

Ferronordic

Capital Goods
Sweden

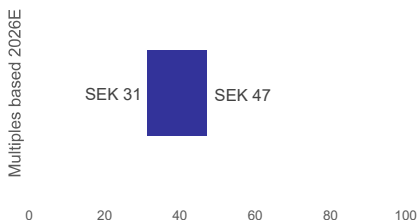
KEY DATA

Stock country	Sweden
Bloomberg	FNM SS
Reuters	FNMA.ST
Share price (close)	SEK 46.65
Free float	83%
Market cap. (bn)	EUR 0.06/SEK 0.68
Website	https://ferronordic.com
Next report date	14 Aug 2025

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2025E	2026E	2027E
Sales	1%	2%	2%
EBIT (adj)	-18%	-1%	-1%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Anders Åkerblom
AnalystAgnieszka Vilela
Managing Director

Temporary weakness

We make limited revisions to our 2026-27 estimates, lowering adjusted EBIT by ~1%. Our near-term estimates are challenged by what we see as largely temporary negative mix effects in the US, however, hence we lower the 2025E adjusted EBIT margin by -70bp, prompting an 18% cut to 2025E adjusted EBIT. The share traded down 6.5% following the report, owing in part to significant FX-related losses resulting in adjusted EPS of SEK -10.3. Going forward, we expect the adjusted EBIT margin to expand by 140bp y/y in 2026, to 4.5%, largely driven by improved cost absorption in the German operations. This should support ~50% y/y earnings growth. Even with this expected recovery, however, the share trades at ~12x adjusted EV/EBIT, a ~20% premium to the peer group, which is on the upper end of our fair value range of 8-12x adjusted EV/EBIT.

Q1 2025 outcome

Ferronordic delivered Q1 sales of SEK 1,206m, up 2.8% y/y, and adjusted EBIT of SEK 13m, -36% y/y, implying a margin of 1.1%, -70bp y/y. As has been the case since the acquisition of Rudd Equipment, the US was once again the main positive contributor, with sales of SEK 762m, up 6% y/y, and a gross margin of 17.7%, down 650bp y/y. The margin contraction, however, partly stemmed from a reclassification; the adjusted EBIT margin was somewhat firmer, contracting by only 230bp y/y, to 6.3%. By comparison, the margin in 2024 was 8.1%. Owing partly to transitory effects in the quarter, such as a somewhat unfavourable mix and larger fleet deals, we do not fully extrapolate the softness seen in Q1. Meanwhile, sales in Germany declined by 9% y/y, driven by continued weakness in new equipment sales (Q4 2024 volumes were driven by discounts), which fell by 15% y/y, while the aftermarket remained more resilient, down 2% y/y. Adjusted EBIT stayed in the red, at SEK -9m, implying a margin of -2.3%, although this was clearly an improvement from the past three quarters' -7% to -11%.

2025 expectations

We expect 2025 sales of SEK 4,537m, implying -4% y/y growth, prior to a partial recovery in 2026E of ~3% y/y. This will be driven predominantly by Germany, which we expect to show ~6% y/y sales growth, while we forecast the US will remain somewhat more stable with ~0% y/y sales growth following around -8% y/y in 2025E, after the very healthy double-digit growth seen in 2024.

SUMMARY TABLE - KEY FIGURES

SEKm	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	6,211	5,621	2,863	4,720	4,537	4,661	4,839
EBITDA (adj)	576	455	25	383	419	467	386
EBIT (adj)	510	372	-80	21	140	209	227
EBIT (adj) margin	8.2%	6.6%	-2.8%	0.4%	3.1%	4.5%	4.7%
EPS (adj, SEK)	25.23	17.40	-5.04	-6.19	-8.82	5.22	6.55
EPS (adj) growth	64.3%	-31.1%	-129.0%	-22.8%	-42.4%	159.2%	25.4%
DPS (ord, SEK)	0.00	7.50	0.10	0.10	-1.76	1.31	1.96
EV/Sales	0.8	0.0	0.8	0.6	0.6	0.5	0.5
EV/EBIT (adj)	10.0	0.4	n.m.	139.5	18.6	11.9	10.9
P/E (adj)	13.4	4.4	n.m.	n.m.	n.m.	8.9	7.1
P/BV	4.4	0.6	0.6	0.6	0.5	0.5	0.4
Dividend yield (ord)	0.0%	9.8%	0.1%	0.2%	-3.8%	2.8%	4.2%
FCF Yield bef A&D, lease	4.9%	-10.7%	-14.5%	-1.7%	12.7%	13.6%	2.7%
Net debt	199	-957	1,349	2,003	1,918	1,801	1,801
Net debt/EBITDA	0.4	-1.2	n.m.	5.2	4.6	3.9	4.7
ROIC after tax	36.4%	25.1%	-3.0%	0.5%	3.0%	4.6%	4.9%

