

# PUUILO OYJ

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Arttu Heikura  
358400828098  
arttu.heikura@inderes.fi

INDERES CORPORATE CUSTOMER

# COMPANY REPORT



# Growth story is proceeding on schedule

Puuiilo's Q4 report painted an overall positive picture, driven by earnings growth. The company is progressing with its internationalization efforts, but we do not expect to see returns from abroad until 2027 at the earliest. Regardless of the uncertainties, we consider the outlook for the Finnish business to be positive. While the stock's most pronounced undervaluation has been resolved as the share price has risen, the risk/reward ratio remains attractive. We lower our recommendation to Accumulate (was Buy), while maintaining a target price of EUR 14.0.

## Strong development throughout the group

Puuiilo's strong revenue growth was driven by both new stores and increased growth in comparable stores. The older stores experienced growth in both customer numbers and revenue, which is important for scaling growth. Product margins continued to rise, driven by the success of private label sales. The share of private-label products has risen significantly, from approximately 18% in 2021 to approximately 24% in 2025. A positive aspect of this development is that the gross margin has increased simultaneously, suggesting that investments in proprietary procurement have paid off and that margins have not been eroded by private-label production costs or passed on directly to customer prices. The latter also reflects the company's strong competitive position. The only negative finding in the report, though an expected one, was the rapid increase in fixed costs. This is largely due to the record pace of store openings, which we believe will pay off over time. Q4 EBITA rose to 16.5 MEUR (16.3% margin), surpassing both our expectations and those of the consensus. Based on the strong balance sheet, the board of directors is proposing a basic dividend of EUR 0.54, plus a special dividend of EUR 0.12, for a total dividend yield of just over 5%.

## Internationalization is progressing

Preparations for internationalization, which is key to Puuiilo's long-term growth, continued in Q4 as the company hired a country

manager for Sweden. At the same time, the mapping of the first retail locations began, and the company intends to open its first store within the next 18 months. Although preparations will increase the company's costs, we expect the group's earnings development to remain positive due to strong earnings performance in Finland and a cost-controlled approach.

Our estimates remained unchanged in connection with the update, except for minor technical adjustments. Based on its guidance for fiscal year 2026, the company expects earnings growth, with the midpoints of the guidance ranges corresponding to 12% revenue growth and an EBITA margin of 17.2%. Our forecasts project revenue growth driven by an expanding network of seven stores and comparable growth remaining at a moderate level. We expect margins in 2026 (and in subsequent years) to remain largely unchanged, primarily weighed down by additional costs associated with international expansion, inflationary pressures, and the rapid pace of store expansion in Finland. However, as cost pressures ease, we believe the company's profitability has a good chance of improving thanks to its scalable business model. For now, our forecasts are based on a more pessimistic outlook for the overall economy. Nevertheless, we believe Puuiilo will continue to gain market share and therefore expect its earnings per share to grow by approximately 13% annually over the medium term.

## We believe the risk/reward ratio is attractive

The stock's short-term valuation is elevated, which slightly limits the expected return on the stock. However, we believe this is justified due to the company's strong earnings growth outlook, which lowers the valuation multiples to very attractive levels (2027e P/E 15x and IFRS 16 adj. EV/EBIT 12x) for a company generating a strong return on invested capital (ROIC ~30%). The expected return is supported by a solid dividend yield of 5-6%. We therefore believe that the stock's expected return is already attractive, supporting a positive view. The DCF model (EUR 15) also indicates significant upside in the share.

## Recommendation

**Accumulate**

(was Buy)

## Target price:

**EUR 14.00**

(was EUR 14.00)

## Share price:

EUR 12.65

## Business risk



## Valuation risk



	2025	2026e	2027e	2028e
<b>Revenue</b>	442.3	495.1	561.9	627.4
<b>growth-%</b>	15%	12%	13%	12%
<b>EBIT adj.</b>	75.4	83.1	95.6	105.8
<b>EBIT-% adj.</b>	17.0 %	16.8 %	17.0 %	16.9 %
<b>Net Income</b>	56.0	61.7	73.1	81.2
<b>EPS (adj.)</b>	0.66	0.73	0.86	0.96
<b>P/E (adj.)</b>	18.6	17.4	14.7	13.2
<b>P/B</b>	10.6	10.2	8.5	7.2
<b>Dividend yield-%</b>	5.4 %	4.7 %	5.5 %	6.3 %
<b>EV/EBIT (adj.)</b>	15.6	14.7	12.9	11.7
<b>EV/EBITDA</b>	12.1	11.5	10.1	9.1
<b>EV/S</b>	2.7	2.5	2.2	2.0

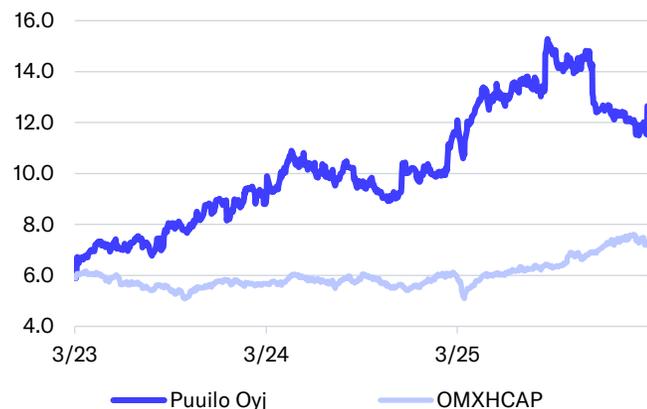
Source: Inderes

## Guidance

(New guidance)

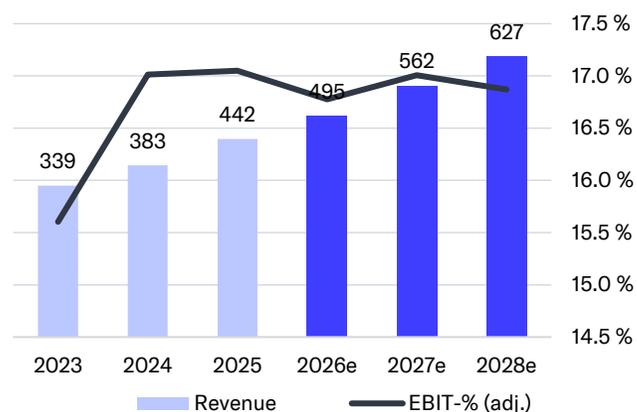
Puuiilo predicts that its revenue for 2026 will be 480-510 MEUR (2025: 442 MEUR) and the adjusted EBITA will be in the range of 80-90 MEUR (2025: 77 MEUR).

