Update: Q4 2022

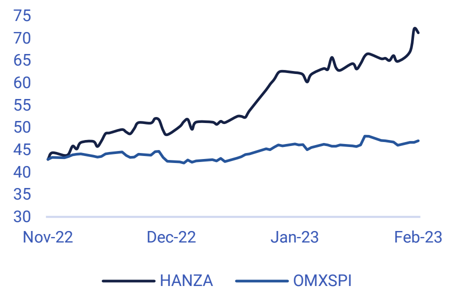
HANZA AB

HANZA is a contract manufacturer founded in 2008 that has successfully built six regional manufacturing clusters in Europe and China through new factories, organic growth, and acquisitions in, e.g., sheet metal processing, heavy mechanics, and electronics. Several large European industrial groups are among its customers.

CEO: Erik Stenfors
CoB: Francesco Franzé
www.hanza.com

Bloomberg: HANZA:SS
Reuters Eikon: HANZA.ST
List: Nasdaq Stockholm Small Cap
Last: 69,5
Market cap: SEK 2 778m

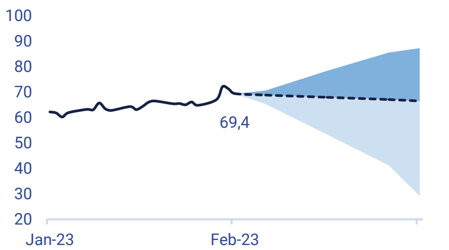
SHARE DEVELOPMENT



	12M	YTD	6M	1M
Development (%)	64	36	33	12

Source: S&P Capital IQ

VALUATION INTERVAL



	BEAR	BASE	BULL
Value per share (SEK)	29	66	87
Up-/downside (%)	-56	-4	26

Source: S&P Capital IQ and Carlsquare estimates

CARLSQUARE EQUITY RESEARCH

Niklas Elmhammer
Senior Equity Analyst

Stars still aligned for expansion

Carlsquare Equity Research raise our valuation for HANZA to a base case of SEK 66 (57) per share following the strong Q4 performance. A record backlog, the recent capital injection and plans for further capacity investments support continued solid growth and increased sales and operating earnings estimates. A bull case where the ambitious financial targets are met, and a relative valuation, suggest further upside in the shares in a positive scenario.

Unshaken growth impetus drives sales and earnings beat

Like previous quarters, HANZA sales once again topped our estimates in Q4. Organic growth accelerated to 29 per cent (vs 26 per cent in Q3) despite tougher comparables. Also similar to previous periods in the last twelve months, cost inflation impacted sales as well as margins. However, according to HANZA, it is not a major component of organic growth in the quarter. The uptick in growth in the Main markets segments was a major highlight, in our view. At the same time, growth in the Other markets segment remained stubbornly high at close to 40 per cent, helped by the capacity expansion that was completed in 2022. As a result of the stronger sales, EBITA exceeded our expectations with some ten percent while margins came in roughly in line. The rapid growth also explains the lower (albeit still positive) cash flow in the quarter, but cash generation will likely improve in 2023 as supply chain constraints should gradually ease.

Structural growth and customer mix help defy slowdown fears

HANZA still communicates a very solid near-term demand outlook, and the order back log is at record levels. The structural trend towards backsourcing appears to be benefiting HANZA even more than we had previously expected, and the cluster strategy is probably key. Also, the customer base is not directly exposed to private consumer demand, hence the current weakness among consumers has not affected orders or sales.

In November 2022, HANZA raised SEK 147m to further invest in capacity. Due to the strong outlook, continued capacity expansion and persistent price inflation we increase our sales estimates by some ten percent for 2023 and 2024. We project an average of eight percent organic growth (excluding re-invoicing of cost increases) for the coming three-year period. This is in line with historic levels but below HANZA's growth target of at least twelve per cent, as implied by the HANZA 2025 Strategy. We have not included further acquisitions in our forecast. We raise our EBITDA estimates by the same rate, but see somewhat slower EBITA margin expansion compared to previously from, e.g., raised capex assumptions.

Shares could rally further in a bull case

We raise our base case by 16 per cent from raised estimates and a higher sector valuation. HANZA shares have gained almost 40 per cent YTD, clearly outperforming the general market. However, there is still potential upside if the valuation gap to peers narrows further and if investors embrace the bull case (ie., 2025 targets are reached).

