

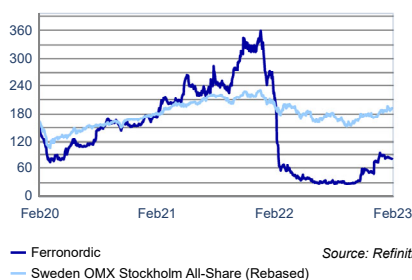
Ferronordic

Capital Goods
Sweden

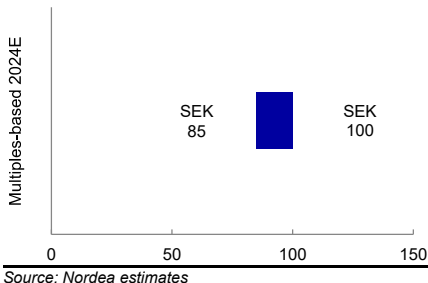
KEY DATA

Stock country	Sweden
Bloomberg	FNM SS
Reuters	FNMA.ST
Share price (close)	SEK 86.10
Free Float	84%
Market cap. (bn)	EUR 0.11/SEK 1.25
Website	www.ferronordic.ru
Next report date	11 May 2023

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	8%	10%	10%
EBIT (adj)	21%	17%	14%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Victor Hansen
AnalystCarl Ragnerstam
Analyst

Firing on both cylinders

Ferronordic presented a higher dividend and 47% stronger sales for Q4 than we forecast, due to market share gains in Germany and strong momentum in Kazakhstan. EBIT was more negative than expected due to Germany but reached breakeven at the end of the quarter, as anticipated. We raise our EBIT estimates by 14-21% for 2023-25, owing to the good momentum in Kazakhstan. Looking ahead, we expect Germany to turn a profit in 2023 and reach a 2% EBIT margin in 2024, despite tougher global macro conditions. Ferronordic is trading at 8x 2023E EV/EBIT but 5x for 2024E, which is below MEKO and Finning for both years. Our raised multiples-based fair value range of SEK 85-100 (84-92) corresponds to an EV/EBIT of 8x for 2023E and 2024E, respectively. If Germany were to reach a 5% EBIT margin, our valuation would increase by SEK 29 per share.

Q4 outcome

The Q4 results were mixed, with sales 47% above our estimate but EBIT negative at SEK -13m, as Germany was still slightly loss-making, as we expected. It is set to improve, though: the company said Germany broke even at the end of Q4 and guides for positive EBIT and cash flow in 2023, in line with our estimates. We note that Ferronordic made significant market share gains in Germany within new trucks in Q4 (up 43% y/y versus -1% market growth) and EBIT in CIS (only Kazakhstan remains) grew from SEK -1m to SEK +5m y/y, as momentum has been stronger than we expected in recent quarters (units up 117% y/y, versus +25% for the market).

Expectations ahead; profitability in Germany ramping up

We forecast 5% y/y sales growth for 2023 (for current regions) and a 1.9% group EBIT margin, with Germany expected to ramp up gradually during the year, reaching 2% in Q4 2023. We underestimated the strong momentum in Kazakhstan seen in Q4, and now pencil in 65% sales growth for the segment in 2023, including FX and price hikes. For Germany, sales momentum was also strong, driven by market share gains, and as a result we raise our estimates slightly but continue to expect a mild recession, aided by more resilient aftermarket sales. Note that our estimates do not include M&A (potentially in new markets, according to the CEO) or aggressive investments that would substantially reduce the net cash position. Instead, we currently pencil in high dividend pay-outs, representing 60-75% of annual net profit. We believe entry into new geographies (which the CEO says could even be outside Europe) will be in collaboration with a current partner, e.g. Volvo or Sandvik.

