

Sievi Capital

Company report

8/18/2022 0:01



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This report is a summary translation of the report “Indoorin kassakone ei laula tänä vuonna” published on 8/18/2022 at 0:06 am

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Indoor's cash register will not sing this year

We lower our target price for Sievi to EUR 1.50 per share (previously EUR 1.80) and our recommendation to Accumulate (previously Buy) after we clearly cut Indoor's valuation in our sum of the parts calculation due to very weak development. KH-Koneet continued to develop excellently which resulted in it becoming Sievi's key holding. The share is still undervalued relative to both our sum of the parts (EUR 1.5) and Sievi's equity (EUR 1.53). We still believe it is worth staying on board and the strategy update this fall will be interesting as the company aims to better highlight the hidden value of its holdings.

Indoor was very subdued but especially KH-Koneet stepped in

Indoor's H1 net sales decreased by 4% to EUR 93 million in a difficult market. In the half-year that is also seasonally weaker for the company EBITDA (IFRS) was halved to EUR 6.8 million from the unusually strong level in the comparison period. Demand prediction was unsuccessful and unsold products inflated inventories. Last week, Indoor initiated co-operation negotiations concerning the entire staff and we expect them to generate cost saving especially in Q4 when the number of personnel is adjusted to the lower volume. H2 has also been seasonally more important for Indoor and therefore we expect H2 EBIT % to recover to around 3% (H1'22: -3%). Cash flow also has clear preconditions to improve as the company unloads inventories and reduces purchases. KH-Koneet was again excellent in H1'22 as its sales grew by 32% to EUR 97 million and EBITDA by 62% to EUR 6.3 million. Nearly one-half of company sales already came from Sweden and Finnish operations also developed well. The company's availability challenges eased, which was reflected as inventory growth from previous abnormally low levels.

Sum of the parts fell as a result of Indoor's negative value change and KH-Koneet is now the key holding

We have revised our view of Indoor's value downward to EUR 38.4 million (previously 57.9 MEUR) due to lowered earnings estimates and more negative development in cash flow than we expected. 2022 will be a gap year for Indoor due to the ERP project, home nesting hangover and consumer confidence depressed by accelerated inflation. The result should, however, make a clear level adjustment in 2023-2024 and we remain confident that Indoor will be able to produce a steady cash flow for Sievi's owners in the future. For KH-Koneet we have maintained our estimate of its value pretty much unchanged (52.4 MEUR). We again raised our growth and earnings estimates for the company but at the same time higher working capital commitment than we expected lowered owners' share of the company's debt-free value. In terms of value development of the target companies, the greatest potential is, in our opinion, still directed at KH-Koneet, which, if strong growth continues, could increase its value clearly. For other holdings, changes are small at Group level due to their size classes. We cut the value of the NRG holding further to only EUR 2.6 million due to the company's continuous problems. We revised the values of the Logistikas (9 MEUR) and HTJ (11.5 MEUR) holdings upwards thanks to their nice organic and inorganic development.

Still hidden value in the parts even though we cut our estimate on Indoor considerably

The sum of the parts we calculate for Sievi Capital is now EUR 87 million or EUR 1.50 per share relative to which the share is still undervalued. The company's strategy update and possible resulting change in its operating model also creates a positive option for an investor even though we do not consider this in our target price for the time being. Compared to Sievi's net asset value (EUR 1.53) the balance sheet based P/B pricing (0.8x) is still low by historical standards.

Recommendation

Accumulate

(previous Buy)

EUR 1.50

(previous EUR 1.80)

Share price:

1.29



	2021	2022e	2023e	2024e
EBIT adj.	20.2	2.2	17.2	19.4
EBIT-% adj.	175.7 %	111.3 %	860.0 %	647.9 %
Net Income	18.4	1.9	13.8	15.5
EPS (adj.)	0.32	0.03	0.24	0.27

P/E (adj.)	6.1	40.2	5.4	4.8
P/B	1.2	0.8	0.7	0.7
Dividend yield-%	2.6 %	3.9 %	4.7 %	5.2 %
EV/EBIT (adj.)	5.3	28.9	3.6	3.0
EV/EBITDA	5.3	28.9	3.6	3.0

Source: Inderes

Indoor was very subdued in a difficult market

Indoor's H1 fell short of our lowered expectations

Indoor's H1'22 net sales and EBITDA were both slightly below our depressed expectations (see Table). The difficult operating environment was known in advance, as consumer confidence had plummeted following the war in Ukraine and the subsequent rise in inflation expectations. The recoil from goods to services has also accelerated since the pandemic has subsided and the important spring season was delayed this year. All these factors together pushed sales to a 4% drop in H1 to EUR 93 million.

The drop in Indoor's profitability was especially caused by a weaker gross margin and increased fixed costs. The ongoing ERP system upgrade project had an impact on the increased fixed costs and generated EUR 2.0 million in additional non-recurring costs as expected.

Indoor's cash flow was also clearly negative in H1'22. This was unusual as Indoor has acted as Sievi's cash cow in previous years due to its high return on capital and low investment needs. The weak cash flow was visible in Indoor's net debt development (H2'21: 74 MEUR vs. H1'22: 83 MEUR).

The reason for the negative cash flow was that sales was below the company's expectations and thus extra capital was committed to inventories. We find it likely that the company will focus on unloading inventories in H2 to protect its cash flow but the unsold summer furniture will be kept for next year.

