ABG SUNDAL COLLIER

Inission

Fast comment

Commissioned research

Not rated

Capital Goods

Inission Power drives beat, demand still strong

- Orders +39% y-o-y and 5% above ABGSCe for a book-to-bill of 1.13
- EBITA adj. of SEK 41m, 5% above ABGSCe, 6.4% margin (4.8%)
- FY guidance unchanged, but expected run-rate implies higher sales

Q2 results

Orders were up 39% y-o-y and 5% above our estimate. Sales grew 19% y-o-y and were 3% below our estimate. With a margin of 6.4%, 0.5pp above our estimate, EBITA adj. was 5% above our estimate. Lease adj. FCF was -22m, bringing the R12m figure to 68m, i.e. 85% of net income. Inission Power (Enedo) drove the beat, with EBITA of SEK 3.8m (-4.7m) against our 2.3m, a third consecutive positive quarter at a 3.1% margin on higher volumes, pricing and a lower cost base. EMS EBITA of 37.1m (28.8m) was close to our 36.6m, despite weaker sales in April and May, with disruption in European PCB supply affecting the phasing of sales within the quarter. There is a conference call at 09:00 CET: webcast

Estimate changes

The Q2 numbers in isolation imply EBITA adj. comes up 1%. Inission left its FY'26 guidance of SEK 2,300-2,500m at a >6% EBITA margin unchanged, even though it flagged that it expects a run-rate of SEK 210-220m per month, implying SEK 2,589m at the midpoint, lending support to our view that the company will finish the year above guidance. Management sees strong demand in defence and data centre, weaker in industrial and electrification, and higher M&A activity, with the ambition to complete one acquisition this year.

Company valuation

Over the past three months, the share has returned -12%, compared to the Nordic EMS peer median of -15% and the +5% of the OMX Stockholm Allshare. The share is currently trading at 13x-9.7x '26e-'28e P/E, compared to its 10-year historical median of 13x-8.9x and peers at 16x-12x.

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Share price (SEK)	25/8/2026	68.00
MCap (SEKm)		1,569
MCap (EURm)		142
Net debt (SEKm)		474.20
No. of shares (m)		20.7
Free float (%)		44.3
Av. daily volume (k)		12

Next event Q3 report 5 November 2026

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Outcome vs. estimates Q2'26

Outcome vs. estimates Q2'26 Group (SEKm)	Prior year Q2'25	Actual Q2'26	Growth y-o-y	ABGSCe Q2'26e	 Deviation
Order intake	517	719	39%	686	5%
Sales	**535**	**635**	**19%**	**654**	**-3%**
of which M&A	0%	11%		8.3%	
Gross profit	233	295	26%	285	3%
margin	44%	46%	+2.8pp	44%	+2.8pp
EBITA	**24**	**41**	**70%**	**39**	**5%**
margin	4.5%	6.4%	+2.0pp	6.0%	+0.5pp
EBITA adj.	**26**	**41**	**59%**	**39**	**5%**
margin	4.8%	6.4%	+1.6pp	6.0%	+0.5pp
EBT	19	35	88%	30	17%
margin	3.5%	5.6%	+2.0pp	4.6%	+0.9pp
Net income	13	30	134%	24	25%
margin	2.4%	4.7%	+2.3pp	3.7%	+1.1pp
Net income adj.	15	31	111%	26	20%
margin	2.8%	4.9%	+2.2pp	4.0%	+0.9pp
Minority interest	0.10	(0.10)		-	
Net income to common	13	30	136%	24	25%
Average shares outstanding	22	23	4%	23	0%
EPS	**0.58**	**1.3**	**124%**	**1.0**	**25%**
EPS adj.	**0.67**	**1.4**	**104%**	**1.1**	**21%**
FCF lease adj.	24	(22)		(14)	
FCF lease adj. R12m	28	68		76	
cash conversion (% net income)	77%	85%		102%	
Extraordinary items (SEKm)	**Q2'25**	**Q2'26**	**y-o-y**	**Q2'26e**	**Deviation**
Extraordinary operating items	(1.8)	-		-	
Impairment part of depreciation	-	-		-	
Amortisation	(0.80)	(0.90)		(2.7)	
Impairment part of amortisation	-	-		-	
Extraordinary financial items	-	(0.50)		-	
Extraordinary tax items	0.54	-		0.57	
Extraordinary minority interest items	-	-		-	
Net income from discontinued operations	-	-		-	
Segments (SEKm)	**Q2'25**	**Q2'26**	**y-o-y**	**Q2'26e**	**Deviation**
Inission, EMS					
Sales	463	594	28%	610	-3%
EBITA	29	37	29%	37	1%
margin	6.2%	6.3%	+0.0pp	6.0%	+0.3pp
Inission Power, OEM					
Sales	75	123	63%	117	5%
EBITA	(4.7)	3.8	-181%	2.3	62%
margin	-6.2%	3.1%	+9.3pp	2.0%	+1.1pp
Central items					
Sales	(4.1)	(82)	1888%	(73)	11%
EBITA	-	-		-	

Source: ABG Sundal Collier Estimates, Company Data

SEKm	2024	2025	2026e	2027e	2028e
Sales	2,150	2,206	2,650	2,817	2,958
Sales growth (%)	*-2.1*	*2.6*	*20.1*	*6.3*	*5.0*
EBITDA	212	200	267	298	329
EBITDA margin (%)	*9.8*	*9.1*	*10.1*	*10.6*	*11.1*
EBIT adj.	131	129	167	195	222
EBIT adj. margin (%)	*6.1*	*5.8*	*6.3*	*6.9*	*7.5*
Pretax profit	92	50	146	171	197
EPS	3.27	1.33	5.01	5.84	6.73
EPS growth (%)	*-26.8*	*-59.3*	*nm*	*16.6*	*15.2*
EPS adj.	3.57	3.05	5.32	6.15	7.04
DPS	1.00	0.60	1.50	1.75	2.02
EV/EBITDA (x)	9.5	10.2	7.7	6.9	6.0
EV/EBIT adj. (x)	15.3	15.9	12.4	10.5	8.9
P/E (x)	20.8	51.1	13.6	11.6	10.1
P/E adj. (x)	19.0	22.3	12.8	11.1	9.7
EV/sales (x)	0.94	0.93	0.78	0.73	0.67
FCF yield (%)	-2.8	4.9	5.1	8.9	10.7
Le. adj. FCF yld. (%)	-5.4	2.6	2.4	6.4	8.1
Dividend yield (%)	1.5	0.9	2.2	2.6	3.0
Net IB debt/EBITDA (x)	2.4	2.4	1.8	1.6	1.2
Le. adj. ND/EBITDA (x)	1.6	1.4	1.0	0.8	0.4

Source: ABG Sundal Collier, Company Data

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