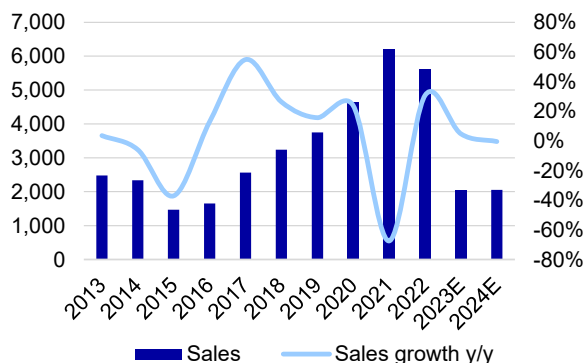
SUMMARY TABLE - KEY FIGURES

SEKm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	3,747	4,635	6,211	5,621	2,067	2,058	2,177
EBITDA (adj)	501	503	576	455	108	139	156
EBIT (adj)	365	330	510	372	40	64	82
EBIT (adj) margin	9.7%	7.1%	8.2%	6.6%	1.9%	3.1%	3.7%
EPS (adj, SEK)	17.74	15.36	25.23	17.40	2.83	4.33	5.48
EPS (adj) growth	24.5%	-13.4%	64.3%	-31.1%	-83.7%	53.2%	26.5%
DPS (ord, SEK)	4.25	7.50	0.00	7.50	2.12	3.03	3.56
EV/Sales	0.8	0.5	0.8	0.0	0.2	0.1	0.1
EV/EBIT (adj)	8.4	6.9	10.0	0.4	8.6	4.8	3.5
P/E (adj)	9.2	10.2	13.4	4.4	30.4	19.9	15.7
P/BV	2.7	2.8	4.4	0.6	0.7	0.7	0.7
Dividend yield (ord)	2.6%	4.8%	0.0%	9.8%	2.5%	3.5%	4.1%
FCF Yield bef A&D, lease	-21.6%	28.1%	4.9%	-10.7%	5.8%	5.1%	5.5%
Net debt	689	-20	199	-957	-911	-944	-969
Net debt/EBITDA	1.4	0.0	0.4	-1.2	-8.5	-6.8	-6.2
ROIC after tax	30.0%	22.0%	36.4%	25.1%	3.3%	5.4%	6.9%

Source: Company data and Nordea estimates

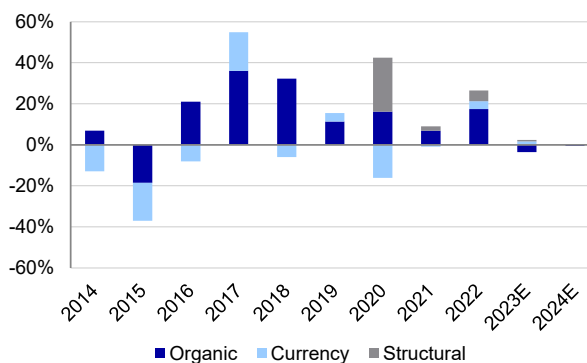
Group development

SALES (SEKm) AND CHANGE Y/Y (%)



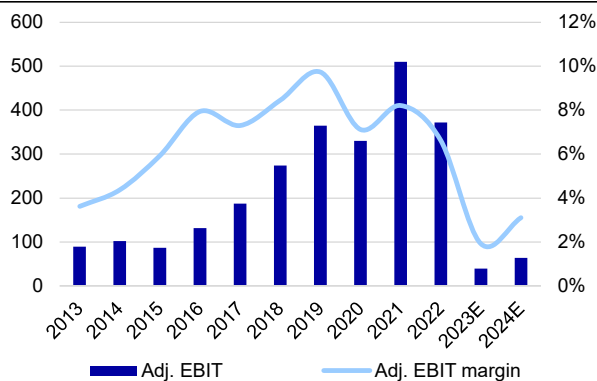
Source: Company data and Nordea estimates

SALES GROWTH BREAKDOWN (%)



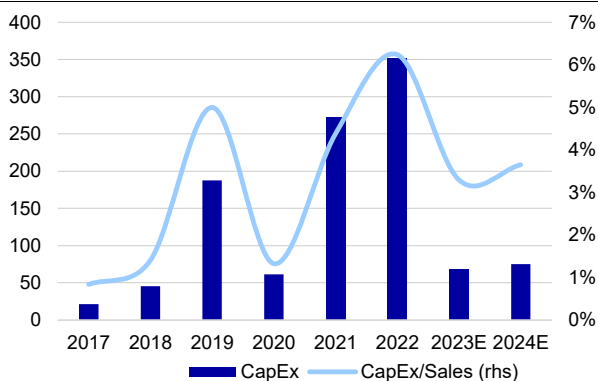
Source: Company data and Nordea estimates

EBIT (SEKm) AND EBIT MARGIN (%)



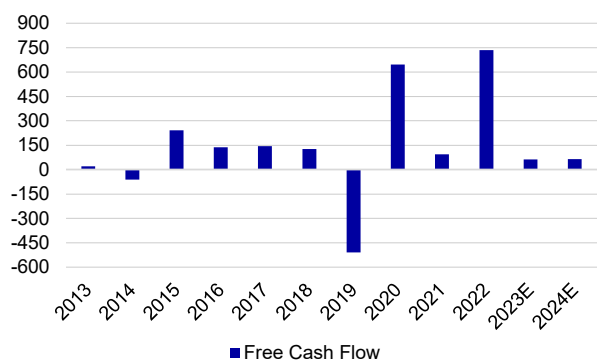
Source: Company data and Nordea estimates

CAPEX (SEKm) AND CAPEX/SALES (%)



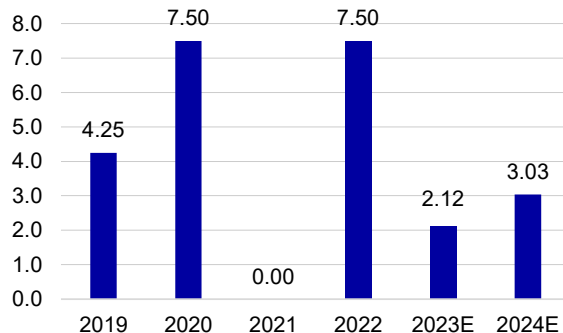
Source: Company data and Nordea estimates

FREE CASH FLOW (SEKm)



Source: Company data and Nordea estimates

DIVIDEND PER SHARE (SEK)



Source: Company data and Nordea estimates

Q4 2022 outcome

The Q4 results were mixed, with sales 47% above our estimate but EBIT still negative at SEK -13m, as Germany was still slightly loss-making as we had expected (set to improve; the company mentioned being breakeven at end of Q4 and guides for positive EBIT and cash flow in 2023 in Germany - in line with our estimates). We note that Ferronordic made significant market share gains in Germany in new trucks (grew 43% versus -1% market growth in Q4), and CIS's EBIT improved from SEK -1m to SEK +5m y/y, as momentum has been good in recent quarters. The company plans to use most of the divestment proceeds for investments in Germany and CIS, and will also search for new markets (mainly with its current partners, e.g. Volvo and Sandvik). The proposed DPS is SEK 7.5 (we expected SEK 6.0). We had estimated that the Russia divestment would impact the P&L below the EBIT line, which did not happen, and hence this was the major deviation versus our EPS estimate.

