BJÖRN BORG

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Lucas Mattsson, Head of Equity Research, Sweden
+46 731589485
lucas.mattsson@inderes.com

INDERES CORPORATE CUSTOMER

COMPANY REPORT

Short-term drag, but the outlook is still solid

While Björn Borg's Q2 report came in below our expectations, and our near-term estimates have come down slightly as a result, it has no material impact on our medium- to long-term estimates. While we will keep an eye on the Wholesale segment, which has been a drag in H1, we continue to see good opportunities for the company to get back on track and deliver profitable growth and solid value creation. As a result, we continue to view Björn Borg as an interesting investment opportunity, given the attractive combination of expected earnings growth and dividend yield, and therefore reiterate our Accumulate recommendation and target price of SEK 69 per share.

The investment case relies on increased sales growth

In our view, Björn Borg's investment case depends on the company's ability to sustain profitable growth while successfully expanding its core categories. While the biggest positive driver for Björn Borg is topline growth, the main near-term risks to achieving this are slow integration of footwear, a lack of brand traction, and prolonged weak consumer confidence.

Margin strength cushions significant revenue miss

Björn Borg reported Q2 revenue of 198 MSEK, a clear miss against our 241 MSEK estimate and a 12.2% year-on-year decline. The shortfall stemmed from weak Wholesale sales, which the company attributes to distribution timing, as 2026 summer deliveries were booked in Q1 rather than Q2 as in 2025. Although we had anticipated this shift, the effect was more pronounced than expected, with Wholesale down 26%. Even excluding timing, first-half Wholesale revenue fell 4%, which we find disappointing. One explanation was a lower opening order book, reflecting a weaker market when Wholesale orders were placed in Q3'25. More positively, own e-commerce returned to double-digit growth after a temporary Q1 setback, supported by strong momentum in sports apparel and coming in above our expectations. In our view, this signals resilient demand, which should bode well as spring 2027 Wholesale orders are placed in Q3. In our view, the standout in the report was the gross margin, which surged to 56.2% (Q2'25: 50.6%), well above our 51.0% estimate, driven by a favorable channel mix as higher-margin e-commerce gained share. This lifted EBIT 11.0% year-on-year to 11.8 MSEK, though the absolute figure slightly missed our 13.1 MSEK estimate on lower volumes.

Near-term estimates revised down slightly

While Björn Borg's Q2 report came in below our expectations, and our near-term estimates have come down slightly as a result, it has no material impact on our medium- to long-term estimates. We continue to expect that revenue will grow at an annual rate of around 7% in the mid- to long-term, driven by continued expansion in its core categories of sports apparel and footwear, while maintaining steady growth in the more mature underwear segment. That said, we believe overall consumer demand remains relatively sluggish, which continues to create uncertainty around the near-term revenue outlook. We expect profitability (EBIT margin) to be around 12% in the coming years, helped by operating leverage from sales growth, though continued expansion, particularly in Björn Borg's own e-commerce and in the German market, is likely to bring additional costs.

Earnings growth and dividend yield support good expected return

In our view, investing in Björn Borg exposes the investor to a profitable growth company with a solid balance sheet and potential for high dividend yield. While we are relatively neutral on the valuation on a current earnings basis (P/E Q2'26 LTM: ~16x), we see medium-term earnings growth of a good 7% and a dividend yield of some 5-6% per year, which together offer a total expected return above our required return. We therefore consider the risk/reward ratio attractive.

Recommendation
Accumulate
(prev. Accumulate)

Target price:
69.0 SEK
(prev. 69.0 SEK)

Share price:
62.6 SEK

Business risk

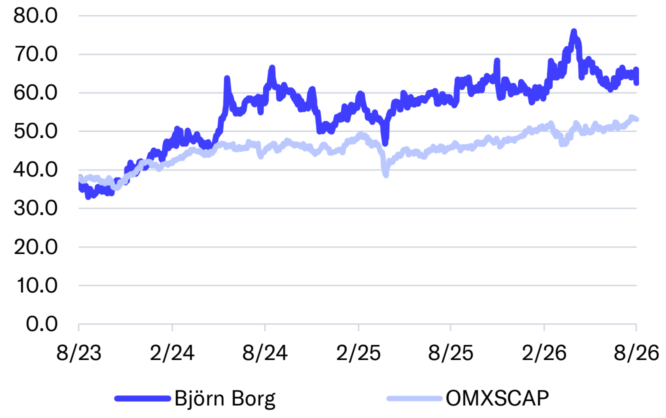
Valuation risk

	2025	2026e	2027e	2028e
Revenue	1043.9	1066.6	1156.2	1258.0
growth-%	5%	2%	8%	9%
EBIT adj.	111.5	127.4	136.1	149.4
EBIT-% adj.	10.7 %	11.9 %	11.8 %	11.9 %
Net Income	92.1	97.5	103.6	115.5
EPS (adj.)	3.66	3.87	4.11	4.58
P/E (adj.)	17.2	16.2	15.2	13.7
P/B	4.3	4.1	3.9	3.7
Dividend yield-%	4.8 %	5.6 %	6.0 %	6.5 %
EV/EBIT (adj.)	14.6	12.5	11.6	10.5
EV/EBITDA	11.6	10.2	9.5	9.2
EV/S	1.6	1.5	1.4	1.2

Source: Inderes

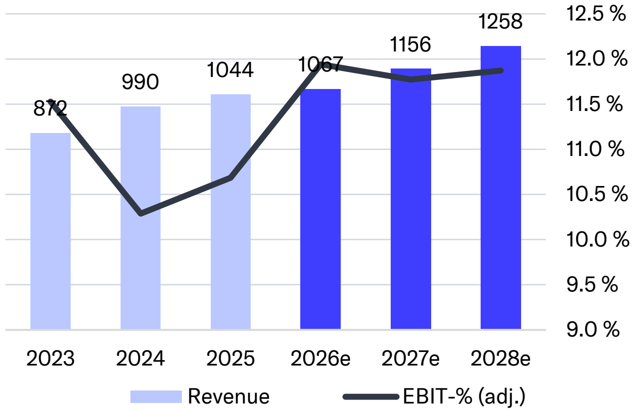
Guidance (Björn Borg does not provide any guidance)

Share price



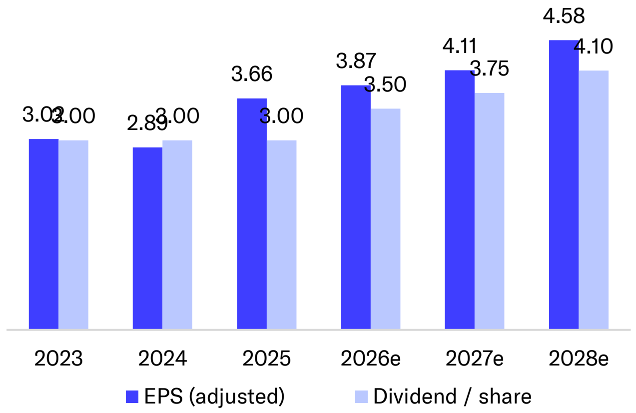
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend / share



Source: Inderes

Value drivers

- Opportunities for geographical expansion in currently smaller markets, especially Germany
- Good growth prospects across all product categories, with sports apparel being the main driver
- Improving margin levels driven by increasing online sales through the company's e-commerce platform and e-tailers
- Integrating footwear business can boost future growth by enhancing quality control, fostering innovation and design

Risk factors

- Strong brand dependence carries risks like trend sensitivity, where the brand may fall out of fashion
- The fashion industry is fiercely competed, and some collections might not appeal to customers
- Risks generated by integrating the footwear category or expansion investments
- Consumers' low purchasing power is a risk to short-term results

Valuation	2026e	2027e	2028e
Share price	62.6	62.6	62.6
Number of shares, millions	25.2	25.2	25.2
Market cap	1578	1578	1578
EV	1593	1575	1562
P/E (adj.)	16.2	15.2	13.7
P/E	16.2	15.2	13.7
P/B	4.1	3.9	3.7
P/S	1.5	1.4	1.3
EV/Sales	1.5	1.4	1.2
EV/EBITDA	10.2	9.5	9.2
EV/EBIT (adj.)	12.5	11.6	10.5
Payout ratio (%)	90.5 %	91.3 %	89.4 %
Dividend yield-%	5.6 %	6.0 %	6.5 %

Source: Inderes

Margin strength cushions significant revenue miss

Steep revenue decline driven by weakness outside own e-commerce

Björn Borg reported Q2 revenue of 198 MSEK, a clear miss against our 241 MSEK estimate and a 12.2% year-on-year decline. The shortfall was driven by weak Wholesale sales, which the company attributes to distribution timing. The 2026 summer season deliveries were booked in Q1'26, whereas the 2025 summer season deliveries fell in Q2'25. We had anticipated this shift, but the effect was far more pronounced than expected, with Wholesale revenue down 26%, well below our estimates. Even excluding the timing effect, first-half 2026 Wholesale revenue still fell 4%. In our view, this was a disappointing result, implying that growth must accelerate materially if the company is to reach its 10% annual target. One explanation is that Björn Borg entered 2026 with a lower order book. Wholesale customers typically place orders in Q3, and at that point last year the market environment was relatively weak, which weighed on H1'26 revenue growth.

