Teleste

Post-results report Q2 2026

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Growth is finally expected to resume in H2

- **Teleste's Q2 results did not materially alter the investment story. Net sales growth is currently difficult to achieve, and the growth target for the strategy period 2025–2030 (10% p.a.) seems distant. At the same time, the management's comments point to demand recovering for both business segments during the latter half of the year, which means that headwinds should gradually ease off towards the end of the year. Following our forecast revisions, we lower our target price to EUR 4.00 (prev. EUR 4.10) and reiterate our Buy recommendation.**
- **Q2 results:** Teleste's net sales decreased in Q2 by 3% (YoY) and were 6% lower than our forecast. The good growth in Public Safety and Mobility (+14%) was not enough to compensate for the surprisingly sharp net sales decline in Networks (-14%). Despite the weak net sales performance, EBITDA, operating profit and EPS were in line with our forecasts. Teleste's order intake for Networks was good (EUR +6m QoQ), but the order book at the end of the quarter was nevertheless 6.5% below last year's level. The order intake of Public Safety was rather low (EUR -2.2m QoQ) and the order book is 10% lower than in the comparison period.
- **Outlook and forecast revisions**: During the earnings call, management was fairly optimistic about H2. Cable operator capex has returned to growth in Europe, while in North America the final regulatory approvals for Charter's acquisition of Cox have now been secured. As a result, investment activity should gradually normalise. According to our understanding, the H2 order book of Public Safety will be strong once the ongoing bidding processes are completed. Our net sales forecasts are down 3–4% (2026–2028) and our operating profit forecasts fall by 4%, 5% and 9%. Teleste expects full-year net sales in the range of EUR 140–160m and operating profit of EUR 7–10m. We estimate that net sales will be at the lower end of the guidance range, while operating profit will be slightly above the mid-point.
- **Buy, EUR 4.00**: Our target price is based on EV/EBIT multiples of 10x (2026e) and 8x (2027e) with equal weights. See page 8 for detailed target price determination.

Teleste

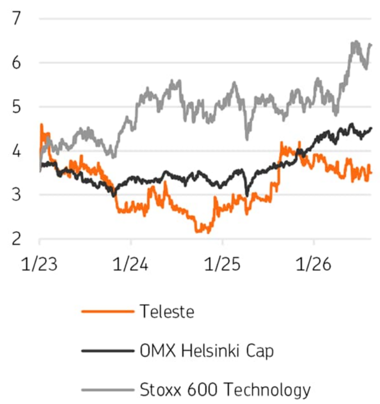
EURm	2023	2024	2025	2026e	2027e	2028e
Sales	151	133	139	142	153	163
Sales growth (%)	-8 %	-12 %	5 %	3 %	7 %	7 %
EBIT, reported	-0.5	-5.4	6.8	8.8	11.5	14.1
EBIT, adjusted	1.2	4.2	7.1	8.9	11.5	14.1
EBIT, adjusted (%)	1 %	3 %	5 %	6 %	8 %	9 %
PTP	-2	-7	3	8	10	13
EPS	0.09	0.20	0.15	0.34	0.44	0.56
DPS	0.00	0.03	0.08	0.10	0.12	0.12
Yield (%)	-	1.1 %	2.3 %	2.9 %	3.5 %	3.5 %
EV/Sales	0.5	0.6	0.6	0.6	0.5	0.4
EV/EBITDA	-	-	7.1	5.8	4.6	3.6
EV/EBIT	71.5	18.1	12.0	9.1	6.7	5.0
P/E	-	13.2	23.5	10.1	7.9	6.2
P/B	0.8	0.9	1.1	1.0	0.9	0.8
ROE	2 %	6 %	5 %	11 %	12 %	14 %
ROCE	1 %	7 %	8 %	9 %	12 %	14 %
Equity ratio	46 %	45 %	47 %	50 %	51 %	53 %
Gearing	52 %	46 %	34 %	25 %	17 %	6 %

Source: OP Markets

Recommendation	**BUY**
	Unchanged
Target price (€)	**4,00**
	(prev. 4,10)

Price (€)*	3,50
High (12m)	4,28
Low (12m)	3,24
Market cap (M€)	66
Index weight	0 %
Beta	0,51
Ticker	TLT1V
Next report date	6.11.2026

Performance	1m	3m	12m
Price (€)	3,60	3,73	3,70
Price change	-2,8 %	-6,2 %	-5,4 %
Total return	-2,8 %	-4,8 %	-4,0 %



Source: OP Markets, Bloomberg, *) as of 14.8.

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Investment case

- **Cable network market growth.** Demand in the Broadband Networks business area is expected to increase considerably in the next couple of years. Cable operators are adopting a new DOCSIS 4.0 technology and a distributed architecture, which enables higher connection speeds (10 Gbit/s) than previously in cable networks. We estimate that growth in the cable network market will be modest over a slightly longer period, as operators' investments are mainly focused on fibre optics.
- **Urbanisation.** Migration to large cities continues globally. Public transport services are expanding in cities, and at the same time, comprehensive video surveillance solutions are increasing in urban centres and public spaces. These megatrends offer a good growth platform for the Public Safety and Mobility business.
- **Long-term outlook.** Teleste has 70 years of experience in the technology sector, and so far, the company has managed to navigate successfully in the changing market. Globally, Teleste is a small company (600 employees, market cap of less than EUR 100m) and it has limited resources to invest in new technologies. There is no room for any major missteps in technological choices.

