

CAPMAN

11/06/2025 20:20 EET

This is a translated version of the "Varainkeruumarkkinalla valoa tunnelin päässä" report, published on 11/06/2025



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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Light at the end of the tunnel in the fundraising market

Overall, the Q3 report was good and in line with our expectations. New sales are still cumbersome, but there is finally light at the end of the tunnel for the market. Our forecasts still expect significant earnings growth, and this is subject to success in new sales. If earnings growth materializes, the stock is cheap, but without it, it is fairly valued. We reiterate our EUR 2.1 target price and Accumulate recommendation, and want to see concrete signs of new sales picking up.

Slightly better report than expected

Q3 revenue grew clearly due to the Midstar and CAERUS acquisitions completed earlier in the year. Management fees and wealth management fees developed slightly better than we expected, and overall, the fee mix was better than we expected. Assets under management grew, driven by the CAERUS acquisition, but new sales remained very weak in the quarter. The earnings lines were very well in line with our estimates. Adjusted EBIT was 8.5 MEUR, and it improved significantly from the miserable comparison period. Fee income, critical for the stock's performance, was slightly better than our expectations due to a better revenue mix. Investment income was fully in line with our expectations, and for the full year, investment income has developed well. EPS was slightly below our expectations due to higher-than-expected financing costs and the minority interest in earnings.

Light at the end of the tunnel for the outlook

In its outlook, the company expectedly stated that the fundraising market situation has improved somewhat, but remains challenging. As a result, the company postponed the first closing of Nordic Real Estate IV to 2026. Similarly, the first closing of the new Forest Fund (EFF IV) will still happen in Q4, which was positive news for us. The company also officially announced that it has started preparations for fundraising for the Infra 3 fund. The company will have four large funds fundraising simultaneously next year (the three previously mentioned and CAERUS), and

success in next year's fundraising will determine the success of the strategy period. In our view, there are good preconditions for new sales to pick up, as the exit market has finally started to recover properly.

New sales the driver for earnings growth

We have made marginal downward revisions to our estimates, but the big picture remains unchanged. We continue to expect the company's results to improve strongly in 2025 as investment income recovers significantly. In 2026, the result will be further leveraged by the scalability of the management business and the increase in carried-interest income. The 2026 EBIT of ~40 MEUR reflects quite well the current potential of the company. Our dividend forecasts are unchanged, and we expect a steady dividend growth. The earnings mix is forecast to continue to improve as profitability from continuing operations, which is the most valuable area for investors, increases. Between 2024 and 2028, around 60% of revenue growth is expected to translate into earnings on average. It's a challenging level, but doable as long as revenue growth is strong and cost control is in place.

The stock is cheap as long as earnings growth holds up

At the current share price, the value of CapMan's business is approximately 200 MEUR. Relative to assets under management of over 7 BNEUR, the price tag is small. However, the challenge at the moment is that AUM performance is far from its potential. Actual results do not justify a higher value than the current one, but our earnings growth forecasts for next year already put the price tag on the business at a quite inexpensive level (EV/EBIT 8-9x). Relative and absolute multiples send the same message as the sum-of-the-parts. Once the earnings improvement is realized, the stock is cheap and the expected return is excellent. We think the current multiples would also support a stronger view, but first we want to see more concrete evidence of accelerating new sales and improved cost efficiency.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 2.10

(was EUR 2.10)

Share price:

EUR 1.85

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	57.6	62.2	75.5	83.0
growth-%	17%	8%	21%	10%
EBIT adj.	17.0	29.1	40.1	47.8
EBIT-% adj.	29.5 %	46.7 %	53.2 %	57.6 %
Net Income	68.6	16.4	24.9	29.2
EPS (adj.)	0.03	0.11	0.15	0.17
P/E (adj.)	56.8	17.4	12.2	10.6
P/B	1.6	1.7	1.7	1.8
Dividend yield-%	7.9 %	8.1 %	8.6 %	9.1 %
EV/EBIT (adj.)	16.9	11.8	9.1	7.3
EV/EBITDA	15.1	11.6	8.9	7.1
EV/S	5.0	5.5	4.9	4.2

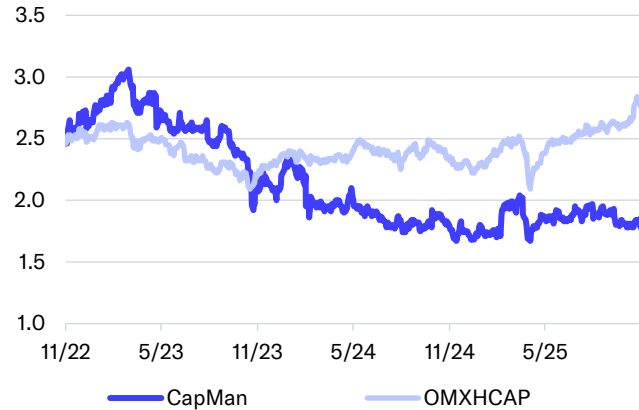
Source: Inderes

Guidance

(Unchanged)

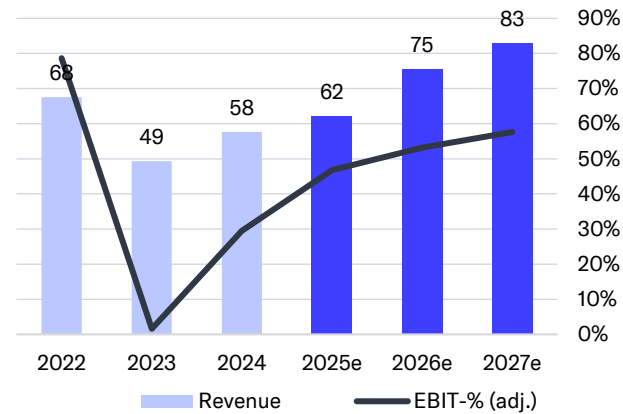
CapMan estimates assets under management to grow in 2024. The company also expects the profitability of commission income from continuing operations to grow during 2024. The estimates do not include possible items affecting comparability.

