Puuilo Plc

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INDERES CORPORATE CUSTOMER

EXTENSIVE REPORT

A prize specimen in discount retail

Puuilo has continued its history of steadily gaining market shares despite the current challenging market situation. We feel the company has the potential to double its revenue in the long term, and its positive impact on earnings would act as a clear value driver for the stock. The expected return supported by earnings growth and dividend yield seems attractive. We reiterate our Accumulate recommendation and our EUR 11.5 target price.

A prize specimen in discount retail

Puuilo is a Finnish retailer specializing in cheap products. Its concept focuses on DIY needs, although the company also sells other, often rather defensive product categories. Throughout history, the company has grown strongly (2010-23 21% CAGR) and has done so profitably. Efficient operations in both stores and administration have guaranteed the company clearly higher profitability than its competitors. Rapid growth has also been reflected in market shares, as over the past five years the company has doubled its share of the Finnish discount trade market (10% in 2023). While growth has been abundant historically, the future still seems growth-filled for the company as the store network is still young and there is still room for several Puuilo stores in Finland.

An ambitious growth strategy

Puuilo's strategy aims at clearly increasing its market share through a maturing and growing store network. In addition to growth, the company also aims to improve its already excellent profitability. Based on our calculations, Puuilo still has an additional revenue potential of up to 700 MEUR when we compare today's company to its potential mature version. We are, therefore, fairly confident about the strategic objectives, although we recognize factors in the market that slow down the company's development. These include tightening competition in the Nordic countries, as several players expand their store networks. On the other hand, the company has navigated better than its competitors in the current challenging and highly competitive market, which increases our confidence in Puuilo's value-creation potential also in the future. The company's profile after the strategy period is still unclear, but it will either become a stable company generating high cash flow and profit distribution or a growing international discount retailer. Although the first option has a favorable risk profile for the investor, the second would raise the potential return to a completely new level. The 18% earnings growth we forecast is primarily driven by future store openings, improving comparable growth and gross margin, as well as a tight cost structure. A significant risk for earnings growth not materializing is the intensifying competitive landscape or a continued weak market situation.

A quality company with an attractive expected return

In terms of trailing earnings multiples (P/E 19x and IFRS16 adj. EV/EBIT 16x), the company is priced slightly above our comfort zone. However, this is justified as we expect the company to achieve strong earnings growth in the coming years, when multiples fall to an attractive level for a growth company (25-26e P/E 16 and 14x and IFRS16 adj. EV/EBIT 12 and 11x). Considering our earnings growth forecasts, valuation multiples that are slightly elevated on actual earnings, and a 5% dividend yield, the expected total return on the stock is around 15%. We find this level attractive, and it exceeds our WACC, which means that the stock's risk/reward ratio is favorable. The over EUR 12 value per share implied by our cash flow model also suggests upside and justifies a positive view of the stock. We see Puuilo as one of the highest quality companies in the sector, with a concept that has proven its competitiveness in both favorable and challenging markets.

Recommendation

Accumulate
(was Accumulate)

EUR 11.50
(was EUR 11.50)

Share price:
10.14

Business risk

●●○○○

Valuation risk

●●●○○

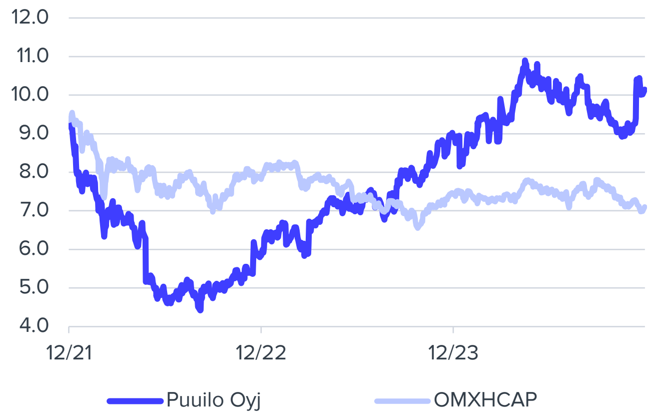
	2023	2024e	2025e	2026e
Revenue	338.5	381.8	438.0	491.1
growth-%	14%	13%	15%	12%
EBIT adj.	52.8	62.5	72.4	83.8
EBIT-% adj.	15.6 %	16.4 %	16.5 %	17.1 %
Net Income	38.7	45.9	54.2	62.8
EPS (adj.)	0.46	0.54	0.64	0.74
P/E (adj.)	20.3	18.7	15.9	13.7
P/B	9.2	8.7	7.4	6.3
Dividend yield-%	4.1 %	4.3 %	5.0 %	5.8 %
EV/EBIT (adj.)	16.8	15.3	13.1	11.3
EV/EBITDA	13.1	11.8	10.0	8.7
EV/S	2.6	2.5	2.2	1.9

Source: Inderes

Guidance (Unchanged)

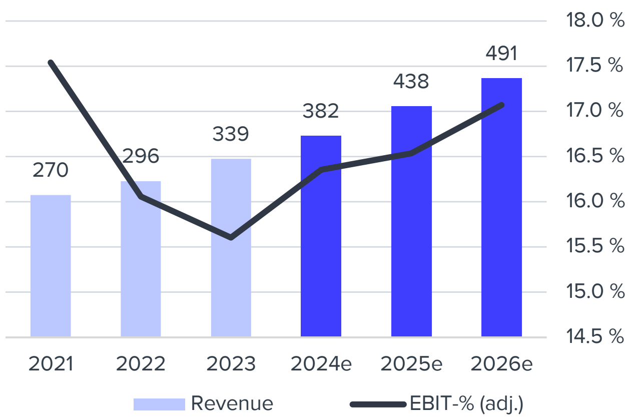
Puuilo predicts that its revenue for 2024 will be 380-400 MEUR (2023: 339 MEUR) and the adjusted EBITA will be in the range of 60-66 MEUR (2023: 54.1 MEUR).

Share price



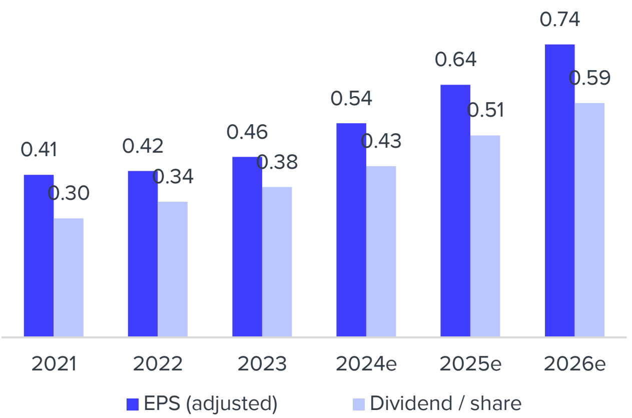
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Increasing the number of stores to over 70
- Significant growth potential remaining in ramping up existing stores
- Growth in private labels
- As a result of growth, improved bargaining power with suppliers and scaling of costs
- Further streamlining of operating expenditure levels

Risk factors

- Increased competition as key competitors also expand their brick-and-mortar networks
- Global disruptions in product availability and the rise of protectionism
- Successful category management
- Weakened consumer purchasing power in a cost-inflationary environment

Valuation	2024e	2025e	2026e
Share price	10.1	10.1	10.1
Number of shares, millions	84.8	84.8	84.8
Market cap	860	860	860
EV	957	949	947
P/E (adj.)	18.7	15.9	13.7
P/E	18.7	15.9	13.7
P/B	8.7	7.4	6.3
P/S	2.3	2.0	1.8
EV/Sales	2.5	2.2	1.9
EV/EBITDA	11.8	10.0	8.7
EV/EBIT (adj.)	15.3	13.1	11.3
Payout ratio (%)	80.0 %	80.0 %	80.0 %
Dividend yield-%	4.3 %	5.0 %	5.8 %

Source: Inderes

Contents

Puuilo in brief

Puuilo is one of the leading players in Finland's growing discount retailer market. The company has expanded strongly in Finland and gained significant market share through new stores.

1982
Year of establishment

2021
IPO

374 MEUR (+13.4%)
Revenue LTM

63 MEUR (16.9% of revenue)
Adj. EBITA LTM

10%
Market share among discount retailers in Finland

48
Number of stores 12/2024

Sentica

2011:
Sentica Partners acquires a majority holding

2012:
First private labels

2012-15:
Strong revenue growth

Adelis

2015-20:
Adelis Equity becomes Puuilo's owner

Current honed concept

Process measurement and knowledge management

Ensuring scalability

Listed company

2020:
The COVID era boosts demand

2021:
Listing on the main list of Nasdaq Helsinki

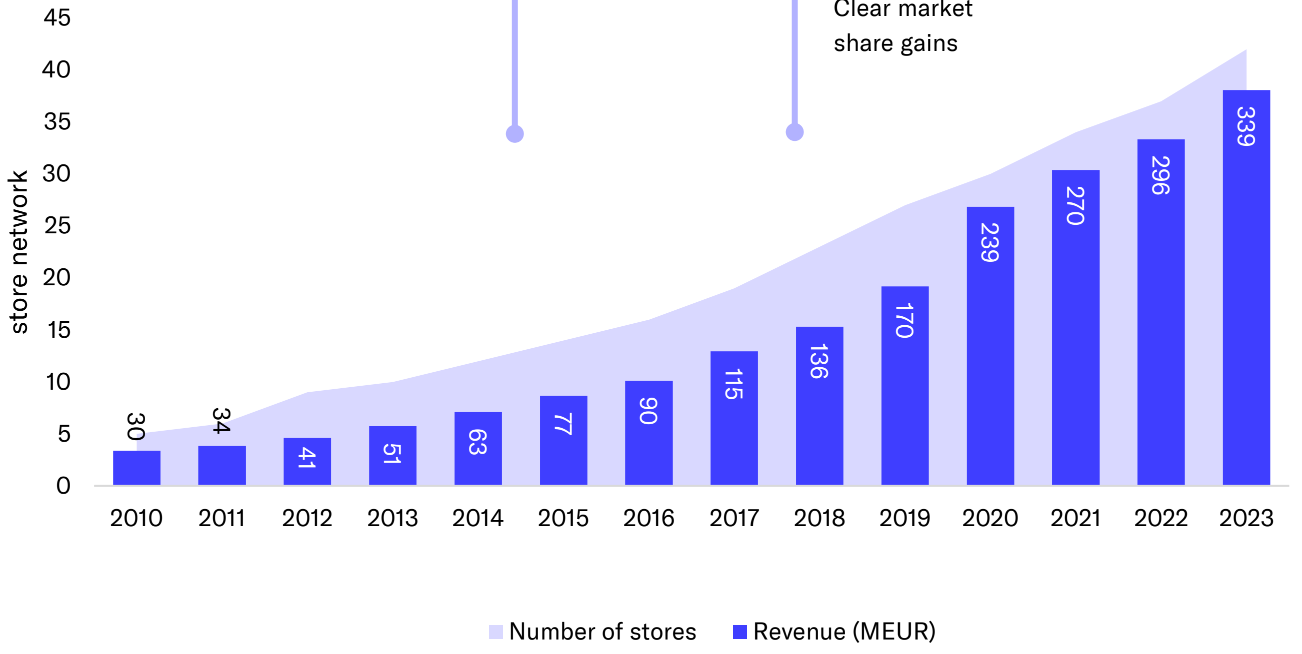
2022-24:
Substantial deterioration of the market environment

Clear market share gains

2024-:
Adelis sells its remaining stake

Renewed strategy: Target for the number of stores rises (60 → 70)

The concept withstands a challenging market and intensified competition



Company description and business model (1/3)

A profitable growth company with a long history

Puuilo is a Finnish retail company focusing on cheap goods that started with mobile shops in 1982 and later grew an extensive store network. The company has been developed since 2011, first under private equity investor Sentica Partners and since 2015 under Adelis Equity Partners, which divested its remaining shares at the beginning of 2024. Puuilo was listed on the main list of Nasdaq Helsinki in the summer of 2021 at a price of EUR 6.6 per share. The company has grown strongly throughout its history, with an average sales growth of 20.5% (CAGR) in the financial years 2010-2023.

Puuilo has achieved excellent relative profitability compared to the sector average. We believe this is the result of both a good gross margin and strict cost control. At its best, Puuilo achieved 18% EBITA-% in 2020, after which the margin stabilized at just over 16%.

Customer promise at the heart of operations

Puuilo has built a strong concept among busy DIY customers. The concept relies on low prices, easy shopping and a relatively wide range of products. When it comes to pricing, the company does not always strive to be the cheapest option, but the basic principle is that the customer should not be disappointed with the price level. Pricing decisions are guided by both product cost prices and competitor pricing. The company's cost structure has been kept significantly lower than among competitors, which enables excellent profitability for the company.

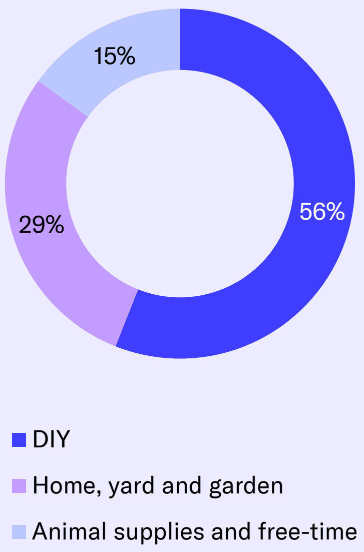
The customer base has expanded over the years

Puuilo's clearly largest customer group is consumers, and it serves especially DIY customers. The company's customer base is wide and represents all socio-economic backgrounds and genders throughout Finland. A typical Puuilo customer is a 55-74-year-old man who lives in a single-family home or duplex in southern Finland. Therefore, the usual Puuilo customer is also in the "best age" in terms of purchasing power. The number of corporate customers has also grown strongly in recent years, and we estimate that the share of customers who identify as corporate customers with the FIRMA account product represents almost 10% of sales. In a nutshell, the company's customers appreciate easy shopping and a wide and affordable selection.

The assortment consists of several main categories

The product range of each Puuilo store follows the same line and is centrally managed, which enables more efficient procurement. The selection consists of nine product groups: building materials, HVAC and electric supplies, car accessories, household products, garden supplies, pet food and accessories, tools, free-time products, and groceries. The product groups cover a product range of about 30,000 SKUs. A large part of the selection consists of defensive, low-priced supplies based on need and frequent/recurring consumption, with the share of more cyclical consumer goods being relatively small.

Sales distribution 2023



Source: Puuilo, Inderes

Company description and business model (2/3)

The selection of the main categories includes product options with different price points and characteristics, e.g., three different products, in three price categories (A, B and private label). This aims to respond to the preferences of different types of customers while creating a depth of selection compared to other discount retailers. A share of Puuilo's sales consists of seasonal products but seasonal dependency in demand is low compared to the retail sector in general. For example, Christmas or Black Friday are not major seasons for Puuilo. Puuilo's strongest sales months are May-August, which is typical for hardware stores.

Private labels are an essential part of the business

21% of sales in the financial year 2023 came from private label products and the volume has grown systematically in line with the strategy. Own products are sold under several private labels, e.g., Tamforce, Kramfors and Pitstone. They are clearly priced lower than the corresponding branded products, but their margins are better, as the purchase prices are also lower. On the one hand, higher volumes allow for lower purchase prices, but the real reason for the higher margin of private labels lies in the lower costs of the supply chain, as the chain skips wholesalers and importers. On the other hand, we feel success in private label sales also requires the presence of branded products alongside them so that the difference in price levels is tangible to the customer, which can also trigger a purchase decision.

Store network and warehouses

The company's store network has expanded relatively steadily to become nationwide, now consisting of 48 stores, and has grown by around four new stores per year. However, in line with the renewed strategy, the growth rate will accelerate, and, e.g., in the financial years 2024-25 the company plans to open seven new stores per year.

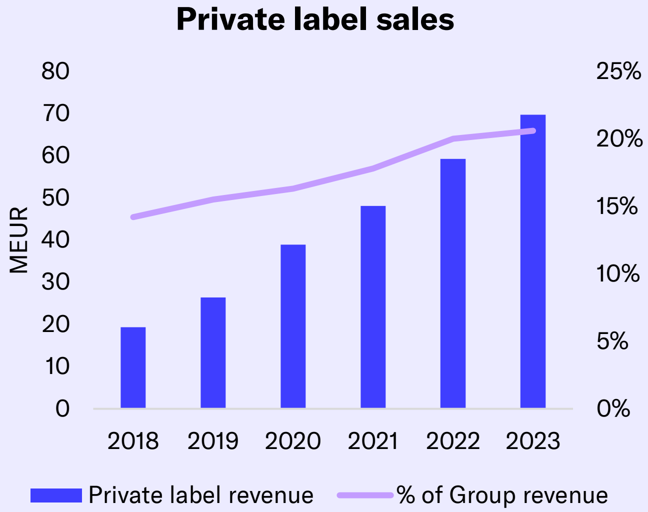
Suppliers typically deliver goods directly to the stores' warehouses. In its private labels, Puuilo also cooperates with Schenker, whose warehouse is located in Nurmijärvi, and the capital it ties up is also visible on Puuilo's balance sheet. In the retail sector, product availability and logistics management are key success factors. We believe that the company has found a good compromise between availability, capital commitment and profitability.

