KOSKISEN

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Mild defensive victory is not yet enough to sway our view

We reiterate our EUR 7.50 target price and Reduce recommendation for Koskisen. The company's Q3 numbers surpassed our lowered expectations from the preview, but, as we anticipated, a rapid turnaround in demand is not in sight. We have slightly softened further the rate of earnings improvement in our forecasts for the coming years as interest rates hinder the recovery of the construction sector, and cost levels remain high. In our view, the share price has already factored in a clear earnings improvement from current levels (2027e: P/E 14x), meaning the expected return remains modest at our target price horizon, even though the company could have strong earnings leverage when demand in the construction sector eventually recovers.

Q3 was a mild defensive victory in relation to our expectations

In Q3, Koskisen's revenue increased by 8% to 90.7 MEUR, driven particularly by strong volume growth in the Sawn Timber Industry. Adjusted EBITDA remained flat at 2.9 MEUR. This result clearly beat the lowered forecast in our preview but fell well short of consensus estimates. The profitability of the Sawn Timber Industry was once again very unsatisfactory, but considering the difficult starting point, we view the figures as a mild defensive victory. The Panel Industry clearly improved from the low comparison figures, but the pace of the turnaround did not quite reach our expectations. From a cash flow perspective, the report was fairly good give the circumstances, and we believe Koskisen's balance sheet position is healthy. We commented on the company's Q3 figures here yesterday.

We softened expectations for improving earnings further

Koskisen reiterated its guidance, according to which the company's 2026 revenue is expected to grow from the 2025 level and the adjusted EBITDA margin to be below the last-year level of 8.1%. Reiterating the very loose guidance was in line with our and the market expectation. The company's comments highlighted the very difficult operating environment, particularly for the Sawn Timber Industry and the chipboard segment, as especially inflation and rising market interest rates have delayed the construction sector's recovery. In birch plywood as well, Europe's weak economic situation is dampening demand in the logistics sector. Additionally, the price of logs is high in Finland. In this challenging market, the company is focusing on efficiency measures.

Although the better-than-expected Q3 outcome slightly raised our EBITDA estimates for Koskisen this year, we lowered our estimates for 2027–2028 by around 4% (EPS -8–10%). We factored in around 2 MEUR in estimated annual savings from efficiency measures, but our estimates were weighed down more by the recovery in construction shifting further into the future, the continued high raw material and energy-based costs, and the slight changes we made to our product mix expectations. Meeting our estimates necessitates a gradual pick-up in construction and consequently easing pricing, savings, reaping the benefits of investments, and a partial abatement of cost pressures. Uncertainty regarding the timing of the recovery is high, as a recovery in demand would require falling interest rates, which the macroeconomic picture does not yet support. Our forecasts are clearly below the company's target of over 15% EBITDA (2026e-2028e about 6-9%).

Clear earnings improvement already factored into the stock price

With our 2024 and 2025 estimates, Koskisen's P/E ratios are over 70x and 14x and corresponding EV/EBITDA ratios are around 10x and 7x. The stock is therefore priced above our accepted ranges (P/E 10x-14x and EV/EBITDA 4x-7x) based on this year's multiples and within the ranges based on next year's improved yet still uncertain earnings level. The balance sheet-based P/B ratio of 1.1x is also sufficient in our view, as Koskisen has not exceeded its cost of equity since 2023. Consequently, the expected return, consisting of earnings growth, a significant valuation downside (Q3'26 LTM P/E over 60x), and a dividend of below 1%, remains unsatisfactory on a one-year horizon, even though the company could have strong earnings leverage as construction recovers. The DCF value (about EUR 8 per share) provides a slightly positive indication, but, in our opinion, this alone does not render the overall picture positive.

Recommendation
Reduce
(was Reduce)

Target price:
EUR 7.50
(was EUR 7.50)

Share price:
EUR 7.22

Business risk



Valuation risk



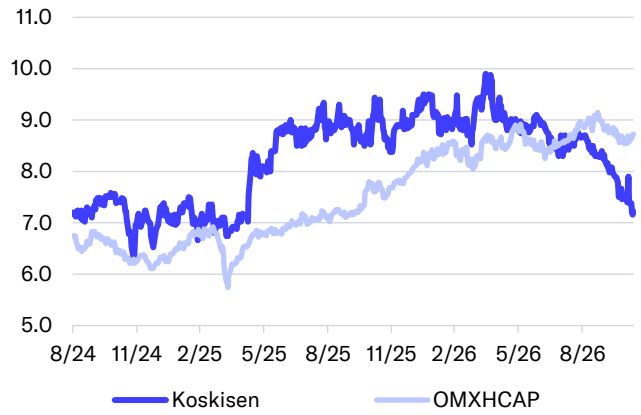
	2025	2026e	2027e	2028e
Revenue	354.9	402.0	440.5	467.9
growth-%	26%	13%	10%	6%
EBIT adj.	14.5	6.4	18.1	26.8
EBIT-% adj.	4.1 %	1.6 %	4.1 %	5.7 %
Net Income	8.6	2.0	12.1	19.6
EPS (adj.)	0.37	0.09	0.50	0.81
P/E (adj.)	24.7	77.1	14.4	8.9
P/B	1.3	1.1	1.0	0.9
Dividend yield-%	1.5 %	0.6 %	2.1 %	3.5 %
EV/EBIT (adj.)	19.0	36.9	12.5	7.9
EV/EBITDA	9.5	10.5	6.5	4.9
EV/S	0.8	0.6	0.5	0.5

Source: Inderes

Guidance (Unchanged)

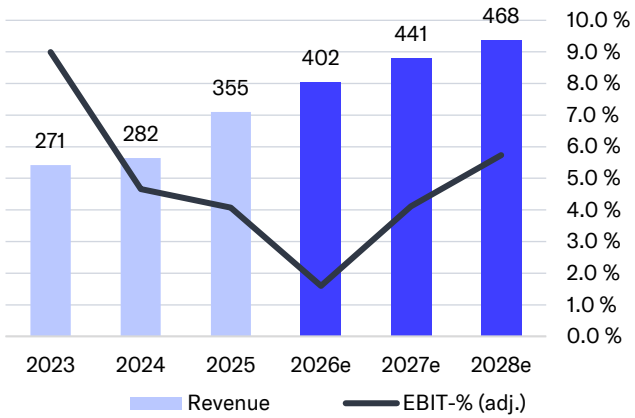
Koskisen group's revenue for 2026 is expected to grow from the 2025 level. The adjusted EBITDA margin is expected to be below the level of full year 2025 (2025: 8.1%).

