EVLI

# NOKIAN PANIMO

**Beverages/ Finland, May 16, 2025**
**Company report**

## Brewing profitable growth

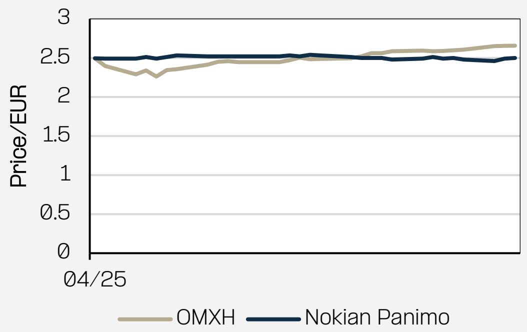
**We initiate coverage of Nokian Panimo with a target price of EUR 2.7 and an ACCUMULATE rating. The company is well-positioned to advance its organic growth strategy, supported by a clearly defined investment plan.**

**A leading player in the Finnish microbrewery market**
Nokian Panimo is a leading Finnish microbrewery with a long history by industry standards and a proven track record of profitable organic growth. Following its March IPO, the company is well positioned to expand its operations and strengthen its presence in the Finnish beverage market. Its diverse portfolio features more than 40 beverages, most notably the Keisari beers and Sun'n soft drinks. All production is centralized at the company's facility in Nokia, Finland. Between 2019 and 2024, Nokian Panimo has delivered a CAGR exceeding 14%, while maintaining strong profitability in the microbrewery sector, which typically faces margin pressures.

**Growth strategy supported by capacity investments**
Nokian Panimo targets a revenue of EUR 20 million by 2029 (2024: EUR 11.9 million). To achieve this, the company has outlined investments of approximately EUR 10 million to increase production capacity, enhance efficiency, and support sustainability. In addition, the company is exploring other investment opportunities to strengthen its competitiveness. These investments are expected to raise the brewery's beer production capacity to over 12 million liters by 2029. In our view, investments in capacity expansion are the most critical, as they enable the company to meet growing demand and avoid potential sales losses due to capacity constraints.

**ACCUMULATE with a TP of EUR 2.7**
We initiate coverage of Nokian Panimo with an ACCUMULATE rating and a target price of EUR 2.7. Nokian Panimo currently trades at an EV/EBITDA range of 9–7x and an EV/Sales range of 1.6–1.4x based on our 2025–2026 estimates, broadly in line with peers. Our target price implies EV/EBITDA multiples of 10–8x and EV/Sales multiples of 1.8–1.6x for the same period, which we consider justified given the company's favorable growth trajectory and margin profile. The fair value derived from our DCF model aligns closely with the target price, supporting our outlook.

Rating ✚ Accumulate




| | |
|---|---|
| **Share price, EUR** (Last trading day's closing price) | **2.50** |
| Target price, EUR | 2.7 |
| Latest change in recommendation | 16-May-25 |
| Latest report on company | 16-May-25 |
| Research paid by issuer: | YES |
| No. of shares outstanding, '000's | 10 094 |
| No. of shares fully diluted, '000's | 10 094 |
| Market cap, EURm | 25 |
| Free float, % | - |
| Exchange rate | 0.0 |
| Reuters code | BEER.HE |
| Bloomberg code | BEER FH |
| Average daily volume, EURm | 0.0 |
| Next interim report | 21-Aug-25 |
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| Analyst | Atte Pitkäjärvi |
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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 | 10.3 | 1.0 | 10.2% | 0.4 | 0.13 | | 0.3 | 2.9 | | 0.03 |
| 2024 | 11.9 | 1.7 | 14.0% | 0.0 | 0.18 | 13.8 | 0.8 | 5.9 | -0.1% | 0.00 |
| 2025E | 13.0 | 1.4 | 10.8% | -2.3 | -0.02 | -157.7 | 1.6 | 14.8 | -9.1% | 0.00 |
| 2026E | 14.4 | 1.7 | 11.8% | 0.0 | 0.12 | 21.5 | 1.4 | 12.2 | -0.2% | 0.04 |
| 2027E | 16.3 | 1.9 | 11.9% | 0.3 | 0.14 | 18.3 | 1.3 | 10.7 | 1.2% | 0.04 |

| | | | | | |
|---|---|---|---|---|---|
| Market cap, EURm | 25 | Gearing 2025E, % | -27.8 % | CAGR EPS 2024-27, % | -9.0 % |
| Net debt 2025E, EURm | -5 | Price/book 2025E | 1.6 | CAGR Sales 2024-27, % | 11.2 % |
| Enterprise value, EURm | 21 | Dividend yield 2025E, % | 0.0 % | ROE 2025E, % | -1.0 % |
| Total assets 2025E, EURm | 22 | Tax rate 2025E, % | 20.0 % | ROCE 2025E, % | 7.5 % |
| Goodwill 2025E, EURm | 0 | Equity ratio 2025E, % | 73.3 % | PEG, P/E 25/CAGR | 0.0 |

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

## Investment summary

Nokian Panimo is the second–largest microbrewery in Finland

Measured by 2023 revenue, Nokian Panimo is the second–largest microbrewery in Finland[1]. The company offers a broad portfolio of over 40 products, including more than 15 different beers as well as a range of other alcoholic and non–alcoholic beverages such as soft drinks and mixed drinks. Nokian Panimo is especially known for its Keisari beer family. All products are produced at the company's facility in Nokia, which also houses the headquarters, the Keisari Experience visitor center, the Keisari Shop & Taproom, and a summer terrace.

Strong presence across leading grocery chains

Nokian Panimo operates nationwide, with retail sales and the HoReCa sector as its primary distribution channels. In 2024, the company sold 6.1 million liters of beer and 2.2 million liters of other beverages. Nearly 85% of sales were generated through Finland's major grocery chains — S Group, K Group, and Lidl — ensuring wide availability of its products across the country. In addition to retail and HoReCa, the company also sells directly to consumers via events, its Taproom, and its online store.

Track record of strong, profitable organic growth

Nokian Panimo has demonstrated solid growth with consistent profitability. Between 2019 and 2024, revenue grew at an CAGR of over 14%, with an average EBITDA margin of nearly 19%. In 2024, revenue increased by 16% to EUR 11.9 million (2023: EUR 10.3 million), driven by successful product launches, higher sales volumes, and changes in alcohol legislation. EBITDA rose to EUR 2.6 million (2023: EUR 1.7 million), corresponding to a margin of nearly 22%. Margin improvement was supported by pricing adjustments, product mix optimization, increased operational efficiency, and favourable cost developments in raw materials and packaging.

EUR 10m investment plan to support growth strategy

As part of its growth strategy, Nokian Panimo has outlined an EUR 10 million investment plan aimed at increasing production capacity to over 12 million liters by 2029. The plan focuses on scaling capacity, improving operational efficiency, and enhancing sustainability and energy efficiency. The company is also considering complementary investments to strengthen its competitive position.

Moderate short–term pressure on growth and margins expected this year

For 2025, Nokian Panimo expects continued revenue growth (2024: EUR 11.9 million), with an estimated EBITDA margin of 18–21% (2024: 21.7%). The company is targeting EUR 20 million in revenue by 2029, implying an average annual growth rate of approximately 11%. While growth is expected to continue this year, it may moderate somewhat due to capacity bottlenecks during peak demand periods. Additionally, investment activities and IPO–related expenses are expected to temporarily weigh on profitability in 2025. From 2026 onward, we expect a ramp up in profitability and growth, as planned capacity expansions begin to bear fruit.

We initiate coverage with a target price of EUR 2.7 and ACCUMULATE–rating

We initiate coverage of Nokian Panimo with a target price of EUR 2.7 and ACCUMULATE–rating. Our valuation is primarily based on peer group multiples, supported by our discounted cash flow model. Based on 2025E EV/EBITDA and EV/Sales multiples, Nokian Panimo is trading broadly in line with its peer group, which consists of European and US beverage companies specializing in beer production and distribution. Given Nokian Panimo's strong sales growth trajectory and similar margin outlook for the coming years, we see a slight premium to peers as reasonable. Additionally, our DCF analysis indicates a fair value in line with our target price.

[1] Source: Kauppalehti craft brewery comparison, based on 2023 revenues https://www.kauppalehti.fi/uutiset/kl–perkasi–pienpanimoiden–tulokset–kaksi–erottui–joukosta/a81435e4–322a–4b0e–9163–6623ec8829ef

## Company overview

Nokian Panimo is the second–largest microbrewery in Finland

Nokian Panimo is the second–largest microbrewery[2] and fifth largest brewery company in Finland[3]. The company offers a diverse selection of beverages, including 15 different beers, as well as a variety of other beverages such as mixed drinks, soft drinks, and non–alcoholic options, totalling to more than 40 different products. The company is headquartered in Nokia, Finland, alongside its modern production facility. Also located on–site are the Keisari Experience visitor center, Keisari Store & Taproom, and a summer terrace. In recent years, the company has seen rapid, profitable growth, achieving a CAGR exceeding 14% from 2019 to 2024 and maintaining an average EBITDA margin of 18.7% during the same period[4].

Most of the sales through Finland's largest retail chains

In 2024, Nokian Panimo sold 6.1 million liters of beer (approximately 73% of total volume) and 2.2 million liters of other beverages (around 27%). The clear majority of the company's sales come from Finland's largest retail chains, including S–Group, K Group, and Lidl, through which its products are widely available for consumers across the country. Other significant customers include actors in the HoReCa sector and other retail stores. Moreover, the company sells its products directly to consumers at events it organizes, at its Keisari Store & Taproom, and through its online consumer store.

Table 1: Key metrics

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| **Revenue (EUR m)** | **6.1** | **7.2** | **8.7** | **9.3** | **10.3** | **11.9** |
| Growth–% | 6.3 % | 17.4 % | 21.0 % | 7.8 % | 9.9 % | 15.7 % |
| **EBITDA (EUR m)** | **0.9** | **1.3** | **1.9** | **1.7** | **1.7** | **2.6** |
| EBITDA–margin | 14.5 % | 18.8 % | 21.6 % | 18.4 % | 16.7 % | 21.7 % |
| **Sales volume (litre m)** | 4.6 | 5.3 | 6.4 | 6.9 | 7.4 | 8.3 |

Source: The company's audited financial statements for the years 2019–2024, Evli Research
Note: The company has corrected an error in the financial statement treatment of lease agreements for the comparative financial year 1.1.–31.12.2023.

Top of the class in the microbrewery industry

Nokian panimo has emerged as a standout performer in a challenging market environment. Despite the declining trend in overall beer consumption in Finland, the company has consistently grown its market share, distinguishing itself through its quality products and innovative approach. Its Keisari beer family has become a household name, competing not only with other microbreweries but also larger market participants such as Hartwall, Olvi and Sinebrychoff. By leveraging its nationwide distribution channels and strong relationships with Finland's largest retail chains, Nokian panimo ensures its products are widely available to consumers, cementing its reputation as a trusted brand in the Finnish beverage market.

Profitability struggles in its early years

The company was established in 1991 as Pirkanmaan Uusi Panimo (PUP Oy) following Sinebrychoff's decision to close the historic Pyynikin Panimo, ensuring that beer brewing in the region would continue. Like many other microbreweries, Nokian Panimo struggled to achieve profitability in its early years. The company faced near bankruptcy due to high debt, operational inefficiencies, and the devastating impact of the Nokia water crisis in 2007 seemed like the final setback[5]. Although it was later confirmed that the water used by the company was unaffected, the crisis forced the disposal of a significant volume of beer. This, combined with consumers' post–crisis

[2] Source: Kauppalehti craft brewery comparison, based on 2023 revenues https://www.kauppalehti.fi/uutiset/kl–perkasi–pienpanimoiden–tulokset–kaksi–erottui–joukosta/a81435e4–322a–4b0e–9163–6623ec8829ef
[3] Source: Financial statements of Finnish breweries for the year 2023
[4] Source: The company's audited financial statements for the years 2019–2024
[5] Lähde: Kauppalehti https://www.kauppalehti.fi/uutiset/rikas–pankkiiri–pelasti–nokian–panimon–parilla–miljoonalla–ja–nyt–se–investoi–isosti–kl–tutustui–hurjaan–historiaan/1dc4fc5e–4d48–4db4–9a82–a65c131ec34b

perception of beer brewed in potentially contaminated water, led to a sharp decline in sales and severely damaged the brand image.[6]

A private investment in 2008 saved the company from bankruptcy and a broad restructuring was done

A major turning point came in 2008, with a significant investment from Oy Scripo AB. Following the change of ownership, a plan was made to save the brewery so that Nokian Panimo could pay its debts and start a new phase. This crucial investment and plan included the modernization of production facilities, the reorganization of management, and a focus on the Keisari brand.

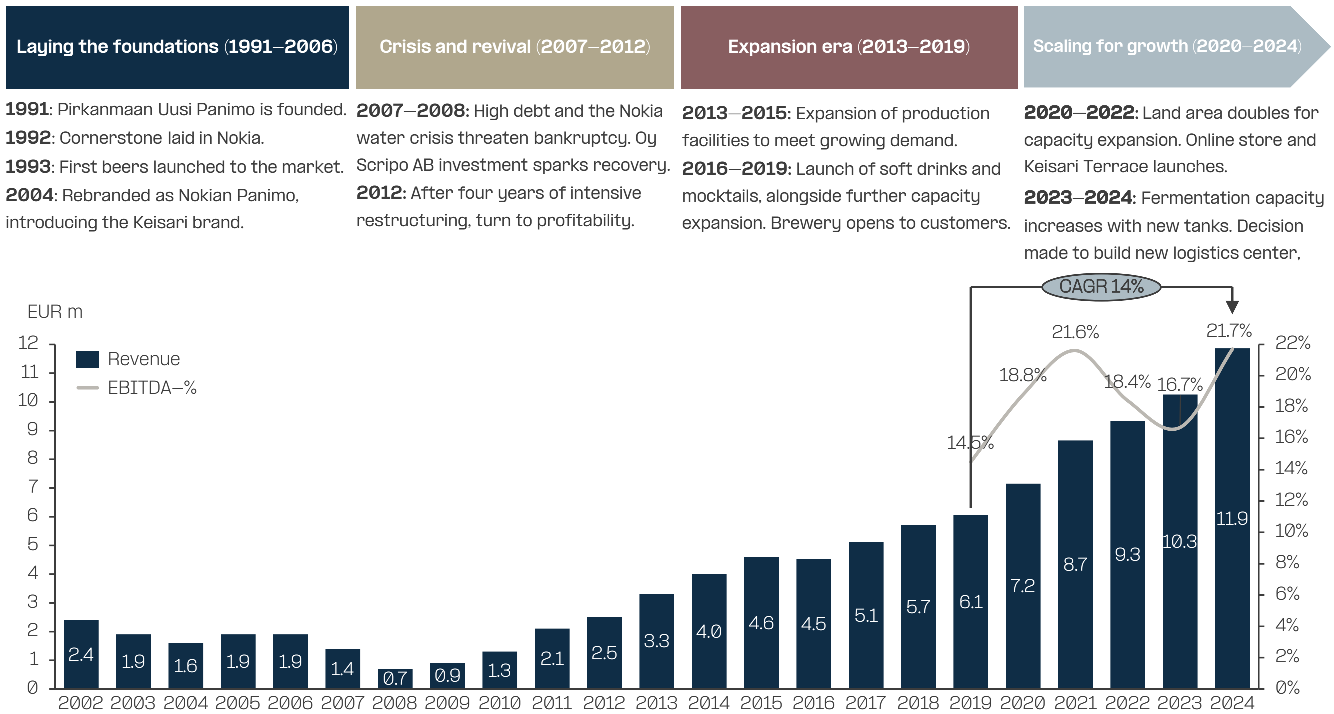
2010's saw growth, profitability and facility upgrades

By 2012, the changes had turned Nokian Panimo to profitable growth. With the growing demand, the company began expanding its production facilities the following year. From 2016 to 2019, the company expanded its range of soft drinks and other non-alcoholic beverages, responding to market trends that favoured a wider selection and healthier options. In particular, the company launched the Sun'n soft drink brand, which became a success and inspired other smaller producers to expand into the soft drink market. During the same period, the brewery opened its doors for consumer visits.

Further investment into production capacity ahead to avoid product unavailability during seasonal spurges

In the 2020s, Nokian Panimo has continued investments to meet market demand, including the addition of a new brewhouse in 2022 and significant facility upgrades to support its rapid growth. To meet the continuously growing demand and sustain its growth trajectory, Nokian Panimo announced its largest-ever investment in November 2024: the construction of a new logistics center, which is set to be completed in May 2025 with a total value of EUR 4.4 million. The new logistics center is expected to enhance the management of raw materials and finished products, while also improving delivery reliability and reducing logistics costs. The investment will also enable the expansion of production capacity and thus address challenges such as seasonal demand surges and production bottlenecks, as the project will open space from the current storage facility that can be repurposed for production use in the future. Looking ahead, the wheels are in motion for further growth and the company has a medium-term investment plan worth around EUR 10 million (including the logistics center investment), which aims to enable production capacity to exceed 12 million liters of beer by 2029.

Figure 1: Nokian Panimo's history




Source: The company's audited financial statements for the years 2004–2024, Evli Research

[6] Source: Nokian Panimo Nokian Panimo https://nokianpanimo.fi/tarina/

## Business model overview

Nokian Panimo produces high–quality beverages using local ingredients…

Nokian Panimo's operations revolve around producing high–quality beer and beverages for the Finnish market at its modern production facility in Nokia. The company is committed to use local raw materials wherever possible, ensuring both product quality and sustainability. After production, beverages are canned and stored on–site for future distribution.

…with distribution across Finland

Distribution of the company's products extend nationwide, supplying retailers, restaurants, and bars, while direct sales are facilitated through the brewery's premises, online store and various events hosted by the company. Nokian Panimo's products portfolio includes a variety of beverages, including beers, ciders, cocktail–like mixed drinks, soft drinks, mocktails, mixers and as the latest addition, long drinks. The company is especially known for its Keisari beers and Sun's soft drinks.

### Production process

The bedrock of production is the beer brewing process

The beer brewing process begins with the handling and grinding of malts, which are crushed to prepare them for mashing. In the mashing process, the malt is mixed with hot water, allowing sugars to be extracted. The resulting mash is then filtered to separate the wort, which is then boiled, and hops are added to develop flavour and aroma. After boiling, the wort undergoes clarification and is rapidly cooled by passing through a heat exchanger before entering the fermentation tank. Once cooled, oxygen is added to progress fermentation. Yeast is then introduced, converting the extracted sugars into alcohol and carbon dioxide. After fermentation, the yeast is collected for reuse in future batches. Following fermentation, the beer enters the maturation phase, where it develops its final flavour and aroma and is cooled to 2 degrees Celsius and matured at this controlled temperature. After maturation, the beer is filtered to remove yeast and other remaining particles. Finally, carbon dioxide is added to achieve the desired carbonation before the beer is ready for packaging and distribution.

