# Embellence Group

**Reason: Post-results comment**

**Commissioned research**

**Not rated**

**Retail**

## Putting a number on DTC growth

- Aims to grow DTC by ~30% CAGR next three years
- We lower our '26e-'27e EBITA by 3-2% on cost ramp-up
- We reiterate our fair value range of SEK 36-43

### Ramp-up phase for future payoff

For Embellence Group, Q3'25 looks to be the start of the transformation according to the strategy set out during the April 2024 CMD, which focuses on DTC and Hospitality sales. Organic growth accelerated to 5% y-o-y, driven primarily by Pappelina and External Manufacturing. Although gross margins were stable y-o-y as well, EBITA was 8% lower as a result of ongoing preparations to take the next step in its growth journey. Both Artscape's and Pappelina's online platforms have been upgraded, and Cole & Son is next in Q4'25. A new head of e-commerce has been hired and the sales organisation in Hospitality has been strengthened.

### Q3 comments suggest 30% CAGR in DTC N3Y

Embellence communicated that it intends for half of its growth in the next three years to come from the DTC channel. In Q2, it said that 8% of sales were from DTC in LTM terms. Assuming that Embellence Group refers to the organic growth that is implied by its financial targets, i.e. organic sales around 6%, this means management expects a ~30% sales CAGR for the DTC channel, which would take the DTC share of sales to 15%. We raise our gross margin estimates to align with these efforts, which means the initial ramp-up of opex is partially offset in '26e-'27e. In total, we lower our '25-'27e EBITA by 8-2%.

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

We leave our fair value range of SEK 36-43 unchanged in this note, as we make limited revisions to '26e-'27e EBITA. The share is trading at 9x-7.5x our '25e-'26e EBITA, which can be compared to its L3Y range of 6.8-7.9x NTM. Our fair value range corresponds to 6.8-8x '26e EBITA. At the current market price, we forecast a post-lease FCF yield of 10-11% for '26e-'27e.

Estimate changes (%)

| | 2025e | 2026e | 2027e |
|---|---|---|---|
| Sales | -1.7 | -1.9 | -1.9 |
| EBIT | -8.9 | -3.4 | -1.8 |
| EPS | -10.9 | -4.0 | -2.3 |

*Source: ABG Sundal Collier*

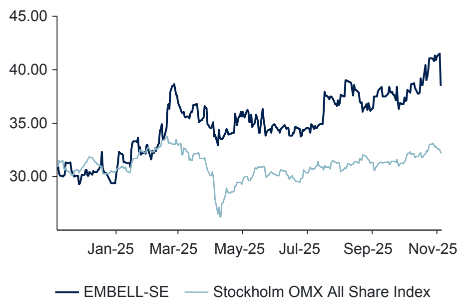
**EMBELL-SE/EMBELL SS**

| | | |
|---|---|---|
| **Share price (SEK)** | 4/11/2025 | 38.60 |
| Fair value range | | 36.0-43.0 |

| | |
|---|---|
| MCap (SEKm) | 909 |
| MCap (EURm) | 83 |
| No. of shares (m) | 23.5 |
| Free float (%) | 41.6 |
| Av. daily volume (k) | 25 |

**Next event** Q4 Report 18 February 2026

**Performance**

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| SEKm | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|---|---|---|---|---|
| Sales | 740 | 777 | 762 | 794 | 837 |
| EBITDA | 119 | 138 | 133 | 147 | 160 |
| EBITDA margin (%) | 16.0 | 17.8 | 17.4 | 18.5 | 19.1 |
| EBIT adj. | 73 | 93 | 88 | 100 | 113 |
| EBIT adj. margin (%) | 9.9 | 11.9 | 11.6 | 12.6 | 13.5 |
| Pretax profit | 52 | 72 | 84 | 95 | 108 |
| EPS | 1.74 | 2.54 | 2.84 | 3.25 | 3.69 |
| EPS adj. | 1.88 | 2.54 | 2.84 | 3.25 | 3.69 |
| Sales growth (%) | 2.8 | 5.0 | -2.0 | 4.2 | 5.4 |
| EPS growth (%) | -31.5 | 46.1 | 11.7 | 14.6 | 13.5 |

*Source: ABG Sundal Collier, Company Data*

| | 2025e | 2026e | 2027e |
|---|---|---|---|
| P/E (x) | 13.6 | 11.9 | 10.5 |
| P/E adj. (x) | 13.6 | 11.9 | 10.5 |
| P/BVPS (x) | 1.67 | 1.56 | 1.44 |
| EV/EBITDA (x) | 7.1 | 6.0 | 5.2 |
| EV/EBIT adj. (x) | 10.7 | 8.8 | 7.3 |
| EV/sales (x) | 1.24 | 1.12 | 0.99 |
| ROE adj. (%) | 15.7 | 17.3 | 17.8 |
| Dividend yield (%) | 3.9 | 4.5 | 5.2 |
| FCF yield (%) | 8.3 | 12.3 | 13.2 |
| Le. adj. FCF yld. (%) | 6.5 | 10.5 | 11.4 |
| Net IB debt/EBITDA (x) | 0.5 | 0.1 | -0.3 |
| Le. adj. ND/EBITDA (x) | 0.1 | -0.3 | -0.7 |

