Embellence Group

Reason: Post-results comment

Broad progress in the DTC strategy

- Net sales -6% y-o-y, EBITA -13% y-o-y
- Strategic staffing-up now in comps, DTC progressing well
- We trim our fair value range to SEK 35-42 (36-43)

A perfect storm hit in Q2, but subsiding in H2

Embellence's Q2 contained several, but separate, issues operationally. Cole & Son was still weighed down by the same changes to its sales operations as were discussed in Q1, for net sales growth of -12% in this segment. The group CEO said he expected the previous changes to Cole & Son's setup to have a positive impact in H2. Wall & Decò underperformed through net sales growth of -14%, as far as we understand it due to issues with the sales operations. The group is now reallocating sales and marketing efforts to turn this trend. Lastly, Artscaped faced a very tough comparable quarter, and grew -20%. Driven by these factors, group net sales declined 6% y-o-y despite strong performances by Pappelina and Borås Tapetfabrik. Gross margins improved 80bp y-o-y driven by DTC making up a larger share of the mix, which partly offset the negative scale on opex for a Q2 EBITA margin of 12.6%, -1pp y-o-y. The EBITA comps become easier from Q3'26, as recruiting to drive DTC will mostly be in the comps.

All brands grew DTC sales by double-digits

During the report presentation, the group CEO said all group brands grew their DTC sales by (at least) "double-digits". Pappelina, which we argue has the best product-channel fit, grew DTC sales by 130% y-o-y. Boråstapeter, the largest brand, updated its website in April, and in the next few quarters this is a key area to focus on for us.

We trim our fair value range to SEK 35-42

As we cut '26e/'27e EBITA by 2%/2%, we trim our fair value range to SEK 35-42 (36-43). The share is currently trading at 7x/6x/5x EV/EBITA '26e/'27e/'28e, compared to a historical trading range of 7x-8x NTM and a Swedish peer group of home improvement companies at a median 12x/10x on '26e/'27e. We estimate an 11-13% FCF yield for '26e/'27e, and a dividend yield of 6%.

Analyst(s): benjamin.wahlstedt@abgsc.se, +46 8 566 286 73
fredrik.ivarsson@abgsc.se, +46 8 566 286 95

SEKm	2024	2025	2026e	2027e	2028e
Sales	777	764	773	827	868
EBITA adj.	112	108	107	120	133
EBITA adj. marg. (%)	14.4	14.1	13.8	14.6	15.3
EBIT adj.	93	89	91	102	115
EBIT adj. marg. (%)	11.9	11.6	11.7	12.4	13.2
Pretax profit	72	85	85	98	111
EPS	2.54	2.83	2.86	3.25	3.67
EPS adj.	2.54	2.83	2.86	3.25	3.67
Sales growth (%)	5.0	-1.7	1.1	7.0	5.0
EPS adj. growth (%)	35.1	11.3	1.1	13.8	12.8
DPS	1.25	1.50	1.75	2.00	2.25

Source: ABG Sundal Collier, Company Data

Commissioned research

Not rated

Retail

Estimate changes (%)

	2026e	2027e	2028e
Sales	-1.4	-0.3	-0.3
EBIT	-0.0	-2.4	-1.5
EPS	-0.5	-2.6	-1.6

Source: ABG Sundal Collier

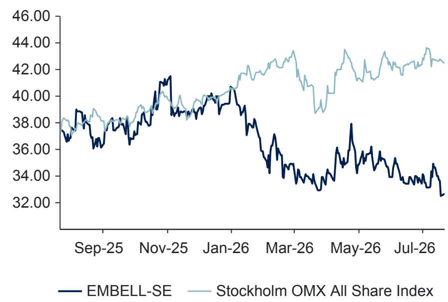
EMBELL-SE/EMBELL SS

Share price (SEK)	20/7/2026	31.70
Fair value range		35.0-42.0

MCap (SEKm)	770
MCap (EURm)	70
No. of shares (m)	23.5
Free float (%)	46.4
Av. daily volume (k)	25