Streamlined production process for beverage mixtures

The process of producing soft drinks and other beverage mixtures is different and more streamlined compared to the beer brewing process. It starts with dissolving sugar, whereafter flavour and colour additives are inserted. After that acidity is adjusted to the preferred level and carbon dioxide is added before packaging. Nokian Panimo's ciders are alcoholic beverage blends, produced using a wine base and thus differ from traditional cider production.

In–house packaging of 5000 liters per day, with planned investments in innovative canning technologiess

The final stage of the production process for both beers and beverage mixtures is the packaging. Packaging is conducted entirely in–house, with all beverages being packaged in aluminium cans or 30–liter kegs. The canning line currently operates at 5,000 liters per hour, equating to an annual capacity of approximately 15 million liters, according to our estimates, assuming 12–hour shifts for 250 days. While the company is evaluating future investments in canning systems, there are no current bottlenecks in packaging. Currently, the company offers cans in 0.33L and 0.5L sizes but is considering investing in another canning line for 0.25L slim cans. Slim cans are growing in popularity, especially in the mixed drinks category, and could enhance competitiveness. However, we believe that in the near term, investments in expanding production capacity will take precedence.

## Raw materials

More than 80% of the company's euro-denominated raw material purchases were domestic in 2024

Nokian Panimo aims to use local raw materials whenever possible, as long as their quality, competitiveness, and availability meet the defined criteria. For the production of Keisari beers, the primary raw materials used are domestic water, malt, and yeast. In addition to this, the company uses sugar and liquid gas, as well as various aromas, syrups and juice concentrates for beverages mixtures. Hops, corn and carbon dioxide are broadly the only raw materials sourced from abroad. Hops is typically sourced from Germany, Poland, the US and New Zealand, although the company aims to start using locally produced hops in the future if the situation allows. Domestic hops have already been used in production, but its availability remains limited. Corn and carbon dioxide are typically procured from the UK and EU, respectively. In 2024, 81.9% of the company's euro-denominated raw material purchases were domestic, and 18.1% were foreign.

Almost all of the company's malt are procured from Finland

In 2024, the company used 980,000 kilograms of domestic barley malt compared to just 500 kilograms of imported malt, underscoring its strong commitment to local sourcing. The quality of the barley harvest plays a crucial role in determining whether it can be malted for beer production. The malt used in Nokian Panimo's production is delivered directly to the malt silo connected to the company's production facility. Specialty and organic malts, however, are stored separately from conventional malts to maintain quality and consistency.

Strict water quality control and purification methods

The company sources its water from the city of Nokia's water utility, which is responsible for ensuring its quality and provides written water analyses upon request. To further guarantee water purity, Nokian Panimo employs a microfiltration and UV purification system. The company also monitors water quality through external chemical analyses and annual in-house testing. Water composition is adjusted with lactic acid, minerals, and enzymes to optimize quality and brewing efficiency.

Local sourcing is an important value for the company, and it proudly carries origin labels

Being a primarily local provider is a core value for the company and has granted it the right to use origin labels like "Hyvää Suomesta" and "Avainlippu", signifying its commitment to domestic production practices.

## Production capacity

Brewhouse capacity of 15 million liters

Nokian Panimo's annual brewing capacity, referring specifically to brewhouse operations (wort boiling), stands at approximately 15 million liters, around 2.5 times its 2024 beer sales volume and the brewhouse is operated in three shifts during the weekdays. The company has already surpassed its medium–term capacity target of 12 million liters in brewhouse capacity, meaning no major investments are required for wort boiling at this stage. This capacity has been bolstered by the completion of a new brewhouse in 2022, which tripled brewhouse efficiency and reduced energy consumption.

Fermentation capacity is the main bottleneck

Currently, the main production bottleneck lies in fermentation tank capacity, which is 8 million liters per year under continuous, stable production. However, in practice, this capacity cannot be fully utilized due to fluctuating demand. Demand peaks during high seasons and is not evenly distributed, requiring additional capacity to handle these surges. To account for seasonality and downtime for maintenance, we estimate that fermentation capacity should be 1.3 to 1.4 times the annual production.

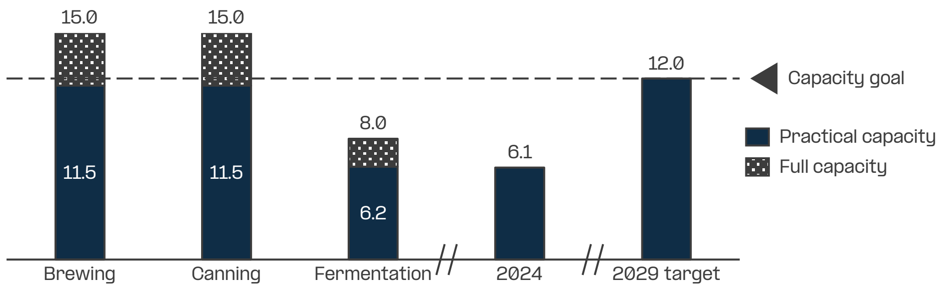
Capacity has already been increased...

In 2023, five new fermentation tanks were deployed, increasing capacity by 10%. Further expansion of fermentation capacity is expected to be a priority in the medium–term investment plan. At the turn of the year, a new 50–cubic–meter tank was procured, adding around 0.5 million liters of additional capacity according to our estimates. Despite this procurement, the current fermentation capacity might limit production in 2025, which could slow down revenue growth.

...and we see additional investments as critical in the near future

We believe that expansion of fermentation tank capacity will be prioritized as a critical investment in fall 2025 when evaluating next steps taken in the investment plan, which would support the 2026 season. We estimate that a fermentation tank adding 1 million liters of capacity costs approximately 0.2m, excluding setup and other associated costs.

Figure 2: Beer production capacity vs. 2024 sales and 2029 capacity target, m liters




Source: Nokian Panimo, Evli Research estimate
Note: The practical capacity is an estimate using 1.3x as a factor. Canning capacity includes other beverages as well.

## Sales channels

Nationwide availability through grocery chains and smaller retailers ensures products reach a broad audience...

In 2024, 84% of Nokian Panimo's sales came from Finland's largest grocery store chains, including S Group, K Group, and Lidl, which together accounted for more than 92% of the Finnish grocery sector in 2023 (The Finnish Grocery Trade Association, PTY). This extensive presence provides the brewery's products nationwide visibility. Additionally, 4% of the company's sales were generated through smaller retailers such as Tokmanni, Wolt, Verkkokauppa.com, and other smaller retailers. These partnerships across both large and small retailers ensure that Nokian Panimo's products are accessible to a wide customer base throughout Finland.

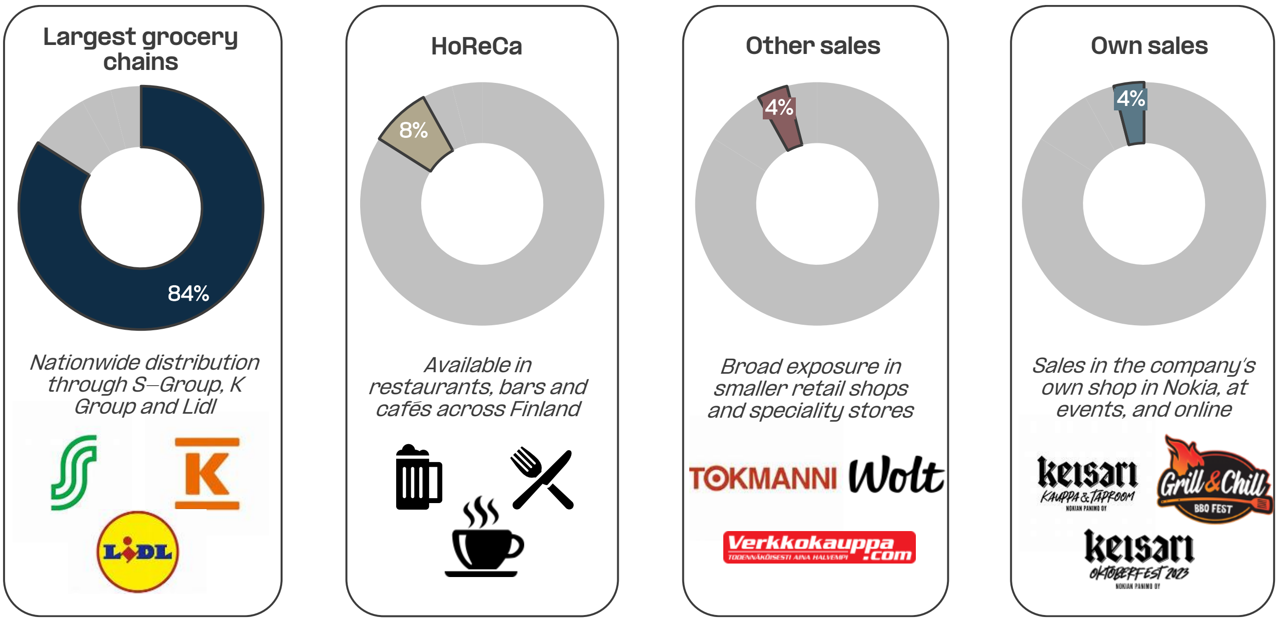
...complemented by widespread exposure in the hospitality industry across Finland

Beyond grocery stores, 8% of Nokian Panimo's sales are generated from the hospitality industry, particularly bars and restaurants across Finland. These venues offer an important channel for broadening the brewery's reach and brand presence. Following the post-pandemic recovery, on-premise consumption increased in 2022 and 2023 (THL[7]), and we expect Nokian Panimo's HoReCa sales to have grown in recent years as well.

Own sales directly to consumers

In addition, the company drives direct-to-consumer sales through various events, its Keisari Store & Taproom at its own facilities, and its summer terrace. These channels are further strengthened by the Keisari Experience brewery visit tours, which offer consumers an engaging way to connect with the brand. To expand its direct sales capabilities, Nokian Panimo launched an online store in 2020, allowing customers to conveniently purchase non-alcoholic products for delivery and alcoholic beverages for brewery pick-up. Currently, online sales represent only a small fraction of revenue, but potential legislative changes permitting alcohol deliveries could exponentially increase this segment. We expect the company to grow direct-to-consumer sales by for instance expanding its event portfolio to complement its existing structure. In addition to generating sales, these events play a key role in strengthening brand value and consumer engagement.

Figure 3: Nokian Panimo's sales channels




Source: Nokian Panimo, Evli Research
Note: The revenue distribution is calculated based on management reporting revenue, which does not take into account the company's sponsorships and samples.

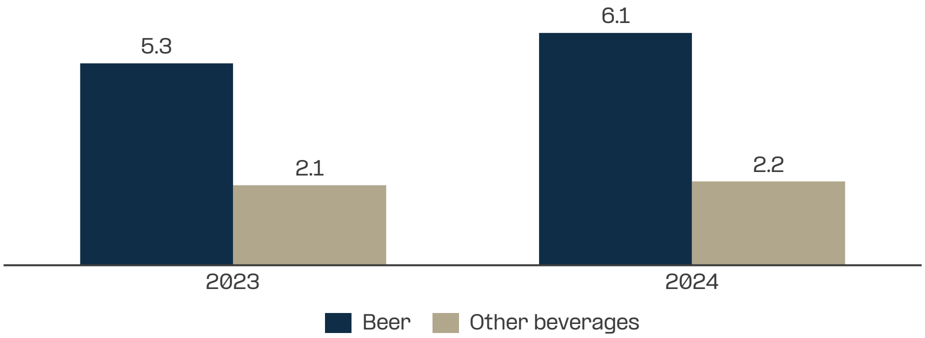
[7] Source: THL (Alcoholic beverage consumption, 2022 and 2023, Statistical report)

## Product offering

Wide array of beverages, with beer being the main contributor

Nokian Panimo is primarily recognized for its Keisari and Sun'n brands but has successfully diversified its offering to include a variety of other beverages. In addition to its signature beers and soft drinks, the brewery offers an extensive selection of other beverages including mixed drinks, low-alcohol beers, and non-alcoholic alternatives.[8] As of 2024, the beers category remained the dominant revenue contributor, accounting for approximately 73% of total sales. The remaining 27% of revenue came from the other beverages category, highlighting the company's growing presence in the broader beverage market.

Figure 4: Sales volume, million liters




Source: Nokian Panimo, Evi Research

Strategic expansion beyond beer, aligning with consumer trends

While no public data is available on the revenue mix per product offering prior to 2023, we believe the company's expansion into non-alcoholic beverages gained significant momentum in 2016 with the launches of the Sun'n soft drinks and Mocktails series. Although the company had already offered non-alcoholic options before 2016, they remained a minor part of the portfolio due to higher production costs. Thus, the 2016 launches marked a strategic shift in Nokian Panimo's approach, reflecting a broader move to diversify beyond beer. As consumer preferences continue to lean towards low- and non-alcoholic options, these evolving trends are increasingly shaping the future of the beverage landscape, particularly in light of declining per capita alcohol consumption in Finland.

Other interesting opportunities on the market

Despite its growing portfolio, Nokian Panimo still has untapped opportunities in high – growth categories like non-alcoholic beers, vitamin drinks, mineral waters, and sports drinks – segments experiencing rising demand, where competitors such as Olvi and Hartwall have already established a foothold. Expansion into these categories could offer meaningful revenue potential and further diversify the company's portfolio. However, the segments, such as energy drinks and vitamin waters, are highly competitive with well-established players, making entry challenging. The company previously attempted to enter the energy drink market but, to our understanding, exited due to underwhelming performance for the product.

### Beer

Close to 2% market share in the beer category

Nokian Panimo is best known for its Keisari beer family, which captures slightly below 2% of Finland's beer market. The portfolio includes around 15 different beers in regular production, which are distributed through both retail and HoReCa channels nationwide. In addition to these core offerings, the Keisari brand has in recent years featured seasonal beers for summer, winter and Christmas, as well as various one-off brews. These one-offs are produced for the Keisari Summer Terrace, as tailored solutions for the HoReCa sector and for beer festivals[9].

[8] The company's product portfolio does not include alcoholic beers
[9] Source: Nokian Panimo audited financial statements 2019-2024

Beer portfolio includes traditional beers, specialty beers and low–alcohol options

The Keisari portfolio combines well–established core products and seasonal brews. All Keisari beers are developed and produced at the company's modern production facility and the selection spans from traditional beers like lagers and ales, to specialty beers with unique flavours, brewing methods, or ingredients. The company also offers low–alcohol beers, which further strengthen the company's position in the fast–growing low–alcohol category.

Defined pricing strategy to address to a broad audience

The company employs a tiered pricing strategy designed to address a broad and diverse consumer base. Product offerings are segmented into three distinct categories based on price positioning and strategic role: volume products, commercial products, and premium products. Pricing decisions are made collaboratively by the CEO, Sales Director, CFO, and Head of Product Development. The pricing framework is primarily driven by three key factors: production costs, expected demand, and market benchmarking, particularly in relation to peer products within the competitive landscape. Each pricing tier fulfils a specific strategic function.

…with different price points and qualities

**Volume products** represent the lowest price point and the highest sales volume, making full use of production capacity while attracting new consumers to the brand. This category includes, among others, the company's best–selling product, Keisari Lager, which has a significant impact on both revenue and profitability. **Commercial products** are positioned at a mid–level price point, offering an attractive balance of profitability and volume. In contrast, **premium products** sit at the highest price point and lowest volume yet play a central role in brand communication and image–building. These products aim to convey a sense of high quality and reinforce a premium brand perception.

Figure 4: Pricing strategy suiting for a diverse consumer base


Source: Nokian Panimo, Evli Research

### Other beverages

27% of sales volume in 2024 from other beverages

Since 2016, Nokian Panimo has actively expanded its portfolio beyond beer. In 2024, the other beverages segment accounted for approximately 2.2 million liters, or 27% of total sales volume (2023: 2.1m liters, 28%).

Sun'n is the bedrock of the soft drinks offering, while Hometown Lemonade family is a newer addition

Soft drinks have become an increasingly important part of Nokian Panimo's product range. The company's key offerings in this segment include the brands Sun'n and Hometown Lemonades, which target non–alcoholic beverage consumers. The Sun'n brand, launched in 2016, has shown strong performance and continued expansion in the 2020s, and currently consists of nine different flavoured soft drinks. The Hometown Lemonades, introduced in 2024, are positioned as high–quality, juice–based soft drinks, which include ~25% less sugar compared to ordinary soft drinks. Unlike many competitors in the microbrewery space, Nokian Panimo's notable involvement in the soft drinks market offers a point of differentiation and may serve as a hedge against changing alcohol consumption patterns.

Shift beyond beer also evident in the alcoholic beverage category, reflecting customer preferences

In addition to beers and soft drinks, the company's portfolio also includes other beverage categories. We believe the company has adapted its production strategy in response to shifting consumer trends and thus broadened its offering in ready-to-drink alcoholic mixes and long drinks. This transition gained momentum in 2023 with the launch of a new cocktail family, in line with broader market trends favouring mixed alcoholic beverages. Unlike beer, the products in the cocktail beverage family are not brewed or fermented, making them, to our understanding, easier and quicker to produce.

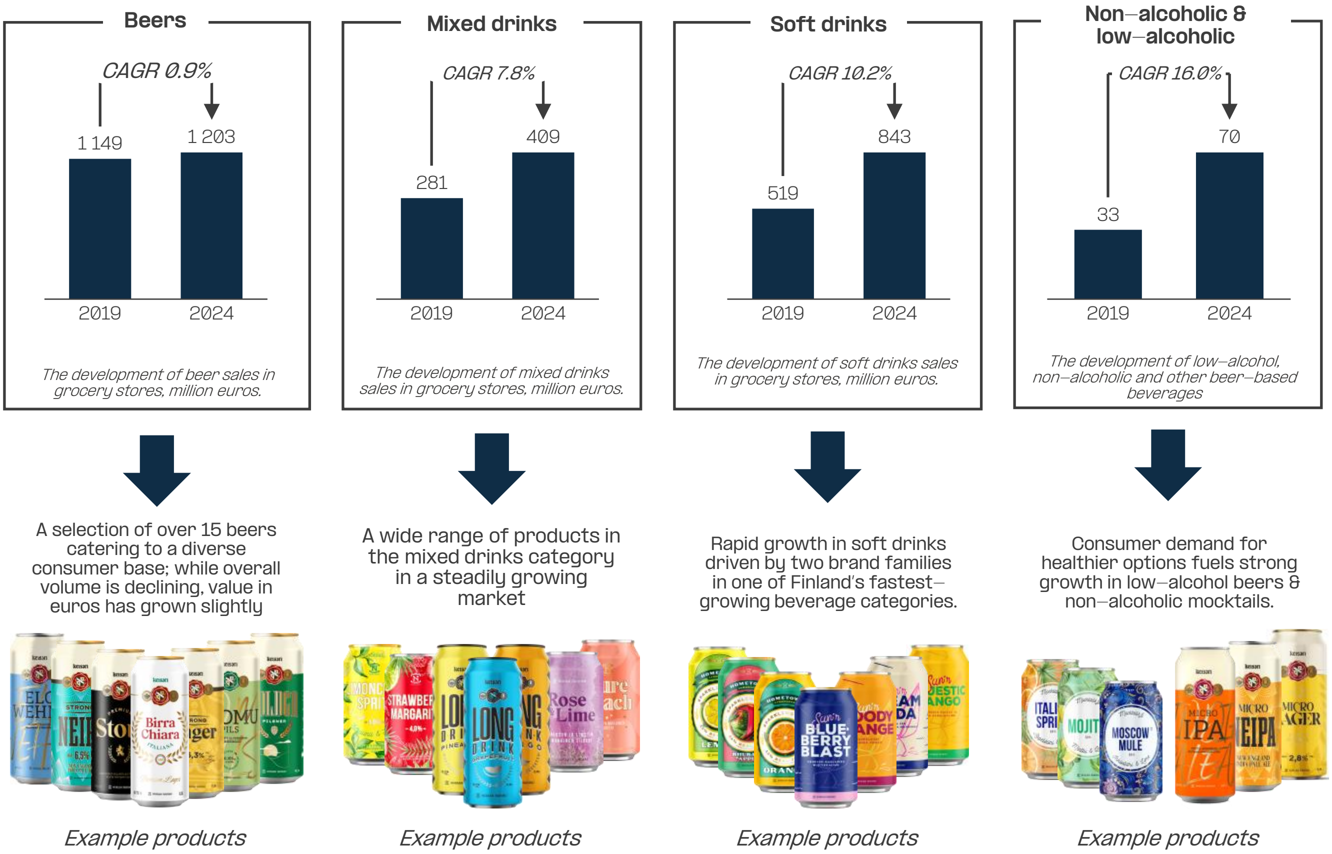
The company launched three different long drinks in 2025

The pivot towards other alcoholic beverages continued in 2025, when Nokian Panimo expanded its alcoholic product range by launching three long drinks under the established Keisari brand. The products are made by blending gin or high-quality fermented ethanol with other ingredients, such as flavourings. While the launch aims to strengthen the company's position in a well-established product category among Finnish consumers, the segment remains highly competitive, and gaining meaningful market share may present challenges due to strong brand players.

