

## Toward softer landings in net sales

Solteq's Q1 performance aligned with expectations. Profitability continued to improve y/y, driven by the Retail & Commerce segment, while net sales remained weak across both segments, though signs of gradual stabilization are emerging.

### Profitability mixed, net sales remained weak across segments

Comparable Q1 net sales were EUR 12.1m (Q1'24: EUR 13.1m), just below our EUR 12.3m estimate. Sales declined across both segments, with Retail & Commerce seeing a 6.9% drop and Utilities down 8.2% y/y. Comparable operating profit was EUR 0.1m (Q1'24: EUR -0.3m), slightly below our EUR 0.3m estimate. In R&C, efficiency measures continued to pay off, with operating profit improving to EUR 0.7m, in line with expectations. Utilities' operating profit was EUR -0.6m (Evli est. EUR -0.4m), marking a notably weak -21% EBIT margin, largely due to weak demand in the consulting business unit. On a positive note, recurring revenue in Utilities grew, now exceeding 50% of segment net sales.

### Performance is expected to improve toward year-end

Solteq reiterated its guidance: the company expects net sales to decrease slightly (2024: EUR 48.8m excl. divested healthcare software business), while comparable operating result is expected to improve significantly (2024: EUR 0.7m). We expect a gradual pick-up in net sales over the year to support earnings growth. R&C profitability has stabilized around a healthy ~8% EBIT margin despite declining sales, but Utilities remains under pressure, with the consulting business in particular dragging down Q1 performance. The company expects the segment to improve toward year-end. Given the company's rather limited cash reserves and elevated interest expenses, net sales improvement remains crucial to driving earnings growth.

### ACCUMULATE with a TP of 0.65

We keep our estimates largely unchanged as the investment case remains intact. Based on our 2025–2026E estimates, Solteq trades at an EV/EBITDA of 8–5x, which we consider slightly undemanding, as we continue to see long-term potential supported by a gradually improving demand environment. We maintain our ACCUMULATE rating and target price of EUR 0.65.

## Rating

+ Accumulate



Share price, EUR (Last trading day's closing price) **0.64**  
Target price, EUR **0.65**

Latest change in recommendation 14-Feb-25

Latest report on company 30-Apr-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, EURm 0.008

Next interim report 21-Aug-25

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+ BUY + ACCUMULATE - REDUCE - SELL

## KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2023	57.7	-3.5	-6.1%	6.0	-0.28	-2.3	0.7	-11.1	40.8%	0.00
2024	50.9	1.8	3.6%	3.6	-0.06	-10.3	0.6	18.2	29.1%	0.00
2025E	48.6	2.5	5.0%	0.2	0.01	70.0	0.7	13.3	1.6%	0.00
2026E	51.1	4.0	7.8%	1.9	0.08	7.8	0.6	7.7	15.5%	0.00
2027E	54.9	5.8	10.5%	3.6	0.16	3.9	0.5	4.7	28.5%	0.00

Market cap, EURm	12	Gearing 2025E, %	125.7 %	CAGR EPS 2024–27, %	0.0 %
Net debt 2025E, EURm	20	Price/book 2025E	0.8	CAGR Sales 2024–27, %	2.6 %
Enterprise value, EURm	33	Dividend yield 2025E, %	0.0 %	ROE 2025E, %	1.1 %
Total assets 2025E, EURm	50	Tax rate 2025E, %	58.6 %	ROCE 2025E, %	6.3 %
Goodwill 2025E, EURm	39	Equity ratio 2025E, %	32.1 %	PEG, P/E 25/CAGR	0.4

