# Verve Group SE

Sweden / Application Software
Nasdaq First North Premier & FSE
Bloomberg: VRV GR
ISIN: SE0018538068

Q2 results

| | |
|---|---|
| **RATING** | **BUY** |
| **PRICE TARGET** | **€ 4.00** |
| Return Potential | 269.3% |
| Risk Rating | High |

## H2 GROWTH HURDLE MOVES HIGHER

**June quarter reporting was within shooting distance of FBe, but messaging for H2 has become more cautious. LFL revenue rose 6.5% YoY to €152m, while AEBITDA edged 2% higher to €30m despite continued drag from expansion related costs. However, 3.5% organic growth undershot management expectations as advertisers postponed spend and existing customers scaled budgets more slowly than anticipated. This contrasts with Q1 commentary that chalked up softer market conditions to seasonality. Encouragingly, gross margin reached 40% vs 33% last year, while Q3 trading has improved and the FY26 guide remains intact. Still, the H2 hurdle has risen and guidance no longer looks conservative from our standpoint. We have therefore shifted our forecasts towards the lower end of the range (€680m to €730m) and now regard the midpoint as more of an upside case. Our recalibrated forecasts lower the TP to €4.0 (old: €4.5) equal to 269% upside. We maintain our Buy rating.**

**H2 growth hurdle moves higher** We think the most important QoQ development was a noticeable change in the tone of management's market commentary. In Q1, softer CPMs were still framed largely as typical seasonality. Three months later, Verve is calling the market more demanding and heterogeneous with several clients postponing budgets and existing customers ramping spend more slowly than expected. But this doesn't look like an ad-market cliff, given that management noted also that Q3 trading has improved so far. Still, we think this backdrop makes Verve's planned H2 acceleration more of an execution case. A second blemish was reported EBITDA, which missed consensus by some 30%. The bulk of the shortfall appears traced to unexpectedly high one-offs (overleaf), while AEBITDA was only ~6% shy of street expectations. This makes the underlying earnings miss considerably less dramatic. So while the platform reset is starting to deliver, the crucial commercial proof point in H2 just got tougher making guidance look less conservative than three months ago (p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

| | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| Revenue (€m) | 322.0 | 437.0 | 550.9 | 690.0 | 774.2 | 820.1 |
| YoY growth | -0.8% | 35.7% | 26.1% | 25.3% | 12.2% | 5.9% |
| AEBITDA (€m) | 95.2 | 133.2 | 134.4 | 144.0 | 173.8 | 189.0 |
| AEBITDA margin | 29.6% | 30.5% | 24.4% | 20.9% | 22.5% | 23.0% |
| Net income (€m) | 57.4 | 40.9 | 17.7 | 26.4 | 51.8 | 63.0 |
| EPS (diluted) (€) | 0.36 | 0.24 | 0.09 | 0.13 | 0.26 | 0.31 |
| DPS (€) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| FCF (€m) | 33.8 | -25.1 | -34.2 | 31.0 | 100.3 | 111.1 |
| Net gearing | 83.7% | 77.9% | 105.4% | 110.6% | 93.0% | 73.7% |
| Liquid assets (€m) | 121.7 | 146.7 | 89.0 | 110.5 | 131.6 | 157.8 |

### RISKS

Risks include but are not limited to: financing, technology, and regulatory risks.

### COMPANY PROFILE

Verve Group SE is a fast-growing, profitable digital media company that provides AI-driven ad-software solutions. The company matches global advertiser demand with publisher ad-supply, enhancing results through first-party data from its own content, while pursuing its "Let's make media better" mission.

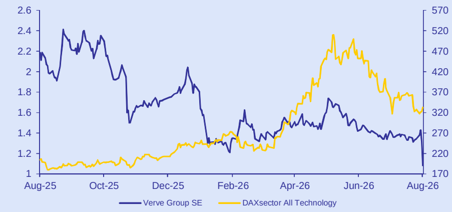
### MARKET DATA

As of 27 Aug 2026

| | |
|---|---|
| Closing Price | € 1.08 |
| Shares outstanding | 200.00m |
| Market Capitalisation | € 216.60m |
| 52-week Range | € 1.08 / 2.41 |
| Avg. Volume (12 Months) | 236,137 |

| **Multiples** | **2025** | **2026E** | **2027E** |
|---|---|---|---|
| P/E | 11.9 | 8.2 | 4.2 |
| EV/Sales | 1.2 | 1.0 | 0.9 |
| EV/AEBITDA | 5.0 | 4.7 | 3.9 |
| Div. Yield | 0.0% | 0.0% | 0.0% |

