

NEWS FLASH

18 December 2024
Sweden
Transportation

Research analysts:

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Elanders

Share price: SEK87.1

Fair value range: SEK140.0–150.0

Discontinues road transport in Germany

What's new

As part of its stive to increase the share of value-added services within contract and technical logistics, Elanders will discontinue the main part of its road transportation business in Germany. The measures will also decrease the exposure to the Automotive customer segment (19% of LTM sales), which is positive given the structural challenges in the automotive industry.

What does it mean?

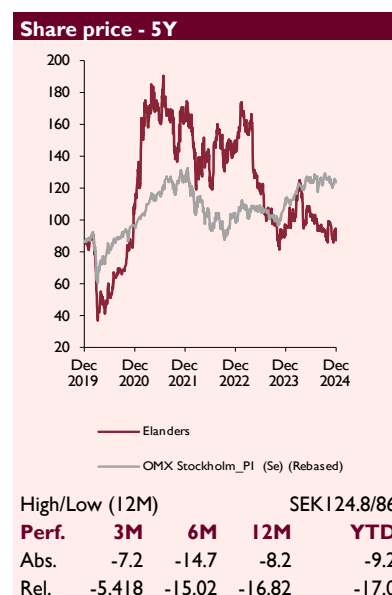
The discontinued sales will lower sales by around SEK 900m annualised, or around 6% of 2023 sales. Profitability in the segment is not public but assuming low single digit margin the annualised impact on EBITA from the closures would be around 2%. We see it as positive that it is taking structural measures that will enhance margin and profitability.

What do we do?

We keep our estimates and fair value range unchanged but will come back with a full preview. After six quarters in a row of negative or no organic growth, Elanders posted organic growth of 4% in Q3. We expect this trend to continue and see 5% organic growth in Q4. It should be noted that we do not see any sequential improvement in demand yet but expect a pick-up during H1 2025. As volumes pick up and as structural measures start impacting, we expect the margin to expand. Over time, we see potential for the margin to surpass the margin target of 7%.

Upcoming events

		Key figures (SEK)				
		2023	2024e	2025e	2026e	
		Sales (m)	13,867	14,175	14,762	15,449
		EBITDA (m)	1,967	2,270	2,362	2,557
		EBIT (m)	724	892	926	1,055
		EPS	7.01	8.24	8.76	11.4
		EPS adj.	11.7	9.34	11.7	14.4
		DPS	4.15	4.15	4.15	4.50
		Sales growth Y/Y	-7%	2%	4%	5%
		EPS adj. growth Y/Y	-29%	-20%	26%	23%
		EBIT margin	5.2%	6.3%	6.3%	6.8%
		P/E adj.	7.5	9.3	7.4	6.0
		EV/EBIT	16.0	13.6	12.8	11.0
		EV/EBITA	14.1	12.2	11.5	10.0
		EV/EBITDA	5.9	5.3	5.0	4.5
		P/BV	0.8	0.8	0.7	0.7
		Dividend yield	4.8%	4.8%	4.8%	5.2%
		FCF yield	51.9%	42.2%	48.3%	53.0%
		Equity/Total Assets	24.7%	24.4%	25.4%	26.9%
		ROCE	7.7%	6.7%	6.8%	7.7%
		ROE adj.	10.8%	8.5%	10.2%	11.9%
		Net IB debt/EBITDA	4.2	4.0	3.7	3.3
Key facts						
No. shares (m)	35.4					
Market cap. (USDm)	283					
Market cap. (SEKm)	3,080					
Net IB Debt. (SEKm)	9,032					
Adjustments (SEKm)	10					
EV (2024e) (SEKm)	12,122					
Free float	35.0%					
Avg. daily vol. ('000)	16					
Risk	Medium Risk					
Fiscal year end	December					
Share price as of (CET)	17 Dec 2024 14:27					



Source: Carnegie Research, FactSet, Millstream & company data

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