

NIBE INDUSTRIER B

16.05.2025 06:10 CEST



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COMPANY REPORT



We are waiting for better entry opportunities

NIBE's Q1 result was operationally largely in line with our expectations, and we made only minor upside revisions to our short-term earnings estimates. The company's outlook and market indicators continue to show signs of a recovery in the destocking situation. However, a meaningful recovery is likely to take time to materialize due to a slow recovery in consumer confidence and purchasing power, as well as in the new-build market. In our view, short-term drivers remain weak, and the stock is already sufficiently priced in for high earnings growth (2025e P/E: 31x). As a result, we reiterate our Reduce recommendation and our target price to SEK 40.0 per share.

Q1 broadly in line with expectations

NIBE's Q1 organic revenue increased by a modest 1.7% year-on-year to ~9.7 BNSEK, roughly in line with our and consensus forecasts. Revenue in Climate Solutions met our estimates with a 3% year-on-year increase to 6.0 BNSEK. As expected, inventory levels in the distribution chain continued to normalize in the European market, allowing consumer demand to more clearly reach the manufacturer level. The Element business area (2.9 BNSEK, 6% y/y) slightly exceeded our expectations, due to relatively stable demand, while Stoves (0.9 BNSEK, -12%) underperformed our expectations, driven by declining demand in Europe.

NIBE's Q1 adj. EBIT increased by 52% to 782 MSEK, above our expectations, primarily due to better-than-expected profitability in Climate Solutions and Element, while Stove's adjusted EBIT were below our expectations. Overall, given the challenging operating environment, we believe the profitability level (Q1'25 adj. EBIT margin: 8.1%) was stable, supported by the cost savings program and slightly increasing sales volumes.

We make only minor adjustments to estimates

In our view, given the Q1 figures and recent market data, it is

increasingly evident that the market has bottomed out. While normalized inventory levels across most European distribution channels support this view, we still expect the pace of recovery to be slow. In the near term, headwinds persist, including a weak economic environment, a sluggish new-build market, currency headwinds from a strengthening SEK, and continued subsidy uncertainty in some markets. While some volume growth and cost-saving measures are expected to support margins, these benefits will be partially offset by increased depreciation resulting from recent capacity investments. Moreover, a meaningful margin recovery would require a stronger rebound in volumes than was observed in the latest quarter, something that remains uncertain due to the continued weakness in residential markets. Additionally, rising competition and capacity expansion outpacing demand raise the risk of structural overcapacity and potential margin pressure.

Given these dynamics, we maintain our revenue estimates largely unchanged but increase our EBIT estimates slightly, reflecting better-than-expected profitability in Q1. Even so, our forecasts remain below the company's historical long-term margin levels, and we still view its ambition to reach historical profitability levels in 2025 as optimistic.

We continue to stay on the sidelines

NIBE's valuation level has historically been high (last 10y median P/E ~26x) due to its high quality, steady profit growth, and low-interest-rate environment. In our view, the valuation multiples are high in absolute terms (2025e P/E ~31x), and the DCF is also below the current share price. NIBE's track record of profitable growth is convincing, but the earnings growth outlook is slower, and in the current uncertain macroeconomic situation, overstretching multiples seems unwarranted. Hence, we continue to stay on the sidelines and wait for a better risk/reward.

Recommendation

Reduce
(prev. Reduce)

Target price:
40.0 SEK
(prev. 40.0 SEK)

Share price:
44.0 SEK

Business risk



Valuation risk



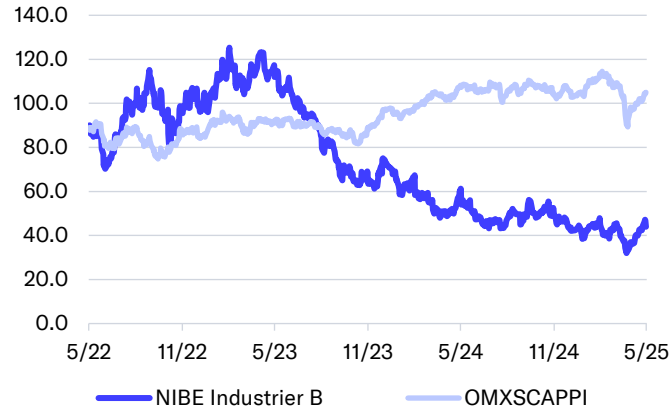
	2024	2025e	2026e	2027e
Revenue	40,521	41,903	44,893	48,567
growth-%	-13%	3%	7%	8%
EBIT adj.	3,226	4,532	5,086	5,568
EBIT-% adj.	8.0 %	10.8 %	11.3 %	11.5 %
Net Income	1,164	2,846	3,416	3,837
EPS (adj.)	0.80	1.41	1.69	1.90
P/E (adj.)	54.3	31.2	26.0	23.1
P/B	2.7	2.6	2.4	2.3
Dividend yield-%	0.7 %	1.0 %	1.5 %	1.5 %
EV/EBIT (adj.)	33.0	23.3	20.3	18.1
EV/EBITDA	21.6	15.3	13.6	12.6
EV/S	2.6	2.5	2.3	2.1

