

SOLWERS

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Olli Vilppo, Analyst
+358 40 515 2811
olli.vilppo@inderes.fi

INDERES CORPORATE CUSTOMER COMPANY REPORT



Still waiting for the turnaround to turn up

Solwers' Q1 was weaker than our expectations, and the income lines, which are important for deleveraging, remained slightly below even the weak comparison period. We lowered the slope of our forecast earnings growth. The valuation does not look attractive enough considering the elevated financial risks. We lower our target price to EUR 2.0 (was EUR 2.1) and reiterate our Reduce recommendation.

Subdued performance, adjusted earnings down year-on-year

Solwers' Q1 revenue grew by 2.9% year-on-year to 21.0 MEUR. The development was in line with our forecast of 21.2 MEUR. According to the company, January was burdened by the holiday season, but activity and order book picked up slightly as the quarter progressed. We expected the company's adjusted EBITA to remain at the comparison period's level of 0.4 MEUR, but it decreased to 0.27 MEUR. According to the company, the decline in earnings was due to continued fierce price competition and the weak construction sector. The company has continued its adjustment measures in architectural design and industrial services. The return on capital employed (ROCE), also reported as a new official metric, fell to 2.9% in Q1 (Q1/2025: 4.9%), which underlines the Group's challenges in generating sufficient returns on the capital allocated to acquisitions in recent years at the bottom of the cycle.

Worrying news about the company's financial position

Solwers has a waiver in effect until the end of June 2026 regarding its financial covenants. However, the management flagged the risk that the original net debt/EBITDA covenant (below 3.5x) might not be met (Q4'25: ratio 4.0x). In our view, the tight balance sheet raises the stock's risk profile in the short term, although with our current earnings forecasts, we consider the most likely option to be a waiver renewal (which will increase financing costs somewhat), but an expensive hybrid loan or a share issue is not ruled out if earnings do not start to grow. The company reiterated its guidance, according to which EBITA profitability is expected to strengthen in

2026 and performance is expected to improve as the year progresses. The company again reported that the order book has strengthened slightly.

We shifted our earnings growth expectations slightly forward

We lowered our adjusted EBITA forecasts by approximately 10% and also slightly raised our financing cost forecasts, as the probable renewal of the waiver will bring additional costs. We still expect earnings growth in 2026, but we expect earnings growth to materialize more moderately than before and to be weighted towards H2'26. We expect the company's utilization rates to improve first as a result of its own actions, after which margins will also begin to recover as market price levels become linked to increased investment. At the moment, the key question is still what the company's normal profitability level will be once the market finally improves. In our opinion, it is clear that it is significantly better than the 2025 level (EBIT 1%), which is burdened by a weak cycle and one-off costs, but a return to the 2019-2023 averages (EBIT ~8%) currently seems unlikely. Our long-term profitability forecasts remain at EBIT 6.7%.

Valuation multiples for the next 12 months are very high

Solwers' risk profile is dependent on its normal profitability level, as the company's debt servicing capacity and thus the debt-related risk level depend on the earnings level. Cutting a few corners, if the profitability level were to remain close to the levels seen during 2024-Q1'26, the share would be expensive, the M&A strategy would have failed, and the debt burden would be a challenge. Conversely, if profitability recovers to the level of our forecasts, the stock's valuation is already quite attractive when looking further out, the debt level is under control, and new acquisitions can again be considered. The valuation with the lowered 2026-2027 forecasts (EV/EBIT 22x and 12x and P/E 95x and 11x) does not look attractive, and financing risks also reduce the risk/reward ratio in the short term. We will continue to monitor for signs of accelerating earnings growth, which is critical to the investment story.

Recommendation

Reduce

(was Reduce)

Target price:

EUR 2.00

(was EUR 2.10)

Share price:

EUR 2.08

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	80.6	84.6	88.0	91.5
growth-%	3%	5%	4%	4%
EBIT adj.	0.7	2.3	3.9	4.3
EBIT-% adj.	0.8 %	2.7 %	4.5 %	4.7 %
Net Income	-0.9	0.2	1.9	2.4
EPS (adj.)	-0.09	0.02	0.19	0.24
P/E (adj.)	neg.	95.8	11.0	8.6
P/B	0.6	0.5	0.5	0.5
Dividend yield-%	0.0 %	0.0 %	2.4 %	2.3 %
EV/EBIT (adj.)	73.6	22.3	12.4	10.7
EV/EBITDA	9.8	7.5	6.0	5.1
EV/S	0.6	0.6	0.6	0.5

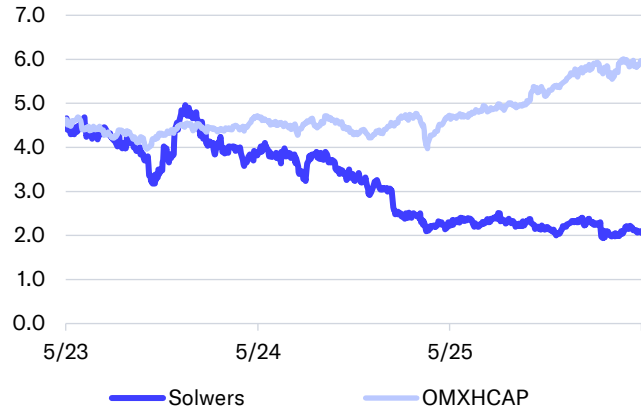
Source: Inderes

Guidance

(New guidance)

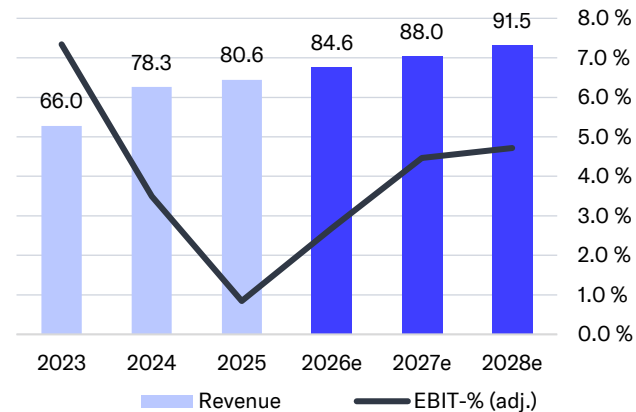
The company expects EBITA to improve compared to the previous year. The year has started under challenging conditions for Solwers. Performance is expected to improve as the year progresses.

