

VERVE

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Short-term noise creates a compelling entry point

Verve’s revenue guidance for 2025 was above our pre-Q1 estimates, although the implied margin (at the midpoint) was a bit soft due to target investments to expand the sales organization. The macroeconomic outlook remains increasingly clouded, which is why our revised estimates align closer to the lower end of the guidance. However, following the post-earnings pullback in the share, we see a very attractive return potential in the next 12 months, based on our updated estimates. We reiterate our Buy recommendation and target price of SEK 45.

Investments in the organization weigh on short-term profits

Verve’s Q1 revenue amounted to 109 MEUR, representing a 32% growth year-on-year, of which 16% was organic. This was in line with our estimate (109 MEUR) and 3% below consensus forecast. While Q1 is generally a seasonally quiet quarter, we think the current geopolitical and economic uncertainty, which escalated toward the end of the quarter, was visible in some of the key KPIs. For instance, the net dollar expansion rate declined to 100% from 110% in Q4’24 as well as Q1’24. In addition, retention rate reached 94%, thus falling below the 2-year average of 96%. While we attribute these developments partly to the current uncertain market environment, we also believe that the retention rate in Q1 could also be due to “growing pains” following the strong customer intake in 2024 (+413). Adjusted EBIT came in at 23 MEUR (Q1’24: 17 MEUR), translating to a 21% margin, which fell short of our 25 MEUR estimate. The lower EBIT was mainly driven by higher-than-expected personnel expenses, as Verve continues to invest for future growth by expanding its sales and support organizations, primarily within the brand and agency side.

We raise our revenue estimates but maintain a conservative stance on the 2025 digital advertising outlook

In our April preview, we noted that heightened market uncertainty could lead Verve to issue a wider-than-usual FY25 guidance range, which ultimately played out. The midpoint of the revenue

guidance was 8% above our prior forecast, while the lower end of the adjusted EBITDA range aligned with our expectations, although we had assumed a lower revenue base. Consequently, the midpoint implies a slight year-on-year contraction in adjusted EBITDA margin. According to the company, the margin trajectory in 2025 will largely depend on top-line performance, as Verve continues to invest in the organization to support stronger medium-term momentum. Reflecting on our pre-Q1 estimates, we think the guidance signaled the confidence in the near-term growth trajectory that we wanted to hear, particularly given the company’s visibility into much of Q2. That said, we remain conservative on the market outlook for the current year, given recent economic indicators and overall uncertainty. This is also reflected in our 2025 estimates, where we’ve increased our revenue estimate by 3% to 526 MEUR, while inching adjusted EBITDA down by 1% to 155 MEUR. These revisions flow through the forecast period, reflecting stronger top-line expectations paired with slightly lower short-term margins.

Post-earnings drop in share price presents a buying opportunity

The share price has witnessed large swings in recent months, which we primarily attribute to investors’ concern over the impact of the current macroeconomic and geopolitical uncertainty on advertising spending. While the outlook remains increasingly clouded, there are structural market tailwinds (e.g. privacy-first, shift from web to LLMs) that we believe will support Verve’s growth trajectory. In light of our estimate revisions, we think the post-earnings drop in the share price presents an attractive entry point into the share. Based on our estimates, Verve trades at an adjusted EV/EBIT of 7x-6x and an EV/FCFF (excl. earn-outs) of 9x-8x for 2025-2026e, which we believe remain on the low side and represent, to some extent, an unjustified discount to peers. As such, we see upside potential in the valuation multiples, and our DCF model, which better captures Verve’s long-term value creation, points to a potential upside with a fair value estimate of SEK 49.6 per share, reinforcing our positive investment view.

Recommendation

Buy
(prev. Buy)

Target price:
45.00 SEK
(prev. 45 SEK)

Share price:
SEK 34.24

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	437.0	525.9	575.9	627.7
growth-%	36%	20%	10%	9%
EBIT adj.	107.1	128.5	151.5	167.5
EBIT-% adj.	24.5 %	24.4 %	26.3 %	26.7 %
Net Income	28.8	48.3	72.6	89.8
EPS (adj.)	0.24	0.36	0.48	0.58
P/E (adj.)	12.8	8.8	6.5	5.4
P/B	1.3	1.2	1.0	0.9
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	8.7	7.0	5.6	4.5
EV/EBITDA	7.0	5.9	4.7	3.7
EV/S	2.1	1.7	1.5	1.2

Source: Inderes

Guidance

(New guidance)

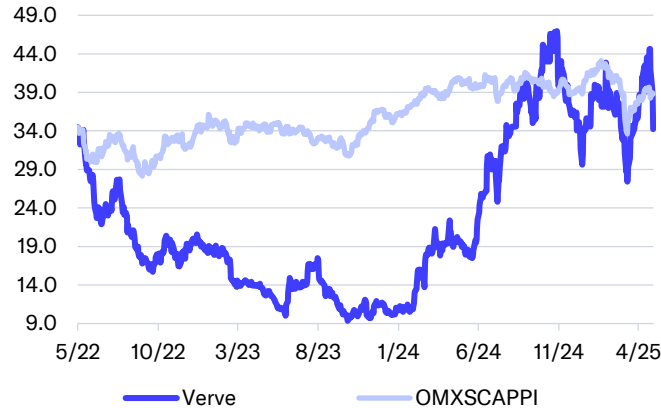
For FY25 Verve expects:

Revenue: 530-565 MEUR

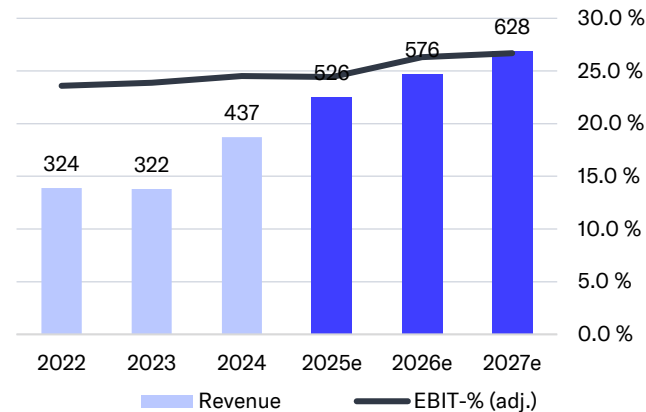
Adjusted EBITDA: 155-175 MEUR

(Adjusted EBITDA-% of 30% at the midpoint)

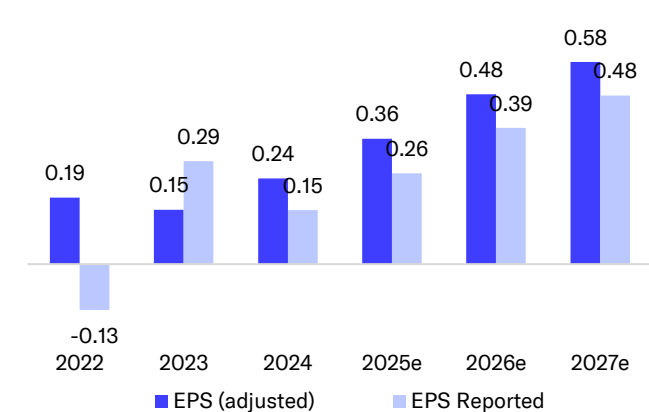
Share price



Revenues and operating profit-%



Earnings per share



Value drivers

- High single-digit growth in the programmatic ad market over the medium to long term, with In-app and CTV markets growing even faster
- Market-leading mobile In-App SSP
- Several proprietary targeting solutions for a post-identifier and cookie-less world
- Strong and increasing industry recognition could boost revenue growth
- A trusted end-to-end omnichannel platform
- Own first-party content that provides data to the ad platform
- Improved quality of earnings and increased potential for synergies in coming years following the acquisition of Jun Group

Risk factors

- Failing to maintain/increase market share in programmatic advertising
- Market disruption due to technological or regulatory reasons
- Despite a partial recovery in ad spending, persistent low CPMs and evolving privacy regulations pose ongoing risks
- Rapid slowdown in first-party games revenue
- Macroeconomic challenges could constrain marketing budgets and decelerate growth

Valuation	2025e	2026e	2027e
Share price (EUR)	3.14	3.14	3.14
Number of shares, millions	187.2	187.2	187.2
Market cap (MEUR)	587	587	587
EV (MEUR)	904	847	746
P/E (adj.)	8.8	6.5	5.4
P/E	12.1	8.1	6.5
P/B	1.2	1.0	0.9
P/S	1.1	1.0	0.9
EV/Sales	1.7	1.5	1.2
EV/EBITDA	5.9	4.7	3.7
EV/EBIT (adj.)	7.0	5.6	4.5
EV/FCFF (adj.)*	9.1	7.7	6.1
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

*Excl. earn-outs

Revenue in line with estimates, EBIT slightly below

Revenue matched our estimates

Verve reported a 32% year-on-year growth in Q1'25 (16% organic), reaching 109 MEUR. This matched our expectations (Inderes est: 109 MEUR) while being slightly below the consensus estimate of 112 MEUR. We estimate that Jun Group contributed ~13 MEUR to revenue, slightly below our estimated 15 MEUR.

The quarter was marked by elevated geopolitical and macroeconomic uncertainty, which weighed on advertising spend. Net dollar retention declined to 100% (Q4'24/Q1'24: 110%), reflecting more cautious customer behavior compared to previous quarters. Notably, Verve saw reduced ad spend from large walled-garden clients, such as Google, which pulled back from external platforms. However, this impact was largely offset by growth among other customers.

Verve added 388 new large software clients ("LSCs") year-on-year, which was a strong driver for the revenue growth.

On a quarter-on-quarter basis, however, client additions were more moderate (+12), which we view as somewhat soft, given that Q1 typically presents an opportunity for advertisers to test new solutions due to seasonal volume dips. We attribute this softness partly to the broader macro and geopolitical backdrop.

