22 October 2026

Retail

3.80

Verkkokauppa.com

Strong margin management

Verkkokauppa.com reported clearly better-than-expected Q3 earnings, driven by successful margin management and tight cost discipline. The Finnish consumer is still a bit subdued, but we expect to see some positive contribution in the coming quarters. Once volumes pick up more significantly, the company's focus on efficiency and margins should become increasingly visible. We increase our fair value range to EUR4.1-4.5 (from EUR3.8-4.2).

Waiting for Finnish consumer. Verkkokauppa.com's sales growth was slightly below expectations, but the strong gross margin and tight cost discipline triggered an earnings beat for Q3. International operations and BtoB continued to be the main drivers for sales growth. In these areas, the company has still plenty of room to improve, which continues to support growth rates. Even though consumers continue to be a bit cautious in discretionary purchases, we believe that at some point the improved consumer confidence/retail sales will become more visible in Verkkokauppa.com's sales/discretionary categories, offering a very good earnings leverage.

Strong underlying GM development. The most positive thing in the Q3 report was a healthy underlying gross margin improvement (around 1pp), which is supportive for the company's target to reach 18%. Dynamic pricing, improved supplier terms, well-timed purchasing, focused category management and improved own-brand profitability supported the development. The inventory level was well under control (-5% y/y), limiting need for extra discounting, supporting expectations of a healthy gross margin.

Estimate changes. We increase our adjusted EBIT-estimates for 2026-28 by 3%, 1% and 1%, respectively.

Valuation. We increase our fair value range to EUR 4.1-4.5 (EUR3.8-4.2) for Verkkokauppa.com. The mid-point implies 11.7x EV/EBIT for 2026E – 17% below the Nordic retail median. Currently the share is trading at 2026 EV/EBIT of 10.3x, 27% below Nordic peers.

Key data

Price (EUR)	3.80
Country	Finland
Bloomberg	VERK FH
Reuters	VERK.HE
Free float	100.0%
Market cap (EURm)	171
Net debt (current Y/E) (EURm)	-3
No. of shares (m)	45.1
Next event	Q4: 12-Feb

** Price as at 12:00 EET on 22 October 2026*

CEO	Panu Porkka
CFO	Jesper Blomster

Company description

Verkkokauppa.com is the largest ecommerce player in Finland, with a strong foothold in consumer electronics. The company's omni-channel concept, including a web store and four physical mega stores, serves consumers and B2B customers. Some 66% of Verkkokauppa.com's sales comes from online. The company's offering consists of over 60,000 SKUs, with the largest product categories being televisions, computers and mobile phones. Verkkokauppa.com is currently focusing on improving efficiency and the sizeable profit improvement programme completed in 2024 has improved the company's operational leverage significantly.

Ownership structure

Seppälä Samuli	27.6%
Varma Mutual Pension Insurance Com	9.6%
Evli Finnish Small Cap Fund	7.0%
Ilmarinen Mutual Pension Insurance Cc	4.8%
Nordea Nordic Small cap fund	3.1%

Source: Company data (30 September 2026)

Estimate changes

	26E	27E	28E
Sales	-1.0%	-0.9%	-0.9%
EBITDA	2.1%	0.6%	0.7%
EBIT (adj.)	3.4%	0.9%	1.0%
EPS (adj.)	n.m.	n.m.	n.m.

Source: Danske Bank Equity Research estimates

Analyst(s)

Mika Karppinen

Find our research here:
https://research.danskebank.com

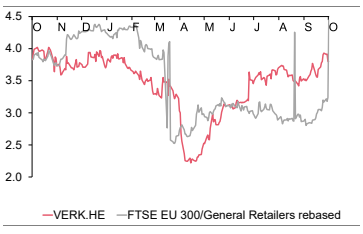
Important disclosures and certifications are contained from page 11 of this report

Key financials

Year-end Dec (EUR)	2024	2025	2026E	2027E	2028E
Revenues (m)	468	526	546	573	599
Revenues growth	-7.0%	12.5%	3.7%	5.0%	4.5%
EBITDA (m)	7.5	24.2	22.8	25.0	27.4
EBIT adj. (m)	1.8	14.9	15.8	17.5	19.7
EBIT growth	-70.4%	n.m.	5.8%	11.2%	12.6%
Pre-tax profit (m)	-1.4	15.3	14.1	16.0	18.4
EPS adj.	0.01	0.22	0.25	0.29	0.34
DPS	0.00	0.19	0.21	0.21	0.24
Dividend yield		4.9%	5.6%	5.7%	6.2%
FCFE yield (pre-IFRS16)	21.1%	9.4%	9.8%	10.7%	11.9%
EBIT margin (adj.)	0.4%	2.8%	2.9%	3.1%	3.3%
Net debt/EBITDA (x)	1.1	-0.3	-0.1	-0.1	-0.1
ROIC	5.2%	40.1%	40.5%	40.0%	40.1%
EV/sales (x)	0.1	0.3	0.3	0.3	0.3
EV/EBITDA (adj.) (x)	7.4	7.8	7.1	6.5	5.9
EV/EBITA (adj.) (x)	35.5	11.3	10.3	9.3	8.3
EV/EBIT (adj.) (x)	35.5	11.3	10.3	9.3	8.3
P/E (adj.) (x)	n.m.	18.0	15.0	12.9	11.2

Source: Company data, Danske Bank Equity Research estimates

Price performance



	1M	3M	12M	5Y
Absolute	8%	9%	-1%	-54%
Rel. local market	n.m.	n.m.	n.m.	n.m.
Rel. EU sector	-30%	-28%	-14%	-67%

Source: FactSet, Danske Bank Equity Research

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Investment summary

Over the past few years, Verkkokauppa.com has undertaken extensive restructuring to lower its fixed cost base (personnel costs and other opex) and improve its gross margins (e.g. streamlining of offering and inventory management). As the topline, after three years of decline, grew in 2025, the company has been able to deliver a clear margin improvement following a higher gross margin and leverage on the improved cost base. We believe the company has the potential to increase the topline (10-20% from the current level, we estimate) before a need to increase fixed costs, and we expect a gross margin of around 17% versus the company's target of 18% to be the new normal.