Key figures (SEKm)

	2019	2020	2021	2022	2023E	2024E
Net sales	2 068	2 155	2 515	3 549	3 742	4 057
Gross profit	947	955	1 149	1 531	1 670	1 815
EBITDA	149	139	232	316	352	412
EBITA	68	48	143	212	249	276
EBT	32	9	100	143	189	216
Earnings per share	0,75	-0,03	2,26	3,34	3,79	4,27
Growth, net sales	14,2%	4,2%	16,7%	41,1%	5,4%	8,4%
EBITDA-margin	7,3%	6,6%	8,7%	8,5%	9,4%	10,2%
EBITA-margin	3,3%	2,2%	5,7%	6,0%	6,6%	6,8%
EV/Sales	0,5x	0,4x	1,2x	0,8x	0,9x	0,8x
EV/EBITDA	7,2x	6,7x	13,0x	8,5x	9,3x	8,0x
EV/EBITA	15,8x	19,3x	21,0x	12,6x	13,2x	11,9x
P/E	20,8x	NM	28,5x	15,3x	18,3x	16,3x

Source: Company information and Carlsquare estimates

Stars still aligned for expansion

HANZA sales were up 40 per cent in Q4, like the previous quarter despite tougher comparables. Growth was well above our expectations and the outcome further boosts the prospects of HANZA eventually reaching its 2025 sales target of at least SEK 5bn. The order book is strong and additional expansion initiatives are already in the works.

No slowdown

HANZA reports an acceleration in organic growth to 29 percent, from 26 per cent in the previous quarter. This was well above our estimate of 16 per cent. This time, the main positive deviation, in our view, was in the Main markets segment that posted 27 percent organic growth. In contrast, in Q2 and Q3, it was mainly the Other markets segment that surprised us positively. Our conclusion is that both underlying organic growth as well as price inflation has been higher than our previous estimates, especially for Main markets. Of course, as the latter is the largest segment for HANZA, the higher growth is clearly encouraging.

Group EBITA rose to SEK 63m (43) which was about ten per cent better than our estimate. The margin expanded, albeit at a slightly lower rate than our expectations (see below). The negative deviation was likely due to higher pass through of cost increases than we had anticipated. Margins in Sweden were in the double digits, according to the report. This suggests that the German cluster still lags behind the group overall, however HANZA says Germany is developing according to plan and that the previously loss making Beyers unit has eventually turned profitable following the coordination program during 2022.

HANZA Q4, 2022 Net sales and EBITA vs CSQ Forecast (SEKm)

	Q4 22E	Q4 21A	Q4 22A	Dev
Net Sales	878	717	1001	14%
Growth, net sales	23%	45%	40%	
Main Markets, net sales	484	407	562	16%
Main Markets, growth	19%	60%	38%	
Other Markets, net sales	394	309	434	10%
Other Markets, Growth	28%	30%	40%	
EBITA	57	43	63	10%
EBITA growth	33%	131%	47%	
EBITA-margin	6,5%	6,0%	6,the %	-3%
Main Markets, EBITA-margin	7,6%	10,2%	7,4%	
Other Markets, EBITA-margin	5,6%	2,3%	5,5%	

Source: Company information and Carlsquare estimates

HANZA says order intake is still very good on all markets. The apparent lack of any pockets of weakness in demand is remarkable, in our opinion. However, one downside is that cash flow from operations declined to SEK 20m (60) vs the same period in 2021 from continued high levels of working capital driven by the strong sales growth.

The board has proposed a dividend of SEK 0.75 per share (0.50), in line with our expectations. Although the payout ratio is lower than what the dividend policy of around 30 per cent of EPS would suggest, we believe it is appropriate for the time being as HANZA just recently raised capital in a directed share issue for capacity expansion.

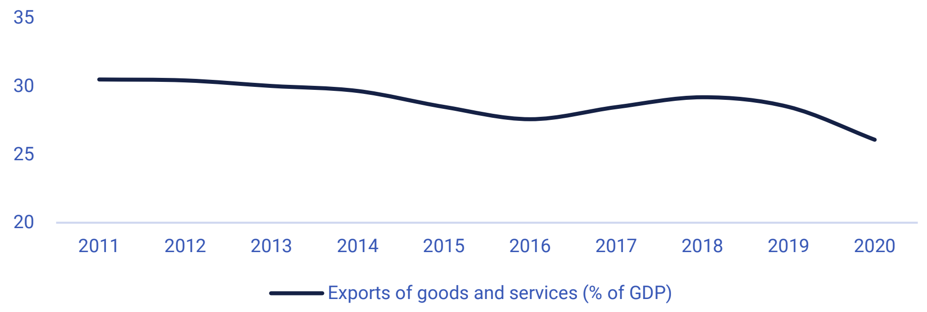
Investment Case

We believe HANZA's manufacturing cluster strategy and sustainability focus makes it well-positioned for contract manufacturing trends in Europe. As the international clusters (e.g., Germany and Other markets) become more mature, we see the company's profitability approaching its leading Nordic peers, implying further solid earnings growth from current levels. HANZA's operating performance in 2022 support this view.