Share price



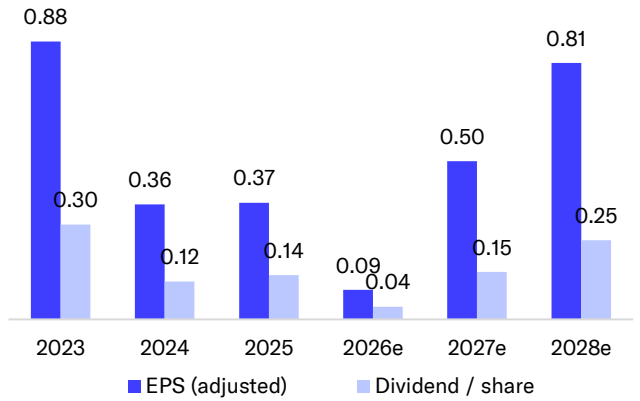
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- Healthy long-term demand trends
- Increasing exports and finding customers who eciate customization
- Potential for improvement in the level of profitability
- Business generates value (ROIC>WACC) in a favorable cycle
- War-related supply disruptions help Panel Industry for the foreseeable future

Risk factors

- Cyclicality of demand and dependence on construction activity
- Tight competition situation in for Sawn Timber Industry
- Removal of the supply disruptions in Panel Industry
- Tight timber market in Finland

Valuation	2026e	2027e	2028e
Share price	7.22	7.22	7.22
Number of shares, millions	24.1	24.1	24.1
Market cap	174	174	174
EV	237	227	212
P/E (adj.)	77.1	14.4	8.9
P/E	86.6	14.4	8.9
P/B	1.1	1.0	0.9
P/S	0.4	0.4	0.4
EV/Sales	0.6	0.5	0.5
EV/EBITDA	10.5	6.5	4.9
EV/EBIT (adj.)	36.9	12.5	7.9
Payout ratio (%)	48.0 %	30.0 %	30.8 %
Dividend yield-%	0.6 %	2.1 %	3.5 %

Source: Inderes

Figures surpassed our lowered expectations from the preview

Growth continued to be volume-driven

Koskisen's revenue grew for the 11th consecutive quarter in Q3, with revenue increasing by 8% to 90.7 MEUR. This slightly exceeded our forecast but fell short of consensus expectations. Revenue in the Sawn Timber Industry grew by 11% to 55.8 MEUR, driven by a remarkable 19% increase in deliveries. This growth was made possible by increased capacity in Järvelä (including the removal of bottlenecks by the new channel kiln) and a more successful production ramp-up after the summer shutdown than in the comparison period. Koskisen has performed well in sales, achieving strong volume growth despite the relatively weak market situation. However, according to our rough calculation, average prices (incl. by-products) decreased by around 7%. Revenue in the Panel Industry grew by 4% to 34.9 MEUR thanks to slight volume growth in birch plywood and Kore products, as well as rising prices, whereas we estimate that chipboard volumes declined slightly due to the slump in the Finnish construction and remodeling market. Revenue in the Sawn Timber Industry slightly exceeded our forecast, but the underperformance in the Panel Industry almost offset this.

Segment earnings diverged as anticipated

Koskisen's adjusted EBITDA remained at around the level of the comparison period, at 2.9 MEUR, in the seasonally weak Q3 and the adjusted EBITDA margin decreased by 0.3 pp to 3.2%. This result clearly beat the lowered forecast in our preview but fell well short of consensus estimates. The Sawn Timber Industry's EBITDA decreased by 62% to 1.0 MEUR owing to falling pulpwood and by-product prices, as well as higher log, harvesting, and freight costs, though it still topped our zero-level estimate, thanks particularly to good volume. Although the profitability of the Sawn Timber Industry was once again very unsatisfactory, we view the Q3 figures as a mild defensive victory, considering the difficult starting point. The Panel Industry's EBITDA rose significantly from a very low comparison level to 1.8 MEUR, driven by birch plywood volumes, more seamless operational performance, and more affordable wood raw materials for chipboard. However, the pace of improvement in the Panel Industry was slightly slower than estimated due to reasons related to revenue.

There were no major surprises below EBIT

The company recorded minor one-time expenses for Q3, and there were no surprises in depreciation, financing costs, or taxes. Koskisen's reported EPS was negative at EUR 0.07, matching the comparison period and falling between our and consensus forecasts to reflect the operating result.

Cash flow offset for the weakness earlier in the year

Koskisen's cash flow from operating activities almost doubled in Q3 to 10.3 MEUR as working capital was released through receivables and trade payables. Free cash flow was clearly positive, too. The company's gearing fell to 32%, and the net debt-to-EBITDA ratio, based on rolling earnings, was around 2.3x at the end of Q3. In our view, Koskisen’s balance sheet is in good shape, and the investments planned for next year, which are clearly below the level of depreciation, will support cash flow and ensure progress in its financial position.

Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	83.8	90.7	89.7	93.7	0.0	0.0	1%	402
EBITDA (adj.)	2.8	2.9	2.3	4.0	0.0	0.0	26%	22.6
EPS (reported)	-0.07	-0.07	-0.09	-0.03	0.00	0.00	22%	0.06
Revenue growth-%	23.6 %	8.2 %	7.0 %	11.8 %	-100.0 %	-100.0 %	1.2 pp	13.3 %
EBITDA-% (adj.)	3.4 %	3.2 %	2.6 %	4.3 %			0.6 pp	5.6 %

Source: Inderes & Modular Finance (consensus)

We softened expectations for improving earnings slightly further

No rapid turnaround in demand is in sight

Koskisen reiterated its guidance, according to which the company's 2026 revenue is expected to grow from the 2025 level and the adjusted EBITDA margin to be below the last-year level of 8.1%. Reiterating the very loose guidance was in line with our and the market expectation.

The company's comments highlighted the very difficult operating environment, particularly for the Sawn Timber Industry and the chipboard segment, as inflation and rising market interest rates have delayed the construction sector's recovery, and also the company acknowledges that a rapid recovery in demand is unlikely. The market situation is better in birch plywood, but the rather weak economic situation in Europe is dampening demand in the logistics sector as well. There have been no significant changes in demand since the summer, and customers are buying strictly on a needs basis. The price of logs is high in Finland due to the wood market's focus shifting strongly toward logs. According to the company, no significant changes in costs are expected in the coming quarters. On a positive note, forest energy deliveries began earlier than expected, but the trend in energy volume depends on the development of winter weather in Southern Finland. Overall, in this difficult operating environment, the company is focusing on its own efficiency measures (incl. the change negotiations launched this week, which may result in a maximum reduction of 40 employees).

We cut our estimates for the coming years

We left our revenue estimates for Koskisen unchanged because the Sawn Timber Industry's increased volume estimates offset the decreased corresponding estimate for the Panel Industry. Our adjusted EBITDA forecast for the current year increased by 2% due to the Q3 result exceeding our estimates. By contrast, we lowered our 2027–2028 EBITDA estimates by around 4%, and due to low margins, the revisions were more pronounced on the bottom line (EPS 2027e–2028e -8–10%). In our estimates, we factored in estimated annual savings of around 2 MEUR from change negotiations, but our estimates were weighed down more by the recovery in construction continuously shifting further into the future, continued high raw material and logistics costs, and revisions we made to the product mix.

