LEMONSOFT

11/6/2026 11:15 am EET

This is a translated version of ”Markkinatilanne ja myynti edelleen piristymään päin” report, published on 11/5/2026



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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Market and sales still ripening

We reiterate our Buy recommendation and EUR 6.0 target price for Lemonsoft. The Q3 figures were largely in line with our expectations, and we make only minor downward adjustments to our earnings estimates for the coming years. The market environment has continued to improve, and activity in the early stages of the sales pipeline has picked up clearly. We expect this to start showing in the company's growth next year. In light of this, the share's valuation (2027e EV/EBIT 10x) remains very attractive.

Q3 figures largely in line with our expectations

Lemonsoft's Q3 revenue grew by 1.5% to 7.2 MEUR, slightly below our 7.3 MEUR estimate. Organic growth was 0.2%, with acquisitions and divestments adding a net ~1.3pp. Supported by the Jakamo acquisition, strategically key SaaS revenue grew by 8% to 5.9 MEUR. Adjusted EBIT was 2.5 MEUR, slightly above our 2.4 MEUR forecast. The beat came from the gross margin (86.4%), which was lifted by the removal of Finvoicer and Lixan from the figures and lower platform costs. The adjusted EBIT margin (35.0%) was in line with the comparison period. A one-off financial expense related to the Finvoicer divestment, however, pushed EPS (EUR 0.03) below our estimate (EUR 0.09).

Sales pipeline has picked up, but churn is still weighing on performance

According to the company, the number of new deals still fell slightly short of targets in Q3, but customer decision-making became notably more active toward the end of the quarter. Activity in the early stages of the sales pipeline has picked up as the industrial manufacturing and wholesale & retail markets recover, and the number of ERP leads has doubled or tripled from earlier levels. During the quarter, Lemonsoft won several new customers switching from competitors' systems that are reaching the end of their life cycle. The company estimates that this transition will offer a significant growth opportunity in the coming years. In early Q4, the number and size of deals have reportedly increased gradually. On the other hand, customer churn remained at the Q2 level. According to the company, new cancellations have fallen significantly since the summer, but cancellations made earlier in the year will keep actual churn elevated in the coming quarters.

Only minor changes to estimates

Lemonsoft reiterated its guidance, under which 2026 revenue will grow by -1% to +5% and the adjusted EBIT margin will be 23–29%. Our estimates (1.6% growth and an adjusted EBIT margin of 26.6%) are close to the midpoints of the ranges. We slightly lower our SaaS growth forecasts for the coming years, as elevated churn continues to weigh on performance a bit more than we expected, and new sales are reflected in revenue with a lag. A higher gross margin partly offsets this, and our earnings forecasts for the next few years fall by some 2%. For next year, we forecast growth of 2.3%, weighted toward H2'27 due to the divestments. We forecast the adjusted EBIT margin to rise to 28.4%. For 2028, we forecast 5% growth and an adjusted EBIT margin of 29.1%. Lemonsoft will likely accelerate its growth through acquisitions again in the coming years.

Stock valuation remains very moderate

On our forecasts, 2026e EV/EBIT adjusted for PPA amortization is 11x. If the earnings growth we forecast materializes, the valuation for the coming years (EV/EBIT 2027e–2028e: 10x and 8x) is very attractive. Earnings growth in the coming years also looks increasingly likely as market conditions move in the right direction. At our target price, the share would be valued at around 14x and 13x EV/EBIT for 2026–2027. In the short term, weak sentiment toward SaaS companies is weighing on the acceptable valuation, even though the worst AI fears have eased. The principal owners' combined holding of over 90% also keeps alive the possibility that Lemonsoft will be taken private through a compulsory redemption of minority shares.

Recommendation
Buy
(was Buy)

Target price:
EUR 6.00
(was EUR 6.00)

Share price:
EUR 4.54

Business risk



Valuation risk



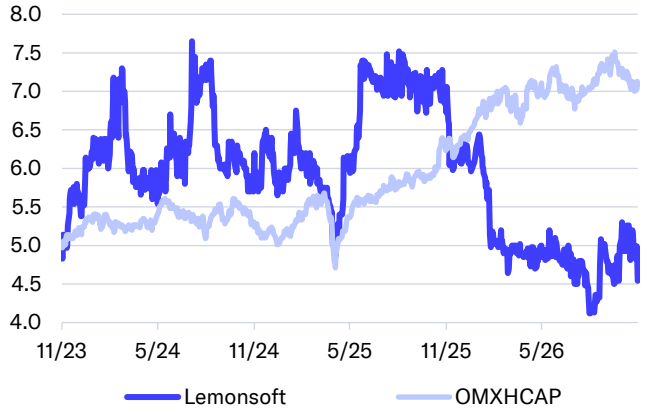
	2025	2026e	2027e	2028e
Revenue	29.5	29.9	30.6	32.1
growth-%	2%	2%	2%	5%
EBIT adj.	6.9	8.0	8.7	9.3
EBIT-% adj.	23.6 %	26.6 %	28.4 %	29.1 %
Net Income	4.5	3.7	5.8	6.4
EPS (adj.)	0.24	0.29	0.38	0.41
P/E (adj.)	25.0	15.8	11.9	10.9
P/B	3.7	2.6	2.4	2.1
Dividend yield-%	2.3 %	3.1 %	3.1 %	3.3 %
EV/EBIT (adj.)	16.3	10.9	9.6	8.4
EV/EBITDA	12.2	9.7	8.5	7.8
EV/S	3.9	2.9	2.7	2.5

Source: Inderes

Guidance (Unchanged)

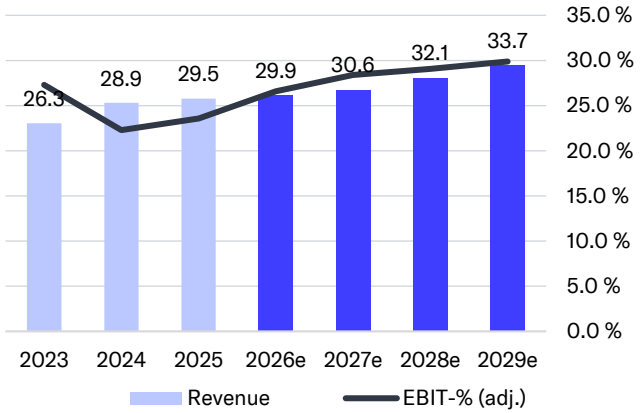
"Lemonsoft estimates that the net sales for the financial year 2026 will increase by –1–5% and that adjusted EBIT will be 23-29% of net sales."

Share price



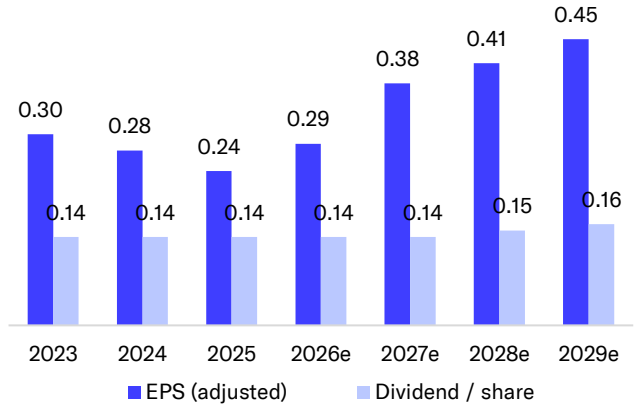
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- Growth in current industries by expanding within existing customers and acquiring new customers
- Accelerating growth and value creation through M&A
- Profitability scaling potential with growth
- High customer retention (system is business-critical for customers)

Risk factors

- Weak economic environment creates uncertainty over the organic revenue growth outlook
- Acquisitions and their integration
- Excessive diversification of the product portfolio and loss of focus
- Tightening competition
- Technology and cybersecurity risks

Valuation	2026e	2027e	2028e
Share price	4.54	4.54	4.54
Number of shares, millions	17.8	17.8	17.8
Market cap	81	81	81
EV	87	83	79
P/E (adj.)	15.8	11.9	10.9
P/E	21.6	14.0	12.7
P/B	2.6	2.4	2.1
P/S	2.7	2.6	2.5
EV/Sales	2.9	2.7	2.5
EV/EBITDA	9.7	8.5	7.8
EV/EBIT (adj.)	10.9	9.6	8.4
Payout ratio (%)	66.7 %	43.2 %	42.1 %
Dividend yield-%	3.1 %	3.1 %	3.3 %

Source: Inderes

Q3 figures largely in line with our expectations

Revenue growth subdued as expected

Lemonsoft's Q3 revenue grew by 1.5% to 7.2 MEUR, slightly below our 7.3 MEUR estimate. Organic growth was 0.2 %. The Jakamo acquisition boosted revenue, whereas the divestment of Finvoicer and the end of Lixan's consolidation weighed on it. On a net basis, corporate transactions supported growth by ~1.3 percentage points. Strategically key SaaS income grew by 8% to 5.9 MEUR but fell slightly short of our 6.0 MEUR estimate. Organic growth of recurring revenue was -0.5%. Annual recurring revenue (ARR) was 24.2 MEUR at the end of Q3 (Q2'26: 24.8 MEUR). According to the company, divestments reduced the ARR figure by 2.2%.

