

# TECNOTREE

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Roni Peuranheimo  
+358 505610455  
roni.peuranheimo@inderes.fi

## INDERES CORPORATE CUSTOMER COMPANY REPORT



# Considering future dilution, the offer is reasonable

We raise Tecnotree's target price to EUR 5.7 (WAS EUR 4.5), reflecting the takeover bid made for the company, and issue a Hold recommendation for the stock. We consider the cash consideration to be good, taking into account the dilution of convertible bonds and the continued subdued cash flow outlook. However, major shareholders have expressed disappointment regarding the premium, and if the 90% threshold is not met, we see a possibility of the offer being raised. Thus, we recommend that shareholders hold onto their shares at least for now, before the situation clarifies.

## Aiming to continue the growth trajectory as a private entity

Tecnotree's CEO Padma Ravichander, its largest owner Fitzroy Investments, and Helios Investment Partners, a private equity firm focused on Africa, have formed a consortium that has made a Board-recommended cash tender offer for Tecnotree's shares (EUR 5.70 per share), convertible bonds, warrants, and options. In addition to Ravichander and Fitzroy, Luminos Sun Holding Limited has also committed to accepting the offer, and together these commitments represent approximately 50.4% of all shares, including the convertible notes held by Ravichander and Fitzroy (46.7% including all outstanding convertible notes). Among the major owners, at least Kyösti Kakkonen has [publicly commented](#) on being disappointed with the bid price, which could indicate challenges for the offer to pass at the current price if Kakkonen can rally other owners to resist. However, we do not consider a competing bid likely.

According to the consortium, taking the company private would, among other things, remove the reporting and cost burdens associated with being listed. Tecnotree has historically struggled with cash flow challenges due to the repatriation of receivables and foreign exchange losses, which has forced the company to curb its investment pace, among other things. The consortium believes that as a private company, it could more freely increase growth investments, which may carry higher risk. The company has also been at the center of several governance-related crises in

recent years, and in our estimation, the consortium believes that operating as a private company offers more freedom than a listed company, also from an investor communications perspective.

## Cash flow outlook still relatively subdued

Tecnotree also provided [preliminary data](#) for 2025 and new guidance for 2026, which anticipates low to mid-single-digit revenue growth and free cash flow exceeding 5 MEUR. We believe the growth guidance was soft, considering the company's record-high order book. The cash flow guidance also does not indicate a significant improvement over last year (4.5-5.0 MEUR), and thus cash conversion will remain weak. With the new guidance, we have made cuts to our estimates for the coming years.

## Considering the convertible bonds, the premium is attractive

The cash consideration of EUR 5.70 represents a premium of some 42.5% to the previous day's closing price and a premium of 36.6% to the average price of the previous 12 months. The share price was clearly above the offer price only a couple of years ago, so investors who are likely disappointed with the share price development will not be pleased with the price level, even though the 2026 guidance suggests a low cash flow yield (around 4%), indicating a good offer price. The dilution caused by convertible bonds should be taken into account in the offer. The total price of the offer is 131 MEUR, of which around 97 MEUR will be paid for the shares and around 34 MEUR for the convertible bonds. The convertible bonds would be converted into shares by 2028 at the latest, so it is relevant to include them in the valuation. Overall, the premium of the offer's market value to yesterday's closing price market value (68 MEUR) is over 90%, which is already a very significant premium. However, we recommend that shareholders hold on to their shares for the time being, as failure to reach the 90% threshold could lead to an increased offer. The biggest risk here is that the offer would not be raised and the bid would fail, which would likely put pressure on the share.

## Recommendation

**Hold**

(was Reduce)

## Target price:

**5.70 EUR**

(was EUR 4.50)

## Share price:

5.62 EUR

## Business risk



## Valuation risk



|                | 2024   | 2025e  | 2026e  | 2027e  |
|----------------|--------|--------|--------|--------|
| Revenue        | 71.6   | 71.8   | 75.5   | 79.6   |
| growth-%       | -9%    | 0%     | 5%     | 5%     |
| EBIT adj.      | 26.7   | 25.4   | 24.6   | 25.6   |
| EBIT-% adj.    | 37.3 % | 35.5 % | 32.6 % | 32.2 % |
| Net income     | 8.3    | 13.6   | 14.1   | 14.9   |
| EPS (adj.)     | 0.97   | 0.80   | 0.83   | 0.87   |
| P/E (adj.)     | 2.7    | 7.0    | 6.8    | 6.4    |
| P/B            | 0.4    | 0.9    | 0.8    | 0.7    |
| P/FCF          | 6.2    | 13.1   | 12.9   | 11.1   |
| EV/EBIT (adj.) | 1.9    | 4.1    | 4.1    | 3.8    |
| EV/EBITDA      | 1.7    | 3.3    | 3.1    | 2.8    |
| EV/S           | 0.7    | 1.4    | 1.3    | 1.2    |

