

# Embellence Group

## Investing for the longer term

- We expect EBITA adj. of SEK 27m in Q1, -15% y-o-y
- We cut '26e EBITA by 3%
- We reiterate our fair value range of SEK 36-43

### We expect EBITA adj. growth of -15% in Q1'26e

Embellence Group's net sales development keeps being dictated by previous comparable growth, in our view. While Group comps appear to be markedly easier than Q4 in Q1, we forecast muted growth, as Artscape comparables are affected by a large order in Q1'24. We expect stronger performance for segments with larger Swedish exposure (Boråstapeter, Pappelina, External manufacturing), while we expect the soft UK market to weigh on Cole & Son. All in all, we expect organic growth of 3.5% in Q1'26e for net sales of SEK 199m. We expect a flat gross margin y-o-y, as we expect positive volume effects in the factory to be offset by a higher share of Artscape in the sales mix. Initiatives to drive the DTC move, upgrade websites and having both a CEO and a CFO in Q1'26 (vs. a CFO also acting as CEO in Q1'25) mean that we expect a 1.4pp higher SG&A ratio for SEK 27m EBITA adj., -15% y-o-y.

### We cut our '26e EBITA by 3%

We lower our 2026 organic growth estimates by 70bp in this note, seeing e.g. softer CPA forecasts for renovation in the UK. We also raise our SG&A estimates to better reflect costs related to the ongoing move to DTC, which means we cut our EBITA adj. margin forecasts by 60-30bp for '26e-'28e. Offsetting these downward revisions are positive FX effects, which boost EBITA by 2-3%. In total, we cut our '26e EBITA by 3% and leave '27e-'28e unchanged. Our forecasts reflect an 8% EBITA CAGR '25-'28e.

### We reiterate our fair value range of SEK 36-43

The Embellence share is trading at 7.4x-6.1x our '26e-'27e EBITA after returning -14% YTD. As we make only minimal adjustments to our forecasts, we reiterate our fair value range of SEK 36-43, which corresponds to 7.6x-9x '26e EBITA. At the current share price, the implied annual FCF yield after leasing costs is 9-13% for '26e-'28e.

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SEKm	2024	2025	2026e	2027e	2028e
Sales	777	764	781	826	867
EBITDA	138	133	137	152	162
EBITDA margin (%)	17.8	17.4	17.5	18.4	18.7
EBIT adj.	93	89	92	107	117
EBIT adj. margin (%)	11.9	11.6	11.8	12.9	13.5
Pretax profit	72	85	88	103	113
EPS	2.54	2.95	2.98	3.50	3.84
EPS adj.	2.54	2.95	2.98	3.50	3.84
Sales growth (%)	5.0	-1.7	2.2	5.8	5.0
EPS growth (%)	46.1	16.0	1.2	17.2	9.9

Source: ABG Sundal Collier, Company Data

Reason: Preview of results

Commissioned research

Not rated

### Retail

Estimate changes (%)

	2026e	2027e	2028e
Sales	1.3	1.8	1.8
EBIT	-2.6	1.1	1.0
EPS	-2.7	1.1	1.1

Source: ABG Sundal Collier

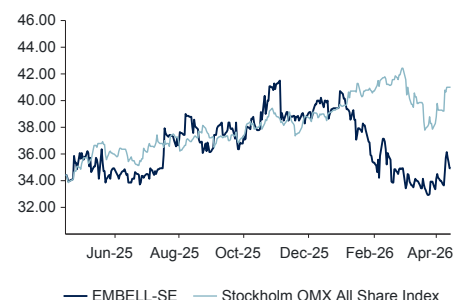
### EMBELL-SE/EMBELL SS

Share price (SEK)	13/4/2026	35.00
Fair value range		36.0-43.0

MCap (SEKm)	824
MCap (EURm)	76
No. of shares (m)	23.5
Free float (%)	46.4
Av. daily volume (k)	25

Next event Q1 Report 5 May 2026

### Performance



	2026e	2027e	2028e
P/E (x)	11.7	10.0	9.1
P/E adj. (x)	11.7	10.0	9.1
P/BVPS (x)	1.45	1.35	1.26
EV/EBITDA (x)	6.0	5.0	4.4
EV/EBIT adj. (x)	8.9	7.2	6.1
EV/sales (x)	1.05	0.93	0.82
ROE adj. (%)	16.2	17.1	17.3
Dividend yield (%)	5.0	5.7	5.7
FCF yield (%)	11.5	13.8	14.9
Le. adj. FCF yld. (%)	9.5	11.8	12.9
Net IB debt/EBITDA (x)	0.2	-0.2	-0.5
Le. adj. ND/EBITDA (x)	-0.2	-0.6	-0.9

Disclosures and analyst certifications are located on pages 11-12 of this report.

This research product is commissioned and paid for by the company covered in this report. As such, this report is deemed to constitute an acceptable minor non-monetary benefit (i.e. not investment research) as defined in MiFID II.

## Company description

Embellence Group is a Swedish brand collective focused on premium wallpaper that is expanding into adjacent product categories (textiles, rugs, window film). It holds leading positions in Sweden and Norway, and top-3 positions in Italy and the UK. It has over 100 years of history and today consists of the brands Artscape Inc., Boråstapeter, Cole & Son, Wall & Decó, Pappelina and Perswall. The group aims to refocus on its brands after a period of M&A.

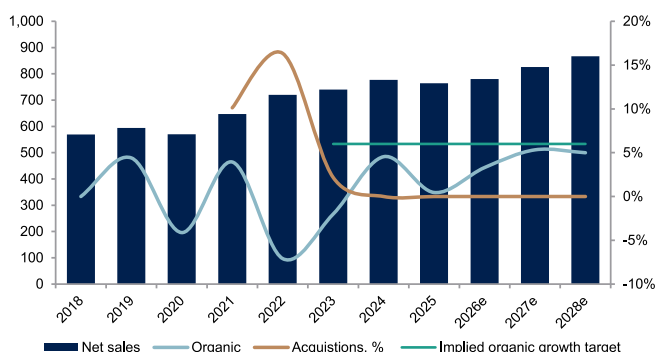
[Sustainability information](#)

## Risks

Embellence uses a variety of raw materials in its production, making it subject to potential cost inflation that could hamper margins and earnings. Other risks include production-related risks, but we view this risk as fairly low given that the majority of its production is in-house. Embellence also has exchange rate exposure, primarily to GBP, EUR, NOK and USD, which could have a significant impact if large fluctuations occur.

