ORTHEX

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Thomas Westerholm, Analyst
+358 50 541 2211
thomas.westerholm@inderes.fi

INDERES CORPORATE CUSTOMER

COMPANY REPORT



What cost pressure?

Orthex's Q3 report dispelled concerns about its ability to defend its margin amid severe cost inflation, as higher raw material prices were reflected in the company's figures in full for the first time. Strong growth focused on the Nordic countries, but development in Europe also clearly improved from Q2. The current inflation wave appears to be a smaller risk to the company's profitability than before, and we raised our earnings estimates, particularly for this and next year. We raise our target price to EUR 5.00 (was EUR 4.60) and our recommendation to Accumulate (was Reduce).

Record quarter clearly exceeded expectations

Orthex's Q3 revenue was the highest in the company's history and clearly exceeded our estimate. Growth was driven by the Nordic countries, where invoiced sales grew robustly against a strong comparison period. According to management, retailers' advance purchases were not behind the growth. Sales in the rest of Europe remained at the level of the comparison period, which is nevertheless a clear improvement compared to the decline in Q2. Pricing power proved stronger than expected, as the gross margin strengthened year-on-year despite soaring raw material prices We believe that the strong profitability development was driven by sales growth, a favorable sales mix, cost control, and implemented price increases. As a result, the adjusted EBIT of 3.7 MEUR improved year-on-year and drastically exceeded our estimate despite cost inflation Cash flow from operating activities weakened due to working capital and higher taxes paid, but the strong balance sheet strengthened further.

Nordic countries lead the way, Europe still has to prove itself

We raised our revenue estimates slightly and our adjusted EBIT estimates for this and next year clearly. We believe many operational factors hit the mark for Orthex in Q3, and the very strong performance of the quarter should not be extrapolated in a vacuum. Estimate changes rely on the Nordics and gross profit supported by price increases, while we slightly decreased our estimates for the Rest of Europe. We expect revenue growth to remain strong in Q4, supported by price increases. Due to Orthex's strong Nordic market share, we do not believe the Q3 growth rate is sustainable, meaning that for longer-term value creation, it remains critical that Orthex gets growth going in European export markets. In our view, profitability has the conditions for a clear positive leverage effect in any case, if growth continues or raw material prices turn to a decrease. In our estimates, the adjusted EBIT margin will rise to 11.7% by 2028, which corresponds to the company's historical level but remains clearly below its EBITA target of over 18%.

The risk/reward ratio has turned attractive

With our updated estimates, Orthex's adjusted P/E ratios for 2026-2027 are 12-11x and the EV/EBIT multiples are 10-9x, which we consider a moderate level relative to the company's low risk profile and high return on capital. Valuation is also supported by a dividend yield of over 5% and a strong balance sheet. However, a clear upside in the valuation would require strengthening confidence in the European growth story. On an EBIT basis, Orthex trades at a discount of around 15-25% compared to its peers, which we consider neutral for the time being. We feel Q3's demonstration of pricing power reduces the risk associated with profitability, which has raised the expected total return of the share to an attractive level. Excluding acquisitions, the strengthening balance sheet leaves Orthex with leeway for both organic growth investments and a growing dividend, as its leverage is clearly below the company's target level. We believe the key driver for the share in the coming years is the normalization of plastic raw material prices, which would ease the achievement of growth and strengthen the company's profitability.

Recommendation
Accumulate
(was Reduce)

Target price:
EUR 5.00
(was EUR 4.60)

Share price:
EUR 4.55

Business risk



Valuation risk



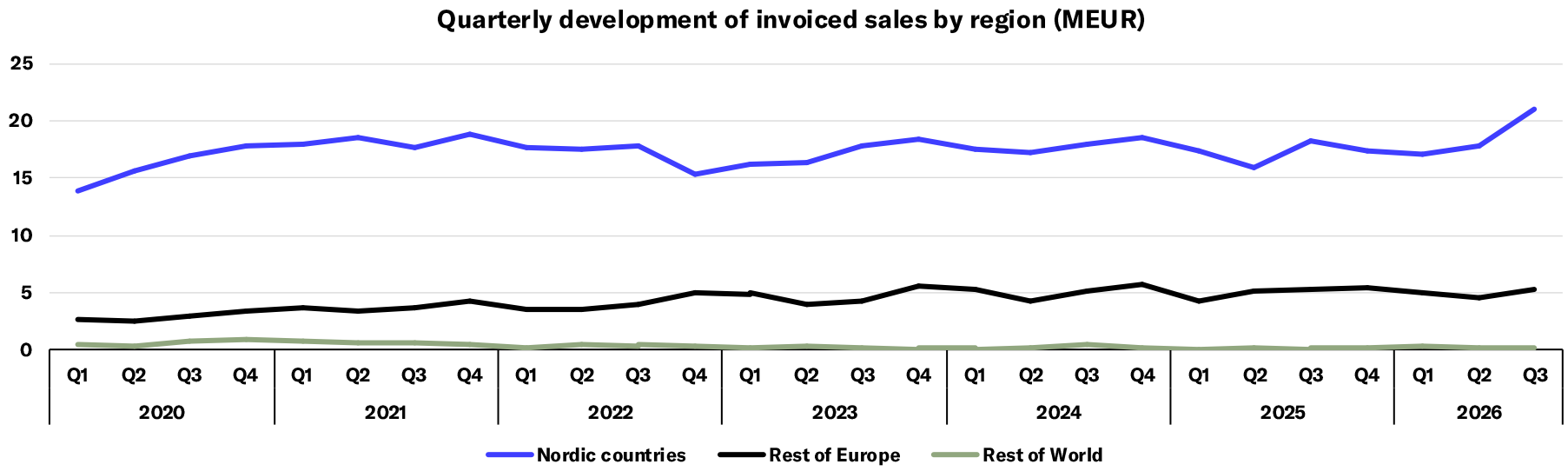
	2025	2026e	2027e	2028e
Revenue	87.2	93.0	96.4	100.6
growth-%	-3%	7%	4%	4%
EBIT adj.	9.8	10.0	10.4	11.8
EBIT-% adj.	11.2 %	10.8 %	10.8 %	11.7 %
Net Income	6.8	6.2	7.2	8.4
EPS (adj.)	0.38	0.38	0.41	0.47
P/E (adj.)	12.2	11.9	11.2	9.6
P/B	2.0	1.9	1.8	1.6
Dividend yield-%	4.9 %	5.3 %	5.5 %	6.2 %
EV/EBIT (adj.)	10.1	9.6	9.1	7.9
EV/EBITDA	6.8	6.6	6.0	5.4
EV/S	1.1	1.0	1.0	0.9

