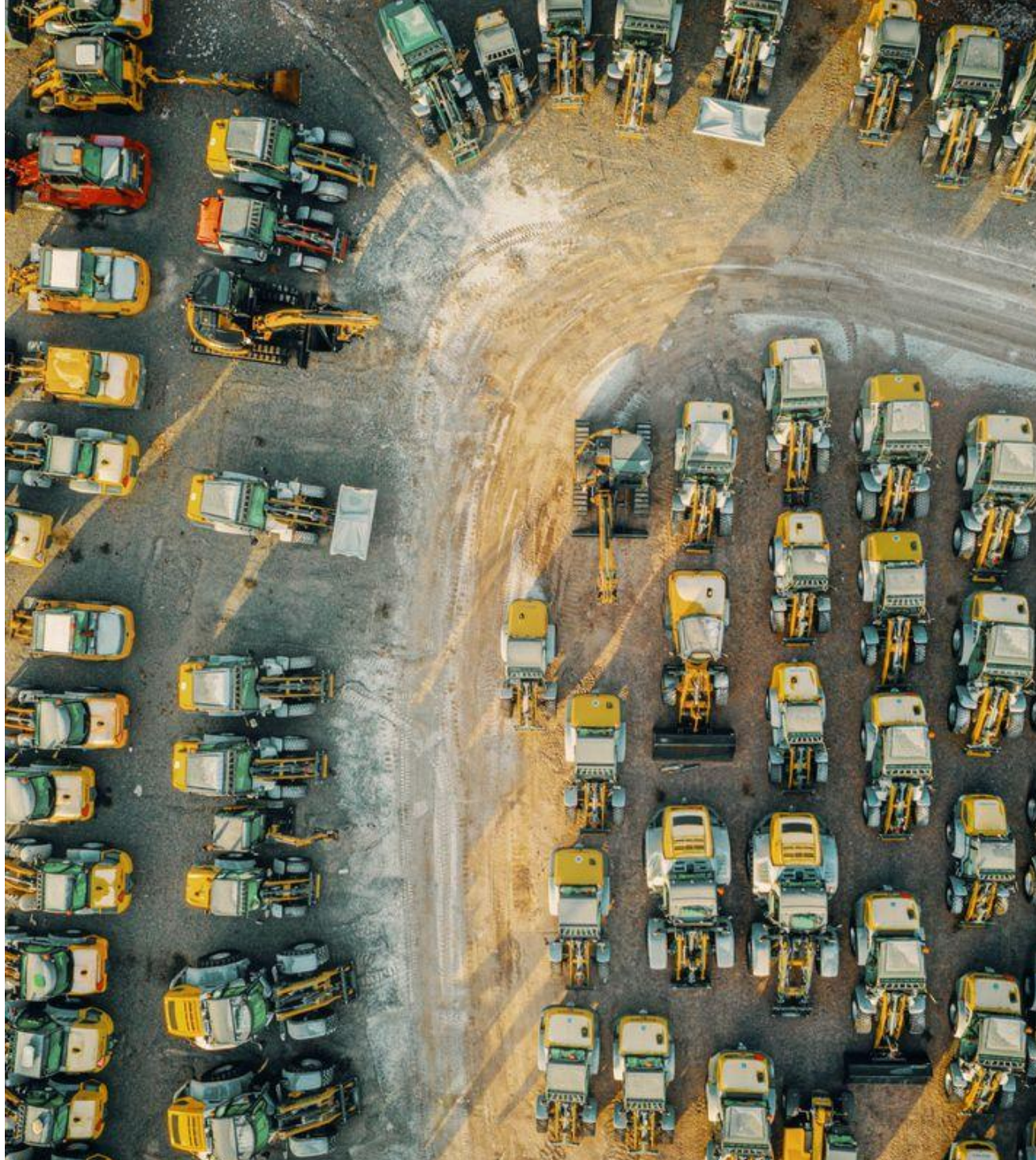
KH GROUP

11/2/2026 2:35 pm EET

This is a translated version of ”Tuloskäänne pitää, Ruotsi jännittää” report, published on 11/2/2026



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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Earnings turnaround holds, Sweden causes anxiety

KH Group's Q3 figures relied more heavily than we expected on the strong performance of the Nordic Rescue Group (NRG), while timing factors and the weak krona weighed on the earnings of the Swedish operations of both subsidiaries. However, the Finnish operations made up for the slump in Sweden. We increased NRG's estimates for the next few years, but we lowered KH-Koneet's estimates for next year due to concerns about the sustainability of the turnaround in Sweden. Based on current-year estimates, the stock valuation looks tight, but with estimates pointing to a clear earnings improvement next year, the valuation becomes clearly attractive. We reiterate our EUR 0.90 target price but, following the decline in the share price, raise our recommendation to Accumulate (was Reduce).

Finland made up for Sweden's slump

KH Group's Q3 revenue increased significantly, and the comparable EBIT of 2.7 MEUR was consistent with our estimate, as indicated by preliminary data. Below the surface, however, the quarter was mixed. KH-Koneet's EBIT in Finland more than doubled, and the improvement was driven by the sales and customer mix, commercial measures, cash discounts on procurement, and rental efficiency, while fixed costs remained unchanged. We view these factors as recurring, supported by strong growth in high-margin aftermarket services. In Sweden, on the other hand, KH-Koneet's EBIT dipped slightly into negative territory as deliveries shifted to Q4 and the krona weakened. In our view, the dip was not caused by the demand environment. NRG's earnings were exceptionally strong for what is typically a slow summer quarter, driven by a long series of orders from the Finnish Defence Forces. The balance sheet continued to shrink as KH-Koneet's inventory decreased and bank loans were repaid.

Guidance leaves room for a positive surprise

KH Group reiterated its guidance, revised in October, indicating weaker Q4 results than the comparison period. We consider this guidance to be cautious given the group's improved earnings performance, the postponement of deliveries to Q4, and the enhanced outlook for KH-Koneet. Our earnings estimate for the current year is slightly above the guidance range. Next year, we expect clear earnings improvement from the group, driven by KH-Koneet's strengthened performance. While NRG's robust order book will carry the company through next year, we expect a slight weakening of earnings performance due to a less favorable sales mix. The downturn in Sweden raised questions about the sustainability of KH-Koneet's profitability turnaround, which is why we lowered our forecasts for KH-Koneet next year. We do not expect CEO Carl Haglund's departure to cause any disruption since each subsidiary has its own CEO.