While the weak Wholesale development weighed heavily on total sales given the segment's large share of the group (~67% of revenue), we view it positively that own e-commerce returned to double-digit growth after a temporary Q1 setback, supported by strong momentum in sports apparel. This came in above our expectations and, in our view, signals that demand for Björn Borg's products remains strong, which should bode well when orders for the spring 2027 season are placed in Q3.

Exceptional gross margin shields operating profit

The clear positive surprise in the report was the gross margin, which surged to 56.2% (Q2'25: 50.6%), significantly exceeding our 51.0% expectation. We believe a favorable channel mix primarily drove this expansion, as the higher-margin own e-commerce segment accounted for a larger share of total sales amid the wholesale decline. Supported by the strong gross margin, the company delivered an EBIT of 11.8 MSEK, representing an 11.0% year-on-year increase (Q2'25: 10.6 MSEK). Although we consider the margin beat impressive, the absolute EBIT slightly missed our 13.1 MSEK estimate due to the substantial revenue shortfall and lower sales volumes. The company posted an EPS of SEK 0.34, which also landed below our SEK 0.38 forecast.

The balance sheet remains solid

In terms of cash flow, Björn Borg generated a positive operating cash flow of approximately 147 MSEK in Q2, consistent with the seasonal pattern of releasing working capital in Q2 and Q4. We continue to view the balance sheet as solid, with net debt/EBITDA at a healthy 0.6x and an equity ratio of 46%, comfortably above the 35% target.

Given Björn Borg's strong balance sheet, we expect a solid dividend over the coming years. Our payout expectation assumes that almost the entire free cash flow will be distributed, but as we expect Björn Borg to hold a net cash position, excluding lease liabilities, from 2029 onwards, it could potentially pay out even more.

Estimates MSEK / SEK	Q2'25 Comparison	Q2'26 Actualized	Q2'26e Inderes	Q2'26e Consensus	Consensus Low	 High	Difference (%) Act. vs. inderes	2026e Inderes
Revenue	226	198	241	242	238 -	248	-18%	1067
Gross margin-%	51%	56%	56%				0 pp	54%
EBITDA	17.7	19.1	20.5				-7%	157
EBIT	10.6	11.8	13.1	13.9	12.9 -	16.4	-10%	127
PTP	5.0	11.6	12.1				-5%	124
EPS (adj.)	0.16	0.34	0.38				-10%	3.87
Revenue growth-%	6.0 %	-12.2 %	6.8 %	6.9 %	5.3 % -	9.8 %	-19 pp	2.2 %
EBIT-%	4.7 %	5.9 %	5.4 %	5.8 %	5.4 % -	6.6 %	0.5 pp	11.9 %

Source: Inderes & Pinpoint (retail consensus 05.08.26, 61 estimates) (consensus)

CEO interview – Björn Borg Q2'26

Estimate revisions 2026-2028e

Estimate revisions MSEK / SEK	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	1111	1067	-4%	1171	1156	-1%	1258	1258	0%
EBITDA	160	157	-2%	165	166	0%	171	170	-1%
EBIT (exc. NRIs)	131	127	-3%	138	136	-1%	149	149	0%
EBIT	131	127	-3%	138	136	-1%	149	149	0%
PTP	127	124	-2%	135	132	-2%	147	147	0%
EPS (excl. NRIs)	3.97	3.87	-2%	4.19	4.11	-2%	4.58	4.58	0%
DPS	3.50	3.50	0%	3.75	3.75	0%	4.10	4.10	0%

Source: Inderes

Estimates

Group reporting, MSEK	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Revenue	**496**	**539**	**574**	**632**	**696**	**710**	**757**	**705**	**768**	**835**	**872**	**990**	**1044**	**1067**	**1156**	**1258**
Revenue growth-%	-9.0%	9.0%	7.0%	10.0%	10.3%	1.9%	6.7%	-6.8%	8.9%	8.7%	4.4%	13.5%	5.5%	2.2%	8.4%	8.8%
Revenue growth-% (currency neutral)	-8.0%	6.0%	-1.0%	10.0%	9.6%	1.6%	3.7%	-5.8%	11.5%	4.7%	0.7%	13.8%	7.8%	3.5%	8.4%	8.8%
COGS	-241	-254	-273	-314	-320	-303	-351	-335	-352	-411	-401	-469	-504	-495	-545	-591
Gross profit	**259**	**291**	**311**	**324**	**384**	**414**	**428**	**399**	**444**	**450**	**491**	**544**	**568**	**594**	**631**	**687**
Gross margin	51.5%	52.9%	52.4%	50.3%	54.0%	57.4%	53.7%	52.5%	54.2%	50.8%	54.0%	52.6%	51.8%	53.6%	52.9%	53.0%
OPEX	-238	-238	-253	-260	-329	-343	-378	-365	-340	-377	-390	-442	-457	-466	-495	-537
EBIT	**21**	**53**	**59**	**64**	**55**	**71**	**50**	**34**	**104**	**73**	**101**	**102**	**112**	**127**	**136**	**149**
EBIT margin-%	4.3%	9.8%	10.2%	10.2%	7.9%	10.0%	6.7%	4.8%	13.5%	8.7%	11.5%	10.3%	10.7%	11.9%	11.8%	11.9%

Segment breakdown, MSEK	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Wholesale	**204**	**193**	**207**	**290**	**441**	**466**	**516**	**464**	**502**	**540**	**577**	**672**	**728**	**734**	**790**	**840**
Growth-%		-5.6%	7.5%	39.8%	52.4%	5.7%	10.7%	-10.0%	8.2%	7.5%	7.0%	16.3%	8.5%	0.7%	7.7%	6.3%
EBIT margin-%	7.6%	3.3%	-2.0%	6.1%	7.8%	9.8%	5.7%	3.6%	13.6%	9.8%	10.5%	8.1%	9.2%	10.7%	9.5%	10.0%
Own e-commerce								**84**	**100**	**113**	**154**	**181**	**217**	**241**	**265**	**300**
Growth-%									19.0%	14.0%	35.8%	17.6%	19.7%	11.1%	10.1%	13.2%
EBIT margin-%								12.2%	20.3%	15.6%	18.7%	18.2%	18.5%	18.9%	18.4%	17.0%
Own stores								**127**	**113**	**107**	**105**	**107**	**87**	**72**	**78**	**90**
Growth-%									-11.2%	-5.9%	-1.7%	2.6%	-18.6%	-17.4%	7.9%	15.4%
EBIT margin-%								-10.1%	-5.6%	-22.8%	-6.7%	2.5%	-5.8%	-8.7%	2.3%	3.0%
Direct-to-consumer	**69**	**81**	**105**	**128**	**186**	**186**	**197**	**211**	**213**	**220**	**259**	**288**	**304**	**313**	**343**	**390**
Growth-%		16.4%	29.7%	22.0%	45.8%	-0.1%	6.1%	7.1%	0.8%	3.4%	17.6%	11.5%	5.4%	2.9%	9.6%	13.7%
EBIT margin-%	-18.9%	-5.9%	1.0%	-4.9%	-7.4%	-1.5%	-1.4%	-1.3%	6.5%	-3.0%	8.4%	12.3%	11.5%	12.5%	14.7%	13.8%
Distributors	**187**	**234**	**238**	**188**	**58**	**49**	**50**	**45**	**71**	**92**	**47**	**51**	**38**	**40**	**42**	**47**
Growth-%		24.9%	1.8%	-21.1%	-69.0%	-15.8%	2.4%	-11.2%	59.9%	29.2%	-49.6%	8.9%	-24.7%	5.6%	4.3%	11.9%
EBIT margin-%	2.2%	14.9%	15.7%	17.8%	31.3%	30.1%	22.1%	15.6%	19.0%	21.2%	21.2%	19.7%	21.7%	20.7%	23.0%	23.0%
Licensing	**38**	**37**	**35**	**34**	**19**	**15**	**15**	**14**	**10**	**9**	**9**	**2**	**1**	**1**	**1**	**1**
Growth-%		-2.2%	-7.3%	-3.2%	-44.8%	-17.1%	0.4%	-9.7%	-30.7%	-8.4%	2.9%	-75.6%	-48.0%	24.5%	-16.8%	-16.7%
EBIT margin-%	38.4%	52.2%	69.6%	58.0%	87.7%	87.1%	86.6%	89.7%	84.6%	81.0%	88.6%	86.7%	90.9%	90.7%	85.0%	85.0%