Share price



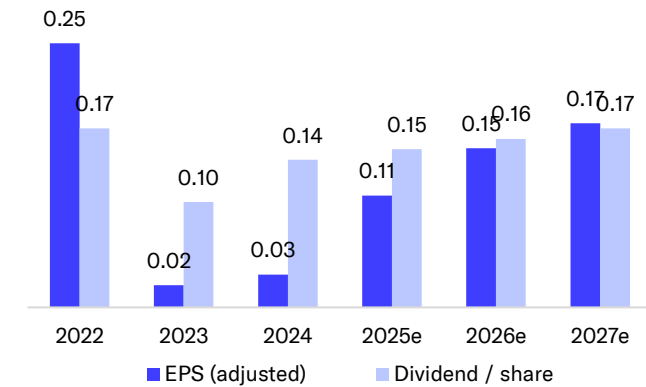
Source: Millstream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- New products in existing and new strategies
- The growth of product sizes and growth potential from new customers
- Good investment returns will be accompanied by rising carried interest income and balance sheet investment income
- Improving cost-efficiency
- Possible value creating acquisitions

Risk factors

- Weakening investment income and falling short of customer expectations
- Increased cost levels and high bargaining power of the personnel
- A general decline in the attractiveness of alternative asset classes
- Intensifying price competition and lower fee levels for existing products
- High dependency of earnings on investment returns

Valuation	2025e	2026e	2027e
Share price	1.85	1.85	1.85
Number of shares, millions	177.4	177.9	178.4
Market cap	330	331	332
EV	346	369	348
P/E (adj.)	17.5	12.3	10.6
P/E	20.1	13.3	11.4
P/B	1.7	1.8	1.8
P/S	5.3	4.4	4.0
EV/Sales	5.6	4.9	4.2
EV/EBITDA	11.7	8.9	7.1
EV/EBIT (adj.)	11.9	9.2	7.3
Payout ratio (%)	162%	114%	104%
Dividend yield-%	8.1 %	8.6 %	9.1 %

Source: Inderes

Slightly better report than expected

Revenue slightly better than expected

CapMan's Q3 revenue increased by 21% to 15.4 MEUR, mainly due to the acquisitions of Midstar and CAERUS. Management fees increased slightly faster than we expected by 13% (Q3'25e: 10%), and we estimate that this difference is explained by Midstar's fees. Fees from asset management were also higher than our expectations (2.9 vs. 2.3 MEUR), and this was explained by the good development of non-recurring fees. As expected, there was hardly any carried interest income for the quarter, and carried interest income was 0.2 MEUR. Overall, the fee mix was somewhat better than expected, and the fee level of the Midstar arrangement appears to be systematically higher than our expectations.

Assets under management, driven by the CAERUS acquisition, grew clearly to 7.1 billion. The level was slightly below our estimate of 7.3 billion, and according to our calculations, the company's new sales in Q3 have been

very low. In addition, several exits have reduced assets under management, especially for older funds.

Earnings good as expected

The earnings lines were well in line with our estimates. Adjusted EBIT was 8.5 MEUR, and it improved significantly from the miserable comparison period. Fee income, critical for the stock's performance, was slightly better than our expectations due to a better revenue mix. Investment income was fully in line with our expectations, and for the full year, investment income has developed well. EPS was slightly below our expectations due to higher-than-expected financing costs and the minority interest in earnings.

Light at the end of the tunnel for the outlook

In its outlook, the company expectedly stated that the fundraising market situation has improved somewhat, but remains challenging. As a result, the company postponed

the first closing of Nordic Real Estate IV to 2026. Similarly, the first closing of the new Forest Fund (EFF IV) will still happen in Q4, which was positive news for us. The company also officially announced that it has started preparations for fundraising for the Infra 3 fund. The company will have four large funds fundraising simultaneously next year (the three previously mentioned and CAERUS), and success in next year's fundraising will determine the success of the strategy period.

Due to a better-than-expected development in fee income, the company also reiterated its guidance and expects fee income and assets under management to grow from the comparison period. Achieving either target should not be that challenging after a strong Q3.

Estimates	Q3'24	Q3'25	Q3'25e	Q3'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. inderes	Inderes
Revenue	12.8	15.4	15.0			3%	62.2
EBIT (adj.)	1.7	8.5	8.4			2%	29.1
EBIT	1.7	7.9	7.4			7%	26.7
EPS (adj.)	0.00	0.03	0.04			-15%	0.11
Revenue growth-%	14.0 %	20.6 %	17.3 %			3.2 pp	7.9 %
EBIT-% (adj.)	13.3 %	55.4 %	56.0 %			-0.6 pp	46.7 %

Source: Inderes

No major changes in estimates, everything relies on new sales

Estimate revisions

- We postponed the start of fundraising for the NRE4 fund until next year, but the big picture of our new sales estimates is unchanged. Regarding the investment portfolio, we revised its size upwards for the coming years, as we believe the company will make larger initial investments in its new funds than previously expected to accelerate fundraising. This is not a problem for the company, as its liquidity position is good, and in the medium term, older fund investments should be released from the balance sheet.
- We made small revisions to expenses. The most significant factor is increased financing costs, as more cash than we estimate is channeled to balance sheet investments.
- In the big picture our estimates overall are largely unchanged. We expect strong new sales from the company in 2026-2027, as the market situation eases and the company's fundraising processes progress. We believe there are good prospects for new sales to pick up next year, as the exit market has finally started to take momentum. The company has a clear opportunity to prove itself in sales next year, and success in this will largely determine the success of the strategy period. Carried interest income should also increase clearly in the coming years, as several successful funds move into the exit phase.
- Our dividend estimates are unchanged, and in the short term, we no longer find additional dividends realistic, as the excess capital is largely directed to balance sheet investments.

