# NURMINEN LOGISTICS

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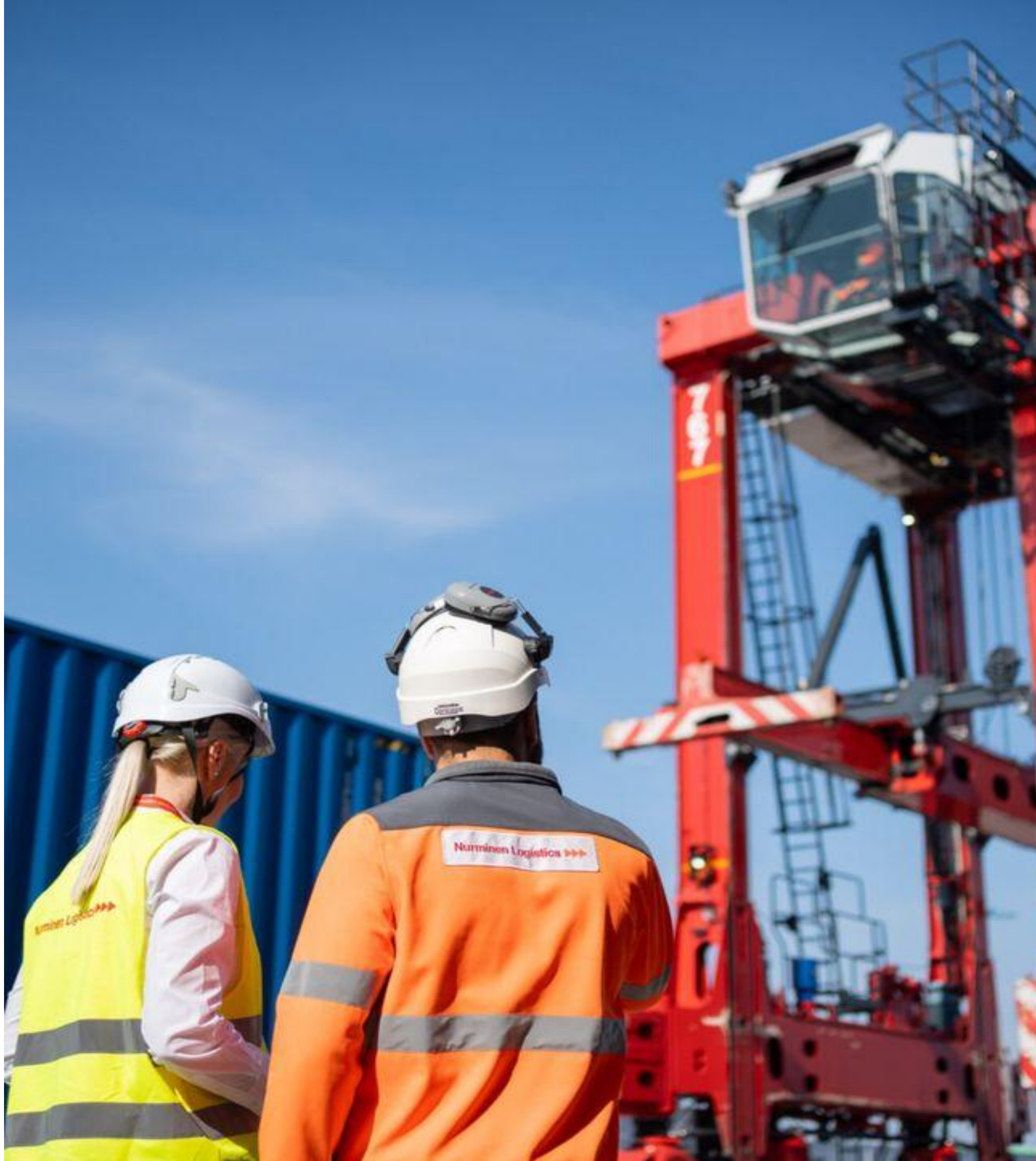
Aapeli Pursimo, Analyst
+358 40 719 6067
aapeli.pursimo@inderes.fi

INDERES CORPORATE CUSTOMER

# COMPANY REPORT



# Stepping off, eyes on international track

*Nurminen Logistics' Q2 print was clearly below our expectations, pressured by margins. In our view, the company is progressing nicely in ramping up intra-European railway business, and Baltic volumes also showed signs of recovery. However, the decline in North Rail's volumes and the ramp-up of European traffic are weighing on margins more than we expected. Reflecting the overall picture, our earnings estimates for this and next year were subject to downward pressure. We believe successful international growth would be a clear driver for the stock, but given the forecast risks and neutral valuation, we will await more concrete evidence of the conquest of Europe. Thus, we lower our recommendation to Reduce (was Accumulate) and our target price to EUR 0.70 (from EUR 0.80) in line with the estimate changes.*

### Earnings missed our expectations

The company's Q2 revenue was flat year-on-year, which narrowly exceeded our expectations. This was supported by the Baltic business, where volumes rose from the levels of previous quarters. However, the development of the Railway business was slightly below our expectations. We estimate that this was particularly impacted by the development of the international wagon group and single wagonload business (Essinge Rail) and, in part, North Rail. We estimate that the international block train service grew roughly in line with our expectations. The company's adjusted EBITDA was 3.0 MEUR, which was clearly below our forecast of 3.9 MEUR. The margin fell heavily below our expectations. We estimate that this was particularly impacted by the decrease in North Rail's volumes, a possible weakening of the gross margin, and higher-than-expected costs from the ramp-up of the block train service. Reported earnings were weighed down by 1.1 MEUR in non-recurring costs, which were higher than we expected.

### Earnings forecasts down, driven by margins

As expected, Nurminen reiterated its guidance for the current year, in which it expects revenue to reach or fall slightly below the comparison period's level (2025: 109 MEUR). Nurminen estimates comparable EBIT to be clearly below the comparison period (2025: 18.3 MEUR), but remaining at a good profitability level. The company's outlook was largely unsurprising in the big picture, due to declining North Rail volumes and investments in the European block train service. Based on the actual development, we still made significant changes to the estimates we updated after the profit warning. We raised our medium-term revenue forecasts for European traffic. However, in line with actual developments, we lowered our margin assumptions for North Rail. In addition, we increased the cost impact of the planned ramp-up of European routes. As a result, we estimate the adjusted EBITA margin for the coming years to be in the range of 10-11% (was 12-13%). Overall, due to the changes, our absolute earnings forecasts for this year and next decreased significantly (adj. EBITA 14-18%), while the 2028 forecast remained almost unchanged. We expect the company's revenue to reach 108 MEUR this year (previously 105 MEUR) and adjusted EBITA to reach 11.3 MEUR (previously 13.7 MEUR).

### Valuation is neutral given the forecast risks

In our view, the success of growth in European traffic is currently at the core of the company's investment story. The geopolitical risks of this business are also clearly lower and the market potential greater than for North Rail and the Baltic business, which currently account for the majority of the company's earnings. Thus, success in this growth would support an acceptable valuation for the stock. Even in a fairly positive scenario, we estimate that clearer positive earnings impacts from the European domestic business at the group level will not be seen until 2028. However, if the company succeeds in international growth, the company and the share's valuation could look quite different in 3-5 years. Currently, we believe the stock is quite correctly priced (2027e P/E 10x) given the current earnings distribution and elevated forecast risks.

