

## RESULTS PREVIEW

07 February 2025  
Sweden  
Capital Goods

Research analysts:

Markus Almerud

# Svedbergs Group

Share price: SEK43.9

Fair value range: SEK52.0–70.0

## Waiting for the brand to recover – Q4 preview

### Expect the Svedbergs brand to recover

The difficult housing market in Sweden has continued to weigh on (brand) Svedbergs' organic growth, which is on a run of six consecutive quarters of double-digit negative organic growth. The margin has also suffered from the installation of the new production line in Dalstorp, its brand Svedbergs main production facility. Once these issues are behind it and as organic growth normalises – we believe we are at the trough – we would expect the margin to recover. We believe it is possible the brand can reach a 10% EBITA margin (3.7% in 9M(24)) without any significant recovery in market volumes. For prudence, our forecasts do not reflect such a recovery – we pencil in 4.1% and 4.3% EBITA margins respectively for 2025–26e.

### Roper Rhodes and Thebalux should continue to drive the margin

With over an 18% EBITA margin 9M(24) for Roper Rhodes and 24% for Thebalux, these two units are the main drivers of the group's margin expansion. We are especially impressed by Roper Rhodes's ability to continue to grow sales in a struggling market and how it has been able to keep expanding its margin. We expect these trends to continue.

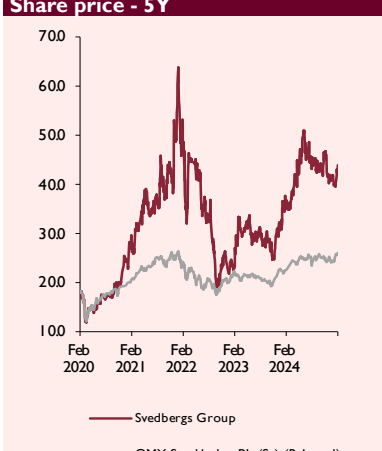
### Further acquisitions on the cards?

Svedbergs Group targets becoming a leading bathroom group in Northern Europe. After the acquisitions of Roper Rhodes (British) and Thebalux (Dutch), Sweden accounts for less than a fifth of sales. We expect this trend to continue and would expect acquisitions similar to these to be made in the next few years, further decreasing the group's exposure to the Nordic markets.

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

## Upcoming events

- Q4 Report: 11 Feb 2025
- AGM 2025: 29 Apr 2025
- Q1 Report: 29 Apr 2025
- Q2 Report: 18 Jul 2025

Changes in this report				Key figures (SEK)					Share price - 5Y				
	From	To	Chg		2023	2024e	2025e	2026e					
EPS adj. 2024e	n.a.	3.3	n.a.	Sales (m)	1,824	2,190	2,283	2,373					
EPS adj. 2025e	n.a.	4.2	n.a.	EBITA (m)	222	303	331	357					
EPS adj. 2026e	n.a.	4.7	n.a.	EBITA adj. (m)	240	303	331	357					
				EPS	3.37	3.00	3.91	4.37					
				EPS adj.	4.07	3.30	4.21	4.66					
				DPS	1.00	1.20	1.40	1.50					
				Sales growth Y/Y	-1%	20%	4%	4%					
				EPS adj. growth Y/Y	-24%	-19%	28%	11%					
				EBITA adj. margin	13.2%	13.8%	14.5%	15.0%					
				EV/Sales	1.8	1.3	1.2	1.1					
				EV/EBITA adj.	8.5	9.1	8.3	7.2					
				EV/EBITA	9.2	9.1	8.3	7.2					
				EV/EBIT	9.7	9.6	8.7	7.6					
				P/E adj.	10.8	13.3	10.4	9.4					
				P/BV	1.6	1.6	1.5	1.3					
				Dividend yield	2.3%	2.7%	3.2%	3.4%					
				FCF yield	6.3%	2.3%	9.0%	10.1%					
				ROCE	11.2%	12.5%	13.3%	14.4%					
				ROE adj.	15.0%	14.3%	14.5%	14.8%					
				Net IB debt/EBITDA	3.4	1.5	1.0	0.6					
									High/Low (12M)				SEK50.9/34.8
									Perf.				3M 6M 12M YTD
									Abs.				-3.1 -1.3 24.7 5.9
									Rel.				-7.1 -10.0 9.2 -1.8

Source: Carnegie Research, FactSet, Millstream & company data

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## Equity story

Near term:  
6–12m

We believe we are in the trough of the housing construction market, both when it comes to newbuilds and renovations. The timing, as well as the strength, of the recovery is uncertain. Our best estimate is that we will see a gradual recovery in 2025.

Long term:  
5Y+

The shortage of housing should drive growth in bathroom installations over time. We would expect mid-single digit market growth over time.

## Key risks:

- The housing market does not recover
- The economic downcycle is prolonged
- The Svedbergs brand is not able to recover its margin to historical levels
- Acquisitions develop worse than expected
- It is not able to find suitable targets

## Company description

Svedbergs Group designs and manufactures bathroom interiors and sanitary articles. The company offers handles, laundry cupboards, baths and massage baths, showers, washbasins, mixers, heated towel rails, accessories, WC & Toilet and spare parts, among others. The company operates through the subsidiaries Svedbergs, Macro Design, Cassoe, Roper Rhodes and Thebalux. Its strategy is to grow by acquiring independent innovative and sustainable brands that complement the group's geographic presence or portfolio.

