

# NESTE

2/3/2026 11:50 am EET

This is a translated version of "Öljytuotteet pönkittävät loppuvuoden tulostasoa" report, published on 2/3/2026



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# COMPANY REPORT



# Oil Products to bolster year-end earnings

Neste will publish its financial statements on Thursday at around 09.00 am EET. We have raised our short-term estimates, reflecting high fossil product margins, while the increase in Renewable Products sales margin estimates raised our longer-term estimates. Considering this overall picture, we raise our target price to EUR 22.0 (was EUR 18.0), but in light of a balanced valuation picture, we reiterate our Reduce recommendation.

## Oil Products margins at a high level in Q4

In our updated estimate, we expect Neste to have reached a comparable EBITDA of 504 MEUR in Q4'25 (was 417 MEUR), which is a huge improvement compared to the weak comparison period and is in line with the scattered consensus estimate. In our estimates, the earnings improvement is driven by both Renewable Products and Oil Products. We estimate sales volumes for Renewable Products to have increased by 8% to just over 1 Mt, but a more significant earnings driver is the substantial rise in the sales margin from a weak comparison period (Q4'25e USD 440/ton vs. USD 242/ton). However, in absolute terms, the sales margin for Renewable Products is not particularly good compared to historical levels, and we estimate that Neste has not been able to significantly benefit from the attractive market situation in Q4, partly due to maintenance shutdowns. The overall picture for Oil Products is similar, and we estimate its total refining margin to have increased significantly from a moderate comparison period, driven by strong product margins. Neste's financial position remains tight (Q3'25 NIBD/EBITDA 4.4x), but we estimate the company will pay a dividend of EUR 0.20 for last year, in line with the previous year.

## Discord in the 2026 outlook

Last year, Neste guided sales volumes, but not the highly volatile margins of its main segments. More concrete guidance

would be desirable compared to the previous vague guidance, but providing this is challenging in a variable market situation. Due to the Porvoo maintenance shutdown, Oil Products' sales volumes are expected to decrease this year. This, together with other routine maintenance shutdowns, will find the sales growth of Renewable Products to be moderate (2026e Inderes +8%), even though market growth supports demand. The key variable is the sales margin for Renewable Products, and the market outlook for renewable diesel is currently strong. This is supported by supply constraints in Europe, which caused market prices to rise in H2'25 and remain high. This should be reflected in the margins of annual contracts, which is why strong earnings growth is expected from Renewable Products in 2026. In line with this market development, we have raised our segment estimates, and our EBITDA estimates for 2026-2027 increased by 4-8%. The improvement in the earnings outlook for Renewable Products is of paramount importance given the company's indebtedness and investment levels in the coming years (i.e., the development of free cash flow).

## Balanced valuation picture

We estimate the valuation level of Neste's largest value driver, the Renewable Products segment, in a sum-of-the-parts calculation, according to which Renewable Products trades at an EV/EBIT multiple of around 10x relative to our estimated 2028 earnings level. This earnings potential is based on the assumption of a healthy market situation and a higher gross margin than in the recent past. Thus, we believe the current valuation contains expectations of a sustainably better supply and demand balance in the renewable products market than in the recent past. We believe this is warranted, but at the same time, an attractive expected return from the current level would necessitate stretching margin expectations too high for our taste.

## Recommendation

**Reduce**

(was Reduce)

## Target price:

**EUR 22.00**

(was EUR 18.00)

## Share price:

EUR 21.35

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
Revenue	20635	18821	19867	23694
growth-%	-10%	-9%	6%	19%
EBIT adj.	273	672	1131	1485
EBIT-% adj.	1.3 %	3.6 %	5.7 %	6.3 %
Net income	-95	232	839	1154
EPS (adj.)	0.17	0.52	1.09	1.50
P/E (adj.)	72.7	41.3	19.5	14.2
P/B	1.3	2.2	2.0	1.8
Dividend yield-%	1.6 %	0.9 %	0.9 %	1.2 %
EV/EBIT (adj.)	49.5	30.7	17.9	13.0
EV/EBITDA	13.4	14.8	9.7	7.8
EV/S	0.7	1.1	1.0	0.8

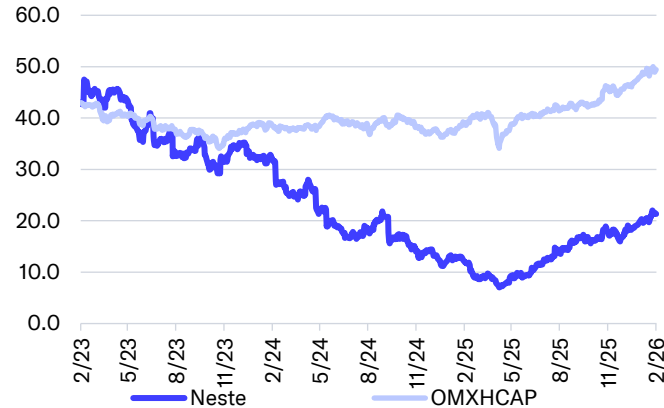
Source: Inderes

## Guidance

(Unchanged)

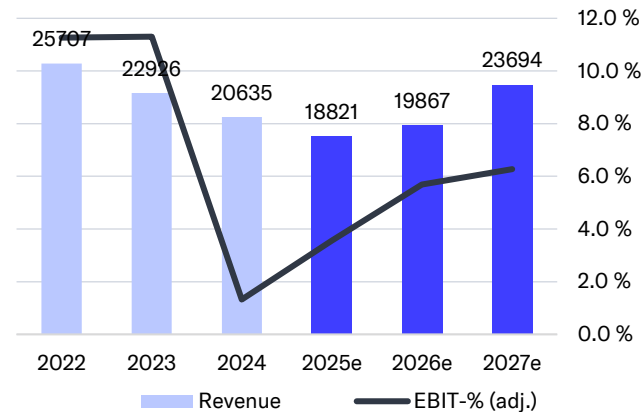
Sales volumes of Renewable Products and Oil Products are expected to be higher in 2025 than in 2024.

