ELTEL

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Pullback reopens the upside

We raise our recommendation for Eltel to Accumulate (was Reduce) and lift our target price to SEK 14.0 (was SEK 13.8) ahead of the company's Q2 report on July 21. The upgrade is driven primarily by the ~15% share price decline since our late June update, which, in our view, has moved the valuation back to a more attractive level. Alongside this, we nudge our 2026-2028 estimates slightly higher to primarily reflect the recently announced 54 MEUR of Finnish contract wins, while our Q2 estimates are left unchanged. We continue to expect solid, Power-led top-line growth and a further year-on-year margin improvement. Our focus in the report will be on the sustainability of the Norwegian turnaround, management's qualitative market outlook, and commentary regarding the path to its 5% adjusted EBITA margin target.

Power and contract wins support top-line momentum, with margins expanding further

We forecast Q2 revenue of 212 MEUR (Q2'25: 201 MEUR), up 5.3% year-on-year, driven primarily by the Power segment, particularly solar PV and data center projects in Finland. We expect the growth rate to normalize from the exceptionally strong 29% seen in Q1 due to project phasing. We believe Norway should continue its gradual top-line recovery following its return to growth in Q1, supported by continued customer base expansion in Emerging services. The year-on-year appreciation of the Norwegian krone provides an additional translational tailwind and represents a small upside risk to our estimate. On profitability, we estimate adjusted EBITA of 5.0 MEUR, a 2.4% margin (Q2'25: 2.5 MEUR, 1.2%), reflecting the mix shift toward higher-margin Emerging services, improved operational efficiency and stricter pricing discipline, even as slightly elevated input costs (e.g., fuel and asphalt) and some one-off rightsizing costs in Denmark likely weigh modestly. Our key watchpoints in the Q2 report are the sustainability of the Norway turnaround, early signs of stabilization in Denmark & Germany following Q1 rightsizing, and management's commentary on the path to its 5% adjusted EBITA margin target within the stated 12–18 month timeframe. Additionally, we will look for qualitative commentary on any potential implications or knock-on effects from the prolonged Iran/US conflict, both on input costs and supply chains. Lastly, we will closely monitor the company's working capital management and deleveraging progress toward the 1.5-2.5x net debt/adjusted EBITDA target range.

New Finnish contracts lift our estimates modestly...

We leave our Q2 forecasts intact but raise our annual estimates modestly following the 54 MEUR of Finnish contract wins announced in July (read our comment here). As some of the volume already begins in Q3'26, with the bulk weighted toward 2027-2028, we nudge 2026e revenue up only slightly to 865 MEUR (was 864). For 2027–2028, we lift revenue by ~1%, with a corresponding effect on our absolute EBITA forecast, while our margin assumptions are unchanged at 3.6%/4.0% for 2026–2027. The pending Vattenfall framework agreement offers potential further upside to our estimates, should it be formally signed.

...while a cheaper valuation restores a favorable risk/reward

Following our late June update, the stock has experienced a ~15% pullback, which has compressed Eltel's overall earnings-based multiples back within our acceptable ranges in 2026 (2026e EV/EBITDA ~5x, EV/EBIT ~11x and P/E ~16x). We expect revenue growth and continued margin improvement to compress these multiples further into 2027, easing to ~5x, ~9x, and ~10x in 2027. With the operational turnaround story intact and the valuation no longer stretched, we think the risk/reward has turned favorable again. Our DCF model supports a value per share of SEK 14.1 (was SEK 13.8), in line with our target.

Recommendation
Accumulate
(prev. Reduce)

Target price:
SEK 14.00
(prev. SEK 13.80)

Share price:
SEK 12.20

Business risk

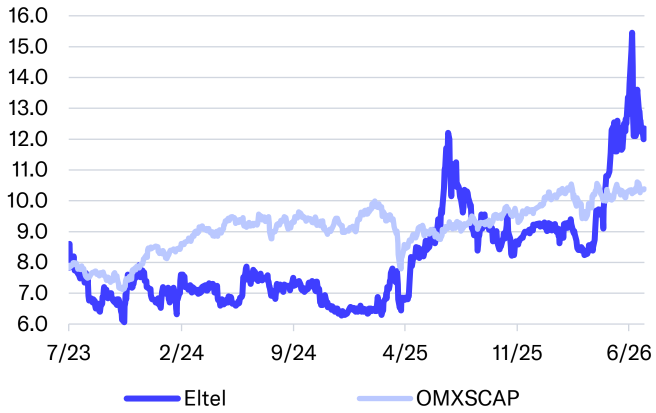
Valuation risk

	2025	2026e	2027e	2028e
Revenue	817.8	865.2	890.5	914.8
growth-%	-1%	6%	3%	3%
EBIT adj.	20.7	30.8	35.7	38.7
EBIT-% adj.	2.5 %	3.6 %	4.0 %	4.2 %
Net Income	2.2	10.7	17.3	20.7
EPS (adj.)	0.01	0.07	0.11	0.13
P/E (adj.)	72.1	16.3	10.0	8.4
P/B	0.8	1.0	0.9	0.8
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	13.6	10.6	9.0	7.8
EV/EBITDA	5.7	5.3	4.9	4.3
EV/S	0.3	0.4	0.4	0.3

Source: Inderes

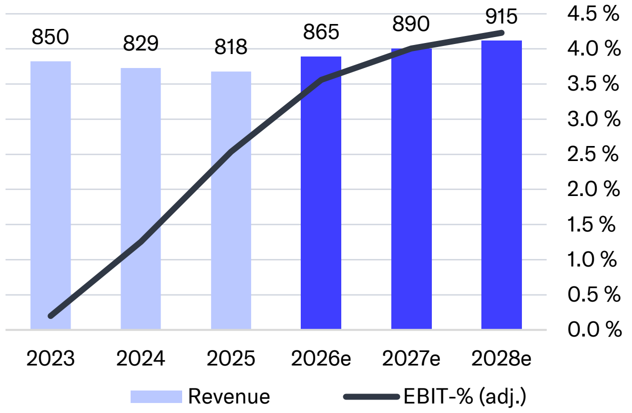
Guidance (Eltel provides no guidance)

Share price



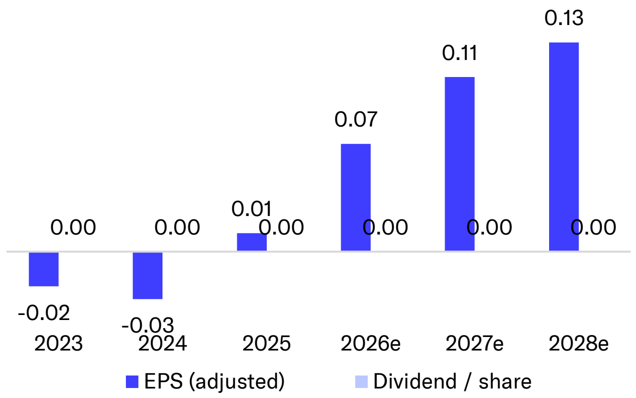
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Sustainable profitability improvement, which would also support the cash flow
- Long-term business growth drivers are healthy, especially in Power
- Expanding into new and adjacent markets and leveraging its geographical coverage
- Broadening the customer base

