VIRSI: Results Review H2 2025

Harvesting the fruits of expansion

AS 'Virši-A' (hereinafter referred to as 'VIRSI', or the 'Group') published its H2 results, delivering a clear earnings upside. While sales were broadly in line with expectations at EUR 209m (+7.3% y-o-y), the Group generated stronger gross profits across core segments (except for energy segment), reaching EUR 23.5m (+6.6% y-o-y), furthermore operating expenses remained broadly flat at EUR 18.4m (+2.3% y-o-y). As a result, H2/25 earnings materially exceeded our estimates.

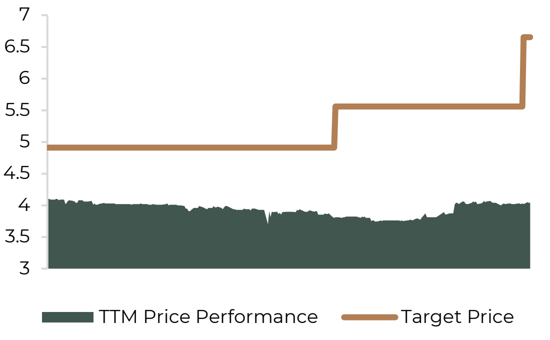
In the second half of 2025 EBITDA reached EUR 9.0m (+20.5% y-o-y), but net profit increased 45% y-o-y to EUR 4.1m. The improvement is largely consequential, in 2024, the Group added nine fuel stations (five in H2/24), meaning cost pressure preceded volume ramp up. In 2025, only two stations were added, limiting cost burden while previously opened locations contributed more meaningfully.

Reflecting earlier than expected profitability improvements and anticipation of stronger earnings when desired station coverage is reached, **we raise our target price to EUR 6.71 (prev. EUR 5.56).** We note that geopolitical tensions in the Middle East can sustain elevated global oil prices and potentially affect fuel supply, which could materially impact our forecasts. Sharp volatility and high crude prices may affect both market volumes and margin stability relative to our base case.

The stronger H2 performance validates our thesis that profitability improves meaningfully once expansion moderates. VIRSI currently operates 84 stations (previous target: >90). The Group has now set a new ambition of >100 stations by 2028 and is seeking Competition Council approval for the long-term lease of 19 former Astarte locations.

At this stage, we maintain previous network assumptions (>90) due to uncertainty regarding regulatory approval (full vs. partial acceptance or no acceptance), transaction terms, and required CAPEX.

Company profile	
Listing market	Nasdaq Riga First North
Ticker	VIRSI
Industry	Speciality Retailer
Website	www.virsi.lv/en



Share Data (Mar 16, 2026)	
Current price, EUR	4.03
Target price, EUR	6.71
Potential Upside/Downside, %	66
52 week Low/High, EUR	3.70/4.10
3 month av. daily volume	1067
Market cap, EURm	61.1
Ordinary shares	15.1

Analyst
Valters Smiltans
Valters.Smiltans@Signetbank.com
+371 66956529

Key Numbers (EURm)	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Revenue	343.7	380.6	398.1	430.1	464.1	480.9	492.2	502.5
EBITDA	13.7	13.7	15.2	18.8	26.3	28.0	27.4	27.1
Operating Profit	8.7	7.5	7.7	10.2	16.7	17.7	17.2	16.9
Net Profit (attr. To parent comp. Holders)	5.1	4.8	5.5	8.6	12.6	12.8	12.1	12.2
EPS (attr. To parent comp. Holders)	5.1	4.8	0.37	0.57	0.83	0.84	0.80	0.80
FCF	135.8	151.0	5.3	1.2	6.1	15.1	14.4	14.5
Net Debt	26.2	36.1	33.4	33.7	43.5	35.3	28.7	21.8
Total Equity	69.6	73.8	110.3	119.6	129.9	137.5	143.3	149.5
CAPEX	16.8	22.2	8.4	14.5	16.9	9.1	9.1	9.1
Dividend yield (%)	2.5	1.3	1.3	1.4	5.3	10.0	15.7	14.9
EV/EBITDA (x)	9.2	6.7	6.1	4.9	3.5	3.3	3.4	3.4
P/E (x)	10.8	6.4	10.6	7.1	4.8	4.8	5.0	5.0
P/Book (x)	1.4	1.0	0.5	0.5	0.5	0.4	0.4	0.4

Source: VIRSI, Signet Bank for estimates. Valuation multiples 2026-2030E are calculated based on the share price EUR 4.03 at March 16, 2026.

