Research update: Q4 2023

VIVA WINE GROUP AB

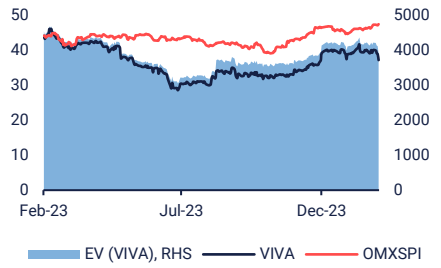
Viva Wine Group's business segment, the Nordics, markets and sells its own and partner brands to the monopolies in Sweden, Finland, and Norway. Through the Viva eCom segment, the group operates e-commerce with wines in Europe, with Germany as the main market.

CEO: Emil Sallnäs
CoB: Anders Moberg
investors.vivagroup.se

List: Nasdaq First North Stockholm
Last: SEK 37.1
Market cap: SEK 3,296m
Enterprise value: SEK 3,819m

Bloomberg: VIVA:SS
Refinitiv Eikon: VIVA.ST

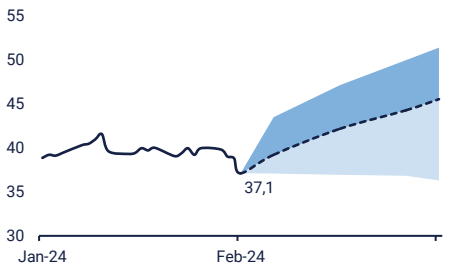
SHARE PRICE DEVELOPMENT



	12M	YTD	6M	1M
Development (%)	-40,8	15,8	-32,0	9,7

Source: S&P Capital IQ

VALUATION INTERVAL



	BEAR	BAS	BULL
Fair value (SEK)	36.3	45.5	51.4
Up-/downside (%)	-2	23	38

Source: S&P Capital IQ and Carlsquare estimates

CARLSQUARE EQUITY RESEARCH

Markus Augustsson
Head of Equity Research

Christopher Solbakke
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Improved growth should strengthen margins

Despite challenging markets, Viva Wine Group demonstrated resilience in the Nordics by surpassing our expectations in terms of both volume and revenue growth. However, profitability fell short of our projections. With a burden from currency effects, we anticipate gross margins will improve in Q2. Following estimates revisions, we calculate a fair value per share of SEK 45.5 (46.2).

Gaining market shares in a tough market

In Q4 2023, Viva Wine Group (Viva or the company) disclosed net sales of SEK 1,098m, representing robust organic growth of 4.4%. That exceeded our expectations of SEK 1,075m. Notably, the largest segment, The Nordics, achieved a year-on-year sales volume increase of 5.3%, counteracting the downward trend observed in monopoly markets, where total volumes decreased by 2.0%. Furthermore, net sales rose organically by 6.6% to SEK 892m, slightly surpassing our projections. Apart from increased volumes, net sales growth was partially driven by price adjustments, with further increases anticipated in the near term. Conversely, Viva eCom recorded net sales of SEK 205m, a negative organic growth rate of minus 3.3%. Weak consumer sentiment and spending in the core market, Germany, continue to pose challenges for Viva eCom. However, expansion into other geographical markets in recent times has yielded solid growth.

Soft on profitability, but the proposed dividend implies confidence

In Q4 2023, gross profit declined by 10% year-on-year to SEK 211m, equivalent to a gross margin of 19.2%, slightly below our expectation of 19.5%. Adjusted EBITA reached SEK 70m, corresponding to a negative growth of 29% and a margin of 6.3%. The adjusted EBITA was affected by one-off costs related to the acquisition agenda and restructuring, totalling SEK 6m. Excluding the one-off costs, operating expenses were still slightly higher than anticipated, leading to softer profitability compared to our estimate for EBITA of SEK 88m.

For the full year 2023, earnings per share (EPS) stood at 1.19, falling short of our expectation of SEK 1.60. Despite this decrease in EPS, the board of directors has proposed an unchanged dividend of SEK 1.55 per share. That reflects confidence in the company's financial position and future development in 2024.

Improved gross margin and turnaround for Viva eCom should lift the share

We have made slight upward adjustments to our sales estimates. For the year 2024, we anticipate total net sales of SEK 4,193m, representing a growth of 5.4% (4.3%). This growth is primarily driven by the Nordics and, to some extent, by Viva eCom, which we expect to deliver growth in H2 2024. Furthermore, we anticipate an improvement in gross margins in Q2 2024 due to a strengthened SEK and NOK. For 2024, we project an adjusted EBITA of SEK 340m, approx. 3% lower than previously forecasted. Based on the revised estimates, we have calculated a fair value of SEK 45.5 per share (46.2) in the base case. The valuation corresponds to an EV/Sales NTM of 1.1x, an EV/EBIT NTM of 19.0x, and 15.9x in 2025. The full reference group trades at an EV/Sales NTM of 0.7x and EV/EBIT NTM of 15.1x. The premium is justified by expected margin expansion.

Key figures (SEKm)

	2021	2022	2023	2024E	2025E	2026E
Net sales	3,331	3,825	3,980	4,193	4,419	4,649
Total operating income	3,338	3,905	3,988	4,201	4,427	4,657
Gross profit on net sales	788	880	782	857	946	1,026
EBITDA	580	454	292	370	418	483
Adj. EBITA	399	377	292	340	387	450
EBIT	521	310	164	240	287	350
EBT	539	359	112	206	256	322
Basic EPS	6.6	2.9	1.2	1.7	2.2	2.7
Growth, net sales	17.1%	14.8%	4.1%	5.3%	5.4%	5.2%
Gross margin	23.7%	23.0%	19.6%	20.4%	21.4%	22.1%
Adj. EBITA margin	12.0%	9.9%	7.3%	8.1%	8.8%	9.7%
EBIT margin	15.6%	8.1%	4.1%	5.7%	6.5%	7.5%
EV/Sales	2.0x	1.2x	1.0x	0.9x	0.9x	0.8x
EV/EBITDA	11.4x	10.1x	14.3x	10.2x	9.0x	7.8x
EV/EBIT	12.7x	14.7x	25.5x	15.6x	13.1x	10.7x
P/E	9.0x	15.5x	33.2x	21.3x	17.1x	13.6x