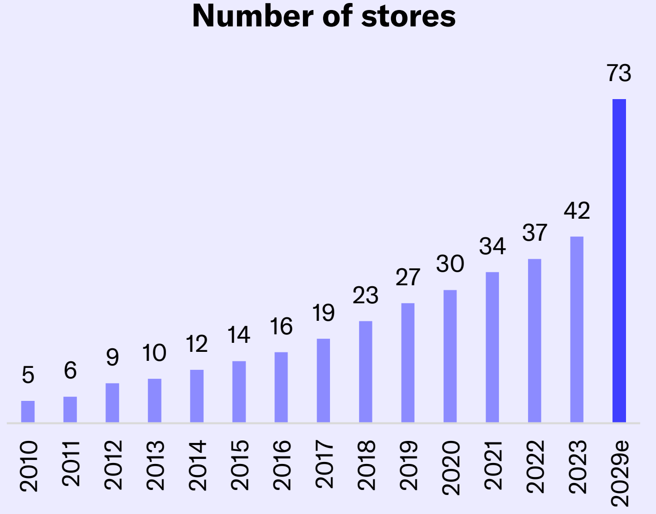
The supply chain is diverse

The company buys finished products from some 700 different suppliers. According to the prospectus, 84% of purchases for the financial year 2020 came from Finnish suppliers, 13% from Asia and 3% from Europe. However, a significant proportion of the goods purchased in Finland have been manufactured outside Finland. Most of the private label products are sourced directly from factories in Asia. In procurement, supplier responsibility is an important selection criterion. With regard to its own products, the company bears the related sea freight and other logistics costs.

The role of multichannel is also important

Most of Puuilo's sales come from brick-and-mortar stores but at the same time the e-commerce platform, which was renewed in 2019-2020, is an important part of the business model. A well-functioning online store supports the Puuilo brand and presents the selection. It also supports the image of a good price-quality ratio and helps the company collect customer data for targeted marketing. Puuilo's online sales have grown strongly, although the share of revenue is still relatively low at 2.6% (financial year 2023). About 30% of online purchases are pick-up orders. During the previous management era, the company expanded to the Swedish market with its online store, which we understand has since been abandoned.





Source: Puuilo, Inderes

Company description and business model (3/3)

Capital-efficient business model

Puuilo's business model is highly capital-light, which is largely due to the low investment needs in the store network. The company's simplified stores operate in rental premises, which allows for a quick repayment period for new stores and provides the company with quite high returns on capital. Thus, we see the expansion of the company's key strategic area, i.e. the store network, as commercially sound.

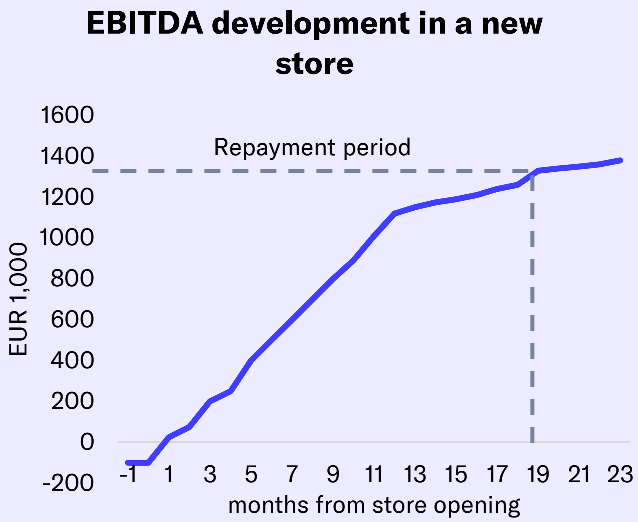
The return on capital invested in the company's business (ROIC %) has been an excellent, enabled by a combination of good profitability and an efficient balance sheet. The slight downward trend in the graph is mainly due to the conscious increase in inventories to ensure availability in 2021 and when entering 2022, but since then, destocking has taken place. We discus the company's capital needs in more detail on page 24.

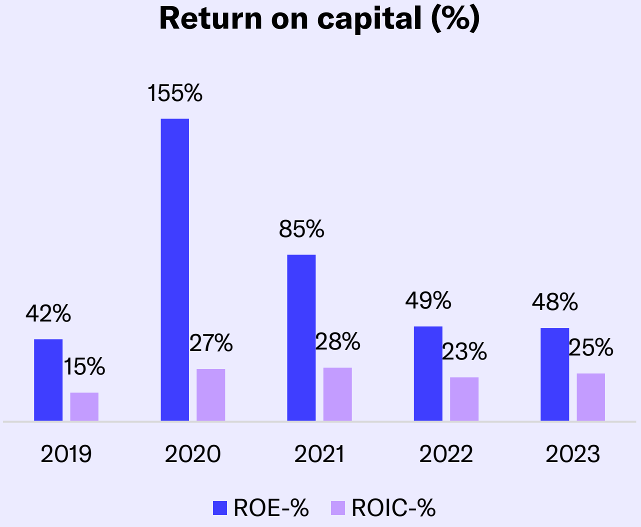
Brand image improves as the store network expands

Also in terms of brand awareness, the company still has the potential to improve, which supports comparable sales growth. According to a survey conducted by Puuilo in 2023, 20% of consumers named Puuilo when asked to list discount retailers/general stores. The trend has been good, as in 2020 the same figure was 12%. We believe the company's spontaneous brand awareness is still clearly weaker than for its competitors in the Helsinki Metropolitan Area. The marketing budget that grows (and partly scales) with the growing size and improved targeting supports improving brand awareness in addition to the physical presence of the store.

Moderate risk profile

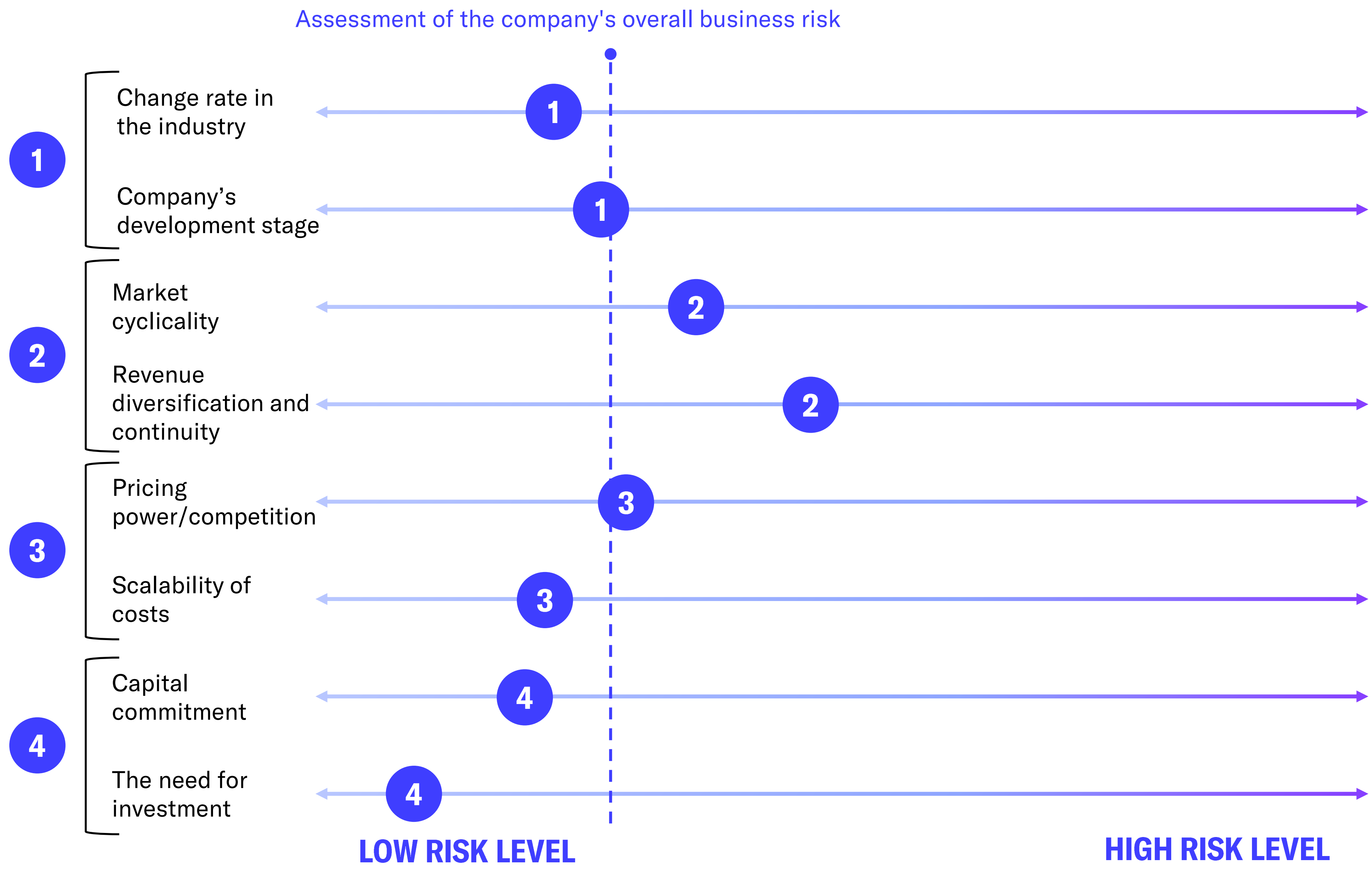
In our opinion, Puuilo's risk profile is lower than for the average company on Nasdaq Helsinki. The risk profile is lowered by a concept that has generally been proven quite effective and its defensive growth ability. The business generates quite abundant cash flow, and capital commitment is low, which together enable excellent return on capital. The company's debt level is moderate (IFRS16 adj. net debt of 23.5 MEUR / of 0.4x EBITDA) and the items recorded in goodwill in the balance sheet (33.5 MEUR) relate to the acquisition of the parent company's Puuilo business. From this point of view, we consider the risk of goodwill write-downs relatively low. We consider the tightened competition as one factor that increases the risk level but feel that the concept is fairly well-positioned compared to competitors. On the other hand, increased competition may increase price competition, which may depress margins.





Source: Puuilo, Inderes

Risk profile of the business



1	Change rate in the industry	The industry changes slowly, but sales are moving online, which emphasizes the omnichannel business model
1	Company's development stage	A growing foothold in the Finnish discount retailer market. The most profitable in the industry already at this stage
2	Market cyclicality	Discount retail is growing faster than the rest of retail trade and has fared well in economic downturns.
2	Revenue diversification and continuity	Revenue focuses on Finland, although the geographical coverage is rather extensive. Recurring revenue accounts for 0%, as sales start from zero every day.
3	Pricing power/competition	Selection focuses on low-price-point products where customers' price sensitivity is lower than in typical discount stores. Competition in the industry is permanently tight.
3	Scalability of costs	The share of fixed costs is clearly lower than for competitors relative to revenue. The cost structure scales with growth.
4	Capital commitment	The business only requires little investment and approximately 20% of revenue is committed to working capital
4	The need for investment	Very low investment needs, enabling high potential in return on capital

Strategy and financial objectives (1/5)

Updated strategy in a nutshell

Puuilo updated its strategy in the spring of 2024, as the previous strategy progressed faster than the company's target pace. We interpret that the updated growth strategy focuses on

- Expanding the store network to over 70 stores
- Comparable growth resulting from the ramp-up of existing stores
- Improving profitability through the scalability of young stores, the increase in the share of more profitable private label products and increasing operational efficiency

The last strategy period progressed well

The targets for the previous strategy period will be achieved before the end of the strategy period (2025) as we estimate the company's revenue will exceed the 400 MEUR target during H1'25. The company achieved its 17-19% EBITA margin target during the COVID-boosted years 2020-2021, while the more challenging market environment has kept the company's 2022-24 profitability at around 16%, which is also an excellent level for a retail company. As a whole, we conclude that the company's strategy period has progressed quite well due to the achieved market shares.

Store network potential yet to be realized

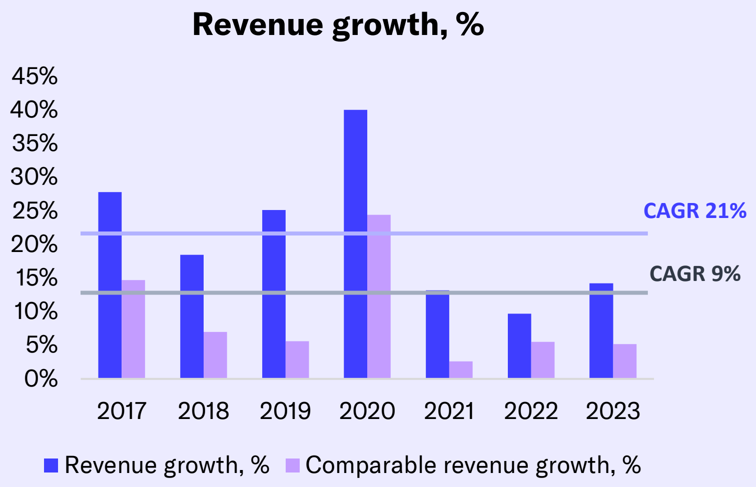
Due to the structure of Puuilo's customer base, brick-and-mortar stores play a central role in the strategy as a sales channel, as a typical DIY customer needs the product immediately as well as personal service when choosing the product. Based on marketplace analysis, the company has identified an even larger number of potential store locations (over 70 vs. 60) for the current store concept, most of which are located in dynamic areas in southern and western Finland.

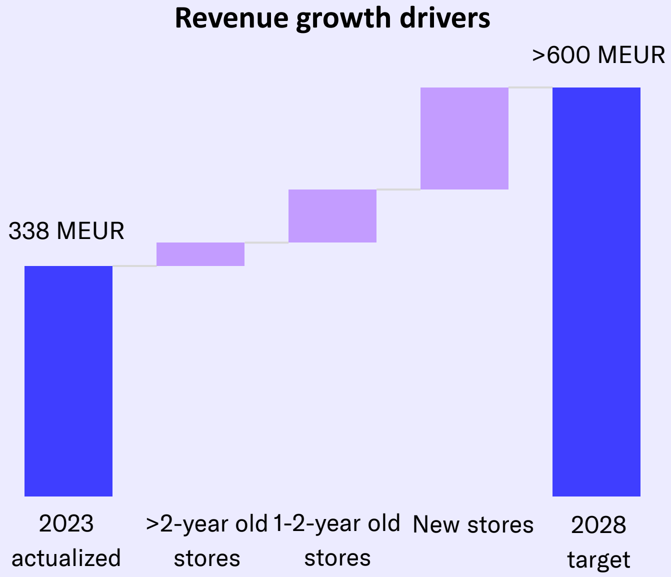
To reach a network of more than 70 stores by 2028, the company will open approximately 5-6 new stores annually. In our view, growing the network is a sensible way for the company to grow, as the repayment period for capital-light investments is short (see page 8) and the return on capital is therefore high. On the other hand, as the number of stores increases toward the target, the best marketplaces have probably already been reached, so establishing the last stores may no longer improve the company's already excellent return on capital. However, we believe that it will remain well above the cost of capital, which means that opening a new store on average creates value.

In addition to new stores, the existing network also offers growth potential. According to our calculations, the current young store network and the stores opened this year offer a revenue potential of almost 700 MEUR in the long term, if you compare sales to old stores that have been operating for more than 10 years. We feel the growth of old stores is the most valuable growth method due to its scalability.

e-commerce as part of a omnichannel model

Growth is also sought in e-commerce but as part of a omnichannel business model. The company continues to invest in the development of its omnichannel business, which we consider sensible, as a growing number of transactions are made online. The development list includes features that help customers better familiarize themselves with the products or make purchase decisions online. A well-functioning online store is also an essential factor in improving the customer's shopping experience, which is one of the key factors of the Puuilo concept.





Source: Puuilo, Inderes

Strategy and financial objectives (2/5)

Increasing the share of private label products in sales

The company is also constantly developing the selection sold under private labels, which have better gross margins than other sales. The aim is to increase the share of private labels to 30% of sales (2023: 20.6%). The goal is achievable in the longer term and the company has managed to increase this share slightly each year. For large players in the retail sector, 30% is a realistic target level and, e.g., Tokmanni already reaches this.

Reaching the target is supported by the fact that the company's strong growth also enables profitable procurement of more products directly from the factory, as the volumes of product manufacturing and transportation exceed the critical mass. Growth in brand awareness and quality improvement of private label brands also facilitates the sales of products released under these brands.

A key question or concern regarding the profitability impact of private label brands is whether the margin effect will melt into lower customer prices due to increased price competition, whereby its positive effect on the company's gross margin would remain thin. On the other hand, offering cheaper prices could increase the volume, which would thus accelerate absolute earnings.