Risk/reward ratio attractive again

Since our previous update, KH Group's share price has clearly fallen, which has improved the risk/reward ratio. Based on our current-year forecasts, the valuation is still high, but based on our forecasts predicting an improvement in earnings next year, the valuation becomes attractive (P/E 9x, EV/EBIT 10x). Our DCF model, which reflects longer-term potential, suggests a fair value of EUR 0.91 per share. For the investment story to progress, KH-Koneet's Swedish business must return to a path of earnings turnaround, and the unwinding of debt leverage must continue. With postponed deliveries, Q4 is indeed the next checkpoint regarding the continuation of the earnings turnaround in KH-Koneet's Swedish business. Although KH-Koneet's P/B ratio of 0.9x is not particularly high, according to our estimates, raising the return on equity of KH Group to a normalized level, in line with its required return on capital, would require sustained improvement in the profitability of KH-Koneet's Swedish operations or the growth of other businesses to a larger scale.

Recommendation
Accumulate
(was Reduce)

Target price:
EUR 0.90
(was EUR 0.90)

Share price:
EUR 0.76

Business risk



Valuation risk



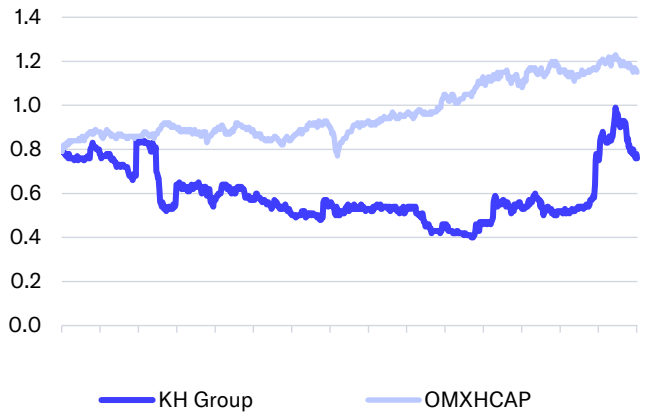
	2025	2026e	2027e	2028e
Revenue	205	225	250	274
growth-%	5%	10%	11%	9%
EBIT adj.	6.4	10.3	12.6	15.3
EBIT-% adj.	3.1 %	4.6 %	5.0 %	5.6 %
PTP	1.4	3.7	6.0	8.7
Net Income	0.5	1.3	3.9	6.0
EPS (adj.)	0.01	0.04	0.09	0.12
Dividend	0.00	0.00	0.00	0.00
P/E (adj.)	38.0	17.7	8.9	6.4
P/B	0.6	0.9	0.8	0.7
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	15.7	11.7	9.9	8.1
EV/EBITDA	5.0	5.1	4.7	4.1
EV/S	0.5	0.5	0.5	0.5

Source: Inderes

Guidance (Unchanged)

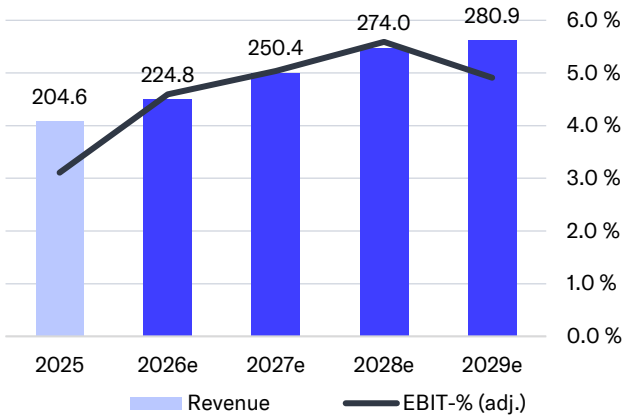
KH Group estimates that its 2026 revenue will be 210-230 MEUR and comparable EBIT will be 9-10 MEUR.

Share price



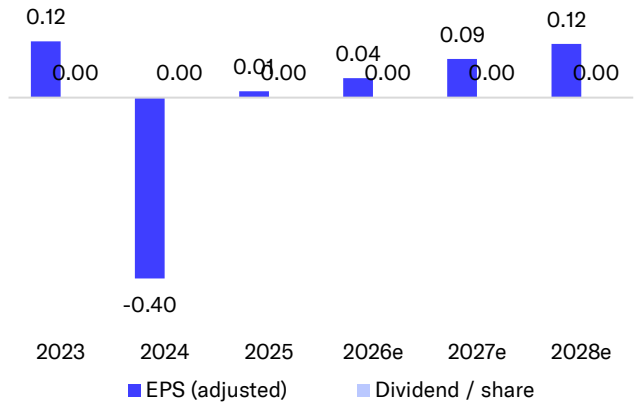
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- Systematic development of holdings
- M&A transactions
- Renewal of subsidiaries' financing base and simplification of structures
- Developing the brand portfolio

Risk factors

- Deteriorating economic situation
- The risk related to KH-Koneet's development due to the change in management
- KH Maskin's profitability challenges dragging on
- Loss of investment opportunities due to tight balance sheet position

Valuation	2026e	2027e	2028e
Share price	0.76	0.76	0.76
Number of shares, millions	58.1	58.1	58.1
Market cap	44	44	44
EV	121	124	125
P/E (adj.)	17.7	8.9	6.4
P/E	32.7	11.3	7.4
P/B	0.9	0.8	0.7
P/S	0.2	0.2	0.2
EV/Sales	0.5	0.5	0.5
EV/EBITDA	5.1	4.7	4.1
EV/EBIT (adj.)	11.7	9.9	8.1
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Finland powered through Sweden's slump

Group earnings met estimate, but breakdown was a surprise

The main figures for KH Group's Q3 report were already known following the preliminary data released in October. The group's revenue grew by 10% to 49.7 MEUR, and the comparable EBIT of 2.7 MEUR clearly surpassed the comparison period's level of 1.2 MEUR. However, the earnings distribution differed from our expectations. KH-Koneet's comparable EBIT of 2.2 MEUR missed our forecast of 2.8 MEUR, whereas NRG's EBIT of 0.8 MEUR clearly exceeded our forecast of 0.3 MEUR.

The earnings miss at KH-Koneet stemmed from Sweden, where revenue decreased by ~5%, and EBIT fell to -0.1 MEUR (Q3'25: 0.4 MEUR). According to the company, this was due to deliveries shifting to Q4 and the weakening krona, which hurt profitability in Sweden by ~0.5 MEUR in January–September. There have been encouraging signs of profitability in Sweden this year, so it is crucial to determine whether the Q3 dip is merely a timing issue or a break in the positive trend.

