

KALMAR

07/27/2025 8:00 EEST

This is a translated version of the "Vahvaa suorittamista epävarmuudesta huolimatta" report, published on 07/28/2025



Aapeli Pursimo
+358 40 719 6067
aapeli.pursimo@inderes.fi

COMPANY REPORT



Strong performance despite uncertainty

Kalmar's Q2 figures broadly exceeded our estimates, and order intake, in particular, was significantly more active than both our and consensus expectations. By contrast, market comments on the outlook for the rest of the year turned cautious. However, the company did not highlight concrete signs of a softening demand situation, with the exception of the Americas, where the situation has been somewhat similar for some time. Thus, we interpret the comments as more indicative of a cautious approach to elevated uncertainty. Therefore, we raised our estimates slightly to reflect the stronger-than-expected report and revised our target price to EUR 39 (was 37). Similarly, reflecting the neutral pricing of the stock, we reiterate our Reduce recommendation.

The Q2 report broadly exceeded our expectations

Kalmar's revenue remained unchanged year-on-year, which slightly exceeded our forecast but was in line with market expectations. In Q2, Kalmar's adjusted EBIT amounted to 54.9 MEUR, which exceeded both our and consensus estimates. Of the segments, the margin level of equipment was very good at 13.9% (Q2'24: 13.1%) and far higher than our expectations (Inderes estimate 12.4%). Instead, the margin level of services was slightly weighed down by a small lag in tariff-related price increases (~half of the quarter), as well as measures taken to transfer and outsource inventory in the US and the transfer of the European distribution center. As a result, the profitability of services also fell short of our forecasts. Based on the earnings call, expenses were temporary and directed at Q2. The positive momentum in orders continued as in previous quarters, as the Q2 order intake (450 MEUR, +20% y/y) beat both our and the market's forecasts (+2-3% y/y) clearly. The increase in orders was particularly strong in equipment (+28% y/y), but service orders also grew nicely (+7% y/y). Geographically, growth focused particularly on Europe and the Americas (+24-25% y/y).

Market comments were cautious, forecasts still raised

However, market comments on the outlook for the rest of the year turned cautious in our view (cf. customs policy was highlighted throughout Q2, activity of connected devices grew in Q2 y/y excl. North America). Kalmar commented that due to the prevailing uncertainty, the market environment is expected to be more subdued in H2. Apart from increased caution in the Americas and general slowness in decision-making, it did not indicate any concrete signs of a softening demand situation. With this, we interpret the comments as indicating more of a cautious approach to uncertainty. The company made no changes to its guidance in connection with the report and expects its comparable EBIT margin to be over 12% this year.

Reflecting the recent order flow, we raised our revenue forecasts for the coming years by 2-3%. Together with our raised equipment margins, our earnings forecasts rose relatively more (adj. EBIT 2025e-27e +4-8%). We expect this year's adjusted EBIT margin to settle at 13.1% (was 12.5%). We believe the company has the potential to raise its 2025 guidance as the year progresses, supported by deliveries from a strengthened order book, provided there are no major disruptions in the operating environment.

The stock is sensibly priced

Based on our updated estimates, Kalmar's adjusted EV/EBIT figures for 2025 and 2026 are around 11x and 10x, while the P/E ratios are around 15x and 14x. We believe the multiples are at a reasonable level, considering the company's return on capital (cf. previous 12 months ROCE %: ~21%). However, we believe the multiples are currently driven by elevated forecast risks due to geopolitical tensions, also considering the company's market comments. Our view of the stock's current sensible pricing is also supported by our DCF model, which is around the current share price (EUR ~40 per share).

Recommendation

Reduce

(was Reduce)

Target price:

EUR 39.00

(was EUR 37.00)

Share price:

EUR 38.80

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	1720	1740	1832	1953
growth-%	-16%	1%	5%	7%
EBIT adj.	216.8	228.2	244.3	263.8
EBIT-% adj.	12.6 %	13.1 %	13.3 %	13.5 %
Net Income	127.9	165.9	182.8	200.6
EPS (adj.)	2.53	2.63	2.85	3.13
P/E (adj.)	12.6	14.8	13.6	12.4
P/B	3.2	3.4	2.9	2.5
Dividend yield-%	3.1 %	2.8 %	3.1 %	3.3 %
EV/EBIT (adj.)	9.8	10.9	9.8	8.6
EV/EBITDA	8.8	8.8	7.9	7.0
EV/S	1.2	1.4	1.3	1.2

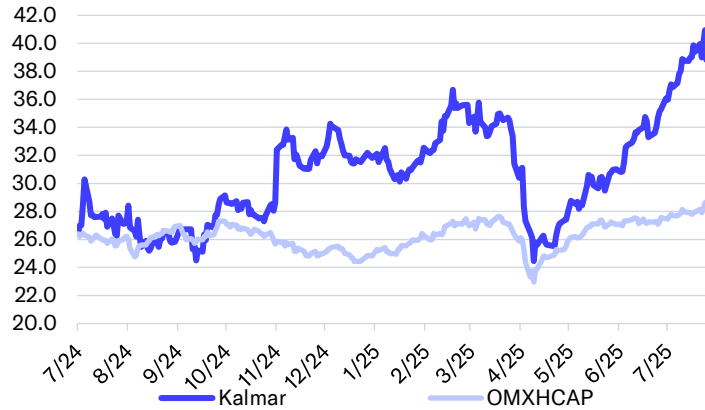
Source: Inderes

Guidance

(Unchanged)

