SOLWERS

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Bearing the risk isn't appealing at this point

Solwers' third quarter was unprofitable and below our forecasts, which we had already lowered following the profit warning. This weak quarter continued the trend of several years of earnings turnaround being postponed time and again, while debt accumulated through acquisitions weighs increasingly heavily. We lowered our estimates for the rest of this year and the next, and according to our projections, the net debt-to-EBITDA ratio covenant will clearly be exceeded by year's end. In our view, a share issue is still not the most likely scenario, but the risk has increased. We lower our target price to EUR 0.9 (was EUR 1.3), and our recommendation remains Reduce.

Earnings turnaround has been postponed year after year

Since its IPO, Solwers has grown primarily through acquisitions, financing this growth largely through debt. However, due to the market downturn, the acquired companies' earnings have not been sufficient to service the debt. The EBIT margin has shrunk from around 8% in 2022 to nearly zero, while net debt has roughly doubled simultaneously. Solwers has expected a turnaround in earnings for several years, but it has been delayed time and again.

The third quarter continued the same pattern. Revenue decreased by ~7%, and adjusted EBITA turned slightly negative as the architecture business and Swedish industrial companies overshadowed the strong momentum in infrastructure and specialist expertise more. We estimate that cost-saving measures will gradually take effect, consequently improving the direction of Swedish industrial companies step by step, starting in the fourth quarter. However, price pressure continues, and the company has not been able to fully pass on wage increases to its prices.

Financier in the driver's seat

At the end of June, net debt was around 28 MEUR, about three times the company's market value of 9 MEUR. According to our calculations, the company met the September covenant limit, but the limit tightens to 5.0x at the end of the year, and based on our estimates, the ratio will be ~6.5x. The debt cannot be repaid quickly through operating cash flow because, at the current earnings level, EBITDA is mostly consumed by rents and interest expenses. Additionally, working capital was already released early in the year, and our estimates indicate that the cash flow for the remainder of the year will decrease net debt by only just over 1 MEUR.

The bank has already granted two waivers and eased the terms once, and we estimate that it will most likely postpone the decision once again, either with a new waiver or delaying the tightening of the covenants. However, we believe that the bank's willingness to be flexible diminishes with each round, and the new terms will likely be more unfavorable for the company than before. In our forecasts, financing costs already consume most of next year's EBIT.

Risk of a share issue looms unless there is a quick turnaround

We still do not believe that a share issue is the most likely scenario, but the risk increases clearly if earnings do not turn around in the coming quarters or if the bank requires additional capital from the owners in exchange for new terms. We estimate the share issue size to be 5–10 MEUR, pending how quickly the bank needs to return the net debt-to-EBITDA ratio to the original covenant level of 3.5x (in our forecasts, net debt at the end of 2027 is ~29 MEUR and EBITDA is ~5.5 MEUR). At the current price level, an issue could raise the number of shares quite clearly. We believe there is not much time, as our estimates indicate that the cash position will also drop close to or below the 4.0 MEUR minimum level in the financing agreement next summer when the seasonally weak cash flow of the early year, bank loan repayments, and earn-outs coincide.

Risk/reward ratio still not attractive

Based on our forecasts, the valuation multiples appear neutral only if the earnings turnaround continues from 2028 onward. However, the earnings level is so low in absolute terms that a faster turnaround than our estimates would decrease the multiples and clearly reduce balance sheet risk. In our view, financing-related risks currently outweigh the potential of the turnaround, and we do not yet find the share's risk/reward ratio attractive.

Recommendation
Reduce
(was Reduce)

Target price:
EUR 0.90
(was EUR 1.30)

Share price:
EUR 0.90

Business risk



Valuation risk



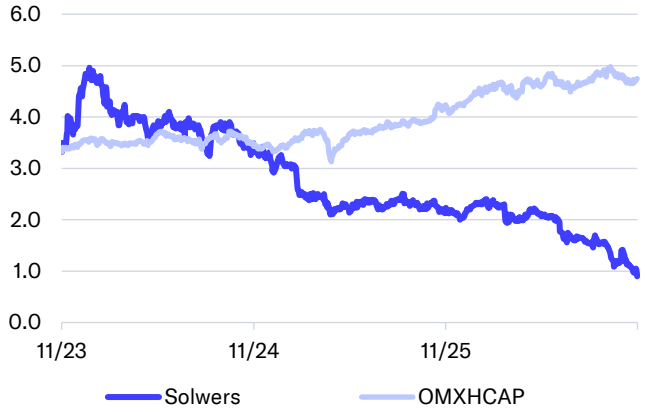
	2025	2026e	2027e	2028e
Revenue	80.6	77.9	79.5	82.7
growth-%	3%	-3%	2%	4%
EBITA adj.	2.0	0.5	1.9	3.1
EBITA-% adj.	2.4 %	0.7 %	2.4 %	3.7 %
Net Income	-1.0	-2.4	-0.6	0.4
EPS (adj.)	-0.01	-0.22	-0.06	0.04
P/E (adj.)	neg.	neg.	neg.	22.9
P/B	0.6	0.2	0.2	0.2
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	33.0	>100	26.4	14.3
EV/EBITDA	9.8	9.0	7.0	5.9
EV/S	0.6	0.5	0.5	0.5

Source: Inderes

Guidance (Unchanged)

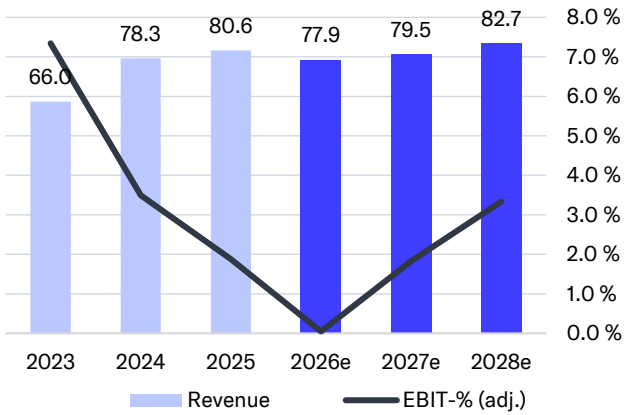
Solwers estimates that EBITA for the financial year 2026 will be positive but remain below the 2025 level, and that revenue will fall slightly short of the 2025 level.