**Recommendation**
**Reduce**
(was Accumulate)

**Target price:**
**EUR 0.70**
(was EUR 0.80)

**Share price:**
EUR 0.71

**Business risk**
●●●●○

**Valuation risk**
●●●○○

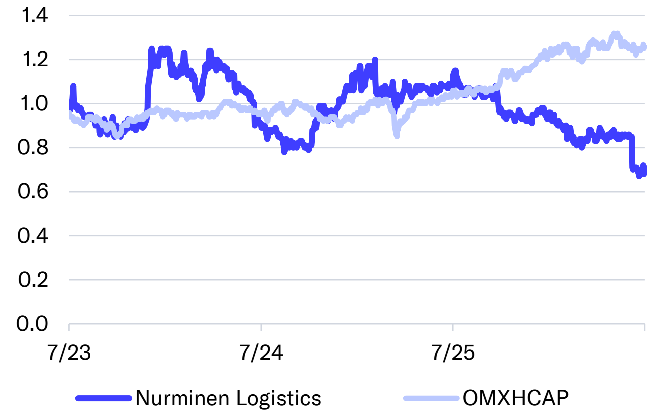
| | 2025 | 2026e | 2027e | 2028e |
|---|---|---|---|---|
| **Revenue** | 109.4 | 108 | 117 | 132 |
| **growth-%** | 4% | -2% | 9% | 12% |
| **EBIT adj.** | 18.3 | 11.3 | 12.2 | 14.2 |
| **EBIT-% adj.** | 16.7 % | 10.5 % | 10.4 % | 10.8 % |
| **Net income** | 3.1 | -2.7 | 4.3 | 6.6 |
| **EPS (adj.)** | 0.08 | 0.02 | 0.07 | 0.10 |
| | | | | |
| **P/E (adj.)** | 11.6 | 40.9 | 10.0 | 7.4 |
| **P/B** | 2.2 | 1.9 | 1.8 | 1.5 |
| **Dividend yield-%** | 3.2 % | 2.8 % | 2.8 % | 2.8 % |
| **EV/EBIT (adj.)** | 6.5 | 9.2 | 8.1 | 6.5 |
| **EV/EBITDA** | 4.8 | 7.2 | 5.5 | 4.5 |
| **EV/S** | 1.1 | 1.0 | 0.8 | 0.7 |

Source: Inderes

**Guidance** (Unchanged)

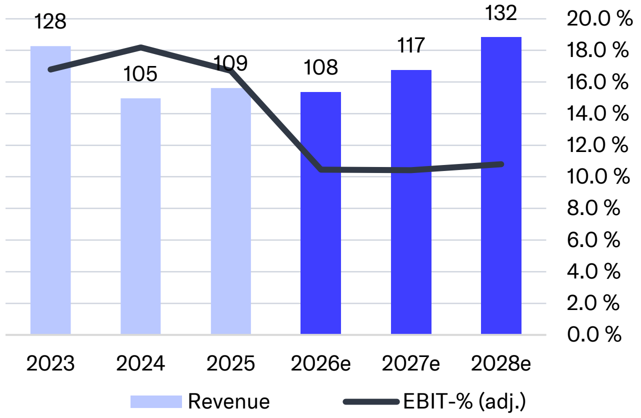
Nurminen Logistics estimates that the Group's reveue for 2026 will reach the comparison period level or remain slightly lower (2025: 109 MEUR) and that comparable operating profit will fall clearly short of the comparison period in 2025 (18.3 MEUR), while still remaining at a good level of profitability.

## Share price



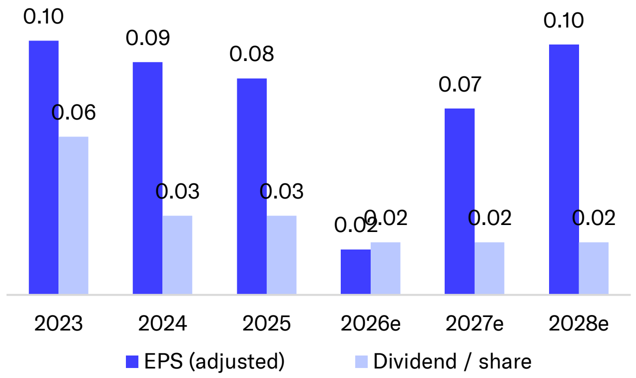

Source: Millistream Market Data AB

## Revenue and EBIT % (adj.)




Source: Inderes

## EPS and dividend




Source: Inderes

## Value drivers

- Successfully growing international business in the European single market through new route openings and customer base expansion
- Growth in North Rail's business volumes
- M&A transactions supporting internationalization
- Change in valuation profile towards a growth company as earnings growth accelerates and earnings distribution expands
- Potential normalization of the northern route in the medium to long term

## Risk factors

- Geopolitical risks (sanctions and counter-sanctions, changes in customer behavior)
- Logistics prices (+/-), especially in North Rail
- Customer risks
- The ownership structures of the Baltic business and North Rail mean that a significant portion of EBIT flows to minority shareholders
- Shortage of comprehensive logistics expertise in the labor market

| Valuation | 2026e | 2027e | 2028e |
|---|---|---|---|
| **Share price** | 0.71 | 0.71 | 0.71 |
| **Number of shares, millions** | 80.7 | 80.7 | 80.7 |
| **Market cap** | 57 | 57 | 57 |
| **EV** | 104 | 100 | 92 |
| **P/E (adj.)** | 40.9 | 10.0 | 7.4 |
| **P/E** | neg. | 13.3 | 8.6 |
| **P/B** | 1.9 | 1.8 | 1.5 |
| **P/S** | 0.5 | 0.5 | 0.4 |
| **EV/Sales** | 1.0 | 0.8 | 0.7 |
| **EV/EBITDA** | 7.2 | 5.5 | 4.5 |
| **EV/EBIT (adj.)** | 9.2 | 8.1 | 6.5 |
| **Payout ratio (%)** | neg. | 37.7 % | 24.3 % |
| **Dividend yield-%** | 2.8 % | 2.8 % | 2.8 % |

Source: Inderes

# Earnings fell clearly short of our estimates

### Revenue slightly exceeded our forecast

Nurminen's Q2 revenue was flat year-on-year, which slightly exceeded our forecast. The beat was driven by the Baltic business, which grew to 8.9 MEUR (Q2'26: 7.8 MEUR), clearly surpassing our forecast, which was at the level of previous quarters (Q3'25-Q1'26: 6.1-6.9 MEUR). According to the company, the development was supported by the recovery in raw material volumes for the steel industry and the redirection of fertilizer volumes to Baltic routes (different types of fertilizers than those transported by North Rail).

However, the development of the Railway business was slightly below our forecasts (19.3 MEUR vs. forecast). 20.7 MEUR). Based on the company's reporting, it is difficult to estimate precise forecast deviations. However, based on the notes published semi-annually, the Swedish business appears to have grown more moderately than we expected. We estimate that the more subdued development was concentrated in the wagon group and single wagon business (the former Essinge business), as block train service volumes were still ramping up well into the spring. In addition, the company commented that construction work in Central Europe related to improving railway infrastructure had affected the former Essinge business, while the efficiency of the block train service had been maintained at the promised level despite these issues. In our view, the company achieved seven-figure revenue in block train services in Q2, which was largely in line with our expectations. The development was also negatively affected by the first railway tariff increases implemented on the Russian side, which came into effect in June and were reflected in North Rail's volumes. However, this was expected, and the effects will be more clearly visible only in Q3. The company commented that terminal operations developed well.

### Operating result was clearly below our forecast

The company's adjusted EBITA was 3.0 MEUR, which was clearly below our forecast. The margin level also fell clearly below our expectations, although it remained at a good level in the industry context. We estimate that this was particularly impacted by the decrease in North Rail's volumes, which is also strongly reflected in the operating profit margin through the depreciation level of locomotives. We also consider it possible that North Rail's very high gross margins may have been under downward pressure. We also estimate that the ramp-up of the block train service weighed on profitability more than we expected in Q2. The cost burden on the lower lines, however, was somewhat in line with our expectations, but minority interests were higher than our forecasts, reflecting the development in the Baltics. Overall, the reported EPS turned negative and fell short of our forecast.

