Preview: Q1 2024

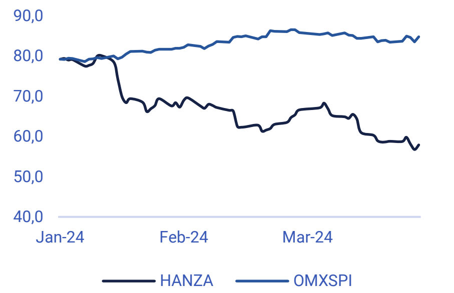
HANZA AB

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 Mid Cap
Share price, latest: SEK 58.5
Market cap: SEK 2,556 m

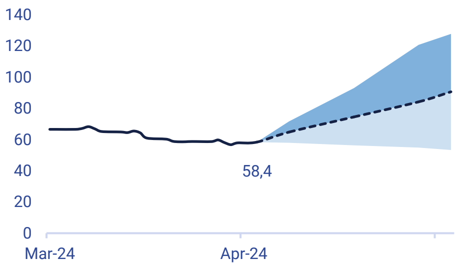
SHARE PRICE DEVELOPMENT



	12M	YTD	6M	1M
Development (%)	-26	-32	-13	-12

Source: S&P Capital IQ

VALUATION INTERVAL



	BEAR	BASE	BULL
Value per share (SEK)	53	91	128
Up-/downside (%)	-9	55	119

Source: S&P Capital IQ and Carlsquare estimates

CARLSQUARE EQUITY RESEARCH

Niklas Elmhammer
Senior Equity Analyst

Slow start to '24 expected, focus on efficiency

Carlsquare Equity Research expects a slow start to 2024 for HANZA and trim our estimates accordingly. Comparisons are getting more challenging, and the reports from Nordic peers so far suggest organic growth has come to a halt. Q1 will likely be distorted by the acquisition of Orbit One in late 2023. We assume adjusted margins will drop to seven per cent, below target, before expected synergies kick in later in the year. We lower the base case valuation by some ten per cent to SEK 91 per share.

How will margins hold up in a slowdown?

In the last six months, growth for Nordic contract manufacturing has slowed markedly and most probably turned negative in Q1, judging from earnings reports published so far (reporting organic growth of -2 to -9 per cent). We believe HANZA will not escape becoming affected, while the impact is distorted by the acquisition of the pure Electronic Manufacturing Services (EMS) company, Orbit One, at the end of 2023. In March, Hanza announced redundancies of 50 people at a cost of some SEK 20m in Q1 2024. For the quarter, we expect slightly negative organic growth but the top line to have increased by 26 per cent. from acquisitions and FX. We expect an adj. EBITA (ex restructuring costs) of SEK 94m (88) representing a margin of 7.0 (8.3) per cent. It is an encouraging sign that margins for Nordic peers have held up well, despite the slower market, as demonstrated by recent Q1 earnings reports.

Pedestrian start underlines 2024 headwinds

We have lowered our expectations for organic growth in 2024 from some five per cent to two per cent, primarily due to an expected slow start to the year. At the same time, we believe HANZA is well positioned to gain market share from its wide offering of manufacturing and logistics services. However, we have cut our margin and earnings expectations for 2024 due to the lower sales forecast, by 0.7 pp and ten percent, respectively.

Share drop indicates concerns of marked decline in profitability

We reduce our base case fair value to SEK 91 (100) per share due to lower estimates in the near term. Also, the sector valuation has come down, according to our calculations. In our view, the HANZA share has been disproportionately impacted by slowdown fears and is again trading at a discount to its peers. The sell-off suggests concerns regarding feasability of some current expansions in a weaker macro environment. The Q1 report should bring increased visibility for Orbit One and other expansions. If the drop in operating margin proves to be relatively contained, the valuation could start to recover.

