

HKFOODS

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INDERES CORPORATE CUSTOMER COMPANY REPORT



The earnings improvement trend continued

HKFoods' earnings improvement streak continued in Q1. Operational earnings were largely in line with our expectations, as the strong performance of retail and food service supported revenue growth, and efficiency measures offset increased costs. As expected, the company reiterated its guidance for this year, and we kept our estimates practically unchanged. With our estimates assuming moderate earnings growth, the share's valuation (2026e: adj. EV/EBIT 9x) is neutral, and the expected return remains modest in our view over a one-year horizon. We therefore reiterate our Reduce recommendation and EUR 1.70 target price.

Operationally, earnings were largely in line with our expectations

HKFoods' Q1 was largely in line with expectations. Revenue grew by 3.8% to 243 MEUR, slightly exceeding our 240 MEUR estimate. Growth was primarily supported by volume growth driven by the retail and food service channels, which have a better margin profile, but industrial sales also saw growth. In contrast, export revenue decreased as planned, as pork sales were weighted towards the domestic market. Retail sales were particularly supported by the growth of HKFoods' own brands, and foodservice sales developed positively due to commercial measures and a comprehensive product portfolio.

The company's comparable EBIT strengthened to 5.7 MEUR in Q1 (Q1'25: 4.6 MEUR), exceeding our 5.1 MEUR estimate. However, operational development was largely in line with our expectations, as the beat was mainly due to lower depreciation than we estimated. As we expected, profitability was supported primarily by a more favorable sales mix and savings from the efficiency program, while rising beef procurement prices, as well as wage and energy costs, weighed on the result. In addition, reported EBIT was weighed down by 0.3 MEUR in restoration costs. On the lower lines, adjusted net income clearly exceeded our estimates,

supported by lower net financial expenses and taxes than our estimates, as well as higher earnings from the associate.

Guidance was reiterated, and estimate changes remained minor

HKFoods reiterated its 2026 guidance in the report, expecting comparable EBIT to increase from 2025 (34.1 MEUR). Our estimate for this year is 35.3 MEUR, and it remained virtually unchanged. We estimate that HKFoods still has good prerequisites to grow its earnings due to continued efficiency measures and strengthening commercial performance. On the other hand, we believe the company is facing cost pressures due to the geopolitical situation and the conflict in the Middle East. As pricing periods for retail are rigid, it is difficult to pass on increased costs to prices before the fall. For the coming years, our estimates remained unchanged, and we still expect earnings growth to continue at a moderate pace, supported by an improved sales mix and efficiency measures. However, in our view, a more significant improvement in profitability would require either a more favorable demand environment or operational efficiency improvements.

Expected return remains weak for the time being

We see potential for HKFoods to be a defensive dividend company, but value creation is limited by the industry's moderate growth prospects and capital-intensiveness. With our estimates assuming moderate earnings growth, the share's earnings-based valuation (2026-2027e: adj. EV/EBIT ~9x and P/E 9-13x) is somewhat neutral. Thus, the expected return currently relies mainly on a dividend yield of around 5%. At the same time, uncertainty related to cost inflation increases the risk to earnings estimates over a 1–2 year horizon. In a positive scenario, a rapid de-escalation of the Middle East conflict and normalization of raw material flows could support stronger earnings development than we estimate, which would also turn the stock's expected return moderate again.

Recommendation

Reduce

(was Reduce)

Target price:

EUR 1.70

(was EUR 1.70)

Share price:

EUR 1.70

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	996.4	1021.3	1041.7	1062.6
growth-%	-1%	2%	2%	2%
EBIT adj.	34.0	35.1	36.6	37.6
EBIT-% adj.	3.4 %	3.4 %	3.5 %	3.5 %
Net Income	10.4	13.1	18.2	20.1
EPS (adj.)	0.09	0.13	0.18	0.21
P/E (adj.)	16.6	13.1	9.3	8.2
P/B	0.9	1.0	1.0	0.9
Dividend yield-%	5.4 %	5.3 %	6.5 %	7.1 %
EV/EBIT (adj.)	8.9	9.3	8.8	8.5
EV/EBITDA	4.9	5.0	4.8	4.6
EV/S	0.3	0.3	0.3	0.3

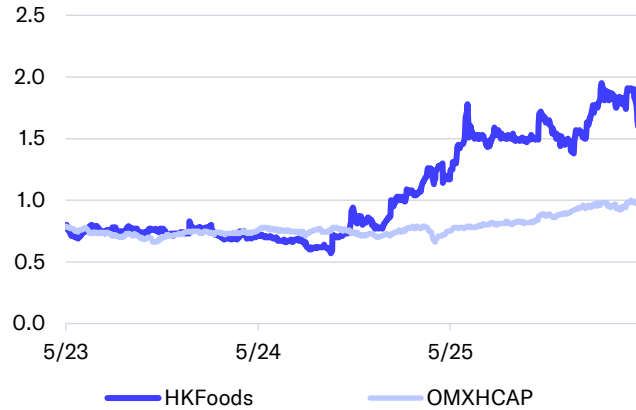
Source: Inderes

Guidance

(Unchanged)