## Share price



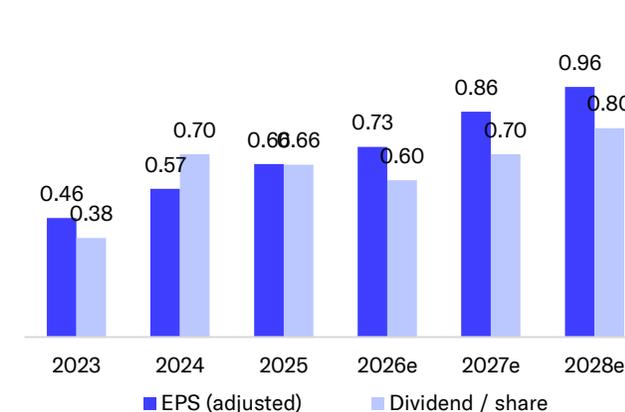
Source: Millstream Market Data AB

## Revenue and EBIT % (adj.)



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Increasing the number of stores to over 90
- Internationalization
- Significant growth potential remaining in ramping up existing stores
- Growth in private label
- As a result of growth, improved bargaining power with suppliers and scaling of costs
- Further streamlining of operating expenditure levels

## Risk factors

- Increased competition as key competitors also expand their brick-and-mortar networks
- Global disruptions in product availability and the rise of protectionism
- Successful category management
- Weakened consumer purchasing power in a cost-inflationary environment
- Professionalization of construction and urbanization

Valuation	2026e	2027e	2028e
Share price	12.7	12.7	12.7
Number of shares, millions	84.8	84.8	84.8
Market cap	1072	1072	1072
EV	1221	1229	1236
P/E (adj.)	17.4	14.7	13.2
P/E	17.4	14.7	13.2
P/B	10.2	8.5	7.2
P/S	2.2	1.9	1.7
EV/Sales	2.5	2.2	2.0
EV/EBITDA	11.5	10.1	9.1
EV/EBIT (adj.)	14.7	12.9	11.7
Payout ratio (%)	82.5 %	81.1 %	83.5 %
Dividend yield-%	4.7 %	5.5 %	6.3 %

Source: Inderes

# Commendable development

## Strong growth in line with our estimates

Puulo's Q4 revenue grew by 15% to 101 MEUR. Revenue growth was driven by new stores (+7 y/y) as well as by like-for-like growth (6%) picking up from the last quarter. We consider it important to see a pickup in comparable growth that supports scalability, as it has stagnated below historical levels for some time. The number of customers also increased both for the entire network (16%) and comparable stores (6%), indicating the appeal of the Puulo concept. For new stores, the average basket size decreased, but the company managed to slightly bump up the customers' average basket size in comparable stores. This was also reflected in the growth of online sales (7%), which, however, still accounts for only a small share (~2%) of the group's total sales. We estimate that the company has continued to gain market share, largely due to a combination of an attractive concept and a low price level.

## Another excellent result, special dividend expected

Puulo's Q4 EBITA improved from the comparison period to 17 MEUR (16.3% of revenue). The improvement in earnings was driven by both volume growth and a positive development in product margins. The approximately 0.3 percentage point increase in gross margin (38.8%) was, in our view, driven by robust growth in private-label products, whereas changes in the sales mix, in our estimation, no longer had the same impact as in previous quarters. Earnings growth in turn was limited by fixed expenses which grew faster than revenue due largely to new store openings and wage inflation. With a stronger-than-estimated operational result, as well as more moderate-than-expected financing costs and taxes, EPS of EUR 0.14 also exceeded both our and consensus expectations (EUR 0.13). In addition to the basic dividend of EUR 0.54 per share, the board of directors proposed a special dividend of EUR 0.12. Together, these represent a payout ratio of 100% and a dividend yield of approximately 5%. Special dividends are a

typical way for the company to return excess cash accumulated on the balance sheet to shareholders, and the rapid pace of store openings does not in itself require maintaining large cash reserves.

## Cash flow at a very healthy level

Puulo's cash flow for 2025 rose to 75 MEUR (2024: 49 MEUR), driven primarily by earnings growth. In addition, inventory management was efficient during the reporting period, whereas a significant amount of capital was tied up in inventory during the comparison period. Following moderate investments and higher lease payments, free cash flow improved as well, reaching 54 MEUR (2024: 29 MEUR). The balance sheet remained in good shape thanks to strong earnings growth and cash flow development. At the end of 2025, the net debt-to-EBITDA ratio (excl. IFRS 16 items) was 0.5x, consistent with the comparison period. Puulo's interest-bearing debt increased slightly year-on-year in connection with the revised financing package.

Estimates MEUR / EUR	Q4'24	Q4'25	Q4'25e	Q4'25e	Consensus		Difference (%)	2025
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Actualized
Revenue	85.8	101	98.9	98.9			2%	442
EBITA (adj.)	14.3	16.5	15.6	-			6%	77.4
EBIT	13.9	16.0	15.2	15.4			5%	75.3
EPS (reported)	0.12	0.14	0.13	0.13			8%	0.66
DPS	0.70	0.66	0.52	0.55			27%	0.66
Revenue growth-%	11.8 %	17.7 %	15.2 %	15.3 %			2.4 pp	15.4 %
EBITA-% (adj.)	16.6 %	16.3 %	15.8 %	-			0.6 pp	17.5 %

Source: Inderes & Bloomberg (consensus, 4 estimates)

# Minor estimate changes

## Guidance in line with expectations and targets

Puulo's new guidance indicates that revenue will be between 480 and 510 MEUR (2025: 442 MEUR), with adj. EBITA between 80 and 90 MEUR (2025: 77 MEUR) in fiscal year 2026. The company has included preparation costs of around 1 MEUR related to internationalization in its guidance, which we estimate may partially appear as non-recurring items. Measured at the midpoints, the company expects revenue growth of around 12% (2025: 15.4 %) and an EBITA margin of 17.2% (2025: 17.4%). Thus, the guidance also meets the company's long-term financial targets (growth >10% and EBITA-% >17%). Increased geopolitical tensions add further uncertainty to the 2026 outlook, which the given guidance already partially accounts for.

## Internationalization will truly kick off in 2027

Preparations for internationalization, which is key to long-term growth, continued in Q4 as the company hired a country manager for Sweden. At the same time, Puuilo

began mapping out store locations. Puuilo expects to open the first store within the next 18 months, likely in 2027. We believe the company will take a measured approach to its upcoming pilot model, and we do not expect a flurry of store openings for at least a few more years. This is underscored by the fact that the company has announced plans to open only a few stores during the strategic period, which ends in 2030. Thus far, we have incorporated the costs associated with international expansion into our forecasts, and we will include additional stores as their opening dates are announced.

