

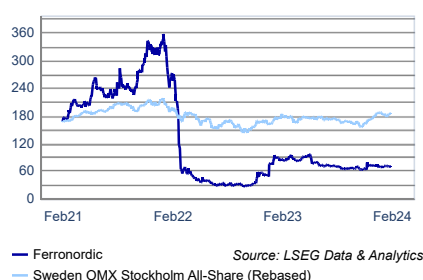
Ferronordic

Capital Goods
Sweden

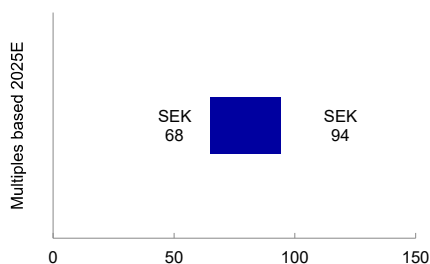
KEY DATA

Stock country	Sweden
Bloomberg	FNM SS
Reuters	FNMA.ST
Share price (close)	SEK 71.90
Free float	85%
Market cap. (bn)	EUR 0.09/SEK 1.04
Website	https://ferronordic.com
Next report date	22 Feb 2024

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	3%	-4%	2%
EBIT (adj)	-7%	-6%	-7%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Agnieszka Vilela
Managing DirectorAnders Åkerblom
Assistant Analyst

Not so Nordic anymore

Ferronordic will report its Q4 2023 results on 22 February. We expect to see some light at the end of the tunnel, with Q4 being the first breakeven quarter (our estimate: EBIT of SEK -0.7m) since Q3 2022, supported by the acquisition of the US-based Rudd Equipment in November. We argue that Ferronordic's resilience and growth profile will be more attractive as a result. Trading at 2025E EV/EBIT of 8.4x and a 2-7% discount to key peers Finning and MEKO, we believe the newfound US exposure and expected robust incremental operating leverage could warrant a rerating over time; as such, we see a valuation that is closer in line with the peer group average (11.0x), reflected at the upper end of our valuation range. All in all, even though we believe the company will face a tougher market in 2024, we raise our multiples-based fair value range slightly to SEK 68-94 (65-94), implying EV/EBIT of 8-11x for 2025E.

Q4 and 2024 expectations

Ahead of the Q4 results, we lower 2023E group EBIT by ~7% (from SEK -49m to SEK -53m), due to continued cost pressure and an unfavourable mix, but we raise our sales estimate by 3% (FX). With a more muted market outlook for this year, we cut 2024E sales by ~4%, due to a significant drop-off in new equipment, which should be visible as early as Q1 and lead to -14% organic growth for 2024E. We expect Ferronordic to return to organic growth in 2025 (we pencil in 9%). On the bright side, we see the gross margin expanding to 16.1% for 2024E, thanks to customers' intensive cost focus and service bias, benefitting the profitable aftermarket business.

All eyes on the US

We expect to see a clearly positive contribution to group EBIT, driven by the margin-accretive M&A and a greater share of aftermarket sales, serving to: 1) counteract declining new equipment sales and 2) improve the product mix. In our view, this should contribute to a stronger operating margin of 4.0%, yielding EBIT of SEK 199m for 2024E (versus SEK -53m for 2023E). Following an expected solid year-end 2023 for Volvo Construction Equipment (CE) in North America, we estimate that segment sales will hover at -15% y/y for 2024. Given 1) the weaker outlook, despite supportive longer-term infrastructure projects, and 2) expected limited cost-saving and efficiency gains in the US business in the near term, we lower our EBIT margin assumption by 40bp y/y for 2024E to a still healthy 7.1%, thus driving group ROCE of 7.3% (-1.1% for 2023E). Over time, we also see potential for further M&A in a fragmented US CE distribution market.