Key figures (SEKm)

	2020	2021	2022	2023	2024E	2025E
Net sales	2 155	2 515	3 549	4 144	5 370	5 932
Gross profit	955	1 149	1 531	1 843	2 309	2 551
EBITDA	139	232	316	465	544	694
EBITA	48	143	212	344	379	475
EBT	9	100	143	248	238	342
Earnings per share	-0.03	2.30	3.34	5.36	4.57	6.59
Growth, net sales	4.2%	16.7%	41.1%	16.8%	29.6%	10.5%
EBITDA-margin	6.4%	9.2%	8.9%	11.2%	10.1%	11.7%
EBITA-margin	2.2%	5.7%	6.0%	8.3%	7.1%	8.0%
EV/Sales	0.4x	1.2x	0.7x	1.0x	0.6x	0.6x
EV/EBITDA	6.7x	13.0x	8.1x	8.7x	6.1x	4.8x
EV/EBITA	19.3x	21.0x	12.1x	11.8x	8.8x	7.0x
P/E	NM	28.0x	15.3x	15.9x	12.7x	8.8x

Source: Company information and Carlsquare estimates

Slow start to '24 expected, focus on efficiency

We expect a slow start to 2024 followed by a gradual recovery in the second half. Consequently, we have revised our earnings estimates downwards. We also cut our base case fair value by some nine percent to 91 (100). The Q1 report is a tough call, given the relatively large Orbit One acquisition, restructuring measures, and generally lower demand for contract manufacturing services on one hand, and capacity expansions on the other. We expect margins to hold up reasonably well, and expect an improvement in operating cash flow.

Acquisition boosts sales in a weaker market

The addition of Orbit One with some SEK 1.1bn in sales in 2023E, HANZA's largest acquisition to date, makes a preview of Q1 2024 fraught with uncertainties. This is especially true on the segment level since we do not know the distribution of Orbit One sales in 'Main markets' (e.g., Swedish factories) and 'Other markets' (e.g., Poland), respectively. HANZA's margins (EBITA) will be diluted in the short term from the lower profitability in Orbit One and most likely fall below the eight per cent target. Further, the slowdown in the EMS market that began in 2023 has worsened in 2024, judging from the reports of Nordic peers (as a reminder, unlike the "old" HANZA, Orbit One is a pure EMS company). It is uncertain how revenue in Orbit One will be impacted by the EMS weakness. In the short term, the timing of the acquisition may appear unfortunate, but we believe it should add to long-term growth prospects.

Since the market weakness should be quite well anticipated by now (HANZA shares are down > 30 per cent in 2024) we believe near-term focus will be on efficiency/margins and cash flow. With capacity expansions and the ramping up of new customer projects well under way in Other markets, there is scope for increased operating efficiency. Still, the impact from the integration of Orbit One on profitability is unknown. We assume margins, excluding restructuring costs, to contract by about 130 basis points to 7.0 (8.3) percent.

HANZA Q1, 2024 Net sales and EBITA, CSQ Forecast (SEKm)

	Q1 24E	Q1 23A	Q4 23A
Net Sales	1344	1065	1056
Growth, net sales	26%	29%	5%
Main Markets, net sales	778	594	605
Main Markets, growth	31%	23%	8%
Other Markets, net sales	562	468	447
Other Markets, Growth	20%	37%	3%
EBITA*	74	88	89
EBITA growth*	-16%	114%	41%
EBITA-margin*	5.5%	8.3%	8.4%
Main Markets, EBITA-margin	8.3%	9.8%	10.4%
Other Markets, EBITA-margin	5.8%	6.4%	6.5%

*Source: Company information and Carlsquare estimates. *Including restructuring costs.*

Peers report slow demand but decent margins

Overall, Q1 sales have been below expectations for Nordic contract manufacturers reporting so far, with generally negative organic growth. There has been surprisingly little mention of any impact from the Finnish strikes, despite it being raised as a concern in the news flow during the quarter.

- NOTE posted Q1 sales that were down by four percent organically, at the lower end of previous guidance. It expects similar sales for the second quarter to those in Q1 and trimmed the full-year sales guidance by about five per cent. Still, the FY outlook implies a solid pickup in growth in H2. NOTE cites Greentech, Communication and Medtech as weak customer segments, which is a similar message as in previous reports.

- Finnish peer Scanfil also reports a decidedly slow start to the year (underlying growth -8.5 per cent). However, like NOTE it sees a recovery in the second half and reiterated its guidance of some five per cent negative growth for 2024.

- AQ Group reported minus two percent organic growth for Q1 2024. Despite lower sales, margins as well as operating profit increased. AQ points to strength in energy storage equipment but slowdown in demand for components of construction equipment and trucks.