Risk factors

- Failure in the profitability turnaround
- Pricing and project risks
- Tight competitive situation and low barriers to entry
- Dependency on investments
- Scarce labor market and, thus difficulties to find skilled workforce
- A major customer facing challenges

Valuation	2026e	2027e	2028e
Share price (EUR)	1.11	1.11	1.11
Number of shares, millions	156.7	156.7	156.7
Market cap (MEUR)	174	174	174
EV (MEUR)	326	323	301
P/E (adj.)	16.3	10.0	8.4
P/E	16.3	10.0	8.4
P/B	1.0	0.9	0.8
P/S	0.2	0.2	0.2
EV/Sales	0.4	0.4	0.3
EV/EBITDA	5.3	4.9	4.3
EV/EBIT (adj.)	10.6	9.0	7.8
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Powering growth as margins expand (1/2)

Power and major contract wins support top-line momentum

We forecast Eltel's Q2 revenue to reach 212 MEUR (Q2'25: 201 MEUR), corresponding to a year-on-year growth of 5.3%. We expect top-line growth to be primarily driven by the Power segment, particularly through momentum in solar PV and data center projects in Finland. However, we anticipate the growth rate will normalize from the exceptionally strong 29% seen in the first quarter due to the phasing of projects. The renewed 60 MEUR framework agreement with Elisa (signed during Q2'26) secures important stability for the Finnish Communication business through 2029. We also expect Norway to continue its gradual top-line recovery following its return to modest growth in Q1, supported by customer base expansion in Emerging services. In addition, the year-on-year appreciation of the Norwegian krone provides a translational tailwind to reported revenue, representing an upside risk to our current estimates.

Continued margin expansion with Norway turnaround in focus

We estimate an adjusted EBITA of 5.0 MEUR for the second quarter, translating to a margin of 2.4% (Q2'25: 2.5 MEUR, 1.2%). We expect this profitability improvement to continue to reflect Eltel's ongoing transition toward higher-margin Emerging services, improved operational efficiency, and stricter pricing discipline across the group's Classic business areas. At the same time, we believe it is likely that Eltel has experienced slightly elevated cost levels for certain input materials (e.g. fuel and asphalt) during the quarter, as well as some one-off costs related to the rightsizing measures in Denmark. That said, we do not expect these items to be material enough to derail the company's margin trajectory, and Eltel should be able to continue its streak of year-on-year margin improvement.

A key focus area for us in this report is the performance of the Norwegian unit. After Norway delivered its third consecutive quarter of profitability improvement and achieved a positive margin in Q1, we are looking for further evidence that this turnaround is sustainable. Additionally, we will monitor the margin development in Denmark & Germany, looking for early signs of stabilization following the rightsizing actions announced for the Danish operations in the previous quarter.

5% margin target and working capital management remain key watchpoints

As Eltel does not provide numerical guidance, our attention will center on management's qualitative market outlook and commentary regarding the path to its 5% adjusted EBITA margin target. Management previously reiterated its confidence in reaching this target within a 12–18 month timeframe, and we will look for updates on the operational efficiency gains required to bridge the remaining gap. Given the turbulent geopolitical landscape and commodity price volatility, we will listen for remarks on cost inflation. In particular, we will look for qualitative commentary on any potential implications or knock-on effects from the prolonged Iran/US conflict, both on input costs and supply chains, but also within management's broader market outlook.

Estimates MEUR / EUR	Q2'25 Comparison	Q2'26 Actualized	Q2'26e Inderes	2026e Inderes
Revenue	201		212	865
EBITDA	9.7		12.7	60.9
EBITA (adj.)	2.5		5.0	30.8
EBIT	2.0		5.0	30.8
PTP	-0.7		0.8	13.6
EPS (adj.)	-0.01		0.00	0.07
EPS (reported)	-0.01		0.00	0.02
Revenue growth-%	-6.9 %		5.3 %	5.8 %
EBITA-% (adj.)	1.2 %		2.4 %	3.6 %

Powering growth as margins expand (2/2)

However, Eltel's renegotiated contracts include indexation clauses that provide better structural protection than in previous cycles, even though these clauses do not provide an immediate recovery due to general time lags (monthly, quarterly, or annual updates). Finally, cash flow and working capital management remain critical and we will monitor the company's progress in deleveraging and bringing its net debt to adjusted EBITDA ratio back within the 1.5-2.5x target range.

In Sweden, the service-and-maintenance agreement with Vattenfall (valued at up to 275 MEUR including options), would significantly improve medium-term visibility and strengthen the local operations with new recurring volume. That said, the agreement is based on a contract award decision from June and is still awaiting formal signing, so we do not yet treat the associated volumes as secured.

Commercial momentum also continued into July with three further contract wins: in Finland, Eltel secured its largest-ever transmission line contract from Fingrid (34 MEUR) as well as a grid connection for FCDC's data center in Karjaa (20 MEUR), both underpinning Power segment visibility, while in Denmark the company signed an expanded three-year fiber installation agreement with GlobalConnect worth ~13 MEUR. Together, these wins reinforce the order book and support our constructive view on top-line momentum, even though they fall outside the Q2 reporting period.

Estimates MEUR / EUR	Q2'25 Comparison	Q2'26 Actualized	Q2'26e Inderes	2026e Inderes
Revenue	201		212	865
EBITDA	9.7		12.7	60.9
EBITA (adj.)	2.5		5.0	30.8
EBIT	2.0		5.0	30.8
PTP	-0.7		0.8	13.6
EPS (adj.)	-0.01		0.00	0.07
EPS (reported)	-0.01		0.00	0.02
Revenue growth-%	-6.9 %		5.3 %	5.8 %
EBITA-% (adj.)	1.2 %		2.4 %	3.6 %

Small upside revisions amid recent contract wins

Estimate revisions

We make no changes to our Q2'26 forecasts and continue to expect revenue of 212 MEUR (+5.3%) and adjusted EBITA of 5.0 MEUR (2.4% margin). Our annual revisions are limited to reflecting the recently announced Finnish contract wins (~54 MEUR in total, read our comment here) as well as the 13 MEUR contract with GlobalConnect in Denmark:

- 2026e is nudged up only marginally (revenue 865 MEUR, adj. EBITA 30.8 MEUR), as part of the new contract volume already begins in Q3'26, while we expect the bulk of the incremental volume to land in 2027-2028.
- We raise 2027-2028e revenue by ~1%, with adjusted EBITA up in line. Our margin assumptions are unchanged.