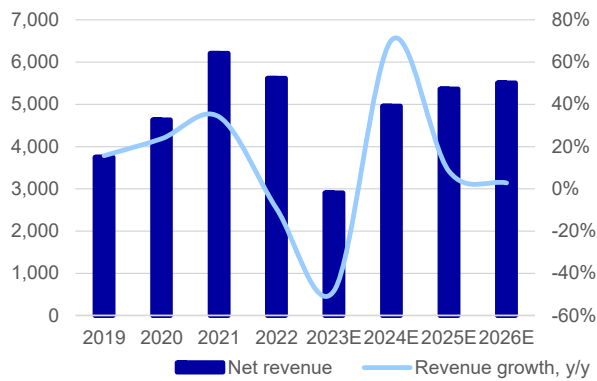
SUMMARY TABLE - KEY FIGURES

SEKm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	3,747	4,635	6,211	5,621	2,908	4,958	5,365
EBITDA (adj)	501	503	576	455	62	368	393
EBIT (adj)	365	330	510	372	-53	199	226
EBIT (adj) margin	9.7%	7.1%	8.2%	6.6%	-1.8%	4.0%	4.2%
EPS (adj, SEK)	17.74	15.36	25.23	17.40	-2.12	7.64	9.60
EPS (adj) growth	24.5%	-13.4%	64.3%	-31.1%	-112.2%	460.9%	25.7%
DPS (ord, SEK)	4.25	7.50	0.00	7.50	0.10	1.53	2.40
EV/Sales	0.8	0.5	0.8	0.0	0.7	0.4	0.4
EV/EBIT (adj)	8.4	6.9	10.0	0.4	n.m.	9.8	8.4
P/E (adj)	9.2	10.2	13.4	4.4	n.m.	9.4	7.5
P/BV	2.7	2.8	4.4	0.6	0.6	0.6	0.5
Dividend yield (ord)	2.6%	4.8%	0.0%	9.8%	0.1%	2.1%	3.3%
FCF Yield bef A&D, lease	-21.6%	28.1%	4.9%	-10.7%	-41.0%	2.2%	5.9%
Net debt	689	-20	199	-957	925	904	865
Net debt/EBITDA	1.4	0.0	0.4	-1.2	14.9	2.5	2.2
ROIC after tax	30.0%	22.0%	36.4%	25.1%	-2.3%	5.7%	6.3%

Source: Company data and Nordea estimates

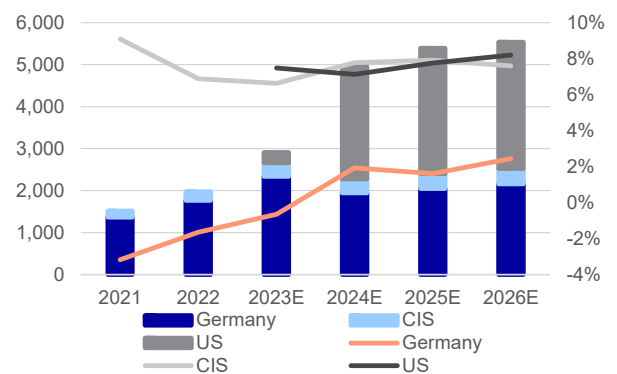
Quarterly charts

SALES AND SALES GROWTH (SEKm, %), 2019-26E



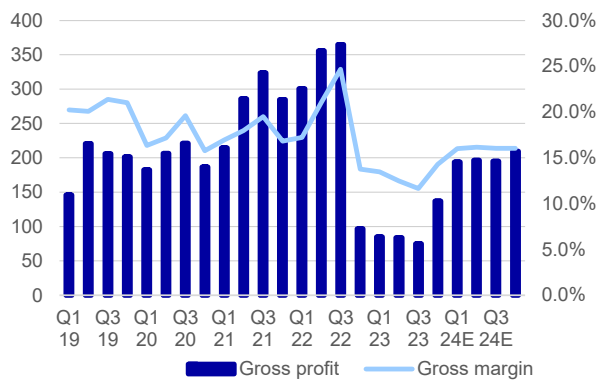
Source: Company data and Nordea estimates

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



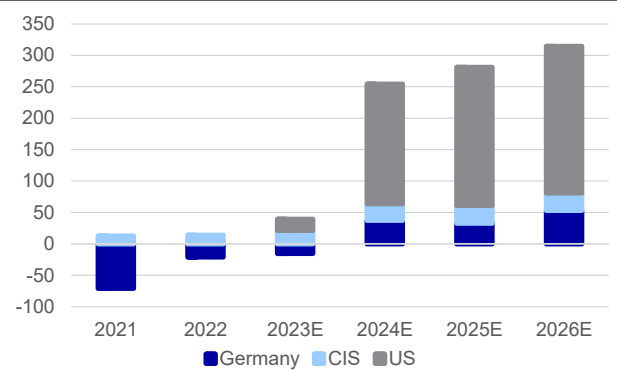
Source: Company data and Nordea estimates

