

KOSKISEN

2/18/2025 10:30 am EET

This is a translated version of "Potentiaalia ja riskejä on hinnassa tasapainoilla" report, published on 2/18/2025



Antti Viljakainen
+358 44 591 2216
antti.viljakainen@inderes.fi

INDERES CORPORATE CUSTOMER COMPANY REPORT



Potential and risks are balanced in price

We reiterate our Reduce recommendation for Koskisen and revise our target price to EUR 7.25 (was EUR 7.50). Koskisen's Q4 report was largely weaker than we expected, but we have so far made only modest negative changes to our near-term forecasts. In our view, Koskisen's stock is still largely correctly priced, given the rising earnings curve, a reasonable dividend and the expectations already built into the stock. As a result, the expected return on the stock in our book is still below our required return on a one-year horizon. Our extensive report on Koskisen, published in January, is available [here](#).

Q4 operating performance improved from weak comparables, but slightly below forecasts

In Q4, Koskisen achieved an adjusted EBITDA of 5.7 MEUR on a revenue of 73 MEUR in a mainly weak market. Operating result improved year-on-year, driven by moderate growth in Sawn Timber Industry, but the result was not quite in line with our and consensus forecasts. In Panel Industry, profitability was impacted by several one-off items totaling more than 1 MEUR, which slightly mitigated the disappointing result. The dividend proposal was cut more than expected to EUR 0.11 per share, but we are neutral on the cut given the growth-oriented strategy and continued investments. We commented on the result yesterday [here](#).

Weak profitability guidance for current year

Koskisen gave guidance for the current year, according to which revenue will grow from last year (2024: 282 MEUR revenue) and the adjusted EBITDA margin will be 7-11%. The guidance was in line with revenue expectations, but the consensus adjusted EBITDA margin forecast was at the high end of the range prior to the report, and our own guidance was also above the midpoint. The company based its broad and moderately weak profitability guidance on construction demand still showing limited signs of recovery, at least for the first half, general uncertainty, and growth concentrated in the lower-

margin Sawn Timber Industry. The drivers were as such known, but they were still reflected in the guidance a bit more strongly than we and especially consensus estimates had expected.

Subsequent to the report, we lowered our volume forecasts for both businesses, particularly for H1, still reflecting the weak outlook for the construction sector and European economic growth. However, we have slightly increased our Sawn Timber Industry margin forecasts as the benefits of Järvelä's sawmill investments may have the potential to support profitability somewhat faster than we previously expected (cf. earnings beat in Q3 and Q4). Similarly, profit forecasts for Panel Industry declined due to lower volumes and higher cost forecasts (especially for logs). Our Group-level adjusted EBITDA forecasts decreased by 2% for this year and remained stable for next year. Over the next several years, we expect Koskisen's adjusted EBITDA to continue to grow as lower interest rates and a return of confidence support demand and pricing in both businesses and as the company's investments drive efficiencies.

We still consider the stock to be correctly priced

Koskisen's 2025 and 2026 EV/EBITDA ratios that consider the strong balance sheet are around 6x and 5x and the P/B ratio is around 1.1x (2024a). The multiples are weighted within our approved ranges for the current year, taking into account the company's estimated return on capital and risk profile. The DCF value is also around the current share price level with our current conservative parameters. Thus, Koskisen's expected return, consisting of earnings growth, multiple contraction (2024a P/E 20x) and a dividend yield of around 2%, remains below our required return over a one-year horizon. We maintain our cautious stance on the stock, although there could be leverage in the medium term if the European construction and economic recovery were to surprise positively during 2025-2026.

Recommendation

Reduce

(was Reduce)

Target price:

EUR 7.25

(was EUR 7.50)

Share price:

EUR 7.10

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	282.2	316.7	351.0	370.0
growth-%	4%	12%	11%	5%
EBIT adj.	13.1	19.1	26.9	29.8
EBIT-% adj.	4.7 %	6.0 %	7.7 %	8.0 %
Net income	8.3	12.8	19.6	22.0
EPS (adj.)	0.36	0.55	0.85	0.95
P/E (adj.)	19.1	12.8	8.4	7.4
P/B	1.1	1.0	0.9	0.9
Dividend yield-%	1.6 %	2.4 %	3.4 %	4.2 %
EV/EBIT (adj.)	14.8	10.2	6.9	5.8
EV/EBITDA	8.0	6.0	4.6	3.9
EV/S	0.7	0.6	0.5	0.5

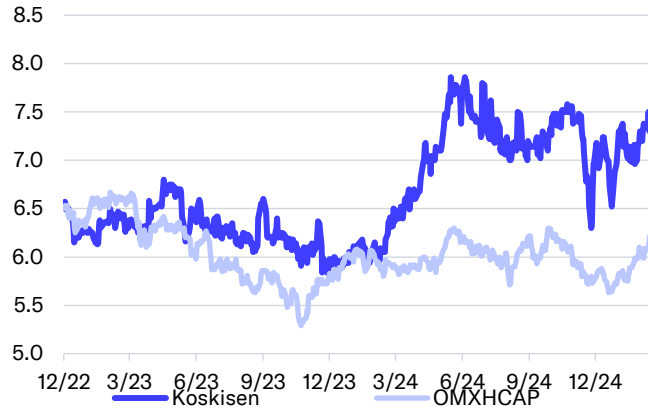
Source: Inderes

Guidance

(New guidance)

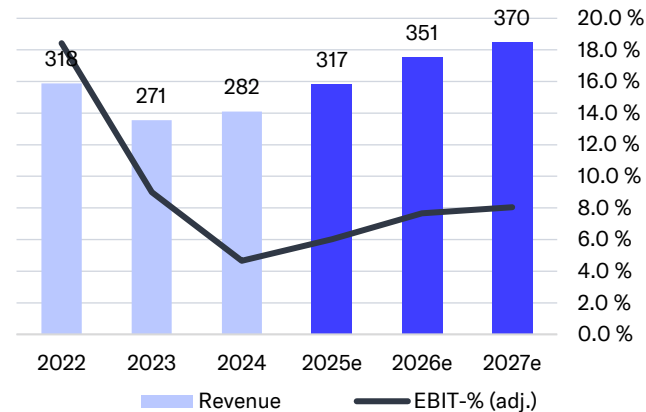
Koskisen Group's revenue for 2025 is expected to grow from the 2024 level. The adjusted EBITDA margin is expected to be 7-11%.