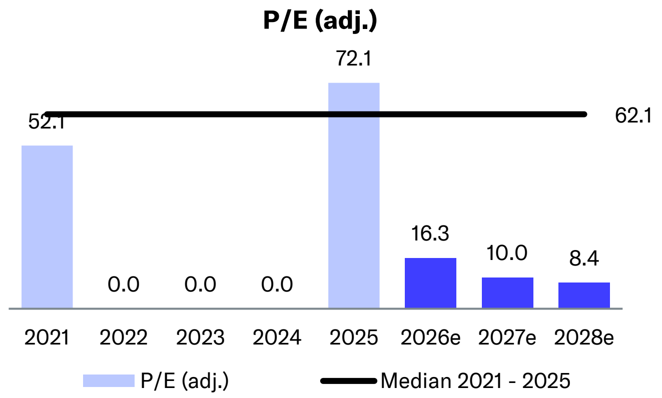
Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	864	865	0%	883	890	1%	903	915	1%
EBITDA	60.8	60.9	0%	65.8	66.2	1%	68.7	69.5	1%
EBIT (exc. NRIs)*	30.7	30.8	0%	35.2	35.7	1%	38.0	38.7	2%
EBIT	30.7	30.8	0%	35.2	35.7	1%	38.0	38.7	2%
PTP	13.5	13.6	1%	21.2	21.7	2%	25.7	26.4	3%
EPS (excl. NRIs)	0.07	0.07	1%	0.11	0.11	2%	0.13	0.13	3%

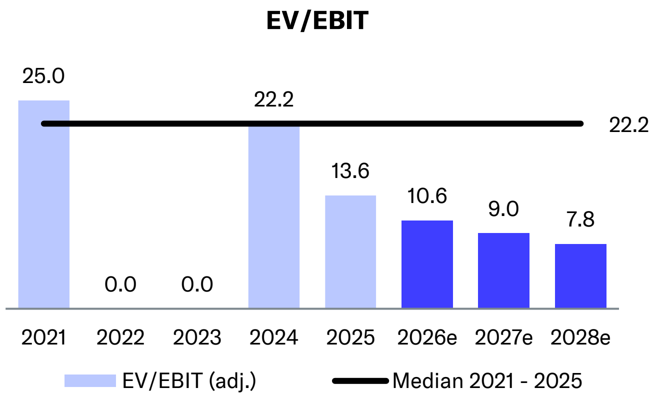
*EBIT (excl. NRI) refers to adjusted EBITA

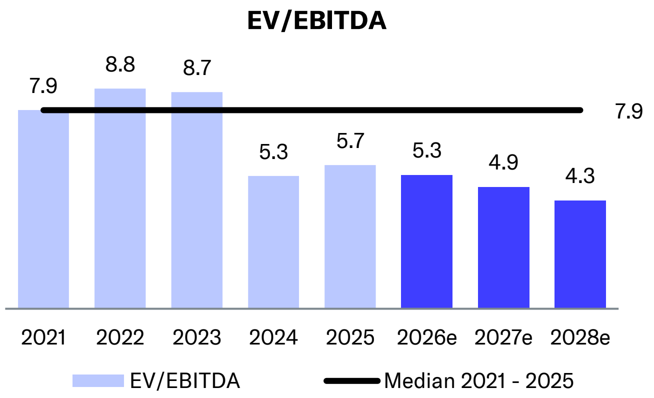
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	1.53	0.74	0.55	0.56	0.85	1.11	1.11	1.11	1.11
Number of shares, millions	156.6	156.7	156.7	156.7	156.7	156.7	156.7	156.7	156.7
Market cap (MEUR)	239	115	86	88	133	174	174	174	174
EV (MEUR)	369	245	214	231	282	326	323	301	278
P/E (adj.)	52.1	neg.	neg.	neg.	72.1	16.3	10.0	8.4	8.1
P/E	55.7	neg.	neg.	neg.	>100	16.3	10.0	8.4	8.1
P/B	1.1	0.6	0.5	0.6	0.8	1.0	0.9	0.8	0.8
P/S	0.3	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2
EV/Sales	0.5	0.3	0.3	0.3	0.3	0.4	0.4	0.3	0.3
EV/EBITDA	7.9	8.8	8.7	5.3	5.7	5.3	4.9	4.3	4.1
EV/EBIT (adj.)	25.0	neg.	>100	22.2	13.6	10.6	9.0	7.8	7.4
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes

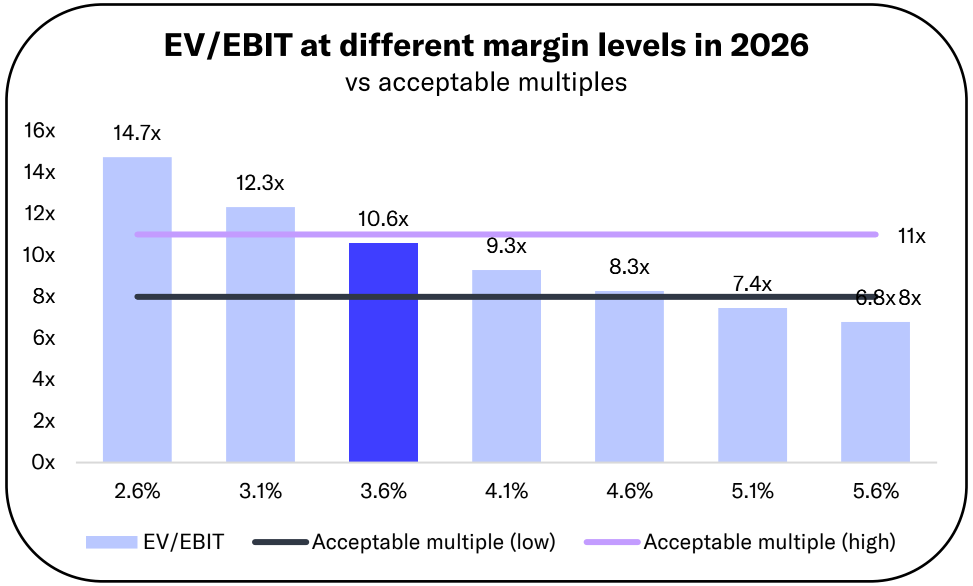


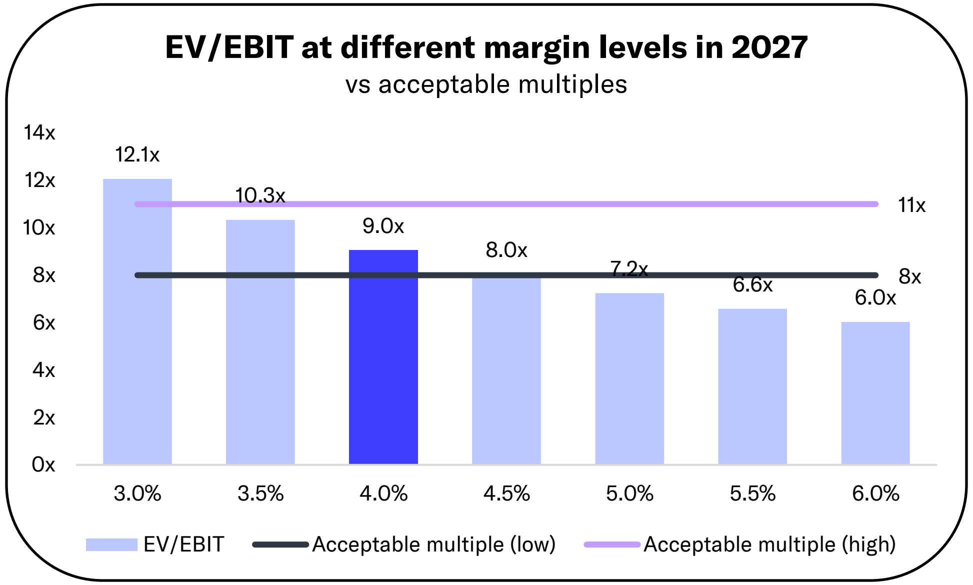


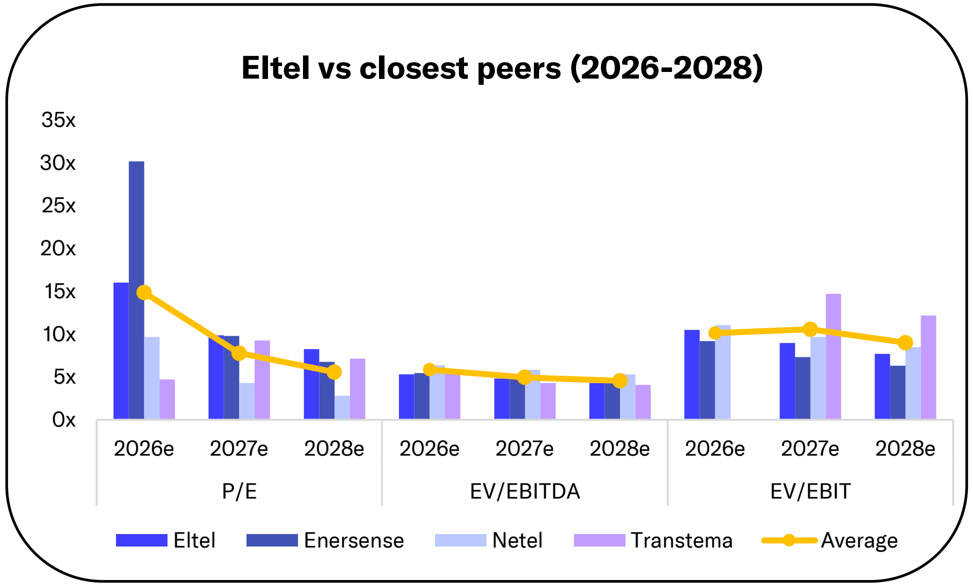


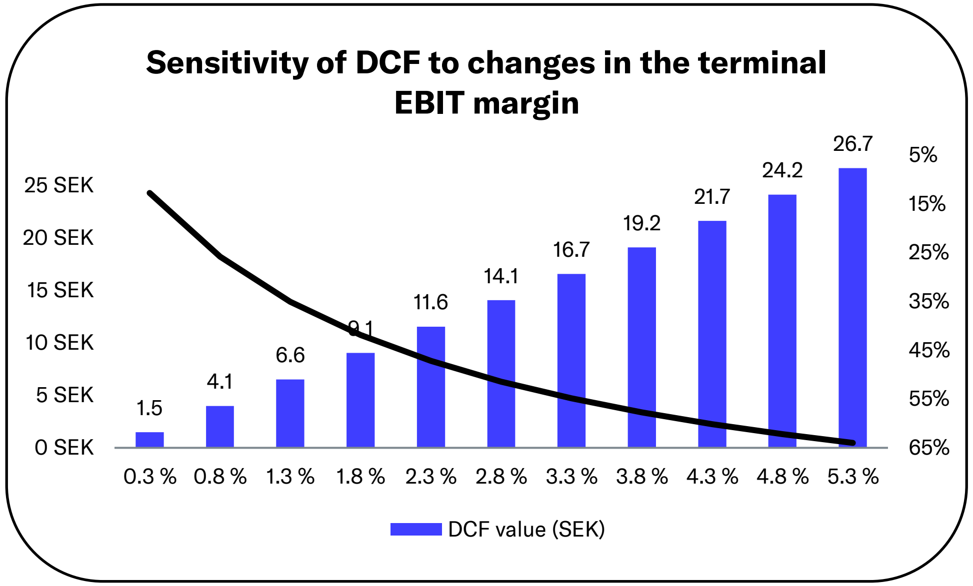
The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Complementary valuation graphs









Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT 2026e	 2027e	EV/EBITDA 2026e	 2027e	EV/S 2026e	 2027e	P/E 2026e	 2027e	Dividend yield-% 2026e	 2027e	P/B 2026e
Bravida Holding	2523	2910	16.7	14.5	12.4	11.2	1.1	1.0	19.1	16.5	3.0	3.2	2.8
Enersense International	60	107	9.2	7.3	5.5	4.7	0.3	0.3	30.2	9.8		0.9	1.6
Instalco	951	1297	15.1	12.6	9.8	8.6	1.0	0.9	16.5	12.8	1.9	2.5	2.9
Netel Holding	14	106	11.1	9.7	6.4	5.8	0.4	0.4	9.7	4.3			0.2
Spie SA	8231	10033	12.9	11.7	8.7	8.1	0.9	0.8	16.1	14.1	2.6	2.8	3.4
Transtema	16	64		14.7	5.8	4.3	0.3	0.3	4.7	9.3			0.3
Vinci Energies	70239	92701	9.5	9.1	6.6	6.4	1.2	1.2	13.0	12.0	4.4	4.8	2.1
Eltel (Inderes)	**174**	**326**	**10.6**	**9.0**	**5.3**	**4.9**	**0.4**	**0.4**	**16.3**	**10.0**	**0.0**	**0.0**	**1.0**
Average			**12.4**	**11.4**	**7.9**	**7.0**	**0.7**	**0.7**	**15.6**	**11.2**	**3.0**	**2.9**	**1.9**
Median			**12.0**	**11.7**	**6.6**	**6.4**	**0.9**	**0.8**	**16.1**	**12.0**	**2.8**	**2.8**	**2.1**
Diff-% to median			***-12%***	***-23%***	***-19%***	***-24%***	***-58%***	***-56%***	***1%***	***-16%***	***-100%***	***-100%***	***-51%***

