

NIBE INDUSTRIER B

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COMPANY REPORT



Turning up the heat on the recovery

NIBE's Q4 report came in somewhat below our expectations, mainly due to stronger FX headwinds than we had expected. However, the underlying organic growth and margins were strong, especially in the important Climate Solutions business area, which gives us more confidence in the current turnaround. Despite the recent surge in the share price, we still believe that the valuation (P/E 2026-2027: 25x and 21x) is attractive. As a result, we reiterate our Accumulate Recommendation but increase our target price to SEK 44 per share (prev. SEK 38 per share), mainly due to increased estimates and slightly reduced risk profile.

Recovery continues with strong margins

In our view, NIBE finished the year strongly, showing clear signs that the turnaround is progressing in the right direction. Climate Solutions stood out on the positive side, with organic growth adj. for currency effects at 8.7%. While reported revenue growth was slightly below our expectations due to a large negative FX impact, we view it as positive that Climate Solutions, which is the company's largest business area and where most expectations lie, continues to show a gradual recovery, especially in the European market. While the Element business area also continues to show a gradual recovery, driven by positive development in the rail-based transport and HVAC segment, Stoves remained a drag, mainly due to a weak European market.

In Q4'25, NIBE's adj. EBIT rose 27% to 1,438 MSEK, beating consensus and roughly meeting our expectations in absolute terms. In our view, Climate Solutions performed strongly and above our expectations, with a 15.7% adj. EBIT margin, returning the full-year margin to the historical 13-15% range. Stoves also surprised positively with a 10.2% margin despite sales declines and tariffs, supporting a potential return to its 10-13% target range in 2026. Element's margin improved through productivity and cost control, though it missed our estimates. In the lower

lines of the income statement, adjusted EPS increased to 0.48 SEK, in line with our expectations.

Earnings estimates slightly up

In our view, NIBE's performance and market data continue to indicate a gradual recovery. In Germany, one of NIBE's key markets, heat pump sales rose 55% in 2025, and subsidy applications grew 29% year-over-year in Q4'25, pointing to sustained momentum. Other European markets, such as Sweden, the Netherlands, Poland, and Denmark, also show signs of recovery, with heat pump sales up by double digits in 2025. While the overall picture points to strengthening end-consumer demand across most markets, several near-term headwinds persist, including a continued sluggish new-build market, currency headwinds from a strengthening SEK, and subsidy-related uncertainty in some regions, such as the US and France.

Overall, we have slightly lowered our near-term revenue estimates, reflecting the continued strengthening of the SEK as well as a somewhat slower-than-expected recovery in Element and, in particular, Stoves during Q4. However, our EBIT estimates have been revised slightly upwards despite the lower revenue forecast, driven by better productivity and operational cost control than we had previously expected, particularly within the important Climate Solutions business area.

We still view the risk/reward as attractive

We believe that NIBE's valuation is high on actual earnings basis (adj. P/E LTM: 32x). Although we expect downward pressure on LTM earnings multiples, we believe that the strong medium-term earnings growth, coupled with a slight dividend yield of some 1-2%, offers a total expected return above our required return. Additionally, the DCF value is also sufficiently higher than the current share price. We therefore consider the risk/reward ratio quite good at the current share price level.

Recommendation

Accumulate

(prev. Accumulate)

Target price:

44.0 SEK

(prev. 38.0 SEK)

Share price:

38.9 SEK

Business risk



Valuation risk



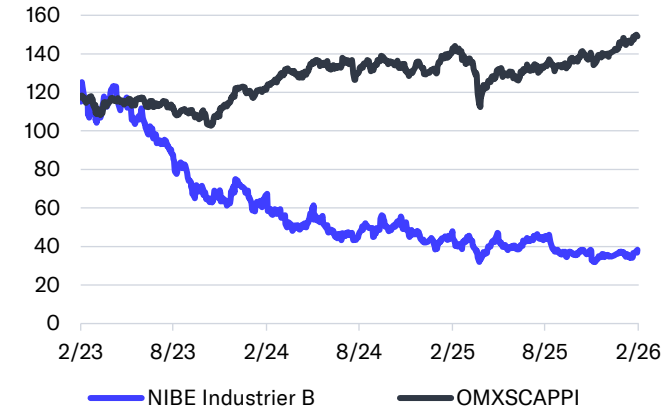
| | 2025 | 2026e | 2027e | 2028e |
|------------------|--------|--------|--------|--------|
| Revenue | 40,841 | 42,964 | 46,405 | 49,914 |
| growth-% | 1% | 5% | 8% | 8% |
| EBIT adj. | 4,303 | 5,035 | 5,670 | 6,351 |
| EBIT-% adj. | 10.5 % | 11.7 % | 12.2 % | 12.7 % |
| Net Income | 2,281 | 3,249 | 3,838 | 4,408 |
| EPS (adj.) | 1.22 | 1.61 | 1.90 | 2.19 |
| | | | | |
| P/E (adj.) | 29.2 | 24.1 | 20.4 | 17.8 |
| P/B | 2.4 | 2.4 | 2.2 | 2.0 |
| Dividend yield-% | 1.0 % | 1.4 % | 1.7 % | 1.7 % |
| EV/EBIT (adj.) | 20.7 | 18.5 | 15.9 | 13.8 |
| EV/EBITDA | 14.2 | 12.8 | 11.4 | 10.2 |
| EV/S | 2.2 | 2.2 | 1.9 | 1.8 |

Source: Inderes

Guidance

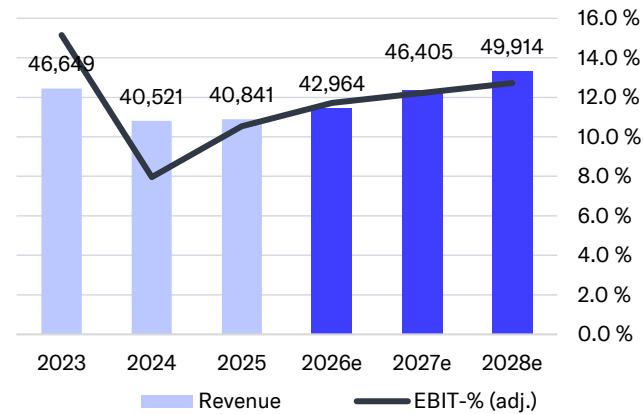
(NIBE does not report any guidance)

Share price



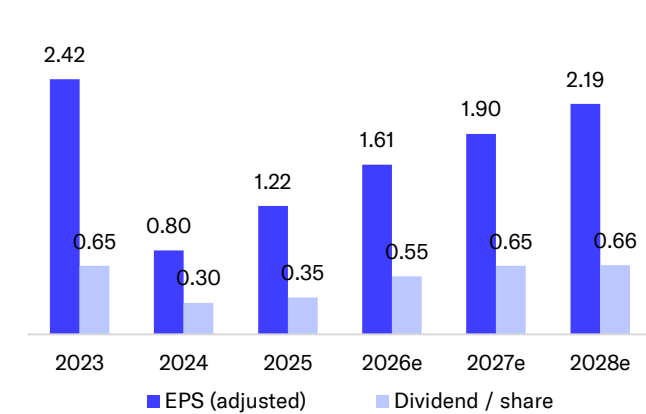
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