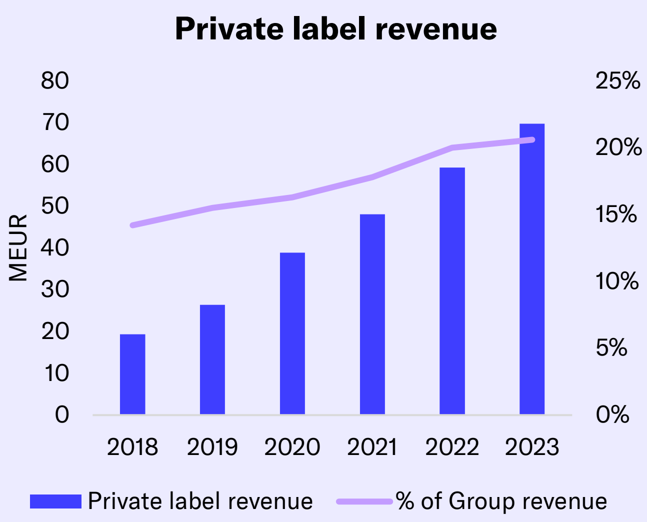
Efficiency drives profitability improvement

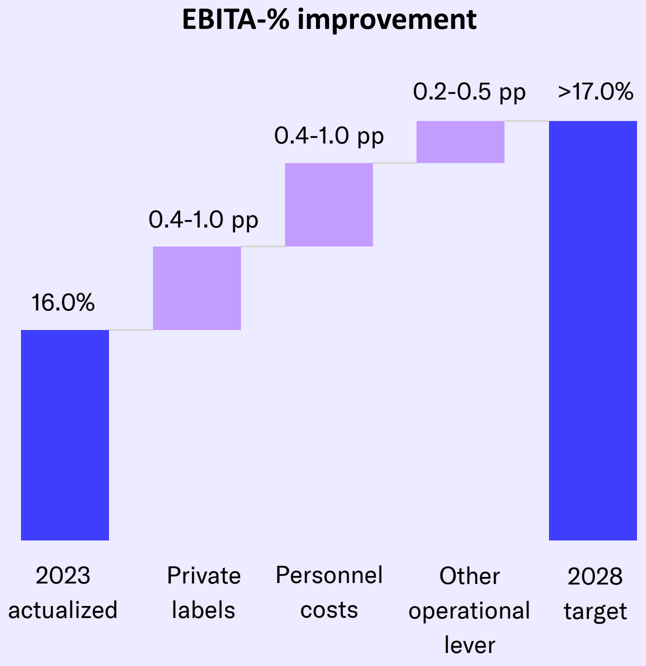
As the larger store network matures (as sales grow), we estimate that the company will achieve efficiency gains, as store-specific costs (rent, maintenance, personnel) increase slower than sales grow. The company has also said that it has focused on shift planning to improve the efficiency of its store personnel. As procurement volumes increase, we believe the company will receive better purchase terms from its suppliers, which enable the company either to have higher product margins or offer lower product prices with existing margins. We also see scalability potential in marketing costs, as Puuilo currently carries out marketing nationwide, which means that marketing does not need to be scaled up at the same rate as the store network/revenue grows. Thus, we consider the over 17% EBITA margin targeted by the company realistic and expect the company to achieve it in 2025. On the other hand, a major threat to an increase in EBITA % is intensified price competition or whether the company can increase its revenue at the desired pace.

Acquisitions are possible, but unlikely

Acquisitions are not on page one of the company's growth strategy playbook, as the company primarily seeks to expand organically with the Puuilo concept. On the other hand, in early 2024, the company carried out the Hurrikaani business acquisition, where it acquired three discount stores in new locations for Puuilo. Thus, the company accelerated its growth and put its overflowing cash position to work.

Reflecting specifically the company's abundant cash flow profile and the resulting capital allocation decisions, acquisitions may be considered in the future as well. However, we suspect suitable acquisition targets for Puuilo (big enough town, not too close to existing Puuilo stores, suitable store space) in Finland are few and far between.





Source: Puuilo, Inderes

Strategy and financial objectives (3/5)

However, in the future, as discount retail becomes more concentrated and competition intensifies for smaller players, attractive store locations and an existing customer base may become available at relatively low prices. Thus, we do not exclude possible acquisitions either, although we do not expect them with bated breath.

Internationalization awaits in the next strategy cycle...

According to the current strategy, Puuilo remains a purely domestic discount retail company. However, we consider it possible for the company to explore the possibility of internationalization in neighboring countries (the Baltic region and Sweden), as the company’s growth ambitions are likely to remain high even after the Finnish market conquest. If expansion proves to be the company's ambition, we believe this will happen organically in the domestic market with the help of the well-functioning concept or a variation of it. There are no guarantees that the concept that works in Finland can be successfully launched abroad, and in many cases, the concept must be molded to suit the market and consumer base. Thus, the road may be long and rocky, but on the other hand, if successful, it would raise the value creation potential of the stock to a completely new level.

An alternative way of internationalization would be to buy an existing discount retail concept (like Tokmanni and Europris did). We consider this option a little riskier as the company’s acquisition background is rather thin. Acquisitions always involve a risk of the actual quality of the acquired company. The company's calculating culture would thus favor controlled organic expansion, but on the other hand, the strong increase in international shareholders may put pressure on management for a faster expansion pace.

...or a slower-growing cash-flow machine

If internationalization does not occur, we believe the company will become a slow-growing company that distributes dividends (or carries out share buybacks). The end result is not such a bad option for the investor, as the potential dividend yield could then, in our estimate, exceed 10%, which we consider a rather good return for the reduced risk that also comes with the decline in growth.

Inderes' view of the scenarios after the strategy period

Scenario	Likelihood	Return potential	Risk
Internationalization through acquisition	20%	$$$	!!!
Internationalization organically	40%	$$$	!!
A slower-growing cash-flow machine	40%	$	!

Strategy and financial objectives (4/5)

Financial targets (issued in spring 2024)

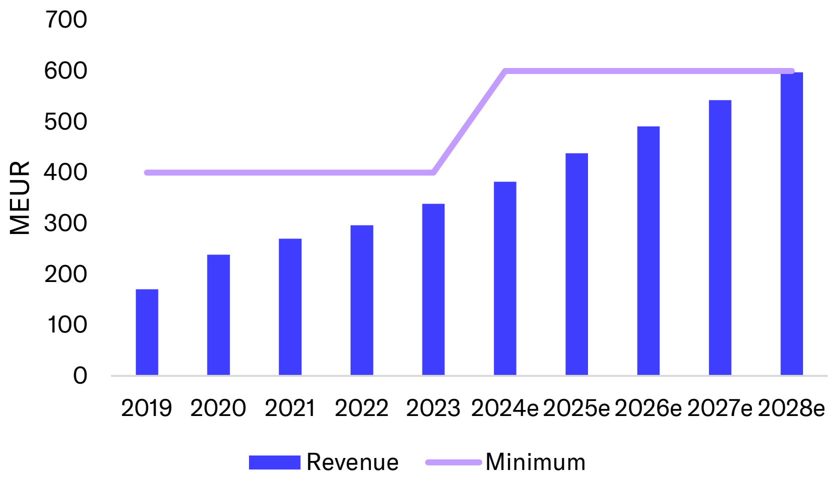
Over 600 MEUR revenue	**Adjusted EBITA margin of more than 17% (>105 MEUR EBITA) by 2028**

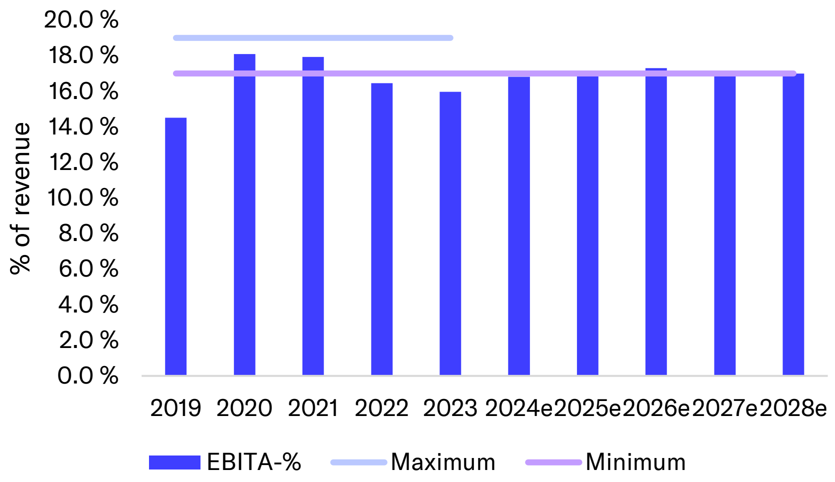
Over 600 MEUR revenue

- Puuilo has grown on average by 20% per year (2010-2023 CAGR), supported by new and old stores.
- Achieving this target requires annual growth of 12%. Some of the growth will come from old stores, as the age of the network is still young (46 in Q2'24 vs. target >70). However, most of the increase (3/4) is explained by the expansion of the store network (5-6 per year).
- We believe that the prerequisite for achieving this objective are reasonably good. The company has succeeded in gaining new profitable growth also in a challenging competitive landscape, which signals the attractiveness of the concept.

Adjusted EBITA margin of more than 17% (>105 MEUR EBITA) by 2028

- Puuilo achieved a profitability level of over 17% during the COVID era in 2020-21. However, we believe this was supported by a strong demand environment, and over the past two years, the company's profitability has been around 16%.
- In our opinion, achieving the profitability target is supported by the company's aging store network (the EBITDA per store grows as sales increase), improving gross margin (private labels, more efficient logistics) and efficiency investments in fixed costs (shift planning, scalable marketing).
- An essential threat to profitability improvement is the tightening competition landscape and resulting price competition.





Strategy and financial objectives (5/5)

Financial targets (issued in spring 2024)

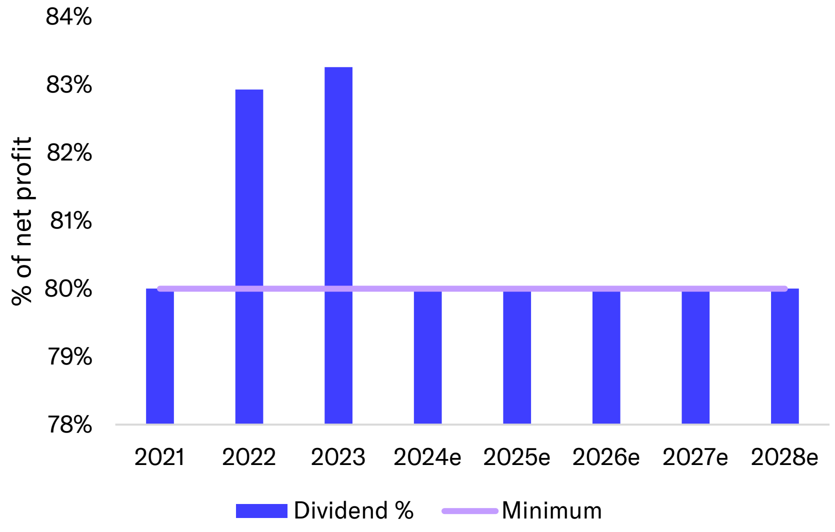
Over 80% profit distribution	**Net debt/EBITDA ratio below 2x**

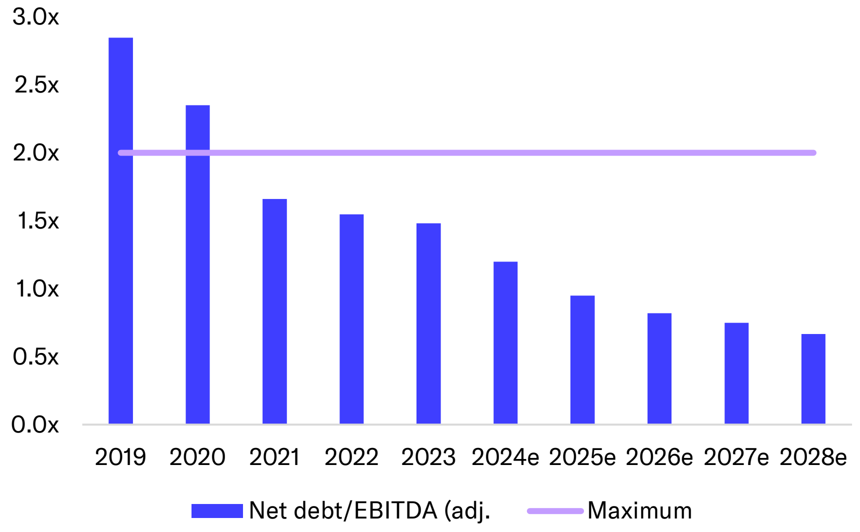
Over 80% profit distribution

- With a strong cash flow profile and low investment needs, the company’s cash flow tends to grow rapidly. For this reason, the company has paid most of its profit as dividends to its shareholders.
- In the future, the company aims to pay out more than 80% of its net profit to its owners. In addition to dividends, the company can use, e.g., share buybacks ar a means for profit distribution.
- We consider adding a share buyback option as a positive, as it (+ the cancellation of treasury shares) is a more tax-optimal alternative for shareholders. However, this requires that own shares are not bought flagrantly above the fair value of the share.

Net debt/EBITDA ratio below 2x

- Due to the company's strong performance, net debt to EBITDA has fallen to around zero from 2x at the time of the IPO. In addition, the company has repaid debts amounting to 28 MEUR. At the end of Q3’24, the ratio was 1.3x (0.4x IFRS16 adjusted).
- We do not believe that the debt will rise close to the company’s ceiling target during this strategy period, as this would require significant debt-financed investments from the company. At present, the company can finance its organic expansion with cash. On the other hand, we consider utilizing debt, e.g., in implementing a potential acquisition, possible but any potential acquisition targets in Finland are quite small.





Industry and market overview (1/5)

The popularity of discount stores has increased

Defining the target market for Puuilo is somewhat challenging, as it competes against conventional specialty retailers, department stores and discount stores. In addition, customers who often buy directly from wholesalers may also shop in the store. We have examined the company’s target markets from two different perspectives: (1) discount and (2) DIY/hardware store.

At its core, Puuilo is profiled as a discount retailer, whose target market is growing faster than the conventional retail market. This is partly because consumers’ price awareness has increased in recent years. Generally, consumers are currently looking for value for their money. In the big picture, however, the popularity of discount stores is driven by a substantial improvement in the quality of discount products, as a few decades ago, some consumers perceived discount products to be of low quality. The increased popularity has also been influenced by the strong expansion of the discount retailers’ store network, which has raised the chains’ visibility and brought them closer to consumers.

The size of the market compiled by Finnish discount retailers (see page 18) was 3.5 BNEUR in 2023. Throughout history, the market has grown at a rate of 5-7% (vs. retail trade 2-3%), suggesting that discount retailers have gained market shares from department stores and specialty stores. At the same time, the market has concentrated on larger players. This is evidenced by the trend-like expansion in the market share of the five largest players (2019: 74% vs. 2023: 78%). We believe this is largely a resource issue, which has enabled the expansion of the store network of large players, but we also suspect these players have distinct concepts that appeal to consumers.

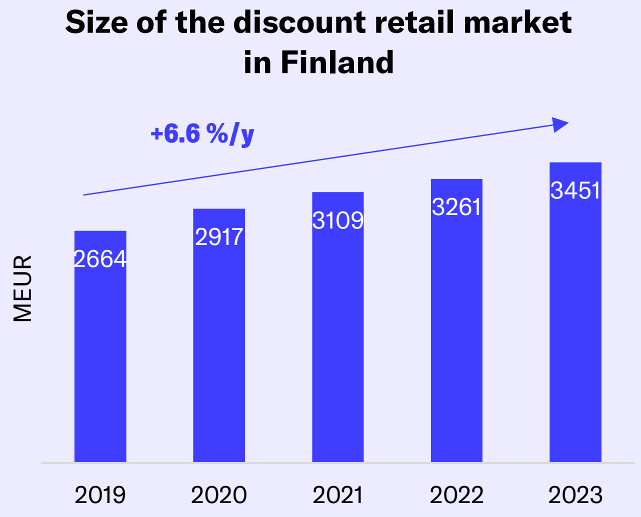
The DIY market is growing fast

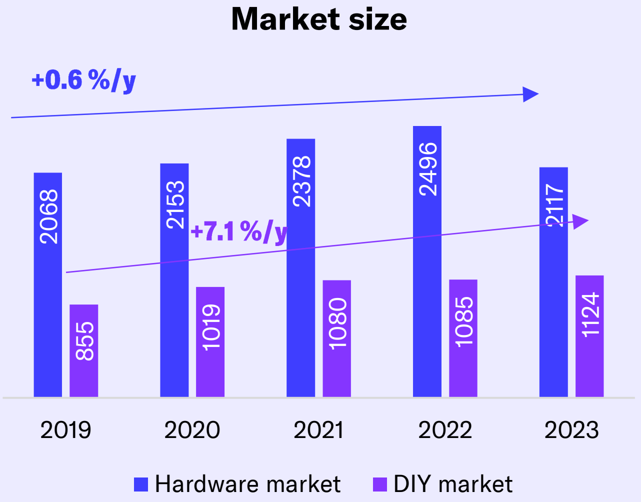
More than half of Puuilo’s product range/revenue comprises DIY product groups. These product groups are, in some respects, comparable to those sold in hardware stores. We have formed a group of players focusing on DIY products, which, at the end of 2023, amounted to just over 1 BNEUR. In turn, the size of the Finnish hardware market was good 2 BNEUR.

There are substantial differences in the growth profiles of the market. The DIY market has grown on average by 7% over the past five years, while the growth of more cyclical hardware stores has only been around 1%. However, the review period is full of market downturns and upturns. Hardware trade has grown roughly in line with GDP during 2010-23, which is fairly consistent with the development of previous years.

There is a fierce battle over market shares

Puuilo's market share in the Finnish discount trade has risen from 6% in 2019 to 10% in 2023. The company's growth has come at the expense of small and medium-sized players, whose shares have declined by up to 5 percentage points at group level. For example, Rusta and Normal can be included in players who have recently gained market shares and grown their store networks quite aggressively. The market shares of more mature players, such as Tokmanni and Motonet, who have grown strongly in the past, have remained fairly stable.





Industry and market overview (2/5)

Discount and DIY trade is also profitable

In addition to growth, the profitability development of discount and DIY stores such as Puuilo has been positive. We believe this is based on two different components: 1) reasonably healthy product margins and 2) a low cost structure achieved through strict cost control.

Gross margins are supported by private labels and large purchase volumes: Although discount store products are often perceived as cheap, domestic and Nordic discount players have generally achieved gross margins of over 30%. This is influenced by both high purchase volumes (low purchase price) and higher shares of more profitable private label products than in conventional trade. The share of private label sales of Nordic listed companies is close to 40%, while the share in grocery sales of S and K Group is, e.g., approximately 20%. The relative gross margins of DIY stores are also supported by large purchase volumes, but also product ranges with a more favorable margin structure. The downside of this, in turn, is slower inventory turnover but we see the whole as a positive for the result.

