

Limited visibility for sales recovery

Solteq's Q4 results were weaker than expected. While the company maintained its profitability improvement trend in Retail & Commerce, net sales—particularly in Utilities—were disappointing. The near-term outlook for both segments remain weak, as reflected in the guidance.

Weaker-than-expected sales, R&C profitability holds

Solteq reported Q4 comparable net sales of EUR 12.5m (Q4'23: EUR 14.3m), missing our EUR 13.4m estimate and reflecting a 12.4% organic decline. Both segments saw revenue drops amid challenging market conditions. Retail & Commerce performed relatively better, while Utilities' net sales plunged by 27% y/y due to weak customer demand amid challenging market conditions and delays in software deliveries caused by internal resourcing challenges. Efficiency measures taken in R&C supported profitability, driving the segment's comparable operating profit to EUR 1.0m (Q4'23: EUR -0.2m), slightly above our EUR 0.8m forecast, contributing to an overall comparable operating margin of EUR 0.3m (Q4'23: EUR -1.0m, Evli est. EUR 0.8m). In contrast, Utilities recorded a comparable operating result of EUR -0.7m (Q4'23: EUR -0.8m) versus our EUR 0.0m estimate.

Delay in demand recovery affecting our 2025 estimates

Solteq's 2025 outlook and guidance fell short of our expectations. The company estimates a slight decline in comparable net sales (2024: EUR 48.8m, factoring in the sale of Solteq Care) and a significant improvement in comparable operating profit. Management indicated that short-term conditions are expected to remain soft, though signs of gradual growth are emerging. As a result, we have revised our FY 2025E estimates for comparable net sales to EUR 48.7m and for the comparable operating margin to EUR 2.8m. We now forecast a 5% decline in sales for Retail & Commerce, driven mainly by the sale of Solteq Care, whereas previously we had estimated flat net sales development. Despite efficiency improvements, lower volumes are expected to weigh slightly on margins. For Utilities, we now expect a slight decline in sales, reversing our earlier expectation of some 5% growth. As a result, margin recovery for Utilities is anticipated to shift to 2026.

ACCUMULATE (BUY) with a target price of EUR 0.65 (EUR 0.75)

We revise our TP to 0.65. While the company has partially achieved its profitability turnaround, and the long-term outlook remain favourable, near-term visibility for a change in the current operating environment remains limited.

Rating

+ Accumulate



Share price, EUR (Last trading day's closing price) **0.61**
Target price, EUR 0.65

Latest change in recommendation 14-Feb-25

Latest report on company 10-Feb-25

Research paid by issuer: YES

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

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

Market cap, EURm 12

Free float, % 73.0 %

Exchange rate 0.0

Reuters code SOLTEQ.HE

Bloomberg code SOLTEQ FH

Average daily volume, EUR 0.008

Next interim report 29-Apr-25

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+ BUY + ACCUMULATE - REDUCE - SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2023	57.7	-3.5	-6.1%	6.0	-0.28	-2.3	0.7	-11.1	40.8%	
2024	50.9	1.8	3.6%	3.9	-0.06	-10.3	0.6	18.2	31.5%	
2025E	48.7	2.8	5.7%	0.1	0.00	872.8	0.7	11.7	0.6%	
2026E	51.2	4.2	8.2%	1.4	0.06	9.9	0.6	7.4	11.7%	0.03
2027E	55.3	6.0	10.9%	3.2	0.15	4.1	0.5	4.7	26.6%	0.07

Market cap, EURm	12	Gearing 2025E, %	127.7 %	CAGR EPS 2024-27, %	0.0 %
Net debt 2025E, EURm	20	Price/book 2025	0.7	CAGR Sales 2024-27, %	2.8 %
Enterprise value, EURm	32	Dividend yield 2025E, %	0.0 %	ROE 2025E, %	0.1 %
Total assets 2025E, EURm	50	Tax rate 2025E, %	20.0 %	ROCE 2025E, %	7.2 %
Goodwill 2025E, EURm	39	Equity ratio 2025E, %	31.8 %	PEG, P/E 25/CAGR	1.7

