

## Shaky development

**Boreo continued sliding in Q3, with the quarter marking the fourth straight quarter of a decline in organic sales of at least 20%. Despite this, the margin management has been relatively good this year due to pricing, mix and cost action. However, we see leverage as clearly too high, hampering the M&A driven investment case significantly and increasing balance sheet risks. Our fair equity value is down to EUR 11-12 (13-15).**

### Key Data (2024E)

Price (EUR)	14.00
Reuters	BOREO.HE
Bloomberg	BOREO FH
Market cap (EURm)	38
Market cap (USDm)	41
Net debt (EURm)	58
Net gearing	127%
Net debt/EBITDA (x)	6.3
Shares fully dil. (m)	2.7
Avg daily turnover (m)	0.0
Free float	24%

### Challenges continued in Q3

Boreo's challenging trend continued in Q3: sales declined 31% y/y, marking fourth quarter in a row of a more than 20% sales decline. Sales declined markedly in both the Electronics and Technical Trade Business areas, but especially in Putzmeister, Machinery and Baltic electronics businesses. Despite sales being significantly (17%) below our estimates, the operating EBIT margin was roughly in line with our estimate. The company is managing costs well, leading to lower operating expenses, and together with efficient pricing and mix, clearly improved gross margins. Large Technical Trade deliveries in Sweden, previously scheduled for the end of 2024, were postponed to H1/2025.

### Market starting to bottom out, but we see leverage clearly too high

Boreo indicated that it saw signs of improvement in the market towards the end of the quarter. Order books increased during the quarter and the market seems to be bottoming out, though the turn upwards does not seem quick. An improving market and efficient cost management are positives, but we see the leverage (5.6x with hybrid and 3.3x without) as too high, hampering the M&A driven investment case and increasing the risk of an equity raise, especially if the operating performance does not meet Boreo's expectations.

### Fair value down to EUR 11-12 (13-15)

Despite reasonable actions on costs, we see lack of acquisition capacity, leverage and demand uncertainties hampering the case.

### Estimate Revisions (%)

	2024E	2025E	2026E
Revenues	(7)	(4)	(4)
Adj. EBIT	(13)	(5)	(10)
Adj. EPS	(45)	(12)	(21)

### Share Price (12M)



Absolute (green) / Relative to Finland (purple).

### Marketing communication

commissioned by:

Boreo

### Financials (EUR)

Year end: Dec	2022	2023	2024E	2025E	2026E
Revenues (m)	161	162	129	139	145
Adj. EBIT	9	9	6	8	8
Pre-tax profit (m)	6	4	1	3	5
EPS	1.12	0.47	(0.52)	0.18	0.87
Adj. EPS	1.82	1.40	0.35	0.83	1.14
DPS	0.44	0.00	0.00	0.00	0.00
Revenue growth (%)	30.4	0.9	(20.4)	7.3	4.5
Adj. EBIT growth (%)	21.4	8.2	(34.4)	21.6	12.1
Adj. EPS growth (%)	(2.0)	(23.0)	(75.1)	138.7	36.9
Adj. EBIT margin (%)	5.4	5.8	4.8	5.4	5.8
ROE (%)	9.6	3.1	(3.3)	1.1	5.3
ROCE (%)	10.0	9.0	5.8	7.1	8.2
PER (x)	20.2	20.5	40.1	16.8	12.3
Free cash flow yield (%)	0.7	9.5	(6.6)	8.9	9.1
Dividend yield (%)	1.2	0.0	0.0	0.0	0.0
P/BV (x)	2.45	1.88	0.85	0.89	0.81
EV/Sales (x)	0.93	0.82	0.75	0.67	0.60
EV/Adj. EBITDA (x)	13.6	10.8	10.5	9.0	7.9
EV/Adj. EBIT (x)	17.1	14.1	15.4	12.2	10.2
EV/Adj. EBITA (x)	16.7	13.9	15.2	12.1	10.1
Net debt/EBITDA (x)	4.89	4.78	6.63	5.33	4.46

Source for all data on this page: SEB (estimates) and Millstream/Thomson Reuters (prices)

## Q3 recap

Boreo delivered EUR 28.4m sales in Q3, 17% below our (EUR 34.1m) estimate. Sales continued their weak trend and declined 31% y/y. Operational EBIT was EUR 1.8m (margin 6.2%), below our estimate (EUR 2.1m) and lower than the EUR 2.9m (7.1% margin) in Q3/23. However, profitability was still supported by efficiency actions and gross margin improvement, and the operational EBIT margin (6.2%) was close to our (6.3%) estimate despite the clear miss on sales. Sales declined in both business areas, falling below our expectations, though operational EBIT in Electronics was in line with our estimate.

### Q3 deviation

	Q3/24		Deviation SEB		Q3/23	y/y	Q2/24	q/q
	Actual	SEB	Abs.	Rel (%)				
<b>Sales</b>	<b>28.4</b>	<b>34.1</b>	<b>-5.7</b>	<b>-17</b>	<b>41.0</b>	<b>-31</b>	<b>33.8</b>	<b>-16</b>
Other operating income	0.4	0.1	0.3	300	0.1	515	0.5	-20
Materials and services	-19.7	-24.3	4.6	19	-29.9	34	-23.7	17
<b>Gross profit</b>	<b>9.1</b>	<b>9.9</b>	<b>-0.8</b>	<b>-8</b>	<b>11.2</b>	<b>-18</b>	<b>10.6</b>	<b>-14</b>
<b>Operational EBIT</b>	<b>1.8</b>	<b>2.1</b>	<b>-0.3</b>	<b>-16</b>	<b>2.9</b>	<b>-39</b>	<b>2.4</b>	<b>-24</b>
Margin %	6.2%	6.3%	-0.1%	-0.1pp	7.2%	-13	7.0%	-11
EBIT	1.1	1.4	-0.3	-23	2.0	-46	1.6	-32
Profit for the period (continuing operations)	0.3	0.7	-0.4	-55	1.0	-70	0.8	-63
<b>Operational EPS</b>	<b>0.10</b>	<b>0.25</b>	<b>-0.15</b>	<b>-61</b>	<b>0.48</b>	<b>-79</b>	<b>0.31</b>	<b>-68</b>
<b>Electronics</b>								
Sales	12.1	13.9	-1.8	-13	16.3	-26	12.6	-4
Operational EBIT	1.0	1.0	0.0	3	1.0	-5	1.1	-11
<b>Technical Trade</b>								
Sales	16.2	20.2	-4.0	-20	24.7	-34	21.2	-24
Operational EBIT	1.2	1.6	-0.4	-25	2.3	-48	1.7	-30
<b>Other</b>								
Operational EBIT	-0.4	-0.5	0.1	11	-0.4	7	-0.5	17

Source: SEB, Boreo

The challenges have been mainly due to the legacy portfolio, whereas the performance of those companies acquired since 2020 has been better. We believe this illustrates Boreo's ability to make reasonable acquisitions, and hence increases our trust in its future acquisitions. However, due to the high leverage, it may take long time before we see any new acquisitions.