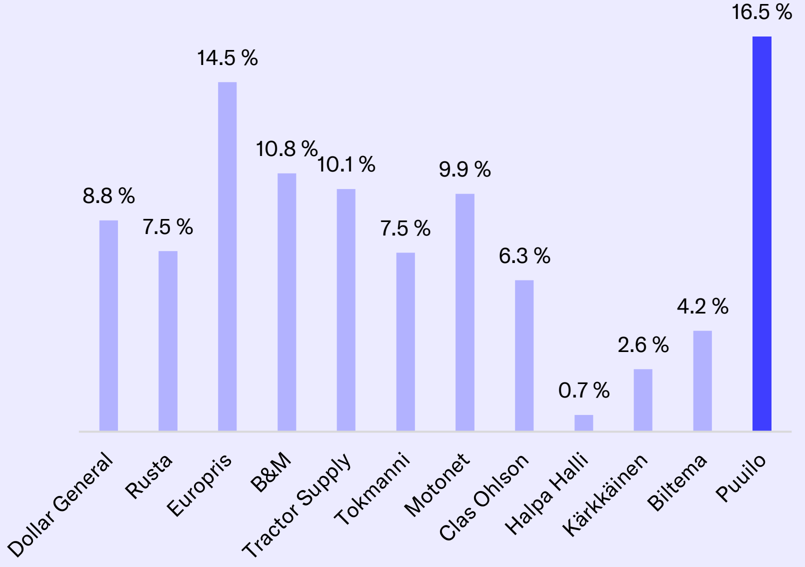
Strict cost discipline enables a combination of low prices and good profitability: Strict cost control is also typical for discount stores, which results in the cost structures of discount players typically being rather low (e.g. compared to specialty stores). Cost savings often arise from simple stores, lower rent levels of stores, and efficiency in administrative and logistics operations. Efficiency gains can also be achieved from large sales per store or square meter, as additional sales are quite efficiently scaled. This is, however, true regardless of the industry.

The comparability of the cost ratios of domestic companies is weakened by differences in accounting practices (IFRS vs. FAS) but in general, we can say that the cost ratios are quite efficient. Thus, the average EBIT % of well-known discount stores operating in the Nordic countries was 7.5% in 2019-2023.

Larger retail chains are expanding their network coverage

The expansion of the store network is a key part of the strategy of many companies focusing on discount/consumer goods trade in Finland. We estimate that Tokmanni's goal is to expand its network in Finland by 5-10 stores (now 201). Puuilo aims to expand its network to over 70 stores in the medium term (now 48 stores). Rusta that acquired Hong Kong in 2018, which had entered corporate restructuring, plans to expand to 50 stores in Finland (currently 42) by 2025. Jula (9), who arrived in Finland in 2020 from Sweden, is planning to reach a network of around 20 stores, and Biltema (19) and K-Citymarket (82) announced their intention to expand their store network with several new stores in the coming years. We believe, Prisma (79) and Motonet (41) aim to increase the number of individual stores in Finland.

EBIT % of peers (2019-2023 median)



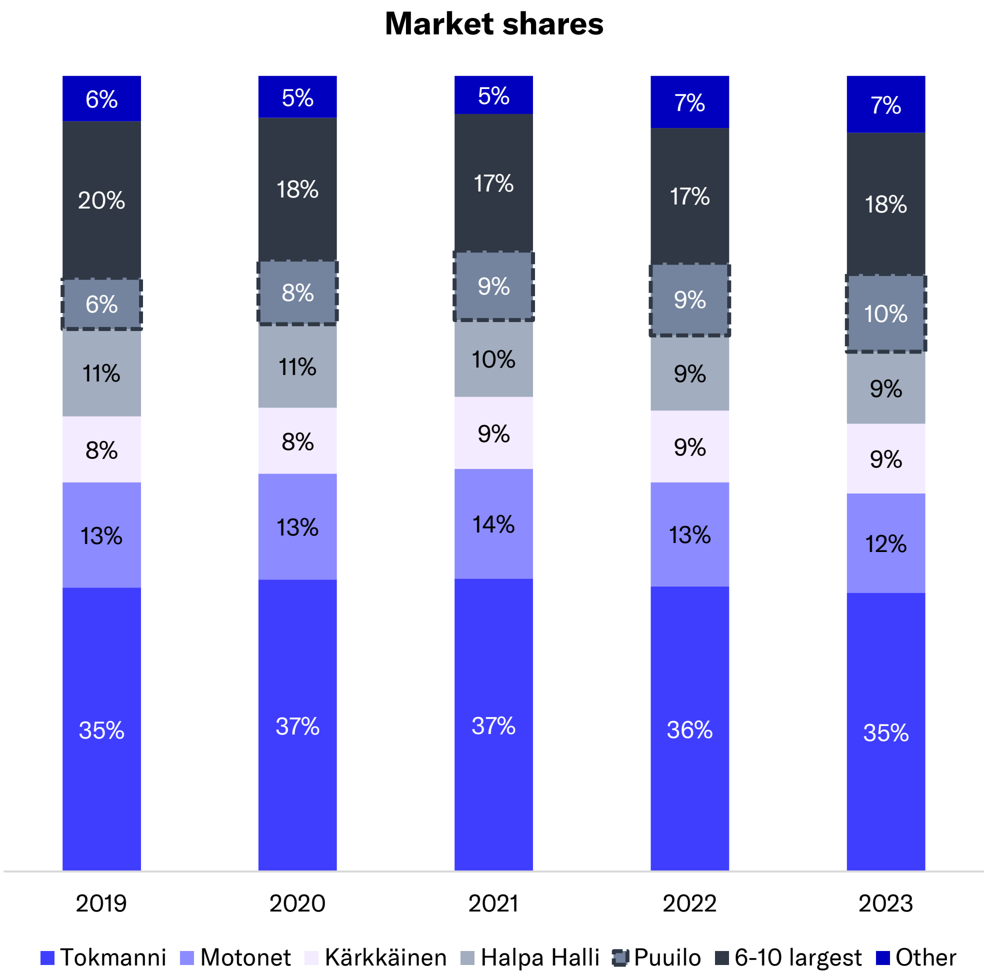
Industry and market overview (3/5)

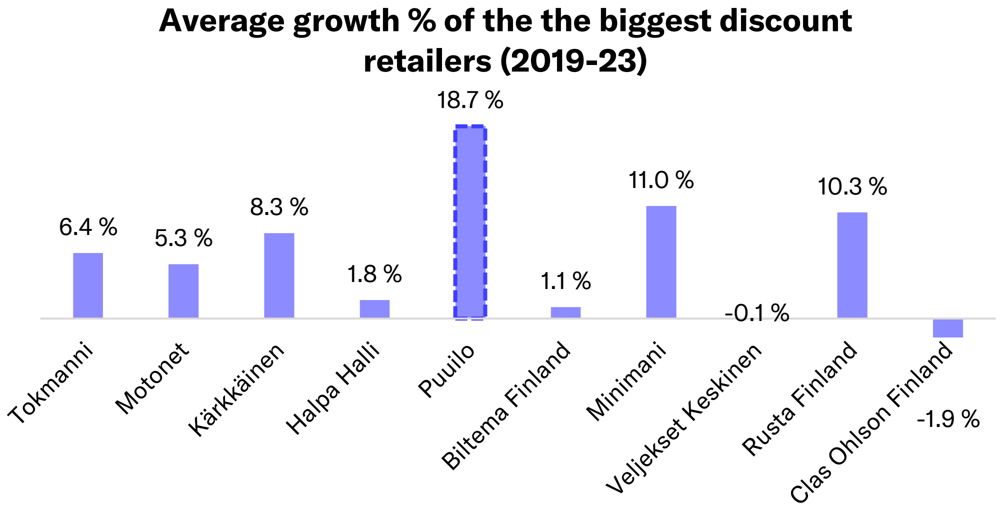
Motonet (with its own concept) and Tokmanni (with an acquisition) are the only Finnish discount retailers who have also entered the Swedish market to compete. We believe that this partly signals that the Swedish market is generally seen as difficult due to the strong concepts and brands of existing chains. On the other hand, the same foreign operators are also largely present in Finland, so we feel Puuilo's clear winning of market shares (also from foreign players) indicates the competitiveness of the concept. Therefore, we feel the Puuilo concept has potential for internationalization.

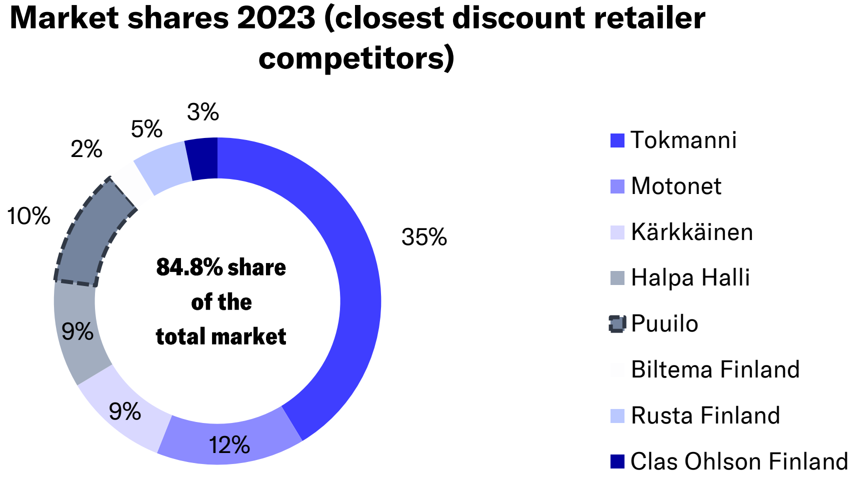
A survival of the fittest scenario may also lie ahead

The Finnish market also has medium-sized chains with surprisingly low profitability (see page 16). The market may face a survival of the fittest scenario if zero growth continues for a longer time while inflation increases the costs for operators. As growth-oriented operators expand their store networks, competitive pressure between operators increases. In this situation, the operators in a weaker position are those who already had low profitability even in a good market and whose balance sheet cannot withstand losses for long. The best-known players that have exited the market in previous years include Hong Kong, which was acquired by Rusta (2018) and Anttila (2016). During 2024, the painting goods store RTV announced that it had filed for corporate restructuring and later the garden store Plantagen was declared bankrupt, both of which were plagued by reduced revenue, as well as weak profitability and balance sheet position.

Industry and market review - discount retail market statistics (4/5)





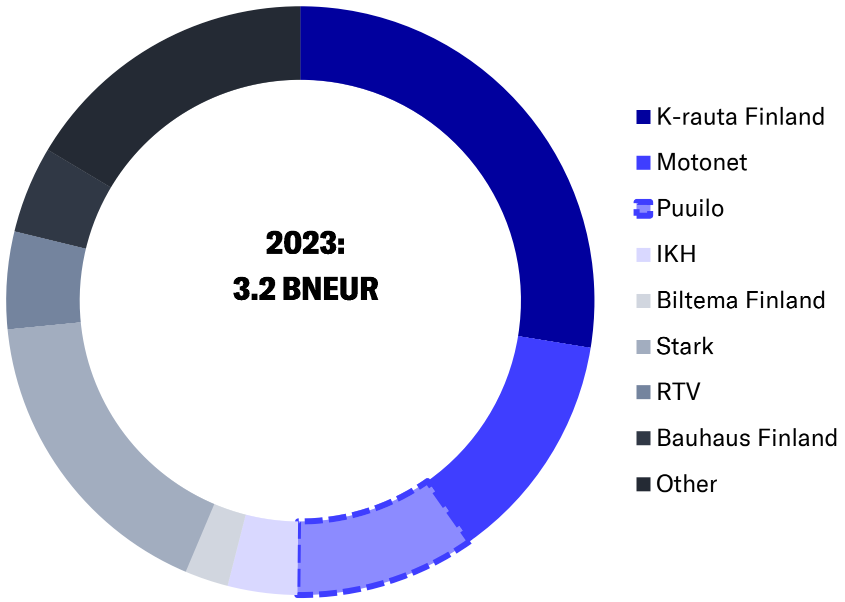


Source: Asiakastieto, Puuilo, Tokmanni, Inderes

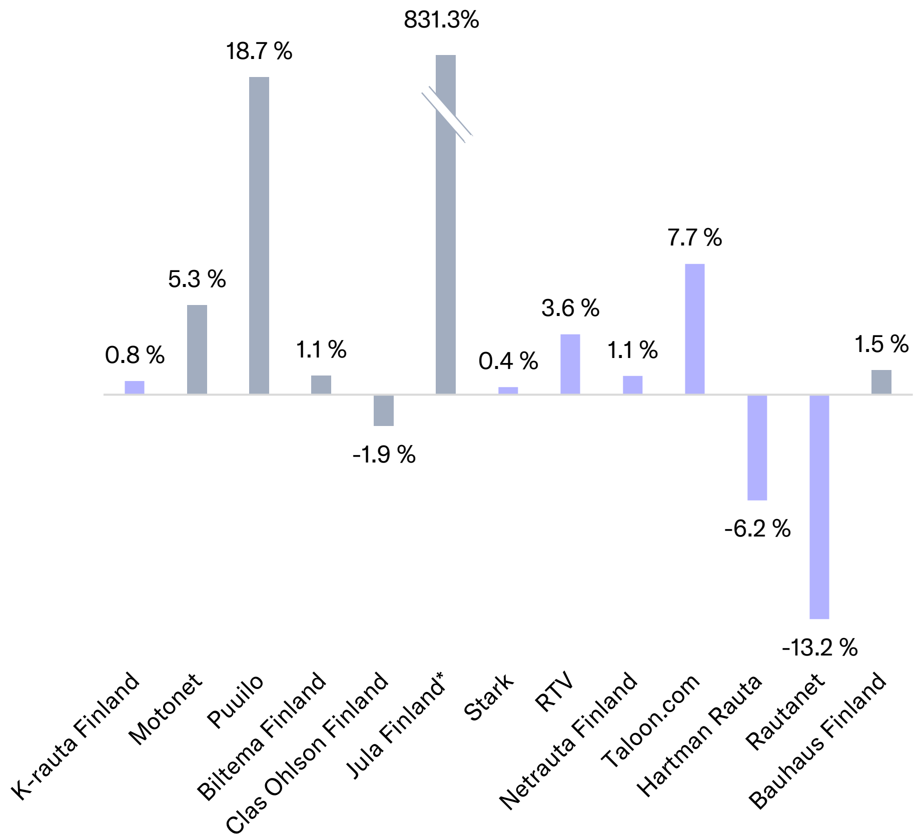
Discount stores: *Motonet, Kärkkäinen, Halpa Halli, Puuilo, IKH, Biltema Finland, Minimani, Veljekset Keskinen, Rusta Finland, Clas Ohlson Finland, Normal Finland, Vaalimaan Kauppakartano Oy, Löytötex Oy, Tampereen Säästötex Oy, Säästökuoppa Group Oy, Porvoon mikrokulma Oy, Tuontitukku Fi Oy, Tavaratalo Hurrikaani Oy, Sopuraha/Tukkusein Oy, Saiturinpörssi/Kar-Agent Oy, Halpakauppa Oy, Jula Finland*

Industry and market review - hardware and DIY market statistics (5/5)

Shares of the hardware and DIY retail markets 2023



Average growth of competitors in the hardware and DIY trade (2019-23)



Source: Asiakastieto, Puuilo, Kesko, Inderes
*2022-23 growth
Hardware stores: *K-rauta Finland, IKH, Stark, RTV, Netrauta Finland, Taloon.com, Hartman Rauta, Rautanet, Hammer Finland, Väritukku.*
DIY stores: *Motonet, Puuilo, Biltema Finland, Clas Ohlson Finland, Jula Finland, Bauhaus Finland.*

Competitive landscape (1/1)

Wide selection and price image as competitive advantages

Conventionally, a large number of SKUs and maintaining an efficient cost structure are contradictory. This is because the supply chain becomes more complex and purchasing volumes are spread across more products. Puuilo has found a concept in the middle ground that stands out, offering its core customers a relevant selection at affordable prices. The clear majority of the products sold in Puuilo stores cost under EUR 20, with a customer's average purchase of about five products being about EUR 28.

However, a low price point does not mean a low margin, as the products sold by the company with low price points have a more favorable relative margin potential than products with higher prices. We believe this is due to lower price awareness among customers in low-priced products, which means that the seller has the freedom to price the product with more favorable margins, and the high share of private label products. This has been visible in 2023-24, when consumption has focused on low-priced products and the company's gross margin has improved through a more favorable sales mix.

In addition to tactical marketing, the company's marketing also strengthens the brand's affordable price image and product range awareness. We believe successful campaigning is also partly reflected in the results shown in the graph below.

Facing specialty stores and generalists

Specialty stores offer a clearly wider selection than Puuilo, typically in one or a few selected categories. However, their price level is more expensive mainly due to their heavier cost structure. Specialty stores competing with Puuilo include, e.g., K-Rauta, Starkki, IKH, Bauhaus, Rautanet and Musti.