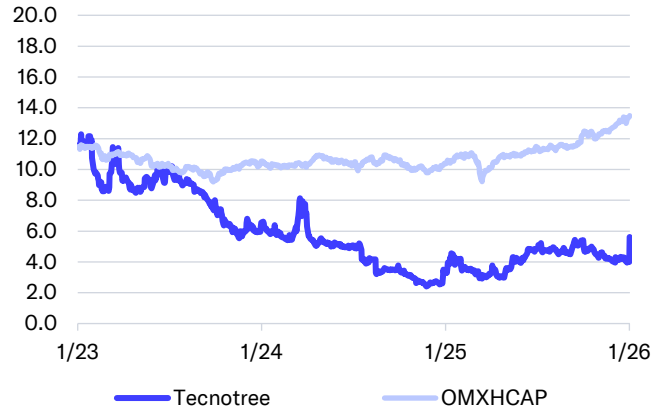
Source: Inderes

## Guidance

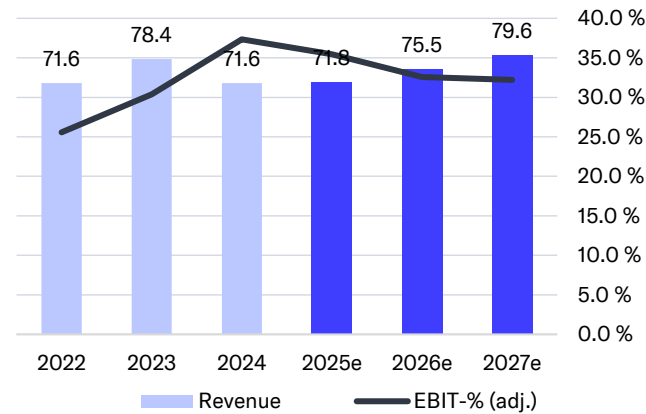
(Adjusted)

Tecnotree expects revenue to grow by mid to high-single digit percentage in constant currency terms. The EBIT margin is expected to see margin expansion between +200bp to +220bp. Tecnotree expects free cash flow to be between 4.5-5.0 MEUR. Tecnotree expects a capex/revenue ratio of around 12%.

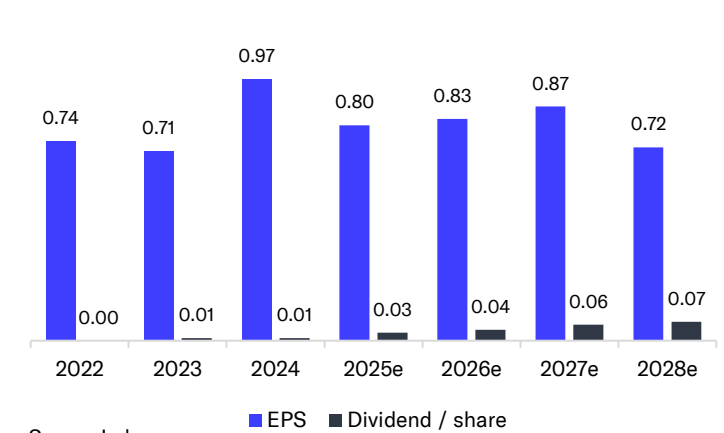
## Share price



## Revenue and EBIT-% (adj.)



## EPS and dividend



## Value drivers

- Clear and sustainable improvement in cash flow
- Value-creating M&A
- Industry's organic drivers are strong and longer-term growth outlook is good
- Increase in recurring revenue
- Technologically competent product portfolio

## Risk factors

- Quality of trade receivables and intangible assets
- Risks related to cash collections
- Failure in M&A
- Customer portfolio structure concentrated at top level
- Failure in product development work and reading the industry
- Some cyclicity in operators' investments
- Political and legislative threats in emerging countries

| Valuation                  | 2025e | 2026e | 2027e |
|----------------------------|-------|-------|-------|
| Share price                | 5.62  | 5.62  | 5.62  |
| Number of shares, millions | 17.0  | 17.1  | 17.1  |
| Market cap                 | 96    | 96    | 96    |
| EV                         | 104   | 102   | 98    |
| P/E (adj.)                 | 7.0   | 6.8   | 6.4   |
| P/E                        | 7.0   | 6.8   | 6.4   |
| P/B                        | 0.9   | 0.8   | 0.7   |
| P/S                        | 1.3   | 1.3   | 1.2   |
| EV/Sales                   | 1.4   | 1.3   | 1.2   |
| EV/EBITDA                  | 3.3   | 3.1   | 2.8   |
| EV/EBIT (adj.)             | 4.1   | 4.1   | 3.8   |
| Payout ratio (%)           | 3.7 % | 4.8 % | 6.9 % |
| Dividend yield-%           | 0.5 % | 0.7 % | 1.1 % |

Source: Inderes

# We raised our Q4’25 earnings estimates, lowered our estimates for the coming years, and made adjustments to the share count development

