

NIBE INDUSTRIER B

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COMPANY REPORT



Heat pump market warms slower than expected

We have updated our short- and medium-term forecasts for NIBE, in light of a slower-than-expected European heat pump market. While we still believe the market has largely bottomed out, driven by the normalization of inventories at the distribution level in most European markets, a meaningful recovery is likely to take time to materialize due to a slow recovery in consumer confidence and purchasing power, as well as in the new-build market. In our view, short-term drivers remain weak, and the stock is already sufficiently priced in for high earnings growth (2025e P/E: 31x). As a result, we reiterate our Reduce recommendation but lower our target price to SEK 40.0 per share (SEK 44.0), mainly due to reduced estimates.

We expect the market remained challenging in Q1

NIBE will publish its Q1 results on Thursday, May 15th, at 8.00 am CEST. With our updated estimates, we expect NIBE's Q1 revenue was 9,754 MSEK, roughly in line with consensus, reflecting a slight organic growth of some 3% (y/y). We expect low single-digit revenue growth across all business areas, with Climate Solutions and Stoves benefiting from normalized inventory levels, though still weighed down by soft consumer demand and sluggish construction activity. The Element division is expected to remain negatively affected by weak demand for consumer goods and weak deliveries of heat pump components. We estimate adjusted EBIT to increase from 516 MSEK in Q1'24 to 742 MSEK in Q1'25, slightly below consensus, supported by higher sales volumes and improved capacity utilization. Additionally, the ongoing cost-savings program, reflected in lower SG&A expenses, should support EBIT, although this will be partly offset by increased depreciation due to recent capacity expansions.

In the company's upcoming report, we will watch closely for any comments regarding tariffs, the inventory situation, and the pricing landscape, where excess inventory at the manufacturing

level could lead to downward pressure on prices.

We have adjusted our estimates, reflecting a slower recovery

In our view, it is increasingly evident that the market has bottomed out. Subsidy applications in Germany continue to trend positively, and Q1 heat pump sales are rebounding in countries such as Sweden and Germany, with growth of 38% and 35% respectively, albeit from low levels. While normalized inventory levels across most European distribution channels support this view, the pace of recovery has been slower than anticipated. Near-term challenges remain, including a weak economic environment, a sluggish new-build market, currency headwinds from a stronger SEK, and ongoing subsidy uncertainty. Adding to the uncertainty, the escalating trade conflict poses a clear downside risk to the global economic outlook. While we are not overly concerned about the direct impact on NIBE, given that most U.S. heat pump production is localized, the indirect effects, including weaker economic growth and declining consumer confidence, warrant a more cautious stance.

In light of these factors, we have revised our EPS estimates for 2024–2027 downward by approximately 7–10%.

We continue to stay on the sidelines

NIBE's valuation level has historically been high (last 10y median P/E ~26x) due to its high quality, steady profit growth, and low interest rate environment. In our view, the valuation multiples are high in absolute terms (2025e P/E ~31x), and the DCF is also below the current share price. NIBE's track record of profitable growth is convincing, but the earnings outlook is slower, and in the current uncertain macroeconomic situation, overstretching multiples seems unwarranted. Hence, we continue on the sidelines and wait for a better risk/reward.

Recommendation

Reduce

(prev. Reduce)

Target price:

40.0 SEK

(prev. 44.0 SEK)

Share price:

42.7 SEK

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	40,521	41,944	44,917	48,592
growth-%	-13%	4%	7%	8%
EBIT adj.	3,226	4,363	5,091	5,573
EBIT-% adj.	8.0 %	10.4 %	11.3 %	11.5 %
Net Income	1,164	2,811	3,420	3,841
EPS (adj.)	0.80	1.39	1.70	1.91

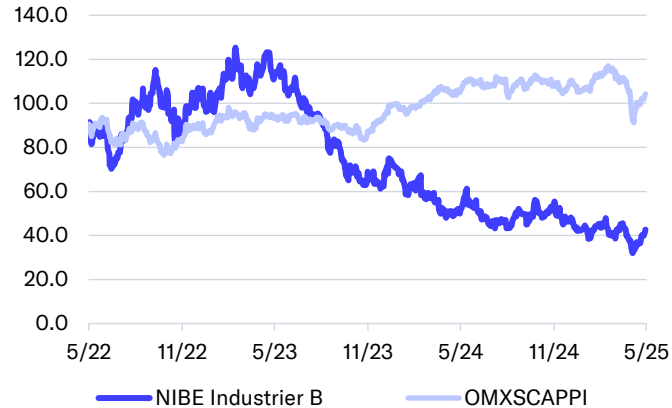
P/E (adj.)	54.3	30.6	25.2	22.4
P/B	2.7	2.5	2.3	2.2
Dividend yield-%	0.7 %	1.1 %	1.5 %	1.5 %
EV/EBIT (adj.)	33.0	23.7	19.8	17.6
EV/EBITDA	21.6	15.4	13.3	12.3
EV/S	2.6	2.5	2.2	2.0

Source: Inderes

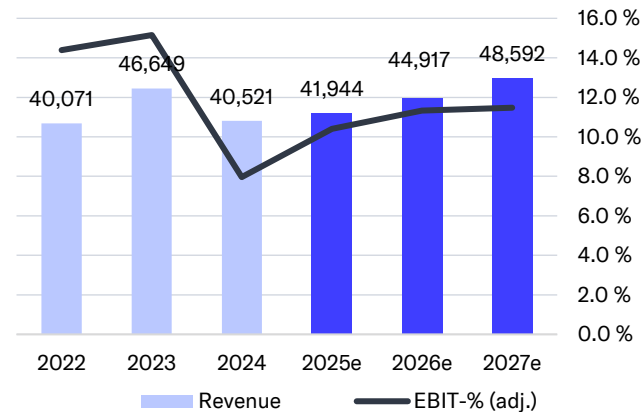
Guidance

(NIBE does not provide guidance)