## 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.

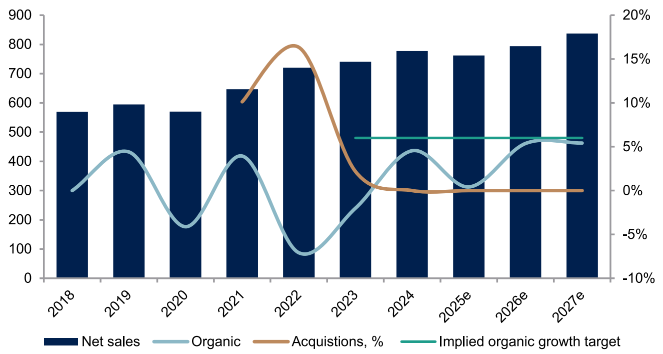
Sustainability information

## 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.

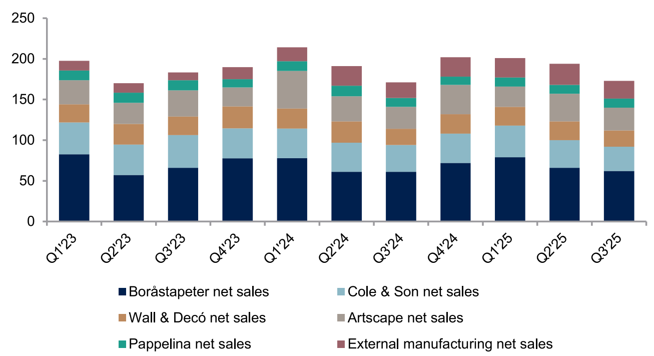
## Embellence Group in six charts

### Sales stem from acquired and organic growth



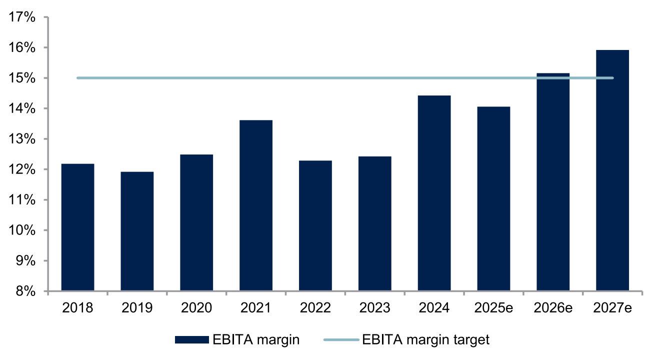

*Source: ABG Sundal Collier, Company data*

### Brand focus reflected in segment split



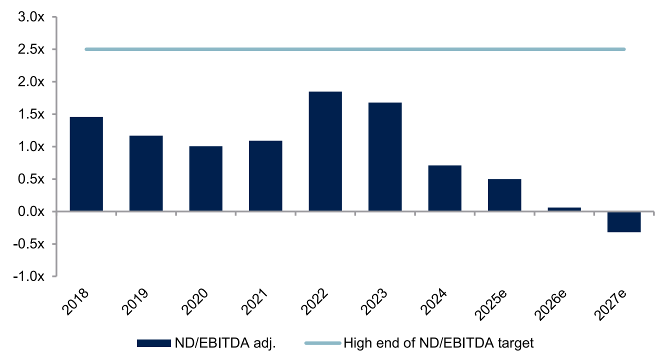

*Source: ABG Sundal Collier, company data*

### Approaching the 15% EBITA margin target



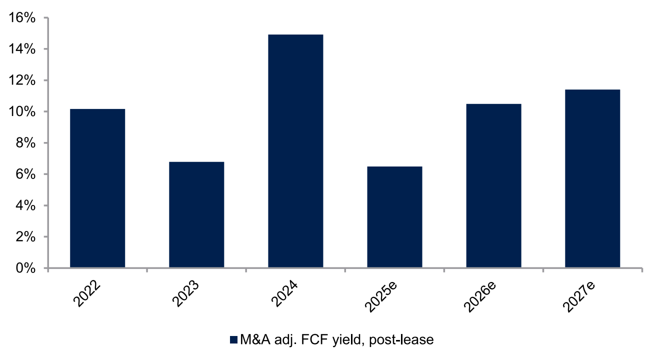

*Source: ABG Sundal Collier, company data*

### Room for continued acquired expansion



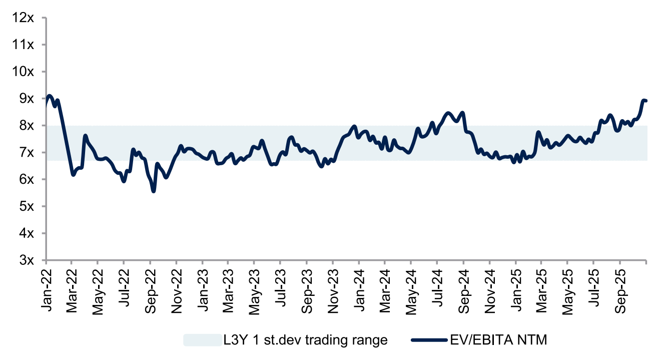

*Source: ABG Sundal Collier, Company data*

### Double-digit FCF yields




*Source: ABG Sundal Collier, company data*

### Historical trading range 6.8x-7.9x NTM EV/EBITA




*Source: ABG Sundal Collier, Factset*

## Estimate changes

| | Old estimates | | | New estimates | | | Percentage change | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2025e | 2026e | 2027e | 2025e | 2026e | 2027e | 2025e | 2026e | 2027e |
| **Net sales** | **775** | **809** | **853** | **762** | **794** | **837** | -2% | -2% | -2% |
| Gross profit | 476 | 495 | 524 | 467 | 488 | 517 | -2% | -1% | -1% |
| Opex | -334 | -345 | -363 | -334 | -342 | -358 | 0% | -1% | -1% |
| Adj. EBITDA | 142 | 150 | 162 | 133 | 147 | 160 | -6% | -2% | -1% |
| **Adj. EBITA** | **116** | **124** | **135** | **107** | **120** | **133** | **-8%** | **-3%** | **-2%** |
| EBIT | 97 | 104 | 115 | 88 | 100 | 113 | -9% | -3% | -2% |
| PTP | 94 | 99 | 111 | 84 | 95 | 108 | -11% | -4% | -2% |
| Net profit | 72 | 77 | 85 | 64 | 73 | 83 | -11% | -4% | -2% |
| EPS | 3.2 | 3.4 | 3.8 | 2.8 | 3.3 | 3.7 | -11% | -4% | -2% |
| | | | | | | | | | |
| **Growth and margins** | | | | | | | | | |
| Sales growth | -0.3% | 4.4% | 5.4% | -2.0% | 4.2% | 5.4% | -170 bp | -20 bp | 0 bp |
| Organic growth | 2.1% | 5.5% | 5.4% | 0.4% | 5.4% | 5.4% | -170 bp | -10 bp | 0 bp |
| Gross margin | 61.4% | 61.2% | 61.5% | 61.3% | 61.5% | 61.8% | -10 bp | 30 bp | 30 bp |
| Opex-to-sales | 43.1% | 42.6% | 42.5% | 43.9% | 43.0% | 42.7% | 80 bp | 40 bp | 20 bp |
| Adj. EBITDA margin | 18.3% | 18.6% | 19.0% | 17.4% | 18.5% | 19.1% | -90 bp | -10 bp | 10 bp |
| Adj. EBITA margin | 15.0% | 15.3% | 15.9% | 14.1% | 15.2% | 15.9% | -90 bp | -10 bp | 10 bp |
| EBIT margin | 12.5% | 12.8% | 13.5% | 11.6% | 12.6% | 13.5% | -90 bp | -20 bp | 0 bp |