Source: Inderes

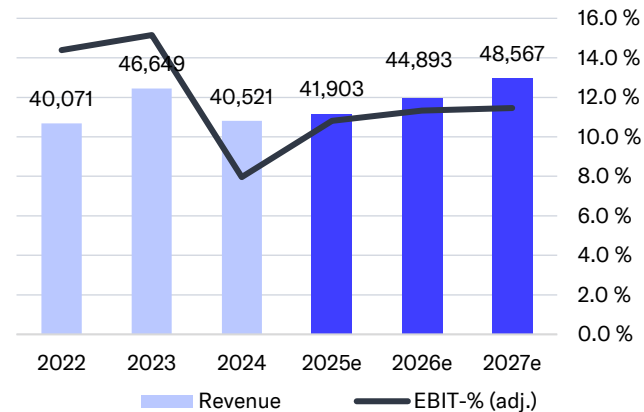
Guidance

(NIBE does not provide guidance)

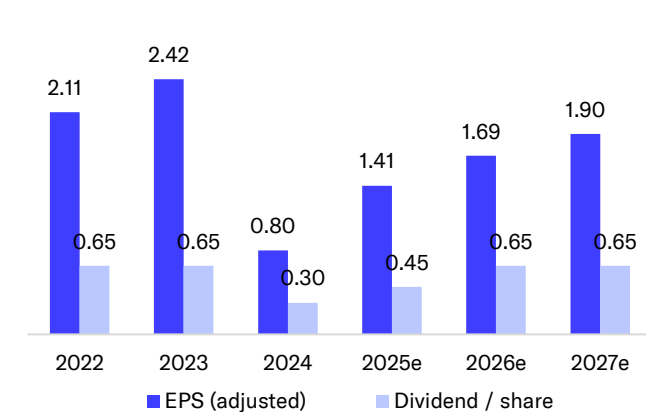
Share price



Revenue and EBIT-%



EPS and dividend



Value drivers

- Strong market position and globally well-known brands
- Good long-term prospects for renewable energy-based systems
- Energy efficiency investments support growth
- Vertical and horizontal synergies create efficiency and reduce costs

Risk factors

- Weak new construction market and uncertainty regarding future heat pump subsidies
- Somewhat cyclical demand
- Persistently unfavorable gas-to-electricity price ratios
- Risks generated by acquisitions and/or expansion investments

Valuation	2025e	2026e	2027e
Share price	44.0	44.0	44.0
Number of shares, millions	2,016	2,016	2,016
Market cap	88,707	88,707	88,707
EV	105,773	103,175	100,728
P/E (adj.)	31.2	26.0	23.1
P/E	31.2	26.0	23.1
P/B	2.6	2.4	2.3
P/S	2.1	2.0	1.8
EV/Sales	2.5	2.3	2.1
EV/EBITDA	15.3	13.6	12.6
EV/EBIT (adj.)	23.3	20.3	18.1
Payout ratio (%)	31.9 %	38.4 %	34.1 %
Dividend yield-%	1.0 %	1.5 %	1.5 %

Source: Inderes

Market has bottomed out, but the recovery has been gradual

Revenue largely in line with expectations

NIBE's Q1 organic revenue increased by a modest 1.7% year-on-year to ~9.7 BNSEK, roughly in line with our and consensus forecasts. Overall, the results suggest that the market has likely reached a trough, as anticipated, but point to a slow recovery ahead, constrained by a still weak economic environment and subdued consumer confidence.

Revenue in Climate Solutions, the largest business area and the focus of most expectations, met our estimates with a 3% year-on-year increase to 6.0 BNSEK. As expected, inventory levels in the distribution chain continued to normalize in the European market, allowing consumer demand to more clearly reach the manufacturer level. The Element business area (2.9 BNSEK, 6% y/y) slightly exceeded our expectations due to relatively stable demand in most of its market segments. Stoves (0.9 BNSEK, -12%) underperformed our expectations, driven by

declining demand in Europe. However, we anticipated a relatively low revenue contribution from this business area during the quarter as it returns to a more seasonal pattern, with lower sales in the first half of the year and a larger proportion of sales in the second half.

EBIT slightly beat expectations

NIBE's Q1 adj. EBIT increased by 52% to 782 MSEK, above our expectations primarily due to better-than-expected profitability in Climate Solutions and Element, while Stoves' adjusted EBIT was below our expectations. Overall, given the challenging operating environment, we believe the profitability level (Q1'25 adj. EBIT margin: 8.1%) was stable, supported by the cost savings program and slightly increasing sales volumes. It is worth noting, however, that the comparison level is very low, and achieving profitability consistent with historical levels will necessitate substantial sales growth.

In the lower lines of the income statement, adj. EPS increased to 0.19 SEK, slightly below our expectations, mainly due to higher financial expenses.

Inventory levels still on a high level

In our view, operating cash flow, after changes in working capital, was quite stable and amounted to 243 MSEK (-259 MSEK). The company currently holds 9.9 BNSEK in inventory, equivalent to ~24% of last year's revenue, which is still significantly higher than the pre-pandemic levels of 17-18%. Without a production ramp-up, the elevated inventory levels will likely put pressure on margins. The net debt/EBITDA ratio amounted to 3.1x by the end of the period. However, we are not currently concerned about the high ratio, as we believe it will improve with better profitability and inventory reduction efforts. Nevertheless, the likelihood of a significant acquisition in the near term appears low in our view.