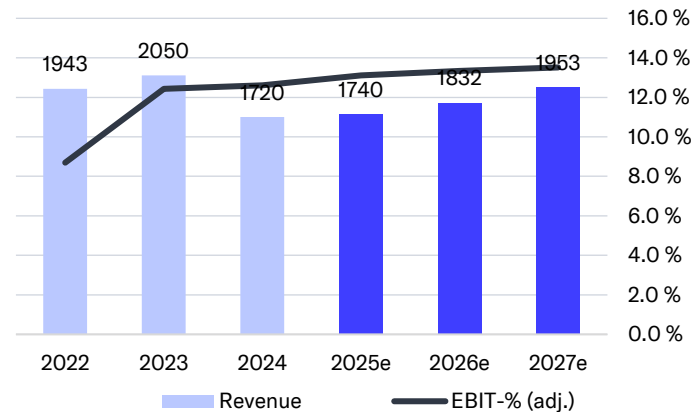
Kalmar expects its comparable operating profit margin to be above 12 percent in 2025.

Share price



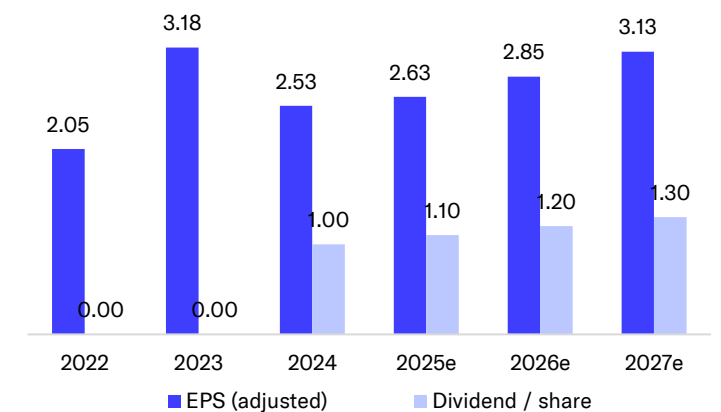
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Accelerating container transport growth from H2'24 onwards
- Progress in equipment electrification and automation of container handling
- Growth of service business through more efficient utilization of the installed equipment base and digitalization

Risk factors

- General cyclicalities of equipment demand
- Increasing geopolitical tensions
- Intensified price competition, particularly from Chinese players
- Electrification and automation will not progress at the expected pace

Valuation	2025e	2026e	2027e
Share price	38.8	38.8	38.8
Number of shares, millions	64.1	64.1	64.1
Market cap	2486	2486	2486
EV	2480	2385	2280
P/E (adj.)	14.8	13.6	12.4
P/E	15.0	13.6	12.4
P/B	3.4	2.9	2.5
P/S	1.4	1.4	1.3
EV/Sales	1.4	1.3	1.2
EV/EBITDA	8.8	7.9	7.0
EV/EBIT (adj.)	10.9	9.8	8.6
Payout ratio (%)	42.4 %	42.0 %	41.5 %
Dividend yield-%	2.8 %	3.1 %	3.3 %

Source: Inderes

The Q2 report was broadly stronger than our expectations

Revenue at the level of the comparison period

Kalmar's revenue remained at the level of the comparison period, which slightly exceeded our forecast, but was in line with market expectations. Viewed by segment, the forecast beat was driven by the development of equipment revenue (act. +1 % y/y vs. Inderes -4 % y/y).

Correspondingly, service revenue grew by 4% from the comparison period, in line with our expectations. The share of services in revenue was stable (34% vs. Q2'24: 33%).

Regionally, revenue in Europe turned to strong growth (+17%), and growth in AMEA also remained at a good level (+11%). By contrast, revenue in the Americas continued to decline sharply (-20% y/y), mainly due to the prolonged softness of the demand situation in the market area.

Equipment margin at a strong level

In Q2, Kalmar's adjusted EBIT amounted to 54.9 MEUR, which exceeded both our and consensus estimates. This corresponded to an adjusted EBIT margin of 13.1 %. Of the

segments, the margin level of equipment was very good at 13.9% (Q2'24: 13.1%) and far higher than our expectations (Inderes estimate 12.4%). Profitability was supported by commercial performance and performance development measures (Driving Excellence program). Instead, the margin level of services was slightly weighed down by a small lag in tariff-related price increases (~half of the quarter), as well as measures taken to transfer and outsource inventory in the US and the transfer of the European distribution center. As a result, the profitability of services also fell short of our forecasts. Based on the earnings call, expenses were temporary and directed at Q2.

The positive momentum in orders continued

Kalmar's Q2 order intake (450 MEUR, +20% y/y) clearly exceeded both our forecast (Inderes' estimate +2% y/y) and the consensus (estimate +3% y/y). The increase in orders was particularly strong in equipment (+28% y/y), but service orders also grew nicely (+7% y/y). According to the

company, the demand environment was favorable in Q2, especially in ports and terminals, while demand in the US distribution segment was weakened by market uncertainty. Geographically, order growth was strongest in Europe (+25% y/y) and the Americas (+24% y/y), while in AMEA, growth was 8% compared to the reference period. As expected, currencies also weighed slightly (-2% y/y) on reported development in the quarter for both orders and revenue.