NOTE and Scanfil are becoming more relevant as HANZA peers following the acquisition of Orbit One. EMS companies are facing the twin headwinds of slower underlying demand and in several cases reduction of inventories among customers. In our view, the staff reductions are in line with what EMS peers have announced in recent months. Thus, the restructuring is not surprising, even if the Orbit One merger means there HANZA’s measures are in the spotlight.

Investment Case

We believe HANZA's manufacturing cluster strategy and focus on sustainability make it well-positioned for European contract manufacturing trends. As the international clusters (e.g., Germany and Other markets) become more mature, we see the company's profitability closing in further on its leading Nordic peers, implying solid earnings growth over time. HANZA's operating performance in 2022 and 2023 supports this view.

Positioned for "slowbalization" era

Since the early 2010s, the rate of globalisation appears to have slowed, and many multinational 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.

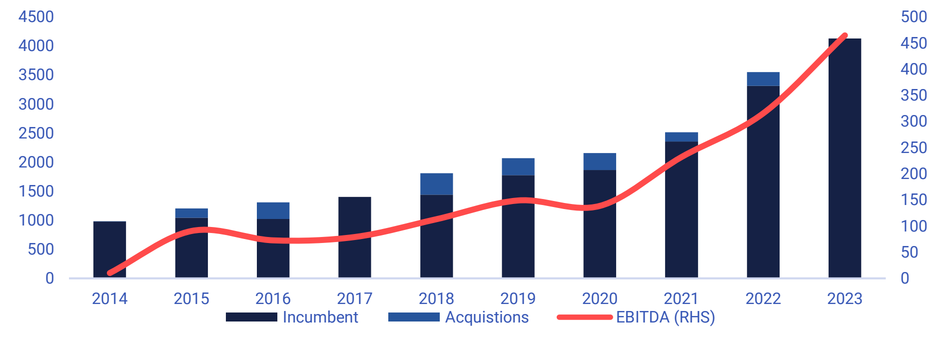
World Exports Growing Slower than GDP

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 for their operational growth. In 2019, HANZA took the first step towards expanding the cluster approach to Germany by acquiring RITTER Elektronik GmBH in Remscheid in Western Germany. The establishment in Germany was forced to pause from early 2020 until the summer of 2021 due to the Covid-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). At the end of 2023, HANZA announced its largest acquisition yet, Swedish EMS manufacturer Orbit One.

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, an established network, and proven company-building quality. They have a background in leading Swedish industrial companies, including NOTE, Husqvarna, Hexagon, Nibe and Systemair.

Orbit One lifts the growth trajectory

At the beginning of January 2024, HANZA closed the acquisition of Orbit One for about SEK 382m plus a possible earn-out of a maximum of SEK 91m. Orbit One is a well-known Swedish electronic manufacturing service (EMS) company headquartered in Ronneby with a 2023 turnover of SEK 1.1bn and an EBITA margin of some six per cent. Thus, it will expand HANZA's sales footprint by about 27 per cent. We calculate that the consideration amounts to EV/Sales of 0.5x. This is well below HANZA's own valuation multiple at the time of the announcement and in line with previous acquisitions. Unlike HANZA, Orbit One does not have any significant ownership of property. This, in combination with what are perhaps cycle peak earnings, could partly explain a relatively low acquisition multiple. Based on historical financials, Orbit One has had some challenges managing high inventory levels in recent years. HANZA will surely want to address this issue. Since 2019, Orbit has grown by about five per cent per year on average, well below HANZA. We note that Orbit One has reported that it exited the Russian market in 2022 and closed a factory in Kaliningrad.

Increased exposure to electronics

The Orbit deal considerably strengthens HANZA's position in electronics and electromechanics, representing more than half of group sales now. According to HANZA, there is not much customer overlap between the two companies. Orbit One has two factories in Sweden and one in Poland. We believe it is a sizeable addition to the HANZA Central European cluster and an essential step in HANZA's goal of at least SEK 1bn in sales per geographic cluster to achieve the desired scale advantages. Orbit One reportedly already has a high level of automation, which fits HANZA's ambitions to increase efficiency.

Orbit One segments

Source: HANZA and Carlsquare Equity Research

Orbit One has a diversified customer base of primarily industrial customers. "Professional Consumer" is another critical group, which includes Access Control and rugged computers.

Valuation

Lower estimates take their toll

We have combined a DCF model with a multiple valuation model in an average to calculate a fair value per share in HANZA.