## Share price



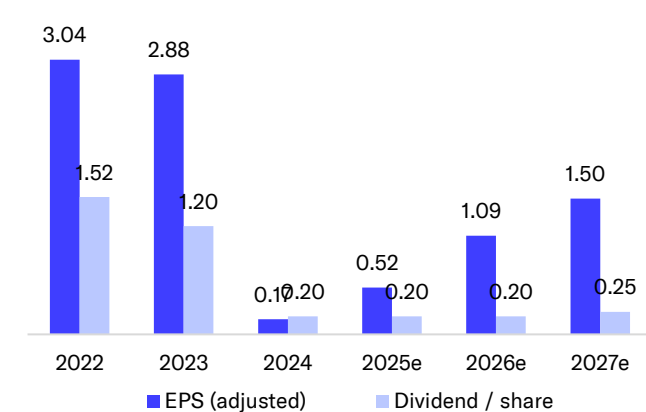
Source: Millistream Market Data AB

## Revenue and EBIT %



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Strong market position in all businesses
- Value creation potential of growth investments in Renewable Products' production capacity
- The long-term growth outlook for the Renewable Products market, which we expect will restore a healthy margin for the segment
- Efficiency in Oil Products, which supports its margin

## Risk factors

- Risks related to oversupply in Renewable Products
- Long-term sales margin level for Renewable Products
- Weak long-term demand picture for oil-based fuels
- Regulatory risks (+/-)
- Increased indebtedness

Valuation	2025e	2026e	2027e
Share price	21.35	21.35	21.35
Number of shares, millions	768.2	768.2	768.2
Market cap	16401	16401	16401
EV	20617	20269	19377
P/E (adj.)	41.3	19.5	14.2
P/E	70.7	19.5	14.2
P/B	2.2	2.0	1.8
P/S	0.9	0.8	0.7
EV/Sales	1.1	1.0	0.8
EV/EBITDA	14.8	9.7	7.8
EV/EBIT (adj.)	30.7	17.9	13.0
Payout ratio (%)	66.2 %	18.3 %	16.6 %
Dividend yield-%	0.9 %	0.9 %	1.2 %

Source: Inderes

# Oil Products margins at a high level in Q4

## Earnings will grow significantly year-on-year

We estimate Neste's Q4 earnings to have risen significantly from a rather weak comparison period. The earnings drivers are a significant earnings improvement in both Renewable Products and Oil Products, particularly driven by margin expansion.

## The market situation is not fully reflected in the earnings

We estimate sales volumes of Renewable Products to have increased by 8% year on year, reaching around 1 Mt. Sales volume growth is limited by maintenance shutdowns scheduled for H2'25, due to which we estimate the company to have been supply-constrained in renewable diesel despite the strong market conditions. Reflecting the supply constraints and strong demand outlook in the European renewable diesel market, market prices rose significantly in the second half of 2025. However, Neste's ability to benefit from this market situation has been limited

due to the aforementioned supply constraints and sales volumes being tied to annual contracts. Thus, our estimated sales margin of USD 440/ton (consensus Q4'25e USD 461/ton) is clearly lower than the margin level available in the spot market, reflecting the lower margin level of annual contracts and the impact of maintenance shutdowns on margins. However, the absolute sales margin level is not great, which, despite clear earnings growth, finds the earnings level of Renewable Products to be satisfactory.

## Margins have also been high in Oil Products

The margin outlook for Oil Products in Q4'25 is also strong, as product margins for both gasoline and fossil diesel rose to a high level in the last months of the year. Thus, we estimate the refining margin for Oil Products to have risen to USD 20/bbl in Q4'25, which is clearly above the long-term average. This roughly doubles the segment's earnings from the comparison period, when the margin level was

more normal.

MEUR / EUR	Q4'24	Q4'25	Q4'25e	Q4'25e	Consensus		2025e
	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	5568		4658	4789	3812	- -	18821
EBITDA (adj.)	168		504	511	251	- 663	1587
PTP	-160		151	-	- - -		281
EPS (adj.)	-0.13		0.17	0.26	0.07	- 0.42	0.52
DPS	0.20		0.20	0.20	0.19	- 0.40	0.20
Revenue growth-%	-11.7 %		-16.3 %	-14.0 %	-31.5 %	-	-8.8 %
EBITDA-% (oik.)	3.0 %		10.8 %	10.7 %	6.6 %	-	8.4 %

Source: Inderes & Vara Research  
(consensus, 22 forecasts)



# Upward pressure in forecasts

## Upward revisions to Q4’25 estimates, particularly in Oil Products

We significantly raised our Q4'25 estimates in connection with the report. This was particularly influenced by our upward revisions to the refining margin in Oil Products, in line with very strong gasoline and diesel product margins. However, since the end of the year, both product margins have been in a steep decline, and the gasoline product margin, in particular, has fallen to a weak level, reminding us of the market's variability.

