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COMPANY REPORT

The warship earns its premium

Saab delivered another strong quarter, beating our and consensus expectations on revenue, profitability, and EPS, while order intake fell short of our estimate on the timing of smaller campaigns. The Polish submarine order carried the intake and validated our view that the next phase of European rearmament favors larger platforms, where Saab is strongly positioned. We raise our 2026-28 estimates only slightly, as our numbers already embed high expectations. Meanwhile, the valuation has become more reasonable through a de-rating we view as sentiment-driven rather than fundamental. With earnings growth doing most of the work for expected returns, the return equation clears our bar, though the high expectations embedded in the shares keep our conviction on the same level. We raise our target price to SEK 635 (prev. SEK 622) and keep our recommendation at Accumulate.

The quarter was strong across the board

Revenue came in ahead of both our estimate and consensus, and the margin also exceeded our expectations. Surveillance drove the beat with high delivery volumes and record radar deliveries, Dynamics exceeded our margin estimate, and Aeronautics was broadly in line while still carrying T-7A start-up costs. Naval was the disappointment, as Swedish frigate program costs pushed its margin well below our estimate. Order intake missed our assumption of a softer flow in Aeronautics and Dynamics, but Naval carried the order book and cash flow continued to improve.

The ramp-up is working but the model was ready

We raise our revenue and earnings estimates only slightly, mainly to reflect the booked A26 order and the Ukraine Gripen order to be booked in Q3. Our estimates already embed high expectations well into the next decade, which keeps additional optimism in check. Capacity investments-initiated years ago are now coming online, improving the delivery pace and visibility on future revenue. Meanwhile, execution remains the key risk, but the company keeps delivering on that front.

Good enough to stay aboard

Saab still screens expensive, but at P/E multiples of 32-27x for 2027-28, the valuation is significantly more reasonable than at our Q4'25 update, and our acceptable long-term ranges come within reach in 2028-29. We think the premium over peers is deserved given the scarcity of comparable European defense assets, the delivery track record, and an ownership structure that supports long-term decision-making. In our framework, earnings growth does most of the work for expected shareholder return, while dividends add a modest contribution, and a gradual multiple contraction partly offsets both. Our DCF points to a fair value of SEK 635 per share, implying ~12% upside and a return above our cost of equity. The expected return clears our cost of equity, but the high expectations already embedded in the shares keep our conviction in check.

Recommendation
Accumulate
(prev. Accumulate)

Target price:
635 SEK
(prev. 622 SEK)

Share price:
567 SEK

Business risk

●●○○○

Valuation risk

●●●○○

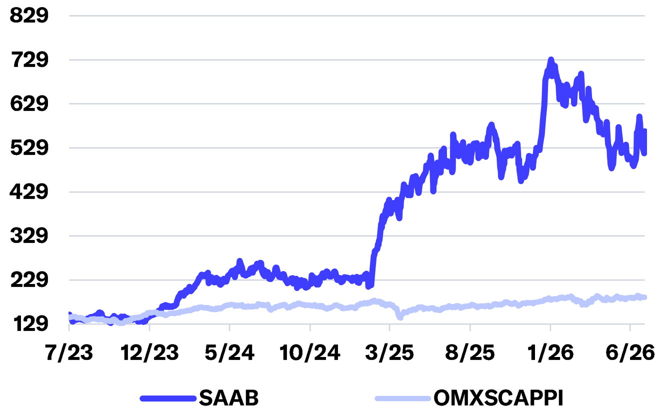
	2025	2026e	2027e	2028e
Revenue	79,146	97,478	115,543	135,467
growth-%	24%	23%	19%	17%
EBIT adj.	7,961	10,544	12,695	15,117
EBIT-% adj.	10.1 %	10.8 %	11.0 %	11.2 %
Net Income	6,314	8,119	9,643	11,603
EPS (adj.)	11.50	15.00	17.82	21.44
P/E (adj.)	46.7	37.8	31.8	26.4
P/B	6.7	6.1	5.3	4.5
Dividend yield-%	0.4 %	0.5 %	0.6 %	0.8 %
EV/EBIT (adj.)	36.6	30.4	25.3	20.9
EV/EBITDA	25.7	22.6	19.4	16.4
EV/S	3.7	3.3	2.8	2.3

Source: Inderes

Guidance (Unchanged)

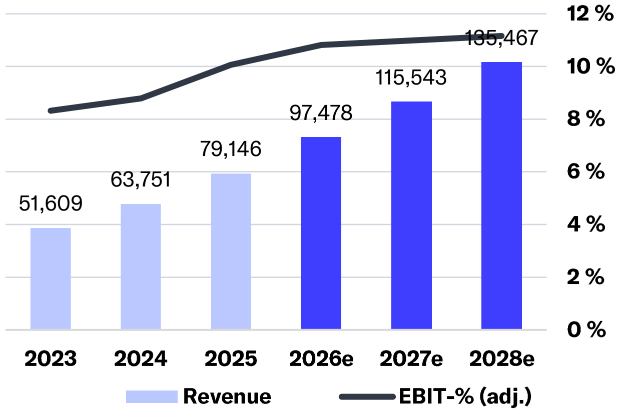
The company did not provide any guidance for 2026. The medium-term guidance for 2023-27 was upgraded from sales CAGR ~18% to ~22%. The guidance for EBIT growth above revenue growth, and operational cash flow conversion of at least 60% over the 5- year period, still hold.

Share price



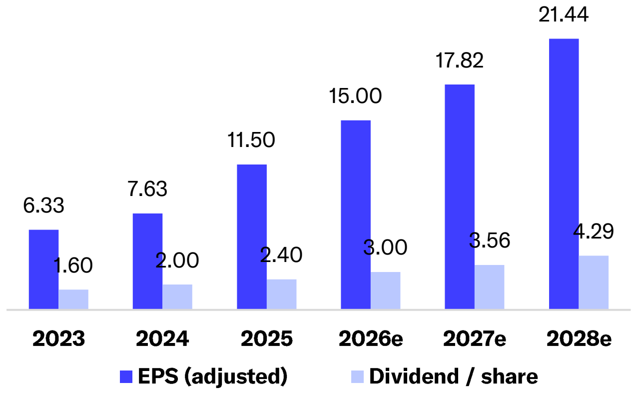
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- Strong position in core technology niches within a stable market characterized by multi-decade upcycles
- Solid value-creation track record through organic growth, complemented by selective bolt-on M&A to enhance the tech portfolio
- Clear runway to capture meaningful growth in Europe, the Americas and parts of Asia
- Path toward ~12% EBIT margin, supported by operating leverage and a strategy to grow EBIT faster than revenue
- Increasing societal relevance via civil-security and digital-infrastructure solutions