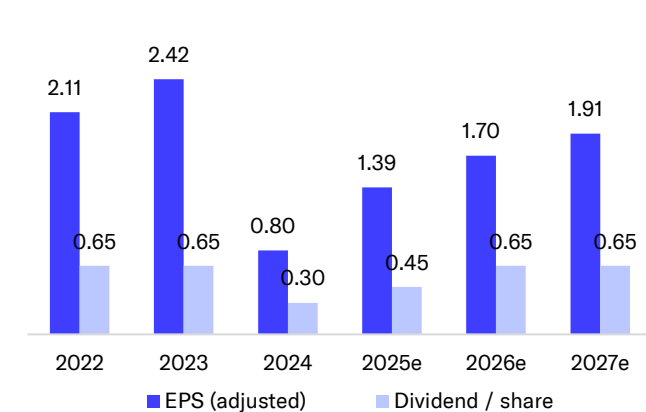
Share price



Revenue and EBIT-%



EPS and dividend



Value drivers

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

Risk factors

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

Valuation	2025e	2026e	2027e
Share price	42.7	42.7	42.7
Number of shares, millions	2,016	2,016	2,016
Market cap	86,086	86,086	86,086
EV	103,252	100,638	98,182
P/E (adj.)	30.6	25.2	22.4
P/E	30.6	25.2	22.4
P/B	2.5	2.3	2.2
P/S	2.1	1.9	1.8
EV/Sales	2.5	2.2	2.0
EV/EBITDA	15.4	13.3	12.3
EV/EBIT (adj.)	23.7	19.8	17.6
Payout ratio (%)	32.3 %	38.3 %	34.1 %
Dividend yield-%	1.1 %	1.5 %	1.5 %

Source: Inderes

NIBE Q1'25 preview: Easier comps support modest growth

We expect NIBE to return to a growth pattern

Over the past year, the economic slowdown and overcapacity have led to inventory reductions across distribution channels, resulting in weak order intake at the manufacturing level. However, we believe that inventory destocking is now largely complete, except in Germany, Italy, and some Eastern European markets where excess inventory persists. As a result, we expect European markets to remain relatively weak, while the Nordic region should perform better, driven by replacement demand. In the U.S., we anticipate relatively flat performance.

We estimate NIBE's Q1 revenue at 9,754 MSEK, roughly in line with consensus, reflecting modest organic growth of 3% year-over-year from favorable comparisons. We expect low single-digit revenue growth across all business areas. Climate Solutions and Stoves should benefit from normalized inventory levels, though still weighed down by soft consumer demand and sluggish construction activity. The Element division is expected to remain negatively

affected by weak demand for consumer goods and weak deliveries of heat pump components.

We expect adjusted EBIT to rise

In Q1 last year, NIBE recorded an exceptional restructuring charge of 1,095 MSEK, resulting in a negative reported EBIT. Therefore, adjusted EBIT provides a better basis for comparison. We estimate Q1 adjusted EBIT at 742 MSEK, slightly below consensus but representing a 44% increase year-over-year, supported by higher sales volumes and improved capacity utilization. Additionally, the ongoing cost-savings program, reflected in lower SG&A expenses, should support EBIT, although this will be partly offset by increased depreciation due to recent capacity expansions.

Looking at the lower lines, we expect lower financial costs year-over-year due to falling interest rates, though this will be countered by a higher relative tax rate. As a result, we estimate adjusted EPS at SEK 0.20, slightly below consensus. Cash flow is expected to benefit from efforts to

reduce elevated inventory levels.

We remain alert for any signs of a deteriorating outlook

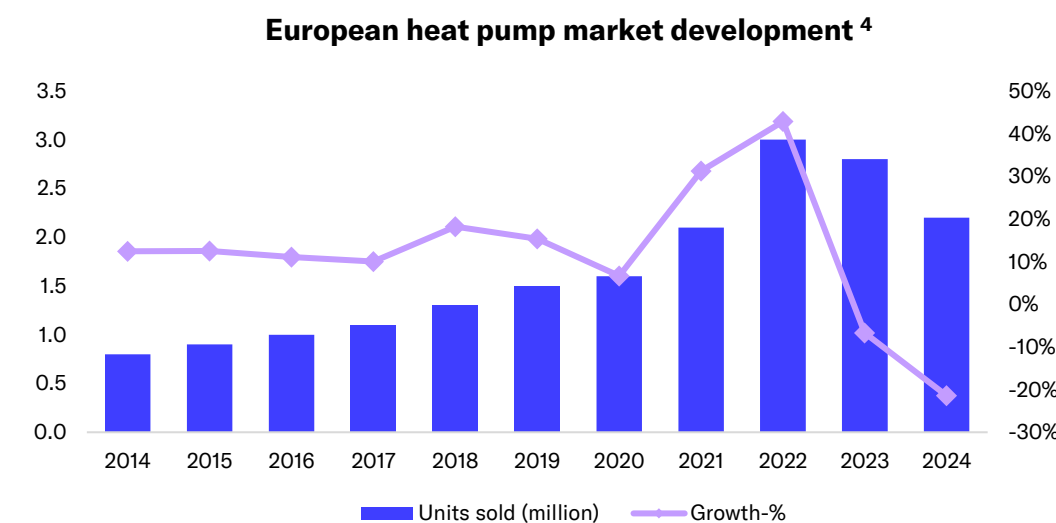
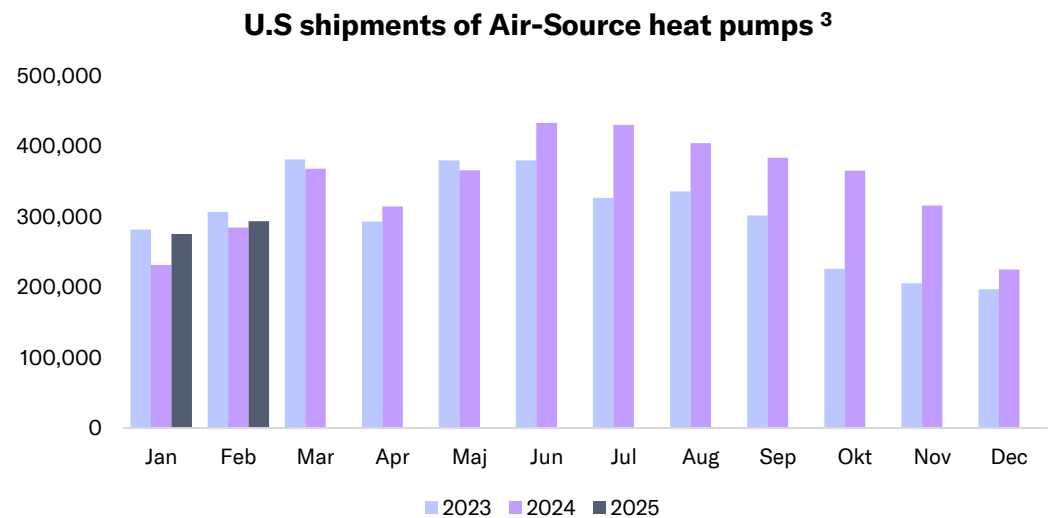
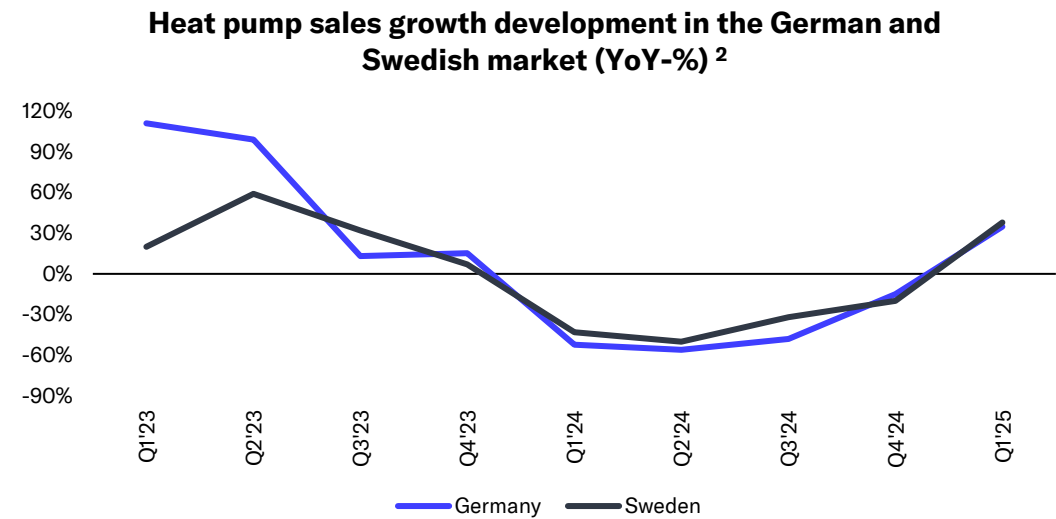
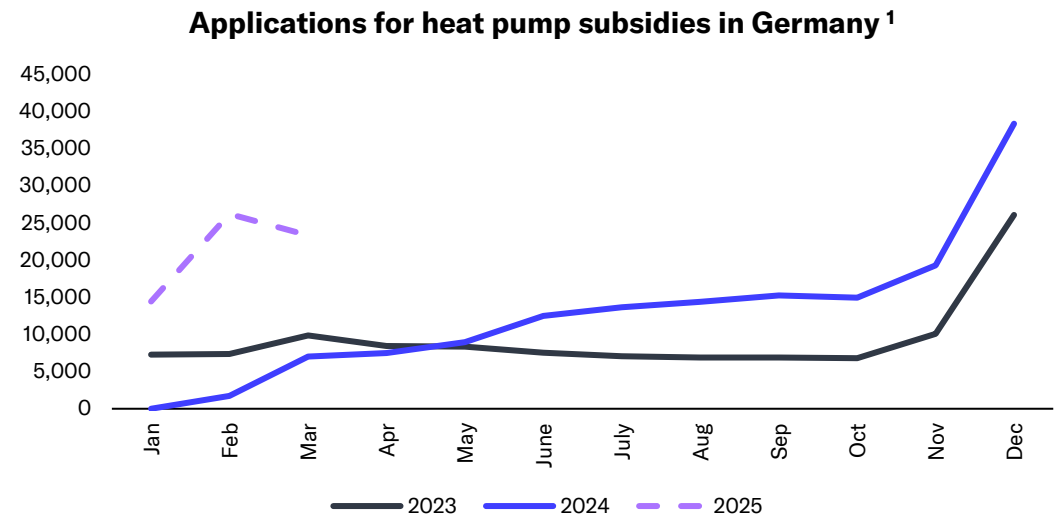
While NIBE does not provide financial guidance, it has stated a goal of reaching historical margin levels by 2025: 13–15% in Climate Solutions, 8–11% in Element, and 10–13% in Stoves. In our view, it remains unclear whether these targets apply to the full year 2025 (which seems very optimistic) or to year-end 2025, which is more plausible. Our estimates are at the lower end of these ranges at the end of 2025. We would not be surprised to hear more cautious commentary on these targets or clarification that the company is aiming for end-2025.