Share price



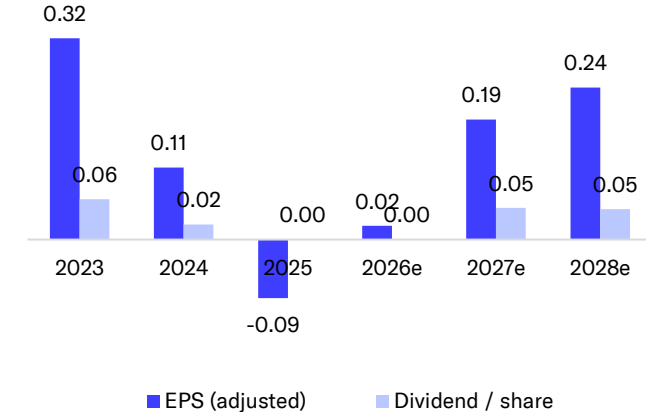
Source: Millstream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- As market investment activity picks up and price levels recover, the earnings lever should be strong from the current weak earnings level
- Strong growth ambition and an M&A process that utilizes light integration
- Success in capital allocation determines the level of long-term value creation
- Asset-light business model

Risk factors

- The cyclical nature of customer industries
- Uncertainty and low visibility regarding market price levels and thus margin development
- Risks related to inorganic growth
- Personal dependence
- Low liquidity of the stock
- Increased indebtedness

Valuation	2026e	2027e	2028e
Share price	2.08	2.08	2.08
Number of shares, millions	10	10	10
Market cap	21	21	21
EV	51	49	46
P/E (adj.)	95.8	11.0	8.6
P/E	95.8	11.0	8.6
P/B	0.5	0.5	0.5
P/S	0.3	0.2	0.2
EV/Sales	0.6	0.6	0.5
EV/EBITDA	7.5	6.0	5.1
EV/EBIT (adj.)	22.3	12.4	10.7
Payout ratio (%)	0.0 %	26.3 %	20.0 %
Dividend yield-%	0.0 %	2.4 %	2.3 %

Source: Inderes

Earnings came in below our estimates of flat development

Adjusted earnings lines fell short of our expectations

Solwers' Q1 revenue grew by 2.9% year-on-year to 21.0 MEUR. The development was in line with our forecast of 21.2 MEUR. According to the company, January was burdened by the holiday season and a low number of effective working days, but activity and the order book picked up slightly as the quarter progressed.

The comments made about the various companies were in line with our expectations and continued the tone of previous quarters. Finnish companies performed slightly better on average than Swedish companies during the review period. Performance in infrastructure-related activities was stable, and specialist designers also performed reasonably well. In Sweden, the competitive situation, especially on the industrial side, has remained tight.

We expected the company's adjusted EBITA to remain at the comparison period's level of 0.4 MEUR, but it decreased to 0.27 MEUR (Q1'25: 0.43 MEUR). The adjusted

EBITA margin thus remained at a modest 1.3%. According to the company, earnings improvement was still hampered by continued fierce price competition and the weak construction cycle. The company has continued adjustment measures, particularly in architectural design and industrial services, but so far these measures have not been sufficient to turn the earnings trend positive.

Covenant risk emerging

The worrying news in the report concerned the company's financial position. Solwers has a waiver in effect until the end of June 2026 regarding its financial covenants. Although the covenant remained within the waiver limits (below 4.5x) on the March measurement date, management identified a risk that the original net debt/EBITDA covenant level (below 3.5x) might not be achieved by the June 30, 2026, review date.

At the turn of the year, the company was ahead of schedule in this regard, with the ratio falling to 4.0x, but now the target seems to have slipped a bit further away.

We have repeatedly emphasized in our previous comments that the company's elevated leverage requires earnings growth to decrease. As the Q1 result fell short of our expectations, this risk is now materializing. The company announced that it would take proactive measures to manage the situation, but we believe this situation increases the stock's risk profile in the short term. With our current earnings estimates, we consider the most likely option to be the renewal of the waiver (which will increase financing costs somewhat), but an expensive hybrid loan or a share issue that dilutes ownership unfavorably are not, in our opinion, out of the question, at least in the longer term, if earnings do not embark on the growth path we forecast.

Also, the return on capital employed (ROCE), reported as a new official metric, decreased to 2.9% in Q1 (Q1/2025: 4.9%), which highlights the Group's challenges in generating sufficient returns on its acquisition-driven capital at the bottom of the cycle.

Estimates MEUR / EUR	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus		Difference (%)	2026e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	20.4	21.0	21.2				-1%	84.6
EBITA (adj.)	0.4	0.3	0.4				-34%	3.1
EBIT	0.1	0.1	0.3				-51%	2.3
Revenue growth-%	18.6 %	2.9 %	3.9 %				-1 pp	2.9 %
EBITA-%	2.1 %	1.3 %	1.9 %				-0.6 pp	3.6 %

Source: Inderes

We lowered our estimates slightly again due to disappointing results

Outlook unchanged, but a turnaround is needed

Solwers reiterated its guidance for the current year, expecting EBITA profitability to strengthen from the previous year and performance to improve as the year progresses. Although the order book has strengthened slightly, we believe that achieving the guidance and fulfilling the covenant terms will require a clear improvement in performance during the rest of the year. We have lowered our EBIT forecasts as per the table below due to the disappointing result. We also slightly raised our financing cost forecast, as obtaining a new waiver from the financing bank, which we consider likely, will incur additional costs.

Profitability improves with leverage if demands recovers

In terms of profitability, we expect the 2026 result to remain relatively weak due to sluggish organic growth in H1'26. However, the company's guidance for an improving

EBITA in 2026 indicates that the earnings improvement should start to materialize by the end of the year. In 2027, profitability will improve more clearly in our forecast as revenue starts to grow due to recovering price levels and increasing demand. We note that Solwers' earnings lever is likely to be strong at this point.