Risk factors

- Risk of over-investing in capacity during a long upcycle
- Growth and profitability are highly execution dependent; major missteps or managerial errors could have severe long-term effects
- Failure to develop or acquire relevant technologies that open future growth channels
- Fierce competition from larger, established defense peers

Valuation	2026e	2027e	2028e
Share price	567.0	567.0	567.0
Number of shares, millions	541.2	541.2	541.2
Market cap	306,872	306,872	306,872
EV	320,629	320,578	315,428
P/E (adj.)	37.8	31.8	26.4
P/E	37.8	31.8	26.4
P/B	6.1	5.3	4.5
P/S	3.1	2.7	2.3
EV/Sales	3.3	2.8	2.3
EV/EBITDA	22.6	19.4	16.4
EV/EBIT (adj.)	30.4	25.3	20.9
Payout ratio (%)	20.0 %	20.0 %	20.0 %
Dividend yield-%	0.5 %	0.6 %	0.8 %

Source: Inderes

The warship is making good speed despite uneven engines

Naval carried the order book

We had expected ~77 BSEK of order intake in the quarter, based on the assumption of broad-based demand across the business areas. In hindsight, that was too optimistic. Naval delivered the lion's share of the intake, driven by the Polish submarine order, while the shortfall versus our estimate came mainly from softer order flow in Aeronautics and Dynamics.

The beat behind the beat

Saab delivered a revenue beat despite the high expectations, demonstrating another quarter of strong execution. Reported growth was ahead of both our estimate and consensus, with a modest currency headwind, reflecting the current SEK environment. Surveillance stood out as the largest source of the beat on the back of solid execution and strong deliveries, with Aeronautics also well ahead of our expectations on the back of the Gripen program unfolding well. Dynamics came in broadly in line. Naval grew more modestly and landed slightly below our estimate. Combitech was the weakest on the topline this quarter on the back of lower consultancy revenues than we had expected. In all, the group beat understates the strength at the business-area level, because larger-than-modelled corporate and eliminations absorbed part of that outperformance.

The radar win met the frigate drag

Group EBIT margin came in modestly above our estimate, though the composition of the beat was mixed, backed by a strong gross margin (22.6%). Surveillance drove it, with profitability well ahead of our estimates on high delivery volumes and a record quarter for Giraffe 1X radars. Dynamics exceeded our margin estimate as well, even as its margin eased from an unusually strong comparison quarter. Aeronautics was broadly in line, still weighed down by T-7A start-up costs. The disappointment was Naval, where costs in the lost Swedish frigate program pushed the margin well below our estimate. Combitech's margin held up slightly better than we expected despite the softer topline. The group-level EBIT beat reflects in part corporate and eliminations coming a tad in lower than we had modelled. Lastly, the EPS beat our expectations driven by the strong profitability.

The cash drain seems to be slowing

Operational cash flow improved to -62 MSEK from -1,136 MSEK in the same period last year, driven by a smaller working capital drag, though still negative as investments continue to run high. Free cash flow came in at -293 MSEK, an improvement from -1,322 MSEK a year ago. Dynamics was again the strongest contributor to operational cash flow with higher milestone and advance payments, while Aeronautics remains the largest drag. Naval turned negative year-on-year due to lower customer payments and higher investments, and Surveillance improved but stayed slightly negative. Net liquidity declined to ~2.5 BSEK from ~4.0 BSEK at year-end, though the balance sheet remains strong.

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	19,786	25,453	24,421	23,829	23,025 - 24,680	4.2%	96,446
EBIT (adj.)	1,977	2,794	2,601	2,413	2,112 - 2,764	7.4%	10,350
Net income	1,536	2,170	2,016	1,844	1,677 - 2,024	7.6%	7,985
EPS (adj.)	2.63	3.96	3.72	3.39	3.20 - 3.72	6.5%	14.75
Order intake	28,403	68,393	77,300	70,273	64,298 - 77,300	-12%	178,441
Revenue growth-%	30.4 %	28.6 %	23.4 %	20.4 %	16.4 % - 24.7 %	+0.2 p.p.	23.2 %
EBIT-% (adj.)	10.0 %	11.0 %	10.6 %	10.1 %	9.2 % - 11.2 %	+0.3 p.p.	10.7 %

Source: Inderes & Modular Finance (14.7.2026, 12 estimates)

The beat was real, but the expectations are already high

The downside risk got booked away

Our view on the outlook for the underlying demand is unchanged from our last post-results update. We lowered our order intake estimates in our post-Q1 update to reflect the uncertain timing of new awards. The period leading up to the Q2 report then delivered an order bonanza that removed much of the downside risk we previously saw in our 2026 order intake estimate. We revised our estimate accordingly in our preview. In this update, we keep that stance, though our order intake estimates move slightly higher as recent performance feeds mechanically through the model. The company still points to a broad campaign pipeline, including Canada's potential procurement of GlobalEye, which we believe will become a booked order, but no contract has been signed yet and the award could slip into next year.

The beat was real, but expectations were already high

Despite the strong topline quarter, we raise our 2026-28 revenue estimates only slightly, mainly to reflect the booked A26 order and the Gripen order expected to be booked in Q3. We do not think the beat alone warrants meaningful changes to our Q3 and Q4 revenue expectations in 2026, as delivery timing remains volatile. The reason is that our estimates already embed high expectations for 2026-28, as well as for the period through 2035. We also continue to take a slightly cautious view on the supplier networks that partly enable Saab's deliveries. That said, we remain confident in Saab's ability to sustain a good delivery pace, all constraints considered. Our view is that capacity investments initiated in 2022 and earlier are now coming online, improving the company's delivery pace and visibility on future revenue. Execution remains the key risk, but Saab continues to deliver on that front. This supports our short-, medium- and long-term revenue estimates.