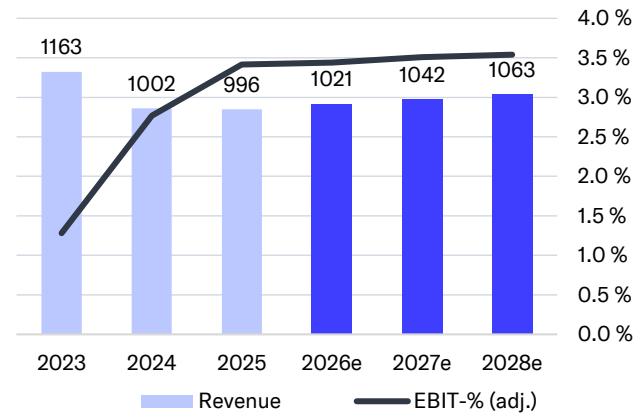
The comparable EBIT for 2026 is estimated to grow from 2025 (34.1 MEUR).

Share price



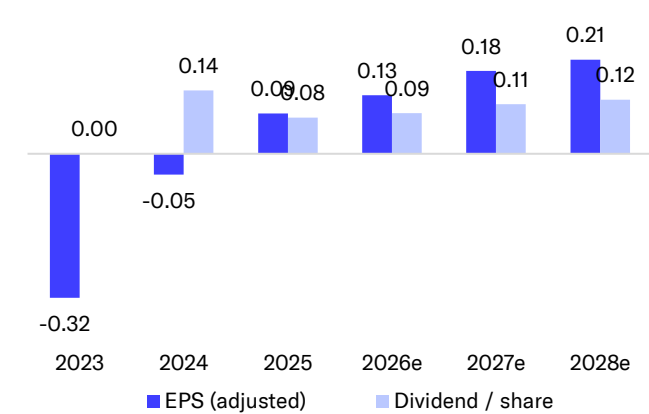
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Strong commercial position in Finland through scale and well-known brands
- Investments in poultry and other growing segments such as ready meals
- Focus on Finland has allowed concentration of investments and strengthening of industrial efficiency
- As the balance sheet strengthens, there is an opportunity to significantly lower financing costs

Risk factors

- Long-term decline in red meat consumption
- Fierce competition in the food sector and strong bargaining power of retailers limit profitability
- Changes in consumer demand and cost environment may affect profitability
- Animal diseases may impact export licenses
- Indebtedness remains quite high

Valuation	2026e	2027e	2028e
Share price	1.70	1.70	1.70
Number of shares, millions	89.9	89.9	89.9
Market cap	153	153	153
EV	327	323	319
P/E (adj.)	13.1	9.3	8.2
P/E	13.4	9.3	8.2
P/B	1.0	1.0	0.9
P/S	0.1	0.1	0.1
EV/Sales	0.3	0.3	0.3
EV/EBITDA	5.0	4.8	4.6
EV/EBIT (adj.)	9.3	8.8	8.5
Payout ratio (%)	75.1 %	49.0 %	54.0 %
Dividend yield-%	5.3 %	6.5 %	7.1 %

Source: Inderes

Operationally, earnings were largely in line with our expectations

Revenue growth was supported by volume growth driven by retail and foodservice

In Q1, HKFoods' revenue grew by 3.8% to 243 MEUR, exceeding our 240 MEUR estimate. The company reported that sales strengthened, particularly in channels with a better margin profile, namely retail and food service, but growth was also seen in industrial sales. On the other hand, revenue decreased as planned in exports according to the company, which was mainly explained by the reduction in lower-margin pork exports due to strengthened domestic demand.

Retail sales were particularly supported by the growth of HKFoods' own HK and Kariniemi brands, with the strongest growth in pork and convenience foods. Sales in the food service channel developed positively due to commercial measures and a comprehensive product range, which we consider a good performance in a challenging market environment.

The earnings development at the operational level was largely in line with our expectations

The company's comparable EBIT strengthened to 5.7 MEUR in Q1 (Q1'25: 4.6 MEUR), exceeding our 5.1 MEUR estimate. However, operational development was largely in line with our expectations, as the beat was mainly due to lower depreciation than we estimated. As expected, profitability was supported especially by a more favorable sales mix and savings achieved in the company's efficiency program. Similarly, profitability was burdened by a sharp increase in the purchase price of beef, rising wage costs, and increased energy costs due to the cold winter. According to the company, sales price increases and electricity price hedging measures only partially covered the increase in cost levels.

Reported EBIT in Q1 was also weighed down by 0.3 MEUR in restoration costs affecting comparability. On the lower lines, adjusted net income clearly exceeded our estimates,

supported by lower depreciation, lower net financial expenses and taxes than our estimates, and a higher profit from the associate.

Cash flow is seasonally weak

Cash flow from operating activities was seasonally low at -5.9 MEUR (Q1/25 -4.7 MEUR). The weakening of cash flow from the comparison period was mainly explained by the commitment of working capital. Interest-bearing net debt declined to 154 MEUR from the comparison period (Q1'25: 160 MEUR), but rose from the year-end level due to seasonally negative cash flow. The net debt to EBITDA ratio (2.4x) at the end of Q1 is already close to the industry average, although the balance sheet still includes a recently issued 20 MEUR hybrid loan. Net gearing, in turn, was 78%, which is still close to the company's long-term target level (below 80%).