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

Table 1: Estimate summary

Solteq	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25	Q2/'25E	Q3/'25E	Q4/'25E	2025E	2026E	2027E
<b>Net sales</b>	<b>57.7</b>	<b>13.6</b>	<b>13.4</b>	<b>11.4</b>	<b>12.5</b>	<b>50.9</b>	<b>12.1</b>	<b>12.6</b>	<b>11.1</b>	<b>12.8</b>	<b>48.6</b>	<b>51.1</b>	<b>54.9</b>
sales growth %	-15.7%	-19.7%	-6.1%	-6.5%	-12.5%	-11.8%	-10.7%	-6.0%	-2.8%	2.6%	-4.4%	5.2%	7.4%
comparable growth %	-5.3%	-3.8%	-1.6%	-6.5%	-12.4%	-6.1%	-7.2%	2.1%	-1.3%	-6.8%	-0.4%	5.2%	7.4%
<b>EBITDA</b>	<b>8.7</b>	<b>0.3</b>	<b>0.6</b>	<b>0.9</b>	<b>2.1</b>	<b>4.1</b>	<b>0.6</b>	<b>1.0</b>	<b>1.2</b>	<b>1.6</b>	<b>4.2</b>	<b>5.6</b>	<b>7.4</b>
<b>Adj. EBITDA</b>	<b>-1.7</b>	<b>0.3</b>	<b>0.5</b>	<b>1.1</b>	<b>0.7</b>	<b>2.5</b>	<b>0.5</b>	<b>1.0</b>	<b>1.2</b>	<b>1.6</b>	<b>4.3</b>	<b>5.6</b>	<b>7.4</b>
Adj. EBITDA-%	-2.9%	2.1%	3.9%	9.3%	5.4%	5.0%	4.5%	7.6%	10.4%	12.3%	8.8%	11.0%	13.5%
<b>EBIT</b>	<b>-3.5</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.3</b>	<b>1.6</b>	<b>1.8</b>	<b>0.2</b>	<b>0.5</b>	<b>0.7</b>	<b>1.1</b>	<b>2.4</b>	<b>4.0</b>	<b>5.8</b>
EBIT-%	-6.1%	-1.8%	0.0%	2.6%	13.2%	3.6%	1.3%	4.0%	6.3%	8.6%	5.0%	7.8%	10.5%
Adjustment items	-1.0	-0.1	-0.1	0.2	-1.4	-1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Adj. EBIT</b>	<b>-4.6</b>	<b>-0.3</b>	<b>-0.1</b>	<b>0.5</b>	<b>0.2</b>	<b>0.4</b>	<b>0.1</b>	<b>0.5</b>	<b>0.7</b>	<b>1.1</b>	<b>2.4</b>	<b>4.0</b>	<b>5.8</b>
Adj. EBIT-%	-7.9%	-2.3%	-0.5%	4.5%	1.8%	0.7%	1.1%	4.0%	6.3%	8.6%	5.0%	7.8%	10.5%
<b>Retail &amp; Commerce</b>	<b>2023</b>	<b>Q1/'24</b>	<b>Q2/'24</b>	<b>Q3/'24</b>	<b>Q4/'24</b>	<b>2024</b>	<b>Q1/'25</b>	<b>Q2/'25E</b>	<b>Q3/'25E</b>	<b>Q4/'25E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>Net sales</b>	<b>44.0</b>	<b>10.4</b>	<b>10.0</b>	<b>8.5</b>	<b>9.7</b>	<b>38.6</b>	<b>9.2</b>	<b>9.4</b>	<b>8.3</b>	<b>9.7</b>	<b>36.6</b>	<b>38.2</b>	<b>40.7</b>
sales growth %	-18.3%	-22.8%	-7.3%	-7.5%	-7.3%	-12.1%	-11.5%	-6.4%	-2.7%	0.0%	-5.3%	4.5%	6.5%