Source: Company data and Nordea estimates

Q1 2025 deviation

Ferronordic delivered a weak Q1 report, as margins were hampered by negative mix effects in the quarter, with earnings in the US dropping 21% y/y. Sales came in at SEK 1,206m, 3% above our forecast of SEK 1,165m. Adjusted EBIT was SEK 13m, 69% below our estimate of SEK 42m, and the group adjusted EBIT margin was 1.1%, 2.6pp lower than we expected. The company appears to ascribe the weakness to mostly transitory effects in the quarter, especially in the US, as it mentioned continued solid demand in the US and full customer orderbooks, supported in particular by strong materials and minerals demand. Inventory levels remain elevated, however, and increased competition in the market has exerted pressure on prices. In Germany, the company is still facing a challenging market, although some green shoots are appearing related to the announced investment plans. The truck market in Ferronordic's areas declined by 28% y/y in Q1, while the company saw -6% y/y sales growth, suggesting that it gained significant market share.

DEVIATION TABLE

	Actual	NDA est.	Deviation		Actual		Actual	
SEKm	Q1 2025	Q1 25E		vs. actual	Q4 24	q/q	Q1 24	y/y
Sales	1,206	1,165	41	3%	1,312	-8%	1,172	3%
Adj. EBIT	13	42	-29	-69%	2	550%	21	-38%
Adj. EBIT margin	1.1%	3.6%	-	-2.6pp	0.2%	0.9pp	1.8%	-0.7pp
EPS (SEK)	(10.32)	0.51	-10.83	-2108%	0.62	-1766%	4.82	-314%
Revenue	1,206	1,165	41	3%	1,312	-8%	1,172	3%
Cost of sales	(1,009)	(952)	(57)	6%	(1,096)	-8%	(941)	7%
Gross profit	197	214	(17)	-8%	216	-9%	231	-15%
Sales expenses	(63)	(65)	2	-3%	(57)	11%	(65)	-3%
G&A expenses	(132)	(107)	(25)	24%	(147)	-10%	(154)	-14%
Other income	13	-	13	-	(12)	-	12	-
Other expenses	(1)	-	(1)	-	2	-	(3)	-
EBIT	13	42	(29)	-69%	2	550%	21	-38%
Non recurring items (NRI)		0	0		0	-	0	-
Sales per segment								
USA	762	702	60	9%	720	6%	-	-
Germany	402	395	7	2%	559	-28%	440	-9%
CIS	42	69	(27)	-39%	33	27%	34	24%
Adjusted EBIT								
USA	48	62.8	-15	-24%	65	-26.2%	-	-
Germany	(9)	(9.9)	1	-9%	(41)	-78%	(12)	-25%
CIS	1	2.0	-1	-50%	-10	-110%	-3	-133%

