

# ORTHEX

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INDERES CORPORATE CUSTOMER

# COMPANY REPORT

# Wait and see

Orthex's profitability in Q1 exceeded our expectations, but the prolonged conflict in the Middle East has weakened the company's outlook. Based on normalized earnings, Orthex's valuation appears neutral. For now, however, we prefer other companies in the sector until we see signs that cost inflation risks are easing or that the company is achieving sustainable growth in its important Nordic markets. We reiterate our Reduce recommendation and reduce our target price to EUR 4.4 (was EUR 5.0) driven by estimate revisions.

## Q1 figures were stronger than we expected

Orthex's Q1 revenue increased by 2.7% to 21.6 MEUR, which was in line with our estimate. However, this growth was driven by changes in exchange rates. Key export markets for the growth story experienced impressive growth, while the Nordic countries, plagued by weak consumer confidence, saw sluggish development. The increase in plastic raw material prices was not yet reflected in Orthex's Q1 margins, and EBIT strengthened to 2.1 MEUR, exceeding our estimate of 1.8 MEUR. At the end of the quarter, the company's balance sheet was strong (net debt/EBITDA 1.0x, with a target of below 2.5x), which creates financial flexibility for growth investments and M&A. However, the earnings day did not provide insight into larger capital allocation decisions.

## Cost pressures ahead

Inflationary pressures resulting from the conflict in the Middle East strongly influence the short-term outlook for Orthex, which uses oil-based raw materials, leading to reduced predictability. The 2022 inflation wave caused Orthex's EBIT margin to halve. It is worth noting that, compared to that shock, European spot prices for plastic raw materials are still about 20% below their 2022 peak levels. Orthex aims to price its products with a long-term view, even amid this shock, though the company has

reacted more quickly with price increases than it did during the previous wave of inflation, in our view.

In connection with the report, we have slightly lowered our growth forecasts, particularly for the Nordic countries, due to lackluster performance in Q1 and a challenging demand outlook. Due to cost inflation pressures, we have also lowered our gross margin forecasts slightly. As a result, our EBIT estimates for the coming years decreased by 4–8%. In our estimates, the company's EBIT will decline this year and return to growth next year as cost inflation eases. Our estimates account for the recent development in oil prices, but we do not model potential multiplicative effects, such as a weakening economic outlook or raw material availability challenges. Due to these uncertainties, we believe the risks to the estimates are weighted to the downside in the short term. In our view, Orthex is among the better-positioned companies in its industry with regard to inflation risk.

## Share price drivers are scarce until cost inflation eases

Orthex's earnings-based valuation (2027e P/E 11x, EV/EBIT 9x) is neutral/favorable, in our opinion, and the dividend yield alone enables an expected return of around 6%, according to our estimates. Our estimate for the company's cost of equity is around 9%, so the current share price also reflects expectations for earnings growth. However, with the ongoing conflict in the Middle East, it is difficult to identify other short-term share price drivers for the stock, and the risk of prolonged cost inflation and raw material availability challenges grows daily. Our DCF model indicates upside for the share and a value of EUR 5.8 per share. Realizing that potential, however, requires a recovery in profitability and steady earnings growth in the longer term. Nevertheless, confidence in earnings growth has been tested in recent years as the company's EBIT remains at 2021 levels.

## Recommendation

**Reduce**

(was Reduce)

## Target price:

**EUR 4.40**

(was EUR 5.00)

## Share price:

EUR 4.31

## Business risk



## Valuation risk



	2025	2026e	2027e	2028e
Revenue	87.2	89.4	93.2	96.2
growth-%	-3%	3%	4%	3%
EBIT adj.	9.8	8.7	10.0	11.0
EBIT-% adj.	11.2 %	9.8 %	10.7 %	11.4 %
Net Income	6.8	5.9	6.7	7.5
EPS (adj.)	0.38	0.33	0.38	0.42

P/E (adj.)	12.2	13.0	11.3	10.2
P/B	2.0	1.8	1.7	1.6
Dividend yield-%	4.9 %	5.6 %	5.8 %	6.5 %
EV/EBIT (adj.)	10.1	10.4	9.1	8.2
EV/EBITDA	6.8	6.5	6.1	5.6
EV/S	1.1	1.0	1.0	0.9

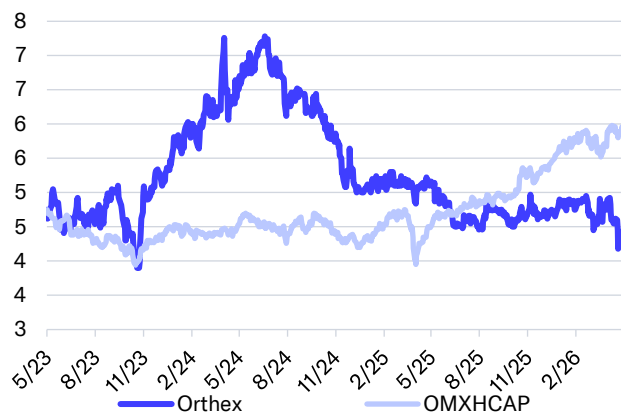
Source: Inderes

## Guidance

(Unchanged)

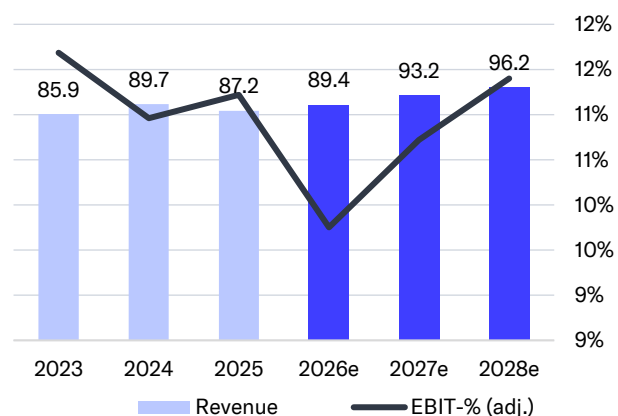
Orthex does not publish a short-term outlook. In the long term, the company targets average organic growth of over 5% and an adjusted EBITA margin of over 18%.