*Source: ABG Sundal Collier, company data*

## ABGSC P&L estimates by quarter

| Group | Q1'23 | Q2'23 | Q3'23 | Q4'23 | Q1'24 | Q2'24 | Q3'24 | Q4'24 | Q1'25 | Q2'25 | Q3'25 | Q4'25e |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net sales** | **198** | **170** | **183** | **190** | **214** | **191** | **170** | **202** | **202** | **193** | **174** | **193** |
| COGS | -85 | -66 | -78 | -80 | -89 | -76 | -67 | -79 | -77 | -74 | -69 | -75 |
| Gross profit | 113 | 104 | 106 | 110 | 125 | 115 | 103 | 123 | 125 | 119 | 105 | 118 |
| Total opex | -79 | -83 | -72 | -80 | -85 | -84 | -72 | -88 | -87 | -86 | -75 | -86 |
| EBITDA | 34 | 22 | 33 | 30 | 40 | 31 | 32 | 35 | 38 | 33 | 30 | 32 |
| **Adj. EBITDA** | **34** | **25** | **33** | **30** | **40** | **31** | **32** | **35** | **38** | **33** | **30** | **32** |
| Depreciation | -7 | -7 | -7 | -7 | -7 | -6 | -6 | -7 | -6 | -7 | -7 | -7 |
| EBITA | 27 | 15 | 27 | 23 | 34 | 25 | 26 | 28 | 32 | 26 | 24 | 25 |
| **Adj. EBITA** | **27** | **18** | **27** | **23** | **34** | **25** | **26** | **28** | **32** | **26** | **24** | **25** |
| Amortisation | -5 | -6 | -6 | -6 | -5 | -5 | -5 | -5 | -5 | -4 | -4 | -5 |
| EBIT | 22 | 10 | 21 | 18 | 29 | 20 | 21 | 23 | 27 | 22 | 19 | 20 |
| Adj. EBIT | 22 | 13 | 21 | 18 | 29 | 20 | 21 | 23 | 27 | 22 | 19 | 20 |
| NRI | 0 | -3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net financial items | -5 | -12 | -3 | 2 | -8 | -4 | -3 | -6 | 1 | -1 | -3 | -1 |
| PTP | 17 | -2 | 18 | 20 | 22 | 16 | 18 | 16 | 28 | 21 | 16 | 19 |
| Taxes | -4 | 0 | -4 | -4 | -5 | -3 | -2 | -4 | -6 | -6 | -4 | -4 |
| **Net profit** | **13** | **-2** | **13** | **15** | **16** | **13** | **16** | **12** | **22** | **15** | **12** | **15** |
| EPS | 0.6 | -0.1 | 0.6 | 0.7 | 0.7 | 0.6 | 0.7 | 0.5 | 1.0 | 0.7 | 0.6 | 0.6 |
| **Growth and margins** | | | | | | | | | | | | |
| Sales growth, y-o-y (%) | 7.1 | -10.5 | 8.4 | 7.3 | 8.5 | 12.4 | -7.2 | 6.4 | -5.7 | 1.0 | 2.4 | -4.5 |
| of which organic (%) | -3.1 | -13.7 | 4.3 | 5.7 | 7.8 | 11.4 | -6.2 | 5.4 | -6.7 | 4.0 | 5.4 | 0.4 |
| Gross margin (%) | 57.2 | 61.4 | 57.6 | 57.7 | 58.3 | 60.2 | 60.8 | 60.9 | 61.9 | 61.7 | 60.6 | 61.0 |
| Opex-to-sales (%) | 40.2 | 48.6 | 39.5 | 42.0 | 39.5 | 44.0 | 42.2 | 43.5 | 43.1 | 44.7 | 43.2 | 44.5 |
| Adj. EBITDA margin (%) | 17.0 | 14.7 | 18.2 | 15.8 | 18.8 | 16.2 | 18.6 | 17.4 | 18.8 | 16.9 | 17.4 | 16.5 |
| EBITA margin (%) | 13.7 | 8.9 | 14.5 | 12.2 | 15.7 | 13.1 | 15.1 | 13.8 | 15.8 | 13.5 | 13.6 | 13.1 |
| Adj. EBITA margin (%) | 13.7 | 10.8 | 14.5 | 12.2 | 15.7 | 13.1 | 15.1 | 13.8 | 15.8 | 13.5 | 13.6 | 13.1 |
| Adj. EBIT margin (%) | 11.1 | 7.6 | 11.4 | 9.2 | 13.6 | 10.5 | 12.2 | 11.3 | 13.4 | 11.2 | 11.1 | 10.5 |
| Pretax margin (%) | 8.5 | -1.3 | 9.6 | 10.4 | 10.1 | 8.4 | 10.4 | 8.1 | 13.9 | 10.7 | 9.4 | 9.8 |
| Net margin (%) | 6.5 | -1.3 | 7.2 | 8.1 | 7.6 | 6.8 | 9.2 | 6.1 | 11.1 | 7.7 | 7.1 | 7.5 |
| **Segment sales** | | | | | | | | | | | | |
| Boråstapeter | 83 | 57 | 66 | 78 | 78 | 61 | 61 | 72 | 79 | 66 | 62 | 75 |
| y-o-y growth (%) | | | 8.0 | 14 | -5 | 6 | -7 | -7 | 1 | 8 | 2 | 4 |
| Cole & Son | 39 | 37 | 40 | 37 | 36 | 36 | 33 | 36 | 39 | 34 | 30 | 34 |
| y-o-y growth (%) | | | 18.8 | 0 | -7 | -3 | -18 | -2 | 7 | -6 | -9 | -5 |
| Wall & Decó | 22 | 26 | 23 | 27 | 25 | 26 | 20 | 24 | 23 | 23 | 20 | 24 |
| y-o-y growth (%) | | | -1.3 | 17 | 9 | 2 | -12 | -11 | -6 | -12 | 0 | 0 |
| Artscape | 30 | 26 | 32 | 24 | 46 | 31 | 27 | 36 | 25 | 34 | 28 | 25 |
| y-o-y growth (%) | | | 3.9 | -16 | 57 | 20 | -16 | 53 | -46 | 10 | 4 | -32 |
| Pappelina | 12 | 13 | 12 | 10 | 12 | 13 | 11 | 10 | 11 | 11 | 11 | 10 |
| y-o-y growth (%) | | | 3.3 | 0 | -2 | 4 | -11 | 0 | -8 | -15 | 0 | 3 |
| External manufacturing | 12 | 12 | 10 | 15 | 17 | 24 | 19 | 24 | 24 | 26 | 22 | 25 |
| y-o-y growth (%) | | | 20.0 | 35 | 46 | 107 | 98 | 61 | 40 | 8 | 16 | 5 |