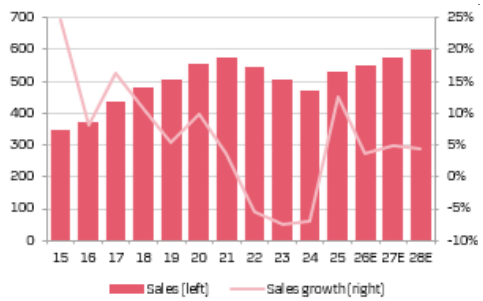
Finnish consumer sentiment has been quite cautious despite e.g. increases in purchasing power, and the war in Iran further increased uncertainty among consumers in the early part of 2026, even though some improvement has been seen recently. While weak demand has partially overshadowed the effect of the cost actions that Verkkokauppa.com has undertaken, we find an improvement in consumer sentiment (and thus demand) to be a catalyst for Verkkokauppa.com's growth and margin improvement and the company is in its own communication confident that it will be able to grow in a weaker economic environment also.

Verkkokauppa.com's main long-term market driver is capitalising on the consumer shift to online. The company aims to grow faster than the market and reach over 5% sales CAGR (2025-28) per year. This is supported by strengthening the core business (consumer electronics), expanding the assortment (e.g. private label products), moving to new markets, growing the service business and building fast delivery capability. Verkkokauppa.com targets an adjusted EBIT margin of at least 5% by 2028. We regard the company's growth target as challenging, although we expect growth in the next few years to be close to 5% on average. Reaching the margin target would require slightly higher growth, gross margins and even tighter opex discipline, in our view.

Our expectations and estimates in brief

Consumer confidence remained weak in the early parts of 2026 due to the Iran war, even though some improvement has been seen recently and general retail sales have developed quite well, supporting the outlook. Increased fuel costs affect consumers' purchasing power. We believe Verkkokauppa.com can continue to grow its sales in 2026 and onwards. We consider that this is driven by Verkkokauppa.com's own actions in the domestic market but especially in its efforts to expand sales outside of Finland. We expect sales in 2026 to increase 3.7% to EUR546m. For 2027E and 2028E, we expect growth of 5.0% and 4.5%, respectively.

Chart 1. Sales (EURm) and sales growth (2013-28E)



Source: Company data, Danske Bank Equity Research estimates

Chart 2. Adj. EBIT (EURm) and adj. EBIT margin (2013-28E)



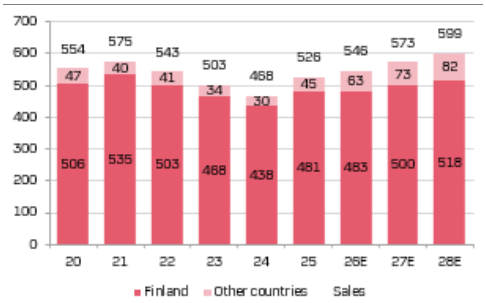
Source: Company data, Danske Bank Equity Research estimates

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Over the past couple of years, Verkkokauppa.com has put more emphasis on growth outside of Finland. It seems to us that the company is now more structured in how it operates sales outside of Finland and the company's performance in Q4 25 showed very positive signs (+89% growth) and the trend continued during 2026. A lack of physical presence (e.g. warehouses and inventory) outside of Finland constrains growth to some extent, as we believe Verkkokauppa.com delivers all sold products from Finland.

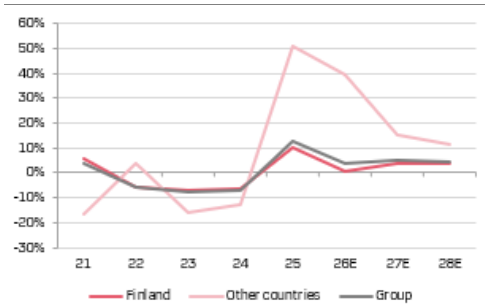
We think the company can continue to deliver significant growth outside of Finland in the coming years. We are especially intrigued by the potential from a cooperation with Amazon Sweden that could at best be a meaningful source of growth for the company (with seemingly low risks). We believe growth outside of Finland will remain in double digits in the coming years.

Chart 3. Sales (EURm) in Finland and other countries (2020-28E)



