LEMONSOFT

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Zest returning to sales

We reiterate our Buy recommendation and EUR 6.0 target price for Lemonsoft. The company's Q2 revenue grew in line with our expectations, but the earnings improvement compared to the previous year was slightly below our estimates due to a higher cost structure. In light of Lemonsoft's outlook commentary, the market situation in the company's core industries is clearly improving. This should start to support sales development more strongly in H2, and in our assessment, be properly reflected in revenue and earnings lines during 2027. Against this backdrop, we believe the stock's valuation (2027e EV/EBIT 8x) is very attractive.

Revenue grew as expected

Lemonsoft's Q2 revenue grew by 5% to 7.8 MEUR, slightly exceeding our forecast of 7.7 MEUR. The Jakamo acquisition in February supported growth by 7.5 percentage points. Organic growth (-2.1%) was slightly negative, in line with our expectations. SaaS income (Q2'26: 6.22 MEUR), which is the most important for the strategy and value creation, grew by 12%, reflecting the impact of Jakamo. SaaS organic growth was 2.7%, so the trend is cautiously improving. According to the company, customer churn in the early part of the year was at the previous year's level (2025: 6.3%) and did not decrease as initially expected. Churn has occurred particularly outside the core business areas due to customers' financial difficulties and M&A transactions.

Earnings fell slightly short of our expectations

Adjusted EBIT in Q2 was 1.6 MEUR (Q2'25: 1.2 MEUR), falling short of our forecast (1.9 MEUR). The adjusted EBIT margin (21%) improved significantly from the soft comparison period (16%), but we had expected an even stronger turnaround. The deviation from our forecast came from personnel costs. In Q2, Lemonsoft invested significantly in customer experience, for example, by strengthening customer interface resourcing. Gross margin (Q2'26: 84.9% vs. Q2'25: 85.8%) was fully in line with our expectations. Overall, Lemonsoft's current cost structure provides a good basis for earnings growth in the coming years, provided that an upturn in sales begins to be reflected in revenue.

Market outlook is picking up

Lemonsoft's guidance, updated twice in July, expects 2026 revenue to grow by -1–5% and the adjusted operating profit margin to be between 23–29% (our forecast: 2% and 26%). Following the divestment of Finvoicer, Lemonsoft is a more focused software provider for industrial manufacturing and wholesale & retail, and the company's prerequisites for organic growth are strengthening. Recently, there have also been signs of market recovery, which will support Lemonsoft's sales development going forward. The renewed sales organization and other measures taken have also started to move things in a better direction. According to the company, new sales activity has increased significantly (2-3x lead volume) and the sales pipeline has grown substantially. This is expected to be reflected in positively realized deals in H2. The market outlook is partly brightened by the fact that certain legacy software (e.g., Visma L7) is being replaced at a faster pace than before.

Valuation is attractive given the earnings growth in the coming years

Based on our forecasts, Lemonsoft's EV/EBIT ratio, adjusted for PPA amortization from acquisitions, is 10x in 2026. We believe the valuation has fallen to a low level, and Lemonsoft's share no longer prices in significant growth expectations. If sales pick up and our the earnings growth we forecast materializes, the valuation for the coming years looks very low (2027e-2028e EV/EBIT 8x-7x). A key challenge for Lemonsoft's valuation increase in the short term is the generally weak sentiment for SaaS stocks. If the company can deliver its targeted earnings growth in the coming years, we estimate that investors' concerns will eventually dissipate, and the valuation will return to a higher level than at present.

Recommendation
Buy
(was Buy)

Target price:
EUR 6.00
(was EUR 6.00)

Share price:
EUR 4.13

Business risk
●●●○○

Valuation risk
●●○○○

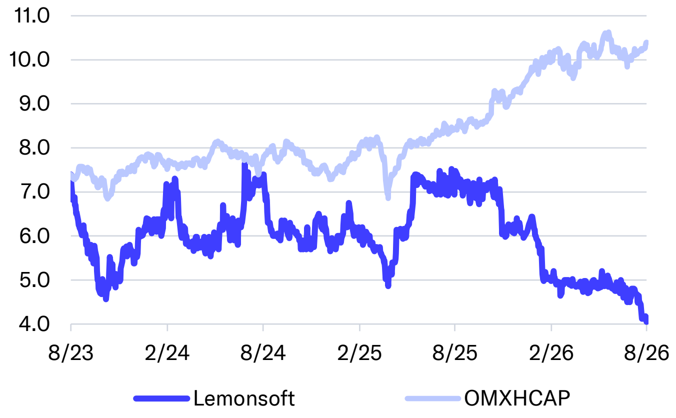
	2025	2026e	2027e	2028e
Revenue	29.5	30.2	31.6	33.1
growth-%	2%	2%	5%	5%
EBIT adj.	6.9	7.8	8.8	9.5
EBIT-% adj.	23.6 %	26.0 %	28.0 %	28.7 %
Net Income	4.5	4.8	5.9	6.5
EPS (adj.)	0.24	0.34	0.39	0.43
P/E (adj.)	25.0	12.1	10.4	9.6
P/B	3.3	3.7	2.3	2.1
Dividend yield-%	2.3 %	3.4 %	3.4 %	3.7 %
EV/EBIT (adj.)	16.3	9.9	8.3	7.3
EV/EBITDA	12.2	8.7	7.9	6.9
EV/S	3.9	2.6	2.3	2.1

Source: Inderes

Guidance (Unchanged)

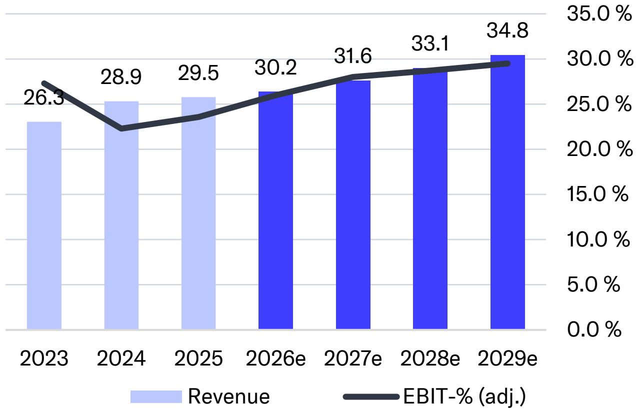
"Lemonsoft estimates that the net sales for the financial year 2026 will increase by −1–5% and that adjusted EBIT will be 23-29% of net sales."

Share price



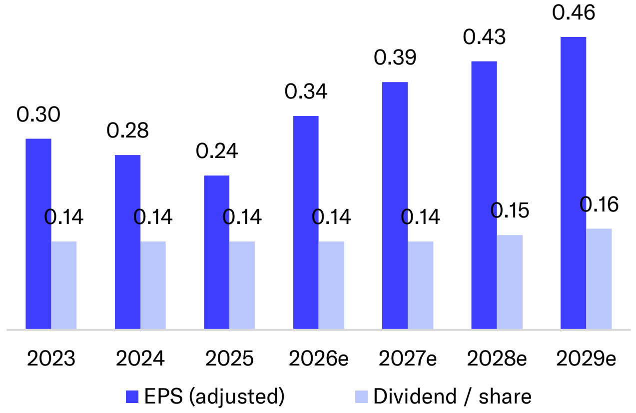
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Growth in current industries by expanding within existing customers and acquiring new customers
- Accelerating growth and value creation through M&A
- Profitability scaling potential with growth
- High customer retention (system is business-critical for customers)

Risk factors

- Weak economic environment creates uncertainty over the organic revenue growth outlook
- Acquisitions and their integration
- Excessive diversification of the product portfolio and loss of focus
- Tightening competition
- Technology and cybersecurity risks

Valuation	2026e	2027e	2028e
Share price	4.08	4.08	4.08
Number of shares, millions	17.8	17.8	17.8
Market cap	73	73	73
EV	77	74	70
P/E (adj.)	12.1	10.4	9.6
P/E	15.1	12.2	11.1
P/B	3.7	2.3	2.1
P/S	2.4	2.3	2.2
EV/Sales	2.6	2.3	2.1
EV/EBITDA	8.7	7.9	6.9
EV/EBIT (adj.)	9.9	8.3	7.3
Payout ratio (%)	51.8 %	42.0 %	40.9 %
Dividend yield-%	3.4 %	3.4 %	3.7 %

Source: Inderes

Revenue developed as expected, but profitability fell slightly short of our expectations

Revenue grew, driven by the Jakamo acquisition

Lemonsoft's Q2 revenue grew by 5% to 7.8 MEUR, slightly exceeding our forecast of 7.7 MEUR. The Jakamo acquisition in February supported growth by 7.5 percentage points. Organic growth (-2.1%) was slightly negative, in line with our expectations. SaaS income (Q2'26: 6.22 MEUR), which is the most important for the strategy and value creation, grew by 12%, reflecting the impact of Jakamo. Organic SaaS growth was 2.7% and all recurring revenue organic growth was 0.4%. Annual recurring revenue (ARR) was 24.8 MEUR at the end of Q2 (Q1'26: 25.1 MEUR). According to the company, customer churn in the early part of the year was at the previous year's level and did not decrease as initially expected. Churn has occurred particularly outside the core business areas due to customers' financial difficulties and M&A transactions. Among other things, this also led the company to lower its outlook for the current year.

Transaction income (Q2’26: 0.63 MEUR, -16%) decreased in line with our expectations due to reduced invoice financing volumes. Consulting revenue (Q2’26: 1.0 MEUR, -15%) decreased slightly more than we expected. We believe the weak development is partly due to a low number of implementation projects, as new sales were soft last year and in early 2024. It is also likely that Finvoicer's challenges are affecting the figure to some extent. Lemonsoft's strategy has also shifted more towards recurring revenue streams, which has already been reflected in the decrease in Consulting revenue.

Lemonsoft reiterated the comments it made in connection with its profit warning, stating that there are clear signs of recovery in the market for the company's core industries (industrial manufacturing and wholesale & retail). The renewed sales organization and other measures taken have also slowly started to move things in a better direction in recent months. According to the company, new sales activity has increased significantly during late spring, and the sales pipeline has grown substantially. This is expected to be reflected in positively realized deals in H2. According to the company, the market outlook is partly boosted by the fact that certain legacy software solutions (e.g. Visma L7) are being replaced at a faster pace than before.