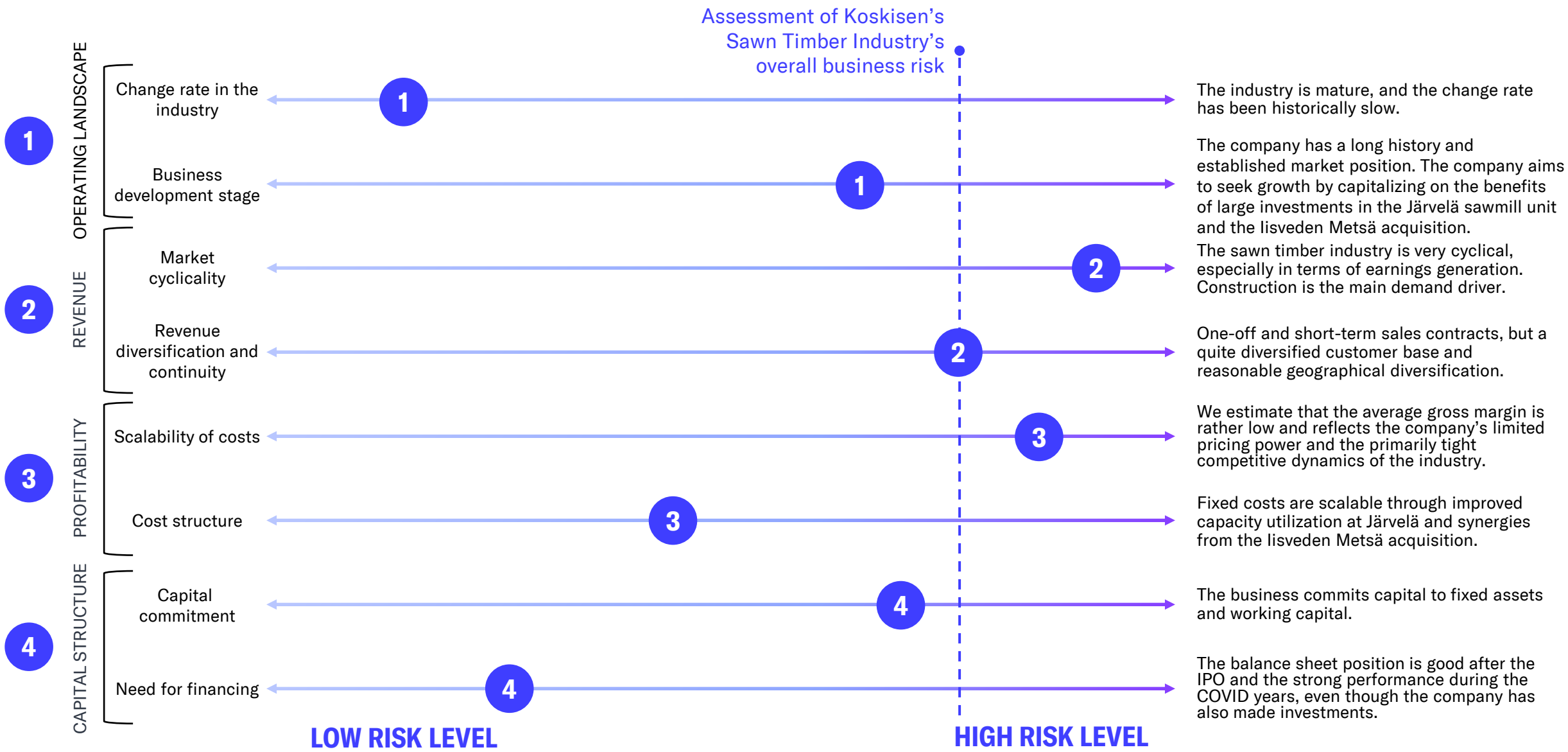
Meeting the estimates requires a pickup in demand

Achieving our 2027–2028 estimates requires a gradual recovery in demand for the construction sector and, consequently, easing of pricing in both businesses, modest savings from efficiency measures, realization of investment benefits, and slight cost pressure relief. However, there is a high degree of uncertainty regarding the timeline and pace of the recovery, as a rebound in demand would require a decline in interest rates, which the current inflationary macroeconomic environment does not yet support. Our forecasts for profitability are clearly below Koskisen's target EBITDA margin of over 15% (2026e–2028e ~6-9%). The main risks to our forecasts are the global economy and interest rates, the price of wood raw materials, and competition.

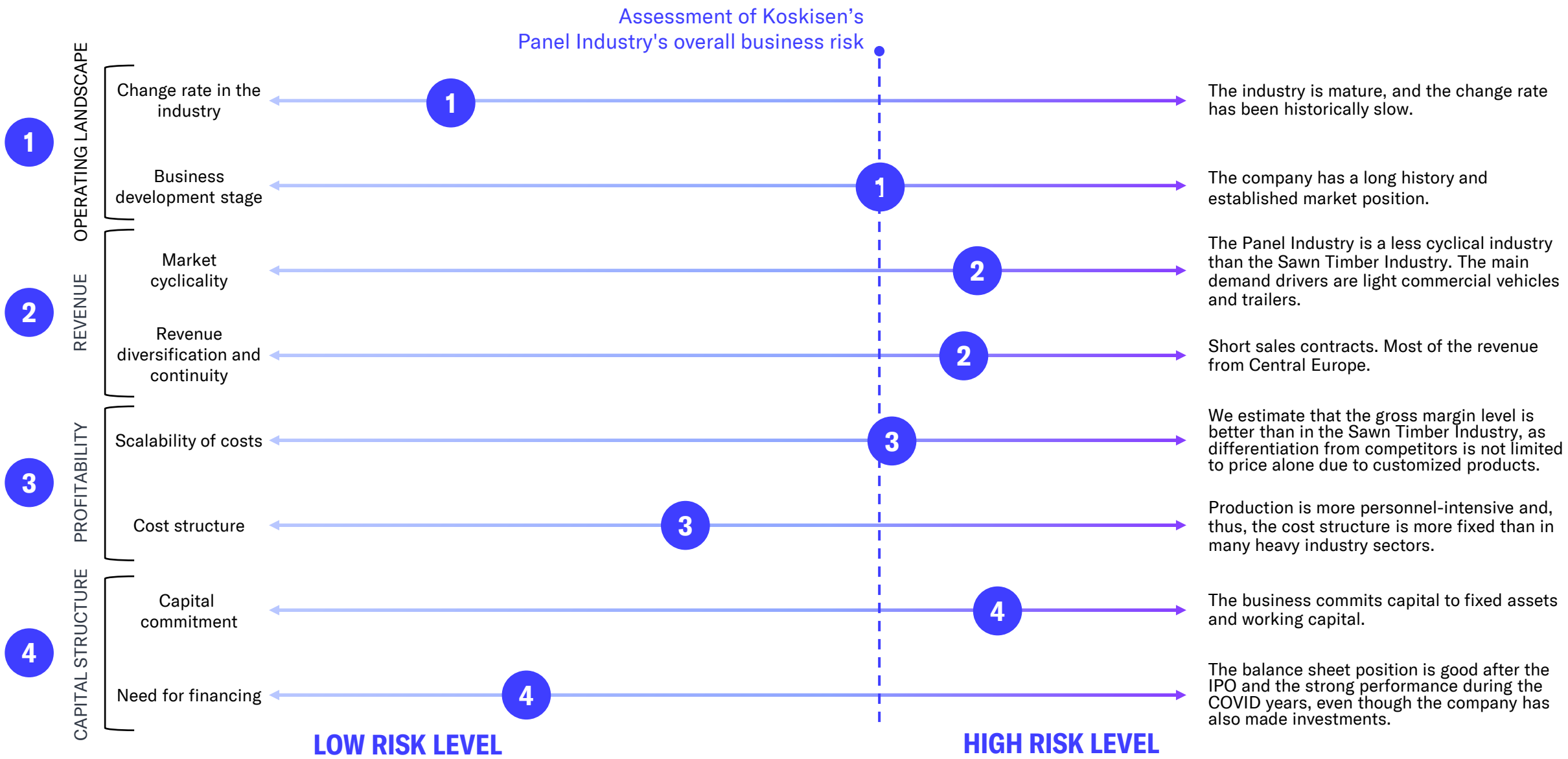
Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	401	402	0%	441	441	0%	468	468	0%
EBITDA	22.1	22.6	2%	36.1	34.7	-4%	44.9	43.1	-4%
EBIT (exc. NRIs)	5.9	6.4	9%	19.5	18.1	-7%	28.6	26.8	-6%
EBIT	5.8	6.2	6%	19.5	18.1	-7%	28.6	26.8	-6%
PTP	1.9	2.4	26%	16.4	14.7	-10%	25.9	23.8	-8%
EPS (excl. NRIs)	0.07	0.09	40%	0.56	0.50	-10%	0.88	0.81	-8%
DPS	0.04	0.04	0%	0.15	0.15	0%	0.25	0.25	0%

