

# NIBE INDUSTRIER B

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# COMPANY REPORT



# Recovery progressing in the right direction

While NIBE's Q3 report came in somewhat below our expectations, we believe the overall picture remains unchanged: a gradual recovery in sales volumes and margins continues moving in the right direction. Therefore, we view the market's reaction, driving the share price down 13%, as somewhat exaggerated and see it as creating an even more attractive entry point into the company's compelling long-term investment story. As a result, we reiterate our Accumulate recommendation but lower our target price slightly to SEK 38.0 per share (prev. SEK 40.0), mainly due to lower estimates.

## Investment case dependent on a volume rebound

Over its long history, NIBE has grown into an international group within heating solutions and energy control. In our view, NIBE's investment case relies on continued investments in product development and strategic acquisitions to support long-term structural growth in energy-efficient heating solutions and drive a sales-led margin recovery. While the biggest positive driver for NIBE is sales growth, the main near-term risks to achieving this include intensified competition, regulatory uncertainty around long-term subsidies, and a weak economic environment.

## Q3 came in slightly lower than our expectations

NIBE's Q3 organic revenue increased by a modest 1.1% year-on-year to ~10.1 BNSEK, slightly below our estimates and consensus forecasts. Adjusted for FX, organic growth amounted to 6.1%, as the stronger SEK continued to weigh on reported figures. At the business area level, Climate Solutions performed slightly slower than our estimates, delivering FX-adjusted organic growth of 7.9% y/y. The Element business area (8.8% FX-adjusted y/y growth) exceeded our expectations, while Stoves (-1.6% FX-adjusted y/y growth) underperformed, reflecting softer consumer demand in Europe. NIBE's Q3 EBIT increased by 25% to 1,139 MSEK, roughly in line

with our and consensus forecasts. On a business area level, Climate Solutions and Element performed well, while Stoves again disappointed. Overall, given the challenging operating environment, we view the group's profitability level (Q3'25 EBIT margin: 11.3%) as rather solid and slightly better than anticipated, supported by increased sales volumes, improved productivity, and good cost control.

## We made some downwards revisions to our estimates

While management's margin commentary for 2025 was slightly more cautious this quarter, it was broadly in line with our expectations, with Climate Solutions expected to operate near the lower end of its margin range, Element tracking about one percentage point below its target range, and Stoves requiring a few more quarters to normalize. Although we believe that NIBE's performance and market indicators continue to point to a gradual recovery, supported by improving heat pump demand in Europe and stable conditions in the US, we reduced our revenue estimates slightly, mainly due to a slower-than-expected recovery in Stoves and lingering headwinds such as a weak new-build market, currency pressure from a stronger SEK, and subsidy uncertainty in some regions. As a result, our absolute EBIT estimates were also revised slightly downward.

## We still view the risk/reward as attractive

We believe that NIBE's valuation is relatively high on actual earnings basis (adj. P/E LTM Q3'25: 28x). Although we expect some downward pressure on LTM earnings multiples, we believe that the medium-term earnings growth of some good 10-15% coupled with a slight dividend yield of some 1-2%, offers a total expected return above our required return. Additionally, the DCF value is also sufficiently higher than the current share price. We, therefore, consider the risk/reward ratio quite good at the current share price level.

## Recommendation

**Accumulate**  
(prev. Accumulate)

## Target price:

**38.0 SEK**  
(prev. 40.0 SEK)

## Share price:

32.9 SEK

## Business risk



## Valuation risk



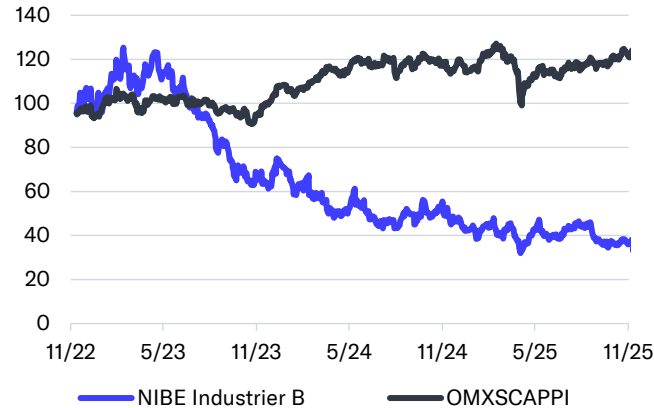
	2024	2025e	2026e	2027e
<b>Revenue</b>	40,521	41,267	44,082	47,129
<b>growth-%</b>	-13%	2%	7%	7%
<b>EBIT adj.</b>	3,226	4,337	4,982	5,458
<b>EBIT-% adj.</b>	8.0 %	10.5 %	11.3 %	11.6 %
<b>Net Income</b>	1,164	2,463	3,169	3,673
<b>EPS (adj.)</b>	0.80	1.22	1.57	1.82
<b>P/E (adj.)</b>	54.3	26.9	20.9	18.1
<b>P/B</b>	2.7	2.0	1.8	1.7
<b>Dividend yield-%</b>	0.7 %	1.2 %	1.7 %	2.0 %
<b>EV/EBIT (adj.)</b>	33.0	19.1	16.4	14.5
<b>EV/EBITDA</b>	21.6	12.8	11.3	10.2
<b>EV/S</b>	2.6	2.0	1.9	1.7

Source: Inderes

## Guidance

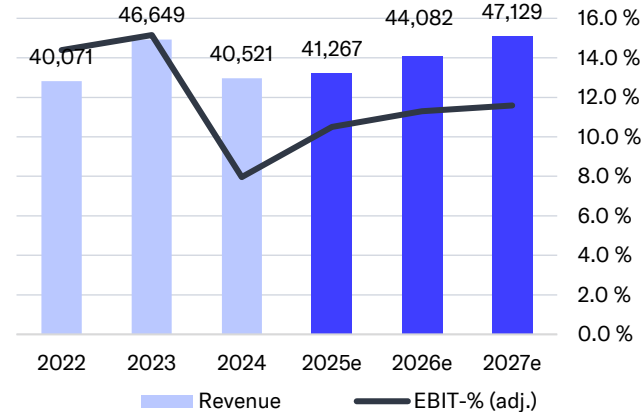
(NIBE does not provide any guidance)

## Share price



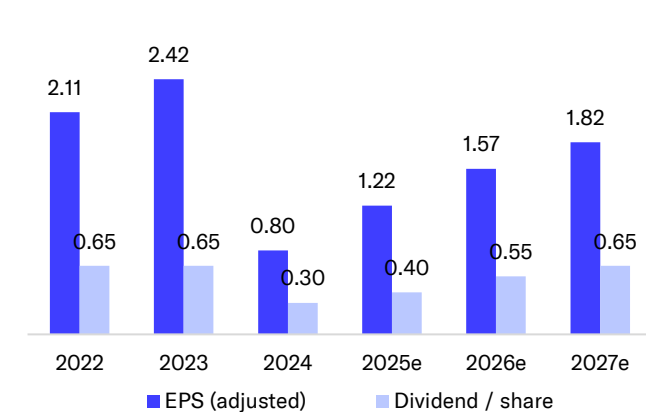
Source: Millstream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Strong market position and globally well-known brands
- Good long-term prospects for renewable energy-based systems
- Energy efficiency investments support growth
- Vertical and horizontal synergies create efficiency and reduce costs