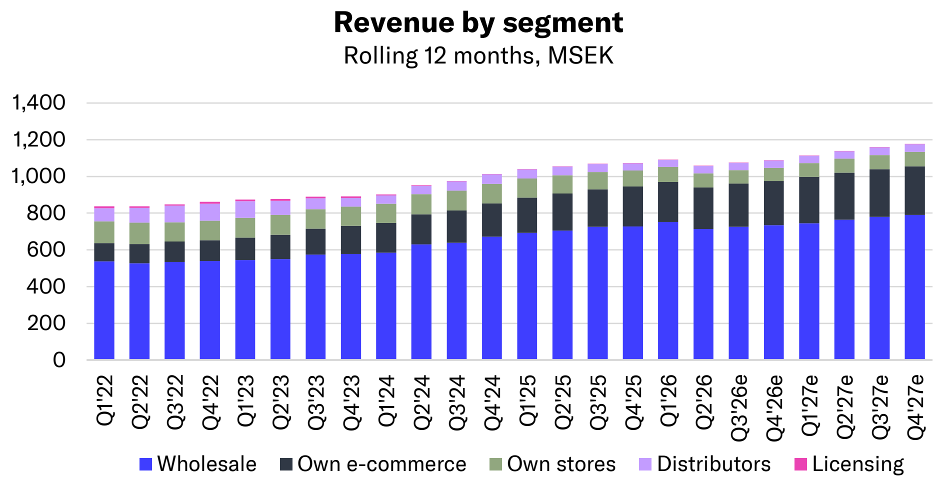
Geographical breakdown, MSEK	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Sweden	202	192	227	245	227	265	272	268	276	287	298	346	387	382	414	428
The Netherlands	146	158	171	160	167	176	210	164	173	179	208	225	234	227	246	264
Finland	54	65	66	88	123	115	110	119	104	112	118	122	132	137	149	138
Germany								44	81	93	86	104	100	107	116	189
Other	97	130	120	145	187	154	166	110	135	165	163	192	190	213	231	239

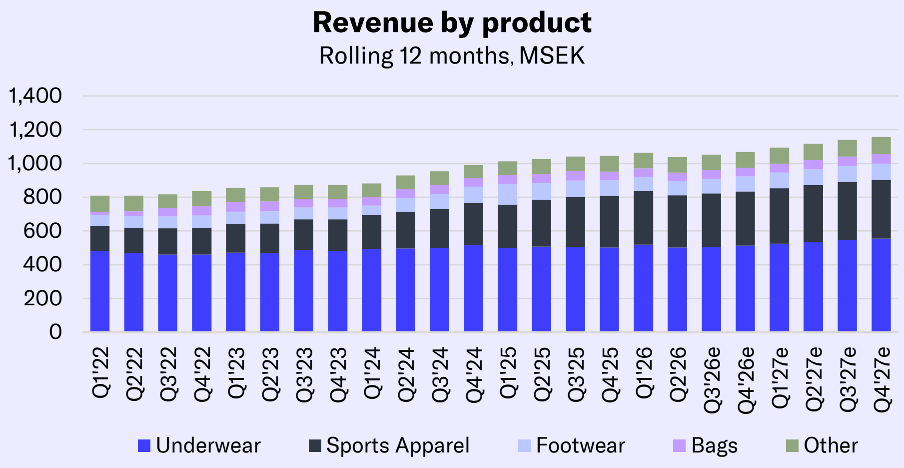
Product breakdown, -% as of sales	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Underwear	60 %	61 %	61 %	63 %	61 %	60 %	59 %	56 %	60 %	55 %	55 %	52 %	48 %	48 %	48 %	45 %
Sports Apparel	11 %	10 %	10 %	9 %	10 %	11 %	14 %	13 %	18 %	19 %	22 %	25 %	29 %	30 %	30 %	33 %
Footwear					23 %	24 %	23 %	27 %	9 %	9 %	8 %	10 %	9 %	8 %	8 %	11 %
Bags									0 %	7 %	6 %	5 %	5 %	5 %	5 %	4 %
Other	29 %	29 %	29 %	28 %	6 %	5 %	4 %	4 %	14 %	10 %	9 %	8 %	9 %	9 %	9 %	7 %

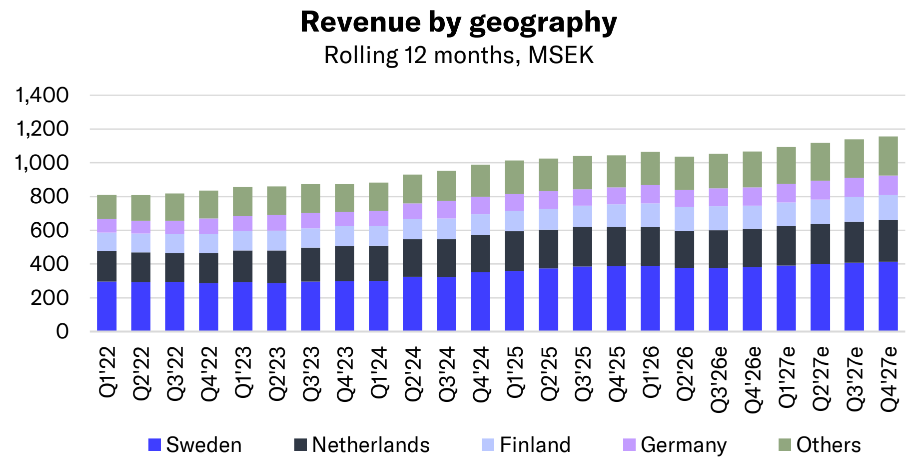
* Own e-commerce & Own Stores are included in "Direct-to-consumer" segment until 2020. Germany is included in "Other" markets until 2020. Footwear is included in "Other" products until 2016, and bags until 2020