Speculatively, we believe that at least partial accept will be granted, referring to the recent similar application by another leading fuel retailer, Circle-K. Going further, a rapid station rollout is likely to temporarily pressure earnings. However, the impact should be notably milder, as these are established locations with existing customer bases, allowing for significantly faster volume ramp-up compared to greenfield projects. Furthermore, during the rebranding process, fuel retail operations will continue uninterrupted at the respective locations. Key location considerations remain traffic intensity, area populations, location overlapping, and achievable ROI relative to existing stations.

Geopolitical tensions involving U.S. and Israeli actions targeting Iran have renewed focus on the Strait of Hormuz, a critical artery for global energy flows, facilitating roughly 20% of global oil and LNG shipments. YTD oil prices have risen nearly 70%.

In the short term, fuel retailers may benefit from higher margins as they sell lower-priced inventory purchased before the energy price spike. Conversely, the opposite effect may occur if fuel prices decline rapidly. Going further, prolonged disruption could elevate energy costs, fuel inflationary pressure (incl. interest rate risk), reduce economic activity, and ultimately weigh on fuel volumes and convenience store sales.

While mitigation mechanisms (e.g., increased output elsewhere) exist, our base case assumes relatively prompt normalization of crude oil and liquified gas supply dynamics and price stabilization.

Signet estimates, EURm	**FY/26**	**FY/27**	**FY/28**	**Δ, % FY/26**	**Δ, % FY/27**	**Δ, % FY/28**	**FY/26**	**FY/27**	**FY/28**
		New						**Old**	
Revenue	430	464	481	(1)	(2)	(2)	433	475	492
EBITDA	19	26	28	19	15	12	16	23	25
Operating Profit	10	17	18	24	18	15	8	14	15
Net Profit (attr. To parent comp. Holders)	9	13	13	30	24	17	7	10	11
FCF	1	6	15	(300)	142	23	(1)	3	12
Net Debt	34	44	35	(19)	(18)	(24)	41	53	46
Total Equity	120	130	137	42	41	39	84	92	99
CAPEX	15	17	9	-	-	-	15	17	9

Source: Signet Bank for estimates

Results Review, EURm	**H2/25A**	**H2/24A**	**% y-o-y**	**H2/25E**	**Dev abs.**	**Dev, %**	**FY25A**	**FY24A**	**% y-o-y**
Net sales	209.49	195.25	7.3	207.4	2.0	1	398.1	380.6	4.6
Gross profit	**23.53**	**22.08**	**6.6**	**22.5**	**1.1**	**5**	**44.3**	**41.2**	**7.5**
Operating expense	(18.4)	(18.0)	2.3	(19.4)	1.0	(5)	(36.5)	(33.7)	8.5
EBITDA	**8.96**	**7.43**	**20.5**	**6.7**	**2.2**	**33**	**15.2**	**13.7**	**10.8**
Operating profit	5.17	4.13	25.1	3.1	2.1	69	7.7	7.5	3.2
Net profit	**4.08**	**2.82**	**44.8**	**2.1**	**1.9**	**90**	**5.5**	**4.8**	**14.7**
Gross margin, %	11.2	11.3					11.1	10.8	
EBITDA margin, %	4.3	3.8					3.8	3.6	
Operating margin, %	2.5	2.1					1.9	2.0	
Net margin, %	1.9	1.4					1.4	1.3	

Source: VIRSI, Signet Bank for estimates

Segment review

Convenience Stores

Convenience store sales increased 8.5% y-o-y to EUR 33.3m, while gross margin lifted to 37.3% (+0.5pp y-o-y), thus gross profit rose 10% y-o-y to EUR 12.4m.

We remind that VIRSI closed two independent convenience stores in Riga in H1/25 due to suboptimal ROI, which likely had a modest positive on profitability, furthermore margin resilience supports the well selected product assortment. Importantly, sales growth closely tracks fuel volume growth, reflecting the high interdependence between these segments.

Fuel retail

Despite intense competition driven by price transparency and product homogeneity, VIRSI continued to outpace the market in fuel volumes in 2025 (10.8% vs. 2.1% market growth). In H2/25 Turnover reached EUR 162m (+9% y-o-y), while gross profit increased 13.4% y-o-y to EUR 11.6m.

Energy segment

Energy sales declined 7.2% y-o-y to EUR 13.3m, reflecting lower energy price levels. The segment results remain volume and margin driven.

In February 2025, Latvia, together with Estonia and Lithuania, disconnected from the Russia-controlled BRELL grid and synchronized with the Continental European electricity network. The transition required new balancing and reserve mechanisms, introducing additional system costs and grid investments. These factors significantly pressured margins, pushing electricity gross profit into negative territory in H1/25.

