Teleste

Post-results report Q3 2026

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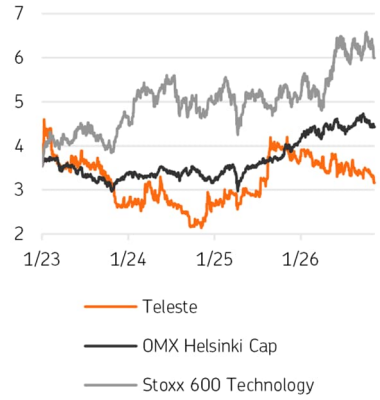
Dark clouds ahead?

- **Purchases by Teleste's key customers remain uncertain, and growth may once again prove elusive next year. The company has won new customers at a commendable rate, but their overall contribution is regrettably small in the short term. We lower our target price to EUR 3.50 (prev. EUR 4.00) but reiterate our Buy recommendation due to the exceptionally low valuation (7.3x EBIT 2027e).**
- **Q3 earnings:** Teleste's net sales decreased sharply in Q3 (-17.5% YoY), as capital expenditure by large telecom operator customers of Networks remained low in North America and deliveries in Public Safety and Mobility were shifted to Q4. Despite the weak net sales, adjusted operating profit was surprisingly good, as gross margin was exceptionally high (58.7% vs. OPe 53%) and personnel costs were 18% (EUR 2m) lower than in the comparison period. Gross margin was affected by a favourable sales mix. Teleste is also able to adjust its personnel costs surprisingly well in accordance with production volumes. Order intake grew nicely (EUR +40m YoY), as the previously announced agreement with the Danish State Railways (EUR 40m) was added to the order book. Deliveries under this agreement will not start until in 2028.
- **Dark clouds ahead?** Teleste has not been able to grow this year, and it may face further difficulties next year. In North America, telecom operator Rogers has cut its investments by 30%, and its capex level will likely remain at the current level for the next few years. Charter, which acquired Teleste's customer Cox, continues to invest at modest levels. Teleste's position as a supplier to Charter is somewhat uncertain, even though we are under the impression that Teleste is an approved supplier for the company. As for Public Safety, the recent profit warning from train manufacturer Alstom raises concerns, and Teleste's deliveries may well be postponed. These large customers could weaken Teleste's growth opportunities significantly next year.
- **Buy, EUR 3.50**: Our target price is based on an EV/EBIT multiple of 8x.

Recommendation	BUY
	Unchanged
Target price (€)	3,50
	(prev. 4,00)

Price (€)*	3,16
High (12m)	4,00
Low (12m)	3,12
Market cap (M€)	60
Index weight	0 %
Beta	0,56
Ticker	TLT1V
Next report date	12.2.2027

Performance	1m	3m	12m
Price (€)	3,44	3,68	3,88
Price change	-8,1 %	-14,1 %	-18,6 %
Total return	-8,1 %	-14,1 %	-17,4 %



Source: OP Markets, Bloomberg, *) as of 6.11.

Teleste

EURm	2023	2024	2025	2026e	2027e	2028e
Sales	151	133	139	140	143	153
Sales growth (%)	-8 %	-12 %	5 %	1 %	2 %	7 %
EBIT, reported	-0.5	-5.4	6.8	8.8	9.7	13.0
EBIT, adjusted	1.2	4.2	7.1	9.1	9.7	13.0
EBIT, adjusted (%)	1 %	3 %	5 %	6 %	7 %	8 %
PTP	-2	-7	3	8	8	12
EPS	0.09	0.20	0.15	0.33	0.36	0.51
DPS	0.00	0.03	0.08	0.08	0.10	0.12
Yield (%)	-	1.1 %	2.5 %	2.5 %	3.2 %	3.8 %
EV/Sales	0.5	0.6	0.6	0.5	0.5	0.4
EV/EBITDA	-	-	6.6	5.4	4.8	3.6
EV/EBIT	71.5	18.1	11.2	8.4	7.3	5.0
P/E	-	13.2	21.6	9.6	8.8	6.2
P/B	0.8	0.9	1.0	1.0	0.9	0.8
ROE	2 %	6 %	5 %	10 %	10 %	13 %
ROCE	1 %	7 %	8 %	9 %	10 %	13 %
Equity ratio	46 %	45 %	47 %	50 %	52 %	54 %
Gearing	52 %	46 %	34 %	25 %	16 %	7 %

Source: OP Markets



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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.

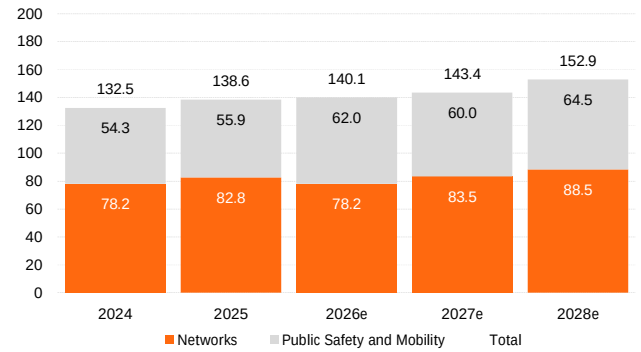
Drivers

- **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.
- **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

