Ferronordic

Capital Goods
Sweden

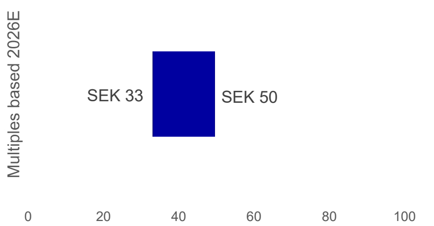
KEY DATA

Stock country	Sweden
Bloomberg	FNM SS
Reuters	FNMA.ST
Share price (close)	SEK 47.00
Free float	83%
Market cap. (bn)	EUR 0.06/SEK 0.68
Website	https://ferronordic.com
Next report date	15 May 2025

PERFORMANCE

Source: LSEG Data & Analytics

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2025E	2026E	2027E
Sales	-8%	-8%	-8%
EBIT (adj)	-15%	-19%	-18%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Anders Åkerblom
Analyst

Agnieszka Vilela
Managing Director

Facing headwinds

We downgrade our 2025-27 sales estimates by ~8%, owing to FX, while we downgrade 2025E-27E adjusted EBIT by 15-19%, mainly due to our expectation of margin pressure, particularly in North America. While we expect a more limited near-term impact, owing to healthy inventory levels, we expect that Ferronordic will have difficulty transferring the increased costs going forward, thus prompting us to downgrade 2025-27 gross margins by 40-60bp, whicih in turn drives negative adjusted EBIT revisions of 14-16% in the US. We reiterate our multiples-based fair value range of SEK 33-50 per share, corresponding to 8-12x 2026E adjusted EV/EBIT. The share is currently trading at the upper end of that range, i.e. ~11.5x, corresponding to a 16% premium versus the peer group, hence we see limited scope for a rerating in the near term.

Q1 2025 expectations

We expect Q1 sales of SEK 1,165m (-2% organic growth; 1% FX; 0% M&A), down 0.6% y/y. We forecast group equipment sales to decline by ~6% y/y (Germany: -15% y/y; US: -7% y/y), while we expect aftermarket sales to increase by ~9% y/y for the group (3% q/q). Volvo reported a sequential slowdown of VCE orders in the US, from ~44% y/y in Q4 2024 to a still healthy ~12% y/y in Q1 2025. In contrast, we were encouraged to see that Volvo reported healthy Truck order growth of 25% y/y in Europe, versus 37% y/y in Q4 2024, 11% y/y in Q3 2024 and -15% y/y in Q2 2024. In Q4 2024, Germany showed a modest recovery with 1% y/y organic sales growth, driven by campaigns, compared to a ~50% y/y decline in Q3 2024. We are hesitant to extrapolate the Q4 performance in Germany, yet we continue to expect that pent-up demand will support orders in the longer term.

2025 expectations

We expect ~18% order growth in European Truck orders for Volvo during 2025, supporting our forecasts of 3% and 6% organic equipment sales growth for Ferronordic in Germany during 2025 and 2026, respectively. In the US, however, we expect a ~7% y/y decline in organic equipment sales for Ferronordic in 2025. Altogether, we expect this to yield SEK 171m in adjusted EBIT in 2025, implying a margin of 3.8% – compared to 0.4% in 2024. This is mainly attributable to a less negative contribution from Germany, which had a negative impact of SEK ~120m in 2024 (we expect SEK 0m in adjusted EBIT for 2025), while the US continues to perform well; we expect SEK 214m in adjusted EBIT for 2025, down ~7% y/y.

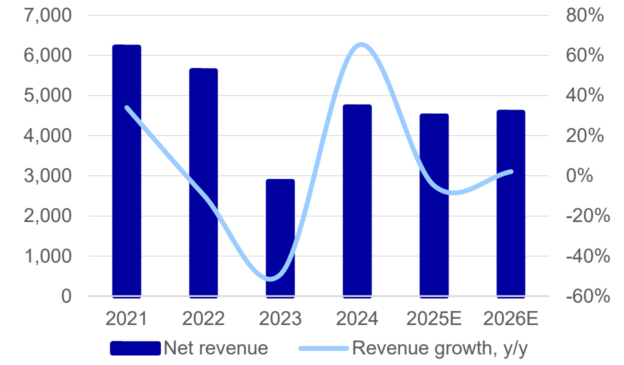
SUMMARY TABLE - KEY FIGURES

SEKm	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	6,211	5,621	2,863	4,720	4,490	4,584	4,760
EBITDA (adj)	576	455	25	383	447	485	387
EBIT (adj)	510	372	-80	21	171	211	229
EBIT (adj) margin	8.2%	6.6%	-2.8%	0.4%	3.8%	4.6%	4.8%
EPS (adj, SEK)	25.23	17.40	-5.04	-6.19	2.15	5.94	6.96
EPS (adj) growth	64.3%	-31.1%	-129.0%	-22.8%	134.8%	176.0%	17.1%
DPS (ord, SEK)	0.00	7.50	0.10	0.10	0.43	1.49	2.09
EV/Sales	0.8	0.0	0.8	0.5	0.6	0.5	0.5
EV/EBIT (adj)	10.0	0.4	n.m.	126.3	14.5	11.4	10.3
P/E (adj)	13.4	4.4	n.m.	n.m.	21.8	7.9	6.8
P/BV	4.4	0.6	0.6	0.6	0.4	0.4	0.4
Dividend yield (ord)	0.0%	9.8%	0.1%	0.2%	0.9%	3.2%	4.4%
FCF Yield bef A&D, lease	4.9%	-10.7%	-14.5%	-1.7%	29.6%	12.2%	8.8%
Net debt	199	-957	1,349	1,733	1,797	1,720	1,682
Net debt/EBITDA	0.4	-1.2	n.m.	4.5	4.0	3.5	4.3
ROIC after tax	36.4%	25.1%	-3.0%	0.5%	3.6%	4.5%	4.9%