Last week, Indoor initiated co-operation negotiations concerning the entire staff and we expect them to generate cost saving especially in Q4 when the number of personnel is adjusted to the lower volume. H2 has also been seasonally more important for Indoor and therefore we expect H2 EBIT % to

recover to around 3% (H1'22: -3%). Cash flow also has clear preconditions to improve as the company unloads inventories and reduces purchases. We expect Indoor's result to improve in 2023 to slightly above the levels it was in 2015-2019 after the ERP upgrade is completed. The level will, however, be clearly below the level reached during the home nesting boom.

The company also announced it had continued buying Sotka stores and that by the end of 2022 the company will only have one franchise store left. We believe this is especially related to the integration of the new ERP system and improvement of assortment management. We believe that franchise store acquisitions can be carried out with favorable multiples and they support the company's sales and profitability in themselves before the synergies achieved from better assortment management.

Revenue	H1'21	H1'22	H1'22e	Growth	Difference (%)
MEUR	Comparison	Actualized	Inderes	Act.	Act. vs. Inderes
Indoor Group	97	93	94	-4 %	-1 %
KH-Koneet Group	74	97	92	32 %	5 %
Logistikas	9	15	14	69 %	9 %
Nordic Rescue Group	15	23	19	49 %	17 %
HTJ*	9.6	10.5	10	9 %	0 %
EBITDA	H1'21	H1'22	H1'22e	Growth	Difference (%)
MEUR	Comparison	Actualized	Inderes	Act.	Act. vs. Inderes
Indoor Group (IFRS)	16.4	6.8	7.7	-53 %	-12 %
KH-Koneet Group	3.9	6.3	5.2	62 %	21 %
Logistikas	0.6	1.3	0.9	117 %	44 %
Nordic Rescue Group*	-0.7	-0.3	-0.7	neg	neg
HTJ	1.2	1.2	1.2	0 %	0 %

Source: Inderes (estimate). * H1'22e includes 0.6 MEUR non-recurring cost

The other important company KH-Koneet continued performing strongly

KH-Koneet was excellent once again

KH-Koneet Group's net sales grew by 32% in H1 to EUR 97 million (estimate 93 MEUR). Growth came from both operating countries while the focus was on Sweden and high-margin machinery rental grew.

With sales growth EBITDA grew by 62% to EUR 6.3 million as costs scaled nicely even though the growth investments in Sweden also still depressed profitability. Nearly one-half of company sales already came from Sweden.

According to the company the operating environment was better than expected due to better demand for earth moving machinery and machinery availability than expected. The company also reported that KH-Koneet had been able to react well to product demand even though a few manufacturers had some delivery problems. Sievi sees that the demand situation may level off if

industry expectations on future construction trends materialize. We do, however, remind investors that for KH-Koneet the development of the earth moving machinery market follows not only cyclical greenfield construction but also the more stable development of infrastructure and repair construction as well as property management markets.

Based on historical development (page 8) KH-Koneet has fared relatively well also in a declining market (in 2011-2014 and 2020) maintaining a good EBITDA margin.

No major surprises in smaller holdings

In smaller holdings Nordic Rescue Group's (NRG) growth accelerated and was better than we expected but H1 EBITDA was only marginally positive when the EUR 0.6 million non-recurring item is considered. The company's problems continue even though the management indicates that a lot has

happened under the surface.

HTJ's H1'22 EBITDA was at the comparison period's level as expected and the Infrac acquisition competed in May (2021: net sales 4.9 MEUR and EBITDA 0.9 MEUR) seems highly successful. The deal price was moderate as HTJ's net debt had only grown by EUR 4 million to EUR 9.6 million from the year end level and thus the acquisition was carried out at an EV/EBITDA of some 5x according to our calculation.

Logistikas' H1'22 EBITDA grew strongly to EUR 1.3 million which exceeded our estimate (0.9 MEUR). The company reported that activity on the logistics market has increased and customers' goods flows have grown. In addition to warehouse services demand has been directed in particular at value added services produced by the company which sounds promising.

Revenue MEUR	H1'21 Comparison	H1'22 Actualized	H1'22e Inderes	Growth Act.	Difference (%) Act. vs. Inderes
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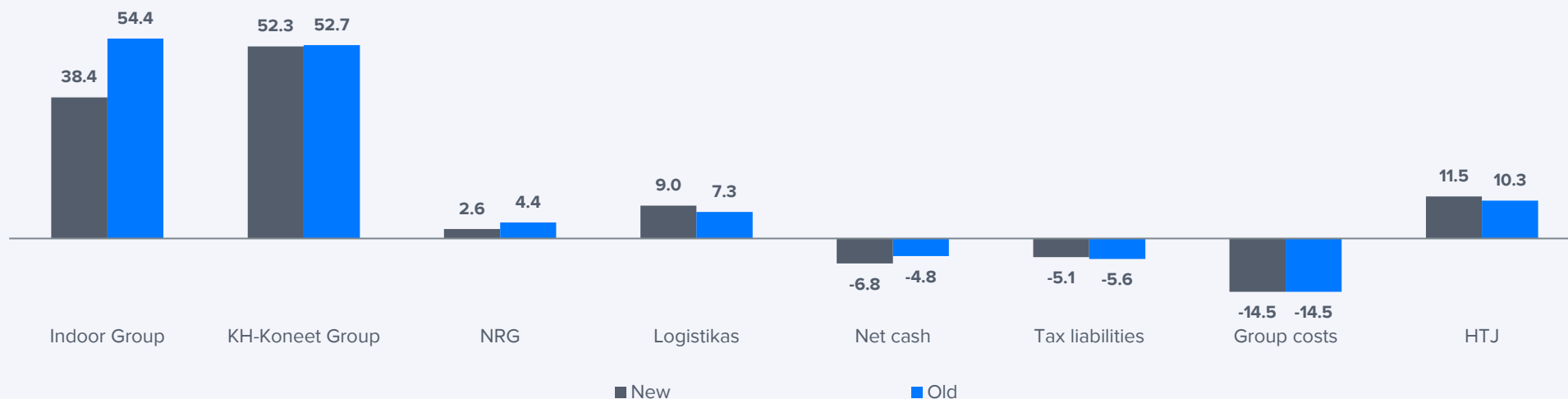
Source: Inderes (estimate). * H1'22e includes 0.6 MEUR non-recurring cost

