

KOSKISEN

5/18/2026 2:25 pm EEST

This is a translated version of "Tuloskäännelipsuu kauemmaksi" report, published on 5/18/2026



Antti Viljakainen, Head of Research
+358 44 591 2216
antti.viljakainen@inderes.fi

INDERES CORPORATE CUSTOMER

COMPANY REPORT



Turnaround slips further away

We lower our target price for Koskisen to EUR 8.50 (from EUR 9.00) and reiterate our Reduce recommendation for the company. We significantly cut our estimates, especially for the current year, in the wake of the company's rather strong profit warning issued before the Q1 results. We believe Koskisen still has clear earnings growth potential in the coming years, as the construction cycle eventually recovers and the company's substantial investments of recent years reach fruition. However, the cyclical recovery has continuously receded, and the stock is expensive relative to its weak short-term earnings performance. Thus, we believe the share's expected return remains modest over our target price horizon.

Q1 saw growth, but profitability stumbled heavily

In Q1, Koskisen's revenue increased by 22% to 105 MEUR and adjusted EBITDA decreased by ~30% to 6.6 MEUR. Revenue growth, driven by the acquisition of Iisveden Metsä and volume growth in the Sawn Timber Industry, was stronger than we expected. However, the adjusted EBITDA margin remained at a weak 6.6% as costs rose sharply due to both inflation and production challenges. The results of both businesses were clearly below our Q1 estimates.

We cut our short-term earnings forecasts

On Wednesday, Koskisen lowered its guidance for the current year. The company now expects its 2026 revenue to grow (unchanged) and its EBITDA margin to remain below last year's 8.1% (was adjusted EBITDA margin 8-12%). According to the company, the rather significant decrease in profitability guidance was due to the prolonged weak trend in construction caused by economic and geopolitical uncertainties, inflationary pressures in several items, and production problems that hampered Q1. Although the risks of macro implications of the war in Iran on the recovery of the construction sector and the level of production costs were known, the reduction in guidance was a clear disappointment to us and the consensus. Naturally,

in the aftermath of the profit warning, there were few glimmers of light in the company's market outlook for the foreseeable short-term horizon.

We slashed our current year estimates for Koskisen, especially regarding costs and margins. The company's earnings will decline this year, especially on the lower lines of the income statement, but we expect Koskisen's profitability to recover starting next year, driven by the gradual recovery of the construction cycle, efficiency benefits from investments, synergies from the acquisition of Iisveden Metsä, and the easing of the worst inflationary pressures. In our estimates, persistently high raw material prices will limit profitability in the coming years despite revenue growth. Thus, we estimate the company will fall quite clearly short of its margin target (cf. over 15% EBITDA-% over the cycle vs. 2026e-2028e adj. EBITDA-% 6-11%).

Expected return is not sufficient

Koskisen's EV/EBITDA ratios for 2026 and 2027, which consider the balance sheet structure, are around 10x and 6x, and the corresponding P/E ratios are 41x and 12x. The multiples are clearly above our accepted ranges for this year, considering the company's estimated return on capital and risk profile, and within the ranges for next year. We consider this a challenging overall picture in the short term, given that, due to the uncertain outlook, we believe the forecast risks do not clearly turn positive despite increased safety margins. Thus, we believe that Koskisen's expected return, consisting of declining earnings and multiples (Q1'26 LTM P/E of approximately 40x) and a 1% dividend yield, will be below the required return over a 12-month horizon. The share's DCF value, which considers a longer-term perspective, is slightly above our target price. As the European economy and construction sector recover, Koskisen could have good earnings leverage, but we remain cautious on the stock as the market and earnings turnaround has once again been pushed further out

Recommendation

Reduce

(was Reduce)

Target price:

EUR 8.50

(was EUR 9.00)

Share price:

EUR 8.80

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	354.9	406.3	446.3	466.4
growth-%	26%	14%	10%	5%
EBIT adj.	14.5	10.5	24.5	31.5
EBIT-% adj.	4.1 %	2.6 %	5.5 %	6.8 %
Net income	8.6	5.1	17.6	23.8
EPS (adj.)	0.37	0.21	0.73	0.99
P/E (adj.)	24.7	41.4	12.1	8.9
P/B	1.3	1.3	1.2	1.1
Dividend yield-%	1.5 %	1.1 %	2.3 %	3.4 %
EV/EBIT (adj.)	19.0	25.6	10.4	7.5
EV/EBITDA	9.5	10.2	6.2	5.0
EV/S	0.8	0.7	0.6	0.5

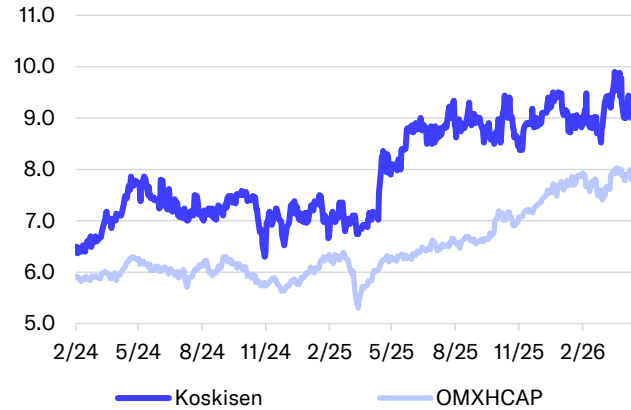
Source: Inderes

Guidance

(Downgraded on May 13)

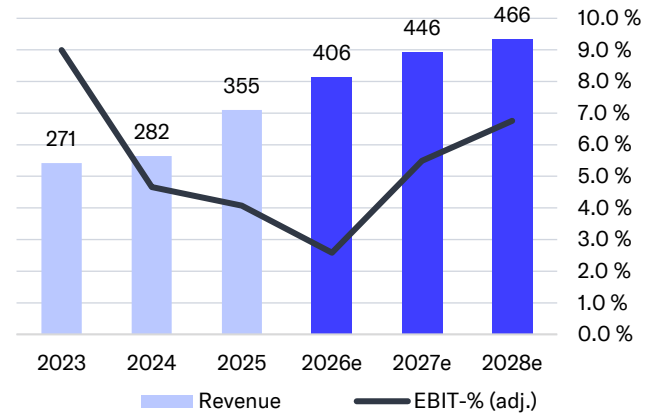
Koskisen group's revenue for 2026 is expected to grow from the 2025 level. Adjusted EBITDA margin is expected to remain below last year's level (2025: Adj. EBITDA-% 8.1%)

