

Expecting recovery after weaker H1

Solteq will report Q3 results this Wednesday, October 29. The company's turnaround was prolonged during H1 amid a challenging market. In Q3, we expect both segments to show some improvement after the setback.

Some signs of a more favorable market environment

Solteq's first half of the year was disappointing, with the Utilities segment weighing heavily on results as weak business consulting activity limited sales and pressured margins. The Retail & Commerce segment performed reasonably well given the challenging market conditions, with revenue only declining moderately in comparable terms and profitability supported by earlier cost savings. Market commentary in connection with Q2 remained cautious, but there are some signs of improvement toward year-end. Consumer confidence has recovered slightly, suggesting slowly improving sentiment in the broader economy. Also, domestic public peers have reported stronger Q3 results and a slightly more positive outlook than during H1. Overall, both market sentiment and Solteq's own guidance point to a somewhat better second half.

Q3 to show roughly flat comparable revenue and EBIT y/y

We expect Q3 results to show slight improvement relative to the H1 setback and expect comparable revenue in both segments to be roughly flat y/y. In R&C, we estimate comparable EBIT in Q3 to be roughly in line y/y at EUR 0.6m (7.5% margin), maintaining solid profitability supported by cost savings. In Utilities, we anticipate EBIT to remain negative at EUR -0.1m (-3% margin), but also to be on par y/y, compared to a 20% y/y decline in H1. We expect the segment's higher relative share of recurring revenue to provide stability in Q3 compared to H1. Although market conditions appear to have improved marginally, uncertainty remains high, and we make no estimate changes ahead of the release. Our estimates for 2025E remain unchanged at comparable net sales of EUR 47.7m and comparable EBIT of EUR 1.5m (3.1% margin).

ACCUMULATE with a target price of EUR 0.62

Solteq trades roughly in line with Nordic IT service peers on 2025E EV/EBITDA of 9x, with clear upside emerging on our estimates for 2026E–27E. The company's resilience in R&C offers some stability, but a sustained recovery still hinges on improving performance in Utilities. High financing costs add pressure to near-term profitability and uncertainty about the pace and scale of the turnaround is considerable. We keep our ACCUMULATE rating with a target price of EUR 0.62.

Rating

+ Accumulate


Share price, EUR (Last trading day's closing price) **0.56**
 Target price, EUR 0.62

Latest change in recommendation 14-Feb-25

Latest report on company 27-Oct-25

Research paid by issuer: YES

No. of shares outstanding, '000's 19 397

No. of shares fully diluted, '000's 19 397

Market cap, EURm 11

Free float, % 73.0 %

Exchange rate 0.0

Reuters code SOLTEQ.HE

Bloomberg code SOLTEQ FH

Average daily volume, EURm 0.008

Next interim report 29-Oct-25

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+ BUY **+** ACCUMULATE **-** REDUCE **-** SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2023	57.7	-3.5	-6.1%	6.0	-0.28	-2.3	0.7	-11.1	40.8%	0.00
2024	50.9	1.8	3.6%	3.6	-0.06	-10.3	0.6	18.2	29.1%	0.00
2025E	47.7	1.7	3.5%	-0.3	-0.01	-45.8	0.7	19.1	-3.1%	0.00
2026E	49.3	3.7	7.5%	1.6	0.07	8.0	0.6	8.1	15.1%	0.00
2027E	51.8	5.0	9.7%	2.9	0.13	4.2	0.5	5.4	26.5%	0.00

Market cap, EURm	11	Gearing 2025E, %	132.4 %	CAGR EPS 2024–27, %	0.0 %
Net debt 2025E, EURm	21	Price/book 2025E	0.7	CAGR Sales 2024–27, %	0.6 %
Enterprise value, EURm	32	Dividend yield 2025E, %	0.0 %	ROE 2025E, %	-1.5 %
Total assets 2025E, EURm	50	Tax rate 2025E, %	53.5 %	ROCE 2025E, %	4.3 %
Goodwill 2025E, EURm	39	Equity ratio 2025E, %	31.4 %	PEG, P/E 25/CAGR	0.0

All the important disclosures can be found on the last pages of this report.