Ahead of the Q1 2024 report, we have lowered our DCF valuation due to the reduced top line estimates for 2024-2025E, of some two percent. This also results in lower margin assumptions; we trim our EBITDA-estimates by ten and seven percent, respectively.

DCF assessment summary (SEKm), base case

DCF valuation		Discount rate		Assumptions	
PV(UFCF)	2 258.8	Risk-free rate	2.3%	CAGR, 2023-2033	6.9%
PV(TV)	3 017	Market risk premium	6.1%	EBITDA-margin, 2033	10.6%
Enterprise value	**5 276**	Size premium	1.3%	EBIT-margin, 2033	6.6%
Net debt (31-Mar)	-794.6	Beta	1.1x	Tax rate	16.0%
Shareholder value	**4 482**	Req. return on equity	10.2%		
PV(equity financing proceeds)	0.0			Implied multiples	
Shareholder value, after financing	**4482**	Tax adjust. interest on debt	6.7%	EV/Sales, NTM	
Current shares outstanding	43.7	Leverage	25.0%	EV/Sales 2024	1.0x
New shares	0.0	WACC	9.3%	EV/EBITDA, NTM	
Shares outstanding after financing and dilution	43.7			EV/EBITDA 2024	9.7x
Value per share (before financing and dilution)	102.7	Company spec. premium	0.0%	EV/EBIT NTM	
Value per share (after financing and dilution)	**102.7**	**Discount rate**	**9.4%**	EV/EBIT, 2024	15.0x

Source: Carlsquare Estimates

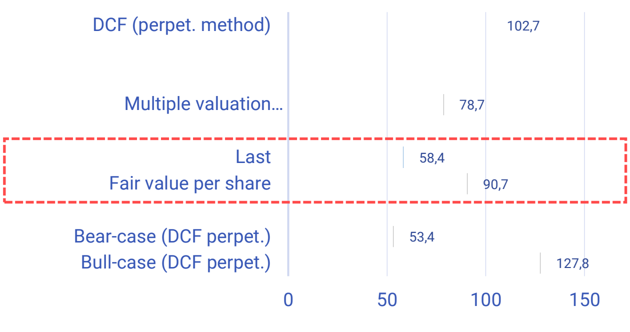
Following the changed assumptions, our DCF valuation drops to SEK 103 per share (107). The relative valuation (EV/sales, see below) has also come down following mediocre sector performance. It supports a rerating to about SEK 79 (94) per share, based on 2024-2025 average estimates. Combining the value in the DCF model with the multiple valuation in an average, we calculate a fair value per share of SEK 91 (previously: SEK 100).

Fair value, base case (SEKm)

Multiple valuation	78.7
DCF valuation	102.7
Fair value per share	**90.7**
Potential up-/down side	57%
Shares outstanding, fully financed and diluted	43.7
Shareholder value	**3 959**
Cash	421
Debt	-1 216
PV cash from equity financing	0
EV	**4 753**

Source: Carlsquare Estimates

Fair value within an interval (SEK)



Source: Carlsquare Estimates

Multiple valuation, base case

Our valuation corresponds to an implied EV/EBITDA multiple 2024E of 8.7x. The companies in the 'Nordic contract manufacturers'-reference group are currently trading at a median EV/EBITDA multiple 2024E of 7.2x.

Lower sales multiples and trimmed estimates

With expected **sales growth (2024-25E) of 20 (21) per cent** and an **average EBITDA margin of 11 (11.3) per cent** in the same period as our input for HANZA, we expect HANZA to perform better on these operating metrics than its peer group (although boosted by acquisitions). As we have argued before, we believe HANZA deserves a valuation that at least is in line with the median. Since our latest update, the sector group have trended somewhat lower. The median EV/Sales multiple (24E) has fallen to 0.79 (0.9). Taking the lowered estimates into account, the implied multiple valuation for HANZA drops to 79 SEK per share (94).