Transaction income (0.47 MEUR, -32%) and consulting revenue (0.78 MEUR, -13%) decreased mainly due to the divestment of Finvoicer. According to the company, the number of new deals still fell slightly short of targets in Q3, but customer decision-making became notably more active toward the end of the quarter. Activity at the top of the sales pipeline has picked up, as the number of ERP leads and the value of submitted quotes were clearly higher than before. According to the company, the number of ERP leads already doubled or tripled in May–June compared to the previous level, and the number of leads has been further increased since August. This is driven by the recovery in the market of core industries (industrial manufacturing and wholesale and retail), which continued in Q3. During the quarter, Lemonsoft won several new customers switching from competitors' systems that are reaching the end of their life cycle. The company estimates that this transition will offer a significant growth opportunity in the coming years. In early Q4, the number and size of deals have reportedly increased gradually. The company expects new sales to be more prominently reflected in the figures in Q1–Q2'27.

Net expansion from existing customers was close to zero in Q3, meaning that service expansions and contractions offset each other. Customer churn remained at the Q2 level and was slightly lower than in Q1. According to the company, the number of new cancellations has decreased significantly since the summer. However, cancellations received earlier in the year will materialize with a time lag, so the company expects the actual churn to remain elevated in the coming quarters.

Profitability slightly above expectations

Adjusted EBIT for Q3 was 2.5 MEUR, slightly above our 2.4 MEUR forecast. The adjusted EBIT margin (35.0%) was in line with the comparison period. The biggest deviation from our forecast came from the gross margin, which rose to 86.4% (Q3'25: 83.1%), above our 85% forecast. According to the company, the increase reflects the removal of Finvoicer and Lixan from the figures and lower platform costs following last year's technology platform transition. The company considers the current gross margin level sustainable. Headcount fell to 184 in Q3 (Q2'26: 207), mainly due to the Finvoicer divestment. Lemonsoft held small-scale change negotiations in October–November, reducing headcount by seven. The company estimates the annual cost savings from the change negotiations at ~0.5 MEUR. At the same time, however, the company is adding resources for managing existing customer accounts and additional sales.

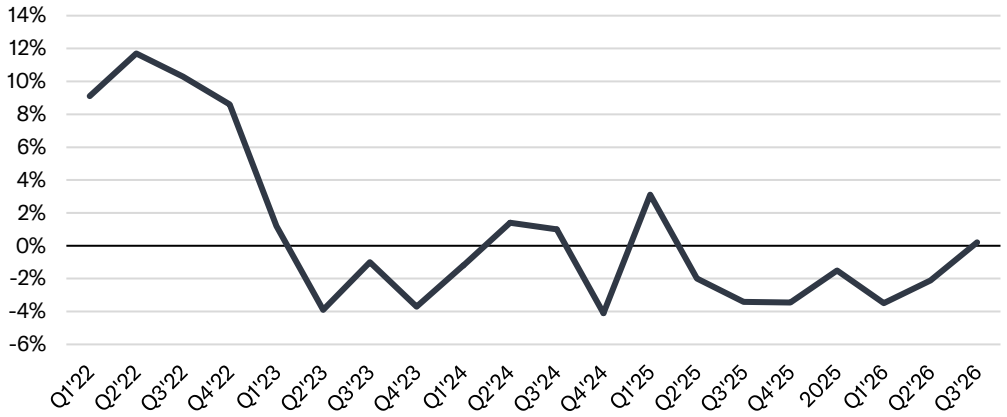
Below EBIT, financial expenses rose to 1.2 MEUR (Q3'25: 0.1 MEUR). According to the company, this was driven by a one-off item related to the divestment of Finvoicer. Because of this, the earnings per share (EUR 0.03) fell well short of our estimate (EUR 0.09). Cash flow from operating activities (1.8 MEUR) and free cash flow (1.6 MEUR) were at a good level during the quarter. Net debt decreased to 7.5 MEUR at the end of Q3 (Q2'26: 8.7 MEUR), and the net debt/EBITDA ratio was low at 0.9x.

Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Act. vs. inderes	Inderes
Revenue	7.1	7.2	7.3		-1%	29.9
EBIT (adj.)	2.5	2.5	2.4		5%	8.0
EBIT	2.4	2.2	2.1		2%	6.6
EPS (adj.)	0.11	0.05	0.10		-51%	0.29
EPS (reported)	0.11	0.03	0.09		-64%	0.21
Revenue growth-%	-3.4 %	1.5 %	2.8 %		-1.3 pp	1.6 %
EBIT-% (adj.)	35.1 %	35.0 %	32.9 %		2 pp	26.6 %

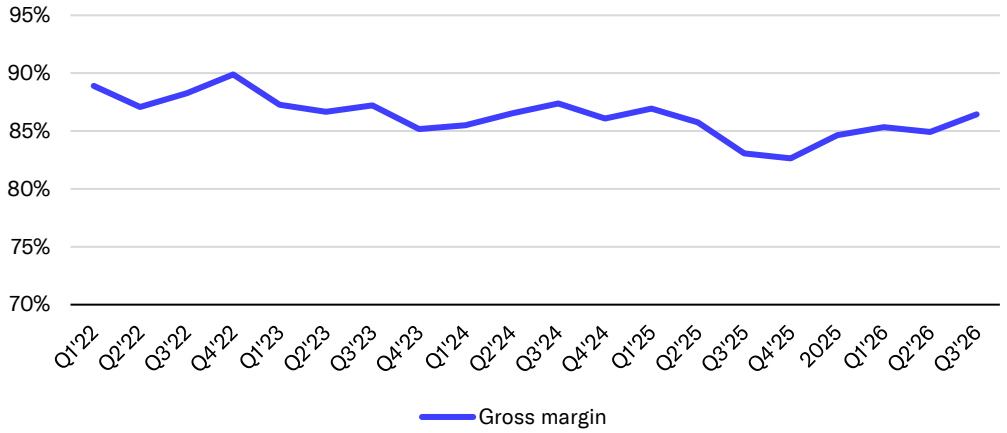
Source: Inderes

Development of key figures 1/2

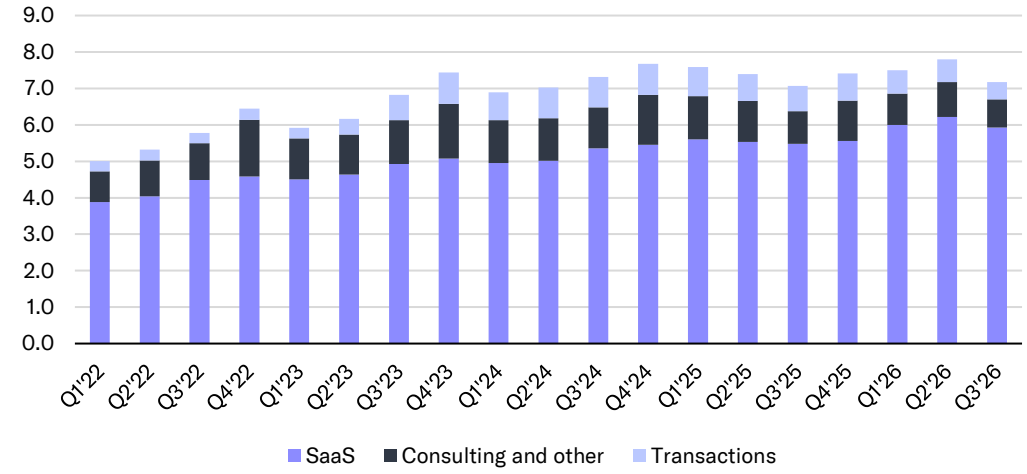
Quarterly organic growth development



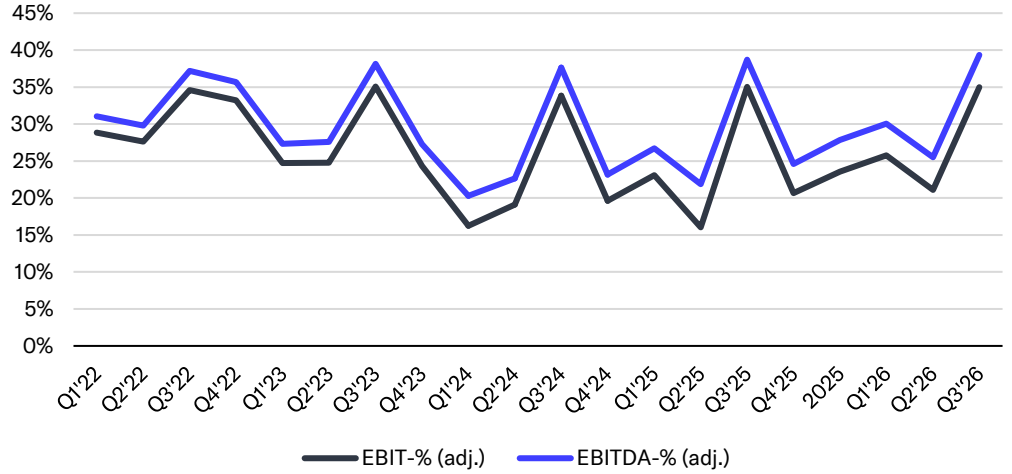
Quarterly gross margin development



Quarterly revenue development (MEUR)