Positioned for "slowbalization" era

Since the early 2010s, the rate of globalisation appears to have slowed, and many multi-national companies are redirecting investments and production to regional sites, also called "back shoring" and "regionalisation". One reason is risk mitigation in the face of potential disturbances to supply chains from, e.g., trade wars and, more recently, pandemics, geopolitics and armed conflicts. Another reason is the waning cost advantages of sourcing manufacturing from developing economies. The chart below demonstrates that growth in global trade slowed already following the great financial crisis.

World Exports Growing Slower than GDP

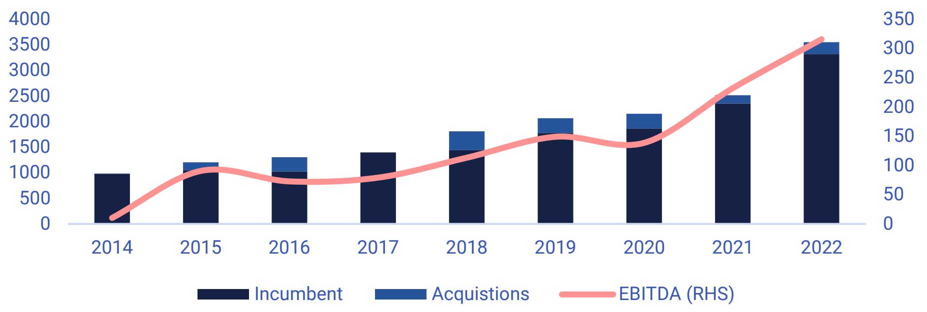


Source: World Bank and Carlsquare Equity Research

Successful expansion of manufacturing clusters

For many companies, particularly start-ups, manufacturing is not part of the strategy, and contract manufacturers are natural partners. We believe the financial performance shows that the regionalisation trend has benefited regional contract manufacturers during the last decade.

HANZA sales and EBITDA (SEKm)



Source: Company information and Carlsquare estimates

HANZA is a contract manufacturer founded in 2008 that has successfully built regional manufacturing clusters in the Nordics, the Baltics, and Central Europe mainly through acquisitions of sheet metal processing, heavy mechanics, and electronics operations. We believe HANZA has demonstrated that the shift from globalisation to regionalisation is advantageous. In 2019, HANZA took the first step towards expanding the cluster approach to Germany by acquiring RITTER Elektronik GmBH in Remscheid in Western Germany. Establishment in Germany was forced to pause from early 2020 until the summer of 2021 due to the pandemic and the hard lockdown in Germany. In 2021, the electronics firm Beyers in Mönchengladbach was added. The six manufacturing clusters are currently divided into Main Markets (Sweden, Finland, and Germany) and Other Markets (The Baltics, Central Europe, and China).

Thus, acquisitions have been, and likely will remain, vital to HANZA's growth. The main objective behind acquisitions is to add to HANZA's competitive strength and provide increased customer value. Also, we believe the company has demonstrated solid value-enhancing qualities by acquiring companies at moderate valuations and subsequently improving margins. HANZA's philosophy is that margins and cash flow can be significantly increased by coordinating and sharing resources between sites within a cluster. The development within the Main Markets segment, especially the Swedish cluster, is strong evidence that the approach is valid.

We believe the management and board possess extensive manufacturing expertise with an established network and proven company building quality They have a background in leading Swedish industrial companies, including Note, Husqvarna, Hexagon, Nibe and Systemair.

Ambitious financial targets for 2025

In conjunction with the Q3 report, HANZA also reviewed its financial targets, for the period up to and including 2025. The targets are a part of the "HANZA 2025" strategy. In short, the company will continue to develop the existing manufacturing clusters with possible acquisitions to increase capacity. Also, the company plans to further expand its product development and advisory services.

- The new growth target is to reach **sales of at least SEK 5bn by 2025**. The old target was an average sales growth of at least ten percent over a business cycle. The updated goal implies a CAGR of at least twelve percent from 2022 to 2025 and hence should be considered as an upgrade, in our view.
- HANZA raises its profitability target and aims for an **EBITA margin of at least eight percent** by the end of 2025. This is also more ambitious than the previous objective of at least six percent EBIT-margin and implies that EBITA should almost double compared to 2022, at minimum.
- In addition, HANZA defines a new target for debt. Net interest-bearing debt should not exceed 2.5x rolling 12-month EBITDA.

At the same time, the board has decided to keep the capital structure target and dividend policy unchanged.

During the coming years, HANZA will also investigate a possible expansion to new geographies to meet its customers' needs. According to the present outlook, this step may begin by the end of 2025.

As the old financial targets have to a large extent been met (HANZA has exceeded the previous growth target, while the EBIT margin is currently "distorted" from short-term effects of price inflation), the timing is natural for the next phase, we believe. We interpret the new financial targets positively, especially against the backdrop of an uncertain general economic outlook. They seem to reflect confidence that the trend towards regional manufacturing and backsourcing will continue and that HANZA should gain market share by building on its manufacturing cluster strategy.

Recent capital raise to support growth ambitions

Shortly after HANZA had presented the new financial targets in November 2022, it raised SEK 147m in a directed issue of 3.5m shares to Swedish and international investors, as well as the largest owner Färna Invest. HANZA said it will use the net proceeds to increase production capacity in Sweden, Estonia, and Central Europe.

Estimates

Organic growth in 2022 at 28 per cent came out much stronger than we had initially assumed about a year ago. Although HANZA does not report the breakdown, we believe price inflation was the main deviation to our estimate but we also deduce that volume growth was higher than expected. We believe it is not likely that inflation will have the same impact on sales as last year. However, we now assume the inflationary environment will persist for somewhat longer than our previous estimates.

Some industrial customers such as Epiroc and Atlas Copco have reported lower orders in Q4. However, demand is still high and there are no clear signs of any steep slowdown. Other customers such as ABB and SAAB still see increased orders. In general, consumer-related businesses e.g., appliances have been hit harder, however HANZA sales are predominantly toward industrial end users and therefore the direct exposure to lower demand from private consumers should be limited. In fact, HANZA stated in the Q4 report that the order backlog is at record levels.

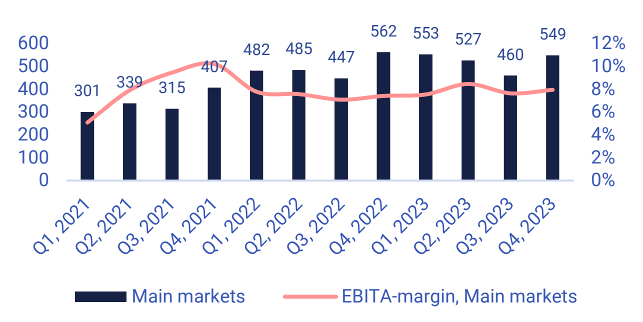
To summarize, structural demand is strong, and it appears HANZA has a well-balanced customer portfolio given the current environment. Hence, we believe the prospects for investing in additional capacity with attractive payoffs look promising. In the Q4 2022 report, HANZA stated that it had decided to invest SEK 100m in machinery. All in all, we lift our sales estimates by about ten per cent for 2023 and 2024.

For 2023 and 2024, we have revised our sales growth forecast upwards to some five and eight percent, respectively. For the period 2022 to 2025 we assume a CAGR of about seven percent (vs. five previously), or eight percent excluding price inflation effects, in line with the 2011 to 2022 historical average excluding acquisitions. We have not included any additional acquisitions in our forecasts. As before, the effect of price inflation on sales is an uncertain factor (however it should be aboutearnings neutral over time).

Sales and outlook support higher estimates

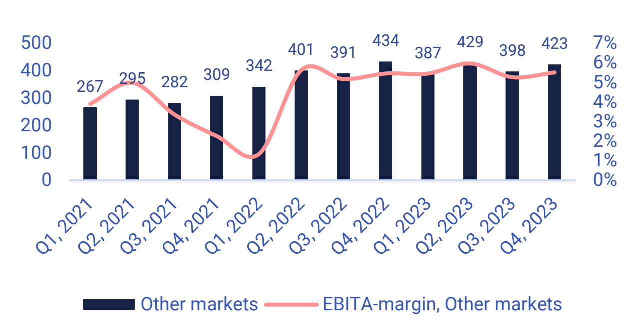
While the EBITA margin in Q4 was (very) slightly below our expectations, it is rising again, an encouraging signal. In Q3, 2022, the margin was burdened by one-off costs and zero profitability in the Beyers unit. Healthy volumes, a continued positive trajectory in Other markets following completed expansion programs and profitability in Germany seemingly turning a corner were likely contributing factors for the improved margin in the recent quarter.

Main markets, sales (SEKm) and EBITA margin (Q)



Source: Company information and Carlsquare estimates

Other markets, sales (SEKm) and EBITA margin (Q)



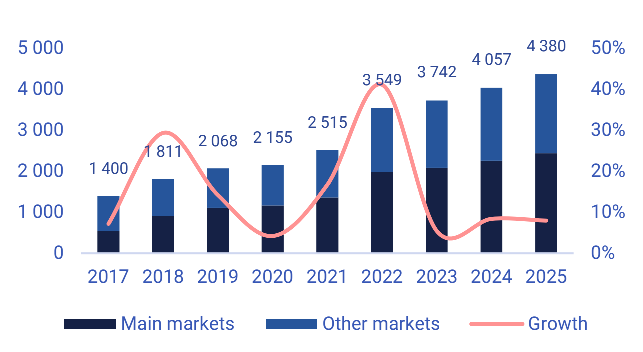
Source: Company information and Carlsquare estimates

For 2023, we still believe earnings will grow at a faster pace than sales thanks to continued positive development for Other markets from increased capacity and reduced cost headwinds. We also assume increased profitability in the German cluster to gradually contribute to better margins in the Main markets segment.

For the continued expansion, HANZA seems to view machine investments as a higher priority compared to rapidly increasing the employee footprint. As a result, EBITDA margin could have a slightly more favorable trend than the EBITA-margin in the mid-term.

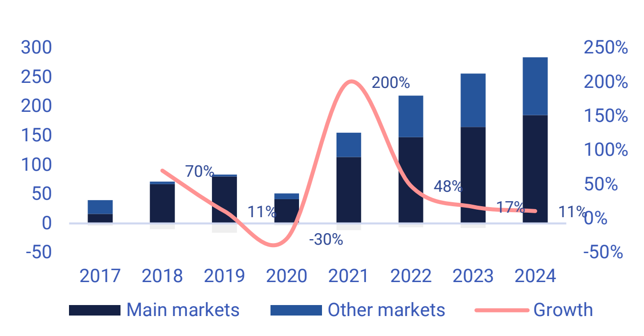
While we have reduced our margin expectations somewhat, higher sales assumptions inspire increased operating earnings forecasts by about five per cent on average for 2023 and 2024. For the next three-year period we calculate solid EPS growth of some 13 per cent on average.

Revenue (SEKm) and growth (%)



Source: Company information and Carlsquare estimates

EBITA (SEKm) and growth (%)



Source: Company information and Carlsquare estimates

Valuation

Sector valuation is supportive

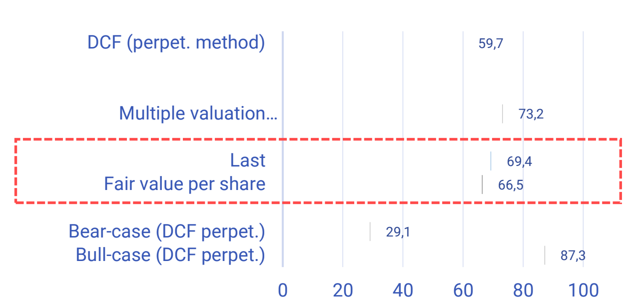
We have combined a DCF-model with a multiple valuation model in an average to calculate a fair value per share. We have raised our DCF valuation as we assume slightly higher growth rates and somewhat higher operating results over the next few years. However, we also pencil in higher capex. In addition, since our latest update, we need to adjust for the directed share issues at the end of last year. Our DCF valuation results in a value per share of SEK 29 (bear) to SEK 87 (bull) (previously: SEK 28 to SEK 80). Our multiple valuation (EV/EBITDA) yields a value per share of about SEK 73.2 based on 2023 estimates. Combining the value in the DCF model with the multiple valuation in an average, we calculate a higher fair value per share of SEK 66.4 (56.9) after full financing and accompanied dilution for our base case.

Fair value, base case (SEKm)

Multiple valuation, SEK	73,2
DCF valuation, SEK	59,7
Fair value per share, SEK	**66,4**
Potential up-/downside	-4%
Shares outstanding, fully financed, and diluted	40,1
Shareholder value	**2 666**
Cash (31 Dec)	137
Debt (31 Dec)	-693
PV cash from equity financing	15
EV	**3 208**

Source: Carlsquare Estimates

Fair value within an interval (SEK)



Source: Carlsquare Estimates

Multiple valuation, base case

Our valuation corresponds to an EV/EBITDA multiple 2023E of 9.1x. The companies in the Nordic contract manufacturers reference group are currently trading at a median EV/EBITDA multiple 2023E of 9.9x. For HANZA, this translates to a value per share of SEK 73 after total financing and dilution.

Multiple valuation, base case

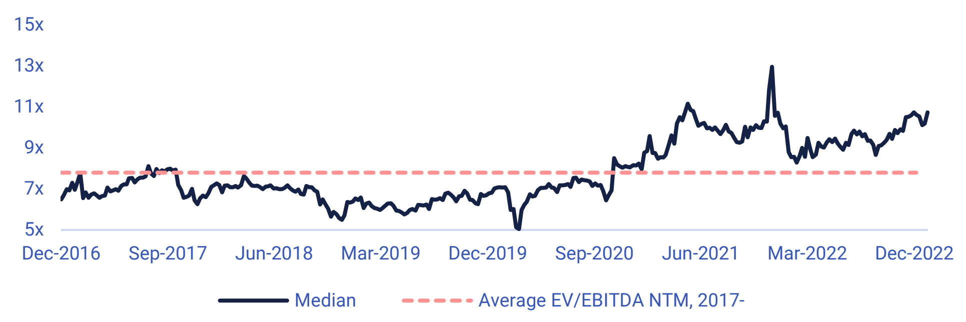
Category/Ticker	HQ	Mcap (SEKm)	CAGR, 2021-2024	µEBITDA-marg., 2022-2024	EV/SALES	EV/EBITDA	P/E
Contract Manufacturers					2023	2023	2023
AQ Group AB (publ)	SE	6 476					
NOTE AB (publ)	SE	6 701					
Inission AB (publ)	SE	986	26%	7%	0,7x	9,6x	16,4x
Kitron ASA	NO	6 301	9%	10%	1,0x	10,1x	17,1x
Scanfil Oyj	FI	5 303	9%	8%	0,7x	8,7x	13,6x
Incap Oyj	FI	6 689	27%	16%	2,1x	12,5x	20,1x
Median		**6 389**	**18%**	**8,8%**	**0,86x**	**9,9x**	**16,8x**
Average		5 409	18%	10,3%	1,1x	10,2x	16,8x
HANZA (CSQ)	**SE**	**2 730**	**17%**	**9,6%**	**0,88x**	**9,3x**	**18,3x**

Contract Manufacturers	HQ	Mcap (SEKm)	Growth 2023E	EBITDA-marg., 2023E	EV/Sales, 2023E
AQ Group AB (publ)	SE	6 476	NA	NA	NA
NOTE AB (publ)	SE	6 701	NA	NA	NA
Inission AB (publ)	SE	986	21%	7%	0,65x
Kitron ASA	NO	6 301	13%	10%	1,01x
Scanfil Oyj	FI	5 303	-5%	8%	0,72x
Incap Oyj	FI	6 689	10%	17%	2,07x
Median		**6 389**	**11,2%**	**9,0%**	**0,86x**
Average		5 409	10%	10%	1,1x

Discount	0%
Applied EV/EBITDA multiple	**9,87x**
Exp. EBITDA 2023 (SEKm)	352
Enterprise value	**3 478**
Net debt (31-Dec)	-556
PV (Cash from equity financing)	15
Shareholder value, after financing	**2 937**
Current shares outstanding (m)	39,3
New shares	0,9
Shares outstanding after financing and dilution	40,1
Value per share (before financing and dilution)	74,4
Value per share (after financing and dilution)	**73,2**

Source: S&P Capital IQ and Carlsquare estimates

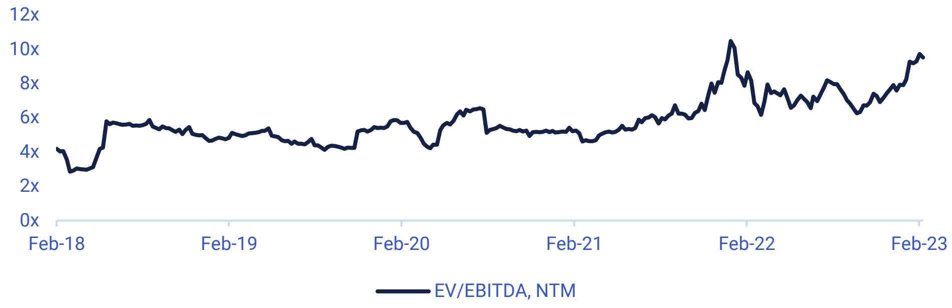
Historical valuation of peers



Source: Capital IQ. Median of Kitron, Scanfil and Incap

There are a lack of consensus estimates for some important Nordic peers, however, valuation multiples in the Nordic sector appear to have expanded by roughly a quarter during the last two years.

Historical valuation of HANZA



Source: Capital IQ (Consensus)

The picture for HANZA is similar albeit more pronounced and the valuation is still somewhat lower than peers. The share price is at ATH-levels, which was previously reached at the end of 2021. As earnings have expanded since, one could argue the company has grown into the valuation.

Valuation within an interval

We have used our DCF model (perpetual method) in the bull and bear case but developed alternative growth curves and profitability targets.

In the bull case, we assume higher growth at an average of about ten per cent in the forecast period, i.e., five percentage points higher than the calculated rate in the base case scenario, propelled by acquisitions. We assume acquisitions corresponding to an EV/Sales valuation of 0.5. In this scenario, the HANZA 2025 sales and EBITA targets are met. On average, we also pencil a higher EBIT margin at seven per cent. We calculate a fair value of SEK 87 per share.

For the bear case, we model an average annual growth rate of 2.5, i.e., about half the growth assumed in the base case. We also pencil a lower average EBIT margin of five per cent over the forecast period. After total financing and dilution, the more pessimistic scenario yields a fair value per share of about SEK 29.

Key figures and accounts

Key Ratios (SEK)

	2019	2020	2021	2022E	2023E	2024E
Per share						
EPS	0,75	-0,03	2,26	3,34	3,79	4,27
DPS	0,3	0,0	0,3	0,5	0,8	1,0
BVPS	14,6	14,0	16,4	22,9	25,8	29,0
TBVPS	8,2	7,9	11,4	14,0	17,0	19,8
Valuation (curr.)	2019	2020	2021	2022E	2023E	2024E
P/E	20,8x	NM	28,5x	15,3x	18,3x	16,3x
P/B	5,5x	5,7x	4,7x	3,0x	2,6x	2,3x
EV/Sales	0,5x	0,4x	1,2x	0,7x	0,9x	0,8x
EV/EBITDA	7,2x	6,7x	13,0x	8,1x	9,3x	8,0x
EV/EBIT	15,8x	19,3x	21,0x	12,1x	13,2x	11,9x
Other	2019	2020	2021	2022E	2023E	2024E
Dividend yield	0,4%	0,0%	0,4%	0,7%	1,1%	1,4%
FCF yield	4,7%	3,9%	7,1%	8,6%	9,9%	12,8%

Source: Company information and Carlsquare estimates

Income statement (SEKm), quarterly

	Q1, 22	Q2, 22	Q3, 22	Q4, 22	Q1, 23E	Q2, 23E	Q3, 23E	Q4, 23E
Sales	824	886	838	1001	945	960	862	976
Gross profit	361	385	357	428	420	422	388	439
EBITDA	66	82	76	91	84	93	81	94
EBITA	41	57	50	63	61	68	54	65
EBIT	37	53	46	57	57	64	50	61
EBT	25	40	30	48	46	53	39	50
Net profit	19	36	26	40	37	42	31	40
EPS (SEK)	0,54	1,01	0,73	1,06	0,93	1,08	0,79	0,99
Growth	Q1, 22	Q2, 22	Q3, 22	Q4, 22	Q1, 23E	Q2, 23E	Q3, 23E	Q4, 23E
Sales	45,2%	39,8%	40,3%	39,7%	14,7%	8,3%	2,8%	-2,5%
Gross profit	38,4%	29,2%	31,7%	33,9%	16,6%	9,6%	8,6%	2,6%
EBITDA	55,5%	31,3%	27,8%	35,2%	26,6%	13,4%	6,8%	3,2%
EBIT	94,2%	46,7%	37,1%	47,6%	54,4%	20,9%	9,4%	6,3%
EBT	114,4%	30,9%	15,2%	51,6%	82,3%	32,7%	33,5%	4,7%
Net profit	111,0%	39,2%	30,7%	58,6%	90,7%	17,0%	20,3%	0,0%
Margins	Q1, 22	Q2, 22	Q3, 22	Q4, 22	Q1, 23E	Q2, 23E	Q3, 23E	Q4, 23E
Gross margin	43,8%	43,5%	42,6%	42,8%	44,5%	44,0%	45,0%	45,0%
EBITDA margin	8,1%	9,3%	9,0%	9,1%	8,9%	9,7%	9,4%	9,6%
EBIT margin	4,5%	6,0%	5,5%	5,7%	6,0%	6,7%	5,8%	6,3%
EBT margin	3,1%	4,5%	3,5%	4,8%	4,9%	5,6%	4,6%	5,1%
Profit margin	2,3%	4,1%	3,1%	4,0%	3,9%	4,4%	3,6%	4,1%

Source: Company information and Carlsquare estimates

Income statement (MSEK)

	2017	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	**1 400**	**1 811**	**2 068**	**2 155**	**2 515**	**3 549**	**3 742**	**4 057**
COGS	-807	-1 006	-1 121	-1 200	-1 366	-2 018	-2 072	-2 242
Gross profit	**593**	**805**	**947**	**955**	**1 149**	**1 531**	**1 670**	**1 815**
Other operating expenses	-514	-692	-798	-816	-917	-1 215	-1 317	-1 403
EBITDA	**79**	**113**	**149**	**139**	**232**	**316**	**352**	**412**
Dep. and amort.	-43	-59	-92	-107	-105	-122	-120	-153
EBIT	**36**	**54**	**57**	**31**	**128**	**193**	**232**	**260**
Net finances	-10	-25	-25	-22	-28	-50	-43	-44
EBT	**26**	**29**	**32**	**9**	**100**	**143**	**189**	**216**
Tax	-10	-20	-22	-39	-44	-50	-56	-62
Net profit/loss	**15**	**10**	**11**	**-30**	**55**	**93**	**133**	**154**
EPS	**0,68**	**0,78**	**0,75**	**-0,03**	**2,26**	**3,34**	**3,79**	**4,27**
Shares. EoP	24,2	29,9	34,0	34,0	35,8	39,3	40,1	40,1
Shares. avg.	24,2	27,0	31,9	34,0	34,9	37,5	39,7	40,1

Growth	2017	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	7,2%	29,4%	14,2%	4,2%	16,7%	41,1%	5,4%	8,4%
Gross profit	0,9%	35,8%	17,6%	0,9%	20,3%	33,2%	9,1%	8,7%
EBITDA	8,8%	43,1%	31,6%	-7,0%	67,5%	36,0%	11,6%	17,0%
EBIT	41,7%	51,5%	5,0%	-44,9%	307,3%	51,5%	20,2%	11,7%
EBT	631,4%	14,1%	10,6%	-72,4%	1020,2%	43,3%	32,2%	14,1%
Net profit/loss	1089,5%	-8,0%	13,5%	-105,9%	5820,7%	51,3%	23,8%	14,1%
EPS	722,2%	14,7%	-3,8%	-104,5%	-6794,1%	47,5%	13,6%	12,6%
Margins	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
Gross profit	42,3%	44,5%	45,8%	44,3%	45,7%	43,1%	44,6%	44,7%
EBITDA margin	5,7%	6,3%	7,2%	6,4%	9,2%	8,9%	9,4%	10,2%
EBIT margin	2,6%	3,0%	2,7%	1,5%	5,1%	5,4%	6,2%	6,4%
EBT margin	1,8%	1,6%	1,6%	0,4%	4,0%	4,0%	5,1%	5,3%
Profit margin	1,1%	0,5%	0,5%	-1,4%	2,2%	2,6%	3,6%	3,8%

Source: Company information and Carlsquare estimates

Balance sheet (SEKm)

	2019	2020	2021	2022E	2023E	2024E
Tot. intangible assets	416	396	464	478	476	459
Tot. tangible assets	279	270	407	551	683	796
Tot. other fixed assets	177	165	210	197	197	197
Total fixed assets	871	830	1 081	1 226	1 355	1 453
Inventories	423	342	663	937	768	832
Accounts Receivables	122	77	107	151	218	236
Other current assets	45	44	55	91	81	87
Cash	67	121	46	137	171	186
Total current assets	657	584	870	1 316	1 237	1 341
Total assets	**1 528**	**1 414**	**1 951**	**2 541**	**2 592**	**2 794**
Shareholder equity	498	475	586	898	1 034	1 165
Total equity	**498**	**475**	**586**	**898**	**1 034**	**1 165**
Debt to creditors	210	175	245	223	223	223
Lease liabilities	93	81	133	125	125	125
Other long-term liabilities	155	154	154	151	151	151
Tot. long-term liabilities	457	409	531	499	499	499
Debt to creditors	203	169	241	316	312	324
Accounts payable	232	200	373	488	413	447
Lease liabilities	46	43	42	41	41	41
Other short-term liabilities	93	118	178	300	293	317
Tot. short-term debt	573	530	835	1 145	1 059	1 130
Total debt	**1 030**	**939**	**1 366**	**1 644**	**1 558**	**1 629**
Tot. equity and debt	**1 528**	**1 414**	**1 951**	**2 541**	**2 592**	**2 794**

Liquidity	2019	2020	2021	2022E	2023E	2024E
Current ratio	1,1	1,1	1,0	1,1	1,2	1,2
Cash ratio	0,1	0,2	0,1	0,1	0,2	0,2
Leverage	2019	2020	2021	2022E	2023E	2024E
Net debt(-)/Net cash(+)	-543	-450	-712	-556	-624	-619
Net debt/EBITDA	3,6x	3,2x	3,1x	1,8x	1,8x	1,5x
Net debt/Equity	1,1x	0,9x	1,2x	0,6x	0,6x	0,5x
Net debt/Equity	109%	95%	122%	62%	60%	53%

Source: Company information and Carlsquare estimates

Cash flow (SEKm)

	2019	2020	2021	2022E	2023E	2024E
CF operating activities	128	106	194	234	271	349
Delta WC	-6	76	-67	-89	28	-48
CF operating activities	122	182	126	145	299	301
CF investing activites	-137	-60	-186	-184	-189	-190
CF financing activities	5	-63	-22	120	-75	-96
Cash flow	-10	59	-81	81	35	15
Exchange differences	-1	-4	6	10	0	0
Cash, BoP	78	67	121	46	136	171
Cash, EoP	67	121	46	136	171	186

Key ratios	2019	2020	2021	2022E	2023E	2024E
CF operationg activities/Sales	6%	8%	5%	4%	8%	7%
CF operationg activities/Total assets	8%	13%	6%	6%	12%	11%

Source: Company information and Carlsquare estimates

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