Source: Company data, Danske Bank Equity Research estimates

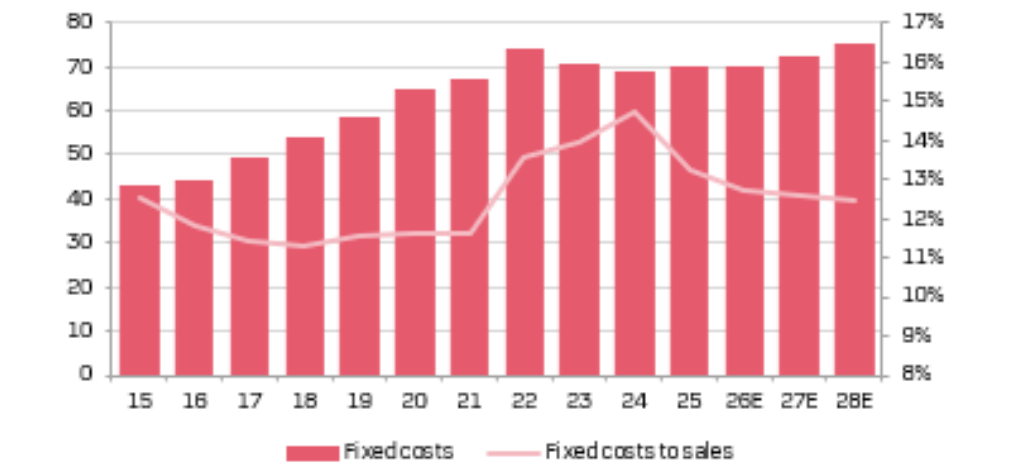
Chart 4. Sales growth (%) in Finland and other countries (2020-28E)



Source: Company data, Danske Bank Equity Research estimates

Having decreased by almost 5% in 2023, around 2% in 2024 but increasing by only 1.5% in 2025, we expect Verkkokauppa.com's fixed costs (personnel expenses and other opex) to grow by -0.4-3.8% annually in 2026-28E. This implies that fixed costs to sales peaked at 14.7% in 2024 while they decreased to 13.3% in 2025, and we estimate this will decrease to 12.7% in 2026E, 12.6% in 2027E and 12.5% in 2028E. This is still above Verkkokauppa.com's target of less than 12%, which we believe would require a more sizeable increase in sales.

Chart 5. Fixed costs (EURm) and fixed costs to net sales (%)



Source: Company data, Danske Bank Equity Research estimates

We expect the adjusted EBIT margin to improve from 0.4% in 2024 to 2.9% in 2026E, 3.1% in 2027E and 3.3% in 2028E. The key driver for profitability is, in our view, top-line growth and we believe the company can add 10-20% more to the topline with the current opex. Gross margins have clearly improved over the past three years, and we believe that the relatively high share

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of private label sales (which we estimate currently to be c.7% versus domestic competitors at c.2-3%) could make the current gross margin level sustainable. However, pushing the share of private label sales well above 10%, for example, and thus increasing the gross margin, could be challenging as many consumers prefer the A brands in several categories (e.g. phones, laptops). Finally, a key aspect in Verkkokauppa.com's margin improvement is to keep costs under control. While fixed costs have typically grown hand in hand with the topline, there was a time when Verkkokauppa.com's fixed costs increased while the topline decreased, eventually eroding margins. Here, the company needs to react somewhat faster in the future if demand turns sour again.

Table 1. Detailed estimates (EURm)

	Q1 26	Q2 26	Q3 26	Q4 26E	2023	2024	2025	2026E	2027E	2028E	2029E
Sales	**117.9**	**123.1**	**133.9**	**171.3**	**502.9**	**467.8**	**526.5**	**546.2**	**573.4**	**599.3**	**622.2**
Growth [y/y]	6.7%	5.7%	2.1%	1.8%	-7.4%	-7.0%	12.5%	3.7%	5.0%	4.5%	3.8%
Export sales	13.5	14.1	15.1	20.6	34.5	30.1	45.4	63.3	73.2	81.6	88.9
Growth [y/y]	60.3%	63.2%	40.8%	17.0%	-15.8%	-12.7%	50.8%	39.5%	15.5%	11.5%	9.0%
% of group sales	11.5%	11.5%	11.3%	12.0%	6.9%	6.4%	8.6%	11.6%	12.8%	13.6%	14.3%
Sales excl. exports	104.4	109.0	118.8	150.7	468.4	437.7	481.1	482.9	500.2	517.7	533.3
Growth [y/y]	2.2%	1.1%	-1.4%	0.0%	-6.9%	-6.5%	9.9%	0.4%	3.6%	3.5%	3.0%
Gross profit	**20.4**	**20.5**	**22.3**	**28.4**	**80.9**	**75.8**	**89.9**	**91.7**	**96.6**	**101.6**	**105.8**
Gross margin	17.3%	16.6%	16.7%	16.6%	16.1%	16.2%	17.1%	16.8%	16.9%	17.0%	17.0%
EBIT adjusted	**2.5**	**2.4**	**4.7**	**6.2**	**6.1**	**1.8**	**14.8**	**15.8**	**17.5**	**19.7**	**21.2**
EBIT-%	2.2%	1.9%	3.5%	3.6%	1.2%	0.4%	2.8%	2.9%	3.1%	3.3%	3.4%
Finance costs	-0.4	-0.5	-0.4	-0.4	-1.9	-2.0	-2.1	-1.7	-1.5	-1.3	-1.2
PTP	2.0	2.0	4.3	5.8	2.8	-1.4	15.3	14.1	16.0	18.4	20.0
Taxes	-0.4	-0.5	-0.8	-1.2	-0.7	0.6	-2.9	-2.9	-3.2	-3.7	-4.0
Tax rate [%]	20%	24%	19%	20%	25%	44%	19%	20%	20%	20%	20%
Net Income	1.6	1.5	3.5	4.6	2.1	-0.8	12.4	11.2	12.8	14.7	16.0
EPS adj.	**0.04**	**0.03**	**0.08**	**0.11**	**0.08**	**0.01**	**0.22**	**0.26**	**0.29**	**0.34**	**0.37**
EPS	0.04	0.03	0.08	0.11	0.05	-0.02	0.27	0.26	0.29	0.34	0.37
DPS	-	-	-	-	**0.00**	**0.00**	**0.19**	**0.21**	**0.21**	**0.24**	**0.26**