Source: Company data and Nordea estimates

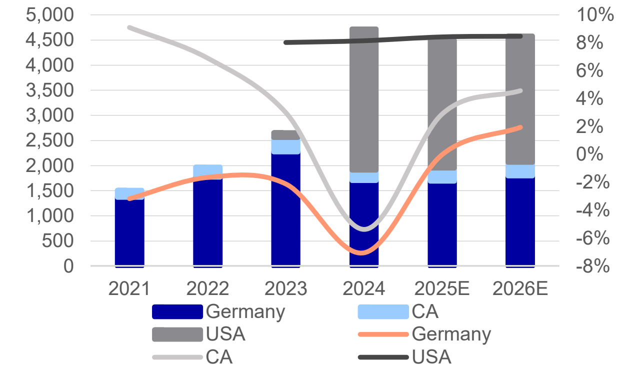
Key charts

SALES (SEKm) AND SALES GROWTH (%), 2021-26E



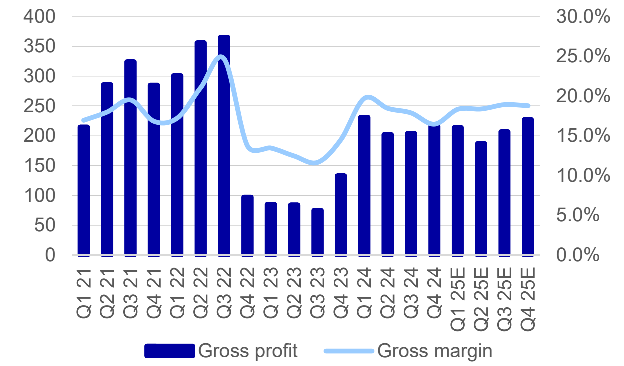
Source: Company data and Nordea estimates

SALES (SEKm) AND ADJUSTED EBIT MARGIN (%) BY MARKET, 2021-26E



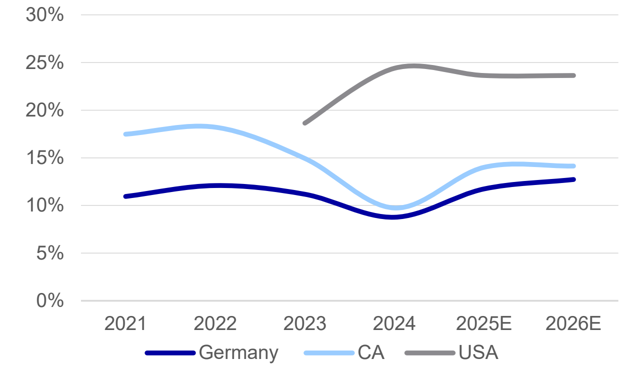
Source: Company data and Nordea estimates

QUARTERLY GROSS PROFIT (SEKm) AND MARGIN (%), Q1 2021-Q4 2025E



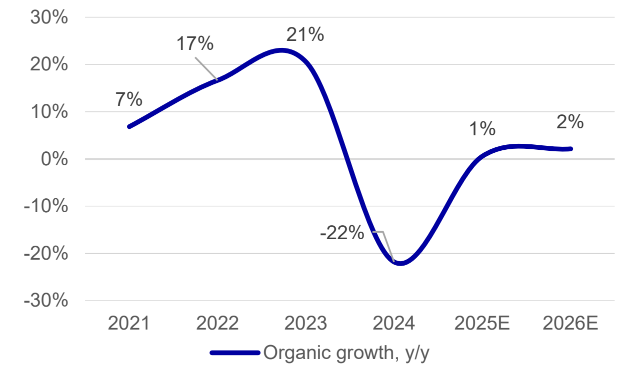
Source: Company data and Nordea estimates

GROSS MARGIN PER MARKET (SEKm), 2021-26E



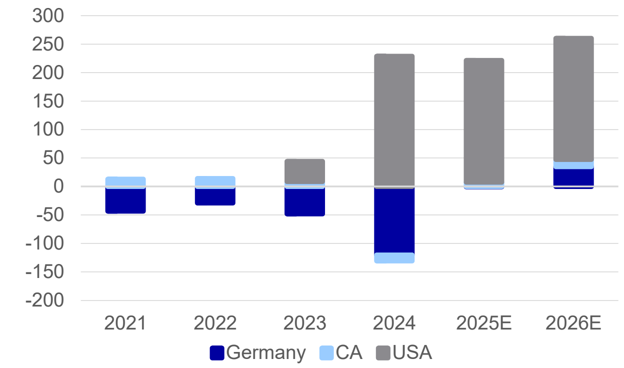
Source: Company data and Nordea estimates