### STOCK OVERVIEW




### COMPANY DATA

As of 30 Jun 2026

| | |
|---|---|
| Liquid Assets | € 132.40m |
| Current Assets | € 224.70m |
| Intangible Assets | € 975.80m |
| Total Assets | € 1,253.20m |
| Current Liabilities | € 245.20m |
| Shareholders' Equity | € 430.90m |

### SHAREHOLDERS

| | |
|---|---|
| Bodhivas GmbH | 23.2% |
| Oaktree Capital Mngt | 19.9% |
| Lombard International | 5.0% |
| Nordnet Pensionsförsäkring | 4.6% |
| Free Float | 47.4% |

**Analyst:** Ellis Acklin, Tel. +49 (0)30 - 80 93 96 83

**Other Q2 takeaways and musings** Aside from the headline results, other earnings call highlights covering corporate and market themes included: (1) further progress towards a potential US listing. Verve expects to be technically ready from an IFRS reporting standpoint by January 2027 and could also switch to USD reporting then, but Verve brass are watching AdTech sector and broader market developments for suitable timing. Nothing is set in stone, although preparations for a direct listing rather than an ADR continue; (2) the receivables securitisation programme is close to being expanded beyond its current €100m ceiling, although the CFO would not yet reveal the prospective new volume; (3) FY26 CapEx should land at €74m – €79m, comprising €40m to €45m of expansion and maintenance spending plus roughly €34m related to M&A, while Q2 OCF was additionally burdened by an €8.5m one-off tax payment; (4) Retail Media test cases are performing well and brands are bumping up test budgets significantly. But meaningful contributions are not expected until 2027 since ad budgets are generally set in Q4; (5) the intentional clean-up of lower-quality inventory was largely completed in Q2 and should therefore not weigh on future growth; (6) management still see ample scope to generate H2 growth from internal levers despite the choppier ad market. The US consumer remains resilient, while postponed advertising budgets ultimately need to be deployed if brands want to defend market share; (7) some budgets have indeed migrated towards the walled gardens, but most online activity still takes place outside these moated ecosystems. The opportunity is therefore there, although Verve needs to deliver sought-after measurable outcomes to win its share of those budgets; and (8) despite the softer Q2 backdrop, Mr Westermann stressed that the full range of confirmed FY26 guidance remains in play.

## UNPACKING Q2 RESULTS

Verve's updated revenue recognition remains relevant for the Q2 comparison. Following the Q3/25 SSP platform unification, certain revenue streams previously recognised net on an agent basis are now recognised gross on a principal basis. The company therefore provides adjusted prior-year figures for a LFL comparison. EBITDA is unaffected by the accounting change.

**Table 1: Q2 vs prior year comps and FBe**

| EURm | Q2/26 | Q2/26E | variance | Q2/25 | Variance | H1/26 | H1/25 | variance |
|---|---|---|---|---|---|---|---|---|
| Revenue (reported) | 152.3 | 155.0 | *-2%* | 106.1 | *44%* | 289.5 | 215.2 | *35%* |
| Revenue (LFL) | 152.3 | 155.0 | *-2%* | 143.1 | *6%* | 293.9 | 285.7 | *3%* |
| EBITDA | 20.9 | 25.9 | *-19%* | 27.0 | *-23%* | 44.9 | 54.5 | *-18%* |
| *Margin* | *14%* | *17%* | - | *19%* | - | *15%* | *19%* | - |
| AEBITDA[1] | 30.1 | 30.4 | *-1%* | 29.5 | *2%* | 58.4 | 59.6 | *-2%* |
| *Margin* | *20%* | *20%* | - | *21%* | - | *20%* | *21%* | - |
| AEBIT[2] | 18.6 | 20.4 | *-9%* | 22.8 | *-18%* | 36.1 | 46.1 | *-22%* |
| *Margin* | *12%* | *13%* | - | *16%* | - | *12%* | *16%* | - |

*[1] EBITDA adjusted for one-off expenses & gains; [2] EBIT adjusted for one-off & PPA expenses*

*Source: First Berlin Equity Research; Verve*

**LFL revenue up 6% YoY to €152m in the June quarter** Organic growth slowed to 3.5% (Q1: 6.4%), while acquisitions added 4.6% and Fx shaved 1.7% from the topline. Prior to eliminations, SSP generated €127.4m of revenue and DSP €52.7m, although the segment split continues to lose relevance as the platform becomes increasingly integrated.

Gross margin reached 40% rising a hefty 7 percentage points YoY from 33%. Management again traced the improvement chiefly to benefits from the unified supply side platform and more efficient cloud-hosting management. The slight sequential dip from Q1's 41% reflected a greater focus on strategic partnerships intended to support more durable partner revenues over time.