Source: Company data and Nordea estimates

Estimate revisions

FERRONORDIC: ESTIMATE REVISIONS

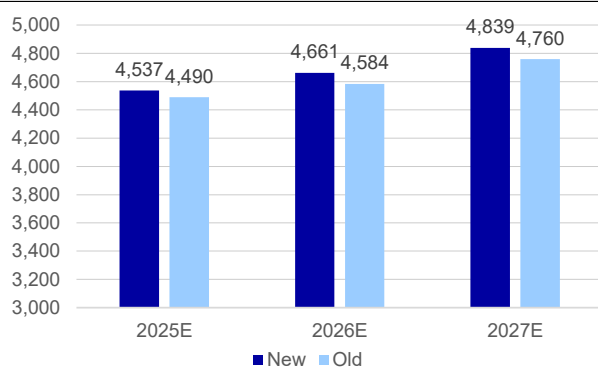
SEKm	New estimates			Old estimates			Δ		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Sales breakdown									
Equipment Sales	2,562	2,590	2,645	2,547	2,549	2,605	1%	2%	2%
Aftermarket Sales	1,692	1,788	1,908	1,666	1,761	1,879	2%	2%	2%
Contracting Services & other	283	283	286	276	273	276	3%	3%	3%
Group	4,537	4,661	4,839	4,490	4,584	4,760	1%	2%	2%
Gross profit	789	815	855	835	862	904	-5%	-5%	-5%
Adj. EBITDA	419	467	386	447	485	387	-6%	-4%	0%
Adj. EBIT	140	209	227	171	211	229	-18%	-1%	-1%
Margins									
Gross margin	17.4%	17.5%	17.7%	18.6%	18.8%	19.0%	-1.2 pp	-1.3 pp	-1.3 pp
EBITDA margin	9.2%	10.0%	8.0%	10.0%	10.6%	8.1%	-0.7 pp	-0.6 pp	-0.2 pp
EBIT margin	3.1%	4.5%	4.7%	3.8%	4.6%	4.8%	-0.7 pp	-0.1 pp	-0.1 pp
Per business area									
USA	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Sales	2,602	2,609	2,702	2,543	2,520	2,610	2%	4%	4%
Gross profit	531	532	556	601	596	622	-12%	-11%	-11%
EBITDA	408	410	432	428	425	447	-5%	-4%	-3%
EBIT	214	215	230	214	213	227	0%	1%	1%
Adjusted EBIT	214	215	230	214	213	227	0%	1%	1%
Gross margin	20.4%	20.4%	20.6%	23.6%	23.6%	23.8%	-3.2 pp	-3.2 pp	-3.2 pp
EBIT margin	8.2%	8.3%	8.5%	8.4%	8.5%	8.7%	-0.2 pp	-0.2 pp	-0.2 pp
Germany									
Sales	1,721	1,827	1,903	1,688	1,793	1,868	2%	2%	2%
Gross profit	229	251	265	198	228	241	16%	10%	10%
EBITDA	67	93	102	59	94	103	14%	-1%	-1%
EBIT	-16	33	35	0	35	37	12181%	-5%	-5%
Adjusted EBIT	-16	33	35	0	35	37	12181%	-5%	-5%
Gross margin	13.3%	13.8%	14.0%	11.7%	12.7%	12.9%	1.6 pp	1.0 pp	1.0 pp
EBIT margin	-0.9%	1.8%	1.9%	0.0%	1.9%	2.0%	-0.9 pp	-0.1 pp	-0.1 pp
CA									
Sales	214	224	233	259	271	282	-17%	-17%	-17%
Gross profit	30	32	33	36	38	40	-17%	-17%	-17%
EBITDA	9	13	14	10	15	17	-14%	-17%	-17%
EBIT	6	10	12	8	12	14	-14%	-18%	-18%
Adjusted EBIT	6	10	12	8	12	14	-14%	-18%	-18%
Gross margin	14.0%	14.1%	14.3%	14.0%	14.2%	14.3%	0.0 pp	0.0 pp	0.0 pp
EBIT margin	3.0%	4.5%	4.9%	2.9%	4.6%	5.0%	0.1 pp	-0.1 pp	-0.1 pp

*Certain historical assumptions made by Nordea

**Certain calculations for old US estimates are on an annualised basis and are not pro forma, prompting the substantial 2023 differential (group calculations, however, are pro forma)