Table 1: Estimate summary

Solteq	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25	Q2/'25	Q3/'25E	Q4/'25E	2025E	2026E	2027E
Net sales	57.7	13.6	13.4	11.4	12.5	50.9	12.1	12.2	10.9	12.5	47.7	49.3	51.8
sales growth %	-15.7%	-19.7%	-6.1%	-6.5%	-12.5%	-11.8%	-10.7%	-9.3%	-4.6%	0.2%	-6.3%	3.4%	5.2%
comparable growth %	-5.3%	-3.8%	-1.6%	-6.5%	-12.4%	-6.1%	-7.2%	-5.5%	-0.5%	4.8%	-2.3%	3.4%	5.2%
Other income	8.3	0.0	0.0	0.0	1.4	1.4	0.1	0.2	0.0	0.0	0.3	0.1	0.1
Materials and services	-7.0	-1.6	-1.5	-1.4	-1.6	-6.1	-1.4	-1.5	-1.2	-1.4	-5.5	-5.4	-5.8
Personnel expenses	-39.9	-9.4	-9.2	-7.3	-8.2	-34.1	-8.3	-8.5	-7.2	-8.3	-32.3	-31.7	-32.2
Other expenses	-10.3	-2.3	-2.0	-1.8	-1.9	-8.0	-2.0	-1.7	-1.5	-1.5	-6.7	-7.0	-7.2
EBITDA	8.7	0.4	0.6	0.9	2.2	4.1	0.6	0.5	1.0	1.3	3.3	5.3	6.7
Adj. EBITDA	-1.7	0.3	0.5	1.1	0.8	2.7	0.5	0.4	1.0	1.3	3.3	5.3	6.7
Adj. EBITDA-%	-2.9%	2.1%	3.9%	9.3%	6.4%	5.2%	4.5%	3.3%	8.8%	10.2%	6.8%	10.8%	12.9%
EBIT	-3.5	-0.2	0.0	0.3	1.8	1.8	0.2	0.2	0.5	0.8	1.7	3.7	5.0
EBIT-%	-6.1%	-1.8%	0.0%	2.6%	14.1%	3.6%	1.3%	1.7%	4.6%	6.4%	3.5%	7.5%	9.7%
Adjustment items	-1.0	-0.1	-0.1	0.2	-1.4	-1.3	0.0	-0.1	0.000	0.000	-0.2	0.0	0.0
Adj. EBIT	-4.6	-0.3	-0.1	0.5	0.3	0.5	0.1	0.1	0.5	0.8	1.5	3.7	5.0
Adj. EBIT-%	-7.9%	-2.3%	-0.5%	4.5%	2.7%	0.9%	1.1%	0.6%	4.6%	6.4%	3.1%	7.5%	9.7%
Retail & Commerce	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25	Q2/'25	Q3/'25E	Q4/'25E	2025E	2026E	2027E
Net sales	44.0	10.4	10.0	8.5	9.7	38.6	9.2	9.1	8.0	9.3	35.6	36.5	38.1
sales growth %	-18.3%	-22.8%	-7.3%	-7.5%	-7.3%	-12.1%	-11.5%	-9.1%	-6.2%	-4.1%	-7.8%	2.5%	4.5%
comparable growth %							-6.9%	-4.1%	-0.8%	1.6%	-2.7%		
Adj. EBITDA	2.3	0.7	0.7	1.0	1.3	3.7	1.0	0.9	0.9	1.2	4.1	4.4	4.8
Adj. EBITDA-%	5.3%	7.2%	6.9%	11.3%	13.1%	9.5%	10.6%	9.8%	11.3%	13.1%	11.4%	12.0%	12.6%
EBIT	5.2	0.4	0.4	0.4	2.4	3.6	0.8	0.8	0.6	0.9	3.1	3.3	3.7
EBIT-%	11.8%	4.0%	3.7%	5.1%	24.7%	9.4%	8.4%	8.6%	7.5%	9.7%	8.6%	9.0%	9.8%
Adj. EBIT	0.4	0.4	0.3	0.6	1.0	2.3	0.7	0.7	0.6	0.9	2.9	3.3	3.7
Adj. EBIT-%	1.0%	3.6%	3.2%	7.7%	10.9%	6.2%	8.2%	7.6%	7.5%	9.7%	8.3%	9.0%	9.8%
Utilities	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25	Q2/'25	Q3/'25E	Q4/'25E	2025E	2026E	2027E
Net sales	13.7	3.2	3.4	2.9	2.8	12.2	2.9	3.0	2.9	3.2	12.1	12.8	13.7
sales growth %	-6.2%	-7.5%	-2.5%	-3.3%	-27.0%	-10.7%	-8.2%	-9.9%	0.3%	15.2%	-1.3%	6.1%	7.0%
Adj. EBITDA	-4.0	-0.5	-0.2	0.1	-0.5	-1.0	-0.4	-0.5	0.1	0.1	-0.8	0.9	1.8
Adj. EBITDA-%	-29.0%	-14.5%	-4.8%	3.2%	-17.1%	-0.1	-14.6%	-16.2%	1.8%	1.8%	-6.7%	7.4%	13.4%
EBIT	-8.7	-0.7	-0.4	-0.1	-0.6	-1.8	-0.6	-0.6	-0.1	-0.1	-1.4	0.4	1.3
EBIT-%	-63.7%	-20.7%	-10.9%	-4.9%	-22.8%	-14.8%	-21.0%	-19.2%	-3.4%	-3.1%	-12.0%	3.1%	9.5%
Adj. EBIT	-5.0	-0.7	-0.4	-0.1	-0.7	-1.8	-0.6	-0.6	-0.1	-0.1	-1.4	0.4	1.3
Adj. EBIT-%	-36.7%	-20.7%	-10.9%	-3.7%	-23.8%	-14.7%	-21.0%	-20.8%	-3.4%	-3.1%	-12.0%	3.1%	9.5%