Source: Inderes

Risk profile of Koskisen's Sawn Timber Industry



Risk profile of Koskisen's Panel Industry



Strategy and financial targets

Focus areas of Koskisen's strategy

Value creation for customers	Development of current activities	Taking bold steps	Promoting responsibility and sustainable development
Koskisen **focuses** on high-quality and customized products, customer-oriented service and innovative solutions.	Koskisen aims to **strengthen** the competitiveness and differentiation of its factories, product development and efficiently implement new initiatives.	Koskisen **plans** and **prepares** for possible acquisitions and investments.	Koskisen **considers** the wise use of natural resources in its operations, strives to mitigate climate change and invests in sustainable bioeconomy solutions.

Inderes' comments on Koskisen's strategic focus areas

- Considering Finland's high production cost level, we do not believe Koskisen has sustainable cost advantages in an international comparison, even though the company's factories (especially the new Järvelä saw line) are efficient. Therefore, we feel focusing on quality, customization and innovative solutions is the logical and almost only option for the company to achieve higher profitability than the industry average.
- In terms of customer value creation, it is also essential to gradually increase the value added of production through, e.g., processing, Kore products, and in the long term, possibly also through completely new wood products.
- We believe the development of the current business includes the commercial side and developing the production efficiency of the factories (incl., e.g., investments in the Panel Industry).
- Regarding efficiency, there is significant improvement potential in the new Järvelä saw line (including increasing capacity by removing bottlenecks), and not all the benefits of the investments have yet been fully reflected in the income statement.
- On the commercial side, the company must be able to sell the new and potentially growing capacity in Järvelä and also other existing products to the market in an increasingly profitable manner.
- The company is looking at possible M&A transactions, also after the Iisveden Metsä acquisition, especially in the Sawn Timber Industry in Finland, and organic investment opportunities in the Panel Industry.
- A transaction in the Sawn Timber Industry that would clearly increase the size class, has minor overlaps, and generates cost synergies (wood sourcing in particular) in Finland could be sensible. In the Kore segment, acquisitions could create value considering the estimated good capital return of the businesses.
- Bold steps will likely require significant capital in due course, which requires the company to maintain a strong balance sheet.
- There are growing pressures on forest use from different sectors, so ensuring the general acceptability of the forest industry requires sensible use of raw materials.
- Koskisen's products are clearly carbon-negative and thus mitigate climate change, which gives the company a good starting point for benefiting from the sustainability trend.
- Focusing on responsibility will probably require investments from the company, but some of these will also open up new business opportunities.

Source: Koskisen, Inderes

Earnings turnaround is already partly priced in

Main focus on earnings multiples

We focus on earnings-based multiples in Koskisen's valuation. We feel acceptable EV/EBITDA ratios for Koskisen are roughly 4-7x, considering the growth and profitability levels of the business and the risk profile. The acceptable P/E based valuation range is 10x-14x in our opinion. We have discussed the logic of our Koskisen valuation in more detail in our extensive report published in the spring (can be read here).

The valuation picture is challenging in the short term

With our 2024 and 2025 estimates, Koskisen's P/E ratios are over 70x and 14x and corresponding EV/EBITDA ratios are around 10x and 7x. Thus, the stock is priced above our accepted ranges based on this year's weak earnings and within the ranges based on next year's improved yet, in absolute terms, at most satisfactory and still uncertain earnings level. Consequently, we consider the valuation based on earnings multiples to be neutral at most on a 12-month horizon, and clear earnings improvement relative to the current level has already been priced into the share.

The balance sheet-based P/B of 1.1x (2026e) is also at a sufficient level, as Koskisen has not achieved a return on equity exceeding the cost of equity since 2023. According to our forecasts, Koskisen's average return on capital and equity will marginally exceed our estimate of the company's cost of capital in the long term. However, a more pronounced increase in the balance sheet valuation would require more robust value creation than our current projections (i.e. ROCE-% > WACC-%). In our view, balance sheet-based valuation is still insufficient to support the stock if the weak earnings cycle prolongs, as balance sheet valuations below the book value of equity are not uncommon in the industry. Looking at the current and next year, balance sheet valuation is also challenging, as we estimate that Koskisen's return on capital will fall below the required rates of return. While this might be overlooked in individual years, over a longer horizon, pricing the balance sheet at a premium relative to its book value requires Koskisen to achieve significantly better returns on equity (i.e., profitability in particular) than in recent years and at the current level.

Considering this overall picture, we estimate that the expected return for Koskisen's stock, stemming from earnings growth transitioning from a low level, significant valuation downside (Q3'26 LTM P/E over 60x), and a dividend of below 1%, is still unsatisfactory on a one-year horizon. The expected return would turn more attractive or very attractive in the medium term if Koskisen could raise its margin to its target of over 15% adj. EBITDA-% or even close to it (vs. our estimated adj. EBITDA-% of ~8-10% in 2027-2029). At best, this will only be possible during a better cycle, i.e., beyond our 12-month target price horizon.