### Working capital commitment visible in the cash flow

The company's cash flow from operating activities before lease liability payments was 3.6 MEUR in H1 (H1'25: 11.2 MEUR). In addition to the result, which declined compared to the comparison period, the development was weighed down by the working capital tied up (-2.4 MEUR), which we estimate is largely due to the ramp-up of the Central European block train service (cf. China train). However, the company's financial position was good at the end of Q2 (net debt/EBITDA 1.1x, equity ratio 44%).

| Estimates | Q2'25 | Q2'26 | Q2'26e | Q2'26e | Consensus | | Difference (%) | 2026e |
|---|---|---|---|---|---|---|---|---|
| MEUR / EUR | Comparison | Actualized | Inderes | Consensus | Low | High | Act. vs. inderes | Inderes |
| Revenue | 27.9 | 28.2 | 27.0 | | | | 4% | 108 |
| EBITA (adj.) | 4.3 | 3.0 | 3.9 | | | | -25% | 11.3 |
| EBIT (reported) | 3.9 | 1.7 | 3.3 | | | | -49% | 6.6 |
| PTP | 2.7 | 0.9 | 2.4 | | | | -62% | 0.3 |
| EPS (reported) | 0.02 | -0.01 | 0.02 | | | | | -0.03 |
| | | | | | | | | |
| Revenue growth-% | 23.9 % | 0.8 % | -3.1 % | | | | 4 pp | -1.6 % |
| Adj. EBITA-% | 15.4 % | 10.6 % | 14.6 % | | | | -4 pp | 10.5 % |

Source: Inderes

# Near-term forecasts down

### Guidance and outlook as expected after profit warning

The guidance for the current year, issued at the beginning of July, was reiterated as expected. Regarding the outlook, the company commented, unsurprisingly after the profit warning, that North Rail's volumes and relative profitability are declining due to Russian railway tariffs. It also reiterated comments on the strengthening growth prospects for European route traffic and new route openings (doubling the capacity of the Italian route at the beginning of Q3 and opening the Spanish route at the beginning of next year). We estimate the company aims to open new routes or increase capacity on these routes in the coming years. In connection with the report, Nurminen commented that it sees opportunities for 20-40 MEUR in organic revenue growth in the block train service in 2026-2028. Regarding the Baltics, the company commented that development in Q2 was steadily positive, and the outlook for the rest of the year is consistent with the beginning of the year, with potential for slight growth based on customer views. However, regarding the Baltics, we believe it is important to remember that the situation has changed several times in recent years.

### Growth forecasts up, margins down

The company's high-level outlook was largely unsurprising, but based on the actual development, we made clear changes to our forecasts. We slightly raised our North Rail revenue estimates, as we believe the revenue losses are slightly lower than our estimated 50%. However, we lowered our business margin forecasts based on the development, despite future cost-saving measures. In our view, margins will be weighed down by depreciation of the oversized locomotive fleet relative to current volumes. The company has historically hinted at selling its locomotive fleet in connection with potential business shocks, and in our view, these cannot be ruled out, as replacing fertilizer volumes is almost impossible in the short term. We also slightly raised the growth forecasts for the block train service for the coming years, based on the company's estimated range and timeline. However, we lowered the related profitability assumptions for the ramp-up phases of new routes. We also raised our Baltic estimates in line with the realized development. Following these changes, our revenue forecasts increased, but our margin forecasts clearly decreased. As a result, absolute earnings estimates for this year and next year decreased significantly, while estimates for 2028 remained largely unchanged.

The company also reported that at the beginning of Q3, it repaid North Rail's expensive 12 MEUR loan early using cash reserves and a new 1-year 4 MEUR loan. Due to the early repayment, the company will record financial expenses of 3.7 MEUR for Q3 (including interest expenses until the loan's maturity date). In our view, the costs are very high, but we understand that the loan has been quite restrictive, and its repayment will provide more flexibility for business development (e.g., locomotive sales, internationalization). With the decrease in the loan amount, we also lowered our financing expense forecasts for the coming years.

| Estimate revisions<br>MEUR / EUR | 2026e<br>Old | 2026e<br>New | Change<br>% | 2027e<br>Old | 2027e<br>New | Change<br>% | 2028e<br>Old | 2028e<br>New | Change<br>% |
|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | 105 | 108 | 2% | 114 | 117 | 3% | 121 | 132 | 9% |
| **EBITDA** | 17.5 | 14.4 | -17% | 20.0 | 18.0 | -10% | 20.8 | 20.4 | -2% |
| **EBIT (exc. NRIs)** | 13.7 | 11.3 | -18% | 14.2 | 12.2 | -14% | 14.7 | 14.2 | -3% |
| **EBIT** | 9.7 | 6.6 | -31% | 12.4 | 10.4 | -16% | 13.4 | 13.0 | -3% |
| **PTP** | 6.4 | 0.3 | -95% | 9.9 | 8.8 | -11% | 11.4 | 11.7 | 2% |
| **EPS (excl. NRIs)** | 0.08 | 0.02 | -78% | 0.09 | 0.07 | -19% | 0.10 | 0.10 | -4% |
| **DPS** | 0.020 | 0.020 | 0% | 0.030 | 0.020 | -33% | 0.040 | 0.020 | -50% |

Source: Inderes

# Valuation is neutral

## Earnings-based valuation is rather neutral

Based on our estimates, Nurminen's P/E ratio, adjusted for PPA amortizations, is high for the current year due to the financing arrangement in Q3. For 2027, the multiple is at 10x. Thus, we believe the earnings-based valuation is high for this year, while for next year it falls within our accepted multiple range (P/E 9x-12x) for the stock. Due to the frequently fluctuating situation in recent years (mainly external and geopolitical factors in the Baltic business and now in North Rail) and forecast risks related to the growth of European transport, we believe the acceptable valuation is around the middle and lower end of the range. Additionally, we note that we expect earnings generation in the short term to remain heavily reliant on North Rail and the Baltic business, the latter of which has shown weak predictability.

Instead, we believe that success in international growth would be valuable for the company. In our view, the geopolitical risks of the European business are clearly lower than those of North Rail. In addition, the market potential of the business is considerable, but reflecting on the previous China rail connection and the company's comments, clearer positive earnings impacts, even in a successful scenario, are still a couple of years away, as the scaling of results requires sufficient revenue. In our view, a successful ramp-up of European traffic would support an acceptable valuation, but clearer consideration of this would require more concrete evidence of profitable business operations. However, if successful, the company and the stock's valuation could look quite different in 3-5 years.

Despite the growth investments required by European traffic and North Rail's declining earnings and cash flow, we do not consider the company's financing-related risk level to be high. However, they reduce the leeway for inorganic moves or dividend distribution. As noted earlier, at least some of North Rail's locomotives could theoretically be sold, reflecting the company's historical comments, which would support the company's margin profile and provide capital for growth investments. The locomotives are also new and, in our estimation, valuable (cf. machinery and equipment on the balance sheet, mainly consisting of locomotives, amounted to 30.7 MEUR at the end of H1'26). However, there is clear uncertainty regarding the prices that can ultimately be obtained for these and the timing of their sale, but in our view, these nevertheless provide protection against the experienced business headwinds.

## Medium-term potential

Assuming that the company's internationalization and the expansion of its earnings distribution materialize in line with our expectations, we believe the stock could be priced at the end of 2029 at a minimum P/E ratio of 10-12x (was 9x-11x). This would be equivalent to a value of some EUR 1.0-1.2 per share, and when converted to an annual return, an average of 15%. In addition, we estimate the stock offers an annual base return of just under 3% through profit distribution. Thus, the medium-term total expected return would exceed our required return on equity. However, the expected return is back-loaded and dependent on developments in 2028-2029, which we believe reduces risk-adjusted attractiveness given the forecast risks.