Share price



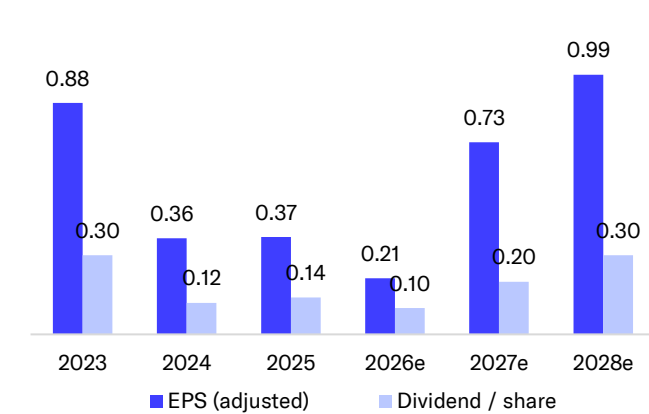
Source: Millstream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Healthy long-term demand trends
- Increasing exports and finding customers who appreciate customization
- Potential for improvement in the level of profitability
- Business generates value (ROIC>WACC) in a favorable cycle
- War-related supply disruptions help Panel Industry for the foreseeable future

Risk factors

- Cyclical nature of demand and dependence on construction activity
- Tight competition situation in for Sawn Timber Industry
- Removal of the supply disruptions in Panel Industry
- Tight timber market in Finland

Valuation	2026e	2027e	2028e
Share price	8.80	8.80	8.80
Number of shares, millions	24.1	24.1	24.1
Market cap	212	212	212
EV	269	254	236
P/E (adj.)	41.4	12.1	8.9
P/E	41.9	12.1	8.9
P/B	1.3	1.2	1.1
P/S	0.5	0.5	0.5
EV/Sales	0.7	0.6	0.5
EV/EBITDA	10.2	6.2	5.0
EV/EBIT (adj.)	25.6	10.4	7.5
Payout ratio (%)	47.6 %	27.4 %	30.4 %
Dividend yield-%	1.1 %	2.3 %	3.4 %

Source: Inderes

Costs grew too fast early in the year

Revenue continued to grow

Koskinen's Q1 revenue grew by 22% to 105 MEUR, which significantly exceeded both our and consensus estimates. The growth came from the Sawn Timber Industry, where the acquisition of Iisveden Metsä clearly supported revenue non-organically. Growth in organic sawn timber volumes was also likely strong despite the weak market conditions in construction and production challenges at the Järvelä sawmill early in the year, with the forecast beat primarily driven by volumes in the Sawn Timber Industry. In the Panel Industry, revenue fell slightly short of our estimates due to stable volumes, likely driven by production challenges in the birch plywood business and a larger-than-expected decline in chipboard volumes. The average prices in neither business segment appear to have deviated significantly from our estimates.

Rising costs and a weak product mix were problematic

Koskisen's adjusted EBITDA decreased 31% year-on-year to 6.6 MEUR, which was clearly weaker than our and

consensus estimates. Profitability declined and fell short of estimates in both segments due to production challenges and cost increases resulting at least partly from the Middle East crisis. The Sawn Timber Industry's EBITDA declined by almost 50% to 2.9 MEUR. As expected, profitability was weighed down by the weak market situation. In addition, results were negatively impacted by start-up challenges at the Järvelä sawmill after maintenance shutdown, cold weather early in the year, and a weaker product mix compared to the prior-year period. In addition, margin pressure was exacerbated by persistently high wood raw material prices, while the prices of woodchips and pulpwood, which are by-products of production, fell significantly. Contrary to our expectations, the Panel Industry's EBITDA decreased slightly from a rather modest comparison period to 4.0 MEUR. Birch plywood production also experienced disruptions in Q1, and the dilutive effect on earnings from the chipboard business, driven by the Finnish construction sector, has likely been somewhat greater than we expected.

On the lower lines, there were no significant deviations in depreciation, financial expenses, or taxes compared to our forecasts or the company's recent figures. Koskisen's reported EPS thus fell to EUR 0.04 in Q1, especially reflecting the decline in operating profit, and clearly missed all estimates. Operating cash flow improved to approximately zero in Q1, although it was burdened by weak earnings and an increase in working capital due to volume growth and seasonal factors.

Financial position still on reasonable footing

Koskisen's net gearing at the end of Q1 was a moderate 33% (Q1'25: net gearing 18%). Thus, we believe the company's balance sheet is in good shape, even though the net debt to EBITDA ratio, relative to the subdued 12-month rolling earnings, is starting to be slightly elevated at 3x at the end of Q1. However, the pace of organic investments is already slowing down, and the next turn for the rolling twelve-month result is more likely to be positive.

Estimates MEUR / EUR	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus		2026e
	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	86.2		96.8	98.2	0.0	0.0	406
EBITDA (adj.)	9.4		8.7	8.8	0.0	0.0	26.4
EPS (reported)	0.18		0.13	0.14	0.00	0.00	0.67
Revenue growth-%	35.4 %		12.2 %	13.9 %	-100.0 %	-100.0 %	14.5 %
EBITDA-% (adj.)	10.9 %		9.0 %	9.0 %			6.5 %

Source: Inderes & Modular Finance (consensus)

Current year will effectively be a gap year

Guidance was cautious compared to preliminary expectations

On Wednesday, Koskisen lowered its guidance for the current year. The company now expects its 2026 revenue to grow (unchanged) and its EBITDA margin to remain below last year's 8.1% (was adjusted EBITDA margin 8-12%). According to the company, the reasons for the rather sharp decline in guidance were the prolonged downturn in construction due to economic and geopolitical uncertainties, the continued inflation of cost items that plagued Q1, and the production problems that hampered Q1. Although the risks of macro implications of the war in Iran on the recovery of the construction sector and the level of production costs were known, the reduction in guidance was a clear disappointment to us and the consensus. Before the report, our and consensus estimates for Koskisen's operating profitability were roughly in the middle of the company's old guidance range.

