DIGIA

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Attractive despite slight softness

We lower our target price for Digia to EUR 6.8 (was EUR 7.5) reflecting estimate changes and simultaneously lower our recommendation to Accumulate (was Buy). Digia's Q2 was again slightly softer than our estimates, as performance in Finland was weak. International business is performing well. However, in our view, there is no major drama, and the big picture remains unchanged. We still expect the company to be one of the sector's winners and a long-term earnings grower. The stock's valuation (2026e P/E 10x and EV/EBIT 8x) is at least attractive, but the risk of an earnings warning limits the strongest buying interest.

Revenue declined organically, burdened by Finland; strong international growth organically

Digia's Q2 revenue increased by 1% to 54.3 MEUR, which was below our expectations. Organically, revenue declined by 3%. The challenges were particularly evident in ERP projects and in the Digital Solutions service area, where the company initiated measures to rectify the situation. Geographically, we calculate that international revenue grew strongly by 10% organically, while Finnish revenue decreased by as much as 7% in Q2. However, the company commented that sales were good in June, accounting for 30% of total H1 sales. On the other hand, we understand that sales also included larger ERP projects. In addition, the company's own financial sector solution family has a good order book. Overall, the IT services market, like the general economy, is showing some positive momentum in places, which we expect to also benefit Digia, given its broad and competitive offering.

Profitability missed expectations

Digia's adjusted EBITA clearly declined to 3.3 MEUR, falling short of our 5.0 MEUR estimate. TQ2 earnings included 0.2 MEUR in non-recurring costs related to the restructuring of operations. In addition, EBITA was burdened by 0.4 MEUR in customer project cost provisions, which we do not adjust from the result (adjusted for this, profitability would have been 6.9%). Earnings were depressed by higher-than-expected IFRS 16 depreciation (0.2 MEUR) and strategic growth investments in productization, AI utilization, international growth, and competence development. Additionally, we estimate that profitability was weighed down by low billing rates due to declining revenue.

We expect the company to lower its earnings guidance

Digia reiterated its guidance despite a soft H1 and guides for revenue growth and EBITA at the comparison period's level or growing for 2026. The changes to this year's forecast are mainly due to a weaker-than-expected Q2. We expect revenue to grow by 1% to 219 MEUR and reported EBITA to be 19.4 MEUR (2025: 21.3 MEUR). In our view, H1 left too much to catch up on, and we therefore expect the company to issue a profit warning, at least regarding earnings. However, in our view, a potential mild profit warning would not cause any major drama for the investment story. Digia has historically been very active on the M&A front, and we expect the company to continue its largely successful inorganic growth in the future, once a suitable acquisition target is found.

Despite slight softness, valuation is attractive

Digia has strengthened its profile as an earnings growth company in recent years and has risen to become one of the sector's top performers, which supports the share valuation. Based on the valuation methods we use, the stock is at least attractively priced from all perspectives (2026e P/E 10x, EV/EBIT 8x, and an expected return of ~15%). Considering our DCF calculation (EUR 8.2) and the relative valuation level (~20% below peers), the share is very attractively priced. However, the clear risk of a profit warning for the rest of the year curbs the strongest buying interest. In the big picture, the company's risk profile is among the lowest in the sector. In summary, we see the fair value of the share in the range of EUR 6.8-8.2 per share.

Recommendation
Accumulate
(was Buy)

Target price:
EUR 6.80
(was EUR 7.50)

Share price:
EUR 5.70

Business risk

●●○○○

Valuation risk

●●○○○

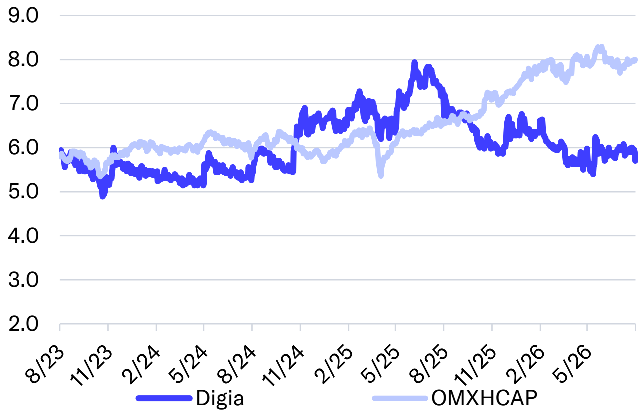
	2025	2026e	2027e	2028e
Revenue	217	219	224	234
growth-%	6%	1%	2%	4%
EBITA	21.3	19.4	22.4	23.7
EBITA-%	9.8 %	8.8 %	10.0 %	10.1 %
Net Income	12.8	12.3	15.1	16.6
EPS (adj.)	0.63	0.58	0.63	0.68
P/E (adj.)	10.5	11.8	10.8	10.0
P/B	1.9	1.8	1.7	1.5
Dividend yield-%	2.9 %	3.1 %	3.4 %	3.7 %
EV/EBIT (adj.)	8.8	9.7	8.3	7.3
EV/EBITDA	7.9	8.4	7.0	6.2
EV/S	0.9	0.9	0.8	0.7

Source: Inderes

Guidance (Unchanged)

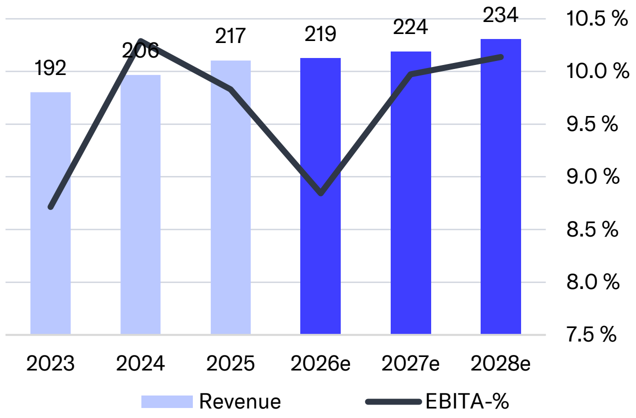
Digia's guidance is that revenue will grow and EBITA will be at the comparison period's level or grow in 2026.

Share price



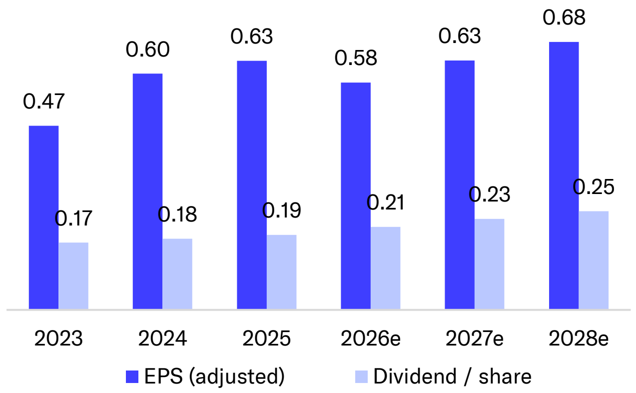
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Market trends are favorable for Digia's offering
- Still potential for improvement in profitability
- Increasing recurring services and scalable business
- Internationalization
- Acquisitions

Risk factors

- Threat of AI disruption
  Competitiveness in the talent competition, wage inflation and employee turnover
- M&A integrations
- Return on investments
- Project risks of large projects and customers' bargaining power
- Positioning as a mid-sized player between large and small operators
- Failure in internationalization

Valuation	2026e	2027e	2028e
Share price	6.80	6.80	6.80
Number of shares, millions	26.8	26.8	26.8
Market cap	182	182	182
EV	197	186	174
P/E (adj.)	11.8	10.8	10.0
P/E	14.8	12.1	11.0
P/B	1.8	1.7	1.5
P/S	0.8	0.8	0.8
EV/Sales	0.9	0.8	0.7
EV/EBITDA	8.4	7.0	6.2
EV/EBIT (adj.)	9.7	8.3	7.3
Payout ratio (%)	45.8 %	40.9 %	40.4 %
Dividend yield-%	3.1 %	3.4 %	3.7 %

Source: Inderes

Operationally soft Q2

Revenue declined organically, burdened by Finland; good international growth organically

Digia's Q2 revenue grew by 1% to 54.3 MEUR, which was below our 56.1 MEUR estimate. Organically, revenue decreased by 3%. The number of working days was the same as in the comparison period. The challenges were particularly evident in ERP projects and in the Digital Solutions service area, where the company initiated efficiency measures.

However, the share of international business in Q2 grew to 21.4% (Q1'26: 20.8%), and organically, it grew by 10% according to our calculations. Thus, Finland's revenue decreased by 7% in Q2. The share of recurring services and maintenance business in revenue was 50%, roughly in line with the comparison period. Headcount decreased by 17 from the previous quarter, and the company is also recruiting, as 31 people left the company in Q2 as a result of change negotiations. Demand is strong in integration, data, and AI projects.

Digia also commented that sales were good in June, accounting for 30% of total H1 sales. On the other hand, we understand that sales also included larger ERP projects. In addition, the company's own financial sector solution family has a good order book.

Profitability missed expectations

Digia's adjusted EBITA declined significantly to 3.3 MEUR (Q2'25: 4.4 MEUR), falling short of our 5.0 MEUR estimate. Adjusted EBITA-% was 6.1%, down from 8.1% in the comparison period, which was also clearly below our 8.9% forecast. TQ2 earnings included 0.2 MEUR in non-recurring costs related to the restructuring of operations. In addition, EBITA was burdened by 0.4 MEUR in customer project cost provisions, which we do not adjust from the result (adjusted for this, profitability would have been 6.9%). IFRS 16 depreciation was also 0.2 MEUR higher than we expected.

