

COMPANY UPDATE

21 January 2025

Sweden

Technology Hardware & Equipment

Research analysts:

Markus Almerud

Transtema

Share price: SEK14.5

Fair value range: SEK23.0–30.0

Cautiously optimistic as we look into 2025 – Q4 preview

Trough is behind it...

After several years of double-digit negative organic growth Transtema posted 0% organic growth in Q3. Although we do factor in -5% organic growth in Q4, the trough in the growth rate for this period is behind it. Transtema has signed several larger contracts in the past year that start up in Q4 and 2025. The closure of the copper network still acts as a headwind, but signed contracts should mitigate some of this pressure. We believe the copper network currently accounts for a low-single-digit share of sales, and that it will be completely phased out during 2025.

...but Norway continues to weigh on the margin

While the Swedish part of the business seems to have turned a corner, Norway is still difficult. We see a group EBITA margin of 4.1% in Q4, which would be a recovery from Q3(24) but lower than Q4(23). We will be particularly interested in the report on any comments about momentum going into 2025.

Cautiously optimistic as we look into 2025

Transtema cut costs and reorganised operations in 2024 to adapt to market conditions. As these measures start to have an impact and as the larger contracts signed in 2024 – it has put pen to paper on five large contracts since the end of 2023 – start to have an impact we expect sales to accelerate. At the end of 2024 Transtema signed a framework agreement with the Swedish Transport Administration (TRV). No deal value was announced, but main peer Eltel, another partner in the deal, has stated revenues of around SEK400m over three years. We assume that revenues would be similar for Transtema, which would make it a large contract. The agreement will come into force on 1 December, 2025.

*Note that owing to a change in platform, EPS estimate changes show as n.a. on the front page.

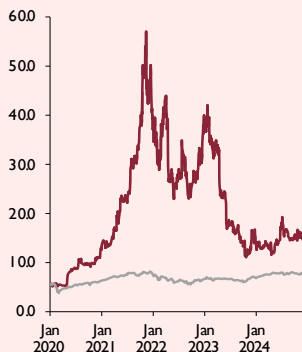
Upcoming events

- Q4 Report: 06 Feb 2025
- AGM 2025: 08 May 2025
- Q1 Report: 08 May 2025
- Q2 Report: 14 Aug 2025

Changes in this report			
	From	To	Chg
EPS adj. 2024e	n.a.	0.28	n.a.
EPS adj. 2025e	n.a.	1.07	n.a.
EPS adj. 2026e	n.a.	1.84	n.a.

Key facts	
No. shares (m)	43.0
Market cap. (USDm)	56
Market cap. (SEKm)	621
Net IB Debt. (SEKm)	286
Adjustments (SEKm)	0
EV (2024e) (SEKm)	908
Free float	65.0%
Avg. daily vol. ('000)	53
Risk	High Risk
Fiscal year end	December
Share price as of (CET)	21 Jan 2025 00:00

Key figures (SEK)		2023	2024e	2025e	2026e
Sales (m)		2,689	2,389	2,546	2,674
EBITDA (m)		191	137	203	246
EBIT (m)		59	22	80	117
EPS		3.19	0.04	1.07	1.84
EPS adj.		4.78	0.28	1.07	1.84
DPS		0.00	0.00	0.00	0.00
Sales growth Y/Y		9%	-11%	7%	5%
EPS adj. growth Y/Y		44%	-94%	283%	72%
EBIT margin		2.2%	0.9%	3.2%	4.4%
P/E adj.		3.0	51.8	13.5	7.9
EV/EBIT		15.8	43.2	10.3	6.1
EV/EBITA		10.5	17.7	7.3	4.7
EV/EBITDA		4.9	6.8	4.1	2.9
P/BV		1.1	1.1	1.0	0.9
Dividend yield		0.0%	0.0%	0.0%	0.0%
FCF yield		8.7%	24.3%	25.3%	31.4%
Equity/Total Assets		32.6%	34.1%	36.9%	40.9%
ROCE		25.5%	4.5%	8.1%	12.0%
ROE adj.		39.6%	7.8%	13.6%	17.7%
Net IB debt/EBITDA		1.5	2.1	1.0	0.4

Share price - 5Y				
				
Transtema				
OMX Stockholm_PI (Se) (Rebased)				
High/Low (12M) SEK19.2/11.7				
Perf.	3M	6M	12M	YTD
Abs.	-7.9	-16.1	6.0	-3.9
Rel.	-8.5	-16.2	-9.6	-7.9

Source: Carnegie Research, FactSet, Millstream & company data

This report has been commissioned and sponsored by Transtema. Commissioned research is considered to be marketing communication (i.e. not investment research under MiFID II). This material may be subject to restrictions on distribution in certain areas. For more information, see disclosures and disclaimers at the end of this report

Equity story

Near term:
6–12m

We expect a pickup in Transtema's growth as new contracts start to have an impact on sales. This should allow the margin to expand from low levels and provide good earnings momentum in the business.

Long term:
5Y+

The copper network, which has provided a headwind for the past 2–3 years, will be completely phased out in 2026. This means it will be easier to grow top line and reach the growth target of 10%. We expect the company to continue to grow in the Nordic region and would expect further acquisitions once the market recovers.