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

Solteq	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25E	Q2/'25E	Q3/'25E	Q4/'25E	2025E	2026E	2027E
Net sales	57.7	13.6	13.4	11.4	12.5	50.9	12.3	12.5	11.1	12.8	48.7	51.2	55.3
sales growth %	-15.7%	-19.7%	-6.1%	-6.5%	-12.5%	-11.8%	-9.4%	-6.7%	-2.9%	2.5%	-4.3%	5.2%	7.9%
comparable growth %	-5.3%	-3.8%	-1.6%	-6.5%	-12.4%	-6.1%					-0.3%	5.2%	7.9%
EBITDA	8.7	0.4	0.6	0.9	2.2	4.1	0.8	1.1	1.1	1.7	4.6	5.8	7.6
Adj. EBITDA	-1.7	0.4	0.6	1.2	0.8	2.9	0.8	1.1	1.1	1.7	4.6	5.8	7.6
D&A	-12.2	-0.6	-0.6	-0.6	-0.5	-2.3	-0.5	-0.5	-0.5	-0.5	-1.8	-1.6	-1.6
EBIT	-3.5	-0.2	0.0	0.3	1.8	1.8	0.3	0.6	0.6	1.2	2.8	4.2	6.0
EBIT-%	-6.1%	-1.8%	0.0%	2.6%	14.1%	3.6%	2.6%	5.0%	5.7%	9.2%	5.7%	8.2%	10.9%
Adjustment items	-1.0	0.0	0.0	0.3	-1.4	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adj. EBIT	-4.6	-0.2	0.0	0.6	0.3	0.7	0.3	0.6	0.6	1.2	2.8	4.2	6.0
Adj. EBIT-%	-7.9%	-1.8%	0.0%	5.4%	2.7%	1.4%	2.6%	5.0%	5.7%	9.2%	5.7%	8.2%	10.9%
Retail & Commerce	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25E	Q2/'25E	Q3/'25E	Q4/'25E	2025E	2026E	2027E
Net sales	44.0	10.4	10.0	8.5	9.7	38.6	9.3	9.4	8.3	9.7	36.7	38.3	40.8
sales growth %	-18.3%	-22.8%	-7.3%	-7.5%	-7.3%	-12.1%	-10.3%	-6.4%	-2.9%	-0.2%	-5.1%	4.5%	6.5%
Adj. EBITDA	2.3	0.8	0.8	1.1	1.3	4.0	1.0	1.0	0.8	1.2	4.0	4.5	5.1
Adj. EBITDA-%	5.3%	7.9%	7.7%	12.7%	13.1%	10.2%	10.8%	10.7%	9.7%	11.9%	10.8%	11.7%	12.5%
EBIT	5.2	0.4	0.4	0.4	2.4	3.6	0.7	0.7	0.5	0.8	2.7	3.4	4.0
EBIT-%	11.8%	4.0%	3.7%	5.1%	24.7%	9.4%	7.5%	7.4%	6.0%	8.7%	7.5%	8.9%	9.8%
Adj. EBIT	0.4	0.4	0.4	0.7	1.0	2.5	0.7	0.7	0.5	0.8	2.7	3.4	4.0
Adj. EBIT-%	1.0%	4.0%	3.7%	8.5%	10.3%	6.5%	7.5%	7.4%	6.0%	8.7%	7.5%	8.9%	9.8%
Utilities	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25E	Q2/'25E	Q3/'25E	Q4/'25E	2025E	2026E	2027E
Net sales	13.7	3.2	3.4	2.9	2.8	12.2	3.0	3.1	2.8	3.1	12.0	12.9	14.4
sales growth %	-6.2%	-7.5%	-2.5%	-3.3%	-27.0%	-10.7%	-6.3%	-7.6%	-3.2%	11.6%	-1.8%	7.5%	12.0%
Adj. EBITDA	-4.0	-0.5	-0.2	0.1	-0.5	-1.0	-0.2	0.1	0.3	0.5	0.6	1.3	2.5
Adj. EBITDA-%	-29.0%	-14.5%	-4.8%	3.2%	-17.1%	-8.2%	-7.6%	2.3%	10.1%	16.1%	5.2%	10.4%	17.6%
EBIT	-8.7	-0.7	-0.4	-0.1	-0.6	-1.8	-0.4	-0.1	0.1	0.3	0.0	0.8	2.0
EBIT-%	-63.7%	-20.7%	-10.9%	-4.9%	-22.8%	-14.8%	-12.7%	-2.6%	4.6%	11.0%	0.1%	6.2%	13.8%
Adj. EBIT	-5.0	-0.7	-0.4	-0.1	-0.7	-1.8	-0.4	-0.1	0.1	0.3	0.0	0.8	2.0
Adj. EBIT-%	-36.7%	-20.7%	-10.9%	-3.7%	-23.8%	-14.7%	-12.7%	-2.6%	4.6%	11.0%	0.1%	6.2%	13.8%