Finland's earnings improvement is built on recurring factors

KH-Koneet's revenue in Finland grew by around 20%, driven by heavy earthmoving machinery and aftermarket services, and EBIT rose to 2.3 MEUR (Q3'25: 1.1 MEUR). The company attributes this improvement to sales and customer mix, commercial measures, cash discounts enabled by the improved financial position, and more efficient renting, while fixed costs remained at the level of the comparison period. We view these factors as largely recurring. The importance of services is growing, as KH-Koneet's aftermarket service revenue rose to 21.5 MEUR in January–September (1-9/2025: 17.1 MEUR). NRG's aftermarket revenue grew by 19.1% in Q3, though it trailed the comparison period slightly in January–September. In our view, growth in aftermarket services improves the subsidiaries' sales mix, as demand for services is stable and profitability is good. NRG's EBIT margin improved to 10.1% (Q3'25: 3.3%), an exceptionally strong level for a typically quiet quarter due to vacation season. The quarter included deliveries from the order by the Finnish Defence Forces, which are exceptionally profitable for NRG due to long production runs. According to management, the result was also supported by a high production pace following the holidays.

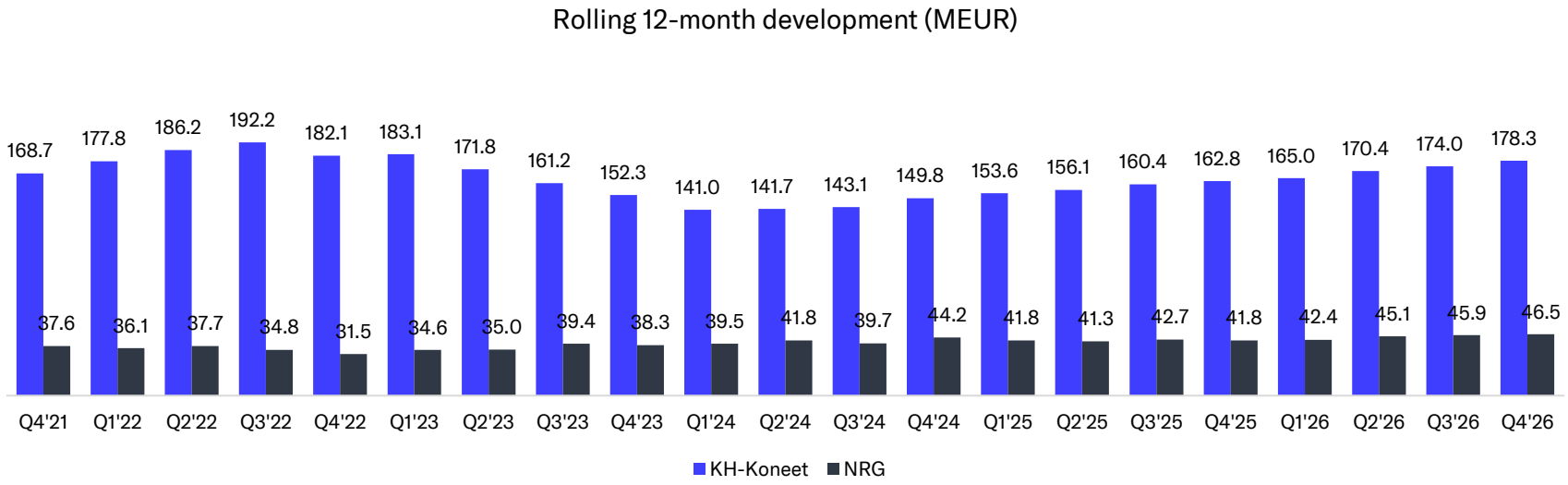
Balance sheet continued to shrink

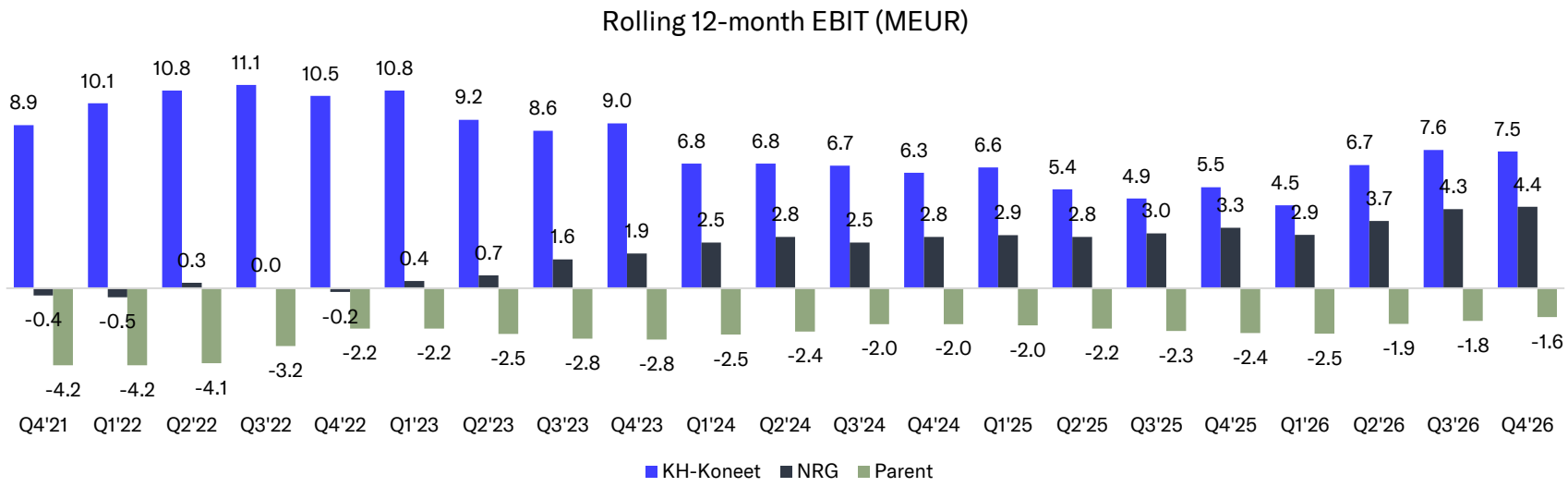
KH Group's interest-bearing net debt stood at 65.8 MEUR at the end of the reporting period (Q4'25: 68.4 MEUR), supported by cash flow from its subsidiaries. Net debt was approximately 2.8 times the EBITDA for the previous 12 months, which is a manageable level. KH-Koneet's inventory was 6.2 MEUR smaller than in the comparison period, and the company aims to improve KH-Koneet's inventory turnover further, which would strengthen the group's return on capital.

Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Act. vs. inderes	Inderes
Revenue	45.3	49.7	50.0		-1%	225
EBIT (adj.)	1.2	2.7	2.7		0%	10.3
EBIT	0.9	2.4	2.4		0%	9.2
PTP	0.0	1.2	1.1		5%	3.7
EPS (reported)	0.00	0.01	0.01		-31%	0.02
Revenue growth-%	14.1 %	9.6 %	10.3 %		-0.7 pp	9.9 %
EBIT-% (adj.)	2.6 %	5.4 %	5.4 %		0.1 pp	4.6 %

Source: Inderes

KH Group’s quarterly figures development





NRG expectations up, KH-Koneet down

Guidance seems cautious

In October, KH Group reiterated its refined guidance, according to which comparable EBIT is estimated to be 9-10 MEUR. Following a comparable EBIT of 5.9 MEUR for January–September, the range for Q4 is 3.1–4.1 MEUR, which is below the 4.2 MEUR recorded in the comparison period. We find the guidance conservative given the group's improved earnings performance, the postponement of deliveries to Q4, and especially the enhanced outlook for KH-Koneet. According to management, this caution stems from KH-Koneet's exceptionally strong comparison period in Finland and uncertainty regarding demand for snow removal equipment after snow-poor winters. We raised our comparable EBIT estimate for the current year by 3% due to deliveries shifting to Q4, and our estimate of 10.3 MEUR is slightly above the guidance range. The company sees clearer signs than before of a recovery in construction. Volvo Construction Equipment delivers a similar message, raising its growth estimate for the European machine market to 5–15% in its Q3 report.

Sweden weighed, NRG raised estimates

We lowered our comparable EBIT estimate for next year by 4%, with the revision stemming from KH-Koneet. The slowdown in Sweden in Q3 raised questions about the sustainability of the turnaround in profitability, so we are taking a more cautious view of the improvement in Sweden's earnings until we see further evidence of the turnaround. In October, Byggföretagen, the Swedish Construction Federation, described the industry's recovery as fragile. Our estimate assumes that KH-Koneet's EBIT margin will rise to 5.0% next year, necessitating the maintenance of earnings levels in Finland and a return to profitability in Sweden. According to management, data center construction is performing more weakly in Sweden than in Finland. Regarding the outlook for KH-Koneet, the uncertainty surrounding the data center boom has increased in Finland as well, as preparatory work on Google's sites in Muhos and Kajaani was suspended in October at the request of the authorities. However, according to management, KH-Koneet is not involved in these projects. We increased our estimates of NRG based on the visibility provided by the order book, which raised our comparable EBIT estimate for 2028 by 6%. The order book extends to 2029, and according to CEO Carl Haglund, production for 2027 is essentially sold out.

Management change will not alter the direction

Haglund will leave his post in the first half of next year at the latest. In our view, Haglund has driven positive development at KH Group. Given the group's small size, we believe that promoting Tuomas Myllynen, the current head of KH-Koneet, to group CEO would be a natural progression. However, thanks to the subsidiaries' own CEOs, we do not expect the change to cause any disruption. As a change leader, Haglund has sought to streamline KH Group's group structure, and in the earnings report, the company announced that KH-Koneet Group Oy will merge into KH Group Plc at the turn of the year. The amount of savings resulting from the merger was not disclosed, and we expect them to be limited, but in our view, this is a concrete example of the work related to simplifying structures.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	225	225	0%	251	250	0%	274	274	0%
EBITDA	23.4	23.6	1%	27.2	26.6	-2%	29.8	30.6	3%
EBIT (exc. NRIs)	10.0	10.3	3%	13.1	12.6	-4%	14.5	15.3	6%
EBIT	8.8	9.2	4%	12.1	11.6	-4%	13.5	14.4	6%
PTP	3.3	3.7	12%	6.7	6.0	-10%	8.0	8.7	9%

Source: Inderes

Upside relies on the turnaround in Sweden

Valuation turns interesting with next year's estimates

We find KH Group's investment case intriguing because self-driven earnings improvements, NRG's record-high order book, and a lighter balance sheet establish a foundation for earnings growth, even before a broader recovery in construction occurs. We see the sustainability of KH-Koneet's turnaround in Sweden, its still-significant debt leverage, and the cyclical nature of demand for KH-Koneet's products as points of concern. Since KH Group owns 68.1% of NRG, only a portion of NRG's positive development is passed on to shareholders. The situation is different for NRG, which is enjoying strong demand and a robust order book instead of cyclical weakness. We believe the short-term outlook for maintaining earnings performance is positive, though assessing the long-term normalized level of profitability is more difficult due to the company's limited and volatile historical track record.

In our valuation of KH Group, we favor earnings-based multiples. Adjusted EV/EBIT ratios for 2026-2027 are 12x-10x, with adjusted P/E ratios of 18-9x. Based on our current-year forecasts, the valuation is high, but based on our forecasts predicting an improvement in earnings next year, the valuation starts to become attractive. Looking ahead to the coming year, our main concern is whether KH-Koneet's Swedish operations can continue to improve their profitability despite rising interest rates. Due to its relatively low profitability and significant debt leverage, KH Group's earnings-based valuation is, in any case, sensitive to even minor changes in forecasts.

DCF model identifies upside

Our DCF model, which reflects the potential of KH Group's continuing businesses, indicates a value of EUR 0.91 per share (was EUR 0.94). We have raised our risk-free rate assumption to 3.0% (was 2.5%) due to global inflation pressures, which raised the weighted average cost of capital to 9.4% and slightly eroded KH Group's value. For the same reason, however, we have slightly raised our terminal growth assumption to 2.0%. We assume EBIT margin will normalize to a higher level of 5.5% compared to recent years, as KH-Koneet's Swedish operations mature and the weight of more profitable services and machine rental increases.

Balance sheet-based valuation does not provide material support

KH Group's P/B ratio is 0.9x. However, balance-sheet-based valuation is difficult to rely on as KH Group has not yet demonstrated its ability to generate a reasonable return on equity at the consolidated level, and according to our forecasts, that figure will rise to only about 7% next year. Due to KH-Koneet's cyclical nature, returns on capital should be evaluated across the cycle, but under the current structure, figures are only available for the challenging years of 2023–2026. At the subsidiary level, we are confident in the profitability of KH-Koneet's Finnish business and NRG, but at the group level, we believe generating a return on capital that exceeds the cost of capital requires a sustainable turnaround in KH-Koneet's Swedish business. Nevertheless, KH-Koneet's lighter balance sheet and improved inventory turnover support an increase in return on capital, as a significant amount of capital is tied up in inventories.

