COMPONENTA OYJ

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INDERES CORPORATE CUSTOMER

EXTENSIVE REPORT

Defense and energy driving the turnaround

Componenta, a contract manufacturer of components for the engineering industry, achieved a significant profitability turnaround in the completed financial year. We expect large orders from the Finnish Defense Forces and strong momentum in the energy industry to drive substantial earnings growth in the coming years. In our view, the share already prices in some growth, but the earnings growth outlook makes the risk/reward profile attractive. Reflecting this, we reiterate our price target of EUR 5 and our Accumulate recommendation.

Structural growth drivers for revenue in the 2020s

Componenta's business consists of mature and fragmented machining and foundry operations, serving as clients major Finnish engineering companies. Componenta serves customers in the energy, defense equipment, machine building, agricultural machinery, and forest machine industries. Demand in customer industries is cyclical, meaning that changes in the global economic environment, such as interest rate levels, typically have a significant impact on Componenta's revenue. In recent years, however, the asynchronous nature of segment cycles has significantly smoothed the fluctuations in Componenta's revenue. Demand from the defense equipment and energy industries, in particular, has seen significant structural growth. Growth is supported by the development of European defense capabilities, the green transition, and a surge in data center investments. Supported by these demand drivers and successful business restructuring, the company achieved a significant turnaround in profitability in fiscal year 2025. However, the company's ambition level is already significantly higher in the short term, as it aims for organic revenue of 150 MEUR and EBIT margin of 5% by FY2027 (2025: 116 MEUR and 3.7%). The company's strategy also includes M&A, which in recent years have successfully shifted the Group's focus from capital-intensive and easily loss-making foundry business towards the machining business, which we believe offers more attractive value creation opportunities.

Growth in production volumes supports the bottom line

We forecast Componenta's revenue to grow at a rapid annual rate of 12% by 2028. The aforementioned strong demand outlook in the energy and defense equipment industries supports the growth rate. For the defense equipment industry, our forecasts are on solid ground, as Componenta has announced orders totaling 80 MEUR from the Finnish Defense Forces, of which we estimate approximately 20% have been delivered to date. In the coming years, we also expect demand in the agricultural machinery industry, which is important for Componenta, to recover from the very low levels of recent years, supporting revenue development. We expect revenue growth to translate into strong earnings growth as operational efficiency improves and financial expenses slightly decrease, leading us to forecast a doubling of adjusted EPS by FY2028 The risks in our forecast are weighted towards weaker-than-expected demand development in cyclical industries.

Expected return piques interest

In light of the realized valuation multiples, we believe the market is pricing in earnings growth for the coming years (2025 P/B 1.3x, P/E 19x, and EV/EBITDA 6x). Our forecast for rapid earnings growth makes the valuation attractive in the coming years (2027–2028 P/E 10–8x and EV/EBITDA ~4x). We see upside potential in these multiples, considering the healthy demand drivers extending to the end of the decade in certain segments. We expect the dividend yield to provide slight support to the return expectation (2–3%). Our DCF model's fair value is at the target price level of EUR 5. We believe that the credible earnings growth drivers in the coming years make the share's risk-reward ratio attractive at its current valuation.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 5.00
(was EUR 5.00)

Share price:
EUR 4.47

Business risk
●●●○○

Valuation risk
●●●○○

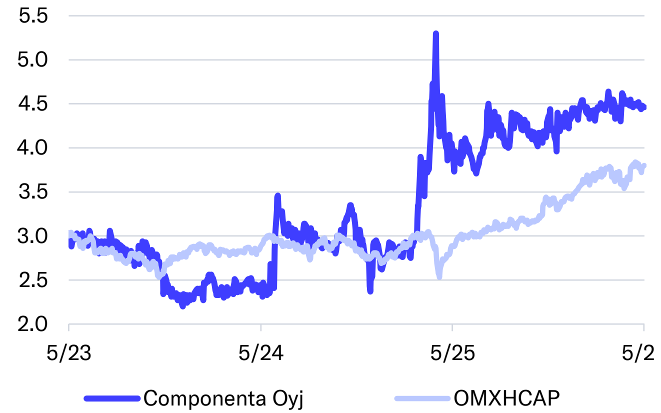
	2025	2026e	2027e	2028e
Revenue	115.7	131.8	146.4	157.6
growth-%	19%	14%	11%	8%
EBIT adj.	4.3	5.7	6.8	8.0
EBIT-% adj.	3.7 %	4.4 %	4.7 %	5.1 %
Net income	8.0	3.2	4.3	5.3
EPS (adj.)	0.24	0.32	0.44	0.54
P/E (adj.)	18.9	13.9	10.2	8.2
P/B	1.3	1.2	1.1	1.0
Dividend yield-%	0.0 %	2.2 %	2.9 %	3.6 %
EV/EBIT (adj.)	13.8	10.1	8.2	6.4
EV/EBITDA	6.2	5.1	4.3	3.6
EV/S	0.5	0.4	0.4	0.3

Source: Inderes

Guidance (Unchanged)

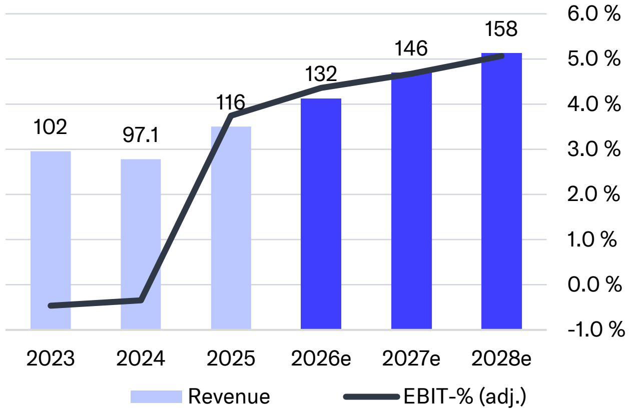
Componenta expects the group's revenue and adjusted EBIT to improve from the previous year. The Group's revenue in 2025 was 115.7 MEUR, and its adjusted EBIT was 4.3 MEUR.

Share price



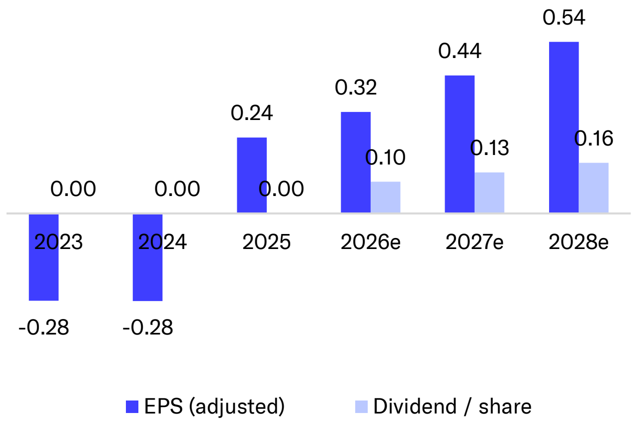
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Customer sector risk highly diversified
- Long-term customer relationships with global OEMs
- Cost changes can be quickly transferred to own prices
- Multi-year strong demand outlook for the defense and energy industries supports earnings growth

Risk factors

- The business traditionally has low margins
- Individual customer industries are cyclical
- Three customers account for roughly half of the revenue

Valuation	2026e	2027e	2028e
Share price	4.47	4.47	4.47
Number of shares, millions	9.84	9.84	9.84
Market cap	44	44	44
EV	58	56	51
P/E (adj.)	13.9	10.2	8.2
P/E	13.9	10.2	8.2
P/B	1.2	1.1	1.0
P/S	0.3	0.3	0.3
EV/Sales	0.4	0.4	0.3
EV/EBITDA	5.1	4.3	3.6
EV/EBIT (adj.)	10.1	8.2	6.4
Payout ratio (%)	31.1 %	29.8 %	29.4 %
Dividend yield-%	2.2 %	2.9 %	3.6 %

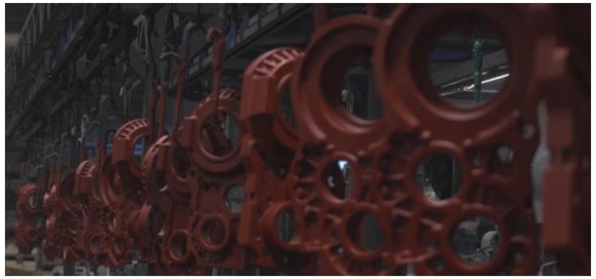
Source: Inderes

Componenta in brief

Componenta manufactures cast and machined metal components as well as forgings, tubular products and sheet metal parts for its customers, who are global vehicle, machinery and equipment manufacturers based in Finland or established in Finland. The main manufacturing units are the foundries in Karkkila and Pori, and the machining service units, forging shop, pipe and material service center in Jyväskylä and South Ostrobothnia, close to the sites of strategic customers. Direct exports account for around 20% of revenue, but is actually much higher overall due to the products manufactured by customers.

MAIN PRODUCTS

COMPONENTS



MACHINED METAL COMPONENTS

1820
The Högfors ironworks is established in Karkkila.

1988
The Pori foundry is bought from Rauma-Repola. Componenta's predecessor Santasalo-Vaihteet is listed on the Helsinki Stock Exchange.

2019
Componenta acquires Komas Oy and becomes one of Finland's leading manufacturer of metal components.

115.7 MEUR **(+19% y/y)**
Revenue 2025

9.7 MEUR **(8.4% of revenue)**
EBITDA 2025

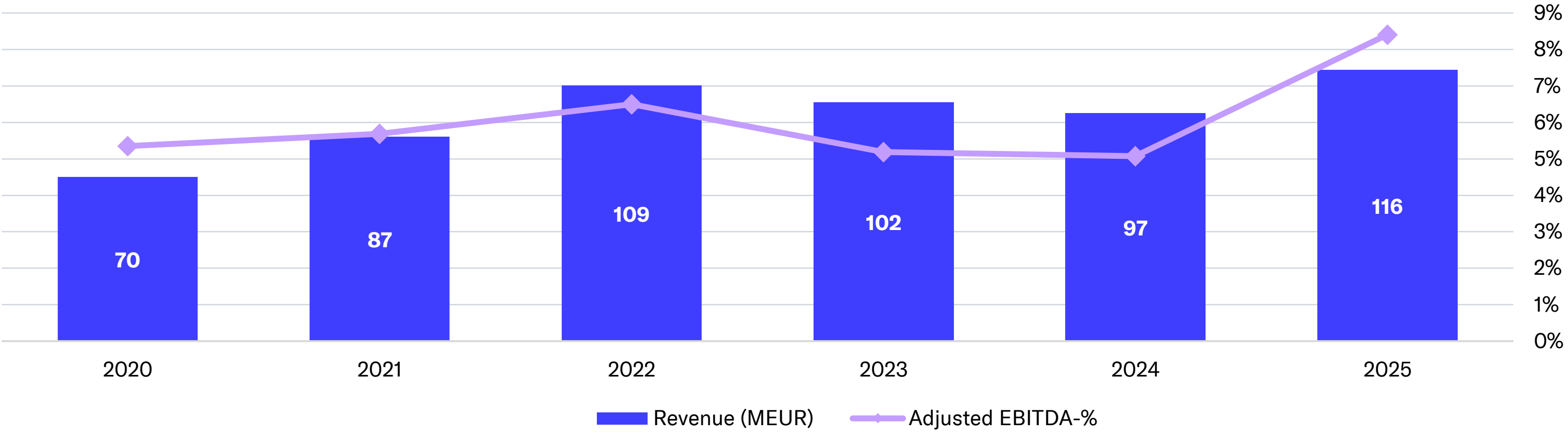
666
Headcount 2025

Komas acquisition
Komas consolidated on 9/1/19, bringing around 40 MEUR annual revenue

Rising interest rates and war
Agricultural machinery drags market down in H2'23. Volume decline weighs on capacity utilization and margins.

Fortaco acquisition
The Kalajoki plant and Sepänkylä machining center are being acquired from Fortaco for ~2.8 MEUR. Revenue 2023: ~9.6 MEUR, ~60 employees. Carried out on 10/1/2024

Orders from the Finnish Defense Forces
120 mm shell-tail assemblies ~50 MEUR (5/2024)
10.4 MEUR order (8/2025).
20.5 MEUR order (3/2026).
Deliveries scheduled for 2025-2028.



Company description and business model 1/5

Traditions on the foundry side

Componenta is a Finnish technology company that manufactures and supplies cast, machined or non-machined components to its customers, who are local and global vehicle, machinery and equipment manufacturers. Componenta's history begins with the establishment of the Högfors foundry in Karkkila in 1820.

A long and colorful history

The ups and downs of internationalization are a key part of Componenta's history. In 1990, Componenta's predecessor JOT Corporations bought the Främmestad engineering company in Sweden. International operations expanded in 2004, when the group acquired the Dutch foundry company De Globe and the Turkish components manufacturer Döktas. In fact, Componenta was Europe's second largest independent component company in 2006, with pro forma revenue of more than 600 MEUR and more than 5,000 employees. However, the profitability of the acquired companies and of the group as a whole remained unsatisfactory. The main reason was overcapacity in the foundry sector and Componenta's dependence on large truck manufacturers, with whom it had a weak bargaining position. In 2016, Componenta's Finnish and Swedish businesses entered a restructuring program and Componenta Netherlands went bankrupt. In 2017, the Turkish business was also sold.

In recent years, the structure has changed due to M&A

In 2019, Componenta made a significant expansion in the value chain by acquiring Komas Oy and growing into Finland's leading metal component manufacturer. In the same year, Componenta took its current form when its Swedish subsidiary Främmestad AB filed for bankruptcy.

Today, the backbone of the Group's business is Componenta Castings Oy, which focuses on foundry operations, and Componenta Manufacturing Oy (formerly Komas), which provides machining, forging, tube and plate services.

Komas acquisition in 2019 was a key expansion

With the acquisition of Komas, Componenta's expanded product and service range has improved customer service by creating a one-stop shop for industries that want to buy molded and machined or finished components from a single supplier. Componenta and Komas already had many customers in common at the time of the acquisition.

Fortaco, acquired in 2024, complements the product offering

Inorganic growth continues to be part of Componenta's strategy. The company made its latest corporate acquisition when it bought the Kalajoki factory and the Sepänkylä (Mustasaari / Vaasa) machining and service center businesses from Fortaco Oy. The acquisition complements Componenta Manufacturing's product offering to key customers, especially in heavy welded structures, and is a good strategic fit. The acquired businesses increased Componenta's revenue by around 10%, and the acquired businesses were consolidated into the Componenta Group as of October 1, 2024. Given the low purchase price and Componenta's recent strong earnings performance, the acquisition appears to have been extremely successful.

Iron at the core of product supply

Iron has been at the core of Componenta's products throughout its history. The most common applications for iron include pipes, machine parts,

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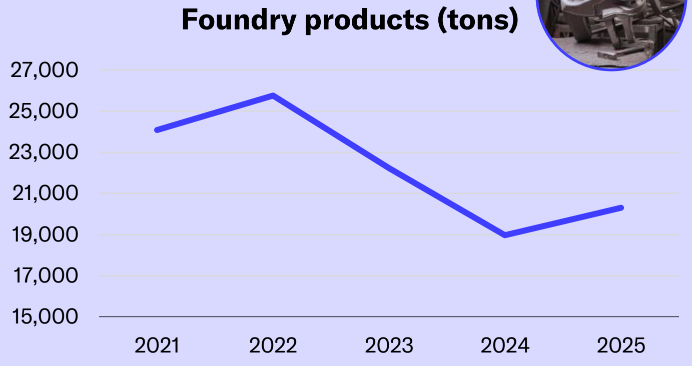
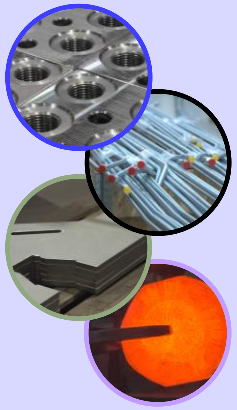
Componenta Castings Oy



Componenta Manufacturing Oy



Machining – 648 thousand units (2025)

Pipe products – 412 thousand units (2025)

Sheet metal blanks – 94 thousand units (2025)

Forgings – 1,748 units (2025)

Company description and business model 2/5

vehicle parts (e.g. cylinder blocks, brake discs, exhaust manifold parts), and many applications in electric motors, municipal engineering, and kitchen utensils. The carbon content of iron exceeds 2%, making it significantly higher than most common steels. Iron's popularity as a material stems from its significantly lower melting point compared to steel. Other advantages of iron include impact resistance and malleability. In addition, iron provides better vibration damping than steel and ensures shape and dimensional stability under temperature variations. The disadvantage compared to steel is inferior weldability.

Wide range of titles, volumes and prices

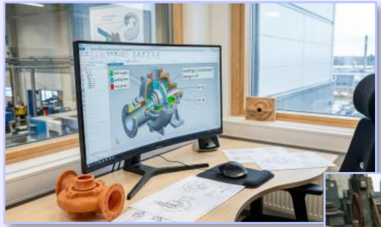
Componenta's main products are iron components, non-machined or machined, unpainted or painted, as well as forgings, hydraulic tubes and plate sections. There are thousands of product titles in production, many of which are both prototype and low-volume production. The number of cast or machined components in a customer's product range can also vary widely (e.g. elevator vs. tractor). Production volumes for individual products typically range from 1,000 to 10,000 units per year. The price range of the products sold is also very wide, from less than EUR 1/each to EUR 50,000/each. The latter can be, for example, the cylinder block of an engine. In addition to component manufacturing, Componenta's offering includes product development work with the customer, as well as product machining, surface treatment and assembly.

Manufacturing know-how starts with casting

Componenta's business core lies in its manufacturing technology expertise, which includes casting. The key stages of the product manufacturing process are as follows:

1. **Design, modeling and manufacture** of castings
2. **Mold patterning**, where fresh or furan sand is deposited on top of the patterns inside the loaded rings. After the molds have hardened (approx. 1 h), the rings and sand are removed from the model.
3. **Making a core:** If the casting has a hollow part, a sand core is made for this part. Preparation takes place in a mold box (flask) in the same way as patterning. After the curing period, the finished cores are finished and coated.
4. **Mold assembly:** The finished mold halves are coated with a refractory wash. The core is placed on the drag (bottom half), and the cope (top half) is placed on the drag and the complete mold is prepared for casting and transported to the casting point.
5. **Melting of raw materials:** The pig iron, the crushed recycled steel and the own circulating metal from the casting process are melted in an induction furnace.
6. **Mold casting:** Molten iron is poured into a ladle, from which it is cast into molds. The temperature is typically around 1300-1450 °C. The molds are dismantled after 8-60 hours, depending on the size and material of the component.
7. **Post-processing**: The components are cleaned, after which the casting defects are removed and the components are finished by grinding. The components can also be heat-treated and painted.
8. **Inspection and customer delivery**: The dimensions and internal integrity of the components can be checked before customer delivery, if necessary. The customer pays the transport costs.

Process stages


Design, modeling and pattern manufacturing


molding


Making a core


Melting of raw materials and


Post-processing

Company description and business model 3/5

The foundry business is highly energy-intensive. Typically, the energy consumption of an iron foundry is around 2 MWh per ton produced.

The foundry industry has undergone two major structural changes in recent decades, one being the gradual unwinding of overcapacity in the sector and the other the outsourcing of foundry operations from in-house operations of large engineering companies to bought services. The global activities of Componenta's main customers and their demands for quality, competence and flexibility in foundry operations have maintained Componenta's position as the number one player in the Finnish foundry industry.

Componenta Castings has two foundries

Componenta has two foundries, one in Karkkila and one in Pori. Their main features are set out in the table below. Componenta's foundries are the largest in Finland and together they account for about 40% of the country's total iron foundry capacity. They are also the only fresh sand foundries in Finland. Fresh sand molding is used for demanding mass-produced parts and this is where Componenta aims to differentiate itself.

Componenta Manufacturing's activities are specialized

The table below describes Componenta Manufacturing's sites and their activities. Manufacturing's machining services business is very diversified and the table shows only part of the range of products and services. To our understanding, the existing sites are so specialized, e.g. in terms of machining centers and lathing classes, that a merger would not be justified. The locations are also convenient for customer contacts.