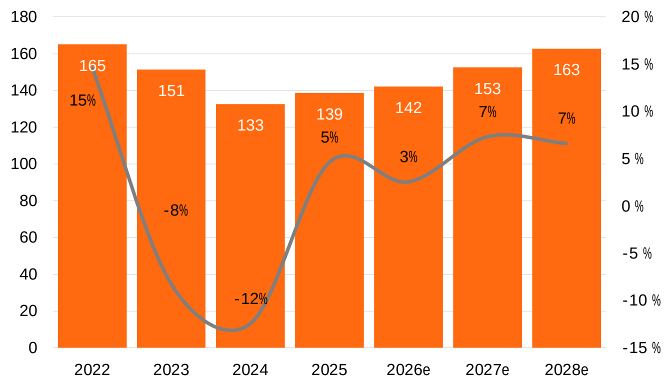
Drivers

- **North American market**. Teleste has substantial growth potential in the North American market and it is in a good position to become a major player. Tariffs could cause headwind in the short term.
- **Earnings growth enables investments.** The upcoming growth phase generates clear earnings growth in our forecasts, allowing Teleste to invest in new technologies or technologies which supplement the current product offering.
- **Acquisitions.** Teleste may have the opportunity to exit from the Broadband Networks business at a good valuation if the company manages to optimally leverage the upcoming growth cycle.

Risks

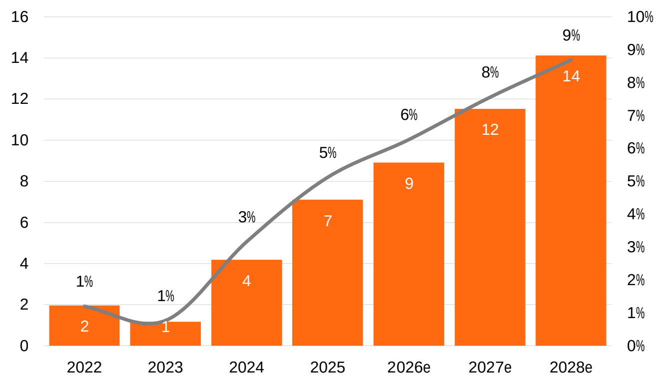
- **Technological performance.** Optical fibre will be the dominant connection technology in the long term. The underlying market of Broadband Networks may decline notably in the long term.
- **Failure in technological choices.** We estimate that Teleste needs to find new cornerstones for its current portfolio in the long term.
- **Balance sheet.** We expect net debt to decrease considerably in the coming years. However, the company's debt burden may remain unnecessarily high if the projected earnings growth does not materialise. A significant share of equity consists of goodwill and intangible assets.

Teleste - Net sales and growth 2022-2028E



Source: OP Markets

Teleste - Operating profit 2022-2028E



Source: OP Markets

Q2 figures vs. forecasts

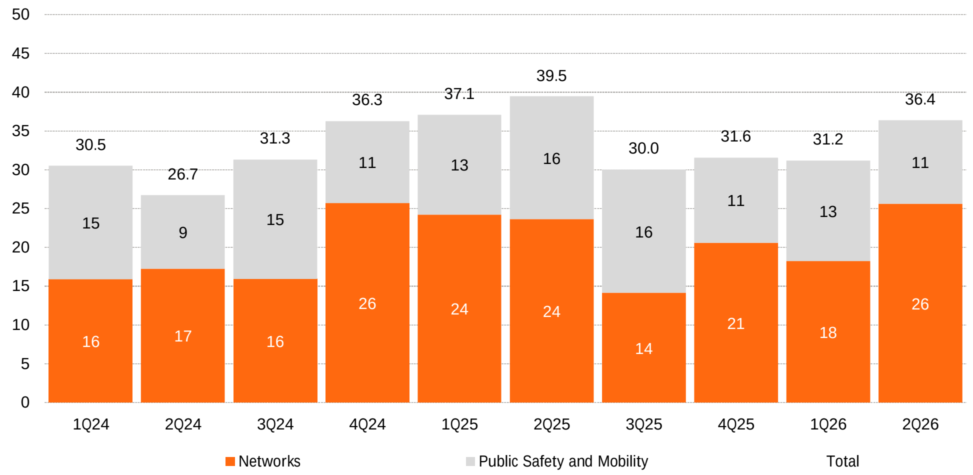
Teleste: Actual vs. estimates

EURm	Actual Q2/26	Estimates OP	Actual vs. estimates OP	Comp. period Q2/25	y/y
Sales					
Networks	19.6	23.5	-17 %	22.6	-13 %
Public Safety and Mobility	15.1	13.6	11 %	13.2	14 %
Sales total	**34.7**	**37.1**	**-6 %**	**35.9**	**-3 %**
EBITDA	3.3	3.1	6 %	3.2	3 %
EBIT	**1.9**	**1.9**	**0 %**	**2.2**	**-12 %**
EBIT margin	**5.5 %**	**5.1 %**		**6.0 %**	
EPS	**0.07**	**0.07**	**0 %**	**0.02**	**>200 %**