Share price



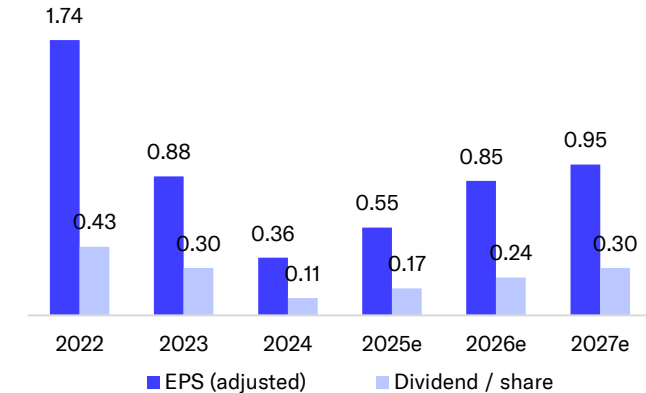
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Healthy long-term demand trends
- Increasing exports and finding customers who appreciate customization
- Potential for improvement in the level of profitability
- Business generates value (ROIC>WACC) in a favorable cycle
- War-related supply disruptions help Panel Industry for the foreseeable future

Risk factors

- Cyclical demand
- Tight competition situation in for Sawn Timber Industry
- Removal of the supply disruptions in Panel Industry
- Tight timber market in Finland

Valuation	2025e	2026e	2027e
Share price	7.10	7.10	7.10
Number of shares, millions	23.0	23.0	23.0
Market cap	163	163	163
EV	194	185	173
P/E (adj.)	12.8	8.4	7.4
P/E	12.8	8.4	7.4
P/B	1.0	0.9	0.9
P/S	0.5	0.5	0.4
EV/Sales	0.6	0.5	0.5
EV/EBITDA	6.0	4.6	3.9
EV/EBIT (adj.)	10.2	6.9	5.8
Payout ratio (%)	30.6 %	28.2 %	31.4 %
Dividend yield-%	2.4 %	3.4 %	4.2 %

Source: Inderes

Sawn Timber Industry above, Panel Industry below forecasts in Q4

Moderate growth in a difficult market driven by Sawn Timber Industry

In Q4, Koskisen's revenue grew by 6% from a weak comparison figure to 73 MEUR, below consensus and especially below our forecast. This growth was entirely due to higher volumes and prices in Sawn Timber Industry, while Panel Industry's revenue remained at the weak level of the previous year due to flat volume and price components. Overall, the sluggish revenue development and the weaker-than-expected performance in both businesses continue to reflect the very weak overall picture of the European economy, especially the construction industry, at the end of the year.

Result below expectations, but there were mitigating factors in Panel Industry numbers

Koskisen's adjusted EBITDA increased by 4% to 5.7 MEUR in the fourth quarter. The operating result missed our and consensus forecasts by about 10%. Adjusted EBITDA in Sawn Timber Industry more than tripled to 3.3 MEUR (Q4: adj.

EBITDA-% 8.6%), driven by revenue growth, a strong energy wood market in terms of prices and the increase in capacity utilization of the new Järvelä sawmill. The performance of the unit clearly exceeded our forecasts. The Q4 earnings disappointment was caused by Panel industry, where adjusted EBITDA almost halved to 2.5 MEUR (Q4: adj. EBITDA 7.6%) due to the increase in the price of birch logs, the ramp-up of the Kore business, and write-downs of spare parts inventory and trade receivables. According to the company's earnings call, the combined effect of these last three items was more than 1 MEUR negative for Panel Industry in Q4. In our view, this neutralizes the weaker-than-expected result, even though these items are operational. There were no surprises in the results of the 'Other' unit.

Further down the P&L, Koskisen recorded marginal one-off expenses for Q4, while financing expenses landed above and taxes below our forecast. As a result, EPS fell to EUR 0.07, below our and consensus forecasts, in line with the operating result. Koskisen's free cash flow improved from zero in the comparison period to only around 3 MEUR in Q4, as the result

was modest and also the typical working capital release for Q4 was not seen due to the increase in volumes and raw material inventory (incl. price).

Balance sheet is in good condition

Koskisen's net gearing at the end of Q4 was 15% (Q4'23: net gearing -2%). The still quite strong balance sheet gives the company a buffer against cyclical risks and creates leeway for implementing the growth strategy. However, based on the earnings call, the company will not be making the previously announced investment of probably several tens of millions of euros in the new wood product line in the near future, so that investments in the coming years are expected to be mainly focused on the investment program of Panel Industry (incl. the announced investments of 12 MEUR for this year).

The dividend proposal fell more sharply than estimated to EUR 0.11 per share. We are neutral on the cut given the company's growth-focused strategy and continued investment.

Estimates MEUR / EUR	Q4'23	Q4'24	Q4'24e	Q4'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	68.7	73.0	78.3	75.7	0.0	0.0	-7%	282
EBITDA (adj.)	5.5	5.7	6.2	6.5	0.0	0.0	-8%	24.2
EPS (reported)	0.11	0.07	0.08	0.09	0.00	0.00	-13%	0.37
DPS	0.30	0.12	0.25	0.22	0.00	0.00	-52%	0.11
Revenue growth-%	-11.3 %	6.3 %	14.0 %	10.2 %	-100.0 %	-100.0 %	-7.8 pp	4.0 %
EBITDA-% (adj.)	8.0 %	7.8 %	7.9 %	8.6 %			-0.1 pp	8.6 %

Source: Inderes & Koskisen, 3 forecasts (consensus)

We remain in the upper half of the guidance range for profitability

Weak profitability guidance for current year

The guidance was in line with revenue expectations, but the consensus adjusted EBITDA margin forecast was at the high end of the range prior to the report, and our own guidance was also above the midpoint. We expected Koskisen to guide for an adjusted EBITDA margin of 8-12% for 2025, similar to 2024, so the guidance leaves the door open for quite weak profit development this year.

Koskisen justified the guidance with the still limited signs of recovery, at least for the first half of the year, due to demand from the construction sector, general uncertainty and growth concentrated in the low-margin Sawn Timber Industry. The drivers were as such known, but they were still reflected in the guidance a bit more strongly than we and especially consensus estimates had expected. However, we expect the lower end of the margin guidance in particular to be very cautious, as the progress of Järvelä's sawmill investments should make the company more stable to withstand a weak market. In addition, the

market situation does not seem to be deteriorating further in terms of demand or pricing of finished products, but the main risk is a prolongation of the weak market situation. However, there may still be some headwinds in the raw material market, at least in H1, when the full impact of last year's increase in timber prices is expected to be reflected in the income statement.

We made only minor changes to our earnings forecasts

Subsequent to the report, we lowered our volume forecasts for both businesses, particularly for the first half, due to continued weakness in the construction sector and the outlook for European economic growth. However, we have slightly increased our Sawn Timber Industry margin forecasts as the benefits of Järvelä's sawmill investments may have the potential to support profitability somewhat faster than we previously expected (cf. forecast beats in Q3 and Q4). Forecasts for Panel Industry were also depressed by declining volumes and higher cost forecasts (particularly for birch logs and sawdust). Our forecast for the Group's

adjusted EBITDA margin decreased by 2% this year and remained stable for next year. On the lower lines, the changes were slightly higher due to a slight increase in depreciation and financing cost forecasts.

We expect Koskisen's adjusted EBITDA to continue to grow over the next several years as demand and pricing, particularly in the global construction and European logistics sectors, gradually recover as interest rates decline and confidence returns. In addition, between 2025 and 2026, the efficiency gains from the company's investments should begin to be reflected in the results. The main risks to our forecasts are the global economy, commodity prices, competition, tariffs and the end of the war in Ukraine. The latter two factors may have unpredictable indirect positive and/or negative effects on Koskisen's market.

We discussed the assumptions behind our forecasts in more detail in our January [extensive report](#).