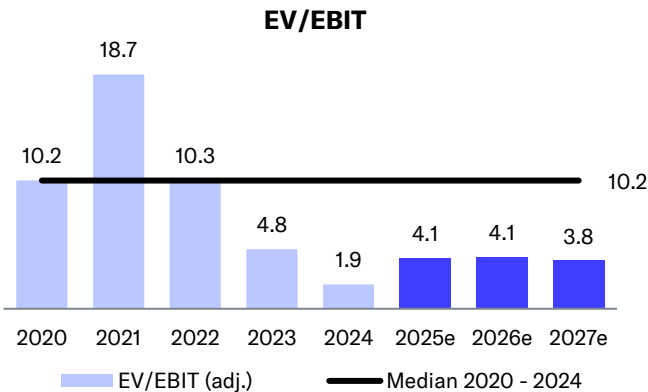
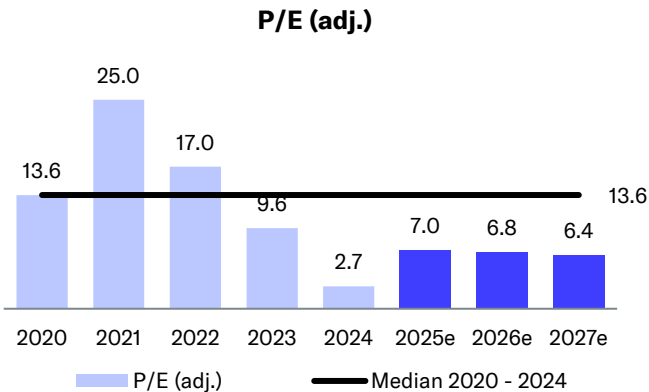
| Estimate revisions | 2025e | 2025e | Change | 2026e | 2026e | Change | 2027e | 2027e | Change |
|--------------------|-------|-------|--------|-------|-------|--------|-------|-------|--------|
| MEUR / EUR         | Old   | New   | %      | Old   | New   | %      | Old   | New   | %      |
| Revenue            | 71.8  | 71.8  | 0%     | 81.0  | 75.5  | -7%    | 85.4  | 79.6  | -7%    |
| EBITDA             | 30.0  | 31.4  | 5%     | 34.7  | 32.4  | -7%    | 37.2  | 34.7  | -7%    |
| EBIT (exc. NRIs)   | 24.0  | 25.4  | 6%     | 26.9  | 24.6  | -9%    | 28.2  | 25.6  | -9%    |
| EBIT               | 24.0  | 25.4  | 6%     | 26.9  | 24.6  | -9%    | 28.2  | 25.6  | -9%    |
| PTP                | 17.2  | 18.6  | 8%     | 20.9  | 18.6  | -11%   | 22.2  | 19.6  | -11%   |
| EPS (excl. NRIs)   | 0.76  | 0.80  | 5%     | 0.64  | 0.83  | 29%    | 0.67  | 0.87  | 30%    |
| DPS                | 0.03  | 0.03  | 0%     | 0.04  | 0.04  | 0%     | 0.06  | 0.06  | 0%     |

Source: Inderes

# Valuation table

| Valuation                  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025e | 2026e | 2027e | 2028e |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Share price                | 14.0  | 29.4  | 12.6  | 6.80  | 2.61  | 5.62  | 5.62  | 5.62  | 5.62  |
| Number of shares, millions | 13.7  | 15.7  | 15.5  | 15.8  | 16.0  | 17.0  | 17.1  | 17.1  | 21.4  |
| Market cap                 | 192   | 460   | 196   | 108   | 42    | 96    | 96    | 96    | 121   |
| EV                         | 198   | 443   | 189   | 114   | 52    | 104   | 102   | 98    | 96    |
| P/E (adj.)                 | 13.6  | 25.0  | 17.0  | 9.6   | 2.7   | 7.0   | 6.8   | 6.4   | 7.8   |
| P/E                        | 14.2  | 25.0  | 17.0  | 9.6   | 5.0   | 7.0   | 6.8   | 6.4   | 7.8   |
| P/B                        | 9.7   | 6.8   | 2.4   | 1.2   | 0.4   | 0.9   | 0.8   | 0.7   | 0.7   |
| P/S                        | 3.6   | 7.2   | 2.7   | 1.4   | 0.6   | 1.3   | 1.3   | 1.2   | 1.4   |
| EV/Sales                   | 3.7   | 6.9   | 2.6   | 1.4   | 0.7   | 1.4   | 1.3   | 1.2   | 1.2   |
| EV/EBITDA                  | 9.7   | 17.5  | 9.5   | 4.1   | 1.7   | 3.3   | 3.1   | 2.8   | 2.6   |
| EV/EBIT (adj.)             | 10.2  | 18.7  | 10.3  | 4.8   | 1.9   | 4.1   | 4.1   | 3.8   | 3.7   |
| Payout ratio (%)           | 0.0 % | 0.0 % | 0.0 % | 1.4 % | 1.9 % | 3.7 % | 4.8 % | 6.9 % | 9.7 % |
| Dividend yield-%           | 0.0 % | 0.0 % | 0.0 % | 0.1 % | 0.4 % | 0.5 % | 0.7 % | 1.1 % | 1.2 % |

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<br>Company | Market cap<br>MEUR | EV<br>MEUR | EV/EBIT     |             | EV/EBITDA   |             | EV/S        |             | P/E         |             | Dividend yield-% |             | P/B<br>2025e |
|---------------------------------|--------------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|-------------|--------------|
|                                 |                    |            | 2025e       | 2026e       | 2025e       | 2026e       | 2025e       | 2026e       | 2025e       | 2026e       | 2025e            | 2026e       |              |
| Amdocs Ltd                      | 7571               | 7876       | 9.8         | 9.2         | 8.3         | 7.7         | 2.1         | 2.0         | 12.0        | 11.1        | 2.2              | 2.1         | 2.6          |
| CSG Systems International Inc   | 1916               | 2235       | 12.6        | 12.1        | 10.0        | 9.6         | 2.2         | 2.1         | 16.8        | 15.6        | 1.6              | 1.7         |              |
| Sterlite Technologies Ltd       | 394                | 515        | 32.8        | 21.3        | 11.2        | 9.6         | 1.1         | 1.2         |             | 49.9        | 0.8              | 0.2         | 1.4          |
| Cerillion PLC                   | 582                | 546        | 23.9        | 22.1        | 21.5        | 19.7        | 10.1        | 8.9         | 31.3        | 29.0        | 0.8              | 1.0         | 8.6          |
| <b>Tecnotree (Inderes)</b>      | <b>96</b>          | <b>104</b> | <b>4.1</b>  | <b>4.1</b>  | <b>3.3</b>  | <b>3.1</b>  | <b>1.4</b>  | <b>1.3</b>  | <b>7.0</b>  | <b>6.8</b>  | <b>0.5</b>       | <b>0.7</b>  | <b>0.9</b>   |
| <b>Average</b>                  |                    |            | <b>19.8</b> | <b>16.2</b> | <b>12.7</b> | <b>11.7</b> | <b>3.8</b>  | <b>3.6</b>  | <b>20.0</b> | <b>26.4</b> | <b>1.3</b>       | <b>1.2</b>  | <b>4.2</b>   |
| <b>Median</b>                   |                    |            | <b>18.3</b> | <b>16.7</b> | <b>10.6</b> | <b>9.6</b>  | <b>2.1</b>  | <b>2.1</b>  | <b>16.8</b> | <b>22.3</b> | <b>1.2</b>       | <b>1.3</b>  | <b>2.6</b>   |
| <b>Diff-% to median</b>         |                    |            | <b>-78%</b> | <b>-75%</b> | <b>-69%</b> | <b>-67%</b> | <b>-32%</b> | <b>-34%</b> | <b>-58%</b> | <b>-69%</b> | <b>-56%</b>      | <b>-46%</b> | <b>-65%</b>  |

