

LUOTEA

4/7/2026 9:08 am EEST

This is a translated version of "Käänneyhtiö vahvalla kassavirralla" report, published on 4/6/2026



Rauli Juva
+358 50 588 0092
rauli.juva@inderes.fi

INDERES CORPORATE CUSTOMER

EXTENSIVE REPORT



Turnaround company with a strong cash flow

We expect Luotea to continue its clear trend of earnings improvement in 2026-27 as its losses in Sweden turn into profits. In our estimation, the company generates strong cash flow, which, in our opinion, alone provides a sufficient expected return for investors. We reiterate our Accumulate recommendation and a target price of EUR 2.6.

Labor-intensive business in a fragmented industry

Slightly less than half of Luotea's revenue comes from cleaning services, with the other half divided fairly evenly between property maintenance and technical services. The company estimates that it is one of the three largest players in Finland. However, the company's position in technical services is significantly weaker, ranked #7-9 according to its previous estimates. The market is highly fragmented, though, and the company's market share is less than 5%. Approximately one-third of Luotea's revenue comes from Sweden, and the remainder comes from Finland. According to the company, as much as 97% of its revenue is re-occurring, and its customer base is quite diverse. However, the long duration of the agreements also poses a problem to some extent, as the company is currently suffering in Sweden from old agreements under which it has been unable to pass on cost inflation to prices, resulting in losses.

Cash flow profile is strong

Luotea's service business ties up very little capital and therefore has a strong cash flow profile. Return on capital also rises to several tens of percent even at a reasonable level of profitability. We estimate that Luotea's cash flow will exceed its earnings, particularly in the next few years. This is due to investments being lower than depreciation levels, negative working capital, and purchase price amortization, which will continue in Sweden this year and partially next year. However, the last item is not reflected in the adj. EBITA figure used by the company, nor in the other adjusted figures in our report. In this report, we revised our

forecasts, resulting in slightly lower projections for adj. EBITA but higher projections for earnings per share.

Targets seem challenging

Luotea's medium-term financial targets include achieving an average annual organic revenue growth rate of 4-5% and an adj. EBITA margin of over 5%. Luotea's businesses have historically struggled to generate profitable growth. Therefore, we consider the combination of a 4-5% growth target and a 5% margin target challenging. The company already reaches its margin target in Finland, but we deem achieving 5% unrealistic in Sweden, at least in the next few years. However, we expect the Swedish operations to become clearly profitable in the coming years, after experiencing losses in recent years, thus supporting the group's overall earnings growth. We believe it is difficult to create a sustainable competitive advantage in Luotea's industry. For this reason, we hope the company will emphasize the profitability target more than growth because overly aggressive pursuit of growth is likely to lead to a decline in profitability.

Valuation is fairly favorable

Luotea's figures from last year do not fully reflect the current structure due to the spin-off from L&T. Therefore, we focus on valuation multiples for the forecast years, which, of course, assume a clear improvement in earnings from last year. We forecast a P/E ratio of 9–10x for 2026–28, which we believe is an acceptable level for the company. EV-based multiples remain at the 6–8x level, suggesting some upside relative to what we consider acceptable. We estimate the company's free cash flow yield to be around 10% in 2026, thus already slightly exceeding our required return on its own. With a strong balance sheet, the dividend yield could also approach the cash flow yield if the company does not acquire other businesses. Thus, cash flow and dividend yield support the investor's expected return even though we do not anticipate earnings growth beyond next year. Also the value of our DCF (EUR 3.1) is well above the current price.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 2.60

(was EUR 2.60)

Share price:

EUR 2.49

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	346.0	350.0	357.0	364.1
growth-%	-55%	1%	2%	2%
Adj. EBITA	7.0	11.9	13.0	13.3
Adj. EBITA-%	2.0 %	3.4 %	3.6 %	3.7 %
Net Income	1.2	7.8	9.9	10.9
EPS (adj.)	0.12	0.24	0.28	0.28
P/E (adj.)	21.0	10.4	9.0	8.7
P/B	2.4	2.1	1.8	1.7
Dividend yield-%	2.7 %	4.8 %	6.0 %	7.2 %
EV/EBIT (adj.)	14.7	7.8	6.6	6.0
EV/EBITDA	6.9	4.1	3.7	3.3
EV/S	0.3	0.3	0.2	0.2

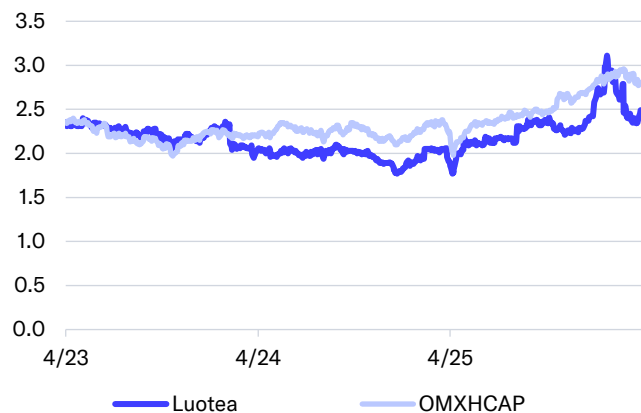
Source: Inderes

Guidance

(Unchanged)

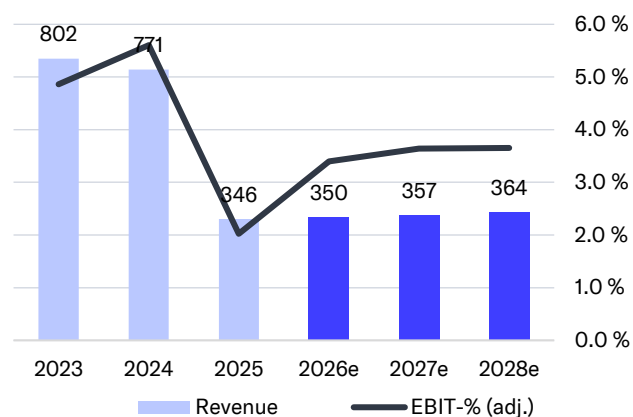
The adjusted EBITA for 2026 is expected to increase or increase significantly compared to the adjusted EBITA for 2025 (7.0 MEUR).

Share price



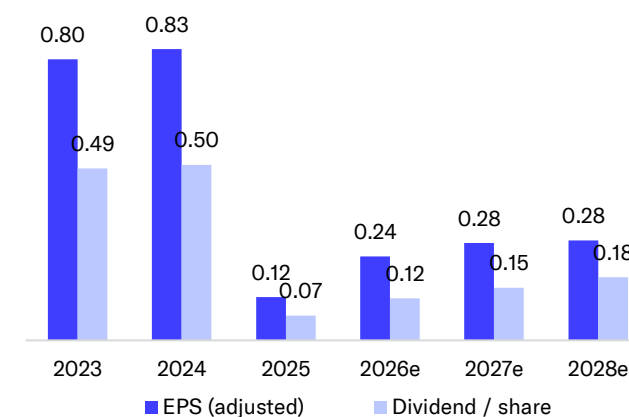
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Good market positions in Finland
- The business ties up little capital, generating good cash flow
- Earnings turnaround in Sweden

Risk factors

- The industry has low barriers to entry, which increases competition
- Labor shortages may limit growth
- Historically, profitability has been volatile, and the current level in Finland may not be sustainable

Valuation	2026e	2027e	2028e
Share price	2.49	2.49	2.49
Number of shares, millions	38.2	38.2	38.2
Market cap	95	95	95
EV	92	86	80
P/E (adj.)	10.4	9.0	8.7
P/E	12.1	9.6	8.7
P/B	2.1	1.8	1.7
P/S	0.3	0.3	0.3
EV/Sales	0.3	0.2	0.2
EV/EBITDA	4.1	3.7	3.3
EV/EBIT (adj.)	7.8	6.6	6.0
Payout ratio (%)	58.5 %	57.6 %	63.2 %
Dividend yield-%	4.8 %	6.0 %	7.2 %

Source: Inderes

Contents

Company description and business model	5-10
Investment and risk profile	11-13
Industry and competitors	14-16
Historical development and financial situation	17
Strategy and financial targets	18-20
Estimates and valuation	21-26
Tables and disclaimer	27-34

Luotea in brief

Luotea is a facility services company with two service lines: cleaning and support services, and facility services. The reporting segments are Finland and Sweden, organized by geography.

1905

Lassila & Tikanoja's year of establishment

2026

Luotea was formed when Lassila & Tikanoja spun off into its own company

346 MEUR

Revenue 2025

7 MEUR (2.0% of revenue)

Adjusted EBITA 2025

65/35%

Finland/Sweden share of revenue

~5,000

Headcount

2014-2018
Steady development in Finland

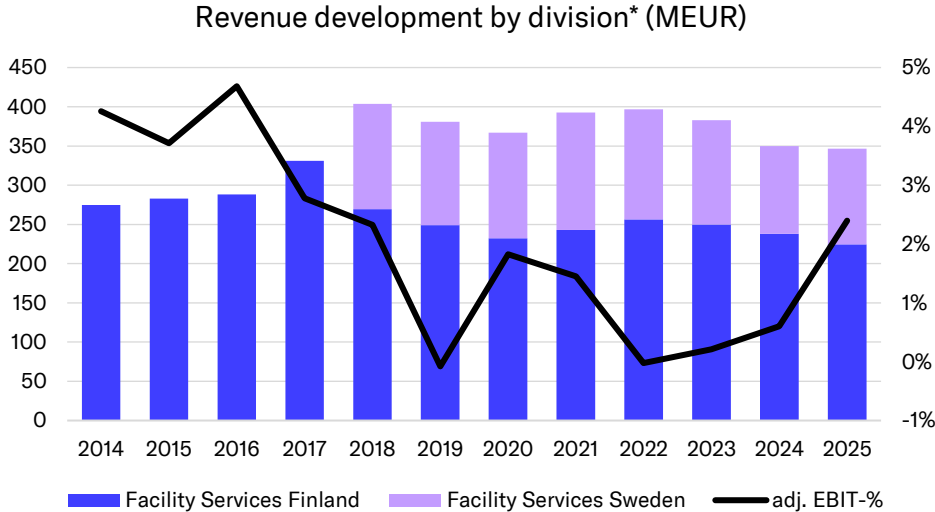
L&T acquired Veolia FM from Sweden in 2017, which had generated over 100 MEUR in revenue, increasing the scale of both the Swedish operations and the entire Facility Services

2019-22
Finnish Facility Services' revenue declines and earnings are at a low level

In Sweden, stable earnings until 2021, after which cost inflation impacts the result

2023-25
Finnish Facility Services make a strong earnings turnaround

Swedish Facility Services heavily loss-making, but a turnaround for the better in 2025



Source: Luotea, Lassila & Tikanoja *2025 Luotea's reported figures, other figures according to L&T's segment reporting

Company description and business model 1/5

Facility services business in Finland and Sweden

Luotea was established at the beginning of 2026, when Lassila & Tikanoja split into two companies. The company, now operating under the name Luotea, will continue to run the former Lassila & Tikanoja Facility Services Business. In our view, the split was logical, as there was little synergy between the operations, and the two organizations were already quite separate even before the demerger. We will examine the company’s range of services in more detail later, but generally speaking, the company’s business is very defensive and stable. The company is divided into three service lines: cleaning and support services account for nearly half, while technical services and property maintenance each account for just over a quarter (based on 2024 figures; 2025 figures are not yet available).

The historical development of the current Luotea can be tracked quite well through the segment figures reported by L&T, even though they do not fully correspond to Luotea’s cost structure and reporting as an independent entity. Luotea's result improved significantly last year as Finland's earnings continued to improve in a strong performance, while losses in Sweden began to decline. The capital invested in Luotea’s business operations is modest, so even a low margin can yield substantial returns on capital, as has already been achieved in Finland.

Luotea has a stronger geographic presence in Finland and, in 2025, 65% of its revenue came from Finland, while the remaining 35% came from Sweden. The business is quite local in nature, and we do not believe there are significant synergies between different countries. The company is a B2B operator that serves over 6,000 customers. Customer relationships are very long-lasting, as evidenced by the fact that, for example, the 20 largest customer relationships in

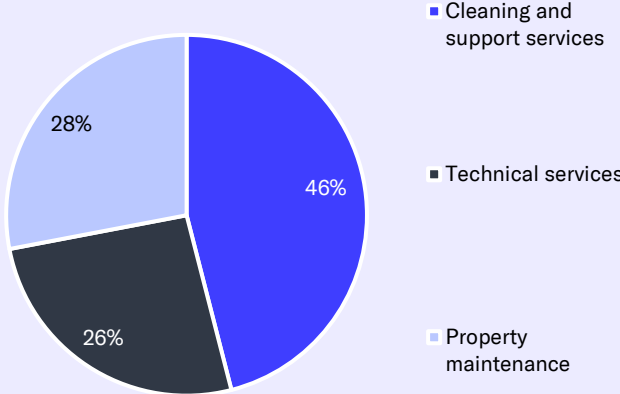
Finland have all lasted more than 10 years, with an average relationship lasting over 5 years. In 2025, just over 60% of the company’s revenue came from long-term contracts, but according to the company, the remainder, which is mainly derived from services ordered on an ad hoc basis, is also quite stable from year to year. In our view, the volume of these so-called additional services correlates somewhat with customer satisfaction. In other words, the better Luotea performs the work covered by the contract, the more additional work it typically receives.

We believe the demerger allows for a better focus

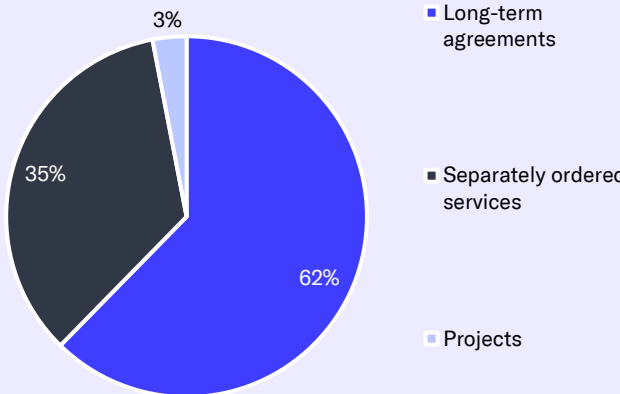
As part of the old L&T Group, Facility Services, now Luotea, had been of secondary strategic importance for years, in our view, with the focus primarily on circular economy operations. Due to profitability issues within Facility Services, we believe the focus has been on improving profitability since 2019, first in Finland and in recent years, particularly in Sweden. While Sweden's turnaround in profitability remains crucial to the company's earnings and value creation/valuation, in our view, we also believe that the spin-off into a separate company will enable a more effective implementation of a strategy that benefits Luotea more than before.