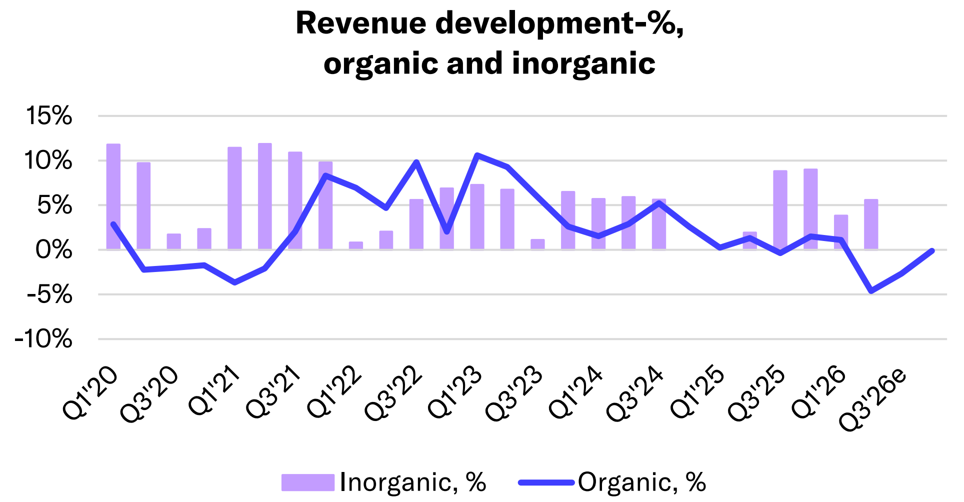
The company continued its strategic growth investments in productization, leveraging AI, international growth, and enhancing expertise. Additionally, we believe profitability was weighed down by low billing rates due to the decline in revenue. EPS was EUR 0.06 in Q2, and adjusted for PPA amortization and non-recurring restructuring costs, it was EUR 0.09.

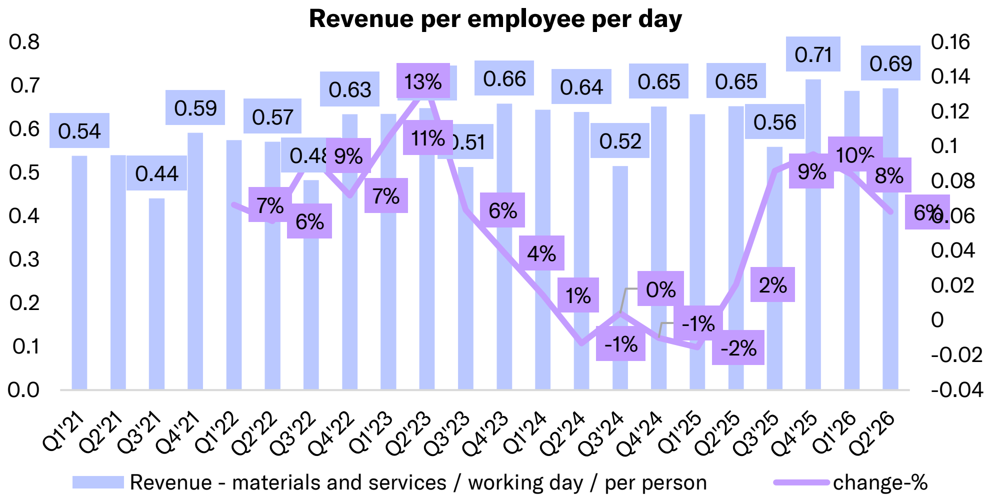
The company has already grown to such a size and broad offering that there will inevitably be areas and technologies for which demand declines, creating an occasional, continuous need for restructuring. This has been observed in recent years and is, in a way, natural given the increased size.

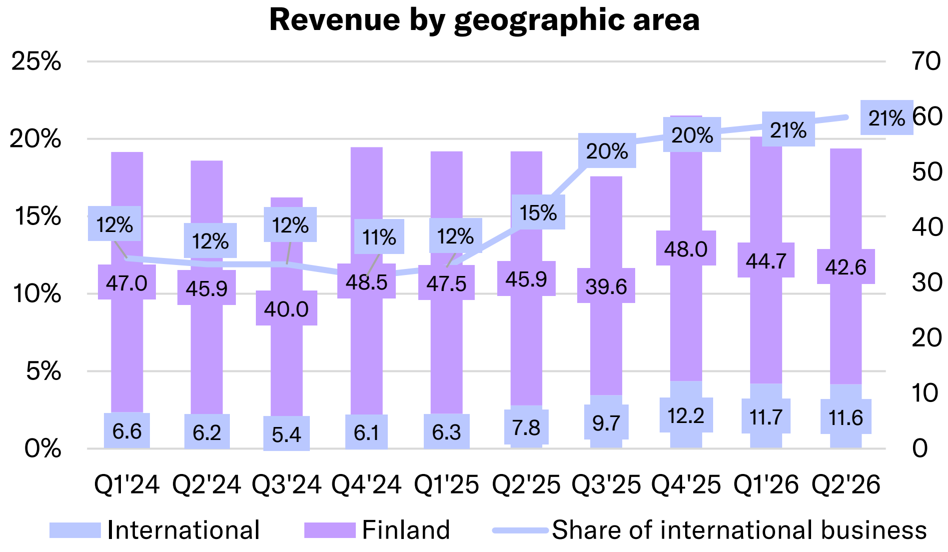
Estimates	Q2'25	Q2'26	Q2'26e	Q2'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	53.7	54.3	56.1				-3%	219
Organic growth-%	1.3 %	-3.3 %	-1.1 %				-2.2 pp	0.2 %
EBITA (adj.)	4.4	3.3	5.0				-34%	20.3
EBIT	2.2	2.4	4.2				-43%	16.5
EPS (adj.)	0.13	0.09	0.14				-35%	0.58
EPS (reported)	0.06	0.06	0.11				-45%	0.58
Revenue growth-%	3.2 %	1.1 %	4.5 %				-3.4 pp	0.8 %
EBITA-% (adj.)	8.1 %	6.1 %	8.9 %				-2.8 pp	9.3 %

