

BJÖRN BORG

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Solid Q3 report, but valuation remains stretched

Björn Borg's Q3 report was overall roughly in line with our estimates. In our view, the company continues to show good revenue growth, but it does not come without cost as gross margins (FX adj.) have declined in the past three quarters. At current valuations (2026 P/E: 17x and EV/EBIT: 13x), we would like to see clearer evidence that the company can successfully expand its footwear and sports apparel category while maintaining solid gross margins. As a result, we reiterate our Reduce recommendation but raise our target price to SEK 57 per share (prev. SEK 55), mainly due to a slight increase in short-term earnings estimates.

Q3 broadly in line with our expectations

Björn Borg's Q3 revenue grew by 7.2% in local currencies; however, due to a negative FX impact from a strengthening SEK, reported revenue increased by 5.2% y/y to roughly 300 MSEK. Given the tough comparison figures and the still challenging market environment, we feel the company delivered solid revenue growth, although it came in slightly below both our forecasts and Retail Consensus. In our view, the clear highlight of the quarter was the sports apparel category, which again outperformed our expectations and grew a strong 24% despite very challenging comparison figures. On the negative side, the footwear category continued to underperform, declining by 5% in the quarter. For Björn Borg to achieve higher sales growth in line with its long-term targets, we believe the footwear category will need to improve, as it remains one of the company's key growth areas. However, as we have previously emphasized, significantly scaling footwear sales will likely take time, as the company needs to improve quality, enhance design, and streamline distribution.

Profitability-wise, the company performed broadly in line with our estimates. Björn Borg's Q3 gross margin increased to 52.5%, supported by positive FX effects. Adjusted for these, however, the gross margin declined from 51.2% in Q3'24 to

49.9% in Q3'25. The company attributes this decline to a higher share of sales to larger key accounts receiving higher discounts. We also believe the company's focus on growth continues to be reflected in lower gross margins aimed at increasing market share and driving revenue expansion. Q3 EBIT increased slightly from 42 MSEK in Q3'24 to 45 MSEK in Q3'25, roughly in line with our estimates in absolute terms.

Estimates remain broadly unchanged

While Q3 revenue came in slightly below our expectations, the shortfall was modest in absolute terms. Consequently, we have kept our revenue forecasts largely unchanged for the coming years. For the current year, we expect the company to grow its revenue by around 7% in local currencies, driven mainly by the expansion of the sports apparel category within its own e-commerce channel. For 2026–2027, we have also left our revenue estimates unchanged, expecting growth of around 6-8%. While sales growth should provide some operational leverage, continued expansion, particularly in e-commerce and the German market, is likely to require additional costs. Overall, we continue to expect Björn Borg to deliver an EBIT margin slightly above its 10% target in the coming years, supported by steady sales growth. In the lower lines, Q3 EPS beat our expectations mainly due to a lower relative tax rate and net financial items. This has a positive effect on our full-year EPS estimates for 2025.

We wait for a more attractive entry point

We forecast good earnings growth in the coming years driven by revenue growth and solid margins. We expect Björn Borg to distribute most of its earnings and free cash flow as dividends, resulting in a dividend yield of 5-6%. However, the share is expensive on an actual earnings basis, and in our view, Björn Borg's expected return is lower than the required return. The DCF and peer valuation paint a similar picture. Thus, we wait for a better entry opportunity.

Recommendation

Reduce

(prev. Reduce)

Target price:

57.0 SEK

(prev. 55.0 SEK)

Share price:

62.9 SEK

Business risk



Valuation risk



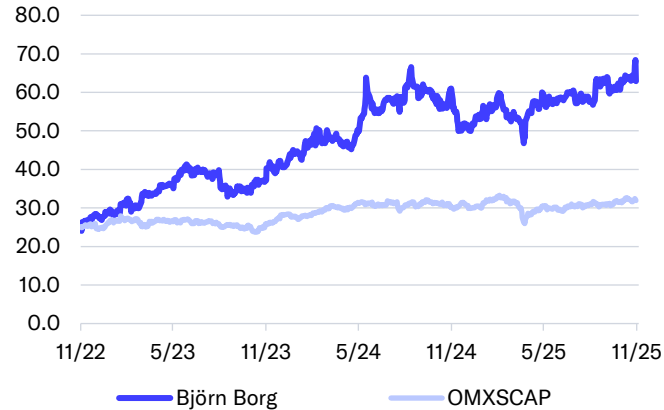
| | 2024 | 2025e | 2026e | 2027e |
|------------------|--------|--------|--------|--------|
| Revenue | 990.0 | 1044.1 | 1130.2 | 1199.0 |
| growth-% | 13% | 5% | 8% | 6% |
| EBIT adj. | 101.8 | 108.0 | 121.0 | 129.8 |
| EBIT-% adj. | 10.3 % | 10.3 % | 10.7 % | 10.8 % |
| Net Income | 72.7 | 88.5 | 91.8 | 96.6 |
| EPS (adj.) | 2.89 | 3.52 | 3.65 | 3.84 |
| | | | | |
| P/E (adj.) | 17.9 | 17.9 | 17.2 | 16.4 |
| P/B | 3.6 | 4.3 | 4.1 | 4.0 |
| Dividend yield-% | 5.8 % | 5.1 % | 5.6 % | 6.0 % |
| EV/EBIT (adj.) | 13.2 | 15.0 | 13.3 | 12.3 |
| EV/EBITDA | 10.1 | 11.7 | 10.5 | 10.0 |
| EV/S | 1.4 | 1.5 | 1.4 | 1.3 |

Source: Inderes

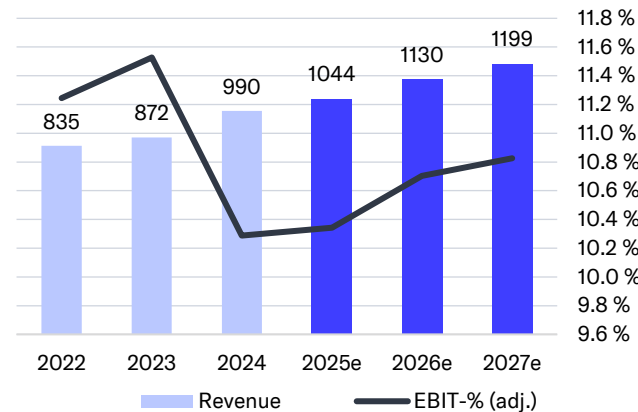
Guidance

(Björn Borg does not provide any guidance)

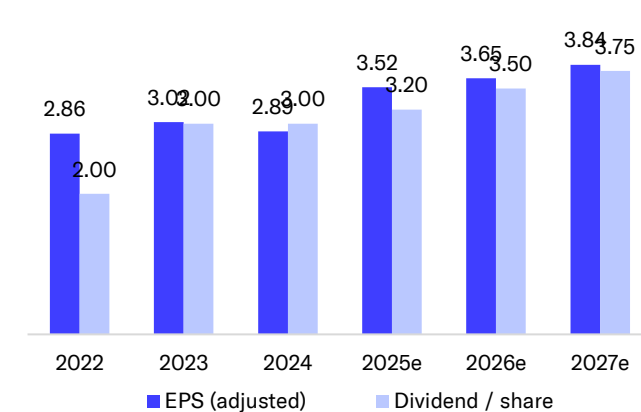
Share price



Revenue and EBIT-%



EPS and dividend / share



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 | 2025e | 2026e | 2027e |
|-----------------------------------|--------|--------|--------|
| Share price | 62.9 | 62.9 | 62.9 |
| Number of shares, millions | 25.1 | 25.1 | 25.1 |
| Market cap | 1582 | 1582 | 1582 |
| EV | 1618 | 1609 | 1600 |
| P/E (adj.) | 17.9 | 17.2 | 16.4 |
| P/E | 17.9 | 17.2 | 16.4 |
| P/B | 4.3 | 4.1 | 4.0 |
| P/S | 1.5 | 1.4 | 1.3 |
| EV/Sales | 1.5 | 1.4 | 1.3 |
| EV/EBITDA | 11.7 | 10.5 | 10.0 |
| EV/EBIT (adj.) | 15.0 | 13.3 | 12.3 |
| Payout ratio (%) | 90.9 % | 95.9 % | 97.7 % |
| Dividend yield-% | 5.1 % | 5.6 % | 6.0 % |

Source: Inderes

Largely in line with expectations

Good revenue growth despite challenging comps.