Offering also includes cider, mixers and mocktails

In addition, cider has remained part of the company's product portfolio, although its sales have declined more rapidly than the overall alcoholic beverage market in recent years, leading to a reduction in its relative share within the company's broader offering. The company also offers tonic beverages, designed for use in drink preparation, as well as a mocktail range, which, according to the company, has gained popularity in recent years, reflecting the ongoing consumer shift toward low- and non-alcoholic beverages.

Figure 6: Grocery trade market trends 2019 to 2024 and Nokian Panimo's product catalogue




Source: The Finnish Grocery Trade Association (PTY), Nokian Panimo. Evli Research

## Product development

Ideation begins with listening to consumers and following beverage trends

Nokian Panimo follows a structured yet flexible product development process, beginning with monitoring global beverage trends and customer feedback. The first step in product creation involves ideation, and strategic decisions include whether to craft a product targeting new or existing customers. Once the concept is defined, a sample batch is crafted for initial testing in the company's laboratory and later in its small-scale brewery. These small batches are then refined through feedback gathered from customers at Keisari Store & Taproom or other selected target groups.

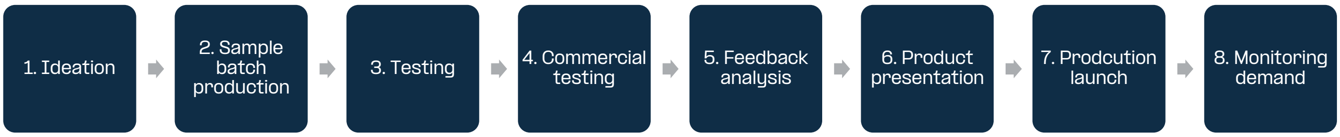
Successful test batches are then scaled up

If the product receives positive feedback, it enters the commercial testing phase. At this stage, the product is scaled up to a larger batch and can be tested for example in events hosted by the company to assess its market potential. Feedback gathered during this phase helps determine whether the product is ready for a wider launch or if it requires further refinement. If deemed successful, the product proceeds to the final stages of development, where details such as flavour, appearance, and product information are finalized around 6 months prior to launch. If there is no indication that the product will succeed, development can be halted without significant sunk costs.

With three decades of experience, sales development has become more predictable

Before the final launch, scaling for larger production is practiced, with some fine-tuning still taking place. Once the product hits the market, sales are closely monitored. With years of experience, the company can typically determine quickly whether a product is a hit or a miss. Underperforming products are proactively phased out, ensuring that shelf space is reserved for stronger offerings while maintaining good customer relationships. This extensive experience in product development and market monitoring enables the company to quickly identify and respond to changing consumer preferences.

Figure 7: Production development process




Source: Nokian Panimo, Evli Research

## Strategy

The foundation for future growth is built on satisfied stakeholders and efficient operations

Nokian Panimo's mission is to transform thirst into a pleasure, guided by a vision to set the standard as the best microbrewery across all key metrics. This ambition reflects the company's commitment to continuous improvement and innovation in a highly competitive industry. In recent years, the company has demonstrated strong growth and profitability, which is a testament to its ability to deliver products that resonate with customers and consumers. Looking ahead, the company aims to sustain its upward trajectory while maintaining strong profitability levels. To achieve this, its growth strategy lays on four main pillars: consumer satisfaction, customer satisfaction, employee satisfaction, and cost efficiency.

- **Consumer satisfaction** is at the core of the company's focus, as satisfied consumers are loyal, recommend the company's products, and share positive experiences. Nokian Panimo is particularly focusing on its products quality, measured by taste, freshness, consistency, safety, and responsibility. In a competitive market environment, where the company expects competition to intensify, continuous product innovation is key to be able to offer products aligning with demand and keep consumers engaged and loyal. The company's focus on following industry trends is a vital element here, enabling it to adapt to changes in customer preferences.

- **Customer satisfaction** is another key focus for Nokian Panimo, as ensuring the availability of its products is essential before they can reach consumers. The competition for shelf space in retail is tough and thus the company needs to justify its products' value and differ from the mass. Nurturing the relationships is essential and involves continuous interaction with retailers to be able to provide them with competitive products, ensuring mutual satisfaction. In our view, addressing production capacity limitations will also play a part in the future in being able to meet customer needs in the long term and avoiding "out-of-stock" situations that could strain relationships and hinder sales growth.

- **Employee satisfaction** is another cornerstone, and the company highlights that a healthy and motivated workforce is a key to its success. By fostering a culture of psychological safety and open communication, the company ensures employees feel valued. Investments in the company's production facility also mean improvements in working conditions, enabling more efficient work distribution.

- **Cost efficiency** is a priority for the company, focusing on effective working capital management and strict control of fixed costs. The company negotiates payment terms, closely monitors receivables, and continuously improves sales forecasting and inventory management. Investments in automation improve labor efficiency and reduce production costs.

Figure 8: Nokian Panimo's mission, vision and value proposition


Source: Nokian Panimo

## Investment plan

EUR 10m investment plan for the strategic period 2025–2029

As part of its strategic plan for 2025–2029, the company has outlined a EUR 10 million investment plan aimed at supporting growth and enhancing operational efficiency. According to the company, this investment will enable production capacity to exceed 12 million liters of beer by the end of 2029. In 2024, the company sold 6.1 million liters of beer, with current theoretical production capacity for beer limited to ~8 million liters due to constraints in fermentation capacity. The investment initiative began in 2024 with the construction of a new logistics center, covering around 2 350 square meters. The total cost of this project exceeds EUR 4 million, accounting for over 40% of the overall investment plan.

Logistics centre investment financed with debt and cash–flow financing

The logistics center, built on the company's premises, enhances operational efficiency by providing expanded and more structured storage capacity. The facility will also help prevent production bottlenecks and handle increased demand, particularly for seasonal products. Construction is expected to be completed in May 2025. The investment is being financed through an EUR 3.2 million bank loan, with the remainder covered by cash–flow financing.

Investments, especially in capacity, are needed to successfully navigate the growth strategy

Future investments have been mapped out to accelerate organic growth and strengthen the company's market position. Nokian Panimo's investment strategy is focused on enhancing production capacity, improving operational efficiency, and strengthening sustainability. In addition to this, the company is considering other investments supporting its competitiveness. We view the capacity increasing investments as the most relevant one's, with fermentation tank capacity being the most critical one. The company has had difficulties to match demand in high–seasons in many of the recent years and thus we expect around 50% of the investments to be focused on capacity and operational efficiency.

Figure 9: Nokian Panimo's outlined growth investments

**Capacity and operational efficiency**

- Enhancing mixed drinks production quality and capacity
- Expansion of fermentation capacity (incl. fermentation tank hall and fermentation tanks)
- New packaging line for canning capacity and slim cans

**Sustainability and energy efficiency**

- Procurement of solar panels
- Carbon dioxide recovery system
- Replacing liquefied gas in steam production

**Other competitive factors**

- Alcohol removal equipment and associated rapid pasteurization
- Reorganization of maintenance operations
- Packaging line for various sizes and innovative packaging solutions
- Enterprise Resource Planning system

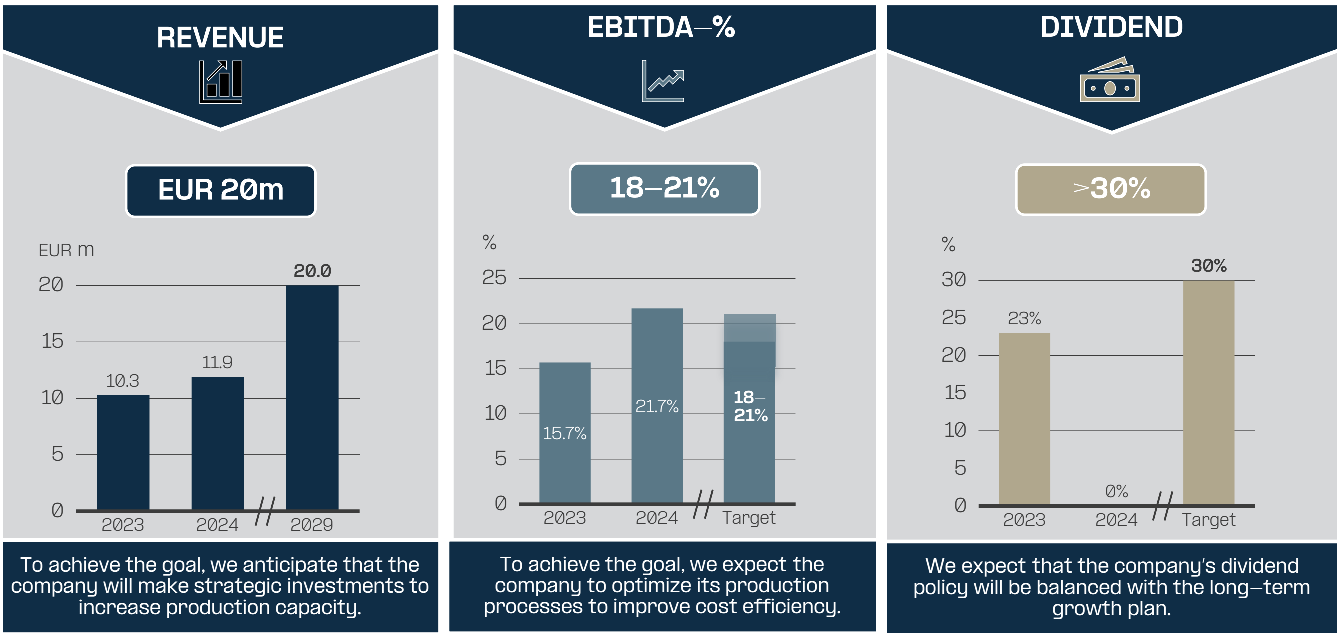
Source: Nokian Panimo, Evli Research

## Financial targets

Financial targets reflect recent years growth and profitability

Nokian Panimo's financial targets for the 2025–2029 strategy period, along with its dividend policy, are outlined below. These targets align with the company's historical financial performance. Despite the challenges posed by declining alcohol sales and tough competition, we believe Nokian Panimo's strong product portfolio, brand reputation, and proven track record make these ambitious targets achievable.

Figure 10: Long-term financial targets for the strategic period 2025–2029




Source: Nokian Panimo. Evli Research

Achieving revenue goal by 2029 depends on how the investments and growth strategy is implemented

Nokian Panimo aims to grow its revenue from EUR 11.9m to EUR 20m during the 2025–2029 strategy period, representing a CAGR of approximately 11%. Achieving this growth will in our view rely significantly on investments in capacity expansion. While we believe the company is positioned to meet its revenue target by 2029, much of the success will depend on how effectively these expansion investments are executed. The company's history of maintaining performance and growth even in a declining market is a testimony of the strength of its product portfolio and brand, suggesting that the company is capable of increasing its market share and continuing on its growth path.

Historical five-year average EBITDA margin in line with long-term targets

Nokian Panimo targets an annual EBITDA margin of 18–21% over the strategic period. In 2024, EBITDA increased by over 50%, rising from EUR 1.7 million to EUR 2.6 million, lifting the margin to an impressive 21.7%. According to the company, this improvement was driven by an enhanced product portfolio, increased productivity, and price adjustments – all factors we expect to deliver lasting benefits. Historically, the company has consistently exceeded the 18% EBITDA margin level, with a five-year average above this threshold, underscoring its ability to maintain solid profitability in an industry known for tight margins and fierce competition.

Reasonable profitability target amid scaling and shifting cost structure

While the margin target is slightly below the strong 2024 result, we view it as justifiable in light of expected cost increases related to scaling operations and the planned IPO. Profitability will also be affected by the gradual reduction in excise tax benefits as production volumes increase. That said, we expect these headwinds to be offset by economies of scale and improved operational efficiency as the strategy progresses. Although the target may appear conservative relative to the previous year, it reflects a measured approach to balancing growth investments with profitability. Achieving an

18% EBITDA margin during an investment phase would still be a strong result in our view, considering many microbreweries struggle to turn to profitability.

Historical payout ratio in line with distribution target

As a part of its strategy, the company aims to distribute at least 30% of its net income as dividends. However, the ability to distribute dividends is heavily dependent on the financing situation, strategy-aligned investments, and any non-recurring items impacting the results. Between 2019 and 2023, the company distributed, on average, just over 30% of its annual net income as dividends, with payout ratios ranging from 23% to 40%.[10]

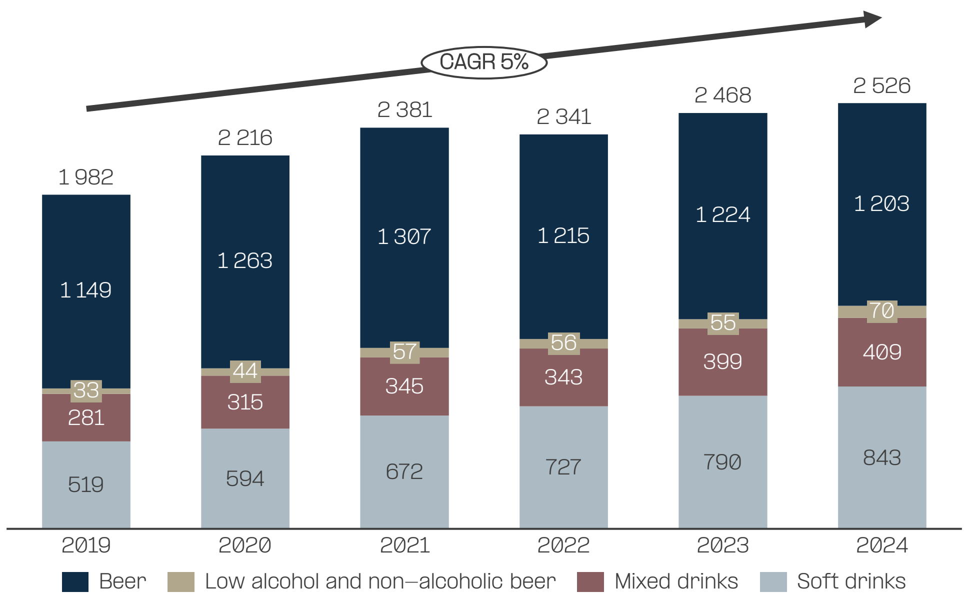
[10] Source: The company's financial statements 2019–2024

## Market overview

Nokian Panimo is active in the Finnish beverage sector

Nokian Panimo operates in the Finnish beverage market, with a presence in both the alcoholic and non-alcoholic segments. Almost 90% of its revenue comes from the sales to the retail sector with major players like S Group, K Group, and Lidl, as well as smaller retailers. According to The Finnish Trade Association (PTY), euro-denominated retail market sales for the company's main product categories have been growing since 2019.

Figure 10: Finnish grocery trade sales by product category, EUR m




Source: The Finnish Trade Association (PTY), Evli Research
Note: Mixed drinks include alcoholic soft drinks and wine-based drinks, excluding ciders. Soft drinks include energy drinks and wellness drinks.

Grocery trade sales for beer, mixed drinks and soft drinks increased 5% on average during 2019-2024

Euro-denominated grocery trade sales across Nokian Panimo's key product categories grew at an average annual rate of 5% from 2019 to 2024. Growth was driven primarily by soft drinks and mixed drinks in absolute terms, while low-alcohol and non-alcoholic beer showed the highest relative growth. Beer sales saw notable spikes in 2020 and 2021 due to the pandemic's impact on on-premise consumption, which shifted to retail consumption, but has otherwise remained relatively stable.

Upward trajectory of grocery trade beverage sales expected to continue

In our view, the growing trend for beverage sales is likely to continue over the coming years. We believe that trendy and innovative offerings such as energy drinks and hard seltzers have and will be major drivers of growth for soft drinks and mixed drinks, respectively. Euro-denominated beverage sales in groceries have been rising amid subdued consumer confidence, and a more robust market environment could further accelerate growth in these discretionary segments. Moreover, beverages sold in grocery retail are generally less expensive for consumers compared to on-premise options, making them an attractive choice. The lower alcohol consumption and changed consumption habits in Finland also supports the continuing growth for low alcohol and non-alcoholic beers. Although beer sales have remained relatively steady without the surges seen in other categories, Finland's deep-rooted beer culture still presents significant opportunities in this large market, as demonstrated by Nokian Panimo's steady growth in beer sales over recent years.

## The alcoholic beverage market in Finland

Alcohol consumption in Finland has been declining since 2007

According to the Finnish Institute for Health and Welfare (THL), the reported overall consumption of alcohol in Finland has been declining since 2007. In 2023, recorded alcohol consumption measured by volume, including both retail and on-premises consumption, declined by 2.4% compared to 2022. Retail consumption saw a 3.0% decrease, while on-premises consumption increased by 1.6%. Retail consumption, which includes purchases from Alko stores, grocery stores, kiosks, and service stations stand for most of the consumption. In 2023, 87% of recorded alcohol consumption came from retail, while only 13% was from on-premises consumption.