GROUP ORGANIC GROWTH (%), 2021-26E



Source: Company data and Nordea estimates

ADJUSTED EBIT PER MARKET (SEKm), 2021-26E



Source: Company data and Nordea estimates

Estimate revisions

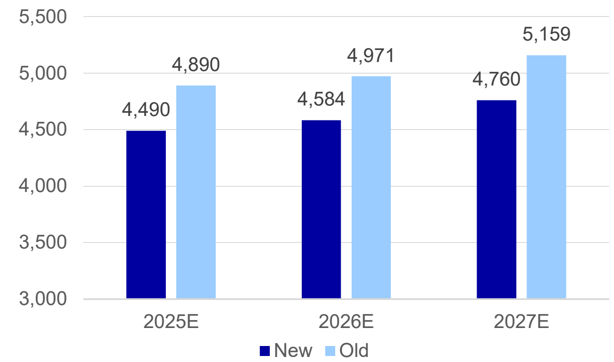
FERRONORDIC: ESTIMATE REVISIONS

	New estimates			Old estimates			Δ		
SEKm	**2025E**	**2026E**	**2027E**	**2025E**	**2026E**	**2027E**	**2025E**	**2026E**	**2027E**
Sales breakdown									
Equipment Sales	2,547	2,549	2,605	2,869	2,848	2,909	-11%	-10%	-10%
Aftermarket Sales	1,666	1,761	1,879	1,745	1,851	1,974	-5%	-5%	-5%
Contracting Services & other	276	273	276	276	273	275	0%	0%	0%
Group	**4,490**	**4,584**	**4,760**	**4,890**	**4,971**	**5,159**	**-8%**	**-8%**	**-8%**
Gross profit	835	862	904	915	958	1,003	-9%	-10%	-10%
Adj. EBITDA	447	485	387	498	553	443	-10%	-12%	-13%
Adj. EBIT	**171**	**211**	**229**	**201**	**259**	**279**	**-15%**	**-19%**	**-18%**
Margins									
Gross margin	18.6%	18.8%	19.0%	18.7%	19.3%	19.4%	-0.1 pp	-0.5 pp	-0.5 pp
EBITDA margin	10.0%	10.6%	8.1%	10.2%	11.1%	8.6%	-0.2 pp	-0.6 pp	-0.5 pp
EBIT margin	3.8%	4.6%	4.8%	4.1%	5.2%	5.4%	-0.3 pp	-0.6 pp	-0.6 pp
Per business area	**2025E**	**2026E**	**2027E**	**2025E**	**2026E**	**2027E**	**2025E**	**2026E**	**2027E**
USA									
Sales	2,543	2,520	2,610	2,788	2,759	2,857	-9%	-9%	-9%
Gross profit	601	596	622	669	669	699	-10%	-11%	-11%
EBITDA	428	425	447	479	483	507	-11%	-12%	-12%
EBIT	**214**	**213**	**227**	249	255	271	**-14%**	**-16%**	**-16%**
Adjusted EBIT	214	213	227	249	255	271	-14%	-16%	-16%
Gross margin	**23.6%**	**23.6%**	**23.8%**	**24.0%**	**24.3%**	**24.5%**	**-0.4 pp**	**-0.6 pp**	**-0.6 pp**
EBIT margin	**8.4%**	**8.5%**	**8.7%**	**8.9%**	**9.2%**	**9.5%**	**-0.5 pp**	**-0.8 pp**	**-0.8 pp**
Germany									
Sales	1,688	1,793	1,868	1,849	1,947	2,026	-9%	-8%	-8%
Gross profit	198	228	241	211	251	265	-6%	-9%	-9%
EBITDA	59	94	103	59	106	115	0%	-11%	-11%
EBIT	**0**	**35**	**37**	**-6**	**41**	**44**	**-98%**	**-16%**	**-15%**
Adjusted EBIT	0	35	37	-6	41	44	-98%	-16%	-15%
Gross margin	**11.7%**	**12.7%**	**12.9%**	**11.4%**	**12.9%**	**13.1%**	**0.3 pp**	**-0.2 pp**	**-0.2 pp**
EBIT margin	**0.0%**	**1.9%**	**2.0%**	**-0.3%**	**2.1%**	**2.2%**	**0.3 pp**	**-0.2 pp**	**-0.2 pp**
CA									
Sales	259	271	282	253	265	276	2%	2%	2%
Gross profit	36	38	40	35	37	39	2%	2%	2%
EBITDA	10	15	17	10	15	17	2%	2%	2%
EBIT	**8**	**12**	**14**	**7**	**12**	**14**	**2%**	**2%**	**2%**
Adjusted EBIT	8	12	14	7	12	14	2%	2%	2%
Gross margin	**14.0%**	**14.2%**	**14.3%**	**14.0%**	**14.2%**	**14.3%**	**0.0 pp**	**0.0 pp**	**0.0 pp**
EBIT margin	**2.9%**	**4.6%**	**5.0%**	**2.9%**	**4.6%**	**5.0%**	**0.0 pp**	**0.0 pp**	**0.0 pp**

