LEMONSOFT

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Things are moving in the right direction

We reiterate our Buy recommendation and EUR 6.5 target price for Lemonsoft. The company's Q1 earnings exceeded our expectations, and we have revised our estimates slightly upwards. The completion of the technology platform migration, coupled with a brightening market outlook for industrial manufacturing customers, creates a solid foundation for enhanced earnings growth in the years ahead. Given this, we believe the current share valuation (2026e EV/EBIT 10x) is very attractive.

Revenue in line with our expectations

Lemonsoft's Q1 revenue decreased by 1% to 7.5 MEUR, which was fully in line with our expectations. The Jakamo acquisition in February already provided some support for the development in the early part of the year (2.4 pp). Organic growth (-3.5%) was slightly negative, in line with our expectations (-3%). SaaS revenue, which is most important for strategy and value creation (Q1'26: 6.0 MEUR), grew by 7%, reflecting the impact of Jakamo to a slight degree. Organically, recurring revenue development (+1%) was slightly positive. According to the company, customer churn has been lower and net revenue retention (NRR) higher, compared to the previous year.

Result exceeded our expectations

Adjusted EBIT was 1.9 MEUR in Q1 (Q1'25: 1.8 MEUR) and exceeded our forecast (1.6 MEUR). The adjusted EBIT margin (25.8%) improved from the comparison period (23.1%), contrary to our expectations. This showed a milder weakening of the gross margin than we expected (Q1'26: 85.3% vs. Q1'25: 87%), as the technology platform migration no longer weighed particularly heavily on the margin. Overall, Lemonsoft's current cost structure provides a good foundation for earnings growth in the coming years, provided that sales efforts are successful.

Outlook unchanged

Lemonsoft is guiding for revenue growth of 5-13% for this year, and for adjusted EBIT to be 23-29% of revenue. We estimate that the Jakamo acquisition will contribute around 6 pp of inorganic growth this year, so organic growth remains cautious. According to Lemonsoft, the market situation remains uncertain, though there are already signs of improvement in industrial sectors. After last year's major changes, the company's organization is now ready to accelerate growth, and we believe that improved sales and reduced customer churn later in the year lay the groundwork for improved performance this year. Following the technology platform transition, the company can now accelerate the pace of product development and focus on developing features that add value for customers. We also expect the gross margin to gradually increase in the coming years as more normal daily routines are restored with the new platform. This trend was already clearly visible early in the year, and we have raised our gross margin growth projections for the next few years. Our growth expectations remain largely unchanged. Overall, our earnings forecasts for the next few years rose by about 2-4%.

Valuation is low relative to earnings potential

Based on our forecasts, Lemonsoft's EV/EBIT ratio, adjusted for PPA amortization from acquisitions, is 10x in 2026. We believe the valuation has fallen to a low level, and Lemonsoft's share no longer prices in significant growth expectations. If the market starts to pick up and the earnings growth that we forecast materializes, the valuation looks very low for the coming years (2027e-2028e EV/EBIT 9x-8x). A key challenge for Lemonsoft's valuation increase in the short term is the generally weak sentiment for SaaS stocks. If the company can deliver its targeted earnings growth in the coming years, we estimate that investors' concerns will eventually dissipate, and the valuation will return to a higher level than at present.

Recommendation

Buy

(was Buy)

Target price:

EUR 6.50

(was EUR 6.50)

Share price:

EUR 4.95

Business risk

●●●○○

Valuation risk

●●○○○

	2025	2026e	2027e	2028e
Revenue	29.5	31.3	33.3	34.9
growth-%	2%	6%	6%	5%
EBIT adj.	6.9	8.7	9.6	10.4
EBIT-% adj.	23.6 %	27.8 %	29.0 %	29.8 %
Net Income	4.5	5.5	6.6	7.2
EPS (adj.)	0.24	0.37	0.43	0.47

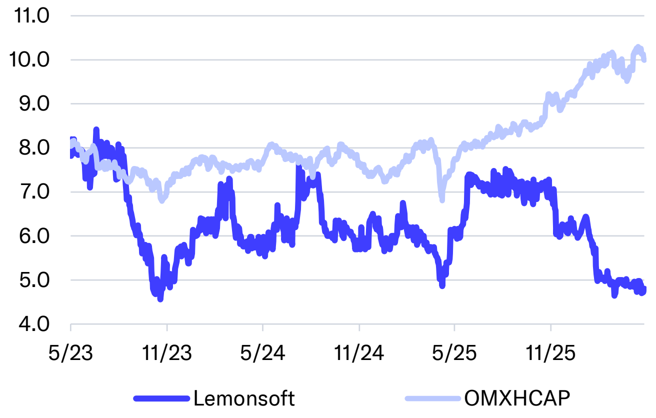
P/E (adj.)	25.0	12.8	11.2	10.3
P/B	3.3	3.7	2.6	2.3
Dividend yield-%	2.3 %	2.9 %	3.1 %	3.3 %
EV/EBIT (adj.)	16.3	10.3	8.8	7.7
EV/EBITDA	12.2	9.4	8.4	7.4
EV/S	3.9	2.9	2.6	2.3

Source: Inderes

Guidance (Unchanged)

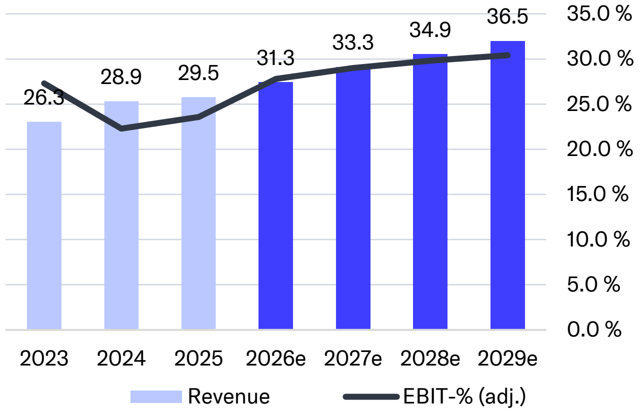
"Lemonsoft estimates that the net sales for the financial year 2026 will increase by 5-13% and that adjusted EBIT will be 23-29% of net sales."

Share price



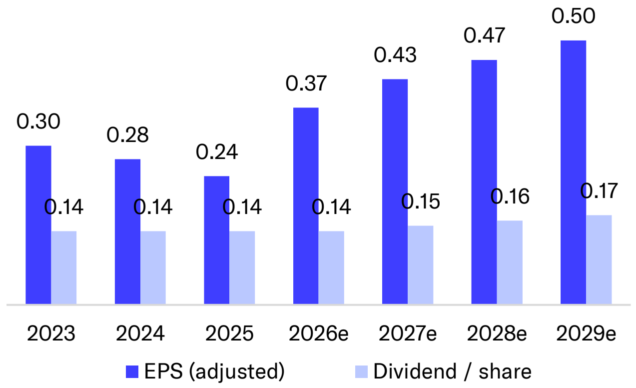
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

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

Risk factors

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

Valuation	2026e	2027e	2028e
Share price	4.80	4.80	4.80
Number of shares, millions	17.8	17.8	17.8
Market cap	86	86	86
EV	90	85	81
P/E (adj.)	12.8	11.2	10.3
P/E	15.6	13.0	11.8
P/B	3.7	2.6	2.3
P/S	2.7	2.6	2.5
EV/Sales	2.9	2.6	2.3
EV/EBITDA	9.4	8.4	7.4
EV/EBIT (adj.)	10.3	8.8	7.7
Payout ratio (%)	45.5 %	40.5 %	39.3 %
Dividend yield-%	2.9 %	3.1 %	3.3 %

Source: Inderes

Q1 result exceeded our expectations

Revenue development was subdued as expected

Lemonsoft's Q1 revenue decreased by 1% to 7.5 MEUR, which was fully in line with our expectations. The Jakamo acquisition in February already provided some support for the development in the early part of the year (2.4 pp). Organic growth (-3.5%) was slightly negative, in line with our expectations (-3%).

SaaS revenue, which is most important for strategy and value creation (Q1'26: 6.0 MEUR), grew by 7%, reflecting the impact of Jakamo to a slight degree. Organically, recurring revenue development (+1%) was slightly positive. According to the company, customer churn has been lower and net revenue retention (NRR) higher, compared to the previous year.

Transaction income (Q1'26: 0.6 MEUR, -19%) decreased slightly more than our expectations due to reduced invoice financing volumes.

Consulting revenue (Q1'26: 0.9 MEUR, -27%) decreased slightly more than we expected. We believe that the somewhat weak development is partly due to the limited number of implementation projects, as new sales were still quite soft last year. Lemonsoft's strategy has also shifted more towards recurring revenue streams, which has already been reflected in the decrease in Consulting revenue.

According to Lemonsoft, the industrial market is showing signs of recovery, with development trending positively over the past 6 months. The renewed sales organization and other measures are also slowly starting to move things in a better direction. Annual recurring revenue (ARR) was 25.1 MEUR at the end of Q1 (Q4'25: 22.3 MEUR), supported by the Jakamo acquisition and price increases.