Operational strength supports the margin path

We believe profitability will develop slightly stronger than previously expected in 2026-28, supported by solid gross margins, a favourable mix, and continued strong operational management. We expect Dynamics and Surveillance to remain the main drivers, underpinned by their higher-margin short-cycle product portfolios and high delivery activity. We also expect Aeronautics profitability to edge gradually higher as Gripen production scales and more software is rolled out. In addition, we have lowered our profitability expectations for Naval, as we now believe the business activities transferred from Surveillance will have a smaller impact on segment margins than previously assumed. That said, because our estimates already embed high expectations, there is limited room for material upward revisions. Before raising our short- and medium-term margin assumptions further, we would like to see clear evidence that profitability can expand faster and potentially move beyond our long-term EBIT margin assumption of 12%.

Estimate revisions MSEK / SEK	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	96,446	97,478	1%	114,428	115,543	1%	134,372	135,467	1%
EBIT (adj.)	10,350	10,544	2%	12,368	12,695	3%	14,971	15,117	1%
Net income	7,985	8,119	2%	9,574	9,643	1%	11,658	11,603	0%
EPS (adj.)	14.75	15.00	2%	17.69	17.82	1%	21.54	21.44	0%
DPS	2.95	3.00	2%	3.54	3.56	1%	4.31	4.29	0%
Order intake	178,441	179,473	1%	141,296	142,283	1%	147,388	148,881	1%

Source: Inderes

From priced for perfection to priced for execution

Valuation becomes more reasonable

Saab still screens somewhat expensive relative to both its historical valuation and the sector. However, at P/E multiples of 32-27x and EV/EBIT multiples of 25-21x for 2027-28, respectively, we think the valuation is significantly more reasonable than when we wrote our Q4'25 post-results update. More importantly, the strength of the long-term sector fundamentals and Saab's continued robust execution give us greater confidence that the company can grow into its valuation.

Our acceptable long term valuation ranges of 22-25x P/E and 17-20x EV/EBIT come within reach in 2028-29. In our view, this reflects both strong earnings growth and a de - rating in the shares. We view the latter as sentiment driven rather than a sign of deterioration in the underlying business. If anything, the outlook has improved slightly since the beginning of 2026, both operationally and from a defense market perspective.

Because of this, we therefore reiterate the view outlined in our Q1 update. The first phase of European rearmament was weighted toward short-cycle products and ammunition. We think the next phase will be increasingly driven by larger platforms, submarines, fighter aircraft, and advanced surveillance systems, where Saab is strongly positioned. This is already visible in the order book, with the Polish A26 order and the Ukraine Gripen contract both falling squarely into this category.

A premium earned, not given

The relevant question is not whether Saab is expensive, but whether the premium over peers is deserved. We believe it is, given 1) the scarcity of European defense assets with exposure as broad and an outlook as strong as Saab's, 2) the delivery track record the company has built since the war in Ukraine began, 3) an ownership structure that supports long-term decision-making, and 4) a management team with the acumen to see the current performance through.

At the same time, we recognize that the high expectations embedded in Saab pose a risk. At current multiples, any meaningful step toward de-escalation would likely hit valuations hard, and crowded positioning could amplify the move, though that risk is driven by sentiment rather than fundamentals. The premium also demands a lot in terms of execution, which makes delivery consistency more important for the investment case than for lower-valued peers. Based on the track record to date, we believe the company can sustain its delivery pace and execution.

The return equation finally clears our bar

Based on our valuation framework, earnings growth does most of the work for expected shareholder return over the forecast period, while dividends add a modest contribution, but a gradual multiple contraction partly offsets both.

In our DCF, most of the value still sits in the terminal period, meaning that a large share of the valuation depends on earnings far into the future. The model output is a fair value of SEK 635 per share, slightly above the SEK 622 in our previous update, driven by modestly higher growth and profitability expectations in the medium and long-term. The backlog build and execution record discussed above, however, give us better grounding for those assumptions.

This implies ~12% upside from the last close of SEK 567. We expect earnings growth to more than offset multiple contraction, leaving the return above our cost of equity and modestly above the market. Together with a more reasonable valuation and Saab's consistent execution, our Accumulate recommendation continues to find support.

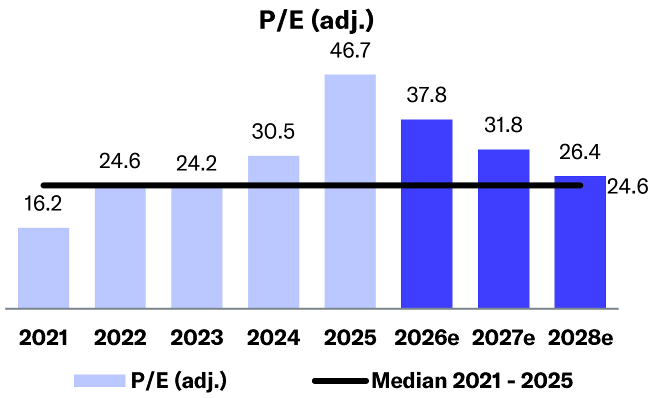
Valuation	2026e	2027e	2028e
Share price	567.0	567.0	567.0
Number of shares, millions	541.2	541.2	541.2
Market cap	306,872	306,872	306,872
EV	320,629	320,578	315,428
P/E (adj.)	37.8	31.8	26.4
P/E	37.8	31.8	26.4
P/B	6.1	5.3	4.5
P/S	3.1	2.7	2.3
EV/Sales	3.3	2.8	2.3
EV/EBITDA	22.6	19.4	16.4
EV/EBIT (adj.)	30.4	25.3	20.9
Payout ratio (%)	20.0 %	20.0 %	20.0 %
Dividend yield-%	0.5 %	0.6 %	0.8 %