The key operational parameters for the machining, forging, tube and plate services are:

- **Materials**: castings; forgings; fittings; structural and engineering steel; carbon and carbon steel; aluminum; galvanized steel pipe; black steel pipe; acid-resistant pipe; high-strength materials; boron steel
- **Products**: Axles; frame structures; brackets and fasteners; covers; bushings; annular products; beams and booms; blocks; gears; rings; discs; molded parts; hydraulic, brake, lubrication and nozzle pipes; welded and brazed tubes; sheet metal parts; machining jigs, oil sumps, engine and generator mounts
- **Other services:** Machining; sawing; heating; open-die forging and presses; gas and plasma cutting; edging; annealing and heat treatment; shot blasting; welding; washing; bending; fitting; assembly; brazing and 3D measurement.

Componenta Castings Oy	Karkkila	Pori
Capacity ton/year	30,000	18,600
Materials	Ductile iron, ADI, gray iron	Ductile iron, SSF, gray iron
Unit weights, kg	30–350	1–100
Series, pcs/year	100–60,000	100–50,000
Heat treatment	ADI, stress relief, ferritizing, pearlitizing	Ferritizing, pearlizing, annealing
Personnel, ca.	220	100

Componenta Manufacturing Oy	Jyväskylä	Härmä	Kurikka	Leppävesi	Sastamala	Kalajoki + Sepänkylä
Operations	Machining and material services	Machining services	Machining services	Material services (sheet metal blanks)	Machining services	Component welding, machining and surface treatment
Example products	Hydraulic, brake, lubrication, nozzle and brazed tubes; tires, rims, discs	Precision machining and assembly of demanding components	Precision machining of small metal components	Plate sections, machined blanks	Special drilling, grinding and turning	Heavy welded structures for, e.g., the marine and energy industries
Personnel, ca.	120	60	40	25	40	60

Company description and business model 4/5

Material sourcing is mainly iron and recycled steel

Componenta's foundries (Castings) mainly purchase pig iron and recycled steel. Pig iron is sourced from a variety of sources, e.g., from China and America, and a lot through steel wholesalers. Another part of the foundries' raw material needs is met by recycled steel. Componenta prefers grades that are generally surplus steel from the processes of steel product manufacturers and not, for example, scrap steel with high levels of impurities. Componenta aims to maximize the share of recycled steel in its foundries, but this is affected by the availability of proper-quality scrap. To ensure basic availability, Componenta has agreements for certain volumes with companies specializing in the recycling of steel scrap.

Componenta Manufacturing's purchases are largely plates, tubes, rods, fastening accessories and e.g. aluminum. Manufacturing sources a significant portion of its castings from within the group from Castings. However, the share is optimized at group level, and Componenta examines on a specification-by-specification basis whether it is worth processing a casting from Castings itself, or whether it makes more economic sense to sell the casting to a third party and have Manufacturing source the casting it needs elsewhere. We believe that competitive tendering for own foundries within the Group is a sensible approach.

Most customer industries are cyclical

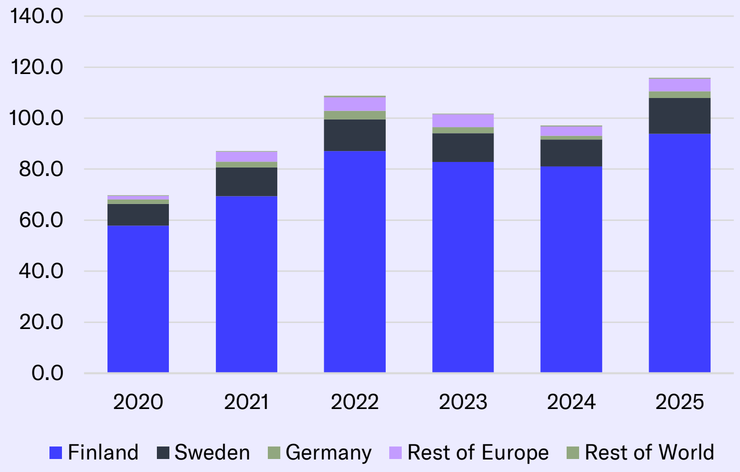
Componenta's main customer groups are machine building (35% of revenue in FY2025), agricultural machinery manufacturing (18%), energy industry (23%), defense equipment industry (14%), forest machine manufacturing (6%), and the rest (4%) coming from other industries. The majority of customer industries are cyclical. However, Componenta's own cyclicality is reduced by the following factors: 1) There are many customer industries, and they can be in different stages of the cycle, and 2) The share of the energy industry and defense equipment industry in revenue has grown significantly, while the share of agricultural machinery in revenue has decreased considerably. This reflects the significantly different demand drivers across industrial sectors.

Customers at the forefront of their industries

Componenta's Castings and Manufacturing businesses have many common customers, but the number of customers is not disclosed. The group has a three-digit number of customers, but the company has not given any further indication. The customers are, to a large extent, globally leading engineering companies in their respective industries with significant manufacturing operations in Finland.

Componenta does not disclose the names of its main customers. However, KONE, Wärtsilä and AGCO, among others, were mentioned as representatives of client industries in the 2014 CMD materials. Since all the aforementioned companies still have manufacturing operations in Finland (KONE in Hyvinkää, Wärtsilä in Vaasa, and AGCO in Suolahti and Linnavuori), and according to Componenta, it has not lost customers, we believe these companies remain key customers.

Revenue by geography (MEUR)



Inderes estimate of key customers

AGCO WÄRTSILÄ KONE Puolustusvoimat The Finnish Defence Forces

Possible other customers

KONECRANES PONSSE metso CARGOTEC

Company description and business model 5/5

In addition, according to public sources, Cargotec was already a customer of Komas and we believe that Cargotec and Kalmar are on Componenta's customer list. Our general understanding is that practically all the Finnish units of the machinery companies on the main list of Nasdaq Helsinki are Componenta's customers. In the financial year 2025, Componenta had three customers whose share of revenue exceeded 10%. Together, these three customers generated 54.8 MEUR in revenue, which corresponded to a 47% share of Componenta's revenue in the financial year 2025. Thus, risk factors related to individual customers are significant.

Old and deep supplier relationships

According to Componenta, the customer's choice of supplier is determined not only by competence but also by the traditional criteria of quality, reliability and speed of delivery, as well as price. Componenta's key customer relationships go back decades and customer loyalty is strong. Although Componenta has not lost any customers, it has disengaged from some of those with whom cooperation has not been in line with its objectives, e.g., through pricing. The basic service also includes joint product development work on the manufacturability of products, involving consultancy and prototyping. For many individual titles, Componenta is the customer's sole supplier.

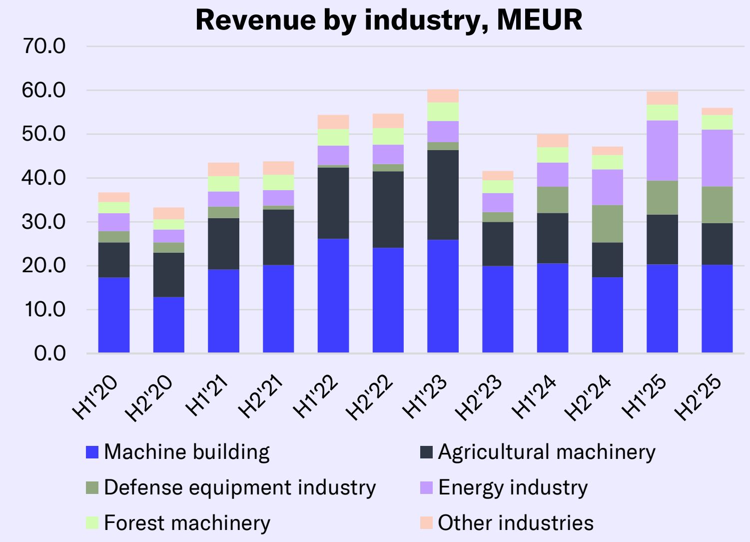
New customers are also being acquired

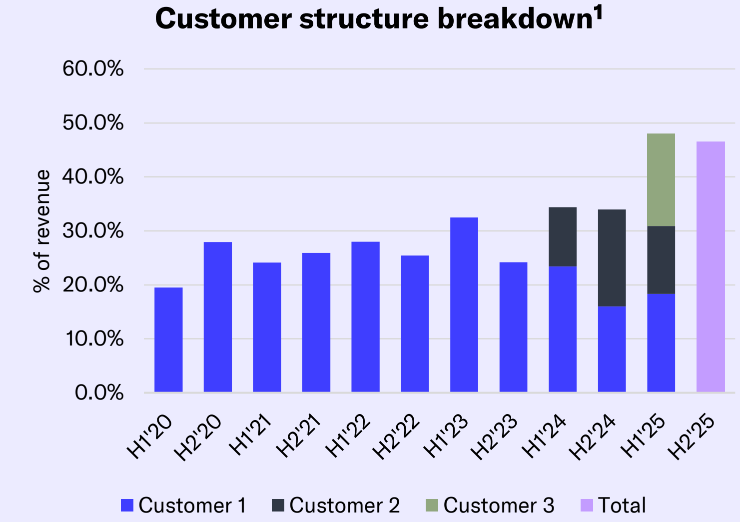
Componenta also does targeted new customer acquisition. When acquiring new customers, Componenta's message focuses on competence, flexibility and security of supply rather than on price.

Contracts hedge against cost risks

Supply contracts cover volumes, quality, delivery times and prices. Componenta has some frame agreements with its customers and in some cases capacity can be reserved for a customer up to a certain base load. However, practices vary from client to client. In some contracts Componenta has direct access to the customer's production plans, but in many cases the forecasts provided are much looser. Componenta's own capacity planning is based on a forecast of customers' production prospects for the next 12 months, updated once a month. Componenta does not maintain trading stocks, and in the face of fluctuations in customer demand, the company's flexibility and speed of delivery are key competitive advantages.

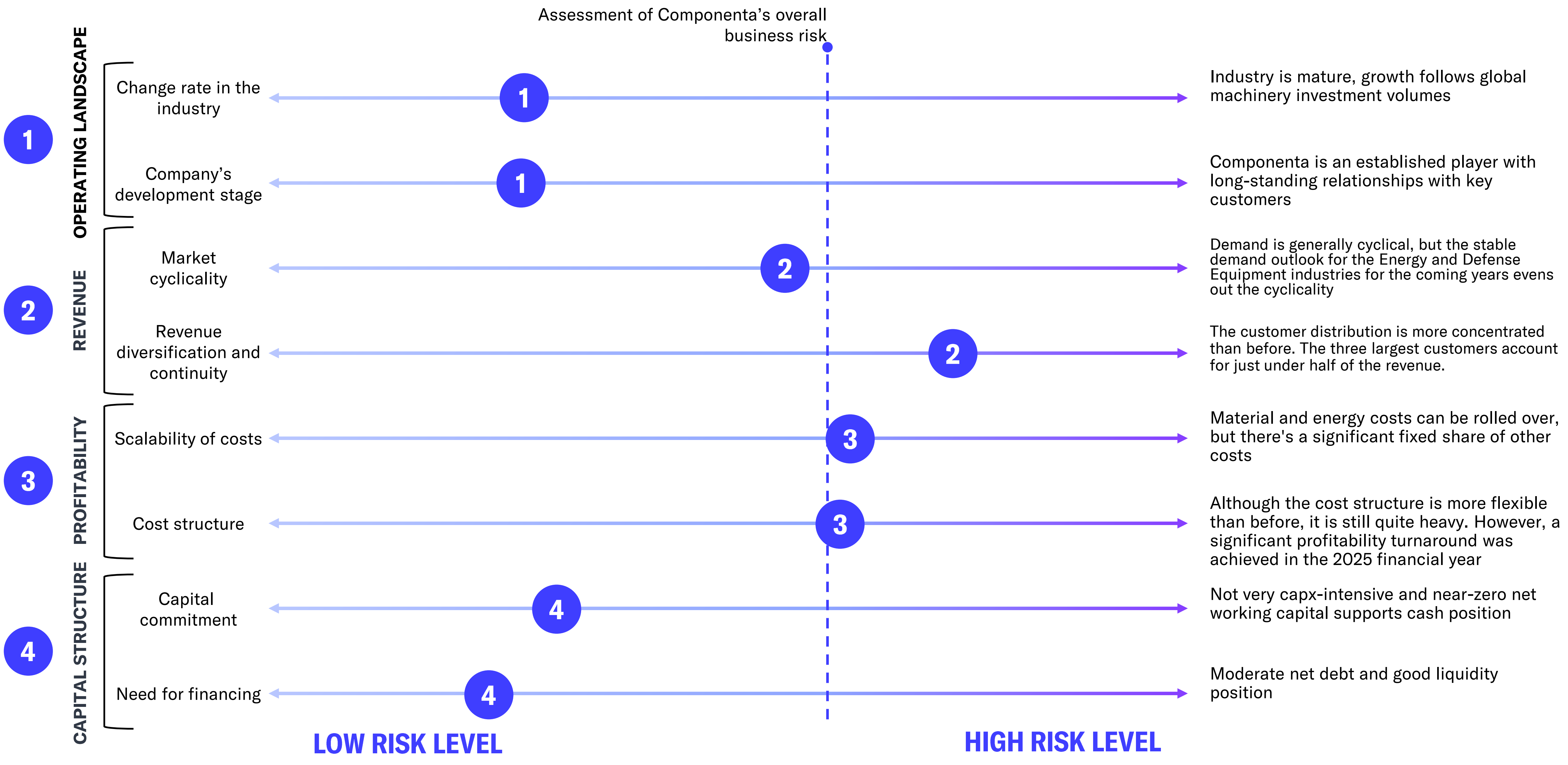
Componenta's pricing is in principle cost-based, plus a target margin (cost-plus pricing). The size of the margin depends on the product, the customer and the competitive situation. Almost all Componenta's supply contracts currently contain price clauses related to market prices of raw materials and energy (electricity), which take effect with a delay of one quarter. Thus, Componenta is quite well hedged against the main cost risks related to production factors.





Our estimate of Customer 1: AGCO; Customer 2: The Finnish Defense Forces; Customer 3: Wärtsilä. Componenta did not disclose the customer-specific share of its largest customers in its H2'25 report

Risk profile of the business model



Investment profile 1/2

The profile is getting clearer

Componenta is a traditional industrial company with a long history, an established position and customer base in Finland, and improved profitability following restructuring and strategic alignment. However, its position in the eyes of investors has been weighed down by the failure of its aggressive internationalization in recent years and the subsequent restructuring, the cyclical and historically low profitability of the company and the industry as a whole, and the perception of a weak bargaining position vis-à-vis its customers. However, the restructuring that has taken place and the progress in the value chain with the acquisition of Komas, the expansion of the customer base, the increased flexibility in the cost structure and the evidence of improved profitability show that Componenta has many attractive features for investors. The following are what we consider to be the key positive and negative value drivers for the coming years.

Positive value drivers

The strategic moves over the past five years seem successful: Componenta's divestments, the acquisition of Komas, the focus on short production runs and flexibility, and the move away from highly competitive truck manufacturing have led to a clear improvement in the company's financial performance. Componenta's current customer segments have also shown to have different demand drivers, which has proven to be an important factor for Componenta's earnings capability during the macroeconomic roller coaster of recent years.

Strong customer references: Almost all large machineries with manufacturing operations in Finland are Componenta's customers. Customers are very demanding, which is a testament to Componenta's service capability. At the same time, their threshold to switch from Componenta to another supplier is high. Componenta also aims to achieve growth by offering new products and services to existing customers.

Componenta is positioned to benefit from the structural tailwinds in the energy and defense equipment sectors, which together accounted for 37% of total revenue in the 2025 financial year. This also improves the company's outlook further than before, provides advantages for production planning, and lowers the risk level of investments, in our view.

The cost structure is more flexible than before due to the increased revenue share of the more capital-light machining business. In addition, a significant portion of personnel costs (33% of 2025 revenue) are variable in the short term due to Finnish temporary layoff practices. In addition, Componenta has indexed both material and energy costs in the pricing of its supply contracts, so that sales prices react to these costs with a lag of only one quarter.

The tax rate in the coming years will be low in terms of cash flow impact: Componenta's deductible losses keep the group's actual tax rate at zero in our projections for 2026-2027, even though the company records taxes on the income statement related to the deferred tax asset recognized on the balance sheet.

Inorganic growth is part of Componenta's strategy. The acquisition criteria include a good fit with the current strategy, the customers to be acquired and the geographical perspective (e.g. Sweden). In our view, the company's recently acquired Fortaco Kalajoki and Sepänkylä businesses, as well as the previously acquired Komas Oy, have been successful arrangements in terms of creating shareholder value. Based on the historical financial data of the acquired businesses and the development of the Componenta Group's operations, we estimate that the acquired businesses have significantly improved their performance under Componenta's ownership. Componenta has thus succeeded in acquiring businesses with low profitability at low transaction prices and has managed to improve the profitability of these businesses to an excellent level relative to the prices paid. This track record of acquisitions strengthens our confidence in management's ability to continue pursuing deliberate corporate arrangements that increase shareholder value.

Negative value drivers and risks

Although Componenta's customer industries have shown divergent development trends in recent years, they are mainly in the investment goods industry and are thus cyclical. In addition, as a contract manufacturer, changes in end-demand have a leveraged impact on revenue, both upwards and downwards.

Due to the strong growth of certain customer accounts, the customer structure is more concentrated than before (the 3 largest customers accounted for 47% of revenue in FY2025). A more concentrated customer structure increases risks related to individual customers, but the growth outlook for these customers is currently strong. Thus, in the short term, this is more of a positive problem.

Investment profile 2/2

1. The asynchronous cycles of customer industries have proven to balance out cyclicality in recent years
2. Strong demand in the Defense Equipment industry and the Energy industry supports the growth outlook
3. The company has a track record of M&A transactions that create shareholder value
4. The focus has successfully shifted from mass-produced products to a more customized offering
5. The customer structure is more concentrated than before

Potential

- Improved performance through increased production volumes
- Balancing cyclicality by increasing the shares of the energy and defense industries
- Continuation of selected acquisitions in neighboring regions
- A balance sheet strengthening with operational cash flow provides leeway for productive capital allocation

Risks

- Market cyclicality
- Risks related to large individual customers
- Sustainability of the achieved earnings turnaround in the longer term
- Risks related to corporate reorganizations

Componenta's strategy

Total supply at the heart of the strategy

Componenta's current strategy was announced at the beginning of 2024, and the strategy period ends in 2026. At the heart of the strategy is the objective of being the preferred total supplier to customers, serving a wide range of services. The strategic focus areas are as follows:

In-depth customer knowledge: Componenta wants to increase customer knowledge throughout the organization and improve both the sales process and account management. The role of product development cooperation will be emphasized in improving customer knowledge. Growth will be sought not only from existing customers, but also from Sweden and other European countries.

Sustainability: Componenta is implementing its 2030 climate targets by increasing the use of renewable and fossil-free energy, reducing the raw material-based carbon footprint and implementing various energy-saving measures in its units. Occupational safety and employee well-being are highlighted as areas for development. Diversity, non-discrimination and equality are an important part of corporate culture.

Operative reform: The desired quality standards and excellent delivery performance will be made visible throughout the supply chain. Productivity will be improved and supply will focus on higher value-added components. Machine usability will be increased and the availability of competitively priced materials will be ensured.

Personnel as a key to success: The goal is to be a sought-after and well-known employer. Componenta has a single corporate culture where collaboration and continuous renewal are emphasized. Uniform procedures will be introduced for various stages of the career path and the company will invest in work ability management and continuous development.

Inorganic growth: Componenta is still exploring M&A opportunities to grow also inorganically.

Componenta's current strategy period ends with the current financial year, which is why we expect new strategy work to begin soon or to already be underway. We do not expect any significant changes to the strategy, as we believe the current strategy period has been successful. However, we believe that the strengthened balance sheet position due to the earnings turnaround, as well as the strong demand in certain customer segments, provide more leeway for strategic adjustments than before.

Although not explicitly stated in the current strategy period materials, the journey that began with the acquisition of Komasi—from a company focused on foundry operations towards a contract manufacturer with a broader service offering—appears to be continuing. The acquisition of the Sepänkylä and Kalajoki plants from Fortaco was a step on this path, and the strong organic development of machining services has also shaped the group structure.

With a strengthened balance sheet and improved profitability, Componenta has more leeway for M&A than before. We consider it likely that Componenta will make new M&A transactions in the coming years. We believe the completed corporate acquisitions indicate that Componenta has the tools to improve the performance of the acquired businesses. We believe that these types of arrangements have good prerequisites for creating shareholder value, as competitors for acquisition targets may not have similar industrial expertise to improve the performance of the acquired targets. However, acquisitions also involve risks, so maintaining a selective approach will continue to be important.