Verve served 248 billion ad impressions in Q1, representing an increase of 25% (y/y) and 10% decrease (q/q), suggesting continued improved CPMs.

Customer retention weakened during Q1, reaching 94% (Q1'24: 96%, Q4'24: 97%), which is below the two-year average of 96%. We believe this was driven by a combination of macro uncertainty and onboarding friction following the strong net client additions in 2024 (+413).

But the adjusted EBIT fell a bit short of estimates

Adjusted EBIT came in at 23 MEUR (Q1'24: 16.6 MEUR), translating to a 28% margin, slightly below our 25 MEUR estimate. The deviation was primarily due to higher-than-

anticipated personnel expenses, as Verve continues to invest in future growth by scaling its sales and support teams, particularly on the brand and agency side.

Seasonal weak cash flows increased the leverage ratio

Operating cash flows (OCF) amounted to 0.3 MEUR, where changes in working capital (-22 MEUR) had a negative impact on OCF due to seasonality. After accounting for CAPEX of 10 MEUR, free cash flow stood at -10 MEUR, which was slightly below our estimates. Net debt increased by around 25 MEUR quarter-on-quarter, which was partly anticipated due to weaker seasonal cash flows, though slightly above our estimates. As a result, net debt/adj. EBITDA increased to 2.7x (Q4'24: 2.6x) and on a pro forma basis*, the ratio increased to 2.5x (Q4'24: 2.4x). With Jun Group's full integration and recent bond refinancing, Verve is well positioned for debt amortization, and we expect the leverage ratio to decline in the coming quarters and years.

Estimates	Q1'24	Q1'25	Q1'25e	Q1'25e	Consensus		Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	82.5	109	109	112	103	121	0%	526
EBITDA (adj.)	22.0	30.2	31.6	32.5	30.9	34.7	-4%	157
EBIT (adj.)	16.6	23.3	25.1	25.6	24.3	26.7	-7%	129
EBIT	12.3	16.7	21.1	20.1	17.5	22.0	-21%	110
PTP	-1.9	3.5	8.1	5.8	1.2	9.5	-57%	67.0
EPS (adj.)	0.02	0.04	0.05	0.05	0.02	0.10	-33%	0.36
EPS (reported)	0.00	0.00	0.03	0.03	0.01	0.06	-97%	0.26
Revenue growth-%	20.0 %	32.2 %	31.6 %	35.8 %	25.0 %	46.5 %	0.6 pp	20.3 %
EBIT-% (adj.)	20.2 %	21.4 %	23.1 %	22.9 %	23.6 %	22.1 %	-1.7 pp	24.4 %

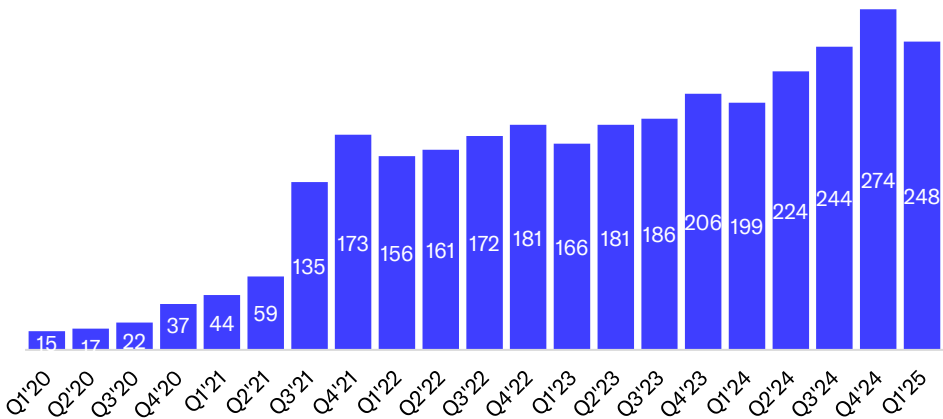
Source: Inderes & Modular
Finance IR (consensus
include 10 estimates)

*Adjusted EBITDA includes pro-forma LTM EBITDA for Jun Group

Company KPI's

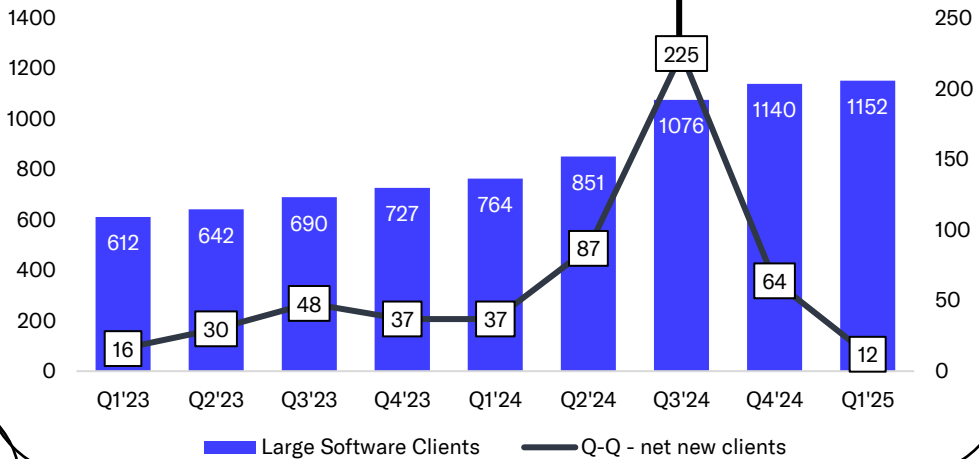


Ad Impressions (in bn)

