

Research update: Q3 2023

ZINZINO AB

Zinzino is a global player in the sale and production of health foods. Today, the company is active in over 100 markets. The company has historically grown rapidly to improved profitability. A key component of its success has been its direct selling distribution method.

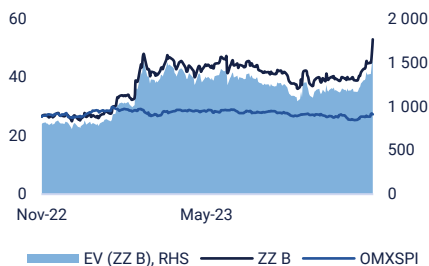
CEO: Dag Pettersen
CoB: Hans Jacobsson
www.zinzino.com

Bloomberg: ZZB:SS
Reuters Eikon: ZZB.ST

List: Nasdaq First North

Last: SEK 53.0
Market cap: SEK 1,795m

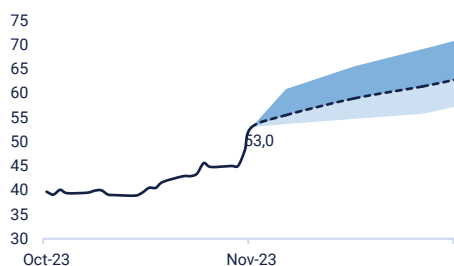
SHARE DEVELOPMENT



	12M	YTD	6M	1M
Development (%)	96	105	21	36

Source: S&P Capital IQ

VALUATION INTERVAL



	BEAR	BAS	BULL
Share price	57.3	62.9	70.9
Up-/downside (%)	8	19	34

Source: S&P Capital IQ and Carlsquare estimates

CARLSQUARE EQUITY RESEARCH

Markus Augustsson
Head of Equity Research

Christopher Solbakke
Equity Analyst

Impressive profitability

Zinzino has wind in its sails, to say the least. In Q3, revenues increased by 25% to SEK 437m. At the same time, earnings per share grew by 273% to SEK 1.58. We have adjusted our profitability forecasts upwards and estimate a fair value per share of SEK 62.9 (58.1).

Increased dividends in the cards

In Q2 2023, total revenues of SEK 437m were reported, corresponding to a growth of 24%, in line with our updated forecasts. North America, including the new market, Mexico, grew by 76% during the quarter. At the same time, the growth figures continue to benefit from a weak krona. Gross profit increased by 50% to SEK 167m, corresponding to a solid gross margin of 38.2%. That was clearly above our forecast of SEK 143m, corresponding to a margin of 33.2%. Operating expenses, excluding cost of goods sold and depreciation and amortisation, increased by 12%. With scalability in the business model and with some help from currency (with the lion's share of personnel costs in SEK), EBITDA grew by a full 180% to SEK 71.2m, corresponding to a margin of 16.3%. Our forecast was SEK 42.1m or a margin of 9.8%. Rolling 12 months, earnings per share after Q3 2023 were SEK 4.4, corresponding to a growth of 169%.

During the past quarter, free cash flow amounted to 103 MSEK. At the end of Q3 2023, cash amounted to 299 MSEK. There should be room to reduce the dividend to SEK 2.0 per share (1.75). Given the cash flow and cash, SEK 2.0 per share can also be seen as a conservative assumption.

Profitability above the company's target

In 2023, we expect total revenues of SEK 1,742m (1,695), corresponding to a growth of 21.5%. That aligns with the company's previous full-year guidance of approximately SEK 1,700m. For the full year 2023, we expect gross profit to increase by 35% to SEK 629m (583), corresponding to a margin of 36.0% (34.4). EBITDA is expected to grow by 113% to SEK 238m (190), corresponding to a margin of 13.7% (11.2). That is well above the company's previous guidance of an EBITDA margin of 9% or more. New markets and further establishment in existing markets are expected to continue to drive growth. However, we expect growth to slow down in 2024. During 2023 to 2025, we expect an average annual growth rate of 11.7% (10.6). That is also in line with the company's previous goal of growing at over 10% per year. At the same time, possible acquisitions of size create a greater upside in our assumptions. From 2023 to 2025, we expect an average EBITDA margin of 13.0%. The company aims to increase the EBITDA margin to over 9.0% by 2025. There may be room for an adjustment of the profitability target.

A higher fair value with higher profitability

A fair value per share of SEK 62.9 (58.1) is calculated in a base case scenario. The upward revision is due to higher profitability estimates but is held back by a higher risk-free interest rate. Our valuation corresponds to an EV/EBIT multiple NTM of 8.9x. Today, the share is trading at an EV/EBIT NTM of 7.4x. That is an undeserved discount compared to our reference group, whose median EV/EBIT NTM is 11.7x.