Changes in the sum of the parts calculation

The changes we made

- The clearest downward revision we made in our sum of the parts calculation was in Indoor Group whose debt-free value decreased to EUR 149 million (previously 174 MEUR). We cut the value of Sievi's holding to EUR 38.4 million (previously 57.9 MEUR) as the drop in our earnings estimates and increase in net debt by some EUR 10 million created a double negative effect in the share belonging to Indoor's owners. In addition to the negative result, the increase in net debt is related to cash being committed to inventories due to weaker sales than the company expected. Inventories rising to higher levels than normal creates preconditions for Indoor to unload inventories in coming quarters closer to normal levels which also means that the net debt level can decrease. We do, however, not consider this potential at this stage in our estimates or valuation as at least the unsold summer furniture will be stored until next year.
- Despite KH-Koneet's strong development we kept its value almost unchanged at EUR 52.3 million as its capital was also committed to inventories as availability problems eased. We believe that previous inventory levels were abnormally low which reduces the potential of increasing working capital efficiency in the company.
- We raised Logistikas' value clearly as in H1 and especially in Q2 sales and earnings growth were strong and the Piccolo acquisition is starting to deliver on its promises.
- We raised HJT's value as based on its net debt development the valuation multiples of the Infrac acquisition were moderate and the company's earnings estimate rose especially thanks to acquisitions.
- We again cut the value belonging to NRG's owners as its net debt increased more than we expected.
- We do not include the "other liabilities" line of the balance sheet in Sievi's net debt which consists of the possibility to acquire KH-Koneet and HTJ in full later as the holdings are only included in the sum of the parts calculation relative to the current holding.

Changes in the sum of the parts



Price still under sum of the parts

Sum of the parts creates the basis for valuation

Company-specific estimates and the valuation multiples we use are presented in full on pages 7-11. On pages 12-13, we present the valuation of the holdings' peer groups. The sum of the parts we calculate for Sievi Capital is EUR 87 million or EUR 1.50 per share.

Sievi's ROE dropped for the past 12 months to only 3.5%. The company's strong track record in previous years has started to show signs of weakening. Indoor's operating environment has been very difficult this year and in the longer term the ROE % has still been excellent.

KH-Koneet is the value driver of the investment company

Key future value drivers for Sievi: 1) success in the development of existing target companies and 2) M&A transactions. In terms of the development of the target companies, the greatest potential is, in our opinion, directed at KH-Koneet, which, if strong growth continues, could increase its value clearly, both through earnings growth and a gradually increasing acceptable valuation level. However, its cyclicity also involves risks.

For Indoor we expect that the earnings level recovers to slightly above 2019 levels once the ERP system is upgraded. The upgrade generates costs that are directed in particular at 2022 earnings but then the negative earnings effect is removed and the new IT system will also start to bear fruit.

Indoor's value for Sievi has in recent years come from its stable strong cash flow. Development in H1'22 was worrying as Indoor's cash flow has turned negative which is highly unusual. This was, however, primarily

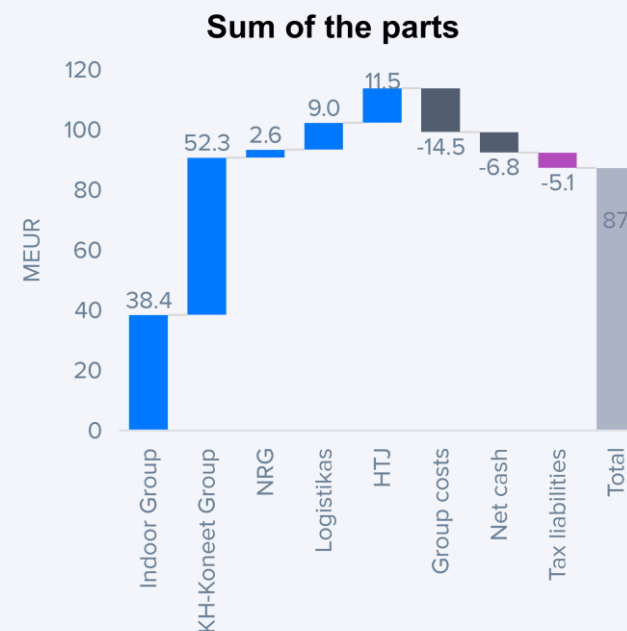
due to a challenging operating environment and we expect the operating environment to start normalizing from 2023 as the Finnish furniture market has been rather stable prior to the COVID years (2013-2019). Especially Indoor's 2023 P/E ratio of 10x is starting to look attractive as the earnings level normalizes and our estimates indicate that the company will again start to produce strong dividend yield for its owners after a gap year.

With the weak H1 result Indoor's risk profile has, however, also risen as returning to a normal earnings level may take longer than we expect and especially if the high inflation does not subside next year and consumers' purchasing power remains under pressure.

With their capital-light businesses Logistikas and HTJ also generate good cash flow and their values have good preconditions for positive development at current earnings levels as net liabilities decrease. Both can also make synergistic acquisitions under Sievi to boost growth. NRG's earnings turnaround involves clear risks. On the other hand, the company generated strong earnings before COVID and returning even to these levels would clearly support its value. The weight of the company in our sum of the parts is low, however, which reflects our weak confidence.

