

# NURMINEN LOGISTICS

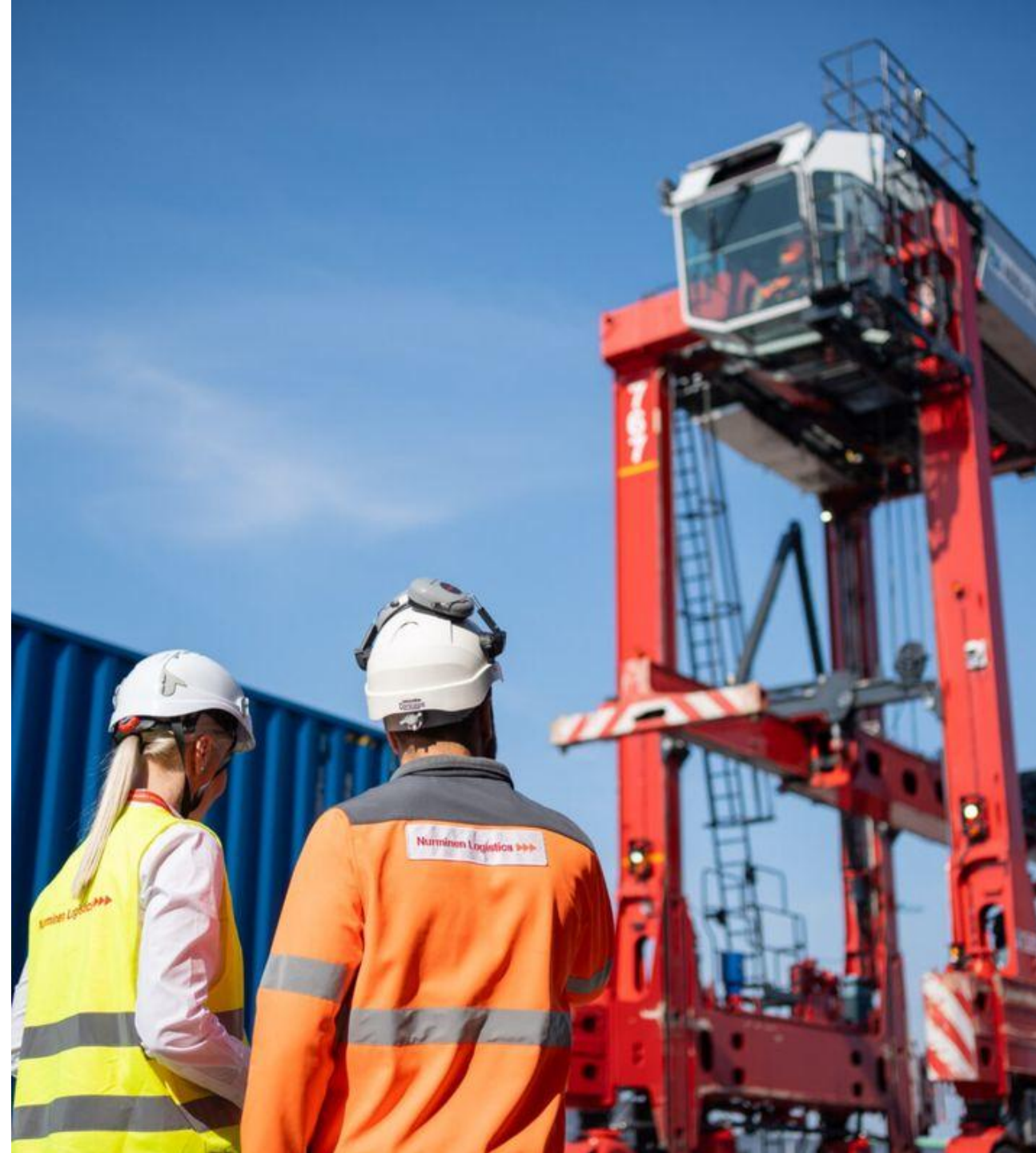
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**COMPANY REPORT**



# Valuation still moderate

We reiterate our Accumulate recommendation and EUR 1.2 target price for Nurminen Logistics. The Q2 result fell short of our expectations, reflecting the development of the Baltic operations. However, the development of the Railway business met our expectations well, even though the quarter's progress was hampered by maintenance shutdowns at North Rail's customers' factories. The company made no changes to its guidance in connection with the report, and overall, the outlook was as expected, with the uncertain market situation limiting attractive organic growth opportunities. In light of the overall picture, we made only minor negative revisions to our near-term estimates. As a result, we believe the valuation picture of the stock is moderate and find the risk-adjusted expected return attractive.

## Q2 fell slightly short of our expectations

Nurmisen's revenue grew by 24% to 27.9 MEUR in Q2, mainly through inorganic growth from the Essinge Rail acquisition. However, revenue slightly missed our forecast due to a decline in revenue from the Baltic operations. In our view, this was due to the volatile nature of raw material transports, which can vary considerably from quarter to quarter. The development of the Railway business was in line with our forecasts, although North Rail's progress was hampered by maintenance shutdowns at its customers' factories, which we believe all occurred in Q2. Based on minority interests, North Rail's development was slightly below our expectations, while other businesses grew more rapidly. Nurminen's adjusted EBITA was 4.3 MEUR, which fell short of our expectations, reflecting the revenue development and our estimated revenue distribution. By contrast, the net cost burden on the lower lines was slightly lower than we expected, reflecting which, the EPS of EUR 0.02 was in line with our forecast.

## We cut our estimates for the coming years a bit

The company reiterated its guidance for this year in connection

with the report and expects revenue (2024: 105 MEUR) and comparable EBITA (2024: 19.1 MEUR) to grow year-on-year. We still view the guidance as relatively broad, especially regarding revenue, considering the corporate arrangements made in late 2024 (especially Essinge Rail). On the other hand, based on the company's comments, Essinge's volume development has been depressed by the delayed arrival of summer, as it focuses especially on consumer products (e.g. beverages), which has also slowed down business development. In addition, increased uncertainty limits organic growth opportunities in the short term.

Based on the report, we made limited estimate revisions for this year. The biggest change was the drop in the Baltic revenue estimates, reflecting actual development. Similarly, we made slight positive revisions for the Railway business, mainly to the smaller Finnish operations. Reflecting the actual development and our revisions, we now expect the company's revenue to increase to 122 MEUR this year (was 126 MEUR) and adjusted EBIT to be 21.8 MEUR (was 23.1 MEUR). We expect the earnings level to remain fairly stable in the coming years.

## There is still upside in the valuation

With our updated estimates, the P/E ratios for Nurminen, adjusted for PPA amortizations, are approximately 10x and 8x for 2025 and 2026. Relative to our accepted multiple range (P/E 9x-12x), we believe there is upside in the earnings-based valuation, especially when looking at next year. In the short term, however, we do not think it is justified to value the stock at the very top of the range, considering the distribution of earnings (large shares of North Rail and the Baltic business), despite the addition of Essinge Rail. We estimate that the expected return will be supported in the coming years by strong performance and dividend distribution enabled by cash flow (2025e-2027e dividend yield ~5%). In addition, we believe that the company's current strong cash flow profile enables inorganic moves already in the short term.