Key figures (SEKm)

	2021	2022	2023P	2024P	2025P	2026P	2027P
Total revenue	1,371	1,443	1,742	1,862	2,009	2,120	2,240
Gross profit	428	466	629	661	718	765	811
EBITDA	138	112	238	231	261	288	309
EBIT	116	87.0	211	202	231	258	278
EBT	115	89.2	213	205	235	262	283
EPS (SEK)	2.57	2.24	4.93	4.71	5.40	6.03	6.51
Growth, tot. revenue	19.9%	5.2%	21.5%	7.0%	7.9%	5.2%	5.7%
EBITDA margin	10.0%	7.8%	13.7%	12.4%	13.0%	13.6%	13.8%
EBIT margin	8.5%	6.0%	12.1%	10.8%	11.5%	12.2%	12.4%
EV/Sales	1.3x	0.5x	1.2x	1.1x	1.0x	1.0x	0.9x
EV/EBITDA	13.0x	6.9x	8.6x	8.9x	7.8x	7.1x	6.6x
EV/EBIT	15.4x	8.9x	9.7x	10.1x	8.8x	7.9x	7.4x
P/E	22.2x	11.5x	10.8x	11.3x	9.8x	8.8x	8.1x

Source: Company information and Carlsquare estimates

Investment case, estimates, valuation and risks

Zinzino has demonstrated strong historical growth alongside improved profitability, showcasing the strength of its business model, strategy, and offers. Historically, Europe has been the primary growth driver and is expected to remain so in the future. With a cost-effective sales model, we believe that Zinzino can show good revenue, profit and dividend growth in the coming years. In a base case scenario, we estimate a fair value per share of SEK 62.9 (58.1) for the next 6-12 months.

Growth and margin expansion create upside

Since its foundation in 2007, Zinzino has grown into a global player in the sale and production of health foods. We continue to see good prospects for Zinzino to grow in the global market at a fast pace with increased profit.

- **A proven growth strategy.** Over the past ten years, Zinzino has grown at an average of 23.4% per year to improve profitability. Efficient and rapid expansion through direct sales and an expanded product offering have been vital ingredients for growth alongside margin expansion. Competition is fierce, with a plethora of products with similar formulations and health claims. However, history demonstrates the strength of the company's offering, business model and growth strategy.
- **Synergies and Central Europe - drivers of continued growth.** Over the past few years, expansion into new countries has been one of the main drivers of growth. Despite SEK billions in turnover, the market share in existing markets is extremely limited; thus, there is room for growth. The acquisition of Enhazz expanded the company's product offering towards skincare, but as important, it provided access to a strong network of sales partners. Sales synergies have already started to show, and we expect this acquisition, via the strengthened distributor network, to be a key growth driver. We also expect Central Europe to continue to be a prominent growth driver where the company has a well-oiled machine up and running.
- **Profit growth in 2023.** With gross margins up two years in a row and lower headcount, the conditions are in place for profit growth in 2023. Regarding gross margin (after distributor costs), Zinzino is well below its larger sector peers, such as Herbalife and Usana Health. Thus, there is potential further upside in gross margin. At the same time, the business is scalable, as has been demonstrated by historical growth and margin expansion in parallel.
- **An undeserved discount and upside in the share.** Combining two multiple valuation models with a DCF valuation, we calculate a fair value per share of SEK 62.9 (58.1) for the next 6-12 months. Our valuation corresponds to an EV/Sales multiple of 1.0x and an EBIT multiple of 8.9x our next 12 months forecast (NTM). Today, Zinzino trades at an EV/EBIT multiple NTM of 7.4x. That is an undeserved discount compared to our reference group, whose median EV/EBIT NTM is 11.7x.

Assumptions and estimates

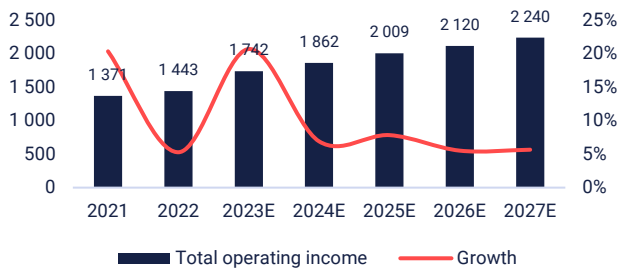
Estimates and revisions

Estimates

	Updated					Previous				
	2023E	2024E	2025E	2026E	2027E	2023E	2024E	2025E	2026E	2027E
Tot. operating income	1,742	1,862	2,009	2,120	2,240	1,694	1,792	1,953	2,072	2,217
Gross profit	629	661	718	765	811	582	609	661	707	761
EBITDA	238	231	261	288	309	189	181	201	220	236
EBIT	211	202	231	258	278	164	156	174	191	205
EBT	213	205	235	262	283	161	154	172	189	203

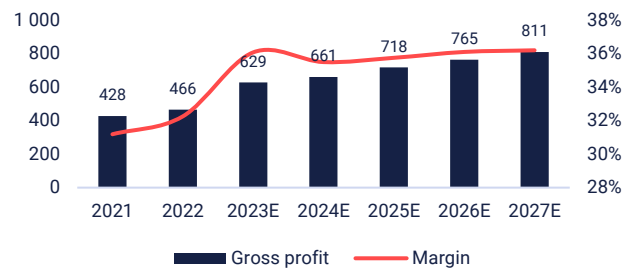
Estimates in SEKm. Source: Carlsquare estimates

Total revenues (SEKm) and growth (%)



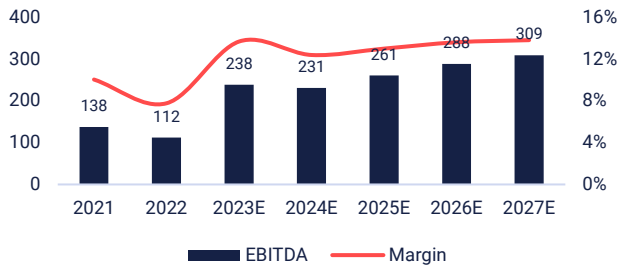
Source: Company information and Carlsquare estimates

Gross profit (SEKm) and margin (%)



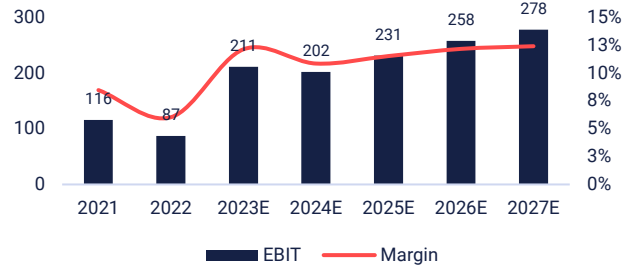
Gross profit = total revenue reduced by the cost of goods sold and distribution costs. Source: company information and Carlsquare forecasts

EBITDA (SEKm) and margin (%)



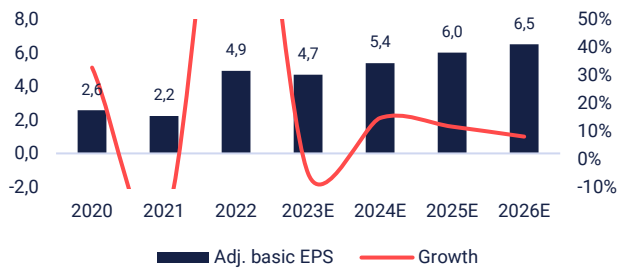
Source: Company information and Carlsquare estimates

EBIT (SEKm) and margin (%)



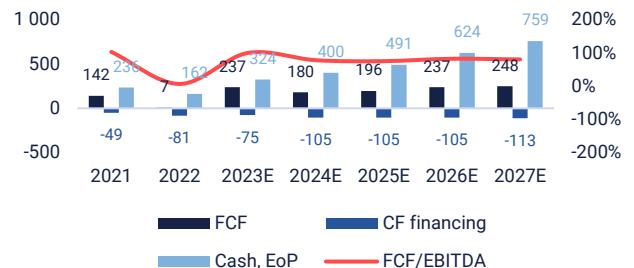
Source: Company information and Carlsquare estimates

EPS (SEK)



Source: Company information and Carlsquare estimates

Cash flow (MSEK)

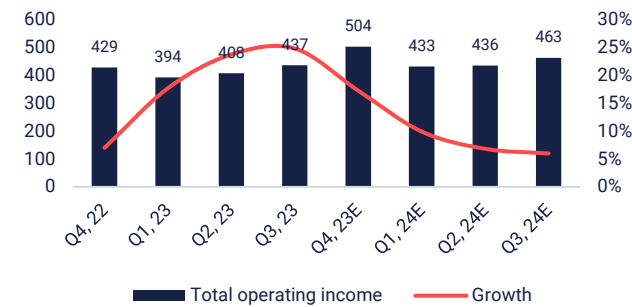


Source: Company information and Carlsquare estimates

Based on 2023 earnings, we expect a dividend of at least SEK 2.0.

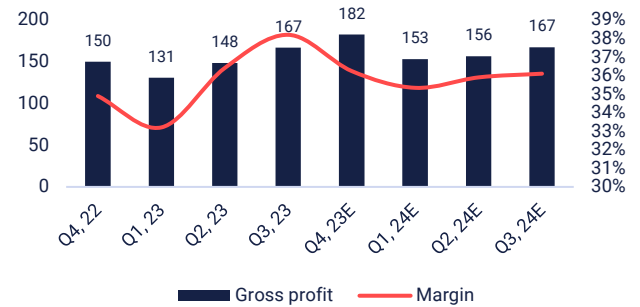
On a quarterly basis

Total revenues (SEKm) and growth (%)



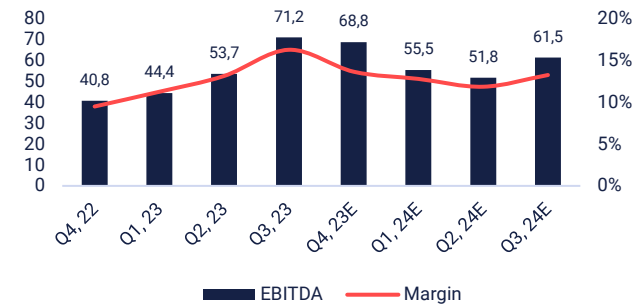
Source: Company information and Carlsquare estimates

Grossprofit (SEKm) and margin (%)



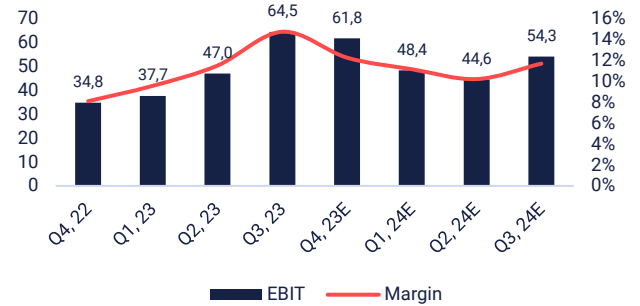
Gross profit = total revenue reduced by the cost of goods sold and distribution costs. Source: company information and Carlsquare forecasts

EBITDA (SEKm) och margin (%)



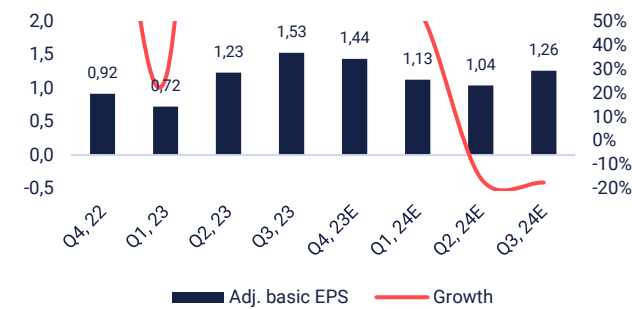
Source: Company information and Carlsquare estimates

EBIT (SEKm) and margin (%)



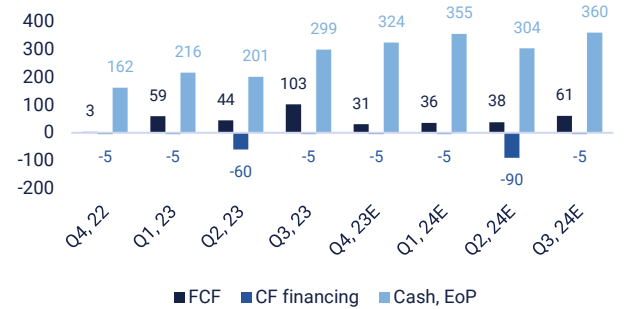
Source: Company information and Carlsquare estimates

EPS (SEK/share)



Source: Company information and Carlsquare estimates

Cash flow and cash position (SEKm)



Source: Company information and Carlsquare estimates

A fair value within a range

Unjustifiably low valuation

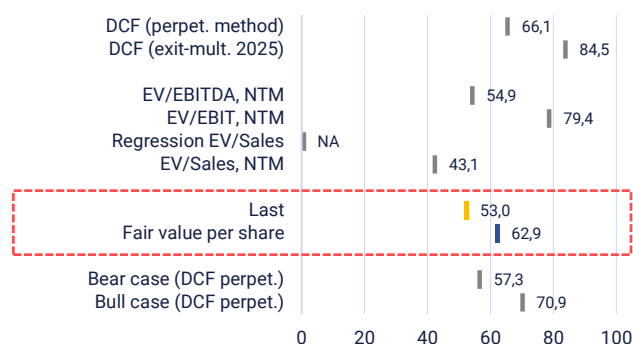
In a base case, a fair value per share of 62.9 kronor (58.1) is estimated for the next 6-12 months. The upward revision in valuation is attributed to increased profitability estimates. Our valuation corresponds to an EV/Sales NTM multiple of 1.0x and an EV/EBIT NTM multiple of 8.9x. The peer group is trading at 0.6x and 11.7x, respectively.

A fair value per share (SEK), base case

Currency, SEK/SEK		1.0
EV/Sales, NTM	SEK	43.1
EV/EBIT, NTM	SEK	79.4
DCF valuation	SEK	66.1
Fair value per share	SEK	62.9
Potential up-/downside		19%
Shares outstanding, fully financed, and diluted	M	34
Equity value	SEKm	2,130
Cash (last rep. Q)	SEKm	298.7
Debt (last rep. Q)	SEKm	40.9
PV cash from equity financing	SEKm	2
EV	SEKm	1,869

Source: Carlsquare estimates

A fair value within a range (SEK)



Source: Carlsquare estimates

Implied valuation multiples, base case

	2021	2022	Curr. NTM	NTM	2023E	2024E	2025E	2026E	2027E
EV/Sales	1.3x	0.5x	0.8x	1.0x	1.1x	1.0x	0.9x	0.9x	0.8x
EV/EBITDA	13.0x	6.9x	6.5x	7.9x	7.9x	8.1x	7.2x	6.5x	6.0x
EV/EBIT	15.4x	8.9x	7.4x	8.9x	8.9x	9.3x	8.1x	7.3x	6.7x
Adj. P/E	22.2x	22.2x	10.9x	12.9x	12.8x	13.3x	11.6x	10.4x	9.6x

Source: Carlsquare estimates

DCF valuation

DCF valuation, base case

DCF valuation			
PV(UFCF)	SEKm	1,186	Disc. rate
PV(TV)	SEKm	796	Risk free rate
Enterprise value	SEKm	1,982	Market risk premium
Net cash(-), last Q	SEKm	-258	Size premium
Value, associated comps.	SEKm	0.0	Beta
Value, minority interest	SEKm	-1.7	Req. return on equity
Shareholder value	SEKm	2,238	Discount rate
PV(equity financing proceeds)	SEKm	2	Assumptions
Shareholder value, after financing	SEKm	2241	CAGR, 2022-32E
Current shares outstanding	M	34	EBITDA-margin, 2032E
New shares	M	0.0	EBIT-margin, 2032E
Shares outstanding after financing and dilution	M	34	Tax rate
Value per share (before financing and dilution)	SEK	66.1	Implied multiples
Value per share (after financing and dilution)	SEK	66.1	EV/Sales, NTM
Currency	SEK/SEK	1.0	EV/Sales, 24E
Value per share (before financing and dilution)	SEK	66.1	P/S, NTM
Value per share (after financing and dilution)	SEK	66.1	P/S, 24E
Potential up-/downside		25%	EV/Gross prof., NTM
			EV/Gross prof., 24E
			EV/EBITDA, NTM
			EV/EBITDA, 24E
			EV/EBIT, NTM
			EV/EBIT, 24E
			P/E, NTM
			P/E, 24E

Source: Carlsquare estimates

Multiple valuation

Valuation reference group

	HQ	Mcap (EURm)	EV (EURm)	Avg. EBITDA-marg.		EV/Sales		EV/EBITDA		EV/EBIT	
				2022-2025	2023-2025	NTM	2023E	NTM	2023E	NTM	2023E
Herbalife Ltd.	US	1,159	3,247	0.3%	12.5%	0.7x	0.7x	5.6x	6.3x	6.8x	8.3x
Nu Skin Enterprises. Inc.	US	807	1,124	-2.8%	10.9%	0.6x	0.6x	5.8x	6.2x	8.8x	9.2x
USANA Health Sciences. Inc.	US	807	526	-2.5%	12.6%	0.6x	0.6x	5.3x	4.8x	7.0x	6.8x
Natural Grocers by Vitamin Cottage	US	268	607	NA	NA	NA	NA	9.9x	10.4x	NA	NA
Nature's Sunshine Products. Inc.	US	302	252	4.4%	8.9%	0.6x	0.6x	6.8x	7.0x	11.8x	12.2x
Lifeway Foods. Inc.	US	203	196	NA	NA	1.3x	1.4x	NA	NA	11.5x	13.4x
LifeVantage Corporation	US	57	53	NA	NA	NA	NA	NA	NA	NA	NA
Mannatech. Incorporated	US	16	14	NA	NA	NA	NA	NA	NA	NA	NA
Orkla ASA	NO	6,328	8,174	2.4%	14.4%	NA	1.4x	9.7x	10.0x	13.8x	14.2x
Aker BioMarine AS	NO	315	663	15.8%	24.9%	NA	2.0x	7.4x	9.5x	16.4x	34.0x
Probi AB (publ)	SE	207	186	3.9%	20.5%	NA	3.4x	16.7x	18.6x	65.8x	112.1x
Midsona AB (publ)	SE	95	154	-0.3%	8.2%	0.5x	0.5x	5.6x	7.5x	11.7x	23.9x
Median		285	389	1%	13%	0.6x	0.7x	6.8x	7.5x	11.7x	13.4x
Average		880	1,266	3%	14%	0.7x	1.3x	8.1x	8.9x	17.1x	26.0x
ZZ B (curr.)*	SE	156	133	-	-	0.9x	1.1x	6.5x	8.9x	7.4x	8.9x
ZZ B (CSQ)*	SE	185	162	12%	13%	1.0x	1.1x	7.9x	7.9x	8.9x	8.9x

Source: S&P Capital IQ and Carlsquare estimates

Multiple valuation median EV/Sales NTM, base case

	Mcap (SEKm)	CAGR, 22-25	Avg. EBITDA-m., 23-25	EV/Sales, NTM
Ref. group, Median	285	1%	13%	0.7x
Ref. group, Average	880	3%	14%	1.2x
Discount				0.0%
Applied multiple				0.7x
Net sales, NTM	SEKm			1,737
Enterprise value	SEKm			1,200
Net cash(-), last Q	SEKm			-258
Value, associated comps.	SEKm			0.0
Value, minority interest	SEKm			-1.7
PV(equity financing proceeds)	SEKm			2.4
Shareholder value, after financing	SEKm			1,459
Current shares outstanding	M			34
New shares	M			0.0
Shares outstanding after financing and dilution	M			34
Exchange rate	SEK/SEK			1.0
Fair value per share after financing and dilution	SEK			43.1

Source: S&P Capital IQ and Carlsquare estimates

Multiple valuation median EV/EBIT NTM, base case

	Mcap (SEKm)	CAGR, 22-25	Avg. EBITDA-m., 23-25	EV/Sales, NTM
Ref. group, Median	285	1%	13%	11.7x
Ref. group, Average	880	3%	14%	17.1x
Discount				0.0%
Applied multiple				11.7x
Adj. EBIT, NTM	SEKm			208
Enterprise value	SEKm			2,431
Net cash(-), last Q	SEKm			-258
Value, associated comps.	SEKm			0.0
Value, minority interest	SEKm			-1.7
PV(equity financing proceeds)	SEKm			2.4
Shareholder value, after financing	SEKm			2,689
Current shares outstanding	SEKm			33.9
New shares	M			0.0
Shares outstanding after financing and dilution	M			33.9
Exchange rate	M			1.0
Fair value per share after financing and dilution	SEK/SEK			79.4

Source: S&P Capital IQ and Carlsquare estimates

Valuation range

In our bull case, a value per share of SEK 70,9 is calculated.

In our bear case, a value per share of SEK 57,3 is calculated.

Valuation interval

	BEAR	BASE	BULL
Rev. growth assumptions			
CAGR, 2022-25	11.3%	11.9%	12.1%
CAGR, 2025-28	5.0%	5.1%	5.8%
CAGR, 2022-32	6.4%	6.7%	7.0%
Assumptions, EBITDA margins			
AVG, 2023-25	13.0%	12.9%	14.2%
AVG, 2026-28	12.6%	13.7%	15.3%
AVG, 2023-32	12.8%	13.7%	15.2%
2032	13.0%	14.4%	16.1%
Calculated value per share (SEK)	57.3	62.9	70.9

Källa: S&P Capital IQ och Carlsquare prognoser

Inflation & macroeconomics create uncertainty

Uncertain macro

Increasing policy rates is the theme of the world's central banks to counter inflation. There is some concern in the market that a recession is in the cards. Inflation reduces the purchasing power of the household, all else equal. If unemployment rises, household purchasing power will also weaken even further.

Inflation

The cost of goods sold has increased and may further rise as a result of new inflation, driven by factors such as higher transportation and energy costs. Delivery times have been extended, primarily due to congestion at key ports, including those in Europe. This could hinder the company's ability to generate revenues and potentially put more pressure on the margin than anticipated.

The company has implemented a price adjustment, which should partially offset the rising costs. The company has also demonstrated the ability to manage inflation well, with growing profitability in recent quarters. However, some uncertainty remains.

Reduced demand after Covid

We believe that the Covid pandemic has positively impacted demand for the company's products. Now that the Covid pandemic is hopefully coming to an end with a rising vacancy rate, there is some risk that demand will fall back again.

Metrics and financials

Income statement (SEKm), quarterly

	Q4, 22	Q1, 23	Q2, 23	Q3, 23	Q4, 23E	Q1, 24E	Q2, 24E	Q3, 24E
Net sales	401	374	387	416	470	411	414	441
Total revenue	429	394	408	437	504	433	436	463
Gross profit	150	131	148	167	182	153	156	167
EBITDA	41	44	54	71	69	55	52	61
Adj. EBITDA	41	44	54	71	69	55	52	61
EBIT	35	38	47	65	62	48	45	54
Adj. EBIT	35	38	47	65	62	48	45	54
EBT	38	37	46	68	62	49	45	55
Adj. EBT	38	37	46	68	62	49	45	55
Net profit/loss	28	29	37	53	49	38	35	43
Adj. Net profit/loss	28	29	37	53	49	38	35	43
Basic EPS (SEK)	0,8	0,9	1,1	1,6	1,4	1,1	1,0	1,3
Growth	Q4, 22	Q1, 23	Q2, 23	Q3, 23	Q4, 23E	Q1, 24E	Q2, 24E	Q3, 24E
Net sales	8%	19%	25%	26%	17%	10%	7%	6%
Total revenue	7%	18%	24%	25%	17%	10%	7%	6%
Gross profit	32%	32%	41%	50%	22%	17%	5%	0%
EBITDA	54%	72%	167%	180%	69%	25%	-4%	-14%
EBIT	67%	87%	245%	251%	78%	28%	-5%	-16%
EBT	85%	85%	251%	276%	64%	33%	-3%	-19%
Net profit/loss	94%	85%	262%	275%	73%	31%	-4%	-20%
Margins	Q4, 22	Q1, 23	Q2, 23	Q3, 23	Q4, 23E	Q1, 24E	Q2, 24E	Q3, 24E
Gross margin	35%	33%	36%	38%	36%	35%	36%	36%
EBITDA margin	10%	11%	13%	16%	14%	13%	12%	13%
Adj. EBITDA margin	10%	11%	13%	16%	14%	13%	12%	13%
EBIT margin	8%	10%	12%	15%	12%	11%	10%	12%
Adj. EBIT margin	8%	10%	12%	15%	12%	11%	10%	12%
EBT margin	9%	9%	11%	15%	12%	11%	10%	12%
Adj. EBT margin	9%	9%	11%	15%	12%	11%	10%	12%
Profit margin	7%	7%	9%	12%	10%	9%	8%	9%
Adj. profit margin	7%	7%	9%	12%	10%	9%	8%	9%

Source: Company information and Carlsquare

Income statement (SEKm)