Björn Borg's Q3 revenue grew by 7.2% in local currencies. However, due to a negative FX impact from a strengthening SEK, reported revenue increased by 5.2% y/y to ~300 MSEK. Given the tough comparisons and the still rather challenging market environment, we believe the company delivered solid growth, albeit slightly below both our forecasts and Retail Consensus expectations.

By segment, Wholesale stood out on the positive side, with revenue reaching a strong 218 MSEK, representing 10% y/y growth. This was roughly in line with our expectations and primarily driven by physical stores in wholesale operations. While revenue in the Own e-commerce segment (Q3'25: 52 MSEK) was also in line with our estimates, both Own stores (Q3'25: 24 MSEK) and distributors (Q3'25: 9 MSEK) underperformed our expectations. The Licensing segment continued to generate modest revenues following the integration of the footwear category, which previously constituted a significant portion of this segment.

Geographically, we had previously observed stable trends in the underlying clothing markets in Sweden and the Netherlands during Q3. As expected, this was reflected in strong Q3 results in these markets, where Sweden grew 13% and the Netherlands grew 5%. Another key market, Germany, had a significantly weaker quarter compared to our expectations and decreased by 23% y/y. Worth noting, however, is that this is related to a decrease in sales to the company's large e-tailer in Germany, Zalando. Sales to German consumers increased by 26%.

Solid operating profit development

In our view, Björn Borg's Q3 gross margin was solid, increasing to 52.5% (Q3'24: 52.1%), only slightly below our estimates. However, the gross margin was supported by positive FX effects and adjusted for these, the gross margin decreased to 49.9% in Q3'25. The decline in gross margin was mainly driven by a higher share of sales to larger key accounts with higher discounts. We also believe that the company's focus on growth continues to be

reflected in lower gross margins to increase market shares and drive growth. Operating expenses (OPEX) grew by approximately 4%, mainly due to increased marketing activities, reflecting a slightly better operational cost development than our expectations. Overall, Q3 EBIT increased slightly from 42 MSEK in Q3'24 to 45 MSEK in Q3'25, roughly in line with our estimates in absolute terms. In the lower lines, EPS beat our expectations mainly due to lower net financial items.

In terms of cash flow, operating cash flow stood at -76 MSEK YTD (-68 MSEK), primarily reflecting higher capital commitments related to the integration of the footwear business. However, this outcome aligns with our expectations. Nevertheless, we anticipate stronger operating cash flow by year-end, as Björn Borg typically reduces working capital requirements in Q2 and Q4. Net debt/EBITDA remained stable at 1.2x, and the equity ratio stood at a solid 51%, well above the 35% target.

| Estimates MSEK / SEK | Q3'24 Comparison | Q3'25 Actualized | Q3'25e Inderes | Q3'25e Consensus | Consensus Low High | Difference (%) Act. vs. Inderes | 2025e Inderes |
|-------------------------|---------------------|---------------------|-------------------|---------------------|-----------------------|------------------------------------|------------------|
| Revenue | 285 | 300 | 306 | 303 | 300 - 308 | -2% | 1044 |
| Gross margin-% | 52% | 53% | 53% | | | 0 pp | 52% |
| EBITDA | 50.2 | 52.3 | 54.6 | | | -4% | 138 |
| EBIT | 42.0 | 45.1 | 46.6 | 44.5 | 39.5 - 48.7 | -3% | 108 |
| PTP | 44.1 | 45.5 | 43.6 | | | 4% | 111 |
| EPS (reported) | 1.39 | 1.47 | 1.35 | | | 9% | 3.52 |
| Revenue growth-% | 8.9 % | 5.1 % | 7.1 % | 6.2 % | 5.1 % - 7.9 % | -2.1 pp | 5.5 % |
| EBIT-% | 14.7 % | 15.1 % | 15.2 % | 14.7 % | 13.2 % - 15.8 % | -0.2 pp | 10.3 % |

Source: Inderes & Pinpoint
(retail consensus 05.11.25, 31
estimates) (consensus)

Only minor revisions to our estimates

No major revisions to our revenue estimates

While Q3 revenue came in slightly below our expectations, the shortfall was modest in absolute terms. Consequently, we kept our revenue forecasts largely unchanged for the coming years. For the current year, we expect the company to grow its revenue by around 7% in local currencies, driven mainly by the expansion of the sports apparel category within its own e-commerce channel. However, we expect a negative FX impact from the strengthening SEK, resulting in reported growth of roughly 5.5% in 2025. We also left our revenue estimates for 2026–2027 unchanged, expecting growth of around 6-8%. This is below the company’s long-term financial target of at least 10% annual sales growth, which we believe will be challenging to achieve. To reach this level, the company would need faster growth in the footwear category than we currently anticipate, while sustaining the high growth achieved in sports apparel in recent years. While Björn

Borg has successfully expanded its sports apparel category, we would like to see clearer signs of increasing volumes in footwear now that it is fully integrated into operations, which has disappointed in the latest quarters. In our view, it will take time to significantly grow footwear sales, as the company needs to improve quality, enhance design, and streamline distribution, similar to the transformation seen in sports apparel following its full integration in the mid-2010s.

EBIT estimates remain largely the same, but slight uptick in EPS

Björn Borg’s gross margins have averaged around 53% over the past decade. However, given the ongoing shift in the sales mix, where a smaller share of revenue comes from the higher-margin underwear category and a larger share from lower-margin segments such as sportswear and footwear, we believe it will be difficult to significantly exceed this level in the short to medium term. Furthermore,

growth does not come without cost, and FX-adjusted gross margins in the last three quarters have been decreasing compared to last year’s level.

Looking ahead to 2026–2027, while sales growth should provide some operational leverage, continued expansion, particularly in e-commerce and the German market, is likely to require additional costs. Consequently, we expect gross margins to stabilize around 54% from 2027 onwards. Overall, we continue to expect Björn Borg to deliver an EBIT margin slightly above its 10% target in the coming years, supported by steady sales growth.

In the lower lines, Q3 EPS beat our expectations mainly due to a lower relative tax rate and net financial items, related to revaluation of financial assets and liabilities in foreign currency. This has a positive effect on our full-year EPS estimates for 2025.

| Estimate revisions | 2025e | 2025e | Change | 2026e | 2026e | Change | 2027e | 2027e | Change |
|--------------------|-------|-------|--------|-------|-------|--------|-------|-------|--------|
| MSEK / SEK | Old | New | % | Old | New | % | Old | New | % |
| Revenue | 1058 | 1044 | -1% | 1130 | 1130 | 0% | 1199 | 1199 | 0% |
| EBITDA | 141 | 138 | -2% | 151 | 153 | 1% | 159 | 160 | 0% |
| EBIT (excl. NRIs) | 110 | 108 | -2% | 119 | 121 | 1% | 130 | 130 | 0% |
| EBIT | 110 | 108 | -2% | 119 | 121 | 1% | 130 | 130 | 0% |
| PTP | 105 | 111 | 6% | 114 | 118 | 3% | 124 | 124 | 0% |
| EPS (excl. NRIs) | 3.26 | 3.52 | 8% | 3.55 | 3.65 | 3% | 3.84 | 3.84 | 0% |
| DPS | 3.20 | 3.20 | 0% | 3.50 | 3.50 | 0% | 3.75 | 3.75 | 0% |