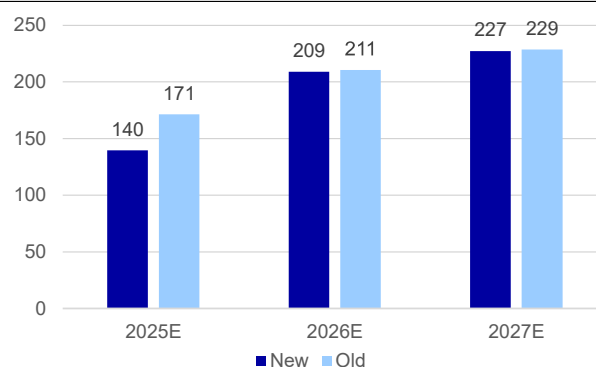
Source: Nordea estimates

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.)		
	SEKm	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E
Alta Equipment Group Inc	1,768				43.0x	156.1x	64.6x	-9.9%	-21.9%	32.0%	7.3x	6.8x	6.4x
Barloworld Ltd	10,952	9.9x	10.8x	9.0x	6.0x	7.4x	7.0x		6.0%	8.4%	4.7x	4.5x	4.2x
Finning International Inc	48,449	12.7x	12.6x	11.5x	9.9x	10.2x	10.0x	9.1%	7.5%	7.1%	7.2x	7.0x	6.8x
Meko AB	7,188	10.0x	10.1x	8.8x	11.7x	11.3x	10.0x		2.9%	9.7%	6.5x	6.1x	5.9x
Toromont Industries Ltd	66,939	17.8x	20.0x	18.2x	13.3x	14.8x	13.7x	2.3%	4.2%	4.3%	11.0x	10.5x	10.1x
Average	27,059	12.6x	13.3x	11.9x	16.8x	40.0x	21.0x	0.5%	-0.3%	12.3%	7.3x	7.0x	6.7x
Median	10,952	11.4x	11.7x	10.3x	11.7x	11.3x	10.0x	2.3%	4.2%	8.4%	7.2x	6.8x	6.4x
Ferronordic	728	nm	nm	8.9x	139.5x	18.6x	11.9x	8.5%	12.7%	13.6%	7.5x	6.2x	5.3x
<i>Premium (+) discount (-) to median</i>		-	-	-13%	1089%	64%	19%	6pp	9pp	5pp	4%	-9%	-17%

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

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 25	Q2 25E	Q3 25E	Q4 25E
Revenue	705	631	674	643	915	1,172	1,095	1,141	1,312	1,206	987	1,100	1,243
Cost of sales	-608	-546	-590	-568	-782	-941	-893	-937	-1,096	-1,009	-813	-903	-1,022
Gross profit	97	85	84	75	133	231	202	204	216	197	174	198	221
Sales expenses	-52	-42	-48	-49	-50	-65	-59	-58	-57	-63	-38	-75	-80
G&A expenses	-62	-57	-57	-59	-147	-154	-157	-129	-147	-132	-102	-80	-90
Other income	8	0	10	9	5	12	15	-8	-12	13	0	0	0
Other expenses	-4	0	0	-4	-3	-3	-5	-8	2	2	-1	0	0
EBIT	-13	-14	-10	-28	-62	21	-4	2	2	13	33	42	51
Finance income	2	5	10	8	8	3	1	2	3	5	0	0	0
Finance costs	-5	-7	-8	-11	-23	-30	-41	-39	-37	-37	-33	-33	-33
Net FX gains/(losses)	103	23	88	-84	-49	95	-35	-49	66	-129	0	0	0
EBT	87	8	80	-115	-126	89	-79	-84	34	-148	0	9	18
Income tax	-37	-1	-16	26	37	-19	-2	-4	-25	-2	0	-2	-4
Net income	-21	7	64	-89	-89	70	-81	-88	9	-150	0	7	14
EPS (SEK)	-1.43	0.46	4.27	-6.06	-6.06	4.82	-5.57	-6.06	0.62	-10.32	0.02	0.48	1.00
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	13	33	42	51
Adj. PTP	87	8	80	-115	-92	89	-79	-84	34	-148	0	9	18
Adj. Net income	-21	7	64	-89	-62	70	-81	-88	9	-150	0	7	14
Adj. EPS (SEK)	-1.43	0.46	4.27	-6.06	-4.24	4.82	-5.57	-6.06	0.62	-10.32	0.02	0.48	1.00

Source: Company data and Nordea estimates

DETAILED ESTIMATES: DIVISIONS, BY QUARTER

(SEKm)	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25E	Q3 25E	Q4 25E
USA*													
Sales	-	721	727	691	308	699	707	686	720	762	570	610	660
Gross profit	-	126	127	121	82	169	156	182	179	135	123	131	142
EBITDA	-	83	84	79	39	108	131	131	130	95	97	104	112
EBIT	-	51	51	58	25	60	51	53	65	48	51	55	59
Adjusted EBIT	-	51	51	58	36	60	51	53	65	48	51	55	59
Germany													
Sales	615	548	595	575	555	440	332	372	559	402	359	435	525
Gross profit	82	68	73	66	47	57	38	14	40	56	43	59	71
EBITDA	17	24	22	7	-35	4	0	-18	-18	13	11	20	24
EBIT	-2	5	2	-16	-62	-12	-27	-40	-41	-9	-7	-2	3
Adjusted EBIT	-2	5	2	-16	-39	-12	-27	-40	-41	-9	-7	-2	3
CA													
Sales	89	83	80	69	53	34	56	82	33	42	58	56	59
Gross profit	15	17	11	9	5	6	8	9	-3	6	8	8	8
EBITDA	6	8	8	1	-5	-2	0	3	-9	2	2	2	2
EBIT	5	7	7	0	-6	-3	-1	3	-10	1	2	2	2
Adjusted EBIT	5	7	7	0	-6	-3	-1	3	-10	1	2	2	2