The stock also has an option for the recovery of the potentially significant northern route. Nurminen has increased its offering, customer base, and geographical coverage after the suspension of the route. We see the route's potential as having increased in a positive scenario, but we do not believe this can be given significant weight in the current geopolitical situation. Our view of the stock's current neutral valuation is supported by our DCF calculation, which is just under EUR 0.8.

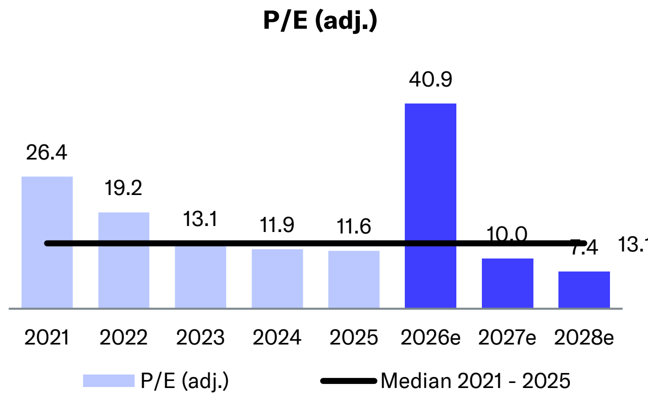
| Valuation | 2026e | 2027e | 2028e |
|---|---|---|---|
| **Share price** | 0.71 | 0.71 | 0.71 |
| **Number of shares, millions** | 80.7 | 80.7 | 80.7 |
| **Market cap** | 57 | 57 | 57 |
| **EV** | 104 | 100 | 92 |
| **P/E (adj.)** | 40.9 | 10.0 | 7.4 |
| **P/E** | neg. | 13.3 | 8.6 |
| **P/B** | 1.9 | 1.8 | 1.5 |
| **P/S** | 0.5 | 0.5 | 0.4 |
| **EV/Sales** | 1.0 | 0.8 | 0.7 |
| **EV/EBITDA** | 7.2 | 5.5 | 4.5 |
| **EV/EBIT (adj.)** | 9.2 | 8.1 | 6.5 |
| **Payout ratio (%)** | neg. | 37.7 % | 24.3 % |
| **Dividend yield-%** | 2.8 % | 2.8 % | 2.8 % |

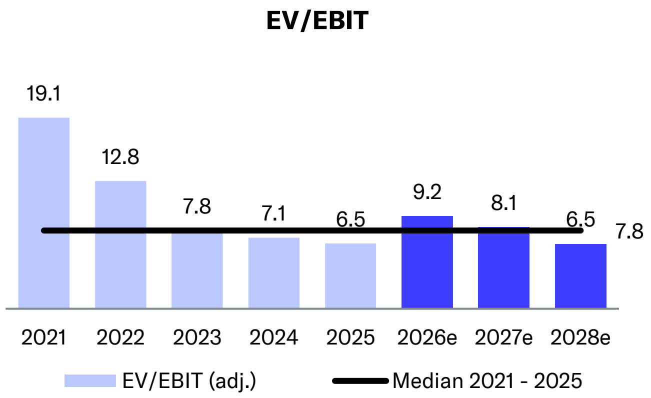
Source: Inderes

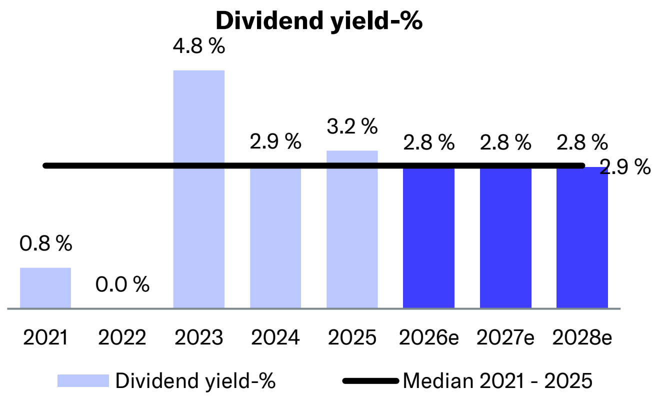
# Valuation table

| Valuation | 2021 | 2022 | 2023 | 2024 | 2025 | 2026e | 2027e | 2028e | 2029e |
|---|---|---|---|---|---|---|---|---|---|
| **Share price** | 1.96 | 0.60 | 1.26 | 1.05 | 0.95 | **0.71** | **0.71** | **0.71** | **0.71** |
| **Number of shares, millions** | 77.1 | 78.0 | 78.1 | 78.2 | 80.7 | **80.7** | **80.7** | **80.7** | **80.7** |
| **Market cap** | 151 | 47 | 98 | 82 | 77 | **57** | **57** | **57** | **57** |
| **EV** | 194 | 88 | 168 | 135 | 119 | **104** | **100** | **92** | **85** |
| **P/E (adj.)** | 26.4 | 19.2 | 13.1 | 11.9 | 11.6 | **40.9** | **10.0** | **7.4** | **6.9** |
| **P/E** | 12.8 | neg. | 6.9 | 11.6 | 24.8 | **neg.** | **13.3** | **8.6** | **7.8** |
| **P/B** | 10.0 | 3.6 | 3.6 | 2.5 | 2.2 | **1.9** | **1.8** | **1.5** | **1.3** |
| **P/S** | 1.1 | 0.4 | 0.8 | 0.8 | 0.7 | **0.5** | **0.5** | **0.4** | **0.4** |
| **EV/Sales** | 1.4 | 0.7 | 1.3 | 1.3 | 1.1 | **1.0** | **0.8** | **0.7** | **0.6** |
| **EV/EBITDA** | 15.4 | 14.1 | 4.4 | 5.5 | 4.8 | **7.2** | **5.5** | **4.5** | **4.0** |
| **EV/EBIT (adj.)** | 19.1 | 12.8 | 7.8 | 7.1 | 6.5 | **9.2** | **8.1** | **6.5** | **5.7** |
| **Payout ratio (%)** | 10.5 % | 0.0 % | 32.7 % | 33.0 % | 78.3 % | **neg.** | **37.7 %** | **24.3 %** | **22.1 %** |
| **Dividend yield-%** | 0.8 % | 0.0 % | 4.8 % | 2.9 % | 3.2 % | **2.8 %** | **2.8 %** | **2.8 %** | **2.8 %** |

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** |
| Kuehne + Nagel | 26558 | 29681 | 19.5 | 18.3 | 11.8 | 11.4 | 1.1 | 1.1 | 24.0 | 22.8 | 3.3 | 3.5 | 10.1 |
| DSV | 46586 | 58055 | 17.8 | 14.5 | 12.6 | 10.6 | 1.5 | 1.4 | 22.3 | 16.9 | 0.5 | 0.6 | 2.7 |
| Hapag Lloyd | 22286 | 23165 | 67.1 | | 8.7 | 11.1 | 1.3 | 1.3 | 120.3 | | 1.7 | 1.9 | 1.3 |
| Id Logistics | 2361 | 3688 | 20.3 | 17.9 | 5.5 | 5.0 | 0.9 | 0.8 | 29.7 | 24.6 | | | 3.3 |
| **Nurminen Logistics (Inderes)** | **57** | **104** | **9.2** | **8.1** | **7.2** | **5.5** | **1.0** | **0.8** | **40.9** | **10.0** | **2.8** | **2.8** | **1.9** |
| **Average** | | | **31.2** | **16.9** | **9.6** | **9.5** | **1.2** | **1.1** | **49.1** | **21.4** | **1.8** | **2.0** | **4.4** |
| **Median** | | | **19.9** | **17.9** | **10.2** | **10.8** | **1.2** | **1.2** | **26.9** | **22.8** | **1.7** | **1.9** | **3.0** |
| **Diff-% to median** | | | **-54%** | **-55%** | **-30%** | **-49%** | **-18%** | **-28%** | **52%** | **-56%** | **72%** | **48%** | **-35%** |