## Key industry drivers

- Housing renovations
- New housing construction

## Industry outlook

- We believe that the construction market, both new and renovation has troughed
- We expect a slow recovery in coming years

## Largest shareholders

Stena	43.0%
Nordea Funds	14.2%
If Skadeförsäkring	11.5%

## Cyclicality

Cyclicality: Yes  
Late

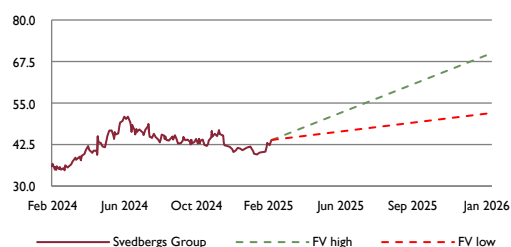
## Key peers

FM Mattsson, Ifö, Gustavsberg, Inwido, Balco Group, Nordic Waterproofing

## Valuation and methodology

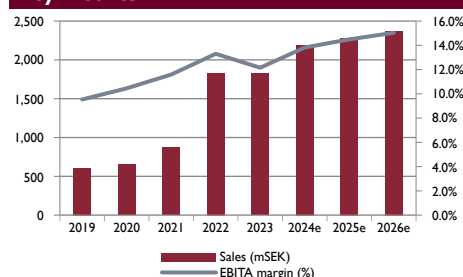
Our fair value range is based on upside and downside scenarios applied to multiples-based valuations. We use a P/E of 13x and an EV/EBITA of 11x, to which we apply our 2026 estimates and discount the values back to today. Peers are trading at average P/E(26e) of 11x and EV/EBITA(26e) of 11x. Given Svedberg's solid balance sheet we believe it is fair that it trades at higher P/E than EV/EBITA.

## Fair value range 12m

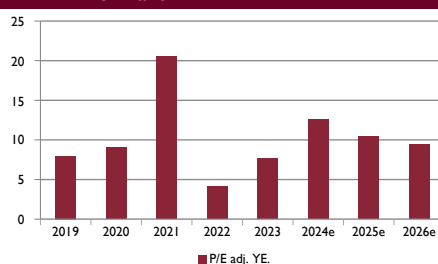


Our downside scenario is based on 3-year sales CAGR of 4% and EBITA CAGR of 8%; while our upside scenario is based on 3-year sales CAGR of 6% and EBITA CAGR of 16%.

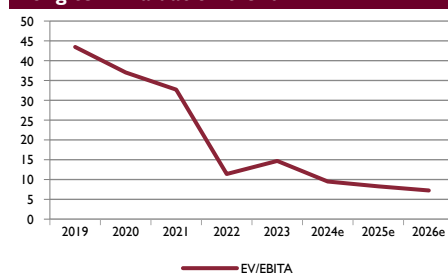
## Key metrics



## PE 12m forward



## Long term valuation trend

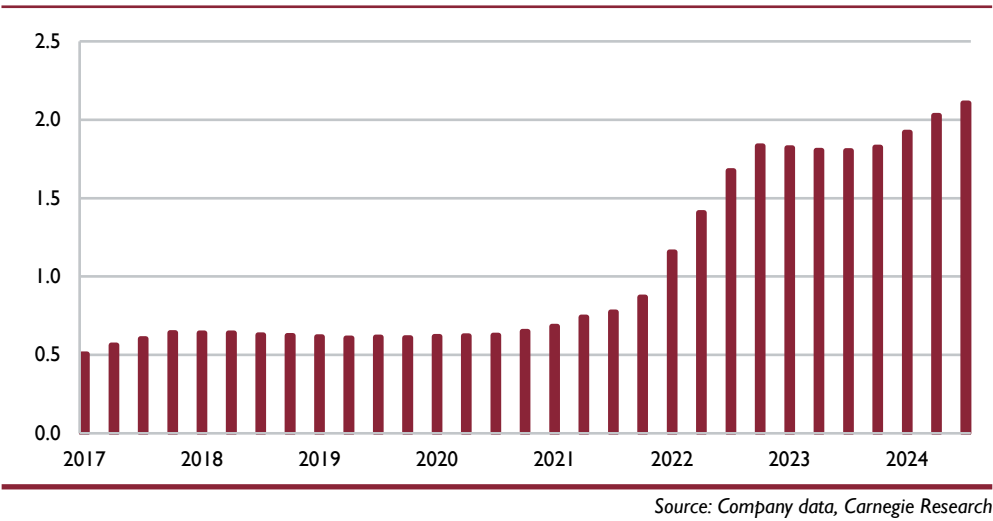


Source: Carnegie Research & company data

Svedbergs Group in key charts

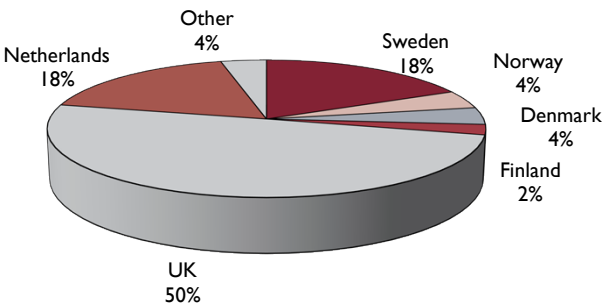
Svedbergs Group sales (SEKbn)

The acquisitions of Roper Rhodes in the UK and Thebalux in the Netherlands have driven group sales...