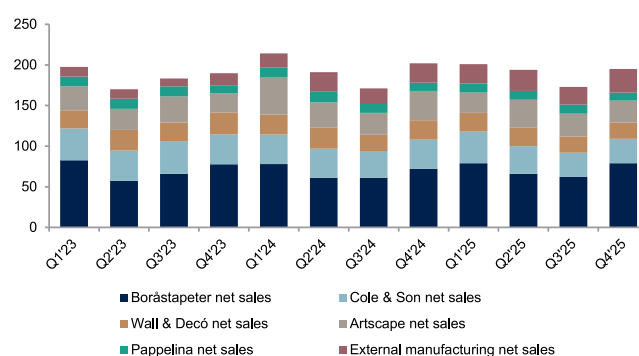
## Embellence Group in six charts

### Sales stem from acquired and organic growth



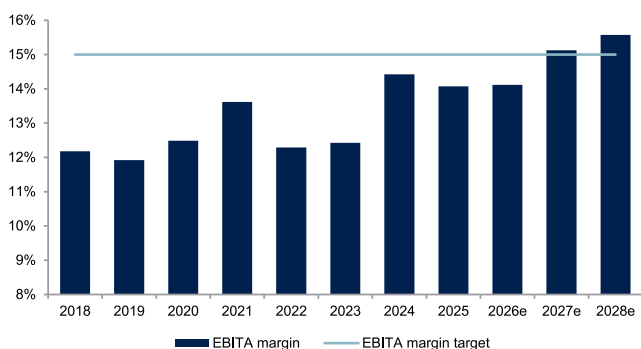
Source: ABG Sundal Collier, Company data

### Brand focus reflected in segment split



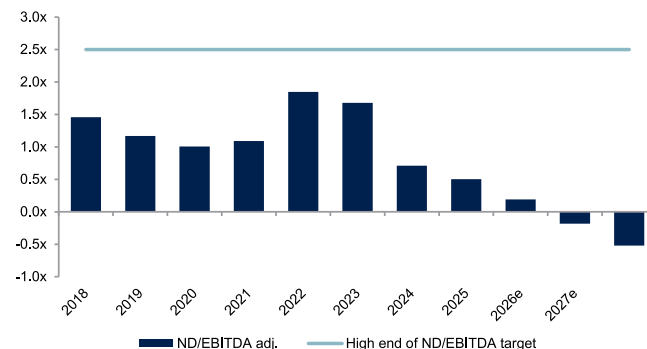
Source: ABG Sundal Collier, company data

### Approaching the 15% EBITA margin target



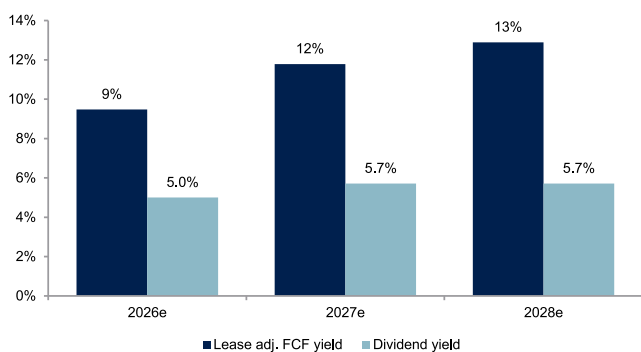
Source: ABG Sundal Collier, company data

### Room for continued acquired expansion



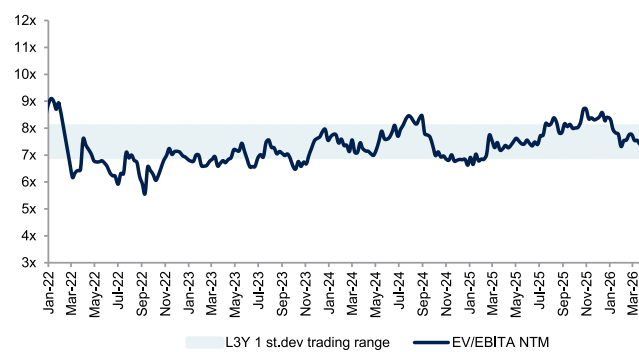
Source: ABG Sundal Collier, Company data

### Strong cash generation



Source: ABG Sundal Collier, company data

### Historical trading range 7x-8x NTM EV/EBITDA



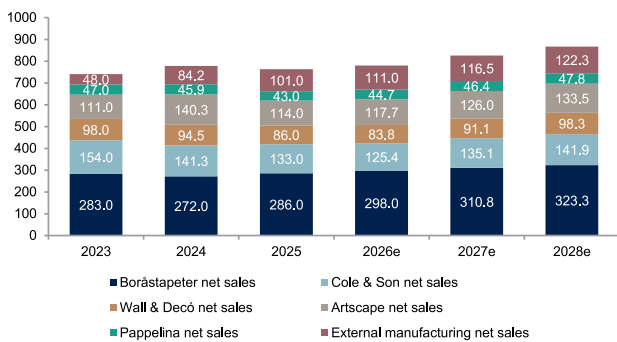
Source: ABG Sundal Collier, Factset

### Investment case

The Embellence Group comprises design- and brand-oriented companies operating within the wallpaper and decorating industry. Some of its businesses have a long-standing heritage; the Swedish wallpaper company Boråstapeter and the UK-based company Cole & Son have been operational for more than a century. Other businesses are more recent, including the US-based window film company Artscape, the PVC-based rug company Pappelina, and Wall&Decò, which supplies highly advanced technical wallpaper. The group was formed through a series of acquisitions: Cole & Son was purchased in 2008, Wall&Decò in 2018, Pappelina in 2021, and Artscape in 2022.

Part of our competitive advantage lies in production. We estimate that Borås Tapetfabrik, which produces Boråstapeter's wallpaper as well as supplying wallpaper to external brands, accounts for 80% of traditional Swedish wallpaper production capacity. Embellence Group also owns the production facilities for its Wall&Decò brand.

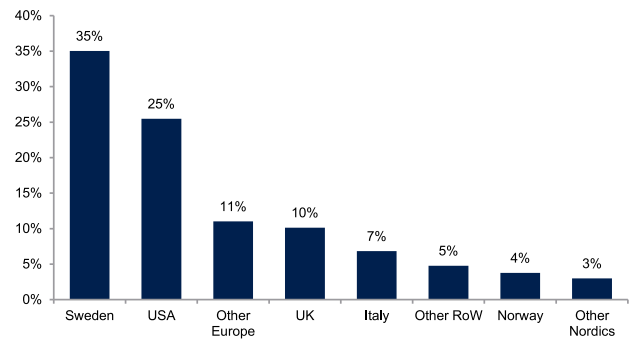
### The Group is diversified across 5 brands



Source: ABG Sundal Collier, company data

### ...and geographically

#### Net sales split, 2024



Source: ABG Sundal Collier, company data

### 2024 CMD set a new direction

In late 2023, a group of Embellence Group's largest shareholders elected Magnus Welander, formerly Thule's CEO, as Chairman of the Board. This marked the beginning of a series of management changes from 2023 to 2025. The company hosted a CMD, setting a new direction with a greater focus on DTC and hospitality sales. A new Managing Director with extensive experience in hospitality sales was appointed at Wall&Decò. In 2024, the Group appointed a new CEO with extensive experience in online retail, and in 2025, the MD for Cole & Son was replaced. We believe that the DTC initiative in particular shows promise. [Estimating the profitability](#) of the DTC share of Embellence Group's business and taking into account the strong brand, high order value and low handling costs, we arrive at an estimated incremental margin for DTC sales of ~30%, compared to Group margins of 14% in 2025. DTC makes up 8% of sales in 2025, was 7% in 2024, and we expect every 1pp of added share to contribute 10-20bp to the margin. With newly upgraded websites, we consider it likely that the shift toward DTC accelerates.