In H2/25, gross loss widened to EUR 0.8m (vs. EUR 0.1m loss in H1/25 and EUR 0.3m profit in H2/24). Management indicated that the supplier portfolio has been reviewed and additional costs will gradually be passed through to producers and consumers. Positively, the Group expects the segment to be at least break even in 2026.

Valuation

Valuation summary

In valuing the total equity of VIRSI, we applied a weighted average of values derived from the Discounted Cash Flow (DCF) method and peer group data, which included comparisons across three market multiples. We assigned a 55% weight to the DCF-based income approach valuation. The remaining 45% weight was allocated to the peer valuation, with each of the peer multiples given a 15% weight.

Based on our current projections and assumptions for VIRSI, we set our target price for the Group at EUR 6.71 per share.

Given the capital-intensive fuel station expansion, VIRSI has limited its payout ratio to 20%. We anticipate the Group to maintain this 20% payout ratio during its fuel station network expansion, keeping the expected dividend yield 1.4% in 2026E. Once the network reaches the desired coverage, we believe the payout ratio will gradually increase to 70% by 2029E, leading to dividend yield of around 15%.

VIRSI's business model has already demonstrated its ability to generate strong operating cash flows. Once the network expansion phase is completed, we expect the Group to convert these into robust free cash flows, which form the backbone of our valuation.

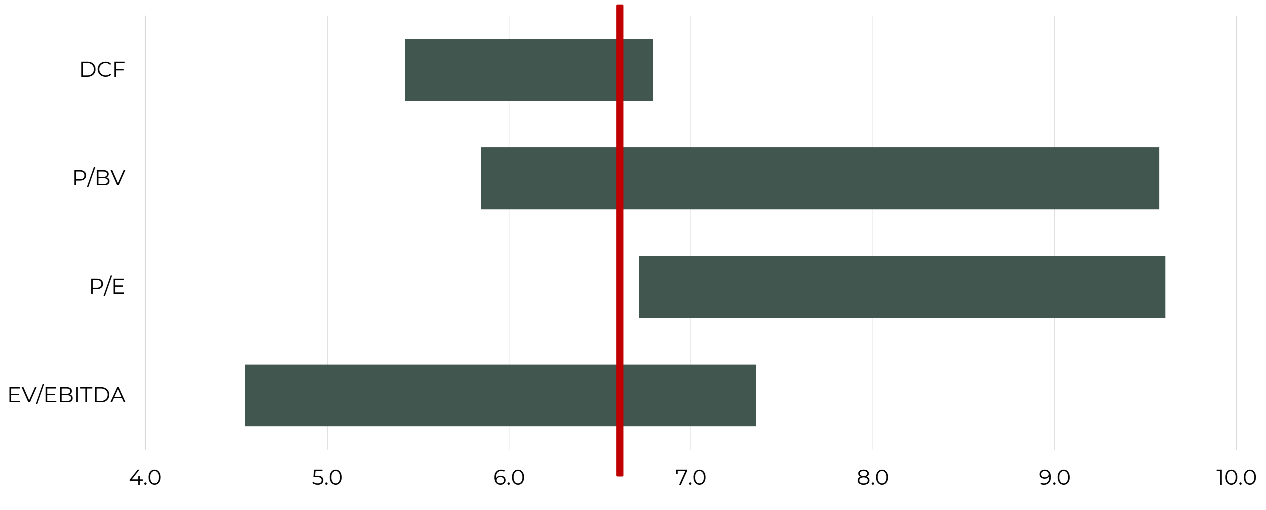
Key Risks:

- High competitive intensity
- Slower than expected expansion
- Rebalancing cost pressure on energy trading margins

Key Drivers:

- Strong brand image
- Good profitability track record
- Diversification of fuels
- Expansion in energy trading and production

Weighted Value Per Share, EUR	Period weights			Period weighted value	Weights	Contribution to value
	2026E	2027E	2028E			
Method	33%	33%	33%			
DCF				6.04	55%	3.32
EV/EBITDA	4.55	7.36	7.25	6.39	15%	0.96
P/E	6.71	8.43	9.61	8.25	15%	1.24
P/CF	5.85	8.43	9.58	7.95	15%	1.19
Total weighted value per share						**6.71**



Source: Signet Bank

DCF

Valuing the equity of VIRSI we are applying the free cash flow to the firm. We consider that two-step DCF model, which includes 5-year forecast period, followed by terminal value, is suitable as the Group is expected to enter stable growth phase already in 2028.

