NYAB

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INDERES CORPORATE CUSTOMER

EXTENSIVE REPORT

Premium financials to an attractive price tag

We reiterate our Buy recommendation for NYAB and increase our target price to SEK 7.0 (was SEK 6.8) in connection with updating our extensive report. NYAB, a specialized contractor of complex and challenging construction projects, has diligently navigated recent years' challenges in the broader construction market. While certainly not immune to tougher macroeconomic conditions (cf. pressured margins FY23-24), the company remains at the top within the industry in terms of growth and profitability. By tapping into the Norwegian market through recent M&A, coupled with significant investments within the company's target markets, we expect NYAB to continue its strong growth and profitability trajectory in the coming years.

Unique market positioning that facilitates strong growth and industry-leading profitability

In just over a decade, NYAB has evolved from a regionally focused construction firm in Northern Sweden into a leading Nordic provider of complex engineering solutions across the infrastructure, energy, and industrial sectors. Strategic M&A activity has accelerated both geographic expansion and broadening of its service offering, while NYAB's capital-light and differentiated business model has supported strong, risk-adjusted organic growth. By concentrating on the most value-accretive phases of the project life cycle and outsourcing nearly all production, NYAB can achieve above-industry profitability and a unique degree of scalability. Over the past five years, the company has delivered a 30% revenue CAGR (15% pro forma*) and an average EBIT margin of 9% (7.3% pro forma).

Recent platform acquisition expands the company's geographical footprint

By NYAB's measures, the profitability has been relatively modest in 2023-2024 (EBIT-%: 5-7%), reflecting general macroeconomic headwinds (including rising interest rates, inflation, etc.), challenging winter conditions in 2023, and subdued profitability in Finland due to a sluggish market. In 2025, NYAB completed the acquisition of Dovre Group's Norwegian consulting and international project personnel business. While this move broadens the service offering somewhat and establishes a strategic entry point into the Norwegian construction market, it also temporarily limits margin expansion, as acquired revenue streams are primarily of lower margin. Looking ahead, we expect NYAB's demonstrated ability to enhance the margin profile of acquired businesses, combined with a gradual recovery in the Finnish market, to drive gradual margin improvement over time. In the short term, however, the Finnish recovery appears to be quite slow, and Dovre's operations are currently facing regulatory headwinds, reducing the likelihood of a rapid margin uplift. On the positive side, market conditions in NYAB's largest geographical market, Sweden, remain favorable, with high levels of tender activity. This, coupled with increasing construction investments tied to the green transition, de-globalization, and urbanization trends, creates a solid foundation for NYAB to sustain strong growth and profitability in the years ahead.

Premium financials deserve a premium valuation

NYAB is currently valued in line with traditional construction providers. In our view, this undervalues the company, as it overlooks key structural differences in business models. Given the company's strong growth, industry-leading profitability, and a capital-light balance sheet that enables greater scalability and financial flexibility, NYAB differentiates itself from conventional construction firms. We believe NYAB's business model aligns more closely with that of an engineering or technical consultancy operator and should be priced thereafter. From several valuation perspectives, we think NYAB is attractively priced, offering a strong upside potential in the stock, driven by anticipated multiple expansions and continued strong earnings growth.

Recommendation
Buy
(prev. Buy)

Target price:
SEK 7.00
(prev. SEK 6.80)

Share price:
SEK 5.32

Business risk

Valuation risk

	2024	2025e	2026e	2027e
Revenue	345.9	486.6	534.7	572.9
growth-%	23%	41%	10%	7%
EBIT adj.	26.4	33.6	37.7	40.9
EBIT-% adj.	7.6 %	6.9 %	7.1 %	7.1 %
Net Income	16.8	22.0	27.3	31.1
EPS (adj.)	0.03	0.03	0.04	0.05
P/E (adj.)	15.3	14.3	12.3	10.9
P/B	1.6	1.7	1.6	1.4
Dividend yield-%	2.3 %	2.4 %	2.8 %	3.2 %
EV/EBIT (adj.)	10.5	9.8	8.3	7.2
EV/EBITDA	9.1	8.9	7.6	6.5
EV/S	0.8	0.7	0.6	0.5

Source: Inderes

Guidance (No guidance)

*Inderes estimate, under the assumption that acquired businesses from Dovre and the merger with Skarta took place in 2020.

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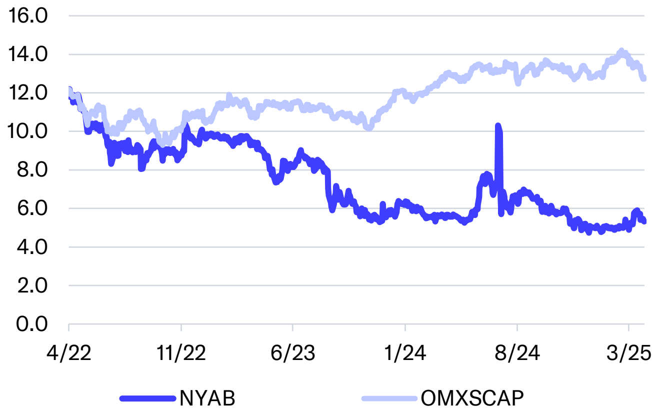
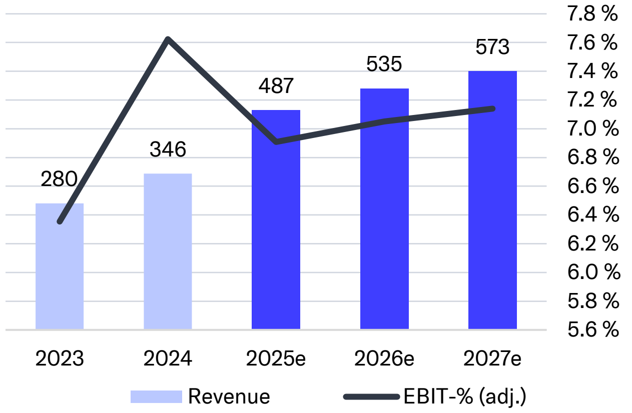
Share price



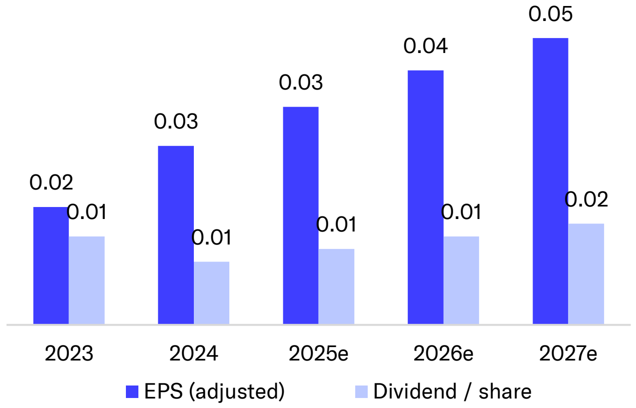
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- Continued stronger growth and profitability than competitors
- Strong market position in target markets, especially in the Norrbotten region
- The company is well positioned in the green transition and the urbanization it offers, with promising growth prospects well into the future
- Focus on less cyclical and counter-cyclical construction sectors
- Sustainable profitability improvement in the Finnish businesses
- Acquisitions that create value

Risk factors

- Fluctuations in demand in the construction market and general economic developments
- Pricing and project risks
- Prolonged slowness in the Finnish market
- Tighter competition
- Personnel risks
- EUR/SEK currency pair (+/-) may swing reported figures
- Failure in acquisitions

Valuation	2025e	2026e	2027e
Share price (EUR)	0.49	0.49	0.49
Number of shares, millions	713.0	713.0	713.0
Market cap (MEUR)	353	353	353
EV (MEUR)	331	315	295
P/E (adj.)	14.3	12.3	10.9
P/E	16.1	12.9	11.3
P/B	1.7	1.6	1.4
P/S	0.7	0.7	0.6
EV/Sales	0.7	0.6	0.5
EV/EBITDA	8.9	7.6	6.5
EV/EBIT (adj.)	9.8	8.3	7.2
Payout ratio (%)	39.0 %	36.5 %	36.6 %
Dividend yield-%	2.4 %	2.8 %	3.2 %

Source: Inderes

NYAB in brief

NYAB is a specialized contractor of complex and challenging projects in the infrastructure, energy, and industry sectors. The company provides end-to-end services in engineering, construction, and maintenance to both the private and public sectors within its core markets in Sweden and Finland. In 2025, NYAB expanded its geographical reach, primarily in Norway.

1990

Year of establishment of NYAB's predecessor Nyanläggarna i Luleå

2024

Changed its listing from Finland to Sweden

457 MEUR (280 MEUR)

Pro forma revenue 2024 (reported revenue 2023)

28 MEUR (15 MEUR)

Pro forma EBIT 2024 (reported EBIT 2023)

~1,000

Personnel at the end of 2024 (pro forma)

75% / 25%

Swedish / Finnish share of reported revenue in 2024

2014-2020

- NYAB Sverige grows at a high pace and with good profitability in the 2010s, primarily in the northern parts of Sweden, supported by organic expansion and smaller selective acquisitions.
- NYAB successively expands its operational capabilities and national footprint through organic activities and M&A. In 2019, NYAB opened an office in Stockholm, Sweden's most competitive region.

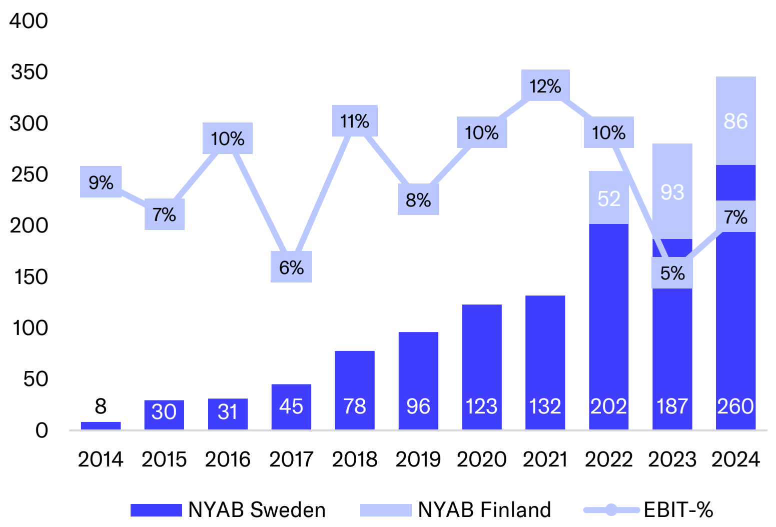
2021-2024

- Through the merger with Skarta Group in 2022, NYAB expanded into Finland and the company size increased significantly. The company keeps growing strongly.
- In 2023, margins declined amid an uncertain macro environment, driven by rising interest rates and high inflation.
- Name change to NYAB (was SkartaNYAB following the merger).
- NYAB completed a re-domiciliation to Sweden and changed its listing to Swedish Nasdaq First North (prev. listed in Finland).

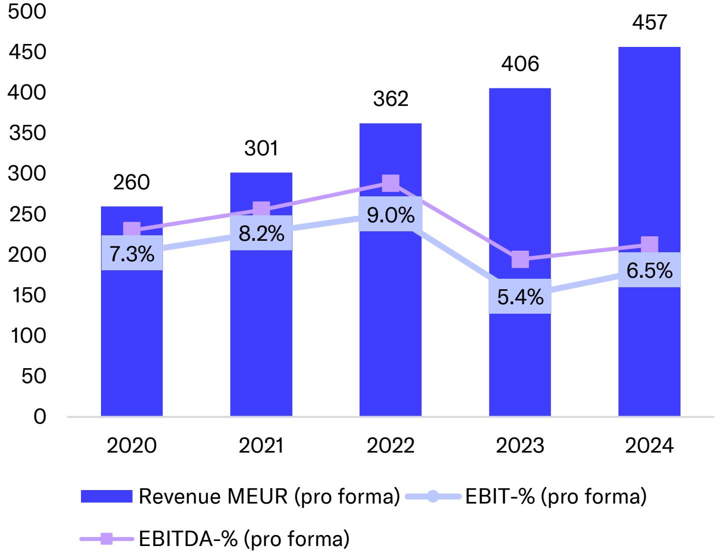
2025-

- Completes the acquisition of Dovre Group's Norwegian consulting business and international Project Personnel business.
- The acquisition provides NYAB with a solid foundation to expand its core business in Norway while expanding its position in the broader value chain.

NYAB's reported revenue in MEUR and EBIT-%



NYAB's revenue in MEUR and EBIT/EBITDA-%
(pro forma)



Company description and business model 1/9

Company introduction

NYAB is a specialized contractor engaging in the infrastructure, energy, and industrial construction sectors. The company operates primarily in Sweden and Finland, with an expanding presence in Norway and other international markets following the acquisition of Dovre Group's Norwegian consulting and international project personnel business in late Q4'24 (referred as "Dovre's businesses" henceforth).

The company was originally founded in 1990 in Luleå, Sweden. However, NYAB's current form emerged in 2022 through a reverse takeover of the Finnish Skarta Group. In the first two decades since its foundation, the company operated on a modest scale but through strong organic growth coupled with several selective M&A's, revenue went from approx. 1.8 MEUR in 2011 to 346 MEUR in 2024, with an EBIT margin of 7.3%. On a pro forma basis, including the Dovre acquisition, revenue amounted to 457 MEUR (FY23 pro forma, Inderes estimate: 406 MEUR) with an EBIT margin of 6.5% (6.1% including transactional costs, FY23: 5%).

Following the acquisition of Dovre's consulting and project personnel businesses, NYAB employs 1,000+ people, where a majority are white-collars. We estimate that around 80-85% of full-time employees are white-collars after the acquisition, previously 70%.

Overview of operations

Within its focused sectors, NYAB provides engineering, construction, and maintenance services, specializing in demanding and complex projects. The acquisition of Dovre's businesses has further strengthened NYAB's capabilities, particularly in project management and engineering services for large-scale projects, including consulting services, staff leasing, and manpower solutions. NYAB serves both public and private sector clients, with a pre-acquisition revenue split of 60/40 in favor of the public sector. We expect the public sector to remain the dominant revenue contributor following the acquisition.

In line with this acquisition, NYAB updated its reporting structure and segment disclosure to include Civil Engineering (covering operations in Sweden and Finland) and Consulting (comprising Dovre's businesses and fully owned subsidiary Sitema Oy).

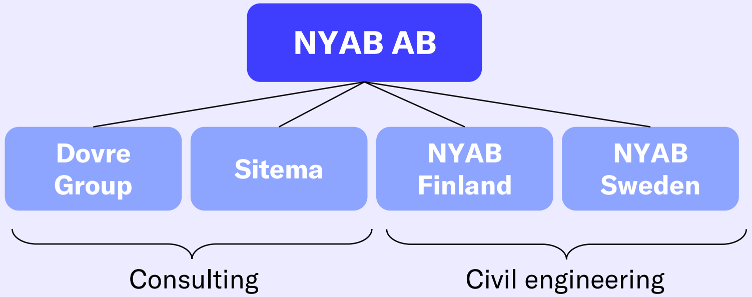
Civil engineering business

NYAB's civil engineering business is the company's largest division (76% of 2024 pro forma revenue) and spans across three core sectors; Infrastructure, Energy, and Industrial.

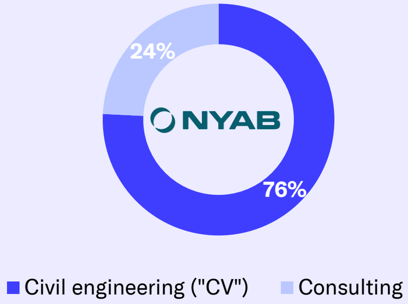
Within the **Infrastructure** segment, typical projects include roadworks, railways, bridges, walkways, and more. A typical customer could e.g. be a municipality in charge of infrastructure and community planning that needs to build a bridge to enhance traffic flow and reduce travel times. As the main contractor, NYAB handles the bridge's design and planning with a focus on sustainability and efficient construction, oversees material handling and logistics, ensures compliance with regulations and timelines, and delivers a durable, low-maintenance structure. Key customers in this segment include Trafikverket, Luleå Kommun, and Stockholm Vatten och Avfall.

In the **Energy** segment, NYAB specializes in power grid and substation construction, as well as the development, design, and implementation of wind and solar power projects.

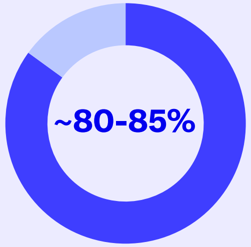
Group structure



Business mix as a % of revenue



White-collar FTE-%



Sources: NYAB, Inderes

Company description and business model 2/9

A typical customer might be a transmission system operator or utility company needing to expand grid capacity and improve energy distribution reliability. As the main contractor, NYAB would handle the design and construction of substations, install high-voltage transmission lines, upgrade existing infrastructure to support increased load demands, and ensure seamless integration with the national grid. Additionally, NYAB would manage the logistical coordination and technical implementation, delivering efficient, future-proof energy solutions that meet regulatory and environmental standards. Important customers within the energy segment include Vattenfall, Svenska Kraftnät, and Fingrid.

Within the **Industrial** segment, NYAB constructs bespoke industrial facilities for production and logistics companies while also taking on complex projects, such as biopower or thermal power stations. A typical customer might be a mining operator seeking to expand production capacity by building new facilities and upgrading existing infrastructure. As the main contractor, NYAB would construct new buildings and process plants to increase capacity, enhance transport routes such as internal roads and rail connections, install water and waste management systems that comply with environmental regulations, and ensure timely and safe project delivery within agreed timelines. Important customers are LKAB, SSAB, Boliden, and Stora Enso.

Consulting business

Within the **Consulting** segment, NYAB offers project management expertise in large-scale projects in the public sector in Norway, as well as project professionals through e.g. staff leasing and manpower solutions on a global scale, with Norway still being the main market. The main segments for the project management services include transportation, construction and energy, and on projects personnel side, it is primarily in energy (e.g. oil and gas), infrastructure and industrial sectors.

A typical customer could be a public energy department, in need of help in planning a large-scale project to build a water-based wind power farm to increase the country's production of renewable energy. NYAB would then help with the planning, risk management, budget follow-ups, regulatory compliance, and engineering services. Important customers are: Equinor, Norwegian Ministry of Finance, and Fortum.

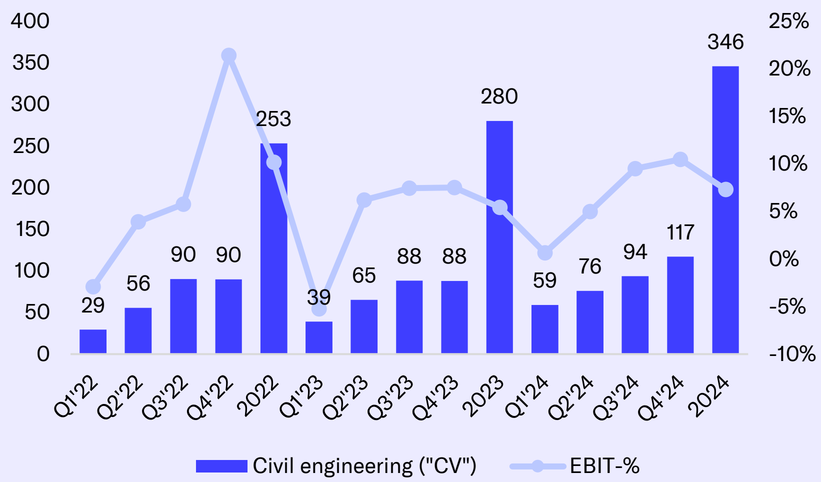
Renewable energy joint venture under strategic review

In addition to the Civil engineering and Consulting business segments, NYAB co-owns a joint venture, **Skarta Energy**, with CapMan Nordic Infrastructure II. Established in 2022, the JV focuses on developing renewable energy projects. In recent years, NYAB's stake has been diluted as the company has opted out of financing rounds, reducing its ownership to approximately 23%. NYAB has stated that its stake in the JV is currently under strategic review.

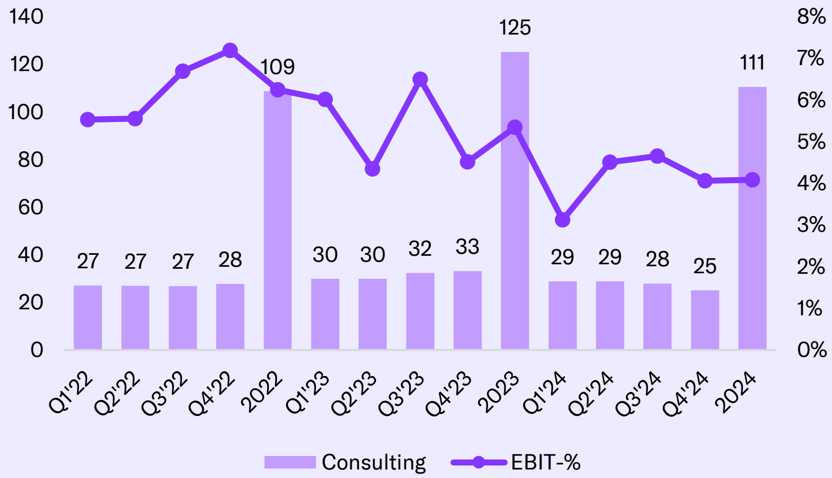
Main geographic markets

Based on 2024 pro forma figures, Sweden remains the predominant market for NYAB, constituting about 60% of the revenue. Finland represents some 20% of the revenue, and we believe Norway's share is comparable to Finland's. We estimate that the rest of the world (Americas, Middle East, and APAC) only constitute a smaller part of the revenue (<5%).

Civil engineering: revenue and EBIT-%*



Consulting: Revenue and EBIT-%*



*Due to lack of data, Sitema Oy is included in the Civil Engineering segment (Finland division) on a quarterly basis but should be included in the Consulting segment. However, the yearly revenue is below 5 MEUR and has therefore no large impact on historical figures.

Sources: NYAB, Inderes

Company description and business model 3/9

(% share of pro forma revenue 2024)

Civil engineering

Infrastructure

31%

Energy

35%

Industrial

10%

Consulting

Consulting & Project Personnel

24%

Focus areas (Infrastructure)

- Roads, bridges, airports and railways
- Land, water, and underground construction and maintenance

Important customers

TRAFIKVERKET, LULEÅ KOMMUN, STOCKHOLM VATTEN OCH AVFALL

Focus areas (Energy)

- Power networks and substation construction
- Implementing renewable energy projects, e.g. solar and wind farm construction

Important customers

VATTENFALL, FINGRID, SVENSKA KRAFTNÄT

Focus areas (Industrial)

- Various types of industrial facilities
- Heavy-industry, such as the mining, steel, and pulp- and paper industry

Important customers

LKAB, SSAB, NEW BOLIDEN, storaenso

Focus areas (Consulting)

- Project management expertise for large-scale public sector projects
- Project personnel solutions, including staff leasing and manpower services
- Covering the infrastructure, energy, and industrial sectors.

Important customers

fortum, Shell, NORWEGIAN MINISTRY OF FINANCE, equinor

Sources: NYAB, Inderes

Company description and business model 4/9

As a result, NYAB generates most of its revenue in the Nordics, with a particularly strong presence in northern Sweden and Finland, where the company has deep-rooted origins. This regional focus also enables efficient cross-border collaboration and resource allocation. For instance, if one market slows down, NYAB can re-deploy its workforce across borders, which would be far more difficult in fragmented or disconnected markets.

Cyclicality and seasonality of revenue

In the construction industry, NYAB's revenue primarily comes from project-based work, which introduces cyclical elements to its business. Additionally, the sector is highly investment-driven, making it vulnerable to economic fluctuations. However, regarding NYAB, we believe that this is largely offset by the company's focus on less cyclical and counter-cyclical markets. For instance, the green transition and electrification drive strong demand for energy and industrial construction. At the same time, infrastructure construction tends to exhibit greater stability compared to other segments, mainly due to the prevalence of publicly funded, long-term projects.

Supporting this, NCC reports that Scandinavia's accumulated debt for road maintenance (excluding railways) stands at nearly 8 BNEUR across the Nordic region and is projected to double by 2045 if no action is taken. In Sweden alone, Svenskt Näringsliv estimated the combined maintenance debt for roads and railways to be around 7 BNEUR in 2023. These significant infrastructure backlogs highlight the need for continued public investment, which, in turn, helps dampen the sector's overall cyclicality.

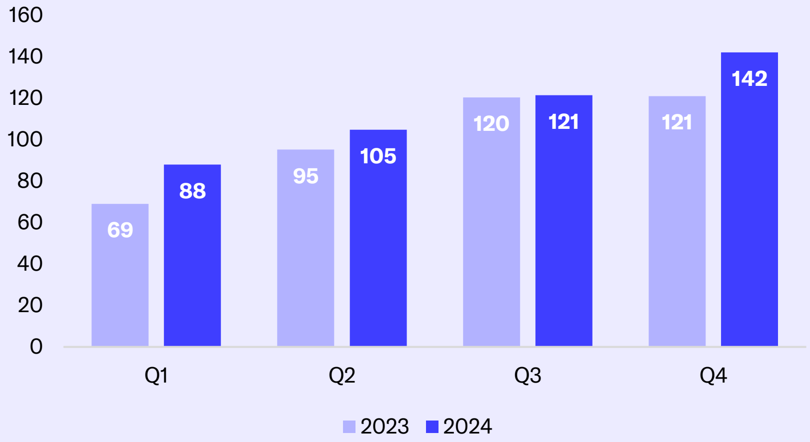
As a result, NYAB's key markets are less dependent on economic cycles, with infrastructure projects historically serving as a tool for economic stimulus.

However, we don't believe that the company is completely immune to a weakening economy and rising interest rates. We, therefore, expect a weaker business cycle and/or a declining housing market to at least tighten the competition somewhat for projects within the company's markets, which we saw for example during 2023.

