EXEL COMPOSITES

11/5/2026 10:35 am EET

This is a translated version of ”Kasvutarina etenee vakuuttavin näytöin” report, published on 11/5/2026



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

INDERES CORPORATE CUSTOMER

COMPANY REPORT



Convincing progress being made on growth story

Exel's Q3 figures were clearly better than we expected. However, the company itself described the quarter as exceptionally strong, which leads us to believe that timing-related factors, for example, also played a role in driving this growth. Nevertheless, these developments further reinforced our confidence in the company's strategic positioning and growth strategy implementation. We believe that the expected return of the share, driven by earnings growth in the coming years, remains attractive. Reflecting this, we reiterate our Accumulate recommendation for the share but raise our target price to EUR 19.0 (was EUR 18.00), in line with the positive forecast changes.

Q3 figures blew our forecasts out of the water

Exel's Q3 revenue grew by a substantial 59% to 38.2 MEUR, significantly exceeding our estimate (32.4 MEUR). The company described the quarter as exceptionally strong, and, in light of this, we estimate that the development was further aided by tailwinds from the timing of delivery requests (e.g., conductor core orders), in addition to strong execution. In terms of customer industries, revenue more than doubled in both the Energy segment and the Other segment, with the latter's growth driven by the defense industry. This strong progress was also reflected in the operating profit, which rose to 3.4 MEUR, also exceeding our forecast of 2.2 MEUR by a clear margin. We estimate that the earnings beat was driven particularly by the operational leverage provided by revenue growth, and the company commented that the sales mix was favorable. Exel's order intake (38.2 MEUR, +42% y/y) also remained extremely strong, and the company's order book held steady near the previous quarter's level (98 MEUR, +99% y/y). We thus see the order book, the largely favorable market environment, and the Suzlon contract as providing strong support for next year.

We raised our near-term estimates in particular

As we expected, the company reiterated its full-year guidance and anticipates that its revenue (2025: 103 MEUR) and adjusted EBIT (2025: 3.2 MEUR) will increase significantly from last year. However, the company noted that it expects growth to moderate in Q4, following two exceptionally strong quarters. The market situation, on the other hand, appeared to have remained generally favorable and, as we interpret it, was strongest in Energy and applications related to the defense industry, which came as no surprise.

Based on actual developments and feedback, we have slightly lowered our forecasts for the rest of the year as we believe timing-related factors contributed to developments in previous quarters. Nevertheless, we increased our full-year 2026 estimates, expecting the company's revenue to grow 34% to 139 MEUR (was 134 MEUR) and its adjusted EBIT to amount to 10.0 MEUR (was 8.5 MEUR). Based on the report, we also raised our forecasts for the coming years (2027e–28e adj. EBIT +7–10%), and we expect the company's earnings growth to remain very rapid in the coming years. Despite the upward revisions, we do not yet expect the company to quite reach its financial target levels (2028 revenue 200 MEUR, adj. EBIT > 10%). In our view, however, recent developments and the new Suzlon agreement have bolstered the credibility of these targets (cf. 2028e revenue 190 MEUR, adj. EBIT-%: 9.0%).

Earnings growth maintains attractive expected return

In our view, the stock's valuation is high for this year based on EV multiples (EV/EBIT 14x) despite significant earnings growth. At this point in the year, however, we believe it is justified to already start looking ahead to next year. With our robust earnings growth forecasts, the EV/EBIT multiple for 2027 (9x) thus drops below the range we currently consider justified (EV/EBIT 10x–12x). Consequently, we continue to view the expected return, consisting of earnings growth, as attractive. Our positive view is also supported by our DCF model, which is roughly in line with our target price.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 19.00
(was EUR 17.50)

Share price:
EUR 16.45

Business risk



Valuation risk



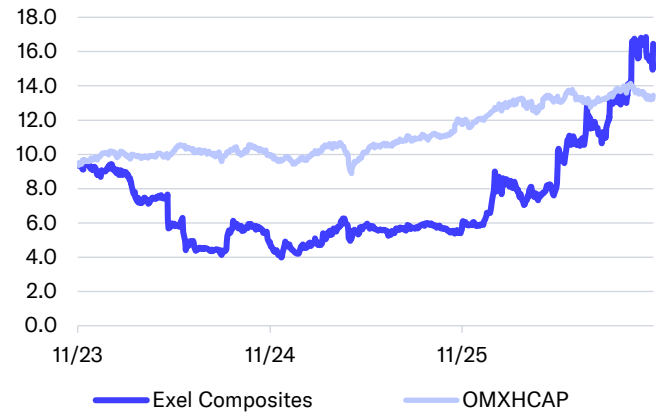
	2025	2026e	2027e	2028e
Revenue	103	139	173	190
growth-%	4%	34%	25%	10%
EBIT adj.	3.6	10.0	15.1	17.1
EBIT-% adj.	3.5 %	7.2 %	8.7 %	9.0 %
Net Income	-5.5	6.7	9.1	10.2
EPS (adj.)	-0.04	0.96	1.28	1.43
P/E (adj.)	neg.	17.1	12.9	11.5
P/B	1.7	3.4	2.7	2.2
Dividend yield-%	0.0 %	0.0 %	0.0 %	1.8 %
EV/EBIT (adj.)	19.5	14.0	9.0	7.5
EV/EBITDA	9.9	9.6	6.7	5.7
EV/S	0.7	1.0	0.8	0.7