Source: Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	0.56 PV of Free Cash Flow	40 Long-term growth, %	2.0 % Risk-free interest rate, %	2.25 %
DCF share value	3.07 PV of Horizon value	39 WACC, %	10.6 % Market risk premium, %	5.8 %
Share price potential, %	447.4 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	7.8 %
Maximum value	3.3 Marketable securities	3 Minimum WACC, %	10.1 % Equity beta coefficient	1.30
Minimum value	2.8 Debt – dividend	–24 Maximum WACC, %	11.1 % Target debt ratio, %	20 %
Horizon value, %	49.4 % Value of stock	59 No. of shares, Mn	19.4 Effective tax rate, %	20 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	51	48	49	52	54	57	60	63	66	69	71	72
Sales growth (%)	–11.8%	–6.3%	3.4%	5.2%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	2.0%	2.0%
Operating income (EBIT)	2	2	4	5	6	6	6	7	7	7	7	8
Operating income margin %	3.6%	3.5%	7.5%	9.7%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
+ Depreciation+amort.	2	2	2	2	2	2	2	2	2	2	2	2
EBITDA	4	3	5	7	7	8	8	9	9	9	10	
– Paid taxes	–1	0	–1	–1	–1	–1	–1	–1	–1	–1	–1	
– Change in NWC	1	0	0	0	0	0	0	0	0	0	0	
NWC / Sales, %	–11.3%	–11.4%	–11.4%	–11.3%	–11.3%	–11.3%	–11.2%	–11.2%	–11.2%	–11.2%	–11.1%	
+ Change in other liabs	0											
– Operative CAPEX	0	0	0	0	0	0	0	0	0	0	0	
opCAPEX / Sales, %	3.7%	3.1%	3.4%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	
– Acquisitions												
+ Divestments	4											
– Other items	–1											
= FCFF	7	3	5	6	7	7	7	8	8	8	8	99
= Discounted FCFF		3	4	5	5	5	4	4	4	4	3	39
= DFCF min WACC		3	4	5	5	5	4	4	4	4	3	44
= DFCF max WACC		3	4	5	5	4	4	4	4	4	3	36