Next event Q3 report 3 November 2026

Performance



	2026e	2027e	2028e
P/E (x)	11.1	9.7	8.6
P/E adj. (x)	11.1	9.7	8.6
EV/EBIT (x)	8.5	7.0	5.7
EV/EBIT adj. (x)	8.5	7.0	5.7
EV/EBITA adj. (x)	7.2	6.0	4.9
EV/sales (x)	1.00	0.87	0.76
Le. adj. FCF yld. (%)	10.9	12.7	14.4
Dividend yield (%)	5.5	6.3	7.1
ROCE adj. (%)	16.7	17.5	18.4
ROE adj. (%)	15.5	16.3	16.9
Net IB debt/EBITDA (x)	0.2	-0.2	-0.6
Le. adj. ND/EBITDA (x)	-0.2	-0.6	-0.9

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.

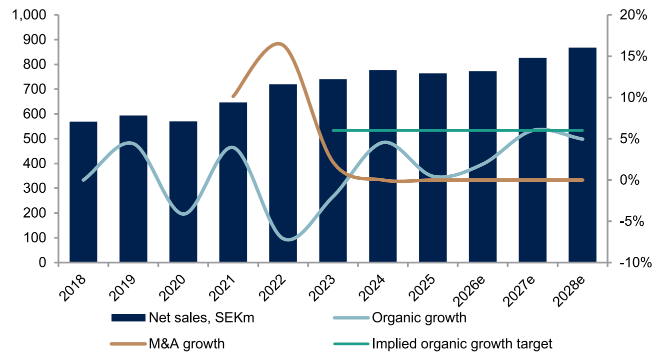
Sustainability information

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.

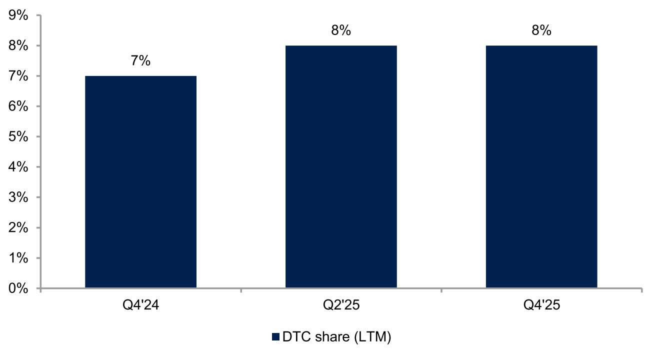
Embellence Group in six charts

Sales stem from acquired and organic growth



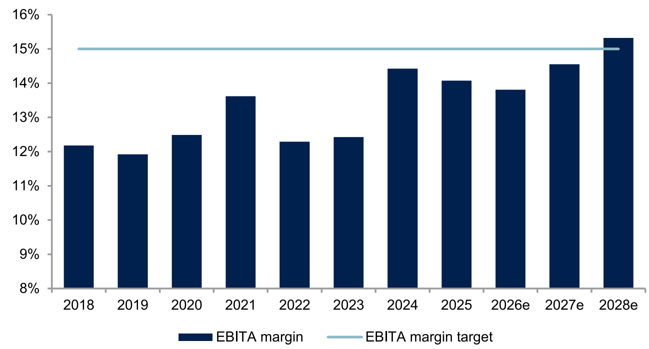
Source: ABG Sundal Collier, company data

The DTC share is a key metric



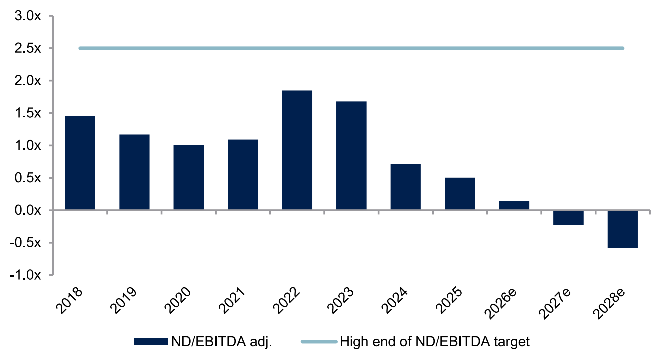
Source: ABG Sundal Collier, company data

