EVLI

LAPWALL

Construction & Engineering/ Finland, April 30, 2025
Company update

Challenging year ahead

LapWall's Q1 results fell short of our estimates, and the full-year guidance came in significantly below what we had anticipated. However, we expect activity to pick up toward the end of the year following the weaker H1, driven by the order backlog, which grew compared to year-end levels.

Results fell short, orders were on the positive side

LapWall's Q1 proved softer than expected as net sales declined 9.8% to EUR 9.1m (Q1/24 EUR 10.1m, Evli est. EUR 10.0m). With lower volumes and gross margin, the company's EBITA fell to EUR 0.6m (Q1/24 EUR 1.0m, Evli est. 1.0m) with a margin of 6.4% (Q1/24 10.1%). Based on our understanding, while volumes naturally contributed to the lower gross margin, the challenging competitive environment also had an impact. We see the increasing competition especially in the residential side slightly worrying as we have considered Lapwall's competitive position in the segment to be very strong. The positive factor amid softer figures was order backlog that grew q/q to EUR 14.5m (EUR 12.3m Q4/24). Backlog was at lower level compared to Q1/24 as the comparison period still included part of the larger EUR 6.5m order.

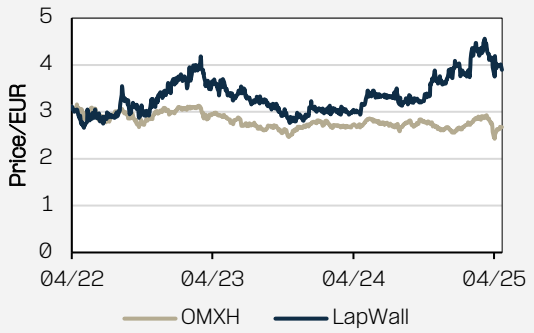
Soft guidance dampens expectations for 2025E

LapWall provided its guidance for 2025E in connection with the Q1 business review. The company estimates that net sales will be in the range of EUR 40–45m and EBITA in range of EUR 3–4m. We have revised our estimates accordingly and expect now net sales of EUR 42.4m (prev. EUR 45m) and EBITA of EUR 3.6m with a margin of 8.5% (prev. EBITA EUR 5.6m, EBITA margin 12.4%) for the year. We anticipate some improvement in Q2 compared to the weaker Q1, and we expect the company to gain momentum throughout H2. The ramp-up of Pyhäntä factory starts at the end of the year which presents some risk for one-time costs related to the ramp-up. We have also reduced our 2026E estimates, reflecting expectations of lower capacity utilization. However, both residential and non-residential construction volumes are still anticipated to recover.

ACCUMULATE with a TP of EUR 4.0 (prev. EUR 4.3)

LapWall is priced at 18–12x P/E and 16–11x EV/EBITA on our estimates for 2025–2026E. With the revised estimates, the pricing looks elevated for 2025E while still relatively neutral for 2026E. We continue to focus on the company's long-term potential, as the new more efficient capacity in Pyhäntä should drive profitable growth in the coming years as the market recovers especially on the residential side. We revise our TP to EUR 4.0 (prev. EUR 4.3) while maintaining rating at ACCUMULATE.

Rating: Accumulate



Share price, EUR (Last trading day's closing price)	**3.77**
Target price, EUR	4.0
Latest change in recommendation	31-Jan-25
Latest report on company	30-Apr-25
Research paid by issuer:	YES
No. of shares outstanding, '000's	14 526
No. of shares fully diluted, '000's	14 526
Market cap, EURm	55
Free float, %	
Exchange rate	
Reuters code	LAPWALL.HE
Bloomberg code	LAPWALL FH
Average daily volume, EUR	0.033
Next interim report	29-Apr-25-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	41.9	3.2	7.7%	-0.9	0.18	17.6	1.0	13.1	-2.0%	0.13
2024	43.3	4.2	9.7%	-4.1	0.24	16.8	1.4	14.7	-7.1%	0.18
2025E	42.4	2.8	6.6%	-1.6	0.15	24.8	1.3	20.5	-2.9%	0.08
2026E	52.4	4.7	9.0%	3.6	0.25	14.9	1.1	12.8	6.5%	0.16
2027E	61.6	6.2	10.1%	6.2	0.34	11.2	0.9	9.1	11.2%	0.25