Sensitivity analysis, EUR

Terminal WACC

		8.58 %	9.58 %	10.58 %	11.58 %	12.58 %
Terminal EBIT–%	8.50 %	3.82	3.20	2.72	2.34	2.03
	9.50 %	4.09	3.41	2.89	2.48	2.15
	10.50 %	4.35	3.62	3.07	2.62	2.27
	11.50 %	4.62	3.84	3.24	2.77	2.39
	12.50 %	4.88	4.05	3.41	2.91	2.51

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	13.6	13.4	11.4	12.5	50.9	12.1	12.2	10.9	12.5	47.7	49.3	51.8
EBITDA	0.4	0.6	0.9	2.2	4.1	0.6	0.5	1.0	1.3	3.4	5.5	6.8
EBITDA margin (%)	2.7%	4.6%	7.8%	17.7%	8.0%	4.7%	4.5%	8.8%	10.2%	7.0%	11.1%	13.0%
EBIT	-0.2	0.0	0.3	1.8	1.8	0.2	0.2	0.5	0.8	1.7	3.7	5.0
EBIT margin (%)	-1.8%	0.0%	2.6%	14.1%	3.6%	1.3%	1.7%	4.6%	6.4%	3.5%	7.5%	9.7%
Net financial items	-0.5	-0.5	-0.8	-0.6	-2.4	-0.5	-0.6	-0.5	-0.5	-2.2	-2.0	-1.8
Pre-tax profit	-0.7	-0.5	-0.5	1.1	-0.6	-0.4	-0.4		0.3	-0.5	1.7	3.2
Tax	0.0	0.0	0.0	-0.5	-0.6	-0.1	0.4		-0.1	0.3	-0.3	-0.6
Tax rate (%)	0.1%	-7.2%	-8.4%	47.4%	-102.3%	-24.9%	96.6%		20.0%	53.5%	20.0%	20.0%
Net profit	-0.7	-0.5	-0.6	0.6	-1.2	-0.5	0.0		0.2	-0.2	1.4	2.6
EPS	-0.04	-0.03	-0.03	0.03	-0.06	-0.02	0.00		0.01	-0.01	0.07	0.13
EPS adj. (diluted)	-0.04	-0.03	-0.03	0.03	-0.06	-0.02	0.00		0.01	-0.01	0.07	0.13
Dividend per share												
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Retail & Commerce	10.4	10.0	8.5	9.7	38.6	9.2	9.1	8.0	9.3	35.6	36.5	38.1
Utilities	3.2	3.4	2.9	2.8	12.2	2.9	3.0	2.9	3.2	12.1	12.8	13.7
Total	13.6	13.4	11.4	12.5	50.9	12.1	12.2	10.9	12.5	47.7	49.3	51.8
SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Retail & Commerce	-22.8%	-7.3%	-7.5%	-7.3%	-12.1%	-11.5%	-9.1%	-6.2%	-4.1%	-7.8%	2.5%	4.5%
Utilities	-7.5%	-2.5%	-3.3%	-27.0%	-10.7%	-8.2%	-9.9%	0.3%	15.2%	-1.3%	6.1%	7.0%
Total	-19.7%	-6.1%	-6.5%	-12.6%	-11.8%	-10.7%	-9.3%	-4.6%	0.2%	-6.3%	3.4%	5.2%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Retail & Commerce	0.4	0.4	0.4	2.4	3.6	0.8	0.8	0.6	0.9	3.1	3.3	3.7
Utilities	-0.7	-0.4	-0.1	-0.6	-1.8	-0.6	-0.6	-0.1	-0.1	-1.4	0.4	1.3
Total	-0.2	0.0	0.3	1.8	1.8	0.2	0.2	0.5	0.8	1.7	3.7	5.0
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Retail & Commerce	4.0%	3.7%	5.1%	24.7%	9.4%	8.4%	8.6%	7.5%	9.7%	8.6%	9.0%	9.8%
