TELESTE

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Moving forward despite uncertainties

We reiterate our Accumulate recommendation for Teleste but revise our target price to EUR 3.9 (was EUR 4.2). Revenue in Q3 clearly fell short of our expectations, as deliveries were deferred to Q4, but strong profitability pushed earnings to the level we anticipated. We slightly decreased our forecasts due to ongoing uncertainty surrounding the investments of Networks' two largest customers in North America. Offsetting this to some extent is the strong performance of Public Safety and Mobility. Based on our estimates for next year, Teleste's share valuation is very low (2027e EV/EBIT 7.4x) if the earnings growth materializes. However, the uncertainties surrounding this are still causing us to exercise some caution at this stage.

Profitability was strong despite the shift in deliveries

Teleste's Q3 revenue fell by 18% to 28.4 MEUR, which clearly missed our 35.9 MEUR forecast. Revenue in the Networks segment decreased by 26%, as deliveries in North America fell short of the comparison period due to the main customer's merger. However, growth in Europe continued. The segment's order intake grew by 4% to 14.7 MEUR. Public Safety and Mobility's revenue decreased by 5% due to project timing. Orders received reached a record high of 69.7 MEUR, supported by a Siemens agreement worth approximately 40 MEUR. The group's order book increased to 156.5 MEUR. Adjusted EBIT was 2.1 MEUR, in line with our forecast. The adjusted EBIT margin (7.4%) clearly exceeded our estimate, thanks to a favorable product and customer mix that supported the gross margin. The company emphasized that the margin was exceptionally strong during the quarter. Public Safety and Mobility posted its strongest quarterly results ever, and Teleste's measures in recent years are paying off here. Cash flow has remained close to zero thus far this year because the company has increased its inventory levels amid a tight supply of components.

Short-term visibility in North America is weak

Teleste revised its guidance, lowering the upper end of its revenue (140-145 MEUR) and adjusted EBIT (7-9 MEUR) ranges. Q4 revenue is expected to be the highest of the year, which necessitates successful major deliveries in both segments. In North America, Cox and Charter's combined company is reorganizing, and Teleste does not yet have visibility into its investments for next year. Rogers has also reduced its investments and is absorbing its previous acquisitions. Teleste has expanded its customer base among local operators and expects North American revenue to start growing in 2027. However, we believe that short-term uncertainty is slightly higher than before. In Europe, Teleste expects Networks growth to continue next year. The outlook for Public Safety and Mobility is also positive. We lowered our earnings estimates for the coming years by around 3-4%. We forecast revenue growth of 7.5% and an adjusted EBIT of 10.0 MEUR for next year (2026e: 8.7 MEUR).

Valuation is low, but uncertainty fosters patience

With our 2026 estimates, Teleste's adjusted P/E ratio is 9.3x and its EV/EBIT ratio is 9.2x. If the earnings growth we forecast continues, the multiples (P/E 8.3x and EV/EBIT 7.4x) will become very low in 2027. Teleste's medium-term earnings potential is still even higher than this. In light of our DCF model (EUR 4.3) and sum-of-the-parts calculation (EUR 4.5), the share also has upside as earnings growth continues. A dividend yield of around 3-4% in the next few years will partially support the expected return. However, realizing next year's forecasts partly relies on a recovery in North American demand, the timing of which remains unclear. Our target price corresponds to a P/E ratio of around 10x and an EV/EBIT ratio of just under 9x based on our estimates for next year. This is at the lower end of our acceptable ranges, which we consider justified given the uncertainty in North America. If earnings growth materializes, we believe the share has even more potential than this.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 3.90
(was EUR 4.20)

Share price:
EUR 3.16

Business risk



Valuation risk



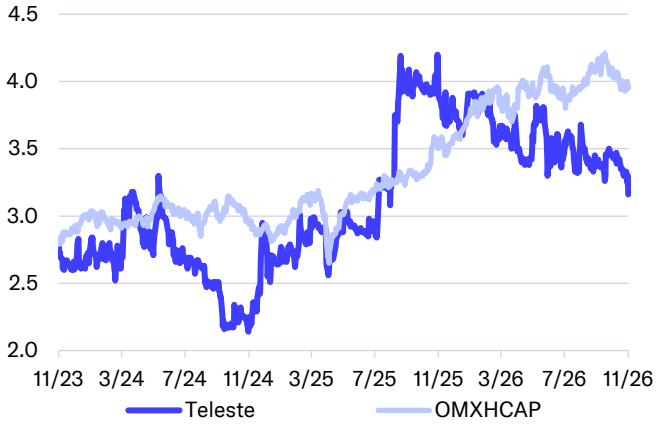
	2025	2026e	2027e	2028e
Revenue	139	141	151	158
growth-%	4.6 %	1.6 %	7.5 %	4.2 %
EBIT adj.	7.1	8.7	10.0	10.9
EBIT-% adj.	5.1 %	6.2 %	6.6 %	6.9 %
Net Income	2.8	6.0	7.0	7.9
EPS (adj.)	0.17	0.34	0.38	0.43
P/E (adj.)	22.3	9.3	8.3	7.4
P/B	1.2	0.9	0.9	0.8
Dividend yield-%	2.1 %	3.2 %	3.8 %	4.4 %
EV/EBIT (adj.)	12.4	9.2	7.4	6.3
EV/EBITDA	7.5	5.8	4.9	4.2
EV/S	0.6	0.6	0.5	0.4

Source: Inderes

Guidance (Adjusted)

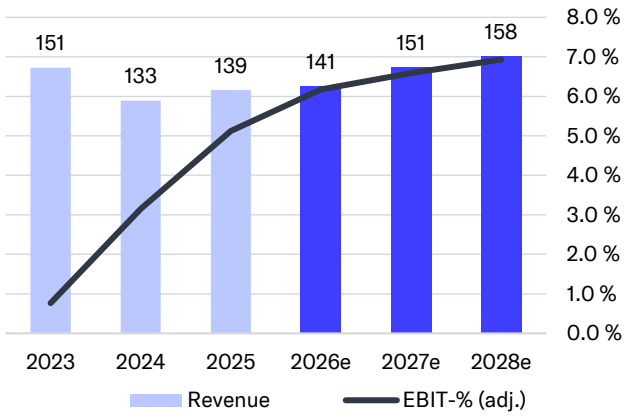
Teleste estimates that revenue in 2026 will amount to 140-145 MEUR and that the adjusted operating result in 2026 will be 7-9 MEUR.

Share price



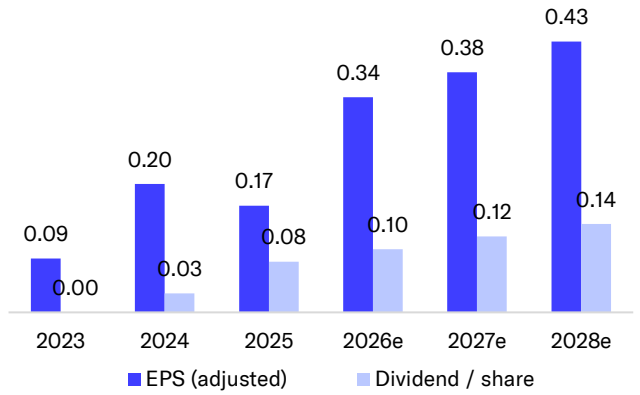
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- Start of volume deliveries of distributed architecture and DOCSIS 4.0 products in particular
- Expansion to North American market
- Growth driven by a streamlined cost structure will support profitability in the coming years
- Strong market position in Europe in network equipment
- Profitable growth in Public Safety and Mobility, where the market is steadily growing and
- Teleste has a strong market position