### Boreo operational EBIT (rolling 12m)

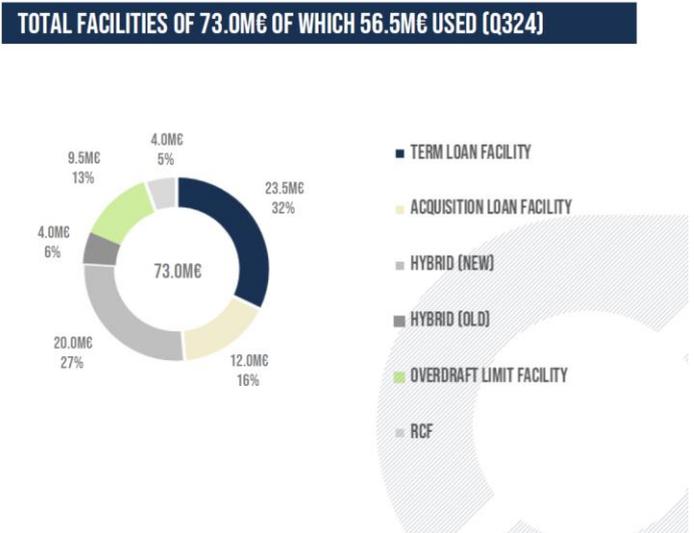
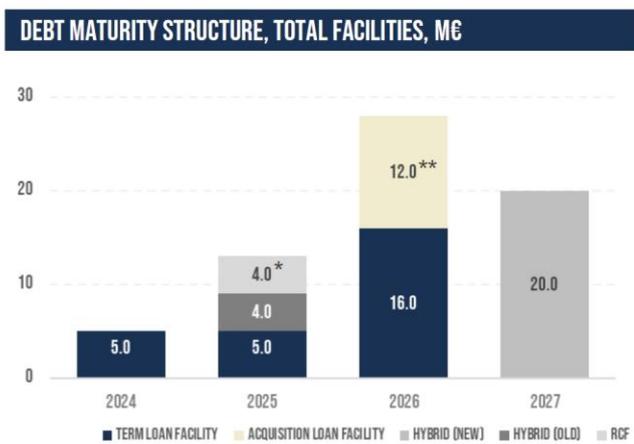


Source: Boreo

## High leverage shadowing investment case

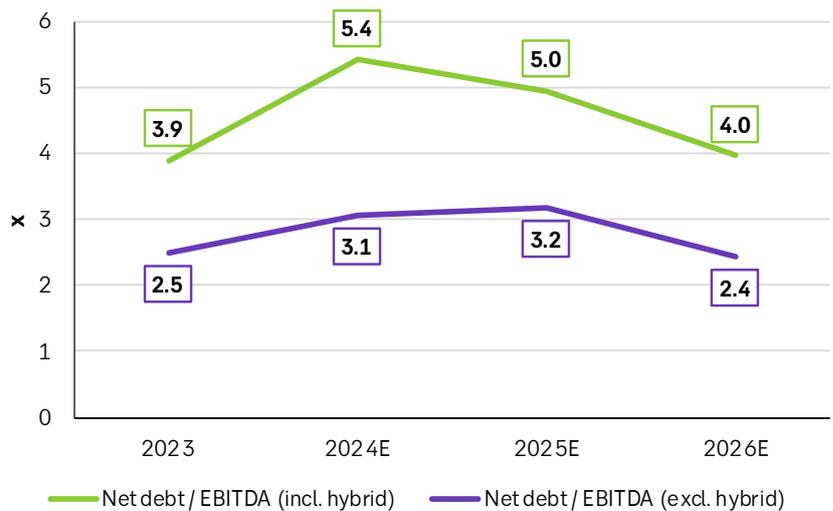
Boreo’s net debt increased from EUR 32.7m in Q2 to EUR 34.9m (SEBe 32.1m), and leverage (net debt/adj. EBITDA) was 5.6x with the hybrid and 3.3x without (we had expected 5.3x/3.0x). The leverage hampers the investment case significantly, as the case is driven by M&A, but the company is lacking acquisition capacity. Additionally, we see the leverage increasing risks related to new capital raises and potentially equity issuance, especially if operational performance does not meet Boreo’s expectations. Boreo has EUR 5.5m in cash and EUR 13.8m total available liquidity, and covenants (not published) have not been broken. Hence, it has still some liquidity to operate, but risks are elevated while the demand is uncertain. Boreo is aiming to sell some real estate in Estonia.

### Boreo debt facilities



Source: SEB, Boreo

### Leverage development



Source: SEB

## Estimate revisions

We have cut our sales estimates by 4-8% for 2024-26 following the weaker than expected Q3 report. Consequently, our operational EBIT estimates decline by 5-13% for 2024-26.

### Detailed estimate revisions

Group	Q3/24	New estimates			Q3/24	Old estimates			Q3/24	Difference		
		2024E	2025E	2026E		2024E	2025E	2026E		2024E	2025E	2026E
<b>Sales</b>	<b>28.4</b>	<b>127.9</b>	<b>138.1</b>	<b>144.6</b>	<b>34.1</b>	<b>138.3</b>	<b>143.5</b>	<b>150.1</b>	<b>-16.7</b>	<b>-7.6</b>	<b>-3.7</b>	<b>-3.7</b>
Gross profit	9.1	39.2	40.6	42.1	9.9	40.7	41.5	43.7	-8.1	-3.7	-2.2	-3.7
Opex	-6.8	-30.9	-30.6	-31.5	-7.1	-31.4	-31.1	-32.0	-4.5	-1.8	-1.7	-1.8
D&A	-1.3	-5.5	-4.9	-3.3	-1.4	-5.6	-4.9	-3.5	-4.3	-2.1	0.0	-3.7
<b>Operational EBIT</b>	<b>1.8</b>	<b>6.2</b>	<b>7.6</b>	<b>8.5</b>	<b>2.1</b>	<b>7.1</b>	<b>7.9</b>	<b>9.4</b>	<b>-18</b>	<b>-13.1</b>	<b>-4.8</b>	<b>-9.9</b>
<b>Operational EBIT margin</b>	<b>6.2%</b>	<b>4.9%</b>	<b>5.5%</b>	<b>5.9%</b>	<b>6.3%</b>	<b>5.2%</b>	<b>5.5%</b>	<b>6.3%</b>	<b>-0.1pp.</b>	<b>-0.3pp.</b>	<b>-0.1pp.</b>	<b>-0.4pp.</b>
PTP	0.4	0.7	3.0	5.5	0.8	1.6	3.4	6.5	-57.0	-54.2	-11.1	-15.9
Net profit	0.3	0.6	2.4	4.4	0.7	1.2	2.7	5.2	-52.2	-54.8	-11.1	-15.9
Operational EPS	0.11	0.35	0.83	1.14	0.25	0.64	0.95	1.45	-55.4	-45.3	-12.0	-21.2
<b>Electronics</b>												
Sales	12.1	52.3	54.1	56.0	13.9	54.6	56.4	58.4	-12.4	-4.2	-4.0	-4.0
Operational EBIT	1.0	3.6	4.1	4.3	1.0	3.6	4.0	4.5	2.9	0.7	3.1	-4.0
<b>Technical Trade</b>												
Sales	16.2	75.6	84.0	88.6	20.2	83.7	87.1	91.7	-19.6	-9.7	-3.6	-3.4
Operational EBIT	1.0	4.3	5.1	6.0	1.6	5.5	5.8	6.7	-37.0	-20.7	-10.8	-11.1
<b>Sales growth</b>												
Organic	-31%	-21%	8%	5%	-17%	-15%	4%	5%	-13.9pp.	-6.6pp.	4.4pp.	0.0pp.
Acquisitions / divestments	0%	1%	0%	0%	0%	1%	0%	0%	0.0pp.	0.0pp.	0.0pp.	0.0pp.
FX	1%	0%	0%	0%	1%	0%	0%	0%	0.0pp.	0.0pp.	0.0pp.	0.0pp.
<b>Total</b>	<b>-31%</b>	<b>-21%</b>	<b>8%</b>	<b>5%</b>	<b>-17%</b>	<b>-14%</b>	<b>4%</b>	<b>5%</b>	<b>-13.9pp.</b>	<b>-6.6pp.</b>	<b>4.4pp.</b>	<b>0.0pp.</b>