*Source: ABG Sundal Collier, company data*

## ABGSC P&L estimates by year

| Group | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net sales** | **569** | **594** | **570** | **647** | **720** | **740** | **777** | **762** | **794** | **837** |
| COGS | -258 | -272 | -258 | -288 | -297 | -308 | -311 | -295 | -306 | -320 |
| Gross profit | 311 | 322 | 312 | 359 | 423 | 433 | 466 | 467 | 488 | 517 |
| Total opex | *-225* | *-228* | *-219* | *-252* | *-311* | *-314* | *-328* | *-334* | *-342* | *-358* |
| EBITDA | 86 | 94 | 93 | 107 | 112 | 119 | 138 | 133 | 147 | 160 |
| **Adj. EBITDA** | **92** | **101** | **104** | **119** | **127** | **122** | **138** | **133** | **147** | **160** |
| Depreciation | -17 | -23 | -22 | -19 | -24 | -27 | -26 | -26 | -26 | -26 |
| EBITA | 69 | 71 | 71 | 88 | 89 | 92 | 112 | 107 | 120 | 133 |
| **Adj. EBITA** | **75** | **78** | **82** | **100** | **103** | **95** | **112** | **107** | **120** | **133** |
| Amortisation | -4 | -4 | -5 | -8 | -17 | -22 | -20 | -19 | -20 | -20 |
| EBIT | 66 | 67 | 66 | 80 | 71 | 70 | 93 | 88 | 100 | 113 |
| Adj. EBIT | 72 | 74 | 77 | 92 | 85 | 73 | 93 | 88 | 100 | 113 |
| NRI | -6 | -7 | -11 | -12 | -14 | -3 | 0 | 0 | 0 | 0 |
| Net financial items | -2 | -5 | -4 | -6 | -1 | -18 | -21 | -4 | -5 | -5 |
| PTP | 64 | 62 | 62 | 74 | 70 | 52 | 72 | 84 | 95 | 108 |
| Taxes | -15 | -11 | -14 | -15 | -13 | -13 | -14 | -20 | -22 | -25 |
| **Net profit** | **49** | **50** | **48** | **59** | **57** | **39** | **57** | **64** | **73** | **83** |
| EPS | n.a. | n.a. | 2.0 | 2.8 | 2.5 | 1.7 | 2.5 | 2.8 | 3.3 | 3.7 |
| **Growth and margins** | | | | | | | | | | |
| Sales growth, y-o-y (%) | n.m | 4.4 | -4.1 | 13.5 | 11.3 | 2.8 | 5.0 | -2.0 | 4.2 | 5.4 |
| of which organic (%) | n.a. | 4.4 | -4.1 | 3.9 | -7.1 | -2.0 | 4.5 | 0.4 | 5.4 | 5.4 |
| Gross margin (%) | 54.6 | 54.2 | 54.7 | 55.5 | 58.8 | 58.4 | 60.0 | 61.3 | 61.5 | 61.8 |
| Opex-to-sales (%) | 39.4 | 38.4 | 38.5 | 38.9 | 43.2 | 42.4 | 42.2 | 43.9 | 43.0 | 42.7 |
| Adj. EBITDA margin (%) | 16.2 | 17.0 | 18.3 | 18.4 | 17.6 | 16.5 | 17.8 | 17.4 | 18.5 | 19.1 |
| EBITA margin (%) | 12.2 | 11.9 | 12.5 | 13.6 | 12.3 | 12.4 | 14.4 | 14.1 | 15.2 | 15.9 |
| Adj. EBITA margin (%) | 13.3 | 13.2 | 14.5 | 15.4 | 14.3 | 12.9 | 14.4 | 14.1 | 15.2 | 15.9 |
| Adj. EBIT margin (%) | 12.6 | 12.5 | 13.6 | 14.2 | 11.8 | 9.9 | 11.9 | 11.6 | 12.6 | 13.5 |
| Pretax margin (%) | 11.2 | 10.4 | 10.9 | 11.5 | 9.8 | 7.0 | 9.2 | 11.0 | 12.0 | 12.9 |
| Net margin (%) | 7.8 | 8.5 | 7.6 | 9.1 | 8.0 | 5.3 | 7.4 | 8.4 | 9.3 | 10.0 |
| **Segment sales** | | | | | | | | | | |
| Boråstapeter | | | | | | 283 | 272 | 282 | 292 | 304 |
| y-o-y growth (%) | | | | | | | -4 | 4 | 4 | 4 |
| Cole & Son | | | | | | 154 | 141 | 137 | 143 | 153 |
| y-o-y growth (%) | | | | | | | -8 | -3 | 4 | 7 |
| Wall & Decó | | | | | | 98 | 95 | 90 | 96 | 104 |
| y-o-y growth (%) | | | | | | | -4 | -5 | 7 | 8 |
| Artscape | | | | | | 111 | 140 | 112 | 116 | 123 |
| y-o-y growth (%) | | | | | | | 26 | -20 | 4 | 6 |
| Pappelina | | | | | | 47 | 46 | 43 | 45 | 47 |
| y-o-y growth (%) | | | | | | | -2 | -6 | 4 | 4 |
| External manufacturing | | | | | | 48 | 84 | 97 | 102 | 107 |
| y-o-y growth (%) | | | | | | | 75 | 15 | 5 | 5 |

