



RESULTS UPDATE

24 February 2025

Sweden

Commercial Services & Supplies

Research analysts:

Hugo Lisjö

CAG Group

Share price: SEK 108.0

Fair value range: SEK 100.0–133.0

Strong financial position enables acquisitions in 2025 – Q4 review

We find the high exposure to the defence sector positive in current market

Once again, CAG demonstrated its ability to navigate a tough market better than most of its closest peers that have reported Q4(24) results. The quarter had one fewer workday than the same period last year, negatively impacting sales by approximately SEK3m and EBITA by SEK1m. Additionally, the Christmas holiday allowed for extended employee leave, further affecting revenue. These factors contributed to an organic sales decline of 8.1%, or -4.5% when adjusted for revenues from subconsultants. Our estimate for Q4(24) projected a -4% decline.

Relatively stable margins despite negative sales growth

Despite the notable sales decline, CAG maintained a solid EBITA margin of 9.4%, compared to 10.3% in the previous year. We find both the absolute margin level and the relatively modest decline impressive, considering the sales contraction and when compared to other listed peers which struggled more to offset lower sales volumes.

Positive segment exposure

CAG's division with exposure to the Swedish defence sector continues to experience strong demand. In our discussion with the Swedish Minister of Defence, he highlighted challenges within processes and infrastructure that are hindering the strengthening of national defence capabilities. We view this as a positive indicator for future demand for CAG's services. However, other business areas have underperformed, prompting the company to initiate a restructuring plan for one branch of the business, expected to incur one-off costs of SEK2m–3m in Q1(25).

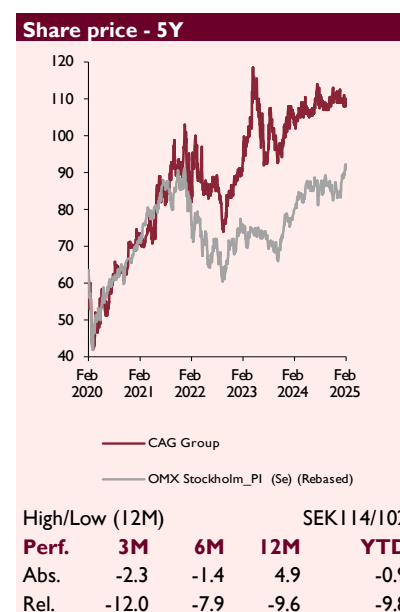
Fair value range of SEK100–133 per share; EV/EBITDA 2025e 8.0–11.0x

Our fair value range is based on our estimated adjusted EBITA for 2025e, applying an EV/EBITDA multiple of 8.0–11.0x. These multiples represent a slight premium to the peer group, justified by CAG's higher and more stable EBITA margins, as well as lower revenue volatility compared to peers. Additionally, CAG's strong balance sheet positions the company well for potential acquisitions in 2025, further accelerating its growth.

Changes in this report			
	From	To	Chg
EPS adj. 2025e	n.a.	8.7	n.a.
EPS adj. 2026e	n.a.	9.7	n.a.
EPS adj. 2027e	n.a.	10.3	n.a.

Key facts	
No. shares (m)	7.2
Market cap. (USDm)	73
Market cap. (SEKm)	774
Net IB Debt. (SEKm)	-70
Adjustments (SEKm)	0
EV (2025e) (SEKm)	704
Free float	62.4%
Avg. daily vol. ('000)	2
Risk	High Risk
Fiscal year end	December
Share price as of (CET)	21 Feb 2025 17:20

Key figures (SEK)	2024	2025e	2026e	2027e
Sales (m)	868	871	923	957
EBITDA (m)	98	100	113	117
EBIT (m)	67	71	83	88
EPS	6.78	7.43	8.85	9.46
EPS adj.	7.92	8.72	9.75	10.3
DPS	4.10	4.30	4.50	4.70
Sales growth Y/Y	-2%	0%	6%	4%
EPS adj. growth Y/Y	-8%	10%	12%	6%
EBIT margin	7.7%	8.1%	9.0%	9.2%
P/E adj.	13.6	12.4	11.1	10.5
EV/EBIT	10.7	10.0	8.1	7.2
EV/EBITDA	9.5	9.0	7.5	6.7
EV/EBITDA	7.3	7.1	5.9	5.4
P/BV	2.4	2.3	2.1	1.9
Dividend yield	3.8%	4.0%	4.2%	4.4%
FCF yield	7.7%	8.0%	11.9%	12.5%
Equity/Total Assets	58.4%	60.6%	61.4%	63.0%
ROCE	17.5%	18.4%	20.5%	20.2%
ROE adj.	18.4%	18.9%	19.4%	18.8%
Net IB debt/EBITDA	-0.7	-0.7	-0.9	-1.2



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Please see disclosures on page 11

Source: Carnegie Research, FactSet, Millstream & company data

Equity story

**Near term:
6–12m**

Business areas that earlier had not performed as well as the overall group, like CAG's Cybersecurity branch, are now starting to perform better. At the same time, the company has mentioned restructuring, and we anticipate that CAG will put more focus toward business areas where it sees higher demand and a better outlook. These actions should be margin positive in coming quarters. At the same time we have begun to see signs of an improved market environment.

