

# DIGIA

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# COMPANY REPORT



# The new strategy period and outlook in focus

Digia publishes its financial statements release on Thursday, at 3:00 pm EET. We expect revenue growth to have remained strong in late 2025, particularly supported by the Savangard acquisition. Organic growth has also been good, particularly in the current, still challenging market situation. We estimate that profitability strengthened significantly year-on-year, driven by efficiency measures and improved billing rates, but for the full year, the company has been close to the lower end of its guidance. Naturally, the focus in the report will be on the 2026 outlook, the priorities for the new strategy period, and the dividend proposal, which we expect to be higher than last year.

## Savangard acquisition boosts Q4 revenue growth

We slightly raised our Q4 revenue estimates (0.5 MEUR) and our earnings estimates, driven by better billing rates, as the company's Q4 appears to have been better than expected, with no profit warning issued yet. We expect Digia's Q4 revenue to have grown by 9% to 59.5 MEUR. The Savangard acquisition is a particular driver of growth. Growth is also supported by one more working day than in the comparison period, with an impact of just under 2%. We expect organic growth to improve to 2%, which is a relatively clear outperformance compared to the general development of the IT services sector in Q4.

## Efficiency measures and billing rates support better profitability

We expect Digia's adjusted EBITA to increase to 8.6 MEUR in Q4, which would correspond to a strong margin of 14.4% (Q4'24: 5.9 MEUR and 10.7%). Profitability in late 2025 is supported by the fully realized savings from the change negotiations, Digia expects to bring annual benefits of around 2.4 MEUR. Better billing rates, the progress of the Savangard acquisition integration, and the seasonal strength of Q4 will support the earnings level. We estimate reported EPS to have grown to EUR 0.22 and, adjusted for PPA depreciation, to have been EUR 0.24 per share (Q4'24 EUR 0.15 and EUR 0.17), and to be EUR 0.49 and EUR 0.66 for the full year 2025. Regarding the dividend, we forecast Digia's Board

of Directors to propose a dividend of EUR 0.19 per share, which would mean a one-cent increase from the previous year's EUR 0.18. This would correspond to a payout ratio of 39%, which is in line with the company's dividend target of at least 30%. In addition to a rising dividend, strong cash flow, and moderate indebtedness enable continuous investments in acquisitions, which likely remain a key part of the company's growth strategy.

## New strategy period and outlook in focus for investors

The key aspect of the report is outlook and guidance for 2026. We expect Digia's revenue to grow by about 6% to 228 MEUR this year and EBIT to rise to 24.2 MEUR. The market situation is expected to gradually normalize, and Digia's position as an "Integration Powerhouse" and strong foothold in the defense and financial sectors provide a good starting point for growth.

Digia's strategy period 2023-2025 is coming to an end, and the company is expected to publish new targets for 2026-2028, which we naturally monitor. We believe the new strategy is a natural continuation of the previous one. The role of AI and automation is expected to be emphasized in all service areas, and the company may set new targets to grow its scalable product business. The targets should reflect growth and improved profitability. It would be good if the company separated its organic and inorganic growth targets.

## Valuation picture is attractive

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. Based on the valuation methods we use, the stock is attractively (2026e P/E 9x and EV/EBIT 7x) or even very attractively priced from almost all perspectives. When examining our cash flow calculation and relative valuation level, the stock is very attractively priced. In addition, 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 7.2-8.8 per share.

## Recommendation

**Accumulate**

(was Accumulate)

## Target price:

**EUR 7.20**

(was EUR 7.20)

## Share price:

EUR 6.36

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
Revenue	206	216	228	239
growth-%	7%	5%	6%	4%
EBITA	21.2	21.5	24.2	26.5
EBITA-%	10.3 %	9.9 %	10.6 %	11.1 %
Net Income	13.3	13.2	15.9	18.5
EPS (adj.)	0.60	0.66	0.68	0.76
P/E (adj.)	11.1	9.7	9.3	8.4
P/B	2.1	1.8	1.7	1.5
Dividend yield-%	2.7 %	3.0 %	3.3 %	3.6 %
EV/EBIT (adj.)	8.8	8.3	7.4	6.1
EV/EBITDA	7.5	7.7	6.5	5.3
EV/S	0.9	0.9	0.8	0.7