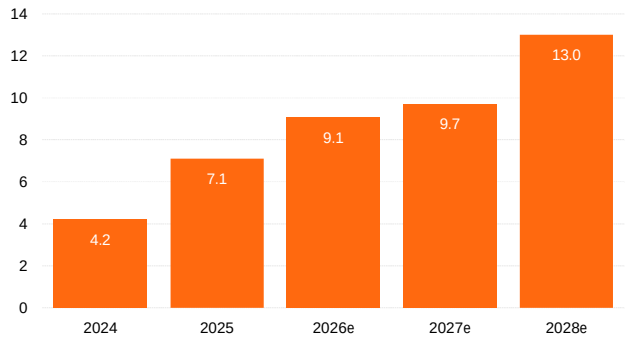
- **Technological performance.** Optical fibre will be the dominant connection technology in the long term. The underlying market of Broadband Networks may decline notably in the long term.
- **Failure in technological choices.** We estimate that Teleste needs to find new cornerstones for its current 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 (EUR million)



Source: OP Markets

Teleste - Adjusted EBIT (EUR million)



Source: OP Markets

Q3 results vs. forecasts

Net sales decreased in both segments and fell short of our forecast.

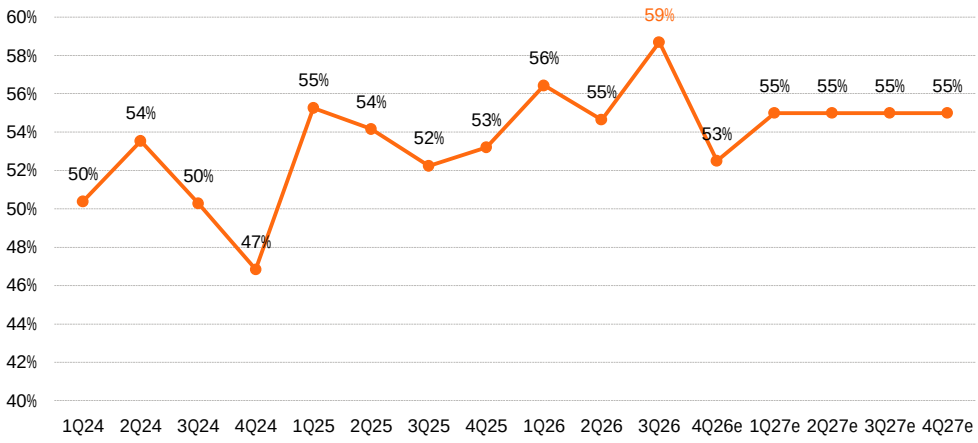
Teleste: Actual vs. estimates

	Actual	Estimates	Actual vs. estimates	Comp. period	
EURm	Q3/26	OP	OP	Q3/25	y/y
Sales					
Networks	15.5	21.6	-28 %	20.8	-26 %
Public Safety and Mobility	13.0	13.9	-7 %	13.6	-5 %
Sales total	**28.4**	**35.6**	**-20 %**	**34.5**	**-18 %**
EBITDA	3.4	3.9	-13 %	3.4	1 %
EBIT	**2.1**	**2.7**	**-22 %**	**2.3**	**-8 %**
EBIT margin	**7.4 %**	**7.6 %**		**6.6 %**	
EPS	**0.07**	**0.11**	**-33 %**	**0.07**	**3 %**

Source: OP Markets, FactSet

Gross margin was exceptionally strong in Q3 as a result of a favourable sales mix.

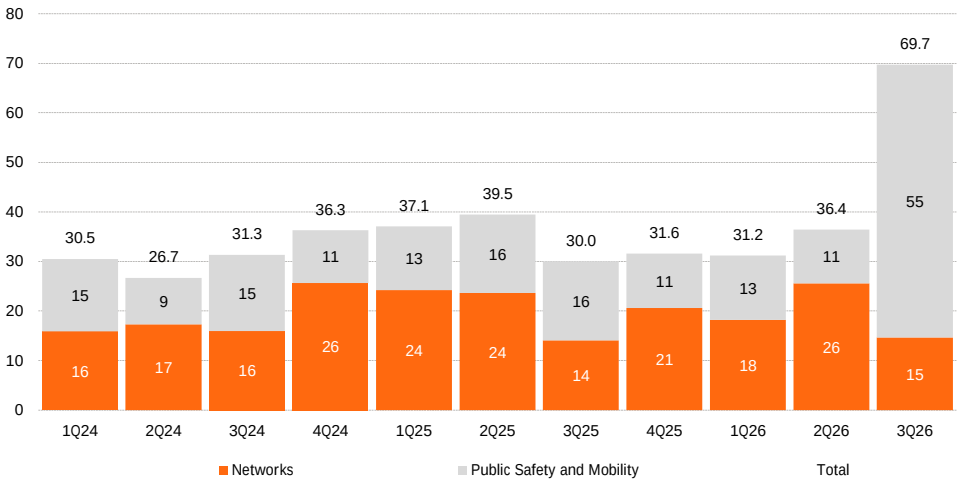
Teleste -Gross margin



Source: OP Markets

Q3 figures reflect a large EUR 40m order from the Danish State Railways (Siemens).