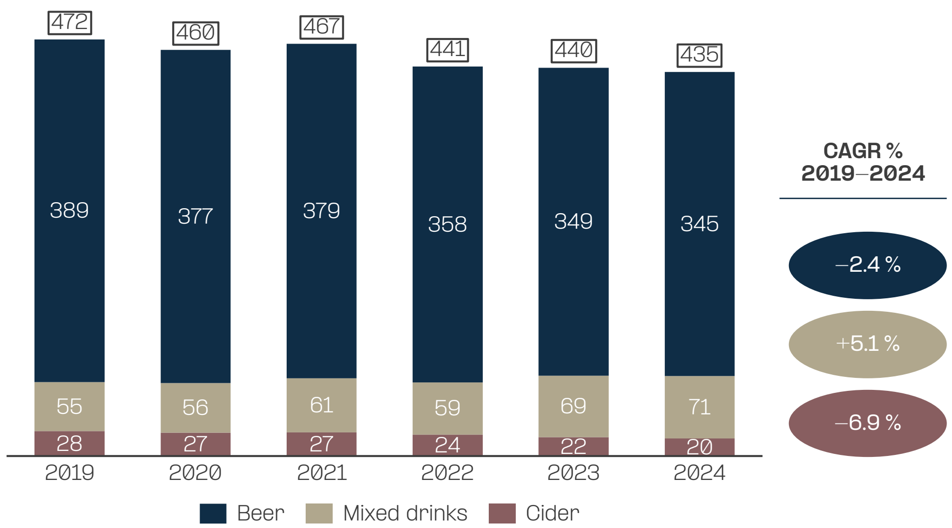
Beer remains the most consumed alcoholic beverage in pure alcohol terms, while mixed drinks share increasing

When measured in pure alcohol terms, beer remains the most consumed category, accounting for 46% of total recorded consumption. Spirits and wines collectively made up 41%, while mixed drinks and cider represented 10% and 3%, respectively. Looking at long-term trends since 2015, the share of most categories has remained stable or slightly declined, whereas mixed drinks doubled from 5% in 2015 to 10% in 2023 (THL).

Total sales volume for Nokian Panimo's most relevant beverage categories have shown a declining trend

Data from The National Supervisory Authority for Welfare and Health (Valvira) shows the market development of the most relevant alcoholic beverage categories for Nokian Panimo: beer, cider, and mixed drinks. While beer remains the largest category, its sales have declined at a CAGR of -2.4% from 2019 to 2024. Mixed drinks, including seltzers, long drinks, and ready-to-drink cocktails, have grown at a CAGR of 5.1%, while cider has seen a drop of -6.9%. In 2024, total sales of alcoholic beverages decreased by 1.2%, although production rose by 8% from the previous year.

Figure X: Recorded retail and on-premises sales of beer, mixed drinks and cider in Finland, million liters




Source: The National Supervisory Authority for Welfare and Health (Valvira), Evli Research

Continuing to increase its market share is realistic, even though large breweries dominate the market

Despite broader industry trends, Nokian Panimo has consistently managed to grow its beer sales and increase its market share. A key factor enabling this success is the large market size, which offers ample room for smaller companies with strong product portfolios, broad reach, and brand recognition. In Finland, microbreweries currently hold a market share of around 5%, and expanding to a double-digit share is entirely realistic, similar to trends seen in North America. Looking ahead, future regulatory changes will play a significant role in shaping the alcoholic beverage industry and microbreweries' position in it, presenting both challenges and opportunities for Nokian Panimo. With its demonstrated ability to adapt and innovate, Nokian Panimo is well-placed to pursue further growth, with its expansion into mixed drinks supporting current success and offering future opportunities.

## The non-alcoholic beverage market in Finland

Consumers are increasingly favouring non-alcoholic beverages

In contrast to the overall decline in alcohol consumption in Finland, the non-alcoholic category – particularly products positioned as substitutes for alcoholic beverages – has benefited from a shift in consumer preferences. As consumers increasingly demand healthier alternatives and embrace wellness, sales in segments such as non-alcoholic beers and mocktails have shown an upward trend.

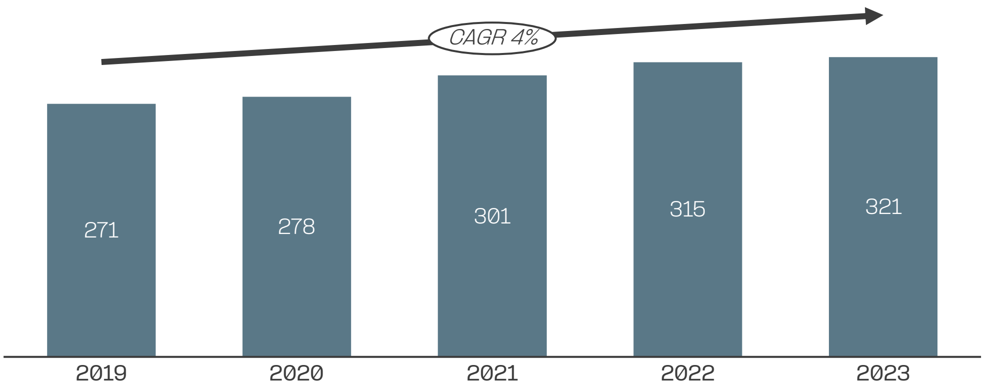
Soft drinks are Nokian Panimo's largest non-alcoholic category, making up a key share of total sales

The non-alcoholic beverage market is an increasingly important part of Nokian Panimo's operations. In 2024, Nokian Panimo's other beverages segment sold approximately 2.2 million liters of refreshments, accounting for 27% of the company's total sales volume. While this segment also includes mixed drinks and other alcohol-containing beverages besides beer, the majority of the product portfolio consists of soft drinks and other non-alcoholic beverages.

Rising demand for soft drinks, fueled by innovation and changing consumer preferences

Nokian Panimo's non-alcoholic product portfolio is centered around soft drinks, a beverage category which has seen favourable market development recently. Over the past years, the market has witnessed a surge in new and innovative soft drink flavors alongside traditional options, introduced by a broader range of producers. One considered factor behind this development is the decline in alcohol consumption among young people, which has contributed to the rising demand for soft drinks and increased interest in new and innovative flavor combinations. According to statistics from the Federation of the Brewing and Soft Drinks Industry (Panimoliitto), the volume of soft drink sales has grown with a CAGR of 4% from 2019 to 2023. While these statistics do not encompass all domestic soft drink sales during the period, the three largest breweries in Finland are included, highlighting the trend and supporting the euro-denominated statistics presented earlier.

Figure X: Domestic sales development in the soft drinks category, million liters



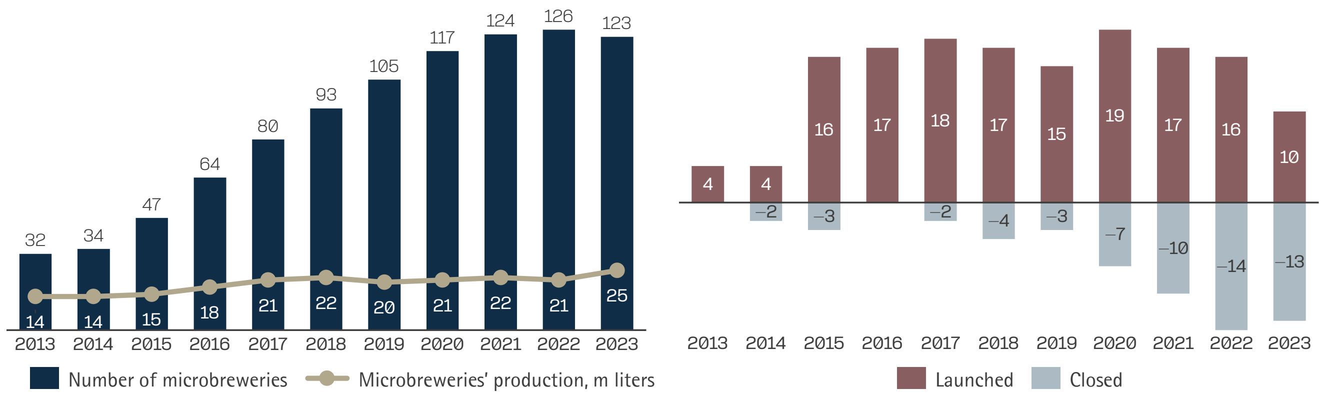

Source; The Federation of the Brewing and Soft Drinks Industry (Panimoliitto), Evli Research
Note: Data includes sales statistics from Finnish Brewery and Soft Drinks Association member companies (Hartwall, MBH Breweries, Momentin Group, Olvi, Red Bull, and Sinebrychoff). The figures do not include sales from non-member companies or unrecorded private imports.

## The microbrewery industry in Finland

The Finnish microbreweries are estimated to account for approximately 5% of total beer sales in Finland

The Finnish microbrewery industry, or craft brewery industry, has expanded significantly over the past decade. However, growth has slowed in recent years, and in 2023, the number of closures outpaced the number of new entrants. While production has increased alongside the number of microbreweries, we believe that much of this growth has been driven by the largest players in the segment, and the growth prospects remain limited. The microbrewery segment is estimated to account for about 5% of total beer sales in Finland.

Figure 13: Development of the microbrewery industry in Finland




Source: Valvira, Evli Research

On average poorly profitable

Despite the expansion in numbers, the microbrewery sector in Finland faces structural challenges, primarily due its capital-intensive nature, which often leads to low profitability, as operations cannot be easily scaled. On average, the industry operates with weak or negative EBIT margins, making sustainable growth difficult. The broader market is dominated by larger industrial breweries such as Hartwall, Sinebrychoff and Olvi, leaving microbreweries to compete in a niche segment where achieving economies of scale is challenging.

Figure 14: Comparison of the largest Finnish microbreweries performance, 2023

| Company | Revenue | EBIT-margin | CAGR 2019-2023 |
|---|---|---|---|
| Laitilan Wirvoitusjuomatehdas | 23.4 | 6.2% | 5.6% |
| Nokian Panimo | 10.3 | 10.1% | 14.0% |
| MBH Breweries | 4.6 | -3.8% | 6.1% |
| Fat Lizard Brewing Company | 3.6 | -4.2% | 12.6% |
| Teerenpeli Panimo & Tislaamo | 2.8 | -6.1% | 3.4% |
| Stallhagen | 2.4 | -127.6% | 4.0% |
| RPS Brewing | 2.3 | 0.4% | 16.1% |
| Lammin Sahti | 1.9 | 3.5% | -2.9% |
| Olarin Panimo | 1.5 | 1.5% | 16.6% |
| Bock's Corner Brewery | 1.5 | 4.6% | 0.6% |

Source: Company websites, Suomen Asiakastieto
Note: RPS Brewing fiscal period until 02/2024.

Longevity sets Nokian Panimo and Laitilan Wirvoitusjuomatehdas apart from other microbreweries

The two clear outliers in terms of performance are Nokian Panimo and Laitilan Wirvoitusjuomatehdas, which have both managed to maintain solid growth and profitability levels over time. The primary factor distinguishing these two from the rest of the industry is, in our view, their longevity. Established in the early 1990s, they are among the oldest microbreweries in Finland. Apart from Lammin Sahti (est. 1985), the other larger microbreweries have been founded in the 21st century. This long-standing presence has allowed Nokian Panimo to build strong brand recognition, scale its operations, and secure a market position that sets it apart from newer entrants.

Head start has positioned Nokian Panimo in a unique market position

Unlike many early competitors that have since ceased operations, Nokian Panimo has successfully carved out a distinct space in the market. In our view, newer and smaller microbreweries typically operate within a fragmented and more localized submarket, while Nokian Panimo, along with a handful of other microbreweries, occupies a unique middle ground, positioning itself as larger than a typical microbrewery but not at the scale of industrial giants. The company's ability to scale and maintain profitability further distinguishes it from most other microbreweries, many of which struggle to achieve sustainable growth and profitability, although we believe there are some challengers that could potentially come closer to their level with time.

### Microbreweries tax reduction

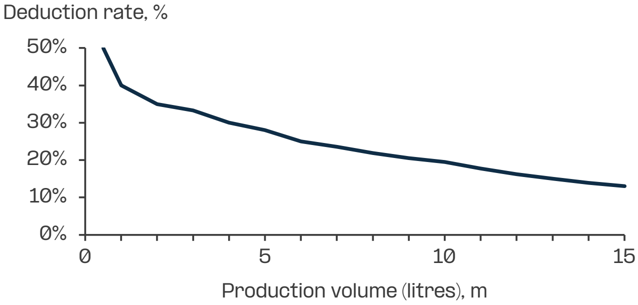
Microbreweries receive tax relief on a tiered basis for the production of beer

Alcoholic beverages are subject to state excise duties. To support their competitiveness, microbreweries receive a tax reduction on the beer excise tax, with the relief applied on a tiered basis depending on the volume of beer produced and its alcohol content. According to the Alcohol and Alcoholic Beverages Tax Act, a brewery qualifies as a microbrewery if:

1. The brewery is legally and financially independent from other breweries.
2. The brewery operates in premises physically separate from those of other breweries.
3. The brewery does not engage in licensed production.
4. Moreover, a microbrewery is allowed to produce no more than 15 million liters of beer during a calendar year

Figure 15: Microbrewery tax relief for beer production

| Volume bracket (liters) | Dedcution rate (%) |
|---|---|
| 0 – 500 000 | 50% |
| 500 000 – 3 000 000 | 30% |
| 3 000 000 – 5 500 000 | 20% |
| 5 500 000 – 10 000 000 | 10% |
| 10 000 000–15 000 000 | No deduction |




| Production volume (liters) | Effective reduction (%) |
|---|---|
| 500 000 | 50.0 % |
| 1 000 0000 | 40.0 % |
| 2 000 000 | 35.0 % |
| 3 000 000 | 33.3 % |
| 4 000 000 | 30.0 % |
| 5 000 000 | 28.0 % |
| 6 000 000 | 25.8 % |
| 7 000 000 | 23.6 % |
| 8 000 000 | 21.9 % |
| 9 000 000 | 20.6 % |
| 10 000 000 | 19.5 % |
| 10 000 000–15 000 000 | 19.5–13.0% |
| >15 000 000 | Not classified as microbrewery |

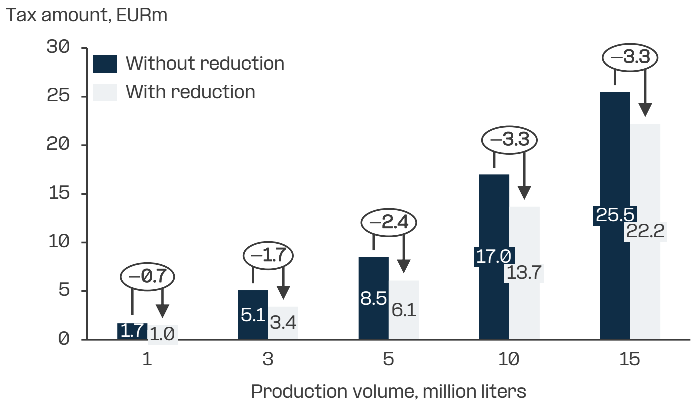
Source: Finnish Tax Administration (Verohallinto), Evli Research
Note: The tax relief decrease progressively as production increases — each bracket's relief only applies to production within that range. Excess production moves to the next bracket with a lower relief rate.

Tax benefits depend on alcohol containment level and the amount produced

Through making some calculations we have modelled the euro–based effect on different production levels for beer. The calculations are illustrated below. According to the Finnish tax administration (Verohallintu), alcohol tax per 1 litre of beer based on different amount of alcohol content are as follows:

1) Non–alcohol containing beers → No alcohol excise duties
2) Beer – more than 0,5% but no more than 3.5% → Excise duty on alcohol EUR 0.14–0.99
3) Beer – more than 3.5% but no more than 8% → EUR 1.3–2.9

Figure 16: Impact of microbreweries' tax relief on alcohol excise tax




| Production volume, million liters | Alcohol tax without deduction, EUR m | Alcohol tax with deduction, EUR m | Savings, EUR m | Savings, % |
|---|---|---|---|---|
| 1.0 | 1.7 | 1.0 | 0.7 | 40.0 % |
| 3.0 | 5.1 | 3.4 | 1.7 | 33.3 % |
| 5.0 | 8.5 | 6.1 | 2.4 | 28.0 % |
| 10.0 | 17.0 | 13.7 | 3.3 | 19.5 % |
| 15.0 | 25.5 | 22.2 | 3.3 | 13.0 % |

Source: Evli Research, vero.fi
Note: For this example, we have assumed an average pre–reduction tax of EUR 1.7 per liter, based on an average alcohol content of 4.7%

In 2024, the tax relief from alcohol excise tax was around EUR 2.2m

In 2024, the effect of the excise tax relief for Nokian Panimo was approximately EUR 2.2 million – an amount slightly below its EBITDA. Under the current Finnish tax framework, breweries producing less than 15.0 million liters of beer annually are eligible for the graduated excise duty reduction. However, this benefit is fully forfeited once production exceeds the 15.0 million liter threshold. For a brewery previously entitled to the relief, crossing this limit would imply a loss of up to EUR 3.3 million annually in deductions, assuming it produced exactly 15.0 million liters the previous year.

Increasing volumes and scale efficiencies offset the gradual decline in the effective tax benefit

Although the tax relief gradually diminishes as production increases, we believe the impact on Nokian Panimo's profitability will remain limited as long as a portion of the relief is retained. In our view, increasing volumes and scale efficiencies are likely to offset the gradual decline in the effective tax benefit. For instance, a simplified comparison between 6 and 7 million liters of annual production shows that the effective excise tax relief would only decline from 25.8% to 23.6%, while the total euro–denominated relief would continue to grow in line with the growth in production volume.

Production needs to increase by 2.5 times from current levels to lose the tax benefit

With beer production totaling slightly above 6 million liters in 2024, the company would need to increase output by 2.5 times to reach the 15.0 million liters cap. For context, it took the company eight years to 2.5x its total production volume (incl. other beverages) to the current level of 8.3 million liters. As such, we view the loss of the tax benefit as a distant concern, as this level of production remains a long way off.

Growth is not restricted by beer production

Moreover, the company is not restricted in its ability to grow overall production, as the beer–specific production threshold does not apply to other beverages. This means that the company can increase its volume in other beverages without an impact on the microbrewer status and the tax benefit for beer.

## Competitive landscape

Main competition from domestic brewery companies with broad reach and foreign producers

Given the company's extensive product availability across Finland its primary competition comes from larger breweries like Hartwall, Sinebrychoff, Olvi and foreign producers, as well as other beverage companies. In contrast, most other microbreweries, which typically have a more limited reach, pose less of a competitive threat, also because of their typical absence within the soft drinks category.