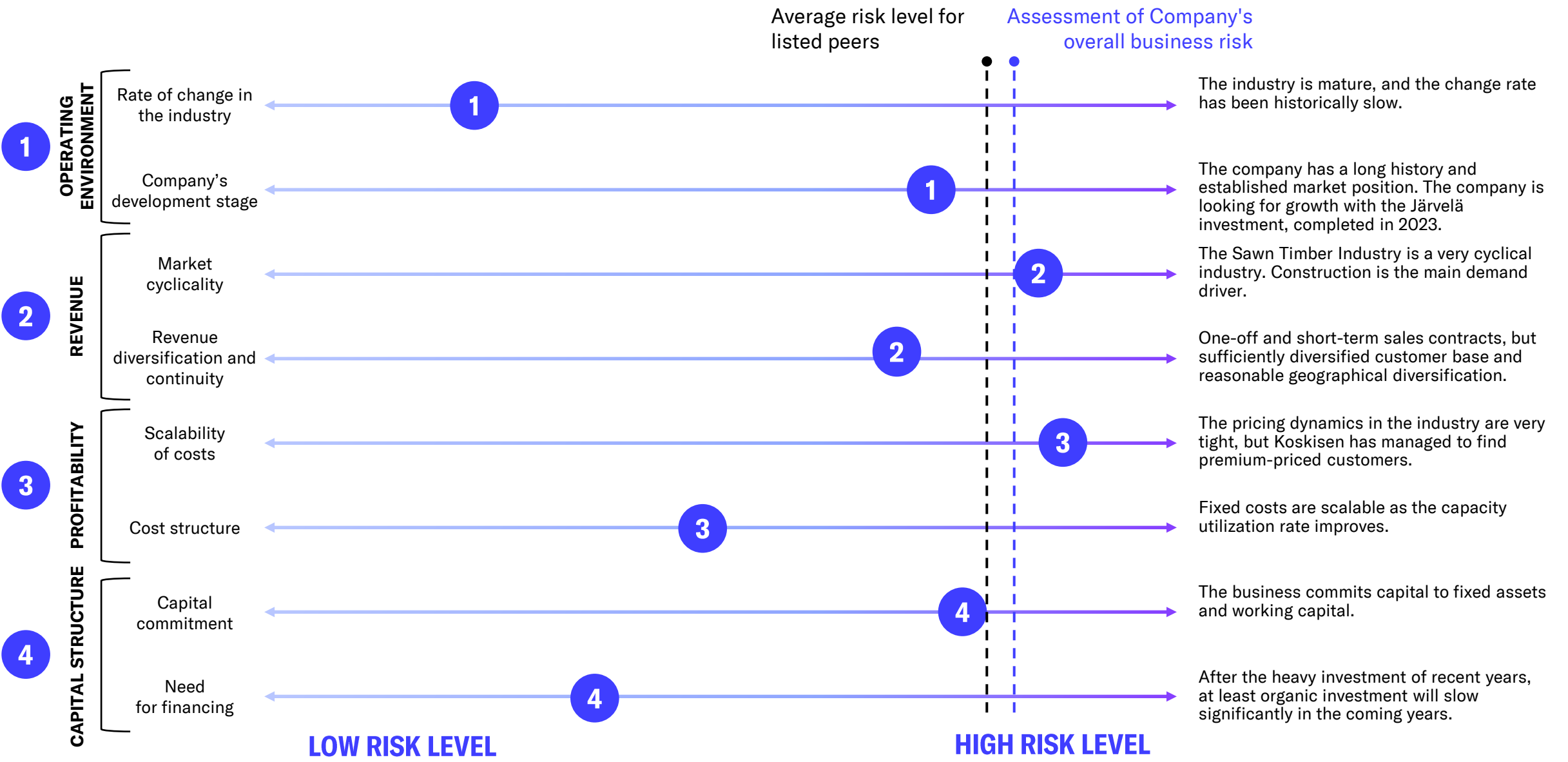
Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	288	282	-2%	327	317	-3%	369	351	-5%
EBITDA	24.7	24.2	-2%	32.6	32.1	-2%	40.6	40.6	0%
EBIT (exc. NRIs)	13.5	13.1	-2%	19.6	19.1	-3%	27.2	26.9	-1%
EBIT	13.4	13.0	-3%	19.6	19.1	-3%	27.2	26.9	-1%
PTP	10.6	10.0	-6%	17.2	16.0	-7%	25.0	24.5	-2%
EPS (excl. NRIs)	0.37	0.36	-2%	0.60	0.55	-7%	0.87	0.85	-2%
DPS	0.25	0.11	-56%	0.30	0.17	-43%	0.32	0.24	-25%