comparable growth %							-6.9%	-1.2%	3.0%	6.0%	0.0%		
<b>Adj. EBITDA</b>	<b>2.3</b>	<b>0.7</b>	<b>0.7</b>	<b>1.0</b>	<b>1.1</b>	<b>3.5</b>	<b>1.0</b>	<b>1.1</b>	<b>0.9</b>	<b>1.2</b>	<b>4.2</b>	<b>4.4</b>	<b>5.1</b>
Adj. EBITDA-%	5.3%	7.6%	7.2%	12.0%	12.5%	9.2%	10.6%	11.7%	10.9%	12.5%	11.6%	11.5%	12.5%
<b>EBIT</b>	<b>5.2</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>2.4</b>	<b>3.6</b>	<b>0.8</b>	<b>0.8</b>	<b>0.6</b>	<b>0.9</b>	<b>3.0</b>	<b>3.3</b>	<b>4.0</b>
EBIT-%	11.8%	4.0%	3.7%	5.1%	24.7%	9.4%	8.4%	8.5%	7.2%	9.3%	8.3%	8.6%	9.8%
<b>Adj. EBIT</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.6</b>	<b>0.9</b>	<b>2.2</b>	<b>0.7</b>	<b>0.8</b>	<b>0.6</b>	<b>0.9</b>	<b>3.0</b>	<b>3.3</b>	<b>4.0</b>
Adj. EBIT-%	1.0%	3.6%	3.2%	7.7%	9.7%	5.9%	8.2%	8.5%	7.2%	9.3%	8.3%	8.6%	9.8%
<b>Utilities</b>	<b>2023</b>	<b>Q1/'24</b>	<b>Q2/'24</b>	<b>Q3/'24</b>	<b>Q4/'24</b>	<b>2024</b>	<b>Q1/'25</b>	<b>Q2/'25E</b>	<b>Q3/'25E</b>	<b>Q4/'25E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>Net sales</b>	<b>13.7</b>	<b>3.2</b>	<b>3.4</b>	<b>2.9</b>	<b>2.8</b>	<b>12.2</b>	<b>2.9</b>	<b>3.2</b>	<b>2.8</b>	<b>3.1</b>	<b>12.0</b>	<b>12.9</b>	<b>14.2</b>
sales growth %	-6.2%	-7.5%	-2.5%	-3.3%	-27.0%	-10.7%	-8.2%	-4.6%	-3.2%	11.6%	-1.5%	7.1%	10.1%
<b>Adj. EBITDA</b>	<b>-4.0</b>	<b>-0.5</b>	<b>-0.2</b>	<b>0.1</b>	<b>-0.5</b>	<b>-1.0</b>	<b>-0.4</b>	<b>-0.1</b>	<b>0.3</b>	<b>0.4</b>	<b>0.0</b>	<b>1.2</b>	<b>2.3</b>
Adj. EBITDA-%	-29.0%	-14.5%	-4.8%	3.2%	-17.1%	-8.2%	-14.6%	-4.6%	9.0%	11.6%	0.3%	9.6%	16.5%
<b>EBIT</b>	<b>-8.7</b>	<b>-0.7</b>	<b>-0.4</b>	<b>-0.1</b>	<b>-0.6</b>	<b>-1.8</b>	<b>-0.6</b>	<b>-0.3</b>	<b>0.1</b>	<b>0.2</b>	<b>-0.6</b>	<b>0.7</b>	<b>1.8</b>
EBIT-%	-63.7%	-20.7%	-10.9%	-4.9%	-22.8%	-14.8%	-21.0%	-9.4%	3.6%	6.5%	-5.1%	5.4%	12.7%
<b>Adj. EBIT</b>	<b>-5.0</b>	<b>-0.7</b>	<b>-0.4</b>	<b>-0.1</b>	<b>-0.7</b>	<b>-1.8</b>	<b>-0.6</b>	<b>-0.3</b>	<b>0.1</b>	<b>0.2</b>	<b>-0.6</b>	<b>0.7</b>	<b>1.8</b>
Adj. EBIT-%	-36.7%	-20.7%	-10.9%	-3.7%	-23.8%	-14.7%	-21.0%	-9.4%	3.6%	6.5%	-5.1%	5.4%	12.7%