Svedbergs Group geographical sales split (9M(24))

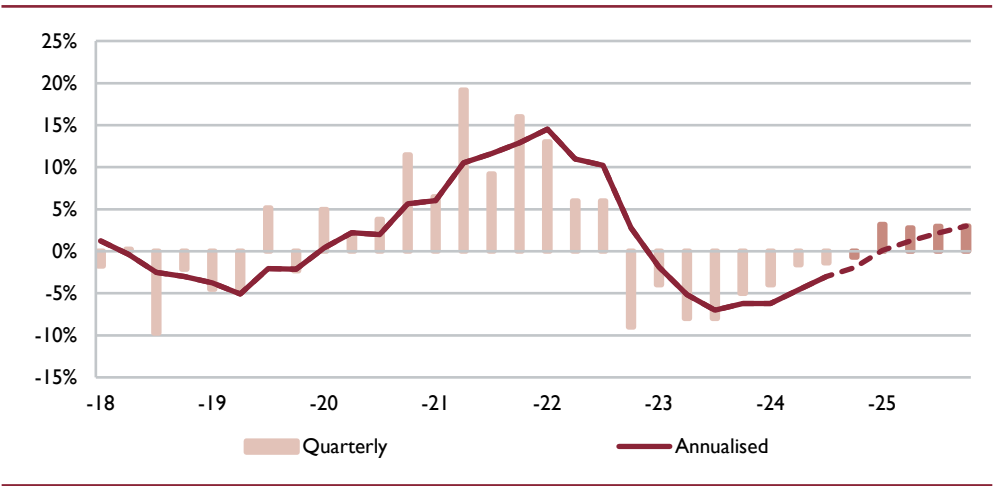
... and reduced the exposure to Sweden, which now accounts for less than a fifth of sales, compared to around 70% in 2021



Source: Company data, Carnegie Research

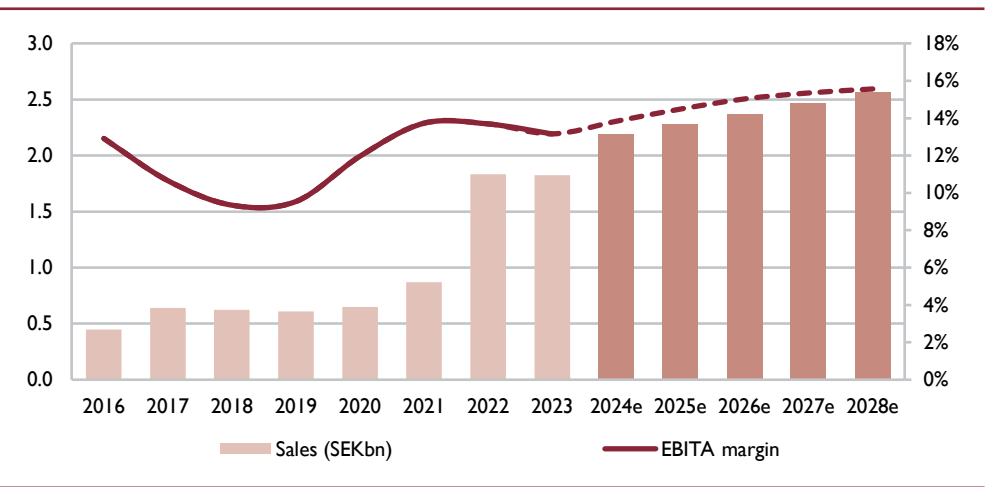
Svedbergs Group organic growth

We expect the organic growth trend to continue to improve



As the margin in the Svedbergs (brand) part of the group recovers, the group margin should recover

Svedbergs Group 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 SEK52–70.

### Assumptions

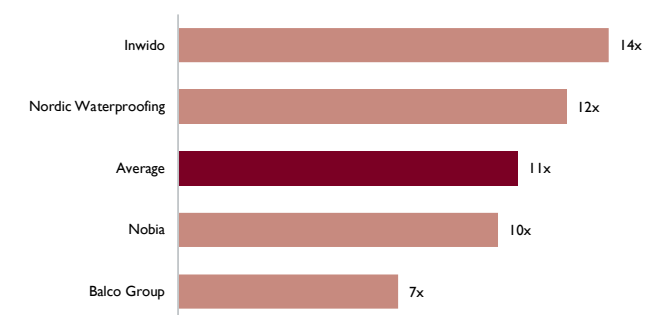
Our multiples-based approach returns values of SEK52–70 per share. We use a P/E of 13x and an EV/EBITA of 11x, to which we apply our 2026 estimates and discount the values back to today. Peers are trading at average 2026e P/E of 11x and 2026e EV/EBITA of 11x. Given Svedberg's solid balance sheet we believe it is fair that it trades at higher P/E than EV/EBITA.

Our downside scenario is based on 3-year sales CAGR of 4% and EBITA CAGR of 8%, while our upside scenario is based on 3-year sales CAGR of 6% and EBITA CAGR of 16%.