*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: MARGINS, BY QUARTER

Margins	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	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%	16.3%	17.6%	18.0%	17.8%
EBITDA margin	1.0%	1.0%	1.5%	-0.8%	-2.2%	7.3%	9.5%	8.9%	6.9%	6.9%	9.9%	10.3%	10.1%
EBIT margin	-1.8%	-2.2%	-1.5%	-4.4%	-6.8%	1.8%	-0.4%	0.1%	0.2%	1.1%	3.4%	3.8%	4.1%
Adjusted EBIT margin	-1.8%	-2.2%	-1.5%	-4.4%	-3.1%	1.8%	-0.4%	0.1%	0.2%	1.1%	3.4%	3.8%	4.1%
USA*													
Gross margin	-	17.5%	17.5%	17.5%	26.7%	24.2%	22.1%	26.5%	24.9%	17.7%	21.5%	21.5%	21.5%
EBITDA margin	-	11.5%	11.5%	11.5%	12.7%	15.5%	18.5%	19.1%	18.1%	12.5%	17.0%	17.0%	17.0%
EBIT margin	-	7.0%	7.0%	8.5%	8.1%	8.6%	7.2%	7.7%	9.0%	6.3%	9.0%	9.0%	9.0%
Adjusted EBIT margin	-	7.0%	7.0%	8.5%	11.7%	8.6%	7.2%	7.7%	9.0%	6.3%	9.0%	9.0%	9.0%
Germany													
Gross margin	13.3%	12.4%	12.3%	11.5%	8.5%	13.0%	11.4%	3.8%	7.2%	13.9%	12.0%	13.5%	13.5%
EBITDA margin	2.8%	4.4%	3.7%	1.2%	-6.3%	0.9%	0.0%	-4.8%	-3.2%	3.2%	3.0%	4.5%	4.5%
EBIT margin	-0.3%	0.9%	0.3%	-2.8%	-11.2%	-2.7%	-8.1%	-10.8%	-7.3%	-2.3%	-2.0%	-0.5%	0.5%
Adjusted EBIT margin	-0.3%	0.9%	0.3%	-2.8%	-7.0%	-2.7%	-8.1%	-11%	-7.3%	-2.3%	-2.0%	-0.5%	0.5%
CA													
Gross margin	16.9%	20.4%	14.4%	13.7%	8.9%	17.6%	14.3%	11.0%	-9.1%	13.9%	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%	4.8%	4.0%	4.0%	4.0%
EBIT margin	5.6%	8.4%	8.6%	0.4%	-11%	-8.8%	-1.8%	3.7%	-30%	3.5%	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%	3.5%	2.9%	2.9%	2.9%

*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	4,537	4,661
Cost of sales	-2,627	-2,972	-3,837	-5,102	-4,502	-2,486	-3,867	-3,747	-3,846
Gross profit	614	775	797	1,110	1,119	377	853	789	815
Sales expenses	-138	-162	-219	-256	-288	-189	-239	-257	-176
G&A expenses	-190	-238	-264	-357	-364	-320	-587	-404	-410
Other income	4	8	24	13	356	24	7	13	-7
Other expenses	-17	-26	-11	-27	-130	-7	-14	-1	-12
EBIT	274	358	328	483	693	-114	21	140	209
Finance income	7	6	12	23	19	31	9	5	4
Finance costs	-9	-58	-59	-49	-68	-49	-147	-136	-118
Net FX gains/(losses)	-5	12	-5	-5	21	-22	78	-129	0
EBT	267	318	276	451	666	-153	-40	-120	95
Income tax	-58	-68	-54	-112	-156	46	-50	-8	-20
Net income	209	251	222	339	439	-107	-90	-128	76
EPS (SEK)	14.25	17.26	15.25	23.33	30.22	-7.38	-6.19	-8.82	5.22
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	140	209
Adj. PTP	267	325	277	478	345	-119	-40	-120	95
Adj. Net income	209	256	223	361	182	-81	-90	-128	76
Adj. EPS (SEK)	14.25	17.64	15.34	24.81	12.54	-5.54	-6.19	-8.82	5.22