## Share price



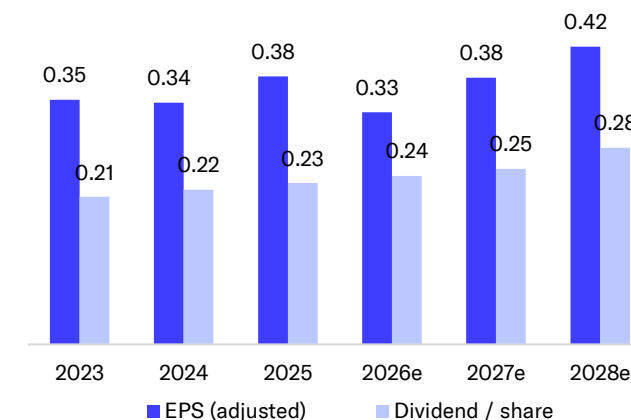
Source: Millstream Market Data AB

## Revenue and EBIT % (adj.)



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Large and defensive target market
- Favorable megatrends drive product demand growth
- Leading position in the Nordic countries and the possibility of expanding to Europe through key customers
- Fragmented industry offers opportunities for acquisitions
- Known consumer brands
- Strong relations with retail chains
- Efficient and automated production with short delivery times

## Risk factors

- Fluctuations in raw material prices and disruptions in availability
- Dependence on the operation of own production facilities
- Production capacity limits growth
- Success on export markets
- M&A risks
- Plastics have a bad reputation as a raw material

Valuation	2026e	2027e	2028e
Share price	4.31	4.31	4.31
Number of shares, millions	17.8	17.8	17.8
Market cap	77	77	77
EV	91	91	90
P/E (adj.)	13.0	11.3	10.2
P/E	13.0	11.3	10.2
P/B	1.8	1.7	1.6
P/S	0.9	0.8	0.8
EV/Sales	1.0	1.0	0.9
EV/EBITDA	6.5	6.1	5.6
EV/EBIT (adj.)	10.4	9.1	8.2
Payout ratio (%)	72.6 %	65.8 %	66.1 %
Dividend yield-%	5.6 %	5.8 %	6.5 %

Source: Inderes

# Quarter was better than feared

## Nordics sluggish, export markets showing positive trends

Orthex's revenue increased by 2.7% to 21.6 MEUR in Q1 and was in line with our 21.5 MEUR estimate. However, on a currency-neutral basis, revenue declined by 0.4%, meaning the growth was entirely due to currency effects. The geographical distribution was mixed, reinforcing the familiar pattern from previous quarters. Invoiced sales in the Nordic countries decreased by 1% to 17.1 MEUR despite a positive exchange rate effect, falling short of our expectations. Based on the company's comments, consumers in Finland and Sweden remained cautious in their purchasing behavior. In contrast, invoiced sales in Rest of Europe, critical to the growth strategy, grew strongly by 16% to 5.0 MEUR, exceeding our expectations. Growth was supported by expanded distribution in major European retail chains, particularly in France, Switzerland, and Germany. Invoiced sales in the Rest of the World also grew to 0.3 MEUR for the first time in a while (Q1'25: 0.1 MEUR).

By product category, Storage remained the spearhead of growth, with invoiced sales increasing by 8.5% to 15.8 MEUR due to strong traction in growth markets. In contrast, Kitchen (-7%) and Home & Garden (-9%) contracted due to subdued demand in the Nordic countries. At the Ambiente fair held in Frankfurt in February, the company's SmartStore Module storage solution was awarded at the German Design Awards 2026, which supports the brand's visibility in strategic growth markets.

## Profitability grew more than we expected

Orthex's gross margin for Q1'26 rose to 6.2 MEUR (Q1'25: 5.8), slightly above our estimate of 6.1 MEUR. Revenue growth and lower plastic raw material prices supported the gross margin's development. EBIT grew robustly to 2.1 MEUR, which exceeded our 1.8 MEUR estimate. However, EBIT was slightly below the consensus estimate of 2.2 MEUR.

There were no major surprises on the lower lines of the income statement, and EPS for the review period settled at a healthy EUR 0.08.

## A strong balance sheet

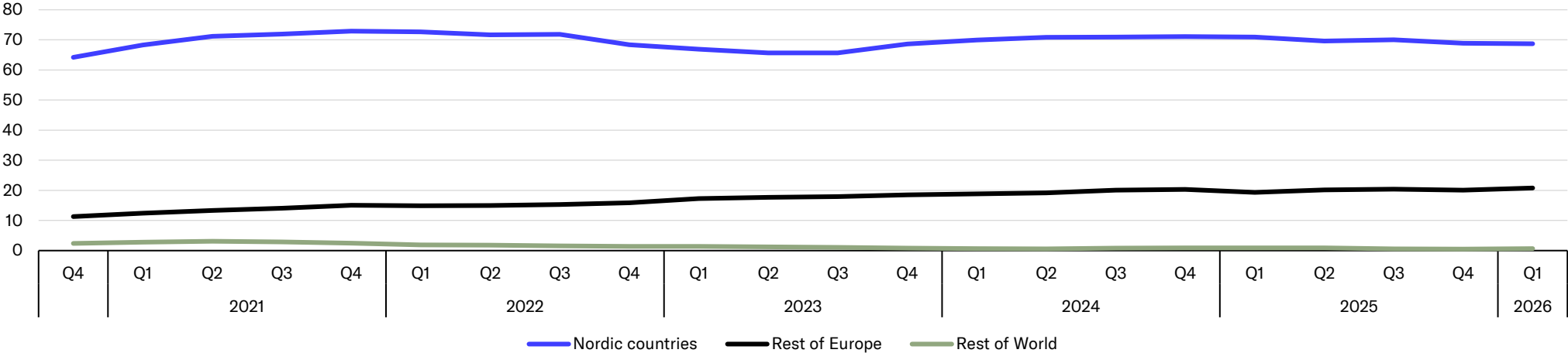
In Q1'26, Orthex's cash flow from operating activities declined to 3.5 MEUR (Q1'25: 4.7 MEUR) due to committed working capital. Nevertheless, the balance sheet remained strong, and the net debt-to-adjusted EBITDA ratio at the end of the period was only 1.0x (Q1'25: 1.2x), clearly below the company's target upper limit of 2.5x. A strong balance sheet provides Orthex with resilience against negative surprises, such as those in the Middle East. Additionally, it allows for potential acquisitions and organic investments that can strengthen production capacity closer to Europe's growth markets.