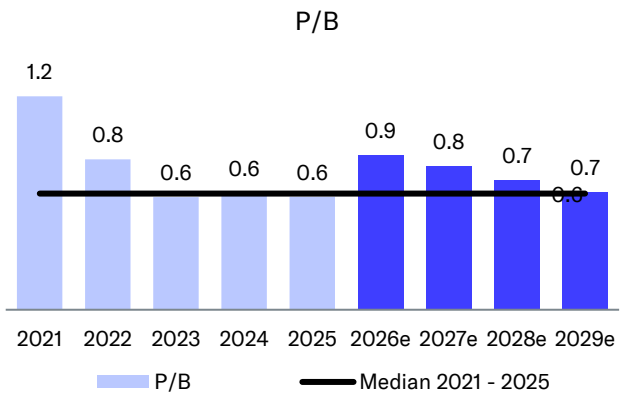
Valuation	2026e	2027e	2028e
Share price	0.76	0.76	0.76
Number of shares, millions	58.1	58.1	58.1
Market cap	44	44	44
EV	121	124	125
P/E (adj.)	17.7	8.9	6.4
P/E	32.7	11.3	7.4
P/B	0.9	0.8	0.7
P/S	0.2	0.2	0.2
EV/Sales	0.5	0.5	0.5
EV/EBITDA	5.1	4.7	4.1
EV/EBIT (adj.)	11.7	9.9	8.1
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

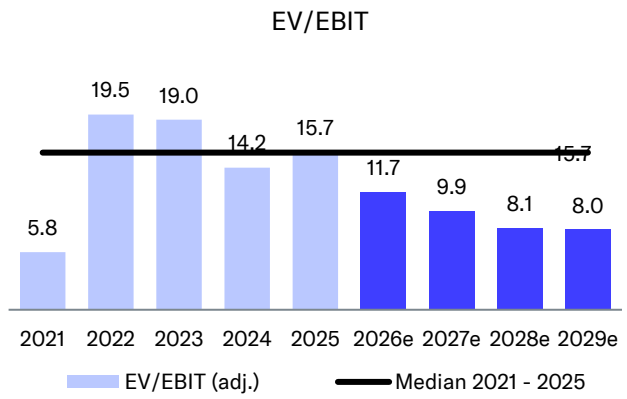
Source: Inderes

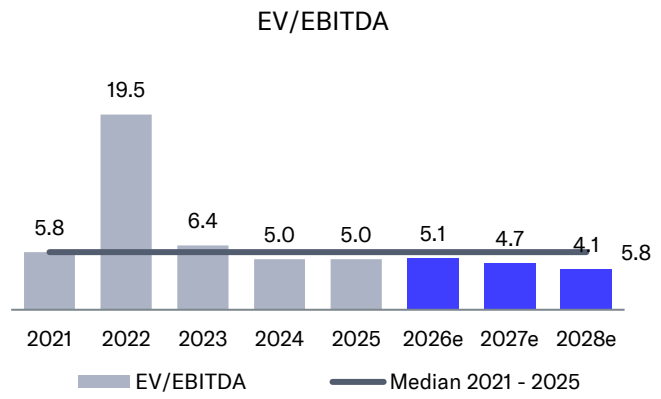
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	1.92	1.18	0.81	0.56	0.54	0.76	0.76	0.76	0.76
Number of shares, millions	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1	58.1
Market cap	112	69	47	32	31	44	44	44	44
EV	116	232	205	102	100	121	124	125	117
P/E (adj.)	6.1	5.0	6.5	neg.	38.0	17.7	8.9	6.4	6.2
P/E	6.1	5.0	neg.	neg.	neg.	32.7	11.3	7.4	7.1
P/B	1.2	0.8	0.6	0.6	0.6	0.9	0.8	0.7	0.7
P/S	9.7	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2
EV/Sales	10.1	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4
EV/EBITDA	5.8	19.5	6.4	5.0	5.0	5.1	4.7	4.1	3.8
EV/EBIT (adj.)	5.8	19.5	19.0	14.2	15.7	11.7	9.9	8.1	8.0
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

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
United Rentals Inc	66487	79492	18.6	16.2	10.7	9.6	4.9	4.5	23.1	19.5	0.7	0.7	7.4
Sunbelt Rentals Holdings Inc	30952	30952	13.9	12.7	7.3	6.8	3.1	2.9	22.5	19.9	1.3	1.3	4.7
McGrath RentCorp	2610	3135	12.8	11.8	9.5	9.0	3.7	3.5	18.5	17.6	1.7	1.7	2.4
Speedy Hire PLC	76	403	21.7	13.0	3.7	3.2	0.8	0.7		9.7	7.3	7.8	
VP PLC	249	504	10.4	10.0	4.1	3.9	1.2	1.2	10.6	8.7	6.9	7.6	1.6
Wetteri Oyj	26	115		15.4	9.3	5.4	0.3	0.3		13.5			1.0
Bilia AB	1213	1978	14.6	12.9	7.5	7.2	0.5	0.5	13.3	11.3	4.7	5.4	2.4
Ferronordic AB	120	288	14.8	12.2	5.1	4.7	0.6	1.3	10.8	8.9			1.1
KH Group (Inderes)	44	121	11.7	9.9	5.1	4.7	0.5	0.5	17.7	8.9	0.0	0.0	0.9
Average			15.3	13.0	7.2	6.2	1.9	1.8	16.5	13.6	3.8	4.1	2.9
Median			14.6	12.8	7.4	6.1	1.0	1.2	15.9	12.4	3.2	3.6	2.4
Diff-% to median			-20%	-23%	-31%	-23%	-46%	-60%	12%	-28%	-100%	-100%	-64%

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	403	194	41.8	54.2	45.3	63.2	205	44.6	62.3	49.7	68.2	225	250	274	281
KH-Koneet	152	150	33.1	43.6	37.9	48.2	163	35.3	49.0	41.5	52.5	178	201	224	233
Nordic Rescue Group	38.3	44.2	8.7	10.6	7.5	15.1	41.8	9.3	13.3	8.2	15.7	46.5	48.9	50.3	48.3
EBITDA	31.9	20.3	3.6	4.1	4.5	7.6	19.8	2.0	7.8	5.9	7.9	23.6	26.6	30.6	31.0
Depreciation	-35.0	-14.5	-3.7	-3.7	-3.6	-3.6	-14.6	-3.5	-3.7	-3.5	-3.8	-14.5	-15.1	-16.2	-17.2
EBIT (excl. NRI)	10.8	7.2	0.2	0.8	1.2	4.2	6.4	-1.1	4.3	2.7	4.4	10.3	12.6	15.3	14.7
EBIT	-3.1	5.8	-0.1	0.5	0.9	4.0	5.2	-1.5	4.1	2.4	4.1	9.2	11.6	14.4	13.8
KH-Koneet	9.0	6.3	-0.1	0.8	1.5	3.4	5.6	-1.1	3.0	2.2	3.3	7.5	10.1	12.7	13.7
Nordic Rescue Group	1.9	2.8	0.8	0.8	0.2	1.5	3.3	0.4	1.6	0.8	1.6	4.4	4.1	4.2	2.6
Unallocated items and PPA depreciation	-17.7	-3.3	-0.8	-1.1	-0.8	-0.7	-3.5	-0.8	-0.5	-0.7	-0.8	-2.7	-2.7	-2.6	-2.5
Net financial items	-12.3	-4.2	-0.4	-1.3	-0.9	-1.1	-3.8	-1.6	-1.4	-1.2	-1.2	-5.5	-5.6	-5.7	-5.2
PTP	-15.4	1.6	-0.5	-0.9	0.0	2.8	1.4	-3.1	2.7	1.2	2.9	3.7	6.0	8.7	8.5
Taxes	3.3	-0.2	0.1	0.2	0.0	-0.7	-0.3	0.2	-0.3	-0.4	-0.7	-1.2	-1.2	-1.7	-1.7
Minority interest	5.2	5.3	-0.1	-0.2	0.0	-0.3	-0.6	0.0	-0.4	-0.2	-0.4	-1.1	-0.9	-1.0	-0.6
Net earnings	-6.7	-24.7	-0.5	-0.8	-0.1	1.1	-0.3	-2.9	1.9	0.6	1.8	1.3	3.9	6.0	6.2
EPS (adj.)	0.12	-0.40	0.00	-0.01	0.00	0.02	0.01	-0.04	0.04	0.01	0.04	0.04	0.09	0.12	0.12
EPS (rep.)	-0.11	-0.42	-0.01	-0.01	0.00	0.02	-0.01	-0.05	0.03	0.01	0.03	0.02	0.07	0.10	0.11