Risk factors

- Operator investments are cyclical, and in the short term, the merger of Cox and Charter creates uncertainty for orders
- Long-term structural decline in the European market for the Networks segment
- Risks related to component availability and supply chains
- Competitive market pressure and limited pricing power in the face of large operators

Valuation	2026e	2027e	2028e
Share price	3.16	3.16	3.16
Number of shares, millions	18.3	18.3	18.3
Market cap	58	58	58
EV	80	74	69
P/E (adj.)	9.3	8.3	7.4
P/E	9.7	8.3	7.4
P/B	0.9	0.9	0.8
P/S	0.4	0.4	0.4
EV/Sales	0.6	0.5	0.4
EV/EBITDA	5.8	4.9	4.2
EV/EBIT (adj.)	9.2	7.4	6.3
Payout ratio (%)	30.6 %	31.6 %	32.7 %
Dividend yield-%	3.2 %	3.8 %	4.4 %

Source: Inderes

Earnings hit our expectations despite the shift in deliveries

Postponed deliveries weighed on revenue

Teleste's Q3 revenue fell by 18% to 28.4 MEUR, which clearly missed our 35.9 MEUR forecast. Deliveries that were postponed to Q4 weighed on the quarter's progress.

Networks segment revenue decreased by 26% to 15.5 MEUR, while our forecast expected a 5% increase. North American deliveries fell short of the comparison period, as the merger of the main customer (Cox) with Charter has continued to hold back investments. In addition, new customer rollouts have been postponed. Nevertheless, growth continued in Europe, and, according to the company, the business developed strongly. This growth was particularly supported by deliveries of distributed access architecture and the video business. Orders received by the segment increased by 4% to 14.7 MEUR, but the order volume was fairly low in absolute terms. In Q2, the level of orders (25.6 MEUR) was, in turn, strong, and the timing of orders has a significant impact on quarterly performance.

Public Safety and Mobility's revenue decreased by 5% to 13.0 MEUR against what the company described as a strong comparison period, while our forecast had called for 3% growth. The decline was due to lower volumes in deliveries to public transport operators and in the maintenance business. Orders received by the segment rose sharply to 55.0 MEUR (Q3’25: 15.9 MEUR). This figure includes a Siemens agreement worth approximately 40 MEUR signed in September, with deliveries set to begin in 2028. Without the Siemens agreement, the segment’s order intake was consistently good. Consequently, the group's order book jumped to 156.5 MEUR (Q2'26: 115.3 MEUR).

Profitability was strong

Teleste's adjusted EBIT landed at 2.1 MEUR in Q3 (Q3'25: 2.3 MEUR), which was in line with our estimates. Adjusted EBIT margin (7.4% vs. 6.6%) improved year-on-year and clearly exceeded our estimate of 5.9%. The share of material and production costs in revenue decreased to 41.3% (Q3’25: 47.8%), which was clearly below our expectations and supported the gross margin. The company attributes this to a favorable product and customer mix, a decrease in certain order provisions, and savings in material and production costs. The company does not expect such a strong gross margin in the coming quarters. Personnel expenses (8.8 MEUR vs. 10.9 MEUR) were also lower than in the comparison period, as production is weighted towards the end of the year and the company's personnel expenses feature a certain degree of flexibility.

The Networks segment's adjusted EBIT margin (9.5% vs. Q3'25: 11.8%) decreased due to lower volumes. Profitability in Public Safety and Mobility (11,8 % vs. Q3'25: 6.5%) improved significantly. The segment's adjusted EBIT of 1.5 MEUR was the highest in its history, surpassing the previous record set in Q2. The work Teleste has done in recent years to streamline its business and expand its customer base is now clearly beginning to show in its development.

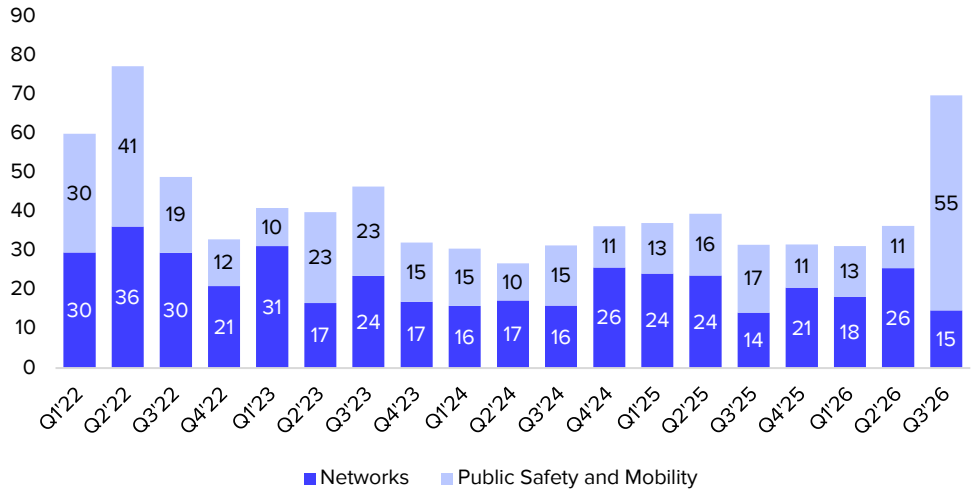
Cash flow from operating activities was -0.7 MEUR in Q3, and cash flow from January through September was 0.2 MEUR. Cash flow clearly lagged behind earnings because the company has increased its inventories for year-end deliveries amid a tight component situation. Consequently, the net debt-to-EBITDA ratio increased to around 2.2x (Q2’26: 1.9x). According to the company, inventories peak in Q4. Next year, the expansion of contract manufacturing in Mexico will ease the situation, as some inventories will appear on the partner's balance sheet. We expect working capital to be released gradually in the coming quarters, though its level will likely remain elevated overall.

Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Act. vs. inderes	Inderes
Revenue	34.5	28.4	35.9		-21%	141
EBIT (adj.)	2.3	2.1	2.1		0%	8.7
EBIT	2.2	2.0	2.1		-6%	8.5
EPS (adj.)	0.08	0.07	0.08		-10%	0.34
EPS (raportoitu)	0.07	0.07	0.08		-17%	0.33
Revenue growth-%	15.2 %	-17.5 %	4.2 %		-21.7 pp	1.6 %
EBIT-% (adj.)	6.6 %	7.4 %	5.9 %		1.5 pp	6.2 %