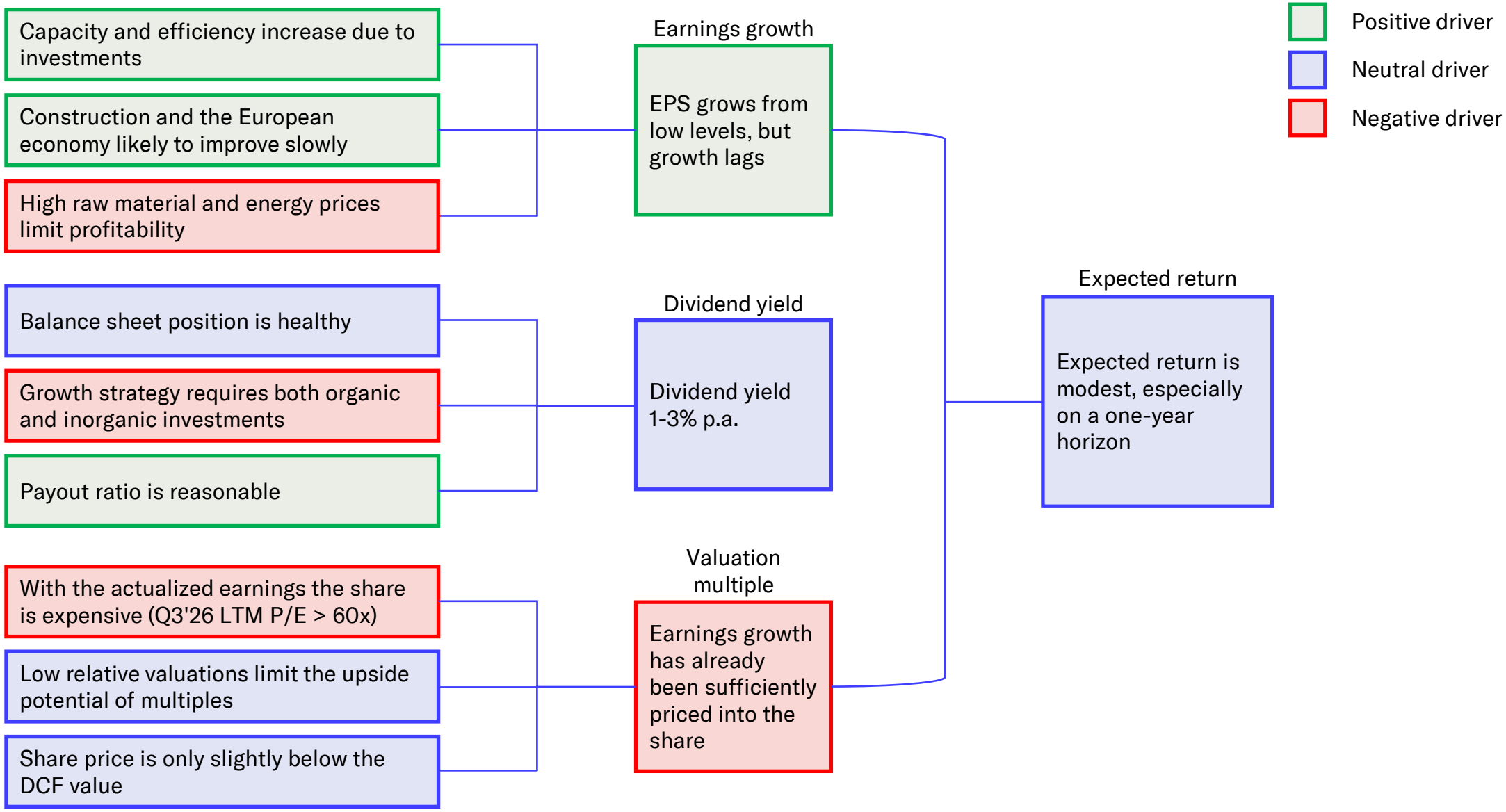
DCF value only slightly above the share price

The interpretation of peer group valuations is currently hindered by the modest performance of many peers, making earnings-based multiples appear unusually high. Based on the balance sheet, Koskisen's valuation is at a premium, while earnings multiples are mixed. No multiples are yet available for the new peer, Wisa. Our DCF model for Koskisen indicates a share value of around EUR 8 per share, which is slightly above our target price level. Thus, the DCF would provide a slightly positive signal of the share's potential, but, in our view, it does not change the whole picture colored by high short-term multiples into a positive one on its own.

Valuation	2026e	2027e	2028e
Share price	7.22	7.22	7.22
Number of shares, millions	24.1	24.1	24.1
Market cap	174	174	174
EV	237	227	212
P/E (adj.)	77.1	14.4	8.9
P/E	86.6	14.4	8.9
P/B	1.1	1.0	0.9
P/S	0.4	0.4	0.4
EV/Sales	0.6	0.5	0.5
EV/EBITDA	10.5	6.5	4.9
EV/EBIT (adj.)	36.9	12.5	7.9
Payout ratio (%)	48.0 %	30.0 %	30.8 %
Dividend yield-%	0.6 %	2.1 %	3.5 %

Source: Inderes

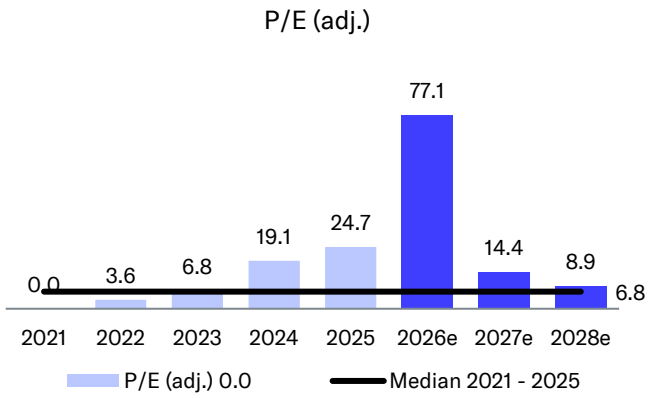
Total Shareholder Return drivers Q3'26 LTM-2028e

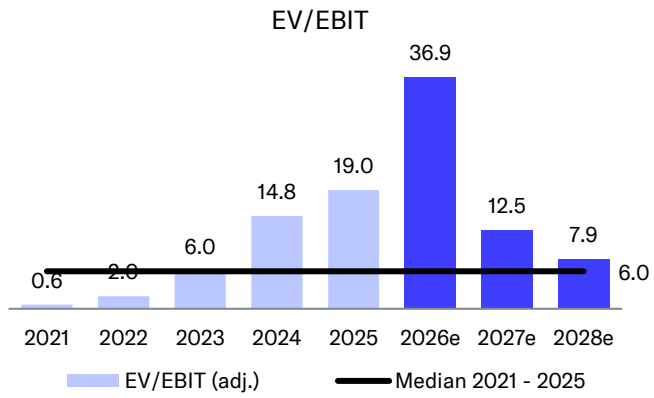


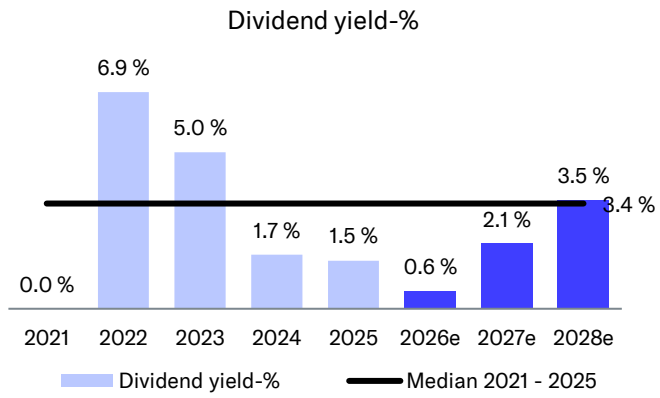
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price		6.28	6.00	6.96	9.10	7.22	7.22	7.22	7.22
Number of shares, millions		23.0	23.0	23.0	23.7	24.1	24.1	24.1	24.1
Market cap		145	138	160	219	174	174	174	174
EV		116	146	195	274	237	227	212	195
P/E (adj.)		3.6	6.8	19.1	24.7	77.1	14.4	8.9	7.3
P/E		3.6	6.8	19.3	25.0	86.6	14.4	8.9	7.3
P/B		1.1	0.9	1.1	1.3	1.1	1.0	0.9	0.8
P/S		0.5	0.5	0.6	0.6	0.4	0.4	0.4	0.4
EV/Sales		0.4	0.5	0.7	0.8	0.6	0.5	0.5	0.4
EV/EBITDA		1.8	4.4	8.0	9.5	10.5	6.5	4.9	4.1
EV/EBIT (adj.)		2.0	6.0	14.8	19.0	36.9	12.5	7.9	6.2
Payout ratio (%)		25.1 %	34.2 %	33.4 %	39.2 %	48.0 %	30.0 %	30.8 %	35.5 %
Dividend yield-%		6.9 %	5.0 %	1.7 %	1.5 %	0.6 %	2.1 %	3.5 %	4.8 %