A higher share of premium brands and DTC to drive margins



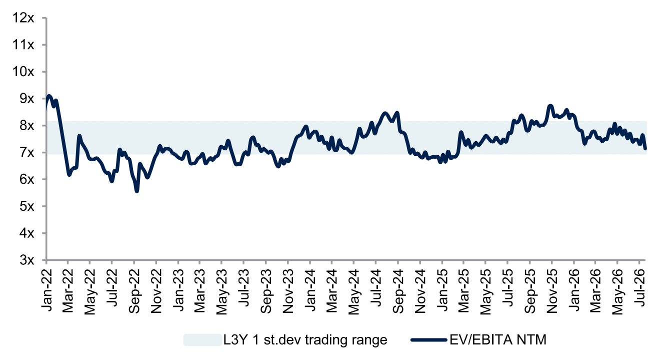
Source: ABG Sundal Collier, company data

Room for continued acquired expansion



Source: ABG Sundal Collier, company data

NTM EV/EBITA, Factset consensus



Source: ABG Sundal Collier, Factset

Estimate changes

	Old estimates			New estimates			Percentage change		
SEKm	**2026e**	**2027e**	**2027e**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**
Net sales	**784**	**829**	**871**	**773**	**827**	**868**	-1%	0%	0%
Gross profit	490	521	549	482	519	546	-2%	-1%	-1%
Opex	-354	-370	-386	-349	-370	-384	-1%	0%	0%
Adj. EBITDA	136	151	163	134	149	162	-2%	-1%	-1%
Adj. EBITA	**108**	**123**	**135**	**107**	**120**	**133**	**-2%**	**-2%**	**-1%**
EBIT	91	105	117	91	102	115	0%	-2%	-2%
PTP	86	101	113	85	98	111	0%	-3%	-2%
Net profit	68	79	88	67	77	86	0%	-3%	-2%
EPS	2.9	3.3	3.7	2.9	3.3	3.7	0%	-3%	-2%
Growth and margins									
Sales growth	2.6%	5.8%	5.0%	1.1%	7.0%	5.0%	-150 bp	120 bp	0 bp
Organic growth	4.0%	5.4%	5.0%	1.9%	6.0%	5.0%	-210 bp	60 bp	0 bp
Gross margin	62.6%	62.9%	63.1%	62.5%	62.8%	63.0%	-10 bp	-10 bp	-10 bp
Opex-to-sales	45.2%	44.6%	44.3%	45.1%	44.7%	44.3%	0 bp	10 bp	0 bp
Adj. EBITDA margin	17.4%	18.3%	18.8%	17.3%	18.1%	18.7%	-10 bp	-20 bp	-10 bp
Adj. EBITA margin	13.8%	14.8%	15.5%	13.8%	14.6%	15.3%	0 bp	-30 bp	-10 bp
EBIT margin	11.6%	12.6%	13.4%	11.7%	12.4%	13.2%	20 bp	-30 bp	-20 bp