*Source: ABG Sundal Collier, company data*

| Income Statement (SEKm) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|---|---|---|---|---|---|---|---|---|---|
| Sales | 569 | 594 | 570 | 647 | 720 | 740 | 777 | 762 | 794 | 837 |
| COGS | -258 | -272 | -258 | -288 | -297 | -308 | -311 | -295 | -306 | -320 |
| Gross profit | 311 | 322 | 312 | 359 | 423 | 433 | 466 | 467 | 488 | 517 |
| Other operating items | -225 | -228 | -219 | -252 | -311 | -314 | -328 | -334 | -342 | -358 |
| **EBITDA** | **86** | **94** | **93** | **107** | **112** | **119** | **138** | **133** | **147** | **160** |
| Depreciation and amortisation | -17 | -23 | -22 | -19 | -24 | -27 | -26 | -26 | -26 | -26 |
| of which leasing depreciation | 0 | -11 | -11 | -11 | -13 | -16 | -13 | -13 | -13 | -13 |
| **EBITA** | **69** | **71** | **71** | **88** | **89** | **92** | **112** | **107** | **120** | **133** |
| EO Items | -6 | -7 | -11 | -12 | -14 | -3 | 0 | 0 | 0 | 0 |
| Impairment and PPA amortisation | -4 | -4 | -5 | -8 | -17 | -22 | -20 | -19 | -20 | -20 |
| **EBIT** | **66** | **67** | **66** | **80** | **71** | **70** | **93** | **88** | **100** | **113** |
| Net financial items | -2 | -5 | -4 | -6 | -1 | -18 | -21 | -4 | -5 | -5 |
| **Pretax profit** | **64** | **62** | **62** | **74** | **70** | **52** | **72** | **84** | **95** | **108** |
| Tax | -15 | -11 | -14 | -15 | -13 | -13 | -14 | -20 | -22 | -25 |
| **Net profit** | **49** | **50** | **48** | **59** | **57** | **39** | **57** | **64** | **73** | **83** |
| Minority interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit discontinued | -5 | -0 | -5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Net profit to shareholders** | **44** | **50** | **43** | **59** | **57** | **39** | **57** | **64** | **73** | **83** |
| EPS | - | - | 2.02 | 2.77 | 2.54 | 1.74 | 2.54 | 2.84 | 3.25 | 3.69 |
| EPS adj. | - | - | 2.54 | 3.31 | 3.17 | 1.88 | 2.54 | 2.84 | 3.25 | 3.69 |
| Total extraordinary items after tax | -6 | -7 | -11 | -12 | -14 | -3 | 0 | 0 | 0 | 0 |
| Leasing payments | 0 | -11 | -11 | -11 | -13 | -16 | -13 | -13 | -13 | -13 |
| *Tax rate (%)* | *23.4* | *18.3* | *23.1* | *20.2* | *18.5* | *24.1* | *19.9* | *23.5* | *23.0* | *23.0* |
| *Gross margin (%)* | *54.6* | *54.2* | *54.7* | *55.5* | *58.8* | *58.4* | *60.0* | *61.3* | *61.5* | *61.8* |
| *EBITDA margin (%)* | *15.2* | *15.8* | *16.3* | *16.6* | *15.6* | *16.0* | *17.8* | *17.4* | *18.5* | *19.1* |
| *EBITA margin (%)* | *12.2* | *11.9* | *12.5* | *13.6* | *12.3* | *12.4* | *14.4* | *14.1* | *15.2* | *15.9* |
| *EBIT margin (%)* | *11.5* | *11.3* | *11.6* | *12.4* | *9.9* | *9.5* | *11.9* | *11.6* | *12.6* | *13.5* |
| *Pre-tax margin (%)* | *11.2* | *10.4* | *10.9* | *11.5* | *9.8* | *7.0* | *9.2* | *11.0* | *12.0* | *12.9* |
| *Net margin (%)* | *8.6* | *8.5* | *8.4* | *9.1* | *8.0* | *5.3* | *7.4* | *8.4* | *9.3* | *10.0* |
| **Growth Rates y-o-y** | - | - | - | - | - | - | - | - | - | - |
| *Sales growth (%)* | -- | *4.4* | *-4.1* | *13.5* | *11.3* | *2.8* | *5.0* | *-2.0* | *4.2* | *5.4* |
| *EBITDA growth (%)* | -- | *8.8* | *-1.2* | *15.7* | *4.8* | *5.5* | *16.5* | *-3.9* | *10.4* | *8.8* |
| *EBITA growth (%)* | -- | *2.2* | *0.4* | *23.8* | *0.5* | *4.0* | *21.8* | *-4.4* | *12.4* | *10.7* |
| *EBIT growth (%)* | -- | *1.9* | *-1.3* | *21.5* | *-11.3* | *-1.5* | *32.3* | *-4.6* | *13.7* | *12.8* |
| *Net profit growth (%)* | -- | *3.1* | *-4.9* | *23.5* | *-3.0* | *-31.5* | *46.1* | *11.7* | *14.6* | *13.5* |
| *EPS growth (%)* | -- | -- | -- | *37.3* | *-8.1* | *-31.5* | *46.1* | *11.7* | *14.6* | *13.5* |
| **Profitability** | - | - | - | - | - | - | - | - | - | - |
| *ROE (%)* | *22.9* | *15.9* | *18.7* | *23.4* | *16.6* | *9.7* | *12.0* | *12.1* | *13.6* | *14.3* |
| *ROE adj. (%)* | *28.0* | *19.4* | *25.9* | *31.2* | *25.7* | *15.8* | *16.1* | *15.7* | *17.3* | *17.8* |
| *ROCE (%)* | *25.8* | *14.4* | *17.8* | *19.4* | *17.6* | *11.5* | *13.7* | *13.9* | *15.2* | *16.1* |
| *ROCE adj. (%)* | *29.5* | *16.8* | *22.1* | *24.0* | *23.0* | *15.3* | *16.6* | *16.8* | *18.2* | *18.9* |
| *ROIC (%)* | *20.6* | *13.1* | *16.0* | *19.0* | *13.9* | *11.3* | *14.2* | *13.3* | *16.0* | *18.2* |
| *ROIC adj. (%)* | *22.4* | *14.5* | *18.6* | *21.6* | *16.2* | *11.7* | *14.2* | *13.3* | *16.0* | *18.2* |
| **Adj. earnings numbers** | - | - | - | - | - | - | - | - | - | - |
| EBITDA adj. | 92 | 101 | 104 | 119 | 127 | 122 | 138 | 133 | 147 | 160 |
| *EBITDA adj. margin (%)* | *16.2* | *17.0* | *18.3* | *18.4* | *17.6* | *16.5* | *17.8* | *17.4* | *18.5* | *19.1* |
| EBITDA lease adj. | 92 | 90 | 93 | 108 | 114 | 106 | 125 | 120 | 134 | 147 |
| *EBITDA lease adj. margin (%)* | *16.2* | *15.1* | *16.3* | *16.7* | *15.8* | *14.3* | *16.1* | *15.8* | *16.9* | *17.5* |
| EBITA adj. | 75 | 78 | 82 | 100 | 103 | 95 | 112 | 107 | 120 | 133 |
| *EBITA adj. margin (%)* | *13.3* | *13.2* | *14.5* | *15.4* | *14.3* | *12.9* | *14.4* | *14.1* | *15.2* | *15.9* |
| EBIT adj. | 72 | 74 | 77 | 92 | 85 | 73 | 93 | 88 | 100 | 113 |
| *EBIT adj. margin (%)* | *12.6* | *12.5* | *13.6* | *14.2* | *11.8* | *9.9* | *11.9* | *11.6* | *12.6* | *13.5* |
| Pretax profit Adj. | 74 | 73 | 79 | 94 | 102 | 77 | 91 | 103 | 115 | 128 |
| Net profit Adj. | 59 | 62 | 64 | 79 | 89 | 65 | 77 | 83 | 93 | 103 |
| Net profit to shareholders adj. | 54 | 62 | 60 | 79 | 89 | 65 | 77 | 83 | 93 | 103 |
| *Net adj. margin (%)* | *10.3* | *10.4* | *11.3* | *12.2* | *12.4* | *8.7* | *9.9* | *10.9* | *11.8* | *12.3* |