Estimates	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus	Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. inderes	Inderes
Revenue	234	243	240			1%	1021
EBITDA	12.1	12.7	12.7			0%	65.8
EBIT (adj.)	4.6	5.7	5.1			11%	35.2
EBIT	4.6	5.4	5.1			5%	35.2
EPS (adj.)	-0.01	0.02	0.00			8407%	0.13
Revenue growth-%	2.2 %	3.8 %	2.5 %			1.3 pp	2.5 %
EBIT-% (adj.)	2.0 %	2.4 %	2.1 %			0.2 pp	3.4 %

Source: Inderes

Guidance was reiterated, and estimate changes remained minor

We still expect moderate earnings growth both this year and in the coming years

- HKFoods reiterated its 2026 guidance in the report, expecting comparable EBIT to increase from 2025 (34.1 MEUR). Our estimate for this year is 35.3 MEUR, and it remained virtually unchanged.
- We expect moderate revenue growth from HKFoods in 2026, supported by strong performance in retail and food service, an improved sales mix, and demand for poultry and convenience foods. We estimate that the company continues to have good prerequisites for growing its earnings due to ongoing efficiency measures and a more favorable demand environment than last year.
- On the other hand, in our view, the company is facing cost pressures due to the geopolitical situation and the conflict in the Middle East, especially in energy, packaging, and logistics costs. As pricing periods for retail are rigid, it is difficult to pass on increased costs to prices before fall. In addition, we estimate that profitability is still burdened by the sharp increase in the purchase price of beef and rising wage costs.
- Our estimates for the coming years remained virtually unchanged. We expect earnings growth to remain moderate, supported by an improved sales mix and efficiency measures. However, in our view, a more significant improvement in profitability would require either a more favorable demand environment or operational efficiency improvements.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	1021	1021	0%	1042	1042	0%	1063	1063	0%
EBITDA	65.8	65.4	-1%	68.1	67.6	-1%	69.8	69.4	-1%
EBIT (excl. NRIs)	35.2	35.1	0%	37.0	36.6	-1%	38.0	37.6	-1%
EBIT	35.2	34.8	-1%	37.0	36.6	-1%	38.0	37.6	-1%
PTP	22.7	22.3	-2%	28.2	27.8	-1%	30.2	29.8	-1%
EPS (excl. NRIs)	0.13	0.13	0%	0.19	0.18	-2%	0.21	0.21	-2%
DPS	0.09	0.09	0%	0.11	0.11	0%	0.12	0.12	0%

Source: Inderes

Expected return remains weak for the time being

Investment profile: Becoming a defensive dividend company

HKFoods' businesses have long-term potential for defensive and dividend-paying business, albeit with a moderate return on capital. The reduction in red meat consumption is slow, and the consumption of poultry and more processed foods is increasing, so in the long term, we assume market growth will be close to general GDP growth. The meat and food industries in general are competitive and capital-intensive industries where it is difficult to achieve a sustainable ROCE above the required return.

Potentially strong upside in strengthening profitability

HKFoods' long-sought earnings turnaround has, in our view, now materialized sustainably. The strengthening of the balance sheet and the concentration of investments in Finland have enabled the development of industrial processes in a way that the company historically lacked the resources for. However, earnings growth appears to continue, and it is still difficult to estimate what level it will settle at in the medium or long term.

As profitability rises to the level of domestic competitors (EBIT %: 4.7%) the stock could have a significant upside of up to 60-90% (EV/EBIT 9-10x). However, our view is more cautious, as we believe the most straightforward efficiency measures have already been implemented. In the future, earnings growth will become more capital-intensive, as is typical for the industry. Even a moderate improvement in profitability could still significantly support the share price due to the company's high balance sheet leverage.

Balance sheet position improved, not completely risk-free

The amount of debt on the balance sheet has been reduced through divestments and the strengthening of internal cash flow. The net debt to EBITDA ratio (2.4x) at the end of Q1 is already closer to the industry average, but the balance sheet still includes 20 MEUR of recently issued hybrid bonds. As the earnings turnaround progresses, we estimate that the company can gradually reduce its indebtedness further in the coming years and redeem the hybrid bond in 2028. However, the Board's high willingness to pay dividends may partly slow down the reduction of the balance sheet risk level. In addition, sudden changes in the cost environment can significantly affect earnings from time to time, which could weaken the valuation and balance sheet risk level, as seen in the 2022 inflation shock.

Valuation is at a somewhat neutral level

With our HKFoods' estimates assuming moderate earnings growth in 2026, the EV/EBIT multiple is around 9x, and the corresponding P/E ratio is around 13x. With our 2027 estimates, the EV/EBIT multiple remains at the same level, but the P/E ratio decreases to around 9x, supported by a decrease in financial expenses. Thus, the earnings-based valuation is somewhat neutral, and the expected return currently relies mainly on a dividend yield of around 5%. At the same time, uncertainty related to cost inflation increases the risk to earnings estimates over a 1–2 year horizon. In a positive scenario, a rapid de-escalation of the Middle East conflict and normalization of raw material flows could support stronger earnings development than estimated, which would also turn the stock's expected return moderate again. The share value according to the DCF model is around EUR 1.70, which is slightly below the current share price and supports our view of a neutral valuation level.