Operational earnings drivers

- For investors, the most important earnings component for the coming years is profitability based on management fees, i.e. fee income. The fee income is currently quite modest and has significant scalability potential. As several investment areas move into a more mature phase, the profitability of the management business should scale from its current level. To realize this, the company needs both new sales and maintaining the cost efficiency.
- The 2025 result will improve clearly as investment income improves. However, profitability remains at a tolaberal level, as profitability based on recurring fees and carried interest income is still far from its potential. The 2026 earnings will see a level correction due to new sales, scalable profitability, and increasing carried interest income. Our 2026 estimate already provides a fairly good picture of the company's current earnings potential.
- The earnings mix is forecast to continue to improve as profitability from continuing operations, which is the most valuable area for investors, increases. Between 2024 and 2028, around 60% of revenue growth is expected to translate into earnings on average. It's a challenging level, but doable as long as revenue growth is strong and cost control is in place. Historically, cost control has not been one of CapMan's greatest strengths, and this, along with the rate of new sales in the coming years, are the key uncertainties in our estimates.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	63.8	62.2	-2%	77.5	75.5	-3%	81.7	83.0	2%
EBIT (exc. NRIs)	30.6	29.1	-5%	42.9	40.1	-6%	45.0	47.8	6%
EBIT	29.3	26.7	-9%	41.5	38.1	-8%	43.6	45.8	5%
PTP	24.4	21.3	-13%	37.5	33.3	-11%	39.6	40.6	2%
EPS (excl. NRIs)	0.11	0.11	-7%	0.16	0.15	-4%	0.17	0.17	4%
DPS	0.15	0.15	0%	0.16	0.16	0%	0.17	0.17	0%

Source: Inderes

CapMan, Webcast, Q3'25



If estimates materialize, the stock is cheap

In our valuation of CapMan, we have given main weight to the sum-of-the-parts calculation, as due to CapMan's large investment portfolio, the sum of the parts offers a better picture of the reasonable valuation of the stock and the distribution of value than Group-level figures. Absolute and relative multiples also work relatively well for CapMan. Due to the large role of the investment portfolio, the applicability of the DCF model is also weak. This is because there may be significant delays in the timing of accounting revenue and cash flows from investments. In addition, annual fluctuations in investment income can be significant.

The AUM price tag is not high

At the end of Q3'25, CapMan had some 52 MEUR in interest-bearing debt. In addition, CapMan has an investment portfolio of around 185 MEUR, meaning that the price tag for the business is around 200 MEUR with the current market capitalization of ~330 MEUR. The price relative to assets under management is below 3%, which is a rather low level given the high quality of the capital (high capital retention, strong fee level, performance fee potential, etc.). In our view, a clearly higher value for AUM could be warranted for CapMan, although in CapMan's case, it is important to note the large minority interests in several investment areas. However, we believe a value of 4-6% of CapMan's AUM would be warranted, depending on the AUM mix and its performance fee potential.

The challenge at the moment, however, is that the earnings generated by AUM are far from their potential, which is reflected in the Management Company's adjusted EBIT for the last 12 months of under 10 MEUR, adjusted for PPA amortizations. In relation to this, an EV/EBIT of 20x is very

high both absolutely and relatively. With the clear earnings improvement we estimate for next year, EV/EBIT will decrease to around 10x, which is a clearly more reasonable level. In our view, CapMan's management company business should trade at a premium to the average Nasdaq Helsinki asset manager due to the previously mentioned factors related to AUM quality. Thus, there would be considerable upside in the valuation, provided that a sustainable earnings improvement comes through.

Absolute multiples tell the same story

With 2025 adjusted earnings, CapMan's P/E ratio is around 18x, which is highish. With a strong earnings improvement in 2026, the P/E will fall to 12x, which can be considered very favorable for CapMan. In addition, the stock offers relatively secure dividend yield of over 8%. Relative to the peers, the story is unchanged. Based on 2025 figures, the share trades at a small premium, but for 2026, the valuation already falls to a discount, which is hard to justify. Dividend yield is at the top of the group and above an average company. Relative and absolute multiples send the same message as the sum-of-the-parts. Once the earnings improvement is realized, the stock is cheap and the expected return is excellent. We think the current multiples would also support a stronger view, but first we want to see more concrete evidence of accelerating new sales and improved cost efficiency.