Naturally, in the aftermath of the profit warning, there were

few bright spots in the company's market outlook, especially in the construction sector. The market situation is better in the Panel Industry's birch plywood segment, driven by the logistics sector, but passing on inflation-driven cost increases to sales prices does not seem to be succeeding in the current demand environment. In addition, rising fuel prices will increase the company's costs in the near future, at least in terms of logistics, but correspondingly, the price of wood realized in the income statement should, in principle, still be on a gentle decline. However, we are not yet fully convinced of the permanence of the decline if the macroeconomic and industrial cycles recover as expected and increase demand for wood again.

Our short-term forecasts, in particular, declined

We significantly cut our current year estimates for Koskisen, particularly regarding costs in both business segments, even though we raised our volume estimates for the Sawn Timber Industry as the company successfully

secured orders in the saw sector despite the prevailing conditions. The company's profit will clearly decline this year, especially in the bottom line, but we expect Koskisen's revenue and EBITDA to recover starting next year, driven by the gradual recovery of the construction cycle, efficiency benefits from investments, and the acquisition of Iisveden Metsä. In our forecast, persistently high raw material prices limit profitability despite revenue growth. Our forecasts for 2027-2028 assume a recovery in construction sector demand by next year at the latest, and that inflation caused by the war in Iran will be short-lived.

Our forecasts for profitability are clearly below Koskisen's target of over 15% EBITDA margin (2026e-2028e ~8-11%). The main risks to our forecasts are the global economy, the price of wood raw material, competition, tariffs, and the conclusion of the war in Ukraine. Especially the latter two factors can have unpredictable indirect positive and/or negative effects on Koskisen's markets.

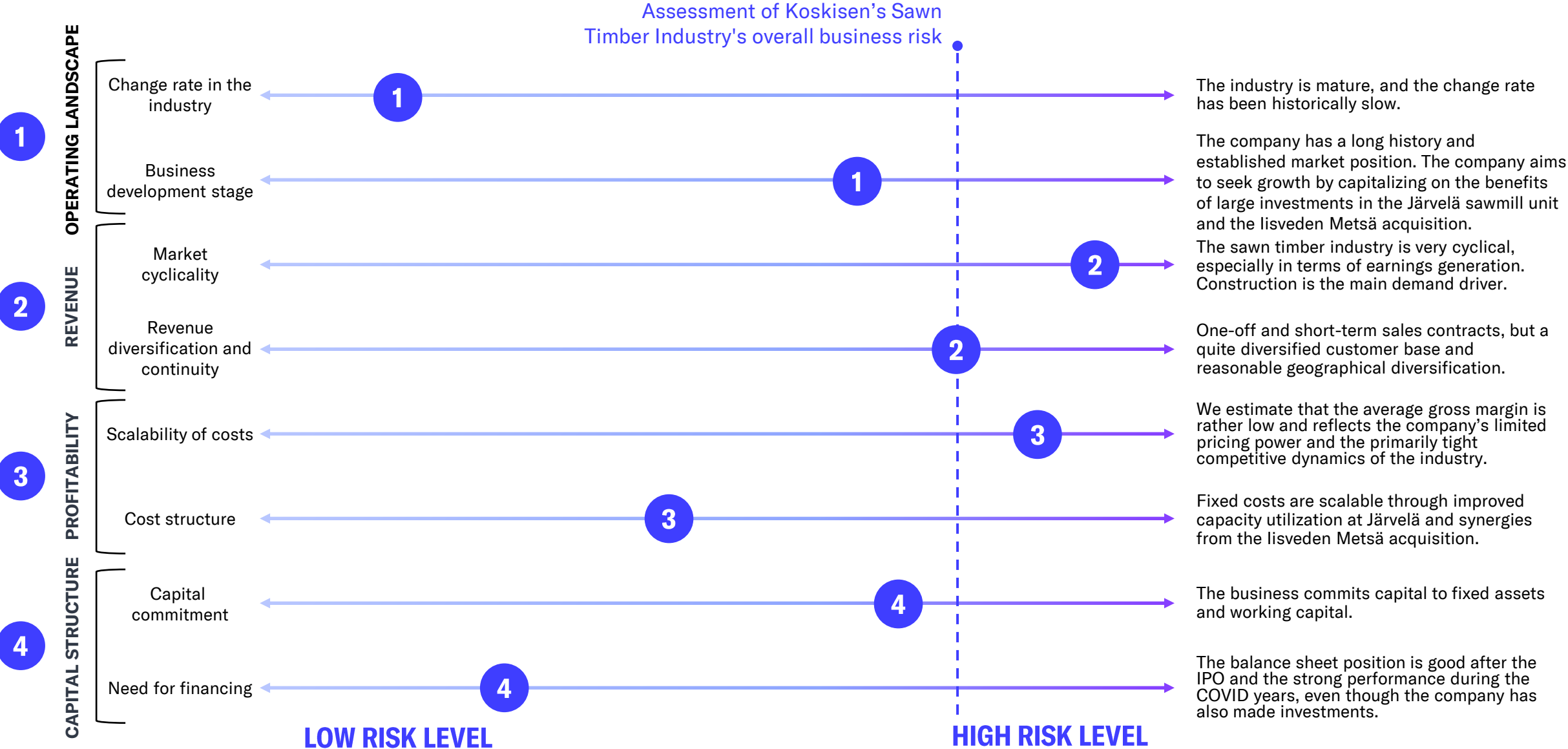
Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	395	406	3%	428	446	4%	448	466	4%
EBITDA	39.7	26.4	-33%	45.9	40.7	-11%	49.1	47.7	-3%
EBIT (excl. NRIs)	23.7	10.5	-56%	29.7	24.5	-18%	32.9	31.5	-4%
EBIT	23.7	10.4	-56%	29.7	24.5	-18%	32.9	31.5	-4%
PTP	20.1	6.5	-68%	26.7	21.4	-20%	30.4	29.0	-5%
EPS (excl. NRIs)	0.67	0.21	-68%	0.91	0.73	-20%	1.03	0.99	-5%
DPS	0.20	0.10	-50%	0.30	0.20	-33%	0.37	0.30	-19%

Source: Inderes

Koskisen Oyj, Q1'26



Risk profile of Koskisen's Sawn Timber Industry



Strategy and financial targets 2/3

Focus areas of Koskisen's strategy

Value creation for customers

Koskisen **focuses** on high-quality and customized products, customer-oriented service and innovative solutions.