Share price



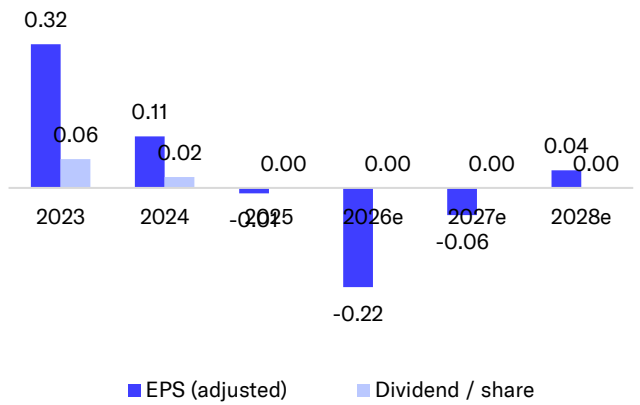
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- As market investment activity picks up and price levels recover, the earnings lever should be strong from the current weak earnings level
- Strong growth ambition and an M&A process that utilizes light integration
- Success in capital allocation determines the level of long-term value creation
- Asset-light business model

Risk factors

- The cyclical nature of customer industries
- Uncertainty and low visibility regarding market price levels and thus margin development
- Risks related to inorganic growth
- Personal dependence
- Low liquidity of the stock
- Increased indebtedness

Valuation	2026e	2027e	2028e
Share price	0.90	0.90	0.90
Number of shares, millions	10	10	10
Market cap	9.2	9.2	9.2
EV	36	38	39
P/E (adj.)	neg.	neg.	22.9
P/E	neg.	neg.	22.9
P/B	0.2	0.2	0.2
P/S	0.1	0.1	0.1
EV/Sales	0.5	0.5	0.5
EV/EBITDA	9.0	7.0	5.9
EV/EBIT (adj.)	>100	26.4	14.3
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Q3 missed expectations

Revenue fell more than expected

Solwers' Q3 revenue fell by 6.7% year-on-year to 16.4 MEUR, whereas we had forecast a slight decrease to 17.3 MEUR. January-September revenue contracted by around 3% to 58.2 MEUR. The company reported that several subsidiaries grew their revenue, supported by beneficial cyclical phase of the infrastructure business, and that Epta Advisors (formerly Szwak) and Odigo Consulting, acquired in late 2025, also contributed to growth. Excluding Epta Advisors and Odigo, acquisitions from December 2025, revenue fell by more than 10%, according to our estimates. Thus, the organic decline clearly accelerated from the beginning of the year, when we estimate it to have been around 6%.

The company attributes the decline to lower-than-expected new assignments and capacity adjustments in the architecture business, as well as low billing rates at Swedish companies that faced challenges earlier in the year. As of the end of September, the company employed 674 people, about 6% fewer than at the beginning of the year. These adjustments are therefore already visible in revenue, but we estimate that the full impact of the cost savings will only be seen in the coming quarters.

Architecture and Sweden weighed on earnings

Adjusted EBITA fell to -0.1 MEUR (Q3'25 0.4 MEUR), while our estimate was 0.2 MEUR. Reported EBITA was also -0.1 MEUR and EBIT -0.3 MEUR. There were hardly any one-off items during the quarter, even though Solwers has made staff reductions. EBITDA shrank to 0.8 MEUR (Q3'25 1.4 MEUR).

According to the CEO, there were significant differences in companies' profitability. Companies focused on specialized expertise performed well, and profitability was strong in the infrastructure business, but earnings in the architecture business fell short of expectations, despite layoffs. At companies serving the industrial sector in Sweden, profitability gradually improved towards the end of the quarter thanks to cost-saving measures. However, the company reported that the billing rate remained low, and we estimate that these measures have been significantly more effective for some Swedish companies than for others. Thus, the turnaround is not yet comprehensive.

Familiar trends in the order book

According to the company, growth in the order book is heavily weighted toward the infrastructure business, where the level of work is already good. Finnmap Infra is involved in preparing the general plan for the Porvoo–Koria section of the East Railway, and in Sweden, Wisegate Consulting and DEMAB signed framework agreements with Nordion Energi and NSVA, a water utility. Requests for quotations in architecture have increased but have not yet turned into orders. Overall, developments therefore continued to be as mixed as in previous quarters.

As of the end of September, the equity ratio was 42.3%, well above the 35% covenant limit. The company does not publish net debt and cash in the Q3 review. Return on capital employed fell to 2.1% (Q3'25: 3.3%).

