

# HEXAGON AB

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Pauli Lohi  
+35845 134 7790  
pauli.lohi@inderes.fi

# COMPANY REPORT



# Fear is a friend to the long-term-oriented investor

Hexagon is currently being significantly affected by the tariff uncertainty that slows down industrial customers’ investment activity. Historically, the company has performed well even during negative demand shocks and has been able to catch up on the lost sales fast once the market has stabilized. We find the current valuation attractive and reiterate our Accumulate recommendation with an unchanged target price of SEK 100.

## Q1 figures were below expectations

On Friday, Hexagon published preliminary headline figures from Q1 that were weaker than expected overall. Revenue amounted to 1,323 MEUR, which was 2% below both our and consensus estimates. Adjusted EBIT was 345 MEUR, which was 12-13% below our and consensus estimates. Organic growth amounted to 0% (we estimated 1.5%). Recurring revenue, including software and services, grew strongly during the quarter, which was, however, more than offset by the weakness in sensor sales. Sales in North America and China declined in the last two weeks of March. Adjusted EBIT was also negatively affected by 6 MEUR FX effects, which was an opposite to our expectations and thus explained some 4pp of the earnings miss.

## Uncertainty slows down industrial decision-making

Even if the Q1 sales miss was rather modest, Q2 will likely be even worse given that market uncertainty has increased during April. A 90-day pause to US tariffs on imports from most countries could allow some relief, but the increased tensions between the US and China could still burden the demand significantly. We currently model in -4% organic sales growth for Q2 after 0% in Q1. The high and growing share of recurring revenue (41% of revenue in 2024) partially mitigates the overall decline. We project adj. EBIT to decline by 8% in Q2, which is a similar magnitude compared to the COVID-era (H1’20 EBIT: -9% y/y). The company considers whether it needs to adjust its cost base to a lower demand. Our forecasts include tighter than usual cost control but no significant restructuring measures.

## Hexagon is a relatively stable company with high profitability even during downturns

Even if we expect weak demand in the short term, we are not too worried about the long-term impacts of the current situation. The past shocks in the economy have only had short-lived impacts on Hexagon, and the company has been able to maintain strong profitability even during bad times. We cut our revenue estimates for 2025-26 by 2%, meanwhile, the adjusted EBIT decreased by 6% for 2025 and 3% for 2026. Adjusting for acquisitions, we currently expect adj. EBIT to decline by 3% y/y in 2025 compared to a 1% decline in 2020 owing to the COVID-pandemic. We expect some normalization in revenue during H2 (1% organic growth), but a similar rebound as in H2 2020 is unlikely given that even a 10% tariff level could slow down the global investment activity in the manufacturing sector.

## Valuation is attractive for a long-term oriented investor

Hexagon currently trades at an adjusted EV/EBIT multiple of 15x for 2025e and 13x for 2026e, which we find attractive. Previously, we considered an EV/EBIT multiple of 18x to be fair for the company, but in the current very uncertain market environment, we would like to have more of a safety margin and consider a fair value multiple of 16-17x. Hexagon is a diversified, value-creating, high-quality technology company that has historically grown organically at around 5% per year over the cycle and has consistently improved its gross margins. It has some leverage, which adds to the risk profile, but we believe that net debt to EBITDA of around 1.8x (2024) is a relatively safe level for a company as stable and diversified as Hexagon. The likely spin-off of Asset Lifetime Intelligence and related businesses to a US-listed company could be a valuation driver in a year's time, but our positive view of the stock is not based on this transaction.

## Recommendation

**Accumulate**  
(prev. Accumulate)

**Target price:**  
**100.0 SEK**  
(prev. 100.0 SEK)

**Share price:**  
84.68 SEK

## Business risk



## Valuation risk



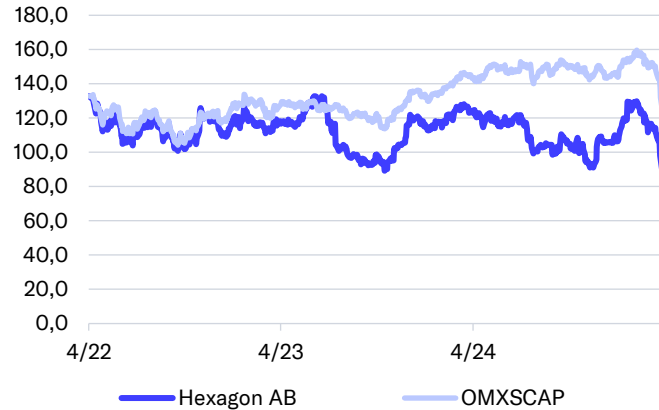
	2024	2025e	2026e	2027e
Revenue	5401.1	5440.9	5766.9	6100.4
growth-%	-1 %	1 %	6 %	6 %
EBIT adj.	1602.9	1571.3	1730.5	1847.6
EBIT-% adj.	29.7 %	28.9 %	30.0 %	30.3 %
Net Income	1023.4	1021.2	1177.6	1278.7
EPS (adj.)	0.43	0.43	0.48	0.52
P/E (adj.)	21.3	17.7	15.8	14.8
P/B	2.2	1.7	1.6	1.5
Dividend yield-%	1.5 %	2.0 %	2.1 %	2.2 %
EV/EBIT (adj.)	17.5	14.7	12.9	11.6
EV/EBITDA	13.9	11.6	10.2	9.1
EV/S	5.2	4.2	3.9	3.5