## Risk factors

- Weak new construction market and uncertainty regarding future heat pump subsidies
- Somewhat cyclical demand
- Persistently unfavorable gas-to-electricity price ratios
- Risks generated by acquisitions and/or expansion investments

Valuation	2025e	2026e	2027e
Share price	32.9	32.9	32.9
Number of shares, millions	2,016	2,016	2,016
Market cap	66,329	66,329	66,329
EV	83,052	81,673	79,175
P/E (adj.)	26.9	20.9	18.1
P/E	26.9	20.9	18.1
P/B	2.0	1.8	1.7
P/S	1.6	1.5	1.4
EV/Sales	2.0	1.9	1.7
EV/EBITDA	12.8	11.3	10.2
EV/EBIT (adj.)	19.1	16.4	14.5
Payout ratio (%)	32.7 %	35.0 %	35.7 %
Dividend yield-%	1.2 %	1.7 %	2.0 %

Source: Inderes

# Gradual recovery continues to materialize

## Group revenue slightly below our expectations

NIBE's Q3 organic revenue increased by a modest 1.1% year-on-year to roughly 10.1 BNSEK, slightly below both our and consensus forecast. However, the strengthening of the SEK continued to have a negative impact on revenue, adjusted for FX, organic growth amounted to 6.1%. While we expected some sequential growth as seasonal patterns normalize and the second half of the year strengthens, we believe the FX-adjusted organic growth this quarter was not too bad, given the still challenging operating environment.

At the business area level, revenue performance was mixed. Climate Solutions business area was slightly below our expectations, delivering organic growth of 3.4% year-on-year (7.9% FX-adjusted growth) to 6.7 BNSEK. As we expected, growth was primarily driven by a gradual recovery in the European market, particularly in Sweden, Germany, and the Netherlands. The Element business area (SEK 2.8bn, 8.8% FX-adjusted growth y/y) performed better

than our expectations, while Stoves (SEK 0.8bn, -1.6% FX-adjusted growth y/y) underperformed, reflecting weaker consumer demand in Europe.

## Solid operational cost control

NIBE's Q3 EBIT increased by 25% to 1,139 MSEK, coming in roughly in line in absolute terms with both our forecast and consensus expectations. At the business area level, Climate Solutions and Element performed well, while Stoves disappointed. The weak profitability in Stoves was driven by a combination of lower sales volumes and the negative impact of trade tariffs between Canada and the U.S., as most of the division's manufacturing is in Canada. Overall, given the challenging operating environment, we view the group's profitability (Q3'25 EBIT margin: 11.3%) as solid and slightly better than anticipated, supported by increased sales volumes, improved productivity, and effective cost control.

In the lower lines of the income statement, adjusted EPS

increased to 0.30 SEK, below our expectations, mainly due to a higher relative tax rate than expected.

## Cash flow was rather solid

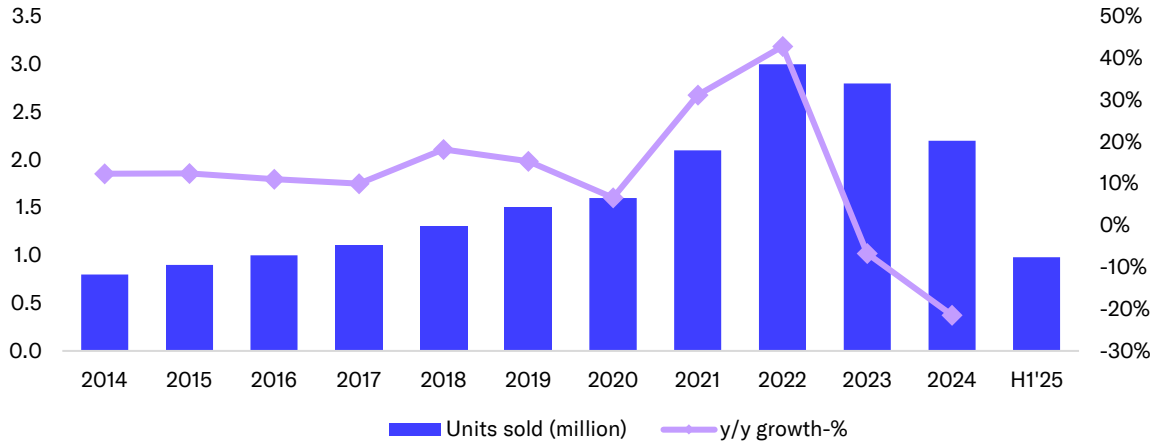
In our view, NIBE's free cash flow was relatively strong, rising to 915 MSEK in Q3'25 from 376 MSEK a year earlier. The improvement was mainly driven by higher operating profit and lower investments, while working capital did not provide the release we had expected. Inventory levels relative to sales showed only a slight sequential improvement, and we believe they remain elevated at around 24% of the past 12 months' revenue. The net debt/EBITDA ratio continued to improve and amounted to 2.9x by the end of the period. While leverage is still on a high level, we are not currently concerned about the ratio, as we believe it will improve with better profitability going forward. Nevertheless, the likelihood of a significant acquisition in the near term appears low, in our view, as it would probably require an equity issue given the current leverage.

Estimates MSEK / SEK	Q3'24	Q3'25	Q3'25e	Q3'25e	Consensus		Difference (%)	2025e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	9,967	10,086	10,288	10,184	9,910	10,445	-2%	41,267
EBIT (adj.)	912	1,139	1,148	1,134	1,060	1,200	-1%	4,337
EBIT	912	1,139	1,148	1,134	1,060	1,200	-1%	4,337
PTP	626	906	928	921	853	991	-2%	3,362
EPS (adj.)	0.21	0.30	0.36	0.35	0.31	0.37	-16%	1.22
Revenue growth-%	-13.4 %	1.2 %	3.2 %	2.2 %	-0.6 %	4.8 %	-2 pp	1.8 %
EBIT-%	9.2 %	11.3 %	11.2 %	11.1 %	10.7 %	11.5 %	0.1 pp	10.5 %

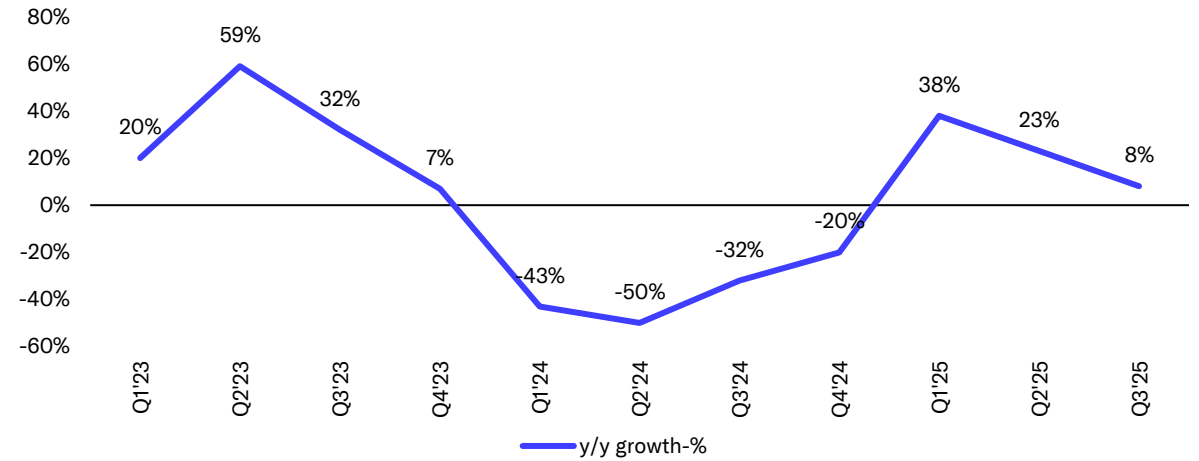
Source: Inderes & Infront  
(04.11.25, 10 analysts)  
(consensus)