Earnings a notch below our expectations

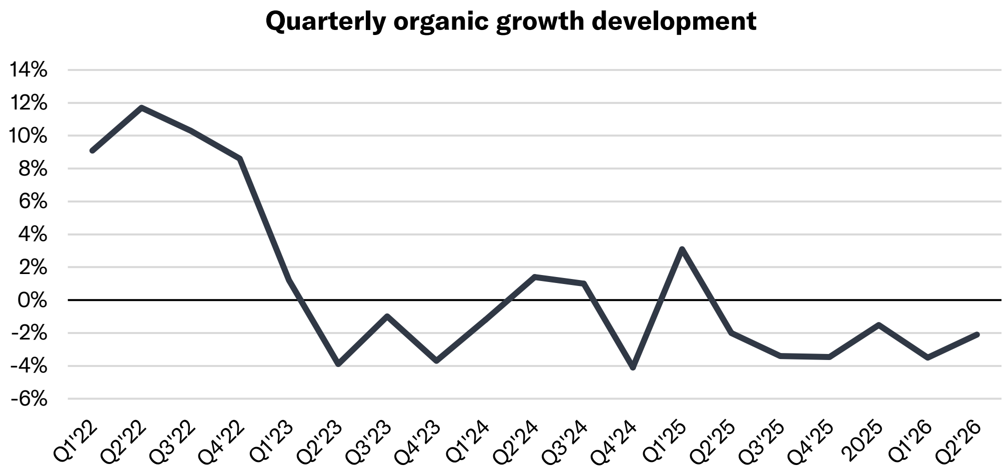
Adjusted EBIT was 1.6 MEUR in Q2 (Q2'25: 1.2 MEUR), missing our forecast (1.9 MEUR). The adjusted EBIT margin (21%) improved significantly from the soft comparison period (16%), but we had expected an even stronger turnaround. The deviation from our forecast came from personnel costs. In Q2, Lemonsoft invested significantly in customer experience, for example, by strengthening customer interface resourcing. Gross margin (Q2'26: 84.9% vs. Q2'25: 85.8%) was fully in line with our expectations. Overall, Lemonsoft's current cost structure provides a good basis for earnings growth in the coming years, provided that an upturn in sales begins to be reflected in revenue.

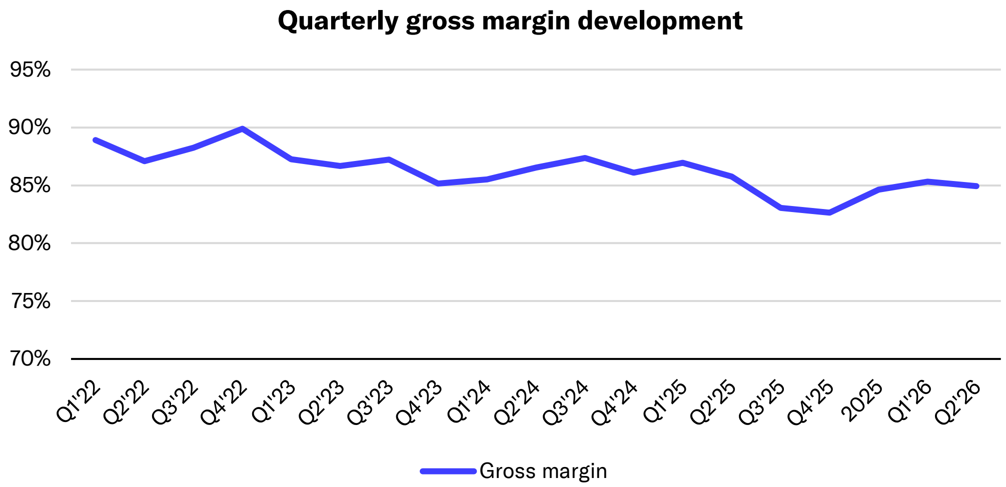
Cash flow from operating activities (1.5 MEUR) and free cash flow (1.3 MEUR) were at a good level during the quarter. Lemonsoft's balance sheet is in good shape, and net debt was a moderate 8.7 MEUR at the end of Q2. The net debt/EBITDA ratio for the last 12 months is thus a low 1.0x. However, with continuing cash flow, the balance sheet will also strengthen towards the end of the year. The company therefore has a solid balance sheet foundation to continue M&A activity this year, should it choose to do so.

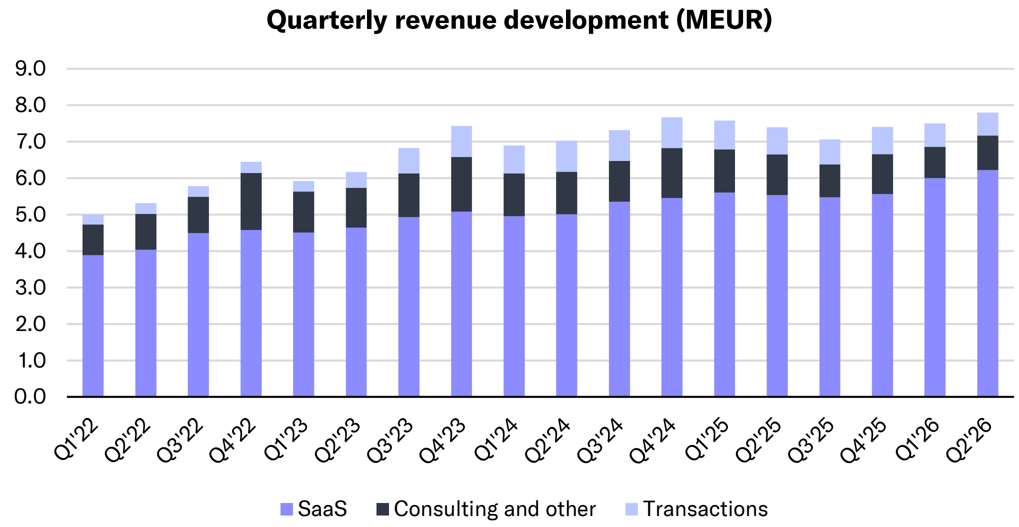
Estimates MEUR / EUR	Q2'25 Comparison	Q2'26 Actualized	Q2'26e Inderes	Q2'26e Consensus	Difference (%) Act. vs. inderes	2026e Inderes
Revenue	7.4	7.8	7.7		1%	30.2
EBIT (adj.)	1.2	1.6	1.9		-15%	7.8
EBIT	0.9	1.4	1.7		-19%	6.6
EPS (adj.)	0.04	0.07	0.08		-14%	0.34
EPS (reported)	0.03	0.06	0.07		-17%	0.27
Revenue growth-%	5.3 %	5.4 %	4.5 %		0.9 pp	2.4 %
EBIT-% (adj.)	16.0 %	21.1 %	25.1 %		-4 pp	26.0 %