Source: Refinitiv / Inderes

# Income statement

| Income statement    | 2023 | Q1'24 | Q2'24 | Q3'24 | Q4'24 | 2024  | Q1'25 | Q2'25 | Q3'25 | Q4'25e | 2025e | 2026e | 2027e | 2028e |
|---------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|
| Revenue             | 78.4 | 16.3  | 18.7  | 19.0  | 17.6  | 71.6  | 16.9  | 17.3  | 18.6  | 19.0   | 71.8  | 75.5  | 79.6  | 83.1  |
| EBITDA              | 27.7 | 6.0   | 5.8   | 7.1   | 11.9  | 30.7  | 6.0   | 6.6   | 5.1   | 13.7   | 31.4  | 32.4  | 34.7  | 36.9  |
| Depreciation        | -3.9 | -1.6  | -2.2  | -2.1  | -1.0  | -6.9  | -1.5  | -1.5  | -1.5  | -1.5   | -6.0  | -7.8  | -9.1  | -10.6 |
| EBIT (excl. NRI)    | 23.8 | 4.4   | 6.5   | 5.0   | 10.9  | 26.7  | 4.5   | 5.1   | 3.6   | 12.2   | 25.4  | 24.6  | 25.6  | 26.3  |
| EBIT                | 23.8 | 4.4   | 3.6   | 5.0   | 10.9  | 23.8  | 4.5   | 5.1   | 3.6   | 12.2   | 25.4  | 24.6  | 25.6  | 26.3  |
| Net financial items | -9.9 | -2.3  | -0.8  | -0.1  | -7.8  | -11.0 | -2.3  | -2.9  | 0.4   | -2.0   | -6.8  | -6.0  | -6.0  | -6.0  |
| PTP                 | 13.9 | 2.1   | 2.8   | 4.9   | 3.0   | 12.8  | 2.3   | 2.1   | 4.0   | 10.2   | 18.6  | 18.6  | 19.6  | 20.3  |
| Taxes               | -2.8 | -0.4  | -0.8  | -0.8  | -2.5  | -4.5  | -0.8  | -1.1  | -0.6  | -2.6   | -5.0  | -4.5  | -4.7  | -4.9  |
| Minority interest   | 0.0  | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0    | 0.0   | 0.0   | 0.0   | 0.0   |
| Net earnings        | 11.2 | 1.6   | 2.0   | 4.1   | 0.5   | 8.3   | 1.5   | 1.1   | 3.4   | 7.7    | 13.6  | 14.1  | 14.9  | 15.4  |
| EPS (adj.)          | 0.71 | 0.10  | 0.31  | 0.25  | 0.31  | 0.97  | 0.09  | 0.06  | 0.20  | 0.45   | 0.80  | 0.83  | 0.87  | 0.72  |
| EPS (rep.)          | 0.71 | 0.10  | 0.13  | 0.25  | 0.03  | 0.52  | 0.09  | 0.06  | 0.20  | 0.45   | 0.80  | 0.83  | 0.87  | 0.72  |

| Key figures            | 2023   | Q1'24  | Q2'24  | Q3'24   | Q4'24   | 2024   | Q1'25  | Q2'25   | Q3'25   | Q4'25e | 2025e  | 2026e  | 2027e  | 2028e  |
|------------------------|--------|--------|--------|---------|---------|--------|--------|---------|---------|--------|--------|--------|--------|--------|
| Revenue growth-%       | 9.5 %  | 4.7 %  | -3.4 % | -10.9 % | -20.7 % | -8.7 % | 3.7 %  | -7.2 %  | -2.2 %  | 7.8 %  | 0.3 %  | 5.2 %  | 5.4 %  | 4.5 %  |
| Adjusted EBIT growth-% | 30.2 % | 21.5 % | 5.2 %  | -19.6 % | 38.1 %  | 12.1 % | 3.2 %  | -22.2 % | -27.4 % | 12.8 % | -4.8 % | -3.4 % | 4.3 %  | 2.7 %  |
| EBITDA-%               | 35.4 % | 37.1 % | 30.9 % | 37.1 %  | 67.4 %  | 42.9 % | 35.8 % | 37.9 %  | 27.4 %  | 72.5 % | 43.8 % | 42.9 % | 43.6 % | 44.4 % |
| Adjusted EBIT-%        | 30.4 % | 27.0 % | 34.9 % | 26.1 %  | 61.7 %  | 37.3 % | 26.9 % | 29.2 %  | 19.3 %  | 64.6 % | 35.5 % | 32.6 % | 32.2 % | 31.7 % |
| Net earnings-%         | 14.3 % | 10.0 % | 10.9 % | 21.3 %  | 3.1 %   | 11.5 % | 8.9 %  | 6.1 %   | 18.3 %  | 40.5 % | 19.0 % | 18.7 % | 18.8 % | 18.6 % |