## Estimates unchanged, earnings growth expected

Our forecasts remained unchanged due to earnings development in line with expectations and the outlook for the current year. We fine-tuned our depreciation and financing cost forecasts, though these changes had only a very marginal impact on the overall picture. We expect Puuilo to open about 7 new stores in Finland per year, which still leaves room for growth, considering the

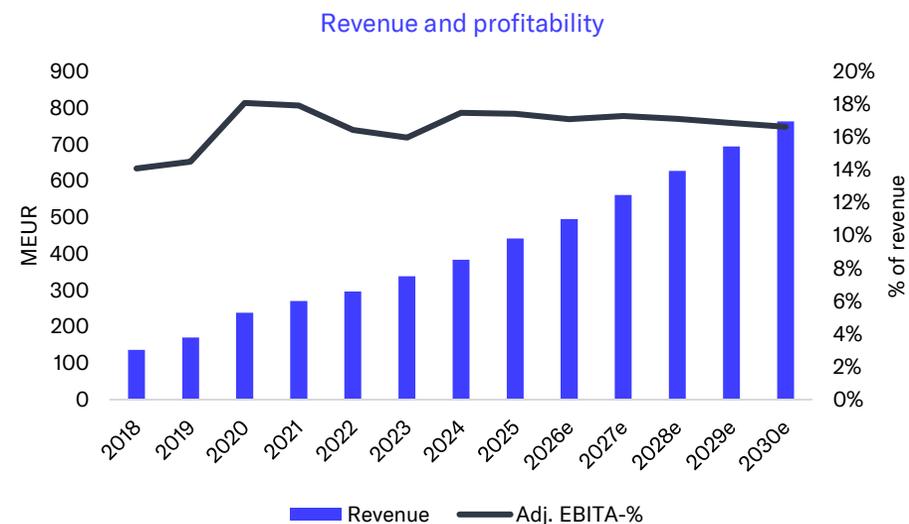
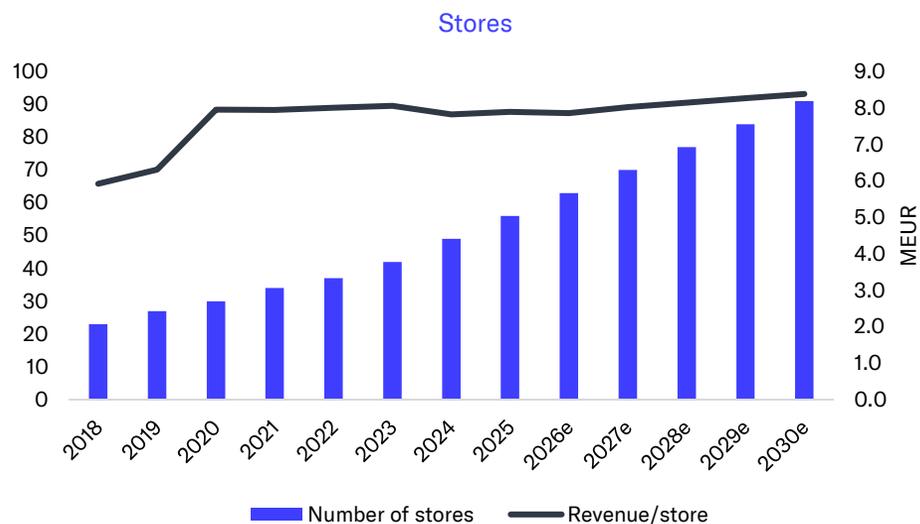
company's opening capacity (7–10 per year). Therefore, if suitable retail locations are found, there may be upside to our revenue forecast, particularly in the medium term. We would also like to emphasize that a clear acceleration in comparable sales growth (>5%) would be a positive driver of our forecasts. As for earnings, we expect margins to remain largely unchanged in the coming years. In the short term, the company faces cost pressures stemming from the preparatory phase of its international expansion, wage inflation, new store openings, and the recent rise in oil prices, which may impact purchase prices and freight costs in particular. Overall, we expect the company's earnings to grow at an annual rate of approximately 13% over the medium term. If geopolitical tensions persist for an extended period or intensify, this could, in turn, act as a negative driver for our forecasts. We have very moderate expectations for the Finnish economy, meaning we believe the company will gain significant market share as it has in recent years.

Estimate revisions	2025	2025	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	440	442	0%	495	495	0%	562	562	0%
EBIT (exc. NRIs)	74.5	75.4	1%	83.5	83.1	-1%	95.7	95.6	0%
EBIT	74.5	75.3	1%	83.5	83.1	-1%	95.7	95.6	0%
PTP	68.8	69.8	1%	77.4	77.1	0%	89.1	89.2	0%
EPS (excl. NRIs)	0.65	0.66	2%	0.73	0.73	0%	0.86	0.86	0%
DPS	0.52	0.66	27%	0.60	0.60	0%	0.70	0.70	0%

Source: Inderes

# Estimates

	2018	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
<b>Number of stores</b>	23	27	30	34	37	42	49	56	63	70	77	84	91
<b>Revenue</b>	136	170	239	270	296	339	383	442	495	562	627	695	763
<b>Growth-%</b>		25%	40%	13%	10%	14%	13%	15%	12%	13%	12%	11%	10%
<b>Revenue/store</b>	5.9	6.3	8.0	7.9	8.0	8.1	7.8	7.9	7.9	8.0	8.1	8.3	8.4
<b>Gross margin</b>	34.6%	35.3%	36.5%	36.8%	36.2%	36.6%	37.7%	38.2%	38.1%	38.3%	38.3%	38.3%	38.3%
<b>Adj. EBITA</b>	19	25	43	48	49	54	67	77	85	97	107	117	127
<b>Adj. EBITA-%</b>	14.1%	14.5%	18.1%	17.9%	16.5%	16.0%	17.5%	17.4%	17.1%	17.3%	17.1%	16.9%	16.6%



# Risk/reward is balanced

## Valuation becomes attractive, supported by earnings growth

Puulo's P/E ratio (19x), measured by the last 12 months' realized earnings, is high. However, our estimated earnings growth (13%) will lower the valuation multiples to moderate levels in the medium term. In our view, the 2027e 15x P/E and 12x EV/EBITA multiples (IFRS 16 adj.) are attractive for a high-quality, growing company. Thus, earnings growth acts as an essential driver of the expected return and share price. However, it must be stated that if the earnings growth engine falters, there will be no positive drivers for the share.