In the upcoming Q1 report, we will be watching closely for updates on the destocking situation in Europe and insights into pricing dynamics, as excess inventory at the manufacturing level could exert downward pressure on prices.

Estimates	Q1'24	Q1'25	Q1'25e	Q1'25e	Consensus	2025e
MSEK / SEK	Comparison	Actualized	Inderes	Consensus	Low High	Inderes
Revenue	9,494		9,754	9,802	9,348 - 10,627	41,944
EBIT (adj.)	516		742	802	696 - 953	4,363
EBIT	-579		742	802	696 - 953	4,363
PTP	-911		532	567	395 - 705	3,638
EPS (adj.)	0.02		0.20	0.23	0.19 - 0.27	1.39
Revenue growth-%	-18.5 %		2.7 %	3.2 %	-1.5 % - 11.9 %	3.5 %
EBIT-%	5.4 %		7.6 %	8.2 %	7.4 % - 9.0 %	10.4 %

Source: Inderes & Bloomberg
(28.04.25, 13 analysts) (consensus)

Heat pump market figures in key markets



1 Source: BMWK, Inderes
2 Source: BDH, SKVP, Inderes
3 source: AHRI, Inderes
4 source: EHPA, Inderes

Recovery is likely to be gradual

Market recovery remains slow

The European heat pump market experienced sluggish performance last year, with sales declining around 20%, albeit from high levels in 2023. On a positive note, subsidy applications in Germany continue to trend in the right direction, and Q1 heat pump sales are rebounding in countries such as Sweden and Germany, showing growth of 38% and 35%, respectively, though from a low base. However, uncertainty remains around the future of subsidy schemes in Germany, France, and Poland, as well as delays to the gas boiler ban in the UK. The new construction market and broader economic outlook also remain weak. Although interest rates are beginning to decline, they are unlikely to meaningfully improve consumer confidence before late 2025. We believe the more mature Nordic markets may recover slightly faster than the rest of Europe, given their lower dependence on new housing construction.

Trade tensions pose downside risk

The escalating trade conflict adds to global uncertainty and poses a clear downside risk to the economic outlook. While around 27% of NIBE’s revenue comes from the U.S., heat pump production there is largely localized. However, the company’s Element division has production in Mexico, and its Stoves business is exposed through facilities in Canada. This creates a risk of negative impact if new tariffs are implemented or maintained. That said, many competitors face similar challenges, particularly in Elements, suggesting that some of the additional costs could potentially be passed on to consumers through price adjustments.

While we are not overly concerned about the immediate direct impact of tariffs on NIBE, the broader indirect effects, such as weaker economic growth and declining consumer confidence, warrant a more cautious outlook. Although it's difficult to quantify the precise impact on GDP or sentiment, global consumer confidence continued its downward trend

in April, following a decline in March.