Source: Evli Research

	MCAP	EV/EBIT			EV/EBITDA			P/E			EV/Sales		
Nordic IT Services	EURm	25E	26E	27E	25E	26E	27E	25E	26E	27E	25E	26E	27E
TIETOEVRY	2270	10.6x	10.1x	9.3x	7.6x	7.2x	6.9x	9.9x	9.5x	8.8x	1.1x	1.1x	1.1x
ATEA	1269	10.2x	9.0x	8.7x	6.7x	6.1x	5.8x	14.6x	12.6x	11.6x	0.4x	0.4x	0.3x
BOUVET	712	17.1x	15.5x	13.7x	13.7x	12.7x	11.5x	21.0x	19.2x	17.1x	2.2x	2.0x	1.8x
KNOWIT	337	15.9x	11.3x	9.5x	7.2x	6.2x	5.6x	15.2x	11.1x	9.6x	0.7x	0.7x	0.6x
GOFORE	335	14.4x	12.2x	11.4x	10.5x	9.9x	8.8x	18.2x	16.4x	14.1x	1.7x	1.6x	1.4x
DIGIA	182	10.4x	10.2x	10.3x	8.1x	7.9x	7.5x	13.0x	12.6x	11.5x	1.0x	1.0x	0.9x
LOIHDE	71	26.2x	18.7x	11.9x	7.0x	5.8x	5.0x	35.7x	17.0x	14.1x	0.5x	0.5x	0.5x
SIILI	48	12.0x	9.1x	7.8x	6.8x	5.6x	5.0x	14.3x	10.3x	8.3x	0.5x	0.5x	0.5x
NETUM	36	9.3x	9.5x	8.7x	8.7x	9.1x	8.4x	11.8x	11.3x	9.7x	1.0x	1.0x	0.9x
VINCIT	30	26.7x	7.1x					89.0x	12.7x		0.3x	0.3x	
Peer Group Average	529	15.3x	11.3x	10.1x	8.5x	7.8x	7.2x	24.3x	13.3x	11.6x	0.9x	0.9x	0.9x
Peer Group Median	337	14.4x	11.3x	10.3x	7.6x	7.2x	6.9x	15.2x	12.6x	11.6x	1.0x	1.0x	0.9x
Solteq (Evli est.)	12	11.9x	7.5x	4.8x	7.1x	5.4x	3.8x	912.8x	10.3x	4.3x	0.7x	0.6x	0.5x

Prem./disc. to peer median -17.4% -33.6% -53.4% -5.6% -24.9% -45.0% 5916.9% -17.8% -62.7% -30.6% -35.5% -43.1%

Source: Bloomberg

We have amended our rating methodology since the previous update of the stock. Please see the updated and previous methodologies below.