Estimates	Q1'24	Q1'25	Q1'25e	Q1'25e	Consensus	Difference (%)	2025e
MSEK / SEK	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. Inderes	Inderes
Revenue	9,494	9,673	9,754	9,802	9,348 - 10,627	-1%	41,903
EBIT (adj.)	516	782	742	802	696 - 953	5%	4,532
EBIT	-579	782	742	802	696 - 953	5%	4,532
PTP	-911	514	532	567	395 - 705	-3%	3,679
EPS (adj.)	0.02	0.19	0.20	0.23	0.19 - 0.27	-4%	1.41
Revenue growth-%	-18.5 %	1.9 %	2.7 %	3.2 %	-1.5 % - 11.9 %	-0.9 pp	3.4 %
EBIT-%	5.4 %	8.1 %	7.6 %	8.2 %	7.4 % - 9.0 %	0.5 pp	10.8 %

Source: Inderes & Bloomberg
(28.04.25, 13 analysts)
(consensus)

Outlook remains roughly the same

We believe that the recovery will be gradual

While NIBE doesn't provide specific numerical guidance (this quarter being no exception), the company reaffirmed its relatively optimistic market outlook. NIBE assesses that inventories in its key distribution chains have returned to more acceptable levels in most European markets. Consequently, demand is now reaching manufacturers' production. The company also notes healthy underlying demand from end customers, driven by falling interest rates. Overall, NIBE reaffirms its expectation that these factors, coupled with the fully implemented action plan, will help the company return to operating margins within the historical range of each business area in 2025 (Climate Solutions: 13-15%, Element: 8-11%, and Stoves: 10-13%).

In our view, the primary risks for NIBE remain demand-related, particularly given global economic conditions. While we are not overly concerned about the immediate direct impact of potential tariffs on NIBE due to its localized

production, the broader indirect effects, such as weaker economic growth and declining consumer confidence, pose a clear downside risk to the economic outlook.

While the market has likely bottomed out, supported by normalized inventory levels across most European distribution channels, we still expect the pace of recovery to be slow. In the near term, headwinds persist, including a weak economic environment, a sluggish new-build market, currency headwinds from a strengthening SEK, and continued subsidy uncertainty. In light of these factors, we maintain our revenue estimates largely unchanged.

We still believe the 2025 margin ambition is overly optimistic

While some volume growth and cost-saving measures (around 350 MSEK in savings by 2025) are expected to support margins, these benefits will be partially offset by increased depreciation resulting from recent capacity

investments. Moreover, a meaningful margin recovery would require a stronger rebound in volumes than was observed in the latest quarter. This is something that remains uncertain due to continued weakness in residential markets and uncertainty around subsidies. Additionally, rising competition and capacity expansion outpacing demand raise the risk of structural overcapacity and potential margin pressure.

Given these dynamics, we view NIBE's ambition to return to historical margins by 2025 as optimistic. Nonetheless, we have slightly increased our overall EBIT estimates, reflecting better-than-expected profitability in Q1. Even so, our forecasts remain below the company's historical long-term margin levels.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MSEK / SEK	Old	New	%	Old	New	%	Old	New	%
Revenue	41,944	41,903	0%	44,917	44,893	0%	48,592	48,567	0%
EBITDA	6,693	6,919	3%	7,585	7,573	0%	8,011	8,000	0%
EBIT (excl. NRIs)	4,363	4,532	4%	5,091	5,086	0%	5,573	5,568	0%
EBIT	4,363	4,532	4%	5,091	5,086	0%	5,573	5,568	0%
PTP	3,638	3,679	1%	4,491	4,486	0%	4,973	4,968	0%
EPS (excl. NRIs)	1.39	1.41	1%	1.70	1.69	0%	1.91	1.90	0%
DPS	0.45	0.45	0%	0.65	0.65	0%	0.65	0.65	0%

Source: Inderes

Risk/reward is still weak on current levels

Valuation multiples and estimate risks are high for the coming years

The last six quarters have been challenging, with earnings falling significantly short of their potential due to challenging market conditions. Looking ahead, if the market environment improves and our forecast of an earnings recovery materializes, the estimated 2025 valuation multiples (P/E: 31x and EV/EBIT: 23x) fall at the upper end of our acceptable range and exceed the company's historical long-term medians. In our view, the stock already reflects high expectations for earnings growth, yet there are several risks associated with the anticipated recovery. These include elevated inventory levels, weak economic development, and heightened geopolitical tensions. In addition, intensifying market competition could put pressure on pricing power over time. In our view, the market is currently relying heavily on interest rate cuts to revive consumer purchasing power. However, we believe that this will likely not be visible in the economy until at least the second half of this year. As a result, we consider the 2025 valuation to be on the high side.

From our perspective, more attractive valuation levels may only emerge when looking at 2026 multiples (2026e: P/E: 26x and EV/EBIT: 22x), even though these estimates hinge on substantial and still uncertain improvements in earnings.

Priced to a premium compared to peers

On a relative basis, NIBE is trading at a premium compared to its peers at around 24-18%, based on earnings multiples for 2025-26. We believe that this premium is high, despite the company's good track record of profitable growth and

returns on capital. Also, compared to its international heat pump peers (such as Carrier, Trane, Lennox, and BeijerRef), NIBE is trading above them based on 2025-26 earnings multiples. We believe this valuation spread is unjustified, given similar growth expectations and margin potential.