**Long term:
5Y+**

Technology is evolving rapidly, requiring companies to keep pace to stay competitive. This impacts multiple aspects of business operations. One key area is efficiency, adopting new technologies enhances productivity and can be essential for maintaining relevance in the market. Another critical aspect is cybersecurity, as the growing threat landscape poses significant financial and reputational risks. As an IT expert with a combination of consulting services and proprietary solutions, CAG remains a valuable partner and solution deliver for clients.

Key risks:

- To remain at the forefront of technology
- Competition for talent
- Reputation risk

Company description

CAG Group is a Swedish IT consultancy firm specialising in digital transformation, cybersecurity, and IT infrastructure, with a focus on defence, banking, and finance. Operating through specialised subsidiaries, the company delivers high margin consulting services, from software development to system integrations. With stable revenue streams, strong EBITA margins, and a solid financial position, CAG aims to expand through strategic acquisitions, positioning itself for continued growth in the Nordic IT consulting sector.

Key industry drivers

- Rapid technological advancements
- Rising costs for clients to maintain in-house expertise
- Growing vulnerabilities in corporate IT infrastructure

Industry outlook

- IT budgets in Sweden are projected to grow by 2–4% in the coming years. Companies will prioritise IT security, continued digitalisation, and operational efficiency, benefiting CAG.

Largest shareholders

Bo Lindström	20.1%
Nordea Funds	14.6%
Creades	10.1%

Cyclicality

Cyclicality: Yes

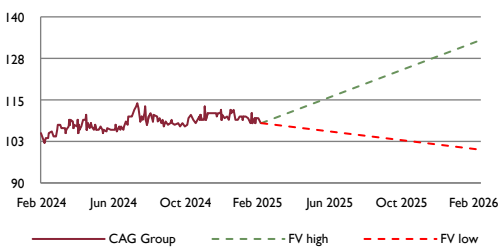
Key peers

Knowit, B3, Precio Fishbone, Softronic, Tieto EVRY, Proact IT

Valuation and methodology

In our valuation of CAG, we have benchmarked the company against other Nordic IT consultants. CAG has demonstrated more stable revenue growth and EBITA margins than its peers historically, holding the second-highest EBITA margin in the peer group in 2024. Combined with its strong financial position, which allows for acquisitions, and its high exposure to growing end markets, we believe CAG warrants a slight premium to peers.

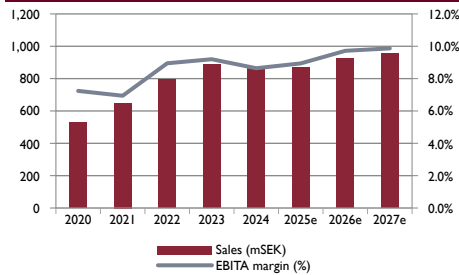
Fair value range 12m



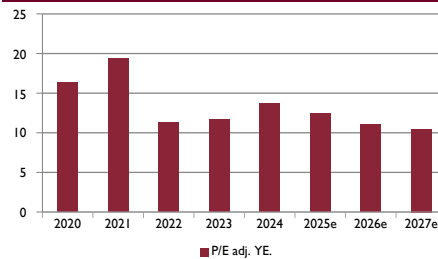
The upper end of our valuation range reflects a premium multiple compared to the peer group. To justify this, we believe CAG must deliver above-peer sales growth and achieve margin expansion in 2025.

The lower end of our valuation range reflects a scenario where CAG demonstrates low sales growth and no margin expansion. This valuation assumes a multiple slightly below the peer group, which we find reasonable if the peer group performs in line with current market expectations.

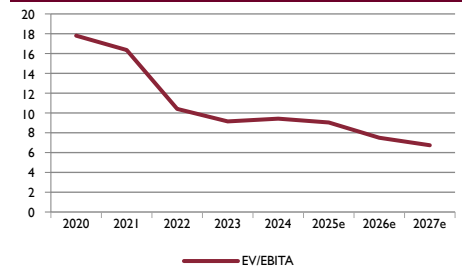
Key metrics



PE 12m forward



Long term valuation trend



Source: Carnegie Research & company data

Key charts

The revenue trajectory in 2024 was impacted by a lower contribution from sub-consultant revenues, which is also a key factor behind CAG's relatively stable margins compared to peers