Source: OP Markets, FactSet

Total orders received grew nicely QoQ

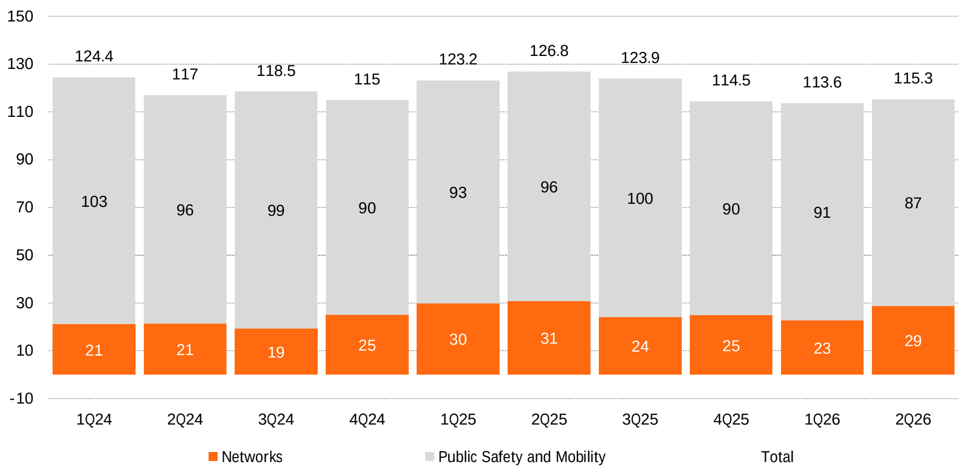
Teleste - Orders received (EURm)



Source: OP Markets

Order book was 9% below last year's level

Teleste - Order book (EURm)



Source: OP Markets

Forecast revisions 2026–2028

Forecast revisions

	2026e			2027e			2028e		
EURm	New	Old	Diff.	New	Old	Diff.	New	Old	Diff.
Sales									
Networks	84	90	-6 %	92	99	-7 %	99	106	-7 %
Public Safety and Mobility	58	57	1 %	61	60	1 %	64	63	1 %
	-	-		-	-		-	-	
Sales	**142**	**147**	-3 %	**153**	**159**	-4 %	**163**	**169**	-4 %
EBIT	**8.9**	**9.3**	-4 %	**11.5**	**12.1**	-5 %	**14.1**	**15.5**	-9 %
Margin	6.3 %	6.3 %		7.6 %	7.6 %		8.7 %	9.1 %	
EPS	**0.34**	**0.35**	-2 %	**0.44**	**0.46**	-6 %	**0.56**	**0.62**	-9 %

Source: OP Markets

Financial targets for 2025–2030

In April 2025, Teleste published its long-term financial targets extending until 2030.

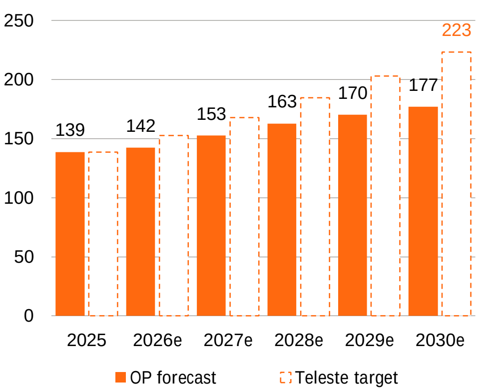
- **Growth target**: Revenue is expected to grow by an average of 10% annually until 2030. There may be variations between individual years.
- **Profitability target**: Adjusted operating profit margin is between 7–12%.
- **Business segments**: Both business segments (Networks and Public Safety and Mobility) are expected to grow profitably.

The targets are ambitious in relation to Teleste's historical performance in terms of both growth and profitability. Market conditions have been challenging in the Networks business, as the start of the new investment cycle has been delayed. In 2023, Teleste divested the engineering and service operations of its Networks business in Switzerland to the local management and a private equity investor. The annual revenue of the divested business was approximately EUR 5m. The divestment did not have a significant impact on profitability.

The underlying market of Networks has turned to growth, and taking this into account, we consider the business growth target realistic, even though growth in 2025 was below 5% throughout the group.

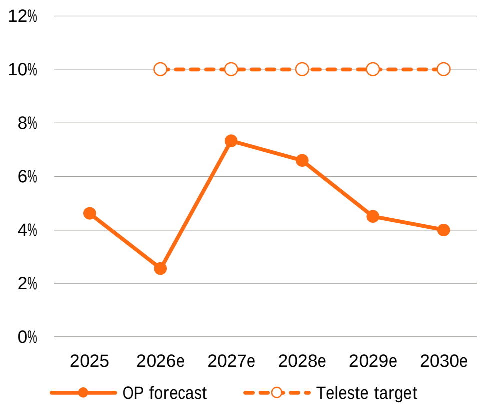
If we assume that revenue grows linearly over the strategy period, Teleste will reach revenue of EUR 223m by 2030. OP's forecast is more moderate than the target level, and we expect that the growth rate will slow down particularly towards the end of the strategy period.

Teleste - Net sales 2025-2030E (EURm)