Source: Inderes

Estimates

| Group reporting, MSEK | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e | 2028e |
|-------------------------------------|--------|-------|-------|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|-------|--------|-------|
| Revenue | 496 | 539 | 574 | 632 | 696 | 710 | 757 | 705 | 768 | 835 | 872 | 990 | 1044 | 1130 | 1199 | 1261 |
| 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% | 8.2% | 6.1% | 5.2% |
| 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% | 7.0% | 8.2% | 6.1% | 5.2% |
| COGS | -241 | -254 | -273 | -314 | -320 | -303 | -351 | -335 | -352 | -411 | -401 | -469 | -504 | -536 | -552 | -580 |
| Gross profit | 259 | 291 | 311 | 324 | 384 | 414 | 428 | 399 | 444 | 450 | 491 | 544 | 569 | 619 | 667 | 701 |
| 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% | 52.6% | 54.0% | 54.0% |
| OPEX | -238 | -238 | -253 | -260 | -329 | -343 | -378 | -365 | -340 | -377 | -390 | -442 | -461 | -498 | -538 | -565 |
| EBIT | 21 | 53 | 59 | 64 | 55 | 71 | 50 | 34 | 104 | 73 | 101 | 102 | 108 | 121 | 130 | 136 |
| 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% | 10.3% | 10.7% | 10.8% | 10.7% |
| Segment breakdown, MSEK | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e | 2028e |
| Wholesale | 204 | 193 | 207 | 290 | 441 | 466 | 516 | 464 | 502 | 540 | 577 | 672 | 727 | 770 | 800 | 830 |
| Growth-% | | -5.6% | 7.5% | 39.8% | 52.4% | 5.7% | 10.7% | -10.0% | 8.2% | 7.5% | 7.0% | 16.3% | 8.2% | 5.9% | 3.9% | 3.8% |
| 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% | 9.0% | 8.2% | 8.7% | 8.7% |
| Own e-commerce ¹ | | | | | | | | | 100 | 113 | 154 | 181 | 210 | 246 | 275 | 300 |
| Growth-% | | | | | | | | | | 14.0% | 35.8% | 17.6% | 15.8% | 17.4% | 11.8% | 9.1% |
| EBIT margin-% | | | | | | | | | 20.3% | 15.6% | 18.7% | 18.2% | 16.9% | 17.0% | 15.5% | 15.0% |
| Own stores ¹ | | | | | | | | | 113 | 107 | 105 | 107 | 91 | 86 | 90 | 95 |
| Growth-% | | | | | | | | | | -5.9% | -1.7% | 2.6% | -15.0% | -5.7% | 4.7% | 5.6% |
| EBIT margin-% | | | | | | | | | -5.6% | -22.8% | -6.7% | 2.5% | -3.3% | 3.4% | 5.0% | 5.0% |
| Direct-to-consumer | 69 | 81 | 105 | 128 | 186 | 186 | 197 | 211 | 213 | 220 | 259 | 288 | 301 | 332 | 365 | 395 |
| Growth-% | | 16.4% | 29.7% | 22.0% | 45.8% | -0.1% | 6.1% | 7.1% | 0.8% | 3.4% | 17.6% | 11.5% | 4.3% | 10.4% | 9.9% | 8.2% |
| 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% | 10.8% | 13.5% | 12.9% | 12.6% |
| Distributors | 187 | 234 | 238 | 188 | 58 | 49 | 50 | 45 | 71 | 92 | 47 | 51 | 43 | 51 | 53 | 55 |
| Growth-% | | 24.9% | 1.8% | -21.1% | -69.0% | -15.8% | 2.4% | -11.2% | 59.9% | 29.2% | -49.6% | 8.9% | -14.4% | 17.6% | 3.9% | 3.8% |
| 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% | 21.6% | 23.0% | 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% | -44.8% | -2.5% | -16.7% | 0.0% |
| 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% | 77.7% | 77.5% | 89.0% | 89.0% |
| Geographical breakdown, MSEK | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e | 2028e |
| Sweden | 202 | 192 | 227 | 245 | 227 | 265 | 272 | 268 | 276 | 287 | 298 | 346 | 387 | 399 | 420 | 429 |
| The Netherlands | 146 | 158 | 171 | 160 | 167 | 176 | 210 | 164 | 173 | 179 | 208 | 225 | 236 | 254 | 264 | 265 |
| Finland ² | 54 | 65 | 66 | 88 | 123 | 115 | 110 | 119 | 104 | 112 | 118 | 122 | 125 | 135 | 132 | 139 |
| Germany ² | | | | | | | | | 81 | 93 | 86 | 104 | 100 | 129 | 156 | 189 |
| Other | 97 | 130 | 120 | 145 | 187 | 154 | 166 | 110 | 135 | 165 | 163 | 192 | 197 | 213 | 228 | 240 |
| Product breakdown, -% as of sales | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e | 2028e |
| Underwear | 60 % | 61 % | 61 % | 63 % | 61 % | 60 % | 59 % | 56 % | 60 % | 55 % | 55 % | 52 % | 48 % | 47 % | 46 % | 46 % |
| Sports Apparel | 11 % | 10 % | 10 % | 9 % | 10 % | 11 % | 14 % | 13 % | 18 % | 19 % | 22 % | 25 % | 29 % | 30 % | 30 % | 31 % |
| Footwear ³ | | | | | 23 % | 24 % | 23 % | 27 % | 9 % | 9 % | 8 % | 10 % | 9 % | 9 % | 12 % | 13 % |
| Bags ³ | | | | | | | | 0 % | 7 % | 6 % | 5 % | | 5 % | 5 % | 5 % | 5 % |
| Other | 29 % | 29 % | 29 % | 28 % | 6 % | 5 % | 4 % | 4 % | 14 % | 10 % | 9 % | 8 % | 8 % | 8 % | 7 % | 6 % |

1 Included in "Direct-to-consumer" segment until 2020
2 Germany is included in "Other" markets until 2020
3 Footwear is included in "Other" products until 2016, and bags until 2020
Source: Inderes, Björn Borg

We reiterate our Reduce recommendation

Valuation summary – Reduce

We forecast good earnings growth in the coming years, driven by revenue growth and solid margins. We expect Björn Borg to distribute most of its earnings and free cash flow as dividends, resulting in a dividend yield of 5-6%. However, the share is expensive on an actual earnings basis, and in our view, Björn Borg's expected return is lower than the required return. Additionally, the DCF value is lower than the current share price. Consequently, we reiterate our Reduce recommendation but raise our target price to SEK 57 per share (prev. SEK 55), mainly due to slightly higher earnings estimates

Acceptable absolute multiples in 2025-26

Björn Borg's earnings multiples for this year are relatively high or neutral at best, with a P/E ratio of around 18x and EV/EBIT ~15x. Even after adjusting for lease liabilities, the earnings multiples remain roughly the same due to the small proportion of leases on the balance sheet. Therefore, these numbers are quite high from any perspective. If the company successfully expands its footwear and sports apparel category and the projected earnings growth materializes, the multiples for 2026 are P/E 17x and EV/EBIT 13x. Given the company's continued growth potential and high returns on capital, the 2026 earnings multiples appear quite neutral to us, contingent on the expected earnings growth materializing.

Looking ahead to 2026 and beyond, when we expect more stable growth and profitability, we believe Björn Borg's acceptable P/E ratio will be 14-18x and EV/EBIT 12-14x, based on reported figures.

Valuation compared to peers

Most retail chains have significant lease liabilities, which

muddle the EV-based valuation. Thus, we look mainly at the P/E ratios of the peer group. When comparing Björn Borg to several listed sports apparel and retail companies, the company's P/E multiples for 2025 and 2026 are, on average, 28% higher than those of its peers. However, when excluding the retail peers, Björn Borg trades roughly in line with its peers. Given that Björn Borg's sports apparel peers are larger, more globally established brands with historically higher growth, we believe it is reasonable to price Björn Borg below its sports apparel peers. On the other hand, we expect Björn Borg to grow faster in the coming years with slightly higher profitability and returns on capital.