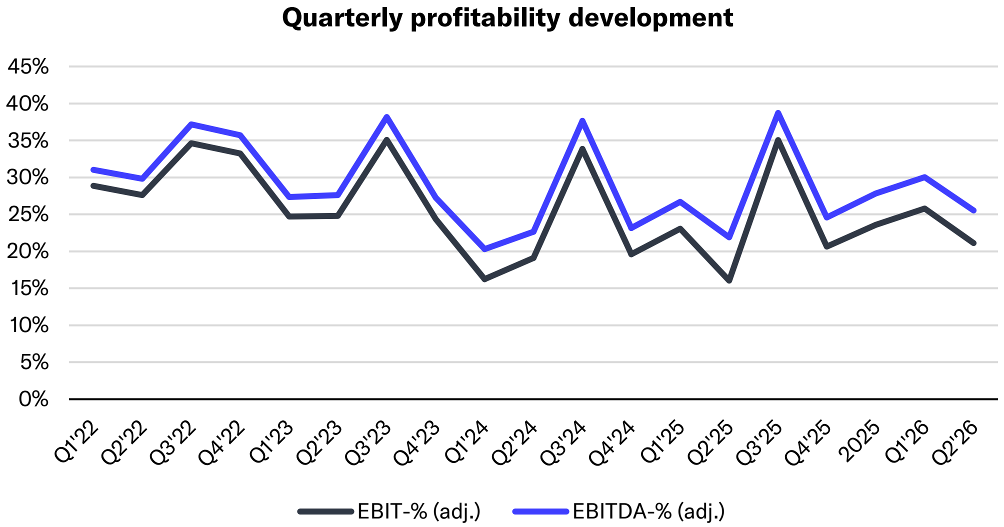
Source: Inderes

Development of key figures 1/2

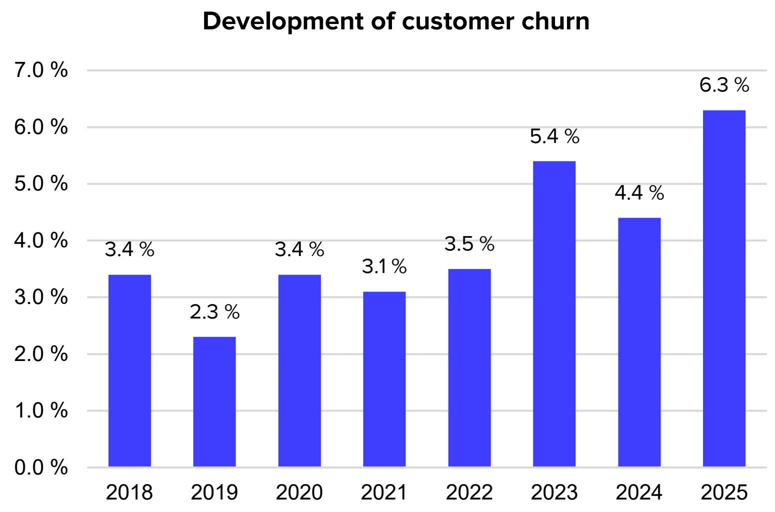


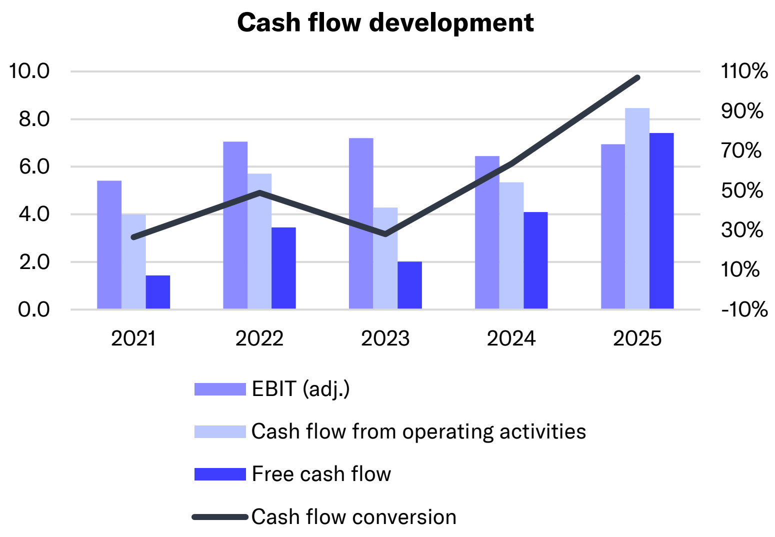


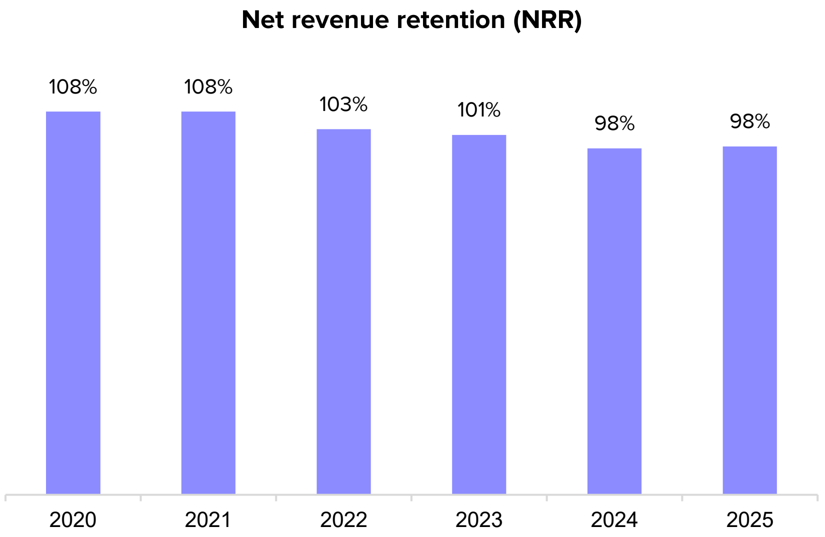


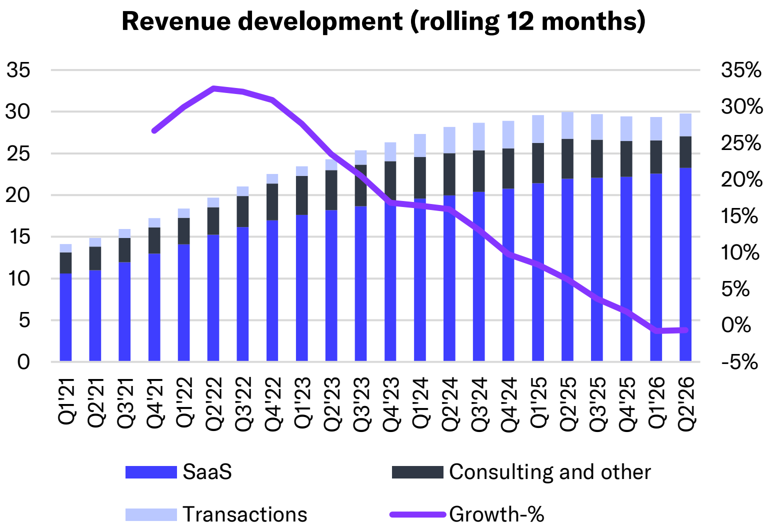


Development of key figures 2/2









Big picture in estimates unchanged

Updated guidance reiterated after profit warning and Finvoicer divestment

Lemonsoft's guidance, updated twice in July, expects 2026 revenue to grow by -1–5% and the adjusted EBIT margin to be between 23–29%. Following the divestment of Finvoicer, Lemonsoft is a more focused software provider for industrial manufacturing and wholesale & retail, and the company's prerequisites for organic growth are strengthening. Recently, there have also been signs of market recovery, which will support Lemonsoft's sales development going forward. Due to elevated customer churn and weaker sales development in the early part of the year, the overall performance for the current year will remain subdued. However, we expect the improved new sales outlook in recent months to more strongly support revenue development only next year.

We did not make any significant changes to our growth forecasts after the Q2 report, as we had already updated them to reflect the latest guidance following the Finvoicer divestment. However, we slightly raised our cost forecasts for 2026, which was reflected in a decrease in this year's earnings forecast. For the coming years, the changes were small. We still believe Lemonsoft is well-positioned to accelerate its growth and, consequently, its earnings growth in the coming years, supported by its own initiatives and a recovering market.

Estimates in brief

We forecast Lemonsoft's revenue to grow 2% this year, which, accounting for the Jakamo acquisition, the Finvoicer divestment, and the Lixan financing arrangement, implies negative organic development.

In our estimates, growth is driven by SaaS revenue, while we expect Consulting revenue and transactions to decline. The latter two are weighed down not only by weak organic development but also by the divestment of Finvoicer. We estimate the adjusted EBIT margin to rise to 26%, which is the midpoint of the guidance range. The implemented cost savings and the elimination of technology platform transition costs that burdened last year's earnings support this year's earnings improvement at the adjusted EBIT level.

For 2027-2028, we estimate Lemonsoft's growth to pick up to 5% and adjusted EBIT to improve to 28-29%. We expect growth to come especially from SaaS income and, to a lesser extent, from transaction income, while we expect consulting to continue its slight decline. The divestment of Finvoicer will still weigh on growth figures in H1'27. Lemonsoft will very likely accelerate its growth in the coming years with new acquisitions, which the company is actively exploring.

Internationalization is being promoted cautiously

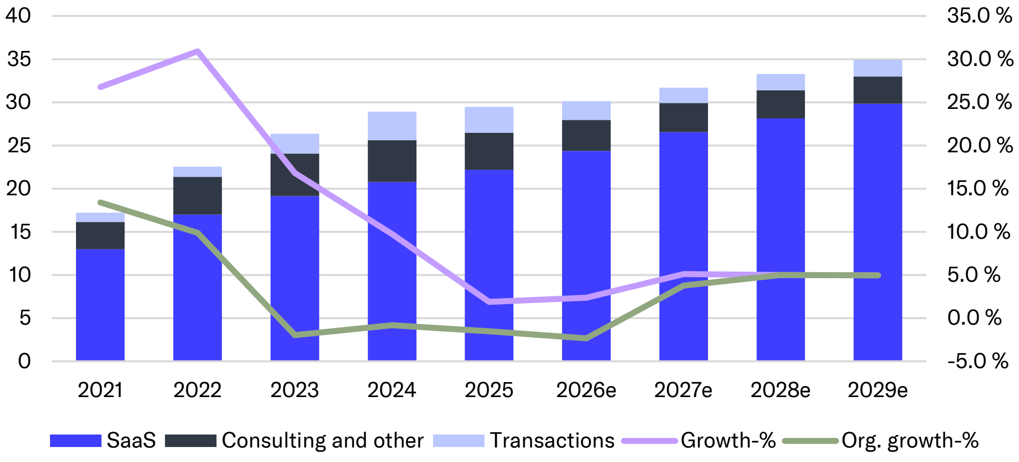
In connection with its Q2 report, Lemonsoft announced it is exploring internationalization as part of its growth strategy. The project was initiated due to customer demand, as several internationalizing customers have approached the company with the need to implement Lemonsoft's ERP software, for example, in Sweden and Germany. The company primarily assesses suitability from a product perspective and is conducting surveys with selected customers. Production control can be transferred to new markets relatively effortlessly, but for accounting and payroll administration, local statutory requirements are more complex to localize. The investments made at this stage are very small, and we will be following how these initial pilots progress.

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	30.1	30.2	0%	31.3	31.6	1%	32.9	33.1	1%
EBITDA	9.2	8.9	-3%	9.6	9.4	-2%	10.3	10.0	-3%
EBIT (exc. NRIs)	8.3	7.8	-6%	9.0	8.8	-2%	9.8	9.5	-2%
EBIT	7.1	6.6	-7%	8.0	7.8	-2%	8.7	8.5	-3%
PTP	6.6	6.2	-7%	7.6	7.4	-3%	8.4	8.1	-3%
EPS (excl. NRIs)	0.36	0.34	-5%	0.40	0.39	-2%	0.44	0.43	-3%
DPS	0.14	0.14	0%	0.14	0.14	0%	0.15	0.15	0%