Source: Company data and Nordea estimates

DETAILED ESTIMATES: DIVISIONS, BY YEAR

(SEKm)	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
US*									
Sales	-	-	-	-	-	2446	2812	2602	2609
Gross profit	-	-	-	-	-	456	686	531	532
EBITDA	-	-	-	-	-	285	500	408	410
EBIT	-	-	-	-	-	25	229	214	215
Adjusted EBIT	-	-	-	-	-	36	229	214	215
Germany									
Sales	-	-	983	1,367	1,770	2,272	1,703	1,721	1,827
Gross profit	-	-	84	149	214	254	149	229	251
EBITDA	-	-	-29	-6	52	18	-32	67	93
EBIT	-	-	-66	-71	-29	-71	-120	-16	33
Adjusted EBIT	-	-	-57	-43	-29	-48	-120	-16	33
CA**									
Sales	3,241	3,747	3,652	143	203	285	205	214	224
Gross profit	614	773	714	25	37	43	20	30	32
EBITDA	322	494	533	0	10	12	-8	9	13
EBIT	274	358	394	13	14	9	-11	6	10
Adjusted EBIT	274	358	383	13	14	9	-11	6	10

* Certain historical margin and FX assumptions (related to the US acquisition) made by Nordea

** Including Russian operations in CA 2018-20

Source: Company data and Nordea estimates

DETAILED ESTIMATES: MARGINS, 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%	17.4%	17.5%
EBITDA margin	9.9%	13.2%	10.9%	8.8%	13.8%	-0.3%	8.1%	9.2%	10.0%
EBIT margin	8.4%	9.5%	7.1%	7.8%	12.3%	-4.0%	0.4%	3.1%	4.5%
Adjusted EBIT margin	8.4%	9.7%	7.1%	8.2%	6.6%	-2.8%	0.4%	3.1%	4.5%
US*									
Gross margin	-	-	-	-	-	18.7%	24.4%	20.4%	20.4%
EBITDA margin	-	-	-	-	-	11.6%	17.8%	15.7%	15.7%
EBIT margin	-	-	-	-	-	1.0%	8.1%	8.2%	8.3%
Adjusted EBIT margin	-	-	-	-	-	1.5%	8.1%	8.2%	8.3%
Germany									
Gross margin	-	-	8.5%	10.9%	12.1%	11.2%	8.7%	13.3%	13.8%
EBITDA margin	-	-	-2.9%	-0.5%	2.9%	0.8%	-1.9%	3.9%	5.1%
EBIT margin	-	-	-6.7%	-5.2%	-1.6%	-3.1%	-7.0%	-0.9%	1.8%
Adjusted EBIT margin	-	-	-5.8%	-3.2%	-1.6%	-2.1%	-7.0%	-0.9%	1.8%
CA**									
Gross margin	19.0%	20.6%	19.5%	17.5%	18.2%	14.9%	9.8%	14.0%	14.1%
EBITDA margin	9.9%	13.2%	14.6%	0.0%	4.9%	4.2%	-3.9%	4.1%	5.6%
EBIT margin	8.4%	9.5%	10.8%	9.1%	6.9%	3.0%	-5.4%	3.0%	4.5%
Adjusted EBIT margin	8.4%	9.5%	10.5%	9.1%	6.9%	3.0%	-5.4%	3.0%	4.5%

* Certain historical margin and FX assumptions (related to the US acquisition) made by Nordea

