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COMPANY REPORT



Confidence has improved

We raise our target price for Telia to SEK 38.0 and reiterate our Reduce recommendation. Telia's Q4 figures were slightly softer than our expectations, but the guidance for 2026 was somewhat more optimistic than our estimates. In the big picture, confidence in earnings growth and particularly in cash flow has improved over the past year. However, the slope of earnings growth is not quite enough to turn the valuation attractive.

Q4 was operationally slightly softer than expected, but cash flow was good

Telia reported that Q4 revenue decreased by 2% to 19,861 MSEK, which was slightly below our estimates. Comparable service revenue growth accelerated to 2.1% (Q3: 1.0%) after two softer quarters, which is positive. Adjusted EBITDA increased by 3.7% and was slightly slower than our and the consensus expectations, driven by Finland and Norway. Cash flow was strong (2.4 BSEK) in Q4, supported by working capital. Thus, the full-year 2025 cash flow was 9.3 BSEK, which is a good improvement from previous years. The company's Board decided to propose a dividend of SEK 2.05, which is the first increase in 4 years, and, positively, cash flow finally covers the dividend.

Large geographical differences

Geographically, revenue growth was driven by Sweden and the Baltics, while operations in Finland and Norway were weaker than expected. In Finland, competition intensified further in Q4, which was reflected in very high churn (29% vs. Sweden 15%). Telia had commented in Q3 that it was investing in marketing in Finland, but in light of the numbers, this did not yet yield significant results in Q4. Geographically, earnings growth was strong in Sweden (6%), weak in Finland (-6%), and very weak in Norway (-9%). The company commented that it expects performance in Finland and Norway to gradually improve this year.

Stronger than expected guidance for 2026

The company expects comparable service revenue to grow by 2% and comparable EBITDA to grow by some 3% in 2026. In addition, Telia guides for cash flow of around 9 BSEK in 2026, assuming normalized spectrum CAPEX of 650 MSEK. Based on the Q4 report, we only made minor adjustments to our operational estimates and slightly raised our dividend estimates. Regarding the dividend, it is now positive that the cash flow already covers the dividend itself. We forecast revenue to grow by 1.5% and adjusted EBITDA by 2.2% in 2026 (consensus before Q4 report +0.5% and 2.0%). In 2027-2028, we expect revenue to grow by ~2% and profitability to improve marginally. Earnings growth is mainly supported by continuous efficiency measures and, in the short term, the gradual recovery of weak markets (Finland and Norway). In the big picture, however, confidence in Telia's earnings capability and particularly its cash flow has clearly improved. In part, this is certainly due to the company's improved, focused approach.

The valuation picture is not quite sufficient for a positive view

We forecast Telia's adjusted P/E and EV/EBIT multiples for 2026e to be 16x and 15x, respectively. The multiples are slightly above the Nordic peers and around 10% above the entire peer group. In absolute terms, the valuation level is already approaching an attractive level. However, in relative terms, we find the valuation relatively neutral, considering the gentle slope of earnings growth and numerous past disappointments. The expected return on the stock, consisting of a dividend yield of some 5.5% and modest earnings growth of about 2%, isn't quite sufficient to meet the required return on equity and, thus, warrant a positive view on the stock. A positive view on Telia would require a better outlook for stronger earnings growth in the coming years.

Recommendation

Reduce

(was Reduce)

Business risk



Target price:

SEK 38.00

(was SEK 35.00)

Valuation risk



Share price:

39.98 SEK

	2025	2026e	2027e	2028e
Revenue	80982	82225	83909	85706
growth-%	0%	2%	2%	2%
Käyttökate (oik.)	31920	32612	33276	34308
Käyttökate-% (oik.)	39.4 %	39.7 %	39.7 %	40.0 %
Net Income	5067	9137	9091	9561
EPS (adj.)	2.36	2.41	2.50	2.64

P/E (adj.)	16.7	16.6	16.0	15.1
P/B	3.8	3.7	3.6	3.6
Dividend yield-%	5.2 %	5.3 %	5.4 %	5.5 %
EV/EBIT (adj.)	16.2	15.6	15.0	14.1
EV/EBITDA	8.5	7.4	7.3	7.1
EV/S	2.9	2.9	2.8	2.8

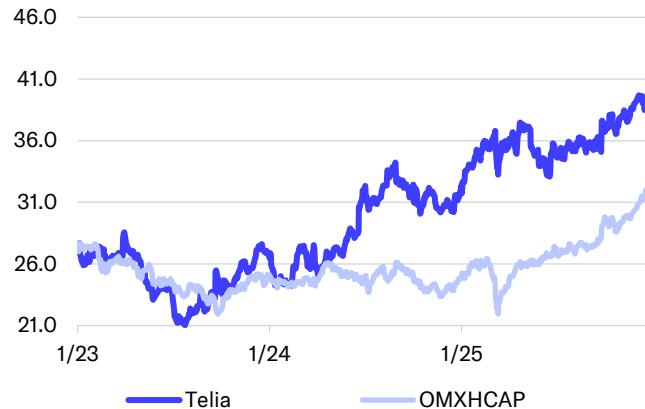
Source: Inderes

Guidance

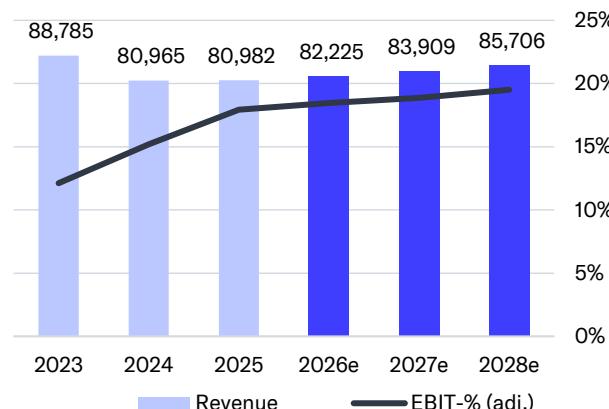
(New guidance)

Telia guides for comparable service revenue growth of around 2% and comparable EBITDA growth of around 3% in 2026.