Source: Inderes



# Balance sheet

| Assets                   | 2023 | 2024 | 2025e | 2026e | 2027e |
|--------------------------|------|------|-------|-------|-------|
| Non-current assets       | 36.3 | 45.5 | 49.4  | 54.0  | 59.1  |
| Goodwill                 | 0.0  | 0.0  | 0.0   | 0.0   | 0.0   |
| Intangible assets        | 33.5 | 43.1 | 46.8  | 51.3  | 56.4  |
| Tangible assets          | 0.4  | 0.1  | 0.3   | 0.4   | 0.5   |
| 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 | 1.9  | 2.2  | 2.2   | 2.2   | 2.2   |
| Deferred tax assets      | 0.5  | 0.0  | 0.0   | 0.0   | 0.0   |
| Current assets           | 91.9 | 93.4 | 99.3  | 108   | 116   |
| Inventories              | 0.0  | 0.0  | 0.0   | 0.0   | 0.0   |
| Other current assets     | 0.0  | 0.0  | 0.0   | 0.0   | 0.0   |
| Receivables              | 71.1 | 76.5 | 78.2  | 85.3  | 91.5  |
| Cash and equivalents     | 20.8 | 16.8 | 21.1  | 22.5  | 24.9  |
| Balance sheet total      | 128  | 139  | 149   | 162   | 176   |

Source: Inderes

| Liabilities & equity        | 2023 | 2024 | 2025e | 2026e | 2027e |
|-----------------------------|------|------|-------|-------|-------|
| Equity                      | 86.5 | 92.6 | 106   | 120   | 134   |
| Share capital               | 1.3  | 1.3  | 1.3   | 1.3   | 1.3   |
| Retained earnings           | 55.9 | 62.0 | 75.5  | 89.1  | 103   |
| 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                | 29.3 | 29.3 | 29.3  | 29.3  | 29.3  |
| Minorities                  | 0.0  | 0.0  | 0.0   | 0.0   | 0.0   |
| Non-current liabilities     | 25.8 | 27.3 | 27.3  | 27.3  | 27.3  |
| Deferred tax liabilities    | 0.0  | 0.0  | 0.0   | 0.0   | 0.0   |
| Provisions                  | 0.0  | 0.0  | 0.0   | 0.0   | 0.0   |
| Interest bearing debt       | 1.0  | 0.0  | 0.0   | 0.0   | 0.0   |
| Convertibles                | 21.1 | 23.1 | 23.1  | 23.1  | 23.1  |
| Other long term liabilities | 3.7  | 4.2  | 4.2   | 4.2   | 4.2   |
| Current liabilities         | 15.9 | 19.0 | 15.3  | 14.8  | 14.3  |
| Interest bearing debt       | 4.5  | 3.9  | 6.0   | 5.0   | 4.0   |
| Payables                    | 11.3 | 15.1 | 9.3   | 9.8   | 10.3  |
| Other current liabilities   | 0.0  | 0.0  | 0.0   | 0.0   | 0.0   |
| Balance sheet total         | 128  | 139  | 149   | 162   | 176   |