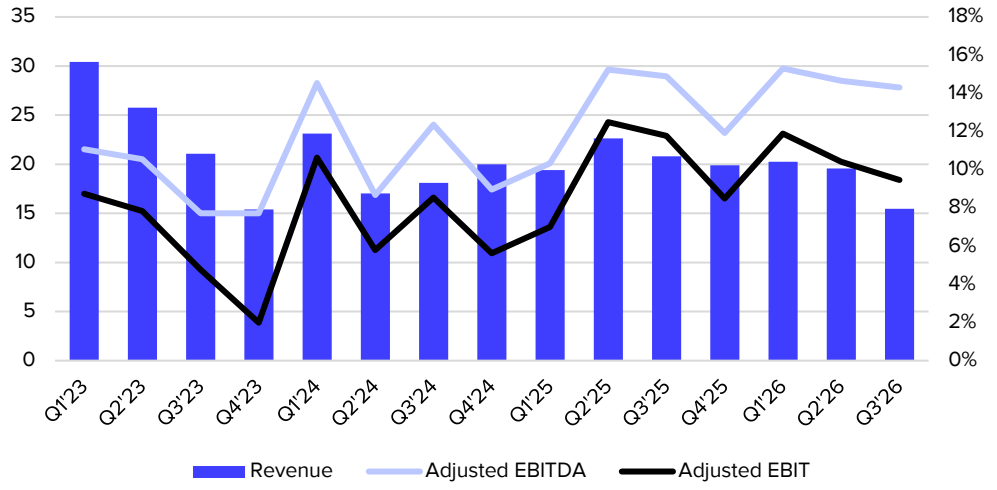
Source: Inderes

Development of key figures

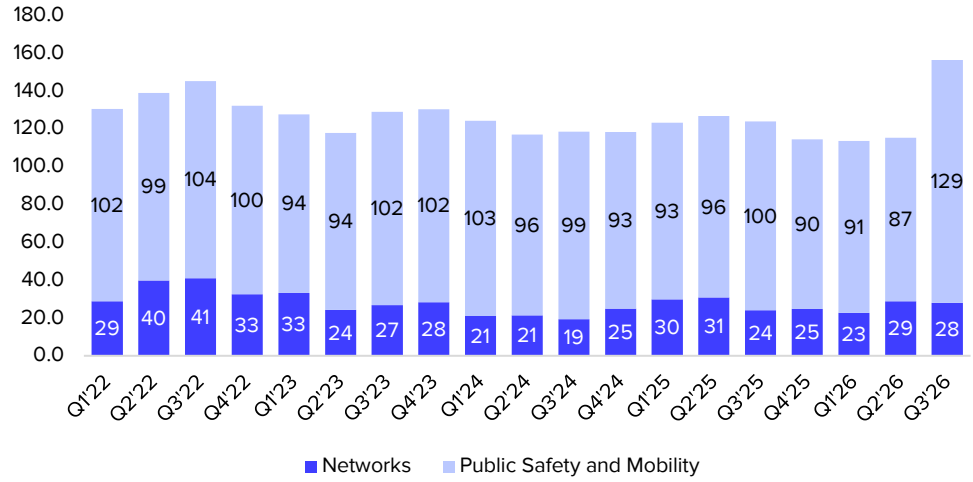
Quarterly development of orders received



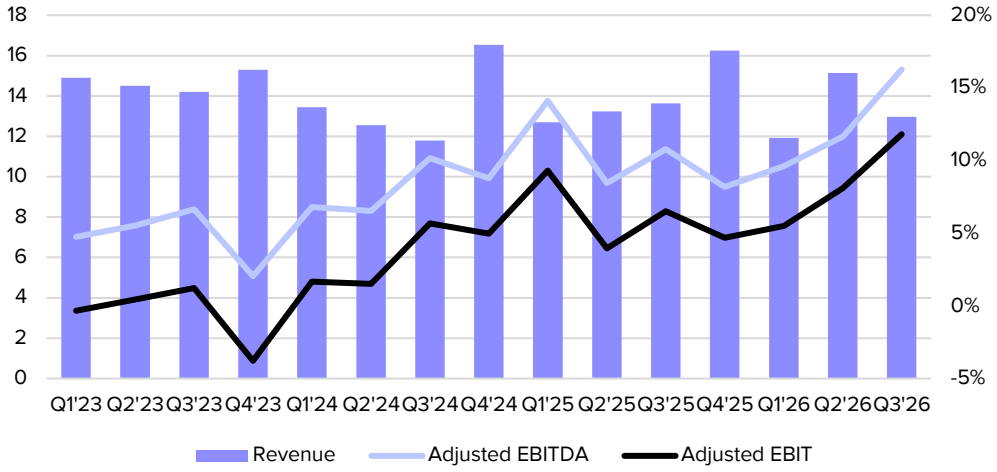
Networks revenue and profitability per quarter



Order book development on a quarterly basis



Public Safety and Mobility revenue and profitability per quarter



Minor downward adjustments to estimates

Upper limit of guidance lowered by one notch

Teleste refined its guidance for 2026. The company now estimates revenue to be 140-145 MEUR (prev. 140-160 MEUR) and adjusted EBIT to be 7-9 MEUR (prev. 7-10 MEUR). Q4 revenue is expected to be the highest of the year, and according to the company, growth will come from both business areas. This depends on confirming the last orders and successfully completing large deliveries in both segments. Timing, therefore, still involves significant risks. According to the company, approximately 19% of the order book, or around 30 MEUR, is scheduled for the current year.

Weak short-term visibility in North America

In North America, the merger between Cox and Charter was finalized in August. The new entity is currently reorganizing and has begun implementing cost savings measures. While Teleste does not yet have insight into the customer's 2027 investment plans, no major orders are expected right away. Rogers is also still processing its previous acquisitions, and according to Rogers' Q3 report, investments fell by 34% in the Q3. Rogers expects group-level investments to remain roughly at this year's level next year. However, Teleste has expanded its customer base among smaller local operators. The company expects them to support growth to some extent in Q4 already and believes the whole will return North American revenue to growth in 2027. Nevertheless, we believe that short-term uncertainty is slightly greater now than before, as the investment direction of the two largest customers remains unclear. In Europe, Teleste expects Networks growth to continue next year. The market is supported by increased investments by operators, and Teleste has a strong market position thanks to its broad customer base and product portfolio.

The outlook for Public Safety and Mobility is positive, and the customer base has expanded among both rolling stock manufacturers and public transport operators. According to the company, the Siemens agreement is soundly profitable, even though profitability is typically lower in the initial design phase. The agreement also includes options. The company says that while the profit warning issued in early November by its largest customer, Alstom, came as no surprise, it is also putting pressure on Teleste. However, Alstom's challenges are creating some uncertainty regarding next year's project deliveries.

The company expects the component shortage to continue throughout next year and does not anticipate relief until 2028–2029, as things stand. This puts pressure on gross profit and ties up working capital. Teleste aims to protect its margin by negotiating prices with suppliers and customers.

We made slight downward revisions to our estimates

We lowered our revenue and earnings estimates for the current year by 2%, and our earnings estimates for the coming years decreased by around 3–4% following the report. Our revenue estimate is now in the lower half of the guidance range, while our earnings estimate is in the upper half. At the segment level, we lowered our Networks estimates due to the Q3 miss and weaker visibility in North America. Conversely, we increased our forecasts for Public Safety and Mobility due to a robust order book and favorable developments. For Q4, we now expect revenue of 45.6 MEUR and adjusted EBIT of 2.8 MEUR. We expect the gross margin in Q4 to be significantly lower than in Q3, and the company also emphasized that margins will decline in the fourth quarter.