Source: SEB

# Financials

## Quarterly financials

	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24	Q3/24	Q4/24E
<b>Net sales</b>	<b>31.7</b>	<b>40.4</b>	<b>43.3</b>	<b>45.0</b>	<b>41.0</b>	<b>42.3</b>	<b>41.0</b>	<b>37.1</b>	<b>32.6</b>	<b>33.8</b>	<b>28.4</b>	<b>33.1</b>
Other operating income	0.0	0.2	0.1	0.1	0.1	0.2	0.1	0.5	0.1	0.5	0.4	0.1
COGS	-23.5	-30.4	-32.9	-34.2	-30.3	-31.4	-29.9	-25.9	-23.3	-23.7	-19.7	-23.1
<b>Gross profit</b>	<b>8.2</b>	<b>10.2</b>	<b>10.5</b>	<b>11.0</b>	<b>10.7</b>	<b>11.1</b>	<b>11.2</b>	<b>11.7</b>	<b>9.4</b>	<b>10.6</b>	<b>9.1</b>	<b>10.1</b>
Operating expenses	-7.0	-7.1	-7.2	-8.4	-8.2	-8.2	-7.9	-9.1	-8.5	-7.7	-6.8	-7.9
Share of result from associates	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1
<b>EBITDA</b>	<b>1.2</b>	<b>3.2</b>	<b>3.3</b>	<b>2.7</b>	<b>2.6</b>	<b>3.0</b>	<b>3.4</b>	<b>2.6</b>	<b>1.0</b>	<b>3.0</b>	<b>2.4</b>	<b>2.3</b>
Depreciations & amortisations	-0.9	-1.1	-1.0	-1.0	-1.3	-1.3	-1.4	-1.4	-1.4	-1.4	-1.3	-1.3
<b>EBIT</b>	<b>0.6</b>	<b>1.8</b>	<b>2.4</b>	<b>1.7</b>	<b>1.3</b>	<b>1.7</b>	<b>2.0</b>	<b>1.2</b>	<b>-0.4</b>	<b>1.6</b>	<b>1.1</b>	<b>0.9</b>
Net financials	-0.1	-0.5	0.2	-0.5	-0.6	-0.6	-0.7	-0.9	-0.6	-0.6	-0.7	-0.6
PTP	0.5	1.3	2.6	1.2	0.7	1.1	1.4	0.3	-1.0	1.0	0.4	0.3
Taxes	-0.1	-0.2	-0.6	-0.3	-0.2	-0.1	-0.3	0.0	0.1	-0.2	0.0	-0.1
<b>Net profit</b>	<b>0.4</b>	<b>1.1</b>	<b>2.1</b>	<b>0.9</b>	<b>0.5</b>	<b>1.0</b>	<b>1.0</b>	<b>0.3</b>	<b>-0.9</b>	<b>0.8</b>	<b>0.3</b>	<b>0.3</b>
Profit for the period, discontinued operations	0.7	-6.6	0.7	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit for the period	1.1	-5.5	2.7	0.9	0.5	1.0	1.0	0.3	-0.9	0.8	0.3	0.3
Minority interest	0.0	0.5	0.0	-0.1	0.0	-0.2	-0.1	0.0	0.0	-0.1	0.0	-0.1
<b>Net profit for shareholders</b>	<b>1.0</b>	<b>-4.9</b>	<b>2.7</b>	<b>0.8</b>	<b>0.5</b>	<b>0.8</b>	<b>0.9</b>	<b>0.3</b>	<b>-0.9</b>	<b>0.7</b>	<b>0.3</b>	<b>0.2</b>
<b>Operational EPS (continued operations)</b>	<b>0.23</b>	<b>0.44</b>	<b>0.83</b>	<b>0.32</b>	<b>0.28</b>	<b>0.39</b>	<b>0.48</b>	<b>0.25</b>	<b>-0.15</b>	<b>0.31</b>	<b>0.11</b>	<b>0.08</b>
Reported EPS (continued operations)	0.05	0.28	0.63	0.16	0.07	0.18	0.22	0.00	-0.45	0.09	-0.07	-0.10
<b>Operational EBIT</b>	<b>1.3</b>	<b>2.4</b>	<b>3.0</b>	<b>2.2</b>	<b>2.1</b>	<b>2.4</b>	<b>2.9</b>	<b>2.2</b>	<b>0.6</b>	<b>2.4</b>	<b>1.8</b>	<b>1.5</b>
<b>Operational EBIT growth</b>	<b>-6%</b>	<b>35%</b>	<b>35%</b>	<b>17%</b>	<b>63%</b>	<b>1%</b>	<b>-1%</b>	<b>-2%</b>	<b>-71%</b>	<b>-1%</b>	<b>-40%</b>	<b>-29%</b>
<b>Sales by Business Area</b>												
Electronics	11.7	14.0	17.3	18.6	15.9	15.1	16.3	15.1	13.5	12.6	12.1	14.0
Technical Trade	20.0	26.4	26.0	26.4	25.1	27.2	24.7	22.0	19.1	21.2	16.2	19.0
<b>Operational EBIT by Business Areas</b>												
Electronics	0.7	0.6	1.3	1.5	0.9	1.0	1.0	1.1	0.5	1.1	1.0	1.1
Technical Trade	1.0	2.3	2.1	1.4	1.7	1.9	2.3	1.6	0.6	1.7	1.0	0.9
<b>Operational EBIT margin by Business Areas</b>												
Electronics	6%	4%	8%	8%	6%	6%	6%	8%	4%	9%	8%	8%
Technical Trade	5%	9%	8%	5%	7%	7%	9%	7%	3%	8%	6%	5%
<b>Gross margin</b>	<b>25.9%</b>	<b>25.2%</b>	<b>24.3%</b>	<b>24.4%</b>	<b>26.2%</b>	<b>26.2%</b>	<b>27.2%</b>	<b>31.5%</b>	<b>28.9%</b>	<b>31.4%</b>	<b>32.0%</b>	<b>30.6%</b>
<b>Operational EBIT margin</b>	<b>4.0%</b>	<b>5.9%</b>	<b>6.8%</b>	<b>4.9%</b>	<b>5.1%</b>	<b>5.6%</b>	<b>7.2%</b>	<b>5.9%</b>	<b>1.8%</b>	<b>7.0%</b>	<b>6.2%</b>	<b>4.7%</b>
EBIT-margin	1.9%	4.5%	5.5%	3.8%	3.3%	4.0%	4.9%	3.3%	-1.2%	4.8%	3.9%	2.9%
<b>Growth contributors</b>												
Organic	13%	19%	25%	-4%	13%	-1%	-10%	-22%	-22%	-22%	-31%	-11%
Acquisitions	20%	16%	25%	20%	17%	11%	9%	7%	2%	2%	0%	0%
Divestments	0%	0%	0%	0%	0%	-1%	-3%	-2%	-1%	0%	0%	0%
FX	0%	0%	0%	-2%	-3%	-4%	-3%	-1%	0%	0%	1%	0%
<b>Total</b>	<b>33%</b>	<b>34%</b>	<b>50%</b>	<b>15%</b>	<b>29%</b>	<b>5%</b>	<b>-5%</b>	<b>-18%</b>	<b>-20%</b>	<b>-20%</b>	<b>-31%</b>	<b>-11%</b>