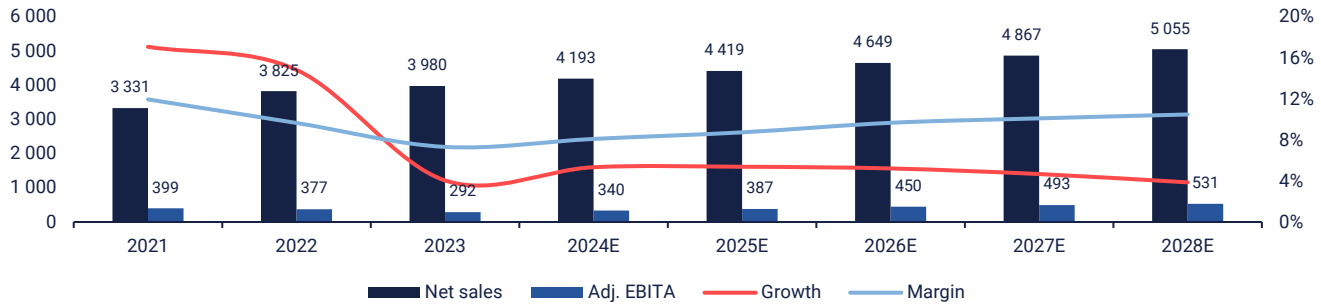
Source: Company information and Carlsquare estimates

Investment case, estimates and valuation

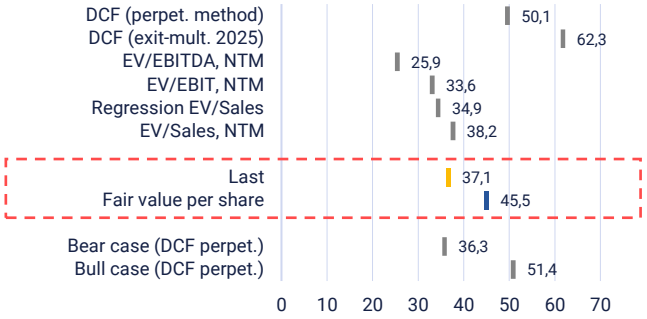
Scalability when the largest grow larger

- **A proven track record.** Viva has demonstrated a strong performance over the past five years, showcasing an average annual growth rate of nearly 15%. Growth has been accompanied by an average EBITA margin of 10.5%. That validates the company's strategy and highlights the competency of its team, including management. Viva's success is further evidenced by its adeptness in navigating challenging markets, particularly in the Nordics, through a demand-driven product development process.
- **Consumer spending** is anticipated to improve in H2 2024. This shift bodes well for the overall outlook of the group but also signals a positive trajectory for Viva eCom to begin reporting growth figures once again. Viva eCom holds the potential to be a key driver of the group's growth in the long term. This potential stems from ongoing geographical expansion and the robust development of the underlying market as more consumers turn to online shopping within the wine and spirits vertical.
- **We expect an improved gross margin** for the Nordics from Q2 2024. The strengthened SEK and NOK against the EUR drive the positive shift. Additionally, as Weinfürst spearheads the geographical expansion for Viva eCom, we foresee further gross margin expansion over time. This expansion is expected as the revenue share from proprietary brands increases, enhancing the profitability outlook.
- **We see economies of scale** materialising as both segments grow simultaneously, enhancing overall profitability. Additionally, the acquisition of Norwegian Beverage Group AS underscores the vitality of the M&A strategy, even in a relatively subdued M&A market environment. It's worth noting that our financial model does not account for additional acquisitions. Therefore, any potential future acquisitions would likely lead to upward adjustments in our estimates, consequently positively impacting our valuation.

- **Revenue and EBIT (SEKm), base case scenario**



- **A fair value of SEK 45.5 per share** is calculated for the upcoming 6-12 months in a base case scenario within the interval of 36.3-51.4. A fair value per share of SEK 45.5 corresponds to a potential upside of 23%.
- Fair value corresponds to an EV/Sales NTM at 1.1x
- Fair value corresponds to an EV/EBIT NTM at 19.0x
- Peers are trading at a median EV/Sales NTM at 0.7x.
- Peers are trading at a median EV/EBIT NTM at 15.1x.
- The premium is justified by anticipated margin expansion.

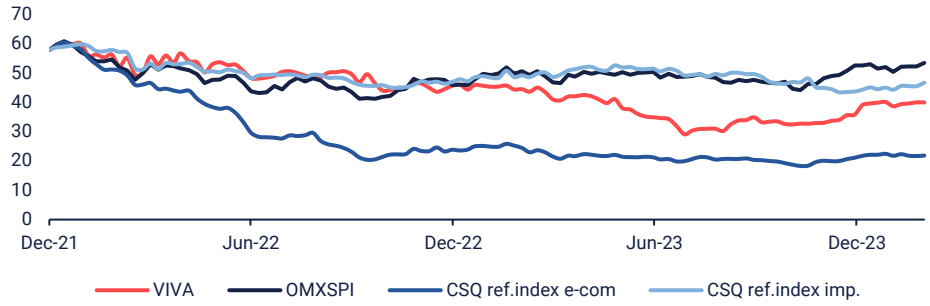


- Discontinued cooperation with key partner producers may result in lost revenue relatively immediately.
- The underying market is not working in Viva's favour. Global wine consumption has been trending down since 2007.
- Potential changes in regulations of trade and marketing of alcoholic beverages can make conditions better or worse.
- The number of funds and similar that is allowed to invest in businesses that work with alcohol is limited.
- At the end of 2023, Viva had non-current interest-bearing liabilities of SEK 622m. The terms are unknown to us.

Share and valuation trends

The chart below illustrates the performance of the Viva share relative to OMXSPI, CSQ reference index importers, and CSQ reference index e-com. Since Dec. 2021, Viva has demonstrated relative weakness compared to OMXSPI and CSQ reference index importers but has exhibited stronger performance compared to CSQ reference index e-com. That may be attributed to the group's structure with two distinct business segments. The dynamics considering the current revenue distribution between the Nordics and Viva eCom could influence the market perception.

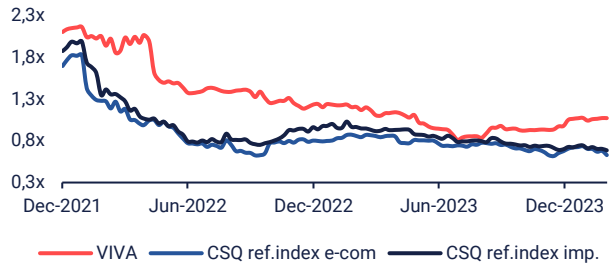
Share price development (Index 17 Dec. 2021 = SEK 58.0)



Source: S&P Capital IQ and Carlsquare

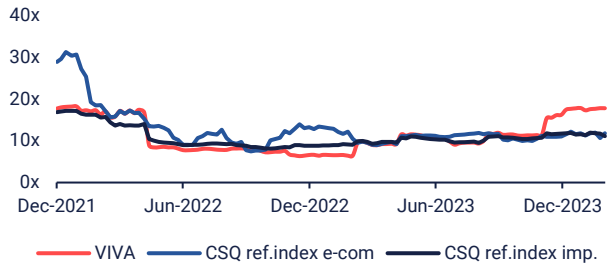
Below is the valuation trend for revenue and profitability. Note that the valuation multiples are calculated on a rolling 12-month. As can be seen, Viva is valued at a premium to its peer groups. Thus, growth and margin expansion are, to some extent, already priced in.

EV/Sales LTM



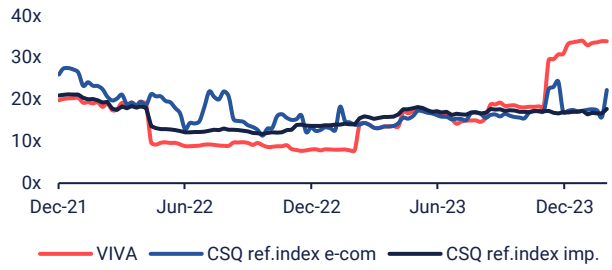
LTM = last twelve months. Source: S&P Capital IQ and Carlsquare

EV/EBITDA LTM



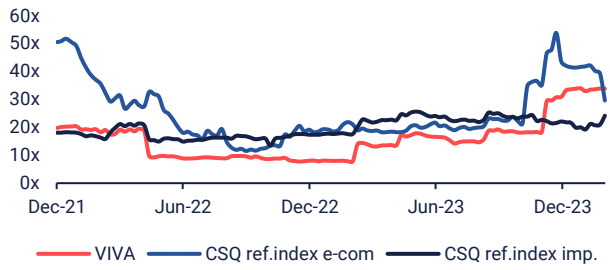
LTM = last twelve months. Source: S&P Capital IQ and Carlsquare

EV/EBIT LTM



LTM = last twelve months. Source: S&P Capital IQ and Carlsquare

P/E LTM



LTM = last twelve months. Source: S&P Capital IQ and Carlsquare

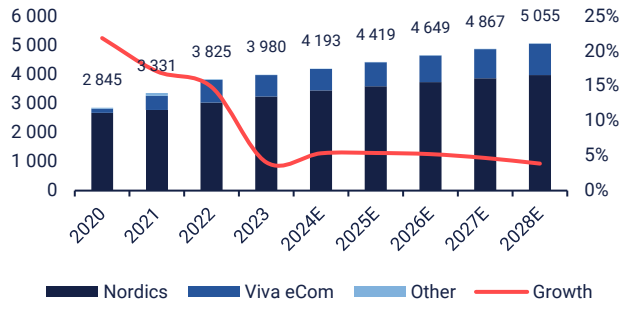
Estimates and revisions

Estimates and revisions (SEKm)

	New			Previous			Revision		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Net sales	4,193	4,419	4,649	4,104	4,302	4,502	2%	3%	3%
Gross profit on net sales	857	946	1,026	847	949	1,014	1%	0%	1%
EBITDA	370	418	483	371	457	508	0%	-9%	-5%
Adj. EBITA	340	387	450	351	437	487	-3%	-11%	-7%
EBIT	240	287	350	247	332	382	-3%	-14%	-8%
Basic EPS (SEK)	1.7	2.2	2.7	1.8	2.6	3.0	-3%	-15%	-9%

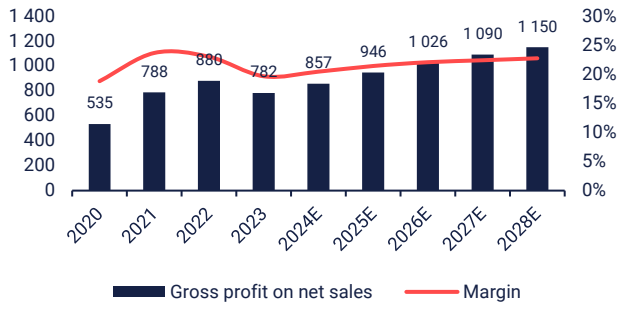
Estimates in SEKm. Source: Carlsquare estimates

Net sales (SEKm) and growth (%)



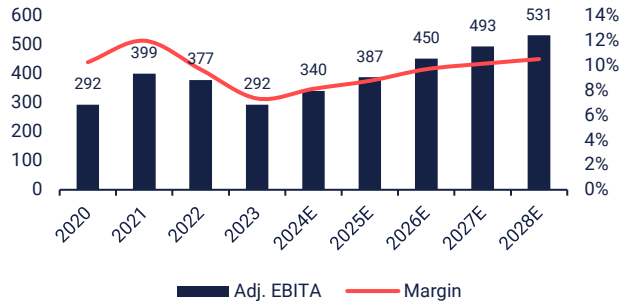
Source: Company information and Carlsquare estimates

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

Adj. EBITA (SEKm) and margin (%)

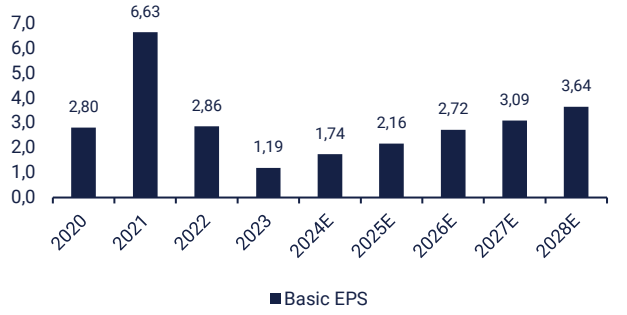


Source: Company information and Carlsquare estimates

EBIT (SEKm) and margin (%)

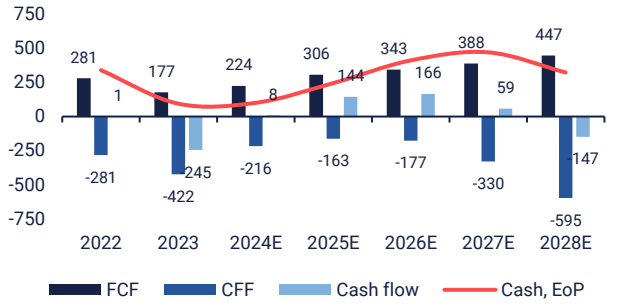
Source: Company information and Carlsquare estimates

EPS (SEK)



Source: Company information and Carlsquare estimates

Cash flow (SEKm)



Source: Company information and Carlsquare estimates

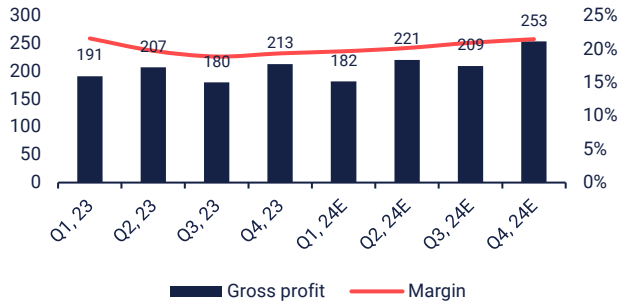
Based on 2024 earnings, we expect a dividend of SEK 1.55.

On a quarterly basis

Net sales (SEKm) and growth (%)

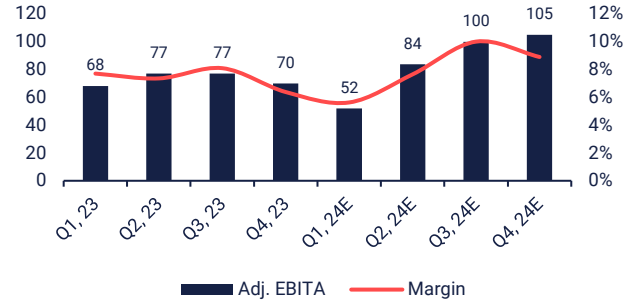
Source: Company information and Carlsquare estimates

Grossprofit (SEKm) and margin (%)



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

Adj. EBITA (SEKm) och margin (%)

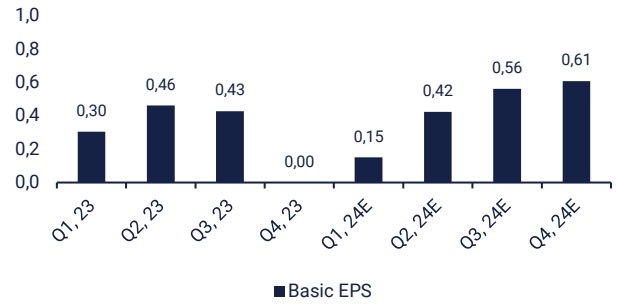


Source: Company information and Carlsquare estimates

EBIT (SEKm) and margin (%)

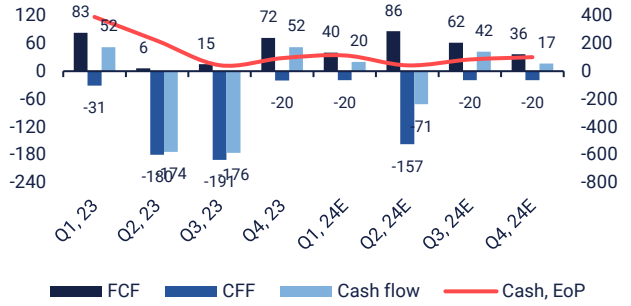
Source: Company information and Carlsquare estimates

EPS (SEK/share)



Source: Company information and Carlsquare estimates

Cash flow and cash position (SEKm)



Source: Company information and Carlsquare estimates

Fair value within a range

Growth and margin expansion motivate upside

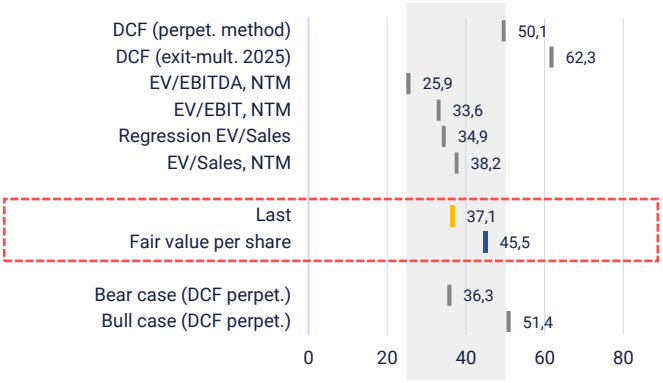
Combining a DCF valuation with a multiple valuation we calculate a fair value of SEK 45.5 per share (46.2) for the next 6-12 months in a base case scenario. That corresponds to an upside potential of approximately 23%. The valuation is predicated on continued strong growth coupled with improved margins.

Fair value (SEK/share), base case

		weight	
Currency, SEK/SEK			1.0
EV/Sales, NTM	SEK	5.0%	38.2
Regression EV/Sales	SEK	10%	34.9
EV/EBIT, NTM	SEK	15%	33.6
DCF valuation	SEK	70%	50.1
Fair value per share	**SEK**		**45.5**
Potential up-/downside			23%
Shares outstanding, fully financed	M		88.8
Equity value	SEKm		4,043
Cash (last rep. Q)	SEKm		94.0
Debt (last rep. Q)	SEKm		617
PV cash from equity financing	SEKm		0.0
EV	SEKm		4,566

Source: Carlsquare estimates

Fair value within a range (SEK/share)



Source: Carlsquare estimates

Implicit valuation multiples, base case

	2022	2023	Curr. NTM	NTM	2024E	2025E	2026E	2027E	2028E
EV/Sales	1.2x	1.0x	0.9x	1.1x	1.1x	1.0x	1.0x	0.9x	0.9x
EV/EBITDA	10.1x	14.3x	10.3x	12.4x	12.4x	10.9x	9.5x	8.7x	8.1x
EV/EBIT	14.7x	25.5x	15.9x	19.0x	19.0x	15.9x	13.1x	11.7x	10.6x
P/E	15.5x	33.2x	20.3x	26.1x	26.1x	21.0x	16.7x	14.7x	12.5x

Source: Carlsquare estimates

Evaluation, three scenarios

	BEAR	BASE	BULL
Rev. growth assumtions			
CAGR, 2023-26	5.1%	5.3%	5.5%
CAGR, 2026-29	3.8%	4.0%	4.4%
CAGR, 2023-33	3.8%	4.0%	4.2%
Assumptions, EBITDA margins			
AVG, 2024-26	8.2%	9.5%	9.8%
AVG, 2027-29	8.5%	11.2%	11.6%
AVG, 2024-33	8.7%	11.1%	11.5%
2033	9.6%	12.6%	13.2%
Calculated value per share (SEK)	**36.3**	**45.5**	**51.4**

Source: Carlsquare estimates

DCF evaluation

DCF valuation, base case scenario

DCF valuation							
PV(UFCF)	SEKm	2,607	Disc. rate				
PV(TV)	SEKm	2,522	Risk free rate	2.3%		Tax adjust. r on debt	5.5%
Enterprise value	SEKm	5,129	Market risk premium	6.7%		Leverage	14.8%
Net debt (+), last Q	SEKm	523	Size premium	1.2%		WACC	9.4%
Value, associated comps.	SEKm	0.0	Beta	1.0x		Comp. spec. premium	0.0%
Value, minority interest	SEKm	-155	Req. return on equity	10.1%		**Discount rate**	**9.4%**
Shareholder value	SEKm	4,452	Assumptions				
PV(equity financing proceeds)	SEKm	0.0	CAGR, 2023-33E	4.0%			
Shareholder value, after financing	SEKm	4452	EBITDA-margin, 2033E	12.6%			
Current shares outstanding	M	88.8	EBIT-margin, 2033E	10.3%			
New shares	M	0.0	Tax rate	20.6%			
Shares outstanding after financing and dilution	M	88.8	Implied multiples				
Value per share (before financing and dilution)	SEK	50.1	EV/Sales, NTM	1.2x		EV/EBITDA, NTM	13.9x
Value per share (after financing and dilution)	SEK	50.1	EV/Sales, 25E	1.2x		EV/EBITDA, 25E	12.3x
Currency	SEK/SEK	1.0	P/S, NTM	1.1x		EV/EBIT, NTM	21.4x
Value per share (before financing and dilution)	SEK	50.1	P/S, 25E	1.0x		EV/EBIT, 25E	17.9x
Value per share (after financing and dilution)	**SEK**	**50.1**	EV/Gross prof., NTM	6.0x		P/E, NTM	27.4x
Potential up-/downside		35%	EV/Gross prof., 25E	5.4x		P/E, 25E	22.0x

Source: Carlsquare estimates

Multiple valuation

Multiple evaluation median EV/Sales NTM, base case scenario

		Median Mcap (SEKm)	Sales CAGR, 2022-25	µEBIT marg, 2023-25	EV/Sales, NTM	EV/Sales, NTM
Ref. group, Median: Distributors		332	4%	11%	1.0x	-
Ref. group, Median: E-com, wine & other SE		57	8%	4%	-	0.6x
					Nordics+Oth.	Viva eCom
Discount					0.0%	0.0%
Applied multiple					1.0x	0.6x
Net sales, NTM	SEKm				3,449	747
Enterprise value	SEKm				3,616	419
Sum enterprise value	SEKm				4,034	
Net debt (+), last Q	SEKm				523	
Value, associated comps.	SEKm				0.0	
Value, minority interest	SEKm				-122	
PV(equity financing proceeds)	SEKm				0.0	
Shareholder value, after financing	SEKm				3,390	
Current shares outstanding	M				88.8	
New shares	M				0.0	
Shares outstanding after financing and dilution	M				88.8	
Exchange rate	SEK/SEK				1.0	
Fair value per share after financing and dilution	**SEK**				**38.2**	

Source: S&P Capital IQ and Carlsquare estimates

Multiple evaluation EV/Sales regression, base case scenario

Slope		9.6			
Intercept		-0.2	Net debt (+), last Q	SEKm	523
Rsq		56%	Value, associated comps.	SEKm	0.0
CAGR, 2023-26		5.3%	Value, minority interest	SEKm	-113
Avg. EBIT margin, 2023-2025		6.6%	PV(equity financing proceeds)	SEKm	0.0
Growth + margin		12%	Shareholder value, after financing	SEKm	3,100
Implied multiple		0.9x	Current shares outstanding	M	88.8
Rebate		0.0%	New shares	M	0.0
Applied multiple		0.9x	Shares outstanding after financing and dilution	M	88.8
Net sales, NTM	SEKm	4,193	Exchange rate	SEK/SEK	1.0
Fair EV	SEKm	3,736	**Fair value per share after financing and dilution**	**SEK**	**34.9**

EV/Sales NTM and growth plus EBIT margin, NTM. Source: S&P Capital IQ and Carlsquare estimates

Multiple valuation median EV/EBIT NTM, base case scenario

		Median Mcap (SEKm)	Sales CAGR, 2022-25	µEBIT marg. 2023-25	EV/EBIT, NTM
Ref. group, Median		151	6%	9%	15.1x
Ref. group, Average		2 454	7%	12%	14.3x
Discount					0.0%
Applied multiple					15.1x
Adj. EBIT, NTM	SEKm				240
Enterprise value	SEKm				3,616
Net debt (+), last Q	SEKm				523
Value, associated comps.	SEKm				0.0
Value, minority interest	SEKm				-109
PV(equity financing proceeds)	SEKm				0.0
Shareholder value, after financing	SEKm				2,983
Current shares outstanding	M				88.8
New shares	M				0.0
Shares outstanding after financing and dilution	M				88.8
Exchange rate	SEK/SEK				1.0
Fair value per share after financing and dilution	**SEK**				**33.6**

Source: S&P Capital IQ and Carlsquare estimates

Risks and Challenges

Discontinued cooperation with key partner producers

The group's portfolio consists of partner brands and their own brands. Historically, partner brands have accounted for 56% of the group's total volume. In the industry, business is done with great emphasis on personal relationships. A lost relationship thus entails the risk that a partner wine disappears from the company's product portfolio and revenue is lost relatively immediately. However, the company has historically had few interrupted partnerships, and as of 2020, 66% of the group's relationships with partner producers were ten years or longer.

Management at subsidiaries with good relationships with producers and other actors in the value chain often have direct shareholdings in their respective subsidiaries. Share ownership is an incentive to drive the business forward but also reduces the risk of losing important relationships with key people.

Changing rules of the game in the Nordic region

The purpose of monopolies is to limit alcohol consumption. There are studies and data that speak for the existence of monopolies, but there are also studies that speak against them. Deregulation in the sense of abolishing the monopolies would significantly change the conditions of the Nordic segment. The risk of such a scenario is currently assessed as low in all markets in the Nordic region.

Falling trend in wine consumption

Since 2000, global wine consumption has been up by 2.6%, but since 2007, the trend has been down. Despite falling consumption, the value of the market has increased with price inflation. However, an underlying demand that decreases is not optimal. At the same time, it should be noted that the Nordic segment increased its sales despite lower consumption in Sweden in terms of volume and revenue between 2018 and 2022. That is a sign of strength.

Household purchasing power linked to wine consumption

The correlation between economic development and wine consumption is low. However, the company's outlook is expected to be affected by a continued weakening of household purchasing power. That would usually be driven by higher unemployment or continued rising interest rates.

Regulations and a limited number of investors

The trade and marketing of alcoholic beverages is regulated in all markets in which the company operates. Regulation changes, including taxation, can change the conditions for the better or worse.

Furthermore, a large proportion of funds and similar are not allowed to invest in businesses that work with alcohol. That limits the number of investors.

Loans

At the end of 2023, Viva had interest-bearing liabilities of SEK 622m. Of this amount, there is a so-called term loan of EUR 50m, the terms of which are unknown to us.

Accounts and key figures

Income statement (SEKm), quarterly basis

	Q1, 23	Q2, 23	Q3, 23	Q4, 23	Q1, 24E	Q2, 24E	Q3, 24E	Q4, 24E
Nordics	698	867	781	892	736	919	828	954
Viva eCom	182	176	169	205	183	172	169	223
Net sales*	883	1,047	952	1,098	923	1,093	999	1,179
Total revenue	885	1,049	954	1,101	925	1,095	1,001	1,181
Gross profit on net sales	189	205	178	210	180	219	207	251
EBITDA	69	78	78	69	59	91	107	112
EBITA	64	73	73	62	52	84	100	105
Adj. EBITA	68	77	77	70	52	84	100	105
EBIT	38	47	45	35	27	59	75	80
EBT	36	52	26	0	18	50	66	72
Net profit/loss	29	42	43	2	14	39	52	57
Basic EPS (SEK)	0.30	0.46	0.43	0.00	0.15	0.42	0.56	0.61
Growth	Q1, 23	Q2, 23	Q3, 23	Q4, 23	Q1, 24E	Q2, 24E	Q3, 24E	Q4, 24E
Net sales*	1%	5%	6%	4%	4%	4%	5%	7%
Total revenue	1%	5%	-2%	4%	4%	4%	5%	7%
Gross profit on net sales	-14%	-12%	-32%	-11%	-5%	7%	16%	19%
EBITDA	-27%	-20%	-50%	-34%	-14%	16%	37%	63%
EBIT	-42%	-31%	-61%	-44%	-29%	25%	66%	128%
EBT	-48%	-48%	-79%	0%	-50%	-4%	155%	0%
Net profit/loss	-47%	-47%	-54%	-96%	-51%	-6%	22%	2736%
Margins	Q1, 23	Q2, 23	Q3, 23	Q4, 23	Q1, 24E	Q2, 24E	Q3, 24E	Q4, 24E
Gross margin	21%	20%	19%	19%	19%	20%	21%	21%
EBITDA margin	8%	7%	8%	6%	6%	8%	11%	10%
EBITA margin	7%	7%	8%	6%	6%	8%	10%	9%
Adj. EBITA margin	8%	7%	8%	6%	6%	8%	10%	9%
EBIT margin	4%	4%	5%	3%	3%	5%	7%	7%
EBT margin	4%	5%	3%	0%	2%	5%	7%	6%
Profit margin	3%	4%	5%	0%	2%	4%	5%	5%

**Incl. Others and after eliminations. Source: Company information and Carlsquare estimates*

Income statement (SEKm)

	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
Nordics	2,773	3,029	3,238	3,438	3,589	3,733	3,863	3,967
Viva eCom	486	775	732	747	822	909	996	1,081
Net sales*	3,331	3,825	3,980	4,193	4,419	4,649	4,867	5,055
Total operating income	3,338	3,905	3,988	4,201	4,427	4,657	4,875	5,063
COGS	-2,543	-2,945	-3,198	-3,336	-3,472	-3,623	-3,777	-3,905
Gross profit on net sales	788	880	782	857	946	1,026	1,090	1,150
Tot. operating expenses less COGS and D&A	-216	-506	-498	-496	-536	-551	-572	-591
EBITDA	580	454	292	370	418	483	527	566
Depreciation of tangible assets incl. leasing	-16	-22	-21	-29	-31	-32	-34	-35
EBITA	564	433	272	340	387	450	493	531
Adj. EBITA	399	377	292	340	387	450	493	531
Amortisation of intangible assets	-43	-121	-107	-100	-100	-101	-101	-101
EBIT	521	310	164	240	287	350	392	430
Net finances	18	48	-52	-34	-31	-28	-27	1
EBT	539	359	112	206	256	322	365	430
Tax	-74	-80	4	-43	-54	-68	-77	-90
Net profit/loss	466	278	116	163	202	254	289	340
Adj. net profit/loss	311	237	129	163	202	254	289	340
Tot. comp. PL attributed to parent company	414	254	106	155	192	242	274	323
Adj. PL attributed to parent company	259	216	120	155	192	242	274	323
Basic EPS	6.63	2.86	1.19	1.74	2.16	2.72	3.09	3.64
EPS aft. dilution	6.63	2.86	1.19	1.74	2.16	2.72	3.09	3.64
No. of share, EoP	88.8	88.8	88.8	88.8	88.8	88.8	88.8	88.8
Avg. no. of shares	60.9	88.8	88.8	88.8	88.8	88.8	88.8	88.8
Growth	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
Net sales	17%	15%	4%	5%	5%	5%	5%	4%
Total operating income	17%	17%	2%	5%	5%	5%	5%	4%
Gross profit on net sales	47%	12%	-11%	10%	10%	8%	6%	5%
EBITDA	92%	-22%	-36%	27%	13%	16%	9%	8%
EBITA	94%	-23%	-37%	25%	14%	16%	9%	8%
Adj. EBITA	37%	-6%	-23%	17%	14%	16%	9%	8%
EBIT	85%	-40%	-47%	46%	19%	22%	12%	10%
EBT	95%	-33%	-69%	84%	24%	26%	14%	18%
Net profit/loss	113%	-40%	-58%	40%	24%	26%	14%	18%
Basic EPS	137%	-57%	-58%	46%	24%	26%	14%	18%
Margins	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
Gross profit on net sales	24%	23%	20%	20%	21%	22%	22%	23%
EBITDA	17%	12%	7%	9%	9%	10%	11%	11%
EBITA	17%	11%	7%	8%	9%	10%	10%	10%
Adj. EBITA	12%	10%	7%	8%	9%	10%	10%	10%
EBIT	16%	8%	4%	6%	6%	8%	8%	8%
EBT	16%	9%	3%	5%	6%	7%	7%	9%
Net profit/loss	14%	7%	3%	4%	5%	5%	6%	7%

Incl. Others and after eliminations. Source: Company information and Carlsquare estimates

Balance sheet (SEKm)

	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
Tot. intangible assets	1,991	2,137	1,996	1,901	1,806	1,710	1,615	1,519
Tot. tangible assets	50	10	24	23	21	18	15	11
Tot. other fixed assets	141	144	176	176	176	176	176	176
Total LT assets	2,183	2,290	2,196	2,100	2,003	1,905	1,806	1,706
Inventories	477	535	516	600	626	652	694	718
Accounts receivables	730	670	739	632	675	717	741	776
Other current assets	90	71	91	109	114	118	121	127
Cash & cash eqv.	331	339	94	101	245	411	470	322
Total current assets	1,630	1,616	1,440	1,441	1,659	1,899	2,026	1,943
Total assets	**3,813**	**3,906**	**3,636**	**3,541**	**3,662**	**3,804**	**3,832**	**3,649**
Total equity	1,736	1,865	1,722	1,747	1,812	1,915	2,021	2,157
Provisions	10	19	0	0	0	0	0	0
LT debt to creditors	732	689	484	484	484	484	0	0
Other LT liabilities	350	350	362	362	362	362	362	362
Tot. long-term liabilities	1,082	1,038	846	846	846	846	362	362
ST debt to creditors	86	89	54	0	0	0	363	0
Accounts payable	443	427	508	469	504	518	542	566
Other current liabilities	455	468	505	479	501	525	545	565
Tot. short-term debt	985	984	1,068	948	1,004	1,043	1,449	1,130
Tot. equity and debt	**3,813**	**3,906**	**3,636**	**3,541**	**3,662**	**3,804**	**3,832**	**3,649**