Q1 result exceeded our expectations

Adjusted EBIT was 1.9 MEUR in Q1 (Q1'25: 1.8 MEUR) and exceeded our forecast (1.6 MEUR). The adjusted EBIT margin (25.8%) improved from the comparison period (23.1%), contrary to our expectations. This showed a milder weakening of the gross margin than we expected (Q1'26: 85.3% vs. Q1'25: 87%), as the technology platform migration no longer weighed particularly heavily on the margin. Overall, Lemonsoft's current cost structure provides a good foundation for earnings growth in the coming years, provided that sales efforts are successful.

Cash flow from operating activities (Q1'26 1.6 MEUR) was at a reasonably good level relative to earnings at the beginning of the year.

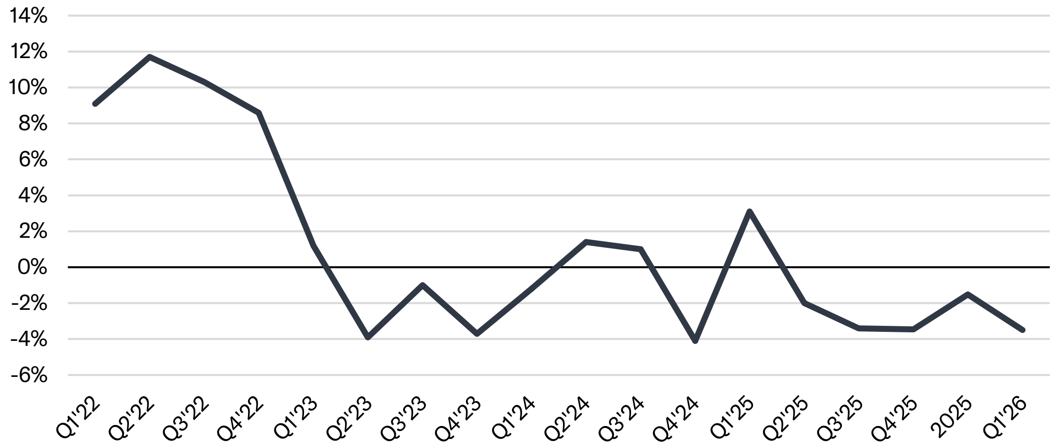
Lemonsoft's balance sheet remains solid even after the Jakamo acquisition and dividend payment, with a moderate net debt of 7.5 MEUR at the end of Q1. The net debt/EBITDA ratio for the last 12 months is therefore a low 0.9x. However, with continuing cash flow, the balance sheet will also strengthen towards the end of the year. Thus, the company is well-positioned to continue its M&A activity this year, thanks to its balance sheet.

Estimates MEUR / EUR	Q1'25 Comparison	Q1'26 Actualized	Q1'26e Inderes	Q1'26e Consensus	Difference (%) Act. vs. inderes	2026e Inderes
Revenue	7.6	7.5	7.5		0%	31.3
EBIT (adj.)	1.8	1.9	1.6		22%	8.7
EBIT	2.4	1.5	1.3		15%	7.5
EPS (adj.)	0.02	0.08	0.07		21%	0.37
EPS (reported)	0.05	0.06	0.05		11%	0.31
Revenue growth-%	10.0 %	-1.1 %	-1.2 %		0.1 pp	6.4 %
EBIT-% (adj.)	23.1 %	25.8 %	21.1 %		4.7 pp	27.8 %

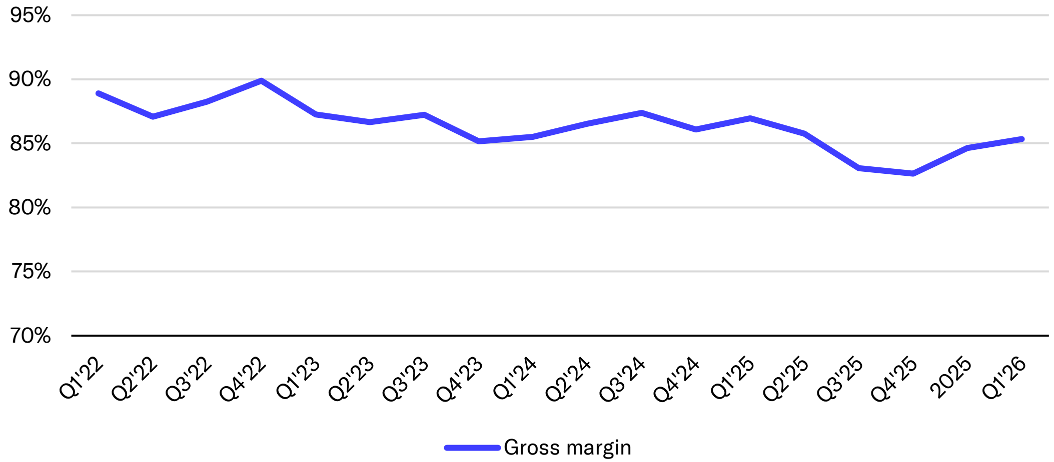
Source: Inderes

Development of key figures 1/2

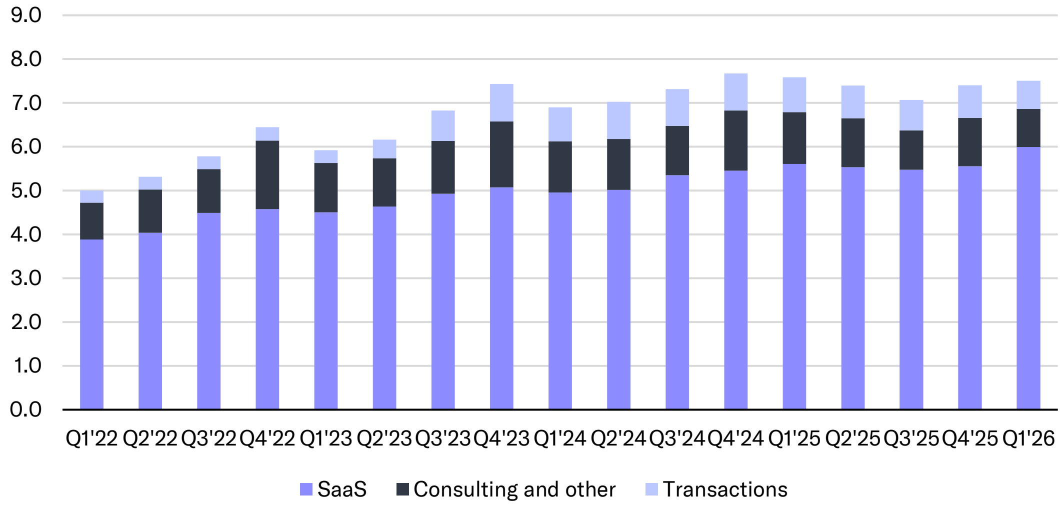
Quarterly organic growth development



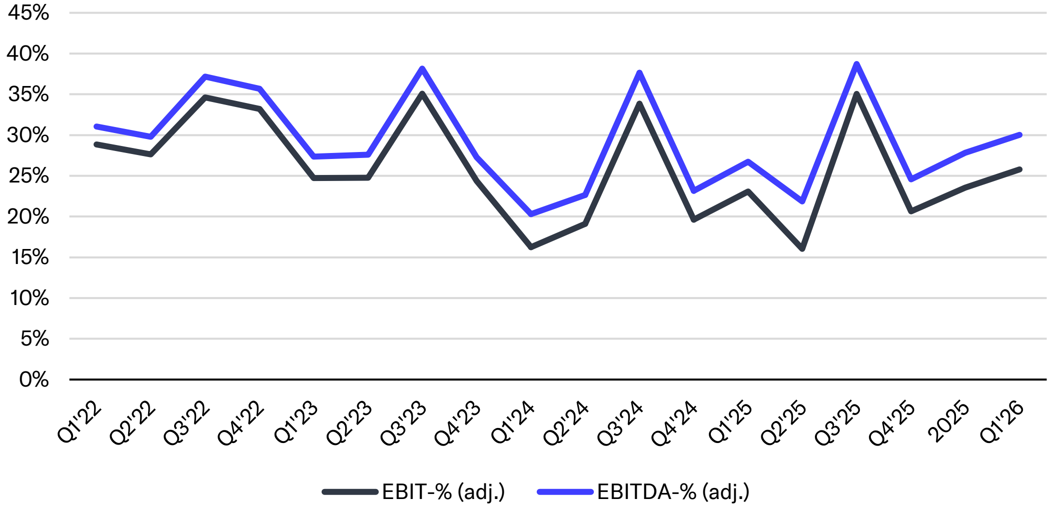
Quarterly gross margin development



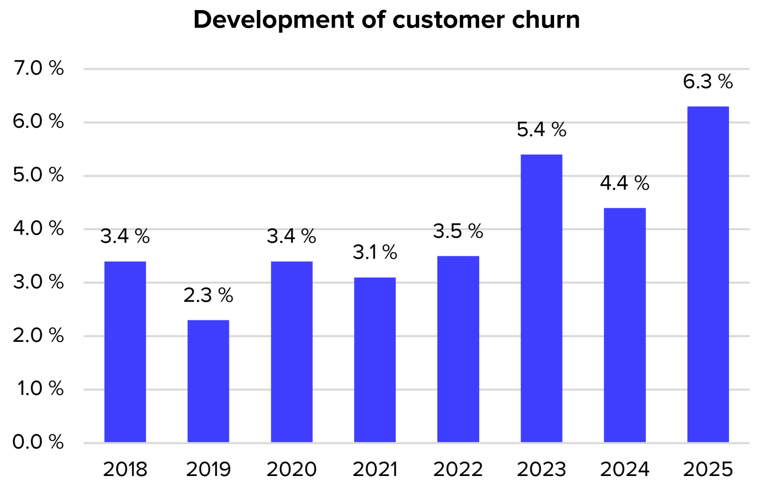
Quarterly revenue development (MEUR)