Financial targets were updated in FY2025

In June 2025, Componenta published financial targets for 2025–2027, in which the company set targets for profitability and dividend distribution, in addition to previous targets. The company targets 150 MEUR in organic revenue and an EBIT margin of over 5% by 2027. In addition, Componenta aims to distribute one-third of the financial year's profit as dividends starting from the 2025 financial year, and efforts will be made to strengthen revenue and profitability through acquisitions. However, the company did not distribute dividends for the 2025 financial year, citing capital requirements for growth.

The organic revenue target remained unchanged at 150 MEUR, but the target period was moved forward by one year. We believe this reflects a weaker-than-expected demand outlook, particularly in the agricultural machinery market. Regarding inorganic growth, the previous absolute target of 50 MEUR was removed, which we believe is sensible given the situational nature of acquisitions. In our view, the most significant change is a stronger emphasis on profit distribution and greater flexibility for acquisitions.

The 5% EBIT target represents a clear improvement over the average level of recent years, but the 3.7% EBIT margin achieved in the 2025 financial year strengthens confidence in an upward trend in profitability. We believe Componenta has the opportunity to achieve improved profitability through increased production volumes.

Industry and competitive field 1/4

The foundry market is large and fragmented

The foundry industry is a mature and highly fragmented industry that is active all over the world. According to the latest data (mainly from 2024) from the European Foundry Federation (EFF, formerly CAEF) and the World Foundry Organization (WFO), over 45,000 foundries worldwide produce ~113 million tons of foundry products. China accounts for 49% of this amount, Europe 12%, India 11%, and the United States 9%. Iron castings globally represent about 70%, and steel castings and non-ferrous metals, such as copper and aluminum castings, flexibly make up the remaining 30%. In Europe too, the industry is highly fragmented. According to the European Foundry Association (EFF), Europe has 6,000 foundries with a combined production value decllining to ~42.4 BEUR in 2024, of which iron and steel foundries accounted for 22.5 BEUR. Of these 6,000 foundries, 70% have fewer than 50 employees. Indeed, a key feature of the sector is its local or regional character and its focus on local customers.

Customer relationships and close location are key

While there are clear economies of scale in foundry operations, the individuality of customer needs in terms of casting characteristics and flexibility / speed of delivery makes economies of scale rather insignificant. In the industry, the importance of close customer relationships and cooperation, quality and competence, as well as security of supply, is therefore in most cases more important than the ability to produce at the lowest operational cost. As the average value of castings per unit weight is relatively low, transport costs also play a significant role. Therefore, the location of the foundry reasonably close to the customer is a clear competitive advantage. Although there are some imports of foundry products from Central and Southern Europe and even Turkey, Componenta practically limits its target market to the Baltic Sea region and northern mainland Europe.

Growth is expected to be brisk from low baseline levels

The development of the foundry market naturally follows the development of the customer market. These are investment goods, the demand for which is clearly affected by, e.g., interest rates. Recent forecasts for the market development of some of Componenta's end-customer sectors between 2025 and 2030 are rather optimistic: Mordor Intelligence forecasts nominal growth of +5.5% p.a. for the global tractor market and 5.8% for the global elevator and escalator market, while TBRC expects the global forest machine market to grow by +5.8% p.a. These growth expectations sound rather ambitious, but are at a reasonable level compared to the IMF's global GDP growth forecast (+3% p.a. in real terms in the coming years). In our assessment, the seemingly high market forecasts are explained by a baseline that is below the industries' trend growth (2024–2025).

Since a detailed forecast of the development of the end-customer market for foundry products and its various sub-segments would be difficult, we have estimated the market for foundry products on the basis of more general drivers. We assume Europe to be by far the most important market for Componenta's Finnish customers.

Key figures for the foundry industry

Number of foundries

Globally **~45,000**
Europe **6,000**
Finland **30**
70% have fewer than 50 people in staff

Production value 2024, Europe

42 BEUR
Total value

22 BEUR
Iron and steel foundries

Growth projections 2025-2030 p.a.

▲ **+5.5 %** Tractors
▲ **+5.8%** Lifts and escalators
▲ **+5.8%** Forestry machinery
→ **European GDP growth (nominal) ~+4% p.a.**

Source: EFF, WFO, Mordor Int., TBRC, IMF

Industry and competitive field 2/4

In Bloomberg's consensus forecasts, combined EU and UK real GDP growth and industrial output growth are expected to average around +1.5% (p.a.) in 2026–2028. Real growth in investments is expected to pick up slightly, averaging around +2% p.a. Average inflation for the same area for 2026–2028 has stabilized at the central banks' target of +2% p.a. Taking all these factors into account, we estimate nominal growth in Componenta's main end-customer market to be just under +4% p.a. in our estimate period 2026-2029. In our view, this also provides a sufficient approximation for growth in the foundry product market over this period.

Machining services are a fragmented and growing sector

Componenta's other main segment, machining services, is still much more fragmented than foundry operations. Machining services are also operated globally, but the investments required to start up and maintain operations are significantly lower than in foundries.

The largest global customer industries for engineering services are the automotive, engineering, aerospace, shipbuilding, railway, defense equipment, energy, healthcare and consumer products industries. Based on publicly available market research, we estimate the industry's global size this year to be just under 400 BEUR and just under 100 BEUR in the EU, making it significantly larger than the foundry industry. However, this market includes machining performed by original equipment manufacturers (OEMs), and in our view, contract manufacturing accounts for clearly less than half of the total market. According to the latest Eurostat data (2023), there are over 130,000 companies in the sector in the EU alone, employing around 800,000 people, so the average number of employees per company is only six. In 2023, a total of around 1,900 companies operated under the industry code "Metal work" in Finland. The sector's revenue was 3.3 BEUR and the average number of employees was eight. The large number of companies in the sector is further explained by the scope of the definition and the number of different machining processes (e.g. turning, milling, grinding, drilling, boring and CNC machining).

Forecasts for growth in the European market for machining services (and the machine tool market that acts as an indicator) between 2024 and 2030 are above 5% p.a. (e.g. Mordor Intelligence, Business research insights). However, the rapid growth forecast is largely explained by the weak starting levels, as industry production in Europe declined in both 2024 and 2025. Demand for services is being driven by a gradually recovering investment demand, increasing demand for precision components in general, and demand for components generated by the green transition in areas such as solar and wind power plants, as well as electric vehicles and equipment. Following Russia's invasion of Ukraine, demand from the European defense industry is also growing.

Competition is regional

In both foundry and machined products, competition is largely local or regional due to high requirements in terms of flexibility, delivery times and otherwise close contact with customers. Since competition therefore generally means competition for customers in a given area, monitoring market share at national or continental level is not a very meaningful measure of competitive position.

Key figures for the machining services sector

Number of companies

EU **over 130,000 (avg. 6 employees)**
Finland **~1,900 PCs (avg. 8 employees)**

Industry revenue

Global ~ **400 BEUR**
EUR **~100 BEUR**
Finland **3.3 BEUR (2023)**

European market drivers 2026–2028

Real GDP growth (EU+UK) **~+1.5% p.a.**
Real investment growth **~+2 % p.a.**
Inflation **~+2% p.a.**
→ Nominal growth of the end customer market ~+4 % p.a.

Growth drivers for machining services

- Recovery in investment demand
- Demand for precision components
- Green transition (wind, solar, electric)
- Growth in demand from the defense industry

▲ **over +5 % p.a.** Market growth 2024–2030

Source: Bloomberg, Eurostat, Mordor Int., BRI

Industry and competitive field 3/4

A comparison with other companies in the sector is further complicated by the fact that Componenta has no direct competitor with a similar offering. Componenta's main competitors therefore consist of two groups of companies, 1) foundry companies and 2) machining services companies, both of which are mainly Finnish, Swedish and German. We have compared the growth and profitability profiles of competitors / peer companies to Componenta and the results are presented on the next page.

A comparison of Componenta's longer-term historical performance with other companies is complicated by the fundamental restructuring (described above) that the company has undergone. The restructuring has mainly affected the Castings business, which went through a tough divestment and restructuring program in 2016-2019. As historical pro forma figures for Castings have not been available to us, we have only been able to eliminate the most significant one-off items from the 2016-2017 results.

The main observations regarding the size of the companies and segments in Componenta's division and the growth and profitability trends are as follows:

The **median revenue** of the peer companies in 2018-2024 was around 20-35 MEUR for foundry companies and around 60-80 MEUR for machining service companies, which makes them suitable for comparison with Componenta Castings and Componenta Manufacturing in terms of size. Of course, there can be significant differences in products, customer groups, business models, and performance drivers between companies.

The median revenue growth (CAGR) for foundry peers between 2018 and 2024 was a weak -1%, reflecting both the impact of COVID (2020-2021) and the development burdened by rising interest rates in 2023-2024. Considering the ~3% increase in the general price level during the period, it can be concluded that the group's production volumes decreased during the review period. Due to structural changes, a similar figure cannot be calculated for Componenta Castings.

The median growth rate (CAGR) for machining services companies between 2018 and 2023 was +2%, which is faster than for foundries. The corresponding figure for Componenta Manufacturing was +5% p.a. (approximately 4% organically, according to our estimate), so we estimate Componenta Manufacturing achieved better revenue growth than its peer group.

The EBIT margin of machining services companies has been on an upward trend since before the pandemic, while the median margin of foundries has been stuck at 2-4%. Foundry companies have been plagued by overcapacity in the sector, which is gradually being reduced as foundries using old blast furnaces in Central Europe close. Componenta estimates that these will not be reopened after closing, but this will not solve the overcapacity problem in the short term. Componenta itself uses modern medium-frequency induction furnaces in its smelters.

Other challenges for foundry companies include fierce price competition, high customer bargaining power in some segments (e.g. heavy trucks), and the limited value added of contract manufacturing. However, the structurally low profitability of the foundries is likely to limit further price competition.

The better profitability of machinery service companies compared to foundries reflects the former's ability to specialize. For foundry companies, this is more difficult.

Key features of the competitive landscape

- Huge number of companies in the main sectors
- Competition is local / regional
- Componenta has no direct peers
- Competitors: Finnish, Swedish, German

Median revenue of peers

Foundry companies **20-35 MEUR**
Machining companies **60-80 MEUR**

Revenue CAGR

Foundries (2018–2024) **-1%**
Machining (2018–2023) **+2%**
Componenta Manufacturing (2018–2023) **+5%**

EBIT margin

Foundry companies: 2–4%

- Overcapacity is a problem
- Tough price competition
- Customers have great bargaining power

Machinery companies: on the rise

- Opportunity to specialize
- Componenta closing the gap after 2019

Industry and competitive field 4/4

Componenta's profitability in both main businesses has traditionally been below the median of its peers, but the implemented restructuring has helped to close the gap after 2019. In the Machining business, profitability reached the level of its peers in 2024. However, in 2023-2024, Componenta Castings' profitability development was weak. This was due to weaker customer order flow and destocking, Componenta's low capacity utilization for new product ramp-ups, and labor market actions. Although Castings' financial statement data for the 2025 financial year was not yet available, the group's figures indicate that the foundry business improved its performance in the 2025 financial year.

Componenta's competitive position is strong

Overall, we believe that Componenta's competitive position is strong. The company's client base is diverse and its main clients represent the leading players in their field. In foundry operations, Componenta specializes in short and medium production runs, giving customers the flexibility they need. In machining services, the company's service offerings and expertise are diverse. Our summary of Componenta's competitive position is as follows:

Strengths:

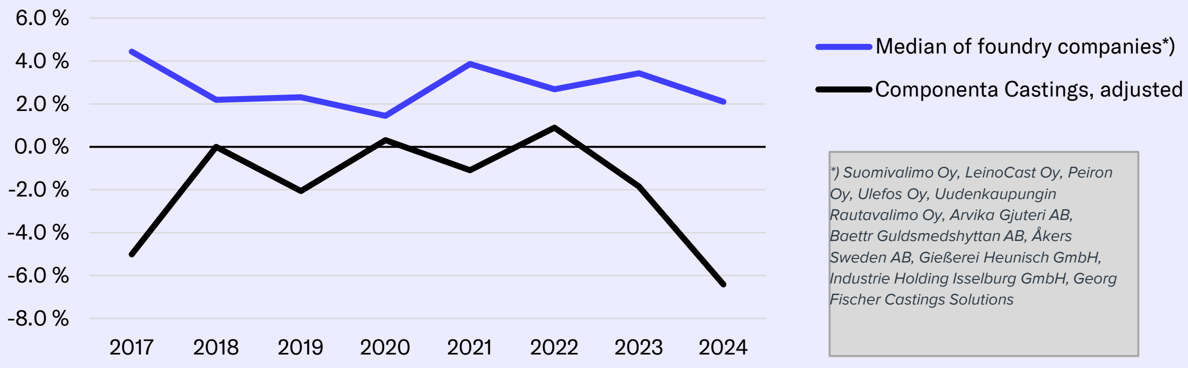
+ High-profile customers and know-how acquired through customer relationships
+ Service excellence (wide range of products, ability to deliver flexibly and quickly, simplicity created by long-standing customer relationships)

Weaknesses:

– Level of automation not up to the level of some competitors

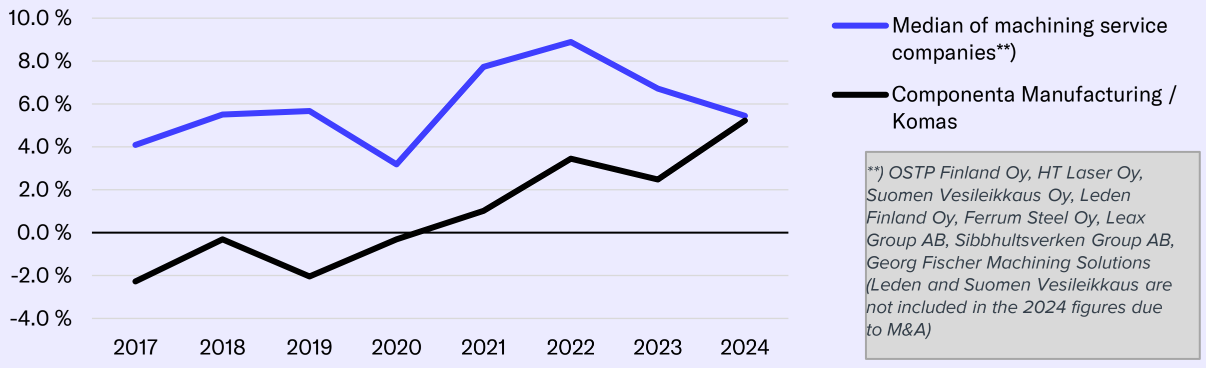
– Personnel costs higher than in e.g. Eastern Europe

Profitability development of foundry companies



*) Suomivalimo Oy, LeinoCast Oy, Peiron Oy, Ulefos Oy, Uudenkaupungin Rautavalimo Oy, Arvika Gjuteri AB, Baettr Guldsmedshyttan AB, Åkers Sweden AB, Gießerei Heunisch GmbH, Industrie Holding Isselburg GmbH, Georg Fischer Castings Solutions

Profitability development of machining companies



**) OSTP Finland Oy, HT Laser Oy, Suomen Vesileikkaus Oy, Leden Finland Oy, Ferrum Steel Oy, Leax Group AB, Sibbhultsverken Group AB, Georg Fischer Machining Solutions (Leden and Suomen Vesileikkaus are not included in the 2024 figures due to M&A)

Financial position 1/2

The business ties up fixed capital

The largest balance sheet item for Componenta is tangible assets (2025: 32 MEUR), which consist of machinery and equipment necessary for production (16.5 MEUR) and buildings and structures (12 MEUR). Around 30% (~9 MEUR) of tangible assets consist of right-of-use assets based on lease agreements. In recent years, property, plant, and equipment have accounted for just under 30% of revenue, which reflects the capital-intensive nature of Componenta's foundry business in particular. The ratio of tangible assets to revenue is higher than that of industrial companies listed on Nasdaq Helsinki. Net working capital relative to revenue has been just under 7% in recent years, when including sold accounts receivable that remain off-balance sheet (see next page). We believe there is room for improvement in capital efficiency regarding fixed assets, as we estimate Componenta's production capacity, especially in the foundry business, to be higher than recent years' production levels. We expect this to support the return on capital in the coming years, which has been at an unsatisfactory level in recent years.

The balance sheet is financed in a balanced manner

The equity on the balance sheet remained around 25 MEUR due to the earnings level staying near zero for several years. The profitable result of 8 MEUR for the 2025 financial year (of which 5.7 MEUR consisted of a balance sheet entry for deferred tax assets), supported by a large deferred tax asset, raised equity to over 34 MEUR.

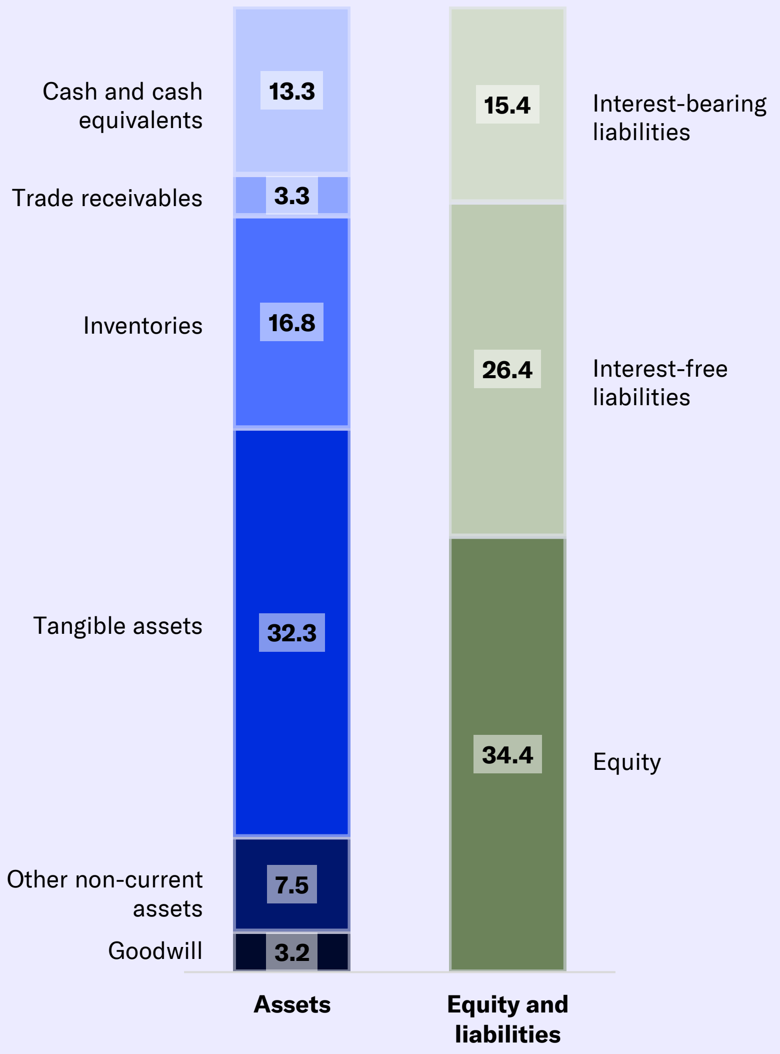
Componenta's net debt was low, at 2.2 MEUR, at the end of the 2025 financial year. Net debt consisted of 15.4 MEUR in interest-bearing liabilities and a substantial 13.3 MEUR in cash. Interest-bearing liabilities largely consisted of lease liabilities (7 MEUR). In addition to the interest-bearing debt on its balance sheet, Componenta finances its operations by selling its trade receivables to a finance company (factoring), for which Componenta pays financing costs. If factoring financing were not used, the company would have to find an alternative financing channel for its business. Against this background, we consider factoring financing as interest-bearing debt, even though it is not presented on the balance sheet. Thus, adjusted for factoring financing, net debt was 13.1 MEUR at the end of the fiscal year. The advantage of factoring is that the credit risk associated with Componenta's trade receivables is transferred to the financing company. Thus, in addition to being a financial instrument, it is also a product similar to insurance.

Profitability requires volumes

As noted in the Industry and competitive field section, profitability in the foundry sector in particular has historically been low, and the Componenta Group's profitability was also subdued for a long time. However, in the financial year 2025, Componenta achieved a significant earnings turnaround.

It should be noted that Componenta's depreciation is ~5% of revenue, roughly twice the median of Finnish engineering companies. Thus, EBITDA is a better indicator than EBIT when looking at Componenta's operational profitability and comparing it with machineries.

Balance sheet 2025 (76 MEUR)



Financial position 2/2

The most significant impact on Componenta's profitability was due to volume changes, as well as pricing and efficiency measures, but the content and impact of the latter have not been specified. Although Componenta's supply contracts include clauses on passing on changes in both material and electricity prices to the group's own sales prices, the change occurs with a quarterly lag and at a ratio of 1:1, so when costs are rising this has a slight negative impact on margins.