Source: ABG Sundal Collier, company data

Peer overview

Financials

	MCAP	Sales (SEKm)			Gross margin			EBITDA margin (%)			EBITA margin (%)			CAGR '25-'28e (%)		
Company	**EURm**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**	**Sales**	**EBIT**	**EPS**
Nobia AB	213	5,652	5,904	6,180	35.9	37.2	37.7	14.3	16.2	17.0	6.6	9.1	10.1	-11.4	38.7	-146.9
Byggmax Group AB	275	6,272	6,534	6,755	36.6	36.5	36.5	15.9	15.9	15.9	6.4	6.7	7.0	3.3	14.3	18.4
BHG Group AB	317	11,306	12,093	12,794	25.6	25.7	25.9	7.3	7.9	8.2	4.3	5.1	5.6	6.5	19.5	35.4
Svedbergs Group AB Class B	282	2,452	2,721	2,826	47.2	46.8	47.0	17.9	18.6	19.0	14.6	15.5	15.9	7.9	9.9	10.6
RugVista Group AB	125	871	950	1,025	64.9	64.9	64.9	16.1	17.3	18.0	13.0	14.1	14.9	9.3	21.8	23.0
Peer average					**36.3**	**36.6**	**36.8**	**13.9**	**14.6**	**15.0**	**8.0**	**9.1**	**9.6**	**1.6**	**20.6**	**-20.7**
Peer median					**36.2**	**36.9**	**37.1**	**15.1**	**16.0**	**16.5**	**6.5**	**7.9**	**8.5**	**4.9**	**16.9**	**14.5**
Embellence Group (ABGSCe)	**70**	**773**	**827**	**868**	**62.5**	**62.8**	**63.0**	**17.3**	**18.1**	**18.7**	**13.8**	**14.6**	**15.3**	**4.3**	**7.3**	**9.1**

Valuation

	MCAP	EV/Sales (x)			EV/EBITDA (x)			EV/EBITA (x)			P/E (x)			FCF Yield (%)		
Company	**EURm**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**
Nobia AB	213	1.0	0.9	0.8	7.0	5.7	4.9	15.2	10.1	8.3	n.m.	8.2	6.4	-3.1	15.1	20.4
Byggmax Group AB	275	0.8	0.7	0.6	4.7	4.4	4.0	11.8	10.3	9.2	11.2	10.2	9.3	16.4	15.8	17.3
BHG Group AB	317	0.4	0.4	0.3	6.1	4.9	4.1	10.3	7.5	6.1	15.6	10.8	8.7	12.4	14.0	14.8
Svedbergs Group AB Class B	282	1.7	1.4	1.3	9.3	7.8	7.0	11.5	9.3	8.3	14.2	11.5	10.5	4.4	9.1	10.4
RugVista Group AB	125	1.5	1.3	1.1	9.2	7.5	6.3	11.4	9.2	7.6	16.1	13.6	11.8	6.4	8.2	9.8
Peer average		**1.1**	**0.9**	**0.9**	**7.2**	**6.0**	**5.2**	**12.3**	**9.5**	**8.0**	**18.3**	**10.4**	**8.8**	**5.5**	**12.9**	**15.5**
Peer median		**1.0**	**0.9**	**0.8**	**7.0**	**5.7**	**4.9**	**11.6**	**9.7**	**8.3**	**15.6**	**10.5**	**9.0**	**5.4**	**14.6**	**16.1**
Embellence Group (ABGSCe)	**70**	**1.0**	**0.9**	**0.7**	**5.7**	**4.7**	**4.0**	**7.1**	**5.9**	**4.9**	**11.0**	**9.7**	**8.6**	**12.6**	**14.4**	**16.1**
% vs peer average		-7%	-9%	-12%	-21%	-21%	-23%	-42%	-38%	-39%	-40%	-7%	-3%	128%	12%	4%
% vs peer median		-1%	-7%	-11%	-19%	-17%	-18%	-39%	-39%	-41%	-30%	-8%	-5%	136%	-1%	0%