Source: Inderes

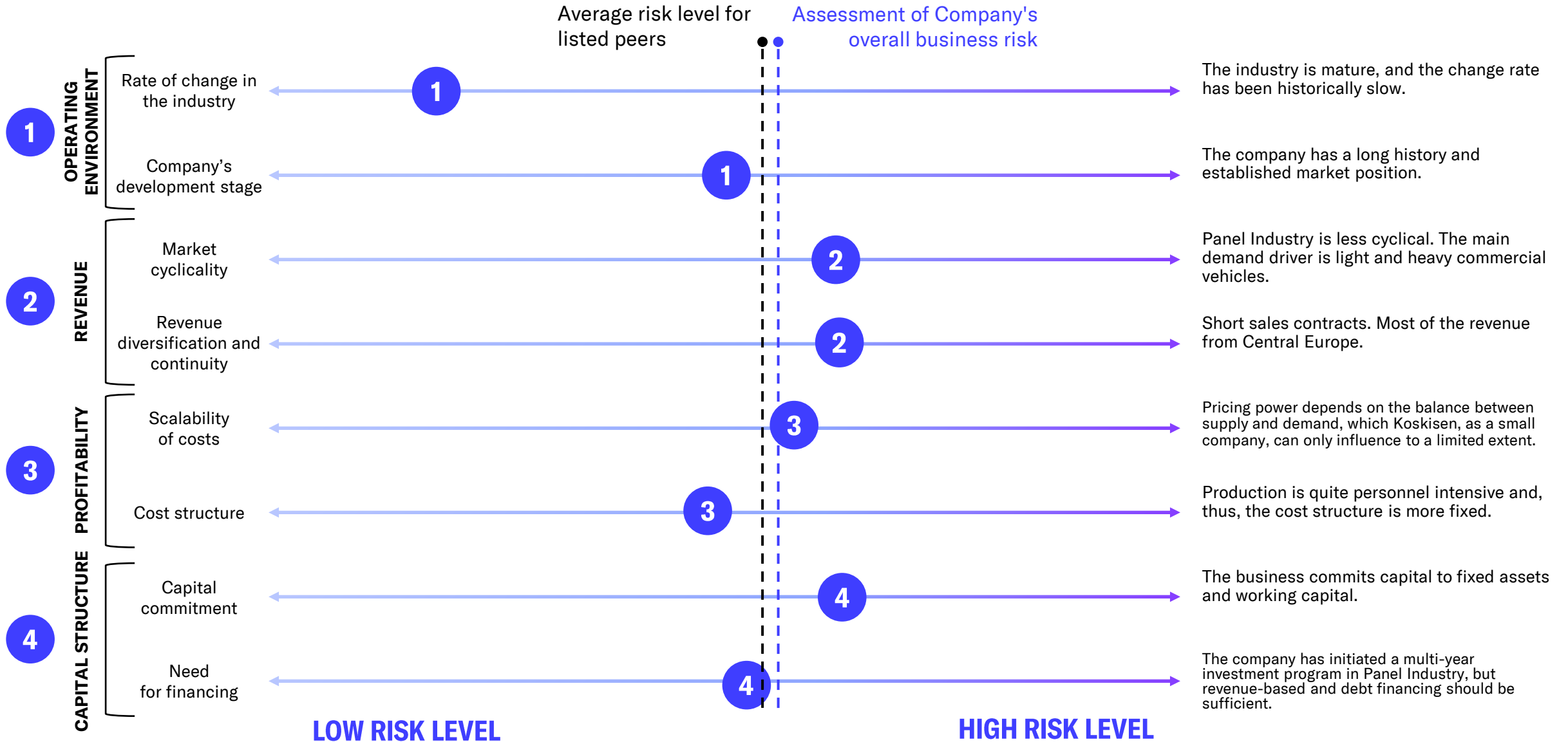
Koskisen, Webcast, Q4'24



Risk profile of Koskisen's Sawn Timber Industry



Risk profile of Koskisen's Panel Industry



Valuation picture more or less unchanged

Main focus on earnings multiples

We focus on earnings-based multiples in Koskisen's valuation. We feel acceptable EV/EBITDA ratios for Koskisen are roughly 4-7x, considering the growth and profitability levels of the business and the risk profile. The acceptable P/E based valuation range is 10x-14x in our opinion. On an annual basis, the multiples may occasionally stretch to a wide range, especially due to the strong cyclicity of the Sawn Timber Industry.

We believe that valuation picture is quite balanced

With our 2024 and 2025 estimates, Koskisen's P/E ratios are around 13x and 9x and corresponding EV/EBITDA ratios are around 6x and 5x. Thus, the share is priced at the upper end of our acceptable valuation ranges based on the current year's multiples, which carry the most weight, and around the bottom end of the ranges based on next year's improved, but still very uncertain, earnings level multiples. Thus, we still see the valuation as neutral, as we believe the forecast risks are relatively balanced in both directions.

The balance sheet-based P/B of 1.1x (2024a) is also fairly neutral, as our forecasts for Koskisen's average ROCE and ROE narrowly exceed our estimate of the company's cost of capital, which we believe reflects a reasonable pricing of the stock. So far, we have kept our required return unchanged, although we are aware that there may be some room for a slight reduction in the relatively high required return if interest rates continue to fall and/or a market turnaround is confirmed. We believe that the balance sheet value of equity provides certain support for the share, even though balance sheet valuations below the balance sheet value of equity are no exception in the industry. However, a more pronounced increase in the balance sheet valuation would require more robust value

creation than our current projections (i.e. ROCE-% > WACC-%).

Considering this overall picture, we estimate that the expected return for the share, formed by the fairly clear earnings growth, the valuation downside (2024a P/E 20x) and a dividend yield of around 2%, falls short of the required return for the next 12 months. The expected return would become positive if the company beats our forecast and drives profitability to the upper end of the guidance range this year. The expected return would clearly become more positive in the medium term if Koskisen could raise its profitability to its target level of over 15% adjusted EBITDA (cf. adj. EBITDA-% of 10-12% in our forecasts). At best, this will only be possible when a better cycle arrives, beyond our target price horizon of more than 12 months, as there are still no signs of a rapid recovery in construction. Overall, we believe that the share's risk/reward picture is neutral, as downside risks cannot be ruled out either (cf. 2025 profitability guidance), given the still difficult situation in the construction sector and the tight timber market in Finland.

DCF value at around the share price

In relative terms, with 2024 and 2025 estimates Koskisen is priced at a discount relative to the loosely connected peer group with high earnings multiples. On a balance sheet basis, valuation is at a premium. The overall picture of the relative valuation is therefore ambiguous and, in our view, does not support a strong view in either direction.

We give weight to the DCF model in our valuation despite it being sensitive to the variables of the terminal period. According to our DCF model, the share value is just over EUR 7 per share, which supports our view based on the other methods that the share is still fairly neutrally priced.

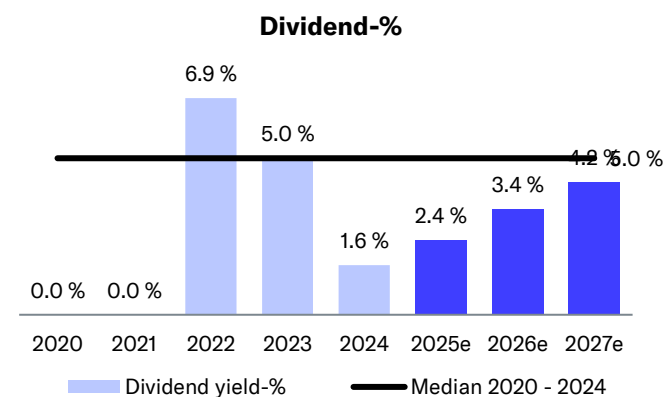
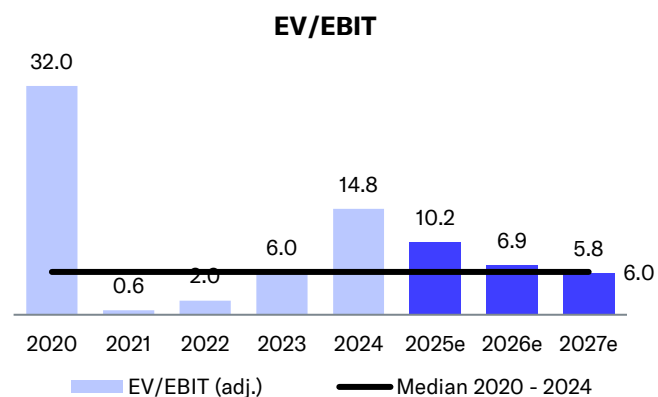
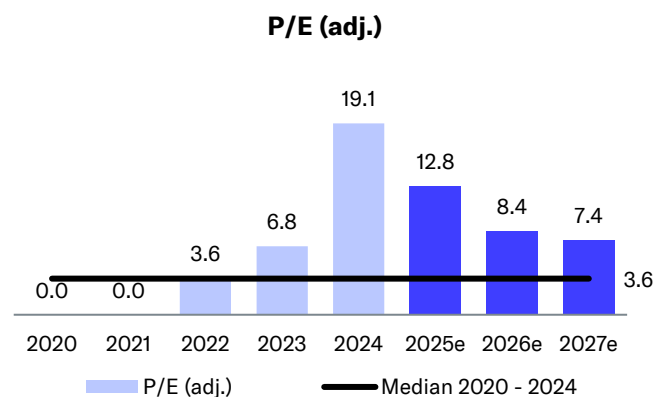
Valuation	2025e	2026e	2027e
Share price	7.10	7.10	7.10
Number of shares, millions	23.0	23.0	23.0
Market cap	163	163	163
EV	194	185	173
P/E (adj.)	12.8	8.4	7.4
P/E	12.8	8.4	7.4
P/B	1.0	0.9	0.9
P/S	0.5	0.5	0.4
EV/Sales	0.6	0.5	0.5
EV/EBITDA	6.0	4.6	3.9
EV/EBIT (adj.)	10.2	6.9	5.8
Payout ratio (%)	30.6 %	28.2 %	31.4 %
Dividend yield-%	2.4 %	3.4 %	4.2 %