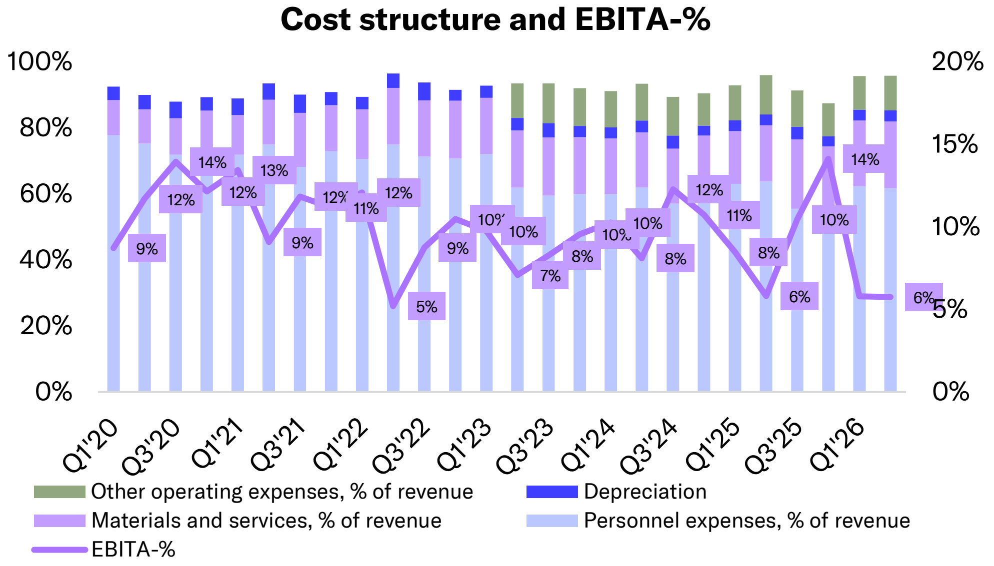
Source: Inderes

Digia's key figures

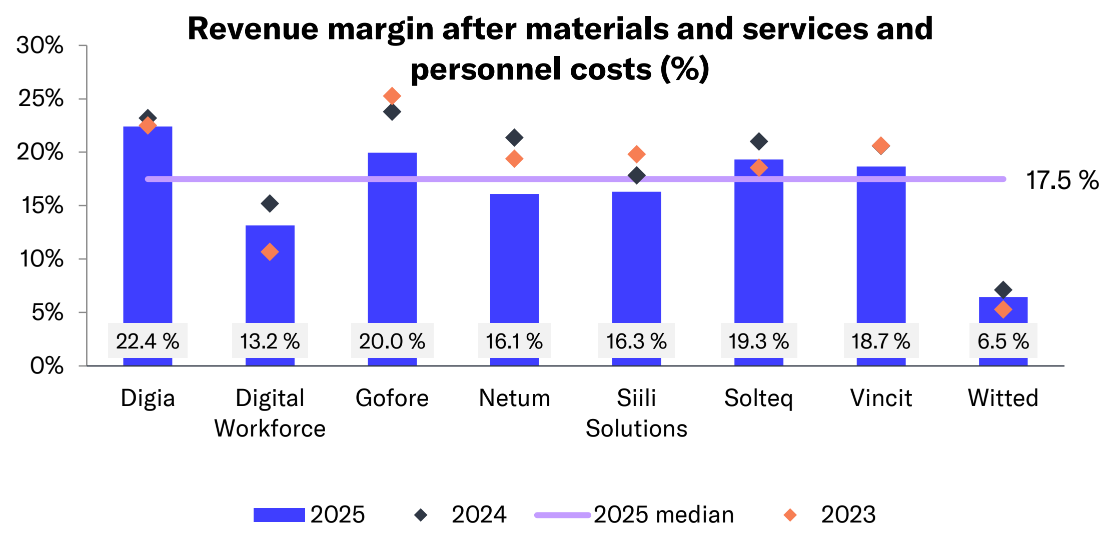


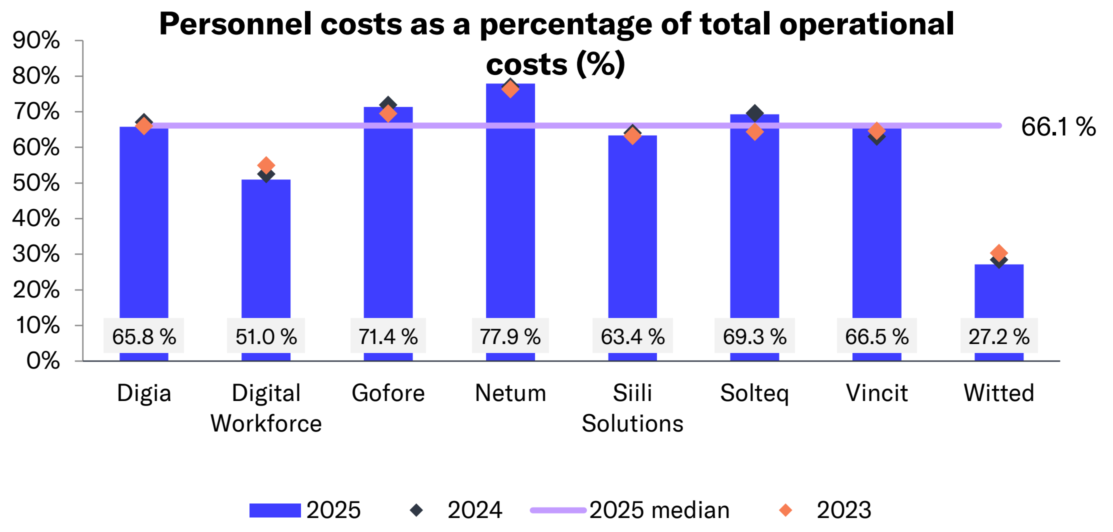


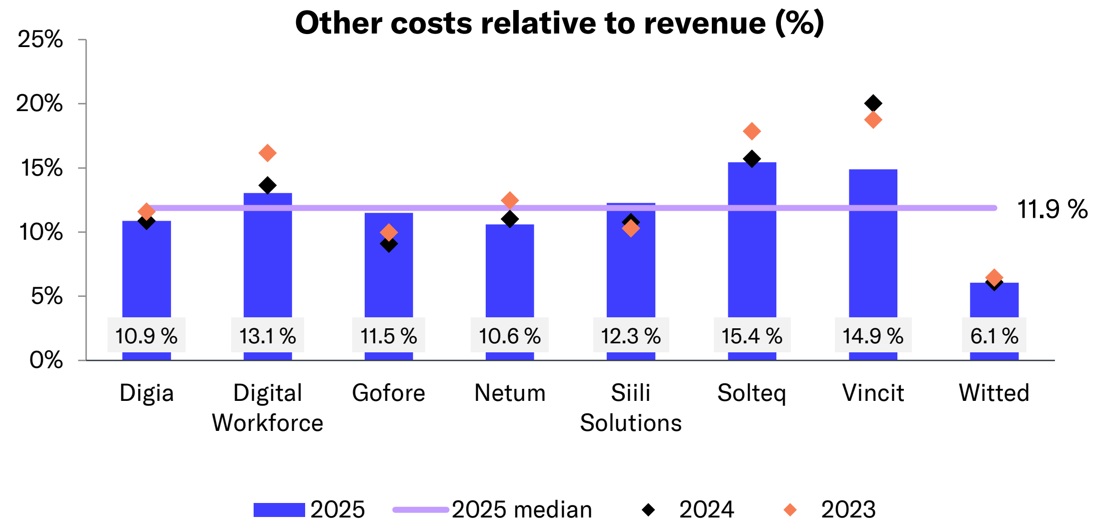


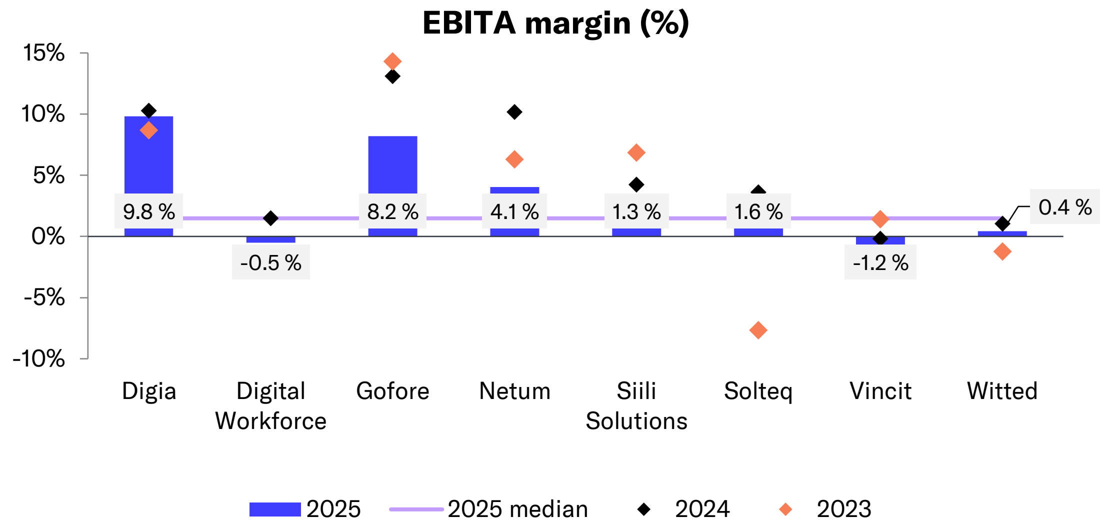


Relevant reported indicators for the sector 1/2



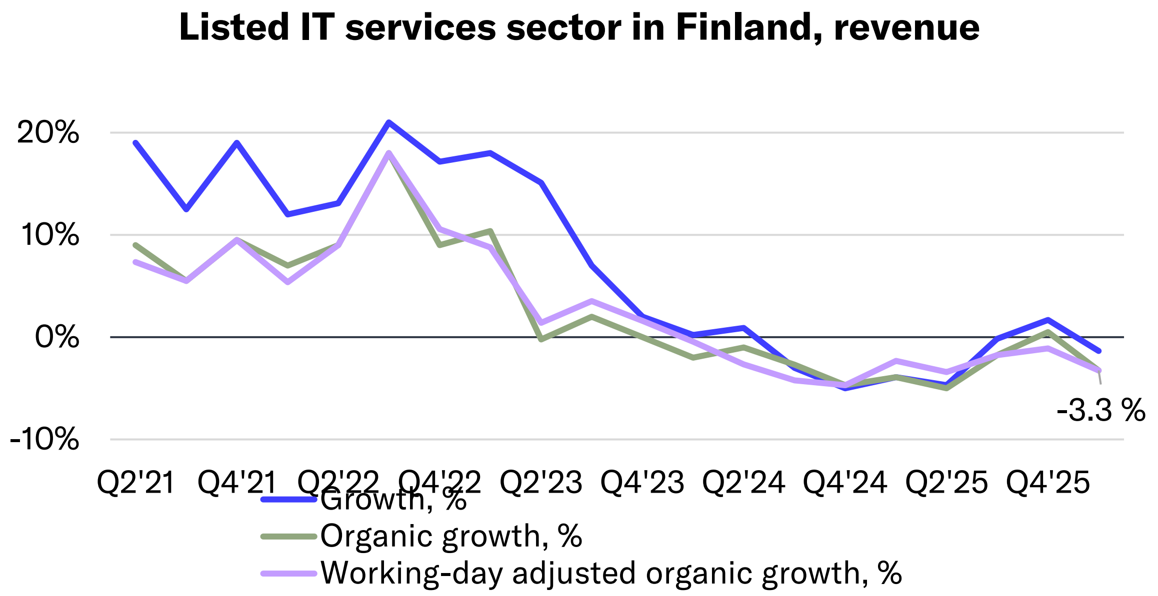


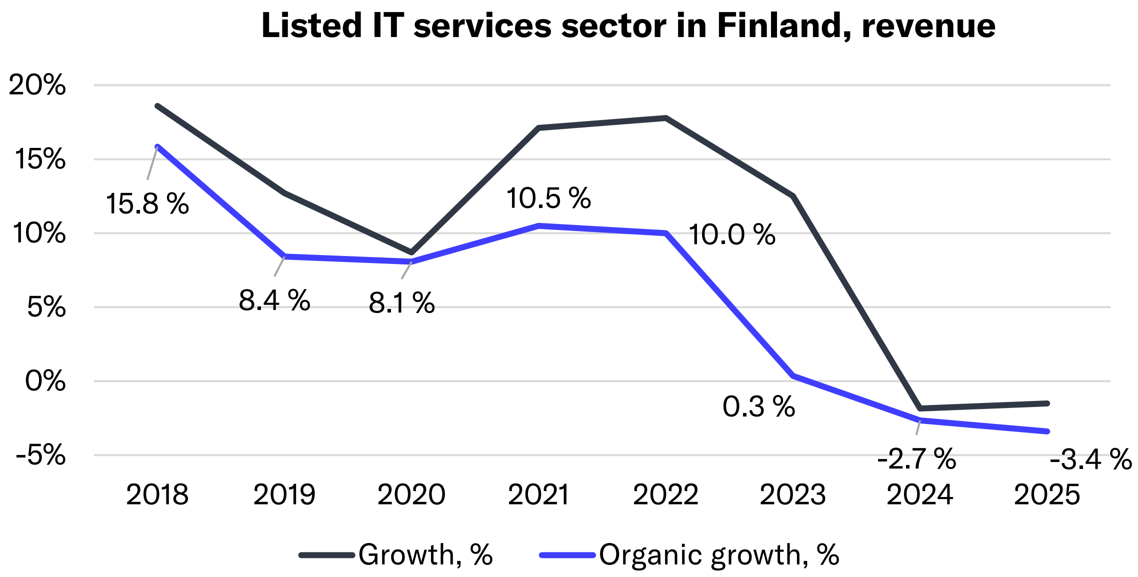


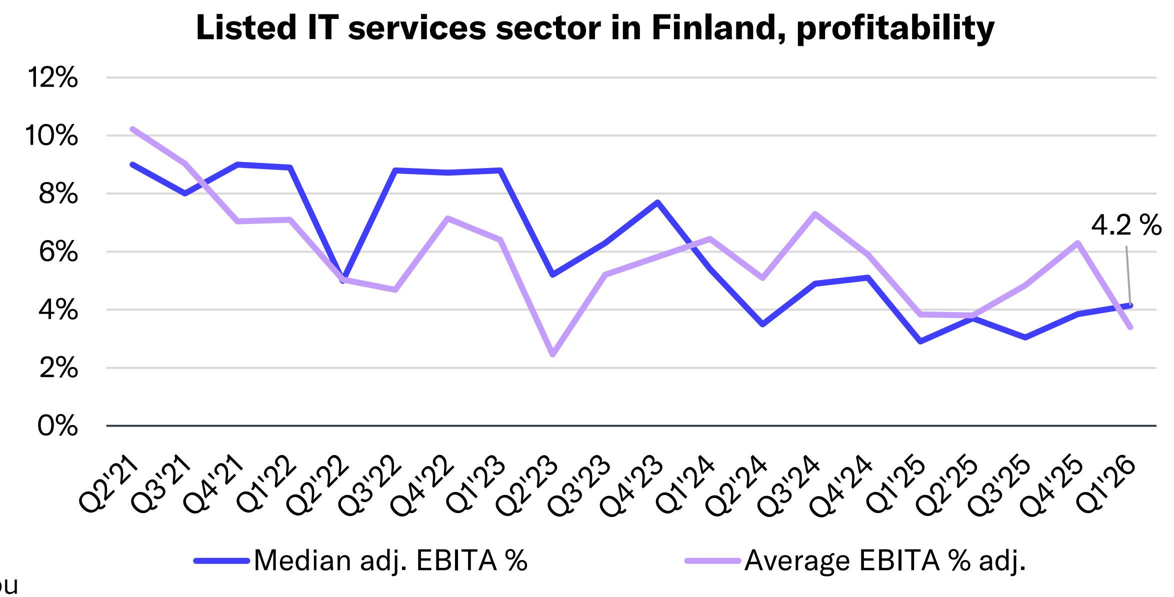


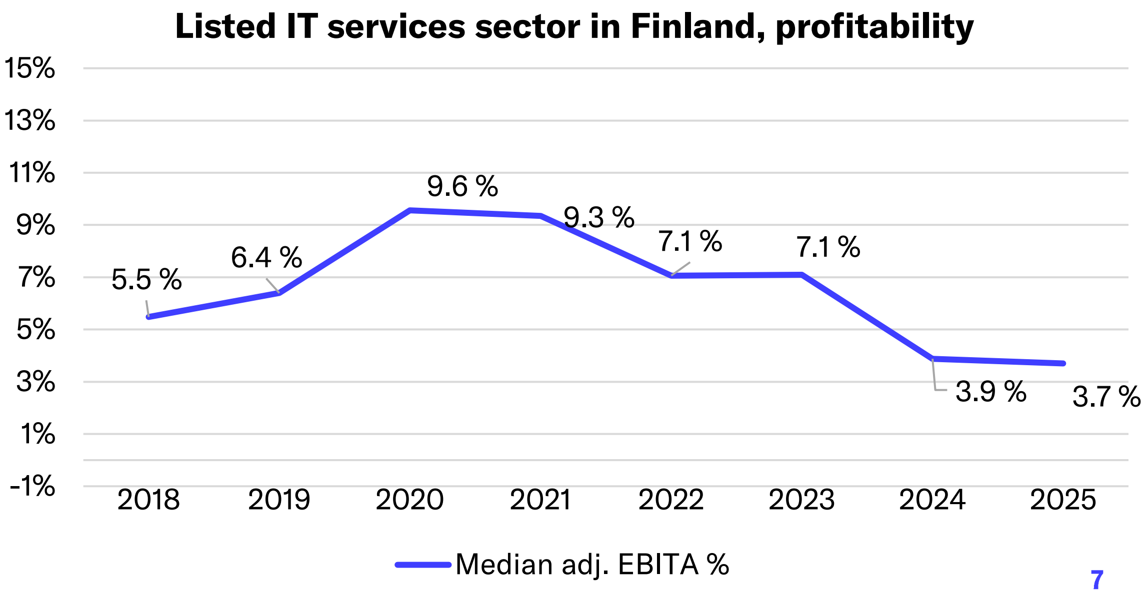
Source: Inderes and the companies

Relevant reported indicators for the sector 2/2









Sou

We slightly lowered our estimates

Estimate revisions

- We lowered estimates slightly, mainly driven by weaker Q2.

Estimates 2026e-2028e

- We estimate 1% revenue growth in 2026, driven by the Savangard acquisition. Organically, we expect revenue to decline by 2%, driven by a weak Q2-Q3. We project a slight decrease in EBITA margin to 8.8% in 2026 (2025: 9.8%) and to 9.3% when adjusted for non-recurring items (2025: 10.5%). Our calculation differs from the company's, as Digia does not adjust for one-off costs from change negotiations or fair value changes. In our view, however, adjusted EBIT provides a better picture of operational performance. Our forecast for reported EBITA is 19.4 MEUR, which is below the comparison period's 21.3 MEUR and also below guidance.
- In 202-2028, we estimate organic revenue growth of 2-4%. The estimates rely on a gradual improvement in the market. If the company succeeds in its international strategy, there is upside in our estimates. We estimate that profitability will rise to just above 10% in 2027-28 as investments decrease and scalability improves. On the other hand, there is still wage inflation and tight customer pricing, for which the sector is currently seeking a solution in new pricing models. Thus, we expect profitability in the coming years to be slightly below the 12% financial target, but still clearly better than in the sector.

Operational earnings drivers

Growth drivers:

- Scalable services and solutions
- Internationalization
- Expanding into new service areas within customer accounts (cross-selling)
- M&A

Profitability drivers:

- Product growth
- Productivity of scalable solutions and AI investments
- Headwinds from wage inflation and increased subcontracting
- Finding new pricing models

Balance sheet