Our DCF model assumes 11.71% cost of capital. Considering the relatively small size of the Group, low liquidity of its shares, and highly competitive operating environment involving strong pressure from the market players, we applied company-specific risk premium of 2.0% besides other cost of capital assumptions. As we expect the Group to consolidate the biogas operations by 2027, we have included additional EUR 12m of debt and EUR 1.5m of minority interest in VIRSI capital structure to ensure our EV corresponds to the near future "fully consolidated" structure that our cash flows reflect.

Based on these assumptions, we calculated a DCF-based value of the Group at EUR 6.04 per share. Considering the sensitivity of DCF analysis to long-term growth rate and the cost of capital, we have provided a sensitivity table.

Peer valuation

For the peer valuation, we compiled a diverse list of companies operating in the fuel retail, convenience store, and fast-food sectors. These companies vary significantly in size, with most being considerably larger than VIRSI and typically possessing more complex and diversified business models. Due to the limited number of comparable listed companies in Europe, we included several global names from regions such as the US, Canada,

Vietnam, and other markets. While we acknowledge potential deviations in average trading multiples across different global regions, we believe that a broader peer selection aids in achieving sufficient market diversification.

The closest operational peer to VIRSI is Alimentation Couche-Tard Inc., the parent company of the global network of Circle-K fuel stations and convenience stores, which is primarily listed in Toronto, Canada. Despite its substantially larger size and different scale of operations, Alimentation Couche-Tard Inc. provides a relevant benchmark for valuing VIRSI's operating model on a global scale. Many other peers in our list are more focused on the convenience store segment and may have minimal or no involvement in the fuel retail business.

We used the peer group median values as the basis for our comparative analysis of VIRSI, applying an additional 30% discount to all peer group-derived market multiples to account for differences in company size and liquidity. To ensure a comprehensive selection of market multiples for broader comparison, we focused on three key multiples: EV/EBITDA, P/E, and P/CF. Outliers were excluded from the median calculations to minimize the probability of larger statistical errors.

DCF Assumptions:	
Risk free rate	3.6%
Market risk premium	5.1%
Levered Beta	1.39
Country Risk Premium	1.6%
Add. comp. risk premium	2.0%
Share of debt	25.2%
Terminal sales growth	2.0%
Terminal EBIT margin	3.0%
Cost of equity	14.25%
Cost of debt	4.2%
WACC	11.71%

DCF valuation, EURm	2026E	2027E	2028E	2029E	2030E	Term
EBIT	10.2	16.7	17.7	17.2	16.9	17.2
Taxes	(0.3)	(1.1)	(2.0)	(2.4)	(2.3)	(2.3)
Non-cash charges	8.6	9.5	10.3	10.3	10.2	10.4
Capex	(14.5)	(16.9)	(9.1)	(9.1)	(9.1)	(10.4)
Change in NWC	(1.7)	(0.2)	0.0	0.1	0.1	0.2
FCFF	**2.3**	**8.1**	**16.9**	**16.0**	**15.8**	**15.1**
Discounted FCFF	2.2	6.8	12.8	10.9	9.6	94.2
EV						136.5
Net debt + adjustments						(45.1)
Equity value						**91.4**
Equity value per share (EUR)						**6.04**

Sensitivity of DCF value to changes in assumptions (EUR)

Terminal growth rate	WACC 10.2%	10.7%	11.2%	11.7%	12.2%	12.7%	13.2%
1.1%	6.98	6.44	5.95	5.51	5.11	4.74	4.40
1.4%	7.21	6.65	6.13	5.67	5.25	4.87	4.52
1.7%	7.47	6.87	6.33	5.85	5.41	5.01	4.65
2.0%	7.75	7.11	6.54	6.04	5.58	5.16	4.78
2.3%	8.04	7.37	6.77	6.23	5.75	5.32	4.92
2.6%	8.36	7.65	7.01	6.45	5.94	5.48	5.07
2.9%	8.71	7.94	7.27	6.67	6.14	5.66	5.22