Luotea's strategy places particular emphasis on expanding data-driven and energy efficiency services. Through these so-called spearhead services, it aims both to attract new customers and to increase sales to existing ones. Significant growth can also be achieved through outsourcing processes in Finland's wellbeing services counties, where we understand the first tender is about to begin. We will discuss the strategy in more detail later in the report.

Luotea’s revenue distribution 2024



Luotea’s revenue distribution 2025



Source: Luotea

Company description and business model 2/5

Facility Services Finland (65% of revenue in 2025)

Facility Services aim to maximize the value of its customers' properties, striving for continuous improvement in energy efficiency while supporting the principles of the circular economy. In Finland, Facility Services include the following service lines:

- Cleaning and support services
- Facility services (property maintenance and technical services)

In Finland, Luotea's Facility Services business offers a comprehensive range of services, enabling customers to outsource all property care and maintenance needs to Luotea. However, we understand that few customers purchase the entire range, and most selectively buy services from Luotea. In addition to regular cleaning, cleaning and support services include, for example, specialized cleaning for the food industry and office support services. The company recently combined its previously separate property maintenance and technical services lines. Property maintenance services include, for example, indoor and outdoor area maintenance, as well as technical maintenance services. Technical services include, for example, HVAC and electrical system maintenance, as well as energy efficiency management.

In Finland, contract-based revenue accounted for around 75% of revenue in 2025. We understand that the proportion is higher in cleaning and property maintenance, whereas the focus in technical services is more on individual service orders and, to some extent, projects as well. Contracts typically last 1–3 years and often include a one-year option.

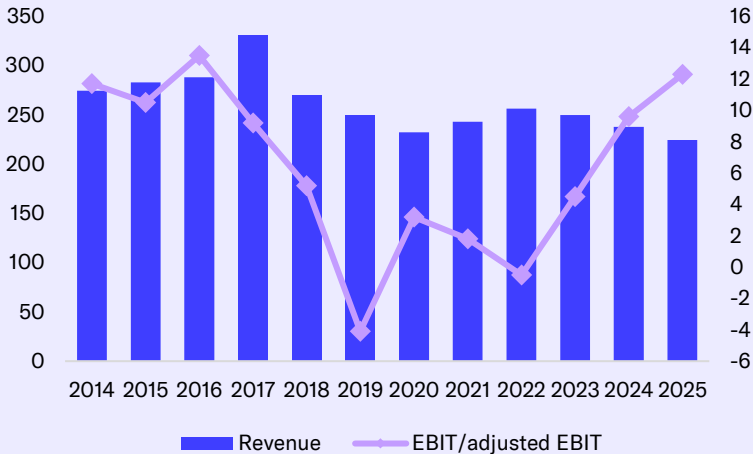
The market figures provided by Luotea are from 2023, when the company estimated the total size of the Finnish market to be 6.0 BEUR, with an annual growth rate of 4% through 2028. Based on these figures, Luotea's market share amounts to just under 4%, reflecting the market's fragmented nature. We estimate that the company is ranked #2–3 in cleaning and support services and #4–5 in facility services and property maintenance in Finland. We believe that the company has a stronger position in property maintenance than in technical services. The barrier to entry is very low in the cleaning and property maintenance sector, resulting in a lot of competition. The barrier to entry is slightly higher in technical services, but the competitive landscape is still broad and fragmented.

Profitability has risen sharply in recent years

Facility Services Finland's revenue decreased between 2018 and 2020 due to customer losses and intensified price competition. This also weighed on profitability, which was at a weak level: only slightly positive adj. EBIT in 2020-2021, and even negative adj. EBIT in 2019 and 2022. Property maintenance and technical service lines have faced particular challenges, incurring losses at least between 2022 and 2024, whereas cleaning services have been moderately or highly profitable since 2020.

However, in 2023-25, the company experienced a significant turnaround in profitability, with adj. EBIT rising to 12 MEUR and return on capital employed reaching a robust 80%. This was supported by years of continuous efficiency improvements and the termination of unprofitable agreements, among other things. Growing the business requires minimal additional capital and would therefore create significant value if done profitably.

Facility Services Finland



Source: Luotea, Lassila & Tikanoja

Company description and business model 3/5

Facility Services Sweden (35% of revenue in 2025)

Facility Services Sweden aims to support productive properties with long, sustainable lifecycles. Luotea's service portfolio in Sweden is more limited than in Finland and includes the following:

- Technical services
- Cleaning and support services

Previously, as part of Lassila & Tikanoja, the current Luotea had a small cleaning business in Sweden (with revenue of around 25 MEUR in 2025), and in 2017, they acquired Veolia FM, a technical maintenance company with revenue of just over 100 MEUR. However, revenue from this operation has decreased as the total size of the Swedish business was just over 120 MEUR last year. Currently, technical services account for an estimated ~80% of revenue in Sweden, while cleaning and other services account for ~20%, meaning the service distribution is quite different from that in Finland.

In Facility Services Sweden, over half of the revenue comes from separately ordered services and only around 40% comes from long-term service agreements. Nevertheless, the industry's historically stable revenue development indicates that demand for services is relatively stable, even though it is less contract-based than in Luotea's other industries. This makes the business more susceptible to a decrease in revenue, for example, during a period of weaker demand.

Around one-third of Sweden's revenue came from the public sector (hospitals and municipalities) in 2023, but this share has decreased significantly from over half in 2018. In 2024, the company lost a large private customer, and at the end of 2025, a large public customer. We believe the share of currently less profitable public agreements is still decreasing. Public sector contracts are typically several years long (even

over 5 years) and have strict terms, which has proven difficult for present-day Luotea, as costs rose significantly in 2022–23. It still has 2–3 low-profit hospital contracts in Sweden that won't expire until 2029–30.

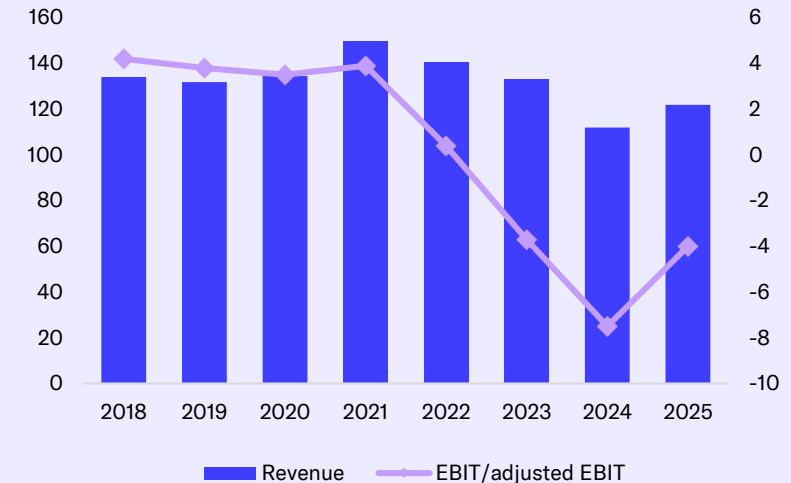
The company estimates the technical services market to be around 3 BEUR and the cleaning and support services market to also be around 3 BEUR. The company estimates market growth at 4% annually. Luotea is clearly in a challenger position in the market, ranking, in our understanding, #4-5 in technical services and only a marginal player (>#10) in cleaning services, according to the company's estimate. Luotea continues to hold a strong position in hospitals in particular.

Sweden's result turned around in 2025 but remained in the red

EBIT in Sweden was around 4 MEUR in 2018-2021. However, this figure was offset by approximately 2 MEUR in amortization of purchase price allocations from acquisitions (which do not affect cash flows), and the EBITA currently reported by Luotea was approximately 6 MEUR.

Nevertheless, profitability fell to zero in 2022 and continued to decline into a clear loss in 2023–24, due in part to cost inflation that could not be passed on to sales prices because of long-term/rigid agreements (particularly in the public sector, as previously mentioned). To our understanding, the majority of public-sector contracts have actually been loss-making in recent years, weighing on the profitability of the entire segment. Consequently, profitability must improve in the coming years, primarily through internal efficiency measures, which have already been actively implemented, as well as by renewing or terminating agreements where possible. In 2025, the result did turn around, but the company was still clearly in the red (adj. EBIT -4 MEUR).

Facility Services Sweden



Source: Luotea, Lassila & Tikanoja

Company description and business model 4/5

Group cost structure

The majority of Luotea's expenses consist of personnel costs, which account for almost 60% of revenue. In addition to its full-time employees, the company also employs part-time staff and workers who are called in when necessary. Thus, even in the short term, personnel costs are relatively flexible, although they do not fluctuate entirely in line with demand, of course. In the medium and long term, personnel costs should vary largely with revenue. Materials and services are the second largest expense, accounting for nearly 30% of revenue. This includes subcontracted work, representing around 10% of revenue. These are largely variable costs. Other operating expenses and depreciation are more fixed costs and account for just over 10% of revenue.

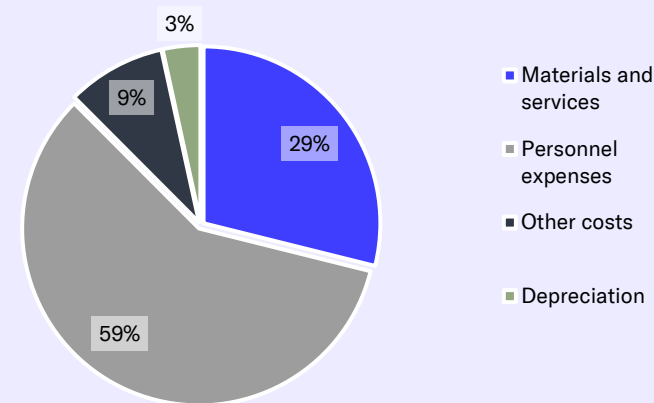
Thus, for the company's cost structure and earnings, controlling the use of labor and its costs through continuous operational management is crucial. From a cost perspective, the level of pay raises, for example, significantly impacts the company. As demand remains relatively stable, we believe effective labor and salary cost management should lead to a steady, good level of earnings. Conversely, this also means that the business isn't very scalable, so to generate additional revenue (or more importantly, volume), Luotea will also need to increase its expenses. One challenge in this regard can sometimes be the availability of labor, meaning that even if there are the desire and potential for growth, a limited workforce can hinder growth. Currently, however, there is a good supply of workers.

In the inflationary environment of recent years, the company was unable to raise its prices in Sweden in line with costs, which pushed the Swedish operation into a significant loss in 2022. In Finland, Luotea has generally performed well recently, though it has experienced difficult years there as well in the past. Therefore, managing contract structures is key to profitability, as is managing payroll costs.

Cash flow profile is strong

Luotea's business is capital-light and should therefore inherently generate strong cash flow, depending on the level of earnings, of course. The depreciation level reported by Luotea in 2026 will include approximately 1.5 MEUR in purchase price amortization, which does not affect cash flow. We have removed this amount from our adjusted figures. We estimate that the company's fixed asset depreciation will be slightly higher than investments in the coming years. The company's net working capital is negative, meaning growth should, in principle, free up capital and support cash flow. However, we do not expect significant growth or a release of net working capital in the coming years. Nevertheless, given the above factors, the company should structurally generate more cash flow than reported earnings. Our forecasts for the coming years reflect this, with free cash flow exceeding our net earnings forecast.

Cost structure 2025



Company description and business model 5/5

Ownership structure relatively fragmented

Luotea is the legal successor of an old Lassila & Tikanoja business, so its ownership structure is, at least for now, very similar to L&T's previous structure. The company's largest owner is the Evald and Hilda Nissi Foundation, which has been an owner of L&T for a very long time. Evald Nissi was involved with L&T from its early stages at the beginning of the 20th century until the mid-20th century. The ownership list also includes more recent L&T executives, such as Heikki Bergholm and Juhani Maijala. Among investment funds, the second-largest owner, one of Nordea's funds, and Aktia's funds hold more significant ownership. The remaining top positions on the ownership list are mainly held by domestic pension companies.

Foreign ownership of the company is nearly 20%, and household ownership is relatively high at over 40%. Thus, in our view, the company does not have a single main owner with clear power nor an owner with a stake exceeding 10%. In theory, this makes the company a potential acquisition target. However, prior to its IPO, the L&T Group attempted to sell the current Luotea. Since the sale did not go through, we can safely conclude that there were no buyers, or at least none willing to pay a good price. According to our assessment, potential buyers' interest is understandably dampened by Sweden's losses. If the company can turn this around for a profit, as we believe it will, potential buyers may also become more interested in Luotea.

CEO has moderate ownership

Luotea's CEO is Antti Niitynpää, who has been with the L&T Group since 2013. He joined the executive board in 2021 as Director of Finnish Facility Services and in 2024 as Senior Vice President of the entire Facility Services business (i.e.,

essentially his current position). Niitynpää also has experience in the field prior to joining L&T. He has been involved in Luotea's Finnish operations for a long time during their turnaround, and we believe he has a very strong expertise in Luotea's business. The company's CFO is Mika Stirkkinen, who assumed the role in connection with the demerger at the end of 2025. Stirkkinen has had a long career in Finnair's financial administration and served as the company's CFO from 2019 to 2022. Prior to joining Luotea, he was Forenom's CFO. We consider Stirkkinen's background in financial management at a publicly traded company to be a strong asset.

CEO Niitynpää owns approximately 30,000 shares, half of which he purchased in March. We view this as a positive sign, and the number is already quite substantial. Regarding the other members of Luotea's executive management team, the company only reports holdings annually, and the most recent data is from the end of 2024. Therefore, in our view, those figures are not relevant. Figures from the end of 2025 do not reflect any potential acquisition of Luotea shares this year either. On the board, Juuso Maijala holds a significant stake of over 60,000 shares, while the others hold smaller stakes. We would like to see broader and more substantial management ownership of the company going forward.

Luotea has a share-based incentive scheme for key employees with criteria including total return on shares (30%), return on capital employed (50%), and eNPS (employee satisfaction, 20%). We consider these metrics to be quite good, provided that the return on capital thresholds are sufficiently high given the low capital intensity of the business and in line with the margin level the company is aiming for.

Largest shareholders on 3/31/2026	% share
Evald and Hilda Nissi Foundation	9.0%
Nordea Nordic Small Cap	5.2%
Juhani Maijala	3.9%
Heikki Bergholm Pension Insurance Company Ilmarinen	2.3%
Mikko Maijala	1.9%
Pension Insurance Company Varma	1.9%
Lassila & Tikanoja	1.5%
Aktia funds	1.5%
Pension Insurance Company Elo	1.5%

Source: Inderes

Investment profile

Luotea is a turnaround, cash flow, and dividend company

In recent years, Luotea's businesses have primarily been in the turnaround phase as part of L&T. In Finland, the turnaround has now been completed, and the Finnish businesses are performing well. Regarding Sweden, the turnaround has only just begun, and we believe that to achieve an acceptable earnings level, Sweden's earnings improvement must continue through 2026-27. Thus, in terms of earnings, the company is still partially a turnaround company.