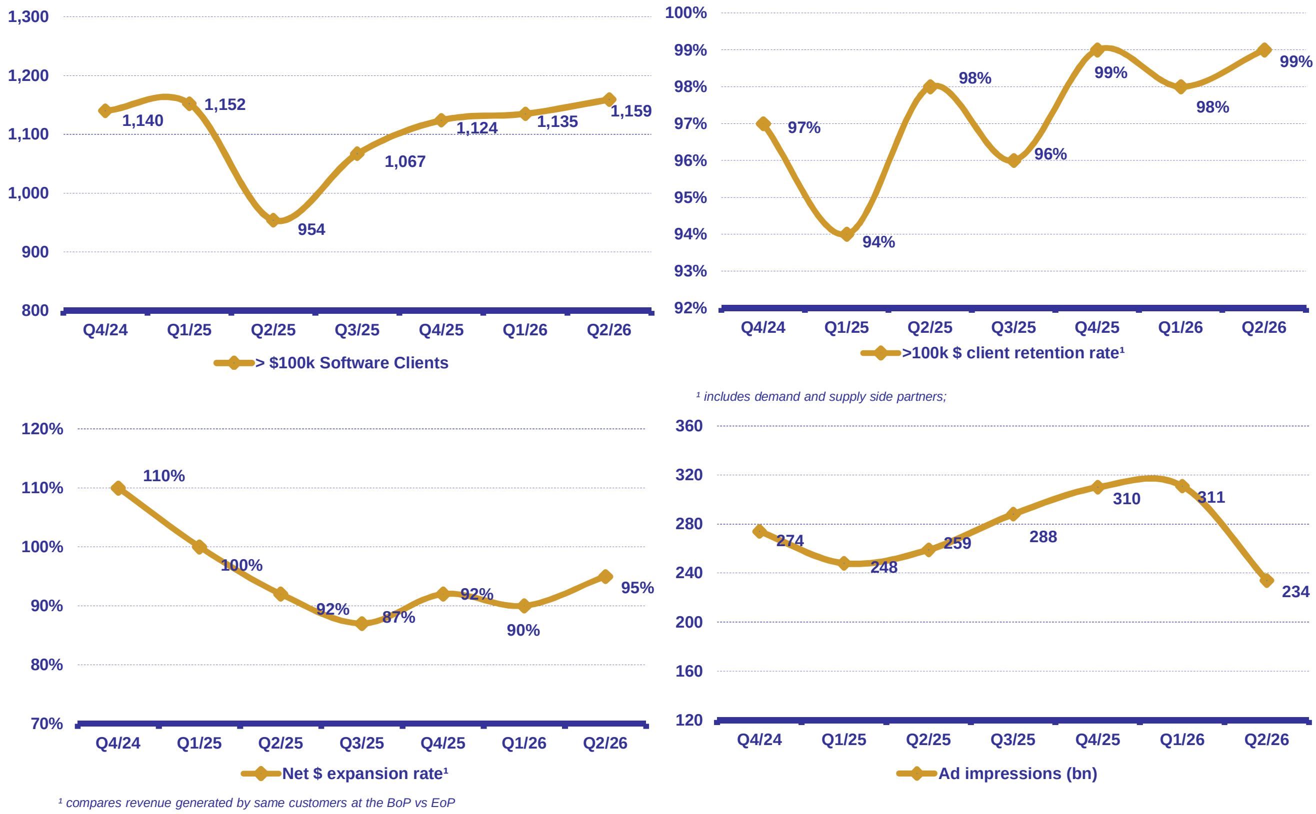
**Reported profitability hit by one-offs** Reported EBITDA was a clear miss and bogged down by some €4.2m in one-off costs linked to personnel restructuring and associated lay-off costs. The remainder of the one-time costs are traced to: (1) office-footprint streamlining; (2) preparations for the planned Irish relocation and potential US listing; and (3) additional contractor costs. The charges came on top of the ongoing investment burden from the salesforce expansion and Retail Media ramp-up. These factors left reported EBITDA well below both FBe (-19%) and consensus (-30%), despite AEBITDA landing much closer to expectations. The silver lining is that the restructuring measures should yield at least €8m of annualised cost savings versus the April 2026 run rate with initial benefits expected to be visible in H2.

**Table 2: Items affecting comparability**

| in EURm | |
|---|---|
| Personnel expenses | 4.2 |
| Legal & advisory expenses | 1.5 |
| Other expenses | 3.6 |
| **Total IAC** | **9.3** |

*Source: First Berlin Equity Research; Verve*

**Figure 1: Q2 key performance indicators**




*Source: First Berlin Equity Research; Verve*

Total software clients numbered 4,176 at the end of Q2 (+36% YoY). Software clients, defined as those generating >€100k in sales p.a., totalled 1,159 for the April-to-June period vs 1,135 in Q1/26 (+2% QoQ).