Development of current activities

Koskisen aims to **strengthen** the competitiveness and differentiation of its factories, product development and efficiently implement new initiatives.

Taking bold steps

Koskisen **plans** and **prepares** for possible acquisitions and investments.

Promoting responsibility and sustainable development

Koskisen **considers** the wise use of natural resources in its operations, strives to mitigate climate change and invests in sustainable bioeconomy solutions..

Inderes' comments on Koskisen's strategic focus areas

- Considering Finland's high production cost level, we do not believe Koskisen has sustainable cost advantages in an international comparison, even though the company's factories (especially the new Järvelä saw line) are efficient. Therefore, we feel focusing on quality, customization and innovative solutions is the logical and almost only option for the company to achieve higher profitability than the industry average.
- In terms of customer value creation, it is also essential to gradually increase the value added of production through, e.g., processing, Kore products, and in the long term, possibly also through completely new wood products.
- We believe the development of the current business includes the commercial side and developing the production efficiency of the factories (incl., e.g., investments in the Panel Industry).
- Regarding efficiency, there is significant improvement potential in the new Järvelä saw line (including increasing capacity by removing bottlenecks), and not all the benefits of the investments have yet been fully reflected in the income statement.
- On the commercial side, the company must be able to sell the new and potentially growing capacity in Järvelä and also other existing products to the market in an increasingly profitable manner.
- The company is looking at possible M&A transactions, also after the Iisveden Metsä acquisition, especially in the Sawn Timber Industry in Finland, and organic investment opportunities in the Panel Industry.
- A transaction in the Sawn Timber Industry that would clearly increase the size class, has minor overlaps and generates cost synergies (wood sourcing in particular) in Finland could be sensible. In the Kore segment, acquisitions could create value considering the estimated good capital return of the businesses.
- Bold steps will likely require significant capital in due course, which requires the company to maintain a strong balance sheet.
- There are growing pressures on forest use from different sectors, so ensuring the general acceptability of the forest industry requires sensible use of raw materials.
- Koskisen's products are clearly carbon-negative and thus mitigate climate change, which gives the company a good starting point for benefiting from the sustainability trend.
- Focusing on responsibility will probably require investments from the company, but some of these will also open up new business opportunities.

Overall valuation picture does not warrant rushing in

Main focus on earnings multiples

We focus on earnings-based multiples in Koskisen's valuation. We feel acceptable EV/EBITDA ratios for Koskisen are roughly 4-7x, considering the growth and profitability levels of the business and the risk profile. The acceptable P/E based valuation range is 10x-14x in our opinion. On an annual basis, multiples can occasionally fluctuate widely, especially due to the strong cyclicality of the Sawn Timber Industry during economic turning points. We have discussed the logic of our Koskisen valuation in more detail in our recent extensive report, which can be read [here](#).

Challenging near-term valuation picture is hard to overlook entirely

With our 2024 and 2025 estimates, Koskisen's P/E ratios are around 41x and 12x and corresponding EV/EBITDA ratios are around 10x and 6x. Thus, the stock is priced above our accepted valuation ranges based on this year's weak earnings and within the ranges based on next year's improved, but still highly uncertain, earnings level. Thus, in our view, the valuation based on earnings multiples is quite challenging for the 12-month outlook, considering the positive and negative risks associated with the forecasts.

The balance sheet-based P/B of 1.3x (2026e) is also at a reasonable level, as our forecasts for Koskisen's average ROCE and ROE moderately exceed our estimate of the company's cost of capital in the medium term. We have not made any revisions to Koskisen's required return in this update. However, a more pronounced increase in the balance sheet valuation would require more robust value creation than our current projections (i.e. ROCE-% > WACC-%). Furthermore, in our view, balance sheet-based valuation

may not support the stock if the weak earnings cycle prolongs, as balance sheet valuations below the book value of equity are not uncommon in the industry. Looking at the current year, balance sheet valuation is also challenging, as Koskisen's return on capital will clearly fall below the required rates of return. While this might be overlooked in individual years, over a longer horizon, pricing the balance sheet at a premium relative to its book value requires Koskisen to achieve significantly better returns on capital than currently.

Considering this overall picture, we estimate that the expected return for Koskisen's stock is unsatisfactory, stemming from a rather clear earnings decline, a significant valuation downside (Q1'26 LTM P/E of approximately 40x), and a dividend yield of about 2%. The expected return would turn more attractive in the medium term if Koskisen could raise its profitability to its target of over 15% adj. EBITDA-% or even close to it (vs. our estimated adj. EBITDA-% of ~10-11 % in 2027-2028). At best, this will only be possible at the start of a better cycle, i.e. beyond our 12-month target price horizon.

DCF value at the share price

The interpretation of peer group valuations is currently hindered by the modest performance of many peers, making earnings-based multiples appear unusually high. Based on balance sheet and volume, Koskisen's valuation is at a premium, while earnings multiples are mixed. Our DCF model for Koskisen indicates a share value of around EUR 9 per share, which is at approximately our target price level. Thus, in our opinion, no valuation metric supports rushing into the stock immediately after this year's earnings disappointment has been revealed.