## Recommendation

**Accumulate**

(was Accumulate)

## Target price:

**EUR 1.20**

(was EUR 1.20)

## Share price:

EUR 1.11

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
<b>Revenue</b>	104.8	122	129	135
<b>growth-%</b>	-18%	17%	6%	4%
<b>EBIT adj.</b>	19.1	21.8	22.0	21.0
<b>EBIT-% adj.</b>	18.2 %	17.8 %	17.0 %	15.6 %
<b>Net Income</b>	7.1	8.0	10.3	10.3
<b>EPS (adj.)</b>	0.09	0.11	0.14	0.14
<b>P/E (adj.)</b>	11.9	10.0	8.2	8.2
<b>P/B</b>	2.5	2.5	2.2	1.9
<b>Dividend yield-%</b>	5.7 %	5.4 %	5.4 %	5.4 %
<b>EV/EBIT (adj.)</b>	7.1	6.8	6.3	6.2
<b>EV/EBITDA</b>	5.5	5.2	4.8	4.7
<b>EV/S</b>	1.3	1.2	1.1	1.0

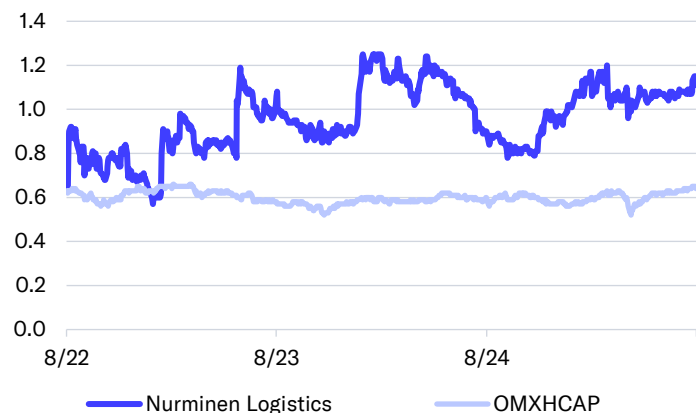
Source: Inderes

## Guidance

(Unchanged)

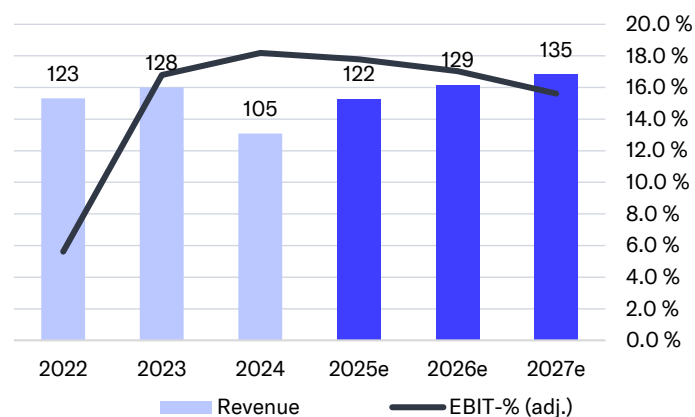
Nurminen estimates that in 2025 its revenue will grow (2024: 105 MEUR) and comparable EBIT (19.1 MEUR) will increase from 2024.

## Share price



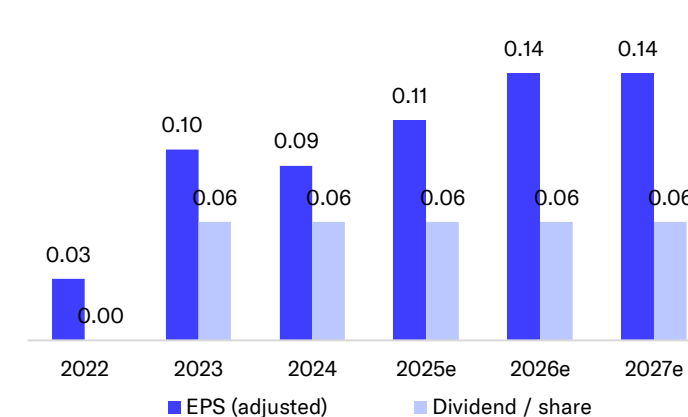
Source: Millstream Market Data AB

## Revenue and EBIT-% (adj.)



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Growth in international business
- Growth of North Rail's business
- Valuation picture changing towards a growth company
- M&A activity
- Potential normalization of the northern route in the medium to long term

## Risk factors

- Geopolitical risks (sanctions and counter-sanctions, changes in customer behavior)
- Growth dwindling in rail logistics
- Logistics prices (+/-), especially in North Rail
- Prolonged negative development of the global economy
- Customer risks
- The ownership structures of the Baltic business and North Rail mean that a significant portion of EBIT flows to minority shareholders
- Shortage of comprehensive logistics expertise in the labor market

Valuation	2025e	2026e	2027e
<b>Share price</b>	1.11	1.11	1.11
<b>Number of shares, millions</b>	80.7	80.7	80.7
<b>Market cap</b>	90	90	90
<b>EV</b>	148	138	129
<b>P/E (adj.)</b>	10.0	8.2	8.2
<b>P/E</b>	11.1	8.7	8.7
<b>P/B</b>	2.5	2.2	1.9
<b>P/S</b>	0.7	0.7	0.7
<b>EV/Sales</b>	1.2	1.1	1.0
<b>EV/EBITDA</b>	5.2	4.8	4.7
<b>EV/EBIT (adj.)</b>	6.8	6.3	6.2
<b>Payout ratio (%)</b>	60.2 %	47.1 %	47.1 %
<b>Dividend yield-%</b>	5.4 %	5.4 %	5.4 %

Source: Inderes

# Development a bit below expected, especially considering the Baltic development

## Revenue grew briskly but fell short of our expectations

Nurmisen's revenue grew by 24% to 27.9 MEUR in Q2, mainly supported by inorganic growth from the Essinge Rail acquisition. However, the development was slightly below our forecasts due to the Baltic operations, where revenue turned to decline again (Q2'25: 7.8 MEUR vs. Q1'25: 11.1 MEUR). In our view, the development was due to the volatile nature of raw material transports, which can vary considerably between quarters and years. The development of the Railway business was largely in line with our forecasts, but the report did not provide visibility into the breakdown of revenue across different businesses within the segment. However, based on the minority interests for the quarter, we estimate North Rail's development was slightly slower than we expected, and other businesses correspondingly more dynamic. North Rail's development was hampered by maintenance shutdowns at customers' factories, which, in our view, all exceptionally fell on Q2 this year.

## Profitability continues at a high level

The adjusted EBITA was 4.3 MEUR, which fell short of our expectations, reflecting the revenue development and estimated revenue distribution. Reflecting this, margin development also fell short of our forecast, which we suspect was due to more moderate development than we expected in the highest-margin businesses (North Rail, Baltics). The company recorded 0.2 MEUR in non-recurring costs during the quarter. The company also for the first time reported EBITA for the Railway business (Q2: 2.9 MEUR), which was slightly below our estimate, also due to factors related to the revenue structure (NB! the exact allocation of group expenses is not known).

Net financial expenses in the lower lines were higher than we expected, and taxes were slightly lower, following the earnings development. Correspondingly, minority interests were lower than our estimate, and reflecting this, the reported EPS was in line with our EUR 0.02 forecast.