All in all, we therefore do not believe that Björn Borg is significantly mispriced relative to its peers. It is important to note that the peer group's valuation multiples vary widely, from single digits to ~40x, making the peer group somewhat dependent on the specific companies included. Consequently, we do not place too much emphasis on it.

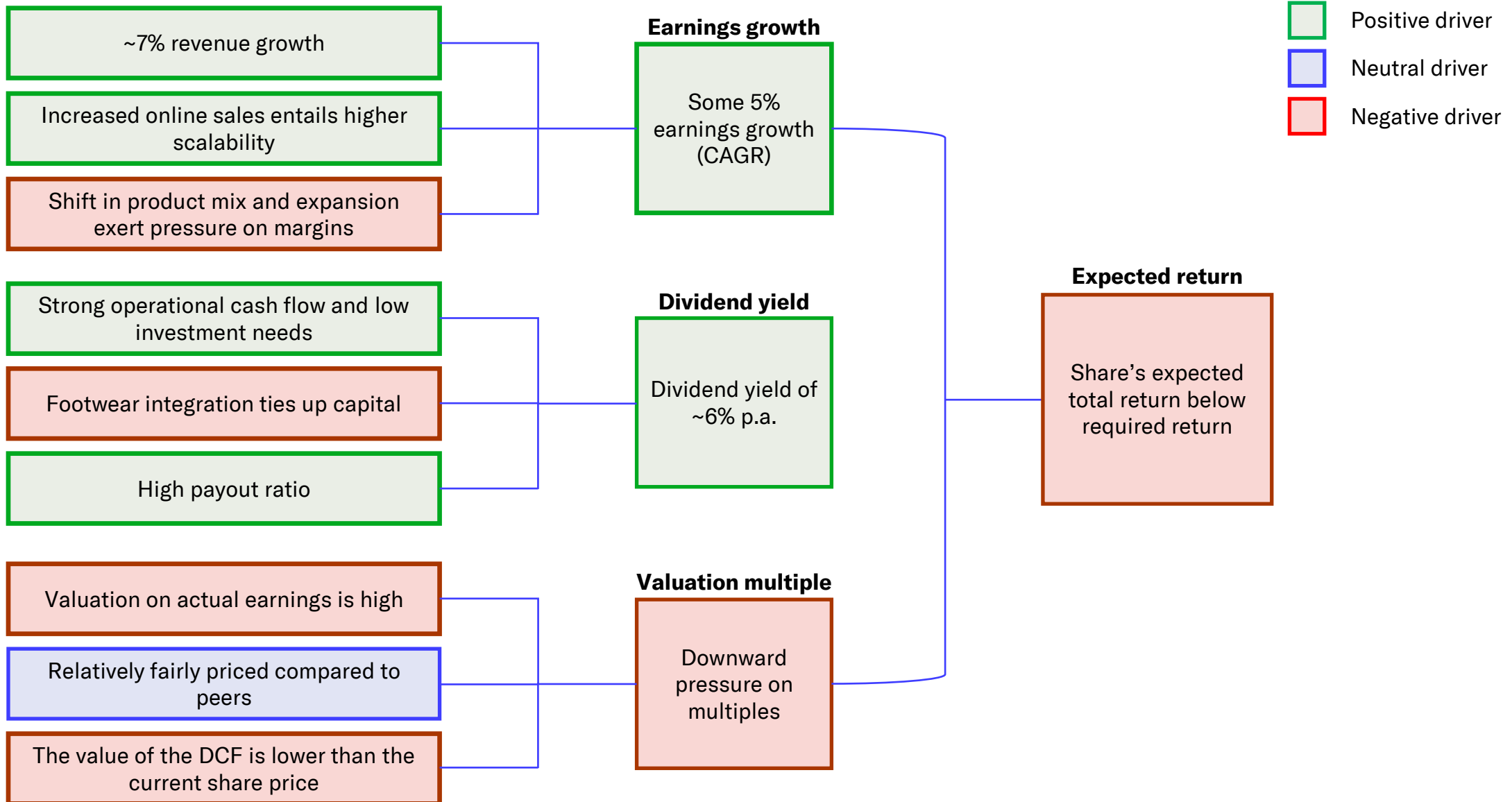
DCF is lower than the current share price

We also believe the DCF model is a relevant valuation method for Björn Borg, given its sufficient historical financial information, steady growth and relatively predictable business. Overall, the model expects Björn Borg to grow at a high single-digit rate in the medium term and at a mid-single-digit rate in the long term. We estimate Björn Borg's cost of equity at 10.0% and WACC at 9.5%. With these assumptions, our DCF model arrives at an equity value of around 1,441 MSEK, which translates to around SEK 57 per share. The value of our DCF is lower than the current share price. Therefore, also in the context of the DCF, the current valuation is not attractive.

| Valuation | 2025e | 2026e | 2027e |
|----------------------------|--------|--------|--------|
| Share price | 62.9 | 62.9 | 62.9 |
| Number of shares, millions | 25.1 | 25.1 | 25.1 |
| Market cap | 1582 | 1582 | 1582 |
| EV | 1618 | 1609 | 1600 |
| P/E (adj.) | 17.9 | 17.2 | 16.4 |
| P/E | 17.9 | 17.2 | 16.4 |
| P/B | 4.3 | 4.1 | 4.0 |
| P/S | 1.5 | 1.4 | 1.3 |
| EV/Sales | 1.5 | 1.4 | 1.3 |
| EV/EBITDA | 11.7 | 10.5 | 10.0 |
| EV/EBIT (adj.) | 15.0 | 13.3 | 12.3 |
| Payout ratio (%) | 90.9 % | 95.9 % | 97.7 % |
| Dividend yield-% | 5.1 % | 5.6 % | 6.0 % |

Source: Inderes

Drivers of stock returns Q3'25 LTM – 2027e



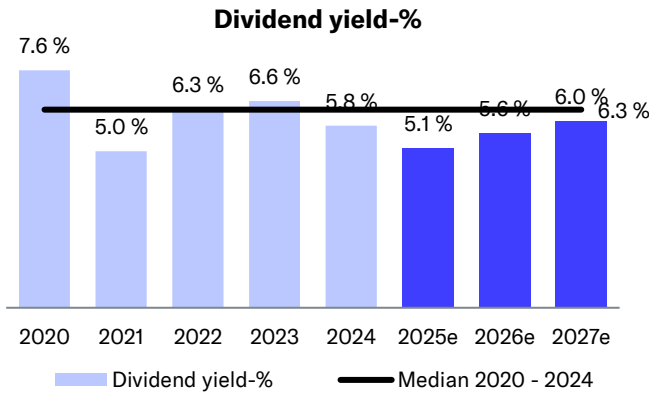
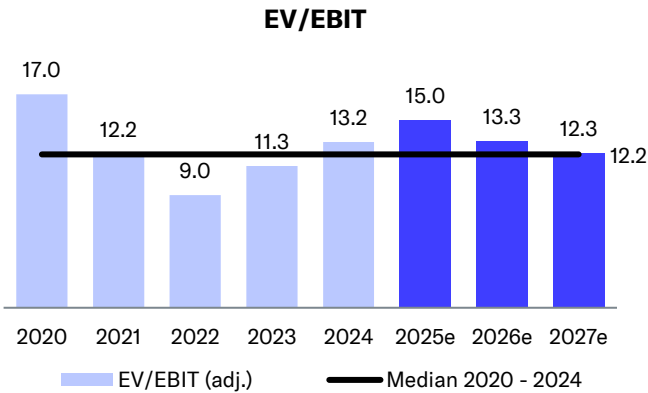
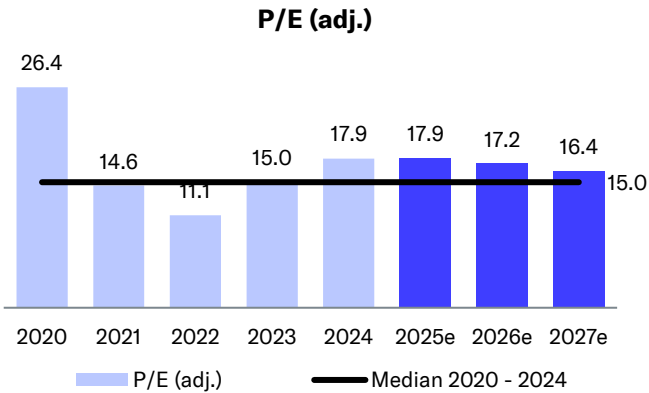
Peer group key figures

