the 6–7% dividend yield is a key part of the share's expected return. With low investment needs, our forecasts show the share's cash flow yield broadly matching its dividend yield. We view it positively that Framery is directing part of its distributions to share buybacks at the current valuation, even though the share's liquidity limits the volume of repurchases. With its asset-light business model, Framery expenses most of its investments in the income statement, which supports continued high distributions. In our interview, however, management made clear that despite the generous distributions, growth investments and strengthening competitiveness take precedence in capital allocation.

Our DCF model points to upside

Our DCF model indicates a per-share value of EUR 8.7 for Framery. Given rising global interest rates and inflationary pressures, we raise our risk-free rate assumption to 3.0% (was 2.5%). At the same time, we raise our terminal growth assumption to 2.5% (was 2.0%). Longer term, we expect the EBIT margin to normalize to 20% as competition intensifies. At this level, Framery's business will nevertheless remain highly profitable and value-creating, thanks to its low capital requirements. We forecast revenue growth slowing gradually from 7% in 2030 toward the terminal growth rate, with the terminal period accounting for 58% of the value. In our view, the key variable for the DCF value is the long-term revenue level. If soundproof office pods become a mass market in North America, as management expects, Framery will have more growth headroom into the 2030s than our forecasts suggest.

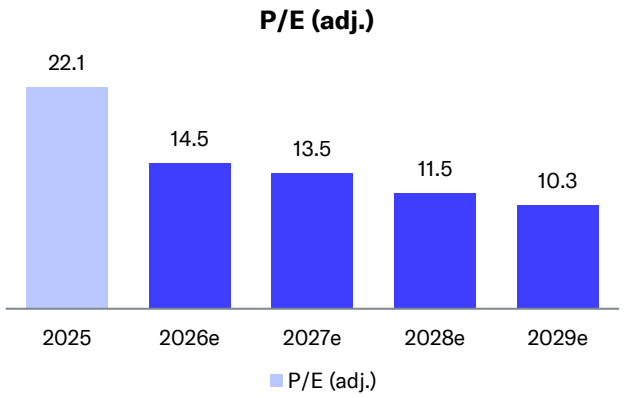
Valuation	2026e	2027e	2028e
Share price	6.90	6.90	6.90
Number of shares, millions	78.4	77.7	77.7
Market cap	541	536	536
EV	589	582	572
P/E (adj.)	14.5	13.5	11.5
P/E	13.6	13.5	11.5
P/B	8.1	7.2	6.0
P/S	2.4	2.2	2.0
EV/Sales	2.6	2.4	2.2
EV/EBITDA	9.9	9.5	8.1
EV/EBIT (adj.)	11.6	10.8	9.2
Payout ratio (%)	80.0 %	80.0 %	80.0 %
Dividend yield-%	5.9 %	5.9 %	6.9 %