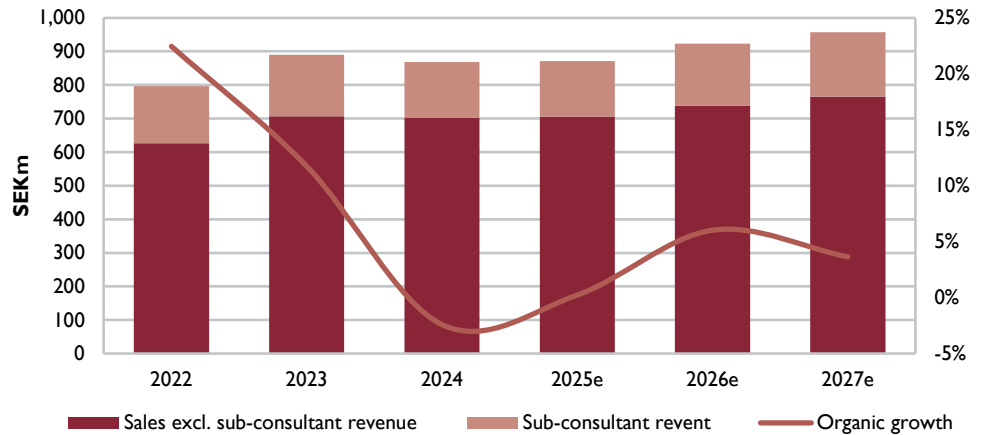
CAG has a strategic plan to drive revenue growth through acquisitions, and we find its strong financial position supportive of acquisition opportunities in 2025

The company remains cautious about maintaining a high debt level, and we estimate that it targets a net debt/EBITA ratio of approximately 1.5x. This would allow CAG to secure around SEK150m in additional debt financing in 2025e. If supplemented by a 10% share issuance, which could generate an additional SEK80m, the company would have a total acquisition capacity of SEK230m. Assuming an EV/Sales multiple of 0.7x, this could enable CAG to acquire businesses with approximately SEK350m in combined revenue

The CEO highlights strong utilisation, which we expect to have a positive impact on margins in 2025e

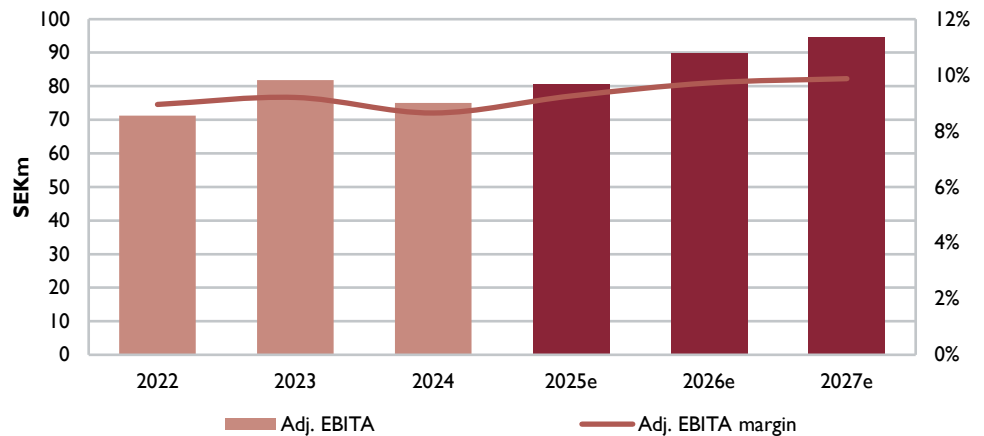
We view CAG's significant exposure to the defence sector as a positive, particularly following our discussion with the Swedish Minister of Defence. He highlighted that Sweden is lagging in procurement structures and infrastructure planning, which could drive sustained demand for CAG's expertise in these areas

Net sales growth trend



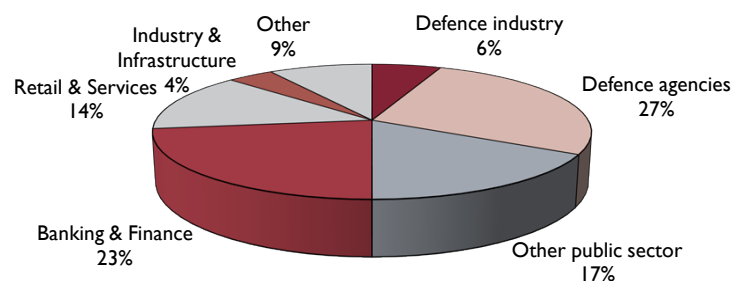
Source: Carnegie Research, CAG

CAG has maintained margin stability despite challenging years



Source: Carnegie Research, CAG

Defence and Banking & Finance account for over 50% of total sales



Source: Carnegie Research, CAG

Estimate changes

We have lowered our sales estimates due to two key factors. First, CAG's continued reduction in revenue from sub-consultants, which positively impacts margins since these revenues come with higher costs and could also improve utilisation rates. Second, we expect the decrease in employee numbers during the quarter will have a negative impact on revenue but should contribute to higher utilisation. As a result, while we now estimate lower revenue than before, we maintain our expectation of continued margin improvement in the coming years.

Another adjustment we made was increasing our dividend estimate to reflect the proposed dividend of SEK4.1 per share, up from SEK3.9 last year. We had previously estimated SEK4.0 based on 2024 earnings. Consequently, we now estimate dividends of SEK4.3 for 2025 and SEK4.5 for 2026.