GROSS PROFIT AND MARGIN (SEKm, %), 2019-24E



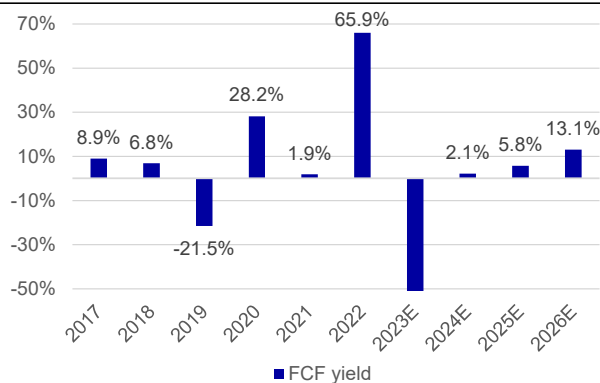
Source: Company data and Nordea estimates

OPERATING PROFIT PER MARKET (SEKm), 2021-26E



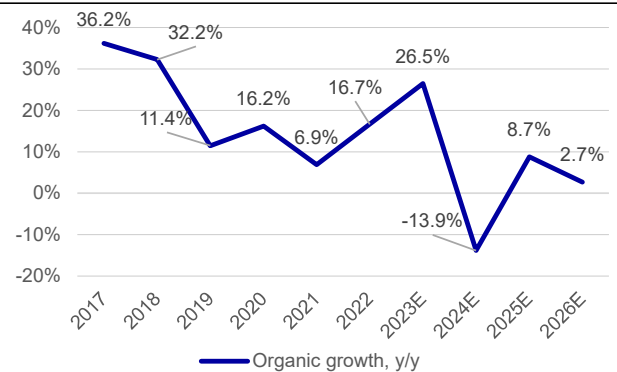
Source: Company data and Nordea estimates

FCF YIELD (%), 2017-26E



Source: Company data and Nordea estimates

GROUP ORGANIC GROWTH (%), 2017-26E



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	2,062	3,056	3,281	1,948	3,303	3,447	6%	-7%	-5%
Aftermarket Sales	759	1,804	2,010	782	1,775	1,841	-3%	2%	9%
Contracting Services & other	88	98	99	92	101	104	-4%	-3%	-4%
Group	2,909	4,932	5,365	2,819	5,175	5,275	3%	-5%	2%
Gross profit	381	796	818	370	788	834	3%	1%	-2%
Adj. EBITDA	62	368	393	65	380	417	-5%	-3%	-6%
Adj. EBIT	-53	199	226	-49	212	244	-7%	-6%	-7%
Margins									
Gross margin	13.1%	16.1%	15.2%	13.1%	15.2%	15.8%	0.0 pp	0.8 pp	-0.6 pp
EBITDA margin	2.1%	7.4%	7.3%	2.3%	7.3%	7.9%	-0.2 pp	0.1 pp	-0.6 pp
EBIT margin	-1.8%	4.0%	4.2%	-1.7%	4.1%	4.6%	-0.1 pp	-0.1 pp	-0.4 pp
DPS (SEK)	0.1	1.5	2.4	0.1	2.3	2.8	0%	-33%	-15%
of which ordinary	0.1	1.5	2.4	0.1	2.3	2.8	0%	-33%	-15%
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
CA (Kazakhstan)									
Sales	323	335	355	323	368	381	0%	-9%	-7%
Gross profit	53	59	60	56	65	68	-5%	-9%	-11%
EBITDA	25	30	32	27	34	37	-5%	-14%	-14%
EBIT	21	26	28	23	31	34	-6%	-15%	-16%
Adjusted EBIT	21	26	28	23	31	34	-6%	-15%	-16%
Gross margin	16.4%	17.5%	17.0%	17.2%	17.6%	17.7%	-0.8 pp	-0.1 pp	-0.7 pp
EBIT margin	6.6%	7.8%	7.9%	7.0%	8.4%	8.8%	-0.4 pp	-0.6 pp	-0.9 pp
Germany									
Sales	2,342	1,946	2,049	2,267	1,992	2,077	3%	-2%	-1%
Gross profit	291	304	302	281	299	322	4%	2%	-6%
EBITDA	72	109	110	72	110	127	-1%	0%	-14%
EBIT	-15	37	33	-12	30	46	-30%	25%	-29%
Adjusted EBIT	-15	37	33	-12	30	46	-30%	25%	-29%
Gross margin	12.4%	15.6%	14.8%	12.4%	15.0%	15.5%	0.0 pp	0.6 pp	-0.8 pp
EBIT margin	-0.7%	1.9%	1.6%	-0.5%	1.5%	2.2%	-0.1 pp	0.4 pp	-0.6 pp
North America*									
Sales	2,875	2,676	2,986	2,865	2,820	2,932	0%	-5%	2%
Gross profit	435	433	455	430	424	444	1%	2%	3%
EBITDA	306	284	343	n.a	n.a	n.a	n.a	n.a	n.a
EBIT	215	191	231	214	211	224	0%	-10%	3%
Adjusted EBIT	215	191	231	214	211	224	0%	-10%	3%
Gross margin	15.1%	16.2%	15.3%	15.0%	15.1%	15.2%	0.1 pp	1.1 pp	0.1 pp
EBIT margin	7.5%	7.1%	7.8%	7.5%	7.5%	7.7%	0.0 pp	-0.4 pp	0.1 pp