Source: OP Markets

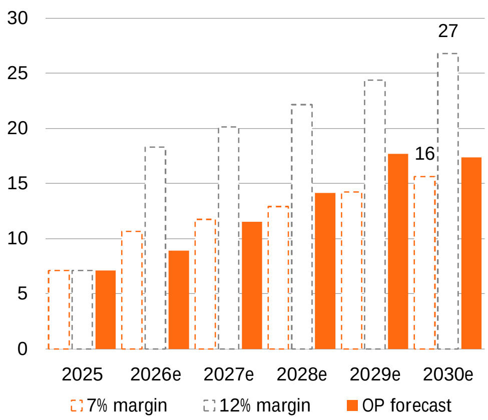
Teleste - Sales growth 2025-2030E



Source: OP Markets

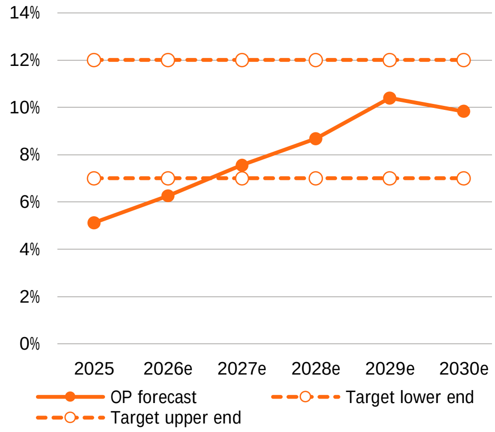
In our opinion, the profitability target is moderate in relation to sales growth. Teleste's gross margin has been around 50% for a long time, but it has now risen to 54%, which provides more room for earnings growth. However, business volume growth will probably require investments, which means that profitability will improve at a rather moderate rate. The robust business growth will generate operating profit in 2030 which will be in the range of EUR 16m at the lower end and EUR 27m at the upper end (with margin assumptions of 7–12%). Our forecast assumes that profitability will rise steadily with sales growth and reach a level of 10% in 2028.

Teleste - EBIT 2025-2030 (EURm)



Source: OP Markets

Teleste - EBIT margin 2025-2030E



Source: OP Markets

Earnings forecasts

Teleste								
EURm	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26e	4Q26e
Sales								
Networks	19.4	22.6	20.8	19.9	20.2	19.6	21.6	22.7
Public Safety and Mobility	12.7	13.2	13.6	16.2	11.9	15.1	13.9	17.1
Sales	**32.2**	**35.9**	**34.5**	**36.1**	**32.2**	**34.7**	**35.6**	**39.7**
Sales growth (YoY)								
Networks	-16.1 %	33.4 %	14.9 %	-0.5 %	4.3 %	-13.5 %	4.0 %	14.0 %
Public Safety and Mobility	-5.2 %	5.4 %	15.7 %	-1.7 %	-6.5 %	14.2 %	2.0 %	5.0 %
Total	**-12.1 %**	**21.5 %**	**15.2 %**	**-1.0 %**	**0.0 %**	**-3.3 %**	**3.2 %**	**10.0 %**
Gross profit	17.8	19.4	18.0	19.2	18.2	19.0	18.7	21.3
Gross margin	**55.3 %**	**54.2 %**	**52.2 %**	**53.2 %**	**56.4 %**	**54.7 %**	**52.5 %**	**53.5 %**
Personnel expenses	10.8	11.3	10.9	12.4	11.1	11.3	11.1	12.8
Other operating expenses	4.6	5.0	3.8	4.9	4.3	4.6	3.7	4.8
Depreciation and impairment	1.3	1.2	1.2	1.3	1.2	1.4	1.2	1.3
EBITDA	2.7	3.2	3.4	2.4	3.1	3.3	3.9	3.7
EBIT - reported	1.5	2.0	2.2	1.2	1.8	1.9	2.7	2.4
EBIT - adjusted	**1.5**	**2.2**	**2.3**	**1.2**	**1.9**	**1.9**	**2.7**	**2.4**
Margin								
EBITDA	8.4 %	9.0 %	9.8 %	6.7 %	9.5 %	9.4 %	11.1 %	9.3 %
EBIT - reported	4.5 %	5.6 %	6.3 %	3.3 %	5.5 %	5.5 %	7.6 %	6.1 %
EBIT - adjusted	**4.5 %**	**6.0 %**	**6.6 %**	**3.3 %**	**5.8 %**	**5.5 %**	**7.6 %**	**6.1 %**
PTP	0.6	0.1	1.6	0.8	1.5	1.7	2.5	2.2
Net profit	**0.6**	**0.3**	**1.3**	**0.4**	**1.4**	**1.4**	**2.0**	**1.8**
EPS	0.03	0.02	0.07	0.02	0.07	0.07	0.11	0.09

Source: OP Markets

Teleste

EURm	2023	2024	2025	2026e	2027e	2028e
Sales						
Networks	92	78	83	84	92	99
Public Safety and Mobility	59	54	56	58	61	64
Sales	**151**	**133**	**139**	**142**	**153**	**163**
Sales growth (YoY)						
Networks	-	-15 %	6 %	2 %	9 %	8 %
Public Safety and Mobility	-	-8 %	3 %	4 %	5 %	4 %
Total	**-8 %**	**-12 %**	**5 %**	**3 %**	**7 %**	**7 %**
Gross profit	74	66	74	77	82	86
Gross margin	49 %	50 %	54 %	54 %	54 %	53 %
Personnel expenses	47.5	41.0	45.4	46.4	47.8	49.2
Other operating expenses	21.9	19.6	18.3	17.4	17.7	18.2
Depreciation and impairment	6.1	11.8	5.0	5.0	5.1	5.2
EBITDA	5.6	8.3	11.8	13.9	16.7	19.4
EBIT - reported	-0.5	-5.4	6.8	8.8	11.5	14.1
EBIT - adjusted	**1.2**	**4.2**	**7.1**	**8.9**	**11.5**	**14.1**
Margin						
EBITDA	3.7 %	6.3 %	8.5 %	9.8 %	10.9 %	11.9 %
EBIT - reported	-0.3 %	-4.1 %	4.9 %	6.2 %	7.6 %	8.7 %
EBIT - adjusted	**0.8 %**	**3.2 %**	**5.1 %**	**6.3 %**	**7.6 %**	**8.7 %**
PTP	-2.4	-7.0	3.0	7.9	10.1	12.9
Net profit	**-0.5**	**-6.1**	**2.6**	**6.5**	**8.3**	**10.6**
EPS	**0.09**	**0.20**	**0.15**	**0.34**	**0.44**	**0.56**