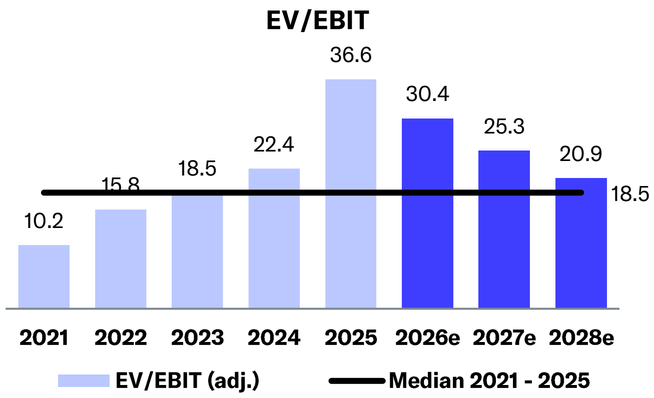
Source: Inderes

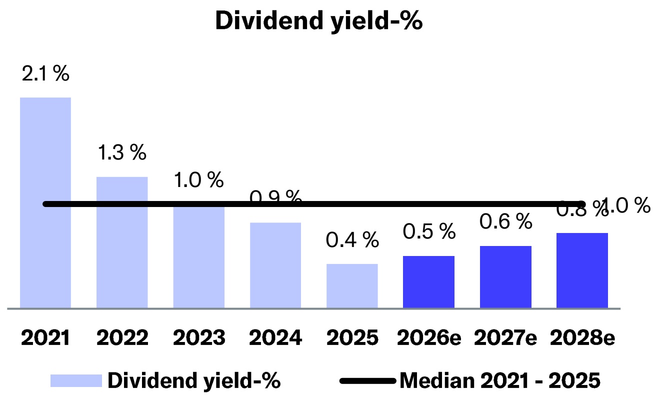
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	58.4	101.0	153.0	233.0	537.6	**567.0**	**567.0**	**567.0**	**567.0**
Number of shares, millions	533.2	534.9	537.5	539.2	539.8	**541.2**	**541.2**	**541.2**	**541.2**
Market cap	31,111	54,025	82,239	125,638	290,192	**306,872**	**306,872**	**306,872**	**306,872**
EV	29,355	51,870	79,653	125,374	291,611	**320,629**	**320,578**	**315,428**	**308,041**
P/E (adj.)	16.2	24.6	24.2	30.5	46.7	**37.8**	**31.8**	**26.4**	**22.1**
P/E	16.2	24.6	24.3	30.1	46.0	**37.8**	**31.8**	**26.4**	**22.1**
P/B	1.4	1.8	2.6	3.5	6.7	**6.1**	**5.3**	**4.5**	**3.9**
P/S	0.8	1.3	1.6	2.0	3.7	**3.1**	**2.7**	**2.3**	**2.0**
EV/Sales	0.7	1.2	1.5	2.0	3.7	**3.3**	**2.8**	**2.3**	**2.0**
EV/EBITDA	6.1	9.6	12.1	14.9	25.7	**22.6**	**19.4**	**16.4**	**13.9**
EV/EBIT (adj.)	10.2	15.8	18.5	22.4	36.6	**30.4**	**25.3**	**20.9**	**17.4**
Payout ratio (%)	34.1 %	32.4 %	25.4 %	25.9 %	20.5 %	**20.0 %**	**20.0 %**	**20.0 %**	**20.0 %**
Dividend yield-%	2.1 %	1.3 %	1.0 %	0.9 %	0.4 %	**0.5 %**	**0.6 %**	**0.8 %**	**0.9 %**

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**
Leonardo	29,341	33,587	16.8	14.3	12.0	10.4	1.5	1.4	21.4	17.9	1.4	1.6	2.8
BAE Systems	66,384	72,831	17.1	15.3	13.3	12.2	1.9	1.7	22.6	19.8	2.1	2.4	4.4
Airbus	153,957	155,648	20.5	17.5	14.4	12.6	1.9	1.7	26.9	22.8	1.8	2.1	5.3
Rolls-Royce	133,917	131,315	26.9	23.5	22.7	20.2	4.9	4.5	36.4	30.7	0.9	1.1	33.4
Lockheed Martin	102,539	118,975	14.2	13.5	12.1	11.6	1.7	1.6	17.0	15.8	2.7	2.9	11.6
RTX Corporation	227,796	256,152	23.7	21.6	18.7	17.2	3.1	2.9	28.0	25.5	1.5	1.6	3.8
Northrop Grumman	64,756	76,189	18.7	17.3	14.0	13.2	2.0	1.9	18.7	17.3	1.9	2.0	3.8
General Dynamics	87,129	90,940	17.9	16.6	15.4	14.3	1.9	1.8	22.1	20.3	1.7	1.8	3.6
L3Harris Technologies	45,924	55,336	17.6	16.2	14.2	13.1	2.7	2.5	24.3	20.7	1.7	1.9	2.6
Rheinmetall AG	45,854	47,286	18.3	12.7	14.9	10.6	3.4	2.5	27.0	18.4	1.6	2.2	7.1
Elbit Systems Ltd.	30,301	29,765	37.4	32.8	29.5	27.4	3.8	3.4	46.8	42.1	0.5	0.6	6.8
Dassault Aviation	22,179	12,884	16.1	13.1	12.5	10.6	1.5	1.3	18.4	15.5	1.8	2.2	3.1
Leidos	11,708	16,856	8.6	8.2	7.8	7.5	1.1	1.0	8.6	8.1	1.6	2.2	2.4
Huntington Ingalls Industries	9,270	11,442	18.5	15.3	12.7	10.8	1.0	1.0	15.5	13.3	2.1	2.2	1.9
Hanwha Aerospace	28,709	37,358	14.5	11.3	12.0	9.6	2.1	1.8	20.7	16.1	0.7	0.9	3.9
Kongsberg Gruppen	22,095	21,747	33.5	22.7	28.3	19.8	5.7	4.0	40.4	27.2	2.0	2.7	12.9
Hensoldt	8,769	9,588	27.1	21.5	18.5	15.3	3.5	3.0	41.3	31.1	0.9	1.2	7.8
Thales	45,946	47,352	16.1	14.4	12.5	11.4	2.0	1.8	21.1	18.3	1.9	2.2	5.1
Renk	4,396	4,774	17.8	14.6	15.1	12.4	3.1	2.6	25.5	20.5	1.7	2.1	7.6
Babcock International	5,992	6,419	15.1	11.9	11.2	9.3	1.1	1.0	21.2	16.0	0.9	1.2	8.2
SAAB (Inderes)	**306,872**	**320,629**	**30.4**	**25.3**	**22.6**	**19.4**	**3.3**	**2.8**	**37.8**	**31.8**	**0.5**	**0.6**	**6.1**
Average			**19.8**	**16.7**	**15.6**	**13.5**	**2.5**	**2.2**	**25.2**	**20.9**	**1.6**	**1.8**	**6.9**
Median			**17.9**	**15.3**	**14.1**	**12.3**	**2.0**	**1.8**	**22.4**	**19.1**	**1.7**	**2.0**	**4.8**
Diff-% to median			***70%***	***65%***	***61%***	***57%***	***66%***	***51%***	***69%***	***66%***	***-69%***	***-69%***	***28%***