Key risks:

- Customers are few and relatively large
- Sales are dependent on investments into telecom networks, which can be volatile
- Because of the large contracts, pricing pressure is sometimes high

Company description

Transtema delivers network and communication solutions. The company offers design, construction, operation and maintenance of communication networks as well as technical consulting services to telecom operators, city networks, municipalities, power companies and larger companies. The company is active in the entire value chain, from planning, design and construction, to operation and maintenance. The company is also a reseller of network equipment.

Key industry drivers

- Telecom networks capex
- Critical infrastructure investments
- Charging infrastructure investments

Industry outlook

- We expect telecom networks investments to show limited growth over the next couple of years
- We expect investments into critical infrastructure to continue to accelerate

Largest shareholders

Magnus Johansson	21.3%
Göran Nordlund	10.0%
Jonas Nordlund	8.1%

Cyclicality

Cyclicality: N/A

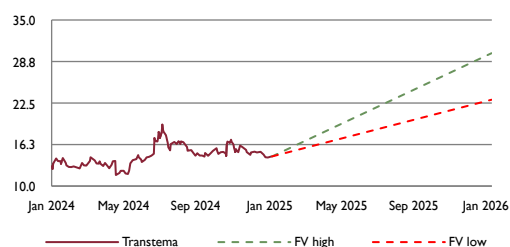
Key peers

Eltel, Netel

Valuation and methodology

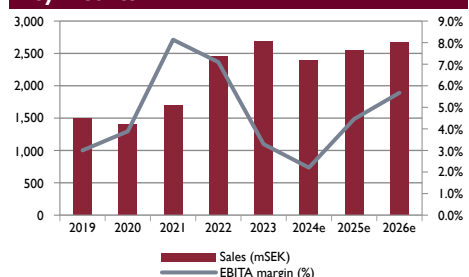
Our fair value range is based on upside and downside scenarios applied to multiples-based valuations. We use a P/E of 12x and an EV/EBITA of 10x, to which we apply our 2026 estimates and discount the values back to today. Peers are trading at average P/Es of 12x and 9x for 2025e & 2026e, and EV/EBITAs of 8x for both 2025–26e. The spread between multiples is high, and since we believe that Transtema can show greater stability over time due to over 40% of sales being services, we think a higher multiple is warranted.

Fair value range 12m

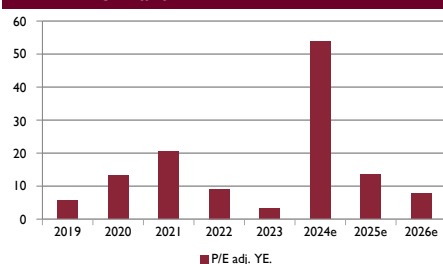


Our downside scenario is based on a 3-year sales CAGR of 5% and EBITA CAGR of 36%.
Our upside scenario is based on a 3-year sales CAGR of 9% and EBITA CAGR of 48%.