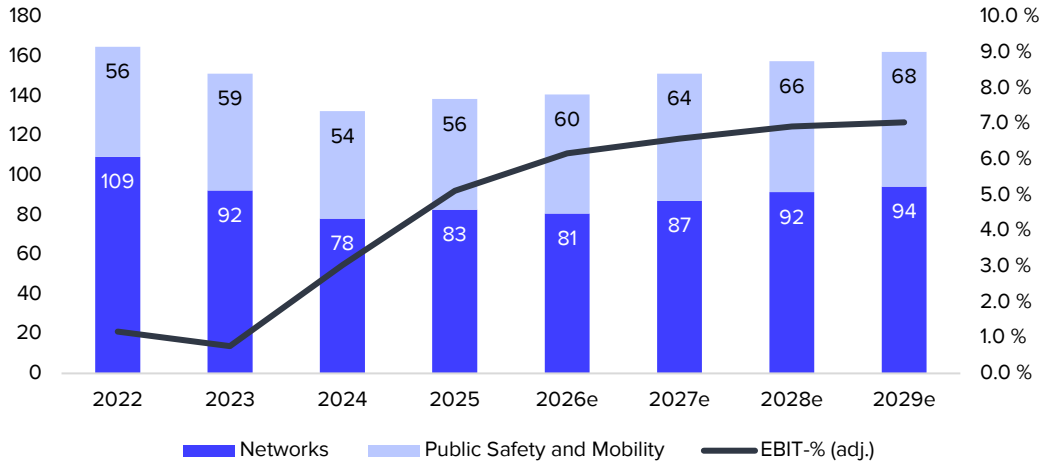
We forecast revenue growth of 7.5% to 151 MEUR and an increase in adjusted EBIT to 10.0 MEUR. In Networks, we expect 8% growth, supported by continued growth in Europe and new customer contracts in North America. In Public Safety and Mobility, we expect 7% growth, supported by a strong order book.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	143	141	-2%	156	151	-3%	162	158	-2%
EBITDA	13.9	13.6	-2%	15.4	15.0	-3%	16.6	16.2	-2%
EBIT (exc. NRIs)	8.9	8.7	-2%	10.4	10.0	-4%	11.3	10.9	-3%
EBIT	8.7	8.5	-3%	10.4	10.0	-4%	11.3	10.9	-3%
PTP	7.8	7.4	-6%	9.6	8.9	-7%	10.7	10.1	-6%
EPS (excl. NRIs)	0.35	0.34	-4%	0.41	0.38	-7%	0.45	0.43	-6%
DPS	0.10	0.10	0%	0.12	0.12	0%	0.14	0.14	0%

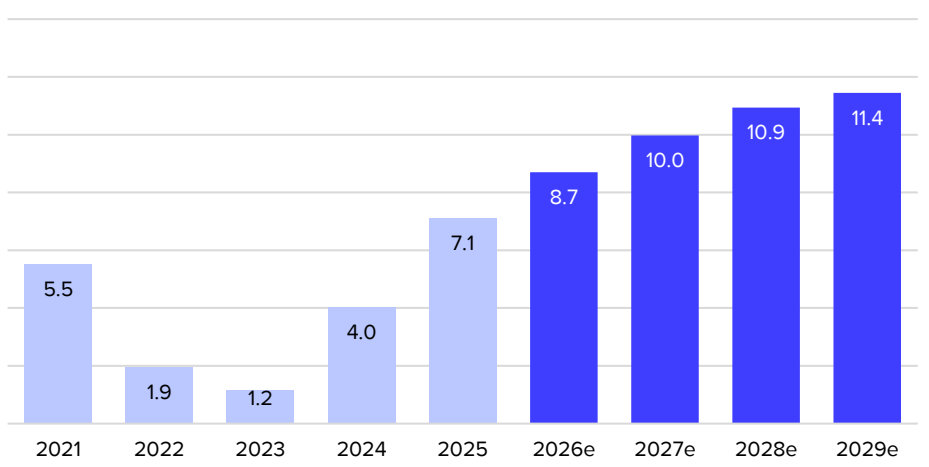
Lähde: Inderes

Summary of estimates

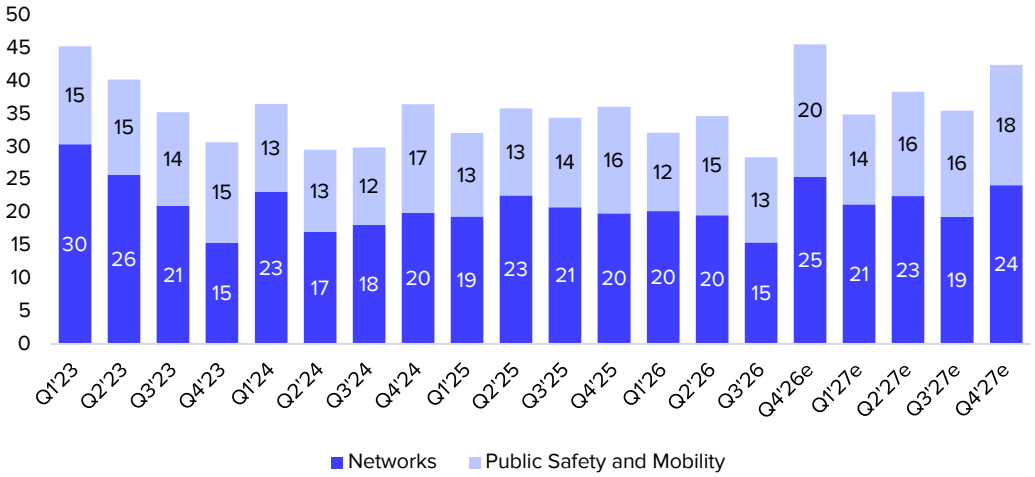
Revenue and profitability



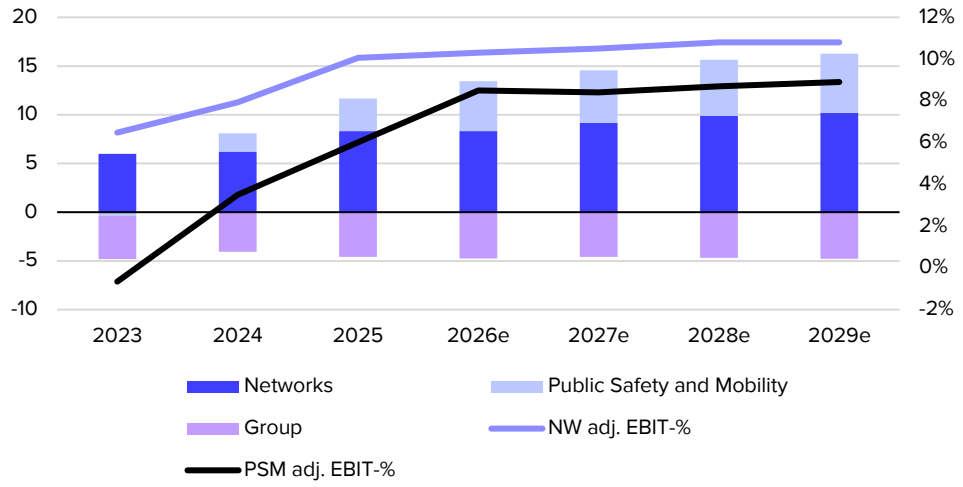
Adjusted EBIT development (MEUR)



Revenue development per quarter



Segment-specific earnings and profitability assumptions



Valuation

Valuation is low, but uncertainty still fosters patience within the view

Teleste's investor story turned a new page last year, as earnings growth offered by the North American market began to materialize. At the same time, the long-term efforts to improve profitability in Public Safety and Mobility have started to bear fruit, as evidenced in Q3. However, development in North America has been slower than expected this year, and visibility into the investments of the two largest customers is weak. The revitalized European market and expanded customer base are compensating for this. While we still find the risk/reward ratio of the share attractive, the uncertainty in North America brings a degree of caution to our investment view.

With our 2026 estimates, Teleste's adjusted P/E ratio is 9.3x and a corresponding EV/EBIT ratio is 9.2x. These levels are moderate in our view, as Teleste's medium-term earnings potential is still higher than this year. If the earnings growth we forecast continues, the multiples (P/E 8.3x and EV/EBIT 7.4x) will become very low in 2027. However, realizing next year's forecasts partly relies on a recovery in North American demand, the timing of which remains unclear.

In a positive scenario, Teleste would have the potential to perform well above our current forecasts, provided the company makes excellent progress with its expansion in North America. The company's financial targets (CAGR growth 25-30: 10% and adj. EBIT 7-12%) also clearly aim for stronger growth and better profitability development than our current estimates. The earnings growth would also allow the company to significantly increase its dividend, which would support the expected return. The current dividend yield of around 3-4% for the coming years is already reasonable.