Normalized profitability level a question mark

Our profitability forecasts for the coming years are conservative and well below the average of the strong years (2019-2023: average EBIT ~8%). At the moment, the key question for Solwers is what the company's normal profitability level will be once the market finally improves.

In our opinion, it is obvious that it is clearly better than the levels seen in 2024-2025, and the company itself has considered a return to the 2019-2023 average levels realistic, which is also indicated by the recent reiteration of ambitious [targets](#). We currently consider the achievement

of the company's targets (EBITA margin over 9%, i.e., ~8% EBIT margin) unlikely, and a return to such high levels would require a strong market recovery.

We expect the operating margin to rise to 2.7% in 2026 (2025: 0.8% and 1.8% adjusted for non-recurring items), 4.5% in 2027 and 6.7% by 2034, where it will also settle in the terminal period. Before taking a bolder stance in our estimates, we first want stronger evidence from the company of improving earnings performance.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	84.8	84.6	0%	88.2	88.0	0%	91.7	91.5	0%
EBITDA	7.2	6.8	-5%	8.3	8.1	-2%	9.2	9.1	-2%
EBIT	2.7	2.3	-14%	4.1	3.9	-4%	4.5	4.3	-4%
PTP	0.9	0.3	-68%	2.6	2.4	-7%	3.3	3.1	-6%
EPS (excl. NRIs)	0.07	0.02	-68%	0.20	0.19	-7%	0.25	0.24	-6%
DPS	0.00	0.00		0.05	0.05	0%	0.00	0.00	

Source: Inderes

Valuation multiples for the next 12 months are high

The stock will only be cheap if the earnings improvement materializes

Solwers' 2026e P/E ratio rises to a high level of almost 100x, as interest expenses consume the majority of the operating profit generated. For 2027e, however, the P/E ratio falls to a neutral level of 11x, which we estimate for the company, provided our earnings growth forecasts materialize.

Corresponding adjusted 2026e and 2027e EV/EBIT ratios, which consider the balance sheet structure, are 22x and 12x, telling a similar story. The 2026e multiple is very high in absolute terms, but the 2027e multiple is fairly neutral.

The multiples we accept for the company have decreased in recent years relative to history. This is mainly due to two factors. Firstly, with the rise in interest rates, the required return on the share has also increased. The company's sluggish performance has also contributed to a decrease in acceptable multiples. Thus, we consider the current acceptable valuation level to be lower compared to history (vs. median lines on page 8).

The relative valuation picture does not support the stock

Following the estimate cuts, Solwers is priced at a premium to its peer group based on 2026-2027e EV/EBIT multiples. In our view, this is not justified, as Solwers' clearly smaller size and shorter history compared to its peers would rather warrant a discount relative to its peers.

However, we believe that our forecast for Solwers' earnings in the coming years still reflects the company's clear underperformance relative to its potential. Therefore, Solwers' longer-term earnings growth outlook, starting from

a low base, can be considered significantly better than its peers, which supports its valuation multiples.

This valuation picture is also reflected in the company's low P/B of 0.5x, which is at a clear discount to its peers. However, in our view, investors cannot rely too much on this metric either, as we see a clear risk of goodwill impairment if the current companies do not start generating a better return on capital.

The group of peer companies we established consists of companies with similar business models, whose organic growth and profitability potential are quite well in line with Solwers. Of the peer group companies especially Sitowise, Sweco and AFRY, compete with Solwers on the same markets. Similarly, the target market for Etteplan, for example, differs more clearly from that of Solwers, as it weighs on the industrial sector, but the convergence of the expert service company's business model warrants including them in the peer group.

Valuation	2026e	2027e	2028e
Share price	2.08	2.08	2.08
Number of shares, millions	10	10	10
Market cap	21	21	21
EV	51	49	46
P/E (adj.)	95.8	11.0	8.6
P/E	95.8	11.0	8.6
P/B	0.5	0.5	0.5
P/S	0.3	0.2	0.2
EV/Sales	0.6	0.6	0.5
EV/EBITDA	7.5	6.0	5.1
EV/EBIT (adj.)	22.3	12.4	10.7
Payout ratio (%)	0.0 %	26.3 %	20.0 %
Dividend yield-%	0.0 %	2.4 %	2.3 %

Source: Inderes

Earnings growth will be absorbed by multiple digestion

The DCF model does not offer upside with current assumptions

In our view, the DCF model is well suited for the valuation of Solwers' business operations although it should be noted that it does not consider potential value creation through inorganic growth. Our DCF calculation on page 12 gives a company value of EUR 2.2 with our current assumptions, offering no upside for the share.

In a good market, the company's businesses generate healthy, predictable cash flow and the business requires little investment. However, at the bottom of the cycle and with current performance, cash flow is already being absorbed by financial expenses, leaving nothing to distribute to owners. An essential question, from the perspective of the value provided by the DCF calculation as well, is when the market and Solwers' results will begin to recover, and at what rate.

We have used a rather high cost of capital (WACC 9.7%), as forecasting risks are elevated. 53% of the value of the model consists of the terminal, which we consider an acceptable level. However, the calculation is very sensitive to the margin the company is estimated to be able to achieve in the terminal period (sensitivity analysis p. 13).

Cutting a few corners, if the margin were to remain close to the 2025 level (EBIT 1%), the share would be very expensive, and the balance sheet would need to be strengthened, for example, with a share issue or an expensive hybrid loan. However, we believe it is clear that the earnings level seen in 2025 is far from the company's normal earnings level, and the question is mainly about the timing and slope of the earnings improvement.