Source: Signet Bank

Peer comparison table

Company	Country	Market Cap EURm	EV/EBITDA (x) 2025E	2026E	2027E	P/E (x) 2025E	2026E	2027E	P/CF (x) 2025E	2026E	2027E
ALIMENTATION COUCHE-TARD INC	CANADA	47452	10.7	10.3	9.7	20.4	18.6	16.6	10.9	9.9	8.8
MURPHY USA INC	UNITED STATES	6172	9.2	8.9	8.3	15.6	14.3	12.5	8.7	8.1	n.a.
PTT OIL & RETAIL BUSINESS PC	THAILAND	4034	6.3	6.0	5.8	12.8	12.0	11.3	8.0	7.8	7.6
ABU DHABI NATIONAL OIL CO FO	UAE	11600	12.3	11.6	10.9	16.9	15.9	14.6	12.5	13.4	13.7
ORGANIZACION TERPEL SA	COLOMBIA	817	3.5	3.7	n.a.	7.2	11.4	n.a.	n.a.	n.a.	n.a.
RUBIS	FRANCE	3780	7.3	7.0	6.5	11.3	11.2	10.9	6.2	6.2	n.a.
VIETNAM NATIONAL PETROLEUM G	VIETNAM	2557	13.1	10.5	8.8	27.7	21.7	21.1	n.a.	n.a.	n.a.
NORTH WEST CO INC/THE	CANADA	1664	8.6	7.8	7.5	16.1	14.5	13.7	9.8	8.8	8.3
AMREST HOLDINGS SE	SPAIN	645	4.9	4.7	4.0	16.1	13.4	16.3	1.5	1.3	n.a.
EUROCASH SA	POLAND	207	3.3	3.4	3.4	19.5	13.3	21.7	1.0	1.0	n.a.
7-ELEVEN MALAYSIA HOLDINGS B	MALAYSIA	479	8.4	8.2	7.5	37.5	34.3	36.9	6.6	6.2	n.a.
TAIWAN FAMILYMART CO LTD	TAIWAN	1183	8.7	9.9	n.a.	21.7	20.6	n.a.	n.a.	n.a.	n.a.
METRO INC/CN	CANADA	12897	11.7	11.2	10.8	19.0	17.2	16.3	16.1	14.8	13.4
SEVEN & I HOLDINGS CO LTD	JAPAN	30355	9.5	9.7	9.3	19.7	19.8	17.1	7.3	6.9	5.8
Median (Excluding outliers)			**8.7**	**8.5**	**7.9**	**16.9**	**14.5**	**16.3**	**8.0**	**7.9**	**8.6**
Harmonic Mean			7.1	6.9	6.8	16.6	15.0	14.9	4.0	7.9	8.7
Quartile 1			6.6	6.3	6.3	15.7	13.3	13.4	6.4	6.2	7.8
Quartile 3			10.4	10.2	9.4	20.3	19.5	18.1	10.4	9.4	12.3
Company size discount applied		30%									
Adjusted Multiples			**6.1**	**6.0**	**5.5**	**11.8**	**10.1**	**11.4**	**5.6**	**5.5**	**6.0**
Respective financial result of VIRSI (EURm)			18.8	26.3	28.0	8.6	12.6	12.8	15.7	23.0	24.2
Implied equity value based on Harmonic Mean (EURm)			**68.8**	**111.4**	**109.8**	**101.7**	**127.6**	**145.5**	**88.5**	**127.7**	**145.0**
Implied value per share (EUR)			**4.5**	**7.4**	**7.3**	**6.7**	**8.4**	**9.6**	**5.8**	**8.4**	**9.6**

Source: Bloomberg, Signet Bank

Report Tables

Balance Sheet (EURm)	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Assets								
Intangible assets	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Property, plant and equipment	84.2	99.5	133.1	141.1	160.8	160.7	160.6	160.5
Right-of-use assets	4.0	5.0	5.3	5.3	5.7	5.4	5.0	4.7
Other non-current assets	1.8	2.1	3.6	3.6	3.6	3.6	3.6	3.6
Derivatives	7.3	4.5	5.6	6.5	7.3	8.1	9.0	9.8
Inventories	12.0	12.8	12.3	13.7	14.6	14.9	15.3	15.6
Trade receivables	17.4	17.8	17.5	20.3	21.9	22.5	23.0	23.4
Deferred expenses	0.3	0.4	0.4	0.2	0.3	0.3	0.3	0.3
Accrued income	1.4	1.8	1.7	1.8	2.0	2.0	2.1	2.1
Other receivables	2.1	2.4	2.8	3.0	3.2	3.3	3.4	3.4
Cash and cash equivalents	4.7	4.0	4.8	4.3	6.3	10.4	10.8	12.2
Total assets	**135.8**	**151.0**	**187.9**	**200.6**	**226.4**	**231.9**	**233.7**	**236.4**
Equity and liabilities								
Equity								
Share capital and reserves	34.8	34.2	65.2	65.2	65.2	65.2	65.2	65.2
Retained earnings	29.7	34.8	39.5	47.5	54.7	61.3	66.3	71.8
Profit for the reporting year	5.1	4.8	5.5	5.3	7.5	7.7	7.5	7.4
Minority share				1.5	2.4	3.3	4.2	5.1
Total equity	**69.6**	**73.8**	**110.3**	**119.6**	**129.9**	**137.5**	**143.3**	**149.5**
Liabilities								
Loans from credit insitutions	15.2	24.2	20.7	20.7	32.7	28.7	27.7	21.7
Other borrowings	5.7	5.1	4.7	3.8	2.9	2.1	1.2	-
Derivatives	5.2	3.1	4.4	5.5	6.5	7.5	8.5	9.5
Finance lease liabilities	3.7	4.8	5.0	5.7	6.4	7.0	7.7	8.4
Asset retirement obligation	0.8	0.8	0.7	0.7	0.8	0.8	0.8	0.8
Deferred tax liabilities	11.0	11.0	11.5	12.8	13.9	14.7	15.4	16.2
Trade payables	16.8	18.7	18.8	20.2	21.5	22.0	22.5	23.0
Deferred income	0.1	0.1	0.3	0.3	0.3	0.3	0.3	0.3
Accrued liabilities	5.1	5.7	5.1	5.5	6.0	6.3	6.5	6.8
Total liabilities	**66.2**	**77.2**	**77.6**	**81.1**	**96.5**	**94.4**	**90.4**	**86.9**
Total Equity and Liabilities	**135.8**	**151.0**	**187.9**	**200.6**	**226.4**	**231.9**	**233.7**	**236.4**