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 | 2026e | 2027e | 2028e |
|----------------------------|--------|--------|--------|
| Share price | 38.9 | 38.9 | 38.9 |
| Number of shares, millions | 2,016 | 2,016 | 2,016 |
| Market cap | 78,425 | 78,425 | 78,425 |
| EV | 92,985 | 90,331 | 87,382 |
| P/E (adj.) | 24.1 | 20.4 | 17.8 |
| P/E | 24.1 | 20.4 | 17.8 |
| P/B | 2.4 | 2.2 | 2.0 |
| P/S | 1.8 | 1.7 | 1.6 |
| EV/Sales | 2.2 | 1.9 | 1.8 |
| EV/EBITDA | 12.8 | 11.4 | 10.2 |
| EV/EBIT (adj.) | 18.5 | 15.9 | 13.8 |
| Payout ratio (%) | 34.1 % | 34.1 % | 30.0 % |
| Dividend yield-% | 1.4 % | 1.7 % | 1.7 % |

Source: Inderes

Recovery continues with strong margins

Recovery progresses despite currency headwinds

In our view, NIBE finished the year strongly, showing clear signs that the turnaround is progressing in the right direction. The company's Q4 revenue reached 11.0 BSEK, corresponding to a roughly flat growth compared to last year. This was roughly in line with consensus, but below our expectations mainly due to a bigger FX impact than we had anticipated, due to the strengthening SEK. However, organic growth adjusted for FX effects amounted to 6.8%, which we view as a positive outcome that reinforces the ongoing recovery.

At the business area level, we believe Climate Solutions (Q4'25: 7.4 BSEK) stood out on the positive side, with organic growth adj. for currency effects at 8.7%. While reported revenue growth was slightly below our expectations due to a large negative FX impact (-6%), we view it as positive that Climate Solutions, which is the company's largest business area and where most expectations lie, continues to show a gradual recovery,

especially in the European market. We believe that the Element business area (Q4'25: 2.8 BSEK) also continues to show a gradual recovery, driven by positive development in the rail-based transport and HVAC segment, although reported revenue also here was below our expectations due to a significant negative FX impact (-8%). Stoves business area (1.1 BSEK) remained a drag, mainly due to a weak European market, while the North American market showed what we consider to be a good development, which offset the weaker performance in Europe to some extent.

Strong margins in Climate Solutions

NIBE's Q4 results are typically affected by non-operational revaluations of additional consideration for acquisitions. As a result, we believe adjusted EBIT provides a more representative measure of underlying performance. In Q4'25, NIBE's adj. EBIT rose 27% to 1,438 MSEK, beating consensus and roughly meeting our expectations in absolute terms. In our view, Climate Solutions performed

strongly and above our expectations, with a 15.7% adj. EBIT margin, returning the full-year margin to the historical 13-15% range. Stoves also surprised positively with a 10.2% margin despite sales declines and tariffs, supporting a potential return to its 10-13% target range. Element's margin improved through productivity and cost control, though it missed our estimates. In the lower lines of the income statement, adjusted EPS increased to 0.48 SEK, in line with our expectations. The board of directors proposed a dividend increase to SEK 0.35 per share, which was below both our and consensus forecasts.

Significant acquisitions remain unlikely in the near term

Inventory levels improved sequentially but remain elevated at ~22% of LTM revenue, while net debt/EBITDA reached 2.7x. While leverage remains high, we expect it to improve alongside profitability and are not currently concerned. However, significant near-term M&A is unlikely as current leverage would likely require an equity issue.

| Estimates | Q4'24 | Q4'25 | Q4'25e | Q4'25e | Consensus | Difference (%) | 2025 |
|------------------|------------|------------|---------|-----------|-----------------|------------------|--------|
| MSEK / SEK | Comparison | Actualized | Inderes | Consensus | Low High | Act. vs. inderes | Actual |
| Revenue | 11,025 | 11,000 | 11,426 | 10,988 | 10,709 - 11,426 | -4% | 40,841 |
| EBIT (adj.) | 1,129 | 1,438 | 1,472 | 1,357 | 1,274 - 1,472 | -2% | 4,303 |
| EBIT | 1,669 | 1,260 | 1,472 | 1,357 | 1,274 - 1,472 | -14% | 4,125 |
| PTP | 1,425 | 1,035 | 1,242 | 1,158 | 1,072 - 1,242 | -17% | 3,155 |
| EPS (adj.) | 0.45 | 0.48 | 0.48 | 0.45 | 0.41 - 0.54 | -1% | 1.22 |
| DPS | 0.30 | 0.35 | 0.40 | 0.47 | 0.31 - 0.75 | -13% | 0.35 |
| Revenue growth-% | -5.4 % | -0.2 % | 3.6 % | -0.3 % | -2.9 % - 3.6 % | -3.9 pp | 0.8 % |
| EBIT-% | 10.2 % | 13.1 % | 12.9 % | 12.3 % | 11.9 % - 12.9 % | 0.2 pp | 10.5 % |

Source: Inderes & Infront
(06.02.2026 11 analysts)
(consensus)

We have revised our earnings estimates slightly upward

No surprises on the margin commentary

While NIBE does not provide specific numerical guidance (this quarter being no exception), the company has, over the past year, consistently repeated its ambition for all three business areas to return to their historically demonstrated operating margin ranges. Climate Solutions met this ambition, while Element fell short by around one percentage point, and Stoves was more materially below the targeted range. In our view, the fact that Climate Solutions has returned to its historical margin range is encouraging. The fact that Element and Stoves have not yet reached their respective ambitions did not come as a surprise, given the differing market and recovery dynamics across the segments. Looking ahead, NIBE reiterated its ambition in its Q4 report to accelerate organic growth and have all three business areas operate within their historical margin ranges by 2026, which was in line with our expectations.

Revenue estimates lowered slightly

In our view, NIBE’s performance and market data continue to indicate a gradual recovery. In Germany, one of NIBE’s key markets, heat pump sales rose 55% in 2025, and subsidy applications grew 29% year-over-year in Q4’25, pointing to sustained momentum. Other European markets, such as Sweden, the Netherlands, Poland, and Denmark, also show signs of recovery, with heat pump sales by double digits in 2025. We also believe that underlying demand for heat pumps remains relatively stable in the US. While the overall picture points to strengthening end-consumer demand across most markets, several near-term headwinds persist, including a continued sluggish new-build market, currency headwinds from a strengthening SEK, and subsidy-related uncertainty in some regions, such as the US and France.

Overall, we have slightly lowered our near-term revenue estimates, reflecting the continued strengthening of the SEK as well as a somewhat slower-than-expected recovery in Element and, in particular, Stoves during Q4. However,

we still expect good organic growth of some 5% in 2026, accelerating to 8% in 2027, driven by increased consumer purchasing power, a gradual recovery in the new-build market, and structural growth in energy-efficient heating solutions.