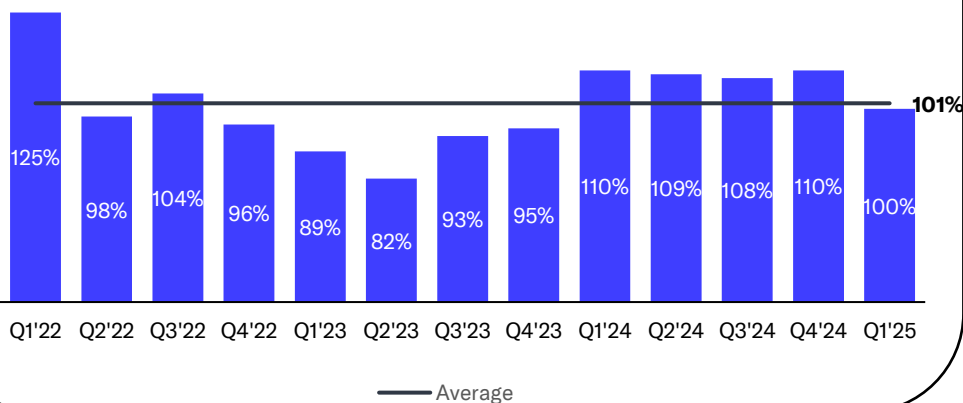


Large Software Clients

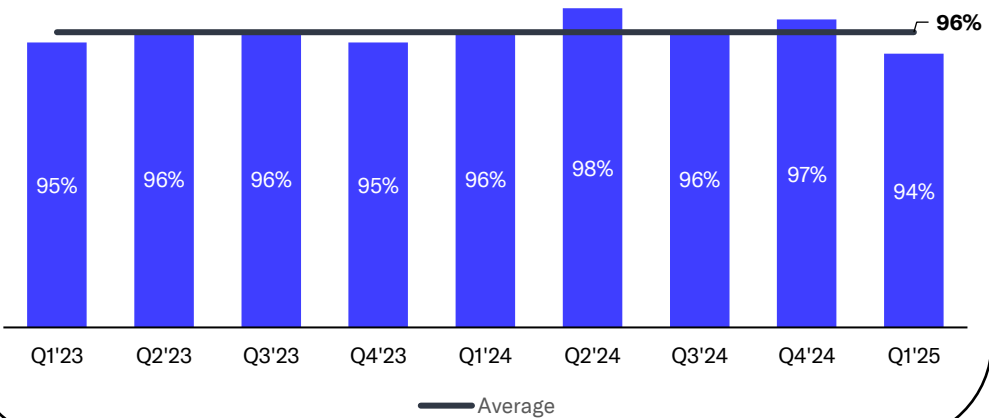
Including Jun Group



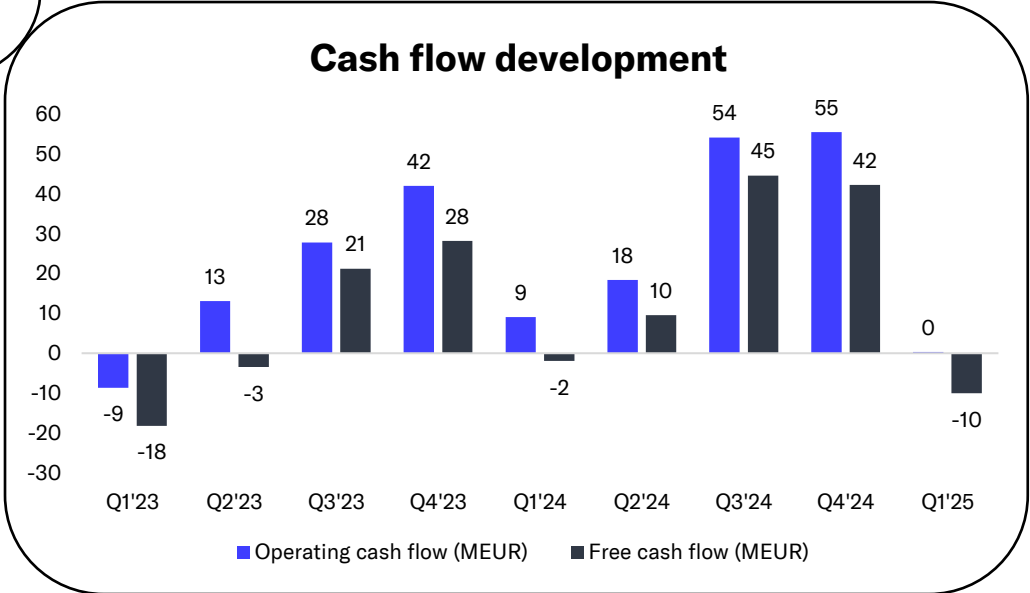
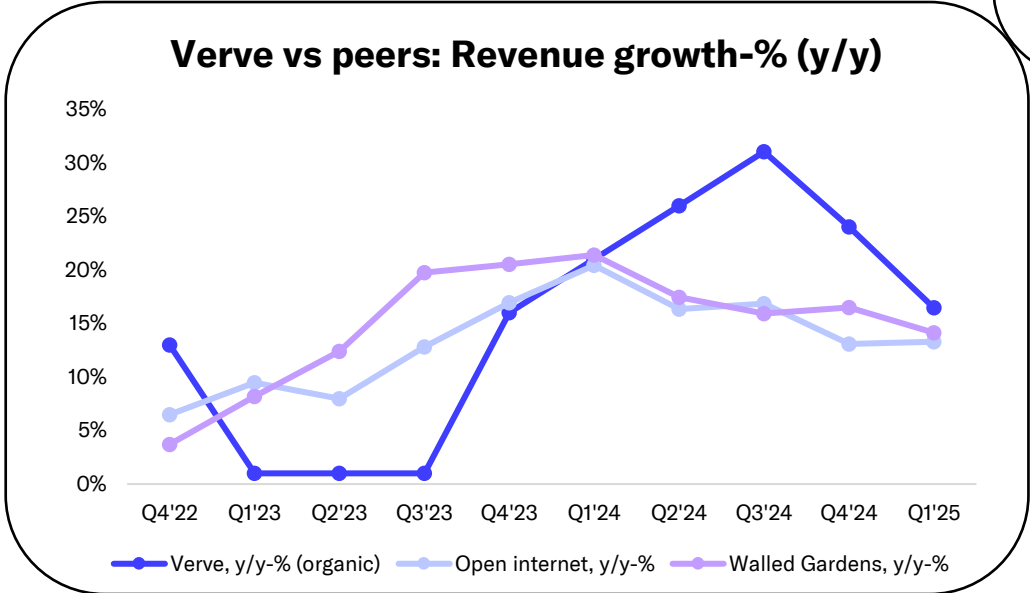
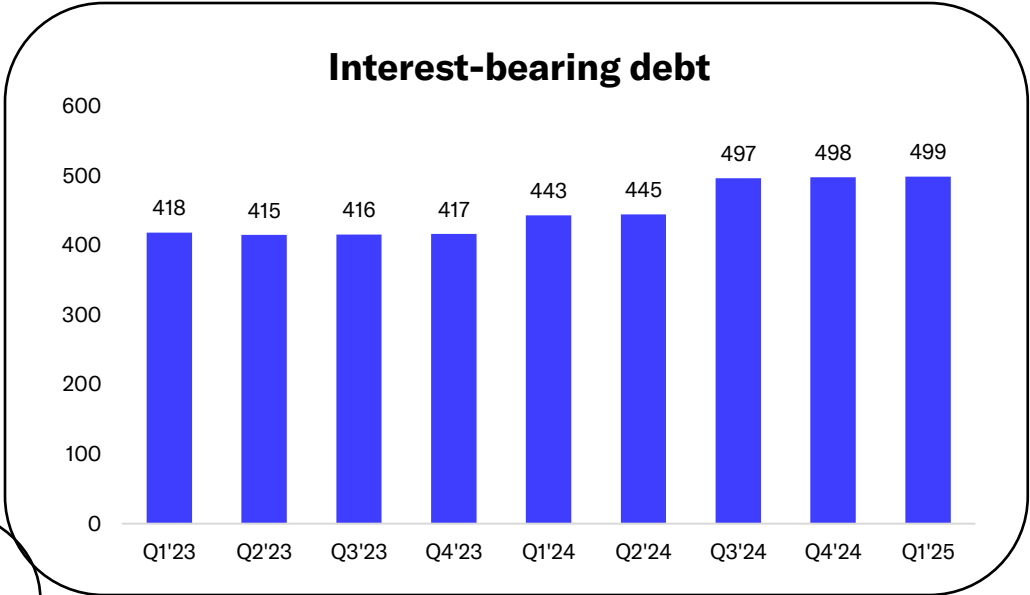
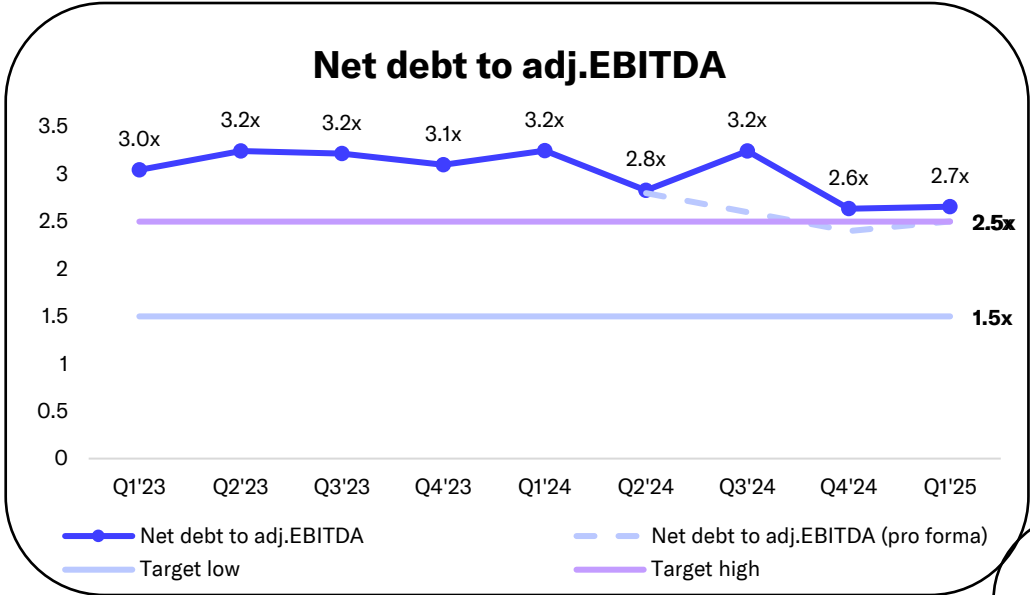
Net Dollar Expansion rate of Software Clients



Retention rate of Software Clients



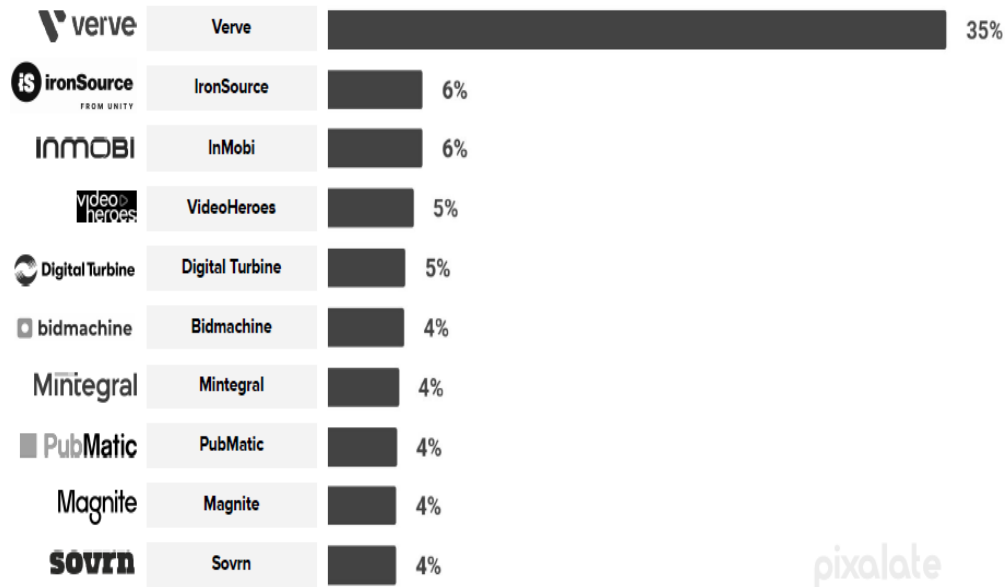
Other metrics



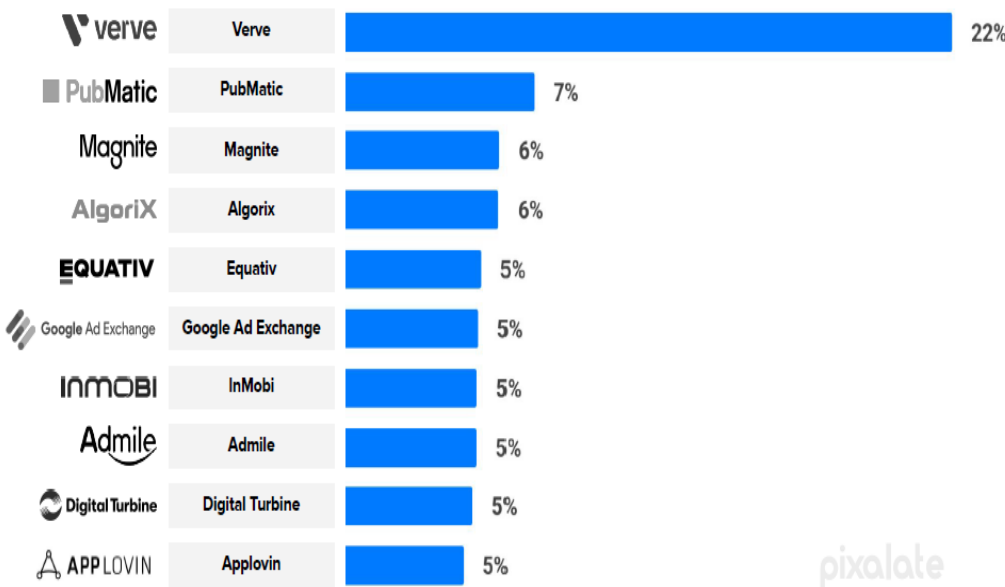
Pixalate's Mobile in-app SSP Market Share Q1'25 Report