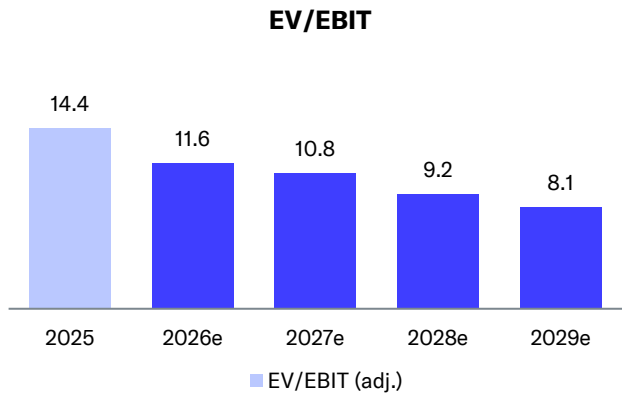
Source: Inderes

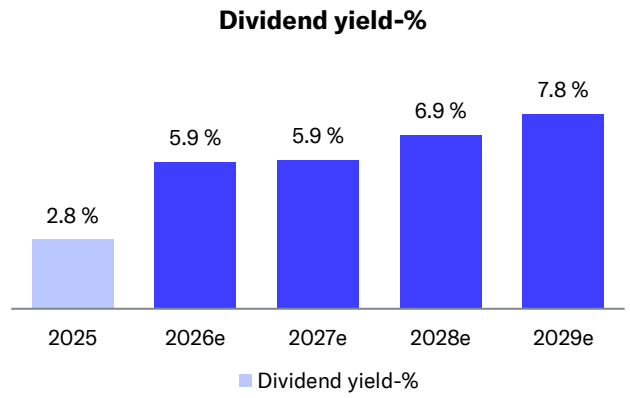
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price					8.35	**6.90**	**6.90**	**6.90**	**6.90**
Number of shares, millions					79.1	**78.4**	**77.7**	**77.7**	**77.7**
Market cap					661	**541**	**536**	**536**	**536**
EV					728	**589**	**582**	**572**	**562**
P/E (adj.)					22.1	**14.5**	**13.5**	**11.5**	**10.3**
P/E					32.4	**13.6**	**13.5**	**11.5**	**10.3**
P/B					14.5	**8.1**	**7.2**	**6.0**	**5.1**
P/S					3.0	**2.4**	**2.2**	**2.0**	**1.9**
EV/Sales					3.3	**2.6**	**2.4**	**2.2**	**2.0**
EV/EBITDA					15.5	**9.9**	**9.5**	**8.1**	**7.2**
EV/EBIT (adj.)					14.4	**11.6**	**10.8**	**9.2**	**8.1**
Payout ratio (%)					89.4 %	**80.0 %**	**80.0 %**	**80.0 %**	**80.0 %**
Dividend yield-%					2.8 %	**5.9 %**	**5.9 %**	**6.9 %**	**7.8 %**

Source: Inderes







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

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**
Harvia Oyj	709	770	17.1	14.8	14.6	12.6	3.4	3.0	22.5	18.8	2.2	2.5	4.9
Engcon AB	633	647	19.0	14.3	16.3	12.6	3.4	2.9	30.5	23.3	2.0	2.7	11.3
MIPS AB	1018	1029	34.4	23.8	32.6	21.9	13.5	10.5	43.2	31.1	1.4	2.1	15.4
NIBE AB	8369	10011	21.5	18.9	14.8	13.3	2.5	2.3	27.7	22.8	1.1	1.3	2.8
Rational AG	7101	6701	19.3	17.8	17.3	16.1	5.0	4.6	26.1	24.3	2.8	3.0	7.1
Framery Oyj (Inderes)	**541**	**589**	**11.6**	**10.8**	**9.9**	**9.5**	**2.6**	**2.4**	**14.5**	**13.5**	**5.9**	**5.9**	**8.1**
Average			**22.2**	**17.9**	**19.1**	**15.3**	**5.5**	**4.7**	**30.0**	**24.1**	**1.9**	**2.3**	**8.3**
Median			**19.3**	**17.8**	**16.3**	**13.3**	**3.4**	**3.0**	**27.7**	**23.3**	**2.0**	**2.5**	**7.1**
Diff-% to median			**-40%**	**-39%**	**-39%**	**-29%**	**-22%**	**-20%**	**-48%**	**-42%**	**195%**	**136%**	**13%**