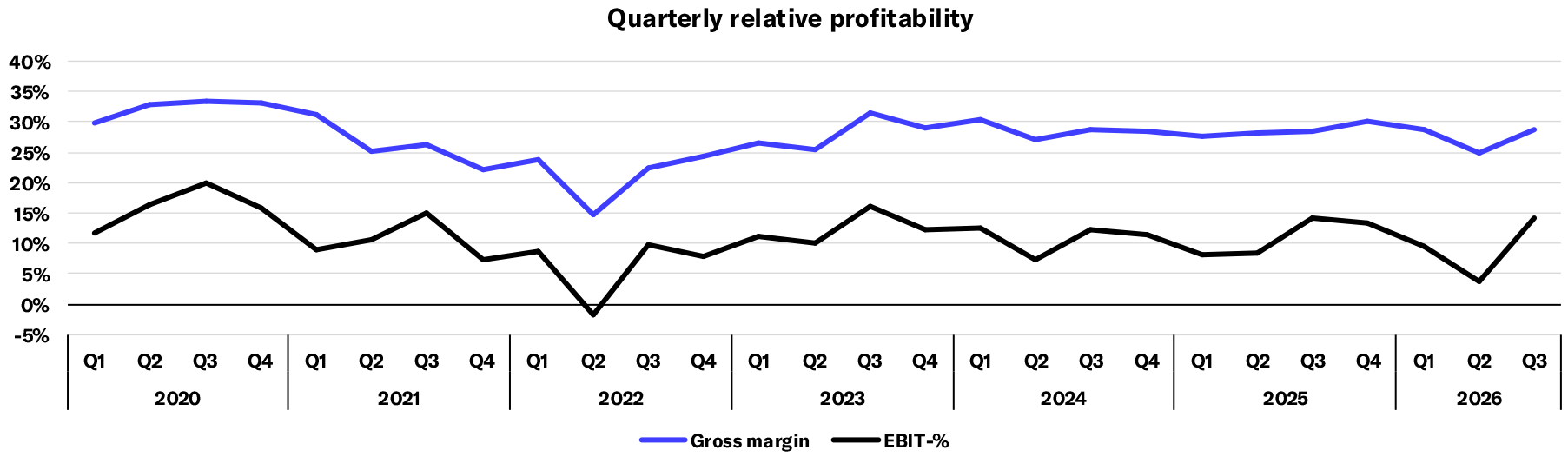
Source: Inderes

Guidance (Unchanged)

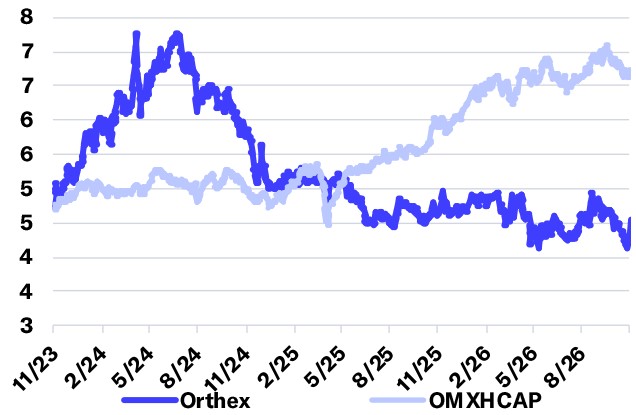
Orthex does not publish a short-term outlook. In the long term, the company targets average organic growth of over 5% and an adjusted EBITA margin of over 18%.

Orthex's quarterly development



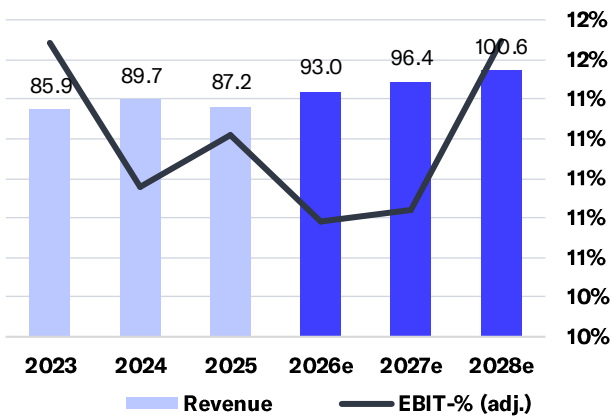


Share price



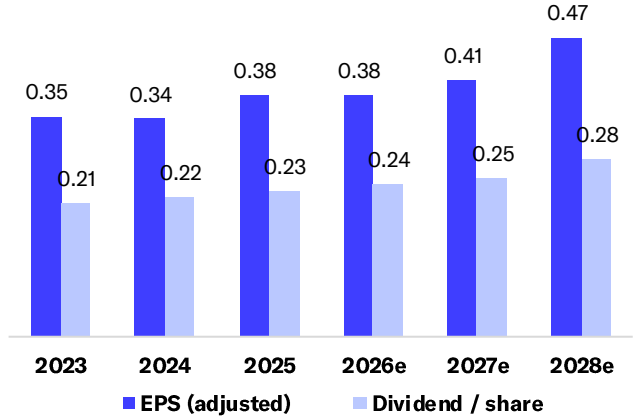
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



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	4.55	4.55	4.55
Number of shares, millions	17.8	17.8	17.8
Market cap	81	81	81
EV	96	95	93
P/E (adj.)	11.9	11.2	9.6
P/E	13.0	11.2	9.6
P/B	1.9	1.8	1.6
P/S	0.9	0.8	0.8
EV/Sales	1.0	1.0	0.9
EV/EBITDA	6.6	6.0	5.4
EV/EBIT (adj.)	9.6	9.1	7.9
Payout ratio (%)	68.7 %	61.7 %	59.2 %
Dividend yield-%	5.3 %	5.5 %	6.2 %

