

Research update: Q4 2023

ZINZINO AB

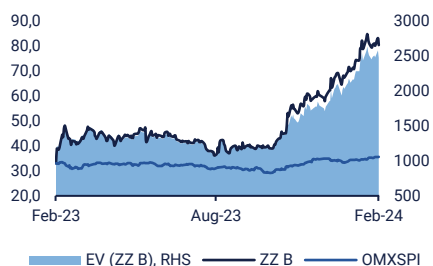
Zinzino is a global player in the sale and production of health foods. Today, the company is active in over 100 markets. The company has historically grown rapidly to improved profitability. A key component of its success has been its direct selling distribution method.

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

Bloomberg: ZZB:SS
Reuters Eikon: ZZB.ST

List: Nasdaq First North
Last: SEK 80.2
Market cap: SEK 2,734m

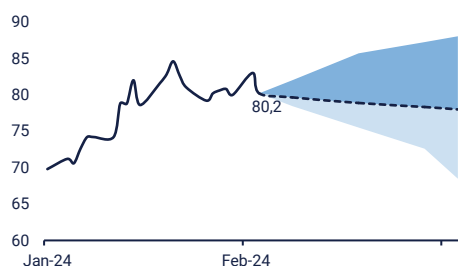
SHARE DEVELOPMENT



	12M	YTD	6M	1M
Development (%)	106	35	104	13

Source: S&P Capital IQ

VALUATION INTERVAL



	BEAR	BAS	BULL
Share price	68.5	78.0	88.0
Up-/downside (%)	-15	-3	10

Source: S&P Capital IQ and Carlsquare estimates

CARLSQUARE EQUITY RESEARCH

Markus Augustsson
Head of Equity Research

Christopher Solbakke
Equity Analyst

Christopher Solbakke
Equity Analyst

Dividend signals sustained margin expansion

A strong 2023 for Zinzino is reflected in the proposed dividend increase to SEK 3.0 per share (1.75). Further penetration in existing markets together with the ongoing expansion into new geographies should drive growth in 2024. M&A is a possible spice. After revised forecasts for gross margin and profitability, a fair value per share of SEK 78.0 (73.2) is estimated.

Increased dividend after a strong year

In Q4 2023, total revenue of SEK 528m was reported, corresponding to a growth of 23%, in line with our updated forecasts. In Q4, Central Europe continued to grow at a fast pace, albeit slowing down. In North America, however, the growth rate increased sequentially, which is partly explained by the initiatives in Mexico. Overall, gross profit increased by 35% to SEK 202m, corresponding to a solid gross margin of 38.3%. This was above our forecast of SEK 193m and a margin of 36.5%. The improved gross margin during the year is partly explained by price increases and adjustment in the remuneration model for distributors. We believe this could lead to sustained higher gross margin.

EBITDA increased by 75% to SEK 71m, corresponding to a margin of 13.5%. We had expected an EBITDA of SEK 74m with a margin of 14.0%. Despite an above-expected gross margin, profitability further down the income statement was thus somewhat weaker than expected. For the full year 2023, EPS amounted to SEK 4.83, representing strong growth of 140%. In the light of a strong 2023, an increased dividend of SEK 3.0 (1.75) per share has been proposed.

Several growth drivers, acquisitions further opportunity

In our opinion, the most prominent drivers of revenue growth in 2024 and the coming years are further expansion in existing markets and the opening of new markets. In addition, a partnership has been entered into with ACN. This can be seen as a quick way to increase the number of distributors and thus also revenues over the next 1-3 years. Growth comes with scalability which should favour profitability in the coming years. Furthermore, we believe that the company has prioritised its M&A growth strategy. However, we do not model contributions from acquisitions in our model. Significant acquisitions can thus contribute to upside in our estimates and valuation.

For the full year 2024, we expect total revenue of SEK 1,916m (1,913), corresponding to a growth of 8.4%. In parallel, we have adjusted our forecasts for gross profit, which is now expected to increase by 8.4% to SEK 703m (674), corresponding to a margin of 36.7% (36.1%). EBITDA is expected to grow by 5.4% to SEK 255m (231), corresponding to a margin of 13.3% (12.1%).

Increased fair value assuming a better gross margin

In a base scenario, a fair value per share is calculated at SEK 78.0 (73.2). The upward revision is partly due to a higher gross margin, which weighs more heavily than a slightly adjusted cost base. Our valuation corresponds to an EV/EBIT multiple NTM of 10.5x. This is in line with our peer group trading at a median EV/EBIT NTM of 10.5x.

Key figures (SEKm)

	2021	2022	2023	2024E	2025E	2026E
Total operating income	1,371	1,443	1,767	1,916	2,059	2,172
Gross profit	428	466	648	703	759	811
EBITDA	138	112	242	255	276	306
EBIT	116	87	210	227	246	276
EBT	115	89	211	229	250	280
Basic EPS	2.57	2.01	4.83	5.26	5.74	6.43
Adj. EPS	2.57	2.01	4.83	5.26	5.74	6.43
Growth, revenue	19.9%	5.2%	23.5%	8.4%	7.5%	5.2%
EBITDA margin	10.0%	7.8%	13.7%	13.3%	13.4%	14.1%
EBIT-margin	8.5%	6.0%	11.9%	11.8%	12.0%	12.7%
EV/Sales	1.3x	0.5x	1.0x	1.5x	1.4x	1.4x
EV/EBITDA	13.0x	6.9x	7.3x	11.6x	10.7x	9.6x
EV/EBIT	15.4x	8.9x	8.4x	13.0x	12.0x	10.7x
Adj. P/E	22.2x	12.9x	12.3x	15.2x	14.0x	12.5x