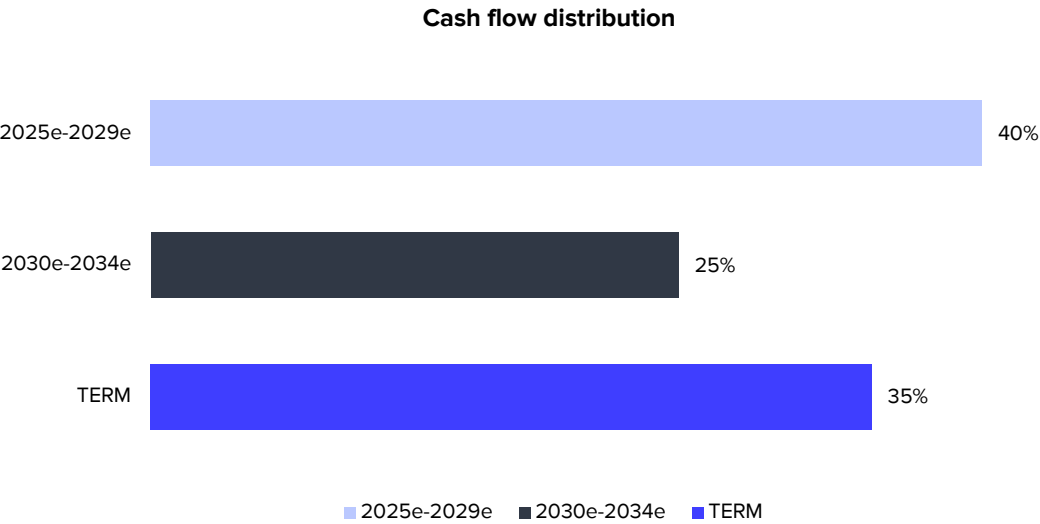


# DCF calculation

| DCF model                               | 2024   | 2025e  | 2026e  | 2027e  | 2028e  | 2029e  | 2030e  | 2031e  | 2032e  | 2033e  | 2034e  | TERM   |
|-----------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue growth-%                        | -8.7 % | 0.3 %  | 5.2 %  | 5.4 %  | 4.5 %  | 3.5 %  | 3.3 %  | 3.2 %  | 3.0 %  | 2.8 %  | 2.0 %  | 2.0 %  |
| EBIT-%                                  | 33.3 % | 35.5 % | 32.6 % | 32.2 % | 31.7 % | 32.1 % | 29.8 % | 28.1 % | 27.2 % | 26.5 % | 26.5 % | 26.5 % |
| EBIT (operating profit)                 | 23.8   | 25.4   | 24.6   | 25.6   | 26.3   | 27.6   | 26.5   | 25.8   | 25.7   | 25.7   | 26.3   |        |
| + Depreciation                          | 6.9    | 6.0    | 7.8    | 9.1    | 10.6   | 12.2   | 12.8   | 13.3   | 13.7   | 14.0   | 14.2   |        |
| - Paid taxes                            | -4.0   | -5.0   | -4.5   | -4.7   | -4.9   | -5.2   | -4.9   | -4.7   | -4.7   | -4.7   | -5.8   |        |
| - Tax, financial expenses               | -2.2   | -1.8   | -1.4   | -1.4   | -1.4   | -1.4   | -1.4   | -1.4   | -1.4   | -1.4   | -0.5   |        |
| + 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             | -1.7   | -7.4   | -6.6   | -5.7   | -6.9   | -8.2   | -7.6   | -7.9   | -8.1   | -8.2   | -8.5   |        |
| Operating cash flow                     | 22.8   | 17.2   | 19.9   | 22.9   | 23.6   | 25.0   | 25.3   | 25.0   | 25.1   | 25.3   | 25.7   |        |
| + Change in other long-term liabilities | 0.5    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |        |
| - Gross CAPEX                           | -16.6  | -9.9   | -12.4  | -14.2  | -14.7  | -15.2  | -15.2  | -15.2  | -15.2  | -15.2  | -14.9  |        |
| Free operating cash flow                | 6.7    | 7.3    | 7.5    | 8.7    | 8.9    | 9.8    | 10.1   | 9.8    | 9.9    | 10.1   | 10.8   |        |
| +/- Other                               | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |        |
| FCFF                                    | 6.7    | 7.3    | 7.5    | 8.7    | 8.9    | 9.8    | 10.1   | 9.8    | 9.9    | 10.1   | 10.8   | 91.4   |
| Discounted FCFF                         |        | 7.4    | 6.6    | 6.7    | 6.1    | 5.8    | 5.3    | 4.5    | 4.0    | 3.6    | 3.3    | 28.3   |
| Sum of FCFF present value               |        | 81.7   | 74.4   | 67.7   | 61.0   | 54.9   | 49.1   | 43.8   | 39.3   | 35.3   | 31.7   | 28.3   |
| Enterprise value DCF                    |        | 81.7   |        |        |        |        |        |        |        |        |        |        |
| - Interest bearing debt                 |        | -27.0  |        |        |        |        |        |        |        |        |        |        |
| + Cash and cash equivalents             |        | 16.8   |        |        |        |        |        |        |        |        |        |        |
| -Minorities                             |        | 0.0    |        |        |        |        |        |        |        |        |        |        |
| -Dividend/capital return                |        | -0.2   |        |        |        |        |        |        |        |        |        |        |
| Equity value DCF                        |        | 71.4   |        |        |        |        |        |        |        |        |        |        |
| Equity value DCF per share              |        | 4.2    |        |        |        |        |        |        |        |        |        |        |

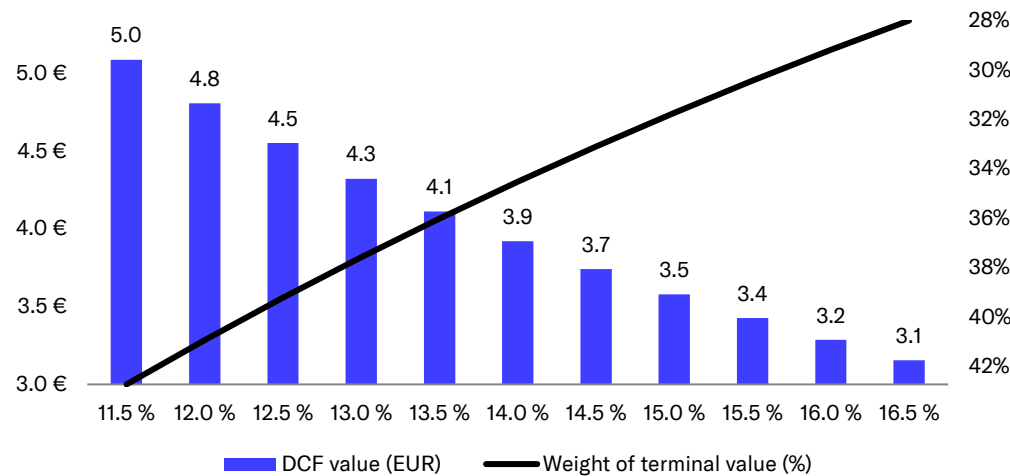
| WACC                                    |        |
|-----------------------------------------|--------|
| Tax-% (WACC)                            | 20.0 % |
| Target debt ratio (D/(D+E))             | 0.0 %  |
| Cost of debt                            | 3.0 %  |
| Equity Beta                             | 1.90   |
| Market risk premium                     | 4.75%  |
| Liquidity premium                       | 2.50%  |
| Risk free interest rate                 | 2.5 %  |
| Cost of equity                          | 14.0 % |
| Weighted average cost of capital (WACC) | 14.0 % |