Source: Evli Research

Table 2: Peer group

Peer group	MCAP	EV/EBIT			EV/EBITDA			P/E			EV/Sales		
		25E	26E	27E	25E	26E	27E	25E	26E	27E	25E	26E	27E
Tietoevry	1867	9.2x	8.7x	8.2x	8.4x	6.9x	6.6x	9.6x	9.1x	8.6x	1.1x	1.1x	1.1x
ATEA	1359	11.6x	10.1x	9.5x	7.4x	6.7x	6.4x	16.5x	13.9x	12.7x	0.4x	0.4x	0.4x
Bouvet	691	14.8x	12.8x	11.5x	11.8x	10.5x	9.6x	20.5x	17.8x	15.8x	1.8x	1.6x	1.5x
Knowit	363	22.1x	13.5x	10.6x	8.3x	6.8x	6.1x	21.8x	13.9x	9.9x	0.7x	0.7x	0.7x
Gofore	252	9.6x	8.5x	7.6x	7.9x	6.8x	6.0x	14.6x	12.2x	10.5x	1.2x	1.1x	1.0x
Digia	179	10.3x	9.4x	8.7x	7.5x	7.0x	6.6x	12.1x	10.9x	9.9x	0.9x	0.9x	0.9x
Loihde	71	12.8x	10.2x	0.0x		5.0x	4.6x	25.1x	13.1x	11.3x	0.5x	0.5x	0.5x
Siili	53	11.3x	8.0x	7.4x	6.2x	5.2x	4.6x	13.5x	8.8x	7.4x	0.5x	0.5x	0.4x
Netum	26	8.8x	7.4x	6.7x	8.3x	7.2x	6.5x	13.5x	10.6x	8.4x	0.7x	0.7x	0.7x
Vincit	28	6.7x	4.6x	3.6x	7.6x	3.9x	3.2x	13.8x	8.7x	6.9x	0.2x	0.2x	0.2x
<b>Peer Group Average</b>	<b>489</b>	<b>11.7x</b>	<b>9.3x</b>	<b>7.4x</b>	<b>8.2x</b>	<b>6.6x</b>	<b>6.0x</b>	<b>16.1x</b>	<b>11.9x</b>	<b>10.1x</b>	<b>0.8x</b>	<b>0.8x</b>	<b>0.7x</b>
<b>Peer Group Median</b>	<b>216</b>	<b>10.8x</b>	<b>9.1x</b>	<b>7.9x</b>	<b>7.9x</b>	<b>6.8x</b>	<b>6.2x</b>	<b>14.2x</b>	<b>11.6x</b>	<b>9.9x</b>	<b>0.7x</b>	<b>0.7x</b>	<b>0.7x</b>
<b>Solteq (Evli est.)</b>	<b>12</b>	<b>13.3x</b>	<b>7.7x</b>	<b>4.7x</b>	<b>7.7x</b>	<b>5.3x</b>	<b>3.6x</b>	<b>69.7x</b>	<b>7.8x</b>	<b>3.9x</b>	<b>0.7x</b>	<b>0.6x</b>	<b>0.5x</b>

Prem./disc. to peer median

Source: Bloomberg, Evli Research

24 % -15 % -41 % -2 % -22 % -42 % 392 % -33 % -61 % -9 % -15 % -27 %

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	0.64 PV of Free Cash Flow	41 Long-term growth, %	2.0 % Risk-free interest rate, %	2.25 %
DCF share value	3.09 PV of Horizon value	39 WACC, %	10.6 % Market risk premium, %	5.8 %
Share price potential, %	382.0 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	7.8 %
Maximum value	3.4 Marketable securities	3 Minimum WACC, %	10.1 % Equity beta coefficient	1.30
Minimum value	2.9 Debt – dividend	–24 Maximum WACC, %	11.1 % Target debt ratio, %	20 %
Horizon value, %	48.9 % Value of stock	60 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	70	74	75	77
Sales growth (%)	–11.8%	–4.4%	5.1%	7.4%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	2.0%	2.0%
Operating income (EBIT)	2	2	4	6	6	6	7	7	7	8	8	8
Operating income margin %	3.6%	5.0%	7.8%	10.5%	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	4	6	7	8	8	9	9	9	10	10	
– Paid taxes	–1	–1	–1	–1	–1	–1	–1	–1	–1	–2	–2	
– Change in NWC	1	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	0	0	0	0	0	0	0	0	0	0	0	
opCAPEX / Sales, %	3.7%	3.2%	3.3%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	
– Acquisitions												
+ Divestments	4											
– Other items	–1											
= FCFF	7	3	5	7	7	7	8	8	8	9	9	104
= Discounted FCFF		3	4	5	5	5	4	4	4	4	3	39
= DFCF min WACC		3	4	5	5	5	4	4	4	4	3	44
= DFCF max WACC		3	4	5	5	4	4	4	4	4	3	36

## Sensitivity analysis, EUR

		Terminal WACC				
		8.58 %	9.58 %	10.58 %	11.58 %	12.58 %
Terminal EBIT–%	8.50 %	3.89	3.24	2.75	2.35	2.03
	9.50 %	4.16	3.46	2.92	2.50	2.15
	10.50 %	4.43	3.67	3.09	2.64	2.27
	11.50 %	4.70	3.89	3.27	2.78	2.39
	12.50 %	4.97	4.10	3.44	2.92	2.51

