NIBE INDUSTRIER B

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COMPANY REPORT

Momentum heating up, risk/reward attractive

We believe that NIBE's Q2 report was strong, which exceeded our expectations on most of the key points, and we have therefore lifted our EBIT estimates by ~3% on average for 2026-2028e. In our view, the volume-led earnings growth seen over the past ~1.5 years, together with management's confident tone around a stronger H2 and continued positive underlying market data, reinforces our conviction that the recovery is sustainable. We also believe NIBE's forward-looking earnings multiples remain acceptable given the company's growth and return on capital potential. As a result, we reiterate our Accumulate recommendation and raise our target price to SEK 47 per share (prev. SEK 44 per share) on the back of increased estimates.

Volumes and margins both surprised on the upside

NIBE's Q2 revenue was solid and reached 10.8 BSEK, up 7.6% (8.7% FX-adjusted organic), ahead of both our and consensus forecasts. In our view, Climate Solutions once again stood out on the positive side, driven by strong European heat pump sales and solid US commercial HVAC demand, which more than offset weaker US residential sales after subsidy removal. More surprising to us, however, was the strength in Element, where demand from semiconductor and heat pump industries drove the beat. While Q2 revenue in Stoves also topped our low expectations, the business area continues to struggle with increasing sales growth, mainly due to a persistently weak European market. On margins, the print was clearly better than we had anticipated. Gross margin rose to 32.1% (30.2%) on higher volumes, better utilization and productivity. Combined with good operational cost control, this lifted operating profit ~30% to 1.2 BSEK, above both our and consensus forecasts. We see the 11.4% EBIT margin as a strong signal that the volume-led margin recovery is taking hold, with only Stoves lagging on weak volumes and tariff headwinds.

Attractive growth with margin upside

While NIBE provides no numerical guidance, management's tone struck us as clearly confident. According to our assessment, the recovery appears sustainable, the traditional seasonal pattern has been re-established, and a stronger H2 is expected. In our view, this is supported by positive European market data, and given management's fairly good visibility at this point, we read it as a positive signal that the company expects the volume-led margin recovery to continue. That said, near-term headwinds persist, including a sluggish new-build market and subsidy uncertainties in certain markets.

On the back of the Q2 beat, we have lifted our EBIT estimates by ~3% on average for 2026-2028e, with Climate Solutions and Element leading the way. For 2026, we expect Climate Solutions to grow ~7% at an EBIT margin slightly above 14% (historical range 13-15%), and Element to grow ~8% at slightly below 9% (range 8-11%). Stoves, in our view, remains a drag, weighed down by both the weak European market and tariff headwinds. In the mid-to long term, we expect fairly high annual growth of ~6-8%, which should support margin expansion towards around 13%.

We reiterate our Accumulate recommendation

Based on our estimates for 2026 and 2027, NIBE's adjusted P/E ratios are 25x and 21x, while the corresponding EV/EBIT ratios are 19x and 16x. Next year's multiples, which are gradually gaining more weight, are well below the company's 10-year medians. Correspondingly, the 12-month expected return, consisting of solid earnings growth, a downside in multiples (Q2'26 LTM P/E ~30x), and a dividend yield of around 1-2%, exceeds our required return. The share also has an upside relative to our DCF value. Thus, we believe the overall valuation picture continues to support a positive view on the stock over a 12-month horizon.

Recommendation
Accumulate
(prev. Accumulate)

Target price:
47.0 SEK
(prev. 44.0 SEK)

Share price:
42.0 SEK

Business risk

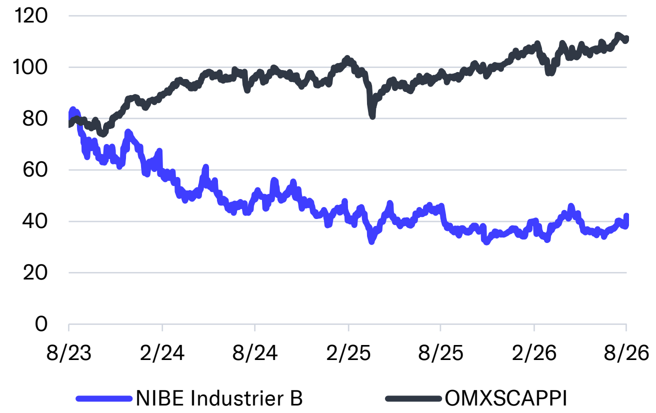
Valuation risk

	2025	2026e	2027e	2028e
Revenue	40,841	43,515	46,999	50,800
growth-%	1%	7%	8%	8%
EBIT adj.	4,303	5,235	5,951	6,425
EBIT-% adj.	10.5 %	12.0 %	12.7 %	12.6 %
Net Income	2,281	3,406	4,096	4,504
EPS (adj.)	1.22	1.69	2.03	2.23
P/E (adj.)	29.2	24.9	20.7	18.8
P/B	2.4	2.6	2.4	2.2
Dividend yield-%	1.0 %	1.3 %	1.5 %	1.5 %
EV/EBIT (adj.)	20.7	18.9	16.2	14.5
EV/EBITDA	14.2	13.0	11.8	10.8
EV/S	2.2	2.3	2.0	1.8

Source: Inderes

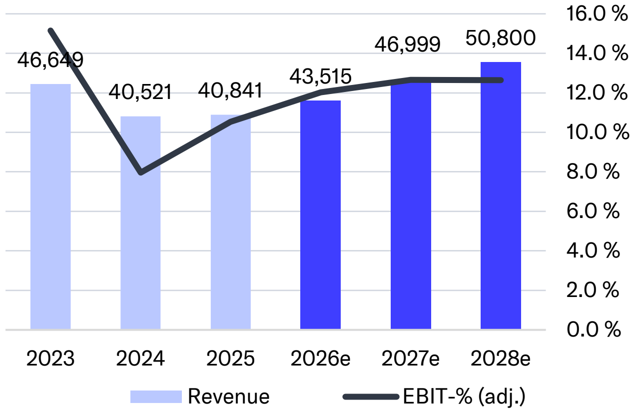
Guidance (NIBE does not provide any guidance)