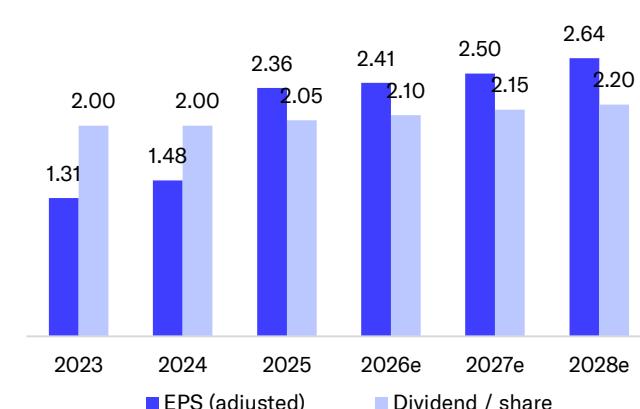
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



Value drivers

- Continuing the turnaround in Sweden and a turnaround in Finland and Norway
- Earnings growth through top-line growth and profitability improvement
- 5G opportunities
- Strong cash flow
- Acquisitions
- Divestment of non-strategic businesses

Risk factors

- Realization of cost savings
- Intensified competition
- Delay or failure in the implementation of the new strategy
- Sweden's high ownership in Telia and the restriction of consolidation
- Structural changes in the industry
- Intensified inflation

Valuation	2026e	2027e	2028e
Share price	40.0	40.0	40.0
Number of shares, millions	3923	3923	3923
Market cap	156846	156846	156846
EV	237579	237284	236550
P/E (adj.)	16.6	16.0	15.1
P/E	17.2	17.3	16.4
P/B	3.7	3.6	3.6
P/S	1.9	1.9	1.8
EV/Sales	2.9	2.8	2.8
EV/EBITDA	7.4	7.3	7.1
EV/EBIT (adj.)	15.6	15.0	14.1
Payout ratio (%)	90.2 %	92.8 %	90.3 %
Dividend yield-%	5.3 %	5.4 %	5.5 %

Source: Inderes

Q4 was slightly softer than expected

Comparable revenue grew slightly

Telia reported Q4 revenue down 2% to 19,861 MSEK, and excluding currency effects and M&A, revenue increased by +1.6%. Revenue (2%) was below our expectations.

Comparable service revenue growth accelerated to 2.1% (Q3: 1.0%) after two softer quarters, which is positive.

Geographically, growth was driven by Sweden and the Baltics, while operations in Finland and Norway were weaker than expected. In Finland, competition intensified further in Q4, which was reflected in very high churn. Telia had commented in Q3 that it was investing in marketing in Finland, but in light of the numbers, this did not yet yield significant results in Q4.

Earnings growth slowed more than expected

Adjusted EBITDA increased by 3.7% to 7,693 MSEK and was slower than our and consensus expectations. The adjusted EBITDA margin was 36.5% and improved only

slightly as the effects of extensive cost savings ended.

Geographically, earnings growth was strong in Sweden (6%), weak in Finland (-6%), and very weak in Norway (-9%).

The reported result is weighed down by a 3.7 BSEK non-cash flow-related increase in provisions related to the return of network assets in Sweden and Finland. Cash flow was strong (2.4 BSEK) in Q4, supported by working capital. However, we estimate that this will partially recover this year.

The full-year 2025 cash flow was 9.3 BSEK, which is a good improvement from previous years. The company's Board decided to propose a dividend of SEK 2.05, which is the first increase in 4 years, and, positively, cash flow finally covers the dividend.

Estimates MSEK	Q4'24 Comparison	Q4'25 Actualized	Q4'25e Inderes	Q4'25e Consensus	Consensus		Difference (%)	2025e
					Low	High	Act. vs. Inderes	Inderes
Revenue	21300	21300	21801	21248	20761	-	21801	-2%
EBITDA (adj.)	7693	7693	7937	7817	7736	-	8011	-3%
EBIT (incl. affiliates.)	-538	-538	3544	2714	1959	-	3694	-115%
PTP	-1410	-1409	2874	1751	793	-	2740	-149%
EPS (continuing operations)	-0.33	-0.33	0.54	0.34	0.10	-	0.51	-161%
DPS	2.00	2.05	2.00	2.00	2.15	-	2.00	2%
Revenue growth-%	-0.2%	0.0 %	2.4 %	-0.2 %	-2.5 %	-	2.4 %	-2.4 pp
EBITDA (adj.) -%	36.1 %	36.1 %	36.4 %	36.8 %	37.3 %	-	36.7 %	-0.3 pp
								34.7 %

We have made slight adjustments to our estimates

Estimate revisions

- We made minor adjustments to our operational estimates. In addition, we slightly increased our dividend estimates.
- The company received approval from the competition authorities for the Bredband2 acquisition at the end of December and expects to finalize the transaction during Q1. We will add the transaction to our estimates once its timing is confirmed. The impact of the Bredband2 acquisition on revenue and EBITDA is approximately 5% and 1% per year, respectively, before synergies (200 MSEK).
- We will include the sale of the Latvian operations when the transaction and its timing are confirmed.