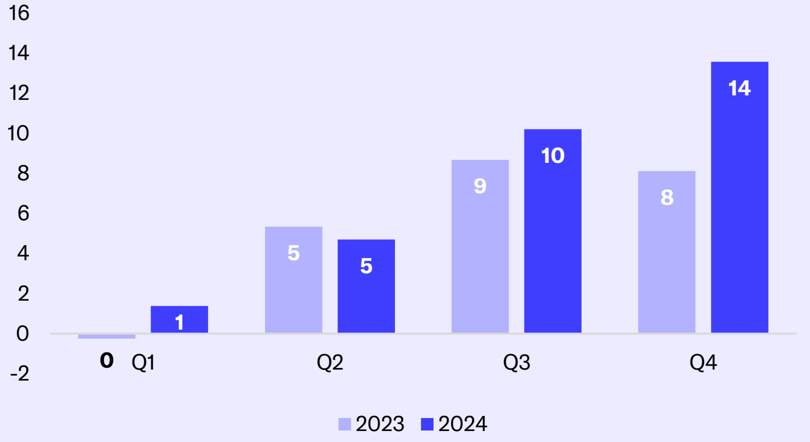
Historically, NYAB's revenue has experienced significant seasonality, primarily due to weather conditions and its strong presence in northern Sweden and Finland, where colder climates hinder construction activity. To mitigate this, the company has expanded its operations in Sweden, and more specifically to the Stockholm-Mälardalen region, where weather conditions are generally more favorable year-round. The company has also focused on securing perennial and year-round contracts to achieve a more balanced seasonal revenue profile. As a result, seasonality has diminished somewhat in recent years but remains a factor, with weaker performance in the first half of the year and stronger results in the second half. This pattern is also reflected in profitability. In terms of cash flow, Q4 and Q1 are typically the strongest, driven by a release of working capital accumulated throughout the year.

Following the acquisition of Dovre's Project Personnel and Norwegian consulting business, the seasonality of NYAB's business will further diminish somewhat, given the low seasonality in the acquired business. We believe this was an important factor behind the deal.

Seasonality: Revenue 2023-2024 (MEUR, Pro forma)



Seasonality: EBIT 2023-2024 (MEUR, Pro forma)



Sources: NYAB, Inderes

Company description and business model 5/9

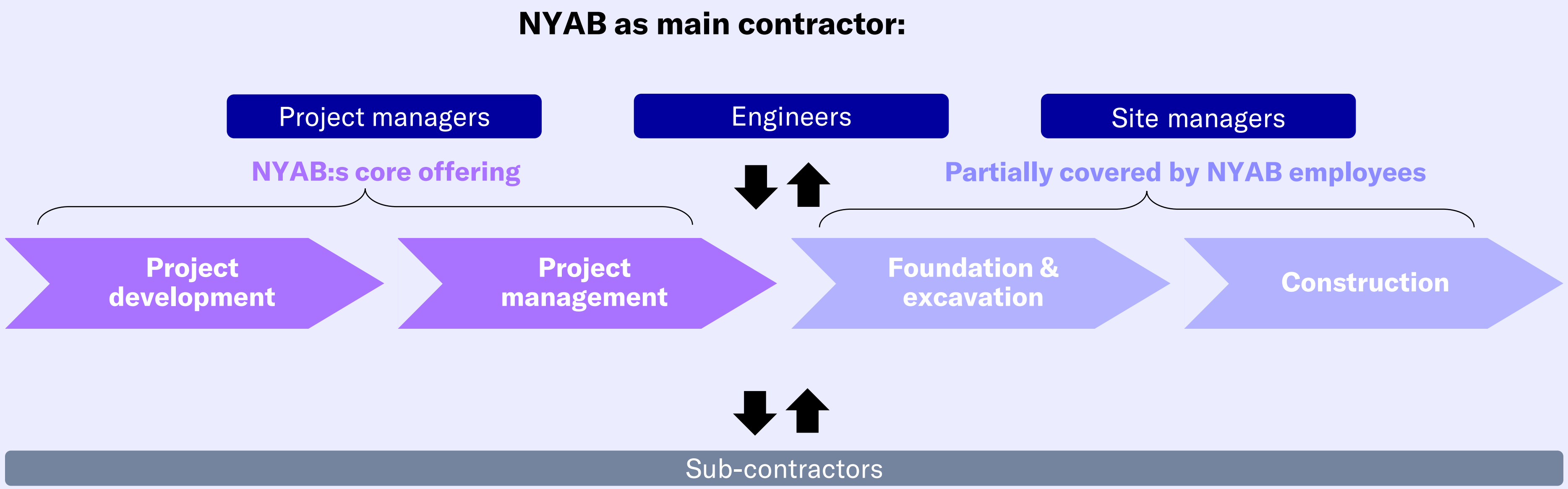
Pricing and operational focus

NYAB's business operations are based on project deliveries, with agreements often structured as fixed-priced contracts, though this can vary by project. Under such contracts, the company will estimate the time and resources (including raw materials, subcontracting) required to complete a project before submitting a tender and will prepare a cost estimate and timetable based on this. Therefore, for NYAB's business model to be successful, cost-efficiency and the validity of budget calculations are of high importance. We understand that some contracts also contain certain indexation clauses, but these don't fully protect against, for example, possible increases in material prices (cf. cost inflation in 2022-2023). However, to our understanding, there are structural differences across markets where for example, in Sweden, project owners often bear greater responsibility for contractual terms, which enables more extensive additional billing for cost overruns.

NYAB operates with an asset-light business model, focusing on the technical and competence-intensive aspects of construction projects. As a result, the majority of its workforce consists of white-collar professionals, such as engineers, site managers, and project managers. Rather than conducting large-scale construction work internally, NYAB primarily acts as the main contractor, emphasizing design, project management, and contract execution. NYAB's core expertise lies in securing contracts, managing projects and overseeing the construction work. As a result, the company outsources most of the actual construction work to subcontractors, niche providers, and partners, engaging only a small proportion of its own staff in the execution phase. Our rough estimate is that the company typically employs around 10% of its own people in the construction phase, with the remaining workforce subcontracted. To our understanding, NYAB tries to shift the cost risks in this respect to the subcontractors at the contract stage.

This heavy reliance on subcontractors makes supplier relationships critical for NYAB to pursue daily operations and project deliveries. From what we understand, NYAB currently maintains healthy subcontractor partnerships and is considered an attractive partner by many in the industry.

Overview of NYAB:s position in the value chain



Sources: NYAB, Inderes

Company description and business model 6/9

At the same time, the heavy outsourcing of construction activities allows NYAB to operate with minimal ownership of heavy machinery, tools, or physical infrastructure, keeping capital expenditure low and enhancing financial flexibility. By focusing on engineering and project management, the company benefits from a more adaptable cost base, which reduces financial risk during economic downturns while supporting strong profitability during growth cycles.

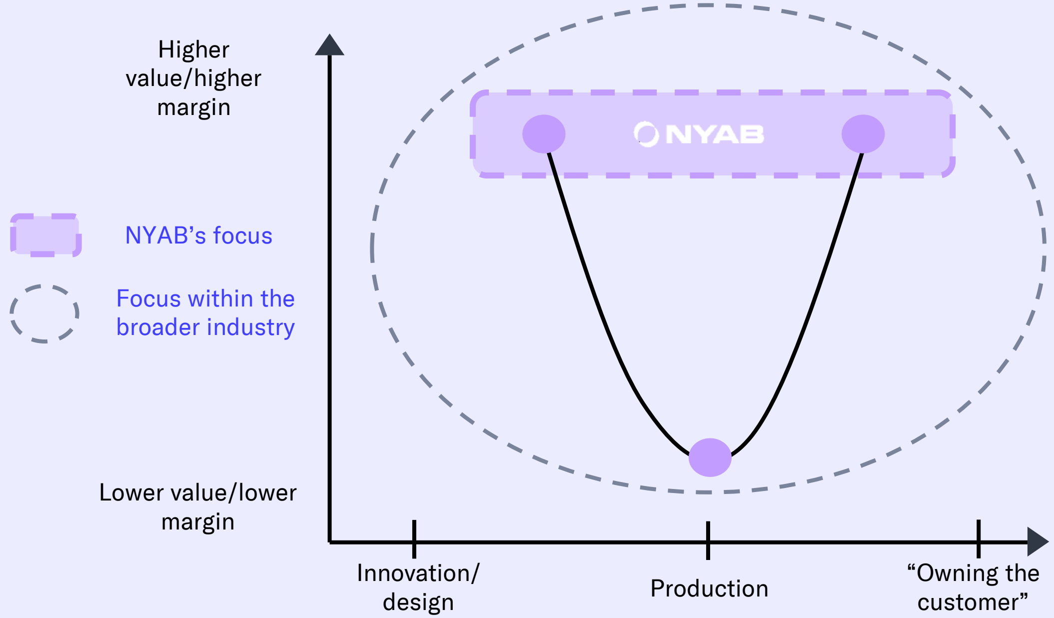
NYAB differentiate itself from the broader industry by its emphasis on innovation, design, and "owning the customer“ (maintaining direct client relationships and taking full responsibility for project delivery) while outsourcing the more commoditized, lower-margin construction work (cf. graph below).

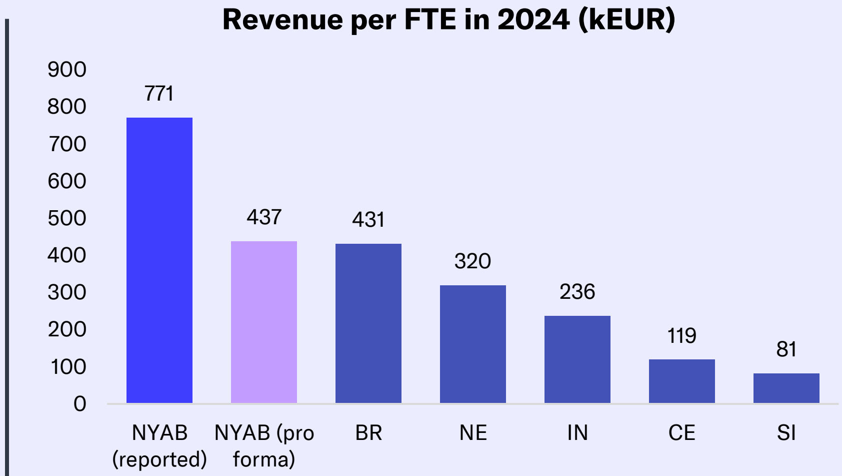
Focusing on the most value-added phases of the project lifecycle allows NYAB to generate higher margins than traditional construction firms that manage the entire value chain. In this sense, NYAB's business model more closely resembles that of an engineering or technical consultancy operator.

A potential risk we see over the long term is that current de-globalization trends and development of AI, may lead to a flattening curve (see illustrated graph below). In such a scenario, the actual production could rise, while the current higher value phases (innovation/design and owning the customer) may come under pressure. Additionally, we anticipate that competitors may eventually adopt strategies similar to NYAB’s, which could intensify competition and have a “flattening-effect” of the curve, leading to margin compression within NYAB’s current area of focus.

However, NYAB’s market positioning enables the company, particularly in its core Civil Engineering segment, to achieve significantly higher revenue per full-time employee (FTE), due to the lower personnel intensity of its operations, making the model more scalable. However, following the acquisition of Dovre, which adds approximately 550 FTEs, this metric will decrease in the short term. Even so, we expect the Civil Engineering segment to maintain revenue per FTE in the range of 650–800 kEUR over time, while the Consulting segment is expected to average in the mid-100s kEUR per FTE.

How NYAB’s business model and operational focus enable industry-leading margins





BR –Broad legacy providers (e.g. PEAB, Skanska, Veidekke)
CE –Construction engineers (e.g. Sweco, Afry, Sitowise)
SI – Staffing and Industrial consulting (e.g. Brunel, Randstad, Eezy)
NE – Niche (e.g. Kreate, Green Landscaping, Balco)
IN – Installation (e.g. Instalco, Bravida, Eltel)

Sources: NYAB, Inderes

Company description and business model 7/9

Order backlog provides predictability in revenue

The company's reported order backlog, reflecting the value of contracted work that has yet to be completed, provides a rather predictable indicator of future revenue streams for the short term (<12 months) but also, to some extent, mid-term (2-5 years). This allows the company to better plan resource use and optimize its capacity to meet future demand, which is critical for profitability. By the end of Q4'24, the order backlog stood at 325 MEUR, representing a year-on-year increase of 10%. It comprises a mix of single-year and multi-year construction projects, with 242 MEUR expected to be realized in 2025.

In addition to its order backlog, NYAB generates revenue through framework agreements (both annual and long-term) and maintenance contracts. While the majority of these agreements do not guarantee a minimum volume, they enhance the company's visibility into overall demand trends across the private and public sectors and contribute to a degree of stability, even amid macroeconomic uncertainty. That said, we estimate that the share of revenue with recurring characteristics remains relatively small.

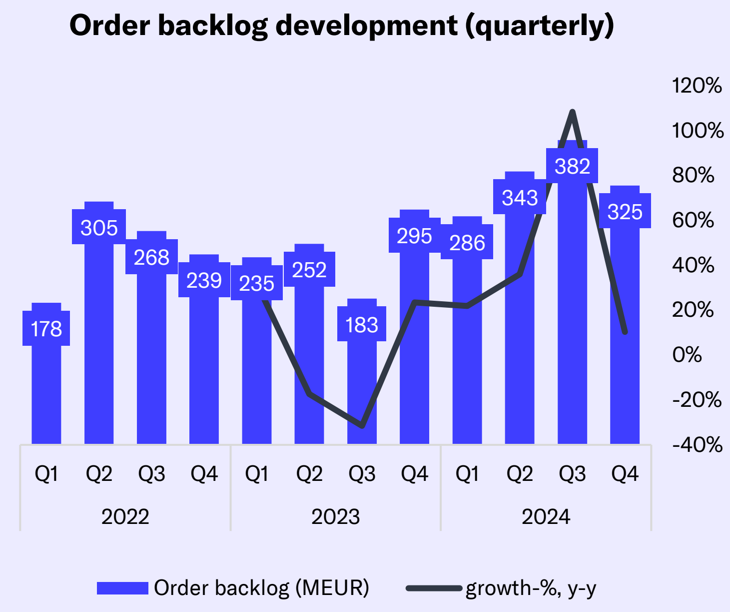
Tender model

NYAB's asset-light business model enables a highly selective approach when bidding for tenders and choosing projects. We believe less than 10% of the projects NYAB evaluates are ultimately pursued. The selection process is influenced by several key factors, including whether the company has the right capabilities and the best-suited organization for the project, the seasonality of the work, the project's size, and whether it involves a new or existing client.

In addition to these considerations, NYAB carefully assesses the overall strategic value of a project. Factors such as the complexity of the project, potential for scope expansion, follow-up business opportunities, and the ability to leverage experience all play a role in determining whether a project is selected. This disciplined approach allows NYAB to focus on high-value projects where it can deliver strong execution, minimize competition, and secure higher-margin contracts.

Selection of larger projects

	2022				2023				2024				2025				2026				2027	2028
MSEK	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Road Överkalix	200																					
Road 750						112																
Mikonkeidas Wind Farm					200																	
Utanen+Isokangas																						
Stockholm Vatten och Avfall							500															
Talga																						
Aurora Line								1,050														
Luleå Power Line								106														
Utajärvi								800														
Opto 2 (4 projekti)								60														
Opto 2 (5 projekti)									47													
LKAB Urban Relocation																						
Duroc									200													
Track Switch (Kat-Hal)										140												
Dredging in Södertälje											174											
Ekerövägen										175												
Huddinge 2BC											319											
Power Line H2										122												
Power Line SSAB (Vattenfall)												931										
Power Line Vindlänken Elnät												158										
Infra, Luleå													230									
Frame agreements, Norrland and Malmfälten													195									
Uppsala Tramway (phase 1)												88										
Uppsala Tramway (phase 2)																2,500						
Swedish Transport Administration, Boden															154							
Trosa Municipality														132								
Umeå hamn														164								
North Bothnia Line in Umeå														144								



Sources: NYAB, Inderes

Company description and business model 8/9

Cost structure

NYAB operates with a flexible cost structure, primarily driven by its extensive reliance on subcontractors for project execution. Hence, the majority of its cost structure consists of variable costs, where the most significant expense item in the income statement is materials and services, which includes subcontracting and material purchases for various projects. Historically, this cost item has accounted for around 75-80% of revenue.

However, following the acquisition of Dovre's businesses, we expect the proportion of variable costs to decrease somewhat. This shift is attributed to the staff-intensive nature of Dovre's Project Personnel business, which introduces a higher share of fixed costs. However, given the nature of the project personnel businesses, we assume that personnel expenses for the workforce are relatively flexible as a large part of the staff is either independent contractors or external consultancies, which enables higher flexibility during swift changes in market demand. Looking ahead, we estimate that 68-73% of NYAB's total cost structure will consist of variable costs.

In recent years, own personnel costs have hovered around 10-12% of revenue, but as NYAB will more than double the size of its staff post-acquisition (from about 500 to around 1,000), we estimate that the share of personnel expenses of revenue will increase notably and stabilize around 20% going forward.

Other operating costs on the income statement mainly consist of administrative expenses and IT-related costs (~4% of revenue) and due to the limited capital requirement of the business, D&A costs are minor (~1%).

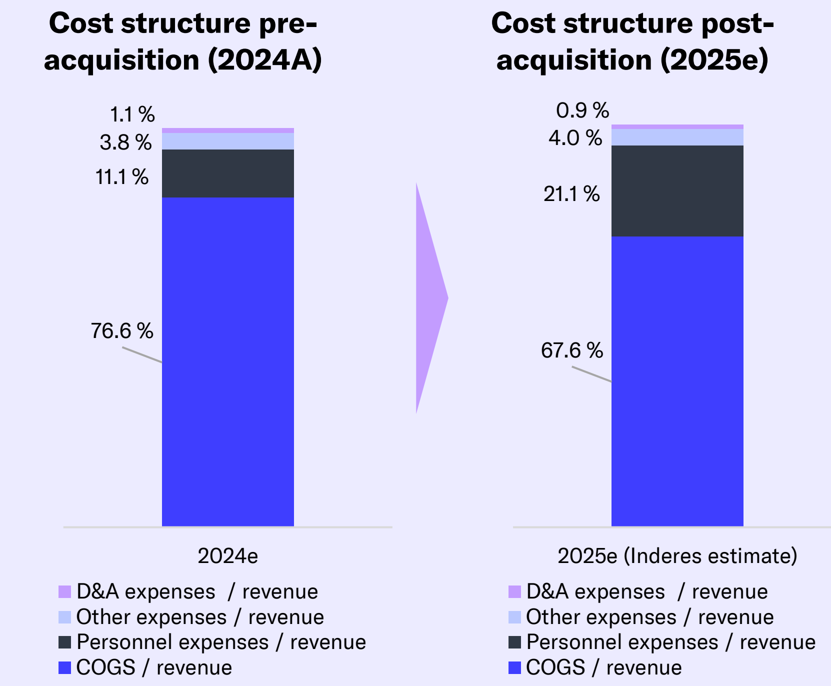
Capital commitment

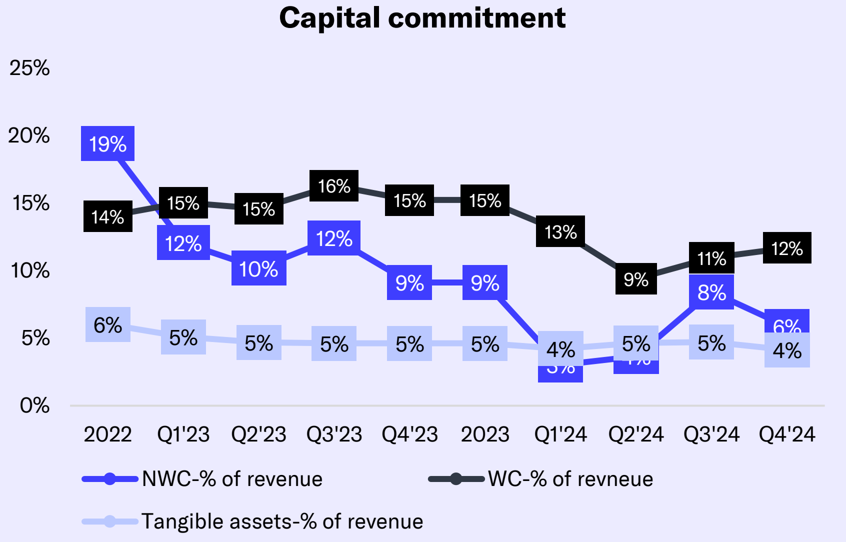
Due to the reverse takeover in 2022 and the latest acquisition of Dovre's businesses, there is no longer time series to evaluate the capital commitment of the current form of NYAB. However, to our understanding, the overall level of capital tied up in the business is fairly limited and at reasonable levels, with net working capital (NWC) averaging around 9% in 2022-2024. NYAB has also showcased a successively lower capital commitment during 2024, with NWC averaging ~5% (on a quarterly basis), indicating improved working capital management.

The relatively moderate capital commitment, compared to, e.g., broader construction companies, is large due to NYAB's business model requiring virtually no stock products in the business.

Within a year, we estimate that there will be some seasonal variation in the working capital commitment simply due to business volumes. However, over the long term, the overall growth in working capital should remain moderate and is unlikely to constrain business expansion. That said, as revenue increases, NWC will naturally grow, tying up additional cash, though the company's relatively short track record in its current form makes precise forecasting challenging. Following the Dovre acquisition, we don't expect big changes to overall capital commitment, as these businesses are in nature asset-light.

The investment needs of the current business are low, as it doesn't require significant fixed assets (fixed asset-% of revenue FY22-24: 4-6%) and investments are mainly focused on necessary equipment (e.g. vans and to a lesser extent excavators, etc.).





Sources: NYAB, Inderes

Company description and business model 9/9

Since NYAB's asset-light business model requires modest capital commitment, the company has a relatively strong cash conversion. However, in theory, the low capital intensity also results in lower barriers to entry, making it easier for new competitors to enter the market compared to more capital-intensive construction firms. In practice, however, entering the market is not straightforward. While capital and assets are relatively accessible, building the long-term customer relationships, organizational competence, and strategic positioning required to compete effectively presents a higher barrier to entry than the asset-light model might initially suggest.

The risk profile of the business model is more moderate than in the rest of the construction sector

In our view, NYAB's overall risk profile is relatively moderate compared to the broader construction sector. Several factors contribute to this, including a strong focus on complex infrastructure projects, which tend to be more counter-cyclical, and a high share of revenue from the public sector, providing greater stability. Additionally, approx. one-third of NYAB's revenue comes from collaborative contracts, which typically distribute risk more evenly between stakeholders. Moreover, NYAB does not engage in the more volatile residential construction market, further reducing exposure to economic downturns and cyclical fluctuations.

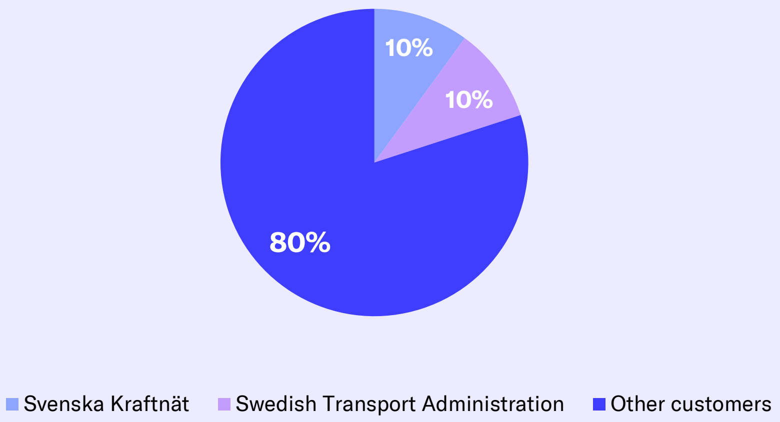
Conversely, the risk level of the business model is increased by a relatively high dependency on two public clients (cf. Svenska Kraftnät and Trafikverket accounted for around 20% of revenue in 2024), overall risk factors of the project business, the dependency on a market that in general is relatively sensitive to macroeconomic development (GDP growth, interest rates, inflation, etc), coupled with its M&A strategy, which introduces, e.g., integration risks. However, regarding the high revenue concentration within Svenska Kraftnät and Trafikverket, it is worth noting that while NYAB's concentration might be relatively high, they only represent a fraction of these clients' total spending, which reduces the overall risk.

Management, board and ownership

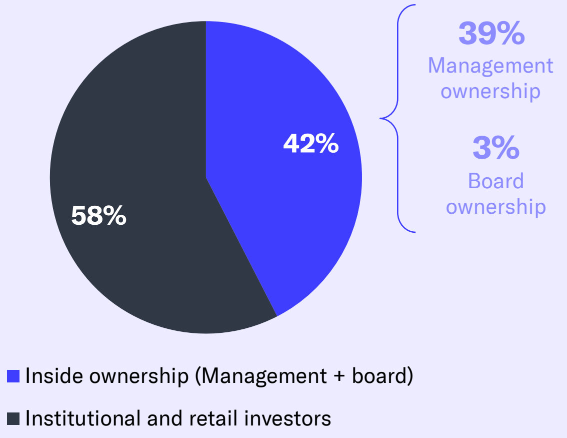
NYAB has a strong entrepreneurial tradition, with the majority of the management having a long history in the construction industry. NYAB's largest shareholders are CEO Johan Larsson and his brother Mikael Ritola (Country Manager for Finland), primarily through Holding Investment Förvaltning i Luleå AB, a jointly owned investment company. Together, they hold approximately 35% of NYAB. Furthermore, Magnus Granljung, Sweden's Country Manager and a member of the management team, owns just over 3% of the company. In 2025, former board member Anders Berg, who has a long track record as CEO of Lindab International and Plannja, along with senior leadership roles at multiple industrial firms, joined NYAB's management as Head of Business Development. Anders owns shares for approx. 6.5 MSEK (0.2%). As such, we believe that the management has a strong commitment to the company, which we see as a positive for investors.