Source: Refinitiv / Inderes

# Income statement

| Income statement | 2023 | 2024 | Q1'25 | Q2'25 | Q3'25 | Q4'25 | 2025 | Q1'26 | Q2'26 | Q3'26e | Q4'26e | 2026e | 2027e | 2028e | 2029e |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **128** | **105** | **32.4** | **27.9** | **23.8** | **25.2** | **109** | **25.5** | **28.2** | **25.8** | **28.1** | **108** | **117** | **132** | **138** |
| Group | 128 | 105 | 32.4 | 27.9 | 23.8 | 25.2 | 109 | 25.5 | 28.2 | 25.8 | 28.1 | 108 | 117 | 132 | 138 |
| **EBITDA** | **38.4** | **24.7** | **8.1** | **5.8** | **5.5** | **5.1** | **24.6** | **4.5** | **3.6** | **3.2** | **3.1** | **14.4** | **18.0** | **20.4** | **21.0** |
| Depreciation | -5.3 | -5.4 | -1.9 | -1.9 | -2.3 | -3.8 | -10.0 | -2.0 | -2.0 | -1.9 | -1.9 | -7.8 | -7.6 | -7.4 | -7.2 |
| **EBIT (excl. NRI)** | **21.5** | **19.1** | **6.5** | **4.3** | **3.8** | **3.7** | **18.3** | **3.5** | **3.0** | **2.5** | **2.4** | **11.3** | **12.2** | **14.2** | **15.0** |
| **EBIT** | **33.1** | **19.3** | **6.2** | **3.9** | **3.2** | **1.3** | **14.6** | **2.5** | **1.7** | **1.3** | **1.2** | **6.6** | **10.4** | **13.0** | **13.7** |
| Net financial items | -3.7 | -3.1 | -1.7 | -1.2 | -1.0 | -1.0 | -4.9 | -0.8 | -0.7 | -4.3 | -0.4 | -6.3 | -1.6 | -1.3 | -1.2 |
| **PTP** | **29.3** | **16.2** | **4.5** | **2.7** | **2.2** | **0.3** | **9.7** | **1.7** | **0.9** | **-3.0** | **0.8** | **0.3** | **8.8** | **11.7** | **12.5** |
| Taxes | -6.1 | -3.1 | -1.5 | -0.6 | -0.6 | -0.6 | -3.2 | -0.5 | -0.7 | 0.6 | -0.2 | -0.8 | -1.8 | -2.2 | -2.4 |
| Minority interest | -8.9 | -6.0 | -1.4 | -0.7 | -0.7 | -0.7 | -3.4 | -0.6 | -0.7 | -0.2 | -0.7 | -2.3 | -2.8 | -2.8 | -2.9 |
| **Net earnings** | **14.3** | **7.1** | **1.7** | **1.5** | **1.0** | **-1.0** | **3.1** | **0.6** | **-0.5** | **-2.7** | **-0.1** | **-2.7** | **4.3** | **6.6** | **7.3** |
| **EPS (adj.)** | **0.10** | **0.09** | **0.02** | **0.02** | **0.02** | **0.02** | **0.08** | **0.02** | **0.01** | **-0.02** | **0.01** | **0.02** | **0.07** | **0.10** | **0.10** |
| **EPS (rep.)** | **0.18** | **0.09** | **0.02** | **0.02** | **0.01** | **-0.01** | **0.04** | **0.01** | **-0.01** | **-0.03** | **0.00** | **-0.03** | **0.05** | **0.08** | **0.09** |

| Key figures | 2023 | 2024 | Q1'25 | Q2'25 | Q3'25 | Q4'25 | 2025 | Q1'26 | Q2'26 | Q3'26e | Q4'26e | 2026e | 2027e | 2028e | 2029e |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue growth-%** | 4.4 % | -18.1 % | -7.8 % | 23.9 % | -1.3 % | 10.0 % | 4.4 % | -21.2 % | 0.8 % | 8.3 % | 11.7 % | -1.6 % | 9.0 % | 12.4 % | 4.3 % |
| **Adjusted EBIT growth-%** | | -11.3 % | 10.6 % | 9.0 % | -31.5 % | 0.3 % | -4.0 % | -46.5 % | -30.7 % | -35.7 % | -36.2 % | -38.4 % | 8.6 % | 16.5 % | 5.0 % |
| **EBITDA-%** | 30.0 % | 23.6 % | 25.1 % | 20.8 % | 23.2 % | 20.3 % | 22.5 % | 17.6 % | 12.9 % | 12.4 % | 11.0 % | 13.4 % | 15.3 % | 15.5 % | 15.3 % |
| **Adjusted EBIT-%** | 16.8 % | 18.2 % | 20.0 % | 15.4 % | 16.0 % | 14.7 % | 16.7 % | 13.6 % | 10.6 % | 9.5 % | 8.4 % | 10.5 % | 10.4 % | 10.8 % | 10.9 % |
| **Net earnings-%** | 11.2 % | 6.8 % | 5.2 % | 5.3 % | 4.0 % | -4.1 % | 2.8 % | 2.4 % | -1.9 % | -10.3 % | -0.4 % | -2.5 % | 3.6 % | 5.0 % | 5.3 % |

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** | **70.1** | **64.3** | **61.3** | **58.5** | **56.0** |
| Goodwill | 7.4 | 8.2 | 8.2 | 8.2 | 8.2 |
| Intangible assets | 6.2 | 3.9 | 3.2 | 2.5 | 1.8 |
| Tangible assets | 51.0 | 48.1 | 45.7 | 43.6 | 41.9 |
| Associated companies | 0.1 | 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 | 0.1 | 0.1 | 0.1 | 0.1 |
| Deferred tax assets | 5.4 | 4.1 | 4.1 | 4.1 | 4.1 |
| **Current assets** | **31.4** | **33.0** | **25.3** | **30.5** | **34.0** |
| Inventories | 1.1 | 1.1 | 1.6 | 1.8 | 2.0 |
| Other current assets | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| Receivables | 12.9 | 10.4 | 14.0 | 15.8 | 17.7 |
| Cash and equivalents | 16.3 | 20.3 | 8.6 | 11.7 | 13.2 |
| **Balance sheet total** | **102** | **97.3** | **86.6** | **89.0** | **90.0** |

Source: Inderes

| Liabilities & equity | 2024 | 2025 | 2026e | 2027e | 2028e |
|---|---|---|---|---|---|
| **Equity** | **41.2** | **42.7** | **37.6** | **40.3** | **45.3** |
| Share capital | 4.2 | 4.2 | 4.2 | 4.2 | 4.2 |
| Retained earnings | -7.3 | -3.9 | -9.1 | -6.4 | -1.4 |
| 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 | 35.7 | 34.1 | 34.1 | 34.1 | 34.1 |
| Minorities | 8.6 | 8.3 | 8.3 | 8.3 | 8.3 |
| **Non-current liabilities** | **36.8** | **32.7** | **28.6** | **27.5** | **23.0** |
| Deferred tax liabilities | 1.6 | 1.3 | 1.3 | 1.3 | 1.3 |
| Provisions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest bearing debt | 35.1 | 31.4 | 27.3 | 26.2 | 21.6 |
| 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** | **23.6** | **21.9** | **20.4** | **21.2** | **21.7** |
| Interest bearing debt | 10.7 | 10.4 | 7.6 | 7.3 | 6.2 |
| Payables | 11.7 | 10.7 | 12.1 | 13.1 | 14.8 |
| Other current liabilities | 1.2 | 0.8 | 0.8 | 0.8 | 0.8 |
| **Balance sheet total** | **102** | **97.3** | **86.6** | **89.0** | **90.0** |