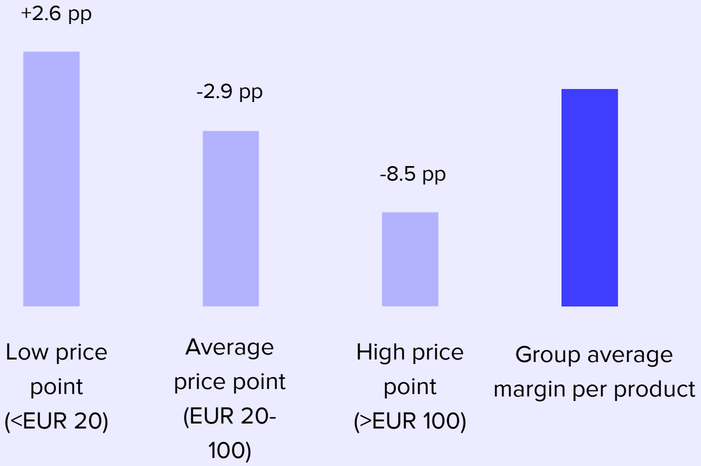
In Finland's discount trade, generalists include, e.g., Halpa-Halli, Rusta, Tokmanni, Minimani and Kärkkäinen. Other notable generalists outside the discount trade are Prisma and Citymarket's durable goods side.

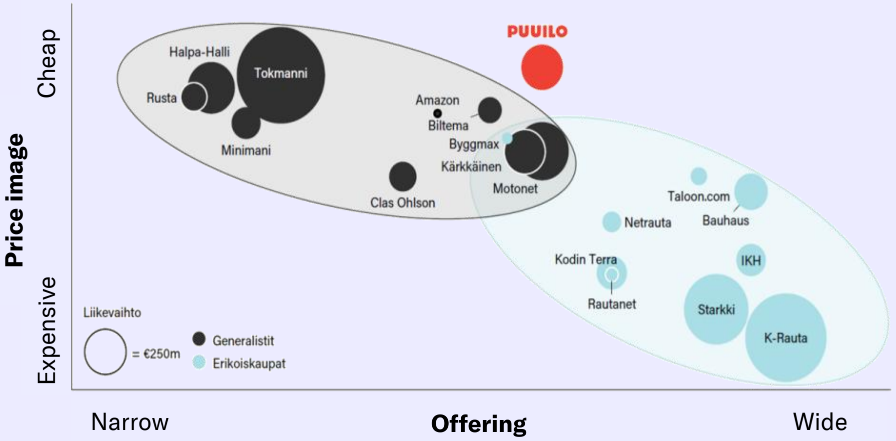
Based on surveys commissioned by Puuilo it is perceived to have a wider selection of DIY products and tools compared to generalists. Some generalists have also reduced their selection in Puuilo's product categories, as the competitive situation has led them to focus on categories where the customer value offered by their concept is stronger.

Increasing competition from Chinese online stores has become a key concern for domestic trade. However, we feel that Puuilo is somewhat protected from this, as the customer often seeks a quick needs-based solution from the Puuilo store.

Product group	Example products	Share of sales
Low price point < EUR 20		
Average price point EUR 20-50		
High price point > EUR 100		

Product-specific margin per price point





Source: Puuilo

Past development (1/2)

The company is in a strong growth phase

Puuilo's revenue growth has been strong in recent years, even though the market situation has fluctuated strongly (2017-2023 CAGR 20%). At the same time, the size of the company has multiplied rapidly. Growth has come from both new store openings (3-4 new stores per financial year), but the comparable sales of stores have also increased clearly in recent years (see picture). According to Puuilo's definition, a store is considered new in the year of opening and the following financial year, and older stores than this are included in comparable sales.

Comparable growth is largely based on the increase in the number of store visitors as the customer base in the area grows over time. According to the company, sales per square meter of a store have averaged 1.4 KEUR for 1-2-year-old stores, 3.2 KEUR for 3-5-year-old stores, and 3.7 KEUR for 6-10-year-old stores. The average sales per square meter of stores older than that is 4.3 KEUR, which means over 10 MEUR sales at store level. Puuilo currently has 48 stores and the store network is still young, as about half of them are under 5 years of age. In conclusion, even if the company one day reaches its maximum number of stores, sales will likely continue for several years supported by comparable growth.

The average customer purchase during the financial year 2018 was EUR 24.8. Driven by COVID, the average purchase increased strongly, after which the average purchase stabilized at a trend growth level of EUR 28.4 (+3%/year). We suspect the long-term growth in the average purchase stems from the company's increased awareness, as well as a diverse and affordable selection.

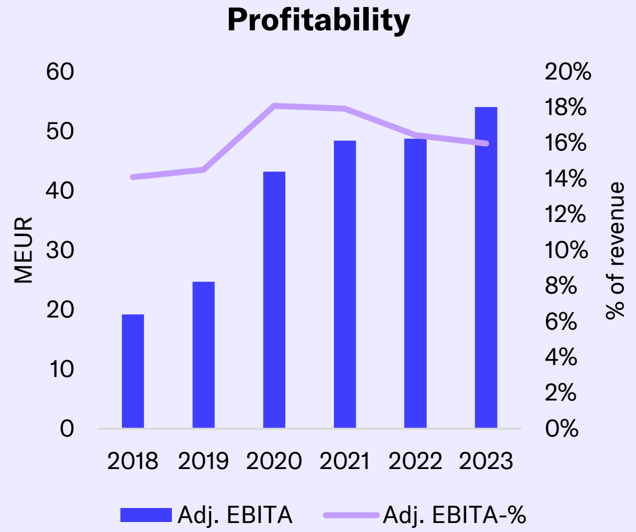
Profitable growth throughout history

The company's adjusted EBITA (operating profit before trademark depreciation) has increased from 19 MEUR in 2018 to 54 MEUR in the financial year 2023. Relative profitability has improved in the same period from 14.1% to 16%. We suspect that in addition to growth, this has been the result of an improved gross margin (increased purchasing volumes and increased share of private labels) and a truly efficient cost structure.

The company exceeded its EBITA target of 17% in 2020-21 accelerated by COVID. At that time, demand was so strong that cost development did not keep up with growth. The pricing environment was also more favorable than today, reflected in a record-high relative gross margin (2021: 36.8%).

Gross margin development has been positive

The company's gross margin increased from last year to 36.6% (2022: 36.2%), e.g., due to the growth in private labels and alleviated cost pressure. The long-term trend in the gross margin has also been positive, as in 2018 the margin was still 34.6%. The most important driver supporting the company's gross margin is the increase in the share of private label products. In the 2023 financial year, their share had risen to 20% (cf. 14% in 2018).



Source: Puuilo, Inderes

Past development (2/2)

The cost structure is already very competitive

Puuilo's fixed costs that consider rental expenses (2023: 20.8% of revenue, 2018-23: 20.3%) are lower than competitors, especially due to lower rent levels. Cost discipline is also widely applied to other expense items (efficiency of store personnel and lean administrative organization). For example, the share of fixed costs in Tokmanni's and Rusta's revenue was 30% and 27% respectively in the financial year 2023. Puuilo's cost structure has scaled well in history with sales growth, which is particularly visible in 2020-21. However, the comparability of these years is weakened by the hot demand environment at the time and in our view a low cost structure relative to that.

Overall, the development of personnel costs has been fairly steady (2018: 10.6% vs. 2023: 10.5%). The scalability of personnel costs seemed strong before 2023, when collective agreement increases (+3.9%) and a stronger store opening rate than in previous years pushed the relative cost ratio to 2018 levels.

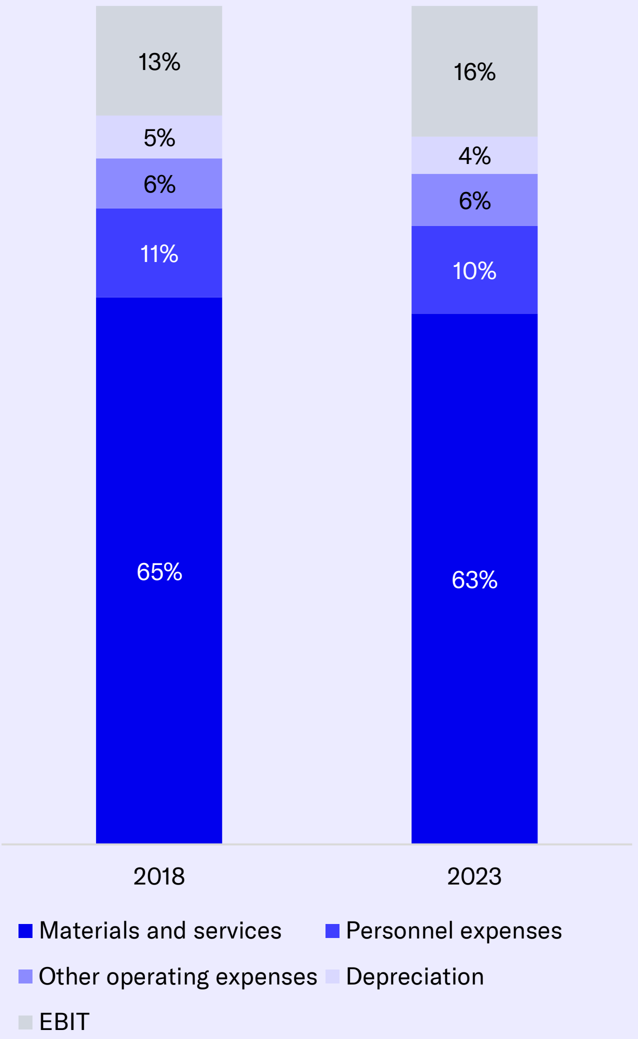
Puuilo's largest expense item by far is material costs, whose share of revenue has decreased by as much as 2 percentage points to 63.4% in 2023. We consider this a good performance, as the company faced significant cost inflation in 2022-23 (i.e., price increases have been successful). We suspect material cost efficiency stems from the company's increased size class and the resulting purchasing benefits. At the same time, the company has managed to grow its private labels with a more profitable margin structure, which has helped decrease relative material costs.

The share of other operating expenses has remained fairly stable at around 6%. These costs include administrative expenses, property maintenance costs, marketing and IT costs, sales freight, and credit card commissions. Puuilo has invested heavily in its IT systems, the increase of which we estimate has kept the expense ratio flat while administration and marketing costs have scaled.

The share of depreciation has also decreased. In 2018, depreciation amounted to 5.1% of revenue, while in the previous financial year, the figure was 4.4%. In our view, the decrease in the relative share of depreciation has been enabled by the scaling of rental costs recorded in IFRS16 depreciation along with revenue growth.

* Personnel expenses, other operating expenses and rental expenses

Cost structure



Source: Puuilo, Inderes

Financial position (1/2)

The business ties up very little non-current assets

The company's balance sheet contains approximately 80 MEUR of non-current tangible assets, of which a significant part is fixed assets related to leased properties (75 MEUR). Other long-term tangible assets consist mainly of store furniture and machinery (5 MEUR).

In addition, non-current assets contain a lot of intangible assets (50 MEUR), most of which are goodwill (33.5 MEUR). In addition, intangible assets include Puuilo's trademark and costs capitalized in the balance sheet related to ERP and IT systems.

Goodwill and the value allocated to trademarks were formed when the company changed hands in a private equity transaction in 2015. The value allocated to Puuilo's trademark is depreciated over 20 years using straight-line depreciation (1.1 MEUR/year), which explains the difference between the company's reported EBITA and operating profit (EBIT).

Inventories the largest item on the balance sheet

Of the current assets on the balance sheet, by far the largest is the company's inventory, which at the end of H1'24 was 101 MEUR or 28% of revenue. Inventory levels relative to revenue have decreased in recent years from the situation at the end of 2021 (34% of revenue). This was caused by the company wanting to ensure the availability of its private label products from factories in Asia in particular. Since then, the general demand for consumer products in the inflationary environment has clearly weakened and, at the same time, the overdemand situation at factories in Asia has dissolved. Destocking and improving the efficiency of inventory turnover has ultimately lowered inventories to a reasonable level in our opinion.

The company's trade receivables and other receivables are relatively small, totaling some 10 MEUR. These accrue little, as Puuilo's consumer customers pay for the products immediately at the checkout. The payment periods offered to corporate customers are 14-30 days.

The company's cash position was strong at the end of H1'24, as the balance sheet contained 32 MEUR in cash due to a strong operating result and decreased inventory levels. Maintaining a cash buffer is important in itself, as by paying its invoices quickly, the company receives a so-called cash discount from its suppliers on its purchase prices.

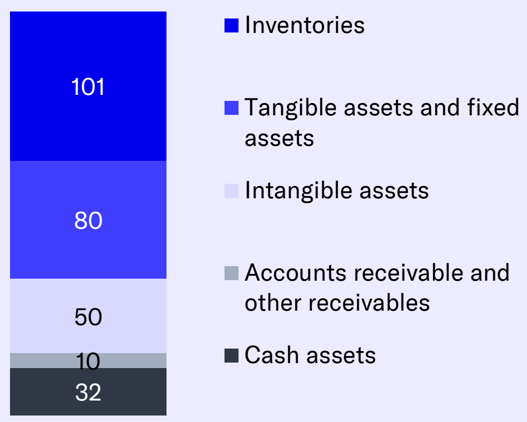
No surprises in liabilities either

On the liability side, the company's equity at the end of H1'24 was 76 MEUR. Adjusted for IFRS16 items, this corresponds to an equity ratio of around 40 %, which is a healthy level. The company's interest-bearing debt consisted of lease liabilities related to lease agreements of 76 MEUR and bank loans of approximately 50 MEUR. Adjusted for IFRS16 items, the company's net debt corresponded to 0.3x EBITDA, which indicates that the debt is well under control.

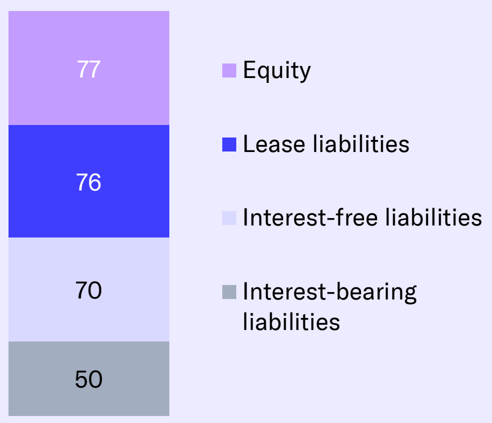
Current interest-free debt capital amounted to 67 MEUR. Of these items, trade payables and advance payments received amounted to approximately 30 MEUR and the rest were tax liabilities (mainly VAT liabilities).

As a whole, Puuilo's balance sheet total was 273 MEUR.

Assets (2023)



Liabilities (2023)



Source: Puuilo, Inderes

Financial position (2/2)

Investments and net working capital

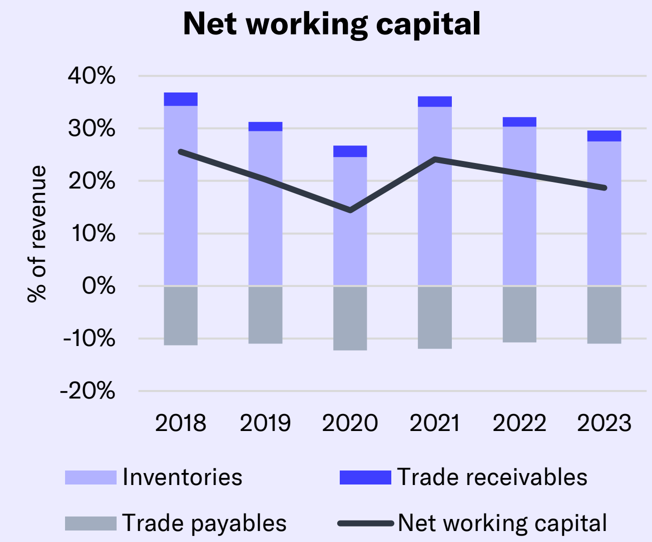
As a whole, Puuilo's business is very capital-light. Investments consist of investments related to store openings and their maintenance, as well as growth investments. Starting in 2018, the company began renewing several IT systems (e-commerce, ERP, cash register and HR systems, and purchase invoice processing automation) to ensure that systems are scalable to larger volumes and improve efficiency. Resources were also invested in their integrations and the reforms (incl. ERP) were successfully completed by the beginning of 2022. This slightly raised investment levels in recent years, but investments have remained low at levels of around 2-4 MEUR/year.

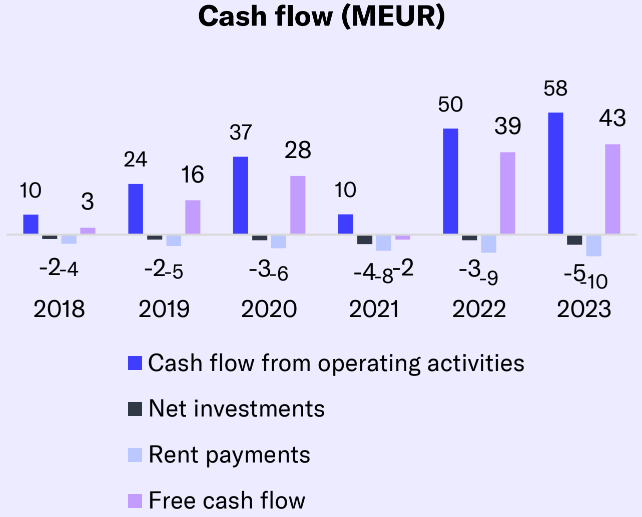
In 2023, operating net working capital was 19% of revenue, so growth ties up some capital. Compared to history, the development has been on a downward trend, indicating that the company's growth has become more efficient. The improvement has occurred especially through a relative decrease in inventory levels, while the relative levels of receivables and trade payables have remained unchanged.

Cash flow is allocated to dividends

The company's operations generate strong cash flow, which has developed positively, especially thanks to the favorable development of sales and profitability. Investment levels are also low, and acquisitions are not pursued in the company's strategy. Free cash flow was 43 MEUR in 2023 and it has grown at an annual rate of approximately 67% (2018-23).