The net $ expansion rate improved to 95% in Q2 from 90% in Q1, but management noted that the recovery was still slower than expected and the comp was easy. In other words, existing customers are spending more again, but not yet at the pace Verve had hoped for.

Client retention, meanwhile, strengthened to 99% from 98%, meaning that customers are sticking with the platform, but wallet-share expansion remains the softer part of the KPI picture.

**Table 3: Balance sheet highlights**

| EURm | Q2/26 | 2025 | *Variance* |
|---|---|---|---|
| Cash | 132 | 89 | *49%* |
| Liabilities (short- and long-term) | 822 | 849 | *-3%* |
| Net debt | 462 | 446 | *4%* |
| Intangible assets | 976 | 973 | *0%* |
| Total assets | 1,253 | 1,253 | *0%* |
| Total equity | 431 | 423 | *2%* |
| Equity ratio | 35% | 34% | *1.2 pp* |
| Interest coverage ratio* | 4.4x | 4.3x | - |
| Net leverage ratio | 3.3x | 3.0x | - |
| ** based on cash interest expenses* | | | |

*Source: First Berlin Equity Research; Verve*

**Leverage ticks higher despite ample liquidity** The balance sheet remained well funded at quarter-end with cash of €132m comfortably above the €89m YE25 level. Net debt edged up to €462m from €448m in Q1 and €446m at YE25, while the adjusted leverage ratio increased to 3.3x from 3.1x in Q1 and 3.0x in 2025. The increase mainly reflects the softer earnings base and ongoing investment phase rather than any liquidity issues. Management still expects leverage to ease through H2 as revenue and earnings growth improve, while noting some €10m of remaining purchase price tranches are due in Q4.

**Table 4: Cash flow developments**

| EURm | Q2/26 | Q2/25 | *Variance* | H1/26 | H1/25 | *Variance* |
|---|---|---|---|---|---|---|
| Operating cash flow | 16 | 15 | *5%* | 28 | 38 | *-27%* |
| Change in w orking capital | -6 | -10 | *n.m.* | 28 | -32 | *n.m.* |
| Net operating cash flow | 10 | 5 | *91%* | 55 | 6 | *888%* |
| Investing cash flow | -9 | -11 | *n.m.* | -19 | -21 | *n.m.* |
| Financing cash flow | -16 | 45 | *n.m.* | 7 | 31 | *-79%* |
| Net cash flow | -15 | 39 | *n.m.* | 43 | 16 | *170%* |
| Cash & cash equivalents | 132 | 161 | *-18%* | 132 | 161 | *-18%* |

*Source: First Berlin Equity Research; Verve*

**Cash conversion remains normalised** Operating cash flow before working capital changes reached €16.1m in Q2, while a €6.1m net working capital outflow meant that net operating cash flow tallied €10.0m, nearly double the prior year comp. This was a much more normal cash profile than the distorted Q1 figure, when delayed receivables conversion from Q4 greatly boosted cash generation. The securitisation programme therefore appears to be functioning as intended, while the remaining Q2 cash drag chiefly reflects ordinary working capital movements rather than renewed structural slippage.

# H2 PRIMER

### Table 5: Confirmed guidance vs revised FBe

| | Unit | 2025 | Guidance 2026 | 2026 FBe |
|---|---|---|---|---|
| Revenue (LFL) | €m | 551 | 680 - 730 | 690 |
| Growth | % | 36 | 23 - 32 | 25 |
| AEBITDA | €m | 134 | 145 - 175 | 147 |
| Growth | % | 1 | 8 - 31 | 10 |

**Lowering 2026 forecasts** We have dialled back 2026 FBe towards the lower end of confirmed guidance after previously sitting at the mid-point. In our view, the guidance no longer looks conservative and increasingly resembles an execution case considering the more cautious adland tone struck by Verve brass in Q2 reporting and on the earnings call.

### Table 6: Changes to FBe and TP

| | old | new | *revision* | upside | dividend yield | total return |
|---|---|---|---|---|---|---|
| **Price target (€)** | **4.5** | **4.0** | ***-11%*** | ***269%*** | ***0%*** | ***269%*** |
| | | **2026E** | | | **2027E** | |
| **All figures in €m** | **old** | **new** | ***revision*** | **old** | **new** | ***revision*** |
| Revenue | 705 | 690 | *-2.1%* | 791 | 774 | *-2.1%* |
| EBITDA | 149 | 123 | *-17.5%* | 175 | 163 | *-7.2%* |
| *Margin (%)* | *21.1%* | *17.8%* | - | *22.2%* | *21.0%* | - |
| EBIT | 96 | 66 | *-31.4%* | 117 | 105 | *-10.6%* |
| *Margin (%)* | *13.6%* | *9.5%* | - | *14.8%* | *13.6%* | - |
| AEBITDA* | 160 | 144 | *-10.0%* | 186 | 174 | *-6.8%* |
| *Margin (%)* | *22.7%* | *20.9%* | - | *23.6%* | *22.5%* | - |