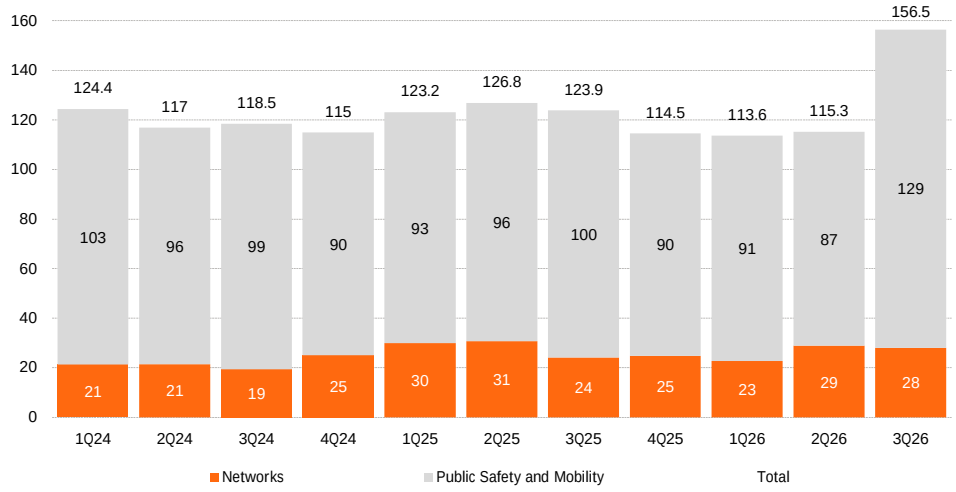
Teleste - Order intake (EUR million)



Source: OP Markets

The order from Denmark also raised the whole order book to an excellent level. Deliveries related to the order will not start until in 2028.

Teleste - Order book (EUR million)



Source: OP Markets

Forecast revisions 2026–2028

Teleste had to lower its earnings guidance in connection with the Q3 results. According to the revised guidance, net sales for 2026 will be EUR 140–145m (prev. EUR 140–160m) and adjusted EBIT will be EUR 7–9m (prev. EUR 7–10m).

Guidance requires net sales of just under EUR 45m in Q4, implying hefty net sales growth of 24% YoY. Visibility should be good, but there is little room for slippage in deliveries if the revenue guidance is to be met. Our latest net sales estimate is right at the lower end of the guidance range.

On the other hand, costs must increase considerably in Q4 for operating profit to remain within the guidance range at the above-mentioned net sales level. We expect a gross margin of 52.5% for Q4, which would be a major decline from the Q3 level (59%) and a 14% increase in personnel costs (EUR +1.8m YoY). These assumptions lead us to expect operating profit of EUR 3.2m for Q4. Our full-year EBIT estimate (EUR 9.1m) is at the upper end of the guidance range.

Due to the uncertainty related to Teleste's major customers (Charter/Cox, Rogers, Alstom), we lower our net sales estimates for 2027–2028 by 6%. Deliveries under the major Danish contract (EUR 40m) will start in 2028, but will be spread over several years. Lower new sales are reflected on earnings, and our EBIT forecasts fall by 16% and 8% (2027–2028).

Forecast revisions

	2026e			2027e			2028e		
EURm	New	Old	Diff.	New	Old	Diff.	New	Old	Diff.
Sales									
Networks	78	84	-7 %	83	92	-9 %	88	99	-11 %
Public Safety and Mobility	62	58	7 %	60	61	-2 %	64	64	1 %
	-	-		-	-		-	-	
Sales	**140**	**142**	-1 %	**143**	**153**	-6 %	**153**	**163**	-6 %
EBIT	**9.1**	**8.9**	2 %	**9.7**	**11.5**	-16 %	**13.0**	**14.1**	-8 %
Margin	6.5 %	6.3 %		6.8 %	7.6 %		8.5 %	8.7 %	
EPS	**0.33**	**0.34**	-3 %	**0.36**	**0.44**	-18 %	**0.51**	**0.56**	-9 %

Source: OP Markets

Financial targets for 2025–2030

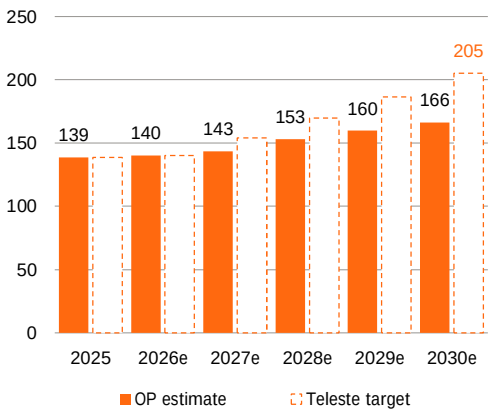
In April 2025, Teleste published its long-term financial targets extending until 2030.

- **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 within the range of 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.

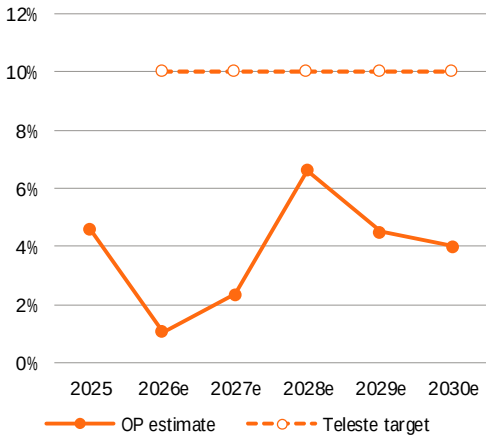
In 2025, Teleste grew by 5%, and based on the full-year guidance, growth will remain below the target level this year, as well. If we assume linear net sales growth from this year onwards at the target level, Teleste will generate net sales of around EUR 205m in 2030. Our forecast (EUR 166m) is more moderate than the target level.