Although the share of fixed costs has clearly decreased, this is crucial for the formation of profitability, and changes in production volumes strongly affect earnings capacity in the short term. However, Componenta also has production models for low utilization rates, where the main point of flexibility is the regulation of the number and timing of shifts. In addition to the flexibility offered by agency work, Finnish dismissal practice also offers flexibility in such situations, unlike its foreign counterparts.

The interest rates paid are rather high

Despite the low reported net debt, net financial expenses are high; approximately -2 MEUR in fiscal year 2025. On an annual level, expenses are increased by:

- Interest on lease liabilities (approx. -0.5 MEUR)
- Interest on factoring financing (approx. -1 MEUR)
- Fees on financial liabilities, including credit lines

We also believe that the interest rate on actual bank loans is at 5-6%, which is likely explained by the high risk profile due to the earnings history. The loan covenants require a net debt/EBITDA ratio of less than 3x and an equity ratio of over 25%, both of which were clearly met at the end of the fiscal year (0.2x and 47% at the end of 2025). We believe Componenta still has the potential to reduce its cost of debt in the future as its balance sheet strengthens.

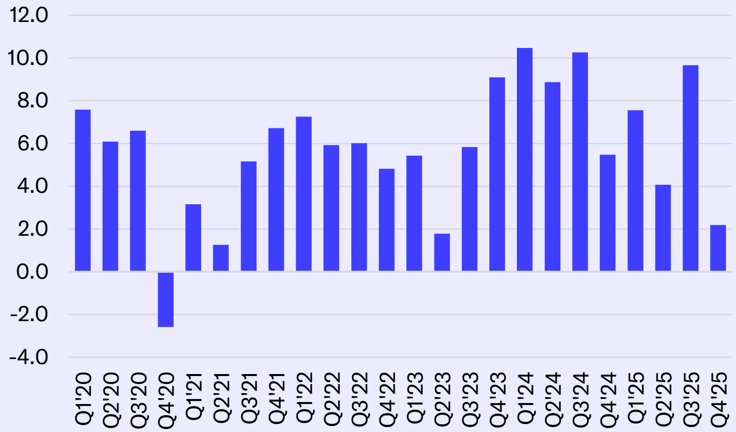
Confirmed losses keep taxes for the coming years at zero

At the end of 2025, Componenta had a total of over 44 MEUR in confirmed losses that will expire in 2026 or later. In connection with these, Componenta recognized a deferred tax asset of 5.7 MEUR on its balance sheet in Q4'25. Based on the expiration schedule and our projections, they can be utilized between 2026 and 2028, when the group's tax liability will be zero. We will come back to this in the Estimates section.

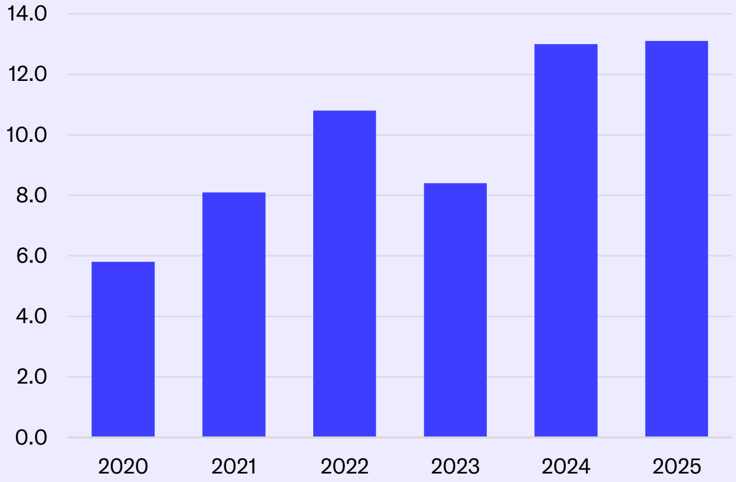
The balance sheet is strong, but growth requires capital

In the last financial year, Componenta's operating cash flow reached 7.3 MEUR. Operating cash flow was burdened by the working capital commitment required by revenue growth. After investments (2.5 MEUR) and lease liability repayments (2.5 MEUR), the free cash flow for the 2025 financial year was 2.3 MEUR, which corresponds to ~5% of the market value at the end of the financial year (share price 4.54 EUR). According to the dividend policy, dividends would have been paid from the profitable result and cash flow, but the company saved capital for growth investments, which, in our estimation, consist of both working capital investments and investments in manufacturing capacity.

Reported net debt[1] quarterly 2020–2025 (MEUR)



Development of sold receivables[2] (MEUR)



[1]Reported net debt does not include factoring financing, [2]Situation at the end of the financial year

Fortaco acquisition

Low purchase price

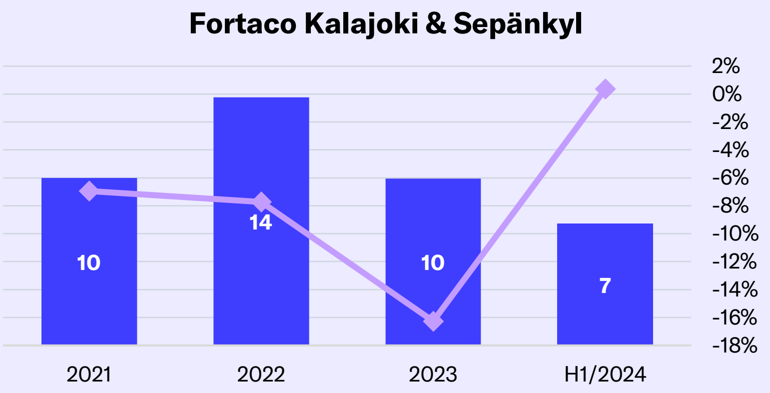
Componenta acquired Fortaco's Kalajoki plant and Sepänkylä machining center in October 2024 for a total price of ~2.8 MEUR. The purchase price consisted of a cash payment of 1.8 MEUR and 1 MEUR in real estate transactions at a later stage. Considering the liabilities accumulated from previous employment for the ~60 employees transferred with the transaction, the debt-free purchase price of the transaction, including real estate, is ~3.4 MEUR. The fair value of the acquired balance sheet items was estimated to be clearly higher than the purchase price, resulting in a negative goodwill of 2.9 MEUR on Componenta's balance sheet.

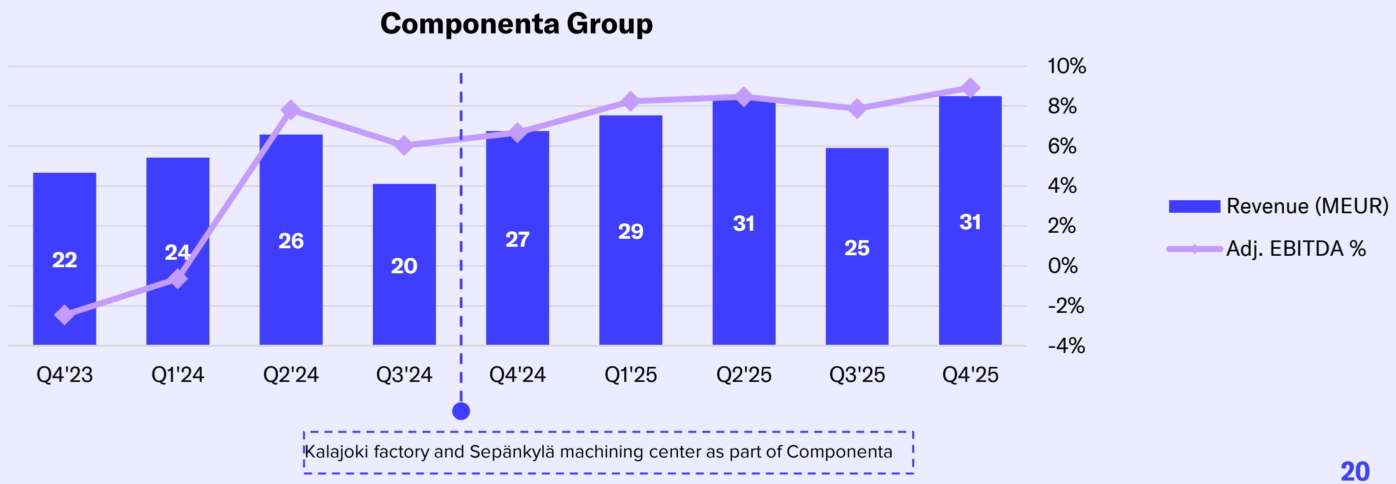
The takeover of operations appears to have been successful

In the years prior to the business acquisition, Fortaco's units achieved revenues of 10–14 MEUR, but EBITDA was negative in all years under review (cumulative operating loss of ~5.7 MEUR from 2021–2023). In H1'24, there were signs of a turnaround, as the units achieved an EBITDA margin close to zero. With Componenta Group's strong earnings trend, we estimate that the turnaround of the acquired businesses has progressed favorably. Componenta Group's adjusted EBITDA margin improved by as much as 5 percentage points year-on-year after the acquired businesses joined the Group. While we do not assume the margin improvement was solely due to the acquired businesses, we do not believe a profitability improvement of this magnitude would have been achieved without a significant strengthening of the acquired businesses' performance.

There are good conditions for value creation

Due to the loss-making acquisition targets, reasonable EBITDA or earnings-based multiples for the acquisition target cannot be calculated based on the realized figures. However, the purchase price paid based on revenue is low (EV/S 0.25x–0.30x). By estimating the potential EBITDA margin and the achieved revenue of approximately 14 MEUR, it can be calculated that with a 5% EBITDA margin, the purchase price would be just under 5x EV/EBITDA, which we would consider a neutral level. In our view, an earnings turnaround of this magnitude is not easy to achieve, but given the strong earnings development post-arrangement, we consider an earnings turnaround of this magnitude to be achievable. Strategic factors of the arrangement, such as cross-selling, expanding the service offering to existing customers, and strengthening the internal supply chain, turn the business arrangement's value creation potential favorable for shareholders, in our view.





Kalajoki & Sepänkylä financial statement figures are FAS-compliant, whereas Componenta Group's figures are IFRS-compliant

Estimates 1/5

Structure of revenue forecasts

Given the regional nature of the foundry and machining services industry and the fact that a reasonable distance to the customer's plant is often a prerequisite for doing business, it is not meaningful to forecast the revenue of an individual company such as Componenta on the basis of either macroeconomic forecasts or forecasts for the foundry and machining services industry. We believe that the best starting point is the information available on Componenta's customers and customer industries.

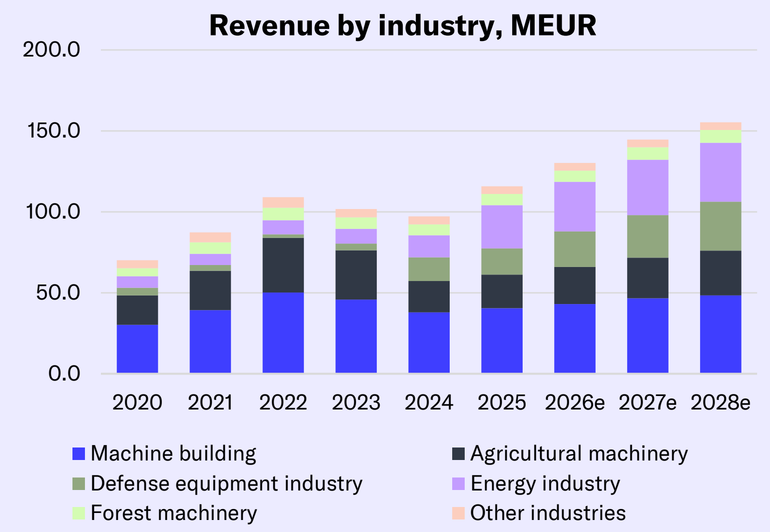
Componenta reports revenue development geographically and broken down by industry. We forecast revenue development by industry, in line with Componenta's reporting. The reportable industries we forecast are: Machine building, Agricultural Machinery, Defense Equipment industry, Energy industry, Forest Machinery and Other industries. In the short term (one quarter), Componenta's reported 2-month binding order book indicates the direction of revenue development.

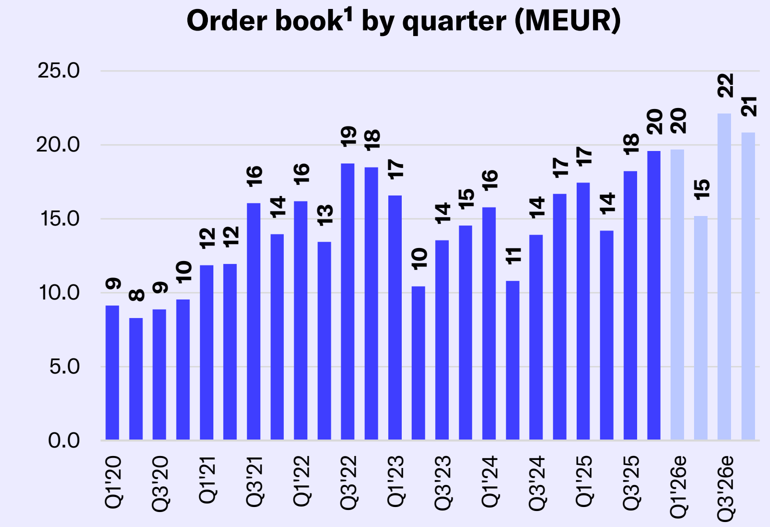
The three largest customers accounted for 47% of Componenta's revenue in the financial year 2025. We estimate that the three largest customers were AGCO/Valtra, the Finnish Defense Forces, and Wärtsilä. There is good visibility into AGCO's and Wärtsilä's business, as the companies are publicly listed entities that report their business by segment. In addition, we have access to segment-specific analyst estimates for these companies, which we consider good benchmarks for Componenta's forecasts. We estimate that the three major customers mentioned above practically cover the defense equipment industry, energy industry, and agricultural machinery segments. Thus, our forecasts for these segments are built upon the growth forecasts of these companies.

AGCO is a major customer in the agricultural machinery segment

For AGCO, we monitor tractor revenue in the EME region (Europe and the Middle East). AGCO's EME region tractor revenue has grown at a rate of ~4% over the longer term (2018–2025). Bloomberg's consensus estimate for the EME market area forecasts an acceleration of growth in euro terms to 3-5% in 2026-2027.

Typically, a contract manufacturer's revenue accelerates and declines more front-loaded and sharply compared to an OEM customer's revenue. This dynamic is due to the fact that when end-demand decreases, production is aggressively reduced and inventory levels are lowered. The dynamic also works in a positive direction, meaning that when end-demand increases, Componenta not only meets end-demand but also demand resulting from the customer's inventory build-up. An example of this is the agricultural machinery segment, where AGCO's EME region tractor sales decreased by 10% in 2024, while Componenta's Agricultural Machinery segment revenue decreased by just under 40%. Similarly, AGCO's EME region's revenue growth of 19–17% in 2021 and 2022 was reflected in Componenta's agricultural machinery segment revenue growth of 34–38%. We estimate that, reflecting this dynamic, Componenta's segment already saw strong growth (20%) in H2'25, albeit from a low base. Reflecting this dynamic, we expect Componenta's agricultural machinery segment revenue to grow faster than AGCO's projected growth rate, at just under 10% to 26 MEUR by the end of fiscal year 2027.





[1]Componenta reports a two-month binding order book

Estimates 2/5

In the medium term, we expect the segment's revenue to reach roughly the level of the peak years (2022–2023) of just over 30 MEUR. This is based on AGCO's previous manufacturing operations being more concentrated in Finland and our assumptions of Componenta's slight market share gains. In the short term, the conflict in the Middle East increases the risk associated with the revenue forecast for the Agricultural Machinery segment in particular, as rising prices for both fertilizers and fuel would negatively impact farmers' ability to invest in their equipment.

In the Energy industry, the order book is long

Based on publicly available information, we consider it practically certain that Componenta's newest customer, whose revenue share exceeded 10%, is Wärtsilä. This customer relationship exceeded a 10% share of revenue after Componenta acquired the Kalajoki and Sepänkylä businesses. The production profile of these businesses, the location of the production facilities, and the seller's (Fortaco) segment reporting, which refers to marine and energy businesses, support the assumption of Wärtsilä as a customer. However, we do not know precisely which Wärtsilä segment the Sepänkylä and Kalajoki production plants serve. Wärtsilä's Energy business segment has an exceptionally strong growth outlook (+15–20%) for the coming years, while the Marine segment has a good growth outlook (~6% for the coming years).

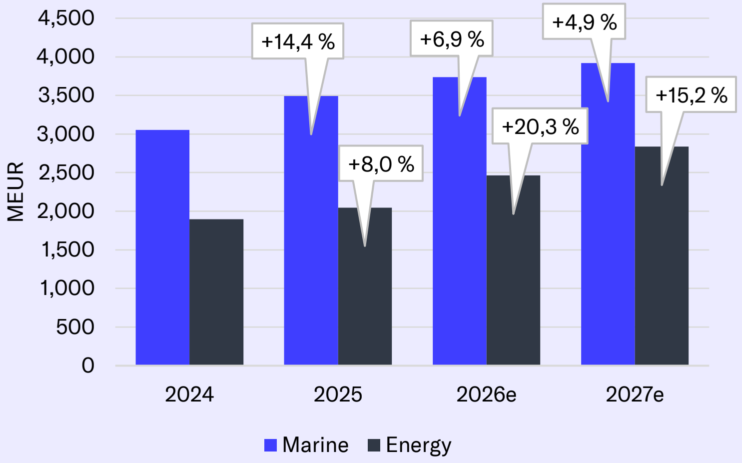
Wärtsilä has a significant order book extending until 2028, which also provides the contract manufacturer with exceptionally good visibility into demand development. Significant growth from the current year's level in the coming years is limited by Wärtsilä's supply capacity, which we believe the company is currently operating at its limits. Nevertheless, we believe the growth outlook for Componenta's Energy industry segment is excellent, and we forecast 15% revenue growth for 2026–2027.

The outlook for the Defense equipment industry is strong

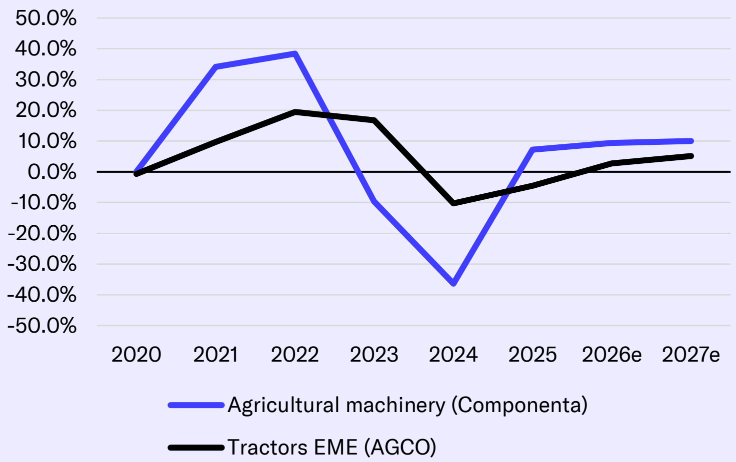
For Defense equipment industry orders, our forecasts for the coming years are based on orders announced by Componenta, while for the longer term, we estimate developments based on Finland's defense budget, NATO's 2% GDP requirement for defense spending, and the development of appropriations for material acquisitions. Currently, Componenta's announced orders from the Finnish Defence Forces amount to around 80 MEUR. We estimate that ~15 MEUR of these orders have been delivered, while the remaining portion will be delivered by 2028.

In our view, defense-related material procurements funded by Finland have approximately tripled from the levels of the early 2010s. Defense budgets have gradually increased since Russia's annexation of Crimea in 2014, but they reached a new level after Russia invaded Ukraine in 2022. Thus, orders in the defense equipment industry are already strong, as reflected by Componenta's announced 80 MEUR in orders from the Finnish Defense Forces. However, we expect demand to continue to accelerate towards the end of this decade as the strengthening of Europe's defense capabilities drives overall demand, which will also keep the industry's total capacity growing. Regarding consumables, the war in Ukraine is keeping demand high as European countries support Ukraine.