Very strong financial position

Cash flow from operating activities (incl. payments of lease liabilities) was 81 MEUR in H1 (H1'24: 77 MEUR) and 60 MEUR of free cash flow was created (H1'24: 59 MEUR). Mirroring this and dividend payment occurring in Q2, the company had 91 MEUR of interest-bearing net debt at the end of the quarter, and balance sheet ratios were very strong (net gearing 15%; net debt/EBITDA 0.4x).

Estimates MEUR / EUR	Q2'24	Q2'25	Q2'25e	Q2'25e	Consensus	Difference (%)	2025e
	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. Inderes	Inderes
Revenue	417	420	411	421	398-434	2%	1740
EBIT (adj.)	52.4	54.9	50.2	52.7	48.0-57.1	9%	228
EBIT	35.8	53.9	50.2	51.3	47.0-57.1	7%	225
PTP	39.7	51.7	47.5	48.7	44.0-54.3	9%	215
EPS (reported)	0.49	0.61	0.57	0.58	0.50-0.65	7%	2.59
Revenue growth-%	-24.5 %	0.9 %	-1.2 %	1.1 %	-4.4 %-4.2 %	2.2 pp	1.1 %
EBIT-% (adj.)	12.6 %	13.1 %	12.2 %	12.5 %	12.1 %-13.2 %	0.9 pp	13.1 %

Source: Inderes & Vara Research
(22.7.2025, 8 estimates)
(consensus)

We raised our estimates slightly, despite cautious market comments

Uncertainty was highlighted

We found the company's market commentary on past performance positive, except for the softening demand observed in the Americas towards the end of Q2. The situation was, however, largely similar to before, as the demand outlook for the US distribution customer segment, which is particularly important for the company, has been rather soft for some time.

Instead, market comments on the outlook for the rest of the year turned cautious in our view (cf. customs policy was highlighted throughout Q2, activity of connected devices grew in Q2 y/y excl. North America). Regarding the outlook, the company commented that due to the prevailing uncertainty (e.g. geo- and trade policy tensions), the market environment is expected to be weaker in H2. However, apart from increased caution in the Americas and general slowness in decision-making (this also remains unchanged), it did not indicate any concrete signs of a softening demand situation. Consequently, we interpret the

comments as indicating a cautious approach to uncertainty, considering that we believe the company has also been on the cautious side in its statements during its stock market history to date. We feel this is partly indicated by Kalmar's comments that it is difficult to draw final conclusions about the situation's impact on the company. On the other hand, we also see some justification for caution due to the US' rather unpredictable tariff policy to date and the widely increased geopolitical tensions.

Guidance unchanged

Kalmar reiterated its guidance for 2025 and expects its comparable EBIT margin to be over 12%, which indicates development at the lower end of the range.

In addition, the company said it has progressed in developing business execution (Driving Excellence program) and achieved approximately 16 MEUR in annual gross efficiency improvements during H1'25 (cf. Q1'25: 9 MEUR), mainly due to successful procurement activities.

The company has announced that it aims for gross annual improvements of a total of 50 MEUR by the end of 2026.

Positive revisions for the coming years

Reflecting the report, we raised our forecasts for the coming years slightly. Following orders exceeding our expectations, we raised our order and revenue forecasts for the coming years. Together with our raised equipment margins, our earnings forecasts increased relatively more. We now expect the adjusted EBIT margin for 2025 to be 13.1% (was 12.5%). We believe the company has the potential to raise its 2025 guidance as the year progresses, supported by deliveries from a strengthened order book, provided there are no major disruptions in the operating environment. We also slightly raised our longer-term margin assumptions due to the positive development of device margins (incl. terminal margin of 10.5% vs. previous 10.0%).

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	1691	1740	3%	1791	1832	2%	1921	1953	2%
EBITDA	264	281	7%	288	302	5%	312	324	4%
EBIT (excl. NRIs)	212	228	8%	232	244	5%	253	264	4%
EBIT	210	225	7%	232	244	5%	253	264	4%
PTP	199	215	8%	225	237	6%	249	261	5%
EPS (excl. NRIs)	2.43	2.63	8%	2.70	2.85	6%	2.99	3.13	5%
DPS	1.10	1.10	0%	1.20	1.20	0%	1.30	1.30	0%

Source: Inderes

Kalmar Oyj, Half-year financial report January-June 2025



The stock is sensibly priced

Valuation at a reasonable level

With our updated forecasts, the EV/EBIT ratios considering Kalmar's strong balance sheet in 2025 and 2026 are approximately 11x and 10x. The corresponding net profit-based P/E ratios are approximately 15x and 14x.

We believe the multiples are at a reasonable level, considering the company's return on capital (cf. previous 12 months ROCE %: 20.7%). At the same time, we feel that the multiples are limited in the short term by the elevated forecast risks due to trade policy tensions, also considering the company's market comments. In addition, we find that the acceptable EV-based valuation is limited by decisions relating to capital allocation. The company has commented that it does not target material inorganic growth within its current strategy, while its dividend policy is to distribute 30-50% of the annual result. In our view, this is not fully optimal from a capital efficiency perspective, and in practice, the company's balance sheet remains even excessively strong. On the other hand, we feel the company has the prerequisites to improve its capital efficiency within the framework of its current strategy, e.g., through a slightly more generous profit distribution. However, a strong balance sheet provides the company with security for potential downturns.

Overall, we see Kalmar having good prerequisites for earnings growth in the longer term through market growth and its efficiency programs. However, regarding the achievement of the 2028 target level (adj. EBIT-% > 15%), we await further evidence despite raised estimates (cf. 2028e adjusted EBIT-%: 13.7% vs. previous 13.4%).