Teleste - Net sales 2025-2030E (EUR million)



Source: OP Markets

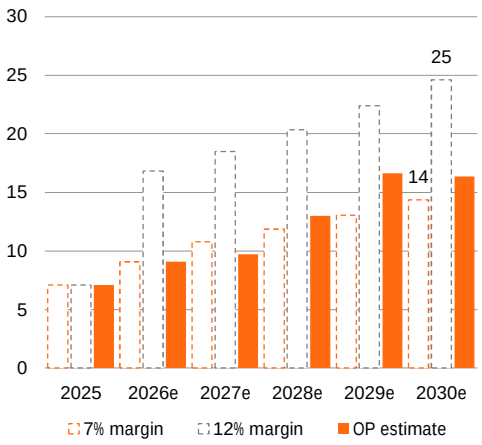
Teleste - Net sales growth 2025-2030E



Source: OP Markets

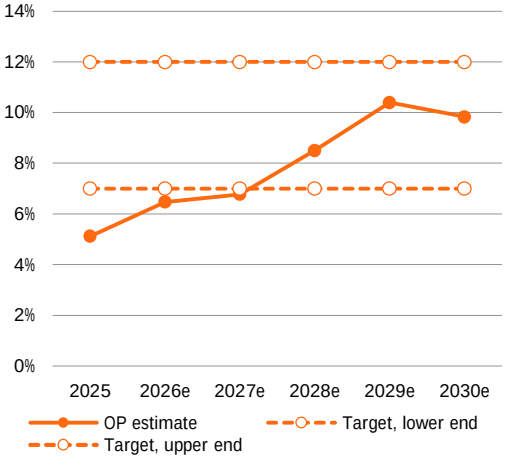
In our opinion, the profitability target is moderate in relation to sales growth. Teleste's gross margin has been around 50% for a long time, but it has now risen to 54%, which provides more room for earnings growth. However, business volume growth will probably require investments, which means that profitability will improve at a rather moderate rate. The assumed business growth would translate into operating profit of EUR 14–25m in 2030, based on 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 (EUR million)



Source: OP Markets

Teleste - EBIT margin 2025-2030E



Source: OP Markets

Earnings forecasts

Teleste

EURm	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26e
Sales								
Networks	19.4	22.6	20.8	19.9	20.2	19.6	15.5	22.9
Public Safety and Mobility	12.7	13.2	13.6	16.2	11.9	15.1	13.0	21.9
Sales	**32.2**	**35.9**	**34.5**	**36.1**	**32.2**	**34.7**	**28.4**	**44.8**
Sales growth (YoY)								
Networks	-16.1 %	33.4 %	14.9 %	-0.5 %	4.3 %	-13.5 %	-25.7 %	15.0 %
Public Safety and Mobility	-5.2 %	5.4 %	15.7 %	-1.7 %	-6.5 %	14.2 %	-5.0 %	35.0 %
Total	**-12.1 %**	**21.5 %**	**15.2 %**	**-1.0 %**	**0.0 %**	**-3.3 %**	**-17.5 %**	**24.0 %**
Gross profit	17.8	19.4	18.0	19.2	18.2	19.0	16.7	23.5
Gross margin	**55.3 %**	**54.2 %**	**52.2 %**	**53.2 %**	**56.4 %**	**54.7 %**	**58.7 %**	**52.5 %**
Personnel expenses	10.8	11.3	10.9	12.4	11.1	11.3	8.8	14.2
Other operating expenses	4.6	5.0	3.8	4.9	4.3	4.6	4.8	5.0
Depreciation and impairment	1.3	1.2	1.2	1.3	1.2	1.4	1.3	1.3
EBITDA	2.7	3.2	3.4	2.4	3.1	3.3	3.4	4.4
EBIT - reported	1.5	2.0	2.2	1.2	1.8	1.9	2.0	3.2
EBIT - adjusted	**1.5**	**2.2**	**2.3**	**1.2**	**1.9**	**1.9**	**2.1**	**3.2**
Margin								
EBITDA	8.4 %	9.0 %	9.8 %	6.7 %	9.5 %	9.4 %	12.1 %	9.9 %
EBIT - reported	4.5 %	5.6 %	6.3 %	3.3 %	5.5 %	5.5 %	7.0 %	7.1 %
EBIT - adjusted	**4.5 %**	**6.0 %**	**6.6 %**	**3.3 %**	**5.8 %**	**5.5 %**	**7.4 %**	**7.1 %**
PTP	0.6	0.1	1.6	0.8	1.5	1.7	1.6	2.8
Net profit	**0.6**	**0.3**	**1.3**	**0.4**	**1.4**	**1.4**	**1.2**	**2.2**
EPS	**0.03**	**0.02**	**0.07**	**0.02**	**0.07**	**0.07**	**0.07**	**0.12**