Potential change in the operating model

We are positive about the upcoming strategy/operating model update. This may provide a positive driver for the share and it will help better highlight the value of its holdings. We see this as a positive option for the shareholder but do not consider it in our current valuation.



* NB! Our net cash does not consider the "other liabilities" line of Sievi's balance sheet related to the redemption option of KH-Koneet's and HTJ's minorities

Indoor Group

Indoor Group has been a very successful investment for Sievi Capital, especially through the strong cash flow the company generates.

Company description

Indoor Group Oy owns retail chains Asko and Sotka, and the company also includes the sofa factory Insofa Oy located in Lahti, as well as Indoor Group AS that is responsible for Estonian operations.

Business model

Indoor Group has a nationwide retail network in Finland. The importance of e-commerce has also increased in the company's multi-channel business model.

Investment story

Sievi Capital acquired a majority holding in Indoor Group in 2017 from Kesko. Especially in the COVID year the company's earnings improvement has been strong. The strategy updated in summer 2020 aims to continue improving profitability from the already achieved strong level.

Competitive advantage

Indoor Group's competitive edge is well-known brands, good market position and the high volumes it generates. The own sofa factory in Lahti also enables demand-driven product tailoring for Asko.

Estimate of earnings growth rate



Value creation potential



Risk profile



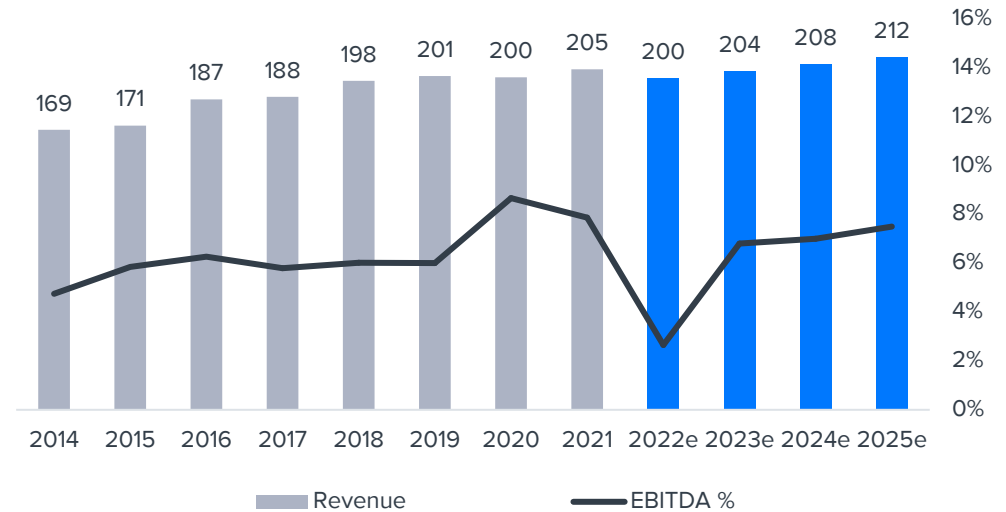
EV/EBITDA*
5.0x
2023e

Estimated EV*
149
MEUR

Holding
58.3%
2021

Holding
38.4
MEUR

Key figures and estimates **(FAS):



Value drivers

- Sharpening brands and pricing
- Utilizing customer data
- The source of growth is expansion of product groups and e-commerce
- Strong cash flow and good return on capital
- Streamlining operations by harmonizing background processes



Risk factors

- Overall market growth has been slow before COVID
- Tighter competition
- Weakening economic situation
- Successful upgrade of ERP system
- Returning to normal earnings levels may take longer than we expect if inflation does not subside and consumer confidence does not recover



Valuation

- Valuation is close to peer group pricing with EV/EITDA ratios when the non-recurring ERP system costs are adjusted
- Especially the 2023 P/E ratio of 10x is starting to look attractive and if the company reaches this it will again start to produce strong dividend yield for its owners after a gap year

*EV and EBITDA according to IFRS accounting **FAS accordant EBITDA in the graph to maintain a comparable time series In IFRS accounting, EBITDA is some EUR 17.3 million higher and net liabilities EUR 66.6 million higher than in FAS. The dip in profitability we expect in 2022 is also explained by the ERP project and the related cloud service investment (-4 MEUR) that is processed as a cost.

KH-Koneet Group

KH-Koneet Group has been a very successful investment for Sievi Capital as the company group has developed excellently since its formation.

Company description

KH-Koneet Group is an importer and retailer of construction and earth-moving machinery. It also offers maintenance and spare part services.

The company also has an earth-moving machinery rental company founded in 2018 and in 2019 the company expanded to Sweden with an acquisition.

Business model

KH-Koneet has a comprehensive network and service offering in Finland and now also in Sweden. There are very few intermediate stages in the supply chain. In the company's business model, the sellers are essential and the cost structure is flexible with its success.

Investment story

Sievi Capital invested in KH-Koneet Group in 2017. The growth of the group consisting of separate companies has been strong during the investment period. Now the company seeks profitable growth, especially in Sweden, where market shares are still low

Competitive advantage

The company has also been able to build strong relationships and a good negotiating position to both manufacturers and customers. The company's agile and self-directed organization also brings a clear competitive advantage.