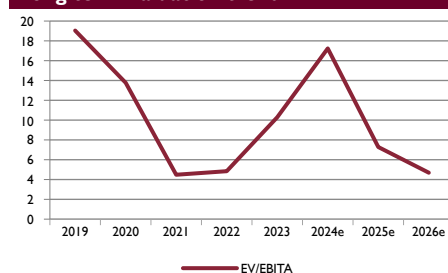
Key metrics



PE 12m forward



Long term valuation trend

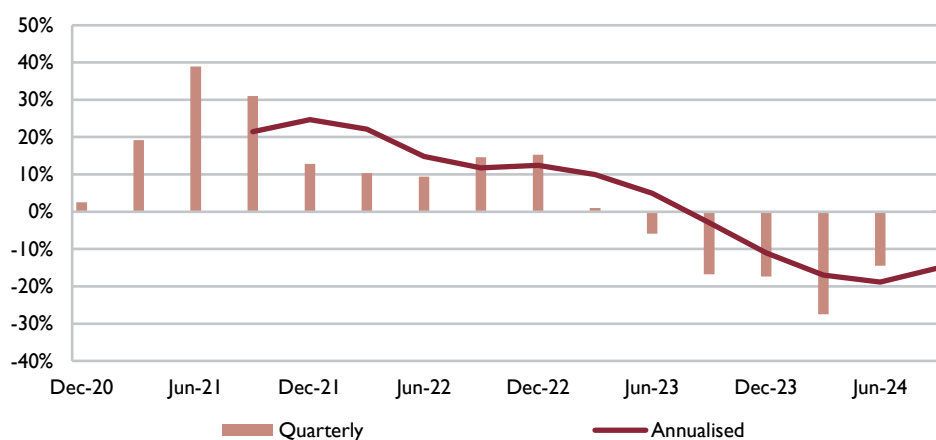


Source: Carnegie Research & company data

We believe organic growth has
troughed

Transtema in graphs

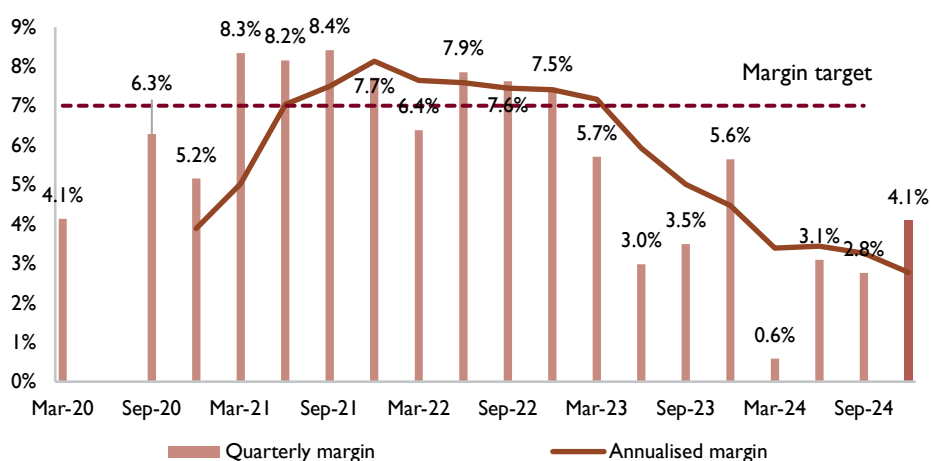
Transtema organic growth



Source: Company data, Carnegie Research

The EBITA margin is set to improve
sequentially, even if it remains under
pressure Y/Y

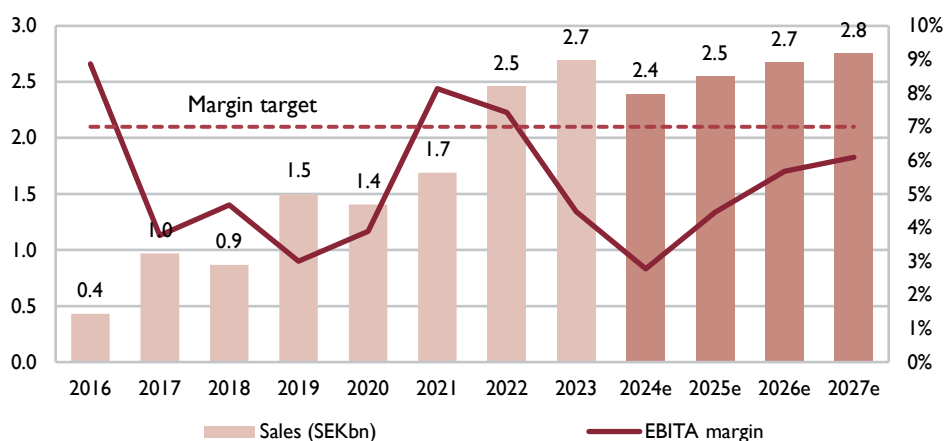
Transtema EBITA margin



Source: Company data, Carnegie Research

As volumes improve we expect
margins to follow

Sales and EBITA margin



Source: Company data, Carnegie Research

Valuation and risks

Our fair value range is based on upside and downside scenarios applied to multiples-based valuations. Based on our estimates, we arrive at a fair value range of SEK23–30.

Assumptions

Our multiples-based approach returns values of SEK20–32 per share. We use a P/E of 12x and an EV/EBITA of 10x, to which we apply our 2026 estimates and discount the values back to today. Peers are trading at average P/Es of 12x and 9x for 2025e & 2026e and EV/EBITs of 8x for both 2025–26e. The spread between multiples is high and since we believe that Transtema could show greater stability over time due to over 40% of sales being services, we think a higher multiple is warranted.

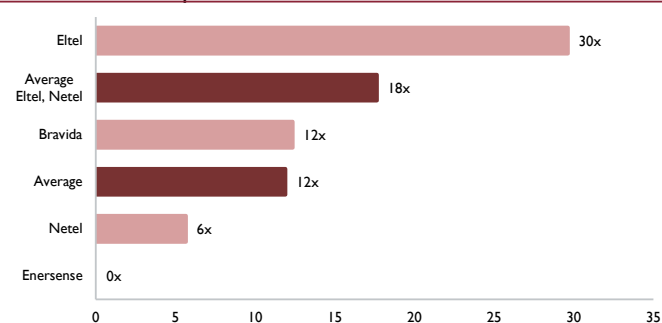
Our downside scenario is based on a 3-year sales CAGR of 5% and EBITA CAGR of 36%; while our upside scenario is based on a 3-year sales CAGR of 9% and EBITA CAGR of 48%.

Multiple-based calculations

<u>P/E based</u>	Downside	Upside
2026 EPS (SEK)	1.8	2.5
P/E multiple	12x	12x
Value end of 2025 (SEK)	22	30
PV per share	20	27
 <u>EV/EBIT based</u>		
2026 EBITA (SEKm)	152	188
EV/EBITA multiple	10x	10x
EV end 2025 (SEKbn)	1.5	1.9
PV EV (SEKbn)	1.4	1.7
Current net debt (SEKbn)	0.4	0.4
Equity value (SEKbn)	1.0	1.4
No shares (m)	43	43
Value per share (SEK)	25	32