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**63,751**	**15,792**	**19,786**	**15,871**	**27,697**	**79,146**	**19,164**	**25,453**	**18,784**	**34,076**	**97,478**	**115,543**	**135,467**	**155,561**
Aeronautics	16,689	4,525	4,424	4,438	5,746	19,133	5,199	5,813	5,370	6,734	23,116	26,815	31,025	35,306
Dynamics	14,605	3,143	5,714	3,411	8,397	20,665	3,634	7,759	4,059	10,899	26,351	31,938	38,453	45,528
Survelliance	16,117	3,946	4,996	4,146	8,168	21,256	5,027	7,366	4,809	10,177	27,380	32,199	37,511	42,913
Naval	14,108	3,501	3,826	3,203	4,983	15,513	4 468	4 183	3 722	5 691	18 063	21 303	24 628	27 879
Combitech	4,306	1 182	1 340	1 025	1 430	4,977	1 367	1 331	1 183	1,667	5,548	6,380	7,209	7,959
EBITDA	**8,402**	**2,140**	**2,831**	**2,173**	**4,203**	**11,347**	**2,731**	**3,774**	**2,366**	**5,292**	**14,163**	**16,564**	**19,245**	**22,231**
Depreciation	-2,740	-686	-854	-799	-942	-3,281	-811	-980	-798	-1,030	-3,619	-3,869	-4,128	-4,488
EBIT (excl. NRI)	**5,604**	**1,454**	**1,872**	**1,374**	**3,261**	**7,961**	**1,920**	**2,794**	**1,568**	**4,262**	**10,544**	**12,695**	**15,117**	**17,743**
EBIT	**5,662**	**1,454**	**1,977**	**1,374**	**3,261**	**8,066**	**1,920**	**2,794**	**1,568**	**4,262**	**10,544**	**12,695**	**15,117**	**17,743**
Net financial items	-373	167	-12	-115	-87	-47	-67	-37	-126	70	-160	-488	-429	-178
PTP	**5,289**	**1,621**	**1,965**	**1,259**	**3,174**	**8,019**	**1,853**	**2,757**	**1,442**	**4,332**	**10,384**	**12,207**	**14,688**	**17,565**
Taxes	-1,079	-344	-429	-284	-606	-1,663	-387	-587	-303	-910	-2,186	-2,563	-3,084	-3,689
Minority interest	-39	-9	-7	-18	-8	-42	-29	-28	-7	-14	-78	0	0	0
EPS (adj.)	**7.63**	**2.35**	**2.64**	**1.77**	**4.74**	**11.50**	**2.66**	**3.96**	**2.09**	**6.30**	**15.00**	**17.82**	**21.44**	**25.64**
EPS (rep.)	**7.74**	**2.35**	**2.83**	**1.77**	**4.74**	**11.70**	**2.66**	**3.96**	**2.09**	**6.30**	**15.00**	**17.82**	**21.44**	**25.64**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	23.5 %	11.3 %	30.4 %	17.2 %	32.8 %	24.1 %	21.4 %	28.6 %	18.4 %	23.0 %	23.2 %	18.5 %	17.2 %	14.8 %
Adjusted EBIT growth-%	30.5 %	22.1 %	40.6 %	17.5 %	70.5 %	42.1 %	32.0 %	49.3 %	14.1 %	30.7 %	32.4 %	20.4 %	19.1 %	17.4 %
EBITDA-%	13.2 %	13.6 %	14.3 %	13.7 %	15.2 %	14.3 %	14.3 %	14.8 %	12.6 %	15.5 %	14.5 %	14.3 %	14.2 %	14.3 %
Adjusted EBIT-%	8.8 %	9.2 %	9.5 %	8.7 %	11.8 %	10.1 %	10.0 %	11.0 %	8.3 %	12.5 %	10.8 %	11.0 %	11.2 %	11.4 %
Net earnings-%	6.5 %	8.0 %	7.7 %	6.0 %	9.2 %	8.0 %	7.5 %	8.4 %	6.0 %	10.0 %	8.3 %	8.3 %	8.6 %	8.9 %

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	**34,421**	**42,126**	**50,836**	**52,925**	**53,597**
Goodwill	5,572	5,572	5,572	5,572	5,572
Intangible assets	7,426	7,013	7,661	8,297	8,928
Tangible assets	15,779	22,052	23,685	25,080	25,121
Associated companies	3,078	3,346	8,920	8,920	8,920
Other investments	1,610	3,321	4,100	4,100	4,100
Other non-current assets	435	410	411	435	435
Deferred tax assets	521	412	487	521	521
Current assets	**65,402**	**82,578**	**93,684**	**105,683**	**116,443**
Inventories	21,825	25,439	35,092	41,596	47,413
Other current assets	16,993	22,627	23,501	25,958	27,034
Receivables	14,843	19,154	23,395	27,730	31,835
Cash and equivalents	11,741	15,358	11,697	10,399	10,160
Balance sheet total	**99,823**	**124,704**	**144,520**	**158,608**	**170,039**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**35,812**	**43,676**	**50,500**	**58,519**	**68,194**
Share capital	8,273	8,273	8,273	8,273	8,273
Retained earnings	27,035	34,899	41,723	49,742	59,417
Hybrid bonds	0	0	0	0	0
Revaluation reserve	0	0	0	0	0
Other equity	195	195	195	195	195
Minorities	309	309	309	309	309
Non-current liabilities	**14,296**	**17,284**	**21,579**	**19,102**	**16,308**
Deferred tax liabilities	1,070	2,017	1,767	1,767	1,767
Provisions	2,238	2,035	1,570	1,570	1,570
Interest bearing debt	9,465	12,673	17,782	15,305	12,511
Convertibles	0	0	0	0	0
Other long term liabilities	1,523	559	460	460	460
Current liabilities	**49,715**	**63,744**	**72,441**	**80,986**	**85,537**
Interest bearing debt	919	2,036	5,782	7,170	4,808
Payables	17,915	22,337	25,344	28,886	33,867
Other current liabilities	30,881	39,371	41,315	44,930	46,863
Balance sheet total	**99,823**	**124,704**	**144,520**	**158,608**	**170,039**