Overall, we see that Teleste could be priced at around 10x-13x P/E and 9x-11x EV/EBIT in the longer term, depending on the earnings growth outlook and financial structure. The cyclical nature of the business, the pressure on profitability from large customers, the ongoing need for investments, and we believe the business model that ties up working capital justify a somewhat lower valuation than the Helsinki Stock Exchange average.

Our target price corresponds to a P/E ratio of around 10x and an EV/EBIT ratio of just under 9x based on our estimates for next year. This is at the lower end of our acceptable ranges, which we consider justified given the uncertainty in North America. If earnings growth materializes, the share has even more potential than this.

Valuation is attractive through several methods

Our DCF model indicates a value of EUR 4.3 per Teleste share. Meanwhile, based on our sum-of-the-parts model looking ahead to next year, Teleste's share value in a neutral scenario is EUR 4.5. In light of the scenarios extending to 2029, the share's expected return is also good, provided that earnings growth continues. We have discussed these methods in more detail in the extensive report published in July. A summary of the sum-of-the-parts and scenario calculations can be found on the next page.

Valuation	2026e	2027e	2028e
Share price	3.16	3.16	3.16
Number of shares, millions	18.3	18.3	18.3
Market cap	58	58	58
EV	80	74	69
P/E (adj.)	9.3	8.3	7.4
P/E	9.7	8.3	7.4
P/B	0.9	0.9	0.8
P/S	0.4	0.4	0.4
EV/Sales	0.6	0.5	0.4
EV/EBITDA	5.8	4.9	4.2
EV/EBIT (adj.)	9.2	7.4	6.3
Payout ratio (%)	30.6 %	31.6 %	32.7 %
Dividend yield-%	3.2 %	3.8 %	4.4 %

Source: Inderes

Sum of the parts and scenarios until 2029

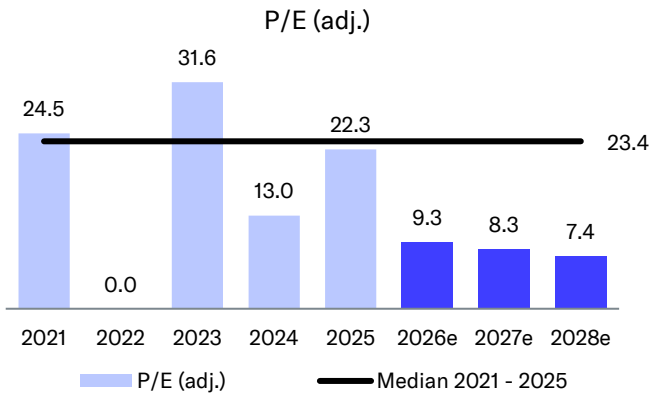
Sum of the parts	Lower end	Neutral	Upper end
Networks			
EBIT (adj.)	9.2	9.2	9.2
X valuation multiple	9.5x	10.5x	11.5x
Enterprise value (MEUR)	**87**	**96**	**105**
Public Safety and Mobility			
EBIT (adj.)	5.4	5.4	5.4
X valuation multiple	8.0x	9.0x	10.0x
Enterprise value (MEUR)	**43**	**48**	**54**
Group expenses (NPV, MEUR)	**-46**	**-46**	**-46**
Total enterprise value	**84**	**99**	**113**
Net liabilities 2027e	-16	-16	-16
Value of entire stock	**68**	**83**	**97**
Per share	*3.7*	*4.5*	*5.3*

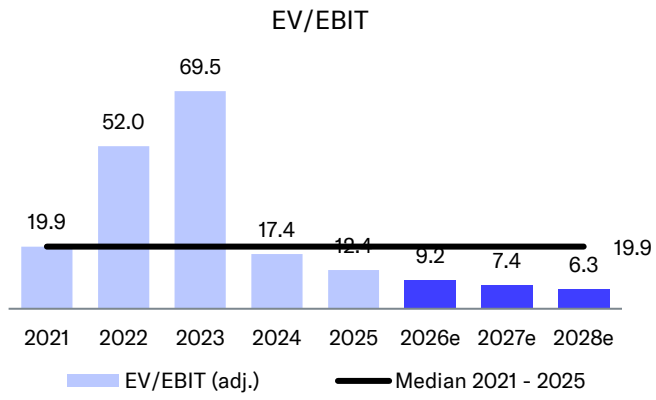
Scenarios until 2029	Weak	Base	Strong
Revenue (MEUR)	150	162	*195*
Growth-% (CAGR 25-29)	*2%*	*4%*	*9%*
EBIT (adj.)	8.3	11.4	17.2
EBIT-%	*5.5%*	*7.0%*	8.8%
EV/EBIT multiple	8.0x	8.5x	9.0x
EV	**66**	**97**	**154**
Net debt/cash 2029e	-10	-5	0
Market cap 2029e	**56**	**93**	**154**
Share price	*3.1*	*5.0*	*8.4*
Return potential	-3%	60%	167%
Dividends/share 2027e–2029e	0.24	0.36	0.46
Annual expected return (incl. dividend)	1%	19%	39%
P/E in 2029	9.5x	11.0x	12.0x

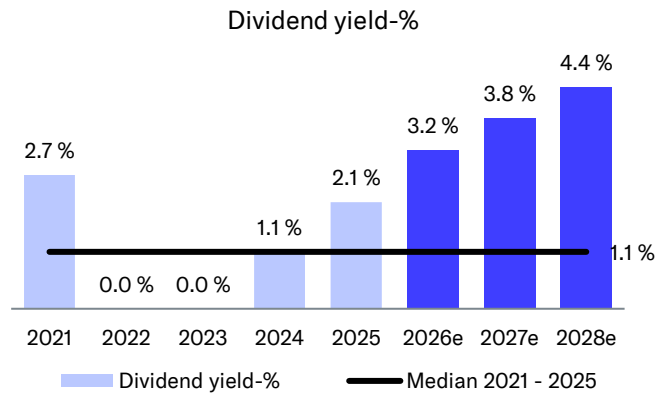
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	5.24	3.54	2.70	2.64	3.76	3.16	3.16	3.16	3.16
Number of shares, millions	18.2	18.2	18.2	18.2	18.2	18.3	18.3	18.3	18.3
Market cap	95	65	49	48	69	58	58	58	58
EV	109	101	80	73	88	80	74	69	63
P/E (adj.)	24.5	neg.	31.6	13.0	22.3	9.3	8.3	7.4	6.9
P/E	13.4	neg.	neg.	neg.	24.7	9.7	8.3	7.4	6.9
P/B	1.4	1.1	0.8	0.9	1.2	0.9	0.9	0.8	0.7
P/S	0.7	0.4	0.3	0.4	0.5	0.4	0.4	0.4	0.4
EV/Sales	0.8	0.6	0.5	0.6	0.6	0.6	0.5	0.4	0.4
EV/EBITDA	6.7	13.0	14.4	11.6	7.5	5.8	4.9	4.2	3.6
EV/EBIT (adj.)	19.9	52.0	69.5	17.4	12.4	9.2	7.4	6.3	5.5
Payout ratio (%)	35.9 %	0.0 %	0.0 %	neg.	52.5 %	30.6 %	31.6 %	32.7 %	34.9 %
Dividend yield-%	2.7 %	0.0 %	0.0 %	1.1 %	2.1 %	3.2 %	3.8 %	4.4 %	5.1 %