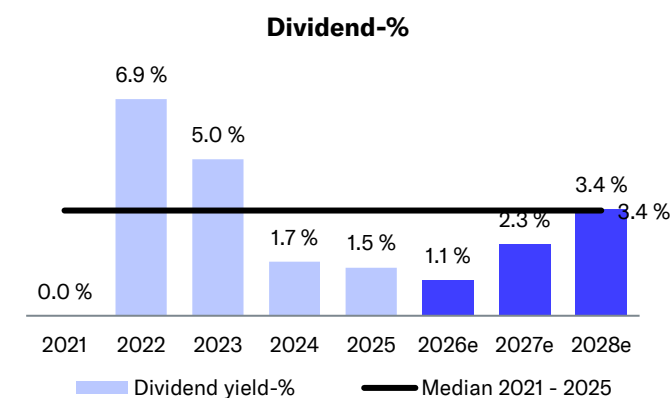
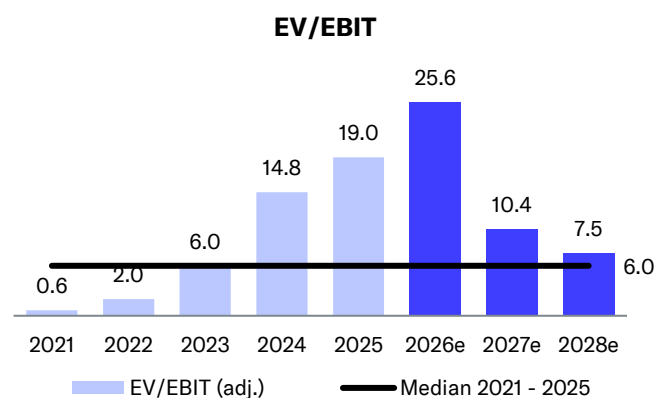
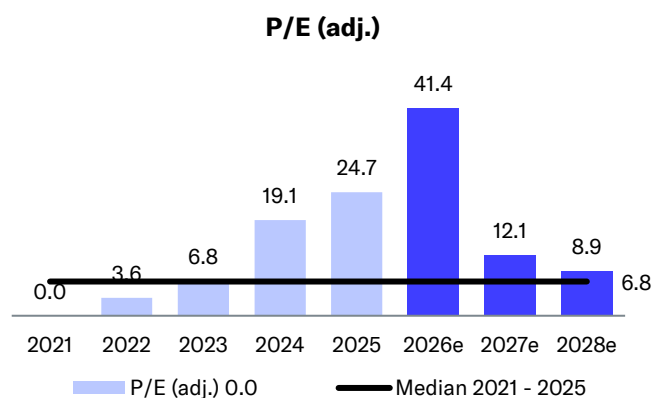
Valuation	2026e	2027e	2028e
Share price	8.80	8.80	8.80
Number of shares, millions	24.1	24.1	24.1
Market cap	212	212	212
EV	269	254	236
P/E (adj.)	41.4	12.1	8.9
P/E	41.9	12.1	8.9
P/B	1.3	1.2	1.1
P/S	0.5	0.5	0.5
EV/Sales	0.7	0.6	0.5
EV/EBITDA	10.2	6.2	5.0
EV/EBIT (adj.)	25.6	10.4	7.5
Payout ratio (%)	47.6 %	27.4 %	30.4 %
Dividend yield-%	1.1 %	2.3 %	3.4 %

Source: Inderes

Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price		6.28	6.00	6.96	9.10	8.80	8.80	8.80	8.80
Number of shares, millions		23.0	23.0	23.0	23.7	24.1	24.1	24.1	24.1
Market cap		145	138	160	219	212	212	212	212
EV		116	146	195	274	269	254	236	216
P/E (adj.)		3.6	6.8	19.1	24.7	41.4	12.1	8.9	7.7
P/E		3.6	6.8	19.3	25.0	41.9	12.1	8.9	7.7
P/B		1.1	0.9	1.1	1.3	1.3	1.2	1.1	1.0
P/S		0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.4
EV/Sales		0.4	0.5	0.7	0.8	0.7	0.6	0.5	0.4
EV/EBITDA		1.8	4.4	8.0	9.5	10.2	6.2	5.0	4.2
EV/EBIT (adj.)		2.0	6.0	14.8	19.0	25.6	10.4	7.5	6.2
Payout ratio (%)		25.1 %	34.2 %	33.4 %	39.2 %	47.6 %	27.4 %	30.4 %	39.4 %
Dividend yield-%		6.9 %	5.0 %	1.7 %	1.5 %	1.1 %	2.3 %	3.4 %	5.1 %

Source: Inderes



Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Interfor Corp	366	890			16.2		0.4	0.5					0.3
Boise Cascade	2091	2225	4.1	5.3	3.4	4.1	0.4	0.4	5.7	7.3	12.5	8.4	1.3
West Fraser Timber	4081	4359		151.4	9.0	7.7	0.8	0.8	6086.6	141.6	2.0	2.1	0.7
Canfor	886	1645			92.4		0.5	0.5					0.4
Stora Enso	7586	10961	43.3	18.9	11.7	9.3	1.2	1.2	50.5	21.3	2.9	2.6	0.7
STEICO	296	394	12.9	8.9	6.6	4.7	1.1	1.1	17.0	12.3	2.0	2.7	1.1
Louisiana-Pacific	4403	4560	18.1	9.9	12.3	7.9	2.1	1.8	24.0	13.1	1.3	1.4	3.5
Stella-Jones	2503	3500	11.2	11.3	9.3	8.9	1.7	1.6	13.2	13.6	1.3	1.4	2.5
Koskisen (Inderes)	212	269	25.6	10.4	10.2	6.2	0.7	0.6	41.4	12.1	1.1	2.3	1.3
Average			17.9	34.3	20.1	7.1	1.0	1.0	1032.8	34.8	3.7	3.1	1.3
Median			12.9	10.6	10.5	7.8	0.9	0.9	20.5	13.3	2.0	2.3	0.9
Diff-% to median			98%	-2%	-3%	-20%	-29%	-39%	102%	-9%	-42%	-2%	48%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	282	86.2	89.7	83.8	95.1	355	105	109	88.2	104	406	446	466	482
Sawn Timber Industry	140	48.7	47.5	50.2	57.5	204	64.6	64.9	50.1	59.5	239	255	267	279
Panel Industry	142	37.6	42.2	33.6	37.6	151	40.4	43.8	38.1	44.9	167	191	199	203
Other / eliminations	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
Depreciation	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
Adjustment items	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
EBITDA	24.2	9.4	10.5	2.8	6.1	28.8	6.5	8.8	3.7	7.5	26.4	40.7	47.7	51.3
Depreciation	-11.2	-3.2	-3.5	-3.8	-4.0	-14.5	-4.0	-4.0	-4.0	-4.0	-16.0	-16.2	-16.2	-16.4
EBIT (excl. NRI)	13.1	6.3	6.8	-0.9	2.3	14.5	2.6	4.8	-0.3	3.5	10.5	24.5	31.5	34.9
EBIT	13.0	6.2	7.0	-1.0	2.1	14.3	2.5	4.8	-0.3	3.5	10.4	24.5	31.5	34.9
Sawn Timber Industry (EBITDA)	7.2	5.4	4.2	2.6	2.0	14.3	2.9	2.7	1.7	2.1	9.4	18.5	21.8	24.0
Panel Industry (EBITDA)	17.7	4.5	6.7	0.2	4.3	15.7	4.0	6.6	2.5	5.9	19.0	24.2	27.9	29.3
Other / eliminations	-0.7	-0.5	-0.5	0.1	-0.3	-1.2	-0.4	-0.5	-0.5	-0.5	-1.9	-2.0	-2.0	-2.0
Depreciation	-11.2	-3.2	-3.5	-3.9	-3.9	-14.5	-4.0	-4.0	-4.0	-4.0	-16.0	-16.2	-16.2	-16.4
Adjustment items	0.0	0.0	-0.1	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-3.1	-1.0	-0.9	-1.0	-0.7	-3.6	-1.2	-0.9	-0.9	-0.9	-3.9	-3.1	-2.5	-1.3
PTP	10.0	5.3	6.1	-2.0	1.4	10.7	1.3	3.9	-1.2	2.6	6.5	21.4	29.0	33.6
Taxes	-1.7	-1.1	-1.0	0.4	-0.4	-2.1	-0.4	-0.8	0.2	-0.5	-1.5	-3.9	-5.2	-6.0
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
Net earnings	8.3	4.2	5.0	-1.6	1.0	8.6	0.9	3.1	-1.0	2.1	5.1	17.6	23.8	27.5
EPS (adj.)	0.36	0.19	0.20	-0.07	0.05	0.37	0.04	0.13	-0.04	0.09	0.21	0.73	0.99	1.14
EPS (rep.)	0.36	0.18	0.21	-0.07	0.04	0.36	0.04	0.13	-0.04	0.09	0.21	0.73	0.99	1.14