Source: Inderes

Pricing power proved to be stronger than expected

Volumes and price hikes contain the raw material spike

Q3 was an important checkpoint for the investment case, as rising plastic raw material prices are now fully reflected in the figures for the first time. The gross margin rose to 28.7% (Q3'25: 28.5%), while we expected it to contract to 26.6%. According to management, the key drivers were economies of scale from high volumes in highly automated production and cost control, and in addition, price increases were successfully implemented across all markets. We also believe the margin was supported by the sales mix, as growth focused on the higher-margin Storage product category, and the share of campaign sales remained lower than usual. The adjusted EBIT increased to 3.7 MEUR (Q3'25: 3.3 MEUR) and clearly exceeded our 2.7 MEUR estimate and the 2.8 MEUR consensus.

Record Nordic sales, Europe picked up late in the period

Revenue grew by 10% to 25.8 MEUR, which is the highest quarterly revenue in Orthex's history and clearly exceeded our 23.7 MEUR estimate. Invoiced sales in the Nordic countries grew by 15.0% and the Storage product category by 16.6%. What makes the growth particularly impressive is that it came against a strong comparison period, as Q3'25 sales were supported by early deliveries of seasonal campaigns. According to management, retailers' advance purchases ahead of price increases do not explain the growth. However, due to the strong market position in the Nordics and the moderate growth pace of the product categories, we do not consider the growth rate in this market area sustainable. Invoiced sales in the rest of Europe remained at the comparison period's level of 5.3 MEUR, which is a notable improvement compared to the 11% decline in Q2. According to management, price increase negotiations were more challenging in Europe, which is explained by the lower brand recognition of the Group's brands. The beginning of the quarter resembled the difficult Q2, but sales developed positively toward the end. We estimate that the decline in campaign sales explains part of the sluggish performance in Europe.

Strategic project ended without a deal

Cash flow from operating activities weakened to 3.7 MEUR (Q3'25: 5.9 MEUR) due to working capital and higher taxes paid, but the net debt to adjusted EBITDA ratio nevertheless decreased to 0.9x (Q3'25: 1.0x). No one-off expenses related to strategic projects were recorded in Q3, which in our view suggests that the project that caused the 0.6 MEUR expenses ended during Q2. In light of current information, we assume the expenses were related to M&A negotiations that fell through right at the finish line. This would be unfortunate from the perspective of the investment story, as the company has emphasized the potential of M&A since its IPO. However, our stance on acquisitions remains unchanged, as we believe that a lack of them is better than executing the wrong deals.

Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Consensus	Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. inderes	Inderes
Revenue	23.4	25.8	23.7	24.5	23.7-25.2	9%	93.0
Bruttokate	6.7	7.4	6.3	6.3	---	17%	25.9
EBITDA	4.5	5.0	4.0	3.9	3.7-4.0	24%	14.6
EBIT (adj.)	3.3	3.7	2.7	2.8	2.4-3.3	33%	10.0
EBIT	3.3	3.7	2.7	2.8	2.4-3.3	33%	9.4
EPS (reported)	0.14	0.14	0.11	0.11	0.09-0.14	37%	0.35
Revenue growth-%	2.5 %	10.2 %	1.1 %	4.7 %	1.3 %-7.7 %	9 pp	6.6 %
EBIT-% (adj.)	14.3 %	14.2 %	11.6 %	11.4 %	10.1 %-13.1 %	2.6 pp	10.8 %

Source: Inderes & Bloomberg (consensus)

Nordic momentum raised earnings estimates

Nordic countries lift revenue estimates, European growth taking its time

True to its style, Orthex did not provide short-term guidance, but Q3 changed our view to more positive, even though there are no signs of the elevated raw material prices easing. We raised our revenue estimates for 2026-2028 by 3-4%, with the upward revision coming entirely from the Nordic countries, while we slightly lowered our expectations for Rest of Europe. In our view, however, the 15% growth rate in the Nordic countries should not be extrapolated further into the future. We estimate revenue to grow by around 8% in Q4 as demand recovery continues and price increases remain in effect throughout the quarter.

In Europe's growth markets, price negotiations are now over, according to management, allowing discussions with customers to return to growth and the expansion of SmartStore distribution. In light of this, we expect growth in Rest of Europe to pick up only gradually.

Pricing power raised profitability estimates

We raised our adjusted EBIT forecasts for 2026-2028 by 18%, 11%, and 5%, respectively. The largest revision falls on this year, as the Q3 beat and a higher gross margin estimate for Q4 raise the level. For 2027, we expect a gross margin of 28.4%, as price increases will affect the whole year (2026e: 27.9%). The adjusted EBIT margin still remains at 10.8% in our estimates.

No relief is in sight for raw materials yet. According to Plastics Information Europe, polypropylene and polyethylene producers failed to fully push through their price increases in October due to oversupply and weak demand, but contract prices for propylene and ethylene nevertheless rose again in November. If raw material prices turn downward and Orthex can maintain its price levels, we find that the margin has the prerequisites for a clear positive leverage effect. At this stage, however, we are skeptical about the company's ability to fully maintain its price increases if there were a more significant drop in raw material prices.

Estimates require growth to start in Europe

In our estimates, billed sales in Rest of Europe will grow by around 7% annually in 2027-2028, which is slower than the company's target of over 10% but clearly faster than this year's growth of around 2%. In 2028, we estimate the adjusted EBIT margin to rise to 11.7%, which requires continued growth and the moderation of raw material costs.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	89.8	93.0	3%	93.2	96.4	3%	97.0	101	4%
EBIT (exc. NRIs)	8.5	10.0	18%	9.4	10.4	11%	11.2	11.8	5%
EBIT	8.0	9.4	19%	9.4	10.4	11%	11.2	11.8	5%
PTP	6.4	7.9	23%	8.1	9.1	12%	10.0	10.6	5%
EPS (excl. NRIs)	0.32	0.38	21%	0.36	0.41	12%	0.45	0.47	5%
DPS	0.24	0.24	0%	0.25	0.25	0%	0.28	0.28	0%

Source: Inderes

Orthex, Webcast, Q3'26



Valuation leaves room for upside

Evidence of pricing power improves the risk/reward ratio

The strengths of Orthex's investment case are need-driven and stable demand, high return on capital, and a strong balance sheet. Now Q3 further provided evidence of pricing power amidst severe cost inflation. However, the sluggish growth profile of the target market, challenges related to the kick-off of growth in Europe, and the volatility of raw material prices, which introduces a cyclical component to earnings, remain the pressure points.