Multiple-based calculations	Downside	Upside
<u>P/E based</u>		
2026 EPS (SEK)	4.4	5.6
P/E	13x	13x
Value end of 2025 (SEK)	57	73
<b>PV per share (SEK)</b>	<b>52</b>	<b>67</b>
<u>EV/EBITA based</u>		
2026 EBITA (SEKm)	357	448
EV/EBITA	11x	11x
EV end of 2025 (SEKbn)	3.9	4.9
Current EV (SEKbn)	3.6	4.5
Current net debt (SEKbn)	0.8	0.8
Equity value (SEKbn)	2.8	3.7
No shares (m)	53	53
<b>Value per share (SEK)</b>	<b>53</b>	<b>70</b>

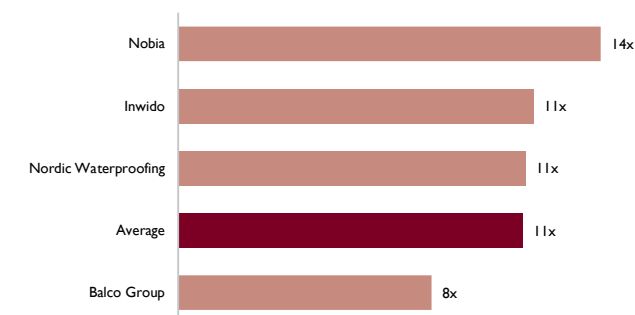
Source: Carnegie Research

Svedbergs peer group P/E 2026e



Source: Factset, Carnegie Research

Svedbergs peer group EV/EBIT 2026e



Source: Factset, Carnegie Research

### Risks

Svedbergs 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 is presented in no particular order.

- **Market and economic risks:** Demand for Svedberg's products depends on the broader economic climate, including interest rates, exchange rates, and unemployment rates. Economic slowdowns can reduce consumer spending on home improvements, directly impacting demand for bathroom products. Declines in housing transactions and new constructions can adversely affect sales, as fewer new bathrooms are installed.
- **Operational risks:** Dependence on suppliers for raw materials and finished products makes the company vulnerable to supply chain interruptions, which can affect production schedules and costs. As the group's growth strategy includes acquisitions, such as Thebalux, there is a risk that the acquired units will not perform as expected.
- **Strategic risks:** While M&A can drive growth, they also carry risks like overvaluation, integration difficulties, and diversion of management attention. Maintaining a premium brand image requires continuous innovation and quality assurance. Failure to do so could erode market share.
- **Regulatory and compliance risks:** The company must comply with environmental laws concerning production processes, waste management, and product materials. Non-compliance can lead to fines and reputational damage. Ensuring all products meet safety and quality standards is crucial. Any lapses can result in recalls and legal issues.
- **Technological risks:** The need to adopt new technologies for production, distribution, and customer engagement requires significant investment. Lagging in this area can lead to competitive disadvantages. As operations become more digitized, the risk of cyber-attacks increases, potentially compromising sensitive data and disrupting business activities.

## Interim figures

	2025e			2026e			2027e		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
<b>Svedbergs - Estimate changes</b>									
Sales	2,196	2,283	4%	2,325	2,373	2%	2,447	2,469	1%
Growth	3%	4%	+126 bps	4%	4%	-7 bps	4%	4%	+4 bps
Organic	3%	3%	-1 bps	4%	4%	+13 bps	4%	4%	+4 bps
Acq/div	0%	0%	+0 bps	0%	0%	+0 bps	0%	0%	+0 bps
Currency	0%	1%	+127 bps	0%	0%	+0 bps	0%	0%	+0 bps
<b>Adj EBITA</b>	<b>329</b>	<b>331</b>	<b>1%</b>	<b>336</b>	<b>357</b>	<b>6%</b>	<b>384</b>	<b>379</b>	<b>-1%</b>
<b>Adj EBITA margin</b>	<b>15.0%</b>	<b>14.5%</b>	<b>-48 bps</b>	<b>14.4%</b>	<b>15.0%</b>	<b>+59 bps</b>	<b>15.7%</b>	<b>15.4%</b>	<b>-34 bps</b>
PPA	-16	-16	-3%	-16	-16	-3%	-16	-16	-3%
EO	0	0	n.m	0	0	n.m	0	0	n.m
EBIT	313	331	6%	340	357	5%	368	379	3%
EBIT margin	14.2%	14.5%	+25 bps	14.6%	15.0%	+42 bps	15.0%	15.4%	+31 bps
Pre-tax profit	266	280	5%	294	313	6%	322	343	6%
Net profit	199	207	4%	220	231	5%	242	254	5%
<b>EPS</b>	<b>3.8</b>	<b>3.9</b>	<b>4%</b>	<b>4.2</b>	<b>4.4</b>	<b>5%</b>	<b>4.6</b>	<b>4.8</b>	<b>5%</b>
<b>EPS adj</b>	<b>4.1</b>	<b>4.2</b>	<b>4%</b>	<b>4.5</b>	<b>4.7</b>	<b>5%</b>	<b>4.8</b>	<b>5.1</b>	<b>6%</b>

