

CTT Systems

Near-term uncertainty into Q4 remains

- Sales in-line with CTT's guidance, EBIT below ABGSCe
- Removed Q4 guidance due to increased short-term uncertainty
- Improving activity from 2026, but potentially slow Q4 as well

Q3 details

Sales were 5% below our expectations, while the SEK 74m was in the middle of CTT's own guidance of 70-80m, with +39% organic sales growth (ABGSCe +42%). This was driven by lower aftermarket sales (0% y-o-y vs. ABG +18%), as system sales grew vs. Q2 (+116% y-o-y vs. ABG +89%). AM share of sales was 59% (ABG 66%). EBIT grew 26% y-o-y (ABG +70% y-o-y), as the margin came in at 25% (ABG 32%, 26% Q3'24) due to FX headwinds and a lower share of AM sales. Free cash flow of ~33m (~7m last year) was strong.

Outlook and estimate changes

CTT has decided to not give any specific guidance for Q4 due to unusually large FX movements, shorter lead times from order to delivery and changed buying behavior among distributors, while also flagging the risk of distributor destocking before the end of the year. We had assumed sales to grow to SEK 89m (vs. the reported 74m in Q3) due to both higher system and AM sales. Looking further ahead, the CEO says that growth drivers have strengthened further, and expect that "starting in Q1'26 and for several years to come" that CTT will deliver strong sales growth in systems, and for AM sales to "increase" vs. 2025. All other assumptions intact, the Q3 deviation on EBIT vs. ABGSCe would lower our FY'25e-'26e EBIT by 9-5%, with the removed Q4 outlook potentially adding some uncertainty to our Q4 assumptions as well. In addition, using current FX rates vs. our latest published note, we note that the USD/SEK would lower sales by 1-2%, with a greater impact on EBIT (usually a 2-2.5x impact on EBIT vs. sales)

Final thoughts

As expected FX headwinds would significantly affect CTT, but we had expected inventory destocking to be largely complete by now among CTT's distributors. Although we see signs also from aerospace OEMs that activity is improving, near-term earnings uncertainty for CTT remains. The share has returned -14% L1M, below the broader market (OMXSGL +3%), and trades at (pre-Q3 estimates) 33-19x EBIT '25e-'26e (20x L10Y). There is a conference call at 09:30 CET, [link](#).

Fast comment

Commissioned research

Not rated

Capital Goods

CTT-SE/CTT SS

Share price (SEK)	23/10/2025	198.60
MCap (SEKm)		2,488
MCap (EURm)		228
No. of shares (m)		12.5
Free float (%)		74.5
Av. daily volume (k)		11

Next event Q3 Report 24 October 2025

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Outcome vs. expectations

Deviation table	Q3'24	Q3'25		Q3'25e	Deviation	
SEKm		Actual	y-o-y %	ABGSCe	SEKm	%
Net sales	57.4	73.8	29%	77.6	-3.8	-5%
Other income	-1.5	6.1		6.2		
Opex	-39.2	-59.7	52%	-57.0	-2.7	5%
EBITDA	16.7	20.2	21%	26.8	-6.6	-25%
D&A	-1.9	-1.6		-1.7		
EBIT	14.8	18.6	26%	25.1	-6.5	-26%
Non-recurring items	0.0			0.0		
Adj. EBIT	14.8	18.6	26%	25.1	-6.5	-26%
Net profit	12.0	14.4	20%	20.6	-6.2	-30%
Assumptions	Q3'24	Q3'25		Q3'25e	Deviation	
		Actual	y-o-y %	ABGSCe	SEKm	%
Opex / sales	68%	81%		73%		7%
EBIT margin	26%	27%		32%		-5%
Adj. EBIT margin	26%	25%		32%		-7%
Organic sales	-18%	39%		42%		-3%
Sales y-o-y	-22%	29%		35%		
Adj. EBIT y-o-y	-51%	29%		70%		
Sales breakdown	Q3'24	Q3'25		Q3'25e	Deviation	
		Actual	y-o-y %	ABGSCe	SEKm	%
OEM	10.3	11.9	16%	10.1	1.8	18%
Retrofits	0.0	2.5	n.a.	4.5	-2.0	-44%
VIP	1.2	13.2	1000%	8.9	4.3	48%
Other	2.5	2.6	4%	3.0	-0.4	-13%
System sales	14.0	30.2	116%	26.5	3.7	14%
Aftermarket / IP	43.4	43.6	0%	51.1	-7.5	-15%
Group sales	57.4	73.8	29%	77.6	-3.8	-5%
<i>AM+IP/sales</i>	<i>76%</i>	<i>59%</i>		<i>66%</i>		<i>-7%</i>

Source: ABG Sundal Collier, company data

SEKm	2023	2024	2025e	2026e	2027e
Sales	309	300	300	433	594
Sales growth (%)	28.3	-2.8	0.1	44.2	37.2
EBITDA	128	120	80	138	203
EBITDA margin (%)	41.3	40.0	26.5	31.8	34.2
EBIT adj.	121	112	75	130	192
EBIT adj. margin (%)	39.3	37.5	24.9	30.1	32.3
Pretax profit	120	108	76	134	197
EPS	7.62	6.81	4.82	8.52	12.49
EPS growth (%)	43.9	-10.7	-29.2	76.8	46.7
EPS adj.	7.81	6.81	4.94	8.52	12.49
DPS	8.70	5.35	6.00	9.00	12.00
EV/EBITDA (x)	18.9	20.5	31.1	17.7	12.0
EV/EBIT adj. (x)	19.9	21.9	33.1	18.7	12.7
P/E (x)	26.1	29.2	41.2	23.3	15.9
P/E adj. (x)	25.4	29.2	40.2	23.3	15.9
EV/sales (x)	7.81	8.21	8.26	5.64	4.10
FCF yield (%)	4.4	2.5	1.9	4.6	4.7
Le. adj. FCF yld. (%)	4.4	2.5	1.9	4.6	4.7
Dividend yield (%)	4.4	2.7	3.0	4.5	6.0
Net IB debt/EBITDA (x)	-0.6	-0.2	-0.1	-0.3	-0.2
Le. adj. ND/EBITDA (x)	-0.6	-0.2	-0.1	-0.3	-0.2

Source: ABG Sundal Collier, Company Data

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