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-%	-6.0 %	-51.9 %	3.5 %	3.9 %	14.1 %	2.5 %	5.5 %	6.7 %	14.9 %	9.6 %	7.9 %	9.9 %	11.3 %	9.4 %	2.5 %
Adjusted EBIT growth-%		-33.3 %	433.3 %	-66.9 %	-20.5 %	23.0 %	-11.7 %	-650.0 %	451.3 %	127.1 %	5.8 %	62.4 %	22.2 %	21.4 %	-4.3 %
EBITDA-%	7.9 %	10.5 %	8.7 %	7.6 %	9.9 %	11.9 %	9.7 %	4.6 %	12.5 %	11.8 %	11.6 %	10.5 %	10.6 %	11.2 %	11.1 %
Adjusted EBIT-%	2.7 %	3.7 %	0.5 %	1.4 %	2.6 %	6.6 %	3.1 %	-2.5 %	6.9 %	5.4 %	6.5 %	4.6 %	5.0 %	5.6 %	5.2 %
Net earnings-%	-1.7 %	-12.7 %	-1.2 %	-1.5 %	-0.2 %	1.7 %	-0.2 %	-6.5 %	3.0 %	1.1 %	2.6 %	0.6 %	1.6 %	2.2 %	2.2 %
KH-Koneet adjusted EBIT-%	5.9 %	4.2 %	-0.3 %	1.8 %	3.7 %	7.1 %	3.4 %	-3.1 %	6.1 %	5.3 %	6.3 %	4.2 %	5.0 %	5.7 %	5.9 %
NRG adjusted EBIT-%	5.0 %	6.3 %	9.2 %	7.5 %	2.7 %	10.0 %	7.9 %	4.5 %	11.7 %	10.2 %	10.3 %	9.5 %	8.5 %	8.3 %	5.4 %

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	184	72.2	73.3	76.3	78.9
Goodwill	7.7	7.7	7.7	7.7	7.7
Intangible assets	10.3	9.2	8.2	7.3	6.7
Tangible assets	51.4	50.8	54.0	58.8	63.0
Associated companies	110	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.4	0.1	0.0	0.0	0.0
Deferred tax assets	4.1	4.5	3.5	2.5	1.5
Current assets	87.7	84.5	93.3	103	111
Inventories	60.2	60.2	65.2	71.4	76.7
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	18.5	20.7	20.2	22.5	24.7
Cash and equivalents	9.0	3.6	7.9	8.8	9.6
Balance sheet total	272	157	167	179	190

Source: Inderes

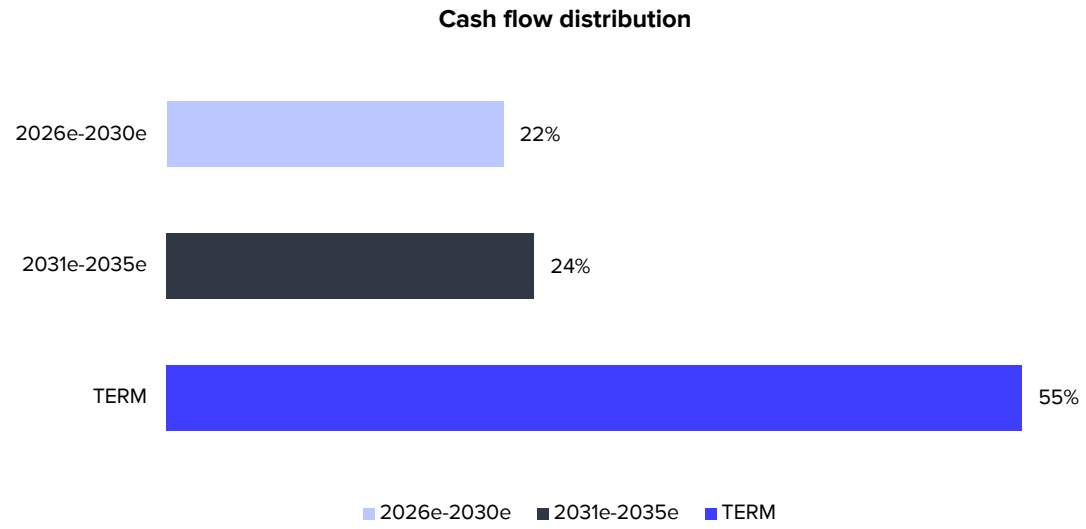
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	49.3	49.7	51.0	54.9	60.9
Share capital	15.2	15.2	15.2	15.2	15.2
Retained earnings	21.9	34.5	35.8	39.7	45.7
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	12.9	0.0	0.0	0.0	0.0
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	-0.6	0.0	0.0	0.0	0.0
Non-current liabilities	57.9	48.0	56.3	59.3	60.1
Deferred tax liabilities	2.1	1.9	1.9	1.9	1.9
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	55.9	46.1	54.4	57.4	58.2
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	165	59.0	59.3	64.7	68.8
Interest bearing debt	23.3	25.9	23.3	24.6	25.0
Payables	31.3	33.1	36.0	40.1	43.8
Other current liabilities	110	0.0	0.0	0.0	0.0
Balance sheet total	272	157	167	179	190

