

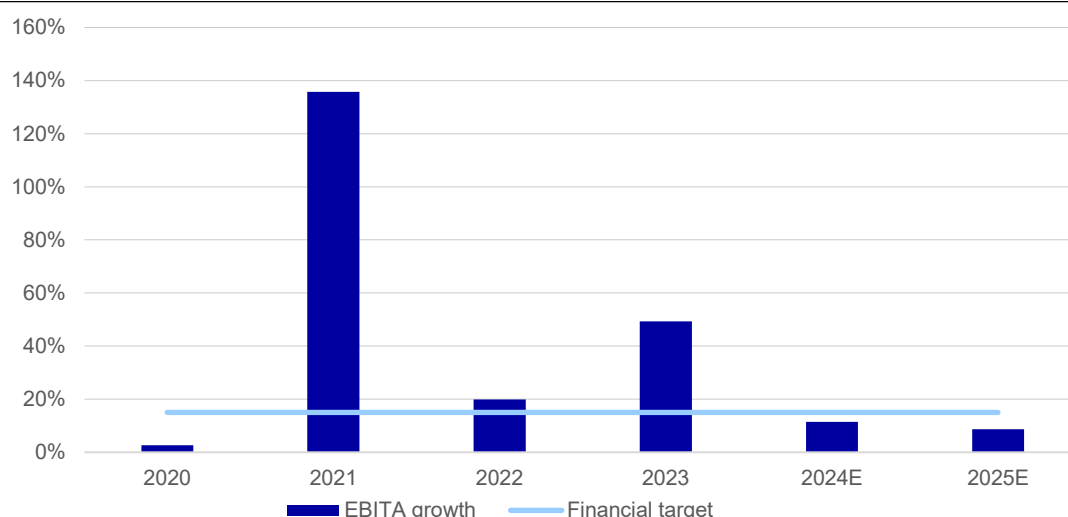
20 April 2023

Commissioned research: Stockwik Forvaltning - Ambitious new financial target presented

Marketing material commissioned by Stockwik Forvaltning

Today, Stockwik announced changes to its long term financial targets, in which the company now seeks to grow EBITA by 15% on an annual basis. The company further states that the ambition is to reach this target by an even split between organic growth and acquired growth, over time. **Our view:** While we find it likely that Stockwik will significantly overshoot the target in 2023E, we currently pencil in a more modest earnings growth for the respective years of 2024E and 2025E. Owing to its significant exposure to low-growth markets such as Property Services, Healthcare and Industry, we currently pencil in a more modest organic growth of 2-3% for 2023E-25E, which is on par with historical GDP growth. As such, we are somewhat surprised regarding the statement that the long term ambition is to reach this target through an equal split between organic and M&A-driven growth, as we argue that the target is likely to require a larger tilt towards M&A driven growth in order to be reached. We therefore find the new financial targets to be quite ambitious, in which we currently find relatively little M&A-headroom in the near term, given net debt to EBITDA of 3.6x for 2023E.

STOCKWIK: ANNUAL EBITA GROWTH VERSUS FINANCIAL TARGET, %



Source: Company data and Nordea estimates

SUMMARY TABLE - KEY FIGURES

SEKm	2020	2021	2022	2023E	2024E	2025E
Total revenue	439	584	765	864	936	1,003
EBITDA (adj)	37	68	83	104	116	125
EBIT (adj)	10	31	39	61	69	80
EBIT (adj) margin	2.3%	5.2%	5.1%	7.1%	7.3%	8.0%
EPS (adj, SEK)	-0.19	-1.56	0.60	0.84	2.06	4.54
EPS (adj) growth	-103.0%	-729.1%	138.7%	39.4%	146.0%	120.1%
DPS (ord, SEK)	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	1.6	1.4	0.6	0.6	0.6	0.5
EV/EBIT (adj)	67.9	27.4	12.5	8.6	7.6	6.4
P/E (adj)	n.m.	n.m.	34.0	28.5	11.6	5.3
P/BV	3.7	2.3	0.5	0.6	0.6	0.5
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease adj	2.2%	0.7%	20.1%	18.5%	22.2%	29.7%
Net debt	252	257	360	380	376	362
Net debt/EBITDA	6.9	3.8	4.3	3.6	3.3	2.9
ROIC after tax	2.5%	5.5%	5.5%	7.8%	8.9%	10.4%

Source: Company data and Nordea estimates

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