Relative valuation

Kalmar's earnings-based valuation trades at a clear discount in terms of EBIT compared to the broader peer group, which we find somewhat highly priced. Similarly, Kalmar's net earnings-based valuation is, on average, in line with that of its peer group. In relative terms, we believe Kalmar's stock is relatively reasonably priced.

Total expected return at the level of the required return

Assuming Kalmar's earnings development progresses in line with our expectations, we believe the company and the stock could justifiably be priced at an 11x-12x EV/EBIT ratio and a 13x-15x P/E ratio with the realized earnings at the end of 2027 if no significant changes occur in market pricing or interest rates. This would be equivalent to a value of EUR 45-51 per share. Converted to annual return, this would correspond to an average of approximately 8%, in addition to which we believe the stock offers an annual dividend yield of some 3%. Thus, the medium-term total expected return would slightly exceed the required return on equity of nearly 10%. However, we note that the expected return is back-loaded and relies more heavily on EV-based valuation, which has its own additional challenges when forecasting over a longer period (i.e., capital structure).

DCF value slightly below the share price

Our view of the stock's sensible pricing is also supported by our longer-term DCF model, which is roughly in line with the share price (EUR ~40).

Reflecting on the overall valuation picture, we see the stock as being quite reasonably priced at the moment, but upside requires the uncertainty to dissipate and the earnings growth outlook to strengthen.

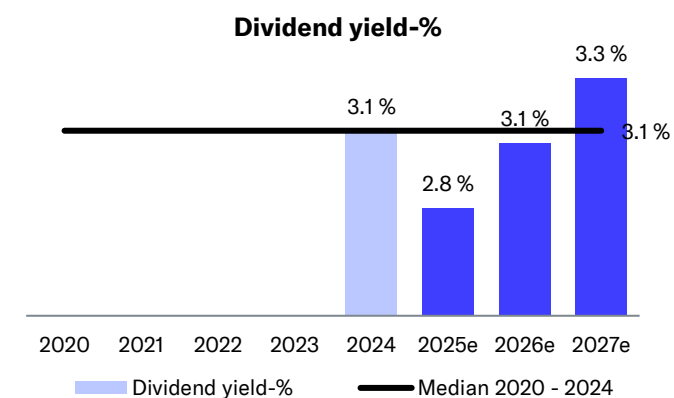
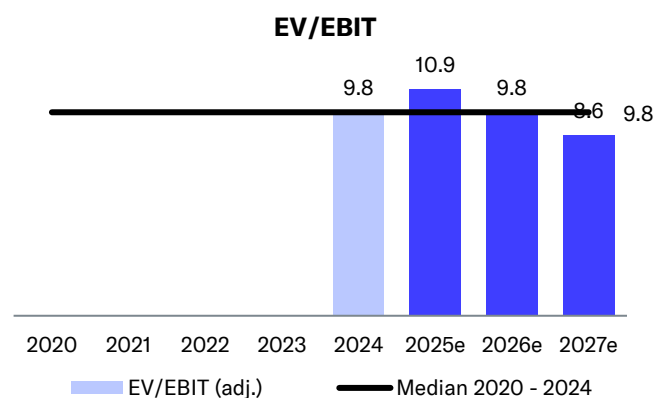
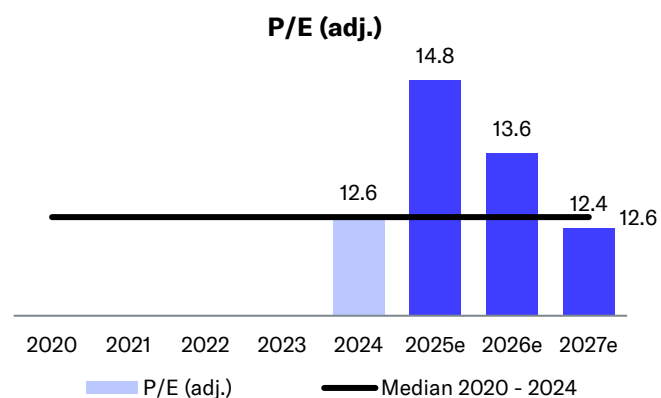
Valuation	2025e	2026e	2027e
Share price	38.8	38.8	38.8
Number of shares, millions	64.1	64.1	64.1
Market cap	2486	2486	2486
EV	2480	2385	2280
P/E (adj.)	14.8	13.6	12.4
P/E	15.0	13.6	12.4
P/B	3.4	2.9	2.5
P/S	1.4	1.4	1.3
EV/Sales	1.4	1.3	1.2
EV/EBITDA	8.8	7.9	7.0
EV/EBIT (adj.)	10.9	9.8	8.6
Payout ratio (%)	42.4 %	42.0 %	41.5 %
Dividend yield-%	2.8 %	3.1 %	3.3 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price					31.8	38.8	38.8	38.8	38.8
Number of shares, millions					64.1	64.1	64.1	64.1	64.1
Market cap					2038	2486	2486	2486	2486
EV					2114	2480	2385	2280	2154
P/E (adj.)					12.6	14.8	13.6	12.4	11.6
P/E					15.9	15.0	13.6	12.4	11.6
P/B					3.2	3.4	2.9	2.5	2.2
P/S					1.2	1.4	1.4	1.3	1.2
EV/Sales					1.2	1.4	1.3	1.2	1.1
EV/EBITDA					8.8	8.8	7.9	7.0	6.3
EV/EBIT (adj.)					9.8	10.9	9.8	8.6	7.7
Payout ratio (%)					50.0 %	42.4 %	42.0 %	41.5 %	41.7 %
Dividend yield-%					3.1 %	2.8 %	3.1 %	3.3 %	3.6 %