Based on our updated estimates, the adjusted P/E ratios for 2026-2027 are 12-11x and the EV/EBIT multiples are 10-9x. We consider the valuation moderate, as in our estimates the EBIT margin settles at around 11-12% across the cycle, which is in line with the company's historical level and does not rely on the company's EBITA target of over 18%. In addition, a dividend yield of 5-6% supports the expected return. In our view, Orthex's stock has two clear potential drivers: the normalization of plastic raw material prices and accelerating growth in the Rest of Europe markets. If raw material prices were to fall, the company's earnings growth would receive clear tailwinds, even if it couldn't fully maintain its price increases. A drop in manufacturing costs would also support the company's ability to grow and execute, for example, campaign sales. We believe this would be most clearly visible in the European export markets, where the role of campaigns in capturing new shelf space is more central. In our view, Orthex's acceptable valuation level would rise from the current level if it were able to convince the market of its ability to grow sustainably by over 10% per year in its European export markets.

DCF model identifies upside

Our DCF model indicates a value of EUR 5.5 per share for Orthex. In the model, revenue growth gradually slows down to the 2.5% terminal assumption, and the EBIT margin is 11.5% in the perpetual period. In connection with the report, we raised our risk-free rate assumption to 3.0% (was 2.5%) due to globally higher interest rates and increased inflationary pressures. The average cost of capital (WACC) is now 9.5% in our model. At the same time, we raised our longer-term growth assumption, and terminal growth is now 2.5% (was 2.0%).

At the end of the DCF model's forecast period, Orthex's revenue will be around 120 MEUR, the achievement of which requires, in addition to moderate growth in the Nordic countries, growth in the European export markets, and capacity investments similar to this year. Orthex's profitability will clearly be more volatile in the longer term, alongside raw material prices. than our estimates suggest, but Q3 strengthened our confidence that an 11.5% margin assumption is achievable over the cycle

Compared to its peers, the company trades at a discount

Compared to the median of the peer group, Orthex trades at a 23-15% discount on 2026-2027 EV/EBIT multiples and a 33-22% discount on P/E ratios. We believe part of the discount is justified by the company's smaller size and limited internationalization track record, but the higher return on capital compared to peers narrows the justified discount. On a balance sheet basis, however, Orthex trades at a 55% premium, which we consider justified for the same reason. If Orthex can convince the market of its ability to grow sustainably outside the Nordic countries, we would see upward pressure on the earnings-based valuation toward peer levels.

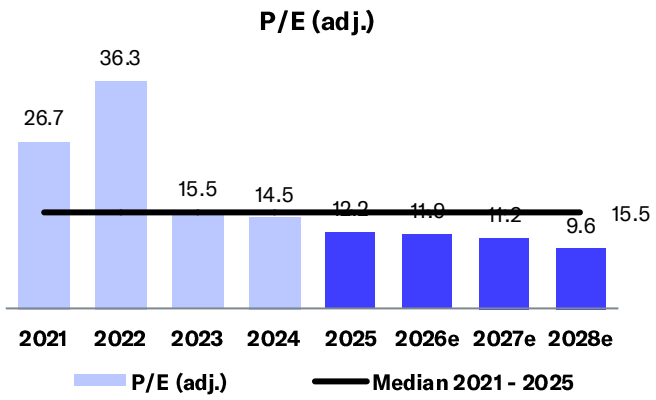
Valuation	2026e	2027e	2028e
Share price	4.55	4.55	4.55
Number of shares, millions	17.8	17.8	17.8
Market cap	81	81	81
EV	96	95	93
P/E (adj.)	11.9	11.2	9.6
P/E	13.0	11.2	9.6
P/B	1.9	1.8	1.6
P/S	0.9	0.8	0.8
EV/Sales	1.0	1.0	0.9
EV/EBITDA	6.6	6.0	5.4
EV/EBIT (adj.)	9.6	9.1	7.9
Payout ratio (%)	68.7 %	61.7 %	59.2 %
Dividend yield-%	5.3 %	5.5 %	6.2 %