Earnings estimates slightly up despite lower revenue estimates

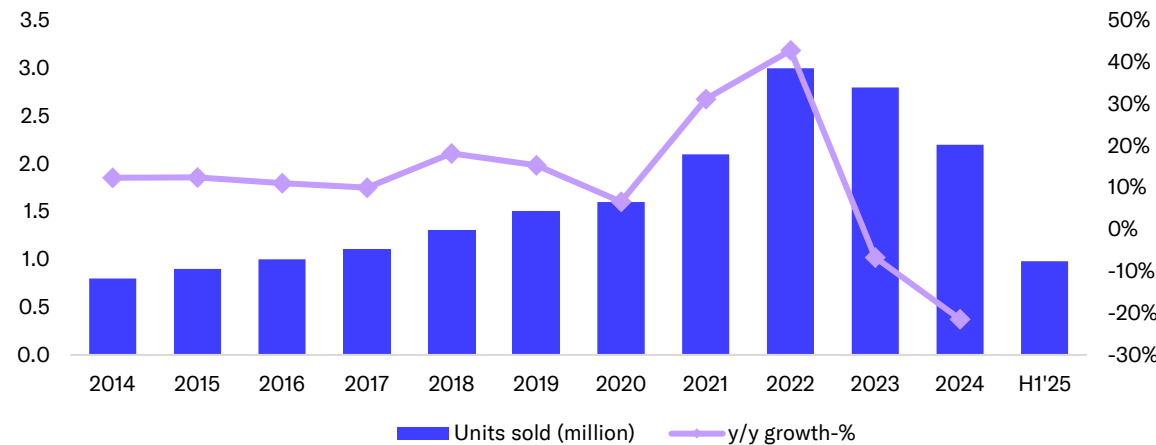
Our EBIT estimates have been revised slightly upwards, driven by better productivity and operational cost control than we had previously expected, particularly within the important Climate Solutions business area. In our view, through a combination of increased sales volumes, improved productivity, and continued disciplined cost control, the company is on track to return to its historical margin ranges across all business areas by 2026. However, we expect these margins to settle at the lower end of the historical target ranges, reflecting a more gradual recovery path and the time required for volume leverage to fully offset recent headwinds.

| Estimate revisions | 2025 | 2025 | Change | 2026e | 2026e | Change | 2027e | 2027e | Change |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| MSEK / SEK | Old | New | % | Old | New | % | Old | New | % |
| Revenue | 41,267 | 40,841 | -1% | 44,082 | 42,964 | -3% | 47,129 | 46,405 | -2% |
| EBITDA | 6,505 | 6,271 | -4% | 7,207 | 7,260 | 1% | 7,791 | 7,926 | 2% |
| EBIT (excl. NRIs) | 4,337 | 4,303 | -1% | 4,982 | 5,035 | 1% | 5,458 | 5,670 | 4% |
| EBIT | 4,337 | 4,125 | -5% | 4,982 | 5,035 | 1% | 5,458 | 5,670 | 4% |
| PTP | 3,362 | 3,155 | -6% | 4,112 | 4,165 | 1% | 4,758 | 4,970 | 4% |
| EPS (excl. NRIs) | 1.22 | 1.22 | 0% | 1.57 | 1.61 | 2% | 1.82 | 1.90 | 4% |
| DPS | 0.40 | 0.35 | -13% | 0.55 | 0.55 | 0% | 0.65 | 0.65 | 0% |

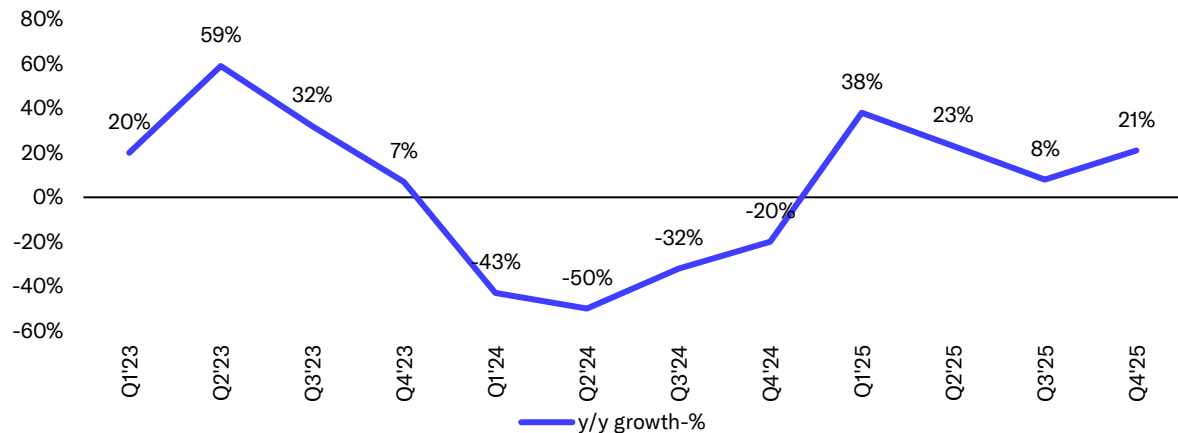
Source: Inderes

European heat pump market figures

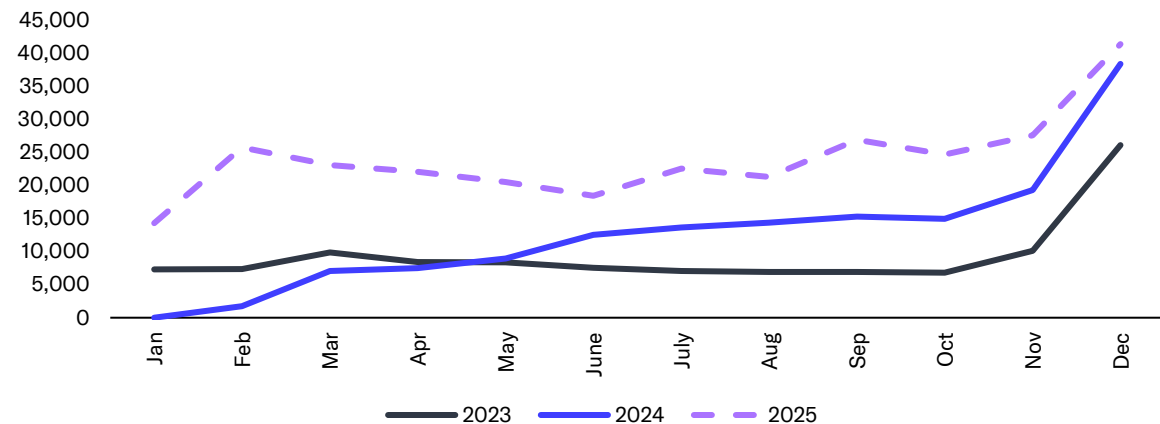
European heat pump market development



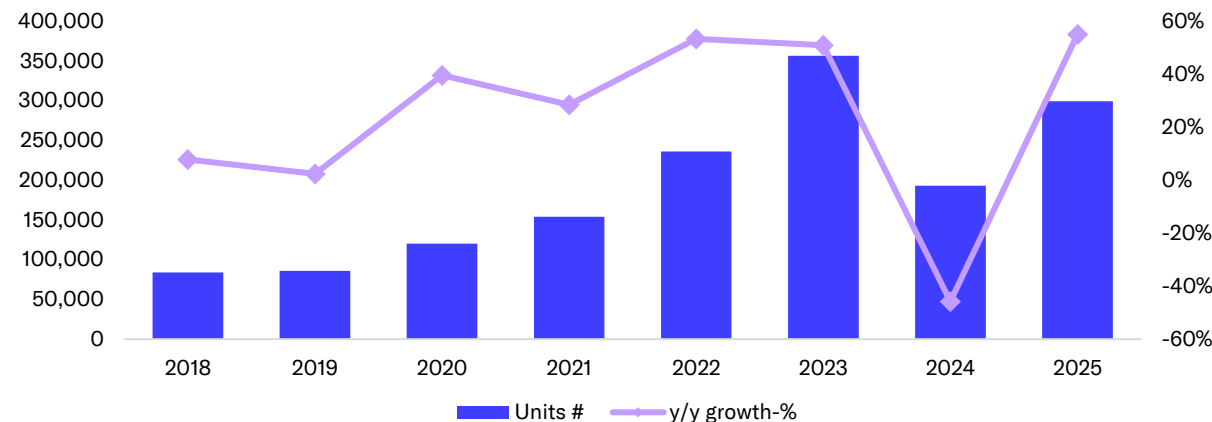
Heat pump sales growth development in the Swedish market