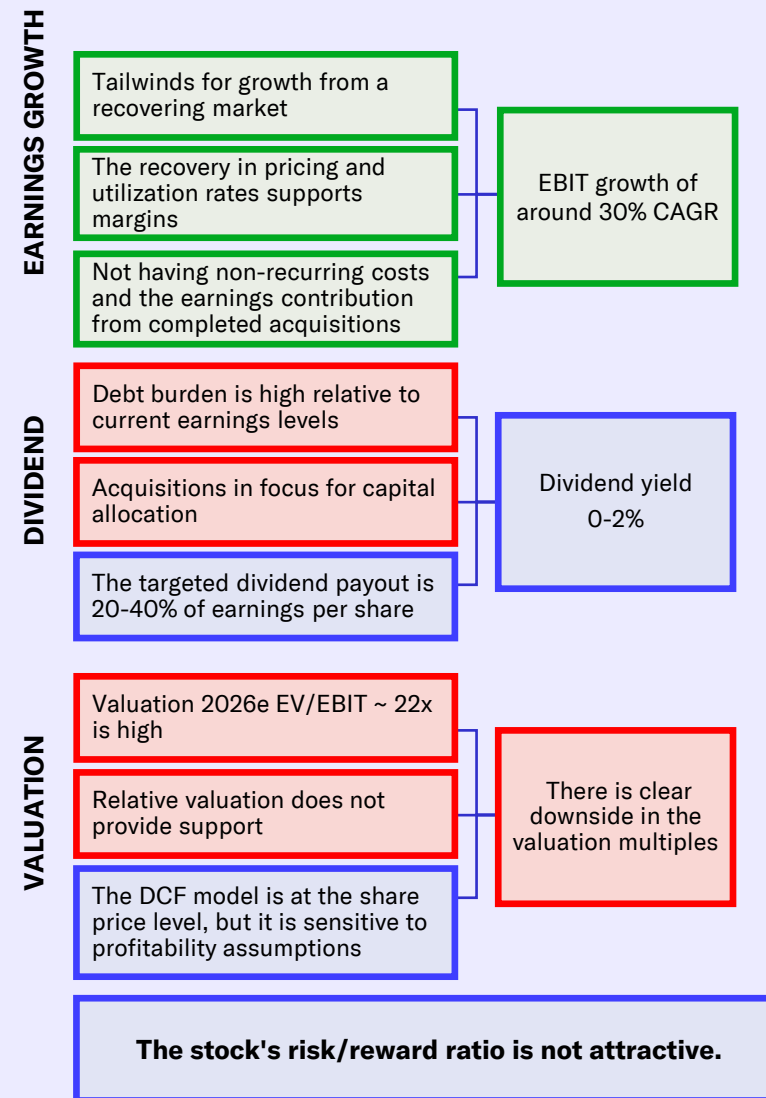
Expected return for the coming years is driven by the achieved earnings growth

We have gauged the expected return for the coming years in the sidebar graph. Our estimate for earnings growth at the EBIT level for 2026e-2029e is a strong CAGR of around 30%. However, with the current weak earnings level, the valuation is so high that a large part of the strong earnings growth will be absorbed by multiple digestion, especially in the early part of the forecast period. The expected return receives only marginal support from the 0-2% dividend yield in our estimates for the next few years.

Overall, the stock's expected return, especially for the next 12 months, remains meager. In our opinion, a positive recommendation would have required stronger and, in particular, more certain earnings growth drivers.

Total shareholder return drivers 2026e-2029e

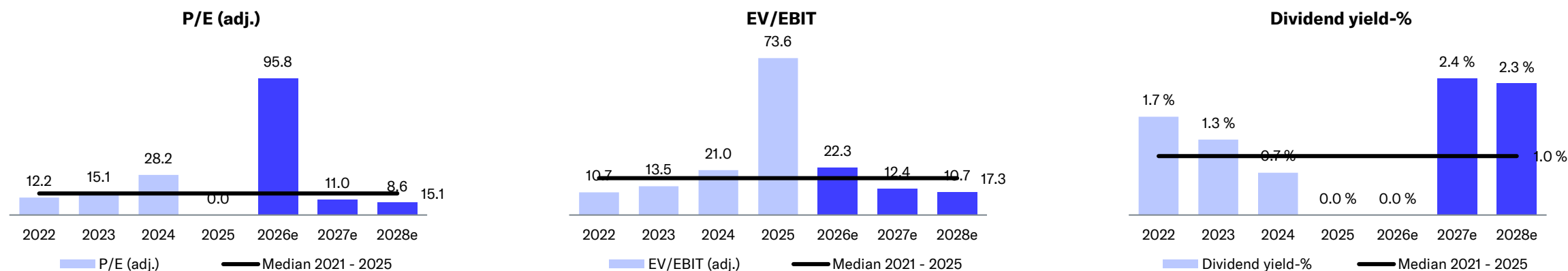
■ Positive
 ■ Neutral
 ■ Negative



Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price		4.22	4.82	3.22	2.25	2.08	2.08	2.08	2.08
Number of shares, millions		9.83	9.92	10.0	10	10	10	10	10
Market cap		41	48	32	23	21.2	21.2	21.2	21.2
EV		54	66	58	50	50.9	48.8	46.3	43.5
P/E (adj.)		12.2	15.1	28.2	neg.	95.8	11.0	8.6	6.2
P/E		12.2	15.1	28.2	neg.	95.8	11.0	8.6	6.2
P/B		1.1	1.2	0.8	0.6	0.5	0.5	0.5	0.5
P/S		0.7	0.7	0.4	0.3	0.3	0.2	0.2	0.2
EV/Sales		0.9	1.0	0.7	0.6	0.6	0.6	0.5	0.5
EV/EBITDA		6.7	8.2	8.9	9.8	7.5	6.0	5.1	4.6
EV/EBIT (adj.)		10.7	13.5	21.0	73.6	22.3	12.4	10.7	7.9
Payout ratio (%)		21.1 %	20.1 %	21.0 %	0.0 %	0.0 %	26.3 %	20.0 %	20.0 %
Dividend yield-%		1.7 %	1.3 %	0.7 %	0.0 %	0.0 %	2.4 %	2.3 %	3.2 %