Source: Inderes

Guidance (Unchanged)

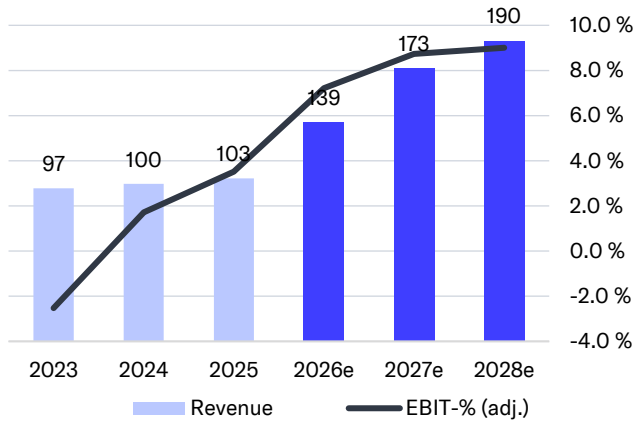
Exel Composites estimates that in 2026, its revenue (2025: 103 MEUR) and adjusted EBIT (2025: 3.6 MEUR) will increase significantly compared to 2025.

Share price



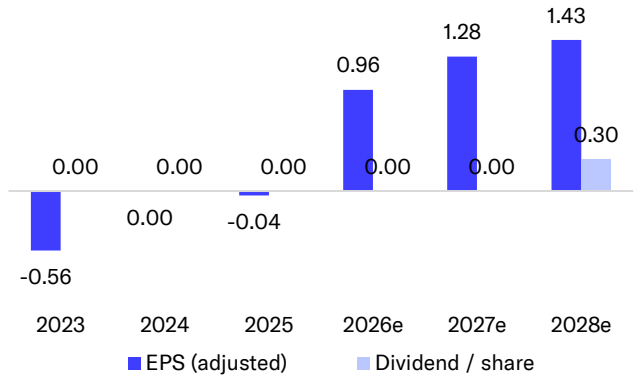
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- A growing composites market provides a solid platform for organic growth
- Securing significant new framework agreements
- Rising utilization rates and declining fixed costs support profitability
- Leveraging the global production structure and relative economies of scale within a more targeted strategy

Risk factors

- Demand is somewhat cyclical and business conditions can deteriorate relatively quickly, although new framework agreements have extended the order book structure
- The partly fixed nature of the cost structure creates sensitivity to demand fluctuations
- The customer portfolio is relatively concentrated
- Deterioration in the relative competitiveness of composites, despite having clear advantages over traditional materials

Valuation	2026e	2027e	2028e
Share price	16.5	16.5	16.5
Number of shares, millions	7.12	7.12	7.12
Market cap	117	117	117
EV	140	136	128
P/E (adj.)	17.1	12.9	11.5
P/E	17.4	12.9	11.5
P/B	3.4	2.7	2.2
P/S	0.8	0.7	0.6
EV/Sales	1.0	0.8	0.7
EV/EBITDA	9.6	6.7	5.7
EV/EBIT (adj.)	14.0	9.0	7.5
Payout ratio (%)	0.0 %	0.0 %	20.9 %
Dividend yield-%	0.0 %	0.0 %	1.8 %

Source: Inderes

Earnings soared far beyond our expectations

Growth was significantly faster than we expected

Exel's Q3 revenue grew by a whopping 59% to 38.4 MEUR, clearly exceeding our estimates. The company described the quarter as exceptionally strong, and, in light of this, we estimate that the development was further boosted by tailwinds from the timing of delivery requests (e.g., conductor core orders), in addition to strong execution. As expected, growth in production volumes at the Indian factory also supported this trend.

Among customer industries, Energy revenue grew by as much as 137%. Revenue in the Other customer industry also more than doubled (+112% y/y), driven by the defense industry. In contrast, Industrial (+2% y/y), Transportation (+2% y/y), and Buildings and infrastructure (-3% y/y) remained around the level of the comparison period. However, quarterly fluctuations within customer industries are typical. In line with the overall picture discussed above, the Customized Solutions business unit grew by 43% and Industrial Solutions by 130%, in line with the volume growth of the Indian factory.

Exel's order intake (38.2 MEUR, +42% y/y) also saw strong growth. Order development continued on quite a positive trend, and, based on the company's comments, demand was fairly broad-based. Nevertheless, we interpret that orders received from customer industries have generally followed the revenue trend. However, the impact of the recent Suzlon contract on orders was not specified. Reflecting the overall picture, the company's order book remained at nearly the same level as the previous quarter (98 MEUR, +99% y/y), still providing solid support for the future.

Earnings also landed clearly above forecasts

Strong volume growth and, according to the company, continued operational improvements were effectively reflected in the operating profit and margin. In fact, Exel's adjusted operating profit rose to as much as 3.4 MEUR, well exceeding our 2.2 MEUR estimate. Margin growth also clearly exceeded our forecast. However, the more concise business review means that evaluating the detailed cost structure development will have to wait until the Q4 report.

Nevertheless, during the earnings call, Exel commented that the sales mix was good as well. The strong operational performance was also reflected all the way to the bottom of the income statement, particularly due to taxes remaining at zero, while minority interests were higher than we expected. We suspect that this is largely due to accounting entries, as the Indian factory's volumes are still in the ramp-up phase.