## Upward pressure on near-term estimates driven by Renewable Products

Our 2026-2027 comparable EBITDA estimates increased by 8% and 4%. The primary driver for these estimate changes was our upward revision to the sales margin for Renewable Products. The increase in the price of renewable diesel for road transport seen in the latter half

of last year has persisted, and in our assessment, it reflects the market's supply constraints. This situation is reinforced by the market's strong growth outlook, as the application of RED III tightens emissions reduction targets and leads to an increase in demand for renewable diesel.

Overall, the demand growth outlook in the United States continues to be strong, but the market's oversupply situation is challenging. Despite this, recent market prices for renewable diesel and LCFS credits, among others, have been on a clear upward trend, improving the market situation. Overall, the market outlook and starting points for earnings growth in Renewable Products in 2026 are clearly better than before. At the same time, it is important to remember that the market is very dynamic and the market situation can change rapidly. Neste's annual contracts for the current year are expected to provide some protection, and we await further comments on these in connection with the Q4 results.

The performance of Oil Products in 2026 will be overshadowed by the Porvoo maintenance turnaround, which necessitates a production shutdown again around summer and will significantly reduce its sales volumes this year.

## Outlook for 2026

In our estimates, we expect Neste's Renewable Products sales volumes to grow by 8% in 2026 and the sales margin to be USD 564/ton. In contrast, we expect Oil Products' volumes to decrease by 12% and the refining margin to be roughly at the year-on-year level (2026e USD 13.8/bbl). We will seek confirmation for these expectations in connection with the financial statements, although we would not be surprised if Neste were to again provide only verbal guidance on sales volumes this year and not comment more specifically on its margin expectations.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	18720	18821	1%	19597	19867	1%	23215	23694	2%
EBITDA	1310	1397	7%	1951	2098	8%	2368	2472	4%
EBIT (exc. NRIs)	585	672	15%	983	1131	15%	1381	1485	8%
EBIT	395	482	22%	983	1131	15%	1381	1485	8%
PTP	194	281	44%	836	987	18%	1248	1357	9%
EPS (excl. NRIs)	0.42	0.52	23%	0.93	1.09	18%	1.38	1.50	9%
DPS	0.20	0.20	0%	0.20	0.20	0%	0.25	0.25	0%

Source: Inderes

# Valuation picture balanced

## Earnings-based valuation is high for the next few years

Based on our estimates, P/E ratios for 2025-2026 are 41x and 20x, while the corresponding EV/EBITDA ratios are 15x and 10x. Thus, the earnings-based valuation is quite high in absolute terms.

All in all, when looking at the absolute earnings-based valuation multiples, we do not see the current valuation as attractive in terms of its risk/reward ratio. However, due to the different long-term outlooks of Neste's businesses, we do not find Group-level valuation multiples to be the best yardstick for valuation.

## The value of Renewables reflects expectations of earnings growth

We have estimated the market's valuation of Renewable Products using a sum-of-the-parts calculation, where we have valued Oil Products based on its peer group and the Marketing & Services business using retail sector multiples. When we deduct the value of Oil Products (2.6 BEUR), the value of Marketing & Services (1.4 BEUR), and the value of the Other reporting segment (which includes group costs, ~-550 MEUR) from the company's current enterprise value (20.6 billion), the total enterprise value remains at around 17 BEUR. This gives a rough idea of how the market currently values the Renewable Products segment.

An enterprise value of 17 BEUR corresponds to a 10x EV/EBIT multiple based on our 2028 Renewable Products estimate. This illustrates our estimated earnings potential when the Rotterdam expansion is at full operational capacity and the company is able to realize the expected volume growth from it. The sales margin achieved by the

company in 2028 will naturally have a significant impact on the earnings potential for that year. As the market continues to suffer from oversupply, estimating the long-term margin level is very challenging. Our forecast is based on a sales margin of USD 585/ton in 2028, which we estimate to be a healthy level, but far from the peak years (2023 USD 863/ton).

In our view, a 10x EV/EBIT multiple is a moderate level for Renewable Products over time, but we believe that the market situation in recent years (i.e., margin volatility) has increased the required return for the business. Thus, for example, the valuation levels for Renewable Products in 2021-2023 (EV/EBIT 15-18x) are not justifiable in our opinion. In our view, a justified valuation level for a high-quality but capital-intensive business like Renewable Products could be around 12-15x EV/EBIT. However, at this level, the correction in the valuation's upside does not, in our opinion, offer a sufficiently attractive annual expected return from the current starting point. Thus, in our view, an attractive expected return at the current share price requires the long-term margin level to be higher than we forecast. Considering the continued global oversupply and the potential for supply growth, we do not believe that relying on a significantly higher long-term margin level is an attractive strategy. Against this backdrop, we consider the share's current risk/reward ratio to be weak.