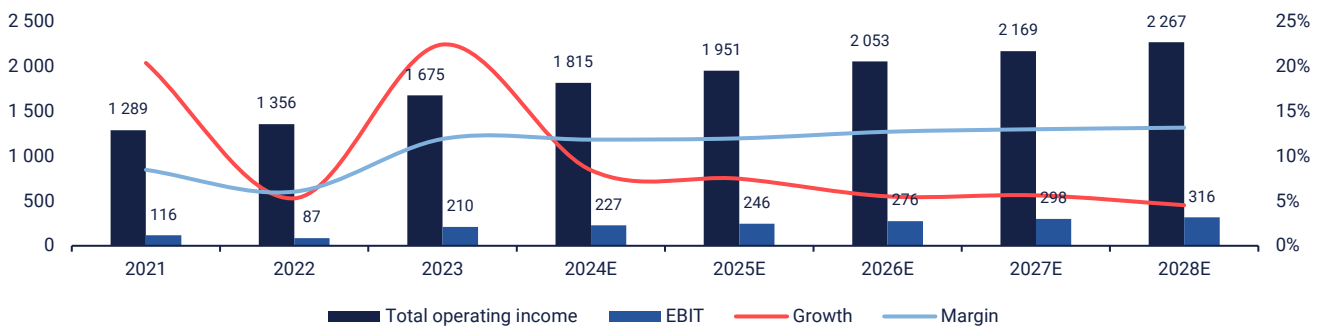
Source: Company information and Carlsquare estimates

Investment case, estimates, valuation, and risks

Valuation has caught up. M&A adds potential upside

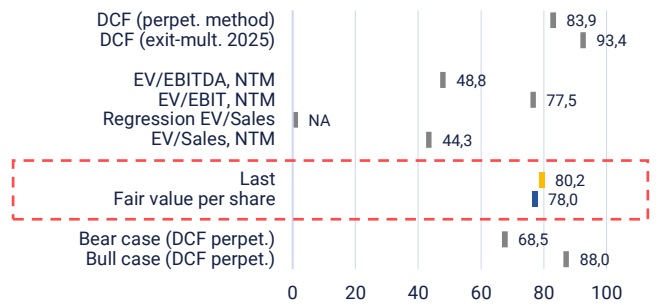
- Proven growth strategy.** Over the past five years, 2019-2023, Zinzino has grown by 25.1% on average per year. An efficient and rapid expansion via direct sales, an expanded product offering, and M&A have been key ingredients. In parallel, the EBIT margin has risen from 1.9% in 2019 to 11.9% in 2023. The history demonstrates the strength of the company's offering, business model and growth strategy.
- Strengthened gross margin.** In 2023, the gross margin ended up at 36.7%. This is an improvement from 32.3% in 2022. The improved gross margin is explained, among other things, by price adjustments, changes in the geographical mix and adjustments in the remuneration model for distributors. We believe that this means that the gross margin can be maintained at levels in line with 2023 also in the coming years.
- New markets and more distributors.** In terms of growth, 2023 could be a tough comparison year. Revenues were also diluted by a favourable movement in SEK. In 2024, however, we expect continued establishment in existing markets. Among other things, with the help of a larger network of distributors that can quickly increase through the partnership with ACN. The company also intends to open new markets that we expect will contribute with increasing volumes over time.
- Growth with scalability.** The company has historically shown good scalability in the business given an effective sales strategy. We expect that the geographical expansion will initially entail an increase in costs. However, we model good scalability once operations in new markets are established. It is also worth noting that the company has high profitability compared to the companies included in our reference group.

Total operating income and EBIT (SEKm), base case scenario



- A fair value of SEK 78.0 per share** is calculated for the coming 6-12 months within the interval of SEK 68.5–88.0. A fair value of SEK 78,0 kronor per share corresponds to a potential of minus 3%.

- Our fair value corresponds to an EV/Sales NTM at 1.2x.
- Our fair value corresponds to an EV/EBIT NTM at 10.5x.
- The ref. group is trading at a median EV/Sales NTM at 0.6x.
- The ref. group is trading at a median EV/EBIT NTM at 10.5x.

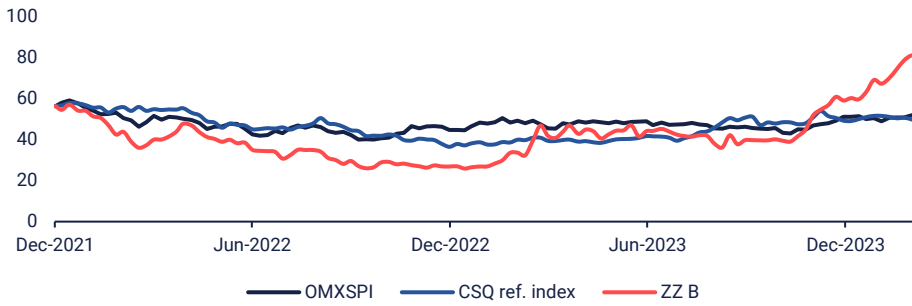


- Risks and challenges:** After a very strong year, the comparative figures (2023) in terms of revenue are tough. A stronger SEK could make it even tougher.
- Household consumption and sentiment are subdued. This means that the impact of growth initiatives may take longer than expected.
- Implemented price increases increase the risk of subscription cancellations.