- Equity ratio 49%, net gearing 23%, net debt 21 MEUR at the end of Q2'26. The company has used debt for acquisitions and generally repays debt efficiently.
- Good cash flow continuously strengthens the balance sheet and thus provides leeway for new acquisitions in the future.

Estimate revisions MEUR/EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	222	219	-2%	229	224	-2%	238	234	-2%
EBITDA	24.8	23.6	-5%	27.9	26.6	-5%	29.4	27.9	-5%
EBIT excluding NRIs	21.9	20.3	-7%	24.1	22.4	-7%	25.5	23.7	-7%
EBIT	18.3	16.5	-10%	21.8	20.1	-8%	23.5	21.7	-7%
Profit before tax	17.0	15.5	-9%	20.7	18.9	-9%	22.5	20.7	-8%
EPS (excl. NRIs)	0.62	0.58	-7%	0.68	0.63	-8%	0.73	0.68	-7%
Dividend per share	0.21	0.21	0%	0.23	0.23	0%	0.25	0.25	0%

Source: Inderes

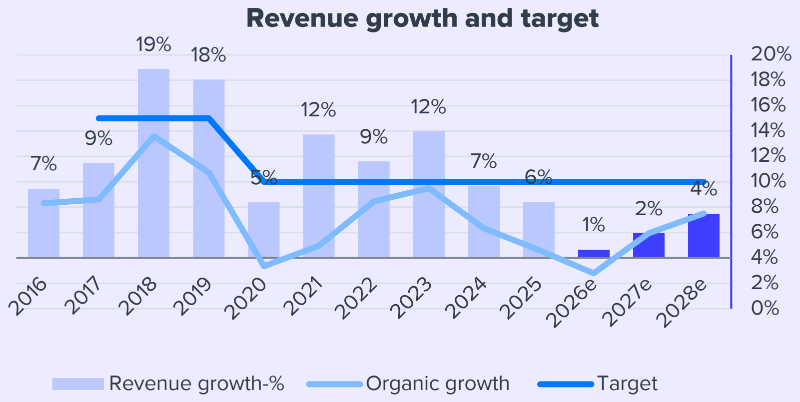
Financial targets for the strategy period 2026-28

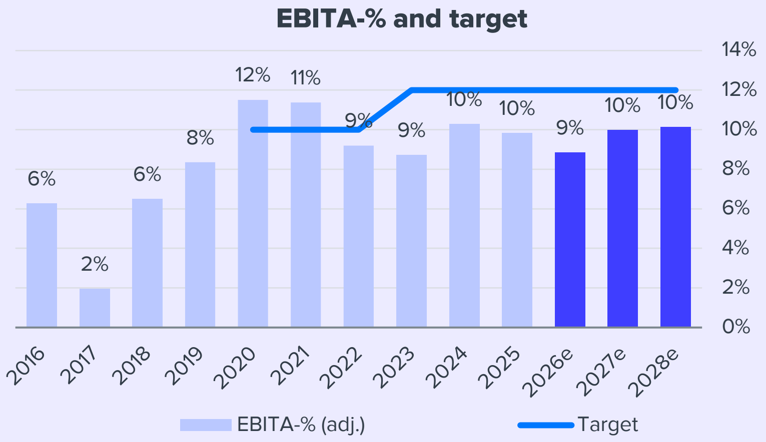
Financial targets are largely the same as in the previous period

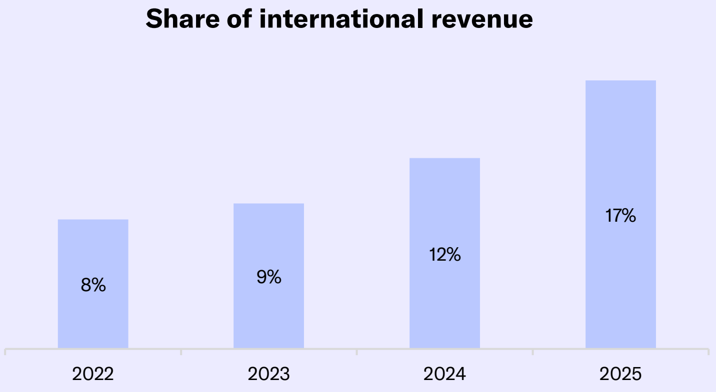
During the strategy period, Digia aims for annual revenue growth of over 10%, including organic and inorganic growth. The target is realistic but requires new acquisitions, as we estimate organic growth to be 1-4% during the strategy period, limited by a challenging market. During the previous strategy period, Digia grew by an average of 8% annually (organically, according to our calculations, just under 4%).

In terms of profitability, the company aims for an EBITA margin of over 12% of revenue at the end of the strategy period. The target is a level above the sector average (EBITA% of ~6-8%). The company already reached an EBITA margin of approximately 11.5% in 2020-21, partly supported by COVID-related savings. In the last strategy period, annual profitability was 9-10%. On the other hand, the company is also continuously investing in the business and scalable solutions through the income statement. In addition, the company had to streamline its operations, which resulted in relatively significant non-recurring costs. The company is also investing in 2026, which limits profitability. Overall, we consider the profitability target achievable by the end of the strategy period, but the current market weakness and the disruptive threat of AI create headwinds. Historically, although the company did not quite reach its profitability target, it was still clearly better than for the sector.