Source: SEB, Boreo

**Annual financials**

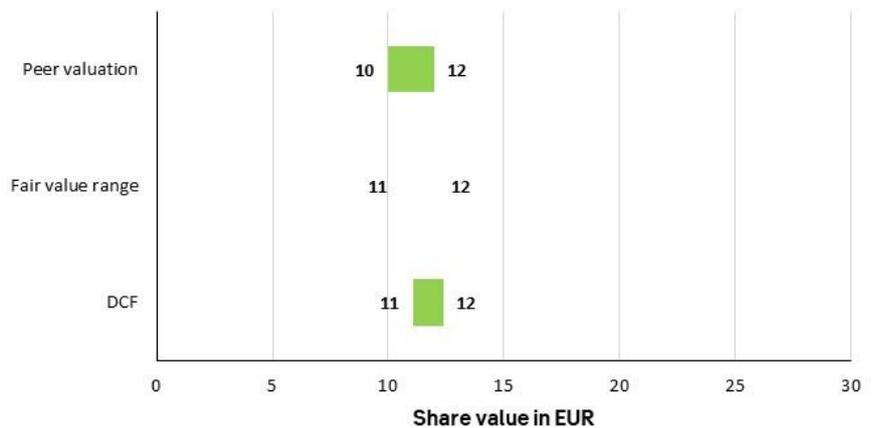
	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Net sales</b>	<b>57.2</b>	<b>59.9</b>	<b>97.5</b>	<b>122.0</b>	<b>160.4</b>	<b>161.3</b>	<b>127.9</b>	<b>138.1</b>	<b>144.6</b>
Other operating income	0.0	0.0	0.3	1.5	0.5	0.9	1.1	0.4	0.2
COGS	-41.3	-43.5	-71.5	-91.5	-120.9	-117.5	-89.8	-98.0	-102.7
<b>Gross profit</b>	<b>16.0</b>	<b>16.4</b>	<b>26.3</b>	<b>32.0</b>	<b>39.9</b>	<b>44.7</b>	<b>39.2</b>	<b>40.6</b>	<b>42.1</b>
Operating expenses	-11.9	-11.9	-20.0	-23.3	-29.6	-33.3	-30.9	-30.6	-31.5
Share of result from associates	0.0	0.0	0.0	0.0	0.2	0.3	0.4	0.3	0.3
<b>EBITDA</b>	<b>4.1</b>	<b>4.5</b>	<b>6.3</b>	<b>8.7</b>	<b>10.4</b>	<b>11.7</b>	<b>8.8</b>	<b>10.3</b>	<b>10.9</b>
Depreciations & amortisations	-0.6	-1.0	-2.0	-2.9	-4.0	-5.4	-5.5	-4.9	-3.3
<b>EBIT</b>	<b>3.5</b>	<b>3.5</b>	<b>4.3</b>	<b>5.8</b>	<b>6.5</b>	<b>6.3</b>	<b>3.3</b>	<b>5.4</b>	<b>7.6</b>
Net financials	0.0	-0.2	-0.7	-1.2	-1.0	-2.8	-2.5	-2.3	-2.1
PTP	3.6	3.3	3.6	4.6	5.5	3.5	0.7	3.0	5.5
Taxes	-0.7	-0.6	-1.0	-0.7	-1.1	-0.7	-0.2	-0.6	-1.1
<b>Net profit</b>	<b>2.9</b>	<b>2.6</b>	<b>2.7</b>	<b>3.9</b>	<b>4.4</b>	<b>2.8</b>	<b>0.6</b>	<b>2.4</b>	<b>4.4</b>
Profit for the period, discontinued operations	0.0	0.0	0.0	1.6	-4.7	0.0	0.0	0.0	0.0
Profit for the period	0.0	0.0	0.0	5.5	-0.3	2.8	0.6	2.4	4.4
Minority interest	0.3	0.3	0.4	0.3	-0.3	0.3	0.1	0.2	0.3
<b>Net profit for shareholders</b>	<b>2.6</b>	<b>2.3</b>	<b>2.3</b>	<b>5.2</b>	<b>-0.4</b>	<b>2.5</b>	<b>0.4</b>	<b>2.2</b>	<b>4.1</b>
<b>Operational EPS (continued operations)</b>		<b>0.90</b>	<b>1.54</b>	<b>1.86</b>	<b>1.82</b>	<b>1.40</b>	<b>0.35</b>	<b>0.83</b>	<b>1.14</b>
Reported EPS (continued operations)	1.00	0.90	0.91	1.40	1.12	0.47	-0.52	0.18	0.87
Operational EBIT	<b>3.5</b>	<b>3.5</b>	<b>5.9</b>	<b>7.2</b>	<b>8.8</b>	<b>9.5</b>	<b>6.2</b>	<b>7.6</b>	<b>8.5</b>
Operational EBIT growth					<b>22%</b>	<b>8%</b>	<b>-34%</b>	<b>22%</b>	<b>12%</b>
Rolling 12m ROCE				<b>13%</b>	<b>10.4%</b>	<b>10.6%</b>	<b>7.2%</b>	<b>9.0%</b>	<b>9.8%</b>
<b>Sales by Business Area</b>									
Electronics				43.4	61.6	62.4	52.3	54.1	56.0
Technical Trade				78.8	98.8	98.9	75.6	84.0	88.6
<b>Operational EBIT by Business Areas</b>									
Electronics				2.9	4.2	4.1	3.6	4.1	4.3
Technical Trade					6.8	7.5	4.3	5.1	6.0
<b>Operational EBIT margin by Business Areas</b>									
Electronics				6.6%	6.8%	6.5%	6.9%	7.6%	7.7%
Technical Trade				0.0%	6.9%	7.6%	5.7%	6.1%	6.7%
<b>Gross margin</b>	<b>27.9%</b>	<b>27.4%</b>	<b>27.0%</b>	<b>26.2%</b>	<b>24.9%</b>	<b>27.7%</b>	<b>30.7%</b>	<b>29.4%</b>	<b>29.1%</b>
<b>Operational EBIT margin</b>	<b>6.2%</b>	<b>5.8%</b>	<b>6.1%</b>	<b>5.9%</b>	<b>5.5%</b>	<b>5.9%</b>	<b>4.9%</b>	<b>5.5%</b>	<b>5.9%</b>
EBIT-margin	6.2%	5.8%	4.4%	4.8%	4.0%	3.9%	2.6%	3.9%	5.2%
<b>Growth contributors</b>									
Organic					12%	-5%	-21%	8%	5%
Acquisitions					20%	11%	1%	0%	0%
Divestments					0%	-2%	0%	0%	0%
FX					-1%	-3%	0%	0%	0%
<b>Total</b>	<b>5%</b>	<b>5%</b>	<b>63%</b>	<b>25%</b>	<b>31%</b>	<b>1%</b>	<b>-5%</b>	<b>5%</b>	<b>4%</b>

Source: SEB, Boreo

## Valuation

We cut our fair equity value range to EUR 11-12 (13-15) following the estimate revisions. We see the high leverage hampering the M&A driven investment case, and the short-term outlook is uncertain, even though we see Boreo's cost actions as positive. Our fair equity value range is based on DCF analysis (EUR 11-12) and peer group valuation (EUR 10-12).

### Valuation summary



Source: SEB

### Base case DCF assumptions

WACC	10.6%
Terminal growth	2%
Terminal value	96
NPV of terminal value	40
2024-33E FCF NPV	41
EV	81
Net debt excl. lease liabilities	25
Hybrid loan	24.0
Minority interest	1.6
<b>MCAP (EURm)</b>	<b>30</b>
Number of shares (m)	2.7
<b>Share value (EUR)</b>	<b>11.1</b>

Source: SEB

### Base case DCF details

(EURm)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Terminal
Net sales	128	138	145	150	155	161	166	171	176	180	184
Sales growth	-20.8%	8.0%	4.7%	3.7%	3.7%	3.4%	3.2%	3.0%	2.8%	2.6%	
Gross profit (EURm)	39	41	42	44	45	46	45	46	47	49	50
<b>EBITDA (adj.)</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>15</b>	<b>15</b>
Margin (%)	7.2%	7.4%	7.5%	7.8%	7.9%	8.1%	8.2%	8.3%	8.3%	8.2%	8.1%
Depreciation & amortisation	-5	-5	-3.3	-3	-3	-3	-3	-3	-3	-3	-3
<b>EBIT</b>	<b>4</b>	<b>5</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>
Tax	-1	-1.1	-2	-2	-2	-2	-2	-2	-2	-2	-2
Capex and cap R&D	-6	-2	-1	-2	-2	-2	-2	-2	-2	-1	-1
of sales	-4%	-2%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%
Lease repayments	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
NWC	19	17	16	16	17	18	18	19	19	20	20
Of sales	15%	12%	11%	11%	11%	11%	11%	11%	11%	11%	11%
NWC change	1	2	1	-1	-1	-1	-1	-1	-1	0	-1
<b>FCF</b>	<b>1.7</b>	<b>7.0</b>	<b>6.9</b>	<b>6.1</b>	<b>6.3</b>	<b>6.7</b>	<b>7.2</b>	<b>7.7</b>	<b>8.2</b>	<b>8.5</b>	<b>8.3</b>