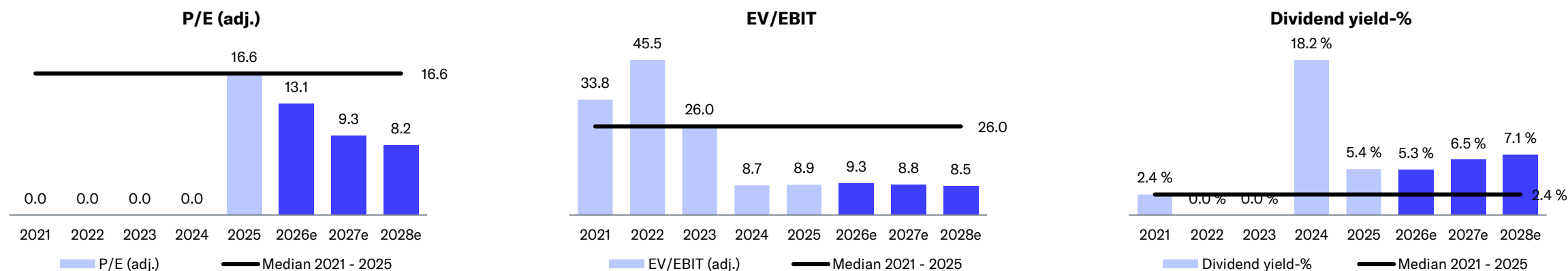
Valuation	2026e	2027e	2028e
Share price	1.70	1.70	1.70
Number of shares, millions	89.9	89.9	89.9
Market cap	153	153	153
EV	327	323	319
P/E (adj.)	13.1	9.3	8.2
P/E	13.4	9.3	8.2
P/B	1.0	1.0	0.9
P/S	0.1	0.1	0.1
EV/Sales	0.3	0.3	0.3
EV/EBITDA	5.0	4.8	4.6
EV/EBIT (adj.)	9.3	8.8	8.5
Payout ratio (%)	75.1 %	49.0 %	54.0 %
Dividend yield-%	5.3 %	6.5 %	7.1 %

Source: Inderes

Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	1.66	0.87	0.89	0.77	1.48	1.70	1.70	1.70	1.70
Number of shares, millions	97.1	97.3	97.4	89.9	89.9	89.9	89.9	89.9	89.9
Market cap	161	85	87	69	133	153	153	153	153
EV	490	441	387	240	303	327	323	319	312
P/E (adj.)	neg.	neg.	neg.	neg.	16.6	13.1	9.3	8.2	7.8
P/E	neg.	neg.	neg.	neg.	neg.	13.4	9.3	8.2	7.8
P/B	0.6	0.4	0.5	0.4	0.9	1.0	1.0	0.9	0.9
P/S	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
EV/Sales	0.3	0.2	0.3	0.2	0.3	0.3	0.3	0.3	0.3
EV/EBITDA	6.3	7.9	7.3	4.3	4.9	5.0	4.8	4.6	4.4
EV/EBIT (adj.)	33.8	45.5	26.0	8.7	8.9	9.3	8.8	8.5	8.1
Payout ratio (%)	neg.	0.0 %	0.0 %	neg.	neg.	75.1 %	49.0 %	54.0 %	59.0 %
Dividend yield-%	2.4 %	0.0 %	0.0 %	18.2 %	5.4 %	5.3 %	6.5 %	7.1 %	7.6 %