Wärtsilä's segment revenue and growth



Revenue growth, Agricultural machinery



Defense equipment industry segment and announced orders

Revenue from defense equipment orders	Order value (MEUR)	Delivery time	2025	2026e	2027e	2028e
Announced orders						
Order 1: 120 mm mortar grenades (incl. 9 MEUR option)	50	2025–2028	12.5	12.5	12.5	12.5
Order 2: Additional defense products (incl. 4.4 MEUR option)	10	2025–2028	2.6	2.6	2.6	2.6
Order 3: Additional defense products	21	2026–2028		6.8	6.8	6.8
Total order revenue	**81**		**15.1**	**21.9**	**21.9**	**21.9**
Revenue of Defense equipment industry			16.2	21.9	26.3	30.3
Difference (estimate – order revenue)			**1.1**	**0.0**	**4.4**	**8.3**
Difference % of order revenue			7.3%	0.0%	20.0%	38.0%

Order revenue is evenly distributed across delivery years, although deliveries are likely to be concentrated in the middle and at the end of the delivery times. This has been taken into account in the forecasts.

Estimates 3/5

Like the Energy Industry segment, the Defense Equipment Industry segment also provides Componenta with important and exceptionally good visibility into production volume development in the coming years.

The largest of Componenta's orders (50 MEUR) in this segment concerned mortar shell assemblies. The content of other orders received from the Finnish Defense Forces has not been disclosed. As the Finnish Defense Forces account for almost the entire revenue of the segment, we estimate that the segment's revenue will largely consist of deliveries similar to this large order. We expect the segment's revenue to roughly double from the 2025 fiscal year level to 30 MEUR by 2028. Some 85% of the cumulative Defense equipment industry revenue we forecast until 2028 consists of announced orders. Thus, the forecast risks for the coming years are exceptionally low. However, we expect Componenta to continue winning large orders, as we anticipate the segment's revenue to continue growing until the turn of the decade and remain at a high level (annual revenue < 35 MEUR) in the 2030s.

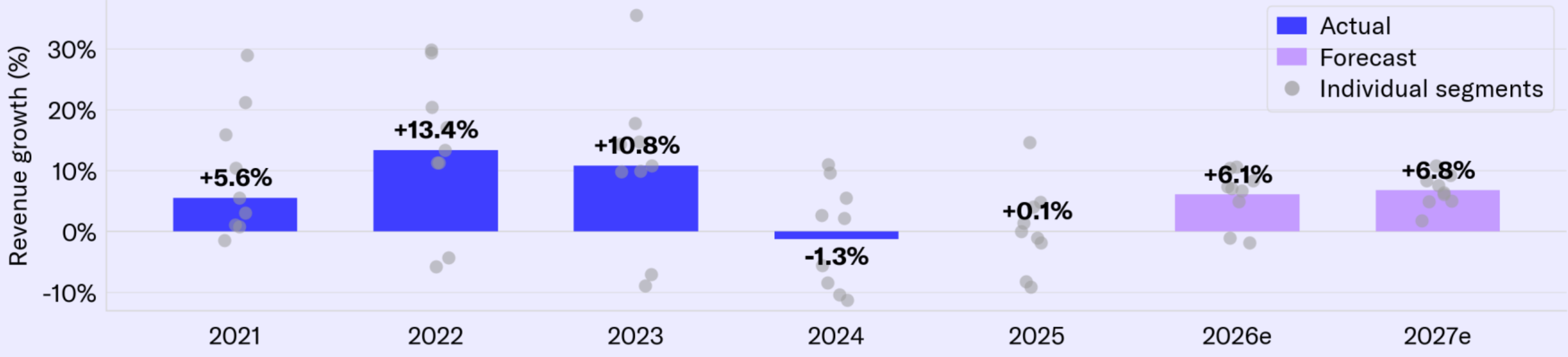
Machine building is the largest segment

Our forecasts for Componenta's largest segment, Machine building, are based on the revenue forecasts and order book developments of the listed Finnish engineering sector. The group includes Kone, Konecranes, Kalmar, Hiab, and Metso. The growth expectations for the relevant segments of the peer group (source: Bloomberg) is around 6–7% for 2026–2027, while last year growth was close to zero. In our assessment, in line with these growth expectations, Componenta's revenue in the segment grew at a strong pace in H2'25 (+16% y/y), and we expect growth to roughly follow the customers' forecasted pace (7–8%) in the coming years. After this, we expect the segment's revenue growth to level off at 4%. We expect the peak level achieved in 2022 (approx. 50 MEUR) to be exceeded in the financial year 2029.

The Forest machinery market is in a weak cycle

For the Forest machinery segment, we particularly monitor the development of Ponsse's revenue forecasts and order intake, but John Deere's reporting, for example, also provides an indication of the global forest sector's development. In addition to the global downturn in the forest machine sector that began in 2024, the forest machine market in the Nordic countries has been impacted by the closure of the Russian market due to the war. These factors have kept, for example, Ponsse's revenue on a downward trend, and no turnaround is in sight this year (2026e revenue -5%). Reflecting this, we expect this Componenta segment's revenue to contract by 2% this year but to return to growth in the coming years from its low level (2027–2028 +9–8%).

Median revenue growth of Componenta's assumed customers in the Machine building segment 2021–2027e



The bars illustrate the median revenue growth percentage of these segments for each year

KONE
- KONE New Equipment
- KONE Modernization

Konecranes
- Konecranes Services
- Konecranes Industrial Equipment
- Konecranes Port Solutions

HIAB
- HIAB Equipment
- HIAB Services

Metso
- Metso Minerals
- Metso Aggregates

Kalmar
- Kalmar Services
- Kalmar Equipment

Source: Bloomberg

Revenue estimates by industry

	2023	2024	H1'25	H2'25	2025	H1'26e	H2'26e	2026e	2027e	2028e
Revenue breakdown by industry										
Machine building	45%	39%	34%	36%	35%	34%	34%	34%	33%	32%
Energy industry	9%	14%	23%	23%	23%	24%	23%	24%	24%	23%
Agricultural machinery	30%	20%	19%	17%	18%	19%	16%	17%	17%	17%
Defense equipment industry	4%	15%	13%	15%	14%	14%	19%	17%	18%	19%
Forest machinery	7%	7%	6%	6%	6%	5%	5%	5%	5%	5%
Other industries	5%	5%	5%	3%	4%	4%	3%	4%	3%	3%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Revenue by industry (MEUR)										
Machine building	46	38	20	20	41	23	21	44	48	50
Energy industry	9	14	14	13	27	16	15	31	35	37
Agricultural machinery	31	19	11	9	21	13	10	23	25	28
Defense equipment industry	4	15	8	8	16	10	12	22	26	30
Forest machinery	7	7	4	3	7	4	3	7	7	8
Other industries	5	5	3	2	5	3	2	5	5	5
Total	**102**	**97**	**60**	**56**	**116**	**69**	**63**	**132**	**146**	**158**
Revenue growth by industry										
Machine building	-9%	-17%	-1%	16%	7%	14%	5%	10%	8%	4%
Energy industry	5%	48%	150%	59%	96%	19%	15%	17%	12%	6%
Agricultural machinery	-10%	-36%	-1%	20%	7%	13%	5%	9%	10%	10%
Defense equipment industry	87%	258%	29%	-2%	11%	26%	44%	35%	20%	15%
Forest machinery	-7%	-5%	2%	2%	2%	-2%	-2%	-2%	9%	8%
Other industries	-22%	-5%	-0%	-12%	-5%	2%	2%	2%	2%	2%
Total	**-7%**	**-5%**	**19%**	**19%**	**19%**	**15%**	**13%**	**14%**	**11%**	**8%**

Source: Inderes, Componenta

Estimates 4/5

For Other industries, we expect revenue of some 5 MEUR in the coming years, which will reduce the segment's revenue share to ~3% of the group's total revenue.

We expect Componenta's position to remain strong

Visibility into market share gains within existing customer accounts is limited, and the recent concentration of the customer base is, in our assessment, primarily a result of growth in end-demand rather than market share gains achieved by Componenta. However, Componenta itself has commented that its market shares have developed favorably, which we consider credible. Reflecting this, our revenue forecasts are approximately at the level of our customer industry growth forecasts or slightly higher.

As a sum of the industries described above, we expect Componenta's revenue to grow organically at an average CAGR of 10.5% during 2025–2028. Thus, we expect the organic revenue target to be achieved only in 2028 (revenue over 150 MEUR). In the long term (2032 ->), we expect growth to stabilize at 2.5%, which corresponds to our assumption for long-term economic growth and the risk-free rate.

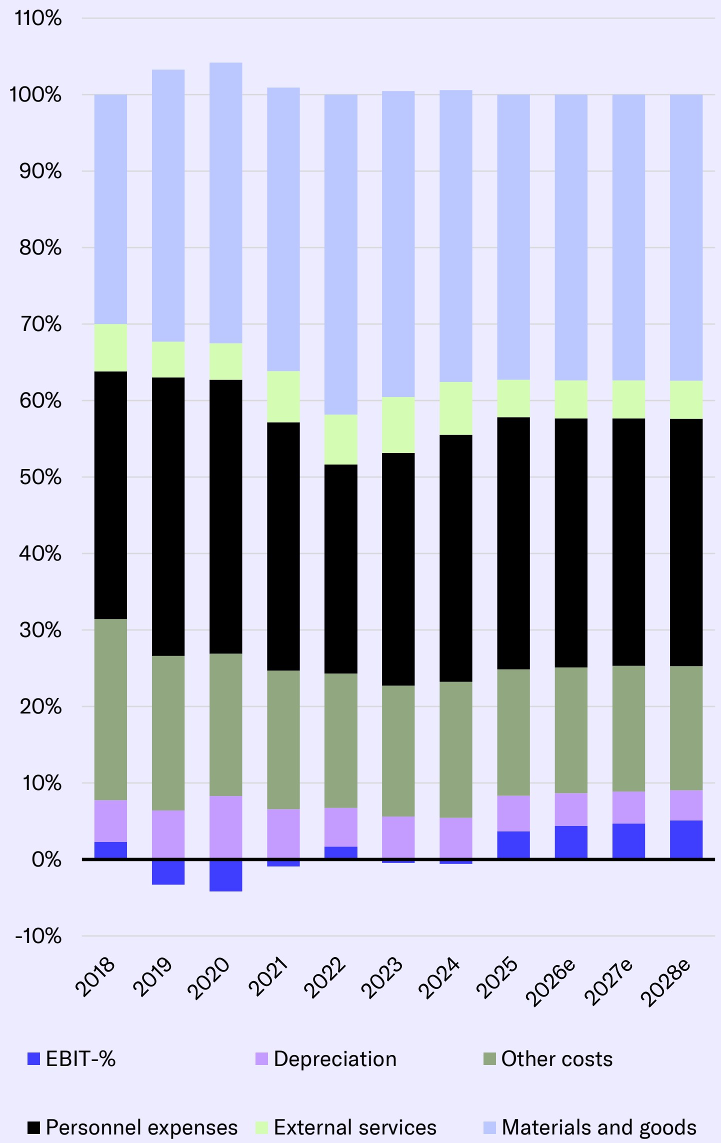
We predict a sustainable increase in profitability levels

Componenta reports its cost structure quarterly in a condensed format, meaning all operating cost items above depreciation are included in the income statement under the operating expenses line. Reflecting this, we model Componenta's profitability quarterly through its EBITDA margin. We also take into account the indexation of Componenta's most significant material and energy cost items, which means that an increase in these cost items also increases revenue with a one-quarter lag. In the longer term and historically, the growth of absolute EBITDA is a relevant metric for Componenta, as it does not fluctuate in the same way with changes in cost items. We take into account Componenta's annually reported detailed cost structure in our forecasts, as it shows the impact of changes in the prices of production factors (personnel costs, electricity, iron) on Componenta's earnings in the short term. Despite indexation, Componenta's business model is not entirely immune to changes in cost items. This is because a significant increase in cost and price levels typically curbs end-demand, which reduces production volumes and often profitability.

Componenta achieved a significant improvement in profitability in the financial year 2025, supported by increased production volumes. Furthermore, we interpret that segments with strong demand offer Componenta a better negotiating position than before, as well as better starting points for production planning and efficiency improvement. We estimate that the favorable demand situation will continue and that increasing production volumes will enable a slight improvement in profitability in the coming years from the good level of fiscal year 2025.

With our forecasts for the coming years, Componenta's return on capital significantly exceeds our required return on capital of ~10%. However, by adjusting the capital employed by the amount of sold receivables (13.1 MEUR in 2025), the return on capital for the entire forecast period is only slightly above our required return. Thus, our profitability forecasts reflect, in our view, a balanced view of the contract manufacturer's limited bargaining power in the long term.

Cost structure and EBIT-%



Estimates 5/5

Finance costs elevated in estimates, taxes at zero

We expect net financing costs to gradually decrease from 2 MEUR in 2025 as the balance sheet strengthens and the company negotiates more favorable financing terms. Relative to net debt, financing expenses remain high. Financing costs consist of expenses from sold trade receivables (1 MEUR in 2025), interest on lease liabilities (0.5 MEUR in 2025), and interest on bank loans. Our forecasts do not include acquisitions, and the realization of such larger investments would naturally create upward pressure on financing cost estimates.v

Componenta recognized a 5.7 MEUR receivable on its balance sheet related to tax-deductible losses. As a result, we expect the company to avoid paying taxes entirely until 2028 and partially in 2029. At our estimated earnings level, Componenta would only be able to utilize 3.3 MEUR of tax losses, as a large portion of the usable losses will expire during the 2026 financial year. Despite the tax exemption in the coming years, we estimate that taxes will be recognized in the income statement, but these will have no cash flow impact.

The company has set out growth investments for the next few years

Componenta's investments in tangible and intangible assets have varied around 3 MEUR in recent years. In addition, cash flow is burdened by lease liability payments, which are included in our investment forecasts. Management has indicated that responding to the strong demand in the Energy and Defense equipment industry segments will require growth investments in the coming years. However, the company has not provided a more detailed description of the investment targets or their size. We expect the investment level to rise to 4 MEUR annually in 2026–2027, and we also expect lease liability repayments to remain at the 2025 level of 2.5 MEUR. Thus, the cash flow burden from the aforementioned items is at a level of 6.5 MEUR in our forecasts for the coming years.

We expect Componenta's factoring of its trade receivables to remain unchanged at 13 MEUR, so net working capital relative to revenue will remain at a low level in our forecasts (-1.5%...3%). However, we also model growth in trade receivables, as maintaining trade receivables at a low level with increasing revenue would require an increase in factoring. In our forecast, during the period of fastest organic growth in 2026–2027, the increase in working capital will burden cash flow by ~2 MEUR.

We expect Componenta to pay dividends in the coming years in accordance with its dividend policy, amounting to 30% of its net profit for the financial year. As cash flow after investments remains positive, the balance sheet will strengthen significantly in our forecast in the coming years. This is, of course, a positive problem, but the cyclical nature of the industry and the company's own history ensure that major strategic risks are not taken and that buffers are left on the balance sheet for weaker economic conditions. We consider M&A transactions likely in the near future, but our estimates do not include them.

High electricity prices were a problem in Q1'26

The order book developed slightly better than our expectations in Q4'25, growing by 17% to 19.6 MEUR. With the growing order book, Componenta will be able to achieve a faster growth rate in Q1 2026 than we had anticipated. In Q1'26, we expect the electricity price caused by the February cold spell (according to some estimates, the average price was more than 2–3x the previous year's level) to have burdened Componenta's profitability (a -1–2% impact on the EBITDA margin).

Q3 is typically Componenta's weakest quarter in terms of both revenue and EBITDA due to the holiday season and maintenance shutdowns. In fiscal year 2025, the company achieved its best Q3 EBITDA margin of just under 8% in the 2020s. We do not expect the company to quite reach this level, but we do expect a clear improvement compared to the average Q3 of the previous five years (EBITDA margin of ~4%). For other quarters, we expect Componenta to achieve higher revenue and EBITDA compared to the corresponding periods, supported by strengthening production volumes. Thus, we expect revenue to grow by 14% to 132 MEUR in fiscal year 2026, and the EBITDA margin to strengthen slightly (2026 8.7% vs. 2025 8.4%) from the strong level of fiscal year 2025. If volumes develop favorably, we estimate that there is potential for EBITDA margin development to exceed our forecasts. This is due to, among other things, the foundry business's profitability being sensitive to production volumes. We estimate that the foundry's utilization rates are particularly dependent on the volume development of the agricultural machinery segment, which has recently been sluggish. However, after several years of weak profitability (2021–2024 average adjusted EBIT-% ~0% vs. 2025 3.7%), we are not yet ready to base our forecasts on significantly stronger profitability development than in the previous year. Instead, we require further evidence from the company regarding the sustainability of its profitability improvement.

Estimate revisions

Estimate revisions

- We reviewed all segment-level revenue estimates, resulting in a slight increase in group revenue estimates (1–4% for the near-term years)
- The positive revenue estimate revisions were driven primarily by upward revisions in the Defense and Energy Industry segments
- The modest revenue estimate increases led to corresponding increases at the EBITDA level, as we made no changes to our cost structure estimates relative to revenue (EBITDA margin estimate unchanged)
- We added taxes to the near-term income statement estimates, which lowered our net profit and EPS estimates This had no impact on our cash flow estimates, however, as the company benefits from previously accumulated tax-deductible losses
- We raised our 2026–2027 capex estimates by ~1 MEUR per year, reflecting the company's growth investment plans
- We raised our working capital estimates for the near-term years, and assume factoring financing to remain at the current level of 13.1 MEUR
- We revised our dividend estimates to reflect the reported result, which is burdened by the tax entries we added to our estimates

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	130	132	1%	144	146	2%	152	158	4%
EBITDA	11.3	11.4	1%	12.8	13.0	2%	13.7	14.2	4%
EBIT (exc. NRIs)	5.7	5.7	0%	6.7	6.8	2%	7.7	8.0	4%
EBIT	5.7	5.7	0%	6.7	6.8	2%	7.7	8.0	4%
PTP	3.9	4.0	1%	5.4	5.2	-2%	6.3	6.5	4%
EPS (excl. NRIs)	0.40	0.32	-19%	0.54	0.44	-20%	0.58	0.54	-6%
DPS	0.10	0.10	0%	0.15	0.13	-13%	0.20	0.16	-20%

Source: Inderes

1) Componenta's reported order book includes binding orders for 2 months

Key figures for Componenta

REVENUE	2019	2020	2021	2022	2023	2024	2025	2026e	Average
Q1	11.0	19.6	20.4	25.5	30.7	23.6	28.8	33.8	**24.2**
Q2	11.3	17.1	23.1	28.9	29.5	26.4	30.9	34.9	**25.3**
Q3	10.0	15.8	18.5	24.6	19.9	20.3	24.8	27.7	**20.2**
Q4	18.4	17.5	25.3	30.1	21.7	26.9	31.2	35.4	**25.8**
SUM	**50.7**	**70.0**	**87.3**	**109.1**	**101.8**	**97.1**	**115.7**	**131.8**	

ORDER BOOK[1]	2019	2020	2021	2022	2023	2024	2025	2026e	Average
Q1	20.5	9.1	11.9	16.2	16.6	15.8	17.4	19.6	**15.9**
Q2	9.6	8.3	12.0	13.4	10.4	10.8	14.2	15.2	**11.7**
Q3	10.8	8.9	16.0	18.7	13.5	13.9	18.2	22.1	**15.3**
Q4	9.0	9.5	14.0	18.5	14.5	16.7	19.6	21.7	**15.4**
Average	**12.5**	**9.0**	**13.5**	**16.7**	**13.8**	**14.3**	**17.4**	**19.7**	

EBITDA %	2019	2020	2021	2022	2023	2024	2025	2026e	Average
Q1	14.5%	4.3%	7.4%	5.7%	9.1%	-0.6%	8.2%	8.0%	**7.1%**
Q2	8.8%	2.9%	7.7%	8.2%	8.9%	7.8%	8.5%	9.8%	**7.8%**
Q3	-7.0%	3.5%	1.4%	1.9%	2.0%	6.0%	7.9%	6.5%	**2.8%**
Q4	-1.7%	10.6%	5.6%	9.3%	-2.5%	17.5%	8.9%	9.9%	**7.2%**
Average	**3.7%**	**5.3%**	**5.5%**	**6.3%**	**4.4%**	**7.7%**	**8.4%**	**8.5%**	

REVENUE FROM STARTING ORDER BOOK	2019	2020	2021	2022	2023	2024	2025	2026e	Median
Q1		2.18x	2.14x	1.83x	1.66x	1.62x	1.73x	1.72x	**1.78x**
Q2	0.55x	1.88x	1.95x	1.78x	1.78x	1.68x	1.77x	1.78x	**1.78x**
Q3	1.05x	1.90x	1.55x	1.83x	1.91x	1.87x	1.75x	1.83x	**1.85x**
Q4	1.70x	1.98x	1.57x	1.60x	1.60x	1.93x	1.71x	1.60x	**1.66x**
Average	**0.83x**	**1.98x**	**1.80x**	**1.76x**	**1.74x**	**1.78x**	**1.74x**	**1.73x**	

1) Componenta's reported order book includes binding orders for 2 months

Valuation 1/4

Valuation methods

We examine the valuation of Componenta's share from three perspectives, namely 1) the total shareholder return model, which takes into account earnings growth, dividend yield and relative valuation level; 2) the earnings-based valuation multiples (particularly P/E and EV/EBIT) and their relation to the peer group and carried out M&A transactions; and 3) the DCF model. When applying the discounted cash flow (DCF) model and enterprise value (EV) based valuation multiples, we consider Componenta's practice of selling trade receivables to financial institutions. We add the amount of sold trade receivables to the enterprise value (EV), which we believe better reflects the true capital intensity of the business.