The company's goal is to distribute at least 80% of the net profit to shareholders (dividends or share buybacks), which we consider justifiable, considering the low investment needs and controlled growth. As a listed company, Puuilo's dividend payment has also been in line with this ratio.





Source: Puuilo, Inderes
*Trade payables include trade payables, advances received, income tax liabilities and other current liabilities. Trade receivable includes sales and other receivables

Investment profile

1. A concept that attracts consumers, which is largely made up of defensive product categories
2. Expansion of the store network and growth of existing stores
3. More efficient operations than competitors
4. Excellent profitability and return on capital relative to the sector
5. Strong cash flow, a high proportion of which is channeled into profit distribution

Potential

- Increase the number of stores to 70 (now 48) and increase like-for-like growth in old stores
- Growth in more profitable private label products
- As a result of growth, improved bargaining power with suppliers and scaling of fixed costs (administration, marketing, etc.)
- Further improving the efficiency of operating costs
- Complementary acquisitions in Finland

Risks

- Increased competition as key competitors also expand their brick-and-mortar networks
- Global disruptions in product availability and the rise of protectionism
- Weakened purchasing power among consumers
- The trend of increasing professionalism in renovations and living in apartment buildings

Source: Inderes

Estimates (1/3)

Estimate model

A key driver for the company's growth and profitability development is the expansion of the store network. Thus, we model revenue development using the number of stores, the floor area of the stores (m2) and average sales per square meter. The store openings reported by the company make estimation fairly reliable, so the most difficult component to assess is the magnitude of comparable growth. We believe this is linked to the average age of the store network (sales of the store grow and profitability improves with age) and market development.

We forecast cost lines and, thus, EBITA profitability at Group level, using gross margin and fixed costs as the main forecast lines.

Summary of estimates

We expect the company to open 5-6 new stores per year, with the store network reaching 73 by the end of 2029. Thus, we expect revenue growth will continue through new stores and the young existing store network maturing. We expect the company's revenue to grow at an average annual rate of 13% (2023-26 CAGR-%).

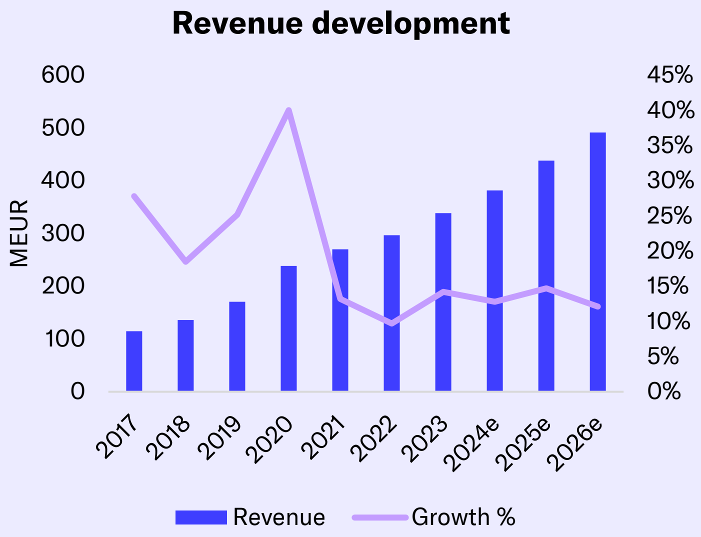
In terms of profitability drivers, we expect the gross margin to improve from 36.6% in 2023 to 37.5% in 2026, driven by larger purchase volumes and growth in the share of private label products. We do not expect any significant changes to the already tight cost structure, which means that the EBITA profitability of 85 MEUR we forecast for 2026 is mainly driven by volume growth and gross margin improvement. Overall, we predict that Puuilo's EPS will grow by 18%/year (2023-2026 CAGR-%).

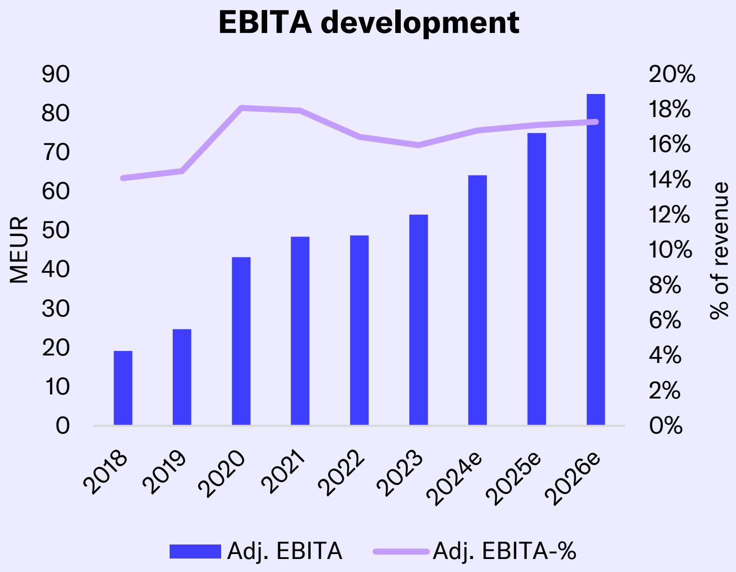
2024 guidance

Puuilo expects that its revenue for 2024 will be 380-400 MEUR (2023: 339 MEUR) and the adjusted EBITA will be in the range of 60-66 MEUR (2023: 54.1 MEUR). The mid-point of the guidance indicates an annual growth rate of about 15% and a 16% EBITA margin. We believe that the guidance holds until the end of the year, but a substantial pick-up of the approximately 0% comparable growth we expect could bring the EBITA to the top of or above the guidance range.

2024: Rest of the year is difficult in market terms

2024 has been a challenging year for the entire retail industry. Despite this, Puuilo has won market shares and its Q1-Q3 revenue has increased by 15%. Like-for-like sales growth has slowed down from previous years, mainly as a result of a changed sales mix due to price-driven consumption (i.e., the average purchase has decreased). Customer numbers, on the other hand, have continued to grow well, which we feel signals a concept that is attractive to Puuilo's customers. The first three quarters have been profitable for the company. The EBITA % has slightly decreased from the 2020-21 levels, which is understandable due to cost inflation (2022-23) and the challenging market environment. Q1-Q3'24 actualized adjusted EBITA of 53 MEUR represented 17.7% of revenue.





Source: Inderes

Estimates (2/3)

We expect 2024 revenue to be 382 MEUR, which is close to the bottom of the guidance range. Q4 is likely to be similar to Q3, meaning comparable growth is hard to achieve. In addition to the decrease in average purchases, this is affected by the challenging market situation. If things proceed as planned, Puuilo will have 49 stores at the end of the financial year.

We forecast that the relative gross margin will improve clearly from the comparison period to 37.5% and the expense ratio will remain roughly at the comparison level due to the cost pressures at the beginning of the year. Thus, our 2024 EBITA forecast is 64 MEUR, which corresponds to a margin of 16.8%. We expect financing costs to increase from the comparison period as a result of the increased IFRS16 interest rate component. With the reduced debt burden, we expect financing debt expenses to have decreased. At a tax rate of around 20%, our EUR 0.54 adj. EPS forecast grows by 19% from the comparison period.

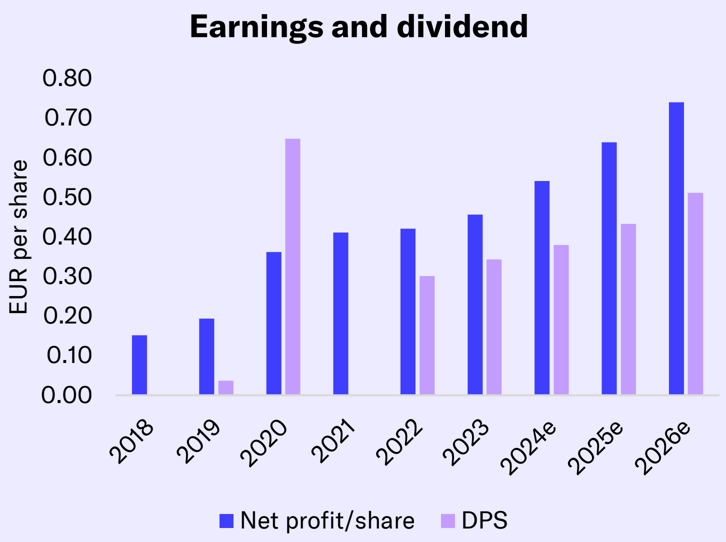
2025-26: It looks better

Based on several indicators, the retail market situation should improve in the coming years. Thus, we believe that Puuilo's comparable growth will improve for 2025-26. Assuming that the store network grows (56 stores in 2025 and 60 in 2026), the company's revenue will grow on average by 13%/year during that period, which, considering the market's historical growth of ~6%, suggests that market share gains will continue. We suspect the development of DIY product categories is supported by the recovery in residential construction but believe the main driver of growth is the attractiveness of the concept.

In terms of profitability development, our expectations point upward. We believe positive EBITA development is supported by the improving gross margin driven by volume benefits and the increasing share of private labels (36.6% in 2023 vs. 37.6% in 2026e). We expect volume growth to bring economies of scale to, e.g., marketing and support functions, although their impact is likely to be small on Group level. In addition, we believe that the growing store network will support Group development, as the average Puuilo store will generate an EBITDA margin of over 20% in the mature phase. On the other hand, wage inflation creates pressure on profitability. We forecast EBITA margins for 2025 and 2026 to reach 17.1% and 17.3% respectively. The decrease in interest rates slightly lowers the company's financing costs, but the expanding store network keeps the IFRS16 component of financing costs on the rise. Overall, we predict adj. EPS to increase on average by 17% per year over the period

Long-term estimates

We estimate that the company will reach its targeted store network of more than 70 stores by 2029. From then on, we expect the company's growth to slow down to an average level of 5%, supported by growth from maturing stores. For the terminal period, we forecast 2% growth, which is in line with the long-term development of the retail sector. We expect the EBITA % to stabilize around the company's target of 17%, as, in our view, the tight competitive situation in retail poses significant long-term uncertainties for margin improvement.



Estimates (3/3)

The cash flow machine further strengthens its balance sheet

Puuilo's balance sheet has strengthened during its time as a listed company thanks to a strong cash flow profile. From 2x at the time of listing the IFRS16 adjusted net debt/EBITDA ratio has decreased to almost zero. During this period, the company has repaid debts to the tune of 20 MEUR and EBITDA has improved by approximately ~30 MEUR in total. Thus, the improvement in indebtedness is supported by all components, i.e., declining net debt and rising earnings.

We predict that the company will generate an average operating cash flow of 70-80 MEUR in 2024-26. Net of investments and rental expenses, the company's free cash flow will be 40-50 MEUR.

Dividends, repayment of capital or share buybacks

Puuilo's goal is to distribute at least 80% of its net profit for the financial year to its owners. We model profit distribution accordingly and assume it to be in the form of dividends. If the opportunity arises, the company can also utilize share buybacks. In the long run, we cannot exclude additional dividends or repayment of capital, as, at this rate, the company's cash position will become too large relative to the investment needs of the business.

Forecasting risks

The key forecast risks relate to the growth rate of the company's store network. If the company's store opening rate falls short of the 5-6 annual openings we predict, earnings accumulation will focus further on the future. In addition, we see a significant risk in the development of the competitive situation. Several discount retail/DIY operators will grow their store networks and many retail players have expanded their selection to Puuilo's DIY product category. Thus, the industry may face a survival of the fittest scenario at some point, where the weakest players either regress or are acquired.

Estimate revisions

We made no estimate revisions in connection with this report as we reviewed our forecasts in connection with Puuilo's Q3'24 result.

Estimate revisions MEUR / EUR	2024e Old	2024 New	Change %	2025e Old	2025e New	Change %	2026e Old	2026e New	Change %
Revenue	382	382	0%	438	438	0%	491	491	0%
EBIT excluding NRIs	62.5	62.5	0%	72.4	72.4	0%	83.8	83.8	0%
EBIT	62.5	62.5	0%	72.4	72.4	0%	83.8	83.8	0%
PTP	57.4	57.4	0%	67.3	67.3	0%	78.5	78.5	0%
EPS (excl. NRIs)	0.54	0.54	0%	0.64	0.64	0%	0.74	0.74	0%

Source: Inderes

Income statement

Income statement	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
Revenue	**296**	**65.0**	**104**	**92.3**	**76.8**	**339**	**75.4**	**120**	**102**	**84.3**	**382**	**438**	**491**	**543**
EBITDA	**60.5**	**10.6**	**24.3**	**18.7**	**14.3**	**67.8**	**12.4**	**29.0**	**23.9**	**15.7**	**81.0**	**94.8**	**109**	**118**
Depreciation	-13.5	-3.6	-3.7	-3.7	-4.0	-15.0	-4.8	-4.5	-4.6	-4.6	-18.5	-22.4	-25.0	-26.1
EBIT (excl. NRI)	**47.6**	**7.0**	**20.6**	**15.0**	**10.3**	**52.8**	**7.6**	**24.4**	**19.3**	**11.1**	**62.5**	**72.4**	**83.8**	**92.0**
EBIT	**47.0**	**7.0**	**20.6**	**15.0**	**10.3**	**52.8**	**7.6**	**24.4**	**19.3**	**11.1**	**62.5**	**72.4**	**83.8**	**92.0**
Net financial items	-3.1	-1.0	-1.3	-1.0	-1.2	-4.5	-1.3	-1.3	-1.2	-1.3	-5.1	-5.1	-5.3	-5.6
PTP	**43.9**	**6.0**	**19.3**	**14.0**	**9.1**	**48.4**	**6.3**	**23.1**	**18.1**	**9.8**	**57.4**	**67.3**	**78.5**	**86.4**
Taxes	-8.8	-1.2	-3.9	-2.8	-1.8	-9.7	-1.3	-4.6	-3.6	-2.0	-11.5	-13.1	-15.7	-17.3
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	**35.1**	**4.8**	**15.4**	**11.2**	**7.3**	**38.7**	**5.0**	**18.5**	**14.5**	**7.9**	**45.9**	**54.2**	**62.8**	**69.1**
EPS (adj.)	**0.42**	**0.06**	**0.18**	**0.13**	**0.09**	**0.46**	**0.06**	**0.22**	**0.17**	**0.09**	**0.54**	**0.64**	**0.74**	**0.82**
EPS (rep.)	**0.41**	**0.06**	**0.18**	**0.13**	**0.09**	**0.46**	**0.06**	**0.22**	**0.17**	**0.09**	**0.54**	**0.64**	**0.74**	**0.82**

Key figures	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	9.7 %	10.4 %	17.1 %	15.4 %	12.4 %	14.2 %	16.1 %	14.9 %	10.7 %	9.7 %	12.8 %	14.7 %	12.1 %	10.5 %
Adjusted EBIT growth-%	0.4 %	19.6 %	16.0 %	2.5 %	9.3 %	11.0 %	8.1 %	18.8 %	28.8 %	8.7 %	18.2 %	16.0 %	15.7 %	9.8 %
EBITDA-%	20.4 %	16.3 %	23.2 %	20.2 %	18.6 %	20.0 %	16.4 %	24.2 %	23.4 %	18.7 %	21.2 %	21.6 %	22.2 %	21.8 %
Adjusted EBIT-%	16.1 %	10.8 %	19.7 %	16.2 %	13.3 %	15.6 %	10.0 %	20.4 %	18.9 %	13.2 %	16.4 %	16.5 %	17.1 %	17.0 %
Net earnings-%	11.8 %	7.4 %	14.8 %	12.1 %	9.5 %	11.4 %	6.7 %	15.4 %	14.2 %	9.3 %	12.0 %	12.4 %	12.8 %	12.7 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	**107**	**127**	**133**	**140**	**148**
Goodwill	33.5	33.5	33.5	33.5	33.5
Intangible assets	17.4	16.4	16.6	17.2	17.8
Tangible assets	55.6	75.9	82.6	89.1	97.0
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.7	1.0	0.0	0.0	0.0
Current assets	**124**	**122**	**146**	**175**	**199**
Inventories	89.9	93.1	101	109	123
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	5.4	7.2	7.6	8.8	10.8
Cash and equivalents	28.8	21.5	37.2	56.9	65.8
Balance sheet total	**231**	**249**	**279**	**315**	**348**

Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	**76.2**	**85.0**	**98.7**	**116**	**136**
Share capital	29.1	29.1	29.1	29.1	29.1
Retained earnings	47.1	55.9	69.6	87.0	106
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	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**113**	**112**	**134**	**146**	**153**
Deferred tax liabilities	0.0	2.7	0.0	0.0	0.0
Provisions	0.0	0.9	0.0	0.0	0.0
Interest bearing debt	113	108	134	146	153
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	**41.7**	**51.7**	**45.8**	**52.6**	**58.9**
Interest bearing debt	9.9	14.6	0.0	0.0	0.0
Payables	31.8	37.1	45.8	52.6	58.9
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**231**	**249**	**279**	**315**	**348**

Valuation (1/3)

A summary of the valuation and expected return

Puuilo is a growing and well-performing quality company. The business itself is a fairly simple retail business and the balance sheet is trimmed. This enables the reliable utilization of several different valuation methods. In our valuation model for Puuilo, we use, in addition to absolute earnings multiples, relative earnings multiples and a discounted cash flow model. When gauging the expected return, we consider the company's earnings growth outlook, dividends, and potential changes in valuation multiples.

Thus, we reiterate our Accumulate recommendation and EUR 11.5 target price. In our view, the stock offers an investor an attractive expected return (~15%) supported by earnings growth and dividend yield. On the other hand, the expected return is limited by elevated valuation multiples when measured by the actualized result of the last 12 months.