Unit economics (ABGSCe for Boråstapeter D2C)

2025 (SEK)	Nordic e-com					Nordic D2C e-com		
	BHG Group	Boozt	Lyko	Apotea	MEDS	RugVista	RVRC '24/'25	Boråstapeter DTC
Net AOV	2,470	1,034	487	450	453	2,068	979	2,800
Product margin	37.4%	37.4%	41.9%	26.9%	27.6%	76.4%	69.8%	76.0%
Product profit per order	924	387	204	121	125	1,580	683	2,128
Marketing spend per order	198	102	49	9	30	627	235	500
Marketing as % of sales	8%	10%	10%*	2%*	7%	30%	24%	18%
Other OPEX per order	635	225	143	93	88	726	254	788
Other OPEX as % of sales	26%	22%	29%	21%	19%	35%	26%	28%
Adj. EBIT(A) per order	91	59	12	19	7	226	195	840
Adj. EBIT(A) margin	4%	6%	2%	4%	1%	11%	20%	30%
Return rates	"Under 5%"	35%*	<1%	<0.5%	<0.5%	15%	n.r.	5-10%
Conversion rate	n.r.	3.4% (2022)	n.r.	~15%	n.r.	0.8%	n.r.	0.5%
Net sales (SEKm)	10,583	8,287	3,963	7,203	1,006	786	1,925	~8% of '25 sales

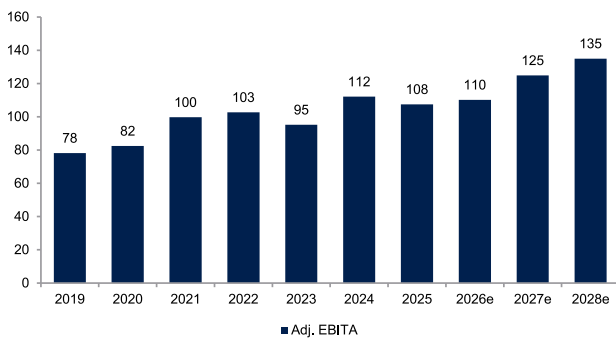
Source: ABG Sundal Collier, company data

Footnote: \* marks ABGSCe estimates

We forecast an 8% EBITA growth CAGR '25-'28e

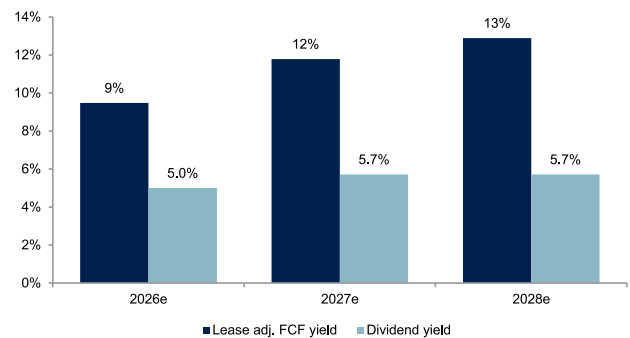
Driven by the aforementioned move to DTC sales, we forecast an adj. EBITA margin expansion from 14.1% in 2025 to 15.6% in 2028. Coupled with accelerating growth from taking a larger share of the total value chain in-house, as well as a recovery in the Nordic housing market, we forecast an adj. EBITA CAGR of 8% from 2025 to 2028, compared to 1% from 2022 to 2025. Given that Embellence Group's production facilities have the capacity to support continued growth, and our expectation that the Group will have limited need for additional net working capital, we anticipate that the business will generate substantial cash flow. Excluding IFRS 16, Embellence Group's ND/EBITDA ratio of 0.1x means it can distribute 5% of the current market capitalisation as a dividend, while also reducing its leverage by 0.3x per year.

We forecast an EBITA CAGR of 8% '25-'28e



Source: ABG Sundal Collier, company data

Strong cash generation



Source: ABG Sundal Collier, company data

### The Embellence share is trading below peers' EV/EBITA

We have compiled a peer group of smaller Nordic home improvement companies. Compared to this group, we expect Embellence Group to perform better in terms of sales growth and deliver higher cash yields, but to underperform slightly in terms of profit growth. We believe the main reason for this is Embellence Group's more stable margins in recent years, as it has experienced little margin impact from a softer home improvement market. Compared to the peer group's median EV/EBITA ratio of '26e-'27e, the Embellence share is trading at 7.4–6.1x, which is 38–40% lower.

### Nordic home improvement peer group

**Financials**

Company	MCAP	Sales (SEKm)			Gross margin			EBITDA margin (%)			EBITA margin (%)			CAGR '25-'28e (%)		
	EURm	2026e	2027e	2028e	2026e	2027e	2028e	2026e	2027e	2028e	2026e	2027e	2028e	Sales	EBIT	EPS
Nobia AB	256	5,653	5,907	6,202	37.7	38.9	39.5	15.0	17.3	18.5	6.2	10.0	11.2	-11.3	43.6	-149.1
Byggmax Group AB	303	6,417	6,722	6,974	36.3	36.1	36.2	16.0	15.8	15.7	6.3	6.6	6.9	4.4	15.5	19.9
BHG Group AB	382	11,186	11,921	12,640	25.7	26.0	26.2	7.7	8.2	8.6	4.7	5.4	5.9	6.1	25.1	42.6
Svedbergs Group AB Class B	320	2,300	2,399	2,472	47.5	47.5	47.6	19.0	19.5	19.7	15.7	16.3	16.6	3.1	6.4	7.9
RugVista Group AB	110	834	903	969	63.6	63.9	64.2	16.5	18.0	18.1	12.8	14.1	14.7	7.3	20.1	17.9
<b>Peer average</b>					<b>36.8</b>	<b>37.1</b>	<b>37.3</b>	<b>14.4</b>	<b>15.2</b>	<b>15.6</b>	<b>8.2</b>	<b>9.6</b>	<b>10.1</b>	<b>0.6</b>	<b>22.6</b>	<b>-19.7</b>
<b>Peer median</b>					<b>37.0</b>	<b>37.5</b>	<b>37.8</b>	<b>15.5</b>	<b>16.5</b>	<b>17.1</b>	<b>6.2</b>	<b>8.3</b>	<b>9.1</b>	<b>3.8</b>	<b>20.3</b>	<b>13.9</b>
<b>Embellence Group (ABGSCe)</b>	<b>79</b>	<b>781</b>	<b>826</b>	<b>867</b>	<b>61.8</b>	<b>62.1</b>	<b>62.2</b>	<b>17.5</b>	<b>18.4</b>	<b>18.7</b>	<b>14.1</b>	<b>15.1</b>	<b>15.6</b>	<b>4.3</b>	<b>7.9</b>	<b>9.2</b>