Overall, though, it is already generating moderate earnings. The company's capital-light nature also enables it to generate good cash flow. Since the company is already virtually net debt-free, it can allocate its cash flow to dividend distribution. The company's organic growth does not require significant investments, and, on the other hand, we expect only slight organic growth. While we do not consider acquisitions likely in the coming years, they are possible in the medium term. Currently, however, we believe the company's investment profile centers on Sweden's earnings turnaround and the cash flow generated by it.

We believe it is difficult to gain competitive advantages

Luotea operates in the cleaning, property maintenance, and technical maintenance markets, where competition is abundant from both larger and smaller companies. The industry is highly fragmented, and price is an important factor in purchasing services. Regarding basic services, we believe that competitors can largely provide services similar to those of Luotea, and we find it difficult for the company to establish significant differences, at least permanently.

In digital services and energy efficiency solutions, which are growth drivers for Luotea, we believe Luotea is in a better position than smaller competitors because, as a larger company, it has the resources to develop and maintain such services. On the other hand, there are also significantly larger international companies competing with Luotea, so it is not among the largest players either in terms of size. In any case, we see an opportunity for larger companies like Luotea to take market share from smaller companies in the growth of digital services. We see this particularly clearly in cleaning services, for example, where there are many very small companies that focus exclusively on cleaning.

Growth potential from outsourcing

Luotea has identified the outsourcing of facility services by Finland's wellbeing services counties, which will likely occur in the coming years, as a significant growth opportunity. We understand that the most significant of these, the outsourcing of the Hospital District of Helsinki and Uusimaa (HUS), is already underway this year. This contract could be worth several tens of millions per year, representing a substantial increase compared to Luotea's current revenue (around 350 MEUR). According to Luotea's estimate, the value of other outsourcing agreements alone is less than 5 MEUR per year, so they do not bring significant growth individually, but they would still support growth of the entire group. In large tenders, the risk and challenge naturally lie in securing contracts at a price that is reasonable for Luotea as well.

We find operational history a useful indicator of risks

In our view, the most significant risks to the company are clearly evident in the history of the current Luotea's

operations. At various times in both Finland and Sweden, the company has experienced several years of poor results due to poorly drafted contracts on its end that turned out to be unprofitable and/or inefficient operations on its own part. In Sweden, it seems to us that a risk associated with a company acquisition also materialized when the goodwill from a transaction made in 2017 had to be written down in 2024.

Therefore, the key to maintaining healthy levels of profitability and cash flow lies in the company's continuous good management of its own efficiency and contract portfolio. We believe the company is currently in a good position in this regard, but ensuring that, for example, pursuing growth does not jeopardize profitability will continue to be important. We are also generally skeptical of any major acquisitions and do not expect the company to pursue such deals, at least not in the next few years. In our view, smaller complementary acquisitions, particularly in Finland where profitability is good, could be a possibility.

Investment profile

- 1 Capital-light business enables strong cash flow
- 2 Increased regulation and energy efficiency are driving market growth
- 3 We expect Sweden's nascent earnings turnaround to support the company's overall earnings
- 4 Historically, organic growth has stalled
- 5 We believe it is difficult to create sustainable competitive advantages in the industry

Potential

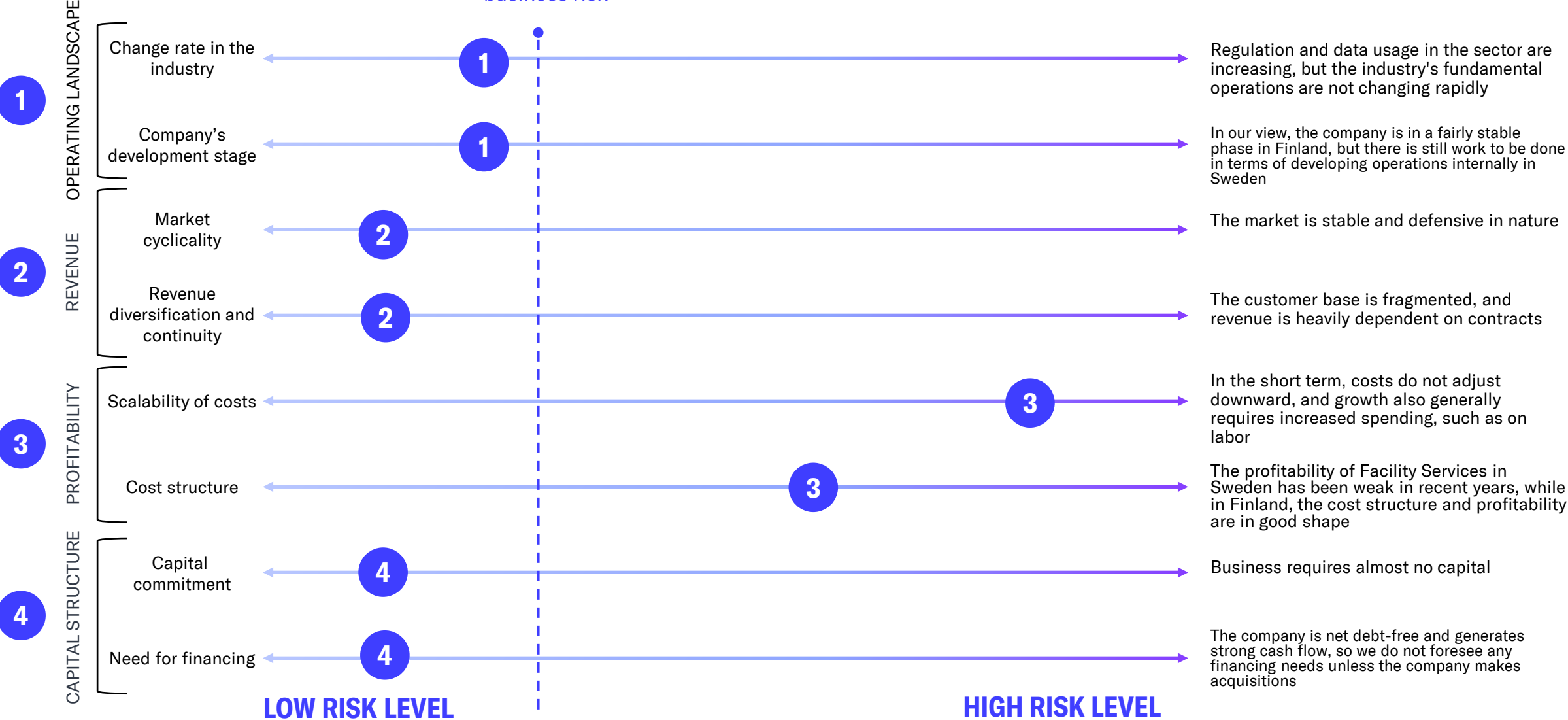
- Relatively strong market positions and customer relationships provide a foundation for growth in growing markets
- Turnaround in Sweden's results would clearly boost the company's overall result
- Stable cash flow and low investment needs make high dividend distribution possible
- Outsourcing by wellbeing services counties offers significant growth potential in Finland

Risks

- Barriers to entry are low in the industry, which increases competition
- Labor shortages may limit growth
- Profitability has historically fluctuated, and the current level in Finland is not necessarily sustainable

Risk profile of the business model

Assessment of Luotea's overall business risk



Industry and competitive landscape (1/3)

Facility Services market

Luotea operates in the facility services market in both Finland and Sweden. The company estimates the total market size in Finland to be 6 BEUR in 2023 and 6.2 BEUR in Sweden, with an annual growth rate (2023-2028) of 4%. According to Statistics Finland, property services in Finland have grown an average of around 4% per year over the last 10 years, but this figure includes services outside Luotea's market.

Facility services can be further divided into two submarkets: property maintenance and technical services. Depending slightly on the definition, cleaning services, for example, can be distinguished as a sub-market of their own within property maintenance. Luotea divides the market into three parts: Technical services, property maintenance, and cleaning and support services.

Property maintenance market

Property maintenance includes low value-added services that do not require specialized training of the workforce. Examples include maintenance services such as changing light bulbs, opening doors, cleaning, and outdoor area maintenance such as snowplowing, sanding, and lawn mowing. Price is often an important purchasing criterion for these services, thus creating high price pressure. This is evident in the figure on the right, which shows that property maintenance services have developed more slowly than the overall property maintenance cost index. The same trend is also visible in the long term, particularly with regard to cleaning services. In our view, L&T has struggled to adapt to price competition in previous years, which hurt the profitability of Facility Services in Finland. However, it has already risen to an excellent level in 2023-25.

Luotea estimates the size of the property maintenance market in Finland to be 2.0 BEUR. We estimate that Luotea is ranked

#3-4 in the Finnish property maintenance market. Luotea does not offer property maintenance services in Sweden.

Property maintenance competitors include small companies focused on a specific service, larger local players (e.g., PHM Group and RTK), and large international companies (e.g., ISS, Coor). Large companies focus on commercial properties, also a larger segment for Luotea than housing companies.

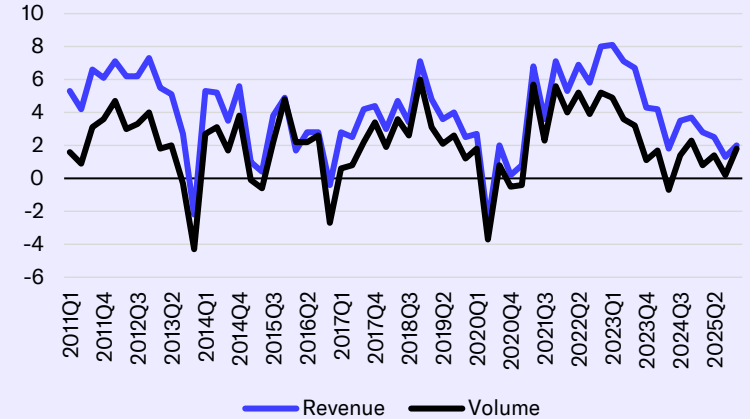
Technical services market

Technical services include those that require a certain level of expertise and offer higher added value than general property maintenance. These include, for example, minor repairs and renovations, HPAC and electrical engineering services (heating, plumbing, air conditioning, and electricity), as well as energy consumption management and optimization. When purchasing these services, criteria other than price may include specific expertise or the integration of different areas of expertise, which we believe offers better pricing opportunities from Luotea's perspective.

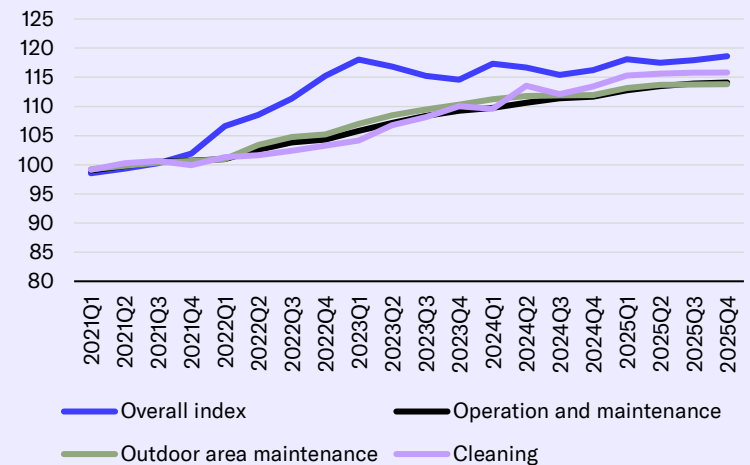
Luotea estimates the market size for technical services at 1.9 BEUR in Finland and 3.1 BEUR in Sweden. According to our estimates, Luotea ranks #7-9 in technical services in Finland and #4-5 in Sweden.

Competitors in the technical services sector include companies that focus more on property maintenance services, such as RTK (in Finland), as well as companies that provide building technology installations and services, such as Assemblin, Caverion, Bravida, and Are. International players that provide a wide range of property services, such as ISS, Coor, and Sodexo, are also competitors. In our view, Luotea's position among these competitors is challenging and it lacks a clear competitive advantage because its scale is

Development of property services in Finland (%)



Property maintenance cost index (2021 = 100)



Source: Statistics Finland

Industry and competitive landscape (2/3)

smaller than that of most of its competitors in terms of both service offerings and the countries in which it operates. Market growth is currently supported especially by energy efficiency investments and repairs, as well as digitalization.

Cleaning and support services market

As the name suggests, this market mainly consists of various cleaning services and, to a lesser extent, support services, such as reception, meeting, or telephone services. Luotea estimates the market size for cleaning and support services at 2.1 BEUR in Finland and 3.1 BEUR in Sweden. In Finland, we estimate that the company is ranked #2-3 in the cleaning and support services market. In Sweden, its cleaning business is small, and it is only a marginal player in the market.

Similar to property maintenance, competitors in the cleaning market include small companies focused on a specific service, larger local players (e.g., SOL), and large international companies (e.g., ISS, Coor).

Reasonable profitability is achieved in the industry

Luotea's target is to achieve an adj. EBITA margin of over 5%, a level the company actually reached in Finland last year. This already translates to truly impressive returns on capital, and maintaining such high levels over the long term would be an outstanding achievement, in our opinion. However, some competitors suggest that even higher profit margins are possible, at least in the medium term.