Estimates	Q3'25	Q3'26	Q3'26e	Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Act. vs. inderes	Inderes
Revenue	17.6	16.4	17.3	-6%	77.9
EBITA (adj.)	0.4	-0.1	0.2	neg.	0.5
EBIT	0.3	-0.3	0.0	neg.	-0.1
Revenue growth-%	5.5 %	-6.7 %	-1.3 %	-5.5 pp	-3.3 %
EBITA-%	2.3 %	-0.8 %	1.0 %	-1.8 pp	0.7 %

Source: Inderes

Estimates lowered for the coming years as well

Outlook is coming true, our forecasts declined

Solwers reiterated the outlook it provided on October 22, according to which 2026 EBITA will be positive but remain below the previous year's 1.1 MEUR, and that revenue will remain slightly below the previous year's level of 80.6 MEUR. EBITA for January–September was 0.2 MEUR, meaning the guidance will be met even if Q4 earnings are zero. Regarding revenue, we believe the guidance suggests the decline rate will slow toward the end of the year since, at the third-quarter pace, the full-year decline would nearly reach 4%.

The Q3 outcome directly lowered our current-year forecasts. In addition, we cut our Q4 forecast since the turnaround in earnings is slower than expected. We now expect adjusted EBITA in Q4 to be 0.3 MEUR (was 0.4 MEUR, Q4'25 0.4 MEUR) and for the full year, 0.5 MEUR (was 1.0 MEUR).

Next year's earnings increase will be smaller than before

We lowered our estimates for next year as well, since the baseline for earnings improvement was lower than expected, and, in our view, a headcount that is about 6% smaller than at the beginning of the year does not support rapid revenue growth. We now expect revenue in 2027 to be 79.5 MEUR (was 82.5 MEUR) and adjusted EBITA to be 1.9 MEUR (was 2.7 MEUR). We assume that personnel will remain at the current level and that cost-saving measures will ease the cost structure. Additionally, our EBITDA forecasts decreased technically due to an update in depreciation assumptions. Our estimate still requires a clear improvement in earnings, which depends on the impact of savings measures, a smaller workforce than before, and the recovery of profitability among Swedish industrial companies. According to our estimates, financial expenses will continue to consume most of the EBIT, meaning earnings per share will not be positive until 2028.

Covenant to be clearly exceeded at year-end

The company did not comment on the September measurement date, but according to our calculations, it met the 6.5x threshold. The rolling 12-month EBITDA fell to about 4.3 MEUR at the end of September (about 4.9 MEUR in June). At the end of the year, the threshold tightens to 5.0x. According to our forecasts, net debt will be around 27 MEUR at the end of the year, and the ratio will be about 6.5x. To get below the limit, the company would need an EBITDA of around 2 MEUR in the fourth quarter (Q4'25: 1.4 MEUR) or repay several million euros in debt within a single quarter.

According to our assessment, cash flow will not provide any relief. Solwers' cash flow is usually concentrated toward the end of the year when working capital is released, but this year, about 1 MEUR of working capital was released as early as the beginning of the year. Therefore, according to our forecasts, net debt will decline by just over 1 MEUR by the end of the year, which is insufficient to bring the ratio anywhere near the 5.0x threshold. We estimate that the bank will most likely grant a new waiver or extend the covenant tightening, which will result in higher financing costs for the company, the level of which we have increased for the coming years.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	79.3	77.9	-2%	82.5	79.5	-4%	87.4	82.7	-5%
EBITDA	4.4	4.0	-9%	6.8	5.5	-20%	7.9	6.7	-16%
EBIT	0.3	-0.1	-141%	2.1	1.5	-30%	3.1	2.8	-12%
PTP	-1.7	-2.2	-26%	-0.1	-0.8	-612%	1.1	0.5	-55%
EPS (excl. NRIs)	-0.15	-0.22	-43%	-0.01	-0.06	-612%	0.09	0.04	-55%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Risks outweigh the potential

Expected return for the coming years is driven by earnings turnaround

Although our estimate for EBIT growth from 2027 to 2029 is strong, averaging around 50% per year, it starts from a very low level. With the current earnings level, the valuation is so high that a large part of the earnings growth will be consumed by multiple digestion, especially in the coming years. The expected return is not supported by dividends either because we do not expect the company to pay dividends in the coming years due to negative results and a tight balance sheet.

DCF model value decreased

We raised the cost of capital in the cash flow model to approximately 10.8%, as we believe the risk associated with the balance sheet situation has increased. Due to changes in the forecast and a higher required return, the model's value decreased to approximately EUR 0.9 per share (previously EUR 1.4). Around half of the model's value consists of the terminal value, and the long-term EBIT margin of ~6% remains below the ~7–8% level seen in 2021–2023. Indebtedness makes the value very sensitive to estimates, as of the enterprise value of ~36 MEUR, only around a quarter represents market value. Thus, a successful earnings turnaround would rapidly increase value, but equally, falling short of our earnings estimates or issuing shares at a low price would significantly reduce the value left for current shareholders.

Multiples are high for this year and the next

We cannot calculate the P/E multiples for the current and next year because financial expenses consume most of the EBIT in our estimates. The adjusted EV/EBIT multiples, which consider balance sheet structure, are over 100x for 2026 and approximately 26x for 2027, and we believe only the 2028 multiple (around 14x) approaches an acceptable level. Design and consulting firms in our peer group are currently priced at EV/EBIT multiples of approximately 9–15x based on next year's forecasts, so Solwers is trading at a premium even though its small size, high debt levels, and poor earnings visibility would justify a discount in our view. The EV/EBITDA ratio (around 7x in 2027) looks more attractive, but a large share of EBITDA at Solwers goes toward lease depreciation. In our view, the low P/B ratio (approximately 0.2x) does not support the valuation, as equity consists mainly of goodwill, more than half of which is in Sweden. Continued weak performance increases the risk of a write-down in the year-end impairment test, which would also narrow the leeway of the 35% equity ratio covenant.