SEKm	New			Old			Change		
	2024	2025e	2026e	2024e	2025e	2026e	2024	2025e	2026e
Net sales	868	871	923	878	913	959	-1%	-5%	-4%
Y/Y growth	-2%	0%	6%	-1%	4%	5%	-1.1	-3.7	0.9
Organic	-2%	0%	6%	-1%	4%	5%	-1.1	-3.7	0.9
Acquired	0%	0%	0%	0%	0%	0%	0.0	0.0	0.0
OPEX	-770	-771	-810	-786	-806	-843	2%	5%	4%
Personnel	-492	-491	-516	-499	-514	-540	1%	5%	5%
Cost of services	-212	-207	-221	-223	-224	-230	6%	8%	4%
Other income/costs	-67	-70	-73	-64	-68	-73	-5%	-4%	-1%
EO	0	-3	0	0	0	0	-	n.m.	-
EBITDA	98	100	113	92	107	117	6%	-7%	-3%
Depreciation	-23	-22	-24	-23	-24	-25	-1%	8%	6%
EBITA	75	78	90	70	83	91	8%	-6%	-2%
Adj. EBITA	75	81	90	70	83	91	8%	-3%	-2%
Adj. EBITA margin	8.6%	9.3%	9.7%	7.9%	9.1%	9.5%	0.7	0.1	0.2
Amortisation	-8	-7	-6	-8	-8	-7	0%	11%	9%
EBIT	67	71	83	61	75	84	9%	-6%	-1%
Net financials	-4	-2	-1	-4	-2	-2	-2%	9%	65%
PTP	63	69	82	58	73	82	9%	-6%	0%
Tax	-14	-16	-19	-13	-17	-19	-8%	7%	1%
Net profit	49	53	63	44	57	64	9%	-6%	0%
EPS	6.8	7.4	8.9	6.2	7.9	8.9	9%	-6%	0%

Source: Carnegie Research

Valuation

In our valuation of CAG, we have benchmarked the company against other Nordic IT consultants. CAG has demonstrated more stable revenue growth and EBITA margins than its peers historically, holding the second-highest EBITA margin in the group in 2024. Combined with its strong financial position, which allows for acquisitions, and its high exposure to growing end markets, we believe CAG warrants a slight premium to peers. Our fair value range of SEK100–133 per share corresponds to EV/EBITDA 2025e multiples of 8.0–11.0x.

Peer group comparison

2024 was a challenging year for the sector in terms of organic growth. Companies like B3 pursued acquisitions, which helped sustain their growth figures and positioned them for strong estimated growth in 2025. The tougher market environment impacted earnings across the sector, with most companies experiencing significant declines. However, as seen both historically and in 2024, CAG managed to maintain its margins at a higher level, reinforcing its reputation as one of the sector's most stable companies, an aspect we find attractive.

Additionally, CAG's balance sheet remains in solid shape, as reflected in the proposed dividend increase. We believe its strong financial position, especially in a challenging market environment, provides an advantage for M&A opportunities. Market conditions have likely led to lower valuations and increased willingness among owners to sell, making acquisitions more feasible. In our view, CAG will need to complete an acquisition to meet its financial target of SEK1.0bn in sales by 2025. That said, we prioritise strategic fit over acquisitions made solely to achieve sales targets.

	Mcap. (EURm)	Sales growth				Adj. EBITA margin				Adj. EBIT margin				Net debt/EBITDA			
		2024	2025e	2026e	2027e	2024	2025e	2026e	2027e	2024	2025e	2026e	2027e	2024	2025e	2026e	2027e
C.A.G Group AB*	70	-2.4%	0.3%	6.0%	3.6%	8.6%	9.3%	9.7%	9.9%	7.7%	8.4%	9.0%	9.2%	-0.7x	-0.7x	-0.9x	0.1x
Knowit AB	348	-9.6%	-0.7%	5.9%	4.9%	6.1%	6.9%	8.1%	8.6%	3.4%	4.3%	5.8%	6.6%	1.2x	0.7x	0.3x	-0.1x
B3 Consulting Group AB	56	-1.0%	23.5%	9.9%	5.2%	3.5%	8.0%	10.2%	10.5%	3.6%	7.4%	9.5%	9.6%	3.9x	1.1x	0.3x	-0.3x
TietoEVRY Oyj	2,141	-1.7%	-1.2%	2.6%	3.2%	12.4%	12.4%	12.8%	13.0%	11.4%	11.4%	11.5%	12.1%	2.1x	1.9x	1.7x	1.6x
Proact IT Group AB	309	0.3%	4.7%	3.9%	3.3%	7.2%	7.2%	7.6%	7.8%	6.1%	6.1%	6.6%	6.8%	-0.6x	-1.0x	-1.2x	-1.5x
Average	585	-2.9%	5.3%	5.7%	4.0%	7.6%	8.7%	9.7%	9.9%	6.4%	7.5%	8.5%	8.8%	1.2x	0.4x	0.0x	0.0x
Median	309	-1.7%	0.3%	5.9%	3.6%	7.2%	8.0%	9.7%	9.9%	6.1%	7.4%	9.0%	9.2%	1.2x	0.7x	0.3x	-0.1x