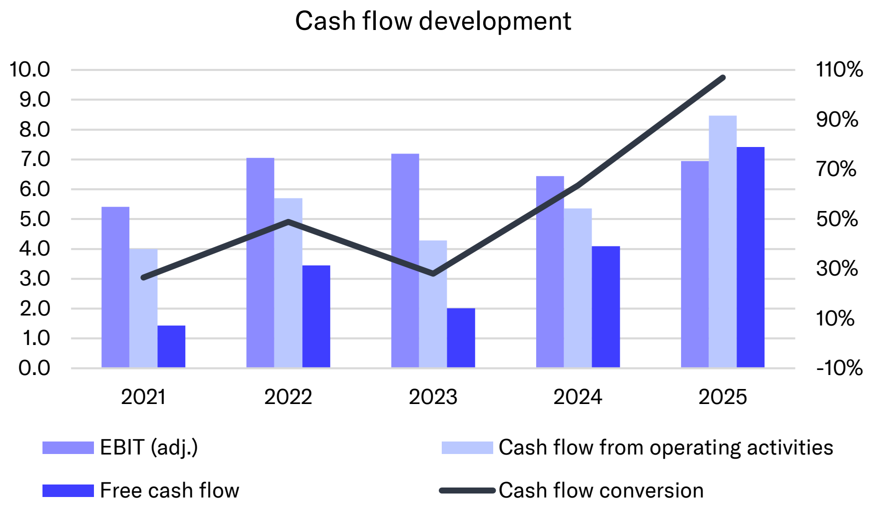


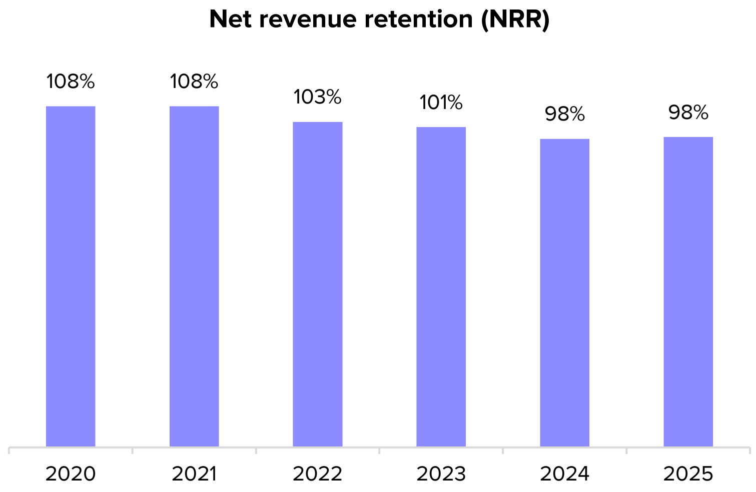
Quarterly profitability development

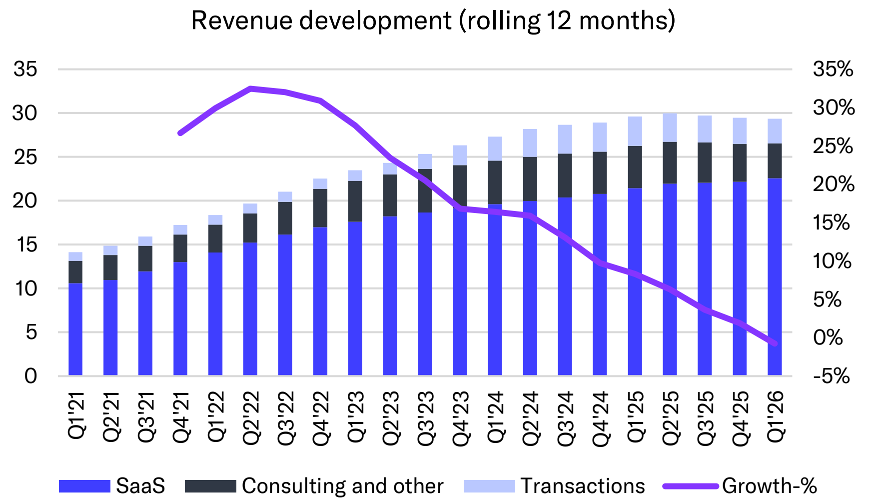


Development of key figures 2/2









Minor positive revisions to estimates

Outlook unchanged

Lemonsoft is guiding for revenue growth of 5-13% for this year, and for adjusted EBIT to be 23-29% of revenue. We estimate that the Jakamo acquisition will contribute around 6 pp of inorganic growth this year, so organic growth remains cautious.

According to Lemonsoft, the market situation remains uncertain, though there are already signs of improvement in industrial sectors. After last year's major changes, the company's organization is now ready to accelerate growth, and we believe that improved sales and reduced customer churn later in the year lay the groundwork for improved performance this year. Following the technology platform transition, the company can now accelerate the pace of product development and focus on developing features that add value for customers.

According to the company, new AI tools have already improved the productivity of product development, and the goal is to achieve significantly more benefits. We also expect the gross margin to gradually increase in the coming years as more normal daily routines are restored with the new platform. This trend was already clearly visible early in the year, and we have raised our gross margin growth projections for the next few years. Our growth expectations remain largely unchanged.

Estimates in brief

We estimate Lemonsoft's revenue to grow by 6% this year, with organic growth of around 0.5%. In our estimates, growth is driven by SaaS revenue, while we expect Consulting revenue and transactions to decline. We estimate the adjusted EBIT margin to rise to 27%, which is slightly above the midpoint of the guidance range.

In our forecast, last year's rather sluggish sales are reflected in Lemonsoft's slow organic growth in H1'26. We expect the situation to begin to improve slightly in H2'26, when we forecast 3-3.7% growth. The implemented cost savings and the elimination of technology platform transition costs that burdened last year's earnings support this year's earnings improvement at the adjusted EBIT level.

For 2027-2028, we estimate Lemonsoft's organic growth to pick up to 5% and adjusted EBIT to improve to 29-30%. We expect growth to come particularly from SaaS revenue and transactions, while Consulting continues its slight decline. Lemonsoft will very likely accelerate its growth in the coming years with new acquisitions, which the company is actively exploring.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	31.5	31.3	-1%	33.4	33.3	-1%	35.0	34.9	0%
EBITDA	9.2	9.6	4%	10.1	10.2	1%	10.8	11.0	1%
EBIT (exc. NRIs)	8.4	8.7	4%	9.5	9.6	2%	10.3	10.4	1%
EBIT	7.3	7.5	3%	8.5	8.6	2%	9.2	9.4	2%
PTP	6.8	7.0	3%	8.1	8.2	2%	8.9	9.0	2%
EPS (excl. NRIs)	0.36	0.37	4%	0.42	0.43	2%	0.46	0.47	1%
DPS	0.14	0.14	0%	0.15	0.15	0%	0.16	0.16	0%

Source: Inderes

Valuation 1/2

Lemonsoft’s investment profile includes factors that support its valuation

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

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

Since 2023, Lemonsoft's organic growth rate has turned out modest, partly due to the weak market situation. However, to turn the situation around, the company must also improve its own operations, and with the new CEO, several corrective measures and revisions have now been implemented over the past year. In our view, weak organic growth has been one of the key reasons weighing on the acceptable valuation of the share, but the keys to accelerating momentum are in the company's hands. In addition, at some point, the market situation will also improve.

A challenge for Lemonsoft's short-term valuation is the sentiment for SaaS software companies, which has weakened significantly this year. In our view, investors' fears regarding the disruption and competitive threat posed by AI have already driven down the valuations of many software companies to very low levels. Globally decreased valuation levels inevitably weigh on Lemonsoft's acceptable valuation level, as there are currently plenty of moderately priced software companies available on the stock exchanges.