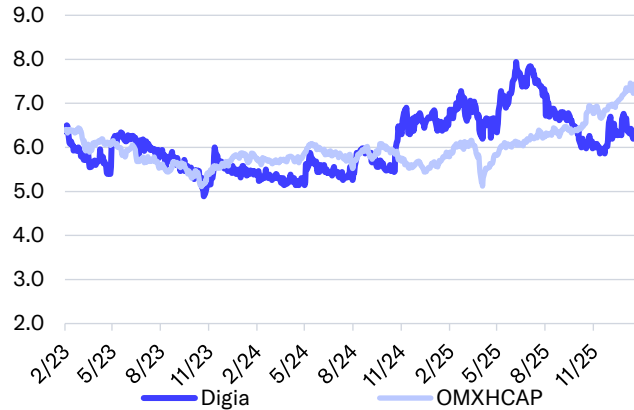
Source: Inderes

## Guidance

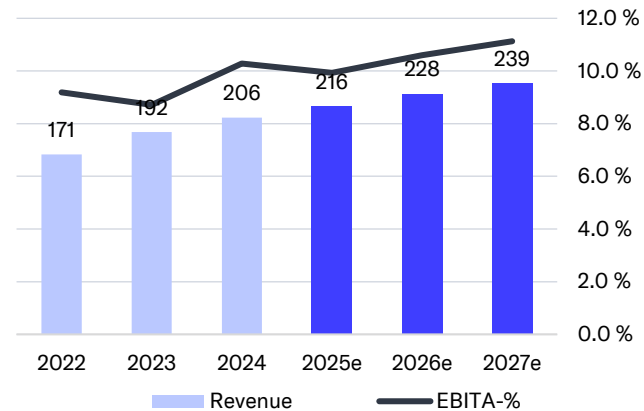
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Digia guides for revenue to grow and EBITA to grow or be at the same level compared to 2024.

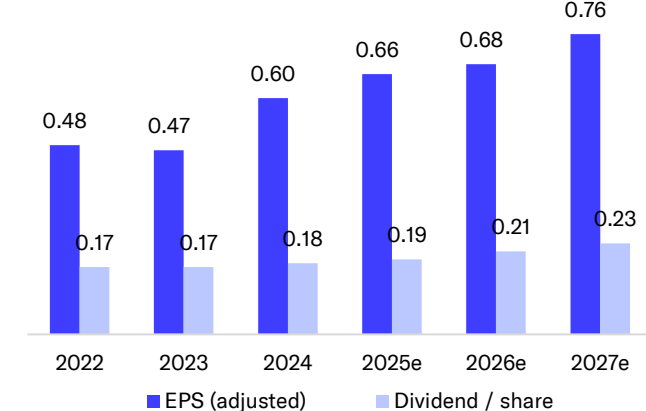
## Share price



## Revenue and EBITA-% (adj.)



## EPS and dividend



## Value drivers

- Strong long-term market growth
- Market trends are favorable for Digia's offering
- Still some potential for improvement in profitability
- Increasing recurring services and scalable business
- Internationalization
- Acquisitions

## Risk factors

- 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	2025e	2026e	2027e
<b>Share price</b>	6.36	6.36	6.36
<b>Number of shares, millions</b>	26.7	26.7	26.7
<b>Market cap</b>	170	170	170
<b>EV</b>	195	180	162
<b>P/E (adj.)</b>	9.7	9.3	8.4
<b>P/E</b>	12.9	10.7	9.2
<b>P/B</b>	1.8	1.7	1.5
<b>P/S</b>	0.8	0.7	0.7
<b>EV/Sales</b>	0.9	0.8	0.7
<b>EV/EBITDA</b>	7.7	6.5	5.3
<b>EV/EBIT (adj.)</b>	8.3	7.4	6.1
<b>Payout ratio (%)</b>	38.5 %	35.3 %	33.3 %
<b>Dividend yield-%</b>	3.0 %	3.3 %	3.6 %

Source: Inderes



# We expect strong earnings in Q4

## Savangard acquisition boosts Q4 revenue growth

We slightly raised our Q4 revenue estimates (0.5 MEUR) and, at the same time, our earnings estimates, driven by better billing rates, as the company's Q4 appears to have been better than expected, with no profit warning issued yet. We expect Digia's Q4 revenue to have grown by 9% to 59.5 MEUR. The growth engine is particularly the Polish Savangard acquisition, consolidated in June 2025, which has strengthened the company's integration expertise and international presence. Growth is also supported by one more working day than in the comparison period, with an impact of just under 2%. We expect organic growth to improve to 3%, which is a relatively clear outperformance compared to the general development of the IT services sector in Q4. Digia's development is supported by the large share of continuous services, which brings stability to a volatile market, and the strong momentum seen in September, which we expect to have also been reflected in late 2025.

## Efficiency measures and billing rates support margin expansion

We expect Digia's adjusted EBITA to have increased to 8.6 MEUR in Q4, which would correspond to a very strong margin of 14.4% (Q4'24: 5.9 MEUR and 10.7%). Profitability in late 2025 is supported by the fully realized savings from the change negotiations, which the company has estimated to bring annual benefits of around 2.4 MEUR. In addition, better billing rates, the progress of the Savangard acquisition integration, and the seasonal strength of Q4 will support the earnings level. However, the challenges of fierce price competition in the public sector and general wage inflation continue to limit the upside potential for margins. For the full year 2025, the company's guidance has been for EBITA to grow or remain at the same level as in 2024 (21.2 MEUR), and based on our updated estimate, the company has narrowly achieved this target (2025e was 20.1 MEUR and now 21.5 MEUR). We estimate reported EPS to have grown to EUR 0.22 and, adjusted for PPA

depreciation, to have been EUR 0.24 per share (Q4'24 EUR 0.15 and EUR 0.17), and to be EUR 0.49 and EUR 0.66 for the full year 2025e.