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-%		P/B
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Sitowise	84	157	26.5	13.0	9.3	7.2	0.8	0.8		19.5	0.4	1.7	1.1
Sweco AB	4324	4840	15.1	13.6	11.8	10.7	1.6	1.5	18.3	16.5	3.0	3.2	3.5
Afry AB	1210	1702	10.8	8.6	7.1	6.2	0.7	0.7	12.0	8.8	5.1	5.8	1.0
Rejlers AB	334	410	13.4	10.8	7.6	6.7	0.9	0.8	13.5	11.0	3.6	3.8	1.6
WSP Global	16134	21078	15.0	13.1	10.8	9.8	2.0	1.9	16.7	14.5	0.8	0.8	2.4
Etteplan	194	264	14.1	10.3	7.1	5.9	0.7	0.7	13.2	10.4	3.0	4.4	1.5
Arcadis NV	3203	4003	10.3	8.9	7.7	6.9	0.9	0.9	11.7	10.1	3.1	3.5	2.7
Multiconsult ASA	403	530	11.9	10.2	7.6	6.8	0.9	0.9	13.1	11.1	5.1	6.0	3.2
Solwers (Inderes)	21	51	22.3	12.4	7.5	6.0	0.6	0.6	95.8	11.0	0.0	2.4	0.5
Average			14.6	11.1	8.6	7.5	1.1	1.0	14.1	12.7	3.0	3.6	2.1
Median			13.7	10.5	7.7	6.9	0.9	0.8	13.2	11.0	3.0	3.6	2.0
Diff-% to median			63%	18%	-3%	-12%	-32%	-34%	625%	-1%	-100%	-33%	-73%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	H1'25	H2'25	2025	H1'26e	H2'26e	2026e	2027e	2028e	2029e
Revenue	78.3	42.3	38.3	80.6	43.9	40.7	84.6	88.0	91.5	94.3
Group	78.3	42.3	38.3	80.6	43.9	40.7	84.6	88.0	91.5	94.3
EBITDA	6.5	2.3	2.8	5.1	2.7	4.2	6.8	8.1	9.1	9.5
Depreciation	-3.7	-2.1	-2.3	-4.4	-2.2	-2.4	-4.6	-4.2	-4.7	-4.0
Oikaistu EBITA	3.5	1.2	0.8	2.0	1.0	2.1	3.1	5.0	5.4	6.4
EBIT	2.7	0.2	0.5	0.7	0.5	1.8	2.3	3.9	4.3	5.5
EBITA (old reporting)	5.5	1.8	2.2	4.0	2.2	3.7	5.9	7.6	8.1	9.2
Net financial items	-1.3	-0.8	-1.0	-1.8	-1.1	-0.9	-2.0	-1.5	-1.2	-1.2
PTP	1.4	-0.6	-0.5	-1.2	-0.6	0.9	0.3	2.4	3.1	4.3
Taxes	-0.2	0.1	0.2	0.2	0.1	-0.2	-0.1	-0.5	-0.7	-0.9
Minority interest	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	1.1	-0.6	-0.4	-0.9	-0.5	0.7	0.2	1.9	2.4	3.4
EPS (adj.)	0.11	-0.06	-0.04	-0.09	-0.05	0.07	0.02	0.19	0.24	0.34
EPS (rep.)	0.11	-0.06	-0.04	-0.09	-0.05	0.07	0.02	0.19	0.24	0.34

Key figures	2024	H1'25	H2'25	2025	H1'26e	H2'26e	2026e	2027e	2028e	2029e
Revenue growth-%	18.6 %	6.0 %	-0.3 %	2.9 %	3.7 %	6.4 %	5.0 %	4.0 %	4.0 %	3.0 %
EBITDA-%	8.3 %	5.4 %	7.4 %	6.3 %	6.1 %	10.2 %	8.1 %	9.2 %	9.9 %	10.1 %
EBITA-%	7.0 %	4.3 %	5.7 %	5.0 %	5.1 %	9.1 %	7.0 %	8.7 %	8.9 %	9.8 %
Net earnings-%	1.5 %	-1.3 %	-1.0 %	-1.2 %	-1.1 %	1.8 %	0.3 %	2.2 %	2.7 %	3.6 %

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	63	68	69	68	67
Goodwill	46.9	54.6	54.6	54.6	54.6
Intangible assets	3.0	2.2	-1.1	-0.4	0.2
Tangible assets	7.4	7.9	9.8	8.3	6.5
Associated companies	0.3	0.4	0.0	0.0	0.0
Other investments	1.9	0.0	1.9	1.9	1.9
Other non-current assets	1.2	1.2	1.2	1.2	1.2
Deferred tax assets	2.0	2.2	2.2	2.2	2.2
Current assets	31	29	34	35	37
Inventories	0.6	0.4	0.2	0.2	0.2
Other current assets	0.8	0.8	0.8	0.8	0.8
Receivables	18.3	20.1	19.5	20.2	21.0
Cash and equivalents	11.6	7.8	13.5	14.1	14.6
Balance sheet total	94	98	103	103	103

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	41	41	40	42	44
Share capital	1.0	1.0	1.0	1.0	1.0
Retained earnings	1.7	0.5	0.8	2.7	4.6
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	1.5	0.0	0.0	0.0
Other equity	38.0	38.0	38	38	38
Minorities	0.2	0.2	0.2	0.2	0.2
Non-current liabilities	24	34	23	21	19
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	22.8	30.6	19.0	17.0	15.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	1.5	3.7	3.7	3.7	3.7
Current liabilities	29	22	40	41	41
Interest bearing debt	14.0	4.3	24.2	24.6	24.7
Payables	2.0	4.2	2.3	2.4	2.5
Other current liabilities	12.9	13.6	13.6	13.6	13.6
Balance sheet total	94	98	103	103	103