Applications for heat pump subsidies in Germany



Heat pump sales in Germany



We reiterate our Accumulate Recommendation

Valuation multiples at attractive levels

NIBE is currently progressing in its turnaround, and the 2026 valuation multiples are P/E: 25x and EV/EBIT: 19x. These multiples are slightly below the company’s historical long-term medians, and we view them as relatively neutral. Looking ahead, if the market environment continues to improve and our forecast of an earnings recovery continues materializing, the estimated 2027 multiples of P/E: 21x and EV/EBIT: 16x look attractive to us. However, the 2027 multiples are based on estimates that depend on substantial and still uncertain improvements in earnings. Key uncertainties include the macroeconomic environment, a sluggish construction market, and subsidy uncertainty in certain heat pump markets. In addition, intensifying competition could put pressure on pricing power over time. Nevertheless, the 2025-2026 average valuation multiples fall within our acceptable valuation range (P/E: 22-28x and EV/EBIT: 17-20x) and appear attractive to us.

Priced roughly in line compared to peers

On a relative basis, NIBE is trading roughly in line with its peers, based on earnings multiples for 2026-27. When comparing only to its international heat pump peers (such as Carrier, Trane, Lennox, and Beijer Ref), NIBE is trading at a discount on the average of 2026-27 earnings multiples. On the one hand, we believe that NIBE holds a strong long-term track record of profitable growth and high returns on capital, which could justify a premium. On the other hand, growth outlook and margin potential are quite similar. In addition, NIBE is a smaller company compared to the overall peer group. All in all, we believe that NIBE’s roughly 8% discount relative to the average 2026–27 earnings multiples of its heat pump peers suggests some potential upside in the valuation.

DCF also suggests some upside

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. As NIBE has demonstrated a gradual recovery in both sales volumes and margins for four consecutive quarters, we have become more confident in the recovery and therefore view the risk profile as slightly lower. As a result, we have modestly decreased our cost of equity and WACC to 8.2% and 7.6% (prev.8.7% and 8.0), to reflect lower risk premiums. With these assumptions, our DCF model arrives at an equity value of around 89 BNSEK, which translates to around SEK 44 per share (prev. SEK 38 per share). This is in line with our target price and above the current share price, suggesting some upside.

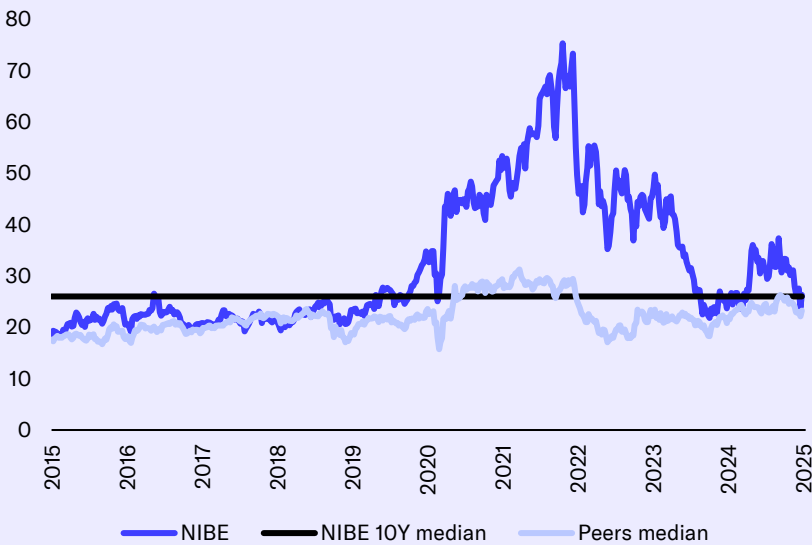
Expected return is sufficient in the medium term

We expect investors to receive an annual dividend of about 1-2% over the next few years for the current share price. However, we do not deem dividends very significant for NIBE’s expected returns, as its profile is that of a growth company. We believe that NIBE’s valuation is high on an actual earnings basis (adj. P/E LTM: 32x). Although we expect some downward pressure on LTM earnings multiples, we believe that the strong medium-term earnings growth offers a total expected return above our required return. We, therefore, consider the risk/reward ratio good and reiterate our Accumulate recommendation but increase our target price to SEK 40 per share (prev. SEK 38 per share), mainly due to increased earnings estimates.

| Valuation | 2026e | 2027e | 2028e |
|----------------------------|--------|--------|--------|
| Share price | 38.9 | 38.9 | 38.9 |
| Number of shares, millions | 2,016 | 2,016 | 2,016 |
| Market cap | 78,425 | 78,425 | 78,425 |
| EV | 92,985 | 90,331 | 87,382 |
| P/E (adj.) | 24.1 | 20.4 | 17.8 |
| P/E | 24.1 | 20.4 | 17.8 |
| P/B | 2.4 | 2.2 | 2.0 |
| P/S | 1.8 | 1.7 | 1.6 |
| EV/Sales | 2.2 | 1.9 | 1.8 |
| EV/EBITDA | 12.8 | 11.4 | 10.2 |
| EV/EBIT (adj.) | 18.5 | 15.9 | 13.8 |
| Payout ratio (%) | 34.1 % | 34.1 % | 30.0 % |
| Dividend yield-% | 1.4 % | 1.7 % | 1.7 % |

Source: Inderes

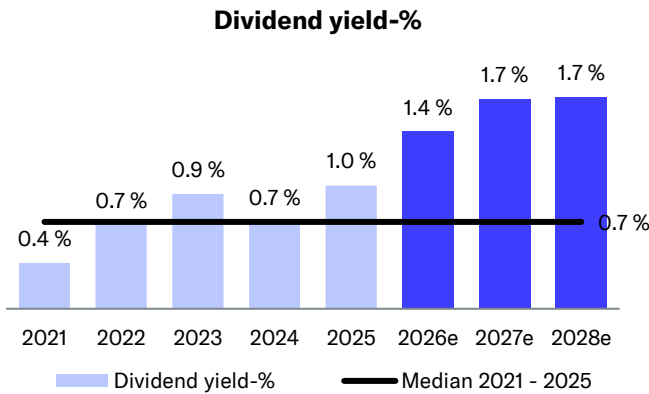
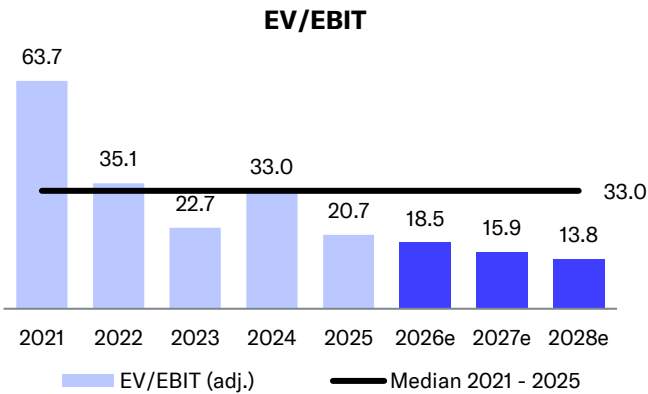
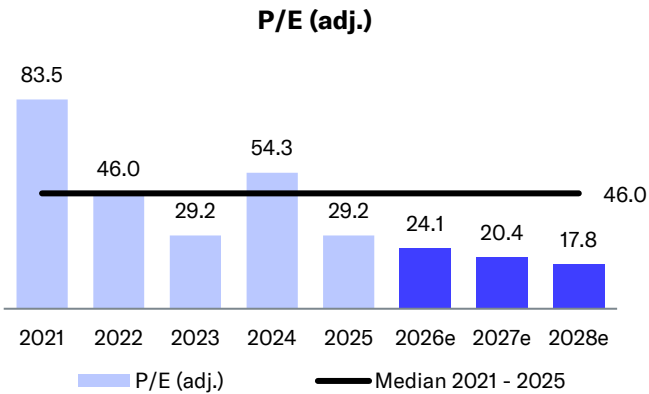
Historical trading multiples, P/E (NTM)