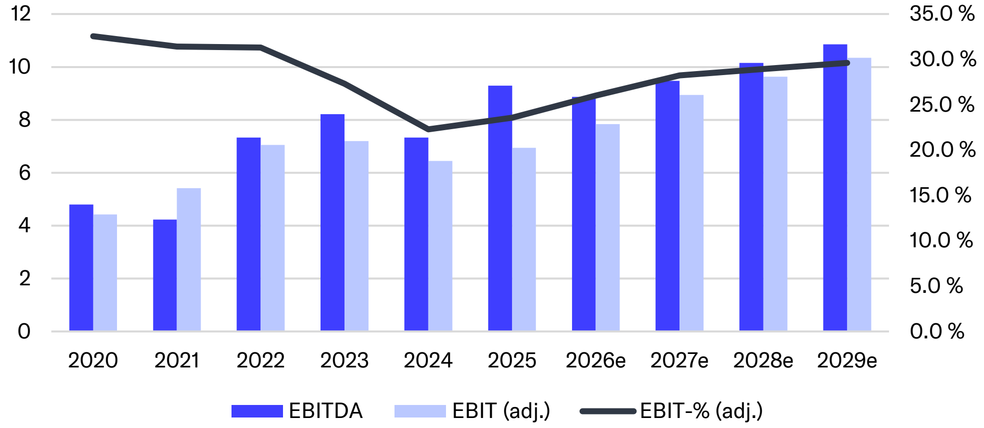
Source: Inderes

Summary of estimates

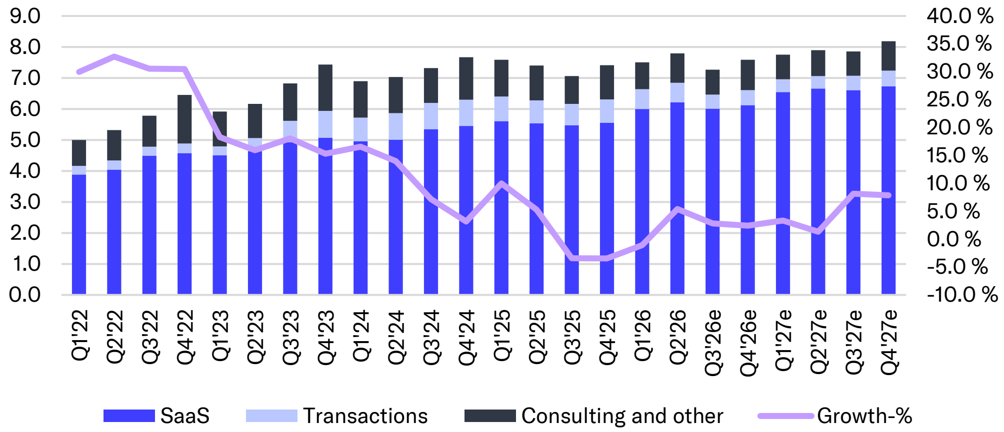
Revenue by income type and growth, %



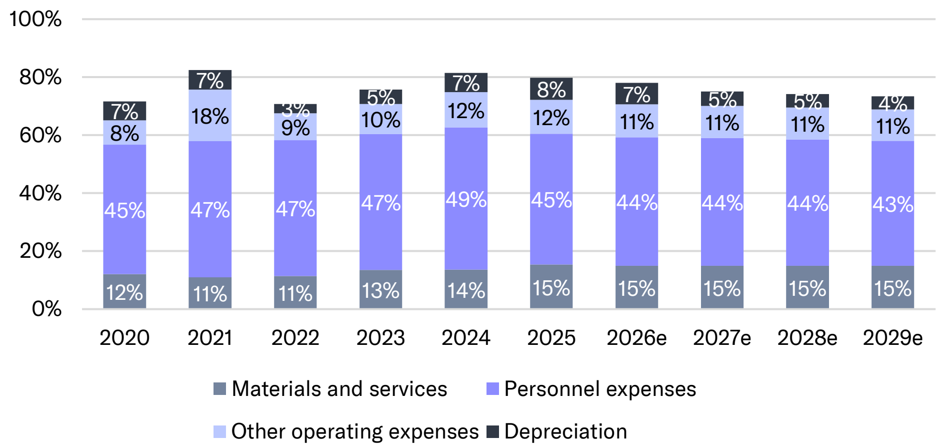
Revenue and EBIT (adj.)



Revenue development by quarter (MEUR)



Cost structure % of revenue



Valuation 1/2

Lemonsoft's investment profile includes factors that support its valuation

There are many factors in Lemonsoft's business model and investment profile that support a relatively high valuation for the share. The company has a good track record of profitable growth and, consequently, shareholder value creation. Thanks to the economies of scale, the company's profitability is already at a good level, but there is still potential for improvement. The cash flow profile of the business is also good, enabling a steady annual dividend stream and share repurchases, depending on how aggressively the company allocates its capital to acquisitions. In addition, we believe Lemonsoft's long-term growth prospects remain reasonably good and the overall risk profile is moderate. The company's business is mostly recurring, many of its solutions are business-critical for customers, and it offers a broad and competitive product portfolio for its target industries.

We currently consider the AI threat to be relatively low from the perspective of ERP providers for SMEs

Since 2023, Lemonsoft's organic growth rate has turned out modest, partly due to the weak market situation. However, to turn the tide, the company must also improve its own operations, and with the new CEO, several corrective measures and changes have been implemented in recent years. The pick-up in new sales indicates that these efforts are now gradually starting to yield results. In our view, weak organic growth has been one of the key reasons weighing on the acceptable valuation of the share, but the keys to accelerating momentum are in the company's hands. In addition, the market situation will eventually improve, and there are already signs of this.

A challenge for Lemonsoft's short-term valuation is the sentiment for SaaS software companies, which has weakened significantly this year. In our view, investors' fears regarding the disruption and competitive threat posed by AI have driven down the valuations of many software companies to very low levels. Globally decreased valuation levels inevitably weigh on Lemonsoft's acceptable valuation level, as there are plenty of moderately priced software companies available on the stock exchanges.

We are not particularly concerned about the threats posed by AI for Lemonsoft at the moment, as the SaaS transformation in the SME ERP market has already taken a very long time, and some players still use traditional legacy systems. Existing SaaS providers can also leverage new AI tools to develop new value-added features based on customer data. At best, this can only improve customer retention. Entering the SME ERP market is also expensive for new players, as the average billing per customer is quite low, while sales cycles can be relatively long and require significant investment.

With AI, the competitive landscape will surely intensify at some point. There is also a risk of price pressure in the long run. This can be partly addressed by significantly accelerating product development cycles, enabling the introduction of new value-adding features to customers. Regarding Lemonsoft's ERP solution, we currently consider the threat of disruption to be low, though it is higher for certain financial administration add-on tools in the product portfolio.

Valuation	2026e	2027e	2028e
Share price	4.08	4.08	4.08
Number of shares, millions	17.8	17.8	17.8
Market cap	73	73	73
EV	77	74	70
P/E (adj.)	12.1	10.4	9.6
P/E	15.1	12.2	11.1
P/B	3.7	2.3	2.1
P/S	2.4	2.3	2.2
EV/Sales	2.6	2.3	2.1
EV/EBITDA	8.7	7.9	6.9
EV/EBIT (adj.)	9.9	8.3	7.3
Payout ratio (%)	51.8 %	42.0 %	40.9 %
Dividend yield-%	3.4 %	3.4 %	3.7 %

Source: Inderes

Valuation 2/2

Stock valuation is low

Based on our forecasts, Lemonsoft's EV/EBIT ratio, adjusted for PPA amortization from acquisitions, is 10x in 2026. We believe the valuation has fallen to a low level, and Lemonsoft's share no longer prices in significant growth expectations. If the market starts to pick up and the earnings growth that we forecast materializes, the valuation looks very low for the coming years (2027e-2028e EV/EBIT 8x-7x). Thus, the share has considerable potential from current levels if earnings growth continues. There is potential to accelerate earnings growth going forward through successful acquisitions. For 2026-2027, our target price corresponds to EV/EBIT ratios of around 14x-12x.

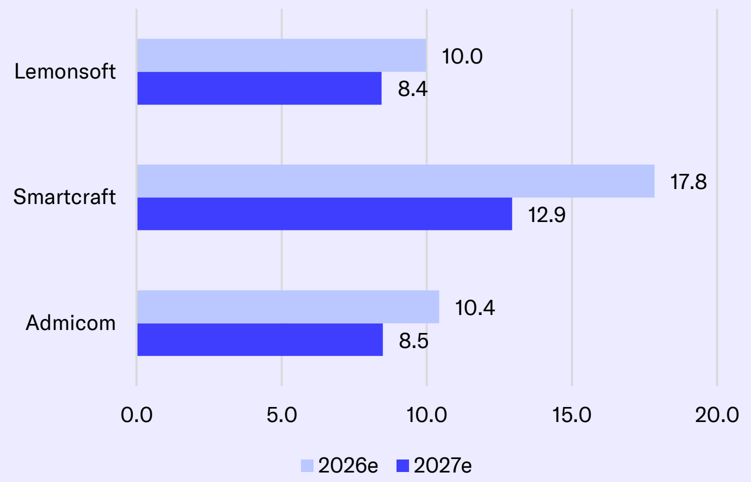
A key challenge for Lemonsoft's valuation increase in the short term is the generally weak sentiment for SaaS stocks. However, we currently consider AI fears to be exaggerated from the perspective of ERP providers for SMEs. If Lemonsoft can deliver its targeted earnings growth in the coming years, we estimate that investors' concerns will eventually dissipate, and the valuation level will return to a higher level than at present.

Nordic SaaS company valuations are at rock bottom

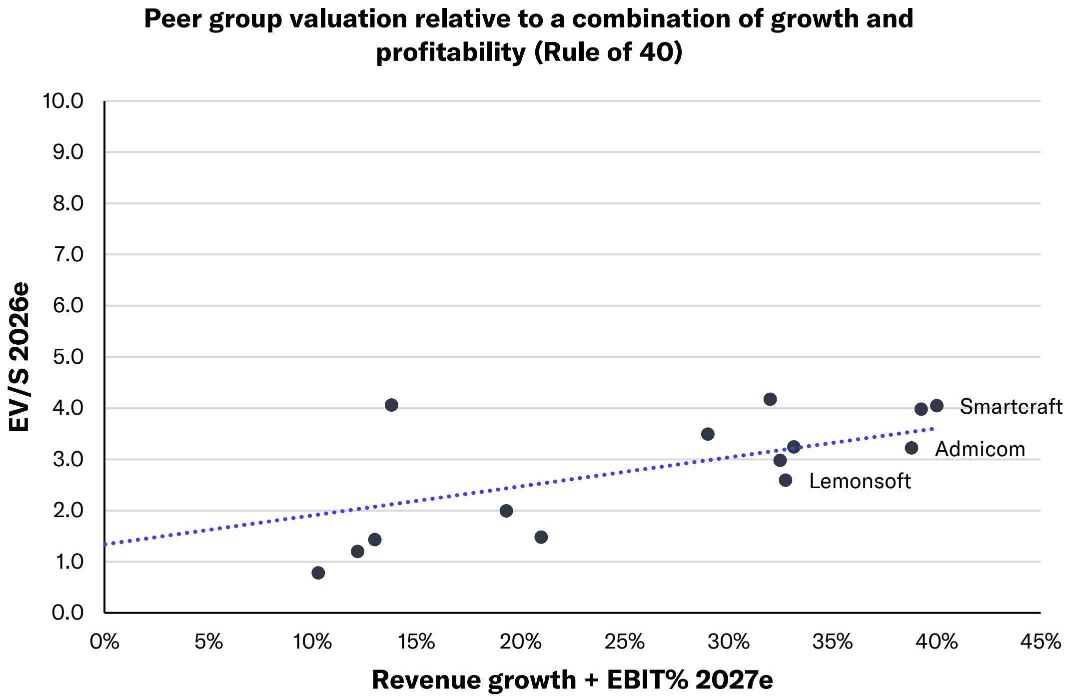
Relative to its closest peers, Lemonsoft trades at roughly the same EV/EBIT multiples as Admicom (2026e-2027e: 10.5x-8.5x). We also find Admicom's valuation very attractive at the moment. Admicom's organic growth profile is currently somewhat better than Lemonsoft's, which is worth noting when comparing multiples. In our view, both companies are currently on sale.