** adjusted for one-offs*

A still volatile geopolitical and macro backdrop means Verve can no longer count on the market doing much of the heavy lifting. This puts greater emphasis on internal execution. Cost savings, improving salesforce productivity, positive H2 seasonality and easier comps should provide tangible support, while management also indicated that Q3 trading has improved so far. Still, after the softer Q2 growth print and slower recovery in customer spend, we now view the mid-point of guidance as more of an upside scenario.

The harsher decline in our 2026E earnings reflects Q2 run rates rolled into the full year estimates. We have also nudged our WACC estimate higher to reflect the recent rise in German bond yields. The combined changes to our DCF model result in new fair value per share of €4.0 (old: €4.5).

# VALUATION MODEL

**Trough hopefully within reach** The near-term growth setup has become less comfortable, but we think Q2 may prove the low point in Verve's current performance cycle. Organic growth disappointed and the ad market has turned choppier, yet several of the drags that bogged down H1 should now begin to clear: (1) salesforce investments should increasingly shift from cost burden to revenue contributor; (2) restructuring benefits will start feeding through, and (3) management indicated that Q3 trading has improved. More fundamentally, the platform reset is delivering as it should. Gross margin reached 40% vs 33% last year and client retention remains excellent at 99%. Retail Media and AI-enabled products add further commercial levers, while the low-quality inventory clean-up is largely complete. Our reduced forecasts acknowledge that the recovery may take longer than previously thought, but at the current valuation we believe the risk / reward remains firmly skewed to the upside if Q2 indeed proves to mark a bottom. We remain Buy-rated on Verve.

### Table 7: DCF model

| All figures in EURm | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | **690** | **774** | **820** | **862** | **901** | **938** | **974** | **1,008** |
| **NOPLAT** | **47** | **76** | **86** | **94** | **101** | **108** | **116** | **124** |
| (+) depreciation & amortisation | 57 | 58 | 59 | 62 | 64 | 66 | 67 | 68 |
| **(=) Net operating cash flow** | **105** | **133** | **146** | **155** | **165** | **174** | **183** | **192** |
| (-) Investments | -85 | -47 | -50 | -52 | -55 | -57 | -59 | -61 |
| (-) Working capital | -11 | -5 | -2 | -2 | -2 | -2 | -2 | -2 |
| **(=) Free cash flows (FCF)** | **9** | **81** | **94** | **101** | **108** | **115** | **122** | **130** |
| **PV of FCF's** | **9** | **71** | **73** | **72** | **69** | **67** | **64** | **61** |

| All figures in millions | |
|---|---|
| PV of FCFs in explicit period | 744 |
| PV of FCFs in terminal period | 570 |
| Enterprise value (EV) | 1,313 |
| (+) Net cash / (-) net debt (2025) | -446 |
| (-) Non-controlling interests | -1 |
| Shareholder value | 867 |
| Fair value per share (€) | 4.00 |

| WACC \ Terminal EBIT margin | 13.9% | 15.9% | 17.9% | 19.9% | 21.9% | 23.9% | 25.9% |
|---|---|---|---|---|---|---|---|
| 9.4% | 3.92 | 4.46 | 4.99 | 5.53 | 6.07 | 6.61 | 7.14 |
| 9.9% | 3.55 | 4.02 | 4.49 | 4.97 | 5.44 | 5.91 | 6.39 |
| 10.4% | 3.22 | 3.64 | **4.06** | **4.48** | **4.89** | 5.31 | 5.73 |
| 10.9% | 2.93 | 3.30 | **3.67** | **4.04** | **4.42** | 4.79 | 5.16 |
| 11.4% | 2.67 | 3.00 | **3.33** | **3.66** | **4.00** | 4.33 | 4.66 |
| 11.9% | 2.43 | 2.73 | 3.03 | 3.32 | 3.62 | 3.92 | 4.22 |
| 12.4% | 2.22 | 2.48 | 2.75 | 3.02 | 3.29 | 3.55 | 3.82 |

| | |
|---|---|
| Cost of equity | 13.4% |
| Pre-tax cost of debt | 7.0% |
| Tax rate | 28.0% |
| After-tax cost of debt | 5.0% |
| Share of equity capital | 70.0% |
| Share of debt capital | 30.0% |
| WACC | 10.9% |