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	4.0 %	35.4 %	15.3 %	23.6 %	30.5 %	25.8 %	21.8 %	21.2 %	5.2 %	9.8 %	14.5 %	9.8 %	4.5 %	3.4 %
Adjusted EBIT growth-%	-46.1 %	102.3 %	-0.8 %	-277.6 %	-13.7 %	10.1 %	-59.7 %	-29.4 %	-63.2 %	53.6 %	-27.5 %	133.4 %	28.6 %	10.7 %
EBITDA-%	8.6 %	10.9 %	11.7 %	3.4 %	6.4 %	8.1 %	6.2 %	8.1 %	4.1 %	7.2 %	6.5 %	9.1 %	10.2 %	10.6 %
Adjusted EBIT-%	4.7 %	7.4 %	7.6 %	-1.1 %	2.4 %	4.1 %	2.4 %	4.4 %	-0.4 %	3.3 %	2.6 %	5.5 %	6.8 %	7.2 %
Net earnings-%	2.9 %	4.8 %	5.6 %	-1.9 %	1.1 %	2.4 %	0.8 %	2.9 %	-1.1 %	2.0 %	1.2 %	3.9 %	5.1 %	5.7 %

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	151	180	182	182	184
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	1.0	3.0	3.4	3.8	4.2
Tangible assets	146	172	174	174	175
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	3.9	4.4	4.4	4.4	4.4
Other non-current assets	0.0	0.2	0.2	0.2	0.2
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	126	142	154	162	166
Inventories	49.2	62.4	65.0	66.9	67.6
Other current assets	21.6	24.1	24.1	24.1	24.1
Receivables	23.8	31.4	36.6	40.2	42.0
Cash and equivalents	31.8	24.4	28.4	31.2	32.7
Balance sheet total	277	322	336	345	350

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	149	163	165	180	199
Share capital	1.5	1.5	1.5	1.5	1.5
Retained earnings	65.2	71.1	72.8	87.9	107
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	82.3	90.8	90.8	90.8	90.8
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	64.6	85.8	89.5	78.8	64.1
Deferred tax liabilities	7.2	9.5	9.5	9.5	9.5
Provisions	0.2	0.2	0.2	0.2	0.2
Interest bearing debt	54.2	69.7	73.4	62.7	47.9
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	3.1	6.4	6.4	6.4	6.4
Current liabilities	63.3	72.9	81.7	85.8	86.7
Interest bearing debt	12.1	9.3	11.5	10.3	8.7
Payables	35.7	46.2	52.8	58.0	60.7
Other current liabilities	15.6	17.4	17.4	17.4	17.4
Balance sheet total	277	322	336	345	350

DCF calculation

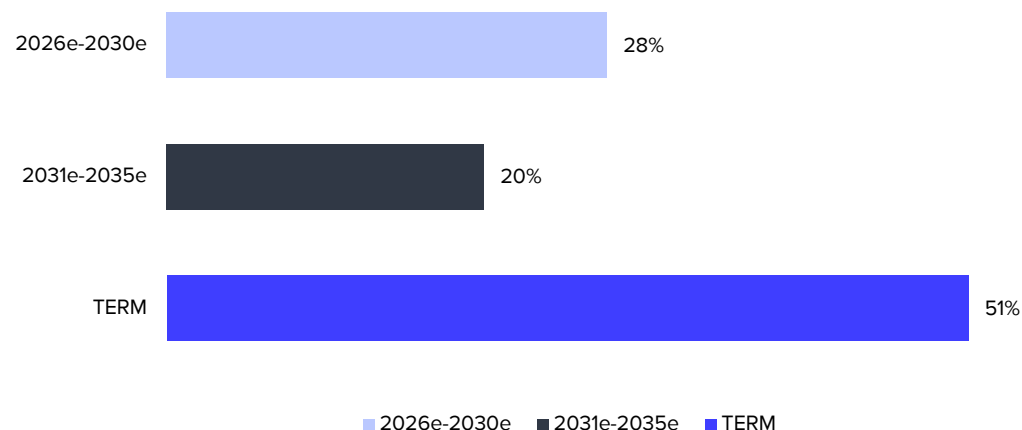
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	25.8 %	14.5 %	9.8 %	4.5 %	3.4 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.0 %	2.0 %
EBIT-%	4.0 %	2.6 %	5.5 %	6.8 %	7.2 %	7.0 %	6.5 %	6.0 %	5.6 %	5.6 %	5.6 %	5.6 %
EBIT (operating profit)	14.3	10.4	24.5	31.5	34.9	34.6	32.9	31.2	29.8	30.5	31.2	
+ Depreciation	14.5	16.0	16.2	16.2	16.4	16.5	16.6	16.8	17.0	17.3	17.5	
- Paid taxes	0.2	-1.5	-3.9	-5.2	-6.0	-6.0	-5.8	-5.5	-5.3	-5.4	-5.5	
- Tax, financial expenses	-0.8	-1.0	-0.6	-0.5	-0.3	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	
+ Tax, financial income	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
- Change in working capital	-11.0	-1.1	-0.3	0.1	0.8	-1.2	-1.2	-1.3	-1.3	-1.3	-1.1	
Operating cash flow	17.4	23.0	36.0	42.1	45.8	43.6	42.4	41.0	40.1	41.0	42.0	
+ Change in other long-term liabilities	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-43.6	-18.4	-16.4	-17.4	-17.4	-18.4	-18.4	-19.4	-20.4	-20.4	-18.3	
Free operating cash flow	-22.9	4.6	19.6	24.7	28.4	25.2	24.0	21.6	19.7	20.6	23.7	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-22.9	4.6	19.6	24.7	28.4	25.2	24.0	21.6	19.7	20.6	23.7	333
Discounted FCFF		4.3	16.9	19.6	20.6	16.8	14.6	12.0	10.0	9.6	10.1	142
Sum of FCFF present value		277	273	256	236	216	199	184	172	162	153	142
Enterprise value DCF		277										
- Interest bearing debt		-79.0										
+ Cash and cash equivalents		24.4										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		-3.4										
Equity value DCF		219										
Equity value DCF per share		9.1										