Source: Inderes

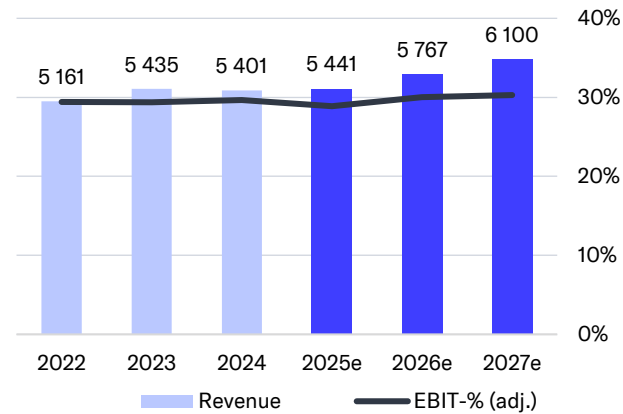
## Guidance

(No guidance)

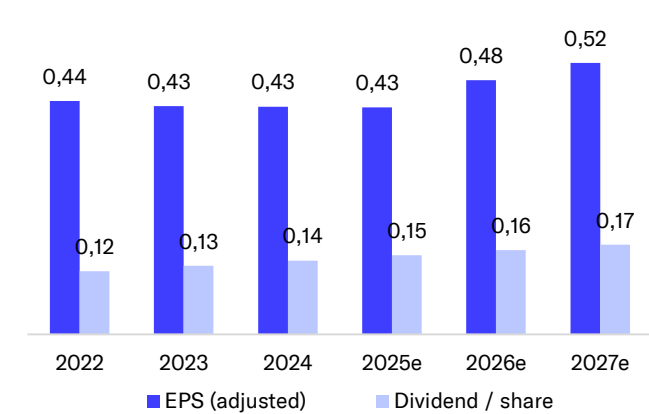
## Share price



## Net sales and operating earnings-%



## Earnings per share and dividend



## Value drivers

- Strong market position in core technologies
- Need to utilize data more efficiently in various industries adds demand for Hexagon's solutions over medium-term
- Focus on margin-additive growth and increasing the share of recurring revenue
- Solid track-record of creating value through acquisitions

## Risk factors

- Cyclical demand in hardware sales and certain software products
- M&A strategy partially dependent on strong valuation multiples of Hexagon's share
- Execution risk in M&A
- Gradually saturating end-markets in certain segments

Valuation (EUR)	2025e	2026e	2027e
<b>Share price</b>	7.63	7.63	7.63
<b>Number of shares, millions</b>	2684.3	2684.3	2684.3
<b>Market cap</b>	20478	20478	20478
<b>EV</b>	23093	22340	21490
<b>P/E (adj.)</b>	17.7	15.8	14.8
<b>P/E</b>	20.1	17.4	16.0
<b>P/B</b>	1.7	1.6	1.5
<b>P/S</b>	3.8	3.6	3.4
<b>EV/Sales</b>	4.2	3.9	3.5
<b>EV/EBITDA</b>	11.6	10.2	9.1
<b>EV/EBIT (adj.)</b>	14.7	12.9	11.6
<b>Payout ratio (%)</b>	39.4 %	36.5 %	35.7 %
<b>Dividend yield-%</b>	2.0 %	2.1 %	2.2 %

Source: Inderes



# We mainly reduced short-term estimates

Estimates	Q1'24	Q1'25	Q1'25e	Q1'25e	Consensus	Difference (%)	
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes
Revenue	1300	1323	1353	1353			-2 %
EBIT (adj.)	377	345	397	391			-13 %
EBIT	336						
EPS (reported)	0.09						
Revenue growth-%	1.2 %	1.8 %	4.1 %	4.1 %			-2.4 pp
EBIT-% (adj.)	29.0 %	26.1 %	29.4 %	28.9 %			-3.3 pp

Source: Inderes & Bloomberg  
(consensus includes 20 estimates)