Estimates MEUR / EUR	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus		Difference (%)	2026e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	21.0	21.6	21.5	21.8	21.5	22.0	0%	89.4
Gross margin	5.8	6.2	6.1	-	-	-	2%	24.4
EBIT (adj.)	1.7	2.1	1.8	2.2	1.8	2.5	12%	8.7
EBIT	1.7	2.1	1.8	2.2	1.8	2.5	12%	8.7
EPS (reported)	0.07	0.08	0.07	0.09	0.07	0.10	17%	0.33
Revenue growth-%	-4.7 %	2.7 %	2.6 %	3.9 %	2.5 %	4.9 %	0.1 pp	2.6 %
EBIT-% (adj.)	8.2 %	9.6 %	8.6 %	10.1 %	8.4 %	11.4 %	1 pp	9.8 %

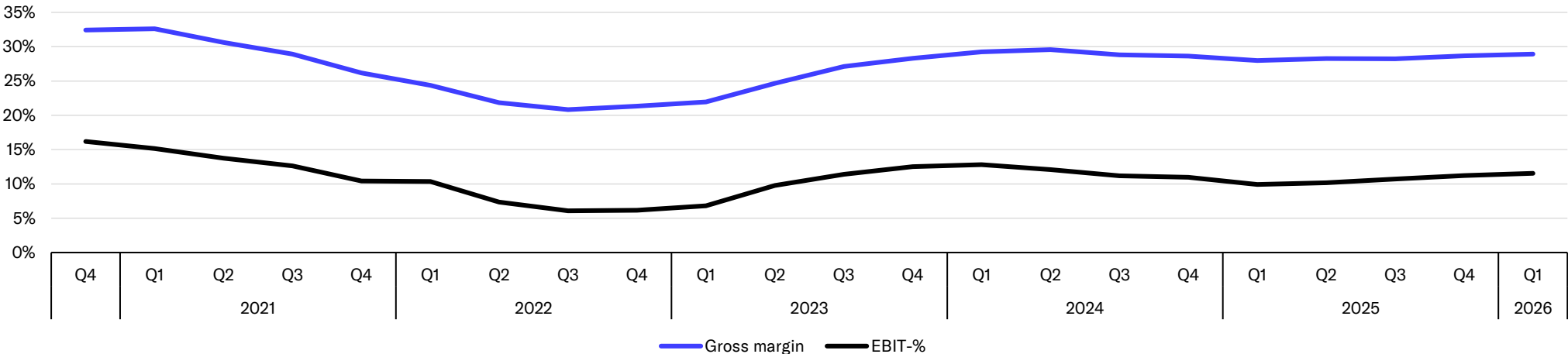
Source: Inderes & Bloomberg, 3 analysts (consensus)

# Past development

Rolling 12-month invoiced sales development by region (MEUR)



Rolling 12-month relative profitability



# Weakened outlook drove down forecasts

## There are parallels between this year and 2022

In Q1, Orthex's raw material prices were still having a positive impact on the company's profitability, but by the end of the period, the situation in the Middle East caused raw material prices to rise rapidly. The company expects the impact of cost pressures to be visible from Q2 onward, and Orthex has already begun raising prices to offset the increase. However, according to our estimates, the increased costs of plastic raw materials will not yet be fully reflected in Q2. During the previous cost inflation cycle in 2022, Orthex adhered to a long-term pricing strategy, which weighed on profitability until raw material prices began to decline. We believe that long-term pricing is justified in a volatile cost environment in order to maintain the price image among consumers. Based on management's comments, however, the company has responded to rising prices more proactively than during the previous inflation cycle, which we expect will cushion the

impact on earnings for the rest of the year. Nevertheless, retail pricing windows limit the speed of response. In addition, we expect Orthex to protect its profitability by reducing low-margin promotional sales, particularly for products where cost inflation is a significant factor.

It is difficult to predict Orthex's profitability trends in the near future until the situation in the Middle East becomes clearer. From an investor's perspective, however, the 2022 inflation shock provides a valuable point of reference for contextualizing current challenges. Orthex remained profitable at the time, albeit at the cost of a halved EBIT margin. To put the inflation shock into perspective, as of early May, spot prices for polypropylene granulate on European exchanges remain more than 20% below the 2022 price peak. As a silver lining to the challenging short term, we believe that Orthex is better positioned than its industry to face inflation risk. This is due to three factors: a strong balance sheet provides leeway for M&A, a high

proportion of recycled and bio-based raw materials (18% in 2025) protects against oil price fluctuations, and a quality image facilitates passing on costs to prices.

## Weakened outlook weighed on our forecasts

In connection with the report, we have lowered our growth forecasts slightly for the coming years due to the weakened demand outlook and sluggish sales development in the Nordics. At the same time, we have lowered our profitability estimates due to the ongoing oil crisis in the Middle East. However, the changes to this year's forecasts are buffered by Orthex's Q1 profitability, which is stronger than we anticipated.

Estimate revisions	2026e			2027e			2028e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
MEUR / EUR									
Revenue	90.0	89.4	-1%	94.7	93.2	-2%	98.1	96.2	-2%
EBIT (exc. NRIs)	9.1	8.7	-4%	10.8	10.0	-8%	11.5	11.0	-4%
EBIT	9.1	8.7	-4%	10.8	10.0	-8%	11.5	11.0	-4%
PTP	7.8	7.4	-6%	9.3	8.5	-9%	10.0	9.5	-5%
EPS (excl. NRIs)	0.35	0.33	-6%	0.42	0.38	-9%	0.45	0.42	-5%
DPS	0.24	0.24	0%	0.26	0.25	-4%	0.30	0.28	-7%

Source: Inderes

Orthex, Webcast, Q1'26



# We're not going to go for the reduced price just yet

## Multiples are not an issue when looking further out

Based on our updated estimates, adjusted P/E ratios for 2026 and 2027 are 13x and 11x, while the corresponding EV/EBIT ratios are 10x and 9x. The levels are moderate in absolute terms, although due to the increased uncertainty and volatile nature of raw material price developments, we consider it risky to rely on a single year's earnings level. Looking beyond the current inflation shock, we believe the stock is attractively valued, but the lackluster earnings trend in recent years makes it difficult to have confidence in forecasts that rely on long-term earnings growth. We have assumed that the company's gross margin will normalize roughly around the historical average of 29% in the coming years.

In our forecasts, Orthex's normalized EBIT margin over the cycle is around 12%. This is a good level compared to history, but significantly below the company's own targeted level. In our view, relying on Orthex's targeted 18% EBITA margin is unwarranted at this stage of the investment story and with the current track record.

## DCF model argues for upside

Our DCF model indicates a value of EUR 6.0 per share for Orthex. Our DCF model assumes an EBIT margin of around 11-12% and revenue growth of around 2-5%. While we believe these assumptions are realistic, confidence in sustainable long-term growth has been tested, as invoiced sales in the Nordic countries have shown sluggish development (LTM -6% compared to 2021). European export markets have become a more significant part of the investment story in recent years, but with the Nordic countries accounting for 76% of Orthex's sales, the

company's ability to grow in that region will remain a critical factor in the foreseeable future. Considering longer-term profitability, we believe that the bulking of the Storage product group poses the most significant risk. However, in our view, the desire (and pressure) of retailers to move their supply chains closer to their customers is one factor limiting the intensification of competition.