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	13.6	13.4	11.4	12.5	50.9	12.1	12.6	11.1	12.8	48.6	51.1	54.9
EBITDA	0.4	0.6	0.9	2.2	4.1	0.6	1.0	1.2	1.6	4.3	5.8	7.5
EBITDA margin (%)	2.7%	4.6%	7.8%	17.7%	8.0%	4.7%	7.6%	10.4%	12.3%	8.7%	11.3%	13.7%
EBIT	-0.2	0.0	0.3	1.8	1.8	0.2	0.5	0.7	1.1	2.5	4.0	5.8
EBIT margin (%)	-1.8%	0.0%	2.6%	14.1%	3.6%	1.3%	4.0%	6.3%	8.6%	5.0%	7.8%	10.5%
Net financial items	-0.5	-0.5	-0.8	-0.6	-2.4	-0.5	-0.5	-0.5	-0.5	-2.0	-2.0	-1.8
Pre-tax profit	-0.7	-0.5	-0.5	1.1	-0.6	-0.4		0.2	0.6	0.4	2.0	4.0
Tax	0.0	0.0	0.0	-0.5	-0.6	-0.1		0.0	-0.1	-0.3	-0.4	-0.8
Tax rate (%)	0.1%	-7.2%	-8.4%	47.4%	-102.3%	-24.9%		20.0%	20.0%	58.6%	20.0%	20.0%
Net profit	-0.7	-0.5	-0.6	0.6	-1.2	-0.5		0.2	0.5	0.2	1.6	3.2
EPS	-0.04	-0.03	-0.03	0.03	-0.06	-0.02		0.01	0.02	0.01	0.08	0.16
EPS adj. (diluted)	-0.04	-0.03	-0.03	0.03	-0.06	-0.02		0.01	0.02	0.01	0.08	0.16
Dividend per share												
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Retail & Commerce	10.4	10.0	8.5	9.7	38.6	9.2	9.4	8.3	9.7	36.6	38.2	40.7
Utilities	3.2	3.4	2.9	2.8	12.2	2.9	3.2	2.8	3.1	12.0	12.9	14.2
Total	13.6	13.4	11.4	12.5	50.9	12.1	12.6	11.1	12.8	48.6	51.1	54.9
SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Retail & Commerce	-22.8%	-7.3%	-7.5%	-7.3%	-12.1%	-11.5%	-6.4%	-2.7%	0.0%	-5.3%	4.5%	6.5%
Utilities	-7.5%	-2.5%	-3.3%	-27.0%	-10.7%	-8.2%	-4.6%	-3.2%	11.6%	-1.6%	7.1%	10.1%
Total	-19.7%	-6.1%	-6.5%	-12.6%	-11.8%	-10.7%	-6.0%	-2.8%	2.6%	-4.4%	5.1%	7.4%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Retail & Commerce	0.4	0.4	0.4	2.4	3.6	0.8	0.8	0.6	0.9	3.1	3.3	4.0
Utilities	-0.7	-0.4	-0.1	-0.6	-1.8	-0.6	-0.3	0.1	0.2	-0.6	0.7	1.8
Total	-0.2	0.0	0.3	1.8	1.8	0.2	0.5	0.7	1.1	2.5	4.0	5.8
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Retail & Commerce	4.0%	3.7%	5.1%	24.7%	9.4%	8.4%	8.5%	7.2%	9.3%	8.4%	8.6%	9.8%
Utilities	-20.7%	-10.9%	-4.9%	-22.8%	-14.8%	-21.0%	-9.4%	3.6%	6.5%	-5.1%	5.4%	12.7%
Total	-1.8%	0.0%	2.6%	14.1%	3.6%	1.3%	4.0%	6.3%	8.6%	5.0%	7.8%	10.5%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	60.5	69.1	68.4	57.7	50.9	48.6	51.1	54.9
<i>Sales growth (%)</i>	3.7%	14.2%	-0.9%	-15.8%	-11.8%	-4.4%	5.1%	7.4%
EBITDA	10.4	12.3	5.5	8.7	4.1	4.3	5.8	7.5
<i>EBITDA margin (%)</i>	17.2%	17.8%	8.1%	15.1%	8.0%	8.7%	11.3%	13.7%
Depreciation	-5.0	-5.1	-10.0	-12.2	-2.3	-1.8	-1.8	-1.7
EBITA	5.4	7.2	-4.4	-3.5	1.8	2.5	4.0	5.8
Goodwill amortization / writedown								
EBIT	5.4	7.2	-4.4	-3.5	1.8	2.5	4.0	5.8
<i>EBIT margin (%)</i>	8.9%	10.4%	-6.5%	-6.1%	3.6%	5.0%	7.8%	10.5%
Reported EBIT	5.4	7.2	-4.4	-3.5	1.8	2.5	4.0	5.8
<i>EBIT margin (reported) (%)</i>	8.9%	10.4%	-6.5%	-6.1%	3.6%	5.0%	7.8%	10.5%
Net financials	-2.6	-1.9	-2.2	-1.2	-2.4	-2.0	-2.0	-1.8
Pre-tax profit	2.7	5.3	-6.6	-4.7	-0.6	0.4	2.0	4.0
Taxes	-0.8	-1.1	1.2	-0.7	-0.6	-0.3	-0.4	-0.8
Minority shares								
Net profit	2.0	4.1	-5.4	-5.4	-1.2	0.2	1.6	3.2
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	18	21
Minority interest								
Convertibles								
Lease liabilities	7	5	3	2	2	2	2	2
Deferred taxes	1	1	1	0	0	0	0	0
Interest bearing debt	24	24	30	24	22	21	19	15
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	4	6	7
- Net financial items	-3	-2	-2	-1	-2	-2	-2	-2
- Taxes	-1	-1	0	-1	-1	0	0	-1
- Increase in Net Working Capital	0	1	1	-3	1	0	0	0
+/- Other	-1	0	0	-9	-1			
= Cash flow from operations	6	10	4	-5	2	2	4	5
- Capex	-5	-4	-4	-3	-2	-2	-2	-2
- Acquisitions		-3	-5					
+ Divestments	4			14	4			
= Free cash flow	6	4	-6	6	4	0	2	4
+/- New issues/buybacks	0	0	2	0	0			
- Paid dividend	3	2						
+/- Other	-4	-2	4	-6	-2	-2	-2	-3
Change in cash	1	-1	-2	0	1	-1	0	0