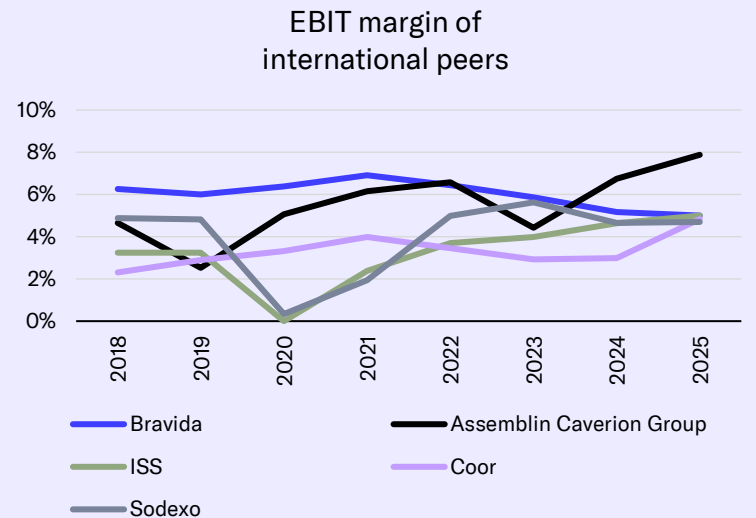
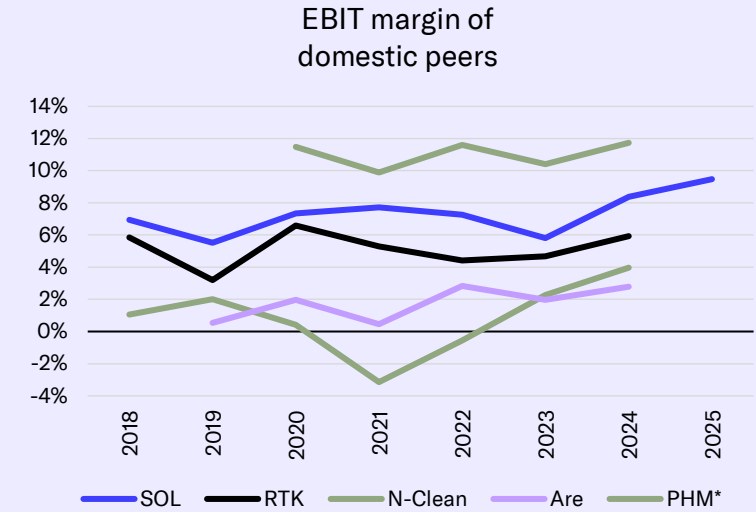
Among domestic competitors, SOL is the largest group, with a revenue of 150-200 MEUR, and it has achieved an EBIT margin of 5-10% in recent years. SOL is the only unlisted company in the sector that has already published its 2025 figures, showing an improvement in profitability to nearly 10%. However, SOL also has operations that Luotea

does not. RTK has generated revenue of 100-130 MEUR and an average EBIT margin of 5-6% in 2017-2024. The cleaning company N-Clean has grown from a revenue level of 30-40 MEUR in 2017-2020 to almost 70 MEUR in 2024 and has also achieved moderate earnings in recent years. Overall, companies' profitability trends show an upward trajectory in 2023-24, which can likely be attributed to profitability pressures caused by rapidly accelerating inflation in 2022 that were successfully offset in subsequent years. PHM, a Finnish property maintenance company that has expanded internationally, has consistently achieved an adj. EBITA margin. Compared to domestic players, Luotea's Facility Services business in Finland is currently at a good, average profitability level, meaning there is even room for improvement with good performance.

Successful companies focused on property technical services (e.g., Bravida, Assemblin) have historically achieved profitability levels above 6-8%, though there are clear company-specific differences. In general, the profitability of international competitors was at an EBIT margin level of around 5% last year.

Overall, we believe that the profitability of Luotea's peers validates its targeted EBITA margin of over 5%. However, we note that L&T's scale in Sweden is smaller than that of the competitors mentioned above, which may limit its margin potential.

Luotea estimates the market growth rate to be around 4% per year, but we believe it is important to note that, due to occasional fierce price competition, not all growth is necessarily healthy in terms of profitability. Therefore, achieving this growth rate at the targeted profitability level requires excellent operational performance.



Source: Customer information, company reports *adj.. EBITA

Industry and competitive landscape (3/3)

	Cleaning	Property maintenance	Technical services	EBIT/EBITA margin*
Domestic competitors				
Luotea	✓	✓	✓	2,0 %
SOL	✓			9,5 %
RTK palvelu		✓	✓	5,9 %
ARE		✓	✓	2,8 %
N-CLEAN PART OF MIAB GROUP	✓			4,0 %
phm*		✓	✓	11,7 %
International competitors				
CBRE		✓	✓	-
COOR	✓	✓	✓	4,8 %
sodexo	✓	✓	✓	4,7 %
ISS	✓	✓	✓	5,0 %
bravida			✓	5,0 %
Assemblin Caverion			✓	7,9 %

* Most recent reported fiscal year; 2025 for listed companies, 2024 for others. Figures are adjusted where possible.

Historical development and economic situation

History can be examined through old segments

The former Lassila & Tikanoja has long reported its Facility Services business as a separate segment, and for the past 8 years, it has been divided into the Finnish and Swedish operations. Historical figures for Luotea at the group level are only available for 2024–25, and even these figures do not fully reflect Luotea's current cost level (primarily regarding group expenses) due to accounting techniques related to the demerger. Therefore, we believe it is reasonable to examine the historical development of Luotea's business primarily through the old segment figures, which are available at the revenue and EBIT/adj. EBIT level.

Luotea's revenue is clearly higher than the oldest available comparison figures from over 10 years ago, but this is largely due to a significant acquisition made in Sweden in 2017 that contributed approximately 110 MEUR in revenue. Since then, however, the trend has been downward, with organic growth actually being 3% negative per year over the past 10 years. In our view, this has been driven by intense competition and profitability challenges, prompting the company to terminate poorly profitable contracts in both Finland and Sweden. In earnings, the general trend was weak through 2022, with adj. EBIT close to zero in 2019 and 2022. However, underlying these figures is the collapse of Finland's earnings level in 2018-19 and its recovery in 2023-24. The decline of Sweden's earnings to substantial losses in 2023–24 obscured Finland's improvement when considering the combined figures for the current Luotea. Last year, Sweden's turnaround and Finland's continued earnings improvement drove the group's earnings growth and profitability to their best levels in 10 years.

Balance sheet is debt-free, straightforward, and quite light

Luotea reported its balance sheet for the first time based on the situation at the end of 2025. As the service business requires very few fixed assets, the balance sheet is fairly transparent and light.

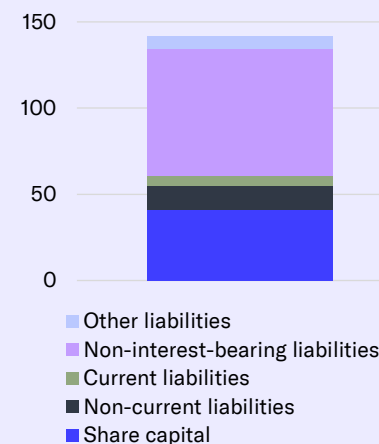
On the assets side, goodwill represents almost 30% of the balance sheet and is nearly equal to the company's equity. Based on the old L&T figures, this consists of goodwill of just under 30 MEUR in Finland and around 10 MEUR in Sweden. In Sweden, goodwill of around 25 MEUR was already impaired in 2024. Unless Sweden's earnings rise significantly from their current loss-making level, we believe that a write-down of all remaining goodwill is on the horizon. However, in our view, this alone does not pose a problem for Luotea's balance sheet, and we expect Sweden's earnings level to improve significantly anyway. Finland's earnings level is currently strong, so we do not foresee any risk of a write-down in the near future. Trade receivables account for around 25% of the balance sheet and various current items account for approximately another 25%.

The company's equity amounts to just under 30% of the total balance sheet. Trade payables account for about half of the balance sheet, and as a result, the company's net working capital is clearly negative, which makes its balance sheet quite efficient. The company has only 5 MEUR in financial liabilities and 15 MEUR in cash and cash equivalents. We believe that the company will become debt-free during the course of this year, even when lease liabilities are taken into account. All in all, we believe the balance sheet is in good and efficient shape. As the company will be operating independently this year, we see further potential for streamlining the balance sheet.

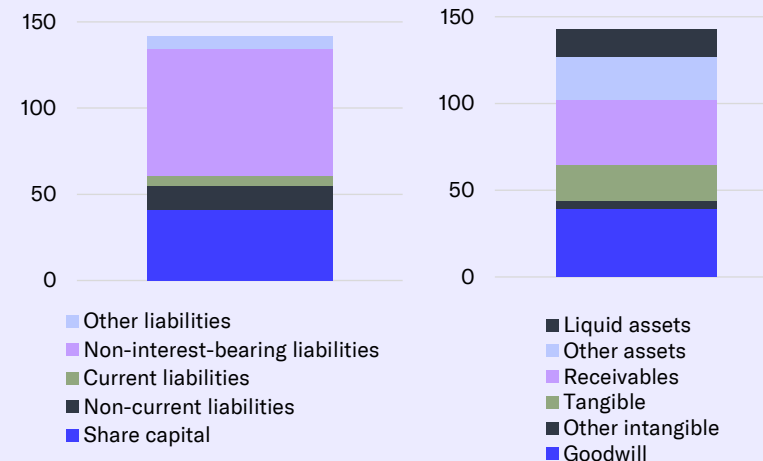
Revenue and adj. EBIT-% development



Equity and liabilities, 2025 (MEUR)



Assets, 2025 (MEUR)



Source: L&T, Luotea

Strategy

Strategy essentially deals with basic activities

Luotea published and presented its strategy as a newly formed company at the end of 2025. In our view, the strategy does not indicate a clear direction for change but rather describes normal maintenance, growth, and streamlining of business operations. Considering Sweden's loss-making performance, we believe this is justified, and we do not believe that Luotea's business requires a new strategic direction.

Luotea has stated that, during the 2026–28 strategy period, the emphasis will be on the growth of core businesses and strengthening its market position. It aims to achieve this in four priority areas:

- Growth in core business
- Efficient operating models
- Industry's best place to work
- Digital services and AI

In our view, these priority areas overlap to some extent, as, for example, the latter three points enable business growth. Efficient operating models and being the best place to work in the industry are quite common and natural goals, especially given the labor-intensive nature of Luotea's business. Regarding operating models, we believe the company is already in a fairly good position in Finland, where operations have been streamlined for years. In Sweden, the company is now seeking to apply the lessons learned in Finland and implement similar operating models there.

The final point reflects the company's ambition to be a pioneer in digital services and artificial intelligence. In our view, the company's energy-saving solution is quite good compared to its competitors, at least at this point. In the long run, however, we believe that larger industry players will be able to develop digital services in such a way that no single company will gain a sustainable competitive advantage from them. Nevertheless, the shift toward digital services may drive industry consolidation, meaning larger companies will see their market shares grow as smaller companies lack the resources to develop digital services.

Clearer growth drivers stand out as key success factors

In addition to its strategic focus areas, Luotea lists four key success factors:

- Data-driven services
- Sustainability advisory services
- Energy efficiency
- Growth in core business

These factors partly overlap with the strategic focus areas, but they more clearly highlight the company's growth priorities. However, we believe these factors are largely general market growth drivers and thus not unique to Luotea. The company naturally aims to capture a larger share of these growing services than it currently holds, which would strengthen its market position. As noted above, we believe this is a plausible development direction. However, Luotea has not disclosed what percentage of its revenue the three types of services currently account for, making it difficult to assess the significance of their growth.

Spearhead services also support the growth of other services

Luotea also refers to the top three factors mentioned above as "spearhead services". According to the company, providing these services increases Luotea's sales per customer by an average of 20–30%, while improving efficiency saves customers money. On the other hand, these services allow the company to establish initial customer relationships, after which it can sell its full range of services. In this case, these spearhead services effectively help create an entirely new customer relationship. Thus, the role of spearhead services in growth is not limited solely to their direct revenue. According to the company, spearhead services are also significantly more profitable for Luotea than traditional services, so their growth alone should support the company's profitability.

Financial targets (1/2)

Financial targets (published in 2025)

Average organic revenue growth of 4–5% in the medium term

- We estimate that over the last ten years, the organic growth of Luotea's operations has been about 3% negative per year, even though the market has grown. Achieving the growth target will therefore require a fairly significant change compared to the past.
- We believe the company will be able to achieve modest growth (~2% per year), but it will fall well short of its target over the next few years.
- In Finland, profitability is already at the target level, so we believe the company can strive for growth there. In Sweden, the top priority for the coming years remains turning the company around, although new profitable business operations will also certainly support this turnaround. However, losing older, less profitable accounts could hinder Sweden's revenue growth in the coming years.

Adjusted EBITA margin above 5% in the medium term

- As part of L&T, the company primarily reported the current Luotea segments' adjusted EBIT, so fully comparable historical figures are unavailable. Nevertheless, the impact of Sweden's purchase price amortization is relatively well-known.
- Over the past 10 years, Finnish operations have generated an average adj. EBIT margin of around 2%, which roughly corresponds to the adj. EBITA margin. Last year, the company achieved its target of over 5% margin in Finland
- In Sweden, according to our estimates, the company was able to achieve an EBITA margin of just over 4% in 2018–2021, after which the result deteriorated and fell clearly into the red
- Thus, even in terms of margins, the company has fallen well short of its target level
- We forecast that Finland's profitability will remain close to the target level in the coming years and that Sweden's profitability will improve significantly to around 3%. For Luotea's margins, this means an adj. EBITA level of 3.5–4% for the coming years

Operational free cash flow above 90% of EBITA in the medium term

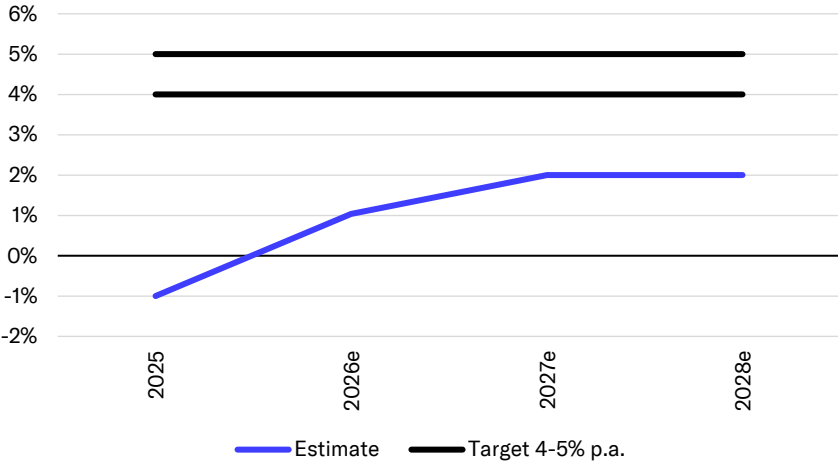
- Luotea has not reported historical cash flow figures, so it is impossible to compare this target with historical data
- Since the company has negative working capital, its growth should free up working capital, which will support cash flow
- In addition, we believe that the company's investment level will be slightly lower than depreciation in the coming years
- These factors support the cash flow ratio, which we believe should exceed 100% as the company grows
- We believe the company will achieve its goal