DCF value also below the current share price

We also believe that the DCF model is a relevant valuation method for NIBE, given the availability of sufficient historical financial information, the stability of the industry, consistent growth and a relatively predictable business. Overall, the model expects NIBE to grow at a high single-digit rate in the medium term and at a mid-single-digit rate in the long term. From a DCF-based valuation perspective, therefore, one year of challenging figures does not affect the valuation too much. However, the value of our DCF model (SEK 40.0 per share) is below the current share price. Therefore, even in a DCF context, the current valuation is not attractive.

Thin expected returns at current valuations

We expect investors to receive an annual dividend yield of 1-2% over the next few years at the current share price, which leaves a thin dividend yield base. The earnings growth driver is currently turning in the right direction, but the starting level is low, and the growth rate is unclear. The share is expensive on an actual earnings basis and, in our view, NIBE's expected return is lower than the required return. As a result, we reiterate our Reduce recommendation and target price of SEK 40.0 per share.

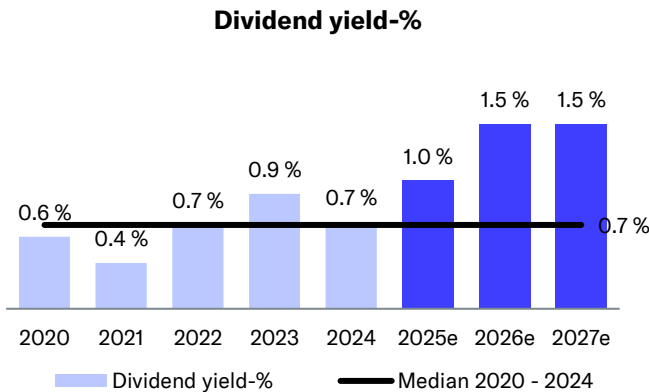
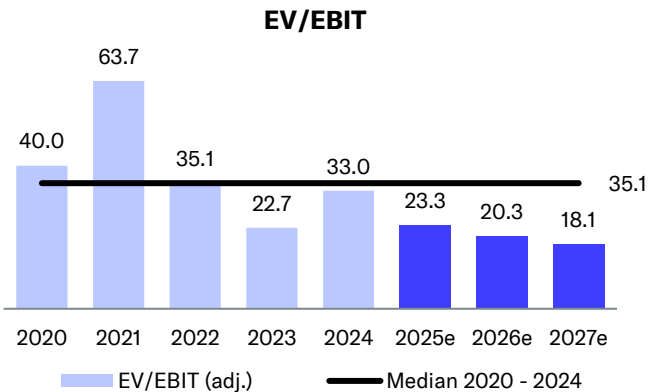
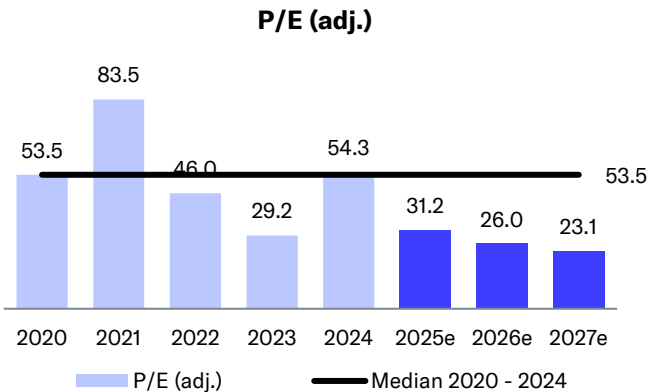
Valuation	2025e	2026e	2027e
Share price	44.0	44.0	44.0
Number of shares, millions	2,016	2,016	2,016
Market cap	88,707	88,707	88,707
EV	105,773	103,175	100,728
P/E (adj.)	31.2	26.0	23.1
P/E	31.2	26.0	23.1
P/B	2.6	2.4	2.3
P/S	2.1	2.0	1.8
EV/Sales	2.5	2.3	2.1
EV/EBITDA	15.3	13.6	12.6
EV/EBIT (adj.)	23.3	20.3	18.1
Payout ratio (%)	31.9 %	38.4 %	34.1 %
Dividend yield-%	1.0 %	1.5 %	1.5 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	67.4	136.8	97.1	70.8	43.2	44.0	44.0	44.0	44.0
Number of shares, millions	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016
Market cap	135,933	275,697	195,760	142,738	87,175	88,707	88,707	88,707	88,707
EV	142,293	283,549	202,352	160,174	106,382	105,773	103,175	100,728	97,712
P/E (adj.)	53.5	83.5	46.0	29.2	54.3	31.2	26.0	23.1	19.9
P/E	47.4	83.0	45.0	29.8	74.9	31.2	26.0	23.1	19.9
P/B	7.7	12.9	7.0	5.2	2.7	2.6	2.4	2.3	2.1
P/S	5.0	8.9	4.9	3.1	2.2	2.1	2.0	1.8	1.7
EV/Sales	5.2	9.2	5.0	3.4	2.6	2.5	2.3	2.1	1.9
EV/EBITDA	27.8	49.2	27.1	18.2	21.6	15.3	13.6	12.6	11.3
EV/EBIT (adj.)	40.0	63.7	35.1	22.7	33.0	23.3	20.3	18.1	15.6
Payout ratio (%)	27.3 %	30.4 %	30.1 %	27.4 %	52.0 %	31.9 %	38.4 %	34.1 %	30.0 %
Dividend yield-%	0.6 %	0.4 %	0.7 %	0.9 %	0.7 %	1.0 %	1.5 %	1.5 %	1.5 %