| WACC \ Terminal growth rate | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% | 3.5% | 4.0% |
|---|---|---|---|---|---|---|---|
| 9.4% | 4.80 | 5.01 | 5.25 | 5.53 | 5.85 | 6.23 | 6.68 |
| 9.9% | 4.35 | 4.53 | 4.74 | 4.97 | 5.23 | 5.54 | 5.89 |
| 10.4% | 3.96 | 4.11 | **4.28** | **4.48** | **4.69** | 4.94 | 5.23 |
| 10.9% | 3.61 | 3.74 | **3.88** | **4.04** | **4.23** | 4.43 | 4.67 |
| 11.4% | 3.29 | 3.40 | **3.53** | **3.66** | **3.82** | 3.99 | 4.19 |
| 11.9% | 3.00 | 3.10 | 3.21 | 3.32 | 3.45 | 3.60 | 3.77 |
| 12.4% | 2.74 | 2.83 | 2.92 | 3.02 | 3.13 | 3.25 | 3.39 |

**Please note our model runs through 2038 and we have only shown the abbreviated version for formatting purposes*

# INCOME STATEMENT

| All figures in EURm | 2023 | 2024 | 2025[1] | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **Revenues (reported)** | **322.0** | **437.0** | **550.9** | **690.0** | **774.2** | **820.1** |
| Capitalised work | 26.0 | 24.9 | 28.0 | 20.8 | 23.4 | 24.7 |
| **Total output** | **347.9** | **461.9** | **578.9** | **710.8** | **797.6** | **844.8** |
| Services purchased + Other OpEx | -212.9 | -271.7 | -356.0 | -458.2 | -497.0 | -521.7 |
| Personnel expenses | -78.0 | -79.5 | -103.5 | -129.7 | -140.9 | -147.6 |
| Other operating income | 71.4 | 17.8 | 2.6 | 2.9 | 3.2 | 3.5 |
| **EBITDA*** | **128.5** | **128.5** | **122.1** | **125.8** | **162.8** | **179.0** |
| Depreciation & amortisation | -29.5 | -38.2 | -53.1 | -57.4 | -57.8 | -59.5 |
| **Operating income (EBIT)*** | **99.0** | **90.3** | **69.1** | **68.4** | **105.0** | **119.5** |
| Net financial result | -50.1 | -58.5 | -61.9 | -55.7 | -54.6 | -53.3 |
| **Pre-tax income (EBT)** | **48.9** | **31.8** | **7.2** | **12.8** | **50.4** | **66.2** |
| Income taxes | -2.7 | -3.0 | -6.5 | -1.9 | -14.6 | -19.2 |
| **Net income** | **46.2** | **28.8** | **0.7** | **10.9** | **35.8** | **47.0** |
| Discontinued operations | 0 | 0 | 0 | 0 | 0 | 0 |
| **Consolidated profit** | **46.2** | **28.8** | **0.7** | **10.9** | **35.8** | **47.0** |
| Minority interests | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Net income to owners** | **46.7** | **28.8** | **0.7** | **10.9** | **35.7** | **47.0** |
| **Diluted EPS (in €)** | **0.26** | **0.15** | **0.00** | **0.05** | **0.16** | **0.22** |
| **Adj. EPS (excl PPA amort.) (diluted)** | **0.36** | **0.24** | **0.09** | **0.14** | **0.26** | **0.31** |
| **AEBITDA (excl: one-offs)** | **95.2** | **133.2** | **134.4** | **146.8** | **173.8** | **189.0** |
| **AEBIT (excl: PPA amort. & one-offs)** | **76.9** | **107.1** | **98.4** | **107.4** | **132.0** | **145.5** |
| **Net income (adj. For PPA amortisation)** | **57.4** | **40.9** | **17.7** | **28.9** | **51.8** | **63.0** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Ratios** | | | | | | |
| EBITDA margin on revenues* | 39.9% | 29.4% | 22.2% | 18.2% | 21.0% | 21.8% |
| EBIT margin on revenues* | 30.7% | 20.7% | 12.5% | 9.9% | 13.6% | 14.6% |
| Net margin on revenues | 14.5% | 6.6% | 0.1% | 1.6% | 4.6% | 5.7% |
| AEBITDA margin on revenues | 29.6% | 30.5% | 24.4% | 21.3% | 22.5% | 23.0% |
| Tax rate | 5.6% | 9.4% | 90.4% | 15.0% | 29.0% | 29.0% |
| **Expenses as % of revenues** | | | | | | |
| Services purchased + Other OpEx | 66.1% | 62.2% | 64.6% | 66.4% | 64.2% | 63.6% |
| Personnel expenses | 24.2% | 18.2% | 18.8% | 18.8% | 18.2% | 18.0% |
| Depreciation & amortisation | 9.1% | 8.8% | 9.6% | 8.3% | 7.5% | 7.3% |
| **Y-Y Growth** | | | | | | |
| Revenues | -0.8% | 35.7% | 26.1% | 25.3% | 12.2% | 5.9% |
| EBITDA* | 51.6% | 0.0% | -5.0% | 3.1% | 29.4% | 9.9% |
| AEBITDA | 2.2% | 40.0% | 0.9% | 9.2% | 18.4% | 8.7% |
| Operating income* | 271.9% | -8.8% | -23.5% | -0.9% | 53.4% | 13.8% |
| Net income/ loss | n.m. | -38.4% | -97.6% | 1462.1% | 229.2% | 31.5% |