Figure 17: Competition consists of microbreweries, breweries and other beverage companies

| Company | HARTWALL | Sinebrychoff | OLVI | Refresco | FINN SPRING | Laitilan WIRVOITUSJUOMATEHDAS | NOKIAN PANIMO | MBH BREWERIES | FAT LIZARD | STALLHAGEN |
|---|---|---|---|---|---|---|---|---|---|---|
| Ownership | Royal Unibrew | Carlsberg | Public | Refresco Group | Private | Private | Public | Private | Private | Private |
| Revenue, EUR m [1] | 448.3 | 334.9 | 229.3 [3] | 61.0 | 38.4 | 23.4 | 10.3 | 4.6 | 3.6 | 2.4 |
| CAGR 2019–2023 [1] | 7.1% | 1.4% | 7.9% [3] | 5.5% | 5.7% | 5.6% | 14.0% | 5.1% | 12.6% | 4.0% |
| Gross margin [1,2] | 51.6% | 30.1% | n.a. | n.a. | 48.3% | 48.5% | 53.6% | 55.9% | 60.8% | 53.6% |
| EBITDA–margin [1] | 25.8% | 11.7% | n.a. | 12.9% | 16.2% | 12.5% | 15.7% | 2.5% | 1.6% | –14.7% |
| EBIT–margin [1] | 22.7% | 9.8% | 7.6% [3] | 9.6% | 12.6% | 6.2% | 10.1% | –3.8% | –4.2% | –127.6% |
| Number of products | > 500 | > 100 | > 100 [4] | < 20 [4] | 20–50 [4] | 50–100 [4] | > 50 | 50–100 | 20–50 | < 20 |
| **Product categories** | | | | | | | | | | |
| Beer | ✓ | ✓ | ✓ | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Low alcohol / non–alcoholic beers | ✓ | ✓ | ✓ | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mixed drinks [5] | ✓ | ✓ | ✓ | ✗ | ✗ | ✓ | ✓ | ✓ | ✗ | ✗ |
| Soft drinks | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ | ✗ | ✗ |
| **Sales channels** | | | | | | | | | | |
| Retail | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| HoReCa | ✓ | ✓ | ✓ | ✓ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Online store | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✗ |

Source: Nokian Panimo Oy's audited financial statements 2019–2023, company financial statements and websites (financial statements are prepared under different accounting and reporting standards, which affects comparability), Evli Research
Note: 1) 2023 figures unless otherwise specified, average annual revenue growth (CAGR) 2019–2023. 2) Including other operating income. 2) Olvi's Finnish segment, which includes the parent company Olvi Oyj, Servaali Oy, and Helsingin Tislaamo Oy. 4) The number of products may also include other possible Private Label products. 5) Beverage mixes include long drinks, ciders, and other ready–to–drink beverage mixes.

No clear competitive advantages

Despite the company's strong historical performance, we do not view it as having significant competitive advantages. However, while operating with a smaller budget than many of its larger competitors, the company has successfully built its brand, expanded its operations, and secured its market position. In our view, its success is largely attributed to its longevity, which has allowed it to establish a strong brand image, scale effectively, and develop a competitive product lineup.

Larger microbreweries are positioned to expand their market share as long as production capacity and product portfolio keep up with larger beverage companies

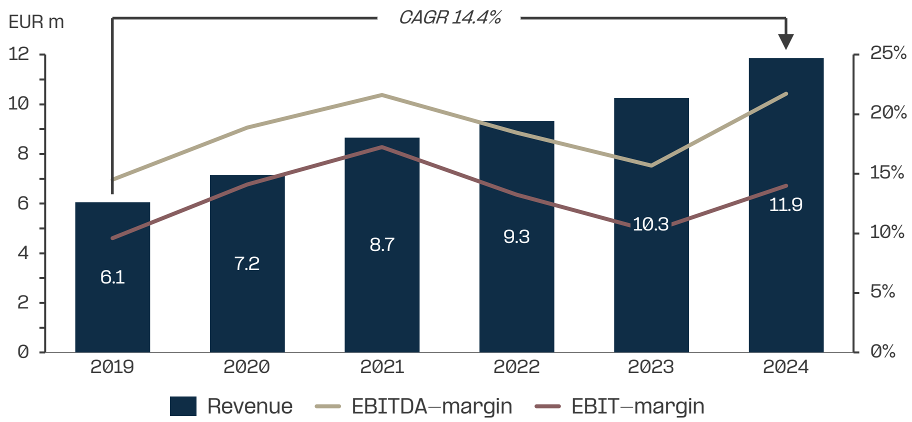
The company intends to continue operating as a microbrewery and, to our understanding, is not aiming to become a large industrial brewery. Microbreweries are currently estimated to account for around 5% of beer sales in Finland, with a realistic path to expanding this share to 10% similar to trends seen in North-America, provided production capacity and product portfolio can be scaled to compete with larger breweries. Among microbreweries, Nokian Panimo's main competitor is Laitilan Wirvoitusjuomatehdas, with other smaller microbreweries playing a more limited role. These two companies stand out from the broader microbrewery market, and we believe they are best positioned to continue capturing the majority of the market share up for grabs.

## Financial performance

Profitable growth over the past five years demonstrated by CAGR above 14% and average EBITDA margin of 19%

Since turning profitable in 2012, Nokian Panimo has achieved rather consistent growth and profitability[11]. Over the past five years the company has invested in productivity and production capacity expansions and posted an impressive CAGR above 14%, highlighting its growth ambitions and ability to navigate the competitive landscape. This growth has been accompanied by strong profitability, with the company achieving an average EBITDA margin of nearly 19% throughout 2019–2024, which has translated to an average EBIT margin exceeding 14%.

Figure 18: Nokian Panimo's revenue and profitability development, 2019–2024




Source: The company's audited financial statements 2019–2024, Evli Research

Strong growth and profitability in 2020–2021 driven by grocery sales shift

Nokian Panimo experienced substantial growth and strong profitability in 2020 and 2021, with revenue increasing by 17% and 21%, respectively, and EBITDA margins reaching some 19% and 22%. The initial phase of the pandemic in the start of 2020 first posed significant challenges, particularly with HoReCa sales plummeting, but also through disruptions in grocery chain logistics due to surging demand for essential goods filling the warehouses. However, as the situation stabilized, a shift in consumer behaviour played to Nokian Panimo's strengths, as consumption moved more heavily toward grocery stores, where the company could take advantage of its broad presence and established brands. This transition allowed the brewery to accelerate growth and meet its targets across volume, revenue, and profitability[12].

Good performance in difficult conditions in 2022 and 2023

Following the strong performance, new macroeconomic challenges emerged in 2022 as inflation surged and consumer confidence weakened. This led to rising production costs for malt, sugar, aluminum cans, carbon dioxide, energy, and logistics which put pressure on profitability, while declining purchasing power softened demand. Despite these headwinds, Nokian Panimo maintained solid growth, with revenue increasing around 8% in 2022 and 10% in 2023. Profitability declined only slightly from the record highs of 2020–2021 and remained well above microbrewery industry levels.

With the majority of sales coming from the defensive grocery sector, the company remained resilient despite weakened consumer confidence

A key factor in Nokian Panimo's resilience in 2022 and 2023 was in our view its widespread presence in Finland's largest grocery chains, which provided a stable demand base. The grocery sector's defensive nature ensured continued product availability where consumers made essential everyday purchases, and with a relatively affordable price point, Nokian Panimo's products remained accessible. Furthermore, rising procurement costs were successfully passed on to sales prices

[11] Source: The company's audited financial statements 2019–2024, Evli Research
[12] Source: The company's audited financial statements 2019–2024, Evli Research

during H1'23, helping to mitigate margin pressures. As a result, the overall impact on performance was only modest.

Growth picked up again last year

Growth picked up again in 2024, with profitability trending back toward the strong levels seen in 2020–2021. Consumer confidence slowly started to improve, particularly in the second half of the year, while still remaining below record levels in 2021. Changes in alcohol legislation supported demand, as the company successfully launched two stronger Keisari beers as the parliament approved a law raising the alcohol limit for products old in retail stores to 8.0% by volume. The profitability improvement was driven by successful product launches, product portfolio development and price adjustments. Additionally, sustained investments in production efficiency yielded results.

**Revenue**

Revenue mainly generated through beverage sales

Nokian Panimo generates the majority of its revenue through beverage sales to grocery stores, other retailers and the restaurant sector. The company also capitalizes its own sales channels, including its Keisari Store & Taproom, events it hosts and its online store. Beyond beverage sales, the company sells its own merchandise and participations tickets to its Keisari Experience brewery tours. While beer sales remain the dominant revenue driver, we believe the revenue mix is gradually shifting towards other beverage categories, which are experiencing faster market growth.

Organic growth in a declining market

Nokian Panimo has achieved rather consistent revenue growth throughout the 2010s and 2020s, driven by strategic investments in modernizing, developing, and expanding production capacity. Notably, all growth has been organic, demonstrating the strong demand for its products. In our view, this reflects the strength of the company's brand and its reliability in the eyes of both consumers and retail partners. Despite mostly operating in a declining market (by volume), Nokian Panimo has consistently managed to grow its market share, highlighting the effectiveness of a well-designed and executed strategy.

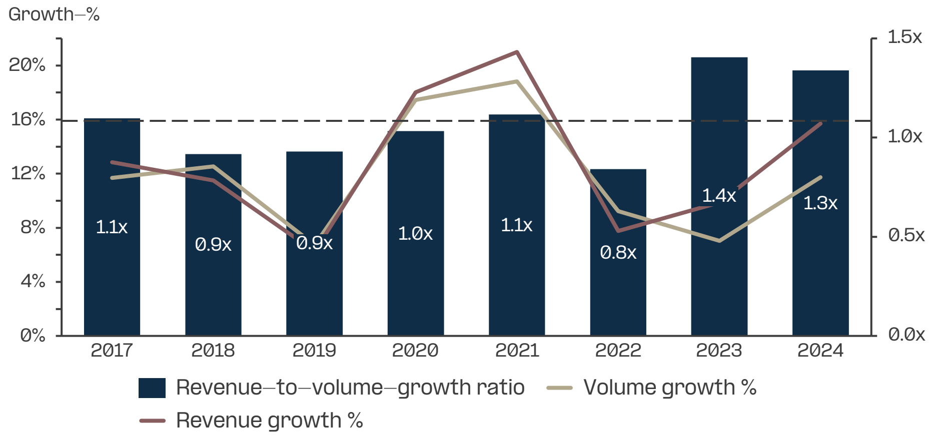
Seasonality a factor

The company's revenue follows clear seasonal patterns, aligning with beverage industry trends. New product launches in spring play a crucial role in setting the tone for the year. Typically, the company introduces 5–10 new products during the spring. In 2024, four new beers and four non-alcoholic beverages were distributed to stores. In 2025, the company launched three long drinks, one cider, one soft drink, one cocktail and one low-alcoholic beers. Moreover, the company launched an IPO beer in May. We believe that successful launches drive strong sales during key early-season peaks, such as Easter and May Day, and the momentum often carries into summer, which is the most important sales period. If the new products perform well leading up to summer, demand accelerates, while weaker launches can result in underperformance that lingers into the warmer months. The Finnish weather plays a crucial role in how the spring launches originally take off and continues to influence sales throughout summer. A smaller seasonal boost also occurs in November–December due to holiday sales, but this impact is less significant.

Revenue growth is closely tied to sales volume growth, scaling positively when production is increased

Nokian Panimo's sales volume growth has traditionally had a near 1:1 correlation with revenue growth, underscoring the link between production capacity and top-line expansion. This emphasizes the critical role of capacity investments in driving both revenue and profitability. Notably, in 2023 and 2024, revenue growth outpaced volume growth, suggesting improved pricing power and/or a favourable product mix, both of which support the scalability of profitability.

Figure 19: The relationship between revenue growth (%) and sales volume growth (%)




Source: Nokian Panimo, Evli Research

## Profitability

Already strong profitability picked up in 2024

Nokian Panimo's profitability significantly outperforms most microbreweries in both the short and long term, positioning it as a strong challenger for larger breweries and beverage companies, which tend to perform better. The company's consistently good profit margins reflect operational efficiency, and in 2024, profitability surpassed the record levels of 2021 The improvement in profitability was driven by successful product launches, the development of the product selection and efficiency measures. Additionally, the company implemented price adjustments, further supporting its strong financial performance.

Table 2: Profit margin overview, 2019–2024

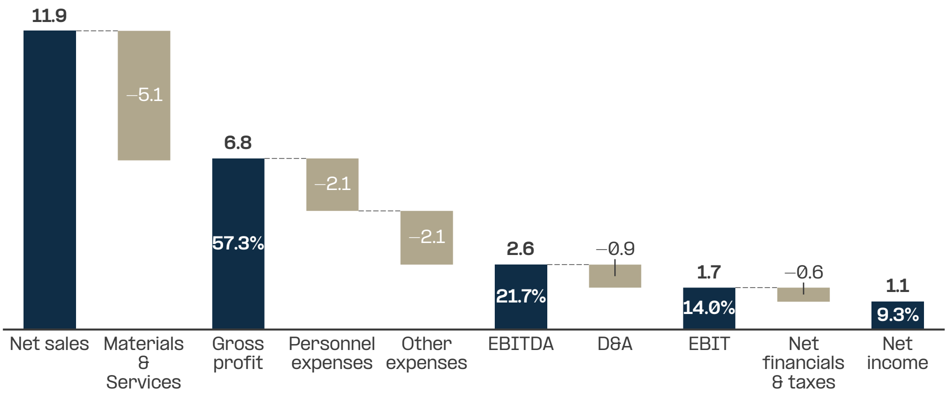
| Profit margins | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Keskiarvo |
|---|---|---|---|---|---|---|---|
| Gross margin | 54.2 % | 55.3 % | 57.0 % | 56.5 % | 53.6 % | 57.3 % | 55.7 % |
| EBITDA margin | 14.5 % | 19.3 % | 21.6 % | 18.4 % | 16.7 % | 21.7 % | 18.7 % |
| EBIT margin | 9.6 % | 14.5 % | 17.2 % | 13.2 % | 10.2 % | 14.0 % | 13.1 % |
| Net margin | 8.3 % | 11.4 % | 13.4 % | 10.1 % | 7.5 % | 9.3 % | 10.0 % |

Source: The company's financial statements 2019–2024,. Evli Research

High gross margin

Nokian Panimo's gross margin has consistently been above 50% since 2019, averaging over 55%, a figure that outperforms many of its Finnish and European beverage industry competitors. This strong gross margin has flowed down to the bottom line, enabling double-digit net margins that support both earnings distribution and ongoing investments.

Figure 20: Profitability bridge from revenue to net income 2024, EUR m

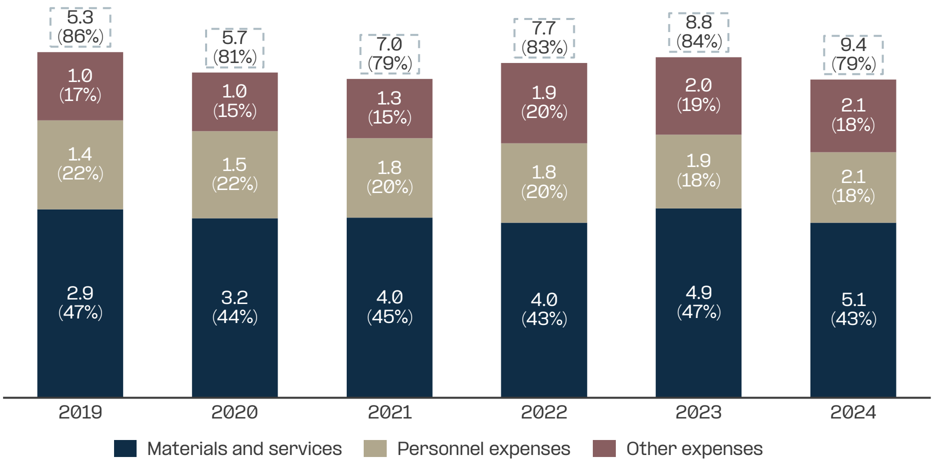



Source: Nokian Panimo. Evli Research

Materials and services stand for more than 50% of OPEX

The company's OPEX structure is dominated by materials and services, which in recent years have amounted to around 45% of net sales. Personnel expenses have scaled down from 22% to 17%, while other expenses, consisting of sales, marketing and IT etc. have fluctuated between 14% and 20% of net sales.

Figure 11: OPEX as a % of net sales, 2019–2024




Source: Nokian Panimo, Evli Research

Investment plan and IPO adds some pressure on profitability

Looking ahead, we believe Nokian Panimo will maintain its profitability trajectory. However, the planned investments are likely to put some pressure on margins. In 2025, we expect a relative increase in materials and services, as well and the D&A expenses to rise in line with the logistics center investment. Personnel expenses are also likely to grow, driven by the need to hire additional staff, particularly in the finance department, to meet new responsibilities as a listed company. Additionally, other costs are expected to increase due to both one-off IPO expenses and recurring listing-related costs.

Microbreweries tax reductions decline progressively when volume increases

Another factor influencing Nokian Panimo's long-term profitability – especially after the expected capacity expansions – is the microbreweries tax reduction for beer production. As production increases, tax relief declines progressively, reducing the relative tax relief. While the company benefits from expansion and volume growth, as the increasing net sales scale more easily toward profitability, the diminishing tax reductions partially offset these gains, impacting overall profitability.

## Balance sheet

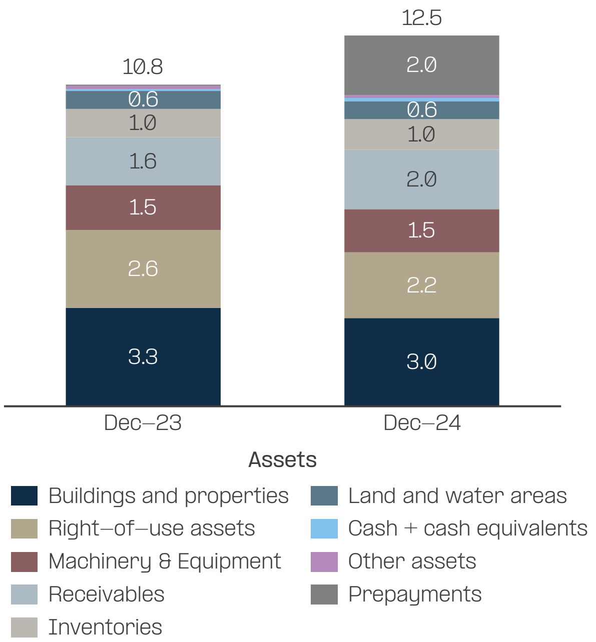
Nokian Panimo's assets comprise mostly of tangible assets

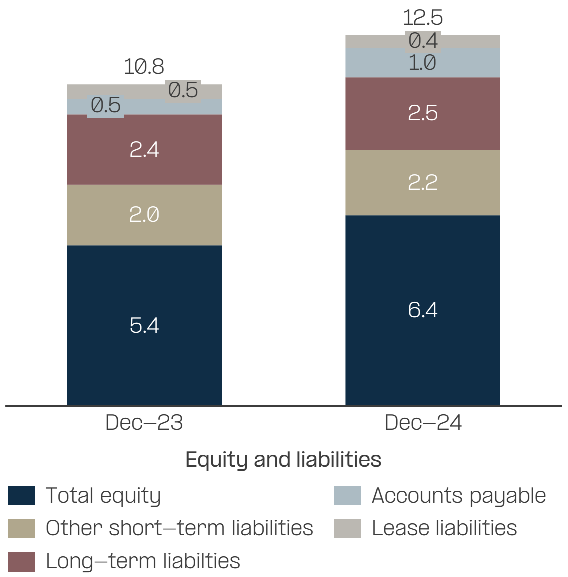
Nokian Panimo's total assets at the end of 2024 amounted to EUR 12.5m. The company's key assets include buildings and property owned valued at EUR 3.0m, right-of-use assets of EUR 2.2m and machinery and equipment worth EUR 1.5m. Based on the 2023 financial statement, machinery and equipment are typically depreciated over 12 to 18 years, while buildings and properties have a depreciation period of 40 years. Current assets primarily consist of receivables totalling EUR 2m and inventories of EUR 1m. Prepayments amounted to EUR 2.0m, mainly consisting of uncompleted procurements concerning the logistics center investment.