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 Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Kone	29,509	29,075	21.0	19.1	17.1	15.7	2.6	2.4	27.1	24.6	3.4	3.6	9.7
Assa Abloy	31,783	38,317	17.3	15.6	14.1	13.0	2.7	2.6	22.4	19.3	2.0	2.2	3.1
Hexagon	24,538	28,052	18.9	16.9	13.6	12.6	5.1	4.8	21.2	18.8	1.6	1.7	2.1
Beijer Ref	7,145	8,059	22.7	20.9	18.0	16.6	2.3	2.2	30.7	27.0	1.0	1.1	3.0
Tomra Systems	3,801	4,242	22.9	17.1	15.3	12.0	2.9	2.5	31.6	22.7	1.6	2.3	5.6
Thule Group	2,538	2,922	16.8	14.6	14.3	12.7	3.0	2.8	20.6	17.5	3.7	4.2	3.4
Munters Group	2,349	3,027	18.0	14.8	13.1	11.2	2.2	2.0	23.9	17.6	1.3	1.6	4.3
Trane Technologies	84,199	87,841	25.1	22.8	22.8	20.9	4.6	4.3	32.7	29.2	0.9	0.9	11.2
Carrier	56,312	65,091	19.5	17.8	15.6	14.4	3.2	3.0	24.3	21.5	1.2	1.3	4.7
Lennox International Inc	18,849	19,677	20.9	19.1	19.1	17.6	4.0	3.8	26.0	23.6	0.8	0.8	17.3
NIBE Industrier B (Inderes)	8,138	9,704	23.3	20.3	15.3	13.6	2.5	2.3	31.2	26.0	1.0	1.5	2.6
Average			20.3	17.9	16.3	14.7	3.2	3.0	26.0	22.2	1.7	2.0	6.4
Median			20.2	17.5	15.5	13.7	2.9	2.7	25.1	22.1	1.4	1.6	4.5
Diff-% to median			15%	16%	-1%	-1%	-14%	-15%	24%	18%	-28%	-10%	-43%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	46,649	40,521	9,673	10,371	10,326	11,533	41,903	44,893	48,567	52,541
Climate Solutions	31,373	26,037	6,022	6,777	6,762	7,508	27,069	28,964	31,281	33,783
Element	11,898	11,092	2,888	2,932	2,847	2,994	11,660	12,534	13,600	14,756
Stoves	4,758	3,864	926	818	872	1,204	3,820	4,068	4,414	4,789
Eliminations	-1,380	-472	-163	-156	-155	-173	-646	-673	-728	-788
EBITDA	8,797	4,916	1,309	1,678	1,808	2,124	6,919	7,573	8,000	8,651
Depreciation	-1,824	-2,245	-527	-560	-600	-700	-2,387	-2,487	-2,432	-2,385
EBIT (excl. NRI)	7,069	3,226	782	1,118	1,208	1,424	4,532	5,086	5,568	6,265
EBIT	6,973	2,671	782	1,118	1,208	1,424	4,532	5,086	5,568	6,265
Climate Solutions	5,596	1,600	555	847	913	1,051	3,366	3,620	3,910	4,392
Element	942	362	179	235	242	269	925	1,128	1,292	1,476
Stoves	533	143	61	57	74	126	319	427	463	503
Eliminations	-98	566	-13	-21	-21	-23	-77	-90	-97	-105
Share of profits in assoc. compan.	0	0	0	0	0	0	0	0	0	0
Net financial items	-642	-1,135	-268	-250	-175	-160	-853	-600	-600	-500
PTP	6,331	1,536	514	868	1,033	1,264	3,679	4,486	4,968	5,765
Taxes	-1,535	-374	-123	-191	-227	-278	-819	-1,032	-1,093	-1,268
Minority interest	-11	2	1	-5	-5	-5	-14	-38	-38	-38
Net earnings	4,785	1,164	392	672	801	981	2,846	3,416	3,837	4,459
EPS (adj.)	2.42	0.80	0.19	0.33	0.40	0.49	1.41	1.69	1.90	2.21
EPS (rep.)	2.37	0.58	0.19	0.33	0.40	0.49	1.41	1.69	1.90	2.21

Key figures	2023	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	16.4 %	-13.1 %	1.9 %	3.3 %	3.6 %	4.6 %	3.4 %	7.1 %	8.2 %	8.2 %
Adjusted EBIT growth-%	22.6 %	-54.4 %	51.6 %	67.1 %	32.5 %	26.1 %	40.5 %	12.2 %	9.5 %	12.5 %
EBITDA-%	18.9 %	12.1 %	13.5 %	16.2 %	17.5 %	18.4 %	16.5 %	16.9 %	16.5 %	16.5 %
Adjusted EBIT-%	15.2 %	8.0 %	8.1 %	10.8 %	11.7 %	12.3 %	10.8 %	11.3 %	11.5 %	11.9 %
Net earnings-%	10.3 %	2.9 %	4.1 %	6.5 %	7.8 %	8.5 %	6.8 %	7.6 %	7.9 %	8.5 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	43,906	46,979	46,702	46,380	46,144
Goodwill	26,076	26,076	26,076	26,076	26,076
Intangible assets	4,938	6,165	5,758	5,791	5,856
Tangible assets	11,568	13,214	13,344	12,989	12,688
Associated companies	753	953	953	953	953
Other investments	31	31	31	31	31
Other non-current assets	192	192	192	192	192
Deferred tax assets	348	348	348	348	348
Current assets	24,198	23,427	22,627	24,242	25,740
Inventories	13,227	10,644	10,057	9,877	10,199
Other current assets	0	0	0	0	0
Receivables	6,688	7,176	7,123	7,632	8,256
Cash and equivalents	4,283	5,607	5,447	6,734	7,285
Balance sheet total	68,104	70,406	69,329	70,623	71,884