In terms of international business, the company is aiming for a share of more than 30% of revenue at the end of the strategy period. In 2022, the share of international revenue was around 8%. After the Top of Minds acquisition, the share of international business rose to around 12% of revenue in 2024 (9% in 2023). With the latest Savangard acquisition, the company took a leap in its strategy period targets, and after the transaction, the share of international revenue will be around 20% at the end of the 2025 strategy period The company's raised target of 30% indicates annual growth of around 20% for its international business. In our view, this requires a clear focus on international acquisitions.







Valuation 1/2

Investment perspective – multiple value drivers

Digia has strengthened its profile as an earnings growth company and has risen to become one of the sector's top performers, which supports the share valuation. In the short term, however, market weakness is limiting the IT services sector. Digia managed for several years without the market significantly restricting it, but now it has temporarily turned to a decline (organic growth in 2023-25 of +9%, 3%, and +1% vs. Q2'26 of -3%).

However, Digia's risk profile remains low compared to the sector due to the company's broad offering and customer base, the large share of recurring revenue, and consequently, the stable business. The company's profile, compared to IT service companies that have grown in the digital age, is distinguished by a more comprehensive offering, a large share of recurring revenue and a relatively large share of proprietary products. In our view, Digia is still one of the current top performers in the sector in terms of growth and profitability profile (Rule of 20), which supports a higher valuation than the IT services sector.

Value creation is driven by revenue growth and moderately improved profitability. There is still more potential in profitability than in our forecasts, but this requires evidence of the productivity of investments and support from a better market situation. In the long term, we believe that Digia's value creation will stem from success in organic growth, synergies in service areas, improved efficiency, growth in scalable business and overall competitiveness, which together determine the key driver of earnings growth. The company has generally also succeeded in acquisitions, thereby accelerating growth. In the long term, we also consider Digia a potential takeover target as the active consolidation of the IT market continues.

The key risks relate to customer demand and price pressure, the disruptive threat of AI, investment productivity, projects, acquisitions, and internationalization.

Multiple-based valuation

Digia's valuation can currently be monitored well through all earnings-based valuation multiples. The valuation multiples we primarily use in the sector and for Digia are adjusted P/E and EV/EBIT multiples. Historically, Digia has made very few cash flow-related adjustments. Adjustments are particularly justified when comparing the company to its peers.

Based on our estimates, Digia's 2026 EV/EBIT and adjusted P/E ratios are 7x and 10x, which we believe is an attractive level. Relative to the good and stable earnings growth outlook and the large share of recurring services and maintenance (~50%), the valuation can even be described as very attractive. However, the risk of a profit warning curbs the strongest enthusiasm for the stock. Our target price corresponds to P/E and EV/EBITA multiples of 12x and 10x for 2026e.

In general, the valuation level of the IT services sector has been under pressure for the past couple of years due to geopolitical risks, rising interest rates and the general weak economic situation. The weak market situation has been reflected in the sector's earnings levels, which has also weighed on the sector's valuation levels. We believe the sector will be more clearly divided into winners and losers, which will be reflected in operational development and differences in valuation. The AI revolution is largely driving this development. We see Digia as one of the winners, as evidenced by its strong performance in recent years.

Valuation	2026e	2027e	2028e
Share price	6.80	6.80	6.80
Number of shares, millions	26.8	26.8	26.8
Market cap	182	182	182
EV	197	186	174
P/E (adj.)	11.8	10.8	10.0
P/E	14.8	12.1	11.0
P/B	1.8	1.7	1.5
P/S	0.8	0.8	0.8
EV/Sales	0.9	0.8	0.7
EV/EBITDA	8.4	7.0	6.2
EV/EBIT (adj.)	9.7	8.3	7.3
Payout ratio (%)	45.8 %	40.9 %	40.4 %
Dividend yield-%	3.1 %	3.4 %	3.7 %

Source: Inderes

Valuation 2/2

Peer group

In our view, Digia should be positioned among the Nordic IT service companies as an established player with a broad offering, its own products, and around half is recurring business. We believe that a good Nordic peer group can be found for Digia, against which the valuation can be mirrored and supported. In the peer group, we have used Inderes' estimates for the companies we cover, which takes into account goodwill amortization and improves comparability between Finnish companies. A similar peer for Digia emerged when Vincit and Bilot merged, even though Vincit is currently undergoing a very strong transformation and facing operational challenges. In addition, Netum shares several characteristics with Digia, but on the other hand, like Vincit, it is a clear turnaround company and significantly smaller.

In our view, Digia's share can be assigned a higher valuation level than the Finnish sector in a normal business environment, due to its stable business operations and performance, good prospects, and the increasing scalability of the business.

Digia is valued at around 20% below Finnish peers with 2026 EV/EBIT and P/E ratios. Thus, the company is relatively very attractively valued. The company's earnings level can be considered relatively stable in the sector context, as a large part of the company's revenue is recurring (the share of service and maintenance business was 50% in Q2'26).

Components of the expected return for the share

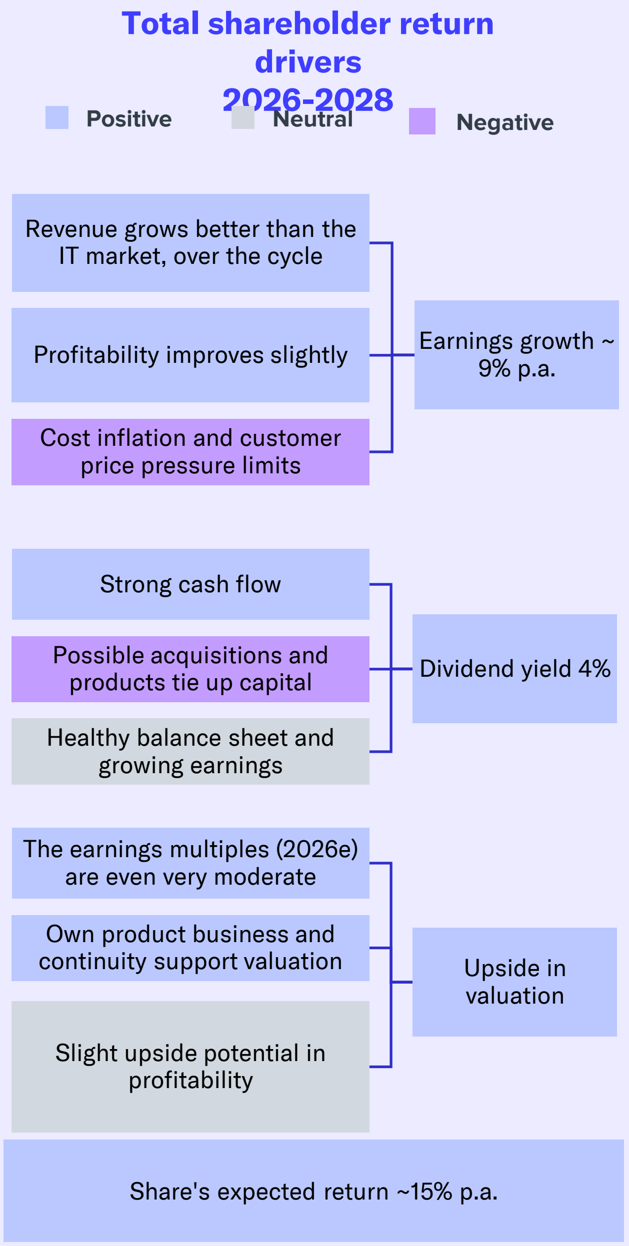
We look at the expected return on the Digia share in terms of earnings growth, dividend yield and accepted valuation multiples. We estimate that the company has the potential for ~9% annual adjusted earnings growth (CAGR 2027-2028) in the coming years, driven by revenue growth and improved profitability. With our dividend forecasts at the lower end of the guidance (at least 30% of profits) at ~39% of profits, the dividend yield is at the ~4% level. The strong cash flow provides a good basis for a relatively high dividend payout, but we estimate that the company will repay debt and continue to pursue inorganic growth, which is why our dividend forecasts are low.

We see the 2026 multiples as moderate. Consequently, the return expectation, which currently consists of the share's dividend yield, earnings growth and moderate upside potential in valuation multiples, rises to ~15% per annum. The expected return clearly exceeds the cost of equity.

DCF analysis

In our valuation, we still give more weight to valuation multiples than to the cash flow model, even though the company's business development is stable and improves the reliability of the cash flow model. Our DCF model indicates a value of EUR 8.2 per Digia share. In our estimate model, which is even relatively conservative, Digia will grow at an average rate of 4% in 2026-2033 and 1.5% in the long term. In addition, the EBITA margin is 10-11% until 2029, after which it will decrease to 8.5% in the terminal, which reflects only slightly better profitability than the sector average and a weaker level than in recent years for the company. In the model, the weight of the terminal assumption is relatively small (49%), which improves reliance on the model. The weighted average cost of capital (WACC) we use in the cash flow model is 8.7%.

The cash flow calculation thus clearly indicates a higher level than the current one, which supports at least a positive view on the stock.