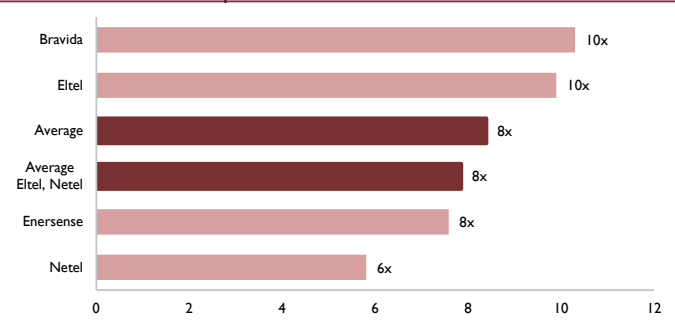
Source: Carnegie Research

P/E 2025e Transtema peers

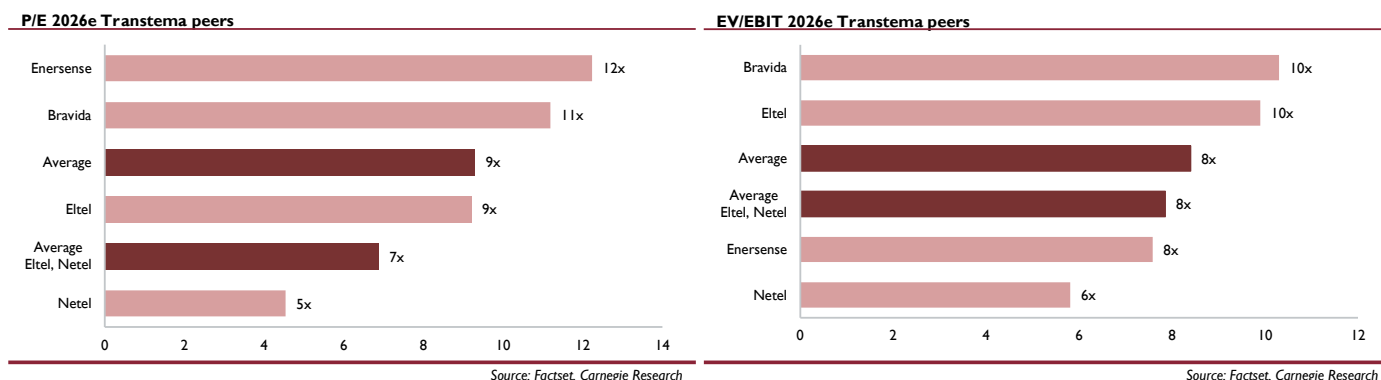


Source: Factset, Carnegie Research

EV/EBIT 2025e Transtema peers



Source: Factset, Carnegie Research



Risks

Transtema faces several potential risks that could impact its operations and financial performance. Below we have outlined the risks that we consider to be the most significant for the company. Note that the list should not be considered exhaustive and presented in no particular order.

- Market and Economic Risks:** Demand for Transtema's products depends on the broader economic climate, including interest rates, exchange rates, and unemployment rates. Adverse economic developments could reduce customer investments and maintenance activities. A few large customers contribute a significant share of Transtema's sales. A reduction in purchases or loss of these customers could impact revenue. Competition for Transtema's products and services is intense.
- Operational Risks:** Failure to meet specific results or deadlines in contracts may lead to reduced fees, early contract terminations, or reputational damage. The business heavily relies on skilled employees, and challenges in attracting or retaining talent could hinder operations and growth. Facing relatively high competition, quality in its products is vital to keep market share.
- Strategic Risks:** Staying competitive requires continuous adaptation to technological advancements and evolving customer demands. Failure to transition effectively could erode market position. Over-reliance on a small group of customers could limit strategic flexibility and expose the company to risks from reduced orders.
- Regulatory and Compliance Risks:** Changes in laws, government policies, or subsidies could adversely affect Transtema's operations and market position. Regulatory changes or unforeseen external factors (e.g., strikes, weather) may impact the company's ability to fulfil contracts.
- Technological Risks:** Rapid technological changes necessitate investments in new tools, models, and employee training. Falling behind in technological innovation could negatively affect competitiveness. New technologies may further alter customer behavior in ways unfavorable to Transtema's offerings.

Interim figures

Carnegie estimates	2023	2024	2025											
SEKm	Q4	Q1	Q2	Q3	Q4e	Q1e	Q2e	Q3e	Q4e	2023	2024e	2025e	2026e	2027e
Sales	727	500	609	590	690	525	651	632	738	2,689	2,389	2,546	2,674	2,754
Growth	-6%	-23%	-15%	-2%	-5%	5%	7%	7%	7%	9%	-11%	7%	5%	3%
Organic	-17%	-28%	-15%	0%	-5%	5%	7%	7%	7%	-11%	-12%	7%	5%	3%
Currency	-2%	-1%	0%	-2%	0%	0%	0%	0%	0%	-1%	-1%	0%	0%	0%
Acquisitions	13%	6%	0%	0%	0%	0%	0%	0%	0%	22%	1%	0%	0%	0%
Adj EBITA	41	3	19	16	28	10	26	32	45	120	66	114	152	168
Adj EBITA margin	5.6%	0.6%	3.1%	2.8%	4.1%	2.0%	4.0%	5.0%	6.1%	4.5%	2.8%	4.5%	5.7%	6.1%
PPA	-6	-7	-7	-7	-11	-8	-8	-8	-9	-30	-31	-33	-35	-36
EO	-3	-7	0	-7	0	0	0	0	0	-32	-14	0	0	0
EBIT	32	-11	12	3	17	2	18	24	36	59	22	80	117	132
EBIT margin	4.4%	-2.1%	2.0%	0.5%	2.4%	0.5%	2.8%	3.7%	4.9%	2%	1%	3%	4%	5%
Net financials	0	-9	-11	6	-8	-6	-6	-6	-6	121	-22	-22	-17	-11
Pre-tax Profit	32	-20	1	10	8	-3	12	18	31	179	0	58	100	120
Tax	-11	4	0	0	-2	1	-3	-4	-6	-7	1	-12	-21	-25
Tax rate	36%	20%	37%	3%	22%	21%	21%	21%	21%	4%	304%	21%	21%	21%
Net profit	20	-16	1	9	7	-2	10	14	24	172	1	46	79	95
EPS (SEK)	0.49	-0.37	0.02	0.23	0.14	-0.06	0.23	0.33	0.56	4.2	0.0	1.1	1.8	2.2
EPS Adj (SEK)	0.54	-0.24	0.02	0.35	0.14	-0.06	0.23	0.33	0.56	4.8	0.3	1.1	1.8	2.2