FERRONORDIC: DEVIATION TABLE

	Actual	NDA est.	Deviation		Actual		Actual	
SEKm	Q4 2022	Q4 22E	vs. actual		Q3 22	q/q	Q4 21	y/y
Sales	705	480	225	47%	1,479	-52%	1,694	-58%
Adj. EBIT	(13)	1	-14	-1269%	130	-110%	115	-111%
Adj. EBIT margin	-1.8%	0.2%	-	-2.1pp	8.8%	-10.6pp	6.8%	-8.6pp
EPS (SEK)	(1.42)	75.02	-76.44	-102%	25.25	-106%	6.01	-124%
Revenue	705	480	225	47%	1,479	-52%	1,694	-58%
Cost of sales	(608)	(415)	(193)	47%	(1,114)	-45%	(1,409)	-57%
Gross profit	97	65	32	49%	365	-73%	285	-66%
Sales expenses	(52)	(33)	(19)	59%	(83)	-37%	(71)	-27%
G&A expenses	(62)	(31)	(31)	98%	(101)	-39%	(102)	-39%
Other income	8	1	7	-	332	-	4	-
Other expenses	(4)	(1)	(3)	-	(62)	-	(5)	-
EBIT	(13)	1	(14)	-1269%	451	-103%	111	-112%
Finance income	2	0	2	-	5	-60%	10	-80%
Finance costs	(5)	(1)	(4)	-	(31)	-84%	(6)	-17%
Net FX gains/(losses)	103	-	-	-	19	-	2	-
PTP	87	1,090	(1,004)	-92%	444	-81%	117	-26%
Income tax	(37)	(0)	-	-	(77)	-	(29)	-
Net income	49	1,090	-	-96%	367	-87%	88	-44%
EPS (SEK)	(1.42)	75.02	(76.44)	-102%	25.25	-106%	6.01	-124%
Non recurring items (NRI)		0	0	-	321	-	-4	-
Sales per segment								
CIS	89	43	46	107%	-	-	30	197%
Germany	616	437	179	41%	359	71%	445	38%
Adjusted EBIT								
CIS	5	2	3	223%	-	-	-1	-
Germany	(2.0)	(0.4)	(2)	358%	(7)	-71%	(9)	-76%

Source: Company data and Nordea estimates

Estimate revisions

FERRONORDIC: ESTIMATE REVISIONS

	New estimates			Old estimates			Δ		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
SEKm									
Sales breakdown									
Equipment Sales	1,408	1,417	1,515	1,161	1,141	1,229	21%	24%	23%
Aftermarket Sales	569	552	569	646	629	649	-12%	-12%	-12%
Contracting Services & other	90	89	93	103	102	106	-12%	-12%	-12%
Group	2,067	2,058	2,177	1,909	1,872	1,984	8%	10%	10%
Gross profit	306	325	349	284	299	321	8%	9%	9%
Adj. EBITDA	108	139	156	117	138	152	-8%	1%	2%
Adj. EBIT	40	64	82	33	54	72	21%	17%	14%
Margins									
Gross margin	14.8%	15.8%	16.0%	14.9%	16.0%	16.2%	-0.1 pp	-0.2 pp	-0.1 pp
EBITDA margin	5.2%	6.7%	7.2%	6.1%	7.4%	7.7%	-0.9 pp	-0.6 pp	-0.5 pp
EBIT margin	1.9%	3.1%	3.7%	1.7%	2.9%	3.6%	0.2 pp	0.2 pp	0.1 pp
DPS (SEK)	2.1	3.0	3.6	0.8	1.7	2.0	158%	81%	77%
of which ordinary	2.1	3.0	3.6	0.8	1.7	2.0	158%	81%	77%
of which extraordinary	0.0	0.0	0.0	0.0	0.0	0.0	n.a	n.a	n.a
Per business area	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
CIS									
Sales	336	371	383	195	202	210	72%	84%	82%
Gross profit	60	66	69	39	40	42	51%	64%	63%
EBITDA	28	32	35	29	29	31	-4%	10%	13%
EBIT	24	28	30	17	19	21	40%	45%	43%
Adjusted EBIT	24	28	30	17	19	21	40%	45%	43%
Gross margin	3.4%	17.9%	18.0%	2.3%	20.0%	20.1%	1.1 pp	-2.1 pp	-2.1 pp
EBIT margin	1.4%	1.7%	1.7%	1.0%	1.1%	1.2%	0.4 pp	0.5 pp	0.5 pp
Germany									
Sales	1,731	1,687	1,794	1,715	1,670	1,774	1%	1%	1%
Gross profit	246	259	280	245	259	278	1%	0%	1%
EBITDA	80	107	121	88	109	121	-10%	-2%	0%
EBIT	16	36	51	16	35	51	0%	2%	1%
Adjusted EBIT	16	36	51	16	35	51	0%	2%	1%
Gross margin	14.2%	15.3%	15.6%	14.3%	15.5%	15.7%	-0.1 pp	-0.2 pp	-0.1 pp
EBIT margin	0.9%	2.1%	2.9%	0.9%	2.1%	2.9%	0.0 pp	0.0 pp	0.0 pp