Estimate of earnings growth rate



Value creation potential



Risk profile



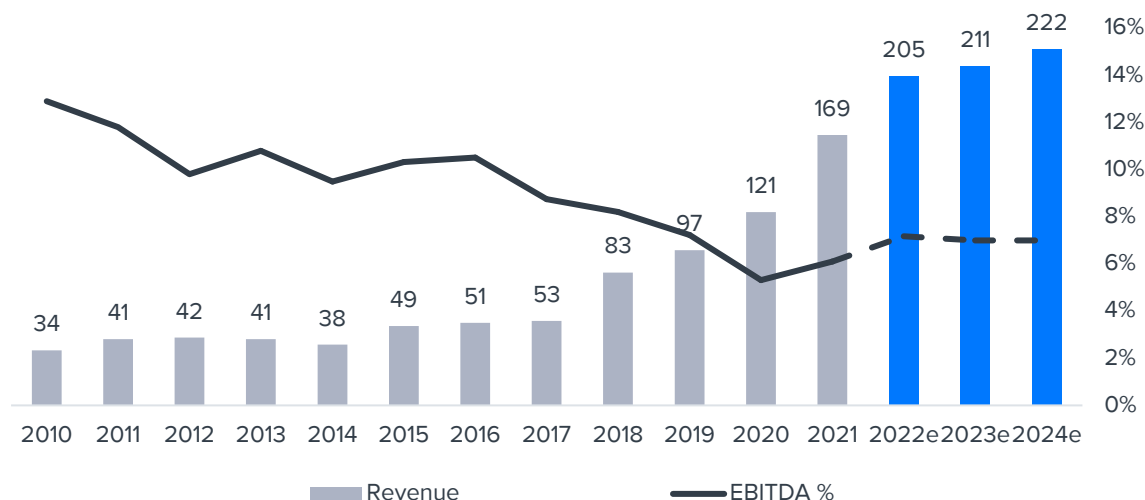
EV/EBITDA
6.0x
2022e

Estimated EV
88.4
MEUR

Holding
90.5%
2021

Holding
52.3
MEUR

Key figures and estimates:



Value drivers

- Sales growth in Sweden through expansion of the network and representation
- Introducing the operating model of KH-Koneet to Sweden and raising profitability to the level of Finland
- Increase rental activities



Risk factors

- Success of the acquisition
- Deterioration of the market situation
- Tightening competition
- Manufacturer's M&A transactions
- As the Group grows, maintaining a self-directed culture can create challenges



Valuation

- We currently value the company at a conservative EV/EBITDA ratio of 6x with 2022 estimates which is also connected to the company's partly cyclical profile.
- A discount to peers is justified as the peers are large companies that manufacture construction and earth-moving machinery and that are priced at a premium compared to importers.

2010-2016 figures are pro-forma figures including Edeco Tools Oy, KH-Koneet Oy, KH-Engineering Oy

Nordic Rescue Group

The company carried out the acquisition in February 2020. We see clear growth potential in the company on the export markets but the company has had huge operational challenges.

Company description

Saurus' premises are located in Jyväskylä and Vema Lift's in Kaarina. The Group has a strong position in Finland and also a significant share (about half) of net sales is exported. As the latest conquest, the company carried out an acquisition in Sweden

Investment story

The former owner of the companies Kiitokori sold the companies in a generation changeover. The strategic objective of NRG is to create an internationally known system supplier from previously separately managed companies.

Business model

Saurus' business consists of the assembly of rescue vehicles and Vema Lift manufactures hydraulic aerial platforms for fire and rescue services. Sales is targeted directly at domestic end customers. The company utilizes local partners in international sales.

Competitive advantage

Especially own product development and a competitive product portfolio are competitive advantages for the company. Strong brands and market position in Finland, skilled personnel and long customer relationships also bring competitive advantages.

Estimate of earnings growth rate



Value creation potential



Risk profile



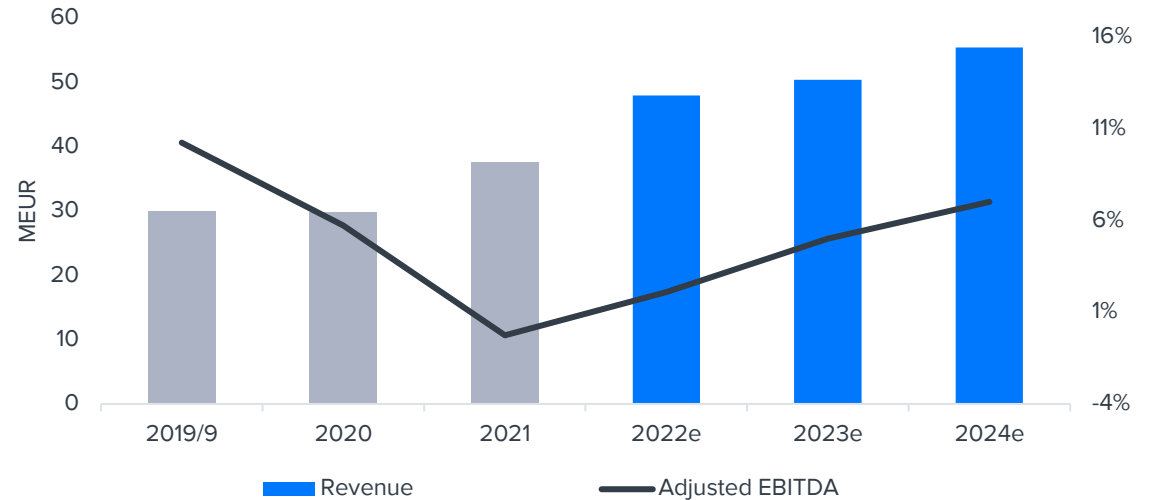
EV/EBITDA
5.5x
2023e

Estimated EV
13.9
MEUR

Holding
67.9%
2021

Holding
2.6
MEUR

Key figures and estimates:



Value drivers

- Turning the result profitable through measures initiated in Vema Lift
- Continued growth in international net sales
- Increasing production capacity at the rate of demand
- Accelerating production lead times and improving working capital



Risk factors

- Weakening economic situation
- Tightening competitive situation
- Increased protectionism creates a risk for international growth
- Orders being postponed due to COVID
- Net result currently in red
- Impact of component shortage on chassis deliveries



Valuation

- With 2023 multiples the valuation would already be cheap but this is justified considering the risk involved in the earnings turnaround being successful.

