



NEWS FLASH

28 February 2025

Sweden

Technology Hardware & Equipment

Research analysts:

Örjan Rödén

Sensys Gatso Group

Share price: SEK58.8

Fair value range: SEK61.0–85.0

Weak Q4 and reduced 2025 ambition

Q4 below our estimates

Sensys Gatso Group (SGG) reported sales and EBIT below our estimates. Sales of SEK198m were below our SEK245m estimate and declined by 10% Y/Y. EBIT of SEK15m was also below our forecast of SEK30m. The major deviation relative to our estimates is found in Managed Services, which saw sales decline by 7%. We believe the legislative situation in Iowa has had a bigger impact than we expected. System sales were above expectations, which impacted the margin negatively, which explains the EBIT margin contraction to 7.8% in the quarter, below our 12.4% estimate and the 15.4% in Q4(23). Order intake of SEK161m was solid, albeit below the strong Q4(23) which had SEK221m.

Downgraded ambition for 2025 even lower than our forecast

SGG has long held had an ambition for SEK1bn sales and an EBITDA margin of 15%, both for 2025. The company has now lowered its 2025 ambition to revenue of SEK700m–800m and an EBITDA margin of 12–14%, both of which are below our recently reduced estimates.

A report clearly below expectations

The report is clearly below our expectations, both for Q4(24) and for 2025. The business is growing on an R12M basis, but we have overestimated the near-term ability to drive growth and margins. However, we believe this is predominantly a timing effect; the demand drivers for traffic safety, such as fewer deaths and injuries and a better environment, are intact in our view. The company has invested heavily in its platform over recent years, and we see the product as clearly competitive. We expect consensus estimates to come down on the back of the report.

Upcoming events

- Q4 Report: 28 Feb 2025
- Q1 Report: 24 Apr 2025
- AGM 2025: 08 May 2025
- Q2 Report: 21 Aug 2025

Webcast at 10.00 CET

<https://sensys-gatso-group.events.inderes.com/q4-report-2024>

Key facts

No. shares (m)	11.5
Market cap. (USDm)	64
Market cap. (SEKm)	678
Net IB Debt. (SEKm)	156
Adjustments (SEKm)	0
EV (2024e) (SEKm)	834
Free float	81.7%
Avg. daily vol. ('000)	9
Risk	High Risk
Fiscal year end	December
Share price as of (CET)	27 Feb 2025 15:04

Key figures (SEK)	2023	2024e	2025e	2026e
Sales (m)	624	678	897	1,139
EBITDA (m)	85	82	138	176
EBIT (m)	39	38	86	124
EPS	1.06	1.57	4.42	7.29
EPS adj.	1.06	1.57	4.42	7.29
DPS	0.00	0.00	0.00	0.00
Sales growth Y/Y	26%	9%	32%	27%
EPS adj. growth Y/Y	-34%	48%	181%	65%
EBIT margin	6.3%	5.6%	9.6%	10.9%
P/E adj.	55.6	37.4	13.3	8.1
EV/EBIT	23.8	24.0	9.8	6.8
EV/EBITA	23.8	24.0	9.8	6.8
EV/EBITDA	11.0	11.1	6.1	4.8
P/BV	1.1	1.0	1.0	0.9
Dividend yield	0.0%	0.0%	0.0%	0.0%
FCF yield	-22.0%	-10.6%	-4.0%	-3.5%
Equity/Total Assets	66.0%	50.6%	51.3%	52.1%
ROCE	4.3%	4.2%	7.9%	10.6%
ROE adj.	1.9%	2.8%	7.5%	11.3%
Net IB debt/EBITDA	1.2	1.9	1.2	1.0

Share price - 5Y



High/Low (12M) SEK83/45.1

Perf. 3M 6M 12M YTD

Abs. 25.0 -20.1 -22.6 -10.2

Rel. 15.4 -26.1 -36.6 -20.0

Source: Carnegie Research, FactSet, Millstream & company data

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Deviation table

SEKm	2023				2025			Carnegie		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4a	Q4e	Dev
Sales	113	133	157	221	125	167	141	198	245	-19%
Growth	0%	7%	65%	37%	10%	26%	-10%	-10%	11%	-21pp
Adj EBIT	-9	5	8	34	-7	14	1	15	30	-49%
Adj EBIT margin	-7.6%	4.1%	5.3%	15.4%	-5.6%	8.1%	0.7%	7.8%	12.4%	-5pp
EO	0	0	0	0	0	0	0	0	0	
EBIT	-9	5	8	34	-7	14	1	15	30	-49%
EBIT margin	-7.6%	4.1%	5.3%	15.4%	-5.6%	8.1%	0.7%	7.8%	12.4%	-5pp
Net financials	-7	1	1	-11	0	-1	-8	-5	-5	n.m.
Pre-tax Profit	-16	7	9	23	-7	13	-7	10	25	-59%
Tax	-4	2	-5	-3	2	-3	-1	-1	-4	
Tax rate	-26%	-32%	52%	13%	29%	23%	n.m.	8%	16%	-8pp
Net profit	-14	4	8	15	-6	10	-7	10	21	-55%
EPS (SEK)	-1.2	0.3	0.7	1.3	-0.5	0.9	-0.6	0.8	1.8	-55%
EPS Adj (SEK)	-1.2	0.3	0.7	1.3	-0.5	0.9	-0.6	0.8	1.8	-55%

Source: Carnegie Research, Company data

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