Source: Inderes

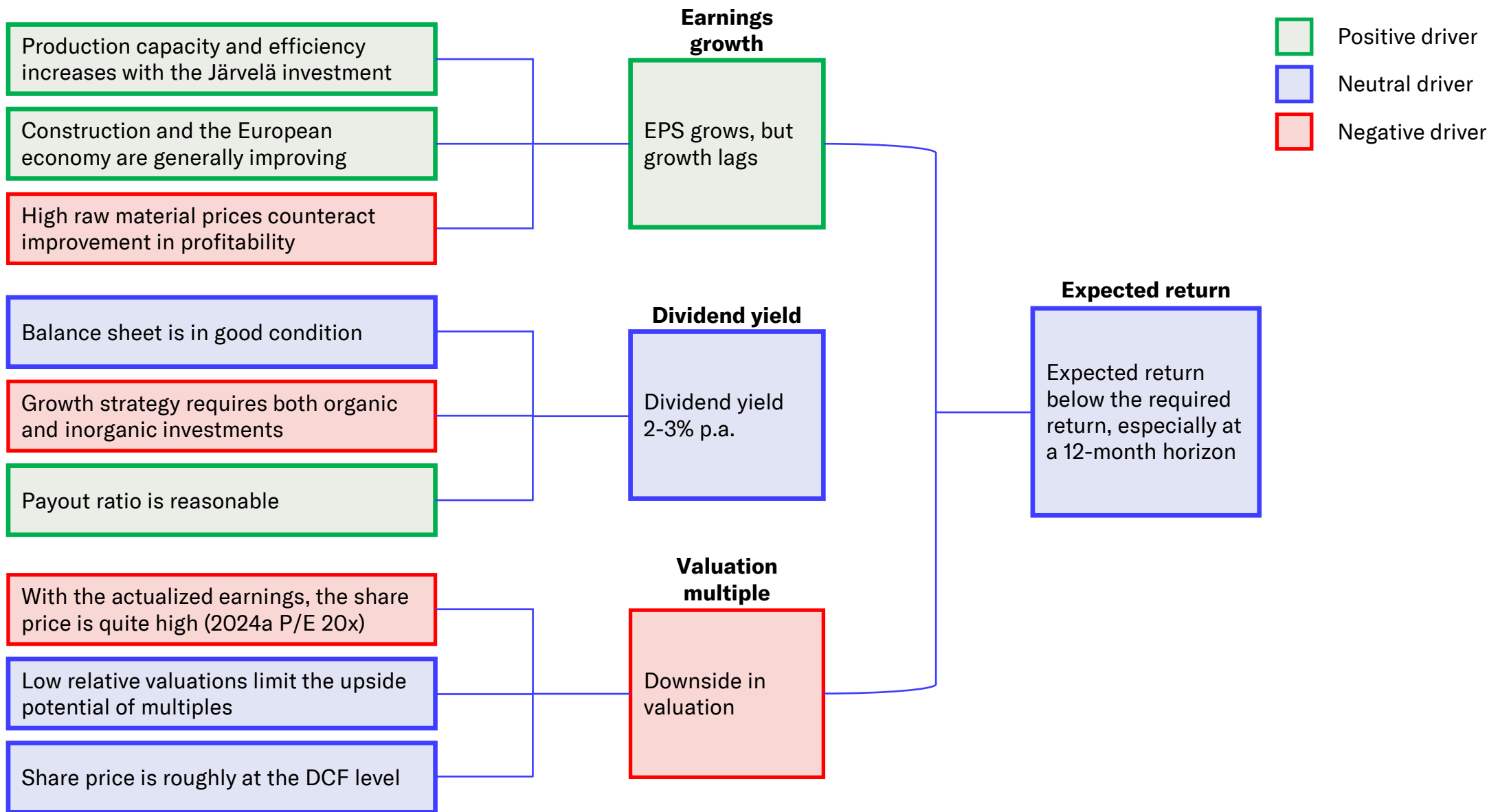
Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price			6.28	6.00	6.96	7.10	7.10	7.10	7.10
Number of shares, millions			23.0	23.0	23.0	23.0	23.0	23.0	23.0
Market cap			145	138	160	163	163	163	163
EV			116	146	195	194	185	173	158
P/E (adj.)			3.6	6.8	19.1	12.8	8.4	7.4	6.8
P/E			3.6	6.8	19.3	12.8	8.4	7.4	6.8
P/B			1.1	0.9	1.1	1.0	0.9	0.9	0.8
P/S			0.5	0.5	0.6	0.5	0.5	0.4	0.4
EV/Sales			0.4	0.5	0.7	0.6	0.5	0.5	0.4
EV/EBITDA			1.8	4.4	8.0	6.0	4.6	3.9	3.4
EV/EBIT (adj.)			2.0	6.0	14.8	10.2	6.9	5.8	5.0
Payout ratio (%)			25.1 %	34.2 %	30.6 %	30.6 %	28.2 %	31.4 %	35.0 %
Dividend yield-%			6.9 %	5.0 %	1.6 %	2.4 %	3.4 %	4.2 %	5.2 %

Source: Inderes



Total shareholder return drivers 2024a-2026e



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
Interfor Corp	580	1189			20.1		0.5	0.6					0.5
Boise Cascade	4445	4173	6.9	9.0	5.8	7.0	0.6	0.7	9.9	12.7	7.2	4.8	2.2
West Fraser Timber	6072	5665		83.1	10.5	8.6	0.9	1.0	7976.6	121.8	1.5	1.6	0.9
Canfor	1206	1331			69.4		0.4	0.4					0.5
Stora Enso	8608	12139	47.9	20.6	13.0	10.2	1.3	1.4	57.5	23.6	2.6	2.2	0.8
STEICO	284	439	14.4	10.0	7.4	5.2	1.2	1.2	15.9	11.4	2.1	2.8	1.0
Louisiana-Pacific	7510	7511	26.9	14.6	18.3	11.7	3.1	2.7	36.6	19.7	0.9	0.9	5.3
Stella-Jones	2564	3645	10.9	10.9	9.0	8.6	1.6	1.6	12.3	12.6	1.3	1.5	2.3
Koskisen (Inderes)	163	194	10.2	6.9	6.0	4.6	0.6	0.5	12.8	8.4	2.4	3.4	1.0
Average			21.4	24.7	19.2	8.6	1.2	1.2	1351.5	33.6	2.6	2.3	1.7
Median			14.4	12.8	11.7	8.6	1.1	1.1	26.3	16.2	1.8	1.9	0.9
Diff-% to median			-30%	-46%	-48%	-47%	-42%	-51%	-51%	-49%	33%	81%	9%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	271	63.7	77.8	67.8	72.9	282	74.9	83.2	74.5	84.1	317	351	370	387
Sawn Timber Industry	122	29.0	47.2	23.9	39.7	140	40.8	42.0	37.5	41.3	162	173	181	189
Panel Industry	149	34.7	30.6	43.9	33.1	142	34.1	41.2	37.1	42.9	155	178	189	198
Other / Eliminations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjustment items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	33.0	5.5	9.4	3.6	5.7	24.2	7.1	11.4	4.8	8.7	32.1	40.6	44.4	46.7
Depreciation	-8.6	-2.4	-2.5	-3.2	-3.1	-11.2	-3.1	-3.3	-3.3	-3.3	-13.0	-13.7	-14.6	-14.9
EBIT (excl. NRI)	24.4	3.1	6.9	0.5	2.6	13.1	4.0	8.1	1.5	5.4	19.1	26.9	29.8	31.8
EBIT	24.4	3.1	6.9	0.4	2.6	13.0	4.0	8.1	1.5	5.4	19.1	26.9	29.8	31.8
Sawn Timber Industry (EBITDA)	3.3	0.7	1.6	1.7	3.3	7.2	3.4	4.4	2.4	3.4	13.5	17.6	20.0	20.9
Panel Industry (EBITDA)	29.3	5.3	8.1	1.8	2.5	17.7	4.1	7.4	2.7	5.6	19.8	24.3	25.9	27.4
Other / Eliminations	0.4	-0.4	-0.3	0.2	-0.2	-0.7	-0.3	-0.4	-0.3	-0.3	-1.3	-1.3	-1.5	-1.5
Depreciation	-8.6	-2.4	-2.5	-3.2	-3.1	-11.2	-3.1	-3.3	-3.3	-3.3	-13.0	-13.7	-14.6	-15.0
Adjustment items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-0.3	-0.4	-0.7	-1.0	-1.0	-3.1	-0.8	-0.8	-0.8	-0.7	-3.1	-2.4	-2.3	-1.7
PTP	24.0	2.8	6.2	-0.6	1.6	10.0	3.2	7.3	0.7	4.7	16.0	24.5	27.5	30.1
Taxes	-3.8	-0.5	-1.3	0.1	0.0	-1.7	-0.6	-1.5	-0.1	-0.9	-3.2	-4.9	-5.5	-6.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	20.2	2.3	4.9	-0.5	1.6	8.3	2.6	5.8	0.6	3.8	12.8	19.6	22.0	24.1
EPS (adj.)	0.88	0.10	0.21	-0.02	0.07	0.36	0.11	0.25	0.02	0.16	0.55	0.85	0.95	1.05
EPS (rep.)	0.88	0.10	0.21	-0.02	0.07	0.36	0.11	0.25	0.02	0.16	0.55	0.85	0.95	1.05