Logistikas

The acquisition of Logistikas was carried out in December 2020. Logistikas is a logistics service company specialized in demanding customer relationships.

Company description

Logistikas currently operates in seven locations in Finland, both in its own logistics centers and in customers' premises. The Group employs approximately 230 people.

Business model

The services offered by the Group includes service products for local logistics, internal logistics and local warehousing, as well as expert services and comprehensive procurement services. The business model only ties a limited amount of capital.

Investment story

Logistikas has gained the reputation of a reliable operator, especially among demanding customers. The company's profitability has also risen to a strong level. With the support of Sievi Capital, the company carried out its first acquisition in July in Vaasa.

Competitive advantage

The company's competitive advantages are the ability to provide a comprehensive service package, strong customer relationships, satisfied personnel, highly invested information system and a good location near the Port of Rauma.

Estimate of earnings growth rate



Value creation potential



Risk profile



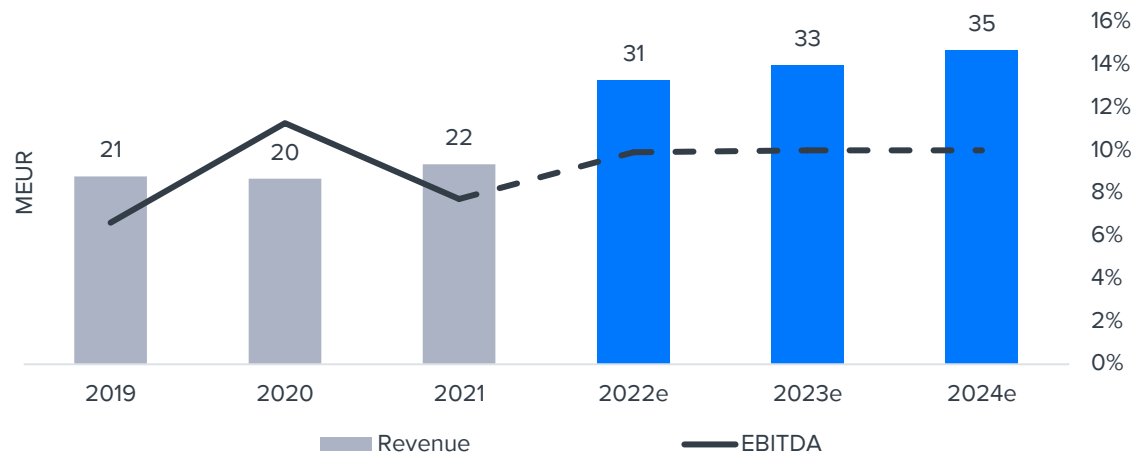
EV/EBITDA
6.5x
2022e

Estimated EV
20
MEUR

Holding
65.9%
2021

Holding
9.0
MEUR

Key figures and estimates:



Value drivers

- The outsourcing rate in logistics is still low in Finland which supports the market
- Continuing sales growth within existing customers
- Continuing new customer acquisition
- Acquisitions will boost growth in the future
- Costs scale with net sales growth



Risk factors

- Weakening economic situation
- Tightening competitive situation
- Failure in acquisitions



Valuation

- We have lowered the acceptable valuation multiple slightly due to the decrease in the peers' valuation level
- Our earnings estimates rose, however, with the convincing performance in Q2 and as a whole our estimate on the value of the Logistikas holding increased

*2019 figures are pro-forma figures

Rakennuttajatoimisto HTJ

Rakennuttajatoimisto HTJ is Sievi Capital's latest acquisition carried out in October 2021.

Company description

HTJ is a construction consulting company established in 1999. The company provides building construction management and supervision services, as well as building engineering services and infrastructure construction services.

Business model

The company focuses on supervision activities that generate good ROE and cash flow. The foundation of the service offering is versatile construction management, supervision and project management services.

Investment story

The market for the services provided by HTJ is estimated to have grown by an average of some 6% p.a. in 2015-2020. Under Sievi, HTJ's expert business can also grow through acquisitions, whereas in the past the company has only grown organically.

Competitive advantage

The company has a strong growth track record and the business has grown organically by over 50% since 2017. Long-term customer relationships, skilled and committed personnel, and a strong service concept and brand form the competitive advantages of HTJ's operations.