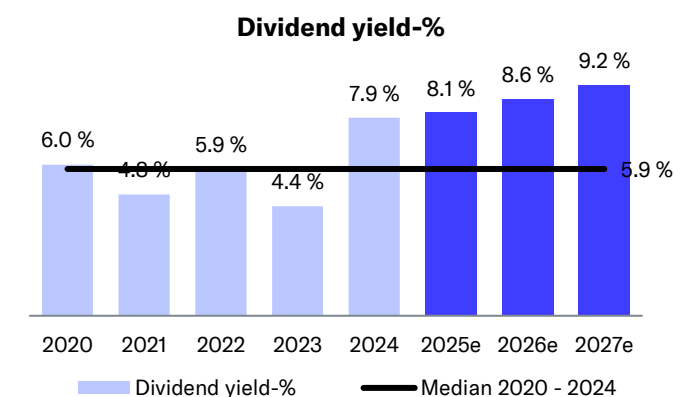
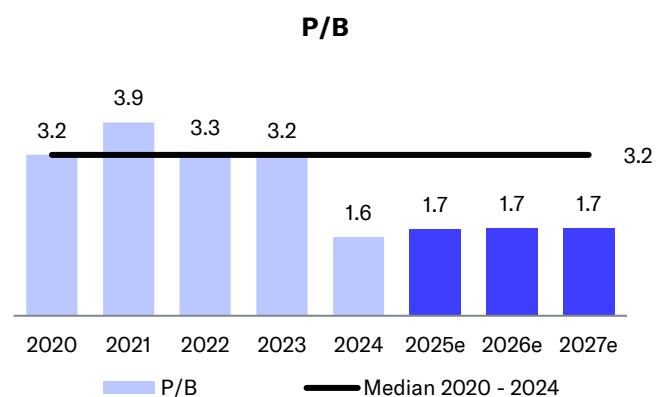
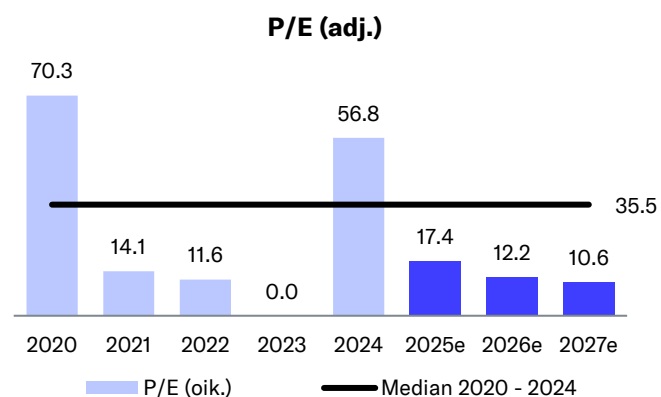
Valuation	2025e	2026e	2027e
Share price	1.85	1.85	1.85
Number of shares, millions	177.4	177.9	178.4
Market cap	330	331	332
EV	346	369	348
P/E (adj.)	17.5	12.3	10.6
P/E	20.1	13.3	11.4
P/B	1.7	1.8	1.8
P/S	5.3	4.4	4.0
EV/Sales	5.6	4.9	4.2
EV/EBITDA	11.7	8.9	7.1
EV/EBIT (adj.)	11.9	9.2	7.3
Payout ratio (%)	162%	114%	104%
Dividend yield-%	8.1 %	8.6 %	9.1 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	2.32	3.10	2.90	2.29	1.77	1.85	1.85	1.85	1.85
Number of shares, millions	155.8	156.6	158.1	158.6	176.9	177.4	177.9	178.4	178.9
Market cap	361	486	458	363	313	328	329	330	331
EV	395	513	506	426	288	344	367	347	349
P/E (oik.)	70.3	14.1	11.6	>100	56.8	17.4	12.2	10.6	11.0
P/E	70.3	14.1	11.6	>100	4.6	20.0	13.2	11.3	11.8
P/B	3.2	3.9	3.3	3.2	1.6	1.7	1.7	1.7	1.8
P/S	8.4	9.2	6.8	7.4	5.4	5.3	4.4	4.0	3.8
EV/Sales	9.2	9.7	7.5	8.6	5.0	5.5	4.9	4.2	4.1
EV/EBITDA	28.7	11.1	8.8	>100	15.1	11.6	8.9	7.1	7.5
EV/EBIT (adj.)	32.0	11.5	9.5	>100	16.9	11.8	9.1	7.3	7.6
Payout ratio (%)	424.1 %	68.5 %	67.8 %	1229.3 %	36.1 %	162.2 %	114.4 %	104.0 %	90.0 %
Dividend yield-%	6.0 %	4.8 %	5.9 %	4.4 %	7.9 %	8.1 %	8.6 %	9.2 %	7.6 %

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 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
Alexandria	105	102	9.3	7.6	7.6	6,5	1.9	1.8	13.4	10.8	8.1	9.0	3.2
Aktia	765	765							9.1	9.6	8.0	8.5	1.1
eQ	456	445	16.2	11.2	15.5	10.8	7.5	5.8	21.0	15.4	4.8	6.5	6.1
Evli	568	565	11.3	10.5	10.5	9.8	4.7	4.6	16.9	14.8	5.6	6.1	3.6
Taaleri	207	209	8.3	4.1	8.0	4.0	3.5	2.4	12.0	7.8	5.0	7.7	0.9
Titanium	66	54	8.5	8.9	7.6	8.2	2.7	2.7	13.0	13.3	7.3	7.3	4.1
United Bankers	202	184	10.4	9.5	9.1	8.5	3.2	3.0	14.9	14.1	6.3	6.5	3.2
Mandatum	3033	2631	15.3	17.1	15.3	17.1	16.0	16.6	21.7	21.4	16.6	11.6	2.9
CapMan (Inderes)	330	346	11.9	9.2	11.7	8.9	5.6	4.9	17.5	12.3	8.1	8.6	1.7
Average			11.3	9.8	10.5	9.3	5.7	5.3	15.2	13.4	7.7	7.9	3.1
Median			10.4	9.5	9.1	8.5	3.5	3.0	14.1	13.7	6.8	7.5	3.2
Diff-% to median			15 %	-3 %	29 %	5 %	59 %	64 %	24 %	-10 %	19 %	15 %	-45 %