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		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Interfor Corp	548	1076			19.3		0.5	0.6					0.4
Boise Cascade	2180	2279	4.0	5.2	3.3	4.0	0.4	0.4	5.7	7.3	12.5	8.4	1.3
West Fraser Timber	4681	4956		163.5	9.7	8.3	0.9	0.9	6633.4	154.3	1.8	1.9	0.7
Canfor	1077	1753			97.1		0.5	0.5					0.4
Stora Enso	7517	10798	42.6	18.6	11.5	9.2	1.1	1.2	49.9	21.1	3.0	2.6	0.7
STEICO	234	341	11.2	7.7	5.7	4.0	0.9	0.9	13.2	9.5	2.5	3.4	0.8
Louisiana-Pacific	4790	4865	18.4	10.1	12.5	8.1	2.1	1.9	24.8	13.5	1.3	1.4	3.6
Stella-Jones	2300	3196	10.1	10.2	8.3	8.0	1.5	1.5	12.0	12.3	1.4	1.5	2.3
Koskisen (Inderes)	174	237	36.9	12.5	10.5	6.5	0.6	0.5	77.1	14.4	0.6	2.1	1.1
Average			17.3	35.9	20.9	6.9	1.0	1.0	1123.1	36.3	3.7	3.2	1.3
Median			11.2	10.1	10.6	8.0	0.9	0.9	19.0	12.9	2.2	2.3	0.8
Diff-% to median			230%	24%	-1%	-19%	-34%	-43%	306%	12%	-74%	-8%	38%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue	282	86.2	89.7	83.8	95.1	355	105	104	90.7	102	402	441	468	483
Sawn Timber Industry	140	48.7	47.5	50.2	57.5	204	64.6	61.3	55.8	59.0	241	251	264	276
Panel Industry	142	37.6	42.2	33.6	37.6	151	40.4	43.0	34.9	43.1	161	190	204	207
Other / Eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	24.2	9.4	10.5	2.8	6.1	28.8	6.5	7.4	2.7	5.9	22.6	34.7	43.1	47.6
Depreciation	-11.2	-3.2	-3.5	-3.8	-4.0	-14.5	-4.0	-4.1	-4.2	-4.1	-16.4	-16.6	-16.3	-16.2
EBIT (excl. NRI)	13.1	6.3	6.8	-0.9	2.3	14.5	2.6	3.3	-1.3	1.8	6.4	18.1	26.8	31.3
EBIT	13.0	6.2	7.0	-1.0	2.1	14.3	2.5	3.3	-1.4	1.8	6.2	18.1	26.8	31.3
Sawn Timber Industry (EBITDA)	7.2	5.4	4.2	2.6	2.0	14.3	2.9	1.6	1.0	1.5	7.0	14.3	18.8	20.9
Panel Industry (EBITDA)	17.7	4.5	6.7	0.2	4.3	15.7	4.0	5.5	1.8	4.9	16.2	21.4	25.3	27.7
Other / Eliminations	-0.7	-0.5	-0.5	0.1	-0.3	-1.2	-0.4	0.3	0.0	-0.5	-0.7	-1.0	-1.0	-1.0
Depreciation	-11.2	-3.2	-3.5	-3.9	-3.9	-14.5	-4.0	-4.1	-4.2	-4.1	-16.4	-16.6	-16.3	-16.2
Adjustments	0.0	0.0	-0.1	0.1	-0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0
Net financial items	-3.1	-1.0	-0.9	-1.0	-0.7	-3.6	-1.2	-0.9	-0.8	-0.9	-3.7	-3.4	-3.0	-2.4
PTP	10.0	5.3	6.1	-2.0	1.4	10.7	1.3	2.4	-2.2	0.9	2.4	14.7	23.8	29.0
Taxes	-1.7	-1.1	-1.0	0.4	-0.4	-2.1	-0.4	-0.3	0.5	-0.2	-0.4	-2.6	-4.3	-5.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	8.3	4.2	5.0	-1.6	1.0	8.6	0.9	2.1	-1.7	0.7	2.0	12.1	19.6	23.8
EPS (adj.)	0.36	0.19	0.20	-0.07	0.05	0.37	0.04	0.09	-0.06	0.03	0.09	0.50	0.81	0.99
EPS (rep.)	0.36	0.18	0.21	-0.07	0.04	0.36	0.04	0.09	-0.07	0.03	0.08	0.50	0.81	0.99

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	4.0 %	35.4 %	15.3 %	23.6 %	30.5 %	25.8 %	21.8 %	16.3 %	8.2 %	7.3 %	13.3 %	9.6 %	6.2 %	3.3 %
Adjusted EBIT growth-%	-46.1 %	102.3 %	-0.8 %	-277.6 %	-13.7 %	10.1 %	-59.7 %	-51.2 %	35.8 %	-20.0 %	-55.6 %	182.2 %	48.1 %	16.8 %
EBITDA-%	8.6 %	10.9 %	11.7 %	3.4 %	6.4 %	8.1 %	6.2 %	7.1 %	3.0 %	5.8 %	5.6 %	7.9 %	9.2 %	9.8 %
Adjusted EBIT-%	4.7 %	7.4 %	7.6 %	-1.1 %	2.4 %	4.1 %	2.4 %	3.2 %	-1.4 %	1.8 %	1.6 %	4.1 %	5.7 %	6.5 %
Net earnings-%	2.9 %	4.8 %	5.6 %	-1.9 %	1.1 %	2.4 %	0.8 %	2.0 %	-1.8 %	0.7 %	0.5 %	2.7 %	4.2 %	4.9 %

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	151	180	186	183	181
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	1.0	3.0	3.0	3.1	3.1
Tangible assets	146	172	179	175	173
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	3.9	4.4	4.4	4.4	4.4
Other non-current assets	0.0	0.2	0.2	0.2	0.2
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	126	142	149	161	169
Inventories	49.2	62.4	60.3	66.1	70.2
Other current assets	21.6	24.1	24.1	24.1	24.1
Receivables	23.8	31.4	40.2	44.1	46.8
Cash and equivalents	31.8	24.4	24.1	26.4	28.1
Balance sheet total	277	322	335	343	350

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	149	163	162	173	189
Share capital	1.5	1.5	1.5	1.5	1.5
Retained earnings	65.2	71.1	69.7	80.8	96.7
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	82.3	90.8	90.8	90.8	90.8
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	64.6	85.8	91.7	84.7	72.8
Deferred tax liabilities	7.2	9.5	9.5	9.5	9.5
Provisions	0.2	0.2	0.2	0.2	0.2
Interest bearing debt	54.2	69.7	75.6	68.6	56.7
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.1	6.4	6.4	6.4	6.4
Current liabilities	63.3	72.9	81.4	85.7	87.9
Interest bearing debt	12.1	9.3	11.7	11.0	9.6
Payables	35.7	46.2	52.3	57.3	60.9
Other current liabilities	15.6	17.4	17.4	17.4	17.4
Balance sheet total	277	322	335	343	350