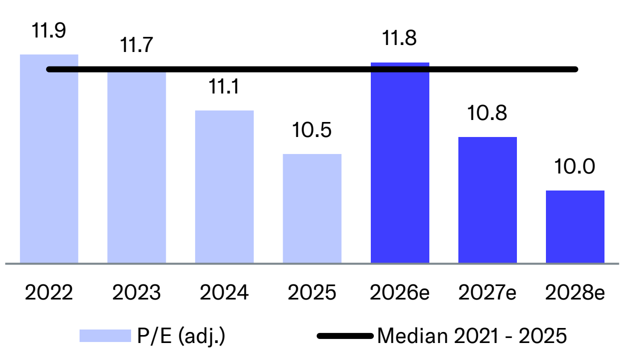


Valuation table

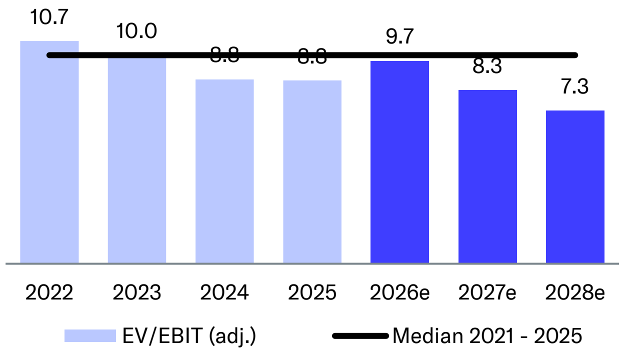
Valuation	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	5.71	5.46	6.66	6.64	**6.80**	**6.80**	**6.80**	**6.80**
Number of shares, millions	26.7	26.8	26.8	26.7	**26.8**	**26.8**	**26.8**	**26.8**
Market cap	152	146	179	177	**182**	**182**	**182**	**182**
EV	170	171	190	201	**197**	**186**	**174**	**161**
P/E (adj.)	11.9	11.7	11.1	10.5	**11.8**	**10.8**	**10.0**	**9.3**
P/E	15.9	14.8	13.4	13.8	**14.8**	**12.1**	**11.0**	**10.0**
P/B	2.1	1.9	2.1	1.9	**1.8**	**1.7**	**1.5**	**1.4**
P/S	0.9	0.8	0.9	0.8	**0.8**	**0.8**	**0.8**	**0.7**
EV/Sales	1.0	0.9	0.9	0.9	**0.9**	**0.8**	**0.7**	**0.7**
EV/EBITDA	8.6	8.1	7.5	7.9	**8.4**	**7.0**	**6.2**	**5.5**
EV/EBIT (adj.)	10.7	10.0	8.8	8.8	**9.7**	**8.3**	**7.3**	**6.4**
Payout ratio (%)	47.4 %	46.2 %	36.3 %	39.5 %	**45.8 %**	**40.9 %**	**40.4 %**	**39.5 %**
Dividend yield-%	3.0 %	3.1 %	2.7 %	2.9 %	**3.1 %**	**3.4 %**	**3.7 %**	**4.0 %**

Source: Inderes

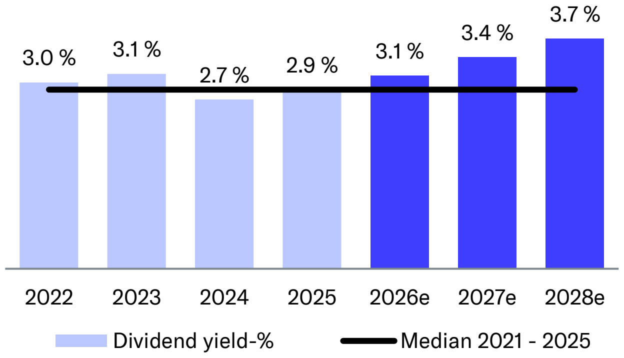
P/E (adj.)



EV/EBIT (oik.)



Dividend yield-%



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-%	
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**
Digital Workforce*	30	33	16.9	11.0	13.0	9.4	1.0	0.9	16.2	11.3	3.6	4.4
Gofore*	169	180	9.4	7.6	7.3	6.1	0.8	0.8	14.0	10.7	4.9	5.1
Loihde*	71	73	12.1	10.0	5.5	5.0	0.5	0.5	15.6	12.5	6.4	7.0
Netum Group*	13	21	11.1	10.4	9.0	7.4	0.6	0.6	11.6	10.5	2.0	4.0
Siili Solutions*	22	25	8.2	6.8	4.6	3.9	0.3	0.2	11.9	8.9	2.9	3.3
Solteq*	6	31	32.1	14.9	21.7	10.0	0.7	0.7				
Tieto	2120	2485	9.2	9.7	7.7	8.0	1.4	1.4	11.2	10.8	5.1	5.7
Vincit*	16	17	31.8	6.9	4.3	2.4	0.3	0.2	110.1	10.1		4.3
Witted Megacorp*	23	16	7.2	5.8	7.3	5.7	0.3	0.2	12.1	10.9	1.3	3.3
Avensia AB	22	22	9.4	6.0	5.9	4.5	0.6	0.5	12.8	7.7		
Bouvet	427	408	9.6	8.7	7.9	7.3	1.1	1.0	13.2	12.0	7.7	8.3
CombinedX	61	36	2.6	6.3	1.9	3.7	0.5	0.5	4.6	13.2		
Exsitec	132	169	13.4	10.1	8.6	6.9	1.8	1.5	14.8	11.7	1.8	1.9
Knowit	235	283	20.9	13.3	6.8	5.6	0.6	0.5	26.0	12.8	2.5	3.2
Netcompany Group	2002	2534	15.3	12.9	11.7	10.1	2.0	1.9	17.1	13.8		
NNIT	128	170	14.2	9.4	9.2	6.9	0.7	0.7	20.5	9.8	5.3	1.5
Webstep	40	38	6.4	5.6	5.0	4.5	0.5	0.4	7.7	6.8	9.4	10.0
Digia (Inderes)	**182**	**197**	**9.7**	**8.3**	**8.4**	**7.0**	**0.9**	**0.8**	**11.8**	**10.8**	**3.1**	**3.4**
Average			**13.3**	**9.1**	**8.0**	**6.3**	**0.8**	**0.7**	**19.5**	**10.8**	**4.5**	**4.8**
Median all companies			**10.4**	**9.0**	**7.3**	**6.0**	**0.7**	**0.6**	**13.2**	**10.8**	**4.9**	**4.3**
Diff-% to median all companies			*-6%*	*-8%*	*15%*	*18%*	*38%*	*31%*	*-11%*	*0%*	*-37%*	*-22%*
Median Finnish companies			**10.3**	**8.9**	**7.3**	**6.0**	**0.7**	**0.6**	**12.1**	**10.7**	**4.2**	**4.4**
Diff-% to Median Finnish companies			*-5%*	*-7%*	*15%*	*18%*	*38%*	*31%*	*-2%*	*1%*	*-27%*	*-22%*

Source: Refinitiv / *Inderes' adjusted estimate. Note: The market value used by Inderes does not take into consideration treasury shares.

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**206**	**53.8**	**53.7**	**49.3**	**60.2**	**217**	**56.4**	**54.3**	**48.0**	**60.2**	**219**	**224**	**234**	**245**
EBITDA	**25.4**	**5.6**	**4.0**	**6.2**	**9.5**	**25.3**	**4.3**	**4.2**	**5.8**	**9.3**	**23.6**	**26.6**	**27.9**	**29.4**
Depreciation	-7.2	-1.7	-1.8	-1.9	-1.8	-7.2	-1.9	-1.8	-1.8	-1.7	-7.1	-6.5	-6.2	-5.8
EBITA (oik.)	**21.5**	**4.8**	**4.4**	**5.6**	**8.1**	**22.9**	**4.0**	**3.4**	**4.7**	**8.2**	**20.3**	**22.4**	**23.7**	**25.2**
EBIT	**18.2**	**3.9**	**2.2**	**4.3**	**7.7**	**18.1**	**2.5**	**2.4**	**4.0**	**7.6**	**16.5**	**20.1**	**21.7**	**23.6**
Net financial items	-1.3	-0.5	-0.3	-0.4	-0.6	-1.7	-0.3	-0.3	-0.3	-0.3	-1.0	-1.2	-1.0	-0.7
PTP	**16.9**	**3.4**	**2.0**	**3.9**	**7.1**	**16.4**	**2.2**	**2.1**	**3.8**	**7.3**	**15.5**	**18.9**	**20.7**	**22.9**
Taxes	-3.6	-0.7	-0.5	-0.7	-1.7	-3.5	-0.5	-0.5	-0.8	-1.5	-3.1	-3.8	-4.1	-4.6
Net earnings	**13.3**	**2.7**	**1.5**	**3.2**	**5.4**	**12.8**	**1.8**	**1.7**	**3.0**	**5.8**	**12.3**	**15.1**	**16.6**	**18.3**
EPS (adj.)	**0.60**	**0.13**	**0.13**	**0.16**	**0.21**	**0.63**	**0.11**	**0.09**	**0.13**	**0.24**	**0.58**	**0.63**	**0.68**	**0.73**
EPS (rep.)	**0.50**	**0.10**	**0.06**	**0.12**	**0.20**	**0.48**	**0.07**	**0.06**	**0.11**	**0.22**	**0.46**	**0.56**	**0.62**	**0.68**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	7.1 %	0.2 %	3.2 %	8.5 %	10.5 %	5.5 %	4.9 %	1.0 %	-2.7 %	-0.1 %	0.8 %	2.4 %	4.4 %	4.6 %
EBITA (oik.) kasvu	25.8 %	-12%	-4%	-2%	39%	6%	-18%	-23%	-15%	1%	-11.3 %	10.1 %	6.1 %	6.3 %
EBITA-% (oik.)	10.5 %	9.0 %	8.1 %	11.3 %	13.5 %	10.5 %	7.1 %	6.2 %	9.9 %	13.6 %	9.3 %	10.0 %	10.1 %	10.3 %
Liikevoitto-%	8.9 %	7.2 %	4.1 %	8.8 %	12.7 %	8.4 %	4.4 %	4.4 %	8.4 %	12.6 %	7.5 %	8.9 %	9.3 %	9.6 %
Net earnings-%	6.5 %	5.1 %	2.8 %	6.6 %	8.9 %	5.9 %	3.1 %	3.1 %	6.3 %	9.7 %	5.6 %	6.7 %	7.1 %	7.5 %

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	**97.6**	**114**	**114**	**114**	**115**
Goodwill	92.8	106	106	106	106
Intangible assets	0.0	0.0	0.2	0.4	0.6
Tangible assets	3.6	6.6	6.6	6.7	6.9
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.5	0.7	0.7	0.7	0.7
Other non-current assets	0.5	0.7	0.7	0.7	0.7
Deferred tax assets	0.3	0.2	0.2	0.2	0.2
Current assets	**56.2**	**73.3**	**72.7**	**78.0**	**87.3**
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	38.0	49.1	50.3	51.5	53.8
Cash and equivalents	18.2	24.2	22.4	26.4	33.5
Balance sheet total	**163**	**197**	**194**	**197**	**205**