WACC

Tax-% (WACC)	18.0 %
Target debt ratio (D/(D+E))	17.5 %
Cost of debt	5.0 %
Equity Beta	1.65
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	10.3 %
Weighted average cost of capital (WACC)	9.2 %

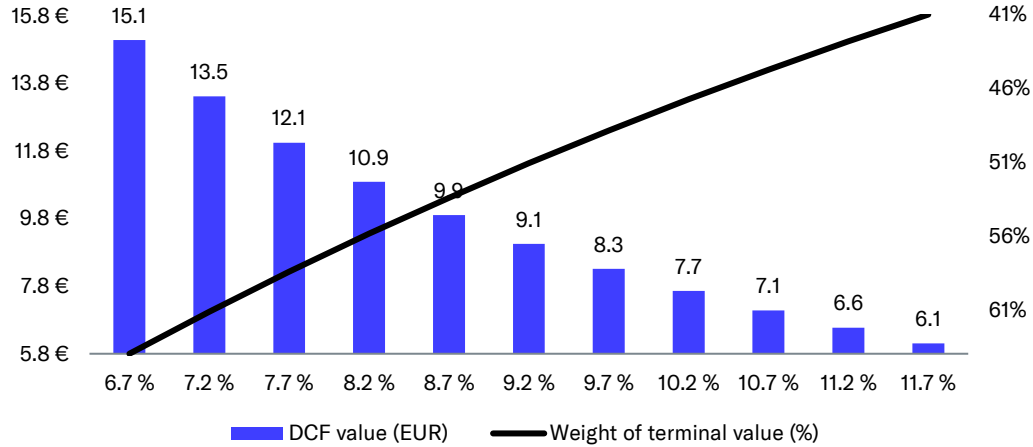
Source: Inderes

Cash flow distribution

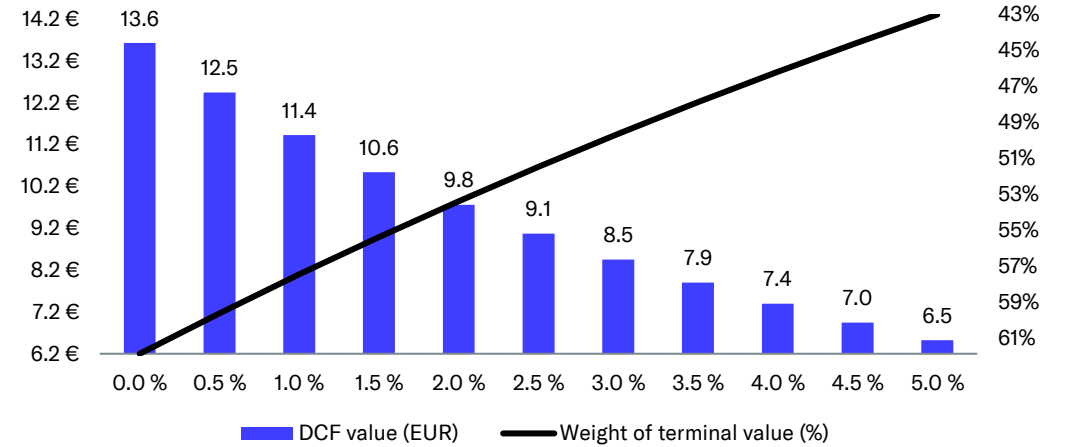


DCF sensitivity calculations and key assumptions in graphs

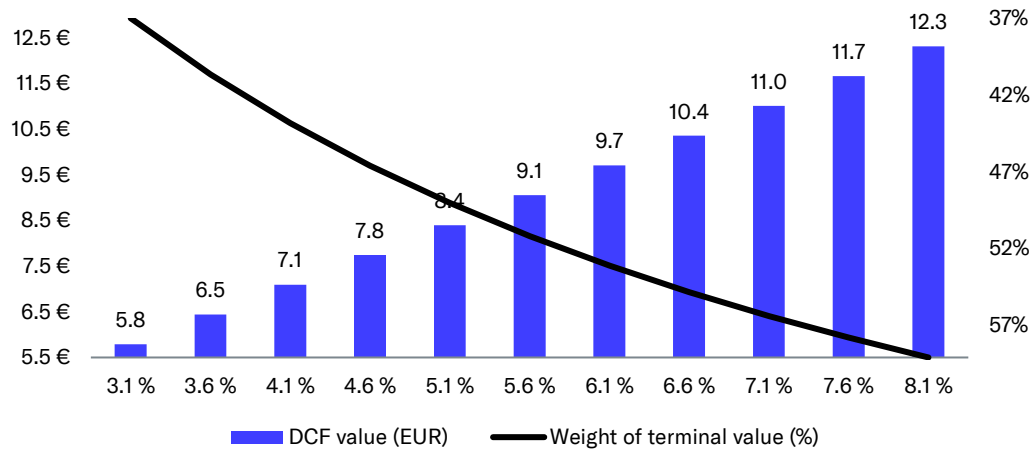
Sensitivity of DCF to changes in the WACC-%