Guidance for 2026 and our expectations

- In 2026, the company expects comparable service revenue to grow by 2% and comparable EBITDA to grow by around 3%. In addition, Telia guides for cash flow of around 9 BSEK in 2026, assuming normalized spectrum CAPEX of 650 MSEK.
- We forecast revenue to grow by 1.5% and adjusted EBITDA by 2.2% in 2026 (consensus before Q4 report +0.5% and 2.0%). In 2027-2028, we expect revenue to grow by some 2% annually and profitability to improve marginally.

Operational earnings drivers

- Service revenue growth driven by 5G and faster subscription sales.
- Low attrition and price increases across the sector are supporting revenue and especially profitability.
- Ongoing annual efficiency measures of around BSEK.

Telia's financial targets for 2025-27 are:

- Comparable service revenue growth of 2% per year on average
- Comparable annual average EBITDA growth of 4%
- Investments excluding licenses and spectrum fees under 14 BNSEK per year
- Free cash flow of at least 10 BNSEK in 2027

Estimate revisions	2025e Old	2025 New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
MSEK									
Revenue	81484	80982	-1%	82735	82225	-1%	84429	83909	-1%
EBITDA	31807	27740	-13%	32641	32612	0%	33464	33276	-1%
EBIT (exc. NRIs)	14687	14515	-1%	15087	15185	1%	15942	15839	-1%
EBIT	14304	10335	-28%	14487	14885	3%	15242	15139	-1%
PTP	11411	7300	-36%	11887	12247	3%	12423	12204	-2%
EPS (continuing operations)	2.23	2.36	6%	2.38	2.41	1%	2.50	2.50	0%
DPS	2.00	2.05	2%	2.05	2.10	2%	2.10	2.15	2%

Source: Inderes

The valuation picture is not sufficient for a positive view

Valuation multiples

In the big picture, Telia's risk profile compared to the general stock market is moderate, although the company's previous disappointments still partly keep us cautious. The operator business has performed better in 2022-2025 than before, apart from a small fluctuation in 2024. In terms of its risk profile, Telia still differs from, e.g., its competitor Elisa (though less than before), which has systematically and continuously streamlined its operations for over a decade, and has developed solidly and predictably in operational terms. Now, the balance of risk profiles is slightly altered by the strong competition in Finland, which has wider effects on Elisa and less on Telia. In addition, confidence in Telia's earnings capability, and particularly its cash flow, has improved over the past year.

We forecast Telia's adjusted P/E and EV/EBIT multiples for 2026e to be 16x and 15x, respectively. The multiples are slightly above the Nordic peers and around 10% above the entire peer group. In absolute terms, the valuation level is already close to attractive. However, in relative terms, we find the valuation to be relatively neutral, considering the gentle slope of earnings growth and numerous past disappointments. The multiples are below the company's own five-year average (20x and 18x). Partially, the lower multiples are warranted given the higher required returns.

Expected return is not quite enough yet

The expected return on Telia's stock mainly consists of the dividend yield (5%), whose sustainability has clearly improved. We forecast earnings growth of around 2% in the coming years, and its risk level has diminished. The valuation

is rather neutral. Thus, the expected return isn't quite enough to meet the required return on equity and therefore to have a positive view of the stock.

DCF calculation

The DCF calculation supports our view on the share (SEK 39). The last five years have been a roller coaster for Telia, and the company and its investors have experienced several disappointments in terms of numbers. In addition, the overall business mix has changed significantly (Eurasia and masts divested, Danish operations sold and TV & Media acquired and now sold, Latvian operations currently being sold and Bredband2 acquired). These factors continue to undermine the predictability and comparability of long-term cash flows, even though most quarters in recent years have been good.

Our DCF model indicates a value of SEK 39.1 per share for Telia. The model assumes that the company's revenue growth will be about 2% in the medium term and 1.8% in the terminal. We forecast an EBIT margin of around 16-19.5% between 2024 and 2030 and 19.5% in the terminal period. The forecasts are relatively ambitious, which is also reflected in the highish terminal weight in the valuation (61%).

With a predictable and stable business relative to the general market, we continue to use a low (7.2%) discount rate (WACC) compared to the general market. Due to the decreased risk level, we lowered the WACC by 0.2 pp. The weighting of the DCF still relies heavily on the terminal value, but it serves as one of the approaches for Telia's valuation and reflects the fact that the stock is fully priced.

Valuation	2026e	2027e	2028e
Share price	40.0	40.0	40.0
Number of shares, millions	3923	3923	3923
Market cap	156846	156846	156846
EV	237579	237284	236550
P/E (adj.)	16.6	16.0	15.1
P/E	17.2	17.3	16.4
P/B	3.7	3.6	3.6
P/S	1.9	1.9	1.8
EV/Sales	2.9	2.8	2.8
EV/EBITDA	7.4	7.3	7.1
EV/EBIT (adj.)	15.6	15.0	14.1
Payout ratio (%)	90.2 %	92.8 %	90.3 %
Dividend yield-%	5.3 %	5.4 %	5.5 %