## The consolidator is also a potential takeover target

In connection with the IPO, Orthex stated that the plastic industry is suitable for consolidation and it intends to actively monitor the acquisition targets. So far, M&A transactions have remained at the level of talk in the public investment case. However, the company has experience in M&A, and the management was involved in acquiring and integrating Sveico and Hammarplast into Orthex in the early 2010s. The growing balance sheet provides the company with more leeway, and we estimate that with debt financing alone, the company would have firepower worth about 30 MEUR for M&A. However, at current valuation levels, we believe Orthex itself could be an attractive target for an industrial buyer. With our 2026-2027 EBIT estimates, Orthex is priced at a discount of over 20% compared to its peers. In our view, the discount pricing relative to peers provides limited support for the valuation given the risk of prolonged growth challenges.

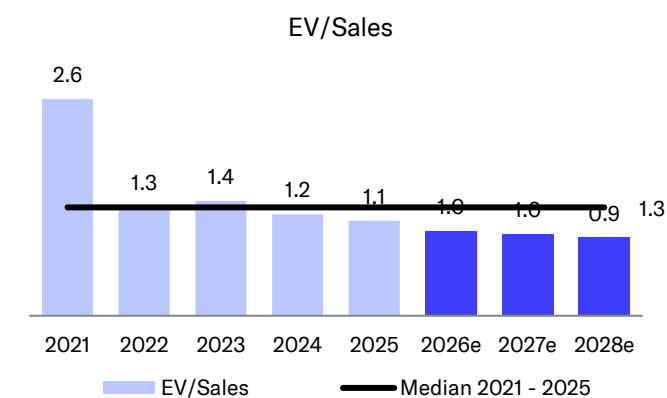
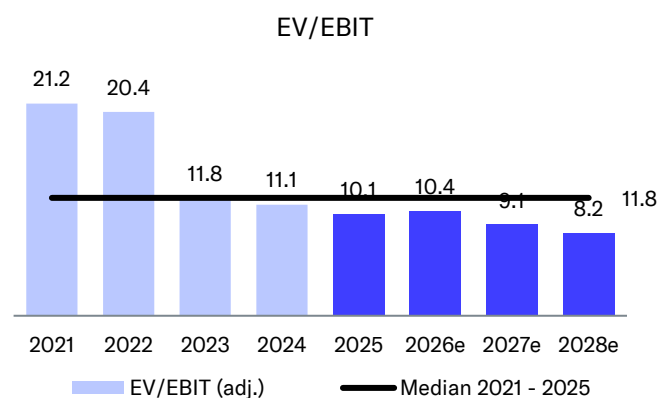
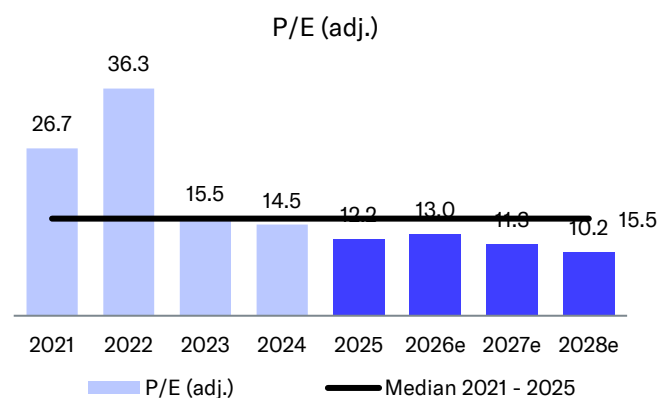
Valuation	2026e	2027e	2028e
Share price	4.31	4.31	4.31
Number of shares, millions	17.8	17.8	17.8
Market cap	77	77	77
EV	91	91	90
P/E (adj.)	13.0	11.3	10.2
P/E	13.0	11.3	10.2
P/B	1.8	1.7	1.6
P/S	0.9	0.8	0.8
EV/Sales	1.0	1.0	0.9
EV/EBITDA	6.5	6.1	5.6
EV/EBIT (adj.)	10.4	9.1	8.2
Payout ratio (%)	72.6 %	65.8 %	66.1 %
Dividend yield-%	5.6 %	5.8 %	6.5 %

Source: Inderes

# Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	11.5	4.68	5.40	5.00	4.65	4.31	4.31	4.31	4.31
Number of shares, millions	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8
Market cap	204	83	96	89	83	77	77	77	77
EV	230	109	118	109	99	91	91	90	88
P/E (adj.)	26.7	36.3	15.5	14.5	12.2	13.0	11.3	10.2	9.3
P/E	33.8	39.2	13.9	14.5	12.2	13.0	11.3	10.2	9.3
P/B	6.4	2.8	2.8	2.5	2.0	1.8	1.7	1.6	1.5
P/S	2.3	1.0	1.1	1.0	0.9	0.9	0.8	0.8	0.8
EV/Sales	2.6	1.3	1.4	1.2	1.1	1.0	1.0	0.9	0.9
EV/EBITDA	17.4	11.8	7.9	7.7	6.8	6.5	6.1	5.6	5.2
EV/EBIT (adj.)	21.2	20.4	11.8	11.1	10.1	10.4	9.1	8.2	7.5
Payout ratio (%)	53.0 %	92.2 %	54.1 %	63.9 %	60.3 %	72.6 %	65.8 %	66.1 %	64.6 %
Dividend yield-%	1.6 %	2.4 %	3.9 %	4.4 %	4.9 %	5.6 %	5.8 %	6.5 %	7.0 %