## Premium is justified

When gauging the relative valuation, we give main weight to the P/E ratio. The comparability of EV-based multiples is impaired by differences in IFRS 16 lease terms between companies, which affects net debt.

Examined with the P/E ratio, the company is priced relatively in line with its retail peer group. Peers trade at a 2026e P/E ratio of around 16x and Puulo at 17x. We see an even wider premium for Puulo as justified due to its strong earnings growth outlook and better return on capital than its peers. Thus, the peer analysis also supports the stock's upside.

## Excellent return on capital justifies high balance-sheet-based pricing

Puulo trades significantly above its book value, with 2025 P/B and EV/IC multiples of 11x and 5x, respectively, based on its balance sheet. However, this is justified given the company's high return on capital. In the recent past, return on equity has exceeded 50%, while the corresponding

return on capital employed has been around 30%. We anticipate this strong value creation will continue thanks to earnings growth and a capital-efficient business model, which, in turn, will support a valuation above book value going forward as well.

## Cash flow model supports upside

We consider the DCF model a reliable valuation method due to Puulo's strong and fairly predictable cash flow profile. Our DCF model indicates that the stock's fair value is just over EUR 15. This is above the stock price, indicating upside and supporting our positive view of the stock. Success in expanding into Sweden offers an additional positive option. However, Finnish retail companies that have recently succeeded in expanding into Sweden are few and far between. Nevertheless, Puulo's concept has been exceptionally successful in Finland, increasing the likelihood of success. At the same time, the low-risk pilot model limits the potential impact of a negative scenario on the group's overall results.

## Overall expected return attractive

Based on the realized earnings, the share's valuation is somewhat tight, which, in our view, acts as a negative driver for the expected return. However, the earnings growth we predict more than offsets the negative impact of the multiples. In addition, expected returns are supported by the reasonably solid foundation of a 5-6% dividend yield. Overall, the share's expected return thus exceeds the required return, meaning we characterize the risk/reward ratio of the share as attractive.

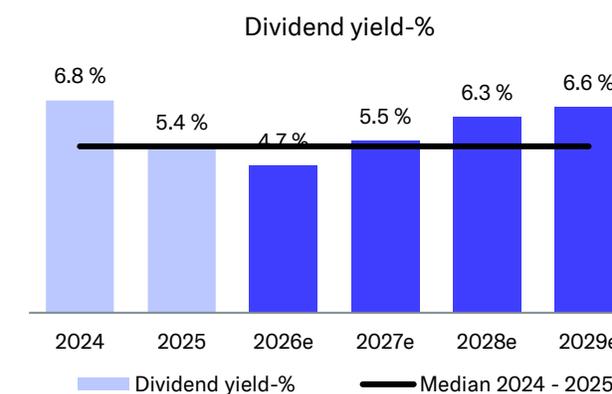
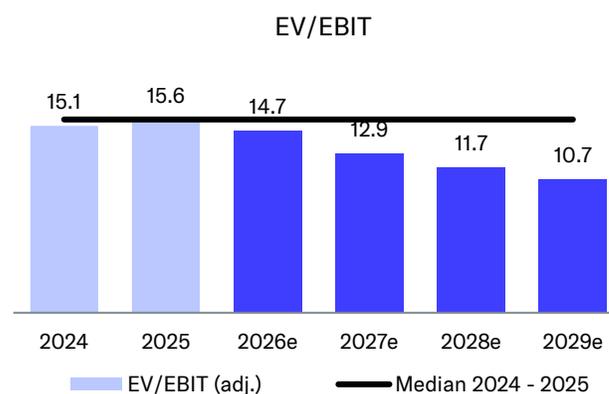
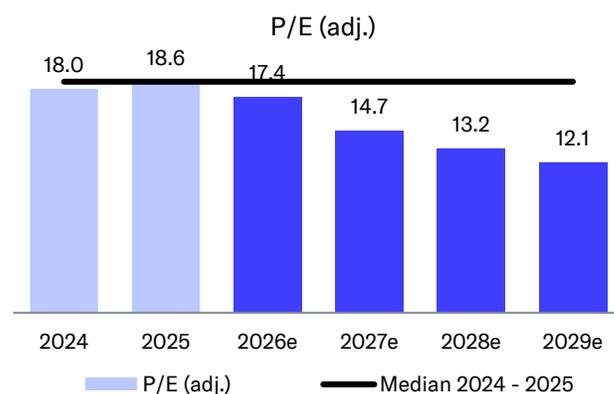
Valuation	2026e	2027e	2028e
Share price	12.7	12.7	12.7
Number of shares, millions	84.8	84.8	84.8
Market cap	1072	1072	1072
EV	1221	1229	1236
P/E (adj.)	17.4	14.7	13.2
P/E	17.4	14.7	13.2
P/B	10.2	8.5	7.2
P/S	2.2	1.9	1.7
EV/Sales	2.5	2.2	2.0
EV/EBITDA	11.5	10.1	9.1
EV/EBIT (adj.)	14.7	12.9	11.7
Payout ratio (%)	82.5 %	81.1 %	83.5 %
Dividend yield-%	4.7 %	5.5 %	6.3 %

Source: Inderes

# Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	7.99	6.32	9.26	10.2	12.3	12.7	12.7	12.7	12.7
Number of shares, millions	84.8	84.8	84.8	84.8	84.8	84.8	84.8	84.8	84.8
Market cap	677	536	785	867	1044	1072	1072	1072	1072
EV	775	630	886	982	1174	1221	1229	1236	1243
P/E (adj.)	19.4	15.0	20.3	18.0	18.6	17.4	14.7	13.2	12.1
P/E	21.2	15.3	20.3	18.0	18.6	17.4	14.7	13.2	12.1
P/B	10.0	7.0	9.2	8.5	10.6	10.2	8.5	7.2	6.3
P/S	2.5	1.8	2.3	2.3	2.4	2.2	1.9	1.7	1.5
EV/Sales	2.9	2.1	2.6	2.6	2.7	2.5	2.2	2.0	1.8
EV/EBITDA	13.9	10.4	13.1	11.7	12.1	11.5	10.1	9.1	8.3
EV/EBIT (adj.)	16.4	13.2	16.8	15.1	15.6	14.7	12.9	11.7	10.7
Payout ratio (%)	80.0 %	82.9 %	83.3 %	123.3 %	99.9 %	82.5 %	81.1 %	83.5 %	80.0 %
Dividend yield-%	3.8 %	5.4 %	4.1 %	6.8 %	5.4 %	4.7 %	5.5 %	6.3 %	6.6 %