Note: Certain historical assumptions made by Nordea

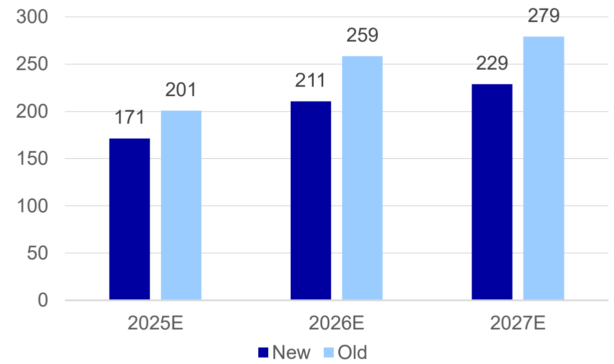
Source: Nordea estimates

SALES (SEKm): NEW VS. OLD ESTIMATES



Source: Nordea estimates

ADJUSTED EBIT (SEKm): NEW VS. OLD ESTIMATES



Source: Nordea estimates

Valuation

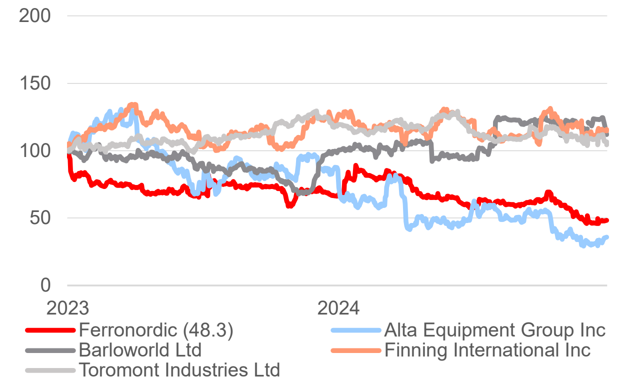
FERRONORDIC: PEER VALUATION TABLE

	MCAP	P/E (adj.)			EV/EBIT (adj.)			FCF Yield (adj.)			EV/EBITDA (adj.)			Implied multiple exp., m/m		
	SEKm	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E
Alta Equipment Group Inc	1,553				40.6x	41.1x	26.4x	-11.2%	-21.3%	50.4%	7.0x	6.4x	5.5x	4.4x	3.7x	
Barloworld Ltd	10,931	10.0x	10.3x	9.7x	5.9x	6.3x	6.0x				4.7x	4.5x	4.3x	0.5x	0.4x	0.3x
Finning International Inc	36,741	9.7x	10.1x	9.2x	8.2x	8.7x	8.4x	12.0%	9.4%	11.3%	5.8x	5.7x	5.5x	1.5x	1.1x	1.3x
Meko AB	7,139	10.0x	9.9x	8.7x	11.7x	11.1x	9.9x		2.9%	9.8%	5.9x	5.6x	5.3x	1.2x	0.7x	0.5x
Toromont Industries Ltd	61,697	16.4x	18.4x	16.6x	12.5x	13.8x	12.8x	2.5%	4.5%	4.7%	10.0x	9.5x	9.3x	-0.2x	-0.2x	-0.1x
Average	23,612	11.5x	12.2x	11.0x	15.8x	16.2x	12.7x	1.1%	-1.1%	19.0%	6.7x	6.3x	6.0x	1.5x	1.2x	0.5x
Median	10,931	10.0x	10.2x	9.4x	11.7x	11.1x	9.9x	2.5%	3.7%	10.5%	5.9x	5.7x	5.5x	1.2x	0.7x	0.4x
Ferronordic*	**689**	**nm**	**22.0x**	**8.0x**	**126.3x**	**14.5x**	**11.4x**	**8.5%**	**29.4%**	**12.1%**	**6.8x**	**5.6x**	**5.0x**	**4.5x**	**4.0x**	**3.5x**
Premium (+) discount (-) to median		*-*	*116%*	*-16%*	*982%*	*31%*	*16%*	*6pp*	*26pp*	*2pp*	*15%*	*-3%*	*-9%*	3.4x	3.3x	3.2x

*Commissioned coverage

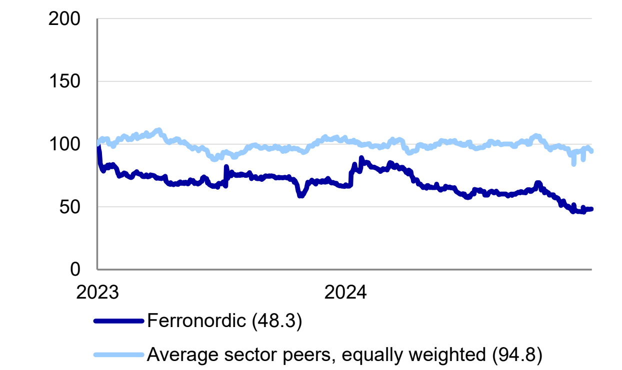
Source: LSEG Data & Analytics, company data and Nordea estimates

INDEXED SHARE PRICE PERFORMANCE VS. PEERS (T0=100)



Source: LSEG Data & Analytics, company data and Nordea

SHARE PRICE PERFORMANCE VS. PEER AVERAGE (T0=100)



Source: LSEG Data & Analytics, company data and Nordea

Detailed estimates

DETAILED ESTIMATES BY QUARTER

(SEKm)	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
Revenue	**705**	**631**	**674**	**643**	**915**	**1,172**	**1,095**	**1,141**	**1,312**	**1,165**	**1,020**	**1,095**	**1,209**
Cost of sales	-608	-546	-590	-568	-782	-941	-893	-937	-1,096	-952	-833	-888	-982
Gross profit	**97**	**85**	**84**	**75**	**133**	**231**	**202**	**204**	**216**	**214**	**187**	**207**	**227**
Sales expenses	-52	-42	-48	-49	-50	-65	-59	-58	-57	-65	-53	-80	-88
G&A expenses	-62	-57	-57	-59	-147	-154	-157	-129	-147	-107	-105	-80	-87
Other income	8	0	10	9	5	12	15	-8	-12	0	0	0	0
Other expenses	-4	0	0	-4	-3	-3	-5	-8	2	0	0	0	0
EBIT	**-13**	**-14**	**-10**	**-28**	**-62**	**21**	**-4**	**2**	**2**	**42**	**29**	**47**	**52**
Finance income	2	5	10	8	8	3	1	2	3	0	0	0	0
Finance costs	-5	-7	-8	-11	-23	-30	-41	-39	-37	-33	-33	-33	-33
Net FX gains/(losses)	103	23	88	-84	-49	95	-35	-49	66	0	0	0	0
EBT	**87**	**8**	**80**	**-115**	**-126**	**89**	**-79**	**-84**	**34**	**9**	**-4**	**14**	**19**
Income tax	-37	-1	-16	26	37	-19	-2	-4	-25	-2	1	-3	-4
Net income	-21	7	64	-89	-89	70	-81	-88	9	7	-3	11	15
EPS (SEK)	**-1.43**	**0.46**	**4.27**	**-6.06**	**-6.06**	**4.82**	**-5.57**	**-6.06**	**0.62**	**0.51**	**-0.20**	**0.78**	**1.06**
Pre-tax adjustments	0	0	0	0	-34	0	0	0	0	0	0	0	0
After-tax adjustments	0	0	0	0	-27	0	0	0	0	0	0	0	0
Adj. EBIT	**-13**	**-14**	**-10**	**-28**	**-28**	**21**	**-4**	**2**	**2**	**42**	**29**	**47**	**52**
Adj. PTP	87	8	80	-115	-92	89	-79	-84	34	9	-4	14	19
Adj. Net income	-21	7	64	-89	-62	70	-81	-88	9	7	-3	11	15
Adj. EPS (SEK)	**-1.43**	**0.46**	**4.27**	**-6.06**	**-4.24**	**4.82**	**-5.57**	**-6.06**	**0.62**	**0.51**	**-0.20**	**0.78**	**1.06**