Source: ABG Sundal Collier, Factset

ABGSC P&L estimates by quarter

SEKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26e	Q4'26e
Net sales	**214**	**191**	**170**	**202**	**202**	**193**	**174**	**195**	**201**	**181**	**179**	**212**
COGS	-89	-76	-67	-79	-77	-74	-69	-74	-74	-68	-69	-79
Gross profit	125	115	103	123	125	119	105	121	127	113	110	132
Total opex	-85	-84	-72	-88	-87	-86	-75	-89	-92	-84	-78	-94
EBITDA	40	31	32	35	38	33	30	32	35	29	32	38
Adj. EBITDA	**40**	**31**	**32**	**35**	**38**	**33**	**30**	**32**	**35**	**29**	**32**	**38**
Depreciation	-7	-6	-6	-7	-6	-7	-7	-6	-7	-6	-7	-7
EBITA	34	25	26	28	32	26	24	26	28	23	25	31
Adj. EBITA	**34**	**25**	**26**	**28**	**32**	**26**	**24**	**26**	**28**	**23**	**25**	**31**
Amortisation	-5	-5	-5	-5	-5	-4	-4	-5	-4	-4	-4	-4
EBIT	29	20	21	23	27	22	19	21	24	19	21	27
Adj. EBIT	29	20	21	23	27	22	19	21	24	19	21	27
NRI	0	0	0	0	0	0	0	0	0	0	0	0
Net financial items	-8	-4	-3	-6	1	-1	-3	-1	-2	-1	-1	-1
PTP	22	16	18	16	28	21	16	20	22	18	19	26
Taxes	-5	-3	-2	-4	-6	-6	-4	-3	-4	-4	-4	-6
Net profit	**16**	**13**	**16**	**12**	**22**	**15**	**12**	**17**	**18**	**14**	**15**	**20**
EPS, SEK	0.7	0.6	0.7	0.5	1.0	0.7	0.6	0.7	0.8	0.6	0.6	0.9
Growth and margins												
Sales growth, y-o-y (%)	8.5	12.4	-7.2	6.4	-5.7	1.0	2.4	-3.5	-0.5	-6.2	2.9	8.5
of which organic (%)	7.8	11.4	-6.2	5.4	-6.7	4.0	5.4	0.5	3.5	-5.2	2.3	7.1
Gross margin (%)	58.3	60.2	60.8	60.9	61.9	61.7	60.6	62.1	63.2	62.4	61.6	62.5
Opex-to-sales (%)	39.5	44.0	42.2	43.5	43.1	44.7	43.2	45.6	45.8	46.4	43.8	44.5
Adj. EBITDA margin (%)	18.8	16.2	18.6	17.4	18.8	16.9	17.4	16.4	17.4	16.0	17.8	18.0
EBITA margin (%)	15.7	13.1	15.1	13.8	15.8	13.5	13.6	13.2	13.9	12.7	13.8	14.6
Adj. EBITA margin (%)	15.7	13.1	15.1	13.8	15.8	13.5	13.6	13.2	13.9	12.7	13.8	14.6
Adj. EBIT margin (%)	13.6	10.5	12.2	11.3	13.4	11.2	11.1	10.8	11.9	10.5	11.6	12.7
Pretax margin (%)	10.1	8.4	10.4	8.1	13.9	10.7	9.4	10.3	10.9	9.9	10.8	12.2
Net margin (%)	7.6	6.8	9.2	6.1	11.1	7.7	7.1	8.7	9.0	7.7	8.5	9.5
Segment sales												
Boråstapeter	78	61	61	72	79	66	62	79	83	61	64	81
y-o-y growth (%)	-5	6	-7	-7	1	8	2	10	5	-8	3	3
Cole & Son	36	36	33	36	39	34	30	30	31	30	31	33
y-o-y growth (%)	-7	-3	-18	-2	7	-6	-9	-17	-21	-12	2	10
Wall & Decó	25	26	20	24	23	23	20	20	21	19	19	21
y-o-y growth (%)	9	2	-12	-11	-6	-12	0	-17	-9	-17	-5	6
Artscape	46	31	27	36	25	34	28	27	25	27	28	29
y-o-y growth (%)	57	20	-16	53	-46	10	4	-25	0	-21	2	9
Pappelina	12	13	11	10	11	11	11	10	13	14	13	14
y-o-y growth (%)	-2	4	-11	0	-8	-15	0	0	18	27	20	41
External manufacturing	17	24	19	24	24	26	22	29	29	30	24	32
y-o-y growth (%)	46	107	98	61	40	8	16	21	21	15	10	12

