

CTT Systems

Solid Q1, softer Q2, improving H2'26

- Return to high organic growth (+41% vs. ABG +29%)
- Middle Eastern conflict behind more cautious FY'26 outlook
- Share +5% into numbers, trades at 20-11x EBIT '26e-'27e (pre-Q1)

Q1 details

Note that our latest published estimates are from February, while the USD/SEK has moved roughly 2-3% upwards since then. Sales were 5% above our expectations, with sales of SEK 66m up 41% y-o-y organically (ABGSCe +29%). This was driven by 39% reported growth in aftermarket sales (ABG +28% y-o-y), while system sales declined 2% y-o-y (ABG 0%). AM share of sales was 67% (ABG 64%). According to the CEO, the OEM business is now in a ramp-up phase while inventory adjustments in the aftermarket channel among distributors was now complete. EBIT grew ~150% y-o-y (ABG +172% y-o-y), as the margin came in at 15% (ABG 17%, 7% Q1'25), but would have been 19% when adjusting for one-time cost in the VIP project business and fully taking into account savings actions. Free cash flow of -11m was soft (+4m last year) due to customer payments being deferred into Q2.

Outlook and estimate changes

For Q2, the CEO expects the conflict in the Middle East to impact air travel and aftermarket revenues, but to a lesser extent than the overall industry. For Q2 then, the CEO expects revenue (in USD terms) to grow q-o-q but not reach last year (we have +7% organic growth y-o-y), and that the margin will remain below the 25% ambition (we have 20%). For FY'26, the outlook is for OEM to grow by 45-60% adjusting for currency (ABG +82%), for AM to grow by 5-15% (ABG +30%) and that VIP sales will not exceed 2025 levels (ABG 32m vs. 30m in 2025). All other assumptions intact, the Q1 deviation on EBIT and our impression of the Q2'26+FY'26 guidance vs. ABGSCe would mechanically lower our FY'26e EBIT by ~10-15%. However, using current FX rates vs. our latest published note, we note that the USD/SEK would raise sales by 2-3%, with a greater impact on EBIT (which could have a 2-3x impact on EBIT vs. sales).

Final thoughts

A solid Q1 and rebound vs. the softer Q4'25, while the more cautious growth assumptions for FY'26 were partly expected considering recent weeks' turmoil and negative impact on air travel. That said, production rates are still rising among OEMs and it is encouraging to hear that management still expects to grow AM sales organically and raise margins towards 25% FY'26 (ABG 23%). The share has returned +5% L1M, below the broader market (OMXSGI +7%), and trades at (pre-Q1 estimates) 20-11x 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)	27/4/2026	133.00
MCap (SEKm)		1,666
MCap (EURm)		154
No. of shares (m)		12.5
Free float (%)		76.7
Av. daily volume (k)		11

Next event Q1 Report 28 April 2026

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Outcome vs. expectations

Deviation table	Q1'25	Q1'26		Q1'26e	Deviation	
SEKm	ABGSCe	Actual	y-o-y %	ABGSCe	SEKm	%
Net sales	54.1	66.1	22%	62.8	3.3	5%
Other income	6.6	-1.2		2.6		
Opex	-55.1	-53.4	-3%	-53.0	-0.4	1%
EBITDA	5.6	11.5	105%	12.4	-0.9	-7%
D&A	-1.7	-1.8		-1.8		
EBIT	3.9	9.7	149%	10.6	-0.9	-9%
Non-recurring items	0.0	0.0		0.0		
Adj. EBIT	3.9	9.7	149%	10.6	-0.9	-9%
Net profit	3.7	6.7	81%	8.9	-2.2	-25%
Assumptions	Q1'25	Q1'26		Q1'26e	Deviation	
	ABGSCe	Actual	y-o-y %	ABGSCe	SEKm	%
Opex / sales	102%	81%		84%		-4%
EBIT margin	7%	15%		17%		-2%
Adj. EBIT margin	7%	15%		17%		-2%
Organic sales	-33%	41%		29%		12%
Sales y-o-y	-31%	22%		16%		
Adj. EBIT y-o-y	-88%	149%		172%		
Sales breakdown	Q1'25	Q1'26		Q1'26e	Deviation	
	ABGSCe	Actual	y-o-y %	ABGSCe	SEKm	%
OEM	18.0	17.0	-6%	17.6	-0.6	-3%
Retrofits	0.0	0.0	n.a.	2.0	-2.0	-100%
VIP	0.6	1.8	200%	0.0	1.8	n.a.
Other	4.0	3.3	-16%	3.0	0.3	10%
System sales	22.6	22.1	-2%	22.6	-0.5	-2%
Aftermarket / IP	31.6	44.0	39%	40.3	3.7	9%
Group sales	54.1	66.1	22%	62.8	3.3	5%
<i>AM+IP/sales</i>	<i>58%</i>	<i>67%</i>		<i>64%</i>		<i>2%</i>

Source: ABG Sundal Collier, company data

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SEKm	2024	2025	2026e	2027e	2028e
Sales	300	264	350	484	636
Sales growth (%)	-2.8	-11.9	32.4	38.3	31.3
EBITDA	120	54	89	149	205
EBITDA margin (%)	40.0	20.4	25.6	30.8	32.2
EBIT adj.	112	49	82	140	194
EBIT adj. margin (%)	37.5	18.7	23.4	29.0	30.5
Pretax profit	108	49	84	143	198
EPS	6.81	3.07	5.35	9.08	12.53
EPS growth (%)	-10.7	-54.8	74.2	69.5	38.1
EPS adj.	6.81	3.20	5.35	9.08	12.53
DPS	5.35	2.40	5.50	9.00	13.00
EV/EBITDA (x)	13.7	31.1	18.3	10.8	7.8
EV/EBIT adj. (x)	14.6	33.9	20.0	11.5	8.2
P/E (x)	19.5	43.3	24.8	14.7	10.6
P/E adj. (x)	19.5	41.6	24.8	14.7	10.6
EV/sales (x)	5.47	6.34	4.69	3.32	2.51
FCF yield (%)	3.7	1.8	3.9	6.2	7.6
Le. adj. FCF yld. (%)	3.7	1.8	3.9	6.2	7.6
Dividend yield (%)	4.0	1.8	4.1	6.8	9.8
Net IB debt/EBITDA (x)	-0.2	0.2	-0.3	-0.4	-0.4
Le. adj. ND/EBITDA (x)	-0.2	0.2	-0.3	-0.4	-0.4

Source: ABG Sundal Collier, Company Data

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