Source: Company data and Nordea estimates

Valuation

FERRONORDIC: PEER VALUATION TABLE

Stock	Rec.	Mcap. SEKm	EV/EBITDA		adj. EV/EBIT		adj. P/E		Div. yield		ND/EBITDA		ROE		
			2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	
Barloworld	-	9,835	4.6x	4.4x	6.3x	6.0x	8.9x	8.2x	4.6%	5.0%	0.7x	0.5x	9.5%	9.8%	
Caterpillar	-	1,338,643	13.1x	12.6x	15.3x	14.7x	15.3x	14.4x	2.0%	2.1%	1.7x	1.6x	50.0%	47.9%	
Cervus	-	2,094	-	-	-	-	-	-	-	-	-	-	-	-	
Deere & Company	-	1,249,440	13.7x	13.3x	16.3x	15.3x	14.5x	13.6x	1.2%	1.2%	1.0x	0.8x	44.9%	38.2%	
Ferronordic	NO RATING	1,221	2.9x	2.0x	7.8x	4.3x	29.7x	19.4x	2.5%	3.6%	-8.5x	-6.8x	2.2%	3.5%	
Finning Int	-	42,331	6.7x	6.7x	9.5x	9.4x	10.9x	10.9x	2.7%	2.7%	1.3x	0.9x	20.6%	18.4%	
Hitachi	-	510,683	7.0x	7.0x	-	-	10.5x	11.9x	2.1%	2.1%	1.1x	0.9x	14.0%	11.1%	
Komatsu	-	247,375	6.9x	7.0x	10.6x	10.3x	9.9x	10.2x	4.0%	4.0%	1.3x	1.0x	13.0%	12.0%	
MEKO	BUY	6,853	5.3x	4.7x	8.7x	7.6x	9.9x	8.9x	2.9%	3.3%	1.5x	1.1x	9.6%	10.1%	
Volvo	BUY	423,667	4.8x	5.2x	6.4x	7.2x	11.4x	12.9x	6.0%	6.0%	-0.8x	-0.8x	22.4%	19.1%	
Average		383,214	7.2x	7.0x	10.1x	9.4x	13.4x	12.3x	3.1%	3.3%	-0.1x	-0.1x	20.7%	18.9%	
Median		144,853	6.7x	6.7x	9.1x	8.5x	10.9x	11.9x	2.7%	3.3%	1.1x	0.9x	14.0%	12.0%	
Ferronordic	NO RATING	1,221	2.9x	2.0x	7.8x	4.3x	29.7x	19.4x	2.5%	3.6%	-8.5x	-6.8x	2.2%	3.5%	
vs. peer average			-60%	-71%	-23%	-54%	121%	58%	-0.6pp	0.3pp	-	-	-18.5pp	-15.4pp	
vs. peer median			-57%	-70%	-14%	-49%	172%	63%	-0.1pp	0.3pp	-	-	-11.8pp	-8.5pp	
vs. Barloworld			-88%	-38%	-55%	23%	-27%	235%	138%	-2.1pp	-1.4pp	-	-	-7.2pp	-6.3pp
vs. Finning			-97%	-57%	-70%	-18%	-54%	172%	78%	-0.1pp	0.9pp	-	-	-18.4pp	-15.0pp
vs. Mekonomen			-82%	-46%	-58%	-10%	-43%	201%	117%	-0.1pp	0.1pp	-	-	-0.8pp	-0.7pp