Share and valuation development

During 2023, Zinzino has outperformed both the CSQ reference index and the OMXSPI. We believe that this is due to strong financial development and that the share will reach low nine-digit levels.

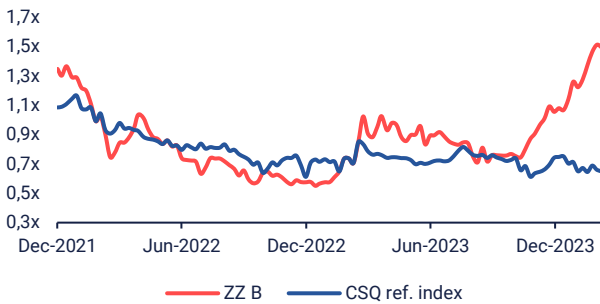
Share price development (Index 17 Dec. 2021 = SEK 56.3)



Källa: S&P Capital IQ och Carlsquare

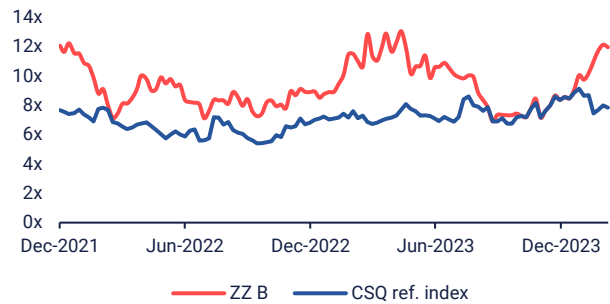
Zinzino is valued in line with the peer group in terms of EV/EBIT rolling 12 months. However, Zinzino still appears cheap in terms of 12-month rolling P/E.

EV/Sales LTM



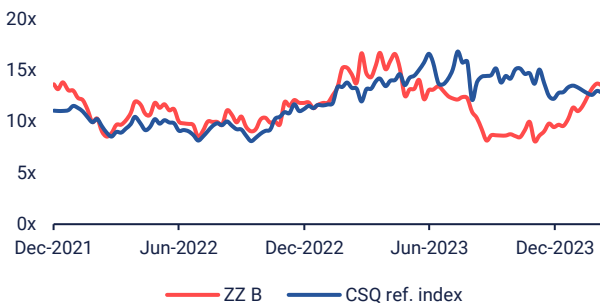
LTM = Last twelve months. Source: S&P Capital IQ and Carlsquare

EV/EBITDA LTM



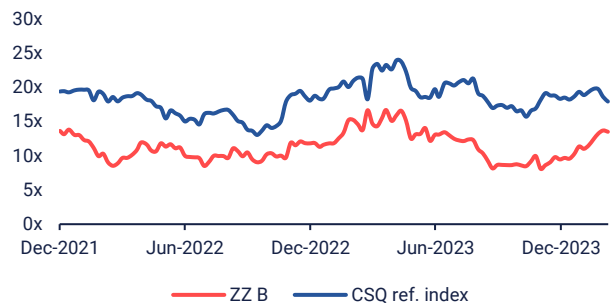
LTM = Last twelve months. Source: S&P Capital IQ and Carlsquare

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

Assumptions and estimates

Estimates and revisions

Estimates

	New			Previous			Adjustment		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Total operating income	1,916	2,059	2,172	1,913	2,049	2,147	0%	0%	1%
Gross profit	703	759	811	674	726	770	4%	5%	5%
EBITDA	255	276	306	231	261	289	11%	6%	6%
EBIT	227	246	276	203	232	258	12%	6%	7%
Basic EPS	5.26	5.74	6.43	4.70	5.40	6.00	12%	6%	7%

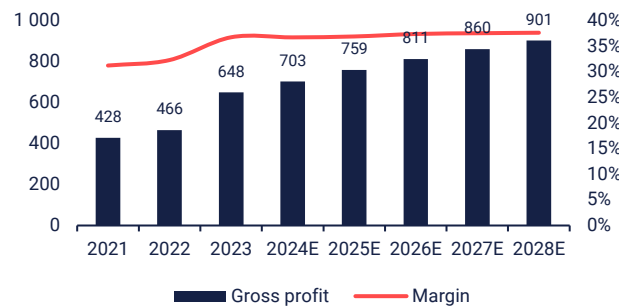
Estimates in SEKm. Source: Carlsquare estimates

Total revenues (SEKm) and growth (%)



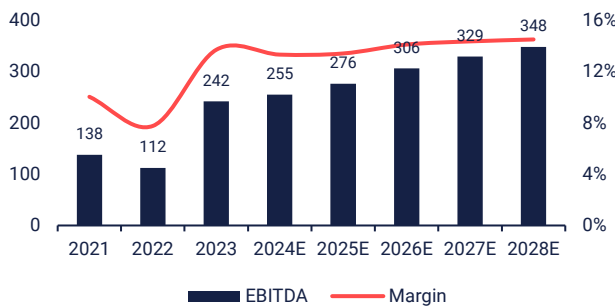
Source: Company information and Carlsquare estimates

Gross profit (SEKm) and margin (%)