We revise our estimates downwards

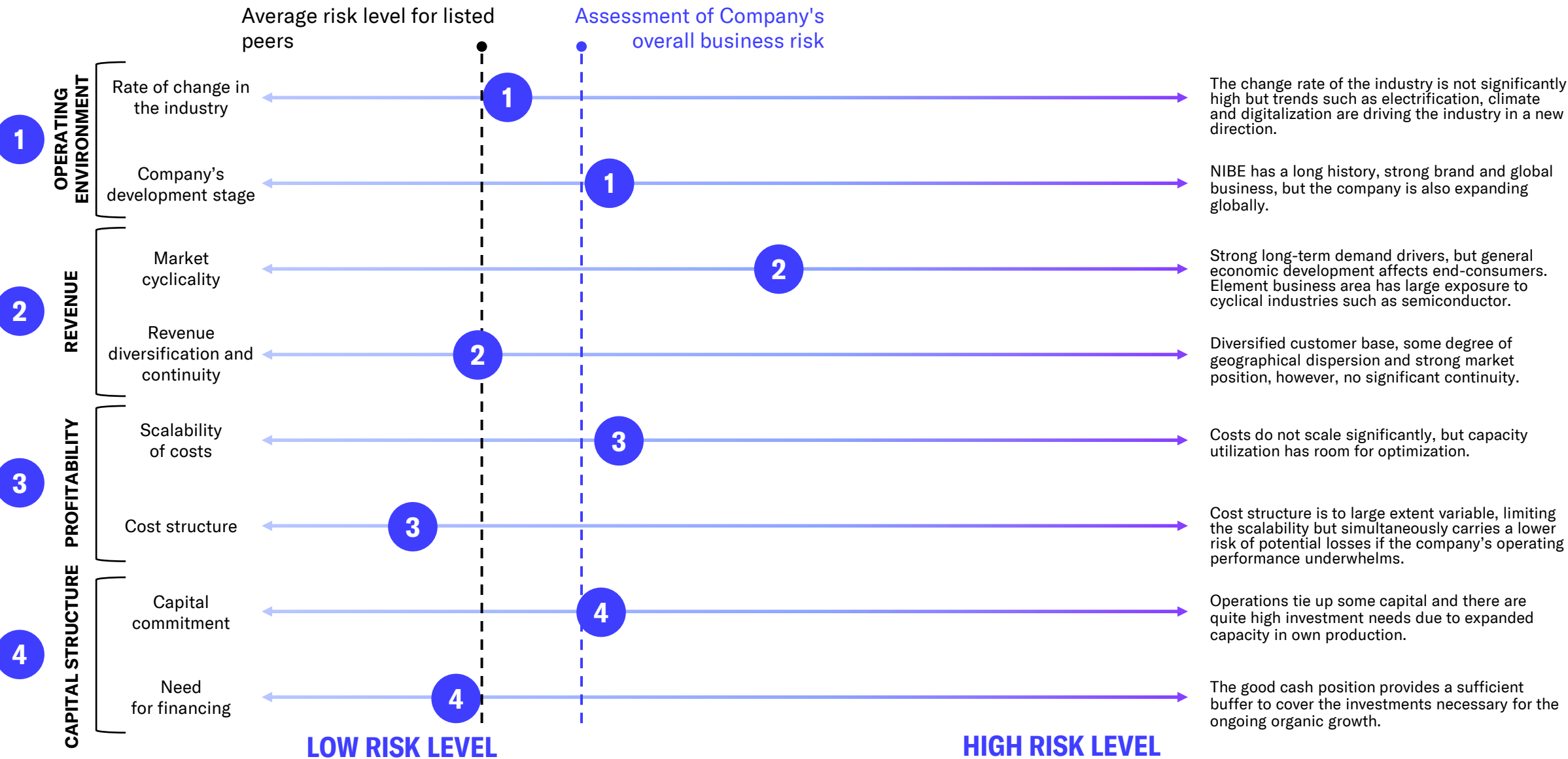
While we believe the market has likely bottomed, supported by normalized inventory levels across most European distribution channels, the pace of recovery has been weaker than anticipated. In the near term, headwinds persist, including a weak economic environment, a sluggish new-build market, currency headwinds from a strengthening SEK, and continued subsidy uncertainty. In light of these factors, we have revised our EPS estimates for 2024–2027 downward by approximately 7–10%.

While some volume growth and planned cost-cutting measures (around 350 MSEK savings in 2025) should help support margins, these will be partially offset by increased depreciation stemming from recent capacity investments. Additionally, there is a risk that pricing pressure and ongoing inventory destocking may further weigh on margins.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MSEK / SEK	Old	New	%	Old	New	%	Old	New	%
Revenue	43,570	41,944	-4%	47,755	44,917	-6%	50,882	48,592	-5%
EBITDA	7,021	6,693	-5%	8,044	7,585	-6%	8,414	8,011	-5%
EBIT (excl. NRIs)	4,801	4,363	-9%	5,533	5,091	-8%	5,962	5,573	-7%
EBIT	4,801	4,363	-9%	5,533	5,091	-8%	5,962	5,573	-7%
PTP	4,076	3,638	-11%	4,933	4,491	-9%	5,362	4,973	-7%
EPS (excl. NRIs)	1.54	1.39	-10%	1.87	1.70	-9%	2.06	1.91	-7%
DPS	0.50	0.45	-10%	0.75	0.65	-13%	0.65	0.65	0%

Source: Inderes

Risk profile of the business



Patience is key as recovery takes time

Valuation multiples and estimate risks are high for the coming years

2024 was a challenging year, with earnings falling significantly short of their potential due to challenging market conditions. Looking ahead, if the market environment improves and the earnings recovery we forecast materializes, the estimated 2025 valuation multiples (P/E: 31x and EV/EBIT: 24x) are above our acceptable range and exceed the company's historical long-term medians. In our view, the stock already reflects high expectations for earnings growth, yet there are several risks associated with the anticipated recovery. These include elevated inventory levels, weak economic development, and heightened geopolitical tensions. In addition, intensifying market competition could put pressure on pricing power over time. In our view, the market is currently relying heavily on interest rate cuts to revive consumer purchasing power. However, we believe that this will likely not be visible in the economy until the latter part of 2025 at the earliest. As a result, we consider the 2025 valuation to be on the high side. From our perspective, more attractive valuation levels may only emerge when looking at 2026 multiples (2026e: P/E: 25x and EV/EBIT: 20x), even though these estimates hinge on substantial and still uncertain improvements in earnings.

Priced at a premium compared to peers

On a relative basis, NIBE is trading at a premium, which we believe is justified given NIBE's high profitability and strong long-term earnings growth. However, we believe that the valuation premium is too high in the medium term, at around 20-30% based on earnings multiples for 2025-

2026. Of course, peers' consensus forecasts may be based on a more optimistic market and economic growth scenario than ours.