Source: Inderes



# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2026e
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Duni AB	384	653	13.5	11.4	8.3	7.2	0.9	0.9	12.7	10.8	6.4	6.8	1.2
Fiskars Oyj Abp	1147	1665	17.2	14.0	9.6	8.6	1.4	1.4	18.3	14.7	5.5	5.7	1.7
Harvia Oyj	669	728	16.3	14.2	13.7	12.2	3.3	3.0	20.7	17.8	2.4	2.7	4.5
Leifheit AG	155	125	12.7	9.4	6.7	5.7	0.5	0.5	24.8	18.0	7.1	7.2	1.8
Marimekko Oyj	404	398	11.6	10.8	8.9	8.4	2.0	1.9	15.3	13.9	5.2	5.2	4.9
Rapala VMC Corp	42	141	14.1	10.8	6.5	6.0	0.6	0.6	71.7	11.9		0.9	0.4
Thule Group AB	2421	2807	16.9	15.1	14.0	12.7	2.9	2.7	20.9	18.4	3.7	4.2	3.3
Nokian Tyres plc	1489	2246	23.0	15.0	9.0	7.4	1.5	1.4	23.7	13.9	2.7	3.4	1.2
Assa Abloy AB	37228	43143	17.9	16.5	14.9	13.8	3.0	2.8	23.2	20.8	1.9	2.1	3.6
Newell Brands Inc	1670	5686	10.3	9.7	6.9	6.9	0.9	0.9	8.1	7.0	6.2	6.2	0.8
DOMETIC Group	971	2067	10.6	9.2	7.2	6.7	1.1	1.0	8.4	6.8	3.4	4.3	0.5
Raisio Oyj	417	341	11.3	10.4	8.6	8.1	1.5	1.4	15.5	15.5	5.9	6.3	1.6
Husqvarna AB	2355	3452	12.3	10.1	6.2	5.6	0.8	0.8	13.6	11.1	3.3	4.2	1.0
Helen of Troy Ltd	506	1154	11.2	9.3	7.3	6.9	0.8	0.8	7.4	7.3			0.7
Orthex (Inderes)	77	91	10.4	9.1	6.5	6.1	1.0	1.0	13.0	11.3	5.6	5.8	1.8
Average			14.2	11.8	9.1	8.3	1.5	1.4	20.3	13.4	4.5	4.5	1.9
Median			13.1	10.8	8.4	7.3	1.3	1.2	16.9	13.9	4.5	4.3	1.4
Diff-% to median			-21%	-16%	-22%	-17%	-19%	-19%	-23%	-18%	25%	36%	31%

Source: Refinitiv / Inderes

# Income statement

Income statement	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	85.9	89.7	21.0	20.5	23.4	22.3	87.2	21.6	21.1	23.6	23.1	89.4	93.2	96.2	99.4
Nordic countries	68.7	71.1	17.3	15.9	18.3	17.4	68.9	17.1	16.2	18.1	17.6	69.0	70.4	71.8	73.2
Rest of Europe	18.5	20.3	4.3	5.1	5.3	5.4	20.1	5.0	5.4	5.8	5.9	22.1	23.8	25.5	27.3
Rest of world	0.8	0.9	0.1	0.2	0.1	0.1	0.5	0.3	0.2	0.1	0.2	0.8	0.8	0.9	0.9
Discounts and refunds	-2.0	-2.6	-0.7	-0.7	-0.3	-0.6	-2.3	-0.9	-0.7	-0.4	-0.6	-2.5	-1.9	-2.0	-2.0
EBITDA	14.9	14.3	2.9	2.9	4.5	4.3	14.7	3.4	2.7	4.0	3.8	13.9	14.9	16.1	17.1
Depreciation	-4.1	-4.4	-1.2	-1.2	-1.2	-1.3	-4.9	-1.3	-1.3	-1.3	-1.3	-5.2	-4.9	-5.1	-5.3
EBIT (excl. NRI)	10.0	9.8	1.7	1.7	3.3	3.0	9.8	2.1	1.4	2.8	2.5	8.7	10.0	11.0	11.8
EBIT	10.8	9.8	1.7	1.7	3.3	3.0	9.8	2.1	1.4	2.8	2.5	8.7	10.0	11.0	11.8
Share of profits in assoc. compan.	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	0.0
Net financial items	-2.2	-2.1	-0.1	-0.6	-0.2	-0.3	-1.2	-0.4	-0.3	-0.3	-0.3	-1.4	-1.5	-1.5	-1.5
PTP	8.5	7.8	1.6	1.2	3.1	2.7	8.6	1.7	1.1	2.4	2.2	7.4	8.5	9.5	10.4
Taxes	-1.6	-1.7	-0.3	-0.3	-0.7	-0.6	-1.8	-0.3	-0.2	-0.5	-0.4	-1.5	-1.7	-1.9	-2.1
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	0.0
Net earnings	6.9	6.1	1.3	0.9	2.4	2.2	6.8	1.4	0.9	1.9	1.7	5.9	6.7	7.5	8.2
EPS (adj.)	0.35	0.34	0.07	0.05	0.14	0.12	0.38	0.08	0.05	0.11	0.10	0.33	0.38	0.42	0.46
EPS (rep.)	0.39	0.34	0.07	0.05	0.14	0.12	0.38	0.08	0.05	0.11	0.10	0.33	0.38	0.42	0.46

Key figures	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	2.2 %	4.4 %	-4.7 %	-2.3 %	2.5 %	-6.6 %	-2.8 %	2.7 %	2.9 %	1.0 %	3.7 %	2.6 %	4.2 %	3.3 %	3.3 %
Adjusted EBIT growth-%	85.2 %	-2.1 %	-37.8 %	11.0 %	19.5 %	10.2 %	-0.5 %	20.9 %	-17.7 %	-17.5 %	-17.7 %	-10.8 %	14.5 %	9.8 %	7.8 %
EBITDA-%	17.3 %	15.9 %	14.0 %	14.2 %	19.4 %	19.2 %	16.8 %	15.6 %	12.8 %	17.1 %	16.3 %	15.5 %	16.0 %	16.7 %	17.2 %
Adjusted EBIT-%	11.7 %	11.0 %	8.2 %	8.4 %	14.3 %	13.5 %	11.2 %	9.6 %	6.7 %	11.7 %	10.7 %	9.8 %	10.7 %	11.4 %	11.9 %
Net earnings-%	8.0 %	6.8 %	6.2 %	4.4 %	10.4 %	9.7 %	7.8 %	6.3 %	4.0 %	8.2 %	7.4 %	6.6 %	7.2 %	7.8 %	8.3 %

Source: Inderes

# Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	44.6	46.4	45.3	46.3	47.0
Goodwill	21.7	22.7	22.7	22.7	22.7
Intangible assets	0.0	0.0	0.2	0.2	0.2
Tangible assets	21.9	22.2	22.4	23.3	24.1
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.1	0.1	0.1	0.1	0.1
Deferred tax assets	0.9	1.4	0.0	0.0	0.0
Current assets	40.9	39.9	39.4	41.0	42.3
Inventories	12.5	12.1	12.5	13.0	13.5
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	18.0	16.0	16.1	16.8	17.3
Cash and equivalents	10.5	11.8	10.7	11.2	11.5
Balance sheet total	85.6	86.3	84.7	87.3	89.4