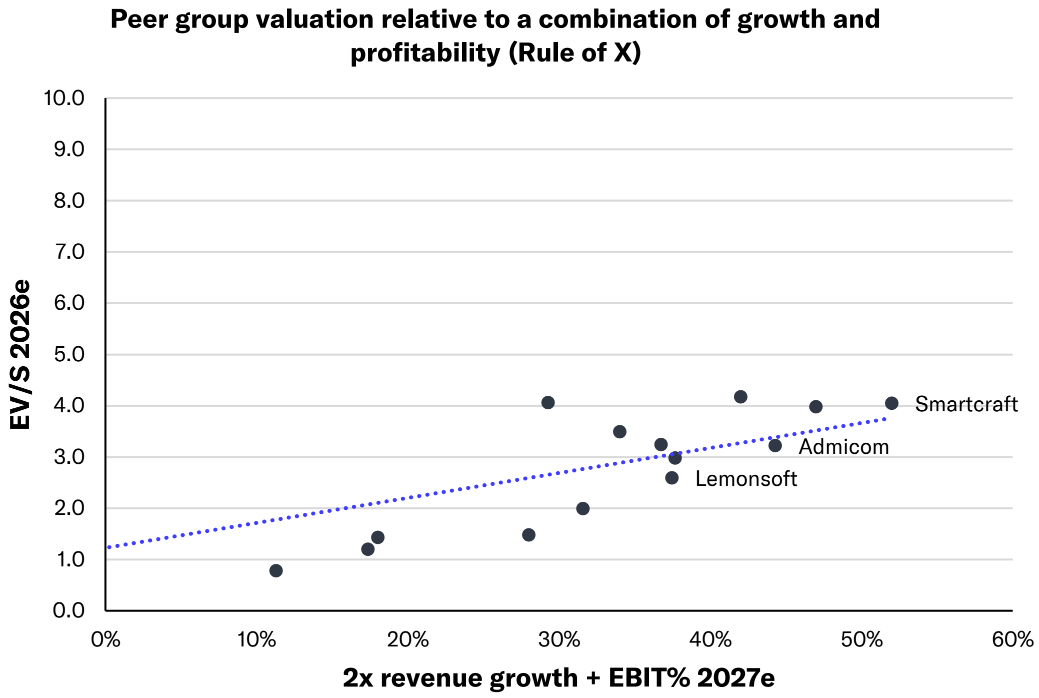
The valuation level of Norwegian Smartcraft has also decreased this year, although multiples have recently risen again due to lowered earnings estimates. Smartcraft's multiples (EV/EBIT 18x-13x) are currently at a clear premium compared to Finnish companies. The company's projected earnings growth rate for the coming years is stronger than Lemonsoft's, which in itself justifies higher multiples for the company. Overall, the entire Nordic trio is currently priced well below its historical levels.

EV/EBIT of Lemonsoft and nearest peers

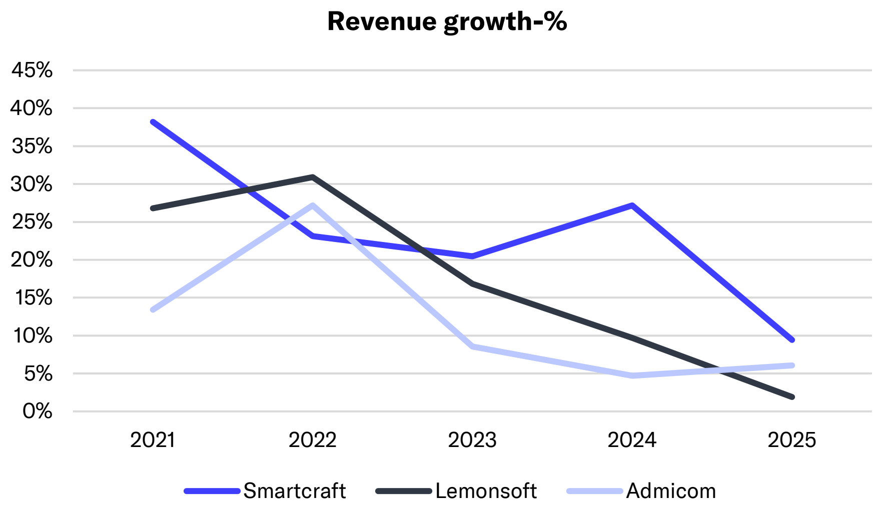


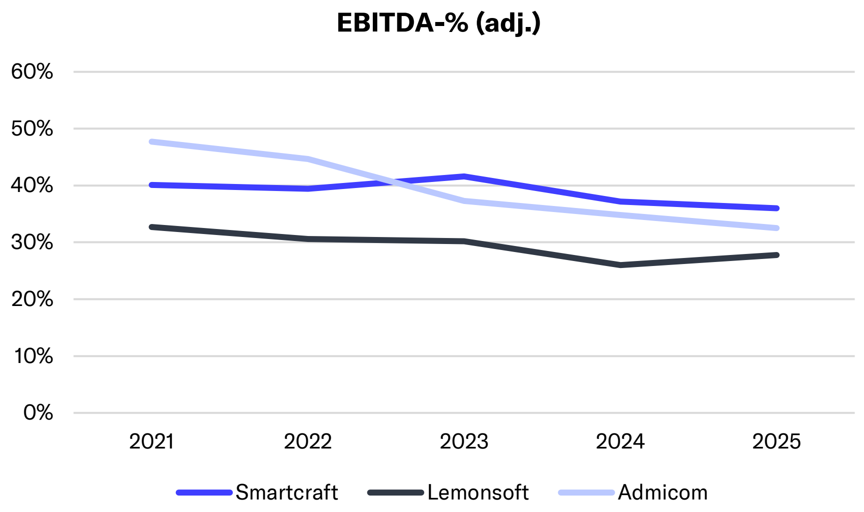
Revenue-based valuation compared to the peers