Market cap, EURm	55	Gearing 2025E, %	6.3 %	CAGR EPS 2024-27, %	12.4 %
Net debt 2025E, EURm	1	Price/book 2025	3.1	CAGR Sales 2024-27, %	12.5 %
Enterprise value, EURm	57	Dividend yield 2025E, %	2.0 %	ROE 2025E, %	12.2 %
Total assets 2025E, EURm	36	Tax rate 2025E, %	15.3 %	ROCE 2025E, %	12.2 %
Goodwill 2025E, EURm	4	Equity ratio 2025E, %	51.1 %	PEG, P/E 25/CAGR	0.6

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

Table 1: Estimate summary

LapWall	2023	H1/'24	H2/'24	2024E	H2/'25E	H2/'25E	2025E	2026E	2027E
Revenue	**41.9**	**21.1**	**22.2**	**43.3**	**18.6**	**23.8**	**42.4**	**52.4**	**61.6**
change, %	*-20.2%*	*12.0%*	*-3.7%*	*3.4%*	*-11.7%*	*7.4%*	*-2.0%*	*23.5%*	*17.5%*
EBITDA	**5.3**	**2.8**	**3.6**	**6.4**	**2.0**	**2.9**	**4.9**	**7.5**	**9.0**
-margin	*12.6%*	*13.2%*	*16.2%*	*14.7%*	*10.7%*	*12.1%*	*11.5%*	*14.3%*	*14.6%*
EBITA	**4.0**	**2.2**	**3.0**	**5.1**	**1.4**	**2.2**	**3.6**	**5.5**	**7.0**
-margin	*9.4%*	*10.2%*	*13.3%*	*11.8%*	*7.3%*	*9.4%*	*8.5%*	*10.5%*	*11.4%*
Operating profit	**3.2**	**1.7**	**2.5**	**4.2**	**0.9**	**1.8**	**2.8**	**4.7**	**6.2**
-margin	*7.7%*	*8.2%*	*11.3%*	*9.8%*	*5.0%*	*7.8%*	*6.5%*	*9.0%*	*10.1%*
Net financials	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.3
Pre-tax profit	**3.2**	**1.7**	**2.5**	**4.2**	**0.9**	**1.8**	**2.8**	**4.5**	**5.9**
Income taxes	-0.6	-0.2	-0.5	-0.6	-0.2	-0.4	-0.6	-0.8	-1.0
Net earnings	**2.6**	**1.4**	**2.0**	**3.5**	**0.7**	**1.5**	**2.2**	**3.7**	**4.9**

Source: LapWall, Evli Research

We are now expecting sales to decline for the FY as H1 is likely to fall notably short of 2024

As expected, the trends seen during the second half of last year continued during the first quarter as the roof element business sales declined 23% while the Pyhäntä unit (wall & façade elements and roof element systems) sales increased 17%. The overall sales declined by 9.8%, compared to our estimated decline of 1.4%. The demand for the company's roof elements remained low, and there were no large orders during the period, compared to Q1 last year when the company was still delivering its largest order to date. LapWall's EBITA fell to EUR 0.6m (Q1/24 EUR 1.0m, Evli est. 1.0m) with a margin of 6.4% (Q1/24 10.1%). Margins dropped significantly due to slow volume growth and a tough competitive market. In addition to softer than expected Q1, the guidance for 2025 was lower than expected as LapWall now estimates net sales of EUR 40-45m and EBITA in of EUR 3-4m for the year. We have revised our estimates as we now model net sales of EUR 42.4m (prev. EUR 45m) and EBITA of EUR 3.6m with a margin of 8.5% (prev. EBITA EUR 5.6m, EBITA margin 12.4%). Backlog increased q/q with backlog growth in both wall and roof element side of the business. Alongside the backlog, LapWall's offer portfolio is stable and includes larger projects that, if secured, could contribute significantly to growth and profitability. We have also lowered our estimates for 2026E as we now expect lower capacity utilization. We still expect increased volumes in both residential and non-residential end-markets as both markets should continue to recover.