Source: Company data, Danske Bank Equity Research estimates

Q3 26 review

Verkkokauppa.com's Q3 results were mixed but better than expected on profitability, with sales 2% below and adjusted EBIT 8% above Modular Finance consensus. Sales increased by 2.1% y/y, driven by international operations (+41%) and B2B (+16%), while sales in Finland declined by 1.4%. Online sales increased by 5.2% y/y, while offline sales declined by 4.8%. The market environment remained a bit challenging; consumer confidence improved during the summer months but weakened slightly again in September. Household purchasing power is still under pressure due to high energy and interest costs. Normally improving sentiment is visible in discretionary categories with a delay. In that sense the volume delivery was a slight disappointment as Verkkokauppa.com performed only in line with the market in Q3 versus clear market share gains in the previous quarters. However, we still expect the gradually recovering Finnish consumer to become more visible in the discretionary product categories.

The good thing in the report was the improved gross margin despite the tough competitive environment. The gross margin increased by 0.1pp to 16.7%, exceeding consensus of 16.3%, despite the comparison period still including income from the divested consumer financing business. We estimate that the underlying gross margin improved by around one percentage point. Dynamic pricing, improved supplier terms, well-timed purchasing, focused category management and improved own-brand profitability supported the development. We believe that the earlier restocking of components ahead of price hikes was more visible in the margins. We also believe that last year's comparison figure included some heavy discounting actions in certain summer product categories, extrapolating the improvement. However, a clear improvement is a good sign of management's capability to control and improve margins.

Cost discipline also remained tight, fixed costs declined by approximately 0.5% y/y, against sales growth of 2%, supporting operating leverage. Personnel expenses increased by 1.3%, while other operating expenses declined by 2.3%. It still seems that Verkkkokauppa.com has

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quite limited needs to increase its opex base in the coming quarters, offering good earnings leverage if and when the volume growth continues.

Adjusted EBIT increased to EUR4.7m from EUR3.9m in Q3 25 and was 8% above consensus of EUR4.4m. The adjusted EBIT margin was 3.5%, compared with consensus of 3.2% and 3.0% in Q3 25.

Operating cash flow was EUR2.6m in Q3 26, compared with EUR29.6m in Q3 25. The comparison figure included EUR32.3m non-recurring gain from the divestment of financing business, thus the underlying cash flow improved as well

Table 2. Verkkokauppa.com Q3 26 figures vs estimates

EURm	Actual Q3 26	DBER Q3 26E	Deviation Act vs DBER	Cons. Q3 26E	Deviation Act vs Cons.	Q3 25	Growth YoY
Sales	**133.9**	**137.9**	**-3%**	**137.2**	**-2%**	**131.2**	**2%**
Gross profit	22.3	22.6	-1%	22.4	0%	21.8	2%
Gross profit-%	16.7%	16.4%	0.3pp	16.3%	0.4pp	16.6%	0.0pp
EBIT	4.7	4.4	8%	4.4	8%	7.2	-35%
EBIT margin	3.5%	3.2%	0.4pp	3.2%	0.3pp	5.5%	-2.0pp
IAC	0.0	0.0		0.0		3.3	
EBIT adj.	**4.7**	**4.4**	**8%**	**4.4**	**8%**	**3.9**	**20%**
EBIT adj. margin	3.5%	3.2%	0.4pp	3.2%	0.3pp	3.0%	0.5pp
Net Income	3.5	3.1	12%	3.1	12%	5.3	-34%
Adj. EPS	**0.08**	**0.07**	**12%**	**0.07**	**12%**	**0.04**	**80%**

Source: Company data, Danske Bank Equity Research estimates, consensus from Modular Finance

Source: Company data, Modular Finance consensus, Danske Bank Equity Research (DBER) estimates

Verkkokauppa.com reiterated its guidance of growing sales and adjusted EBIT. After Q3, Verkkokauppa.com's YTD adjusted EBIT is EUR0.5m above the previous year's level, offering some buffer for Q4 if the Finnish consumer becomes even weaker for some reason. Management still sounded optimistic on its performance, indicating that it has several growth initiatives that should contribute to performance, for example BtoB and International operations. The negative impact from the divestment of the financing business will disappear after Q3 26, improving consumer confidence is supportive for the Q4 volume outlook and the international operations continue to perform well, supporting the company's target to improve earnings. However, earnings generation is heavily tilted towards the seasonally important Q4, when the lion's share of earnings is generated and, therefore, strong commercial success in important Q4 campaigns is still needed.

After the Q3 report, we increase our adjusted EBIT-estimates for 2026-28 by 3%, 1% and 1%, respectively.

Valuation

We increase our fair value range to EUR 4.1-4.5 for Verkkokauppa.com (previously EUR 3.8-4.2). The mid-point implies 11.7x EV/EBIT for 2026E (previously 11.3x)– 17% below the Nordic retail median – while implying 13% upside potential at the current share price. Our estimates are still below the company's own targets.