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	91	24	15	12	12	12	12
Net debt (excl. convertibles)	26	31	25	20	20	18	15
Enterprise value	117	55	39	33	33	31	27
Sales	69	68	58	51	49	51	55
EBITDA	12	6	9	4	4	6	7
EBIT	7	-4	-4	2	2	4	6
Pre-tax	5	-7	-5	-1	0	2	4
Earnings	4	-5	-5	-1	0	2	3
Equity book value (excl. minorities)	28	23	17	16	16	18	21

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	7.7	5.3	3.6
EV/EBITA	16.3	-12.5	-11.1	18.2	13.3	7.7	4.7
EV/EBIT	16.3	-12.5	-11.1	18.2	13.3	7.7	4.7
EV/OCF	11.7	14.2	-7.4	21.1	18.8	8.5	5.1
EV/FCF	21.2	-19.1	5.0	4.5	9.8	5.9	4.1
P/FCFR	25.6	-4.3	2.5	3.4	64.2	6.5	3.5
P/E	21.9	-4.4	-2.3	-10.3	70.0	7.8	3.9
P/BV	3.2	1.1	0.9	0.8	0.8	0.7	0.6
Target EV/EBITDA					7.7	5.4	3.7
Target EV/EBIT					13.4	7.7	4.7
Target EV/FCFF					169.5	16.1	7.7
Target P/BV					0.8	0.7	0.6
Target P/E, diluted	25.4	-7.1	-4.2	21.5	70.8	7.9	4.0