Factors affecting the acceptable level of valuation

In our view, Componenta's acceptable valuation level is positively affected by the following factors:

+ Strong ties with strong customers. Almost all large, international machineries with manufacturing operations in Finland are Componenta's customers, and many of these customer relationships have lasted for decades. Customers are very demanding, which is a testament to Componenta's service capability. At the same time, customers' threshold to switch from Componenta to another supplier is high.
+ Increased cost flexibility safeguards profitability. Componenta's share of fixed costs in total costs has decreased in recent years. In addition, the company has indexed both material and energy costs in the pricing of its supply contracts, so that sales prices react to these costs with a lag of only one quarter.
+ The company has a track record of successful, deliberate, and low-cost acquisitions that create shareholder value. In our view, similar M&A transactions in the future could potentially increase the company's value, but on the flip side, these arrangements involve significant risks.
+ After the Komas acquisition, the business focus has clearly shifted from capital-intensive foundry operations to more capital-light machining. We consider the machining business to be more valuable than the foundry business, despite the lower barriers to entry. This view is also supported by the valuation levels of peers and completed corporate transactions.

The following factors reduce the acceptable valuation level:

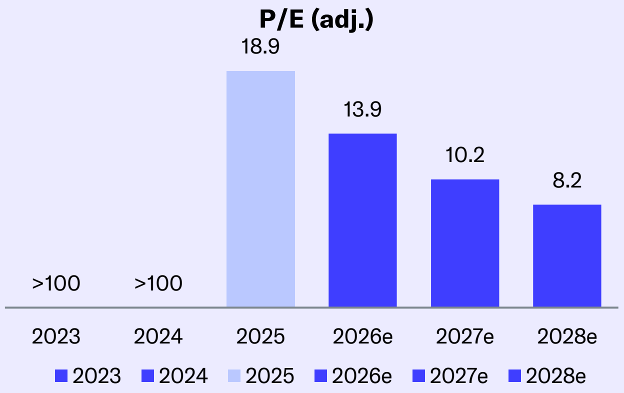
– The target market is cyclical. Componenta's customer industries represent the investment goods industry, which is cyclical in nature. A contract manufacturer typically faces cycles that are stronger than end-market demand.

– Individual customer risks have increased. Componenta's three largest customers accounted for 47% of revenue in FY2025.

– Based on the past few years, underlying profitability has remained low. This increases the level of risk associated with the profitability improvement achieved in FY2025. Accumulating several years of evidence of a higher profitability level would, in our view, positively impact the valuation level.

Valuation	2026e	2027e	2028e
Share price	4.47	4.47	4.47
Number of shares, millions	9.84	9.84	9.84
Market cap	44	44	44
EV	58	56	51
P/E (adj.)	13.9	10.2	8.2
P/E	13.9	10.2	8.2
P/B	1.2	1.1	1.0
P/S	0.3	0.3	0.3
EV/Sales	0.4	0.4	0.3
EV/EBITDA	5.1	4.3	3.6
EV/EBIT (adj.)	10.1	8.2	6.4
Payout ratio (%)	31.1 %	29.8 %	29.4 %
Dividend yield-%	2.2 %	2.9 %	3.6 %

Source: Inderes



Valuation 2/4

Not many listed peers

There are few competitors with the same or similar offerings as Componenta and, of course, even fewer that are listed on the stock exchange. This makes it challenging to find a suitable peer group. Componenta's machining and foundry businesses operate partly as a unified, vertically integrated entity, but in our assessment, the businesses could also function as separate units. Thus, we have compiled separate peer groups for the machining and foundry businesses, and have also gathered relevant acquisitions from these industries in recent years.

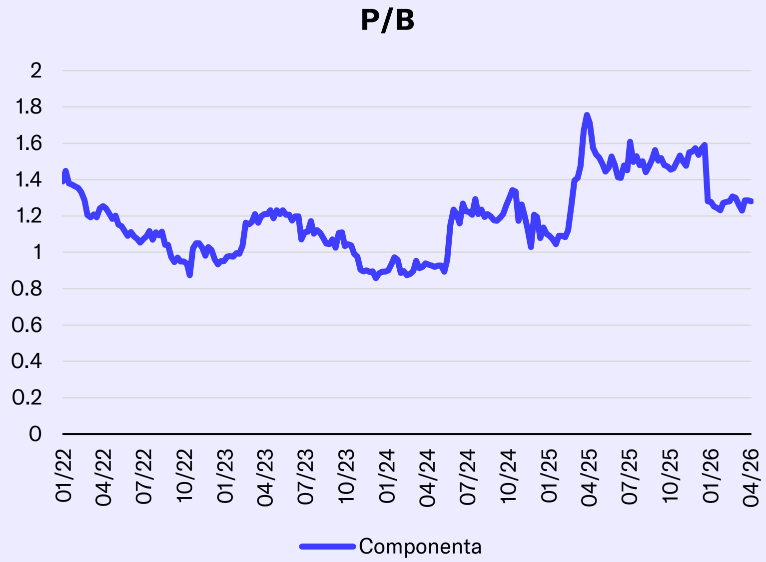
Limited number of listed foundries

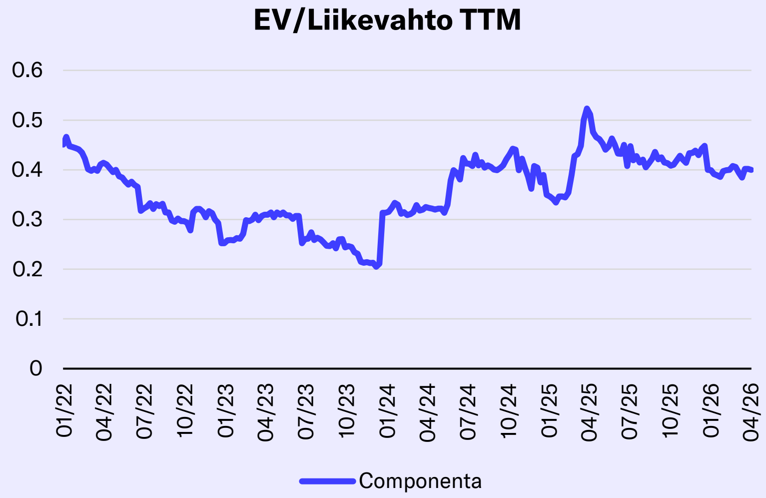
We identify three companies in the foundry business peer group. The best peer in terms of business model is the Polish company Odlewnie Polskie, which, like Componenta, produces smaller production series and offers precision machining. The company's backward-looking valuation multiples have risen sharply with the share price increase, partly driven by orders the company has received from the defense equipment industry. Forecast-based multiples are not available, as the company has no analyst coverage or valid guidance for 2026. In recent years, however, the company's profitability has been clearly better than Componenta's (ROE ~20% vs. Componenta ~6%), which is supported by the competitive wage level of the Polish workforce. It is therefore justified that the company's multiples are clearly higher than Componenta's. Due to the share price increase, the backward multiples are currently roughly double compared to Componenta, which we consider a high level. Low visibility into the peer's business development and the stock's low liquidity make the data point less reliable.

The other two companies in the peer group (Tupy SA and Castings PLC) have larger production volumes and serve either an industry in a subdued cycle (heavy transport vehicles) or an industry facing a medium-term threat of disruption (passenger car internal combustion engines). The companies' returns on capital in recent years have been roughly at Componenta's level (ROE ~5–7%), but a weaker future outlook justifies a lower valuation level than Componenta. M&A transactions comparable to the foundry business have typically been made at even lower multiples than Tupy and Castings, reflecting the challenging profitability profile of the foundry business.

The value of machining companies is higher than that of foundries

The valuation multiples of the machining peer group are significantly higher than those of the foundry peers. In our view, this is justified given the significantly higher returns on capital, unique specialized expertise (IP, especially HANZA and XANO), track record of value creation through acquisitions, larger scale, and global business model. Thus, Componenta's valuation should be below this peer group. Acquisitions comparable to the machining business have been made at significantly lower valuations than those of listed large companies (Hanza's acquisitions in Finland: EV/Revenue <0.5x). This highlights the significant impact of size and technological expertise on acquisition prices.





Source: Bloomberg

Valuation 3/4

Due to a lack of analyst coverage, no forward multiples are available for Xano and Odlewnia. Componenta is valued slightly higher than its foundry peers Castings and Tupy based on key valuation multiples, while it is valued at a significant discount compared to its machining peer group, which we believe is justified. Considering Componenta's stronger growth outlook compared to its foundry peers, in our view, there would be greater justification for a valuation premium than currently.

In summary, we believe that foundry companies provide a floor for the valuation, while machining peers provide a ceiling for the valuation. Historically, this has been true for key valuation multiples (see p. 39). With Componenta's valuation close to its peers, we believe the peer analysis justifies upside from current levels, although we do not consider peer analysis a strong driver for Componenta's stock due to differences between the companies.

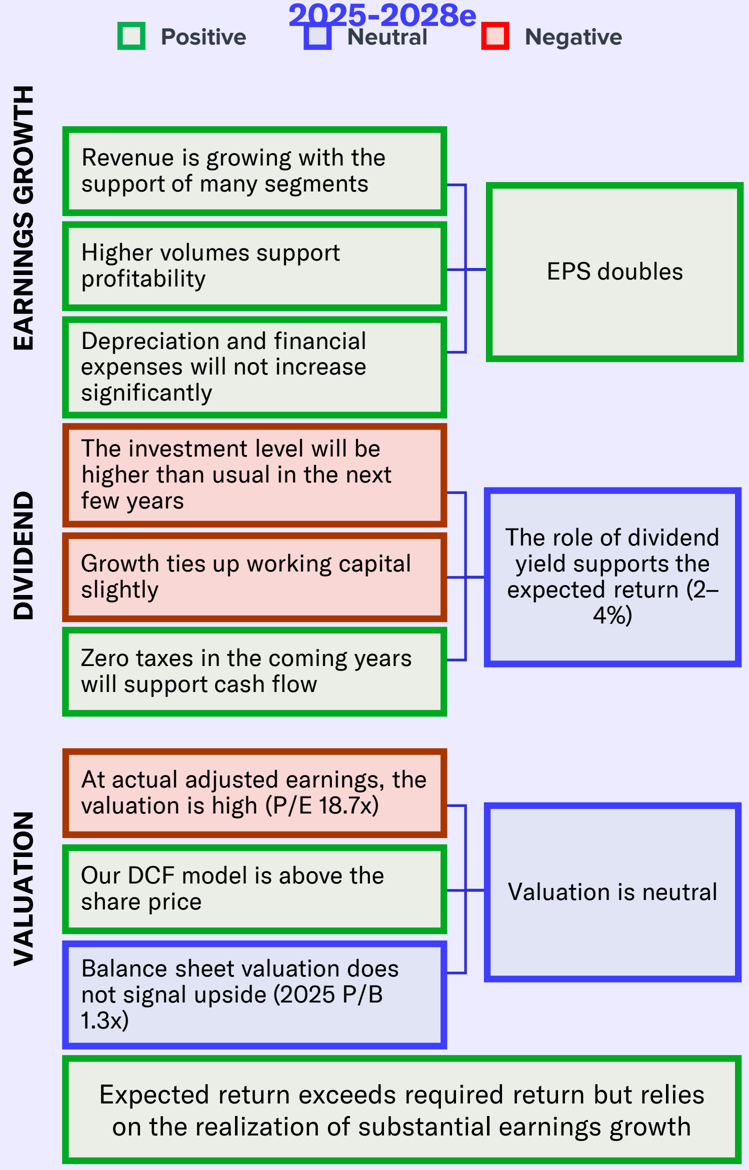
Total return relies on earnings growth

The total expected return on Componenta's share (upside potential based on earnings growth and expected change in valuation multiples plus dividend yield) exceeds the required return by the measures we use. The expected return is mainly based on the realization of our forecast earnings growth, as the valuation multiples with 2025 realized figures, P/E 18.7x and P/B 1.3x, price in earnings growth expectations, in our view. Thus, we do not expect earnings growth in the coming years to fully translate into an increase in the share price, as some of the earnings growth will be "used up" by declining valuation multiples. We expect the dividend yield to be around 2-3% in the coming years, which is in line with Componenta's target of distributing one-third of its earnings as dividends. Thus, the dividend yield is also subordinate to the realization of earnings growth, although better earnings performance than we forecast would also raise the dividend yield higher than we forecast. The TSR drivers justify an annual expected return of over 15% for the stock in the coming years. However, the expected return in our forecast is weighted towards 2027 and 2028, as the development according to our forecasts by the end of FY2026 does not yet signal a blatant undervaluation. If the company performs in line with our FY2026 forecasts and the growth outlook remains strong as we expect, the stock would likely continue to price in growth, which also supports the expected return in the shorter term.

The DCF model yields a value of just over EUR 5

Our DCF model indicates a value of EUR 5.1. We expect revenue growth to stabilize after 2030 to a GDP-aligned growth rate of ~2.5%, and profitability to stabilize at an average EBIT of 4%. Over the entire forecast period, the return on capital (ROIC; NOPAT/Capital Employed) is between 10–14%, taking into account the normalized level of trade receivables. In our view, this is a demanding but achievable level, considering the limited sustainable competitive advantages of a contract manufacturer. The return on capital also slightly exceeds our required return on capital (10%). Factors increasing the cost of capital include the high cost of debt, the cyclical nature of demand, and the higher-than-average risk level associated with the contract manufacturer's business model.

Total shareholder return drivers 2025-2028e



Valuation 4/4

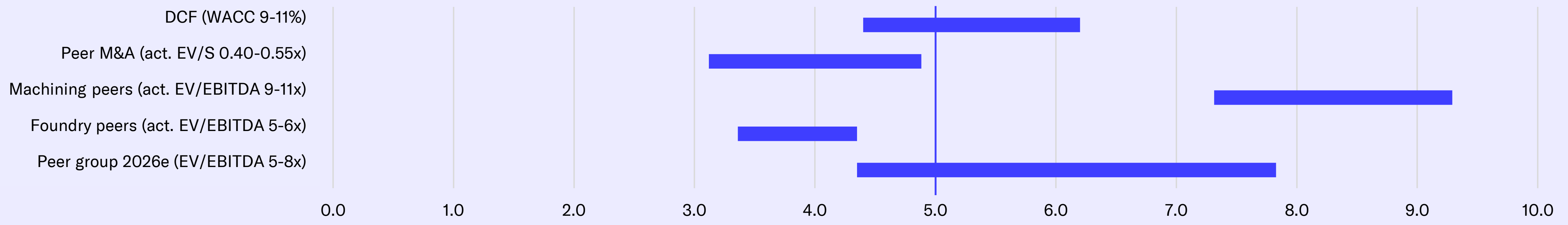
On the other hand, the counter-cyclical demand, especially from the defense sector, justifies a lower required return.

We estimate WACC to have been at a low double-digit level in recent years, and we see room for this to decrease in the medium term as the balance sheet position improves and interest rates are lower than the average level of recent years. Thus, we apply an 8% WACC in our cash flow model. In our view, the biggest risk factor in the cash flow model is the long-term profitability level, which is clearly higher than in previous years (average EBIT-% of the forecast period 4.4% vs. average adjusted EBIT of 1% for 2021–2025). Thus, we expect the achieved profitability turnaround to be sustainable.

We have sufficient confidence in the realization of earnings growth

Based on our assessment, the valuation methods we use provide an overall attractive picture of the stock. In our view, the expected return is based on an increase in performance in the coming years, which we consider likely to materialize. Earnings growth is mainly driven by structural growth drivers, such as the excellent demand outlook for the defense equipment industry and the energy industry. However, the demand situation also has room to improve through cyclical recovery, especially in the agricultural machinery and forest machinery segments. Despite the risks, the corporate transactions included in the strategy are, in light of the company's track record, a factor with a positive expected value. In our view, the most significant risks are related to a weaker-than-expected development in cyclical customer segments (Agriculture, Forest Machine, Machine Building) associated with global economic demand drivers. The expected return of ~15% for the coming years, which is higher than our required return, makes the share's risk/reward favorable and justifies our Accumulate recommendation. Our target price of EUR 5 corresponds to P/E multiples of 9–11x and EV/EBITDA multiples for 2027 and 2028.

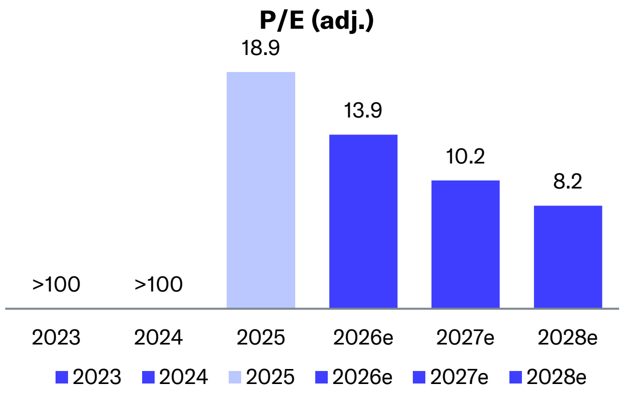
Valuation summary (EUR/share)

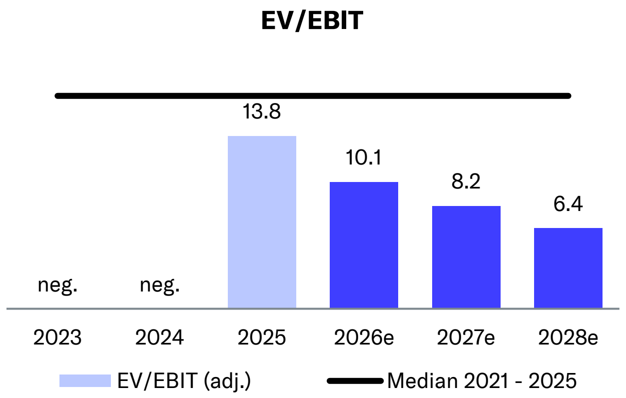


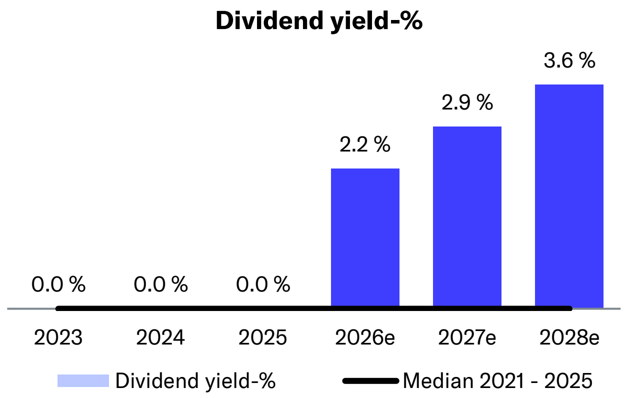
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	3.34	2.34	2.35	2.76	4.54	**4.47**	**4.47**	**4.47**	**4.47**
Number of shares, millions	9.52	9.71	9.71	9.71	9.84	**9.84**	**9.84**	**9.84**	**9.84**
Market cap	32	23	23	27	45	**44**	**44**	**44**	**44**
EV	44	36	43	41	60	**58**	**56**	**51**	**47**
P/E (adj.)	>100	87.1	>100	>100	18.9	**13.9**	**10.2**	**8.2**	**6.9**
P/E	>100	>100	14.7	>100	5.6	**13.9**	**10.2**	**8.2**	**6.9**
P/B	1.4	1.0	0.9	1.0	1.3	**1.2**	**1.1**	**1.0**	**0.9**
P/S	0.4	0.2	0.2	0.3	0.4	**0.3**	**0.3**	**0.3**	**0.3**
EV/Sales	0.5	0.3	0.4	0.4	0.5	**0.4**	**0.4**	**0.3**	**0.3**
EV/EBITDA	8.9	5.0	8.1	5.2	6.2	**5.1**	**4.3**	**3.6**	**3.0**
EV/EBIT (adj.)	neg.	20.2	neg.	neg.	13.8	**10.1**	**8.2**	**6.4**	**5.2**
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**31.1 %**	**29.8 %**	**29.4 %**	**50.0 %**
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**2.2 %**	**2.9 %**	**3.6 %**	**7.2 %**