Cash flow from operating activities strengthened significantly

In January–September, Exel's net operating cash flow strengthened significantly year-on-year, rising to 8.3 MEUR (Q3'25 YTD: -5.7 MEUR). However, due to investments made in the Indian factory, among other things, free cash flow before payment of lease liabilities remained lean (2.0 MEUR). The company's net debt at the end of Q3 was 22.5 MEUR, and its ratio to the adjusted EBITDA for the previous 12 months was 1.7x. Thus, the company's financial position was nevertheless clearly within its comfort zone.

Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	24.1	38.4	32.4				18%	139
EBIT (adj.)	0.9	3.4	2.2				53%	10.0
EBIT	0.4	3.4	2.2				53%	9.9
PTP	-0.4	3.0	1.6				94%	9.0
EPS (reported)	0.00	0.37	0.15				147%	0.96
Revenue growth-%	-2.0 %	59.3 %	34.5 %				24.8 pp	34.3 %
EBIT-% (adj.)	3.9 %	8.8 %	6.8 %				2 pp	7.2 %

Source: Inderes

We raised our near-term estimates in particular

Guidance remains unchanged, but efforts were made to manage Q4 expectations

As we expected, Exel reiterated its full-year guidance and anticipates that its revenue (2025: 103 MEUR) and adjusted EBIT (2025: 3.2 MEUR) will increase significantly from last year. However, the company noted that it expects growth to moderate in Q4, following two exceptionally strong quarters. The outlook for the rest of the year is indeed somewhat in line with our previous estimate that the timing of order requests for large framework agreements causes natural volatility between quarters.

Market situation appears to have remained favorable

According to the company, despite the volatile industrial market situation, demand in its focus areas had remained strong, in line with order intake as well. Based on our interpretation, the market situation remained quite unsurprisingly strongest in Energy and in applications related to the defense industry. The company also noted a new commercial breakthrough related to electric buses in the Chinese Transportation customer industry market. In contrast, the company observed intensified price competition in comparable European markets. However, we believe the breakthrough in China is more significant. Therefore, the market situation appears to have remained favorable as a whole. The company remained confident in its sales pipeline and the rapidly growing volumes of its Indian factory, driven by the Suzlon contract.

Forecasts under upward pressure

Based on actual developments and comments regarding Q4, we have slightly lowered our forecasts for the rest of the year as we believe timing-related factors contributed to developments in previous quarters. Nevertheless, our full-year 2026 earnings forecasts have clearly increased. Consequently, we anticipate that Q4 will demonstrate quite strong development, with revenue and earnings falling between those of Q2 and Q3. However, we estimate that final delivery requests from customers may still cause fluctuations in progress. We also did not make any significant changes to our tax or minority interest forecasts, and we therefore expect the trend to return to normal in Q4.

Based on the report and reflecting the current market environment, we have raised our growth and margin forecasts for the coming years. We estimate that the Suzlon agreement will continue to serve as the most significant growth driver next year as it has in the past. Despite the upward revisions, we do not yet expect the company to quite reach its ambitious target levels (2028 revenue 200 MEUR, adj. EBIT > 10%). In our view, however, recent developments have greatly enhanced credibility in terms of realism. There have been no significant changes to the underlying assumptions of our forecasts since the report was published, and we discussed these assumptions in greater detail in our recent extensive report.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	134	139	3%	165	173	5%	184	190	3%
EBITDA	13.1	14.6	11%	19.0	20.3	7%	21.5	22.6	5%
EBIT (exc. NRIs)	8.5	10.0	17%	13.8	15.1	10%	16.1	17.1	7%
EBIT	8.4	9.9	18%	13.8	15.1	10%	16.1	17.1	7%
PTP	7.1	9.0	27%	11.6	13.1	13%	14.2	15.3	7%
EPS (excl. NRIs)	0.70	0.96	38%	1.09	1.28	17%	1.32	1.43	8%
DPS	0.00	0.00		0.00	0.00		0.30	0.30	0%

Source: Inderes

Earnings growth keeps the expected return sufficient

Earnings growth sets the pace

We believe that Exel should be valued primarily on the basis of earnings-based multiples. In our view, the most useful multiples are the P/E ratio and the EV/EBIT multiple, which takes into account the balance sheet structure. It should be noted, however, that the ownership structure of the Indian factory and its still uncertain future earnings contribution (incl. the value of the minority interest) somewhat limit the usefulness of EV multiples, at least for now. On the other hand, short-term P/E ratios are significantly affected by internal non-cash flow related exchange rate changes, which the company does not separate in its continuous reporting.

In our opinion, an acceptable valuation for the stock is generally 11x-15x P/E and 8x-12x EV/EBIT. In our view, the acceptable valuation is supported by the current year's earnings development, which has increased confidence in the company's potential, a strong order book and the Suzlon agreement, as well as a generally favorable market situation. Given these factors and our strong earnings growth forecasts, we believe near-term valuation is justified toward the midpoint to upper end of the range. Simultaneously, we believe that the rise in absolute valuation multiples is limited by the early growth phase (incl. the stronger commercial ramp-up of the Indian factory). We also note that cash flow is expected to remain below earnings in the coming years as strong growth ties up working capital. For now, however, we would still see slight upside in the ranges as evidence of earnings growth and improving returns on capital accumulates.