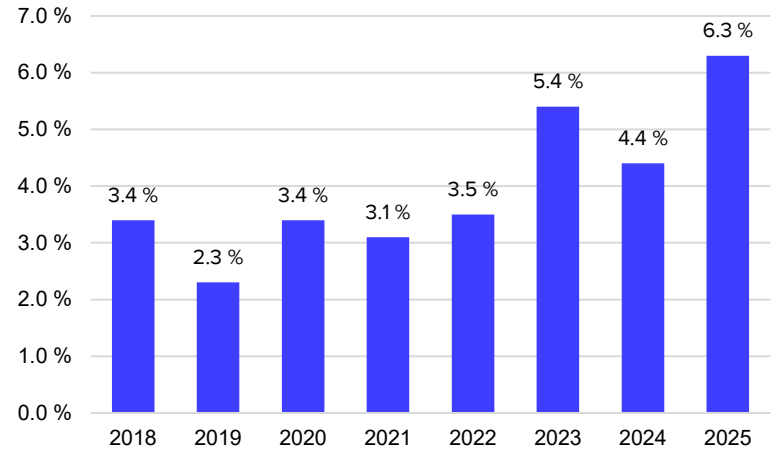


Quarterly profitability development

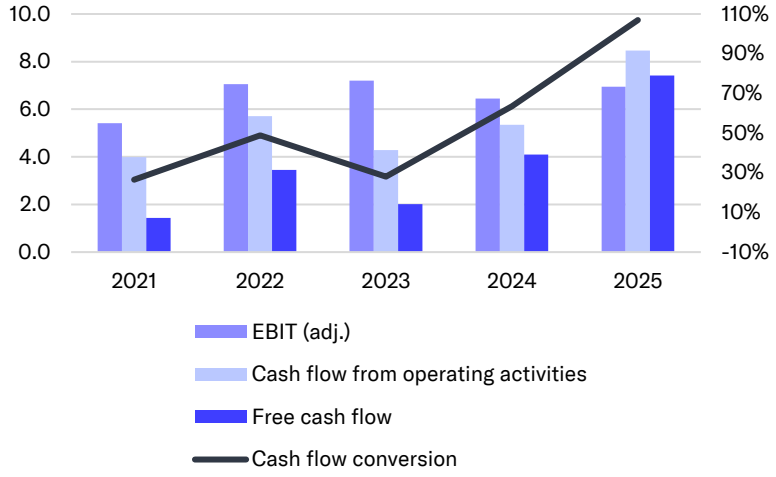


Development of key figures 2/2

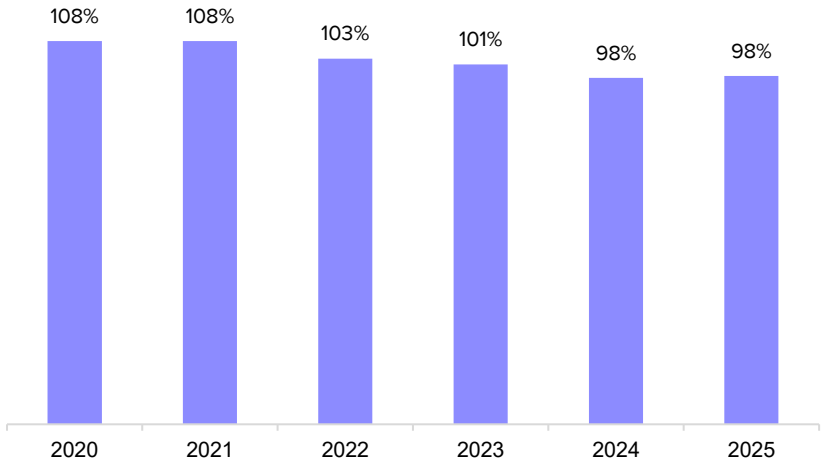
Development of customer churn



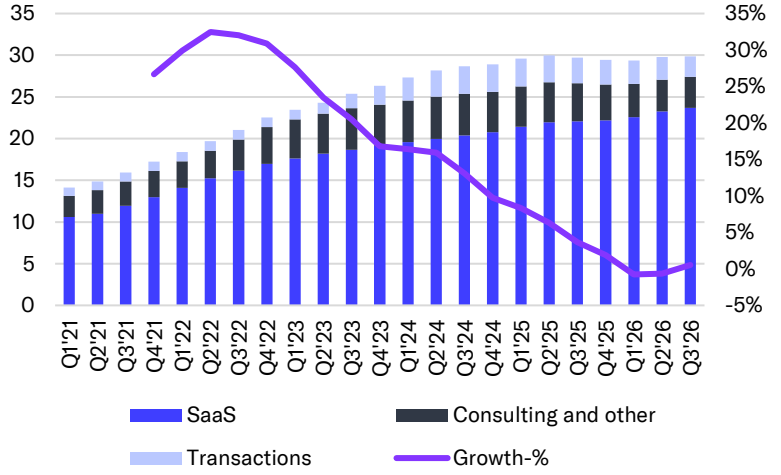
Cash flow development



Net revenue retention (NRR)



Revenue development (rolling 12 months)



Minor trimming of growth forecasts

Guidance reiterated as expected

Lemonsoft reiterated its guidance, under which 2026 revenue will grow by -1% to +5% and the adjusted EBIT margin will be 23–29%. We now forecast revenue growth of 1.6% and an adjusted EBIT margin of 26.6%, both close to the midpoints of the guidance ranges.

For Q4, we forecast revenue of 7.4 MEUR and an adjusted EBIT margin of 25.1%. Profitability will decline seasonally in Q4 from the strong Q3 level but improve clearly year-on-year (Q4'25: 20.6%).

Following the report, we slightly lower our SaaS growth forecasts for the coming years. Elevated customer churn is still weighing on performance slightly more than we expected, while recovering new sales are reflected in revenue with a lag. We also slightly raise our gross margin estimates for the coming years and make minor adjustments to our cost estimates. Overall, our earnings estimates for the next few years fall by around 2%.

Short-term estimates in brief

We estimate that Lemonsoft's revenue will grow by 2.3% next year to 30.6 MEUR. The divestment of Finvoicer and the end of Lixan's consolidation will continue to weigh on reported growth in H1'27, after which we forecast growth to accelerate in H2'27. Growth is driven by SaaS income, while we expect consulting to continue to decline. We forecast the adjusted EBIT margin to rise to 28.4%, supported by implemented cost savings and a higher gross margin.

For 2028, we forecast 5% growth and an adjusted EBIT margin of 29.1%. Lemonsoft will very likely accelerate its growth through acquisitions again in the coming years.

AI accelerates product development

The pace of Lemonsoft's product development accelerated significantly in Q3, and the number of completed features was roughly threefold compared to the beginning of the year. According to the company, agent-based development now makes it possible to develop even extensive functionalities in just a few weeks. The company stated that its competitive position relative to key competitors has clearly improved over the past year. In tenders, the company has not seen equally rapid development from its competitors. New AI features (e.g. MCP interface and production AI assistant) are for now included in the current packages without separate pricing. The company has not observed any customer churn related to AI. In our view, accelerated product development supports Lemonsoft's position in the legacy system replacement cycle.

Internationalization pilots progressing cautiously

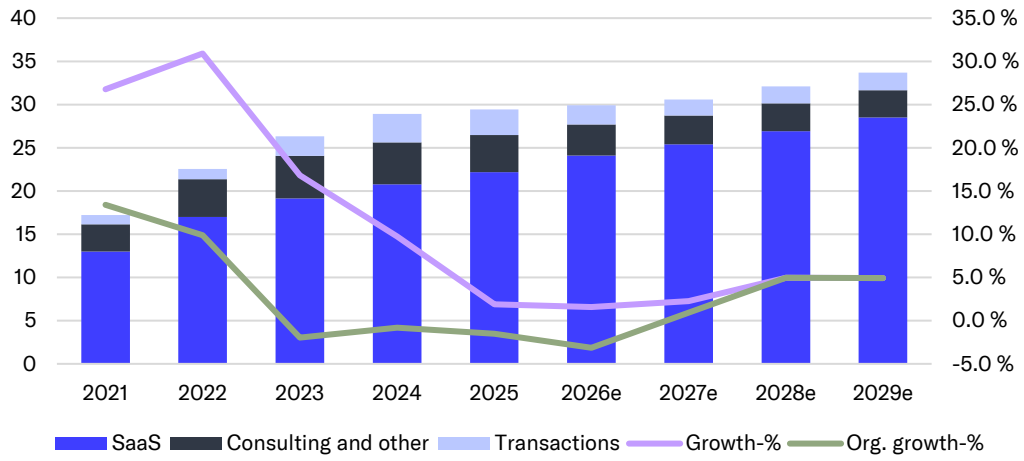
Lemonsoft is piloting its software with several existing customers in Sweden, Germany, and the Baltics. According to the company, its product portfolio already appears quite comprehensive in Sweden. In Germany, the pilot focuses on manufacturing execution systems (MES), and in the Baltics on MES and warehouse management. The company is proceeding cautiously, and the pilots have not caused any additional costs so far.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	30.2	29.9	-1%	31.6	30.6	-3%	33.1	32.1	-3%
EBITDA	8.9	8.9	1%	9.4	9.7	4%	10.0	10.1	1%
EBIT (exc. NRIs)	7.8	8.0	2%	8.8	8.7	-2%	9.5	9.3	-2%
EBIT	6.6	6.6	-1%	7.8	7.6	-2%	8.5	8.3	-2%
PTP	6.2	5.0	-19%	7.4	7.2	-3%	8.1	7.9	-3%
EPS (excl. NRIs)	0.34	0.29	-15%	0.39	0.38	-2%	0.43	0.41	-2%
DPS	0.14	0.14	0%	0.14	0.14	0%	0.15	0.15	0%