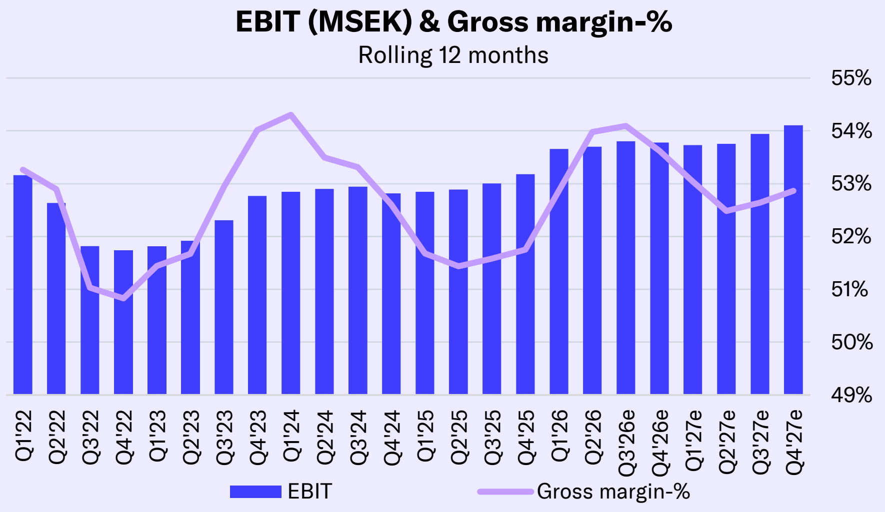
Source: Inderes, Björn Borg

Financial development



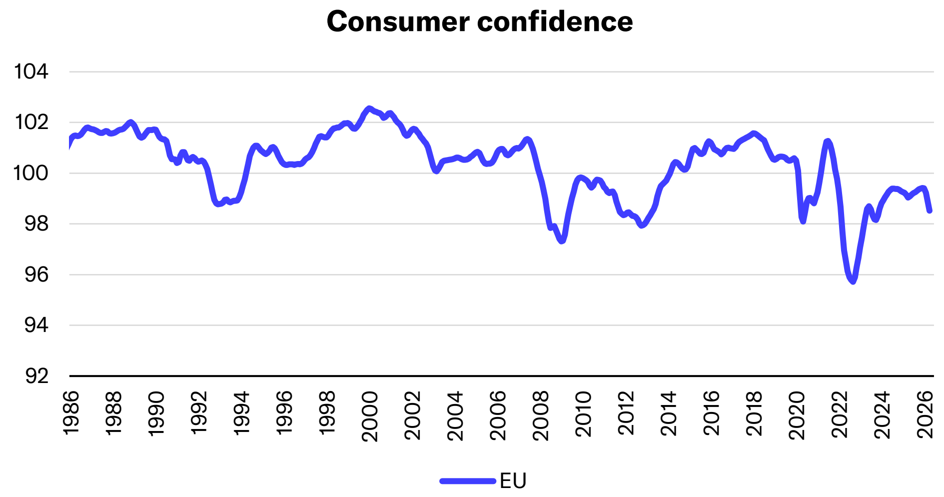


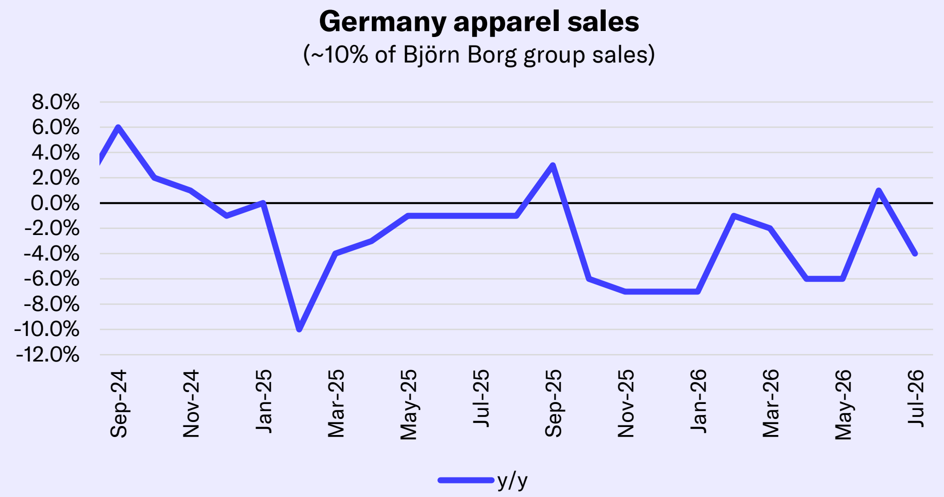


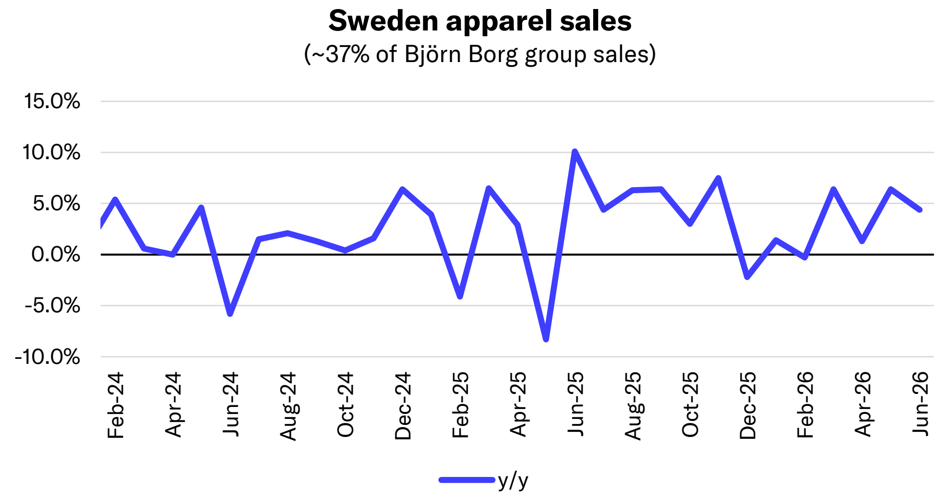


Source: Inderes, Björn Borg

Market figures







Source: Inderes, OECD, Stilindex, TextilWirtschaft, Statistics Netherlands (CBS),

We continue to see a solid total expected return

Valuation summary – Accumulate

While Björn Borg's Q2 report came in below our expectations, and our near-term estimates have come down slightly as a result, it has no material impact on our medium- to long-term estimates or our view on the company. We continue to see Björn Borg as an interesting long-term investment opportunity, given its capacity for solid value creation. Although we are relatively neutral on the valuation on a current earnings basis (P/E Q2'26 LTM: ~16x), we see medium-term earnings growth of a good 7% and a dividend yield of some 5-6% per year, which together offer a total expected return above our required return. We therefore consider the risk/reward ratio quite attractive, and reiterate our Accumulate recommendation and target price of SEK 69 per share.

Peer valuation

The overall peer group is valued at an EV/EBIT median of around 13x and 12x for 2026 and 2027, with corresponding P/E multiples of roughly 15x and 14x. This is slightly below Björn Borg's levels, but we expect Björn Borg to grow its revenue somewhat faster than its peers in the coming years, with higher operating margins and returns on capital. Björn Borg is, however, generally a smaller and less diversified company than the overall peer group. Against the sports apparel peer group specifically, Björn Borg is valued roughly in line with its peers on average earnings multiples for 2026 and 2027. In our view, Björn Borg's track record stands out on a positive note, with higher sales growth, margins, and returns on capital than most of the peer group, particularly in recent years as its sports apparel category and own e-commerce have gained momentum.

However, given that its sports apparel peers are significantly larger and more globally established brands, we find it reasonable, on the one hand, to price Björn Borg below its peers. A degree of discount could also be justified by Björn Borg's continued heavy reliance on the underwear category, which results in higher operational risk, although this risk is gradually decreasing as sports apparel, and likely footwear in the future, takes a larger share of revenue. On the other hand, we anticipate higher growth for Björn Borg in the coming years, alongside higher profitability and returns on capital. As a result, we believe that Björn Borg is not at least significantly mispriced compared to its peers. It is important to note that the peer group's valuation multiples vary widely, from single digits to over 30x, making the group's median somewhat dependent on the specific companies included. Consequently, while we are relatively neutral to the valuation from a peer valuation perspective, we do not rely on it in isolation.

DCF valuation

Our long-term estimates expect a relatively steady growth of around 5-7%, below Björn Borg's growth target but slightly higher than overall market growth. We estimate Björn Borg's cost of equity to be 10.0%, which we consider fair given its relatively stable history of generating profitable growth and high returns on capital. However, this rate also reflects the company's small size and limited global market presence. As we assume little debt in the WACC calculation (as the company generates good operational cash flow and typically carries little leverage excluding lease liabilities), the WACC is set to 9.5%. With these assumptions, our DCF model arrives at an EV of ~1,877 MSEK, which translates into an equity value of around 1,746 MSEK or SEK 69 per share.