Table 2: Peer group

Peer group	MCAP	EV/Sales			EV/EBITDA			EV/EBITA			P/E		
	MEUR	25	26	27	25	26	27	25	26	27	25	26	27
Steico	330	1.2x	1.0x		6.4x	5.9x		13.4x	11.1x		18.0x	13.7x	
Inwido	1062	1.4x	1.2x	1.1x	9.7x	8.8x	8.2x	12.9x	11.4x	10.6x	17.2x	14.4x	13.2x
Kingspan Group	13724	1.6x	1.5x	1.3x	12.8x	11.7x	10.7x	15.8x	14.3x	12.8x	18.8x	16.8x	15.1x
HH International	258	0.9x	0.8x	0.7x	7.5x	6.2x	5.4x	14.2x	10.3x	8.8x	22.0x	13.4x	10.5x
Nobia	200	0.7x	0.6x	0.5x	5.8x	4.8x	4.3x	16.8x	10.7x	8.4x	39.0x	8.0x	5.1x
Balco Group	51	0.6x	0.5x	0.4x	9.4x	6.1x	4.9x	16.4x	8.6x	6.4x	15.6x	6.8x	4.9x
Peer Group Average	**2604**	**1.1x**	**0.9x**	**0.8x**	**8.6x**	**7.2x**	**6.7x**	**14.9x**	**11.1x**	**9.4x**	**21.8x**	**12.2x**	**9.8x**
Peer Group Median	**294**	**1.0x**	**0.9x**	**0.7x**	**8.4x**	**6.2x**	**5.4x**	**15.0x**	**10.9x**	**8.8x**	**18.4x**	**13.5x**	**10.5x**
LapWall (Evli est.)	**58**	**1.4x**	**1.1x**	**0.9x**	**9.1x**	**6.8x**	**5.2x**	**15.8x**	**10.9x**	**8.0x**	**18.0x**	**12.2x**	**9.6x**
LapWall prem./disc. to peer median		*35 %*	*18 %*	*20 %*	*8 %*	*10 %*	*–4 %*	*5 %*	*0 %*	*–9 %*	*–2 %*	*–10 %*	*–8 %*

Source FactSet, Evli Research

Short–term upside is limited

Our valuation is based on the company's own historical multiple levels, peer group multiples and the discounted cash flow model. LapWall is priced at 18–12x P/E and 16–11x EV/EBITA on our estimates for 2025–2026E. The multiples are elevated on absolute terms especially for 2025E. Comparing to peers, the multiples are relatively well in line as many of the peer companies are suffering from weaker market conditions resulting in lower earnings. Looking beyond 2025, the multiples look more attractive on both absolute and relative terms. In addition, our DCF points towards a fair value of EUR 4.8 per share.