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		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Atria	409	698	9.7	9.4	5.1	4.9	0.4	0.4	8.6	8.2	5.7	6.1	0.9
Apetit	83	99		14.1	11.0	6.2	0.5	0.5	164.4	12.5	5.7	5.7	0.8
Raisio	410	334	11.0	10.2	8.5	8.0	1.4	1.4	15.2	15.2	6.1	6.5	1.6
Hilton Foods	557	939	9.3	8.7	5.6	5.2	0.2	0.2	11.2	10.2	6.1	6.4	1.3
Scandi Standard	887	1075	16.4	14.2	9.9	9.1	0.8	0.8	21.5	17.8	2.7	3.2	3.3
Cranswick	3347	3667	13.7	13.1	9.7	9.2	1.1	1.0	18.1	17.2	2.0	2.2	2.6
Societe LDC	3972	3898	10.3	9.6	6.3	5.8	0.5	0.5	13.8	13.0	1.5	1.6	1.6
Bell Foods	1269	2220	11.4	11.1	5.4	5.1	0.4	0.4	8.0	8.0	3.8	3.8	0.7
Orior	93	260	20.4	19.5	6.4	6.3	0.4	0.4	16.0	14.0			1.9
Prima Meat Packers	684	728			6.1	6.1	0.3	0.3	12.8	12.5	3.2	3.4	1.0
NH Foods	3504	4356			7.9	7.7	0.6	0.6	17.6	14.9	2.5	2.6	1.2
HKFoods (Inderes)	153	327	9.3	8.8	5.0	4.8	0.3	0.3	13.1	9.3	5.3	6.5	1.0
Average			12.8	12.2	7.4	6.7	0.6	0.6	27.9	13.0	3.9	4.1	1.5
Median			11.2	11.1	6.4	6.2	0.5	0.5	15.2	13.0	3.5	3.6	1.3
Diff-% to median			-17%	-20%	-22%	-23%	-41%	-38%	-14%	-29%	51%	80%	-19%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	1163	1002	234	246	247	270	996	243	253	252	274	1021	1042	1063	1084
Finland	933	1002	234	246	247	270	996	243	253	252	274	1021	1042	1063	1084
EBITDA	52.8	56.3	12.1	13.3	18.5	18.5	62.4	12.7	14.7	19.4	18.6	65.4	67.6	69.4	70.7
Depreciation	-35.3	-33.9	-7.4	-7.1	-7.6	-7.4	-29.5	-7.3	-7.6	-7.7	-8.0	-30.6	-31.1	-31.8	-32.4
EBIT (excl. NRI)	14.9	27.7	4.6	6.5	11.8	11.2	34.0	5.7	7.1	11.7	10.7	35.1	36.6	37.6	38.4
EBIT	17.5	22.4	4.6	6.2	10.9	11.2	32.9	5.4	7.1	11.7	10.7	34.8	36.6	37.6	38.4
Share of profits in assoc. compan.	1.3	1.2	0.5	0.3	0.6	-0.7	0.7	0.8	0.2	0.3	-0.4	0.9	1.2	1.2	1.2
Net financial items	-27.7	-19.5	-3.9	-3.7	-3.5	-3.7	-14.9	-3.1	-3.4	-3.3	-3.6	-13.4	-10.0	-9.0	-10.4
PTP	-8.9	4.1	1.2	2.7	8.1	6.8	18.7	3.1	3.9	8.7	6.7	22.3	27.8	29.8	29.2
Taxes	-6.6	-6.0	-0.3	-0.7	-0.7	-2.8	-4.5	-0.3	-0.9	-2.0	-2.1	-5.4	-5.6	-5.7	-5.6
Minority interest	-4.0	-3.4	-0.2	-1.0	-0.8	-1.7	-3.8	-0.2	-1.0	-1.0	-1.7	-3.9	-4.0	-4.0	-4.0
Discontinued operations	-61.1	-6.9	-21.7	1.3	-0.5	-3.1	-24.0	0.0	0.0	0.0	0.0	-10.8	0.0	0.0	0.0
Net earnings	-26.4	-29.3	0.3	-2.6	-0.4	2.2	-0.4	2.6	2.0	5.7	2.9	13.1	18.2	20.1	19.6
Interest of the hybrid	-2.1	-2.1	-1.0	-1.0	-1.0	-1.0	-4.2	-1.0	-1.0	-1.0	-0.4	-3.5	-1.7	-1.8	-1.3
EPS (rep.)	-0.29	-0.32	0.00	-0.03	0.00	0.02	-0.05	0.02	0.01	0.05	0.03	0.11	0.18	0.20	0.20

Key figures	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-36.6 %	-13.9 %	2.2 %	-3.5 %	-1.8 %	1.1 %	-0.5 %	3.8 %	3.0 %	2.0 %	1.4 %	2.5 %	2.0 %	2.0 %	2.0 %
Adjusted EBIT growth-%		86.0 %	230.7 %	46.7 %	1.0 %	8.8 %	22.8 %	23.1 %	9.0 %	-0.9 %	-4.2 %	3.2 %	4.1 %	2.9 %	2.0 %
EBITDA-%	4.5 %	5.6 %	5.2 %	5.4 %	7.5 %	6.9 %	6.3 %	5.2 %	5.8 %	7.7 %	6.8 %	6.4 %	6.5 %	6.5 %	6.5 %
Adjusted EBIT-%	1.3 %	2.8 %	2.0 %	2.6 %	4.8 %	4.1 %	3.4 %	2.4 %	2.8 %	4.6 %	3.9 %	3.4 %	3.5 %	3.5 %	3.5 %

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	351	340	344	349	351
Goodwill	27.8	27.8	27.8	27.8	27.8
Intangible assets	16.2	15.6	15.6	15.6	15.6
Tangible assets	252	252	256	260	263
Associated companies	21.8	22.3	22.3	22.3	22.3
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	12.4	3.9	3.9	3.9	3.9
Deferred tax assets	21.2	18.9	18.9	18.9	18.9
Current assets	177	172	178	182	186
Inventories	59.6	63.1	65.7	68.1	69.9
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	80.3	58.1	59.6	60.7	62.0
Cash and equivalents	36.7	51.1	52.4	53.4	54.5
Balance sheet total	528	513	522	531	538