Source: Company data, Refinitiv and Nordea estimates

Detailed estimates

INTERIM ESTIMATES

(SEKm)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23E	Q2 23E	Q3 23E	Q4 23E
Revenue	1,267	1,590	1,661	1,694	1,746	1,691	1,479	705	518	487	450	611
Cost of sales	-1,052	-1,304	-1,337	-1,409	-1,445	-1,335	-1,114	-608	-443	-415	-382	-521
Gross profit	215	286	324	285	301	356	365	97	74	73	68	91
Sales expenses	-54	-63	-69	-71	-79	-74	-83	-52	-32	-27	-25	-21
G&A expenses	-77	-79	-98	-102	-95	-106	-101	-62	-38	-35	-33	-51
Other income	1	2	5	4	6	10	332	8	1	1	1	1
Other expenses	-5	-2	-14	-5	-24	-40	-62	-4	-3	-2	-2	-2
EBIT	80	144	148	111	108	147	451	-13	4	9	9	17
Finance income	3	3	7	10	6	6	5	2	5	5	5	5
Finance costs	-8	-14	-20	-6	-13	-19	-31	-5	-3	-2	-2	-2
Net FX gains/(losses)	-3	-6	1	2	-20	-81	19	103	0	0	0	0
EBT	71	127	135	117	83	53	444	87	6	12	12	20
Income tax	-15	-41	-27	-29	-20	-22	-77	-37	-1	-2	-2	-4
Net income	56	86	109	88	63	31	367	-21	5	10	10	16
EPS (SEK)	3.85	5.93	7.46	6.01	4.30	2.10	25.25	-1.43	0.35	0.68	0.67	1.13
Pre-tax adjustments	-4	-3	-17	-4	0	0	321	0	0	0	0	0
After-tax adjustments	-3	-3	-13	-3	0	0	257	0	0	0	0	0
Adj. EBIT	83	147	165	115	108	147	130	-13	4	9	9	17
Adj. PTP	75	130	152	121	83	53	123	87	6	12	12	20
Adj. Net income	59	89	122	91	63	31	110	-21	5	10	10	16
Adj. EPS (SEK)	4.04	6.10	8.38	6.20	4.30	2.10	7.57	-1.43	0.35	0.68	0.67	1.13

Source: Company data and Nordea estimates

GROWTH PER SEGMENT, INTERIM

(SEKm)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23E	Q2 23E	Q3 23E	Q4 23E
Russia/CIS												
Sales	30	45	38	30	35	26	53	89	64	86	89	97
Gross profit	6	6	9	4	7	6	9	15	11	16	16	16
EBITDA	0	0	0	0	0	0	0	6	4	8	8	8
EBIT	3	4	7	-1	3	2	4	5	3	7	7	7
Adjusted EBIT	3	4	7	-1	3	2	4	5	3	7	7	7
Germany												
Sales	260	336	327	445	420	376	359	615	454	402	361	514
Gross profit	30	32	34	53	47	36	49	82	63	57	52	74
EBITDA	-3	0	-16	13	15	9	11	17	19	19	17	26
EBIT	-14	-13	-32	-12.0	-10	-10	-7	-2	0	3	2	10
Adjusted EBIT	-10	-10	-15	-9	-10	-10	-7	-2	0	3	2	10
Margins												
Group												
Gross margin	17.0%	18.0%	19.5%	16.8%	17.2%	21.1%	24.7%	13.8%	14.4%	14.9%	15.1%	14.8%
EBITDA margin	9.8%	12.2%	12.2%	10.4%	9.5%	13.2%	36.2%	1.0%	4.4%	5.4%	5.5%	5.5%
EBIT margin	6.3%	9.0%	8.9%	6.6%	6.2%	8.7%	30.5%	-1.8%	0.7%	1.9%	2.0%	2.8%
Adjusted EBIT margin	6.6%	9.2%	9.9%	6.8%	6.2%	8.7%	8.8%	-1.8%	0.7%	1.9%	2.0%	2.8%
Russia/CIS												
Gross margin	20.0%	13.3%	23.7%	13.3%	20.0%	23.1%	17.0%	16.9%	17.8%	18.2%	18.0%	17.0%
EBITDA margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%	6.3%	8.9%	9.0%	8.4%
EBIT margin	10.0%	8.9%	18.4%	-3.3%	8.6%	7.7%	7.5%	5.6%	5.2%	7.7%	7.8%	7.2%
Adjusted EBIT margin	10.0%	8.9%	18.4%	-3.3%	8.6%	7.7%	7.5%	5.6%	5.2%	7.7%	7.8%	7.2%
Germany												
Gross margin	11.6%	9.6%	10.4%	11.9%	11.2%	9.6%	13.6%	13.3%	13.9%	14.2%	14.4%	14.4%
EBITDA margin	-1.1%	-0.1%	-4.9%	2.9%	3.6%	2.4%	3.1%	2.8%	4.1%	4.7%	4.6%	5.0%
EBIT margin	-5.3%	-3.8%	-9.8%	-2.7%	-2.4%	-2.7%	-1.9%	-0.3%	0.1%	0.7%	0.6%	2.0%
Adjusted EBIT margin	-3.9%	-2.9%	-4.6%	-1.9%	-2.4%	-2.7%	-1.9%	-0.3%	0.1%	0.7%	0.6%	2.0%