Source: Carnegie Research

## Interim figures

Carnegie estimates	2023	2024				2025								
SEKm	Q4	Q1	Q2	Q3	Q4e	Q1e	Q2e	Q3e	Q4e	2023	2024e	2025e	2026e	2027e
Sales	460	572	562	512	543	606	585	533	559	1,824	2,190	2,283	2,373	2,469
Growth	5%	20%	23%	19%	18%	6%	4%	4%	3%	0%	20%	4%	4%	4%
Organic	-5%	-4%	-2%	-1%	-1%	3%	3%	3%	3%	-6%	-2%	3%	4%	4%
Currency	3%	2%	2%	-2%	2%	3%	1%	1%	0%	4%	1%	1%	0%	0%
Acquisitions	7%	22%	23%	22%	16%	0%	0%	0%	0%	2%	21%	0%	0%	0%
<b>Adj EBITA</b>	<b>59</b>	<b>84</b>	<b>76</b>	<b>71</b>	<b>72</b>	<b>85</b>	<b>85</b>	<b>80</b>	<b>81</b>	<b>240</b>	<b>303</b>	<b>331</b>	<b>357</b>	<b>379</b>
<b>Adj EBITA margin</b>	<b>12.9%</b>	<b>14.6%</b>	<b>13.5%</b>	<b>13.9%</b>	<b>13.3%</b>	<b>14.1%</b>	<b>14.5%</b>	<b>15.0%</b>	<b>14.5%</b>	<b>13.2%</b>	<b>13.8%</b>	<b>14.5%</b>	<b>15.0%</b>	<b>15.4%</b>
PPA	-3	-4	-4	-4	-4	-4	-4	-4	-4	-11	-16	-16	-16	-16
EO	-15	0	0	0	0	0	0	0	0	-18	0	0	0	0
EBIT	41	80	72	67	68	81	81	76	77	211	287	315	341	364
EBIT margin	9.0%	13.9%	12.8%	13.2%	12.6%	13.4%	13.8%	14.3%	13.8%	12%	13%	14%	14%	15%
Net financials	-18	-12	-18	-30	-15	-13	-13	-13	4	-51	-75	-35	-28	-21
Pre-tax Profit	23	67	54	38	54	68	68	63	81	160	212	280	313	343
Tax	-13	-17	-13	-10	-13	-18	-18	-16	-21	-41	-53	-73	-81	-89
Tax rate	58%	25%	24%	26%	25%	26%	26%	26%	26%	26%	25%	26%	26%	26%
Net profit	10	50	40	28	40	51	50	47	60	119	159	207	231	254
EPS (SEK)	0.28	0.95	0.76	0.53	0.76	0.96	0.94	0.88	1.13	3.4	3.0	3.9	4.4	4.8
<b>EPS Adj (SEK)</b>	<b>0.54</b>	<b>1.02</b>	<b>0.84</b>	<b>0.60</b>	<b>0.84</b>	<b>1.03</b>	<b>1.02</b>	<b>0.96</b>	<b>1.20</b>	<b>4.1</b>	<b>3.3</b>	<b>4.2</b>	<b>4.7</b>	<b>5.1</b>
<b>Sales</b>	<b>2024</b>					<b>2025</b>								
SEKm	Q4	Q1	Q2	Q3	Q4e	Q1e	Q2e	Q3e	Q4e	2023	2024e	2025e	2026e	2027e
Svedbergs	113	113	102	76	102	119	107	79	105	480	394	410	430	452
Macro Design	44	42	44	35	47	44	45	36	48	163	167	174	181	188
Cassoe	23	23	25	19	23	24	25	19	24	88	89	92	95	98
Roper Rhodes	250	289	285	289	266	310	298	303	274	1,062	1,130	1,184	1,227	1,271
Thebalux	30	105	107	94	105	109	110	96	108	30	410	423	440	460
<b>Group</b>	<b>460</b>	<b>572</b>	<b>562</b>	<b>512</b>	<b>543</b>	<b>606</b>	<b>585</b>	<b>533</b>	<b>559</b>	<b>1,824</b>	<b>2,190</b>	<b>2,283</b>	<b>2,373</b>	<b>2,469</b>
<b>Adj EBITA</b>	<b>2024</b>					<b>2025</b>								
SEKm	Q4	Q1	Q2	Q3	Q4e	Q1e	Q2e	Q3e	Q4e	2023	2024e	2025e	2026e	2027e
Svedbergs	8	8	1	1	2	3	4	4	6	58	13	17	23	29
Macro Design	4	4	4	3	4	4	5	3	4	12	15	16	18	19
Cassoe	5	4	5	3	5	5	5	4	5	18	18	18	19	19
Roper Rhodes	52	49	49	55	51	54	54	61	55	177	204	223	236	245
Thebalux	1	26	28	18	21	27	28	19	22	1	93	96	102	106
Other	-11	-8	-12	-10	-11	-8	-12	-10	-11	-26	-40	-40	-40	-40
<b>Group</b>	<b>59</b>	<b>84</b>	<b>76</b>	<b>71</b>	<b>72</b>	<b>85</b>	<b>85</b>	<b>80</b>	<b>81</b>	<b>240</b>	<b>303</b>	<b>331</b>	<b>357</b>	<b>379</b>
<b>Adj EBITA margin</b>	<b>2024</b>					<b>2025</b>								
	Q4	Q1	Q2	Q3	Q4e	Q1e	Q2e	Q3e	Q4e	2023	2024e	2025e	2026e	2027e
Svedbergs	7.1%	7.2%	1.3%	1.7%	1.9%	2.5%	4.0%	5.0%	5.4%	12.1%	3.2%	4.1%	5.3%	6.5%
Macro Design	8.9%	9.7%	9.4%	8.1%	8.8%	10.0%	10.0%	8.3%	9.2%	7.6%	9.0%	9.4%	9.8%	10.2%
Cassoe	20.5%	19.5%	20.3%	18.3%	22.4%	19.5%	21.0%	18.3%	19.7%	20.2%	20.2%	19.7%	19.7%	19.7%
Roper Rhodes	20.9%	17.0%	17.2%	19.1%	19.0%	17.5%	18.0%	20.0%	20.0%	16.6%	18.1%	18.8%	19.2%	19.3%
Thebalux	3.4%	24.8%	26.1%	19.5%	20.0%	25.0%	26.0%	19.5%	20.2%	3.4%	22.7%	22.8%	23.1%	23.2%
<b>Group</b>	<b>12.9%</b>	<b>14.6%</b>	<b>13.5%</b>	<b>13.9%</b>	<b>13.3%</b>	<b>14.1%</b>	<b>14.5%</b>	<b>15.0%</b>	<b>14.5%</b>	<b>13.2%</b>	<b>13.8%</b>	<b>14.5%</b>	<b>15.0%</b>	<b>15.4%</b>