Financial risk overshadows potential

We see clear long-term potential in Solwers if the market recovers and the problem companies can be turned around. However, the earnings turnaround has been postponed several times already, and, in our view, the direction of the investment story is now primarily driven by the main financier. The terms of the year-end negotiations will determine whether the company is granted more time for an earnings turnaround or if shareholders are forced to strengthen the balance sheet. At the current share price level, a share issue would severely dilute shareholders because the estimated 5–10 MEUR offering would correspond to around half, or possibly all, of the current market value. Before the financial situation clears up, we do not believe that the risk-adjusted expected return is sufficient for a positive recommendation.

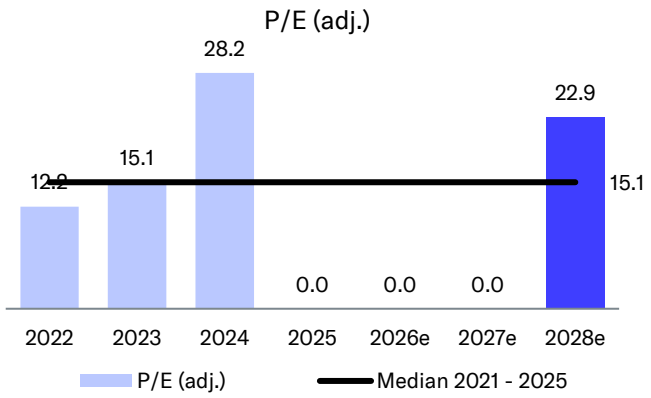
Valuation	2026e	2027e	2028e
Share price	0.90	0.90	0.90
Number of shares, millions	10	10	10
Market cap	9.2	9.2	9.2
EV	36	38	39
P/E (adj.)	neg.	neg.	22.9
P/E	neg.	neg.	22.9
P/B	0.2	0.2	0.2
P/S	0.1	0.1	0.1
EV/Sales	0.5	0.5	0.5
EV/EBITDA	9.0	7.0	5.9
EV/EBIT (adj.)	>100	26.4	14.3
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

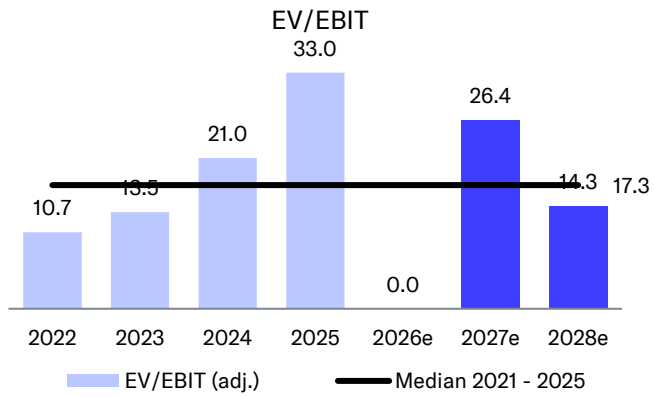
Source: Inderes

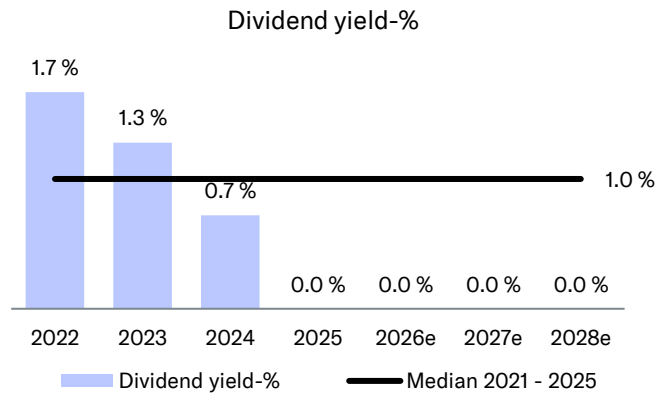
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price		4.22	4.82	3.22	2.25	0.90	0.90	0.90	0.90
Number of shares, millions		9.83	9.92	10.0	10	10	10	10	10
Market cap		41	48	32	23	9.15	9.15	9.15	9.15
EV		54	66	58	50	35.9	38.4	39.4	39.4
P/E (adj.)		12.2	15.1	28.2	neg.	neg.	neg.	22.9	9.7
P/E		12.2	15.1	28.2	neg.	neg.	neg.	22.9	9.7
P/B		1.1	1.2	0.8	0.6	0.2	0.2	0.2	0.2
P/S		0.7	0.7	0.4	0.3	0.1	0.1	0.1	0.1
EV/Sales		0.9	1.0	0.7	0.6	0.5	0.5	0.5	0.5
EV/EBITDA		6.7	8.2	8.9	9.8	9.0	7.0	5.9	5.4
EV/EBIT (adj.)		10.7	13.5	21.0	33.0	>100	26.4	14.3	11.7
Payout ratio (%)		21.1 %	20.1 %	21.0 %	0.0 %	0.0 %	0.0 %	0.0 %	20.0 %
Dividend yield-%		1.7 %	1.3 %	0.7 %	0.0 %	0.0 %	0.0 %	0.0 %	2.1 %