Valuation table

| Valuation | 2021 | 2022 | 2023 | 2024 | 2025 | 2026e | 2027e | 2028e | 2029e |
|----------------------------|---------|---------|---------|---------|--------|--------|--------|--------|--------|
| Share price | 136.8 | 97.1 | 70.8 | 43.2 | 35.6 | 38.9 | 38.9 | 38.9 | 38.9 |
| Number of shares, millions | 2,016 | 2,016 | 2,016 | 2,016 | 2,016 | 2,016 | 2,016 | 2,016 | 2,016 |
| Market cap | 275,697 | 195,760 | 142,738 | 87,175 | 71,772 | 78,425 | 78,425 | 78,425 | 78,425 |
| EV | 283,549 | 202,352 | 160,174 | 106,382 | 88,961 | 92,985 | 90,331 | 87,382 | 84,435 |
| P/E (adj.) | 83.5 | 46.0 | 29.2 | 54.3 | 29.2 | 24.1 | 20.4 | 17.8 | 15.5 |
| P/E | 83.0 | 45.0 | 29.8 | 74.9 | 31.5 | 24.1 | 20.4 | 17.8 | 15.5 |
| P/B | 12.9 | 7.0 | 5.2 | 2.7 | 2.4 | 2.4 | 2.2 | 2.0 | 1.9 |
| P/S | 8.9 | 4.9 | 3.1 | 2.2 | 1.8 | 1.8 | 1.7 | 1.6 | 1.5 |
| EV/Sales | 9.2 | 5.0 | 3.4 | 2.6 | 2.2 | 2.2 | 1.9 | 1.8 | 1.6 |
| EV/EBITDA | 49.2 | 27.1 | 18.2 | 21.6 | 14.2 | 12.8 | 11.4 | 10.2 | 9.2 |
| EV/EBIT (adj.) | 63.7 | 35.1 | 22.7 | 33.0 | 20.7 | 18.5 | 15.9 | 13.8 | 12.0 |
| Payout ratio (%) | 30.4 % | 30.1 % | 27.4 % | 52.0 % | 30.9 % | 34.1 % | 34.1 % | 30.0 % | 30.0 % |
| Dividend yield-% | 0.4 % | 0.7 % | 0.9 % | 0.7 % | 1.0 % | 1.4 % | 1.7 % | 1.7 % | 1.9 % |

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 |
| Kone | 31,425 | 30,595 | 20.5 | 18.5 | 16.8 | 15.5 | 2.6 | 2.5 | 26.9 | 24.2 | 3.3 | 3.6 | 10.1 |
| Assa Abloy | 40,699 | 46,760 | 18.8 | 17.2 | 15.5 | 14.3 | 3.2 | 3.0 | 24.3 | 21.9 | 1.8 | 2.0 | 3.7 |
| Hexagon | 24,308 | 27,778 | 18.5 | 17.0 | 13.3 | 12.4 | 5.0 | 4.8 | 17.5 | 19.2 | 1.6 | 1.8 | 2.1 |
| Beijer Ref | 6,494 | 7,403 | 19.3 | 17.6 | 15.4 | 14.2 | 2.0 | 1.9 | 24.5 | 21.6 | 1.2 | 1.3 | 2.9 |
| Tomra Systems | 3,421 | 4,021 | 20.1 | 14.6 | 12.6 | 9.6 | 2.6 | 2.2 | 26.0 | 17.7 | 2.1 | 3.0 | 5.0 |
| Thule Group | 2,432 | 2,814 | 16.1 | 14.5 | 13.4 | 12.2 | 2.8 | 2.6 | 19.8 | 17.6 | 3.9 | 4.4 | 3.2 |
| Munters Group | 3,368 | 3,976 | 20.7 | 15.3 | 15.3 | 12.0 | 2.5 | 2.2 | 28.8 | 20.0 | 1.0 | 1.4 | 6.7 |
| Trane Technologies | 88,189 | 90,634 | 24.5 | 21.9 | 22.6 | 20.4 | 4.6 | 4.3 | 31.9 | 28.1 | 0.8 | 0.9 | 10.9 |
| Carrier | 47,277 | 56,217 | 19.5 | 18.0 | 15.9 | 14.6 | 3.0 | 2.9 | 23.9 | 21.1 | 1.5 | 1.6 | 4.1 |
| Lennox International Inc | 16,357 | 17,499 | 18.5 | 17.2 | 16.8 | 15.7 | 3.8 | 3.6 | 23.1 | 21.2 | 0.9 | 1.0 | 11.7 |
| Daikin Industries | 30,171 | 30,343 | | | 8.2 | 7.6 | 1.1 | 1.1 | 20.1 | 18.1 | 1.8 | 1.9 | 1.8 |
| Mitsubishi Electric | 67,430 | 65,941 | | | 18.5 | 15.0 | 2.1 | 2.0 | 33.3 | 26.2 | 1.0 | 1.2 | 2.9 |
| NIBE Industrier B (Inderes) | 7,130 | 8,453 | 18.5 | 15.9 | 12.8 | 11.4 | 2.2 | 1.9 | 24.1 | 20.4 | 1.4 | 1.7 | 2.4 |
| Average | | | 19.6 | 17.2 | 15.3 | 13.6 | 2.9 | 2.8 | 25.0 | 21.4 | 1.7 | 2.0 | 5.4 |
| Median | | | 19.4 | 17.2 | 15.5 | 14.3 | 2.7 | 2.6 | 24.4 | 21.1 | 1.6 | 1.7 | 3.9 |
| Diff-% to median | | | -5% | -7% | -17% | -20% | -20% | -24% | -1% | -3% | -9% | -3% | -38% |