Utilities	-20.7%	-10.9%	-4.9%	-22.8%	-14.8%	-21.0%	-19.2%	-3.5%	-3.1%	-11.6%	3.1%	9.5%
Total	-1.8%	0.0%	2.6%	14.1%	3.6%	1.3%	1.7%	4.6%	6.4%	3.5%	7.5%	9.7%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	60.5	69.1	68.4	57.7	50.9	47.7	49.3	51.8
<i>Sales growth (%)</i>	3.7%	14.2%	-0.9%	-15.8%	-11.8%	-6.3%	3.4%	5.2%
EBITDA	10.4	12.3	5.5	8.7	4.1	3.4	5.5	6.8
<i>EBITDA margin (%)</i>	17.2%	17.8%	8.1%	15.1%	8.0%	7.0%	11.1%	13.0%
Depreciation	-5.0	-5.1	-10.0	-12.2	-2.3	-1.7	-1.8	-1.7
EBITA	5.4	7.2	-4.4	-3.5	1.8	1.7	3.7	5.0
Goodwill amortization / writedown								
EBIT	5.4	7.2	-4.4	-3.5	1.8	1.7	3.7	5.0
<i>EBIT margin (%)</i>	8.9%	10.4%	-6.5%	-6.1%	3.6%	3.5%	7.5%	9.7%
Reported EBIT	5.4	7.2	-4.4	-3.5	1.8	1.7	3.7	5.0
<i>EBIT margin (reported) (%)</i>	8.9%	10.4%	-6.5%	-6.1%	3.6%	3.5%	7.5%	9.7%
Net financials	-2.6	-1.9	-2.2	-1.2	-2.4	-2.2	-2.0	-1.8
Pre-tax profit	2.7	5.3	-6.6	-4.7	-0.6	-0.5	1.7	3.2
Taxes	-0.8	-1.1	1.2	-0.7	-0.6	0.3	-0.3	-0.6
Minority shares								
Net profit	2.0	4.1	-5.4	-5.4	-1.2	-0.2	1.4	2.6
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	12	13	10	2	2	1	1	1
Goodwill	39	42	46	41	39	39	39	39
Right of use assets	7	5	3	2	2	2	2	2
Inventory	0	0	0	0	0	0	0	0
Receivables	12	12	11	10	6	6	6	6
Liquid funds	5	4	2	2	3	2	2	2
Total assets	75	76	74	57	52	50	50	51
Liabilities								
Shareholders' equity	27	28	23	17	16	16	17	20
Minority interest								
Convertibles								
Lease liabilities	7	5	3	2	2	2	2	2
Deferred taxes	1	1	1	0	0	0	0	0
Interest bearing debt	24	24	30	24	22	21	19	17
Non-interest bearing current liabilities	16	18	17	13	12	11	11	12
Other interest-free debt					1	1	1	1
Total liabilities	75	76	74	57	52	50	50	51
CASH FLOW, EURm								
+ EBITDA	10	12	6	9	4	3	5	7
- Net financial items	-3	-2	-2	-1	-2	-2	-2	-2
- Taxes	-1	-1	0	-1	-1	0	0	-1
- Increase in Net Working Capital	0	1	1	-3	1	0	0	0
+/- Other	-1	0	0	-9	-1			
= Cash flow from operations	6	10	4	-5	2	1	3	5
- Capex	-5	-4	-4	-3	-2	-1	-2	-2
- Acquisitions		-3	-5					
+ Divestments	4			14	4			
= Free cash flow	6	4	-6	6	4	0	2	3
+/- New issues/buybacks	0	0	2	0	0			
- Paid dividend	3	2						
+/- Other	-4	-2	4	-6	-2	-1	-2	-3
Change in cash	1	-1	-2	0	1	-1	0	0