*Carnegie Estimates

Note: Estimates collected from Factset as per 23/02/2025

Source: Carnegie Research, Factset

	Mcap. (EURm)	EV/Sales				EV/EBITDA				EV/EBIT				PE			
		2024	2025e	2026e	2027e	2024	2025e	2026e	2027e	2024	2025e	2026e	2027e	2024	2025e	2026e	2027e
C.A.G Group AB*	70	0.8x	0.8x	0.7x	0.7x	9.4x	9.0x	7.5x	6.7x	10.6x	9.6x	8.1x	7.2x	15.9x	14.5x	12.2x	11.4x
Knowit AB	348	0.7x	0.7x	0.7x	0.6x	11.3x	10.2x	8.2x	7.4x	20.4x	16.2x	11.4x	9.7x	24.3x	17.6x	12.5x	10.6x
B3 Consulting Group AB	56	0.8x	0.6x	0.6x	0.5x	23.2x	7.9x	5.6x	5.2x	22.6x	8.5x	6.1x	5.7x	10.4x	8.9x	6.2x	5.7x
TietoEVRY Oyj	2,141	1.0x	1.1x	1.1x	1.0x	8.4x	8.9x	8.4x	8.0x	9.1x	9.7x	9.3x	8.6x	10.1x	9.5x	8.9x	8.3x
Proact IT Group AB	309	0.6x	0.6x	0.6x	0.6x	8.2x	8.4x	7.6x	7.2x	9.7x	9.9x	8.8x	8.3x	15.4x	14.8x	13.2x	12.4x
Average	585	0.8x	0.8x	0.7x	0.7x	12.1x	8.9x	7.5x	6.9x	14.5x	10.8x	8.7x	7.9x	15.2x	13.1x	10.6x	9.7x
Median	309	0.8x	0.7x	0.7x	0.6x	9.4x	8.9x	7.6x	7.2x	10.6x	9.7x	8.8x	8.3x	15.4x	14.5x	12.2x	10.6x

*Carnegie Estimates

Note: Estimates collected from Factset as per 23/02/2025

Source: Carnegie Research, Factset

Scenario analysis

To assess CAG, we have conducted a scenario analysis comprising three different cases: a base scenario based on our estimates, a low-growth scenario assuming slower sales growth and a stagnating EBITA margin, and a high-growth scenario factoring in improved market conditions and accelerated growth, particularly within the defence sector.

In our base scenario, we expect CAG to grow in line with sector peers but to achieve a higher EBITA margin. Given this, we find it reasonable to value the company at an EV/EBITDA 2025e multiple of 8.0–11.0x, reflecting a slight premium to peers but remaining consistent with its historical valuation.

In the low-growth scenario, we assume continued market challenges with heightened competition. This scenario reflects a lower sales growth rate than our base case and includes an expectation of margin contraction in 2025e. Under these conditions, we anticipate a lower valuation, as CAG would not justify the premium multiple assigned in our base case.

The high-growth scenario assumes a significant market improvement, allowing CAG to expand even further within its niche sectors, such as defence, while maintaining strong performance across other segments. Under these conditions, we believe the company should be valued at an EV/EBITDA 2025e multiple of 10–13x, corresponding to a fair value range of SEK 130–166 per share.

SEKm	2022	2023	2024	2025e	2026e	2027e	2025e		
							EV/EBITDA	Value per share	
Base scenario									
Sales	797	890	868	871	923	957	Higher bound:	11.0x	133
Growth	57%	12%	-2%	0%	6%	4%	Lower bound:	8.0x	100
Adj. EBITA	71	82	75	81	90	94			
Margin	8.9%	9.2%	8.6%	9.3%	9.7%	9.9%			
Low growth scenario									
Sales	797	890	868	851	851	868	Higher bound:	9.0x	98
Growth	57%	12%	-2%	-2%	0%	2%	Lower bound:	6.0x	69
EBITDA	71	82	75	71	72	76			
Margin	8.9%	9.2%	8.6%	8.3%	8.5%	8.7%			
High growth scenario									
Sales	797	890	868	894	984	1,063	Higher bound:	13.0x	166
Growth	57%	12%	-2%	3%	10%	8%	Lower bound:	10.0x	130
EBITDA	71	82	75	86	100	114			
Margin	8.9%	9.2%	8.6%	9.6%	10.2%	10.7%			

Source: Carnegie Research

DCF

While our fair value range is based on the scenario and benchmarking analysis detailed above, we have also conducted a DCF valuation, which we view as a semi bullish scenario. Following our explicit forecast period which ends in 2027e, we assume growth will gradually decline linearly to 2%, in line with long-term GDP growth. We apply a WACC of 10.0%, reflecting an equity beta of 1.5x. For the terminal period, we use a 2% growth rate and assume an EBITDA margin of 12%.