Source: VIRSI for historicals, Signet Bank for estimates

Report tables

Income Statement (EURm)	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Revenues	343.7	380.6	398.1	430.1	464.1	480.9	492.2	502.5
Production costs	(306.0)	(339.4)	(353.8)	(381.1)	(405.2)	(419.3)	(429.2)	(438.2)
Gross profit	**37.7**	**41.2**	**44.3**	**49.0**	**58.9**	**61.6**	**63.0**	**64.2**
Selling expenses	(25.2)	(29.2)	(32.0)	(34.5)	(37.5)	(39.1)	(40.8)	(42.2)
Administrative expenses	(2.8)	(3.8)	(4.2)	(4.5)	(4.7)	(4.9)	(5.0)	(5.2)
Other operating income	0.3	0.6	0.8	0.9	1.0	1.0	1.0	1.0
Other operating expenses	(1.4)	(1.3)	(1.2)	(0.8)	(0.9)	(0.9)	(0.9)	(1.0)
Operating profit	**8.7**	**7.5**	**7.7**	**10.2**	**16.7**	**17.7**	**17.2**	**16.9**
Depreciation & Amortization	(5.1)	(6.3)	(7.5)	(8.6)	(9.5)	(10.3)	(10.3)	(10.2)
EBITDA	**13.7**	**13.7**	**15.2**	**18.8**	**26.3**	**28.0**	**27.4**	**27.1**
Net financial expenses	(3.2)	(2.4)	(1.9)	(1.3)	(2.1)	(2.0)	(1.8)	(1.5)
Pre-tax profit	**5.5**	**5.1**	**5.9**	**8.9**	**14.6**	**15.7**	**15.4**	**15.4**
Income tax	(0.4)	(0.3)	(0.3)	(0.3)	(1.1)	(2.0)	(2.4)	(2.3)
Net profit	**5.1**	**4.8**	**5.5**	**8.6**	**13.5**	**13.7**	**13.0**	**13.1**
Net profit attributable to parent company holders	**5.1**	**4.8**	**5.5**	**8.6**	**12.6**	**12.8**	**12.1**	**12.2**
Net profit attributable to minority holders	**-**	**-**	**-**	**-**	**0.9**	**0.9**	**0.9**	**0.9**