*Certain assumptions made by Nordea

Source: Company data and Nordea estimates

Valuation

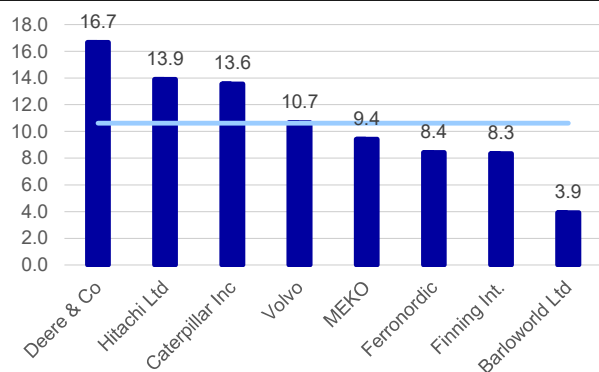
FERRONORDIC: PEER VALUATION TABLE

SEKmn		Mcap.	Sales			EBIT (adj.)			EBIT margin (adj.)			EV/EBIT (adj.)			P/E (adj.)		
Stock	Rec.	Current	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Barloworld Ltd	-	7,847	24,140	23,061	23,484	2,558	2,199	2,261	10.6%	9.5%	9.6%	3.5	4.0	3.9	6.4	7.3	6.3
Caterpillar Inc	-	1,588,105	700,481	705,633	727,836	142,559	139,163	140,481	20.4%	19.7%	19.3%	13.4	13.7	13.6	14.4	14.7	13.8
Deere & Co	-	1,144,708	603,709	490,706	491,306	137,403	105,366	103,543	22.8%	21.5%	21.1%	12.6	16.4	16.7	11.1	14.1	13.9
Finning Int.	-	43,450	74,876	76,522	79,081	7,315	7,350	7,632	9.8%	9.6%	9.7%	8.7	8.7	8.3	9.9	9.6	9.0
Hitachi Ltd	-	772,760	820,466	661,084	631,796			59,335			9.4%			13.9	16.3	19.2	18.4
Komatsu Ltd	-	284,709	270,374	264,907	263,575										11.3	10.1	10.9
MEKO	BUY	5,956	17,007	17,397	17,825	946	1,075	1,168	5.6%	6.2%	6.5%	11.6	10.2	9.4	10.7	8.9	7.8
Volvo	BUY	510,413	542,932	497,296	523,326	74,292	57,634	62,512	13.7%	11.6%	11.9%	9.0	11.6	10.7	8.7	11.4	10.5
Average		544,744	381,748	342,076	344,779	60,845	52,131	53,847	13.8%	13.0%	12.5%	9.8	10.8	10.9	11.1	11.9	11.3
Median		397,561	406,653	377,807	377,440	40,803	32,492	59,335	12.1%	10.6%	9.7%	10.3	10.9	10.7	10.9	10.7	10.7
Ferronordic	NO RATING*	1,043	2,908	4,958	5,365	-53	199	226	-1.8%	4.0%	4.2%	nm	9.8	8.4	nm	9.4	7.5
vs. peer average			-99%	-99%	-98%	nm	-100%	-100%	nm	-9.0pp	-8.3pp	nm	-9%	-23%	nm	-21%	-34%
vs. peer median			-99%	-99%	-99%	nm	-99%	-100%	nm	-6.6pp	-5.4pp	nm	-10%	-21%	nm	-13%	-30%
vs. Finning		-98%	-96%	-94%	-93%	nm	-97%	-97%	nm	-5.6pp	-5.4pp	nm	13%	1%	nm	-2%	-17%
vs. MEKO		-82%	-83%	-72%	-70%	nm	-81%	-81%	nm	-2.2pp	-2.3pp	nm	-4%	-11%	nm	5%	-4%