Source: Refinitiv / Inderes

Income statement

Income statement	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**151**	**162**	**58.4**	**53.3**	**52.2**	**58.2**	**222**	**58.4**	**51.4**	**53.4**	**60.0**	**223**	**239**	**264**	**287**
EMEA	91.6	99.0	30.5	28.6	27.6	31.7	118	30.7	27.6	25.2	31.1	114	120	131	141
Americas	39.4	43.4	13.4	17.4	16.6	18.5	65.9	20.5	18.1	21.9	22.2	82.6	91.3	102	112
APAC	20.0	19.8	14.6	7.3	8.0	8.0	37.9	7.1	5.7	6.3	6.8	26.0	28.0	30.8	33.3
EBITDA	**35.5**	**35.2**	**16.8**	**6.8**	**11.8**	**11.5**	**46.9**	**15.3**	**16.1**	**14.2**	**13.6**	**59.3**	**61.4**	**70.3**	**77.8**
Depreciation	-4.0	-5.6	-1.5	-1.5	-1.5	-1.5	-5.8	-1.4	-1.5	-1.6	-1.7	-6.3	-7.6	-8.0	-8.6
EBIT (excl. NRI)	**31.0**	**33.0**	**16.7**	**10.0**	**11.9**	**11.9**	**50.5**	**14.0**	**12.0**	**12.6**	**11.9**	**50.6**	**53.8**	**62.3**	**69.2**
EBIT	**31.5**	**29.6**	**15.4**	**5.3**	**10.3**	**10.0**	**41.0**	**13.9**	**14.6**	**12.6**	**11.9**	**53.0**	**53.8**	**62.3**	**69.2**
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-7.4	-5.7	-2.6	-2.8	-2.2	-5.8	-13.4	-0.9	-0.6	-0.8	-0.8	-3.1	-3.0	-2.8	-2.6
PTP	**24.0**	**23.9**	**12.7**	**2.5**	**8.1**	**4.3**	**27.7**	**13.0**	**14.0**	**11.8**	**11.1**	**49.9**	**50.8**	**59.5**	**66.7**
Taxes	-4.7	-4.3	-3.2	-1.3	-1.7	-1.1	-7.3	-2.8	-2.7	-2.3	-2.4	-10.3	-11.2	-13.1	-14.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**19.3**	**19.6**	**9.5**	**1.2**	**6.4**	**3.2**	**20.4**	**10.2**	**11.2**	**9.5**	**8.7**	**39.7**	**39.7**	**46.4**	**52.0**
EPS (adj.)		**0.30**	**0.14**	**0.08**	**0.10**	**0.06**	**0.38**	**0.13**	**0.11**	**0.12**	**0.11**	**0.48**	**0.51**	**0.60**	**0.67**
EPS (rep.)		**0.25**	**0.12**	**0.02**	**0.08**	**0.04**	**0.26**	**0.13**	**0.14**	**0.12**	**0.11**	**0.51**	**0.51**	**0.60**	**0.67**

Key figures	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-0.9 %	7.3 %				17.2 %	37.0 %	-0.1 %	-3.7 %	2.3 %	3.2 %	0.4 %	7.3 %	10.3 %	8.8 %
Adjusted EBIT growth-%		6.6 %				-18.4 %	53.1 %	-15.8 %	20.0 %	6.1 %	-0.3 %	0.1 %	6.4 %	15.7 %	11.2 %
EBITDA-%	23.5 %	21.7 %	28.8 %	12.7 %	22.5 %	19.8 %	21.1 %	26.3 %	31.4 %	26.7 %	22.6 %	26.6 %	25.7 %	26.6 %	27.1 %
Adjusted EBIT-%	20.5 %	20.4 %	28.5 %	18.8 %	22.8 %	20.5 %	22.7 %	24.0 %	23.4 %	23.7 %	19.8 %	22.7 %	22.5 %	23.6 %	24.1 %
Net earnings-%	12.8 %	12.1 %	16.2 %	2.3 %	12.4 %	5.5 %	9.2 %	17.5 %	21.9 %	17.9 %	14.5 %	17.8 %	16.6 %	17.6 %	18.1 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**87.4**	**88.2**	**88.4**	**89.3**	**90.6**
Goodwill	68.7	68.7	68.7	68.7	68.7
Intangible assets	3.5	2.9	4.0	4.3	4.8
Tangible assets	10.5	12.5	15.6	16.3	17.2
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	4.7	4.1	0.0	0.0	0.0
Current assets	**74.5**	**81.3**	**90.9**	**95.2**	**107**
Inventories	22.0	29.2	29.0	31.1	34.3
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	32.1	32.3	35.7	40.7	44.9
Cash and equivalents	20.5	19.8	26.2	23.4	28.1
Balance sheet total	**162**	**170**	**179**	**184**	**198**