NYAB's Board of Directors also brings extensive experience in the construction industry and leadership positions in major corporations. Notable members include Johan K. Nilsson (former General Counsel of the Peab Group), Lars-Eric Aaro (former CEO of the LKAB Group), and Jan Öhman (former CFO of Industrivärden and current Chairman of the Board). We believe this expertise is highly important in supporting NYAB's growth strategy.

Customer concentration
As of FY2024

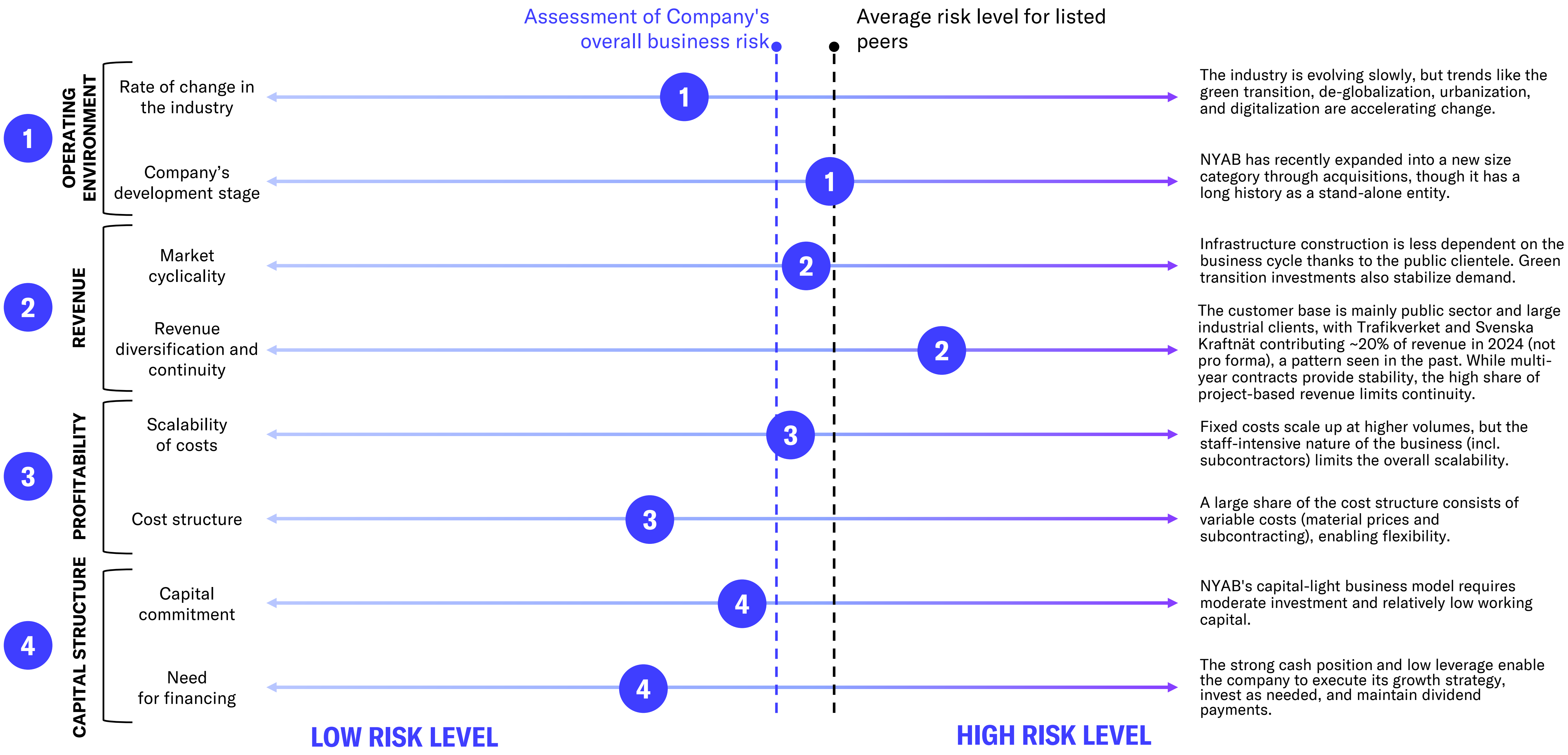


Shareholder structure
As of 28/2/2025



Sources: NYAB, Inderes

Risk profile of the business



Strategy and financial objectives 1/3

Growth strategy

To achieve the company's long-term financial objectives (cf. the Financial objectives section), NYAB's Board of Directors has set strategic objectives for the period 2024-2026, which are briefly as follows:

People first: NYAB's highest priority is safety, where the company aims to become the most preferred workplace in the industry.

Responsibility to customer and society: NYAB's purpose is to enable the progress of society for future generations and its mission is to deliver high-quality, cost-effective solutions for demanding infrastructure, renewable energy, and industrial construction.

Operational excellence: Leverage its asset-light business model and cost efficiency to support growth and create competitive advantages

Profitable growth: Exploit its favorable position in the value chain for infrastructure, energy, and industrial projects, to capitalize on market trends such as green transition, de-globalization, and urbanization.

At the core of NYAB's strategy is a focus on demanding and complex projects. By taking on projects with higher technical and logistical demands, NYAB differentiates itself from competitors and can secure contracts with stronger margins. Additionally, this approach fosters long-term client relationships, as successful execution of complex projects builds trust and often leads to repeat business or expanded project scopes.

Balancing growth with risk management has long been a guiding principle for NYAB. Historically, the company has focused on somewhat smaller projects, but it has successfully scaled its business by gradually increasing the average project size. In 2023, the average project size was 3.5 MEUR, and, to our understanding, this has grown to around 4 MEUR in 2024, which is a key driver of overall growth. This expansion is made possible by NYAB's well-balanced, risk-adjusted business model, which allows for controlled and sustainable growth. A crucial factor in maintaining this approach is NYAB's selectiveness when choosing projects, ensuring that the company takes on projects that align with its expertise, profitability targets, and risk profile.

In addition, to further de-risk taken projects, especially as the average project size has increased, NYAB is actively shifting towards a higher share of collaborative and long-term contracts, which now represent about one-third of total revenue. This enables NYAB to not only engage in more early-stage processes and offer value-added services but also foster longer relationships with clients. Another focus area of the company is to secure more stable and recurring revenue streams within its focused market.

Historically, the seasonality of NYAB's business has led to significant fluctuations in revenue recognition, as well as profit and cash flow distribution, though its impact has diminished over time. These seasonal swings have primarily been driven by the company's strong presence in northern Sweden and Finland, where harsh weather conditions pose challenges for project excavation. To mitigate this, NYAB has strategically expanded its operations, particularly in the Stockholm-Mälardalen region, over the past few years. This expansion has helped balance seasonal variations and diversify its revenue streams.

Strategic pillars of NYAB

Sources: NYAB, Inderes

Strategy and financial objectives 2/3

Since entering these regions in 2019, NYAB has grown from zero to over 500 MSEK in revenue in the Stockholm-Mälardalen region, demonstrating the strength of its business model even in more competitive markets. Building on this momentum, NYAB secured several large-scale projects in Stockholm/Mälardalen in 2024, further strengthening its presence in the region.

Selective M&A's plays an important part in the growth trajectory

NYAB has an extensive track-record of pursuing mergers and acquisitions, which remains a key part of its growth strategy. The company primarily focuses on bolt-on acquisitions, though platform acquisitions are also considered when they offer strategic value. Each acquisition must present a clear path to value creation, whether by enhancing capabilities, expanding into new geographies, or unlocking significant synergies.

A recent example is the acquisition of Dovre's businesses, which provided a strategic entry into the Norwegian market, expanded NYAB's service offerings, and helped reduce seasonality effects. Additionally, NYAB has a history of M&As deals that quickly generated value, such as the bolt-on acquisition of Power Forze, which added in-house high-voltage expertise. This acquisition directly contributed to securing the Aurora Line Project (worth 89 MEUR) within just a year of the deal's completion

Financial objectives

During the past three years, NYAB has updated its financial objectives on three occasions. The most recent shift occurred in 2023, when NYAB lowered its revenue growth and EBIT margin target from 15% to 10% and 9% to 7.5%, respectively. As of today, NYAB's Board of Directors has set the following long-term financial objectives for the company:

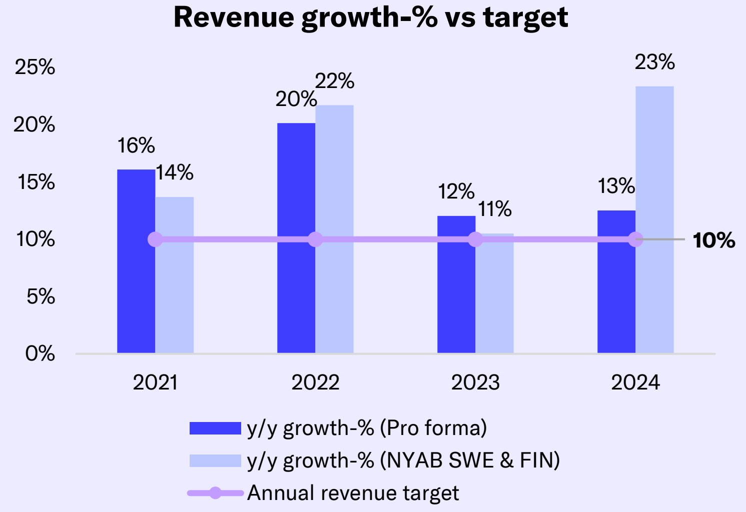
- **Growth**: Annual revenue growth > 10%
- **Profitability**: EBIT % > 7.5%
- **Balance sheet structure** Net debt / EBITDA < 1.5x
- **Dividend policy:** Dividend > 35% of net result

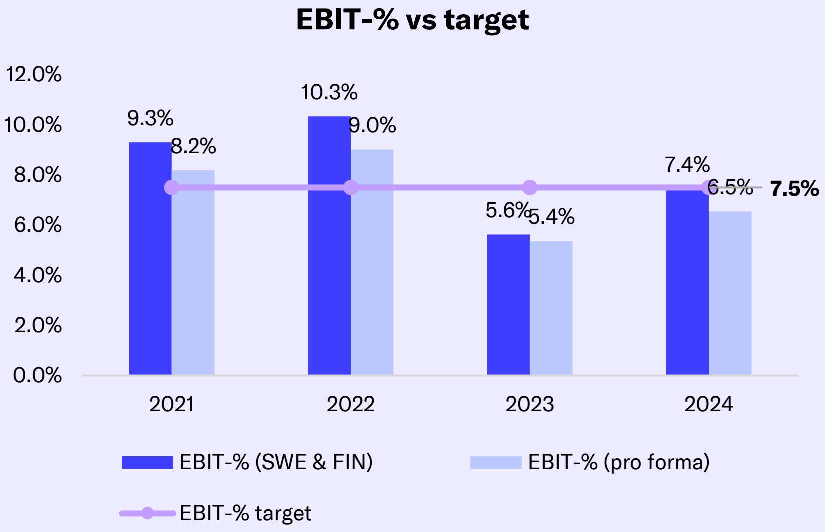
Our view of the financial objectives

To our understanding, the revenue growth target includes potential impact of M&A. However, we acknowledge that NYAB Sweden has over a decade-long history of strong organic growth and that acquisitions have only had a fairly limited impact on the growth figures. However, to evaluate the company's recent performance, and reflect the company's current shape and onwards, we have looked at NYAB's pro forma performance during 2021-2024.

Overall, we believe that NYAB's revenue growth objective is achievable given the overall growth and investments in its addressable markets, its strong historical track record (CAGR 21-24 pro forma: 15%) and its recent foray into new geographical markets with a stronger position in the value chain.

In terms of profitability, we believe the overall target is reasonable and achievable over time. While we are not worried by the margin profile of NYAB Sweden's operations, averaging an EBIT margin of around 9% in 2014-2021 on a standalone basis*, there are a few margin-pressuring factors in the short term.





*Before the merger with Skarta Group.

Sources: NYAB, Inderes

Strategy and financial objectives 3/3

This primarily relates to the integration of Dovre's businesses, but also to the softness in the Finnish market, which we also believe has a somewhat lower margin profile overall (roughly 5-7% at the upper limit of profitability potential). In addition, acquired businesses from Dovre have also shown a declining profitability trend due to some regulatory challenges in the Norwegian market regarding temporary hires.

That said, NYAB has a history of improving the profitability of acquired businesses by making small adjustments in the business models and operational focus. Regarding acquired businesses from Dovre, NYAB has identified a few measures to improve margins, such as focusing on higher-margin projects and being more selective in projects, and we believe this will contribute to the Group's overall profitability going forward. On the flip side, this transition could also come at the expense of growth.

In our view, achieving the profitability objective requires that the geographical revenue mix remains favorable (overweight for Sweden). In addition, NYAB needs to maintain its strong profitability in Sweden, improve the profitability in acquired businesses from Dovre, and raise the profitability in Finland closer to the upper end of our estimated profitability potential.

The balance sheet structure target is relatively neutral

We consider the target for the balance sheet structure to be relatively neutral. Given the company's strong financial position with a 73% equity ratio and net debt to EBITDA of -0.6x in 2024, there is room to increase leverage, even after the Dovre acquisition (pro forma net debt to EBITDA of 0.4x). However, based on NYAB Sweden's track record, we expect the company to continue its growth trajectory with a strong balance sheet and conservative debt levels. Additionally, the financial covenants in NYAB's recently refinanced financing package set minimum requirements of an equity ratio above 50% and a net debt to EBITDA below 2x. Given these thresholds, we expect NYAB to maintain a capital structure that keeps it above the required equity ratio and well below the leverage limit, which should not be an issue for the company.

Profit distribution depends on performance

We believe that the company's strong balance sheet and business model, enabling low capital commitment and moderate investments, provide it with good conditions for profit distribution. However, the company's growth strategy also includes inorganic growth, but considering NYAB's strategy, we expect it to favor own shares as a means of payment for acquisitions, particularly for bolt-on deals while complementing with debt for larger platform acquisitions. This, in turn, partly limits capital requirements for acquisitions, which supports the company's ability to distribute profits.

In this context, we believe that the dividend payout ratio floor (35%) is relatively low and that the business model would allow for a higher level over time (cf. 43% payout ratio in 2024). However, we estimate that the dividend payout ratio may fluctuate depending on the financial year's performance, as we expect the company to aim for a relatively stable payout ratio. However, it should be noted that covenants imposed by the company's financiers may limit the ability to pay dividends, for example in the event of a major corporate restructuring or a deterioration in profitability. That said, we don't consider this likely based on our current estimates.

Financial objectives vs 2024 outcome

Objective	Measure	Target	2024 outcome
Growth-%	Revenue growth	>10%	23%
Profitability-%	EBIT margin	>7.5%	7.3%
Capital structure	Net debt to EBITDA	< 1.5x	-0.6x
Payout ratio-%	Payout-% of net income	>35%	42%

Sources: NYAB, Inderes

Industry and competitive field 1/7

Target markets

NYAB primarily operates in the Swedish and Finnish construction markets, focusing on infrastructure, industrial, and energy construction. The company has recently expanded its geographical footprint through acquisitions, gaining a presence primarily in Norway but also in some other international markets, including Canada, the Middle East, the U.S., and Singapore.

The demand for NYAB's services is influenced by macroeconomic factors such as interest rates, inflation, geopolitical environment, and demographic trends. Weather conditions and supply-chain dynamics also impact project execution. While general construction activity is cyclical, NYAB's specialization in demanding infrastructure projects provides stability, as these investments are often less sensitive to economic downturns. Additionally, with a high proportion of revenue derived from the public sector, NYAB benefits from stable, long-term contracts that help mitigate market fluctuations.

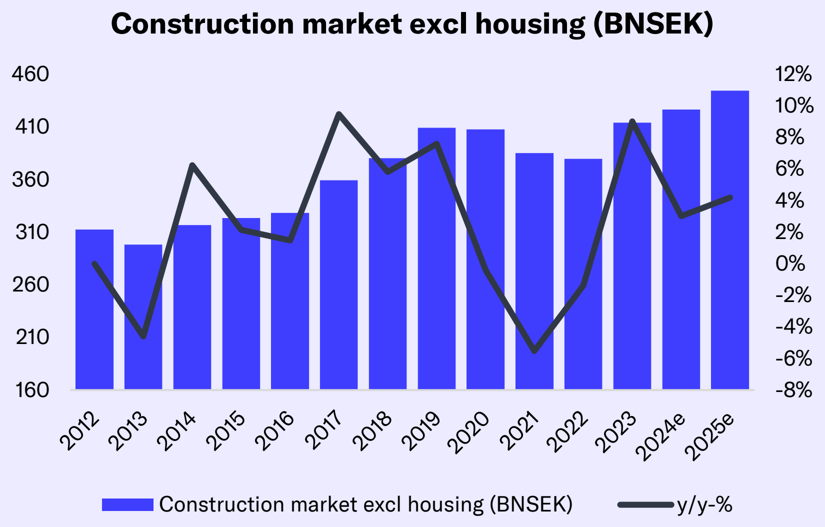
While NYAB hasn't explicitly detailed the size of its target markets, we don't expect their size to be an obstacle to the company's growth for the foreseeable future. Based on our estimates, NYAB share of the total Nordic construction market (excl. residential construction) is less than 1%.

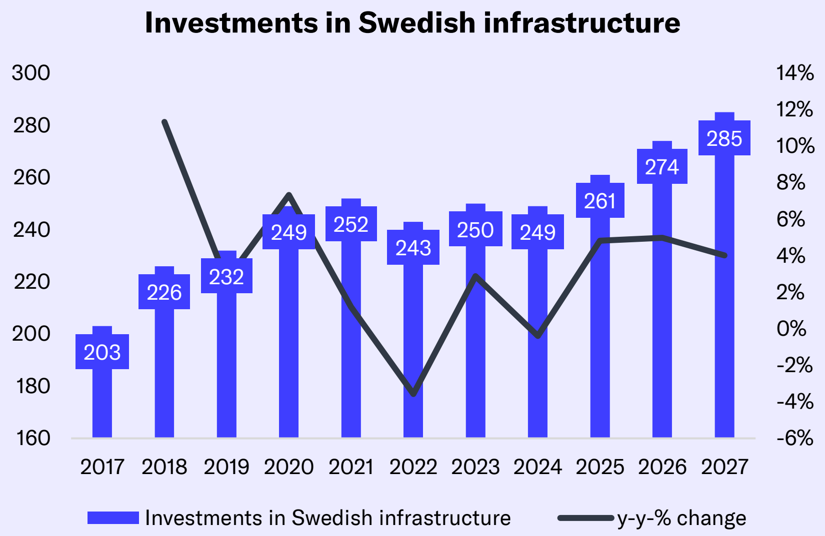
The broader construction market in Sweden

The Swedish construction market, excluding housing, was valued at 426 BNSEK (~39 BNEUR) in 2024, representing 9% year-on-year growth. Historically, the market has expanded at an average annual rate of 3% in 2013-2023 and is projected to grow 4% in 2025. Northern Sweden, particularly Norrbotten County, remains a key region for NYAB. Construction investments in the region have shown stronger-than-nation growth since 2022, and grew 19% in 2024 and is expected to grow 7% in 2025. In the long term, Norrbotten County benefits from Sweden's green industrial transformation. Over the next 10-20 years, more than 120 BNEUR is planned for investments in the region, driven by renewable energy initiatives, fossil-free steel production, mining, and battery manufacturing. However, not all of it will realistically be realized. Nonetheless, it clearly demonstrates the strong general interest in green investments going forward.

Looking closer at the Swedish infrastructure sector, Prognoscentret forecasts a 4-5% increase in investments between 2025 and 2027, with roads, railways, and expansion of electricity networks (both local and transmission grids) as primary growth drivers.

The Swedish Transport Administration (Trafikverket), Sweden's transport agency, has struggled in recent years to utilize its entire budget due to project implementation challenges, leading to an accumulated ~90-100 BNSEK in deferred investments. This backlog underscores the pressing need for expanded infrastructure capacity to support economic and security demands. In its latest national plan for 2026-2037, Trafikverket allocates 1,171 BNSEK for infrastructure, a 21% increase from the previous plan, emphasizing maintenance and development of roads and railways. Within this plan, 607 BNSEK (30%) is allocated to infrastructure development, while 210 BNSEK (18%) is dedicated to railway maintenance and repair. Additionally, 354 BNSEK is allocated to road maintenance, to both restore the functionality and regain the lagging maintenance of Swedish roads and railways in the next 12 years.





Sources: Prognoscentret, Trafikverket, Byggföretagen, NYAB, Inderes

Industry and competitive field 2/7

Sweden's NATO membership accelerates defense and infrastructure investment

Sweden's entry into NATO in 2024, following Finland's accession in 2023, is expected to drive significant investments in defense and military infrastructure. As part of NATO, Sweden must modernize and expand its defense facilities, transport networks, and logistics hubs. Defense spending as a share of the national budget, which ranged between 5% and 6% in 2014-2021, rose to above 9% in 2024 and is expected to increase further to nearly 12% in 2025, representing an increase of approx. 100 BNSEK from 2021 levels. Upgrades to road and railway connections, particularly those linking Sweden and Norway, which is one of Sweden's largest trade partners, are becoming crucial due to increased military mobility and supply chain security demands. These developments provide additional growth opportunities for NYAB in transport and security-related infrastructure projects. Worth noting is that NYAB has already the Swedish Armed Forces and the fortification agency as customers, which should help mitigate the competition for defense-related projects.

In light of escalating geopolitical uncertainties, European NATO member states are actively discussing a gradual increase in the alliance's defense spending target, from the current 2% of GDP to potentially 3% or more by 2030. Some NATO officials argue that even a 3% threshold may be insufficient, citing decades of underinvestment that now necessitate substantially higher defense outlays. While no formal decision has been made yet, a policy shift of this magnitude would entail significant new investment not only in defense capabilities but also in supporting infrastructure and large-scale construction.

Adding weight to this trajectory, Germany, the EU's largest economy, approved in March 2025 a landmark defense and infrastructure spending plan, with potential allocations exceeding 1,100 BNEUR over the coming decade. This move sends a strong signal across the European Union, setting a benchmark for sustained and accelerated public investment. Notably, the plan includes loosening Germany's strict fiscal rules, known as the "debt brake", enabling the government to take on historically high levels of public debt to finance these strategic initiatives.

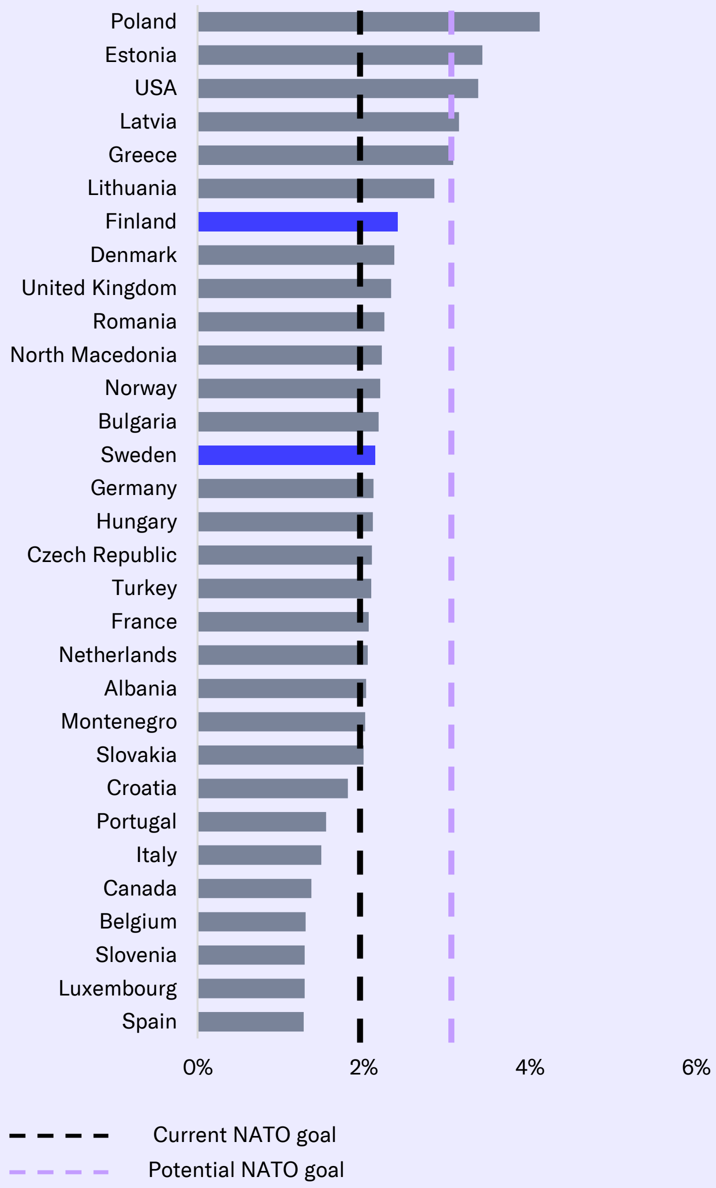
Following Germany's lead, Sweden unveiled a proposal to raise its defense budget to 3.5% of GDP by 2030, up from 2.4% in 2024, corresponding to an additional 300 BNSEK in defense spending. Like Germany, Sweden plans to fund much of this increase through public debt.