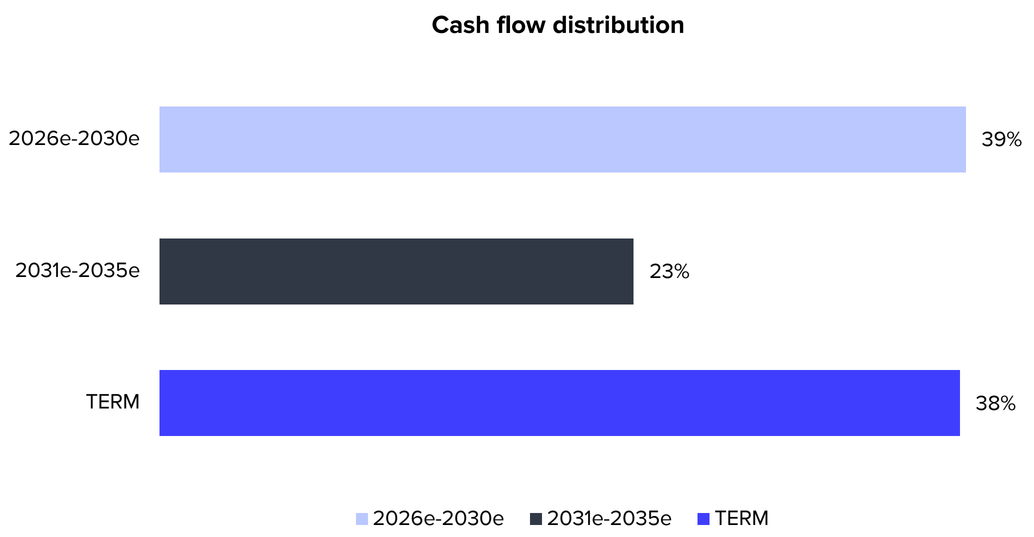
# DCF-calculation

| DCF model | 2025 | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | 2033e | 2034e | 2035e | TERM |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue growth-% | 4.4 % | -1.6 % | 9.0 % | 12.4 % | 4.3 % | 3.0 % | 2.5 % | 2.5 % | 2.5 % | 2.5 % | 2.0 % | 2.0 % |
| EBIT-% | 13.3 % | 6.1 % | 8.9 % | 9.8 % | 10.0 % | 10.0 % | 9.0 % | 8.0 % | 7.5 % | 7.0 % | 7.0 % | 7.0 % |
| **EBIT (operating profit)** | **14.6** | **6.6** | **10.4** | **13.0** | **13.7** | **14.2** | **13.1** | **11.9** | **11.4** | **10.9** | **11.2** | |
| + Depreciation | 10.0 | 7.8 | 7.6 | 7.4 | 7.2 | 6.3 | 6.1 | 6.0 | 5.8 | 5.7 | 5.7 | |
| - Paid taxes | -2.2 | -0.8 | -1.8 | -2.2 | -2.4 | -2.5 | -2.3 | -2.0 | -2.0 | -1.9 | -1.9 | |
| - Tax, financial expenses | -0.9 | -1.2 | -0.3 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | |
| + Tax, financial income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| - Change in working capital | 1.0 | -2.7 | -0.9 | -0.4 | -0.1 | -0.1 | 0.0 | -0.1 | -0.1 | -0.1 | -0.1 | |
| **Operating cash flow** | **22.4** | **9.7** | **15.0** | **17.5** | **18.3** | **17.6** | **16.7** | **15.5** | **14.9** | **14.5** | **14.6** | |
| + Change in other long-term liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| - Gross CAPEX | -5.6 | -4.8 | -4.8 | -4.9 | -5.1 | -5.2 | -5.2 | -5.3 | -5.3 | -5.3 | -5.9 | |
| **Free operating cash flow** | **16.9** | **4.9** | **10.2** | **12.6** | **13.2** | **12.4** | **11.5** | **10.2** | **9.6** | **9.2** | **8.6** | |
| +/- Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| FCFF | 16.9 | 4.9 | 10.2 | 12.6 | 13.2 | 12.4 | 11.5 | 10.2 | 9.6 | 9.2 | 8.6 | 104 |
| **Discounted FCFF** | | **4.7** | **8.9** | **9.9** | **9.4** | **8.0** | **6.7** | **5.4** | **4.6** | **3.9** | **3.4** | **40.5** |
| Sum of FCFF present value | | 105 | 101 | 91.8 | 81.9 | 72.6 | 64.6 | 57.8 | 52.5 | 47.9 | 43.9 | 40.5 |

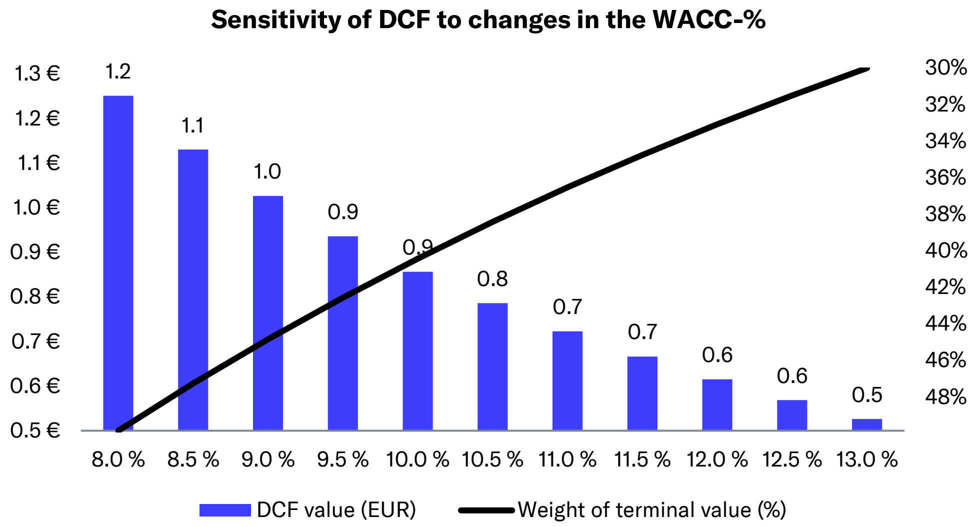
| | |
|---|---|
| **Enterprise value DCF** | **105** |
| - Interest bearing debt | -42 |
| + Cash and cash equivalents | 20 |
| + Associated companies | 0 |
| -Minorities | -21 |
| -Dividend/capital return | 0.0 |
| **Equity value DCF** | **63.1** |
| **Equity value DCF per share** | **0.78** |

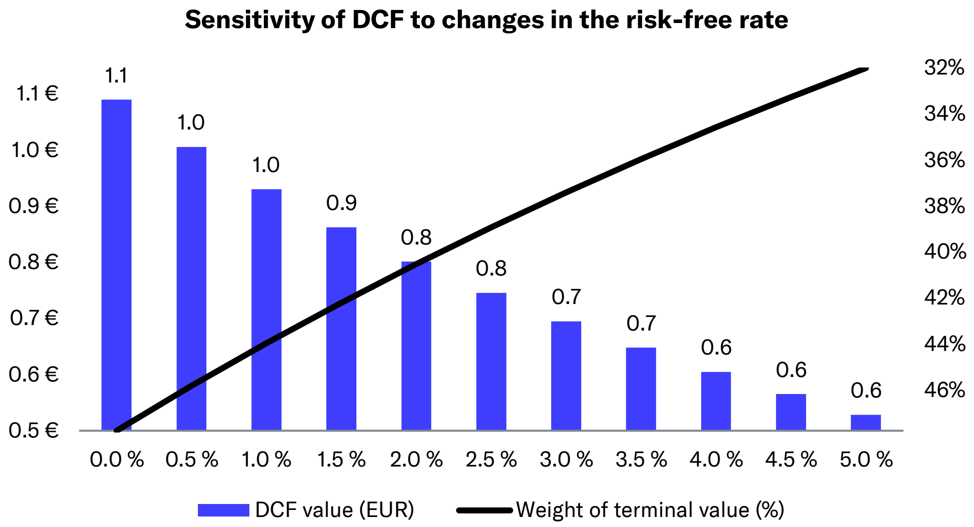
| WACC | |
|---|---|
| Tax-% (WACC) | 19.5 % |
| Target debt ratio (D/(D+E) | 20.0 % |
| Cost of debt | 7.0 % |
| Equity Beta | 1.60 |
| Market risk premium | 4.75% |
| Liquidity premium | 1.60% |
| Risk free interest rate | 2.5 % |
| **Cost of equity** | **11.7 %** |
| **Weighted average cost of capital (WACC)** | **10.5 %** |