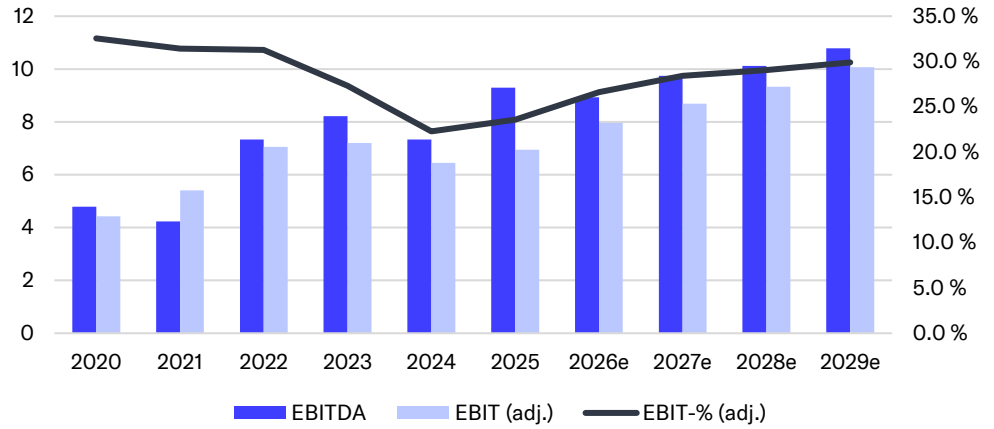
Source: Inderes

Summary of estimates

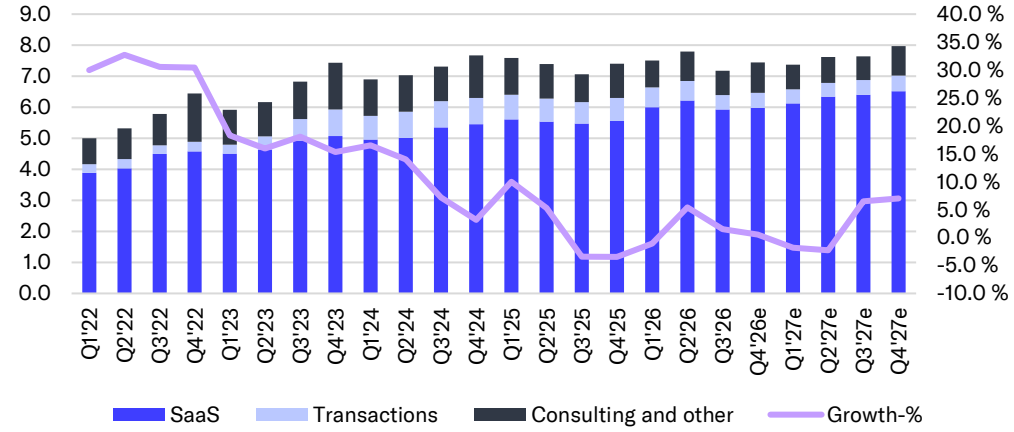
Revenue by income type and growth, %



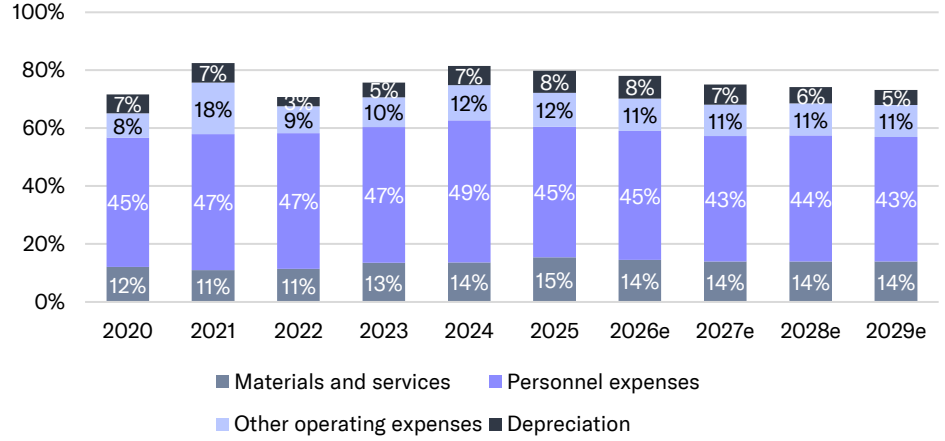
Revenue and EBIT (adj.)



Revenue development by quarter (MEUR)



Cost structure % of revenue



Valuation 1/2

Lemonsoft’s investment profile includes factors that support its valuation

There are many factors in Lemonsoft’s business model and investment profile that support a relatively high valuation for the share. The company has a good track record of profitable growth and, consequently, shareholder value creation. Thanks to the economies of scale, the company's profitability is already at a good level, but there is still potential for improvement. The cash flow profile of the business is also good, enabling a steady annual dividend stream and share repurchases, depending on how aggressively the company allocates its capital to acquisitions. In addition, we believe Lemonsoft's long-term growth prospects remain reasonably good and the overall risk profile is moderate. The company's business is mostly recurring, many of its solutions are business-critical for customers, and it offers a broad and competitive product portfolio for its target industries.

We currently consider the AI threat to be relatively low from the perspective of ERP providers for SMEs

Since 2023, Lemonsoft's organic growth rate has turned out modest, partly due to the weak market situation. To reverse the direction, however, the company must also improve its own execution, and a lot of changes and hard work have been put into this over the past few years. Increased lead volumes and customer wins from competitors indicate that these efforts are now beginning to gradually yield results. In our view, weak organic growth has been one of the key reasons weighing on the share's acceptable valuation. However, the keys to accelerating momentum are in the company's own hands, and the market environment in its core sectors is also picking up.

Lemonsoft's short-term valuation has been weighed down this year by weaker sentiment toward SaaS software companies. Investor fears regarding AI-driven disruption dragged the valuations of many software companies to very low levels. The worst fears regarding AI have since subsided, but the valuations of many companies remain clearly below historical levels. Globally low valuation levels inevitably weigh on Lemonsoft's acceptable valuation as well.

We are not particularly concerned about the threats posed by AI to Lemonsoft. The SaaS transformation in the SME ERP market has already taken a very long time, and some operators still use legacy systems. Entering the market is also expensive for new operators due to low average invoicing and long sales cycles. Lemonsoft can also leverage AI itself, which is already clearly visible as accelerated product development. The company has not observed any customer churn related to AI. In the long term, however, competition is likely to tighten, and there is also a risk of price pressure. We consider the threat of disruption to be low for the ERP solution, but the risk is higher for certain financial management-related tools in the product portfolio.

Valuation	2026e	2027e	2028e
Share price	4.54	4.54	4.54
Number of shares, millions	17.8	17.8	17.8
Market cap	81	81	81
EV	87	83	79
P/E (adj.)	15.8	11.9	10.9
P/E	21.6	14.0	12.7
P/B	2.6	2.4	2.1
P/S	2.7	2.6	2.5
EV/Sales	2.9	2.7	2.5
EV/EBITDA	9.7	8.5	7.8
EV/EBIT (adj.)	10.9	9.6	8.4
Payout ratio (%)	66.7 %	43.2 %	42.1 %
Dividend yield-%	3.1 %	3.1 %	3.3 %

Source: Inderes

Valuation 2/2

Stock valuation remains very moderate

In our view, Lemonsoft's valuation remains very modest, and the growth expectations loaded into the stock are not high. Based on our forecasts, the EV/EBIT multiple adjusted for M&A PPA amortizations for 2026 is 11x. If the pick-up in sales progresses and the earnings growth we forecast materializes, the valuation for the coming years (2027e-2028e EV/EBIT 10x-8x) looks very attractive. The share therefore still has clear upside as earnings growth continues. There is potential to accelerate earnings growth going forward through successful acquisitions. At our target price, the share would be valued at around 14x and 13x EV/EBIT for 2026–2027.

A key challenge for the rise of Lemonsoft's valuation level in the short term is the overall weak sentiment regarding SaaS stocks, even though the worst AI fears have already eased. If Lemonsoft is able to deliver the earnings growth it targets in the coming years, we estimate that the valuation level will eventually return to higher than the current one.

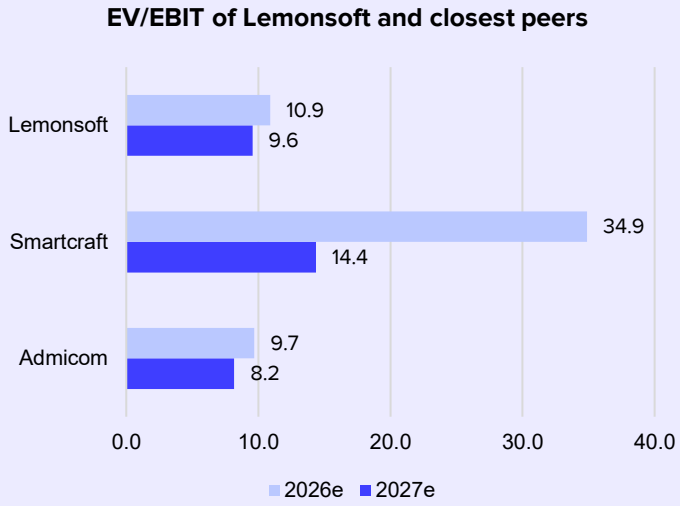
A highly concentrated ownership structure introduces an interesting variable to the share

Lemonsoft's ownership is highly concentrated, as the main owner Rite Ventures and founder Kari Joki-Hollanti together own over 90% of the company's shares. According to the company, Rite has bought shares from Nordic small-cap funds that have wanted to divest their holdings. In our view, the joint ownership increases the probability that Lemonsoft will be bought out from the stock exchange at some point.