Source: Inderes

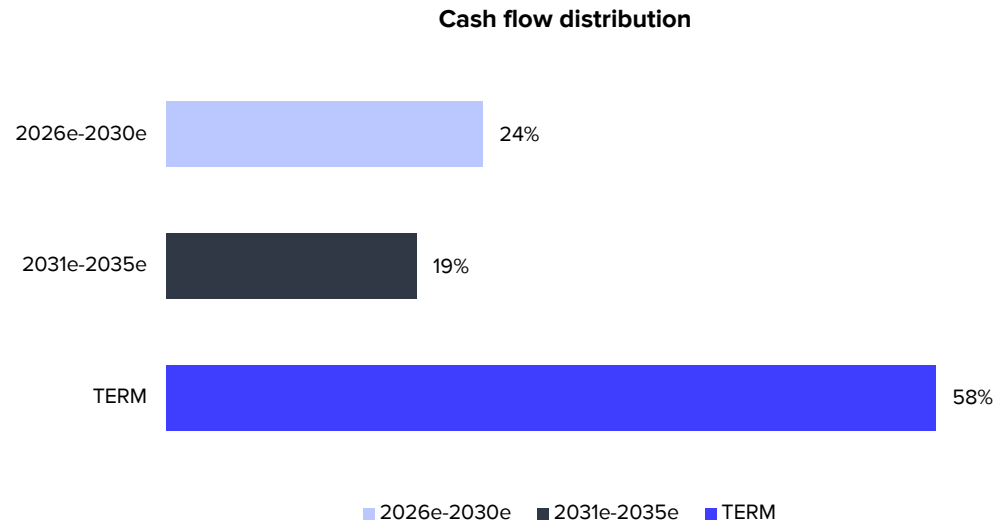
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**56.6**	**45.5**	**67.0**	**74.9**	**89.6**
Share capital	0.0	0.1	0.1	0.1	0.1
Retained earnings	28.9	26.4	47.8	55.8	70.5
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-0.2	0.3	0.3	0.3	0.3
Other equity	12.2	18.8	18.8	18.8	18.8
Minorities	15.8	0.0	0.0	0.0	0.0
Non-current liabilities	**71.1**	**80.2**	**75.0**	**69.6**	**64.2**
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.4	0.4	0.4	0.4
Interest bearing debt	71.1	79.8	74.6	69.2	63.8
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	**34.2**	**43.9**	**37.3**	**40.0**	**44.1**
Interest bearing debt	1.5	6.9	0.0	0.0	0.0
Payables	32.7	36.9	37.3	40.0	44.1
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**162**	**170**	**179**	**184**	**198**