Dividend payout of at least 50% of net profit

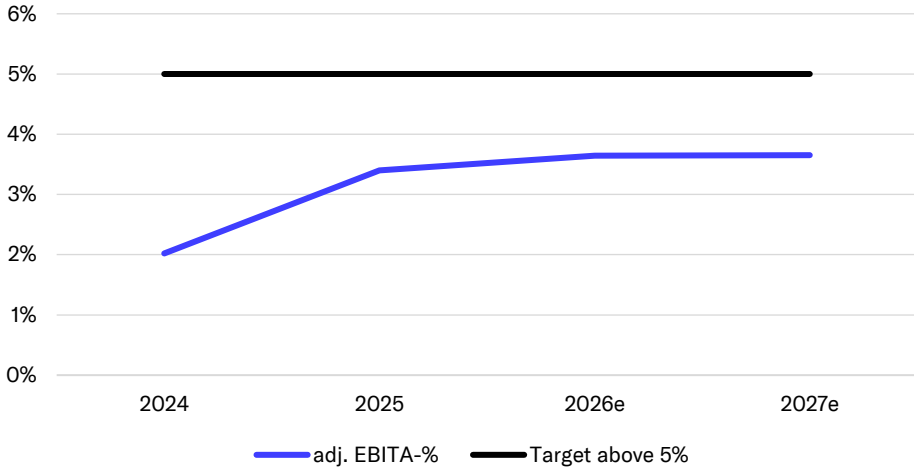
- Supported by a debt-free balance sheet, minimal investment needs, and strong cash flow, we believe the company will be able to pay a dividend well in line with its target. Unless the company makes any acquisitions, which we do not expect in the coming years, the payout ratio could approach 100%

Financial targets (2/2)

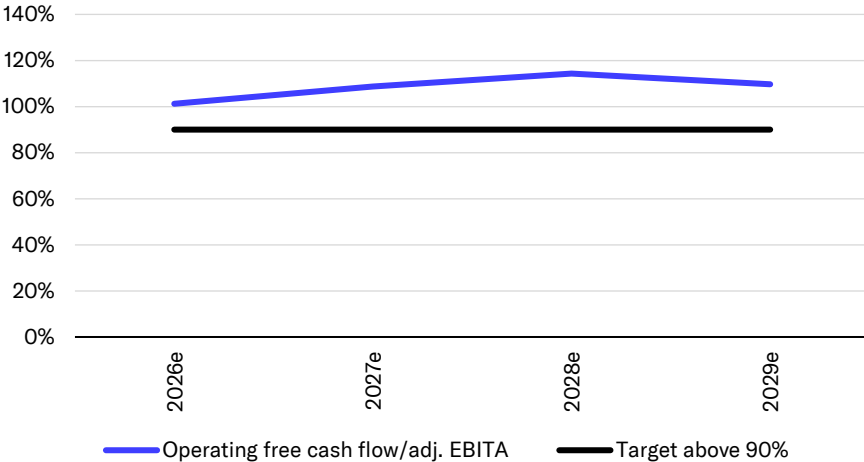
Revenue growth vs. target



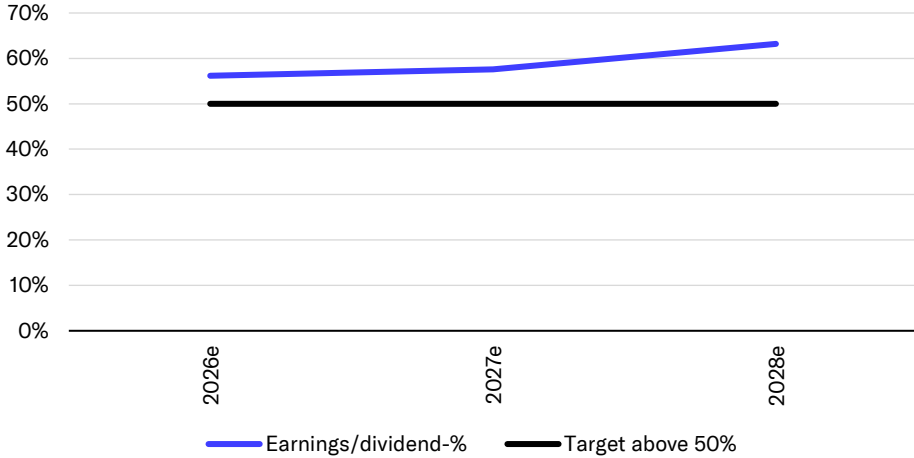
Adj. EBITA-% vs. target



Operating free cash flow / EBITA



Payout ratio



Estimates (1/4)

Estimates are based on the segments

We model Luotea through revenue development for its two segments (Finland and Sweden) and adj. EBITA for its three segments (Finland, Sweden, Group administration). We do not include potential future acquisitions in our estimates, so they are based on organic development. We treat the amortization of the purchase price of the old Swedish acquisition as an adjustment item, in line with the company's reporting practices. This item has no cash flow impact and will end in 2027. As we pointed out previously, Luotea's business is quite defensive and stable and its development is therefore not significantly affected by economic fluctuations.

Overall, we expect Luotea's revenue to grow moderately in the coming years, with earnings rising significantly in 2026–27 as Sweden transitions from a clear loss to a moderate earnings level. After that, we expect earnings to remain stable. For a company with no net debt, financial expenses are a stable, small item. The tax rate will decrease in the coming years due to Sweden's expected turnaround to profitability and the company's confirmed losses in Sweden, which, in our view, will result in the company paying no taxes in Sweden in the coming years.

Guidance for improving earnings for this year

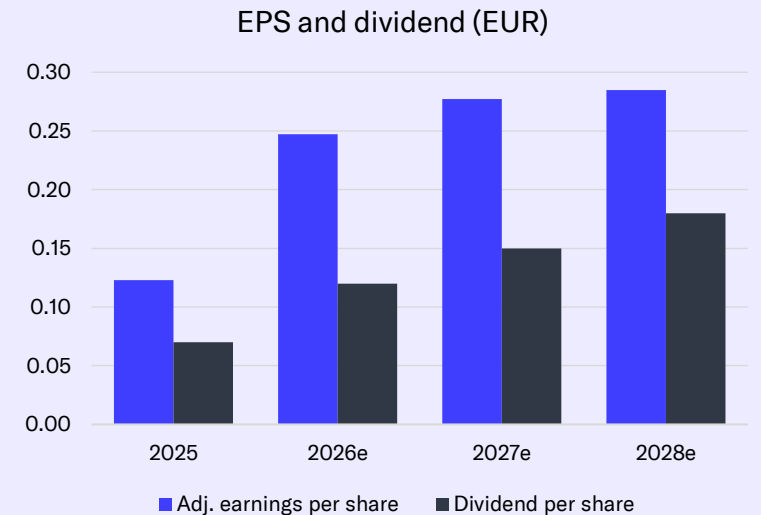
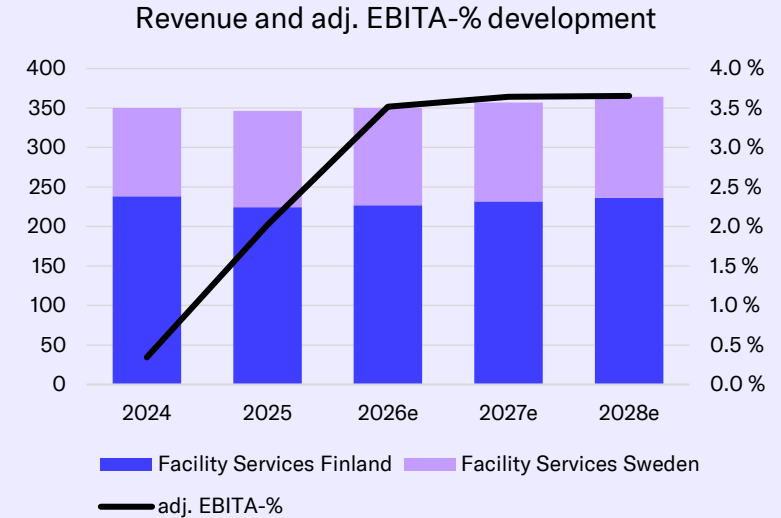
According to Luotea's guidance, adjusted EBITDA is expected to increase or increase significantly this year compared to 2025 (7.0 MEUR). The company provided further details on its earnings development, stating that earnings in Sweden are expected to continue improving this year, while we understand that earnings in Finland will remain relatively stable, and the company expects group expenses to decline from the level reported in 2025. However, the

company noted that competition has intensified, particularly in the Finnish cleaning business, putting pressure on margins. The effects of the demerger were reflected in group admin costs, which is why Luotea had to carry more group expenses last year than actual costs.

Although the company does not provide revenue guidance, during its earnings call, the management said that it expects revenue in Sweden to be roughly on par with last year's levels and that it believes the Finnish operations will return to growth this year.

We forecast modest revenue growth of 1% for both the Finnish and Swedish operations this year. Regarding adj. EBITA, we predict that the result in Finland will remain at last year's level (12 MEUR), while Sweden will return to profitability (1.5 MEUR) after incurring a significant loss in the previous period (-3 MEUR). The turnaround in Sweden's earnings is primarily driven by the company's own efficiency measures. These include, among other things, closer monitoring of operations, reducing the number of organizational levels, and cutting down on subcontractors/suppliers. Additionally, efforts will be made to update agreements or terminate those existing agreements with less favorable terms if they cannot be negotiated to a satisfactory level. We expect group expenses to decline to approximately -1.5 MEUR (-2.9 MEUR). Thus, we estimate Luotea's total adj. EBITA to be 12 MEUR (7 MEUR).

On the lower lines of the income statement, we expect financial expenses to be slightly lower than in the comparison period (-0.5 MEUR vs. -0.7 MEUR). The company has stated it expects lower financial expenses. We anticipate that taxes will increase with improved earnings. As a result, adj. EPS will



Source: Luotea, Inderes

Estimates (2/4)

clearly rise to EUR 0.25 in 2026. We estimate that the company will distribute approximately 50% of this amount as dividends, in accordance with its dividend policy, which would result in a significant dividend increase to EUR 0.12 (EUR 0.07 in 2025).

Profitability of Sweden and thus entire Luotea will stabilize in our forecasts in 2027-28

Although we anticipate that the company will have to discontinue some unprofitable agreements in Sweden in the coming years, we still expect it to achieve modest growth in both Finland and Sweden in 2027–28. According to our understanding, the last of the less favorable old agreements in Sweden will expire in 2028. We project that Luotea’s revenue will grow by 2% annually in 2027–28, which is significantly lower than its target growth rate of 4–5%. Winning a major outsourcing contract (such as with the Hospital District of Helsinki and Uusimaa, HUS) could boost our growth forecasts.

We forecast that Sweden’s profitability will continue to improve in 2027–28, primarily due to the company’s efficiency measures, and that adj. EBITA will rise to 3–4 MEUR. In 2028, purchase price amortization will have ended, at which point EBIT will correspond to EBITA. In our forecasts, Sweden’s earnings level remains consistently lower than it was before the earnings decline that began in 2022 (approximately 5–6 MEUR at adj. EBITA level). In Finland, we expect profitability to decline slightly as a result of growth initiatives and competition, with adj. EBITA reaching approximately 11 MEUR in 2027–28, translating to an EBITA margin of 4.5–5.0%. With group expenses remaining stable in our estimates, Luotea's overall earnings will rise to 13.5 MEUR in 2027 and remain at that level in our

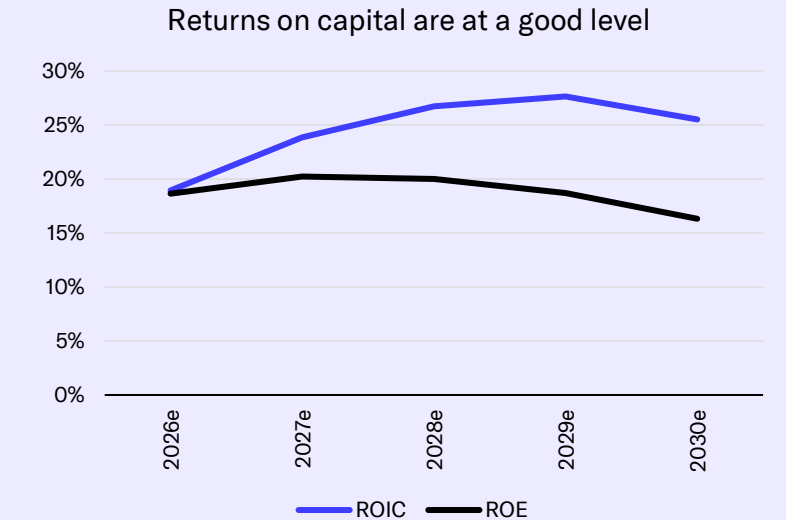
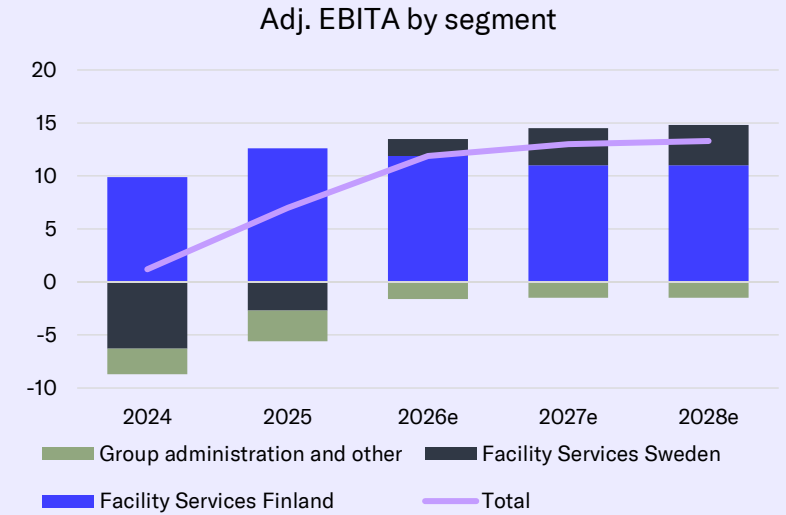
estimates for 2028 as well. This equates to a margin of around 3.5%, which is clearly below the targeted "over 5%."

We do not expect significant changes in absolute levels of financial expenses and taxes, so EPS will improve in line with adj. EBITA. In our view, the turnaround in Sweden will fully impact net profit, as we estimate that the Swedish operations will not pay taxes until 2030 due to losses from previous years. We forecast EPS of EUR 0.28 for 2027-2028. We anticipate that the dividend will increase to EUR 0.15 in 2027 and to EUR 0.18 in 2028, bolstered by enhanced earnings and a robust balance sheet.

Return on capital continues to rise with Sweden's profitability turnaround

Luotea's Finnish operations already generated a very strong return on invested capital in 2025. According to the company's reported figures, the return on capital employed in Finland was a staggering 80%, but naturally negative in Sweden due to losses. Despite being smaller, the business in Sweden has twice the capital investment of Finland (Finland 15 MEUR and Sweden around 30 MEUR). Due to the partial demerger, calculating and reviewing historical figures is practically impossible.