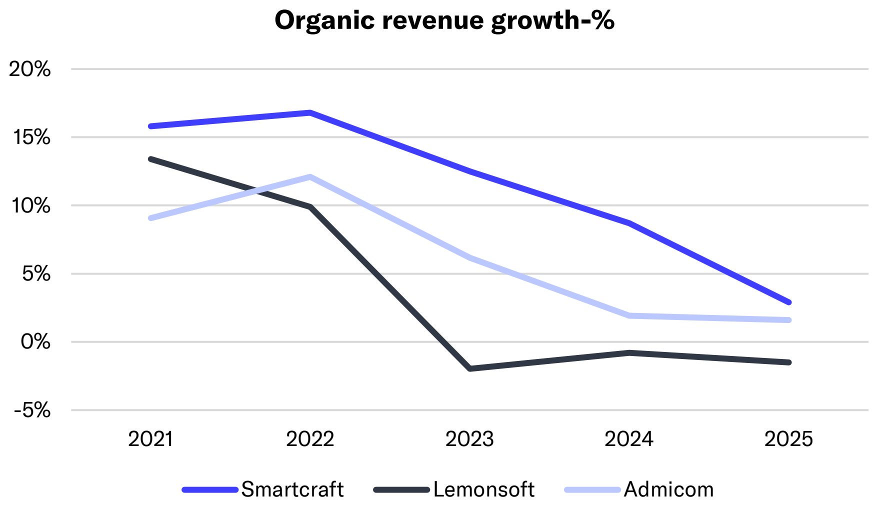


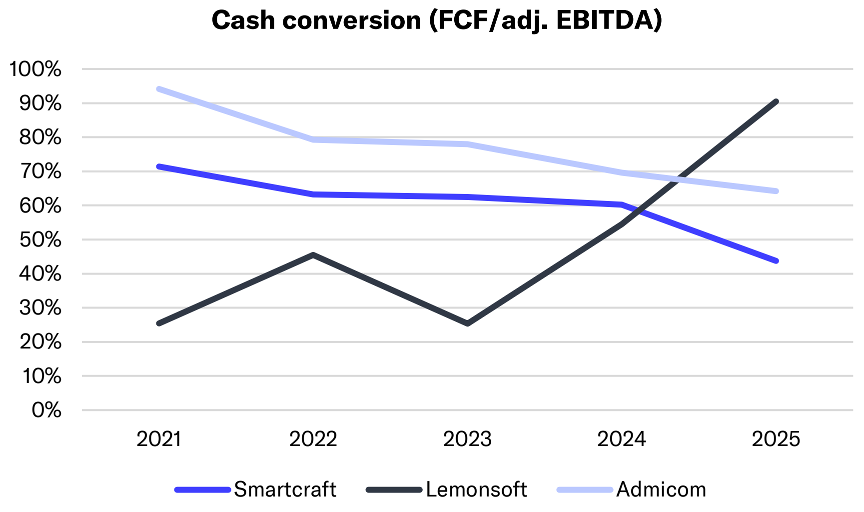


Key figures of Lemonsoft and peers







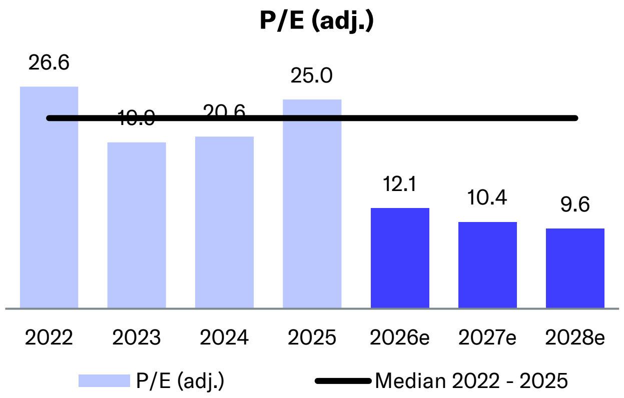


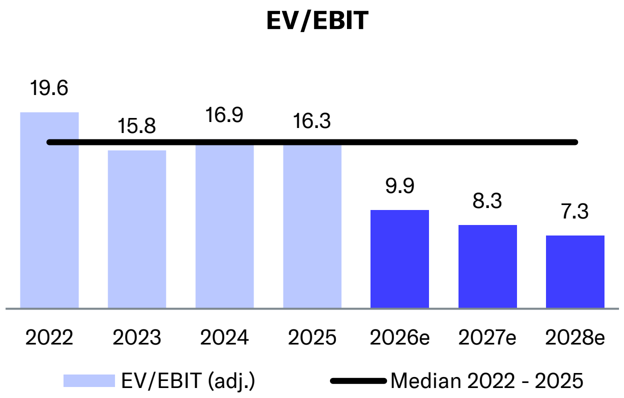
Source: Inderes

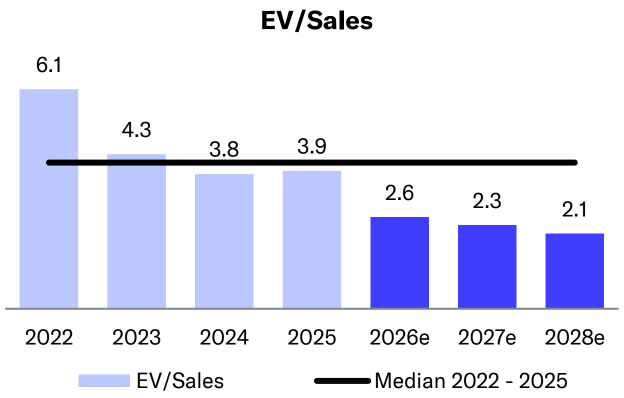
Valuation table

Valuation	2022	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Share price	7.96	6.02	5.70	6.12	**4.08**	**4.08**	**4.08**	**4.08**	**4.08**
Number of shares, millions	18.3	18.6	18.6	18.1	**17.8**	**17.8**	**17.8**	**17.8**	**17.8**
Market cap	146	112	106	109	**73**	**73**	**73**	**73**	**73**
EV	138	114	109	113	**77**	**74**	**70**	**65**	**60**
P/E (adj.)	26.6	19.9	20.6	25.0	**12.1**	**10.4**	**9.6**	**8.8**	**8.1**
P/E	29.0	21.1	25.6	24.5	**15.1**	**12.2**	**11.1**	**10.1**	**9.2**
P/B	15.0	5.6	3.7	3.3	**3.7**	**2.3**	**2.1**	**1.9**	**1.7**
P/S	6.5	4.2	3.7	3.7	**2.4**	**2.3**	**2.2**	**2.1**	**2.0**
EV/Sales	6.1	4.3	3.8	3.9	**2.6**	**2.3**	**2.1**	**1.9**	**1.6**
EV/EBITDA	18.9	13.9	14.9	12.2	**8.7**	**7.9**	**6.9**	**6.0**	**5.1**
EV/EBIT (adj.)	19.6	15.8	16.9	16.3	**9.9**	**8.3**	**7.3**	**6.3**	**5.4**
Payout ratio (%)	51.2 %	49.0 %	63.0 %	55.2 %	**51.8 %**	**42.0 %**	**40.9 %**	**39.5 %**	**38.1 %**
Dividend yield-%	1.8 %	2.3 %	2.5 %	2.3 %	**3.4 %**	**3.4 %**	**3.7 %**	**3.9 %**	**4.2 %**

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	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		Lv:n kasvu-%		EBIT-%		Rule of 40
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2027e**
Admicom	134	122	10.2	8.3	10.8	7.8	3.2	2.8	2%	6%	31%	33%	39%
Smartcraft	221	212	18.0	13.0	11.3	9.1	4.1	3.7		12%	23%	28%	40%
Easor	25	44	33.0	24.9	3.6	3.5	2.0	1.8	8%	12%	6%	7%	19%
LeadDesk	23	32	11.3	8.4	4.7	3.9	0.8	0.8	-2%	1%	7%	9%	10%
Talenom	59	133	22.4	15.6	6.7	5.7	1.2	1.1	5%	5%	5%	7%	12%
Qt Group	867	935	17.8	10.7	15.9	9.6	3.9	3.4	11%	8%	22%	32%	39%
F-Secure	339	471	11.7	10.0	9.6	8.2	3.0	2.7	8%	5%	26%	27%	32%
Enento	366	505	10.8	10.2	9.6	8.6	3.2	3.0	4%	4%	30%	30%	33%
QPR Software	10	9	131.6		12.5	26.9	1.6	1.8	5%	-7%	1%	-4%	-11%
SSH	99	94			75.3	44.0	4.1	3.4	7%	15%	-8%	-2%	14%
Lime Technologies	275	284	19.3	16.2	12.7	11.2	4.0	3.6	7%	10%	21%	22%	32%
Upsales Technology	44	41	13.0		9.6		2.3		18%		18%		
Vitec Software	850	1141	15.2	13.5	8.3	7.7	3.4	3.2	4%	5%	22%	24%	29%
Sinch	2780	3452	24.0	16.5	10.8	9.7	1.4	1.3	0%	5%	6%	8%	13%
Zalaris	198	221	11.6	10.2	7.4	6.7	1.5	1.4	9%	7%	13%	14%	21%
Lemonsoft (Inderes)	**73**	**77**	**9.9**	**8.3**	**8.7**	**7.9**	**2.6**	**2.3**	**2%**	**5%**	**26%**	**28%**	**33%**
Average			**25.0**	**13.1**	**13.9**	**11.6**	**2.6**	**2.4**	**6%**	**6%**	**15%**	**17%**	
Median			**16.5**	**11.9**	**9.6**	**8.4**	**3.0**	**2.7**	**6%**	**5%**	**18%**	**18%**	
Diff-% to median			**-40%**	**-30%**	**-10%**	**-6%**	**-15%**	**-15%**					

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**28.9**	**7.6**	**7.4**	**7.1**	**7.4**	**29.5**	**7.5**	**7.8**	**7.3**	**7.6**	**30.2**	**31.6**	**33.1**	**34.8**
SaaS	20.8	5.6	5.5	5.5	5.6	22.2	6.0	6.2	6.0	6.1	24.3	26.4	28.0	29.7
Consulting and other	4.8	1.2	1.1	0.9	1.1	4.3	0.9	1.0	0.8	1.0	3.6	3.4	3.3	3.2
Transactions	3.3	0.8	0.7	0.7	0.7	3.0	0.6	0.6	0.4	0.5	2.2	1.8	1.9	1.9
EBITDA	**7.3**	**2.9**	**1.6**	**2.9**	**1.8**	**9.3**	**2.1**	**2.0**	**2.7**	**2.1**	**8.9**	**9.4**	**10.0**	**10.8**
Depreciation	-1.9	-0.5	-0.7	-0.5	-0.5	-2.2	-0.6	-0.6	-0.5	-0.5	-2.2	-1.6	-1.6	-1.6
EBIT (excl. NRI)	**6.4**	**1.8**	**1.2**	**2.5**	**1.5**	**6.9**	**1.9**	**1.6**	**2.4**	**1.9**	**7.8**	**8.8**	**9.5**	**10.3**
EBIT	**5.4**	**2.4**	**0.9**	**2.4**	**1.3**	**7.0**	**1.5**	**1.4**	**2.1**	**1.6**	**6.6**	**7.8**	**8.5**	**9.2**
Net financial items	-0.5	-1.2	-0.2	-0.1	-0.1	-1.5	-0.1	-0.1	-0.1	-0.1	-0.5	-0.4	-0.4	-0.3
PTP	**4.9**	**1.3**	**0.7**	**2.3**	**1.2**	**5.5**	**1.4**	**1.3**	**2.0**	**1.5**	**6.2**	**7.4**	**8.1**	**9.0**
Taxes	-0.9	-0.3	-0.2	-0.4	-0.2	-1.1	-0.4	-0.3	-0.4	-0.3	-1.4	-1.4	-1.5	-1.7
Minority interest	0.11	0.03	0.03	0.05	0.07	0.2	0.02	0.03	-0.02	-0.02	0.0	-0.1	-0.1	-0.1
Net earnings	**4.1**	**1.0**	**0.5**	**1.9**	**1.1**	**4.5**	**1.1**	**1.0**	**1.6**	**1.2**	**4.8**	**5.9**	**6.5**	**7.2**
EPS (adj.)	**0.28**	**0.02**	**0.04**	**0.11**	**0.07**	**0.24**	**0.08**	**0.07**	**0.10**	**0.08**	**0.34**	**0.39**	**0.43**	**0.46**
EPS (rep.)	**0.22**	**0.05**	**0.03**	**0.11**	**0.06**	**0.25**	**0.06**	**0.06**	**0.09**	**0.06**	**0.27**	**0.33**	**0.37**	**0.40**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	9.7 %	10.0 %	5.3 %	-3.4 %	-3.5 %	1.9 %	-1.1 %	5.4 %	2.8 %	2.4 %	2.4 %	4.7 %	5.0 %	4.9 %
Adjusted EBIT growth-%	-10.5 %	56.3 %	-11.5 %	0.1 %	1.4 %	7.7 %	10.5 %	38.7 %	-3.4 %	22.0 %	12.9 %	12.9 %	7.6 %	7.8 %
EBITDA-%	25.3 %	38.8 %	21.9 %	41.1 %	24.6 %	31.5 %	28.0 %	25.5 %	36.5 %	28.0 %	29.4 %	29.7 %	30.3 %	31.0 %
Adjusted EBIT-%	22.3 %	23.1 %	16.0 %	35.1 %	20.6 %	23.6 %	25.8 %	21.1 %	32.9 %	24.6 %	26.0 %	28.0 %	28.7 %	29.5 %
Net earnings-%	14.3 %	13.0 %	7.3 %	27.2 %	14.6 %	15.4 %	14.2 %	13.2 %	21.6 %	15.2 %	16.0 %	18.8 %	19.7 %	20.7 %

Source: Inderes

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

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**39.4**	**38.3**	**40.9**	**40.7**	**40.7**
Goodwill	28.1	28.1	31.6	31.6	31.6
Intangible assets	8.1	7.2	6.3	6.1	6.0
Tangible assets	1.0	0.8	0.9	0.9	1.0
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	2.2	2.2	2.2	2.2	2.2
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	**14.5**	**9.8**	**10.0**	**10.8**	**10.3**
Inventories	0.1	0.1	0.1	0.1	0.1
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.7	3.2	4.5	5.1	5.3
Cash and equivalents	7.7	6.6	5.4	5.7	5.0
Balance sheet total	**53.9**	**48.1**	**50.9**	**51.5**	**51.0**