Regarding the dividend, we forecast Digia's Board of Directors to propose a dividend of EUR 0.19 per share, which would mean a one-cent increase from the previous year's EUR 0.18. This would correspond to a payout ratio of 39%, which is in line with the company's dividend target of at least 30%. In addition to a rising dividend, strong cash flow, and moderate indebtedness enable continuous investments in acquisitions, which remain a key part of the company's growth strategy.

Estimates MEUR / EUR	Q4'24 Comparison	Q4'25 Actualized	Q4'25e Inderes	Q4'25e Consensus	Consensus Low High	2025e Inderes
Revenue	54.5		59.5			216
Organic growth-%	2.6 %		1.8 %			0.8 %
EBITA (adj.)	5.9		8.6			23.4
EBIT	5.2		7.7			18.2
EPS (adj.)	0.17		0.24			0.66
EPS (reported)	0.15		0.22			0.66
DPS	0.18		0.19			0.19
Revenue growth-%	2.6 %		9.2 %			5.2 %
EBITA-%	10.7 %		14.4 %			10.8 %

Source: Inderes

# The new strategy period and outlook in focus

## New strategy period and outlook in focus for investors

The market situation in the IT services sector was challenging in Q3, and to our understanding, remained largely challenging in Q4. Several companies continued to implement revision negotiations in H2'25 to improve efficiency. Small positive signals have again been heard from the private sector in recent months, and we are looking for broader confirmation of this in the Q4 reports. We suspect the public sector remains largely challenging, particularly due to low customer prices resulting from fierce competition. The general economic situation has remained quite fragile due to geopolitical tensions, but at the same time, budding positive signals have emerged, with the strong performance of stock markets being one example.

The key aspect of the report is the company's outlook and guidance for 2026. We expect Digia's revenue to grow by about 6% to 228 MEUR this year and EBIT to rise to 24.2

MEUR. The market situation is expected to gradually normalize, and Digia's position as an "Integration Powerhouse" and strong foothold in the defense and financial sectors provide a good starting point for growth. We are also looking for comments on the new strategy period 2026–2028, which we expect to be a natural continuation of the previous one, emphasizing internationalization and smart solutions.

Digia's strategy period 2023-2025 is coming to an end, and the company is expected to publish new targets for 2026-2028. We estimate that the new strategy is a natural continuation of the previous one, but with an even stronger emphasis on internationalization and the implementation of the "Integration Powerhouse" vision. The share of international business in revenue is rising to nearly 18%, exceeding the current period's target of 15%. The role of AI and automation is expected to be emphasized in all service areas, and the company may set new targets to grow its

scalable product business. The targets should reflect growth and improved profitability. It would be good if the company separated its organic and inorganic growth targets.

Estimates	Q4'24	Q4'25	Q4'25e	Q4'25e	Consensus	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Inderes
Revenue	54.5		59.5			216
Organic growth-%	2.6 %		1.8 %			0.8 %
EBITA (adj.)	5.9		8.6			23.4
EBIT	5.2		7.7			18.2
EPS (adj.)	0.17		0.24			0.66
EPS (reported)	0.15		0.22			0.66
DPS	0.18		0.19			0.19
Revenue growth-%	2.6 %		9.2 %			5.2 %
EBITA-%	10.7 %		14.4 %			10.8 %

Source: Inderes

# We mainly raised our Q4 estimates

## Estimate revisions

- We slightly raised our Q4 revenue estimates (0.5 MEUR) and, at the same time, our earnings estimates, driven by better billing rates, as the company's Q4 appears to have been better than expected, with no profit warning issued yet.