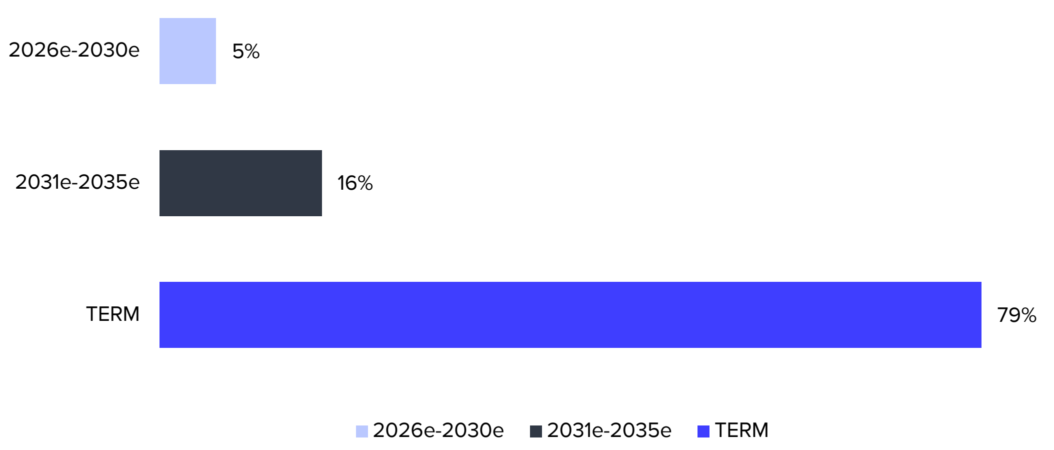
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	24.1 %	23.2 %	18.5 %	17.2 %	14.8 %	14.0 %	13.7 %	13.5 %	13.1 %	12.0 %	3.0 %	3.0 %
EBIT-%	10.2 %	10.8 %	11.0 %	11.2 %	11.4 %	11.5 %	11.6 %	11.7 %	11.8 %	11.7 %	12 %	12 %
EBIT (operating profit)	**8,066**	**10,544**	**12,695**	**15,117**	**17,743**	**20,394**	**23,390**	**26,776**	**30,543**	**33,918**	**34,935**	
+ Depreciation	3,281	3,619	3,869	4,128	4,488	4,827	5,196	5,593	5,702	5,722	5,771	
- Paid taxes	-607	-2,511	-2,597	-3,084	-3,689	-4,314	-5,014	-5,735	-6,501	-7,273	-7,552	
- Tax, financial expenses	-158	-219	-242	-209	-172	-146	-130	-132	-135	-137	-138	
+ Tax, financial income	148	185	139	119	135	177	232	244	222	287	353	
- Change in working capital	-647	-9,816	-6,140	-4,084	-3,859	-3,479	-4,193	-6,193	-1,810	-7,770	-3,146	
Operating cash flow	**10,083**	**1 802**	**7,724**	**11,986**	**14,645**	**17,459**	**19,481**	**20,553**	**28,021**	**24,746**	**30,224**	
+ Change in other long-term liabilities	-1,167	-564	0	0	0	0	0	0	0	0	0	
- Gross CAPEX	-10,827	-6,680	-5,924	-4,800	-5,000	-5,200	-5,400	-5,600	-5,800	-6,000	-6,000	
Free operating cash flow	**-1,911**	**-5,442**	**1 800**	**7,186**	**9,645**	**12,259**	**14,081**	**14,953**	**22,221**	**18,746**	**24,224**	
+/- Other	0	0	0	0	0	0	0	0	0	0	0	
FCFF	-1,911	-5,442	1,800	7,186	9,645	12,259	14,081	14,953	22,221	18,746	24,224	545,492
Discounted FCFF		**-5,266**	**1,619**	**6,008**	**7,497**	**8,858**	**9,458**	**9,336**	**12,897**	**10,115**	**12,150**	**273,597**
Sum of FCFF present value		346,268	351,534	349,915	343,907	336,410	327,552	318,094	308,758	295,861	285,747	273,597
Enterprise value DCF		**346,268**										
- Interest bearing debt		-14,709										
+ Cash and cash equivalents		15,358										
+ Associated companies		0										
-Minorities		-1,889										
-Dividend/capital return		-1 296										
Equity value DCF		**343,732**										
Equity value DCF per share		**635**										

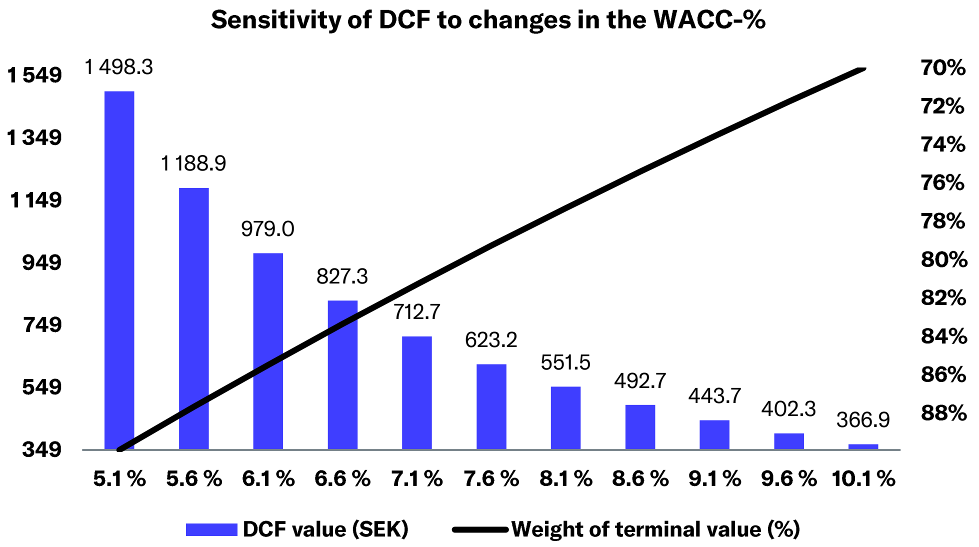
WACC	
Tax-% (WACC)	21.0 %
Target debt ratio (D/(D+E)	4.0 %
Cost of debt	5.0 %
Equity Beta	1.1
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	**7.7 %**
Weighted average cost of capital (WACC)	**7.6 %**