Apple (North America)



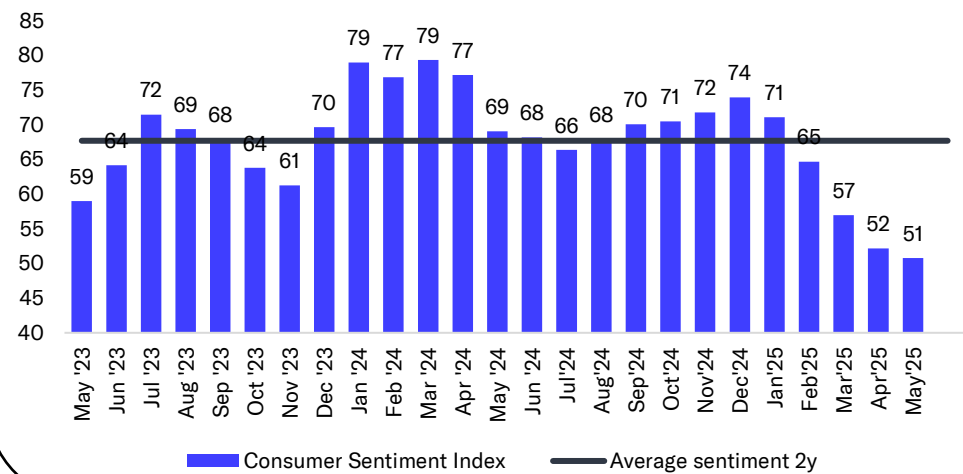
Google Play (North America)



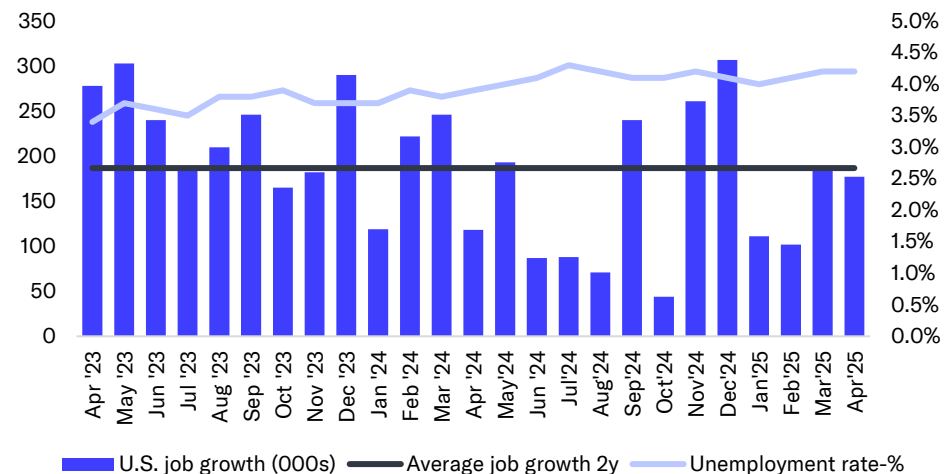
The report rank SSPs based on their share of voice of open programmatic ads sold on apps from the Apple App Store and Google Play Store, as measured by Pixalate.

Macro snapshot

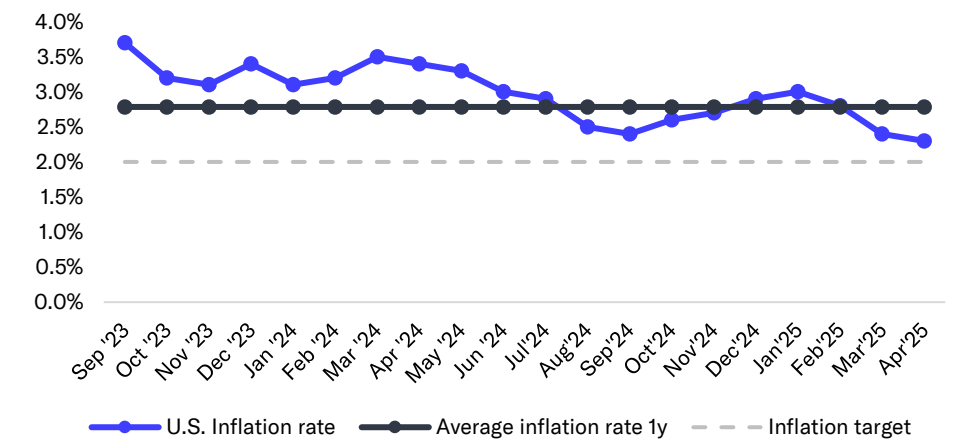
U.S. consumer sentiment



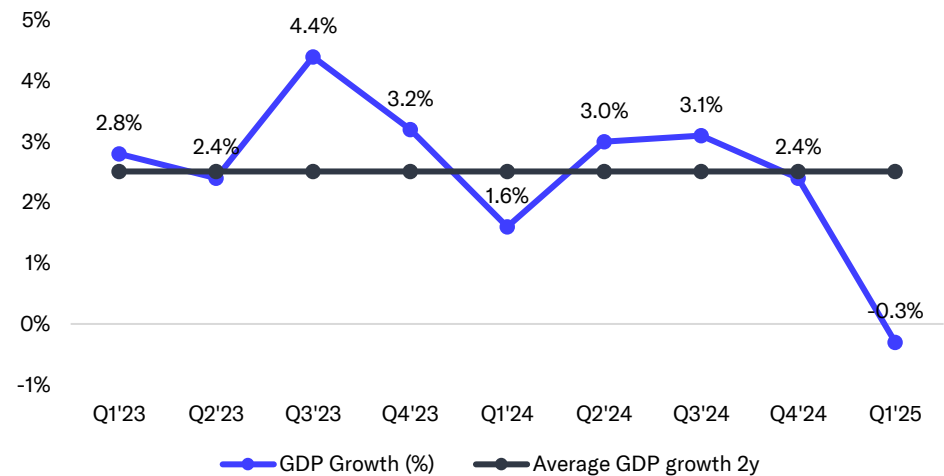
U.S. Labor market



U.S. Inflation rate



U.S. GDP Growth



Sources: U.S. Bureau of Labor Statistics, University of Michigan

We inch our revenue estimates higher following the FY25 guidance

Estimates changes

- We have raised our 2025–2027 revenue estimates by approximately 3%, reflecting stronger-than-expected FY25 guidance. We now forecast FY25 revenue of 526 MEUR, implying total growth of 20% (13% organic). This lands slightly below the lower end of the company's guidance range (530–565 MEUR). As such, we uphold a conservative stance on the 2025 digital advertising market outlook, primarily due to continued elevated macroeconomic and geopolitical uncertainties and overall weak U.S. consumer sentiment. We discussed these factors in more detail in our [preview comment](#) and [company report](#) from April.
- The midpoint of the company's FY25 guidance implies a modest year-on-year margin contraction, primarily due to planned investments in expanding the DSP-side sales organization and onboarding AI talent. In addition, Q1 profitability came in slightly below our expectations,

driven by higher-than-expected personnel expenses. Combined with softer CPMs in the CTV segment, attributed to elevated supply, we have made a slight downward revision to our short- to mid-term adjusted EBIT margin assumptions. As a result, our adjusted EBIT forecasts for 2025–2026 have been lowered by 1–2%, while our long-term outlook remains unchanged. We now expect an adjusted EBIT margin of 24.4% in 2025 and 26.3% in 2026 (previously 25.7% and 27.5%).

- Paid taxes in Q1 came in above our estimates, and, given management commentary during earnings call, we have slightly increased our income tax estimates for the current year.
- Following these revisions, combined with somewhat lower cash generation in Q1, we have lowered our FY25 FCFF estimates by 4%, while keeping our estimates for 2026 and beyond unchanged.

- The upward revision to our short- and mid-term revenue estimates had a positive carryover to our longer-term projections. With long-term margin assumptions largely unchanged, the overall effect of these estimate adjustments resulted in a slight increase to our fair value estimate in the DCF model.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	508	526	3%	557	576	3%	607	628	3%
EBITDA	157	152	-3%	180	179	-1%	200	200	0%
EBIT (excl. NRIs)	131	129	-2%	153	152	-1%	168	168	0%
EBIT	115	110	-4%	135	134	-1%	150	150	0%
PTP	72.2	67.0	-7%	98.2	96.9	-1%	120	120	-1%
EPS (excl. NRIs)	0.37	0.36	-5%	0.49	0.48	-1%	0.58	0.58	0%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Verve Group, Audiocast, Q1'25



Valuation 1/2

The company is in a better position today to deleverage its balance sheet

After several years of strong revenue growth, Verve faced a notable slowdown in 2023, as shrinking advertising budgets in an uncertain macro environment weighed on demand. Combined with the company’s high leverage and rising interest rates, this resulted in a sharp contraction in both the stock price and valuation multiples. However, in 2024, Verve returned to strong growth, benefiting from improving market conditions and growing demand for its privacy-centric advertising solutions. Management also took steps to improve the high leverage, including: 1) the acquisition of Jun Group, which enhances the Groups earnings quality, 2) raised 450 MSEK in a directed share issue, 3) refinanced its outstanding bonds at better terms, which lowers its annual interest expenses going forward and positions the company better to refinance its remaining bonds at more favorable terms. While Verve’s net debt remains high, these actions make it more manageable, positioning the company more favorably for deleveraging in the next years. This is particularly relevant for a valuation standpoint, as lower debt levels should support a gradual re-rating of Verve’s current multiples.