Source: SEB

**Combined base case & M&A pipeline DCF assumptions**

WACC	14.5%
Terminal growth	2.0%
Terminal value	23
NPV	7
2023-32E FCF NPV	-4
EV	3
Total EV	84
Net debt excl. lease liabilities	25
Hybrid loan	24
Minority interest	2
MCAP (EURm)	33
Number of shares	2.7
<b>Share value (EUR)</b>	<b>12</b>

Source: SEB

**Illustrative M&A pipeline DCF details**

(EURm)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Terminal
Net sales	0	0	0	7	26	46	58	60	61	63	64
<b>EBITDA (rep.)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Depreciation & amortisation	0	0	0	0	-1	-2	-2	-2	-2	-2	-1
<b>EBIT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>
Tax of EBIT	0	0	0	0	0	0	0	-1	-1	-1	-1
Capex and cap R&D of sales				-20%	-20%	-20%	-20%	-20%	-20%	-20%	-20%
Lease repayments	0	0	0	0	0	-1	-1	-1	-1	-1	-1
NWC	0	0	0	2	4	6	6	7	7	7	7
NWC change	0	0	0	0	0	-2	0	0	0	0	0
<b>FCF</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>-7</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

Source: SEB

**Peer group valuation**

	Mcap (EURm)	Perf				EV/Sales			EV/EBITA			EV/EBITDA			PER			Net debt /EBITDA (x)*			ROCE		
		1m	3m	12m	YTD	24E	25E	26E	24E	25E	26E	24E	25E	26E	24E	25E	26E	24E	25E	26E	24E	25E	26E
Addtech	6,632	-2	-12	87	36	3.9	3.7	3.5	28.0	25.4	23.4	25.0	22.5	20.8	46.9	42.4	37.6	1.4	1.2	0.8	24.2	22.2	22.1
Addlife	1,378	-15	-11	89	27	2.0	1.8	1.7	18.5	16.2	14.6	13.9	12.1	10.5	64.4	42.5	32.1	3.2	2.3	1.7	7.9	9.2	10.1
Momentum Group	776	0	0	80	41	3.2	3.0	2.8	28.4	26.0	24.1	21.7	19.8	18.5	37.0	34.0	31.8	1.0	0.4	-0.2	-	-	-
Lagercrantz	3,568	9	15	104	54	5.0	4.6	4.3	28.2	26.1	24.6	23.7	22.1	21.0	36.9	33.8	32.4	1.5	1.1	0.7	20.0	19.8	19.1
Lifco	11,605	-4	2	59	31	5.5	5.1	4.6	24.5	22.1	19.9	21.9	19.8	17.9	44.7	39.7	36.4	1.4	1.1	0.6	17.9	18.6	19.3
Indutrade	9,082	-9	-8	46	10	3.5	3.3	3.1	24.1	22.0	20.4	19.9	18.4	17.2	32.8	29.5	27.5	1.2	0.8	0.4	15.4	16.3	17.0
Bergman & Beving	682	3	-4	112	68	2.1	2.0	1.8	22.7	19.1	16.8	15.3	13.4	12.0	36.6	31.5	26.3	3.2	2.6	2.1	8.9	9.7	10.6
Beijer Ref	6,643	-3	-5	57	20	2.4	2.1	1.9	22.2	19.1	17.2	18.5	16.2	14.6	35.4	29.1	26.1	1.8	1.3	0.9	10.6	11.5	12.0
OEM International	1,190	5	1	72	18	3.2	3.0	2.8	21.8	20.5	18.9	20.0	18.9	17.5	27.9	26.9	25.4	-0.5	-0.8	-1.1	32.0	29.0	27.1
Volati	764	-12	-19	19	-10	1.5	1.3	1.2	16.5	12.8	11.5	11.7	9.5	8.6	25.0	16.1	14.1	2.6	2.0	1.6	12.4	15.1	15.4
Bufab	1,253	5	-14	44	-1	2.2	2.0	1.9	17.5	15.8	14.2	14.3	13.1	11.9	23.1	19.7	17.4	2.3	1.8	1.3	12.7	13.1	13.3
Sdiptech	776	-20	-27	10	-11	2.4	2.2	2.0	13.0	11.2	10.1	10.8	9.4	8.5	17.2	13.8	12.9	3.2	2.5	2.0	10.4	11.5	12.1
Aspo	177	-5	-3	0	0	0.5	0.5	0.4	39.2	7.3	6.0	5.3	4.0	3.6	11.1	8.5	7.4	2.5	1.8	1.4	8.5	13.3	15.1
Storskogen	1,283	-9	1	34	-5	0.8	0.7	0.6	8.4	7.6	6.7	5.4	5.7	5.1	10.7	8.7	7.8	2.4	2.3	1.8	6.8	7.5	8.1
Beijer Alma	795	-8	-22	-4	-9	1.6	1.4	1.4	10.7	10.1	9.2	8.9	8.1	7.3	17.6	14.9	13.0	1.7	1.3	1.0	13.1	12.8	13.0
<b>Median</b>	<b>1,253</b>	<b>-4</b>	<b>-5</b>	<b>57</b>	<b>18</b>	<b>2.4</b>	<b>2.1</b>	<b>1.9</b>	<b>22.2</b>	<b>19.1</b>	<b>16.8</b>	<b>15.3</b>	<b>13.4</b>	<b>12.0</b>	<b>32.8</b>	<b>29.1</b>	<b>26.1</b>	<b>1.8</b>	<b>1.3</b>	<b>1.0</b>	<b>12.5</b>	<b>13.2</b>	<b>14.2</b>
<b>Average</b>	<b>3,107</b>	<b>-4</b>	<b>-7</b>	<b>54</b>	<b>18</b>	<b>2.7</b>	<b>2.5</b>	<b>2.3</b>	<b>21.6</b>	<b>17.4</b>	<b>15.8</b>	<b>15.7</b>	<b>14.2</b>	<b>13.0</b>	<b>31.1</b>	<b>26.1</b>	<b>23.2</b>	<b>1.9</b>	<b>1.4</b>	<b>1.0</b>	<b>14.3</b>	<b>15.0</b>	<b>15.3</b>
<b>Boreo (SEBe)</b>	<b>38</b>	<b>-8</b>	<b>-23</b>	<b>-48</b>	<b>-51</b>	<b>0.7</b>	<b>0.7</b>	<b>0.6</b>	<b>15.2</b>	<b>12.1</b>	<b>10.1</b>	<b>10.5</b>	<b>9.0</b>	<b>7.9</b>	<b>40.1</b>	<b>16.8</b>	<b>12.3</b>	<b>3.1 /</b>	<b>3.2 /</b>	<b>2.4 /</b>	<b>7.2</b>	<b>9.0</b>	<b>9.8</b>