*No Rating indicates companies under commissioned coverage; the other companies are not in our coverage universe, except those for which a recommendation is stated

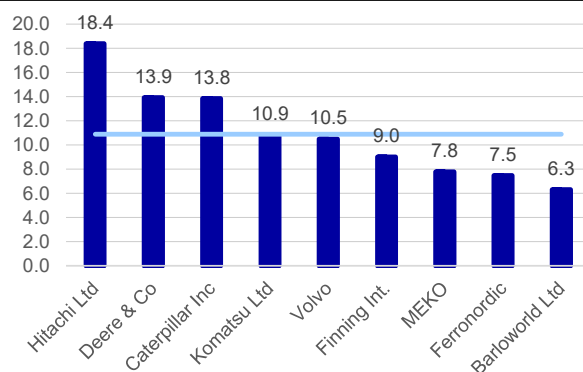
Source: Company data and Nordea estimates

ADJUSTED EV/EBIT (x), 2025E



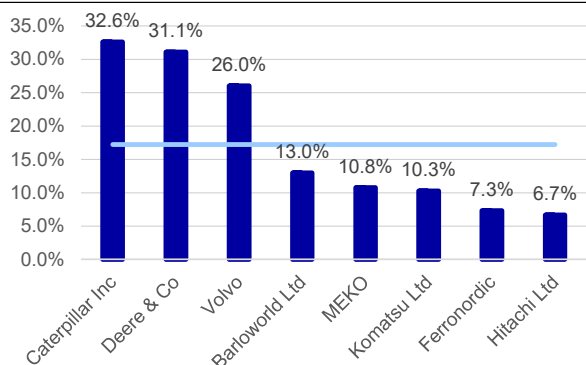
Source: LSEG Data & Analytics, company data and Nordea estimates

ADJUSTED P/E (x), 2025E



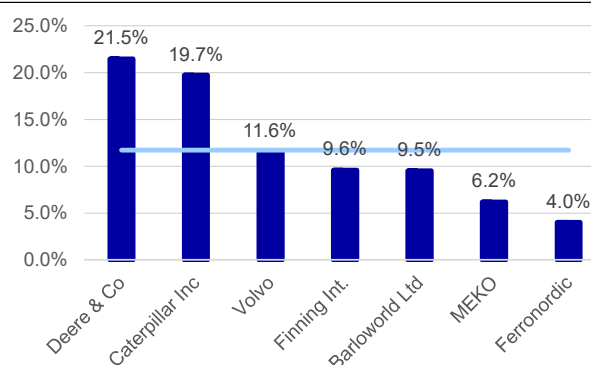
Source: LSEG Data & Analytics, company data and Nordea estimates

ADJUSTED ROCE, 2024E



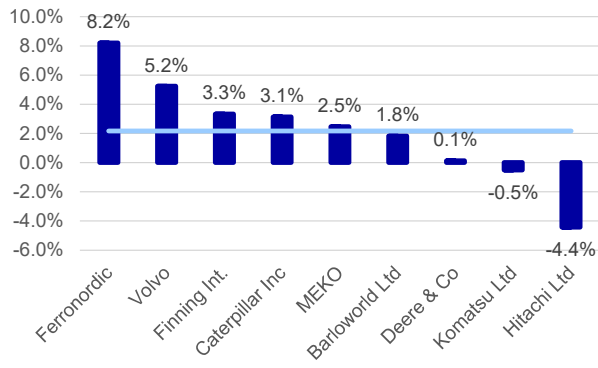
Source: LSEG Data & Analytics, company data and Nordea estimates