Source: Inderes



The market cap and EV in the table consider the forecast 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
Hiab	3866	3785	15.5	15.0	13.1	12.8	2.3	2.3	22.6	21.0	2.3	2.4	3.6
Konecranes	5910	6033	11.7	10.9	9.5	9.0	1.4	1.4	16.1	14.8	2.4	2.6	2.9
Metso	9293	10528	14.3	12.5	11.5	10.4	2.1	2.0	17.4	15.3	3.3	3.6	3.3
Hyster-Yale	645	1009	16.2	11.1	8.2	6.9	0.3	0.3	19.1	11.9			1.4
Jungheinrich	3407	5728	16.6	12.2	6.6	6.0	1.0	1.0	14.0	10.6	2.0	2.6	1.3
Manitou BF	869	1252	8.5	7.4	5.5	5.0	0.5	0.5	8.8	7.4	4.3	4.9	0.8
Kion Group	6842	13025	18.8	13.8	7.5	6.4	1.2	1.1	17.5	12.4	1.0	2.2	1.1
Columbus McKinnon	390	744	8.7	8.7	5.9	4.9	0.9	0.8	6.5	6.4	1.8	1.8	0.5
ZPMC	2338	5475			16.0	13.6	1.1	1.0	36.5	29.7			1.5
Tadano Ltd	829	1109			6.2	6.0	0.6	0.6	10.4	10.2	3.3	3.5	0.7
Kalmar (Inderes)	2486	2480	10.9	9.8	8.8	7.9	1.4	1.3	14.8	13.6	2.8	3.1	3.4
Average			13.8	11.5	9.0	8.1	1.1	1.1	16.9	14.0	2.5	2.9	1.7
Median			14.9	11.7	7.9	6.7	1.1	1.0	16.7	12.1	2.3	2.6	1.4
Diff-% to median			-27%	-16%	12%	19%	32%	33%	-12%	12%	22%	21%	147%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	2050	439	417	425	440	1720	398	420	445	476	1740	1832	1953	2029
Equipment	1442	303	279	285	293	1160	252	275	300	325	1152	1215	1307	1352
Services	567	136	139	139	146	560	145	144	145	151	585	616	646	677
Other	41	0	-2	1	1	1	1	1	0	0	2	0	0	0
EBITDA	297	61.2	49.8	69.5	59.8	240	59.3	68.1	75.3	78.5	281	302	324	341
Depreciation	-57.1	-15.4	-14.0	-15.5	-20.9	-65.8	-13.6	-14.2	-14.2	-14.2	-56.2	-58.0	-60.1	-61.7
EBIT (excl. NRI)	255	53.9	52.4	57.4	53.1	217	48.0	54.9	61.1	64.3	228	244	264	279
EBIT	240	45.8	35.8	54.0	38.9	174	45.7	53.9	61.1	64.3	225	244	264	279
Equipment	202	39.3	36.4	38.9	24.8	139	28.2	38.2	41.7	45.9	154	164	178	187
Services	95.6	22.8	24.0	25.4	25.6	97.8	26.2	24.2	26.3	26.9	104	113	120	127
Other	-57.2	-16.3	-24.6	-10.3	-11.5	-62.7	-8.7	-8.5	-6.9	-8.5	-32.5	-32.5	-33.4	-34.2
Net financial items	1.3	1.9	3.9	-4.9	-2.9	-2.0	-2.3	-2.2	-2.6	-2.5	-9.6	-6.9	-3.3	0.2
PTP	242	47.7	39.7	49.1	36.0	172	43.4	51.7	58.5	61.8	215	237	261	279
Taxes	-47.7	-14.3	-8.5	-12.8	-9.0	-44.6	-9.3	-12.5	-13.5	-14.2	-49.5	-54.6	-59.9	-64.2
Net earnings	194	33.4	31.2	36.3	27.0	128	34.1	39.2	45.0	47.6	166	183	201	215
EPS (adj.)	3.18	0.61	0.68	0.61	0.63	2.53	0.56	0.63	0.70	0.74	2.63	2.85	3.13	3.36
EPS (rep.)	3.00	0.52	0.49	0.57	0.42	2.00	0.53	0.61	0.70	0.74	2.59	2.85	3.13	3.36

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	5.5 %	-9.5 %	-24.5 %	-15.6 %	-13.7 %	-16.1 %	-9.3 %	0.9 %	4.8 %	8.3 %	1.1 %	5.3 %	6.6 %	3.9 %
Adjusted EBIT growth-%	50.8 %	-4.3 %	-26.8 %	-13.8 %	-11.8 %	-14.9 %	-11.0 %	4.8 %	6.4 %	21.0 %	5.2 %	7.1 %	8.0 %	5.8 %
EBITDA-%	14.5 %	13.9 %	12.0 %	16.4 %	13.6 %	14.0 %	14.9 %	16.2 %	16.9 %	16.5 %	16.2 %	16.5 %	16.6 %	16.8 %
Adjusted EBIT-%	12.4 %	12.3 %	12.6 %	13.5 %	12.1 %	12.6 %	12.0 %	13.1 %	13.7 %	13.5 %	13.1 %	13.3 %	13.5 %	13.7 %
Net earnings-%	9.5 %	7.6 %	7.5 %	8.5 %	6.1 %	7.4 %	8.6 %	9.3 %	10.1 %	10.0 %	9.5 %	10.0 %	10.3 %	10.6 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	646	642	648	655	662
Goodwill	260	262	262	262	262
Intangible assets	6.9	6.5	11.3	15.9	17.4
Tangible assets	273	265	266	269	274
Associated companies	48.8	53.1	53.1	53.1	53.1
Other investments	0.1	2.2	2.2	2.2	2.2
Other non-current assets	2.5	2.7	2.7	2.7	2.7
Deferred tax assets	54.4	50.4	50.4	50.4	50.4
Current assets	1190	1054	1076	1113	1185
Inventories	461	437	442	465	496
Other current assets	20.2	27.0	27.0	27.0	27.0
Receivables	336	325	329	346	369
Cash and equivalents	372	265	278	275	293
Balance sheet total	1846	1696	1724	1768	1846