# European heat pump market figures

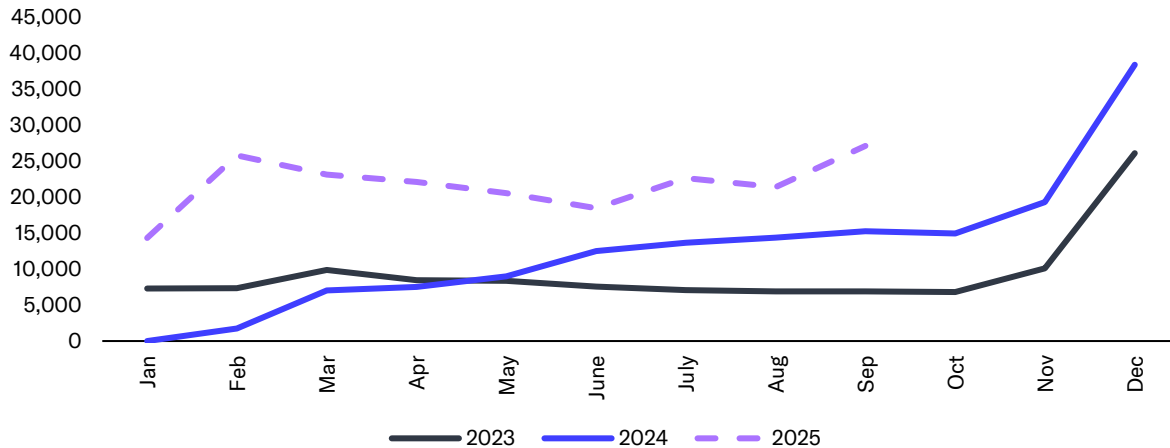
### European heat pump market development



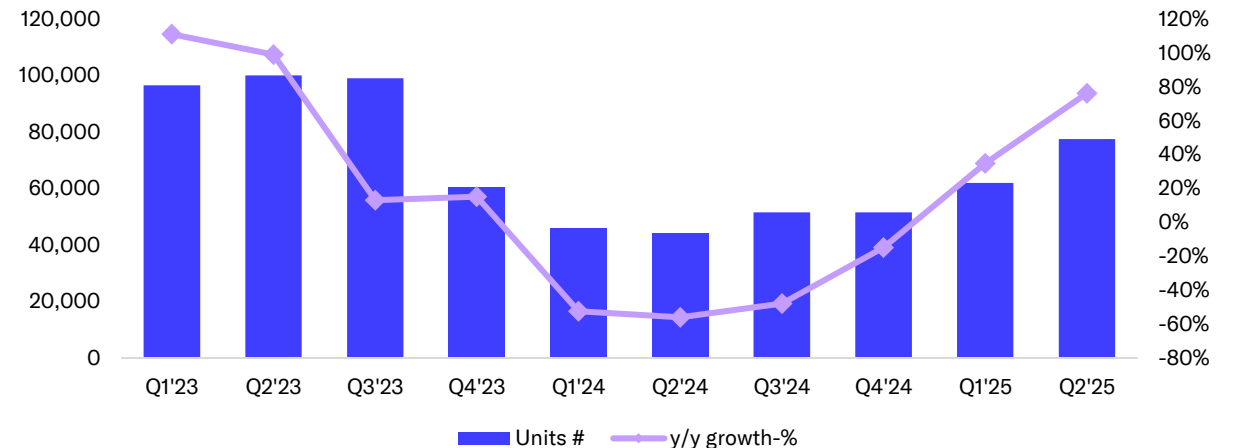
### Heat pump sales growth development in the Swedish market



### Applications for heat pump subsidies in Germany



### Heat pump sales in Germany



# We have revised down our estimates slightly

## Slightly more cautious commentary around margin target

While NIBE doesn't provide specific numerical guidance (this quarter being no exception), the company offered slightly more cautious commentary regarding its margin ambitions for 2025. In the Q3 report, NIBE stated that Climate Solutions' operating margin will be within the margin of error relative to the lower end of the indicated range (13–15%), while NIBE Element's margin is expected to be about one percentage point below the lower end of its range (8–11%). For the Stoves business area, the company noted that it will take a few more quarters to return to an operating margin within its historical range (10–13%). Although this commentary is somewhat more cautious than in the previous quarter, it did not come as a surprise to us and is broadly in line with our estimates.

## We lowered our revenue estimates slightly

In our view, NIBE's performance and market data continue

to indicate a gradual recovery. European heat pump sales increased by 9% during the first half of 2025, signaling improved end-consumer demand. In Germany, one of NIBE's key markets, heat pump sales rose 55% in H1'25, and subsidy applications grew 44% year-over-year in Q3'25, pointing to sustained momentum. Other important European markets, such as Sweden and the Netherlands, also show signs of recovery, with heat pump sales up 8% and 6%, respectively, in Q3. We also believe underlying demand for heat pumps remains relatively stable in the US.

While the overall picture points to strengthening end-consumer demand across most markets, several near-term headwinds persist, including a continued sluggish new-build market, currency headwinds from a strengthening SEK, and subsidy-related uncertainty in some regions. Given the somewhat slower-than-expected recovery in Q3, we reduced our revenue estimates slightly. This adjustment is mainly driven by lower growth expectations

in Stoves, which has underperformed in recent quarters and appears to be recovering more slowly than we initially anticipated.

## Absolute EBIT slightly down with revenue

Due to lower revenue expectations, our absolute EBIT estimates for the coming years were also revised slightly downward, primarily reflecting the slower-than-expected recovery in Stoves. For FY2025, we expect the operating margin in Climate Solutions to come in slightly below its historical average at 12.9%, while Element is expected to reach 7.2% and Stoves to remain well below its historical range at 3.2%. In the mid-term, we continue to believe that margins will be supported by a combination of volume growth and effective operational cost control. These factors should help margins move closer to their historical ranges, although we expect the improvement to materialize gradually over time.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MSEK / SEK	Old	New	%	Old	New	%	Old	New	%
Revenue	41,743	41,267	-1%	44,324	44,082	-1%	47,129	47,129	0%
EBITDA	6,677	6,505	-3%	7,432	7,207	-3%	7,819	7,791	0%
EBIT (excl. NRIs)	4,397	4,337	-1%	5,032	4,982	-1%	5,458	5,458	0%
EBIT	4,397	4,337	-1%	5,032	4,982	-1%	5,458	5,458	0%
PTP	3,505	3,362	-4%	4,432	4,112	-7%	4,908	4,758	-3%
EPS (excl. NRIs)	1.32	1.22	-7%	1.70	1.57	-8%	1.88	1.82	-3%
DPS	0.45	0.40	-11%	0.65	0.55	-15%	0.65	0.65	0%

Source: Inderes

# We still consider the valuation attractive

## Valuation multiples at attractive levels

The past ~2 years have been challenging, with earnings falling significantly short of their potential due to challenging market conditions. NIBE is currently progressing in its turnaround, even if slowly, and the 2025 valuation multiples are P/E: 26x and EV/EBIT: 19x. These multiples are roughly in line with the company's historical long-term medians, and we view them as relatively neutral given the still uncertain operating environment. Looking ahead, if the market environment continues to improve, and our forecast of an earnings recovery continues materializing, the estimated 2026 multiples of P/E: 20x and EV/EBIT: 16x look attractive to us. However, the 2026 multiples are based on estimates that depend on substantial and still uncertain improvements in earnings. Key uncertainties include the macroeconomic environment, a sluggish construction market, and subsidy uncertainty in certain heat pump markets. In addition, intensifying competition could pressure pricing power over time. Nevertheless, the 2025-2026 average valuation multiples fall within our acceptable valuation range (P/E: 22-28x and EV/EBIT: 17-20x) and appear attractive to us.