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	**829**	**170**	**201**	**208**	**239**	**818**	**191**	**212**	**217**	**245**	**865**	**890**	**915**	**935**
Finland	358	62.1	85.0	102	102	351	80.1	94.5	106	106	386	398	410	419
Sweden	212	53.1	58.3	53.0	74.8	239	54.3	57.7	56.6	74.8	243	249	256	261
Norway	115	23.3	25.8	24.4	26.5	100.0	23.8	26.3	25.2	27.3	103	107	109	112
Denmark & Germany	130	30.5	31.4	28.7	35.0	126	32.2	32.7	29.6	36.2	131	135	139	142
Other business	24.3	1.9	2.4	2.4	2.6	9.3	1.9	2.5	2.4	2.6	9.4	9.2	9.0	9.2
Eliminations	-9.7	-1.3	-1.9	-1.9	-2.3	-7.4	-1.0	-2.0	-2.0	-2.3	-7.4	-8.0	-8.0	-8.2
EBITDA	**16.6**	**7.2**	**9.7**	**16.2**	**16.0**	**49.1**	**10.3**	**12.7**	**19.4**	**18.6**	**60.9**	**66.2**	**69.5**	**67.7**
Depreciation	-34.7	-6.9	-7.7	-7.4	-7.7	-29.7	-7.2	-7.6	-7.6	-7.6	-30.1	-30.6	-30.8	-30.3
EBIT (excl. NRI)	**10.4**	**0.9**	**2.5**	**9.1**	**8.3**	**20.7**	**3.1**	**5.0**	**11.8**	**10.9**	**30.8**	**35.7**	**38.7**	**37.4**
EBIT	**-18.1**	**0.3**	**2.0**	**8.8**	**8.3**	**19.4**	**3.1**	**5.0**	**11.8**	**10.9**	**30.8**	**35.7**	**38.7**	**37.4**
Finland	15.7	1.7	3.4	8.8	6.4	20.3	2.7	4.5	9.6	6.9	23.8	25.5	26.6	16.7
Sweden	6.1	1.5	1.3	1.0	3.9	7.7	1.8	1.8	2.2	4.2	10.0	11.0	12.0	10.5
Norway	-5.7	-1.8	-0.4	0.4	0.0	-1.8	0.3	0.5	0.9	1.0	2.7	4.2	4.4	4.5
Denmark & Germany	6.5	2.4	1.5	1.1	0.9	5.9	1.1	1.3	1.3	1.7	5.3	7.0	7.2	5.7
Other business	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	0.4
Group functions	-12.2	-2.9	-3.3	-2.3	-2.9	-11.4	-2.8	-3.1	-2.3	-2.8	-11.0	-12.0	-11.6	0.0
Items affecting comparability	-28.5	-0.6	-0.5	-0.2	0.0	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition-related amortization	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 financial items	-12.7	-2.4	-2.7	-4.9	-4.2	-14.1	-4.6	-4.2	-4.2	-4.2	-17.2	-13.9	-12.3	-10.2
PTP	**-30.8**	**-2.1**	**-0.7**	**3.9**	**4.1**	**5.3**	**-1.5**	**0.8**	**7.6**	**6.7**	**13.6**	**21.7**	**26.4**	**27.2**
Taxes	1.6	-0.6	-0.2	-0.9	-0.4	-2.1	-0.4	-0.1	-1.1	-0.9	-2.5	-4.0	-5.3	-5.4
Minority interest	-0.6	-0.1	-0.2	-0.4	-0.3	-1.0	-0.1	-0.1	-0.1	-0.1	-0.4	-0.4	-0.4	-0.4
Net earnings	**-29.8**	**-2.8**	**-1.0**	**2.6**	**3.4**	**2.2**	**-2.0**	**0.6**	**6.4**	**5.7**	**10.7**	**17.3**	**20.7**	**21.4**
EPS (adj.)	**-0.03**	**-0.02**	**-0.01**	**0.02**	**0.02**	**0.01**	**-0.01**	**0.00**	**0.04**	**0.04**	**0.07**	**0.11**	**0.13**	**0.14**
EPS (rep.)	**-0.21**	**-0.02**	**-0.01**	**0.02**	**0.02**	**0.00**	**-0.01**	**0.00**	**0.04**	**0.04**	**0.07**	**0.11**	**0.13**	**0.14**

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-%	-2.5 %	-3.8 %	-6.9 %	-1.0 %	5.7 %	-1.3 %	12.8 %	5.3 %	4.4 %	2.4 %	5.8 %	2.9 %	2.7 %	2.2 %
Adjusted EBIT growth-%	519.0 %	122.7 %	455.6 %	10.4 %	44.9 %	99.4 %	244.4 %	100.2 %	30.1 %	31.6 %	48.5 %	15.8 %	8.5 %	-3.3 %
EBITDA-%	2.0 %	4.2 %	4.8 %	7.8 %	6.7 %	6.0 %	5.4 %	6.0 %	8.9 %	7.6 %	7.0 %	7.4 %	7.6 %	7.2 %
Adjusted EBIT-%	1.3 %	0.5 %	1.2 %	4.3 %	3.5 %	2.5 %	1.6 %	2.4 %	5.4 %	4.5 %	3.6 %	4.0 %	4.2 %	4.0 %
Net earnings-%	-3.6 %	-1.6 %	-0.5 %	1.2 %	1.4 %	0.3 %	-1.0 %	0.3 %	3.0 %	2.3 %	1.2 %	1.9 %	2.3 %	2.3 %

Source: Inderes

EBIT (excl. NRI) refers to adjusted EBITA

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	**380**	**387**	**388**	**388**	**389**
Goodwill	249	254	254	254	254
Intangible assets	30.3	31.6	31.7	31.8	31.9
Tangible assets	59.4	59.1	60.0	60.4	60.6
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	13.4	15.3	15.3	15.3	15.3
Deferred tax assets	27.2	27.3	27.3	27.3	27.3
Current assets	**206**	**269**	**268**	**273**	**300**
Inventories	19.3	38.3	28.6	25.8	23.8
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	165	187	193	199	206
Cash and equivalents	21.3	43.8	46.5	49.0	70.0
Balance sheet total	**585**	**656**	**656**	**662**	**688**