Balanced financial structure with strong equity position and manageable short- and long-term liabilities

On the liabilities side, long-term liabilities amounted to EUR 2.5m. Other short-term liabilities amounted to EUR 2.2m, comprising EUR 0.7m of interest-bearing debt, while short-term lease liabilities totalled to EUR 0.4m. Account payables accounted for EUR 1.0m. The company's net debt at the end of 2024 was EUR 3.2m. Total equity stood at EUR 6.4m, up from EUR 5.4m a year earlier, driven by retained earnings and pushing the equity ratio above 50%.

Figure: Nokian Panimo's balance sheet composition (FAS) as per Dec-23 & Dec-24, EUR m




Source: Nokian Panimo, Evli Research

## Investments and cash flow

Entering an investment-heavy phase

Nokian Panimo has recently entered a significant investment phase. The most recent major investment prior to 2024, took place in 2021 when the company expanded its brewhouse and acquired new brewing equipment from Germany. Since then, the pace of investments has been more moderate in 2022–2023. The company is now entering a new investment phase, starting with an over EUR 4 million investment in a logistics center, which will be financed through a EUR 3.2 million bank loan and cash flow. Through its recent IPO, Nokian Panimo raised EUR 10 million in gross proceeds, with the primary use of funds focused on expanding capacity and investments aimed at improving operational efficiency and sustainability.

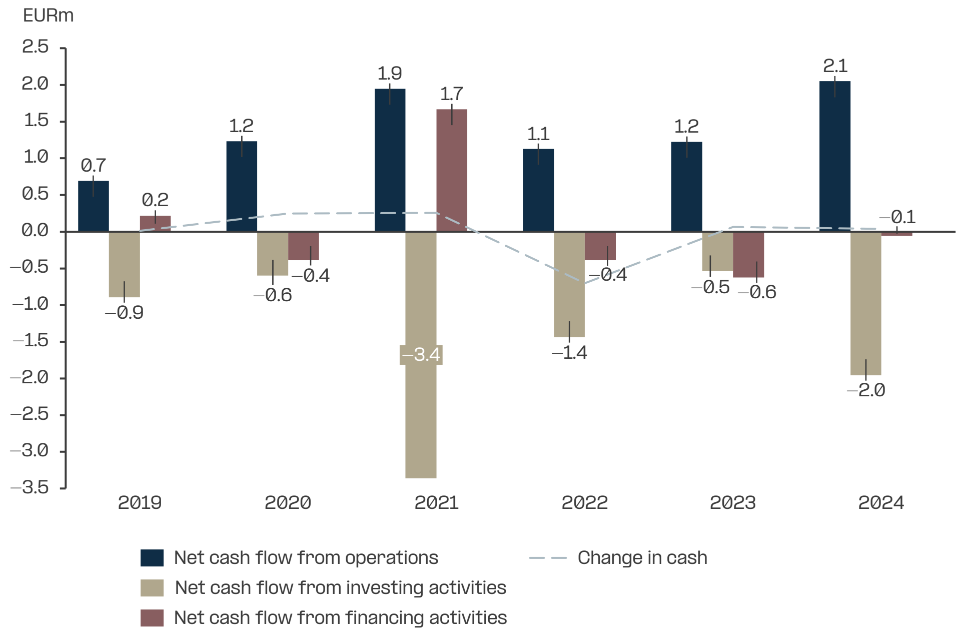
Some pressure on cash flow

While planned investments are expected to drive long-term growth, they will likely create temporary pressure on cash flow in the near term. Efficient management of working capital and aligning investment execution with revenue generation will be key to maintaining financial stability.

Investments expected to unfold gradually over the strategic period

The company is expected to take a measured approach in its investment phase, with investments progressing gradually over the strategic period. This approach ensures that large, immediate investments do not cause significant disruptions to cash flow. Since the largest investment has already been initiated, we anticipate the next major phase to take place after the summer. Nokian Panimo's well-defined investment plan provides flexibility, adapting to evolving priorities. Considering the company's current situation and growth objectives, we view the expansion of fermentation capacity as the next critical step. We estimate that an investment to increase fermentation capacity by one million liters annually will cost approximately EUR 0.2 million for the tanks, plus some associated setup costs.

Figure 16: Nokian Panimo's cash flow statement, 2019–2024




Source: Nokian Panimo, Evli Research

## Estimates

Strong performance despite challenging market conditions

Despite the challenging market climate that have prevailed in Finland in recent years, Nokian Panimo has managed to sustain profitable growth. In our view, the defensive nature of the grocery retail sector, along with its strong brand and innovative approach, has supported its success even as the broader market has faced difficulties. In 2024, the company accelerated its growth, driven mainly by the beer category, where the sales volume increased from 5.3m liters to 6.1m liters. Meanwhile, the sales of other beverages grew to 2.2m liters from 2.1m liters in the previous year. Profitability also improved last year as EBITDA increased by nearly EUR 1 million to EUR 2.6m (2023: EUR 1.7m).

Capacity expansion as the key driver for growth and profitability

In our view, the key driver for the company's continued profitable growth in the future lies in its investments in production capacity. The company's recently initiated investment phase is aimed at preventing production bottlenecks thereby supporting its growth trajectory. The investment phase started with the construction of a logistics center, which will have a significant impact on capacity expansion by doubling the company's storage space and freeing up room for production use. Following the ~EUR 4 million logistics center investment, the company has identified potential investment opportunities worth an additional EUR 6 million by 2029. We expect the company to aim for a balanced distribution of investments over the years to avoid investment peaks, with these investments likely to be spread rather evenly across 2025–2029. We estimate that the investments will primarily target increasing production capacity and improving production efficiency, which, according to the company, would enable a beer production capacity of over 12 million liters by 2029.

**2025 guidance**

The company's guidance for 2025 aligns with its historical performance:

- The company expects revenue to grow from the prior year (2024: EUR 11.9m)
- The EBITDA margin is expected to be 18–21% (2024: 21.7%)

**2025 – Minor pressure on revenue growth and EBITDA**

We expect revenue to grow, but a slightly slower pace than recent years

We anticipate that Nokia Panimo's growth will continue in 2025, although we believe production capacity constraints will limit the pace until necessary additional investments are made. We forecast 2025 revenue to grow by 9.6% to EUR 13.0 million. In 2024, beer production was, according to our estimates, maxed out during peak seasons, and production bottlenecks limited sales. At the end of last year, the company procured a new fermentation tank with a volume of 50 cubic meters, which we estimate to increase capacity by approximately 0.5 million liters. However, we believe this capacity cannot be fully utilized due to seasonal fluctuations, and we estimate the effective capacity benefit to be slightly below 0.4 million liters. We believe demand will remain strong at these levels, leading to beer sales growth largely in line with the increase in production capacity.

As beer production capacity reaches its limit, we expect an increased focus on sales of other beverages

As beer production capacity reaches its limit, we expect the company to shift more focus to other beverages to support growth this year. In March, the company launched seven new products, six of which belong to the "other beverages" category, while only one low-alcohol beer was introduced in the beer category. The commercial success of these launches will in our view have a significant impact on this year's growth in the other beverages category.

Strong growth is anticipated in other beverage categories, though predictability remains difficult

Forecasting the sales growth of other beverages is challenging without long-term comparative data, but we believe the company will succeed in growing sales of other beverages faster than beer sales this year in relative terms. However, competition remains intense, and the company does not yet appear to hold as strong a position outside the beer category, although we expect the Sun'n brand to have gradually strengthened its presence in the soft drinks market in recent years.

Investments and IPO-related costs create small downward pressure on this year's profitability

The company's profitability last year was strong, with a gross margin above 57% and an EBITDA margin nearing 22%. The company has enhanced its operations in recent years through investments, such as tripling brewing capacity with a new brewhouse completed in 2022. Ongoing investments in production capacity and efficiency will support future profitability, though we expect a slight margin pressure this year. In addition, the recent IPO has resulted in both one-time costs and ongoing expenses associated with the obligations of a publicly listed company. While production-related personnel costs are expected to scale efficiently, increased administrative responsibilities of being listed are likely to drive higher personnel expenses.

We expect profitability to decrease slightly due to increased OPEX

We forecast the EBITDA margin to settle at the lower end of the company's guidance, at 18.5%, amounting to approximately EUR 2.4 million. This reflects a more cautious approach to near-term profitability trends amid some uncertainty regarding costs. The planned logistics center investment will increase depreciation expenses in 2025 by less than EUR 0.1 million, meaning its impact on operating profit will be minor as revenue scales favourably. However, we forecast EBIT to decline from last year's EUR 1.7 million to EUR 1.4 million due to higher operating expenses, corresponding to a 10.8% margin. Additionally, we expect the fiscal year's result to turn negative due to the one-time fees and expenses of EUR 1.4 million incurred in connection with the IPO.

**2026–2027 – increased production capacity accelerates revenue growth**

Growth picks up when production capacity is increased

We estimate that the company will be able to continue its growth in 2026–2027 and accelerate its pace compared to the current year, driven by increased production capacity. We expect the company to continue investing in capacity expansion toward the end of this year, which will support beer production in high seasons in 2026 and 2027, improving the company's ability to meet demand.

We expect sales growth in both beer and other beverage categories

For 2026–2027, we anticipate revenue growth of around 11% and 13%, indicating a slight acceleration compared to the current year. We expect the company to steadily increase its relative sales volumes across both beer and other beverage categories. As production bottlenecks ease, the company will be better positioned to fully capture growing demand, which has previously been constrained by capacity limitations.

We expect net sales growth to also support profitability

In 2026–2027, we expect operating expenses to scale favourably as revenue grows. In particular, we anticipate personnel costs and other expenses to scale well in line with revenue growth, leading to a modest improvement in EBITDA during these years. While costs are expected to scale positively, the tax benefits' relative share will reduce slightly in line with the growing revenue and have a minor dampening effect on profitability. We forecast the EBITDA margin in 2026–2027 to be 19.7% and 19.9%, respectively. In terms of EBIT margin, we estimate 11.8% for 2026 and 11.9% for 2027.

**Long-term outlook**

Revenue target for 2029 is in our view well-achievable

Achieving the 2029 revenue target of EUR 20 million would require a CAGR of approximately 11% between 2025 and 2029 – a level the company has exceeded on average over the past five years. Our baseline assumption is that, supported by investments in production capacity, the company can sustain its growth over the long term and reach this target. However, we expect the relative growth in demand and sold beverage volumes to moderate slightly in the long term due to increasing competition. Nevertheless, we believe the conversion of sales volumes into revenue will improve over time. We also expect the company to stabilize its current target EBITDA margin at around 20% in the long term, which is relatively in line with other publicly listed beverage companies.

Core business is defensive, but visibility and certainty decrease over the long term, increasing associated risks

With the company's operations heavily focused on sales through grocery stores, its business model is relatively defensive and less exposed to external factors. The company's historical performance supports our view of its ability to grow profitably in the future, largely independent of market conditions. However, looking beyond a three-year horizon, there is an increasing level of uncertainty tied to our estimates. Risks such as declining demand, production challenges related to capacity, fluctuations in raw material prices, and supply chain issues could negatively impact the company's performance.

**Potential challenges**

Large players in the beverage industry can intensify competition by leveraging their size and resources

The beverage industry already includes large companies whose scale and resources allow them to optimize production, negotiate stronger terms with retailers, and allocate significant marketing budgets to enhance visibility – potentially reducing the market share of smaller brands. To compete more directly with craft breweries, these major players could launch their own branded products, which they can produce at scale and cost-efficiently in large production facilities. These products could be positioned to compete with craft breweries, thereby increasing competitive pressure and complicating the market environment for smaller players like Nokian Panimo.

The company's operations are focused around its Keisari beers, and a decline in demand could affect its overall success

Nokian Panimo operates primarily within a large but overall declining market for alcoholic beverages. Alcohol consumption in Finland has been steadily decreasing since 2007, and beer consumption – representing the company's key product category – has followed this downward trend. The company has so far managed to maintain its position by continuously increasing its sales volumes and market share. Beer sales are the company's primary source of revenue, accounting for nearly 75% of total sales. If demand for alcoholic beverages and particularly beer continues to decline in Finland, it could pose a significant challenge for the company. While Nokian Panimo does offer products in other beverage categories, beer sales are currently such a critical foundation for the business that a significant loss in demand could severely impact its performance. Diversifying its product portfolio and reducing dependence on beer sales will likely be essential for mitigating this risk in the future.

Table 4: Estimate summary

| Nokian Panimo | 2023 | H1'24 | H2'24 | 2024 | H1'25E | H2'25E | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|---|---|---|---|
| **Net sales** | **10.3** | **5.9** | **6.0** | **11.9** | **6.5** | **6.5** | **13.0** | **14.4** | **16.3** |
| *sales growth %* | *9.9 %* | *11.3 %* | *20.4 %* | *15.7 %* | *10.9 %* | *8.3 %* | *9.6 %* | *10.8 %* | *13.2 %* |
| **Gross profit** | **5.5** | **3.4** | **3.4** | **6.8** | **3.6** | **3.7** | **7.3** | **8.1** | **9.1** |
| *Gross-margin* | *53.6 %* | | | *57.3 %* | *55.4 %* | *56.9 %* | *56.2 %* | *56.5 %* | *56.1 %* |
| **EBITDA** | **1.7** | **1.3** | **1.3** | **2.6** | **1.0** | **1.4** | **2.4** | **2.8** | **3.2** |
| *EBITDA-margin* | *16.7 %* | *~22 %* | *~22 %* | *21.7 %* | *15.4 %* | *21.5 %* | *18.5 %* | *19.7 %* | *19.9 %* |
| **EBIT** | **1.0** | **0.9** | **0.7** | **1.7** | **0.6** | **0.8** | **1.4** | **1.7** | **1.9** |
| *EBIT-margin* | *10.2 %* | *~16 %* | *~12 %* | *14.0 %* | *9.2 %* | *12.3 %* | *10.8 %* | *11.8 %* | *11.9 %* |
| **Adj. EBIT** | **1.0** | | | **1.9** | **0.6** | **0.8** | **1.4** | **1.7** | **1.9** |
| *Adj. EBIT-margin* | *9.5 %* | | | *16.0 %* | *9.2 %* | *12.3 %* | *10.8 %* | *11.8 %* | *11.9 %* |
| **Net income** | **0.8** | **0.7** | **0.5** | **1.1** | **-0.7** | **0.6** | **-0.2** | **1.2** | **1.4** |

*Source: Nokian Panimo, Evli est.*

## Valuation

ACCUMULATE with TP of EUR 2.7

We initiate coverage of Nokian Panimo with an ACCUMULATE rating and a target price of EUR 2.7. Our valuation is based primarily on peer group EV-based multiples, with support from the discounted cash flow model and an illustrative scenario analysis. Nokian Panimo currently trades at an EV/EBITDA range of 9–7x and EV/Sales of 1.6–1.4x on our 2025–2026E estimates, broadly in line with our peer group. The fair value derived from our DCF is also aligned with our target price. Our target price implies EV/EBITDA of 10–8x and EV/Sales of 1.8–1.6x on our estimates for 2025–2026E, which we consider appropriate and justifiable.

Our relative valuation focuses primarily on EV/EBITDA and EV/Sales multiples

Our peer-based analysis focuses primarily on EV/EBITDA and EV/Sales multiples. EV/EBITDA provides a clear view of operational profitability by excluding non-cash charges like depreciation, while EV/Sales reflects the company's strong top-line growth targets and potential. At this stage, we assign less weight to P/E and EV/EBIT multiples due to the company's relatively small size, which results in a disproportionately high depreciation burden. Additionally, the IPO increased share capital by about two-thirds from 6m to 10m diluting earnings per share and temporarily distorting the P/E ratio's comparability.

The 2025E relative valuation is in line with the peer group, even though we accept slightly higher valuation multiples

On 2025E EV/EBITDA and EV/Sales, Nokian Panimo is trading in line with peers. However, the valuation becomes increasingly compelling into 2026E and 2027E, as the company begins to trade at a modest discount of 8–18%. We believe this discount is unwarranted, considering Nokian Panimo's consistent track record of profitable growth, its superior sales growth trajectory versus the peer group consensus, and an EBITDA margin profile that is aligned with the sector average. In our view, Nokian Panimo is well-positioned to outperform peers in growth and to keep up with the peer group profitability levels and thus we accept slightly higher valuation multiples compared to the peer set.

Our DCF model supports our relative valuation, indicating a fair value of 2.7

Our DCF valuation indicates a fair value of EUR 2.7 per share, which aligns well with our peer-based relative valuation. We consider the DCF method particularly relevant in this case, as Nokian Panimo has exhibited a strong, stable, and profitable growth profile over time, supporting the credibility of longer-term cash flow projections. Our model assumes that profitability in 2025 will be at the lower end of the guidance range, slightly below the 2024 level, followed by a gradual improvement in 2026–2027. We also assume revenue growth will be somewhat more moderate than in recent years. From 2028 onwards, our assumptions include a slight, gradual, leveling off of both EBIT margin and revenue growth, towards a 10% and 7% level, respectively.

### Peer group

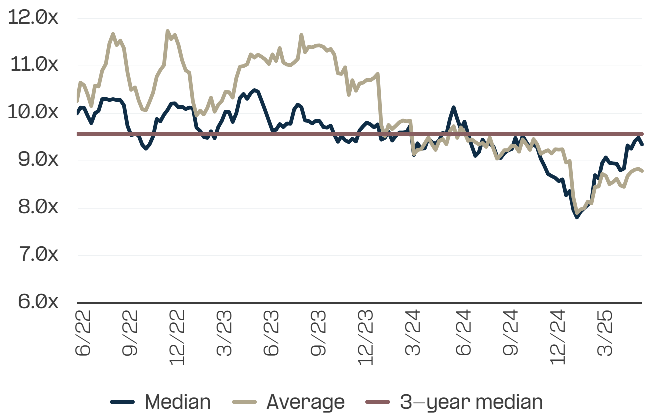
Peer group shares the main characteristics of Nokian Panimo's business but differs in size and geographical scope

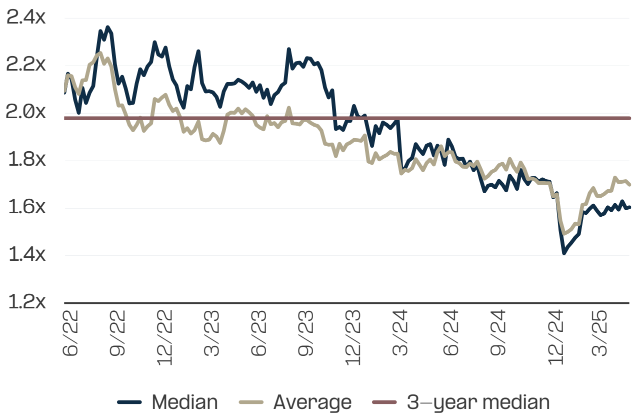
Since there are no publicly listed companies directly comparable to Nokian Panimo in terms of size, we have constructed a peer group consisting of larger beverage companies whose primary focus is beer production and distribution. As the sample of Nordic peers is narrow, we have selected our peer set from Europe and the United States, as these developed markets most closely resemble Nokian Panimo's operating environment in our view. Although most of the companies in the peer group are significantly larger in scale, they operate within similar markets and face the same industry trends. As such, they provide a relevant benchmark for assessing business performance and valuation levels.