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	215	194	198	206	195
Share capital	0.0	0.0	0.0	0.0	0.0
Retained earnings	-30.4	-46.9	-42.7	-34.3	-25.4
Hybrid bonds	25.9	20.0	20.0	20.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	193	194	194	194	194
Minorities	26.9	26.9	26.9	26.9	26.9
Non-current liabilities	178	173	181	179	193
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	172	168	176	174	188
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	5.4	5.0	5.0	5.0	5.0
Current liabilities	134	146	143	145	149
Interest bearing debt	14.0	25.5	19.6	19.4	20.9
Payables	120	120	123	126	128
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	528	513	522	531	538

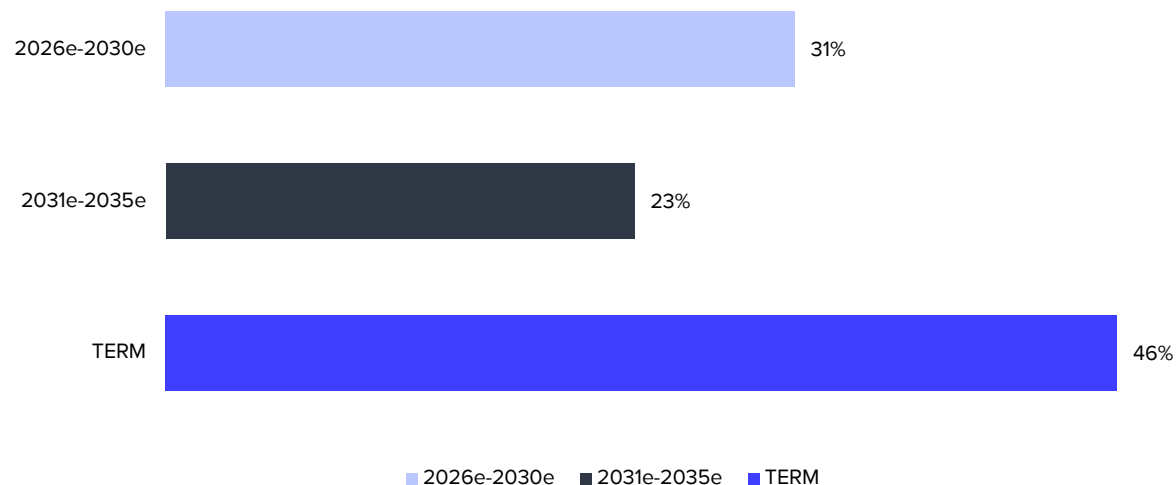
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-0.5 %	2.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	3.3 %	3.4 %	3.5 %	3.5 %	3.5 %	3.5 %	3.5 %	3.5 %	3.5 %	3.0 %	3.0 %	3.0 %
EBIT (operating profit)	32.9	34.8	36.6	37.6	38.4	39.1	39.9	40.7	41.5	35.9	36.6	
+ Depreciation	29.5	30.6	31.1	31.8	32.4	32.9	33.5	34.0	34.5	35.0	35.3	
- Paid taxes	-2.2	-5.4	-5.6	-5.7	-5.6	-5.8	-6.4	-6.6	-6.8	-5.8	-5.9	
- Tax, financial expenses	-3.7	-3.4	-2.1	-1.8	-2.1	-2.0	-1.6	-1.5	-1.5	-1.4	-1.4	
+ 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	18.4	-1.0	-1.1	-0.6	-0.6	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1	
Operating cash flow	74.9	55.6	58.9	61.3	62.4	63.6	65.3	66.5	67.6	63.6	64.4	
+ Change in other long-term liabilities	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-20.5	-34.7	-35.2	-34.6	-35.0	-35.4	-35.8	-36.2	-36.6	-37.0	-42.3	
Free operating cash flow	54.0	20.9	23.6	26.7	27.4	28.2	29.5	30.3	31.1	26.7	22.1	
+/- Other	-10.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	43.2	20.9	23.6	26.7	27.4	28.2	29.5	30.3	31.1	26.7	22.1	340
Discounted FCFF		19.8	20.6	21.4	20.3	19.2	18.5	17.5	16.5	13.0	9.9	153
Sum of FCFF present value		330	310	290	268	248	229	210	193	176	163	153
Enterprise value DCF		330										
- Interest bearing debt		-213.6										
+ Cash and cash equivalents		51.1										
+ 0		13.4										
-Minorities		-24.0										
-Dividend/capital return		-7.2										
Equity value DCF		149.8										
Equity value DCF per share		1.67										