DCF value below current share price

We also believe that the DCF model is a relevant valuation method for NIBE, given the availability of sufficient historical financial information, the stability of the industry, consistent growth, and a relatively predictable business. Overall, the model expects NIBE to grow at a high single-digit rate in the medium term and at a mid-single-digit rate in the long term. We have modestly increased our cost of equity and WACC to 8.7% and 8.0%, respectively (prev. 8.1% and 7.5%), to reflect higher risk premiums.

Based on our updated estimates, we arrive at a value per share of SEK 40 (prev. SEK 44 per share). Therefore, even in a DCF context, the current valuation is not attractive.

Thin expected returns at current valuations

We expect investors to receive an annual dividend yield of 1-2% over the next few years at the current share price, which leaves a thin dividend yield base. The earnings growth driver is turning in the right direction in Q1'25, but the starting level is low, and the growth rate is unclear. The share is expensive on an actual earnings basis and, in our view, NIBE's expected return is lower than the required return. As a result, we reiterate our Reduce recommendation with a lower target price of SEK 40.0 per share (prev. SEK 44.0), mainly due to lower estimates.

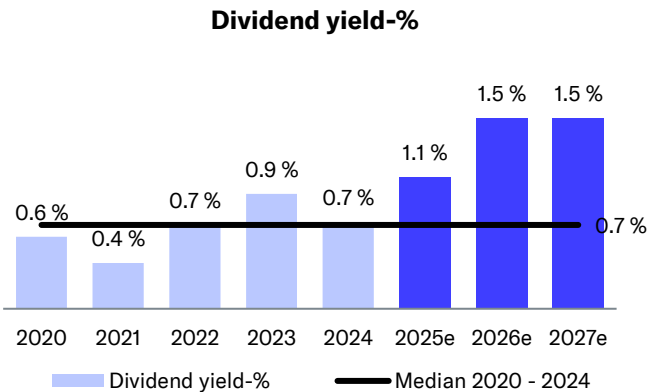
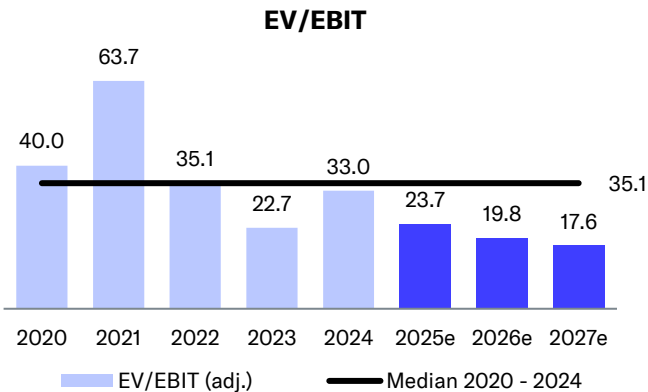
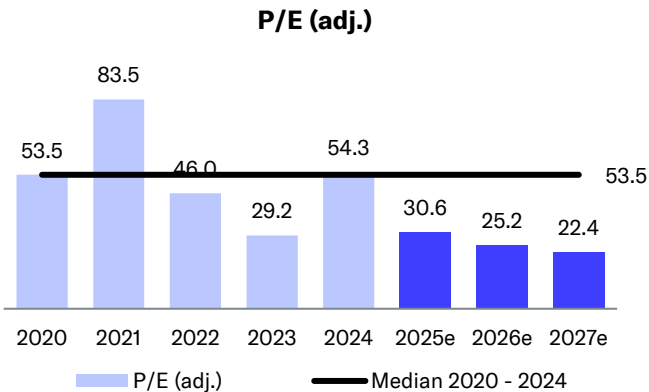
Valuation	2025e	2026e	2027e
Share price	42.7	42.7	42.7
Number of shares, millions	2,016	2,016	2,016
Market cap	86,086	86,086	86,086
EV	103,252	100,638	98,182
P/E (adj.)	30.6	25.2	22.4
P/E	30.6	25.2	22.4
P/B	2.5	2.3	2.2
P/S	2.1	1.9	1.8
EV/Sales	2.5	2.2	2.0
EV/EBITDA	15.4	13.3	12.3
EV/EBIT (adj.)	23.7	19.8	17.6
Payout ratio (%)	32.3 %	38.3 %	34.1 %
Dividend yield-%	1.1 %	1.5 %	1.5 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	67.4	136.8	97.1	70.8	43.2	42.7	42.7	42.7	42.7
Number of shares, millions	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016
Market cap	135,933	275,697	195,760	142,738	87,175	86,086	86,086	86,086	86,086
EV	142,293	283,549	202,352	160,174	106,382	103,252	100,638	98,182	95,158
P/E (adj.)	53.5	83.5	46.0	29.2	54.3	30.6	25.2	22.4	19.3
P/E	47.4	83.0	45.0	29.8	74.9	30.6	25.2	22.4	19.3
P/B	7.7	12.9	7.0	5.2	2.7	2.5	2.3	2.2	2.0
P/S	5.0	8.9	4.9	3.1	2.2	2.1	1.9	1.8	1.6
EV/Sales	5.2	9.2	5.0	3.4	2.6	2.5	2.2	2.0	1.8
EV/EBITDA	27.8	49.2	27.1	18.2	21.6	15.4	13.3	12.3	11.0
EV/EBIT (adj.)	40.0	63.7	35.1	22.7	33.0	23.7	19.8	17.6	15.2
Payout ratio (%)	27.3 %	30.4 %	30.1 %	27.4 %	52.0 %	32.3 %	38.3 %	34.1 %	30.0 %
Dividend yield-%	0.6 %	0.4 %	0.7 %	0.9 %	0.7 %	1.1 %	1.5 %	1.5 %	1.6 %

