23 April 2025

Commissioned research: Ferronordic – Truck orders in Volvo beat consensus by 6%, driven by strong performance in Europe

Marketing material commissioned by Ferronordic

Volvo delivered a mixed report, with EBIT 12% below Infront consensus. More importantly for Ferronordic however, we note that the company reported truck orders improving by 13% y/y - beating consensus by 6pp, in turn driven by strong demand in Europe (+25% y/y). Regarding the truck market oulook for 2025 this was left unchanged in absolute terms in Europe, corresponding to -7% y/y at the mid-point, yet lowered for North America and Brazil. Perhaps unsurprisingly, the company reported seeing "increased uncertainty surrounding tariffs and their effect on global trade" in the quarter. Looking to VCE, the company downgraded the outlook for construction equipment for North America by 5% compared to Q4 2024, corresponding to a mid-point guidance of -10% y/y in 2025. We forecast Ferronordic to show ~9% y/y sales growth in Germany in 2025E, following ~-25% y/y growth in 2024, and expect the company to show ~-1% y/y sales growth in 2025E, following ~15% y/y growth in 2024.

SUMMARY TABLE - KEY FIGURES

SEKm	2022	2023	2024	2025E	2026E	2027E
Total revenue	5,621	2,863	4,720	4,890	4,971	5,159
EBITDA (adj)	455.3	24.6	382.5	498.1	553.3	442.7
EBIT (adj)	371.9	-80.0	20.5	200.6	258.5	279.0
EBIT (adj) margin	6.62%	-2.79%	0.43%	4.10%	5.20%	5.41%
EPS (adj. SEK)	17.4	-5.04	-6.19	3.32	8.47	9.57
EPS (adj) growth	-31.1%	-129.0%	-22.8%	153.5%	155.3%	13.0%
DPS (ord. SEK)	7.50	0.10	0.10	0.66	2.12	2.87
EV/Sales	0.03	0.83	0.55	0.51	0.48	0.45
EV/EBIT (adj)	0.42	nm	126.3	12.5	9.28	8.36
P/E (adj)	4.41	nm	nm	13.6	5.32	4.70
P/BV	0.60	0.63	0.57	0.42	0.39	0.37
Divident yield (ord)	9.78%	0.14%	0.17%	1.47%	4.70%	6.38%
FCF Yield bef A&D, lease adj	-10.7%	-14.5%	-1.75%	21.4%	19.1%	14.6%
Net debt	-956.9	1,349	1,733	1,860	1,744	1,680
Net debt/EBITDA	-1.23	n.m.	4.53	3.73	3.15	3.79
ROIC after tax	25.1%	-2.96%	0.45%	4.17%	5.44%	5.84%

Source: Company data and Nordea estimates

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