Source: Company data and Nordea estimates

DETAILED ESTIMATES BY QUARTER AND DIVISION

(SEKm)	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
USA*													
Sales	-	721	727	691	308	699	707	686	720	702	570	610	660
Gross profit	-	126	127	121	82	169	156	182	179	168	134	143	155
EBITDA	-	83	84	79	39	108	131	131	130	121	95	102	110
EBIT	-	51	51	58	25	60	51	53	65	63	44	52	56
Adjusted EBIT	**-**	**51**	**51**	**58**	**36**	**60**	**51**	**53**	**65**	**63**	**44**	**52**	**56**
Germany													
Sales	615	548	595	575	555	440	332	372	559	395	386	423	484
Gross profit	82	68	73	66	47	57	38	14	40	36	44	55	63
EBITDA	17	24	22	7	-35	4	0	-18	-18	4	10	21	24
EBIT	-2	5	2	-16	-62	-12	-27	-40	-41	-10	-4	6	7
Adjusted EBIT	**-2**	**5**	**2**	**-16**	**-39**	**-12**	**-27**	**-40**	**-41**	**-10**	**-4**	**6**	**7**
CA													
Sales	89	83	80	69	53	34	56	82	33	69	64	62	65
Gross profit	15	17	11	9	5	6	8	9	-3	10	9	9	9
EBITDA	6	8	8	1	-5	-2	0	3	-9	3	3	2	3
EBIT	5	7	7	0	-6	-3	-1	3	-10	2	2	2	2
Adjusted EBIT	**5**	**7**	**7**	**0**	**-6**	**-3**	**-1**	**3**	**-10**	**2**	**2**	**2**	**2**

*USA: Q1-Q3 2023 shows Rudd Equipment results prior to acquisition, Q4 2023 shows sales only from 30 November in Q4 2023 (i.e. once consolidated)

Source: Company data and Nordea estimates

DETAILED ESTIMATES BY QUARTER (CONTINUED)

Margins	**Q4 22**	**Q1 23**	**Q2 23**	**Q3 23**	**Q4 23**	**Q1 24**	**Q2 24**	**Q3 24**	**Q4 24**	**Q1 25E**	**Q2 25E**	**Q3 25E**	**Q4 25E**
Group													
Gross margin	13.8%	13.5%	12.5%	11.7%	14.5%	19.7%	18.4%	17.9%	16.5%	18.3%	18.4%	18.9%	18.8%
EBITDA margin	1.0%	1.0%	1.5%	-0.8%	-2.2%	7.3%	9.5%	8.9%	6.9%	9.9%	9.3%	10.3%	10.3%
EBIT margin	-1.8%	-2.2%	-1.5%	-4.4%	-6.8%	1.8%	-0.4%	0.1%	0.2%	3.6%	2.9%	4.3%	4.3%
Adjusted EBIT margin	**-1.8%**	**-2.2%**	**-1.5%**	**-4.4%**	**-3.1%**	**1.8%**	**-0.4%**	**0.1%**	**0.2%**	**3.6%**	**2.9%**	**4.3%**	**4.3%**
USA*													
Gross margin	-	17.5%	17.5%	17.5%	26.7%	24.2%	22.1%	26.5%	24.9%	24.0%	23.5%	23.5%	23.5%
EBITDA margin	-	11.5%	11.5%	11.5%	12.7%	15.5%	18.5%	19.1%	18.1%	17.2%	16.7%	16.7%	16.7%
EBIT margin	-	7.0%	7.0%	8.5%	8.1%	8.6%	7.2%	7.7%	9.0%	8.9%	7.7%	8.4%	8.4%
Adjusted EBIT margin	-	7.0%	7.0%	8.5%	11.7%	8.6%	7.2%	7.7%	9.0%	8.9%	7.7%	8.4%	8.4%
Germany													
Gross margin	13.3%	12.4%	12.3%	11.5%	8.5%	13.0%	11.4%	3.8%	7.2%	9.0%	11.5%	13.0%	13.0%
EBITDA margin	2.8%	4.4%	3.7%	1.2%	-6.3%	0.9%	0.0%	-4.8%	-3.2%	1.0%	2.5%	5.0%	5.0%
EBIT margin	-0.3%	0.9%	0.3%	-2.8%	-11.2%	-2.7%	-8.1%	-10.8%	-7.3%	-2.5%	-1.0%	1.5%	1.5%
Adjusted EBIT margin	**-0.3%**	**0.9%**	**0.3%**	**-2.8%**	**-7.0%**	**-2.7%**	**-8.1%**	**-11%**	**-7.3%**	**-2.5%**	**-1.0%**	**1.5%**	**1.5%**
CA													
Gross margin	16.9%	20.4%	14.4%	13.7%	8.9%	17.6%	14.3%	11.0%	-9.1%	14.0%	14.0%	14.0%	14.0%
EBITDA margin	6.7%	9.6%	10.0%	1.5%	-9.4%	-5.9%	0.0%	3.7%	-27.3%	4.0%	4.0%	4.0%	4.0%
EBIT margin	5.6%	8.4%	8.6%	0.4%	-10.7%	-8.8%	-1.8%	3.7%	-30.3%	2.9%	2.9%	2.9%	2.9%
Adjusted EBIT margin	**5.6%**	**8.4%**	**8.6%**	**0.4%**	**-11%**	**-8.8%**	**-1.8%**	**3.7%**	**-30%**	**2.9%**	**2.9%**	**2.9%**	**2.9%**

Note: Certain historical margin assumptions made by Nordea, USD/SEK translated by Nordea
*USA: Q1-Q3 2023 shows Rudd Equipment results prior to acquisition, Q4 2023 shows sales only from 30 November in Q4 2023 (i.e. once consolidated)