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-14.6 %	-13.0 %	5.3 %	22.3 %	6.1 %	4.0 %	17.5 %	6.9 %	9.9 %	15.5 %	12.2 %	10.8 %	5.4 %	4.6 %
EBITDA-%	12.2 %	8.7 %	12.0 %	5.4 %	7.8 %	8.6 %	9.5 %	13.7 %	6.4 %	10.4 %	10.1 %	11.6 %	12.0 %	12.1 %
Adjusted EBIT-%	9.0 %	4.9 %	8.8 %	0.8 %	3.6 %	4.7 %	5.4 %	9.7 %	2.0 %	6.5 %	6.0 %	7.7 %	8.0 %	8.2 %
Net earnings-%	7.4 %	3.6 %	6.3 %	-0.8 %	2.2 %	2.9 %	3.4 %	7.0 %	0.8 %	4.5 %	4.0 %	5.6 %	5.9 %	6.2 %

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	130	151	159	162	165
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	1.3	1.0	1.4	1.8	2.2
Tangible assets	124	146	153	156	158
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	4.6	3.9	4.6	4.6	4.6
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.1	0.0	0.0	0.0	0.0
Current assets	140	126	135	147	153
Inventories	37.5	49.2	41.2	45.6	48.1
Other current assets	22.9	21.6	21.6	21.6	21.6
Receivables	23.4	23.8	34.2	37.2	39.2
Cash and equivalents	55.8	31.8	38.0	42.1	44.4
Balance sheet total	269	277	294	309	318

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	147	149	159	175	191
Share capital	1.5	1.5	1.5	1.5	1.5
Retained earnings	51.5	65.2	75.5	91.1	108
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	94.2	82.3	82.3	82.3	82.3
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	64.1	64.6	72.1	67.8	59.4
Deferred tax liabilities	5.7	7.2	7.2	7.2	7.2
Provisions	0.2	0.2	0.2	0.2	0.2
Interest bearing debt	55.2	54.2	61.6	57.3	48.9
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.1	3.1	3.1	3.1	3.1
Current liabilities	57.8	63.3	62.2	66.1	67.5
Interest bearing debt	8.5	12.1	6.6	6.1	5.2
Payables	32.8	35.7	40.0	44.4	46.8
Other current liabilities	16.5	15.6	15.6	15.6	15.6
Balance sheet total	269	277	294	309	318

DCF calculation

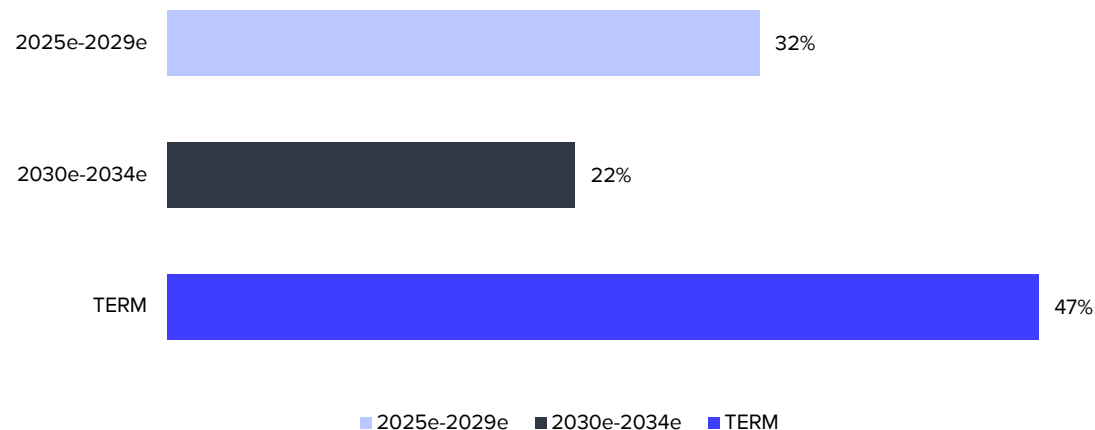
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	4.0 %	12.2 %	10.8 %	5.4 %	4.6 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.0 %	2.0 %
EBIT-%	4.6 %	6.0 %	7.7 %	8.0 %	8.2 %	7.0 %	6.5 %	6.0 %	5.6 %	5.6 %	5.6 %	5.6 %
EBIT (operating profit)	13.0	19.1	26.9	29.8	31.8	27.8	26.4	25.0	23.9	24.5	25.0	
+ Depreciation	11.2	13.0	13.7	14.6	14.9	14.9	14.9	14.9	14.9	14.9	14.9	
- Paid taxes	-0.2	-3.2	-4.9	-5.5	-6.0	-5.3	-5.1	-4.9	-4.7	-4.8	-4.9	
- Tax, financial expenses	-0.6	-0.7	-0.6	-0.6	-0.5	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	
+ Tax, financial income	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	
- Change in working capital	-8.9	2.0	-3.1	-2.1	-1.9	-1.1	-1.1	-1.1	-1.1	-1.2	-1.0	
Operating cash flow	14.7	30.3	32.1	36.4	38.4	36.0	35.0	33.8	32.9	33.4	34.0	
+ 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	-32.2	-21.0	-17.4	-17.4	-15.4	-15.4	-15.4	-15.4	-15.4	-15.4	-15.4	
Free operating cash flow	-17.5	9.3	14.7	19.0	23.0	20.6	19.6	18.4	17.5	18.0	18.6	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-17.5	9.3	14.7	19.0	23.0	20.6	19.6	18.4	17.5	18.0	18.6	240
Discounted FCFF		8.5	12.3	14.5	16.0	13.0	11.2	9.6	8.3	7.8	7.3	94.7
Sum of FCFF present value		203	195	183	168	152	139	128	118	110	102	94.7
Enterprise value DCF		203										
- Interest bearing debt		-66.3										
+ Cash and cash equivalents		31.8										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		169										
Equity value DCF per share		7.3										

WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	17.5 %
Cost of debt	5.0 %
Equity Beta	1.82
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	11.1 %
Weighted average cost of capital (WACC)	9.9 %

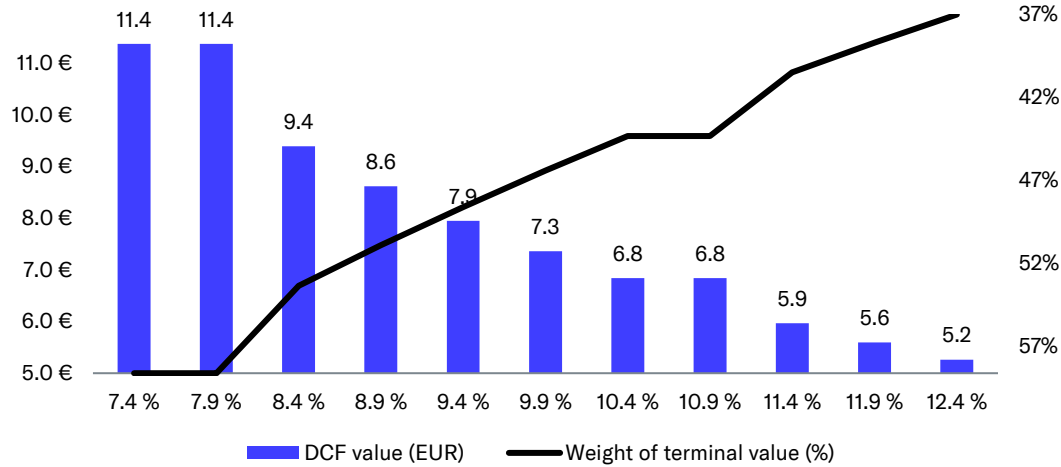
Source: Inderes

Cash flow distribution

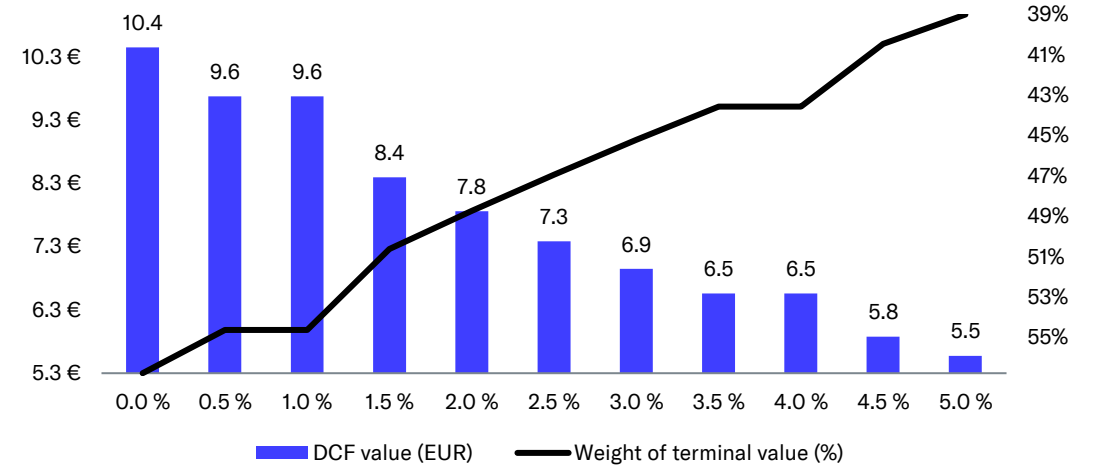


DCF sensitivity calculations and key assumptions in graphs

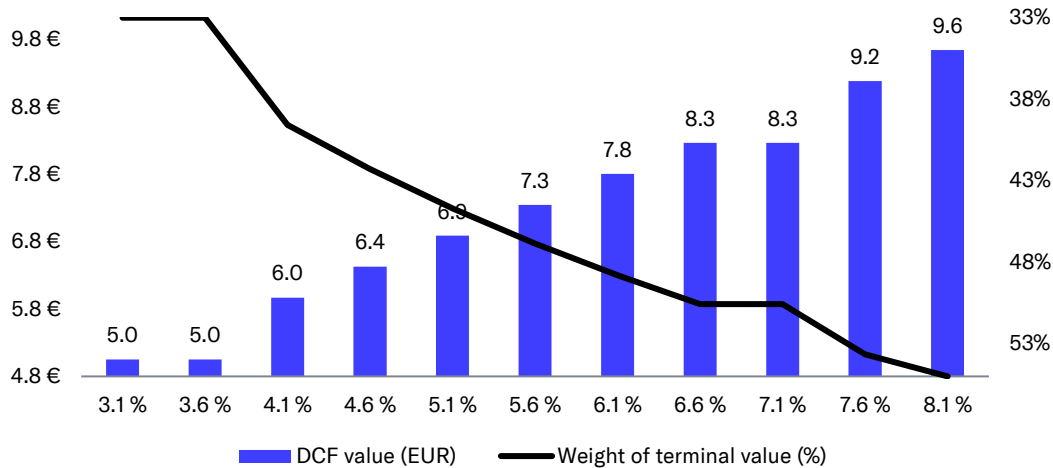
Sensitivity of DCF to changes in the WACC-%