Source: Company data and Nordea estimates

ANNUAL ESTIMATES

(SEKm)	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Revenue	2,567	3,241	3,747	4,635	6,211	5,621	2,067	2,058	2,177
Cost of sales	-2,079	-2,627	-2,972	-3,837	-5,102	-4,502	-1,761	-1,733	-1,828
Gross profit	488	614	775	797	1,110	1,119	306	325	349
Sales expenses	-125	-138	-162	-219	-256	-288	-106	-102	-99
G&A expenses	-165	-190	-238	-264	-357	-364	-156	-155	-163
Other income	5	4	8	24	13	356	4	4	5
Other expenses	-16	-17	-26	-11	-27	-130	-9	-9	-10
EBIT	187	274	358	328	483	693	40	64	82
Finance income	15	7	6	12	23	19	20	20	22
Finance costs	-7	-9	-58	-59	-49	-68	-8	-5	-4
Net FX gains/(losses)	-2	-5	12	-5	-5	21	0	0	0
EBT	193	267	318	276	451	666	51	79	100
Income tax	-42	-58	-68	-54	-112	-156	-10	-16	-20
Net income	151	209	251	222	339	439	41	63	80
EPS (SEK)	8.50	14.25	17.26	15.25	23.33	30.22	2.83	4.33	5.48
Pre-tax adjustments	0	0	-7	-2	-27	321	0	0	0
After-tax adjustments	0	0	-6	-1	-22	257	0	0	0
Adj. EBIT	187	274	365	330	510	372	40	64	82
Adj. PTP	193	267	325	277	478	345	51	79	100
Adj. Net income	151	209	256	223	361	182	41	63	80
Adj. EPS (SEK)	8.50	14.25	17.64	15.34	24.81	12.54	2.83	4.33	5.48

Source: Company data and Nordea estimates

ANNUAL GROWTH PER SEGMENT*

(SEKm)	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Russia/CIS									
Sales	2,567	3,241	3,747	3,652	143	203	336	371	383
Gross profit	488	614	773	714	25	37	60	66	69
EBITDA	214	322	494	533	0	6	28	32	35
EBIT	187	274	358	394	13	14	24	28	30
Adjusted EBIT	187	274	358	383	13	14	24	28	30
Germany									
Sales	0	0	0	983	1,367	1,770	1,731	1,687	1,794
Gross profit	0	0	0	84	149	214	246	259	280
EBITDA	0	0	0	-29	-6	52	80	107	121
EBIT	0	0	0	-66	-71	-29	16	36	51
Adjusted EBIT	0	0	0	-57	-43	-29	16	36	51
Margins									
Group									
Gross margin	19.0%	19.0%	20.7%	17.2%	17.9%	19.9%	14.8%	15.8%	16.0%
EBITDA margin	8.3%	9.9%	13.2%	10.9%	8.8%	13.8%	5.2%	6.7%	7.2%
EBIT margin	7.3%	8.4%	9.5%	7.1%	7.8%	12.3%	1.9%	3.1%	3.7%
Adjusted EBIT margin	7.3%	8.4%	9.7%	7.1%	8.2%	6.6%	1.9%	3.1%	3.7%
Russia/CIS									
Gross margin	19.0%	19.0%	20.6%	19.5%	17.5%	18.2%	17.7%	17.9%	18.0%
EBITDA margin	8.3%	9.9%	13.2%	14.6%	0.0%	3.0%	8.3%	8.7%	9.1%
EBIT margin	7.3%	8.4%	9.5%	10.8%	9.1%	6.9%	7.1%	7.5%	7.9%
Adjusted EBIT margin	7.3%	8.4%	9.5%	10.5%	9.1%	6.9%	7.1%	7.5%	7.9%
Germany									
Gross margin	-	-	-	8.5%	10.9%	12.1%	14.2%	15.3%	15.6%
EBITDA margin	-	-	-	-2.9%	-0.5%	2.9%	4.6%	6.3%	6.8%
EBIT margin	-	-	-	-6.7%	-5.2%	-1.6%	0.9%	2.1%	2.9%
Adjusted EBIT margin	-	-	-	-5.8%	-3.2%	-1.6%	0.9%	2.1%	2.9%

*Including Russian operations in Russia/CIS 2017-20

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

SEKm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	1,469	1,658	2,567	3,241	3,747	4,635	6,211	5,621	2,067	2,058	2,177
Revenue growth	-37.1%	12.9%	54.8%	26.3%	15.6%	23.7%	34.0%	-9.5%	-63.2%	-0.4%	5.8%
of which organic	-18.6%	21.0%	36.2%	32.2%	11.4%	16.2%	6.9%	17.5%	-3.6%	-0.5%	5.6%
of which FX	-18.5%	-8.1%	18.6%	-6.0%	4.0%	-16.1%	-0.9%	3.7%	1.7%	0.1%	0.0%
EBITDA	130	153	214	322	494	504	548	776	108	139	156
Depreciation and impairments PPE	-43	-34	-26	-48	-136	-176	-66	-83	-68	-75	-74
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	87	119	187	274	358	328	483	693	40	64	82
Amortisation and impairments	-26	-15	0	0	0	0	0	0	0	0	0
EBIT	61	104	187	274	358	328	483	693	40	64	82
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	-24	3	6	-7	-39	-53	-31	-27	12	15	18
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	37	107	193	267	318	276	452	666	51	79	100
Reported taxes	-8	-24	-42	-58	-68	-54	-112	-156	-10	-16	-20
Net profit from continued operations	29	84	151	209	251	222	339	510	41	63	80
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	-21	30	87	207	251	222	339	510	41	63	80
EPS, SEK	-2.12	3.03	8.06	14.25	17.26	15.25	23.35	35.07	2.83	4.33	5.48
DPS, SEK	0.00	0.00	1.73	7.50	4.25	7.50	0.00	7.50	2.12	3.03	3.56
of which ordinary	0.00	0.00	1.73	3.75	4.25	7.50	0.00	7.50	2.12	3.03	3.56
of which extraordinary	0.00	0.00	0.00	3.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profit margin in percent