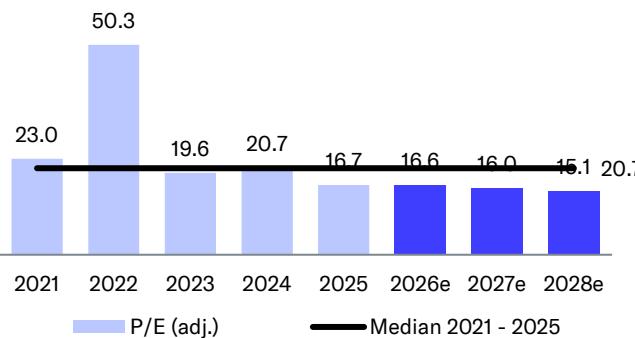
Source: Inderes

Valuation table

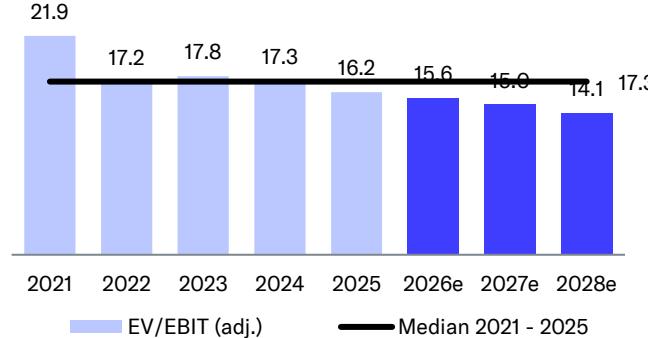
Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	35.4	26.7	25.7	30.7	39.4	40.0	40.0	40.0	40.0
Number of shares, millions	4090	4035	4035	3923	3923	3923	3923	3923	3923
Market cap	144793	104830	101173	120322	154492	156846	156846	156846	156846
EV	217034	194448	191731	212721	235792	237579	237284	236550	235293
P/E (adj.)	23.0	50.3	19.6	20.7	16.7	16.6	16.0	15.1	14.2
P/E	12.6	neg.	neg.	28.5	30.5	17.2	17.3	16.4	15.5
P/B	2.1	1.9	2.3	2.6	3.8	3.7	3.6	3.6	3.4
P/S	1.6	1.2	1.1	1.5	1.9	1.9	1.9	1.8	1.8
EV/Sales	2.5	2.1	2.2	2.6	2.9	2.9	2.8	2.8	2.7
EV/EBITDA	6.2	6.6	6.8	7.3	8.5	7.4	7.3	7.1	6.9
EV/EBIT (adj.)	21.9	17.2	17.8	17.3	16.2	15.6	15.0	14.1	13.4
Payout ratio (%)	73%	neg.	neg.	186%	159%	90%	93%	90%	95%
Dividend yield-%	5.8 %	7.5 %	7.8 %	6.5 %	5.2 %	5.3 %	5.4 %	5.5 %	6.1 %

Source: Inderes

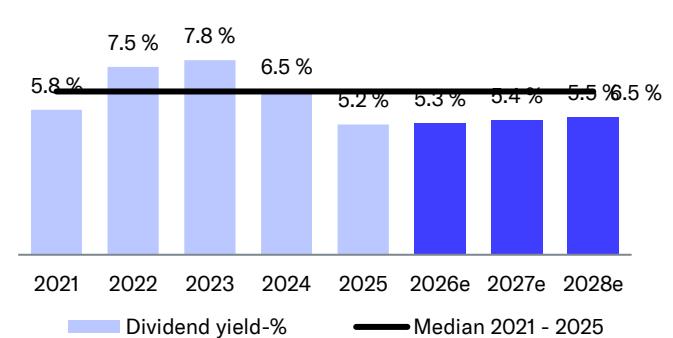
P/E (adj.)



EV/EBIT



Dividend yield-%



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 2026e
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	
Tele2	10429	13024	17.8	16.7	10.0	9.7	4.6	4.5	19.1	17.6	6.2	6.2	5.5
Elisa	6298	7688	14.1	13.5	9.1	8.9	3.3	3.2	14.7	14.2	6.7	6.9	4.9
Telenor	18963	26605	15.6	14.9	8.5	8.3	3.9	3.8	16.2	14.7	6.1	6.4	3.2
BT	21826	46883	12.4	12.0	5.0	4.9	2.0	2.1	10.8	10.4	4.4	4.4	1.4
Proximus	2520	6508	10.3	10.2	3.4	3.3	1.0	1.0	7.2	7.0	8.2	8.2	0.5
Orange Belgium	1298	3348	22.8	21.6	6.0	5.7	1.6	1.5	32.2	23.7	1.0	1.0	1.4
Swisscom AG	35690	53320	22.8	21.4	7.6	7.6	3.3	3.3	24.3	22.2	4.1	4.3	2.7
Telekom Austria AG	5927	8031	8.3	7.7	3.7	3.7	1.4	1.4	8.7	8.1	5.3	5.8	1.0
Telia (Inderes) MSEK	156846	237579	15.6	15.0	7.4	7.3	2.9	2.8	16.6	16.0	5.3	5.4	3.0
Median			14.0	13.4	6.8	6.6	2.7	2.7	15.0	14.5	5.3	5.8	2.3
Diff-% to median			12%	12%	9%	10%	6%	6%	11%	11%	-1%	-7%	30%
Median (Nordic)			15.6	14.9	9.1	8.9	3.9	3.8	16.2	14.7	6.2	6.4	4.9
Diff-% to median (Nordic)			0%	1%	-19%	-18%	-26%	-26%	3%	9%	-15%	-16%	-38%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	88785	80965	20035	19787	19861	21300	80982	20187	20068	20229	21741	82225	83909	85706	87645
Sweden	35869	35392	8894	9042	8689	9457	36082	9099	9268	8889	9684	36940	37752	38545	39355
Finland	16545	15507	3756	3641	3709	3850	14956	3719	3677	3783	3927	15106	15409	15763	16157
Norway	15114	14307	3415	3249	3373	3418	13455	3347	3216	3407	3486	13456	13658	13931	14279
Lithuania	5516	5618	1366	1334	1392	1552	5644	1407	1374	1441	1608	5830	6005	6185	6371
Estonia	4145	4095	1025	983	1040	1088	4137	1036	993	1051	1099	4178	4304	4433	4566
Other businesses	13410	6046	1579	1538	1656	1935	6707	1580	1539	1658	1937	6714	6781	6849	6917
EBITDA	28392	29303	7942	7667	8385	3745	27740	7735	8065	8625	7887	32312	32576	33508	34343
EBITDA (adj)	30254	30892	7803	7965	8459	7693	31920	7885	8115	8675	7937	32612	33276	34308	35243
Depreciation	-23517	-18589	-4365	-4340	-4398	-4302	-17405	-4347	-4357	-4358	-4366	-17427	-17437	-17589	-17710
EBIT (excl. NRI)	10758	12303	3438	3625	4061	3390	14515	3539	3758	4317	3571	15185	15839	16719	17533
EBIT	4875	10714	3577	3327	3987	-557	10335	3389	3708	4267	3521	14885	15139	15919	16633
Share of associated companies' profits or losses	0	120	25	24	23	19	91	23	23	23	23	92	130	130	130
Net financial items	-3875	-4600	-769	-750	-735	-872	-3126	-700	-680	-680	-670	-2730	-3065	-3239	-3206
PTP	1105	6234	2833	2601	3275	-1410	7300	2712	3051	3610	2874	12247	12204	12810	13557
Taxes	-1099	-1313	-557	-434	-761	285	-1467	-542	-610	-722	-575	-2449	-2439	-2561	-2712
Minority interest	-594	-702	-183	-206	-191	-186	-766	-165	-165	-165	-165	-661	-674	-688	-701
Net earnings	-588	4219	2093	1961	2323	-1311	5067	2004	2275	2723	2134	9137	9091	9561	10143
EPS (continuing operations)	-0.15	1.08	0.53	0.50	0.59	-0.33	1.29	0.51	0.58	0.69	0.54	2.33	2.32	2.44	2.59