VALUATION RESULTS		BASE CASE DETAILS		VALUATION ASSUMPTIONS		ASSUMPTIONS FOR WACC	
Current share price	3.77	PV of Free Cash Flow	36	Long−term growth, %	2.0 %	Risk−free interest rate, %	2.50 %
DCF share value	4.80	PV of Horizon value	38	WACC, %	9.6 %	Market risk premium, %	5.8 %
Share price potential, %	27.3 %	Unconsolidated equity	−1	Spread, %	0.5 %	Debt risk premium %	2.5 %
Maximum value	5.2	Marketable securities	4	Minimum WACC, %	9.1 %	Equity beta coefficient	1.30
Minimum value	4.5	Debt − dividend	−6	Maximum WACC, %	10.1 %	Target debt ratio, %	20 %
Horizon value, %	51.5 %	Value of stock	70	No. of shares, Mn	14.5	Effective tax rate, %	20 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	43	42	52	62	68	73	76	78	80	81	83	84
Sales growth (%)	*3.4%*	*−2.0%*	*23.5%*	*17.5%*	*10.0%*	*7.5%*	*5.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Operating income (EBIT)	4	3	5	6	8	9	9	9	9	9	9	9
Operating income margin %	*9.7%*	*6.6%*	*9.0%*	*10.1%*	*11.5%*	*12.0%*	*12.0%*	*12.0%*	*11.0%*	*11.0%*	*11.0%*	*11.0%*
+ Depreciation+amort.	2	2	3	3	3	3	3	2	2	2	2	
EBITDA	6	5	8	9	11	11	12	11	11	11	11	
− Paid taxes	−1	−1	−1	−1	−1	−1	−2	−2	−2	−2	−2	
− Change in NWC	−2	0	−1	0	0	0	0	0	0	0	0	
NWC / Sales, %	*1.0%*		*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	
+ Change in other liabs		6	−6									
− Operative CAPEX	−8	−6	−2	−1	−2	−2	−2	−2	−2	−2	−2	
opCAPEX / Sales, %	*18.6%*	*14.9%*	*3.6%*	*2.2%*	*2.4%*	*2.2%*	*2.7%*	*2.9%*	*2.9%*	*2.9%*	*2.9%*	
− Acquisitions												
+ Divestments												
− Other items	0											
= FCFF	−4	4	−2	6	7	8	8	7	7	7	7	92
= Discounted FCFF		4	−2	5	5	5	5	4	3	3	3	38
= DFCF min WACC		4	−2	5	5	6	5	4	3	3	3	42
= DFCF max WACC		4	−2	5	5	5	5	4	3	3	3	34

Sensitivity analysis, EUR

Terminal EBIT−% \ Terminal WACC	7.59 %	8.59 %	9.59 %	10.59 %	11.59 %
9.00 %	5.65	4.80	4.17	3.68	3.29
10.00 %	6.16	5.20	4.48	3.93	3.49
11.00 %	6.68	5.60	4.80	4.19	3.70
12.00 %	7.19	5.99	5.12	4.44	3.91
13.00 %	7.70	6.39	5.43	4.70	4.12

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	10.1	11.0	11.7	10.5	43.3	9.1	9.5	11.8	12.0	42.4	52.4	61.6
EBITDA	1.3	1.4	2.0	1.6	6.4	0.9	1.1	1.4	1.5	4.9	7.5	9.0
EBITDA margin (%)	*13.3%*	*13.1%*	*17.0%*	*15.3%*	*14.7%*	*10.1%*	*11.4%*	*11.9%*	*12.3%*	*11.5%*	*14.3%*	*14.6%*
EBIT	0.8	0.9	1.4	1.1	4.2	0.4	0.6	0.9	1.0	2.8	4.7	6.2
EBIT margin (%)	*7.9%*	*8.1%*	*12.4%*	*10.2%*	*9.7%*	*4.0%*	*6.0%*	*7.5%*	*8.0%*	*6.6%*	*9.0%*	*10.1%*
Net financial items		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	−0.2	−0.3
Pre−tax profit	0.8	0.9	1.4	1.1	4.2	0.4	0.6	0.9	1.0	2.8	4.5	5.9
Tax	−0.2	−0.2	−0.3	−0.3	−0.9	−0.1	−0.1	−0.2	−0.2	−0.6	−0.8	−1.0
Tax rate (%)	*15.6%*	*18.8%*	*15.3%*	*19.8%*	*17.2%*	*12.3%*	*14.7%*	*16.2%*	*16.5%*	*15.3%*	*15.3%*	*15.3%*
Net profit	0.7	0.7	1.2	0.8	3.4	0.3	0.4	0.7	0.8	2.2	3.7	4.9
EPS	0.05	0.05	0.08	0.06	0.24	0.02	0.03	0.05	0.05	0.15	0.25	0.34
EPS adj. (diluted)	0.05	0.05	0.08	0.06	0.24	0.02	0.03	0.05	0.05	0.15	0.25	0.34
Dividend per share					0.18					0.08	0.16	0.25

SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
LapWall	10.1	11.0	11.7	10.5	43.3	9.1	9.5	11.8	12.0	42.4	52.4	61.6
Total	10.1	11.0	11.7	10.5	43.3	9.1	9.5	11.8	12.0	42.4	52.4	61.6

SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
LapWall	9.4%	14.6%	6.9%	−13.3%	3.4%	−9.8%	−13.5%	1.0%	14.5%	−2.0%	23.5%	17.5%
Total	9.4%	14.6%	6.9%	−13.3%	3.4%	−9.8%	−13.5%	1.0%	14.5%	−2.0%	23.5%	17.5%

EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
LapWall	0.8	0.9	1.4	1.1	4.2	0.4	0.6	0.9	1.0	2.8	4.7	6.2
Total	0.8	0.9	1.4	1.1	4.2	0.4	0.6	0.9	1.0	2.8	4.7	6.2

EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
LapWall	7.9%	8.1%	12.4%	10.2%	9.7%	4.0%	6.0%	7.5%	8.0%	6.6%	9.0%	10.1%
Total	7.9%	8.1%	12.4%	10.2%	9.7%	4.0%	6.0%	7.5%	8.0%	6.6%	9.0%	10.1%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales		35.5	52.5	41.9	43.3	42.4	52.4	61.6
Sales growth (%)			48.0%	−20.3%	3.4%	−2.0%	23.5%	17.5%
EBITDA		6.1	9.5	5.3	6.4	4.9	7.5	9.0
EBITDA margin (%)		17.2%	18.1%	12.6%	14.7%	11.5%	14.3%	14.6%
Depreciation		−1.4	−1.2	−1.3	−1.3	−1.3	−2.0	−2.0
EBITA		4.8	8.3	4.0	5.1	3.6	5.5	7.0
Goodwill amortization / writedown		−0.4	−0.5	−0.7	−0.9	−0.8	−0.8	−0.8
EBIT		4.4	7.8	3.2	4.2	2.8	4.7	6.2
EBIT margin (%)		12.3%	14.9%	7.7%	9.7%	6.6%	9.0%	10.1%
Reported EBIT		4.4	7.8	3.2	4.2	2.8	4.7	6.2
EBIT margin (reported) (%)		12.3%	14.9%	7.7%	9.7%	6.6%	9.0%	10.1%
Net financials		−0.1	−0.7	0.0	0.0	0.0	−0.2	−0.3
Pre−tax profit		4.2	7.1	3.2	4.2	2.8	4.5	5.9
Taxes		−0.9	−1.4	−0.6	−0.9	−0.6	−0.8	−1.0
Minority shares								
Net profit		3.3	5.5	2.6	3.4	2.2	3.7	4.9
Cash NRIs								
Non−cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	8	7	10	9	16	21	21	20
Goodwill	2	2	2	6	5	4	3	2
Right of use assets								
Inventory	1	3	3	3	3	3	7	9
Receivables	3	3	5	5	4	6	7	9
Liquid funds	2	2	8	4	4	1	2	5
Total assets	17	17	28	27	32	36	40	45
Liabilities								
Shareholders' equity	5	7	16	17	18	18	21	23
Minority interest					0	0	0	0
Convertibles								
Lease liabilities								
Deferred taxes								
Interest bearing debt	5	3	2	1	6	2	6	5
Non−interest bearing current liabilities	6	7	10	9	7	9	14	16
Other interest−free debt						6		
Total liabilities	17	17	28	27	32	36	40	45
CASH FLOW, EURm								
+ EBITDA		6	10	5	6	5	8	9
− Net financial items		0	−1	0	0	0	0	0
− Taxes		−1	−1	−1	−1	−1	−1	−1
− Increase in Net Working Capital	2	−1	1	0	−2	0	−1	0
+/− Other			0		0			
= Cash flow from operations	2	4	8	4	4	5	5	8
− Capex	−11	0	−4	−5	−8	−6	−2	−1
− Acquisitions								
+ Divestments								
= Free cash flow	−9	4	4	−1	−4	−2	4	6
+/− New issues/buybacks	5	−2	5	1	0			
− Paid dividend		2	3	2	3	1	2	4
+/− Other	5	−2	−1	−1	5	2	−2	−1
Change in cash	2	0	6	−3	−1	−2	0	3