Source: SEB, Refinitiv

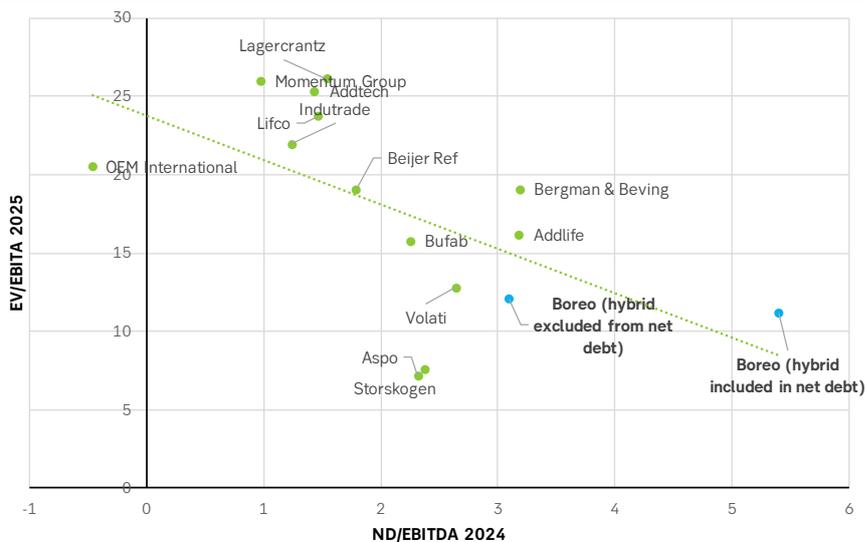
\*Boreo's leverage with/without hybrid

**Peer multiple valuation summary**

	EV/EBITDA Multiple	
	Upper end (EUR 12)	Lower end (EUR 10)
<b>2024E</b>	14.6	13.7
<b>2025E</b>	11.6	10.9

Source: SEB

**Peer group leverage vs valuation**



Source: SEB, Refinitiv

# SEAM (SEB's ESG Assessment Methodology)

## Boreo

Country: Finland Sector: Industrial Sales Overall impact of ESG factors on valuation: **Slightly Positive**

Fully discounted in mid-point DCF value: **Yes**

In our view, ESG factors do or will have an overall slightly positive impact on the share's valuation. The most material impact is improving portfolio companies' reporting and governance functions, offering development opportunities for employees, It distributes both combustion hybrid machines. Most of the impact is yet to be discounted in our mid-point equity valuation. We believe that most of the ESG factors facing the company could be manageable by the company, and that the company's management of these issues could be improved by increasing disclosure of ESG factors in reporting.

With regard to the EU taxonomy, we expect to see the company report an insignificant current revenue alignment with relevant taxonomy screening criteria. In the longer term, we also expect alignment to be insignificant.

### ESG impact on NPV (as % of equity valuation)

Total impact over time	<b>4</b>
of which:	
- impact reflected in mid-point equity valuation	<b>4</b>
- impact yet-to-be reflected in mid-point equity valuation	<b>0</b>

### ESG impact on NPV (as % of enterprise valuation)

Total impact over time	<b>2</b>
of which:	
- impact reflected in mid-point enterprise valuation	<b>2</b>
- impact yet-to-be reflected in mid-point enterprise valuation	<b>0</b>

## SEB ESG Financial Assessment

### Long term impact of ESG issue on valuation

of which:

**Impact already reflected in our 6-12 month mid-point**

**Impact yet-to-be reflected in mid-point price**

As % of  
equity  
valuation

**4**

As % of  
enterprise  
valuation

**2**

**4**

**2**

**0**

**0**

### Sales (price/volume) exposure to ESG opportunities/threats

#### Climate related impact - products/services

Boreo offers repairing services and sells used equipment

Boreo distributes (but don't manufacture) machines generating emissions, but also hybrid machines

#### Societal impacts

Boreo offers development opportunities for acquired companies that they would not have independently

Impact on Sales CAGR  
(%pa)  
0-3 yrs      4-10+ yrs

0

0

NPV/EV  
(%)

1

1

0

0

0

### Costs (CAPEX/OPEX) exposure to ESG opportunities/threats

#### Societal impacts

Boreo acquires SME's and improves their reporting, increasing traceability but requires investment

Impact on costs  
(as % of sales)

(0)

0

NPV/EV  
(%)

0

**Long term impact of ESG issue on valuation (% NPV/EV)**

**2**

## Boreo (cont.)

### EU Taxonomy Eligibility/Alignment (based on mandatory EU disclosures)

In our view, the company does not have EU Taxonomy eligible revenues.

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### Sustainability related commitments and targets

Does the company have a science based target?	No
Is the CEO's remuneration linked to achievement of sustainability goals?	No
What are the company's most material sustainability goals?	Provide employees opportunity to grow Ensure that portfolio companies follow good governance and ethical practices
Who has ultimate responsibility for sustainability management?	Head of HR

---

# Overview

## Investment considerations

Boreo is one of Finland's few serial acquirers. It targets asset-light companies run by entrepreneurs who want to benefit from its ability to provide business development support with an entrepreneurial and light-touch management approach. Boreo invests its cash flows internally on acquired companies and externally on new acquisitions. In our view, Boreo's acquisitions have made attractive returns. However, demand has weakened in 2023-24, leading to higher leverage and fewer acquisition opportunities.

## Company profile

Boreo is a Finnish company that owns, acquires and develops B2B businesses in northern Europe. Boreo was founded in 1969 and is based in Vantaa, Finland. Its operations are split into Electronics and Technical Trade. The company's background is in electronics distribution and it expanded into technical trade in 2020. Since then, Boreo has sharpened its strategy to acquire and develop B2B companies with strong market positions, solid cash flows and asset-light operations. Boreo focuses on the SME market, where it perceives attractive returns on investment. The company aims to invest cash flows either internally or externally through acquisitions into the most profitable targets.

## Valuation approach

We base our valuation on a peer group comparison and DCF analysis.

## Investment risks

Boreo has a short track record of successfully onboarding and developing portfolio companies. It is exposed to several cyclical end-markets. Solid cash flow generation is important for Boreo so that cash flows can be invested, which emphasises inventory management. Key employees and key represented brands are important for many portfolio companies. High leverage increases balance sheet risks and reduces acquisition opportunities.