DCF calculation

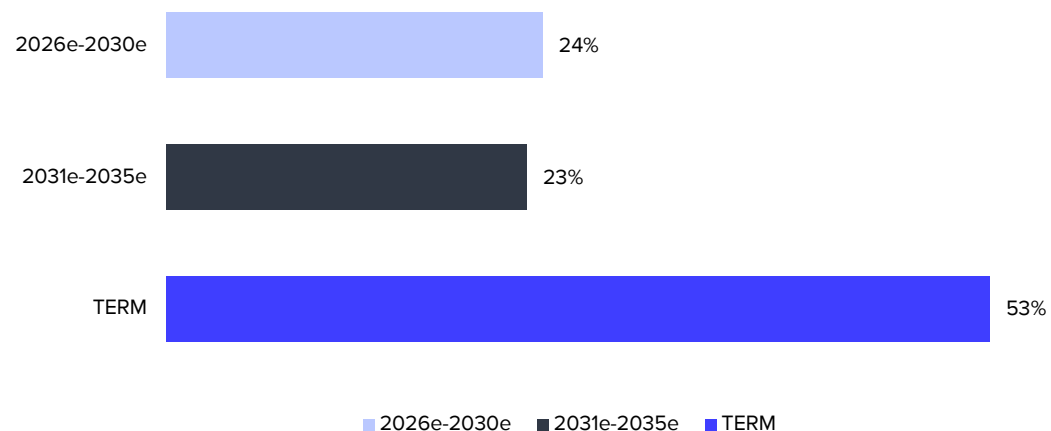
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	2.9 %	5.0 %	4.0 %	4.0 %	3.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	0.8 %	2.7 %	4.5 %	4.7 %	5.8 %	6.0 %	6.0 %	6.0 %	6.5 %	6.7 %	6.7 %	6.7 %
EBIT (operating profit)	0.7	2.3	3.9	4.3	5.5	5.8	5.9	6.0	6.6	7.0	7.1	
+ Depreciation	4.4	4.6	4.2	4.7	4.0	3.7	3.7	3.7	3.8	3.6	3.6	
- Paid taxes	0.0	-0.1	-0.5	-0.7	-0.9	-1.0	-1.0	-1.1	-1.2	-1.3	-1.4	
- Tax, financial expenses	-0.3	-0.4	-0.3	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-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	1.3	-1.0	-0.7	-0.7	-0.6	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	
Operating cash flow	6.1	5.3	6.6	7.4	7.8	7.8	8.0	8.0	8.6	8.7	8.7	
+ Change in other long-term liabilities	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-9.9	-5.1	-3.4	-3.5	-3.6	-3.7	-3.7	-3.8	-3.8	-3.8	-4.0	
Free operating cash flow	-1.7	0.3	3.2	3.9	4.2	4.1	4.3	4.2	4.8	4.9	4.8	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-1.7	0.3	3.2	3.9	4.2	4.1	4.3	4.2	4.8	4.9	4.8	63.1
Discounted FCFF		0.2	2.8	3.1	3.0	2.7	2.5	2.3	2.4	2.2	2.0	26.0
Sum of FCFF present value		49.2	48.9	46.1	43.0	40.0	37.3	34.8	32.5	30.1	27.9	26.0
Enterprise value DCF		49.2										
- Interest bearing debt		-35										
+ Cash and cash equivalents		7.8										
+ Associated companies		0.0										
-Minorities		-0.1										
-Dividend/capital return		0.0										
Equity value DCF		22										
Equity value DCF per share		2.2										

WACC

Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	4.5 %
Equity Beta	1.50
Market risk premium	4.75%
Liquidity premium	1.60%
Risk free interest rate	2.5 %
Cost of equity	11.2 %
Weighted average cost of capital (WACC)	9.7 %

