Ferronordic

Fast comment

US Midwest expansion

Commissioned research

Not rated

Capital Goods

- Acquisition of Volvo Construction Equipment dealer in Iowa
- Adds 8% to PF'26e EBIT, 13x acquisition EV/EBIT
- Aligns with strategic rationale of expanding in adjacent US territories

Acquisition of VCE dealer in Iowa

Yesterday Ferronordic agreed, through its US subsidiary Rudd Equipment, to acquire the Volvo Construction Equipment part of of Iowa dealer Housby. At present, Housby is a leading dealership in the state of Iowa and distributes Mack, Izuzu and Volvo Construction Equipment. It operates three workshops in the state of Iowa and has 26 employees, who will be employed by Rudd. Housby is currently owned by two brothers, and the rationale for the sale is twofold: an upcoming generational transition within the owning family and a strategic decision to focus exclusively on the Mack dealership.The acquisition expands Rudd's operations into the adjacent Iowa territory and allows for a greater geographical presence in the Midwest.

Valuation of the acqusition lands at 13x EV/EBIT

Housby reported sales related to construction equipment of USD 26.6m with an estimated EBIT of USD 1.3m. The acquisition will add ~5% on topline and ~8% to PF'26e EBIT. Housby displays an EBIT margin of 4.9% in 2024, which although is above the company group level, is below Rudd's margin of roughly 8% in FY24. We estimate that this takes PF'26e ND/EBITDA to to 2.2x from our current estimate of 2.1x. The acquisition multiple landed at ~13x EV/EBIT, which is fairly high but this excludes synergy effects the cost synergies that Ferronordic expects to realise. These synergies are expected to arise from the elimination of Housby’s internal corporate costs and the centralisation of these functions at Rudd’s headquarters in Louisville. Its positive to see the company starting to execute on its explicit strategy of growing through acquisitions in its US geography.

FNM-SE/FNM SS

Share price (SEK)	6/1/2026	43.80
MCap (SEKm)		637
MCap (EURm)		59
No. of shares (m)		14.5
Free float (%)		31.8
Av. daily volume (k)		5

Next event Q4 Report 12 February 2026

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SEKm	2023	2024	2025e	2026e	2027e
Sales	2,863	4,720	4,415	4,633	4,931
Sales growth (%)	*-55.7*	*64.9*	*-6.5*	*4.9*	*6.4*
EBITDA	-6	383	466	612	651
EBITDA margin (%)	*-0.2*	*8.1*	*10.5*	*13.2*	*13.2*
EBIT adj.	-68	68	72	160	195
EBIT adj. margin (%)	*-2.4*	*1.4*	*1.6*	*3.4*	*4.0*
Pretax profit	-153	-40	-215	76	111
EPS	-7.39	-6.14	-15.00	4.11	6.05
EPS growth (%)	*nm*	*-16.9*	*nm*	*nm*	*47.1*
EPS adj.	-5.13	1.26	-14.65	4.11	6.05
DPS	0.00	0.00	0.00	0.00	0.00
EV/EBITDA (x)	-310.4	6.8	4.9	3.1	2.3
EV/EBIT adj. (x)	-29.0	38.2	31.6	11.9	7.8
P/E (x)	nm	nm	nm	10.7	7.2
P/E adj. (x)	nm	34.8	nm	10.7	7.2
EV/sales (x)	0.69	0.55	0.51	0.41	0.31
FCF yield (%)	-195.1	58.4	92.9	62.8	65.0
Le. adj. FCF yld. (%)	-197.8	53.7	88.2	58.1	60.3
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Net IB debt/EBITDA (x)	-210.9	5.2	3.5	2.1	1.4
Le. adj. ND/EBITDA (x)	31.3	4.4	3.3	2.0	1.3

Source: ABG Sundal Collier, Company Data

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