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M–cap	91	24	15	12	11	11	11
Net debt (excl. convertibles)	26	31	25	20	21	19	16
Enterprise value	117	55	39	33	32	30	27
Sales	69	68	58	51	48	49	52
EBITDA	12	6	9	4	3	5	7
EBIT	7	–4	–4	2	2	4	5
Pre–tax	5	–7	–5	–1	–1	2	3
Earnings	4	–5	–5	–1	0	1	3
Equity book value (excl. minorities)	28	23	17	16	16	17	20

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	1.7	0.8	0.7	0.6	0.7	0.6	0.5
EV/EBITDA	9.5	10.0	4.5	8.0	9.4	5.5	4.0
EV/EBITA	16.3	–12.5	–11.1	18.2	19.1	8.1	5.4
EV/EBIT	16.3	–12.5	–11.1	18.2	19.1	8.1	5.4
EV/OCF	11.7	14.2	–7.4	21.1	28.4	9.0	5.9
EV/FCF	21.2	–19.1	5.0	4.5	11.1	6.1	4.5
P/FCFR	25.6	–4.3	2.5	3.4	–32.0	6.6	3.8
P/E	21.9	–4.4	–2.3	–10.3	–45.8	8.0	4.2
P/BV	3.2	1.1	0.9	0.8	0.7	0.6	0.6
Target EV/EBITDA					9.8	5.7	4.2
Target EV/EBIT					19.8	8.4	5.6
Target EV/FCFF					–96.7	19.0	9.9
Target P/BV					0.8	0.7	0.6
Target P/E, diluted	25.4	–7.1	–4.2	21.5	–50.7	8.8	4.6

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	19.40	19.40	19.40	19.40	19.40	19.40	19.40
Number of shares (diluted, million)	19.40	19.40	19.40	19.40	19.40	19.40	19.40
EPS	0.21	–0.28	–0.28	–0.06	–0.01	0.07	0.13
Operating cash flow per share	0.51	0.20	–0.27	0.08	0.06	0.17	0.24
Free cash flow per share	0.18	–0.29	0.31	0.19	–0.02	0.08	0.15
Book value per share	1.44	1.16	0.89	0.82	0.81	0.88	1.01
Dividend per share	0.10						
Dividend payout ratio, %	46.8%						
Dividend yield, %	2.1%						
FCF yield, %	3.9%	–23.5%	40.8%	29.1%	–3.1%	15.1%	26.5%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	15.2%	–21.5%	–27.1%	–7.3%	–1.5%	8.3%	14.1%
ROCE	12.4%	–7.8%	–7.1%	4.3%	4.3%	9.7%	13.2%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Receivables as % of sales	17.0%	16.2%	16.9%	12.2%	12.2%	12.2%	12.2%
Non–int. bearing liabilities as % of sales	25.5%	25.6%	22.4%	22.9%	22.9%	22.9%	22.9%
NWC/sales, %	–8.2%	–9.2%	–5.4%	–11.3%	–11.4%	–11.4%	–11.3%
Operative CAPEX/Sales, %	5.1%	6.4%	4.9%	3.7%	3.1%	3.4%	3.3%
CAPEX/sales (incl. acquisitions), %	1.0%	–1.1%	4.9%	3.7%	3.1%	3.4%	3.3%
FCFF/EBITDA	0.4	–0.5	0.9	1.8	0.8	0.9	0.9
Net Debt/EBITDA, book–weighted	2.1	5.7	2.8	5.0	6.2	3.5	2.4
Debt/equity, market–weighted	0.3	1.3	1.7	1.8	1.9	1.8	1.5
Equity ratio, book–weighted	0.4	0.3	0.3	0.3	0.3	0.3	0.4
Gearing, %	92.6%	139.4%	142.3%	128.3%	132.4%	112.2%	82.8%

COMPANY DESCRIPTION: Solteq is a Nordic software and IT-services provider specializing in digital business solutions. Solteq's strength has been in commerce related solutions with a focus on selected sectors, namely the retail and wholesale, industry, energy, and services sectors.