Source: Company data and Nordea estimates

DETAILED ESTIMATES BY YEAR

(SEKm)	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025E**	**2026E**
Revenue	**3,241**	**3,747**	**4,635**	**6,211**	**5,621**	**2,863**	**4,720**	**4,490**	**4,584**
Cost of sales	-2,627	-2,972	-3,837	-5,102	-4,502	-2,486	-3,867	-3,654	-3,722
Gross profit	**614**	**775**	**797**	**1,110**	**1,119**	**377**	**853**	**835**	**862**
Sales expenses	-138	-162	-219	-256	-288	-189	-239	-285	-250
G&A expenses	-190	-238	-264	-357	-364	-320	-587	-379	-382
Other income	4	8	24	13	356	24	7	0	-7
Other expenses	-17	-26	-11	-27	-130	-7	-14	0	-12
EBIT	**274**	**358**	**328**	**483**	**693**	**-114**	**21**	**171**	**211**
Finance income	7	6	12	23	19	31	9	0	4
Finance costs	-9	-58	-59	-49	-68	-49	-147	-132	-106
Net FX gains/(losses)	-5	12	-5	-5	21	-22	78	0	0
EBT	**267**	**318**	**276**	**451**	**666**	**-153**	**-40**	**39**	**109**
Income tax	-58	-68	-54	-112	-156	46	-50	-8	-22
Net income	209	251	222	339	439	-107	-90	31	86
EPS (SEK)	**14.25**	**17.26**	**15.25**	**23.33**	**30.22**	**-7.38**	**-6.19**	**2.15**	**5.94**
Pre-tax adjustments	0	-7	-2	-27	321	-34	0	0	0
After-tax adjustments	0	-6	-1	-22	257	-27	0	0	0
Adj. EBIT	**274**	**365**	**330**	**510**	**372**	**-80**	**21**	**171**	**211**
Adj. PTP	267	325	277	478	345	-119	-40	39	109
Adj. Net income	209	256	223	361	182	-81	-90	31	86
Adj. EPS (SEK)	**14.25**	**17.64**	**15.34**	**24.81**	**12.54**	**-5.54**	**-6.19**	**2.15**	**5.94**

Source: Company data and Nordea estimates

DETAILED ESTIMATES BY YEAR AND DIVISION

(SEKm)	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
US*									
Sales	-	-	-	-	-	2446	2812	2543	2520
Gross profit	-	-	-	-	-	456	686	601	596
EBITDA	-	-	-	-	-	285	500	428	425
EBIT	-	-	-	-	-	25	229	214	213
Adjusted EBIT	-	-	-	-	-	36	229	214	213
Germany									
Sales	-	-	983	1,367	1,770	2,272	1,703	1,688	1,793
Gross profit	-	-	84	149	214	254	149	198	228
EBITDA	-	-	-29	-6	52	18	-32	59	94
EBIT	-	-	-66	-71	-29	-71	-120	0	35
Adjusted EBIT	-	-	**-57**	**-43**	**-29**	**-48**	**-120**	**0**	**35**
CA**									
Sales	3,241	3,747	3,652	143	203	285	205	259	271
Gross profit	614	773	714	25	37	43	20	36	38
EBITDA	322	494	533	0	10	12	-8	10	15
EBIT	274	358	394	13	14	9	-11	8	12
Adjusted EBIT	**274**	**358**	**383**	**13**	**14**	**9**	**-11**	**8**	**12**

*Including Russian operations in CA 2018-20
**Certain historical margin and FX assumptions (related to US acquisition) made by Nordea

Source: Company data and Nordea estimates

DETAILED ESTIMATES BY YEAR

Margins	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
Group									
Gross margin	19.0%	20.7%	17.2%	17.9%	19.9%	13.2%	18.1%	18.6%	18.8%
EBITDA margin	9.9%	13.2%	10.9%	8.8%	13.8%	-0.3%	8.1%	10.0%	10.6%
EBIT margin	8.4%	9.5%	7.1%	7.8%	12.3%	-4.0%	0.4%	3.8%	4.6%
Adjusted EBIT margin	**8.4%**	**9.7%**	**7.1%**	**8.2%**	**6.6%**	**-2.8%**	**0.4%**	**3.8%**	**4.6%**
US*									
Gross margin	-	-	-	-	-	18.7%	24.4%	23.6%	23.6%
EBITDA margin	-	-	-	-	-	11.6%	17.8%	16.8%	16.9%
EBIT margin	-	-	-	-	-	1.0%	8.1%	8.4%	8.5%
Adjusted EBIT margin	-	-	-	-	-	1.5%	8.1%	8.4%	8.5%
Germany									
Gross margin	-	-	8.5%	10.9%	12.1%	11.2%	8.7%	11.7%	12.7%
EBITDA margin	-	-	-2.9%	-0.5%	2.9%	0.8%	-1.9%	3.5%	5.2%
EBIT margin	-	-	-6.7%	-5.2%	-1.6%	-3.1%	-7.0%	0.0%	1.9%
Adjusted EBIT margin	-	-	**-5.8%**	**-3.2%**	**-1.6%**	**-2.1%**	**-7.0%**	**0.0%**	**1.9%**
CA**									
Gross margin	19.0%	20.6%	19.5%	17.5%	18.2%	14.9%	9.8%	14.0%	14.2%
EBITDA margin	9.9%	13.2%	14.6%	0.0%	4.9%	4.2%	-3.9%	4.0%	5.7%
EBIT margin	8.4%	9.5%	10.8%	9.1%	6.9%	3.0%	-5.4%	2.9%	4.6%
Adjusted EBIT margin	**8.4%**	**9.5%**	**10.5%**	**9.1%**	**6.9%**	**3.0%**	**-5.4%**	**2.9%**	**4.6%**

*Including Russian operations in CA 2018-20
**Certain historical margin and FX assumptions (related to US acquisition) made by Nordea