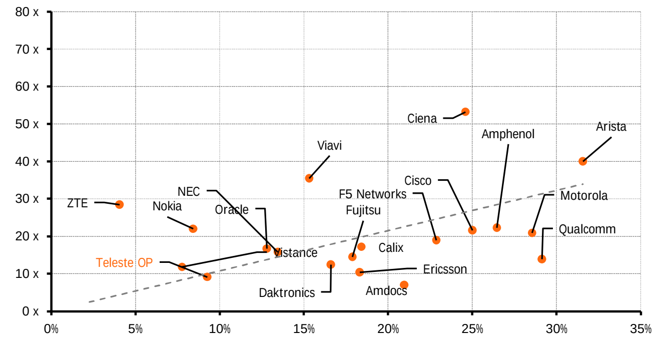
Source: OP Markets

Valuation

We determine Teleste's target price on the basis of the EV/EBIT multiple and forecasts for 2026–2027. The method is the same as for the other two network equipment manufacturers under our coverage (Nokia and Ericsson).

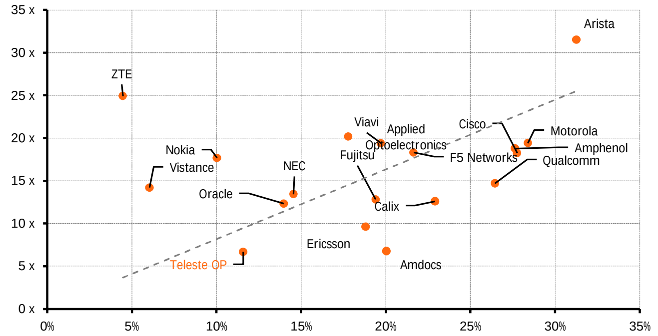
We have assessed Teleste's performance in relation to the peer group in terms of return on capital employed (ROCE), profitability (EBIT margin) and profitability + sales growth. Solid demand for optical networks has raised Ciena's valuation multiples to an exceptionally high level, and the same is also visible in the valuation multiples of Arista. Nokia's multiples have normalised as a result of the sharp share price decline in recent months.