Key figures	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-2.2 %	-8.8 %	3.5 %	-2.0 %	-0.7 %	-0.6 %	0.0 %	0.8 %	1.4 %	1.9 %	2.1 %	1.5 %	2.0 %	2.1 %	2.3 %
Adjusted EBIT growth-%		14.4 %	14.9 %	11.9 %	5.4 %	52.9 %	18.0 %	2.9 %	3.7 %	6.3 %	5.3 %	4.6 %	4.3 %	5.6 %	4.9 %
Käyttökate-% (oik.)	32.0 %	38.2 %	38.9 %	40.3 %	42.6 %	36.1 %	39.4 %	39.1 %	40.4 %	42.9 %	36.5 %	39.7 %	39.7 %	40.0 %	40.2 %
Adjusted EBIT-%	12.1 %	15.2 %	17.2 %	18.3 %	20.4 %	15.9 %	17.9 %	17.5 %	18.7 %	21.3 %	16.4 %	18.5 %	18.9 %	19.5 %	20.0 %
Net earnings-%	-0.7 %	5.2 %	10.4 %	9.9 %	11.7 %	-6.2 %	6.3 %	9.9 %	11.3 %	13.5 %	9.8 %	11.1 %	10.8 %	11.2 %	11.6 %

Source: Inderes, NB! 2024 figures updated to reflect the new structure, excluding TV & Media businesses and Nordic masts

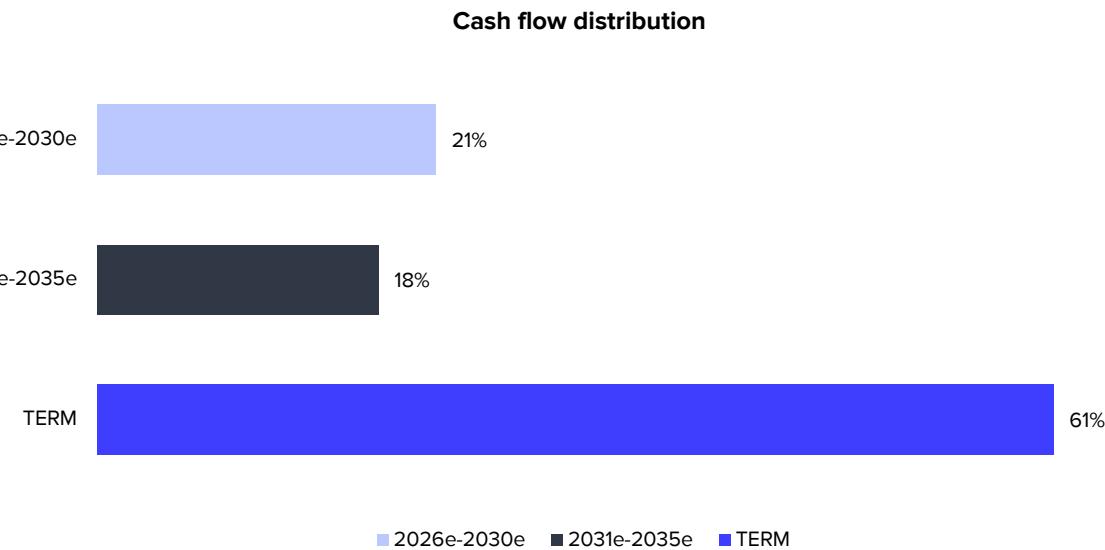
Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	170878	158396	159059	159802	160393
Goodwill	65442	56890	56890	56890	56890
Intangible assets	0	0	0	0	0
Tangible assets	86014	84395	85058	85801	86392
Associated companies	10964	13699	13699	13699	13699
Other investments	0	0	0	0	0
Other non-current assets	7383	2869	2869	2869	2869
Deferred tax assets	1075	543	543	543	543
Current assets	33394	30855	31184	31822	32504
Inventories	1869	1559	1583	1615	1650
Other current assets	1935	0	0	0	0
Receivables	19778	17769	18912	19299	19712
Cash and equivalents	9812	11527	10689	10908	11142
Balance sheet total	204272	189251	190242	191625	192898