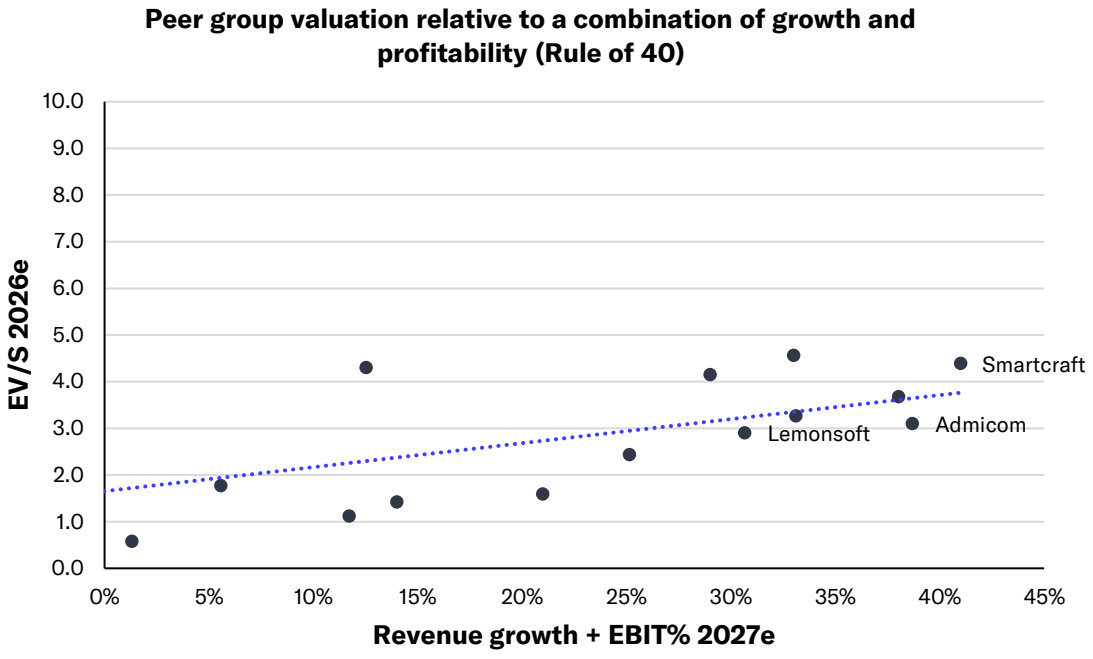
Nordic SaaS company valuations are at rock bottom

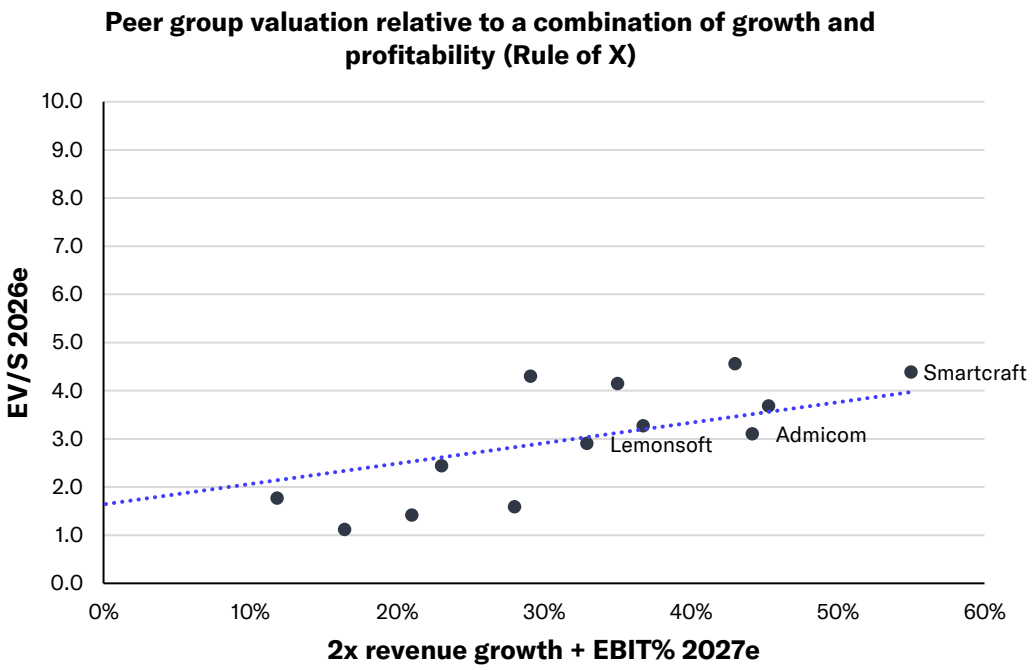
Relative to its closest peers, Lemonsoft is priced slightly higher on EV/EBIT multiples than Admicom (2026e-2027e: 10x-8x). Admicom's organic growth profile is currently somewhat better than Lemonsoft's, which is worth noting when comparing multiples. We believe the valuation of both companies is currently very attractive.

Norway-based Smartcraft's multiples (2026e–2027e EV/EBIT of 35x–14x) currently trade at a clear premium compared to Finnish companies. We estimate that the consensus EBIT forecast for the current year includes non-recurring items, as Smartcraft's EV/EBITDA multiples (12x–10x) are closer to the levels of Finnish companies. The company's projected growth pace for the coming years is stronger than Lemonsoft's, which in itself justifies higher multiples. All in all, the entire Nordic trio is currently priced well below its historical levels.

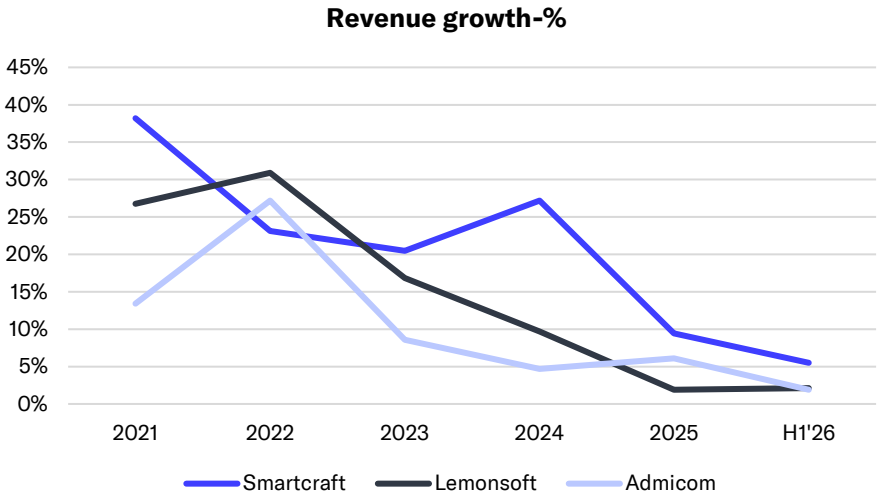


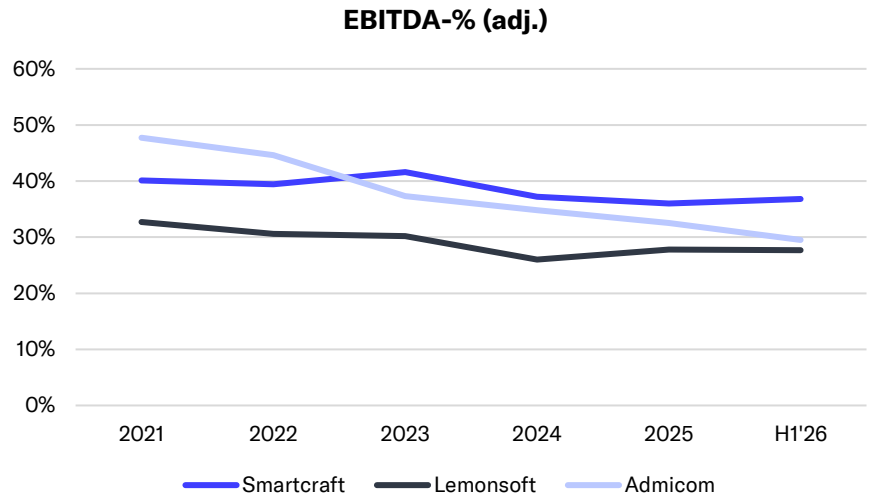
Revenue-based valuation compared to the peers