Source: Company data, Carnegie Research

Financial statements

Profit & loss (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Sales	0	868	1,497	1,405	1,690	2,457	2,689	2,389	2,546	2,674
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	0	868	1,497	1,405	1,690	2,457	2,689	2,389	2,546	2,674
Other income & costs	0	-868	-1,497	-1,275	-1,488	-2,200	-2,498	-2,252	-2,343	-2,428
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
EBITDA	0	0	0	130	202	258	191	137	203	246
Depreciation PPE	0	-30	-25	-15	-8	-12	-14	-13	-13	-14
Depreciation lease assets	0	0	-67	-61	-57	-71	-88	-72	-76	-80
Amortisation development costs	0	0	0	0	0	0	0	0	0	0
Amortisation other intangibles	0	0	0	0	0	0	0	0	0	0
Impairments / writedowns	0	0	0	0	0	0	0	0	0	0
EBITA	0	41	45	55	137	174	88	53	114	152
Amortization acquisition related	0	-9	-16	-26	-13	-20	-30	-31	-33	-35
Impairment acquisition related	0	0	0	0	0	0	0	0	0	0
EBIT	0	32	29	29	124	155	59	22	80	117
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	0	-3	-12	-10	-9	-4	121	-22	-22	-17
of which interest income/expenses	0	-3	-12	-10	-9	-4	121	-22	-22	-17
of which interest on lease liabilities	0	0	0	0	0	0	0	0	0	0
of which other items	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	0	28	17	19	115	150	179	0	58	100
Taxes	0	8	14	10	-24	-24	-7	1	-12	-21
Post-tax minorities interest	0	0	0	0	-1	-1	0	0	0	0
Discontinued operations	0	-56	-250	-26	-2	4	-41	1	0	0
Net profit	0	-19	-220	4	88	129	132	2	46	79
Adjusted EBITDA	0	70	137	130	202	266	223	151	203	246
Adjusted EBITA	0	41	45	55	137	182	120	66	114	152
Adjusted EBIT	0	32	29	29	124	163	90	35	80	117
Adjusted net profit	0	-11	-204	30	101	155	187	43	79	114
Sales growth Y/Y	na	+chg	72.5%	-6.2%	20.3%	45.4%	9.4%	-11.1%	6.6%	5.0%
EBITDA growth Y/Y	na	na	na	+chg	55.9%	27.2%	-25.8%	-28.3%	48.5%	21.0%
EBITA growth Y/Y	na	+chg	10.9%	21.4%	151.8%	26.9%	-49.3%	-40.5%	115.5%	33.7%
EBIT growth Y/Y	na	+chg	-8.4%	-0.6%	330.9%	24.2%	-62.1%	-63.1%	272.2%	45.4%
EBITDA margin	nm	0.0%	0.0%	9.2%	12.0%	10.5%	7.1%	5.7%	8.0%	9.2%
EBITA margin	nm	4.7%	3.0%	3.9%	8.1%	7.1%	3.3%	2.2%	4.5%	5.7%
EBIT margin	nm	3.7%	1.9%	2.1%	7.4%	6.3%	2.2%	0.9%	3.2%	4.4%
Tax rate	na	-27.3%	-83.9%	-53.7%	21.0%	16.3%	3.7%	303.5%	21.0%	21.0%
Cash flow (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	0	0	0	130	202	258	191	137	203	246
Paid taxes	0	0	0	-6	-9	-9	-29	1	-12	-21
Change in NWC	0	0	0	37	12	-102	-68	51	5	4
Non cash adjustments	0	0	0	10	14	-33	-149	0	0	0
Discontinued operations	0	-56	-250	-26	-2	4	-41	1	0	0
Total operating activities	0	0	0	171	220	113	-56	189	196	229
Capex tangible assets	0	0	0	-4	-14	-10	-11	-16	-17	-17
Capitalised development costs	0	0	0	0	0	0	0	0	0	0
Capex - other intangible assets	0	0	0	0	0	0	0	0	0	0
Acquisitions/divestments	0	0	0	19	0	-199	-52	-77	0	0
Other non-cash adjustments	0	0	0	-1	0	0	0	0	0	0
Total investing activities	0	0	0	14	-14	-208	-63	-93	-17	-17
Net financial items	0	-3	-12	-10	-9	-4	121	-22	-22	-17
Lease payments	0	0	0	0	0	0	0	0	0	0
Dividend paid and received	0	0	0	0	0	0	0	0	0	0
Share issues & buybacks	0	0	0	53	1	2	61	0	0	0
Change in bank debt	0	0	0	-122	-29	83	33	-3	-81	-80
Other cash flow items	0	0	0	-59	-56	-70	-123	-72	-76	-80
Total financing activities	0	-3	-12	-138	-93	10	92	-96	-180	-177
Operating cash flow	0	0	0	171	220	113	-56	189	196	229
Free cash flow	0	-3	-12	157	197	100	54	151	157	195
Net cash flow	0	-3	-12	47	113	-85	-26	0	0	35
Change in net IB debt	0	-3	-79	108	85	-238	-148	-69	5	35
Capex / Sales	nm	0.0%	0.0%	0.3%	0.8%	0.4%	0.4%	0.7%	0.6%	0.6%
NWC / Sales	nm	7.0%	2.4%	-3.8%	-3.7%	-0.4%	0.4%	-2.1%	-3.1%	-3.1%