*Source: ABG Sundal Collier, Company Data*

| Cash Flow (SEKm) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|---|---|---|---|---|---|---|---|---|---|
| EBITDA | 86 | 94 | 93 | 107 | 112 | 119 | 138 | 133 | 147 | 160 |
| Net financial items | -2 | -5 | -4 | -6 | -1 | -18 | -21 | -4 | -5 | -5 |
| Paid tax | -15 | -11 | -14 | -15 | -13 | -13 | -14 | -20 | -22 | -25 |
| Non-cash items | -24 | -186 | -67 | 12 | 47 | -8 | 14 | -22 | 0 | 0 |
| Cash flow before change in WC | 45 | -109 | 7 | 99 | 146 | 80 | 117 | 87 | 120 | 130 |
| Change in working capital | 0 | 160 | 60 | -36 | -38 | -19 | -5 | 3 | 2 | 0 |

| Cash Flow (SEKm) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|---|---|---|---|---|---|---|---|---|---|
| **Operating cash flow** | **45** | **51** | **68** | **62** | **108** | **61** | **112** | **90** | **121** | **130** |
| Capex tangible fixed assets | -10 | -8 | -9 | -19 | -16 | -13 | -14 | -18 | -14 | -15 |
| Capex intangible fixed assets | -4 | -5 | -8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisitions and Disposals | -34 | -1 | -0 | -34 | -140 | 0 | 0 | 0 | 0 | 0 |
| **Free cash flow** | **-3** | **38** | **50** | **9** | **-49** | **49** | **99** | **73** | **107** | **115** |
| Dividend paid | 0 | 0 | 0 | 0 | -18 | -18 | 0 | -29 | -34 | -40 |
| Share issues and buybacks | 0 | 0 | 0 | 0 | 0 | -0 | 0 | 0 | 0 | 0 |
| Leasing liability amortisation | 0 | -13 | -11 | -10 | -13 | -18 | -15 | -16 | -16 | -16 |
| Other non-cash items | -139 | -10 | -25 | -29 | -30 | 16 | 22 | 6 | 0 | -0 |