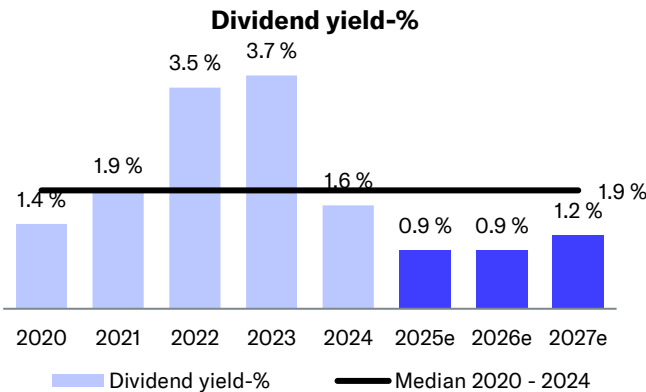
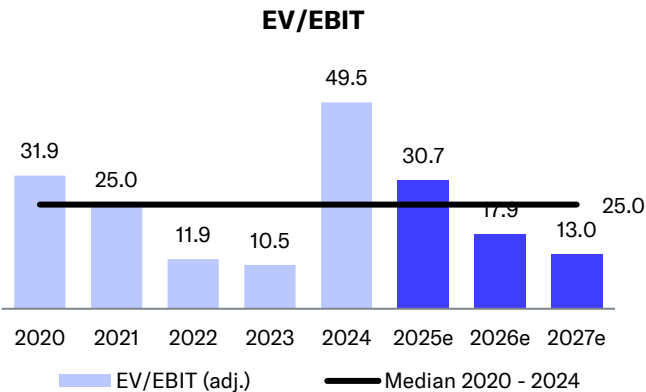
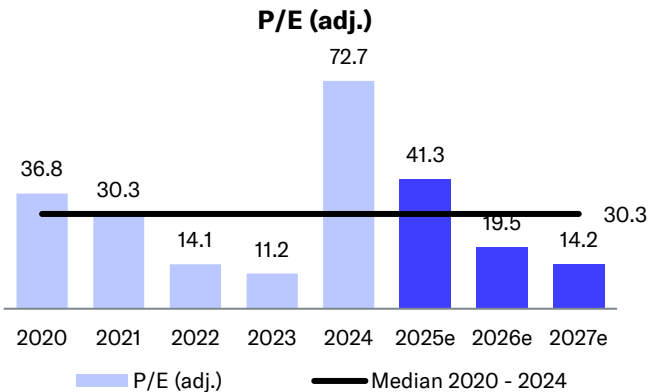
Valuation	2025e	2026e	2027e
Share price	21.35	21.35	21.35
Number of shares, millions	768.2	768.2	768.2
Market cap	16401	16401	16401
EV	20617	20269	19377
P/E (adj.)	41.3	19.5	14.2
P/E	70.7	19.5	14.2
P/B	2.2	2.0	1.8
P/S	0.9	0.8	0.7
EV/Sales	1.1	1.0	0.8
EV/EBITDA	14.8	9.7	7.8
EV/EBIT (adj.)	30.7	17.9	13.0
Payout ratio (%)	66.2 %	18.3 %	16.6 %
Dividend yield-%	0.9 %	0.9 %	1.2 %

Source: Inderes

# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	59.2	43.4	43.02	32.21	12.13	21.4	21.4	21.4	21.4
Number of shares, millions	768	768	768	768	768	768	768	768	768
Market cap	45425	33299	33043	24744	9318	16401	16401	16401	16401
EV	45212	33494	34407	27237	13511	20617	20269	19377	17959
P/E (adj.)	36.8	30.3	14.1	11.2	72.7	41.3	19.5	14.2	9.8
P/E	63.8	18.8	17.5	17.3	neg.	70.7	19.5	14.2	9.8
P/B	7.7	4.8	4.0	2.9	1.3	2.2	2.0	1.8	1.5
P/S	3.9	2.2	1.3	1.1	0.5	0.9	0.8	0.7	0.6
EV/Sales	3.8	2.2	1.3	1.2	0.7	1.1	1.0	0.8	0.7
EV/EBITDA	30.0	12.8	11.3	10.7	13.4	14.8	9.7	7.8	5.7
EV/EBIT (adj.)	31.9	25.0	11.9	10.5	49.5	30.7	17.9	13.0	8.6
Payout ratio (%)	86%	36%	62%	64%	neg.	66%	18%	17%	14%
Dividend yield-%	1.4 %	1.9 %	3.5 %	3.7 %	1.6 %	0.9 %	0.9 %	1.2 %	1.4 %

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
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Total SA	134933	164850	8.4	7.8	5.3	4.8	1.0	0.9	10.8	9.4	5.5	5.8	1.3
ENI SPA	54206	73133	8.5	7.4	4.5	4.1	0.9	0.9	11.2	9.5	6.3	6.5	1.1
Koc Holding AS	10180	15505	5.0	4.3	3.9	2.8	0.3	0.2	9.0	5.7	3.0	4.4	0.6
TURKIYE PETROL RAFINERILERI AS	9116	7649	7.6	6.7	5.8	5.1	0.4	0.4	9.5	9.1	8.0	9.1	1.2
MOL PLC	8457	9617	6.2	6.5	3.2	3.3	0.4	0.4	7.6	7.7	7.0	6.8	0.7
EQUINOR ASA	57541	64438	3.3	3.2	2.3	2.2	0.8	0.8	10.1	9.3	5.9	6.2	1.6
VALERO ENERGY CORP	46515	51501	13.5	12.7	7.6	7.7	0.6	0.5	15	14.4	2.6	2.7	2.2
HELLENIC PETROLEUM SA	2772	5360	9.9	12.0	5.9	6.5	0.5	0.5	8.6	10.6	6.3	5.1	1.0
POLSKI KONCERN NAFTOWY ORLEN SA	29791	32201	6.1	6.8	3.6	3.7	0.6	0.5	8.9	10.2	5.6	4.9	0.8
Neste (Inderes)	16401	20617	30.7	17.9	14.8	9.7	1.1	1.0	41.3	19.5	0.9	0.9	2.2
Average			7.6	7.5	4.7	4.5	0.6	0.6	10.1	9.6	5.6	5.7	1.1
Median			7.6	6.8	4.5	4.1	0.6	0.5	9.5	9.4	5.9	5.8	1.1
Diff-% to median			304%	165%	227%	136%	99%	92%	334%	107%	-84%	-84%	106%