The earnings and FCFF based multiples are on the low side

Verve’s income statement contains several non-cash items and non-recurring costs, so we pay close attention to FCFF-based valuation methods such as DCF. However, we also approach the valuation through absolute valuation multiples and in relation to peers.

Verve’s median adjusted* EV/EBITDA and EV/EBIT ratios over the last five years are 7x and 9x, respectively. Furthermore, the three-year median EV/FCFF (excl. earn-outs) stands at 13x.

Based on our updated 2025-2026 estimates, Verve’s EV/adj. EBIT multiples for 2025-2026 are 7x and 6x, respectively. At the same time, the corresponding EV/EBITDA multiples are 6x and 5x, while the EV/FCFF multiples (excl. earn-outs) are 9x and 8x. As Verve records a relatively high PPA amortizations (13 MEUR LTM), the adjusted multiples are generally lower than the unadjusted ones. As a result, the unadjusted** EV/EBIT multiples for 2025-2026 are 8x-6x, respectively.

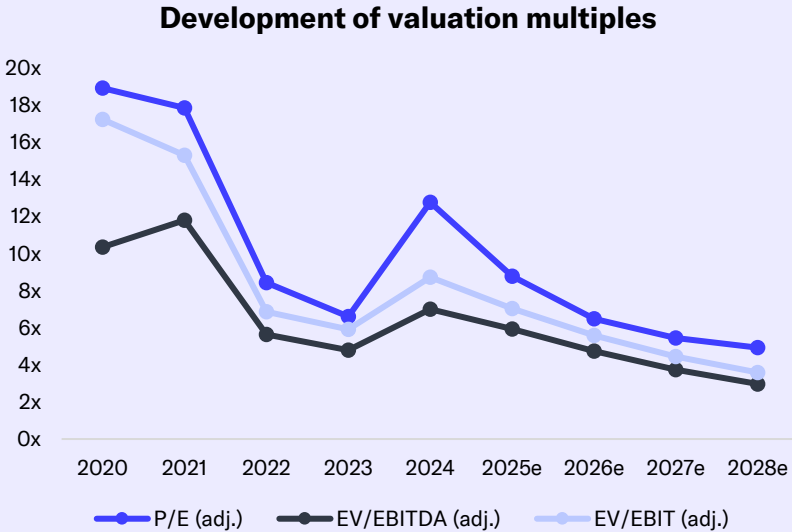
Thus, we believe that the overall earnings-based valuation for the current and next years are on the low side, both in absolute numbers and compared to historical figures.

Trading at a discount to peers, but is justified to some extent

Relative to its peer group, Verve currently trades at a significant discount on earnings-based multiples. The peer group’s median EV/EBITDA and EV/EBIT multiples for 2025 and 2026 stand at 11x-9x and 30x-22x, respectively. However, it is important to note that there is considerable variation among peers, which influences the median values. A similar pattern is observed in FCFF-based multiples, where the median stands at 16x-11x for the same period, though the spread in multiples remains high within the peer group.

Valuation	2025e	2026e	2027e
Share price (EUR)	3.14	3.14	3.14
Number of shares, millions	187.2	187.2	187.2
Market cap (MEUR)	587	587	587
EV (MEUR)	904	847	746
P/E (adj.)	8.8	6.5	5.4
P/E	12.1	8.1	6.5
P/B	1.2	1.0	0.9
P/S	1.1	1.0	0.9
EV/Sales	1.7	1.5	1.2
EV/EBITDA	5.9	4.7	3.7
EV/EBIT (adj.)	7.0	5.6	4.5
EV/FCFF (adj.)*	9.1	7.7	6.1
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

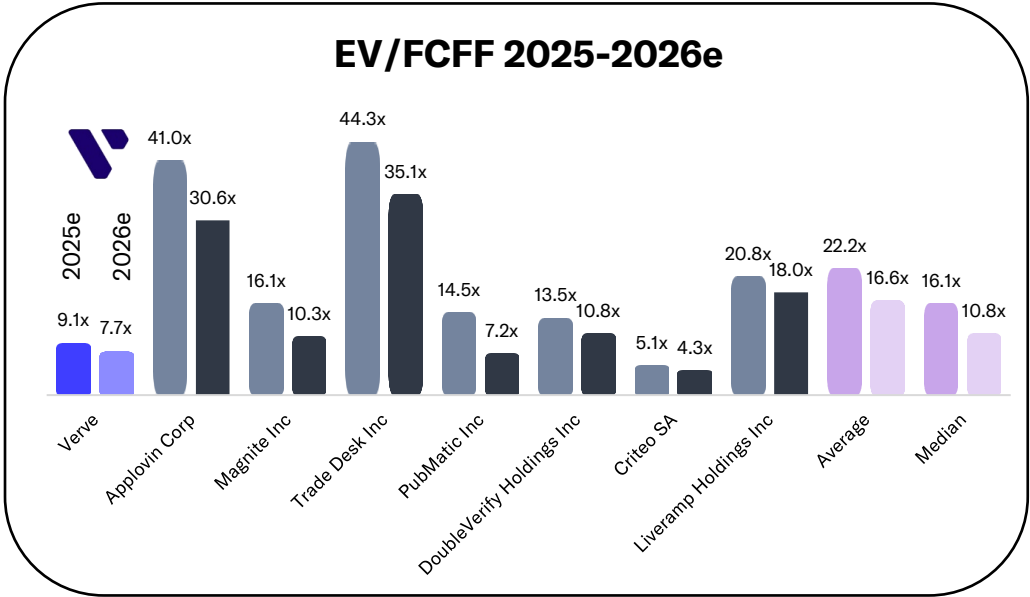
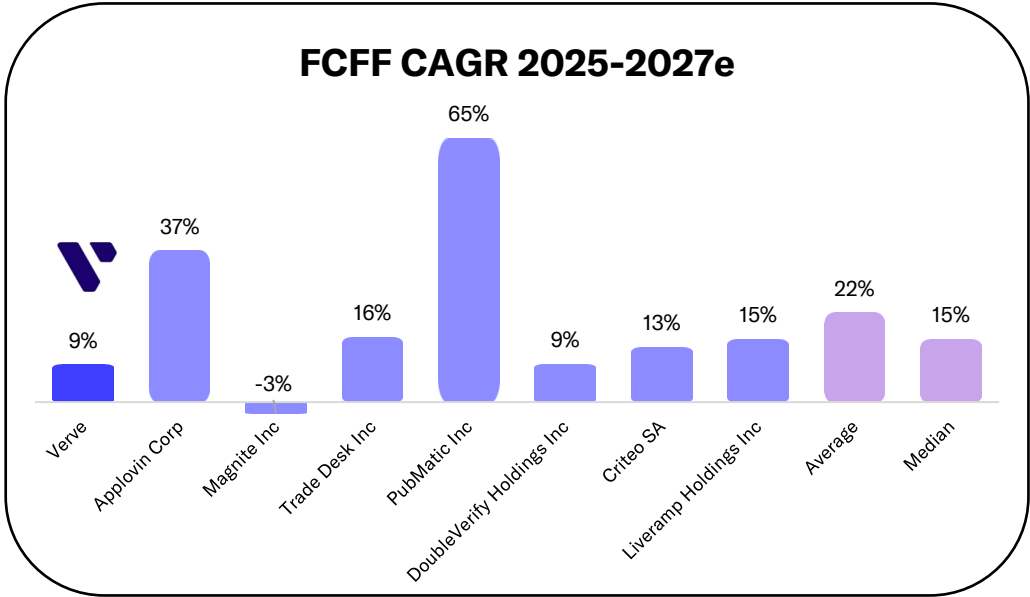
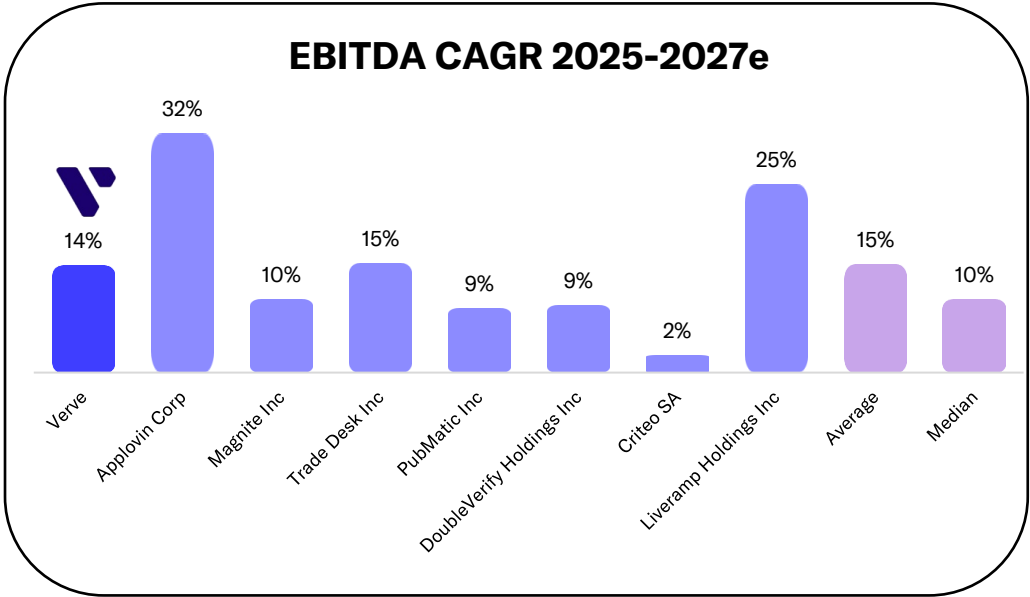
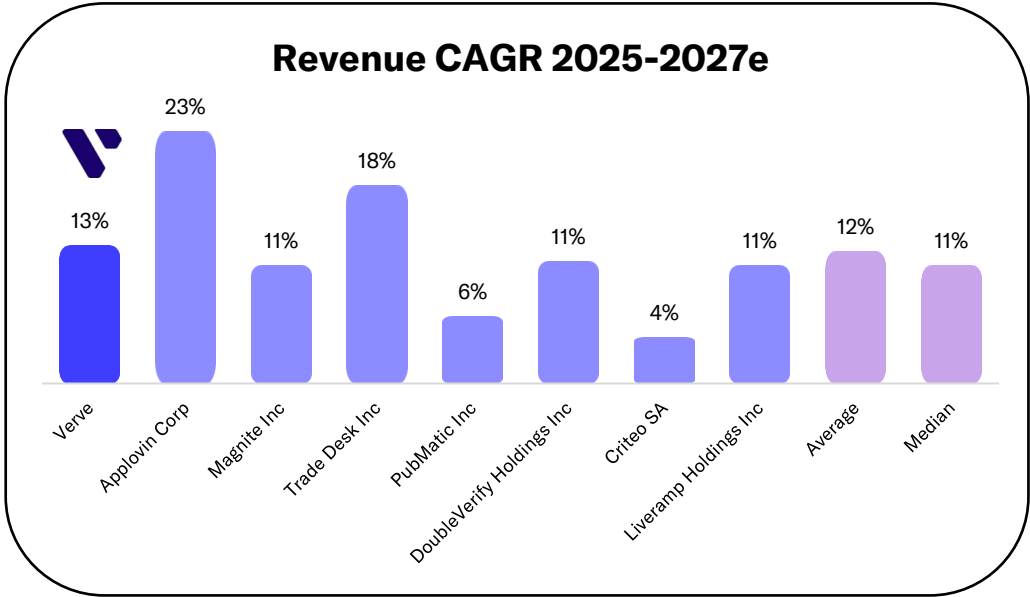