Source: OP Markets

Teleste						
EURm	2023	2024	2025	2026e	2027e	2028e
Sales						
Networks	92	78	83	78	83	88
Public Safety and Mobility	59	54	56	62	60	64
Sales	**151**	**133**	**139**	**140**	**143**	**153**
Sales growth (YoY)						
Networks	-	-15 %	6 %	-6 %	7 %	6 %
Public Safety and Mobility	-	-8 %	3 %	11 %	-3 %	8 %
Total	**-8 %**	**-12 %**	**5 %**	**1 %**	**2 %**	**7 %**
Gross profit	74	66	74	77	79	84
Gross margin	49 %	50 %	54 %	55 %	55 %	55 %
Personnel expenses	47.5	41.0	45.4	45.4	45.6	46.9
Other operating expenses	21.9	19.6	18.3	18.6	19.0	19.5
Depreciation and impairment	6.1	11.8	5.0	5.1	5.2	5.3
EBITDA	5.6	8.3	11.8	14.2	15.0	18.3
EBIT - reported	-0.5	-5.4	6.8	8.8	9.7	13.0
EBIT - adjusted	**1.2**	**4.2**	**7.1**	**9.1**	**9.7**	**13.0**
Margin						
EBITDA	3.7 %	6.3 %	8.5 %	10.1 %	10.4 %	12.0 %
EBIT - reported	-0.3 %	-4.1 %	4.9 %	6.3 %	6.8 %	8.5 %
EBIT - adjusted	**0.8 %**	**3.2 %**	**5.1 %**	**6.5 %**	**6.8 %**	**8.5 %**
PTP	-2.4	-7.0	3.0	7.6	8.3	11.8
Net profit	**-0.5**	**-6.1**	**2.6**	**6.2**	**6.8**	**9.7**
EPS	**0.09**	**0.20**	**0.15**	**0.33**	**0.36**	**0.51**

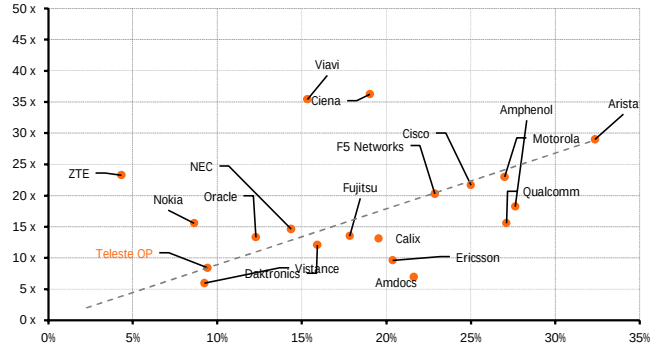
Source: OP Markets

Valuation

We determine Teleste's target price on the basis of the EV/EBIT multiple and estimates for 2026–2027. We use the same methodology as in our valuation of network equipment manufacturer Nokia.

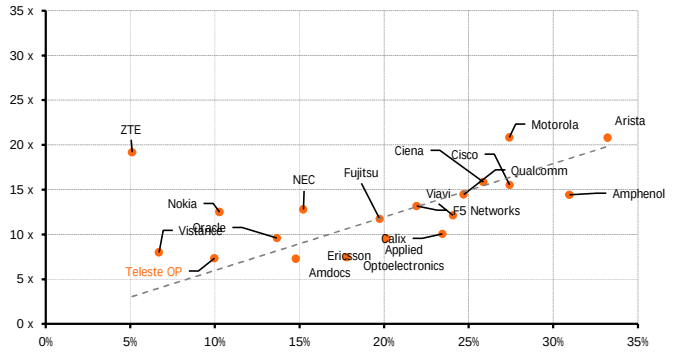
We have assessed Teleste's performance in relation to the peer group's return on capital employed (ROCE), profitability (EBIT margin) and growth in profitability and net sales. Teleste's return on capital metrics have improved steadily in recent quarters, supported by good profitability development.