Source: Refinitiv / Inderes



# 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	22926	4801	4642	5624	5568	20635	5017	4511	4534	4759	18821	19867	23694	27581
Oil Products	13285	2669	2436	3400	3324	11829	2936	2198	2167	2291	9592	8586	11378	12113
Renewable Products	8466	1766	1852	1823	1880	7321	1746	1915	1965	2058	7683	9611	10766	13763
Marketing & Services	5168	1234	1165	1180	1108	4687	1054	1042	1068	1085	4249	4270	4300	4450
Other	100	18	24	44	39	125	47	41	37	25	150	100.0	100.0	105
Eliminations	-4094	-887	-834	-822	-783	-3326	-765	-686	-702	-700	-2853	-2700	-2850	-2850
EBITDA	2548	442	119	301	144	1005	200	246	447	504	1397	2098	2472	3135
Depreciation	-866	-242	-237	-247	-254	-980	-224	-229	-231	-231	-915	-967	-987	-1047
EBIT (excl. NRI)	2592	309	3	47	-85	273	-15	113	301	273	672	1131	1485	2088
EBIT	1682	200	-119	54	-110	25	-25	18	216	273	482	1131	1485	2088
Oil Products	1127	203	-9	54	63	311	8	-27	167	222	371	273	373	406
Renewable Products	1426	94	5	-37	-136	-75	-19	30	31	47	89	822	1084	1654
Marketing & Services	85	16	16	24	17	73	10	26	27	15	78	82	76	78
Other	-48	-4	-13	0	-25	-42	-24	-16	-10	-11	-61	-46	-48	-50
Eliminations	2	0	4	5	-3	6	0	5	0	0	5	0	0	0
Changes in fair value	-910	-109	-121	7	-25	-248	0	0	0	0	0	0	0	0
Net financial items	-86	-11	-50	-27	-50	-138	-32	-70	-64	-35	-201	-144	-128	-110
PTP	1596	189	-169	27	-160	-113	-57	-52	152	238	281	987	1357	1978
Taxes	-160	-27	24	-4	26	19	17	16	-46	-36	-49	-148	-204	-297
Minority interest	-3	0	0	0	0	0	0	0	0	0	0	0	0	0
Net earnings	1433	162	-144	23	-135	-95	-40	-36	106	202	232	839	1154	1681
EPS (adj.)	2.88	0.33	-0.05	0.02	-0.13	0.17	-0.04	0.06	0.23	0.26	0.52	1.09	1.50	2.19
EPS (rep.)	1.86	0.21	-0.19	0.03	-0.18	-0.12	-0.05	-0.05	0.14	0.26	0.30	1.09	1.50	2.19

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-%	-10.8 %	-9.4 %	-13.2 %	-5.8 %	-11.7 %	-10.0 %	4.5 %	-2.8 %	-19.4 %	-14.5 %	-8.8 %	5.6 %	19.3 %	16.4 %
Adjusted EBIT growth-%	-10.6 %	-52.6 %	-99.6 %	-94.4 %	-115.7 %	-89.5 %	-104.8 %	4412.0 %	545.7 %	-420.3 %	146.0 %	68.4 %	31.3 %	40.6 %
EBITDA-%	11.1 %	9.2 %	2.6 %	5.3 %	2.6 %	4.9 %	4.0 %	5.5 %	9.9 %	10.6 %	7.4 %	10.6 %	10.4 %	11.4 %
Adjusted EBIT-%	11.3 %	6.4 %	0.1 %	0.8 %	-1.5 %	1.3 %	-0.3 %	2.5 %	6.6 %	5.7 %	3.6 %	5.7 %	6.3 %	7.6 %
Net earnings-%	6.2 %	3.4 %	-3.1 %	0.4 %	-2.4 %	-0.5 %	-0.8 %	-0.8 %	2.3 %	4.2 %	1.2 %	4.2 %	4.9 %	6.1 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>8858</b>	<b>10026</b>	<b>10121</b>	<b>10314</b>	<b>9912</b>
Goodwill	496	514	514	514	514
Intangible assets	185	164	174	184	194
Tangible assets	7786	8872	8957	9140	8728
Associated companies	58	53	53	53	53
Other investments	54	40	40	40	40
Other non-current assets	152	161	161	161	161
Deferred tax assets	127	222	222	222	222
<b>Current assets</b>	<b>7125</b>	<b>5555</b>	<b>5245</b>	<b>5547</b>	<b>6631</b>
Inventories	3366	2898	2729	2901	3507
Other current assets	271	163	163	163	163
Receivables	1913	1539	1600	1689	2014
Cash and equivalents	1575	955	753	795	948
<b>Balance sheet total</b>	<b>15983</b>	<b>15581</b>	<b>15366</b>	<b>15861</b>	<b>16543</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>8463</b>	<b>7417</b>	<b>7495</b>	<b>8181</b>	<b>9181</b>
Share capital	40	40	40	40	40
Retained earnings	8423	7377	7455	8141	9141
Hybrid bonds	0	0	0	0	0
Revaluation reserve	0	0	0	0	0
Other equity	0	0	0	0	0
Minorities	0	0	0	0	0
<b>Non-current liabilities</b>	<b>4132</b>	<b>4954</b>	<b>5060</b>	<b>4754</b>	<b>4015</b>
Deferred tax liabilities	317	335	335	335	335
Provisions	187	144	144	144	144
Interest bearing debt	3487	4362	4468	4162	3424
Convertibles	0	0	0	0	0
Other long term liabilities	141	113	113	113	113
<b>Current liabilities</b>	<b>3388</b>	<b>3211</b>	<b>2811</b>	<b>2926</b>	<b>3347</b>
Interest bearing debt	581	786	500	500	500
Payables	2580	2185	2070	2185	2606
Other current liabilities	227	241	241	241	241
<b>Balance sheet total</b>	<b>15983</b>	<b>15581</b>	<b>15366</b>	<b>15861</b>	<b>16543</b>