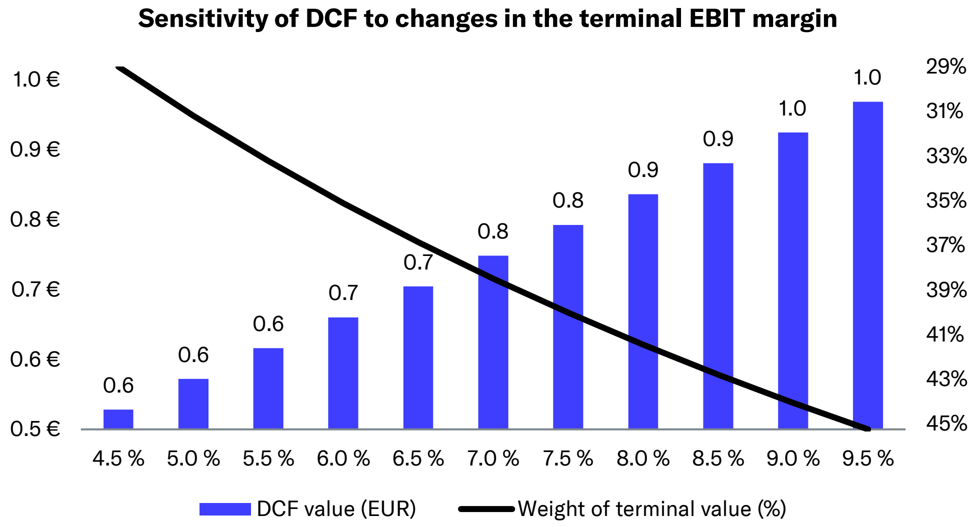
Source: Inderes

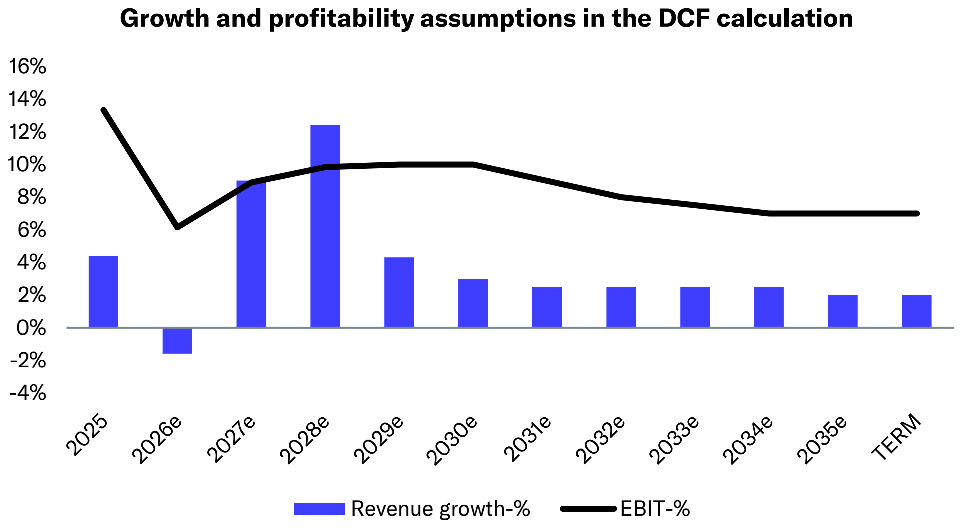


# DCF sensitivity calculations and key assumptions in graphs




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 |
|---|---|---|---|---|---|
| Revenue | 128.0 | 104.8 | 109.4 | 107.6 | 117.3 |
| EBITDA | 38.4 | 24.7 | 24.6 | 14.4 | 18.0 |
| EBIT | 33.1 | 19.3 | 14.6 | 6.6 | 10.4 |
| PTP | 29.3 | 16.2 | 9.7 | 0.3 | 8.8 |
| Net Income | 14.3 | 7.1 | 3.1 | -2.7 | 4.3 |
| Extraordinary items | 11.6 | 0.2 | -3.7 | -4.6 | -1.8 |

| Balance sheet | 2023 | 2024 | 2025 | 2026e | 2027e |
|---|---|---|---|---|---|
| Balance sheet total | 113.8 | 101.5 | 97.3 | 86.6 | 89.0 |
| Equity capital | 45.9 | 41.2 | 42.7 | 37.6 | 40.3 |
| Goodwill | 0.9 | 7.4 | 8.2 | 8.2 | 8.2 |
| Net debt | 35.6 | 29.5 | 21.4 | 26.3 | 21.7 |

| Cash flow | 2023 | 2024 | 2025 | 2026e | 2027e |
|---|---|---|---|---|---|
| EBITDA | 38.4 | 24.7 | 24.6 | 14.4 | 18.0 |
| Change in working capital | 2.6 | -5.8 | 1.0 | -2.7 | -0.9 |
| Operating cash flow | 36.4 | 16.0 | 22.4 | 9.7 | 15.0 |
| CAPEX | -38.6 | 10.3 | -5.6 | -4.8 | -4.8 |
| Free cash flow | -2.2 | 11.3 | 16.9 | 4.9 | 10.2 |

| Valuation multiples | 2023 | 2024 | 2025 | 2026e | 2027e |
|---|---|---|---|---|---|
| EV/S | 1.3 | 1.3 | 1.1 | 1.0 | 0.8 |
| EV/EBITDA | 4.4 | 5.5 | 4.8 | 7.2 | 5.5 |
| EV/EBIT (adj.) | 7.8 | 7.1 | 6.5 | 9.2 | 8.1 |
| P/E (adj.) | 13.1 | 11.9 | 11.6 | 40.9 | 10.0 |
| P/B | 3.6 | 2.5 | 2.2 | 1.9 | 1.8 |
| Dividend-% | 4.8 % | 2.9 % | 3.2 % | 2.8 % | 2.8 % |

Source: Inderes

| Per share data | 2023 | 2024 | 2025 | 2026e | 2027e |
|---|---|---|---|---|---|
| EPS (reported) | 0.18 | 0.09 | 0.04 | -0.03 | 0.05 |
| EPS (adj.) | 0.10 | 0.09 | 0.08 | 0.02 | 0.07 |
| OCF / share | 0.47 | 0.21 | 0.28 | 0.12 | 0.19 |
| OFCF / share | -0.03 | 0.14 | 0.21 | 0.06 | 0.13 |
| Book value / share | 0.35 | 0.42 | 0.43 | 0.36 | 0.40 |
| Dividend / share | 0.06 | 0.03 | 0.03 | 0.02 | 0.02 |

| Growth and profitability | 2023 | 2024 | 2025 | 2026e | 2027e |
|---|---|---|---|---|---|
| Revenue growth-% | 4% | -18% | 4% | -2% | 9% |
| EBITDA growth-% | 518% | -36% | 0% | -41% | 25% |
| EBIT (adj.) growth-% | 212% | -11% | -4% | -38% | 9% |
| EPS (adj.) growth-% | 210% | -8% | -7% | -79% | 310% |
| EBITDA-% | 30.0 % | 23.6 % | 22.5 % | 13.4 % | 15.3 % |
| EBIT (adj.)-% | 16.8 % | 18.2 % | 16.7 % | 10.5 % | 10.4 % |
| EBIT-% | 25.9 % | 18.4 % | 13.3 % | 6.1 % | 8.9 % |
| ROE-% | 70.9 % | 23.6 % | 9.2 % | -8.5 % | 14.0 % |
| ROI-% | 43.1 % | 21.3 % | 17.0 % | 8.4 % | 14.3 % |
| Equity ratio | 41.8 % | 40.7 % | 43.9 % | 43.4 % | 45.3 % |
| Gearing | 77.6 % | 71.7 % | 50.2 % | 69.8 % | 54.0 % |
| Net debt/EBITDA | 0.9 | 1.2 | 0.9 | 1.8 | 1.2 |
| EBITDA/net financials | 10.3 | 8.0 | 5.1 | 2.3 | 11.3 |

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

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

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.