Based on our forecast of a turnaround in profitability in Sweden, we calculate that the company’s return on capital employed will exceed 15% as early as 2026 and range between 25% and 30% starting in 2028–2032. This is clearly a strong, value-creating level. However, the company has relatively little capital tied up, and it practically does not invest additional capital in the business. For this reason, we do not consider return on capital employed to be the most important metric for the business, though the projected level indicates a highly profitable business nonetheless. Return on



Source: Inderes

Estimates (3/4)

equity this year is on par with return on capital employed. However, in our forecasts, it is expected to decline in the coming years, remaining between 15% and 20%. This is due to the accumulation of equity on the balance sheet in our forecasts, and in practice, the company could make more efficient use of its equity, e.g., by paying larger dividends.

Strong cash flow accumulates money on the balance sheet

The company's investment needs are very small at only 1-2 MEUR annually. Our model also includes lease repayments of around 7 MEUR per year on the investment line. Currently, the company's depreciation of tangible assets (just over 3 MEUR) exceeds its investment level. Additionally, the aforementioned purchase price amortization amounts to approximately 1.5 MEUR per year through 2027. According to our estimates, depreciation and amortization will therefore exceed investing activities to some extent in the coming years, and the company's cash flow should exceed both reported and adjusted net profit. Another factor contributing to this is negative working capital, meaning that the company's growth should, in principle, free up capital.

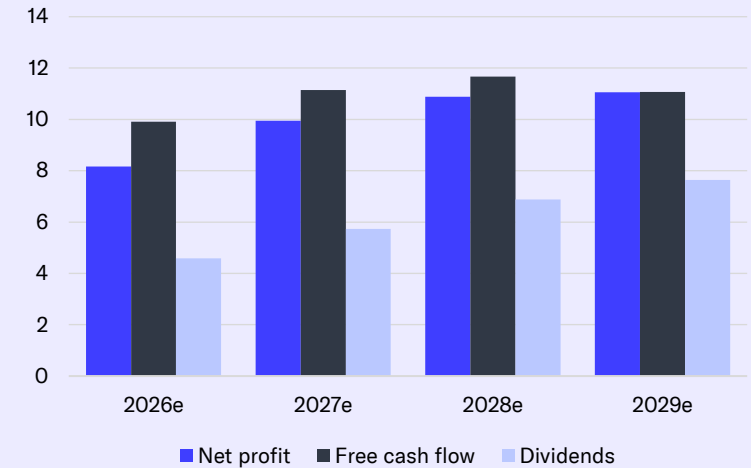
We forecast that the company will generate a fairly strong free cash flow, rising from 10 MEUR in 2026 to approximately 12 MEUR in 2028. According to our forecasts, the company will pay off its small financial debt in 2026 and will be debt-free thereafter, even when considering lease liabilities under IFRS 16. In our view, this also paves the way for higher dividend payouts than we had previously forecast in the coming years and/or corporate acquisitions.

Longer-term estimates

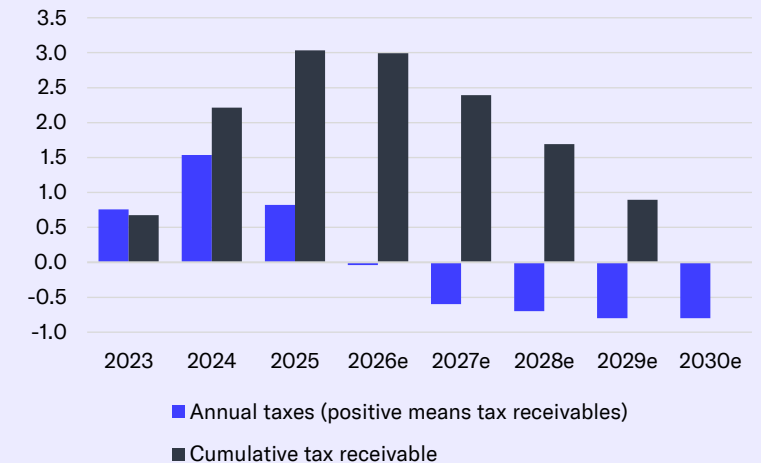
We forecast that Luotea's revenue growth will remain at a typical level of 2% even in the longer term. However, the expiration of the last major, currently unprofitable Swedish hospital agreements in 2029–30 poses a risk of a revenue decline if the agreements cannot be renewed on more favorable terms. For this reason, we have set our growth forecast for 2030–2031 at 0%.

We expect the EBIT margin to remain at 3.5% until 2032 but decrease to 2.5% during our terminal period. This reflects the intense competition in the industry, where we believe it is difficult to establish a sustainable competitive advantage and consequently generate consistently high returns on capital. Taxes will normalize in the 2030s, when we estimate that Sweden's deductible losses will have been fully utilized.

Cash flow is strong (MEUR)



Estimate of taxes in Sweden



Source: Inderes

Estimates (4/4) - Estimate revisions

Factors pulling estimates in different directions

We lowered our 2026 adj. EBITA estimate slightly due to rising fuel prices, which we do not believe Luotea will be able to pass on to customers immediately. However, we estimate that the impact will be fairly minor and will balance out over the course of the year as pricing adjusts and/or operations streamline. We also made some minor revisions to the forecasts for 2027–28 at the adj. EBITA level.

At the same time, we also examined our estimates of independent Luotea's financial expenses and taxes more closely. In particular, the inclusion of tax losses accumulated in Sweden (see previous page) lowered our tax forecasts throughout the forecast period. Consequently, our earnings per share forecasts increased throughout the forecast period. We also raised our dividend forecast for 2028 to reflect the growing dividend trend, given the company's strong balance sheet and improving earnings.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR/EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	350	350	0%	357	357	0%	364	364	0%
EBITDA	22.7	22.3	-2%	23.2	23.3	0%	24.1	24.0	0%
EBITA (excl. NRIs)	12.3	11.9	-3%	13.5	13.0	-4%	13.5	13.3	-1%
EBIT	10.7	10.3	-4%	12.0	12.2	2%	13.5	13.3	-1%
Profit before tax	10.1	9.8	-3%	11.0	11.7	6%	12.5	12.8	2%
EPS (excl. NRIs)	0.23	0.24	3%	0.27	0.28	4%	0.27	0.28	7%
Dividend per share	0.12	0.12	0%	0.15	0.15	0%	0.16	0.18	13%

Source: Inderes

Valuation (1/2) – Strong cash flow provides support

Summary: Valuation is attractive

In summary, we note that Luotea’s expected returns over the next few years will be driven by both steady dividend income and earnings growth. Although the share's valuation is high based on actualized 2025 earnings, we don’t think this fully reflects Luotea's true current earnings level.

Luotea’s fairly straightforward earnings and cash flow profile makes it relatively easy to use a number of conventional valuation methods. This allows us to use both the DCF model and earnings-based valuation. In our opinion, the fair value range for the company is EUR 1.7-3.1 per share. The upper end of the range is based on the DCF model, while the lower end reflects earnings remaining at the subdued 2025 level.

Earnings-based valuation is moderate for the forecast years

Because Luotea was still part of the L&T Group in 2025, its pro forma figures from last year do not fully reflect the company's actual earnings level, as previously noted. Therefore, in light of the realized figures for 2025, the valuation is expensive, e.g., P/E 20x and EV/EBIT 15x.

However, with our estimates anticipating continued earnings improvement, the company's valuation for this year is already quite moderate, with a P/E of around 10x and an EV/EBIT of 8x. In the absence of an independent trading history, there is no historical valuation benchmark for the company. With modest earnings growth, the valuation will continue to decline slightly in 2027 (e.g., P/E 9x).

We consider an EV/EBIT multiple of 7–9x and a P/E ratio of 9–11x to be reasonable for the company, so we believe the current valuation is relatively attractive, though not exceptionally cheap based on multiples.

Strong cash flow supports returns and dividends

As discussed in the Estimates section, Luotea’s cash flow should exceed its earnings, at least in the coming years, and we believe that, even in the longer term, free cash flow should correspond to the company’s net profit. For this year, we estimate a free cash flow yield of just over 10%, which we expect will increase slightly in 2027–28. This alone already exceeds our level of required return (~9%).

Based on the current share price and our forecast of a sustainable payout ratio of approximately 55–70%, Luotea offers a dividend yield of 5–7%. Unless the company makes significant acquisitions, the dividend payout will likely be higher. According to our forecasts, the company will be debt-free this year, so it could distribute up to its entire free cash flow yield of over 10% as dividends going forward. Of course, profit distribution can also be carried out through additional dividends or share buybacks.

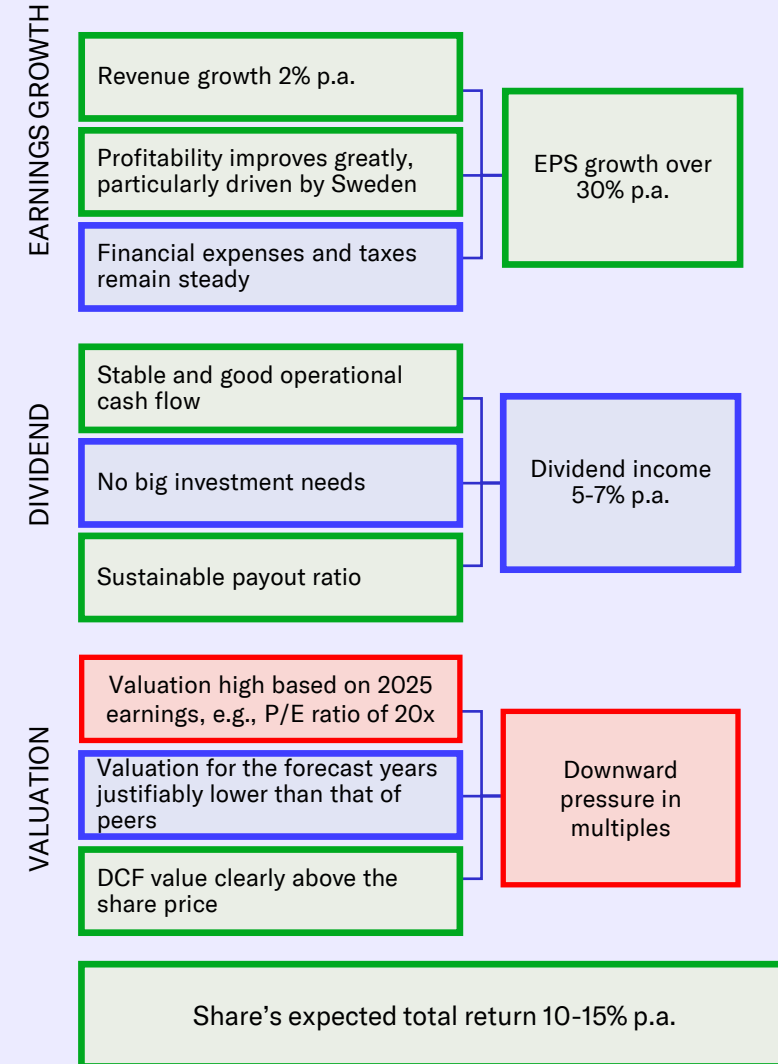
DCF model offers clear upside

Given the stable industry and steady growth, we believe the DCF model is a relevant valuation method for Luotea. The company's profitability has historically been highly volatile, and we believe this is the key variable in valuation.

The DCF model estimates were already discussed on the previous page. We expect a fairly stable EBIT of 13 MEUR during the 2028–2033 period, falling to about 10 MEUR in the terminal period. The company is very stable and defensive, which could warrant a relatively low required return. However, given the history of profitability volatility, we use a relatively average required return (WACC) of 9.2%.

Total shareholder return drivers 2025-2028e

■ Positive
 ■ Neutral
 ■ Negative



Valuation 2/2

Only just over 40% of cash flows will be generated after 2035, i.e., during the terminal period, which is less than is typical for the companies we follow. This is due to our estimated decrease in profitability during the terminal period. Our DCF model gives Luotea a debt-free value of about 120 MEUR, which means that the share capital is also worth about 120 MEUR, or about EUR 3.1 per share.

Balance sheet-based valuation

As we described earlier, Luotea's balance sheet is quite light, so balance sheet-based valuation is less relevant for Luotea than for more capital-intensive companies, in our opinion. Luotea's P/B ratio will gradually decrease from 2.0x this year to 1.5x in the coming years. Our estimates show a return on equity of 19-20%, which, compared to our required return on equity of just over 9%, would warrant a P/B ratio of around 2x. Balance sheet valuation also suggests that the share is currently valued relatively correctly, but future value creation will provide returns for investors.

Valuation below the peer group

Although Luotea's spin-off into a separate facility services company clearly clarified its profile, we still don't see any direct peers, either in the Nordic countries or internationally. We use European property maintenance companies such as Coor, ISS, Sodexo, and Bravida in our peer group.

In our view, Coor, a Swedish company, is the closest peer, as it operates largely in the same businesses. Coor's main market is Sweden, and it also operates in other Nordic countries. However, Finland is clearly its smallest market, whereas it is Luotea's main market. Coor's operations are centered around large, integrated facility service

agreements, which Luotea does not primarily have. Coor is clearly larger than Luotea in terms of size (market cap ~500 MEUR), but it is still the closest to Luotea's size. ISS and Sodexo are large international companies that also have significant food service operations, for example, in which Luotea has no presence. Their size is in the billions, significantly larger than Luotea's. Bravida is a building technology company similar to Caverion, which may be more familiar to Finns. Its geographical distribution corresponds to that of Coor, meaning it differs significantly from Luotea's service offerings.

The median EV/EBIT ratio for the peer group in the current fiscal year is approximately 13x, and the P/E ratio is just over 14x. Both are significantly higher than Luotea's. The valuation picture remains similar even when using 2027 multiples. Due to differences in size and main markets, we believe the peer group's valuation should be at a premium compared to Luotea. The profitability history of the peers is also more stable than Luotea's, which also warrants a lower valuation for Luotea's. Thus, in our opinion, no direct conclusions can be drawn from the peer valuation regarding Luotea's valuation.

The closest peer, Coor, is valued slightly higher than the peer group average (EV/EBIT and P/E 15x 2026). If Luotea could demonstrate several years of strong growth and profitability, we believe its valuation could rise to be more in line with its peers'. However, given its current size, it should reasonably be lower than its peers, even then.