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	27,420	32,140	34,381	36,890	39,417
Share capital	79	79	79	79	79
Retained earnings	22,760	27,480	29,721	32,230	34,757
Hybrid bonds	0	0	0	0	0
Revaluation reserve	0	0	0	0	0
Other equity	4,543	4,543	4,543	4,543	4,543
Minorities	38	38	38	38	38
Non-current liabilities	25,119	22,615	19,881	19,098	17,964
Deferred tax liabilities	0	0	0	0	0
Provisions	2,787	2,787	2,787	2,787	2,787
Interest bearing debt	16,922	17,625	14,891	14,108	12,974
Convertibles	0	0	0	0	0
Other long term liabilities	5,410	2,203	2,203	2,203	2,203
Current liabilities	15,565	15,651	15,067	14,634	14,503
Interest bearing debt	4,599	7,086	7,525	7,003	6,247
Payables	10,966	8,565	7,542	7,632	8,256
Other current liabilities	0	0	0	0	0
Balance sheet total	68,104	70,406	69,329	70,623	71,884

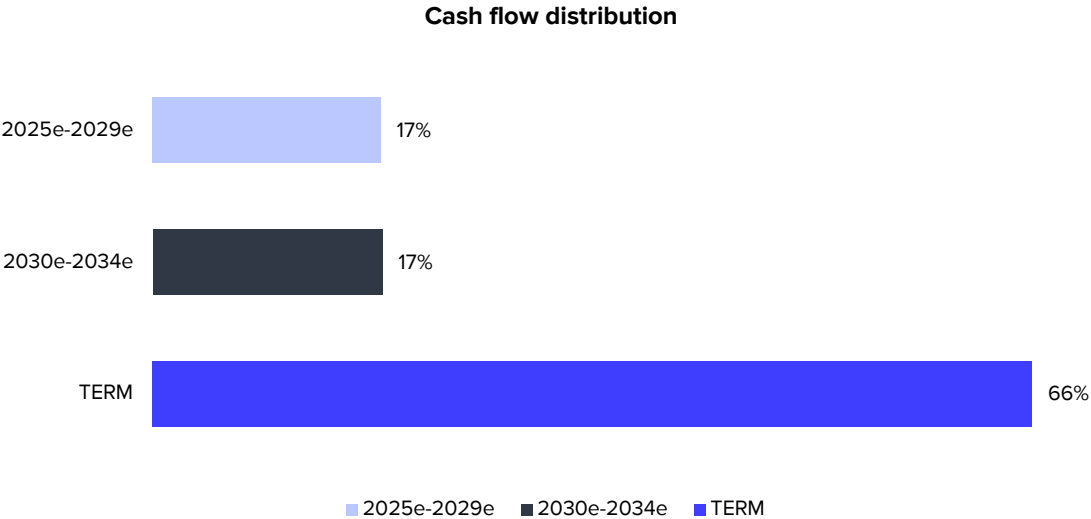
DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-13.1 %	3.4 %	7.1 %	8.2 %	8.2 %	8.0 %	7.5 %	7.0 %	6.5 %	5.0 %	2.5 %	2.5 %
EBIT-%	6.6 %	10.8 %	11.3 %	11.5 %	11.9 %	12.2 %	12.5 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %
EBIT (operating profit)	2,671	4,532	5,086	5,568	6,265	6,923	7,625	8,485	9,037	9,488	9,729	
+ Depreciation	2,245	2,387	2,487	2,432	2,385	2,345	2,340	2,308	2,287	2,270	2,124	
- Paid taxes	-374	-819	-1,032	-1,093	-1,268	-1,435	-1,611	-1,823	-1,944	-2,043	-2,127	
- Tax, financial expenses	-276	-190	-138	-132	-110	-88	-66	-44	-44	-44	-13	
+ Tax, financial income	0	0	0	0	0	0	0	0	0	0	0	
- Change in working capital	-306	-383	-239	-322	-309	-841	-851	-854	-849	-695	-371	
Operating cash flow	3,960	5,527	6,164	6,453	6,963	6,904	7,436	8,072	8,487	8,976	9,342	
+ Change in other long-term liabilities	-3,207	0	0	0	0	0	0	0	0	0	0	
- Gross CAPEX	-5,118	-2,110	-2,165	-2,195	-2,215	-2,240	-2,260	-2,280	-2,280	-2,280	-2,045	
Free operating cash flow	-4,365	3,417	3,999	4,258	4,748	4,664	5,176	5,792	6,207	6,696	7,297	
+/- Other	0	0	0	0	0	0	0	0	0	0	0	
FCFF	-4,365	3,417	3,999	4,258	4,748	4,664	5,176	5,792	6,207	6,696	7,297	138,077
Discounted FCFF		3,257	3,531	3,482	3,597	3,272	3,364	3,487	3,461	3,459	3,491	66,063
Sum of FCFF present value		100,464	97,207	93,676	90,194	86,598	83,325	79,961	76,474	73,013	69,554	66,063
Enterprise value DCF		100,464										
- Interest bearing debt		-24,711										
+ Cash and cash equivalents		5,607										
-Minorities		-98										
-Dividend/capital return		-605										
Equity value DCF		80,657										
Equity value DCF per share		40.0										