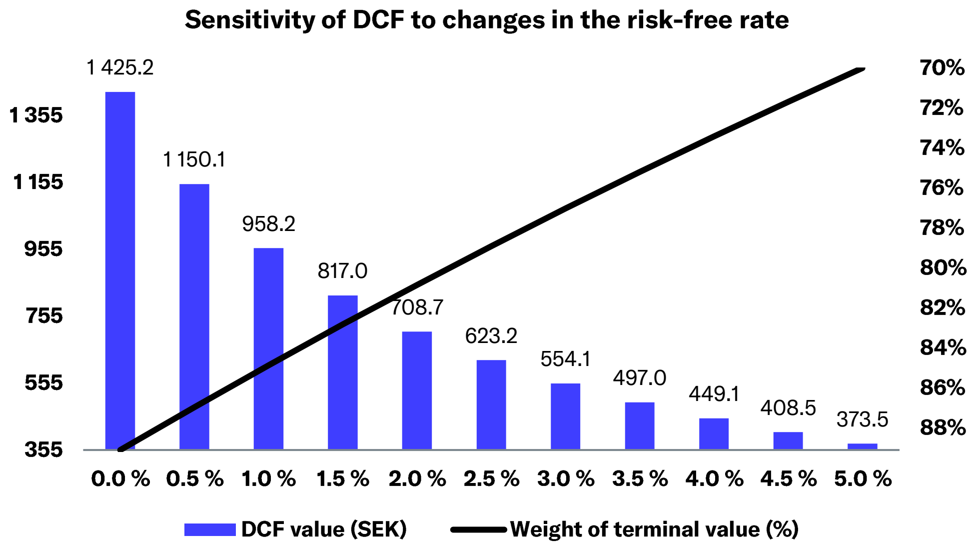
Source: Inderes

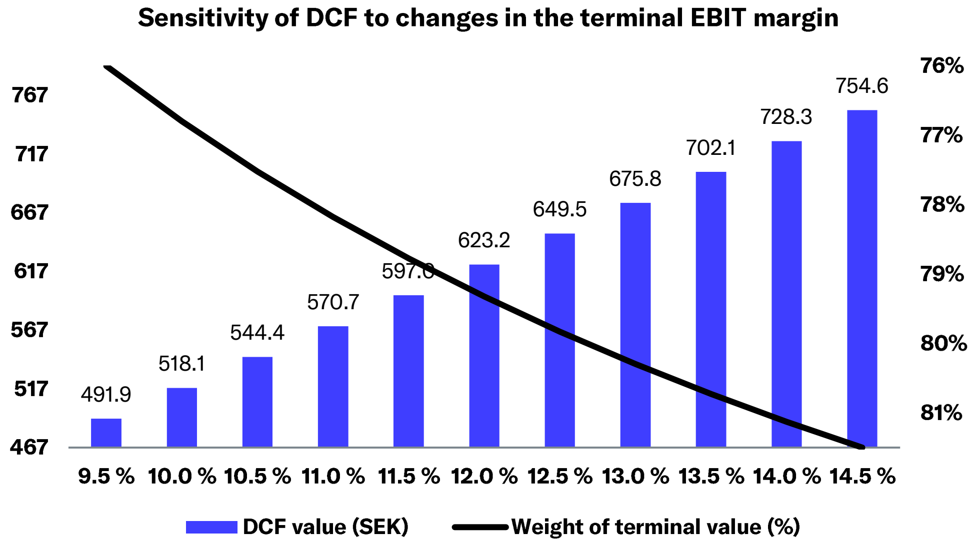
Cash flow distribution

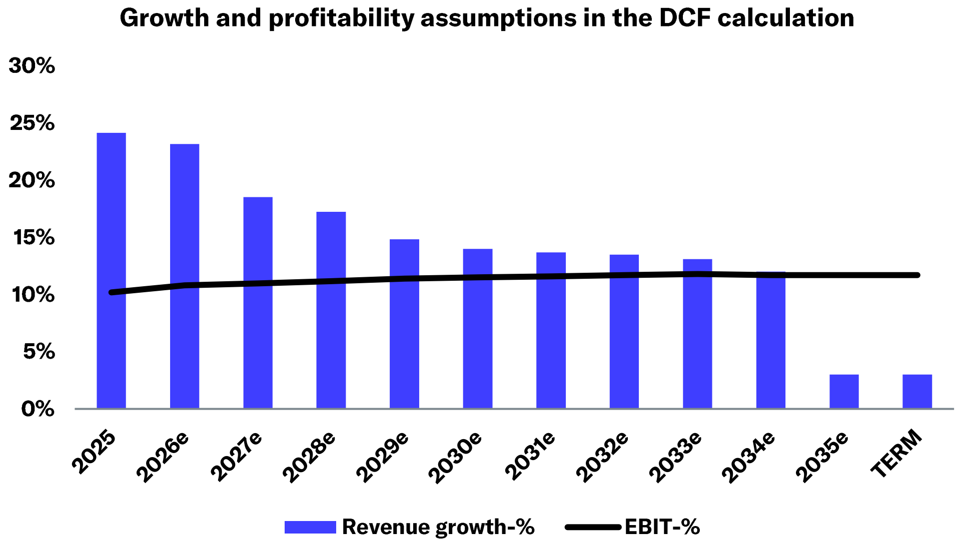


DCF sensitivity calculations and key assumptions in graphs









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	51,609	63,751	79,146	**97,478**	**115,543**
EBITDA	6,558	8,402	11,347	**14,163**	**16,564**
EBIT	4,272	5,662	8,066	**10,544**	**12,695**
PTP	4,418	5,289	8,019	**10,384**	**12,207**
Net Income	3,381	4,171	6,314	**8,119**	**9,643**
Extraordinary items	-22	58	105	**0**	**0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	82,759	99,823	124,704	**144,520**	**158,608**
Equity capital	32,362	35,812	43,676	**50,500**	**58,519**
Goodwill	5,424	5,572	5,572	**5,572**	**5,572**
Net debt	-3,426	-1,357	-649	**11,867**	**12,077**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	6,558	8,402	11,347	**14,163**	**16,564**
Change in working capital	-331.0	2711.0	-647	**-9,816**	**-6,140**
Operating cash flow	5,497	9,557	10,083	**1 802**	**7,724**
CAPEX	-4,213	-7,637	-10,827	**-6,680**	**-5,924**
Free cash flow	2,294	711	-1,911	**-5,442**	**1,800**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	1.5	2.0	3.7	**3.3**	**2.8**
EV/EBITDA	12.1	14.9	25.7	**22.6**	**19.4**
EV/EBIT (adj.)	18.5	22.4	36.6	**30.4**	**25.3**
P/E (adj.)	24.2	30.5	46.7	**37.8**	**31.8**
P/B	2.6	3.5	6.7	**6.1**	**5.3**
Dividend-%	1.0 %	0.9 %	0.4 %	**0.5 %**	**0.6 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	6.29	7.74	11.70	**15.00**	**17.82**