Source: Inderes

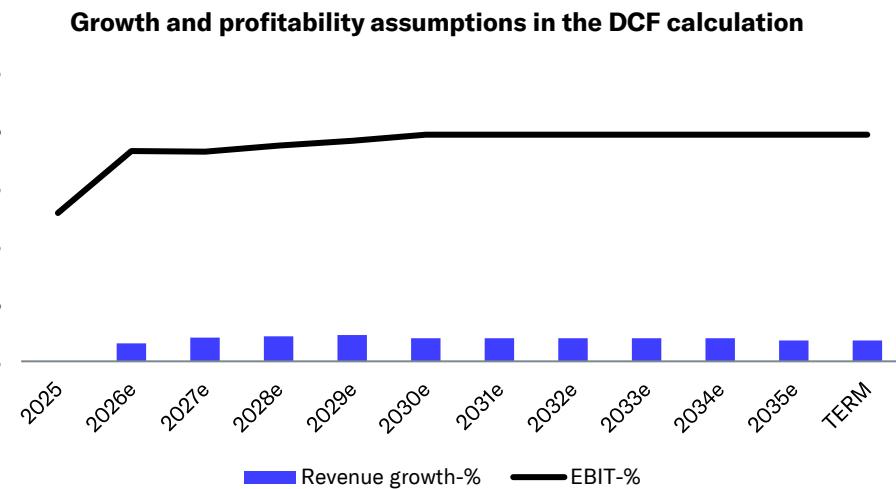
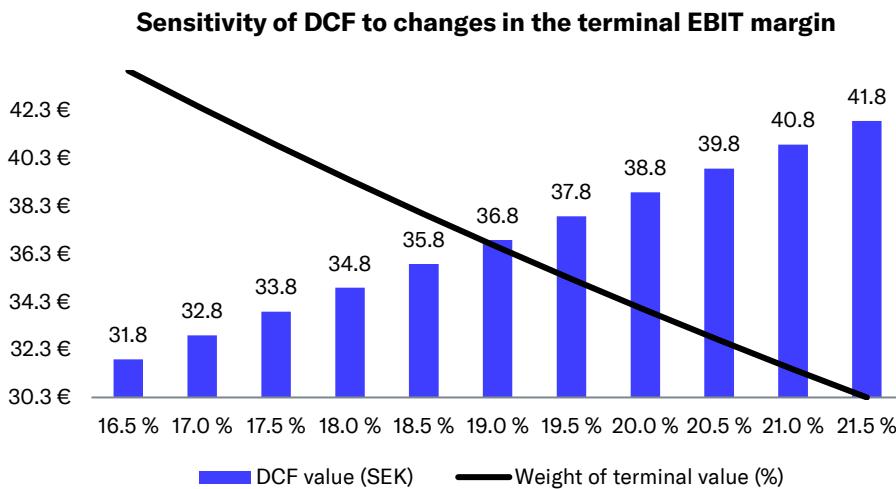
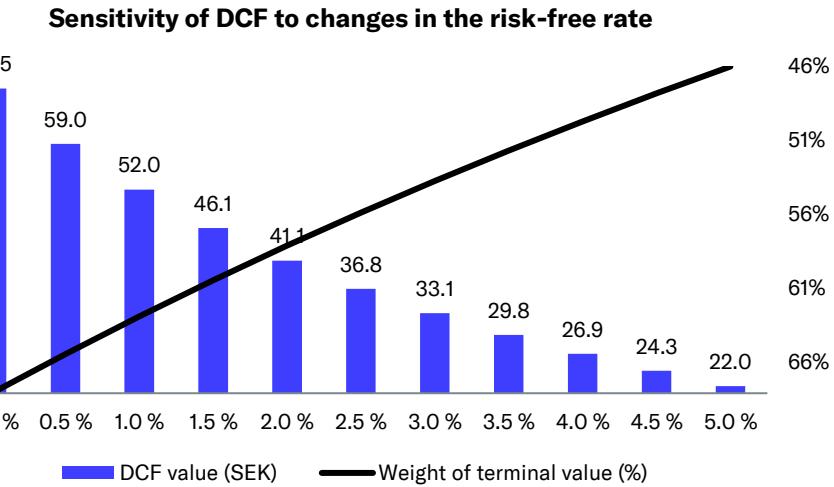
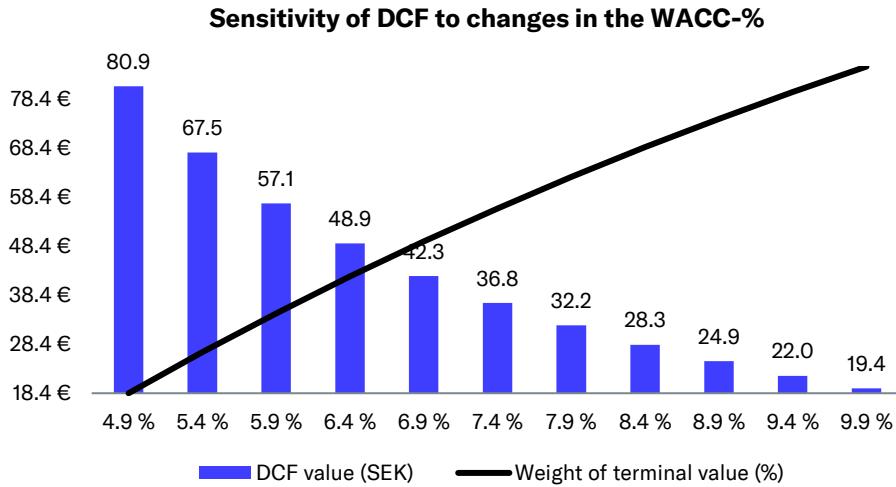
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	59357	54820	55914	46804	47931
Share capital	14961	14961	14961	14961	14961
Retained earnings	30516	26146	27240	28092	29219
Hybrid bonds	9962	9962	9962	0	0
Revaluation reserve	0	0	0	0	0
Other equity	0	0	0	0	0
Minorities	3918	3751	3751	3751	3751
Non-current liabilities	103792	100801	97266	105669	105244
Deferred tax liabilities	9079	8615	8615	8615	8615
Provisions	5697	8566	8566	8566	8566
Interest bearing debt	81923	77483	73948	82351	81926
Convertibles	0	0	0	0	0
Other long term liabilities	7093	6137	6137	6137	6137
Current liabilities	41123	33630	37062	39151	39723
Interest bearing debt	10108	5331	7461	8944	8869
Payables	31015	28299	29601	30207	30854
Other current liabilities	0	0	0	0	0
Balance sheet total	204272	189251	190242	191625	192898