Energy infrastructure market in Sweden

Energy infrastructure is another strong focus of NYAB, where the operations are primarily targeting building of power networks, transformation stations, as well as wind and solar power plant projects. As a large part of Sweden's electricity grids have reached the end of their service life and must be replaced, the electrification of the manufacturing and transport sectors, along with the growing demand for electricity, requires a significant expansion of Sweden's electricity networks and production capacity to ensure high availability and support the country's climate targets.

The state-owned Svenska Kraftnät's, an important customer of NYAB, spearheading investments in electricity transmission and grid expansion increases the potential demand for NYAB's services in the space.

Defence spending as a % of GDP, NATO members (2024)



Sources: Svenska Kraftnät, Veidekke, Bundesregierung, NATO, NYAB, Inderes

Industry and competitive field 3/7

According to the Electricity Network Report (2023), 945 BNSEK (~90 BNEUR) will be required over the next 20 years to modernize Sweden's energy system.

NYAB has strengthened its position in this sector through acquisitions like Power Forze (2022) and key projects such as the Aurora Line Project (89 MEUR), which enhances cross-border transmission between Sweden and Finland. Beyond transmission, Sweden's wind and solar power sectors are rapidly expanding, creating further opportunities for NYAB in energy infrastructure construction.

The broader construction market in Finland

According to the Confederation of Finnish Construction Industries (RT), Finland's total construction market amounted to approximately 38 BNEUR in 2023, with infrastructure accounting for ~9 BNEUR. The sector experienced a historic 16% decline in 2023, primarily due to weak residential construction, which saw a 36% contraction. During 2024, the decline was more moderate (~-7%) and for 2025 the market is expected to recover with 4% growth, led by residential construction (+15%) and civil engineering (+2%). However, given the severe contraction over the past two years, this recovery will be from a low base, and RT projects that the overall recovery will be gradual and sluggish over the coming years.

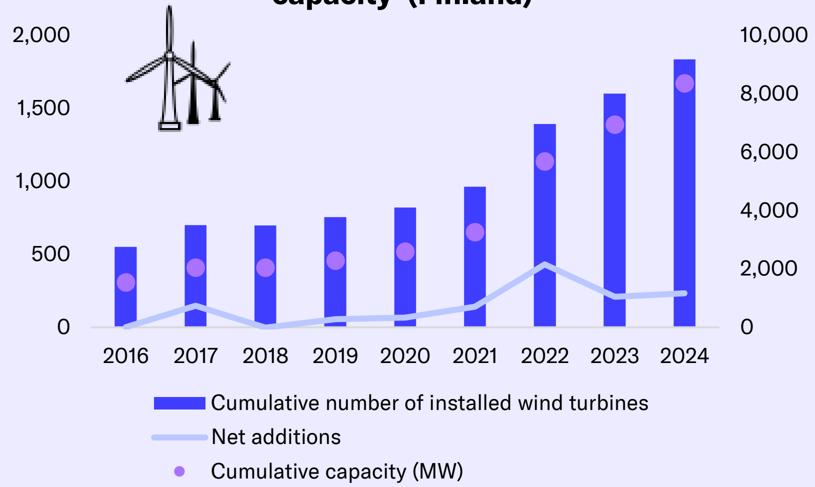
In Finland, infrastructure construction represents a relatively small share of NYAB's total revenue, as the company is more heavily focused on energy construction. However, the weak Finnish construction market has resulted in intensified competition for NYAB's Finnish operations, especially regarding smaller, less complex infrastructure projects.

While NYAB has not explicitly defined its target energy construction market, insights can be drawn from a study commissioned by Enersense through an international consultancy. This study estimated that the total target market of Enersense's Power segment in Finland was just over 500 MEUR in 2020, primarily comprising investments in transmission grid infrastructure, wind farm construction, and related energy services. This segment benefits from multiple structural growth drivers, and we expect rapid expansion due to increased investment in high-voltage transmission lines and wind power projects. Fingrid, Finland's national grid operator, plans over 200 MEUR in annual investments through 2030. Around 70% of these investments will be allocated to strengthening domestic grid connections and integrating wind power into the national grid, which will significantly drive growth in the power segment.

Wind and solar power has a strong outlook in Finland

Finland entered the wind power industry later than many European counterparts, but since 2012, construction has accelerated significantly. From 2012 to 2024, wind power set new national records in both installed capacity and electricity production. By 2024, wind energy accounted for 24% of the country's electricity consumption. Despite this rapid growth, Finland's wind power potential is many times higher than the capacity currently built. According to the Renewables Finland project list (January 2024), more than 134,000 MW of wind power projects were in various development stages. While not all projects will materialize due to environmental and regulatory constraints, over 11,000 MW of projects have secured a land-use plan or building permit.

Number of operational wind turbines and capacity (Finland)



~134,000 MW

Capacity of wind projects under development in Finland

Solar power production capacity, Finland (MW)

Sources: Svenska Kraftnät, Veidekke, Suomenuusiutuvat, Fingrid, Energiavirasto, NYAB, Inderes

Industry and competitive field 4/7

Solar power has also seen rapid growth, with installed capacity increasing tenfold from 2018 to 2024, reaching 1,200 MW by the end of 2024. This strong development is set to continue going forward and Fingrid estimates the overall solar power plant capacity in Finland will reach 7 GW by 2030, creating a strong potential demand for NYAB's expertise in energy construction and infrastructure development.

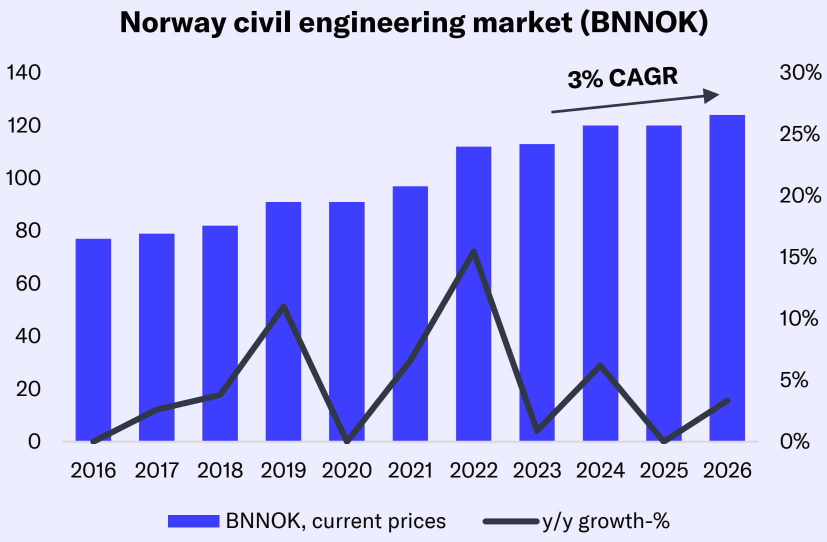
The broader construction market in Norway

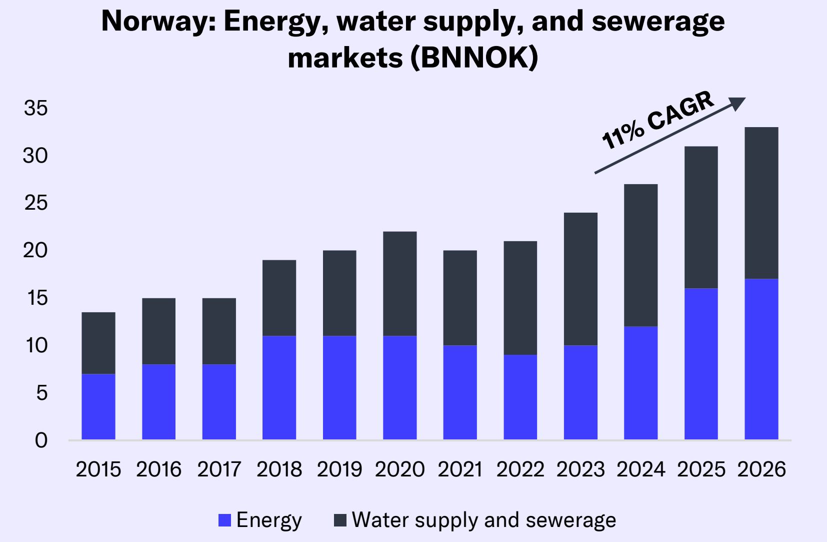
Through its Dovre acquisition, NYAB has gained a foothold in Norway's consulting and project management sectors. While acquired businesses address the same target markets as NYAB, they offer a different type of service. With Dovre's already established network and insights into local tenders in Norway, NYAB has gained a solid foundation to get a foothold with its core business in Norway, expand the cross-border collaboration possibilities, and get additional volumes in Sweden through the strengthening service portfolio. Norway's infrastructure sector has experienced 5-6% annual growth in 2016-2023, with sustained investments in roads, defense, and energy projects. The total civil engineering market is expected to grow at a CAGR of 3% between 2024-2026 and the prospects for growth beyond 2026 is solid, due to e.g. increase spending in defense.

In Norway's 2025-2030 National Transport Plan, annual investment in national roads is expected to increase by 20% (to 17 BNNOK annually) while railway investment is expected to shrink by 17% (to 14 BNNOK). However, maintenance spending is prioritized, with railway maintenance investments set to rise by 48% compared to previous budgets.

The Norwegian energy market is undergoing significant expansion. The energy, water supply, and sewerage sectors are expected to grow at a CAGR of 11% (2024-2026), primarily due to the shift toward renewable energy. Norway's electrification push, requiring a sharp reduction in greenhouse gas emissions by 2030, will strain on the distribution grid and necessitate major investments in grid capacity and energy distribution infrastructure.

Given NYAB's strengthened position in Norway through its acquisitions, the company is well-placed to capitalize on the growing demand for large-scale infrastructure projects across the country.





Sources: Veidekke, Nordregio, Capman, NYAB, Inderes

Industry and competitive field 5/7

Societal megatrends provide a solid foundation for market growth

Green transition: On a global scale, societies shift to be more sustainable, which has a huge impact on sectors such as energy, manufacturing industries and transportation. The road to net zero emissions in the Nordics requires the energy sector to undergo a significant transition during the next 25 years (before 2050). Electricity demand in the Nordics is expected to more than double over the next 20-30 years, from around 400 TWh in 2022 to about 800 TWh in 2040, and nearly 1,000 TWh in 2050. The increased electrification of societies will, therefore, put pressure on current electricity transmission capacity, which already suffers from underinvestment. Wind- and solar power generation will play a crucial part in meeting this future demand.

De-globalization and supply chain resilience: Rising geopolitical uncertainty and post-pandemic supply chain disruptions have increased the focus on localized investments in energy security, infrastructure, and domestic manufacturing. In the Nordics, these dynamics accelerate investments in renewable energy production, electricity grid resilience, and enhanced transmission capabilities to ensure energy independence and sustainability. Furthermore, the demand for more robust infrastructure, including transportation and industrial developments, aligns with regional priorities for economic resilience and self-sufficiency. This shift supports NYAB's position in electricity transmission, industrial construction, and transportation infrastructure.

Urbanization: The Nordic population is projected to grow by 6% over the next 25 years. During the last 20 years, 97% of population growth has occurred in 30 functional urban areas, and the ongoing trend of urbanization in the Nordics is expected to continue. Major cities require infrastructure expansion to meet increasing demands for housing, roads, railways, and public services. This long-term trend supports NYAB's role in developing resilient urban infrastructure.

Concluding remarks on the target markets

NYAB's target markets in Sweden, Finland, and Norway are supported by strong infrastructure and energy investment pipelines. The company's specialization in complex, long-term projects positions it well against cyclical downturns. With major structural trends driving demand such as green transition, de-globalization, and urbanization, NYAB has a good position to grow for the foreseeable future, supported by a sustained wave of investments in Nordic infrastructure and energy development.

Three megatrends support growth in the construction market

Green transition

- Nordic electricity demand will double in the next 20-30 years. Wind and solar power generation will be crucial
- 120 BNEUR in planned green transition investments in the Norrbotten County over the next 10-20 years

De-globalization

- Rising global tensions and post-pandemic supply chain disruptions have increased the focus on localized investments in energy security, infrastructure, and domestic manufacturing.

Urbanization

- The Nordic population is projected to grow by 6% over the next 25 years, with most of the growth centered in urban areas
- This necessitates infrastructure expansion in major cities to meet the demand of tomorrow

Sources: Svenska Kraftnät, Nordic Statistics, NYAB, Inderes

Industry and competitive field 6/7

Competitive field

The broader construction market is characterized by a mix of large general contractors, specialized infrastructure players, and engineering consultancies. Within infrastructure and construction projects, the company's main competitors include, e.g., Skanska, NCC, Veidekke, and PEAB, which dominate traditional large-scale construction and possess a very broad offering (including residential construction). Conversely, firms like AFRY, Sweco, and Sitowise compete for projects that demand engineering and project management expertise. Additionally, infrastructure installation and maintenance companies like Bravida, Netel, and Eltel are shaping the market through technical services, particularly in energy (e.g. power network, transmission capacity build-out) and telecommunications.

NYAB, on the other hand, has positioned itself as a flexible, knowledge-driven construction and engineering firm focusing on infrastructure, industrial construction, and renewable energy. Unlike traditional broad legacy providers that operate with heavy asset bases, NYAB's asset-light operating model allows it to selectively engage in projects that align with its expertise while maintaining healthy margins and financial flexibility. The company's strong presence in Sweden and Finland (particularly in the Northern parts) gives it access to major infrastructure and industrial projects, while its expansion into consulting and project staffing through the Dovre Group acquisition strengthens its competitive edge in project management and workforce solutions. This hybrid approach enables NYAB to compete with both traditional contractors and engineering consultancies, making it more resilient to market fluctuations and better positioned to capitalize on the green transition and infrastructure modernization efforts across the Nordics.

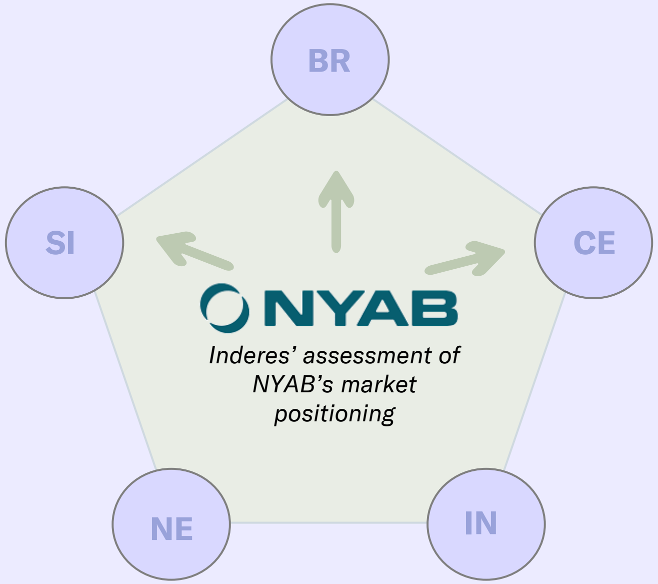
NYAB's hybrid market positioning supports industry-leading revenue growth and profitability

As highlighted, the company's competitive field consists of several players, of which the large players have a much broader overall offering than NYAB (e.g. residential construction). In general, there are also variations in the overall offerings and market areas of different operators.

With NYAB's unique market position, functioning as a hybrid between broad legacy providers (large-scale general construction and infrastructure projects) and construction engineers (technical consulting, engineering, and design services for projects within, e.g., infrastructure and industrial), but also with growing elements of industrial consulting and staffing, we have compared NYAB's growth and profitability with various segments within the broader construction market. We believe the peers within the broad legacy providers group and construction engineering to be the most relevant group. That said, we also look at other adjacent segments to get additional flavor to the performance, considering NYAB's relatively broad scope of operations.

While NYAB Sweden has a long track record with high growth and above-industry operating margins as a standalone business, we have narrowed the comparison by looking at NYAB's last five years, as reported, to capture the Group's structure before the Dovre acquisitions, as well as pro forma figures for the past five years to evaluate the current form of NYAB after the Dovre acquisition.

NYAB's market positioning in the broader construction market (Inderes' assessment)



BR –Broad legacy providers (e.g. PEAB, Skanska, Veidekke)
CE –Construction engineers (e.g. Sweco, Afry, Sitowise)
SI – Staffing and Industrial consulting (e.g. Brunel, Randstad, Eezy)
NE – Niche (e.g. Kreate, Green Landscaping, Balco)
IN – Installation (e.g. Instalco, Bravida, Eltel)

Sources: NYAB, Inderes

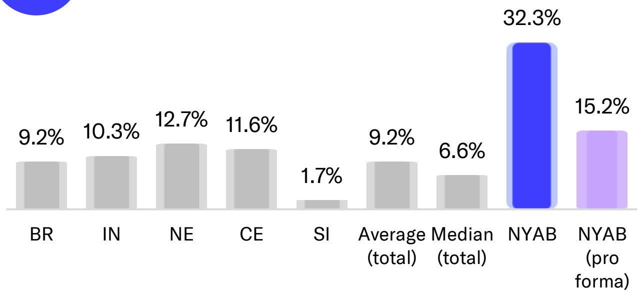
Industry and competitive field 7/7

Starting with the growth profile, NYAB has grown notably faster than the peer group average in total during the past five years and, more importantly, on a pro forma basis, which better reflects the organic performance and current group structure. When it comes to operating profitability, the peer group has averaged around 4% over the past five years. Thus, NYAB has achieved above-market margins for the past five years, where the outperformance is more notable before the acquisition of Dovre's businesses, as the integration of the project personnel business comes with a drag on overall profitability.

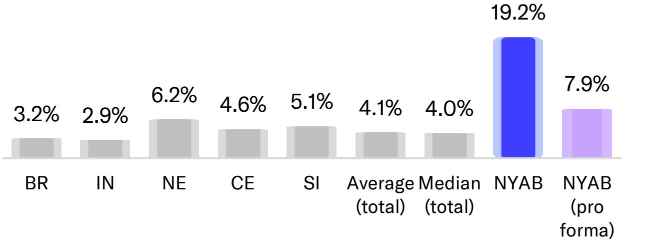
As illustrated in adjacent graphs, NYAB is also expected to outperform the peer group in terms of revenue growth and EBIT margin in the coming years, even though the EBIT margin is expected to be somewhat lower than historical figures due to some current profitability pressure within its Finnish operations and acquired businesses from Dovre. In addition, NYAB is expected to achieve higher-than-industry return on capital (ROIC), despite being burdened by a high share of goodwill, and is supported by its capital-light business model and strong profitability.

Reflecting on the broader landscape, we acknowledge that while it can be difficult to enter the sector without significant references and resources, we assess that it is challenging to achieve sustainable competitive advantages in the sector. This is due to several reasons, e.g., 1) low differentiation and high competition, 2) project-based and cyclical nature, 3) regulatory and sustainability pressures, and 4) labor and supply chain constraints. However, while sustainable advantages are hard to achieve, we believe companies that embrace digitalization and asset-light models can gain an edge. Specializing in technical expertise, renewable energy solutions, or unique project management approaches can also create differentiation. Additionally, long-term partnerships with clients, a strong brand reputation, and efficient cost management can help maintain a competitive position even in a fragmented and cyclical industry. Hence, we believe that NYAB's strong focus on technically complex projects, its asset-light model that enables both scalability and ability to be selective, combined with efficient fixed cost management and long relationships with clients, creates a small competitive advantage compared to the broader industry.

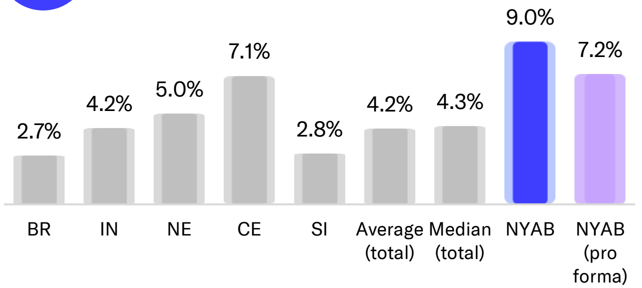
Average revenue growth, 5Y



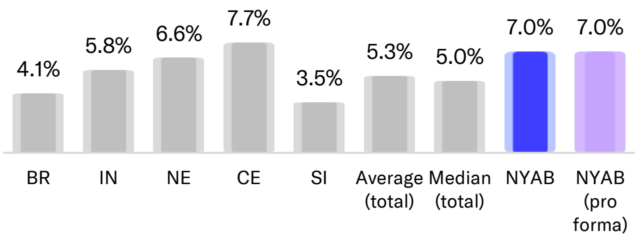
Estimated revenue growth (avg.), 2025-2027E



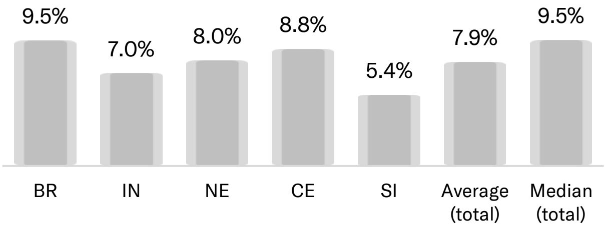
Average EBIT-%, 5Y



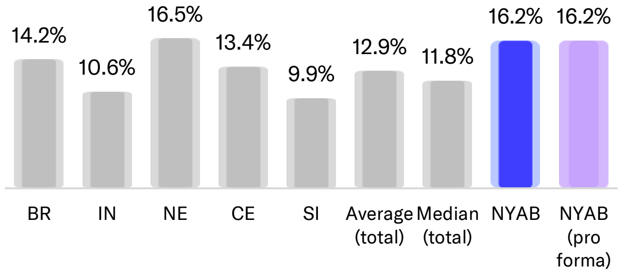
Estimated EBIT-% (avg.), 2025-2027E



Average ROIC-%, 5Y



Estimated ROIC-% (avg.), 2025-2027E



Sources: NYAB, Inderes

Historical development

Short history in current form, but roots from the 90's

NYAB assumed its current form in spring 2022 through the merger of Finnish Skarta Group and NYAB Sweden but has existed in other forms since the company was first founded in 1990 in Luleå, Sweden. During its first ~20 years, the company operated only on a small scale, with revenues ranges from 0.3 to 1.6 MEUR. From 2013, the company accelerated its revenue expansion and reached, through organic growth and selective M&A's, 30 MEUR in revenue in 2015.

NYAB Sweden has a track record of high growth

In the last 10 years (2015-2024), NYAB Sweden has grown profitably at a revenue CAGR of 27% (31% including reported figures following the merger with Skarta in 2022), with an EBIT margin ranging between 5% and 12%. NYAB Sweden's growth has primarily been organic but further boosted through a selection of small acquisitions. We estimate that a large majority (>85-90%) of the historical total growth has been organic. The organic growth of NYAB Sweden has been driven, e.g., by high demand and investments in special construction and infrastructure in Sweden, especially in the Northern areas like Norrbotten where NYAB has a strong presence. The growth has also been supported by business diversification into adjacent segments within the construction industry and geographical expansion.

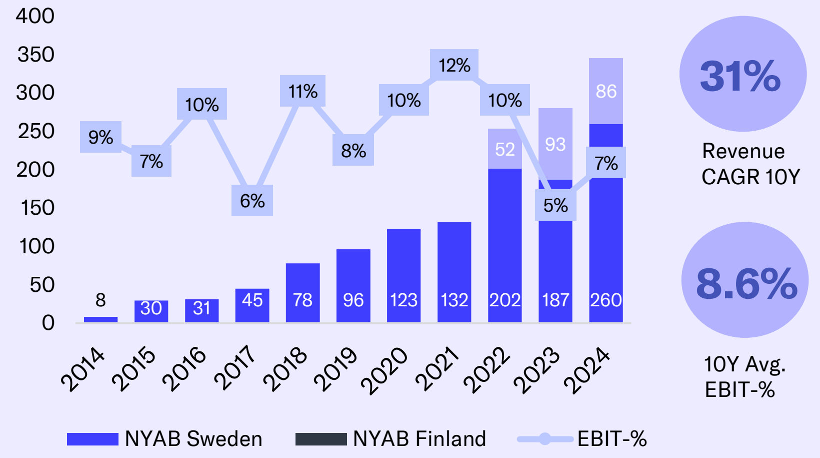
Pro forma revenue performance 2020-2024

Based on company data and our estimates, we have compiled pro forma figures that stretch back to 2020, to evaluate how NYAB, in its current form, has performed in its last five years, under the assumption that acquired businesses from Dovre and Skarta Group were a part of the Group between 2020-2024. As noted in the adjacent graph, the revenue CAGR stands at 15% with an average EBIT margin of 7.2%. However, as NYAB changed its accounting standard from FAS to IFRS during 2023, EBIT during 2020-2022 includes goodwill amortization which is only annually tested for impairment under IFRS. Hence, looking at the historical EBITDA margin for the last five years (pro forma), the corresponding figure stands at 8.5%.