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	49.3	15.6	15.4	12.8	13.8	57.6	13.0	14.1	15.4	19.7	62.2	75.5	83.0	86.0
Management company business	48.8	15.4	15.3	12.4	13.7	56.8	13.0	14.1	15.4	19.7	62.2	75.5	83.0	86.0
Service business	0.0	0.0	0.0	0.2	0.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment 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	0.0
Other	0.5	0.2	0.1	0.2	0.1	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	0.2	6.1	4.5	2.3	6.2	19.1	7.6	3.1	8.6	10.2	29.6	41.3	48.7	46.8
Depreciation	-1.5	-0.5	-0.7	-0.6	-0.6	-2.4	-0.7	-0.7	-0.8	-0.8	-2.9	-3.2	-2.9	-2.9
EBIT (excl. NRI)	0.8	6.8	2.6	1.7	5.9	17.0	7.3	3.3	8.5	10.0	29.1	40.1	47.8	45.9
EBIT	-1.3	5.6	3.8	1.7	5.6	16.7	6.9	2.4	7.8	9.5	26.7	38.1	45.8	43.9
Management company business	12.3	6.3	4.3	3.9	2.7	17.2	1.2	0.5	3.1	4.9	9.7	18.4	22.7	23.0
Service business	0.0	0.0	0.0	0.2	0.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment business	-6.6	2.1	1.0	-0.9	4.7	6.9	5.7	1.9	4.8	4.6	17.0	19.8	23.1	20.9
Other	-6.9	-2.8	-1.5	-1.5	-1.9	-7.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-0.7	-0.9	-1.1	-1.3	-1.1	-4.3	-1.4	-1.6	-1.3	-1.2	-5.4	-4.8	-5.2	-4.5
PTP	2.7	6.0	4.0	1.2	65.2	76.4	5.6	0.8	6.6	8.3	21.3	33.3	40.6	39.3
Taxes	0.6	-1.5	-0.4	-0.1	-0.9	-3.0	-0.6	-0.2	-0.4	-0.8	-1.9	-5.0	-7.7	-7.5
Minority interest	-2.0	-2.4	-1.3	-0.8	-0.4	-4.9	-0.8	-0.5	-0.8	-0.8	-2.9	-3.5	-3.7	-3.9
Net earnings	1.3	2.1	2.3	0.3	63.9	68.6	4.1	0.1	5.4	6.7	16.4	24.9	29.2	28.0
EPS (adj.)	0.02	0.01	0.00	0.00	0.02	0.03	0.03	0.01	0.03	0.04	0.11	0.15	0.17	0.17
EPS (rep.)	0.01	0.01	0.01	0.00	0.36	0.39	0.02	0.00	0.03	0.04	0.09	0.14	0.16	0.16

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-27.0 %	22.8 %	10.5 %	14.0 %	20.6 %	16.8 %	-16.8 %	-8.2 %	20.6 %	42.2 %	7.9 %	21.3 %	10.0 %	3.7 %
Adjusted EBIT growth-%	-98.5 %	-776.7 %	-2.0 %	-49.6 %	-237.8 %	2079.6 %	7.8 %	24.8 %	400.0 %	69.3 %	71.0 %	38.0 %	19.1 %	-4.0 %
EBITDA-%	0.5 %	38.9 %	29.1 %	18.3 %	44.7 %	33.1 %	58.5 %	21.9 %	56.0 %	52.1 %	47.5 %	54.8 %	58.7 %	54.4 %
Adjusted EBIT-%	1.6 %	43.4 %	17.1 %	13.3 %	42.7 %	29.5 %	56.2 %	23.3 %	55.1 %	50.8 %	46.7 %	53.2 %	57.6 %	53.3 %
Net earnings-%	2.6 %	13.4 %	14.8 %	2.3 %	462.0 %	119.0 %	31.9 %	1.0 %	35.0 %	34.3 %	26.4 %	33.0 %	35.1 %	32.5 %

Source: Inderes

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

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	173	215	238	257	236
Goodwill	7.9	30.1	30.1	30.1	30.1
Intangible assets	0.0	12.4	12.9	11.3	10.1
Tangible assets	4.1	2.9	3.2	3.4	3.6
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	159	168	190	210	190
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	1.9	1.7	1.7	1.7	1.7
Current assets	68.0	128	83.3	90.1	98.4
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	6.5	7.1	7.1	7.1	7.1
Receivables	20.5	27.4	24.9	30.2	33.2
Cash and equivalents	41.0	93.9	51.4	52.8	58.1
Balance sheet total	241	343	321	347	334

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	115	203	194	192	192
Share capital	0.8	35.2	35.2	35.2	35.2
Retained earnings	52.9	104	95.8	94.1	94.8
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	38.4	38.4	38.4	38.4	38.4
Other equity	21.1	21.1	21.1	21.1	21.1
Minorities	1.9	3.8	3.0	3.0	3.0
Non-current liabilities	98.9	110	109	132	117
Deferred tax liabilities	6.0	8.5	8.5	8.5	8.5
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	92.5	101	100.0	123	107
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.5	0.5	0.5	0.5	0.5
Current liabilities	27.5	30.4	18.7	22.6	24.9
Interest bearing debt	1.4	0.0	0.0	0.0	0.0
Payables	24.2	20.6	18.7	22.6	24.9
Other current liabilities	1.9	9.8	0.0	0.0	0.0
Balance sheet total	242	343	321	347	334