Source: Inderes

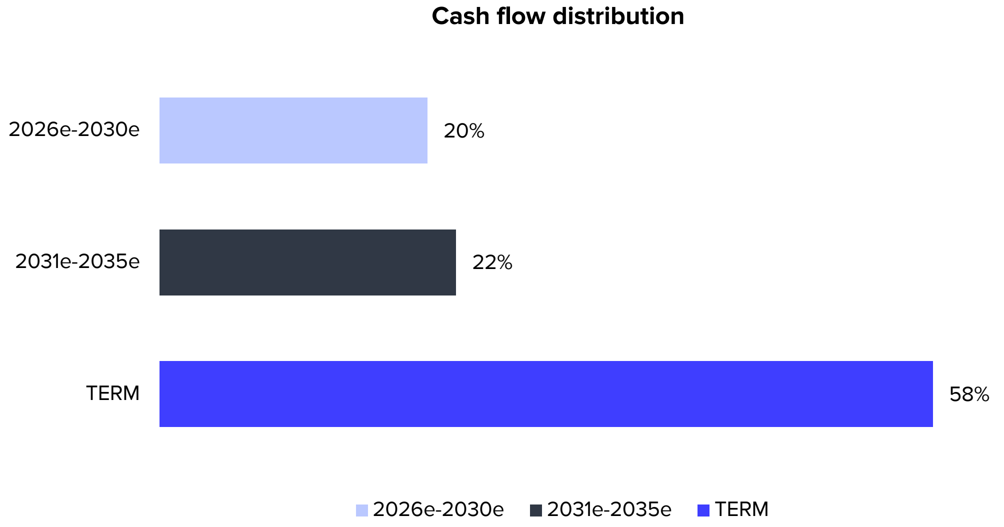
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**32.5**	**29.5**	**31.8**	**35.3**	**39.3**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	13.8	13.4	15.7	19.2	23.2
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	18.4	15.9	15.9	15.9	15.9
Minorities	0.2	0.1	0.1	0.1	0.1
Non-current liabilities	**9.3**	**9.0**	**9.2**	**6.7**	**2.6**
Deferred tax liabilities	1.4	1.3	1.3	1.3	1.3
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	7.9	7.8	8.0	5.4	1.3
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	**12.0**	**9.6**	**9.9**	**9.6**	**9.1**
Interest bearing debt	2.5	2.8	2.0	1.4	0.5
Payables	9.2	6.4	7.5	7.9	8.3
Other current liabilities	0.4	0.3	0.3	0.3	0.4
Balance sheet total	**53.9**	**48.1**	**50.9**	**51.5**	**51.0**

DCFcalculation

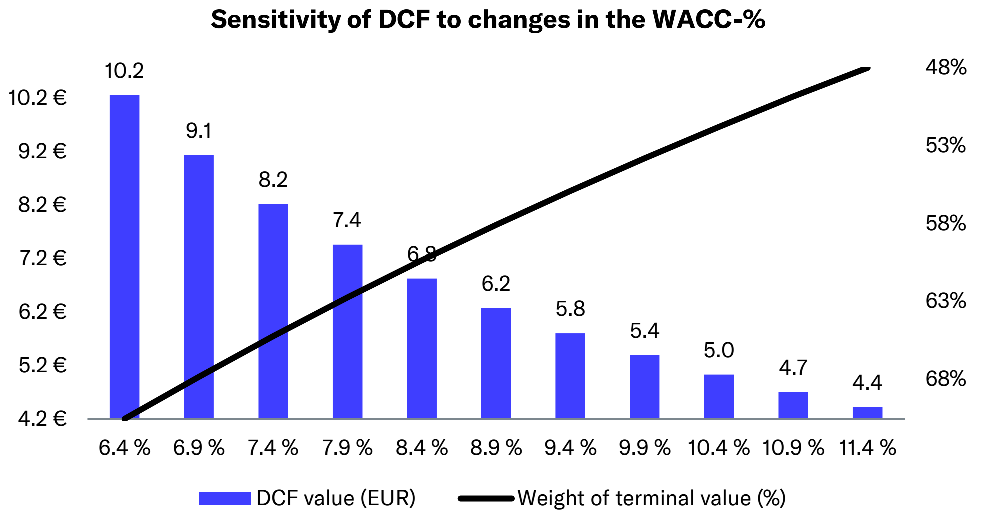
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	1.9 %	2.4 %	4.7 %	5.0 %	4.9 %	5.0 %	4.5 %	4.0 %	3.5 %	3.5 %	2.0 %	2.0 %
EBIT-%	23.9 %	22.0 %	24.7 %	25.6 %	26.5 %	27.4 %	28.5 %	28.8 %	29.0 %	29.2 %	29.0 %	29.0 %
EBIT (operating profit)	**7.0**	**6.6**	**7.8**	**8.5**	**9.2**	**10.0**	**10.9**	**11.4**	**11.9**	**12.4**	**12.6**	
+ Depreciation	2.2	2.2	1.6	1.6	1.6	1.6	1.5	1.6	1.6	1.6	1.6	
- Paid taxes	-1.3	-1.4	-1.4	-1.5	-1.7	-1.9	-2.0	-2.1	-2.1	-2.2	-2.3	
- Tax, financial expenses	-0.3	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ 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	0.8	-0.2	-0.2	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.1	
Operating cash flow	**8.5**	**7.2**	**7.7**	**8.6**	**9.2**	**9.8**	**10.6**	**11.1**	**11.5**	**11.9**	**12.0**	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-1.1	-4.9	-1.4	-1.5	-1.5	-1.5	-1.6	-1.6	-1.6	-1.6	-1.7	
Free operating cash flow	**7.3**	**2.3**	**6.3**	**7.1**	**7.7**	**8.3**	**9.0**	**9.5**	**9.9**	**10.3**	**10.3**	
+/- Other	0.0	-0.7	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	7.3	1.6	5.3	7.1	7.7	8.3	9.0	9.5	9.9	10.3	10.3	152
Discounted FCFF		**1.6**	**4.7**	**5.8**	**5.8**	**5.7**	**5.7**	**5.5**	**5.3**	**5.0**	**4.6**	**68.1**
Sum of FCFF present value		118	116	111	106	99.9	94.2	88.5	83.0	77.7	72.7	68.1
Enterprise value DCF		**118**										
- Interest bearing debt		-10.6										
+ Cash and cash equivalents		6.6										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		-2.5										
Equity value DCF		**111**										
Equity value DCF per share		**6.2**										

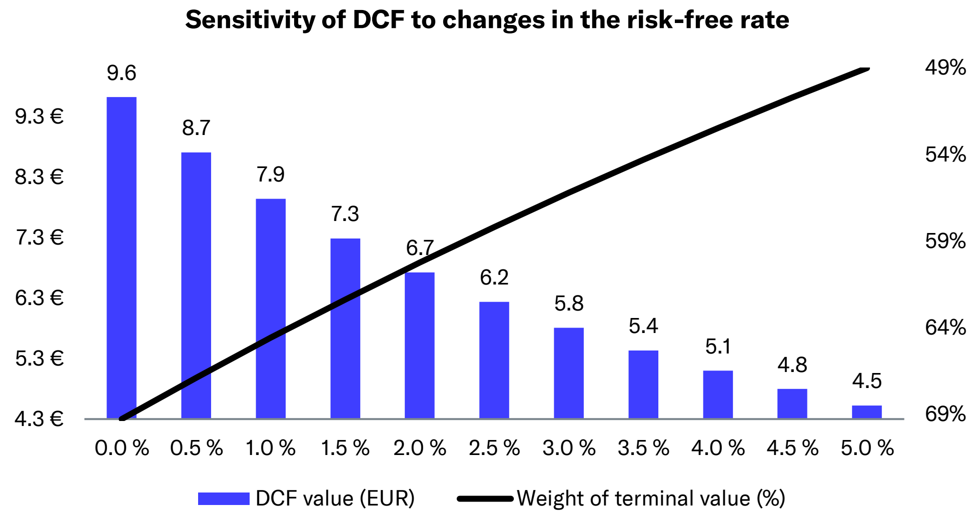
WACC	
Tax-% (WACC)	21.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	4.0 %
Equity Beta	1.00
Market risk premium	4.75%
Liquidity premium	2.30%
Risk free interest rate	2.5 %
Cost of equity	**9.6 %**
Weighted average cost of capital (WACC)	**8.9 %**