**PER - 12 month forward**



Source: SEB

**P/BV - 12 month forward**



Source: SEB

**EV/Sales - 12 month forward**



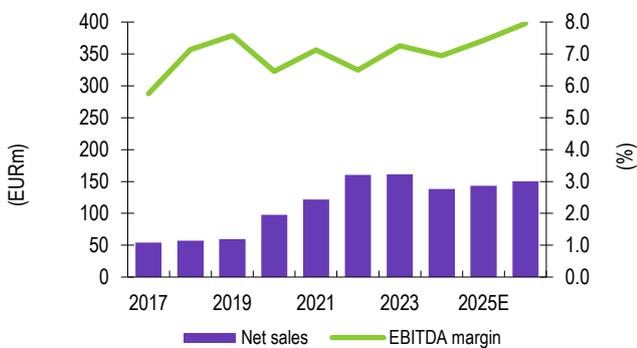
Source: SEB

**EV/EBITA - 12 month forward**



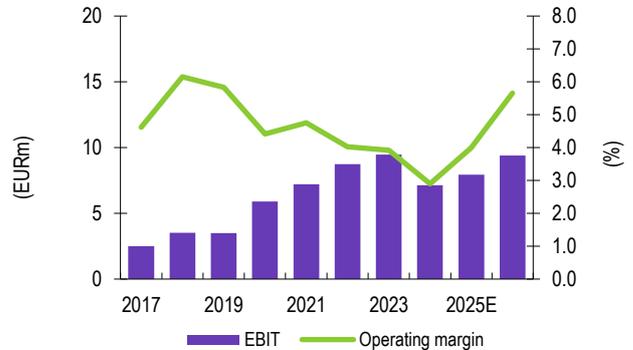
Source: SEB

**Net sales & EBITDA margin**



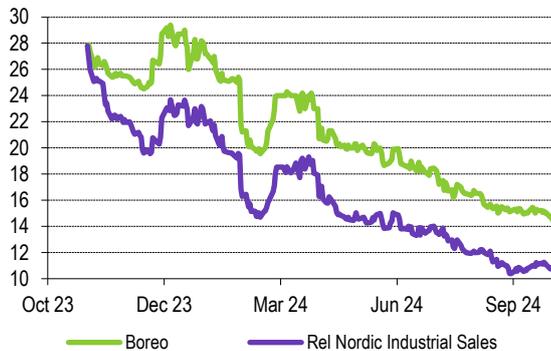
Source: SEB

**EBIT & Operating margin**



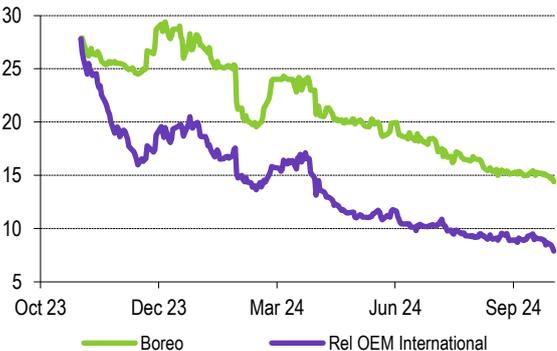
Source: SEB

**Comparison with sector index - 1 year**



Source: SIX

**Comparison with OEM International - 1 year**



Source: SIX

<b>Profit &amp; loss statement - Boreo</b>										
(EURm)	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Net Sales	54	57	60	98	122	160	161	128	138	145
Other revenues	0	0	0	0	2	1	1	2	1	0
<b>Total revenues</b>	<b>54</b>	<b>57</b>	<b>60</b>	<b>98</b>	<b>124</b>	<b>161</b>	<b>162</b>	<b>129</b>	<b>139</b>	<b>145</b>
Total expenses	(51)	(53)	(55)	(92)	(115)	(151)	(151)	(121)	(129)	(134)
<b>Profit before depreciation</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>9</b>	<b>10</b>	<b>12</b>	<b>9</b>	<b>10</b>	<b>11</b>
Depreciation - Fixed assets	(1)	(1)	(1)	(0)	(0)	(0)	(1)	(1)	(1)	(1)
Depreciation - Other assets	0	0	0	0	0	0	0	0	0	0
Depreciation of right-of-use assets	0	0	0	(2)	(1)	(2)	(2)	(2)	(2)	(2)
Amortisation - Goodwill	0	0	0	0	0	0	0	0	0	0
Amortisation - Other intangibles	0	0	(0)	(0)	(1)	(2)	(3)	(3)	(2)	(1)
<b>Operating profit</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>3</b>	<b>5</b>	<b>8</b>
Net interest expenses	0	0	(0)	(1)	(1)	(1)	(3)	(3)	(2)	(2)
Foreign exchange items	0	0	0	0	0	0	0	0	0	0
Other financial items	0	0	0	0	0	0	0	0	0	0
Value changes - Fixed assets	0	0	0	0	0	0	0	0	0	0
Value changes - Financial assets	0	0	0	0	0	0	0	0	0	0
Value changes - Other assets	0	0	0	0	0	0	0	0	0	0
<b>Reported pre-tax profit</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>5</b>
Minority interests	0	0	0	0	0	0	0	0	0	0
Total taxes	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(0)	(1)	(1)
<b>Reported profit after tax</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>4</b>
Discontinued operations	0	0	0	0	2	(5)	0	0	0	0
Extraordinary items	0	0	0	0	0	0	0	0	0	0
<b>Net Profit</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>(0)</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>4</b>
<b>Adjustments:</b>										
Discontinued operations	0	0	0	0	(2)	5	0	0	0	0
Interest on convertible debt	0	0	0	0	0	(1)	(1)	(2)	(2)	(2)
Minority interests (IFRS)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Value changes	0	0	0	0	0	0	0	0	0	0
Goodwill/intangibles amortisations	0	0	0	0	1	2	3	3	2	1
Restructuring charges	0	0	0	0	0	0	0	0	0	0
Other adjustments	0	0	(0)	1	0	0	0	0	(0)	(0)
Tax effect of adjustments	0	0	0	0	0	(0)	(1)	(1)	(0)	(0)
<b>Adjusted profit after tax</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Margins, tax &amp; returns</b>										
Operating margin	4.6	6.2	5.8	4.4	4.8	4.0	3.9	2.6	3.9	5.2
Pre-tax margin	4.7	6.2	5.4	3.7	3.8	3.4	2.2	0.6	2.2	3.8
Tax rate	18.5	19.3	19.8	24.4	15.2	20.4	20.0	25.5	20.0	20.0
ROE	30.7	20.4	16.3	15.1	19.5	9.6	3.1	(3.3)	1.1	5.3
ROCE	35.0	24.0	20.7	18.5	12.6	10.0	9.0	5.8	7.1	8.2
<b>Growth rates y-o-y (%)</b>										
Total revenues	n.a.	5.2	4.6	63.3	26.3	30.4	0.9	(20.4)	7.3	4.5
Operating profit	n.m.	40.4	(0.8)	23.1	34.9	11.4	(2.2)	(48.1)	63.2	41.4
Pre-tax profit	n.m.	38.9	(8.4)	10.7	27.8	20.0	(35.7)	(79.2)	310.3	79.8
EPS (adjusted)	0.0	39.5	(9.8)	69.8	21.0	(2.0)	(23.0)	(75.1)	138.7	36.9
<b>Cash flow</b>										
(EURm)	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Net profit	2	3	3	3	6	(0)	3	1	2	4
Non-cash adjustments	1	1	1	2	3	9	4	2	1	(0)
<b>Cash flow before work cap</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>8</b>	<b>9</b>	<b>7</b>	<b>2</b>	<b>4</b>	<b>4</b>
Ch. in working capital / Other	(2)	(0)	(0)	5	(6)	(5)	3	1	2	1
<b>Operating cash flow</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>9</b>	<b>2</b>	<b>4</b>	<b>10</b>	<b>3</b>	<b>6</b>	<b>5</b>
Capital expenditures	(1)	(1)	(0)	(23)	(14)	(3)	(2)	(6)	(2)	(1)
Asset disposals	0	0	0	1	2	0	1	0	0	0
L/T financial investments	0	0	0	0	0	0	0	(0)	0	0
Acquisitions / adjustments	0	0	0	0	0	(10)	(9)	0	0	0
<b>Free cash flow</b>	<b>(0)</b>	<b>3</b>	<b>3</b>	<b>(13)</b>	<b>(10)</b>	<b>(9)</b>	<b>(1)</b>	<b>(3)</b>	<b>3</b>	<b>3</b>
Net loan proceeds	0	(0)	(1)	16	9	(4)	(5)	(2)	0	0
Dividend paid	(1)	(1)	(1)	(0)	(1)	(2)	(3)	(1)	0	0
Share issue	0	0	0	0	0	21	0	4	(4)	0
Other	(5)	0	0	(6)	(3)	(0)	0	0	0	0
<b>Net change in cash</b>	<b>(6)</b>	<b>1</b>	<b>1</b>	<b>(3)</b>	<b>(5)</b>	<b>7</b>	<b>(9)</b>	<b>(2)</b>	<b>(1)</b>	<b>3</b>
<b>Adjustments</b>										
C/flow bef chng in work cap	3	3	4	5	8	9	7	2	4	4
Adjustments	0	0	0	0	0	(0)	0	0	(0)	0
Int on conv debt net of tax	0	0	0	0	0	(1)	(1)	(2)	(2)	(2)
Cash earnings	3	3	4	5	8	8	5	0	2	3
<b>Per share information</b>										
Cash earnings	1.06	1.34	1.43	1.85	3.23	2.91	1.99	0.14	0.69	0.94
Operating cash flow	0.38	1.2	1.28	3.65	0.77	1.13	3.12	0.53	1.42	1.19
Free cash flow	(0.14)	1.0	1.16	(5.05)	(3.81)	(3.73)	(0.87)	(1.67)	0.6	0.64
<b>Investment cover</b>										
Capex/sales (%)	2.7	0.9	0.5	23.5	11.6	2.2	1.4	4.5	1.6	1.0
Capex/depreciation (%)	241	95	43	11,450	3,525	986	267	676	355	248