**Valuation**

Company	MCAP	EV/Sales (x)			EV/EBITDA (x)			EV/EBITA (x)			P/E (x)			FCF Yield (%)		
	EURm	2026e	2027e	2028e	2026e	2027e	2028e	2026e	2027e	2028e	2026e	2027e	2028e	2026e	2027e	2028e
Nobia AB	256	1.1	1.0	0.9	7.3	5.9	4.9	17.8	10.2	8.0	12.2	9.2	6.8	-7.3	12.0	19.4
Byggmax Group AB	303	0.8	0.7	0.7	4.9	4.5	4.2	12.4	10.9	9.5	12.5	10.9	10.1	14.8	14.8	16.1
BHG Group AB	382	0.5	0.4	0.4	6.6	5.4	4.6	10.7	8.2	6.7	14.6	10.7	8.8	9.0	11.5	11.9
Svedbergs Group AB Class B	320	1.8	1.6	1.5	9.4	8.4	7.7	11.4	10.1	9.2	14.9	13.4	12.5	7.5	8.1	8.7
RugVista Group AB	110	1.3	1.1	1.0	7.8	6.3	5.6	10.1	8.0	6.9	14.4	11.9	10.8	7.0	9.7	10.9
<b>Peer average</b>		<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>7.2</b>	<b>6.1</b>	<b>5.3</b>	<b>12.9</b>	<b>9.6</b>	<b>8.1</b>	<b>13.5</b>	<b>10.9</b>	<b>9.3</b>	<b>4.0</b>	<b>11.4</b>	<b>14.4</b>
<b>Peer median</b>		<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>7.3</b>	<b>5.9</b>	<b>4.9</b>	<b>11.9</b>	<b>10.1</b>	<b>8.2</b>	<b>13.4</b>	<b>10.8</b>	<b>9.5</b>	<b>7.3</b>	<b>11.8</b>	<b>14.0</b>
<b>Embellence Group (ABGSCe)</b>	<b>79</b>	<b>1.0</b>	<b>0.9</b>	<b>0.8</b>	<b>6.0</b>	<b>5.0</b>	<b>4.4</b>	<b>7.4</b>	<b>6.1</b>	<b>5.2</b>	<b>11.7</b>	<b>10.0</b>	<b>9.1</b>	<b>11.5</b>	<b>13.8</b>	<b>14.9</b>
% vs peer average		-4%	-7%	-9%	-17%	-17%	-18%	-43%	-37%	-36%	-13%	-8%	-2%	191%	22%	4%
% vs peer median		-4%	-9%	-10%	-18%	-14%	-11%	-38%	-40%	-36%	-13%	-7%	-4%	58%	17%	6%

Source: ABG Sundal Collier, Factset

### Estimate changes

	Old estimates			New estimates			Percentage change		
	2026e	2027e	2027e	2026e	2027e	2028e	2026e	2027e	2028e
<b>Net sales</b>	<b>771</b>	<b>811</b>	<b>852</b>	<b>781</b>	<b>826</b>	<b>867</b>	<b>1%</b>	<b>2%</b>	<b>2%</b>
Gross profit	476	504	530	482	513	539	1%	2%	2%
Opex	-337	-352	-368	-346	-361	-377	3%	3%	3%
Adj. EBITDA	140	152	162	137	152	162	-2%	0%	0%
<b>Adj. EBITA</b>	<b>113</b>	<b>125</b>	<b>135</b>	<b>110</b>	<b>125</b>	<b>135</b>	<b>-3%</b>	<b>0%</b>	<b>0%</b>
EBIT	94	106	116	92	107	117	-3%	1%	1%
PTP	90	101	112	88	103	113	-3%	1%	1%
Net profit	69	78	86	67	79	87	-3%	1%	1%
EPS	3.1	3.5	3.8	3.0	3.5	3.8	-3%	1%	1%

### Growth and margins

Sales growth	0.9%	5.2%	5.0%	2.2%	5.8%	5.0%	130 bp	60 bp	0 bp
Organic growth	4.0%	5.3%	5.0%	3.3%	5.3%	5.0%	-70 bp	0 bp	0 bp
Gross margin	61.8%	62.1%	62.2%	61.8%	62.1%	62.2%	0 bp	0 bp	0 bp
Opex-to-sales	43.7%	43.4%	43.2%	44.3%	43.7%	43.5%	60 bp	30 bp	30 bp
Adj. EBITDA margin	18.1%	18.7%	19.0%	17.5%	18.4%	18.7%	-60 bp	-30 bp	-30 bp
Adj. EBITA margin	14.7%	15.4%	15.8%	14.1%	15.1%	15.6%	-60 bp	-30 bp	-30 bp
EBIT margin	12.2%	13.0%	13.6%	11.8%	12.9%	13.5%	-50 bp	-10 bp	-10 bp