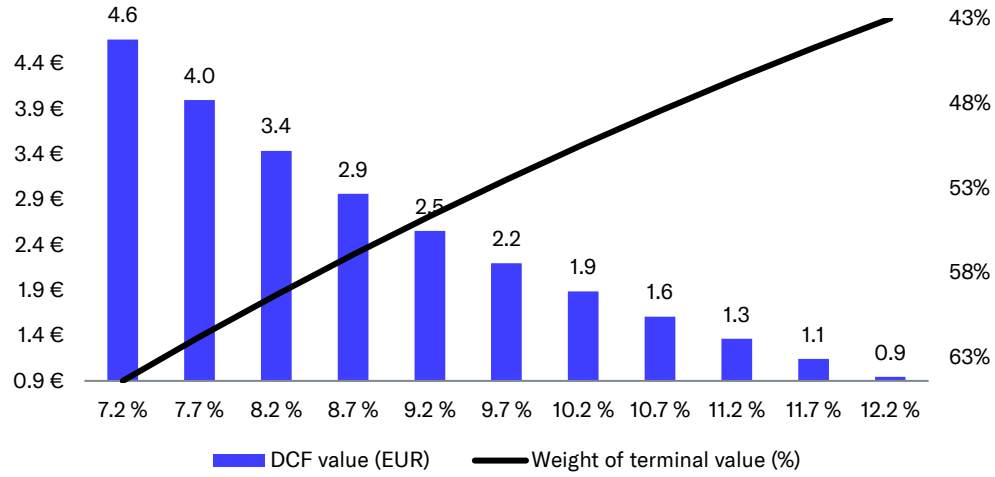
Source: Inderes

Cash flow distribution

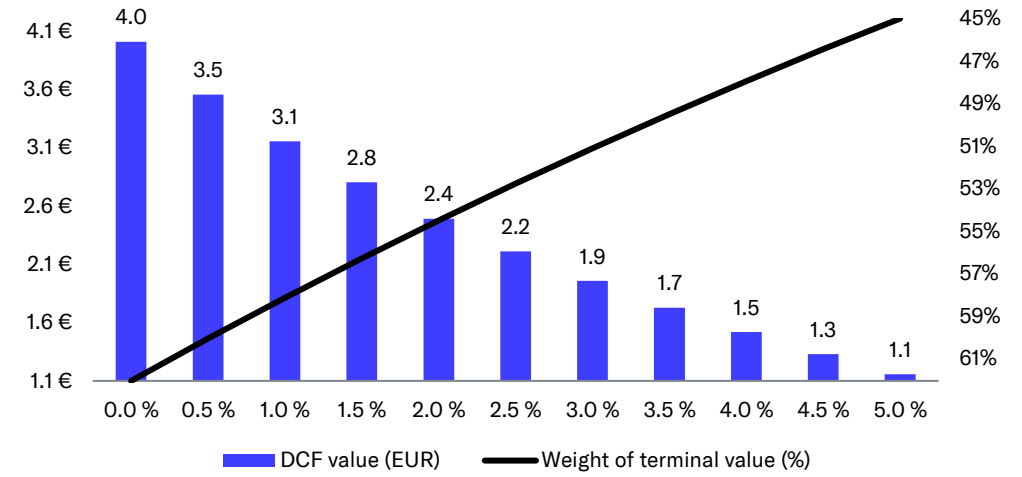


DCF sensitivity calculations and key assumptions in graphs

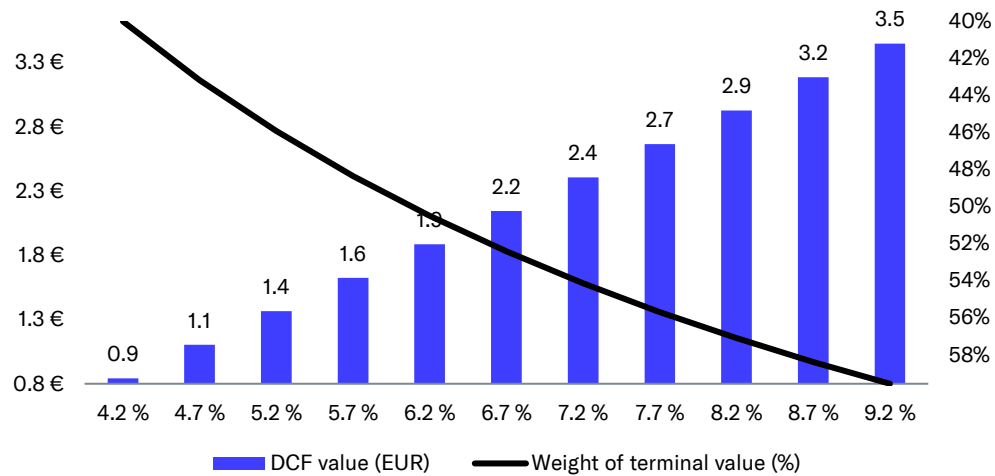
Sensitivity of DCF to changes in the WACC-%



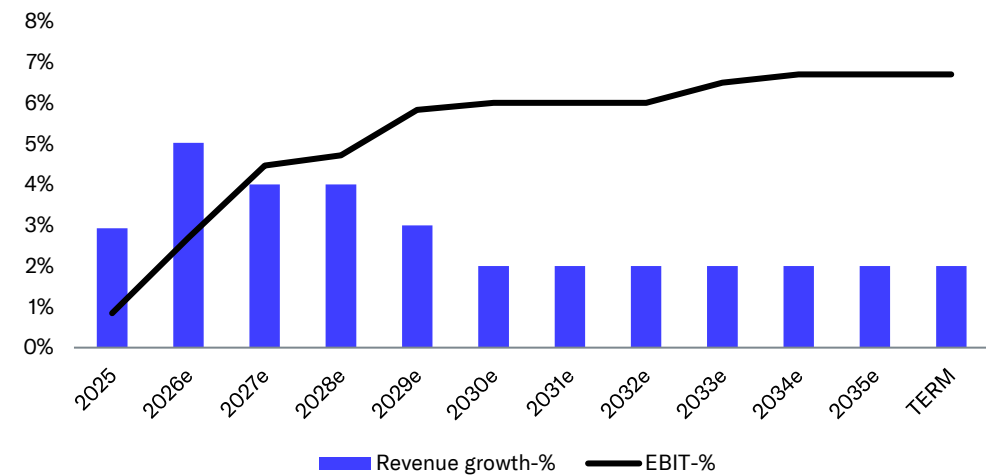
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	66.0	78.3	80.6	84.6	88.0	EPS (reported)	0.32	0.11	-0.09	0.02	0.19
EBITDA	8.0	6.5	5.1	6.8	8.1	EPS (adj.)	0.32	0.11	-0.09	0.02	0.19
EBIT	4.8	2.7	0.7	2.3	3.9	OCF / share	0.59	0.35	0.60	0.52	0.65
PTP	3.9	1.4	-1.2	0.3	2.4	OFCF / share	-0.32	-0.59	-0.16	0.03	0.32
Net Income	3.2	1.1	-0.9	0.2	1.9	Book value / share	4.02	4.05	4.03	3.90	4.09
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share		0.02	0.00	0.00	0.05
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	87.0	94.1	97.6	102.6	103.1	Revenue growth-%	5%	19%	3%	5%	4%
Equity capital	40.4	40.9	41.2	39.9	41.8	EBITDA growth-%	-2%	-19%	-21%	34%	19%
Goodwill	42.0	46.9	54.6	54.6	54.6	EBIT (adj.) growth-%	-5%	-44%	-75%	235%	73%
Net debt	17.1	25.1	27.1	29.6	27.5	EPS (adj.) growth-%	-8%	-64%	-181%	123%	775%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	12.1 %	8.3 %	6.3 %	8.1 %	9.2 %
EBITDA	8.0	6.5	5.1	6.8	8.1	EBIT (adj.)-%	7.3 %	3.5 %	0.8 %	2.7 %	4.5 %
Change in working capital	-1.0	-1.8	1.3	-1.0	-0.7	EBIT-%	7.3 %	3.5 %	0.8 %	2.7 %	4.5 %
Operating cash flow	5.9	3.5	6.1	5.3	6.6	ROE-%	8.2 %	2.8 %	-2.3 %	0.5 %	4.7 %
CAPEX	-8.5	-10.6	-9.9	-5.1	-3.4	ROI-%	6.8 %	3.6 %	0.9 %	2.9 %	4.7 %
Free cash flow	-3.1	-5.9	-1.7	0.3	3.2	Equity ratio	46.4 %	43.4 %	42.2 %	38.9 %	40.6 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	42.3 %	61.5 %	65.7 %	74.2 %	65.9 %
EV/S	1.0	0.7	0.6	0.6	0.6	Net debt/EBITDA	2.1	3.9	5.3	4.3	3.4
EV/EBITDA	8.2	8.9	9.8	7.5	6.0	EBITDA/net financials	8.2	5.0	2.8	3.4	5.5
EV/EBIT (adj.)	13.5	21.0	73.6	22.3	12.4						
P/E (adj.)	15.1	28.2	neg.	95.8	11.0						
P/B	1.2	0.8	0.6	0.5	0.5						
Dividend-%	1.3 %	0.7 %	0.0 %	0.0 %	2.4 %						