Share price



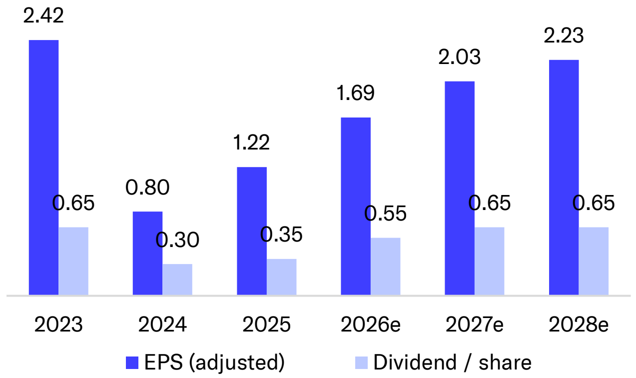
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Strong market position and globally well-known brands
- Good long-term prospects for renewable energy-based systems
- Energy efficiency investments support growth
- Vertical and horizontal synergies create efficiency and reduce costs

Risk factors

- Weak new construction market and uncertainty regarding future heat pump subsidies
- Somewhat cyclical demand
- Persistently unfavorable gas-to-electricity price ratios
- Risks generated by acquisitions and/or expansion investments

Valuation	2026e	2027e	2028e
Share price	42.0	42.0	42.0
Number of shares, millions	2,016	2,016	2,016
Market cap	84,675	84,675	84,675
EV	99,066	96,182	93,211
P/E (adj.)	24.9	20.7	18.8
P/E	24.9	20.7	18.8
P/B	2.6	2.4	2.2
P/S	1.9	1.8	1.7
EV/Sales	2.3	2.0	1.8
EV/EBITDA	13.0	11.8	10.8
EV/EBIT (adj.)	18.9	16.2	14.5
Payout ratio (%)	32.6 %	32.0 %	29.1 %
Dividend yield-%	1.3 %	1.5 %	1.5 %

Source: Inderes

Volumes and margins both surprised on the upside

Revenue beats on every front

NIBE's Q2 revenue reached 10.8 BSEK, corresponding to 7.6% growth (8.7% FX-adjusted organic growth), above both our and consensus forecasts. At the business area level, we believe Climate Solutions (Q2'26: 7.3 BSEK, 9.0% organic y/y growth) once again stood out on the positive side. The solid organic growth was driven by strong European heat pump sales, on both the residential and commercial side. Demand for HVAC equipment for commercial property in the US also remained good and more than offset the slowdown in US residential heat pump sales following the removal of tax subsidies. Perhaps more surprising to us was the strong beat in the Element business area (3.1 BSEK, 11.6% organic y/y growth). The positive sales development was mainly driven by demand from the semiconductor industry, where NIBE benefits as a components supplier to North American chipmakers, but also by increased demand from the heat pump industry, while the market for white goods remained subdued. Stoves also outperformed our revenue expectations (Q2'26: 0.7 BSEK, 1.8% organic y/y growth), though it remained weighed down by a weak European market.

Volume growth drives margin lift

NIBE's Q2 gross margin increased to 32.1% (Q2'25: 30.2%) on the back of higher volumes, which improved capacity utilization and productivity. Higher sales volumes, an improved gross margin, and good operational cost control resulted in solid operating profit growth of around 30% to 1.2 BSEK, above both our and consensus forecasts, corresponding to an EBIT margin of 11.4%. Both Climate Solutions (13.8%) and Element (8.9%) reported healthy EBIT margins, while Stoves posted a negative operating profit due to tariff headwinds introduced at the start of the second quarter, which were challenging to offset in the short term without losing market share.

Cash flow at good levels, in line with typical seasonality

In our view, operating cash flow after changes in working capital was good and amounted to 1,125 MSEK (366 MSEK), in line with NIBE's typical seasonality, whereby the company tends to tie up capital during the first half of the year. FCF/sales on a rolling 12-month basis improved to around 8%, which we view as a healthy level. NIBE currently holds 9.8 BSEK in inventory, equivalent to ~24% of its rolling 12-month revenue, still significantly above the pre-pandemic level of 17–18%. The net debt/EBITDA ratio stood at 2.7x at the end of the period. While we believe leverage remains high, we expect it to improve alongside profitability and are not currently concerned. We would not be surprised to see minor acquisitions going forward, and perhaps larger ones as leverage continues to decline.

Estimates	Q2'25	Q2'26	Q2'26e	Q2'26e	Consensus			Difference (%)	2026e
MSEK / SEK	Comparison	Actualized	Inderes	Consensus	Low		High	Act. vs. inderes	Inderes
Revenue	10,082	10,849	10,526	10,553	9,973	-	10,766	3%	43,515
EBIT (adj.)	944	1,232	1,189	1,071	860	-	1,189	4%	5,235
EBIT	944	1,232	1,189	1,071	860	-	1,189	4%	5,235
PTP	700	1,025	999	903	667	-	999	3%	4,455
EPS (adj.)	0.25	0.37	0.39	0.37	0.35	-	0.40	-3%	1.69
Revenue growth-%	0.5 %	7.6 %	4.4 %	4.7 %	-1.1 %	-	6.8 %	3.2 pp	6.5 %
EBIT-%	9.4 %	11.4 %	11.3 %	10.1 %	8.6 %	-	11.0 %	0.1 pp	12.0 %

Source: Inderes & Bloomberg (17.08.2026 11 analysts) (consensus)

Attractive growth with margin upside

Confident tone points to a stronger H2

While NIBE does not provide specific numerical guidance, the company offered some commentary on market dynamics. In our view, management appeared confident that the ongoing recovery is sustainable and that the traditional seasonal pattern has been re-established, and it therefore expects a stronger second half of the year compared with the first. We believe this is also confirmed by positive market data, especially in Europe. In addition, given that management should have fairly good visibility on the rest of the year at this point, we view this as a positive signal and expect the ongoing volume-led margin recovery to continue. However, near-term headwinds still persist despite strengthening demand, including a sluggish new-build market and subsidy uncertainties in certain markets.

Earnings estimates raised ~3% on the back of the beat

Given the stronger-than-expected Q2 report, we have lifted our EBIT estimates by around 3% on average for 2026–2028e. In line with NIBE's commentary, we expect a stronger second half of 2026 across all three business areas, with Climate Solutions and Element leading the way. For the full year 2026, we expect Climate Solutions to deliver growth of around 7%, with the EBIT margin landing well within the company's historical range (13–15%) at slightly above 14%. For Element, we expect revenue growth of some 8%, with the operating margin also landing well within its historical range (8–11%) at slightly below 9%. We expect Stoves, on the other hand, to remain a drag, both due to the persistently weak European market and to tariff headwinds of around 150 MSEK on an annual basis. Despite an H2 growth acceleration, we expect full-year revenue to be roughly flat, with the EBIT margin landing at around 4%, below the company's stated 6–8% annual assessment in the short term.