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	5542	5441	-2 %	5873	5767	-2 %	6176	6100	-1 %
EBITDA	2090	1993	-5 %	2259	2200	-3 %	2382	2371	0 %
EBIT (exc. NRIs)	1668	1571	-6 %	1790	1730	-3 %	1895	1848	-2 %
EBIT	1498	1401	-6 %	1642	1583	-4 %	1765	1718	-3 %
PTP	1358	1261	-7 %	1527	1468	-4 %	1665	1618	-3 %
EPS (excl. NRIs)	0.46	0.43	-6 %	0.50	0.48	-4 %	0.53	0.52	-3 %
DPS	0.15	0.15	0 %	0.16	0.16	0 %	0.17	0.17	0 %

Source: Inderes

## Division specific organic sales growth

	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25e	Q2 25e	Q3 25e	Q4 25e
Group	8%	8%	8%	5%	3%	0%	-2%	1%	0%	-4%	0%	2%
Manufacturing Intelligence	10%	11%	8%	7%	5%	0%	-2%	-2%	-3%	-9%	-3%	3%
Asset Lifetime Intelligence	16%	11%	10%	8%	2%	9%	6%	10%	8%	6%	5%	4%
Geosystems	7%	4%	3%	1%	-2%	-5%	-5%	-2%	-3%	-7%	-2%	-1%
Autonomous Solutions	13%	27%	34%	16%	8%	-2%	-12%	-2%	3%	1%	6%	6%
Safety. Infrastructure and Geospatial	-11%	-9%	-5%	-4%	5%	6%	2%	11%	6%	6%	6%	6%

Valuation scenarios		
2026 estimates, MEUR	Base case	Adj. EBIT (inc. PPA): 30% scenario
Sales	5 767	5 767
Adj. EBIT-%	30.0 %	31.3 %
Adj, EBIT	1 730	1 805
Adj. EV/EBIT	16.5x	18.0x
EV	28 553	32 491
Net debt	2 555	2 555
Market cap	25 999	29 936
Share price 2026, EUR	9.7	11.2
Dividends 24-25e, EUR	0.31	0.31
Total, EUR	10.0	11.5
Total, SEK	111.0	127.2
Current share price, SEK	85	85
Return per year	14.5 %	22.6 %

# Detailed estimates

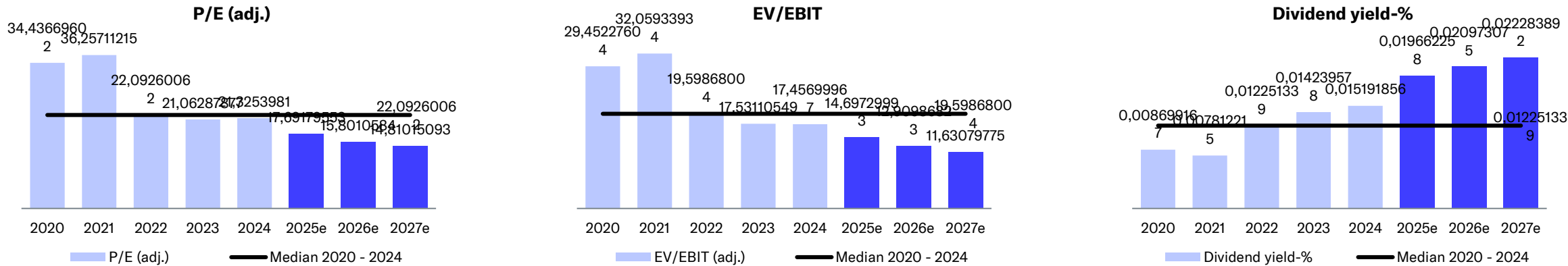
Group, MEUR	2018	2019	2020	2021	2022	2023	2024	2025e	2026e
Net operating sales	3761	3908	3771	4347	5176	5440	5401	5441	5767
-Growth y/y	8 %	4 %	-4 %	15 %	19 %	5 %	-1 %	1 %	6 %
-of which organic	8 %	-1 %	-4 %	12 %	8 %	7 %	0 %	-1 %	6 %
-of which FX	-3 %	2 %	-2 %	-1 %	6 %	-4 %	-1 %	0 %	0 %
-of which structural	4 %	3 %	3 %	5 %	5 %	2 %	0 %	2 %	0 %
Gross margin (%)	62.1 %	62.8 %	63.6 %	64.6 %	65.4 %	66.1 %	66.9 %	67.1 %	67.4 %
Fixed costs (excluding adjustments)	-1357	-1430	-1385	-1535	-1857	-1996	-2010	-2080	-2156
-Growth y/y	10 %	5 %	-3 %	11 %	21 %	7 %	1 %	3 %	4 %
Adjusted EBIT	978	1024	1010	1270	1518	1597	1603	1571	1730
-of net operating sales	26.0 %	26.2 %	26.8 %	29.2 %	29.3 %	29.4 %	29.7 %	28.9 %	30.0 %
FX-impact on adj. EBIT					98	-81	-19	-14	0
EBIT-% change y/y if adjusting for FX-impact					0.6 pp	0.7 pp	0.6 pp	-0.7 pp	-0.6 pp
Divisions	2018	2019	2020	2021	2022	2023	2024	2025e	2026e
Manufacturing Intelligence									
Sales					1902	2013	1956	1900	2014
Organic growth	9 %	-5 %	-9 %	15 %	10 %	9 %	0 %	-4 %	6 %
Adj. EBIT-%					25.9 %	26.4 %	27.2 %	25.7 %	26.7 %
Asset Lifecycle Intelligence									
Sales					728	782	832	879	932
Organic growth	7 %	8 %	-3 %	1 %	7 %	11 %	7 %	6 %	6 %
Adj. EBIT-%					35.8 %	36.2 %	35.7 %	36.4 %	36.6 %
Geosystems									
Sales					1585	1603	1555	1504	1586
Organic growth	11 %	2 %	-4 %	19 %	7 %	4 %	-3 %	-3 %	6 %
Adj. EBIT-%					32.8 %	31.8 %	31.8 %	29.8 %	32.3 %
Autonomous Solutions									
Sales					476	571	558	629	679
Organic growth	18 %	2 %	2 %	8 %	13 %	22 %	-3 %	4 %	8 %
Adj. EBIT-%					33.1 %	33.9 %	34.4 %	34.4 %	34.6 %
Safety, Infrastructure & Geospational									
Sales					476	464	497	526	552
Organic growth	-6 %	-3 %	13 %	-3 %	3 %	-7 %	6 %	6 %	5 %
Adj. EBIT-%					22.8 %	22.4 %	23.1 %	23.8 %	24.0 %