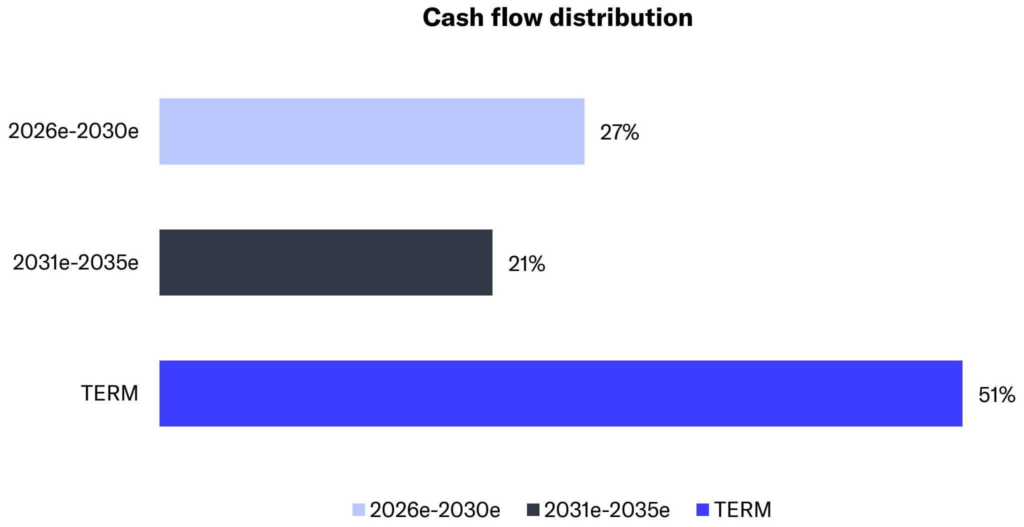
Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**189**	**169**	**180**	**197**	**218**
Share capital	162	1.6	1.6	1.6	1.6
Retained earnings	-423.7	-426.4	-415.7	-398.4	-377.7
Hybrid bonds	25.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	418	585	585	585	585
Minorities	8.0	8.5	8.5	8.5	8.5
Non-current liabilities	**106**	**203**	**206**	**192**	**192**
Deferred tax liabilities	10.7	12.0	10.7	10.7	10.7
Provisions	5.2	5.9	5.9	5.9	5.9
Interest bearing debt	51.8	161	165	165	165
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	37.9	24.2	24.2	10.2	10.2
Current liabilities	**290**	**283**	**270**	**273**	**279**
Interest bearing debt	83.2	24.7	25.0	25.0	25.0
Payables	203	256	242	245	251
Other current liabilities	3.8	3.1	3.1	3.1	3.1
Balance sheet total	**585**	**656**	**656**	**662**	**688**

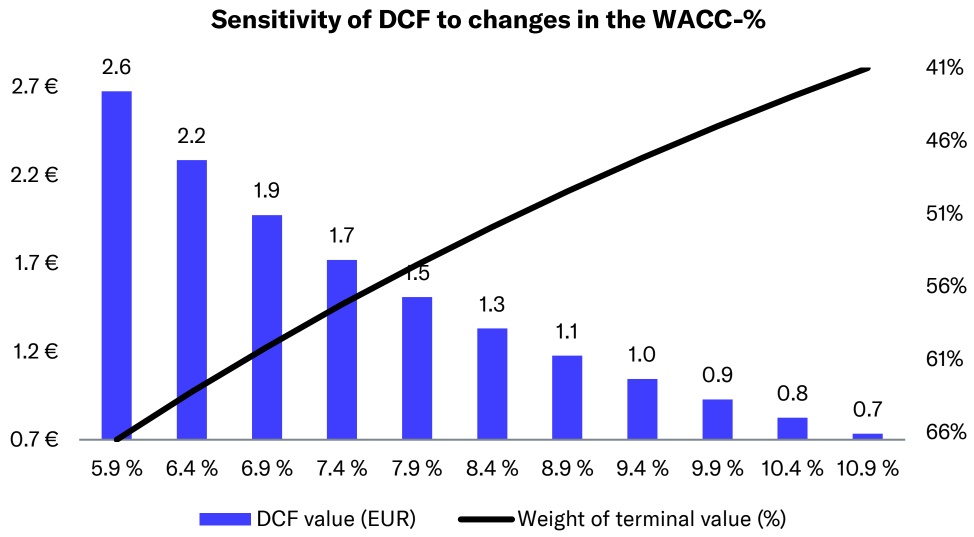
DCF-calculation

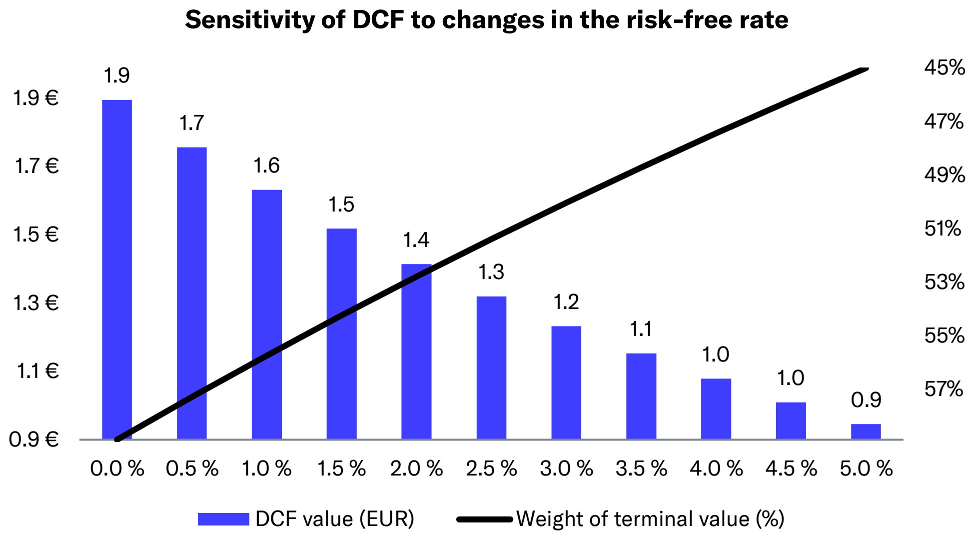
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-1.3 %	5.8 %	2.9 %	2.7 %	2.2 %	2.2 %	2.2 %	2.2 %	2.2 %	2.2 %	2.0 %	2.0 %
EBIT-%	2.4 %	3.6 %	4.0 %	4.2 %	4.0 %	4.0 %	3.7 %	3.4 %	3.3 %	2.8 %	2.8 %	2.8 %
EBIT (operating profit)	**19.4**	**30.8**	**35.7**	**38.7**	**37.4**	**38.2**	**36.1**	**33.9**	**33.7**	**29.2**	**29.8**	
+ Depreciation	29.7	30.1	30.6	30.8	30.3	30.6	30.8	31.2	31.5	31.2	31.1	
- Paid taxes	-0.8	-3.8	-4.0	-5.3	-5.4	-5.8	-5.4	-5.0	-5.0	-4.1	-4.2	
- Tax, financial expenses	-2.8	-3.3	-2.7	-2.6	-2.2	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	
+ Tax, financial income	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.3	
- Change in working capital	11.2	-9.9	-0.3	0.6	1.4	1.4	2.5	1.6	0.6	0.6	0.4	
Operating cash flow	**56.6**	**44.0**	**59.4**	**62.3**	**61.6**	**62.7**	**62.2**	**59.9**	**59.0**	**55.2**	**55.3**	
+ Change in other long-term liabilities	-13.0	0.0	-14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-36.9	-31.1	-31.1	-31.1	-31.1	-31.1	-31.6	-31.9	-31.1	-31.1	-31.1	
Free operating cash flow	**6.7**	**12.9**	**14.3**	**31.2**	**30.5**	**31.6**	**30.6**	**28.0**	**27.9**	**24.1**	**24.2**	
+/- Other	-3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	3.6	12.9	14.3	31.2	30.5	31.6	30.6	28.0	27.9	24.1	24.2	388
Discounted FCFF		**12.4**	**12.7**	**25.6**	**23.1**	**22.0**	**19.7**	**16.6**	**15.3**	**12.2**	**11.3**	**181**
Sum of FCFF present value		352	340	327	301	278	256	236	220	205	192	181
Enterprise value DCF		**352**										
- Interest bearing debt		-185.8										
+ Cash and cash equivalents		43.8										
+ Associated companies		0.0										
-Minorities		-8.6										
-Dividend/capital return		0.0										
Equity value DCF		**201**										
Equity value DCF per share		**1.28**										
Equity value DCF per share (SEK)		**14.1**										