Cash Flow Statement Summary (EURm)	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Profit before tax	5.5	5.1	5.9	8.9	14.6	15.7	15.4	15.4
Adjustments for:								
- Amortisation and depreciation	5.7	6.3	7.5	8.6	9.5	10.3	10.2	10.2
- Change in receivables	1.6	0.6	(0.1)	(2.8)	(1.6)	(0.6)	(0.5)	(0.5)
- Change in inventories	(2.7)	(0.8)	0.5	(1.4)	(0.9)	(0.4)	(0.4)	(0.3)
- Change in payables and accrued liabilties	0.1	4.5	1.4	2.7	2.6	1.1	1.1	0.9
- Other adjustments	3.3	2.5	2.3	1.6	1.7	1.8	1.7	1.4
Cash generated from operations, gross	**13.5**	**18.2**	**17.5**	**17.6**	**26.0**	**28.0**	**27.5**	**27.2**
Financial expense	(1.0)	(1.4)	(1.2)	(1.6)	(1.9)	(1.8)	(1.6)	(1.4)
Corporate income tax paid	(0.4)	(0.3)	(0.3)	(0.3)	(1.1)	(2.0)	(2.4)	(2.3)
Net cash flows from operating activities	**12.1**	**16.5**	**15.9**	**15.7**	**23.0**	**24.2**	**23.5**	**23.6**
Purchase of intangible assets and PPE, net	(16.8)	(22.2)	(8.4)	(14.5)	(16.9)	(9.1)	(9.1)	(9.1)
Other Investments, net	-	(0.3)	(1.4)	-	-	-	-	-
Net cash flows from investing activities	**(16.8)**	**(23.3)**	**(10.6)**	**(14.5)**	**(16.9)**	**(9.1)**	**(9.1)**	**(9.1)**
Dividends paid	(1.7)	(0.8)	(0.7)	(0.8)	(3.2)	(6.1)	(7.2)	(6.8)
Changes in Equity	-	-	-	-	-	-	-	-
Loans repaid & received, net	(1.2)	6.9	(3.7)	(0.9)	(0.9)	(4.9)	(6.9)	(6.2)
Net cash flows from financing activities	**(2.9)**	**6.1**	**(4.5)**	**(1.7)**	**(4.1)**	**(11.0)**	**(14.1)**	**(13.0)**
Change in cash and cash equivalents for the year	**(7.6)**	**(0.7)**	**0.8**	**(0.5)**	**2.0**	**4.1**	**0.4**	**1.5**
Cash and cash equivalents at the beginning of the year	12.4	4.7	4.0	4.8	4.3	6.3	10.4	10.8
Cash and cash equivalents at the end of the year	**4.7**	**4.0**	**4.8**	**4.3**	**6.3**	**10.4**	**10.8**	**12.2**

Source: VIRSI for historicals, Signet Bank for estimates

Report tables

Main Ratios	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Growth, %								
Revenues	(8.4)	10.7	4.6	8.0	7.9	3.6	2.4	2.1
Gross Profit	15.0	9.3	7.5	10.7	20.1	4.6	2.3	2.0
EBITDA	11.7	0.0	10.8	23.3	40.0	6.4	(1.8)	(1.2)
Pre-tax Profit	(48.3)	(7.7)	15.4	51.6	64.5	7.5	(1.9)	(0.3)
Net Profit	(50.8)	(5.4)	14.7	55.4	57.3	1.0	(4.9)	0.6
Margins and profitability, %								
Gross margin	11.0	10.8	11.1	11.4	12.7	12.8	12.8	12.8
EBITDA margin	4.0	3.6	3.8	4.4	5.7	5.8	5.6	5.4
Operating margin	2.5	2.0	1.9	2.4	3.6	3.7	3.5	3.4
Pre-tax Profit margin	1.6	1.3	1.5	2.1	3.1	3.3	3.1	3.1
Net margin	1.5	1.3	1.4	2.0	2.9	2.8	2.6	2.6
Return ratios								
Capital Employed (EUR m)	100.5	113.9	148.5	157.6	179.7	183.1	182.8	183.5
ROCE (%)	8.8	7.0	5.9	6.6	9.9	9.8	9.4	9.2
ROE (%)	7.5	6.7	6.0	7.5	10.9	10.2	9.3	8.9
ROA (%)	3.8	3.4	3.3	4.4	6.3	6.0	5.6	5.6
Leverage								
Net Debt, EURm	26.2	36.1	33.4	33.7	43.5	35.3	28.7	21.8
Net gearing, x	0.4	0.5	0.3	0.3	0.3	0.3	0.2	0.1
Debt/Equity ratio, x	0.4	0.5	0.3	0.3	0.4	0.3	0.3	0.2
Net debt/EBITDA, x	1.9	2.6	1.9	1.6	1.5	1.2	1.0	0.8

Source: VIRSI, Signet Bank for estimates.

Disclaimer

Sign-off time: March 16, 2026, 18:00

The report has been prepared by Signet Bank AS, hereinafter referred to as 'Signet Bank'. The copyright in this report belongs to Signet Bank. The responsible analyst for this report is Valters Smiltans. The report is prepared solely for the informational purposes, and is not construed as a personal investment advice or recommendation. Signet Bank does not recommend taking any actions based on this report. The stock analysis report is not an offer to sell or a solicitation to buy securities, and it should not be interpreted as such. The Bank and its employees shall not be liable for any losses or damages which may result from or be in connection with reliance upon the information provided.

The report may not be reproduced, redistributed or published in any form whatsoever (in whole or in part) without prior written permission of Signet Bank. The user shall be liable for any non-authorized reproduction or use of this report, whether in whole or in part, and such, reproduction may lead to legal proceedings. Signet Bank does not accept any liability whatsoever for the actions of third parties in this respect. This information may not be used to create any financial instruments or products or any indices.