We forecast Exel's P/E ratios for 2026 and 2027 to be 17x and 13x, while the corresponding EV/EBIT ratios are 14x and 9x. The stock's valuation picture is indeed clearly elevated for this year (e.g., EV/EBITDA ~10x), compared to the ranges we consider neutral. However, given the strong order book, the progressed profitability turnaround, and strengthening conditions for earnings growth, we believe it is justified to lean more heavily on next year's valuation. On that basis, the valuation turns attractive – particularly on EV-based multiples – as long as robust earnings growth materializes broadly in line with our forecasts. With strategy execution tracking in line with the company's own targets, we see grounds to rely on that potential. The most significant forecast risks relate to investment-driven demand, the growth trajectory of volumes at Exel's Indian plant (including wallet share development), the plant's profitability, and the timing of deliveries under larger framework agreements. Considering the overall situation, however, we believe the stock's risk-adjusted expected return is sufficient, which is also indicated by the fact that at our target price, next year's EV/EBIT multiple would be around 10x.

DCF model at around target price level

Our view of the company's longer-term potential is also supported by the DCF calculation, which indicates a share value of around EUR 19.4 and supports our view of the stock's upside potential. Our assumptions remain below the company's financial targets. Despite the brisk start to earnings growth, we believe Exel still has something to prove in achieving these targets. Conversely, given this context, the stock would still have significant additional potential if the company were to reach its targets. At the same time, however, our assumptions are above historical levels, and the company has yet to prove its ability to maintain them.

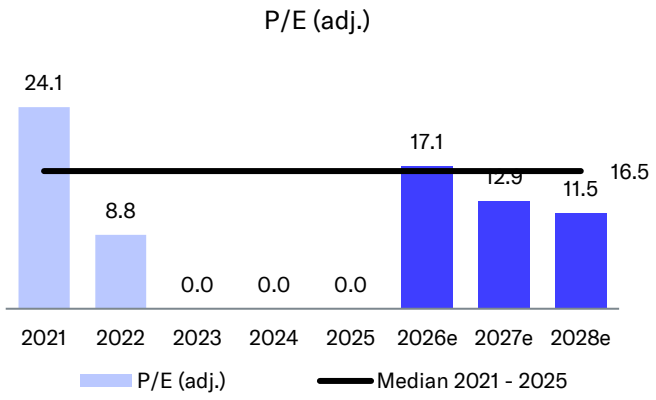
Valuation	2026e	2027e	2028e
Share price	16.5	16.5	16.5
Number of shares, millions	7.12	7.12	7.12
Market cap	117	117	117
EV	140	136	128
P/E (adj.)	17.1	12.9	11.5
P/E	17.4	12.9	11.5
P/B	3.4	2.7	2.2
P/S	0.8	0.7	0.6
EV/Sales	1.0	0.8	0.7
EV/EBITDA	9.6	6.7	5.7
EV/EBIT (adj.)	14.0	9.0	7.5
Payout ratio (%)	0.0 %	0.0 %	20.9 %
Dividend yield-%	0.0 %	0.0 %	1.8 %

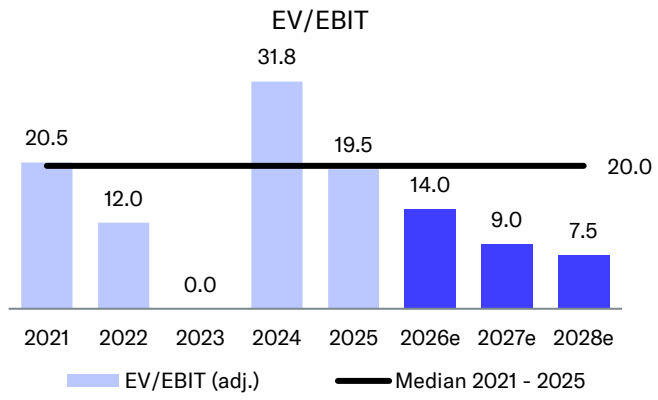
Source: Inderes

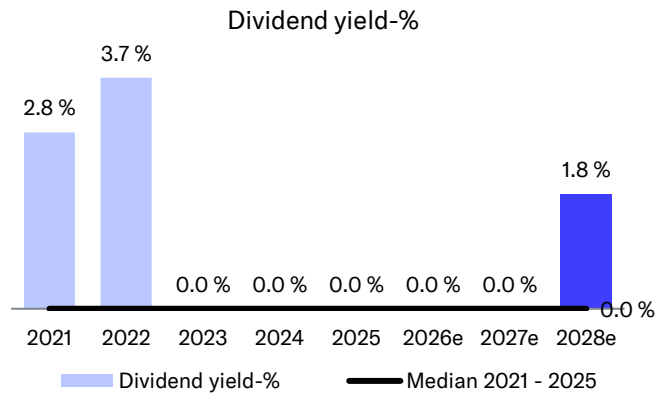
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	7.10	5.42	2.54	0.32	0.45	16.5	16.5	16.5	16.5
Number of shares, millions	11.9	11.9	11.9	106.7	106.7	7.12	7.12	7.12	7.12
Market cap	84	64	30	34	48	117	117	117	117
EV	124	97	63	54	71	140	136	128	122
P/E (adj.)	24.1	8.8	neg.	neg.	neg.	17.1	12.9	11.5	10.3
P/E	50.9	28.1	neg.	neg.	neg.	17.4	12.9	11.5	10.3
P/B	2.8	2.2	1.7	1.1	1.7	3.4	2.7	2.2	1.9
P/S	0.6	0.5	0.3	0.3	0.5	0.8	0.7	0.6	0.6
EV/Sales	0.9	0.7	0.7	0.5	0.7	1.0	0.8	0.7	0.6
EV/EBITDA	10.3	6.7	15.6	12.7	9.9	9.6	6.7	5.7	5.0
EV/EBIT (adj.)	20.5	12.0	neg.	31.8	19.5	14.0	9.0	7.5	6.6
Payout ratio (%)	143.3 %	103.8 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	20.9 %	28.2 %
Dividend yield-%	2.8 %	3.7 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	1.8 %	2.7 %

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.