EV/EBIT and ROCE 2026E



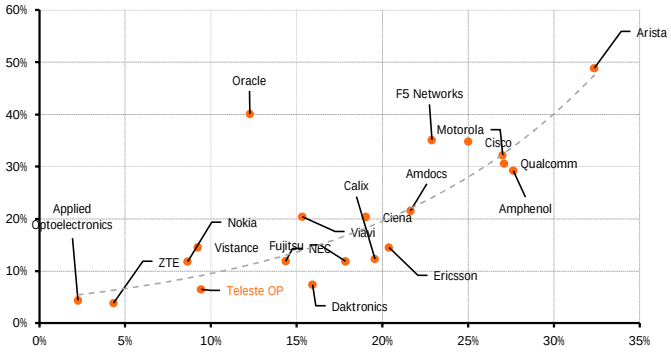
Source: FactSet

EV/EBIT and ROCE 2027E



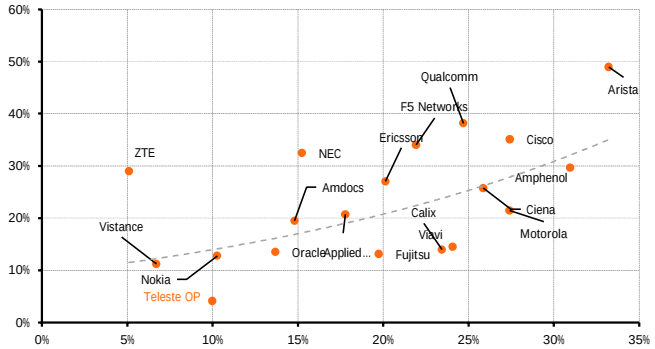
Source: FactSet

EBIT margin and ROCE 2026E



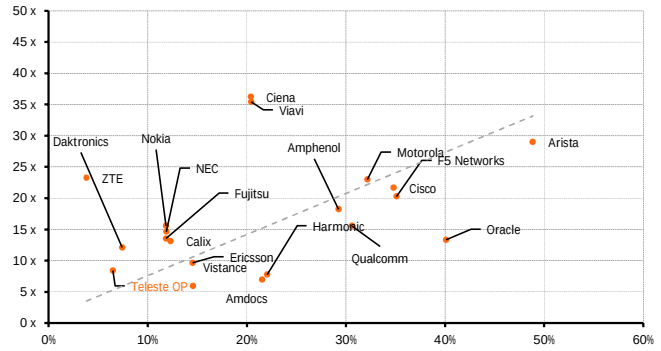
Source: FactSet

EBIT margin and ROCE 2027E



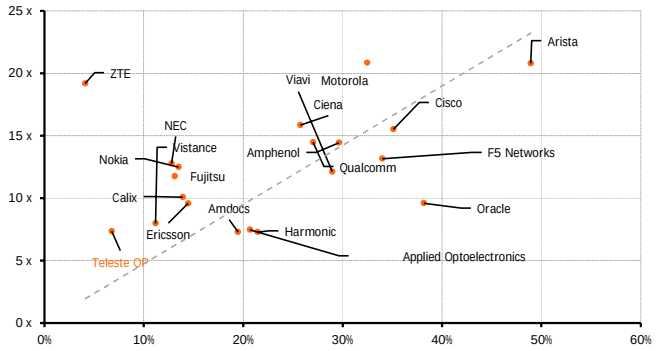
Source: FactSet

EV/EBIT and EBIT margin 2026E



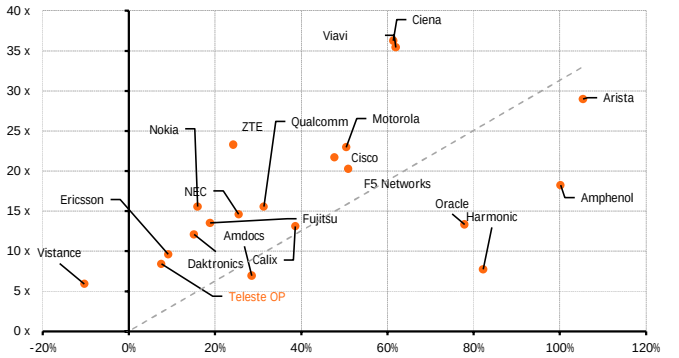
Source: FactSet

EV/EBIT and EBIT margin 2027E



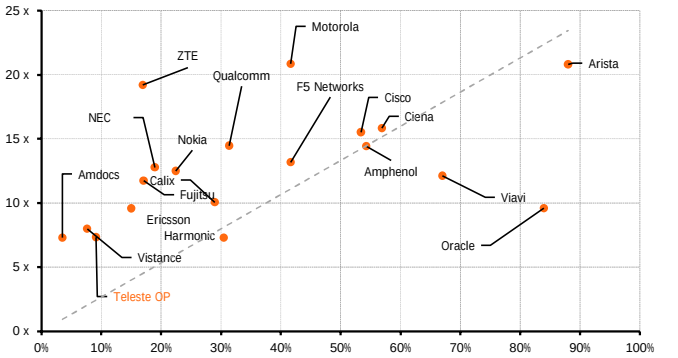
Source: FactSet

EV/EBIT and sales growth + EBIT margin 2026E



Source: FactSet

EV/EBIT and sales growth + EBIT margin 2027E



Source: FactSet

Target price EUR 3.50 (prev. EUR 4.00)

We estimate that the relevant valuation range for Teleste is 8–12x EV/EBIT based on the peer group's figures. We exclude the value implied by this year's earnings from our target price calculation. We expect a moderate earnings improvement in 2027 and in our view, a multiple at the lower end of the valuation range (8x) is justified at this point.

Teleste EURm	2026E	2027E	2028E
EBIT	9.1	9.7	13.0
Net debt	16	11	5
EV/EBITmultiple and corresponding enterprise value			
8	57	67	99
10	75	86	125
12	93	105	151
Per share			
8x	3.0	**3.5**	5.2
10x	3.9	4.5	6.6
12x	4.9	5.6	7.9