	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Net sales	1 074	1 289	1 356	1 648	1 762	1 901	2 000	2 114
Total operating income	1 139	1 371	1 443	1 742	1 862	2 009	2 120	2 240
COGS	-790	-943	-978	-1 113	-1 201	-1 290	-1 354	-1 429
Gross profit	349	428	466	629	661	718	765	811
Tot. operating expenses less COGS and D&A	-240	-290	-353	-390	-431	-457	-477	-502
EBITDA	109	138	112	238	231	261	288	309
Adj. EBITDA	109	138	112	238	231	261	288	309
D&A	-22	-22	-25	-27	-29	-30	-31	-31
EBIT	87	116	87	211	202	231	258	278
Adj. EBIT	87	116	87	211	202	231	258	278
Net finances	-2	-1	2	2	3	4	4	5
EBT	85	115	89	213	205	235	262	283
Adj. EBT	85	115	89	213	205	235	262	283
Tax	-19	-25	-21	-45	-45	-52	-58	-62
Net profit/loss	66	90	68	168	160	183	204	221
Adj. net profit/loss	66	90	68	168	160	183	204	221
Tot. comp. PL attributed to parent company	59	86	76	167	160	183	204	221
Adj. PL attributed to parent company	59	86	76	167	160	183	204	221
Basic EPS	2,02	2,68	2,03	4,97	4,71	5,41	6,04	6,52
Adj. basic EPS	1,79	2,57	2,24	4,93	4,71	5,40	6,03	6,51
EPS fully diluted	2,02	2,68	2,03	4,97	4,71	5,41	6,04	6,52
No. of share, EoP	33	34	34	34	34	34	34	34
Avg. no. of shares	33	33	34	34	34	34	34	34
Growth	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Net sales	51%	20%	5%	22%	7%	8%	5%	6%
Total operating income	48%	20%	5%	21%	7%	8%	6%	6%
Gross profit	50%	23%	9%	35%	5%	9%	7%	6%
EBITDA	224%	27%	-19%	112%	-3%	13%	10%	7%
EBIT	486%	34%	-25%	143%	-4%	15%	11%	8%
EBT	512%	35%	-22%	139%	-4%	15%	12%	8%
Net profit/loss	487%	35%	-24%	146%	-5%	15%	12%	8%
Basic EPS	482%	33%	-24%	145%	-5%	15%	12%	8%
Adj. basic EPS	482%	33%	-24%	145%	-5%	15%	12%	8%
Margins	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Gross profit	32%	30%	31%	31%	32%	36%	36%	36%
EBITDA	4%	4%	10%	10%	8%	14%	12%	13%
Adj. EBITDA	4%	4%	10%	10%	8%	14%	12%	13%
EBIT	1%	2%	8%	8%	6%	12%	11%	12%
Adj. EBIT	1%	2%	8%	8%	6%	12%	11%	12%
EBT	1%	2%	7%	8%	6%	12%	11%	12%
Adj. EBT	1%	2%	7%	8%	6%	12%	11%	12%
Net profit/loss	1%	1%	6%	7%	5%	10%	9%	9%
Adj. net profit/loss	1%	1%	6%	7%	5%	10%	9%	9%

Source: Company information and Carlsquare

Balance sheet (SEKm)

	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Tot. intangible assets	56	64	121	125	129	132	134	135
Tot. tangible assets	7	11	17	16	19	21	21	22
Tot. other fixed assets	47	43	53	48	48	48	48	48
Total LT assets	110	118	191	189	195	201	203	205
Inventories	127	159	185	215	227	237	267	282
Accounts receivables	67	58	66	70	75	81	87	93
Other current assets	37	35	48	47	48	54	59	64
Cash & cash eqv.	143	236	162	324	400	491	624	759
Total current assets	373	487	461	656	749	863	1 037	1 197
Total assets	483	605	651	845	944	1 064	1 240	1 402
Total equity	95	152	160	270	345	444	564	691
Provisions	0	0	0	0	0	0	0	0
Tot. long-term liabilities	39	31	68	59	59	59	59	59
Accounts payable	55	44	35	60	62	63	67	73
Other current liabilities	319	389	401	460	482	502	556	584
Tot. short-term debt	349	423	422	516	540	561	618	652
Tot. equity and debt	483	605	651	845	944	1 064	1 240	1 402
Liquidity	2 020	2 021	2 022	2023E	2024E	2025E	2026E	2027E
Current ratio	1,1x	1,2x	1,1x	1,3x	1,4x	1,5x	1,7x	1,8x
Quick ratio	0,6x	0,7x	0,5x	0,8x	0,9x	1,0x	1,2x	1,3x
CF operations/current liabs.	0,3x	0,4x	0,1x	0,5x	0,4x	0,4x	0,4x	0,4x
Leverage	2 020	2 021	2 022	2023E	2024E	2025E	2026E	2027E
Net debt(+)/Net cash(-)	246	218	329	250	199	129	53	-48
Net debt(+)/Net cash(-), excl. leasing	201	179	279	209	158	88	12	-89
Net debt/EBITDA	2,3x	1,6x	2,9x	1,1x	0,9x	0,5x	0,2x	-0,2x
Tot. debt/Equity	411%	299%	306%	213%	173%	140%	120%	103%
Tot. equity/tot. assets	20%	25%	25%	32%	37%	42%	45%	49%
Efficiency	2 020	2 021	2 022	2023E	2024E	2025E	2026E	2027E
ROA	17%	16%	11%	23%	18%	18%	18%	17%
ROE	87%	70%	48%	78%	52%	46%	41%	35%
ROIC	24%	26%	16%	33%	30%	33%	34%	35%