ADJUSTED EBIT MARGIN, 2024E



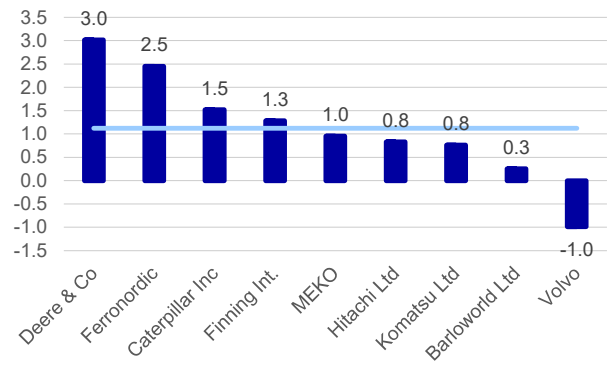
Source: LSEG Data & Analytics, company data and Nordea estimates

SALES CAGR, 2024E-25E



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

ADJUSTED ND/EBITDA (x), 2024E



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

Detailed estimates

INTERIM ESTIMATES

(SEKm)	Q1 23	Q2 23	Q3 23	Q4 23E	Q1 24E	Q2 24E	Q3 24E	Q4 24E
Revenue	631	674	643	960	1,211	1,219	1,219	1,309
Cost of sales	-546	-590	-568	-823	-1,017	-1,022	-1,023	-1,100
Gross profit	85	84	75	137	194	197	195	210
Sales expenses	-42	-48	-49	-53	-35	-44	-33	-40
G&A expenses	-57	-57	-59	-85	-111	-103	-113	-118
Other income	0	10	9	0	0	0	0	0
Other expenses	0	0	-4	0	0	0	0	0
EBIT	-14	-10	-28	-1	49	50	49	52
Finance income	5	10	8	0	0	0	0	0
Finance costs	-7	-8	-11	-15	-15	-15	-15	-15
Net FX gains/(losses)	23	88	-84	0	0	0	0	0
EBT	8	80	-115	-16	34	35	34	37
Income tax	-1	-16	26	3	-7	-7	-7	-8
Net income	7	64	-89	-12	27	28	27	29
EPS (SEK)	0.46	4.27	-6.06	-0.85	1.83	1.88	1.85	1.99
Pre-tax adjustments	0	0	0	0	0	0	0	0
After-tax adjustments	0	0	0	0	0	0	0	0
Adj. EBIT	-14	-10	-28	-1	49	50	49	52
Adj. PTP	8	80	-115	-16	34	35	34	37
Adj. Net income	7	64	-89	-12	27	28	27	29
Adj. EPS (SEK)	0.46	4.27	-6.06	-0.85	1.83	1.88	1.85	1.99

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	2,908	4,958	5,365
Revenue growth	-37.1%	12.9%	54.8%	26.3%	15.6%	23.7%	34.0%	-9.5%	-48.3%	70.5%	8.2%
of which organic	-18.6%	21.0%	36.2%	32.2%	11.4%	16.2%	6.9%	16.7%	26.5%	-13.9%	8.7%
of which FX	-18.5%	-8.1%	18.6%	-6.0%	4.0%	-16.1%	-0.9%	5.1%	6.6%	-1.0%	0.0%
EBITDA	130	153	214	322	494	504	548	776	62	368	393
Depreciation and impairments PPE	-43	-34	-26	-48	-136	-176	-66	-83	-115	-169	-167
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	87	119	187	274	358	328	483	693	-53	199	226
Amortisation and impairments	-26	-15	0	0	0	0	0	0	0	0	0
EBIT	61	104	187	274	358	328	483	693	-53	199	226
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	10	-60	-51
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	-43	140	175
Reported taxes	-8	-24	-42	-58	-68	-54	-112	-156	12	-29	-36
Net profit from continued operations	29	84	151	209	251	222	339	510	-31	111	140
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	-31	111	140
EPS, SEK	-2.12	3.03	8.06	14.25	17.26	15.25	23.35	35.07	-2.12	7.64	9.60
DPS, SEK	0.00	0.00	1.73	7.50	4.25	7.50	0.00	7.50	0.10	1.53	2.40
of which ordinary	0.00	0.00	1.73	3.75	4.25	7.50	0.00	7.50	0.10	1.53	2.40
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%	2.1%	7.4%	7.3%
EBITA	5.9%	7.2%	7.3%	8.4%	9.5%	7.1%	7.8%	12.3%	-1.8%	4.0%	4.2%
EBIT	4.2%	6.3%	7.3%	8.4%	9.5%	7.1%	7.8%	12.3%	-1.8%	4.0%	4.2%