Source: Refinitiv / Inderes

Income statement

| Income statement | 2024 | 2025 | Q1'26e | Q2'26e | Q3'26e | Q4'26e | 2026e | 2027e | 2028e | 2029e |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue | 40,521 | 40,841 | 9,714 | 10,457 | 10,792 | 12,001 | 42,964 | 46,405 | 49,914 | 53,742 |
| Climate Solutions | 26,037 | 26,918 | 6,082 | 7,097 | 7,193 | 8,012 | 28,383 | 30,796 | 33,105 | 35,588 |
| Element | 11,092 | 11,284 | 2,922 | 2,882 | 2,974 | 3,040 | 11,819 | 12,587 | 13,531 | 14,546 |
| Stoves | 3,864 | 3,475 | 889 | 678 | 835 | 1,170 | 3,572 | 3,822 | 4,128 | 4,458 |
| Eliminations | -472 | -836 | -180 | -200 | -210 | -220 | -810 | -800 | -850 | -850 |
| EBITDA | 4,916 | 6,271 | 1,404 | 1,743 | 1,904 | 2,209 | 7,260 | 7,926 | 8,561 | 9,221 |
| Depreciation | -2,245 | -2,146 | -545 | -550 | -565 | -565 | -2,225 | -2,256 | -2,210 | -2,184 |
| EBIT (excl. NRI) | 3,226 | 4,303 | 859 | 1,193 | 1,339 | 1,644 | 5,035 | 5,670 | 6,351 | 7,037 |
| EBIT | 2,671 | 4,125 | 859 | 1,193 | 1,339 | 1,644 | 5,035 | 5,670 | 6,351 | 7,037 |
| Climate Solutions | 1,600 | 3,493 | 608 | 923 | 1,043 | 1,282 | 3,856 | 4,311 | 4,800 | 5,338 |
| Element | 362 | 795 | 205 | 231 | 238 | 258 | 931 | 1,070 | 1,218 | 1,309 |
| Stoves | 143 | 144 | 71 | 64 | 84 | 129 | 348 | 382 | 433 | 490 |
| Eliminations | 566 | -307 | -25 | -25 | -25 | -25 | -100 | -94 | -101 | -101 |
| Net financial items | -1,135 | -970 | -240 | -220 | -210 | -200 | -870 | -700 | -650 | -500 |
| PTP | 1,536 | 3,155 | 619 | 973 | 1,129 | 1,444 | 4,165 | 4,970 | 5,701 | 6,537 |
| Taxes | -374 | -875 | -136 | -214 | -248 | -318 | -916 | -1,093 | -1,254 | -1,438 |
| Minority interest | 2 | 1 | 0 | 0 | 0 | 0 | 0 | -38 | -38 | -38 |
| Net earnings | 1,164 | 2,281 | 483 | 759 | 881 | 1,126 | 3,249 | 3,838 | 4,408 | 5,061 |
| EPS (adj.) | 0.80 | 1.22 | 0.24 | 0.38 | 0.44 | 0.56 | 1.61 | 1.90 | 2.19 | 2.51 |
| EPS (rep.) | 0.58 | 1.13 | 0.24 | 0.38 | 0.44 | 0.56 | 1.61 | 1.90 | 2.19 | 2.51 |

| Key figures | 2024 | 2025 | Q1'26e | Q2'26e | Q3'26e | Q4'26e | 2026e | 2027e | 2028e | 2029e |
|------------------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue growth-% | -13.1 % | 0.8 % | 0.4 % | 3.7 % | 7.0 % | 9.1 % | 5.2 % | 8.0 % | 7.6 % | 7.7 % |
| Adjusted EBIT growth-% | -54.4 % | 33.4 % | 9.8 % | 26.3 % | 17.6 % | 14.3 % | 17.0 % | 12.6 % | 12.0 % | 10.8 % |
| EBITDA-% | 12.1 % | 15.4 % | 14.5 % | 16.7 % | 17.6 % | 18.4 % | 16.9 % | 17.1 % | 17.2 % | 17.2 % |
| Adjusted EBIT-% | 8.0 % | 10.5 % | 8.8 % | 11.4 % | 12.4 % | 13.7 % | 11.7 % | 12.2 % | 12.7 % | 13.1 % |
| Net earnings-% | 2.9 % | 5.6 % | 5.0 % | 7.3 % | 8.2 % | 9.4 % | 7.6 % | 8.3 % | 8.8 % | 9.4 % |

Source: Inderes

Balance sheet

| Assets | 2024 | 2025 | 2026e | 2027e | 2028e |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Non-current assets | 46,979 | 43,404 | 42,535 | 42,324 | 42,242 |
| Goodwill | 25,290 | 25,290 | 25,290 | 25,290 | 25,290 |
| Intangible assets | 6,951 | 4,193 | 4,658 | 5,035 | 5,409 |
| Tangible assets | 13,214 | 12,416 | 11,691 | 11,103 | 10,647 |
| Associated companies | 325 | 325 | 325 | 325 | 325 |
| Other investments | 23 | 23 | 31 | 31 | 31 |
| Other non-current assets | 424 | 405 | 192 | 192 | 192 |
| Deferred tax assets | 752 | 752 | 348 | 348 | 348 |
| Current assets | 23,427 | 21,651 | 23,201 | 24,595 | 25,955 |
| Inventories | 10,644 | 9,167 | 9,452 | 9,745 | 9,983 |
| Other current assets | 0 | 0 | 0 | 0 | 0 |
| Receivables | 7,176 | 7,026 | 7,304 | 7,889 | 8,485 |
| Cash and equivalents | 5,607 | 5,458 | 6,445 | 6,961 | 7,487 |
| Balance sheet total | 70,406 | 65,055 | 65,736 | 66,919 | 68,198 |

Source: Inderes

| Liabilities & equity | 2024 | 2025 | 2026e | 2027e | 2028e |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Equity | 32,140 | 30,290 | 32,833 | 35,562 | 38,660 |
| Share capital | 79 | 79 | 79 | 79 | 79 |
| Retained earnings | 27,480 | 25,630 | 28,173 | 30,902 | 34,000 |
| 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 | 22,615 | 20,814 | 18,979 | 18,433 | 16,742 |
| Deferred tax liabilities | 0 | 0 | 0 | 0 | 0 |
| Provisions | 2,787 | 2,787 | 2,787 | 2,787 | 2,787 |
| Interest bearing debt | 17,625 | 16,129 | 14,294 | 13,748 | 12,057 |
| Convertibles | 0 | 0 | 0 | 0 | 0 |
| Other long term liabilities | 2,203 | 1,898 | 1,898 | 1,898 | 1,898 |
| Current liabilities | 15,651 | 13,951 | 13,924 | 12,924 | 12,796 |
| Interest bearing debt | 7,086 | 6,428 | 6,620 | 5,035 | 4,310 |
| Payables | 8,565 | 7,523 | 7,304 | 7,889 | 8,485 |
| Other current liabilities | 0 | 0 | 0 | 0 | 0 |
| Balance sheet total | 70,406 | 65,055 | 65,736 | 66,919 | 68,198 |