Source: Carnegie Research & company data

Financial statements, cont.

Balance sheet (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Acquired intangible assets	0	124	93	76	77	390	486	540	540	540
Other fixed intangible assets	0	131	87	65	52	210	230	236	217	196
Capitalised development	0	0	0	0	0	0	0	0	0	0
Tangible assets	0	219	36	28	34	44	35	24	13	2
Lease assets	0	0	121	125	131	187	189	189	189	189
Other IB assets (1)	0	0	0	0	0	0	0	0	0	0
Other non-IB assets	0	4	18	27	1	2	3	3	3	3
Fixed assets	0	478	355	321	295	833	942	992	962	930
Inventories (2)	0	19	17	17	18	18	23	21	22	23
Receivables (2)	0	199	163	149	145	367	335	215	229	241
Prepaid exp. & other NWC items (2)	0	409	210	127	161	229	269	268	285	300
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	0	7	114	79	62	62	77	77	77	77
Cash & cash equivalents (1)	0	22	19	65	178	93	67	67	67	102
Current assets	0	656	523	438	565	770	772	648	681	743
Total assets	0	1,133	878	758	860	1,603	1,714	1,640	1,643	1,673
Shareholders' equity	0	323	104	160	250	388	558	559	605	684
Minorities	0	0	1	1	1	1	1	1	0	0
Other equity	0	0	0	0	0	0	0	0	0	0
Total equity	0	323	104	160	251	389	559	560	605	684
Deferred tax	0	0	16	12	10	50	51	51	51	51
LT IB debt (1)	0	31	47	19	25	101	163	161	80	0
Other IB provisions (1)	0	0	0	0	0	0	0	0	0	0
Lease liabilities	0	148	124	127	134	190	193	193	193	193
Other non-IB liabilities	0	0	11	3	12	243	53	53	53	53
LT liabilities	0	179	198	161	181	583	460	457	376	297
ST IB debt (1)	0	125	83	49	14	26	0	0	0	0
Payables (2)	0	250	166	111	120	297	249	221	235	247
Accrued exp. & other NWC items (2)	0	256	272	240	272	270	404	359	383	402
Other ST non-IB liabilities	0	0	56	37	22	38	43	43	43	43
Liabilities - assets held for sale	0	0	0	0	0	0	0	0	0	0
Current liabilities	0	631	576	437	427	630	696	623	661	692
Total equity and liabilities	0	1,133	878	758	860	1,603	1,714	1,640	1,643	1,673
Net IB debt (=1)	0	283	235	130	-5	223	289	286	205	90
Net working capital (NWC) (=2)	0	121	-49	-58	-67	48	-25	-76	-81	-86
Capital employed (CE)	0	627	385	370	446	998	1,018	1,016	981	980
Capital invested (CI)	0	595	289	236	227	879	914	913	878	841
Equity / Total assets	nm	29%	12%	21%	29%	24%	33%	34%	37%	41%
Net IB debt / EBITDA	nm	nm	nm	1.0	0.0	0.9	1.5	2.1	1.0	0.4
Per share data (SEK)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Adj. no. of shares in issue YE (m)	0.00	23.71	27.39	35.60	38.34	38.91	41.31	41.93	42.95	42.95
Diluted no. of Shares YE (m)	0.00	27.39	27.39	38.34	38.36	38.91	41.69	42.95	42.95	42.95
EPS	na	-0.80	-8.03	0.11	2.28	3.26	3.19	0.04	1.07	1.84
EPS adj.	na	1.50	1.11	0.83	2.32	3.32	4.78	0.28	1.07	1.84
CEPS	na	0.80	-4.10	2.94	4.28	5.87	6.40	2.79	3.93	4.85
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BVPS	na	11.8	3.79	4.16	6.53	9.96	13.4	13.0	14.1	15.9
Performance measures	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
ROE	nm	-12.0%	-103.1%	2.9%	43.2%	40.3%	27.9%	0.3%	7.9%	12.3%
Adj. ROCE pre-tax	na	na	9.0%	14.8%	33.9%	30.1%	31.6%	8.9%	11.4%	15.5%
Adj. ROIC after-tax	na	na	18.7%	32.0%	46.9%	27.6%	12.9%	-14.8%	10.0%	13.9%
Valuation	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
FCF yield	0.0%	-0.5%	-2.0%	25.2%	31.6%	16.0%	8.7%	24.3%	25.3%	31.4%
Dividend yield YE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend payout ratio	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend + buy backs yield YE	nm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Sales YE	nm	0.77	0.27	0.39	1.08	0.57	0.35	0.39	0.32	0.27
EV/EBITDA YE	nm	nm	nm	4.2	9.0	5.4	4.9	6.8	4.1	2.9
EV/EBITA YE	nm	16.6	9.1	10.1	13.2	8.0	10.5	17.7	7.3	4.7
EV/EBITA adj. YE	nm	16.6	9.1	10.1	13.2	7.7	7.7	14.1	7.3	4.7
EV/EBIT YE	nm	21.2	14.0	19.1	14.6	9.1	15.8	43.2	10.3	6.1
P/E YE	na	nm	nm	>50	20.9	9.3	4.8	>50	13.5	7.9
P/E adj. YE	na	9.5	5.7	13.2	20.5	9.1	3.2	>50	13.5	7.9
P/BV YE	na	1.20	1.66	2.63	7.28	3.04	1.14	1.16	1.03	0.91
Share price YE (SEK)	35.9	14.2	6.30	11.0	47.5	30.3	15.3	15.0	14.5	