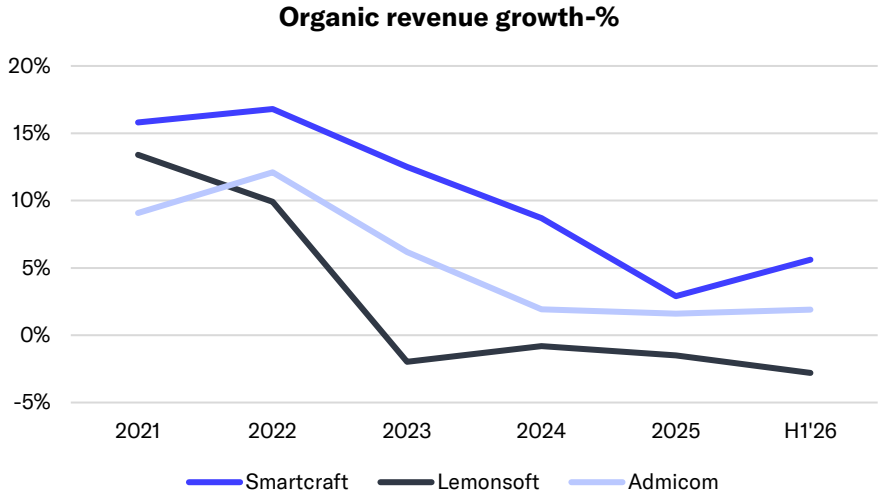


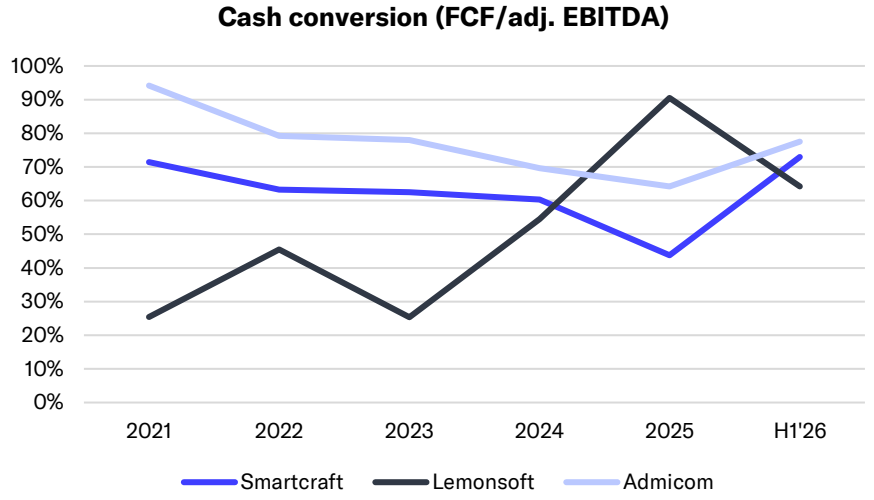


Key figures of Lemonsoft and peers







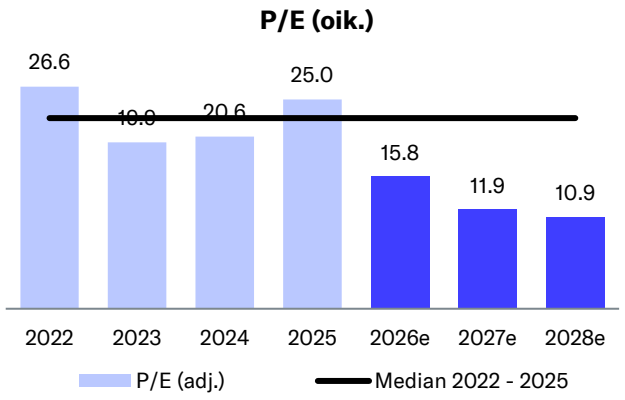


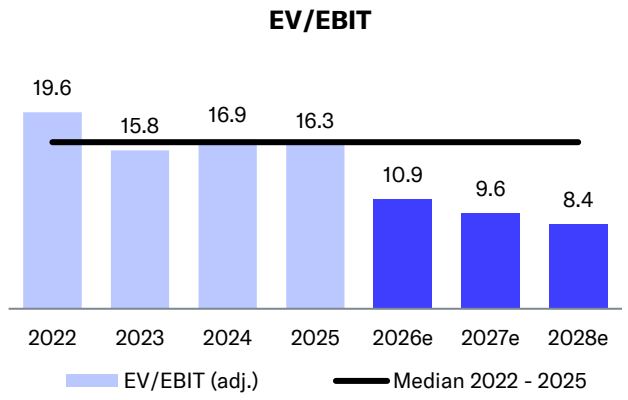
Source: Inderes

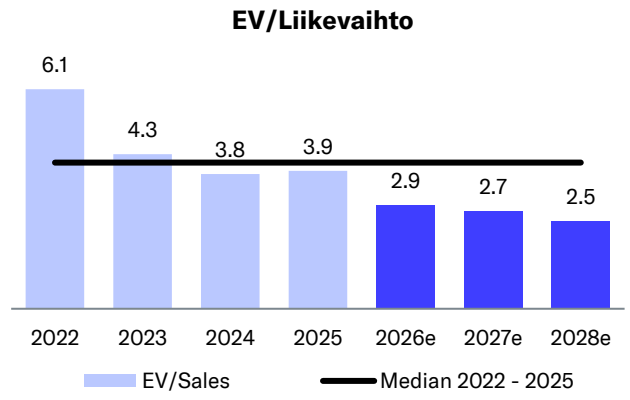
Valuation table

Valuation	2022	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Share price	7.96	6.02	5.70	6.12	**4.54**	**4.54**	**4.54**	**4.54**	**4.54**
Number of shares, millions	18.3	18.6	18.6	18.1	**17.8**	**17.8**	**17.8**	**17.8**	**17.8**
Market cap	146	112	106	109	**81**	**81**	**81**	**81**	**81**
EV	138	114	109	113	**87**	**83**	**79**	**74**	**69**
P/E (adj.)	26.6	19.9	20.6	25.0	**15.8**	**11.9**	**10.9**	**10.0**	**9.2**
P/E	29.0	21.1	25.6	24.5	**21.6**	**14.0**	**12.7**	**11.5**	**10.4**
P/B	5.6	3.7	3.3	3.7	**2.6**	**2.4**	**2.1**	**1.9**	**1.9**
P/S	6.5	4.2	3.7	3.7	**2.7**	**2.6**	**2.5**	**2.4**	**2.3**
EV/Sales	6.1	4.3	3.8	3.9	**2.9**	**2.7**	**2.5**	**2.2**	**1.9**
EV/EBITDA	18.9	13.9	14.9	12.2	**9.7**	**8.5**	**7.8**	**6.9**	**5.9**
EV/EBIT (adj.)	19.6	15.8	16.9	16.3	**10.9**	**9.6**	**8.4**	**7.4**	**6.3**
Payout ratio (%)	51.2 %	49.0 %	63.0 %	55.2 %	**66.7 %**	**43.2 %**	**42.1 %**	**40.6 %**	**38.9 %**
Dividend yield-%	1.8 %	2.3 %	2.5 %	2.3 %	**3.1 %**	**3.1 %**	**3.3 %**	**3.5 %**	**3.7 %**

Source: Inderes







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

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		Lv:n kasvu-%		EBIT-%		Rule of 40
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2027e**
Admicom	133	121	9.7	8.2	9.9	7.7	3.1	2.7	3%	6%	32%	33%	39%
Smartcraft	248	237	34.9	14.4	12.5	9.6	4.4	3.9		14%	13%	27%	41%
Easor	21	39	79.5		3.3	3.5	1.8	1.6	8%	6%	2%	-1%	6%
LeadDesk	12	22	16.9	13.5	3.6	3.4	0.6	0.6	-5%	-3%	3%	4%	1%
Talenom	51	125	20.4	14.6	6.2	5.3	1.1	1.0	4%	5%	6%	7%	12%
Qt Group	826	894	17.2	10.4	15.5	9.3	3.7	3.2	12%	7%	21%	31%	38%
F-Secure	247	383	9.7	8.6	9.0	6.9	2.4	2.3	8%	-2%	25%	27%	25%
Enento	382	519	11.3	10.5	9.9	8.9	3.3	3.1	4%	4%	29%	29%	33%
QPR Software	10	9			13.6	37.3	1.7	2.0	-5%	-13%	0%	-7%	-20%
SSH	101	99				59.8	4.3	3.6	6%	17%	-14%	-4%	13%
Lime Technologies	321	330	21.9	18.4	14.4	12.7	4.6	4.1	7%	10%	21%	23%	33%
Upsales Technology	41	38	11.8		8.8		2.1		18%		18%		
Vitec Software	1126	1417	19.0	16.8	10.3	9.5	4.2	3.9	4%	6%	22%	23%	29%
Sinch	2914	3590	30.1	19.1	10.9	9.9	1.4	1.3	1%	7%	5%	7%	14%
Zalaris	213	248	12.3	10.9	7.9	7.1	1.6	1.5	9%	7%	13%	14%	21%
Lemonsoft (Inderes)	**81**	**87**	**10.9**	**9.6**	**9.7**	**8.5**	**2.9**	**2.7**	**2%**	**2%**	**27%**	**28%**	**31%**
Average			**22.6**	**13.2**	**9.7**	**13.6**	**2.7**	**2.5**	**5%**	**5%**	**13%**	**15%**	
Median			**17.2**	**13.5**	**9.9**	**9.1**	**2.4**	**2.5**	**5%**	**6%**	**13%**	**19%**	
Diff-% to median			**-37%**	**-29%**	**-2%**	**-6%**	**19%**	**8%**					