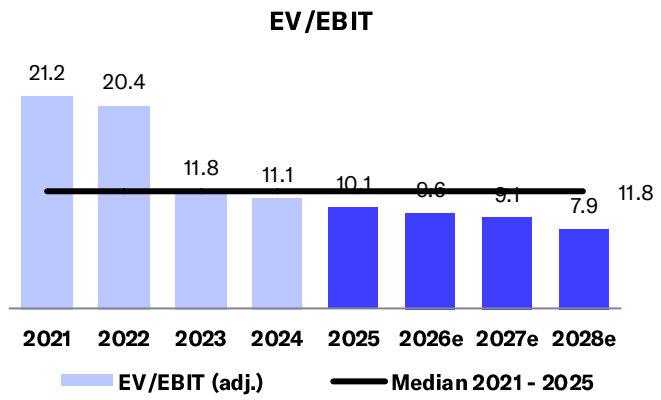
Source: Inderes

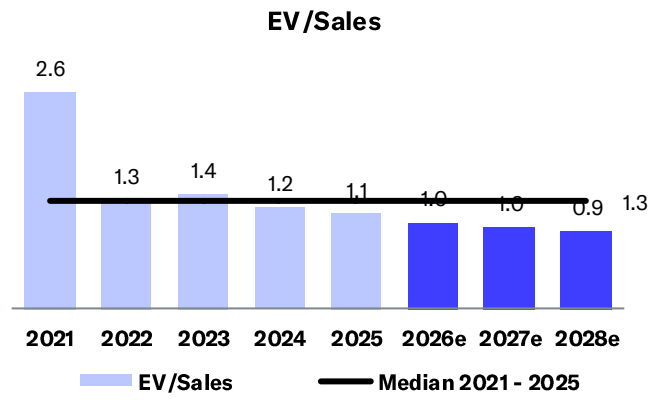
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	11.5	4.68	5.40	5.00	4.65	**4.55**	**4.55**	**4.55**	**4.55**
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	**81**	**81**	**81**	**81**
EV	230	109	118	109	99	**96**	**95**	**93**	**91**
P/E (adj.)	26.7	36.3	15.5	14.5	12.2	**11.9**	**11.2**	**9.6**	**9.0**
P/E	33.8	39.2	13.9	14.5	12.2	**13.0**	**11.2**	**9.6**	**9.0**
P/B	6.4	2.8	2.8	2.5	2.0	**1.9**	**1.8**	**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	**6.6**	**6.0**	**5.4**	**5.0**
EV/EBIT (adj.)	21.2	20.4	11.8	11.1	10.1	**9.6**	**9.1**	**7.9**	**7.3**
Payout ratio (%)	53.0 %	92.2 %	54.1 %	63.9 %	60.3 %	**68.7 %**	**61.7 %**	**59.2 %**	**59.2 %**
Dividend yield-%	1.6 %	2.4 %	3.9 %	4.4 %	4.9 %	**5.3 %**	**5.5 %**	**6.2 %**	**6.6 %**

Source: Inderes







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

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Duni AB	292	601	17.2	11.0	9.1	7.0	0.9	0.8	20.7	9.9	8.1	8.4	1.0
Fiskars Oyj Abp	1100	1642	19.2	14.1	10.2	8.4	1.4	1.4	21.4	15.5	6.1	6.2	1.6
Harvia Oyj	760	821	18.9	16.3	15.8	13.7	3.6	3.3	24.6	20.6	2.0	2.3	5.2
Leifheit AG	83	70		7.7	14.2	4.0	0.3	0.3		14.5	9.0	10.9	1.0
Marimekko Oyj	393	401	12.2	11.4	9.3	8.8	2.1	2.0	15.2	14.3	5.2	5.2	4.8
Rapala VMC Corp	64	150	8.8	10.3	5.3	5.8	0.6	0.6	11.4	14.4		0.6	0.5
Thule Group AB	2068	2385	14.5	13.2	12.1	11.1	2.5	2.3	17.9	16.1	4.3	4.8	2.9
Nokian Tyres plc	1920	2821	22.4	16.2	10.8	8.9	1.9	1.8	24.3	15.4	2.3	3.1	1.6
Assa Abloy AB	40465	46196	19.0	17.1	15.6	14.1	3.2	2.9	25.1	21.9	1.7	1.9	3.8
Newell Brands Inc	2222	6178	9.5	9.7	6.8	7.1	0.9	0.9	7.7	8.4	4.9	4.9	1.0
DOMETIC Group	695	1711	11.5	9.1	6.7	5.8	0.9	0.9	9.9	6.6	3.6	5.2	0.4
Raisio Oyj	363	304	11.3	9.7	8.4	7.3	1.3	1.3	16.6	14.0	6.7	7.1	1.4
Husqvarna AB	1763	2432	11.6	8.7	4.9	4.4	0.6	0.6	20.7	11.5	2.2	4.5	0.8
Helen of Troy Ltd	771	1350	12.5	9.0	8.2	7.2	0.9	0.8	10.7	9.5			1.0
Orthex (Inderes)	**81**	**96**	**9.6**	**9.1**	**6.6**	**6.0**	**1.0**	**1.0**	**11.9**	**11.2**	**5.3**	**5.5**	**1.9**
Average			**14.5**	**11.7**	**9.8**	**8.1**	**1.5**	**1.4**	**17.4**	**13.7**	**4.7**	**5.0**	**1.9**
Median			**12.5**	**10.6**	**9.2**	**7.2**	**1.1**	**1.1**	**17.9**	**14.3**	**4.6**	**4.9**	**1.2**
Diff-% to median			***-23%***	***-15%***	***-28%***	***-17%***	***-9%***	***-11%***	***-33%***	***-22%***	***15%***	***13%***	***55%***

Source: Refinitiv / Inderes

Income statement

Income statement	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**85.9**	**89.7**	**21.0**	**20.5**	**23.4**	**22.3**	**87.2**	**21.6**	**21.6**	**25.8**	**24.0**	**93.0**	**96.4**	**101**	**104**
Nordic countries	68.7	71.1	17.3	15.9	18.3	17.4	68.9	17.1	17.8	21.0	19.0	74.9	76.7	78.7	80.2
Rest of Europe	18.5	20.3	4.3	5.1	5.3	5.4	20.1	5.0	4.6	5.3	5.6	20.5	21.9	23.4	25.0
Rest of world	0.8	0.9	0.1	0.2	0.1	0.1	0.5	0.3	0.1	0.1	0.1	0.6	0.6	0.6	0.6
Discounts and credits	-2.0	-2.6	-0.7	-0.7	-0.3	-0.6	-2.3	-0.9	-0.9	-0.7	-0.6	-3.0	-2.8	-2.1	-2.1
EBITDA	**14.9**	**14.3**	**2.9**	**2.9**	**4.5**	**4.3**	**14.7**	**3.4**	**2.1**	**5.0**	**4.2**	**14.6**	**15.9**	**17.3**	**18.1**
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	-5.4	-5.5	-5.7
EBIT (excl. NRI)	**10.0**	**9.8**	**1.7**	**1.7**	**3.3**	**3.0**	**9.8**	**2.1**	**1.4**	**3.7**	**2.9**	**10.0**	**10.4**	**11.8**	**12.4**
EBIT	**10.8**	**9.8**	**1.7**	**1.7**	**3.3**	**3.0**	**9.8**	**2.1**	**0.8**	**3.7**	**2.9**	**9.4**	**10.4**	**11.8**	**12.4**
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	-0.4	-0.4	-0.4	-1.6	-1.4	-1.2	-1.0
PTP	**8.5**	**7.8**	**1.6**	**1.2**	**3.1**	**2.7**	**8.6**	**1.7**	**0.4**	**3.2**	**2.6**	**7.9**	**9.1**	**10.6**	**11.3**
Taxes	-1.6	-1.7	-0.3	-0.3	-0.7	-0.6	-1.8	-0.3	-0.1	-0.7	-0.5	-1.7	-1.9	-2.2	-2.3
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**	**0.3**	**2.6**	**2.0**	**6.2**	**7.2**	**8.4**	**9.0**
EPS (adj.)	**0.35**	**0.34**	**0.07**	**0.05**	**0.14**	**0.12**	**0.38**	**0.08**	**0.05**	**0.14**	**0.11**	**0.38**	**0.41**	**0.47**	**0.51**
EPS (rep.)	**0.39**	**0.34**	**0.07**	**0.05**	**0.14**	**0.12**	**0.38**	**0.08**	**0.01**	**0.14**	**0.11**	**0.35**	**0.41**	**0.47**	**0.51**