Over the mid-to-long term, we expect a fairly high annual growth rate of some 6–8%, which we believe should support margin expansion towards around 13–14%. However, the main downside risks to our estimates are rising competition, interest rates remaining higher for longer and weighing on new-build markets, and a material slowdown in heat pump adoption that could trigger significant inventory build-up, leading to a repeat of the 2024-25 destocking episode.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MSEK / SEK	**Old**	**New**	**%**	**Old**	**New**	**%**	**Old**	**New**	**%**
Revenue	42,931	43,515	1%	46,455	46,999	1%	49,968	50,800	2%
EBITDA	7,381	7,600	3%	7,950	8,182	3%	8,549	8,614	1%
EBIT (exc. NRIs)	5,089	5,235	3%	5,706	5,951	4%	6,349	6,425	1%
EBIT	5,089	5,235	3%	5,706	5,951	4%	6,349	6,425	1%
PTP	4,326	4,455	3%	5,006	5,251	5%	5,699	5,775	1%
EPS (excl. NRIs)	1.66	1.69	2%	1.92	2.03	6%	2.19	2.23	2%
DPS	0.55	0.55	0%	0.65	0.65	0%	0.65	0.65	0%

Source: Inderes

We reiterate our Accumulate recommendation

Absolute valuation multiples

NIBE's 2026 valuation multiples are P/E: 25x and EV/EBIT: 19x. These multiples are slightly below the company's historical long-term medians (P/E: ~27 and EV/EBIT: ~22x), and we view them as relatively neutral. Looking ahead, if the market environment continues to improve and our forecast of an earnings recovery continues materializing, the estimated 2027 multiples of P/E: 21x and EV/EBIT: 16x look attractive to us. However, the 2027 multiples are based on estimates that depend on still uncertain improvements in earnings. Key uncertainties include the macroeconomic environment, a sluggish construction market, and subsidy uncertainty in certain heat pump markets. In addition, intensifying competition could put pressure on pricing power over time.

Priced in line with its heat pump peers

On a relative basis, NIBE is trading only slightly above its overall peer group, based on earnings multiples for 2026-27. When comparing only to its international heat pump peers (such as Carrier, Trane, Lennox, and Beijer Ref), NIBE is trading in line with the average of 2026-27 earnings multiples. On the one hand, we believe that NIBE holds a strong long-term track record of profitable growth and high returns on capital, which could justify a premium. On the other hand, growth outlook and margin potential are quite similar. In addition, NIBE is a smaller company compared to the overall peer group. All in all, we therefore consider NIBE's valuation relatively neutral compared to its overall peer group.

DCF suggests some upside

We also believe that the DCF model is a relevant valuation method for NIBE, given the availability of sufficient historical financial information, the stability of the industry, consistent growth, and a relatively predictable business. Overall, the model expects NIBE to grow at a high single-digit rate in the medium term and at a mid-single-digit rate in the long term. With these assumptions, our DCF model arrives at an equity value of around 95 BSEK, which translates to around SEK 47 per share. This is in line with our target price and above the current share price, suggesting some upside.

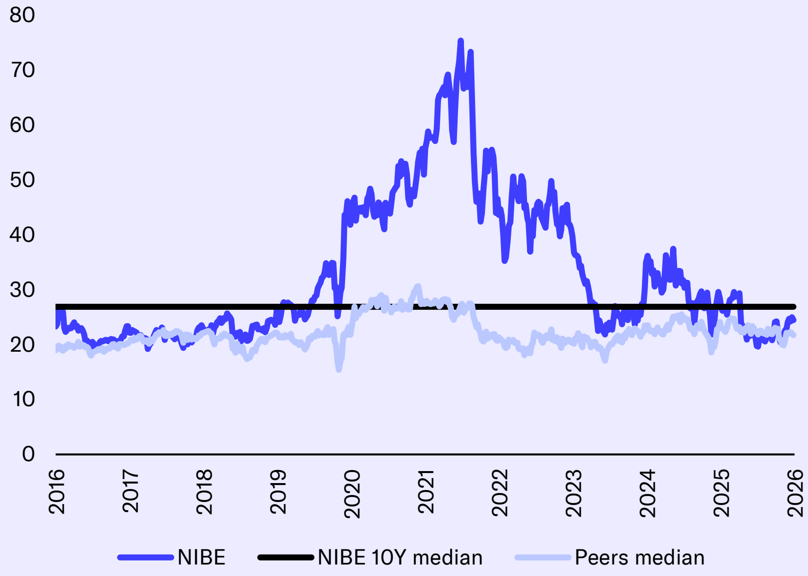
Expected return is sufficient in the medium term

We expect investors to receive an annual dividend of about 1-2% over the next few years for the current share price. However, we do not deem dividends very significant for NIBE's expected returns, as its profile is that of a growth company. We believe that NIBE's valuation is high on an actual earnings basis (adj. P/E LTM: 30x). Although we expect downward pressure on LTM earnings multiples, we believe that the strong medium-term earnings growth offers a total expected return above our required return. We, therefore, consider the risk/reward ratio good and reiterate our Accumulate recommendation and raise our target price to SEK 47 per share (prev. SEK 44 per share) on the back of increased estimates.

Valuation	2026e	2027e	2028e
Share price	42.0	42.0	42.0
Number of shares, millions	2,016	2,016	2,016
Market cap	84,675	84,675	84,675
EV	99,066	96,182	93,211
P/E (adj.)	24.9	20.7	18.8
P/E	24.9	20.7	18.8
P/B	2.6	2.4	2.2
P/S	1.9	1.8	1.7
EV/Sales	2.3	2.0	1.8
EV/EBITDA	13.0	11.8	10.8
EV/EBIT (adj.)	18.9	16.2	14.5
Payout ratio (%)	32.6 %	32.0 %	29.1 %
Dividend yield-%	1.3 %	1.5 %	1.5 %

Source: Inderes

Historical trading multiples, P/E (NTM)