Source: Inderes







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Sitowise	75	146	29.2	13.9	10.8	8.4	0.9	0.9		13.1	0.5	0.7	1.1
Sweco AB	4643	5254	16.6	15.0	12.8	11.8	1.7	1.6	19.7	17.9	2.8	3.0	3.7
Afry AB	1335	1893	12.6	10.6	8.4	7.4	0.8	0.8	13.5	10.7	4.5	5.1	1.1
Rejlers AB	290	393	12.7	9.9	7.7	6.6	0.9	0.8	11.7	9.5	4.0	4.3	1.5
WSP Global	15756	20558	14.8	13.1	10.3	9.5	2.0	1.8	16.3	14.3	0.8	0.8	2.3
Etteplan	184	258	15.6	11.0	7.7	6.4	0.7	0.7	18.1	11.6	2.7	4.4	1.5
Arcadis NV	4060	5094	13.5	11.4	9.7	8.7	1.1	1.1	15.4	13.1	2.2	2.6	3.6
Multiconsult ASA	349	487	11.3	8.8	6.3	5.5	0.7	0.6	14.9	11.3	4.6	5.7	2.5
Solwers (Inderes)	9	36	946.0	26.4	9.0	7.0	0.5	0.5	-4.1	-15.0	0.0	0.0	0.2
Average			15.8	11.7	9.2	8.0	1.1	1.0	15.6	12.7	2.8	3.3	2.1
Median			14.1	11.2	9.1	7.9	0.9	0.8	15.4	12.3	2.7	3.6	1.9
Diff-% to median			6597%	136%	-1%	-11%	-46%	-42%	-127%	-222%	-100%	-100%	-87%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	H1'25	H2'25	2025	H1'26	H2'26e	2026e	2027e	2028e	2029e
Revenue	78.3	42.3	38.2	80.6	41.8	36.1	77.9	79.5	82.7	85.2
Group	78.3	42.3	38.2	80.6	41.8	36.1	77.9	79.5	82.7	85.2
EBITDA	6.5	2.3	2.8	5.1	2.1	1.9	4.0	5.5	6.7	7.3
Depreciation	-3.7	-2.1	-2.3	-4.4	-2.0	-2.1	-4.1	-4.1	-3.9	-3.9
Oikaistu EBITA	3.5	1.2	0.8	2.0	0.4	0.2	0.5	1.9	3.1	3.7
EBITA	3.0	0.4	0.7	1.1	0.3	0.1	0.3	1.9	3.1	3.7
EBIT	2.7	0.2	0.5	0.7	0.1	-0.2	-0.1	1.5	2.8	3.4
Net financial items	-1.3	-0.8	-1.0	-1.8	-1.0	-1.1	-2.1	-2.2	-2.2	-2.2
PTP	1.4	-0.6	-0.5	-1.1	-0.9	-1.3	-2.2	-0.8	0.5	1.2
Taxes	-0.2	0.1	0.2	0.2	-0.2	0.0	-0.2	0.2	-0.1	-0.3
Minority interest	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	1.1	-0.6	-0.4	-1.0	-1.1	-1.3	-2.4	-0.6	0.4	0.9
EPS (adj.)	0.11	-0.06	-0.04	-0.09	-0.11	-0.13	-0.24	-0.06	0.04	0.09
EPS (rep.)	0.11	-0.06	-0.04	-0.09	-0.11	-0.13	-0.24	-0.06	0.04	0.09

Key figures	2024	H1'25	H2'25	2025	H1'26	H2'26e	2026e	2027e	2028e	2029e
Revenue growth-%	18.6 %	6.0 %	-0.3 %	2.9 %	-1.2 %	-5.5 %	-3.3 %	2.0 %	4.0 %	3.0 %
EBITDA-%	8.3 %	5.4 %	7.4 %	6.3 %	5.0 %	5.3 %	5.1 %	6.9 %	8.0 %	8.5 %
Oikaistu EBITA-%	4.5 %	2.7 %	2.1 %	2.4 %	0.9 %	0.4 %	0.7 %	2.4 %	3.7 %	4.3 %

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	63	68	67	67	68
Goodwill	46.9	54.6	54.6	54.6	54.6
Intangible assets	3.0	2.2	2.1	1.9	1.9
Tangible assets	7.4	7.9	7.1	7.2	7.3
Associated companies	0.3	0.4	0.3	0.3	0.3
Other investments	1.9	0.0	0.0	0.0	0.0
Other non-current assets	1.2	1.2	1.2	1.2	1.2
Deferred tax assets	2.0	2.2	2.2	2.2	2.2
Current assets	31	29	27	24	25
Inventories	0.6	0.4	0.2	0.2	0.2
Other current assets	0.8	0.8	0.8	0.8	0.8
Receivables	18.3	20.1	17.9	18.3	19.0
Cash and equivalents	11.6	7.8	7.8	4.8	5.0
Balance sheet total	94	98	94	91	92

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	41	41	38	37	38
Share capital	1.0	1.0	1.0	1.0	1.0
Retained earnings	1.7	0.5	-1.9	-2.5	-2.1
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	1.5	0.7	0.7	0.7
Other equity	38.0	38.0	38	38	38
Minorities	0.2	0.2	0.2	0.2	0.2
Non-current liabilities	24	35	23	20	17
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	22.8	30.6	19.0	17.0	15.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	1.5	4.4	4.4	2.9	2.3
Current liabilities	29	21	33	34	37
Interest bearing debt	14.0	4.3	15.5	16.9	20.1
Payables	2.0	0.5	0.5	0.5	0.5
Other current liabilities	12.9	16.6	16.8	16.8	16.8
Balance sheet total	94	98	94	91	92