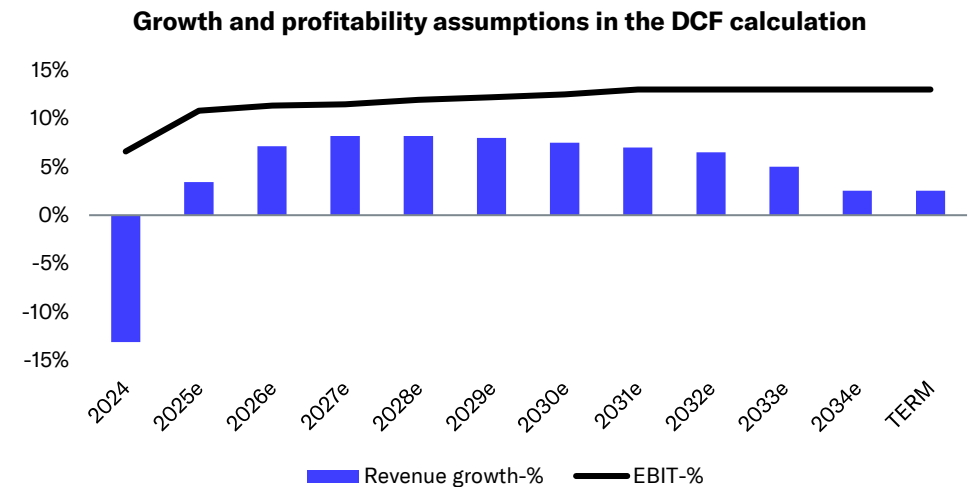
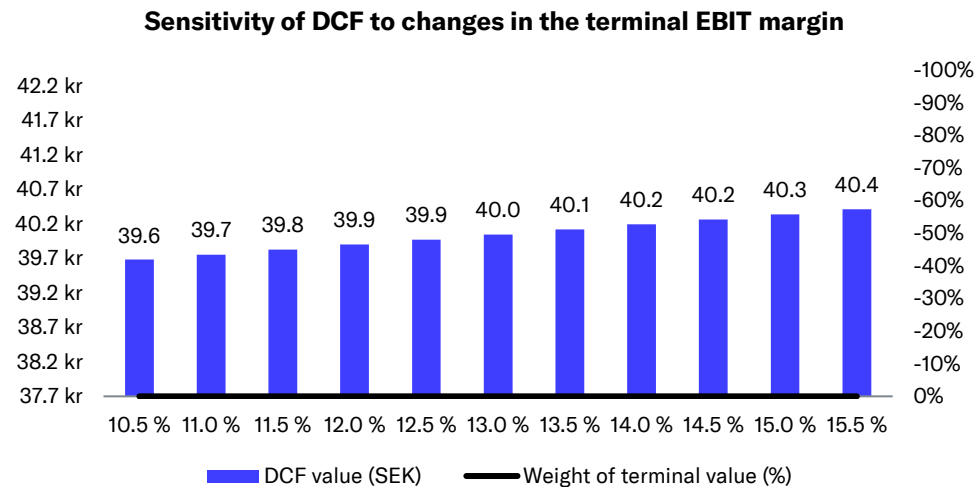
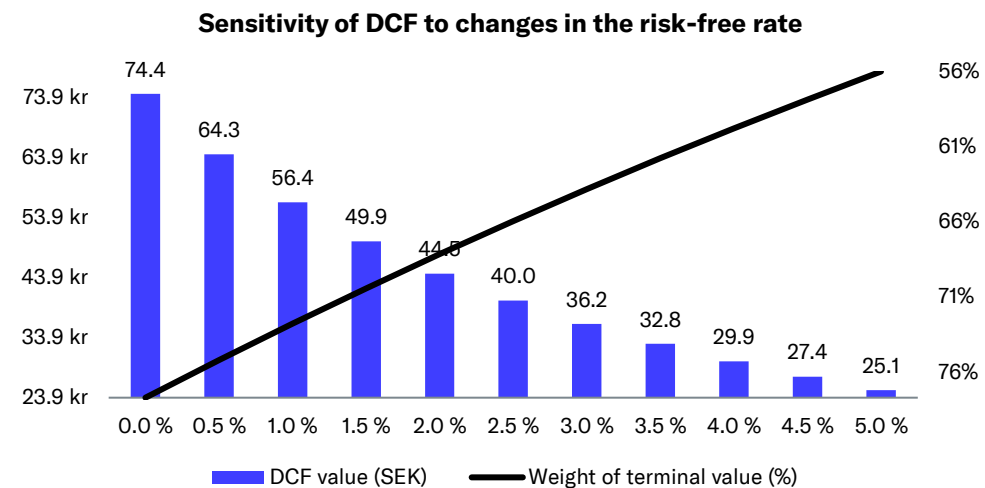
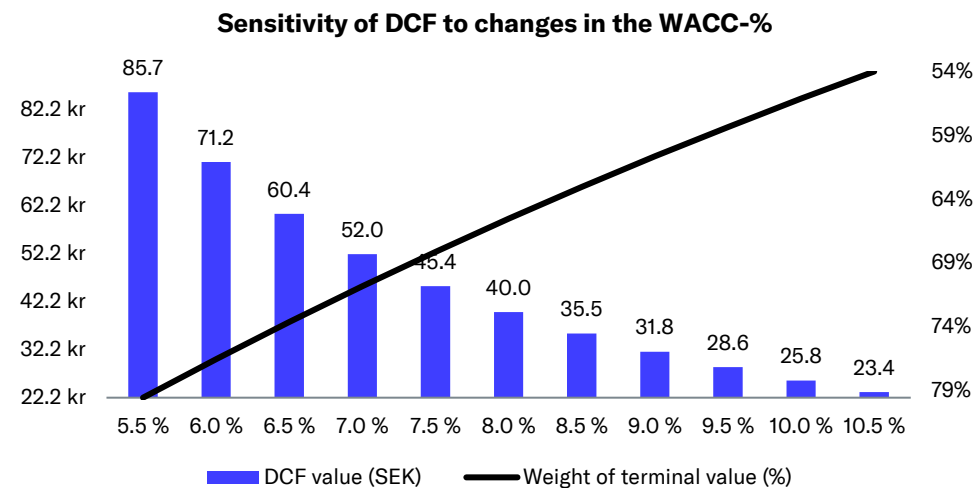
WACC

Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	15.0 %
Cost of debt	5.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	8.7 %
Weighted average cost of capital (WACC)	8.0 %

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	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	40,071	46,649	40,521	41,903	44,893	EPS (reported)	2.16	2.37	0.58	1.41	1.69
EBITDA	7,460	8,797	4,916	6,919	7,573	EPS (adj.)	2.11	2.42	0.80	1.41	1.69
EBIT	5,863	6,973	2,671	4,532	5,086	OCF / share	1.48	3.32	1.96	2.74	3.06
PTP	5,675	6,331	1,536	3,679	4,486	OFCF / share	-1.34	-2.36	-2.17	1.70	1.98
Net Income	4,351	4,785	1,164	2,846	3,416	Book value / share	13.86	13.58	15.92	17.03	18.28
Extraordinary items	99	-96	-555	0	0	Dividend / share	0.65	0.65	0.30	0.45	0.65
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	53,994	68,104	70,406	69,329	70,623	Revenue growth-%	30%	16%	-13%	3%	7%
Equity capital	27,973	27,420	32,140	34,381	36,890	EBITDA growth-%	29%	18%	-44%	41%	9%
Goodwill	17,630	26,076	26,076	26,076	26,076	EBIT (adj.) growth-%	29%	23%	-54%	40%	12%
Net debt	6,326	17,238	19,104	16,968	14,377	EPS (adj.) growth-%	29%	15%	-67%	77%	20%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	18.6 %	18.9 %	12.1 %	16.5 %	16.9 %
EBITDA	7,460	8,797	4,916	6,919	7,573	EBIT (adj.)-%	14.4 %	15.2 %	8.0 %	10.8 %	11.3 %
Change in working capital	-3,180	-409	-306	-383	-239	EBIT-%	14.6 %	14.9 %	6.6 %	10.8 %	11.3 %
Operating cash flow	2,994	6,697	3,960	5,527	6,164	ROE-%	17.6 %	17.3 %	3.9 %	8.6 %	9.6 %
CAPEX	-5,983	-13,565	-5,118	-2,110	-2,165	ROI-%	16.7 %	15.8 %	5.0 %	8.0 %	8.9 %
Free cash flow	-2,696	-4,754	-4,365	3,417	3,999	Equity ratio	51.8 %	40.3 %	45.6 %	49.6 %	52.2 %
						Gearing	22.6 %	62.9 %	59.4 %	49.4 %	39.0 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	5.0	3.4	2.6	2.5	2.3						
EV/EBITDA	27.1	18.2	21.6	15.3	13.6						
EV/EBIT (adj.)	35.1	22.7	33.0	23.3	20.3						
P/E (adj.)	46.0	29.2	54.3	31.2	26.0						
P/B	7.0	5.2	2.7	2.6	2.4						
Dividend-%	0.7 %	0.9 %	0.7 %	1.0 %	1.5 %						

Source: Inderes

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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
2023-09-20	Reduce	74.1 kr	70.5 kr
2023-11-16	Reduce	62.0 kr	67.5 kr
2023-02-13	Reduce	59.0 kr	66.5 kr
2023-02-19	Reduce	56.0 kr	59.0 kr
2024-05-17	Reduce	55.0 kr	61.3 kr
2024-08-19	Accumulate	53.0 kr	47.8 kr
2024-11-18	Reduce	52.0 kr	50.1 kr
2025-02-04	Reduce	42.0 kr	43.5 kr
2025-02-17	Reduce	44.0 kr	44.7 kr
2025-05-04	Reduce	40.0 kr	42.7 kr
2025-05-16	Reduce	40.0 kr	44.0 kr



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