Liquidity	2 021	2 022	2 023	2024E	2025E	2026E	2027E	2028E
Current ratio	1.7x	1.6x	1.3x	1.5x	1.7x	1.8x	1.4x	1.7x
Quick ratio	1.1x	1.0x	0.8x	0.8x	0.9x	1.1x	0.8x	1.0x
CF operations/current liabs.	0.2x	0.3x	0.2x	0.2x	0.3x	0.3x	0.3x	0.4x
Leverage	**2 021**	**2 022**	**2 023**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**
Net debt(+)/Net cash(-)	545	492	523	462	318	152	-28	-243
Net debt(+)/Net cash(-), excl. leasing	487	439	444	383	239	73	-107	-322
Net debt/EBITDA	0.9x	1.1x	1.8x	1.3x	0.8x	0.3x	-0.1x	-0.4x
Tot. debt/Equity	50%	45%	36%	32%	31%	29%	22%	4%
Tot. equity/tot. assets	46%	48%	47%	49%	49%	50%	53%	59%
Efficiency	**2 021**	**2 022**	**2 023**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**
ROA	12%	6%	3%	5%	6%	7%	8%	9%
ROE	24%	12%	7%	9%	11%	13%	14%	15%
ROIC	12%	6%	4%	5%	7%	8%	9%	10%

Source: Company information and Carlsquare estimates

Cash flow (SEKm),

	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
CFO b4 delta WC	296	363	197	248	351	406	440	492
Delta WC	-139	-75	16	-15	-36	-54	-42	-35
CF operations	158	286	212	233	316	352	398	457
CF investing	-1,590	-5	-35	-9	-9	-9	-10	-10
FCF	-1,432	281	177	224	306	343	388	447
CF financing	1,714	-281	-422	-216	-163	-177	-330	-595
Cash flow	283	1	-245	8	144	166	59	-147
Cash, BoP	42	331	339	94	101	245	411	470
Cash, EoP	331	339	94	101	245	411	470	322
Key ratios	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**
Delta WC/Total operating income	-4%	-2%	0%	0%	-1%	-1%	-1%	-1%
CF operations/Total operating income	5%	7%	5%	6%	7%	8%	8%	9%
CF operations/EBITDA	27%	63%	73%	63%	76%	73%	76%	81%
CF investing/Total operating income	-48%	0%	-1%	0%	0%	0%	0%	0%
FCF/EBITDA	-247%	62%	61%	61%	73%	71%	74%	79%

Source: Company information and Carlsquare estimates

Key figures (SEK), 2021-2028P

	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
SEK/SEK	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Share price	59.6	44.4	39.6	37.1	37.1	37.1	37.1	37.1
Market cap	5,294	3,940	3,518	3,296	3,296	3,296	3,296	3,296
EV	6,638	4,568	4,179	3,758	3,819	3,819	3,819	3,819
P/S	1.6x	1.0x	0.9x	0.8x	0.7x	0.7x	0.7x	0.7x
P/E	9.0x	15.5x	33.2x	21.3x	17.1x	13.6x	12.0x	10.2x
P/CF operations	33.5x	13.8x	16.6x	14.2x	10.4x	9.4x	8.3x	7.2x
EV/Sales	2.0x	1.2x	1.0x	0.9x	0.9x	0.8x	0.8x	0.8x
EV/Gross profit	8.4x	5.2x	5.3x	4.4x	4.0x	3.7x	3.5x	3.3x
EV/EBITDA	11.4x	10.1x	14.3x	10.2x	9.1x	7.9x	7.3x	6.7x
EV/EBIT	12.7x	14.7x	25.5x	15.6x	13.3x	10.9x	9.7x	8.9x
CSQ fair value per share	59.6	44.4	39.6	45.5	45.5	45.5	45.5	45.5
CSQ market cap	5,294	3,940	3,518	4,043	4,043	4,043	4,043	4,043
CSQ EV	6,638	4,568	4,179	4,505	4,361	4,195	4,015	3,800
P/S. CSQ implied	1.6x	1.0x	0.9x	1.0x	0.9x	0.9x	0.8x	0.8x
P/E. CSQ implied	11.4x	14.2x	30.3x	24.9x	20.0x	15.9x	14.0x	11.9x
P/CF operations. CSQ implied	33.5x	13.8x	16.6x	17.4x	12.8x	11.5x	10.2x	8.8x
EV/Sales. CSQ implied	2.0x	1.2x	1.0x	1.1x	1.0x	0.9x	0.8x	0.8x
EV/Gross profit. CSQ implied	8.4x	5.2x	5.3x	4.4x	4.0x	3.7x	3.5x	3.3x
EV/EBITDA. CSQ implied	11.4x	10.1x	14.3x	12.2x	10.4x	8.7x	7.6x	6.7x
EV/EBIT. CSQ implied	12.7x	14.7x	25.5x	18.8x	15.2x	12.0x	10.2x	8.8x
Shares outstanding (EoP)	33.0	88.8	88.8	88.8	88.8	88.8	88.8	88.8
Shares outstanding (Avg.)	32.8	60.9	88.8	88.8	88.8	88.8	88.8	88.8
Shares outstanding. fully dil. (Avg.)	32.8	60.9	88.8	88.8	88.8	88.8	88.8	88.8
EPS (SEK)	NA	61.3	89.2	89.2	89.2	89.2	89.2	89.2
DPS (SEK)	6.63	2.86	1.19	1.74	2.16	2.72	3.09	3.64
BV per share (SEK)	0.00	1.50	1.55	1.55	1.55	1.70	2.05	2.30
tBV per share (SEK)	12.1	28.5	21.0	19.4	19.7	20.4	21.6	22.8
EV per share (SEK)	1.3	0.8	0.1	0.3	0.3	0.2	0.2	0.2
Equity per share	202.3	75.0	47.0	42.3	43.0	43.0	43.0	43.0
Dividend yield	52.9	30.6	19.4	19.7	20.4	21.6	22.8	24.3
FCF yield	0.0%	3.4%	3.9%	4.2%	4.2%	4.6%	5.5%	6.2%
FCF yield (unleveraged)	Neg.	7.1%	5.0%	6.8%	9.3%	10.4%	11.8%	13.6%

Source: Company information and Carlsquare estimates

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