Source: Inderes

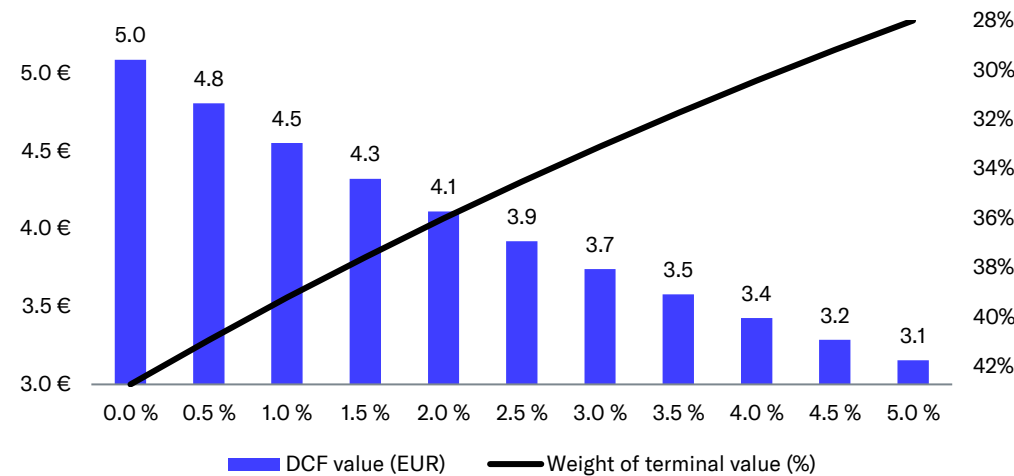


# DCF sensitivity calculations and key assumptions in graphs

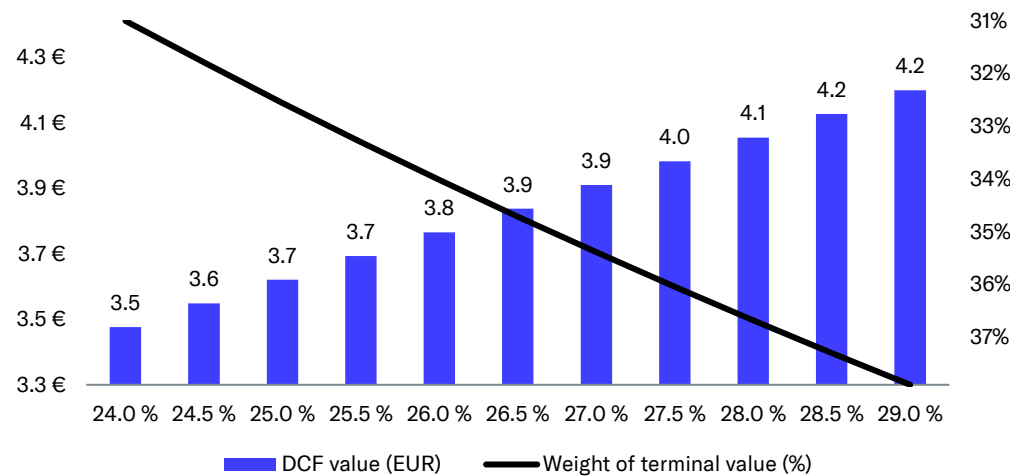
Sensitivity of DCF to changes in the WACC-%



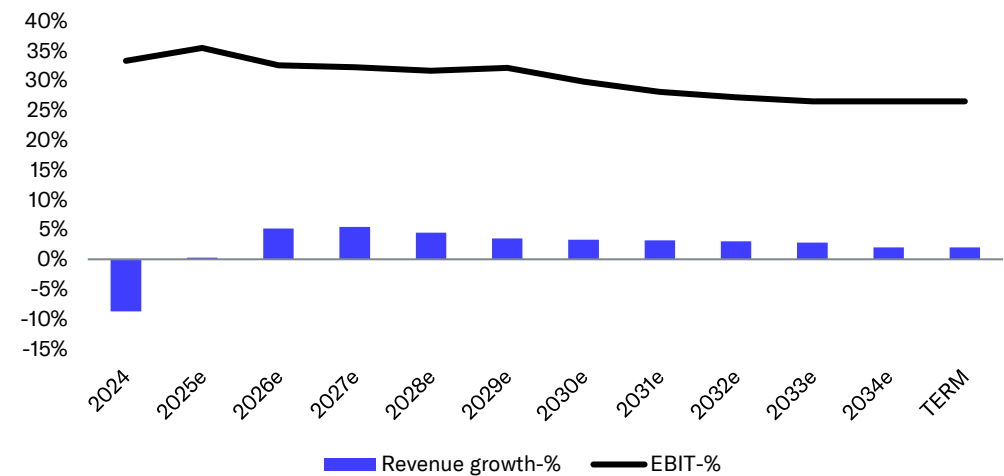
Sensitivity of DCF to changes in the risk-free rate