EV/EBIT and ROCE 2026E



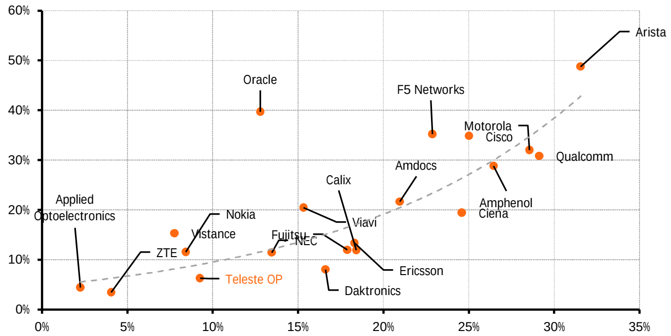
Source: FactSet

EV/EBIT and ROCE 2027E



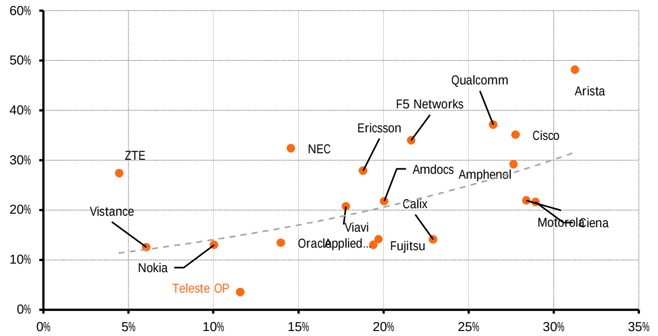
Source: FactSet

EBIT margin and ROCE 2026E



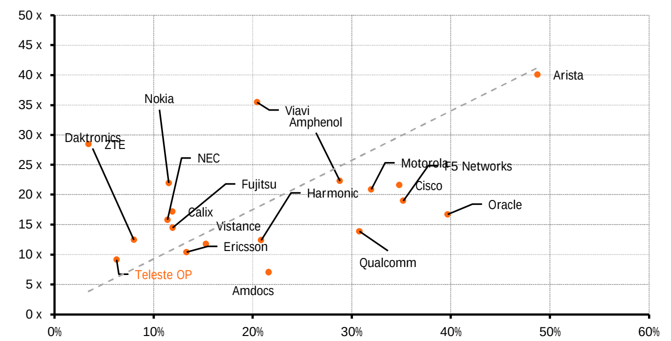
Source: FactSet

EBIT margin and ROCE 2027E



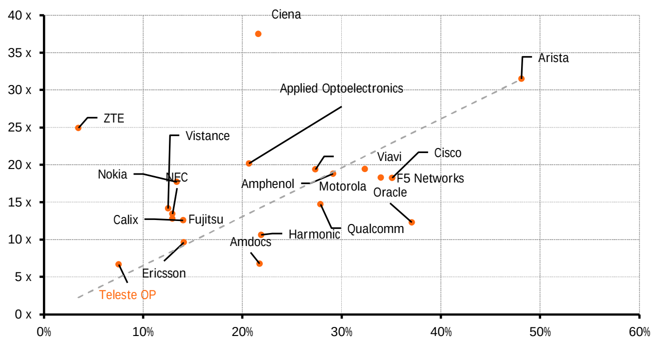
Source: FactSet

EV/EBIT and EBIT-% 2026E



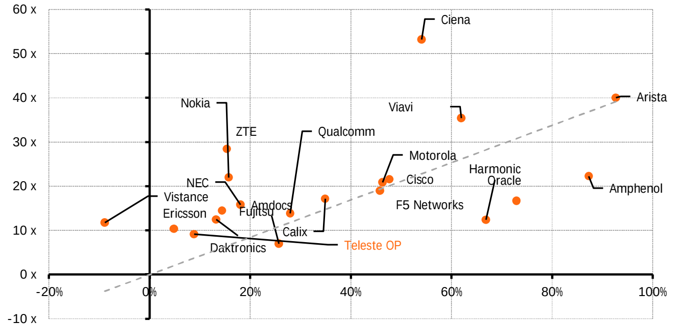
Source: FactSet

EV/EBIT and EBIT-% 2027E



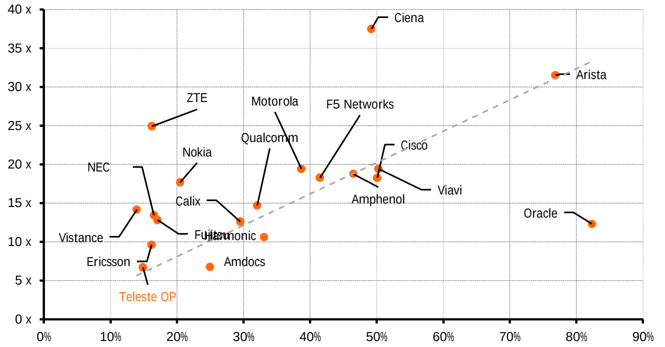
Source: FactSet

EV/EBIT and sales growth + EBIT margin 2026E



Source: FactSet

EV/EBIT and sales growth + EBIT margin 2027E



Source: FactSet

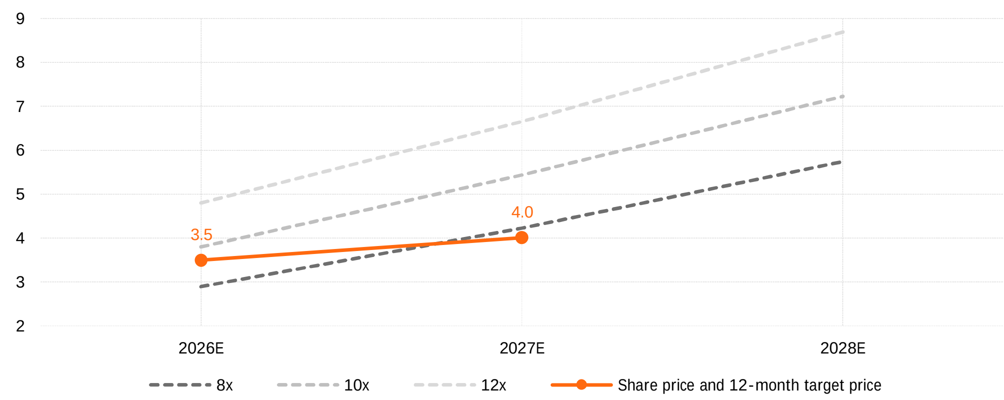
Target price EUR 4.00

We estimate that the relevant valuation range for Teleste is 8–12x EV/EBIT based on the peer group's figures. Our earnings forecast for 2026 and an EBIT multiple of 10x indicate a value of EUR 3.80 per share. We predict an earnings improvement in 2027 and believe that a multiple at the lower end of the valuation range (8x) is justified at this point (EUR 4.20 per share). At this point of the year, stock markets usually already focus fully on the value indicated by next year's results, but given the uncertainty surrounding Teleste's outlook, the share valuation is driven by near-term earnings delivery. In the target price, we assign a 50% weight on 2026 earnings (prev. 75%) and a 50% weight on next year's earnings (prev. 25%). Based on these parameters, we derive a target price of EUR 4.00.

Teleste EURm	2026E	2027E	2028E
EBIT	9	12	14
Net debt	17	12	4
EV/EBITmultiple and corresponding enterprise value			
8	55	80	109
10	72	103	137
12	90	126	165
Per share			
8x	2.9	4.2	5.7
10x	3.8	5.4	7.2
12x	4.8	6.7	8.7
Target price			4.0

Source: OP Markets

Teleste - Share value (EUR/share) on various valuation multiples and full-year forecasts