Key figures	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	2.2 %	4.4 %	-4.7 %	-2.3 %	2.5 %	-6.6 %	-2.8 %	2.7 %	5.2 %	10.2 %	7.7 %	6.6 %	3.7 %	4.4 %	3.1 %
Adjusted EBIT growth-%	85.2 %	-2.1 %	-37.8 %	11.0 %	19.5 %	10.2 %	-0.5 %	20.9 %	-20.4 %	9.1 %	-2.5 %	2.4 %	4.2 %	12.7 %	4.9 %
EBITDA-%	17.3 %	15.9 %	14.0 %	14.2 %	19.4 %	19.2 %	16.8 %	15.6 %	9.7 %	19.3 %	17.4 %	15.7 %	16.4 %	17.1 %	17.4 %
Adjusted EBIT-%	11.7 %	11.0 %	8.2 %	8.4 %	14.3 %	13.5 %	11.2 %	9.6 %	6.3 %	14.2 %	12.2 %	10.8 %	10.8 %	11.7 %	11.9 %
Bruttokate-%	28.3 %	28.6 %	27.7 %	28.1 %	28.5 %	30.2 %	28.7 %	28.8 %	24.9 %	28.7 %	29.0 %	27.9 %	28.4 %	29.3 %	29.5 %
Net earnings-%	8.0 %	6.8 %	6.2 %	4.4 %	10.4 %	9.7 %	7.8 %	6.3 %	1.2 %	9.9 %	8.4 %	6.7 %	7.5 %	8.4 %	8.7 %

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	**44.6**	**46.4**	**46.3**	**46.1**	**47.2**
Goodwill	21.7	22.7	22.7	22.7	22.7
Intangible assets	0.0	0.0	0.0	0.0	0.0
Tangible assets	21.9	22.2	22.5	23.3	24.4
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	0.9	0.0	0.0
Current assets	**40.9**	**39.9**	**40.9**	**42.4**	**44.3**
Inventories	12.5	12.1	13.0	13.5	14.1
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	18.0	16.0	16.7	17.3	18.1
Cash and equivalents	10.5	11.8	11.2	11.6	12.1
Balance sheet total	**85.6**	**86.3**	**87.2**	**88.5**	**91.5**

Source: Inderes

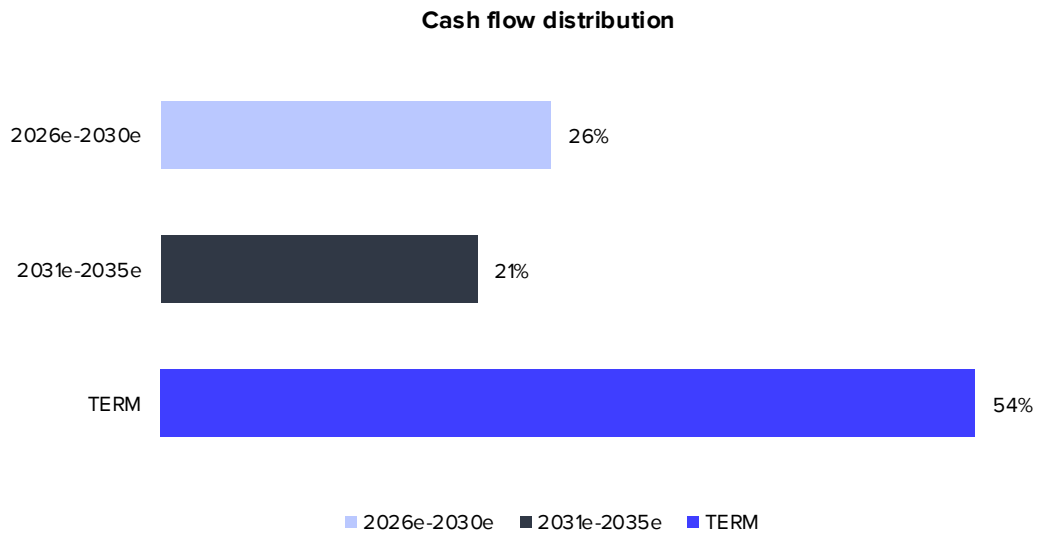
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**35.8**	**40.4**	**42.5**	**45.4**	**49.4**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	29.3	32.2	34.3	37.3	41.2
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-1.4	0.3	0.3	0.3	0.3
Other equity	7.9	7.9	7.9	7.9	7.9
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**27.1**	**24.3**	**22.3**	**21.0**	**20.0**
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	21.6	20.3	19.3
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**	**22.4**	**22.0**	**22.1**
Interest bearing debt	4.5	4.9	5.1	5.1	5.4
Payables	17.4	15.2	15.8	15.4	15.1
Other current liabilities	0.8	1.6	1.6	1.6	1.6
Balance sheet total	**85.6**	**86.3**	**87.2**	**88.5**	**91.5**

DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-2.8 %	6.6 %	3.7 %	4.4 %	3.1 %	3.0 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %
EBIT-%	11.2 %	10.2 %	10.8 %	11.7 %	11.9 %	12.0 %	12.0 %	11.5 %	11.5 %	11.5 %	11.5 %	11.5 %
EBIT (operating profit)	**9.8**	**9.4**	**10.4**	**11.8**	**12.4**	**12.8**	**13.1**	**12.9**	**13.2**	**13.6**	**13.9**	
+ Depreciation	4.9	5.2	5.4	5.5	5.7	5.9	5.7	5.9	6.0	6.2	6.3	
- Paid taxes	-2.4	-1.2	-0.9	-2.2	-2.3	-2.5	-2.5	-2.4	-2.5	-2.6	-2.7	
- Tax, financial expenses	-0.3	-0.3	-0.3	-0.2	-0.2	-0.2	-0.2	-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	-1.1	-1.5	-1.7	-0.5	-1.1	-1.0	-0.5	-0.5	-0.5	-0.5	
Operating cash flow	**13.0**	**12.1**	**13.2**	**13.2**	**15.0**	**15.1**	**15.2**	**15.6**	**16.0**	**16.4**	**16.8**	
+ 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	-6.2	-6.6	-6.5	-6.7	-6.3	-6.5	-6.7	-6.9	-7.0	
Free operating cash flow	**6.8**	**6.5**	**7.0**	**6.6**	**8.5**	**8.3**	**8.8**	**9.1**	**9.3**	**9.6**	**9.8**	
+/- 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	6.5	7.0	6.6	8.5	8.3	8.8	9.1	9.3	9.6	9.8	144
Discounted FCFF		**6.4**	**6.3**	**5.4**	**6.4**	**5.7**	**5.5**	**5.2**	**4.9**	**4.6**	**4.3**	**63.1**
Sum of FCFF present value		118	111	105	99.7	93.4	87.6	82.1	76.9	72.0	67.4	63.1

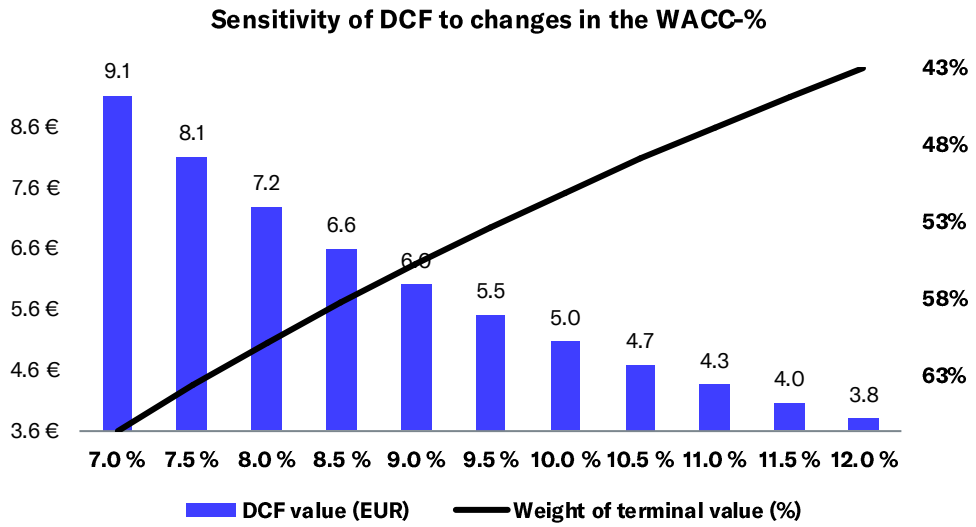
Enterprise value DCF	**118**
- Interest bearing debt	-28.5
+ Cash and cash equivalents	11.8
+ Associated companies	0.0
-Minorities	0.0
-Dividend/capital return	-4.1
Equity value DCF	**97.2**
Equity value DCF per share	**5.5**

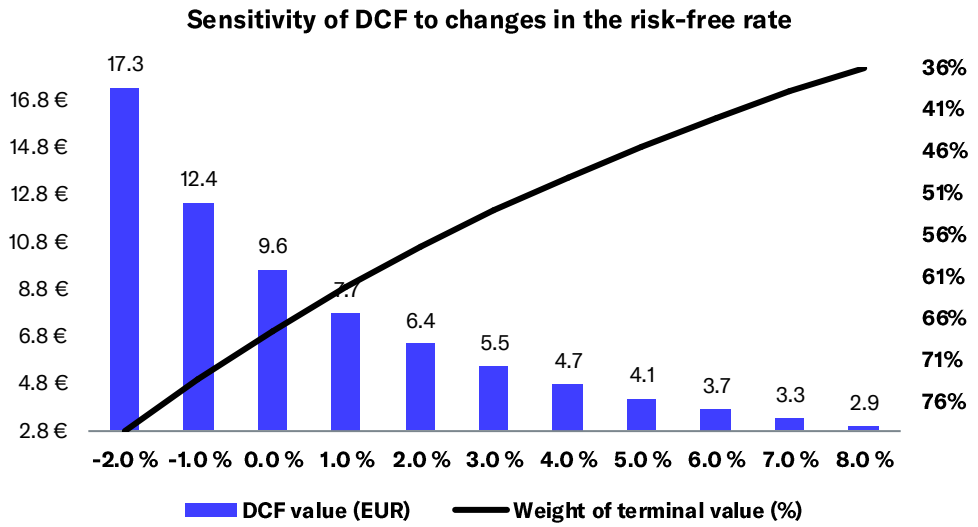
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	6.5 %
Equity Beta	1.25
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	3.0 %
Cost of equity	**9.9 %**
Weighted average cost of capital (WACC)	**9.5 %**