Source: Company data, Carnegie Research



## Financial statements

Profit & loss (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Sales	639	622	609	649	869	1,833	1,824	2,190	2,283	2,373
COGS	-373	-363	-351	-375	-502	-1,076	-1,028	-1,222	-1,258	-1,294
<b>Gross profit</b>	<b>266</b>	<b>260</b>	<b>258</b>	<b>274</b>	<b>366</b>	<b>757</b>	<b>796</b>	<b>968</b>	<b>1,025</b>	<b>1,079</b>
Other income & costs	-183	-182	-177	-184	-240	-467	-523	-602	-627	-652
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
<b>EBITDA</b>	<b>83</b>	<b>77</b>	<b>80</b>	<b>90</b>	<b>127</b>	<b>290</b>	<b>273</b>	<b>366</b>	<b>397</b>	<b>426</b>
Depreciation PPE	-10	-10	-11	-10	-11	-15	-16	-20	-20	-21
Depreciation lease assets	0	-2	-3	-3	-5	-19	-23	-31	-32	-33
Amortisation development costs	0	0	0	0	0	0	0	0	0	0
Amortisation other intangibles	-9	-9	-9	-9	-10	-12	-12	-13	-14	-15
Impairments / writedowns	0	0	0	0	0	0	0	0	0	0
<b>EBITA</b>	<b>64</b>	<b>56</b>	<b>58</b>	<b>68</b>	<b>101</b>	<b>244</b>	<b>222</b>	<b>303</b>	<b>331</b>	<b>357</b>
Amortization acquisition related	-1	-1	-2	-2	-6	-9	-11	-16	-16	-16
Impairment acquisition related	0	0	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>63</b>	<b>55</b>	<b>56</b>	<b>66</b>	<b>95</b>	<b>234</b>	<b>210</b>	<b>287</b>	<b>315</b>	<b>341</b>
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	-3	-3	-3	-4	-15	-28	-51	-75	-35	-28
of which interest income/expenses	-3	-3	-3	-4	-15	-28	-51	-75	-35	-28
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
<b>Pre-tax profit</b>	<b>60</b>	<b>51</b>	<b>53</b>	<b>62</b>	<b>80</b>	<b>206</b>	<b>160</b>	<b>212</b>	<b>280</b>	<b>313</b>
Taxes	-13	-11	-12	-14	-21	-40	-41	-53	-73	-81
Post-tax minorities interest	0	0	0	0	0	0	0	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
<b>Net profit</b>	<b>46</b>	<b>41</b>	<b>41</b>	<b>48</b>	<b>59</b>	<b>166</b>	<b>119</b>	<b>159</b>	<b>207</b>	<b>231</b>
Adjusted EBITDA	87	79	80	100	146	298	291	366	397	426
Adjusted EBITA	68	58	58	78	119	251	240	303	331	357
Adjusted EBIT	67	57	56	76	114	242	229	288	315	341
Adjusted net profit	51	44	43	58	78	181	144	175	223	247
Sales growth Y/Y	42.4%	-2.7%	-2.1%	6.6%	33.8%	111.0%	-0.5%	20.1%	4.3%	3.9%
EBITDA growth Y/Y	11.3%	-7.3%	3.7%	12.4%	41.0%	128.7%	-6.0%	34.0%	8.6%	7.3%
EBITA growth Y/Y	11.9%	-12.8%	3.7%	16.9%	48.3%	142.1%	-9.1%	36.6%	9.3%	7.8%
EBIT growth Y/Y	9.8%	-13.2%	2.7%	17.9%	43.7%	146.5%	-10.2%	36.5%	9.8%	8.2%
EBITDA margin	13.0%	12.4%	13.2%	13.9%	14.6%	15.8%	15.0%	16.7%	17.4%	18.0%
EBITA margin	10.0%	9.0%	9.5%	10.5%	11.6%	13.3%	12.2%	13.8%	14.5%	15.0%
EBIT margin	9.9%	8.8%	9.2%	10.2%	10.9%	12.8%	11.5%	13.1%	13.8%	14.4%
Tax rate	22.4%	20.6%	22.4%	22.4%	26.1%	19.7%	25.6%	25.1%	26.0%	26.0%
Cash flow (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	83	77	80	90	127	290	273	366	397	426
Paid taxes	-14	-16	0	-12	0	-30	-49	-53	-73	-81
Change in NWC	-6	-2	-17	18	-5	0	13	-79	-20	-19
Non cash adjustments	1	-2	0	2	-10	8	10	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
<b>Total operating activities</b>	<b>64</b>	<b>58</b>	<b>63</b>	<b>98</b>	<b>112</b>	<b>269</b>	<b>246</b>	<b>233</b>	<b>304</b>	<b>326</b>
Capex tangible assets	-9	-11	-21	-18	-6	-14	-12	-60	-14	-14
Capitalised development costs	-6	-6	-5	-9	-7	-9	-11	-13	-14	-14
Capex - other intangible assets	-2	-1	0	0	-1	-7	-3	0	0	0
Acquisitions/divestments	0	0	0	-57	-788	-149	-477	0	0	0
Other non-cash adjustments	0	0	0	0	0	0	0	0	0	0
<b>Total investing activities</b>	<b>-18</b>	<b>-18</b>	<b>-26</b>	<b>-84</b>	<b>-803</b>	<b>-179</b>	<b>-502</b>	<b>-73</b>	<b>-27</b>	<b>-28</b>
Net financial items	-3	-3	-3	-4	-15	-28	-51	-75	-35	-28
Lease payments	0	0	-2	0	0	-17	-23	-31	-32	-33
Dividend paid and received	-47	-48	-26	0	-26	0	-53	-64	-74	-79
Share issues & buybacks	0	0	0	0	0	480	0	391	0	0
Change in bank debt	4	15	8	12	992	-655	407	-399	-136	-156
Other cash flow items	-1	1	1	1	2	0	0	0	0	0
<b>Total financing activities</b>	<b>-47</b>	<b>-35</b>	<b>-22</b>	<b>8</b>	<b>952</b>	<b>-222</b>	<b>280</b>	<b>-177</b>	<b>-277</b>	<b>-297</b>
Operating cash flow	64	58	63	98	112	269	246	233	304	326
Free cash flow	43	37	32	67	82	193	147	54	210	236
Net cash flow	-1	5	15	22	261	-131	24	-17	0	0
Change in net IB debt	-5	-10	7	7	-736	534	-390	382	136	156
Capex / Sales	1.5%	1.8%	3.4%	2.8%	0.7%	0.7%	0.6%	2.7%	0.6%	0.6%
NWC / Sales	21.4%	22.6%	24.6%	23.2%	23.5%	17.1%	21.2%	20.7%	22.0%	22.0%