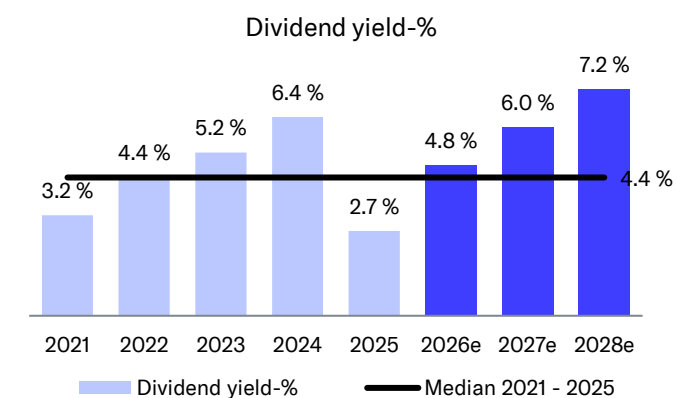
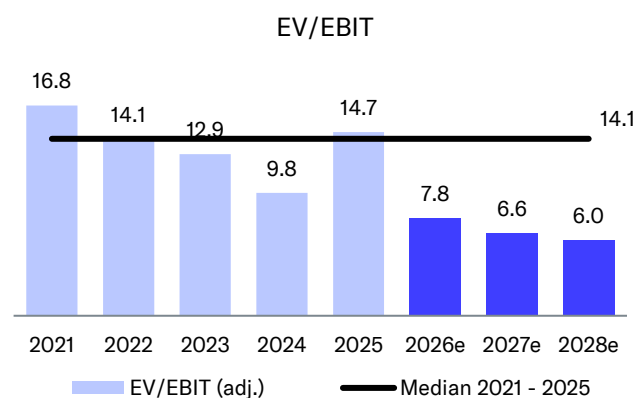
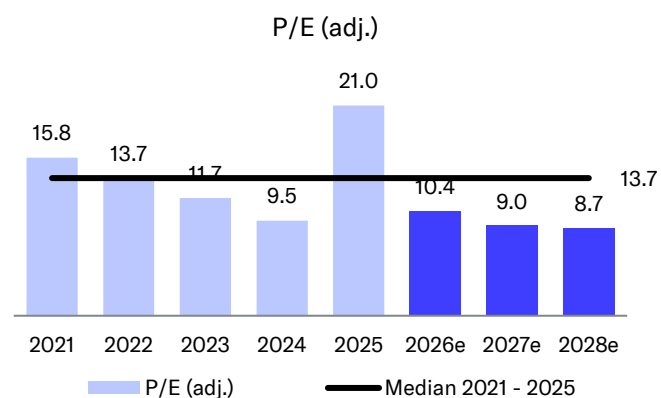
Valuation	2026e	2027e	2028e
Share price	2.49	2.49	2.49
Number of shares, millions	38.2	38.2	38.2
Market cap	95	95	95
EV	92	86	80
P/E (adj.)	10.4	9.0	8.7
P/E	12.1	9.6	8.7
P/B	2.1	1.8	1.7
P/S	0.3	0.3	0.3
EV/Sales	0.3	0.2	0.2
EV/EBITDA	4.1	3.7	3.3
EV/EBIT (adj.)	7.8	6.6	6.0
Payout ratio (%)	58.5 %	57.6 %	63.2 %
Dividend yield-%	4.8 %	6.0 %	7.2 %

Source: Inderes

Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	14.3	10.6	9.40	7.87	2.58	2.49	2.49	2.49	2.49
Number of shares, millions	38.1	38.1	38.2	38.2	38.2	38.2	38.2	38.2	38.2
Market cap	545	405	359	301	99	95	95	95	95
EV	712	578	503	424	103	92	86	80	76
P/E (adj.)	15.8	13.7	11.7	9.5	21.0	10.4	9.0	8.7	8.6
P/E	15.9	12.9	12.0	neg.	82.1	12.1	9.6	8.7	8.6
P/B	2.6	1.8	1.5	1.4	2.4	2.1	1.8	1.7	1.6
P/S	0.7	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3
EV/Sales	0.9	0.7	0.6	0.5	0.3	0.3	0.2	0.2	0.2
EV/EBITDA	7.5	5.9	5.3	4.8	6.9	4.1	3.7	3.3	3.1
EV/EBIT (adj.)	16.8	14.1	12.9	9.8	14.7	7.8	6.6	6.0	5.6
Payout ratio (%)	51.0 %	56.8 %	62.4 %	neg.	222.8 %	58.5 %	57.6 %	63.2 %	69.1 %
Dividend yield-%	3.2 %	4.4 %	5.2 %	6.4 %	2.7 %	4.8 %	6.0 %	7.2 %	8.0 %

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
Coor	517	730	14.3	12.5	8.4	7.9	0.6	0.6	14.4	12.5	3.9	4.1	3.7
ISS	5469	7358	12.3	11.6	9.0	8.6	0.6	0.6	12.5	11.1	1.7	1.9	3.7
Sodexo	6503	9851	9.7	9.0	6.5	6.1	0.4	0.4	9.7	9.1	5.3	5.7	1.6
Bravida	1834	2075	12.8	11.5	9.4	8.7	0.8	0.8	15.1	13.4	4.1	4.3	2.1
Luotea (Inderes)	95	92	7.8	6.6	4.1	3.7	0.3	0.2	10.4	9.0	4.8	6.0	2.1
Average			12.3	11.1	8.3	7.8	0.6	0.6	13.0	11.5	3.7	4.0	2.8
Median			12.5	11.5	8.7	8.2	0.6	0.6	13.5	11.8	4.0	4.2	2.9
Diff-% to median			-38%	-43%	-53%	-55%	-58%	-61%	-23%	-24%	21%	44%	-28%

Source: Refinitiv / Inderes

Income statement

Income statement	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	86.6	86.8	83.9	88.7	346	88.0	87.5	85.5	89.0	350	357	364	371
Facility Services Finland	58.3	57.0	54.9	54.2	224	58.0	57.0	55.0	57.0	227	232	236	241
Facility Services Sweden	28.3	29.9	29.1	34.6	122	30.0	30.5	30.5	32.0	123	125	128	131
EBITDA	2.8	3.6	7.1	1.3	14.8	4.0	6.5	7.4	4.6	22.3	23.3	24.0	24.1
Depreciation	-2.8	-2.9	-3.1	-3.0	-11.8	-3.0	-3.0	-3.0	-3.0	-12.0	-11.1	-10.7	-10.6
Oik. EBITA	0.1	1.5	4.5	0.9	7.0	1.4	3.9	4.8	2.0	11.9	13.0	13.3	13.5
EBIT	0.0	0.7	4.0	-1.7	3.0	1.0	3.5	4.4	1.6	10.3	12.2	13.3	13.5
Facility Services Finland	2.2	4.2	4.9	1.3	12.6	2.0	3.9	4.0	2.0	11.9	11.0	11.0	11.0
Facility Services Sweden	-1.1	-1.3	0.4	-0.7	-2.7	-0.3	0.4	1.2	0.4	1.6	3.5	3.8	4.0
Group administration and other	-0.6	-1.0	-0.4	-0.9	-2.9	-0.4	-0.4	-0.4	-0.4	-1.6	-1.5	-1.5	-1.5
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
Net financial items	-0.2	0.1	-0.5	-0.2	-0.7	-0.2	-0.1	-0.1	-0.1	-0.5	-0.5	-0.5	-0.5
PTP	-0.2	0.8	3.6	-1.9	2.3	0.8	3.4	4.3	1.5	9.8	11.7	12.8	13.0
Taxes	0.0	-0.3	-0.8	0.0	-1.1	-0.2	-0.7	-0.9	-0.3	-2.0	-1.8	-1.9	-2.0
Net earnings	-0.2	0.5	2.8	-1.9	1.2	0.6	2.7	3.4	1.2	7.8	9.9	10.9	11.1
EPS (adj.)	0.00	0.03	0.08	0.01	0.12	0.02	0.08	0.10	0.04	0.24	0.28	0.28	0.29
EPS (rep.)	-0.01	0.01	0.07	-0.05	0.03	0.02	0.07	0.09	0.03	0.21	0.26	0.28	0.29

Key figures	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-53.2 %	-56.4 %	-56.4 %	-54.3 %	-55.1 %	1.6 %	0.8 %	1.9 %	0.3 %	1.2 %	2.0 %	2.0 %	2.0 %
Adjusted EBIT growth-%		-88.2 %	-77.5 %	-91.4 %	-83.8 %	1250.0 %	156.7 %	5.6 %	116.7 %	70.0 %	9.2 %	2.3 %	1.5 %
EBITDA-%	3.2 %	4.1 %	8.5 %	1.5 %	4.3 %	4.5 %	7.4 %	8.6 %	5.1 %	6.4 %	6.5 %	6.6 %	6.5 %
Adjusted EBIT-%	0.1 %	1.7 %	5.4 %	1.0 %	2.0 %	1.5 %	4.4 %	5.6 %	2.2 %	3.4 %	3.6 %	3.7 %	3.6 %
Net earnings-%	-0.2 %	0.6 %	3.3 %	-2.1 %	0.3 %	0.7 %	3.1 %	4.0 %	1.3 %	2.2 %	2.8 %	3.0 %	3.0 %

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	455	67.1	64.9	63.7	63.3
Goodwill	157	38.8	38.8	38.8	38.8
Intangible assets	42.2	4.8	3.2	2.1	1.8
Tangible assets	233	20.9	20.3	20.2	20.1
Associated companies	18.9	0.0	0.0	0.0	0.0
Other investments	0.2	0.0	0.0	0.0	0.0
Other non-current assets	1.0	0.5	0.5	0.5	0.5
Deferred tax assets	2.0	2.1	2.1	2.1	2.1
Current assets	153	74.9	77.1	79.6	86.3
Inventories	9.2	0.0	0.4	0.4	0.4
Other current assets	23.5	22.5	22.5	22.5	22.5
Receivables	86.5	36.7	36.8	37.5	38.2
Cash and equivalents	33.9	15.7	17.5	19.2	25.2
Balance sheet total	608	142	142	143	150

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	209	41.1	46.2	51.5	56.7
Share capital	19.4	1.0	1.0	1.0	1.0
Retained earnings	203	51.6	56.8	62.1	67.3
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.1	0.0	0.0	0.0
Other equity	-12.9	-11.6	-11.6	-11.6	-11.6
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	218	19.2	19.8	15.5	15.5
Deferred tax liabilities	26.6	4.5	4.5	4.5	4.5
Provisions	10.1	0.9	1.0	1.0	1.0
Interest bearing debt	168	13.8	14.3	10.0	10.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	13.4	0.0	0.0	0.0	0.0
Current liabilities	180	81.7	76.0	76.3	77.4
Interest bearing debt	18.6	6.0	0.5	0.0	0.0
Payables	159	73.7	73.5	74.3	75.4
Other current liabilities	2.8	2.0	2.0	2.0	2.0
Balance sheet total	608	142	142	143	150

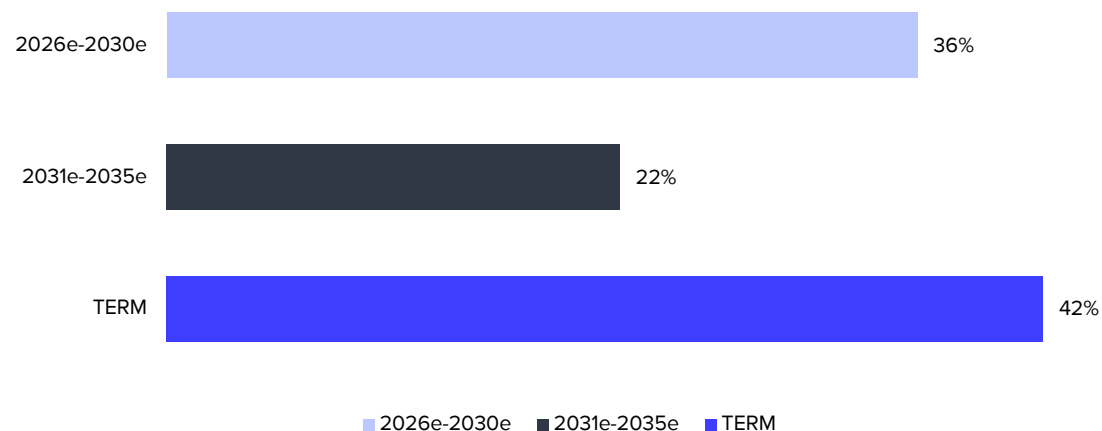
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-55.1 %	1.2 %	2.0 %	2.0 %	2.0 %	0.0 %	0.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	0.9 %	2.9 %	3.4 %	3.7 %	3.6 %	3.5 %	3.5 %	3.5 %	3.5 %	2.5 %	2.5 %	2.5 %
EBIT (operating profit)	3.0	10.3	12.2	13.3	13.5	13.0	13.0	13.3	13.5	9.9	10.1	
+ Depreciation	11.8	12.0	11.1	10.7	10.6	10.6	10.6	10.6	10.6	10.2	10.4	
- Paid taxes	-23.3	-2.0	-1.8	-1.9	-2.0	-2.3	-2.3	-2.4	-2.4	-1.7	-1.8	
- Tax, financial expenses	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-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	-25.9	-0.6	0.0	0.4	0.0	0.0	0.0	0.7	0.8	0.8	0.8	
Operating cash flow	-34.5	19.6	21.5	22.4	22.1	21.2	21.2	22.1	22.3	19.0	19.4	
+ Change in other long-term liabilities	-22.6	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	357	-9.8	-9.9	-10.3	-10.6	-10.6	-10.6	-10.6	-9.9	-10.7	-10.9	
Free operating cash flow	300	10.0	11.5	12.1	11.5	10.6	10.6	11.5	12.4	8.4	8.5	
+/- Other	-330.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-30.1	10.0	11.5	12.1	11.5	10.6	10.6	11.5	12.4	8.4	8.5	121
Discounted FCFF		9.4	9.9	9.5	8.2	7.0	6.4	6.4	6.3	3.9	3.6	51.3
Sum of FCFF present value		122	112	103	93.0	84.8	77.8	71.4	65.1	58.8	54.9	51.3
Enterprise value DCF		122										
- Interest bearing debt		-20										
+ Cash and cash equivalents		16										
+ Associated companies		0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		118										
Equity value DCF per share		3.1										