DCF calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	37.0 %	0.4 %	7.3 %	10.3 %	8.8 %	7.0 %	6.0 %	5.0 %	3.0 %	2.5 %	2.5 %	2.5 %
EBIT-%	18.5 %	23.8 %	22.5 %	23.6 %	24.1 %	22.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %
EBIT (operating profit)	**41.0**	**53.0**	**53.8**	**62.3**	**69.2**	**67.6**	**65.1**	**68.4**	**70.4**	**72.2**	**74.0**	
+ Depreciation	5.8	6.3	7.6	8.0	8.6	9.3	9.4	10.0	10.5	10.8	11.0	
- Paid taxes	-6.7	-6.2	-11.2	-13.1	-14.7	-14.3	-14.0	-14.8	-15.3	-15.5	-15.9	
- Tax, financial expenses	-3.5	-0.7	-0.7	-0.7	-0.7	-0.6	-0.3	-0.3	-0.2	-0.4	-0.4	
+ Tax, financial income	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-3.2	-2.8	-4.4	-3.3	-3.1	-2.7	-2.5	-2.2	-1.4	-1.2	-1.2	
Operating cash flow	**33.4**	**49.7**	**45.2**	**53.3**	**59.5**	**59.3**	**57.7**	**61.1**	**64.0**	**65.9**	**67.6**	
+ Change in other long-term liabilities	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-7.3	-10.5	-8.6	-9.3	-10.5	-9.4	-10.8	-11.2	-11.3	-11.5	-11.7	
Free operating cash flow	**26.5**	**39.2**	**36.6**	**44.0**	**49.0**	**49.9**	**46.9**	**49.9**	**52.8**	**54.4**	**55.8**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	26.5	39.2	36.6	44.0	49.0	49.9	46.9	49.9	52.8	54.4	55.8	940
Discounted FCFF		**38.7**	**33.3**	**36.8**	**37.8**	**35.4**	**30.7**	**30.0**	**29.3**	**27.8**	**26.2**	**442**
Sum of FCFF present value		768	729	696	659	622	586	555	525	496	468	442
Enterprise value DCF		**768**										
- Interest bearing debt		-86.7										
+ Cash and cash equivalents		19.8										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		-18.2										
Equity value DCF		**683**										
Equity value DCF per share		**8.7**										

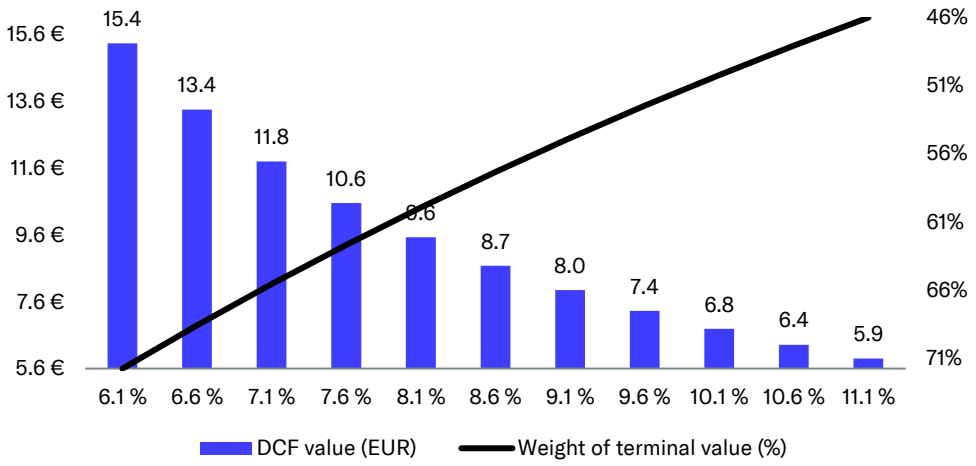
WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E)	15.0 %
Cost of debt	5.0 %
Equity Beta	1.35
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	3.0 %
Cost of equity	**9.4 %**
Weighted average cost of capital (WACC)	**8.6 %**