Estimate of earnings growth rate



Value creation potential



Risk profile



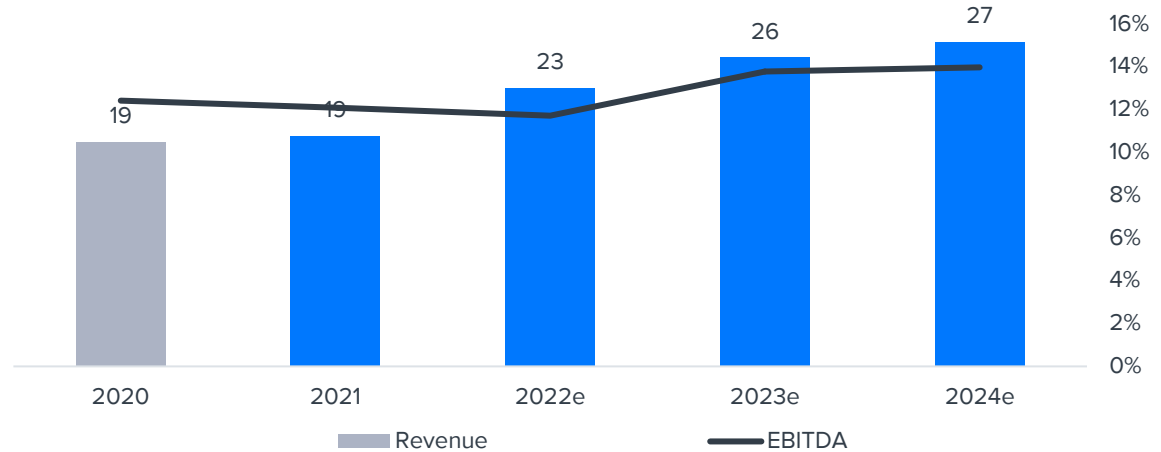
EV/EBITDA
6.3x
2023e

Estimated EV
22.0
MEUR

Holding
92.4%
2021

Holding
11.5
MEUR

Key figures and estimates:



Value drivers

- Strongly growing target market
- Continue growing stronger than the market organically
- In recent years, the biggest growth has come from infrastructure services, which continue to show significant growth potential
- Acquisitions as a growth catalyst



Risk factors

- Weakening economic situation
- Tightening competitive situation
- Failure in acquisitions



Valuation

- A clear discount to listed peers is justified due to the smaller size.
- We already look at 2023 multiples as the Infrac acquisition is only then visible in full-year earnings estimates.

Peer group valuations

Indoor Group*n	EV	EV/EBITDA 22	EV/EBITDA 23	P/E 22	P/E 23
Surteco Group SE	599	5.7	5.1	11.7	10.8
Nobia AB	716	5.3	5.0	9.9	8.2
Maisons du Monde SA	1139	5.2	4.6	17.7	11.3
Sanderson Design	67	4.6	3.2	6.7	6.8
Leon's Furniture Ltd	1251	4.6	4.5	7.6	7.1
Williams-Sonoma Inc	11098	7.0	5.4	11.8	10.5
Median	927	5.2	4.8	10.8	9.4
Indoor Group (IFRS)	149	6.0	5.0	23.6	9.7
Difference %	-84 %	15 %	5 %	119 %	3 %

NB! Indoor's 2022 EBITDA will weaken temporarily by some EUR 4 million due to the ERP system update and we have adjusted this item in our 2022 estimates

Logistikas	EV	EV/EBITDA 22	EV/EBITDA 23	EV/S 22
DSV Panalpina A/S	42231	10.0	11.9	1.3
Elanders AB	1092	5.7	5.4	0.8
Kuehne und Nagel	29917	6.1	8.9	0.7
PostNL NV	1667	5.3	4.9	0.5
Deutsche Post AG	68209	5.4	5.7	0.0
Wincanton PLC	792	4.8	4.4	0.7
Jetpak Top Holding AB	118	6.4	5.6	0.4
Oesterreichische Post AG	2257	7.3	7.0	0.9
Bpost SA	1850	3.2	3.0	1.0
ID Logistics SAS	2485	6.9	5.7	0.4
Median	18729	5.9	5.7	0.8
Logistikas	20.1	6.5	6.1	0.6
Difference %	-100 %	10 %	8 %	-15 %

KH-Koneet Group	EV	EV/EBITDA 22	EV/EBITDA 23	EV/S 22
Ponsse Oyj	795	9.2	7.7	1.0
Palfinger AG	1645	7.5	6.7	0.8
Volvo AB	49373	4.9	4.6	0.7
Deere & Co	155524	11.2	9.0	2.7
Komatsu Ltd	27434	8.1	6.3	1.3
AGCO Corp	10025	5.5	5.0	0.7
Terex Corp	3107	6.3	5.4	0.7
Caterpillar Inc	132991	11.3	10.0	1.9
Median	18729	7.8	6.5	0.9
KH-Koneet Group	88	6.0	6.0	0.4
Difference %	-100 %	-23 %	-8 %	-51 %

Nordic Rescue Group	EV	EV/EBITDA 22	EV/EBITDA 23	EV/S 22
Rosenbauer International AG	682	11.0	6.0	0.5
Oshkosh Corp	5926	11.9	7.7	0.7
REV Group Inc	992	8.1	6.4	0.4
Median	837	11.0	6.4	0.5
Nordic Rescue Group*	13.9	13.9	5.5	0.3
Difference %	-98 %	26 %	-13 %	-39 %

*NRG's 2022 EBITDA estimate has been adjusted with a EUR 0.6 million non-recurring cost related to a legal proceeding against previous owners