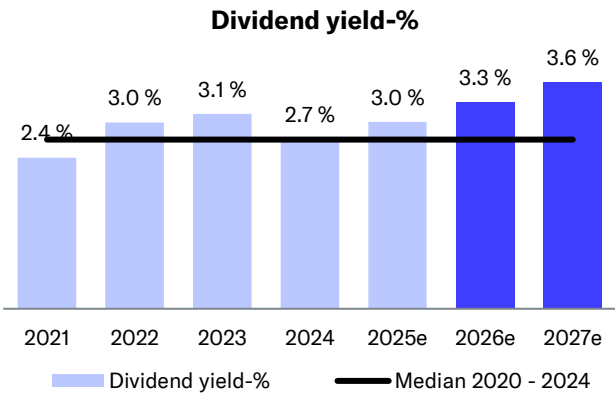
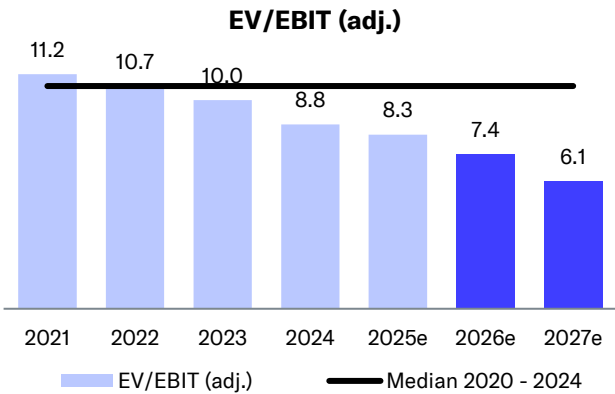
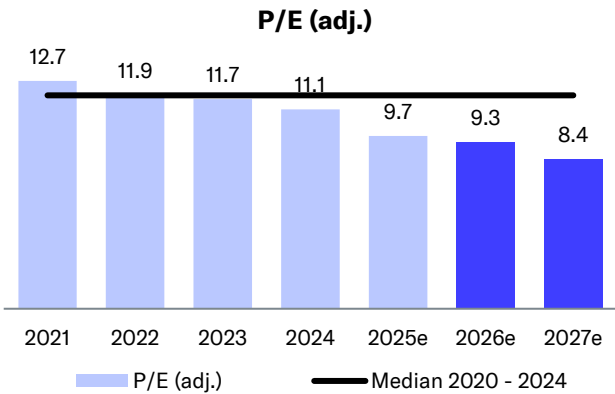
Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	216	216	0%	228	228	0%	238	239	0%
EBITDA	23.8	25.2	6%	27.4	27.8	2%	29.9	30.3	1%
EBIT (excl. NRIs)	22.0	23.4	6%	23.8	24.2	2%	26.1	26.5	2%
EBIT	16.8	18.2	8%	20.8	21.2	2%	23.8	24.2	2%
PTP	15.2	16.6	9%	19.4	19.8	2%	22.6	23.1	2%
EPS (excl. NRIs)	0.62	0.66	7%	0.67	0.68	2%	0.75	0.76	2%
DPS	0.19	0.19	0%	0.21	0.21	0%	0.23	0.23	0%

Source: Inderes

# Valuation table

Valuation	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	7.04	5.71	5.46	6.66	6.36	6.36	6.36	6.36
Number of shares, millions	26.7	26.7	26.8	26.8	26.7	26.7	26.7	26.7
Market cap	188	152	146	179	170	170	170	170
EV	199	170	171	190	195	180	162	146
P/E (adj.)	12.7	11.9	11.7	11.1	9.7	9.3	8.4	7.8
P/E	16.0	15.9	14.8	13.4	12.9	10.7	9.2	8.4
P/B	2.8	2.1	1.9	2.1	1.8	1.7	1.5	1.3
P/S	1.2	0.9	0.8	0.9	0.8	0.7	0.7	0.7
EV/Sales	1.3	1.0	0.9	0.9	0.9	0.8	0.7	0.6
EV/EBITDA	9.0	8.6	8.1	7.5	7.7	6.5	5.3	4.6
EV/EBIT (adj.)	11.2	10.7	10.0	8.8	8.3	7.4	6.1	5.2
Payout ratio (%)	38.6 %	47.4 %	46.2 %	36.3 %	38.5 %	35.3 %	33.3 %	33.1 %
Dividend yield-%	2.4 %	3.0 %	3.1 %	2.7 %	3.0 %	3.3 %	3.6 %	3.9 %

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 Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%	
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e
Digital Workforce*	32	26	9.7	6.8	9.0	6.5	0.8	0.6	12.3	9.3	3.4	4.1
Gofore*	212	220	9.6	8.5	7.9	7.1	1.0	0.9	12.3	11.6	3.9	4.0
Loihde*	65	72	12.7	9.7	5.5	4.7	0.5	0.5	15.7	12.2	6.0	6.2
Innofactor*	61	63	9.4	8.2	6.4	5.8	0.7	0.7	11.9	10.6	5.9	5.9
Netum Group*	14	19	8.9	7.7	8.1	7.3	0.6	0.5	25.5	14.1	3.7	5.6
Siili Solutions*	37	36	6.4	5.0	4.0	3.3	0.3	0.3	8.8	7.4	3.3	4.0
Solteq*	9	31	11.3	9.2	8.1	6.9	0.7	0.6		16.2		
Tietoevry	2108	2579	10.5	9.9	9.0	8.8	1.5	1.4	12.0	11.0	5.1	5.6
Vincit*	21	24	11.0	7.4	3.7	3.1	0.4	0.3	14.2	9.2	5.5	7.1
Witted Megacorp*	20	14	8.5	5.9	8.3	5.7	0.2	0.2	15.5	11.8	1.4	1.4
Avensia AB	28	29	6.3	5.8	4.8	4.5	0.7	0.7	7.7	7.0		
Bouvet	523	557	12.3	11.3	10.3	9.6	1.5	1.4	15.3	13.9	6.3	6.9
CombinedX	70	78	8.0	7.0	5.1	4.7	0.8	0.7	9.2	8.0		
Exsitec	162	192	14.6	12.6	9.5	8.5	2.1	1.9	18.2	15.1	1.8	2.1
Knowit	297	355	16.0	11.3	6.8	5.8	0.6	0.5	20.3	13.6	3.0	4.3
Netcompany Group	2244	2683	16.5	14.0	12.6	11.0	2.2	2.0	18.3	14.4	0.1	0.2
NNIT	151	203	11.5	8.8	8.5	6.9	0.8	0.8	13.0	9.2	1.0	1.5
Webstep	46	46	7.0	6.0	5.6	5.0	0.6	0.5	8.4	7.2	8.7	10.0
<b>Digia (Inderes)</b>	<b>170</b>	<b>195</b>	<b>7.4</b>	<b>6.1</b>	<b>6.5</b>	<b>5.3</b>	<b>0.8</b>	<b>0.7</b>	<b>9.3</b>	<b>8.4</b>	<b>3.3</b>	<b>3.6</b>
<b>Average</b>			<b>10.6</b>	<b>8.6</b>	<b>7.4</b>	<b>6.4</b>	<b>0.9</b>	<b>0.8</b>	<b>14.0</b>	<b>11.2</b>	<b>3.9</b>	<b>4.6</b>
<b>Median all</b>			<b>10.1</b>	<b>8.4</b>	<b>8.0</b>	<b>6.2</b>	<b>0.7</b>	<b>0.7</b>	<b>13.0</b>	<b>11.3</b>	<b>3.7</b>	<b>4.3</b>
<i>Diff.-% cf. median all</i>			-27%	-27%	-19%	-13%	7%	3%	-28%	-26%	-11%	-17%
<b>Madian Finnish</b>			<b>9.7</b>	<b>8.0</b>	<b>8.0</b>	<b>6.1</b>	<b>0.6</b>	<b>0.6</b>	<b>12.3</b>	<b>11.3</b>	<b>3.9</b>	<b>5.6</b>
<i>Diff.-% cf. median Finnish</i>			-23%	-23%	-19%	-13%	30%	18%	-25%	-26%	-14%	-35%