| Peer group key figures | Sales growth | EBIT-% | ROIC | Sales growth | | | EBIT-% | | | ROIC-% | | |
|------------------------|--------------|--------------|--------------|--------------|-------|-------|--------|-------|-------|--------|-------|-------|
| Sports apparel | Average (3y) | Average (3y) | Average (3y) | 2025e | 2026e | 2027e | 2025e | 2026e | 2027e | 2025e | 2026e | 2027e |
| Adidas | 4% | 3% | 5% | 7% | 8% | 9% | 8% | 10% | 11% | 24% | 30% | 33% |
| Nike | 5% | 13% | 25% | -11% | 2% | 5% | 8% | 6% | 9% | | 14% | 21% |
| Lululemon | 24% | 23% | 38% | 10% | 4% | 5% | 23% | 20% | 18% | | 31% | 28% |
| Puma | 10% | 7% | 9% | -15% | -1% | 6% | -3% | 2% | 4% | 1% | 3% | 7% |
| Under Armour | 1% | 3% | 7% | -10% | -4% | 1% | 4% | 2% | 3% | | 2% | 4% |
| Columbia Sportswear | 3% | 9% | 14% | 0% | 2% | 3% | 6% | 6% | 6% | 11% | 10% | 11% |
| Retail | | | | | | | | | | | | |
| PVH | -2% | 9% | 8% | -6% | 3% | 2% | 10% | 9% | 9% | | 8% | 8% |
| GAP | -3% | 4% | 11% | 1% | 2% | 2% | 7% | 7% | 7% | | 9% | 18% |
| H&M | 6% | 6% | 8% | -3% | 1% | 3% | 8% | 8% | 9% | 19% | 23% | 24% |
| Fenix Outdoor | 7% | 6% | 7% | 5% | 5% | 4% | 10% | 10% | 10% | | | |
| JD Sports | 20% | 10% | 8% | 10% | 10% | 5% | 9% | 8% | 8% | | 15% | 15% |
| Average | 7% | 8% | 13% | -1% | 3% | 4% | 8% | 8% | 9% | 14% | 14% | 17% |
| Median | 5% | 7% | 8% | 0% | 2% | 4% | 8% | 8% | 9% | 15% | 12% | 17% |
| Björn Borg (Inderes) | 9% | 10% | 19% | 5% | 8% | 6% | 10% | 11% | 11% | 20% | 22% | 24% |

Valuation table

| Valuation | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e | 2028e |
|----------------------------|---------|--------|--------|--------|---------|--------|--------|--------|--------|
| Share price | 19.8 | 50.0 | 31.6 | 45.4 | 51.6 | 62.9 | 62.9 | 62.9 | 62.9 |
| Number of shares, millions | 25.1 | 25.1 | 25.1 | 25.1 | 25.1 | 25.1 | 25.1 | 25.1 | 25.1 |
| Market cap | 497 | 1257 | 795 | 1142 | 1298 | 1582 | 1582 | 1582 | 1582 |
| EV | 574 | 1275 | 844 | 1138 | 1349 | 1618 | 1609 | 1600 | 1600 |
| P/E (adj.) | 26.4 | 14.6 | 11.1 | 15.0 | 17.9 | 17.9 | 17.2 | 16.4 | 15.2 |
| P/E | 26.4 | 14.6 | 15.6 | 15.0 | 17.9 | 17.9 | 17.2 | 16.4 | 15.2 |
| P/B | 1.7 | 3.7 | 2.4 | 3.2 | 3.6 | 4.3 | 4.1 | 4.0 | 3.9 |
| P/S | 0.7 | 1.6 | 1.0 | 1.3 | 1.3 | 1.5 | 1.4 | 1.3 | 1.3 |
| EV/Sales | 0.8 | 1.7 | 1.0 | 1.3 | 1.4 | 1.5 | 1.4 | 1.3 | 1.3 |
| EV/EBITDA | 7.7 | 9.1 | 7.8 | 8.5 | 10.1 | 11.7 | 10.5 | 10.0 | 9.7 |
| EV/EBIT (adj.) | 17.0 | 12.2 | 9.0 | 11.3 | 13.2 | 15.0 | 13.3 | 12.3 | 11.8 |
| Payout ratio (%) | 200.3 % | 73.1 % | 98.9 % | 99.3 % | 103.8 % | 90.9 % | 95.9 % | 97.7 % | 99.0 % |
| Dividend yield-% | 7.6 % | 5.0 % | 6.3 % | 6.6 % | 5.8 % | 5.1 % | 5.6 % | 6.0 % | 6.5 % |

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 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 |
| Sports apparel | | | | | | | | | | | | | |
| Adidas | 29,205 | 33,327 | 16.4 | 12.2 | 10.30 | 8.44 | 1.33 | 1.23 | 21.58 | 15.17 | 1.8 | 2.6 | 4.6 |
| Nike | 81,688 | 81,193 | 26.3 | 31.2 | 21.60 | 25.19 | 2.05 | 2.02 | 29.99 | 38.54 | 2.4 | 2.6 | 7.4 |
| Lululemon | 17,429 | 16,465 | 7.7 | 8.8 | 6.59 | 7.14 | 1.81 | 1.74 | 11.91 | 13.19 | | | 4.3 |
| Puma | 2,427 | 4,719 | | 41.9 | 21.52 | 11.53 | 0.63 | 0.64 | | | | | 1.1 |
| Under Armour | 1,622 | 1,785 | 10.5 | 22.6 | 6.53 | 9.91 | 0.40 | 0.42 | 14.50 | 82.08 | | | 1.0 |
| Columbia Sportswear | 2,491 | 2,288 | 13.5 | 13.9 | 9.32 | 8.55 | 0.79 | 0.78 | 18.18 | 17.80 | 2.2 | 2.4 | 1.7 |
| Retail | | | | | | | | | | | | | |
| PVH | 3,222 | 4,961 | 6.7 | 7.6 | 5.02 | 5.52 | 0.67 | 0.65 | 6.65 | 7.15 | 0.2 | 0.2 | 0.9 |
| GAP | 7,716 | 6,906 | 7.7 | 7.5 | 5.17 | 5.06 | 0.53 | 0.52 | 11.90 | 11.57 | 2.5 | 2.6 | 2.9 |
| H&M | 26,614 | 31,545 | 19.8 | 17.8 | 8.87 | 8.31 | 1.51 | 1.49 | 25.76 | 22.23 | 3.8 | 4.1 | 6.6 |
| Fenix Outdoor | 1,602 | 1,764 | 21.8 | 21.0 | 12.64 | 12.33 | 2.21 | 2.11 | 10.24 | 9.83 | 3.5 | 3.7 | 1.2 |
| JD Sports Fashion | 4,660 | 8,796 | 7.7 | 7.7 | 4.35 | 4.09 | 0.67 | 0.61 | 6.73 | 6.84 | 1.2 | 1.2 | 1.7 |
| Björn Borg (Inderes) | 144 | 147 | 15.0 | 13.3 | 11.7 | 10.5 | 1.5 | 1.4 | 17.9 | 17.2 | 5.1 | 5.6 | 4.3 |
| Average | | | 13.8 | 17.5 | 10.2 | 9.6 | 1.1 | 1.1 | 15.7 | 22.4 | 2.2 | 2.4 | 3.0 |
| Median | | | 12.0 | 13.9 | 8.9 | 8.4 | 0.8 | 0.8 | 13.2 | 14.2 | 2.3 | 2.6 | 1.7 |
| Diff-% to median | | | 25% | -4% | 32% | 25% | 96% | 83% | 35% | 22% | 123% | 115% | 146% |