DCF-calculation

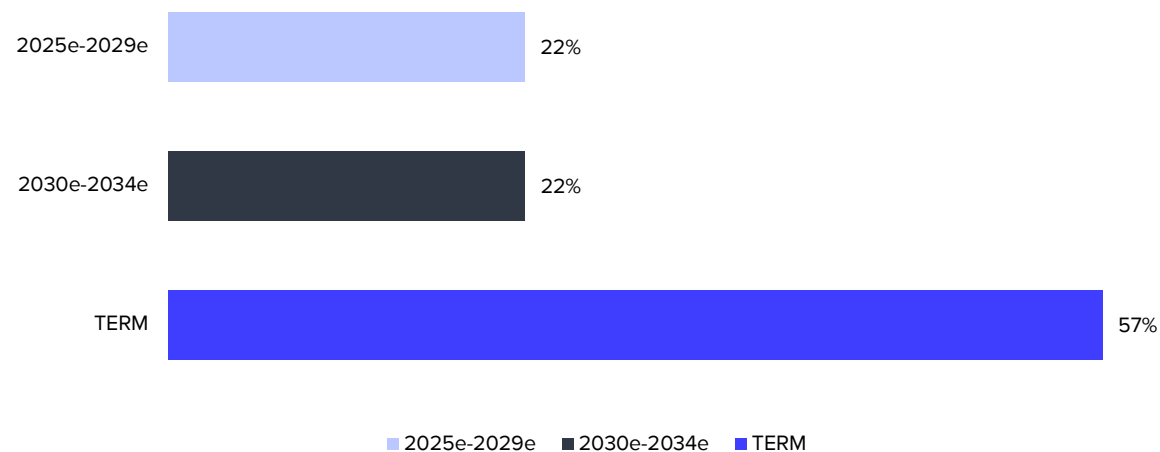
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	16.8 %	7.9 %	21.3 %	10.0 %	3.7 %	5.0 %	5.0 %	5.0 %	3.0 %	3.0 %	2.5 %	2.5 %
EBIT-%	28.9 %	42.9 %	50.5 %	55.2 %	51.0 %	49.0 %	48.0 %	47.0 %	45.0 %	45.0 %	45.0 %	45.0 %
EBIT (operating profit)	16.7	26.7	38.1	45.8	43.9	44.3	45.5	46.8	46.2	47.5	48.7	
+ Depreciation	2.4	2.9	3.2	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.0	
- Paid taxes	-0.2	-1.9	-5.0	-7.7	-7.5	-7.6	-7.9	-8.1	-8.0	-8.3	-8.6	
- Tax, financial expenses	-1.0	-0.5	-0.7	-1.2	-1.1	-1.0	-1.0	-0.9	-0.9	-0.9	-0.9	
+ Tax, financial income	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
- Change in working capital	-3.1	-9.3	-1.3	-0.8	-0.3	-0.4	-0.5	-0.5	-0.3	-0.3	-0.3	
Operating cash flow	14.7	17.9	34.3	39.3	38.1	38.3	39.3	40.3	40.0	41.1	42.2	
+ 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	-44.2	-25.9	-21.8	18.1	-2.0	-2.1	-2.2	-2.3	-2.4	-2.5	-3.1	
Free operating cash flow	-29.4	-8.0	12.5	57.4	36.1	36.2	37.1	38.0	37.6	38.6	39.0	
+/- Other	83.0	3.0	-3.0	-2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	53.6	-5.0	9.5	55.4	36.1	36.2	37.1	38.0	37.6	38.6	39.0	598
Discounted FCFF		-5.0	8.6	45.8	27.4	25.1	23.6	22.1	20.0	18.9	17.5	268
Sum of FCFF present value		472	477	468	422	395	370	346	324	304	285	268
Enterprise value DCF		472										
- Interest bearing debt		-101.3										
+ Cash and cash equivalents		93.9										
-Minorities		-31.5										
-Dividend/capital return		-24.8										
Equity value DCF		472										
Equity value DCF per share		2.7										

WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	5.5 %
Equity Beta	1.45
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	10.4 %
Weighted average cost of capital (WACC)	9.2 %