| Balance Sheet (SEKm) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|---|---|---|---|---|---|---|---|---|---|
| Goodwill | 137 | 144 | 137 | 160 | 240 | 240 | 240 | 240 | 240 | 240 |
| Other intangible assets | 31 | 31 | 36 | 49 | 144 | 124 | 127 | 82 | 62 | 42 |
| Tangible fixed assets | 86 | 67 | 65 | 70 | 73 | 75 | 80 | 84 | 85 | 86 |
| Right-of-use asset | 0 | 21 | 33 | 67 | 68 | 55 | 59 | 52 | 55 | 58 |
| Total other fixed assets | 0 | 0 | 0 | 1 | 3 | 3 | 3 | 3 | 3 | 3 |
| Fixed assets | 254 | 262 | 272 | 348 | 527 | 496 | 509 | 461 | 445 | 429 |
| Inventories | 99 | 107 | 85 | 87 | 130 | 136 | 147 | 144 | 150 | 158 |
| Receivables | 272 | 88 | 93 | 116 | 113 | 110 | 109 | 103 | 99 | 96 |
| Other current assets | 16 | 41 | 15 | 15 | 18 | 22 | 24 | 23 | 24 | 25 |
| Cash and liquid assets | 20 | 34 | 49 | 58 | 66 | 38 | 41 | 50 | 107 | 167 |
| **Total assets** | **661** | **532** | **513** | **624** | **853** | **802** | **830** | **780** | **825** | **876** |
| Shareholders equity | 386 | 249 | 212 | 293 | 399 | 415 | 538 | 521 | 560 | 604 |
| Minority | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total equity** | **386** | **249** | **212** | **293** | **399** | **415** | **538** | **521** | **560** | **604** |
| Long-term debt | 9 | 0 | 0 | 0 | 75 | 57 | 27 | 42 | 42 | 42 |
| Pension debt | 2 | 2 | 4 | 5 | 6 | 7 | 7 | 6 | 6 | 6 |
| Convertible debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Leasing liability | 0 | 20 | 33 | 67 | 70 | 58 | 63 | 57 | 57 | 57 |
| Total other long-term liabilities | 11 | 9 | 8 | 14 | 38 | 17 | 17 | 16 | 16 | 16 |
| Short-term debt | 140 | 130 | 117 | 116 | 133 | 127 | 49 | 17 | 17 | 17 |
| Accounts payable | 58 | 51 | 52 | 48 | 49 | 53 | 59 | 53 | 56 | 59 |
| Other current liabilities | 55 | 71 | 87 | 80 | 84 | 68 | 70 | 69 | 72 | 75 |
| **Total liabilities and equity** | **661** | **532** | **513** | **624** | **853** | **802** | **830** | **780** | **825** | **876** |
| Net IB debt | 131 | 118 | 104 | 129 | 215 | 208 | 102 | 69 | 12 | -48 |
| Net IB debt excl. pension debt | 128 | 116 | 101 | 124 | 209 | 201 | 95 | 63 | 6 | -54 |
| Net IB debt excl. leasing | 131 | 98 | 71 | 62 | 145 | 150 | 39 | 12 | -45 | -105 |
| Capital employed | 537 | 402 | 366 | 481 | 683 | 664 | 684 | 643 | 682 | 726 |
| Capital invested | 517 | 367 | 316 | 422 | 614 | 623 | 640 | 590 | 572 | 556 |
| Working capital | 274 | 114 | 53 | 90 | 128 | 147 | 151 | 148 | 146 | 146 |
| **EV breakdown** | - | - | - | - | - | - | - | - | - | - |
| Market cap. diluted (m) | 0 | 0 | 826 | 826 | 872 | 872 | 872 | 872 | 872 | 872 |
| Net IB debt adj. | 131 | 118 | 105 | 130 | 217 | 211 | 105 | 72 | 15 | -45 |
| 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 | - | - | - | - | - | - | - | - | - | - |
| **EV** | **131** | **118** | **931** | **956** | **1,089** | **1,083** | **977** | **944** | **887** | **827** |
| Total assets turnover (%) | 172.3 | 99.6 | 109.0 | 113.9 | 97.5 | 89.5 | 95.3 | 94.6 | 98.9 | 98.4 |
| Working capital/sales (%) | 24.0 | 32.6 | 14.7 | 11.1 | 15.1 | 18.5 | 19.1 | 19.6 | 18.5 | 17.4 |
| **Financial risk and debt service** | - | - | - | - | - | - | - | - | - | - |
| Net debt/equity (%) | 33.9 | 47.5 | 49.2 | 43.8 | 53.8 | 50.1 | 19.0 | 13.3 | 2.1 | -8.0 |
| Net debt / market cap (%) | -- | -- | 12.6 | 15.6 | 24.6 | 23.8 | 11.7 | 8.0 | 1.4 | -5.5 |
| Equity ratio (%) | 58.4 | 46.8 | 41.3 | 47.1 | 46.8 | 51.7 | 64.8 | 66.7 | 67.9 | 68.9 |
| Net IB debt adj. / equity (%) | 33.9 | 47.5 | 49.5 | 44.2 | 54.5 | 50.9 | 19.5 | 13.9 | 2.7 | -7.5 |
| Current ratio | 1.61 | 1.07 | 0.94 | 1.13 | 1.23 | 1.23 | 1.80 | 2.30 | 2.64 | 2.96 |
| EBITDA/net interest | 48.8 | 18.0 | 25.4 | 17.9 | 160.6 | 6.5 | 6.6 | 29.9 | 29.6 | 32.2 |
| Net IB debt/EBITDA (x) | 1.5 | 1.3 | 1.1 | 1.2 | 1.9 | 1.8 | 0.7 | 0.5 | 0.1 | -0.3 |
| Net IB debt/EBITDA lease adj. (x) | 1.4 | 1.1 | 0.8 | 0.6 | 1.5 | 1.4 | 0.3 | 0.1 | -0.3 | -0.7 |
| Interest coverage | 13.4 | 12.1 | 12.1 | 11.3 | 3.7 | 3.8 | 5.4 | 13.2 | 24.3 | 26.9 |