Several factors support the valuation

In our view, several factors support Puuilo's valuation. The company has demonstrated the defensive nature of its concept, which has ensured growth even in a more challenging market situation. In other words, the company has clearly gained market shares over the past two years. The company has done this very profitably, which few industry peers have been able to achieve. Thanks to the capital-light business model and hefty profitability, Puuilo's capital return capacity is among the best in the sector, which justifies the company's elevated valuation level compared to, e.g., the valuation level of Nasdaq Helsinki (next 12 months P/E ~13x). On the other hand, factors such as tightened competition in retail trade, the general subdued economic sentiment and generally low valuation level of Nasdaq Helsinki limit the company's valuation multiples.

Valuation fairly in line with history

During its short stock exchange history (2021-24), Puuilo has been priced at an average forward-looking P/E ratio of 16x (Bloomberg consensus), which is fairly in line with the current valuation level. At the time of the IPO, the ratio (22-24x) was clearly above the average level, which in our view was explained by the then low interest rate environment. During 2022, however, the trend was reversed due to a clearly changed financial and interest rate environment, and the P/E ratio even hit 12x, which we find to be a rather modest level for a quality company that grows at good 10% per year. We have accepted a P/E ratio of 16-18x for Puuilo, which we believe considers the company's earnings growth potential, high return on capital profile and the lower interest rate environment.

Multiples are clearly elevated

Multiples calculated based on the previous 12 months (LTM P/E 19x and IFRS16 adj. EV/EBIT 16x) are above our comfort zone, provided that strong earnings growth continues. Thus, there is no room for significant earnings disappointments, as we believe this would be reflected in the company's valuation level as declining multiples and forecasts. However, the company's solid track record of earnings growth even in a challenging market supports accepting elevated multiples in the short term. The earnings growth we expect (~18%) remedies the valuation to a rather moderate level (25-26e P/E 16 and 14x and IFRS16 adj. EV/EBIT 12 and 11x), considering the company's earnings growth potential and high return on capital.

Valuation	2024e	2025e	2026e
Share price	10.1	10.1	10.1
Number of shares, millions	84.8	84.8	84.8
Market cap	860	860	860
EV	957	949	947
P/E (adj.)	18.7	15.9	13.7
P/E	18.7	15.9	13.7
P/B	8.7	7.4	6.3
P/S	2.3	2.0	1.8
EV/Sales	2.5	2.2	1.9
EV/EBITDA	11.8	10.0	8.7
EV/EBIT (adj.)	15.3	13.1	11.3
Payout ratio (%)	80.0 %	80.0 %	80.0 %
Dividend yield-%	4.3 %	5.0 %	5.8 %

Source: Inderes

Puuilo's valuation drivers

+ **Factors supporting the valuation:**
  - A concept that creates defensive growth
  - Excellent track record of profitable growth even in times of weak market conditions
  - The best return on capital in the sector

− **Factors negatively affecting the valuation:**
  - Tightened competition in retail
  - Nasdaq Helsinki's valuation level depressed by the uncertain economic situation

Valuation (2/3)

Premium pricing compared to peers is justified

Puuilo is priced roughly in line with the peer group consisting of high-quality Nordic companies. We use the P/E ratio as a benchmark for the peer group, as the comparability of EV ratios within the peer group is weakened by company-specific differences in lease lengths (affecting the amount of IFRS16 liabilities).

We would be willing to price Puuilo's stock with a premium compared to the peers, as the company has a stronger growth outlook and a higher return on capital than the peers. Measured by the P/E ratio, the difference to the peers in 2024-25e is around -4 and +5%. Overall, we find the peer pricing as fairly neutral (2025e median P/E 15x) and consider the peer group's valuation premium to Nasdaq Helsinki justified as the group consists of high-quality, value-creating retail companies.

Dividend yield at a very good level

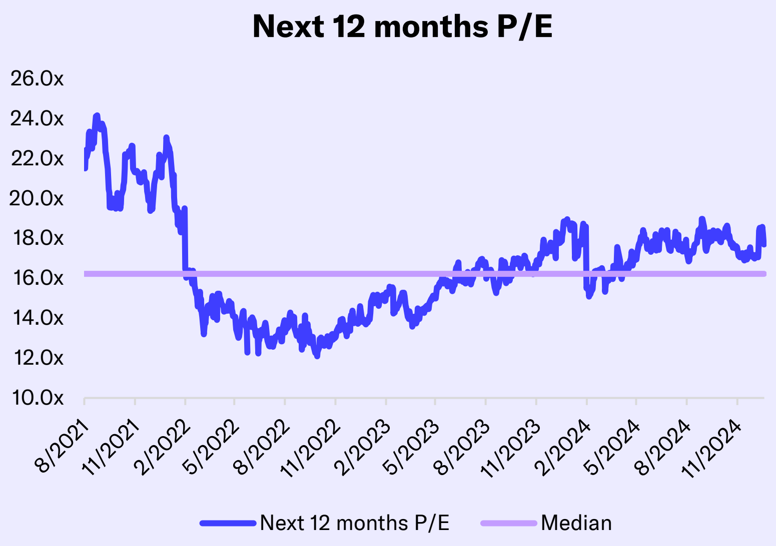
As noted, Puuilo distributes a large proportion of its earnings to its shareholders as dividends. As a result, the dividend yield offered by the stock rises to fairly good levels (2024-26e ~5%), thus acting as a driver of the expected return. At these capital return levels, we believe that investing the profit back into the business would be sensible, but on the other hand, we realize that even stronger growth investments (expanding the store network) would put pressure on the company's relative profitability and could put the customer experience at risk.

DCF model

According to our DCF model, Puuilo's equity value is 1,043 MEUR, corresponding to a EUR 12.3 per share value. This is good 20% above the current price, supporting a positive view of the stock. The company's business generates abundant and fairly predictable cash flow and the balance sheet is very light (excl. IFRS16 items). The growth has tied up some working capital, but it has not significantly weakened the return on capital. The cost of capital in the model is set at 8% (vs. the average of 9% for the companies under our coverage). In our opinion, the level is justified by the company's proven defensive and profitable growth profile. In addition, growth based on the expansion of the company's store network is fairly easily predictable based on announced store opening plans, which makes the forecasting of cash flows fairly reliable. We feel the biggest risk associated with our 10% annual earnings growth forecast and 17% EBITA profitability (2024-33e) is potential changes in the competitive situation and consumption habits (DIY → B2B).

Overall expected return remains attractive

In terms of realized earnings multiples, the company is priced slightly above our comfort zone. However, this is justified as we expect the company to deliver strong earnings growth in the coming years. We expect Puuilo's result to grow at an annual rate of around 18% over the next



Source: Bloomberg

Valuation (3/3)

three years. Given the 5% dividend yield and the slightly elevated valuation, the expected return on the stock is around 15%. We find this level attractive, and it exceeds our WACC, which means that the stock's risk/reward ratio is favorable.

Fair value of the share

We determine Puuilo's fair value range to be EUR 10-13. The weighted mid-point of this is EUR ~11.5, which indicates an upside of good 15%. The fair value is based on values produced by absolute and relative earnings multiples and the DCF model. The multiple-based valuations are based on our 2025 forecasts.

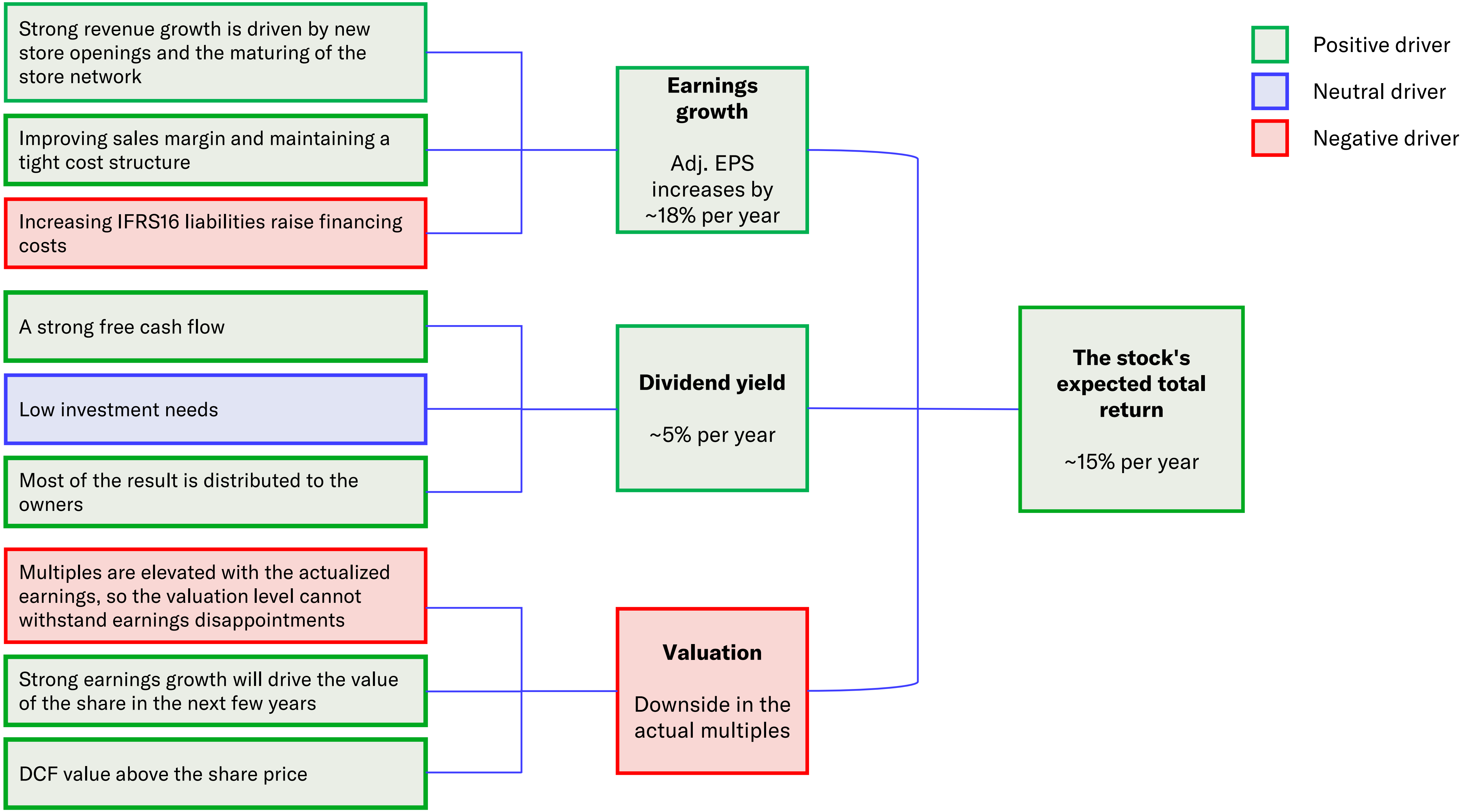
Fair value

	Lower	Upper	Weight
IFRS16 adjusted EV/EBITA	10.9	12.6	30%
P/E	10.2	12.1	30%
Peers P/E	8.9	10.2	10%
DCF	10.3	15.0	30%
Weighted average	**10.3**	**12.9**	**100%**

EV/EBITA 14-16x
P/E 16-18x
Peers P/E 14-16x
DCF: WACC 7-9%

Source: Inderes

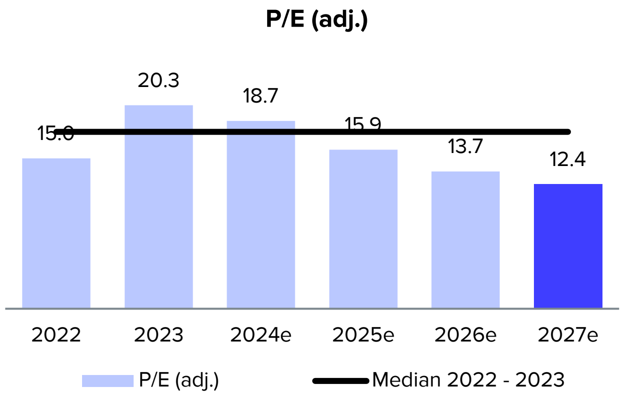
Total Shareholder Return drivers 2023-26e

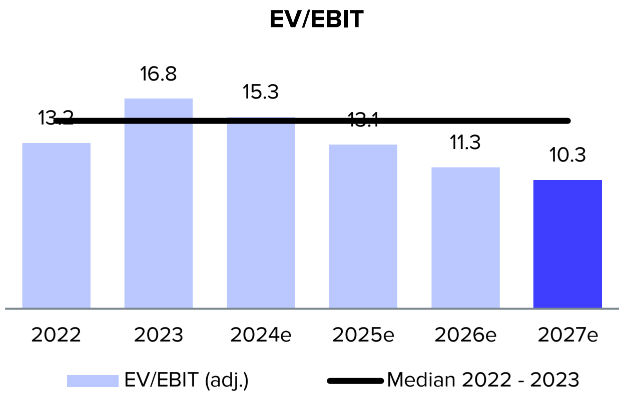


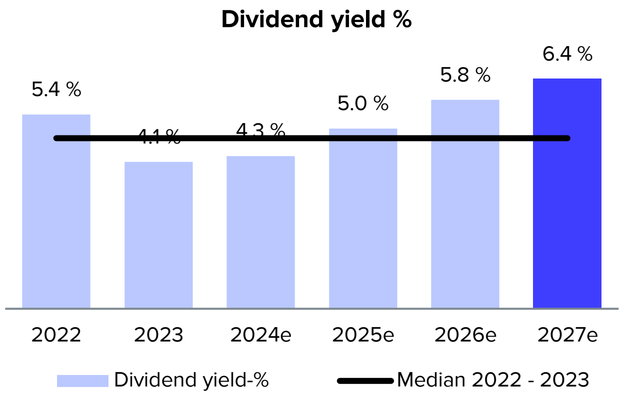
Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price				6.32	9.26	10.1	10.1	10.1	10.1
Number of shares, millions				84.8	84.8	84.8	84.8	84.8	84.8
Market cap				536	785	860	860	860	860
EV				630	886	957	949	947	947
P/E (adj.)				15.0	20.3	18.7	15.9	13.7	12.4
P/E				15.3	20.3	18.7	15.9	13.7	12.4
P/B				7.0	9.2	8.7	7.4	6.3	5.6
P/S				1.8	2.3	2.3	2.0	1.8	1.6
EV/Sales				2.1	2.6	2.5	2.2	1.9	1.7
EV/EBITDA				10.4	13.1	11.8	10.0	8.7	8.0
EV/EBIT (adj.)				13.2	16.8	15.3	13.1	11.3	10.3
Payout ratio (%)				82.9 %	83.3 %	80.0 %	80.0 %	80.0 %	80.0 %
Dividend yield-%				5.4 %	4.1 %	4.3 %	5.0 %	5.8 %	6.4 %

Source: Inderes







Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**
Europris ASA	1024	1459	14.2	12.9	8.2	7.3	1.4	1.3	14.6	13.2	4.3	4.7	3.1
Byggmax Group AB	233	435	27.8	15.8	5.9	5.2	0.8	0.8	39.7	13.6	1.2	3.2	1.1
Clas Ohlson AB	1201	1326	20.3	13.9	9.2	8.2	1.5	1.3	25.1	16.5	2.4	3.0	7.2
Axfood AB	4430	5369	18.1	16.3	9.2	8.2	0.7	0.7	21.5	19.2	3.5	3.7	6.9
Dollar General Corp	16014	21488	9.2	11.7	6.9	7.8	0.6	0.6	10.2	13.2	3.1	3.1	2.5
Kesko Oyj	7287	10155	15.8	14.5	8.3	7.9	0.9	0.8	16.7	15.2	5.3	5.4	2.7
Musti Group Oyj	671	822	19.1	15.2	9.9	8.7	1.8	1.7	22.7	17.0	3.5	4.0	3.4
Verkkokauppa.com Oyj	59	75		11.6	12.5	5.5	0.2	0.2		13.3		4.0	2.3
Tokmanni Oyj	723	1266	12.4	10.5	5.5	5.0	0.8	0.7	13.8	10.4	5.3	6.5	2.7
Rusta	971	1455	21.4	17.7	9.1	8.7	1.4	1.4	17.4	19.9	2.6	2.2	5.5
Tractor Supply	27965	29574	20.9	19.7	16.0	15.1	2.1	2.0	26.5	24.7	1.6	1.7	12.6
Puuilo Oyj (Inderes)	**860**	**957**	**15.3**	**13.1**	**11.8**	**10.0**	**2.5**	**2.2**	**18.7**	**15.9**	**4.3**	**5.0**	**8.7**
Average			**17.9**	**14.5**	**9.1**	**8.0**	**1.1**	**1.0**	**20.8**	**16.0**	**3.3**	**3.8**	**4.5**
Median			**18.6**	**14.5**	**9.1**	**7.9**	**0.9**	**0.8**	**19.4**	**15.2**	**3.3**	**3.7**	**3.1**
Diff-% to median			***-18%***	***-9%***	***30%***	***27%***	***195%***	***164%***	***-4%***	***5%***	***30%***	***38%***	***178%***