*Adjusted for PPA amortization and non-recurring costs.

** Including PPA amortization and non-recurring costs.

*Excl. earn-outs

Verve vs Peers: At a glance



Valuation 2/2

At first glance, Verve's current valuation discount to peers appears excessive given its revenue and earnings growth outlook. However, considering that Verve, relative to the peer group, currently (LTM) has significantly more leverage (despite recent quarters' reduction, primarily through earnings growth) and is expected to have higher leverage going forward (2025-2027e), a larger portion of Verve's earnings and FCFF is allocated to interest expenses, which reduces its ability to return capital to shareholders. As a result, we believe that a valuation discount to peers is justified, as Verve's current earnings and FCFF should be valued lower relative to peers, who typically maintain very minimal debt or net cash positions. However, if deleveraging unfolds as we expect, we believe the valuation gap should gradually narrow over the next few years.

Expected return in the coming years and DCF model

We have also looked at an investor's expected return over the next few years by simplifying an acceptable valuation and our 2027 earnings estimates. In our view, Verve could be valued around 6x-10x EV/EBITDA, 8-11x EV/EBIT and 9x-12x EV/FCFF at the end of 2027 based on our current estimates, if the profitability improvement is still intact and there are no major changes in the company's growth outlook.

Given this and our current estimates, we believe that Verve could be valued at roughly SEK 65-94 per share at the end of 2027 (at current EUR/SEK exchange rate). At the current share price of SEK 34, we estimate that the expected annual return would be around 28-47% (no dividend is expected in the medium term). Hence, in this scenario, the

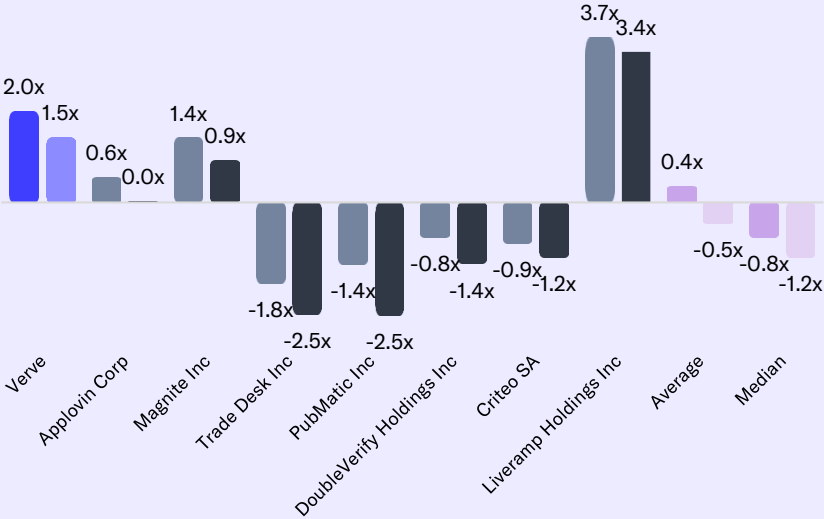
total annual expected return would, on average, be well above the 12% cost of equity that we use. However, given Verve's high exposure to the digital advertising market, which is inherently volatile, we believe it is premature to place significant reliance on this scenario. Moreover, the elevated uncertainty around the economic outlook in the U.S., which is Verve's largest market, introduces additional risks to this valuation path. Furthermore, the expected return is somewhat back-loaded and depends on an EV-based valuation, which adds further uncertainty, e.g., regarding the capital structure, which is difficult to forecast over a longer period of time.

We find further support to the valuation in our DCF model, indicating a value of SEK 49.6 per share and assuming stronger-than-market growth (CAGR) and gradual margin expansion in the near term, followed by a gradual convergence to our used terminal growth rate of 2% and EBIT margin of 18.5%. In our model, the weight of the terminal period is at a reasonable 42%. We note that the DCF model is quite sensitive to the required rate of return used, as illustrated by the figure to the right.

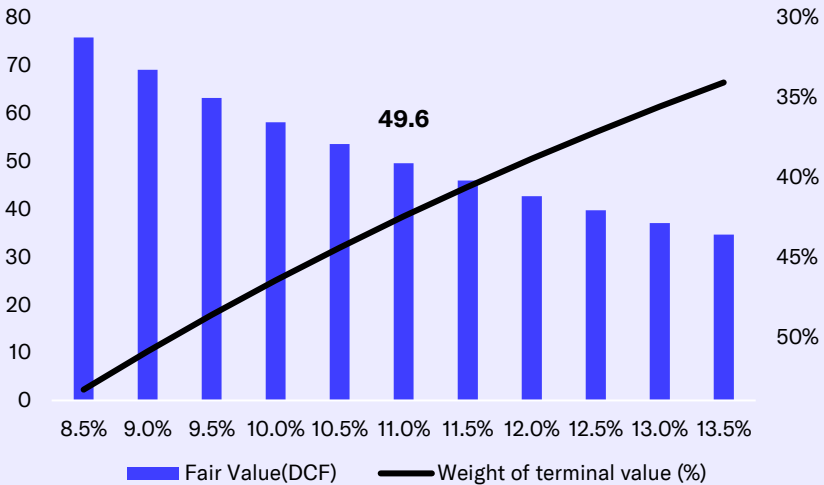
No changes in recommendation and target price

We reiterate our Buy recommendation and target price of SEK 45. At this target price, Verve's adjusted EV/EBIT and EV/FCFF multiples for 2025-2026 are 9-7x and 11-9x (excluding earn-outs), respectively. While the EV/EBIT multiple remains low in absolute terms and considerably lower than the peer median, the EV/FCFF multiple aligns slightly better with the peer median. We think this is reasonable, as we believe Verve's current earnings and FCFF should be valued at a discount to peers.

Net debt/ EBITDA 2025-2026e



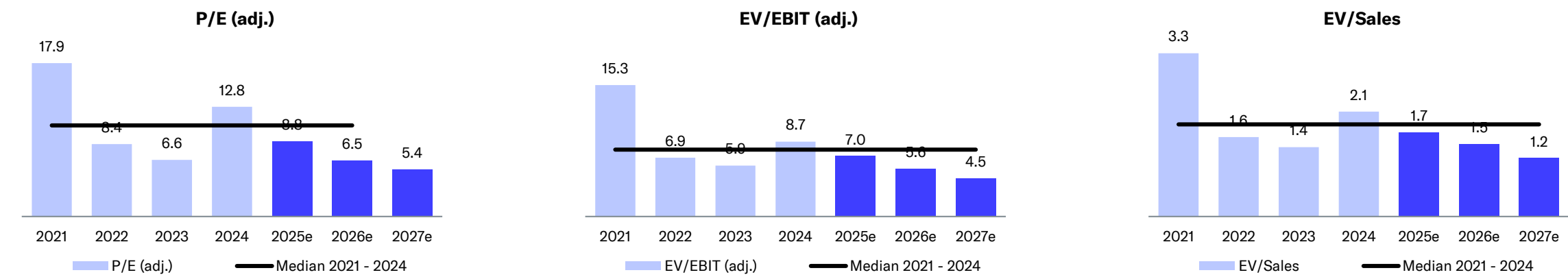
Sensitivity of DCF to changes in the WACC-%