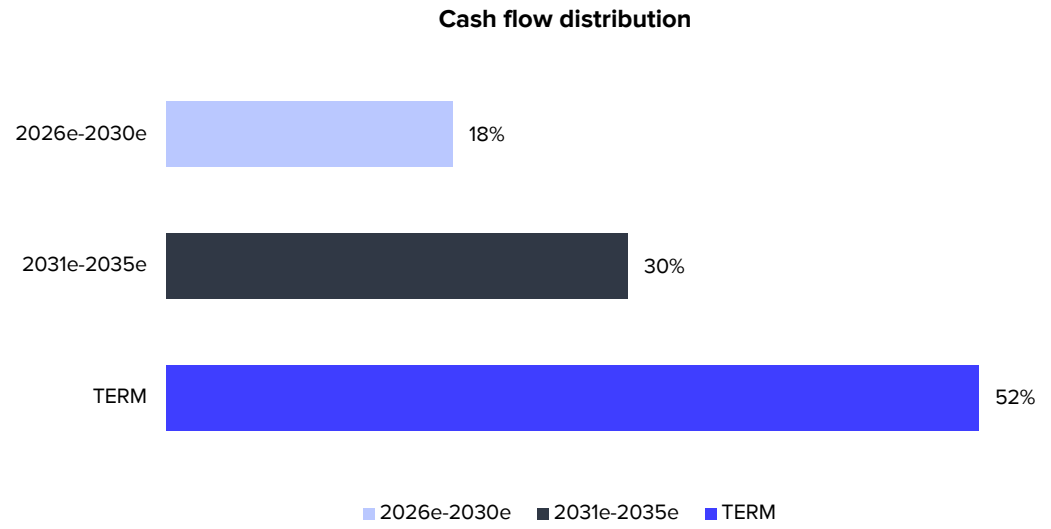
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	2.9 %	-3.3 %	2.0 %	4.0 %	3.0 %	3.0 %	3.0 %	3.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	0.9 %	-0.2 %	1.8 %	3.3 %	3.9 %	4.8 %	5.5 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %
EBIT (operating profit)	0.7	-0.1	1.5	2.8	3.4	4.2	5.0	5.6	5.7	5.8	5.9	
+ Depreciation	4.4	4.1	4.1	3.9	3.9	4.6	4.6	4.6	4.6	4.6	3.9	
- Paid taxes	0.1	-0.2	0.2	-0.1	-0.3	-0.5	-0.8	-0.9	-1.0	-1.0	-1.0	
- Tax, financial expenses	-0.4	0.2	-0.5	-0.5	-0.5	-0.4	-0.2	-0.2	-0.2	-0.2	-0.2	
+ 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	0.6	2.6	-0.4	-0.7	-0.6	-0.6	-0.6	-0.6	-0.4	-0.4	-0.4	
Operating cash flow	5.3	6.6	4.8	5.4	6.0	7.3	7.9	8.4	8.7	8.8	8.2	
+ Change in other long-term liabilities	2.9	0.0	-1.5	-0.6	-0.3	-0.3	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-9.9	-3.2	-4.0	-4.0	-4.0	-4.0	-4.0	-4.0	-4.0	-4.0	-4.1	
Free operating cash flow	-1.7	3.4	-0.7	0.8	1.7	3.0	3.9	4.4	4.7	4.8	4.1	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-1.7	3.4	-0.7	0.8	1.7	3.0	3.9	4.4	4.7	4.8	4.1	47.6
Discounted FCFF		3.3	-0.6	0.6	1.2	2.0	2.3	2.3	2.2	2.1	1.6	18.6
Sum of FCFF present value		35.8	32.5	33.0	32.4	31.2	29.2	26.9	24.6	22.3	20.2	18.6

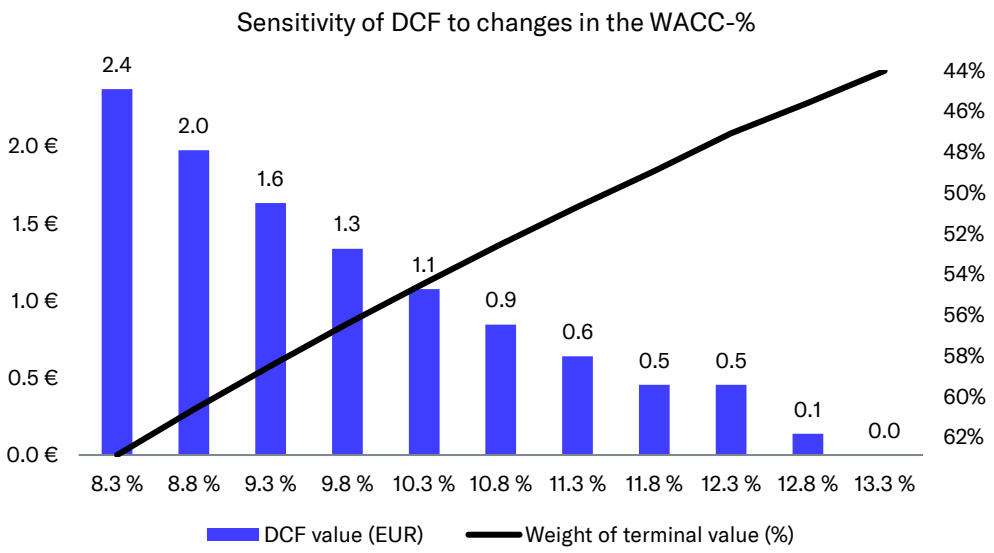
Enterprise value DCF	35.8
- Interest bearing debt	-35
+ Cash and cash equivalents	7.8
+ Associated companies	0.0
-Minorities	0.0
-Dividend/capital return	0.0
Equity value DCF	9
Equity value DCF per share	0.9