**Peer group overview**

- **Olvi** (Finland): Olvi is Finland's largest publicly listed brewery. Its production is primarily based in Finland, where it produces beer, cider, soft drinks, mineral water, and energy drinks. The company's sales are focused on the Nordic and Baltic regions. In 2024, Olvi's sales volume in Finland was 61.6 million liters, accounting for 27% of its total sales. The company's revenue grew at a CAGR of some 10% during 2019–2024, and it has improved its EBIT margin to over 10% in the past two years.
- **Carlsberg** (Denmark): Carlsberg is one of the world's leading brewery companies, with a portfolio of more than 140 beer brands (incl. Sinebrychoff's brands) and a presence in 125 markets. The company also offers other beverages. Carlsberg's revenue grew at a CAGR of just under 3% between 2019 and 2024, with an average EBIT margin of some 15%. In January, Carlsberg completed the acquisition of the UK–based soft drink company Britvic for around GBP 3.3 billion, which corresponded to an LTM implied EV/EBITDA multiple of 13.6x.
- **Royal Unibrew** (Denmark): The second Danish beverage industry giant in the peer group, Royal Unibrew, produces, sells, and distributes both alcoholic and non–alcoholic beverages. In 2024, over 60% of the company's sales came from the Northern European region, and it has a strong portfolio of local brands in the Nordics (including Hartwall's brands). Additionally, Royal Unibrew operates in the Baltics, other parts of Europe, and Canada. The company's revenue grew at a CAGR of nearly 14% between 2019 and 2024, and its average EBIT margin over the past five years exceeded 15%.
- **Heineken** (Netherlands): Heineken is a multinational brewery that produces and sells beer and other beverages. Its portfolio includes the Heineken brand as well as many other well–known beer and cider brands, producing over 300 different products. The company's revenue grew at a CAGR of ~5% between 2019 and 2024, accompanied with an average EBIT margin of over 10% during the same period.
- **C&C Group** (Ireland): C&C Group is a beverage company that produces, markets, and distributes beer, cider, wine, spirits, and soft drinks. Its operations are primarily focused on the UK and Ireland. The company's revenue has seen little growth in recent years, with a CAGR of just 0.3% between 2019 and 2024. Profitability has also been under pressure, with EBIT margins ranging from –11% to +4% between 2020 and 2024.
- **Molson Coors** (United States): Molson Coors is a North American beverage company with a broad portfolio of beer brands. In addition to beer, the company now offers other beverages such as alcoholic drink mixes, non–alcoholic beers, and whiskey. Molson Coors operates globally, with its beers sold in approximately 100 countries. The company's revenue grew at an CAGR of about 2% from 2019 to 2024, with an average EBIT margin of 8% over the past five years.
- **Anheuser–Busch InBev** (United States): Anheuser–Busch InBev is one of the largest brewery companies in the world and owns seven of the world's ten largest beer brands, including Budweiser, Bud Light, Busch, and Stella Artois, as well as several craft beer brands. The company's revenue grew at an CAGR of some 3% between 2019 and 2024. Over the past five years, it has been the most profitable company in the peer group, with an average EBIT margin of ~24%.
- **The Boston Beer Company** (United States): The Boston Beer Company is one of the largest breweries in the United States. It is best known for its Samuel Adams beers, but the company has also expanded into other beverage categories, including ciders, hard seltzers, and tea–based drinks. The company's revenue grew at an CAGR of ~10% between 2019 and 2024. However, its profitability has been modest, with an average EBIT margin ~5% during the past five years.

Figure 24: Peer group EV/EBITDA and EV/sales multiples development (12–month forward looking)




Source: Bloomberg, Evli Research

Peer group valued at a historically relatively low level

The peer group is currently valued at a historically relatively low level. The retail and grocery sales growth during the COVID pandemic in 2020–2021 temporarily inflated industry valuations, but as the effects have normalized, the median EV/EBITDA multiple has ranged between approximately 8–11x, with the three–year median at around 9.5x. A similar trend can be seen in the EV/Sales multiple, which has ranged between 1.4x and 2.5x over the past three years, with the current level at 1.7x, slightly below the three–year median (2.0x).

Table 5: Nokian Panimo peer group

| Nokian Panimo peer group | MCAP | EV/EBIT | | | EV/EBITDA | | | P/E | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | EURm | 2025E | 2026E | 2027E | 2025E | 2026E | 2027E | 2025E | 2026E | 2027E |
| Olvi Oyj | 721 | 8.1x | 7.6x | 7.0x | 6.2x | 5.8x | 5.4x | 11.8x | 11.1x | 10.3x |
| Heineken NV | 45032 | 14.0x | 13.3x | 11.6x | 9.5x | 9.1x | 8.2x | 16.0x | 14.7x | 13.5x |
| Carlsberg AS | 17068 | 11.5x | 10.6x | 9.3x | 8.3x | 7.7x | 6.9x | 16.2x | 14.4x | 13.0x |
| Royal Unibrew A/S | 3546 | 15.2x | 13.9x | 12.1x | 11.4x | 10.6x | 9.3x | 17.5x | 15.6x | 13.0x |
| C&C Group PLC | 663 | 11.4x | 10.4x | 9.5x | 7.8x | 7.4x | 7.5x | 15.3x | 13.2x | 11.7x |
| Molson Coors Beverage Co | 10202 | 10.1x | 10.0x | 9.8x | 7.3x | 7.1x | 7.0x | 9.2x | 8.8x | 8.3x |
| Boston Beer Co Inc/The | 2423 | 18.7x | 16.2x | 12.2x | 10.9x | 9.9x | 8.0x | 25.9x | 21.9x | 18.5x |
| Anheuser-Busch InBev SA/NV | 121558 | 12.9x | 12.1x | 10.5x | 9.6x | 9.1x | 8.0x | 18.4x | 16.1x | 14.3x |
| **Peer group average** | **25152** | **12.7x** | **11.8x** | **10.2x** | **8.9x** | **8.3x** | **7.5x** | **16.3x** | **14.5x** | **12.8x** |
| **Peer group median** | **6874** | **12.2x** | **11.3x** | **10.1x** | **8.9x** | **8.4x** | **7.7x** | **16.1x** | **14.5x** | **13.0x** |
| **Nokian Panimo** | **25** | **14.8x** | **12.2x** | **10.7x** | **8.6x** | **7.3x** | **6.4x** | **21.0x** | **21.5x** | **18.1x** |
| *Prem./disc. to peer median* | | *21.2 %* | *7.8 %* | *5.7 %* | *-3.3 %* | *-13.0 %* | *-16.9 %* | *30.3 %* | *47.7 %* | *39.2 %* |

*Note: Nokian Panimo 2025E P/E adj.*

| | Sales | | | | Sales growth | | | EV/Sales | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | 2025E | 2026E | 2027E | 2025E | 2026E | 2027E | 2025E | 2026E | 2027E |
| Olvi Oyj | 657 | 683 | 708 | 733 | 3.9% | 3.7% | 3.5% | 1.0x | 1.0x | 1.0x |
| Heineken NV | 29821 | 29631 | 30896 | 32223 | -0.6% | 4.3% | 4.3% | 2.1x | 2.0x | 1.9x |
| Carlsberg AS | 10057 | 12332 | 12942 | 13431 | 22.6% | 4.9% | 3.8% | 1.7x | 1.6x | 1.6x |
| Royal Unibrew A/S | 2016 | 2133 | 2221 | 2311 | 5.8% | 4.1% | 4.0% | 2.1x | 2.0x | 1.9x |
| C&C Group PLC | 1653 | 1691 | 1735 | 1775 | 2.3% | 2.6% | 2.3% | 0.5x | 0.5x | 0.5x |
| Molson Coors Beverage Co | 10751 | 10194 | 10283 | 10384 | -5.2% | 0.9% | 1.0% | 1.6x | 1.5x | 1.5x |
| Boston Beer Co Inc/The | 1861 | 1801 | 1851 | 1917 | -3.2% | 2.7% | 3.6% | 1.3x | 1.2x | 1.2x |
| Anheuser-Busch InBev SA/NV | 55265 | 54378 | 56821 | 59130 | -1.6% | 4.5% | 4.1% | 3.4x | 3.3x | 3.2x |
| **Peer group average** | **14010** | **14105** | **14682** | **15238** | **3.0%** | **3.5%** | **3.3%** | **1.7x** | **1.7x** | **1.6x** |
| **Peer group median** | **6037** | **6163** | **6252** | **6348** | **0.8%** | **3.9%** | **3.7%** | **1.6x** | **1.6x** | **1.5x** |
| **Nokian Panimo** | **12** | **13** | **14** | **16** | **9.2%** | **11.2%** | **13.2%** | **1.6x** | **1.4x** | **1.3x** |
| *Prem./disc. to peer median* | | | | | | | | *-2.1 %* | *-8.8 %* | *-17.4 %* |

| | EBIT-% | | | EBITDA-% | | | Div. Yield | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2025E | 2026E | 2027E | 2025E | 2026E | 2027E | 2025E | 2026E | 2027E |
| Olvi Oyj | 12.9% | 13.1% | 13.4% | 16.7% | 17.3% | 17.6% | 3.9% | 4.3% | 4.6% |
| Heineken NV | 15.1% | 15.2% | 15.5% | 22.1% | 22.2% | 22.4% | 2.5% | 2.6% | 3.2% |
| Carlsberg AS | 14.8% | 15.4% | 15.9% | 20.5% | 21.0% | 21.6% | 3.0% | 3.4% | 3.6% |
| Royal Unibrew A/S | 13.7% | 14.3% | 14.9% | 18.1% | 18.8% | 19.4% | 3.0% | 3.3% | 3.6% |
| C&C Group PLC | 4.5% | 4.8% | 5.1% | 6.6% | 6.8% | 7.0% | 3.6% | 4.2% | 4.3% |
| Molson Coors Beverage Co | 15.4% | 15.4% | 15.5% | 21.1% | 21.4% | 21.3% | 3.3% | 3.5% | 3.7% |
| Boston Beer Co Inc/The | 6.9% | 7.7% | 8.6% | 11.4% | 12.3% | 13.3% | 0.0% | 0.0% | 0.0% |
| Anheuser-Busch InBev SA/NV | 26.5% | 27.2% | 27.8% | 35.7% | 36.2% | 36.7% | 1.8% | 2.0% | 2.3% |
| **Peer group average** | **13.7%** | **14.1%** | **14.6%** | **19.0%** | **19.5%** | **19.9%** | **2.6%** | **2.9%** | **3.2%** |
| **Peer group median** | **14.2%** | **14.8%** | **15.2%** | **19.3%** | **19.9%** | **20.4%** | **3.0%** | **3.3%** | **3.6%** |
| **Nokian Panimo** | **10.8%** | **11.8%** | **11.9%** | **18.5%** | **19.7%** | **19.9%** | **0.0%** | **1.4%** | **1.7%** |

*Source: Bloomberg, Evli Research*

## Scenario analysis

Scenario analysis illustrates various possible developments in Nokian Panimo's operating environment

The future development of Nokian Panimo depends on numerous factors, and the company may face both opportunities and challenges in its operating environment. We have assessed how different scenarios could impact the company's market value. The analysis includes three alternative scenarios: optimistic, base case, and pessimistic. Below, we present the key assumptions of each scenario and their impacts on the company's financial development.

**Optimistic scenario**: The company exceeds this year's expectations in both the beer and alcoholic beverage categories. The company successfully times and implements its investments, which increases production capacity to meet demand. Investments in operational efficiency are also successful, enabling the company to turn its growing revenue into strong profitability. This growth trajectory would allow the company to achieve its 2029 revenue target of EUR 20 million a year earlier, in 2028.

**Base scenario**: Despite production bottlenecks and increased costs, the company continues steady growth, and investments also support the gradual improvement of profitability. Revenue development follows the trend of recent years, and the company is able to maintain its competitiveness in the market.

**Pessimistic scenario**: The company's sales for the current year develop weaker than expected, and profitability suffers. The demand for other beverages, and thus sales, falls short of expectations, while production bottlenecks limit beer sales growth more than anticipated. Growth investments fail to deliver the desired results for future seasons, and profitability weakens due to cost pressures.

Table 6: Scenario analysis

| Scenario | Share price range, EUR | Key assumptions | | 2024 | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|---|---|
| Optimistic scenario | EUR 3.2–3.8 | The company succeeds in growing better than expected in both the beer and other beverages categories. Growth investments in operational efficiency also support the development of profitability. | Net sales | 11.9 | 13.6 | 15.7 | 18.2 |
| | | | Sales growth, % | 15.7 % | 14.6 % | 15.4 % | 15.9 % |
| | | | EBITDA | 2.6 | 2.8 | 3.6 | 4.2 |
| | | | EBITDA margin | 21.7 % | 20.6 % | 22.9 % | 23.1 % |
| Base scenario | EUR 2.6–2.8 | The company continues its strong growth at nearly the same pace as in recent years. Profitability scales gradually to a better level as the productivity of investments improves | Net sales | 11.9 | 13.0 | 14.4 | 16.3 |
| | | | Sales growth, % | 15.7 % | 9.2 % | 11.2 % | 13.2 % |
| | | | EBITDA | 2.6 | 2.4 | 2.8 | 3.2 |
| | | | EBITDA margin | 21.7 % | 18.5 % | 19.7 % | 19.9 % |
| Pessimistic scenario | EUR 1.6–2.0 | Growth investments progress slower than planned, and demand for products weakens. Growth slows down significantly. Profitability declines due to rising costs. | Net sales | 11.9 | 12.3 | 13.2 | 14.2 |
| | | | Sales growth, % | 15.7 % | 3.7 % | 7.3 % | 7.6 % |
| | | | EBITDA | 2.6 | 1.8 | 1.9 | 2.1 |
| | | | EBITDA margin | 21.7 % | 14.6 % | 14.4 % | 14.8 % |

Source: Evli Research

## Investment risks

Nokian Panimo's operations are subject to a number of external and internal risk factors. Below is a summary of the key investment risks associated with the company.

Seasonality

A significant portion of Nokian Panimo's business is concentrated in the spring and summer seasons. External factors, such as unfavorable weather conditions, can negatively affect demand for the company's products. Additionally, internal factors such as operational disruptions in production could hinder the company's ability to meet seasonal demand, potentially leading to lost sales and product availability issues, which in turn may negatively impact the company's financial performance.

Intensifying competition

The beverage industry is highly competitive, with large domestic and international players dominating a significant share of the market. Larger competitors benefit from economies of scale, enabling more efficient production and pricing power. If competitive pressures continue to increase, this could compress Nokian Panimo's margins and weaken its market position.

Production and supply chain disruptions

The company's operations rely heavily on its production capacity and supply chain efficiency. Potential production disruptions, such as machinery malfunctions or delays caused by shortages of raw materials, may reduce manufacturing capacity and compromise delivery reliability. This could result in lost sales, particularly during peak seasons, and have a negative impact on the company's revenue and profitability.

Fluctuations in raw material and packaging costs

Price volatility and availability of raw materials, such as barley and packaging materials, may affect the company's production costs. Historically, rising raw material prices have increased cost pressures and impacted profitability. In particular, during 2021, availability challenges for raw materials and packaging components reduced production volumes and delivery reliability during the high season. In recent years, geopolitical tensions and inflation have further increased production costs, which has impacted the company's margins.

Customer concentration

In 2024, nearly 85% of the company's revenue came from its three largest customers. The termination of any of these customer agreements or a decline in their demand could have a material impact on the company's financial condition and business performance. Maintaining these customer relationships through high delivery reliability and competitive products is therefore of critical importance.

Product portfolio competitiveness

A decline in the competitiveness of Nokian Panimo's product portfolio could adversely affect its operations. Failure to adapt quickly to changing market trends or consumer preferences could result in market share losses, which may negatively impact revenue and profitability. If product innovations fall short of expectations or if the price–quality ratio deteriorates relative to competitors, the company's market position could weaken and limit future growth potential. Maintaining competitiveness is thus essential.