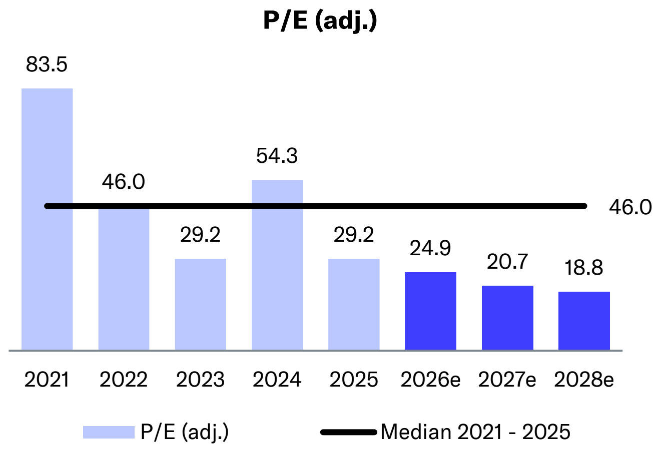


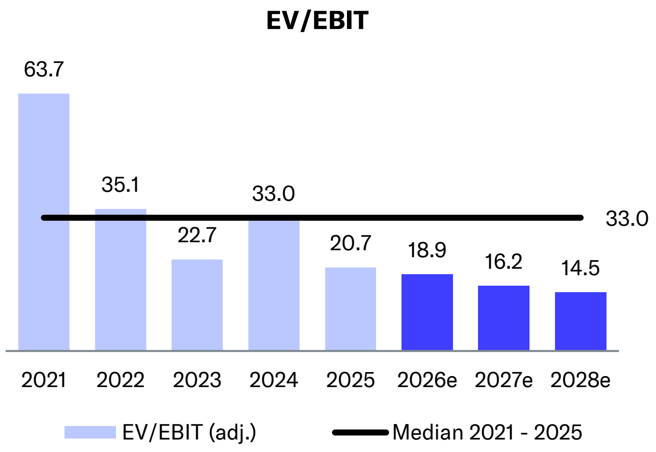
Source: Inderes, Bloomberg

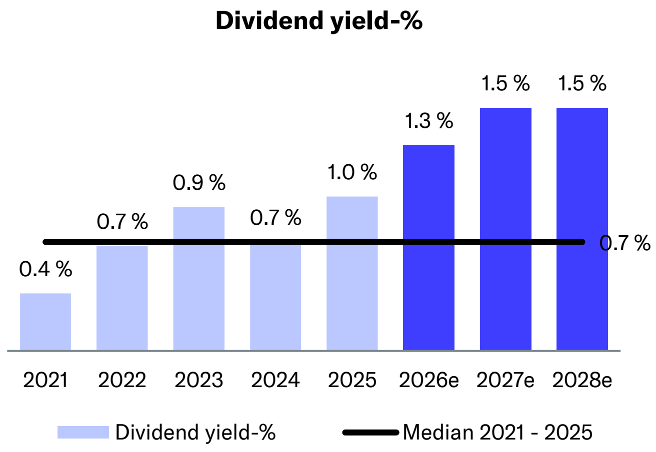
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	136.8	97.1	70.8	43.2	35.6	**42.0**	**42.0**	**42.0**	**42.0**
Number of shares, millions	2,016	2,016	2,016	2,016	2,016	**2,016**	**2,016**	**2,016**	**2,016**
Market cap	275,697	195,760	142,738	87,175	71,772	**84,675**	**84,675**	**84,675**	**84,675**
EV	283,549	202,352	160,174	106,382	88,961	**99,066**	**96,182**	**93,211**	**90,163**
P/E (adj.)	83.5	46.0	29.2	54.3	29.2	**24.9**	**20.7**	**18.8**	**16.3**
P/E	83.0	45.0	29.8	74.9	31.5	**24.9**	**20.7**	**18.8**	**16.3**
P/B	12.9	7.0	5.2	2.7	2.4	**2.6**	**2.4**	**2.2**	**2.0**
P/S	8.9	4.9	3.1	2.2	1.8	**1.9**	**1.8**	**1.7**	**1.5**
EV/Sales	9.2	5.0	3.4	2.6	2.2	**2.3**	**2.0**	**1.8**	**1.6**
EV/EBITDA	49.2	27.1	18.2	21.6	14.2	**13.0**	**11.8**	**10.8**	**9.7**
EV/EBIT (adj.)	63.7	35.1	22.7	33.0	20.7	**18.9**	**16.2**	**14.5**	**12.6**
Payout ratio (%)	30.4 %	30.1 %	27.4 %	52.0 %	30.9 %	**32.6 %**	**32.0 %**	**29.1 %**	**30.0 %**
Dividend yield-%	0.4 %	0.7 %	0.9 %	0.7 %	1.0 %	**1.3 %**	**1.5 %**	**1.5 %**	**1.8 %**

Source: Inderes







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**
Kone	26,914	26,457	18.4	15.9	14.7	13.0	2.3	2.1	24.4	21.3	3.7	4.0	9.0
Assa Abloy	35,379	41,483	17.3	15.8	14.4	13.2	2.9	2.7	22.3	19.8	1.9	2.2	3.5
Hexagon	24,052	24,568	18.3	20.9	12.2	15.0	5.7	5.3	27.2	26.9	1.7	1.4	2.6
Beijer Ref	5,935	6,990	19.1	17.4	15.1	14.0	2.0	1.8	23.8	21.1	1.3	1.4	2.7
Tomra Systems	2,897	3,590	24.8	13.6	13.1	9.0	2.4	2.0	32.0	15.9	2.0	3.4	4.6
Thule Group	2,026	2,393	14.9	13.2	12.4	11.2	2.5	2.4	18.3	15.9	4.3	4.9	2.9
Munters Group	2,946	3,523	20.6	13.3	14.7	10.1	2.3	1.8	29.0	17.2	1.0	1.6	6.1
Trane Technologies	84,949	87,857	23.1	20.3	21.1	18.7	4.3	4.0	29.5	25.8	0.9	1.0	10.4
Carrier	42,438	51,790	19.0	16.8	14.2	13.0	2.6	2.5	20.9	18.2	1.6	1.7	3.8
Lennox International Inc	12,011	13,320	14.1	13.0	12.7	11.7	2.8	2.6	17.2	15.5	1.3	1.4	8.8
Daikin Industries	32,971	34,825			9.7	8.9	1.3	1.2	23.0	20.7	1.6	1.7	2.0
Mitsubishi Electric	64,441	61,696			18.2	12.8	2.0	1.8	32.6	22.5	1.0	1.2	2.8
NIBE Industrier B (Inderes)	**7,698**	**9,006**	**18.9**	**16.2**	**13.0**	**11.8**	**2.3**	**2.0**	**24.9**	**20.7**	**1.3**	**1.5**	**2.6**
Average			**19.0**	**16.0**	**14.4**	**12.5**	**2.8**	**2.5**	**25.0**	**20.1**	**1.9**	**2.1**	**4.9**
Median			**18.7**	**15.8**	**14.3**	**12.9**	**2.5**	**2.2**	**24.1**	**20.2**	**1.6**	**1.7**	**3.6**
Diff-% to median			***1%***	***2%***	***-9%***	***-9%***	***-8%***	***-9%***	***3%***	***2%***	***-18%***	***-7%***	***-29%***