NEW

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

OLD

Target price compared to share price	Recommendation
< -10%	SELL
-10 – (+10)%	HOLD
> 10%	BUY

BASE CASE DETAILS		VALUATION ASSUMPTIONS		ASSUMPTIONS FOR WACC
Current share price	0.61 PV of Free Cash Flow	41 Long-term growth, %	2.0 % Risk-free interest rate, %	2.25 %
DCF share value	3.05 PV of Horizon value	39 WACC, %	10.6 % Market risk premium, %	5.8 %
Share price potential, %	398.7 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	7.8 %
Maximum value	3.3 Marketable securities	3 Minimum WACC, %	10.1 % Equity beta coefficient	1.30
Minimum value	2.8 Debt – dividend	–24 Maximum WACC, %	11.1 % Target debt ratio, %	20 %
Horizon value, %	48.7 % Value of stock	59 No. of shares, Mn	19.4 Effective tax rate, %	20 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	51	49	51	55	58	61	64	67	71	74	76	77
Sales growth (%)	–11.8%	–4.3%	5.2%	7.9%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	2.0%	2.0%
Operating income (EBIT)	2	3	4	6	6	6	7	7	7	8	8	8
Operating income margin %	3.6%	5.7%	8.2%	10.9%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
+ Depreciation+amort.	2	2	2	2	2	2	2	2	2	2	2	2
EBITDA	4	5	6	8	8	8	9	9	10	10	10	
– Paid taxes	–1	–1	–1	–1	–1	–1	–1	–1	–1	–2	–2	
– Change in NWC	3	0	0	0	0	0	0	0	0	0	0	
NWC / Sales, %	–11.3%	–11.4%	–11.3%	–11.3%	–11.3%	–11.2%	–11.2%	–11.2%	–11.2%	–11.1%	–11.1%	
+ Change in other liabs	0											
– Operative CAPEX	2	0	0	0	0	0	0	0	0	0	0	
opCAPEX / Sales, %	–0.3%	3.2%	3.3%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	8	4	5	7	7	7	8	8	8	9	9	105
= Discounted FCFF		3	4	5	5	4	4	4	4	4	3	39
= DFCF min WACC		3	4	5	5	5	4	4	4	4	3	43
= DFCF max WACC		3	4	5	5	4	4	4	4	3	3	35

Sensitivity analysis, EUR

		Terminal WACC				
		8.58 %	9.58 %	10.58 %	11.58 %	12.58 %
Terminal EBIT–%	8.50 %	3.85	3.21	2.71	2.31	1.99
	9.50 %	4.12	3.42	2.88	2.45	2.11
	10.50 %	4.39	3.63	3.05	2.60	2.23
	11.50 %	4.66	3.84	3.22	2.74	2.34
	12.50 %	4.92	4.06	3.39	2.88	2.46