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Table 3. Verkkokauppa.com valuation range (x) (%)

2026E	3.70	3.90	4.10	4.30	4.50	4.70	4.90
EV/EBIT	10.1	10.6	11.2	11.7	12.3	12.8	13.4
vs. Nordic retail	*-29%*	*-25%*	*-21%*	*-17%*	*-13%*	*-10%*	*-6%*
vs. European online	*-41%*	*-38%*	*-35%*	*-31%*	*-28%*	*-25%*	*-22%*
P/E	14.4	15.1	15.9	16.7	17.5	18.2	19.0
Dividend yield	5.7%	5.4%	5.2%	4.9%	4.7%	4.5%	4.3%
Upside to current share price	-2.6%	2.6%	7.9%	13.2%	18.4%	23.7%	28.9%

2027E	3.70	3.90	4.10	4.30	4.50	4.70	4.90
EV/EBIT	9.1	9.6	10.1	10.6	11.1	11.6	12.1
vs. Nordic retail	*-35%*	*-31%*	*-27%*	*-24%*	*-20%*	*-17%*	*-13%*
vs. European online	*-20%*	*-16%*	*-11%*	*-7%*	*-3%*	*2%*	*6%*
P/E	12.6	13.2	13.9	14.6	15.3	16.0	16.6
Dividend yield	5.8%	5.5%	5.2%	5.0%	4.8%	4.6%	4.4%
Upside to current share price	-2.6%	2.6%	7.9%	13.2%	18.4%	23.7%	28.9%

** Prices as at 12:00 EET on 22 October 2026*

Source: LSEG Data & Analytics, Danske Bank Equity Research estimates

Table 4. Peer group comparison

Company	Ticker	Price (local ccy)	Market cap (MEUR)	EV/Sales (x) 2026E	EV/EBIT (x) 2026E	EV/EBIT (x) 2027E	EV/EBITDA (x) 2026E	EV/EBITDA (x) 2027E	P/E (x) 2026E	P/E (x) 2027E	EBIT-% 2025E	Div. yield 2026E
Nordic brick & mortar												
Europris	EPR NO	85.1	1,342	1.3	13.4	11.3	7.7	6.8	15.6	12.5	9.4%	4.8%
Clas Ohlson	CLASB SS	474.0	2,551	2.1	17.1	14.9	11.7	10.6	21.7	20.9	12.4%	2.5%
Puuilo	PUUILO FH	18.6	1,577	2.6	15.5	18.2	12.0	14.3	18.4	22.7	18.3%	4.0%
Matas	MATAS DC	89.5	451	0.9	14.2	14.1	6.5	6.2	16.4	9.0	6.5%	3.0%
Tokmanni	TOKMAN FH	7.0	410	0.7	25.4	13.9	6.1	5.5	20.2	8.7	3.3%	6.2%
BHG Group	BHG SS	20.9	333	0.5	13.9	9.7	6.8	5.9	17.6	11.7	3.6%	0.0%
Byggmax	BMAX SE	62.1	334	0.9	14.0	12.7	5.4	5.2	14.0	12.6	6.1%	4.2%
European retailers												
Ceconomy	CEC GY	4.4	2,157	0.1	7.1	6.7	2.9	2.9	7.9	7.1	2.0%	3.3%
Currys	CURY LN	1.5	1,923	0.2	8.5	9.2	4.0	4.4	8.1	10.8	2.7%	2.3%
Fnac Darty	FNAC FP	34.9	1,035	0.3	14.7	13.5	4.6	4.5	14.6	11.5	2.1%	3.6%
European online												
Boozt	BOOZT SS	155.8	860	1.1	17.1	14.2	11.3	9.9	20.1	17.4	6.4%	0.0%
Dustin Group	DUST SS	1.6	203	0.2	17.0	11.4	7.2	5.9	7.9	7.1	1.6%	5.9%
Komplett	KOMPL NO	6.2	118	0.2	16.9	9.9	4.5	3.8	-44.4	16.5	0.9%	0.0%
Zalando	ZAL GR	26.1	6,444	0.5	12.9	9.2	6.0	5.3	26.3	14.7	3.6%	0.0%
ASOS	ASC LN	4.6	656	0.5	92.6	43.0	6.5	5.9	-11.3	-18.8	0.5%	0.0%
Nordic brick & mortar, median				0.9	14.2	13.9	6.8	6.2	17.6	12.5	6.5%	4.0%
European online, median				0.5	17.0	11.4	6.5	5.9	7.9	14.7	1.6%	0.0%
Verkkokauppa.com	**VERK FH**	**3.9**	**172**	**0.3**	**10.3**	**9.3**	**7.1**	**6.5**	**15.0**	**12.9**	**2.9%**	**5.6%**
Verkkokauppa.com vs. Nordic median				-68%	-27%	-33%	4%	5%	-15%	4%	-3.6pp	1.5pp
Verkkokauppa.com vs. Europe online average				-35%	-39%	-18%	9%	11%	89%	-12%	1.3pp	5.6pp

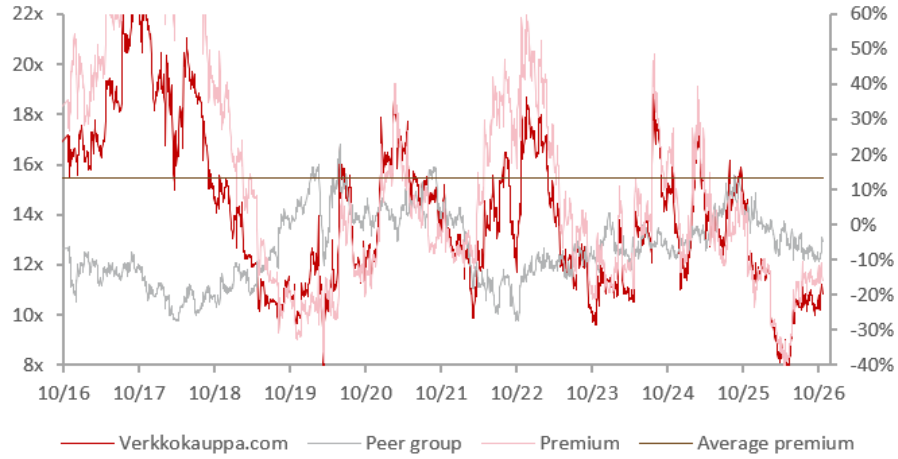
** Prices as at 12:00 EET on 22 October 2026*

Source: LSEG Data & Analytics (prices and peers), Danske Bank Equity Research (DBER) estimates for Verkkokauppa.com

Historically, Verkkokauppa.com has traded at a premium of 14% to Nordic retailing peers while now it is trading at a discount of 16%, and the absolute valuation multiple has declined to very low levels. In our view, the shares have overreacted to the general worries in the market while the electronics and retail market data already indicate a clear relief after the weakness seen in March due to the war in Iran.