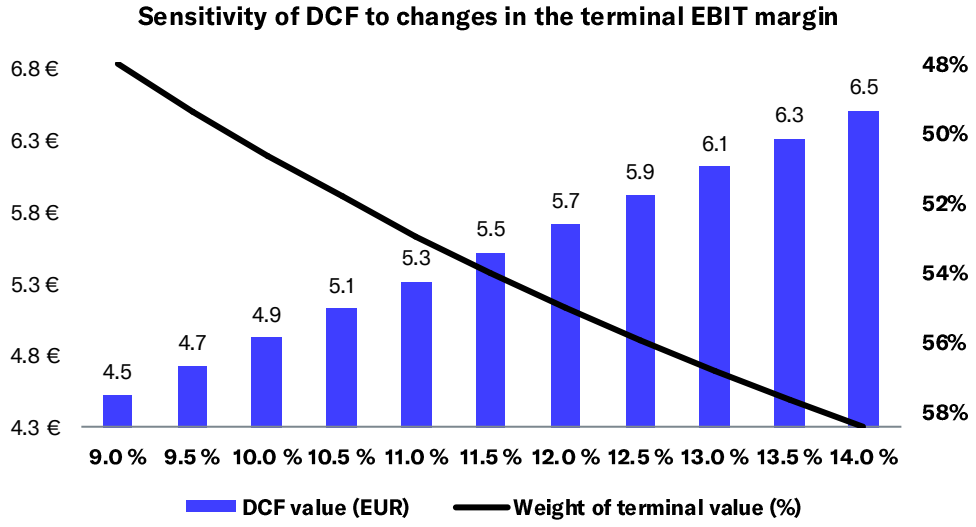


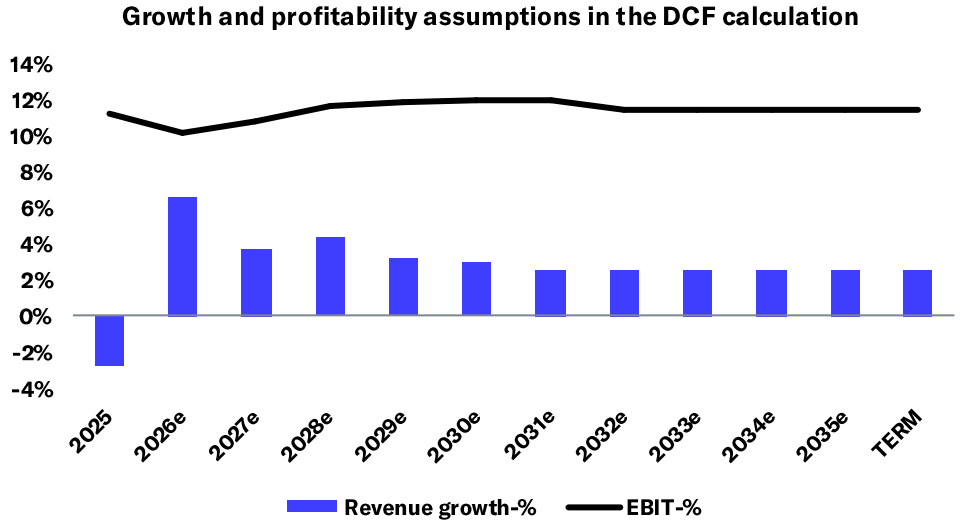
Source: Inderes

DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	85.9	89.7	87.2	**93.0**	**96.4**
EBITDA	14.9	14.3	14.7	**14.6**	**15.9**
EBIT	10.8	9.8	9.8	**9.4**	**10.4**
PTP	8.5	7.8	8.6	**7.9**	**9.1**
Net Income	6.9	6.1	6.8	**6.2**	**7.2**
Extraordinary items	0.7	0.0	0.0	**-0.6**	**0.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	85.6	85.6	86.3	**87.2**	**88.5**
Equity capital	34.4	35.8	40.4	**42.5**	**45.4**
Goodwill	22.3	21.7	22.7	**22.7**	**22.7**
Net debt	22.3	20.3	16.6	**15.5**	**13.8**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	14.9	14.3	14.7	**14.6**	**15.9**
Change in working capital	-0.8	1.2	1.0	**-1.1**	**-1.5**
Operating cash flow	12.1	13.2	13.0	**12.1**	**13.2**
CAPEX	-4.4	-4.8	-6.1	**-5.5**	**-6.2**
Free cash flow	7.7	8.4	6.8	**6.5**	**7.0**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	1.4	1.2	1.1	**1.0**	**1.0**
EV/EBITDA	7.9	7.7	6.8	**6.6**	**6.0**
EV/EBIT (adj.)	11.8	11.1	10.1	**9.6**	**9.1**
P/E (adj.)	15.5	14.5	12.2	**11.9**	**11.2**
P/B	2.8	2.5	2.0	**1.9**	**1.8**
Dividend-%	3.9 %	4.4 %	4.9 %	**5.3 %**	**5.5 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.39	0.34	0.38	**0.35**	**0.41**
EPS (adj.)	0.35	0.34	0.38	**0.38**	**0.41**
OCF / share	0.68	0.74	0.73	**0.68**	**0.74**
OFCF / share	0.43	0.47	0.39	**0.37**	**0.39**
Book value / share	1.94	2.02	2.27	**2.39**	**2.56**
Dividend / share	0.21	0.22	0.23	**0.24**	**0.25**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	2%	4%	-3%	**7%**	**4%**
EBITDA growth-%	61%	-4%	3%	**0%**	**8%**
EBIT (adj.) growth-%	87%	-2%	-1%	**2%**	**4%**
EPS (adj.) growth-%	170%	-1%	11%	**0%**	**6%**
EBITDA-%	17.3 %	15.9 %	16.8 %	**15.7 %**	**16.4 %**
EBIT (adj.)-%	11.7 %	11.0 %	11.2 %	**10.8 %**	**10.8 %**
EBIT-%	12.5 %	11.0 %	11.2 %	**10.2 %**	**10.8 %**
ROE-%	21.5 %	17.4 %	17.8 %	**15.0 %**	**16.4 %**
ROI-%	16.0 %	14.6 %	14.5 %	**13.7 %**	**14.9 %**
Equity ratio	40.3 %	41.9 %	46.8 %	**48.8 %**	**51.3 %**
Gearing	64.8 %	56.8 %	41.2 %	**36.4 %**	**30.4 %**
Net debt/EBITDA	1.5	1.4	1.1	**1.1**	**0.9**
EBITDA/net financials	6.7	6.9	12.4	**9.3**	**11.4**

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
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 €
8/19/2026	Accumulate	4.80 €	4.45 €
10/15/2026	Reduce	4.60 €	4.50 €
11/6/2026	Accumulate	5.00 €	4.55 €



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Inderes Ab
Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

inderes.se

Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

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