DCF-calculation



Source: Inderes

DCF sensitivity calculations and key assumptions in graphs



Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	88785	80965	80982	82225	83909	EPS (reported)	-0.15	1.08	1.29	2.33	2.32
EBITDA	28392	29303	27740	32312	32576	EPS (adj.)	1.31	1.48	2.36	2.41	2.50
EBIT	4875	10714	10335	14885	15139	OCF / share	5.64	7.18	6.94	7.51	7.57
PTP	1105	6234	7300	12247	12204	OFCF / share	3.05	2.98	6.35	2.90	2.94
Net Income	303	7079	3524	9137	9091	Book value / share	13.25	14.13	13.02	13.30	10.97
Extraordinary items	-5883	-1589	-4180	-300	-700	Dividend / share	2.00	2.00	2.05	2.10	2.15
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	226468	204272	189251	190242	191625	Revenue growth-%	-2%	-9%	0%	2%	2%
Equity capital	56994	59357	54820	55914	46804	EBITDA growth-%	-40%	2%	3%	2%	2%
Goodwill	66020	65442	56890	56890	56890	EBIT (adj.) growth-%	-5%	14%	18%	5%	4%
Net debt	80770	82219	71287	70720	80387	EPS (adj.) growth-%	147%	13%	59%	2%	4%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	34.1 %	38.2 %	39.4 %	39.7 %	39.7 %
EBITDA	28392	29303	27740	32312	32576	EBIT (adj.)-%	12.1 %	15.2 %	17.9 %	18.5 %	18.9 %
Change in working capital	-2145	978	1538	135	187	EBIT-%	5.5 %	13.2 %	12.8 %	18.1 %	18.0 %
Operating cash flow	22760	28156	27243	29448	29704	ROE-%	-1.0 %	7.7 %	9.5 %	17.7 %	19.1 %
CAPEX	-12622	-12475	-2720	-18090	-18180	ROI-%	3.3 %	7.2 %	7.4 %	11.1 %	11.2 %
Free cash flow	12293	11683	24893	11358	11524	Equity ratio	25.2 %	29.1 %	29.0 %	29.4 %	24.4 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	141.7 %	138.5 %	130.0 %	126.5 %	171.8 %
EV/S	2.2	2.6	2.9	2.9	2.8						
EV/EBITDA	6.8	7.3	8.5	7.4	7.3						
EV/EBIT (adj.)	17.8	17.3	16.2	15.6	15.0						
P/E (adj.)	19.6	20.7	16.7	16.6	16.0						
P/B	2.3	2.6	3.8	3.7	3.6						
Dividend-%	7.8 %	6.5 %	5.2 %	5.3 %	5.4 %						

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. Per-share figures are calculated using the number of shares at year-end.