DCF assumptions - Summary	2025e	2026e	2027e	Average year			16-20	Terminal period	
				4-5	6-10	11-15			
Total sales growth	0.3%	6.0%	3.6%	3.5%	3.2%	2.7%	2.2%	2.0%	
EBITDA margin	11.4%	12.3%	12.3%	12.2%	12.2%	12.1%	12.0%	12.0%	
Depreciation % of sales	-2.5%	-2.6%	-2.4%	-2.4%	-2.4%	-2.4%	-2.4%	-2.4%	
EBITA margin	8.9%	9.7%	9.9%	9.8%	9.8%	9.7%	9.6%	9.6%	
Amortisations % of sales	-0.8%	-0.7%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	0.0%	
EBIT margin	8.1%	9.0%	9.2%	9.2%	9.2%	9.1%	9.0%	9.0%	
Capex % of sales	-1.1%	-1.1%	-1.1%	-1.1%	-1.1%	-1.1%	-1.1%	-1.1%	
Paid tax rate	-22.7%	-22.7%	-22.6%	-22.6%	-22.6%	-22.6%	-22.6%	-22.6%	
NWC to sales	6.3%	6.2%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	
Sales	871	923	957	1,008	1,129	1,300	1,463	1,554	
EBITDA	100	113	117	123	137	157	176	187	
Capex	-10	-10	-11	-11	-12	-14	-16	-37	
Taxes	-16	-19	-20	-22	-25	-29	-32	34	
Other	-21	-2	2	-2	-2	-2	-2	1,243	
Free cash flow	53	83	89	88	98	113	126	1,426	
Discounted FCF	51	72	70	60	48	34	24	222	
Share of total discounted FCF	5%	7%	7%	11%	23%	16%	11%	21%	
Valuation	SEKmm	Per share		WACC assumptions					
EV (discounted FCF)	1,066	148.8		Risk free interest rate					4.0%
- Net debt (2024)	67	9.3		Debt risk premium					0.5%
+ Associates	0	0.0		Equity risk premium					4.0%
- Minority interest	0	0.0		Equity beta					1.50
- Outstanding warrants	0	0.0		Cost of Equity					10.0%
Other debt adjustments	0	0.0		Tax rate					22.6%
ESG penalty	0	0.0		After tax cost of debt					3.5%
Equity value at YE (24)	1,133	158.1		Equity weight					100%
Time adjustment	16	2.2		WACC					10.0%
Dividend	0	0.0							
Current equity value	1,149	160							

Source: Carnegie Research

The DCF valuation is highly sensitive to the applied WACC and terminal growth and margin assumptions, as reflected below.

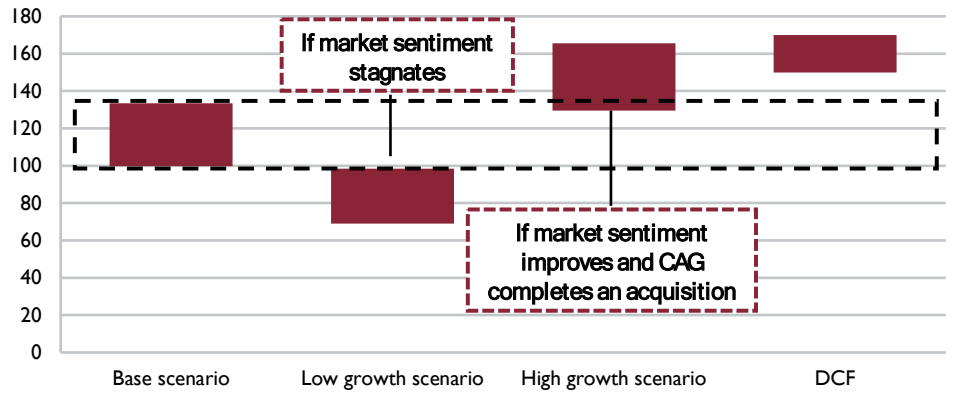
	Terminal growth %	WACC						
		8.5%	9.0%	9.5%	10.0%	10.5%	11.0%	11.5%
	3.5%	209	193	179	168	158	149	141
	3.0%	203	188	176	165	155	147	140
	2.5%	198	184	173	162	154	146	138
	2.0%	194	181	170	160	152	144	137
	1.5%	190	178	168	158	150	143	136
	1.0%	187	176	166	157	149	142	135
	0.5%	184	173	164	155	148	141	134

Source: Carnegie Research

	Terminal EBITDA %	WACC						
		7.5%	8.0%	8.5%	10.0%	9.5%	10.0%	10.5%
	15%	264	242	224	181	194	182	171
	14%	252	231	214	174	186	175	165
	13%	239	220	204	167	178	168	158
	12%	227	209	194	160	171	161	152
	11%	214	198	185	153	163	154	146
	10%	202	187	175	147	155	147	140
	9%	189	176	165	140	147	140	133