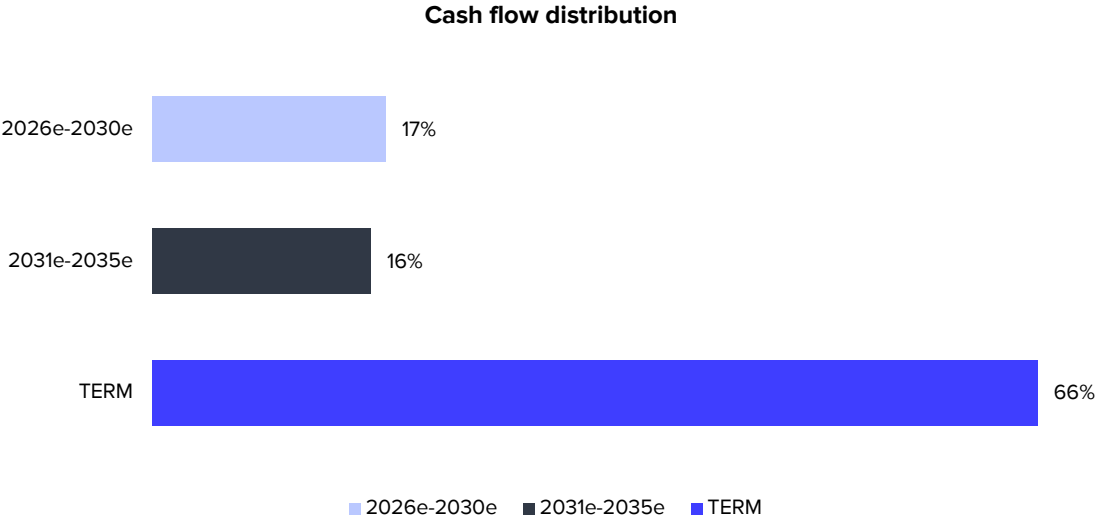
DCF-calculation

| DCF model | 2025 | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | 2033e | 2034e | 2035e | TERM |
|---|--------|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Revenue growth-% | 0.8 % | 5.2 % | 8.0 % | 7.6 % | 7.7 % | 7.0 % | 6.0 % | 5.0 % | 5.0 % | 5.0 % | 2.5 % | 2.5 % |
| EBIT-% | 10.1 % | 11.7 % | 12.2 % | 12.7 % | 13.1 % | 13.5 % | 13.5 % | 13.5 % | 13.5 % | 13.5 % | 13.5 % | 13.5 % |
| EBIT (operating profit) | 4,125 | 5,035 | 5,670 | 6,351 | 7,037 | 7,763 | 8,229 | 8,640 | 9,072 | 9,526 | 9,768 | |
| + Depreciation | 2,146 | 2,225 | 2,256 | 2,210 | 2,184 | 2,177 | 2,238 | 2,252 | 2,284 | 2,332 | 2,345 | |
| - Paid taxes | -875 | -512 | -1,093 | -1,254 | -1,438 | -1,620 | -1,744 | -1,857 | -1,963 | -2,074 | -2,136 | |
| - Tax, financial expenses | -269 | -191 | -154 | -143 | -110 | -88 | -66 | -44 | -33 | -22 | -13 | |
| + Tax, financial income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| - Change in working capital | 585 | -782 | -293 | -238 | -766 | -752 | -690 | -610 | -640 | -672 | -358 | |
| Operating cash flow | 5,712 | 5,774 | 6,385 | 6,926 | 6,907 | 7,480 | 7,966 | 8,382 | 8,721 | 9,090 | 9,606 | |
| + Change in other long-term liabilities | -305 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| - Gross CAPEX | 1,429 | -1,760 | -2,045 | -2,129 | -2,216 | -2,308 | -2,404 | -2,500 | -2,601 | -2,706 | -2,521 | |
| Free operating cash flow | 6,836 | 4,014 | 4,340 | 4,797 | 4,691 | 5,172 | 5,562 | 5,882 | 6,120 | 6,384 | 7,085 | |
| +/- Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| FCFF | 6,836 | 4,014 | 4,340 | 4,797 | 4,691 | 5,172 | 5,562 | 5,882 | 6,120 | 6,384 | 7,085 | 144,857 |
| Discounted FCFF | | 3,764 | 3,784 | 3,889 | 3,536 | 3,624 | 3,624 | 3,563 | 3,447 | 3,343 | 3,450 | 70,531 |
| Sum of FCFF present value | | 106,556 | 102,792 | 99,007 | 95,118 | 91,582 | 87,958 | 84,334 | 80,771 | 77,324 | 73,981 | 70,531 |
| Enterprise value DCF | | 106,556 | | | | | | | | | | |
| - Interest bearing debt | | -22,557 | | | | | | | | | | |
| + Cash and cash equivalents | | 5,458 | | | | | | | | | | |
| -Minorities | | -91 | | | | | | | | | | |
| -Dividend/capital return | | 0 | | | | | | | | | | |
| Equity value DCF | | 89,366 | | | | | | | | | | |
| Equity value DCF per share | | 44 | | | | | | | | | | |

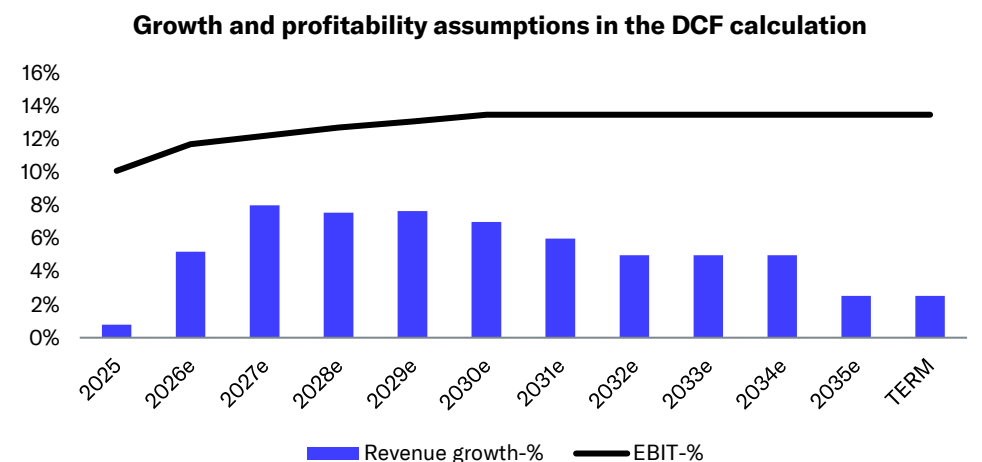
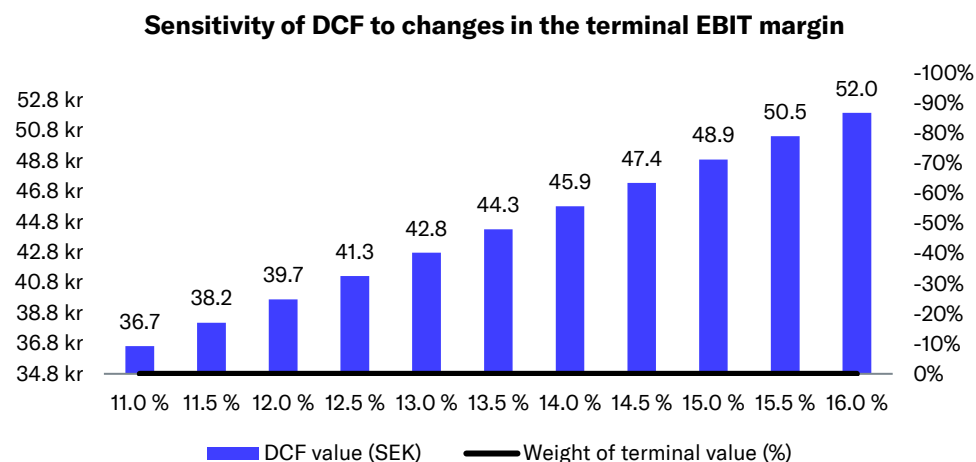
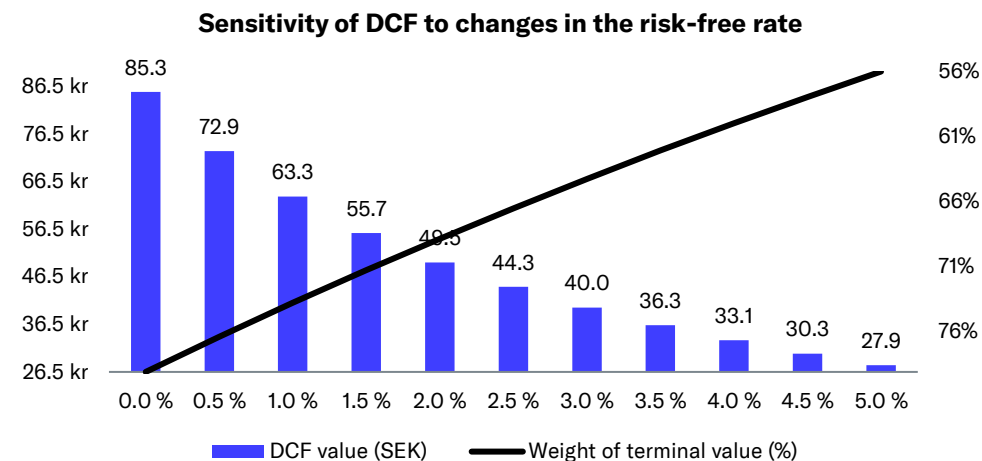
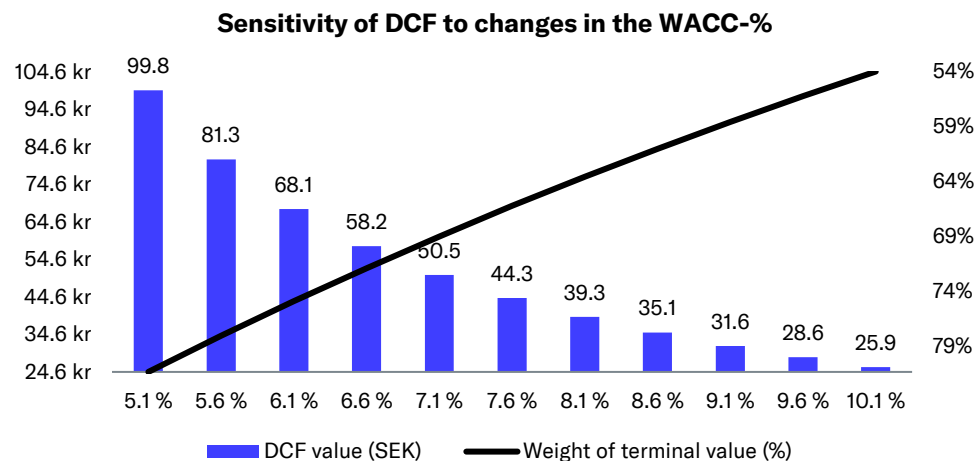
WACC