## Priced slightly lower compared to peers

On a relative basis, NIBE is trading slightly lower than its peers, based on earnings multiples for 2025-26. When comparing only to its international heat pump peers (such as Carrier, Trane, Lennox, and Beijer Ref), NIBE is also trading at a discount on the average of 2025-26 earnings multiples. On one hand, we believe that NIBE holds a strong long-term track record of profitable growth and high returns on capital, which could justify a premium. On the other hand, growth outlook and margin potential are quite similar. In addition, NIBE is a smaller company compared to

the overall peer group. All in all, we believe that NIBE's roughly 6% discount relative to the peers' average 2025-2026 earnings multiples appears somewhat exaggerated, suggesting potential upside in the valuation.

## DCF also suggests some upside

We also believe that the DCF model is a relevant valuation method for NIBE, given the availability of sufficient historical financial information, the stability of the industry, consistent growth, and a relatively predictable business. Overall, the model expects NIBE to grow at a high single-digit rate in the medium term and at a mid-single-digit rate in the long term. We estimate NIBE's cost of equity at 8.7% and WACC at 8.0%. With these assumptions, our DCF model arrives at an equity value of around 77 BNSEK, which translates to around SEK 38 per share (prev. SEK 40 per share). This is in line with our target price and clearly above the current share price, suggesting some upside.

## Expected return is sufficient in the medium term

We expect investors to receive an annual dividend of about 1-2% over the next few years for the current share price. However, we do not deem dividends very significant for NIBE's expected returns, as its profile is that of a growth company. We believe that NIBE's valuation is relatively high on an actual earnings basis (adj. P/E LTM Q3'25: 28x). Although we expect some downward pressure on LTM earnings multiples, we believe that the medium-term earnings growth of some good 10-15% offers a total expected return above our required return. We, therefore, consider the risk/reward ratio good and reiterate our Accumulate recommendation but lower our target price slightly to SEK 38.0 per share (prev. SEK 40.0 per share), mainly due to lower estimates.

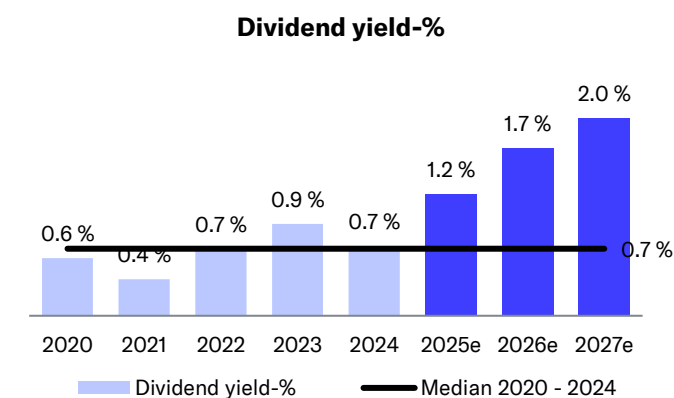
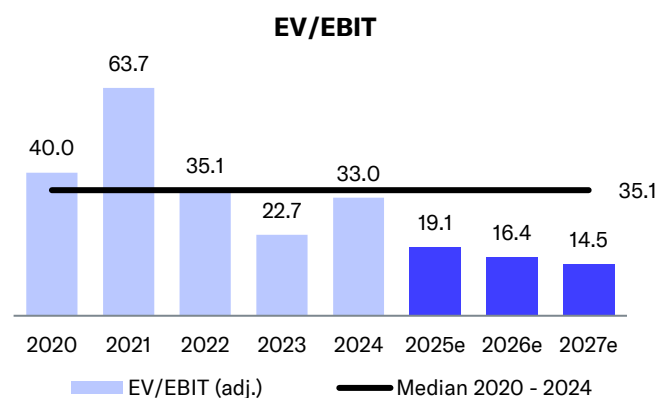
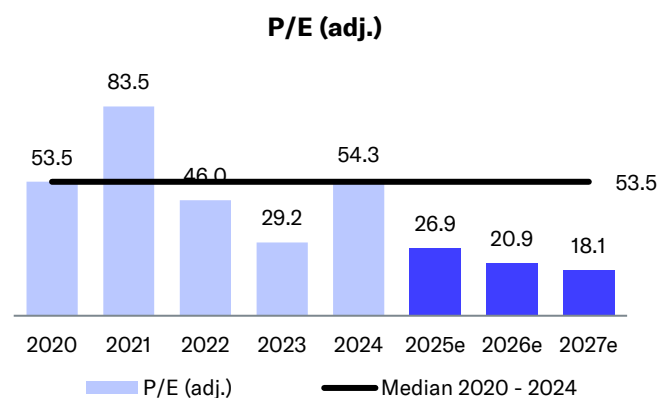
Valuation	2025e	2026e	2027e
Share price	32.9	32.9	32.9
Number of shares, millions	2,016	2,016	2,016
Market cap	66,329	66,329	66,329
EV	83,052	81,673	79,175
P/E (adj.)	26.9	20.9	18.1
P/E	26.9	20.9	18.1
P/B	2.0	1.8	1.7
P/S	1.6	1.5	1.4
EV/Sales	2.0	1.9	1.7
EV/EBITDA	12.8	11.3	10.2
EV/EBIT (adj.)	19.1	16.4	14.5
Payout ratio (%)	32.7 %	35.0 %	35.7 %
Dividend yield-%	1.2 %	1.7 %	2.0 %

Source: Inderes

# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	67.4	136.8	97.1	70.8	43.2	32.9	32.9	32.9	32.9
Number of shares, millions	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016
Market cap	135,933	275,697	195,760	142,738	87,175	66,329	66,329	66,329	66,329
EV	142,293	283,549	202,352	160,174	106,382	83,052	81,673	79,175	76,451
P/E (adj.)	53.5	83.5	46.0	29.2	54.3	26.9	20.9	18.1	15.9
P/E	47.4	83.0	45.0	29.8	74.9	26.9	20.9	18.1	15.9
P/B	7.7	12.9	7.0	5.2	2.7	2.0	1.8	1.7	1.6
P/S	5.0	8.9	4.9	3.1	2.2	1.6	1.5	1.4	1.3
EV/Sales	5.2	9.2	5.0	3.4	2.6	2.0	1.9	1.7	1.5
EV/EBITDA	27.8	49.2	27.1	18.2	21.6	12.8	11.3	10.2	9.2
EV/EBIT (adj.)	40.0	63.7	35.1	22.7	33.0	19.1	16.4	14.5	12.6
Payout ratio (%)	27.3 %	30.4 %	30.1 %	27.4 %	52.0 %	32.7 %	35.0 %	35.7 %	30.0 %
Dividend yield-%	0.6 %	0.4 %	0.7 %	0.9 %	0.7 %	1.2 %	1.7 %	2.0 %	1.9 %