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**28.9**	**7.6**	**7.4**	**7.1**	**7.4**	**29.5**	**7.5**	**7.8**	**7.2**	**7.4**	**29.9**	**30.6**	**32.1**	**33.7**
Saas	20.8	5.6	5.5	5.5	5.6	22.2	6.0	6.2	5.9	6.0	24.1	25.4	26.9	28.5
Consulting and other	4.8	1.2	1.1	0.9	1.1	4.3	0.9	1.0	0.8	1.0	3.6	3.3	3.2	3.1
Transactions	3.3	0.8	0.7	0.7	0.7	3.0	0.6	0.6	0.5	0.5	2.2	1.9	2.0	2.0
EBITDA	**7.3**	**2.9**	**1.6**	**2.9**	**1.8**	**9.3**	**2.1**	**2.0**	**2.8**	**2.1**	**8.9**	**9.7**	**10.1**	**10.8**
Depreciation	-1.9	-0.5	-0.7	-0.5	-0.5	-2.2	-0.6	-0.6	-0.6	-0.6	-2.4	-2.1	-1.8	-1.8
EBIT (excl. NRI)	**6.4**	**1.8**	**1.2**	**2.5**	**1.5**	**6.9**	**1.9**	**1.6**	**2.5**	**1.9**	**8.0**	**8.7**	**9.3**	**10.1**
EBIT	**5.4**	**2.4**	**0.9**	**2.4**	**1.3**	**7.0**	**1.5**	**1.4**	**2.2**	**1.5**	**6.6**	**7.6**	**8.3**	**9.0**
Net financial items	-0.5	-1.2	-0.2	-0.1	-0.1	-1.5	-0.1	-0.1	-1.2	-0.1	-1.6	-0.4	-0.4	-0.3
PTP	**4.9**	**1.3**	**0.7**	**2.3**	**1.2**	**5.5**	**1.4**	**1.3**	**0.9**	**1.4**	**5.0**	**7.2**	**7.9**	**8.7**
Taxes	-0.9	-0.3	-0.2	-0.4	-0.2	-1.1	-0.4	-0.3	-0.3	-0.3	-1.2	-1.4	-1.5	-1.7
Minority interest	0.11	0.03	0.03	0.05	0.07	0.2	0.02	0.03	-0.05	-0.02	0.0	-0.1	-0.1	-0.1
Net earnings	**4.1**	**1.0**	**0.5**	**1.9**	**1.1**	**4.5**	**1.1**	**1.0**	**0.6**	**1.1**	**3.7**	**5.8**	**6.4**	**7.0**
EPS (adj.)	**0.28**	**0.02**	**0.04**	**0.11**	**0.07**	**0.24**	**0.08**	**0.07**	**0.05**	**0.08**	**0.29**	**0.38**	**0.41**	**0.45**
EPS (rep.)	**0.22**	**0.05**	**0.03**	**0.11**	**0.06**	**0.25**	**0.06**	**0.06**	**0.03**	**0.06**	**0.21**	**0.32**	**0.36**	**0.39**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	9.7 %	10.0 %	5.3 %	-3.4 %	-3.5 %	1.9 %	-1.1 %	5.4 %	1.5 %	0.5 %	1.6 %	2.3 %	5.0 %	4.9 %
Adjusted EBIT growth-%	-10.5 %	56.3 %	-11.5 %	0.1 %	1.4 %	7.7 %	10.5 %	38.7 %	1.2 %	22.6 %	14.7 %	9.1 %	7.4 %	7.9 %
EBITDA-%	25.3 %	38.8 %	21.9 %	41.1 %	24.6 %	31.5 %	28.0 %	25.5 %	38.5 %	28.0 %	29.9 %	31.9 %	31.5 %	32.0 %
Adjusted EBIT-%	22.3 %	23.1 %	16.0 %	35.1 %	20.6 %	23.6 %	25.8 %	21.1 %	35.0 %	25.1 %	26.6 %	28.4 %	29.1 %	29.9 %
Net earnings-%	14.3 %	13.0 %	7.3 %	27.2 %	14.6 %	15.4 %	14.2 %	13.2 %	7.9 %	14.5 %	12.5 %	18.9 %	19.8 %	20.9 %

Source: Inderes

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

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**39.4**	**38.3**	**40.8**	**40.1**	**39.8**
Goodwill	28.1	28.1	31.6	31.6	31.6
Intangible assets	8.1	7.2	6.2	5.5	5.1
Tangible assets	1.0	0.8	0.9	0.9	1.0
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	2.2	2.2	2.2	2.2	2.2
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	**14.5**	**9.8**	**9.9**	**10.5**	**10.0**
Inventories	0.1	0.1	0.1	0.1	0.1
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.7	3.2	4.5	4.9	5.1
Cash and equivalents	7.7	6.6	5.4	5.5	4.8
Balance sheet total	**53.9**	**48.1**	**50.7**	**50.6**	**49.8**

Source: Inderes

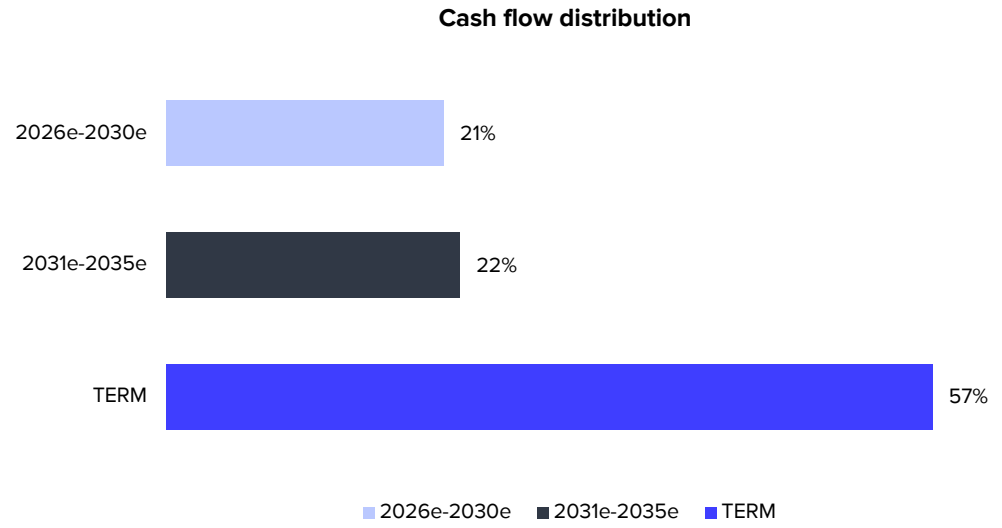
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**32.5**	**29.5**	**30.8**	**34.0**	**37.9**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	13.8	13.4	14.6	17.9	21.8
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	18.4	15.9	15.9	15.9	15.9
Minorities	0.2	0.1	0.1	0.1	0.1
Non-current liabilities	**9.3**	**9.0**	**10.0**	**7.1**	**3.0**
Deferred tax liabilities	1.4	1.3	1.3	1.3	1.3
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	7.9	7.8	8.7	5.8	1.7
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	**12.0**	**9.6**	**10.0**	**9.4**	**8.9**
Interest bearing debt	2.5	2.8	2.2	1.5	0.6
Payables	9.2	6.4	7.5	7.6	8.0
Other current liabilities	0.4	0.3	0.3	0.3	0.4
Balance sheet total	**53.9**	**48.1**	**50.7**	**50.6**	**49.8**

DCF calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	1.9 %	1.6 %	2.3 %	5.0 %	4.9 %	5.0 %	4.5 %	4.0 %	3.5 %	3.5 %	2.2 %	2.2 %
EBIT-%	23.9 %	22.0 %	25.0 %	25.8 %	26.8 %	27.9 %	28.5 %	28.8 %	29.0 %	29.2 %	29.0 %	29.0 %
EBIT (operating profit)	**7.0**	**6.6**	**7.6**	**8.3**	**9.0**	**9.9**	**10.5**	**11.1**	**11.5**	**12.0**	**12.2**	
+ Depreciation	2.2	2.4	2.1	1.8	1.8	1.7	1.6	1.6	1.6	1.6	1.6	
- Paid taxes	-1.3	-1.2	-1.4	-1.5	-1.7	-1.8	-1.9	-2.0	-2.1	-2.2	-2.2	
- Tax, financial expenses	-0.3	-0.4	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ 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	0.8	-0.2	-0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Operating cash flow	**8.5**	**7.1**	**8.1**	**8.7**	**9.2**	**9.8**	**10.4**	**10.8**	**11.2**	**11.6**	**11.7**	
+ 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	-1.1	-4.9	-1.4	-1.5	-1.5	-1.5	-1.6	-1.6	-1.6	-1.6	-1.7	
Free operating cash flow	**7.3**	**2.2**	**6.7**	**7.2**	**7.7**	**8.3**	**8.8**	**9.2**	**9.6**	**10.0**	**10.0**	
+/- Other	0.0	-0.7	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	7.3	1.5	5.7	7.2	7.7	8.3	8.8	9.2	9.6	10.0	10.0	148
Discounted FCFF		**1.5**	**5.1**	**6.0**	**5.9**	**5.8**	**5.6**	**5.4**	**5.2**	**4.9**	**4.5**	**66.9**
Sum of FCFF present value		117	115	110	104	98.4	92.6	86.9	81.5	76.3	71.4	66.9
Enterprise value DCF		**117**										
- Interest bearing debt		-10.6										
+ Cash and cash equivalents		6.6										
+ Associated companies		-0.4										
-Minorities		0.0										
-Dividend/capital return		-2.5										
Equity value DCF		**110**										
Equity value DCF per share		**6.2**										

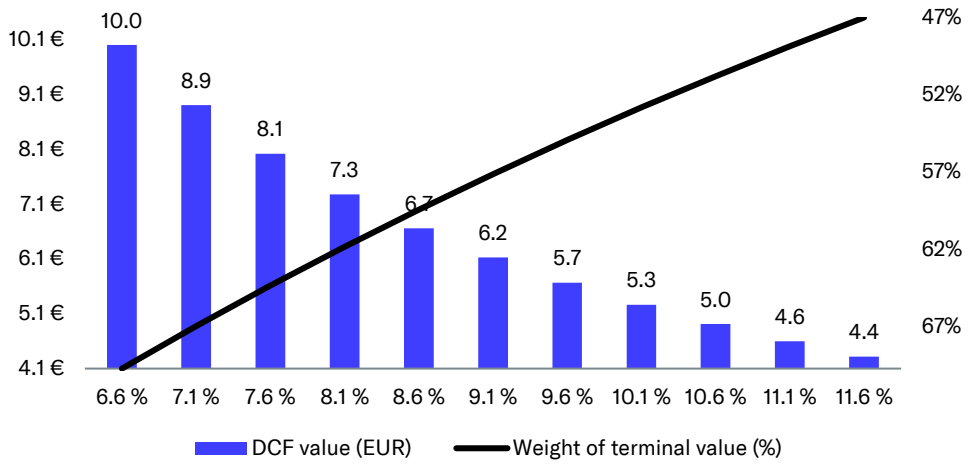
WACC	
Tax-% (WACC)	21.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	4.0 %
Equity Beta	1.00
Market risk premium	4.75%
Liquidity premium	2.00%
Risk free interest rate	3.0 %
Cost of equity	**9.8 %**
Weighted average cost of capital (WACC)	**9.1 %**