EBITDA	8.9%	9.2%	8.3%	9.9%	13.2%	10.9%	8.8%	13.8%	5.2%	6.7%	7.2%
EBITA	5.9%	7.2%	7.3%	8.4%	9.5%	7.1%	7.8%	12.3%	1.9%	3.1%	3.7%
EBIT	4.2%	6.3%	7.3%	8.4%	9.5%	7.1%	7.8%	12.3%	1.9%	3.1%	3.7%

Adjusted earnings

EBITDA (adj)	130	153	214	322	501	503	576	455	108	139	156
EBITA (adj)	87	137	187	274	365	330	510	372	40	64	82
EBIT (adj)	87	132	187	274	365	330	510	372	40	64	82
EPS (adj, SEK)	-0.08	5.18	8.06	14.25	17.74	15.36	25.23	17.40	2.83	4.33	5.48

Adjusted profit margins in percent

EBITDA (adj)	8.9%	9.2%	8.3%	9.9%	13.4%	10.9%	9.3%	8.1%	5.2%	6.7%	7.2%
EBITA (adj)	5.9%	8.3%	7.3%	8.4%	9.7%	7.1%	8.2%	6.6%	1.9%	3.1%	3.7%
EBIT (adj)	5.9%	7.9%	7.3%	8.4%	9.7%	7.1%	8.2%	6.6%	1.9%	3.1%	3.7%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	-7.3%	1.4%	5.5%	9.9%	25.8%	30.2%	17.0%	-8.6%	-11.3%	-14.0%
EBITDA	n.m.	11.6%	13.0%	16.0%	23.5%	31.1%	29.1%	29.4%	-19.7%	-22.4%	-20.9%
EBIT	n.a.	27.7%	48.0%	39.6%	39.0%	40.0%	35.9%	29.9%	-32.1%	-29.2%	-24.3%
EPS	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	50.4%	34.2%	-27.6%	-24.1%	-18.5%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	34.1%	-10.8%	-6.5%	-13.8%
Average last 5 years											
Average EBIT margin	2.1%	3.0%	4.5%	6.2%	7.8%	7.9%	8.0%	9.1%	8.5%	7.8%	7.5%
Average EBITDA margin	5.9%	7.0%	7.8%	8.8%	10.3%	10.6%	10.2%	11.3%	10.9%	10.1%	9.5%

VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E (adj)	n.a.	n.a.	18.7	8.9	9.2	10.2	13.4	4.4	30.4	19.9	15.7
EV/EBITDA (adj)	n.a.	n.a.	6.1	4.8	6.1	4.5	8.9	0.3	3.2	2.2	1.8
EV/EBITA (adj)	n.a.	n.a.	7.0	5.6	8.4	6.9	10.0	0.4	8.6	4.8	3.5
EV/EBIT (adj)	n.a.	n.a.	7.0	5.6	8.4	6.9	10.0	0.4	8.6	4.8	3.5

VALUATION RATIOS - REPORTED EARNINGS

SEKm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E	n.a.	n.a.	18.7	8.9	9.4	10.3	14.4	2.2	30.4	19.9	15.7
EV/Sales	n.a.	n.a.	0.51	0.48	0.82	0.49	0.82	0.03	0.16	0.15	0.13
EV/EBITDA	n.a.	n.a.	6.1	4.8	6.2	4.5	9.3	0.2	3.2	2.2	1.8
EV/EBITA	n.a.	n.a.	7.0	5.6	8.6	6.9	10.6	0.2	8.6	4.8	3.5
EV/EBIT	n.a.	n.a.	7.0	5.6	8.6	6.9	10.6	0.2	8.6	4.8	3.5
Dividend yield (ord.)	n.a.	n.a.	1.1%	2.9%	2.6%	4.8%	0.0%	9.8%	2.5%	3.5%	4.1%
FCF yield	n.a.	n.a.	8.9%	6.8%	-21.5%	28.2%	1.9%	65.9%	5.0%	5.1%	5.5%
FCF Yield bef A&D, lease adj	n.a.	n.a.	8.8%	6.6%	-21.6%	28.1%	4.9%	-10.7%	5.8%	5.1%	5.5%
Payout ratio	0.0%	0.0%	21.5%	52.6%	24.0%	48.8%	0.0%	43.1%	75.0%	70.0%	65.0%