We are not particularly concerned about the threats posed by AI for Lemonsoft at the moment, as the SaaS transformation in the SME ERP market has already taken a very long time, and some players still use traditional legacy systems. Existing SaaS providers can also leverage new AI tools to develop new value-added features based on customer data. At best, this can only improve customer retention. Entering the SME ERP market is also expensive for new players, as the average billing per customer is quite low, while sales cycles can be relatively long and require significant investment.

With AI, the competitive landscape will surely intensify at some point. There is also a risk of price pressure in the long run. This can be partly addressed by significantly accelerating product development cycles, enabling the introduction of new value-adding features to customers. Regarding Lemonsoft's ERP solution, we currently consider the threat of disruption to be low, though it is higher for certain financial administration add-on tools in the product portfolio.

Valuation	2026e	2027e	2028e
Share price	4.80	4.80	4.80
Number of shares, millions	17.8	17.8	17.8
Market cap	86	86	86
EV	90	85	81
P/E (adj.)	12.8	11.2	10.3
P/E	15.6	13.0	11.8
P/B	3.7	2.6	2.3
P/S	2.7	2.6	2.5
EV/Sales	2.9	2.6	2.3
EV/EBITDA	9.4	8.4	7.4
EV/EBIT (adj.)	10.3	8.8	7.7
Payout ratio (%)	45.5 %	40.5 %	39.3 %
Dividend yield-%	2.9 %	3.1 %	3.3 %

Source: Inderes

Valuation 2/2

Lemonsoft's valuation is low

Based on our forecasts, Lemonsoft's EV/EBIT ratio, adjusted for PPA amortization from acquisitions, is 10x in 2026. We believe the valuation has fallen to a low level, and Lemonsoft's share no longer prices in significant growth expectations. If the market starts to pick up and the earnings growth that we forecast materializes, the valuation looks very low for the coming years (2027e-2028e EV/EBIT 9x-8x). Thus, the share has considerable potential from current levels if earnings growth continues. There is potential to accelerate earnings growth going forward through successful acquisitions. For 2026-2027, our target price corresponds to EV/EBIT ratios of around 14x-12x.

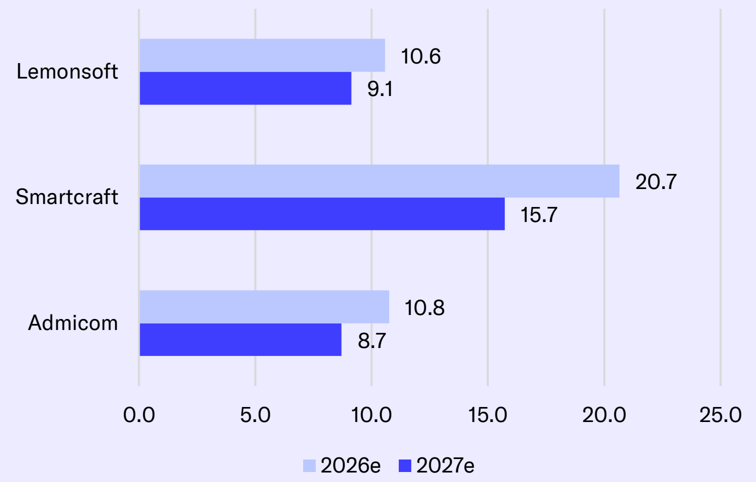
A key challenge for Lemonsoft's valuation increase in the short term is the generally weak sentiment for SaaS stocks. However, we currently consider AI fears to be exaggerated from the perspective of ERP providers for SMEs. If Lemonsoft can deliver its targeted earnings growth in the coming years, we estimate that investors' concerns will eventually dissipate, and the valuation level will return to a higher level than at present.

Nordic SaaS companies are now on sale

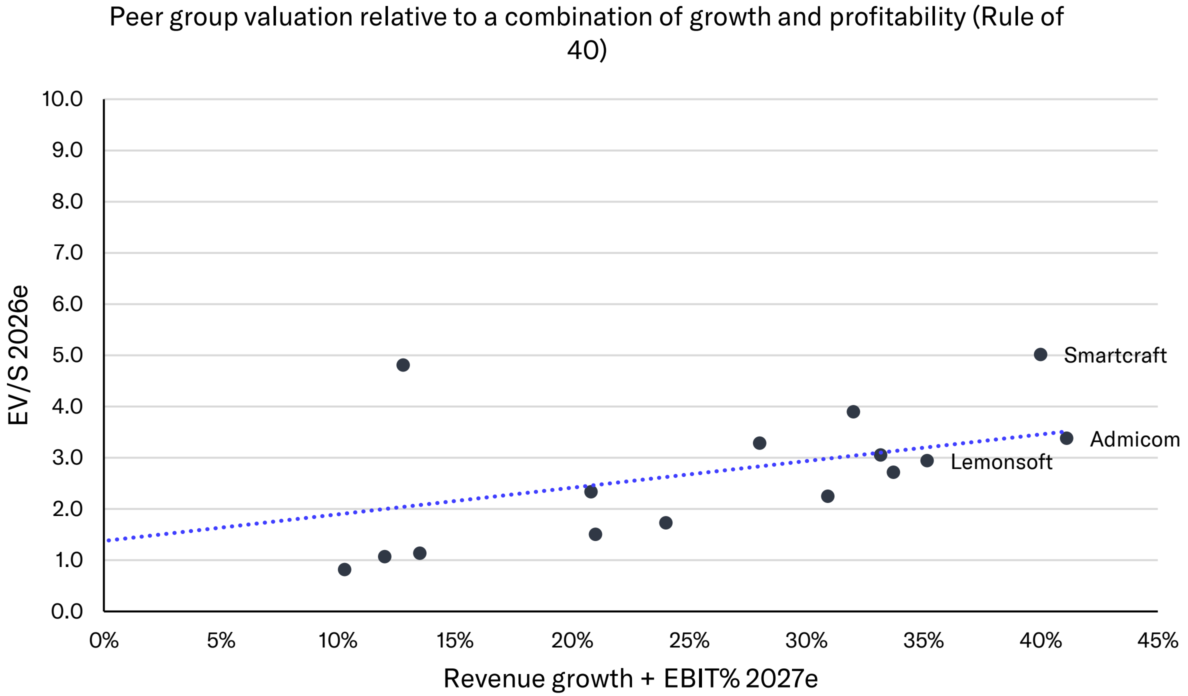
Relative to its closest peers, Lemonsoft trades at roughly the same EV/EBIT multiples as Admicom (2026e-2027e: 11x-9x). With the sell-off in SaaS companies, Admicom's valuation has, in our view, fallen to a very attractive level. Admicom's organic growth profile is currently somewhat better than Lemonsoft's, which is a good thing to consider when comparing multiples. At the moment, we believe both companies are on sale.

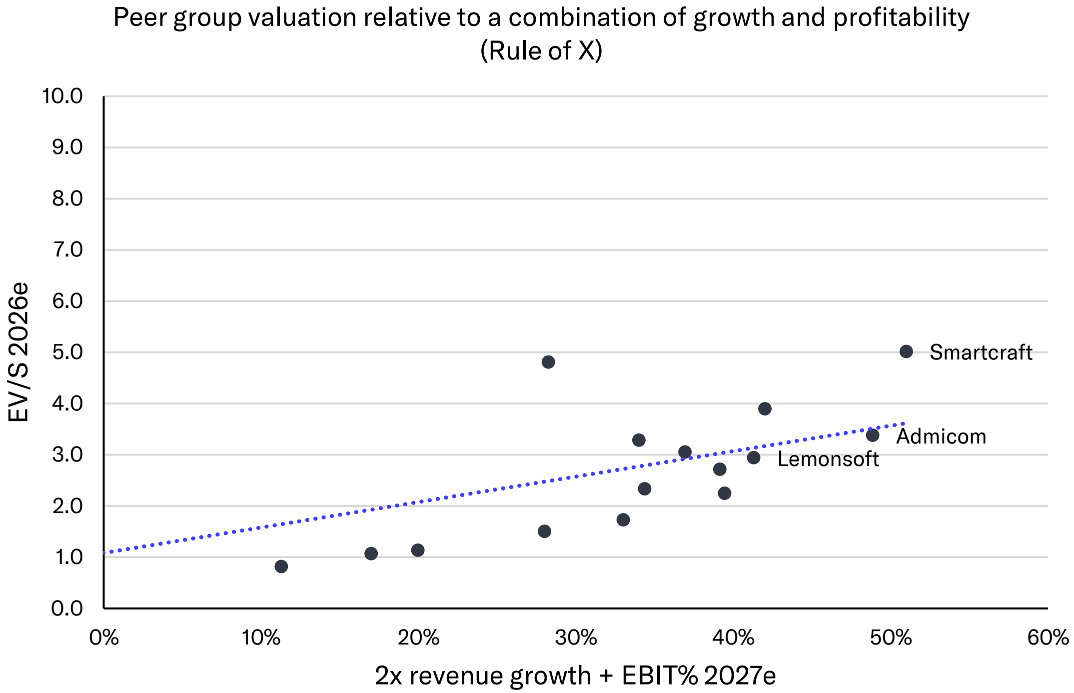
The valuation of Norwegian Smartcraft has also decreased sharply this year. Even the multiples of the formerly high-priced Smartcraft (21x–16x) now appear moderate, although they are still at a clear premium compared to Finnish companies. The company's estimated earnings growth rate for the coming years is stronger than Lemonsoft's, which in itself justifies higher multiples for the company. Overall, the entire Nordic trio currently trades significantly below their historical levels.