Source: Inderes

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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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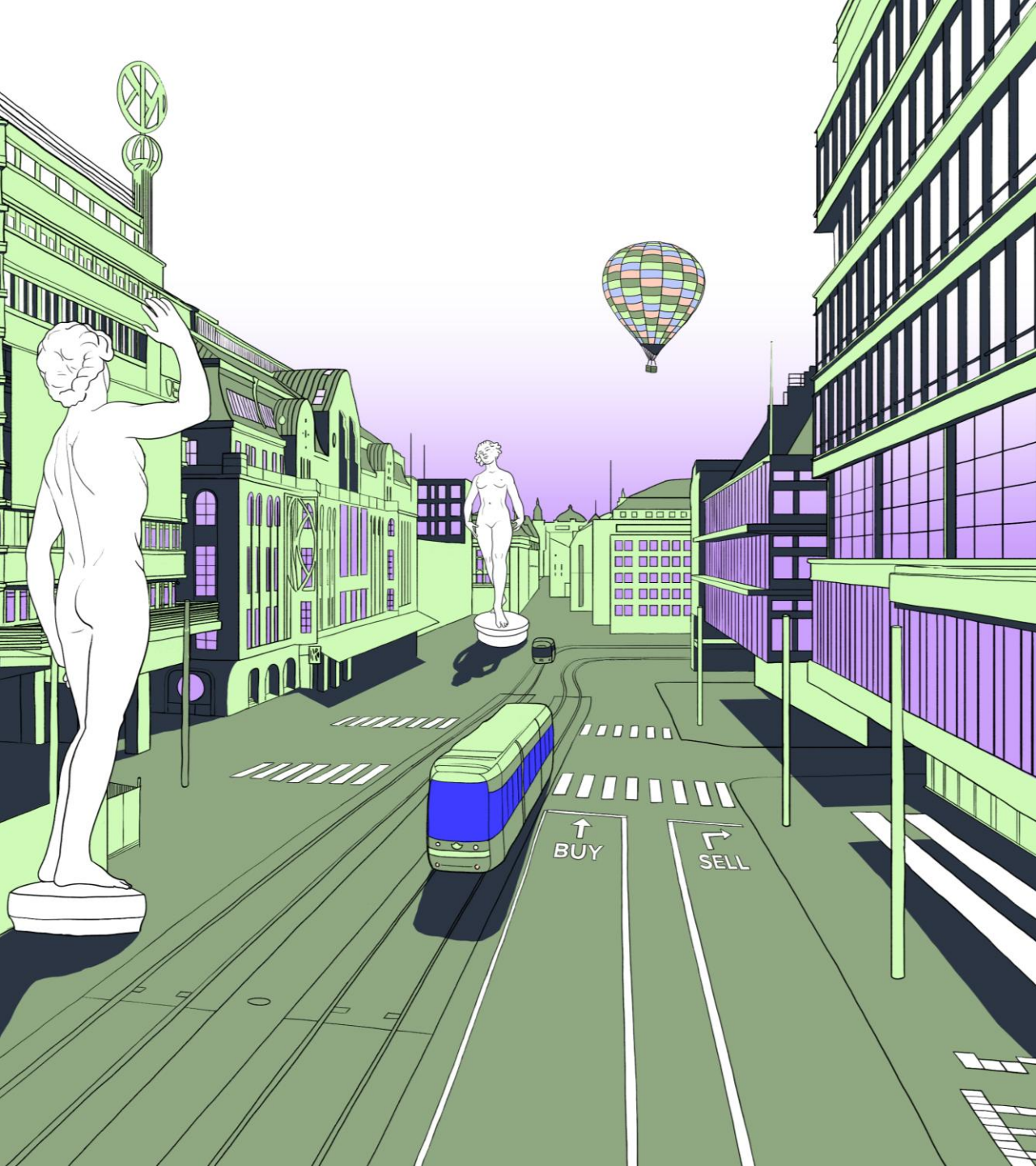
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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
6/21/2021	Reduce	8.20 €	8.35 €
9/16/2021	Accumulate	8.20 €	7.40 €
11/3/2021	Accumulate	8.60 €	7.34 €
12/1/2021	Accumulate	9.00 €	7.90 €
3/9/2022	Accumulate	8.00 €	7.20 €
3/16/2022	Reduce	7.00 €	6.97 €
9/16/2022	Reduce	5.50 €	5.34 €
1/25/2023	Buy	5.50 €	4.39 €
3/1/2023	Accumulate	6.00 €	5.36 €
9/1/2023	Accumulate	5.00 €	4.32 €
9/15/2023	Buy	5.00 €	4.06 €
1/30/2024	Accumulate	5.00 €	4.60 €
3/11/2024	Accumulate	5.00 €	4.24 €
5/14/2024	Buy	5.00 €	3.70 €
6/3/2024	Buy	5.00 €	4.00 €
8/30/2024	Buy	5.00 €	3.74 €
12/2/2024	Accumulate	4.20 €	3.42 €
2/3/2025	Reduce	2.80 €	3.02 €
2/28/2025	Reduce	2.65 €	2.50 €
5/30/2025	Accumulate	2.65 €	2.24 €
<u>8/27/2025</u>	<u>Reduce</u>	<u>2.50 €</u>	<u>2.32 €</u>
Analyst changed			
11/24/2025	Accumulate	2.50 €	2.19 €
1/7/2026	Accumulate	2.50 €	2.28 €
2/3/2026	Accumulate	2.50 €	2.23 €
3/6/2026	Reduce	2.10 €	2.13 €
5/22/2026	Reduce	2.00 €	2.08 €



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Inderes Ab

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

inderes.se

Inderes Oyj

Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

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