WACC

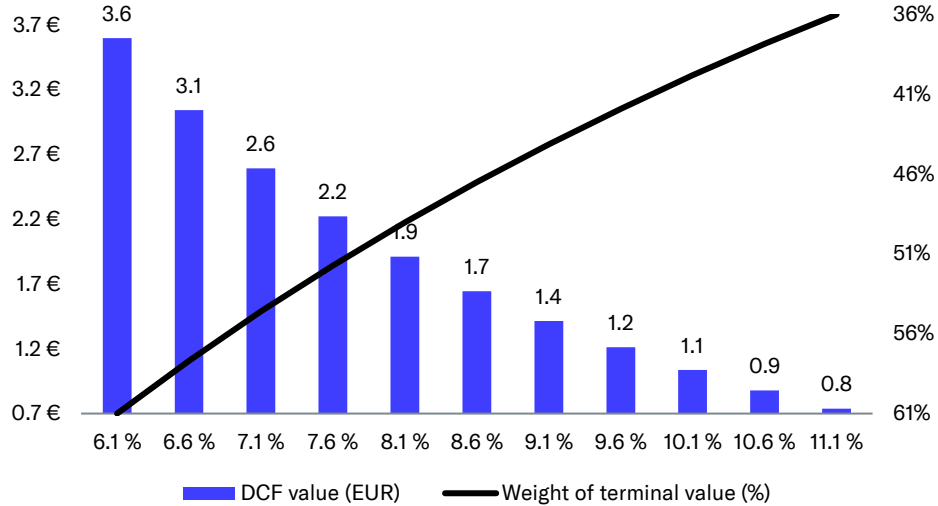
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	15.0 %
Cost of debt	6.0 %
Equity Beta	1.43
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	9.3 %
Weighted average cost of capital (WACC)	8.6 %

Cash flow distribution

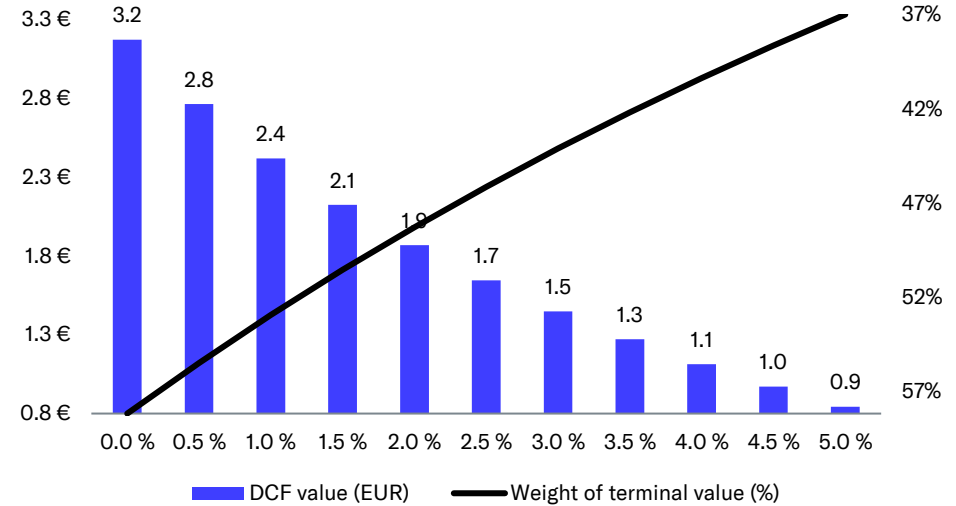


DCF sensitivity calculations and key assumptions in graphs

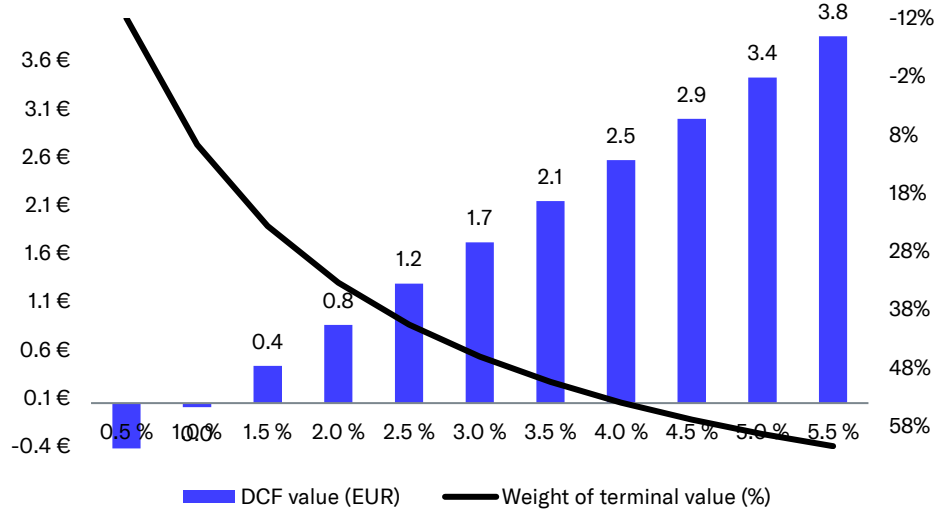
Sensitivity of DCF to changes in the WACC-%