Source: OP Markets

Peer group valuation

Peer group

	MARKET	EV/EBIT		EV/EBITDA		P/E		SALES GROWTH		ROCE		EBIT-%	
	CAP (EUR)	2026	2027	2026	2027	2026	2027	2026	2027	2026	2027	2026	2027
Amdocs	5,466	7.0	6.8	5.8	5.6	7.9	7.4	4 %	3 %	21 %	20 %	21.6 %	21.7 %
Amphenol	177,025	22.3	18.8	19.3	16.7	31.3	25.9	59 %	17 %	26 %	28 %	28.8 %	29.1 %
Applied Optoelectronics	9,529	227.1	20.2	107.3		185.8	33.3	134 %	139 %	2 %	18 %	4.4 %	20.7 %
Arista	222,453	40.0	31.5	39.5	31.4	49.7	39.3	44 %	29 %	32 %	31 %	48.7 %	48.1 %
Calix	2,173	17.2	12.6	15.3	11.4	23.0	16.6	23 %	15 %	18 %	23 %	11.9 %	14.0 %
Ciena	54,293	53.2	37.5	47.3	33.1	67.8	47.5	35 %	28 %	25 %	29 %	19.4 %	21.6 %
Cisco	387,401	21.6	18.2	19.4	16.7	26.2	22.3	13 %	15 %	25 %	28 %	34.8 %	35.1 %
Vistance	2,267	11.8	14.2	12.0	12.6	13.4	16.2	-24 %	1 %	8 %	6 %	15.3 %	12.5 %
Daktronics	856	12.4		9.0		16.9		5 %		17 %		8.0 %	
F5 Networks	20,405	19.0	18.3	17.7	16.9	24.0	23.1	11 %	8 %	23 %	22 %	35.2 %	34.0 %
Fiberhome	6,814					34.0	26.9						
Fujitsu	35,504	14.5	12.8	10.8	9.8	20.6	18.2	3 %	4 %	18 %	19 %	11.9 %	13.0 %
Harmonic	1,229	12.4	10.6	12.2		18.4	15.6	46 %	11 %			20.8 %	21.9 %
Motorola	66,665	20.9	19.4	19.1	18.2	26.3	24.2	14 %	6 %	29 %	28 %	32.0 %	32.4 %
NEC	36,504	15.8	13.4	11.5	10.4	22.3	19.2	7 %	4 %	13 %	15 %	11.4 %	13.0 %
Nokia	53,449	22.0	17.7	17.0	14.2	27.4	23.2	4 %	7 %	8 %	10 %	11.6 %	13.4 %
Oracle	389,785	16.7	12.3	11.8	8.1	19.4	14.4	33 %	45 %	13 %	14 %	39.7 %	37.1 %
Qualcomm	149,914	13.9	14.7	12.4	12.7	15.7	16.3	-3 %	4 %	29 %	26 %	30.8 %	27.9 %
Ericsson	30,034	10.4	9.6	8.4	8.1	18.0	14.9	-8 %	2 %	18 %	19 %	13.3 %	14.1 %
Vecima	194			7.6	4.8	52.4	10.3	5 %	27 %				
Viavi	9,186	35.4	19.4	31.4	18.0	43.0	26.1	41 %	23 %	15 %	20 %	20.4 %	27.3 %
ZTE	20,258	28.4	24.9	15.1	14.1	21.5	17.3	12 %	13 %	4 %	4 %	3.4 %	3.5 %
Teleste OP		**9.1**	**6.7**	**5.8**	**4.6**	**10.1**	**7.9**	**3 %**	**7 %**	**9 %**	**12 %**	**6.3 %**	**7.6 %**
Median		**18.1**	**17.7**	**15.1**	**13.4**	**23.5**	**19.2**	**12 %**	**12 %**	**18 %**	**20 %**	**20 %**	**22 %**
Average		**31.1**	**17.5**	**21.4**	**14.6**	**34.8**	**21.8**	**22 %**	**20 %**	**18 %**	**20 %**	**21 %**	**23 %**

Source: OP Markets, FactSet

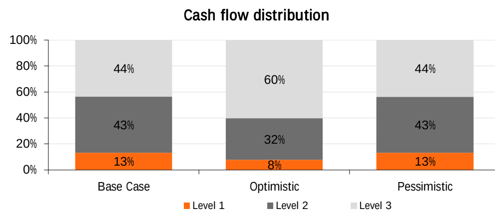
The value indicated by the DCF model is EUR 6.00 per share

In the DCF model, terminal growth is 1% and the weighted average cost of capital (WACC) is 8.5%.

Teleste

CASH FLOW PROJECTIONS EURm	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Revenues	142	153	163	170	177	183	188	191	194	197	198
Revenue growth	2.5 %	7.3 %	6.6 %	4.5 %	4.0 %	3.5 %	2.5 %	2.0 %	1.5 %	1.5 %	0.5 %
EBIT	8.9	11.5	14.1	17.0	17.7	17.4	16.9	16.3	15.5	15.8	13.9
EBIT margin	6.3 %	7.6 %	8.7 %	10.0 %	10.0 %	9.5 %	9.0 %	8.5 %	8.0 %	8.0 %	7.0 %
Gross Investments	6.6	5.3	5.7	5.9	6.2	6.4	6.6	6.7	6.8	6.9	6.9
Gross inv./depreciation	1.3	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Free cash flow	4	7	9	12	13	13	13	13	12	12	11

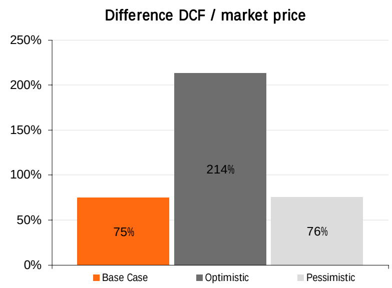
FCF	Base Case growth	Base Case % pv*	Optimistic growth	Optimistic % pv	Pessimistic growth	Pessimistic % pv
Level 1 2026 : 2028	28.2 %	13 %	28.2 %	8 %	28.2 %	13 %
Level 2 2029 : 2036	2.3 %	43 %	7.3 %	32 %	0.3 %	43 %
Level 3 2037	1.0 %	44 %	2.5 %	60 %	0.0 %	44 %
PV total	131	100 %	222	100 %	132	100 %



* Level share of present value cash flows

IMPLIED SHARE PRICE vs CURRENT SHARE PRICE

Teleste	Base Case	Optimistic	Pessimistic
Present value FCF	131	222	132
- debt (int.-bearing)	29	29	29
- minority interest	0	0	0
+ fin. investments	3	3	3
+ cash and bank	9	9	9
PV shareholder equity	114	205	115
No. of shares (million)	19.0	19.0	19.0
Implied share price	6.0	10.8	6.1
Current share price	**3.5**	3.5	3.5
Difference (EUR)	2.6	7.4	2.6
Difference %	**75 %**	213.5 %	75.7 %