Source: Carnegie Research & company data

Disclosures and disclaimers

Carnegie Investment Bank AB

Carnegie Investment Bank AB (publ.) is a leading investment bank with a Nordic focus. The Carnegie group of companies, together "Carnegie", generates added value for institutions, companies and private clients in the areas of trade in securities, investment banking and private banking. Carnegie has approximately 600 employees, located in offices in six countries

Valuation, methodology, and assumptions

Commissioned research reports include the analyst's assessment of a fair value range over the coming six to 12 months based on various fundamental valuation methods. A commonly used method is DCF valuation, where future cash flows are discounted to today. Analysts may also use different valuation multiples, e.g. P/E ratio and EV/EBIT multiples, relative to industry peers to obtain a target price. For companies where it is appropriate, a fair value range can also be based on the analyst's assessment of a fair ratio relative to the net asset value of the company. Fair value ranges represent the assessment of the analyst(s) at the time of writing

Frequency of update

Carnegie's research analysis consists of case-based analyses, which implies that the frequency of the analytical report may vary over time. Unless otherwise expressly stated in the report, the analysis is updated when considered necessary by the research department, for example in the event of significant changes in market conditions or events related to the issuer/the financial instrument.

Analyst certification

The research analyst or analysts responsible for the content of this commissioned research report certify that, notwithstanding the existence of any potential conflicts of interests referred to herein, the views expressed in this commissioned research report accurately reflect the research analyst's personal views about the companies and securities covered. It is further certified that the research analyst has not been, nor is or will be, receiving direct or indirect compensation related to the specific ratings or views contained in this commissioned research report.

Potential conflicts of interest

Carnegie, or its subsidiaries, may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any company mentioned in this report. Any such publicly announced business activity, during the past 12 months, will be referred to in this commissioned research report. A set of rules handling conflicts of interest is implemented in the Carnegie Group. Investment Banking and other business departments in Carnegie are surrounded by information barriers to restrict the flows of sensitive information. Persons outside such barriers may gain access to sensitive information only after having observed applicable procedures. The remuneration of persons involved in preparing this commissioned research report is not tied to investment banking transactions performed by Carnegie or a legal person within the same group.

Confidential and non-public information regarding Carnegie and its clients, business activities and other circumstances that could affect the market value of a security ("sensitive information") is kept strictly confidential and may never be used in an undue manner.

Internal guidelines are implemented in order to ensure the integrity and independence of research analysts. In accordance with the guidelines the research department is separated from the Investment Banking department and there are no reporting lines between the research department and Investment Banking. The guidelines also include rules regarding, but not limited to, the following issues; contacts with covered companies, prohibition against offering favourable recommendations, personal involvement in covered companies, participation in investment banking activities, supervision and review of research reports, analyst reporting lines and analyst remuneration.

Other material conflicts of interest

This report was commissioned and sponsored by the issuer (issuer-paid research).

Distribution restrictions

This commissioned research report is intended only for distribution to professional investors. Such investors are expected to make their own investment decisions without undue reliance on this commissioned research report. This commissioned research report does not have regard to the specific investment objectives, financial situation or particular needs of any specific person who may receive it. Investors should seek financial advice regarding the appropriateness of investing in any securities discussed in this commissioned research report and should understand that statements regarding future prospects may not be realized. Past performance is not necessarily a guide to future performance. Carnegie and its subsidiaries accept no liability whatsoever for any direct or consequential loss, including, without limitation, any loss of profits arising from the use of this commissioned research report or its contents. This commissioned research report may not be reproduced, distributed or published by any recipient for any purpose. The document may not be distributed to persons that are citizens of or domiciled in any country in which such distribution is prohibited according to applicable laws or other regulations.