Source: Inderes





# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
Kone	30,896	30,307	22.3	20.0	17.9	16.4	2.7	2.6	28.9	25.9	3.2	3.4	10.2
Assa Abloy	36,087	42,126	18.8	17.0	15.4	14.1	3.0	2.9	25.1	21.8	1.7	2.0	3.5
Hexagon	27,779	31,526	24.8	19.3	17.1	13.6	5.8	5.6	25.2	23.2	1.3	1.4	2.6
Beijer Ref	6,982	7,818	22.7	20.2	19.8	16.3	2.3	2.2	30.8	26.5	1.0	1.1	3.0
Tomra Systems	3,067	3,678	24.2	16.9	14.9	11.2	2.7	2.3	33.0	21.0	1.8	2.7	4.9
Thule Group	2,443	2,768	18.1	15.7	14.7	13.7	2.9	2.8	23.2	19.5	3.3	3.9	3.5
Munters Group	2,769	3,356	21.9	17.6	15.8	13.1	2.5	2.3	33.2	23.0	0.9	1.2	5.6
Trane Technologies	79,844	82,850	24.3	21.8	22.3	20.1	4.5	4.2	32.1	28.2	0.9	1.0	11.1
Carrier	39,235	48,572	16.8	15.6	13.4	12.8	2.6	2.5	20.4	18.2	1.8	2.0	3.4
Lennox International Inc	14,240	15,061	16.6	15.1	15.1	13.9	3.3	3.1	20.5	18.9	1.0	1.1	14.1
Daikin Industries	33,660	33,961			9.7	8.9	1.3	1.3	23.6	22.0	1.5	1.6	2.1
Mitsubishi Electric	49,924	47,530			13.5	12.7	1.6	1.5	27.3	24.6	1.3	1.3	2.2
<b>NIBE Industrier B (Inderes)</b>	<b>6,030</b>	<b>7,550</b>	<b>19.1</b>	<b>16.4</b>	<b>12.8</b>	<b>11.3</b>	<b>2.0</b>	<b>1.9</b>	<b>26.9</b>	<b>20.9</b>	<b>1.2</b>	<b>1.7</b>	<b>2.0</b>
<b>Average</b>			<b>21.0</b>	<b>17.9</b>	<b>15.8</b>	<b>13.9</b>	<b>2.9</b>	<b>2.8</b>	<b>26.9</b>	<b>22.7</b>	<b>1.6</b>	<b>1.9</b>	<b>5.5</b>
<b>Median</b>			<b>22.1</b>	<b>17.3</b>	<b>15.3</b>	<b>13.7</b>	<b>2.7</b>	<b>2.5</b>	<b>26.2</b>	<b>22.5</b>	<b>1.4</b>	<b>1.5</b>	<b>3.5</b>
<b>Diff-% to median</b>			<b>-13%</b>	<b>-5%</b>	<b>-16%</b>	<b>-17%</b>	<b>-25%</b>	<b>-27%</b>	<b>3%</b>	<b>-7%</b>	<b>-13%</b>	<b>11%</b>	<b>-45%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
<b>Revenue</b>	<b>46,649</b>	<b>40,521</b>	<b>9,673</b>	<b>10,082</b>	<b>10,086</b>	<b>11,426</b>	<b>41,267</b>	<b>44,082</b>	<b>47,129</b>	<b>50,511</b>
Climate Solutions	31,373	26,037	6,022	6,824	6,722	7,544	27,112	28,803	31,189	33,372
Element	11,898	11,092	2,888	2,792	2,800	2,917	11,397	12,197	12,577	13,520
Stoves	4,758	3,864	926	678	788	1,140	3,532	3,742	4,071	4,376
Eliminations	-1,380	-472	-163	-212	-224	-175	-774	-660	-707	-758
<b>EBITDA</b>	<b>8,797</b>	<b>4,916</b>	<b>1,310</b>	<b>1,456</b>	<b>1,687</b>	<b>2,052</b>	<b>6,505</b>	<b>7,207</b>	<b>7,791</b>	<b>8,339</b>
Depreciation	-1,824	-2,245	-528	-512	-548	-580	-2,168	-2,225	-2,333	-2,280
<b>EBIT (excl. NRI)</b>	<b>7,069</b>	<b>3,226</b>	<b>782</b>	<b>944</b>	<b>1,139</b>	<b>1,472</b>	<b>4,337</b>	<b>4,982</b>	<b>5,458</b>	<b>6,059</b>
<b>EBIT</b>	<b>6,973</b>	<b>2,671</b>	<b>782</b>	<b>944</b>	<b>1,139</b>	<b>1,472</b>	<b>4,337</b>	<b>4,982</b>	<b>5,458</b>	<b>6,059</b>
Climate Solutions	5,596	1,600	555	842	940	1,169	3,506	3,827	4,117	4,505
Element	942	362	179	184	210	248	821	932	1,069	1,217
Stoves	533	143	61	-51	24	80	114	324	366	438
Eliminations	-98	566	-13	-31	-35	-25	-104	-100	-94	-101
Net financial items	-642	-1,135	-268	-244	-233	-230	-975	-870	-700	-650
<b>PTP</b>	<b>6,331</b>	<b>1,536</b>	<b>514</b>	<b>700</b>	<b>906</b>	<b>1,242</b>	<b>3,362</b>	<b>4,112</b>	<b>4,758</b>	<b>5,409</b>
Taxes	-1,535	-374	-123	-206	-296	-273	-898	-905	-1,047	-1,190
Minority interest	-11	2	1	-2	0	0	-1	-38	-38	-38
<b>Net earnings</b>	<b>4,785</b>	<b>1,164</b>	<b>392</b>	<b>492</b>	<b>610</b>	<b>969</b>	<b>2,463</b>	<b>3,169</b>	<b>3,673</b>	<b>4,181</b>
<b>EPS (adj.)</b>	<b>2.42</b>	<b>0.80</b>	<b>0.19</b>	<b>0.24</b>	<b>0.30</b>	<b>0.48</b>	<b>1.22</b>	<b>1.57</b>	<b>1.82</b>	<b>2.07</b>
<b>EPS (rep.)</b>	<b>2.37</b>	<b>0.58</b>	<b>0.19</b>	<b>0.24</b>	<b>0.30</b>	<b>0.48</b>	<b>1.22</b>	<b>1.57</b>	<b>1.82</b>	<b>2.07</b>