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
Nokia	39511	37182	15.2	12.2	19.3	11.0	1.8	1.6	20.5	17.4	2.2	2.4	1.8
Ericsson	31334	30180	10.1	10.5	8.7	8.7	1.4	1.4	14.8	14.3	3.0	3.2	3.0
Cisco	331504	343711	17.7	15.0	16.1	13.7	6.1	5.3	21.9	18.4	1.8	1.8	7.4
ZTE	17012	23777	36.0	29.2	18.6	16.0	1.2	1.0	23.3	19.2	1.7	2.0	1.7
Harmonic	930	834	7.7	7.1	7.3	6.4	1.7	1.5	11.5	10.6			
Motorola	76321	83802	23.4	21.0	20.5	19.0	7.2	6.6	28.8	26.5	0.9	1.0	24.9
Viavi Solutions	6282	6282	23.1	12.3	20.4	11.6	4.6	3.5	30.3	15.1			7.2
Vistance Networks	1004	1991	10.4	12.6	13.7	9.7	1.5	1.6	5.4	7.9			0.5
Ciena	30967	31510	28.1	16.6	24.5	15.2	5.5	4.2	34.4	20.7			10.5
Fiberhome	4932	6959	26.0	21.4	17.4	14.0	1.8	1.5	20.1	15.0	1.4	1.8	1.9
Adtran	295	763	16.1	10.8	5.3	4.5	0.8	0.7	13.9	8.7			2.9
Calix	1697	1522	11.7	8.4	10.5	7.9	1.4	1.2	17.5	12.6			2.7
Vecima Networks	201	231	19.5	6.7	7.3	4.6	1.2	0.9	46.5	9.5			
Teleste (Inderes)	58	80	9.2	7.4	5.8	4.9	0.6	0.5	9.3	8.3	3.2	3.8	0.9
Average	41692	43749	18.8	14.1	14.6	10.9	2.8	2.4	22.2	15.0	1.8	2.0	5.9
Median	6282	6959	17.7	12.3	16.1	11.0	1.7	1.5	20.5	15.0	1.7	1.9	2.9
Diff-% to median			-48%	-40%	-64%	-55%	-67%	-68%	-55%	-44%	82%	101%	-68%

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	133	32.2	35.9	34.5	36.1	139	32.2	34.7	28.4	45.6	141	151	158	162
Networks	78.2	19.4	22.6	20.8	19.9	82.8	20.2	19.6	15.5	25.5	80.8	87.3	91.7	94.4
Public Safety and Mobility	54.3	12.7	13.2	13.6	16.2	55.8	11.9	15.1	13.0	20.1	60.2	64.1	66.1	68.0
EBITDA	6.3	2.7	3.2	3.4	2.4	11.8	2.9	3.3	3.3	4.1	13.6	15.0	16.2	17.6
Depreciation	-11.7	-1.3	-1.2	-1.2	-1.3	-5.0	-1.2	-1.4	-1.3	-1.3	-5.2	-5.0	-5.3	-6.1
EBIT (adj.)	4.2	1.5	2.2	2.3	1.2	7.1	1.9	1.9	2.1	2.8	8.7	10.0	10.9	11.4
EBIT	-5.4	1.5	2.0	2.2	1.2	6.8	1.8	1.9	2.0	2.8	8.5	10.0	10.9	11.4
Net financial items	-1.7	-0.9	-1.9	-0.6	-0.4	-3.8	-0.3	-0.2	-0.4	-0.2	-1.1	-1.1	-0.9	-0.7
PTP	-7.1	0.6	0.1	1.6	0.8	3.0	1.5	1.7	1.6	2.6	7.4	8.9	10.1	10.8
Taxes	1.0	0.0	0.2	-0.3	-0.3	-0.4	-0.1	-0.3	-0.4	-0.6	-1.4	-2.0	-2.2	-2.4
Minority interest	0.2	0.1	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-5.9	0.6	0.4	1.3	0.4	2.8	1.4	1.4	1.2	2.0	6.0	7.0	7.9	8.4
EPS (adj.)	0.20	0.03	0.03	0.08	0.03	0.17	0.08	0.07	0.07	0.11	0.34	0.38	0.43	0.46
EPS (rep.)	-0.32	0.03	0.02	0.07	0.02	0.15	0.07	0.07	0.07	0.11	0.33	0.38	0.43	0.46

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-%	-12.4 %	-12%	21%	15%	-1%	4.6 %	0%	-3%	-17%	26%	1.6 %	7.5 %	4.2 %	3.0 %
Adjusted EBIT growth-%	261%	-6%	384%	73%	39%	70%	29%	-12%	-8%	134%	23%	15%	10%	5%
EBITDA-%	4.7 %	8.4 %	9.0 %	9.8 %	6.7 %	8.5 %	9.1 %	9.4 %	11.7 %	9.0 %	9.7 %	9.9 %	10.3 %	10.8 %
Adjusted EBIT-%	3.2 %	4.5 %	6.0 %	6.6 %	3.3 %	5.1 %	5.8 %	5.5 %	7.4 %	6.2 %	6.2 %	6.6 %	6.9 %	7.0 %
Net earnings-%	-4.4 %	2.0 %	1.1 %	3.7 %	1.2 %	2.0 %	4.3 %	3.9 %	4.3 %	4.5 %	4.3 %	4.6 %	5.0 %	5.2 %

Source: Inderes

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

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	53.7	54.7	55.2	56.1	56.8
Goodwill	30.1	30.1	30.1	30.1	30.1
Intangible assets	8.8	11.3	12.7	14.4	15.8
Tangible assets	11.5	10.1	9.2	8.4	7.7
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.1	0.0	0.0	0.0	0.0
Deferred tax assets	3.2	3.1	3.1	3.1	3.1
Current assets	67.4	68.0	73.7	75.4	76.9
Inventories	24.9	26.9	30.3	31.8	32.3
Other current assets	1.0	1.2	1.2	1.2	1.2
Receivables	32.7	30.9	33.8	33.3	33.9
Cash and equivalents	8.8	9.1	8.5	9.1	9.5
Balance sheet total	121	123	129	131	134

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	54.8	57.9	62.4	67.6	73.2
Share capital	7.0	7.0	7.0	7.0	7.0
Retained earnings	46.2	48.4	53.0	58.1	63.7
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	2.3	2.5	2.5	2.5	2.5
Minorities	-0.7	0.0	0.0	0.0	0.0
Non-current liabilities	26.7	23.3	26.6	22.5	18.5
Deferred tax liabilities	0.1	0.0	0.0	0.0	0.0
Provisions	2.0	2.3	2.3	2.3	2.3
Interest bearing debt	24.7	20.9	24.2	20.1	16.1
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	39.6	41.5	39.9	41.4	42.0
Interest bearing debt	9.6	7.8	6.0	5.0	4.0
Payables	29.9	33.6	33.8	36.3	37.9
Other current liabilities	0.1	0.1	0.1	0.1	0.1
Balance sheet total	121	123	129	131	134