Neither Signet Bank nor its board members nor its representatives nor its employees will accept liability for any injuries, losses or damages, direct or consequential, caused to the reader that may result from the reader's acting upon or using the content contained in the publication. **The research report is paid by the Company in this report.**

Readers of this report should be aware of that Signet Bank is constantly seeking to offer investment banking services to companies (hereinafter, 'Company' or 'Companies') mentioned in research reports or may have other financial interests in those Companies.

Signet Bank currently has no active agreements with VIRSI regarding capital markets transactions. The Group was provided with a copy of this report, excluding the valuation section, prior to its publication in order to verify its factual accuracy and the report was not subsequently changed.

All reports are produced by Signet Bank's Customer Relationship and Service department. In order to proactively prevent conflicts of interest, Signet Bank has established several procedural and physical measures. Such measures include, among other things, confidentiality measures through separation, or so-called "Chinese walls", virtual and physical barriers to limit the exchange of information between different departments, groups or individuals within Signet Bank. These measures are monitored by the Compliance department of Signet Bank. Signet Bank does everything possible to avoid the conflict of interests but it cannot guarantee that conflict of interests situations do not arise at all.

The responsible analyst(s) for the content of the report certifies that, notwithstanding any potential conflicts of interest mentioned here, the opinions expressed in this report accurately reflect the personal views of the respective analyst(s) concerning the companies and securities covered in the reports. The analyst(s) also certify that they have not received, are not receiving, and will not receive any direct or indirect compensation for expressing their views or making specific recommendations in this report.

This report is based upon information available to the general public. The information contained within has been compiled from sources deemed to be suitably reliable. However, no guarantee to that effect is given and henceforth neither the accuracy, completeness, nor the timeliness of this information should be relied upon. Any opinions expressed herein reflect a professional judgment of market conditions as at the date of publication of this document and are therefore subject to change without prior notice.

The analysis contained in this research report is based on numerous assumptions; different assumptions could result in materially different results. Any valuations, projections and forecasts contained in this report are based on a number of assumptions and estimates and are subject to contingencies and uncertainties. The inclusion of any such valuations, projections and forecasts in this report should not be regarded as a representation or warranty by or on behalf of Signet Bank or any person within Signet Bank that such valuations, projections and forecasts or their underlying assumptions and estimates will be met or realized.

Where an investment is described as being likely to yield income, please note that the amount of income that the investor will receive from such an investment may fluctuate due to currency exchange rate moves and taxation considerations specific to that investor.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision.

Signet Bank reviews its estimates at least once during financial reporting period and upon most major financial events.

The target price has been issued for a 12-18 month period and has been derived from a weighted approach combining both DCF valuation and relative multiple comparisons. The relative multiple comparisons further incorporate additional weighting considerations relating to the underlying metrics and time forecast periods. Company specific inputs have been forecast and a list of peer companies has been compiled by the Signet Bank analyst(s) writing this research commentary, whereas the consensus peer data has been obtained from Bloomberg. For more detailed information about the valuation methods please contact the analyst(s) using the contact details provided above. Although we do not issue explicit recommendations, for regulation compliance purposes we adhere to the following synthetic structure:

- Buy- Expected return of more than 10% within 12-18 months (including dividends)
- Neutral- Expected return from -10% to 10% within 12-18 months (including dividends)
- Sell- Expected loss more than 10% within 12-18 months (including dividends)

In the 12-month period preceding 16.03.2026 Signet Bank has issued 5 recommendation, of which 60% have been ‘Buy recommendations’, 20% as ‘Neutral’, 0% as ‘Sell’ and 20% as ‘under review’. Of all the ‘Buy recommendations’ issued, 100% have been for companies for which Signet Bank has provided investment banking services in the preceding 12-month period. Of all the ‘Neutral recommendations’ issued, 0% have been issued to companies for which Signet Bank has provided investment banking services in the preceding 12-month period. The classification is based on the above structure

For a list of recommendations that were disseminated during the preceding 12-month period, including the date of dissemination, the identity of the person(s) who produced the recommendation, the price target and the relevant market price at the time of dissemination, the direction of the recommendation and the validity time period of the price target, please contact the analyst(s) using the contact details provided above.

Signet Bank believes this report is considered to be a minor non-monetary benefit as the product is free to everyone who wishes to receive it and is therefore not an inducement according to Ch.7 in ESMA’s ‘’Questions and Answers on MIFIDII and MiFIR investor protection topics.

Signet Bank AS
Antonijas street 3
Riga, LV 1010, Latvia

Phone: +371 67080 000
Email: info@signetbank.com

www.signetbank.com