Source: Refinitiv / Inderes

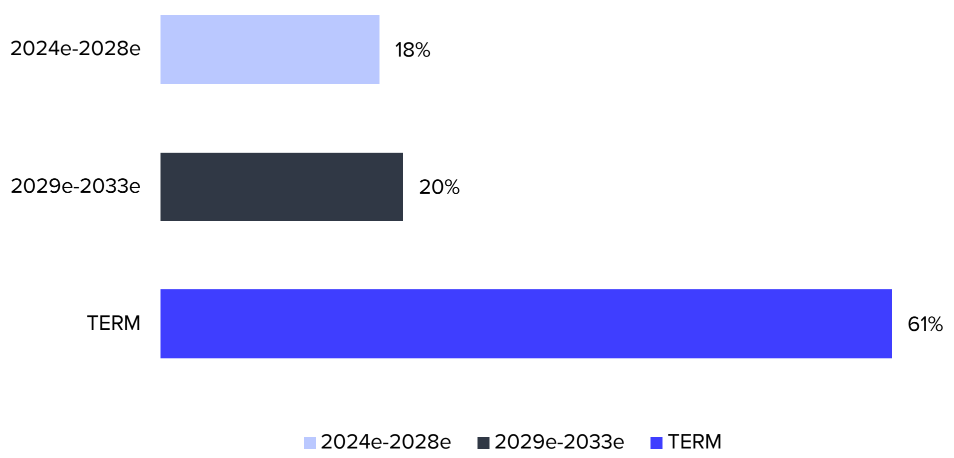
DCF-calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	14.2 %	12.8 %	14.7 %	12.1 %	10.5 %	10.1 %	7.9 %	7.0 %	5.0 %	3.0 %	1.8 %	1.8 %
EBIT-%	15.6 %	16.4 %	16.5 %	17.1 %	17.0 %	17.0 %	17.0 %	17.0 %	17.0 %	16.5 %	16.5 %	16.5 %
EBIT (operating profit)	**52.8**	**62.5**	**72.4**	**83.8**	**92.0**	**102**	**110**	**117**	**123**	**123**	**125**	
+ Depreciation	15.0	18.5	22.4	25.0	26.1	28.9	31.5	33.7	35.7	37.3	38.9	
- Paid taxes	-7.3	-13.2	-13.1	-15.7	-17.3	-19.2	-20.8	-22.2	-23.3	-23.3	-24.7	
- Tax, financial expenses	-0.9	-1.0	-1.0	-1.1	-1.1	-1.1	-1.1	-1.2	-1.3	-1.4	-1.4	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	
- Change in working capital	0.4	0.1	-2.7	-8.9	-7.9	-8.3	-7.1	-6.9	-5.2	-3.3	-2.0	
Operating cash flow	**60.0**	**67.0**	**78.0**	**83.1**	**91.9**	**102**	**112**	**121**	**129**	**132**	**137**	
+ Change in other long-term liabilities	0.9	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-34.2	-25.5	-29.5	-33.5	-37.5	-39.5	-41.0	-42.0	-43.0	-44.0	-44.8	
Free operating cash flow	**26.7**	**40.6**	**48.5**	**49.6**	**54.4**	**62.4**	**71.0**	**78.7**	**85.9**	**88.5**	**92.3**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	26.7	40.6	48.5	49.6	54.4	62.4	71.0	78.7	85.9	88.5	92.3	1465
Discounted FCFF		**40.5**	**44.8**	**42.4**	**43.0**	**45.6**	**48.0**	**49.1**	**49.6**	**47.2**	**45.5**	**723**
Sum of FCFF present value		1179	1138	1093	1051	1008	962	914	865	816	768	723

Enterprise value DCF	**1179**
- Interest bearing debt	-122.8
+ Cash and cash equivalents	21.5
-Minorities	0.0
-Dividend/capital return	-32.2
Equity value DCF	**1045**
Equity value DCF per share	**12.3**

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	**9.2 %**
Weighted average cost of capital (WACC)	**8.2 %**

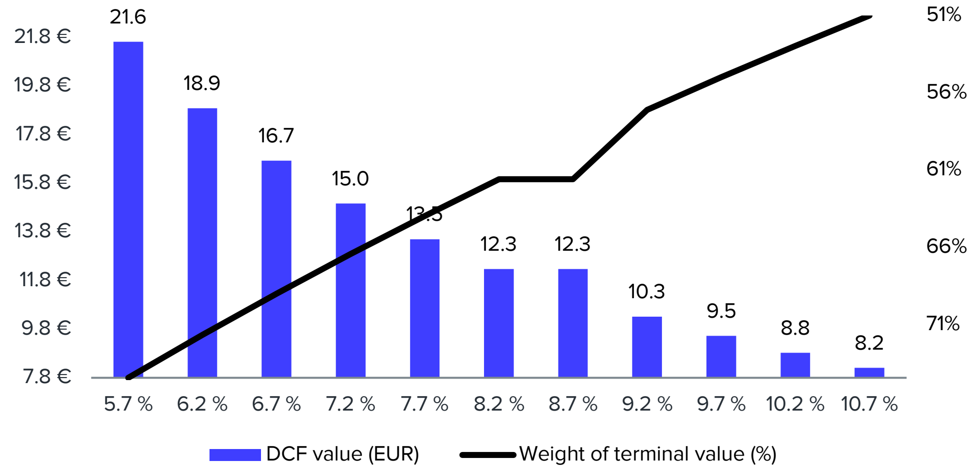
Cash flow distribution



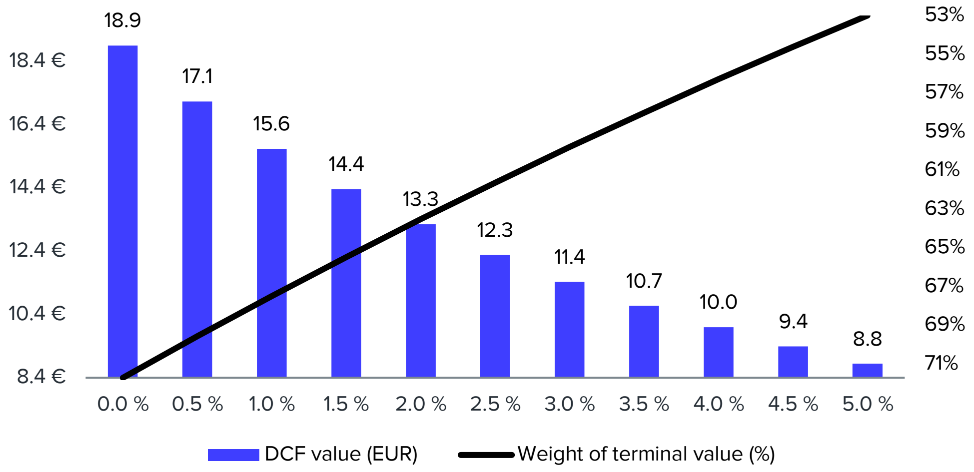
Source: Inderes

DCF sensitivity calculations and key assumptions in graphs

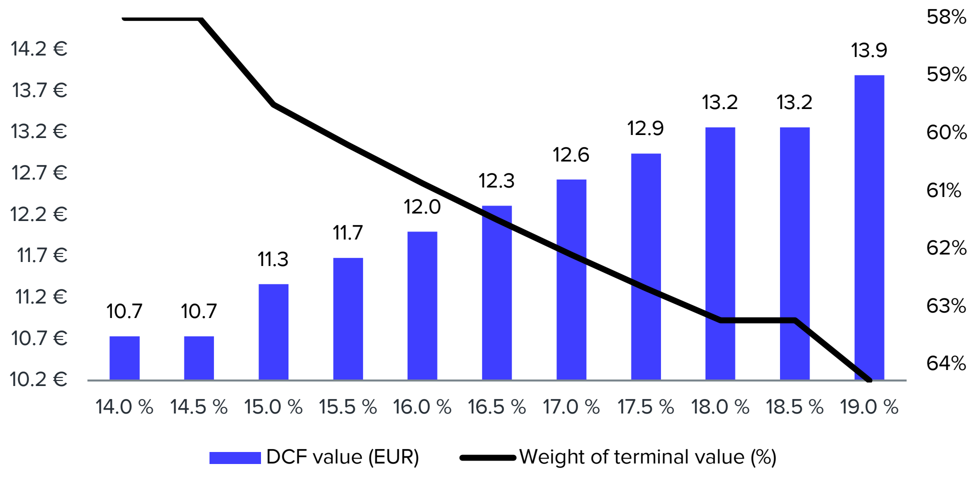
Sensitivity of DCF to changes in the WACC-%



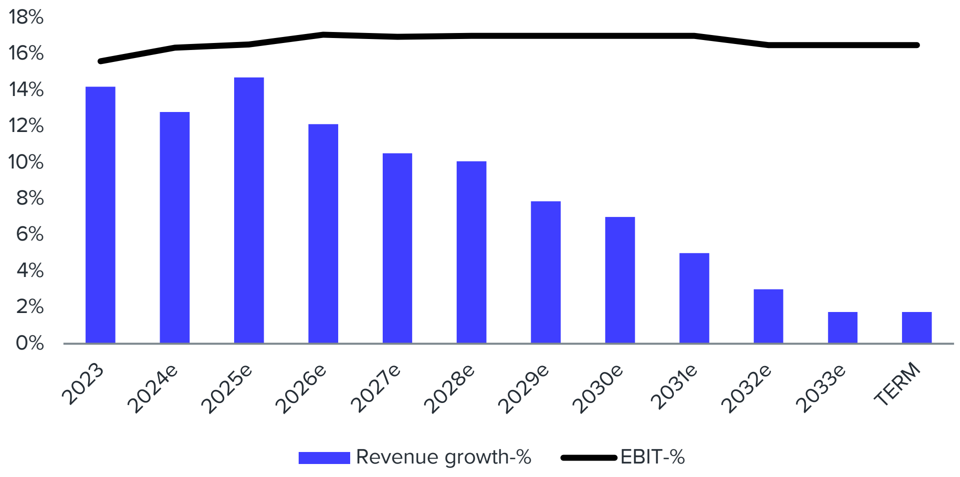
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Lähde: Inderes. Huomaa, että terminaaliarvon paino (%) on esitetty käänteisellä asteikolla selkeyden vuoksi.

Summary

Income statement	2022	2023	2024e	2025e
Revenue	296.4	338.5	**381.8**	**438.0**
EBITDA	60.5	67.8	**81.0**	**94.8**
EBIT	47.0	52.8	**62.5**	**72.4**
PTP	43.9	48.4	**57.4**	**67.3**
Net Income	35.1	38.7	**45.9**	**54.2**
Extraordinary items	-0.6	0.0	**0.0**	**0.0**

Balance sheet	2022	2023	2024e	2025e
Balance sheet total	231.3	248.5	**278.8**	**315.0**
Equity capital	76.2	85.0	**98.7**	**116.1**
Goodwill	33.5	33.5	**33.5**	**33.5**
Net debt	94.5	101.3	**97.0**	**89.4**

Cash flow	2022	2023	2024e	2025e
EBITDA	60.5	67.8	**81.0**	**94.8**
Change in working capital	1.7	0.4	**0.1**	**-2.7**
Operating cash flow	52.1	60.0	**67.0**	**78.0**
CAPEX	-20.4	-34.2	**-25.5**	**-29.5**
Free cash flow	31.7	26.7	**40.6**	**48.5**

Valuation multiples	2022	2023	2024e	2025e
EV/S	2.1	2.6	**2.5**	**2.2**
EV/EBITDA	10.4	13.1	**11.8**	**10.0**
EV/EBIT (adj.)	13.2	16.8	**15.3**	**13.1**
P/E (adj.)	15.0	20.3	**18.7**	**15.9**
P/B	7.0	9.2	**8.7**	**7.4**
Dividend-%	5.4 %	4.1 %	**4.3 %**	**5.0 %**

Source: Inderes

Per share data	2022	2023	2024e	2025e
EPS (reported)	0.41	0.46	**0.54**	**0.64**
EPS (adj.)	0.42	0.46	**0.54**	**0.64**
OCF / share	0.61	0.71	**0.79**	**0.92**
FCF / share	0.37	0.31	**0.48**	**0.57**
Book value / share	0.90	1.00	**1.16**	**1.37**
Dividend / share	0.34	0.38	**0.43**	**0.51**

Growth and profitability	2022	2023	2024e	2025e
Revenue growth-%	10%	14%	**13%**	**15%**
EBITDA growth-%	8%	12%	**19%**	**17%**
EBIT (adj.) growth-%	0%	11%	**18%**	**16%**
EPS (adj.) growth-%	2%	8%	**19%**	**18%**
EBITDA-%	20.4 %	20.0 %	**21.2 %**	**21.6 %**
EBIT (adj.)-%	16.1 %	15.6 %	**16.4 %**	**16.5 %**
EBIT-%	15.9 %	15.6 %	**16.4 %**	**16.5 %**
ROE-%	48.8 %	48.0 %	**50.0 %**	**50.4 %**
ROI-%	24.6 %	25.9 %	**28.3 %**	**29.2 %**
Equity ratio	32.9 %	34.2 %	**35.4 %**	**36.9 %**
Gearing	124.0 %	119.2 %	**98.4 %**	**77.0 %**

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

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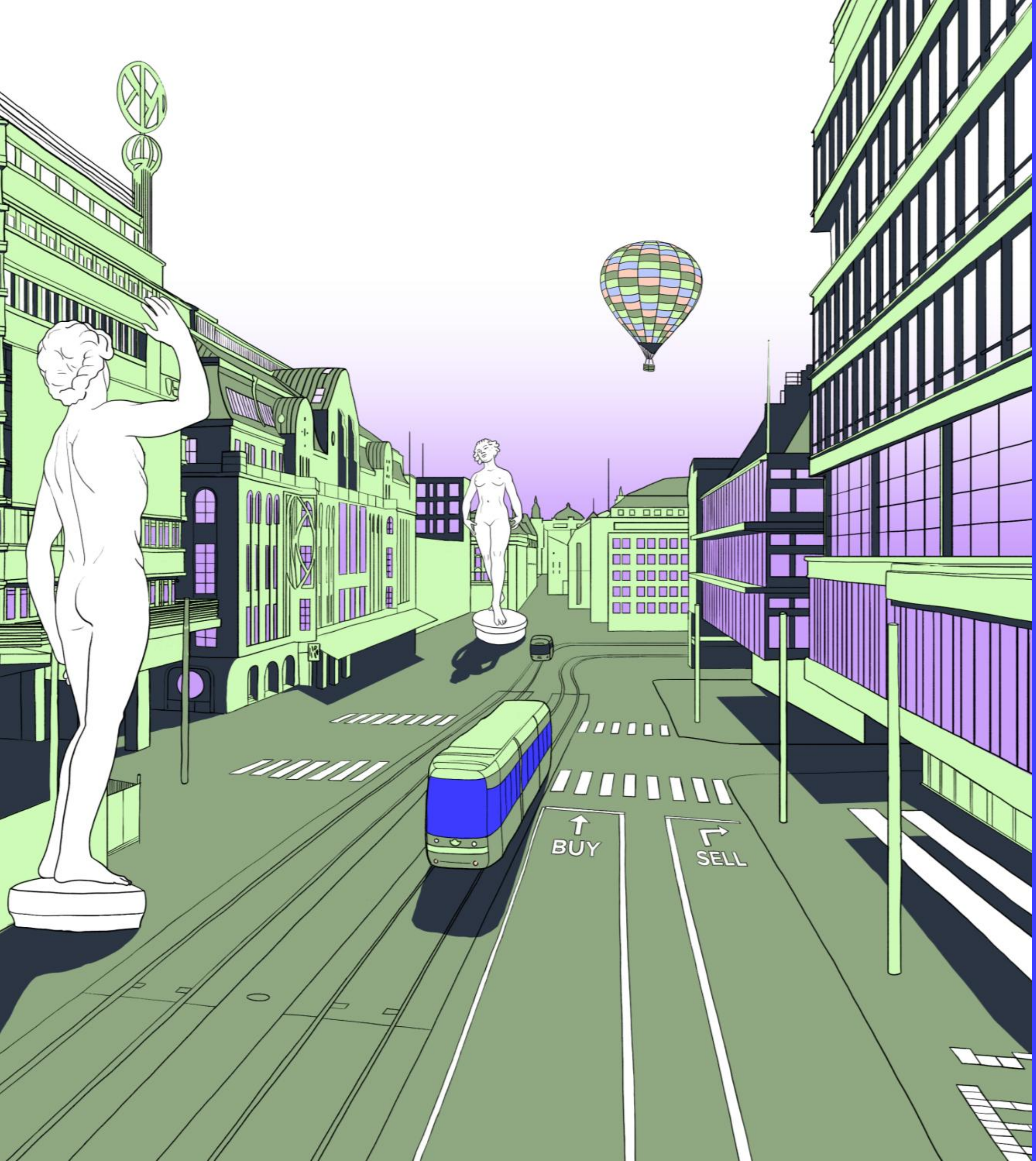
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
10/12/2021	Accumulate	8.50 €	7.77 €
12/17/2021	Accumulate	10.00 €	8.88 €
4/1/2022	Buy	8.50 €	6.72 €
5/27/2022	Buy	6.00 €	5.16 €
6/15/2022	Buy	6.00 €	4.79 €
9/8/2022	Buy	6.00 €	4.94 €
9/16/2022	Buy	6.00 €	4.92 €
12/16/2022	Buy	6.70 €	5.92 €
3/31/2023	Buy	7.00 €	6.11 €
5/16/2023	Accumulate	8.00 €	7.34 €
6/15/2023	Accumulate	8.00 €	7.18 €
Analyst changed			
9/13/2023	Accumulate	8.50 €	7.63 €
9/25/2023	Accumulate	9.00 €	7.93 €
12/14/2023	Accumulate	9.00 €	8.41 €
3/21/2024	Reduce	9.00 €	9.26 €
3/28/2024	Accumulate	10.00 €	9.18 €
4/24/2024	Accumulate	11.00 €	9.99 €
6/13/2024	Accumulate	11.50 €	10.31 €
9/13/2024	Accumulate	11.00 €	9.84 €
12/12/2024	Accumulate	11.50 €	10.07 €
12/30/2024	Accumulate	11.50 €	10.14 €



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