ABG SUNDAL COLLIER

Inission

Fast comment

Enedo the culprit of weaker Q2 EBITA

Commissioned research

Not rated

Capital Goods

- Orders -10%, sales +3%, adj. EBITA -6% vs. ABGSCe
- Enedo drove EBITA miss, Inission beat; Enedo b-t-b reassuring 1.3x
- Reiterate FY-margin target, Inission stabilised, Enedo growth in H1'26

Q2 results

Orders were up 22% y-o-y but 10% below our estimate, however note that we did not have the y-o-y comp until it was reported this quarter. Sales fell 6% y-o-y and were 3% above our estimate. With a margin of 4.8%, 0.4pp below our estimate, EBITA adj. was 6% below our estimate. EBITA included non-recurring items with a negative margin impact of 0.3pp (main market listing process). The miss on EBITA was entirely driven by weaker performance in Enedo, while Inission beat our expectations. Enedo's book-to-bill at 1.3x was however reassuring. Lease adj. FCF was 24m, bringing the R12m figure to 28m, i.e. 76% of net income, which was stronger than we had estimated. There is a conference call at 09:00 CET: webcast

Estimate changes

The Q2 numbers in isolation imply EBITA adj. comes down 1%. Management views the organic growth outlook for H2 as uncertain, but expects that Enedo will keep shrinking while Inission has troughed already. Both segments are expected to be back to growth in H1'26 however, a view supported by Enedo's book-to-bill of 1.4x in H1. Management believes that the planned cost reductions should ensure the 6% FY-margin target is reached even if volumes remain at current levels.

Company valuation

Over the past three months, the share has returned +11%, compared to the Nordic EMS peer median of +23% and the +6% of the OMX Stockholm Allshare. The share is currently trading at 12x-7.4x '25e-'27e P/E, compared to its 10-year historical median of 13x-8.9x and peers at 19x-13x.

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Share price (SEK)	26/8/2025	36.80
MCap (SEKm)		839
MCap (EURm)		67
Net debt (SEKm)		475.20
No. of shares (m)		20.4
Free float (%)		36.3
Av. daily volume (k)		12

Next event Q3 Report 7 November 2025

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Outcome vs. estimates Q2'25

Outcome vs. estimates Q2'25	Prior year	Actual	Growth	ABGSCe	
Group (SEKm)	**Q2'24**	**Q2'25**	**y-o-y**	**Q2'25e**	**Deviation**
Order intake	422	517	22%	572	-10%
Sales	**570**	**535**	**-6%**	**520**	**3%**
of which M&A	8.2%	0%		0%	
Gross profit	240	233	-3%	229	2%
margin	42%	44%	+1.6pp	44%	-0.3pp
EBITA	**29**	**24**	**-16%**	**27**	**-9%**
margin	5.0%	4.5%	-0.5pp	5.1%	-0.6pp
EBITA adj.	**29**	**26**	**-9%**	**28**	**-6%**
margin	5.0%	4.8%	-0.2pp	5.3%	-0.4pp
EBT	17	19	8%	19	0%
margin	3.1%	3.5%	+0.5pp	3.6%	-0.1pp
Net income	14	13	-11%	15	-14%
margin	2.5%	2.4%	-0.1pp	2.9%	-0.5pp
Net income adj.	15	15	-1%	17	-11%
margin	2.7%	2.8%	+0.1pp	3.2%	-0.4pp
Minority interest	0.10	0.10		-	
Net income to common	14	13	-11%	15	-14%
Average shares outstanding	22	22	0%	22	0%
EPS	**0.65**	**0.60**	**-8%**	**0.67**	**-11%**
EPS adj.	**0.68**	**0.67**	**-1%**	**0.76**	**-12%**
FCF lease adj.	(29)	24		18	
FCF lease adj. R12m	55	28		22	
cash conversion (% net income)	59%	76%		58%	
Extraordinary items (SEKm)	**Q2'24**	**Q2'25**	**y-o-y**	**Q2'25e**	**Deviation**
Extraordinary operating items	-	(1.8)		(1.0)	
Impairment part of depreciation	-	-		-	
Amortisation	(0.87)	(0.80)		(0.90)	
Impairment part of amortisation	-	-		-	
Extraordinary financial items	-	-		-	
Extraordinary tax items	0.18	0.54		-	
Extraordinary minority interest items	-	-		-	
Net income from discontinued operations	-	-		-	
Segments (SEKm)	**Q2'24**	**Q2'25**	**y-o-y**	**Q2'25e**	**Deviation**
Inission					
Sales	459	463	1%	440	5%
EBITA	25	29	14%	28	4%
margin	5.5%	6.2%	+0.7pp	6.3%	-0.1pp
Enedo					
Sales	114	75	-34%	83	-9%
EBITA	3.3	(4.7)	-242%	(1.2)	278%
margin	2.9%	-6.2%	-9.1pp	-1.5%	-4.7pp
Central items					
Sales	(3.8)	(4.1)	8%	(3.6)	13%
EBITA	-	-		-	

Source: ABG Sundal Collier Estimates, Company Data

SEKm	2023	2024	2025e	2026e	2027e
Sales	2,195	2,150	2,142	2,424	2,545
Sales growth (%)	*14.3*	*-2.1*	*-0.4*	*13.2*	*5.0*
EBITDA	244	212	213	246	262
EBITDA margin (%)	*11.1*	*9.8*	*9.9*	*10.2*	*10.3*
EBIT adj.	163	131	125	157	170
EBIT adj. margin (%)	*7.4*	*6.1*	*5.9*	*6.5*	*6.7*
Pretax profit	116	92	84	129	142
EPS	4.47	3.27	2.93	4.46	4.91
EPS growth (%)	*53.7*	*-26.8*	*-10.4*	*52.2*	*10.1*
EPS adj.	4.76	3.57	3.24	4.62	5.07
DPS	0.70	1.00	0.87	1.34	1.47
EV/EBITDA (x)	5.3	6.3	6.2	5.2	4.7
EV/EBIT adj. (x)	7.9	10.1	10.6	8.2	7.3
P/E (x)	8.2	11.3	12.6	8.3	7.5
P/E adj. (x)	7.7	10.3	11.4	8.0	7.3
EV/sales (x)	0.59	0.62	0.62	0.53	0.49
FCF yield (%)	11.9	-5.2	5.6	13.2	14.6
Le. adj. FCF yld. (%)	7.3	-9.9	2.1	9.3	10.4
Dividend yield (%)	1.9	2.7	2.4	3.6	4.0
Net IB debt/EBITDA (x)	2.0	2.4	2.3	1.8	1.5
Le. adj. ND/EBITDA (x)	1.2	1.6	1.5	1.0	0.7

Source: ABG Sundal Collier, Company Data

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