Source: Inderes



The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2026e
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	
Europris ASA	1314	1700	12.8	10.6	7.3	6.5	1.3	1.2	14.5	12.0	4.6	5.0	3.1
Byggmax Group AB	293	479	13.8	12.4	5.2	5.0	0.8	0.8	13.1	11.3	3.9	4.5	1.2
Clas Ohlson AB	4185	4168	29.7	26.6	19.6	18.2	3.6	3.4	19.9	17.8	2.5	2.8	6.9
Axfood AB	6186	7542	19.6	17.9	9.8	9.1	0.9	0.8	23.3	21.0	3.1	3.3	7.9
Dollar General Corp	22421	25394	13.9	12.5	9.3	8.5	0.7	0.7	18.1	16.2	2.0	2.0	3.0
Kesko Oyj	7596	11032	15.7	14.5	8.3	7.8	0.9	0.8	16.2	14.6	5.1	5.6	2.6
Musti Group Oyj	581	787	12.7	13.3	7.6	7.0	1.5	1.4	12.9		5.2		2.3
Verkkokauppa.com Oyj	149	143	8.5	7.6	6.0	5.5	0.3	0.2	12.6	10.9	5.8	6.7	3.5
Tokmanni Oyj	407	1294	13.9	12.6	5.6	5.3	0.7	0.7	9.0	7.6	5.8	7.4	1.3
Rusta	1282	1734	19.0	16.4	9.4	8.4	1.5	1.4	23.1	18.7	2.2	2.7	5.3
Tractor Supply	20679	22067	16.5	15.2	12.3	11.4	1.6	1.5	20.9	19.0	2.2	2.3	7.9
Puulo Oyj (Inderes)	1072	1221	14.7	12.9	11.5	10.1	2.5	2.2	17.4	14.7	4.7	5.5	10.2
Average			16.0	14.5	9.1	8.4	1.2	1.2	16.7	14.9	3.8	4.2	4.1
Median			13.9	13.3	8.3	7.8	0.9	0.8	16.2	15.4	3.9	3.9	3.1
Diff-% to median			6%	-4%	39%	29%	183%	163%	7%	-5%	22%	42%	231%

Source: Refinitiv / Inderes

# Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
<b>Revenue</b>	<b>383</b>	<b>89.3</b>	<b>136</b>	<b>116</b>	<b>101</b>	<b>442</b>	<b>96.1</b>	<b>150</b>	<b>135</b>	<b>114</b>	<b>495</b>	<b>562</b>	<b>627</b>	<b>695</b>
<b>EBITDA</b>	<b>84.0</b>	<b>15.8</b>	<b>32.8</b>	<b>27.0</b>	<b>21.7</b>	<b>97.3</b>	<b>16.2</b>	<b>36.8</b>	<b>30.1</b>	<b>22.9</b>	<b>106</b>	<b>122</b>	<b>136</b>	<b>149</b>
Depreciation	-18.7	-5.4	-5.3	-5.6	-5.7	-22.0	-5.7	-5.7	-5.7	-5.7	-22.8	-26.3	-30.1	-33.8
<b>EBIT (excl. NRI)</b>	<b>65.2</b>	<b>10.4</b>	<b>27.5</b>	<b>21.4</b>	<b>16.1</b>	<b>75.4</b>	<b>10.5</b>	<b>31.1</b>	<b>24.4</b>	<b>17.2</b>	<b>83.1</b>	<b>95.6</b>	<b>106</b>	<b>116</b>
<b>EBIT</b>	<b>65.2</b>	<b>10.4</b>	<b>27.5</b>	<b>21.4</b>	<b>16.0</b>	<b>75.3</b>	<b>10.5</b>	<b>31.1</b>	<b>24.4</b>	<b>17.2</b>	<b>83.1</b>	<b>95.6</b>	<b>106</b>	<b>116</b>
Net financial items	-5.1	-1.4	-1.4	-1.4	-1.2	-5.5	-1.5	-1.5	-1.5	-1.5	-6.0	-6.4	-6.8	-7.2
<b>PTP</b>	<b>60.1</b>	<b>9.0</b>	<b>26.0</b>	<b>20.0</b>	<b>14.8</b>	<b>69.8</b>	<b>9.0</b>	<b>29.6</b>	<b>22.9</b>	<b>15.7</b>	<b>77.1</b>	<b>89.2</b>	<b>99.1</b>	<b>109</b>
Taxes	-12.0	-1.8	-5.2	-3.9	-2.9	-13.8	-1.8	-5.9	-4.6	-3.1	-15.4	-16.1	-17.8	-19.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net earnings</b>	<b>48.1</b>	<b>7.2</b>	<b>20.8</b>	<b>16.1</b>	<b>11.9</b>	<b>56.0</b>	<b>7.2</b>	<b>23.7</b>	<b>18.3</b>	<b>12.5</b>	<b>61.7</b>	<b>73.1</b>	<b>81.2</b>	<b>89.0</b>
<b>EPS (adj.)</b>	<b>0.57</b>	<b>0.09</b>	<b>0.25</b>	<b>0.19</b>	<b>0.14</b>	<b>0.66</b>	<b>0.08</b>	<b>0.28</b>	<b>0.22</b>	<b>0.15</b>	<b>0.73</b>	<b>0.86</b>	<b>0.96</b>	<b>1.05</b>
<b>EPS (rep.)</b>	<b>0.57</b>	<b>0.09</b>	<b>0.25</b>	<b>0.19</b>	<b>0.14</b>	<b>0.66</b>	<b>0.08</b>	<b>0.28</b>	<b>0.22</b>	<b>0.15</b>	<b>0.73</b>	<b>0.86</b>	<b>0.96</b>	<b>1.05</b>

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
<b>Revenue growth-%</b>	13.3 %	18.4 %	13.2 %	13.7 %	17.7 %	15.4 %	7.6 %	10.7 %	16.0 %	12.7 %	11.9 %	13.5 %	11.7 %	10.8 %
<b>Adjusted EBIT growth-%</b>	23.5 %	37.6 %	12.5 %	11.1 %	15.4 %	15.6 %	0.4 %	13.0 %	13.7 %	6.9 %	10.2 %	15.0 %	10.8 %	9.3 %
<b>EBITDA-%</b>	21.9 %	17.7 %	24.1 %	23.3 %	21.4 %	22.0 %	16.8 %	24.4 %	22.3 %	20.1 %	21.4 %	21.7 %	21.7 %	21.5 %
<b>Adjusted EBIT-%</b>	17.0 %	11.7 %	20.2 %	18.5 %	15.9 %	17.0 %	10.9 %	20.6 %	18.1 %	15.1 %	16.8 %	17.0 %	16.9 %	16.6 %
<b>Net earnings-%</b>	12.6 %	8.1 %	15.3 %	13.9 %	11.7 %	12.7 %	7.5 %	15.7 %	13.6 %	11.0 %	12.5 %	13.0 %	12.9 %	12.8 %