Income statement

| Income statement | 2022 | 2023 | 2024 | Q1'25 | Q2'25 | Q3'25 | Q4'25e | 2025e | 2026e | 2027e | 2028e |
|---------------------|------|------|------|-------|-------|-------|--------|-------|-------|-------|-------|
| Revenue | 835 | 872 | 990 | 280 | 226 | 300 | 238 | 1044 | 1130 | 1199 | 1261 |
| Wholesale | 540 | 577 | 672 | 211 | 148 | 218 | 150 | 727 | 770 | 800 | 830 |
| Own e-commerce | 113 | 154 | 181 | 51 | 52 | 52 | 55 | 210 | 246 | 275 | 300 |
| Own stores | 107 | 105 | 107 | 19 | 24 | 24 | 25 | 91 | 86 | 90 | 95 |
| Distributors | 92 | 47 | 51 | 7 | 13 | 9 | 15 | 43 | 51 | 53 | 55 |
| Licensing | 9 | 9 | 2 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 |
| EBITDA | 108 | 134 | 134 | 42 | 18 | 52 | 26 | 138 | 153 | 160 | 165 |
| Depreciation | -35 | -33 | -32 | -8 | -7 | -7 | -8 | -30 | -32 | -30 | -30 |
| EBIT (excl. NRI) | 94 | 101 | 102 | 34 | 11 | 45 | 18 | 108 | 121 | 130 | 136 |
| EBIT | 73 | 101 | 102 | 34 | 11 | 45 | 18 | 108 | 121 | 130 | 136 |
| Wholesale | 53 | 61 | 54 | 28 | -2 | 36 | 3 | 65 | 63 | 70 | 72 |
| Own e-commerce | 18 | 29 | 33 | 9 | 8 | 8 | 10 | 35 | 42 | 43 | 45 |
| Own stores | -24 | -7 | 3 | -5 | 1 | -1 | 2 | -3 | 3 | 5 | 5 |
| Distributors | 20 | 10 | 10 | 1 | 3 | 2 | 3 | 9 | 12 | 12 | 13 |
| Licensing | 7 | 8 | 2 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 |
| Net financial items | -2 | -3 | -11 | 12 | -6 | 0 | -3 | 3 | -3 | -6 | -2 |
| PTP | 70 | 98 | 90 | 46 | 5 | 46 | 15 | 111 | 118 | 124 | 134 |
| Taxes | -20 | -22 | -18 | -10 | -1 | -9 | -3 | -23 | -26 | -27 | -29 |
| Minority interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net earnings | 51 | 76 | 73 | 36 | 4 | 37 | 12 | 88 | 92 | 97 | 104 |
| EPS (adj.) | 2.86 | 3.02 | 2.89 | 1.43 | 0.16 | 1.47 | 0.47 | 3.52 | 3.65 | 3.84 | 4.14 |
| EPS (rep.) | 2.02 | 3.02 | 2.89 | 1.43 | 0.16 | 1.47 | 0.47 | 3.52 | 3.65 | 3.84 | 4.14 |

| Key figures | 2022 | 2023 | 2024 | Q1'25 | Q2'25 | Q3'25 | Q4'25e | 2025e | 2026e | 2027e | 2028e |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue growth-% | 8.7 % | 4.4 % | 13.5 % | 9.0 % | 6.0 % | 5.1 % | 1.6 % | 5.5 % | 8.2 % | 6.1 % | 5.2 % |
| Adjusted EBIT growth-% | | 7.1 % | 1.3 % | 2.1 % | 11.5 % | 7.3 % | 7.4 % | 6.0 % | 12.0 % | 7.3 % | 4.4 % |
| EBITDA-% | 12.9 % | 15.3 % | 13.5 % | 15.0 % | 7.8 % | 17.5 % | 10.9 % | 13.2 % | 13.5 % | 13.3 % | 13.1 % |
| Adjusted EBIT-% | 11.2 % | 11.5 % | 10.3 % | 12.2 % | 4.7 % | 15.1 % | 7.6 % | 10.3 % | 10.7 % | 10.8 % | 10.7 % |
| Net earnings-% | 6.1 % | 8.7 % | 7.3 % | 12.8 % | 1.7 % | 12.3 % | 4.9 % | 8.5 % | 8.1 % | 8.1 % | 8.3 % |

Source: Inderes

Balance sheet

| Assets | 2023 | 2024 | 2025e | 2026e | 2027e |
|----------------------------|------------|------------|------------|------------|------------|
| Non-current assets | 304 | 307 | 304 | 300 | 298 |
| Goodwill | 36.4 | 36.4 | 36.4 | 36.4 | 36.4 |
| Intangible assets | 194 | 195 | 194 | 193 | 192 |
| Tangible assets | 61.6 | 63.0 | 61.7 | 58.3 | 57.0 |
| 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 | 12.3 | 12.3 | 12.3 | 12.3 | 12.3 |
| Current assets | 327 | 357 | 393 | 412 | 425 |
| Inventories | 184 | 194 | 198 | 203 | 204 |
| Other current assets | 16.9 | 16.9 | 16.9 | 16.9 | 16.9 |
| Receivables | 99.4 | 136 | 146 | 158 | 168 |
| Cash and equivalents | 26.6 | 9.7 | 31.3 | 33.9 | 36.0 |
| Balance sheet total | 632 | 663 | 697 | 712 | 722 |

Source: Inderes

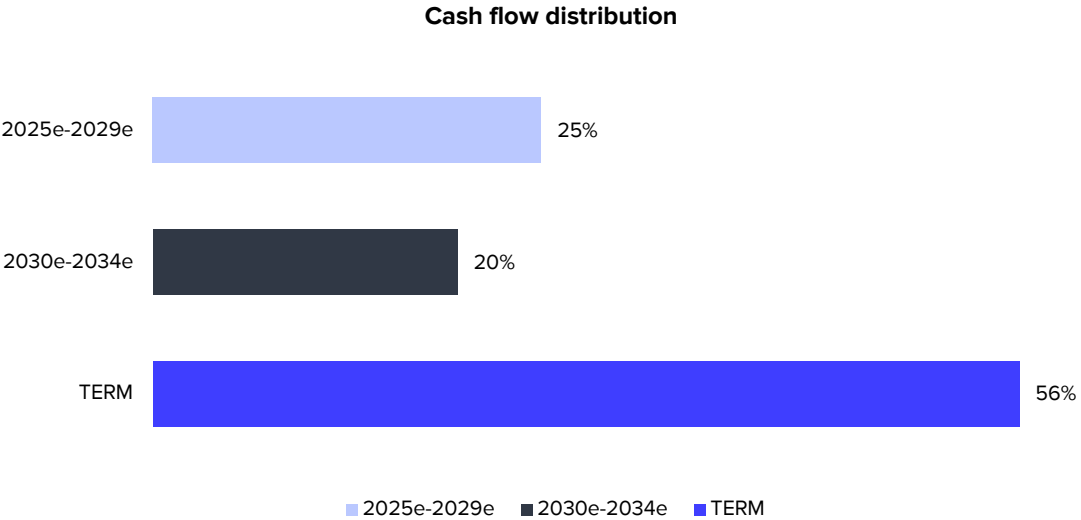
| Liabilities & equity | 2023 | 2024 | 2025e | 2026e | 2027e |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Equity | 351 | 352 | 365 | 376 | 385 |
| Share capital | 7.9 | 7.9 | 7.9 | 7.9 | 7.9 |
| Retained earnings | 175 | 177 | 190 | 201 | 209 |
| 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 | 174 | 174 | 174 | 174 | 174 |
| Minorities | -6.3 | -6.3 | -6.3 | -6.3 | -6.3 |
| Non-current liabilities | 65.2 | 56.3 | 96.3 | 92.0 | 87.4 |
| Deferred tax liabilities | 39.7 | 39.7 | 39.7 | 39.7 | 39.7 |
| Provisions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest bearing debt | 25.5 | 16.6 | 56.6 | 52.3 | 47.7 |
| 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 | 216 | 255 | 236 | 244 | 250 |
| Interest bearing debt | 17.4 | 66.6 | 37.8 | 34.9 | 31.8 |
| Payables | 136 | 126 | 136 | 147 | 156 |
| Other current liabilities | 62.4 | 62.4 | 62.4 | 62.4 | 62.4 |
| Balance sheet total | 632 | 663 | 697 | 712 | 722 |