Key figures	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
<b>Revenue growth-%</b>	16.4 %	-13.1 %	1.9 %	0.5 %	1.2 %	3.6 %	1.8 %	6.8 %	6.9 %	7.2 %
<b>Adjusted EBIT growth-%</b>	22.6 %	-54.4 %	51.6 %	41.1 %	24.9 %	30.4 %	34.4 %	14.9 %	9.6 %	11.0 %
<b>EBITDA-%</b>	18.9 %	12.1 %	13.5 %	14.4 %	16.7 %	18.0 %	15.8 %	16.3 %	16.5 %	16.5 %
<b>Adjusted EBIT-%</b>	15.2 %	8.0 %	8.1 %	9.4 %	11.3 %	12.9 %	10.5 %	11.3 %	11.6 %	12.0 %
<b>Net earnings-%</b>	10.3 %	2.9 %	4.1 %	4.9 %	6.0 %	8.5 %	6.0 %	7.2 %	7.8 %	8.3 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>43,906</b>	<b>46,979</b>	<b>46,971</b>	<b>46,928</b>	<b>46,800</b>
Goodwill	26,076	26,076	26,076	26,076	26,076
Intangible assets	4,938	6,165	6,617	7,082	7,056
Tangible assets	11,568	13,214	12,754	12,246	12,143
Associated companies	753	953	953	953	953
Other investments	31	31	31	31	31
Other non-current assets	192	192	192	192	192
Deferred tax assets	348	348	348	348	348
<b>Current assets</b>	<b>24,198</b>	<b>23,427</b>	<b>21,459</b>	<b>23,804</b>	<b>24,979</b>
Inventories	13,227	10,644	9,079	9,698	9,897
Other current assets	0	0	0	0	0
Receivables	6,688	7,176	7,015	7,494	8,012
Cash and equivalents	4,283	5,607	5,365	6,612	7,069
<b>Balance sheet total</b>	<b>68,104</b>	<b>70,406</b>	<b>68,430</b>	<b>70,732</b>	<b>71,778</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>27,420</b>	<b>32,140</b>	<b>33,998</b>	<b>36,361</b>	<b>38,925</b>
Share capital	79	79	79	79	79
Retained earnings	22,760	27,480	29,338	31,701	34,265
Hybrid bonds	0	0	0	0	0
Revaluation reserve	0	0	0	0	0
Other equity	4,543	4,543	4,543	4,543	4,543
Minorities	38	38	38	38	38
<b>Non-current liabilities</b>	<b>25,119</b>	<b>22,615</b>	<b>19,640</b>	<b>19,917</b>	<b>19,485</b>
Deferred tax liabilities	0	0	0	0	0
Provisions	2,787	2,787	2,787	2,787	2,787
Interest bearing debt	16,922	17,625	14,650	14,927	14,495
Convertibles	0	0	0	0	0
Other long term liabilities	5,410	2,203	2,203	2,203	2,203
<b>Current liabilities</b>	<b>15,565</b>	<b>15,651</b>	<b>14,792</b>	<b>14,455</b>	<b>13,367</b>
Interest bearing debt	4,599	7,086	7,364	6,961	5,355
Payables	10,966	8,565	7,428	7,494	8,012
Other current liabilities	0	0	0	0	0
<b>Balance sheet total</b>	<b>68,104</b>	<b>70,406</b>	<b>68,430</b>	<b>70,732</b>	<b>71,778</b>

# DCF-calculation

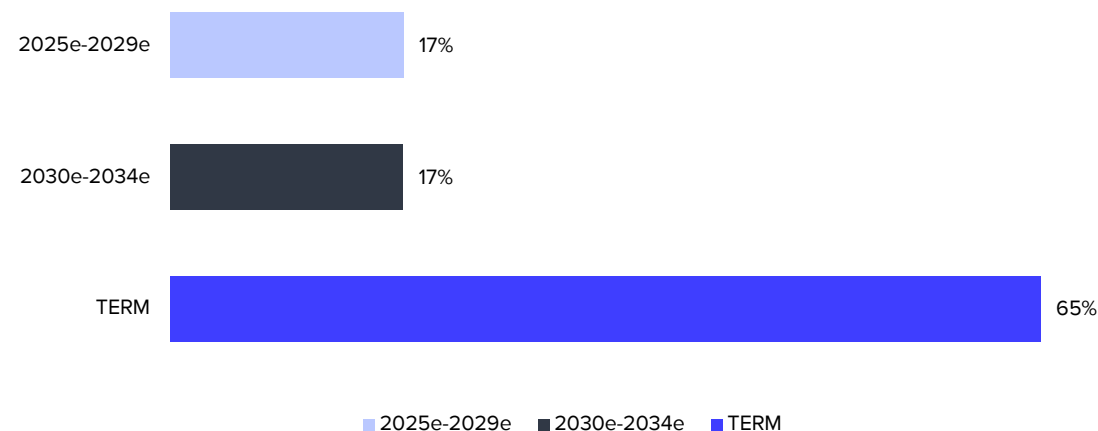
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-13.1 %	1.8 %	6.8 %	6.9 %	7.2 %	7.0 %	6.0 %	6.0 %	5.0 %	5.0 %	2.5 %	2.5 %
EBIT-%	6.6 %	10.5 %	11.3 %	11.6 %	12.0 %	12.2 %	12.5 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %
<b>EBIT (operating profit)</b>	<b>2,671</b>	<b>4,337</b>	<b>4,982</b>	<b>5,458</b>	<b>6,059</b>	<b>6,594</b>	<b>7,161</b>	<b>7,894</b>	<b>8,289</b>	<b>8,704</b>	<b>8,952</b>	
+ Depreciation	2,245	2,168	2,225	2,333	2,280	2,356	2,357	2,325	2,310	2,300	2,196	
- Paid taxes	-374	-898	-905	-1,047	-1,190	-1,341	-1,487	-1,671	-1,780	-1,871	-1,955	
- Tax, financial expenses	-276	-260	-191	-154	-143	-110	-88	-66	-44	-44	-14	
+ Tax, financial income	0	0	0	0	0	0	0	0	0	0	0	
- Change in working capital	-306	589	-1,032	-199	-205	-707	-649	-687	-607	-638	-340	
<b>Operating cash flow</b>	<b>3,960</b>	<b>5,935</b>	<b>5,079</b>	<b>6,391</b>	<b>6,801</b>	<b>6,792</b>	<b>7,294</b>	<b>7,795</b>	<b>8,168</b>	<b>8,452</b>	<b>8,838</b>	
+ Change in other long-term liabilities	-3,207	0	0	0	0	0	0	0	0	0	0	
- Gross CAPEX	-5,118	-2,160	-2,182	-2,204	-2,227	-2,249	-2,272	-2,295	-2,313	-2,331	-2,155	
<b>Free operating cash flow</b>	<b>-4,365</b>	<b>3,775</b>	<b>2,897</b>	<b>4,187</b>	<b>4,574</b>	<b>4,543</b>	<b>5,023</b>	<b>5,501</b>	<b>5,855</b>	<b>6,121</b>	<b>6,683</b>	
+/- Other	0	0	0	0	0	0	0	0	0	0	0	
FCFF	-4,365	3,775	2,897	4,187	4,574	4,543	5,023	5,501	5,855	6,121	6,683	126,473
<b>Discounted FCFF</b>		<b>3,740</b>	<b>2,658</b>	<b>3,559</b>	<b>3,602</b>	<b>3,313</b>	<b>3,393</b>	<b>3,442</b>	<b>3,394</b>	<b>3,286</b>	<b>3,324</b>	<b>62,892</b>
Sum of FCFF present value		96,602	92,862	90,204	86,645	83,044	79,730	76,338	72,896	69,502	66,216	62,892
<b>Enterprise value DCF</b>		<b>96,602</b>										
- Interest bearing debt		-24,711										
+ Cash and cash equivalents		5,607										
-Minorities		-74										
-Dividend/capital return		-605										
<b>Equity value DCF</b>		<b>76,819</b>										
<b>Equity value DCF per share</b>		<b>38</b>										