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Chart 6. Verkkokauppa.com forward EV/EBIT vs peers



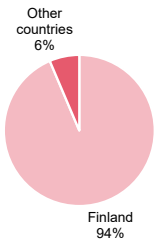
** Prices as at 12:00 EET on 22 October 2026*

Source: LSEG Data & Analytics, Danske Bank Equity Research

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Company summary

Sales breakdown by geographical area



Sales breakdown by division

n.a.

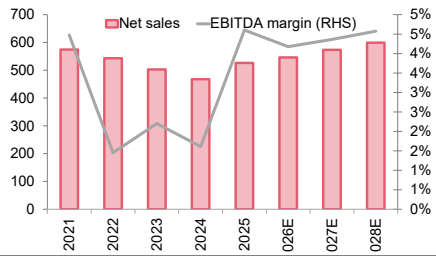
Company information

Verkkokauppa.com
Tyynenmerenkatu 11, 00220 Helsinki
Finland
https://investors.verkkokauppa.com/

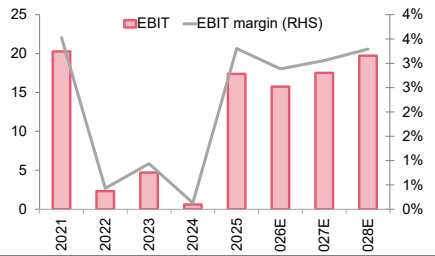
Main shareholders

Name	Votes (%)	Capital (%)
Seppälä Samuli	27.6%	27.6%
Varma Mutual Pension Insurance Company	9.6%	9.6%
Evli Finnish Small Cap Fund	7.0%	7.0%
Ilmarinen Mutual Pension Insurance Compa	4.8%	4.8%
Nordea Nordic Small cap fund	3.1%	3.1%

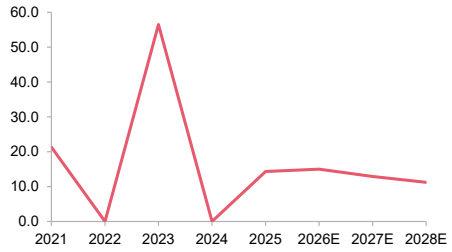
Net sales and EBITDA margin (EURm)



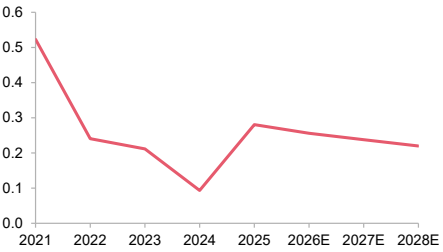
EBIT and EBIT margin (EURm)



P/E NTM (x)



EV/sales NTM (x)



Source: FactSet, Company data, Danske Bank Equity Research estimates

Click here for link to ESG webpage for all companies under coverage.

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Summary tables

INCOME STATEMENT

Year end Dec, EURm	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Net sales	504	554	575	543	503	468	526	546	573	599
Cost of sales & operating costs	-488	-529	-550	-536	-492	-461	-506	-524	-549	-572
EBITDA	**16.3**	**24.9**	**25.7**	**7.9**	**11.1**	**7.5**	**24.2**	**22.8**	**25.0**	**27.4**
EBITDA, adj.	16.3	25.7	25.7	9.1	12.5	8.7	21.7	22.8	25.0	27.4
Depreciation	-4.5	-4.6	-4.8	-5.6	-6.4	-6.9	-6.8	-7.1	-7.5	-7.7
EBITA	**11.9**	**20.3**	**20.9**	**2.3**	**4.7**	**0.6**	**17.4**	**15.8**	**17.5**	**19.7**
EBIT incl. EO, bef. ass.	**11.3**	**19.6**	**20.3**	**2.3**	**4.7**	**0.6**	**17.4**	**15.8**	**17.5**	**19.7**
EBIT, adj.	11.3	20.4	20.3	3.5	6.1	1.8	14.9	15.8	17.5	19.7
Financial items, net	-1.5	-1.4	-1.3	-1.7	-1.9	-2.0	-2.1	-1.7	-1.5	-1.3
Pre-tax profit	**9.8**	**18.2**	**18.9**	**0.7**	**2.8**	**-1.4**	**15.3**	**14.1**	**16.0**	**18.4**
Taxes	-2.0	-3.5	-3.9	-0.3	-0.7	0.6	-2.9	-2.9	-3.2	-3.7
Net profit, rep.	**7.8**	**14.7**	**15.1**	**0.4**	**2.1**	**-0.8**	**12.4**	**11.2**	**12.8**	**14.7**
Net profit, adj.	7.8	15.5	15.1	1.5	3.5	0.4	9.9	11.2	12.8	14.7