| | |
|---|--------|
| Tax-% (WACC) | 22.0 % |
| Target debt ratio (D/(D+E)) | 15.0 % |
| Cost of debt | 5.0 % |
| Equity Beta | 1.20 |
| Market risk premium | 4.75% |
| Liquidity premium | 0.00% |
| Risk free interest rate | 2.5 % |
| Cost of equity | 8.2 % |
| Weighted average cost of capital (WACC) | 7.6 % |

Source: Inderes



DCF sensitivity calculations and key assumptions in graphs



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

Summary

| Income statement | 2023 | 2024 | 2025 | 2026e | 2027e | Per share data | 2023 | 2024 | 2025 | 2026e | 2027e |
|---------------------------|---------|--------|--------|--------|--------|--------------------------|--------|--------|--------|--------|--------|
| Revenue | 46,649 | 40,521 | 40,841 | 42,964 | 46,405 | EPS (reported) | 2.37 | 0.58 | 1.13 | 1.61 | 1.90 |
| EBITDA | 8,797 | 4,916 | 6,271 | 7,260 | 7,926 | EPS (adj.) | 2.42 | 0.80 | 1.22 | 1.61 | 1.90 |
| EBIT | 6,973 | 2,671 | 4,125 | 5,035 | 5,670 | OCF / share | 3.22 | 1.86 | 2.83 | 2.86 | 3.17 |
| PTP | 6,331 | 1,536 | 3,155 | 4,165 | 4,970 | OFCF / share | -2.59 | -2.24 | 3.39 | 1.99 | 2.15 |
| Net Income | 4,785 | 1,164 | 2,281 | 3,249 | 3,838 | Book value / share | 13.58 | 15.92 | 15.01 | 16.27 | 17.62 |
| Extraordinary items | -96 | -555 | -178 | 0 | 0 | Dividend / share | 0.65 | 0.30 | 0.35 | 0.55 | 0.65 |
| Balance sheet | 2023 | 2024 | 2025 | 2026e | 2027e | Growth and profitability | 2023 | 2024 | 2025 | 2026e | 2027e |
| Balance sheet total | 68,104 | 70,406 | 65,055 | 65,736 | 66,919 | Revenue growth-% | 16% | -13% | 1% | 5% | 8% |
| Equity capital | 27,420 | 32,140 | 30,290 | 32,833 | 35,562 | EBITDA growth-% | 18% | -44% | 28% | 16% | 9% |
| Goodwill | 22,925 | 25,290 | 25,290 | 25,290 | 25,290 | EBIT (adj.) growth-% | 23% | -54% | 33% | 17% | 13% |
| Net debt | 17,238 | 19,104 | 17,099 | 14,469 | 11,822 | EPS (adj.) growth-% | 15% | -67% | 53% | 32% | 18% |
| Cash flow | 2023 | 2024 | 2025 | 2026e | 2027e | EBITDA-% | 18.9 % | 12.1 % | 15.4 % | 16.9 % | 17.1 % |
| EBITDA | 8,797 | 4,916 | 6,271 | 7,260 | 7,926 | EBIT (adj.)-% | 15.2 % | 8.0 % | 10.5 % | 11.7 % | 12.2 % |
| Change in working capital | -409 | -306 | 585 | -782 | -293 | EBIT-% | 14.9 % | 6.6 % | 10.1 % | 11.7 % | 12.2 % |
| Operating cash flow | 6,498 | 3,755 | 5,712 | 5,774 | 6,385 | ROE-% | 17.3 % | 3.9 % | 7.3 % | 10.3 % | 11.2 % |
| CAPEX | -13,837 | -5,070 | 1,429 | -1,760 | -2,045 | ROI-% | 15.8 % | 5.0 % | 7.5 % | 9.4 % | 10.5 % |
| Free cash flow | -5,225 | -4,522 | 6,836 | 4,014 | 4,340 | Equity ratio | 40.3 % | 45.6 % | 46.6 % | 49.9 % | 53.1 % |
| | | | | | | Gearing | 62.9 % | 59.4 % | 56.5 % | 44.1 % | 33.2 % |
| Valuation multiples | 2023 | 2024 | 2025 | 2026e | 2027e | | | | | | |
| EV/S | 3.4 | 2.6 | 2.2 | 2.2 | 1.9 | | | | | | |
| EV/EBITDA | 18.2 | 21.6 | 14.2 | 12.8 | 11.4 | | | | | | |
| EV/EBIT (adj.) | 22.7 | 33.0 | 20.7 | 18.5 | 15.9 | | | | | | |
| P/E (adj.) | 29.2 | 54.3 | 29.2 | 24.1 | 20.4 | | | | | | |
| P/B | 5.2 | 2.7 | 2.4 | 2.4 | 2.2 | | | | | | |
| Dividend-% | 0.9 % | 0.7 % | 1.0 % | 1.4 % | 1.7 % | | | | | | |

Source: Inderes

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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.

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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 |
| 2025-08-19 | Sell | 40.0 kr | 44.0 kr |
| 2025-08-25 | Sell | 40.0 kr | 46.0 kr |
| 2025-09-23 | Reduce | 40.0 kr | 36.8 kr |
| 2025-11-05 | Accumulate | 40.0 kr | 35.9 kr |
| 2025-11-17 | Accumulate | 38.0 kr | 32.9 kr |
| 2025-02-13 | Accumulate | 44.0 kr | 38.9 kr |



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