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT											
SEKm	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Total revenue	**2,567**	**3,241**	**3,747**	**4,635**	**6,211**	**5,621**	**2,863**	**4,720**	**4,490**	**4,584**	**4,760**
Revenue growth	54.8%	26.3%	15.6%	23.7%	34.0%	-9.5%	-49.1%	64.9%	-4.9%	2.1%	3.8%
of which organic	36.2%	32.2%	11.4%	16.2%	6.9%	16.7%	20.6%	-21.8%	0.6%	2.2%	3.8%
of which FX	18.6%	-6.0%	4.0%	-16.1%	-0.9%	5.1%	7.5%	0.2%	-2.3%	0.0%	0.0%
EBITDA	214	322	494	504	548	776	-9	383	447	485	387
Depreciation and impairments PPE	-26	-48	-136	-176	-66	-83	-105	-362	-276	-274	-158
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	187	274	358	328	483	693	-114	21	171	211	229
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	187	274	358	328	483	693	-114	21	171	211	229
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	6	-7	-39	-53	-31	-27	-39	-61	-132	-102	-102
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	**193**	**267**	**318**	**276**	**452**	**666**	**-153**	**-40**	**39**	**109**	**127**
Reported taxes	-42	-58	-68	-54	-112	-156	46	-50	-8	-22	-26
Net profit from continued operations	151	209	251	222	339	510	-107	-90	31	86	101
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	87	207	251	222	339	510	-107	-90	31	86	101
EPS, SEK	**8.06**	**14.25**	**17.26**	**15.25**	**23.35**	**35.07**	**-7.38**	**-6.19**	**2.15**	**5.94**	**6.96**
DPS, SEK	1.73	7.50	4.25	7.50	0.00	7.50	0.10	0.10	0.43	1.49	2.09
of which ordinary	1.73	3.75	4.25	7.50	0.00	7.50	0.10	0.10	0.43	1.49	2.09
of which extraordinary	0.00	3.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit margin in percent											
EBITDA	8.3%	9.9%	13.2%	10.9%	8.8%	13.8%	-0.3%	8.1%	10.0%	10.6%	8.1%
EBITA	7.3%	8.4%	9.5%	7.1%	7.8%	12.3%	-4.0%	0.4%	3.8%	4.6%	4.8%
EBIT	7.3%	8.4%	9.5%	7.1%	7.8%	12.3%	-4.0%	0.4%	3.8%	4.6%	4.8%
Adjusted earnings											
EBITDA (adj)	214	322	501	503	576	455	25	383	447	485	387
EBITA (adj)	187	274	365	330	510	372	-80	21	171	211	229
EBIT (adj)	187	274	365	330	510	372	-80	21	171	211	229
EPS (adj, SEK)	8.06	14.25	17.74	15.36	25.23	17.40	-5.04	-6.19	2.15	5.94	6.96
Adjusted profit margins in percent											
EBITDA (adj)	8.3%	9.9%	13.4%	10.9%	9.3%	8.1%	0.9%	8.1%	10.0%	10.6%	8.1%
EBITA (adj)	7.3%	8.4%	9.7%	7.1%	8.2%	6.6%	-2.8%	0.4%	3.8%	4.6%	4.8%
EBIT (adj)	7.3%	8.4%	9.7%	7.1%	8.2%	6.6%	-2.8%	0.4%	3.8%	4.6%	4.8%
Performance metrics											
CAGR last 5 years											
Net revenue	1.4%	5.5%	9.9%	25.8%	30.2%	17.0%	-2.5%	4.7%	-0.6%	-5.9%	-3.3%
EBITDA	13.0%	16.0%	23.5%	31.1%	29.1%	29.4%	n.m.	-5.0%	-2.4%	-2.4%	-13.0%
EBIT	48.0%	39.6%	39.0%	40.0%	35.9%	29.9%	n.m.	-43.5%	-12.2%	-15.3%	-19.9%
EPS	n.m.	n.m.	n.m.	n.m.	50.4%	34.2%	n.m.	n.m.	-32.4%	-23.9%	-27.6%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	34.1%	-51.6%	-52.8%	-43.5%	n.m.	-22.6%
Average last 5 years											
Average EBIT margin	4.5%	6.2%	7.8%	7.9%	8.0%	9.1%	7.6%	5.9%	5.2%	4.4%	2.4%
Average EBITDA margin	7.8%	8.8%	10.3%	10.6%	10.2%	11.3%	10.0%	9.2%	9.0%	9.3%	7.9%

VALUATION RATIOS - ADJUSTED EARNINGS											
SEKm	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025E**	**2026E**	**2027E**
P/E (adj)	18.7	8.9	9.2	10.2	13.4	4.4	n.m.	n.m.	21.8	7.9	6.8
EV/EBITDA (adj)	6.1	4.8	6.1	4.5	8.9	0.3	96.3	6.8	5.5	5.0	6.1
EV/EBITA (adj)	7.0	5.6	8.4	6.9	10.0	0.4	n.m.	126.3	14.5	11.4	10.3
EV/EBIT (adj)	7.0	5.6	8.4	6.9	10.0	0.4	n.m.	126.3	14.5	11.4	10.3

VALUATION RATIOS - REPORTED EARNINGS											
SEKm	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025E**	**2026E**	**2027E**
P/E	18.7	8.9	9.4	10.3	14.4	2.2	n.m.	n.m.	21.8	7.9	6.8
EV/Sales	0.51	0.48	0.82	0.49	0.82	0.03	0.83	0.55	0.55	0.52	0.50
EV/EBITDA	6.1	4.8	6.2	4.5	9.3	0.2	n.m.	6.8	5.5	5.0	6.1
EV/EBITA	7.0	5.6	8.6	6.9	10.6	0.2	n.m.	126.3	14.5	11.4	10.3
EV/EBIT	7.0	5.6	8.6	6.9	10.6	0.2	n.m.	126.3	14.5	11.4	10.3
Dividend yield (ord.)	1.1%	2.9%	2.6%	4.8%	0.0%	9.8%	0.1%	0.2%	0.9%	3.2%	4.4%
FCF yield	8.9%	6.8%	-21.5%	28.2%	1.9%	65.9%	-121.3%	8.5%	29.6%	12.2%	8.8%
FCF Yield bef A&D, lease adj	8.8%	6.6%	-21.6%	28.1%	4.9%	-10.7%	-14.5%	-1.7%	29.6%	12.2%	8.8%
Payout ratio	21.5%	52.6%	24.0%	48.8%	0.0%	43.1%	n.m.	n.m.	20.0%	25.0%	30.0%