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	19.40	19.40	19.40	19.40	19.40	19.40	19.40
Number of shares (diluted, million)	19.40	19.40	19.40	19.40	19.40	19.40	19.40
EPS	0.21	-0.28	-0.28	-0.06	0.01	0.08	0.16
Operating cash flow per share	0.51	0.20	-0.27	0.08	0.09	0.19	0.27
Free cash flow per share	0.18	-0.29	0.31	0.19	0.01	0.10	0.18
Book value per share	1.44	1.16	0.89	0.82	0.83	0.91	1.08
Dividend per share	0.10						
Dividend payout ratio, %	46.8%						
Dividend yield, %	2.1%						
FCF yield, %	3.9%	-23.5%	40.8%	29.1%	1.6%	15.5%	28.5%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	15.2%	-21.5%	-27.1%	-7.3%	1.1%	9.5%	16.5%
ROCE	12.4%	-7.8%	-7.1%	4.3%	6.3%	10.5%	15.2%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Receivables as % of sales	17.0%	16.2%	16.9%	12.2%	12.2%	12.2%	12.2%
Non-int. bearing liabilities as % of sales	25.5%	25.6%	22.4%	22.9%	22.9%	22.9%	22.9%
NWC/sales, %	-8.2%	-9.2%	-5.4%	-11.3%	-11.4%	-11.3%	-11.3%
Operative CAPEX/Sales, %	5.1%	6.4%	4.9%	3.7%	3.2%	3.3%	3.2%
CAPEX/sales (incl. acquisitions), %	1.0%	-1.1%	4.9%	3.7%	3.2%	3.3%	3.2%
FCFF/EBITDA	0.4	-0.5	0.9	1.8	0.8	0.9	0.9
Net Debt/EBITDA, book-weighted	2.1	5.7	2.8	5.0	4.8	3.2	2.0
Debt/equity, market-weighted	0.3	1.3	1.7	1.8	1.7	1.5	1.2
Equity ratio, book-weighted	0.4	0.3	0.3	0.3	0.3	0.4	0.4
Gearing, %	92.6%	139.4%	142.3%	128.3%	125.7%	103.5%	70.7%

**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	1.410	11.3 %
Elo Mutual Pension Insurance Company	2 000 000	1.284	10.3 %
Ilmarinen Mutual Pensions Insurance Company	1 651 293	1.060	8.5 %
Varma Mutual Pension Insurance Company	1 545 597	0.992	8.0 %
Aktia Capital Mutual Fund	770 000	0.494	4.0 %
Aalto Seppo Tapio	625 000	0.401	3.2 %
Saadetdin Ali	602 216	0.387	3.1 %
Säästöpankki Small Cap Mutual Fund	500 000	0.321	2.6 %
Incedo Oy	304 001	0.195	1.6 %
Kelhu Markku Juhani	300 000	0.193	1.5 %
Ten largest	10 493 676	6.737	54.1 %
Residual	8 902 825	5.716	45.9 %
Total	19 396 501	12.453	100%

#### EARNINGS CALENDAR

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

#### OTHER EVENTS

#### COMPANY MISCELLANEOUS

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CFO: Mikko Sairanen Tel:  
IR:

## DEFINITIONS

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



Important Disclosures

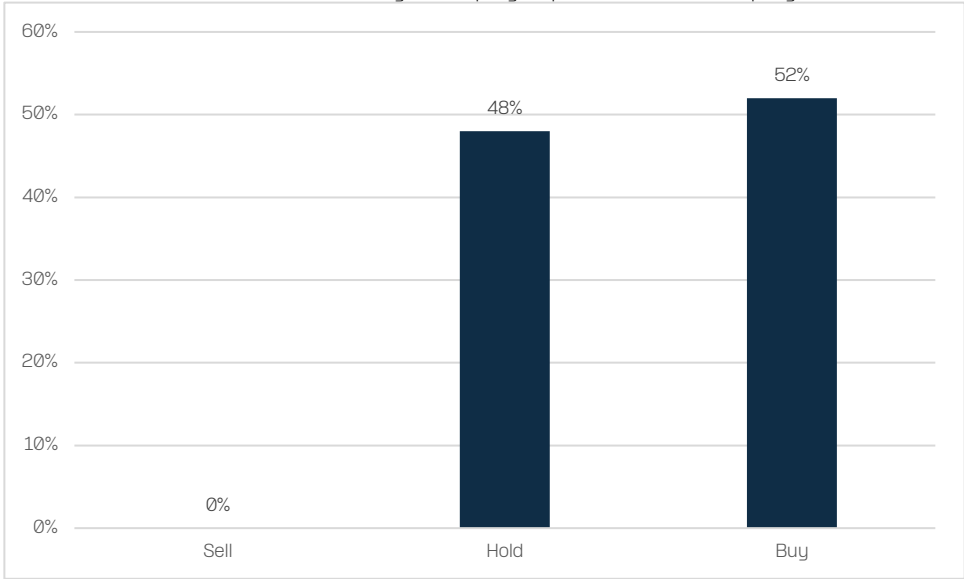
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Investment recommendations are defined as follows:

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): Atte Pitkääjärvi

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