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue	99.6	25.3	24.8	24.1	29.0	103	30.2	34.6	38.4	35.4	139	173	190	202
Group	99.6	25.3	24.8	24.1	29.0	103	30.2	34.6	38.4	35.4	139	173	190	202
EBITDA	4.2	1.5	2.0	1.6	2.0	7.1	2.6	3.6	4.6	3.8	14.6	20.3	22.6	24.1
Depreciation	-7.1	-1.3	-1.2	-1.2	-1.2	-4.9	-1.1	-1.2	-1.2	-1.2	-4.7	-5.2	-5.4	-5.6
EBIT (excl. NRI)	1.7	0.7	1.1	0.9	0.9	3.6	1.5	2.5	3.4	2.6	10.0	15.1	17.1	18.5
EBIT	-2.9	0.1	0.8	0.4	0.9	2.2	1.5	2.4	3.4	2.6	9.9	15.1	17.1	18.5
Net financial items	-0.9	-2.4	-3.7	-0.9	-1.0	-7.9	0.3	-0.2	-0.4	-0.5	-0.8	-2.0	-1.9	-1.7
PTP	-3.8	-2.2	-2.9	-0.4	-0.1	-5.7	1.8	2.2	3.0	2.1	9.0	13.1	15.3	16.9
Taxes	-1.2	0.0	0.0	-0.1	-0.3	-0.3	-0.6	-0.7	0.0	-0.5	-1.8	-3.0	-3.7	-4.1
Minority interest	0.4	0.2	0.2	0.2	0.1	0.6	0.1	0.0	-0.4	-0.2	-0.4	-1.0	-1.4	-1.4
Net earnings	-4.7	-2.1	-2.7	-0.3	-0.4	-5.5	1.3	1.5	2.6	1.4	6.7	9.1	10.2	11.3
EPS (adj.)	0.00	-0.02	-0.02	0.00	0.00	-0.04	0.18	0.22	0.36	0.20	0.96	1.28	1.43	1.59
EPS (rep.)	-0.04	-0.02	-0.03	0.00	0.00	-0.05	0.18	0.21	0.36	0.20	0.95	1.28	1.43	1.59

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	2.9 %	8.2 %	-6.7 %	-2.0 %	15.7 %	3.6 %	19.4 %	39.7 %	59.3 %	22.0 %	34.3 %	24.8 %	10.0 %	6.0 %
Adjusted EBIT growth-%	169.7 %	222.9 %	-17.9 %	31.3 %	399.4 %	112.9 %	122.3 %	124.1 %	263.8 %	191.0 %	175.9 %	50.9 %	13.5 %	8.2 %
EBITDA-%	4.3 %	5.7 %	8.1 %	6.7 %	7.0 %	6.9 %	8.8 %	10.3 %	11.9 %	10.8 %	10.5 %	11.7 %	11.9 %	11.9 %
Adjusted EBIT-%	1.7 %	2.7 %	4.5 %	3.9 %	3.1 %	3.5 %	5.0 %	7.3 %	8.8 %	7.3 %	7.2 %	8.7 %	9.0 %	9.2 %
Net earnings-%	-4.7 %	-8.2 %	-11.0 %	-1.4 %	-1.3 %	-5.3 %	4.2 %	4.3 %	6.7 %	4.0 %	4.9 %	5.3 %	5.4 %	5.6 %

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	40.9	36.9	39.7	40.2	40.6
Goodwill	12.5	11.6	11.6	11.6	11.6
Intangible assets	1.1	0.8	0.8	0.9	0.9
Tangible assets	26.6	24.3	27.0	27.4	27.8
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	0.5	0.0	0.0	0.0	0.0
Deferred tax assets	0.2	0.2	0.2	0.2	0.2
Current assets	48.0	52.3	67.1	82.9	90.2
Inventories	17.3	18.0	24.1	30.1	33.1
Other current assets	0.6	0.0	0.0	0.0	0.0
Receivables	19.2	22.4	29.1	35.5	38.1
Cash and equivalents	10.9	11.9	13.9	17.3	19.0
Balance sheet total	89.0	89.2	107	123	131