Source: Carnegie Research &amp; company data

## Financial statements, cont.

Balance sheet (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Acquired intangible assets	114	114	114	162	485	614	838	838	838	838
Other fixed intangible assets	49	46	46	98	503	388	543	527	511	495
Capitalised development	0	0	0	0	0	0	0	0	0	0
Tangible assets	70	70	75	71	282	289	379	419	413	406
Lease assets	0	0	9	9	40	28	82	82	82	82
Other IB assets (1)	0	0	0	0	0	0	0	0	0	0
Other non-IB assets	0	0	0	0	0	2	3	3	3	3
<b>Fixed assets</b>	<b>233</b>	<b>231</b>	<b>245</b>	<b>341</b>	<b>1,311</b>	<b>1,320</b>	<b>1,845</b>	<b>1,870</b>	<b>1,847</b>	<b>1,824</b>
Inventories (2)	131	118	134	130	342	444	499	599	624	649
Receivables (2)	118	126	120	138	322	291	296	356	371	385
Prepaid exp. & other NWC items (2)	7	5	5	7	66	16	44	48	50	51
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	0	7	0	0	2	19	21	21	21	21
Cash & cash equivalents (1)	16	21	36	58	320	200	217	200	200	200
<b>Current assets</b>	<b>272</b>	<b>277</b>	<b>296</b>	<b>334</b>	<b>1,051</b>	<b>971</b>	<b>1,076</b>	<b>1,223</b>	<b>1,265</b>	<b>1,305</b>
<b>Total assets</b>	<b>505</b>	<b>508</b>	<b>541</b>	<b>674</b>	<b>2,362</b>	<b>2,291</b>	<b>2,921</b>	<b>3,093</b>	<b>3,113</b>	<b>3,129</b>
Shareholders' equity	168	163	179	227	267	935	979	1,465	1,598	1,750
Minorities	0	0	0	0	0	0	0	0	0	0
Other equity	0	0	0	0	0	0	0	0	0	0
<b>Total equity</b>	<b>168</b>	<b>163</b>	<b>179</b>	<b>227</b>	<b>267</b>	<b>935</b>	<b>979</b>	<b>1,465</b>	<b>1,598</b>	<b>1,750</b>
Deferred tax	13	17	21	36	173	132	174	174	174	174
LT IB debt (1)	131	131	132	132	528	563	490	490	490	490
Other IB provisions (1)	0	0	0	0	0	0	0	0	0	0
Lease liabilities	0	0	10	9	39	29	83	83	83	83
Other non-IB liabilities	15	0	0	25	163	164	187	187	187	187
<b>LT liabilities</b>	<b>158</b>	<b>148</b>	<b>162</b>	<b>202</b>	<b>903</b>	<b>887</b>	<b>934</b>	<b>934</b>	<b>934</b>	<b>934</b>
ST IB debt (1)	56	86	93	105	718	61	576	177	41	-115
Payables (2)	50	43	37	39	102	113	161	194	202	210
Accrued exp. & other NWC items (2)	66	65	64	94	362	279	263	316	329	342
Other ST non-IB liabilities	6	3	5	8	10	16	9	9	9	9
Liabilities - assets held for sale	0	0	0	0	0	0	0	0	0	0
<b>Current liabilities</b>	<b>178</b>	<b>197</b>	<b>199</b>	<b>245</b>	<b>1,192</b>	<b>468</b>	<b>1,008</b>	<b>695</b>	<b>581</b>	<b>445</b>