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	13.6	13.4	11.4	12.5	50.9	12.3	12.5	11.1	12.8	48.7	51.2	55.3
EBITDA	0.4	0.6	0.9	2.2	4.1	0.8	1.1	1.1	1.7	4.6	5.8	7.6
EBITDA margin (%)	2.7%	4.6%	7.8%	17.7%	8.0%	6.3%	8.6%	9.8%	13.0%	9.4%	11.4%	13.8%
EBIT	-0.2	0.0	0.3	1.8	1.8	0.3	0.6	0.6	1.2	2.8	4.2	6.0
EBIT margin (%)	-1.8%	0.0%	2.6%	14.1%	3.6%	2.6%	5.0%	5.7%	9.2%	5.7%	8.2%	10.9%
Net financial items	-0.5	-0.5	-0.8	-0.6	-2.4	-0.7	-0.7	-0.7	-0.7	-2.7	-2.7	-2.4
Pre-tax profit	-0.7	-0.5	-0.5	1.1	-0.6	-0.4	-0.1	-0.1	0.5	0.0	1.5	3.6
Tax	0.0	0.0	0.0	-0.5	-0.6	0.1	0.0	0.0	-0.1	0.0	-0.3	-0.7
Tax rate (%)	0.1%	-7.2%	-8.4%	47.4%	-102.3%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Net profit	-0.7	-0.5	-0.6	0.6	-1.2	-0.3	-0.1	0.0	0.4	0.0	1.2	2.9
EPS	-0.04	-0.03	-0.03	0.03	-0.06	-0.02	0.00	0.00	0.02	0.00	0.06	0.15
EPS adj. (diluted)	-0.04	-0.03	-0.03	0.03	-0.06	-0.02	0.00	0.00	0.02	0.00	0.06	0.15
Dividend per share											0.03	0.07
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Retail & Commerce	10.4	10.0	8.5	9.7	38.6	9.3	9.4	8.3	9.7	36.7	38.3	40.8
Utilities	3.2	3.4	2.9	2.8	12.2	3.0	3.1	2.8	3.1	12.0	12.9	14.4
Total	13.6	13.4	11.4	12.5	50.9	12.3	12.5	11.1	12.8	48.7	51.2	55.3
SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Retail & Commerce	-22.8%	-7.3%	-7.5%	-7.3%	-12.1%	-10.3%	-6.4%	-2.9%	-0.2%	-5.1%	4.5%	6.5%
Utilities	-7.5%	-2.5%	-3.3%	-27.0%	-10.7%	-6.3%	-7.6%	-3.2%	11.6%	-1.9%	7.5%	12.0%
Total	-19.7%	-6.1%	-6.5%	-12.6%	-11.8%	-9.4%	-6.7%	-2.9%	2.5%	-4.3%	6.2%	7.9%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Retail & Commerce	0.4	0.4	0.4	2.4	3.6	0.7	0.7	0.5	0.8	2.7	3.4	4.0
Utilities	-0.7	-0.4	-0.1	-0.6	-1.8	-0.4	-0.1	0.1	0.3	0.0	0.8	2.0
Total	-0.2	0.0	0.3	1.8	1.8	0.3	0.6	0.6	1.2	2.8	4.2	6.0
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Retail & Commerce	4.0%	3.7%	5.1%	24.7%	9.4%	7.5%	7.5%	6.0%	8.7%	7.5%	8.9%	9.8%
Utilities	-20.7%	-10.9%	-4.9%	-22.8%	-14.8%	-12.7%	-2.6%	4.6%	11.0%	0.1%	6.2%	13.8%
Total	-1.8%	0.0%	2.6%	14.1%	3.6%	2.6%	5.0%	5.7%	9.2%	5.7%	8.2%	10.9%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	60.5	69.1	68.4	57.7	50.9	48.7	51.2	55.3
<i>Sales growth (%)</i>	3.7%	14.2%	-0.9%	-15.8%	-11.8%	-4.3%	5.2%	7.9%
EBITDA	10.4	12.3	5.5	8.7	4.1	4.6	5.8	7.6
<i>EBITDA margin (%)</i>	17.2%	17.8%	8.1%	15.1%	8.0%	9.4%	11.4%	13.8%
Depreciation	-5.0	-5.1	-10.0	-12.2	-2.3	-1.8	-1.6	-1.6
EBITA	5.4	7.2	-4.4	-3.5	1.8	2.8	4.2	6.0
Goodwill amortization / writedown								
EBIT	5.4	7.2	-4.4	-3.5	1.8	2.8	4.2	6.0
<i>EBIT margin (%)</i>	8.9%	10.4%	-6.5%	-6.1%	3.6%	5.7%	8.2%	10.9%
Reported EBIT	5.4	7.2	-4.4	-3.5	1.8	2.8	4.2	6.0
<i>EBIT margin (reported) (%)</i>	8.9%	10.4%	-6.5%	-6.1%	3.6%	5.7%	8.2%	10.9%
Net financials	-2.6	-1.9	-2.2	-1.2	-2.4	-2.7	-2.7	-2.4
Pre-tax profit	2.7	5.3	-6.6	-4.7	-0.6	0.0	1.5	3.6
Taxes	-0.8	-1.1	1.2	-0.7	-0.6	0.0	-0.3	-0.7
Minority shares								
Net profit	2.0	4.1	-5.4	-5.4	-1.2	0.0	1.2	2.9
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	12	13	10	2	2	1	1	1
Goodwill	39	42	46	41	39	39	39	39
Right of use assets	7	5	3	2	2	2	2	2
Inventory	0	0	0	0	0	0	0	0
Receivables	12	12	11	10	6	6	6	7
Liquid funds	5	4	2	2	3	2	2	2
Total assets	75	76	74	57	52	50	51	51
Liabilities								
Shareholders' equity	27	28	23	17	16	16	17	19
Minority interest								
Convertibles								
Lease liabilities	7	5	3	2	2	2	2	2
Deferred taxes	1	1	1	1	0	0	0	0
Interest bearing debt	24	24	30	24	22	21	19	17
Non-interest bearing current liabilities	16	18	17	13	12	11	12	13
Other interest-free debt					1	1	1	1
Total liabilities	75	76	74	57	52	50	51	51
CASH FLOW, EURm								
+ EBITDA	10	12	6	9	4	5	6	8
- Net financial items	-3	-2	-2	-1	-2	-3	-3	-2
- Taxes	-1	-1	0	-1	-1	0	0	-1
- Increase in Net Working Capital	0	1	1	-3	3	0	0	0
+/- Other	-1	0	0	-9				
= Cash flow from operations	6	10	4	-5	4	2	3	5
- Capex	-5	-4	-4	-3	0	-2	-2	-2
- Acquisitions		-3	-5					
+ Divestments	4			14				
= Free cash flow	6	4	-6	6	4	0	1	3
+/- New issues/buybacks	0	0	2	0	0			
- Paid dividend	3	2					1	1
+/- Other	-4	-2	4	-6	-2	-1	-1	-2
Change in cash	1	-1	-2	0	1	-1	0	0