Source: Refinitiv / \*Inderes' adjusted estimate. NB! The market cap used by Inderes does not consider treasury shares.



# Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	192	53.6	52.1	45.4	54.5	206	53.8	53.7	49.3	59.5	216	228	239	249
EBITDA	21.1	6.6	5.3	6.7	6.9	25.4	5.6	4.0	6.1	9.5	25.2	27.8	30.3	32.1
Depreciation	-7.3	-1.8	-1.8	-1.9	-1.7	-7.2	-1.7	-1.8	-1.8	-1.8	-7.0	-6.6	-6.1	-5.9
EBITA (adj.)	17.1	5.5	4.5	5.7	5.9	21.5	4.8	4.4	5.6	8.6	23.4	24.2	26.5	28.2
EBIT	13.8	4.8	3.5	4.8	5.2	18.2	3.9	2.2	4.3	7.8	18.2	21.2	24.2	26.2
Net financial items	-1.4	-0.3	-0.3	-0.3	-0.4	-1.3	-0.5	-0.3	-0.5	-0.5	-1.6	-1.4	-1.2	-1.0
PTP	12.4	4.5	3.1	4.5	4.8	16.9	3.4	2.0	3.9	7.3	16.6	19.8	23.1	25.2
Taxes	-2.6	-1.0	-0.7	-1.1	-0.8	-3.6	-0.7	-0.5	-0.8	-1.5	-3.4	-4.0	-4.6	-5.0
Net earnings	9.9	3.4	2.4	3.5	4.0	13.3	2.7	1.5	3.1	5.9	13.2	15.9	18.5	20.2
EPS (adj.)	0.47	0.15	0.12	0.15	0.17	0.60	0.13	0.13	0.16	0.24	0.66	0.68	0.76	0.82
EPS (rep.)	0.37	0.13	0.09	0.13	0.15	0.50	0.10	0.06	0.12	0.22	0.49	0.59	0.69	0.76

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	12.5 %	7.2 %	8.8 %	10.8 %	2.6 %	7.1 %	0.2 %	3.2 %	8.5 %	9.2 %	5.2 %	5.6 %	4.4 %	4.2 %
EBITA (adj.) growth	7.4 %	13%	33%	55%	12%	26%	-12%	-4%	-2%	47%	8.6 %	3.6 %	9.6 %	6.2 %
EBITA-% (adj.)	8.9 %	10.3 %	8.7 %	12.5 %	10.7 %	10.5 %	9.0 %	8.1 %	11.3 %	14.5 %	10.8 %	10.6 %	11.1 %	11.3 %
EBIT-%	7.2 %	8.9 %	6.6 %	10.6 %	9.5 %	8.9 %	7.2 %	4.1 %	8.8 %	13.1 %	8.4 %	9.3 %	10.2 %	10.5 %
Net earnings-%	5.1 %	6.4 %	4.7 %	7.6 %	7.3 %	6.5 %	5.1 %	2.8 %	6.3 %	9.8 %	6.1 %	6.9 %	7.7 %	8.1 %