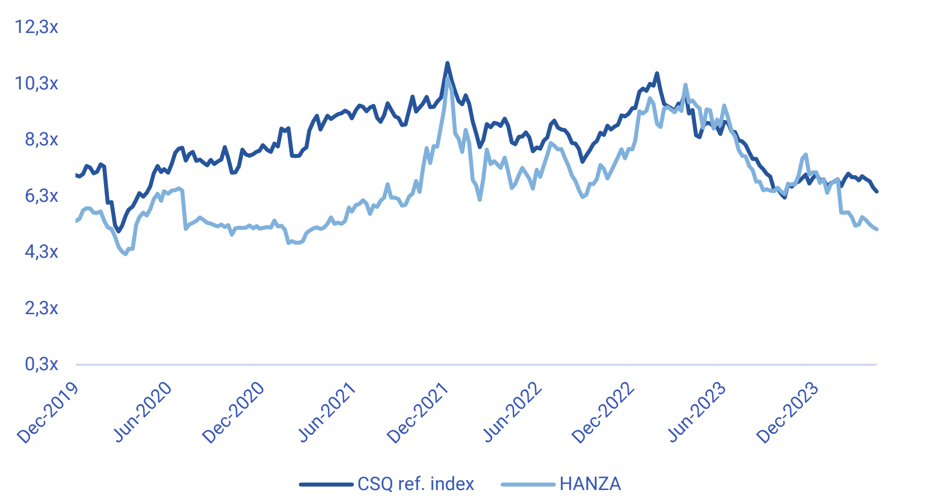
Multiple valuation, base case

	EV (SEKm)	Growth, CAGR 23-25E	EBITDA avg. 24-25E	EV/Sales, NTM	EV/EBITDA, NT
AQ,Group,AB,(publ)	11 489	NA	NA	NA	NA
NOTE,AB,(publ)	4 423	9%	12%	1,0x	8,9x
Inission,AB,(publ)	1 278	7%	11%	0,5x	5,1x
Kitron,ASA	7 009	2%	11%	0,8x	7,2x
Scanfil,Oyj	6 237	3%	9%	0,6x	6,7x
Incap,Oyj	2 971	11%	15%	1,2x	8,2x
Median	**5 330**	**7%**	**11%**	**0,79x**	**7,2x**
Average	5 568	6%	12%	0,8x	7,2x

Discount	0%
Applied EV/Sales multiple (NTM)	**0.79x**
Exp. Sales NTM (SEKm)	5 370
Enterprise value	**4 230**
Net debt	-795
PV(Cash from equity financing)	0
Shareholder value. after financing	**3 436**
Current shares outstanding (m)	43.7
New shares	0.0
Shares outstanding after financing and dilution	43.7
Value per share (before financing and dilution)	78.7
Value per share (after financing and dilution)	**78.7**

Source: S&P Capital IQ and Carlsquare estimates

HANZA NTM EV/EBITDA-multiple vs peers



Source: S&P Capital IQ

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 twelve per cent in the forecast period, i.e., some five percentage points higher than the calculated rate in the base case scenario, propelled by acquisitions. We assume acquisitions correspond to an EV/Sales valuation of 0.5. In this scenario, HANZA reaches its 2025 sales target of SEK 6.5bn. Using a combined DCF model and multiple valuation (EV/sales multiple of 0.79x as above), we calculate a fair value of SEK 128 (139) per share.

For the bear case, we model an average annual growth rate of some four (five) per cent, i.e., about two thirds of the growth assumed in the base case. We also pencil in negative organic growth of five per cent in 2024 and a lower average EBIT margin of 5.2 per cent (vs 6.9 in the base case) over the forecast period. After total financing and dilution, the more pessimistic scenario yields a fair value per share of about SEK 53 (65) in a DCF model.

Key figures and accounts

Key Ratios (SEK)

	2020	2021	2022	2023	2024E	2025E
Per share						
EPS	-0.03	2.30	3.34	5.36	4,57	6,59
DPS	0.0	0.3	0.5	0.8	1,2	1,4
BVPS	14.0	16.4	22.9	31.1	34,2	39,4
TBVPS	7.9	11.4	14.0	16.5	23,6	26,4
Valuation (curr.)	2020	2021	2022	2023	2024E	2025E
P/E	NM	28.0x	15.3x	15.9x	12,7x	8,8x
P/B	6.4x	5.2x	3.4x	2.3x	1,7x	1,5x
EV/Sales	0.4x	1.2x	0.7x	1.0x	0,6x	0,6x
EV/EBITDA	6.7x	13.0x	8.1x	8.7x	6,1x	4,8x
EV/EBIT	19.3x	21.0x	12.1x	11.8x	8,8x	7,0x
Other	2020	2021	2022	2023	2024E	2025E
Dividend yield	0.0%	0.4%	0.7%	1.1%	2,1%	2,4%
FCF yield	3.5%	6.3%	7.7%	11.9%	18,3%	21,9%

Source: Company information and Carlsquare estimates

Income statement (SEKm), quarterly

	Q1, 23	Q2, 23	Q3, 23	Q4, 23	Q1, 24E	Q2, 24E	Q3, 24E	Q4, 23E
Sales	1065	1068	955	1056	1344	1358	1257	1410
Gross profit	456	476	442	469	578	584	541	606
EBITDA	117	121	119	108	110	134	138	162
EBITA	88	92	89	75	74	94	95	116
EBIT	84	88	85	71	67	87	88	109
EBT	70	72	58	48	39	59	60	80
Net profit	59	60	49	47	33	49	50	67
EPS (SEK)	1.50	1.51	1.22	1.13	0,75	1,13	1,15	1,54
Growth	Q1. 23	Q2. 23	Q3. 23	Q4. 23	Q1, 24E	Q2, 24E	Q3, 24E	Q4, 23E
Sales	29.3%	20.5%	13.9%	5.5%	26,2%	27,2%	31,7%	33,6%
Gross profit	26.5%	23.6%	23.8%	9.6%	26,7%	22,7%	22,3%	29,3%
EBITDA	76.2%	46.8%	57.0%	18.6%	-6,0%	10,5%	15,7%	50,4%
EBIT	127.6%	65.3%	85.6%	23.7%	-19,9%	-0,8%	3,2%	53,1%
EBT	176.7%	78.6%	96.6%	0.2%	-44,3%	-18,2%	2,8%	67,2%
Net profit	207.3%	65.2%	88.5%	18.1%	-44,5%	-17,5%	2,2%	43,4%
Margins	Q1. 23	Q2. 23	Q3. 23	Q4. 23	Q1, 24E	Q2, 24E	Q3, 24E	Q4, 23E
Gross margin	42.8%	44.6%	46.3%	44.4%	43,0%	43,0%	43,0%	43,0%
EBITDA margin	11.0%	11.3%	12.5%	10.2%	8,2%	9,8%	10,9%	11,5%
EBIT margin	7.9%	8.2%	8.9%	6.7%	5,0%	6,4%	7,0%	7,7%
EBT margin	6.6%	6.7%	6.1%	4.5%	2,9%	4,3%	4,7%	5,7%
Profit margin	5.5%	5.6%	5.1%	4.5%	2,4%	3,6%	4,0%	4,8%

Source: Company information and Carlsquare estimates

Income statement (SEKm)

	2018	2019	2020	2021	2022	2023	2024E	2025E
Total revenue	**1 811**	**2 068**	**2 155**	**2 515**	**3 549**	**4 144**	**5 370**	**5 932**
COGS	-1 006	-1 121	-1 200	-1 366	-2 018	-2 301	-3 062	-3 381
Gross profit	**805**	**947**	**955**	**1 149**	**1 531**	**1 843**	**2 309**	**2 551**
Other operating expenses	-692	-798	-816	-917	-1 215	-1 378	-1 765	-1 857
EBITDA	**113**	**149**	**139**	**232**	**316**	**465**	**544**	**694**
Dep. and amort.	-59	-92	-107	-105	-122	-137	-193	-238
EBIT	**54**	**57**	**31**	**128**	**193**	**328**	**351**	**456**
Net finances	-25	-25	-22	-28	-50	-80	-113	-113
EBT	**29**	**32**	**9**	**100**	**143**	**248**	**238**	**342**
Tax	-8	-9	-10	-18	-22	-33	-38	-55
Net profit/loss	**21**	**24**	**-1**	**82**	**121**	**215**	**200**	**288**
EPS	**0.78**	**0.75**	**-0.03**	**2.30**	**3.34**	**5.36**	**4.57**	**6.59**
Shares. EoP	29.9	34.0	34.0	35.8	39.3	43.2	43.7	43.7
Shares. avg.	27.0	31.9	34.0	34.9	37.5	41.2	43.4	43.7