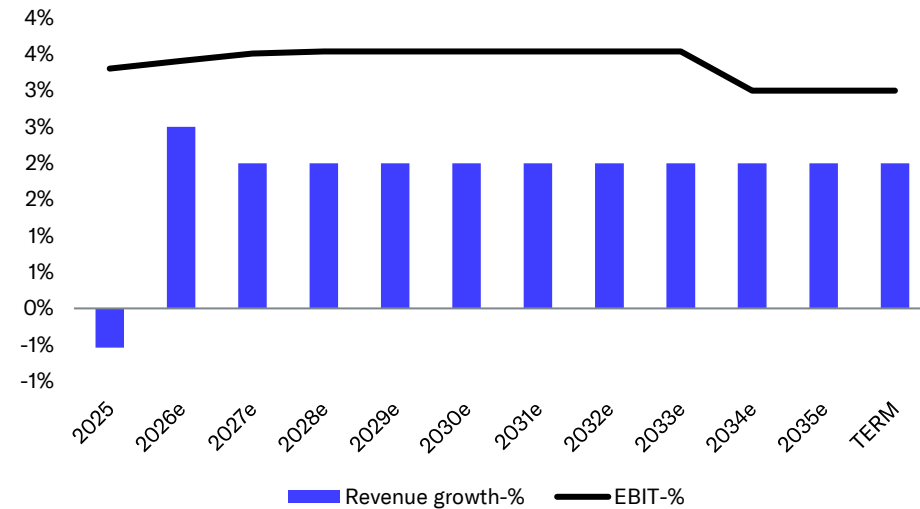
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. NBI The terminal value weight (%) is presented on a reverse scale for clarity.

Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e	
Revenue	1163.2	1001.8	996.4	1021.3	1041.7	EPS (reported)	-0.29	-0.37	-0.04	0.13	0.18	
EBITDA	52.8	56.3	62.4	65.4	67.6	EPS (adj.)	-0.32	-0.05	0.09	0.13	0.18	
EBIT	17.5	22.4	32.9	34.8	36.6	OCF / share	0.74	0.46	0.83	0.62	0.65	
PTP	-8.9	4.1	18.7	22.3	27.8	FCF / share	1.01	1.46	0.48	0.23	0.26	
Net Income	-26.4	-29.3	-0.4	13.1	18.2	Book value / share	2.17	2.10	1.86	1.90	2.00	
Extraordinary items	2.6	-5.3	-1.1	-0.3	0.0	Dividend / share	0.00	0.14	0.08	0.09	0.11	
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e	
Balance sheet total	851.7	527.6	512.5	522.0	530.7	Revenue growth-%	-37%	-14%	-1%	2%	2%	
Equity capital	238.0	215.4	193.8	198.0	206.4	EBITDA growth-%	-6%	7%	11%	5%	3%	
Goodwill	27.8	27.8	27.8	27.8	27.8	EBIT (adj.) growth-%	54%	86%	23%	3%	4%	
Net debt	278.2	149.7	142.5	143.5	140.4	EPS (adj.) growth-%	57%	86%	294%	46%	41%	
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	4.5 %	5.6 %	6.3 %	6.4 %	6.5 %	
EBITDA	52.8	56.3	62.4	65.4	67.6	EBIT (adj.)-%	1.3 %	2.8 %	3.4 %	3.4 %	3.5 %	
Change in working capital	25.1	-8.5	18.4	-1.0	-1.1	EBIT-%	1.5 %	2.2 %	3.3 %	3.4 %	3.5 %	
Operating cash flow	72.5	41.8	74.9	55.6	58.9	ROE-%	-11.2 %	-14.7 %	-0.2 %	7.7 %	10.4 %	
CAPEX	-29.9	259.2	-20.5	-34.7	-35.2	ROI-%	3.2 %	5.0 %	8.5 %	9.1 %	9.5 %	
Free cash flow	98.3	131.1	43.2	20.9	23.6	Equity ratio	27.9 %	40.8 %	37.8 %	37.9 %	38.9 %	
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	116.9 %	69.5 %	73.5 %	72.5 %	68.0 %	
EV/S	0.3	0.2	0.3	0.3	0.3		0	5.3	2.7	2.3	2.2	2.1
EV/EBITDA	7.3	4.3	4.9	5.0	4.8		0	1.9	2.9	4.2	4.9	6.8
EV/EBIT (adj.)	26.0	8.7	8.9	9.3	8.8							
P/E (adj.)	neg.	neg.	16.6	13.1	9.3							
P/B	0.5	0.4	0.9	1.0	1.0							
Dividend-%	0.0 %	18.2 %	5.4 %	5.3 %	6.5 %							

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. Per-share figures are calculated using the number of shares at year-end.

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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
6/1/2024	Reduce	0.65 €	0.70 €
8/8/2024	Reduce	0.55 €	0.63 €
9/26/2024	Reduce	0.70 €	0.72 €
11/6/2024	Reduce	0.85 €	0.88 €
1/15/2025	Reduce	1.00 €	1.00 €
2/17/2025	Reduce	1.00 €	1.09 €
5/8/2025	Accumulate	1.30 €	1.17 €
6/10/2025	Reduce	1.50 €	1.78 €
8/7/2025	Accumulate	1.70 €	1.53 €
9/4/2025	Accumulate	1.70 €	1.52 €
11/5/2025	Accumulate	1.80 €	1.63 €
12/30/2025	Buy	1.80 €	1.38 €
2/16/2026	Accumulate	2.00 €	1.78 €
4/28/2026	Reduce	1.70 €	1.71 €
5/6/2026	Reduce	1.70 €	1.70 €



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