

CTT Systems

Soft Q4, partly expected, growth into Q1'26

- Lower earnings due to FX and inventory adjustments
- Q4 deviation and FX to negatively impact ABGSCe FY'26 EBIT
- Share -17% into numbers, trades at 16-11x EBIT '26e-'27e (pre-Q4)

Q4 details

Note that our latest published estimates are from October, while the USD/SEK has moved considerably since then. Sales were 26% below our expectations, with sales of SEK 57m declining 22% y-o-y organically (ABGSCe +7%). This was driven by a 43% decline in aftermarket sales (ABG -28% y-o-y), while system sales grew 6% y-o-y (ABG +58%). AM share of sales was 61% (ABG 57%). According to the CEO, the negative inventory adjustment effect on AM sales in the quarter was -10m, and that inventory levels in the beginning of 2026 at the distributors are "better balanced", while the installed base grew 10% y-o-y in FY'25. EBIT declined 79% y-o-y (ABG -61% y-o-y), as the margin came in at 12% (ABG 17%, 41% Q4'24) due to FX headwinds, lower overall volumes and a lower share of AM sales. Free cash flow of -8m was soft (+14m last year) due to late deliveries in Q4'25, with payments to be made in H1'26. The FY'25 EPS was SEK 3.08 while the dividend was SEK 2.4 (ABG 6.0), vs. 5.35 last year.

Outlook and estimate changes

CTT will not yet reinstate its usual revenue guidance for the upcoming quarter. However, the CEO expects higher sales, in USD terms, in Q1'26 vs. Q4'25, driven by more OEM deliveries and higher AM sales, but with low-to-no VIP deliveries in H1'26. For FY'26, the outlook is for "significantly higher volumes from OEMs and improvement in our AM business" while FX movements remain a key uncertainty. Finally, the CEO expects higher volumes and cost control to "gradually drive the margin upwards to 25% or above" (vs. ABGSCe ~30% '26e-'27e). All other assumptions intact, the Q4 deviation on EBIT and our impression of the Q1'26 guidance vs. ABGSCe would mechanically lower our FY'26e EBIT by ~10%. In addition, using current FX rates vs. our latest published note, we note that the USD/SEK would lower sales by ~5%, with a greater impact on EBIT (which could have a 2-3x impact on EBIT vs. sales).

Final thoughts

A soft end to the year, which CTT also guided for back in October. We find it encouraging to hear that inventories are balanced and that management now expects OEM deliveries to closer mirror the recent increase in aircraft production rates, even though the usual quarterly guidance was not yet reinstated. The share has returned -17% L1M, below the broader market (OMXSGI +4%), and trades at (pre-Q4 estimates) 16-11x EBIT '26e-'27e (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)	5/2/2026	162.20
MCap (SEKm)		2,032
MCap (EURm)		191
No. of shares (m)		12.5
Free float (%)		76.7
Av. daily volume (k)		11

Next event Q4 Report 6 February 2026

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Outcome vs. expectations

Deviation table	Q4'24	Q4'25		Q4'25e	Deviation	
SEKm		Actual	y-o-y %	ABGSCe	SEKm	%
Net sales	82.2	56.8	-31%	77.2	-20.4	-26%
Other income	5.5	-5.2		6.5		
Opex	-52.1	-43.0	-18%	-69.0	26.0	-38%
EBITDA	35.5	8.6	-76%	14.7	-6.1	-42%
D&A	-1.8	-1.6		-1.7		
EBIT	33.6	7.0	-79%	13.0	-6.0	-46%
Non-recurring items	0.0	0.0		0.0		
Adj. EBIT	33.6	7.0	-79%	13.0	-6.0	-46%
Net profit	24.1	5.6	-77%	11.0	-5.4	-49%
Assumptions	Q4'24	Q4'25		Q4'25e	Deviation	
		Actual	y-o-y %	ABGSCe	SEKm	%
Opex / sales	63%	76%		89%		-14%
EBIT margin	41%	12%		17%		-5%
Adj. EBIT margin	41%	12%		17%		-5%
Organic sales	1%	-22%		7%		-29%
Sales y-o-y	1%	-31%		-6%		
Adj. EBIT y-o-y	6%	-79%		-61%		
Sales breakdown	Q4'24	Q4'25		Q4'25e	Deviation	
		Actual	y-o-y %	ABGSCe	SEKm	%
OEM	9.5	13.9	46%	16.8	-2.9	-17%
Retrofits	0.0	0.1	n.a.	3.0	-2.9	-97%
VIP	8.3	5.5	-34%	10.1	-4.6	-46%
Other	3.1	2.6	-15%	3.0	-0.4	-13%
System sales	20.9	22.1	6%	33.0	-10.9	-33%
Aftermarket / IP	61.3	34.7	-43%	44.2	-9.5	-22%
Group sales	82.2	56.8	-31%	77.2	-20.4	-26%
<i>AM+IP/sales</i>	<i>75%</i>	<i>61%</i>		<i>57%</i>		<i>4%</i>

Source: ABG Sundal Collier, company data

SEKm	2023	2024	2025e	2026e	2027e
Sales	309	300	285	427	583
<i>Sales growth (%)</i>	28.3	-2.8	-5.1	50.0	36.4
EBITDA	128	120	60	134	197
<i>EBITDA margin (%)</i>	41.3	40.0	21.1	31.3	33.8
EBIT adj.	121	112	55	126	186
<i>EBIT adj. margin (%)</i>	39.3	37.5	19.5	29.5	31.9
Pretax profit	120	108	55	130	191
EPS	7.62	6.81	3.50	8.25	12.08
<i>EPS growth (%)</i>	43.9	-10.7	-48.5	<i>nm</i>	46.4
EPS adj.	7.81	6.81	3.63	8.25	12.08
DPS	8.70	5.35	6.00	9.00	12.00
EV/EBITDA (x)	15.3	16.7	33.5	15.0	10.2
EV/EBIT adj. (x)	16.1	17.9	36.2	15.8	10.8
P/E (x)	21.3	23.8	46.3	19.7	13.4
P/E adj. (x)	20.8	23.8	44.7	19.7	13.4
EV/sales (x)	6.33	6.69	7.06	4.68	3.43
FCF yield (%)	5.4	3.0	2.9	4.2	5.6
Le. adj. FCF yld. (%)	5.4	3.0	2.9	4.2	5.6
Dividend yield (%)	5.4	3.3	3.7	5.5	7.4
Net IB debt/EBITDA (x)	-0.6	-0.2	-0.4	-0.2	-0.2
Le. adj. ND/EBITDA (x)	-0.6	-0.2	-0.4	-0.2	-0.2

Source: ABG Sundal Collier, Company Data

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