Valuation	2026e	2027e	2028e
Share price	62.6	62.6	62.6
Number of shares, millions	25.2	25.2	25.2
Market cap	1578	1578	1578
EV	1593	1575	1562
P/E (adj.)	16.2	15.2	13.7
P/E	16.2	15.2	13.7
P/B	4.1	3.9	3.7
P/S	1.5	1.4	1.3
EV/Sales	1.5	1.4	1.2
EV/EBITDA	10.2	9.5	9.2
EV/EBIT (adj.)	12.5	11.6	10.5
Payout ratio (%)	90.5 %	91.3 %	89.4 %
Dividend yield-%	5.6 %	6.0 %	6.5 %

Source: Inderes

Peer group, key figures

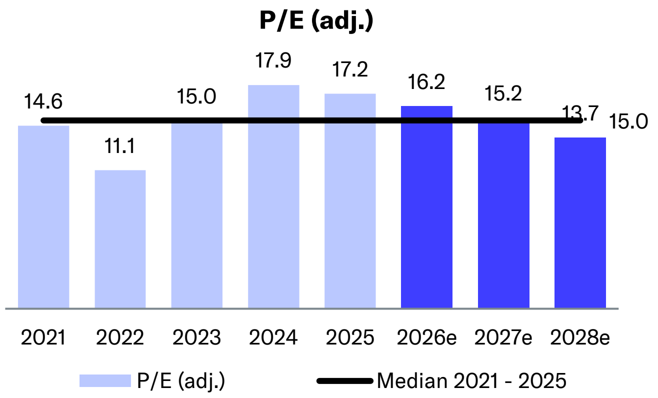
Peer group key figures	Sales growth	EBIT-%	ROIC	Sales growth			EBIT-%			ROIC-%		
Sports apparel	**Average (5y)**	**Average (5y)**	**Average (5y)**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**
Adidas	6%	5%	9%	8%	7%	8%	9%	10%	10%	22%	27%	29%
Nike	5%	13%	24%	1%	-1%	4%	6%	7%	8%		15%	20%
Lululemon	22%	18%	37%	5%	0%	3%	20%	16%	16%		23%	23%
Puma	9%	5%	5%	-5%	6%	6%	-1%	3%	5%	-20%	7%	362%
Under Armour	4%	3%	6%	-3%	-5%	2%	2%	3%	3%		3%	5%
Columbia Sportswear	7%	10%	14%	3%	3%	3%	8%	7%	7%	12%	12%	11%
New Wave Group	11%	15%	13%	11%	7%	7%	12%	14%	15%	11%	12%	13%
Retail												
PVH	5%	7%	8%	3%	0%	2%	9%	9%	8%		8%	8%
GAP	3%	5%	12%	2%	1%	3%	7%	7%	8%		18%	20%
H&M	4%	7%	9%	-3%	3%	2%	9%	9%	9%	18%	19%	19%
Fenix Outdoor	6%	8%	6%	5%	4%	NA	10%	10%	NA			
JD Sports	14%	7%	9%	10%	0%	3%	8%	7%	8%		14%	14%
RVRC	44%	22%	24%	7%	36%	12%	21%	20%	21%	35%	38%	40%
Boozt	14%	5%	8%	9%	7%	6%	7%	7%	8%	19%	20%	22%
Lindex Group	4%	10%	7%	3%	2%	3%	8%	8%	8%			
Zalando	10%	3%	5%	13%	6%	5%	4%	5%	6%	27%	40%	55%
Average	**10%**	**9%**	**12%**	**4%**	**5%**	**5%**	**9%**	**9%**	**9%**	**15%**	**18%**	**46%**
Median	**7%**	**7%**	**9%**	**4%**	**3%**	**3%**	**8%**	**8%**	**8%**	**18%**	**16%**	**20%**
Björn Borg (Inderes)	**8%**	**11%**	**20%**	**2%**	**8%**	**9%**	**12%**	**12%**	**12%**	**28%**	**30%**	**33%**

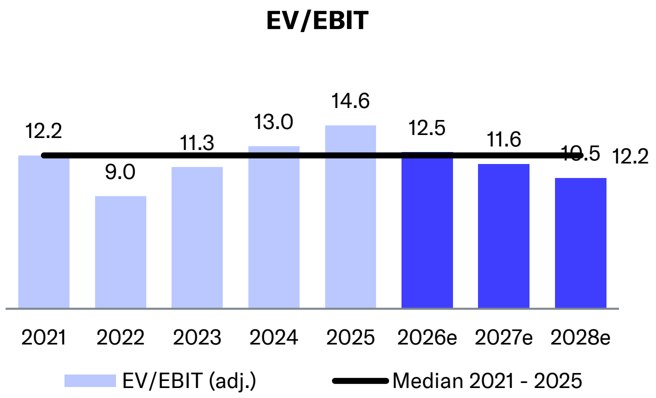
Source: Inderes, Reuters

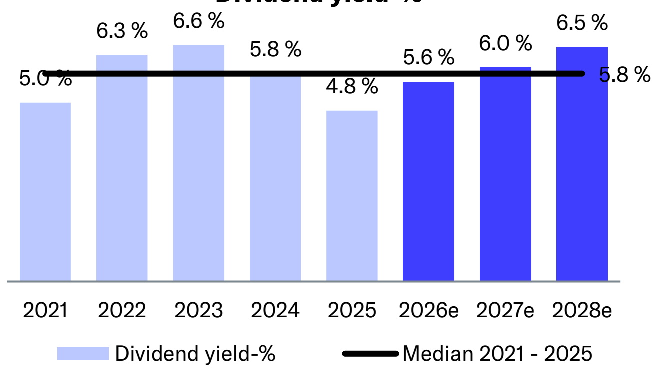
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	50.0	31.6	45.4	51.6	62.8	**62.6**	**62.6**	**62.6**	**62.6**
Number of shares, millions	25.1	25.1	25.1	25.1	25.1	**25.2**	**25.2**	**25.2**	**25.2**
Market cap	1257	795	1142	1298	1579	**1578**	**1578**	**1578**	**1578**
EV	1275	844	1138	1323	1634	**1593**	**1575**	**1562**	**1544**
P/E (adj.)	14.6	11.1	15.0	17.9	17.2	**16.2**	**15.2**	**13.7**	**12.5**
P/E	14.6	15.6	15.0	17.9	17.2	**16.2**	**15.2**	**13.7**	**12.5**
P/B	3.7	2.4	3.2	3.6	4.3	**4.1**	**3.9**	**3.7**	**3.5**
P/S	1.6	1.0	1.3	1.3	1.5	**1.5**	**1.4**	**1.3**	**1.2**
EV/Sales	1.7	1.0	1.3	1.3	1.6	**1.5**	**1.4**	**1.2**	**1.1**
EV/EBITDA	9.1	7.8	8.5	9.9	11.6	**10.2**	**9.5**	**9.2**	**8.4**
EV/EBIT (adj.)	12.2	9.0	11.3	13.0	14.6	**12.5**	**11.6**	**10.5**	**9.4**
Payout ratio (%)	73.1 %	98.9 %	99.3 %	103.8 %	82.0 %	**90.5 %**	**91.3 %**	**89.4 %**	**90.0 %**
Dividend yield-%	5.0 %	6.3 %	6.6 %	5.8 %	4.8 %	**5.6 %**	**6.0 %**	**6.5 %**	**7.2 %**

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**
Sports apparel													
Adidas	28,386	32,899	13.4	11.4	9.28	8.13	1.22	1.14	16.52	13.47	2.3	2.8	4.2
Nike	52,162	51,225	21.8	18.9	16.92	15.24	1.28	1.30	27.15	23.72	4.1	4.1	4.5
Puma	3,989	6,274		27.7	19.64	10.31	0.90	0.85		109.18	0.0	0.6	2.4
Under Armour	1,969	2,137	23.1	17.1	11.50	9.74	0.50	0.52	43.75	47.30		0.4	1.6
RVRC	522	493	12.7	9.9	12.37	9.53	2.68	1.97	16.93	13.48	2.6	3.3	4.5
Columbia Sportswear	2,538	1,999	8.2	9.0	6.40	6.26	0.67	0.65	13.00	13.66	2.1	2.1	1.7
New Wave Group	1,113	1,388	11.1	9.2	8.73	7.39	1.38	1.29	12.62	10.17	3.8	4.5	1.6
Retail													
PVH	3,284	4,743	7.3	7.1	5.29	5.19	0.62	0.62	7.57	6.86	0.2	0.2	0.8
GAP	6,403	5,480	5.7	5.5	3.91	3.83	0.41	0.41	9.63	8.77	3.2	3.3	2.1
H&M	25,434	30,714	17.9	17.0	8.63	8.26	1.52	1.49	22.43	20.89	4.2	4.3	6.7
Fenix Outdoor	1,107	1,299	15.5	14.8	9.08	8.84	1.56	1.49	6.79	6.50	5.4	5.6	0.8
JD Sports Fashion	5,196	9,019	7.8	8.2	4.09	4.09	0.61	0.60	7.91	8.04	1.1	1.4	1.6
Boozt	819	863	15.8	13.6	11.0	9.5	1.1	1.0	20.8	17.3			3.1
Lindex Group	379	930	12.2	11.6	4.9	4.8	1.0	0.9	13.6	11.0			0.8
Zalando	5,928	5,834	11.3	8.2	5.7	4.9	0.4	0.4	18.1	13.1			2.0
Björn Borg (Inderes)	**144**	**145**	**12.5**	**11.6**	**10.2**	**9.5**	**1.5**	**1.4**	**16.2**	**15.2**	**5.6**	**6.0**	**4.1**
Average			**13.1**	**12.6**	**9.2**	**7.7**	**1.1**	**1.0**	**16.9**	**21.6**	**2.6**	**2.7**	**2.6**
Median			**12.5**	**11.4**	**8.7**	**8.1**	**1.0**	**0.9**	**15.1**	**13.5**	**2.6**	**3.0**	**2.0**
Diff-% to median			***0%***	***2%***	***16%***	***17%***	***56%***	***45%***	***7%***	***13%***	***116%***	***97%***	***104%***