INVESTMENT CASE: Solteq's investment case revolves around the success of executing its strategy of shifting from its IT-services oriented past towards increasingly becoming a software house. Implied margin upside potential is considerable, with segment targets putting margins clearly in the double digits. Growth will increasingly need to be sought from abroad, as domestic growth potential is somewhat restricted within core competencies.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Profiz Business Solution Oyj	2 195 569	1.230	11.3 %
Elo Mutual Pension Insurance Company	2 000 000	1.120	10.3 %
Ilmarinen Mutual Pensions Insurance Company	1 651 293	0.925	8.5 %
Varma Mutual Pension Insurance Company	1 545 597	0.866	8.0 %
Aktia Capital Mutual Fund	770 000	0.431	4.0 %
Aalto Seppo Tapio	625 000	0.350	3.2 %
Saadetdin Ali	602 216	0.337	3.1 %
Säästöpankki Small Cap Mutual Fund	500 000	0.280	2.6 %
Incedo Oy	304 001	0.170	1.6 %
Kelhu Markku Juhani	300 000	0.168	1.5 %
Ten largest	10 493 676	5.876	54.1 %
Residual	8 902 825	4.986	45.9 %
Total	19 396 501	10.862	100%

EARNINGS CALENDAR

October 29, 2025

Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Aarne Aktan
CFO: Mikko Sairanen
IR:

Revontulenkujä 1, FI-02100 Espoo
Tel:

DEFINITIONS

P/E $\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS $\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	DPS Dividend for the financial period per share
Market cap Price per share * Number of shares	OCF (Operating cash flow) EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value) Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow) Operating cash flow – Operative CAPEX – acquisitions + divestments
EV/Sales $\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, % $\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX / Sales $\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT $\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital Current assets – current liabilities
Net debt Interest bearing debt – financial assets	Capital employed / Share $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets Balance sheet total	Gearing $\frac{\text{Net debt}}{\text{Equity}}$
Div yield, % $\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, % $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, % $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, % $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, % $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, % Cumulative annual growth rate = Average growth rate per year
ROE, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

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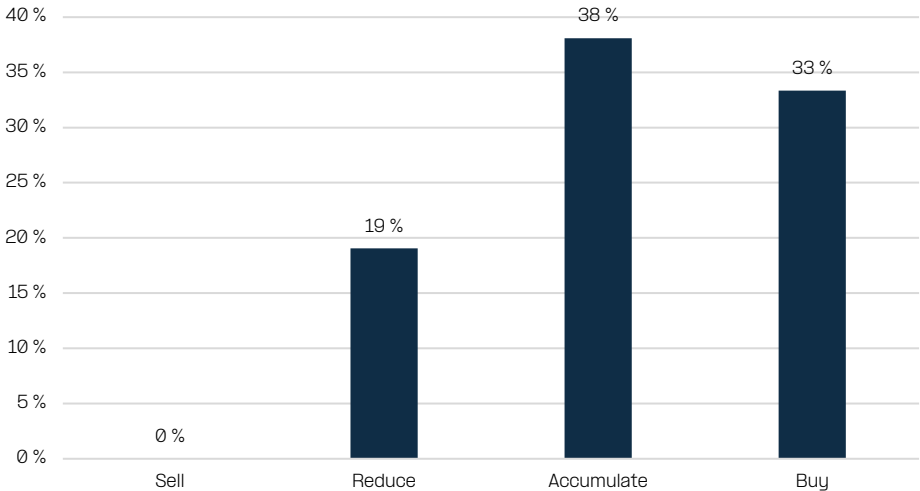
Investment recommendations are defined as follows:

Target price compared to share price
< -10 %
-10 - 0 %
0 - (+10) %
> 10 %

Recommendation
SELL
REDUCE
ACCUMULATE
BUY

ERP may temporarily suspend the rating and, if applicable, the target price to comply with regulations and/or firm policies, in which case a NOT RATED classification is used.

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The graph above shows the distribution of ERP's recommendations of companies under coverage on the 16th of May, 2025. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Pitkääjärvi

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