Source: Company information and Carlsquare

Cash flow (SEKm)

	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
CFO b4 delta WC	105	110	84	210	188	213	235	252
Delta WC	-8	43	-42	39	6	-1	15	9
CF operations	97	153	43	249	194	212	250	262
CF investing	-9	-12	-35	-12	-14	-16	-13	-14
FCF	88	142	7	237	180	196	237	248
CF financing	-22	-49	-81	-75	-105	-105	-105	-113
Cash flow	66	93	-74	162	75	92	133	135
Cash, BoP	113	183	164	299	360	452	574	707
Cash, EoP	143	236	162	324	400	491	624	759
Key ratios	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Delta WC/Total operating income	-1%	3%	-3%	2%	0%	0%	1%	0%
CF operations/Total operating income	9%	11%	3%	14%	10%	11%	12%	12%
CF operations/EBITDA	90%	112%	38%	105%	84%	81%	87%	85%
CF investing/Total operating income	-1%	-1%	-2%	-1%	-1%	-1%	-1%	-1%
FCF/EBITDA	81%	103%	7%	100%	78%	75%	82%	80%

Source: Company information and Carlsquare

Key figures

	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
SEK/SEK	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Share price	76.0	57.0	25.9	53.0	53.0	53.0	53.0	53.0
Market cap	2,511	1,921	875	1,795	1,795	1,795	1,795	1,795
EV	2,444	1,788	774	2,045	1,537	1,537	1,537	1,537
P/S	2.3x	1.5x	0.6x	1.1x	1.0x	0.9x	0.9x	0.8x
P/E	37.7x	21.3x	12.7x	10.7x	11.2x	9.8x	8.8x	8.1x
P/CF operations	25.8x	12.5x	20.4x	7.2x	9.2x	8.5x	7.2x	6.9x
EV/Sales	2.3x	1.4x	0.6x	1.2x	0.9x	0.8x	0.8x	0.7x
EV/Gross profit	7.0x	4.2x	1.7x	3.3x	2.3x	2.1x	2.0x	1.9x
EV/EBITDA	22.5x	13.0x	6.9x	8.6x	6.7x	5.9x	5.3x	5.0x
EV/EBIT	28.2x	15.4x	8.9x	9.7x	7.6x	6.6x	6.0x	5.5x
CSQ fair value per share	76.0	57.0	25.9	62.9	62.9	62.9	62.9	62.9
CSQ market cap	2,511	1,921	875	2,130	2,130	2,130	2,130	2,130
CSQ EV	2,444	1,788	774	2,380	2,329	2,259	2,183	2,082
P/S, CSQ implied	2.3x	1.5x	0.6x	1.3x	1.2x	1.1x	1.1x	1.0x
P/E, CSQ implied	37.9x	21.4x	12.8x	12.6x	13.3x	11.6x	10.4x	9.6x
P/CF operations, CSQ implied	25.8x	12.5x	20.4x	8.6x	11.0x	10.0x	8.5x	8.1x
EV/Sales, CSQ implied	2.3x	1.4x	0.6x	1.4x	1.3x	1.2x	1.1x	1.0x
EV/Gross profit, CSQ implied	7.0x	4.2x	1.7x	3.3x	2.3x	2.1x	2.0x	1.9x
EV/EBITDA, CSQ implied	22.5x	13.0x	6.9x	10.0x	10.1x	8.7x	7.6x	6.7x
EV/EBIT, CSQ implied	28.2x	15.4x	8.9x	11.3x	11.5x	9.8x	8.5x	7.5x
Shares outstanding (EoP)	32.6	33.0	33.7	33.9	33.9	33.9	33.9	33.9
Shares outstanding (Avg.)	32.6	32.8	33.4	33.8	33.8	33.9	33.9	33.9
Shares outstanding, fully dil. (Avg.)	32.6	32.8	33.4	33.8	33.8	33.9	33.9	33.9
EPS (SEK)	2.02	2.68	2.03	4.97	4.71	5.41	6.04	6.52
DPS (SEK)	0.70	0.71	1.27	2.00	1.75	2.50	2.50	2.50
BV per share (SEK)	1.2	2.9	4.5	4.7	8.0	10.2	13.1	16.6
tBV per share (SEK)	0.2	0.2	0.3	0.5	0.5	0.5	0.6	0.6
EV per share (SEK)	75.0	54.5	23.2	60.5	45.5	45.4	45.4	45.4
Equity per share	2.9	4.6	4.8	8.0	10.2	13.1	16.6	20.4
Dividend yield	0.9%	1.2%	4.9%	3.8%	3.3%	4.7%	4.7%	4.7%
FCF yield	3.5%	7.4%	0.8%	13.2%	10.0%	10.9%	13.2%	13.8%
FCF yield (unlevered)	2.4%	3.8%	16.6%	1.0%	12.3%	10.1%	11.0%	13.2%

Source: Company information and Carlsquare

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