** Including Russian operations in CA 2018-20

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	4,537	4,661	4,839
Revenue growth	54.8%	26.3%	15.6%	23.7%	34.0%	-9.5%	-49.1%	64.9%	-3.9%	2.7%	3.8%
of which organic	36.2%	32.2%	11.4%	16.2%	6.9%	16.7%	20.6%	-21.8%	0.6%	2.7%	3.8%
of which FX	18.6%	-6.0%	4.0%	-16.1%	-0.9%	5.1%	7.5%	0.2%	-2.7%	0.0%	0.0%
EBITDA	214	322	494	504	548	776	-9	383	419	467	386
Depreciation and impairments PPE	-26	-48	-136	-176	-66	-83	-105	-362	-280	-258	-159
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	187	274	358	328	483	693	-114	21	140	209	227
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	187	274	358	328	483	693	-114	21	140	209	227
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	-260	-114	-108
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	-120	95	120
Reported taxes	-42	-58	-68	-54	-112	-156	46	-50	-8	-20	-25
Net profit from continued operations	151	209	251	222	339	510	-107	-90	-128	76	95
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	-128	76	95
EPS, SEK	8.06	14.25	17.26	15.25	23.35	35.07	-7.38	-6.19	-8.82	5.22	6.55
DPS, SEK	1.73	7.50	4.25	7.50	0.00	7.50	0.10	0.10	-1.76	1.31	1.96
of which ordinary	1.73	3.75	4.25	7.50	0.00	7.50	0.10	0.10	-1.76	1.31	1.96
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%	9.2%	10.0%	8.0%
EBITA	7.3%	8.4%	9.5%	7.1%	7.8%	12.3%	-4.0%	0.4%	3.1%	4.5%	4.7%
EBIT	7.3%	8.4%	9.5%	7.1%	7.8%	12.3%	-4.0%	0.4%	3.1%	4.5%	4.7%

Adjusted earnings

EBITDA (adj)	214	322	501	503	576	455	25	383	419	467	386
EBITA (adj)	187	274	365	330	510	372	-80	21	140	209	227
EBIT (adj)	187	274	365	330	510	372	-80	21	140	209	227
EPS (adj, SEK)	8.06	14.25	17.74	15.36	25.23	17.40	-5.04	-6.19	-8.82	5.22	6.55

Adjusted profit margins in percent

EBITDA (adj)	8.3%	9.9%	13.4%	10.9%	9.3%	8.1%	0.9%	8.1%	9.2%	10.0%	8.0%
EBITA (adj)	7.3%	8.4%	9.7%	7.1%	8.2%	6.6%	-2.8%	0.4%	3.1%	4.5%	4.7%
EBIT (adj)	7.3%	8.4%	9.7%	7.1%	8.2%	6.6%	-2.8%	0.4%	3.1%	4.5%	4.7%

Performance metrics

CAGR last 5 years											
Net revenue	1.4%	5.5%	9.9%	25.8%	30.2%	17.0%	-2.5%	4.7%	-0.4%	-5.6%	-3.0%
EBITDA	13.0%	16.0%	23.5%	31.1%	29.1%	29.4%	n.m.	-5.0%	-3.6%	-3.2%	-13.0%
EBIT	48.0%	39.6%	39.0%	40.0%	35.9%	29.9%	n.m.	-43.5%	-15.7%	-15.4%	-20.0%
EPS	n.m.	n.m.	n.m.	n.m.	50.4%	34.2%	n.m.	n.m.	n.m.	-25.9%	-28.5%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	34.1%	-51.6%	-52.8%	n.m.	n.m.	-23.5%
Average last 5 years											
Average EBIT margin	4.5%	6.2%	7.8%	7.9%	8.0%	9.1%	7.6%	5.9%	5.1%	4.2%	2.2%
Average EBITDA margin	7.8%	8.8%	10.3%	10.6%	10.2%	11.3%	10.0%	9.2%	8.8%	9.1%	7.6%

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.	n.m.	8.9	7.1
EV/EBITDA (adj)	6.1	4.8	6.1	4.5	8.9	0.3	96.3	7.5	6.2	5.3	6.4
EV/EBITA (adj)	7.0	5.6	8.4	6.9	10.0	0.4	n.m.	139.5	18.6	11.9	10.9
EV/EBIT (adj)	7.0	5.6	8.4	6.9	10.0	0.4	n.m.	139.5	18.6	11.9	10.9