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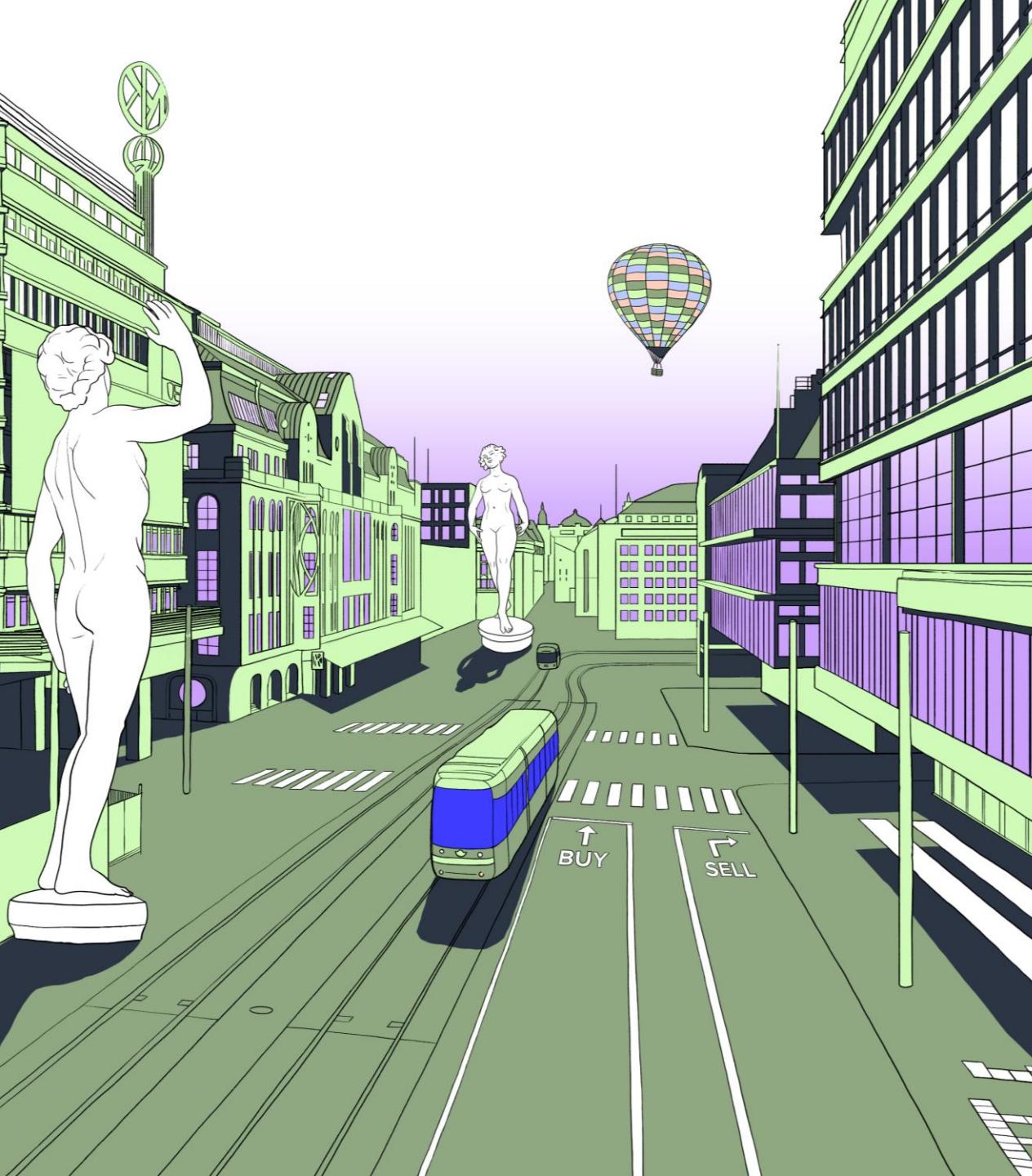
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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak
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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
7/23/2018	Accumulate	44.0 SEK	39.1 SEK
10/22/2018	Accumulate	45.0 SEK	40.3 SEK
1/28/2019	Accumulate	44.0 SEK	39.8 SEK
3/27/2019	Accumulate	44.0 SEK	41.4 SEK
4/26/2019	Accumulate	44.0 SEK	40.8 SEK
7/18/2019	Reduce	44.0 SEK	42.9 SEK
10/18/2019	Reduce	42.0 SEK	41.7 SEK
1/14/2020	Reduce	42.0 SEK	40.6 SEK
1/30/2020	Reduce	42.0 SEK	41.8 SEK
3/19/2020	Accumulate	39.0 SEK	34.0 SEK
3/27/2020	Accumulate	38.0 SEK	35.0 SEK
4/23/2020	Accumulate	38.0 SEK	34.1 SEK
7/20/2020	Accumulate	38.0 SEK	36.3 SEK
10/22/2020	Accumulate	38.0 SEK	37.2 SEK
1/27/2021	Accumulate	38.0 SEK	36.6 SEK
2/1/2021	Accumulate	40.0 SEK	36.7 SEK
4/26/2021	Accumulate	40.0 SEK	35.1 SEK
7/22/2021	Accumulate	40.0 SEK	38.1 SEK
10/22/2021	Accumulate	39.0 SEK	35.6 SEK
1/31/2022	Accumulate	39.0 SEK	36.3 SEK
4/28/2022	Reduce	41.0 SEK	41.4 SEK
7/21/2022	Accumulate	41.0 SEK	37.2 SEK
10/24/2022	Reduce	29.0 SEK	28.3 SEK
1/27/2023	Reduce	29.0 SEK	26.7 SEK
4/27/2023	Reduce	29.0 SEK	28.0 SEK
7/21/2023	Reduce	25.0 SEK	24.5 SEK
10/5/2023	Reduce	24.0 SEK	22.6 SEK
10/20/2023	Reduce	26.0 SEK	25.4 SEK
1/29/2024	Reduce	26.0 SEK	26.9 SEK
4/26/2024	Reduce	26.0 SEK	25.9 SEK
7/19/2024	Reduce	29.0 SEK	30.6 SEK
9/27/2024	Reduce	32.0 SEK	33.8 SEK
10/25/2024	Reduce	32.0 SEK	31.9 SEK
1/31/2025	Reduce	32.0 SEK	31.7 SEK
4/17/2025	Reduce	32.0 SEK	35.8 SEK
4/25/2025	Reduce	34.0 SEK	35.4 SEK
7/14/2025	Reduce	34.0 SEK	33.2 SEK
7/21/2025	Reduce	35.0 SEK	35.0 SEK
10/24/2025	Reduce	35.0 SEK	37.6 SEK
1/30/2026	Reduce	38.0 SEK	40.0 SEK



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