Income statement

Income statement	2023	2024	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**872**	**990**	**1044**	**301**	**198**	**315**	**252**	**1067**	**1156**	**1258**	**1353**
Wholesale	577	672	728	234	110	230	160	734	790	840	890
Own e-commerce	154	181	217	53	60	61	67	241	265	300	340
Own stores	105	107	87	13	19	20	20	72	78	90	95
Distributors	47	51	38	7	13	10	10	40	42	47	48
Licensing	9	2	1	0	0	0	0	1	1	1	1
EBITDA	**134**	**134**	**141**	**54**	**19**	**55**	**28**	**157**	**166**	**170**	**184**
Depreciation	-33	-32	-29	-7	-7	-7	-7	-29	-30	-21	-21
EBIT (excl. NRI)	**101**	**102**	**112**	**47**	**12**	**48**	**21**	**127**	**136**	**149**	**163**
EBIT	**101**	**102**	**112**	**47**	**12**	**48**	**21**	**127**	**136**	**149**	**163**
Wholesale	61	54	67	41	-4	37	5	79	75	84	89
Own e-commerce	29	33	40	8	15	9	14	45	49	51	58
Own stores	-7	3	-5	-4	-1	-1	-1	-6	2	3	5
Distributors	10	10	8	2	2	2	2	8	10	11	11
Licensing	8	2	1	0	0	0	0	1	1	1	1
Net financial items	-3	-11	6	-1	0	-1	-1	-3	-4	-2	-2
PTP	**98**	**90**	**118**	**46**	**12**	**46**	**20**	**124**	**132**	**147**	**161**
Taxes	-22	-18	-26	-9	-3	-10	-4	-27	-29	-32	-35
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Net earnings	**76**	**73**	**92**	**37**	**9**	**36**	**16**	**98**	**104**	**116**	**127**
EPS (adj.)	**3.02**	**2.89**	**3.66**	**1.46**	**0.34**	**1.45**	**0.62**	**3.87**	**4.11**	**4.58**	**5.02**
EPS (rep.)	**3.02**	**2.89**	**3.66**	**1.46**	**0.34**	**1.45**	**0.62**	**3.87**	**4.11**	**4.58**	**5.02**

Key figures	2023	2024	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	4.4 %	13.5 %	5.4 %	7.3 %	-12.2 %	5.2 %	5.9 %	2.2 %	8.4 %	8.8 %	7.6 %
Adjusted EBIT growth-%		1.3 %	9.5 %	37.1 %	11.0 %	6.2 %	-3.6 %	14.2 %	6.9 %	9.7 %	9.4 %
EBITDA-%	15.3 %	13.5 %	13.5 %	18.0 %	9.6 %	17.5 %	11.2 %	14.7 %	14.3 %	13.5 %	13.6 %
Adjusted EBIT-%	11.5 %	10.3 %	10.7 %	15.6 %	5.9 %	15.2 %	8.3 %	11.9 %	11.8 %	11.9 %	12.1 %
Net earnings-%	8.7 %	7.3 %	8.8 %	12.3 %	4.4 %	11.6 %	6.2 %	9.1 %	9.0 %	9.2 %	9.4 %

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	**307**	**291**	**281**	**270**	**269**
Goodwill	37.2	35.9	35.9	35.9	35.9
Intangible assets	194	194	193	192	191
Tangible assets	63.3	52.8	43.2	33.5	33.4
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	12.2	8.8	8.8	8.8	8.8
Current assets	**402**	**428**	**440**	**463**	**489**
Inventories	259	257	256	266	277
Other current assets	22.6	24.0	24.0	24.0	24.0
Receivables	111	133	128	139	151
Cash and equivalents	8.8	13.5	32.0	34.7	37.7
Balance sheet total	**709**	**719**	**721**	**733**	**759**

Source: Inderes

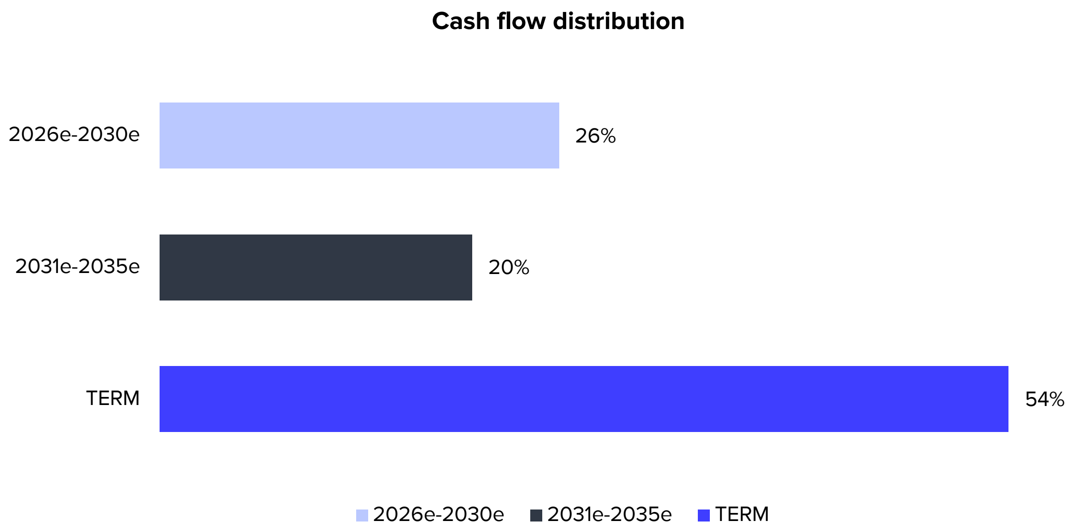
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**352**	**361**	**383**	**398**	**419**
Share capital	7.9	7.9	7.9	7.9	7.9
Retained earnings	173	177	199	214	235
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	179	182	182	182	182
Minorities	-6.9	-5.8	-5.8	-5.8	-5.8
Non-current liabilities	**62.0**	**54.5**	**82.1**	**72.6**	**65.9**
Deferred tax liabilities	39.5	39.5	39.5	39.5	39.5
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	22.6	15.0	42.6	33.1	26.3
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	**294**	**304**	**255**	**262**	**273**
Interest bearing debt	36.4	77.8	28.4	22.0	17.5
Payables	189	159	160	173	189
Other current liabilities	69.0	66.9	66.9	66.9	66.9
Balance sheet total	**709**	**719**	**721**	**733**	**759**