Source: ABG Sundal Collier, company data

**ABGSC P&L estimates by quarter**

Group	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26e	Q2'26e	Q3'26e	Q4'26e
<b>Net sales</b>	<b>214</b>	<b>191</b>	<b>170</b>	<b>202</b>	<b>202</b>	<b>193</b>	<b>174</b>	<b>195</b>	<b>199</b>	<b>194</b>	<b>182</b>	<b>207</b>
COGS	-89	-76	-67	-79	-77	-74	-69	-74	-75	-74	-71	-79
Gross profit	125	115	103	123	125	119	105	121	123	120	111	128
Total opex	-85	-84	-72	-88	-87	-86	-75	-89	-89	-88	-77	-91
EBITDA	40	31	32	35	38	33	30	32	34	32	34	37
<b>Adj. EBITDA</b>	<b>40</b>	<b>31</b>	<b>32</b>	<b>35</b>	<b>38</b>	<b>33</b>	<b>30</b>	<b>32</b>	<b>34</b>	<b>32</b>	<b>34</b>	<b>37</b>
Depreciation	-7	-6	-6	-7	-6	-7	-7	-6	-7	-7	-7	-7
EBITA	34	25	26	28	32	26	24	26	27	25	28	30
<b>Adj. EBITA</b>	<b>34</b>	<b>25</b>	<b>26</b>	<b>28</b>	<b>32</b>	<b>26</b>	<b>24</b>	<b>26</b>	<b>27</b>	<b>25</b>	<b>28</b>	<b>30</b>
Amortisation	-5	-5	-5	-5	-5	-4	-4	-5	-5	-5	-5	-5
EBIT	29	20	21	23	27	22	19	21	23	20	23	26
Adj. EBIT	29	20	21	23	27	22	19	21	23	20	23	26
NRI	0	0	0	0	0	0	0	0	0	0	0	0
Net financial items	-8	-4	-3	-6	1	-1	-3	-1	-1	-1	-1	-1
PTP	22	16	18	16	28	21	16	20	22	19	22	25
Taxes	-5	-3	-2	-4	-6	-6	-4	-3	-5	-4	-5	-6
<b>Net profit</b>	<b>16</b>	<b>13</b>	<b>16</b>	<b>12</b>	<b>22</b>	<b>15</b>	<b>12</b>	<b>17</b>	<b>17</b>	<b>15</b>	<b>17</b>	<b>19</b>
EPS	0.7	0.6	0.7	0.5	1.0	0.7	0.6	0.7	0.7	0.7	0.7	0.8
<b>Growth and margins</b>												
Sales growth, y-o-y (%)	8.5	12.4	-7.2	6.4	-5.7	1.0	2.4	-3.5	-1.7	0.3	4.4	6.0
of which organic (%)	7.8	11.4	-6.2	5.4	-6.7	4.0	5.4	0.5	3.0	0.5	4.6	5.3
Gross margin (%)	58.3	60.2	60.8	60.9	61.9	61.7	60.6	62.1	62.0	61.9	61.2	62.0
Opex-to-sales (%)	39.5	44.0	42.2	43.5	43.1	44.7	43.2	45.6	45.0	45.6	42.4	44.0
Adj. EBITDA margin (%)	18.8	16.2	18.6	17.4	18.8	16.9	17.4	16.4	17.0	16.3	18.8	18.0
EBITA margin (%)	15.7	13.1	15.1	13.8	15.8	13.5	13.6	13.2	13.7	12.9	15.1	14.7
Adj. EBITA margin (%)	15.7	13.1	15.1	13.8	15.8	13.5	13.6	13.2	13.7	12.9	15.1	14.7
Adj. EBIT margin (%)	13.6	10.5	12.2	11.3	13.4	11.2	11.1	10.8	11.4	10.5	12.6	12.5
Pretax margin (%)	10.1	8.4	10.4	8.1	13.9	10.7	9.4	10.3	10.9	10.0	12.0	12.0
Net margin (%)	7.6	6.8	9.2	6.1	11.1	7.7	7.1	8.7	8.4	7.7	9.3	9.2
<b>Segment sales</b>												
Boråstapeter	78	61	61	72	79	66	62	79	80	69	66	83
y-o-y growth (%)	-5	6	-7	-7	1	8	2	10	2	5	6	5
Cole & Son	36	36	33	36	39	34	30	30	31	31	31	32
y-o-y growth (%)	-7	-3	-18	-2	7	-6	-9	-17	-21	-8	4	8
Wall & Decó	25	26	20	24	23	23	20	20	20	22	20	22
y-o-y growth (%)	9	2	-12	-11	-6	-12	0	-17	-15	-4	2	9
Artscape	46	31	27	36	25	34	28	27	28	31	30	29
y-o-y growth (%)	57	20	-16	53	-46	10	4	-25	12	-8	6	7
Pappelina	12	13	11	10	11	11	11	10	11	12	11	10
y-o-y growth (%)	-2	4	-11	0	-8	-15	0	0	3	5	4	4
External manufacturing	17	24	19	24	24	26	22	29	29	29	23	30
y-o-y growth (%)	46	107	98	61	40	8	16	21	20	10	5	5

Source: ABG Sundal Collier, company data

**ABGSC P&L estimates by year**

Group	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
<b>Net sales</b>	<b>594</b>	<b>570</b>	<b>647</b>	<b>720</b>	<b>740</b>	<b>777</b>	<b>764</b>	<b>781</b>	<b>826</b>	<b>867</b>
COGS	-272	-258	-288	-297	-308	-311	-294	-298	-313	-328
Gross profit	322	312	359	423	433	466	470	482	513	539
Total opex	-228	-219	-252	-311	-314	-328	-337	-346	-361	-377
EBITDA	94	93	107	112	119	138	133	137	152	162
<b>Adj. EBITDA</b>	<b>101</b>	<b>104</b>	<b>119</b>	<b>127</b>	<b>122</b>	<b>138</b>	<b>133</b>	<b>137</b>	<b>152</b>	<b>162</b>
Depreciation	-23	-22	-19	-24	-27	-26	-26	-26	-27	-27
EBITA	71	71	88	89	92	112	108	110	125	135
<b>Adj. EBITA</b>	<b>78</b>	<b>82</b>	<b>100</b>	<b>103</b>	<b>95</b>	<b>112</b>	<b>108</b>	<b>110</b>	<b>125</b>	<b>135</b>
Amortisation	-4	-5	-8	-17	-22	-20	-19	-18	-18	-18
EBIT	67	66	80	71	70	93	89	92	107	117
Adj. EBIT	74	77	92	85	73	93	89	92	107	117
NRI	-7	-11	-12	-14	-3	0	0	0	0	0
Net financial items	-5	-4	-6	-1	-18	-21	-4	-4	-4	-4
PTP	62	62	74	70	52	72	85	88	103	113
Taxes	-11	-14	-15	-13	-13	-14	-18	-20	-24	-26
<b>Net profit</b>	<b>50</b>	<b>48</b>	<b>59</b>	<b>57</b>	<b>39</b>	<b>57</b>	<b>67</b>	<b>67</b>	<b>79</b>	<b>87</b>
EPS	n.a.	2.0	2.8	2.5	1.7	2.5	2.9	3.0	3.5	3.8
<b>Growth and margins</b>										
Sales growth, y-o-y (%)	4.4	-4.1	13.5	11.3	2.8	5.0	-1.7	2.2	5.8	5.0
of which organic (%)	4.4	-4.1	3.9	-7.1	-2.0	4.5	0.5	3.3	5.3	5.0
Gross margin (%)	54.2	54.7	55.5	58.8	58.4	60.0	61.6	61.8	62.1	62.2
Opex-to-sales (%)	38.4	38.5	38.9	43.2	42.4	42.2	44.2	44.3	43.7	43.5
Adj. EBITDA margin (%)	17.0	18.3	18.4	17.6	16.5	17.8	17.4	17.5	18.4	18.7
EBITA margin (%)	11.9	12.5	13.6	12.3	12.4	14.4	14.1	14.1	15.1	15.6
Adj. EBITA margin (%)	13.2	14.5	15.4	14.3	12.9	14.4	14.1	14.1	15.1	15.6
Adj. EBIT margin (%)	12.5	13.6	14.2	11.8	9.9	11.9	11.6	11.8	12.9	13.5
Pretax margin (%)	10.4	10.9	11.5	9.8	7.0	9.2	11.1	11.2	12.4	13.0
Net margin (%)	8.5	7.6	9.1	8.0	5.3	7.4	8.7	8.6	9.6	10.0
<b>Segment sales</b>										
Boråstapeter					283	272	286	298	311	323
y-o-y growth (%)						-4	5	4	4	4
Cole & Son					154	141	133	125	135	142
y-o-y growth (%)						-8	-6	-6	8	5
Wall & Decó					98	95	86	84	91	98
y-o-y growth (%)						-4	-9	-3	9	8
Artscape					111	140	114	118	126	134
y-o-y growth (%)						26	-19	3	7	6
Pappelina					47	46	43	45	46	48
y-o-y growth (%)						-2	-6	4	4	3
External manufacturing					48	84	101	111	116	122
y-o-y growth (%)						75	20	10	5	5

Source: ABG Sundal Collier, company data

Income Statement (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Sales	594	570	647	720	740	777	764	781	826	867
COGS	-272	-258	-288	-297	-308	-311	-294	-298	-313	-328
Gross profit	322	312	359	423	433	466	470	482	513	539
Other operating items	-228	-219	-252	-311	-314	-328	-337	-346	-361	-377
<b>EBITDA</b>	<b>94</b>	<b>93</b>	<b>107</b>	<b>112</b>	<b>119</b>	<b>138</b>	<b>133</b>	<b>137</b>	<b>152</b>	<b>162</b>
Depreciation and amortisation	-23	-22	-19	-24	-27	-26	-26	-26	-27	-27
of which leasing depreciation	-11	-11	-11	-13	-16	-13	-13	-13	-13	-13
<b>EBITA</b>	<b>71</b>	<b>71</b>	<b>88</b>	<b>89</b>	<b>92</b>	<b>112</b>	<b>108</b>	<b>110</b>	<b>125</b>	<b>135</b>
EO Items	-7	-11	-12	-14	-3	0	0	0	0	0
Impairment and PPA amortisation	-4	-5	-8	-17	-22	-20	-19	-18	-18	-18
<b>EBIT</b>	<b>67</b>	<b>66</b>	<b>80</b>	<b>71</b>	<b>70</b>	<b>93</b>	<b>89</b>	<b>92</b>	<b>107</b>	<b>117</b>
Net financial items	-5	-4	-6	-1	-18	-21	-4	-4	-4	-4
<b>Pretax profit</b>	<b>62</b>	<b>62</b>	<b>74</b>	<b>70</b>	<b>52</b>	<b>72</b>	<b>85</b>	<b>88</b>	<b>103</b>	<b>113</b>
Tax	-11	-14	-15	-13	-13	-14	-18	-20	-24	-26
<b>Net profit</b>	<b>50</b>	<b>48</b>	<b>59</b>	<b>57</b>	<b>39</b>	<b>57</b>	<b>67</b>	<b>67</b>	<b>79</b>	<b>87</b>
Minority interest	0	0	0	0	0	0	0	0	0	0
Net profit discontinued	-0	-5	0	0	0	0	0	0	0	0
<b>Net profit to shareholders</b>	<b>50</b>	<b>43</b>	<b>59</b>	<b>57</b>	<b>39</b>	<b>57</b>	<b>67</b>	<b>67</b>	<b>79</b>	<b>87</b>
EPS	-	2.02	2.77	2.54	1.74	2.54	2.95	2.98	3.50	3.84
EPS adj.	-	2.54	3.31	3.17	1.88	2.54	2.95	2.98	3.50	3.84
Total extraordinary items after tax	-7	-11	-12	-14	-3	0	0	0	0	0
Leasing payments	-11	-11	-11	-13	-16	-13	-13	-13	-13	-13
<i>Tax rate (%)</i>	<i>18.3</i>	<i>23.1</i>	<i>20.2</i>	<i>18.5</i>	<i>24.1</i>	<i>19.9</i>	<i>21.6</i>	<i>23.0</i>	<i>23.0</i>	<i>23.0</i>
<i>Gross margin (%)</i>	<i>54.2</i>	<i>54.7</i>	<i>55.5</i>	<i>58.8</i>	<i>58.4</i>	<i>60.0</i>	<i>61.6</i>	<i>61.8</i>	<i>62.1</i>	<i>62.2</i>
<i>EBITDA margin (%)</i>	<i>15.8</i>	<i>16.3</i>	<i>16.6</i>	<i>15.6</i>	<i>16.0</i>	<i>17.8</i>	<i>17.4</i>	<i>17.5</i>	<i>18.4</i>	<i>18.7</i>
<i>EBITA margin (%)</i>	<i>11.9</i>	<i>12.5</i>	<i>13.6</i>	<i>12.3</i>	<i>12.4</i>	<i>14.4</i>	<i>14.1</i>	<i>14.1</i>	<i>15.1</i>	<i>15.6</i>
<i>EBIT margin (%)</i>	<i>11.3</i>	<i>11.6</i>	<i>12.4</i>	<i>9.9</i>	<i>9.5</i>	<i>11.9</i>	<i>11.6</i>	<i>11.8</i>	<i>12.9</i>	<i>13.5</i>
<i>Pre-tax margin (%)</i>	<i>10.4</i>	<i>10.9</i>	<i>11.5</i>	<i>9.8</i>	<i>7.0</i>	<i>9.2</i>	<i>11.1</i>	<i>11.2</i>	<i>12.4</i>	<i>13.0</i>
<i>Net margin (%)</i>	<i>8.5</i>	<i>8.4</i>	<i>9.1</i>	<i>8.0</i>	<i>5.3</i>	<i>7.4</i>	<i>8.7</i>	<i>8.6</i>	<i>9.6</i>	<i>10.0</i>
<b>Growth Rates y-o-y</b>	-	-	-	-	-	-	-	-	-	-
<i>Sales growth (%)</i>	<i>4.4</i>	<i>-4.1</i>	<i>13.5</i>	<i>11.3</i>	<i>2.8</i>	<i>5.0</i>	<i>-1.7</i>	<i>2.2</i>	<i>5.8</i>	<i>5.0</i>
<i>EBITDA growth (%)</i>	<i>8.8</i>	<i>-1.2</i>	<i>15.7</i>	<i>4.8</i>	<i>5.5</i>	<i>16.5</i>	<i>-3.8</i>	<i>2.8</i>	<i>11.3</i>	<i>6.7</i>
<i>EBITA growth (%)</i>	<i>2.2</i>	<i>0.4</i>	<i>23.8</i>	<i>0.5</i>	<i>4.0</i>	<i>21.8</i>	<i>-4.1</i>	<i>2.5</i>	<i>13.3</i>	<i>8.1</i>
<i>EBIT growth (%)</i>	<i>1.9</i>	<i>-1.3</i>	<i>21.5</i>	<i>-11.3</i>	<i>-1.5</i>	<i>32.3</i>	<i>-3.9</i>	<i>3.1</i>	<i>16.4</i>	<i>9.5</i>
<i>Net profit growth (%)</i>	<i>3.1</i>	<i>-4.9</i>	<i>23.5</i>	<i>-3.0</i>	<i>-31.5</i>	<i>46.1</i>	<i>16.0</i>	<i>1.2</i>	<i>17.2</i>	<i>9.9</i>
<i>EPS growth (%)</i>	<i>--</i>	<i>--</i>	<i>37.3</i>	<i>-8.1</i>	<i>-31.5</i>	<i>46.1</i>	<i>16.0</i>	<i>1.2</i>	<i>17.2</i>	<i>9.9</i>
<b>Profitability</b>	-	-	-	-	-	-	-	-	-	-
<i>ROE (%)</i>	<i>15.9</i>	<i>18.7</i>	<i>23.4</i>	<i>16.6</i>	<i>9.7</i>	<i>12.0</i>	<i>12.7</i>	<i>12.7</i>	<i>14.0</i>	<i>14.3</i>
<i>ROE adj. (%)</i>	<i>19.4</i>	<i>25.9</i>	<i>31.2</i>	<i>25.7</i>	<i>15.8</i>	<i>16.1</i>	<i>16.2</i>	<i>16.2</i>	<i>17.1</i>	<i>17.3</i>
<i>ROCE (%)</i>	<i>14.4</i>	<i>17.8</i>	<i>19.4</i>	<i>17.6</i>	<i>11.5</i>	<i>13.7</i>	<i>14.2</i>	<i>14.3</i>	<i>15.8</i>	<i>16.3</i>
<i>ROCE adj. (%)</i>	<i>16.8</i>	<i>22.1</i>	<i>24.0</i>	<i>23.0</i>	<i>15.3</i>	<i>16.6</i>	<i>17.1</i>	<i>17.2</i>	<i>18.5</i>	<i>18.8</i>
<i>ROIC (%)</i>	<i>13.1</i>	<i>16.0</i>	<i>19.0</i>	<i>13.9</i>	<i>11.3</i>	<i>14.2</i>	<i>13.8</i>	<i>14.7</i>	<i>16.9</i>	<i>18.8</i>
<i>ROIC adj. (%)</i>	<i>14.5</i>	<i>18.6</i>	<i>21.6</i>	<i>16.2</i>	<i>11.7</i>	<i>14.2</i>	<i>13.8</i>	<i>14.7</i>	<i>16.9</i>	<i>18.8</i>
<b>Adj. earnings numbers</b>	-	-	-	-	-	-	-	-	-	-
EBITDA adj.	101	104	119	127	122	138	133	137	152	162
<i>EBITDA adj. margin (%)</i>	<i>17.0</i>	<i>18.3</i>	<i>18.4</i>	<i>17.6</i>	<i>16.5</i>	<i>17.8</i>	<i>17.4</i>	<i>17.5</i>	<i>18.4</i>	<i>18.7</i>
EBITDA lease adj.	90	93	108	114	106	125	120	124	139	149
<i>EBITDA lease adj. margin (%)</i>	<i>15.1</i>	<i>16.3</i>	<i>16.7</i>	<i>15.8</i>	<i>14.3</i>	<i>16.1</i>	<i>15.7</i>	<i>15.9</i>	<i>16.9</i>	<i>17.2</i>
EBITA adj.	78	82	100	103	95	112	108	110	125	135
<i>EBITA adj. margin (%)</i>	<i>13.2</i>	<i>14.5</i>	<i>15.4</i>	<i>14.3</i>	<i>12.9</i>	<i>14.4</i>	<i>14.1</i>	<i>14.1</i>	<i>15.1</i>	<i>15.6</i>
EBIT adj.	74	77	92	85	73	93	89	92	107	117
<i>EBIT adj. margin (%)</i>	<i>12.5</i>	<i>13.6</i>	<i>14.2</i>	<i>11.8</i>	<i>9.9</i>	<i>11.9</i>	<i>11.6</i>	<i>11.8</i>	<i>12.9</i>	<i>13.5</i>
Pretax profit Adj.	73	79	94	102	77	91	104	106	121	131
Net profit Adj.	62	64	79	89	65	77	85	86	97	105
Net profit to shareholders adj.	62	60	79	89	65	77	85	86	97	105
<i>Net adj. margin (%)</i>	<i>10.4</i>	<i>11.3</i>	<i>12.2</i>	<i>12.4</i>	<i>8.7</i>	<i>9.9</i>	<i>11.1</i>	<i>11.0</i>	<i>11.7</i>	<i>12.1</i>