Target price	**3.5**

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	4,200	6.9	7.3	5.9	5.7	5.9	8.1	7 %	-16 %	22 %	15 %	21.6 %	19.5 %
Amphenol	157,565	18.2	14.4	15.9	13.1	25.3	19.4	71 %	25 %	28 %	31 %	29.2 %	29.6 %
Applied Optoelectronics	3,546	84.0	7.5	39.7		67.0	12.0	141 %	139 %	2 %	18 %	4.4 %	20.7 %
Arista	179,107	29.0	20.8	28.6	20.7	36.4	26.5	56 %	39 %	32 %	33 %	48.9 %	48.9 %
Calix	1,754	13.1	10.1	11.7	9.2	18.1	13.3	26 %	15 %	20 %	23 %	12.3 %	13.9 %
Ciena	29,154	36.3	15.8	32.7	15.0	32.3	19.0	41 %	31 %	19 %	26 %	20.4 %	25.8 %
Cisco	335,662	21.7	15.5	19.4	14.2	22.1	18.8	13 %	18 %	25 %	27 %	34.8 %	35.1 %
Vistance	1,110	5.9	8.0	5.5	7.5	7.7	9.0	-25 %	-4 %	9 %	7 %	14.6 %	11.2 %
Daktronics	824	12.1		8.7		16.0		8 %		16 %		7.4 %	
F5 Networks	15,775	20.3	13.2	19.2	12.1	17.8	17.2	16 %	8 %	23 %	22 %	35.1 %	34.0 %
Fiberhome	5,105					22.4	17.6						
Fujitsu	33,669	13.5	11.7	10.3	9.1	18.8	16.4	7 %	4 %	18 %	20 %	11.8 %	13.1 %
Harmonic	904	7.7	7.3	7.2		11.4	10.5	60 %	9 %			22.0 %	21.4 %
Motorola	76,137	23.0	20.8	21.4	19.4	28.8	26.4	18 %	9 %	27 %	27 %	32.2 %	32.5 %
NEC	36,346	14.6	12.8	10.7	9.6	20.1	17.6	14 %	6 %	14 %	15 %	11.9 %	12.8 %
Nokia	39,311	15.6	12.5	12.0	10.1	19.0	15.9	4 %	9 %	9 %	10 %	11.8 %	13.5 %
Oracle	310,157	13.3	9.6	9.2	6.3	14.2	10.4	38 %	46 %	12 %	14 %	40.1 %	38.2 %
Qualcomm	149,392	15.5	14.5	13.8	12.5	14.9	16.3	1 %	4 %	27 %	25 %	30.6 %	27.0 %
Ericsson	31,552	9.6	9.6	8.0	8.6	17.2	15.3	-5 %	1 %	20 %	20 %	14.5 %	14.5 %
Vecima	200			7.2	4.6	37.7	9.6	4 %	37 %				
Viavi	5,761	35.4	12.1	31.4	11.2	26.3	13.0	41 %	38 %	15 %	24 %	20.4 %	29.0 %
ZTE	17,287	23.3	19.2	13.7	11.9	14.9	12.7	20 %	13 %	4 %	5 %	3.8 %	4.1 %
Teleste OP		**8.4**	**7.3**	**5.4**	**4.8**	**9.6**	**8.8**	**1 %**	**2 %**	**9 %**	**10 %**	**6.5 %**	**6.8 %**
Median		**15.6**	**12.5**	**12.0**	**10.7**	**18.9**	**15.9**	**16 %**	**11 %**	**19 %**	**21 %**	**20 %**	**21 %**
Average		**20.9**	**12.8**	**15.8**	**11.2**	**22.5**	**15.5**	**26 %**	**22 %**	**18 %**	**20 %**	**21 %**	**23 %**

Source: OP Markets, FactSet

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

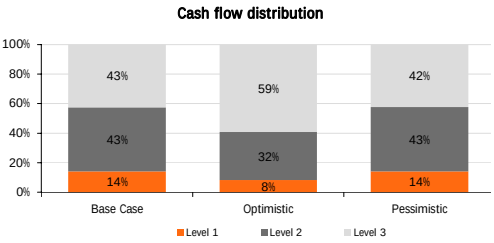
In the DCF model, terminal growth is 1% and the weighted average cost of capital (WACC) is 8.7%.

Teleste

CASH FLOW PROJECTIONS

EURm	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Revenues	140	143	153	160	166	172	176	180	183	185	186
Revenue growth	1.1 %	2.4 %	6.6 %	4.5 %	4.0 %	3.5 %	2.5 %	2.0 %	1.5 %	1.5 %	0.5 %
EBIT	9.1	9.7	13.0	16.0	16.6	16.3	15.9	15.3	14.6	14.8	13.0
EBIT margin	6.5 %	6.8 %	8.5 %	10.0 %	10.0 %	9.5 %	9.0 %	8.5 %	8.0 %	8.0 %	7.0 %
Gross Investments	6.6	5.0	5.4	5.6	5.8	6.0	6.2	6.3	6.4	6.5	6.5
Gross inv./depreciation	1.3	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Free cash flow	5	8	9	12	13	13	13	12	12	12	11