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 Company	Market cap MEUR	EV MEUR	EV/EBIT 2026e	 2027e	EV/EBITDA 2026e	 2027e	EV/S 2026e	 2027e	P/E 2026e	 2027e	Dividend yield-% 2026e	 2027e	P/B 2026e
Castings plc	135	119	11.0	8.4	5.2	4.5	0.6	0.6	15.7	12.2	7.0	7.0	
Odlewnie	89	81											
Tupy	347	727	7.6	5.8	4.4	3.6	0.4	0.4	7.6	5.5	2.6	6.7	0.6
Aq Group	1857	1794	20.8	18.8	15.1	13.8	2.0	1.9	27.0	24.4	0.9	1.0	3.8
XANO Industri	329	462											
Hanza	794	943	13.6	11.4	8.4	7.4	1.0	0.9	16.8	13.6	1.4	1.9	3.0
Mayville Engineering Company	384	558	100.5	22.4	12.3	8.5	1.1	1.0		35.5			1.9
Componenta Oyj (Inderes)	**44**	**58**	**10.1**	**8.2**	**5.1**	**4.3**	**0.4**	**0.4**	**13.9**	**10.2**	**2.2**	**2.9**	**1.2**
Average			**30.7**	**13.4**	**9.1**	**7.6**	**1.0**	**1.0**	**16.8**	**18.3**	**3.0**	**4.1**	**2.3**
Median			**13.6**	**11.4**	**8.4**	**7.4**	**1.0**	**0.9**	**16.2**	**13.6**	**2.0**	**4.3**	**2.5**
Diff-% to median			**-26%**	**-28%**	**-39%**	**-41%**	**-55%**	**-59%**	**-14%**	**-25%**	**10%**	**-32%**	**-52%**

Source: Refinitiv / Inderes

Income statement

Income statement	2023	2024	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**102**	**97.1**	**116**	**33.8**	**34.9**	**27.7**	**35.4**	**132**	**146**	**158**	**168**
Group	102	97.1	116	33.8	34.9	27.7	35.4	132	146	158	168
EBITDA	**5.3**	**7.9**	**9.7**	**2.7**	**3.4**	**1.8**	**3.5**	**11.4**	**13.0**	**14.2**	**15.4**
Depreciation	-1.5	-5.3	-5.4	-1.4	-1.6	-1.4	-1.3	-5.7	-6.1	-6.2	-6.3
EBIT (excl. NRI)	**-0.5**	**-0.3**	**4.3**	**1.3**	**1.9**	**0.4**	**2.2**	**5.7**	**6.8**	**8.0**	**9.1**
EBIT	**3.8**	**2.6**	**4.3**	**1.3**	**1.9**	**0.4**	**2.2**	**5.7**	**6.8**	**8.0**	**9.1**
Net financial items	-2.2	-2.4	-2.0	-0.5	-0.5	-0.5	-0.4	-1.8	-1.6	-1.5	-1.3
PTP	**1.6**	**0.2**	**2.4**	**0.9**	**1.4**	**0.0**	**1.8**	**4.0**	**5.2**	**6.5**	**7.7**
Taxes	0.0	0.0	5.7	-0.2	-0.3	0.0	-0.4	-0.8	-0.9	-1.2	-1.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**1.5**	**0.2**	**8.0**	**0.7**	**1.1**	**0.0**	**1.4**	**3.2**	**4.3**	**5.3**	**6.3**
EPS (adj.)	**-0.28**	**-0.28**	**0.24**	**0.07**	**0.11**	**0.00**	**0.14**	**0.32**	**0.44**	**0.54**	**0.64**
EPS (rep.)	**0.16**	**0.02**	**0.82**	**0.07**	**0.11**	**0.00**	**0.14**	**0.32**	**0.44**	**0.54**	**0.64**

Key figures	2023	2024	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-6.7 %	-4.6 %	19.1 %	17.0 %	13.1 %	12.0 %	13.2 %	13.9 %	11.1 %	7.6 %	6.4 %
EBITDA-%	5.2 %	8.1 %	8.4 %	8.0 %	9.8 %	6.5 %	9.9 %	8.7 %	8.9 %	9.0 %	9.2 %
Adjusted EBIT-%	-0.5 %	-0.3 %	3.7 %	3.9 %	5.3 %	1.5 %	6.2 %	4.4 %	4.7 %	5.1 %	5.4 %
Net earnings-%	1.5 %	0.2 %	6.9 %	2.0 %	3.2 %	-0.1 %	4.0 %	2.4 %	2.9 %	3.4 %	3.8 %

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	**38.1**	**43.0**	**42.9**	**42.1**	**40.6**
Goodwill	3.2	3.2	3.2	3.2	3.2
Intangible assets	1.6	1.4	1.3	1.1	1.0
Tangible assets	33.0	32.3	33.1	33.5	33.3
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	0.4	0.4	0.4	0.4	0.4
Deferred tax assets	0.0	5.7	4.9	3.9	2.8
Current assets	**25.3**	**33.3**	**30.6**	**35.1**	**38.4**
Inventories	14.0	16.8	18.7	20.5	21.7
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	2.6	3.3	5.3	7.3	8.8
Cash and equivalents	8.7	13.3	6.6	7.3	7.9
Balance sheet total	**63.4**	**76.3**	**73.4**	**77.3**	**79.1**

Source: Inderes

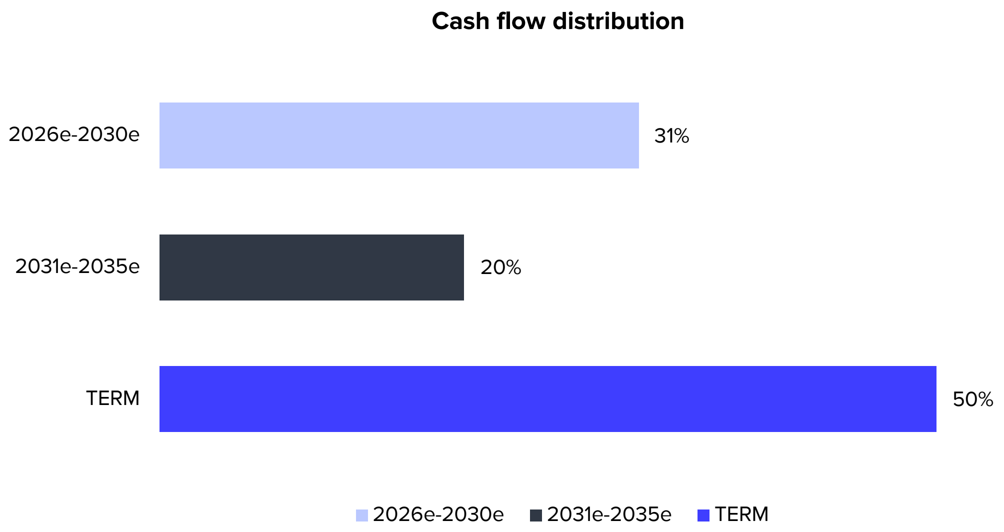
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**25.8**	**34.4**	**37.6**	**40.9**	**45.0**
Share capital	1.0	1.0	1.0	1.0	1.0
Retained earnings	5.3	13.9	17.1	20.4	24.5
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	19.5	19.5	19.5	19.5	19.5
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**11.7**	**13.2**	**7.7**	**6.7**	**3.7**
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.4	0.4	0.4	0.4
Korolliset velat	10.7	11.1	5.6	4.7	1.6
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	0.9	1.6	1.6	1.6	1.6
Current liabilities	**25.9**	**28.6**	**28.1**	**29.6**	**30.4**
Korolliset velat	3.5	4.3	2.2	1.8	0.6
Payables	22.1	24.3	26.0	27.8	29.8
Other current liabilities	0.4	0.0	0.0	0.0	0.0
Balance sheet total	**63.4**	**76.3**	**73.4**	**77.3**	**79.1**

DCF calculation

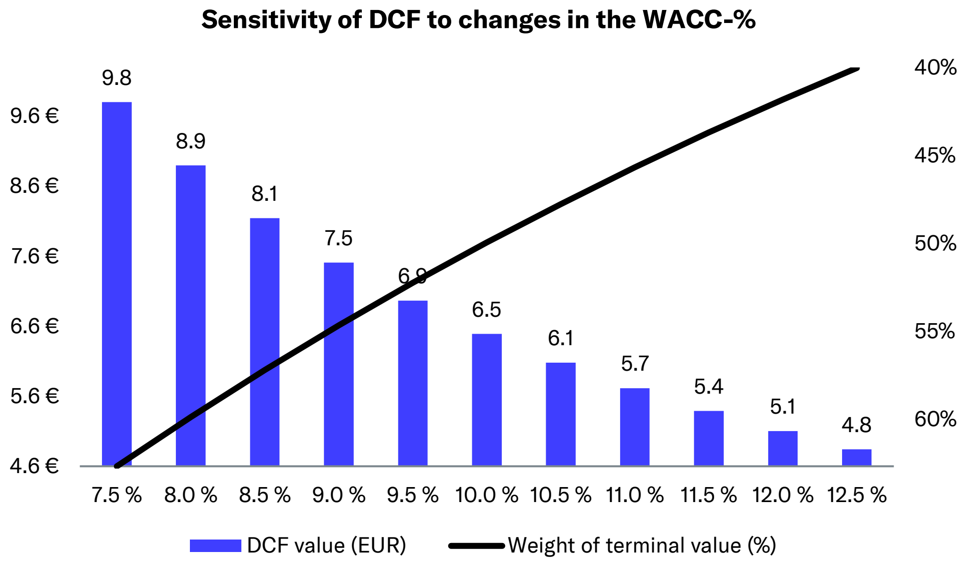
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	19.1 %	13.9 %	11.1 %	7.6 %	6.4 %	3.0 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %
EBIT-%	3.7 %	4.4 %	4.7 %	5.1 %	5.4 %	4.5 %	4.3 %	4.1 %	4.0 %	3.9 %	3.9 %	3.9 %
EBIT (operating profit)	**4.3**	**5.7**	**6.8**	**8.0**	**9.1**	**7.8**	**7.6**	**7.4**	**7.4**	**7.4**	**7.6**	
+ Depreciation	5.4	5.7	6.1	6.2	6.3	6.3	6.4	6.5	6.5	6.5	6.6	
- Paid taxes	0.0	0.0	0.0	0.0	-0.9	-1.3	-1.3	-1.2	-1.3	-1.3	-1.3	
- Tax, financial expenses	-0.4	-0.4	-0.3	-0.3	-0.3	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
+ 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	-1.6	-2.3	-2.0	-0.8	-0.9	-0.7	-0.6	-0.8	-0.8	-0.9	-0.3	
Operating cash flow	**7.8**	**8.7**	**10.7**	**13.1**	**13.4**	**11.9**	**12.0**	**11.8**	**11.8**	**11.8**	**12.5**	
+ Change in other long-term liabilities	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-4.6	-6.4	-6.4	-5.9	-6.2	-6.5	-6.7	-6.7	-6.7	-6.9	-6.6	
Free operating cash flow	**4.3**	**2.4**	**4.4**	**7.3**	**7.2**	**5.5**	**5.4**	**5.1**	**5.1**	**4.9**	**6.0**	
+/- Other	-5.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-1.1	2.4	4.4	7.3	7.2	5.5	5.4	5.1	5.1	4.9	6.0	82.1
Discounted FCFF		**2.2**	**3.7**	**5.7**	**5.1**	**3.5**	**3.1**	**2.7**	**2.5**	**2.2**	**2.4**	**32.8**
Sum of FCFF present value		65.9	63.7	59.9	54.3	49.2	45.7	42.5	39.8	37.3	35.2	32.8
Enterprise value DCF		**65.9**										
- Interest bearing debt		-28.5										
+ Cash and cash equivalents		13.3										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**50.6**										
Equity value DCF per share		**5.1**										

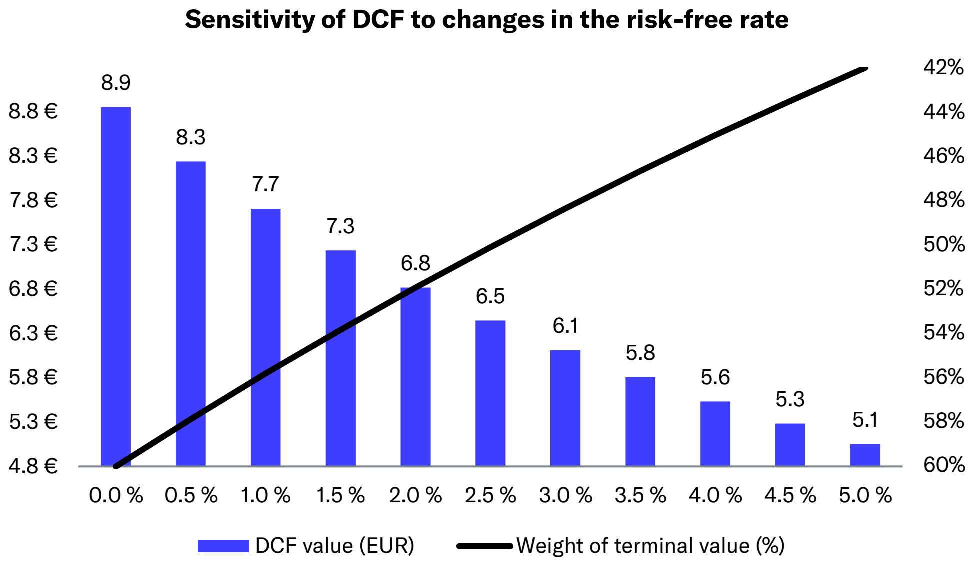
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	8.0 %
Equity Beta	1.55
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	**10.9 %**
Weighted average cost of capital (WACC)	**10.0 %**

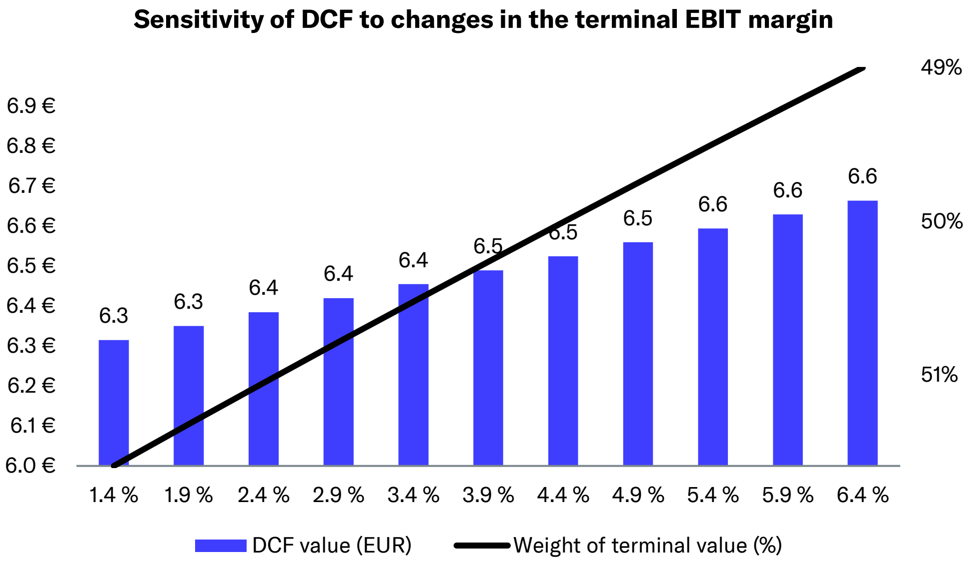
Source: Inderes

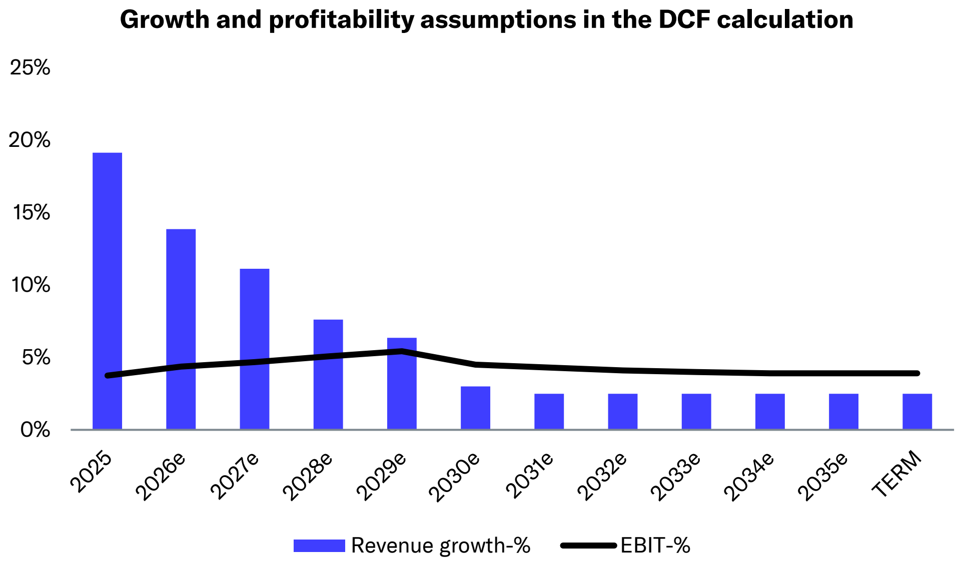


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	101.8	97.1	115.7	**131.8**	**146.4**
EBITDA	5.3	7.9	9.7	**11.4**	**13.0**
EBIT	3.8	2.6	4.3	**5.7**	**6.8**
PTP	1.6	0.2	2.4	**4.0**	**5.2**
Net Income	1.5	0.2	8.0	**3.2**	**4.3**
Extraordinary items	4.2	2.9	0.0	**0.0**	**0.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	57.3	63.4	76.3	**73.4**	**77.3**
Equity capital	25.6	25.8	34.4	**37.6**	**40.9**
Goodwill	3.2	3.2	3.2	**3.2**	**3.2**
Net debt	9.1	5.5	2.2	**1.2**	**-0.8**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	5.3	7.9	9.7	**11.4**	**13.0**
Change in working capital	-2.0	4.9	-1.6	**-2.3**	**-2.0**
Operating cash flow	3.3	12.7	7.8	**8.7**	**10.7**
CAPEX	-5.4	-6.8	-4.6	**-6.4**	**-6.4**
Free cash flow	-2.2	5.9	-1.1	**2.4**	**4.4**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.4	0.4	0.5	**0.4**	**0.4**
EV/EBITDA	8.1	5.2	6.2	**5.1**	**4.3**
EV/EBIT (adj.)	neg.	neg.	13.8	**10.1**	**8.2**
P/E (adj.)	>100	>100	18.9	**13.9**	**10.2**
P/B	0.9	1.0	1.3	**1.2**	**1.1**
Dividend-%	0.0 %	0.0 %	0.0 %	**2.2 %**	**2.9 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.16	0.02	0.82	**0.32**	**0.44**
EPS (adj.)	-0.28	-0.28	0.24	**0.32**	**0.44**
OCF / share	0.34	1.31	0.79	**0.89**	**1.09**
OFCF / share	-0.23	0.61	-0.11	**0.24**	**0.44**
Book value / share	2.63	2.66	3.50	**3.82**	**4.16**
Dividend / share	0.00	0.00	0.00	**0.10**	**0.13**