EV/EBIT of Lemonsoft and nearest peers

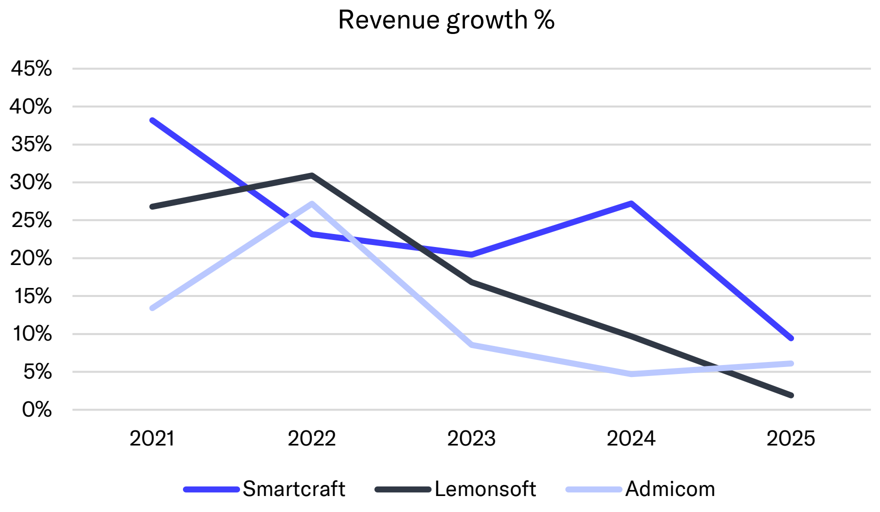


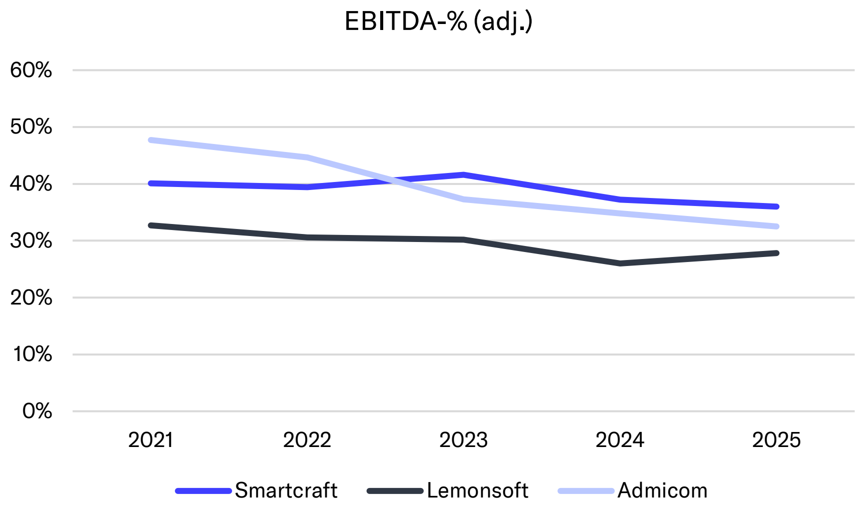
Revenue-based valuation compared to the peers