CASH FLOW

EURm	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
EBITDA	16.3	24.9	25.7	7.9	11.1	7.5	24.2	22.8	25.0	27.4
Change in working capital	-13.6	-4.8	-14.0	-2.4	10.3	8.1	1.3	1.1	-0.2	-0.4
Net interest paid	-1.5	-1.4	-1.3	-1.7	-1.7	-2.2	-1.0	-1.7	-1.5	-1.3
Taxes paid	-2.3	-2.0	-3.5	-3.0	0.4	0.0	-2.0	-2.9	-3.2	-3.7
Other operating cash items	8.9			0.7	0.3	-0.5	-0.9			
Cash flow from operations	**7.8**	**16.8**	**6.8**	**1.5**	**20.3**	**12.9**	**21.6**	**19.4**	**20.1**	**22.0**
Capex	-1.2	-1.4	-4.9	-9.3	-2.4	-1.8	-2.8	-3.6	-2.9	-3.0
Div to min										
Free cash flow	**6.6**	**15.4**	**1.9**	**-7.8**	**17.9**	**11.1**	**18.8**	**15.8**	**17.2**	**19.0**
Disposals/(acquisitions)				-4.6	0.4					
Free cash flow to equity	**6.6**	**15.4**	**1.9**	**-12.4**	**18.3**	**11.1**	**18.8**	**15.8**	**17.2**	**19.0**
Dividend paid	-8.9	-9.6	-20.1	-11.1				-8.4	-9.2	-9.4
Share buybacks	-0.2	-1.5					-1.0	-5.0		
New issue common stock										
Incr./(decr.) in debt				25.0	-2.8	-2.3	-2.0			
Minorities & other financing CF	0.5	-3.7	-4.0	0.5	-4.8	-5.1	-4.1	-6.5	-4.5	-5.2
Cash flow from financing	**-8.6**	**-14.8**	**-24.1**	**12.7**	**-7.6**	**-7.4**	**-7.1**	**-20.0**	**-13.7**	**-14.5**
Disc. ops & other	-4.2									
Incr./(decr.) in cash	**-4.3**	**0.6**	**-22.2**	**0.3**	**10.7**	**3.7**	**11.7**	**-4.2**	**3.5**	**4.5**

BALANCE SHEET

EURm	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Cash & cash equivalents	42.5	43.1	20.9	21.2	31.9	35.6	47.3	43.1	46.6	51.1
Inventory	66.7	75.4	87.8	74.8	62.7	51.1	64.9	67.3	71.1	74.9
Trade receivables	16.5	21.9	26.9	35.8	45.1	39.2	6.8	7.1	7.4	7.7
Other current assets	6.3	9.4	8.6	9.7	11.0	13.2	17.8	18.5	19.4	20.3
Goodwill				2.8	2.8	2.8	2.8	2.8	2.8	2.8
Other intangible assets	0.6	0.8	1.4	3.8	5.0	4.5	4.3	5.3	6.3	7.3
Fixed tangible assets	2.4	2.2	5.2	6.8	5.8	5.5	6.2	5.6	4.5	4.0
Associated companies										
Other non-current assets	1.5	3.5	5.7	4.5	1.6	2.3	1.9	1.9	1.9	1.9
Total assets	**160**	**174**	**172**	**172**	**179**	**178**	**173**	**175**	**187**	**201**
Shareholders' equity	**36.6**	**40.5**	**35.7**	**26.5**	**28.5**	**27.9**	**39.4**	**37.1**	**40.8**	**46.2**
Of which minority interests										
Current liabilities	99.5	109	114	104	112	104	92.2	96.7	101	106
Interest-bearing debt				24.1	21.3	19.0	17.4	17.4	17.4	17.4
Pension liabilities										
Oth non-curr. liabilities	0.7	2.2	2.6	0.9	1.1	0.3	0.4	0.4	0.4	0.4
Total liabilities	**124**	**133**	**137**	**146**	**151**	**150**	**134**	**138**	**146**	**155**
Total liabilities and equity	**160**	**174**	**172**	**172**	**179**	**178**	**173**	**175**	**187**	**201**
Net debt	-42.5	-43.1	-20.9	2.9	-10.6	-16.6	-29.8	-25.6	-29.2	-33.6

Source: Company data, Danske Bank Equity Research estimates

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Summary tables

PER SHARE DATA	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
No. of shares, fully diluted (y.e.) (m)	45.1	45.1	45.1	45.1	45.1	45.1	45.1	43.5	43.5	43.5
No. of shares, fully diluted (avg.) (m)	45.1	45.1	45.1	45.1	45.1	45.1	45.1	44.3	43.5	43.5
EPS (EUR)	0.17	0.33	0.33	0.01	0.05	-0.02	0.27	0.25	0.29	0.34
EPS adj. (EUR)	0.17	0.34	0.33	0.03	0.08	0.01	0.22	0.25	0.29	0.34
DPS (EUR)	0.21	0.45	0.25	0.00	0.00	0.00	0.19	0.21	0.21	0.24
CFFO/share (EUR)	0.2	0.4	0.2	0.1	0.5	0.3	0.4	0.4	0.5	0.5
Book value/share (EUR)	0.81	0.90	0.79	0.59	0.63	0.62	0.87	0.85	0.94	1.06

MARGINS AND GROWTH	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
EBITDA margin	3.2%	4.5%	4.5%	1.5%	2.2%	1.6%	4.6%	4.2%	4.4%	4.6%
EBITA margin	2.4%	3.7%	3.6%	0.4%	0.9%	0.1%	3.3%	2.9%	3.1%	3.3%
EBIT margin	2.2%	3.5%	3.5%	0.4%	0.9%	0.1%	3.3%	2.9%	3.1%	3.3%
EBIT adj margin	2.2%	3.7%	3.5%	0.6%	1.2%	0.4%	2.8%	2.9%	3.1%	3.3%
Sales growth	5.5%	9.8%	3.8%	-5.5%	-7.4%	-7.0%	12.5%	3.7%	5.0%	4.5%
EBITDA growth	-11.3%	52.4%	3.3%	-69.3%	40.5%	-32.1%	n.m.	-5.9%	9.7%	9.6%
EBITA growth	-14.6%	70.9%	3.4%	-88.9%	n.m.	-87.1%	n.m.	-9.4%	11.2%	12.6%
EPS adj growth	-16.3%	97.8%	-2.5%	-89.8%	n.m.	-88.6%	n.m.	15.5%	16.3%	15.0%