Source: Inderes

# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	10.7	14.1	9.79	9.13	9.22	7.63	7.63	7.63	7.63
Number of shares, millions	2568.3	2599.3	2689.7	2684.3	2684.3	2684.3	2684.3	2684.3	2684.3
Market cap	27415	38095	26345	24506	24737	20478	20478	20478	20478
EV	29732	40703	29747	27992	27982	23093	22340	21490	20540
P/E (adj.)	34.4	36.3	22.1	21.1	21.3	17.7	15.8	14.8	13.7
P/E	44.4	45.7	26.1	28.5	24.2	20.1	17.4	16.0	14.5
P/B	4.6	4.4	2.7	2.4	2.2	1.7	1.6	1.5	1.4
P/S	7.3	8.8	5.1	4.5	4.6	3.8	3.6	3.4	3.2
EV/Sales	7.9	9.4	5.8	5.2	5.2	4.2	3.9	3.5	3.2
EV/EBITDA	22.5	25.6	17.0	15.7	13.9	11.6	10.2	9.1	8.3
EV/EBIT (adj.)	29.5	32.1	19.6	17.5	17.5	14.7	12.9	11.6	10.6
Payout ratio (%)	38.6 %	37.1 %	32.0 %	40.6 %	36.7 %	39.4 %	36.5 %	35.7 %	34.3 %
Dividend yield-%	0.9 %	0.8 %	1.2 %	1.4 %	1.5 %	2.0 %	2.1 %	2.2 %	2.4 %

Source: Inderes



# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Ansys	22906	22251	20.2	18.1	19.3	16.1	9.1	8.2	25.6	22.8			3.7
Autodesk	48551	48905	25.5	22.4	23.9	20.9	9.1	8.0	31.1	27.2			19.8
Dassault Systemes	43055	42157	21.0	18.9	17.7	16.2	6.3	5.9	23.4	21.5	0.9	1.0	4.2
Faro Technologies	431	406	13.8	11.7	10.3	9.0	1.3	1.3	21.5	18.1	3.9		
Nikon	2913	2859	0.8	0.7	7.9	6.0	0.7	0.6	29.3	16.1	3.9	4.1	0.7
Renishaw	1823	1568	12.0	10.3	9.1	8.1	1.9	1.8	15.8	13.6	3.6	3.8	1.7
Topcon	2104	2527			19.7	14.7	1.9	1.8	160.5	43.9	1.2	1.2	3.1
Trimble	12621	13196	16.3	14.7	15.2	13.7	4.4	4.1	20.3	17.7			2.6
Hexagon AB (Inderes)	20478	23093	16.5	14.1	11.6	10.2	4.2	3.9	23.8	20.0	2.0	2.1	1.7
Average			15.7	13.8	15.4	13.1	4.3	4.0	40.9	22.6	2.7	2.5	5.1
Median			16.3	14.7	16.4	14.2	3.1	2.9	24.5	19.8	3.6	2.5	3.1
Diff-% to median			1 %	-4 %	-29 %	-29 %	35 %	32 %	-3 %	1 %	-45 %	-16 %	-44 %