Adjusted earnings

EBITDA (adj)	130	153	214	322	501	503	576	455	62	368	393
EBITA (adj)	87	137	187	274	365	330	510	372	-53	199	226
EBIT (adj)	87	132	187	274	365	330	510	372	-53	199	226
EPS (adj, SEK)	-0.08	5.18	8.06	14.25	17.74	15.36	25.23	17.40	-2.12	7.64	9.60

Adjusted profit margins in percent

EBITDA (adj)	8.9%	9.2%	8.3%	9.9%	13.4%	10.9%	9.3%	8.1%	2.1%	7.4%	7.3%
EBITA (adj)	5.9%	8.3%	7.3%	8.4%	9.7%	7.1%	8.2%	6.6%	-1.8%	4.0%	4.2%
EBIT (adj)	5.9%	7.9%	7.3%	8.4%	9.7%	7.1%	8.2%	6.6%	-1.8%	4.0%	4.2%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	-7.3%	1.4%	5.5%	9.9%	25.8%	30.2%	17.0%	-2.1%	5.8%	3.0%
EBITDA	n.m.	11.6%	13.0%	16.0%	23.5%	31.1%	29.1%	29.4%	-28.0%	-5.7%	-4.8%
EBIT	n.a.	27.7%	48.0%	39.6%	39.0%	40.0%	35.9%	29.9%	n.m.	-11.0%	-7.2%
EPS	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	50.4%	34.2%	n.m.	-15.0%	-8.8%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	34.1%	-51.6%	-18.5%	-20.4%
Average last 5 years											
Average EBIT margin	2.1%	3.0%	4.5%	6.2%	7.8%	7.9%	8.0%	9.1%	7.8%	6.8%	6.2%
Average EBITDA margin	5.9%	7.0%	7.8%	8.8%	10.3%	10.6%	10.2%	11.3%	10.3%	9.3%	8.6%

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	n.m.	9.4	7.5
EV/EBITDA (adj)	n.a.	n.a.	6.1	4.8	6.1	4.5	8.9	0.3	31.8	5.3	4.9
EV/EBITA (adj)	n.a.	n.a.	7.0	5.6	8.4	6.9	10.0	0.4	n.m.	9.8	8.4
EV/EBIT (adj)	n.a.	n.a.	7.0	5.6	8.4	6.9	10.0	0.4	n.m.	9.8	8.4

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	n.m.	9.4	7.5
EV/Sales	n.a.	n.a.	0.51	0.48	0.82	0.49	0.82	0.03	0.68	0.39	0.36
EV/EBITDA	n.a.	n.a.	6.1	4.8	6.2	4.5	9.3	0.2	31.8	5.3	4.9
EV/EBITA	n.a.	n.a.	7.0	5.6	8.6	6.9	10.6	0.2	n.m.	9.8	8.4
EV/EBIT	n.a.	n.a.	7.0	5.6	8.6	6.9	10.6	0.2	n.m.	9.8	8.4
Dividend yield (ord.)	n.a.	n.a.	1.1%	2.9%	2.6%	4.8%	0.0%	9.8%	0.1%	2.1%	3.3%
FCF yield	n.a.	n.a.	8.9%	6.8%	-21.5%	28.2%	1.9%	65.9%	-169.7%	2.2%	5.9%
FCF Yield bef A&D, lease adj	n.a.	n.a.	8.8%	6.6%	-21.6%	28.1%	4.9%	-10.7%	-41.0%	2.2%	5.9%
Payout ratio	0.0%	0.0%	21.5%	52.6%	24.0%	48.8%	0.0%	43.1%	n.m.	20.0%	25.0%