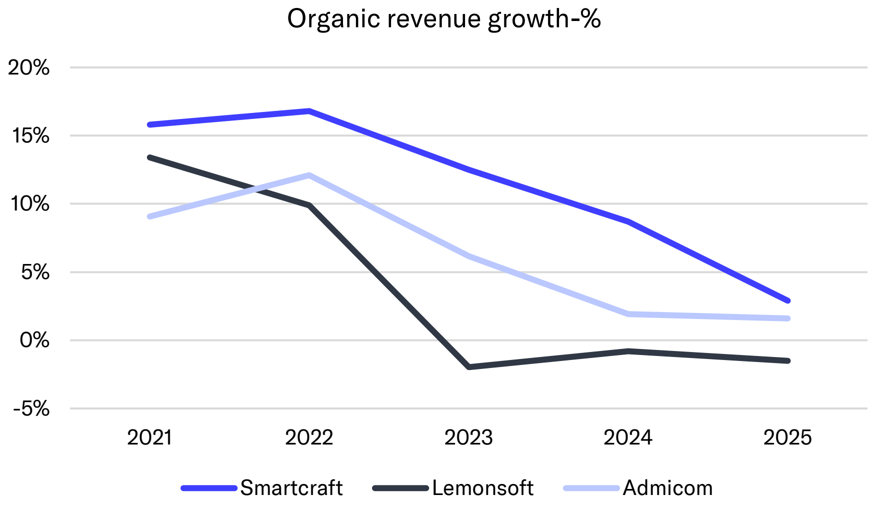


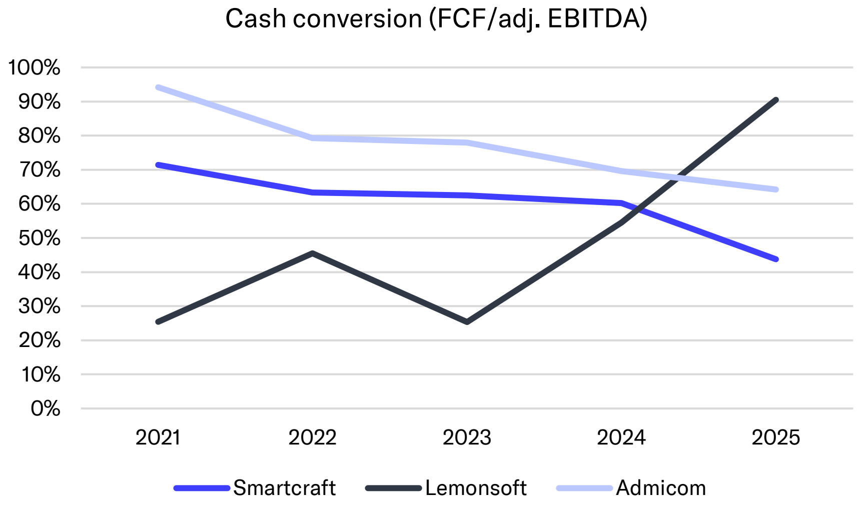


Key figures of Lemonsoft and peers







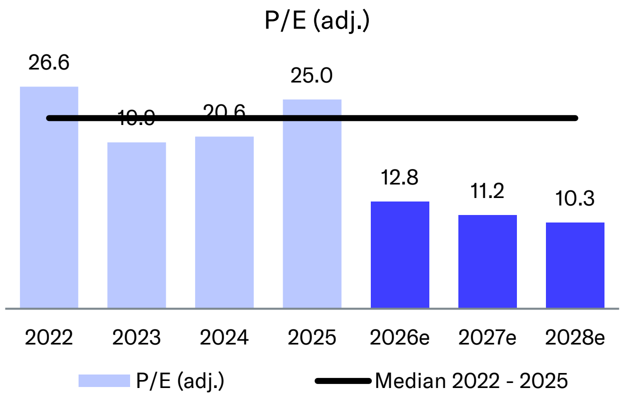


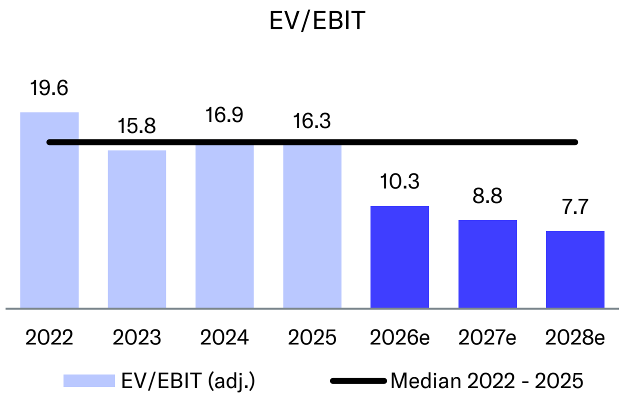
Source: Inderes

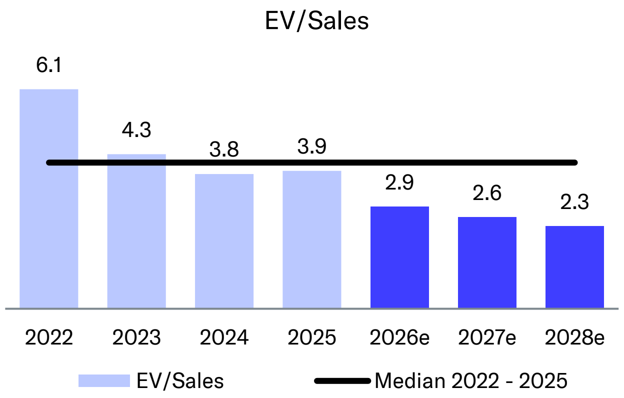
Valuation table

Valuation	2022	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Share price	7.96	6.02	5.70	6.12	4.80	4.80	4.80	4.80	4.80
Number of shares, millions	18.3	18.6	18.6	18.1	17.8	17.8	17.8	17.8	17.8
Market cap	146	112	106	109	86	86	86	86	86
EV	138	114	109	113	90	85	81	75	69
P/E (adj.)	26.6	19.9	20.6	25.0	12.8	11.2	10.3	9.6	8.9
P/E	29.0	21.1	25.6	24.5	15.6	13.0	11.8	10.8	9.9
P/B	15.0	5.6	3.7	3.3	3.7	2.6	2.3	2.1	1.9
P/S	6.5	4.2	3.7	3.7	2.7	2.6	2.5	2.3	2.2
EV/Sales	6.1	4.3	3.8	3.9	2.9	2.6	2.3	2.1	1.8
EV/EBITDA	18.9	13.9	14.9	12.2	9.4	8.4	7.4	6.5	5.6
EV/EBIT (adj.)	19.6	15.8	16.9	16.3	10.3	8.8	7.7	6.8	5.8
Payout ratio (%)	51.2 %	49.0 %	63.0 %	55.2 %	45.5 %	40.5 %	39.3 %	38.3 %	37.3 %
Dividend yield-%	1.8 %	2.3 %	2.5 %	2.3 %	2.9 %	3.1 %	3.3 %	3.5 %	3.8 %

Source: Inderes







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

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		Lv:n kasvu-%		EBIT-%		Rule of 40
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2027e
Admicom	147	134	10.7	8.7	10.9	8.2	3.4	2.9	5%	8%	31%	33%	41%
Smartcraft	276	276	20.7	15.7	13.5	11.3	5.0	4.5		11%	24%	29%	40%
Easor	30	50	39.9	27.9	4.3	4.0	2.3	2.0	7%	14%	6%	7%	21%
LeadDesk	22	32	11.1	8.2	4.6	3.8	0.8	0.8	-2%	1%	7%	9%	10%
Talenom	55	129	21.2	14.6	6.4	5.5	1.1	1.0	6%	6%	5%	7%	13%
Qt Group	478	546	11.5	8.6	9.7	7.4	2.3	1.9	11%	9%	20%	22%	31%
F-Secure	298	430	10.3	8.5	8.5	7.1	2.7	2.4	9%	5%	26%	28%	34%
Enento	377	514	11.1	10.4	9.5	8.7	3.2	3.1	4%	4%	29%	29%	33%
QPR Software	11	10	131.6		13.7	28.0	1.7	1.8	6%	-4%	1%	-4%	-8%
SSH	118	114			130.2	65.9	4.9	4.2	7%	15%	-10%	-3%	13%
Lime Technologies	273	283	19.2	16.3	12.6	11.1	3.9	3.5	6%	10%	20%	22%	32%
Upsales Technology	43	40	12.3		9.1		2.2		18%		18%		
FormPipe Software	114	39	14.6	10.8	8.8	7.3	1.7	1.6	-24%	9%	12%	15%	24%
Vitec Software	945	1208	16.1	14.2	8.8	8.1	3.3	3.1	11%	6%	21%	22%	28%
Sinch	2010	2592	24.2	14.8	8.3	7.5	1.1	1.0	-4%	5%	4%	7%	12%
Zalaris	200	225	11.6	10.3	7.6	6.9	1.5	1.4	9%	7%	13%	14%	21%
Lemonsoft (Inderes)	86	90	10.3	8.8	9.4	8.4	2.9	2.6	6%	6%	28%	29%	35%
Average			24.4	13.0	16.7	12.7	2.6	2.3	5%	7%	14%	16%	
Median			14.6	10.8	9.0	7.5	2.3	2.0	6%	7%	16%	15%	
Diff-% to median			-30%	-18%	4%	11%	25%	26%					

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	28.9	7.6	7.4	7.1	7.4	29.5	7.5	7.8	7.8	8.2	31.3	33.3	34.9	36.5
Saas	20.8	5.6	5.5	5.5	5.6	22.2	6.0	6.1	6.2	6.4	24.7	26.6	28.2	29.9
Consulting and other	4.8	1.2	1.1	0.9	1.1	4.3	0.9	1.1	0.9	1.1	4.0	3.9	3.8	3.7
Transaction	3.3	0.8	0.7	0.7	0.7	3.0	0.6	0.7	0.7	0.7	2.7	2.8	2.9	3.0
EBITDA	7.3	2.9	1.6	2.9	1.8	9.3	2.1	2.2	2.8	2.4	9.6	10.2	11.0	11.7
Depreciation	-1.9	-0.5	-0.7	-0.5	-0.5	-2.2	-0.6	-0.5	-0.5	-0.5	-2.0	-1.6	-1.6	-1.6
EBIT (excl. NRI)	6.4	1.8	1.2	2.5	1.5	6.9	1.9	2.0	2.6	2.2	8.7	9.6	10.4	11.1
EBIT	5.4	2.4	0.9	2.4	1.3	7.0	1.5	1.7	2.4	1.9	7.5	8.6	9.4	10.1
Net financial items	-0.5	-1.2	-0.2	-0.1	-0.1	-1.5	-0.1	-0.1	-0.1	-0.1	-0.5	-0.4	-0.4	-0.3
PTP	4.9	1.3	0.7	2.3	1.2	5.5	1.4	1.6	2.3	1.8	7.0	8.2	9.0	9.8
Taxes	-0.9	-0.3	-0.2	-0.4	-0.2	-1.1	-0.4	-0.3	-0.5	-0.4	-1.5	-1.6	-1.7	-1.9
Minority interest	0.11	0.03	0.03	0.05	0.07	0.2	0.02	0.01	-0.02	-0.02	0.0	-0.1	-0.1	-0.1
Net earnings	4.1	1.0	0.5	1.9	1.1	4.5	1.1	1.3	1.8	1.4	5.5	6.6	7.2	7.9
EPS (adj.)	0.28	0.02	0.04	0.11	0.07	0.24	0.08	0.09	0.11	0.09	0.37	0.43	0.47	0.50
EPS (rep.)	0.22	0.05	0.03	0.11	0.06	0.25	0.06	0.07	0.10	0.08	0.31	0.37	0.41	0.44

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	9.7 %	10.0 %	5.3 %	-3.4 %	-3.5 %	1.9 %	-1.1 %	6.0 %	10.1 %	10.9 %	6.4 %	6.2 %	4.9 %	4.8 %
Adjusted EBIT growth-%	-10.5 %	56.3 %	-11.5 %	0.1 %	1.4 %	7.7 %	10.5 %	66.4 %	6.2 %	42.2 %	25.5 %	10.7 %	7.9 %	6.8 %
EBITDA-%	25.3 %	38.8 %	21.9 %	41.1 %	24.6 %	31.5 %	28.0 %	28.5 %	36.5 %	29.0 %	30.5 %	30.7 %	31.4 %	31.9 %
Adjusted EBIT-%	22.3 %	23.1 %	16.0 %	35.1 %	20.6 %	23.6 %	25.8 %	25.2 %	33.8 %	26.5 %	27.8 %	29.0 %	29.8 %	30.4 %
Net earnings-%	14.3 %	13.0 %	7.3 %	27.2 %	14.6 %	15.4 %	14.2 %	16.1 %	22.6 %	17.0 %	17.5 %	19.8 %	20.8 %	21.6 %

Source: Inderes

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

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	39.4	38.3	41.1	40.9	40.8
Goodwill	28.1	28.1	31.6	31.6	31.6
Intangible assets	8.1	7.2	6.5	6.3	6.1
Tangible assets	1.0	0.8	0.9	0.9	1.0
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	2.2	2.2	2.2	2.2	2.2
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	14.5	9.8	10.4	11.4	11.2
Inventories	0.1	0.1	0.1	0.1	0.1
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.7	3.2	4.7	5.3	5.6
Cash and equivalents	7.7	6.6	5.6	6.0	5.5
Balance sheet total	53.9	48.1	51.5	52.3	52.0

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	32.5	29.5	32.5	36.6	41.2
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	13.8	13.4	16.4	20.5	25.0
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	18.4	15.9	15.9	15.9	15.9
Minorities	0.2	0.1	0.1	0.1	0.1
Non-current liabilities	9.3	9.0	9.0	5.9	1.6
Deferred tax liabilities	1.4	1.3	1.3	1.3	1.3
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	7.9	7.8	7.7	4.6	0.3
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	12.0	9.6	10.1	9.8	9.3
Interest bearing debt	2.5	2.8	1.9	1.2	0.2
Payables	9.2	6.4	7.8	8.3	8.7
Other current liabilities	0.4	0.3	0.3	0.3	0.4
Balance sheet total	53.9	48.1	51.5	52.3	52.0