DCF-calculation

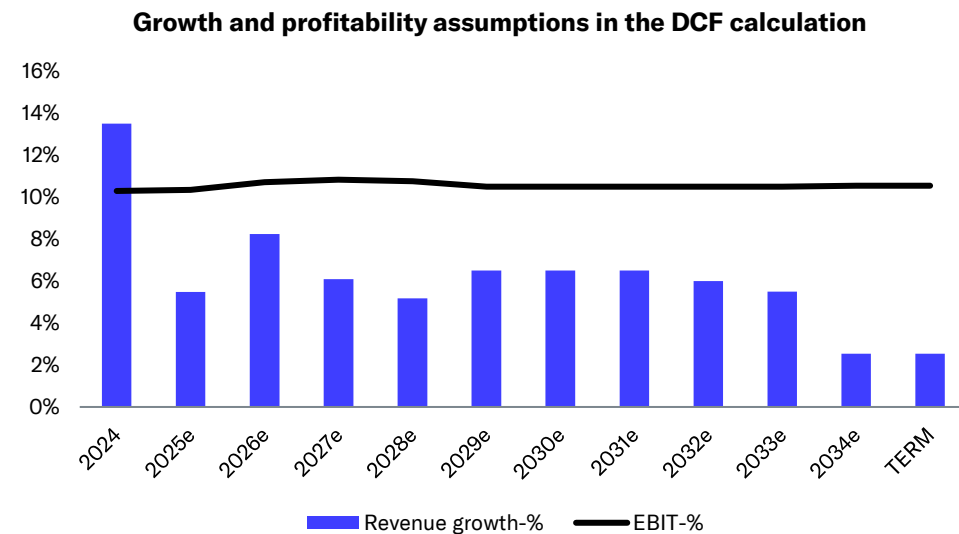
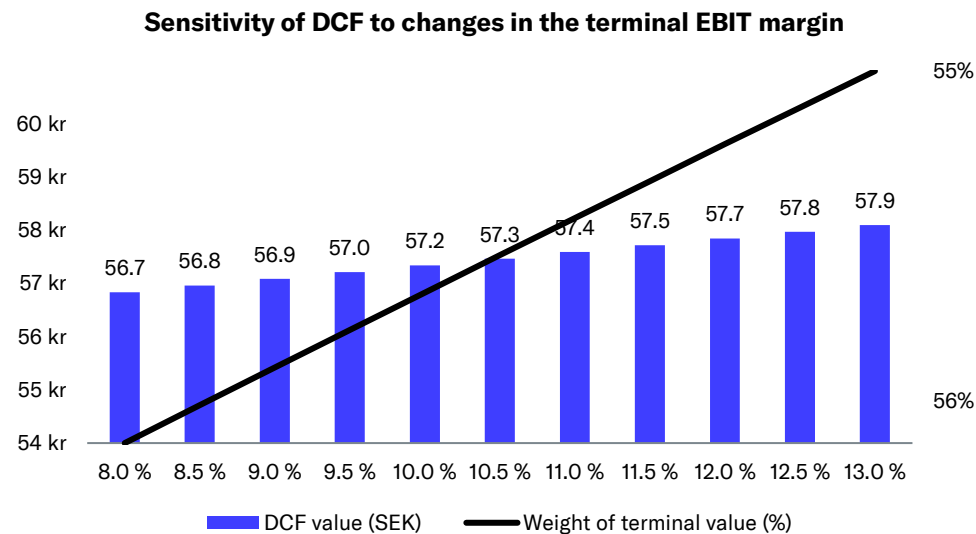
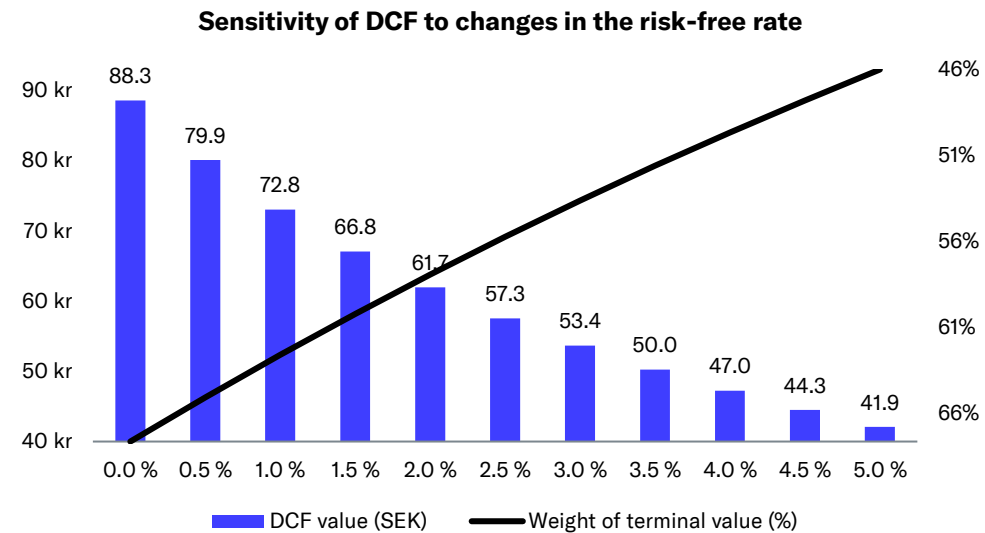
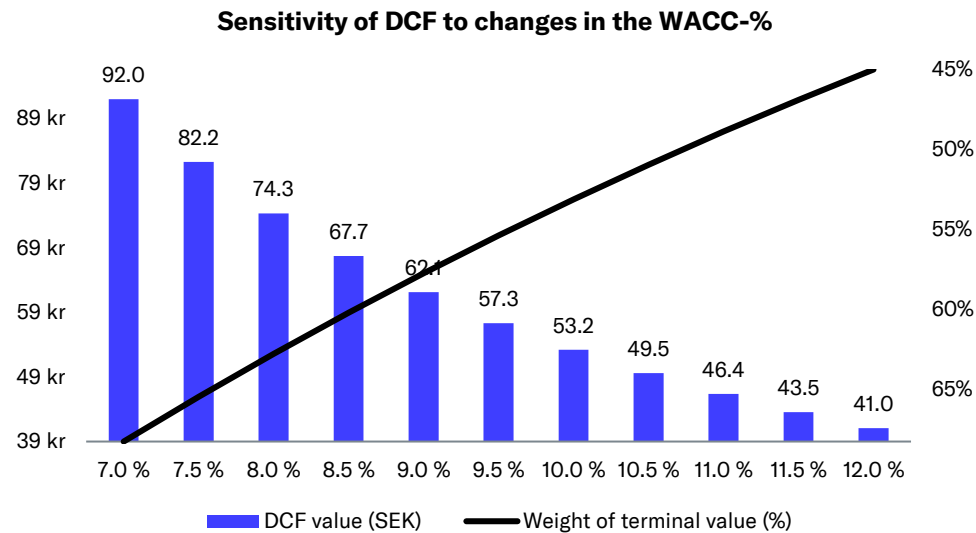
| DCF model | 2024 | 2025e | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | 2033e | 2034e | TERM |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| Revenue growth-% | 13.5 % | 5.5 % | 8.2 % | 6.1 % | 5.2 % | 6.5 % | 6.5 % | 6.5 % | 6.0 % | 5.5 % | 2.5 % | 2.5 % |
| EBIT-% | 10.3 % | 10.3 % | 10.7 % | 10.8 % | 10.7 % | 10.5 % | 10.5 % | 10.5 % | 10.5 % | 10.5 % | 10.5 % | 10.5 % |
| EBIT (operating profit) | 102 | 108 | 121 | 130 | 136 | 141 | 150 | 160 | 170 | 179 | 184 | |
| + Depreciation | 32.1 | 30.2 | 32.0 | 30.1 | 29.5 | 29.2 | 29.0 | 28.9 | 28.8 | 28.8 | 28.8 | |
| - Paid taxes | -17.7 | -23.0 | -25.8 | -27.2 | -29.4 | -30.6 | -32.6 | -34.7 | -36.9 | -38.9 | -40.1 | |
| - Tax, financial expenses | -2.2 | 0.7 | -0.7 | -1.3 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 | |
| + 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 | -56.0 | -4.9 | -5.9 | -1.1 | -11.2 | -14.8 | -15.7 | -16.7 | -16.5 | -16.0 | -7.8 | |
| Operating cash flow | 58.0 | 111 | 121 | 130 | 124 | 124 | 130 | 137 | 145 | 152 | 165 | |
| + 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 | -34.5 | -28.0 | -27.6 | -27.8 | -27.9 | -28.1 | -28.2 | -28.3 | -28.4 | -28.4 | -28.4 | |
| Free operating cash flow | 23.4 | 83.1 | 92.9 | 102 | 96.1 | 96.3 | 102 | 109 | 116 | 124 | 136 | |
| +/- Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| FCFF | 23.4 | 83.1 | 92.9 | 102 | 96.1 | 96.3 | 102 | 109 | 116 | 124 | 136 | 1994 |
| Discounted FCFF | | 82.2 | 83.9 | 84.4 | 72.3 | 66.2 | 64.1 | 62.2 | 60.7 | 59.1 | 59.3 | 869 |
| Sum of FCFF present value | | 1563 | 1481 | 1397 | 1312 | 1240 | 1174 | 1110 | 1048 | 987 | 928 | 869 |
| Enterprise value DCF | | 1563 | | | | | | | | | | |
| - Interest bearing debt | | -83.2 | | | | | | | | | | |
| + Cash and cash equivalents | | 9.7 | | | | | | | | | | |
| -Minorities | | 26.9 | | | | | | | | | | |
| -Dividend/capital return | | -75.4 | | | | | | | | | | |
| Equity value DCF | | 1441 | | | | | | | | | | |
| Equity value DCF per share | | 57 | | | | | | | | | | |