** non-adjusted 2023 earnings impacted by one-time earn-out release for AiM; [1] Revenue recognition method updated to IFRS15 as of Q3/25 reporting*

# BALANCE SHEET

| All figures in EURm | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **Current assets, total** | **193.5** | **239.3** | **231.7** | **238.6** | **271.9** | **305.1** |
| Cash and equivalents | 121.7 | 146.7 | 89.0 | 110.5 | 131.6 | 157.8 |
| Trade receivables | 32.3 | 60.9 | 109.7 | 94.5 | 106.1 | 112.3 |
| Other ST assets | 39.5 | 31.7 | 32.9 | 33.6 | 34.3 | 35.0 |
| **Non-current assets, total** | **813.5** | **1,013.1** | **1,020.9** | **1,000.0** | **989.3** | **979.8** |
| Intangible assets | 796.6 | 986.9 | 972.9 | 951.4 | 940.0 | 929.7 |
| Property, plant & equipment | 4.0 | 4.3 | 13.0 | 13.3 | 13.7 | 14.1 |
| Deferred taxes | 10.5 | 17.0 | 27.9 | 28.2 | 28.5 | 28.8 |
| Investments in associated companies | 1.0 | 2.4 | 3.5 | 3.5 | 3.5 | 3.5 |
| Other financial assets | 1.4 | 2.5 | 3.5 | 3.6 | 3.6 | 3.6 |
| **Total assets** | **1,007.0** | **1,252.5** | **1,252.5** | **1,238.6** | **1,261.2** | **1,284.9** |
| **Current liabilities, total** | **240.8** | **303.1** | **303.4** | **230.1** | **216.1** | **716.3** |
| Trade payables | 80.3 | 104.1 | 98.5 | 72.5 | 78.7 | 82.5 |
| ST debt | 66.5 | 50.1 | 52.3 | 52.0 | 30.0 | 524.5 |
| Provisions | 61.7 | 63.3 | 49.8 | 50.5 | 51.3 | 52.0 |
| Other current financial liabilities | 10.7 | 44.5 | 54.7 | 6.0 | 6.1 | 6.1 |
| Other current liabilities | 21.5 | 41.2 | 48.2 | 49.1 | 50.1 | 51.1 |
| **Long term liabilites, total** | **413.8** | **498.5** | **526.0** | **576.9** | **577.8** | **54.3** |
| Bonds | 348.0 | 445.8 | 474.5 | 524.5 | 524.5 | 0.0 |
| Other LT financial liabilities | 36.9 | 31.0 | 25.6 | 26.0 | 26.4 | 26.8 |
| Deferred tax liabilities | 28.9 | 21.7 | 25.9 | 26.4 | 26.9 | 27.5 |
| **Shareholders' equity** | **352.5** | **450.9** | **423.1** | **431.6** | **467.3** | **514.3** |
| **Total consolidated equity and debt** | **1,007.0** | **1,252.4** | **1,252.5** | **1,238.6** | **1,261.2** | **1,284.9** |

| **Ratios** | | | | | | |
|---|---|---|---|---|---|---|
| Current ratio (x) | 0.8 | 0.8 | 0.8 | 1.0 | 1.3 | 0.4 |
| Net debt | 294.9 | 351.2 | 445.9 | 477.3 | 434.6 | 378.9 |
| ICR (x) | 2.5 | 3.3 | 2.9 | 3.5 | 4.4 | 5.0 |
| Net gearing | 84% | 78% | 105% | 111% | 93% | 74% |
| Net debt / EBITDA (x) | 3.1 | 2.4 | 3.0 | 3.3 | 2.5 | 2.0 |
| Equity ratio | 35% | 36% | 34% | 35% | 37% | 40% |
| Return on equity (ROE) | 13.1% | 6.4% | 0.2% | 2.0% | 7.7% | 9.1% |
| Capital employed (CE) | 766.3 | 949.4 | 949.1 | 1,008.4 | 1,045.1 | 568.6 |
| Return on capital employed (ROCE) | 13% | 10% | 7% | 7% | 10% | 21% |