Source: Inderes

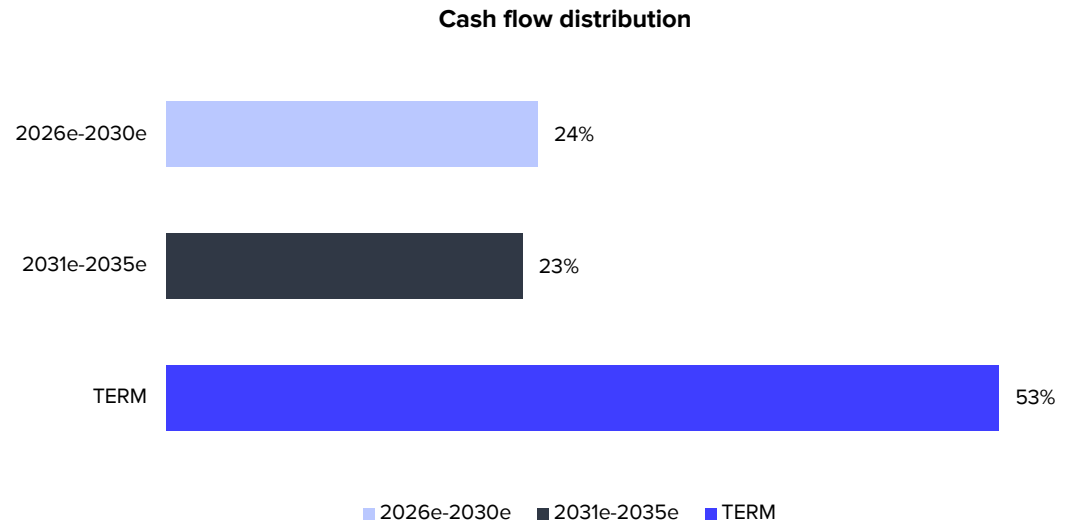
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	32.3	28.1	34.8	43.9	54.1
Share capital	2.1	2.1	2.1	2.1	2.1
Retained earnings	4.7	-0.7	6.0	15.1	25.3
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	24.6	26.5	26.5	26.5	26.5
Minorities	0.8	0.1	0.1	0.1	0.1
Non-current liabilities	10.3	9.7	17.2	16.5	13.7
Deferred tax liabilities	0.3	0.2	0.2	0.2	0.2
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	8.8	8.2	15.8	15.1	12.3
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	1.2	1.2	1.2	1.2	1.2
Current liabilities	46.4	51.5	54.8	62.6	62.9
Interest bearing debt	21.6	26.1	18.7	17.6	13.5
Payables	24.8	25.4	36.0	45.0	49.5
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	89.0	89.2	107	123	131

DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	3.6 %	34.3 %	24.8 %	10.0 %	6.0 %	5.0 %	5.0 %	4.0 %	3.5 %	2.5 %	2.5 %	2.5 %
EBIT-%	2.1 %	7.1 %	8.7 %	9.0 %	9.2 %	9.0 %	8.7 %	8.4 %	8.0 %	7.0 %	7.0 %	7.0 %
EBIT (operating profit)	2.2	9.9	15.1	17.1	18.5	19.1	19.3	19.4	19.1	17.3	17.7	
+ Depreciation	4.9	4.7	5.2	5.4	5.6	6.1	6.2	6.4	6.6	6.8	6.8	
- Paid taxes	-0.5	-1.8	-3.0	-3.7	-4.1	-4.3	-4.6	-4.7	-4.6	-4.2	-4.3	
- Tax, financial expenses	0.5	-0.2	-0.5	-0.5	-0.4	-0.4	-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	-2.6	-2.2	-3.4	-1.1	-0.7	-0.5	-0.3	-0.2	0.1	0.4	-0.6	
Operating cash flow	4.4	10.4	13.4	17.4	18.9	20.0	20.6	20.9	21.2	20.2	19.6	
+ Change in other long-term liabilities	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-0.9	-7.6	-5.7	-5.9	-6.1	-6.3	-6.5	-6.7	-6.9	-7.0	-7.1	
Free operating cash flow	3.6	2.9	7.8	11.5	12.8	13.7	14.1	14.2	14.4	13.3	12.6	
+/- Other	-2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	1.2	2.9	7.8	11.5	12.8	13.7	14.1	14.2	14.4	13.3	12.6	193
Discounted FCFF		2.8	7.0	9.5	9.7	9.5	9.0	8.3	7.7	6.5	5.6	86.7
Sum of FCFF present value		162	160	153	143	133	124	115	107	98.8	92.3	86.7
Enterprise value DCF		162										
- Interest bearing debt		-34.4										
+ Cash and cash equivalents		11.9										
+ Associated companies		0.0										
-Minorities		-2.0										
-Dividend/capital return		0.0										
Equity value DCF		138										
Equity value DCF per share		19.4										

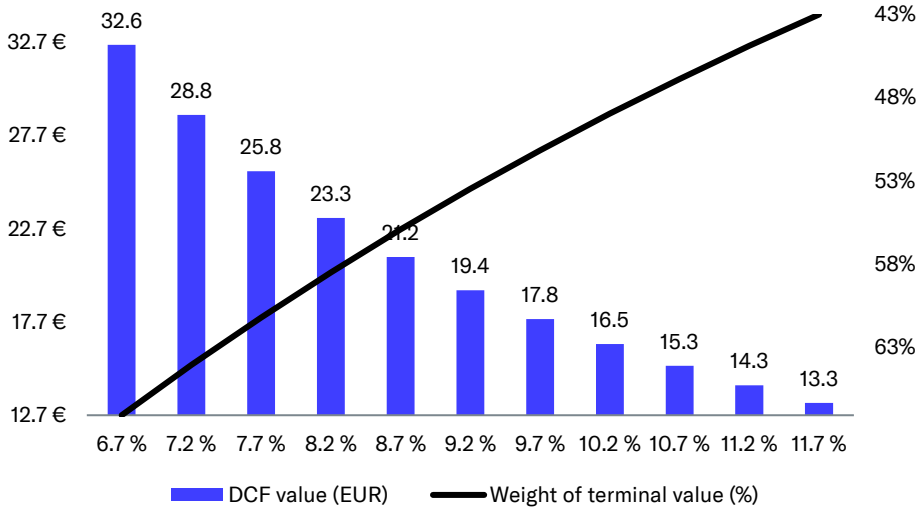
WACC	
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E)	25.0 %
Cost of debt	6.0 %
Equity Beta	1.35
Market risk premium	4.75%
Liquidity premium	1.30%
Risk free interest rate	3.0 %
Cost of equity	10.7 %
Weighted average cost of capital (WACC)	9.2 %