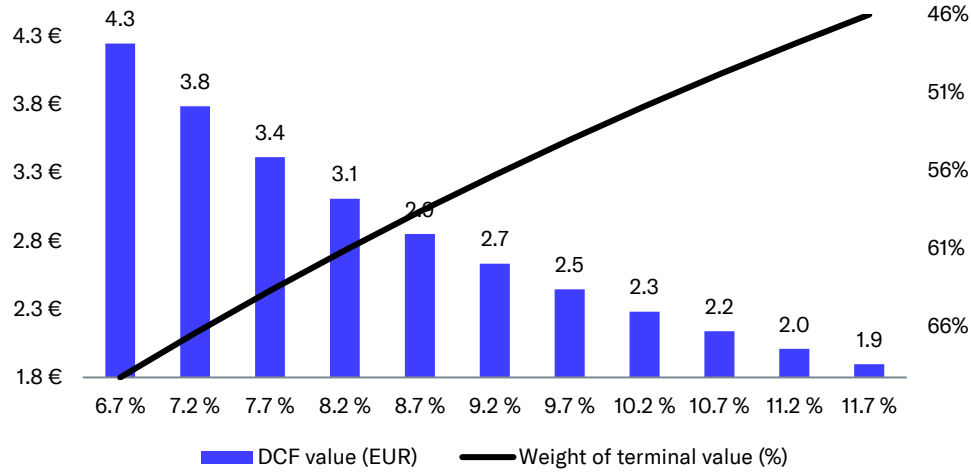
Source: Inderes

Cash flow distribution

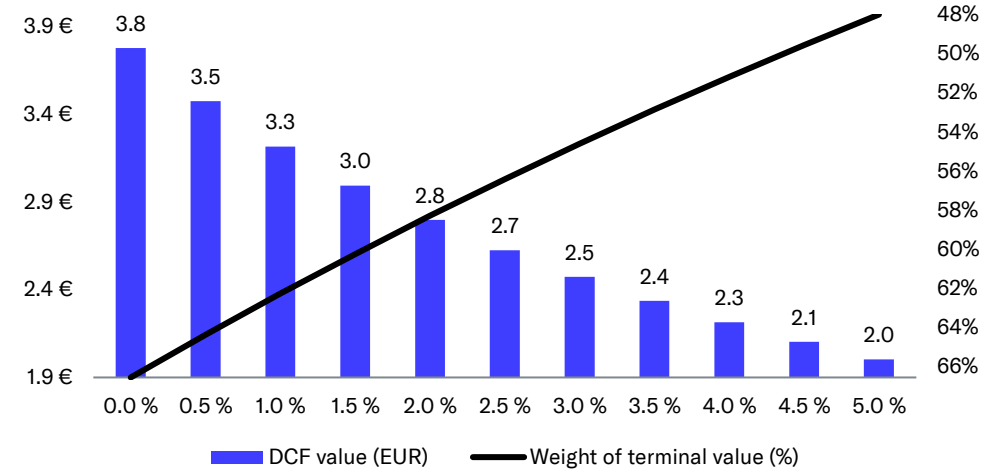


DCF sensitivity calculations and key assumptions in graphs

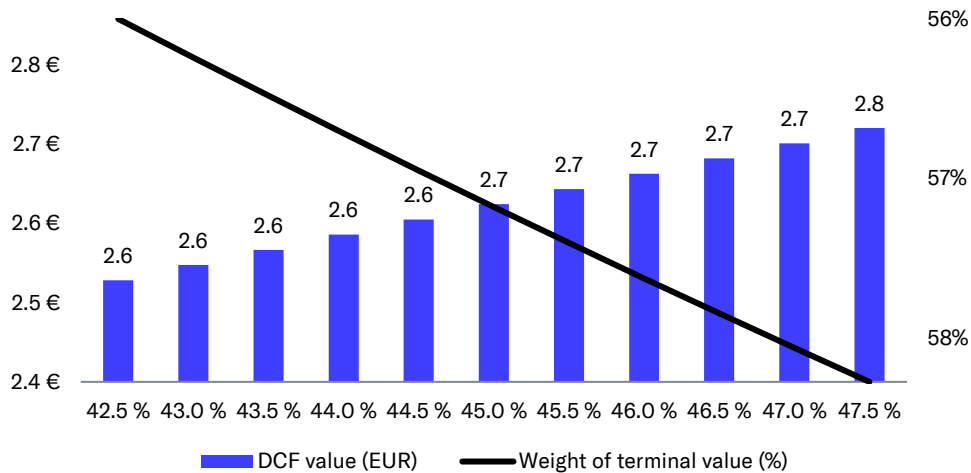
Sensitivity of DCF to changes in the WACC-%



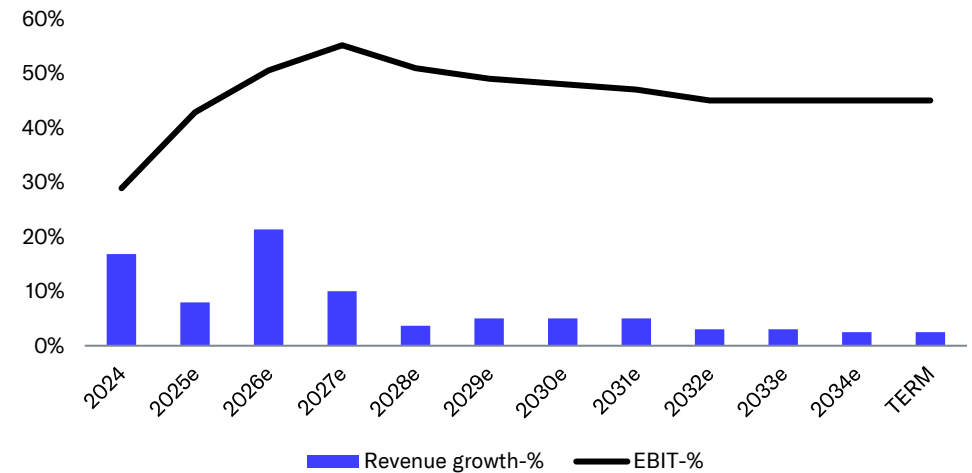
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. NB! The terminal value weight (%) is presented on a reverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	67.5	49.3	57.6	62.2	75.5	EPS (reported)	0.25	0.01	0.39	0.09	0.14
EBITDA	57.3	0.2	19.1	29.6	41.3	EPS (adj.)	0.25	0.02	0.03	0.11	0.15
EBIT	53.1	-1.3	16.7	26.7	38.1	OCF / share	0.31	0.06	0.08	0.10	0.19
PTP	47.6	2.7	76.4	21.3	33.3	FCF / share	0.07	0.07	0.30	-0.03	0.05
Net Income	39.6	1.3	68.6	16.4	24.9	Book value / share	0.89	0.71	1.12	1.07	1.06
Extraordinary items	0.0	-2.0	-0.3	-2.4	-2.0	Dividend / share	0.17	0.10	0.14	0.15	0.16
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	270.5	241.4	343.3	321.3	346.6	Revenue growth-%	28%	-27%	17%	8%	21%
Equity capital	142.1	115.1	202.7	193.5	191.8	EBITDA growth-%	24%	-100%	7943%	55%	40%
Goodwill	7.9	7.9	30.1	30.1	30.1	EBIT (adj.) growth-%	19%	-99%	2080%	71%	38%
Net debt	37.4	52.8	7.3	48.6	70.3	EPS (adj.) growth-%	14%	-92%	48%	240%	42%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	84.9 %	0.5 %	33.1 %	47.5 %	54.8 %
EBITDA	57.3	0.2	19.1	29.6	41.3	EBIT (adj.)-%	78.6 %	1.6 %	29.5 %	46.7 %	53.2 %
Change in working capital	-1.9	11.5	-3.1	-9.3	-1.3	EBIT-%	78.6 %	-2.6 %	28.9 %	42.9 %	50.5 %
Operating cash flow	49.1	9.6	14.7	17.9	34.3	ROE-%	29.8 %	1.0 %	43.9 %	8.4 %	13.1 %
CAPEX	-37.3	8.1	-44.2	-25.9	-21.8	ROI-%	23.8 %	1.5 %	31.5 %	8.9 %	12.5 %
Free cash flow	11.5	10.9	53.6	-5.0	9.5	Equity ratio	52.6 %	47.7 %	59.0 %	60.2 %	55.3 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	26.3 %	45.9 %	3.6 %	25.1 %	36.7 %
EV/S	7.5	8.6	5.0	5.5	4.9						
EV/EBITDA	8.8	>100	15.1	11.6	8.9						
EV/EBIT (adj.)	9.5	>100	16.9	11.8	9.1						
P/E (adj.)	11.6	>100	56.8	17.4	12.2						
P/B	3.3	3.2	1.6	1.7	1.7						
Dividend-%	5.9 %	4.4 %	7.9 %	8.1 %	8.6 %						

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. Per-share figures are calculated using the number of shares at year-end.