Source: Inderes

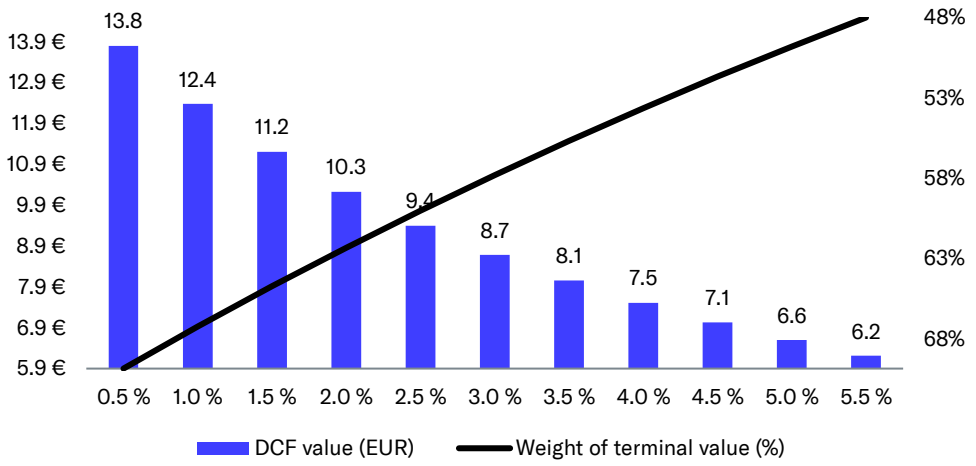


DCF sensitivity calculations and key assumptions in graphs

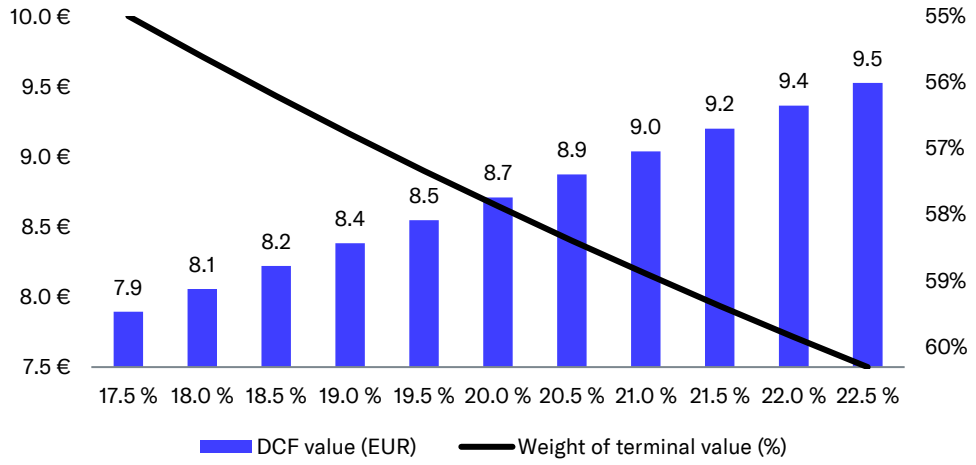
Sensitivity of DCF to changes in the WACC-%



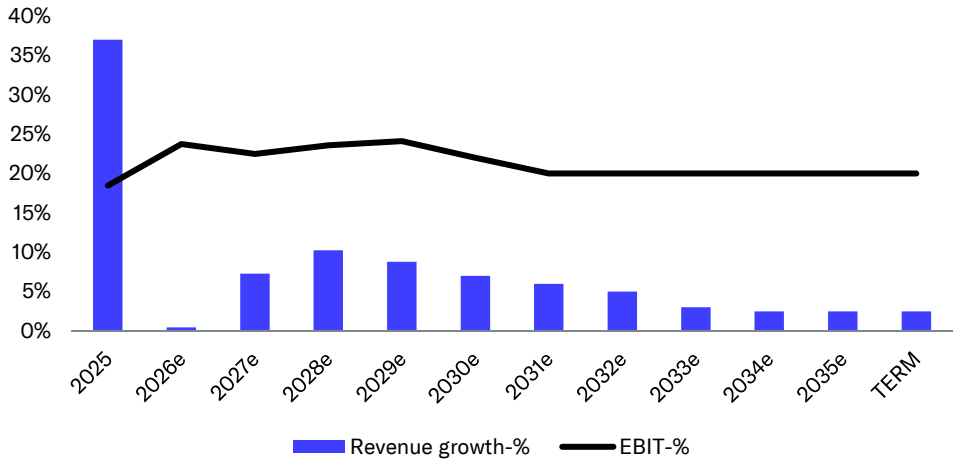
Sensitivity of DCF to changes in the risk-free rate



