

NEWS FLASH

18 February 2025

Sweden

Consumer Discretionary & Staples

Research analysts:

Örjan Rödén

Bokusgruppen

Share price: SEK49.8

Fair value range: SEK48.0–62.0

Record high sales and earnings – Q4(24) initial comment

A strong end to 2024

Bokusgruppen reported a strong end to 2024, making for its best Q4 ever. Q4 sales of SEK721m were 3% above our estimate and implied Y/Y growth of 8%, a combination of organic growth and acquisitions, split 50/50 in the quarter. Sales from stores increased 12.4% while online sales growth was slower, at 1.4%. In the online segment traditional literature is posting healthy growth according to the company, while student books continue to be weak, in line with recent quarters. Q4 EBIT of SEK104m was 5% ahead of our estimates, implying growth of 5% and an EBIT margin of 14.4%. Gross margin, a key driver of the improved earnings over the last three years, improved by 0.3%-points in the quarter. The cost increase of 11.9% seems high but is impacted by more stores, investments in IT and logistics, and annual increases of rents and salaries. Recent acquisitions have also impacted the cost base temporarily. Cash flow after investments of SEK135m was stronger than our estimate (SEK118m), mainly due to stronger working capital inflow than we expected. The proposed dividend of SEK3.6/share was above our forecast of SEK3.5.

More evidence of stable growth, margin expansion and attractive dividend yield

The report demonstrated Bokusgruppen's core strengths, in our view. We see stable organic growth, now coupled with acquisitions, margin expansion and solid cash flows which support an attractive dividend policy as the key message from the report. The company has made significant investments in logistics, which should support further growth and margin expansion, in our opinion.

Upcoming events

- Q4 Report: 18 Feb 2025
- Q1 Report: 25 Apr 2025
- AGM 2024: 07 May 2025

Webcast 10:00 CET

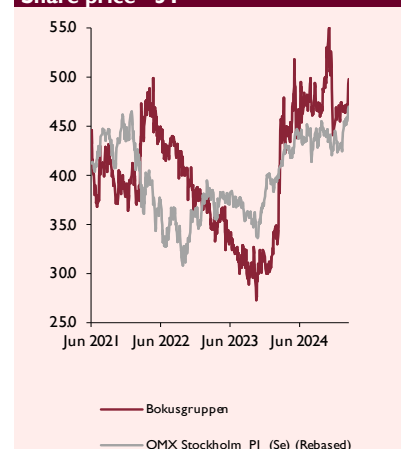
[https://www](https://www.bokusgruppen.se/webcast)

Key facts

No. shares (m)	16.2
Market cap. (USDm)	75
Market cap. (SEKm)	804
Net IB Debt. (SEKm)	234
Adjustments (SEKm)	0
EV (2024e) (SEKm)	1,038
Free float	18.5%
Avg. daily vol. ('000)	6
Risk	High Risk
Fiscal year end	December
Share price as of (CET)	17 Feb 2025 17:22

Key figures (SEK)	2023	2024e	2025e	2026e
Sales (m)	1,870	1,971	2,199	2,281
EBITDA (m)	253	266	290	301
EBIT (m)	70	72	82	93
EPS	2.51	2.54	3.15	3.68
EPS adj.	3.72	3.78	4.39	4.92
DPS	3.30	3.50	3.75	4.00
Sales growth Y/Y	3%	5%	12%	4%
EPS adj. growth Y/Y	77%	2%	16%	12%
EBIT margin	3.7%	3.6%	3.7%	4.1%
P/E adj.	13.4	13.2	11.3	10.1
EV/EBIT	9.3	13.6	12.2	10.5
EV/EBITA	7.3	10.7	9.8	8.7
EV/EBITDA	2.6	3.7	3.5	3.3
P/BV	1.2	1.3	1.3	1.3
Dividend yield	6.6%	7.0%	7.5%	8.0%
FCF yield	10.9%	9.0%	11.5%	10.0%
Equity/Total Assets	44.2%	43.0%	41.2%	40.6%
ROCE	6.9%	7.1%	8.3%	9.4%
ROE adj.	9.1%	9.4%	11.1%	12.5%
Net IB debt/EBITDA	0.6	0.9	0.7	0.6

Share price - 5Y



High/Low (12M)	SEK55/38.2			
Perf.	3M	6M	12M	YTD
Abs.	-5.3	6.4	25.1	8.3
Rel.	-15.4	-1.5	9.5	-2.1

Source: Carnegie Research, FactSet, Millstream & company data

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Deviation table

SEKm	2023				2024				Carnegie	
	Q1	Q2	Q3	Q4e	Q1	Q2	Q3	Q4a		Dev
Sales	447	342	416	665	464	350	453	721	703	3%
Growth	1%	0%	-1%	8%	4%	2%	9%	8%	6%	3pp
Adj EBIT	-7	-35	12	100	0	-34	6	104	99	5%
Adj EBIT margin	-1.6%	-10.1%	2.9%	15.0%	0.0%	-9.8%	1.4%	14.4%	14.1%	0pp
EO	0	0	0	0	0	0	0	0	0	
EBIT	-7	-35	12	100	0	-34	6	104	99	5%
EBIT margin	-1.6%	-10.1%	2.9%	15.0%	0.0%	-9.8%	1.4%	14.4%	14.1%	0pp
Net financials	-4	-5	-5	-5	-4	-5	-6	-6	-5	n.m.
Pre-tax Profit	-11	-40	7	95	-4	-39	0	98	95	3%
Tax	2	8	-2	-20	1	8	0	-21	-20	
Tax rate	21%	21%	21%	21%	26%	21%	n.m.	22%	21%	0pp
Net profit	-8	-31	6	75	-3	-31	0	77	75	3%
EPS (SEK)	-0.5	-1.9	0.3	4.6	-0.2	-1.9	0.0	4.8	4.6	3%
EPS Adj (SEK)	-0.2	-1.6	0.7	5.0	0.1	-1.6	0.3	5.1	4.9	3%

Source: Carnegie Research, Company data

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