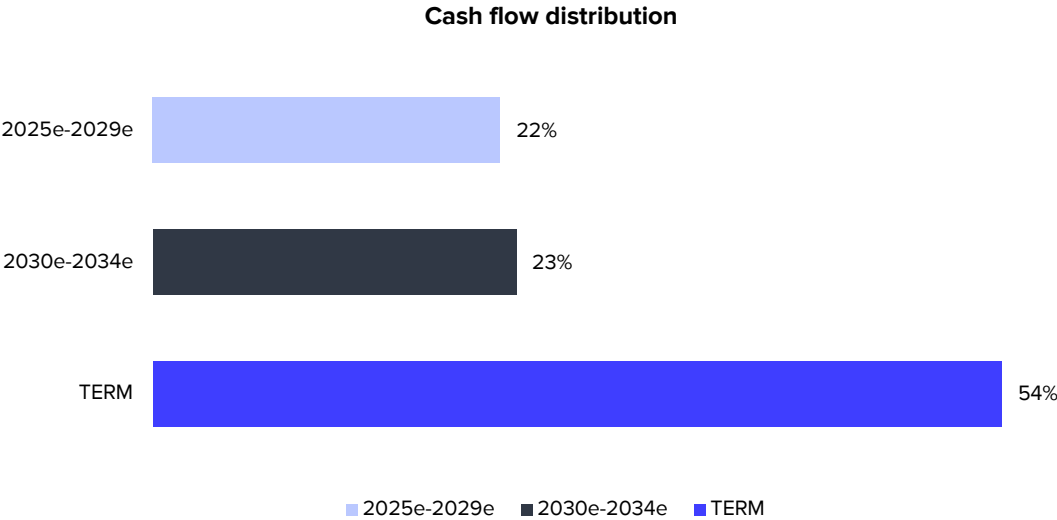
# DCF calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-10.0 %	-8.8 %	5.6 %	19.3 %	16.4 %	5.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	0.1 %	2.6 %	5.7 %	6.3 %	7.6 %	7.5 %	7.5 %	7.0 %	6.5 %	6.5 %	6.5 %	6.5 %
<b>EBIT (operating profit)</b>	<b>25.0</b>	<b>482</b>	<b>1131</b>	<b>1485</b>	<b>2088</b>	<b>2172</b>	<b>2215</b>	<b>2109</b>	<b>1998</b>	<b>2038</b>	<b>2078</b>	
+ Depreciation	980	915	967	987	1047	1073	778	684	679	675	672	
- Paid taxes	-59	-49	-148	-204	-297	-310	-317	-301	-285	-291	-396	
- Tax, financial expenses	-23	-35	-22	-19	-17	-16	-16	-16	-16	-16	-21	
+ Tax, financial income	0	0	0	0	0	0	1	1	1	1	1	
- Change in working capital	568	-6	-145	-510	-533	-172	-72	-74	-75	-77	-78	
<b>Operating cash flow</b>	<b>1492</b>	<b>1307</b>	<b>1783</b>	<b>1739</b>	<b>2289</b>	<b>2747</b>	<b>2588</b>	<b>2403</b>	<b>2301</b>	<b>2330</b>	<b>2256</b>	
+ Change in other long-term liabilities	-72	0	0	0	0	0	0	0	0	0	0	
- Gross CAPEX	-2058	-1010	-1160	-585	-585	-600	-605	-630	-640	-645	-696	
<b>Free operating cash flow</b>	<b>-637.6</b>	<b>297</b>	<b>623</b>	<b>1154</b>	<b>1704</b>	<b>2147</b>	<b>1983</b>	<b>1773</b>	<b>1661</b>	<b>1685</b>	<b>1560</b>	
+/- Other	0	0	0	0	0	0	0	0	0	0	0	
FCFF	-638	297	623	1154	1704	2147	1983	1773	1661	1685	1560	24220
<b>Discounted FCFF</b>		<b>299</b>	<b>579</b>	<b>987</b>	<b>1342</b>	<b>1557</b>	<b>1325</b>	<b>1091</b>	<b>942</b>	<b>879</b>	<b>750</b>	<b>11645</b>
Sum of FCFF present value		21395	21096	20517	19531	18189	16632	15307	14216	13274	12395	11645
<b>Enterprise value DCF</b>		<b>21395</b>										
- Interest bearing debt		-5148										
+ Cash and cash equivalents		955										
-Minorities		0										
-Dividend/capital return		-154										
<b>Equity value DCF</b>		<b>17049</b>										
<b>Equity value DCF per share</b>		<b>22.2</b>										