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	91	24	15	12	12	12	12
Net debt (excl. convertibles)	26	31	25	20	20	19	16
Enterprise value	117	55	39	33	32	31	28
Sales	69	68	58	51	49	51	55
EBITDA	12	6	9	4	5	6	8
EBIT	7	-4	-4	2	3	4	6
Pre-tax	5	-7	-5	-1	0	2	4
Earnings	4	-5	-5	-1	0	1	3
Equity book value (excl. minorities)	28	23	17	16	16	17	19

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	1.7	0.8	0.7	0.6	0.7	0.6	0.5
EV/EBITDA	9.5	10.0	4.5	8.0	7.0	5.3	3.7
EV/EBITA	16.3	-12.5	-11.1	18.2	11.7	7.4	4.7
EV/EBIT	16.3	-12.5	-11.1	18.2	11.7	7.4	4.7
EV/OCF	11.7	14.2	-7.4	8.8	19.9	10.0	5.7
EV/FCF	21.2	-19.1	5.0	4.2	8.5	5.9	4.1
P/FCFR	25.6	-4.3	2.5	3.2	159.9	8.6	3.8
P/E	21.9	-4.4	-2.3	-10.3	872.8	9.9	4.1
P/BV	3.2	1.1	0.9	0.8	0.7	0.7	0.6
Target EV/EBITDA					7.2	5.4	3.8
Target EV/EBIT					12.0	7.5	4.8
Target EV/FCFF					444.3	22.8	9.2
Target P/BV					0.8	0.7	0.6
Target P/E, diluted					927.0	10.5	4.4

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	19.40	19.40	19.40	19.40	19.40	19.40	19.40
Number of shares (diluted, million)	19.40	19.40	19.40	19.40	19.40	19.40	19.40
EPS	0.21	-0.28	-0.28	-0.06	0.00	0.06	0.15
Operating cash flow per share	0.51	0.20	-0.27	0.19	0.08	0.16	0.25
Free cash flow per share	0.18	-0.29	0.31	0.20	0.00	0.07	0.16
Book value per share	1.44	1.16	0.89	0.82	0.82	0.88	1.00
Dividend per share	0.10					0.03	0.07
Dividend payout ratio, %	46.8%					50.0%	50.0%
Dividend yield, %	2.1%					5.1%	12.1%
FCF yield, %	3.9%	-23.5%	40.8%	31.5%	0.6%	11.7%	26.6%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	15.2%	-21.5%	-27.1%	-7.3%	0.1%	7.2%	15.7%
ROCE	12.4%	-7.8%	-7.1%	4.3%	7.2%	11.0%	15.7%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Receivables as % of sales	17.0%	16.2%	16.9%	12.2%	12.2%	12.2%	12.2%
Non-int. bearing liabilities as % of sales	25.5%	25.6%	22.4%	22.9%	22.9%	22.9%	22.9%
NWC/sales, %	-8.2%	-9.2%	-5.4%	-11.3%	-11.4%	-11.3%	-11.3%
Operative CAPEX/Sales, %	5.1%	6.4%	4.9%	-0.3%	3.2%	3.3%	3.2%
CAPEX/sales (incl. acquisitions), %	1.0%	-1.1%	4.9%	-0.3%	3.2%	3.3%	3.2%
FCFF/EBITDA	0.4	-0.5	0.9	1.9	0.8	0.9	0.9
Net Debt/EBITDA, book-weighted	2.1	5.7	2.8	5.0	4.4	3.3	2.2
Debt/equity, market-weighted	0.3	1.3	1.7	1.8	1.7	1.6	1.4
Equity ratio, book-weighted	0.4	0.3	0.3	0.3	0.3	0.3	0.4
Gearing, %	92.6%	139.4%	142.3%	128.3%	127.7%	110.7%	84.6%