## Cash flow remained strong

Cash flow from operating activities was at a strong level of 11.2 MEUR in H1. Reflecting investments (-3.4 MEUR), Q2 free cash flow before lease liability payments was at a fairly good level. The figures for the previous 12 months are also strong (operating cash flow 14.8 MEUR, free cash flow 20.5 MEUR). It is, however, worth noting that part of the cash flow belongs to the minority owners of the Baltic and North Rail businesses. The cash flow from investment activities also includes the effects of acquisitions and the sale of the Vuosaari property for the previous 12 months.

Reflecting this development, the equity ratio at the end of Q2 was 42% (Q2'24: 43 %) and net gearing was 64 % including IFRS 16 liabilities (Q2'24: 86%). The company's interest-bearing net debt was 26.5 MEUR. Relative to the EBITDA of the previous 12 months, this corresponded to a net debt/EBITDA ratio of some 1.0x. As such, the company's financial position is good, which in theory enables inorganic moves in the short term.

Estimates MEUR / EUR	Q2'24 Comparison	Q2'25 Actualized	Q2'25e Inderes	Difference (%) Act. vs. inderes	2025e Inderes
Revenue	22.5	27.9	29.3	-5%	122
EBITA (rep.)	3.4	4.1	5.0	-17%	21.7
EBITA (adj.)	4.0	4.3	5.0	-13%	21.8
EBIT (rep.)	3.4	3.9	4.8	-19%	20.7
PTP	2.4	2.7	3.9	-29%	16.0
EPS (rep.)	-0.01	0.02	0.02	-19%	0.10
Revenue growth-%	-28.8 %	23.9 %	29.8 %	-5.9 pp	16.8 %
Adj. EBITA-%	17.5 %	15.4 %	17.0 %	-1.6 pp	17.8 %

Source: Inderes

# We cut our estimates for the coming years a bit

## This year's guidance was repeated

In connection with the Q2 report, Nurminen reiterated its 2025 guidance and expects its 2025 revenue (2024: 105 MEUR) and comparable EBITA (2024: 19.1 MEUR) to grow year-on-year. According to the company, the expected revenue and EBIT growth are based on increasing railway operations in the Group's market areas. We still view the guidance as rather broad, especially for revenue, considering the corporate transactions made at the end of 2024 (especially Essinge Rail), whose combined revenues last year were 24.3 MEUR. On the other hand, based on the company's comments, Essingen's volume development has been depressed by, e.g., the delayed arrival of summer, as it focuses especially on consumer products (e.g. beverages). In addition, with heightened uncertainty, a rather flat market situation limits organic growth opportunities in the short term. However, we will continue to monitor any revisions to the guidance as the year progresses.

## Estimates for the current year decreased somewhat

Based on the report, we made quite limited estimate revisions for this year. The biggest change was the decrease in Baltic revenue estimates, reflecting Q2 performance and limited visibility into business volume development.

Similarly, we made slight positive revisions for the Railway Business, primarily for the smaller Finnish businesses, reflecting the estimated development and the company's outlook comments (including some new customers). We also estimate that North Rail's volumes will rise from Q2, but remain below the strong Q1 during the rest of the year.

Reflecting the changes and realized development, our EBIT forecast for this year decreased, especially reflecting the development in the Baltics, but we still expect the company to clearly reach its guidance. Similarly, in the lower lines, we slightly raised our financial cost estimates.

## Longer-term estimate revisions in the same direction

We also made similar small estimate revisions related to the revenue structure for the next few years. In addition, we slightly raised our margin estimates for North Rail after it recently announced that it had extended most of its contracts on relatively stable terms. Overall, the effects of the revisions on the operational result level are quite small. The impact on the bottom line was also mitigated by a more favorable distribution of the earnings structure for Nurminen's shareholders (i.e., a decrease in the Baltic earnings share, with significant minority interests).

We have discussed the background to our estimates in more detail in [our extensive report](#) published in June.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	126	122	-3%	133	129	-3%	139	135	-3%
EBITDA	30.0	28.4	-5%	29.8	28.8	-3%	28.0	27.7	-1%
EBIT (excl. NRIs)	23.1	21.8	-6%	23.0	22.0	-4%	21.4	21.0	-2%
EBIT	22.3	20.7	-7%	22.2	21.3	-4%	20.7	20.2	-2%
PTP	18.2	16.0	-12%	19.7	18.8	-5%	18.7	18.2	-2%
EPS (excl. NRIs)	0.12	0.11	-7%	0.14	0.14	-4%	0.14	0.14	-1%
DPS	0.060	0.060	0%	0.060	0.060	0%	0.060	0.060	0%

Source: Inderes

# There is still upside in the valuation

## Risk/reward ratio turned slightly positive

With our updated estimates, the P/E ratios for Nurminen, adjusted for estimated PPA amortizations, are around 10x and 8x for 2025 and 2026, which also consider the latest M&A transactions in full. Thus, the earnings-based valuation is within our accepted multiple range (P/E 9x-12x).

Correspondingly, we currently see the stock's justified valuation around the midpoint of the range. This is based on the company's current high return on capital, our growing confidence in the sustainability of North Rail's margin levels in the medium term (including recently renewed contracts), the expanded earnings base following the Essinge Rail acquisition, and a rapidly strengthening balance sheet. This, in turn, enables the company to make acquisitions already in the short term. However, we believe the acceptable valuation is still depressed by the prominent roles of North Rail and the Baltic business in earnings generation, as well as uncertainty regarding the sustainability of North Rail's exceptionally strong earnings performance in the long term. The risk level is also sustained by globally elevated geopolitical risks and their impacts on the economy, as well as binary risks related to North Rail and the Baltic business. We believe the probability of binary risks is low, but if they do materialize, we estimate that their impact on Nurminen's earnings would be very significant. Considering the overall picture, we still see upside in the stock's net income-based valuation for this and especially next year, as earnings development continues on the path we forecast.

Thanks to the healthy financial position and our earnings outlook (including cash flow), we also expect the stock to offer a stable base return through dividends (over 5% p.a.).

## Expected total return in the medium term

Assuming Nurminen's earnings development progresses in line with our expectations, we believe the stock could justifiably be priced at the midpoint of our acceptable valuation range with the realized earnings at the end of 2027 if no significant changes occur in market pricing or interest rates. This would be equivalent to a value of EUR 1.40-1.45 per share. Converted to annual return, this would correspond to an average of close to 11%, in addition to which we estimate the stock offers an annual dividend yield of good 5%. Thus, the medium-term total expected return is above the required return on equity of 11% we apply.

## Option to restore the China link

Currently, investors also get an option on the potentially significant recovery of the northern route. In our opinion, it is still difficult to rely on the normalization of the operating environment on the northern route, especially in the short term, and even in the longer term, there is uncertainty involved (including customer behavior). On the other hand, Nurminen has increased its offering, customer base, and geographical coverage after the suspension of the northern route. Reflecting this, we see that its long-term potential in the positive scenario has clearly increased.

## DCF value at around target price level

The good EUR 1.2 per share level indicated by our conservative (i.e., long-term profitability forecasts clearly below the current level) DCF calculation continues to support our positive view of the share, also considering the company's current earnings level.