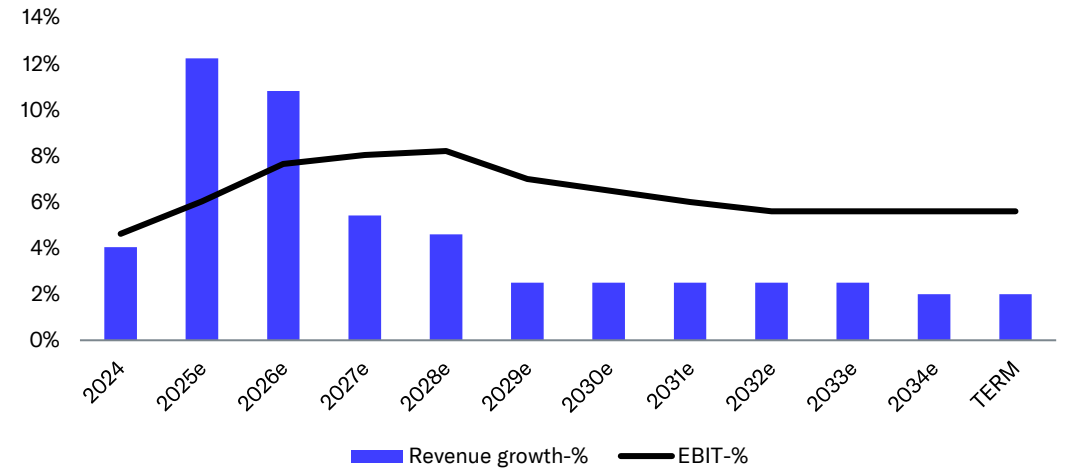
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	317.7	271.2	282.2	316.7	351.0	EPS (reported)	1.73	0.88	0.36	0.55	0.85
EBITDA	66.3	33.0	24.2	32.1	40.6	EPS (adj.)	1.74	0.88	0.36	0.55	0.85
EBIT	58.2	24.4	13.0	19.1	26.9	OCF / share	2.07	0.27	0.64	1.32	1.39
PTP	57.8	24.0	10.0	16.0	24.5	FCF / share	2.43	-1.19	-0.76	0.40	0.64
Net Income	39.8	20.2	8.3	12.8	19.6	Book value / share	5.90	6.40	6.47	6.92	7.60
Extraordinary items	-0.3	0.0	-0.1	0.0	0.0	Dividend / share	0.43	0.30	0.11	0.17	0.24
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	258.6	269.2	277.1	293.6	308.8	Revenue growth-%	0%	-15%	4%	12%	11%
Equity capital	135.8	147.2	149.1	159.3	175.0	EBITDA growth-%		-50%	-27%	32%	27%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%		-58%	-46%	45%	41%
Net debt	-28.5	7.9	34.4	30.2	21.3	EPS (adj.) growth-%		-50%	-59%	52%	53%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	20.9 %	12.2 %	8.6 %	10.1 %	11.6 %
EBITDA	66.3	33.0	24.2	32.1	40.6	EBIT (adj.)-%	18.4 %	9.0 %	4.7 %	6.0 %	7.7 %
Change in working capital	12.3	-24.9	-8.9	2.0	-3.1	EBIT-%	18.3 %	9.0 %	4.6 %	6.0 %	7.7 %
Operating cash flow	47.6	6.2	14.7	30.3	32.1	ROE-%	0.0 %	14.3 %	5.6 %	8.3 %	11.7 %
CAPEX	-22.0	-33.7	-32.2	-21.0	-17.4	ROI-%	0.0 %	12.1 %	6.4 %	8.8 %	11.8 %
Free cash flow	55.9	-27.3	-17.5	9.3	14.7	Equity ratio	52.5 %	54.7 %	53.8 %	54.3 %	56.7 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-21.0 %	5.4 %	23.1 %	18.9 %	12.2 %
EV/S	0.4	0.5	0.7	0.6	0.5						
EV/EBITDA	1.8	4.4	8.0	6.0	4.6						
EV/EBIT (adj.)	2.0	6.0	14.8	10.2	6.9						
P/E (adj.)	3.6	6.8	19.1	12.8	8.4						
P/B	1.1	0.9	1.1	1.0	0.9						
Dividend-%	6.9 %	5.0 %	1.6 %	2.4 %	3.4 %						

Source: Inderes

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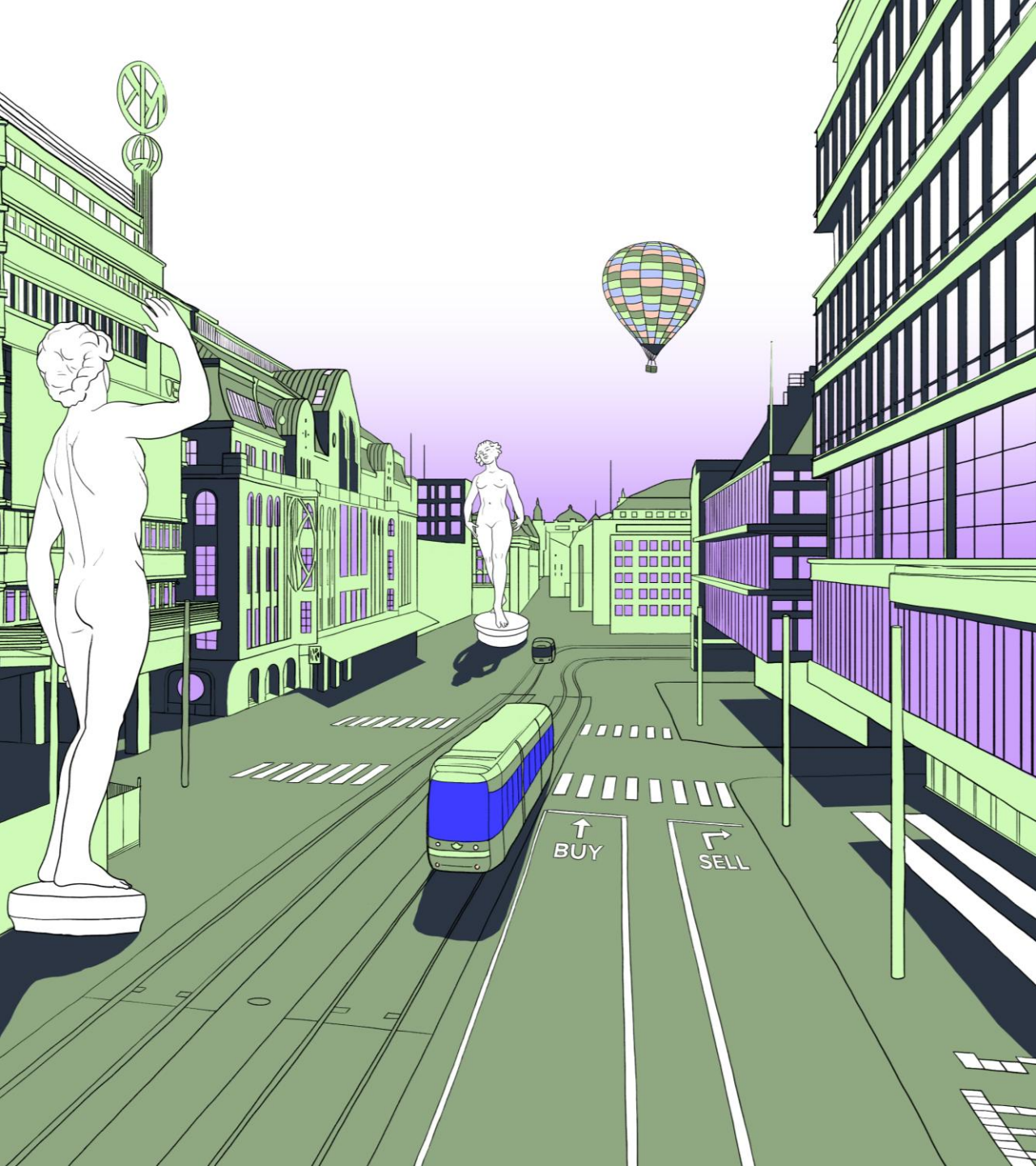
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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/24/2023	Reduce	6.00 €	6.35 €
3/17/2023	Reduce	6.00 €	6.29 €
----- Analyst changed -----			
5/25/2023	Reduce	6.75 €	6.40 €
8/11/2023	Accumulate	6.75 €	6.19 €
8/25/2023	Accumulate	7.50 €	6.40 €
11/20/2023	Accumulate	7.00 €	6.35 €
2/13/2023	Accumulate	6.75 €	6.05 €
2/19/2024	Accumulate	6.75 €	6.18 €
4/12/2024	Reduce	6.75 €	7.18 €
5/15/2024	Reduce	7.00 €	7.60 €
8/19/2024	Reduce	7.50 €	7.50 €
11/18/2024	Reduce	7.25 €	7.08 €
1/16/2025	Reduce	7.25 €	7.14 €



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Inderes Ab

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

Inderes Oyj

Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.se

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