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Intangible assets	6	6	12	8	81	85	244	273	273	273	273
of which R&D	0	0	0	0	0	0	0	25	25	25	25
of which other intangibles	6	6	12	8	81	85	244	248	248	248	248
of which goodwill	0	0	0	0	0	0	0	0	0	0	0
Tangible assets	136	263	700	507	1,006	560	1,828	2,317	2,317	2,317	2,317
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	42	41	51	65	105	78	127	133	140	147	154
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	184	310	763	579	1,192	724	2,199	2,724	2,730	2,737	2,745
Inventory	633	741	1,290	1,014	1,432	460	1,443	1,253	1,100	1,123	1,166
Accounts receivable	243	319	322	393	535	344	630	617	561	550	571
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	3	2	84	37	46	1	6	11	10	11	11
Cash and bank	352	357	519	604	768	1,688	426	363	299	376	414
Total current assets	1,231	1,418	2,214	2,048	2,781	2,493	2,506	2,244	1,970	2,060	2,162
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**1,414**	**1,727**	**2,978**	**2,628**	**3,973**	**3,217**	**4,705**	**4,968**	**4,700**	**4,797**	**4,907**
Shareholders equity	611	656	890	806	1,101	1,873	1,622	1,499	1,529	1,609	1,688
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	611	656	890	806	1,101	1,873	1,622	1,499	1,529	1,609	1,688
Deferred tax	1	1	7	5	7	1	277	281	281	281	281
Long term interest bearing debt	22	28	377	422	588	437	730	1,050	1,050	1,050	1,050
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	23	31	391	428	617	460	1,020	1,345	1,345	1,345	1,345
Short-term provisions	13	17	22	26	39	1	12	8	8	8	8
Accounts payable	737	982	917	1,188	1,809	573	997	794	763	779	809
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	12	15	21	19	28	16	8	11	10	11	11
Short term interest bearing debt	19	26	735	161	379	295	1,046	1,046	1,046	1,046	1,046
Total current liabilities	780	1,040	1,696	1,393	2,255	884	2,062	1,859	1,827	1,843	1,874
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**1,414**	**1,727**	**2,978**	**2,628**	**3,973**	**3,217**	**4,704**	**4,702**	**4,700**	**4,797**	**4,907**
Balance sheet and debt metrics											
Net debt	-312	-303	689	-20	199	-957	1,349	1,733	1,797	1,720	1,682
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	130	64	756	238	176	216	1,075	1,076	898	894	928
Invested capital	314	374	1,519	818	1,368	940	3,274	3,800	3,628	3,631	3,673
Capital employed	651	710	2,003	1,390	2,068	2,604	3,397	3,595	3,624	3,705	3,784
ROE	16.4%	32.7%	32.4%	26.1%	35.6%	34.3%	-6.1%	-5.8%	2.1%	5.5%	6.1%
ROIC	49.2%	62.1%	30.0%	22.0%	36.4%	25.1%	-3.0%	0.5%	3.6%	4.5%	4.9%
ROCE	36.1%	41.3%	27.4%	20.1%	30.8%	16.8%	-1.6%	0.8%	4.7%	5.9%	6.2%
Net debt/EBITDA	-1.5	-0.9	1.4	0.0	0.4	-1.2	n.m.	4.5	4.0	3.5	4.3
Interest coverage	30.7	31.6	6.3	5.7	10.4	10.5	-1.7	0.2	1.3	2.0	2.2
Equity ratio	43.2%	38.0%	29.9%	30.7%	27.7%	58.2%	34.5%	31.9%	32.5%	33.5%	34.4%
Net gearing	-51.0%	-46.2%	77.4%	-2.5%	18.1%	-51.1%	83.2%	115.6%	117.5%	106.9%	99.6%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
SEKm	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025E**	**2026E**	**2027E**
EBITDA (adj) for associates	**214**	**322**	**494**	**504**	**548**	**776**	**-9**	**383**	**447**	**485**	**387**
Paid taxes	0	0	-85	-71	-170	-127	-6	-19	-8	-22	-26
Net financials	-6	7	-58	-59	-55	-85	-58	-104	-132	-102	-102
Change in provisions	3	4	5	3	13	-38	11	-4	0	0	0
Change in other LT non-IB	0	3	-6	-20	-19	27	-57	-6	-7	-7	-7
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	-44	-68	17	19	164	392	77	-196	0	0	0
Funds from operations (FFO)	**168**	**267**	**367**	**377**	**481**	**945**	**-43**	**53**	**300**	**354**	**252**
Change in NWC	-20	-106	-698	316	-24	-730	16	-533	178	4	-34
Cash flow from operations (CFO)	**148**	**161**	**-330**	**693**	**457**	**215**	**-27**	**-480**	**478**	**358**	**218**
Capital expenditure	-7	-38	-181	-49	-217	-334	-122	465	-276	-274	-158
Free cash flow before A&D	**141**	**123**	**-511**	**643**	**240**	**-119**	**-149**	**-15**	**202**	**84**	**60**
Proceeds from sale of assets	3	3	2	3	8	854	0	88	0	0	0
Acquisitions	0	0	0	0	-153	0	-1,093	0	0	0	0
Free cash flow	144	126	-509	646	95	735	-1,242	73	202	84	60
Free cash flow bef A&D, lease adj	141	123	-511	643	240	-119	-149	-15	202	84	60
Dividends paid	-58	-30	-109	-62	-109	0	-109	0	-1	-6	-22
Equity issues / buybacks	0	0	0	0	0	0	0	1	0	0	0
Net change in debt	-28	0	802	-402	253	233	105	-108	0	0	0
Other financing adjustments	-12	2	-3	-114	-81	-65	-17	-9	-265	0	0
Other non-cash adjustments	108	-94	-18	16	6	18	1	-20	0	0	0
Change in cash	153	4	163	84	164	920	-1,262	-63	-64	77	38
Cash flow metrics											
Capex/D&A	25.8%	80.1%	n.m.	28.1%	n.m.	n.m.	n.m.	n.m.	100.0%	100.0%	100.0%
Capex/Sales	0.3%	1.2%	4.8%	1.1%	3.5%	5.9%	4.3%	-9.9%	6.1%	6.0%	3.3%
Key information											
Share price year end (/current)	151	127	163	157	337	77	70	59	47	47	47
Market cap.	1,615	1,849	2,369	2,287	4,897	1,115	1,024	857	683	683	683
Enterprise value	1,303	1,546	3,058	2,267	5,096	158	2,373	2,590	2,480	2,403	2,365
Diluted no. of shares, year-end (m)	10.7	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5

Source: Company data and Nordea estimates

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