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Commissioned research: Solwers – Eyeing expansion opportunities in Poland

Marketing material commissioned by Solwers

Operating currently in Finland and Sweden in the built environment consultancy sector, Solwers plans to expand its focus to new markets. Solwers' board has decided to establish a subsidiary in Poland, and is currently exploring acquisition targets in the country. According to the company, significant investments are planned in Poland for infrastructure and the renewal of the energy industry. Poland is also emerging as a logistics hub for Central Europe. Additionally, a substantial part of the planning for the reconstruction of Ukraine is likely to take place in Poland. We note that Solwers has a considerable cash position and ample room for M&A. Expansion into Poland in particular was not on the cards, in our view, as our understanding has been that Solwers sees significant opportunities to consolidate the Finnish and Swedish markets. Selective acquisitions and projects could offer growth opportunities outside of Solwers' core markets, with limited increase in the risk level from operating in a new geographical market.

SUMMARY TABLE - KEY FIGURES

EURm	2021	2022	2023	2024E	2025E	2026E
Total revenue	45	63	66	81	85	86
EBITDA (adj)	5	8	8	8	9	10
EBIT (adj)	3	5	5	4	5	6
EBIT (adj) margin	7.5%	8.1%	7.3%	5.5%	6.3%	6.9%
EPS (adj, EUR)	0.20	0.38	0.32	0.21	0.31	0.37
EPS (adj) growth	-50.2%	93.5%	-17.0%	-33.0%	44.4%	21.4%
DPS (ord, EUR)	0.10	0.04	0.06	0.06	0.07	0.08
EV/Sales	1.5	0.7	1.0	0.7	0.7	0.6
EV/EBIT (adj)	20.1	9.2	13.8	13.4	10.8	9.1
P/E (adj)	41.8	11.0	15.1	16.3	11.3	9.3
P/BV	1.9	1.1	1.2	0.8	0.8	0.7
Dividend yield (ord)	1.2%	0.9%	1.3%	1.7%	2.0%	2.3%
FCF Yield bef A&D, lease adj	1.9%	5.7%	10.6%	6.3%	8.1%	10.5%
Net debt	7	5	19	24	22	19
Net debt/EBITDA	1.3	0.6	2.3	2.9	2.4	1.9
ROIC after tax	8.0%	8.6%	7.0%	5.7%	6.4%	7.2%

Source: Company data and Nordea estimates

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