Source: Refinitiv / Inderes

# Income statement

Income statement	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	5161	5435	1300	1353	1300	1448	5401	1323	1312	1324	1482	5441	5767	6100	6405
Manufacturing Intelligence	2537	2013	478	484	464	530	1956	457	443	457	543	1900	2014	2135	2241
Asset Lifecycle Intelligence	2639	782	192	203	208	229	832	211	213	218	237	879	932	988	1037
Geosystems	-15.0	1603	377	406	373	400	1555	374	375	366	389	1504	1586	1681	1765
Autonomous Solutions	0.0	571	136	141	135	147	558	154	154	155	166	629	679	713	749
Safety, Infrastructure & Geospatial	0.0	464	117	120	120	141	497	126	126	127	147	526	552	579	608
Group adjustments	0.0	2.2	0.4	0.0	1.0	1.8	3.2	1.3	1.3	1.3	0.3	4	4	4	4
EBITDA	1754	1779	471	497	475	567	2010	448	473	501	571	1993	2200	2371	2484
Depreciation	-467.0	-563.0	-134.8	-136.6	-140.5	-165.6	-577.5	-142.0	-145.0	-150.0	-155.0	-592	-617	-654	-653
EBIT (excl. NRI)	1518	1597	377	400	377	450	1603	345	367	390	469	1571	1730	1848	1941
EBIT	1287	1216	336	361	334	401	1432	306	328	351	416	1401	1583	1718	1831
Manufacturing Intelligence	787	531	125	129	118	159	531	103	104	117	164	488	538	574	603
Asset Lifecycle Intelligence	755	283	66.5	70.5	72.5	87.4	297	74.4	76.8	78.5	90.3	320	341	364	382
Geosystems	-254.9	510	118	131	122	124	494	94.4	111	119	124	448	512	543	570
Autonomous Solutions	0.0	194	47.7	52.6	45.8	46.0	192	50.8	57.9	54.2	53.4	216	235	257	271
Safety, Infrastructure & Geospatial	0.0	104	24.3	23.8	24.6	41.9	115	26.9	25.4	26.9	45.8	125	132	139	146
Group adjustments	0.0	-405.9	-44.9	-46.5	-48.3	-57.2	-197	-43.3	-46.6	-45.2	-61.7	-197	-176	-160	-141
Net financial items	-38.7	-155.3	-42.7	-42.1	-44.2	-41.1	-170	-38.4	-34.5	-34.5	-32.6	-140	-115	-100	-49
PTP	1248	1061	293	318	290	360	1262	268	294	316	383	1261	1468	1618	1781
Taxes	-228.9	-188.9	-52.8	-57.3	-52.2	-64.8	-227	-48.2	-52.9	-56.9	-69.0	-227	-276	-324	-356
Minority interest	-11.5	-12.9	-2.6	-3.1	-2.8	-3.1	-12	-2.9	-3.4	-3.1	-3.4	-13	-14	-15	-16
Net earnings	1008	859	238	258	235	292	1023	217	237	256	311	1021	1178	1279	1409
EPS (adj.)	0.44	0.43	0.10	0.11	0.10	0.12	0.43	0.09	0.10	0.11	0.13	0.43	0.48	0.52	0.56
EPS (rep.)	0.37	0.32	0.09	0.10	0.09	0.11	0.38	0.08	0.09	0.10	0.12	0.38	0.44	0.48	0.52

Key figures	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	18.9 %	5.3 %	1.2 %	-0.8 %	-3.7 %	0.9 %	-0.6 %	1.8 %	-3.0 %	1.8 %	2.3 %	0.7 %	6.0 %	5.8 %	5.0 %
Adjusted EBIT growth-%		5.2 %	1.4 %	1.4 %	-4.2 %	2.7 %	0.4 %	-8.3 %	-8.1 %	3.5 %	4.2 %	-2.0 %	10.1 %	6.8 %	5.0 %
EBITDA-%	34.0 %	32.7 %	36.2 %	36.7 %	36.5 %	39.2 %	37.2 %	33.9 %	36.1 %	37.8 %	38.5 %	36.6 %	38.2 %	38.9 %	38.8 %
Adjusted EBIT-%	29.4 %	29.4 %	29.0 %	29.5 %	29.0 %	31.1 %	29.7 %	26.1 %	28.0 %	29.4 %	31.7 %	28.9 %	30.0 %	30.3 %	30.3 %
Net earnings-%	19.5 %	15.8 %	18.3 %	19.1 %	18.1 %	20.2 %	18.9 %	16.4 %	18.1 %	19.4 %	21.0 %	18.8 %	20.4 %	21.0 %	22.0 %