DCF-calculation

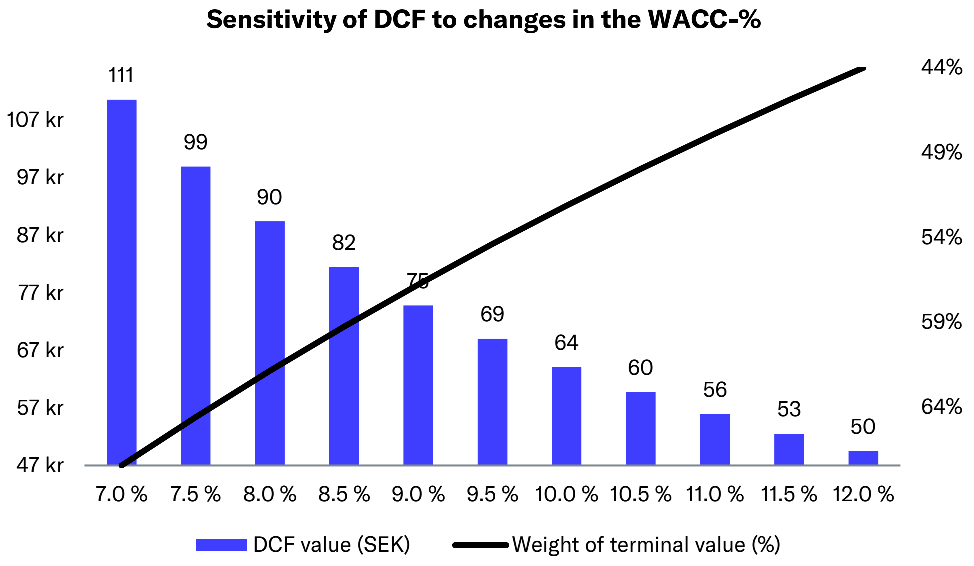
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	5.4 %	2.2 %	8.4 %	8.8 %	7.6 %	7.5 %	7.0 %	7.0 %	6.0 %	5.0 %	2.5 %	2.5 %
EBIT-%	10.7 %	11.9 %	11.8 %	11.9 %	12.1 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	11.5 %	11.5 %
EBIT (operating profit)	**112**	**127**	**136**	**149**	**163**	**175**	**187**	**200**	**212**	**222**	**219**	
+ Depreciation	29.1	29.4	29.6	20.6	20.5	20.6	20.9	21.2	21.5	21.8	22.2	
- Paid taxes	-22.2	-26.5	-28.5	-31.8	-34.9	-37.3	-39.9	-42.7	-45.3	-47.6	-47.4	
- Tax, financial expenses	1.4	-0.7	-0.9	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	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	-53.0	7.4	-7.2	-7.8	-4.5	-3.7	-17.3	-18.5	-17.0	-15.0	-8.0	
Operating cash flow	**66.7**	**137**	**129**	**130**	**144**	**154**	**150**	**159**	**171**	**181**	**186**	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-17.1	-18.6	-19.1	-19.5	-20.1	-20.5	-21.0	-21.4	-21.8	-22.1	-22.1	
Free operating cash flow	**49.6**	**118**	**110**	**110**	**124**	**133**	**129**	**138**	**149**	**159**	**164**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	49.6	118	110	110	124	133	129	138	149	159	164	2401
Discounted FCFF		**114**	**97.0**	**88.9**	**91.2**	**89.4**	**79.0**	**77.1**	**76.0**	**74.1**	**69.8**	**1021**
Sum of FCFF present value		1878	1764	1667	1578	1487	1397	1318	1241	1165	1091	1021
Enterprise value DCF		**1878**										
- Interest bearing debt		-92.8										
+ Cash and cash equivalents		13.5										
+ Associated companies		0.0										
-Minorities		23.6										
-Dividend/capital return		-75.4										
Equity value DCF		**1747**										
Equity value DCF per share		**69**										

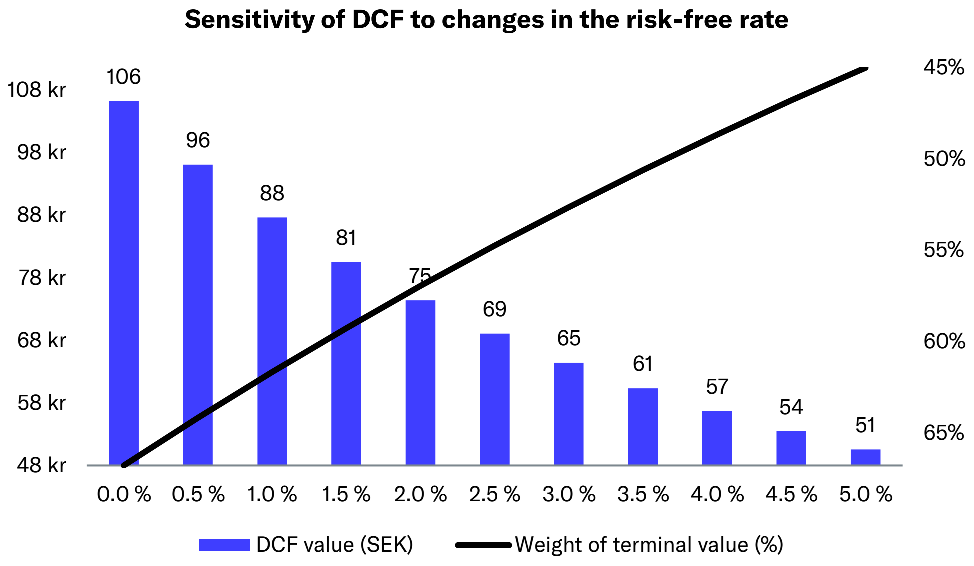
WACC	
Tax-% (WACC)	20.6 %
Target debt ratio (D/(D+E)	7.0 %
Cost of debt	5.0 %
Equity Beta	1.15
Market risk premium	4.75%
Liquidity premium	2.00%
Risk free interest rate	2.5 %
Cost of equity	**10.0 %**
Weighted average cost of capital (WACC)	**9.5 %**