Source: Inderes

# Balance sheet

Assets	2024	2025	2026e	2027e	2028e
<b>Non-current assets</b>	<b>139</b>	<b>149</b>	<b>165</b>	<b>183</b>	<b>201</b>
Goodwill	33.5	33.5	33.5	33.5	33.5
Intangible assets	16.0	13.7	14.0	14.3	14.6
Tangible assets	88.0	100.0	116	134	151
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	1.3	1.6	1.6	1.8	2.0
<b>Current assets</b>	<b>142</b>	<b>168</b>	<b>187</b>	<b>213</b>	<b>237</b>
Inventories	116	123	138	157	175
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	8.2	11.6	12.4	14.0	15.7
Cash and equivalents	18.3	33.0	36.9	41.9	46.8
<b>Balance sheet total</b>	<b>281</b>	<b>317</b>	<b>353</b>	<b>396</b>	<b>438</b>

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
<b>Equity</b>	<b>102</b>	<b>98.9</b>	<b>105</b>	<b>127</b>	<b>149</b>
Share capital	29.1	29.0	29.0	29.0	29.0
Retained earnings	72.7	69.9	75.6	97.9	120
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	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>122</b>	<b>151</b>	<b>187</b>	<b>199</b>	<b>214</b>
Deferred tax liabilities	2.5	2.3	2.3	2.3	2.3
Provisions	1.0	1.1	1.1	1.1	1.1
Interest bearing debt	118	147	183	196	210
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
<b>Current liabilities</b>	<b>57.4</b>	<b>67.2</b>	<b>61.4</b>	<b>69.7</b>	<b>75.7</b>
Interest bearing debt	15.0	16.2	2.0	2.3	0.4
Payables	42.4	51.0	59.4	67.4	75.3
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>281</b>	<b>317</b>	<b>353</b>	<b>396</b>	<b>438</b>

# DCF-calculation

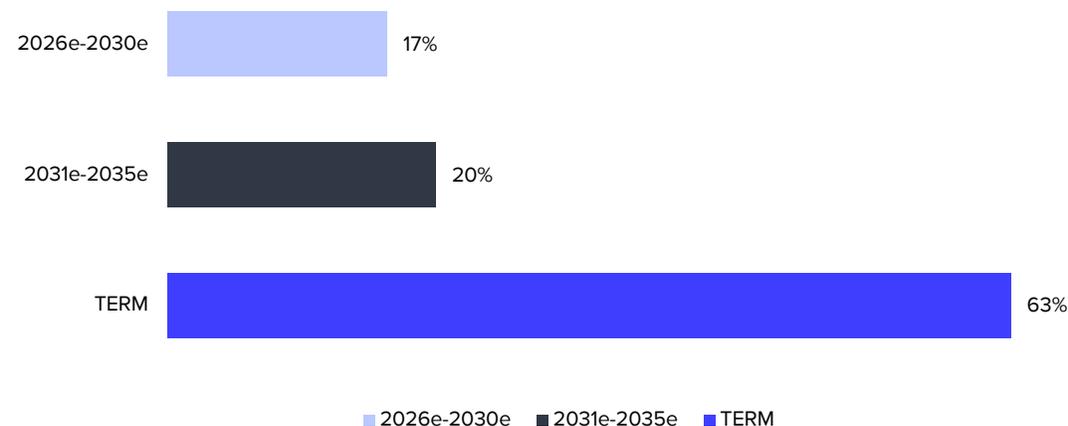
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	15.4 %	11.9 %	13.5 %	11.7 %	10.8 %	9.8 %	6.0 %	6.0 %	3.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	17.0 %	16.8 %	17.0 %	16.9 %	16.6 %	16.6 %	16.6 %	17.0 %	16.5 %	16.5 %	16.5 %	16.5 %
<b>EBIT (operating profit)</b>	<b>75.3</b>	<b>83.1</b>	<b>95.6</b>	<b>106</b>	<b>116</b>	<b>127</b>	<b>135</b>	<b>146</b>	<b>146</b>	<b>150</b>	<b>153</b>	
+ Depreciation	22.0	22.8	26.3	30.1	33.8	36.9	39.6	41.9	44.0	45.8	47.5	
- Paid taxes	-14.3	-15.4	-16.3	-18.0	-19.7	-21.7	-22.7	-24.6	-24.6	-25.3	-26.8	
- Tax, financial expenses	-1.1	-1.2	-1.1	-1.2	-1.3	-1.4	-1.7	-1.8	-1.9	-1.9	-2.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
- Change in working capital	-2.6	-7.0	-12.3	-12.0	-12.4	-12.5	-8.4	-8.9	-4.7	-4.9	-3.3	
<b>Operating cash flow</b>	<b>79.3</b>	<b>82.2</b>	<b>92.2</b>	<b>105</b>	<b>116</b>	<b>128</b>	<b>141</b>	<b>152</b>	<b>159</b>	<b>164</b>	<b>169</b>	
+ Change in other long-term liabilities	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-31.7	-39.3	-44.3	-47.3	-48.8	-49.8	-50.8	-51.8	-52.8	-53.8	-53.0	
<b>Free operating cash flow</b>	<b>47.7</b>	<b>42.9</b>	<b>47.9</b>	<b>57.4</b>	<b>67.2</b>	<b>78.6</b>	<b>90.6</b>	<b>101</b>	<b>106</b>	<b>110</b>	<b>116</b>	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	47.7	42.9	47.9	57.4	67.2	78.6	90.6	101	106	110	116	1922
<b>Discounted FCFF</b>		<b>40.4</b>	<b>41.7</b>	<b>46.2</b>	<b>50.0</b>	<b>54.0</b>	<b>57.6</b>	<b>59.1</b>	<b>57.4</b>	<b>55.2</b>	<b>54.0</b>	<b>892</b>
Sum of FCFF present value		1407	1367	1325	1279	1229	1175	1117	1058	1001	946	892
<b>Enterprise value DCF</b>		<b>1407</b>										
- Interest bearing debt		-163.4										
+ Cash and cash equivalents		33.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>1277</b>										
<b>Equity value DCF per share</b>		<b>15.1</b>										