Source: Refinitiv / Inderes

Income statement

Income statement	2024	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**40,521**	**40,841**	**9,650**	**10,849**	**11,001**	**12,015**	**43,515**	**46,999**	**50,800**	**54,694**
Climate Solutions	26,037	26,918	6,228	7,326	7,327	7,975	28,856	31,062	33,392	35,897
Element	11,092	11,284	2,845	3,121	3,114	3,152	12,232	13,178	14,166	15,229
Stoves	3,864	3,475	833	686	820	1,148	3,487	3,788	4,091	4,419
Eliminations	-472	-836	-256	-284	-260	-260	-1,060	-1,030	-850	-850
EBITDA	**4,916**	**6,271**	**1,435**	**1,830**	**2,031**	**2,304**	**7,600**	**8,182**	**8,614**	**9,307**
Depreciation	-2,245	-2,146	-567	-598	-600	-600	-2,365	-2,230	-2,189	-2,166
EBIT (excl. NRI)	**3,226**	**4,303**	**868**	**1,232**	**1,431**	**1,704**	**5,235**	**5,951**	**6,425**	**7,140**
EBIT	**2,671**	**4,125**	**868**	**1,232**	**1,431**	**1,704**	**5,235**	**5,951**	**6,425**	**7,140**
Climate Solutions	1,600	3,493	643	1,010	1,136	1,316	4,105	4,581	4,842	5,384
Element	362	795	187	277	296	315	1,075	1,187	1,275	1,371
Stoves	143	144	37	-24	25	98	135	283	409	486
Eliminations	566	-307	1	-31	-25	-25	-80	-100	-101	-101
Net financial items	-1,135	-970	-193	-207	-190	-190	-780	-700	-650	-500
PTP	**1,536**	**3,155**	**675**	**1,025**	**1,241**	**1,514**	**4,455**	**5,251**	**5,775**	**6,640**
Taxes	-374	-875	-171	-272	-273	-333	-1,049	-1,155	-1,270	-1,461
Minority interest	2	1	0	0	0	0	0	0	0	0
Net earnings	**1,164**	**2,281**	**504**	**753**	**968**	**1,181**	**3,406**	**4,096**	**4,504**	**5,179**
EPS (adj.)	**0.80**	**1.22**	**0.25**	**0.37**	**0.48**	**0.59**	**1.69**	**2.03**	**2.23**	**2.57**
EPS (rep.)	**0.58**	**1.13**	**0.25**	**0.37**	**0.48**	**0.59**	**1.69**	**2.03**	**2.23**	**2.57**

Key figures	2024	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-13.1 %	0.8 %	-0.2 %	7.6 %	9.1 %	9.2 %	6.5 %	8.0 %	8.1 %	7.7 %
Adjusted EBIT growth-%	-54.4 %	33.4 %	11.0 %	30.5 %	25.6 %	18.5 %	21.7 %	13.7 %	8.0 %	11.1 %
EBITDA-%	12.1 %	15.4 %	14.9 %	16.9 %	18.5 %	19.2 %	17.5 %	17.4 %	17.0 %	17.0 %
Adjusted EBIT-%	8.0 %	10.5 %	9.0 %	11.4 %	13.0 %	14.2 %	12.0 %	12.7 %	12.6 %	13.1 %
Net earnings-%	2.9 %	5.6 %	5.2 %	6.9 %	8.8 %	9.8 %	7.8 %	8.7 %	8.9 %	9.5 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**46,979**	**43,404**	**42,395**	**42,210**	**42,150**
Goodwill	25,290	25,290	25,290	25,290	25,290
Intangible assets	6,951	4,193	4,658	5,035	5,409
Tangible assets	13,214	12,416	11,551	10,989	10,555
Associated companies	325	325	325	325	325
Other investments	23	23	31	31	31
Other non-current assets	424	405	192	192	192
Deferred tax assets	752	752	348	348	348
Current assets	**23,427**	**21,651**	**23,498**	**24,909**	**26,416**
Inventories	10,644	9,167	9,573	9,870	10,160
Other current assets	0	0	0	0	0
Receivables	7,176	7,026	7,397	7,990	8,636
Cash and equivalents	5,607	5,458	6,527	7,050	7,620
Balance sheet total	**70,406**	**65,055**	**65,893**	**67,119**	**68,566**