## WACC

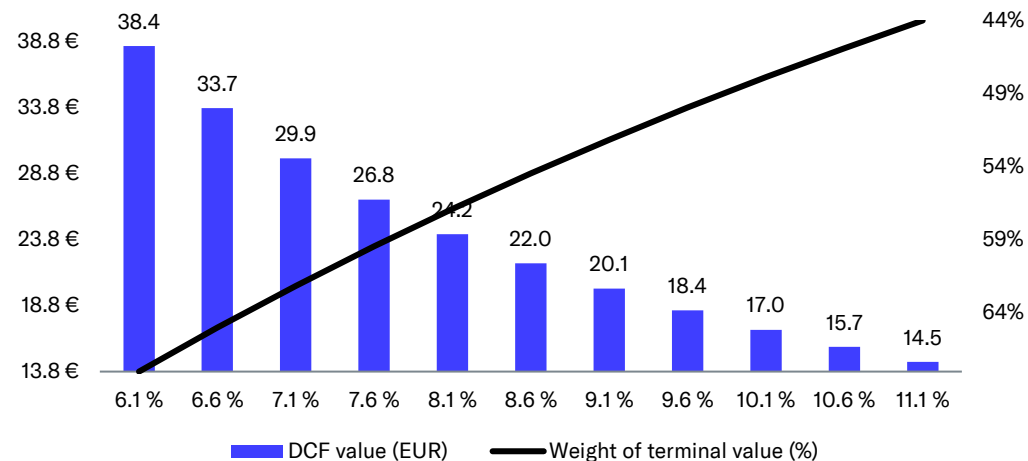
Tax-% (WACC)	15.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	4.0 %
Equity Beta	1.55
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>9.9 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.6 %</b>

Source: Inderes

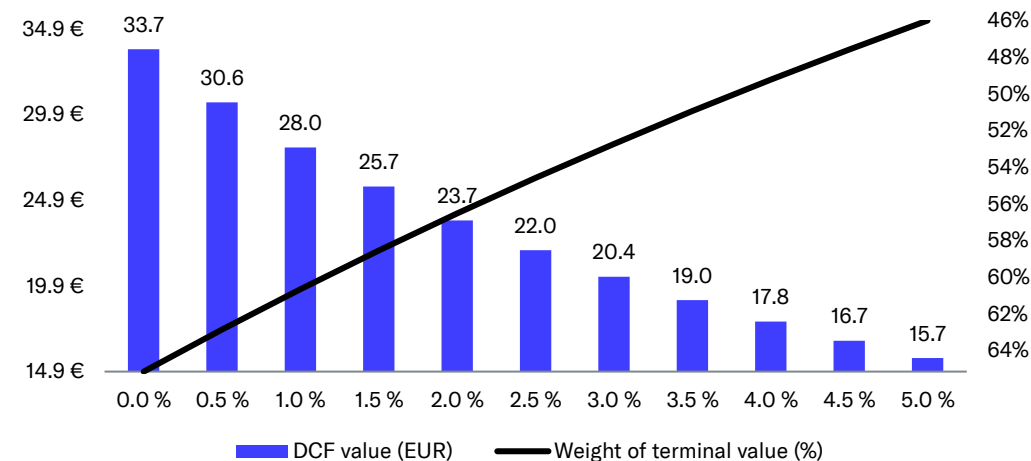


# DCF sensitivity calculations and key assumptions in graphs

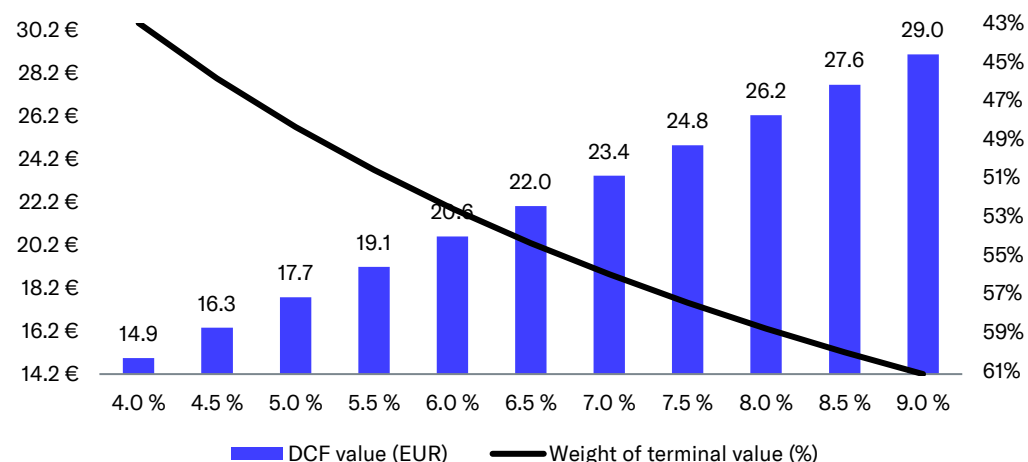
Sensitivity of DCF to changes in the WACC-%