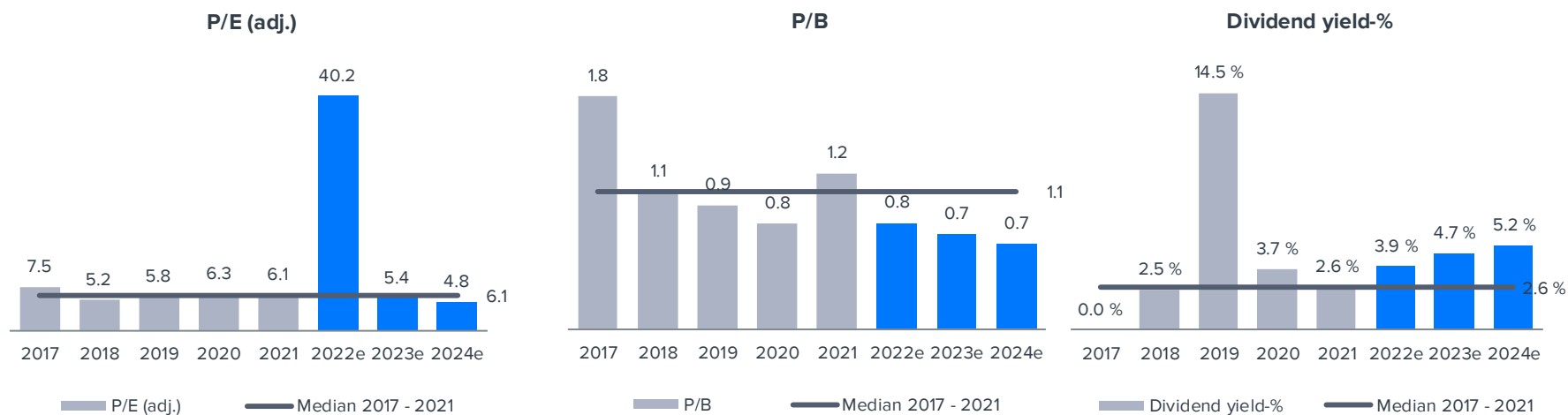
Peer group valuations

HTJ	EV	EV/EBITDA 22	EV/EBITDA 23	EV/S 22
Sitowise Group Oyj	271	9.5	8.6	1.4
Sweco AB (publ)	4306	13.6	13.0	1.9
Afry AB	1479	6.3	5.6	0.7
Rejlers AB (publ)	287	7.9	7.4	0.9
WSP Global Inc	16358	13.8	11.8	2.4
Etteplan Oyj	456	9.3	8.6	1.3
Arcadis NV	3437	9.3	8.6	1.0
Median	1479	9.3	8.6	1.3
HTJ	22	8.1	6.3	1.0
Difference %	-99 %	-12 %	-28 %	-25 %

Valuation table

Valuation	2017	2018	2019	2020	2021	2022e	2023e	2024e	2025e
Share price	1.65	1.22	1.28	1.08	1.92	1.29	1.29	1.29	1.29
Number of shares, millions	57.8	57.8	57.8	58.0	58.1	58.1	58.1	58.1	58.1
Market cap	95	70	74	63	112	75	75	75	75
EV	112	74	42	54	107	64	62	58	55
P/E (adj.)	7.5	5.2	5.8	6.3	6.1	40.2	5.4	4.8	4.3
P/E	7.5	5.2	5.8	6.3	6.1	40.2	5.4	4.8	4.3
P/FCF	4.5	4.4	8.1	5.7	4.8	neg.	5.2	4.6	4.1
P/B	1.8	1.1	0.9	0.8	1.2	0.81	0.73	0.7	0.6
P/S	65.5	19.0	>100	19.6	9.7	37.5	37.5	25.0	25.0
EV/Sales	76.6	19.9	83.3	16.9	9.3	32.2	30.8	19.4	18.2
EV/EBITDA	7.0	4.5	2.6	4.6	5.3	28.9	3.6	3.0	2.5
EV/EBIT (adj.)	7.0	4.5	2.6	4.6	5.3	28.9	3.6	3.0	2.5
Payout ratio (%)	0.0 %	12.8 %	83.5 %	23.4 %	15.8 %	155.9 %	25.3 %	24.9 %	24.7 %
Dividend yield-%	0.0 %	2.5 %	14.5 %	3.7 %	2.6 %	3.9 %	4.7 %	5.2 %	5.8 %

Source: Inderes



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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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Based on a notification received on March 25, 2021 Inderes' analyst Sauli Vilen has a holding of over EUR 50,000 in the target company Sievi Capital Oyj. Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
25-10-18	Sell	1.50 €	2.12 €
05-11-18	Reduce	1.35 €	1.46 €
21-12-18	Reduce	1.25 €	1.25 €
03-03-19	Accumulate	1.35 €	1.30 €
23-08-19	Reduce	1.25 €	1.24 €
30-10-19	Reduce	1.25 €	1.23 €
29-11-19	Accumulate	1.30 €	1.21 €
08-01-20	Reduce	1.40 €	1.40 €
30-01-20	Reduce	1.25 €	1.35 €
04-03-20	Reduce	1.15 €	1.18 €
27-04-20	Reduce	0.90 €	0.87 €
29-04-20	Accumulate	0.92 €	0.88 €
23-06-20	Accumulate	0.98 €	0.89 €
26-08-20	Accumulate	1.10 €	1.04 €
30-10-20	Buy	1.15 €	1.01 €
25-02-21	Buy	1.30 €	1.19 €
14-04-21	Accumulate	1.55 €	1.49 €
30-04-21	Accumulate	1.55 €	1.48 €
17-06-21	Buy	1.65 €	1.34 €
18-08-21	Accumulate	2.10 €	2.06 €
19-08-21	Accumulate	2.80 €	2.39 €
30-09-21	Buy	2.80 €	1.95 €
01-11-21	Accumulate	2.50 €	2.09 €
15-12-21	Accumulate	2.00 €	1.94 €
04-03-22	Buy	1.80 €	1.52 €
17-03-22	Accumulate	1.80 €	1.64 €
06-05-22	Buy	1.80 €	1.36 €
18-08-22	Accumulate	1.50 €	1.29 €



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