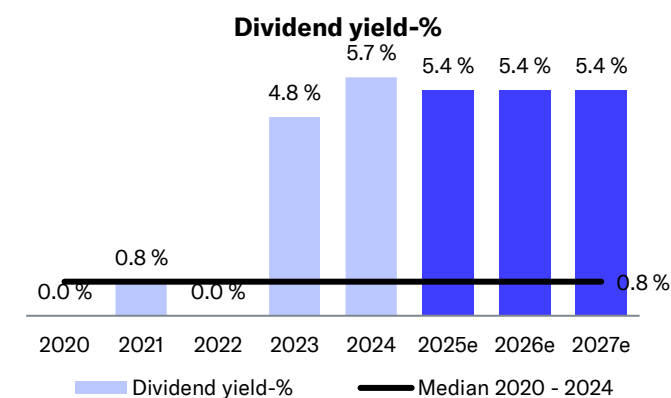
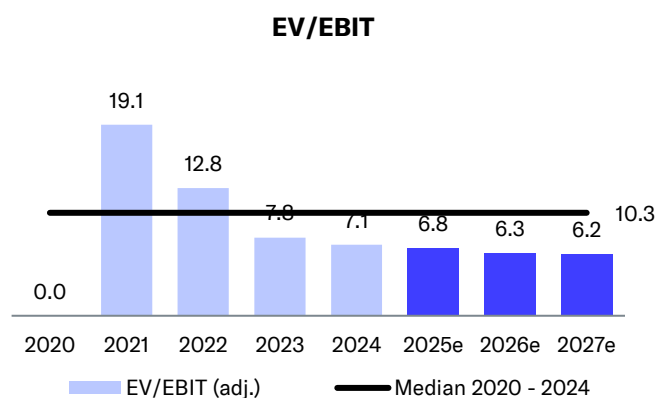
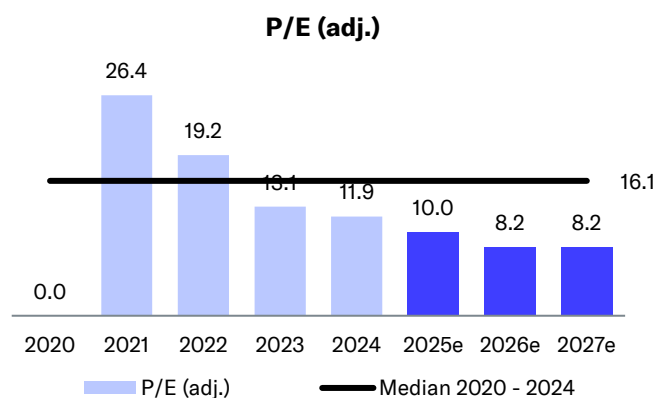
Valuation	2025e	2026e	2027e
Share price	1.11	1.11	1.11
Number of shares, millions	80.7	80.7	80.7
Market cap	90	90	90
EV	148	138	129
P/E (adj.)	10.0	8.2	8.2
P/E	11.1	8.7	8.7
P/B	2.5	2.2	1.9
P/S	0.7	0.7	0.7
EV/Sales	1.2	1.1	1.0
EV/EBITDA	5.2	4.8	4.7
EV/EBIT (adj.)	6.8	6.3	6.2
Payout ratio (%)	60.2 %	47.1 %	47.1 %
Dividend yield-%	5.4 %	5.4 %	5.4 %

Source: Inderes

# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	0.45	1.96	0.60	1.26	1.05	1.11	1.11	1.11	1.11
Number of shares, millions	44.6	77.1	78.0	78.1	78.2	80.7	80.7	80.7	80.7
Market cap	20	151	47	98	82	90	90	90	90
EV	106	194	88	168	135	148	138	129	121
P/E (adj.)	neg.	26.4	19.2	13.1	11.9	10.0	8.2	8.2	8.3
P/E	neg.	12.8	neg.	6.9	11.6	11.1	8.7	8.7	8.9
P/B	7.3	10.0	3.6	3.6	2.5	2.5	2.2	1.9	1.7
P/S	0.2	1.1	0.4	0.8	0.8	0.7	0.7	0.7	0.6
EV/Sales	1.3	1.4	0.7	1.3	1.3	1.2	1.1	1.0	0.9
EV/EBITDA	22.1	15.4	14.1	4.4	5.5	5.2	4.8	4.7	4.6
EV/EBIT (adj.)	>100	19.1	12.8	7.8	7.1	6.8	6.3	6.2	6.0
Payout ratio (%)	0.0 %	10.5 %	0.0 %	32.7 %	66.1 %	60.2 %	47.1 %	47.1 %	47.8 %
Dividend yield-%	0.0 %	0.8 %	0.0 %	4.8 %	5.7 %	5.4 %	5.4 %	5.4 %	5.4 %

Source: Inderes



# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Kuehne + Nagel	21767	24804	15.2	14.9	9.7	9.4	0.9	0.9	18.6	18.1	4.3	4.3	6.2
DSV	49552	49201	18.5	14.9	12.6	10.1	1.5	1.3	27.7	22.0	0.5	0.5	2.9
Hapag Lloyd	23077	21881	29.4	89.7	7.6	9.3	1.2	1.3	32.8	29.8	1.3	1.9	1.3
Id Logistics	2911	4007	24.3	21.7	6.8	6.2	1.1	1.0	42.4	34.6			4.3
<b>Nurminen Logistics (Inderes)</b>	<b>90</b>	<b>148</b>	<b>6.8</b>	<b>6.3</b>	<b>5.2</b>	<b>4.8</b>	<b>1.2</b>	<b>1.1</b>	<b>10.0</b>	<b>8.2</b>	<b>5.4</b>	<b>5.4</b>	<b>2.5</b>
<b>Average</b>			<b>21.9</b>	<b>35.3</b>	<b>9.2</b>	<b>8.8</b>	<b>1.2</b>	<b>1.1</b>	<b>30.4</b>	<b>26.1</b>	<b>2.1</b>	<b>2.2</b>	<b>3.7</b>
<b>Median</b>			<b>21.4</b>	<b>18.3</b>	<b>8.6</b>	<b>9.4</b>	<b>1.2</b>	<b>1.1</b>	<b>30.3</b>	<b>25.9</b>	<b>1.3</b>	<b>1.9</b>	<b>3.6</b>
<b>Diff-% to median</b>			<b>-68%</b>	<b>-66%</b>	<b>-40%</b>	<b>-49%</b>	<b>4%</b>	<b>-5%</b>	<b>-67%</b>	<b>-68%</b>	<b>303%</b>	<b>192%</b>	<b>-30%</b>