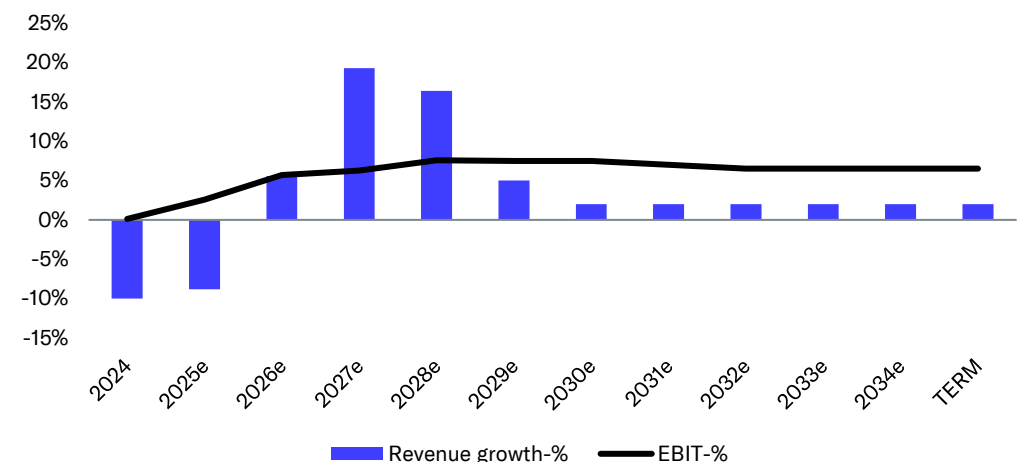
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. 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	25707	22926	20635	18821	19867	EPS (reported)	2.46	1.86	-0.12	0.30	1.09
EBITDA	3047	2548	1005	1397	2098	EPS (adj.)	3.04	2.88	0.17	0.52	1.09
EBIT	2409	1682	25	482	1131	OCF / share	2.16	3.28	1.94	1.70	2.32
PTP	2278	1596	-113	281	987	OFCF / share	-0.66	0.29	-0.83	0.39	0.81
Net Income	1887	1433	-95	232	839	Book value / share	10.83	11.02	9.65	9.76	10.65
Extraordinary items	-489	-910	-248	-190	0	Dividend / share	1.52	1.20	0.20	0.20	0.20
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	14917	15983	15581	15366	15861	Revenue growth-%	70%	-11%	-10%	-9%	6%
Equity capital	8327	8463	7417	7495	8181	EBITDA growth-%	17%	-16%	-61%	39%	50%
Goodwill	0	496	514	514	514	EBIT (adj.) growth-%	116%	-11%	-89%	146%	68%
Net debt	1344	2493	4193	4215	3868	EPS (adj.) growth-%	112%	-5%	-94%	210%	111%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	11.9 %	11.1 %	4.9 %	7.4 %	10.6 %
EBITDA	3047	2548	1005	1397	2098	EBIT (adj.)-%	11.3 %	11.3 %	1.3 %	3.6 %	5.7 %
Change in working capital	-990	224	568	-6	-145	EBIT-%	9.4 %	7.3 %	0.1 %	2.6 %	5.7 %
Operating cash flow	1660	2516	1492	1307	1783	ROE-%	24.7 %	17.1 %	-1.2 %	3.1 %	10.7 %
CAPEX	-2142	-2247	-2058	-1010	-1160	ROI-%	24.5 %	14.3 %	0.2 %	3.9 %	8.9 %
Free cash flow	-508	223	-638	297	623	Equity ratio	56.3 %	53.0 %	47.6 %	48.8 %	51.6 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	16.1 %	29.5 %	56.5 %	56.2 %	47.3 %
EV/S	1.3	1.2	0.7	1.1	1.0						
EV/EBITDA	11.3	10.7	13.4	14.8	9.7						
EV/EBIT (adj.)	11.9	10.5	49.5	30.7	17.9						
P/E (adj.)	14.1	11.2	72.7	41.3	19.5						
P/B	4.0	2.9	1.3	2.2	2.0						
Dividend-%	3.5 %	3.7 %	1.6 %	0.9 %	0.9 %						

Source: Inderes

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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
1/20/2020	Accumulate	36.00 €	33.83 €
2/10/2020	Reduce	38.00 €	39.53 €
3/13/2020	Accumulate	32.00 €	28.77 €
4/27/2020	Accumulate	32.00 €	29.61 €
5/27/2020	Reduce	35.00 €	35.86 €
7/24/2020	Reduce	40.00 €	41.42 €
10/1/2020	Accumulate	50.00 €	44.97 €
10/26/2020	Reduce	50.00 €	49.00 €
2/8/2021	Reduce	50.00 €	55.20 €
4/20/2021	Reduce	50.00 €	50.56 €
4/30/2021	Reduce	50.00 €	52.04 €
7/28/2021	Reduce	50.00 €	52.18 €
10/28/2021	Reduce	50.00 €	48.94 €
12/27/2021	Accumulate	50.00 €	43.71 €
2/11/2022	Accumulate	44.00 €	38.43 €
3/3/2022	Buy	44.00 €	36.07 €
5/2/2022	Accumulate	44.00 €	41.20 €
6/21/2022	Reduce	44.00 €	43.06 €
7/29/2022	Reduce	46.00 €	48.68 €
10/25/2022	Reduce	48.00 €	47.10 €
10/28/2022	Reduce	48.00 €	45.46 €
2/9/2023	Reduce	50.00 €	47.50 €
4/24/2023	Accumulate	48.00 €	43.77 €
5/2/2023	Accumulate	48.00 €	43.94 €
7/28/2023	Accumulate	39.00 €	32.57 €
10/27/2023	Accumulate	37.00 €	31.90 €
2/9/2024	Buy	35.00 €	27.74 €
4/25/2024	Buy	30.00 €	22.49 €
5/15/2024	Accumulate	21.50 €	18.88 €
7/26/2024	Accumulate	21.00 €	18.12 €
9/12/2024	Accumulate	19.00 €	16.06 €
10/25/2024	Accumulate	17.50 €	14.39 €
11/11/2024	Accumulate	15.50 €	12.83 €
2/17/2025	Reduce	11.50 €	10.47 €
4/28/2025	Reduce	9.00 €	7.98 €
4/30/2025	Reduce	9.00 €	8.90 €
7/25/2025	Reduce	14.00 €	14.82 €
10/28/2025	Reduce	18.00 €	18.40 €
10/30/2025	Reduce	18.00 €	18.92 €
2/3/2026	Reduce	22.00 €	21.35 €





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