Source: Inderes

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

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>99.8</b>	<b>97.6</b>	<b>113</b>	<b>113</b>	<b>114</b>
Goodwill	93.3	92.8	105	105	105
Intangible assets	0.0	0.0	0.2	0.4	0.6
Tangible assets	5.1	3.6	5.8	6.1	6.3
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.5	0.5	0.5	0.5	0.5
Other non-current assets	0.6	0.5	0.5	0.5	0.5
Deferred tax assets	0.3	0.3	0.3	0.3	0.3
<b>Current assets</b>	<b>55.0</b>	<b>56.2</b>	<b>69.2</b>	<b>73.1</b>	<b>82.9</b>
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	42.6	38.0	45.4	45.7	45.3
Cash and equivalents	12.4	18.2	23.8	27.4	37.5
<b>Balance sheet total</b>	<b>168</b>	<b>163</b>	<b>193</b>	<b>195</b>	<b>202</b>

Source: Inderes

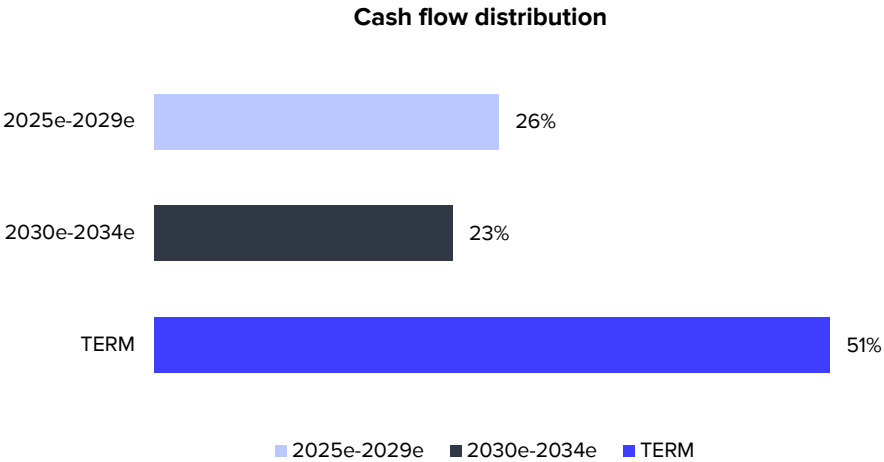
Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>75.4</b>	<b>83.7</b>	<b>92.1</b>	<b>103</b>	<b>116</b>
Share capital	2.1	2.1	2.1	2.1	2.1
Retained earnings	31.3	39.6	47.9	58.7	71.5
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	42.1	42.1	42.1	42.1	42.1
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>28.5</b>	<b>17.0</b>	<b>36.4</b>	<b>27.8</b>	<b>23.7</b>
Deferred tax liabilities	2.5	2.0	1.6	1.2	1.2
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	22.5	15.0	34.8	26.6	22.5
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.5	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>64.2</b>	<b>62.7</b>	<b>64.8</b>	<b>64.0</b>	<b>63.1</b>
Interest bearing debt	14.7	14.8	14.4	10.8	7.5
Payables	49.5	47.9	50.4	53.2	55.6
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>168</b>	<b>163</b>	<b>193</b>	<b>195</b>	<b>202</b>

# DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	7.1 %	5.2 %	5.6 %	4.4 %	4.2 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	1.5 %	1.5 %
EBIT-%	8.9 %	8.4 %	9.3 %	10.2 %	10.5 %	10.5 %	10.0 %	9.5 %	9.0 %	8.5 %	8.5 %	8.5 %
<b>EBIT (operating profit)</b>	<b>18.2</b>	<b>18.2</b>	<b>21.2</b>	<b>24.2</b>	<b>26.2</b>	<b>26.9</b>	<b>26.4</b>	<b>25.8</b>	<b>25.2</b>	<b>24.5</b>	<b>24.9</b>	
+ Depreciation	7.2	7.0	6.6	6.1	5.9	5.6	4.5	4.6	5.1	4.2	4.2	
- Paid taxes	-4.2	-3.8	-4.4	-4.6	-5.0	-5.2	-5.2	-5.0	-4.9	-4.8	-4.8	
- Tax, financial expenses	-0.3	-0.3	-0.3	-0.2	-0.2	-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	3.0	-4.9	2.6	2.7	0.4	0.3	0.3	0.3	0.3	0.4	0.2	
<b>Operating cash flow</b>	<b>23.9</b>	<b>16.1</b>	<b>25.7</b>	<b>28.2</b>	<b>27.3</b>	<b>27.4</b>	<b>25.9</b>	<b>25.6</b>	<b>25.6</b>	<b>24.2</b>	<b>24.2</b>	
+ Change in other long-term liabilities	-3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-1.3	-23.8	-4.1	-4.2	-4.3	-4.3	-4.4	-4.5	-4.5	-4.5	-4.5	
<b>Free operating cash flow</b>	<b>19.1</b>	<b>-7.7</b>	<b>21.6</b>	<b>24.0</b>	<b>23.0</b>	<b>23.1</b>	<b>21.5</b>	<b>21.1</b>	<b>21.1</b>	<b>19.6</b>	<b>19.7</b>	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	19.1	-7.7	21.6	24.0	23.0	23.1	21.5	21.1	21.1	19.6	19.7	278
<b>Discounted FCFF</b>		<b>-7.7</b>	<b>20.1</b>	<b>20.5</b>	<b>18.1</b>	<b>16.7</b>	<b>14.3</b>	<b>12.9</b>	<b>11.9</b>	<b>10.1</b>	<b>9.4</b>	<b>132</b>
Sum of FCFF present value		259	266	246	226	208	191	177	164	152	142	132
<b>Enterprise value DCF</b>		<b>259</b>										
- Interest bearing debt		-29.9										
+ Cash and cash equivalents		18.2										
-Minorities		0.0										
-Dividend/capital return		-4.8										
<b>Equity value DCF</b>		<b>242</b>										
<b>Equity value DCF per share</b>		<b>9.1</b>										