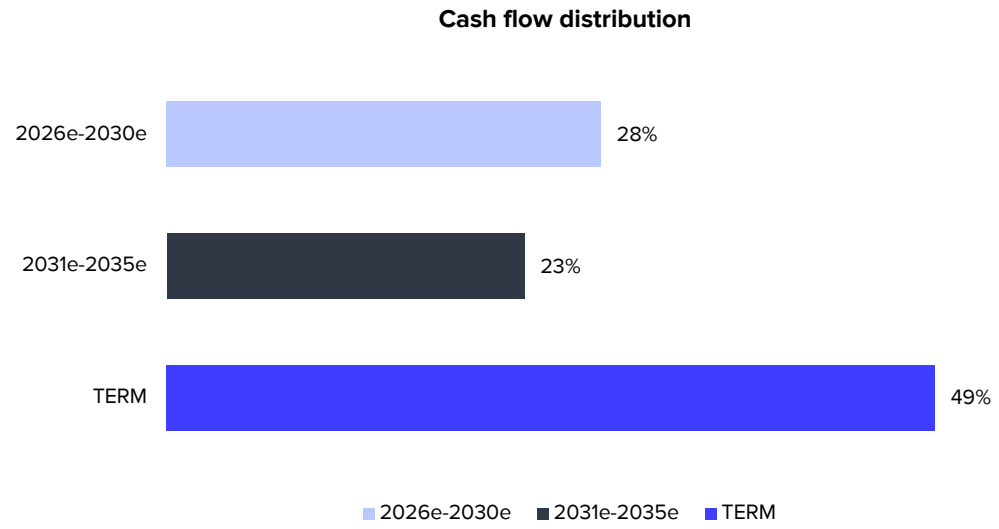
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	4.6 %	1.6 %	7.5 %	4.2 %	3.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	1.5 %	1.5 %
EBIT-%	4.9 %	6.0 %	6.6 %	6.9 %	7.0 %	6.6 %	6.5 %	6.4 %	6.3 %	6.2 %	6.0 %	6.0 %
EBIT (operating profit)	6.8	8.5	10.0	10.9	11.4	10.9	11.0	11.0	11.1	11.1	10.9	
+ Depreciation	5.0	5.2	5.0	5.3	6.1	6.0	6.0	6.0	6.0	6.0	6.0	
- Paid taxes	-0.4	-1.4	-2.0	-2.2	-2.4	-2.3	-2.4	-2.4	-2.4	-2.4	-2.4	
- Tax, financial expenses	-0.5	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	3.3	-6.2	1.5	0.4	0.0	0.3	-0.6	0.3	0.3	-0.6	-0.4	
Operating cash flow	14.1	5.9	14.3	14.2	15.0	14.8	14.0	14.9	14.9	14.1	14.1	
+ Change in other long-term liabilities	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-5.9	-5.7	-5.9	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	
Free operating cash flow	8.5	0.2	8.4	8.2	9.0	8.8	8.0	8.9	8.9	8.1	8.1	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	8.5	0.2	8.4	8.2	9.0	8.8	8.0	8.9	8.9	8.1	8.1	108
Discounted FCFF		0.2	7.6	6.8	6.9	6.2	5.1	5.2	4.8	4.0	3.6	48.9
Sum of FCFF present value		99.3	99.1	91.5	84.7	77.8	71.7	66.5	61.3	56.5	52.5	48.9

Enterprise value DCF	99.3
- Interest bearing debt	-28.7
+ Cash and cash equivalents	9.1
+ Associated companies	0.0
-Minorities	0.0
-Dividend/capital return	-1.5
Equity value DCF	78.2
Equity value DCF per share	4.3

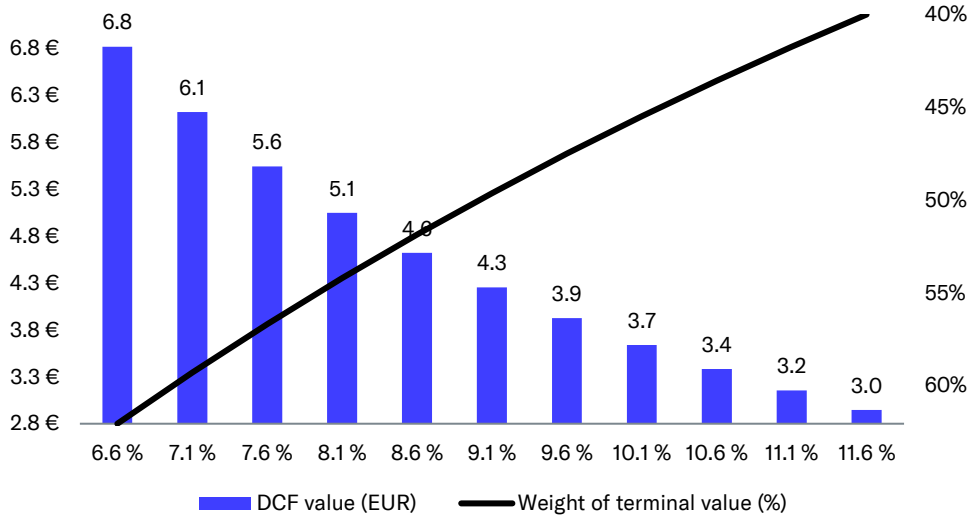
WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	5.0 %
Equity Beta	1.15
Market risk premium	4.75%
Liquidity premium	1.90%
Risk free interest rate	3.0 %
Cost of equity	10.4 %
Weighted average cost of capital (WACC)	9.1 %

Source: Inderes

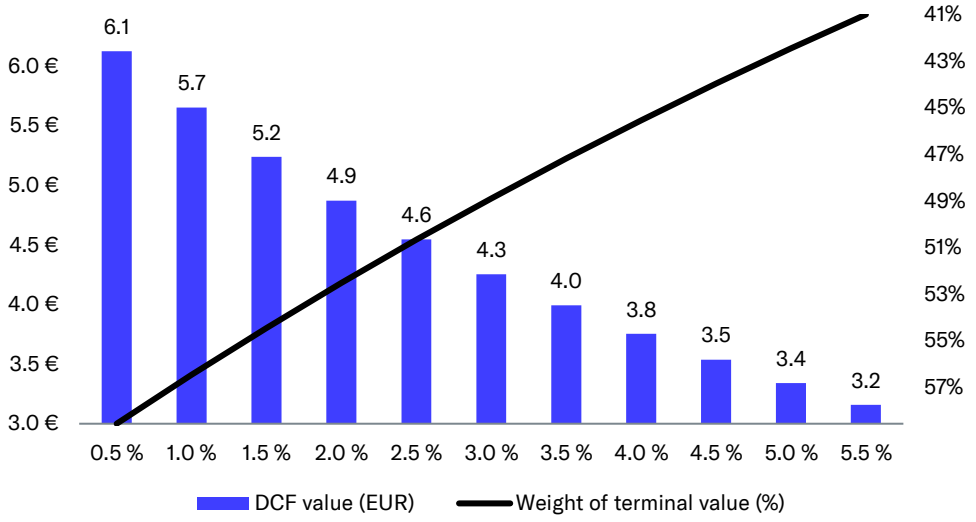


DCF sensitivity calculations and key assumptions in graphs

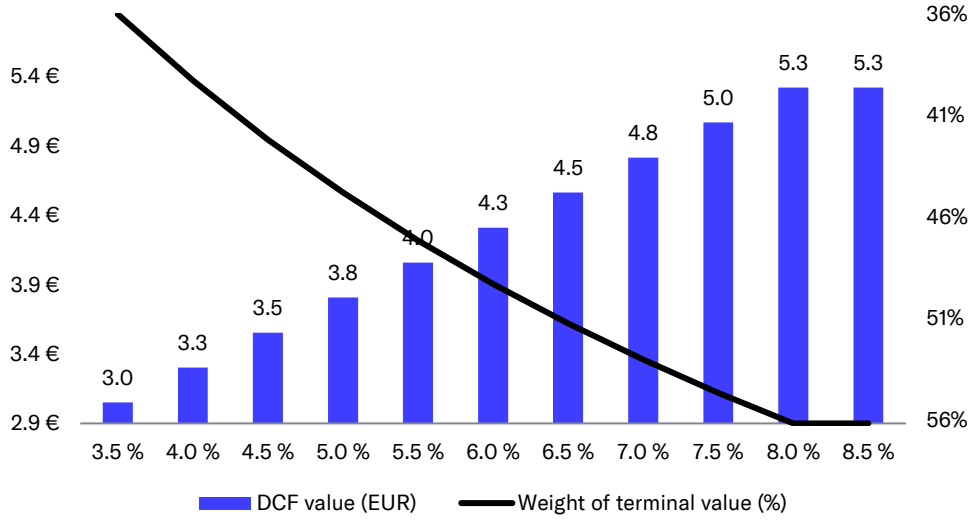
Sensitivity of DCF to changes in the WACC-%