Source: Carnegie Research

Fair value range of SEK100-133



Source: Carnegie Research

Financial statements

Profit & loss (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	0	485	532	649	797	890	868	871	923	957
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	0	485	532	649	797	890	868	871	923	957
Other income & costs	0	-424	-469	-578	-703	-786	-770	-771	-810	-840
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
EBITDA	0	61	63	71	94	104	98	100	113	117
Depreciation PPE	0	-24	-24	-26	-22	-22	-23	-22	-24	-23
Depreciation lease assets	0	0	0	0	0	0	0	0	0	0
Amortisation development costs	0	0	0	0	0	0	0	0	0	0
Amortisation other intangibles	0	0	0	0	0	0	0	0	0	0
Impairments / writedowns	0	0	0	0	0	0	0	0	0	0
EBITA	0	37	38	45	71	82	75	78	90	94
Amortization acquisition related	0	0	-1	-5	-7	-8	-8	-7	-6	-6
Impairment acquisition related	0	0	0	0	0	0	0	0	0	0
EBIT	0	37	37	41	65	74	67	71	83	88
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	0	-1	-1	-2	-3	-4	-4	-2	-1	-1
of which interest income/expenses	0	-2	-1	-2	-3	-4	-4	-2	-1	-1
of which interest on lease liabilities	0	0	0	0	0	0	0	0	0	0
of which other items	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	0	36	36	38	62	69	63	69	82	88
Taxes	0	-9	-8	-8	-14	-16	-14	-16	-19	-20
Post-tax minorities interest	0	0	0	0	0	0	0	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Net profit	0	27	28	30	48	53	49	53	63	68
Adjusted EBITDA	0	61	63	71	94	104	98	102	113	117
Adjusted EBITA	0	37	38	45	71	82	75	81	90	94
Adjusted EBIT	0	37	37	41	65	74	67	73	83	88
Adjusted net profit	0	27	29	35	55	62	57	63	70	74
Sales growth Y/Y	na	+chg	9.6%	22.1%	22.7%	11.7%	-2.4%	0.3%	6.0%	3.6%
EBITDA growth Y/Y	na	+chg	1.9%	13.6%	31.9%	10.9%	-5.7%	1.7%	13.9%	3.4%
EBITA growth Y/Y	na	+chg	2.9%	17.1%	58.2%	14.8%	-8.3%	3.7%	15.3%	5.3%
EBIT growth Y/Y	na	+chg	-0.4%	9.4%	59.7%	13.7%	-9.1%	5.8%	17.8%	6.1%
EBITDA margin	nm	12.6%	11.8%	10.9%	11.8%	11.7%	11.3%	11.4%	12.3%	12.3%
EBITA margin	nm	7.7%	7.2%	6.9%	8.9%	9.2%	8.6%	8.9%	9.7%	9.9%
EBIT margin	nm	7.7%	7.0%	6.2%	8.1%	8.3%	7.7%	8.1%	9.0%	9.2%
Tax rate	na	24.4%	21.8%	21.3%	21.9%	22.7%	22.9%	22.7%	22.7%	22.6%
Cash flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	0	61	63	71	94	104	98	100	113	117
Paid taxes	0	-15	-17	-18	-19	-18	-31	-16	-19	-20
Change in NWC	0	16	17	2	18	-15	19	-21	-2	2
Non cash adjustments	0	0	0	0	1	-1	0	29	30	29
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Total operating activities	0	63	63	54	94	71	86	91	123	128
Capex tangible assets	0	-5	-4	-1	-3	-4	-4	-10	-10	-11
Capitalised development costs	0	0	0	0	0	0	0	0	0	0
Capex - other intangible assets	0	0	0	0	0	0	0	0	0	0
Acquisitions/divestments	0	-9	-19	-75	-53	-13	0	0	0	0
Other non-cash adjustments	0	0	1	1	1	0	0	0	0	0
Total investing activities	0	-14	-21	-75	-54	-17	-4	-10	-10	-11
Net financial items	0	-1	-1	-2	-3	-4	-4	-2	-1	-1
Lease payments	0	-20	-20	-22	-19	-18	-19	-18	-19	-20
Dividend paid and received	0	-17	-19	-21	-22	-26	-28	-29	-31	-32
Share issues & buybacks	0	5	0	13	0	0	0	0	0	0
Change in bank debt	0	-12	-8	18	56	-29	-29	-8	0	0
Other cash flow items	0	-4	-1	0	-3	0	0	0	0	0
Total financing activities	0	-49	-49	-15	9	-77	-79	-57	-51	-53
Operating cash flow	0	63	63	54	94	71	86	91	123	128
Free cash flow	0	36	38	29	69	44	60	62	92	97
Net cash flow	0	-1	-8	-36	48	-23	3	24	61	65
Change in net IB debt	0	31	20	-31	12	24	51	51	81	85
Capex / Sales	nm	1.1%	0.7%	0.1%	0.3%	0.5%	0.4%	1.1%	1.1%	1.1%
NWC / Sales	nm	1.0%	1.7%	2.4%	2.3%	3.3%	4.5%	5.0%	6.0%	5.8%

Source: Carnegie Research & company data

Financial statements, cont.