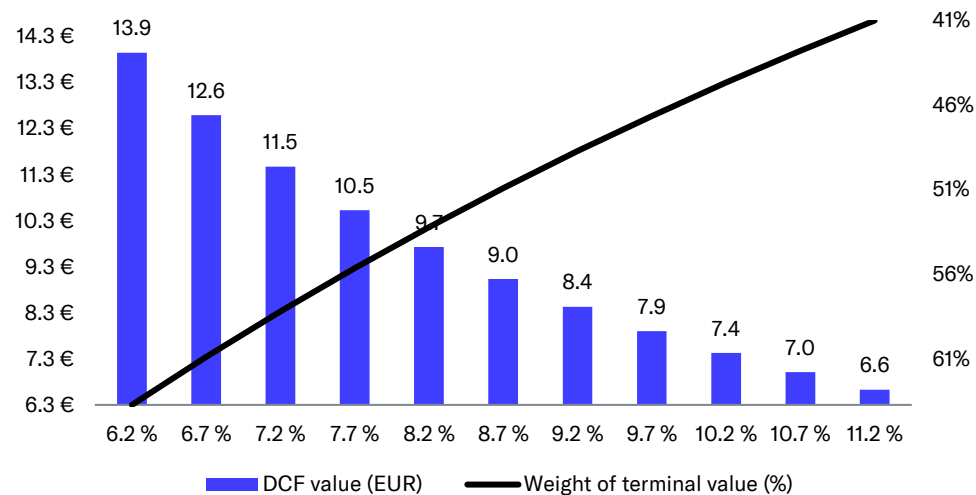
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	6.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>9.7 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.7 %</b>

Source: Inderes

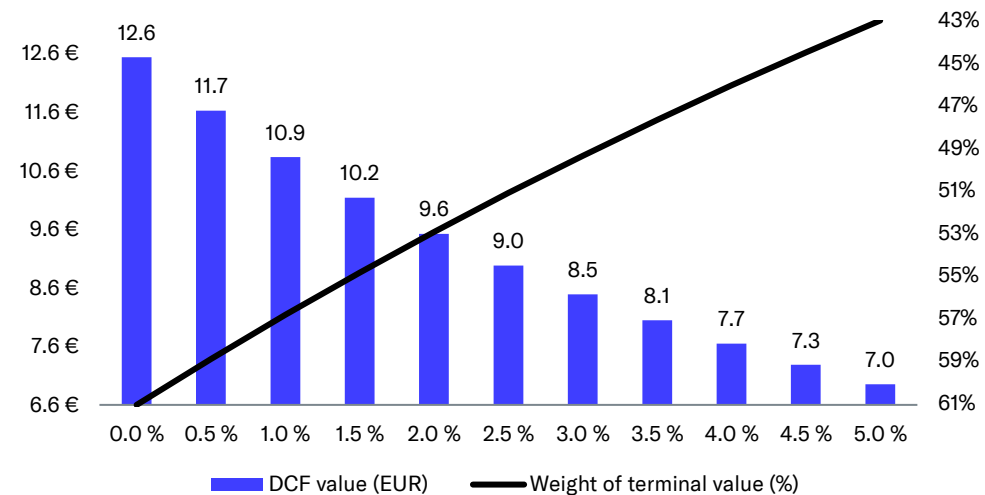


# DCF sensitivity calculations and key assumptions in graphs

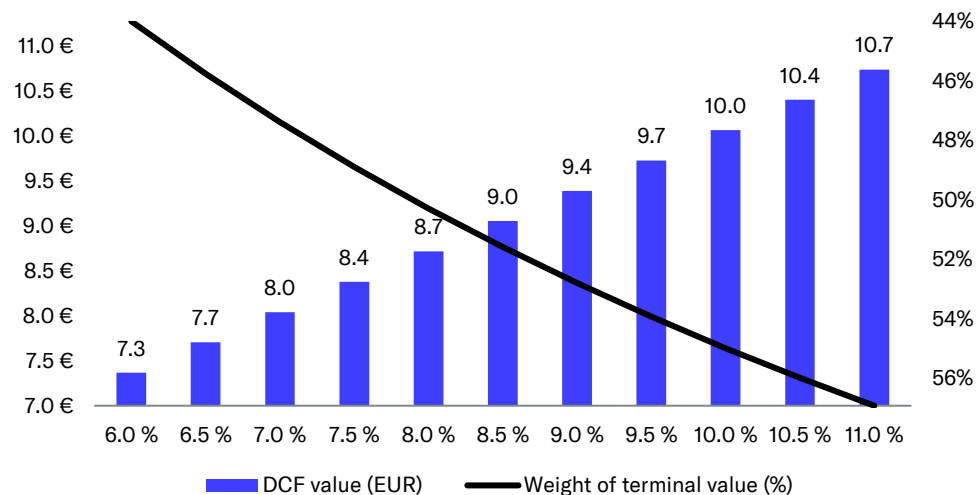
Sensitivity of DCF to changes in the WACC-%