Source: Refinitiv / Inderes



# Income statement

Income statement	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
<b>Revenue</b>	<b>123</b>	<b>128</b>	<b>35.2</b>	<b>22.5</b>	<b>24.2</b>	<b>22.9</b>	<b>105</b>	<b>32.4</b>	<b>27.9</b>	<b>30.2</b>	<b>31.8</b>	<b>122</b>	<b>129</b>	<b>135</b>	<b>139</b>
Group	123	128	35.2	22.5	24.2	22.9	105	32.4	27.9	30.2	31.8	122	129	135	139
<b>EBITDA</b>	<b>6.2</b>	<b>38.4</b>	<b>7.3</b>	<b>4.6</b>	<b>8.6</b>	<b>4.2</b>	<b>24.7</b>	<b>8.1</b>	<b>5.8</b>	<b>7.0</b>	<b>7.4</b>	<b>28.4</b>	<b>28.8</b>	<b>27.7</b>	<b>26.4</b>
Depreciation	-2.8	-5.3	-1.4	-1.3	-1.0	-1.7	-5.4	-1.9	-1.9	-1.9	-1.9	-7.7	-7.6	-7.4	-7.0
<b>EBIT (excl. NRI)</b>	<b>6.9</b>	<b>21.5</b>	<b>5.9</b>	<b>4.0</b>	<b>5.6</b>	<b>3.7</b>	<b>19.1</b>	<b>6.5</b>	<b>4.3</b>	<b>5.3</b>	<b>5.7</b>	<b>21.8</b>	<b>22.0</b>	<b>21.0</b>	<b>20.2</b>
<b>EBIT</b>	<b>3.4</b>	<b>33.1</b>	<b>5.9</b>	<b>3.4</b>	<b>7.6</b>	<b>2.5</b>	<b>19.3</b>	<b>6.2</b>	<b>3.9</b>	<b>5.1</b>	<b>5.5</b>	<b>20.7</b>	<b>21.3</b>	<b>20.2</b>	<b>19.4</b>
Net financial items	-1.5	-3.7	-0.8	-0.9	-0.8	-0.6	-3.1	-1.7	-1.2	-1.0	-0.8	-4.6	-2.5	-2.0	-1.5
<b>PTP</b>	<b>1.9</b>	<b>29.3</b>	<b>5.1</b>	<b>2.4</b>	<b>6.8</b>	<b>1.9</b>	<b>16.2</b>	<b>4.5</b>	<b>2.7</b>	<b>4.1</b>	<b>4.7</b>	<b>16.0</b>	<b>18.8</b>	<b>18.2</b>	<b>17.9</b>
Taxes	-0.5	-6.1	-0.2	-2.7	-0.1	-0.2	-3.1	-1.5	-0.6	-0.8	-0.8	-3.6	-3.8	-3.5	-3.4
Minority interest	-2.5	-8.9	-2.5	-0.6	-1.6	-1.3	-6.0	-1.4	-0.7	-1.2	-1.1	-4.4	-4.6	-4.5	-4.4
<b>Net earnings</b>	<b>-1.0</b>	<b>14.3</b>	<b>2.4</b>	<b>-0.9</b>	<b>5.1</b>	<b>0.5</b>	<b>7.1</b>	<b>1.7</b>	<b>1.5</b>	<b>2.1</b>	<b>2.8</b>	<b>8.0</b>	<b>10.3</b>	<b>10.3</b>	<b>10.1</b>
<b>EPS (adj.)</b>	<b>0.03</b>	<b>0.10</b>	<b>0.03</b>	<b>-0.01</b>	<b>0.04</b>	<b>0.02</b>	<b>0.09</b>	<b>0.02</b>	<b>0.02</b>	<b>0.03</b>	<b>0.04</b>	<b>0.11</b>	<b>0.14</b>	<b>0.14</b>	<b>0.13</b>
<b>EPS (rep.)</b>	<b>-0.01</b>	<b>0.18</b>	<b>0.03</b>	<b>-0.01</b>	<b>0.07</b>	<b>0.01</b>	<b>0.09</b>	<b>0.02</b>	<b>0.02</b>	<b>0.03</b>	<b>0.03</b>	<b>0.10</b>	<b>0.13</b>	<b>0.13</b>	<b>0.13</b>
<b>Key figures</b>	<b>2022</b>	<b>2023</b>	<b>Q1'24</b>	<b>Q2'24</b>	<b>Q3'24</b>	<b>Q4'24</b>	<b>2024</b>	<b>Q1'25</b>	<b>Q2'25</b>	<b>Q3'25e</b>	<b>Q4'25e</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>	<b>2028e</b>
<b>Revenue growth-%</b>	-13.3 %	4.4 %	40.3 %	-28.8 %	-4.0 %	-50.3 %	-18.1 %	-7.8 %	23.9 %	24.9 %	38.9 %	16.8 %	5.8 %	4.1 %	3.2 %
<b>Adjusted EBIT growth-%</b>		212.1 %	61.3 %	-29.4 %	-20.3 %	-30.1 %	-11.3 %	10.6 %	9.0 %	-4.8 %	54.1 %	14.2 %	1.3 %	-4.7 %	-3.9 %
<b>EBITDA-%</b>	5.1 %	30.0 %	20.7 %	20.5 %	35.4 %	18.5 %	23.6 %	25.1 %	20.8 %	23.3 %	23.2 %	23.2 %	22.3 %	20.5 %	19.0 %
<b>Adjusted EBIT-%</b>	5.6 %	16.8 %	16.7 %	17.5 %	23.0 %	16.1 %	18.2 %	20.0 %	15.4 %	17.6 %	17.8 %	17.8 %	17.0 %	15.6 %	14.5 %
<b>Net earnings-%</b>	-0.8 %	11.2 %	6.9 %	-4.2 %	21.2 %	2.1 %	6.8 %	5.2 %	5.3 %	7.1 %	8.6 %	6.6 %	7.9 %	7.6 %	7.3 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>88.0</b>	<b>70.1</b>	<b>67.0</b>	<b>63.1</b>	<b>59.3</b>
Goodwill	0.9	7.4	7.4	7.4	7.4
Intangible assets	1.3	6.2	5.4	4.7	3.9
Tangible assets	77.2	51.0	48.7	45.5	42.5
Associated companies	0.2	0.1	0.1	0.1	0.1
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	1.0	0.1	0.1	0.1	0.1
Deferred tax assets	7.5	5.4	5.4	5.4	5.4
<b>Current assets</b>	<b>25.8</b>	<b>31.4</b>	<b>29.7</b>	<b>31.4</b>	<b>33.4</b>
Inventories	1.1	1.1	1.3	1.4	1.5
Other current assets	0.0	1.1	1.1	1.1	1.1
Receivables	11.9	12.9	15.0	15.9	16.6
Cash and equivalents	12.8	16.3	12.2	12.9	14.3
<b>Balance sheet total</b>	<b>114</b>	<b>102</b>	<b>96.8</b>	<b>94.5</b>	<b>92.8</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>45.9</b>	<b>41.2</b>	<b>44.5</b>	<b>49.9</b>	<b>55.4</b>
Share capital	4.2	4.2	4.2	4.2	4.2
Retained earnings	-14.8	-7.3	-4.0	1.5	6.9
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	38.0	35.7	35.7	35.7	35.7
Minorities	18.4	8.6	8.6	8.6	8.6
<b>Non-current liabilities</b>	<b>30.0</b>	<b>36.8</b>	<b>30.8</b>	<b>23.4</b>	<b>16.7</b>
Deferred tax liabilities	2.8	1.6	1.6	1.6	1.6
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	27.2	35.1	29.1	21.7	15.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.1	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>37.9</b>	<b>23.6</b>	<b>21.5</b>	<b>21.2</b>	<b>20.7</b>
Interest bearing debt	21.2	10.7	6.6	5.5	4.5
Payables	16.5	11.7	13.7	14.5	15.1
Other current liabilities	0.1	1.2	1.2	1.2	1.2
<b>Balance sheet total</b>	<b>114</b>	<b>102</b>	<b>96.8</b>	<b>94.5</b>	<b>92.8</b>