Source: ABG Sundal Collier, company data

ABGSC P&L estimates by year

SEKm	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Net sales	**594**	**570**	**647**	**720**	**740**	**777**	**764**	**773**	**827**	**868**
COGS	-272	-258	-288	-297	-308	-311	-294	-290	-308	-321
Gross profit	322	312	359	423	433	466	470	482	519	546
Total opex	*-228*	*-219*	*-252*	*-311*	*-314*	*-328*	*-337*	*-349*	*-370*	*-384*
EBITDA	94	93	107	112	119	138	133	134	149	162
Adj. EBITDA	**101**	**104**	**119**	**127**	**122**	**138**	**133**	**134**	**149**	**162**
Depreciation	-23	-22	-19	-24	-27	-26	-26	-27	-29	-29
EBITA	71	71	88	89	92	112	108	107	120	133
Adj. EBITA	**78**	**82**	**100**	**103**	**95**	**112**	**108**	**107**	**120**	**133**
Amortisation	-4	-5	-8	-17	-22	-20	-19	-16	-18	-18
EBIT	67	66	80	71	70	93	89	91	102	115
Adj. EBIT	74	77	92	85	73	93	89	91	102	115
NRI	-7	-11	-12	-14	-3	0	0	0	0	0
Net financial items	-5	-4	-6	-1	-18	-21	-4	-5	-4	-4
PTP	62	62	74	70	52	72	85	85	98	111
Taxes	-11	-14	-15	-13	-13	-14	-18	-18	-22	-24
Net profit	**50**	**48**	**59**	**57**	**39**	**57**	**67**	**67**	**77**	**86**
EPS, SEK	n.a.	2.0	2.8	2.5	1.7	2.5	2.8	2.9	3.3	3.7
Growth and margins										
Sales growth, y-o-y (%)	4.4	-4.1	13.5	11.3	2.8	5.0	-1.7	1.1	7.0	5.0
of which organic (%)	4.4	-4.1	3.9	-7.1	-2.0	4.5	0.5	1.9	6.0	5.0
Gross margin (%)	54.2	54.7	55.5	58.8	58.4	60.0	61.6	62.5	62.8	63.0
Opex-to-sales (%)	38.4	38.5	38.9	43.2	42.4	42.2	44.2	45.1	44.7	44.3
Adj. EBITDA margin (%)	17.0	18.3	18.4	17.6	16.5	17.8	17.4	17.3	18.1	18.7
EBITA margin (%)	11.9	12.5	13.6	12.3	12.4	14.4	14.1	13.8	14.6	15.3
Adj. EBITA margin (%)	13.2	14.5	15.4	14.3	12.9	14.4	14.1	13.8	14.6	15.3
Adj. EBIT margin (%)	12.5	13.6	14.2	11.8	9.9	11.9	11.6	11.7	12.4	13.2
Pretax margin (%)	10.4	10.9	11.5	9.8	7.0	9.2	11.1	11.0	11.9	12.8
Net margin (%)	8.5	7.6	9.1	8.0	5.3	7.4	8.7	8.7	9.3	10.0
Segment sales										
Boråstapeter					283	272	286	289	302	314
y-o-y growth (%)						-4	5	1	5	4
Cole & Son					154	141	133	125	136	143
y-o-y growth (%)						-8	-6	-6	9	5
Wall & Decó					98	95	86	80	88	95
y-o-y growth (%)						-4	-9	-7	9	8
Artscape					111	140	114	110	119	126
y-o-y growth (%)						26	-19	-4	8	6
Pappelina					47	46	43	54	59	60
y-o-y growth (%)						-2	-6	26	8	3
External manufacturing					48	84	101	116	124	130
y-o-y growth (%)						75	20	15	7	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	773	827	868
COGS	-272	-258	-288	-297	-308	-311	-294	-290	-308	-321
Gross profit	322	312	359	423	433	466	470	482	519	546
Other operating items	-228	-219	-252	-311	-314	-328	-337	-349	-370	-384
EBITDA	**94**	**93**	**107**	**112**	**119**	**138**	**133**	**134**	**149**	**162**
Depreciation and amortisation	-23	-22	-19	-24	-27	-26	-26	-27	-29	-29
of which leasing depreciation	-11	-11	-11	-13	-16	-16	-15	-14	-14	-14
EBITA	**71**	**71**	**88**	**89**	**92**	**112**	**108**	**107**	**120**	**133**
EO Items	-7	-11	-12	-14	-3	0	0	0	0	0
Impairment and PPA amortisation	-4	-5	-8	-17	-22	-20	-19	-16	-18	-18
EBIT	**67**	**66**	**80**	**71**	**70**	**93**	**89**	**91**	**102**	**115**
Net financial items	-5	-4	-6	-1	-18	-21	-4	-5	-4	-4