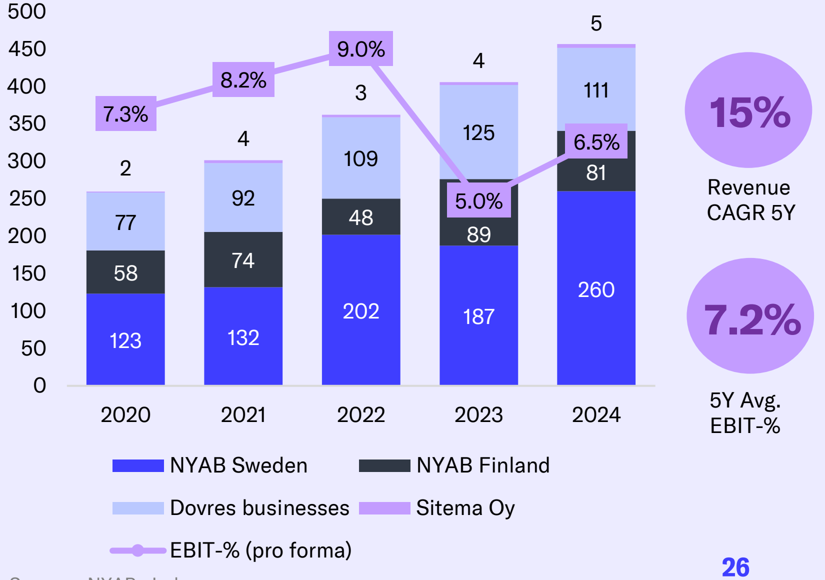
The notable drop in 2023 stems mainly from the tougher macroeconomic environment that occurred in light of high inflation and rising interest rates, which resulted in cost pressures and delays in order intake and revenue recognition in ongoing projects within the Civil Engineering segment (NYAB Sweden and Finland). Challenging weather conditions also made it more difficult to execute the projects. Simultaneously, the margin also contracted in the Consulting segment (Dovre's businesses and Sitema). The relatively modest rebound in 2024, despite easing inflationary pressures, is related to the Consulting segment, which experienced shrinking revenue. This was mainly due to a new Norwegian law that was introduced in 2023 aimed at tightening regulations on temporary hires to promote permanent employment and protect workers' rights. This had a negative effect primarily on the Project Personnel business as some clients opted to hire in-house staff rather than engage with external consultants.

Revenue and EBIT-%

2014-2024



NYAB revenue and EBIT-% (pro forma)



Sources: NYAB, Inderes

Financial position 1/2

Robust financial position

We have reviewed NYAB's balance sheet based on end-2024 figures, meaning that it excludes the impact of the acquisition of Dovre's businesses, which was completed in January 2025. However, given the size of the acquisition (~35 MEUR) and the type of operations acquired, we believe the current balance sheet gives a fairly good indication of the balance sheet structure of the Group going forward. Obviously, the debt position and goodwill will increase as Dovre's businesses are integrated to the financials.

No longer historical time series has accumulated yet on NYAB's balance sheet in its current form (both pre- and post-Dovre acquisition), hence we have closely studied the quarterly reports since 2022. In our view, the company's balance sheet ratios have been at good levels in recent years. The equity ratio has hovered between 63% and 78% since Q1'22 on quarterly basis, reflecting very healthy levels. The indebtedness indicator monitored by the company, net debt to EBITDA, has since 2022 averaged -0.1x, which is clearly below the company's relatively conservative target level (<1.5x). At the end of 2024, the figure stood at -0.6x, reflecting a low debt level relative to the cash position. In addition, NYAB's net gearing ratio has averaged a low -2% on a quarterly basis in 2023-2024 and stood at -8.6% by Q4'24. Thus, we consider the company's overall financial position to be at a healthy level.

The company's business model generates good cash flows, which enables combining dividends and investments with income financing. However, the cash flow shows seasonal variation, where NYAB's cash flows are typically stronger during Q4-Q1 as projects are completed and large installments are paid.

The asset-light business model enables the company to maintain a low level of maintenance CapEX (FY23-24 average: 1% of revenue), resulting in more of the generated operating cash flows being distributed for growth initiatives and dividends.

Capital-light balance sheet

At the end of 2024, the company's balance sheet total was 285 MEUR, where the single largest asset class was goodwill, amounting to 122 MEUR, which is mostly tied to NYAB's Finnish operations following the merger with Skarta in 2022. Considering the country's relatively sluggish performance in 2024, we believe there could be some write-down risk of goodwill if the unfavorable market conditions are prolonged.

Other intangible assets are minimal (under 0.1 MEUR) and due to NYAB's asset-light business model, tangible assets are also at a relatively low level of 14 MEUR, consisting mainly of machinery and equipment required for business operations. If including right-of-use assets, tangible assets stand at 18 MEUR in total.

Long-term investments amount to 18 MEUR, where the most significant part is the investment in the joint venture under which Skarta Energy operates.

Current assets consist mainly of receivables (82 MEUR) and cash (31 MEUR). Of the receivables, 55 MEUR consist of trade receivables and 22 MEUR of contract assets (especially project receivables), reflecting the strong growth of the business last year and the general seasonality towards the end of the year. In principle, we consider the company's assets to be liquid, and we don't believe that there are significant risks to the value of the assets on the balance sheet.

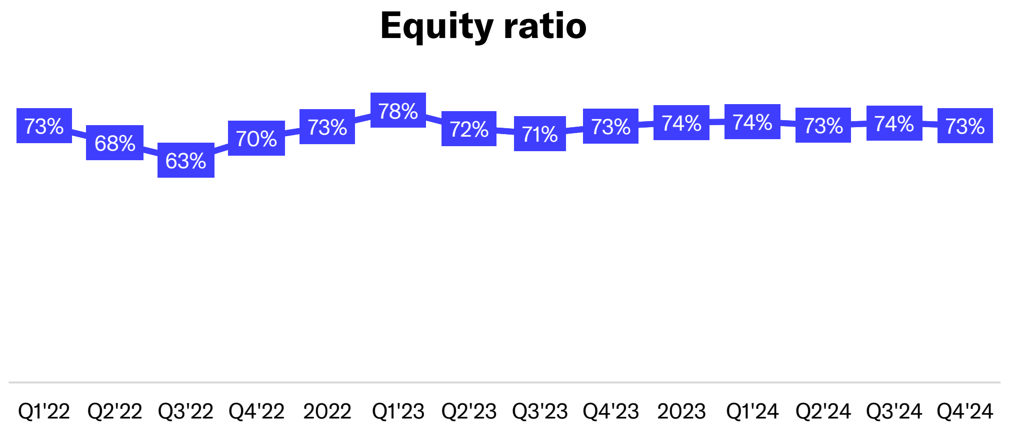
Balance sheet remains healthy despite recent M&A

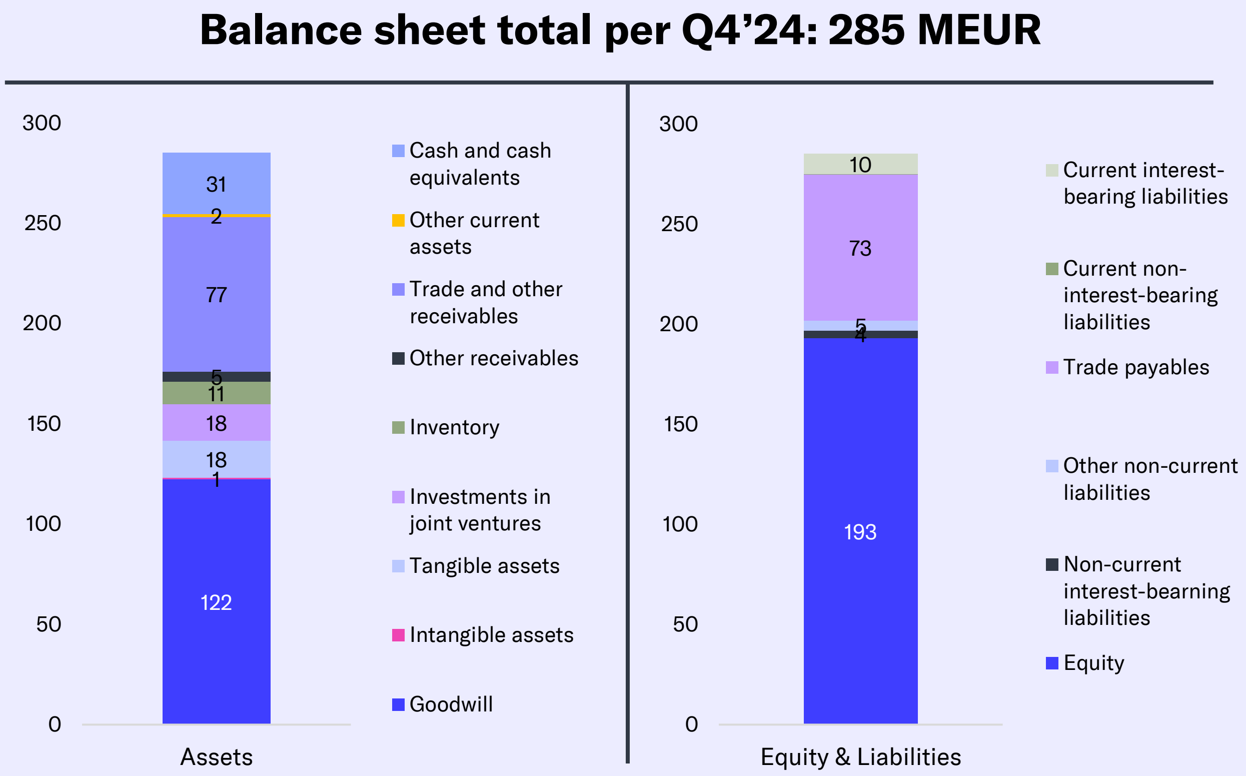
Equity on the balance sheet amounted to 193 MEUR at the end of 2024 and the company's equity ratio was very strong at ~73%.

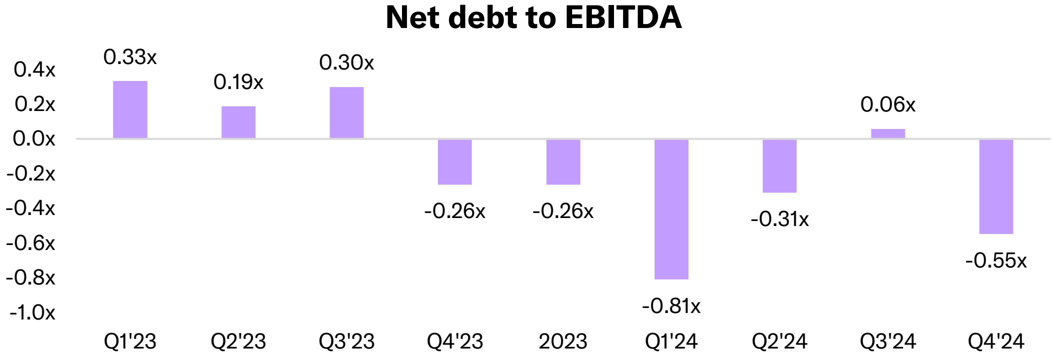
Interest-bearing debt on the balance sheet amounted to 14 MEUR, reflecting a net cash position of 17 MEUR at the end of 2024. Following the acquisition, NYAB will refinance its existing overdraft facility and term loan, alongside a bridge loan. The new credit facilities consist of a revolving credit facility of around 26 MEUR with a three-year maturity. The term loan amounts to 9 MEUR with a duration of three years. The bridge loan amounts to 20 MEUR and shall be repaid by the end of 2025. Hence, NYAB's debt levels will increase in the short term, and according to pro forma figures for 2024, the net debt/EBITDA amounts to 0.4x, reflecting a net debt position of 13.6 MEUR after the acquisition.

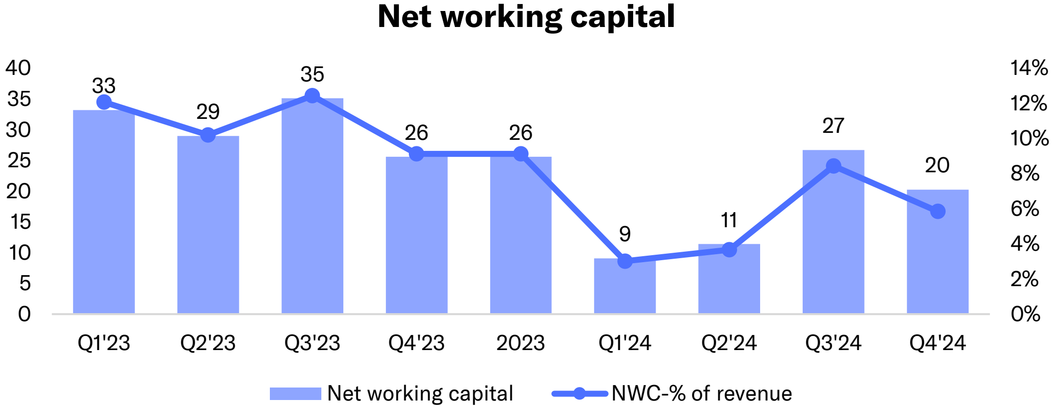
Additionally, the company had roughly 78 MEUR in non-interest-bearing liabilities. The majority of these consisted of trade payables (52 MEUR) and contract liabilities (21 MEUR), where the latter refers to projects' execution and often upfront payments and milestone billing from clients.

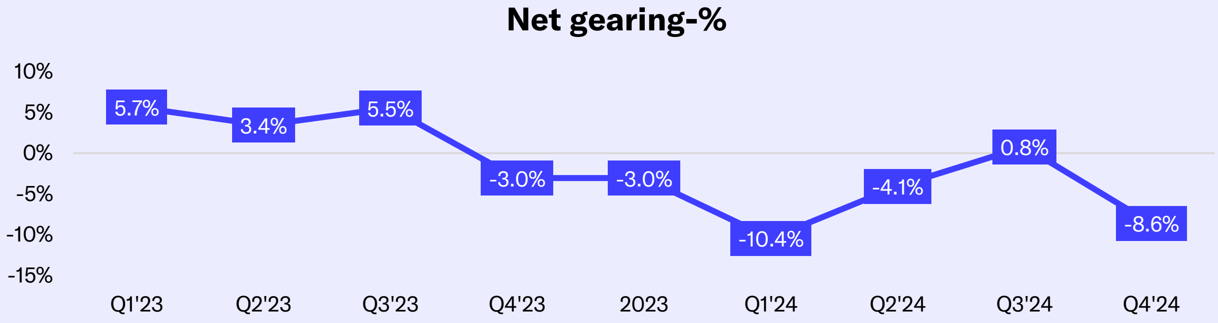
Financial position 2/2











Sources: NYAB, Inderes

Estimates 1/5

Basis of our estimates

We forecast NYAB's medium-term revenue development based on its current order backlog, market outlook, relative competitiveness, and proven track record. For the longer term, our assumptions are more closely aligned with broader market growth expectations. Profitability estimates are grounded in historical performance, the impact of recent acquisitions, and an assessment of the credibility of NYAB's financial targets. We model the revenue at segment level, in line with NYAB's newly announced reporting structure following the Dovre acquisition. Going forward, the company will report financials, including selected segment KPIs, for both the Civil Engineering and Consulting segments.

Regarding Skarta Energy, which is currently under strategic review, we believe it is likely that NYAB will divest its stake in the joint venture. As such, we place limited emphasis on Skarta Energy in our estimates and valuation and refer readers to the Initiation of coverage report for detailed estimates and valuation.

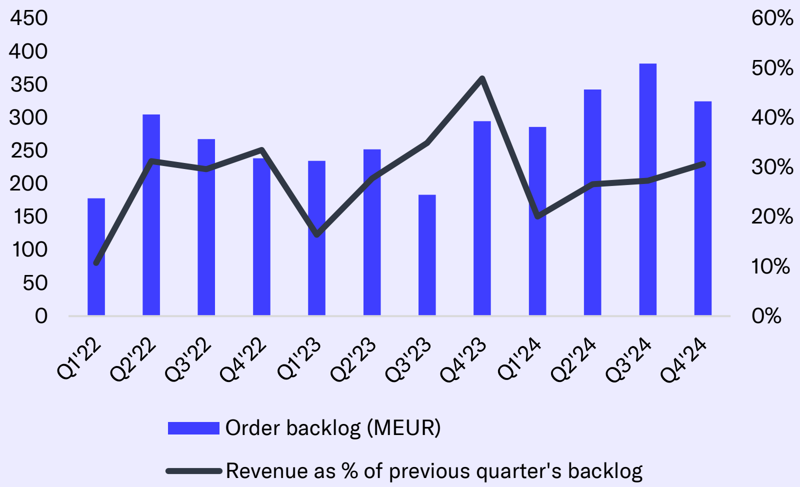
Economic growth outlook in target markets

The relevant Nordic economies for NYAB (Sweden, Finland, and Norway) are generally on a recovery path, though the pace and underlying dynamics vary by country. Sweden and Finland are emerging from periods of weak growth (2023-2024), with modest expansions expected in 2025 and 2026 (cf. the graphs on the next page). Norway, by contrast, has experienced relatively stronger growth and is expected to continue expanding steadily over the next two years, supported by real wage growth and increased non-oil investments. Inflation is generally easing in the Nordics but remains a small concern in Norway, where it continues to exceed the 2% target due to currency depreciation and persistent cost pressures. Interest rates in Sweden and the euro area (ECB) have been on a downward trajectory, while Norway has yet to begin rate cuts. Norges Bank is expected to initiate rate cuts in early 2025, although it is likely to proceed cautiously in light of persistent inflationary risks. Additionally, fiscal policy is expected to be mildly expansionary in Sweden and Norway, while Finland is anticipated to adopt a more restrictive stance in 2025-2026 to control rising public debt.

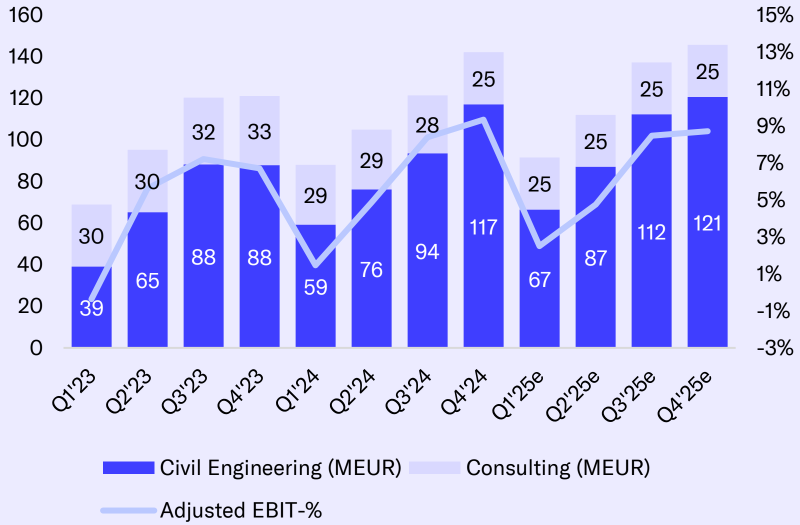
While there have been slight improvements in the construction confidence indicators in Sweden and Finland, the sentiment remains weak and is currently among the lowest in the EU.

Public and private investment, interest rates, inflation, GDP growth, and overall construction sentiment, are all important factors impacting the demand picture and the company's activity within its target markets. While NYAB focuses on less cyclical and even counter-cyclical sectors within construction, it is not fully insulated from broader economic challenges. The impact of high inflation and rising interest rates in 2023 led to margin pressure and periods of stalled investment activity across its markets. That said, we believe it is fair to say the worst inflationary pressures and the high interest rate levels are behind. While ongoing geopolitical uncertainty may introduce volatility, structural tailwinds in infrastructure and energy-related construction continue to provide resilience, helping mitigate the potential negative effects of a weaker macroeconomic backdrop.

Order backlog and revenue-%



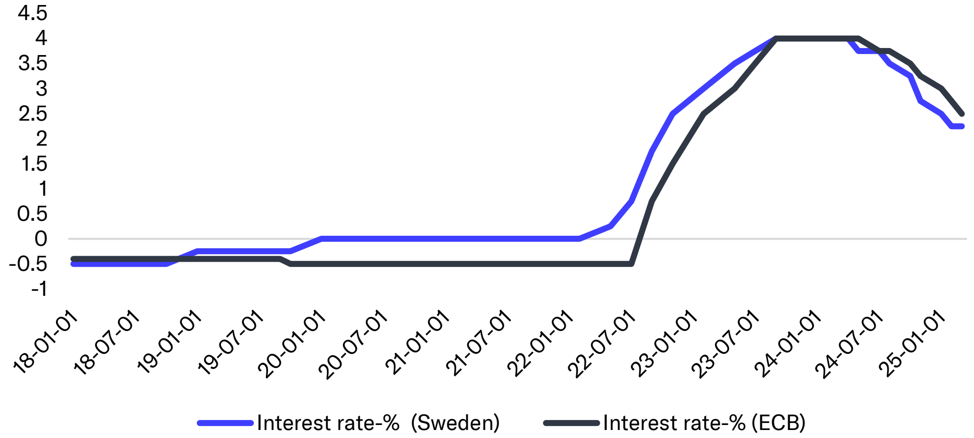
Quarterly revenue and EBIT-% development



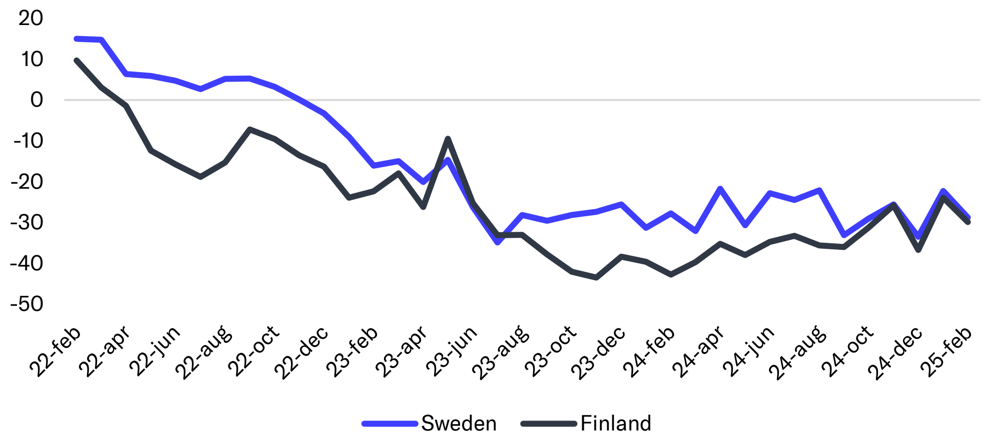
Sources: Inderes

Estimates 2/5

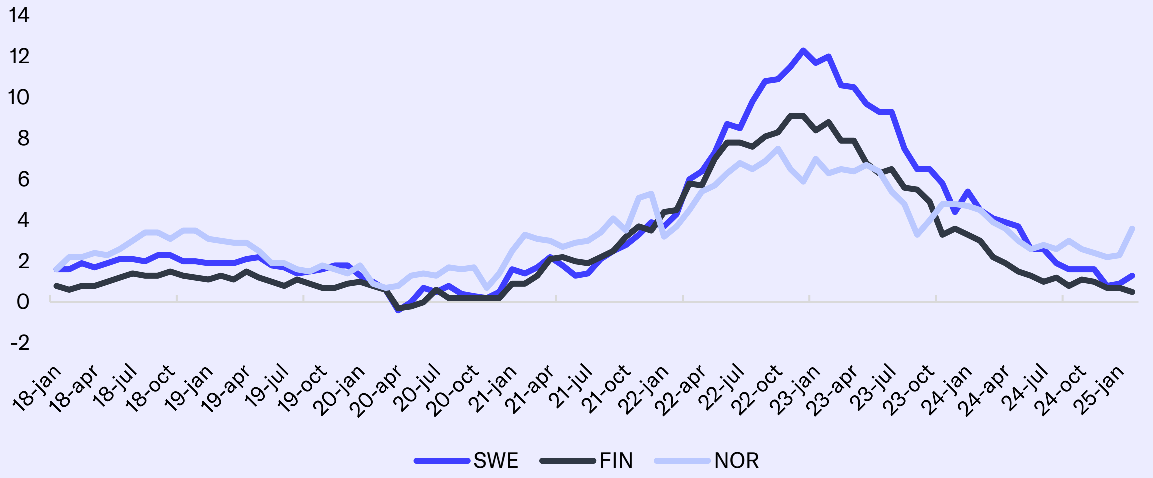
Interest rates are coming down…



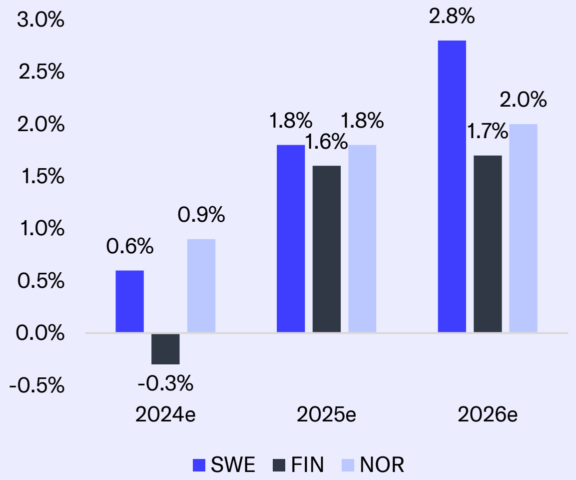
The construction confidence indicators remain low, but the trend is slightly positive in Finland



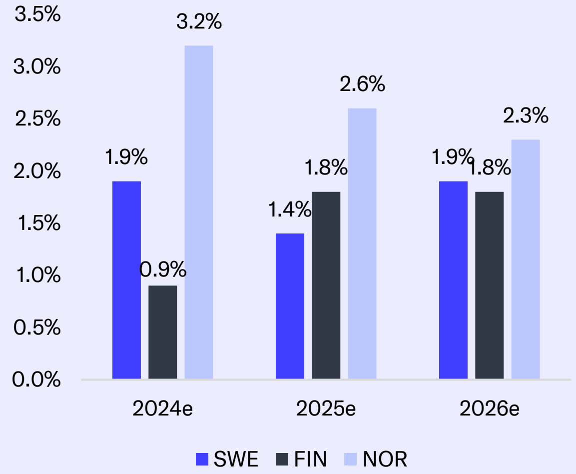
…and so is inflation



Projected GDP growth-%



Projected inflation rate-%



Sources:, OECD, Tradingeconomies, Swedish Riksbank, ECB

Estimates 3/5

Estimates for 2025

For the current year, we believe the market conditions for continued strong growth are in place, especially for the Swedish market, which remains robust. The Finnish market, by contrast, continues to show slowness, although there have been small signs of improved activity. That said, we expect growth in Finland to remain modest in the short term.