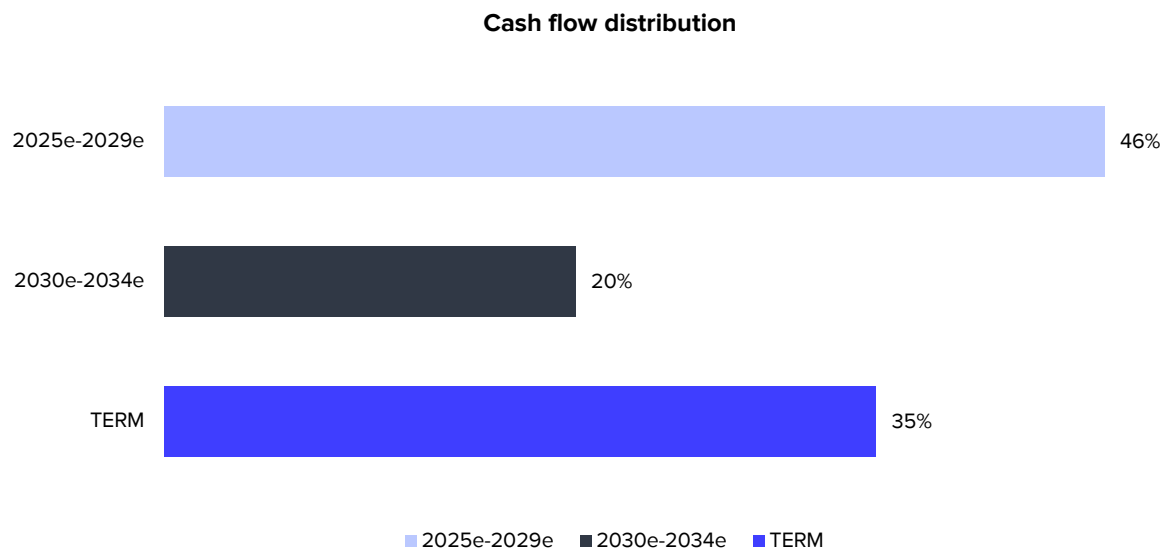
# DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-18.1 %	16.8 %	5.8 %	4.1 %	3.2 %	3.5 %	3.0 %	2.5 %	2.5 %	2.5 %	2.0 %	2.0 %
EBIT-%	18.4 %	16.9 %	16.4 %	15.0 %	14.0 %	13.0 %	11.0 %	10.0 %	9.0 %	8.0 %	8.0 %	8.0 %
<b>EBIT (operating profit)</b>	<b>19.3</b>	<b>20.7</b>	<b>21.3</b>	<b>20.2</b>	<b>19.4</b>	<b>18.7</b>	<b>16.3</b>	<b>15.2</b>	<b>14.0</b>	<b>12.8</b>	<b>13.0</b>	
+ Depreciation	5.4	7.7	7.6	7.4	7.0	6.8	6.6	6.2	5.8	5.5	5.3	
- Paid taxes	-2.2	-3.6	-3.8	-3.5	-3.4	-3.3	-2.9	-2.7	-2.4	-2.2	-2.3	
- Tax, financial expenses	-0.6	-1.1	-0.5	-0.4	-0.3	-0.2	-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	-5.8	-0.4	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
<b>Operating cash flow</b>	<b>16.0</b>	<b>23.2</b>	<b>24.3</b>	<b>23.7</b>	<b>22.6</b>	<b>21.8</b>	<b>19.7</b>	<b>18.4</b>	<b>17.1</b>	<b>15.8</b>	<b>15.8</b>	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	10.3	-4.6	-3.6	-3.7	-3.8	-5.0	-4.0	-4.1	-4.2	-4.2	-5.4	
<b>Free operating cash flow</b>	<b>26.3</b>	<b>18.6</b>	<b>20.7</b>	<b>20.0</b>	<b>18.8</b>	<b>16.8</b>	<b>15.7</b>	<b>14.3</b>	<b>12.9</b>	<b>11.6</b>	<b>10.4</b>	
+/- Other	-15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	11.3	18.6	20.7	20.0	18.8	16.8	15.7	14.3	12.9	11.6	10.4	139
<b>Discounted FCFF</b>		<b>17.9</b>	<b>18.2</b>	<b>16.0</b>	<b>13.7</b>	<b>11.2</b>	<b>9.6</b>	<b>7.9</b>	<b>6.5</b>	<b>5.3</b>	<b>4.4</b>	<b>58.3</b>
Sum of FCFF present value		169	151	133	117	103	92.0	82.5	74.5	68.0	62.7	58.3
<b>Enterprise value DCF</b>		<b>169</b>										
- Interest bearing debt		-46										
+ Cash and cash equivalents		16										
-Minorities		-34										
-Dividend/capital return		-4.7										
<b>Equity value DCF</b>		<b>100</b>										
<b>Equity value DCF per share</b>		<b>1.25</b>										

## WACC

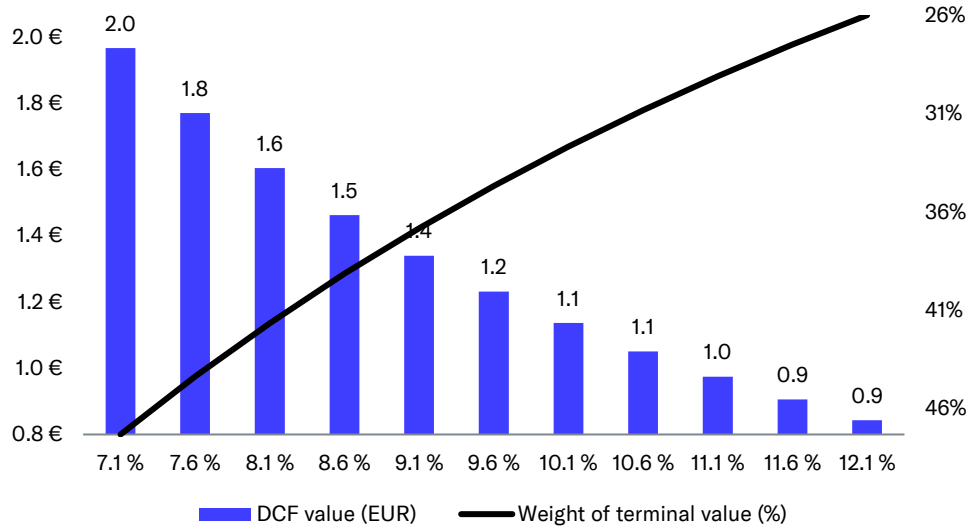
Tax-% (WACC)	19.5 %
Target debt ratio (D/(D+E))	30.0 %
Cost of debt	8.0 %
Equity Beta	1.50
Market risk premium	4.75%
Liquidity premium	1.40%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>11.0 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>9.6 %</b>