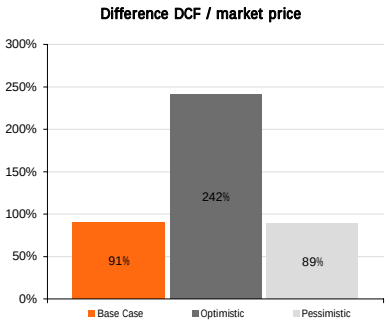
	Base Case		Optimistic		Pessimistic	
FCF	growth	% pv*	growth	% pv	growth	% pv
Level 1						
2026						
:	26.4 %	14 %	26.4 %	8 %	26.4 %	14 %
2028						
Level 2						
2029						
:	2.6 %	43 %	7.6 %	32 %	0.1 %	43 %
2036						
Level 3						
2037	1.0 %	43 %	2.5 %	59 %	0.0 %	42 %
PV total	131	100 %	222	100 %	130	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	130
- 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	115	206	114
No. of shares (million)	19.0	19.0	19.0
Implied share price	**6.0**	10.8	6.0
Current share price	**3.2**	3.2	3.2
Difference (EUR)	2.9	7.7	2.8
Difference %	**91 %**	241.6 %	89.5 %



SENSITIVITY ANALYSIS

Interest rate sensitivity		Implied share price: Base Case	Optimistic	Pessimistic
risk-free	3.00 %	6.5	11.8	6.4
rate	3.50 %	**6.0**	10.8	6.0
	4.00 %	5.7	10.0	5.7

WACC vs risk-free rate

Risk-fr. r.	3.00 %	3.50 %	4.00 %
CAPM	7.50 %	8.00 %	8.50 %
WACC	8.25 %	**8.70 %**	9.15 %
	$WACC_2$	$WACC_1$	$WACC_3$

Growth sensitivity		Implied share price					
Base Case		7.7 %	8.2 %	**8.7 %**	9.2 %	9.7 %	**WACC**
	0.00 %	6.5	6.1	5.7	5.3	5.0	
infinite	0.50 %	6.8	6.3	5.9	5.5	5.1	
cash flow	**1.00 %**	7.0	6.5	**6.0**	5.6	5.3	
growth	1.50 %	7.4	6.8	6.3	5.8	5.4	
	2.00 %	7.7	7.1	6.5	6.0	5.6	

WACC

Cost of equity capital:

CAPM	
Risk-free rate	3.50 %
Market risk premium	4.50 %
Company beta	1.00
Cost of equity capital	8.00 %

Cost of debt capital:

Risk-free rate	3.50 %
Risk premium	4.50 %
Tax rate	20.0 %
Tax shield on interest exp.	1.60 %
Cost of debt capital	6.40 %

WACC:

Cost of equity capital	8.00 %
Cost of debt capital	6.40 %
Debt ratio (target)	50.0 %
Equity ratio (target)	50.0 %
Liquidity premium	1.50 %
WACC	8.70 %

Income statement and balance sheet

Income Statement						
EURm	2023	2024	2025	2026e	2027e	2028e
Sales	**151.3**	**132.5**	**138.6**	**140.1**	**143.4**	**152.9**
Gross profit	74.0	66.4	74.4	77.3	78.9	84.1
Gross margin (%)	**48.9 %**	**50.1 %**	**53.7 %**	**55.2 %**	**55.0 %**	**55.0 %**
Personnel expenses	47.5	41.0	45.4	45.4	45.6	46.9
Other expenses	21.9	19.6	18.3	18.6	19.0	19.5
Total expenses	145.8	124.2	126.9	125.9	128.5	134.6
EBITDA	**5.6**	**8.3**	**11.8**	**14.2**	**15.0**	**18.3**
Depreciation	6.1	11.8	5.0	5.1	5.2	5.3
EBIT	**-0.5**	**-5.4**	**6.8**	**8.8**	**9.7**	**13.0**
EBIT excl NRI	**1.2**	**4.2**	**7.1**	**9.1**	**9.7**	**13.0**
Associated companies	0.0	0.0	0.0	0.0	0.0	0.0
Financials	0.0	-1.6	-3.8	-1.3	-1.4	-1.2
PTP	**-2.4**	**-7.0**	**3.0**	**7.6**	**8.3**	**11.8**
Taxes	0.0	-1.0	0.4	1.4	1.5	2.1
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	**-0.5**	**-6.1**	**2.6**	**6.2**	**6.8**	**9.7**
EPS excl. NRI	**0.09**	**0.20**	**0.15**	**0.33**	**0.36**	**0.51**
DPS	**0.00**	**0.03**	**0.08**	**0.08**	**0.10**	**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	25	26	28
Receivables	32	34	32	33	34	36
Short-term investments	0	0	0	0	0	0
Cash and bank	6	9	9	13	18	24
Total assets	**132**	**121**	**123**	**126**	**132**	**141**
Liabilities:						
Share capital	7	7	7	7	7	7
Other restricted equity	2	2	2	2	2	2
Retained earnings	52	46	49	54	59	67
Minority interest	0	0	0	0	0	0
Shareholders equity total	**61**	**55**	**58**	**63**	**68**	**76**
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	33	34	36
Total liabilities	**132**	**121**	**123**	**126**	**132**	**141**

Source: OP Markets

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The information concerning the research report was not sent to the issuer of the security subject to analysis for approval before the report was released.

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Recommendations and target price history **Teleste**

Recommendation	Target price (€)	Price (€)	Date	
BUY	3.50	3.15	9.11.2026	Target price change
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 7 October 2026)

	All Companies		Inv. Banking Relationships*	
Recommendation	**Count**	**%**	**Count**	**%**
BUY	27	40	3	38
ACCUMULATE	23	34	2	25
REDUCE	15	22	2	25
SELL	3	4	1	13
	68	100	8	100

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