*Source: ABG Sundal Collier, Company Data*

| Share Data (SEKm) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|---|---|---|---|---|---|---|---|---|---|
| Actual shares outstanding | 0 | 0 | 21 | 21 | 23 | 23 | 23 | 23 | 23 | 23 |
| Actual shares outstanding (avg) | 0 | 0 | 21 | 21 | 23 | 23 | 23 | 23 | 23 | 23 |

| Share Data (SEKm) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|---|---|---|---|---|---|---|---|---|---|
| All additional shares | 0 | 0 | 21 | 0 | 1 | 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 |
| Reported earnings per share | - | - | - | - | - | - | - | - | - | - |

*Source: ABG Sundal Collier, Company Data*

| Valuation and Ratios (SEKm) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|---|---|---|---|---|---|---|---|---|---|
| Shares outstanding adj. | 0 | 0 | 21 | 21 | 23 | 23 | 23 | 23 | 23 | 23 |
| Diluted shares adj. | 0 | 0 | 21 | 21 | 23 | 23 | 23 | 23 | 23 | 23 |
| EPS | - | - | 2.02 | 2.77 | 2.54 | 1.74 | 2.54 | 2.84 | 3.25 | 3.69 |
| Dividend per share | - | - | 0.00 | 0.80 | 0.80 | 0.00 | 1.25 | 1.50 | 1.75 | 2.00 |
| EPS adj. | - | - | 2.54 | 3.31 | 3.17 | 1.88 | 2.54 | 2.84 | 3.25 | 3.69 |
| BVPS | - | - | 9.90 | 13.71 | 17.67 | 18.37 | 23.82 | 23.05 | 24.80 | 26.75 |
| BVPS adj. | - | - | 1.83 | 3.93 | 0.68 | 2.28 | 7.57 | 8.79 | 11.43 | 14.26 |
| Net IB debt/share | - | - | 4.90 | 6.06 | 9.63 | 9.34 | 4.65 | 3.21 | 0.66 | -2.00 |
| Share price | 38.60 | 38.60 | 38.60 | 38.60 | 38.60 | 38.60 | 38.60 | 38.60 | 38.60 | 38.60 |
| Market cap. (m) | 0 | 0 | 826 | 826 | 872 | 872 | 872 | 872 | 872 | 872 |
| **Valuation** | - | - | - | - | - | - | - | - | - | - |
| P/E (x) | -- | -- | 19.2 | 14.0 | 15.2 | 22.2 | 15.2 | 13.6 | 11.9 | 10.5 |
| EV/sales (x) | 0.2 | 0.2 | 1.6 | 1.5 | 1.5 | 1.5 | 1.3 | 1.2 | 1.1 | 1.0 |
| EV/EBITDA (x) | 1.5 | 1.3 | 10.0 | 8.9 | 9.7 | 9.1 | 7.1 | 7.1 | 6.0 | 5.2 |
| EV/EBITA (x) | 1.9 | 1.7 | 13.1 | 10.8 | 12.3 | 11.8 | 8.7 | 8.8 | 7.4 | 6.2 |
| EV/EBIT (x) | 2.0 | 1.8 | 14.1 | 11.9 | 15.3 | 15.5 | 10.5 | 10.7 | 8.8 | 7.3 |
| Dividend yield (%) | 0.0 | 0.0 | 0.0 | 2.2 | 2.1 | 0.0 | 3.2 | 3.9 | 4.5 | 5.2 |
| FCF yield (%) | 0.0 | 0.0 | 6.1 | 1.1 | -5.6 | 5.6 | 11.3 | 8.3 | 12.3 | 13.2 |
| Le. adj. FCF yld. (%) | 0.0 | 0.0 | 4.8 | -0.2 | -7.0 | 3.5 | 9.6 | 6.5 | 10.5 | 11.4 |
| P/BVPS (x) | -- | -- | 3.90 | 2.82 | 2.18 | 2.10 | 1.62 | 1.67 | 1.56 | 1.44 |
| P/BVPS adj. (x) | 38.60 | 38.60 | 18.84 | 9.76 | 50.39 | 15.46 | 4.95 | 4.24 | 3.29 | 2.65 |
| P/E adj. (x) | -- | -- | 15.2 | 11.7 | 12.2 | 20.5 | 15.2 | 13.6 | 11.9 | 10.5 |
| EV/EBITDA adj. (x) | 1.4 | 1.2 | 8.9 | 8.0 | 8.6 | 8.9 | 7.1 | 7.1 | 6.0 | 5.2 |
| EV/EBITA adj. (x) | 1.7 | 1.5 | 11.3 | 9.6 | 10.6 | 11.4 | 8.7 | 8.8 | 7.4 | 6.2 |
| EV/EBIT adj. (x) | 1.8 | 1.6 | 12.0 | 10.4 | 12.8 | 14.8 | 10.5 | 10.7 | 8.8 | 7.3 |
| EV/CE (x) | 0.2 | 0.3 | 2.5 | 2.0 | 1.6 | 1.6 | 1.4 | 1.5 | 1.3 | 1.1 |
| **Investment ratios** | - | - | - | - | - | - | - | - | - | - |
| Capex/sales (%) | 2.5 | 2.1 | 3.0 | 2.9 | 2.3 | 1.7 | 1.8 | 2.3 | 1.8 | 1.8 |
| Capex/depreciation | 0.8 | 1.1 | 1.7 | 2.2 | 1.4 | 1.2 | 1.0 | 1.4 | 1.0 | 1.1 |
| Capex tangibles / tangible fixed assets | 12.1 | 11.4 | 14.5 | 26.9 | 22.5 | 17.0 | 17.1 | 20.9 | 16.6 | 17.2 |
| Capex intangibles / definite intangibles | 13.4 | 16.1 | 24.2 | 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 | 19.7 | 17.5 | 15.6 | 12.3 | 15.6 | 14.2 | 16.6 | 15.3 | 15.9 | 15.9 |

*Source: ABG Sundal Collier, Company Data*

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