Source: Inderes



# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>14132</b>	<b>14899</b>	<b>14931</b>	<b>14950</b>	<b>14945</b>
Goodwill	9931	10033	10013	10013	10013
Intangible assets	3063	3734	3786	3805	3800
Tangible assets	801	804	804	804	804
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	158	167	167	167	167
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	179	161	161	161	161
<b>Current assets</b>	<b>2752</b>	<b>2951</b>	<b>2918</b>	<b>3041</b>	<b>3162</b>
Inventories	585	566	560	582	603
Other current assets	200	195	195	195	195
Receivables	1420	1526	1510	1572	1632
Cash and equivalents	547	664	653	692	732
<b>Balance sheet total</b>	<b>16884</b>	<b>17851</b>	<b>17849</b>	<b>17991</b>	<b>18107</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>10046</b>	<b>11196</b>	<b>11842</b>	<b>12617</b>	<b>13466</b>
Share capital	0.0	0.0	0.0	0.0	0.0
Retained earnings	0.0	674	1320	2095	2944
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	10014	10486	10486	10486	10486
Minorities	32.2	35.2	35.2	35.2	35.2
<b>Non-current liabilities</b>	<b>3753</b>	<b>3947</b>	<b>3443</b>	<b>2868</b>	<b>2215</b>
Deferred tax liabilities	580	582	582	582	582
Provisions	65.0	79.0	79.0	79.0	79.0
Interest bearing debt	2984	3100	2596	2021	1368
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	124	186	186	186	186
<b>Current liabilities</b>	<b>3085</b>	<b>2707</b>	<b>2565</b>	<b>2506</b>	<b>2427</b>
Interest bearing debt	1100	731	612	476	322
Payables	1985	1976	1953	2030	2104
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>16884</b>	<b>17851</b>	<b>17849</b>	<b>17991</b>	<b>18107</b>