# CASH FLOW STATEMENT

| All figures in EURm | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **Net income** | **46.2** | **28.8** | **0.7** | **8.4** | **35.8** | **47.0** |
| Depreciation and amortisation | 29.5 | 38.0 | 53.1 | 57.4 | 57.8 | 59.5 |
| Other non-cash adjustments | -66.4 | -24.7 | -0.7 | 0.0 | 0.0 | 0.0 |
| Net interest expense | 50.1 | 58.5 | 61.9 | 55.7 | 54.6 | 53.3 |
| Tax result | 0.4 | 18.0 | 12.6 | 1.5 | 14.6 | 19.2 |
| **Operating cash flow** | **59.8** | **118.5** | **127.6** | **123.0** | **162.8** | **179.0** |
| Tax expense | -2.4 | -2.8 | -12.0 | -1.5 | -14.6 | -19.2 |
| Change in w orking capital | 12.1 | 21.3 | -66.2 | -9.5 | -4.1 | -1.1 |
| **Net operating cash flow** | **69.4** | **137.0** | **49.3** | **111.9** | **144.2** | **158.7** |
| **Cash flow from investing** | **-35.7** | **-162.0** | **-83.6** | **-81.0** | **-43.9** | **-47.6** |
| Equity inflow , net | 0.0 | 38.5 | 31.5 | 0.0 | 0.0 | 0.0 |
| Debt inflow , net | -3.0 | 10.6 | -34.7 | 0.1 | -21.5 | -29.5 |
| Corporate debt inflow , net | -8.2 | 57.8 | 22.9 | 50.0 | 0.0 | 0.0 |
| Interest paid | -48.0 | -58.6 | -41.3 | -59.7 | -57.6 | -55.3 |
| **Cash flow from financing** | **-59.1** | **48.3** | **-21.6** | **-9.6** | **-79.2** | **-84.8** |
| **Net cash flows** | **-25.4** | **23.3** | **-55.9** | **21.4** | **21.1** | **26.3** |
| Fx adjustments | -2.9 | 1.7 | -1.8 | 0.0 | 0.0 | 0.0 |
| Cash, start of the year | 150.0 | 121.7 | 146.7 | 89.0 | 110.5 | 131.6 |
| **Cash, end of the year** | **121.7** | **146.7** | **89.0** | **110.5** | **131.6** | **157.8** |
| **Free cash flow (FCF)** | **33.8** | **-25.1** | **-34.2** | **31.0** | **100.3** | **111.1** |
| **FCFps (in €)** | **0.21** | **-0.14** | **-0.18** | **0.15** | **0.50** | **0.56** |

| **Y-Y Growth** | | | | | | |
|---|---|---|---|---|---|---|
| Operating cash flow | -48.3% | 97.3% | -64.0% | 127.0% | 28.8% | 10.1% |
| Free cash flow | n.m. | n.m. | n.m. | n.m. | 223.6% | 10.8% |
| FCF / share | n.m. | n.m. | n.m. | n.m. | 223.6% | 10.8% |

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| Category | | 1 | 2 |
|---|---|---|---|
| Current market capitalisation (in €) | | 0 - 2 billion | > 2 billion |
| Strong Buy[1] | An expected favourable price trend of: | > 50% | > 30% |
| Buy | An expected favourable price trend of: | > 25% | > 15% |
| Add | An expected favourable price trend of: | 0% to 25% | 0% to 15% |
| Reduce | An expected negative price trend of: | 0% to -15% | 0% to -10% |
| Sell | An expected negative price trend of: | < -15% | < -10% |

*[1] The expected price trend is in combination with sizable confidence in the quality and forecast security of management.*

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| Report No.: | Date of publication | Previous day closing price | Recommendation | Price target |
|---|---|---|---|---|
| Initial Report | 7 November 2019 | €1.23 | Buy | €2.10 |
| 2...47 | ↓ | ↓ | ↓ | ↓ |
| 48 | 22 September 2025 | €2.37 | Buy | €5.10 |
| 49 | 21 November 2025 | €1.50 | Buy | €4.50 |
| 50 | 28 January 2026 | €1.64 | Buy | €4.50 |
| 51 | 5 February 2026 | €1.35 | Buy | €4.50 |
| 52 | 24 February 2026 | €1.23 | Buy | €4.50 |
| 53 | 12 March 2026 | €1.55 | Buy | €4.50 |
| 54 | 28 April 2026 | €1.51 | Buy | €4.50 |
| 55 | 29 May 2026 | €1.65 | Buy | €4.50 |
| 56 | Today | €1.08 | Buy | €4.00 |

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