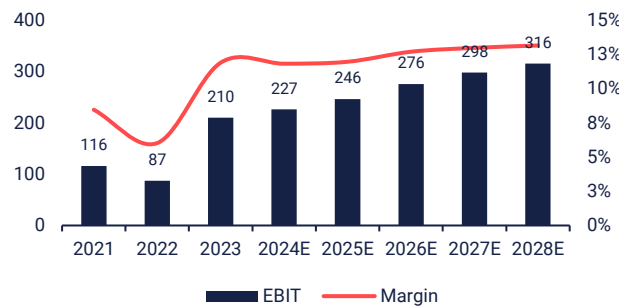
Gross profit = total revenue reduced by the cost of goods sold and distribution costs. Source: company information and Carlsquare forecasts

EBITDA (SEKm) and margin (%)



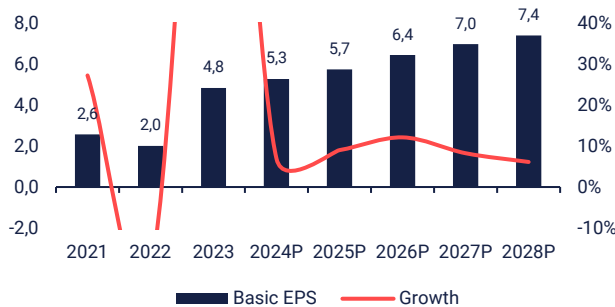
Source: Company information and Carlsquare estimates

EBIT (SEKm) and margin (%)



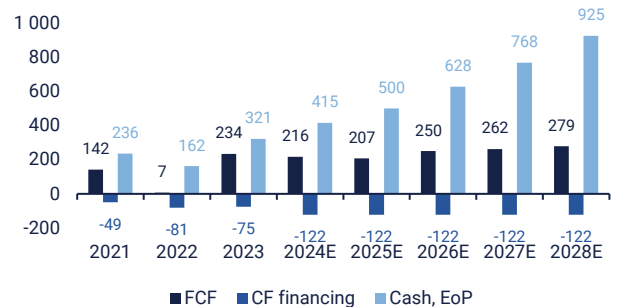
Source: Company information and Carlsquare estimates

EPS (SEK)



Source: Company information and Carlsquare estimates

Cash flow (MSEK)

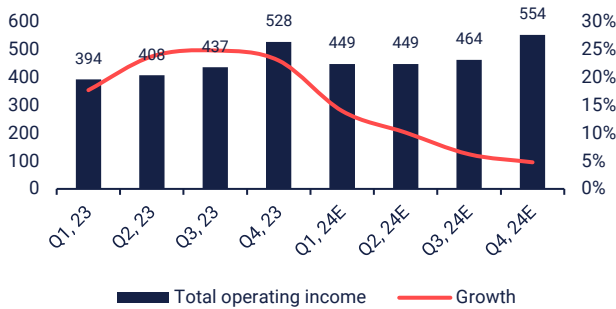


Source: Company information and Carlsquare estimates

Based on 2024 earnings, we expect a dividend of at least SEK 3.0.

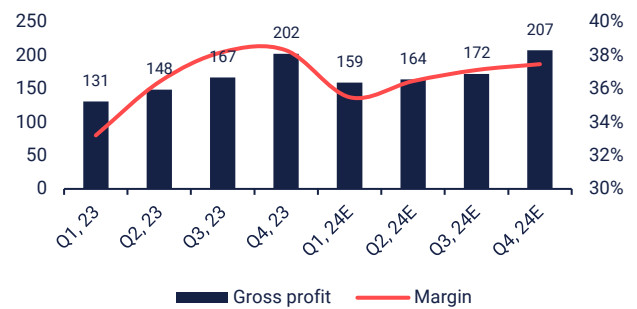
On a quarterly basis

Total revenues (SEKm) and growth (%)



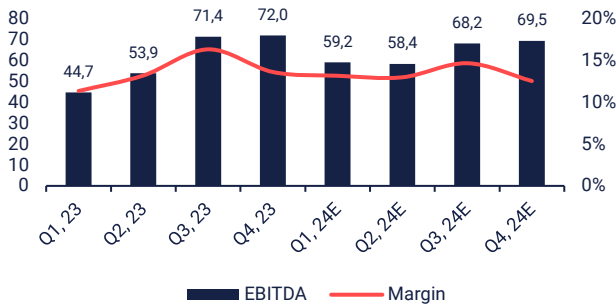
Source: Company information and Carlsquare estimates

Grossprofit (SEKm) and margin (%)



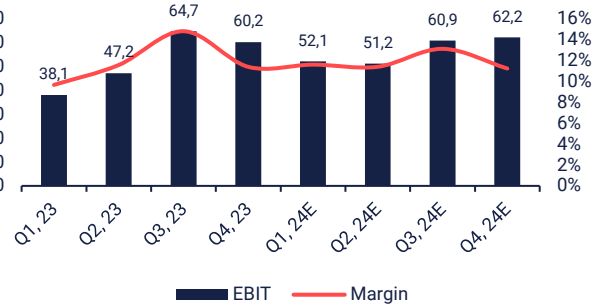
Gross profit = total revenue reduced by the cost of goods sold and distribution costs. Source: company information and Carlsquare forecasts

EBITDA (SEKm) och margin (%)