WACC

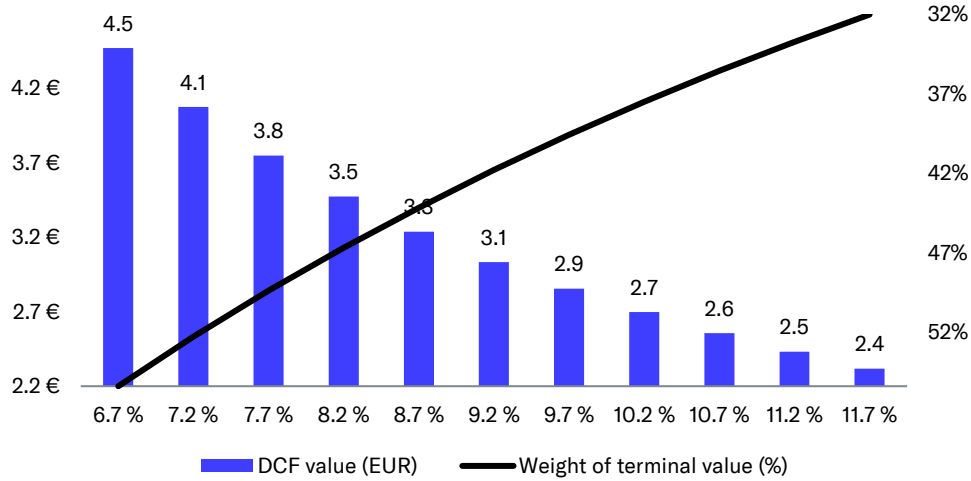
Tax-% (WACC)	18.5 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	9.2 %
Weighted average cost of capital (WACC)	9.2 %

Cash flow distribution

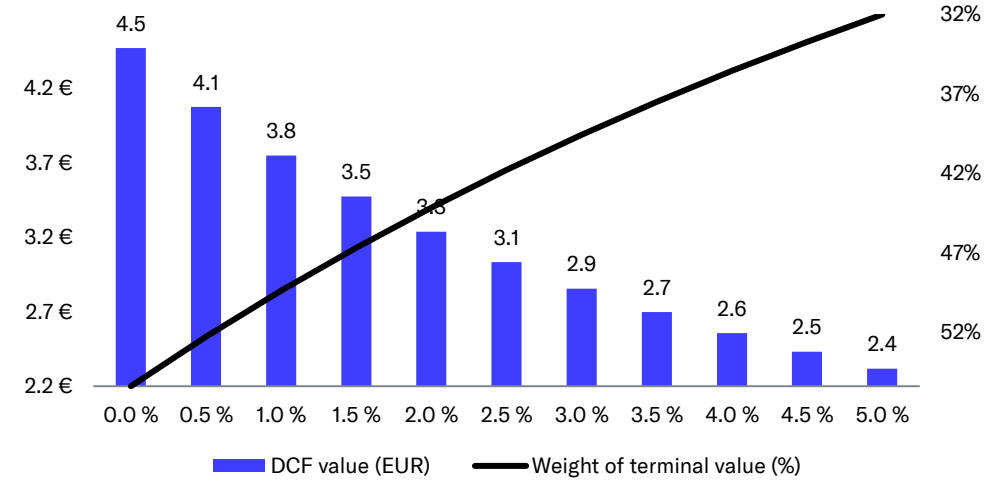


DCF sensitivity calculations and key assumptions in graphs

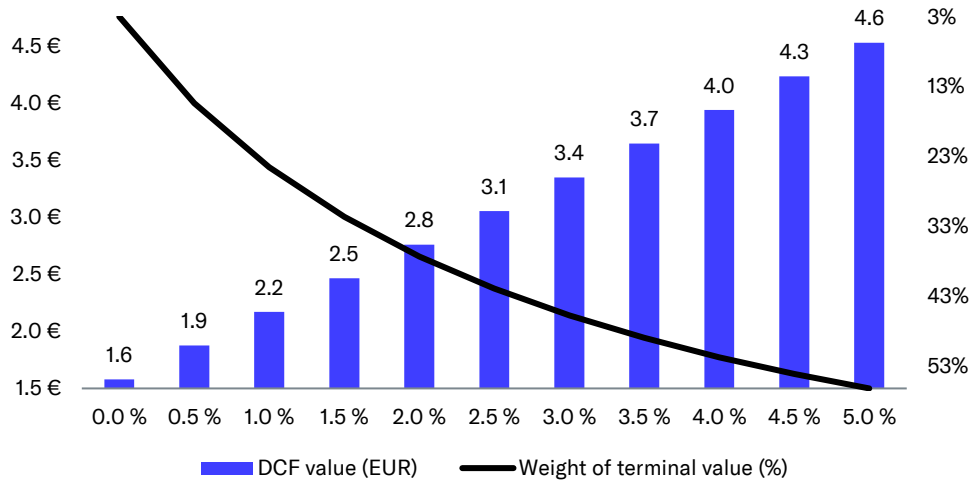
Sensitivity of DCF to changes in the WACC-%



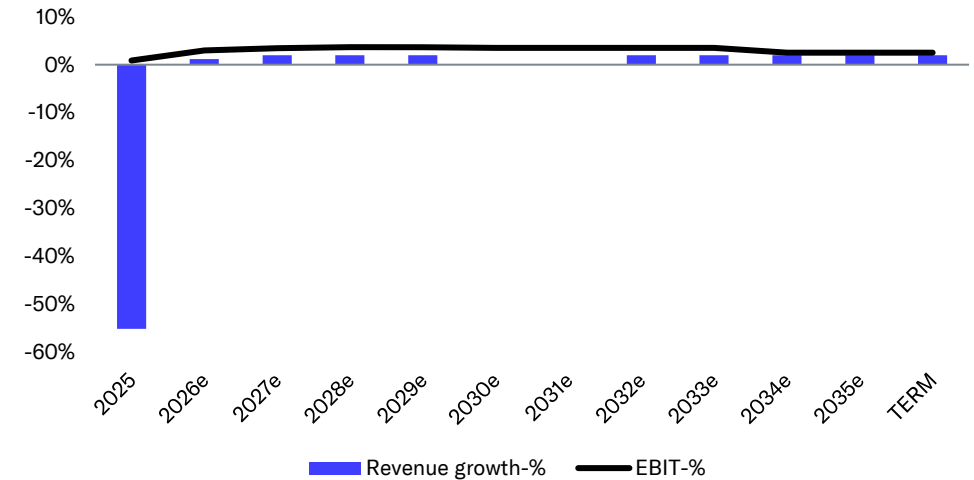
Sensitivity of DCF to changes in the risk-free rate



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	802.1	770.8	346.0	350.0	357.0	EPS (reported)	0.79	-0.04	0.03	0.21	0.26
EBITDA	95.8	89.0	14.8	22.3	23.3	EPS (adj.)	0.80	0.83	0.12	0.24	0.28
EBIT	38.4	9.8	3.0	10.3	12.2	OCF / share	2.74	2.15	-0.90	0.51	0.56
PTP	35.7	4.4	2.3	9.8	11.7	OFCF / share	0.79	1.83	-0.79	0.26	0.30
Net Income	30.0	-1.7	1.2	7.8	9.9	Book value / share	6.08	5.48	1.08	1.21	1.35
Extraordinary items	-0.6	-33.4	-4.0	-1.6	-0.8	Dividend / share	0.49	0.50	0.07	0.12	0.15
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	649.9	607.8	142.0	142.0	143.3	Revenue growth-%	-5%	-4%	-55%	1%	2%
Equity capital	232.1	209.2	41.1	46.2	51.5	EBITDA growth-%	-3%	-7%	-83%	51%	4%
Goodwill	180.8	157.0	38.8	38.8	38.8	EBIT (adj.) growth-%	-5%	11%	-84%	70%	9%
Net debt	174.1	153.0	4.1	-2.7	-9.2	EPS (adj.) growth-%	3%	4%	-85%	94%	16%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	11.9 %	11.5 %	4.3 %	6.4 %	6.5 %
EBITDA	95.8	89.0	14.8	22.3	23.3	EBIT (adj.)-%	4.9 %	5.6 %	2.0 %	3.4 %	3.6 %
Change in working capital	16.5	2.0	-25.9	-0.6	0.0	EBIT-%	4.8 %	1.3 %	0.9 %	2.9 %	3.4 %
Operating cash flow	104.7	82.0	-34.5	19.6	21.5	ROE-%	13.3 %	-0.8 %	1.0 %	18.0 %	20.4 %
CAPEX	-74.2	-50.3	357.0	-9.8	-9.9	ROI-%	9.4 %	3.1 %	1.3 %	16.9 %	19.9 %
Free cash flow	30.3	69.8	-30.1	10.0	11.5	Equity ratio	35.7 %	34.4 %	28.9 %	32.5 %	36.0 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	75.0 %	73.1 %	10.0 %	-5.9 %	-17.9 %
EV/S	0.6	0.5	0.3	0.3	0.2	Net debt/EBITDA	1.8	1.7	0.3	-0.1	-0.4
EV/EBITDA	5.3	4.8	6.9	4.1	3.7	EBITDA/net financials	15.2	10.3	21.1	44.6	46.6
EV/EBIT (adj.)	12.9	9.8	14.7	7.8	6.6						
P/E (adj.)	11.7	9.5	21.0	10.4	9.0						
P/B	1.5	1.4	2.4	2.1	1.8						
Dividend-%	5.2 %	6.4 %	2.7 %	4.8 %	6.0 %						

Source: Inderes

Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

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

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

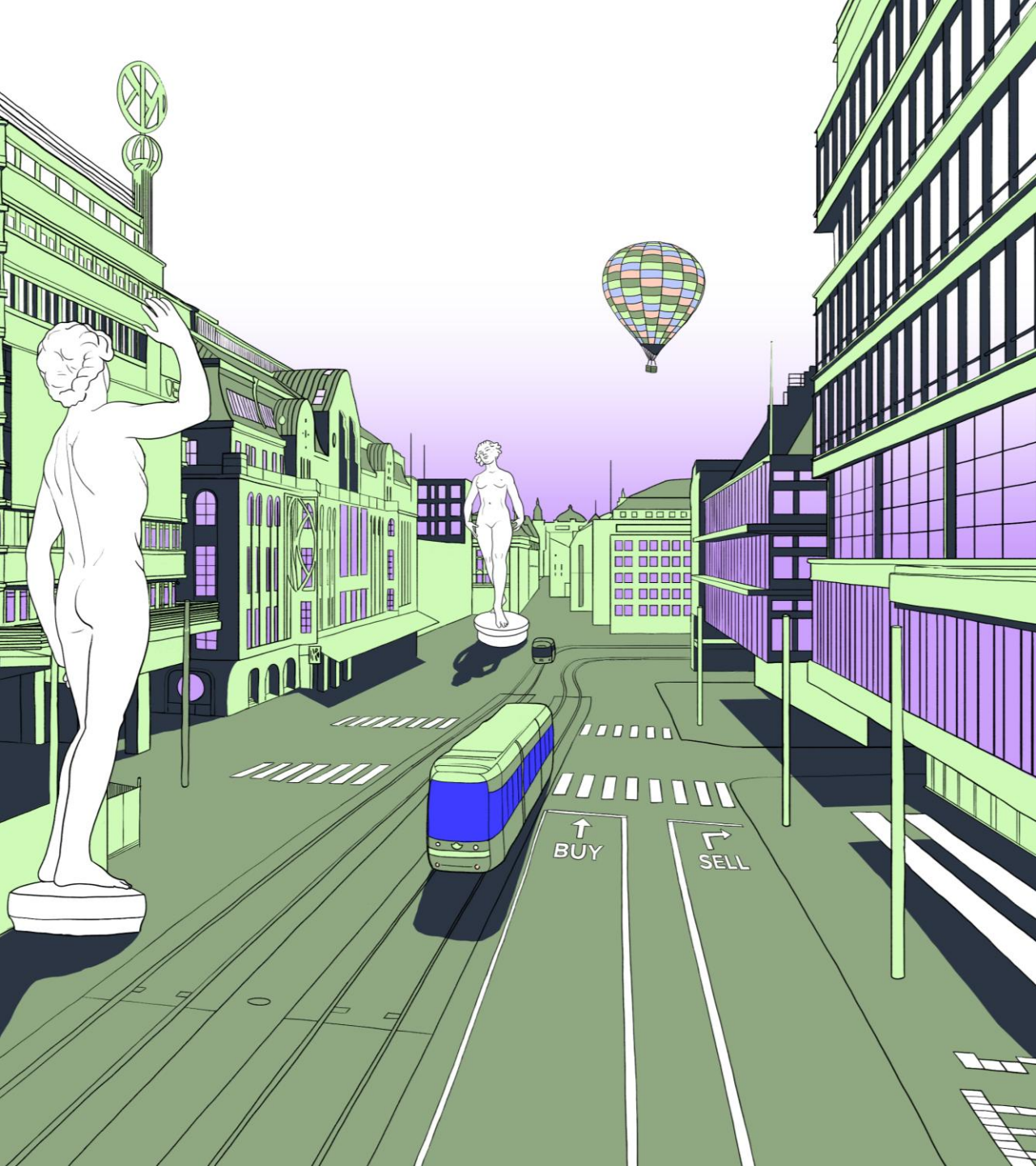
Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
6/22/2022	Accumulate	12.00 €	10.52 €
7/25/2022	Accumulate	12.50 €	11.50 €
10/28/2022	Reduce	11.00 €	10.26 €
2/10/2022	Reduce	11.00 €	11.04 €
5/3/2023	Accumulate	11.00 €	10.12 €
6/27/2023	Accumulate	11.00 €	10.04 €
7/27/2023	Accumulate	11.00 €	9.97 €
10/27/2023	Accumulate	11.00 €	9.40 €
2/12/2024	Accumulate	10.00 €	9.25 €
4/29/2024	Accumulate	9.50 €	8.60 €
6/27/2024	Accumulate	9.50 €	8.57 €
8/8/2024	Accumulate	10.00 €	8.84 €
10/28/2024	Accumulate	10.00 €	8.87 €
12/27/2024	Accumulate	9.00 €	7.78 €
2/14/2025	Accumulate	10.00 €	9.00 €
4/14/2025	Buy	10.00 €	8.10 €
4/30/2025	Accumulate	10.50 €	9.60 €
6/27/2025	Accumulate	10.50 €	9.30 €
8/8/2025	Accumulate	10.50 €	9.55 €
10/16/2025	Reduce	10.50 €	10.26 €
10/30/2025	Reduce	10.50 €	10.20 €
Partial demerger and name change to Luotea			
1/5/2025	Accumulate	2.70 €	2.58 €
3/2/2026	Accumulate	2.60 €	2.46 €
4/7/2026	Accumulate	2.60 €	2.49 €



CONNECTING INVESTORS AND COMPANIES.

Inderes connects investors and listed companies.

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

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

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

Inderes was created by investors, for investors.

Inderes Ab
Brunnsgatan
Stockholm
+358 10 219 4690

inderes.se

**inde
res.**