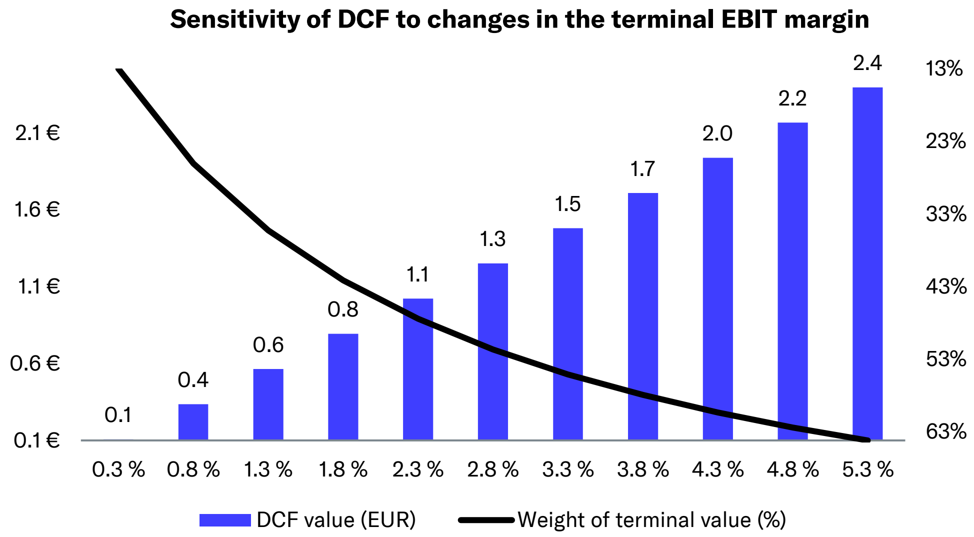
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	45.0 %
Cost of debt	7.8 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
Cost of equity	**10.2 %**
Weighted average cost of capital (WACC)	**8.4 %**