## WACC

Tax-% (WACC)	18.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>9.2 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.2 %</b>

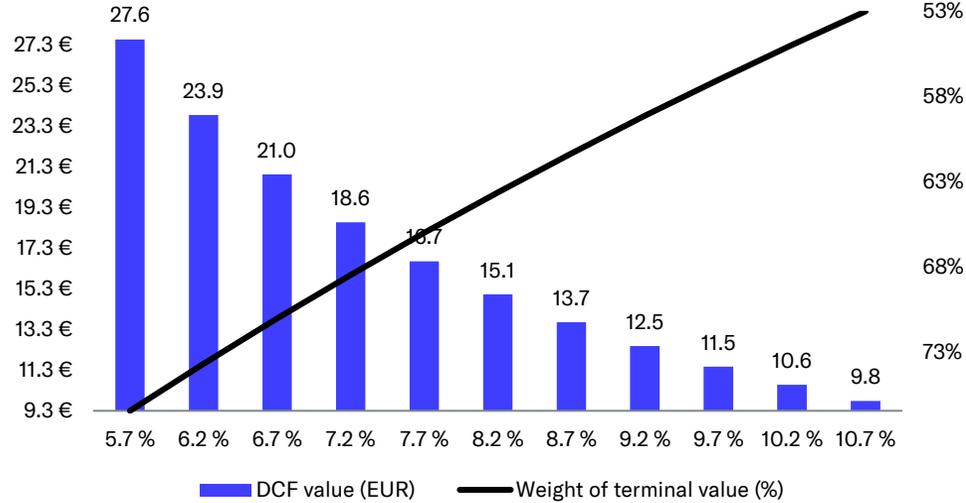
Source: Inderes

## Cash flow distribution

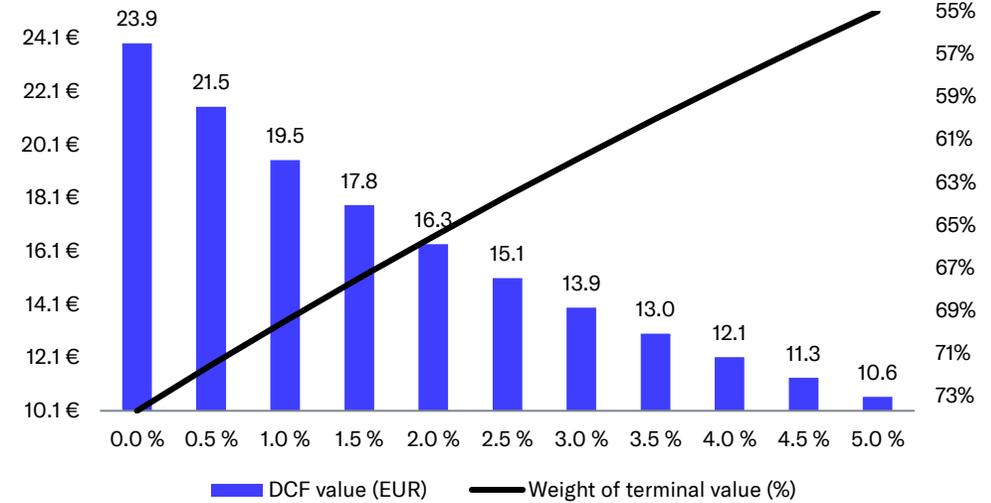


# DCF sensitivity calculations and key assumptions in graphs

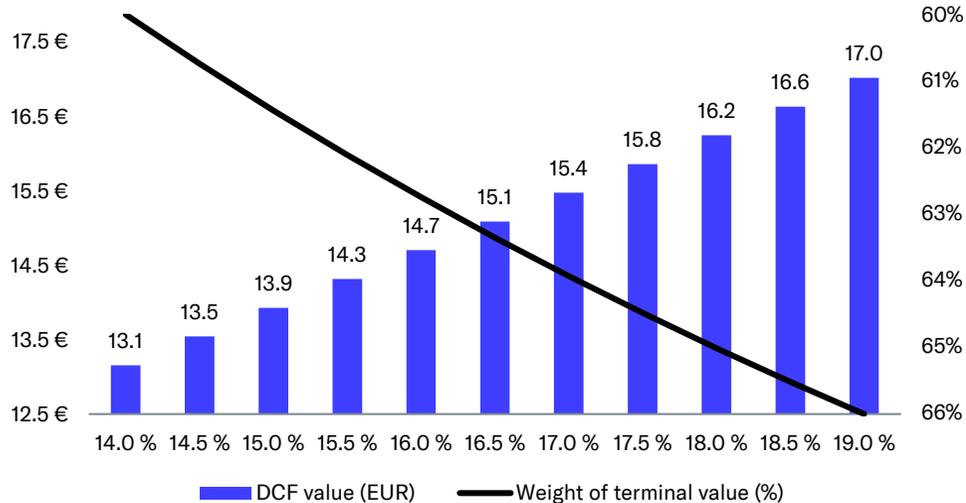
Sensitivity of DCF to changes in the WACC-%



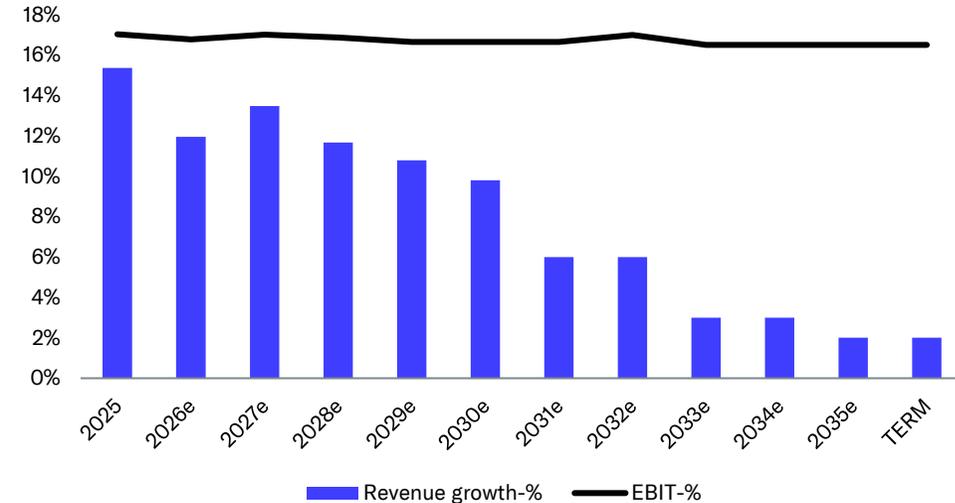
Sensitivity of DCF to changes in the risk-free rate