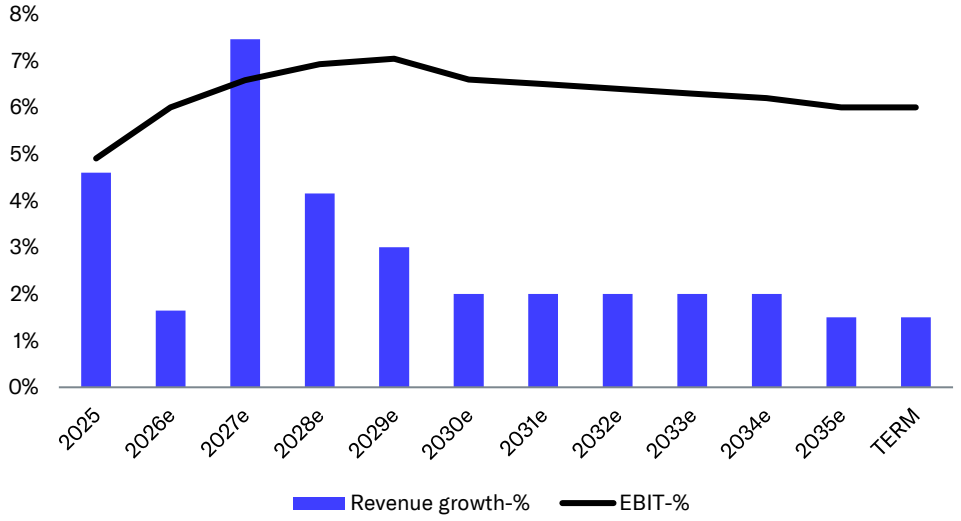
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	151.3	132.5	138.6	140.9	151.4
EBITDA	5.6	6.3	11.8	13.6	15.0
EBIT	-0.5	-5.4	6.8	8.5	10.0
PTP	-2.4	-7.1	3.0	7.4	8.9
Net Income	-0.1	-5.9	2.8	6.0	7.0
Extraordinary items	-1.6	-9.6	-0.3	-0.2	0.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	132.2	121.2	122.7	128.9	131.4
Equity capital	60.9	54.8	57.9	62.4	67.6
Goodwill	30.1	30.1	30.1	30.1	30.1
Net debt	31.6	25.4	19.6	21.8	16.0

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	5.6	6.3	11.8	13.6	15.0
Change in working capital	9.0	6.8	3.3	-6.2	1.5
Operating cash flow	15.8	12.5	14.1	5.9	14.3
CAPEX	-7.4	-5.7	-5.9	-5.7	-5.9
Free cash flow	5.9	7.6	8.5	0.2	8.4

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.5	0.6	0.6	0.6	0.5
EV/EBITDA	14.4	11.6	7.5	5.8	4.9
EV/EBIT (adj.)	69.5	17.4	12.4	9.2	7.4
P/E (adj.)	31.6	13.0	22.3	9.3	8.3
P/B	0.8	0.9	1.2	0.9	0.9
Dividend-%	0.0 %	1.1 %	2.1 %	3.2 %	3.8 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.00	-0.32	0.15	0.33	0.38
EPS (adj.)	0.09	0.20	0.17	0.34	0.38
OCF / share	0.86	0.68	0.77	0.32	0.78
OFCF / share	0.32	0.42	0.47	0.01	0.46
Book value / share	3.36	3.04	3.17	3.41	3.69
Dividend / share	0.00	0.03	0.08	0.10	0.12

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-8%	-12%	5%	2%	7%
EBITDA growth-%	-28%	13%	87%	16%	10%
EBIT (adj.) growth-%	-41%	261%	70%	23%	15%
EPS (adj.) growth-%	1724%	138%	-17%	101%	12%
EBITDA-%	3.7 %	4.7 %	8.5 %	9.7 %	9.9 %
EBIT (adj.)-%	0.8 %	3.2 %	5.1 %	6.2 %	6.6 %
EBIT-%	-0.3 %	-4.1 %	4.9 %	6.0 %	6.6 %
ROE-%	-0.1 %	-10.0 %	4.9 %	10.0 %	10.7 %
ROI-%	-0.5 %	-5.7 %	7.7 %	9.4 %	10.8 %
Equity ratio	46.3 %	45.5 %	47.5 %	48.7 %	51.7 %
Gearing	51.9 %	46.3 %	33.9 %	34.9 %	23.7 %
Net debt/EBITDA	5.7	4.0	1.7	1.6	1.1
EBITDA/net financials	2.9	3.7	3.1	12.6	14.3

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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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

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/12/2021	Accumulate	5.50 €	4.99 €
5/7/2021	Accumulate	6.10 €	5.76 €
8/13/2021	Reduce	6.10 €	6.16 €
9/21/2021	Accumulate	6.00 €	5.00 €
11/5/2021	Reduce	5.50 €	5.20 €
2/10/2022	Reduce	5.00 €	5.16 €
5/6/2022	Reduce	4.30 €	4.20 €
6/21/2022	Reduce	3.90 €	4.10 €
8/11/2022	Reduce	3.90 €	3.95 €
11/4/2022	Reduce	3.70 €	3.39 €
12/9/2022	Reduce	3.70 €	3.85 €
2/10/2023	Reduce	3.70 €	3.96 €
5/5/2023	Accumulate	4.10 €	3.68 €
8/11/2023	Accumulate	3.90 €	3.47 €
11/3/2023	Reduce	3.00 €	2.95 €
12/17/2023	Reduce	2.60 €	2.64 €
1/17/2024	Reduce	2.60 €	2.70 €
2/12/2024	Reduce	2.60 €	2.77 €
5/6/2024	Reduce	2.60 €	2.88 €
8/15/2024	Reduce	2.60 €	2.50 €
9/17/2024	Reduce	2.30 €	2.26 €
11/7/2024	Reduce	2.40 €	2.27 €
2/12/2025	Accumulate	3.20 €	2.89 €
3/4/2025	Accumulate	3.20 €	2.80 €
5/8/2025	Accumulate	3.30 €	2.96 €
8/15/2025	Accumulate	4.00 €	3.75 €
11/6/2025	Reduce	4.10 €	4.04 €
11/24/2025	Accumulate	4.10 €	3.67 €
2/6/2026	Accumulate	4.10 €	3.82 €
2/16/2026	Accumulate	4.20 €	3.78 €
5/11/2026	Accumulate	4.20 €	3.68 €
7/7/2026	Accumulate	4.20 €	3.47 €
8/17/2026	Accumulate	4.20 €	3.50 €
11/7/2026	Accumulate	3.90 €	3.16 €



CONNECTING INVESTORS AND COMPANIES.

Inderes democratizes financial information by connecting investors and listed companies. For investors, we are an investing community and a trusted source of financial information and equity research. For listed companies, we are a partner in delivering high-quality investor relations. Over 500 listed companies in Europe use our investor relations products and equity research services to provide better investor communications to their shareholders.

Our goal is to be the most investor-minded company in finance. Inderes was founded in 2009 by investors, for investors. As a Nasdaq First North-listed company, we understand the day-to-day reality of our customers.

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