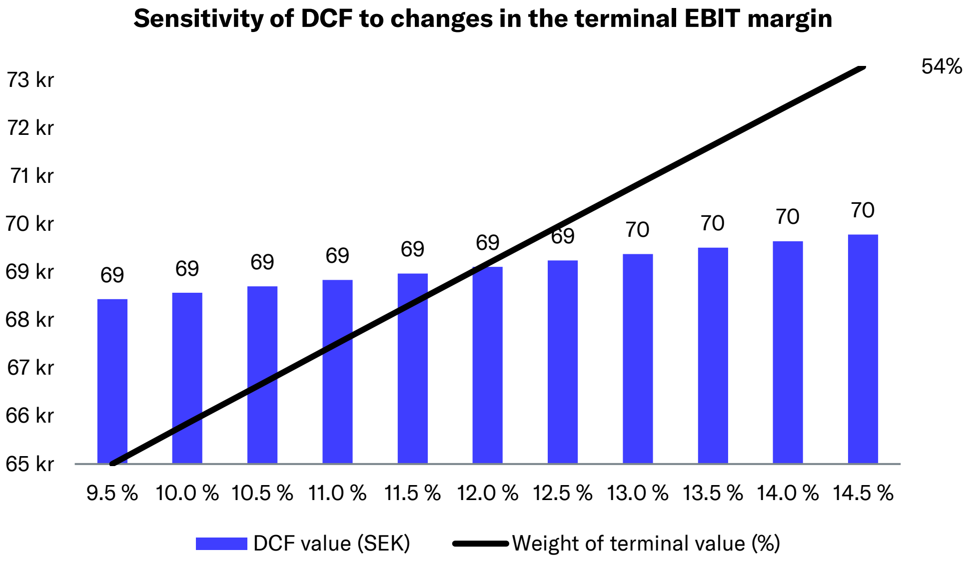
Source: Inderes

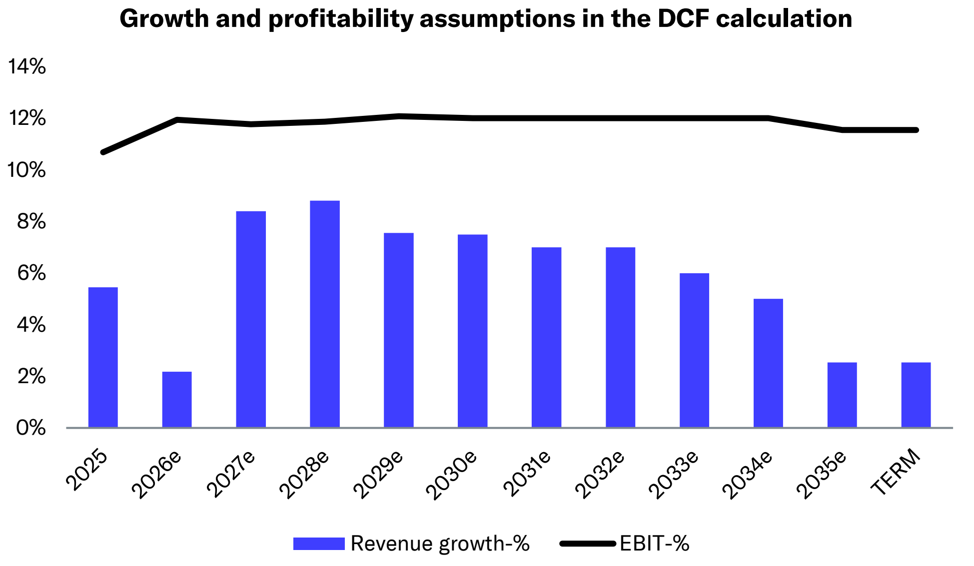


DCF sensitivity calculations and key assumptions in graphs









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	872.3	990.0	1043.9	**1066.6**	**1156.2**
EBITDA	133.6	134.0	140.6	**156.7**	**165.7**
EBIT	100.6	101.8	111.5	**127.4**	**136.1**
PTP	97.7	90.4	117.7	**124.1**	**132.1**
Net Income	76.0	72.7	92.1	**97.5**	**103.6**
Extraordinary items	0.0	0.0	0.0	**0.0**	**0.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	631.5	708.9	719.2	**720.6**	**733.5**
Equity capital	350.8	352.5	361.0	**383.1**	**398.5**
Goodwill	36.4	37.2	35.9	**35.9**	**35.9**
Net debt	16.2	50.2	79.3	**39.0**	**20.4**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	133.6	134.0	140.6	**156.7**	**165.7**
Change in working capital	14.9	-33.0	-53.0	**7.4**	**-7.2**
Operating cash flow	126.2	80.9	66.7	**136.9**	**129.1**
CAPEX	-24.6	-34.7	-17.1	**-18.6**	**-19.1**
Free cash flow	101.6	46.2	49.6	**118.3**	**109.9**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	1.3	1.3	1.6	**1.5**	**1.4**
EV/EBITDA	8.5	9.9	11.6	**10.2**	**9.5**
EV/EBIT (adj.)	11.3	13.0	14.6	**12.5**	**11.6**
P/E (adj.)	15.0	17.9	17.2	**16.2**	**15.2**
P/B	3.2	3.6	4.3	**4.1**	**3.9**
Dividend-%	6.6 %	5.8 %	4.8 %	**5.6 %**	**6.0 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	3.02	2.89	3.66	**3.87**	**4.11**
EPS (adj.)	3.02	2.89	3.66	**3.87**	**4.11**
OCF / share	5.02	3.22	2.65	**5.43**	**5.12**
OFCF / share	4.04	1.84	1.97	**4.69**	**4.36**
Book value / share	14.20	14.29	14.59	**15.43**	**16.04**
Dividend / share	3.00	3.00	3.00	**3.50**	**3.75**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	4%	13%	5%	**2%**	**8%**
EBITDA growth-%	24%	0%	5%	**11%**	**6%**
EBIT (adj.) growth-%	7%	1%	9%	**14%**	**7%**
EPS (adj.) growth-%	6%	-4%	27%	**6%**	**6%**
EBITDA-%	15.3 %	13.5 %	13.5 %	**14.7 %**	**14.3 %**
EBIT (adj.)-%	11.5 %	10.3 %	10.7 %	**11.9 %**	**11.8 %**
EBIT-%	11.5 %	10.3 %	10.7 %	**11.9 %**	**11.8 %**
ROE-%	22.1 %	20.3 %	25.4 %	**25.8 %**	**26.1 %**
ROI-%	25.1 %	25.3 %	25.8 %	**28.1 %**	**30.0 %**
Equity ratio	55.6 %	49.7 %	50.2 %	**53.2 %**	**54.3 %**
Gearing	4.6 %	14.2 %	22.0 %	**10.2 %**	**5.1 %**
Net debt/EBITDA	0.1	0.4	0.6	**0.2**	**0.1**
EBITDA/net financials	46.7	11.7	-22.6	**47.4**	**41.4**

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

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

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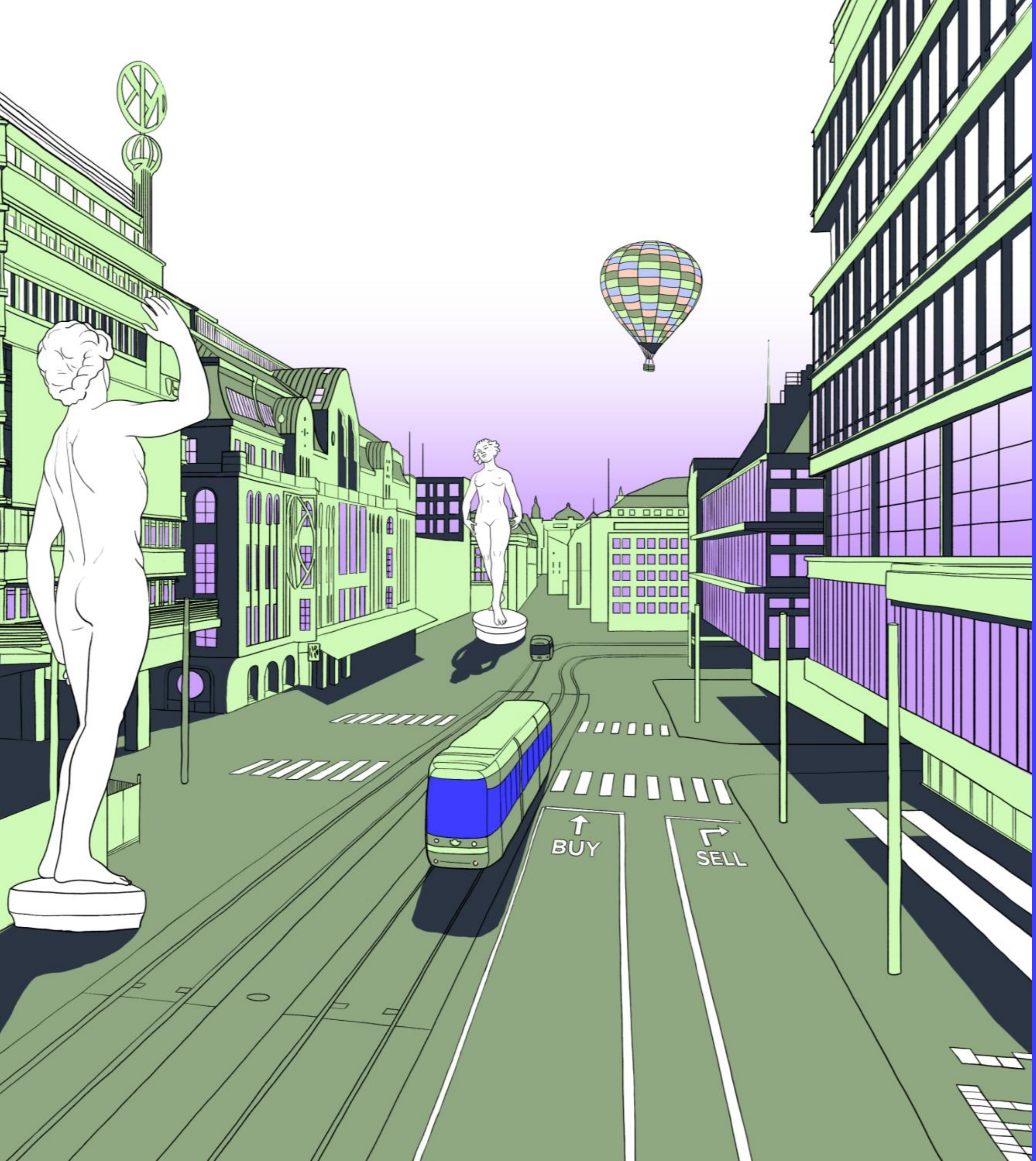
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2024-08-07	Accumulate	63.0 kr	57.3 kr
2024-08-19	Accumulate	68.0 kr	61.2 kr
2024-11-18	Accumulate	67.0 kr	61.0 kr
2025-02-24	Reduce	62.0 kr	58.3 kr
2025-04-10	Accumulate	55.0 kr	48.2 kr
2025-05-16	Reduce	55.0 kr	57.8 kr
2025-08-18	Reduce	55.0 kr	57.5 kr
2025-11-17	Reduce	57.0 kr	62.9 kr
2026-02-16	Accumulate	67.0 kr	61.0 kr
2026-04-24	Reduce	67.0 kr	71.9 kr
2026-04-30	Reduce	67.0 kr	68.0 kr
2026-07-09	Accumulate	69.0 kr	62.4 kr
2026-08-17	Accumulate	69.0 kr	62.6 kr



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

inderes.se

Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi