NIBE INDUSTRIER B

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COMPANY REPORT

Heat pump recovery offsets weakness in Stoves

We believe that NIBE delivered a solid start to the year, with the Q1 report coming in broadly in line with our expectations. While the Stoves segment remained a drag and the near-term outlook is somewhat softer than we had anticipated, the underlying organic growth and margins within the key Climate Solutions business area continued to gradually recover. In addition, European heat pump market data continues to indicate improving demand trends, supporting our estimates for a continued recovery. Medium-term valuation multiples (2026-2027: P/E 21-24x and EV/EBIT: 16-19x) are below the company's long-term medians and appear attractive in our view. Therefore, we believe the company's interesting long-term investment story can be accessed with a good risk/reward ratio at the current valuation, and we reiterate our Accumulate recommendation and target price of SEK 44 per share.

Climate Solutions powers the recovery

In our view, NIBE's Q1 report showed overall clear signs that the turnaround is progressing in the right direction. Once again, Climate Solutions stood out on the positive side, with FX-adj. organic growth of 10.3%, slightly above our expectations. The organic growth was mainly driven by a recovery in the underlying European heat pump market, while the US market was somewhat slower following the removal of subsidies in private homes. Revenue growth in the Element business area came in slightly below our expectations, with FX-adjusted organic growth of 6.7%, while the Stoves segment disappointed again with FX-adjusted revenue growth of -2%, reflecting weak consumer confidence, particularly in Europe.

From a profitability perspective, NIBE's EBIT rose 11% to 868 MSEK, also roughly in line with our estimates. Climate Solutions' Q1 operating margin slightly exceeded our expectations, driven by increased sales volumes and sustained effective cost control. The Element business area's operating margin, however, was marginally below our estimates. In contrast, Stoves reported a significantly lower-than-expected EBIT margin of just 4.4% due to lower sales volumes and negative effect from tariffs.

We have made only minor revisions to our earnings estimates on group level

Overall, our group-level revenue estimates remain broadly unchanged. We continue to expect solid organic growth of 5% in 2026, accelerating to 8% in 2027, supported by recovering consumer demand, a gradual rebound in new-build activity, and structural growth in energy-efficient heating. Following NIBE's more cautious short-term margin outlook for Stoves, we have lowered our profitability estimates for the business area. However, stronger-than-expected profitability in Climate Solutions and improving heat pump market trends increase our confidence in the margin trajectory, and we expect EBIT to reach around 14% in the business area in 2026. Given the size of Climate Solutions and our largely unchanged estimates for Element, these factors more than offset weaker profitability in Stoves, leading us to slightly raise our earnings estimates at the group level for the coming years.

We reiterate our Accumulate Recommendation

We forecast good earnings growth in the coming years, driven by solid volume growth and a gradual margin increase. Although we expect some downward pressure on LTM earnings multiples (adj. P/E LTM: 31x), we believe the expected return is higher than the required return. In addition, the DCF model and peer valuation paint a similar picture. We therefore consider the risk/reward ratio good at the current share price level.

Recommendation
Accumulate
(prev. Accumulate)

Target price:
44.0 SEK
(prev. 44.0 SEK)

Share price:
40.0 SEK

Business risk
●●○○○

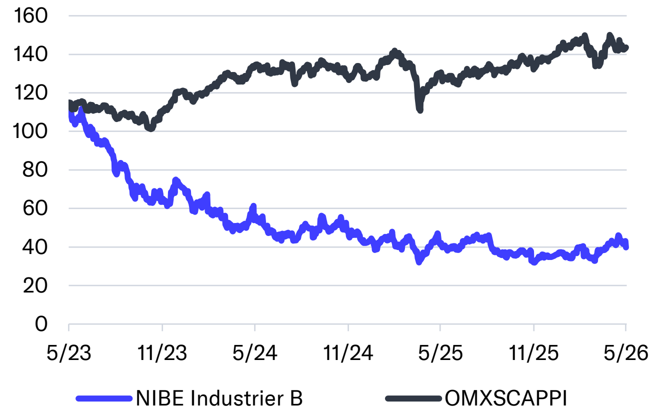
Valuation risk
●●●○○

	2025	2026e	2027e	2028e
Revenue	40,841	42,931	46,455	49,968
growth-%	1%	5%	8%	8%
EBIT adj.	4,303	5,089	5,706	6,349
EBIT-% adj.	10.5 %	11.9 %	12.3 %	12.7 %
Net Income	2,281	3,352	3,867	4,407
EPS (adj.)	1.22	1.66	1.92	2.19
P/E (adj.)	29.2	24.1	20.9	18.3
P/B	2.4	2.5	2.3	2.1
Dividend yield-%	1.0 %	1.4 %	1.6 %	1.6 %
EV/EBIT (adj.)	20.7	18.7	16.2	14.1
EV/EBITDA	14.2	12.9	11.6	10.5
EV/S	2.2	2.2	2.0	1.8

Source: Inderes

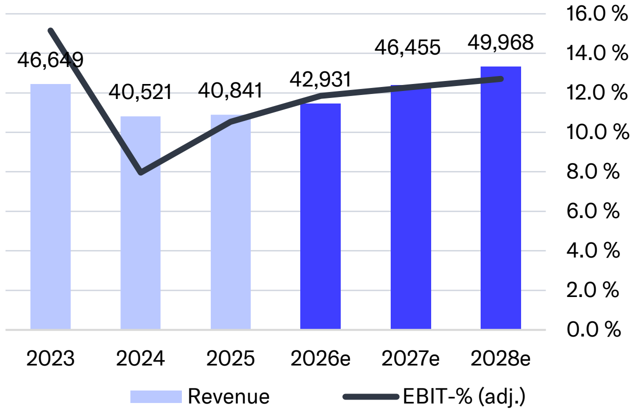
Guidance (NIBE does not provide any guidance)

Share price



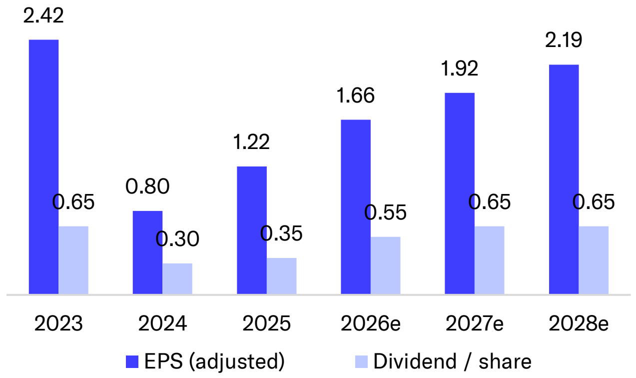
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

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	2026e	2027e	2028e
Share price	40.0	40.0	40.0
Number of shares, millions	2,016	2,016	2,016
Market cap	80,643	80,643	80,643
EV	95,028	92,375	89,438
P/E (adj.)	24.1	20.9	18.3
P/E	24.1	20.9	18.3
P/B	2.5	2.3	2.1
P/S	1.9	1.7	1.6
EV/Sales	2.2	2.0	1.8
EV/EBITDA	12.9	11.6	10.5
EV/EBIT (adj.)	18.7	16.2	14.1
Payout ratio (%)	33.1 %	33.9 %	29.7 %
Dividend yield-%	1.4 %	1.6 %	1.6 %

Source: Inderes

Climate Solutions powers recovery

Recovery continues driven by Climate Solutions

NIBE's Q1 revenue reached 9.7 BSEK, corresponding to roughly flat growth compared to last year, largely in line with both our and consensus estimates. NIBE continues to be negatively affected by the strengthened SEK on reported figures; adjusted for FX effects, organic growth amounted to a solid 7.1%. At the business area level, we believe that Climate Solutions (Q1'26: 6.2 BSEK) once again stood out on the positive side, with FX-adj. organic growth of 10.3%, slightly above our expectations. The organic growth was mainly driven by a recovery in the underlying European heat pump market, while the US market was slower following the removal of subsidies in private homes. The Element business area (Q1'26: 2.8 BSEK) came in only slightly below our expectations with FX-adj. organic revenue growth of some 6.7%, mainly driven by a continued positive development in the rail-based transport and HVAC segment, while white goods and construction-related products remained a drag. Stoves (0.8 BSEK) disappointed our expectations again, with FX-adj. revenue growth of -2%, mainly due to weak consumer confidence, especially in Europe.

Volume growth drives margin recovery

In Q1'26, NIBE's EBIT rose 11% to 868 MSEK, also roughly in line with our estimates. Climate Solutions' Q1 operating margin slightly exceeded our expectations, driven by increased sales volumes and sustained effective cost control. The Element business area's operating margin, however, was marginally below our estimates. In contrast, Stoves reported a significantly lower-than-expected EBIT margin of just 4.4%. While previously implemented cost-cutting measures and what we view as continued good cost control supported profitability, lower sales volumes and the negative effect from tariffs negatively affected operating profit. In the lower lines of the income statement, EPS amounted to 0.25 SEK, roughly in line with both our and consensus forecasts.

Cash flow on good levels in line with typical seasonality

In our view, operating cash flow, after changes in working capital, was quite good and amounted to 539 MSEK (243 MSEK), in line with NIBE's typical seasonality where the company tends to tie up capital during the first half of the year. NIBE currently holds 9.5 BSEK in inventory, equivalent to ~23% of its rolling 12-month revenue, which is still significantly higher than the pre-pandemic levels of 17-18%. The net debt/EBITDA ratio amounted to 2.7x by the end of the period. While we believe leverage remains high, we expect it to improve alongside profitability and are not currently concerned. While we would not be surprised to see minor acquisitions going forward as leverage keeps going down, we believe that significant near-term M&A is unlikely.

Estimates	Q1'25	Q1'26	Q1'26e	Q1'26e	Consensus			Difference (%)	2026e
MSEK / SEK	Comparison	Actualized	Inderes	Consensus	Low		High	Act. vs. inderes	Inderes
Revenue	9,673	9,650	9,714	9,624	9,443	-	9,802	-1%	42,931
EBIT (adj.)	782	868	859	866	818	-	961	1%	5,089
EBIT	782	868	859	866	818	-	961	1%	5,089
PTP	514	675	619	665	630	-	747	9%	4,326
EPS (adj.)	0.19	0.25	0.24	0.25	0.24	-	0.27	4%	1.66
Revenue growth-%	1.9 %	-0.2 %	0.4 %	-0.5 %	-2.4 %	-	1.3 %	-0.7 pp	5.1 %
EBIT-%	8.1 %	9.0 %	8.8 %	9.0 %	8.7 %	-	9.8 %	0.2 pp	11.9 %

Source: Inderes & Bloomberg (12.05.2026 11 analysts) (consensus)

We have made only minor revisions to our earnings estimates on group level

We have kept our revenue estimates largely unchanged

In our view, NIBE's performance and market data continue to indicate a gradual recovery, with Q1 heat pump sales up 17% in 11 European countries (led by France, Germany, Poland, and Finland, averaging ~30% growth). We believe this growth is driven by national subsidy schemes, rising energy prices, and energy insecurity, while underlying demand in the US remains relatively stable. In our view, near-term headwinds persist despite strengthening consumer demand, including a sluggish new-build market and subsidy uncertainties in the US and France. We slightly increased our Climate Solutions revenue estimates due to favorable market developments, kept Element largely unchanged, and lowered Stoves due to weak European consumer confidence. Overall, our group-level revenue estimates remain largely unchanged. We still expect solid organic growth of 5% in 2026, accelerating to 8% in 2027, driven by a recovery in consumer purchasing power, a gradual new-build rebound, and structural growth in energy-efficient heating.

More cautious short-term outlook in Stoves business area

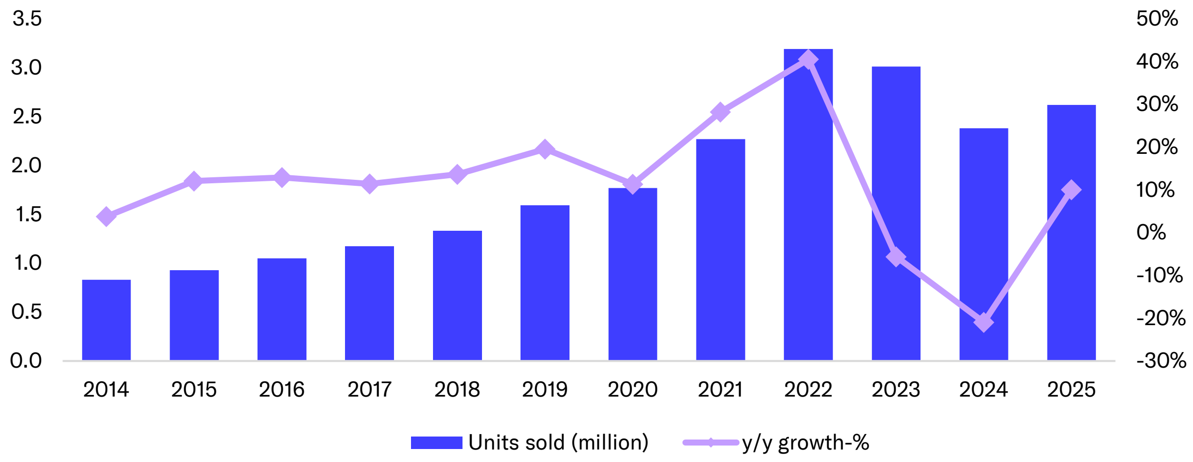
While NIBE does not provide specific numerical guidance, the company has consistently repeated its ambition for all three business areas to return to historical operating margin ranges. In 2025, Climate Solutions met this target, while Element fell slightly short and Stoves missed it materially. In the Q1 report, we believe that NIBE's communication implied confidence in reaching an operating margin well in line with the historical ranges in Climate Solutions (13-15%) and Element (8-11%). In Stoves, however, the company noted that the sharp tariff increase applied to finished products imported into the US starting in April will be difficult to offset without losing market share. As a result, NIBE communicated a more cautious short-term margin outlook in the Stoves business of 6-8% (prev. 10-13%). While we did not expect the company to reach its former target range in our previous estimates, the new short-term assessment was still below our expectations. As a result, we have reduced our profitability estimates for the Stoves business area, and we now expect the company to reach an operating margin of around 6.7% for the full year 2026. However, as profitability in Climate Solutions has developed slightly better than expected and the underlying heat pump market shows a good recovery, we are more confident in the margin target and expect the company to reach roughly the middle of the range (around 14% EBIT) for the full year 2026. Given the business area's large share of the group and our largely unchanged estimates for Element, these factors more than offset the lower profitability estimates for Stoves. Consequently, our earnings estimates have been raised slightly for the coming years.

Estimate revisions MSEK / SEK	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	42,964	42,931	0%	46,405	46,455	0%	49,914	49,968	0%
EBITDA	7,260	7,381	2%	7,926	7,950	0%	8,561	8,549	0%
EBIT (exc. NRIs)	5,035	5,089	1%	5,670	5,706	1%	6,351	6,349	0%
EBIT	5,035	5,089	1%	5,670	5,706	1%	6,351	6,349	0%
PTP	4,165	4,326	4%	4,970	5,006	1%	5,701	5,699	0%
EPS (excl. NRIs)	1.61	1.66	3%	1.90	1.92	1%	2.19	2.19	0%
DPS	0.55	0.55	0%	0.65	0.65	0%	0.65	0.65	0%

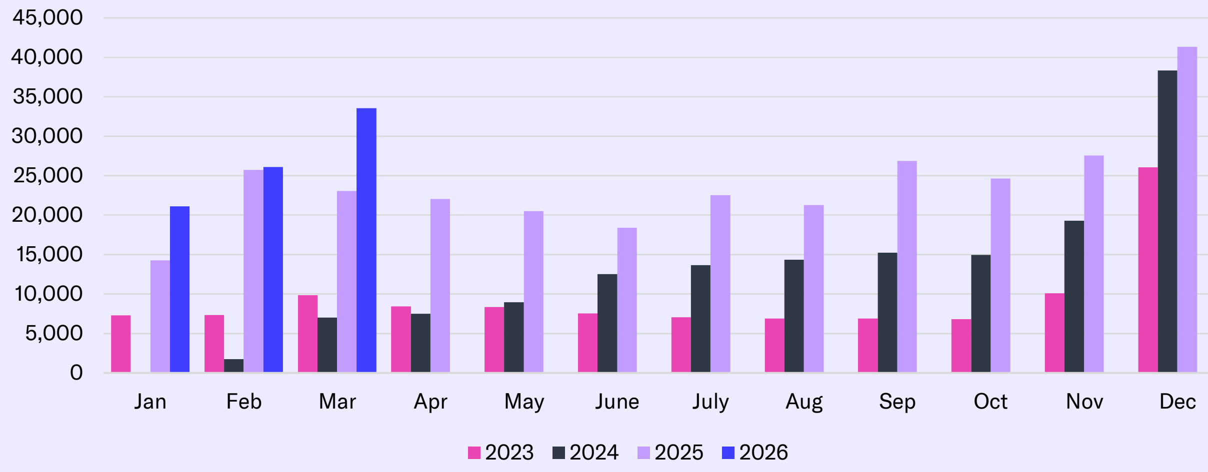
Source: Inderes

European heat pump market figures

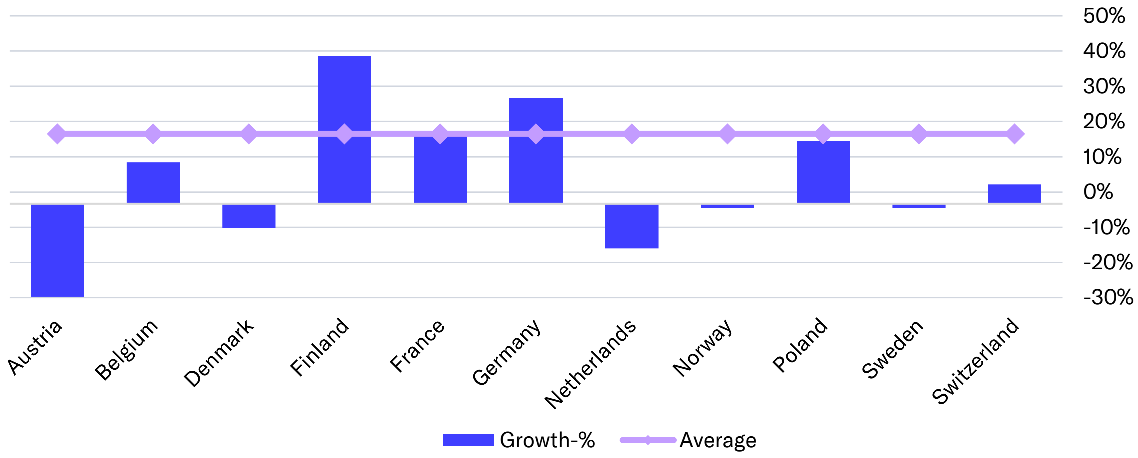
European heat pump market development



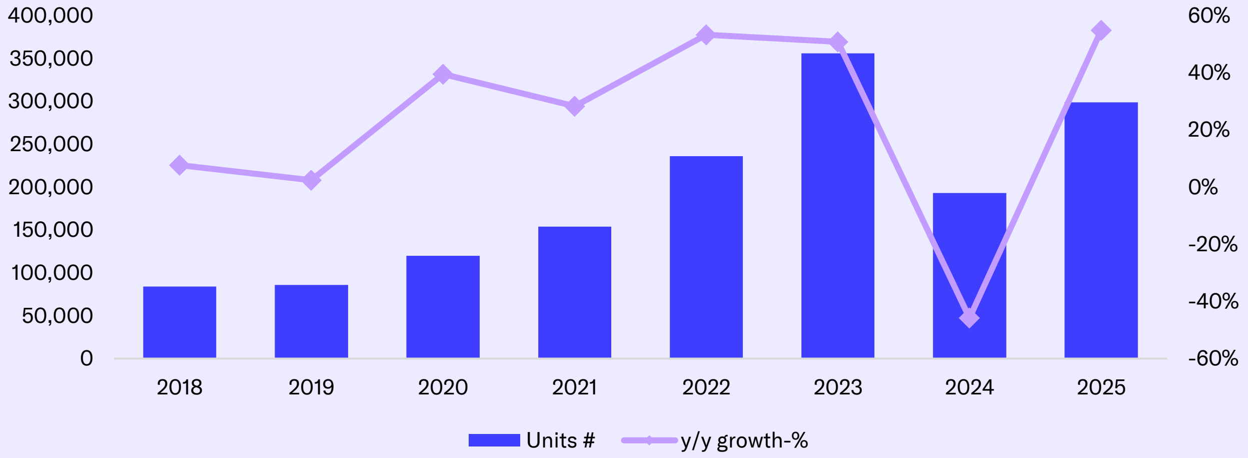
Applications for heat pump subsidies in Germany



European heat pump sales growth in Q1'26



Heat pump sales in Germany



Source: Inderes, EHPA, SKVP, BDH, BMWK

We reiterate our Accumulate recommendation

Valuation multiples at attractive levels

NIBE is currently progressing in its turnaround, and the 2026 valuation multiples are P/E: 24x and EV/EBIT: 19x. These multiples are slightly below the company's historical long-term medians (P/E: ~27 and EV/EBIT: ~22x), and we view them as relatively neutral. Looking ahead, if the market environment continues to improve and our forecast of an earnings recovery continues materializing, the estimated 2027 multiples of P/E: 21x and EV/EBIT: 16x look attractive to us. However, the 2027 multiples are based on estimates that depend on substantial and still uncertain improvements in earnings. Key uncertainties include the macroeconomic environment, a sluggish construction market, and subsidy uncertainty in certain heat pump markets. In addition, intensifying competition could put pressure on pricing power over time. Nevertheless, the 2026-2027 average valuation multiples fall within our acceptable valuation range (P/E: 22-28x and EV/EBIT: 17-20x) and appear attractive to us.

Priced below its heat pump peers

On a relative basis, NIBE is trading roughly in line with its overall peer group, based on earnings multiples for 2026-27. When comparing only to its international heat pump peers (such as Carrier, Trane, Lennox, and Beijer Ref), NIBE is trading at a discount to the average of 2026-27 earnings multiples. On the one hand, we believe that NIBE holds a strong long-term track record of profitable growth and high returns on capital, which could justify a premium. On the other hand, growth outlook and margin potential are quite similar. In addition, NIBE is a smaller company compared to the overall peer group. All in all, we believe that NIBE's roughly 10% discount relative to the average 2026–27 earnings multiples of its heat pump peers suggests some potential upside in the valuation.

DCF also suggests some upside

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. With these assumptions, our DCF model arrives at an equity value of around 89 BNSEK, which translates to around SEK 44 per share. This is in line with our target price and above the current share price, suggesting some upside.

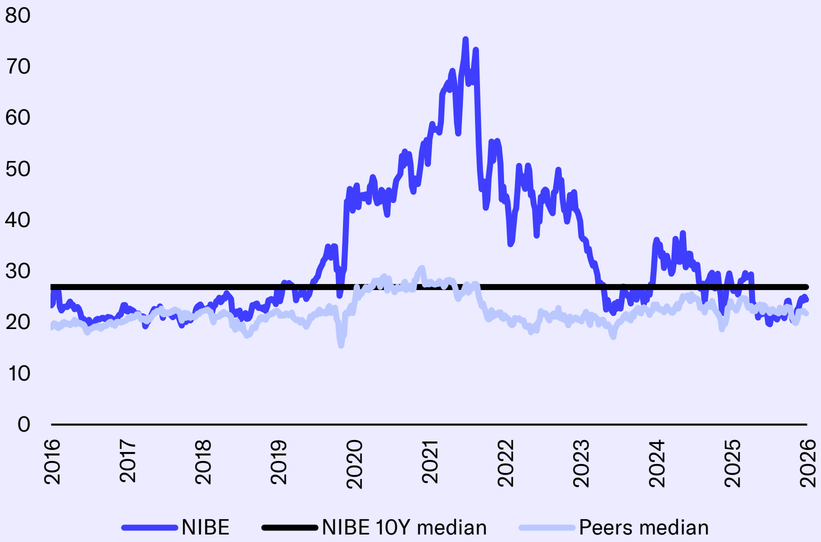
Expected return is sufficient in the medium term

We expect investors to receive an annual dividend of about 1-2% over the next few years for the current share price. However, we do not deem dividends very significant for NIBE's expected returns, as its profile is that of a growth company. We believe that NIBE's valuation is high on an actual earnings basis (adj. P/E LTM: 31x). Although we expect some downward pressure on LTM earnings multiples, we believe that the strong medium-term earnings growth offers a total expected return above our required return. We, therefore, consider the risk/reward ratio good and reiterate our Accumulate recommendation and target price of SEK 44 per share.

Valuation	2026e	2027e	2028e
Share price	40.0	40.0	40.0
Number of shares, millions	2,016	2,016	2,016
Market cap	80,643	80,643	80,643
EV	95,028	92,375	89,438
P/E (adj.)	24.1	20.9	18.3
P/E	24.1	20.9	18.3
P/B	2.5	2.3	2.1
P/S	1.9	1.7	1.6
EV/Sales	2.2	2.0	1.8
EV/EBITDA	12.9	11.6	10.5
EV/EBIT (adj.)	18.7	16.2	14.1
Payout ratio (%)	33.1 %	33.9 %	29.7 %
Dividend yield-%	1.4 %	1.6 %	1.6 %

Source: Inderes

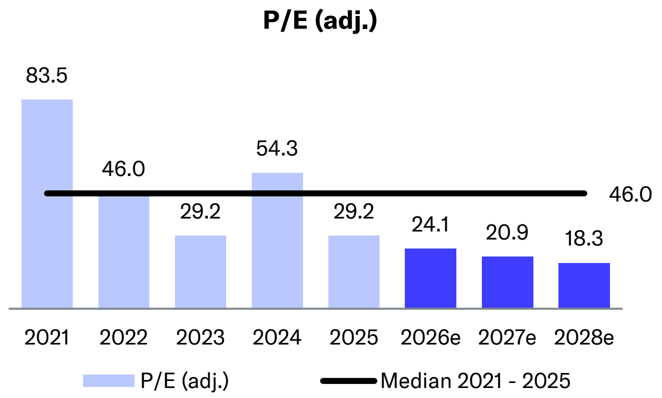
Historical trading multiples, P/E (NTM)

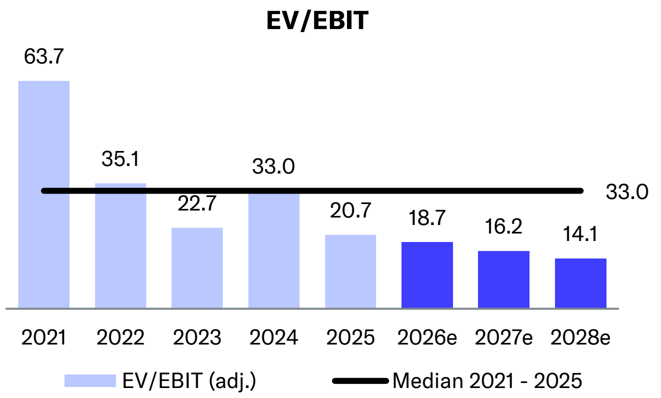


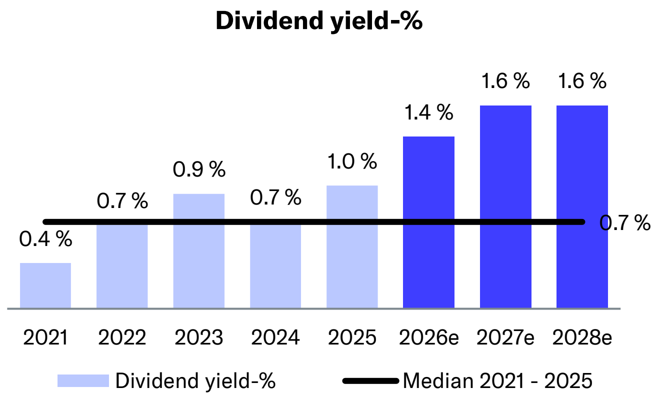
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	136.8	97.1	70.8	43.2	35.6	**40.0**	**40.0**	**40.0**	**40.0**
Number of shares, millions	2,016	2,016	2,016	2,016	2,016	**2,016**	**2,016**	**2,016**	**2,016**
Market cap	275,697	195,760	142,738	87,175	71,772	**80,643**	**80,643**	**80,643**	**80,643**
EV	283,549	202,352	160,174	106,382	88,961	**95,028**	**92,375**	**89,438**	**86,471**
P/E (adj.)	83.5	46.0	29.2	54.3	29.2	**24.1**	**20.9**	**18.3**	**15.9**
P/E	83.0	45.0	29.8	74.9	31.5	**24.1**	**20.9**	**18.3**	**15.9**
P/B	12.9	7.0	5.2	2.7	2.4	**2.5**	**2.3**	**2.1**	**1.9**
P/S	8.9	4.9	3.1	2.2	1.8	**1.9**	**1.7**	**1.6**	**1.5**
EV/Sales	9.2	5.0	3.4	2.6	2.2	**2.2**	**2.0**	**1.8**	**1.6**
EV/EBITDA	49.2	27.1	18.2	21.6	14.2	**12.9**	**11.6**	**10.5**	**9.4**
EV/EBIT (adj.)	63.7	35.1	22.7	33.0	20.7	**18.7**	**16.2**	**14.1**	**12.3**
Payout ratio (%)	30.4 %	30.1 %	27.4 %	52.0 %	30.9 %	**33.1 %**	**33.9 %**	**29.7 %**	**30.0 %**
Dividend yield-%	0.4 %	0.7 %	0.9 %	0.7 %	1.0 %	**1.4 %**	**1.6 %**	**1.6 %**	**1.9 %**

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 2026e	 2027e	EV/EBITDA 2026e	 2027e	EV/S 2026e	 2027e	P/E 2026e	 2027e	Dividend yield-% 2026e	 2027e	P/B 2026e
Kone	27,158	26,846	17.4	16.3	14.8	13.6	2.3	2.2	23.7	21.2	3.8	4.1	8.9
Assa Abloy	34,098	39,949	16.8	15.4	14.0	12.9	2.8	2.7	21.5	19.3	2.0	2.2	3.3
Hexagon	24,672	25,980	18.9	18.3	12.1	13.9	5.1	4.9	23.4	20.3	1.8	1.8	2.2
Beijer Ref	5,858	6,826	18.5	17.1	14.8	13.8	1.9	1.8	23.2	20.8	1.3	1.4	2.7
Tomra Systems	2,632	3,269	19.9	12.0	11.4	8.0	2.2	1.8	23.6	13.5	2.4	3.7	4.1
Thule Group	2,287	2,669	16.4	14.6	13.6	12.3	2.8	2.6	20.1	17.7	3.9	4.4	3.2
Munters Group	3,401	3,994	22.4	15.5	16.0	11.8	2.6	2.2	30.8	20.0	0.9	1.3	7.0
Trane Technologies	87,425	90,510	23.9	21.3	22.0	19.6	4.5	4.2	30.9	27.2	0.9	0.9	10.7
Carrier	46,024	55,563	20.4	18.2	15.7	14.3	2.9	2.8	23.0	20.2	1.5	1.6	4.0
Lennox International Inc	14,988	16,254	16.8	15.4	15.2	14.1	3.4	3.2	20.6	18.7	1.0	1.1	10.3
Daikin Industries	38,073	39,282			11.0	10.2	1.5	1.4	26.6	24.1	1.4	1.5	2.3
Mitsubishi Electric	72,564	71,057			20.8	15.6	2.3	2.2	36.6	27.0	0.9	1.1	3.2
NIBE Industrier B (Inderes)	**7,331**	**8,639**	**18.7**	**16.2**	**12.9**	**11.6**	**2.2**	**2.0**	**24.1**	**20.9**	**1.4**	**1.6**	**2.5**
Average			**19.1**	**16.4**	**15.1**	**13.3**	**2.9**	**2.7**	**25.3**	**20.8**	**1.8**	**2.1**	**5.1**
Median			**18.7**	**15.9**	**14.8**	**13.7**	**2.7**	**2.4**	**23.5**	**20.2**	**1.4**	**1.5**	**3.6**
Diff-% to median			***0%***	***2%***	***-13%***	***-15%***	***-17%***	***-17%***	***2%***	***3%***	***-4%***	***5%***	***-32%***

Source: Refinitiv / Inderes

Income statement

Income statement	2024	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**40,521**	**40,841**	**9,650**	**10,526**	**10,776**	**11,979**	**42,931**	**46,455**	**49,968**	**53,799**
Climate Solutions	26,037	26,918	6,228	7,199	7,193	8,012	28,631	31,065	33,395	35,900
Element	11,092	11,284	2,845	2,882	2,974	3,040	11,741	12,505	13,443	14,451
Stoves	3,864	3,475	833	644	820	1,148	3,445	3,686	3,981	4,299
Eliminations	-472	-836	-256	-200	-210	-220	-886	-800	-850	-850
EBITDA	**4,916**	**6,271**	**1,435**	**1,764**	**1,939**	**2,243**	**7,381**	**7,950**	**8,549**	**9,233**
Depreciation	-2,245	-2,146	-567	-575	-575	-575	-2,292	-2,244	-2,200	-2,176
EBIT (excl. NRI)	**3,226**	**4,303**	**868**	**1,189**	**1,364**	**1,668**	**5,089**	**5,706**	**6,349**	**7,057**
EBIT	**2,671**	**4,125**	**868**	**1,189**	**1,364**	**1,668**	**5,089**	**5,706**	**6,349**	**7,057**
Climate Solutions	1,600	3,493	643	950	1,079	1,322	3,994	4,442	4,842	5,385
Element	362	795	187	225	253	274	938	1,063	1,210	1,301
Stoves	143	144	37	39	57	98	231	295	398	473
Eliminations	566	-307	1	-25	-25	-25	-74	-94	-101	-101
Net financial items	-1,135	-970	-193	-190	-190	-190	-763	-700	-650	-500
PTP	**1,536**	**3,155**	**675**	**999**	**1,174**	**1,478**	**4,326**	**5,006**	**5,699**	**6,557**
Taxes	-374	-875	-171	-220	-258	-325	-974	-1,101	-1,254	-1,443
Minority interest	2	1	0	0	0	0	0	-38	-38	-38
Net earnings	**1,164**	**2,281**	**504**	**779**	**916**	**1,153**	**3,352**	**3,867**	**4,407**	**5,077**
EPS (adj.)	**0.80**	**1.22**	**0.25**	**0.39**	**0.45**	**0.57**	**1.66**	**1.92**	**2.19**	**2.52**
EPS (rep.)	**0.58**	**1.13**	**0.25**	**0.39**	**0.45**	**0.57**	**1.66**	**1.92**	**2.19**	**2.52**

Key figures	2024	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-13.1 %	0.8 %	-0.2 %	4.4 %	6.8 %	8.9 %	5.1 %	8.2 %	7.6 %	7.7 %
Adjusted EBIT growth-%	-54.4 %	33.4 %	11.0 %	25.9 %	19.8 %	16.0 %	18.3 %	12.1 %	11.3 %	11.2 %
EBITDA-%	12.1 %	15.4 %	14.9 %	16.8 %	18.0 %	18.7 %	17.2 %	17.1 %	17.1 %	17.2 %
Adjusted EBIT-%	8.0 %	10.5 %	9.0 %	11.3 %	12.7 %	13.9 %	11.9 %	12.3 %	12.7 %	13.1 %
Net earnings-%	2.9 %	5.6 %	5.2 %	7.4 %	8.5 %	9.6 %	7.8 %	8.3 %	8.8 %	9.4 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**46,979**	**43,404**	**42,468**	**42,269**	**42,198**
Goodwill	25,290	25,290	25,290	25,290	25,290
Intangible assets	6,951	4,193	4,658	5,035	5,409
Tangible assets	13,214	12,416	11,624	11,049	10,603
Associated companies	325	325	325	325	325
Other investments	23	23	31	31	31
Other non-current assets	424	405	192	192	192
Deferred tax assets	752	752	348	348	348
Current assets	**23,427**	**21,651**	**23,183**	**24,621**	**25,983**
Inventories	10,644	9,167	9,445	9,756	9,994
Other current assets	0	0	0	0	0
Receivables	7,176	7,026	7,298	7,897	8,495
Cash and equivalents	5,607	5,458	6,440	6,968	7,495
Balance sheet total	**70,406**	**65,055**	**65,651**	**66,891**	**68,182**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**32,140**	**30,290**	**32,936**	**35,694**	**38,791**
Share capital	79	79	79	79	79
Retained earnings	27,480	25,630	28,276	31,034	34,131
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	**22,615**	**20,814**	**18,861**	**18,315**	**16,633**
Deferred tax liabilities	0	0	0	0	0
Provisions	2,787	2,787	2,787	2,787	2,787
Interest bearing debt	17,625	16,129	14,176	13,630	11,948
Convertibles	0	0	0	0	0
Other long term liabilities	2,203	1,898	1,898	1,898	1,898
Current liabilities	**15,651**	**13,951**	**13,854**	**12,882**	**12,758**
Interest bearing debt	7,086	6,428	6,556	4,984	4,263
Payables	8,565	7,523	7,298	7,897	8,495
Other current liabilities	0	0	0	0	0
Balance sheet total	**70,406**	**65,055**	**65,651**	**66,891**	**68,182**

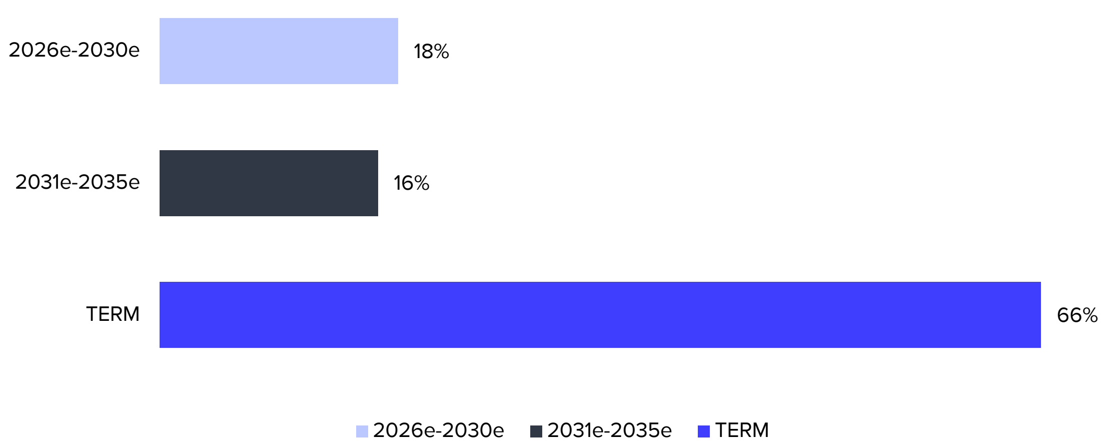
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	0.8 %	5.1 %	8.2 %	7.6 %	7.7 %	6.0 %	5.0 %	5.0 %	5.0 %	5.0 %	2.5 %	2.5 %
EBIT-%	10.1 %	11.9 %	12.3 %	12.7 %	13.1 %	13.5 %	13.5 %	13.5 %	13.5 %	13.5 %	13.5 %	13.5 %
EBIT (operating profit)	**4,125**	**5,089**	**5,706**	**6,349**	**7,057**	**7,699**	**8,084**	**8,488**	**8,912**	**9,358**	**9,595**	
+ Depreciation	2,146	2,292	2,244	2,200	2,176	2,170	2,232	2,247	2,280	2,329	2,343	
- Paid taxes	-875	-570	-1,101	-1,254	-1,443	-1,606	-1,712	-1,823	-1,928	-2,037	-2,089	
- Tax, financial expenses	-269	-172	-154	-143	-110	-88	-66	-44	-33	-22	-22	
+ Tax, financial income	0	0	0	0	0	0	0	0	0	0	0	
- Change in working capital	585	-775	-311	-238	-766	-646	-570	-599	-629	-660	-352	
Operating cash flow	**5,712**	**5,864**	**6,384**	**6,914**	**6,914**	**7,529**	**7,967**	**8,269**	**8,603**	**8,968**	**9,475**	
+ Change in other long-term liabilities	-305	0	0	0	0	0	0	0	0	0	0	
- Gross CAPEX	1,429	-1,760	-2,045	-2,129	-2,216	-2,308	-2,404	-2,500	-2,601	-2,706	-2,521	
Free operating cash flow	**6,836**	**4,104**	**4,339**	**4,786**	**4,698**	**5,221**	**5,562**	**5,769**	**6,002**	**6,262**	**6,954**	
+/- Other	0	0	0	0	0	0	0	0	0	0	0	
FCFF	6,836	4,104	4,339	4,786	4,698	5,221	5,562	5,769	6,002	6,262	6,954	142,188
Discounted FCFF		**3,923**	**3,856**	**3,955**	**3,609**	**3,730**	**3,694**	**3,562**	**3,446**	**3,343**	**3,451**	**70,570**
Sum of FCFF present value		107,141	103,217	99,361	95,407	91,797	88,067	84,373	80,811	77,364	74,022	70,570
Enterprise value DCF		**107,141**										
- Interest bearing debt		-22,557										
+ Cash and cash equivalents		5,458										
+ Associated companies		0										
-Minorities		-93										
-Dividend/capital return		-706										
Equity value DCF		**89,243**										
Equity value DCF per share		**44**										

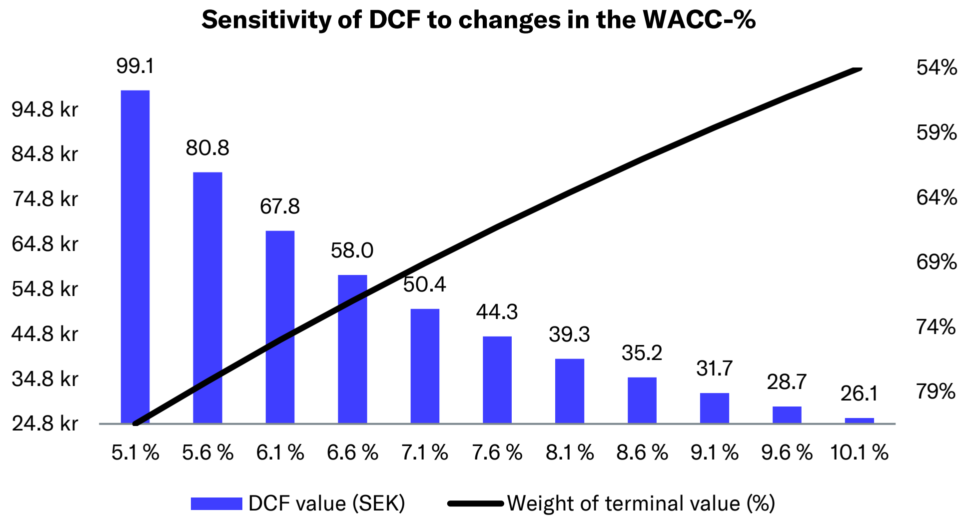
WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E)	15.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	**8.2 %**
Weighted average cost of capital (WACC)	**7.6 %**