## WACC

Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	15.0 %
Cost of debt	5.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>8.7 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.0 %</b>

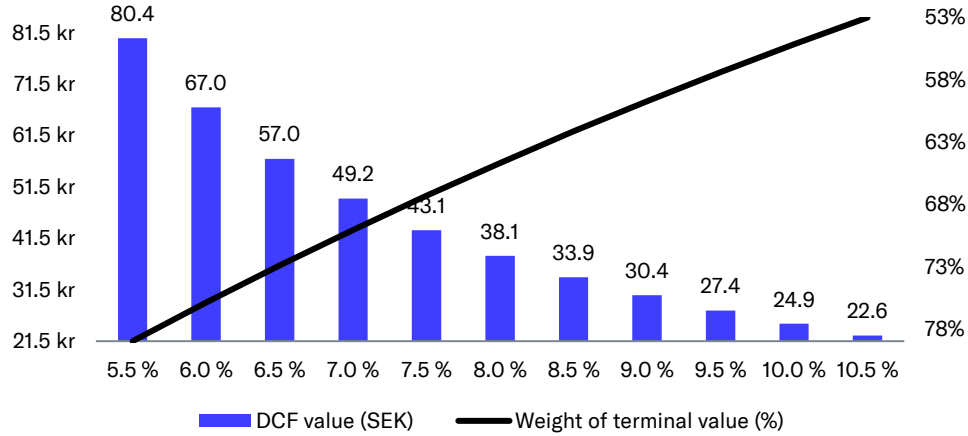
Source: Inderes

## Cash flow distribution

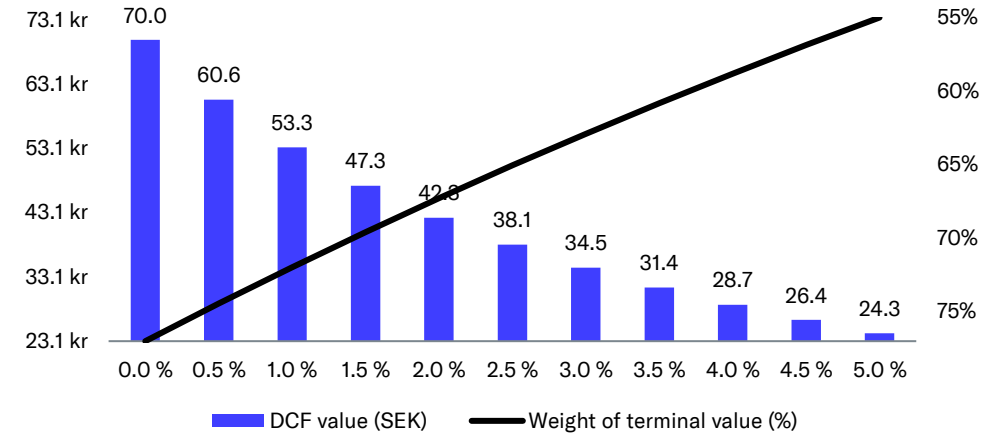


# DCF sensitivity calculations and key assumptions in graphs

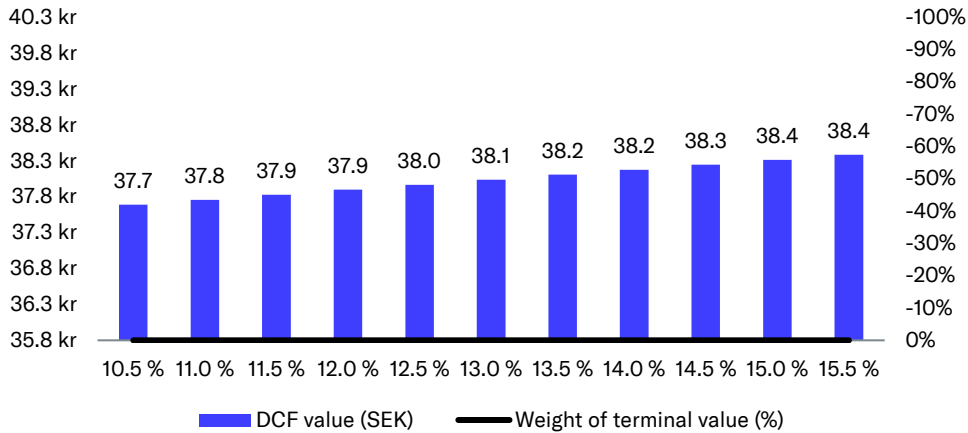
Sensitivity of DCF to changes in the WACC-%



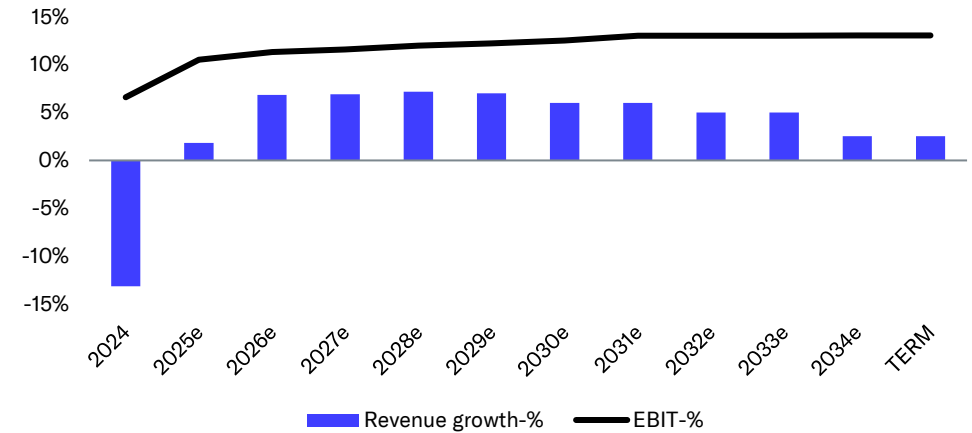
Sensitivity of DCF to changes in the risk-free rate