Pretax profit	**62**	**62**	**74**	**70**	**52**	**72**	**85**	**85**	**98**	**111**
Tax	-11	-14	-15	-13	-13	-14	-18	-18	-22	-24
Net profit	**50**	**48**	**59**	**57**	**39**	**57**	**67**	**67**	**77**	**86**
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
Net profit to shareholders	**50**	**43**	**59**	**57**	**39**	**57**	**67**	**67**	**77**	**86**
EPS	-	2.02	2.77	2.54	1.74	2.54	2.83	2.86	3.25	3.67
EPS adj.	-	2.54	3.31	3.17	1.88	2.54	2.83	2.86	3.25	3.67
Total extraordinary items after tax	-7	-11	-12	-14	-3	0	0	0	0	0
Leasing payments	-11	-11	-11	-13	-16	-16	-15	-14	-14	-14
Tax rate (%)	*18.3*	*23.1*	*20.2*	*18.5*	*24.1*	*19.9*	*21.6*	*21.1*	*22.0*	*22.0*
Gross margin (%)	*54.2*	*54.7*	*55.5*	*58.8*	*58.4*	*60.0*	*61.6*	*62.5*	*62.8*	*63.0*
EBITDA margin (%)	*15.8*	*16.3*	*16.6*	*15.6*	*16.0*	*17.8*	*17.4*	*17.3*	*18.1*	*18.7*
EBITA margin (%)	*11.9*	*12.5*	*13.6*	*12.3*	*12.4*	*14.4*	*14.1*	*13.8*	*14.6*	*15.3*
EBIT margin (%)	*11.3*	*11.6*	*12.4*	*9.9*	*9.5*	*11.9*	*11.6*	*11.7*	*12.4*	*13.2*
Pre-tax margin (%)	*10.4*	*10.9*	*11.5*	*9.8*	*7.0*	*9.2*	*11.1*	*11.0*	*11.9*	*12.8*
Net margin (%)	*8.5*	*8.4*	*9.1*	*8.0*	*5.3*	*7.4*	*8.7*	*8.7*	*9.3*	*10.0*
Growth Rates y-o-y	-	-	-	-	-	-	-	-	-	-
Sales growth (%)	*4.4*	*-4.1*	*13.5*	*11.3*	*2.8*	*5.0*	*-1.7*	*1.1*	*7.0*	*5.0*
EBITDA growth (%)	*8.8*	*-1.2*	*15.7*	*4.8*	*5.5*	*16.5*	*-3.8*	*0.7*	*11.4*	*8.4*
EBITA growth (%)	*2.2*	*0.4*	*23.8*	*0.5*	*4.0*	*21.8*	*-4.1*	*-0.8*	*12.8*	*10.5*
EBIT growth (%)	*1.9*	*-1.3*	*21.5*	*-11.3*	*-1.5*	*32.3*	*-3.9*	*1.9*	*12.9*	*12.3*
Net profit growth (%)	*3.1*	*-4.9*	*23.5*	*-3.0*	*-31.5*	*46.1*	*16.0*	*1.1*	*13.8*	*12.8*
EPS growth (%)	*--*	*--*	*37.3*	*-8.1*	*-31.5*	*46.1*	*11.3*	*1.1*	*13.8*	*12.8*
Profitability	-	-	-	-	-	-	-	-	-	-
ROE (%)	*15.9*	*18.7*	*23.4*	*16.6*	*9.7*	*12.0*	*12.7*	*12.5*	*13.2*	*14.0*
ROE adj. (%)	*19.4*	*25.9*	*31.2*	*25.7*	*15.8*	*16.1*	*16.2*	*15.5*	*16.3*	*16.9*
ROCE (%)	*14.4*	*17.8*	*19.4*	*17.6*	*11.5*	*13.7*	*14.2*	*14.2*	*14.9*	*15.9*
ROCE adj. (%)	*16.8*	*22.1*	*24.0*	*23.0*	*15.3*	*16.6*	*17.1*	*16.7*	*17.5*	*18.4*
ROIC (%)	*13.1*	*16.0*	*19.0*	*13.9*	*11.3*	*14.2*	*13.8*	*14.4*	*16.3*	*18.6*
ROIC adj. (%)	*14.5*	*18.6*	*21.6*	*16.2*	*11.7*	*14.2*	*13.8*	*14.4*	*16.3*	*18.6*
Adj. earnings numbers	-	-	-	-	-	-	-	-	-	-
EBITDA adj.	101	104	119	127	122	138	133	134	149	162
EBITDA adj. margin (%)	*17.0*	*18.3*	*18.4*	*17.6*	*16.5*	*17.8*	*17.4*	*17.3*	*18.1*	*18.7*
EBITDA lease adj.	90	93	108	114	106	122	118	120	135	148
EBITDA lease adj. margin (%)	*15.1*	*16.3*	*16.7*	*15.8*	*14.3*	*15.7*	*15.5*	*15.5*	*16.4*	*17.0*
EBITA adj.	78	82	100	103	95	112	108	107	120	133
EBITA adj. margin (%)	*13.2*	*14.5*	*15.4*	*14.3*	*12.9*	*14.4*	*14.1*	*13.8*	*14.6*	*15.3*
EBIT adj.	74	77	92	85	73	93	89	91	102	115
EBIT adj. margin (%)	*12.5*	*13.6*	*14.2*	*11.8*	*9.9*	*11.9*	*11.6*	*11.7*	*12.4*	*13.2*
Pretax profit Adj.	73	79	94	102	77	91	104	101	116	129
Net profit Adj.	62	64	79	89	65	77	85	83	95	104
Net profit to shareholders adj.	62	60	79	89	65	77	85	83	95	104
Net adj. margin (%)	*10.4*	*11.3*	*12.2*	*12.4*	*8.7*	*9.9*	*11.1*	*10.8*	*11.4*	*12.0*