Source: ABG Sundal Collier, Company Data

Cash Flow (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
EBITDA	94	93	107	112	119	138	133	137	152	162
Net financial items	-5	-4	-6	-1	-18	-21	-4	-4	-4	-4
Paid tax	-11	-14	-15	-13	-13	-14	-18	-20	-24	-26
Non-cash items	-186	-67	12	47	-8	14	-21	0	0	0
Cash flow before change in WC	-109	7	99	146	80	117	90	112	124	132
Change in working capital	160	60	-36	-38	-19	-5	1	0	-0	1

Cash Flow (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
<b>Operating cash flow</b>	<b>51</b>	<b>68</b>	<b>62</b>	<b>108</b>	<b>61</b>	<b>112</b>	<b>91</b>	<b>112</b>	<b>124</b>	<b>133</b>
Capex tangible fixed assets	-8	-9	-19	-16	-13	-14	-22	-21	-15	-15
Capex intangible fixed assets	-5	-8	0	0	0	0	0	0	0	0
Acquisitions and Disposals	-1	-0	-34	-140	0	0	0	0	0	0
<b>Free cash flow</b>	<b>38</b>	<b>50</b>	<b>9</b>	<b>-49</b>	<b>49</b>	<b>99</b>	<b>69</b>	<b>91</b>	<b>109</b>	<b>118</b>
Dividend paid	0	0	0	-18	-18	0	-29	-34	-40	-45
Share issues and buybacks	0	0	0	0	-0	0	0	0	0	0
Leasing liability amortisation	-13	-11	-10	-13	-18	-15	-16	-16	-16	-16
Other non-cash items	-10	-25	-29	-30	16	22	6	0	-0	0
Balance Sheet (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Goodwill	144	137	160	240	240	240	240	240	240	240
Other intangible assets	31	36	49	144	124	127	75	57	39	21
Tangible fixed assets	67	65	70	73	75	80	87	95	95	96
Right-of-use asset	21	33	67	68	55	59	50	53	56	60
Total other fixed assets	0	0	1	3	3	3	3	3	3	3
Fixed assets	262	272	348	527	496	509	455	448	433	419
Inventories	107	85	87	130	136	147	140	143	151	159
Receivables	88	93	116	113	110	109	111	110	108	105
Other current assets	41	15	15	18	22	24	18	18	19	20
Cash and liquid assets	34	49	58	66	38	41	38	79	133	189
<b>Total assets</b>	<b>532</b>	<b>513</b>	<b>624</b>	<b>853</b>	<b>802</b>	<b>830</b>	<b>762</b>	<b>798</b>	<b>845</b>	<b>893</b>
Shareholders equity	249	212	293	399	415	538	513	547	586	628
Minority	0	0	0	0	0	0	0	0	0	0
<b>Total equity</b>	<b>249</b>	<b>212</b>	<b>293</b>	<b>399</b>	<b>415</b>	<b>538</b>	<b>513</b>	<b>547</b>	<b>586</b>	<b>628</b>
Long-term debt	0	0	0	75	57	27	39	39	39	39
Pension debt	2	4	5	6	7	7	5	5	5	5
Convertible debt	0	0	0	0	0	0	0	0	0	0
Leasing liability	20	33	67	70	58	63	54	54	54	54
Total other long-term liabilities	9	8	14	38	17	17	20	20	20	20
Short-term debt	130	117	116	133	127	49	12	12	12	12
Accounts payable	51	52	48	49	53	59	50	51	54	57
Other current liabilities	71	87	80	84	68	70	69	70	75	78
<b>Total liabilities and equity</b>	<b>532</b>	<b>513</b>	<b>624</b>	<b>853</b>	<b>802</b>	<b>830</b>	<b>762</b>	<b>798</b>	<b>845</b>	<b>893</b>
Net IB debt	118	104	129	215	208	102	69	28	-26	-82
Net IB debt excl. pension debt	116	101	124	209	201	95	64	23	-31	-87
Net IB debt excl. leasing	98	71	62	145	150	39	15	-26	-80	-136
Capital employed	402	366	481	683	664	684	623	657	696	738
Capital invested	367	316	422	614	623	640	582	574	560	545
Working capital	114	53	90	128	147	151	150	150	150	149
<b>EV breakdown</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Market cap. diluted (m)	0	749	749	790	790	790	790	790	790	790
Net IB debt adj.	118	105	130	217	211	105	72	31	-23	-79
Market value of minority	0	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	-	-	-	-	-	-	-	-	-	-
<b>EV</b>	<b>118</b>	<b>854</b>	<b>879</b>	<b>1,008</b>	<b>1,001</b>	<b>895</b>	<b>862</b>	<b>821</b>	<b>768</b>	<b>711</b>
Total assets turnover (%)	99.6	109.0	113.9	97.5	89.5	95.3	96.0	100.1	100.5	99.8
Working capital/sales (%)	32.6	14.7	11.1	15.1	18.5	19.1	19.7	19.2	18.2	17.3
<b>Financial risk and debt service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net debt/equity (%)	47.5	49.2	43.8	53.8	50.1	19.0	13.5	5.1	-4.4	-13.1
Net debt / market cap (%)	--	13.9	17.2	27.2	26.3	12.9	8.7	3.5	-3.3	-10.4
Equity ratio (%)	46.8	41.3	47.1	46.8	51.7	64.8	67.3	68.5	69.4	70.3
Net IB debt adj. / equity (%)	47.5	49.5	44.2	54.5	50.9	19.5	14.0	5.7	-3.9	-12.7
Current ratio	1.07	0.94	1.13	1.23	1.23	1.80	2.34	2.62	2.93	3.22
EBITDA/net interest	18.0	25.4	17.9	160.6	6.5	6.6	33.3	31.9	35.5	37.9
Net IB debt/EBITDA (x)	1.3	1.1	1.2	1.9	1.8	0.7	0.5	0.2	-0.2	-0.5
Net IB debt/EBITDA lease adj. (x)	1.1	0.8	0.6	1.5	1.4	0.3	0.1	-0.2	-0.6	-0.9
Interest coverage	12.1	12.1	11.3	3.7	3.8	5.4	13.9	25.7	29.1	31.5