Regulatory environment

Changes in alcohol-related legislation could negatively affect the company's operations. The new EU Packaging and Packaging Waste Directive, which came into effect on February 11, 2025 (date of application is 18 months after that), requires that at least 10% of beverages to be sold in reusable packaging by 2030. This may impose significant additional costs on the company. In Finland, the recycling rate for deposit-bearing plastic bottles is approximately 90%, but derogation from the regulation is only possible if the overall recycling rate of all packaging waste is sufficiently high. If no derogation is granted, the company may be required to make additional investments in compliant packaging solutions, which could restrict its operations.

| VALUATION RESULTS | | BASE CASE DETAILS | | VALUATION ASSUMPTIONS | | ASSUMPTIONS FOR WACC | |
|---|---|---|---|---|---|---|---|
| Current share price | 2.50 | PV of Free Cash Flow | 5 | Long-term growth, % | 1.5 % | Risk-free interest rate, % | 2.50 % |
| DCF share value | 2.69 | PV of Horizon value | 16 | WACC, % | 7.4 % | Market risk premium, % | 6.5 % |
| Share price potential, % | 7.5 % | Unconsolidated equity | 0 | Spread, % | 0.5 % | Debt risk premium % | 3.0 % |
| Maximum value | 2.9 | Marketable securities | 9 | Minimum WACC, % | 6.9 % | Equity beta coefficient | 0.80 |
| Minimum value | 2.5 | Debt - dividend | -3 | Maximum WACC, % | 7.9 % | Target debt ratio, % | 30 % |
| Horizon value, % | 75.4 % | Value of stock | 27 | No. of shares, Mn | 10.1 | Effective tax rate, % | 20 % |

| DCF valuation, EURm | 2024 | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E | 2034E | TERMINAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net sales | 12 | 13 | 14 | 16 | 18 | 20 | 22 | 23 | 25 | 27 | 27 | 28 |
| *Sales growth (%)* | *15.7%* | *9.6%* | *10.8%* | *13.2%* | *11.0%* | *10.0%* | *9.0%* | *8.0%* | *7.0%* | *7.0%* | *1.5%* | *1.5%* |
| Operating income (EBIT) | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 |
| *Operating income margin %* | *14.0%* | *10.8%* | *11.8%* | *11.9%* | *11.0%* | *11.0%* | *11.0%* | *10.0%* | *10.0%* | *10.0%* | *10.0%* | *10.0%* |
| + Depreciation+amort. | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | |
| EBITDA | 3 | 2 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | |
| - Paid taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -1 | -1 | -1 | |
| - Change in NWC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| *NWC / Sales, %* | *2.2%* | *4.0%* | *4.0%* | *4.0%* | *4.0%* | *4.0%* | *4.0%* | *4.0%* | *4.0%* | *4.0%* | *4.0%* | |
| + Change in other liabs | | | | | | | | | | | | |
| - Operative CAPEX | -2 | -3 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | |
| *opCAPEX / Sales, %* | *17.5%* | *22.1%* | *16.0%* | *14.1%* | *12.7%* | *11.6%* | *9.2%* | *8.5%* | *8.0%* | *7.5%* | *7.4%* | |
| - Acquisitions | | | | | | | | | | | | |
| + Divestments | | | | | | | | | | | | |
| - Other items | | | | | | | | | | | | |
| = FCFF | 0 | -1 | 0 | 0 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 33 |
| = Discounted FCFF | | -1 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 16 |
| = DFCF min WACC | | -1 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 19 |
| = DFCF max WACC | | -1 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 14 |

### Sensitivity analysis, EUR

| Terminal EBIT-% \ Terminal WACC | 5.41 % | 6.41 % | 7.41 % | 8.41 % | 9.41 % |
|---|---|---|---|---|---|
| 8.00 % | 3.24 | 2.63 | 2.22 | 1.93 | 1.72 |
| 9.00 % | 3.66 | 2.93 | 2.45 | 2.12 | 1.86 |
| 10.00 % | 4.08 | 3.24 | 2.69 | 2.30 | 2.01 |
| 11.00 % | 4.50 | 3.55 | 2.92 | 2.48 | 2.16 |
| 12.00 % | 4.93 | 3.85 | 3.15 | 2.66 | 2.30 |

**INTERIM FIGURES**

| EVLI ESTIMATES, EURm | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4 | 2024 | 2025Q1E | 2025Q2E | 2025Q3E | 2025Q4E | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net sales | 0.0 | 5.9 | 0.0 | 6.0 | 11.9 | 0.0 | 6.5 | 0.0 | 6.5 | 13.0 | 14.4 | 16.3 |
| EBITDA | | 1.3 | 0.0 | 1.3 | 2.6 | | 1.1 | | 1.3 | 2.4 | 2.8 | 3.2 |
| *EBITDA margin (%)* | | *21.9%* | | *21.9%* | *21.7%* | | *16.9%* | | *20.0%* | *18.5%* | *19.7%* | *19.9%* |
| EBIT | | 0.9 | 0.0 | 0.7 | 1.7 | | 0.6 | | 0.8 | 1.4 | 1.7 | 1.9 |
| *EBIT margin (%)* | | *16.0%* | | *12.3%* | *14.0%* | | *9.2%* | | *12.3%* | *10.8%* | *11.8%* | *11.9%* |
| Net financial items | | -0.1 | | -0.3 | -0.3 | | -1.5 | | -0.1 | -1.6 | -0.2 | -0.2 |
| Pre-tax profit | | 0.9 | 0.0 | 0.5 | 1.3 | | -0.9 | | 0.7 | -0.2 | 1.5 | 1.7 |
| Tax | | -0.2 | | 0.0 | -0.2 | | 0.2 | | -0.1 | 0.0 | -0.3 | -0.3 |
| *Tax rate (%)* | | | | | *17.7%* | | *20.0%* | | *20.0%* | *20.0%* | *20.0%* | *20.0%* |
| Net profit | | 0.7 | 0.0 | 0.5 | 1.1 | | -0.7 | | 0.6 | -0.2 | 1.2 | 1.4 |
| EPS | | 0.11 | 0.00 | 0.08 | 0.18 | | -0.07 | | 0.06 | -0.02 | 0.12 | 0.14 |
| EPS adj. (diluted) | | 0.11 | 0.00 | 0.08 | 0.18 | | -0.07 | | 0.06 | -0.02 | 0.12 | 0.14 |
| Dividend per share | | | | | | | | | | | 0.04 | 0.04 |

| SALES, EURm | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4 | 2024 | 2025Q1E | 2025Q2E | 2025Q3E | 2025Q4E | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nokian Panimo | | 5.9 | | 6.0 | 11.9 | | 6.5 | | 6.5 | 13.0 | 14.4 | 16.3 |
| Total | 0.0 | 5.9 | 0.0 | 6.0 | 11.9 | 0.0 | 6.5 | 0.0 | 6.5 | 13.0 | 14.4 | 16.3 |

| *SALES GROWTH, Y/Y %* | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4 | 2024 | 2025Q1E | 2025Q2E | 2025Q3E | 2025Q4E | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nokian Panimo | | 11.3% | | 20.4% | 15.7% | | 10.9% | | 8.3% | 9.6% | 10.8% | 13.2% |
| Total | | 11.3% | | 20.4% | 15.7% | | 10.9% | | 8.3% | 9.6% | 10.8% | 13.2% |

| EBIT, EURm | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4 | 2024 | 2025Q1E | 2025Q2E | 2025Q3E | 2025Q4E | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nokian Panimo | | 0.9 | 0.0 | 0.7 | 1.7 | | 0.6 | | 0.8 | 1.4 | 1.7 | 1.9 |
| Total | | 0.9 | 0.0 | 0.7 | 1.7 | | 0.6 | | 0.8 | 1.4 | 1.7 | 1.9 |

| *EBIT margin %* | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4 | 2024 | 2025Q1E | 2025Q2E | 2025Q3E | 2025Q4E | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nokian Panimo | | 16.0% | | 12.3% | 14.0% | | 9.2% | | 12.3% | 10.8% | 11.8% | 11.9% |
| Total | | 16.0% | | 12.3% | 14.0% | | 9.2% | | 12.3% | 10.8% | 11.8% | 11.9% |

| INCOME STATEMENT, EURm | 2020 | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|---|---|---|
| Sales | 7.1 | 8.7 | 9.3 | 10.3 | 11.9 | 13.0 | 14.4 | 16.3 |
| *Sales growth (%)* | 17.4% | 21.6% | 7.8% | 9.9% | 15.7% | 9.6% | 10.8% | 13.2% |
| EBITDA | 1.3 | 1.9 | 1.7 | 1.7 | 2.6 | 2.4 | 2.8 | 3.2 |
| *EBITDA margin (%)* | 18.9% | 21.6% | 18.4% | 16.7% | 21.7% | 18.5% | 19.7% | 19.9% |
| Depreciation | -0.3 | -0.4 | -0.5 | -0.7 | -0.9 | -1.0 | -1.1 | -1.3 |
| EBITA | 1.0 | 1.5 | 1.2 | 1.0 | 1.7 | 1.4 | 1.7 | 1.9 |
| Goodwill amortization / writedown | | | | | | | | |
| EBIT | 1.0 | 1.5 | 1.2 | 1.0 | 1.7 | 1.4 | 1.7 | 1.9 |
| *EBIT margin (%)* | 14.1% | 17.3% | 13.2% | 10.2% | 14.0% | 10.8% | 11.8% | 11.9% |
| Reported EBIT | 1.0 | 1.5 | 1.2 | 1.0 | 1.7 | 1.4 | 1.7 | 1.9 |
| *EBIT margin (reported) (%)* | 14.1% | 17.3% | 13.2% | 10.2% | 14.0% | 10.8% | 11.8% | 11.9% |
| Net financials | 0.0 | 0.0 | -0.1 | -0.1 | -0.3 | -1.6 | -0.2 | -0.2 |
| Pre-tax profit | 1.0 | 1.5 | 1.2 | 0.9 | 1.3 | -0.2 | 1.5 | 1.7 |
| Taxes | -0.2 | -0.3 | -0.2 | -0.2 | -0.2 | 0.0 | -0.3 | -0.3 |
| Minority shares | | | | | | | | |
| Net profit | 0.8 | 1.2 | 0.9 | 0.8 | 1.1 | -0.2 | 1.2 | 1.4 |
| Cash NRIs | | | | | | | | |
| Non-cash NRIs | | | | | | | | |
| **BALANCE SHEET, EURm** | | | | | | | | |
| Assets | | | | | | | | |
| Fixed assets | 4 | 7 | 8 | 8 | 9 | 11 | 12 | 13 |
| Goodwill | | | | | | | | |
| Right of use assets | | | | | | | | |
| Inventory | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Receivables | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 3 |
| Liquid funds | 0 | 1 | 0 | 0 | 9 | 8 | 6 | 5 |
| Total assets | 6 | 10 | 11 | 11 | 21 | 22 | 22 | 23 |
| Liabilities | | | | | | | | |
| Shareholders' equity | 3 | 4 | 5 | 5 | 15 | 16 | 17 | 18 |
| Minority interest | | | | | | | | |
| Convertibles | | | | | | | | |
| Lease liabilities | | | | 2 | 1 | | | |
| Deferred taxes | | | | | | | | |
| Interest bearing debt | 1 | 3 | 3 | 2 | 2 | 3 | 1 | 0 |
| Non-interest bearing current liabilities | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 4 |
| Other interest-free debt | | | | | | | | |
| Total liabilities | 6 | 10 | 11 | 11 | 21 | 22 | 22 | 23 |
| **CASH FLOW, EURm** | | | | | | | | |
| + EBITDA | 1 | 2 | 2 | 2 | 3 | 2 | 3 | 3 |
| - Net financial items | 0 | 0 | 0 | 0 | 0 | -2 | 0 | 0 |
| - Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| - Increase in Net Working Capital | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| +/- Other | | | | | | | | |
| = Cash flow from operations | 1 | 2 | 1 | 1 | 2 | 1 | 2 | 3 |
| - Capex | -1 | -3 | -1 | -1 | -2 | -3 | -2 | -2 |
| - Acquisitions | | | | | | | | |
| + Divestments | | | | | | | | |
| = Free cash flow | 1 | -1 | 0 | 0 | 0 | -2 | 0 | 0 |
| +/- New issues/buybacks | 0 | | 0 | 0 | 9 | 1 | | |
| - Paid dividend | 0 | 0 | 0 | 0 | | | 0 | 0 |
| +/- Other | 0 | 2 | 0 | 0 | 0 | 0 | -2 | -1 |
| Change in cash | 0 | 0 | -1 | 0 | 9 | -1 | -2 | -1 |

| KEY FIGURES | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|---|---|
| M–cap | | | | 15 | 25 | 25 | 25 |
| Net debt (excl. convertibles) | 2 | 3 | 3 | –5 | –5 | –4 | –4 |
| Enterprise value | 2 | 3 | 3 | 10 | 21 | 21 | 21 |
| Sales | 9 | 9 | 10 | 12 | 13 | 14 | 16 |
| EBITDA | 2 | 2 | 2 | 3 | 2 | 3 | 3 |
| EBIT | 1 | 1 | 1 | 2 | 1 | 2 | 2 |
| Pre–tax | 1 | 1 | 1 | 1 | 0 | 1 | 2 |
| Earnings | 1 | 1 | 1 | 1 | 0 | 1 | 1 |
| Equity book value (excl. minorities) | 4 | 5 | 5 | 15 | 16 | 17 | 18 |

| Valuation multiple | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|---|---|
| EV/Sales | 0.3 | 0.3 | 0.3 | 0.8 | 1.6 | 1.4 | 1.3 |
| EV/EBITDA | 1.3 | 1.8 | 1.8 | 3.8 | 8.6 | 7.3 | 6.4 |
| EV/EBITA | 1.6 | 2.6 | 2.9 | 5.9 | 14.8 | 12.2 | 10.7 |
| EV/EBIT | 1.6 | 2.6 | 2.9 | 5.9 | 14.8 | 12.2 | 10.7 |
| EV/OCF | 1.1 | 3.2 | 2.5 | 4.8 | 35.8 | 9.2 | 8.0 |
| EV/FCF | –2.0 | –8.0 | 6.6 | 41.2 | –20.4 | 144.1 | 43.7 |
| P/FCFR | | | | –692.5 | –11.0 | –598.4 | 82.7 |
| P/E | | | | 13.8 | –157.7 | 21.5 | 18.3 |
| P/BV | | | | 1.0 | 1.6 | 1.4 | 1.4 |
| *Target EV/EBITDA* | | | | | 9.5 | 8.0 | 7.0 |
| *Target EV/EBIT* | | | | | 16.2 | 13.4 | 11.8 |
| *Target EV/FCFF* | | | | | –9.9 | –540.0 | 74.8 |
| *Target P/BV* | | | | | 1.7 | 1.6 | 1.5 |
| *Target P/E, diluted* | | | | 12.5 | –170.3 | 23.2 | 19.7 |

| Per share measures | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|---|---|
| Number of shares (million) | 6.15 | 6.15 | 5.97 | 6.09 | 10.09 | 10.09 | 10.09 |
| Number of shares (diluted, million) | 6.15 | 6.15 | 5.97 | 6.09 | 10.09 | 10.09 | 10.09 |
| EPS | 0.19 | 0.15 | 0.13 | 0.18 | –0.02 | 0.12 | 0.14 |
| Operating cash flow per share | 0.35 | 0.16 | 0.21 | 0.34 | 0.06 | 0.22 | 0.26 |
| Free cash flow per share | –0.20 | –0.07 | 0.06 | 0.00 | –0.23 | 0.00 | 0.03 |
| Book value per share | 0.70 | 0.79 | 0.90 | 2.46 | 1.61 | 1.73 | 1.83 |
| Dividend per share | 0.06 | 0.04 | 0.03 | 0.00 | 0.00 | 0.04 | 0.04 |
| Dividend payout ratio, % | 31.8% | 26.1% | 23.3% | | 30.0% | 30.1% | 30.2% |
| Dividend yield, % | | | | | | 1.4% | 1.7% |
| FCF yield, % | | | | –0.1% | –9.1% | –0.2% | 1.2% |

| Efficiency measures | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|---|---|
| ROE | 29.9% | 20.6% | 15.0% | 10.8% | –1.0% | 7.0% | 7.7% |
| ROCE | 24.7% | 16.0% | 12.8% | 12.4% | 7.5% | 9.0% | 10.3% |

| Financial ratios | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|---|---|
| Inventories as % of sales | 9.8% | 11.6% | 9.4% | 8.7% | 10.1% | 10.1% | 10.1% |
| Receivables as % of sales | 14.6% | 15.8% | 15.7% | 16.8% | 16.2% | 16.2% | 16.2% |
| Non–int. bearing liabilities as % of sales | 28.6% | 26.6% | 22.3% | 23.3% | 22.3% | 22.3% | 22.3% |
| NWC/sales, % | –4.3% | 0.8% | 2.8% | 2.2% | 4.0% | 4.0% | 4.0% |
| Operative CAPEX/Sales, % | 38.8% | 15.4% | 8.5% | 17.5% | 22.1% | 16.0% | 14.1% |
| CAPEX/sales (incl. acquisitions), % | 38.8% | 15.4% | 8.5% | 17.5% | 22.1% | 16.0% | 14.1% |
| FCFF/EBITDA | –0.6 | –0.2 | 0.3 | 0.1 | –0.4 | 0.1 | 0.1 |
| Net Debt/EBITDA, book–weighted | 1.3 | 1.8 | 1.8 | –2.1 | –1.9 | –1.6 | –1.4 |
| Debt/equity, market–weighted | | | | 0.1 | 0.1 | 0.1 | 0.0 |
| Equity ratio, book–weighted | 0.4 | 0.5 | 0.5 | 0.7 | 0.7 | 0.8 | 0.8 |
| Gearing, % | 54.7% | 65.2% | 56.8% | –36.1% | –27.8% | –25.7% | –24.0% |

| OWNERSHIP STRUCTURE | SHARES | EURm | % |
|---|---|---|---|
| Oy Scripto Ab | 3 925 693 | 9.814 | 38.9 % |
| Keskinäinen Työeläkevakuutusyhtiö Varma | 762 000 | 1.905 | 7.5 % |
| Keskinäinen Eläkevakuutusyhtiö Ilmarinen | 756 000 | 1.890 | 7.5 % |
| Elo Keskinäinen Työeläkevakuutusyhtiö | 600 000 | 1.500 | 5.9 % |
| Oy Prandium Ab | 533 333 | 1.333 | 5.3 % |
| Properius Partners Micro Finland | 200 000 | 0.500 | 2.0 % |
| Erikoissijoitusrahasto Aktia Mikro Markka | 200 000 | 0.500 | 2.0 % |
| Mikko Laakkonen | 150 000 | 0.375 | 1.5 % |
| Oy Ingman Finance Ab | 150 000 | 0.375 | 1.5 % |
| Ten largest | 7 277 026 | 18.193 | 72.1 % |
| Residual | 2 816 957 | 7.042 | 27.9 % |
| Total | 10 093 983 | 25.235 | 100% |

**EARNINGS CALENDAR**

**OTHER EVENTS**

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CFO:
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## DEFINITIONS

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

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| Target price compared to share price | Recommendation |
|---|---|
| < -10 % | SELL |
| -10 – 0 % | RECUDE |
| 0 – (+10) % | ACCUMULATE |
| > 10 % | BUY |

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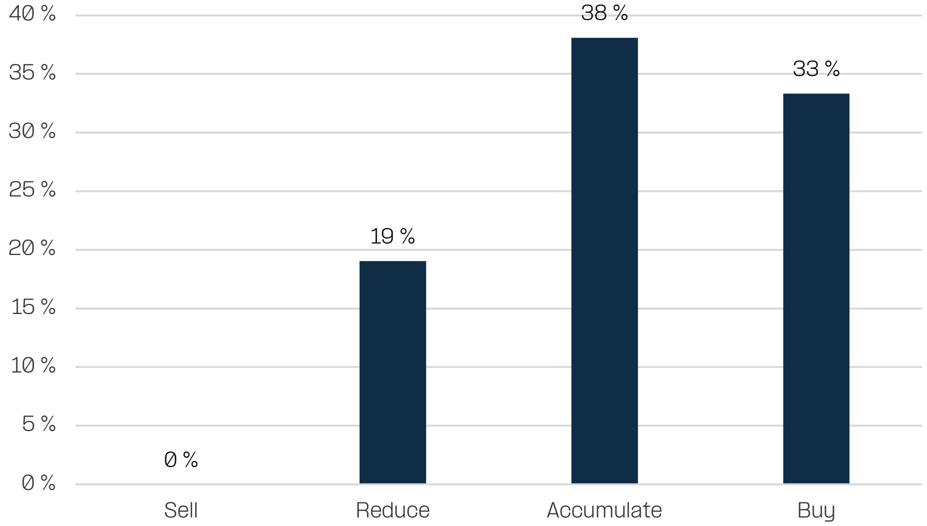


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Name(s) of the analyst(s): Atte Pitkäjärvi

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