<b>Total equity and liabilities</b>	<b>505</b>	<b>508</b>	<b>541</b>	<b>674</b>	<b>2,362</b>	<b>2,291</b>	<b>2,921</b>	<b>3,093</b>	<b>3,113</b>	<b>3,129</b>
Net IB debt (=1)	171	195	198	188	966	453	931	549	413	257
Net working capital (NWC) (=2)	140	142	159	143	265	360	414	493	513	533
Capital employed (CE)	368	397	434	509	1,725	1,720	2,301	2,388	2,386	2,382
Capital invested (CI)	373	372	404	484	1,576	1,678	2,256	2,360	2,358	2,354
Equity / Total assets	33%	32%	33%	34%	11%	41%	34%	47%	51%	56%
Net IB debt / EBITDA	2.1	2.5	2.5	2.1	7.6	1.6	3.4	1.5	1.0	0.6
<b>Per share data (SEK)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Adj. no. of shares in issue YE (m)	21.09	21.12	21.15	21.16	26.00	33.77	35.32	52.98	52.98	52.98
Diluted no. of Shares YE (m)	21.09	21.12	21.15	21.16	26.00	33.77	35.32	52.98	52.98	52.98
EPS	2.20	1.93	1.96	2.28	2.26	4.90	3.37	3.00	3.91	4.37
EPS adj.	2.40	2.07	2.05	2.72	3.01	5.35	4.07	3.30	4.21	4.66
CEPS	3.17	2.99	2.98	3.40	3.49	6.04	4.48	3.90	4.86	5.35
DPS	2.26	2.25	0.00	1.25	0.00	1.50	1.00	1.20	1.40	1.50
BVPS	7.97	7.71	8.46	10.7	10.3	27.7	27.7	27.7	30.2	33.0
<b>Performance measures</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
ROE	27.5%	24.6%	24.3%	23.7%	23.8%	27.5%	12.4%	13.0%	13.5%	13.8%
Adj. ROCE pre-tax	19.0%	15.7%	15.1%	17.3%	11.3%	15.4%	12.7%	13.1%	14.0%	15.1%
Adj. ROIC after-tax	14.2%	12.4%	11.6%	13.6%	8.6%	12.4%	9.1%	9.8%	10.4%	11.2%
<b>Valuation</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
FCF yield	1.9%	1.6%	1.4%	2.9%	3.5%	8.3%	6.3%	2.3%	9.0%	10.1%
Dividend yield YE	8.8%	14.3%	0.0%	5.1%	0.0%	6.8%	3.2%	2.9%	3.2%	3.4%
Dividend payout ratio	102.3%	116.9%	0.0%	54.9%	0.0%	30.6%	29.7%	40.0%	35.8%	34.3%
Dividend + buy backs yield YE	8.8%	8.0%	0.0%	5.1%	0.0%	7.1%	5.8%	3.4%	3.4%	3.3%
EV/Sales YE	1.11	0.85	0.89	1.09	2.96	0.66	1.11	1.25	1.20	1.09
EV/EBITDA YE	8.5	6.8	6.8	7.9	20.3	4.1	7.4	7.5	6.9	6.1
EV/EBITA YE	11.1	9.4	9.4	10.4	25.5	4.9	9.2	9.1	8.3	7.2
EV/EBITA adj. YE	10.4	9.1	9.4	9.1	21.5	4.8	8.5	9.1	8.3	7.2
EV/EBIT YE	11.3	9.6	9.7	10.7	27.0	5.1	9.7	9.6	8.7	7.6
P/E YE	11.6	8.2	8.3	10.8	27.3	4.5	9.3	13.8	11.2	10.0
P/E adj. YE	10.6	7.6	8.0	9.1	20.5	4.1	7.7	12.6	10.4	9.4
P/BV YE	3.21	2.04	1.94	2.29	6.02	0.80	1.13	1.50	1.46	1.33
Share price YE (SEK)	25.6	15.7	16.4	24.6	61.8	22.2	31.2	41.5	43.9	

Source: Carnegie Research &amp; company data

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