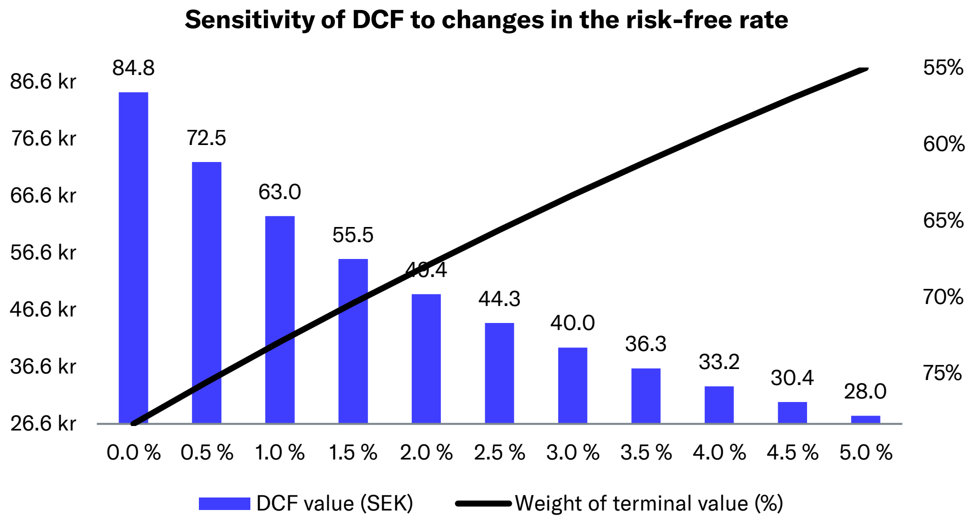
Source: Inderes

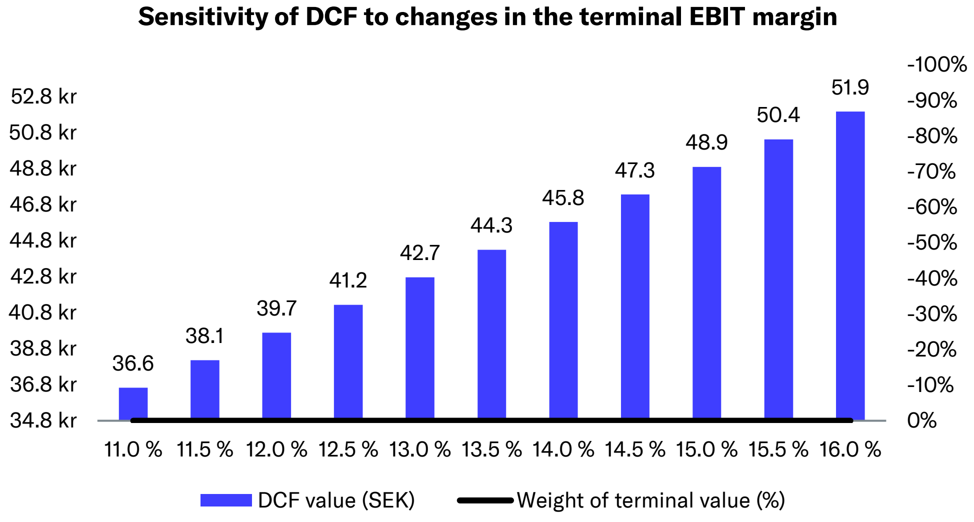
Cash flow distribution

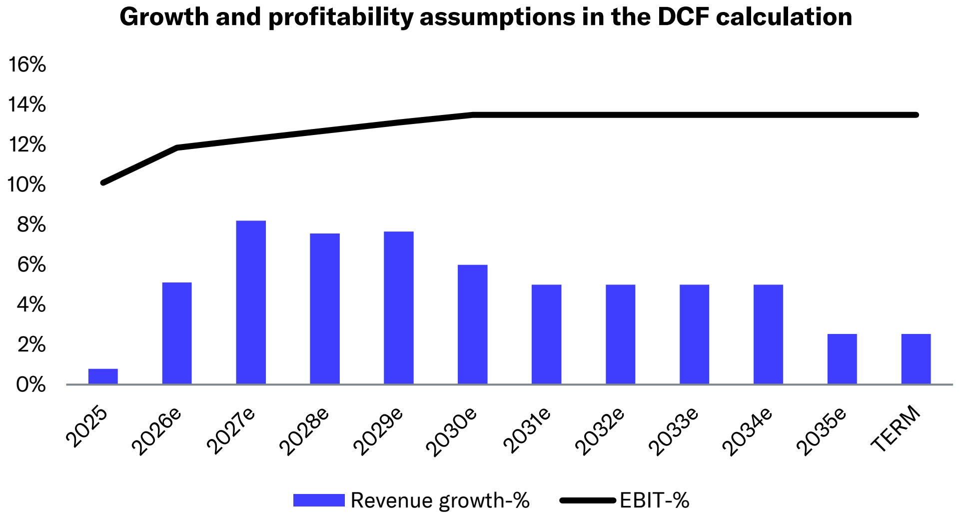


DCF sensitivity calculations and key assumptions in graphs









Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	46,649	40,521	40,841	**42,931**	**46,455**
EBITDA	8,797	4,916	6,271	**7,381**	**7,950**
EBIT	6,973	2,671	4,125	**5,089**	**5,706**
PTP	6,331	1,536	3,155	**4,326**	**5,006**
Net Income	4,785	1,164	2,281	**3,352**	**3,867**
Extraordinary items	-96	-555	-178	**0**	**0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	68,104	70,406	65,055	**65,651**	**66,891**
Equity capital	27,420	32,140	30,290	**32,936**	**35,694**
Goodwill	22,925	25,290	25,290	**25,290**	**25,290**
Net debt	17,238	19,104	17,099	**14,292**	**11,646**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	8,797	4,916	6,271	**7,381**	**7,950**
Change in working capital	-409	-306	585	**-775**	**-311**
Operating cash flow	6,498	3,755	5,712	**5,864**	**6,384**
CAPEX	-13,837	-5,070	1,429	**-1,760**	**-2,045**
Free cash flow	-5,225	-4,522	6,836	**4,104**	**4,339**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	3.4	2.6	2.2	**2.2**	**2.0**
EV/EBITDA	18.2	21.6	14.2	**12.9**	**11.6**
EV/EBIT (adj.)	22.7	33.0	20.7	**18.7**	**16.2**
P/E (adj.)	29.2	54.3	29.2	**24.1**	**20.9**
P/B	5.2	2.7	2.4	**2.5**	**2.3**
Dividend-%	0.9 %	0.7 %	1.0 %	**1.4 %**	**1.6 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	2.37	0.58	1.13	**1.66**	**1.92**
EPS (adj.)	2.42	0.80	1.22	**1.66**	**1.92**
OCF / share	3.22	1.86	2.83	**2.91**	**3.17**
OFCF / share	-2.59	-2.24	3.39	**2.04**	**2.15**
Book value / share	13.58	15.92	15.01	**16.32**	**17.69**
Dividend / share	0.65	0.30	0.35	**0.55**	**0.65**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	16%	-13%	1%	**5%**	**8%**
EBITDA growth-%	18%	-44%	28%	**18%**	**8%**
EBIT (adj.) growth-%	23%	-54%	33%	**18%**	**12%**
EPS (adj.) growth-%	15%	-67%	53%	**36%**	**15%**
EBITDA-%	18.9 %	12.1 %	15.4 %	**17.2 %**	**17.1 %**
EBIT (adj.)-%	15.2 %	8.0 %	10.5 %	**11.9 %**	**12.3 %**
EBIT-%	14.9 %	6.6 %	10.1 %	**11.9 %**	**12.3 %**
ROE-%	17.3 %	3.9 %	7.3 %	**10.6 %**	**11.3 %**
ROI-%	15.8 %	5.0 %	7.5 %	**9.6 %**	**10.6 %**
Equity ratio	40.3 %	45.6 %	46.6 %	**50.2 %**	**53.4 %**
Gearing	62.9 %	59.4 %	56.5 %	**43.4 %**	**32.6 %**
Net debt/EBITDA	2.0	3.9	2.7	**1.9**	**1.5**
EBITDA/net financials	13.7	4.3	6.5	**9.7**	**11.4**

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. Per-share figures are calculated using the number of shares at year-end.

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
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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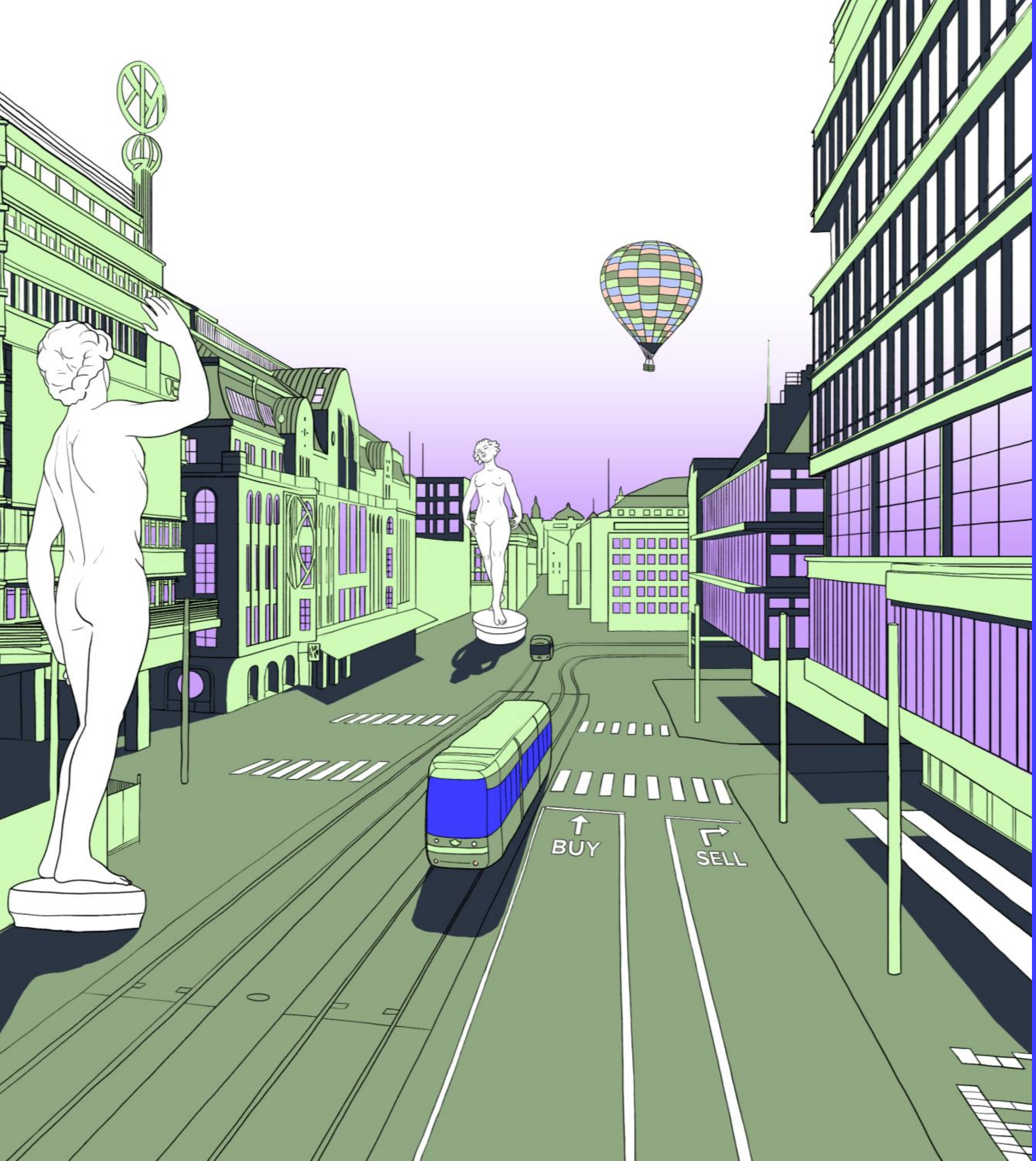
Recommendation history (>12 mo)

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
2025-05-16	Reduce	40.0 kr	44.0 kr
2025-08-19	Sell	40.0 kr	44.0 kr
2025-08-25	Sell	40.0 kr	46.0 kr
2025-09-23	Reduce	40.0 kr	36.8 kr
2025-11-05	Accumulate	40.0 kr	35.9 kr
2025-11-17	Accumulate	38.0 kr	32.9 kr
2025-02-13	Accumulate	44.0 kr	38.9 kr
2025-05-20	Accumulate	44.0 kr	40.0 kr



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