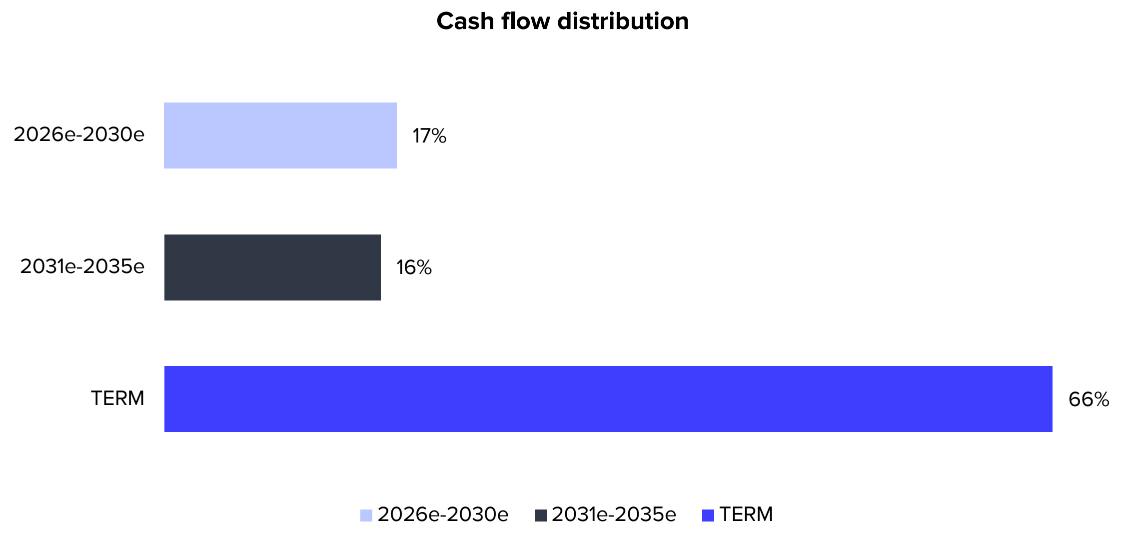
Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**32,140**	**30,290**	**32,990**	**35,977**	**39,171**
Share capital	79	79	79	79	79
Retained earnings	27,480	25,630	28,330	31,317	34,511
Hybrid bonds	0	0	0	0	0
Revaluation reserve	0	0	0	0	0
Other equity	4,543	4,543	4,543	4,543	4,543
Minorities	38	38	38	38	38
Non-current liabilities	**22,615**	**20,814**	**18,918**	**18,212**	**16,536**
Deferred tax liabilities	0	0	0	0	0
Provisions	2,787	2,787	2,787	2,787	2,787
Interest bearing debt	17,625	16,129	14,233	13,527	11,851
Convertibles	0	0	0	0	0
Other long term liabilities	2,203	1,898	1,898	1,898	1,898
Current liabilities	**15,651**	**13,951**	**13,985**	**12,930**	**12,858**
Interest bearing debt	7,086	6,428	6,587	4,940	4,222
Payables	8,565	7,523	7,397	7,990	8,636
Other current liabilities	0	0	0	0	0
Balance sheet total	**70,406**	**65,055**	**65,893**	**67,119**	**68,566**

DCF-calculation

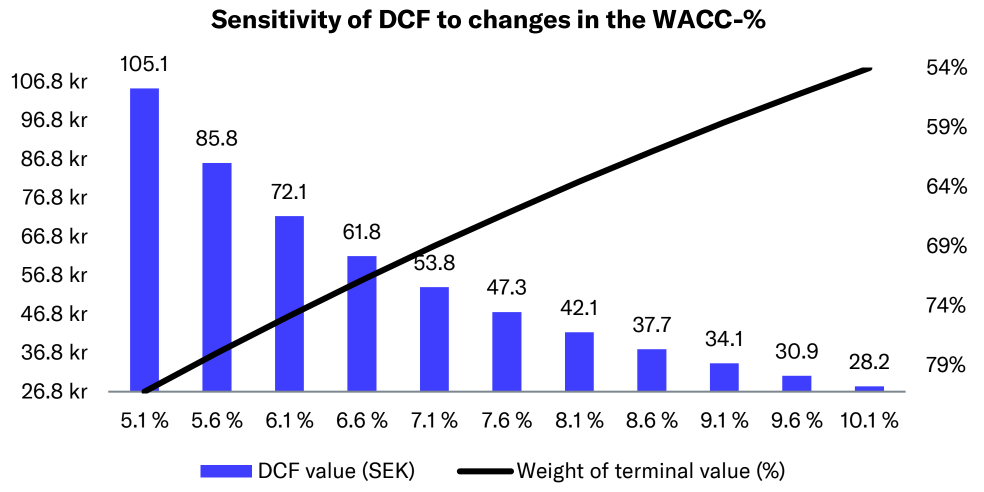
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	0.8 %	6.5 %	8.0 %	8.1 %	7.7 %	6.0 %	6.0 %	6.0 %	6.0 %	5.0 %	2.5 %	2.5 %
EBIT-%	10.1 %	12.0 %	12.7 %	12.6 %	13.1 %	13.5 %	13.5 %	13.5 %	13.5 %	13.5 %	13.5 %	13.5 %
EBIT (operating profit)	**4,125**	**5,235**	**5,951**	**6,425**	**7,140**	**7,827**	**8,296**	**8,794**	**9,322**	**9,788**	**10,036**	
+ Depreciation	2,146	2,365	2,230	2,189	2,166	2,162	2,225	2,242	2,276	2,325	2,340	
- Paid taxes	-875	-645	-1,155	-1,270	-1,461	-1,634	-1,759	-1,891	-2,018	-2,131	-2,186	
- Tax, financial expenses	-269	-184	-154	-143	-110	-88	-66	-44	-33	-22	-22	
+ Tax, financial income	0	0	0	0	0	0	0	0	0	0	0	
- Change in working capital	585	-903	-296	-290	-779	-656	-696	-737	-782	-690	-368	
Operating cash flow	**5,712**	**5,868**	**6,576**	**6,910**	**6,957**	**7,611**	**8,000**	**8,364**	**8,765**	**9,269**	**9,800**	
+ Change in other long-term liabilities	-305	0	0	0	0	0	0	0	0	0	0	
- Gross CAPEX	1,429	-1,760	-2,045	-2,129	-2,216	-2,308	-2,404	-2,500	-2,601	-2,706	-2,521	
Free operating cash flow	**6,836**	**4,108**	**4,531**	**4,781**	**4,740**	**5,302**	**5,596**	**5,864**	**6,165**	**6,563**	**7,279**	
+/- Other	0	0	0	0	0	0	0	0	0	0	0	
FCFF	6,836	4,108	4,531	4,781	4,740	5,302	5,596	5,864	6,165	6,563	7,279	148,835
Discounted FCFF		**4,003**	**4,105**	**4,027**	**3,713**	**3,861**	**3,789**	**3,691**	**3,608**	**3,571**	**3,683**	**75,299**
Sum of FCFF present value		113,349	109,346	105,241	101,214	97,501	93,640	89,852	86,160	82,553	78,981	75,299
Enterprise value DCF		**113,349**										
- Interest bearing debt		-22,557										
+ Cash and cash equivalents		5,458										
+ Associated companies		0										
-Minorities		-98										
-Dividend/capital return		-706										
Equity value DCF		**95,447**										
Equity value DCF per share		**47**										