This commissioned research report is distributed in Sweden by Carnegie Investment Bank AB. Carnegie Investment Bank AB is a bank incorporated in Sweden with limited liability which is authorised and regulated by the Swedish Financial Supervisory Authority (Finansinspektionen). In Finland this commissioned research report is issued by Carnegie Investment Bank AB, Finland Branch. The Finland branch is authorised by the Swedish Financial Supervisory Authority and subject to limited regulation by the Finnish Financial Supervisory Authority (Finanssivalvonta). In Norway this commissioned research report is issued by Carnegie AS, a wholly-owned subsidiary of Carnegie Investment Bank AB. Carnegie AS is regulated by the Financial Supervisory Authority of Norway (Finanstilsynet). In Denmark this commissioned research report is issued by Carnegie Investment Bank AB, Denmark Branch. The Denmark branch is authorised by the Swedish Financial Supervisory Authority and subject to limited regulation by the Danish Financial Supervisory Authority (Finanstilsynet).

This commissioned research report is distributed in the US by Carnegie, Inc., a US-registered broker-dealer and a member of FINRA and SIPC. Carnegie's research analysts located outside of the US are employed by non-US affiliates of Carnegie Inc. ("non-US affiliates") that are not subject to FINRA regulations. Generally, Carnegie research analysts are not registered with or qualified as research analysts with FINRA, and therefore are not subject to FINRA rule 2241 restrictions intended to prevent conflicts of interest by, among other things, prohibiting certain compensation practices, restricting trading by analysts and restricting communications with the companies that are the subject of the research report. Research reports distributed in the U.S. are intended solely for major US institutional investors and US institutional investors as defined under Rule 15a-6 of the Securities Exchange Act of 1934. This commissioned research report is provided for informational purposes only and under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy any securities. Reports regarding equity products are prepared by non-US affiliates of and distributed in the United States by Carnegie Inc. under Rule 15a-6(a)(3). When distributed by Carnegie Inc, Carnegie Inc. takes responsibility for the commissioned research report. Any US person who wishes to effect transactions based on this commissioned research report should contact Carnegie Inc. Investors in the US should be aware that investing in non-US securities entails certain risks. The securities of non-US issuers may not be registered with, or be subject to, the current information reporting and audit standards of the US Securities and Exchange Commission.

This commissioned research report has been issued in the UK by Carnegie UK which is the UK Branch of Carnegie Investment Bank AB. Carnegie UK is authorised and regulated by the Financial Conduct Authority (FCA).

Research Disclaimer

This commissioned research report is provided solely for information. It does not constitute or form part of, and shall under no circumstances be considered as an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instrument.

This commissioned research report has been requested and paid for by the issuer and should therefore be considered a marketing communication (i.e. not investment research). Payment for the report has been agreed in advance on a non-recourse basis. As commissioned research, this material can be considered an acceptable minor non-monetary benefit under MiFID II. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. However, it is still subject to a prohibition on dealing ahead of the dissemination of the report.

Carnegie Investment Bank AB is responsible for the preparation of this commissioned research report in Sweden, Finland, Denmark, and the UK. Carnegie AS is responsible for the preparation of this commissioned research report in Norway. Carnegie Inc. is responsible for this research report in the US.

The information in this commissioned research report was obtained from various sources. While all reasonable care has been taken to ensure that the information is true and not misleading, Carnegie gives no representation or warranty, express or implied, about its accuracy or completeness. Carnegie, its subsidiaries and any of their officers or directors may have a position, or otherwise be interested in, transactions in securities that are directly or indirectly the subject of this commissioned research report. Any significant financial interests held by the analyst, Carnegie or a legal person in the same group in relation to the issuer will be referred to in the company-specific disclosures.

Company specific disclosures

The following disclosures relate to relationships between Carnegie Investment Bank AB (with its subsidiaries, "Carnegie") and the issuer or an affiliate.

Parts of this commissioned research report may have been submitted to the issuer prior to its publication.

Copyright © 2025 Carnegie



Commissioned Research sponsored by Transtema

21 January 2025

Carnegie Investment Bank AB

Regeringsgatan 56
SE-103 38 Stockholm
Tel +46 8 5886 88 00 Fax +46 8 5886 88 95
www.carnegie.se
A member of the Stockholm Stock Exchange

Carnegie Investment Bank, Denmark Branch

Overgaden neden Vandet 9B PO Box 1935
DK-1414 Copenhagen K
Tel +45 32 88 02 00 Fax +45 32 96 10 22
www.carnegie.dk
A member of the Copenhagen Stock Exchange

Carnegie Investment Bank AB, Finland Branch

Eteläesplanadi 2 PO Box 36
FI-00131 Helsinki
Tel +358 9 618 71 230 Fax +358 9 618 71 720
www.carnegie.fi
A member of the Helsinki Stock Exchange

Carnegie AS

Fjordalleen 16, 5th Floor PO Box 684,
Sentrum NO-0106 Oslo
Tel +47 22 00 93 00 Fax +47 22 00 94 00
www.carnegie.no
A member of the Oslo Stock Exchange

Carnegie, Inc.

20 West 55th St. ,
New York N.Y. 10019
Tel +1 212 262 5800 Fax +1 212 265 3946
www.carnegiegroup.com
Member FINRA / SIPC

Carnegie Investment Bank AB, UK Branch

Finwell House, 26 Finsbury Square
London EC2A 1DS
Tel +44 20 7216 4000 Fax +44 20 7417 9426
www.carnegie.co.uk
Regulated by the FCA in the conduct of Designated
Investment Business in the UK