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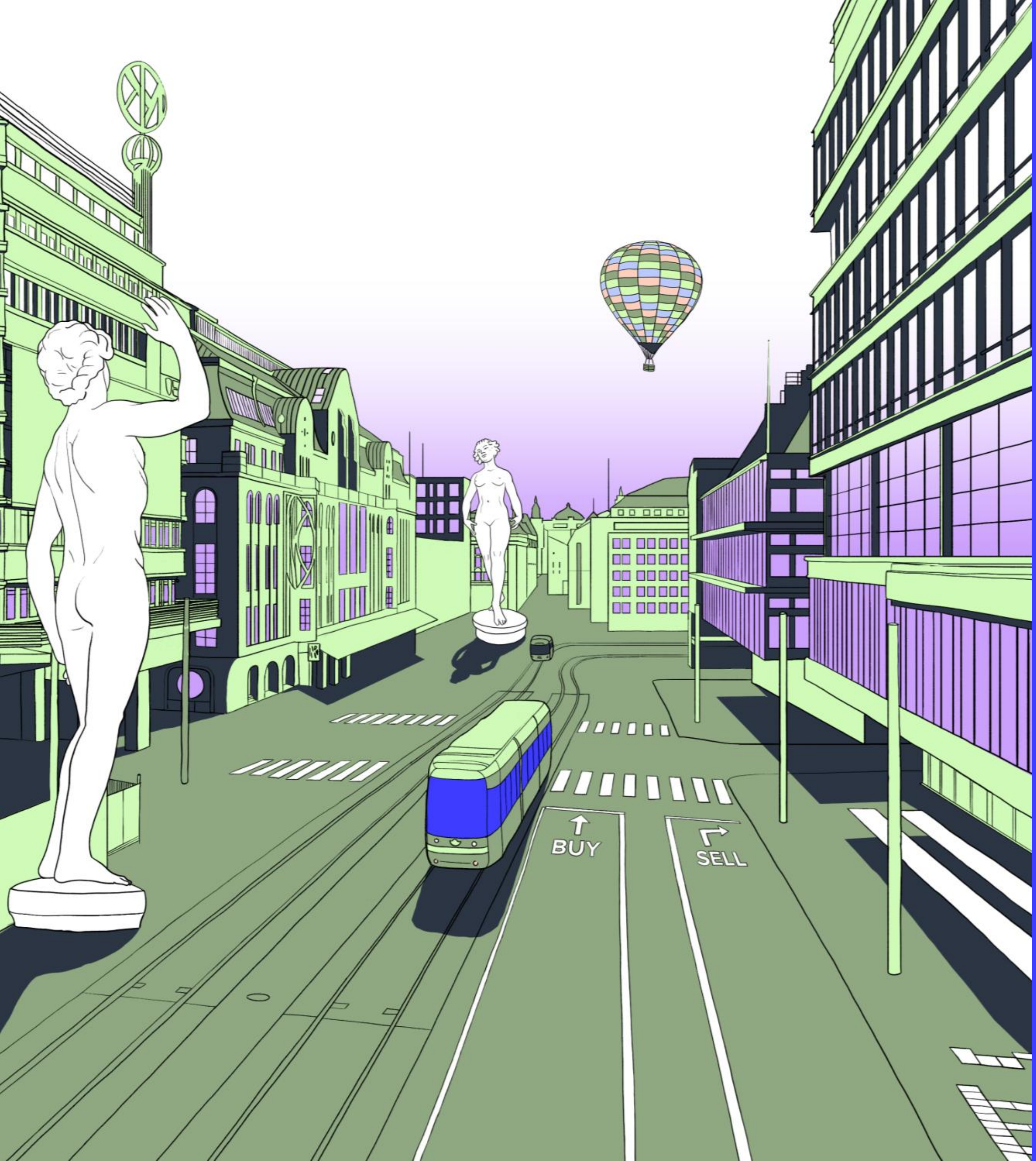
### Recommendation history (>12 mo)

| Date | Recommendation | Target | Share price |
|---|---|---|---|
| 1/9/2018 | Reduce | 0.56 € | 0.58 € |
| 3/9/2018 | Reduce | 0.52 € | 0.54 € |
| 6/6/2018 | Reduce | 0.50 € | 0.49 € |
| 8/10/2018 | Reduce | 0.42 € | 0.45 € |
| 12/19/2018 | Reduce | 0.27 € | 0.28 € |
| 3/11/2019 | Sell | 0.27 € | 0.35 € |
| 8/7/2019 | Sell | 0.27 € | 0.30 € |
| 8/12/2019 | Sell | 0.25 € | 0.27 € |
| 3/9/2020 | Sell | 0.25 € | 0.28 € |
| 8/10/2020 | Sell | 0.25 € | 0.34 € |
| 3/8/2021 | Sell | 0.35 € | 0.70 € |
| 8/4/2021 | Sell | 0.45 € | 1.16 € |
| 8/9/2021 | Reduce | 1.10 € | 1.21 € |
| *Analyst changed* | | | |
| 11/19/2021 | Accumulate | 1.70 € | 1.53 € |
| 3/4/2022 | Accumulate | 1.25 € | 1.10 € |
| 4/19/2022 | Reduce | 1.25 € | 1.28 € |
| 8/5/2022 | Accumulate | 1.00 € | 0.83 € |
| 11/16/2022 | Reduce | 0.70 € | 0.73 € |
| 2/15/2023 | Accumulate | 1.10 € | 0.98 € |
| 3/2/2023 | Accumulate | 1.10 € | 0.91 € |
| 5/29/2023 | Buy | 1.40 € | 1.04 € |
| 8/4/2023 | Buy | 1.40 € | 0.99 € |
| 10/23/2023 | Buy | 1.25 € | 0.85 € |
| 1/25/2024 | Accumulate | 1.40 € | 1.25 € |
| 3/1/2024 | Accumulate | 1.40 € | 1.23 € |
| 4/26/2024 | Accumulate | 1.40 € | 1.20 € |
| 7/30/2024 | Accumulate | 1.05 € | 0.90 € |
| 8/5/2024 | Accumulate | 1.05 € | 0.88 € |
| 10/30/2024 | Buy | 1.05 € | 0.84 € |
| 11/12/2024 | Buy | 1.20 € | 0.97 € |
| 2/28/2025 | Accumulate | 1.20 € | 1.10 € |
| 4/25/2025 | Accumulate | 1.20 € | 1.10 € |
| 6/16/2025 | Accumulate | 1.20 € | 1.04 € |
| 8/1/2025 | Accumulate | 1.20 € | 1.11 € |
| 10/24/2025 | Accumulate | 1.10 € | 0.98 € |
| 2/27/2026 | Accumulate | 1.00 € | 0.86 € |
| 4/24/2026 | Accumulate | 1.00 € | 0.85 € |
| 7/8/2026 | Accumulate | 0.80 € | 0.71 € |
| 7/27/2026 | Reduce | 0.75 € | 0.71 € |

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

**inderes.se**

**Inderes Oyj**
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

**inderes.fi**

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