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	176	201	201
of which R&D	0	0	0	0	0	0	0	0	0	25	25
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	91	91	91
Tangible assets	83	116	136	263	700	507	1,006	560	1,665	1,538	1,538
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	1,919	1,817	1,817
Inventory	327	467	633	741	1,290	1,014	1,432	460	669	843	912
Accounts receivable	161	202	243	319	322	393	535	344	378	545	590
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	1	1	1
Cash and bank	175	199	352	357	519	604	768	1,688	6	27	66
Total current assets	665	872	1,231	1,418	2,214	2,048	2,781	2,493	1,054	1,416	1,569
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	2,972	3,233	3,386
Shareholders equity	322	442	611	656	890	806	1,101	1,873	1,733	1,843	1,960
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	1,733	1,843	1,960
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	637	637	637
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	660	660	660
Short-term provisions	4	10	13	17	22	26	39	1	1	1	1
Accounts payable	384	547	737	982	917	1,188	1,809	573	276	421	456
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	8	14	15
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	580	731	767
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	2,972	3,233	3,386
Balance sheet and debt metrics											
Net debt	-81	-173	-312	-303	689	-20	199	-957	925	904	865
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	763	953	1,032
Invested capital	244	280	314	374	1,519	818	1,368	940	2,682	2,771	2,849
Capital employed	416	468	651	710	2,003	1,390	2,068	2,604	2,664	2,774	2,891
ROE	-6.1%	7.9%	16.4%	32.7%	32.4%	26.1%	35.6%	34.3%	-1.7%	6.2%	7.3%
ROIC	18.3%	39.2%	49.2%	62.1%	30.0%	22.0%	36.4%	25.1%	-2.3%	5.7%	6.3%
ROCE	18.1%	31.9%	36.1%	41.3%	27.4%	20.1%	30.8%	16.8%	-1.1%	7.3%	8.1%
Net debt/EBITDA	-0.6	-1.1	-1.5	-0.9	1.4	0.0	0.4	-1.2	14.9	2.5	2.2
Interest coverage	2.7	14.4	30.7	31.6	6.3	5.7	10.4	10.5	-0.7	3.3	4.2
Equity ratio	39.8%	42.8%	43.2%	38.0%	29.9%	30.7%	27.7%	58.2%	58.3%	57.0%	57.9%
Net gearing	-25.3%	-39.1%	-51.0%	-46.2%	77.4%	-2.5%	18.1%	-51.1%	53.4%	49.1%	44.1%

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	62	368	393
Paid taxes	0	0	0	0	-85	-71	-170	-127	12	-29	-36
Net financials	24	-3	-6	7	-58	-59	-55	-85	10	-60	-51
Change in provisions	-5	7	3	4	5	3	13	-38	0	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	83	281	307
Change in NWC	133	18	-20	-106	-698	316	-24	-730	-359	-191	-78
Cash flow from operations (CFO)	234	141	148	161	-330	693	457	215	-275	90	228
Capital expenditure	3	-10	-7	-38	-181	-49	-217	-334	-153	-67	-167
Free cash flow before A&D	237	132	141	123	-511	643	240	-119	-428	23	61
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	-1,345	0	0
Free cash flow	242	136	144	126	-509	646	95	735	-1,773	23	61
Free cash flow bef A&D, lease adj	237	132	141	123	-511	643	240	-119	-428	23	61
Dividends paid	-50	-53	-58	-30	-109	-62	-109	0	-109	-1	-22
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	200	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	-1,682	21	39
Cash flow metrics											
Capex/D&A	-4.4%	20.0%	25.8%	80.1%	n.m.	28.1%	n.m.	n.m.	n.m.	39.9%	100.0%
Capex/Sales	-0.2%	0.6%	0.3%	1.2%	4.8%	1.1%	3.5%	5.9%	5.3%	1.4%	3.1%
Key information											
Share price year end (/current)	n.a.	n.a.	151	127	163	157	337	77	70	72	72
Market cap.	n.a.	n.a.	1,615	1,849	2,369	2,287	4,897	1,115	1,045	1,045	1,045
Enterprise value	n.a.	n.a.	1,303	1,546	3,058	2,267	5,096	158	1,970	1,949	1,910
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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