Source: Inderes

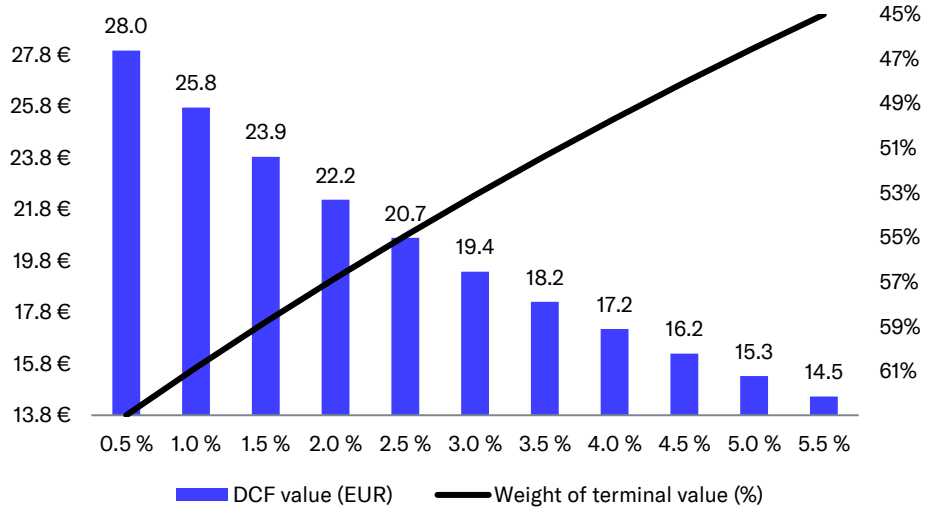


DCF sensitivity calculations and key assumptions in graphs

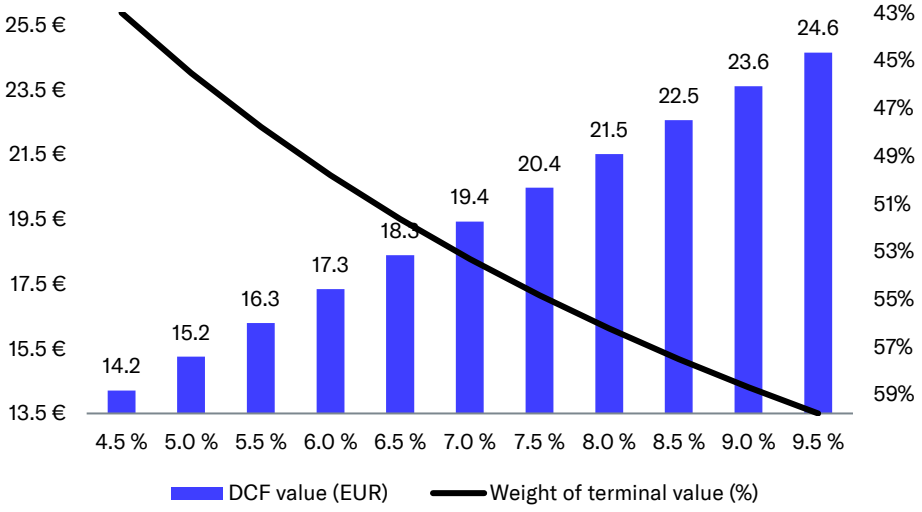
Sensitivity of DCF to changes in the WACC-%



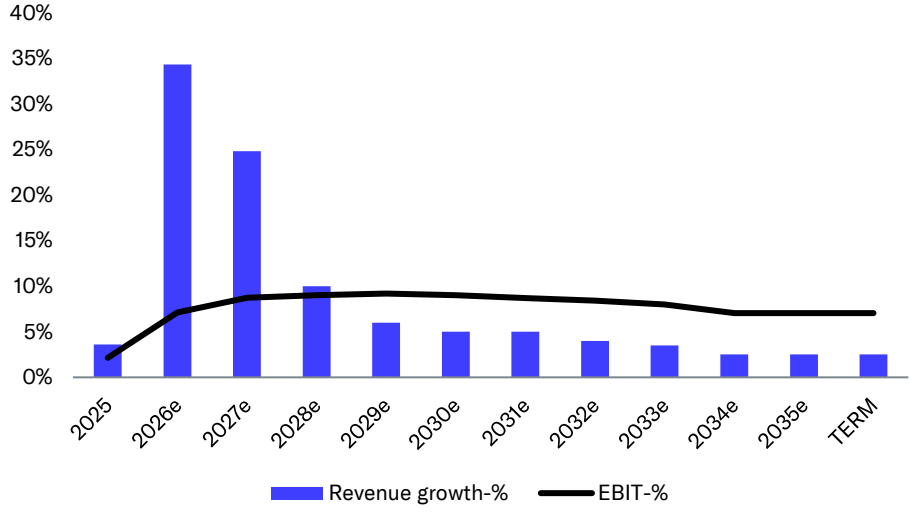
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	96.8	99.6	103.2	138.6	173.0
EBITDA	3.8	4.2	7.1	14.6	20.3
EBIT	-4.9	-2.9	2.2	9.9	15.1
PTP	-8.3	-3.8	-5.7	9.0	13.1
Net Income	-9.1	-4.7	-5.5	6.7	9.1
Extraordinary items	-2.4	-4.6	-1.4	-0.1	0.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	85.0	89.0	89.2	106.8	123.0
Equity capital	17.7	32.3	28.1	34.8	43.9
Goodwill	12.6	12.5	11.6	11.6	11.6
Net debt	32.8	19.5	22.4	20.7	15.4