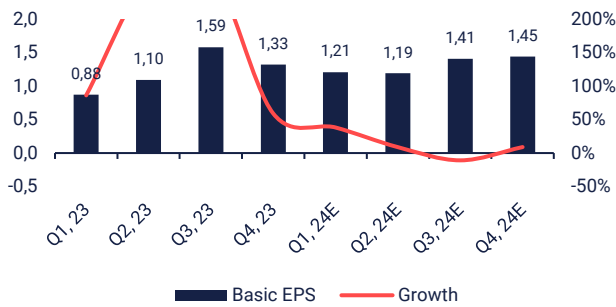
Source: Company information and Carlsquare estimates

EBIT (SEKm) and margin (%)



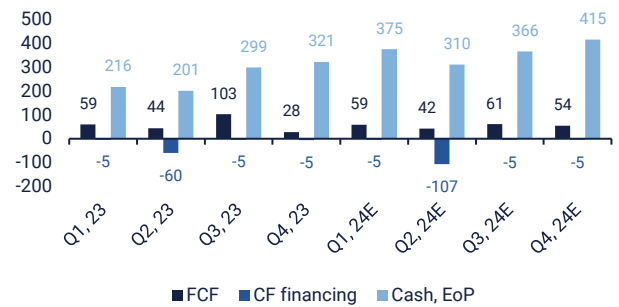
Source: Company information and Carlsquare estimates

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

The valuation has caught up

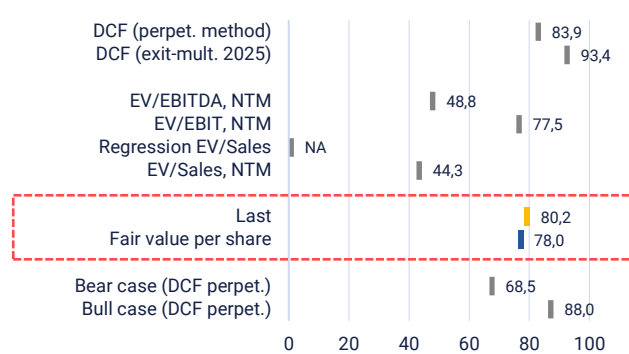
In a base scenario, a fair value per share of SEK 78.0 (73.2) is calculated for the next 6-12 months. The revised valuation is explained by higher earnings forecasts and a lower risk-free interest rate. We have also reduced the weight for EV/Sales to 10% (15%) and increased the weight for EV/EBIT to 30% (25%), as the valuation with the EV/Sales multiple does not reflect the company's solid profitability. Our valuation corresponds to an EV/Sales NTM of 1.2x and EV/EBIT NTM of 10.5x. The peer group is trading at 0.6x and 11.7x respectively.

A fair value per share (SEK), base case

	Weight		
Currency, SEK/SEK			1.0
EV/Sales, NTM	SEK	10%	44.3
EV/EBIT, NTM	SEK	30%	77.5
DCF valuation	SEK	60%	83.9
Fair value per share	SEK		78.0
Potential up-/downside			-3%
Shares, fully financed, and diluted	M		33.9
Equity value	SEK		2,647
Cash (last rep. Q)	SEK		321
Debt (last rep. Q)	SEK		53.9
PV cash from equity financing	SEK		0
EV	SEK		2,380

Source: Carlsquare estimates

A fair value within a range (SEK)



Source: Carlsquare estimates

Implied valuation multiples, base case

	2022	2023	Curr. NTM	NTM	2024E	2025E	2026E	2027E	2028E
EV/Sales	0.5x	1.0x	1.3x	1.2x	1.2x	1.2x	1.1x	1.0x	1.0x
EV/EBITDA	6.9x	7.3x	9.7x	9.3x	9.3x	8.6x	7.8x	7.2x	6.8x
EV/EBIT	8.9x	8.4x	10.9x	10.5x	10.5x	9.7x	8.6x	8.0x	7.5x
Adj. P/E	12.9x	22.2x	15.3x	14.8x	14.8x	13.6x	12.1x	11.2x	10.6x

Source: Carlsquare estimates

DCF valuation

DCF valuation, base case

DCF valuation			
PV(UFCF)	SEK	1,459	Disc. rate
PV(TV)	SEK	1,122	Risk free rate
Enterprise value	SEK	2,581	Market risk premium
Net cash(-), last Q	SEK	-267	Size premium
Value, associated comps.	SEK	0.0	Beta
Value, minority interest	SEK	-1.4	Req. return on equity
Shareholder value	SEK	2,847	Assumptions
PV(equity financing proceeds)	SEK	0	CAGR, 2023-33E
Shareholder value, after financing	SEK	2,847	EBITDA-margin, 2033E
Current shares outstanding	M	34	EBIT-margin, 2033E
New shares	M	0.0	Tax rate
Shares outstanding after financing and dilution	M	34	Implied multiples
Value per share (before financing and dilution)	SEK	83.9	EV/Sales, NTM
Value per share (after financing and dilution)	SEK	83.9	EV/Sales, 25E
Currency	SEK/SEK	1.0	P/S, NTM
Value per share (before financing and dilution)	SEK	83.9	P/S, 25E
Value per share (after financing and dilution)	SEK	83.9	EV/Gross prof., NTM
Potential up-/downside		5%	EV/Gross prof., 25E
			EV/EBITDA, NTM
			EV/EBITDA, 25E
			EV/EBIT, NTM
			EV/EBIT, 25E
			P/E, NTM
			P/E, 25E

Source: Carlsquare estimates

Multiple valuation

Valuation reference group

	HQ	Mcap (EURm)	EV (EURm)	CAGR		Avg. EBITDA-marg.		EV/Sales		EV/EBITDA		EV/EBIT	
				2023-2026	2024-2026	NTM	2024E	NTM	2024E	NTM	2024E		
Herbalife Ltd.	US	801	2 823	NA	11.3%	0.6x	0.6x	5.5x	5.5x	7.1x	7.1x		
Nu Skin Enterprises. Inc.	US	563	869	NA	10.1%	0.5x	0.5x	5.5x	5.5x	9.9x	9.9x		
USANA Health Sciences. Inc.	US	848	545	NA	12.9%	0.7x	0.7x	5.2x	5.2x	7.5x	7.5x		
Natural Grocers by Vitamin Cottage	US	331	670	NA	NA	NA	NA	NA	NA	NA	NA		
Nature's Sunshine Products. Inc.	US	316	265	NA	9.0%	0.6x	0.6x	7.1x	7.0x	12.4x	12.1x		
Lifeway Foods. Inc.	US	165	159	NA	NA	1.0x	1.0x	NA	NA	9.3x	8.9x		
LifeVantage Corporation	US	81	78	NA	9.1%	0.4x	0.4x	4.4x	4.4x	7.4x	7.4x		
Mannatech. Incorporated	US	15	14	NA	NA	NA	NA	NA	NA	NA	NA		
Orkla ASA	NO	6,651	8,513	2,0%	14.5%	NA	1.4x	9.8x	9.8x	13.7x	13.7x		
Aker BioMarine AS	NO	406	731	NA	28.2%	NA	2.1x	15.7x	7.5x	35.2x	20.0x		
Probi AB (publ)	SE	205	180	5,9%	20.6%	NA	3.0x	16.4x	16.4x	79.0x	79.0x		
Midsona AB (publ)	SE	93	137	1,3%	8.4%	0.4x	0.4x	5.2x	5.2x	11.2x	11.2x		
Median		323	405	2%	11%	0.6x	0.6x	5.5x	5.5x	10.5x	10.5x		
Average		873	1 249	3%	14%	0.6x	1.1x	8.3x	7.4x	19.3x	17.7x		
ZZ B (curr.)*	SE	244	221	-	-	1.4x	1.4x	9.7x	10.7x	10.9x	10.7x		
ZZ B (CSQ)*	SE	237	213	7%	14%	1.2x	1.2x	9.3x	9.3x	10.5x	10.5x		

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	323	2%	11%	0.6x
Ref. group, Average	873	3%	14%	1.1x
Discount				0.0%
Applied multiple				0.6x
Net sales, NTM				SEKm
Enterprise value				SEKm
Net cash(-), last Q				SEKm
Value, associated comps.				SEKm
Value, minority interest				SEKm
PV(equity financing proceeds)				SEKm
Shareholder value, after financing				SEKm
Current shares outstanding				M
New shares				M
Shares outstanding after financing and dilution				M
Exchange rate				SEK/SEK
Fair value per share after financing and dilution				SEK

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	323	2%	11%	10.5x
Ref. group, Average	873	3%	14%	19.3x
Discount				0.0%
Applied multiple				10.5x
Adj. EBIT, NTM				SEKm
Enterprise value				SEKm
Net cash(-), last Q				SEKm
Value, associated comps.				SEKm
Value, minority interest				SEKm
PV(equity financing proceeds)				SEKm
Shareholder value, after financing				SEKm
Current shares outstanding				SEKm
New shares				M
Shares outstanding after financing and dilution				M
Exchange rate				M
Fair value per share after financing and dilution				SEK/SEK

Source: S&P Capital IQ and Carlsquare estimates

Valuation range

In our bull case, a value per share of SEK 88.0 is calculated.

In our bear case, a value per share of SEK 68.5 is calculated.

Valuation interval

	BEAR	BASE	BULL
<u>Rev. growth assumptions</u>			
CAGR, 2024-26	5.3%	7.0%	7.3%
CAGR, 2027-29	4.6%	4.8%	5.1%
CAGR, 2023-33	4.5%	5.1%	5.3%
<u>Assumptions, EBITDA margins</u>			
AVG, 2024-26	12.8%	13.5%	14.6%
AVG, 2027-29	12.8%	14.4%	15.8%
AVG, 2024-33	12.8%	14.3%	15.6%
2032	12.9%	14.8%	16.4%
Calculated value per share (SEK)	68.5	78.0	88.0

Source: Carlsquare estimates

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

	Q1, 23	Q2, 23	Q3, 23	Q4, 23	Q1, 24E	Q2, 24E	Q3, 24E	Q4, 24E
Net sales	374	387	416	497	426	426	442	522
Total revenue	394	408	437	528	449	449	464	554
Gross profit	131	148	167	202	159	164	172	207
EBITDA	45	54	71	72	59	58	68	70
EBIT	38	47	65	60	52	51	61	62
EBT	37	47	68	60	53	52	62	63
Net profit/loss	30	37	54	45	41	41	48	49
Adj. Net profit/loss	30	37	54	45	41	41	48	49
Basic EPS (SEK)	0.88	1.10	1.59	1.33	1.21	1.19	1.41	1.45
Growth	Q1, 23	Q2, 23	Q3, 23	Q4, 23	Q1, 24E	Q2, 24E	Q3, 24E	Q4, 24E
Net sales	19%	25%	26%	24%	14%	10%	6%	5%
Total revenue	18%	24%	25%	23%	14%	10%	6%	5%
Gross profit	32%	41%	50%	35%	22%	10%	3%	3%
EBITDA	74%	168%	181%	76%	32%	8%	-5%	-4%
EBIT	89%	247%	252%	73%	37%	9%	-6%	3%
EBT	87%	252%	278%	57%	42%	11%	-9%	5%
Net profit/loss	87%	264%	277%	60%	39%	9%	-11%	9%
Margins	Q1, 23	Q2, 23	Q3, 23	Q4, 23	Q1, 24E	Q2, 24E	Q3, 24E	Q4, 24E
Gross margin	33%	36%	38%	38%	35%	36%	37%	37%
EBITDA margin	11%	13%	16%	14%	13%	13%	15%	13%
EBIT margin	10%	12%	15%	11%	12%	11%	13%	11%
EBT margin	9%	11%	16%	11%	12%	12%	13%	11%
Profit margin	8%	9%	12%	9%	9%	9%	10%	9%
Adj. profit margin	8%	9%	12%	9%	9%	9%	10%	9%

Source: Company information and Carlsquare

Income statement (SEKm)

	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
Net sales	1,289	1,356	1,675	1,815	1,951	2,053	2,169	2,267
Total operating income	1,371	1,443	1,767	1,916	2,059	2,172	2,294	2,398
COGS	-943	-978	-1,118	-1,213	-1,300	-1,361	-1,434	-1,497
Gross profit	428	466	648	703	759	811	860	901
Tot. operating expenses less COGS and D&A	-290	-353	-406	-447	-483	-505	-531	-553
EBITDA	138	112	242	255	276	306	329	348
D&A	-22	-25	-32	-29	-30	-31	-31	-32
EBIT	116	87	210	227	246	276	298	316
Net finances	-1	2	1	3	4	4	5	7
EBT	115	89	211	229	250	280	303	322
Tax	-25	-21	-46	-51	-55	-62	-67	-71
Net profit/loss	90	68	165	179	195	218	236	251
Adj. net profit/loss	90	68	165	179	195	218	236	251
Tot. comp. PL attributed to parent company	86	76	162	178	194	218	236	251
Adj. PL attributed to parent company	86	76	162	178	194	218	236	251
Basic EPS	2.57	2.01	4.83	5.26	5.74	6.43	6.96	7.38
Adj. basic EPS	2.57	2.01	4.83	5.26	5.74	6.43	6.96	7.39
EPS fully diluted	2.46	1.97	4.73	5.05	5.51	6.18	6.68	7.09
No. of share, EoP	34	34	34	34	34	34	34	34
Avg. no. of shares	33	34	34	34	34	34	34	34
Growth	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
Net sales	20%	5%	24%	8%	7%	5%	6%	5%
Total operating income	20%	5%	22%	8%	7%	6%	6%	5%
Gross profit	23%	9%	39%	8%	8%	7%	6%	5%
EBITDA	27%	-19%	116%	5%	8%	11%	7%	6%
EBIT	34%	-25%	142%	8%	9%	12%	8%	6%
EBT	35%	-22%	137%	8%	9%	12%	8%	6%
Net profit/loss	35%	-24%	142%	8%	9%	12%	8%	6%
Basic EPS	27%	-20%	140%	7%	9%	12%	8%	6%
Adj. basic EPS	27%	-22%	140%	9%	9%	12%	8%	6%
Margins	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
Gross profit	31%	32%	37%	37%	37%	37%	37%	38%
EBITDA	10%	8%	14%	13%	13%	14%	14%	15%
EBIT	8%	6%	12%	12%	12%	13%	13%	13%
EBT	8%	6%	12%	12%	12%	13%	13%	13%
Net profit/loss	7%	5%	9%	9%	9%	10%	10%	10%
Adj. net profit/loss	7%	5%	9%	9%	9%	10%	10%	10%

Source: Company information and Carlsquare

Balance sheet (SEKm)

	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
Tot. intangible assets	64	121	119	123	127	130	132	133
Tot. tangible assets	11	17	15	18	19	20	20	20
Tot. other fixed assets	43	53	56	56	56	56	56	56
Total LT assets	118	191	191	197	203	206	208	210
Inventories	159	185	195	233	243	272	286	294
Accounts receivables	58	66	76	80	87	93	100	105
Other current assets	35	48	59	52	58	64	69	71
Cash & cash eqv.	236	162	321	415	500	628	768	925
Total current assets	487	461	651	780	888	1,058	1,223	1,394
Total assets	605	651	842	977	1,091	1,263	1,432	1,604
Total equity	152	160	264	341	434	550	684	833
Provisions	0	0	0	0	0	0	0	0
Tot. long-term liabilities	31	68	72	72	72	72	72	72
Accounts payable	44	35	50	65	66	69	76	80
Other current liabilities	389	401	470	514	534	586	614	633
Tot. short-term debt	423	422	506	564	585	641	675	698
Tot. equity and debt	605	651	842	977	1,091	1,263	1,432	1,604
Liquidity	2 021	2 022	2 023	2024E	2025E	2026E	2027E	2028E
Current ratio	1.2x	1.1x	1.3x	1.4x	1.5x	1.7x	1.8x	2.0x
Quick ratio	0.7x	0.5x	0.8x	0.9x	1.0x	1.1x	1.3x	1.5x
CF operations/current liabs.	0.4x	0.1x	0.5x	0.4x	0.4x	0.4x	0.4x	0.4x
Leverage	2 021	2 022	2 023	2024E	2025E	2026E	2027E	2028E
Net debt(+)/Net cash(-)	218	329	257	221	158	86	-21	-154
Net debt(+)/Net cash(-), excl. leasing	179	279	203	167	104	32	-74	-208
Net debt/EBITDA	1.6x	2.9x	1.1x	0.9x	0.6x	0.3x	-0.1x	-0.4x
Tot. debt/Equity	299%	306%	219%	187%	152%	130%	109%	92%
Tot. equity/tot. assets	25%	25%	31%	35%	40%	44%	48%	52%
Efficiency	2 021	2 022	2 023	2024E	2025E	2026E	2027E	2028E
ROA	16%	11%	22%	20%	19%	19%	18%	17%
ROE	70%	48%	76%	59%	50%	44%	38%	33%
ROIC	26%	16%	33%	33%	34%	36%	36%	37%

Source: Company information and Carlsquare

Cash flow (SEKm)

	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
CFO b4 delta WC	110	84	227	207	224	249	268	283
Delta WC	43	-42	19	23	-2	14	8	10
CF operations	153	43	246	230	223	263	276	293
CF investing	-12	-35	-12	-14	-16	-13	-14	-14
FCF	142	7	234	216	207	250	262	279
CF financing	-49	-81	-75	-122	-122	-122	-122	-122
Cash flow	93	-74	159	94	85	128	140	157
Cash, BoP	183	164	299	366	456	573	711	860
Cash, EoP	236	162	321	415	500	628	768	925
Key ratios	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
Delta WC/Total operating income	3%	-3%	1%	1%	0%	1%	0%	0%
CF operations/Total operating income	11%	3%	14%	12%	11%	12%	12%	12%
CF operations/EBITDA	112%	38%	102%	90%	81%	86%	84%	84%
CF investing/Total operating income	-1%	-2%	-1%	-1%	-1%	-1%	-1%	-1%
FCF/EBITDA	103%	7%	97%	85%	75%	81%	80%	80%

Source: Company information and Carlsquare

Key figures

	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	57.0	25.9	59.6	80.2	80.2	80.2	80.2	80.2
Market cap	1,921	875	2,023	2,734	2,734	2,734	2,734	2,734
EV	1,788	774	1,769	2,955	2,467	2,467	2,467	2,467
P/S	1.5x	0.6x	1.2x	1.5x	1.4x	1.3x	1.3x	1.2x
P/E	22.2x	12.9x	12.3x	15.2x	14.0x	12.5x	11.5x	10.9x
P/CF operations	12.5x	20.4x	8.2x	11.9x	12.3x	10.4x	9.9x	9.3x
EV/Sales	1.4x	0.6x	1.1x	1.6x	1.3x	1.2x	1.1x	1.1x
EV/Gross profit	4.2x	1.7x	2.7x	4.2x	3.3x	3.0x	2.9x	2.7x
EV/EBITDA	13.0x	6.9x	7.3x	11.6x	8.9x	8.0x	7.5x	7.1x
EV/EBIT	15.4x	8.9x	8.4x	13.0x	10.0x	8.9x	8.3x	7.8x
CSQ fair value per share	57.0	25.9	59.6	78.0	78.0	78.0	78.0	78.0
CSQ market cap	1,921	875	2,023	2,647	2,647	2,647	2,647	2,647
CSQ EV	1,788	774	1,769	2,868	2,805	2,733	2,627	2,493
P/S, CSQ implied	1.5x	0.6x	1.2x	1.5x	1.4x	1.3x	1.2x	1.2x
P/E, CSQ implied	21.4x	12.8x	12.2x	14.8x	13.6x	12.1x	11.2x	10.6x
P/CF operations, CSQ implied	12.5x	20.4x	8.2x	11.5x	11.9x	10.1x	9.6x	9.0x
EV/Sales, CSQ implied	1.4x	0.6x	1.1x	1.6x	1.4x	1.3x	1.2x	1.1x
EV/Gross profit, CSQ implied	4.2x	1.7x	2.7x	4.2x	3.3x	3.0x	2.9x	2.7x
EV/EBITDA, CSQ implied	13.0x	6.9x	7.3x	11.2x	10.2x	8.9x	8.0x	7.2x
EV/EBIT, CSQ implied	15.4x	8.9x	8.4x	12.7x	11.4x	9.9x	8.8x	7.9x
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.)	34.0	34.2	34.8	35.2	35.2	35.3	35.3	35.3
EPS (SEK)	2.57	2.01	4.83	5.26	5.74	6.43	6.96	7.38
DPS (SEK)	0.70	0.71	1.27	2.00	1.75	3.00	3.00	3.00
BV per share (SEK)	1.2	2.9	4.5	4.7	7.8	10.0	12.8	16.2
tBV per share (SEK)	0.2	0.2	0.3	0.5	0.5	0.5	0.6	0.6
EV per share (SEK)	54.9	23.6	53.0	87.5	72.9	72.7	72.7	72.7
Equity per share	4.7	4.9	7.9	10.1	12.8	16.2	20.2	24.6
Dividend yield	1.2%	2.7%	2.1%	2.5%	2.2%	3.7%	3.7%	3.7%
FCF yield	7.4%	0.8%	11.6%	7.9%	7.6%	9.1%	9.6%	10.2%
FCF yield (unlevered)	3.2%	8.4%	7.2%	0.6%	7.5%	7.9%	7.6%	9.2%

Source: Company information and Carlsquare

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