Source for all data on this page: SEB

<b>Balance sheet - Boreo</b>										
<b>(EURm)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Cash and liquid assets	4	5	7	9	3	13	7	5	4	7
Debtors	7	8	7	10	20	23	16	15	17	17
Inventories	7	7	7	18	25	32	31	25	25	26
Other	0	0	0	0	0	0	0	0	0	0
<b>Current assets</b>	<b>18</b>	<b>20</b>	<b>21</b>	<b>37</b>	<b>47</b>	<b>68</b>	<b>54</b>	<b>45</b>	<b>45</b>	<b>51</b>
Interest bearing fixed assets	0	0	0	0	0	0	0	0	0	0
Other financial assets	0	0	0	0	0	1	2	2	2	2
Capitalized development cost	0	0	0	0	0	0	0	0	0	0
Goodwill	1	1	1	22	29	36	42	42	42	42
Other intangibles	1	1	1	1	3	7	10	7	5	4
Right-of-use lease assets	0	0	0	0	3	3	3	3	3	3
Fixed tangible assets	2	2	3	4	15	6	8	13	14	15
Other fixed assets	0	0	0	0	0	0	0	0	0	0
<b>Fixed assets</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>28</b>	<b>50</b>	<b>53</b>	<b>66</b>	<b>68</b>	<b>67</b>	<b>67</b>
<b>Total assets</b>	<b>21</b>	<b>23</b>	<b>26</b>	<b>65</b>	<b>97</b>	<b>121</b>	<b>119</b>	<b>113</b>	<b>113</b>	<b>118</b>
Creditors	7	8	7	20	27	32	29	22	25	27
Other trade financing	0	0	0	0	0	0	0	0	0	0
S/T lease liabilities	0	0	0	0	1	1	1	1	1	1
S/T interest bearing debt	1	0	1	7	8	9	8	10	10	10
Other	0	0	0	0	0	0	0	0	0	0
<b>Current liabilities</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>26</b>	<b>36</b>	<b>42</b>	<b>38</b>	<b>33</b>	<b>37</b>	<b>39</b>
L/T interest bearing debt	1	1	2	22	34	29	29	25	25	25
L/T lease liabilities	0	0	0	0	4	5	5	3	2	(0)
Other long-term liabilities	0	0	0	0	0	2	2	3	3	3
Convertible debt	0	0	0	0	0	0	0	0	0	0
Pension provisions	0	0	0	0	0	0	0	0	0	0
Other provisions	0	0	0	0	(0)	0	0	0	(0)	(0)
Deferred tax	0	0	0	0	1	2	3	3	3	3
<b>Long term liabilities</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>22</b>	<b>39</b>	<b>38</b>	<b>39</b>	<b>33</b>	<b>32</b>	<b>30</b>
Minority interests	1	1	1	1	1	1	2	2	2	2
<b>Shareholders' equity</b>	<b>12</b>	<b>13</b>	<b>15</b>	<b>16</b>	<b>21</b>	<b>40</b>	<b>41</b>	<b>44</b>	<b>42</b>	<b>47</b>
<b>Total liabilities and equity</b>	<b>21</b>	<b>23</b>	<b>26</b>	<b>65</b>	<b>97</b>	<b>121</b>	<b>120</b>	<b>113</b>	<b>113</b>	<b>118</b>
Net debt (m)	(3)	(4)	(4)	20	45	51	56	58	55	49
Working capital (m)	7	7	7	9	18	23	19	18	16	16
Capital employed (m)	14	15	19	45	70	106	105	109	103	105
Net debt/equity (%)	(21)	(26)	(25)	120	199	122	131	127	124	100
Net debt/EBITDA (x)	(0.8)	(0.9)	(0.9)	2.5	4.8	4.6	4.6	6.3	5.3	4.5
Equity/total assets (%)	59	60	63	25	23	34	36	41	39	41
Interest cover	(49.1)	(110.0)	14.6	6.1	4.8	6.9	2.3	1.3	2.3	3.6

<b>Valuation</b>										
<b>(EUR)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
No of shares, fully dil. (y/e)	2.6	2.6	2.6	2.6	2.6	2.7	2.7	2.7	2.7	2.7
No of shares, fully dil. avg.	2.6	2.6	2.6	2.6	2.6	2.6	2.7	2.7	2.7	2.7
Share price, y/e				29.4	59.0	36.8	28.7	14.0	14.0	14.0
Share price, high				34.0	133.5	76.0	43.0	29.4		
Share price, low				10.3	27.0	31.4	24.0	14.0		
Share price, avg				16.9	54.5	44.5	34.6	20.3		
EPS (reported)	0.72	1.00	0.90	0.91	1.39	1.12	0.47	(0.52)	0.18	0.87
EPS (adjusted)	0.72	1.00	0.90	1.54	1.86	1.82	1.40	0.35	0.83	1.14
Cash earnings/share	1.06	1.34	1.43	1.85	3.23	2.91	1.99	0.14	0.69	0.94
Dividend/share	0.32	0.33	0.00	0.40	0.42	0.44	0.00	0.00	0.00	0.00
Enterprise value/share				37	76	56	50	36	34	32
Book value/share	4.7	5.1	6.0	6.1	8.2	15.0	15.3	16.5	15.8	17.3
Adjusted equity/share	4.7	5.1	6.0	6.1	8.2	15.0	15.3	16.5	15.8	17.3
PER (adjusted)				19.1	31.7	20.2	20.5	40.1	16.8	12.3
CEM				15.9	18.3	12.6	14.4	99.9	20.3	15.0
Dividend yield				1.4	0.7	1.2	0.0	0.0	0.0	0.0
EV/EBITDA				12.0	21.4	13.6	10.8	10.5	9.0	7.9
EV/EBITA				15.3	26.2	16.7	13.9	15.2	12.1	10.1
EV/EBIT				16.1	27.6	17.1	14.1	15.4	12.2	10.2
EV/Sales (x)				0.97	1.63	0.93	0.82	0.75	0.67	0.60
Price/Book value				4.81	7.22	2.45	1.88	0.85	0.89	0.81
Price/adjusted equity				4.81	7.22	2.45	1.88	0.85	0.89	0.81
Free cash flow/Market cap (%)				(18.1)	(7.9)	0.7	9.5	(6.6)	8.9	9.1
Operating cash flow/EV (%)				9.8	1.0	2.7	7.3	3.4	6.0	5.7
EV/Capital employed (x)				2.1	2.9	1.4	1.3	0.9	0.9	0.8

<b>Main shareholders</b>			<b>Management</b>			<b>Company information</b>	
<b>Name</b>	<b>(%)</b>	<b>Votes</b>	<b>Capital</b>	<b>Title</b>	<b>Name</b>	<b>Contact</b>	
Preato Capital		70.8	70.8	COB	Simon Hallqvist	Internet <a href="https://www.boreo.com/en">https://www.boreo.com/en</a>	
AK Capital		1.3	1.3	CEO	Kari Nerg	Phone number	
Kari Sirviö		1.0	1.0	CFO	Aku Rumpunen		
Foreign owners (total)		71.7	71.7	IR			

Source for all data on this page: SEB

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**Copenhagen**

Bernstorffsgade 50  
P.O. Box 100  
DK-1577 Copenhagen V

Telephone: (45) 3328 2828

**Oslo**

Filipstad Brygge 1,  
P.O. Box 1363 Vikta  
NO-0113 Oslo

Telephone: (47) 2100 8500

**Frankfurt**

Stephanstrasse 14-16  
D-60313 Frankfurt am Main

Telephone: (49) 69 9727 7740

**Stockholm**

Kungsträdgårdsgatan 8  
S-106 40 Stockholm

Telephone: (46) 8 522 29500

**Helsinki**

Eteläesplanadi 18  
P.O. Box 630  
FIN-00101 Helsinki

Telephone: (358) 9 616 28700

**Tallinn**

Tornimäe 2  
EE-Tallinn 15010

Telephone: (372) 665 7762

**London**

One Carter Lane  
London, EC4V 5AN

Telephone: (44) 20 7246 4000