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	2028e
Revenue	151.1	162.1	222.1	**223.1**	**239.3**	**263.9**
EBITDA	35.5	35.2	46.9	**59.3**	**61.4**	**70.3**
EBIT	31.5	29.6	41.0	**53.0**	**53.8**	**62.3**
PTP	24.0	23.9	27.7	**49.9**	**50.8**	**59.5**
Net Income	19.3	19.6	20.4	**39.7**	**39.7**	**46.4**
Extraordinary items	0.5	-3.4	-9.5	**2.4**	**0.0**	**0.0**

Balance sheet	2023	2024	2025	2026e	2027e	2028e
Balance sheet total	142.8	161.9	169.5	**179.2**	**184.5**	**197.9**
Equity capital	36.9	56.6	45.5	**67.0**	**74.9**	**89.6**
Goodwill	68.7	68.7	68.7	**68.7**	**68.7**	**68.7**
Net debt	63.4	52.1	66.9	**48.4**	**45.8**	**35.7**

Cash flow	2023	2024	2025	2026e	2027e	2028e
EBITDA	35.5	35.2	46.9	**59.3**	**61.4**	**70.3**
Change in working capital	4.4	-4.4	-3.2	**-2.8**	**-4.4**	**-3.3**
Operating cash flow	33.8	24.0	33.4	**49.7**	**45.2**	**53.3**
CAPEX	-8.7	-3.9	-7.3	**-10.5**	**-8.6**	**-9.3**
Free cash flow	23.9	15.8	26.5	**39.2**	**36.6**	**44.0**

Valuation multiples	2023	2024	2025	2026e	2027e	2028e
EV/S	0.4	0.3	3.3	**2.6**	**2.4**	**2.2**
EV/EBITDA	1.8	1.5	15.5	**9.9**	**9.5**	**8.1**
EV/EBIT (adj.)	2.0	1.6	14.4	**11.6**	**10.8**	**9.2**
P/E (adj.)		0.0	22.1	**14.5**	**13.5**	**11.5**
P/B	0.0	0.0	14.5	**8.1**	**7.2**	**6.0**
Dividend-%			2.8 %	**5.9 %**	**5.9 %**	**6.9 %**

Source: Inderes

Per share data	2023	2024	2025	2026e
EPS (reported)		0.25	0.26	**0.51**
EPS (adj.)		0.30	0.38	**0.48**
OCF / share		0.31	0.42	**0.63**
OFCF / share		0.20	0.33	**0.50**
Book value / share		0.53	0.58	**0.85**
Dividend / share	0.00	0.00	0.23	**0.00**

Growth and profitability	2023	2024	2025	2026e
Revenue growth-%	-1%	7%	37%	**0%**
EBITDA growth-%	24%	-1%	33%	**27%**
EBIT (adj.) growth-%	6%	7%	53%	**0%**
EPS (adj.) growth-%			27%	**26%**
EBITDA-%	23.5 %	21.7 %	21.1 %	**26.6 %**
EBIT (adj.)-%	20.5 %	20.4 %	22.7 %	**22.7 %**
EBIT-%	20.8 %	18.3 %	18.5 %	**23.8 %**
ROE-%	146.1 %	62.0 %	47.2 %	**70.5 %**
ROI-%	28.0 %	24.3 %	31.4 %	**38.8 %**
Equity ratio	25.8 %	35.0 %	26.9 %	**37.4 %**
Gearing	172.0 %	91.9 %	147.0 %	**72.3 %**
Net debt/EBITDA	1.8	1.5	1.4	**0.8**
EBITDA/net financials	4.8	6.1	3.5	**19.2**

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

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

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
5/28/2026	Accumulate	8.50 €	8.02 €
7/28/2026	Accumulate	8.00 €	6.99 €
11/3/2026	Buy	8.00 €	6.90 €



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