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.	n.m.	8.9	7.1
EV/Sales	0.51	0.48	0.82	0.49	0.82	0.03	0.83	0.61	0.57	0.53	0.51
EV/EBITDA	6.1	4.8	6.2	4.5	9.3	0.2	n.m.	7.5	6.2	5.3	6.4
EV/EBITA	7.0	5.6	8.6	6.9	10.6	0.2	n.m.	139.5	18.6	11.9	10.9
EV/EBIT	7.0	5.6	8.6	6.9	10.6	0.2	n.m.	139.5	18.6	11.9	10.9
Dividend yield (ord.)	1.1%	2.9%	2.6%	4.8%	0.0%	9.8%	0.1%	0.2%	-3.8%	2.8%	4.2%
FCF yield	8.9%	6.8%	-21.5%	28.2%	1.9%	65.9%	-121.3%	8.5%	12.7%	13.6%	2.7%
FCF Yield bef A&D, lease adj	8.8%	6.6%	-21.6%	28.1%	4.9%	-10.7%	-14.5%	-1.7%	12.7%	13.6%	2.7%
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	2,264	2,240	2,275
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	132	139	146	153
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	2,722	2,676	2,659	2,701
Inventory	633	741	1,290	1,014	1,432	460	1,443	1,253	1,111	1,142	1,185
Accounts receivable	243	319	322	393	535	344	630	617	567	559	581
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	11	11	11
Cash and bank	352	357	519	604	768	1,688	426	363	448	565	565
Total current assets	1,231	1,418	2,214	2,048	2,781	2,493	2,506	2,244	2,137	2,277	2,342
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	4,966	4,813	4,936	5,043
Shareholders equity	611	656	890	806	1,101	1,873	1,622	1,499	1,369	1,471	1,547
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	1,369	1,471	1,547
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	1,338	1,338	1,338	1,338
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	771	792	823
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	11	11	11
Short term interest bearing debt	19	26	735	161	379	295	1,046	1,316	1,316	1,316	1,316
Total current liabilities	780	1,040	1,696	1,393	2,255	884	2,062	2,129	2,105	2,127	2,158
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	4,966	4,813	4,936	5,043
Balance sheet and debt metrics											
Net debt	-312	-303	689	-20	199	-957	1,349	2,003	1,918	1,801	1,801
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	907	909	944
Invested capital	314	374	1,519	818	1,368	940	3,274	3,798	3,583	3,567	3,644
Capital employed	651	710	2,003	1,390	2,068	2,604	3,397	3,865	3,735	3,837	3,913
ROE	16.4%	32.7%	32.4%	26.1%	35.6%	34.3%	-6.1%	-5.8%	-8.9%	5.3%	6.3%
ROIC	49.2%	62.1%	30.0%	22.0%	36.4%	25.1%	-3.0%	0.5%	3.0%	4.6%	4.9%
ROCE	36.1%	41.3%	27.4%	20.1%	30.8%	16.8%	-1.6%	0.8%	3.8%	5.6%	6.0%
Net debt/EBITDA	-1.5	-0.9	1.4	0.0	0.4	-1.2	n.m.	5.2	4.6	3.9	4.7
Interest coverage	30.7	31.6	6.3	5.7	10.4	10.5	-1.7	0.2	1.1	1.8	2.1
Equity ratio	43.2%	38.0%	29.9%	30.7%	27.7%	58.2%	34.5%	30.2%	28.5%	29.8%	30.7%
Net gearing	-51.0%	-46.2%	77.4%	-2.5%	18.1%	-51.1%	83.2%	133.6%	140.1%	122.4%	116.4%

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	419	467	386
Paid taxes	0	0	-85	-71	-170	-127	-6	-19	-8	-20	-25
Net financials	-6	7	-58	-59	-55	-85	-58	-104	-260	-114	-108
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	-12	-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	-191	0	0	0
Funds from operations (FFO)	168	267	367	377	481	945	-43	53	144	327	247
Change in NWC	-20	-106	-698	316	-24	-730	16	-533	169	-2	-35
Cash flow from operations (CFO)	148	161	-330	693	457	215	-27	-480	313	325	212
Capital expenditure	-7	-38	-181	-49	-217	-334	-122	465	-227	-233	-194
Free cash flow before A&D	141	123	-511	643	240	-119	-149	-15	86	92	19
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	86	92	19
Free cash flow bef A&D, lease adj	141	123	-511	643	240	-119	-149	-15	86	92	19
Dividends paid	-58	-30	-109	-62	-109	0	-109	0	-1	26	-19
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	0	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	85	118	0
Cash flow metrics											
Capex/D&A	25.8%	80.1%	n.m.	28.1%	n.m.	n.m.	n.m.	n.m.	81.2%	90.5%	n.m.
Capex/Sales	0.3%	1.2%	4.8%	1.1%	3.5%	5.9%	4.3%	-9.9%	5.0%	5.0%	4.0%
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	678	678	678
Enterprise value	1,303	1,546	3,058	2,267	5,096	158	2,373	2,860	2,596	2,479	2,479
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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