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

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

OWNERSHIP STRUCTURE	SHARES	EURm	%
Profiz Business Solution Oyj	2 195 569	1.344	11.3 %
Elo Mutual Pension Insurance Company	2 000 000	1.224	10.3 %
Ilmarinen Mutual Pensions Insurance Company	1 651 293	1.011	8.5 %
Varma Mutual Pension Insurance Company	1 545 597	0.946	8.0 %
Aktia Capital Mutual Fund	770 000	0.471	4.0 %
Aalto Seppo Tapio	625 000	0.382	3.2 %
Saadetdin Ali	602 216	0.369	3.1 %
Säästöpankki Small Cap Mutual Fund	500 000	0.306	2.6 %
Incedo Oy	304 001	0.186	1.6 %
Kelhu Markku Juhani	300 000	0.184	1.5 %
Ten largest	10 493 676	6.422	54.1 %
Residual	8 902 825	5.449	45.9 %
Total	19 396 501	11.871	100%

EARNINGS CALENDAR

April 29, 2025	Q1 report
August 21, 2025	Q2 report
October 29, 2025	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

OEO: Aarne Aktan	Revontulenkujä 1, FI-02100 Espoo
CFO: Mikko Sairanen	Tel:
IR:	

DEFINITIONS

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

Important Disclosures

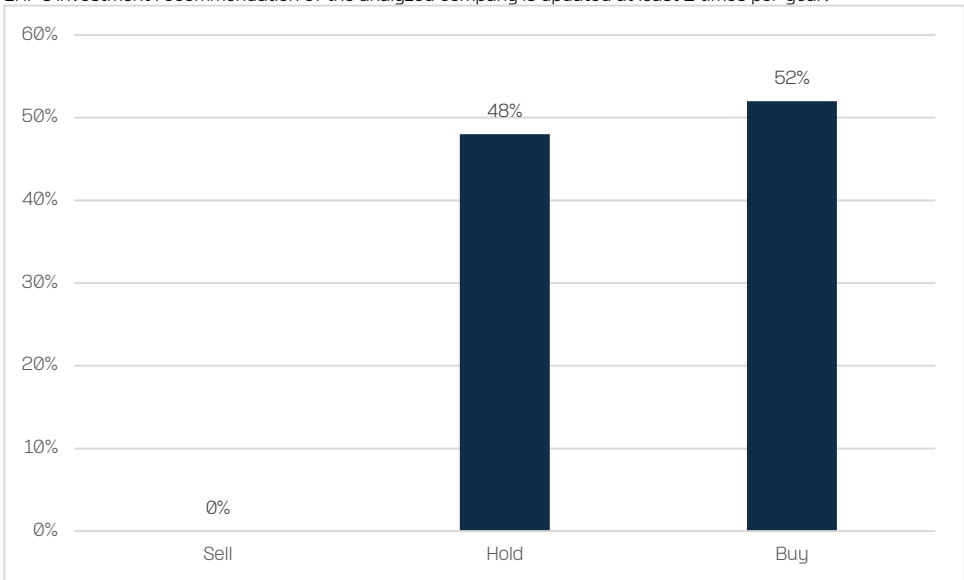
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Investment recommendations are defined as follows:

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

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Name(s) of the analyst(s): Jerker Salokivi, Atte Pitkääjärvi

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