Source: Inderes

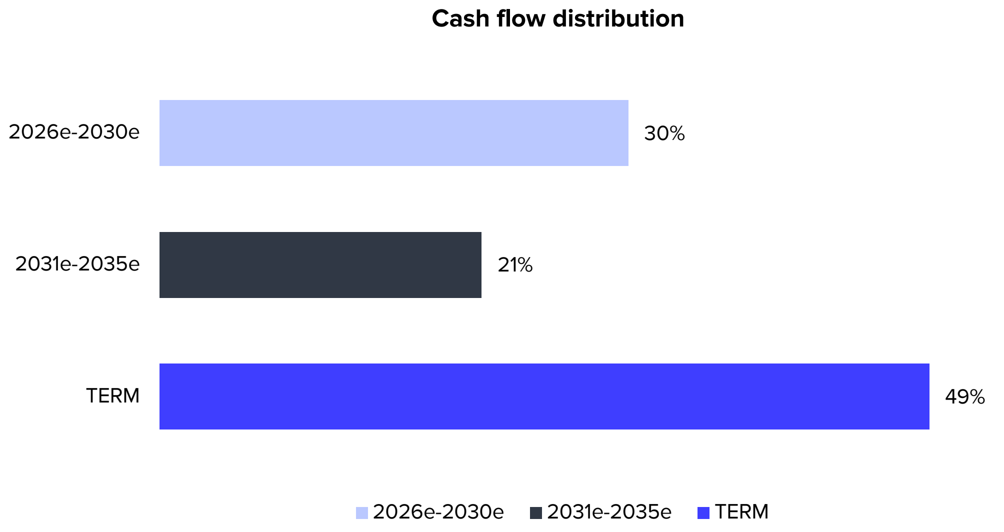
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**83.7**	**93.5**	**101**	**110**	**121**
Share capital	2.1	2.1	2.1	2.1	2.1
Retained earnings	39.6	49.3	56.5	66.0	76.4
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	42.1	42.1	42.1	42.1	42.1
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**17.0**	**42.2**	**32.9**	**28.8**	**24.9**
Deferred tax liabilities	2.0	2.4	2.0	2.0	2.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	15.0	35.5	26.6	22.5	18.6
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	0.0	4.3	4.3	4.3	4.3
Current liabilities	**62.7**	**61.3**	**60.1**	**58.0**	**59.2**
Interest bearing debt	14.8	12.4	10.8	7.5	6.5
Payables	47.9	48.9	49.3	50.5	52.7
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**163**	**197**	**194**	**197**	**205**

DCF calculation

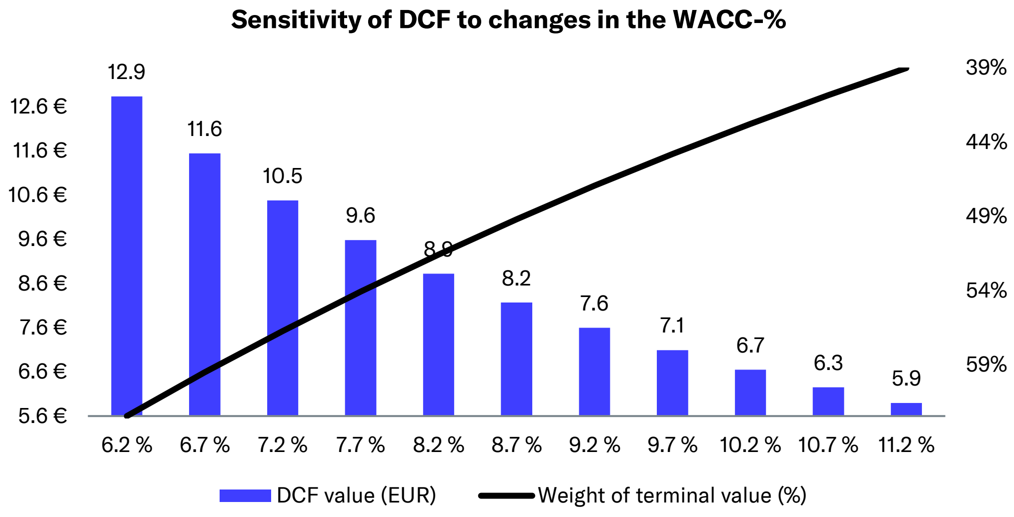
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	5.5 %	0.8 %	2.4 %	4.4 %	4.6 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	1.5 %	1.5 %
EBIT-%	8.4 %	7.5 %	8.9 %	9.3 %	9.6 %	10.0 %	9.5 %	9.0 %	8.5 %	8.5 %	8.5 %	8.5 %
EBIT (operating profit)	**18.1**	**16.5**	**20.1**	**21.7**	**23.6**	**25.2**	**24.7**	**24.1**	**23.4**	**24.1**	**24.5**	
+ Depreciation	7.2	7.1	6.5	6.2	5.8	5.1	4.4	4.5	4.6	4.7	4.6	
- Paid taxes	-3.1	-3.5	-3.8	-4.1	-4.6	-4.9	-4.8	-4.7	-4.6	-4.7	-4.8	
- Tax, financial expenses	-0.4	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
+ 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	-10.0	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operating cash flow	**11.8**	**19.0**	**22.5**	**23.5**	**24.6**	**25.2**	**24.1**	**23.7**	**23.3**	**23.9**	**24.2**	
+ Change in other long-term liabilities	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-23.7	-4.4	-4.5	-4.6	-4.7	-4.7	-4.8	-4.8	-4.9	-4.9	-5.1	
Free operating cash flow	**-7.6**	**14.6**	**18.0**	**19.0**	**20.0**	**20.5**	**19.3**	**18.9**	**18.4**	**19.0**	**19.1**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-7.6	14.6	18.0	19.0	20.0	20.5	19.3	18.9	18.4	19.0	19.1	269
Discounted FCFF		**14.1**	**16.0**	**15.5**	**15.0**	**14.2**	**12.3**	**11.1**	**9.9**	**9.4**	**8.7**	**123**
Sum of FCFF present value		249	235	219	204	188	174	162	151	141	132	123
Enterprise value DCF		**249**										
- Interest bearing debt		-47.9										
+ Cash and cash equivalents		24.2										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		-5.1										
Equity value DCF		**220**										
Equity value DCF per share		**8.2**										

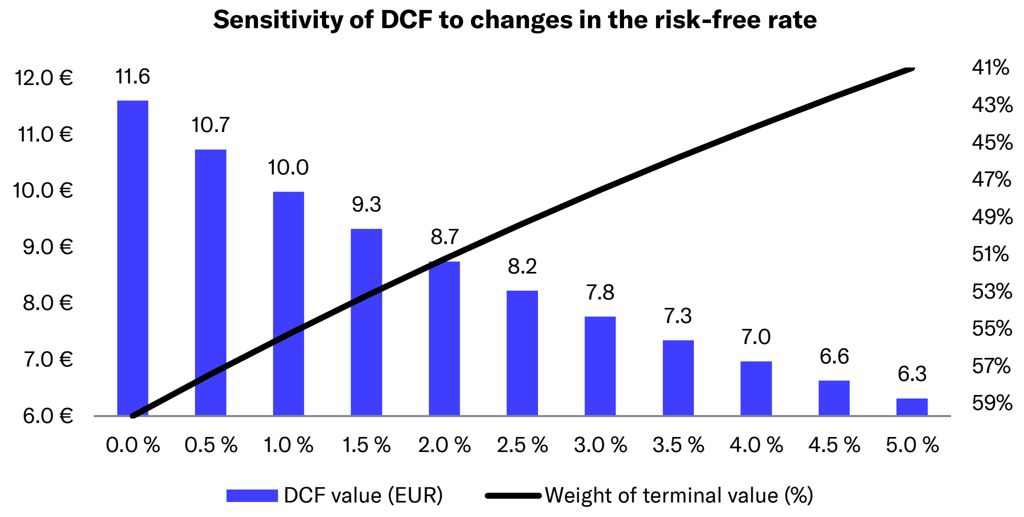
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	6.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	**9.7 %**
Weighted average cost of capital (WACC)	**8.7 %**