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M–cap		51	45	58	55	55	55
Net debt (excl. convertibles)	1	–6	–3	3	1	4	1
Enterprise value	1	45	42	62	57	60	56
Sales	35	53	42	43	42	52	62
EBITDA	6	10	5	6	5	8	9
EBIT	4	8	3	4	3	5	6
Pre–tax	4	7	3	4	3	4	6
Earnings	3	5	3	3	2	4	5
Equity book value (excl. minorities)	7	16	17	18	18	21	23

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	0.0	0.9	1.0	1.4	1.3	1.1	0.9
EV/EBITDA	0.2	4.8	8.0	9.7	11.7	8.0	6.2
EV/EBITA	0.3	5.5	10.7	12.2	15.7	10.9	8.0
EV/EBIT	0.3	5.8	13.1	14.7	20.5	12.8	9.1
EV/OCF	0.3	5.8	10.3	15.6	12.0	11.0	7.5
EV/FCF	0.3	10.9	–48.0	–15.1	13.7	–30.9	8.8
P/FCFR		14.4	–50.4	–14.1	–35.1	15.3	8.9
P/E		9.3	17.6	16.8	24.8	14.9	11.2
P/BV		3.2	2.7	3.2	3.1	2.7	2.4
Target EV/EBITDA					12.2	8.4	6.6
Target EV/EBIT					21.4	13.4	9.5
Target EV/FCFF					–38.2	17.6	9.6
Target P/BV					3.2	2.8	2.5
Target P/E, diluted				19.1	26.3	15.8	11.9

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	12.38	14.23	14.53	14.53	14.53	14.53	14.53
Number of shares (diluted, million)	12.38	14.23	14.53	14.53	14.53	14.53	14.53
EPS	0.27	0.38	0.18	0.24	0.15	0.25	0.34
Operating cash flow per share	0.36	0.55	0.28	0.27	0.33	0.37	0.52
Free cash flow per share	0.33	0.25	–0.06	–0.28	–0.11	0.25	0.42
Book value per share	0.58	1.11	1.15	1.26	1.23	1.41	1.58
Dividend per share	0.14	0.19	0.13	0.18	0.08	0.16	0.25
Dividend payout ratio, %	51.9%	49.4%	73.7%	75.9%	50.0%	65.0%	75.0%
Dividend yield, %		5.3%	4.2%	4.8%	2.0%	4.4%	6.7%
FCF yield, %		7.0%	–2.0%	–7.1%	–2.9%	6.5%	11.2%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	53.4%	47.6%	15.7%	19.6%	12.2%	19.1%	22.5%
ROCE	41.0%	54.4%	17.8%	19.4%	12.2%	19.8%	22.4%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	7.1%	6.1%	7.4%	8.0%	8.0%	14.0%	14.0%
Receivables as % of sales	8.8%	9.5%	10.9%	8.4%	14.0%	14.0%	14.0%
Non–int. bearing liabilities as % of sales	18.8%	19.0%	21.3%	15.4%	22.0%	26.0%	26.0%
NWC/sales, %	–2.9%	–3.3%	–3.0%	1.0%		2.0%	2.0%
Operative CAPEX/Sales, %	1.2%	8.3%	12.0%	18.6%	14.9%	3.6%	2.2%
CAPEX/sales (incl. acquisitions), %	1.2%	8.3%	12.0%	18.6%	14.9%	3.6%	2.2%
FCFF/EBITDA	0.7	0.4	–0.2	–0.6	0.9	–0.3	0.7
Net Debt/EBITDA, book–weighted	0.2	–0.6	–0.6	0.4	0.2	0.6	0.1
Debt/equity, market–weighted		0.0	0.0	0.1	0.0	0.1	0.1
Equity ratio, book–weighted	0.4	0.6	0.6	0.6	0.5	0.5	0.5
Gearing, %	17.7%	–34.7%	–18.0%	14.3%	6.3%	21.0%	2.6%

COMPANY DESCRIPTION: LapWall is a Finnish construction material company that produces prefabricated wooden construction elements for both residential and non-residential buildings. The company operates through its three production facilities located in Finland. LapWall's business model is centered around its LEKO® element system that covers everything from element design to installation. LapWall was founded in 2011 and currently employs roughly 115 personnel. The company was listed to the First North Growth Market in 2022.