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          | 2022  | 2023  | 2024  | 2025e | 2026e | Per share data           | 2022   | 2023   | 2024   | 2025e  | 2026e  |
|---------------------------|-------|-------|-------|-------|-------|--------------------------|--------|--------|--------|--------|--------|
| Revenue                   | 71.6  | 78.4  | 71.6  | 71.8  | 75.5  | EPS (reported)           | 0.74   | 0.71   | 0.52   | 0.80   | 0.83   |
| EBITDA                    | 19.8  | 27.7  | 30.7  | 31.4  | 32.4  | EPS (adj.)               | 0.74   | 0.71   | 0.97   | 0.80   | 0.83   |
| EBIT                      | 18.3  | 23.8  | 23.8  | 25.4  | 24.6  | OCF / share              | 0.28   | 0.80   | 1.43   | 1.01   | 1.16   |
| PTP                       | 17.2  | 13.9  | 12.8  | 18.6  | 18.6  | OFCF / share             | -0.32  | -0.04  | 0.42   | 0.43   | 0.44   |
| Net Income                | 11.6  | 11.2  | 8.3   | 13.6  | 14.1  | Book value / share       | 5.15   | 5.46   | 5.80   | 6.23   | 6.99   |
| Extraordinary items       | 0.0   | 0.0   | -2.9  | 0.0   | 0.0   | Dividend / share         | 0.00   | 0.01   | 0.01   | 0.03   | 0.04   |
| Balance sheet             | 2022  | 2023  | 2024  | 2025e | 2026e | Growth and profitability | 2022   | 2023   | 2024   | 2025e  | 2026e  |
| Balance sheet total       | 103.8 | 128.2 | 138.9 | 148.7 | 161.8 | Revenue growth-%         | 12%    | 9%     | -9%    | 0%     | 5%     |
| Equity capital            | 80.1  | 86.5  | 92.6  | 106.1 | 119.7 | EBITDA growth-%          | -22%   | 40%    | 11%    | 2%     | 3%     |
| Goodwill                  | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | EBIT (adj.) growth-%     | -23%   | 30%    | 12%    | -5%    | -3%    |
| Net debt                  | -7.5  | 5.9   | 10.2  | 8.0   | 5.6   | EPS (adj.) growth-%      | -37%   | -5%    | 38%    | -18%   | 3%     |
| Cash flow                 | 2022  | 2023  | 2024  | 2025e | 2026e | EBITDA-%                 | 27.7 % | 35.4 % | 42.9 % | 43.8 % | 42.9 % |
| EBITDA                    | 19.8  | 27.7  | 30.7  | 31.4  | 32.4  | EBIT (adj.)-%            | 25.6 % | 30.4 % | 37.3 % | 35.5 % | 32.6 % |
| Change in working capital | -9.6  | -10.4 | -1.7  | -7.4  | -6.6  | EBIT-%                   | 25.6 % | 30.4 % | 33.3 % | 35.5 % | 32.6 % |
| Operating cash flow       | 4.4   | 12.7  | 22.8  | 17.2  | 19.9  | ROE-%                    | 15.6 % | 13.4 % | 9.2 %  | 13.7 % | 12.5 % |
| CAPEX                     | -14.8 | -13.9 | -16.6 | -9.9  | -12.4 | ROI-%                    | 24.0 % | 24.1 % | 20.5 % | 20.0 % | 17.4 % |
| Free cash flow            | -4.9  | -0.6  | 6.7   | 7.3   | 7.5   | Equity ratio             | 77.1 % | 67.5 % | 66.7 % | 71.3 % | 74.0 % |
|                           |       |       |       |       |       | Gearing                  | -9.3 % | 6.8 %  | 11.0 % | 7.5 %  | 4.7 %  |
| Valuation multiples       | 2022  | 2023  | 2024  | 2025e | 2026e |                          |        |        |        |        |        |
| EV/S                      | 2.6   | 1.4   | 0.7   | 1.4   | 1.3   |                          |        |        |        |        |        |
| EV/EBITDA                 | 9.5   | 4.1   | 1.7   | 3.3   | 3.1   |                          |        |        |        |        |        |
| EV/EBIT (adj.)            | 10.3  | 4.8   | 1.9   | 4.1   | 4.1   |                          |        |        |        |        |        |
| P/E (adj.)                | 17.0  | 9.6   | 2.7   | 7.0   | 6.8   |                          |        |        |        |        |        |
| P/B                       | 2.4   | 1.2   | 0.4   | 0.9   | 0.8   |                          |        |        |        |        |        |
| Dividend-%                | 0.0 % | 0.1 % | 0.4 % | 0.5 % | 0.7 % |                          |        |        |        |        |        |

Source: Inderes

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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 |
| 8/5/2022                        | Accumulate     | 0.80 € | 0.69 €      |
| 9/15/2022                       | Accumulate     | 0.65 € | 0.54 €      |
| 10/24/2022                      | Accumulate     | 0.65 € | 0.54 €      |
| 12/15/2022                      | Accumulate     | 0.70 € | 0.63 €      |
| 2/27/2023                       | Reduce         | 0.58 € | 0.54 €      |
| 3/28/2023                       | Accumulate     | 0.54 € | 0.44 €      |
| 4/19/2023                       | Reduce         | 0.54 € | 0.52 €      |
| 8/7/2023                        | Lisää          | 0.54 € | 0.48 €      |
| 10/30/2023                      | Reduce         | 0.42 € | 0.38 €      |
| 2/23/2024                       | Reduce         | 0.35 € | 0.32 €      |
| Reverse split 20:1              |                |        |             |
| 4/29/2024                       | Reduce         | 7.00 € | 6.30 €      |
| 5/10/2024                       | Reduce         | 6.00 € | 5.41 €      |
| 8/12/2024                       | Reduce         | 5.50 € | 5.14 €      |
| 9/9/2024                        | Sell           | 3.00 € | 3.87 €      |
| 10/28/2024                      | Sell           | 3.00 € | 3.65 €      |
| 1/28/2025                       | Reduce         | 3.00 € | 3.29 €      |
| 2/27/2025                       | Reduce         | 3.50 € | 3.77 €      |
| 4/30/2025                       | Reduce         | 3.50 € | 3.76 €      |
| 5/28/2025                       | Reduce         | 3.80 € | 3.60 €      |
| 6/10/2025                       | Reduce         | 4.30 € | 4.30 €      |
| 8/6/2025                        | Reduce         | 4.50 € | 4.86 €      |
| 10/29/2025                      | Reduce         | 4.50 € | 4.90 €      |
| 1/28/2026                       | Hold           | 5.70 € | 5.62 €      |



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## **Inderes Ab**

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

[inderes.se](http://inderes.se)

## **Inderes Oyj**

Porkkalankatu 5  
00180 Helsinki  
+358 10 219 4690

[inderes.fi](http://inderes.fi)

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