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	818	638	740	853	976
Share capital	0.0	20.0	20.0	20.0	20.0
Retained earnings	0.0	562	663	776	900
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	818	56.7	56.7	56.7	56.7
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	243	437	326	251	186
Deferred tax liabilities	9.9	4.7	4.7	4.7	4.7
Provisions	3.2	2.2	2.2	2.2	2.2
Interest bearing debt	114	316	204	130	65.1
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	116	115	115	115	115
Current liabilities	785	621	658	664	684
Interest bearing debt	141	25.2	68.1	43.3	21.7
Payables	644	595	590	621	662
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	1846	1696	1724	1768	1846

DCF-calculation

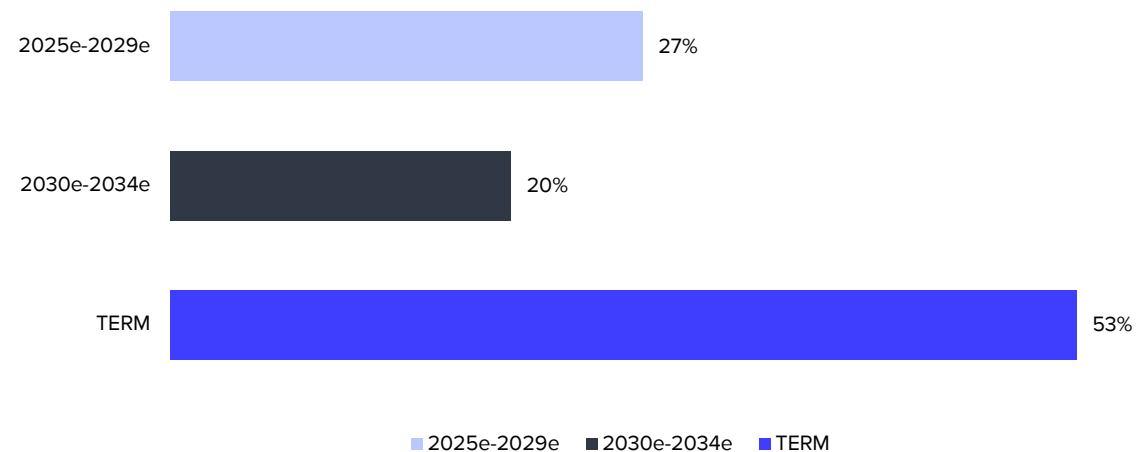
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-16.1 %	1.1 %	5.3 %	6.6 %	3.9 %	6.0 %	5.5 %	5.0 %	4.5 %	3.5 %	2.5 %	2.5 %
EBIT-%	10.1 %	12.9 %	13.3 %	13.5 %	13.7 %	13.5 %	13.0 %	12.5 %	11.5 %	10.5 %	10.5 %	10.5 %
EBIT (operating profit)	174	225	244	264	279	290	295	298	286	271	277	
+ Depreciation	65.8	56.2	58.0	60.1	61.7	59.9	61.8	63.8	66.0	68.2	70.3	
- Paid taxes	-45.8	-49.5	-54.6	-59.9	-64.2	-67.5	-68.9	-69.6	-67.0	-63.2	-64.7	
- Tax, financial expenses	-2.0	-2.3	-3.0	-2.1	-1.3	-1.0	-1.0	-1.1	-1.1	-1.2	-1.2	
+ Tax, financial income	1.5	0.0	1.5	1.4	1.4	1.7	2.1	2.2	2.3	2.2	2.1	
- Change in working capital	-20.7	-13.9	-9.5	-12.5	-8.0	-12.6	-12.3	-11.8	-11.1	-9.1	-6.6	
Operating cash flow	173	216	237	251	269	271	277	281	275	267	277	
+ Change in other long-term liabilities	-2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-51.2	-62.0	-65.4	-66.9	-59.2	-69.1	-71.2	-74.3	-76.5	-78.5	-74.0	
Free operating cash flow	120	154	171	184	209	202	205	207	199	189	203	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	120	154	171	184	209	202	205	207	199	189	203	3200
Discounted FCFF		148	152	149	156	138	129	119	105	91.7	90.5	1425
Sum of FCFF present value		2703	2555	2405	2255	2098	1960	1831	1712	1607	1515	1425
Enterprise value DCF		2703										
- Interest bearing debt		-341										
+ Cash and cash equivalents		265										
-Minorities		0.0										
-Dividend/capital return		-64.0										
Equity value DCF		2563										
Equity value DCF per share		40.0										