DCF-calculation

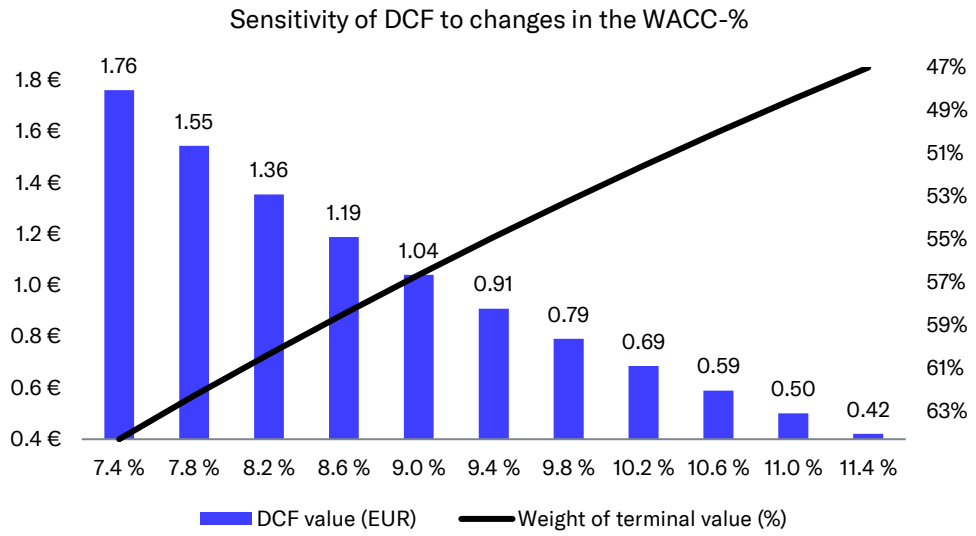
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%		9.9 %	11.3 %	9.4 %	2.5 %	2.5 %	2.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	2.5 %	4.1 %	4.6 %	5.2 %	4.9 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %	5.5 %
EBIT (operating profit)	5.2	9.2	11.6	14.4	13.8	15.8	16.2	16.6	16.9	17.2	17.6	
+ Depreciation	14.6	14.5	15.1	16.2	17.2	17.2	17.6	18.0	18.3	18.6	18.9	
- Paid taxes	-0.8	-0.2	-0.2	-0.7	-0.7	-1.3	-1.6	-1.7	-1.8	-1.9	-2.1	
- Tax, financial expenses	-0.8	-1.1	-1.1	-1.1	-1.0	-1.4	-1.7	-1.6	-1.6	-1.5	-1.4	
+ 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		-1.6	-4.4	-3.7	-0.1	0.0	0.0	-1.2	-1.2	-1.2	-1.2	
Operating cash flow		20.7	21.0	25.0	29.2	30.4	30.6	30.0	30.6	31.2	31.8	
+ 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	
- Gross CAPEX		-16.5	-19.1	-19.8	-16.9	-18.4	-18.8	-19.0	-19.4	-19.8	-20.2	
Free operating cash flow		4.2	1.9	5.3	12.3	12.0	11.8	11.1	11.2	11.4	11.6	
+/- Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF		4.2	1.9	5.3	12.3	12.0	11.8	11.1	11.2	11.4	11.6	160
Discounted FCFF		4.1	1.7	4.3	9.3	8.3	7.4	6.4	5.9	5.5	5.1	70.4
Sum of FCFF present value		128	124	123	118	109	101	93.2	86.8	80.9	75.5	70.4
Enterprise value DCF		128										
- Interest bearing debt		-72.0										
+ Cash and cash equivalents		3.6										
+ Associated companies		0.0										
-Minorities		-7.0										
-Dividend/capital return		0.0										
Equity value DCF		53.0										
Equity value DCF per share		0.91										

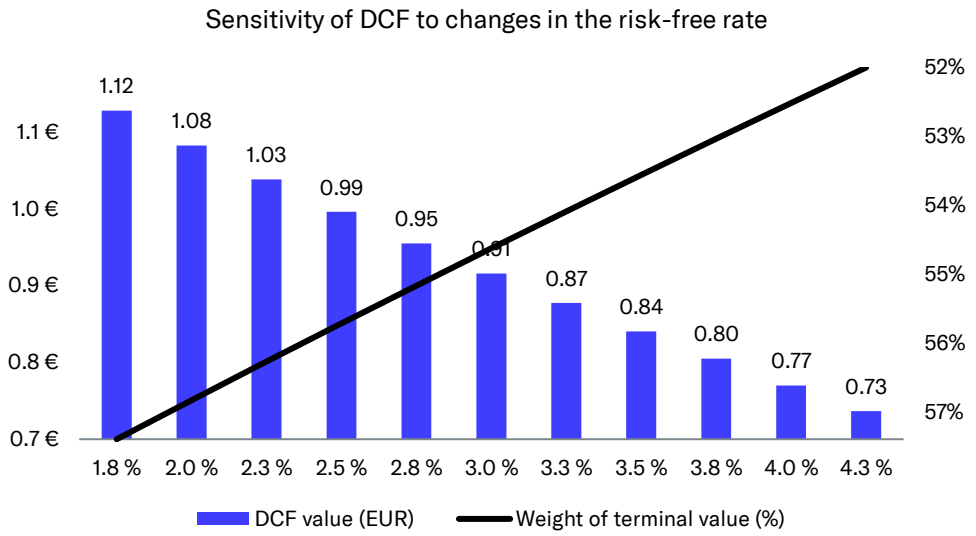
WACC	
Tax-% (WACC)	19.0 %
Target debt ratio (D/(D+E)	50.0 %
Cost of debt	7.0 %
Equity Beta	1.60
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	3.0 %
Cost of equity	13.1 %
Weighted average cost of capital (WACC)	9.4 %