Balance sheet (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Acquired intangible assets	0	5	9	21	30	22	15	13	12	12
Other fixed intangible assets	0	85	106	163	213	215	215	215	215	215
Capitalised development	0	0	0	0	0	0	0	0	0	0
Tangible assets	0	35	40	28	29	43	32	33	33	36
Lease assets	0	0	0	0	0	0	0	0	0	0
Other IB assets (1)	0	0	0	0	0	0	0	0	0	0
Other non-IB assets	0	5	5	4	4	4	2	2	2	2
Fixed assets	0	130	160	216	275	284	265	264	263	265
Inventories (2)	0	0	0	0	0	0	0	0	0	0
Receivables (2)	0	88	89	126	147	171	141	163	174	177
Prepaid exp. & other NWC items (2)	0	16	23	28	34	27	32	36	39	41
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash & cash equivalents (1)	0	123	116	81	129	105	108	104	135	171
Current assets	0	228	227	236	310	304	282	303	349	388
Total assets	0	358	387	453	585	588	546	567	612	653
Shareholders' equity	0	192	206	234	272	299	319	343	376	411
Minorities	0	0	0	0	0	0	0	0	0	0
Other equity	0	0	0	0	0	0	0	0	0	0
Total equity	0	192	206	234	272	299	319	343	376	411
Deferred tax	0	12	16	20	25	26	26	26	26	26
LT IB debt (1)	0	0	0	0	0	0	0	0	0	0
Other IB provisions (1)	0	10	2	23	59	31	9	1	1	1
Lease liabilities	0	13	17	10	9	21	11	11	11	11
Other non-IB liabilities	0	8	16	2	0	0	0	0	0	0
LT liabilities	0	43	52	55	93	77	46	38	38	38
ST IB debt (1)	0	8	8	12	29	29	21	21	21	21
Payables (2)	0	21	26	39	51	55	47	48	53	55
Accrued exp. & other NWC items (2)	0	73	77	93	116	98	93	96	104	108
Other ST non-IB liabilities	0	20	18	20	24	30	20	20	20	20
Liabilities - assets held for sale	0	0	0	0	0	0	0	0	0	0
Current liabilities	0	122	129	164	220	212	181	185	198	203
Total equity and liabilities	0	358	387	453	585	588	546	567	612	653
Net IB debt (=1)	0	-93	-89	-37	-32	-26	-67	-70	-101	-137
Net working capital (NWC) (=2)	0	10	8	23	14	45	33	55	57	55
Capital employed (CE)	0	243	265	301	394	405	387	403	435	471
Capital invested (CI)	0	134	163	235	285	325	295	316	317	317
Equity / Total assets	nm	54%	53%	52%	46%	51%	58%	61%	61%	63%
Net IB debt / EBITDA	nm	-1.5	-1.4	-0.5	-0.3	-0.2	-0.7	-0.7	-0.9	-1.2
Per share data (SEK)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Adj. no. of shares in issue YE (m)	0.00	6.85	6.95	7.00	7.11	7.17	7.17	7.17	7.17	7.17
Diluted no. of Shares YE (m)	0.00	6.85	6.95	7.00	7.11	7.17	7.17	7.17	7.17	7.17
EPS	na	7.88	4.05	4.34	6.84	7.49	6.78	7.43	8.85	9.46
EPS adj.	na	7.94	4.26	4.99	7.77	8.65	7.92	8.72	9.75	10.3
CEPS	na	9.18	4.81	5.51	8.21	9.14	8.48	8.91	10.3	10.7
DPS	0.00	2.90	3.00	3.10	3.60	3.90	4.10	4.30	4.50	4.70
BVPS	na	28.1	29.6	33.4	38.3	41.7	44.5	47.9	52.4	57.4
Performance measures	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
ROE	nm	28.1%	14.1%	13.8%	19.1%	18.7%	15.7%	16.1%	17.7%	17.2%
Adj. ROCE pre-tax	na	na	15.2%	16.0%	20.7%	21.1%	19.6%	20.9%	22.0%	21.5%
Adj. ROIC after-tax	na	na	20.3%	17.8%	21.4%	20.7%	18.6%	20.4%	21.9%	23.0%
Valuation	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
FCF yield	0.0%	4.7%	4.9%	3.7%	8.9%	5.7%	7.7%	8.0%	11.9%	12.5%
Dividend yield YE	0.0%	4.4%	4.3%	3.2%	4.1%	3.9%	3.8%	4.0%	4.2%	4.4%
Dividend payout ratio	na	36.8%	74.0%	71.4%	52.6%	52.1%	60.5%	57.9%	50.8%	49.7%
Dividend + buy backs yield YE	nm	4.3%	4.3%	3.2%	4.1%	3.9%	3.8%	4.0%	4.2%	4.4%
EV/Sales YE	nm	0.74	0.74	0.99	0.74	0.79	0.82	0.81	0.73	0.67
EV/EBITDA YE	nm	5.9	6.3	9.0	6.3	6.7	7.3	7.1	5.9	5.4
EV/EBITA YE	nm	9.6	10.3	14.3	8.3	8.5	9.5	9.0	7.5	6.7
EV/EBITA adj. YE	nm	9.6	10.3	14.3	8.3	8.5	9.5	8.7	7.5	6.7
EV/EBIT YE	nm	9.7	10.7	15.9	9.2	9.5	10.7	10.0	8.1	7.2
P/E YE	na	8.4	17.2	22.4	12.9	13.5	16.1	14.5	12.2	11.4
P/E adj. YE	na	8.3	16.3	19.4	11.3	11.7	13.8	12.4	11.1	10.5
P/BV YE	na	2.35	2.35	2.90	2.30	2.42	2.45	2.26	2.06	1.88
Share price YE (SEK)	65.5	66.0	69.6	97.0	88.0	101	109	108		

Source: Carnegie Research & company data

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