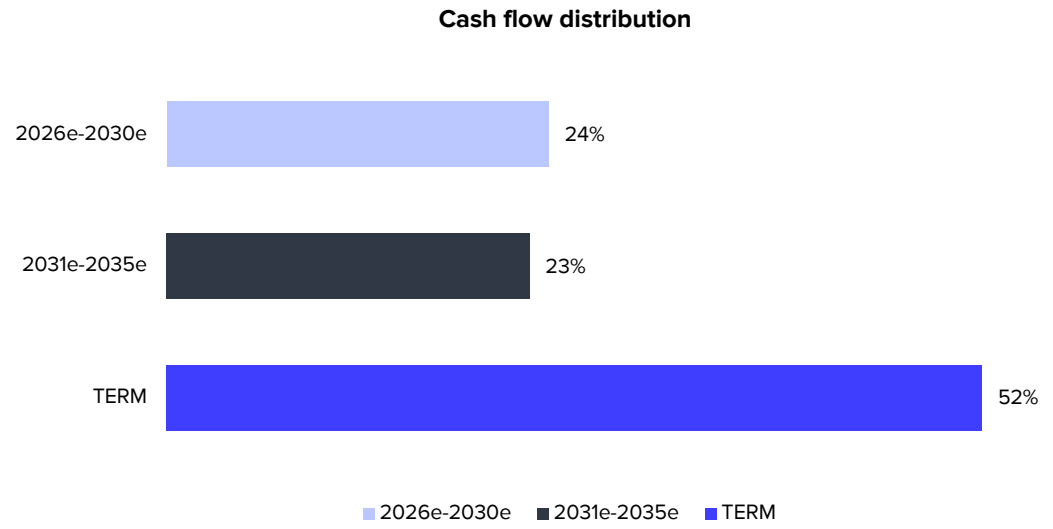
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	25.8 %	13.3 %	9.6 %	6.2 %	3.3 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.0 %	2.0 %
EBIT-%	4.0 %	1.5 %	4.1 %	5.7 %	6.5 %	6.3 %	6.1 %	5.9 %	5.7 %	5.5 %	5.5 %	5.5 %
EBIT (operating profit)	14.3	6.2	18.1	26.8	31.3	31.2	31.0	30.7	30.4	30.1	30.7	
+ Depreciation	14.5	16.4	16.6	16.3	16.2	16.3	16.4	16.4	16.5	16.6	16.7	
- Paid taxes	0.2	-0.4	-2.6	-4.3	-5.2	-5.3	-5.4	-5.4	-5.3	-5.3	-5.4	
- Tax, financial expenses	-0.8	-0.7	-0.7	-0.6	-0.5	-0.4	-0.3	-0.3	-0.2	-0.2	-0.2	
+ Tax, financial income	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
- Change in working capital	-11.0	-0.6	-4.6	-3.3	-1.9	-1.4	-1.5	-1.5	-1.6	-1.6	-1.3	
Operating cash flow	17.4	20.9	26.9	35.0	40.1	40.4	40.4	40.1	39.8	39.7	40.6	
+ Change in other long-term liabilities	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-43.6	-23.1	-13.1	-14.1	-15.1	-16.1	-16.1	-17.1	-18.1	-18.1	-18.0	
Free operating cash flow	-22.9	-2.1	13.8	21.0	25.0	24.4	24.3	23.0	21.8	21.6	22.6	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-22.9	-2.1	13.8	21.0	25.0	24.4	24.3	23.0	21.8	21.6	22.6	308
Discounted FCFF		-2.1	12.5	17.3	18.9	16.8	15.3	13.2	11.4	10.4	9.9	135
Sum of FCFF present value		259	261	248	231	212	195	180	167	155	145	135

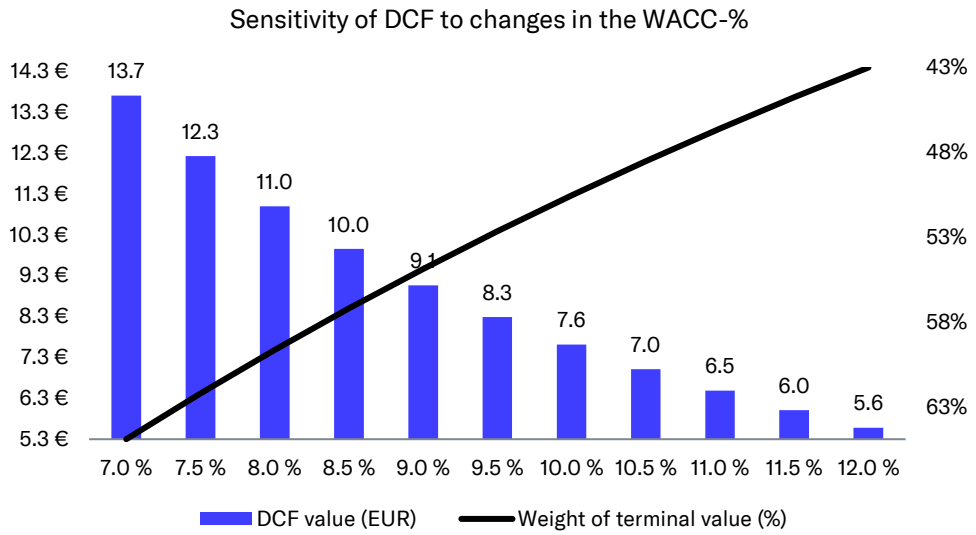
Enterprise value DCF	259
- Interest bearing debt	-79.0
+ Cash and cash equivalents	24.4
+ Associated companies	0.0
-Minorities	0.0
-Dividend/capital return	-3.4
Equity value DCF	201
Equity value DCF per share	8.3

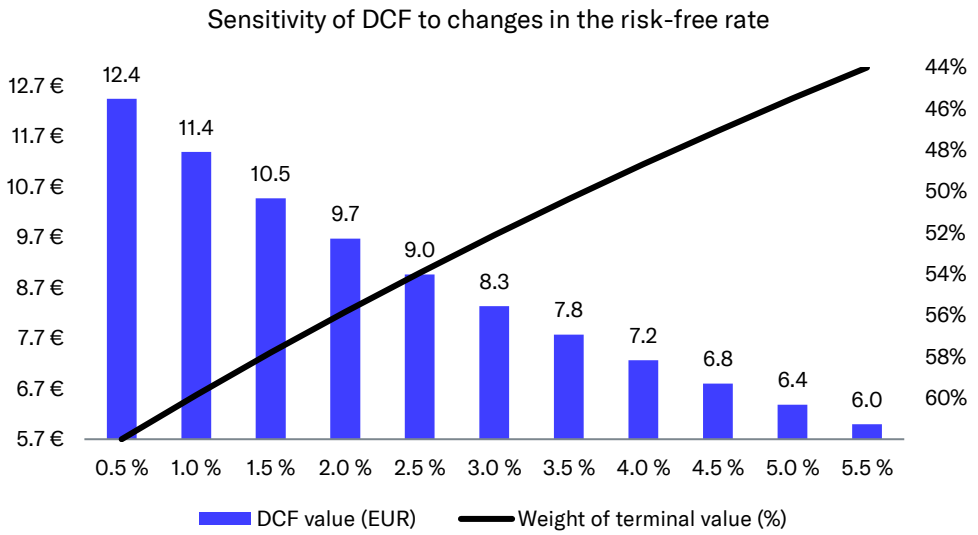
WACC	
Tax-% (WACC)	18.0 %
Target debt ratio (D/(D+E)	17.5 %
Cost of debt	5.0 %
Equity Beta	1.60
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	3.0 %
Cost of equity	10.6 %
Weighted average cost of capital (WACC)	9.5 %