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	2024	2025	2026e	2027e	Per share data	2024	2025	2026e	2027e
Revenue	383.4	442.3	<b>495.1</b>	<b>561.9</b>	EPS (reported)	0.57	0.66	<b>0.73</b>	<b>0.86</b>
EBITDA	84.0	97.3	<b>105.9</b>	<b>121.9</b>	EPS (adj.)	0.57	0.66	<b>0.73</b>	<b>0.86</b>
EBIT	65.2	75.3	<b>83.1</b>	<b>95.6</b>	OCF / share	0.62	0.94	<b>0.97</b>	<b>1.09</b>
PTP	60.1	69.8	<b>77.1</b>	<b>89.2</b>	OFCF / share	0.26	0.56	<b>0.51</b>	<b>0.57</b>
Net Income	48.1	56.0	<b>61.7</b>	<b>73.1</b>	Book value / share	1.20	1.17	<b>1.23</b>	<b>1.50</b>
Extraordinary items	0.0	-0.1	<b>0.0</b>	<b>0.0</b>	Dividend / share	0.70	0.66	<b>0.60</b>	<b>0.70</b>
<b>Balance sheet</b>	<b>2024</b>	<b>2025</b>	<b>2026e</b>	<b>2027e</b>	<b>Growth and profitability</b>	<b>2024</b>	<b>2025</b>	<b>2026e</b>	<b>2027e</b>
Balance sheet total	280.8	316.7	<b>352.6</b>	<b>396.0</b>	Revenue growth-%	13%	15%	<b>12%</b>	<b>13%</b>
Equity capital	101.8	98.9	<b>104.6</b>	<b>126.9</b>	EBITDA growth-%	24%	16%	<b>9%</b>	<b>15%</b>
Goodwill	33.5	33.5	<b>33.5</b>	<b>33.5</b>	EBIT (adj.) growth-%	24%	16%	<b>10%</b>	<b>15%</b>
Net debt	114.8	130.4	<b>148.2</b>	<b>156.4</b>	EPS (adj.) growth-%	24%	17%	<b>10%</b>	<b>19%</b>
<b>Cash flow</b>	<b>2024</b>	<b>2025</b>	<b>2026e</b>	<b>2027e</b>	EBITDA-%	21.9 %	22.0 %	<b>21.4 %</b>	<b>21.7 %</b>
EBITDA	84.0	97.3	<b>105.9</b>	<b>121.9</b>	EBIT (adj.)-%	17.0 %	17.0 %	<b>16.8 %</b>	<b>17.0 %</b>
Change in working capital	-18.2	-2.6	<b>-7.0</b>	<b>-12.3</b>	EBIT-%	17.0 %	17.0 %	<b>16.8 %</b>	<b>17.0 %</b>
Operating cash flow	52.3	79.3	<b>82.2</b>	<b>92.2</b>	ROE-%	51.5 %	55.8 %	<b>60.6 %</b>	<b>63.2 %</b>
CAPEX	-30.5	-31.7	<b>-39.3</b>	<b>-44.3</b>	ROI-%	29.5 %	30.3 %	<b>30.1 %</b>	<b>31.1 %</b>
Free cash flow	21.9	47.7	<b>42.9</b>	<b>47.9</b>	Equity ratio	36.3 %	31.2 %	<b>29.7 %</b>	<b>32.0 %</b>
					Gearing	112.8 %	131.9 %	<b>141.6 %</b>	<b>123.2 %</b>
<b>Valuation multiples</b>	<b>2024</b>	<b>2025</b>	<b>2026e</b>	<b>2027e</b>					
EV/S	2.6	2.7	<b>2.5</b>	<b>2.2</b>					
EV/EBITDA	11.7	12.1	<b>11.5</b>	<b>10.1</b>					
EV/EBIT (adj.)	15.1	15.6	<b>14.7</b>	<b>12.9</b>					
P/E (adj.)	18.0	18.6	<b>17.4</b>	<b>14.7</b>					
P/B	8.5	10.6	<b>10.2</b>	<b>8.5</b>					
Dividend-%	6.8 %	5.4 %	<b>4.7 %</b>	<b>5.5 %</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

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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
10/12/2021	Accumulate	8.50 €	7.77 €
12/17/2021	Accumulate	10.00 €	8.88 €
4/1/2022	Buy	8.50 €	6.72 €
5/27/2022	Buy	6.00 €	5.16 €
6/15/2022	Buy	6.00 €	4.79 €
9/8/2022	Buy	6.00 €	4.94 €
9/16/2022	Buy	6.00 €	4.92 €
12/16/2022	Buy	6.70 €	5.92 €
3/31/2023	Osta	7.00 €	6.11 €
5/16/2023	Accumulate	8.00 €	7.34 €
6/15/2023	Accumulate	8.00 €	7.18 €
<i>Analyst changed</i>			
9/13/2023	Accumulate	8.50 €	7.63 €
9/25/2023	Accumulate	9.00 €	7.93 €
12/14/2023	Accumulate	9.00 €	8.41 €
3/21/2024	Reduce	9.00 €	9.26 €
3/28/2024	Accumulate	10.00 €	9.18 €
4/24/2024	Accumulate	11.00 €	9.99 €
6/13/2024	Accumulate	11.50 €	10.31 €
9/13/2024	Accumulate	11.00 €	9.84 €
12/12/2024	Accumulate	11.50 €	10.07 €
12/30/2024	Accumulate	11.50 €	10.14 €
3/10/2025	Accumulate	12.00 €	11.16 €
3/28/2025	Reduce	12.00 €	12.09 €
6/11/2025	Reduce	13.50 €	13.52 €
9/12/2025	Reduce	14.50 €	14.72 €
12/11/2025	Accumulate	14.50 €	13.15 €
3/18/2026	Buy	14.00 €	11.90 €
3/26/2026	Accumulate	14.00 €	12.65 €



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Our goal is to be the most investor-minded company in finance. Inderes was founded in 2009 by investors, for investors. As a Nasdaq First North-listed company, we understand the day-to-day reality of our customers.

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

[inderes.se](http://inderes.se)

Inderes Oyj  
Porkkalankatu 5  
00180 Helsinki  
+358 10 219 4690

[inderes.fi](http://inderes.fi)

**inde  
res.**