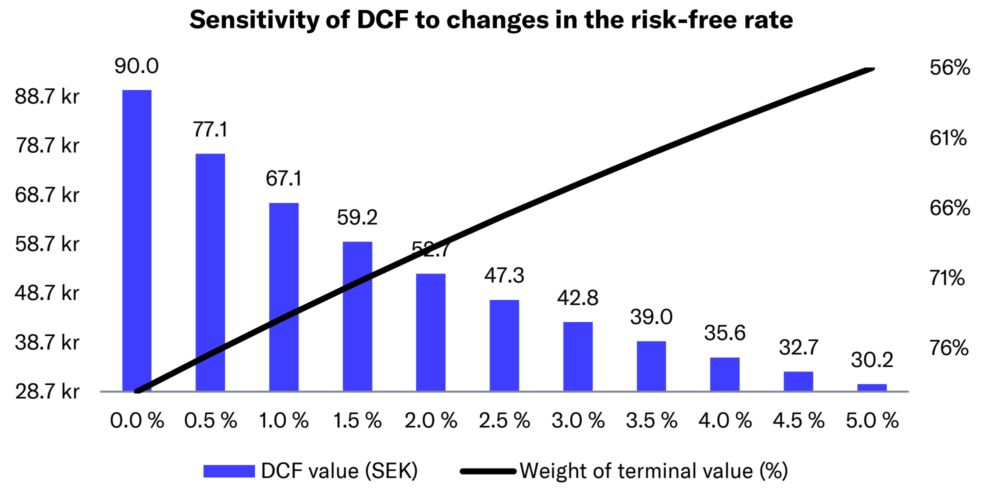
WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E)	15.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	**8.2 %**
Weighted average cost of capital (WACC)	**7.6 %**

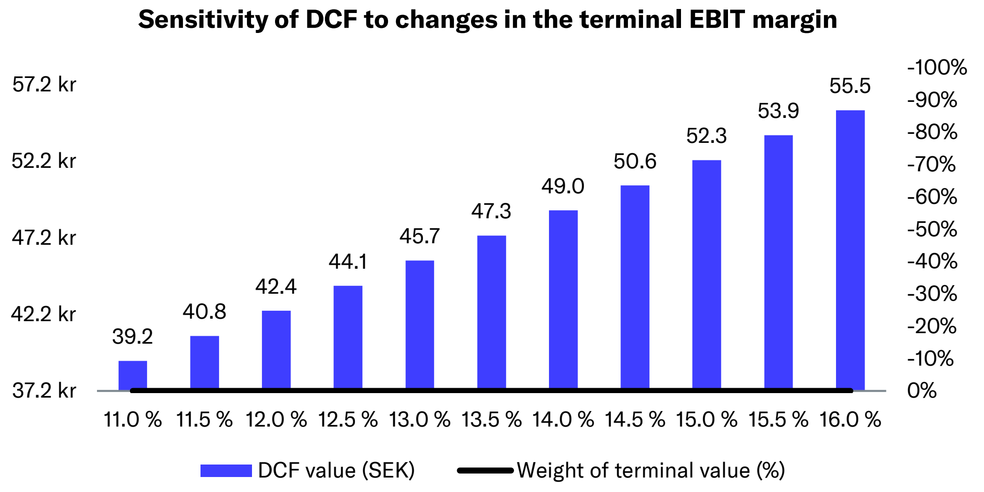


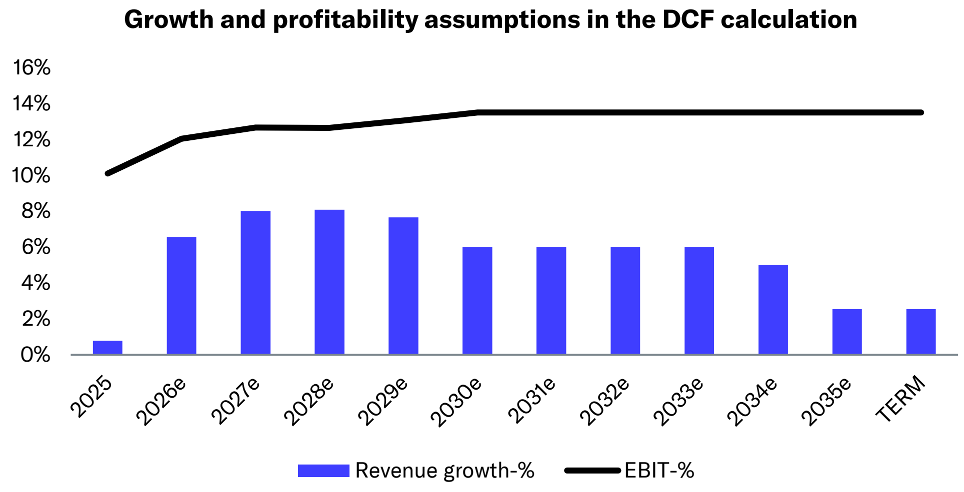
Source: Inderes

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	2023	2024	2025	2026e	2027e
Revenue	46,649	40,521	40,841	**43,515**	**46,999**
EBITDA	8,797	4,916	6,271	**7,600**	**8,182**
EBIT	6,973	2,671	4,125	**5,235**	**5,951**
PTP	6,331	1,536	3,155	**4,455**	**5,251**
Net Income	4,785	1,164	2,281	**3,406**	**4,096**
Extraordinary items	-96	-555	-178	**0**	**0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	68,104	70,406	65,055	**65,893**	**67,119**
Equity capital	27,420	32,140	30,290	**32,990**	**35,977**
Goodwill	22,925	25,290	25,290	**25,290**	**25,290**
Net debt	17,238	19,104	17,099	**14,293**	**11,417**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	8,797	4,916	6,271	**7,600**	**8,182**
Change in working capital	-409	-306	585	**-903**	**-296**
Operating cash flow	6,498	3,755	5,712	**5,868**	**6,576**
CAPEX	-13,837	-5,070	1,429	**-1,760**	**-2,045**
Free cash flow	-5,225	-4,522	6,836	**4,108**	**4,531**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	3.4	2.6	2.2	**2.3**	**2.0**
EV/EBITDA	18.2	21.6	14.2	**13.0**	**11.8**
EV/EBIT (adj.)	22.7	33.0	20.7	**18.9**	**16.2**
P/E (adj.)	29.2	54.3	29.2	**24.9**	**20.7**
P/B	5.2	2.7	2.4	**2.6**	**2.4**
Dividend-%	0.9 %	0.7 %	1.0 %	**1.3 %**	**1.5 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	2.37	0.58	1.13	**1.69**	**2.03**
EPS (adj.)	2.42	0.80	1.22	**1.69**	**2.03**
OCF / share	3.22	1.86	2.83	**2.91**	**3.26**
OFCF / share	-2.59	-2.24	3.39	**2.04**	**2.25**
Book value / share	13.58	15.92	15.01	**16.34**	**17.83**
Dividend / share	0.65	0.30	0.35	**0.55**	**0.65**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	16%	-13%	1%	**7%**	**8%**
EBITDA growth-%	18%	-44%	28%	**21%**	**8%**
EBIT (adj.) growth-%	23%	-54%	33%	**22%**	**14%**
EPS (adj.) growth-%	15%	-67%	53%	**38%**	**20%**
EBITDA-%	18.9 %	12.1 %	15.4 %	**17.5 %**	**17.4 %**
EBIT (adj.)-%	15.2 %	8.0 %	10.5 %	**12.0 %**	**12.7 %**
EBIT-%	14.9 %	6.6 %	10.1 %	**12.0 %**	**12.7 %**
ROE-%	17.3 %	3.9 %	7.3 %	**10.8 %**	**11.9 %**
ROI-%	15.8 %	5.0 %	7.5 %	**9.8 %**	**11.0 %**
Equity ratio	40.3 %	45.6 %	46.6 %	**50.1 %**	**53.6 %**
Gearing	62.9 %	59.4 %	56.5 %	**43.3 %**	**31.7 %**
Net debt/EBITDA	2.0	3.9	2.7	**1.9**	**1.4**
EBITDA/net financials	13.7	4.3	6.5	**9.7**	**11.7**