SENSITIVITY ANALYSIS

Interest rate sensitivity		Implied share price Base Case	Optimistic	Pessimistic
risk-free rate	2.50 %	6.5	11.9	6.5
	3.00 %	**6.0**	10.8	6.1
	3.50 %	5.6	9.9	5.7

WACC vs risk-free rate			
Risk-fr. r.	2.50 %	3.00 %	3.50 %
CAPM	7.50 %	8.00 %	8.50 %
WACC	8.1 %	**8.5 %**	9.0 %
	$WACC_2$	$WACC_1$	$WACC_3$

Growth sensitivity Base Case		Implied share price 7.5 %	8.0 %	**8.5 %**	9.0 %	9.5 % WACC
	0.00 %	6.5	6.1	5.6	5.3	4.9
infinite	0.50 %	6.8	6.3	5.8	5.4	5.1
cash flow	**1.00 %**	7.1	6.5	**6.0**	5.6	5.2
growth	1.50 %	7.4	6.8	6.3	5.8	5.4
	2.00 %	7.8	7.1	6.5	6.0	5.5

WACC

Cost of equity capital:

CAPM	
Risk-free rate	3.00 %
Market risk premium	5.00 %
Company beta	1.00
Cost of equity capital	8.00 %

Cost of debt capital:

Risk-free rate	3.00 %
Risk premium	4.50 %
Tax rate	20.0 %
Tax shield on interest exp.	1.50 %
Cost of debt capital	6.00 %

WACC:

Cost of equity capital	8.00 %
Cost of debt capital	6.00 %
Debt ratio (target)	50.0 %
Equity ratio (target)	50.0 %
Likvidity premium	1.50 %
WACC	8.50 %

Income statement and balance sheet

Income Statement

EURm	2023	2024	2025	2026e	2027e	2028e
Sales	**151.3**	**132.5**	**138.6**	**142.2**	**152.6**	**162.7**
Gross profit	74.0	66.4	74.4	77.1	81.6	86.2
Gross margin (%)	**48.9 %**	**50.1 %**	**53.7 %**	**54.2 %**	**53.5 %**	**53.0 %**
Personnel expenses	47.5	41.0	45.4	46.4	47.8	49.2
Other expenses	21.9	19.6	18.3	17.4	17.7	18.2
Total expenses	145.8	124.2	126.9	128.2	135.9	143.3
EBITDA	**5.6**	**8.3**	**11.8**	**13.9**	**16.7**	**19.4**
Depreciation	6.1	11.8	5.0	5.0	5.1	5.2
EBIT	**-0.5**	**-5.4**	**6.8**	**8.8**	**11.5**	**14.1**
EBIT excl NRI	**1.2**	**4.2**	**7.1**	**8.9**	**11.5**	**14.1**
Associated companies	0.0	0.0	0.0	0.0	0.0	0.0
Financials	0.0	-1.6	-3.8	-0.9	-1.4	-1.2
PTP	**-2.4**	**-7.0**	**3.0**	**7.9**	**10.1**	**12.9**
Taxes	0.0	-1.0	0.4	1.4	1.8	2.3
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	**-0.5**	**-6.1**	**2.6**	**6.5**	**8.3**	**10.6**
EPS excl. NRI	**0.09**	**0.20**	**0.15**	**0.34**	**0.44**	**0.56**
DPS	**0.00**	**0.03**	**0.08**	**0.10**	**0.12**	**0.12**

Source: OP Markets

Balance Sheet

EURm	2023	2024	2025	2026e	2027e	2028e
Assets:						
Goodwill	30	30	30	30	30	30
Other intangibles	13	9	11	11	11	11
Tangible assets	12	12	10	10	10	9
Investments	2	3	3	3	3	3
Inventory	36	25	27	26	27	29
Receivables	32	34	32	34	36	39
Short-term investments	0	0	0	0	0	0
Cash and bank	6	9	9	13	17	24
Total assets	**132**	**121**	**123**	**126**	**135**	**146**
Liabilities:						
Share capital	7	7	7	7	7	7
Other restricted equity	2	2	2	2	2	2
Retained earnings	52	46	49	54	61	69
Minority interest	0	0	0	0	0	0
Shareholders equity total	**61**	**55**	**58**	**63**	**69**	**78**
Provisions	0	0	0	0	0	0
LT interest bearing debt	30	25	21	21	21	21
LT non-interest bearing debt	1	1	1	1	1	1
Other long-term debt	0	0	0	0	0	0
ST interest bearing debt	7	10	8	8	8	8
ST non-interest bearing debt	33	32	35	34	36	38
Total liabilities	**132**	**121**	**123**	**126**	**135**	**146**

Source: OP Markets

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Recommendations and target price history — **Teleste**

Recommendation	Target price (€)	Price (€)	Date	
BUY	4.00	3.45	17.8.2026	Target price change
BUY	4.10	3.30	4.8.2026	Recommendation change
ACCUMULATE	4.10	3.70	16.2.2026	Target price change
ACCUMULATE	4.30	3.75	9.12.2025	

The recommendation breakdown of OP Corporate Bank plc for all companies subject to research and for companies regarding which OP Corporate Bank plc or another company belonging to the same group has been party to the aforementioned* agreements concerning the provision of investment banking services:

Share recommendation breakdown (as of 26 May 2026)

	All Companies		Inv. Banking Relationships*	
Recommendation	Count	%	Count	%
BUY	25	36	3	33
ACCUMULATE	25	36	3	33
REDUCE	15	21	3	33
SELL	5	7	0	0
	70	100	9	100

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