WACC

Tax-% (WACC)	23.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	3.5 %
Equity Beta	1.40
Market risk premium	4.75%
Liquidity premium	0.50%
Risk free interest rate	2.5 %
Cost of equity	9.7 %
Weighted average cost of capital (WACC)	9.0 %

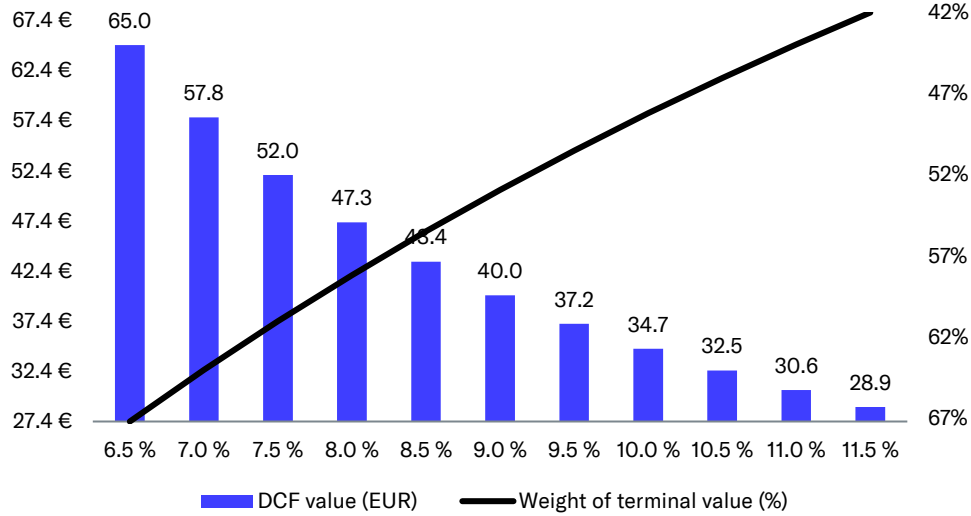
Source: Inderes

Cash flow distribution

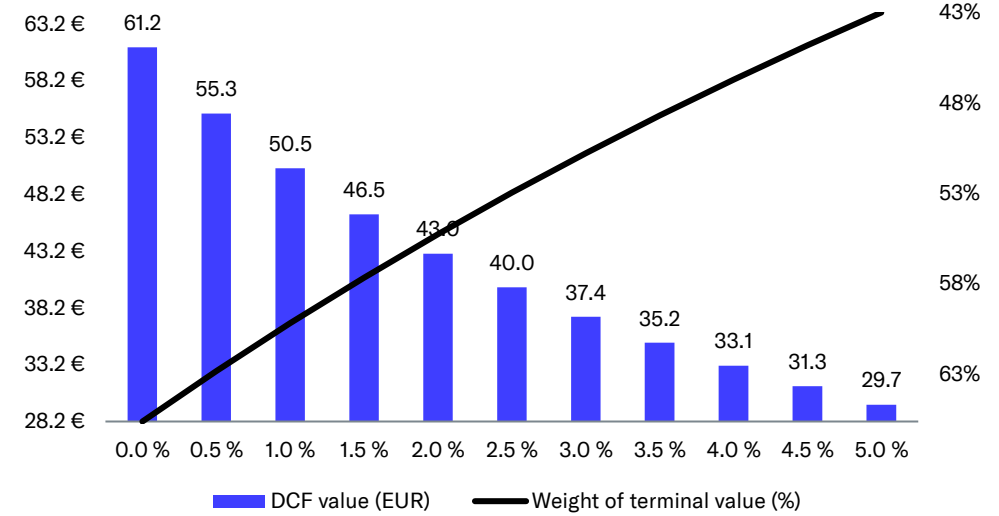


DCF sensitivity calculations and key assumptions in graphs

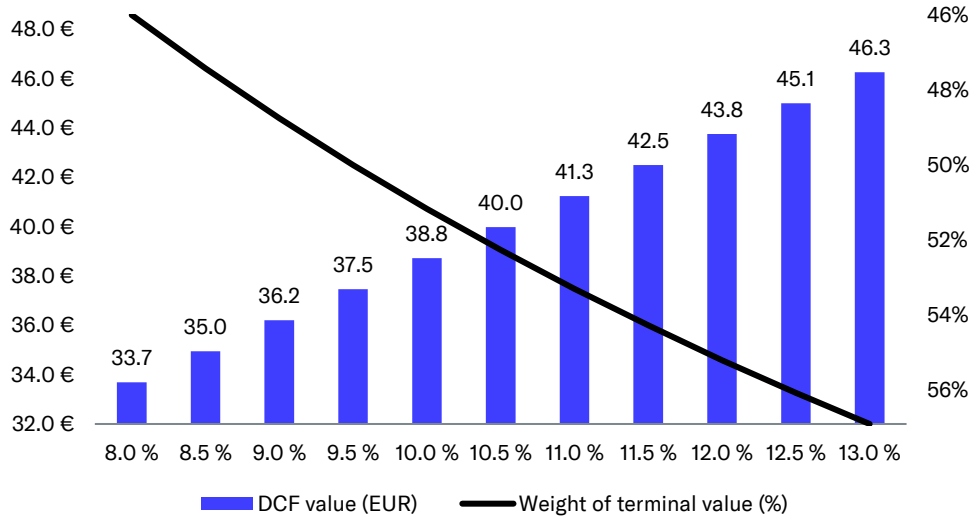
Sensitivity of DCF to changes in the WACC-%