PROFITABILITY	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
ROIC (after tax, incl. GW, adj.)	54.2%	87.1%	57.5%	7.4%	12.5%	5.2%	40.1%	40.5%	40.0%	40.1%
ROIC (after tax, excl. GW, adj.)	54.2%	87.1%	57.5%	7.7%	13.4%	5.7%	44.2%	44.4%	43.5%	43.1%
ROE (adj.)	21.1%	40.1%	39.5%	5.0%	12.6%	1.4%	29.4%	29.3%	32.9%	33.9%
ROIC (adj.) - WACC	44.2%	77.1%	47.5%	-2.6%	2.5%	-4.8%	30.1%	30.5%	30.0%	30.1%

MARKET VALUE	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Share price (EUR)	3.53	7.12	7.13	2.84	2.60	1.34	3.94	3.80	3.80	3.80
No. shares reduced by buybacks (m)	45.1	45.1	45.1	45.1	45.1	45.1	45.1	43.5	43.5	43.5
Mkt cap used in EV (m)	**159**	**321**	**321**	**128**	**117**	**60**	**178**	**165**	**165**	**165**
Net debt, year-end (m)	-19	-21	-1	20	8	4	-9	-3	-2	-3
MV of min/ass and oth (m)	0	0	0	0	0	0	0	0	0	0
Enterprise value (m)	**140**	**300**	**321**	**148**	**125**	**64**	**169**	**163**	**163**	**163**

VALUATION	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
EV/sales (x)	0.28	0.54	0.56	0.27	0.25	0.14	0.32	0.30	0.28	0.27
EV/EBITDA (x)	8.6	11.7	12.5	16.3	10.0	7.4	7.8	7.1	6.5	5.9
EV/EBITA (x)	11.8	14.2	15.3	42.1	20.4	35.5	11.3	10.3	9.3	8.3
EV/EBIT (x)	12.4	14.7	15.8	42.1	20.4	35.5	11.3	10.3	9.3	8.3
P/E (reported) (x)	20.4	21.9	21.3	n.m.	56.5	n.m.	14.3	15.0	12.9	11.2
P/E (adj.) (x)	20.4	20.8	21.3	83.0	33.7	n.m.	18.0	15.0	12.9	11.2
P/BV (x)	4.35	7.91	9.00	4.82	4.10	2.16	4.51	4.45	4.06	3.58
EV/invested capital (x)	8.0	14.4	8.7	3.4	3.7	2.3	6.2	5.2	4.6	4.1
Dividend yield	6.06%	6.32%	3.45%				4.92%	5.56%	5.66%	6.24%
Total yield (incl. buybacks)	6.19%	6.79%	3.45%				5.48%	8.53%	5.66%	6.24%
FCFE-yield	4.16%	4.79%	0.59%	-6.10%	15.30%	18.41%	10.60%	9.54%	10.42%	11.49%

FINANCIAL RATIOS	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Net debt/EBITDA (x)	-1.2	-0.8	-0.0	2.2	0.5	1.1	-0.3	-0.1	-0.1	-0.1
Net debt/equity (x), year-end	-0.5	-0.5	-0.0	0.7	0.2	0.4	-0.2	-0.1	-0.1	-0.1
Dividend payout ratio	123.4%	138.4%	73.6%	0.0%	0.0%	0.0%	70.6%	83.4%	73.0%	70.0%
Interest coverage (x)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Cash conversion (FCF/net profit)	84.6%	104.9%	12.6%	n.m.	864.6%	n.m.	151.9%	140.6%	134.4%	128.9%
Capex/sales	0.2%	0.3%	0.9%	1.7%	0.5%	0.4%	0.5%	0.7%	0.5%	0.5%
NWC/sales	-2.0%	-0.4%	1.7%	3.0%	1.4%	-0.2%	-0.5%	-0.7%	-0.6%	-0.5%

QUARTERLY P&L	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26	Q4 26E
Sales (m)	111	116	131	168	118	123	134	171
EBITDA (m)	4.9	3.4	1.6	14.3	4.2	4.2	6.4	7.9
EBIT before non-recurring items (m)	3.2	2.0	3.9	5.8	2.4	2.5	4.7	6.2
Net profit (adj.) (m)	2.0	1.2	2.0	4.7	1.6	1.5	3.5	4.6
EPS (adj.) (EUR)	0.04	0.03	0.04	0.10	0.04	0.03	0.08	0.10
EBITDA margin	4.4%	3.0%	1.2%	8.5%	3.6%	3.4%	4.8%	4.6%
EBIT margin (adj.)	2.9%	1.7%	3.0%	3.5%	2.1%	2.0%	3.5%	3.6%

Source: Company data, Danske Bank Equity Research estimates

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This research report will be updated at least semi-annually. Danske Bank will use best efforts to publish an update promptly after any important information emerges that is likely to materially affect the financial instruments covered. Should this report, or any update to it, cease to satisfy the requirements of the EU Code of Conduct, Danske Bank will relabel it from 'issuer-sponsored research' to 'marketing communication'.

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