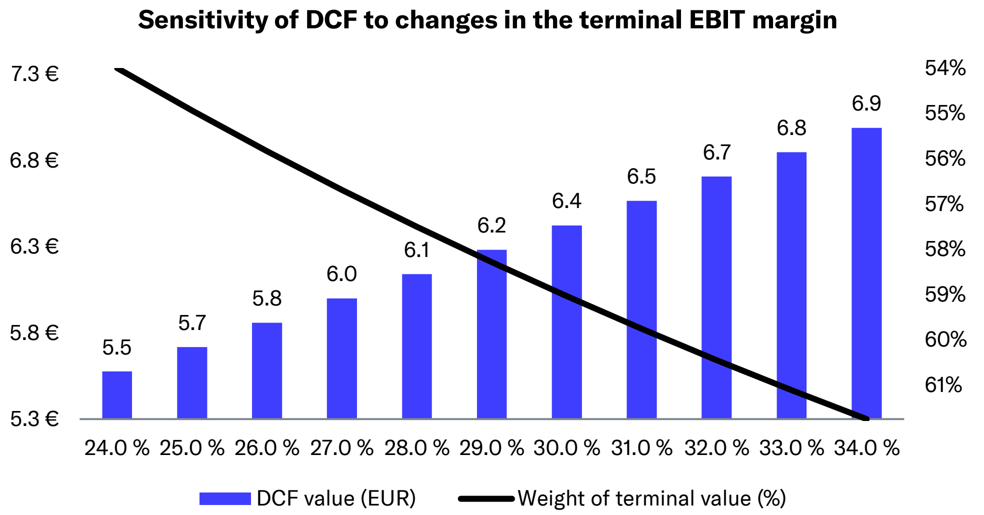
Source: Inderes

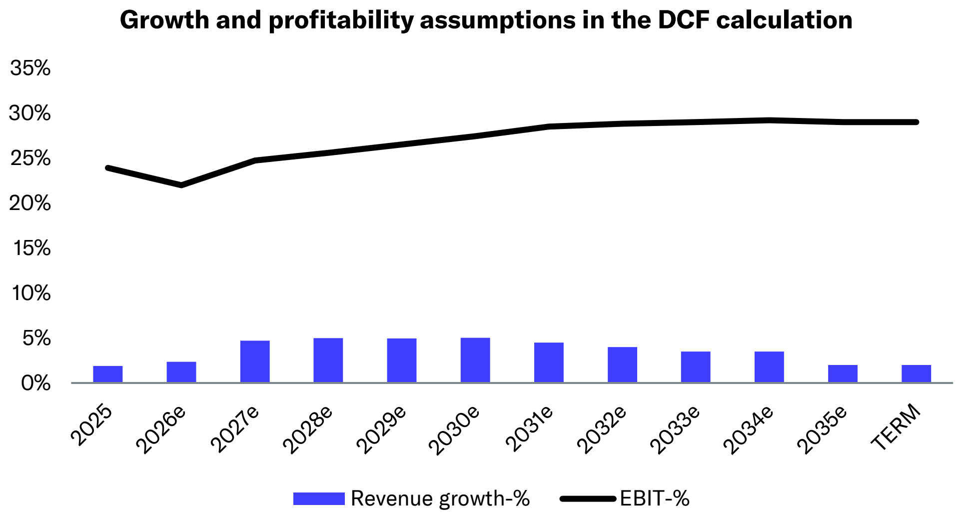


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	26.3	28.9	29.5	**30.2**	**31.6**
EBITDA	8.2	7.3	9.3	**8.9**	**9.4**
EBIT	6.9	5.4	7.0	**6.6**	**7.8**
PTP	6.7	4.9	5.5	**6.2**	**7.4**
Net Income	5.3	4.1	4.5	**4.8**	**5.9**
Extraordinary items	-0.3	-1.0	0.1	**-1.2**	**-1.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	48.9	53.9	48.1	**50.9**	**51.5**
Equity capital	30.4	32.5	29.5	**31.8**	**35.3**
Goodwill	23.1	28.1	28.1	**31.6**	**31.6**
Net debt	1.0	2.8	4.0	**4.6**	**1.1**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	8.2	7.3	9.3	**8.9**	**9.4**
Change in working capital	-2.3	-0.2	0.8	**-0.2**	**-0.2**
Operating cash flow	5.0	6.3	8.5	**7.2**	**7.7**
CAPEX	-13.3	-5.7	-1.1	**-4.9**	**-1.4**
Free cash flow	-8.3	0.6	7.3	**1.6**	**5.3**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	4.3	3.8	3.9	**2.6**	**2.3**
EV/EBITDA	13.9	14.9	12.2	**8.7**	**7.9**
EV/EBIT (adj.)	15.8	16.9	16.3	**9.9**	**8.3**
P/E (adj.)	19.9	20.6	25.0	**12.1**	**10.4**
P/B	3.7	3.3	3.7	**2.3**	**2.1**
Dividend-%	2.3 %	2.5 %	2.3 %	**3.4 %**	**3.4 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.29	0.22	0.25	**0.27**	**0.33**
EPS (adj.)	0.30	0.28	0.24	**0.34**	**0.39**
OCF / share	0.27	0.34	0.47	**0.40**	**0.43**
OFCF / share	-0.45	0.03	0.40	**0.09**	**0.30**
Book value / share	1.62	1.74	1.62	**1.78**	**1.97**
Dividend / share	0.14	0.14	0.14	**0.14**	**0.14**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	17%	10%	2%	**2%**	**5%**
EBITDA growth-%	12%	-11%	27%	**-5%**	**6%**
EBIT (adj.) growth-%	2%	-10%	8%	**13%**	**13%**
EPS (adj.) growth-%	1%	-8%	-12%	**38%**	**16%**
EBITDA-%	31.2 %	25.3 %	31.5 %	**29.4 %**	**29.7 %**
EBIT (adj.)-%	27.3 %	22.3 %	23.6 %	**26.0 %**	**28.0 %**
EBIT-%	26.2 %	18.7 %	23.9 %	**22.0 %**	**24.7 %**
ROE-%	18.8 %	13.3 %	14.7 %	**15.8 %**	**17.8 %**
ROI-%	20.2 %	13.2 %	17.0 %	**16.2 %**	**18.6 %**
Equity ratio	62.4 %	60.4 %	61.4 %	**62.9 %**	**68.9 %**
Gearing	3.3 %	8.5 %	13.6 %	**14.3 %**	**3.1 %**
Net debt/EBITDA	0.1	0.4	0.4	**0.5**	**0.1**
EBITDA/net financials	48.0	15.1	6.0	**19.5**	**23.4**

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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

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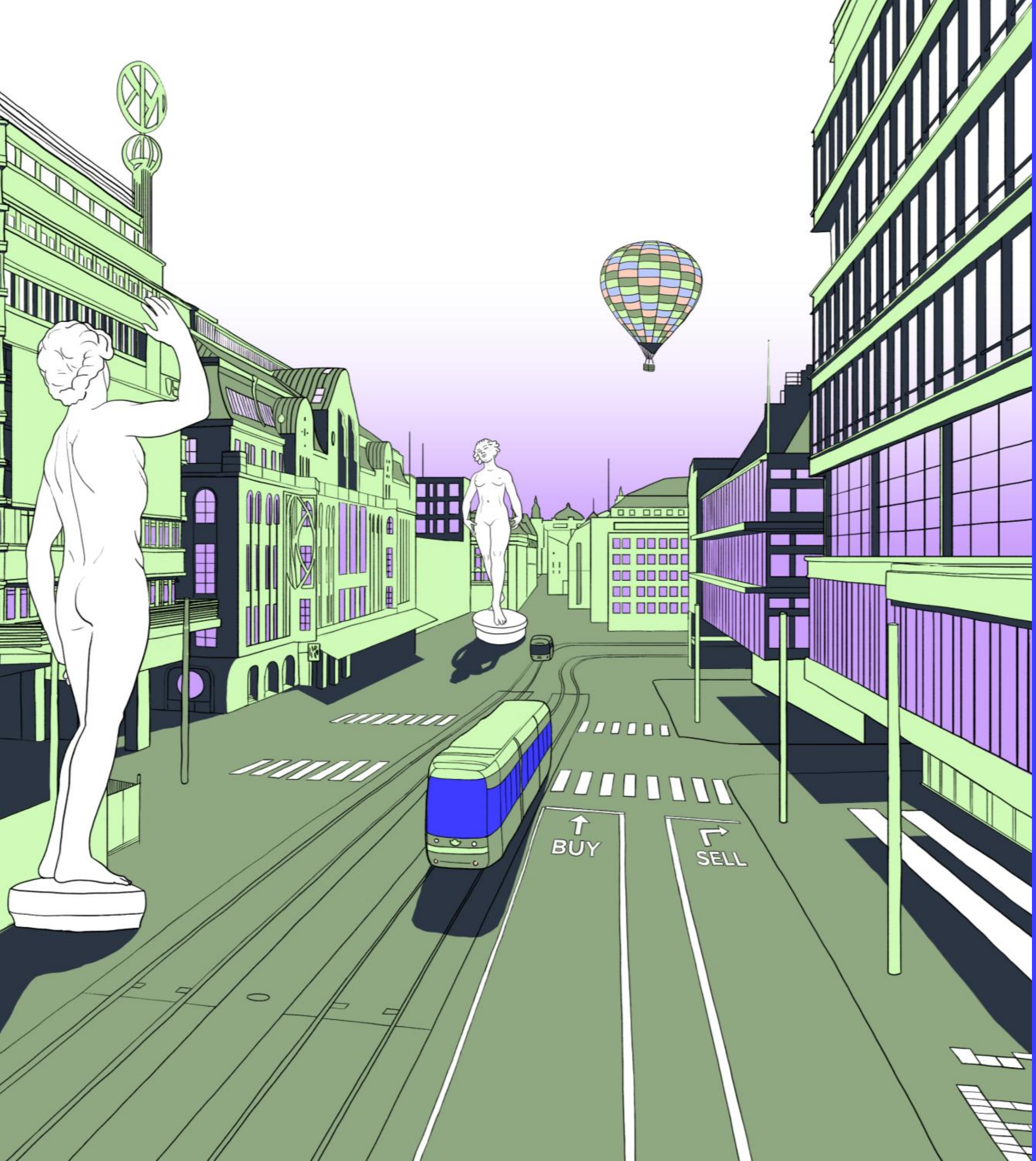
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
12/27/2021	Sell	15.00 €	17.85 €
1/18/2022	Reduce	14.50 €	14.50 €
2/17/2022	Reduce	13.00 €	13.25 €
4/28/2022	Reduce	13.00 €	13.26 €
5/9/2022	Reduce	12.50 €	11.70 €
7/25/2022	Reduce	11.80 €	13.14 €
10/31/2022	Reduce	9.70 €	11.48 €
12/14/2022	Accumulate	8.80 €	7.83 €
2/20/2023	Reduce	8.80 €	8.93 €
3/3/2023	Accumulate	8.80 €	7.79 €
4/24/2023	Accumulate	8.80 €	8.28 €
5/2/2023	Reduce	7.70 €	8.54 €
6/2/2023	Reduce	7.70 €	7.56 €
8/14/2023	Reduce	7.50 €	7.82 €
9/28/2023	Accumulate	6.40 €	5.50 €
10/27/2023	Accumulate	6.40 €	5.16 €
2/16/2024	Reduce	6.40 €	6.82 €
4/26/2024	Reduce	6.00 €	5.66 €
7/17/2024	Reduce	6.40 €	6.95 €
8/9/2024	Reduce	6.40 €	7.20 €
10/29/2024	Accumulate	6.50 €	5.90 €
11/6/2024	Accumulate	6.50 €	5.90 €
12/12/2024	Accumulate	6.70 €	6.20 €
2/21/2025	Accumulate	6.50 €	5.80 €
4/28/2025	Accumulate	6.70 €	6.14 €
6/12/2025	Reduce	7.00 €	7.34 €
8/15/2025	Reduce	7.00 €	7.28 €
11/3/2025	Reduce	7.10 €	7.00 €
11/17/2025	Accumulate	7.10 €	6.06 €
1/21/2026	Accumulate	7.10 €	5.76 €
2/20/2026	Buy	6.50 €	5.04 €
4/30/2026	Buy	6.50 €	4.80 €
7/16/2026	Buy	6.00 €	4.60 €
8/17/2026	Buy	6.00 €	4.15 €



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