# DCF-calculation

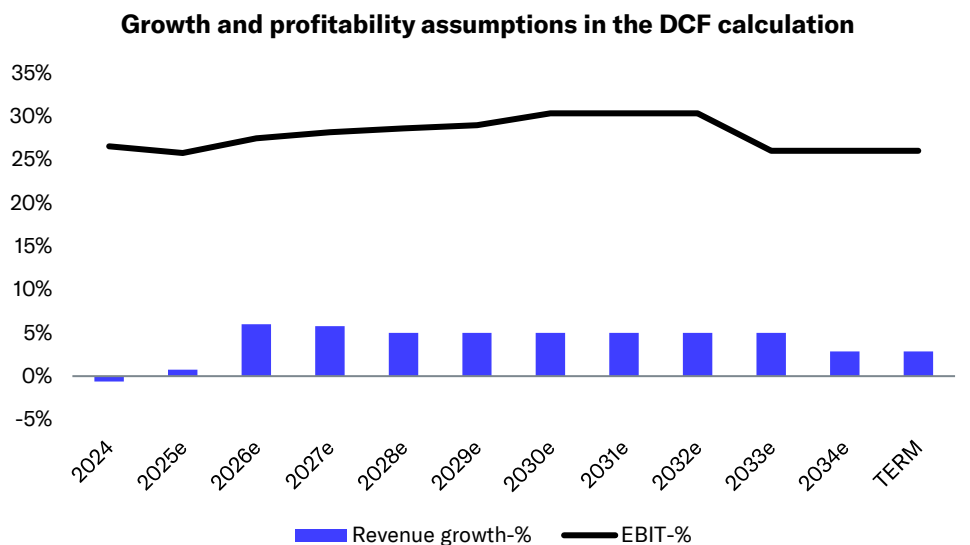
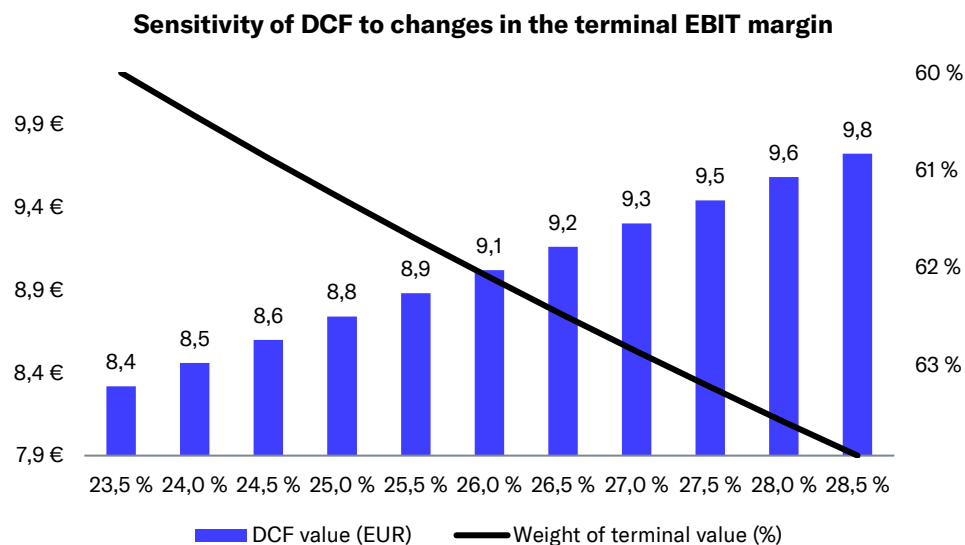
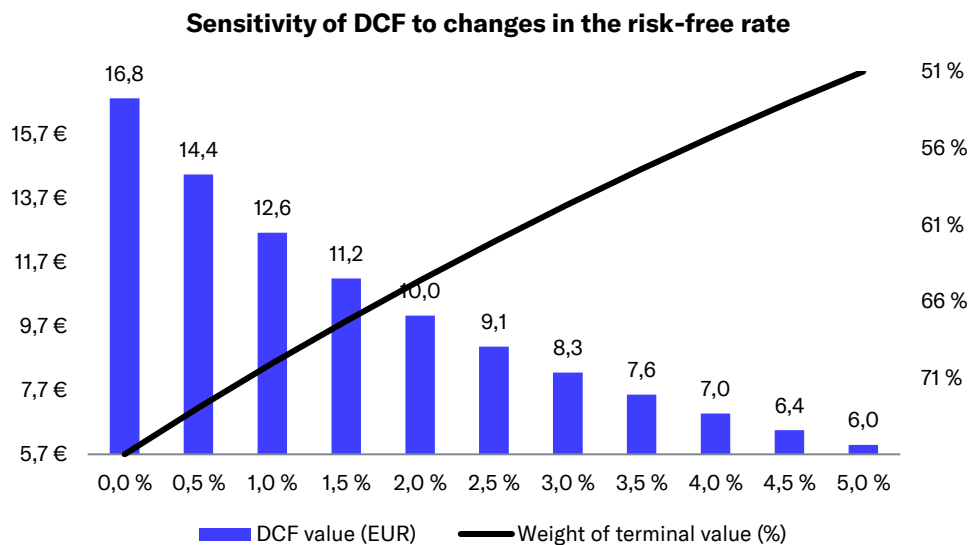
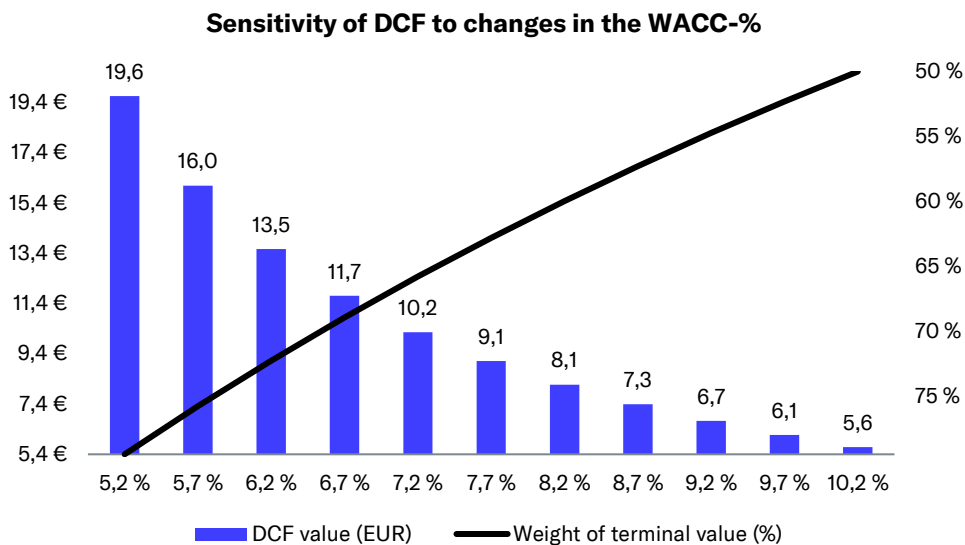
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-0.6 %	0.7 %	6.0 %	5.8 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	2.8 %	2.8 %
EBIT-%	26.5 %	25.7 %	27.4 %	28.2 %	28.6 %	29.0 %	30.3 %	30.3 %	30.3 %	26.0 %	26.0 %	26.0 %
EBIT (operating profit)	1432	1401	1583	1718	1831	1949	2141	2248	2361	2125	2186	
+ Depreciation	578	592	617	654	653	650	634	648	661	675	688	
- Paid taxes	-207	-227	-276	-324	-356	-387	-428	-450	-472	-425	-437	
- Tax, financial expenses	-29.7	-24.8	-21.6	-20.0	-9.9	-3.1	0.0	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-91.1	-0.9	-7.0	-7.2	-0.2	0.2	0.5	0.9	1.3	1.7	-3.6	
Operating cash flow	1682	1740	1896	2021	2118	2210	2348	2448	2551	2377	2433	
+ Change in other long-term liabilities	76.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-1363	-624	-636	-649	-659	-670	-682	-693	-707	-721	-746	
Free operating cash flow	394	1116	1259	1372	1458	1539	1666	1755	1844	1656	1688	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	394	1116	1259	1372	1458	1539	1666	1755	1844	1656	1688	35464
Discounted FCFF		1058	1108	1121	1106	1083	1088	1064	1038	865	818	17196
Sum of FCFF present value		27545	26487	25379	24258	23152	22069	20981	19917	18879	18014	17196
Enterprise value DCF		27545										
- Interest bearing debt		-3831.0										
+ Cash and cash equivalents		664										
-Minorities		-61.1										
-Dividend/capital return		0.0										
Equity value DCF		24317										
Equity value DCF per share		9.1										
Equity value DCF per share (SEK)		100.6										
WACC												
Tax-% (WACC)		20.0 %										
Target debt ratio (D/(D+E))		15.0 %										
Cost of debt		3.0 %										
Equity Beta		1.30										
Market risk premium		4.75 %										
Liquidity premium		0.00 %										
Risk free interest rate		2.5 %										
Cost of equity		8.7 %										
Weighted average cost of capital (WACC)		7.7 %										