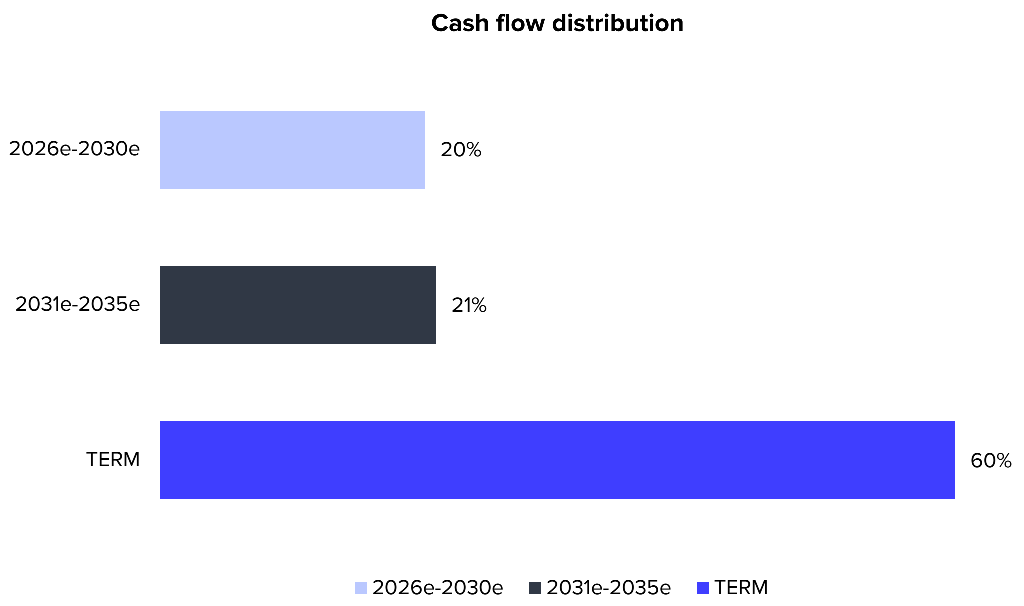
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	1.9 %	6.4 %	6.2 %	4.9 %	4.8 %	4.9 %	4.5 %	4.0 %	3.5 %	3.5 %	2.5 %	2.5 %
EBIT-%	23.9 %	24.0 %	25.9 %	26.8 %	27.6 %	28.3 %	28.5 %	28.8 %	29.0 %	29.2 %	29.5 %	29.5 %
EBIT (operating profit)	7.0	7.5	8.6	9.4	10.1	10.8	11.4	12.0	12.5	13.0	13.5	
+ Depreciation	2.2	2.0	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	
- Paid taxes	-1.3	-1.5	-1.6	-1.7	-1.9	-2.0	-2.0	-2.2	-2.2	-2.3	-2.4	
- Tax, financial expenses	-0.3	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	0.8	-0.1	-0.1	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.1	
Operating cash flow	8.5	7.8	8.5	9.3	9.9	10.5	11.1	11.6	12.0	12.4	12.7	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-1.1	-4.9	-1.4	-1.5	-1.5	-1.5	-1.6	-1.6	-1.6	-1.6	-1.7	
Free operating cash flow	7.3	2.9	7.1	7.8	8.4	9.0	9.5	10.0	10.4	10.8	11.0	
+/- Other	0.0	-0.7	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	7.3	2.2	6.1	7.8	8.4	9.0	9.5	10.0	10.4	10.8	11.0	177
Discounted FCFF		2.1	5.2	6.2	6.1	6.0	5.8	5.6	5.4	5.2	4.8	77.3
Sum of FCFF present value		130	128	123	116	110	104	98.3	92.7	87.3	82.2	77.3

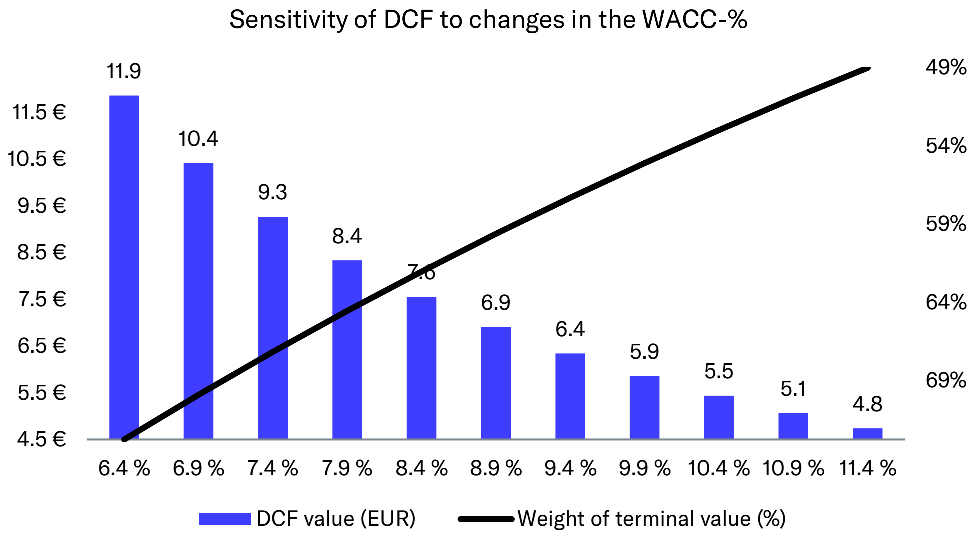
Enterprise value DCF	130
- Interest bearing debt	-10.6
+ Cash and cash equivalents	6.6
+ Associated companies	0.0
-Minorities	0.0
-Dividend/capital return	-2.5
Equity value DCF	123
Equity value DCF per share	6.9

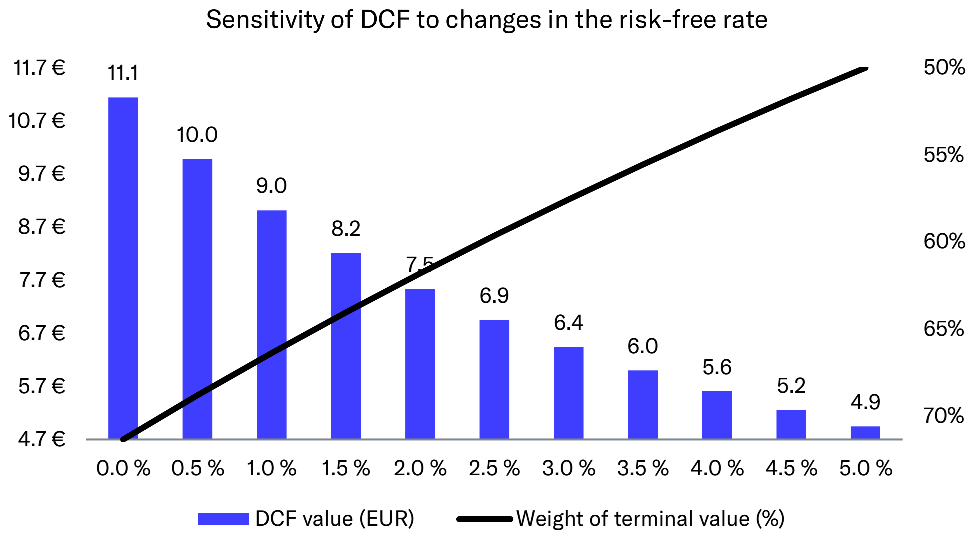
WACC	
Tax-% (WACC)	21.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	4.0 %
Equity Beta	1.00
Market risk premium	4.75%
Liquidity premium	2.30%
Risk free interest rate	2.5 %
Cost of equity	9.6 %
Weighted average cost of capital (WACC)	8.9 %