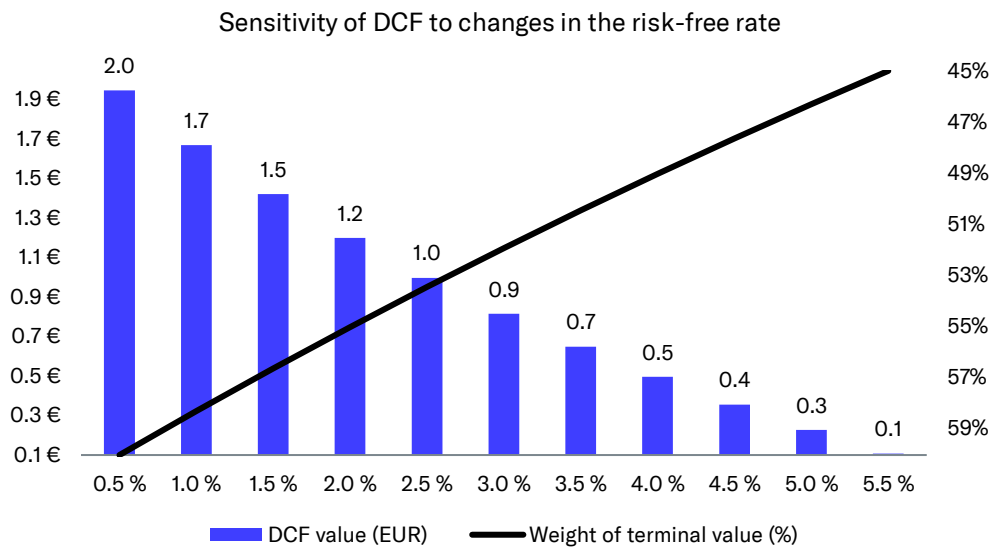
WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	4.5 %
Equity Beta	1.40
Market risk premium	4.75%
Liquidity premium	3.00%
Risk free interest rate	3.0 %
Cost of equity	12.7 %
Weighted average cost of capital (WACC)	10.8 %