EPS (adj.)	6.33	7.63	11.50	**15.00**	**17.82**
OCF / share	10.23	17.72	18.68	**3.33**	**14.27**
OFCF / share	4.27	1.32	-3.54	**-10.06**	**3.33**
Book value / share	59.60	65.84	80.34	**92.74**	**107.55**
Dividend / share	1.60	2.00	2.40	**0.00**	**0.00**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	23%	24%	24%	**23%**	**19%**
EBITDA growth-%	21%	28%	35%	**25%**	**17%**
EBIT (adj.) growth-%	31%	31%	42%	**32%**	**20%**
EPS (adj.) growth-%	54%	20%	51%	**30%**	**19%**
EBITDA-%	12.7 %	13.2 %	14.3 %	**14.5 %**	**14.3 %**
EBIT (adj.)-%	8.3 %	8.8 %	10.1 %	**10.8 %**	**11.0 %**
EBIT-%	8.3 %	8.9 %	10.2 %	**10.8 %**	**11.0 %**
ROE-%	11.0 %	12.4 %	16.0 %	**17.4 %**	**17.8 %**
ROI-%	12.3 %	14.1 %	16.8 %	**17.2 %**	**17.2 %**
Equity ratio	39.1 %	35.9 %	35.0 %	**34.9 %**	**36.9 %**
Gearing	-10.6 %	-3.8 %	-1.5 %	**23.5 %**	**20.6 %**
Net debt/EBITDA	-0.5	-0.2	-0.1	**0.8**	**0.7**
EBITDA/net financials	-44.9	22.5	241.4	**88.5**	**33.9**

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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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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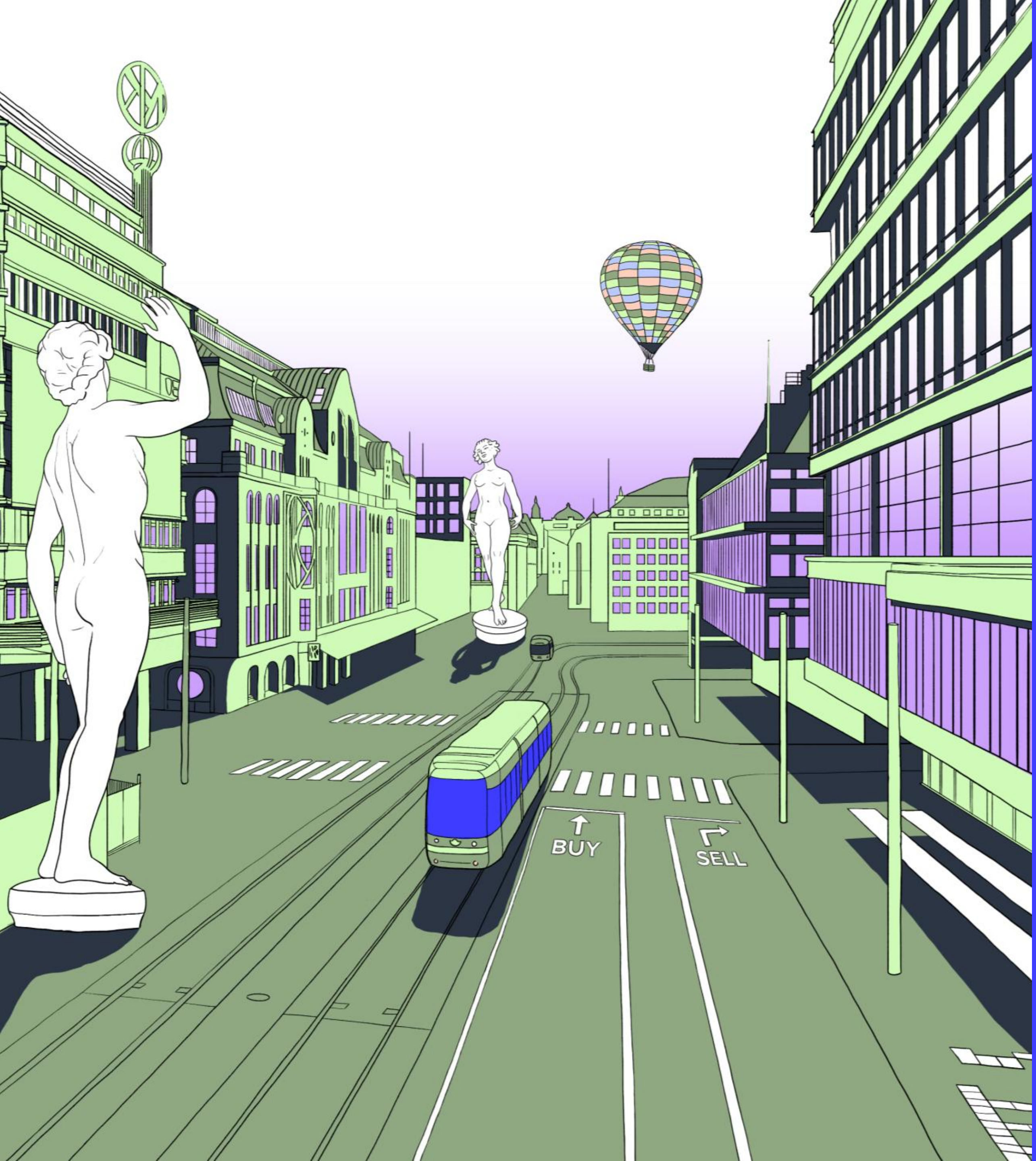
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2025-09-15	Sell	310	537
2025-10-27	Sell	310	522
2026-01-30	Sell	550	698
2026-02-06	Reduce	615	639
2026-04-23	Accumulate	622	586
2026-07-19	Accumulate	635	567



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