Growth	2018	2019	2020	2021	2022	2023	2024E	2025E
Total revenue	29.4%	14.2%	4.2%	16.7%	41.1%	16.8%	29.6%	10.5%
Gross profit	35.8%	17.6%	0.9%	20.3%	33.2%	20.4%	25.3%	10.5%
EBITDA	43.1%	31.6%	-7.0%	67.5%	36.0%	47.3%	17.0%	27.7%
EBIT	51.5%	5.0%	-44.9%	307.3%	51.5%	69.7%	7.0%	30.0%
EBT	14.1%	10.6%	-72.4%	1020.2%	43.3%	73.4%	-4.1%	44.2%
Net profit/loss	-8.0%	13.5%	-105.9%	5924.6%	48.6%	77.2%	-7.1%	44.2%
EPS	14.7%	-3.8%	-104.5%	-6914.4%	44.9%	60.6%	-14.6%	44.1%
Margins	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
Gross profit	44.5%	45.8%	44.3%	45.7%	43.1%	44.5%	43.0%	43.0%
EBITDA margin	6.3%	7.2%	6.4%	9.2%	8.9%	11.2%	10.1%	11.7%
EBIT margin	3.0%	2.7%	1.5%	5.1%	5.4%	7.9%	6.5%	7.7%
EBT margin	1.6%	1.6%	0.4%	4.0%	4.0%	6.0%	4.4%	5.8%
Profit margin	1.1%	1.1%	-0.1%	3.2%	3.4%	5.2%	3.7%	4.8%

Source: Company information and Carlsquare estimates

Balance sheet (SEKm)

	2020	2021	2022	2023	2024E	2025E
Tot. intangible assets	396	464	478	464	649	676
Tot. tangible assets	270	407	551	714	1 030	1 154
Tot. other fixed assets	165	210	197	209	245	245
Total fixed assets	830	1 081	1 226	1 387	1 925	2 075
Inventories	342	663	937	936	1 340	1 480
Accounts Receivables	77	107	151	175	234	258
Other current assets	44	55	91	91	122	134
Cash	121	46	137	340	363	366
Total current assets	584	870	1 316	1 542	2 058	2 239
Total assets	**1 414**	**1 951**	**2 541**	**2 929**	**3 983**	**4 314**
Shareholder equity	475	586	898	1 345	1 492	1 720
Total equity	**475**	**586**	**898**	**1 345**	**1 492**	**1 720**
Debt to creditors	175	245	223	326	888	888
Lease liabilities	81	133	125	114	147	147
Other long-term liabilities	154	154	151	159	187	187
Tot. long-term liabilities	409	531	499	599	1 222	1 222
Debt to creditors	169	241	396	349	438	460
Accounts payable	200	373	488	450	601	664
Lease liabilities	43	42	41	53	53	53
Other short-term liabilities	118	178	220	133	177	196
Tot. short-term debt	530	835	1 145	985	1 269	1 373
Total debt	**939**	**1 366**	**1 643**	**1 584**	**2 491**	**2 595**
Tot. equity and debt	**1 414**	**1 951**	**2 541**	**2 929**	**3 983**	**4 315**
Liquidity						
Current ratio	1.1	1.0	1.1	1.6	1.7	1.7
Cash ratio	0.2	0.1	0.1	0.3	0.4	0.3
Leverage						
Net debt (-)/Net cash(+)	-450	-712	-556	-363	-972	-970
Net debt/EBITDA	3.2x	3.1x	1.8x	0.8x	1.8x	1.4x
Net debt/Equity	0.9x	1.2x	0.6x	0.3x	0.7x	0.6x
Net debt/Equity	95%	122%	62%	27%	65%	56%

Source: Company information and Carlsquare estimates

Cash flow (SEKm)

	2020	2021	2022	2023	2024E	2025E
CF operating activities	106	194	234	363	461	555
Delta WC	76	-67	-89	-86	-3	-102
CF operating activities	182	126	145	277	459	453
CF investing activities	-60	-186	-184	-296	-732	-283
CF financing activities	-63	-22	120	218	296	-166
Cash flow	59	-81	81	198	23	4
Exchange differences	-4	6	10	4	0	0
Cash, BoP	67	121	46	136	339	362
Cash, EoP	121	46	136	339	362	366
Key ratios	2020	2021	2022	2023	2024E	2025E
CF operating activities/Sales	8%	5%	4%	7%	9%	8%
CF operating activities/Total assets	13%	6%	6%	9%	12%	10%

Source: Company information and Carlsquare estimates

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