Valuation table

Valuation	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price (EUR)	4.30	1.60	1.02	3.12	3.14	3.14	3.14	3.14
Number of shares, millions	141.7	156.2	159.2	186.7	187.2	187.2	187.2	187.2
Market cap (MEUR)	644	255	163	583	587	587	587	587
EV (MEUR)	840	525	456	934	904	847	746	640
P/E (adj.)	17.9	8.4	6.6	12.8	8.8	6.5	5.4	4.9
P/E	37.9	neg.	3.5	20.2	12.1	8.1	6.5	5.8
P/B	2.1	0.8	0.5	1.3	1.2	1.0	0.9	0.8
P/S	2.6	0.8	0.5	1.3	1.1	1.0	0.9	0.9
EV/Sales	3.3	1.6	1.4	2.1	1.7	1.5	1.2	0.9
EV/EBITDA	11.8	5.6	4.8	7.0	5.9	4.7	3.7	3.0
EV/EBIT (adj.)	15.3	6.9	5.9	8.7	7.0	5.6	4.5	3.6
EV/FCFF (adj.)*	33.6	12.9	19.9	9.9	9.1	7.7	6.1	5.1
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes



*Excl. earn-outs

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

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		P/B
Company	MEUR	MEUR	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Applovin Corp	113,647	116,432	39.4	29.2	31.8	25.3	22.9	18.9	48.0	33.5	67.2
Magnite Inc	2,003	2,115	32.7	22.6	11.0	9.6	3.7	3.3	18.7	15.4	2.7
Trade Desk Inc	32,957	31,429	67.0	49.4	31.8	26.0	12.5	10.5	43.2	36.3	11.1
PubMatic Inc	501	374			5.9	4.7	1.5	1.3		532.3	1.6
DoubleVerify Holdings Inc	1,934	1,795	27.8	21.2	8.8	7.7	2.8	2.5	44.4	32.2	2.0
Criteo SA	1,198	959	5.4	5.4	2.8	2.8	0.9	0.9	5.8	5.7	1.3
Liveramp Holdings Inc	1,839	1,468	12.1	9.5	11.8	9.0	2.2	2.1	18.7	15.0	2.2
Verve (Inderes)	587	904	7.0	5.6	5.9	4.7	1.7	1.5	8.8	6.5	1.2
Average			30.7	22.9	14.8	12.1	6.6	5.6	29.8	95.8	12.6
Median			30.2	21.9	11.0	9.0	2.8	2.5	30.9	32.2	2.2
Diff-% to median			-77%	-74%	-46%	-47%	-39%	-41%	-72%	-80%	-47%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	322	82.5	96.6	114	144	437	109	123	134	160	526	576	628	684
EBITDA (excl. NRI)	93.2	19.1	21.3	23.1	31.7	133	22.0	29.1	33.6	45.1	155	179	200	216
EBITDA	128	20.2	28.1	36.2	44.1	129	27.5	34.2	39.5	51.0	152	179	200	215.5
Depreciation	-29.5	-7.9	-8.5	-11.7	-10.1	-38.2	-10.8	-10.5	-10.5	-10.5	-42.3	-44.9	-50.1	-55.1
EBIT (excl. NRI)	76.9	16.6	23.2	25.2	42.1	107	23.3	27.7	33.0	44.5	129	152	168	178
EBIT	99.0	12.3	19.6	24.5	33.9	90.3	16.7	23.7	29.0	40.5	110	134	150	160
Net financial items	-50.1	-14.1	-12.9	-14.6	-16.8	-58.5	-13.2	-10.5	-9.7	-9.5	-42.9	-36.7	-29.8	-25.7
PTP	48.9	-1.9	6.7	9.8	17.1	31.8	3.5	13.2	19.3	31.0	67.0	96.9	120	135
Taxes	-2.7	2.5	-0.4	-2.2	-2.8	-3.0	-3.3	-3.3	-4.6	-7.4	-18.7	-24.2	-29.9	-33.7
Minority interest	0.5	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	46.7	0.61	6.3	7.6	14.3	28.8	0.2	9.9	14.7	23.6	48.3	72.6	89.8	101
EPS (adj.)	0.15	0.03	0.05	0.04	0.12	0.24	0.04	0.07	0.10	0.15	0.36	0.48	0.58	0.64
EPS (rep.)	0.29	0.00	0.03	0.04	0.08	0.15	0.00	0.05	0.08	0.13	0.26	0.39	0.48	0.54

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-0.8 %	20.0 %	26.8 %	45.2 %	46.1 %	35.7 %	32.2 %	27.8 %	17.4 %	10.9 %	20.3 %	9.5 %	9.0 %	9.0 %
Adjusted EBIT growth-%	0.5 %	9.7 %	39.9 %	36.6 %	57.3 %	39.2 %	40.2 %	19.5 %	31.1 %	5.7 %	20.0 %	17.9 %	10.5 %	6.5 %
EBITDA-%	39.9 %	24.5 %	29.1 %	31.8 %	30.6 %	29.4 %	25.2 %	27.7 %	29.6 %	31.9 %	28.9 %	31.0 %	31.8 %	31.5 %
Adjusted EBIT-%	23.9 %	20.2 %	24.0 %	22.1 %	29.2 %	24.5 %	21.4 %	22.4 %	24.7 %	27.8 %	24.4 %	26.3 %	26.7 %	26.1 %
Net earnings-%	14.5 %	0.7 %	6.5 %	6.7 %	9.9 %	6.6 %	0.2 %	8.0 %	11.0 %	14.7 %	9.2 %	12.6 %	14.3 %	14.8 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e	2028e
Non-current assets	814	1013	1016	1019	1018	1014
Goodwill	578	718	718	718	718	718
Intangible assets	219	269	271	273	272	268
Tangible assets	4.0	4.3	5.5	5.4	5.5	5.6
Associated companies	1.0	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Other non-current assets	1.4	4.9	4.9	4.9	4.9	4.9
Deferred tax assets	10.5	17.0	17.0	17.0	17.0	17.0
Current assets	194	239	228	252	319	395
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Other current assets	39.5	0.0	0.0	0.0	0.0	0.0
Receivables	32.3	92.6	103	109	116	127
Cash and equivalents	122	147	125	143	203	269
Balance sheet total	1007	1252	1244	1271	1337	1409

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	352	451	499	572	662
Share capital	159	1.6	1.6	1.6	1.6
Retained earnings	48.1	76.9	125	198	288
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	145	372	372	372	372
Minorities	0.2	0.2	0.2	0.2	0.2
Non-current liabilities	414	499	463	398	358
Deferred tax liabilities	28.9	21.7	21.7	21.7	21.7
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	348	446	410	370	330
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	36.9	31.0	31.0	5.9	5.9
Current liabilities	241	303	282	301	318
Interest bearing debt	66.5	52.0	32.0	32.0	32.0
Payables	102	145	166	184	201
Other current liabilities	72.4	106	84.8	84.8	84.8
Balance sheet total	1007	1253	1244	1271	1337