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
Kone	28,852	28,418	20.5	18.5	16.7	15.2	2.5	2.4	26.2	23.8	3.5	3.7	9.4
Assa Abloy	30,528	37,051	16.7	15.0	13.6	12.5	2.6	2.5	21.5	18.5	2.0	2.3	2.9
Hexagon	23,143	26,652	17.6	15.8	12.9	11.9	4.8	4.5	19.5	17.3	1.7	1.8	2.0
Beijer Ref	6,896	7,808	22.0	20.2	17.5	16.1	2.2	2.1	29.7	26.1	1.0	1.2	2.9
Tomra Systems	4,198	4,629	23.9	18.5	16.1	12.8	3.1	2.7	33.0	25.1	1.6	2.0	6.1
Thule Group	2,283	2,646	15.0	13.2	12.8	11.4	2.7	2.5	17.9	15.5	4.1	4.7	3.0
Munters Group	2,240	2,917	17.4	14.3	12.7	10.8	2.1	1.9	22.7	16.8	1.4	1.7	4.1
Trane Technologies	78,385	82,027	23.8	21.6	21.7	19.9	4.3	4.1	31.0	27.7	0.9	0.9	10.6
Carrier	53,939	61,548	18.9	17.1	15.2	13.9	3.1	2.9	23.8	20.9	1.3	1.4	4.6
Lennox International Inc	17,526	18,341	19.8	18.1	18.1	16.7	3.8	3.6	24.5	22.3	0.8	0.9	16.4
NIBE Industrier B (Inderes)	7,826	9,387	23.7	19.8	15.4	13.3	2.5	2.2	30.6	25.2	1.1	1.5	2.5
Average			19.6	17.2	15.7	14.1	3.1	2.9	25.0	21.4	1.8	2.1	6.2
Median			19.4	17.6	15.6	13.3	2.9	2.6	24.2	21.6	1.5	1.7	4.4
Diff-% to median			22%	12%	-1%	0%	-15%	-14%	27%	16%	-28%	-12%	-43%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	46,649	40,521	9,754	10,307	10,339	11,544	41,944	44,917	48,592	52,568
Climate Solutions	31,373	26,037	6,038	6,744	6,762	7,508	27,053	28,946	31,262	33,763
Element	11,898	11,092	2,779	2,875	2,847	2,994	11,494	12,356	13,407	14,546
Stoves	4,758	3,864	1,084	842	885	1,215	4,026	4,288	4,652	5,048
Eliminations	-1,380	-472	-146	-155	-155	-173	-629	-674	-729	-789
EBITDA	8,797	4,916	1,252	1,602	1,719	2,120	6,693	7,585	8,011	8,659
Depreciation	-1,824	-2,245	-510	-560	-540	-720	-2,330	-2,494	-2,438	-2,391
EBIT (excl. NRI)	7,069	3,226	742	1,042	1,179	1,400	4,363	5,091	5,573	6,269
EBIT	6,973	2,671	742	1,042	1,179	1,400	4,363	5,091	5,573	6,269
Climate Solutions	5,596	1,600	513	776	879	1,014	3,182	3,618	3,908	4,389
Element	942	362	167	216	228	269	880	1,112	1,274	1,455
Stoves	533	143	81	72	93	140	386	450	488	530
Eliminations	-98	566	-20	-21	-21	-23	-84	-90	-97	-105
Share of profits in assoc. compan.	0	0	0	0	0	0	0	0	0	0
Net financial items	-642	-1,135	-210	-180	-175	-160	-725	-600	-600	-500
PTP	6,331	1,536	532	862	1,004	1,240	3,638	4,491	4,973	5,769
Taxes	-1,535	-374	-118	-192	-223	-275	-808	-1,033	-1,094	-1,269
Minority interest	-11	2	-4	-5	-5	-5	-19	-38	-38	-38
Net earnings	4,785	1,164	410	665	776	960	2,811	3,420	3,841	4,462
EPS (adj.)	2.42	0.80	0.20	0.33	0.38	0.48	1.39	1.70	1.91	2.21
EPS (rep.)	2.37	0.58	0.20	0.33	0.38	0.48	1.39	1.70	1.91	2.21

Key figures	2023	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	16.4 %	-13.1 %	2.7 %	2.7 %	3.7 %	4.7 %	3.5 %	7.1 %	8.2 %	8.2 %
Adjusted EBIT growth-%	22.6 %	-54.4 %	43.7 %	55.8 %	29.3 %	24.0 %	35.2 %	16.7 %	9.5 %	12.5 %
EBITDA-%	18.9 %	12.1 %	12.8 %	15.5 %	16.6 %	18.4 %	16.0 %	16.9 %	16.5 %	16.5 %
Adjusted EBIT-%	15.2 %	8.0 %	7.6 %	10.1 %	11.4 %	12.1 %	10.4 %	11.3 %	11.5 %	11.9 %
Net earnings-%	10.3 %	2.9 %	4.2 %	6.5 %	7.5 %	8.3 %	6.7 %	7.6 %	7.9 %	8.5 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	43,906	46,979	46,759	46,430	46,187
Goodwill	26,076	26,076	26,076	26,076	26,076
Intangible assets	4,938	6,165	5,775	5,807	5,870
Tangible assets	11,568	13,214	13,384	13,023	12,716
Associated companies	753	953	953	953	953
Other investments	31	31	31	31	31
Other non-current assets	192	192	192	192	192
Deferred tax assets	348	348	348	348	348
Current assets	24,198	23,427	22,650	24,255	25,754
Inventories	13,227	10,644	10,067	9,882	10,204
Other current assets	0	0	0	0	0
Receivables	6,688	7,176	7,130	7,636	8,261
Cash and equivalents	4,283	5,607	5,453	6,738	7,289
Balance sheet total	68,104	70,406	69,409	70,685	71,940

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	27,420	32,140	34,346	36,858	39,389
Share capital	79	79	79	79	79
Retained earnings	22,760	27,480	29,686	32,198	34,729
Hybrid bonds	0	0	0	0	0
Revaluation reserve	0	0	0	0	0
Other equity	4,543	4,543	4,543	4,543	4,543
Minorities	38	38	38	38	38
Non-current liabilities	25,119	22,615	19,945	19,152	18,012
Deferred tax liabilities	0	0	0	0	0
Provisions	2,787	2,787	2,787	2,787	2,787
Interest bearing debt	16,922	17,625	14,955	14,162	13,022
Convertibles	0	0	0	0	0
Other long term liabilities	5,410	2,203	2,203	2,203	2,203
Current liabilities	15,565	15,651	15,118	14,674	14,540
Interest bearing debt	4,599	7,086	7,568	7,039	6,279
Payables	10,966	8,565	7,550	7,636	8,261
Other current liabilities	0	0	0	0	0
Balance sheet total	68,104	70,406	69,409	70,685	71,940