### Cash flow distribution

Period	Percentage
2025e-2029e	20%
2030e-2034e	18%
TERM	62%

■ 2025e-2029e ■ 2030e-2034e ■ TERM

# DCF sensitivity calculations and key assumptions in graphs



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	5161	5435	5401	5441	5767	EPS (reported)	0.37	0.32	0.38	0.38	0.44
EBITDA	1754	1779	2010	1993	2200	EPS (adj.)	0.44	0.43	0.43	0.43	0.48
EBIT	1287	1216	1432	1401	1583	OCF / share	0.56	0.55	0.63	0.65	0.71
PTP	1248	1061	1262	1261	1468	OFCF / share	-0.36	0.25	0.15	0.42	0.47
Net Income	1008	859	1023	1021	1178	Book value / share	3.65	3.73	4.16	4.40	4.69
Extraordinary items	-231	-381	-171	-170	-148	Dividend / share	0.12	0.13	0.14	0.15	0.16
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	16477	16884	17851	17849	17991	Revenue growth-%	19 %	5 %	-1 %	1 %	6 %
Equity capital	9865	10046	11196	11842	12617	EBITDA growth-%	10 %	1 %	13 %	-1 %	10 %
Goodwill	9600	9931	10033	10013	10013	EBIT (adj.) growth-%	20 %	5 %	0 %	-2 %	10 %
Net debt	3388	3536	3167	2555	1805	EPS (adj.) growth-%	14 %	-2 %	0 %	0 %	12 %
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	34.0 %	32.7 %	37.2 %	36.6 %	38.2 %
EBITDA	1754	1779	2010	1993	2200	EBIT (adj.)-%	29.4 %	29.4 %	29.7 %	28.9 %	30.0 %
Change in working capital	-96	-34	-91	-1	-7	EBIT-%	24.9 %	22.4 %	26.5 %	25.7 %	27.4 %
Operating cash flow	1509	1471	1682	1740	1896	ROE-%	10.9 %	8.7 %	9.7 %	8.9 %	9.7 %
CAPEX	-2461	-804	-1363	-624	-636	ROI-%	10.1 %	8.7 %	9.8 %	9.3 %	10.5 %
Free cash flow	-971	670	394	1116	1259	Equity ratio	59.9 %	59.5 %	62.7 %	66.3 %	70.1 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	34.3 %	35.2 %	28.3 %	21.6 %	14.3 %
EV/S	5.8	5.2	5.2	4.2	3.9						
EV/EBITDA	17.0	15.7	13.9	11.6	10.2						
EV/EBIT (adj.)	19.6	17.5	17.5	14.7	12.9						
P/E (adj.)	22.1	21.1	21.3	17.7	15.8						
P/B	2.7	2.4	2.2	1.7	1.6						
Dividend-%	1.2 %	1.4 %	1.5 %	2.0 %	2.1 %						

Source: Inderes

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
11/24/2023	Reduce	102.00 kr	104.00 kr
02/02/2024	Reduce	106.00 kr	118.10 kr
29/04/2024	Reduce	110.00 kr	120.20 kr
28/07/2024	Accumulate	115.00 kr	107.25 kr
25/10/2024	Accumulate	115.00 kr	106.40 kr
28/01/2025	Reduce	120.00 kr	118.45 kr
03/02/2025	Reduce	125.00 kr	129.60 kr
08/04/2025	Accumulate	100.00 kr	90.00 kr
13/04/2025	Accumulate	100.00 kr	85.00 kr





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## **Inderes Ab**

Vattugatan 17, 5tr  
Stockholm  
+46 8 411 43 80

## **Inderes Oyj**

Porkkalankatu 5  
00180 Helsinki  
+358 10 219 4690

**[inderes.se](https://inderes.se)**

**[inderes.fi](https://inderes.fi)**