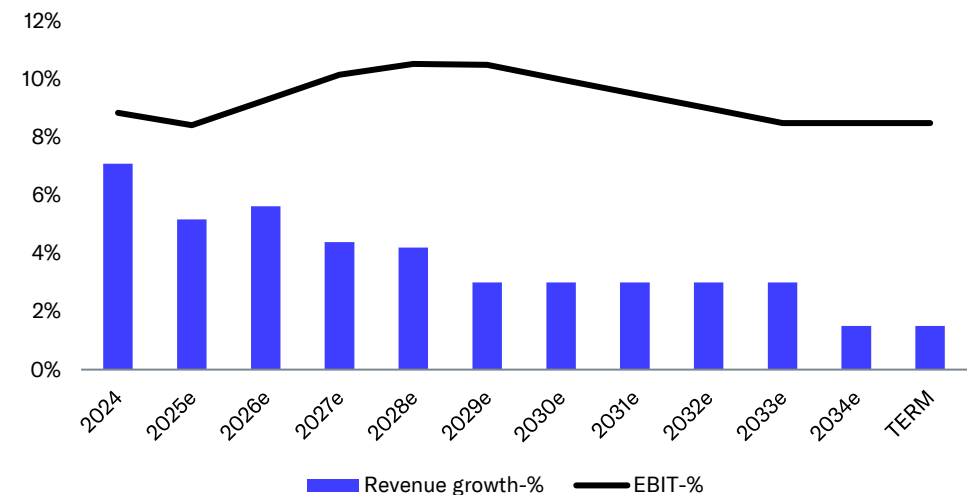
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. NB! The terminal value weight (%) is presented on a reverse scale for clarity.

# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	170.8	192.0	205.7	216.3	228.5	EPS (reported)	0.36	0.37	0.50	0.49	0.59
EBITDA	19.8	21.1	25.4	25.2	27.8	EPS (adj.)	0.48	0.47	0.60	0.66	0.68
EBIT	12.7	13.8	18.2	18.2	21.2	OCF / share	0.76	0.52	0.89	0.60	0.96
PTP	12.1	12.4	16.9	16.6	19.8	FCF / share	0.01	-0.02	0.71	-0.29	0.81
Net Income	9.6	9.9	13.3	13.2	15.9	Book value / share	2.66	2.81	3.12	3.45	3.85
Extraordinary items	-3.2	-3.3	-3.3	-5.2	-3.0	Dividend / share	0.17	0.17	0.18	0.19	0.21
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	160.1	168.2	163.5	193.2	194.7	Revenue growth-%	9%	12%	7%	5%	6%
Equity capital	71.1	75.4	83.7	92.1	102.9	EBITDA growth-%	-11%	7%	20%	-1%	10%
Goodwill	85.8	93.3	92.8	105.4	105.4	EBIT (adj.) growth-%	-12%	7%	26%	1%	13%
Net debt	17.6	24.8	11.6	25.4	10.0	EPS (adj.) growth-%	-13%	-3%	28%	10%	4%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	11.6 %	11.0 %	12.4 %	11.7 %	12.2 %
EBITDA	19.8	21.1	25.4	25.2	27.8	EBIT (adj.)-%	9.2 %	8.7 %	10.3 %	9.9 %	10.6 %
Change in working capital	2.2	-4.5	3.0	-4.9	2.6	EBIT-%	7.5 %	7.2 %	8.9 %	8.4 %	9.3 %
Operating cash flow	20.3	13.8	23.9	16.1	25.7	ROE-%	13.8 %	13.5 %	16.7 %	15.0 %	16.3 %
CAPEX	-23.2	-12.5	-1.3	-23.8	-4.1	ROI-%	12.7 %	12.8 %	16.1 %	14.3 %	15.1 %
Free cash flow	0.1	-0.5	19.1	-7.7	21.6	Equity ratio	44.4 %	44.9 %	51.2 %	47.6 %	52.8 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	24.8 %	32.8 %	13.9 %	27.6 %	9.7 %
EV/S	1.0	0.9	0.9	0.9	0.8						
EV/EBITDA	8.6	8.1	7.5	7.7	6.5						
EV/EBIT (adj.)	10.7	10.0	8.8	8.3	7.4						
P/E (adj.)	11.9	11.7	11.1	9.7	9.3						
P/B	2.1	1.9	2.1	1.8	1.7						
Dividend-%	3.0 %	3.1 %	2.7 %	3.0 %	3.3 %						

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. Per-share figures are calculated using the number of shares at year-end.

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Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
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 €





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