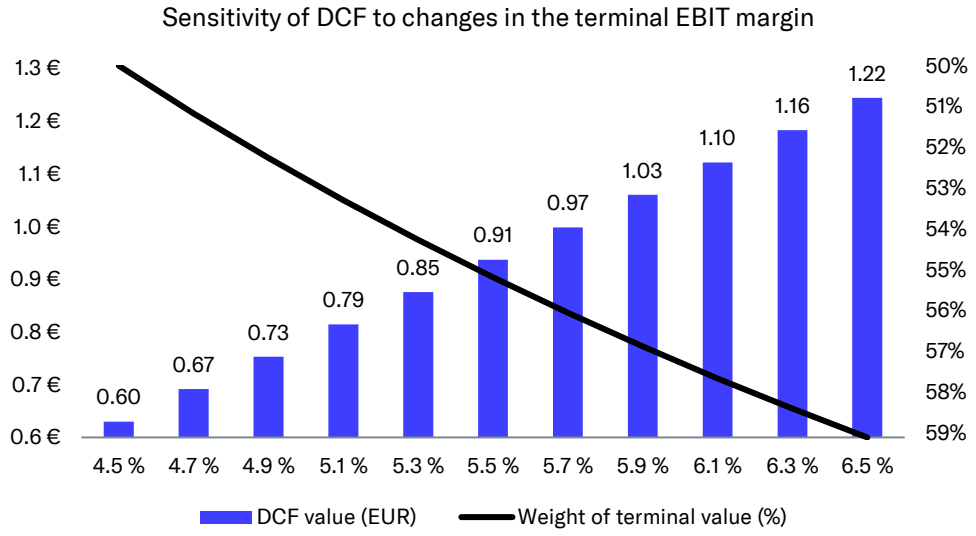
Source: Inderes

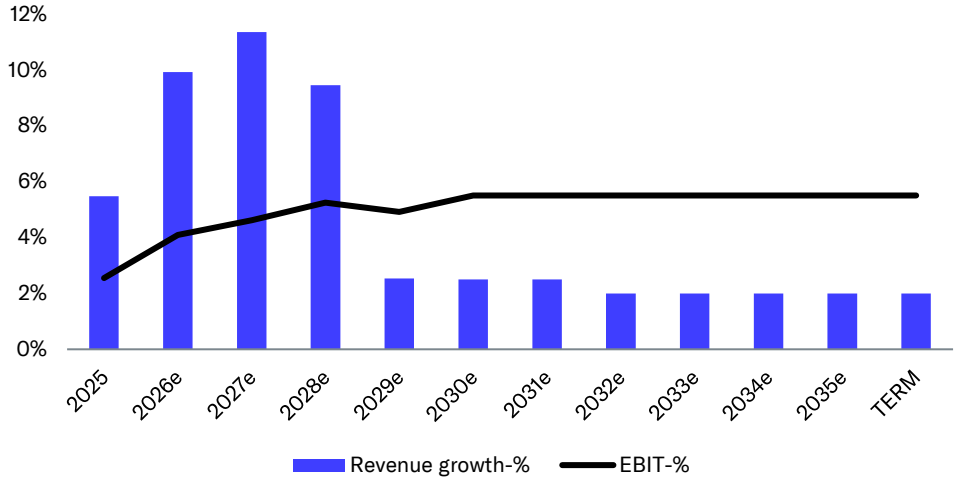


DCF sensitivity calculations and key assumptions in graphs









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	403.2	194.0	204.6	224.8	250.4
EBITDA	31.9	20.3	19.8	23.6	26.6
EBIT	-3.1	5.8	5.2	9.2	11.6
PTP	-15.4	1.6	1.4	3.7	6.0
Net Income	-6.7	-24.7	-0.3	1.3	3.9
Extraordinary items	-13.9	-1.4	-1.2	-1.1	-1.1

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	347.7	271.7	156.7	166.6	179.0
Equity capital	79.3	49.3	49.7	51.0	54.9
Goodwill	39.9	7.7	7.7	7.7	7.7
Net debt	154.9	70.2	68.4	69.8	73.3

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	31.9	20.3	19.8	23.6	26.6
Change in working capital	14.0	100.1	-110.5	-1.6	-4.4
Operating cash flow	43.4	110.3	-92.3	20.7	21.0
CAPEX	-35.1	123.2	-12.5	-16.5	-19.1
Free cash flow	9.7	227.4	-107.5	4.2	1.9

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.5	0.5	0.5	0.5	0.5
EV/EBITDA	6.4	5.0	5.0	5.1	4.7
EV/EBIT (adj.)	19.0	14.2	15.7	11.7	9.9
P/E (adj.)	6.5	neg.	38.0	17.7	8.9
P/B	0.6	0.6	0.6	0.9	0.8
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.11	-0.42	-0.01	0.02	0.07
EPS (adj.)	0.12	-0.40	0.01	0.04	0.09
OCF / share	0.75	1.90	-1.59	0.36	0.36
OFCF / share	0.17	3.91	-1.85	0.07	0.03
Book value / share	1.29	0.86	0.86	0.88	0.95
Dividend / share	0.00	0.00	0.00	0.00	0.00

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-6%	-52%	5%	10%	11%
EBITDA growth-%	168%	-36%	-2%	19%	13%
EBIT (adj.) growth-%	-9%	-33%	-12%	62%	22%
EPS (adj.) growth-%	-48%	-422%	104%	201%	99%
EBITDA-%	7.9 %	10.5 %	9.7 %	10.5 %	10.6 %
EBIT (adj.)-%	2.7 %	3.7 %	3.1 %	4.6 %	5.0 %
EBIT-%	-0.8 %	3.0 %	2.5 %	4.1 %	4.6 %
ROE-%	-8.5 %	-39.6 %	-0.7 %	2.7 %	7.3 %
ROI-%	-1.2 %	3.1 %	4.2 %	7.3 %	8.7 %
Equity ratio	22.8 %	18.2 %	31.8 %	30.7 %	30.8 %
Gearing	195.2 %	142.4 %	137.7 %	136.8 %	133.4 %
Net debt/EBITDA	4.9	3.5	3.5	3.0	2.8
EBITDA/net financials	2.6	4.9	5.2	4.3	4.8

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

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Date	Recommendation	Target	Share price
12/15/2021	Accumulate	2.00 €	1.94 €
3/4/2022	Buy	1.80 €	1.52 €
3/17/2022	Accumulate	1.80 €	1.64 €
5/6/2022	Buy	1.80 €	1.36 €
8/18/2022	Accumulate	1.50 €	1.29 €
11/4/2022	Buy	1.40 €	1.14 €
12/16/2022	Buy	1.40 €	1.17 €
2/21/2023	Accumulate	1.35 €	1.20 €
3/1/2023	Accumulate	1.20 €	1.08 €
5/5/2023	Buy	1.20 €	1.03 €
8/18/2023	Accumulate	1.05 €	0.95 €
	Analyst changed		
10/30/2023	Accumulate	0.90 €	0.77 €
11/2/2023	Accumulate	0.90 €	0.79 €
3/11/2024	Accumulate	0.80 €	0.68 €
3/22/2024	Accumulate	0.95 €	0.85 €
5/2/2024	Accumulate	0.80 €	0.70 €
5/7/2024	Reduce	0.65 €	0.61 €
6/10/2024	Accumulate	0.72 €	0.64 €
8/12/2024	Reduce	0.60 €	0.58 €
8/19/2024	Accumulate	0.65 €	0.57 €
11/4/2024	Accumulate	0.68 €	0.60 €
3/17/2025	Accumulate	0.68 €	0.56 €
3/24/2025	Accumulate	0.65 €	0.55 €
5/7/2025	Accumulate	0.65 €	0.53 €
8/18/2025	Accumulate	0.60 €	0.51 €
9/22/2025	Reduce	0.52 €	0.49 €
11/3/2025	Reduce	0.50 €	0.46 €
11/28/2025	Reduce	0.45 €	0.42 €
2/13/2026	Reduce	0.60 €	0.55 €
3/23/2026	Reduce	0.60 €	0.55 €
5/6/2026	Reduce	0.55 €	0.54 €
8/17/2026	Accumulate	0.70 €	0.64 €
10/12/2026	Reduce	0.90 €	0.92 €
11/2/2026	Accumulate	0.90 €	0.76 €



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