Source: Inderes

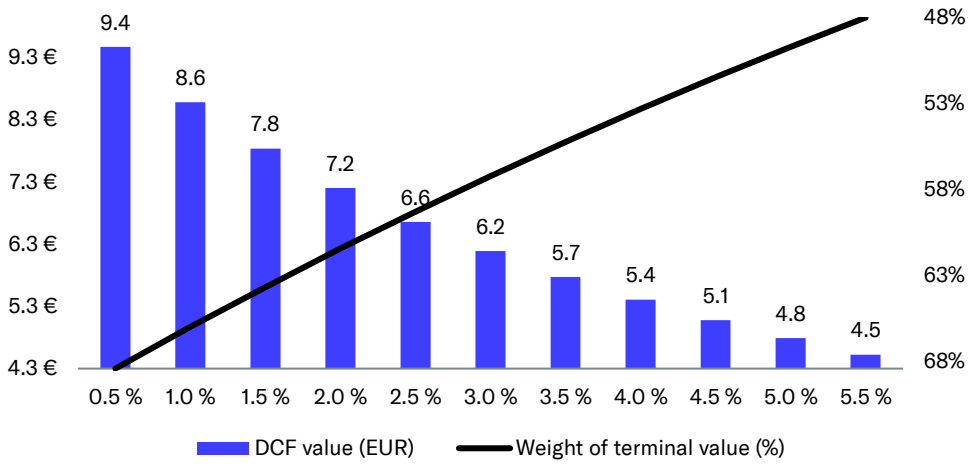


DCF sensitivity calculations and key assumptions in graphs

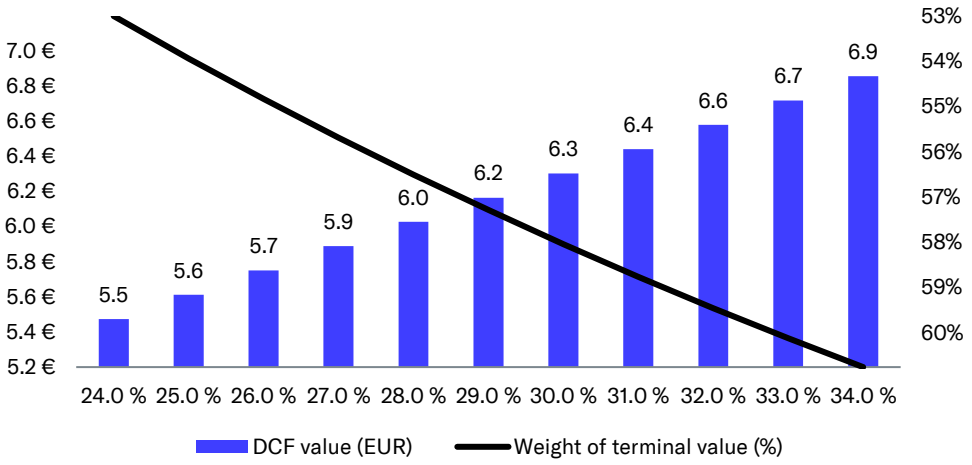
Sensitivity of DCF to changes in the WACC-%



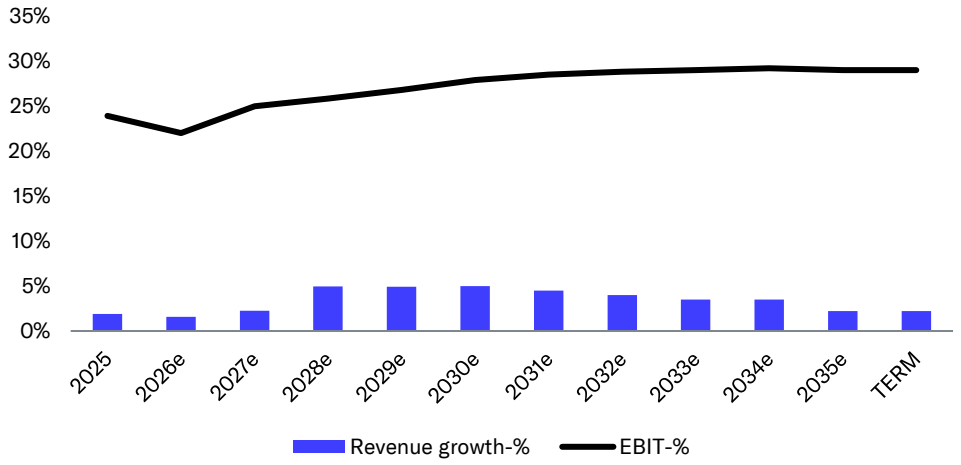
Sensitivity of DCF to changes in the risk-free rate



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
Revenue	26.3	28.9	29.5	**29.9**	**30.6**
EBITDA	8.2	7.3	9.3	**8.9**	**9.7**
EBIT	6.9	5.4	7.0	**6.6**	**7.6**
PTP	6.7	4.9	5.5	**5.0**	**7.2**
Net Income	5.3	4.1	4.5	**3.7**	**5.8**
Extraordinary items	-0.3	-1.0	0.1	**-1.4**	**-1.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	48.9	53.9	48.1	**50.7**	**50.6**
Equity capital	30.4	32.5	29.5	**30.8**	**34.0**
Goodwill	23.1	28.1	28.1	**31.6**	**31.6**
Net debt	1.0	2.8	4.0	**5.5**	**1.8**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	8.2	7.3	9.3	**8.9**	**9.7**
Change in working capital	-2.3	-0.2	0.8	**-0.2**	**-0.2**
Operating cash flow	5.0	6.3	8.5	**7.1**	**8.1**
CAPEX	-13.3	-5.7	-1.1	**-4.9**	**-1.4**
Free cash flow	-8.3	0.6	7.3	**1.5**	**5.7**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	4.3	3.8	3.9	**2.9**	**2.7**
EV/EBITDA	13.9	14.9	12.2	**9.7**	**8.5**
EV/EBIT (adj.)	15.8	16.9	16.3	**10.9**	**9.6**
P/E (adj.)	19.9	20.6	25.0	**15.8**	**11.9**
P/B	3.7	3.3	3.7	**2.6**	**2.4**
Dividend-%	2.3 %	2.5 %	2.3 %	**3.1 %**	**3.1 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.29	0.22	0.25	**0.21**	**0.32**
EPS (adj.)	0.30	0.28	0.24	**0.29**	**0.38**
OCF / share	0.27	0.34	0.47	**0.40**	**0.45**
OFCF / share	-0.45	0.03	0.40	**0.08**	**0.32**
Book value / share	1.62	1.74	1.62	**1.72**	**1.90**
Dividend / share	0.14	0.14	0.14	**0.14**	**0.14**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	17%	10%	2%	**2%**	**2%**
EBITDA growth-%	12%	-11%	27%	**-4%**	**9%**
EBIT (adj.) growth-%	2%	-10%	8%	**15%**	**9%**
EPS (adj.) growth-%	1%	-8%	-12%	**18%**	**33%**
EBITDA-%	31.2 %	25.3 %	31.5 %	**29.9 %**	**31.9 %**
EBIT (adj.)-%	27.3 %	22.3 %	23.6 %	**26.6 %**	**28.4 %**
EBIT-%	26.2 %	18.7 %	23.9 %	**22.0 %**	**25.0 %**
ROE-%	18.8 %	13.3 %	14.7 %	**12.5 %**	**17.9 %**
ROI-%	20.2 %	13.2 %	17.0 %	**16.0 %**	**18.4 %**
Equity ratio	62.4 %	60.4 %	61.4 %	**61.0 %**	**67.8 %**
Gearing	3.3 %	8.5 %	13.6 %	**18.0 %**	**5.2 %**
Net debt/EBITDA	0.1	0.4	0.4	**0.6**	**0.2**
EBITDA/net financials	48.0	15.1	6.0	**5.7**	**23.8**

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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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
12/27/2021	Sell	15.00 €	17.85 €
1/18/2022	Reduce	14.50 €	14.50 €
2/17/2022	Reduce	13.00 €	13.25 €
4/28/2022	Reduce	13.00 €	13.26 €
5/9/2022	Reduce	12.50 €	11.70 €
7/25/2022	Reduce	11.80 €	13.14 €
10/31/2022	Reduce	9.70 €	11.48 €
12/14/2022	Accumulate	8.80 €	7.83 €
2/20/2023	Reduce	8.80 €	8.93 €
3/3/2023	Accumulate	8.80 €	7.79 €
4/24/2023	Accumulate	8.80 €	8.28 €
5/2/2023	Reduce	7.70 €	8.54 €
6/2/2023	Reduce	7.70 €	7.56 €
8/14/2023	Reduce	7.50 €	7.82 €
9/28/2023	Accumulate	6.40 €	5.50 €
10/27/2023	Accumulate	6.40 €	5.16 €
2/16/2024	Reduce	6.40 €	6.82 €
4/26/2024	Reduce	6.00 €	5.66 €
7/17/2024	Reduce	6.40 €	6.95 €
8/9/2024	Reduce	6.40 €	7.20 €
10/29/2024	Accumulate	6.50 €	5.90 €
11/6/2024	Accumulate	6.50 €	5.90 €
12/12/2024	Accumulate	6.70 €	6.20 €
2/21/2025	Accumulate	6.50 €	5.80 €
4/28/2025	Accumulate	6.70 €	6.14 €
6/12/2025	Reduce	7.00 €	7.34 €
8/15/2025	Reduce	7.00 €	7.28 €
11/3/2025	Reduce	7.10 €	7.00 €
11/17/2025	Accumulate	7.10 €	6.06 €
1/21/2026	Accumulate	7.10 €	5.76 €
2/20/2026	Buy	6.50 €	5.04 €
4/30/2026	Buy	6.50 €	4.80 €
7/16/2026	Buy	6.00 €	4.60 €
8/17/2026	Buy	6.00 €	4.15 €
11/5/2026	Buy	6.00 €	4.54 €



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