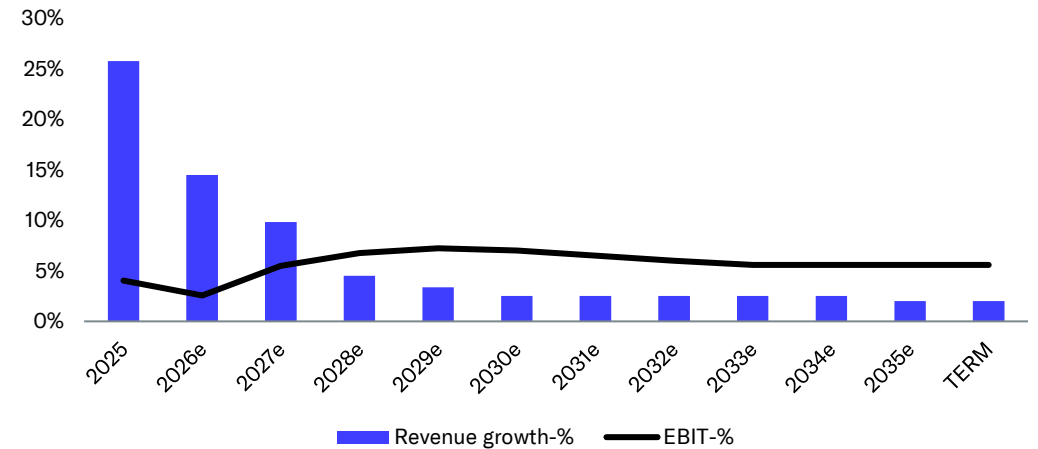
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	271.2	282.2	354.9	406.3	446.3	EPS (reported)	0.88	0.36	0.36	0.21	0.73
EBITDA	33.0	24.2	28.8	26.4	40.7	EPS (adj.)	0.88	0.36	0.37	0.21	0.73
EBIT	24.4	13.0	14.3	10.4	24.5	OCF / share	0.27	0.64	0.73	0.95	1.49
PTP	24.0	10.0	10.7	6.5	21.4	OFCE / share	-1.19	-0.76	-0.97	0.19	0.81
Net Income	20.2	8.3	8.6	5.1	17.6	Book value / share	6.40	6.47	6.89	6.85	7.48
Extraordinary items	0.0	-0.1	-0.2	-0.1	0.0	Dividend / share	0.30	0.12	0.14	0.10	0.20
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	269.2	277.1	322.1	336.3	344.8	Revenue growth-%	-15%	4%	26%	14%	10%
Equity capital	147.2	149.1	163.3	165.0	180.2	EBITDA growth-%	-50%	-27%	19%	-8%	54%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-58%	-46%	10%	-27%	133%
Net debt	7.9	34.4	54.6	56.4	41.8	EPS (adj.) growth-%	-50%	-59%	1%	-42%	243%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	12.2 %	8.6 %	8.1 %	6.5 %	9.1 %
EBITDA	33.0	24.2	28.8	26.4	40.7	EBIT (adj.)-%	9.0 %	4.7 %	4.1 %	2.6 %	5.5 %
Change in working capital	-24.9	-8.9	-11.0	-1.1	-0.3	EBIT-%	9.0 %	4.6 %	4.0 %	2.6 %	5.5 %
Operating cash flow	6.2	14.7	17.4	23.0	36.0	ROE-%	14.3 %	5.6 %	5.5 %	3.1 %	10.2 %
CAPEX	-33.7	-32.2	-43.6	-18.4	-16.4	ROI-%	12.1 %	6.4 %	6.4 %	4.4 %	9.9 %
Free cash flow	-27.3	-17.5	-22.9	4.6	19.6	Equity ratio	55%	54%	51%	49%	52%
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	5%	23%	33%	34%	23%
EV/S	0.5	0.7	0.8	0.7	0.6	Net debt/EBITDA	0.2	1.4	1.9	2.1	1.0
EV/EBITDA	4.4	8.0	9.5	10.2	6.2	EBITDA/net financials	97.8	7.9	8.1	6.8	13.3
EV/EBIT (adj.)	6.0	14.8	19.0	25.6	10.4						
P/E (adj.)	6.8	19.1	24.7	41.4	12.1						
P/B	0.9	1.1	1.3	1.3	1.2						
Dividend-%	5.0 %	1.7 %	1.5 %	1.1 %	2.3 %						

Source: Inderes

Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

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

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

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/24/2023	Reduce	6.00 €	6.35 €
3/17/2023	Reduce	6.00 €	6.29 €
----- Analyst changed -----			
5/25/2023	Reduce	6.75 €	6.40 €
8/11/2023	Accumulate	6.75 €	6.19 €
8/25/2023	Accumulate	7.50 €	6.40 €
11/20/2023	Accumulate	7.00 €	6.35 €
2/13/2024	Accumulate	6.75 €	6.05 €
2/19/2024	Accumulate	6.75 €	6.18 €
4/12/2024	Reduce	6.75 €	7.18 €
5/15/2024	Reduce	7.00 €	7.60 €
8/19/2024	Reduce	7.50 €	7.50 €
11/18/2024	Reduce	7.25 €	7.08 €
1/16/2025	Reduce	7.25 €	7.14 €
2/18/2025	Reduce	7.25 €	7.10 €
5/12/2025	Accumulate	8.25 €	7.54 €
8/19/2025	Reduce	9.00 €	9.22 €
11/11/2025	Reduce	9.00 €	9.10 €
11/17/2025	Reduce	9.00 €	9.08 €
2/16/2026	Reduce	9.00 €	9.04 €
4/20/2026	Reduce	9.00 €	9.60 €
5/18/2026	Reduce	8.50 €	8.80 €



CONNECTING INVESTORS AND COMPANIES.

Inderes democratizes financial information by connecting investors and listed companies. For investors, we are an investing community and a trusted source of financial information and equity research. For listed companies, we are a partner in delivering high-quality investor relations. Over 500 listed companies in Europe use our investor relations products and equity research services to provide better investor communications to their shareholders.

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.

Inderes Ab

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

inderes.se

Inderes Oyj

Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

**inde
res.**