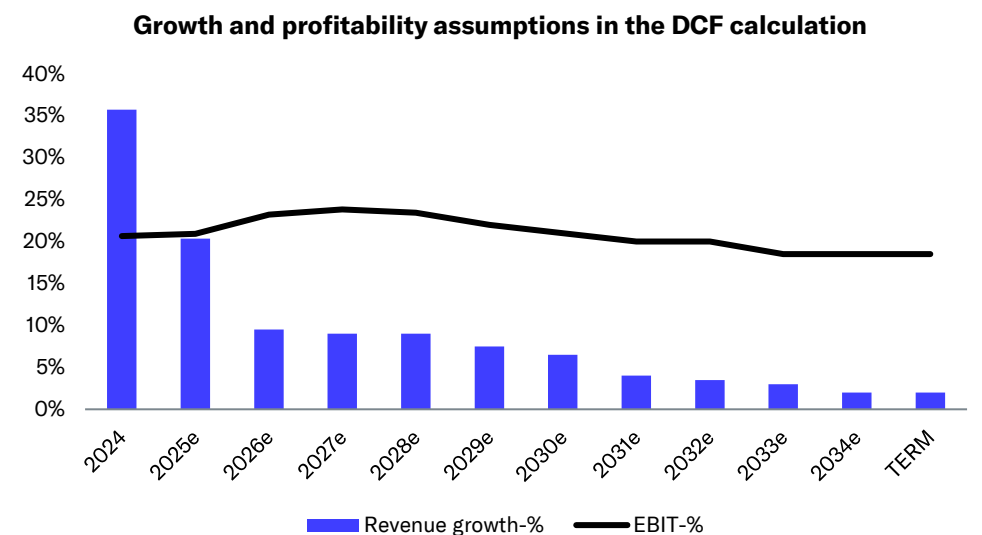
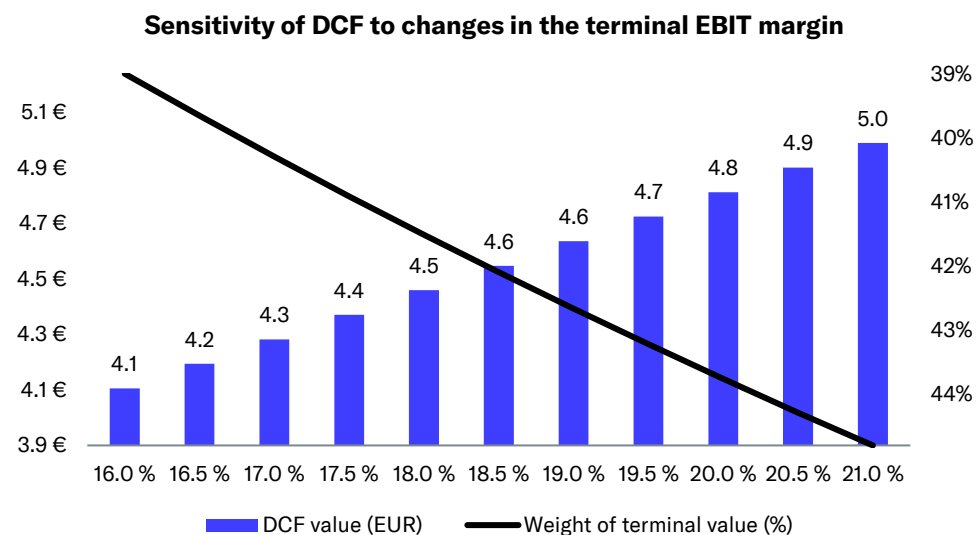
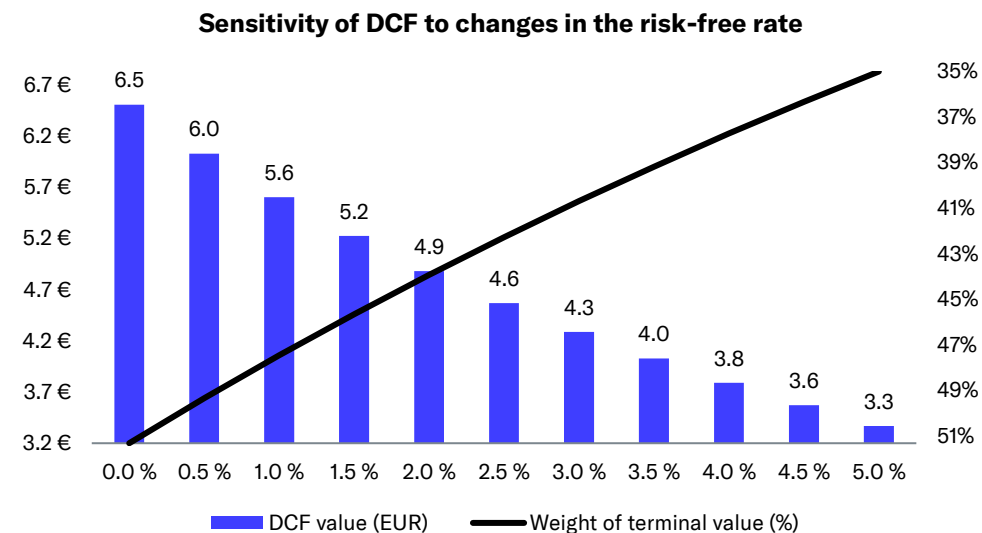
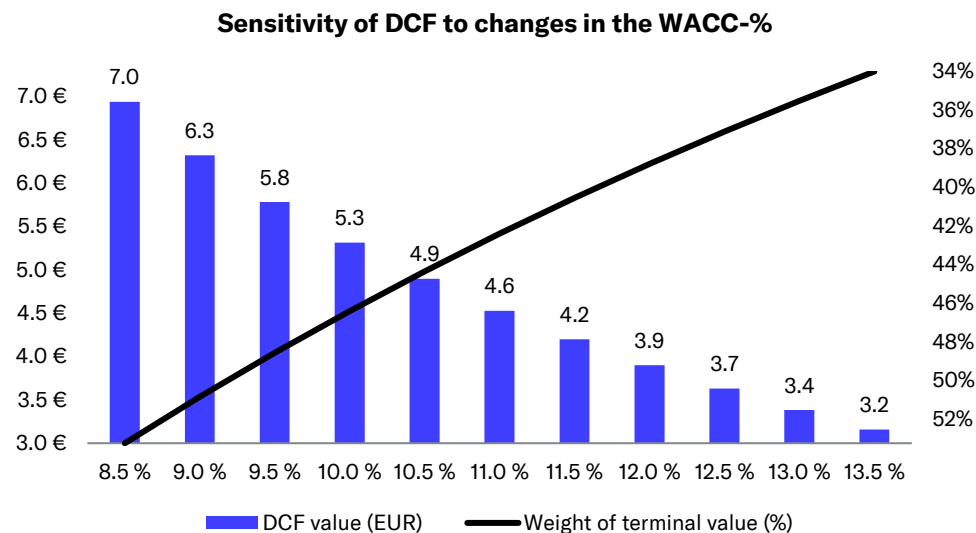
DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	35.7 %	20.3 %	9.5 %	9.0 %	9.0 %	7.5 %	6.5 %	4.0 %	3.5 %	3.0 %	2.0 %	2.0 %
EBIT-%	20.7 %	20.9 %	23.2 %	23.8 %	23.4 %	22.0 %	21.0 %	20.0 %	20.0 %	18.5 %	18.5 %	18.5 %
EBIT (operating profit)	90.3	110	134	150	160	162	164	163	169	161	164	
+ Depreciation	38.2	42.3	44.9	50.1	55.1	59.7	63.7	62.0	64.8	63.2	56.6	
- Paid taxes	-16.7	-18.7	-24.2	-29.9	-33.7	-34.9	-36.1	-36.3	-38.3	-36.8	-38.1	
- Tax, financial expenses	-5.5	-12.0	-9.2	-7.4	-6.4	-5.5	-5.0	-4.4	-3.9	-3.4	-2.8	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	56.0	-10.5	11.8	9.9	0.8	-0.9	3.1	1.9	3.1	2.8	1.0	
Operating cash flow	162	111	157	172	176	180	190	186	194	187	181	
+ Change in other long-term liabilities	-5.9	0.0	-25.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-232.3	-45.5	-47.1	-49.2	-51.3	-52.4	-53.7	-56.0	-60.2	-59.0	-59.0	
Free operating cash flow	-75.9	65.5	84.7	123	125	128	137	130	134	128	122	
+/- Other	40.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-35.9	65.5	84.7	123	125	128	137	130	134	128	122	1385
Discounted FCFF		61.6	71.8	93.9	86.0	79.2	76.4	65.6	61.0	52.2	44.9	511
Sum of FCFF present value		1204	1142	1070	976	890	811	735	669	608	556	511
Enterprise value DCF		1204										
- Interest bearing debt		-497.9										
+ Cash and cash equivalents		147										
-Minorities		-0.2										
-Dividend/capital return		0.0										
Equity value DCF		852										
Equity value DCF per share		4.6										
Equity value DCF per share (SEK)		49.6										
WACC												
Tax-% (WACC)		25.0 %										
Target debt ratio (D/(D+E))		15.0 %										
Cost of debt		8.2 %										
Equity Beta		1.60										
Market risk premium		4.75%										
Liquidity premium		1.70%										
Risk free interest rate		2.5 %										
Cost of equity		11.8 %										
Weighted average cost of capital (WACC)		11.0 %										

Cash flow distribution

2025e-2029e		33%
2030e-2034e		25%
TERM		42%

DCF sensitivity calculations and key assumptions in graphs



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	324.4	322.0	437.0	525.9	575.9	EPS (reported)	-0.13	0.29	0.15	0.26	0.39
EBITDA	84.8	128.5	128.5	152.2	178.5	EPS (adj.)	0.19	0.15	0.24	0.36	0.48
EBIT	26.6	99.0	90.3	110.0	133.6	OCF / share	0.52	0.69	0.87	0.59	0.84
PTP	-11.3	48.9	31.8	67.0	96.9	OFCF / share	-0.52	0.26	-0.19	0.35	0.45
Net Income	-20.3	46.7	28.8	48.3	72.6	Book value / share	2.07	2.21	2.41	2.67	3.05
Extraordinary items	-49.9	22.1	-16.8	-18.6	-18.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	1044.7	1007.0	1252.4	1244.4	1270.6	Revenue growth-%	29%	-1%	36%	20%	10%
Equity capital	321.7	352.5	450.9	499.2	571.8	EBITDA growth-%	30%	52%	0%	18%	17%
Goodwill	587.7	578.0	718.0	718.0	718.0	EBIT (adj.) growth-%	40%	0%	39%	20%	18%
Net debt	271.3	292.8	351.2	316.5	259.4	EPS (adj.) growth-%	-21%	-18%	58%	46%	35%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	26.1 %	39.9 %	29.4 %	28.9 %	31.0 %
EBITDA	84.8	128.5	128.5	152.2	178.5	EBIT (adj.)-%	23.6 %	23.9 %	24.5 %	24.4 %	26.3 %
Change in working capital	8.6	-14.1	56.0	-10.5	11.8	EBIT-%	8.2 %	30.7 %	20.7 %	20.9 %	23.2 %
Operating cash flow	80.9	109.5	162.3	111.0	156.9	ROE-%	-6.4 %	13.8 %	7.2 %	10.2 %	13.6 %
CAPEX	-236.3	-15.5	-232.3	-45.5	-47.1	ROI-%	3.7 %	13.1 %	10.5 %	11.6 %	14.0 %
Free cash flow	-81.8	41.3	-35.9	65.5	84.7	Equity ratio	30.8 %	35.0 %	36.0 %	40.1 %	45.0 %
						Gearing	84.3 %	83.1 %	77.9 %	63.4 %	45.4 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	1.6	1.4	2.1	1.7	1.5						
EV/EBITDA	5.6	4.8	7.0	5.9	4.7						
EV/EBIT (adj.)	6.9	5.9	8.7	7.0	5.6						
P/E (adj.)	8.4	6.6	12.8	8.8	6.5						
P/B	0.8	0.5	1.3	1.2	1.0						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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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
2022-12-12	Buy	23 kr	16.90 kr
2023-01-03	Buy	26 kr	18.00 kr
2023-06-01	Buy	22 kr	12.70 kr
2023-09-01	Buy	21 kr	15.20 kr
2023-12-01	Buy	16 kr	10.10 kr
2024-03-01	Buy	17 kr	12.09 kr
2024-03-21	Buy	20 kr	16.98 kr
Change of Analyst			
2024-05-08	Accumulate	24 kr	20.85 kr
2024-06-24	Buy	28 kr	18.52 kr
2024-07-05	Accumulate	29 kr	25.25 kr
2024-08-13	Accumulate	35 kr	31.55 kr
2024-08-30	Accumulate	38 kr	33.65 kr
2024-10-31	Accumulate	50 kr	45.20 kr
2024-11-29	Accumulate	50 kr	41.00 kr
2025-02-28	Buy	57 kr	42.85 kr
2025-04-09	Buy	45 kr	29.60 kr
2025-05-30	Buy	45 kr	34.24 kr



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