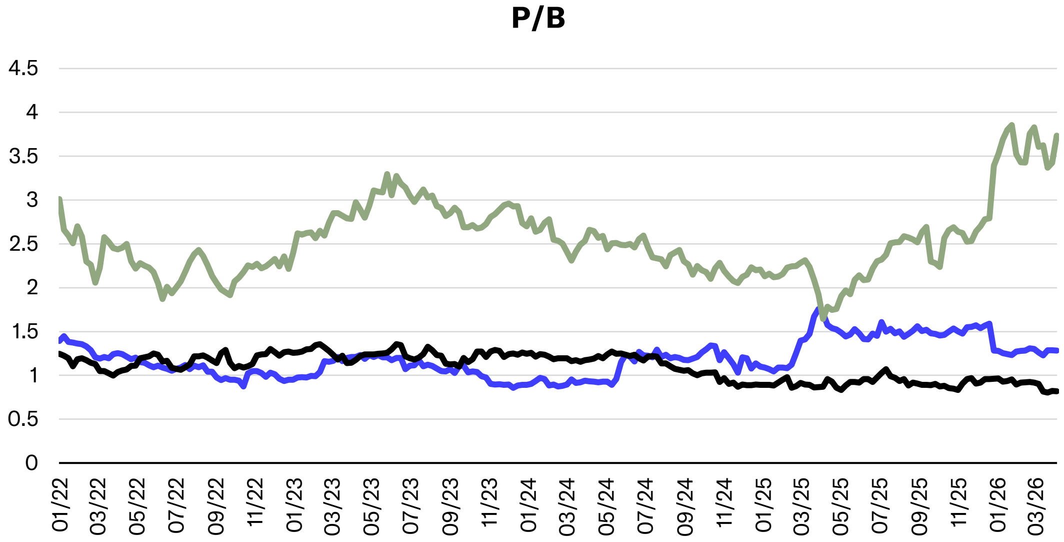
Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-7%	-5%	19%	**14%**	**11%**
EBITDA growth-%	-26%	49%	24%	**17%**	**14%**
EBIT (adj.) growth-%	-127%	29%	1383%	**33%**	**19%**
EPS (adj.) growth-%	-1130%	0%	187%	**34%**	**36%**
EBITDA-%	5.2 %	8.1 %	8.4 %	**8.7 %**	**8.9 %**
EBIT (adj.)-%	-0.5 %	-0.3 %	3.7 %	**4.4 %**	**4.7 %**
EBIT-%	3.7 %	2.6 %	3.7 %	**4.4 %**	**4.7 %**
ROE-%	6.3 %	0.8 %	26.7 %	**8.8 %**	**10.9 %**
ROI-%	9.9 %	6.6 %	9.8 %	**12.2 %**	**14.8 %**
Equity ratio	44.6 %	40.7 %	45.2 %	**51.2 %**	**52.9 %**
Gearing	35.6 %	21.2 %	6.3 %	**3.3 %**	**-2.0 %**
Net debt/EBITDA	1.7	0.7	0.2	**0.1**	**-0.1**
EBITDA/net financials	2.4	3.3	4.9	**6.4**	**8.1**

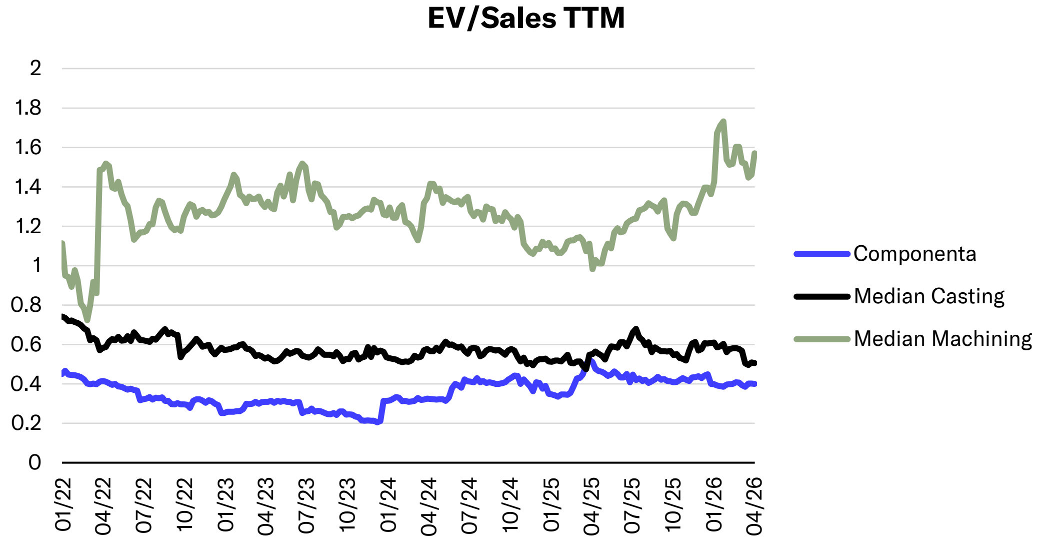
The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

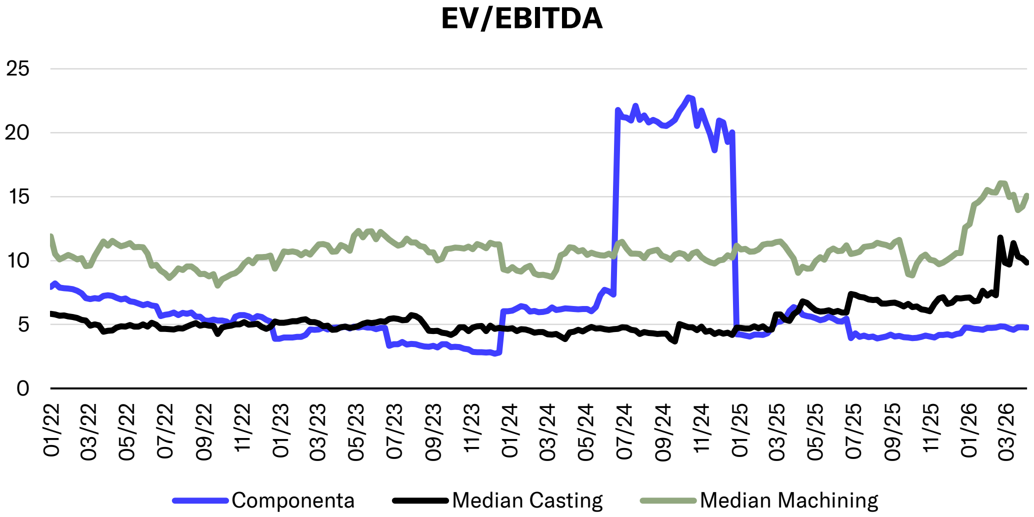
Peer group valuation multiples based on actualized figures

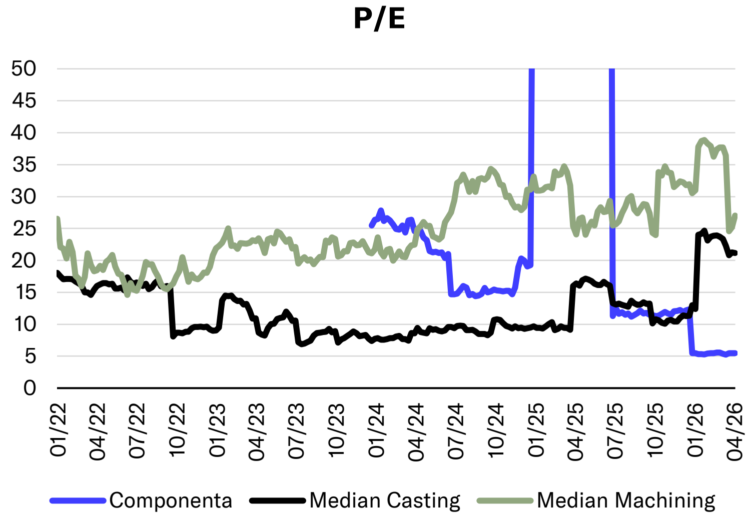
Company	Market cap (MEUR)	P/Book	EV/Sales TTM	EV/EBITDA TTM	P/E TTM	# analysts	Company description (Bloomberg)
Componenta							
Componenta Oyj	44	1.28	0.40	4.8	5.5	1	
Casting							
Castings Plc	124	0.82	0.51	5.9	21.2	1	Castings Public Limited Company provides iron casting and machining services. The Company offers spheroidal graphite, austempered ductile, simo, ni-resist, and grey iron castings.
Odlewnie	95	2.27	1.37	9.8	19.6	0	Odlewnie Polskie SA manufactures iron and steel forgings and castings. The Company produces gray cast iron, high-alloy cast iron, and steel, aluminum, and zinc castings.
Tupy	375	0.77	0.45	19.4	34.0	9	Tupy S.A. manufactures cast iron components. The Company produces engine blocks and heads, as well as brake, transmission, steering, axle and suspension system parts.
Machining							
Aq Group Ab	1,831	4.10	2.07	15.9	28.3	6	AQ Group AB develops and manufactures products for industrial automation. The Company's product line includes magnetic components, transformers, induction components, and custom made systems.
Xano Industri -B	328	1.88	1.20	8.4	19.7	0	XANO Industri AB develops, manufactures, and processes polymer and metal materials. The Company sells to the automotive, medical technology, electronics, building and construction, and marine industries.
Hanza Ab	841	5.59	1.94	17.0	29.9	2	HANZA AB operates as a streamlining contract manufacturing company. The Company manufactures and distributes machine tools, sheet metal, PCB assembly, and electronic cables.
Mayville Engineering	350	1.73	1.19	15.3	68.3	5	Mayville Engineering Company, Inc. provides metal fabricating services. The Company offers prototyping, manufacturing, production fabricating, coating, and assembly services.

Historical valuations of peers









PERIOD MEDIAN

Componenta
Casting peers
Machining peers

P/E:
15.72 – 10.34 – 23.53
EV/EBITDA:
5.30 – 4.91 – 10.62
EV/Sales:
0.37 – 0.57 – 1.28
P/B:
1.18 – 1.13 – 2.50

Best peer transactions in the machining business

Target	Country	Description	Buyer	Date	Revenue (MEUR)	EBITDA/EBITA (MEUR)	Margin	EV (MEUR)	EV/Sales	EV/EBITDA	Comparability	Source:
Leden Group Oy	Finland/Estonia	Sheet metal work, CNC machining, complex assembly; 4 factories in FI + 1 in EE; 600 employees; customers in power transmission, medtech, IT infrastructure, automation	HANZA AB	12/2024	~100	~6-7 EBITA (estimate)	~6-7%	37-52	0.37-0.52x	max 7.0x EBITA	●●●●●	HANZA
Suomen Levyprofiili (SLP)	Finland	Sheet metal work, welding, painting; 100+ employees; customers include John Deere, Sandvik	HANZA AB	03/2021	15	1.4	9.3%	4.8-7.0	0.32-0.47x	3.4-5.0x	●●●●●	HANZA
Fortaco Group	Finland	Heavy welded structures, vehicle cabins for off-highway OEMs, marine, energy; 7 countries	One Equity Partners	09/2022	236 (2021)	21 EBITDA	8.9%	n.d.	-	-	●●●●●	PR Newswire / OEP
Komas Oy	Finland	CNC machining, forgings, hydraulic pipes, sheet metal cutting; 5 factories; +300 employees	**Componenta Oyj**	08/2019	44.9	2.0 EBITDA	4.5%	6.6-7.8	0.15-0.17x	3.3-3.9x	●●●●○	Componenta
Fortaco Kalajoki & Sepänkyl	Finland	Welding, machining, surface treatment, steel components; ~60 employees; marine/energy	**Componenta Oyj**	10/2024	9.6	low/neg.	-	~3.4	~0.25-0.34x	N/M	●●●●○	Componenta
SOLVARO GmbH	Germany	Perforated metal parts for the agricultural, truck and bus industries, as well as for IT servers	Friedrich Graepel AG	12/2023	n.d.	n.d.	-	n.d.	-	-	●●●●○	I-ADVISE AG
Accu-Fab LLC	US	Vertically integrated contract manufacturer for large industrial OEMs	MEC (NYSE: MEC)	07/2025	56	12.9 EBITDA	23%	129	~2.3x	~10.0x	●●●●○	Business Wire

Undisclosed deals in the machining business

Target	Country	Description	Buyer	Date	Revenue (MEUR)	EBITDA/EBITA (MEUR)	Margin	EV (MEUR)	EV/Sales	EV/EBITDA	Comparability	Source:
Konepaja Stamac Oy	Finland	CNC machining specialist: 64 people	Leden Group	10/2024	17.5	n.d.	-	n.d.	-	-	●●●●○	3J Partners
Salon Konepaja Oy	Finland	Precision machining; 36 people; customers include ABB, Sandvik, Wartsila	ITA Nordic Oy	01/2025	7.8	n.d.	-	n.d.	-	-	●●●●○	ITA Nordic
Levypyörä Oy	Finland	Heavy vehicle wheels, steel structures; ~100 employees; Nastola	Nokian Heavy Tyres	08/2019	~25	n.d.	-	n.d.	-	-	●●●○○	Highways Today
Promeco Group (40% stake)	Finland	Contract manufacturer; ~80 MEUR Group revenue, FI + Poland	Finda Oy	Late 2023	80	n.d.	-	n.d.	-	-	●●●●○	Finnish media
EFM Group Oy (merger)	Finland	Merger of three metal companies in the Joensuu region (KKR Steel, CNC-Machining, ViiMet); 180+ employees	Owner-driven	2021	23-30	n.d.	-	n.d.	-	-	●●●○○	Yritysmaailma
MauserCABS (Fortaco further purchase)	Austria	Manufacturer of safety cabins; 300+ employees; off-highway equipment	Fortaco / OEP	09/2023	n.d.	n.d.	-	n.d.	-	-	●●●○○	Fortaco Cision
Wärtsilä's Vaasa machining operations	Finland	Machining of engine blocks separated from Wärtsilä; 33 employees	Leinolat Group	03/2020	n.d.	n.d.	-	n.d.	-	-	●●●○○	Wärtsilä Cision

Foundry business peer transactions

Target	Country	Description	Buyer	Date	Revenue (MEUR)	EBITDA/EBITA (MEUR)	Margin	EV (MEUR)	EV/Sales	EV/EBITDA	Comparability	Source:
GF Leipzig	Germany	Ductile iron, machine molding operations; 300kt/year capacity; ~300 employees; agricultural, forestry, and construction machine OEMs	Linamar Corporation	12/2025	~60–90	n.d.	-	45	-	-	●●●●●	GF Annual Report
Teksid global (BR, MX, PL, PT)	Several	Gray, ductile and CGI iron; 4 foundries; vehicle engines and powertrains	Tupy S.A.	12/2019	526	~43	~8.2%	210	0.40x	4.9x	●●●●○	Morgan Stanley / Tupy
Teksid (BR + PT)	Brazil / Portugal	The above transaction was curtailed by the competition authority; BR and PT mills	Tupy S.A.	09/2021	~160–210	n.d.	-	67.5	n.d.	-	●●●●○	Tupy press release
Fronberg Guss	Germany	Iron; loss-making operations	Craftsman Automation	10/2024	25.7	neg.	-	3.6	0.14x	N/A	●●●●○	Craftsman Automation
Grede (10 factories)	US	Gray, ductile, and special iron; 741 MUSD revenue; ~3,800 employees	Gamut Capital (from AAM)	Q4/2019	~628	n.d.	-	~212	0.33x	-	●●●○○	AAM 10-K / PR
Waupaca Foundry	US	The world's largest iron foundry company; gray, ductile, ADI, CGI; ~1.4 Mt/year	Monomoy Capital	02/2024	~1,600–1,730	n.d.	-	-	-	-	●●●○○	M&A Advisor
GF Casting Solutions auto	Multi-country	Aluminum/Mg pressure components; for automotive structural parts	Nemak S.A.B.	02/2026	~650	~91	~14.9%	336 ($)	0.48x	3.7x	●●○○○	GF / Nemak
Fonpresmetal	Italy	Aluminium press	Endurance Technologies	01/2019	27.5	n.d.	-	8.16	0.30x	-	●●○○○	Endurance BSE
Russell Ductile Castings	UK	Ductile iron; indebted company	Castings PLC	06/2024	~10.0 (£)	neg.	-	0.40 (£)	0.04x	N/A	●●○○○	Castings PLC RNS

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

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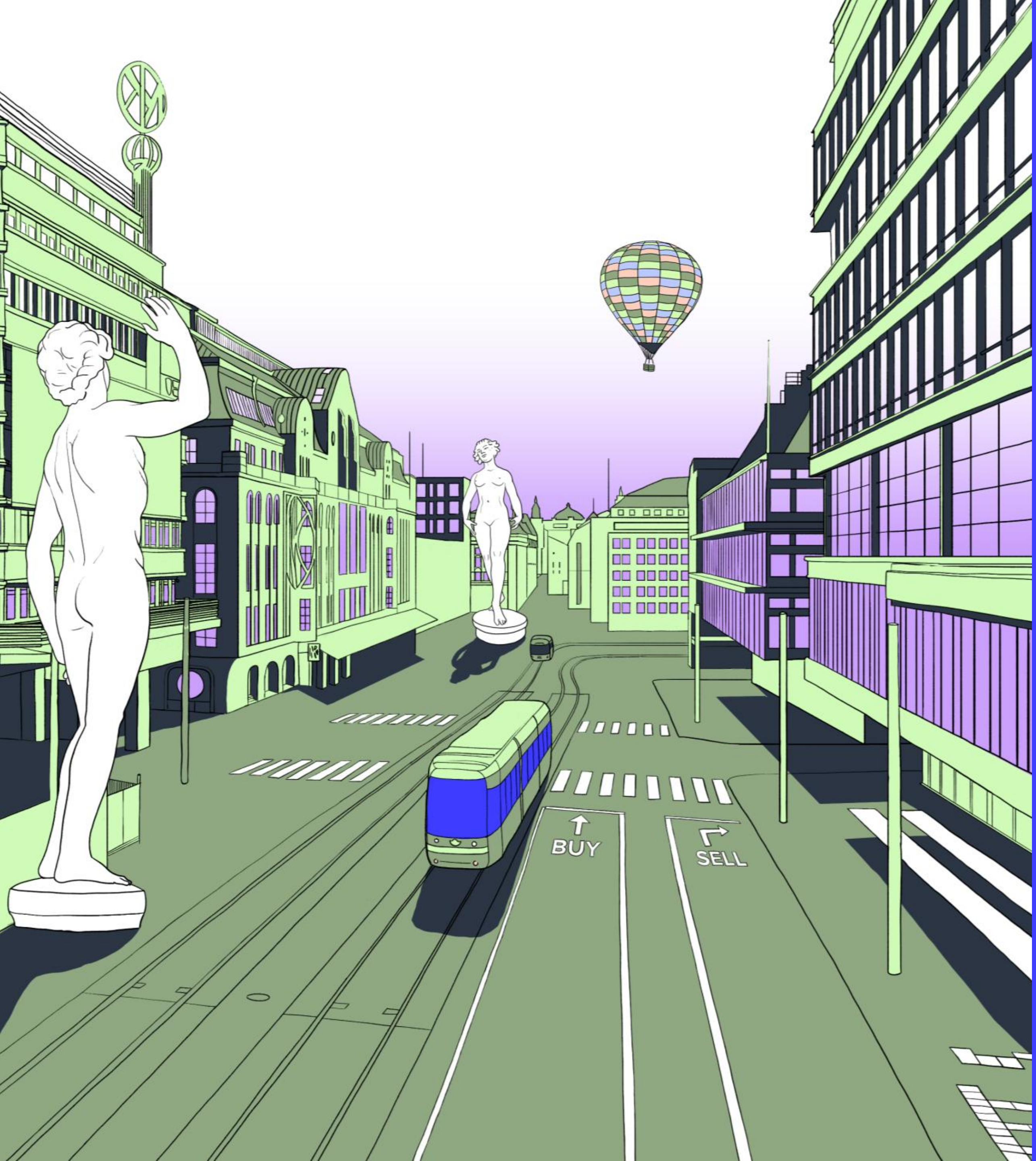
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
9/19/2023	Accumulate	3.20 €	2.73 €
9/27/2023	Accumulate	3.20 €	2.90 €
11/6/2023	Accumulate	3.00 €	2.55 €
1/15/2024	Buy	3.00 €	2.27 €
3/3/2024	Buy	3.00 €	2.32 €
5/7/2024	Buy	2.80 €	2.31 €
6/6/2024	Accumulate	3.60 €	3.30 €
7/23/2024	Accumulate	3.60 €	3.04 €
11/3/2024	Accumulate	3.30 €	2.85 €
11/27/2024	Accumulate	2.90 €	2.43 €
Analyst changed			
3/4/2025	Sell	2.90 €	3.90 €
3/9/2025	Reduce	3.40 €	3.71 €
5/5/2025	Reduce	3.40 €	4.05 €
5/10/2025	Reduce	3.60 €	3.96 €
7/24/2025	Reduce	4.30 €	4.41 €
10/27/2025	Reduce	4.30 €	4.19 €
10/30/2025	Accumulate	4.70 €	4.17 €
3/2/2026	Reduce	4.70 €	4.54 €
3/9/2026	Accumulate	5.00 €	4.56 €
3/23/2026	Accumulate	5.00 €	4.61 €
5/5/2026	Accumulate	5.00 €	4.47 €



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