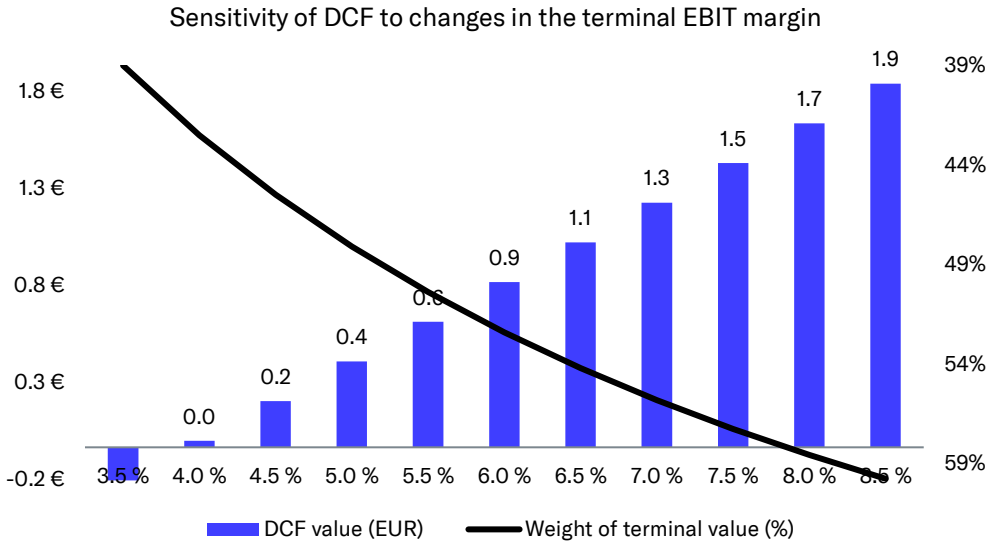
Source: Inderes

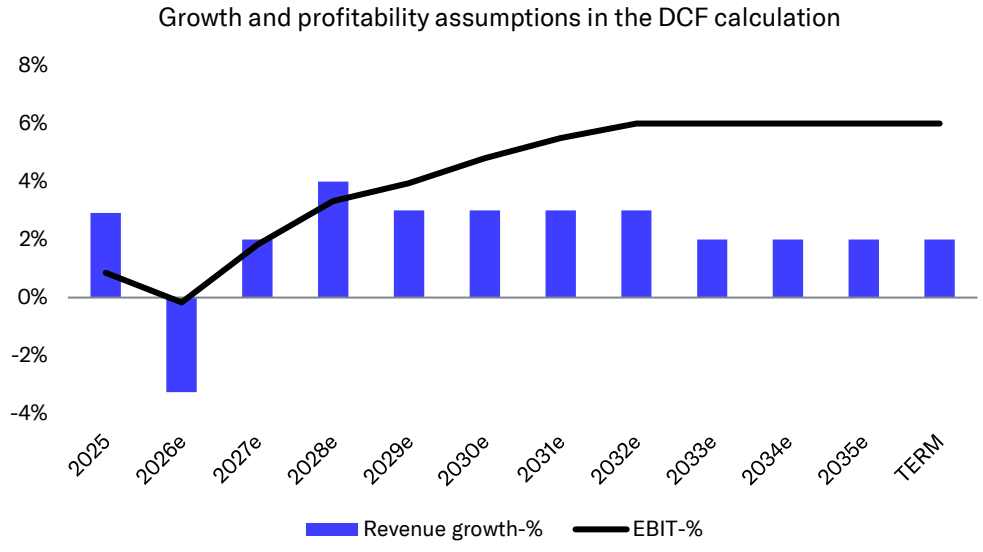


DCF sensitivity calculations and key assumptions in graphs









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	66.0	78.3	80.6	77.9	79.5
EBITDA	8.0	6.5	5.1	4.0	5.5
EBIT	4.8	2.7	0.7	-0.1	1.5
PTP	3.9	1.4	-1.1	-2.2	-0.8
Net Income	3.2	1.1	-1.0	-2.4	-0.6
Extraordinary items	0.0	0.0	-0.8	-0.2	0.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	87.0	94.1	97.6	94.2	91.5
Equity capital	40.4	40.9	41.2	38.0	37.3
Goodwill	42.0	46.9	54.6	54.6	54.6
Net debt	17.1	25.1	27.1	26.8	29.2

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	8.0	6.5	5.1	4.0	5.5
Change in working capital	-1.0	-1.8	0.6	2.6	-0.4
Operating cash flow	5.9	3.5	5.3	6.6	4.8
CAPEX	-8.5	-10.6	-9.9	-3.2	-4.0
Free cash flow	-3.1	-5.9	-1.7	3.4	-0.7

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	1.0	0.7	0.6	0.5	0.5
EV/EBITDA	8.2	8.9	9.8	9.0	7.0
EV/EBIT (adj.)	13.5	21.0	33.0	>100	26.4
P/E (adj.)	15.1	28.2	neg.	neg.	neg.
P/B	1.2	0.8	0.6	0.2	0.2
Dividend-%	1.3 %	0.7 %	0.0 %	0.0 %	0.0 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.32	0.11	-0.09	-0.24	-0.06
EPS (adj.)	0.32	0.11	-0.01	-0.22	-0.06
OCF / share	0.59	0.35	0.53	0.65	0.48
OFCF / share	-0.32	-0.59	-0.16	0.33	-0.06
Book value / share	4.02	4.05	4.03	3.71	3.65
Dividend / share		0.02	0.00	0.00	0.00

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	5%	19%	3%	-3%	2%
EBITDA growth-%	-2%	-19%	-21%	-22%	38%
EBIT (adj.) growth-%	-5%	-44%	-45%	-97%	3725%
EPS (adj.) growth-%	-8%	-64%	-111%	-1690%	73%
EBITDA-%	12.1 %	8.3 %	6.3 %	5.1 %	6.9 %
EBIT (adj.)-%	7.3 %	3.5 %	1.9 %	0.0 %	1.8 %
EBIT-%	7.3 %	3.5 %	0.9 %	-0.2 %	1.8 %
ROE-%	8.2 %	2.8 %	-2.3 %	-6.1 %	-1.6 %
ROI-%	6.8 %	3.6 %	0.9 %	-0.2 %	2.0 %
Equity ratio	46.4 %	43.4 %	42.2 %	40.3 %	40.8 %
Gearing	42.3 %	61.5 %	65.7 %	70.5 %	78.1 %
Net debt/EBITDA	2.1	3.9	5.3	6.7	5.3
EBITDA/net financials	8.2	5.0	2.8	1.9	2.5

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
6/21/2021	Reduce	8.20 €	8.35 €
9/16/2021	Accumulate	8.20 €	7.40 €
11/3/2021	Accumulate	8.60 €	7.34 €
12/1/2021	Accumulate	9.00 €	7.90 €
3/9/2022	Accumulate	8.00 €	7.20 €
3/16/2022	Reduce	7.00 €	6.97 €
9/16/2022	Reduce	5.50 €	5.34 €
1/25/2023	Buy	5.50 €	4.39 €
3/1/2023	Accumulate	6.00 €	5.36 €
9/1/2023	Accumulate	5.00 €	4.32 €
9/15/2023	Buy	5.00 €	4.06 €
1/30/2024	Accumulate	5.00 €	4.60 €
3/11/2024	Accumulate	5.00 €	4.24 €
5/14/2024	Buy	5.00 €	3.70 €
6/3/2024	Buy	5.00 €	4.00 €
8/30/2024	Buy	5.00 €	3.74 €
12/2/2024	Accumulate	4.20 €	3.42 €
2/3/2025	Reduce	2.80 €	3.02 €
2/28/2025	Reduce	2.65 €	2.50 €
5/30/2025	Accumulate	2.65 €	2.24 €
8/27/2025	Reduce	2.50 €	2.32 €
Analyst changed			
11/24/2025	Accumulate	2.50 €	2.19 €
1/7/2026	Accumulate	2.50 €	2.28 €
2/3/2026	Accumulate	2.50 €	2.23 €
3/6/2026	Reduce	2.10 €	2.13 €
5/22/2026	Reduce	2.00 €	2.08 €
6/18/2026	Reduce	1.80 €	1.95 €
Analyst changed			
8/26/2026	Reduce	1.80 €	1.63 €
10/23/2026	Reduce	1.30 €	1.22 €
11/13/2026	Reduce	0.90 €	0.90 €



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