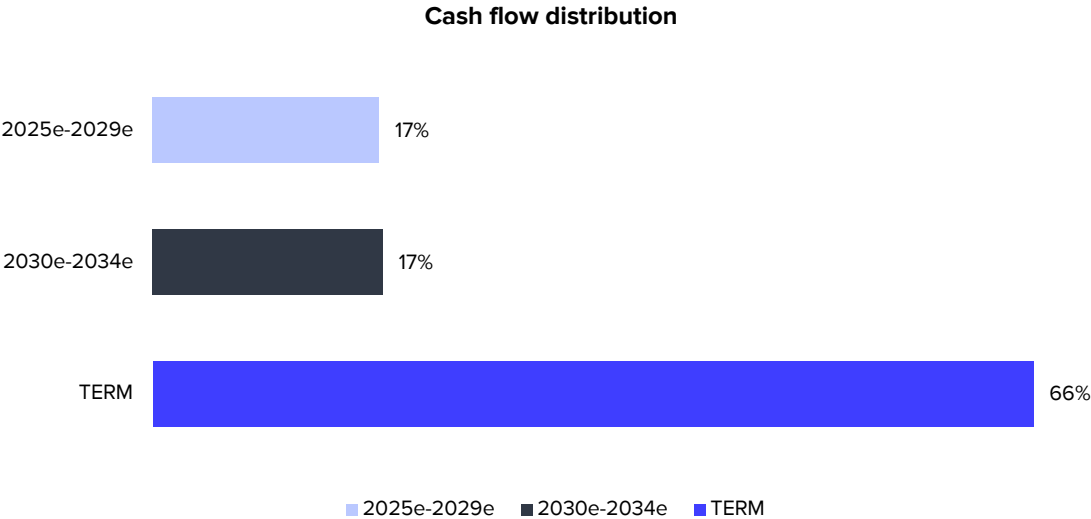
DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-13.1 %	3.5 %	7.1 %	8.2 %	8.2 %	8.0 %	7.5 %	7.0 %	6.5 %	5.0 %	2.5 %	2.5 %
EBIT-%	6.6 %	10.4 %	11.3 %	11.5 %	11.9 %	12.2 %	12.5 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %
EBIT (operating profit)	2,671	4,363	5,091	5,573	6,269	6,926	7,629	8,490	9,041	9,493	9,735	
+ Depreciation	2,245	2,330	2,494	2,438	2,391	2,349	2,344	2,311	2,290	2,273	2,126	
- Paid taxes	-374	-808	-1,033	-1,094	-1,269	-1,436	-1,612	-1,824	-1,945	-2,045	-2,128	
- Tax, financial expenses	-276	-161	-138	-132	-110	-88	-66	-44	-44	-44	-13	
+ Tax, financial income	0	0	0	0	0	0	0	0	0	0	0	
- Change in working capital	-306	-392	-235	-323	-309	-841	-852	-854	-849	-695	-371	
Operating cash flow	3,960	5,331	6,180	6,462	6,971	6,911	7,443	8,079	8,493	8,982	9,348	
+ Change in other long-term liabilities	-3,207	0	0	0	0	0	0	0	0	0	0	
- Gross CAPEX	-5,118	-2,110	-2,165	-2,195	-2,215	-2,240	-2,260	-2,280	-2,280	-2,280	-2,045	
Free operating cash flow	-4,365	3,221	4,015	4,267	4,756	4,671	5,183	5,799	6,213	6,702	7,303	
+/- Other	0	0	0	0	0	0	0	0	0	0	0	
FCFF	-4,365	3,221	4,015	4,267	4,756	4,671	5,183	5,799	6,213	6,702	7,303	138,187
Discounted FCFF		3,063	3,535	3,481	3,594	3,269	3,360	3,482	3,456	3,453	3,485	65,949
Sum of FCFF present value		100,128	97,065	93,530	90,049	86,455	83,186	79,826	76,344	72,888	69,435	65,949
Enterprise value DCF		100,128										
- Interest bearing debt		-24,711										
+ Cash and cash equivalents		5,607										
-Minorities		-95										
-Dividend/capital return		0										
Equity value DCF		80,928										
Equity value DCF per share		40.1										

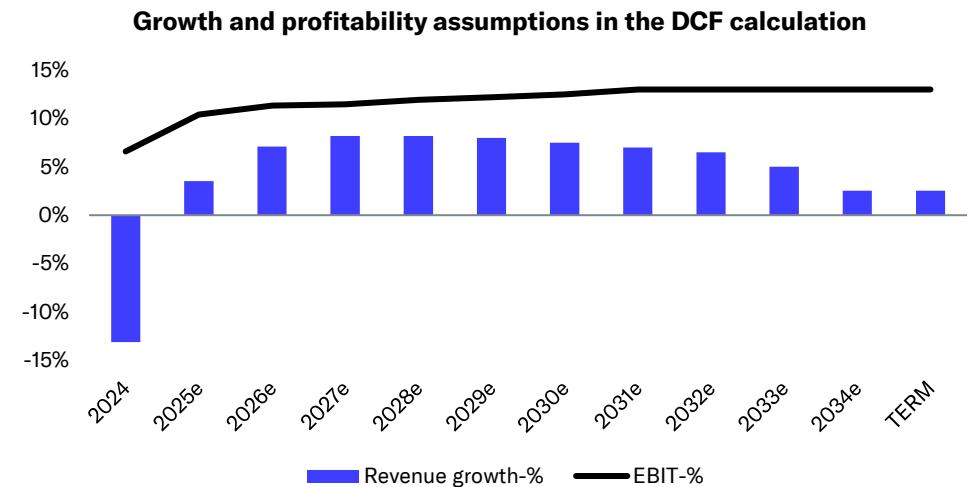
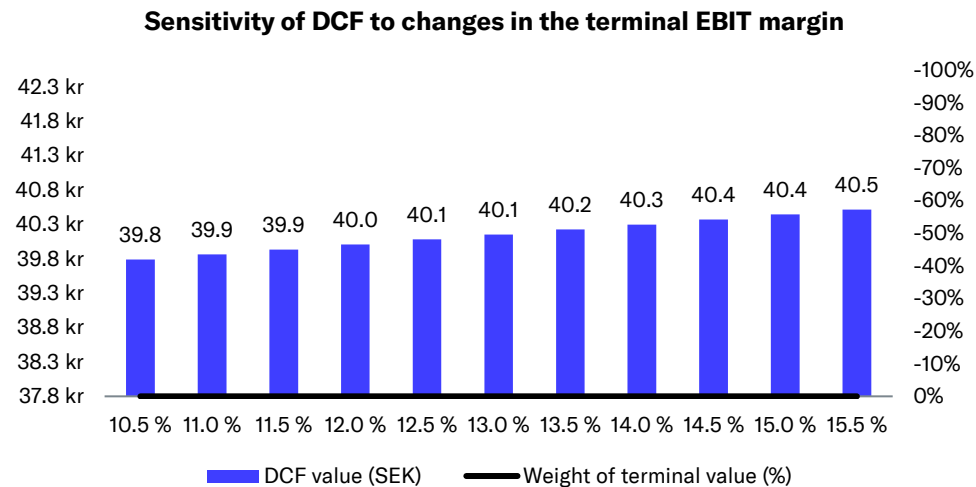
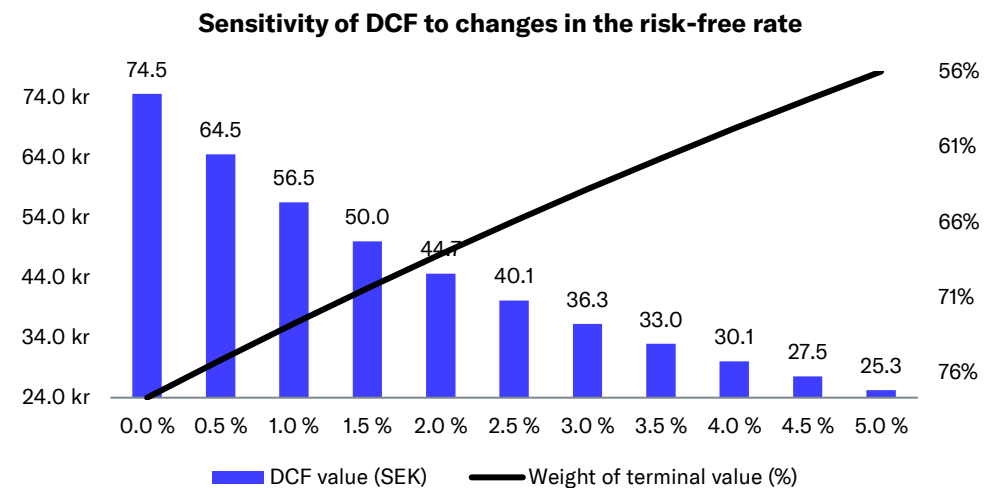
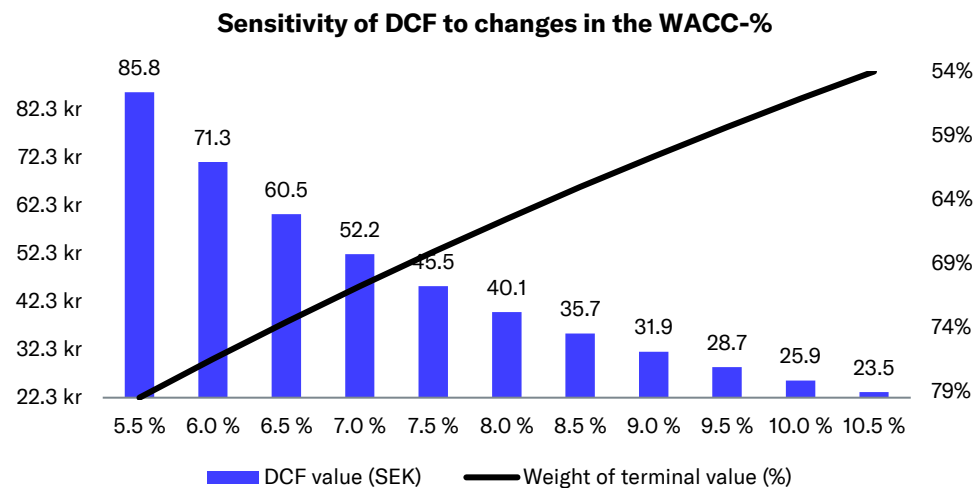
WACC

Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	15.0 %
Cost of debt	5.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	8.7 %
Weighted average cost of capital (WACC)	8.0 %

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	40,071	46,649	40,521	41,944	44,917	EPS (reported)	2.16	2.37	0.58	1.39	1.70
EBITDA	7,460	8,797	4,916	6,693	7,585	EPS (adj.)	2.11	2.42	0.80	1.39	1.70
EBIT	5,863	6,973	2,671	4,363	5,091	OCF / share	1.48	3.32	1.96	2.64	3.07
PTP	5,675	6,331	1,536	3,638	4,491	OFCF / share	-1.34	-2.36	-2.17	1.60	1.99
Net Income	4,351	4,785	1,164	2,811	3,420	Book value / share	13.86	13.58	15.92	17.02	18.26
Extraordinary items	99	-96	-555	0	0	Dividend / share	0.65	0.65	0.30	0.45	0.65
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	53,994	68,104	70,406	69,409	70,685	Revenue growth-%	30%	16%	-13%	4%	7%
Equity capital	27,973	27,420	32,140	34,346	36,858	EBITDA growth-%	29%	18%	-44%	36%	13%
Goodwill	17,630	26,076	26,076	26,076	26,076	EBIT (adj.) growth-%	29%	23%	-54%	35%	17%
Net debt	6,326	17,238	19,104	17,070	14,463	EPS (adj.) growth-%	29%	15%	-67%	75%	22%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	18.6 %	18.9 %	12.1 %	16.0 %	16.9 %
EBITDA	7,460	8,797	4,916	6,693	7,585	EBIT (adj.)-%	14.4 %	15.2 %	8.0 %	10.4 %	11.3 %
Change in working capital	-3,180	-409	-306	-392	-235	EBIT-%	14.6 %	14.9 %	6.6 %	10.4 %	11.3 %
Operating cash flow	2,994	6,697	3,960	5,331	6,180	ROE-%	17.6 %	17.3 %	3.9 %	8.5 %	9.6 %
CAPEX	-5,983	-13,565	-5,118	-2,110	-2,165	ROI-%	16.7 %	15.8 %	5.0 %	7.7 %	8.9 %
Free cash flow	-2,696	-4,754	-4,365	3,221	4,015	Equity ratio	51.8 %	40.3 %	45.6 %	49.5 %	52.1 %
						Gearing	22.6 %	62.9 %	59.4 %	49.7 %	39.2 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	5.0	3.4	2.6	2.5	2.2						
EV/EBITDA	27.1	18.2	21.6	15.4	13.3						
EV/EBIT (adj.)	35.1	22.7	33.0	23.7	19.8						
P/E (adj.)	46.0	29.2	54.3	30.6	25.2						
P/B	7.0	5.2	2.7	2.5	2.3						
Dividend-%	0.7 %	0.9 %	0.7 %	1.1 %	1.5 %						

Source: Inderes

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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
2023-09-20	Reduce	74.1 kr	70.5 kr
2023-11-16	Reduce	62.0 kr	67.5 kr
2023-02-13	Reduce	59.0 kr	66.5 kr
2023-02-19	Reduce	56.0 kr	59.0 kr
2024-05-17	Reduce	55.0 kr	61.3 kr
2024-08-19	Accumulate	53.0 kr	47.8 kr
2024-11-18	Reduce	52.0 kr	50.1 kr
2025-02-04	Reduce	42.0 kr	43.5 kr
2025-02-17	Reduce	44.0 kr	44.7 kr
2025-05-04	Reduce	40.0 kr	42.7 kr



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