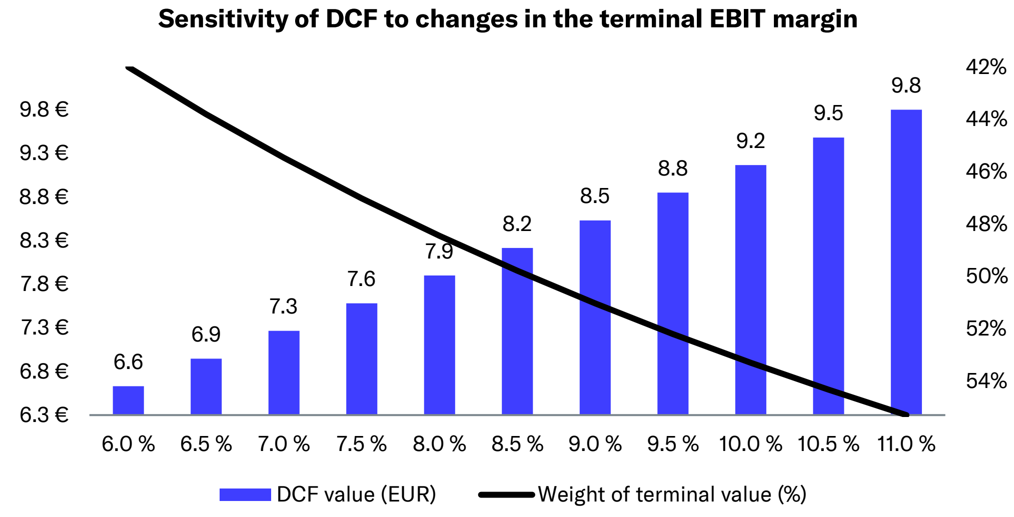
Source: Inderes

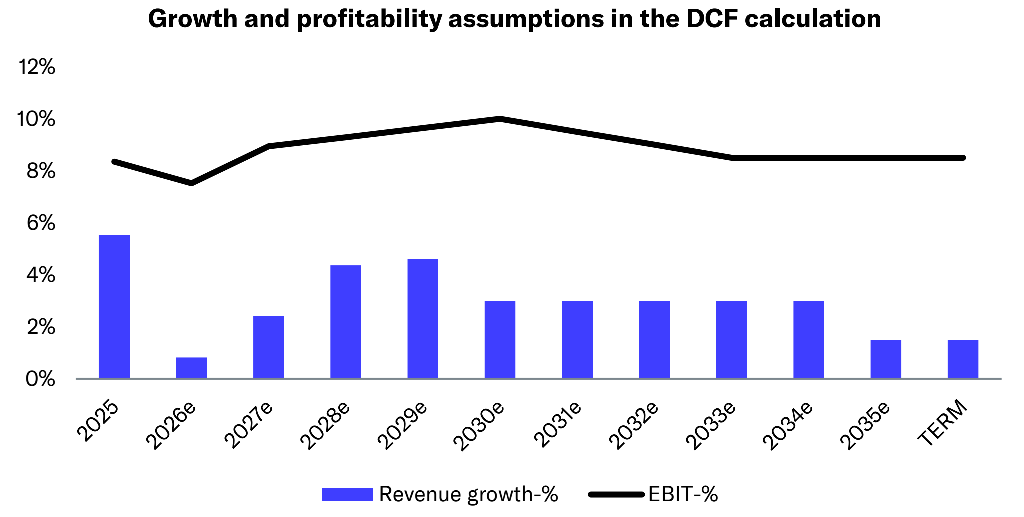


DCF sensitivity calculations and key assumptions in graphs









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	192.0	205.7	217.0	**218.8**	**224.1**
EBITDA	21.1	25.4	25.3	**23.6**	**26.6**
EBIT	13.8	18.2	18.1	**16.5**	**20.1**
PTP	12.4	16.9	16.4	**15.5**	**18.9**
Net Income	9.9	13.3	12.8	**12.3**	**15.1**
Extraordinary items	-3.3	-3.3	-4.8	**-3.9**	**-2.3**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	168.2	163.5	197.0	**193.7**	**197.0**
Equity capital	75.4	83.7	93.5	**100.7**	**110.2**
Goodwill	93.3	92.8	105.5	**105.5**	**105.5**
Net debt	24.8	11.6	23.7	**15.0**	**3.6**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	21.1	25.4	25.3	**23.6**	**26.6**
Change in working capital	-4.5	3.0	-10.0	**-0.9**	**0.0**
Operating cash flow	13.8	23.9	11.8	**19.0**	**22.5**
CAPEX	-12.5	-1.3	-23.7	**-4.4**	**-4.5**
Free cash flow	-0.5	19.1	-7.6	**14.6**	**18.0**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.9	0.9	0.9	**0.9**	**0.8**
EV/EBITDA	8.1	7.5	7.9	**8.4**	**7.0**
EV/EBIT (adj.)	10.0	8.8	8.8	**9.7**	**8.3**
P/E (adj.)	11.7	11.1	10.5	**11.8**	**10.8**
P/B	1.9	2.1	1.9	**1.8**	**1.7**
Dividend-%	3.1 %	2.7 %	2.9 %	**3.1 %**	**3.4 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.37	0.50	0.48	**0.46**	**0.56**
EPS (adj.)	0.47	0.60	0.63	**0.58**	**0.63**
OCF / share	0.52	0.89	0.44	**0.71**	**0.84**
OFCF / share	-0.02	0.71	-0.29	**0.54**	**0.67**
Book value / share	2.81	3.12	3.50	**3.75**	**4.11**
Dividend / share	0.17	0.18	0.19	**0.21**	**0.23**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	12%	7%	6%	**1%**	**2%**
EBITDA growth-%	7%	20%	0%	**-7%**	**13%**
EBIT (adj.) growth-%	7%	26%	1%	**-9%**	**16%**
EPS (adj.) growth-%	-3%	28%	5%	**-9%**	**10%**
EBITDA-%	11.0 %	12.4 %	11.7 %	**10.8 %**	**11.8 %**
EBIT (adj.)-%	8.7 %	10.3 %	9.8 %	**8.8 %**	**10.0 %**
EBIT-%	7.2 %	8.9 %	8.4 %	**7.5 %**	**8.9 %**
ROE-%	13.5 %	16.7 %	14.5 %	**12.7 %**	**14.3 %**
ROI-%	12.8 %	16.1 %	14.2 %	**11.8 %**	**14.4 %**
Equity ratio	44.9 %	51.2 %	47.4 %	**52.0 %**	**55.9 %**
Gearing	32.8 %	13.9 %	25.4 %	**14.9 %**	**3.2 %**
Net debt/EBITDA	1.2	0.5	0.9	**0.6**	**0.1**
EBITDA/net financials	15.0	20.0	14.6	**23.6**	**22.5**

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

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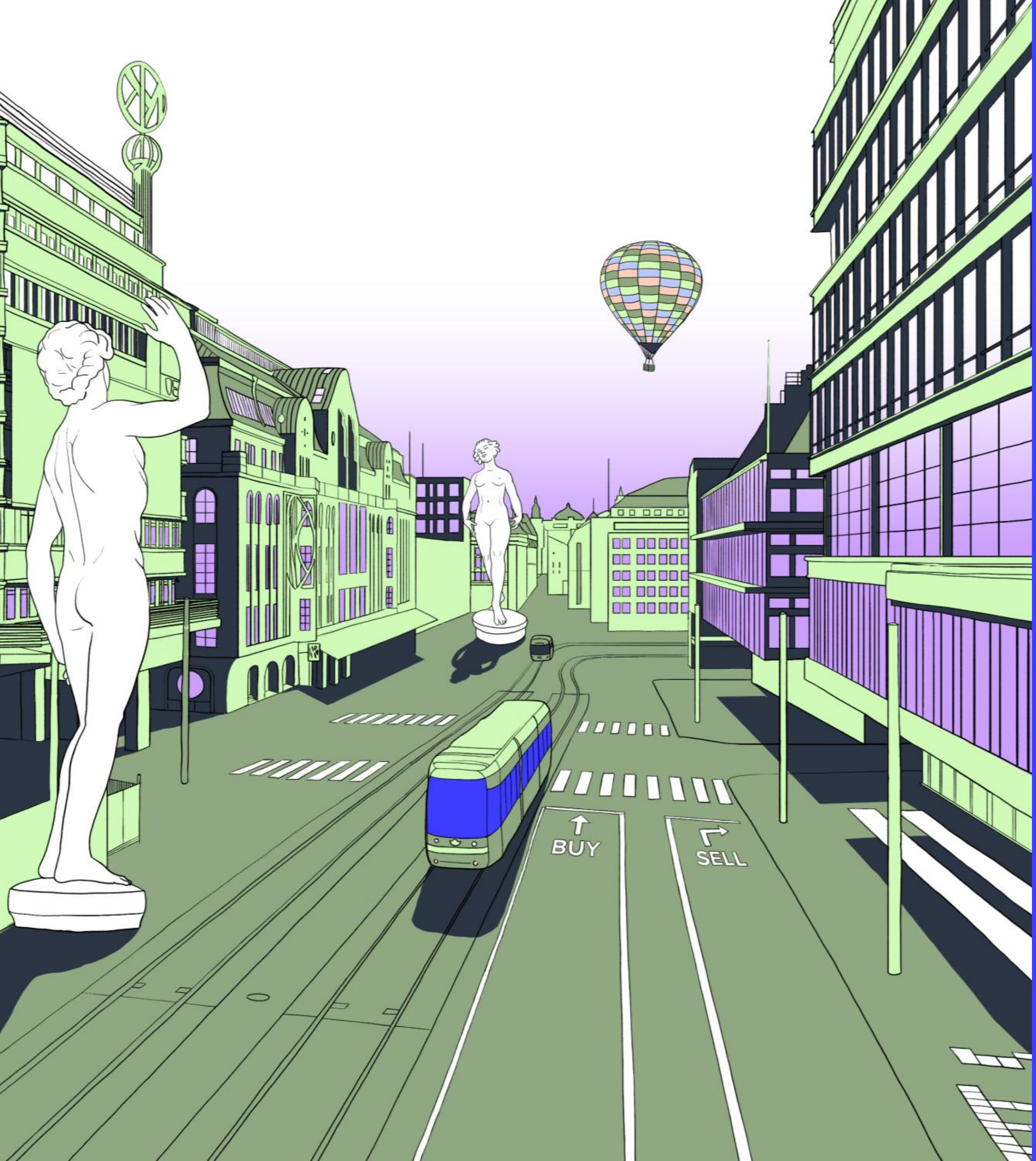
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/12/2019	Buy	4.00 €	3.48 €
9/9/2019	Reduce	4.00 €	4.02 €
10/29/2019	Accumulate	4.00 €	3.72 €
11/1/2019	Accumulate	4.00 €	3.82 €
2/10/2020	Accumulate	5.20 €	4.90 €
5/8/2020	Accumulate	5.70 €	5.24 €
6/15/2020	Accumulate	5.70 €	4.99 €
8/12/2020	Accumulate	6.40 €	6.00 €
11/2/2020	Reduce	6.90 €	6.84 €
12/16/2020	Accumulate	7.20 €	6.34 €
2/10/2021	Reduce	8.40 €	8.56 €
3/16/2021	Accumulate	8.40 €	7.28 €
5/5/2021	Reduce	8.60 €	8.40 €
7/8/2021	Accumulate	8.60 €	7.61 €
8/9/2021	Accumulate	8.40 €	7.68 €
9/2/2021	Accumulate	8.40 €	7.53 €
10/19/2021	Accumulate	8.10 €	7.02 €
11/1/2021	Accumulate	8.10 €	6.90 €
2/9/2022	Accumulate	8.10 €	7.45 €
5/5/2022	Accumulate	8.40 €	7.25 €
8/10/2022	Accumulate	8.00 €	7.10 €
10/31/2022	Reduce	6.50 €	6.24 €
2/13/2023	Reduce	6.50 €	6.48 €
5/5/2023	Buy	6.80 €	5.56 €
8/4/2023	Accumulate	6.80 €	5.76 €
8/11/2023	Accumulate	6.60 €	5.88 €
9/27/2023	Accumulate	6.60 €	5.58 €
10/30/2023	Accumulate	5.80 €	4.89 €
11/16/2023	Accumulate	6.20 €	5.52 €
2/12/2024	Accumulate	6.20 €	5.24 €
5/10/2024	Accumulate	6.40 €	5.62 €
8/12/2024	Accumulate	6.40 €	5.58 €
10/28/2024	Buy	7.30 €	5.92 €
2/26/2025	Accumulate	7.80 €	6.96 €
4/28/2025	Buy	7.80 €	6.22 €
5/9/2025	Buy	8.30 €	6.54 €
6/5/2025	Accumulate	8.30 €	7.34 €
8/8/2025	Accumulate	8.00 €	6.72 €
10/24/2025	Accumulate	7.20 €	5.98 €
2/4/2026	Accumulate	7.20 €	6.36 €
2/6/2026	Buy	7.50 €	6.34 €
4/30/2026	Buy	7.50 €	5.50 €
8/7/2026	Accumulate	6.80 €	5.70 €



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