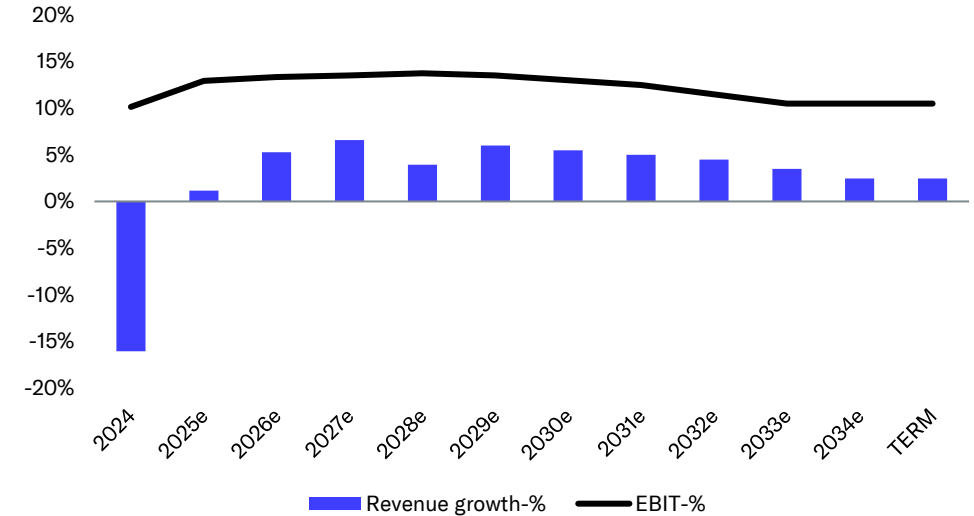
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. NB! The terminal value weight (%) is presented on a reverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	1942.8	2049.6	1720.3	1740.0	1831.8	EPS (reported)	1.44	3.00	2.00	2.59	2.85
EBITDA	170.6	297.3	240.3	281.2	302.4	EPS (adj.)	2.05	3.18	2.53	2.63	2.85
EBIT	118.3	240.2	174.5	225.0	244.3	OCF / share	2.64	3.39	2.70	3.36	3.69
PTP	117.5	241.5	172.5	215.3	237.4	FCF / share	1.85	2.57	1.87	2.40	2.67
Net Income	92.6	193.8	127.9	165.9	182.8	Book value / share	13.23	12.65	9.96	11.55	13.31
Extraordinary items	-50.6	-14.5	-42.4	-3.2	0.0	Dividend / share	0.00	0.00	1.00	1.10	1.20
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	1904.5	1846.1	1695.9	1723.8	1768.2	Revenue growth-%	28%	5%	-16%	1%	5%
Equity capital	853.0	818.2	638.2	740.1	852.6	EBITDA growth-%	-54%	74%	-19%	17%	8%
Goodwill	268.1	260.2	261.9	261.9	261.9	EBIT (adj.) growth-%	68%	51%	-15%	5%	7%
Net debt	-188.8	-117.8	76.2	-6.0	-101.5	EPS (adj.) growth-%	223%	55%	-20%	4%	8%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	8.8 %	14.5 %	14.0 %	16.2 %	16.5 %
EBITDA	170.6	297.3	240.3	281.2	302.4	EBIT (adj.)-%	8.7 %	12.4 %	12.6 %	13.1 %	13.3 %
Change in working capital	22.3	-25.2	-20.7	-13.9	-9.5	EBIT-%	6.1 %	11.7 %	10.1 %	12.9 %	13.3 %
Operating cash flow	170.2	219.7	173.3	215.6	236.6	ROE-%	11.4 %	23.2 %	17.6 %	24.1 %	23.0 %
CAPEX	-48.9	-63.0	-51.2	-62.0	-65.4	ROI-%	12.3 %	23.2 %	17.6 %	22.6 %	24.6 %
Free cash flow	119.1	166.1	119.7	153.6	171.2	Equity ratio	44.8 %	44.3 %	40.0 %	45.6 %	51.3 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-22.1 %	-14.4 %	11.9 %	-0.8 %	-11.9 %
EV/S	1.3	1.6	1.2	1.4	1.3						
EV/EBITDA	14.5	11.1	8.8	8.8	7.9						
EV/EBIT (adj.)	14.7	12.9	9.8	10.9	9.8						
P/E (adj.)	20.1	16.6	12.6	14.8	13.6						
P/B	3.1	4.2	3.2	3.4	2.9						
Dividend-%	0.0 %	0.0 %	3.1 %	2.8 %	3.1 %						

Source: Inderes

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

Disclaimer and recommendation history

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

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

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

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

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

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

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

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

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

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

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
7/1/2024	Buy	36.00 €	26.40 €
8/8/2024	Buy	33.00 €	26.24 €
11/3/2024	Accumulate	35.00 €	32.42 €
<i>Analyst changed</i>			
2/14/2025	Accumulate	38.00 €	34.80 €
4/23/2025	Accumulate	30.00 €	26.30 €
4/30/2025	Accumulate	30.00 €	27.40 €
7/23/2025	Reduce	37.00 €	39.00 €
7/28/2025	Reduce	39.00 €	38.80 €



CONNECTING INVESTORS AND COMPANIES.

Inderes connects investors and listed companies.

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

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

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

Inderes was created by investors, for investors.

Inderes Ab

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

Inderes Oyj

Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.se

inderes.fi

**inde
res.**