Source: Inderes

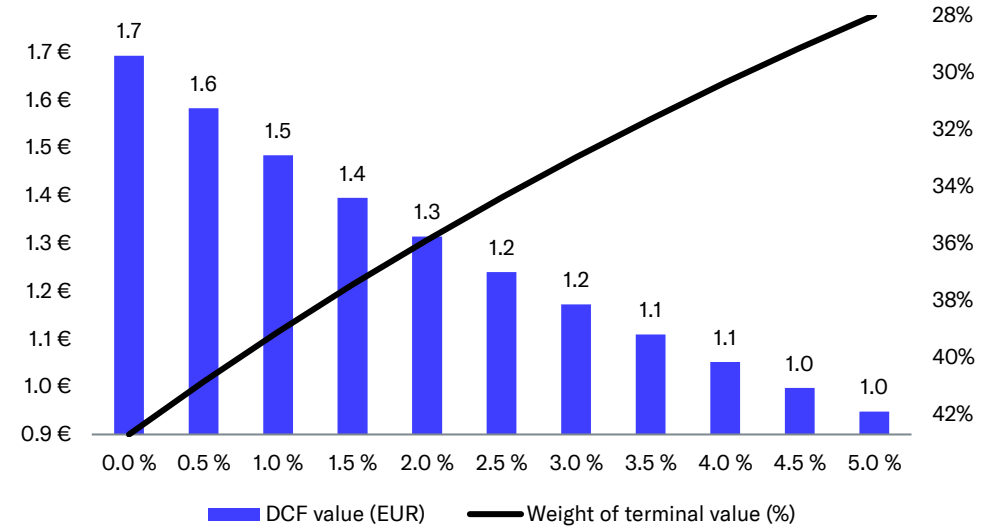


# DCF sensitivity calculations and key assumptions in graphs

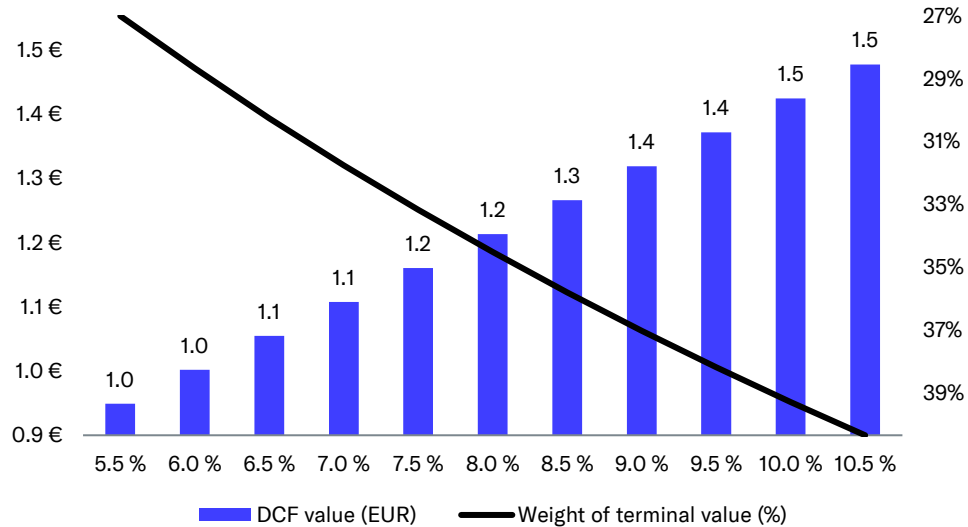
Sensitivity of DCF to changes in the WACC-%



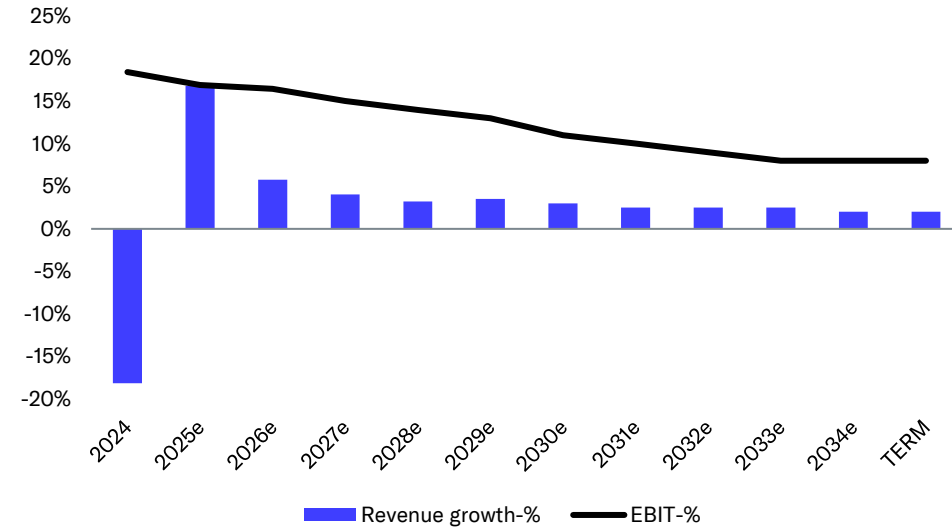
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	122.5	128.0	104.8	<b>122.3</b>	<b>129.4</b>	EPS (reported)	-0.01	0.18	0.09	<b>0.10</b>	<b>0.13</b>
EBITDA	6.2	38.4	24.7	<b>28.4</b>	<b>28.8</b>	EPS (adj.)	0.03	0.10	0.09	<b>0.11</b>	<b>0.14</b>
EBIT	3.4	33.1	19.3	<b>20.7</b>	<b>21.3</b>	OCF / share	0.08	0.47	0.21	<b>0.29</b>	<b>0.30</b>
PTP	1.9	29.3	16.2	<b>16.0</b>	<b>18.8</b>	FCF / share	0.07	-0.03	0.14	<b>0.23</b>	<b>0.26</b>
Net Income	-1.0	14.3	7.1	<b>8.0</b>	<b>10.3</b>	Book value / share	0.17	0.35	0.42	<b>0.45</b>	<b>0.51</b>
Extraordinary items	-3.5	11.6	0.2	<b>-1.1</b>	<b>-0.8</b>	Dividend / share	0.00	0.06	0.06	<b>0.06</b>	<b>0.06</b>
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	69.7	113.8	101.5	<b>96.8</b>	<b>94.5</b>	Revenue growth-%	-13%	4%	-18%	<b>17%</b>	<b>6%</b>
Equity capital	24.1	45.9	41.2	<b>44.5</b>	<b>49.9</b>	EBITDA growth-%	-51%	518%	-36%	<b>15%</b>	<b>2%</b>
Goodwill	0.9	0.9	7.4	<b>7.4</b>	<b>7.4</b>	EBIT (adj.) growth-%	-32%	212%	-11%	<b>14%</b>	<b>1%</b>
Net debt	28.9	35.6	29.5	<b>23.5</b>	<b>14.3</b>	EPS (adj.) growth-%	-58%	210%	-8%	<b>26%</b>	<b>21%</b>
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	5.1 %	30.0 %	23.6 %	<b>23.2 %</b>	<b>22.3 %</b>
EBITDA	6.2	38.4	24.7	<b>28.4</b>	<b>28.8</b>	EBIT (adj.)-%	5.6 %	16.8 %	18.2 %	<b>17.8 %</b>	<b>17.0 %</b>
Change in working capital	1.0	2.6	-5.8	<b>-0.4</b>	<b>-0.2</b>	EBIT-%	2.8 %	25.9 %	18.4 %	<b>16.9 %</b>	<b>16.4 %</b>
Operating cash flow	6.2	36.4	16.0	<b>23.2</b>	<b>24.3</b>	ROE-%	-7.4 %	70.9 %	23.6 %	<b>23.5 %</b>	<b>26.6 %</b>
CAPEX	-1.0	-38.6	10.3	<b>-4.6</b>	<b>-3.6</b>	ROI-%	5.6 %	43.1 %	21.3 %	<b>24.7 %</b>	<b>27.0 %</b>
Free cash flow	5.3	-2.2	11.3	<b>18.6</b>	<b>20.7</b>	Equity ratio	34.7 %	41.8 %	40.7 %	<b>48.0 %</b>	<b>55.2 %</b>
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	119.8 %	77.6 %	71.7 %	<b>52.8 %</b>	<b>28.6 %</b>
EV/S	0.7	1.3	1.3	<b>1.2</b>	<b>1.1</b>						
EV/EBITDA	14.1	4.4	5.5	<b>5.2</b>	<b>4.8</b>						
EV/EBIT (adj.)	12.8	7.8	7.1	<b>6.8</b>	<b>6.3</b>						
P/E (adj.)	19.2	13.1	11.9	<b>10.0</b>	<b>8.2</b>						
P/B	3.6	3.6	2.5	<b>2.5</b>	<b>2.2</b>						
Dividend-%	0.0 %	4.8 %	5.7 %	<b>5.4 %</b>	<b>5.4 %</b>						