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	15	2	6	6	12	8	81	85	89	89	89
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	15	2	6	6	12	8	81	85	85	85	85
of which goodwill	0	0	0	0	0	0	0	0	4	4	4
Tangible assets	83	116	136	263	700	507	1,006	560	565	565	565
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	45	42	42	41	51	65	105	78	78	78	78
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	143	160	184	310	763	579	1,192	724	733	733	733
Inventory	327	467	633	741	1,290	1,014	1,432	460	201	200	211
Accounts receivable	161	202	243	319	322	393	535	344	186	185	196
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	1	4	3	2	84	37	46	1	0	0	0
Cash and bank	175	199	352	357	519	604	768	1,688	1,642	1,675	1,700
Total current assets	665	872	1,231	1,418	2,214	2,048	2,781	2,493	2,029	2,061	2,108
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	808	1,033	1,414	1,727	2,978	2,628	3,973	3,217	2,762	2,793	2,840
Shareholders equity	322	442	611	656	890	806	1,101	1,873	1,805	1,837	1,873
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	322	442	611	656	890	806	1,101	1,873	1,805	1,837	1,873
Deferred tax	0	0	1	1	7	5	7	1	1	1	1
Long term interest bearing debt	4	15	22	28	377	422	588	437	437	437	437
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	4	16	23	31	391	428	617	460	460	460	460
Short-term provisions	4	10	13	17	22	26	39	1	0	0	0
Accounts payable	384	547	737	982	917	1,188	1,809	573	196	196	207
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	4	7	12	15	21	19	28	16	6	6	6
Short term interest bearing debt	90	11	19	26	735	161	379	295	295	295	295
Total current liabilities	482	575	780	1,040	1,696	1,393	2,255	884	497	496	508
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	808	1,033	1,414	1,727	2,978	2,628	3,973	3,217	2,762	2,793	2,840
Balance sheet and debt metrics											
Net debt	-81	-173	-312	-303	689	-20	199	-957	-911	-944	-969
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	101	120	130	64	756	238	176	216	185	184	194
Invested capital	244	280	314	374	1,519	818	1,368	940	917	916	927
Capital employed	416	468	651	710	2,003	1,390	2,068	2,604	2,536	2,568	2,604
ROE	-6.1%	7.9%	16.4%	32.7%	32.4%	26.1%	35.6%	34.3%	2.2%	3.5%	4.3%
ROIC	18.3%	39.2%	49.2%	62.1%	30.0%	22.0%	36.4%	25.1%	3.3%	5.4%	6.9%
ROCE	18.1%	31.9%	36.1%	41.3%	27.4%	20.1%	30.8%	16.8%	2.3%	3.3%	4.0%
Net debt/EBITDA	-0.6	-1.1	-1.5	-0.9	1.4	0.0	0.4	-1.2	-8.5	-6.8	-6.2
Interest coverage	2.7	14.4	30.7	31.6	6.3	5.7	10.4	10.5	7.3	16.7	25.9
Equity ratio	39.8%	42.8%	43.2%	38.0%	29.9%	30.7%	27.7%	58.2%	65.4%	65.8%	65.9%
Net gearing	-25.3%	-39.1%	-51.0%	-46.2%	77.4%	-2.5%	18.1%	-51.1%	-50.5%	-51.4%	-51.7%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

SEKm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
EBITDA (adj) for associates	130	153	214	322	494	504	548	776	108	139	156
Paid taxes	0	0	0	0	-85	-71	-170	-127	-10	-16	-20
Net financials	24	-3	-6	7	-58	-59	-55	-85	12	15	18
Change in provisions	-5	7	3	4	5	3	13	-38	-1	0	0
Change in other LT non-IB	-9	3	0	3	-6	-20	-19	27	0	0	0
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	-38	-36	-44	-68	17	19	164	392	0	0	0
Funds from operations (FFO)	101	123	168	267	367	377	481	945	109	138	154
Change in NWC	133	18	-20	-106	-698	316	-24	-730	32	1	-11
Cash flow from operations (CFO)	234	141	148	161	-330	693	457	215	140	139	143
Capital expenditure	3	-10	-7	-38	-181	-49	-217	-334	-68	-75	-74
Free cash flow before A&D	237	132	141	123	-511	643	240	-119	72	64	69
Proceeds from sale of assets	5	4	3	3	2	3	8	854	0	0	0
Acquisitions	0	0	0	0	0	0	-153	0	-9	0	0
Free cash flow	242	136	144	126	-509	646	95	735	63	64	69
Free cash flow bef A&D, lease adj	237	132	141	123	-511	643	240	-119	72	64	69
Dividends paid	-50	-53	-58	-30	-109	-62	-109	0	-109	-31	-44
Equity issues / buybacks	-1	0	0	0	0	0	0	0	0	0	0
Net change in debt	109	0	-28	0	802	-402	253	233	0	0	0
Other financing adjustments	-30	-15	-12	2	-3	-114	-81	-65	0	0	0
Other non-cash adjustments	-272	-45	108	-94	-18	16	6	18	0	0	0
Change in cash	-2	24	153	4	163	84	164	920	-46	33	25
Cash flow metrics											
Capex/D&A	-4.4%	20.0%	25.8%	80.1%	n.m.	28.1%	n.m.	n.m.	100.0%	100.0%	100.0%
Capex/Sales	-0.2%	0.6%	0.3%	1.2%	4.8%	1.1%	3.5%	5.9%	3.3%	3.7%	3.4%
Key information											
Share price year end (/current)	n.a.	n.a.	151	127	163	157	337	77	86	86	86
Market cap.	n.a.	n.a.	1,615	1,849	2,369	2,287	4,897	1,115	1,251	1,251	1,251
Enterprise value	n.a.	n.a.	1,303	1,546	3,058	2,267	5,096	158	340	307	282
Diluted no. of shares, year-end (m)	10.0	10.0	10.7	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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