INVESTMENT CASE: The sluggish residential construction market has decreased demand for LapWall's wooden wall element products during 2023–2024. While the wall elements market remains difficult, the firm's expansion into roof element capabilities has proven fruitful, with roof element demand holding up better. The company is currently investing in its Pyhäntä factory to triple the capacity. We forecast 2023–2024 to be the cycle-low in terms of earnings and expect that the company will continue its profitable growth as market stabilizes throughout 2025–2028 and LapWall gains market share.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Jarmo Pekkarinen	2 700 000	10.179	18.6 %
Timo Pekkarinen	2 245 000	8.464	15.5 %
Pohjanmaan Arvo Sijoitusosuuskunta	1 415 416	5.336	9.7 %
Ahola Tuomas Veli	1 117 128	4.212	7.7 %
Pekkarinen Janne Petteri	964 751	3.637	6.6 %
Alquila Oy	405 026	1.527	2.8 %
Pekkarinen Antti Olavi	390 632	1.473	2.7 %
Kari Viljamaa	385 644	1.454	2.7 %
Suomen Teollisuussijoitus Oy	294 108	1.109	2.0 %
Ahti Väisänen	271 254	1.023	1.9 %
Ten largest	10 188 959	38.412	70.1 %
Residual	4 336 559	16.349	29.9 %
Total	14 525 518	54.761	100%

EARNINGS CALENDAR

August 07, 2025	Q2 report
October 28, 2025	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Jarmo Pekkarinen	Yrittäjäntie 7, 36600 Pälkäne
CFO: Tuomo Riihonen	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 $\frac{\text{Price per share}}{\text{Shareholder's equity + taxed provisions per share}}$	**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, %** $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity + minority interest + taxed provisions}}$
Payout ratio, % $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	**Equity ratio, %** $\frac{\text{Shareholders' equity + minority interest + taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, % $\frac{\text{Profit before extraordinary items + interest expenses + other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	**CAGR, %** Cumulative annual growth rate = Average growth rate per year
ROE, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity + minority interest + taxed provisions (average)}}$	

Important Disclosures

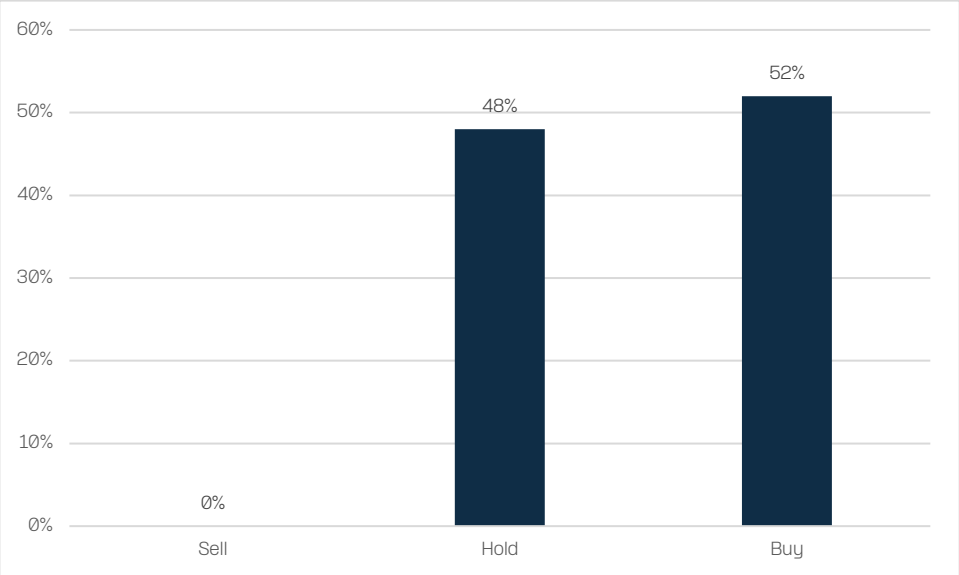
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Investment recommendations are defined as follows:

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 Jortikka

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