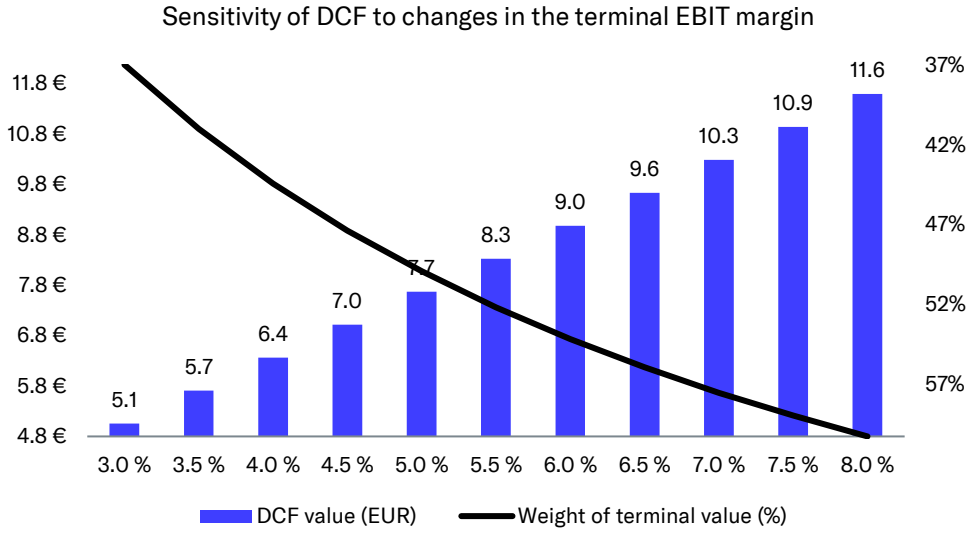
Source: Inderes

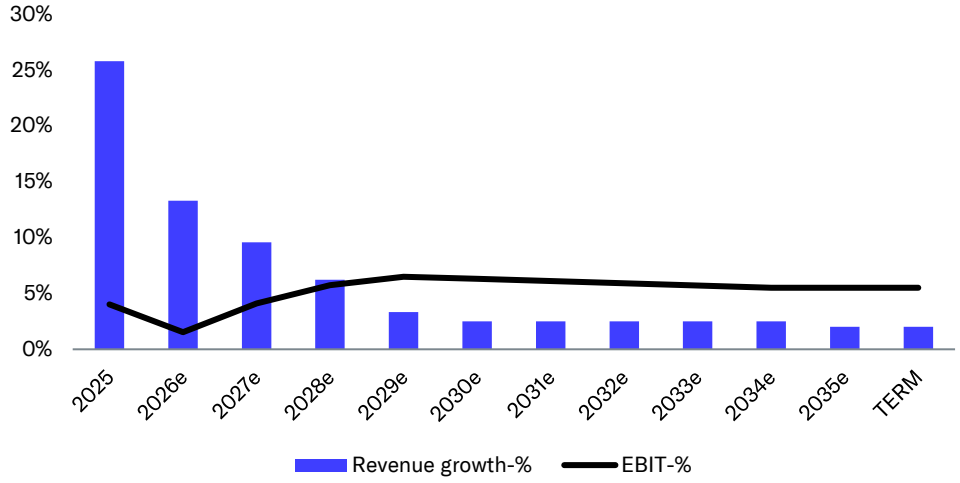


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	271.2	282.2	354.9	402.0	440.5
EBITDA	33.0	24.2	28.8	22.6	34.7
EBIT	24.4	13.0	14.3	6.2	18.1
PTP	24.0	10.0	10.7	2.4	14.7
Net Income	20.2	8.3	8.6	2.0	12.1
Extraordinary items	0.0	-0.1	-0.2	-0.3	0.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	269.2	277.1	322.1	335.1	343.5
Equity capital	147.2	149.1	163.3	162.0	173.1
Goodwill	0.0	0.0	0.0	0.0	0.0
Net debt	7.9	34.4	54.6	63.2	53.2

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	33.0	24.2	28.8	22.6	34.7
Change in working capital	-24.9	-8.9	-11.0	-0.6	-4.6
Operating cash flow	6.2	14.7	17.4	20.9	26.9
CAPEX	-33.7	-32.2	-43.6	-23.1	-13.1
Free cash flow	-27.3	-17.5	-22.9	-2.1	13.8

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.5	0.7	0.8	0.6	0.5
EV/EBITDA	4.4	8.0	9.5	10.5	6.5
EV/EBIT (adj.)	6.0	14.8	19.0	36.9	12.5
P/E (adj.)	6.8	19.1	24.7	77.1	14.4
P/B	0.9	1.1	1.3	1.1	1.0
Dividend-%	5.0 %	1.7 %	1.5 %	0.6 %	2.1 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.88	0.36	0.36	0.08	0.50
EPS (adj.)	0.88	0.36	0.37	0.09	0.50
OCF / share	0.27	0.64	0.73	0.87	1.11
OFCF / share	-1.19	-0.76	-0.97	-0.09	0.57
Book value / share	6.40	6.47	6.89	6.72	7.18
Dividend / share	0.30	0.12	0.14	0.04	0.15

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-15%	4%	26%	13%	10%
EBITDA growth-%	-50%	-27%	19%	-22%	54%
EBIT (adj.) growth-%	-58%	-46%	10%	-56%	182%
EPS (adj.) growth-%	-50%	-59%	1%	-75%	434%
EBITDA-%	12.2 %	8.6 %	8.1 %	5.6 %	7.9 %
EBIT (adj.)-%	9.0 %	4.7 %	4.1 %	1.6 %	4.1 %
EBIT-%	9.0 %	4.6 %	4.0 %	1.5 %	4.1 %
ROE-%	14.3 %	5.6 %	5.5 %	1.2 %	7.2 %
ROI-%	12.1 %	6.4 %	6.4 %	2.7 %	7.4 %
Equity ratio	55%	54%	51%	48%	50%
Gearing	5%	23%	33%	39%	31%
Net debt/EBITDA	0.2	1.4	1.9	2.8	1.5
EBITDA/net financials	97.8	7.9	8.1	6.0	10.2

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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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/24/2023	Reduce	6.00 €	6.35 €
3/17/2023	Reduce	6.00 €	6.29 €
	Analyst changed		
5/25/2023	Reduce	6.75 €	6.40 €
8/11/2023	Accumulate	6.75 €	6.19 €
8/25/2023	Accumulate	7.50 €	6.40 €
11/20/2023	Accumulate	7.00 €	6.35 €
2/13/2024	Accumulate	6.75 €	6.05 €
2/19/2024	Accumulate	6.75 €	6.18 €
4/12/2024	Reduce	6.75 €	7.18 €
5/15/2024	Reduce	7.00 €	7.60 €
8/19/2024	Reduce	7.50 €	7.50 €
11/18/2024	Reduce	7.25 €	7.08 €
1/16/2025	Reduce	7.25 €	7.14 €
2/18/2025	Reduce	7.25 €	7.10 €
5/12/2025	Accumulate	8.25 €	7.54 €
8/19/2025	Reduce	9.00 €	9.22 €
11/11/2025	Reduce	9.00 €	9.10 €
11/17/2025	Reduce	9.00 €	9.08 €
2/16/2026	Reduce	9.00 €	9.04 €
4/20/2026	Reduce	9.00 €	9.60 €
5/18/2026	Reduce	8.50 €	8.80 €
8/14/2026	Reduce	8.50 €	8.56 €
11/6/2026	Reduce	7.50 €	7.90 €
11/13/2026	Reduce	7.50 €	7.22 €



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