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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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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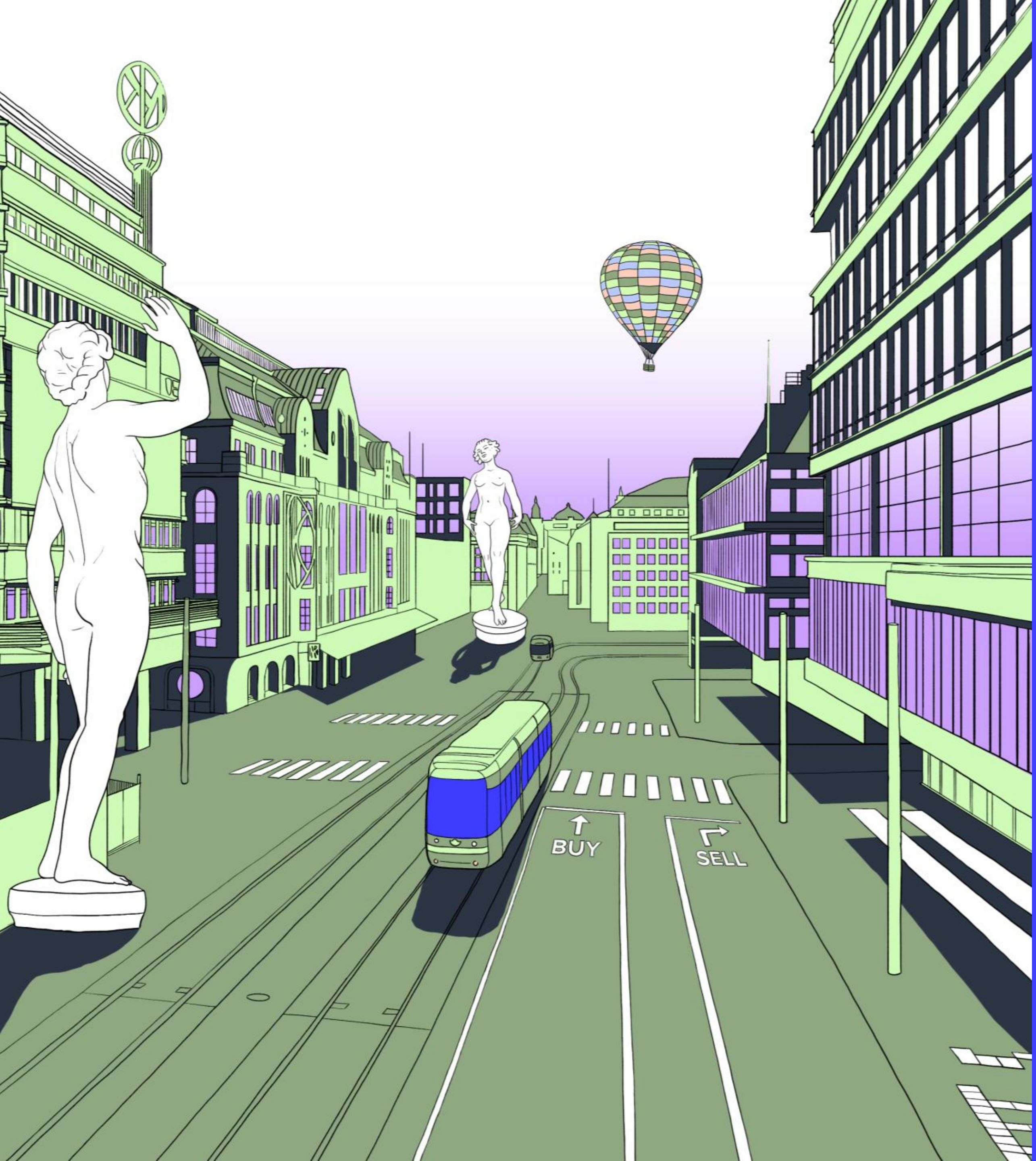
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2023-09-20	Reduce	74.1 kr	70.5 kr
2023-11-16	Reduce	62.0 kr	67.5 kr
2023-02-13	Reduce	59.0 kr	66.5 kr
2023-02-19	Reduce	56.0 kr	59.0 kr
2024-05-17	Reduce	55.0 kr	61.3 kr
2024-08-19	Accumulate	53.0 kr	47.8 kr
2024-11-18	Reduce	52.0 kr	50.1 kr
2025-02-04	Reduce	42.0 kr	43.5 kr
2025-02-17	Reduce	44.0 kr	44.7 kr
2025-05-04	Reduce	40.0 kr	42.7 kr
2025-05-16	Reduce	40.0 kr	44.0 kr
2025-08-19	Sell	40.0 kr	44.0 kr
2025-08-25	Sell	40.0 kr	46.0 kr
2025-09-23	Reduce	40.0 kr	36.8 kr
2025-11-05	Accumulate	40.0 kr	35.9 kr
2025-11-17	Accumulate	38.0 kr	32.9 kr
2025-02-13	Accumulate	44.0 kr	38.9 kr
2025-05-20	Accumulate	44.0 kr	40.0 kr
2025-08-24	Accumulate	47.0 kr	42.0 kr



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