Source: Inderes

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

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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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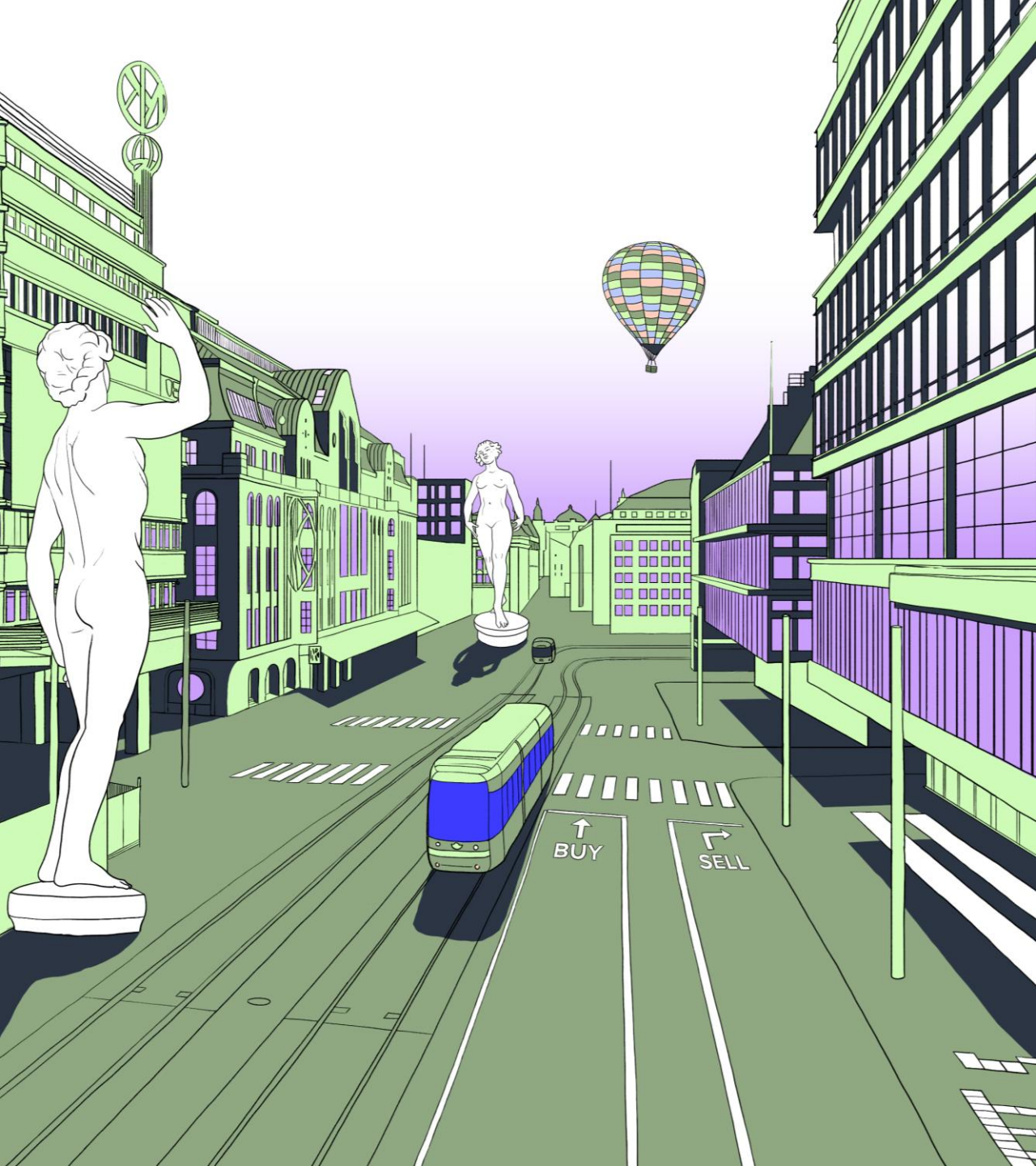
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Date	Recommendation	Target	Share price
1/9/2018	Reduce	0.56 €	0.58 €
3/9/2018	Reduce	0.52 €	0.54 €
6/6/2018	Reduce	0.50 €	0.49 €
8/10/2018	Reduce	0.42 €	0.45 €
12/19/2018	Reduce	0.27 €	0.28 €
3/11/2019	Sell	0.27 €	0.35 €
8/7/2019	Sell	0.27 €	0.30 €
8/12/2019	Sell	0.25 €	0.27 €
3/9/2020	Sell	0.25 €	0.28 €
8/10/2020	Sell	0.25 €	0.34 €
3/8/2021	Sell	0.35 €	0.70 €
8/4/2021	Sell	0.45 €	1.16 €
8/9/2021	Reduce	1.10 €	1.21 €
<i>Analyst changed</i>			
11/19/2021	Accumulate	1.70 €	1.53 €
3/4/2022	Accumulate	1.25 €	1.10 €
4/19/2022	Reduce	1.25 €	1.28 €
8/5/2022	Accumulate	1.00 €	0.83 €
11/16/2022	Reduce	0.70 €	0.73 €
2/15/2023	Accumulate	1.10 €	0.98 €
3/2/2023	Accumulate	1.10 €	0.91 €
5/29/2023	Buy	1.40 €	1.04 €
8/4/2023	Buy	1.40 €	0.99 €
10/23/2023	Buy	1.25 €	0.85 €
1/25/2024	Accumulate	1.40 €	1.25 €
3/1/2024	Accumulate	1.40 €	1.23 €
4/26/2024	Accumulate	1.40 €	1.20 €
7/30/2024	Accumulate	1.05 €	0.90 €
8/5/2024	Accumulate	1.05 €	0.88 €
10/30/2024	Buy	1.05 €	0.84 €
11/12/2024	Buy	1.20 €	0.97 €
2/28/2025	Accumulate	1.20 €	1.10 €
4/25/2025	Accumulate	1.20 €	1.10 €
6/16/2025	Accumulate	1.20 €	1.04 €
8/1/2025	Accumulate	1.20 €	1.11 €



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