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	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	40,071	46,649	40,521	<b>41,267</b>	<b>44,082</b>	EPS (reported)	2.16	2.37	0.58	<b>1.22</b>	<b>1.57</b>
EBITDA	7,460	8,797	4,916	<b>6,505</b>	<b>7,207</b>	EPS (adj.)	2.11	2.42	0.80	<b>1.22</b>	<b>1.57</b>
EBIT	5,863	6,973	2,671	<b>4,337</b>	<b>4,982</b>	OCF / share	1.48	3.32	1.96	<b>2.94</b>	<b>2.52</b>
PTP	5,675	6,331	1,536	<b>3,362</b>	<b>4,112</b>	OFCF / share	-1.34	-2.36	-2.17	<b>1.87</b>	<b>1.44</b>
Net Income	4,351	4,785	1,164	<b>2,463</b>	<b>3,169</b>	Book value / share	13.86	13.58	15.92	<b>16.84</b>	<b>18.02</b>
Extraordinary items	99	-96	-555	<b>0</b>	<b>0</b>	Dividend / share	0.65	0.65	0.30	<b>0.40</b>	<b>0.55</b>
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	53,994	68,104	70,406	<b>68,430</b>	<b>70,732</b>	Revenue growth-%	30%	16%	-13%	<b>2%</b>	<b>7%</b>
Equity capital	27,973	27,420	32,140	<b>33,998</b>	<b>36,361</b>	EBITDA growth-%	29%	18%	-44%	<b>32%</b>	<b>11%</b>
Goodwill	17,630	26,076	26,076	<b>26,076</b>	<b>26,076</b>	EBIT (adj.) growth-%	29%	23%	-54%	<b>34%</b>	<b>15%</b>
Net debt	6,326	17,238	19,104	<b>16,649</b>	<b>15,275</b>	EPS (adj.) growth-%	29%	15%	-67%	<b>53%</b>	<b>29%</b>
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	18.6 %	18.9 %	12.1 %	<b>15.8 %</b>	<b>16.3 %</b>
EBITDA	7,460	8,797	4,916	<b>6,505</b>	<b>7,207</b>	EBIT (adj.)-%	14.4 %	15.2 %	8.0 %	<b>10.5 %</b>	<b>11.3 %</b>
Change in working capital	-3,180	-409	-306	<b>589</b>	<b>-1,032</b>	EBIT-%	14.6 %	14.9 %	6.6 %	<b>10.5 %</b>	<b>11.3 %</b>
Operating cash flow	2,994	6,697	3,960	<b>5,935</b>	<b>5,079</b>	ROE-%	17.6 %	17.3 %	3.9 %	<b>7.5 %</b>	<b>9.0 %</b>
CAPEX	-5,983	-13,565	-5,118	<b>-2,160</b>	<b>-2,182</b>	ROI-%	16.7 %	15.8 %	5.0 %	<b>7.7 %</b>	<b>8.7 %</b>
Free cash flow	-2,696	-4,754	-4,365	<b>3,775</b>	<b>2,897</b>	Equity ratio	51.8 %	40.3 %	45.6 %	<b>49.7 %</b>	<b>51.4 %</b>
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	22.6 %	62.9 %	59.4 %	<b>49.0 %</b>	<b>42.0 %</b>
EV/S	5.0	3.4	2.6	<b>2.0</b>	<b>1.9</b>						
EV/EBITDA	27.1	18.2	21.6	<b>12.8</b>	<b>11.3</b>						
EV/EBIT (adj.)	35.1	22.7	33.0	<b>19.1</b>	<b>16.4</b>						
P/E (adj.)	46.0	29.2	54.3	<b>26.9</b>	<b>20.9</b>						
P/B	7.0	5.2	2.7	<b>2.0</b>	<b>1.8</b>						
Dividend-%	0.7 %	0.9 %	0.7 %	<b>1.2 %</b>	<b>1.7 %</b>						

Source: Inderes

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

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

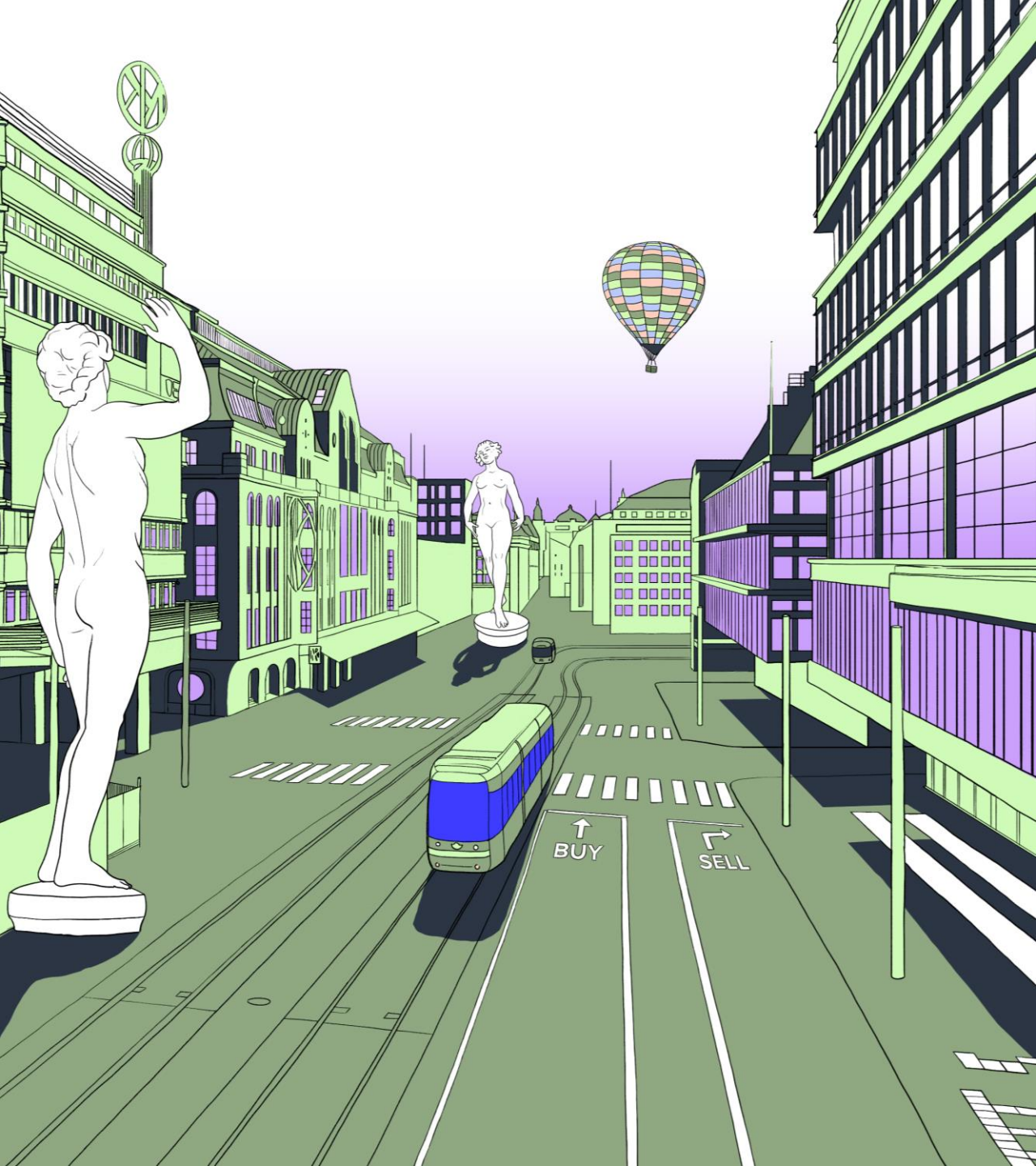
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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2023-09-20	Reduce	74.1 kr	70.5 kr
2023-11-16	Reduce	62.0 kr	67.5 kr
2023-02-13	Reduce	59.0 kr	66.5 kr
2023-02-19	Reduce	56.0 kr	59.0 kr
2024-05-17	Reduce	55.0 kr	61.3 kr
2024-08-19	Accumulate	53.0 kr	47.8 kr
2024-11-18	Reduce	52.0 kr	50.1 kr
2025-02-04	Reduce	42.0 kr	43.5 kr
2025-02-17	Reduce	44.0 kr	44.7 kr
2025-05-04	Reduce	40.0 kr	42.7 kr
2025-05-16	Reduce	40.0 kr	44.0 kr
2025-08-19	Sell	40.0 kr	44.0 kr
2025-08-25	Sell	40.0 kr	46.0 kr
2025-09-23	Reduce	40.0 kr	36.8 kr
2025-11-05	Accumulate	40.0 kr	35.9 kr
2025-11-17	Accumulate	38.0 kr	32.9 kr



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