Source: ABG Sundal Collier, Company Data

Share Data (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Actual shares outstanding	0	21	21	23	23	23	23	23	23	23
Actual shares outstanding (avg)	0	21	21	23	23	23	23	23	23	23

## Embellence Group

Share Data (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
All additional shares	0	21	0	1	0	0	0	0	0	0
Issue month	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assumed dil. of shares from conv.	0	0	0	0	0	0	0	0	0	0
As. dil. of shares from conv. (avg)	0	0	0	0	0	0	0	0	0	0
Conv. debt not assumed as equity	0	0	0	0	0	0	0	0	0	0
No. of warrants	0	0	0	0	0	0	0	0	0	0
Market value per warrant	0	0	0	0	0	0	0	0	0	0
Dilution from warrants	0	0	0	0	0	0	0	0	0	0
Issue factor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual dividend per share	-	0.00	0.85	0.80	0.00	1.25	1.50	1.75	2.00	2.00
Reported earnings per share	-	-	-	-	-	-	-	-	-	-

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Shares outstanding adj.	0	21	21	23	23	23	23	23	23	23
Diluted shares adj.	0	21	21	23	23	23	23	23	23	23
EPS	-	2.02	2.77	2.54	1.74	2.54	2.95	2.98	3.50	3.84
Dividend per share	-	0.00	0.80	0.80	0.00	1.25	1.50	1.75	2.00	2.00
EPS adj.	-	2.54	3.31	3.17	1.88	2.54	2.95	2.98	3.50	3.84
BVPS	-	9.90	13.71	17.67	18.37	23.82	22.72	24.20	25.95	27.79
BVPS adj.	-	1.83	3.93	0.68	2.28	7.57	8.77	11.07	13.61	16.25
Net IB debt/share	-	4.90	6.06	9.63	9.34	4.65	3.19	1.37	-1.01	-3.52
Share price	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Market cap. (m)	0	749	749	790	790	790	790	790	790	790
<b>Valuation</b>	-	-	-	-	-	-	-	-	-	-
P/E (x)	--	17.4	12.7	13.8	20.1	13.8	11.9	11.7	10.0	9.1
EV/sales (x)	0.2	1.5	1.4	1.4	1.4	1.2	1.1	1.1	0.9	0.8
EV/EBITDA (x)	1.3	9.2	8.2	9.0	8.4	6.5	6.5	6.0	5.0	4.4
EV/EBITA (x)	1.7	12.0	10.0	11.4	10.9	8.0	8.0	7.5	6.1	5.3
EV/EBIT (x)	1.8	12.9	11.0	14.2	14.3	9.7	9.7	8.9	7.2	6.1
Dividend yield (%)	0.0	0.0	2.4	2.3	0.0	3.6	4.3	5.0	5.7	5.7
FCF yield (%)	0.0	6.7	1.2	-6.1	6.1	12.5	8.7	11.5	13.8	14.9
Le. adj. FCF yld. (%)	0.0	5.3	-0.2	-7.7	3.9	10.6	6.7	9.5	11.8	12.9
P/BVPS (x)	--	3.54	2.55	1.98	1.91	1.47	1.54	1.45	1.35	1.26
P/BVPS adj. (x)	35.00	17.09	8.85	45.69	14.01	4.49	3.91	3.11	2.54	2.13
P/E adj. (x)	--	13.8	10.6	11.0	18.6	13.8	11.9	11.7	10.0	9.1
EV/EBITDA adj. (x)	1.2	8.2	7.4	8.0	8.2	6.5	6.5	6.0	5.0	4.4
EV/EBITA adj. (x)	1.5	10.4	8.8	9.8	10.5	8.0	8.0	7.5	6.1	5.3
EV/EBIT adj. (x)	1.6	11.0	9.6	11.8	13.7	9.7	9.7	8.9	7.2	6.1
EV/CE (x)	0.3	2.3	1.8	1.5	1.5	1.3	1.4	1.3	1.1	1.0
<b>Investment ratios</b>	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	2.1	3.0	2.9	2.3	1.7	1.8	2.9	2.8	1.8	1.8
Capex/depreciation	1.1	1.7	2.2	1.4	1.2	1.0	1.7	1.6	1.0	1.1
Capex tangibles / tangible fixed assets	11.4	14.5	26.9	22.5	17.0	17.1	25.3	22.7	15.4	16.0
Capex intangibles / definite intangibles	16.1	24.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation on intang / def. intang	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation on tangibles / tangibles	17.5	15.6	12.3	15.6	14.2	16.6	14.6	14.4	15.2	15.1

Source: ABG Sundal Collier, Company Data

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