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

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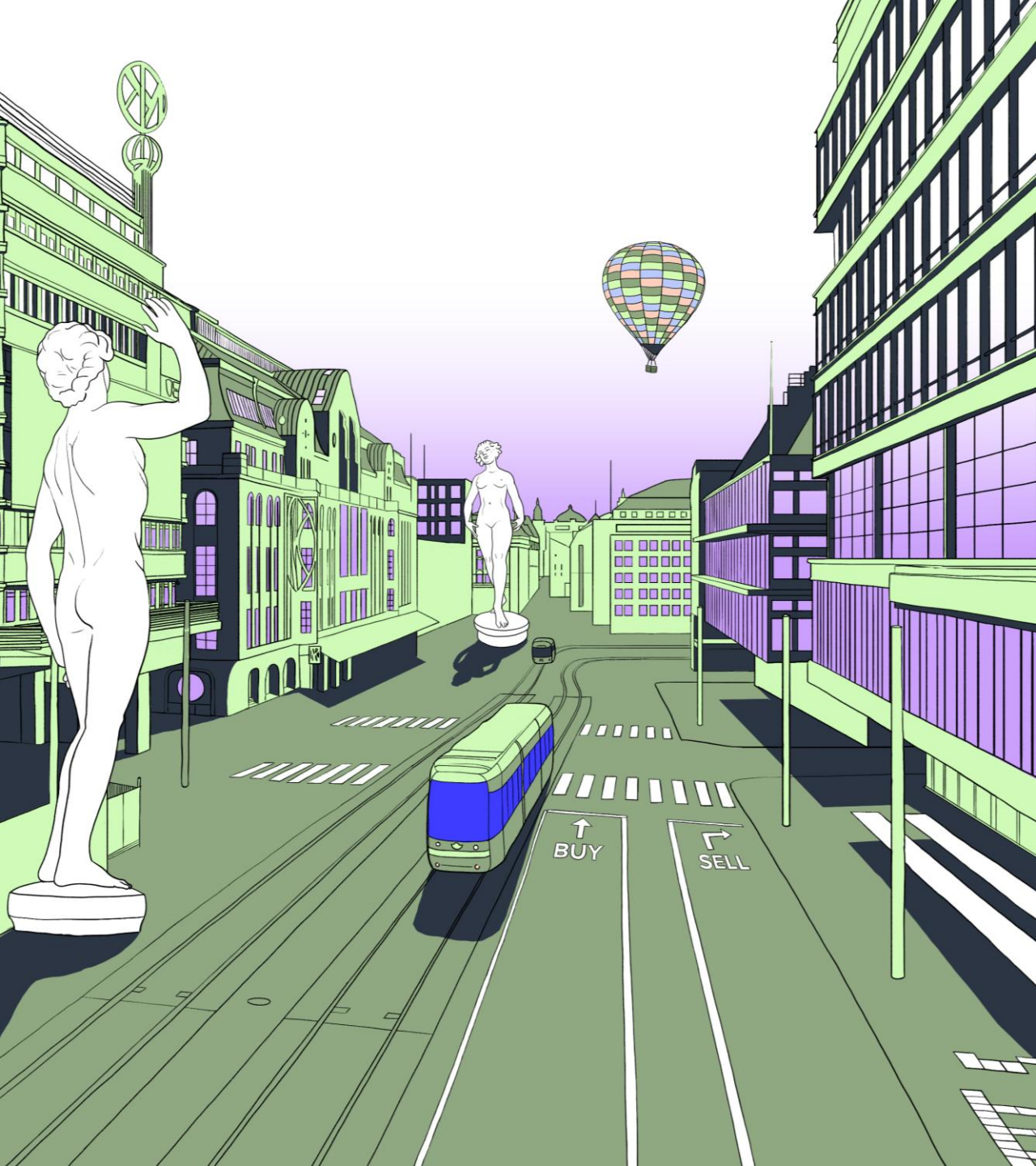
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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/9/2019	Buy	2.00 €	1.75 €
9/26/2019	Accumulate	2.00 €	1.87 €
11/1/2019	Reduce	2.10 €	2.06 €
1/31/2020	Buy	2.75 €	2.48 €
3/20/2020	Buy	2.00 €	1.52 €
4/7/2020	Accumulate	1.90 €	1.70 €
4/24/2020	Accumulate	1.90 €	1.76 €
8/7/2020	Accumulate	2.10 €	1.96 €
10/30/2020	Accumulate	2.10 €	1.93 €
2/5/2021	Accumulate	2.80 €	2.63 €
2/22/2021	Accumulate	2.80 €	2.68 €
4/30/2021	Accumulate	3.00 €	2.78 €
8/6/2021	Accumulate	3.30 €	3.04 €
10/28/2021	Accumulate	3.30 €	2.98 €
1/5/2022	Accumulate	3.30 €	3.10 €
2/4/2022	Accumulate	3.30 €	3.00 €
3/21/2022	Accumulate	3.10 €	2.81 €
4/29/2022	Buy	3.10 €	2.62 €
8/5/2022	Accumulate	3.30 €	3.09 €
10/28/2022	Accumulate	3.00 €	2.60 €
11/14/2022	Accumulate	3.00 €	2.58 €
2/3/2022	Accumulate	3.10 €	2.89 €
5/2/2023	Accumulate	2.90 €	2.59 €
8/4/2023	Accumulate	2.70 €	2.57 €
10/27/2023	Accumulate	2.40 €	2.06 €
2/8/2024	Accumulate	2.20 €	1.96 €
3/6/2024	Accumulate	2.20 €	1.94 €
5/6/2024	Reduce	2.20 €	2.10 €
6/3/2024	Accumulate	2.20 €	1.91 €
8/8/2024	Accumulate	2.10 €	1.78 €
10/7/2024	Accumulate	2.10 €	1.92 €
10/14/2024	Accumulate	2.10 €	1.89 €
11/8/2024	Accumulate	2.10 €	1.77 €
2/14/2025	Accumulate	2.10 €	1.87 €
5/12/2025	Accumulate	2.10 €	1.83 €
8/8/2025	Accumulate	2.10 €	1.85 €
11/7/2025	Accumulate	2.10 €	1.85 €



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