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	35.8	40.4	42.2	44.7	47.7
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	29.3	32.2	34.0	36.5	39.6
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-1.4	0.3	0.3	0.3	0.3
Other equity	7.9	7.9	7.9	7.9	7.9
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	27.1	24.3	21.0	21.1	20.2
Deferred tax liabilities	0.8	0.7	0.7	0.7	0.7
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	26.3	23.5	20.3	20.4	19.4
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	22.6	21.7	21.5	21.5	21.5
Interest bearing debt	4.5	4.9	4.8	5.1	5.5
Payables	17.4	15.2	15.2	14.9	14.4
Other current liabilities	0.8	1.6	1.6	1.6	1.6
Balance sheet total	85.6	86.3	84.7	87.3	89.4

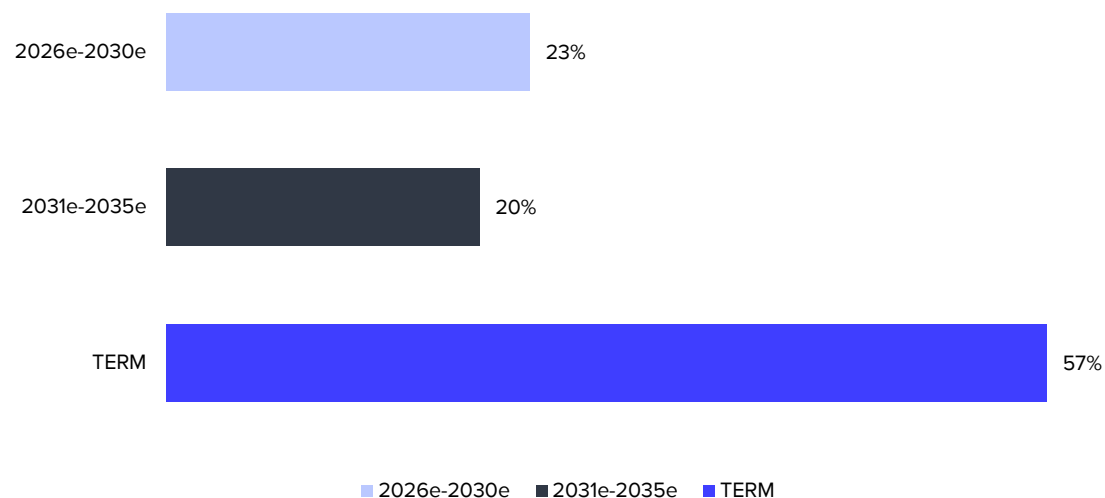
# DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-2.8 %	2.6 %	4.2 %	3.3 %	3.3 %	3.0 %	2.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	11.2 %	9.8 %	10.7 %	11.4 %	11.9 %	12.0 %	12.0 %	11.5 %	11.5 %	11.5 %	11.5 %	11.5 %
EBIT (operating profit)	9.8	8.7	10.0	11.0	11.8	12.3	12.6	12.3	12.6	12.8	13.1	
+ Depreciation	4.9	5.2	4.9	5.1	5.3	5.6	5.8	5.9	6.0	6.1	6.3	
- Paid taxes	-2.4	-0.1	-1.7	-1.9	-2.1	-2.2	-2.3	-2.3	-2.4	-2.5	-2.5	
- Tax, financial expenses	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.2	-0.2	-0.2	-0.1	
+ 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	1.0	-0.5	-1.5	-1.4	-0.5	-0.5	-0.4	-0.4	-0.4	-0.4	-0.4	
Operating cash flow	13.0	13.0	11.4	12.4	14.2	14.9	15.3	15.3	15.6	16.0	16.3	
+ 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	-6.1	-5.5	-5.9	-5.9	-6.6	-6.4	-6.4	-6.4	-6.6	-6.7	-6.8	
Free operating cash flow	6.8	7.5	5.5	6.5	7.6	8.5	8.9	8.9	9.1	9.2	9.4	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	6.8	7.5	5.5	6.5	7.6	8.5	8.9	8.9	9.1	9.2	9.4	151
Discounted FCFF		7.1	4.8	5.3	5.6	5.8	5.7	5.2	4.9	4.6	4.3	69.5
Sum of FCFF present value		123	116	111	106	100	94.2	88.6	83.3	78.4	73.8	69.5
Enterprise value DCF		123										
- Interest bearing debt		-28.5										
+ Cash and cash equivalents		11.8										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		-4.1										
Equity value DCF		102										
Equity value DCF per share		5.8										

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	6.5 %
Equity Beta	1.10
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	8.7 %
Weighted average cost of capital (WACC)	8.4 %