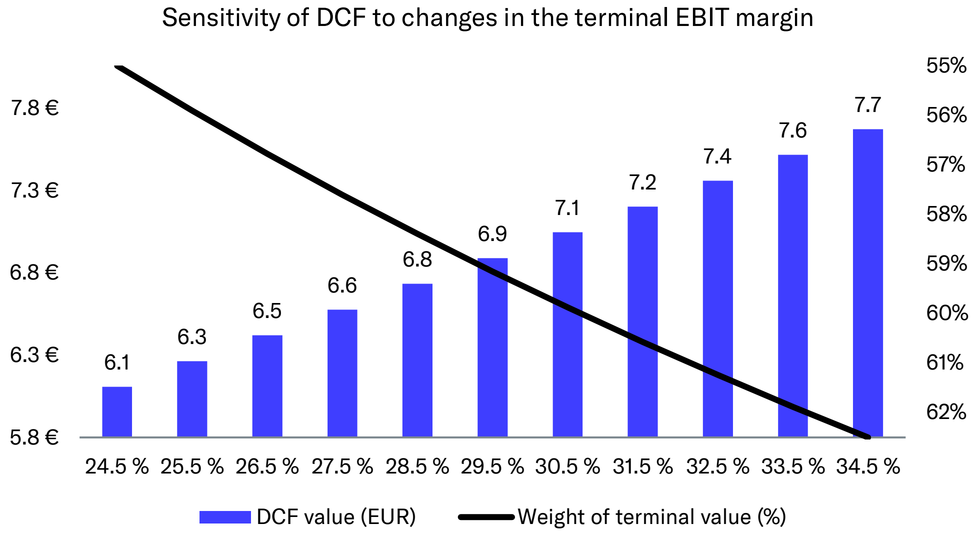
Source: Inderes

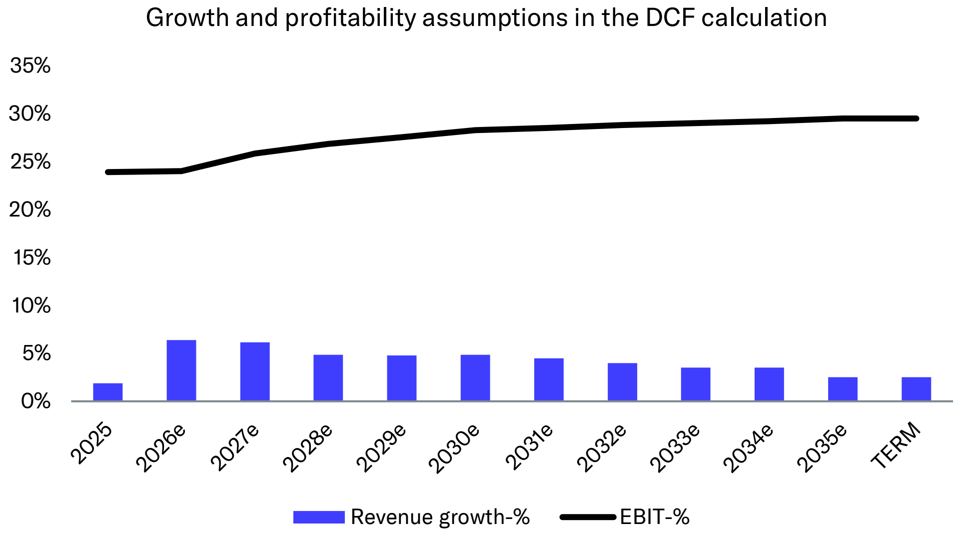


DCF sensitivity calculations and key assumptions in graphs









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	26.3	28.9	29.5	31.3	33.3
EBITDA	8.2	7.3	9.3	9.6	10.2
EBIT	6.9	5.4	7.0	7.5	8.6
PTP	6.7	4.9	5.5	7.0	8.2
Net Income	5.3	4.1	4.5	5.5	6.6
Extraordinary items	-0.3	-1.0	0.1	-1.2	-1.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	48.9	53.9	48.1	51.5	52.3
Equity capital	30.4	32.5	29.5	32.5	36.6
Goodwill	23.1	28.1	28.1	31.6	31.6
Net debt	1.0	2.8	4.0	4.0	-0.2

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	8.2	7.3	9.3	9.6	10.2
Change in working capital	-2.3	-0.2	0.8	-0.1	-0.1
Operating cash flow	5.0	6.3	8.5	7.8	8.5
CAPEX	-13.3	-5.7	-1.1	-4.9	-1.4
Free cash flow	-8.3	0.6	7.3	2.2	6.1

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	4.3	3.8	3.9	2.9	2.6
EV/EBITDA	13.9	14.9	12.2	9.4	8.4
EV/EBIT (adj.)	15.8	16.9	16.3	10.3	8.8
P/E (adj.)	19.9	20.6	25.0	12.8	11.2
P/B	3.7	3.3	3.7	2.6	2.3
Dividend-%	2.3 %	2.5 %	2.3 %	2.9 %	3.1 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.29	0.22	0.25	0.31	0.37
EPS (adj.)	0.30	0.28	0.24	0.37	0.43
OCF / share	0.27	0.34	0.47	0.44	0.47
OFCF / share	-0.45	0.03	0.40	0.12	0.34
Book value / share	1.62	1.74	1.62	1.81	2.04
Dividend / share	0.14	0.14	0.14	0.14	0.15

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	17%	10%	2%	6%	6%
EBITDA growth-%	12%	-11%	27%	3%	7%
EBIT (adj.) growth-%	2%	-10%	8%	26%	11%
EPS (adj.) growth-%	1%	-8%	-12%	53%	14%
EBITDA-%	31.2 %	25.3 %	31.5 %	30.5 %	30.7 %
EBIT (adj.)-%	27.3 %	22.3 %	23.6 %	27.8 %	29.0 %
EBIT-%	26.2 %	18.7 %	23.9 %	24.0 %	25.9 %
ROE-%	18.8 %	13.3 %	14.7 %	17.8 %	19.2 %
ROI-%	20.2 %	13.2 %	17.0 %	18.3 %	20.4 %
Equity ratio	62.4 %	60.4 %	61.4 %	63.5 %	70.4 %
Gearing	3.3 %	8.5 %	13.6 %	12.3 %	-0.5 %
Net debt/EBITDA	0.1	0.4	0.4	0.4	0.0
EBITDA/net financials	48.0	15.1	6.0	19.8	25.5

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

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

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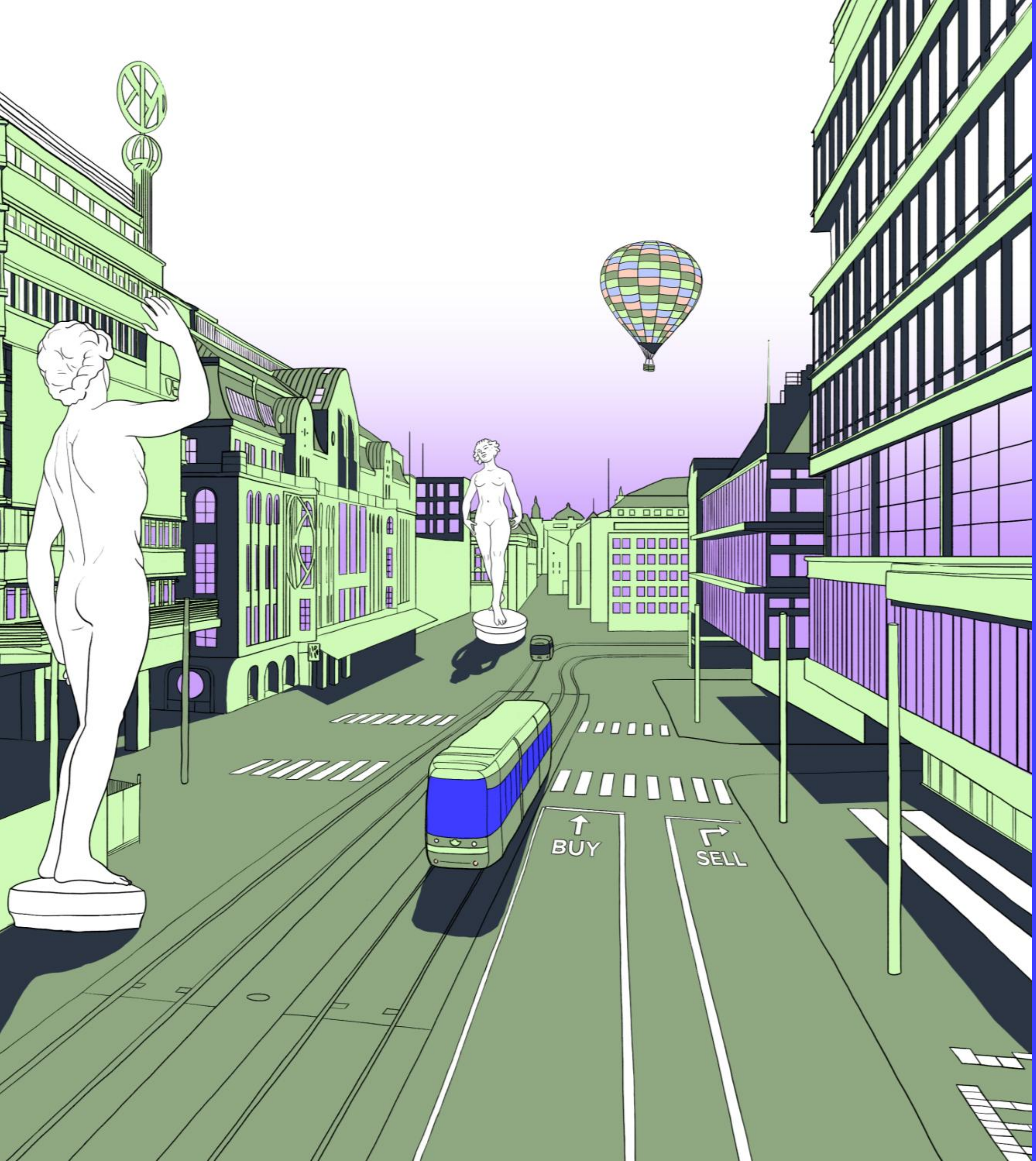
Recommendation history (>12 mo)

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



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