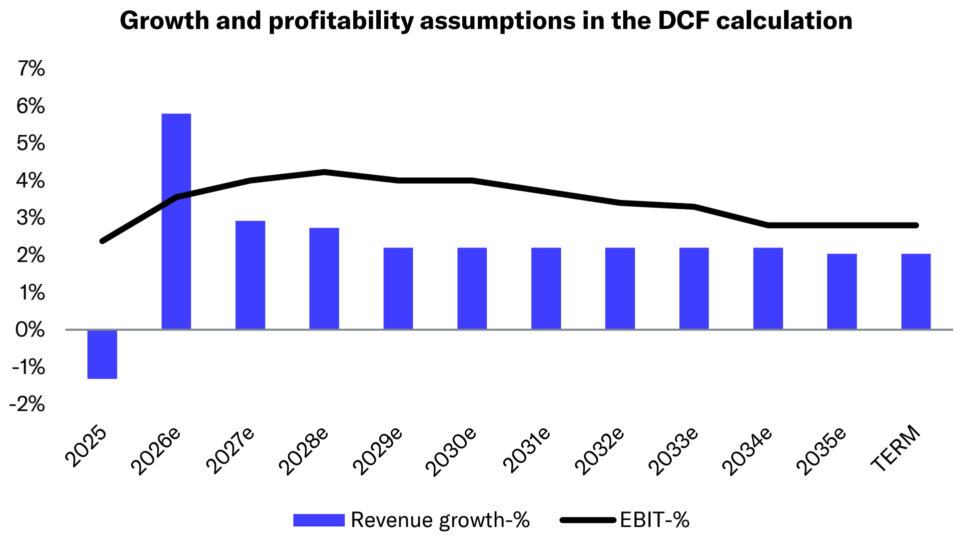


DCF sensitivity calculations and key assumptions in graphs









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	850.1	828.7	817.8	**865.2**	**890.5**
EBITDA	24.8	16.6	49.1	**60.9**	**66.2**
EBIT	-5.3	-18.1	19.4	**30.8**	**35.7**
PTP	-18.0	-30.8	5.3	**13.6**	**21.7**
Net Income	-8.0	-29.8	2.2	**10.7**	**17.3**
Extraordinary items	-7.0	-28.5	-1.3	**0.0**	**0.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	624.2	585.4	655.5	**655.7**	**661.7**
Equity capital	223.6	189.4	168.9	**179.6**	**196.9**
Goodwill	253.6	249.3	253.7	**253.7**	**253.7**
Net debt	100.2	113.7	142.0	**143.5**	**141.0**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	24.8	16.6	49.1	**60.9**	**66.2**
Change in working capital	25.8	-19.3	11.2	**-9.9**	**-0.3**
Operating cash flow	47.7	-1.6	56.6	**44.0**	**59.4**
CAPEX	-33.2	-28.4	-36.9	**-31.1**	**-31.1**
Free cash flow	15.0	3.5	3.6	**12.9**	**14.3**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.3	0.3	0.3	**0.4**	**0.4**
EV/EBITDA	8.7	5.3	5.7	**5.3**	**4.9**
EV/EBIT (adj.)	>100	22.2	13.6	**10.6**	**9.0**
P/E (adj.)	neg.	neg.	72.1	**16.3**	**10.0**
P/B	0.5	0.6	0.8	**1.0**	**0.9**
Dividend-%	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.07	-0.21	0.00	**0.07**	**0.11**
EPS (adj.)	-0.02	-0.03	0.01	**0.07**	**0.11**
OCF / share	0.30	-0.01	0.36	**0.28**	**0.38**
OFCF / share	0.10	0.02	0.02	**0.08**	**0.09**
Book value / share	1.38	1.16	1.02	**1.09**	**1.20**
Dividend / share	0.00	0.00	0.00	**0.00**	**0.00**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	3%	-3%	-1%	**6%**	**3%**
EBITDA growth-%	-11%	-33%	196%	**24%**	**9%**
EBIT (adj.) growth-%	191%	519%	99%	**48%**	**16%**
EPS (adj.) growth-%	77%	-36%	139%	**481%**	**62%**
EBITDA-%	2.9 %	2.0 %	6.0 %	**7.0 %**	**7.4 %**
EBIT (adj.)-%	0.2 %	1.3 %	2.5 %	**3.6 %**	**4.0 %**
EBIT-%	-0.6 %	-2.2 %	2.4 %	**3.6 %**	**4.0 %**
ROE-%	-3.8 %	-15.0 %	1.3 %	**6.4 %**	**9.6 %**
ROI-%	-1.4 %	-5.4 %	5.7 %	**8.6 %**	**9.6 %**
Equity ratio	39.6 %	35.5 %	28.0 %	**29.7 %**	**32.3 %**
Gearing	44.8 %	60.0 %	84.1 %	**79.9 %**	**71.6 %**
Net debt/EBITDA	4.0	6.8	2.9	**2.4**	**2.1**
EBITDA/net financials	2.0	1.3	3.5	**3.5**	**4.8**

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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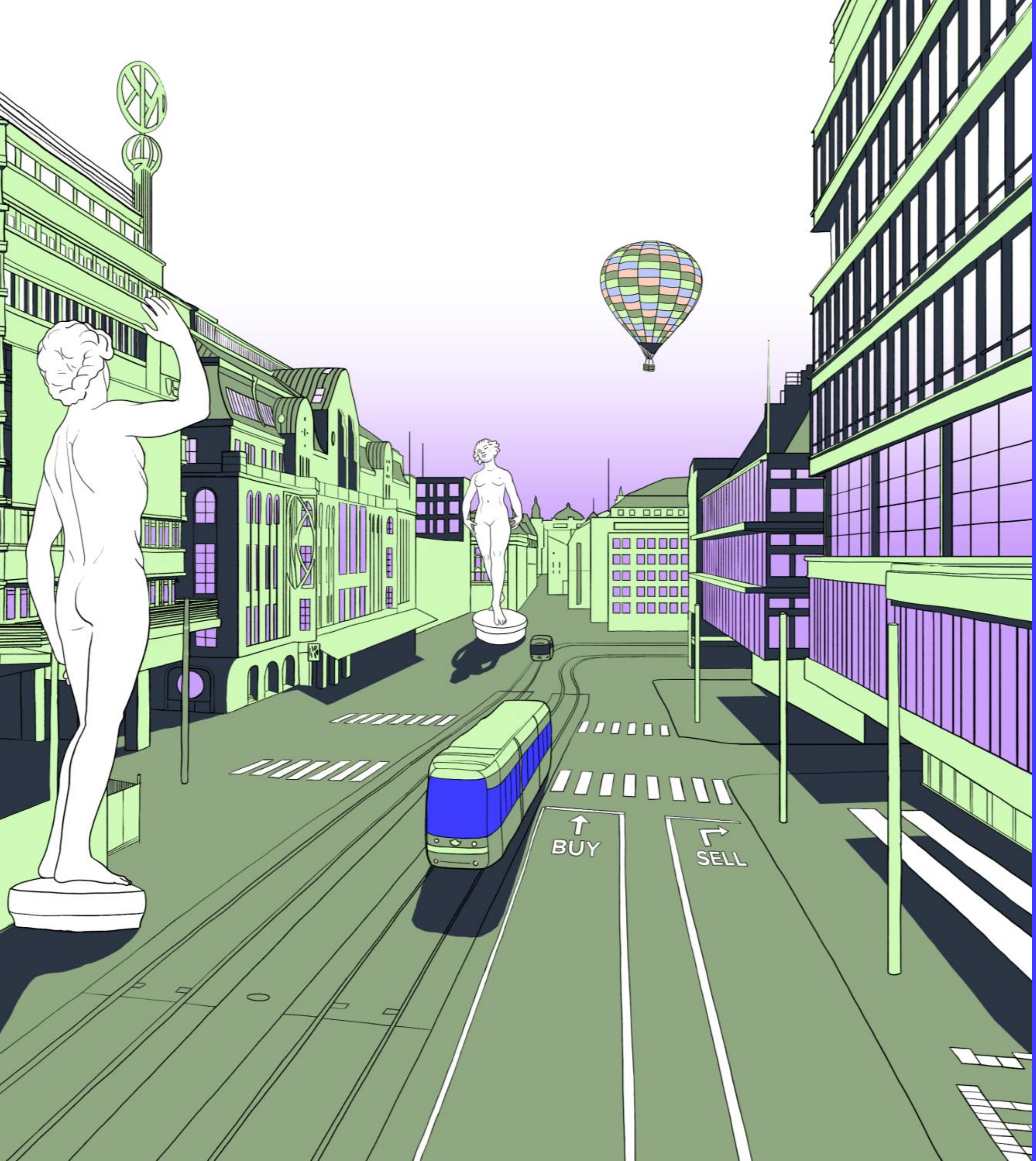
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
5/30/2024	Reduce	SEK 7.20	SEK 6.60
7/26/2024	Reduce	SEK 7.20	SEK 7.50
11/1/2024	Reduce	SEK 7.20	SEK 7.38
2/17/2025	Reduce	SEK 7.20	SEK 6.48
5/2/2025	Accumulate	SEK 9.00	SEK 7.88
7/25/2025	Reduce	SEK 9.70	SEK 10.45
10/16/2025	Accumulate	SEK 9.70	SEK 8.52
10/31/2025	Accumulate	SEK 9.90	SEK 8.90
2/16/2026	Accumulate	SEK 10.20	SEK 9.20
5/4/2026	Accumulate	SEK 11.20	SEK 9.74
6/25/2026	Reduce	SEK 13.80	SEK 14.35
7/17/2026	Accumulate	SEK 14.00	SEK 12.20



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