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	3.8	4.2	7.1	14.6	20.3
Change in working capital	2.9	0.1	-2.6	-2.2	-3.4
Operating cash flow	7.0	3.9	4.4	10.4	13.4
CAPEX	-1.6	-8.8	-0.9	-7.6	-5.7
Free cash flow	5.5	-5.1	1.2	2.9	7.8

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.7	0.5	0.7	1.0	0.8
EV/EBITDA	15.6	12.7	9.9	9.6	6.7
EV/EBIT (adj.)	neg.	31.8	19.5	14.0	9.0
P/E (adj.)	neg.	neg.	neg.	17.1	12.9
P/B	1.7	1.1	1.7	3.4	2.7
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.77	-0.04	-0.05	0.95	1.28
EPS (adj.)	-0.56	0.00	-0.04	0.96	1.28
OCF / share	0.59	0.04	0.04	1.46	1.89
OFCF / share	0.46	-0.05	0.01	0.40	1.09
Book value / share	1.47	0.30	0.26	4.87	6.15
Dividend / share	0.00	0.00	0.00	0.00	0.00

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-29%	3%	4%	34%	25%
EBITDA growth-%	-62%	11%	68%	105%	39%
EBIT (adj.) growth-%	-130%	170%	113%	176%	51%
EPS (adj.) growth-%	-192%	100%	-5824%	2379%	33%
EBITDA-%	4.0 %	4.3 %	6.9 %	10.5 %	11.7 %
EBIT (adj.)-%	-2.5 %	1.7 %	3.5 %	7.2 %	8.7 %
EBIT-%	-5.0 %	-2.9 %	2.1 %	7.1 %	8.7 %
ROE-%	-38.5 %	-19.0 %	-18.5 %	21.5 %	23.2 %
ROI-%	-6.9 %	-4.6 %	3.6 %	15.0 %	20.7 %
Equity ratio	20.9 %	36.4 %	31.5 %	32.6 %	35.7 %
Gearing	185.7 %	60.3 %	79.8 %	59.3 %	35.1 %
Net debt/EBITDA	8.6	4.6	3.1	1.4	0.8
EBITDA/net financials	1.1	4.6	0.9	17.4	10.2

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.

Disclaimer and recommendation history

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

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

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

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

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

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

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

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

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

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

Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/19/2021	Accumulate	9.20 €	8.76 €
5/2/2021	Accumulate	11.50 €	10.88 €
7/21/2021	Accumulate	11.50 €	10.32 €
9/2/2021	Accumulate	11.50 €	9.95 €
9/17/2021	Accumulate	9.50 €	8.59 €
11/5/2021	Accumulate	8.40 €	7.52 €
2/16/2022	Reduce	7.50 €	7.15 €
5/2/2022	Accumulate	7.00 €	6.30 €
	Analyst changed		
7/21/2022	Accumulate	7.00 €	6.58 €
9/28/2022	Accumulate	6.00 €	5.30 €
11/4/2022	Accumulate	6.00 €	5.20 €
2/15/2023	Accumulate	6.00 €	5.32 €
2/20/2023	Accumulate	6.00 €	5.10 €
5/3/2023	Accumulate	4.50 €	4.05 €
8/21/2023	Reduce	3.50 €	3.38 €
10/19/2023	Sell	2.50 €	3.04 €
11/6/2023	Reduce	2.50 €	2.67 €
2/19/2024	Reduce	2.20 €	2.29 €
4/26/2024	Reduce	1.60 €	1.74 €
5/20/2024	Reduce	0.38 €	1.62 €
6/12/2024	Accumulate	0.38 €	0.33 €
8/16/2024	Accumulate	0.38 €	0.32 €
10/8/2024	Reduce	0.38 €	0.39 €
11/1/2024	Reduce	0.35 €	0.35 €
2/7/2025	Reduce	0.35 €	0.32 €
2/14/2025	Reduce	0.35 €	0.36 €
5/9/2025	Reduce	0.38 €	0.40 €
8/12/2025	Accumulate	0.43 €	0.38 €
11/4/2025	Accumulate	0.43 €	0.36 €
11/7/2025	Accumulate	0.45 €	0.40 €
2/9/2026	Reduce	0.55 €	0.56 €
2/16/2026	Reduce	0.55 €	0.56 €
	Reverse split 15:1		
5/7/2026	Accumulate	10.50 €	9.26 €
8/17/2026	Accumulate	15.00 €	13.45 €
9/25/2026	Accumulate	17.50 €	15.70 €
10/9/2026	Accumulate	18.00 €	15.65 €
11/5/2026	Accumulate	19.00 €	16.45 €



CONNECTING INVESTORS AND COMPANIES.

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

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

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

inderes.se

Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

inderes.