In Norway, the short-term growth outlook for Dovre's project personnel and consulting business (Consulting segment) remains uncertain. The legislative changes restricting temporary hires to promote permanent employment (implemented in Q2'23) have negatively impacted Dovre's businesses, with revenue declining by 12% in 2024.

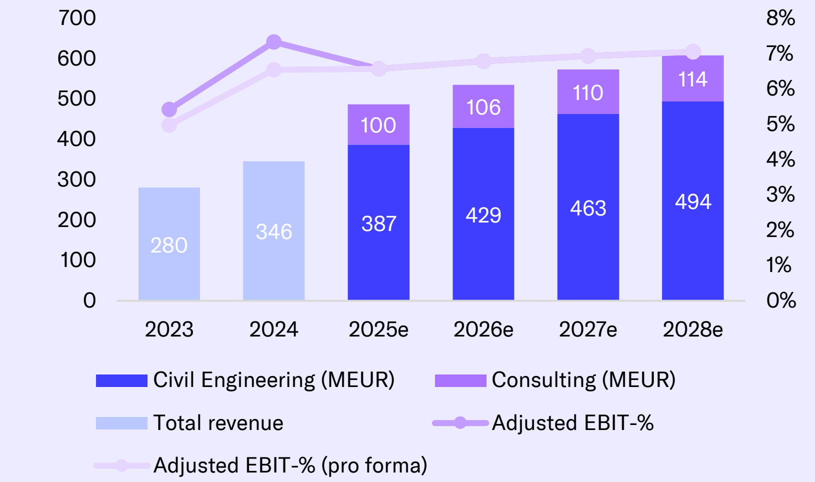
Within the Civil Engineering segment, we expect short-term growth to be supported by NYAB's order backlog, which remained at a high level at the end of 2024. Even though the historical data on the order backlog is limited, around 70-75% of the year-end order backlog has typically been realized in the following year (avg. 22-24: 72%). For 2025, this figure amounts to 242 MEUR (74%), implying that NYAB will need to secure new, significant projects during the year to maintain growth momentum.

Despite sluggish GDP growth in both Sweden and Finland, NYAB grew at a high pace in 2024 (24%), showcasing that the company's positioning in less cyclical and counter-cyclical market segments, as well as its disciplined, selective approach, supports solid growth despite lower economic growth. We believe that the market conditions will be more favorable in 2025 for securing new construction projects, especially in Sweden and within Civil Engineering, supported by lower inflation and interest rates as well as higher projected GDP growth and strong tender activity, which should support increased investments and strengthen the overall confidence within the construction industry.

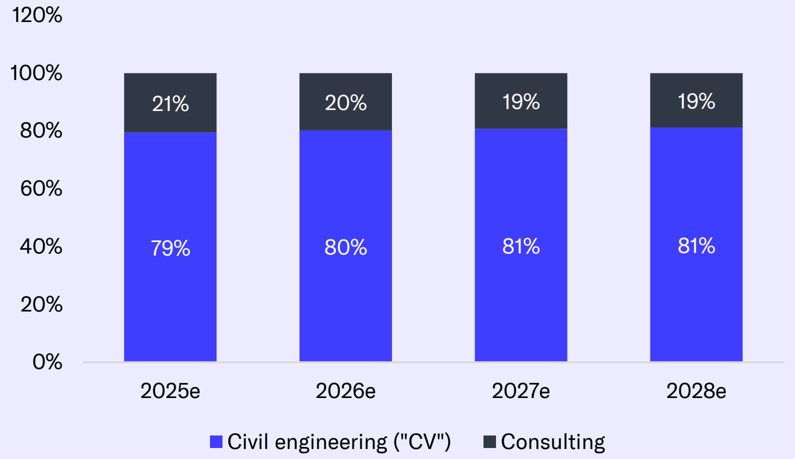
As such, we expect revenue to reach 487 MEUR, representing a 41% growth, where the Civil Engineering business is expected to grow organically by 12%, while we conservatively expect the Consulting segment to contract by 10% due to ongoing headwinds from Norway's implemented legalization regarding temporary hire, which remains the largest geographical market for the Consulting segment. Risks to our estimates include a potential deterioration in geopolitical conditions, higher-than-expected inflation, or a reversal in interest rate expectations from the Swedish Riksbank or ECB. Conversely, an upside risk to our short- and mid-term projections would be the awarding of Phase 2 of the Uppsala Tramway project, estimated at 5 BNSEK (~440 MEUR).

In terms of margins, 2024's geographical mix reflected favorable conditions in Sweden and persistent softness in Finland. We believe margins in Finnish operations remain well below the potential (5-7% EBIT margin in a normalized environment), while Swedish margins are in line with historical levels (8-10%). Based on our revenue mix estimates, we expect EBIT to amount to 31 MEUR, reflecting a marginally improved margin level to 6.6% (excluding the estimated one-off transactional cost of 1 MEUR in Q1-25) from 6.5% (adjusted) in 2024.

Revenue and profitability development



Business segment, share of revenue-%



Sources: Inderes

Estimates 4/5

At the bottom of the income statement, we anticipate that the result from associates will weigh on the 2025 results by approximately -0.8 MEUR. Financial expenses are expected to rise to 2.7 MEUR, above the H2-24 run rate of around 1.6 MEUR (noting that H1-24 included one-off costs related to re-listing), primarily due to increased debt following the Dovre acquisition. Regarding tax, we expect existing Group tax losses to slightly lower the effective tax rate over the coming years. As a result, we forecast earnings per share (EPS) of EUR 0.03 in 2025.

The strong estimated revenue growth is expected to result in a moderate working capital tie-up and we expect operating cash flow (26 MEUR) to be below the operating result. In light of low investment needs, free cash flow is expected to amount to around 21 MEUR. Going forward, we expect that a reasonable cash conversion ratio would be around 65-70%, enabling strong cash generation.

Reflecting the dividend policy, we expect the company to pay a dividend of EUR 0.012 per share on its earnings (FY24: EUR 0.010), which we forecast to correspond to a dividend payout ratio of 39%.

Estimates for 2026-2028

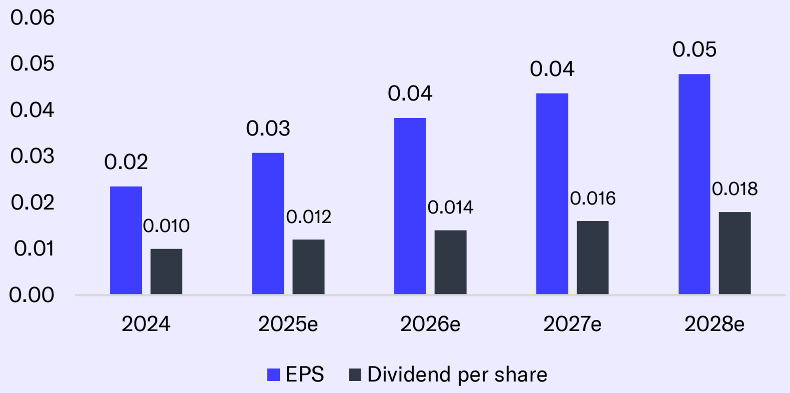
Over the medium term, we believe NYAB is well positioned to maintain strong growth, supported by effective project execution, robust tender momentum, continued green transition-related investments, and a more normalized macroeconomic environment (in terms of inflation and interest rates). Growth is also expected to be underpinned by the expansion of core operations in Norway, a strategic focus on larger-scale projects, and an increase in average project size. However, as NYAB continues to scale, we expect revenue growth to moderate from historically high levels.

For 2026, our revenue estimates stand at 535 MEUR, representing a 10% growth, with Civil Engineering expected to grow by 11% and the Consulting segment by 6%. For 2027 and 2028, we project revenue growth of 7% and 6%, respectively, with Civil Engineering expected to continue to outperform Consulting. We also expect the current geographical revenue mix to be relatively unchanged over time.

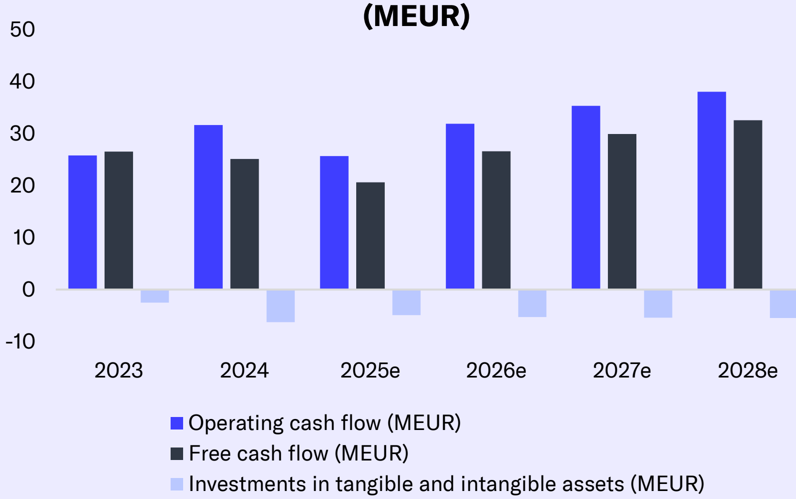
We expect revenue growth to yield modest scaling effects to profitability, where especially improved revenue in Finland and Norway is expected to contribute positively. While we do not forecast immediate, material synergies from the Dovre acquisition, NYAB's track record of maintaining above-industry margins and improving acquired businesses' profitability should support Group margin expansion over time in our view. As NYAB has already integrated the Finnish division following the merger with Skarta, we believe further margin improvements will largely depend on revenue growth. In the Consulting segment, we believe NYAB's operational discipline, particularly its focus on project selectiveness and cost efficiency, will support gradual margin improvement.

As a result, we forecast NYAB's EBIT to reach 36 MEUR in 2026 (6.8% margin) and rise to 43 MEUR in 2028, corresponding to a 7.1% EBIT margin. While this remains slightly below NYAB's 7.5% EBIT margin target, our assumptions are somewhat conservative, especially regarding the Finnish and Consulting segments. We will reassess once further visibility emerges on the sustainability and trajectory of profitability improvements in these areas.

EPS and dividend development



Operating cash flow, FCFF, and investments (MEUR)



Sources: Inderes

Estimates 5/5

Moving further down the income statement, we expect financial costs and the results of associates to remain at a stable level, but be lower than in 2025, due to expected debt repayments. We expect EPS to amount to EUR 0.04 in 2026 and reach EUR 0.05 in 2028.

In line with earnings growth, we also expect cash flow from operating activities to strengthen and reach 32-38 MEUR in 2026-2028. With low investment needs, we forecast free cash flow to be 27-33 MEUR, which will also allow the company to increase its profit distribution. We forecast dividends per share of EUR 0.014 in 2026, EUR 0.016 in 2027, and EUR 0.018 in 2028, corresponding to a payout ratio of approximately 37%.

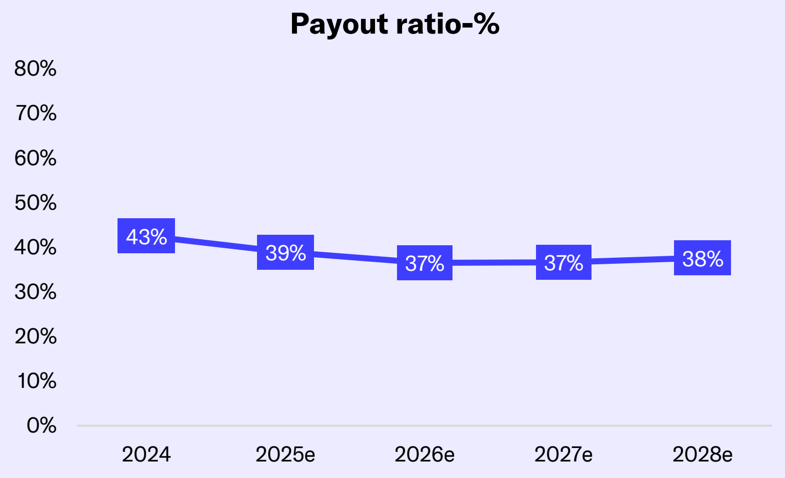
Long-term estimates

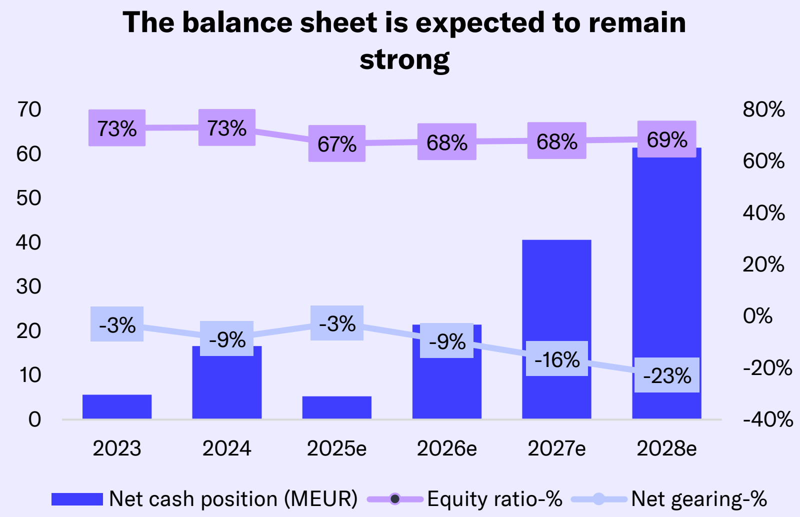
Over the long term, we expect the company's growth will benefit from large-scale Nordic infrastructure investments tied to the green transition, urbanization trends, and localized investments in energy security, infrastructure, and domestic manufacturing. In our view, NYAB is well-positioned to grow faster than the broader industry for several more years. We believe this will be enabled by its relatively smaller size compared to more established players in the industry coupled with its strong presence in the Northern parts of Sweden (Norrbotten) where substantial investments are planned. However, the strong growth prospects in underlying markets are expected to tighten the competitive situation in the longer term.

Between 2029 and 2034, we forecast a gradual slowdown in top-line growth, from 4.5% in 2029 to 2.0% by 2034, which we use as our terminal growth rate. While we expect some margin compression due to heightened competition, we still expect NYAB to maintain EBIT margins slightly above the industry average and within a 6.0-6.5% range during 2029–2034.

The balance sheet will stay solid

NYAB's balance sheet is in a good shape, with a net cash position of 17 MEUR by the end of 2024. While debt levels have increased following the Dovre acquisition, we expected NYAB to retain a net cash position through the end of 2025 and beyond. The equity ratio is expected to remain close to 70%, well above the 50% required from its financial covenants, and net gearing is expected to remain clearly negative. As such, we believe NYAB's solid balance sheet allows the company to pay a more generous dividend, supported by its strong cash flow and low debt level. However, we will continue to monitor the company's decisions before raising our dividend forecasts.





Sources: Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	**280**	**59.2**	**76.1**	**93.6**	**117**	**346**	**91.6**	**112**	**137**	**146**	**487**	**535**	**573**	**608**
Civil Engineering	0.0	0.0	0.0	0.0	0.0	0.0	66.5	87.1	112	121	387	429	463	494
Consulting	0.0	0.0	0.0	0.0	0.0	0.0	25.0	25.0	25.0	25.0	100.0	106	110	114
EBITDA	**21.4**	**1.7**	**4.9**	**10.1**	**13.6**	**30.3**	**2.9**	**6.9**	**13.2**	**14.3**	**37.2**	**41.6**	**45.1**	**48.4**
Depreciation	-6.2	-1.4	-1.1	-1.2	-1.3	-5.0	-1.6	-1.6	-1.6	-1.6	-6.2	-5.3	-5.4	-5.5
EBIT (excl. NRI)	**17.8**	**0.9**	**3.9**	**9.0**	**12.5**	**26.4**	**2.7**	**5.7**	**12.0**	**13.1**	**33.6**	**37.7**	**40.9**	**44.1**
EBIT	**15.2**	**0.4**	**3.8**	**8.9**	**12.3**	**25.4**	**1.3**	**5.3**	**11.6**	**12.7**	**31.0**	**36.3**	**39.7**	**42.9**
Civil Engineering	0.0	0.0	0.0	0.0	0.0	0.0	0.9	4.4	10.7	11.8	27.9	32.3	35.4	38.1
Consulting	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.9	0.9	0.9	3.1	4.0	4.3	4.8
Share of profits in assoc. compan.	-1.8	0.1	-0.3	-0.2	-0.4	-0.8	-0.2	-0.2	-0.2	-0.2	-0.8	-0.3	0.4	0.3
Net financial items	-2.7	-1.0	-1.9	-0.6	-0.2	-3.7	-0.7	-0.7	-0.7	-0.7	-2.7	-2.0	-1.5	-0.9
PTP	**10.7**	**-0.5**	**1.5**	**8.1**	**11.7**	**20.9**	**0.4**	**4.5**	**10.7**	**11.8**	**27.5**	**34.0**	**38.6**	**42.3**
Taxes	-1.6	-0.1	-0.1	-1.4	-2.4	-4.1	-0.1	-0.9	-2.2	-2.4	-5.5	-6.7	-7.4	-8.2
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	**9.0**	**-0.6**	**1.4**	**6.7**	**9.3**	**16.8**	**0.3**	**3.6**	**8.6**	**9.4**	**22.0**	**27.3**	**31.1**	**34.1**
EPS (adj.)	**0.02**	**0.00**	**0.00**	**0.01**	**0.01**	**0.03**	**0.00**	**0.01**	**0.01**	**0.01**	**0.03**	**0.04**	**0.05**	**0.05**
EPS (rep.)	**0.01**	**0.00**	**0.00**	**0.01**	**0.01**	**0.02**	**0.00**	**0.01**	**0.01**	**0.01**	**0.03**	**0.04**	**0.04**	**0.05**

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	10.7 %	51.1 %	16.5 %	6.2 %	33.3 %	23.4 %	54.7 %	47.3 %	46.8 %	24.4 %	40.7 %	9.9 %	7.1 %	6.2 %
Adjusted EBIT growth-%	-34.5 %	-157.8 %	-13.9 %	26.6 %	63.6 %	48.0 %	205.0 %	46.3 %	33.2 %	4.8 %	27.4 %	12.2 %	8.5 %	7.8 %
EBITDA-%	7.6 %	2.9 %	6.4 %	10.8 %	11.6 %	8.8 %	3.1 %	6.2 %	9.6 %	9.8 %	7.6 %	7.8 %	7.9 %	7.9 %
Adjusted EBIT-%	6.4 %	1.5 %	5.2 %	9.7 %	10.7 %	7.6 %	3.0 %	5.1 %	8.8 %	9.0 %	6.9 %	7.1 %	7.1 %	7.2 %
Net earnings-%	3.2 %	-1.1 %	1.9 %	7.2 %	7.9 %	4.8 %	0.4 %	3.2 %	6.2 %	6.5 %	4.5 %	5.1 %	5.4 %	5.6 %

Source: Inderes

Estimate revisions MEUR / EUR	2024 Inderes	2024e Actualized	Change %	2025e Old	2025e New	Change %	2026e Old	2026e New	Change %
Revenue	346	346	0%	487	487	0%	532	535	1%
EBITDA	30.3	30.3	0%	36.7	37.2	1%	40.2	41.6	3%
EBIT (exc. NRIs)	26.4	26.4	0%	33.1	33.6	2%	36.4	37.7	4%
EBIT	25.4	25.4	0%	30.5	31.0	2%	35.0	36.3	4%
PTP	20.9	20.9	0%	26.9	27.5	2%	32.7	34.0	4%
EPS (excl. NRIs)	0.03	0.03	0%	0.03	0.03	2%	0.04	0.04	4%
DPS	0.010	0.010	0%	0.012	0.012	0%	0.014	0.014	0%

Investment profile

1. Market trends such as green transition, de-globalization and urbanization provide a strong foundation for long-term growth
2. Capital-light business model enhances financial flexibility and enables strong cash conversion
3. Market positioning supports industry-leading revenue growth and profitability
4. Focus on more stable areas of construction, high share of public revenue, and selective project approach keeps operational risks down
5. Pricing model is generally on fixed terms, so successful project planning and project delivery is key

Potential

- Secular market trends fuel high investments, laying a strong foundation for growth
- The recent acquisition of Dovre's business unlocks the Norwegian construction market
- Profitability improvements in the Consulting segment and the Finnish division
- Possible M&As to accelerate growth and complement service offering

Risks

- Slowdown in economic growth, higher interest rates and inflation could result in margin pressures and postponements or cancellation of projects on a larger scale
- The promising prospects within target markets and NYAB's above-industry margins are likely to elevate competition
- Prolonged slowness in the Finnish market and failure to realize meaningful synergies from Dovre's businesses
- Failures with M&As

Valuation 1/5

Investment profile

For several years, NYAB has demonstrated robust growth and above-market profitability, and we expect these trends to continue. This performance has been achieved with a lower risk profile, supported by a disciplined project selection process, a strategic focus on more stable segments within the construction market (excluding residential construction), and a significant share of revenue from public sector clients, who typically invest counter-cyclically.

Despite this solid track record and differentiated business approach, NYAB is currently trading at earnings multiples in line with traditional construction firms, which we believe undervalues the company. While NYAB, to a large extent, participates in similar construction projects as traditional construction providers such as NCC and PEAB, there are fundamental differences in their business models. NYAB concentrates on the most value-accretive parts of the project lifecycle and outsources most of the physical construction work. This approach enables higher margins, a capital-light balance sheet, and greater financial resilience and scalability.

Reflecting on this, as well as NYAB's strong track record, we believe NYAB deserves a premium valuation relative to traditional construction peers, indicating an attractive upside in current valuation multiples. We estimate fair value in the range of SEK 5.7-7.8 per share, based on the acceptable valuation multiples we apply, a sum-of-the-parts analysis, peer valuation, and a discounted cash flow model. In this update, we reiterate our Buy recommendation and raise our target price to SEK 7.0 (previously SEK 6.8)

Valuation methods

We approach the valuation of NYAB using absolute valuation multiple, relative valuation, and a sum-of-the parts calculation. In addition to these, we use a total expected return calculation for the coming years and DCF, to support the valuation. As noted previously in the report, we do not place a high emphasis on Skarta Energy in the valuation section and refer to our valuation model in the Initiation of coverage report.

We believe that NYAB should be priced as a profitable growth company, primarily on earnings-based multiples, where we prefer EV-based multiples such as EV/EBIT and EV/EBITDA, but we also look at the P/E ratio. We will evaluate these multiples in absolute terms but also relative to peers. Although NYAB Sweden has a long operational history, the current Group structure is relatively new. Therefore, we place greater weight on short- and medium-term earnings multiples. The DCF model serves as a supplementary tool but carries limited weight in our valuation due to NYAB's short track record in its current form. In addition, the model does not fully reflect the long-term potential of Skarta Energy but rather serves as a tool for valuing existing businesses.

Given the company's good cash profile, we see the dividend yield as an additional component supporting earnings expectations as the company pursues its growth strategy.

Factors influencing the valuation in the short and medium term

(Inderes' assessment)

- ↑ NYAB Sweden's strong track record of above-market growth and higher profitability
- ↑ Good and relatively stable long-term investment prospects in the market (incl. the company's strong market position in the Norrbotten region)
- ↑ We estimate that the company has a good cash flow profile due to low investment needs
- ↑ Skarta Energy's potential success in renewable energy project development and portfolio growth

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- ↓ Lack of strong competitive advantages in the sector and partly price-driven competition
- ↓ In a personnel-driven business, the potential for scaling up is limited
- ↓ Profitability challenges of the Finnish business in recent years
- ↓ Integration of the lower-margin project personnel business

Sources: Inderes

Valuation 2/5

Peer group and acceptable valuation

Given NYAB's unique business model within the broader construction industry, in combination with its recent acquisition of Dovre's businesses, it is difficult to identify directly comparable listed peers for NYAB. Thus, we have assembled a very broad peer group, consisting of various sub-groups: **Broad Legacy** (traditional construction providers), **Construction Engineers**, **Installation** and **Niche** providers, as well as **Staffing & Industrial engineers**. Naturally, these groups differ in terms of business models, focus areas, service scope, company size, and geographic exposure. However, by including a broad selection of companies and placing greater emphasis on the sub-groups most relevant to NYAB, we believe this approach provides a well-rounded and reasonable view of the company's valuation landscape.

The peer group's median EV/EBIT and P/E multiples for 2025 and 2026 are 11x/10x and 13x/11x, respectively. These multiples are slightly below the 10-year historical average median multiples (on a next twelve-month basis) of 12x (EV/EBIT) and 14x (P/E). Considering the higher interest rate levels and weaker construction cycle compared to most of the historical period (cf. zero interest period), we think the current valuation picture for the peer group is justified.

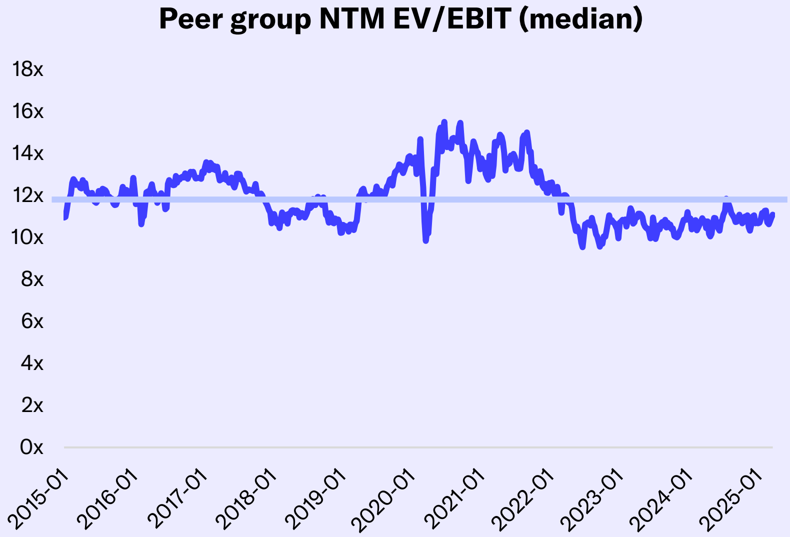
Looking closer at the identified sub-groups, we see that the Construction Engineering and Installation peer groups have historically been priced at higher valuation levels (EV/EBIT & P/E 10y-avg: ~14x & 16x). In contrast, the Broad Legacy and Staffing & Industrial Engineering peer groups have been priced at the lower end of the total peer group (EV/EBIT & P/E 10y-avg: ~10-11x & 12x).

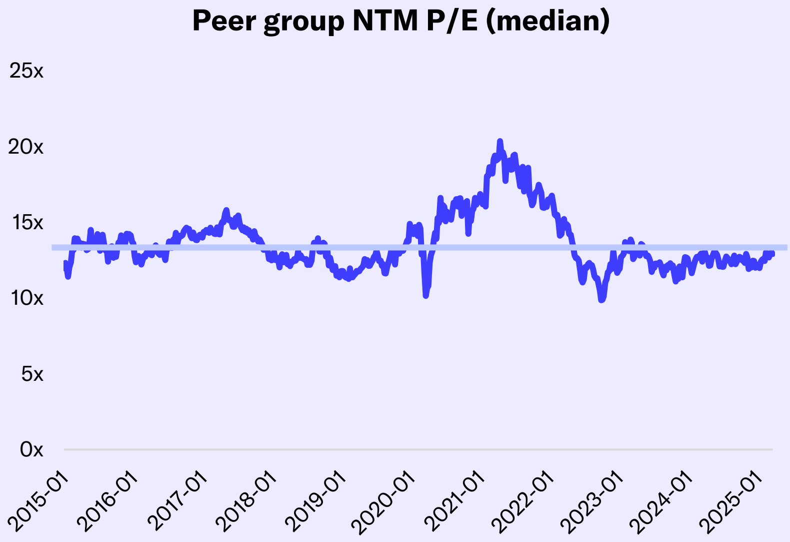
As mentioned, NYAB, in its current form, has a rather short track record. However, regardless if we evaluate NYAB based on reported figures or our compiled pro forma figures, the company has outperformed the peer group over the past five years based on growth, profitability and return on invested capital (cf. Industry and competitive field section).

We expect this outperformance to continue in the explicit forecast period (2025-2027). In addition, NYAB held a net cash position in 2024, contrary to most peers, who generally operate with significant net debt. We also expect NYAB to maintain this net cash position through the explicit forecast horizon and beyond. While one could argue that such a strong balance sheet may not be optimal from a capital efficiency standpoint, and that introducing modest leverage could enhance returns, the current capital structure offers greater financial resilience in the face of potential economic downturns or sector-specific challenges.

From a risk perspective, we also believe that NYAB's focus on less cyclical markets than many of its peers, especially those in the Broad Legacy group that are more exposed to non-residential or cyclical private construction, lowers the risks related to the company's cash flows.

Based on our estimates, NYAB's Civil Engineering segment is expected to account for around 90% of the Group's earnings going forward. More importantly, the Swedish division is estimated to contribute to the vast majority (~80%), driven by its larger revenue base and higher profitability. In contrast, the Finnish division, which currently faces market headwinds, and has a less favorable business profile, results in lower earnings contribution.





Sources: Bloomberg, Inderes

Valuation 3/5

Considering this, we believe it is justified to place a rather high emphasis on NYAB Sweden's track record when evaluating the acceptable valuation range for the time being. As such, we believe NYAB's acceptable valuation range, in its current form, is around 11x-15x at EV/EBIT and 12x-16x at P/E.

Based on stronger-than-industry growth that we expect NYAB to achieve in coming years, its strong balance sheet that, and solid profitability outlook, we believe it is justified to value NYAB, in the short term, toward the midpoint to upper end of our acceptable valuation range. We don't think it is justified for NYAB to be valued at the top of our acceptable valuation at this time because of, for example, the continued subdued outlook in Finland and potential integration risks accompanied by the recent acquisition of Dovre's businesses.

It is important to note that our valuation assumptions are contingent on NYAB continuing to deliver faster growth and higher profitability than the broader industry. Any material underperformance in these areas would lead us to reassess and likely compress our acceptable valuation range to align closer to the peer group's median. Conversely, clear progress in improving the profitability of the Finnish operations and the acquired Dovre businesses represent positive drivers for the acceptable valuation going forward.

Absolute valuation

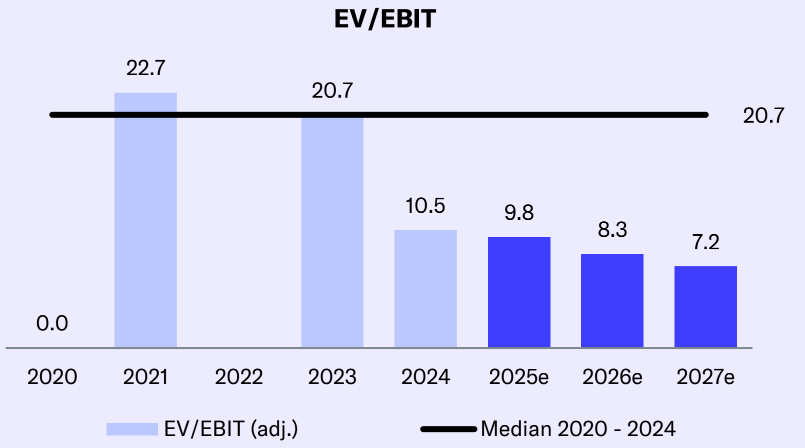
Based on our current estimates, NYAB trades at an adjusted EV/EBIT multiple of 10x for 2025, while the corresponding adjusted P/E multiple stands at 14x. Thus, looking this year, we believe the current earnings-based valuation levels leaves an attractive upside potential in the stock.

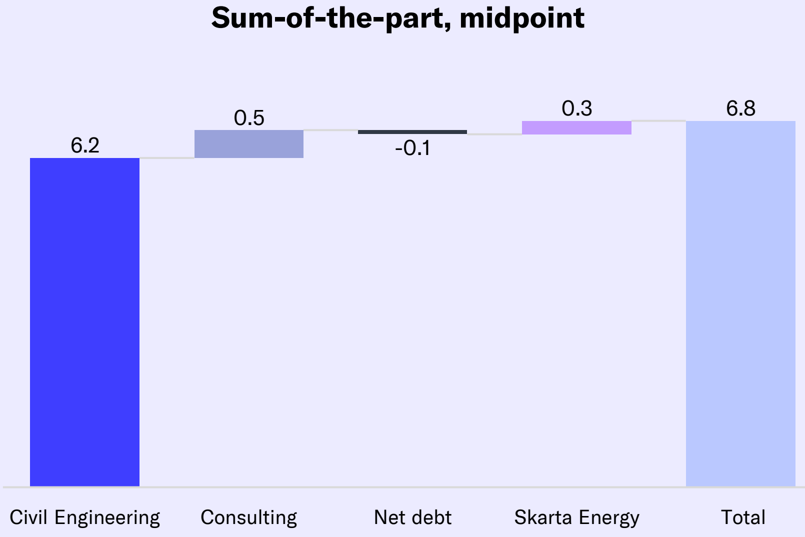
Widening the time lens, we draw the same conclusions, with NYAB trading at EV/EBIT multiples of 8-7x for 2026-2027, and a P/E ratio of 12-11x during the same period. Therefore, if NYAB develops as we expect going forward, we believe the stock will continue trading at attractive multiples.

Sum-of-the-part calculation

While Skarta Energy is currently under strategic review, it remains a meaningful asset on NYAB's balance sheet and is not fully reflected in a traditional earnings-based valuation. Additionally, given the operational and margin profile differences between NYAB's Civil Engineering and Consulting segments, we believe a sum-of-the-part valuation brings good value to the overall valuation picture of NYAB.

Overall, we believe that a justified EV/EBIT multiple for the Civil Engineering segment to be within the range of 13-16x, reflecting the heavy contribution from the Swedish division and NYAB Sweden's track record of high growth and stronger-than-industry profitability. For the Consulting segment, we place greater emphasis on the median valuation levels of the Staffing & Industrial Consulting and Construction Engineering peer groups, assigning extra weight to the former, given its closer alignment with NYAB's business model and margin profile. For this segment, we think a justified EV/EBIT multiple to be around 10-12x. Reflecting on this, while taking the estimated net debt position for 2025 and adding our estimated valuation of NYAB's share in Skarta Energy (~17 MEUR), our sum-of-the-part analysis yields an indicative value per share in the range of SEK 6.2-7.5.





Sources: Inderes

Valuation 4/5

Total expected return in the coming years

To complement our valuation analysis, we've evaluated NYAB's expected total return over the coming years, based on a simplified assumption of valuation multiples and our 2027 earnings estimates. In our view, NYAB's businesses could be valued at 12x-14x EV/EBIT and around 13x-15x P/E at the end of 2027, based on our current estimates. The multiples would represent a small premium to current and historical peer group medians, on an EV/EBIT basis, and pricing would therefore naturally require the company to maintain profitability well above the industry average with no major changes in the company's growth outlook.

Based on this and our current estimates, we believe that NYAB could be valued at roughly SEK 7.2-8.3 per share at the end of 2027 (with the current EUR/SEK rate). At the current share price of SEK 5.32, the expected average annual return would be around 14%, and, in addition, we expect investors to receive an annual dividend yield of around 3%. The average annual expected total return is therefore well above the 9.4% cost of equity we use (WACC: 8.4%). However, the calculation doesn't take NYAB's share in Skarta Energy into account, which is why the total expected return only serves as a supporting element for the valuation.

However, given the uncertainty surrounding Skarta Energy's long-term potential, we believe it's prudent to base medium-term return expectations primarily on NYAB's established operations. Overall, we believe that the expected return over the next few years indicate a very attractive opportunity to jump on board a company with industry-leading growth and profitability, positioned to benefit from several structural market drivers related to the green transition, urbanization, and de-globalization, which will necessitate sustained and an increasing level of investment for the foreseeable future.

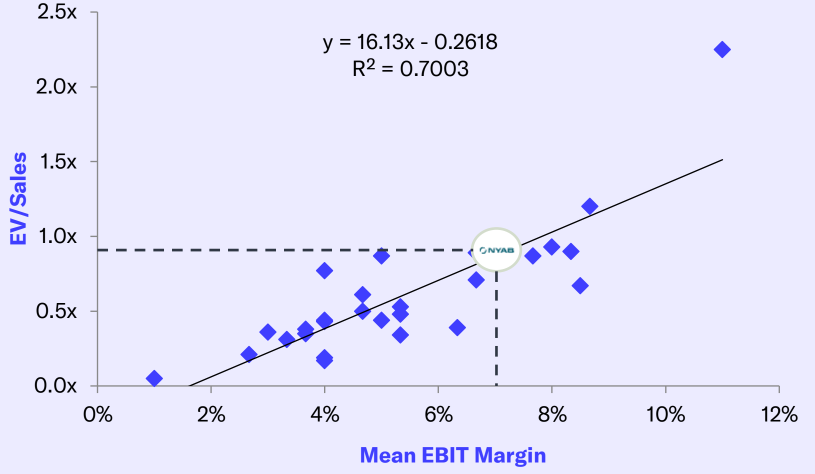
Regression analysis

To provide further context to the valuation of NYAB, we have performed a regression analysis based on the peers' average EBIT margin for the years 2025-2027 to estimate a statistically supported EV/S multiple for NYAB in 2025. Using all peers, the regression model suggests NYAB to trade at a forward EV/S multiple of 0.9x, equivalent to a share price of SEK 6.3. However, it is important to note that the regression analysis exclusively considers the EBIT margin, which, in this case, serves as a gauge of the companies' ability to generate cash flow. While operating margin is the primarily driver of the EV/S multiple, the regression analysis does not consider other critical aspects such as growth, risk, and capital commitment. Furthermore, the correlation shows a R-squared value (R2) of 0.70, which ultimately means that 70% of the variance in the dependent variable (EV/S) can be explained by the independent variable in this equation (EBIT margin).

As we view NYAB to be more of a hybrid of the BR, CE, and SI peer groups, we have also looked at the statistically justified EV/S multiple by narrowing the input data to these peer group in the regression analysis. Based on these findings, NYAB should be valued at a forward EV/S multiple of 1x for 2025, equivalent to a share price of SEK 7.0.

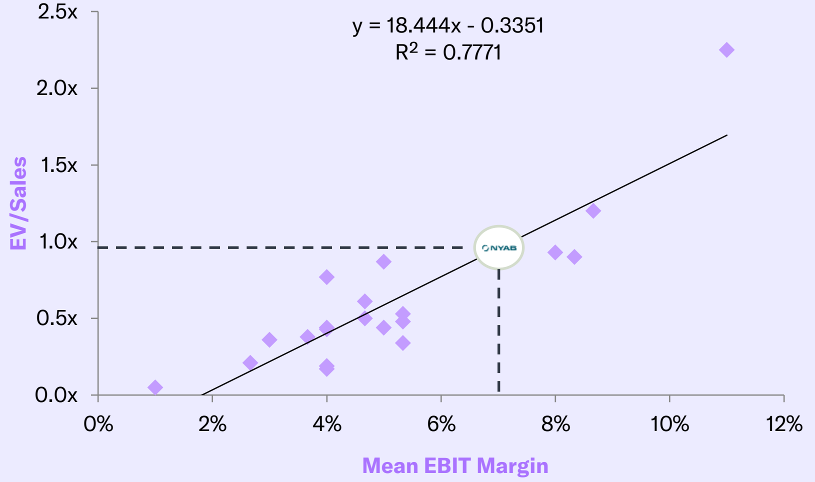
EV/S vs mean EBIT margin 2025-2027

All peers



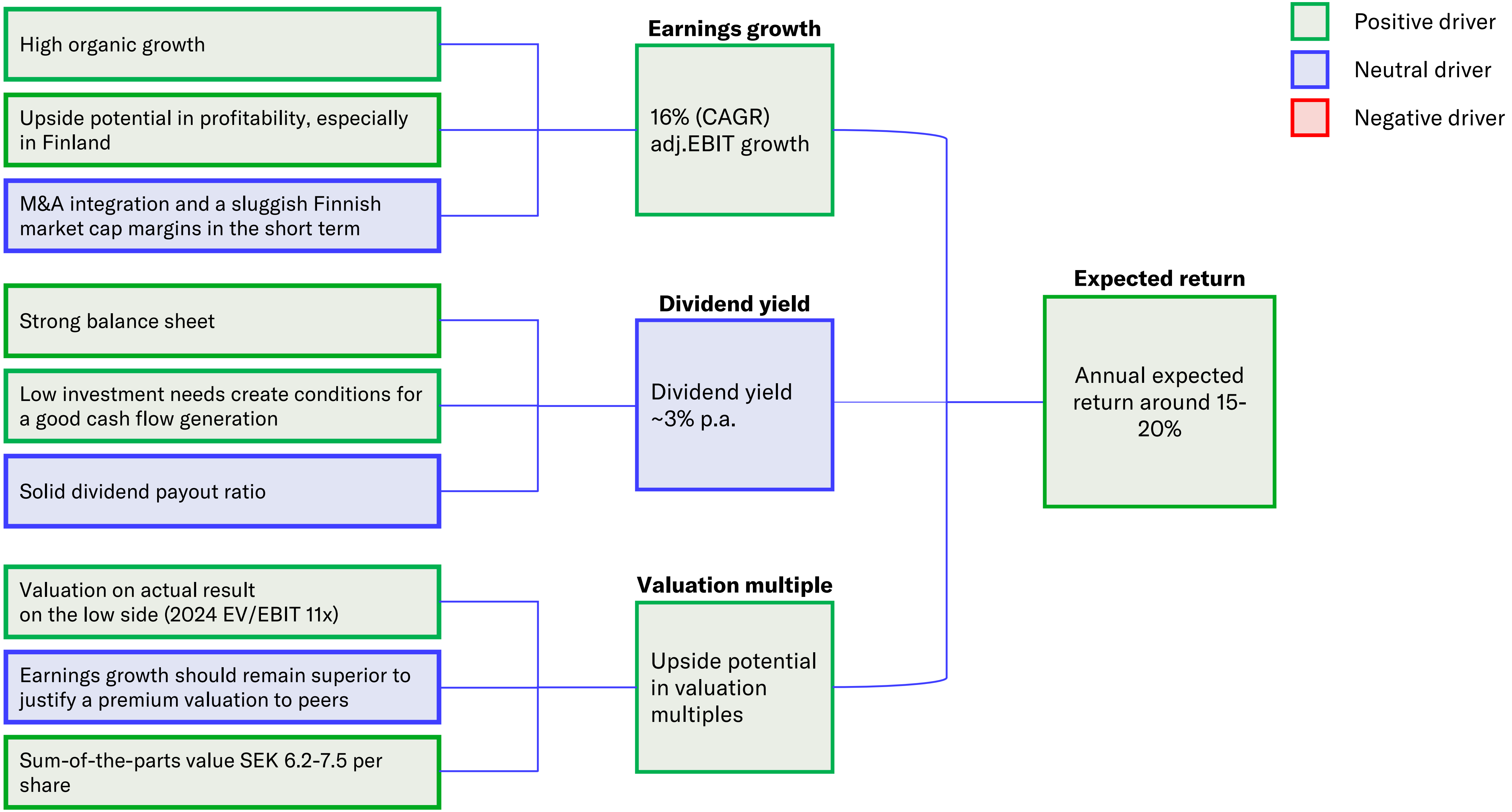
EV/S vs mean EBIT margin 2025-2027

Peer groups: BR, CE and SI



Sources: Inderes

Total shareholder return drivers



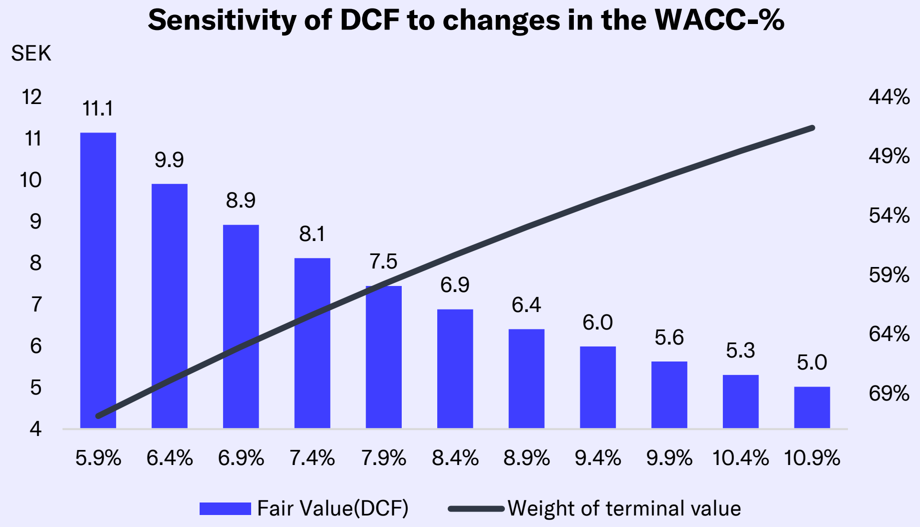
Valuation 5/5

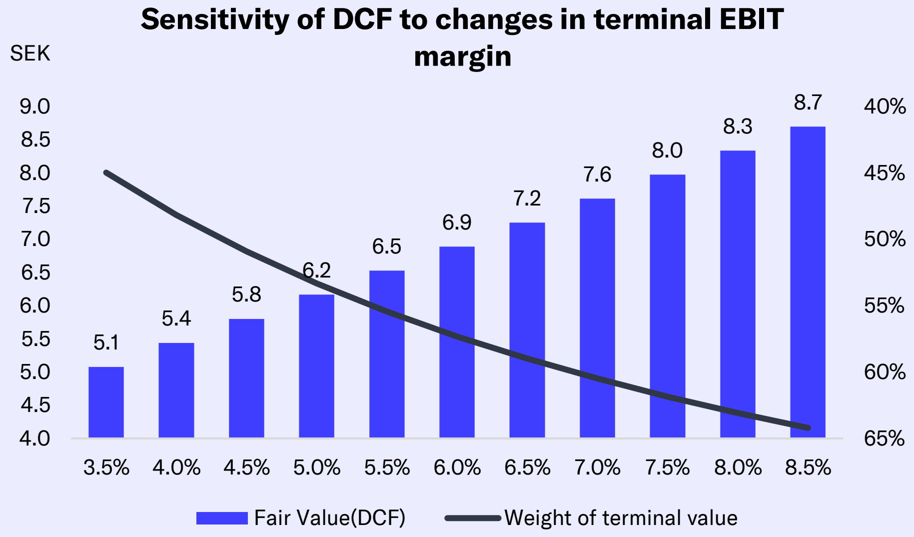
Cash flow-based valuation

As mentioned, we give a partial weight to the DCF model in the valuation of NYAB. However, as NYAB accumulates additional time series of financial data, we will place a higher weight on the DCF in the overall valuation over time. As previously noted, the model doesn't fully take the long-term potential of Skarta Energy (~est. 17 MEUR) into account. Nevertheless, we see that the model does provide support for the other methods we use.

As outlined in our medium-term estimates, we project strong revenue growth during 2025–2027 (total CAGR: 18%, organic CAGR: 8%), coupled with gradual margin expansion. Looking further ahead (2028–2033), we forecast that growth will gradually slow to an average of 4% per year as NYAB matures. Concurrently, we assume some EBIT margin compression, reflecting rising competition, ultimately stabilizing at 6% in the terminal period, where we also apply a terminal growth rate of 2%. In the DCF model, we have set the WACC at 8.4% and the cost of equity at 9.4%. In our view, the required return is at a reasonable level considering the current interest rate level, size of the company, seasonal and cyclical nature of the overall construction industry as well as overall the risk profile of NYAB's business.

Our DCF model indicates a value of SEK 6.9 per share, which is clearly above the current share price and supports our valuation. We note that DCF model is quite sensitive to the long-term profitability assumption of NYAB and the required rate of return used, as illustrated by figures below.