| 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 | 2022 | 2023 | 2024 | 2025e | 2026e | Per share data | 2022 | 2023 | 2024 | 2025e | 2026e |
|---------------------------|-------|-------|-------|--------|--------|--------------------------|--------|--------|--------|--------|--------|
| Revenue | 835.2 | 872.3 | 990.0 | 1044.1 | 1130.2 | EPS (reported) | 2.02 | 3.02 | 2.89 | 3.52 | 3.65 |
| EBITDA | 107.7 | 133.6 | 134.0 | 138.2 | 153.0 | EPS (adj.) | 2.86 | 3.02 | 2.89 | 3.52 | 3.65 |
| EBIT | 72.9 | 100.6 | 101.8 | 108.0 | 121.0 | OCF / share | 2.67 | 5.02 | 2.31 | 4.42 | 4.79 |
| PTP | 70.4 | 97.7 | 90.4 | 111.5 | 117.6 | OFCF / share | 1.42 | 4.04 | 0.93 | 3.30 | 3.69 |
| Net Income | 50.9 | 76.0 | 72.7 | 88.5 | 91.8 | Book value / share | 13.18 | 14.20 | 14.25 | 14.76 | 15.21 |
| Extraordinary items | -21.0 | 0.0 | 0.0 | 0.0 | 0.0 | Dividend / share | 2.00 | 3.00 | 3.00 | 3.20 | 3.50 |
| Balance sheet | 2022 | 2023 | 2024 | 2025e | 2026e | Growth and profitability | 2022 | 2023 | 2024 | 2025e | 2026e |
| Balance sheet total | 653.4 | 631.5 | 663.5 | 697.2 | 712.5 | Revenue growth-% | 9% | 4% | 13% | 5% | 8% |
| Equity capital | 324.8 | 350.8 | 351.9 | 365.0 | 376.3 | EBITDA growth-% | -23% | 24% | 0% | 3% | 11% |
| Goodwill | 36.5 | 36.4 | 36.4 | 36.4 | 36.4 | EBIT (adj.) growth-% | -10% | 7% | 1% | 6% | 12% |
| Net debt | 65.6 | 16.2 | 73.5 | 63.1 | 53.3 | EPS (adj.) growth-% | -16% | 6% | -4% | 22% | 4% |
| Cash flow | 2022 | 2023 | 2024 | 2025e | 2026e | EBITDA-% | 12.9 % | 15.3 % | 13.5 % | 13.2 % | 13.5 % |
| EBITDA | 107.7 | 133.6 | 134.0 | 138.2 | 153.0 | EBIT (adj.)-% | 11.2 % | 11.5 % | 10.3 % | 10.3 % | 10.7 % |
| Change in working capital | -21.8 | 14.9 | -56.0 | -4.9 | -5.9 | EBIT-% | 8.7 % | 11.5 % | 10.3 % | 10.3 % | 10.7 % |
| Operating cash flow | 67.2 | 126.2 | 58.0 | 111.1 | 120.5 | ROE-% | 15.2 % | 22.1 % | 20.3 % | 24.3 % | 24.3 % |
| CAPEX | -31.6 | -24.6 | -34.5 | -28.0 | -27.6 | ROI-% | 16.6 % | 25.1 % | 24.6 % | 24.1 % | 26.2 % |
| Free cash flow | 35.6 | 101.6 | 23.4 | 83.1 | 92.9 | Equity ratio | 49.7 % | 55.6 % | 53.0 % | 52.4 % | 52.8 % |
| | | | | | | Gearing | 20.2 % | 4.6 % | 20.9 % | 17.3 % | 14.2 % |
| Valuation multiples | 2022 | 2023 | 2024 | 2025e | 2026e | | | | | | |
| EV/S | 1.0 | 1.3 | 1.4 | 1.5 | 1.4 | | | | | | |
| EV/EBITDA | 7.8 | 8.5 | 10.1 | 11.7 | 10.5 | | | | | | |
| EV/EBIT (adj.) | 9.0 | 11.3 | 13.2 | 15.0 | 13.3 | | | | | | |
| P/E (adj.) | 11.1 | 15.0 | 17.9 | 17.9 | 17.2 | | | | | | |
| P/B | 2.4 | 3.2 | 3.6 | 4.3 | 4.1 | | | | | | |
| Dividend-% | 6.3 % | 6.6 % | 5.8 % | 5.1 % | 5.6 % | | | | | | |

Source: Inderes

Disclaimer and recommendation history

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Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

| | |
|------------|--|
| 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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Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

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 |



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