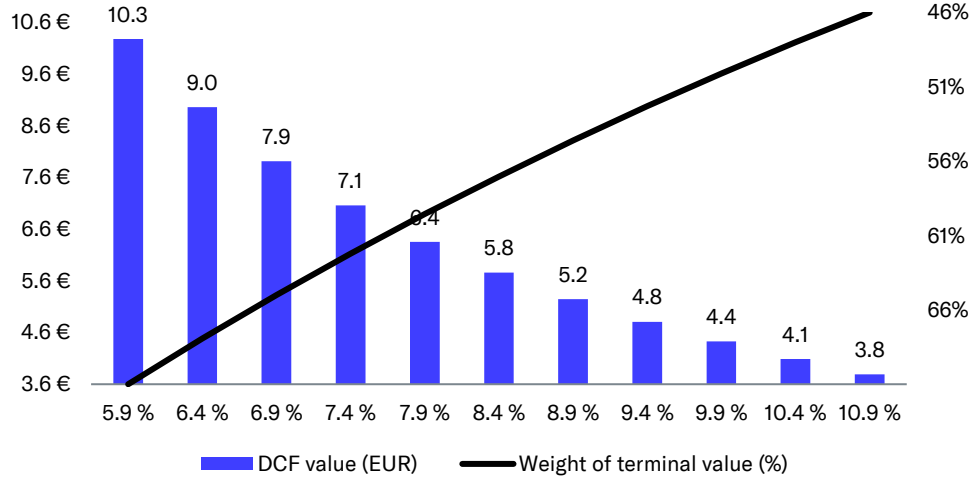
Source: Inderes

Cash flow distribution

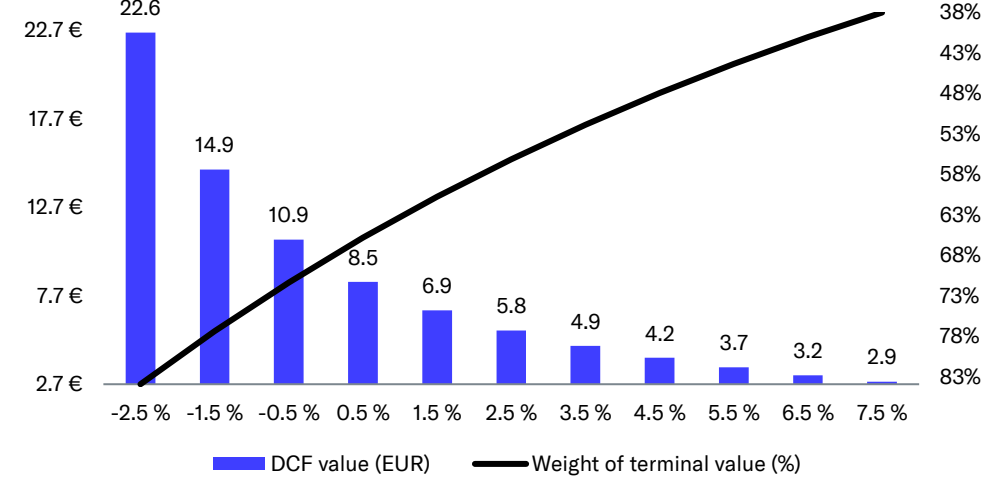


# DCF sensitivity calculations and key assumptions in graphs

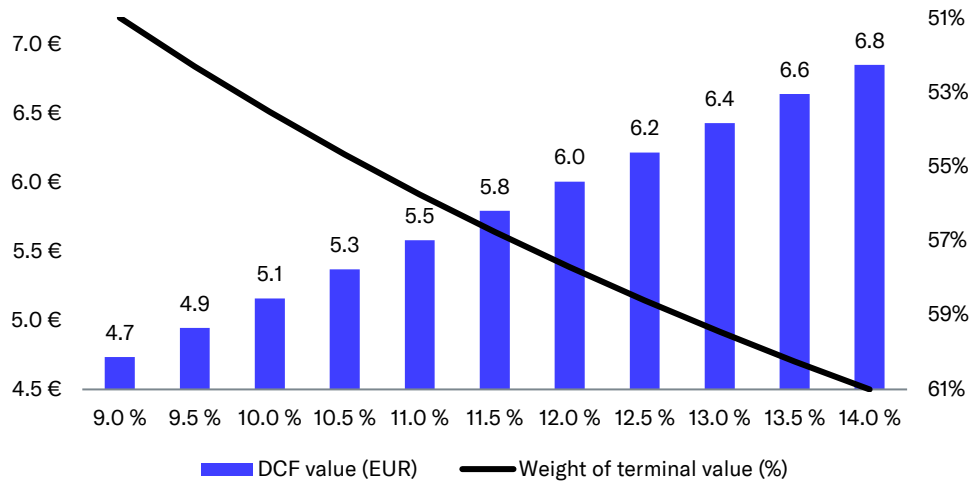
Sensitivity of DCF to changes in the WACC-%



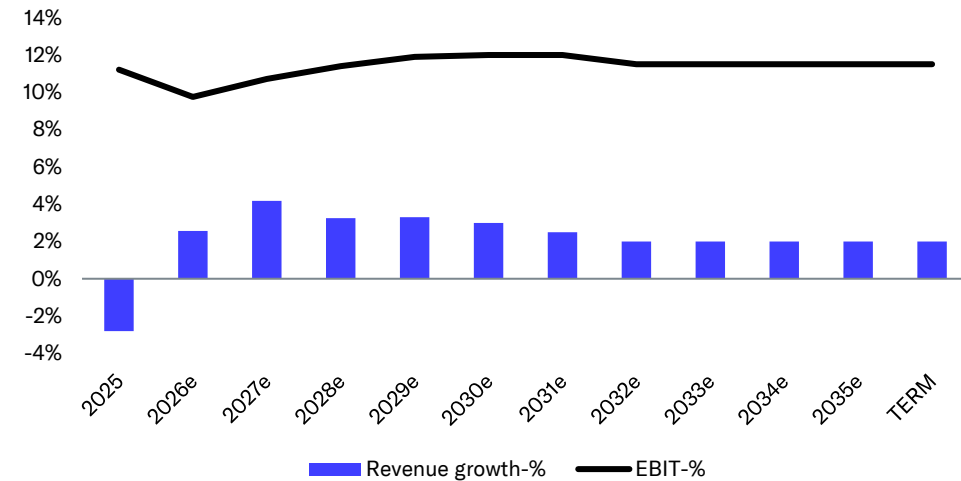
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

# Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	85.9	89.7	87.2	89.4	93.2	EPS (reported)	0.39	0.34	0.38	0.33	0.38
EBITDA	14.9	14.3	14.7	13.9	14.9	EPS (adj.)	0.35	0.34	0.38	0.33	0.38
EBIT	10.8	9.8	9.8	8.7	10.0	OCF / share	0.68	0.74	0.73	0.73	0.64
PTP	8.5	7.8	8.6	7.4	8.5	OFCF / share	0.43	0.47	0.39	0.42	0.31
Net Income	6.9	6.1	6.8	5.9	6.7	Book value / share	1.94	2.02	2.27	2.37	2.51
Extraordinary items	0.7	0.0	0.0	0.0	0.0	Dividend / share	0.21	0.22	0.23	0.24	0.25
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	85.6	85.6	86.3	84.7	87.3	Revenue growth-%	2%	4%	-3%	3%	4%
Equity capital	34.4	35.8	40.4	42.2	44.7	EBITDA growth-%	61%	-4%	3%	-5%	8%
Goodwill	22.3	21.7	22.7	22.7	22.7	EBIT (adj.) growth-%	87%	-2%	-1%	-11%	15%
Net debt	22.3	20.3	16.6	14.3	14.3	EPS (adj.) growth-%	170%	-1%	11%	-13%	15%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	17.3 %	15.9 %	16.8 %	15.5 %	16.0 %
EBITDA	14.9	14.3	14.7	13.9	14.9	EBIT (adj.)-%	11.7 %	11.0 %	11.2 %	9.8 %	10.7 %
Change in working capital	-0.8	1.2	1.0	-0.5	-1.5	EBIT-%	12.5 %	11.0 %	11.2 %	9.8 %	10.7 %
Operating cash flow	12.1	13.2	13.0	13.0	11.4	ROE-%	21.5 %	17.4 %	17.8 %	14.2 %	15.5 %
CAPEX	-4.4	-4.8	-6.1	-5.5	-5.9	ROI-%	16.0 %	14.6 %	14.5 %	12.8 %	14.6 %
Free cash flow	7.7	8.4	6.8	7.5	5.5	Equity ratio	40.3 %	41.9 %	46.8 %	49.8 %	51.2 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	64.8 %	56.8 %	41.2 %	33.9 %	31.9 %
EV/S	1.4	1.2	1.1	1.0	1.0	Net debt/EBITDA	1.5	1.4	1.1	1.0	1.0
EV/EBITDA	7.9	7.7	6.8	6.5	6.1	EBITDA/net financials	6.7	6.9	12.4	10.3	9.9
EV/EBIT (adj.)	11.8	11.1	10.1	10.4	9.1						
P/E (adj.)	15.5	14.5	12.2	13.0	11.3						
P/B	2.8	2.5	2.0	1.8	1.7						
Dividend-%	3.9 %	4.4 %	4.9 %	5.6 %	5.8 %						

Source: Inderes

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

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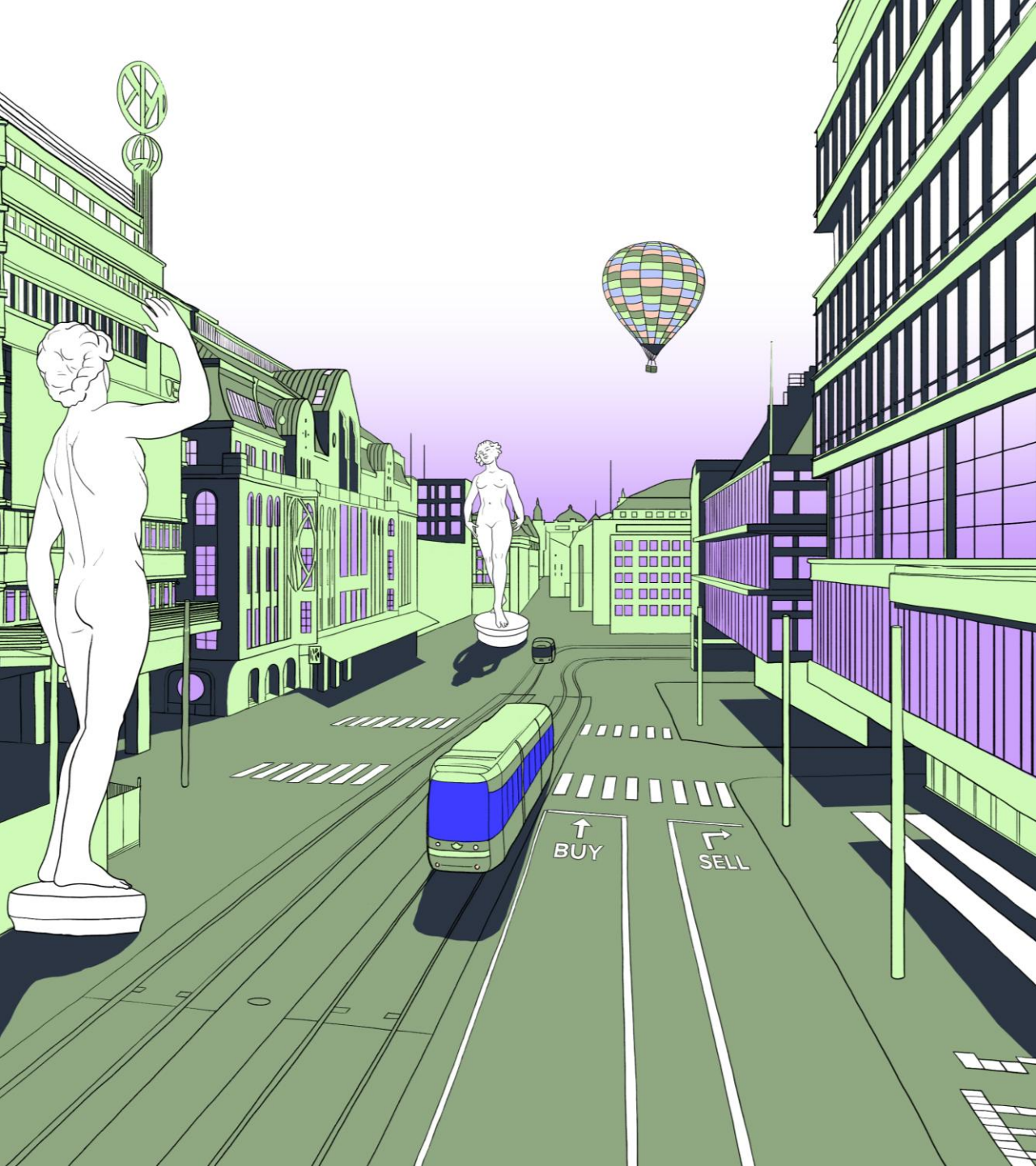
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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
3/26/2021	Accumulate	8.50 €	7.42 €
5/12/2021	Accumulate	11.00 €	10.15 €
8/26/2021	Accumulate	13.00 €	11.48 €
9/20/2021	Buy	13.00 €	10.50 €
11/11/2021	Accumulate	12.50 €	11.63 €
Analyst changed			
1/13/2022	Accumulate	11.50 €	10.44 €
3/10/2022	Accumulate	8.00 €	7.14 €
5/11/2022	Reduce	7.00 €	6.68 €
8/26/2022	Reduce	5.00 €	5.42 €
10/11/2022	Accumulate	4.40 €	3.93 €
11/14/2022	Accumulate	5.80 €	5.27 €
3/9/2023	Accumulate	5.60 €	5.05 €
5/18/2023	Accumulate	5.60 €	4.99 €
8/25/2023	Accumulate	5.40 €	4.64 €
11/8/2023	Buy	6.00 €	4.95 €
3/6/2024	Accumulate	7.00 €	6.39 €
3/22/2024	Accumulate	7.00 €	6.26 €
5/16/2024	Accumulate	7.20 €	6.74 €
8/23/2024	Accumulate	7.00 €	6.34 €
11/17/2024	Buy	6.50 €	5.54 €
2/26/2025	Accumulate	6.00 €	5.22 €
3/13/2025	Accumulate	6.00 €	5.24 €
5/16/2025	Accumulate	5.50 €	4.87 €
8/22/2025	Accumulate	5.50 €	4.82 €
11/14/2025	Accumulate	5.50 €	4.97 €
3/6/2026	Accumulate	5.30 €	4.66 €
4/14/2026	Reduce	5.00 €	4.92 €
5/8/2026	Reduce	4.40 €	4.31 €



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