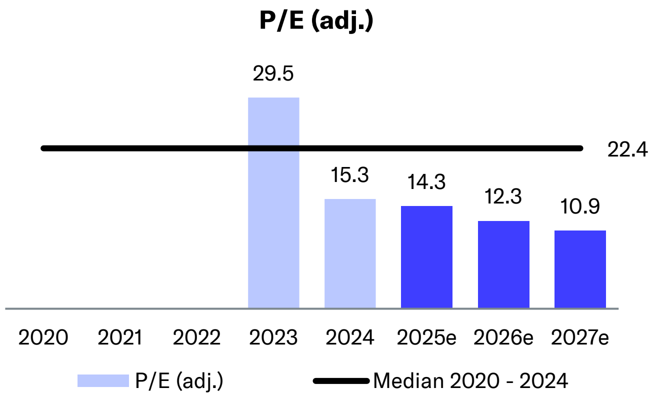


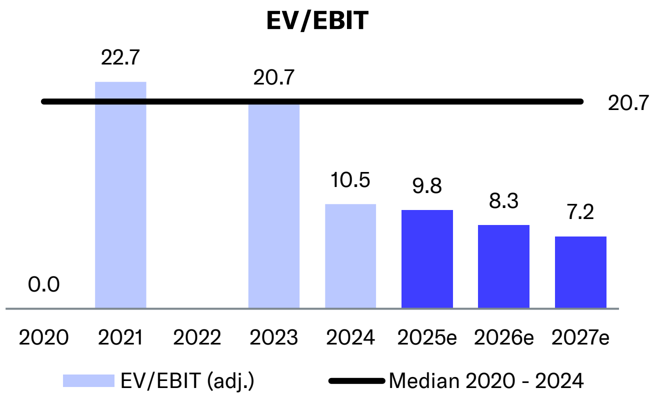
Sources: Inderes

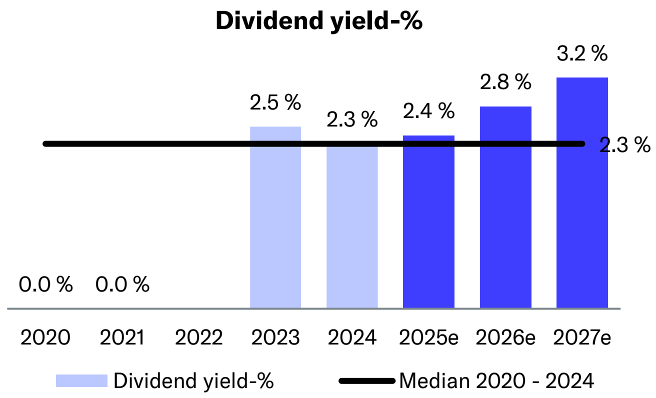
Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price (EUR)				0.55	0.43	**0.49**	**0.49**	**0.49**	**0.49**
Number of shares, millions				706.7	713.0	**713.0**	**713.0**	**713.0**	**713.0**
Market cap (MEUR)				389	309	**353**	**353**	**353**	**353**
EV (MEUR)				369	276	**331**	**315**	**295**	**275**
P/E (adj.)				29.5	15.3	**14.3**	**12.3**	**10.9**	**10.0**
P/E				43.0	18.5	**16.1**	**12.9**	**11.3**	**10.3**
P/B				2.1	1.6	**1.7**	**1.6**	**1.4**	**1.3**
P/S				1.4	0.9	**0.7**	**0.7**	**0.6**	**0.6**
EV/Sales				1.3	0.8	**0.7**	**0.6**	**0.5**	**0.5**
EV/EBITDA				17.2	9.1	**8.9**	**7.6**	**6.5**	**5.7**
EV/EBIT (adj.)				20.7	10.5	**9.8**	**8.3**	**7.2**	**6.2**
Payout ratio (%)				109.3 %	42.6 %	**39.0 %**	**36.5 %**	**36.6 %**	**37.6 %**
Dividend yield-%				2.5 %	2.3 %	**2.4 %**	**2.8 %**	**3.2 %**	**3.6 %**

Source: Inderes







Peer group valuation

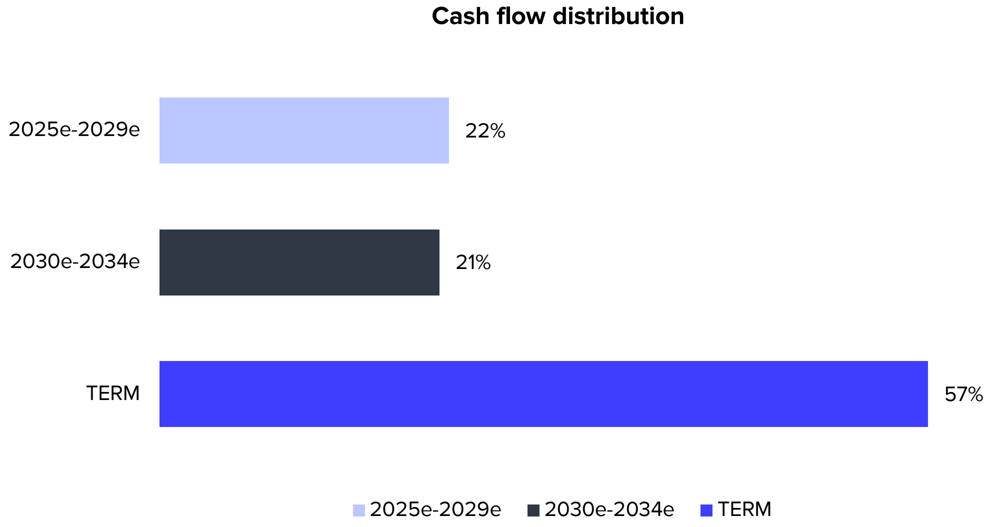
Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**
NCC	1781	1929	11.3	10.7	6.8	6.6	0.4	0.3	13.1	12.1	4.6	5.0	2.1
Peab	2143	3341	14.7	12.7	9.1	8.2	0.6	0.6	13.0	10.9	4.2	4.8	1.3
Skanska	8695	7990	10.3	9.5	8.0	7.5	0.5	0.4	12.9	12.0	3.9	4.2	1.4
YIT	523	1378	27.2	17.1	18.4	13.0	0.8	0.7		28.2		1.1	0.7
Veidekke	1770	1650	10.8	10.1	6.6	6.3	0.4	0.4	15.1	14.1	6.5	6.8	6.1
AF Gruppen	1343	1442	10.2	9.2	7.1	6.6	0.5	0.5	15.7	14.2	5.6	6.0	5.3
NRC Group	72	128	10.2	6.8	4.3	3.5	0.2	0.2	14.8	6.7	4.9	7.4	0.5
MT Hoejgaard Holding	250	211	4.3	4.2	3.0		0.2	0.2	6.9	6.7			1.5
Per Aarsless A/S	1262	1321	8.6	8.1	4.8	4.5	0.4	0.4	11.0	10.2	2.5	2.7	1.7
Enersense	36	63	3.0	5.2	1.9	3.1	0.2	0.2	2.5	7.9			1.1
Sweco	6130	6605	20.2	18.5	15.6	14.5	2.2	2.1	25.0	22.5	2.1	2.3	5.1
AFRY	2006	2563	12.8	10.9	9.1	8.0	1.0	0.9	14.5	11.7	3.6	4.4	1.6
Sitowise	96	173	28.9	16.0	9.4	7.5	0.9	0.9	536.0	24.4	1.9	2.8	0.8
Etteplan	295	366	11.8	11.2	7.2	6.7	0.9	0.9	12.9	12.3	3.2	3.8	2.1
Rejlers	385	441	13.6	11.7	8.4	7.5	1.0	1.0	14.9	12.8	2.9	3.4	2.0
Solwers	23	38	9.6	8.6	4.8	4.5	0.5	0.5	11.5	8.8	1.8	2.5	0.5
Instalco	790	1125	14.8	11.7	9.1	7.8	0.9	0.8	14.9	11.1	2.2	2.7	2.3
Bravida Holding	1756	1962	11.4	10.5	8.5	8.0	0.7	0.7	13.8	12.6	4.1	4.3	2.0
Eltel	112	267	10.7	9.1	4.9	4.5	0.3	0.3	28.6	10.2			0.6
Netel	49	118	6.6	5.7	4.9	4.3	0.4	0.4	5.2	4.0	4.0	6.6	0.5
Kreate	73	103	10.5	8.8	6.4	5.7	0.4	0.3	12.0	9.5	6.5	6.6	1.6
Green Landscaping	331	536	12.1	10.6	6.5	5.9	0.9	0.8	11.2	9.4			1.8
Balco	67	98	7.8	6.9	5.6	5.0	0.6	0.6	6.7	5.7	4.9	5.2	0.8
Brunel International	466	438	7.4	6.3	5.4	4.7	0.3	0.3	12.0	10.0	6.8	7.9	1.4
Randstad	6967	8829	11.3	10.0	8.2	7.2	0.4	0.4	13.1	10.7	4.7	5.8	1.6
Eezy	21	76	15.3	10.2	6.1	5.1	0.4	0.4	18.4	5.7	6.0	12.1	0.2
Staffline Group	52	68	5.2	4.8	3.9	3.6	0.1	0.1	10.3	8.4			
NYAB (Inderes)	**353**	**331**	**9.8**	**8.3**	**8.9**	**7.6**	**0.7**	**0.6**	**14.3**	**12.3**	**2.4**	**2.8**	**1.7**
Average			**11.9**	**9.8**	**7.2**	**6.5**	**0.6**	**0.6**	**33.3**	**11.6**	**4.1**	**4.9**	**1.8**
Median			**10.8**	**10.0**	**6.6**	**6.4**	**0.5**	**0.4**	**13.0**	**10.7**	**4.1**	**4.6**	**1.5**
Diff-% to median			***-9%***	***-16%***	***34%***	***18%***	***48%***	***34%***	***10%***	***15%***	***-41%***	***-39%***	***13%***

Source: Refinitiv / Inderes

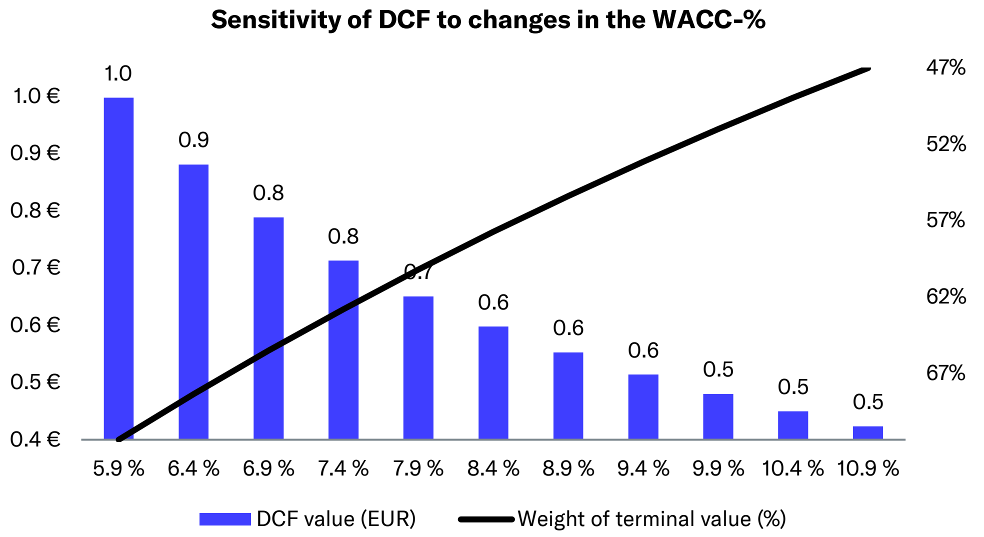
DCF-calculation

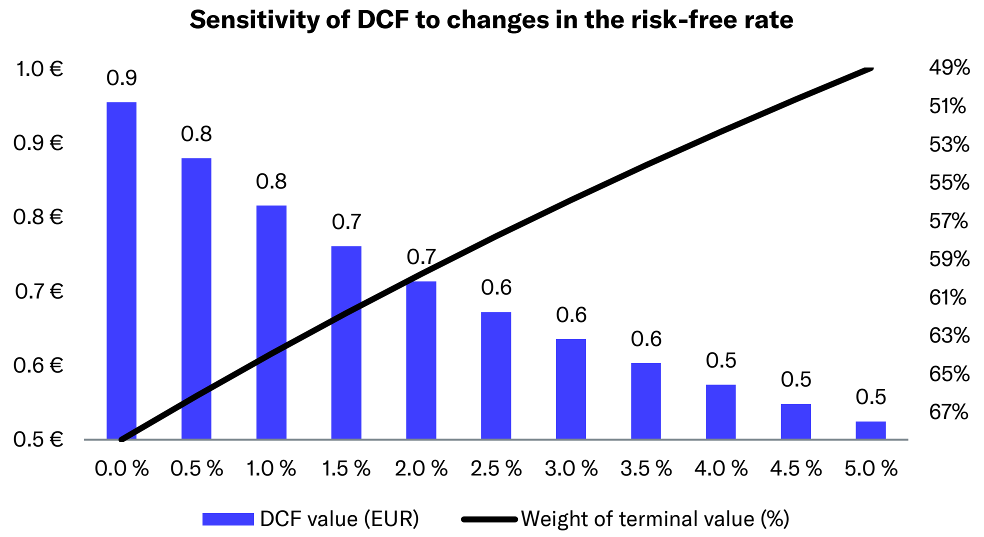
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	23.4 %	40.7 %	9.9 %	7.1 %	6.2 %	4.5 %	4.0 %	3.5 %	3.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	7.3 %	6.4 %	6.8 %	6.9 %	7.1 %	6.5 %	6.4 %	6.2 %	6.0 %	6.0 %	6.0 %	6.0 %
EBIT (operating profit)	**25.4**	**31.0**	**36.3**	**39.7**	**42.9**	**41.3**	**42.3**	**42.4**	**42.3**	**43.1**	**44.0**	
+ Depreciation	5.0	6.2	5.3	5.4	5.5	5.5	5.7	5.7	5.9	5.9	5.9	
- Paid taxes	-3.3	-5.5	-6.7	-7.4	-8.2	-8.1	-8.4	-8.4	-8.4	-8.5	-8.9	
- Tax, financial expenses	-0.7	-0.5	-0.4	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	5.3	-5.5	-2.5	-2.0	-1.9	-1.5	-1.3	-1.2	-1.1	-0.7	-0.8	
Operating cash flow	**31.7**	**25.7**	**32.0**	**35.4**	**38.1**	**37.1**	**38.1**	**38.3**	**38.5**	**39.6**	**40.1**	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-6.5	-26.9	-5.3	-5.4	-5.5	-5.6	-5.7	-5.8	-5.9	-5.9	-6.8	
Free operating cash flow	**25.1**	**-1.2**	**26.7**	**30.0**	**32.6**	**31.5**	**32.4**	**32.5**	**32.6**	**33.7**	**33.3**	
+/- Other	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	23.8	-1.2	26.7	30.0	32.6	31.5	32.4	32.5	32.6	33.7	33.3	533
Discounted FCFF		**-1.2**	**23.2**	**24.0**	**24.1**	**21.5**	**20.4**	**18.9**	**17.5**	**16.7**	**15.2**	**244**
Sum of FCFF present value		424	425	402	378	354	332	312	293	276	259	244
Enterprise value DCF		**424**										
- Interest bearing debt		-14.0										
+ Cash and cash equivalents		30.6										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**458**										
Equity value DCF per share (EUR)		**0.64**										
Equity value DCF per share (SEK)		**6.90**										

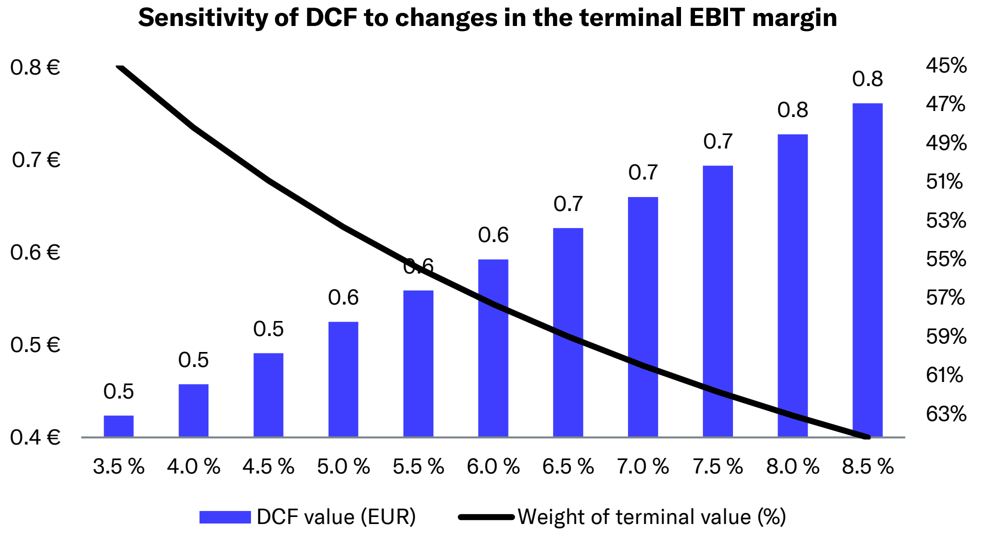
WACC	
Tax-% (WACC)	20.5 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	5.5 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.16%
Risk free interest rate	2.5 %
Cost of equity	**9.4 %**
Weighted average cost of capital (WACC)	**8.4 %**

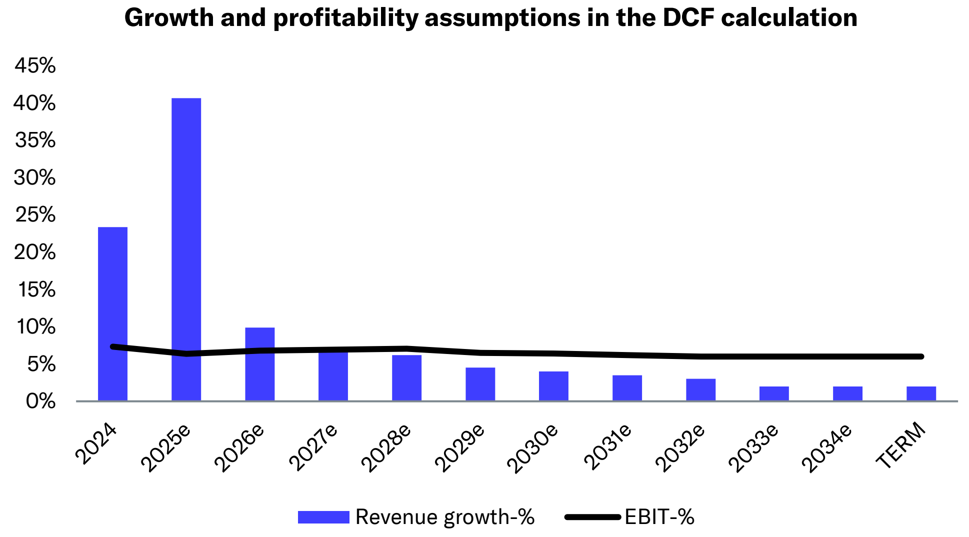


DCF sensitivity calculations and key assumptions in graphs









Lähde: Inderes. Huomaa, että terminaaliarvon paino (%) on esitetty käänteisellä asteikolla selkeyden vuoksi.

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	**158**	**161**	**182**	**182**	**182**
Goodwill	121	122	136	136	136
Intangible assets	1.6	0.8	4.3	3.8	3.3
Tangible assets	16.3	18.4	21.6	22.1	22.6
Associated companies	16.7	18.3	18.3	18.3	18.3
Other investments	2.5	1.5	1.5	1.5	1.5
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	**108**	**124**	**150**	**174**	**203**
Inventories	1.4	11.2	8.8	9.6	10.3
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	83.8	82.1	117	128	137
Cash and equivalents	22.6	30.6	24.3	36.5	55.6
Balance sheet total	**266**	**285**	**332**	**357**	**386**

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	**185**	**193**	**208**	**227**	**248**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	50.1	67.2	82.1	101	122
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	135	126	126	126	126
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**15.7**	**8.8**	**18.7**	**15.1**	**15.1**
Deferred tax liabilities	3.9	4.8	4.8	4.8	4.8
Provisions	0.2	0.2	0.2	0.2	0.2
Interest bearing debt	11.5	3.7	13.7	10.0	10.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.1	0.1	0.1	0.1	0.1
Current liabilities	**65.0**	**83.3**	**105**	**115**	**122**
Interest bearing debt	5.5	10.3	5.4	5.0	5.0
Payables	59.5	73.0	99.8	110	117
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**266**	**285**	**332**	**357**	**386**

Summary

Income statement	2023	2024	2025e	2026e
Revenue	280.4	345.9	**486.6**	**534.7**
EBITDA	21.4	30.3	**37.2**	**41.6**
EBIT	15.2	25.4	**31.0**	**36.3**
PTP	10.7	20.9	**27.5**	**34.0**
Net Income	9.0	16.8	**22.0**	**27.3**
Extraordinary items	-2.6	-1.0	**-2.6**	**-1.4**

Balance sheet	2023	2024	2025e	2026e
Balance sheet total	266.1	285.3	**332.0**	**356.5**
Equity capital	185.3	193.2	**208.1**	**226.8**
Goodwill	121.2	122.4	**136.4**	**136.4**
Net debt	-5.6	-16.6	**-5.3**	**-21.5**

Cash flow	2023	2024	2025e	2026e
EBITDA	21.4	30.3	**37.2**	**41.6**
Change in working capital	6.4	5.3	**-5.5**	**-2.5**
Operating cash flow	25.8	31.7	**25.7**	**32.0**
CAPEX	0.6	-6.5	**-26.9**	**-5.3**
Free cash flow	32.2	23.8	**-1.2**	**26.7**

Valuation multiples	2023	2024	2025e	2026e
EV/S	1.3	0.8	**0.7**	**0.6**
EV/EBITDA	17.2	9.1	**8.9**	**7.6**
EV/EBIT (adj.)	20.7	10.5	**9.8**	**8.3**
P/E (adj.)	29.5	15.3	**14.3**	**12.3**
P/B	2.1	1.6	**1.7**	**1.6**
Dividend-%	2.5 %	2.3 %	**2.4 %**	**2.8 %**

Source: Inderes

Per share data	2023	2024	2025e	2026e
EPS (reported)	0.01	0.02	**0.03**	**0.04**
EPS (adj.)	0.02	0.03	**0.03**	**0.04**
OCF / share	0.04	0.04	**0.04**	**0.04**
FCF / share	0.05	0.03	**0.00**	**0.04**
Book value / share	0.26	0.27	**0.29**	**0.32**
Dividend / share	0.01	0.01	**0.01**	**0.01**

Growth and profitability	2023	2024	2025e	2026e
Revenue growth-%	0%	23%	**41%**	**10%**
EBITDA growth-%		42%	**23%**	**12%**
EBIT (adj.) growth-%		48%	**27%**	**12%**
EPS (adj.) growth-%		52%	**22%**	**17%**
EBITDA-%	7.6 %	8.8 %	**7.6 %**	**7.8 %**
EBIT (adj.)-%	6.4 %	7.6 %	**6.9 %**	**7.1 %**
EBIT-%	5.4 %	7.3 %	**6.4 %**	**6.8 %**
ROE-%	4.9 %	8.9 %	**10.9 %**	**12.6 %**
ROI-%	6.6 %	12.0 %	**13.9 %**	**15.4 %**
Equity ratio	73.0 %	73.1 %	**66.9 %**	**67.6 %**
Gearing	-3.0 %	-8.6 %	**-2.5 %**	**-9.5 %**

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

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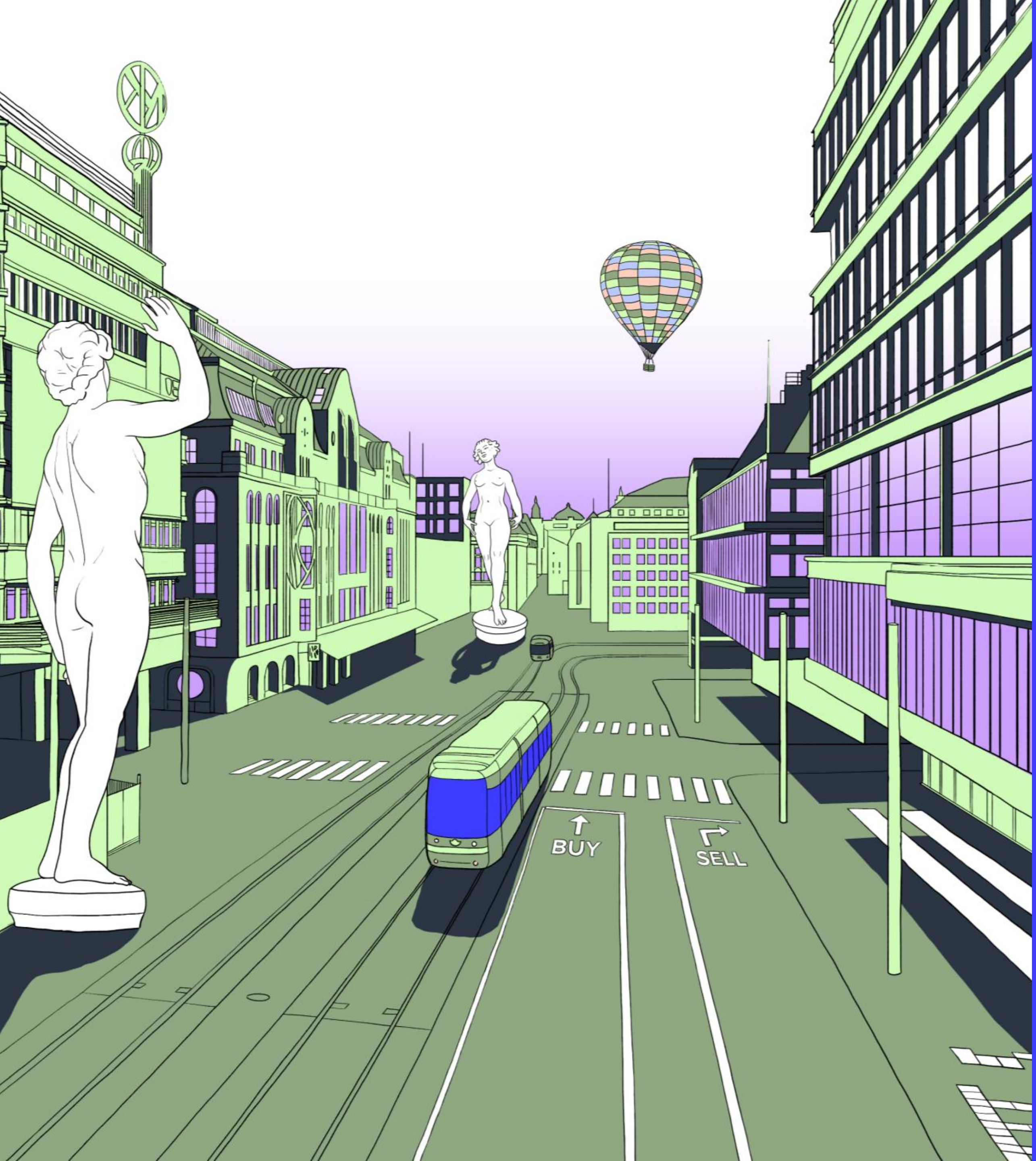
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2023-04-25	Reduce	0.70 €	0.71 €
2023-05-15	Reduce	0.70 €	0.67 €
2023-07-28	Reduce	0.70 €	0.73 €
2023-08-11	Reduce	0.55 €	0.62 €
2023-08-28	Sell	0.55 €	0.63 €
2023-10-11	Reduce	0.55 €	0.51 €
2023-11-13	Reduce	0.50 €	0.49 €
2023-12-27	Sell	0.45 €	0.56 €
2024-02-26	Reduce	0.45 €	0.49 €
2024-02-29	Reduce	0.45 €	0.50 €
2024-05-06	Reduce	0.45 €	0.48 €
2024-05-10	Accumulate	0.55 €	0.49 €
Re-domiciliation and transfer of listing to Sweden 8/26/2024			
2024-08-15	Reduce	6.80 SEK	6.75 SEK
2024-11-04	Accumulate	6.80 SEK	5.93 SEK
2024-11-07	Accumulate	6.80 SEK	5.80 SEK
2024-12-03	Buy	6.80 SEK	5.20 SEK
2025-02-27	Buy	6.80 SEK	5.27 SEK
2025-04-03	Buy	7.00 SEK	5.32 SEK



CONNECTING INVESTORS AND COMPANIES.

Inderes connects investors and listed companies.

We serve over 400 Nordic listed companies that want to better serve investors. The Inderes community is home to over 70,000 active investors.

We provide listed companies with solutions that enable seamless and effective investor relations. The Inderes service is built on four cornerstones for high-quality investor relations: Equity Research, Events, IR Software, and Annual General Meetings (AGM).

Inderes operates in Finland, Sweden, Norway, and Denmark and is listed on the Nasdaq First North Growth Market.

Inderes was created by investors, for investors.

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