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	134	149	162
Net financial items	-5	-4	-6	-1	-18	-21	-4	-5	-4	-4
Paid tax	-11	-14	-15	-13	-13	-14	-18	-18	-22	-24
Non-cash items	-186	-67	12	47	-8	14	-21	6	0	0
Cash flow before change in WC	-109	7	99	146	80	117	90	117	124	133
Change in working capital	160	60	-36	-38	-19	-5	1	2	-2	1

Cash Flow (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Operating cash flow	**51**	**68**	**62**	**108**	**61**	**112**	**91**	**118**	**121**	**135**
Capex tangible fixed assets	-8	-9	-19	-16	-13	-14	-22	-25	-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
Free cash flow	**38**	**50**	**9**	**-49**	**49**	**99**	**69**	**94**	**107**	**119**
Dividend paid	0	0	0	-18	-18	0	-29	-35	-41	-47
Share issues and buybacks	0	0	0	0	-0	0	0	0	0	0
Leasing liability amortisation	-13	-11	-10	-13	-18	-15	-16	-12	-12	-12
Other non-cash items	-10	-25	-29	-30	16	22	6	1	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	74	56	38
Tangible fixed assets	67	65	70	73	75	80	87	98	98	98
Right-of-use asset	21	33	67	68	55	59	50	45	43	41
Total other fixed assets	0	0	1	3	3	3	3	3	3	3
Fixed assets	262	272	348	527	496	509	455	460	440	420
Inventories	107	85	87	130	136	147	140	142	151	159
Receivables	88	93	116	113	110	109	111	109	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	80	133	193
Total assets	**532**	**513**	**624**	**853**	**802**	**830**	**762**	**809**	**852**	**898**
Shareholders equity	249	212	293	399	415	538	513	564	600	639
Minority	0	0	0	0	0	0	0	0	0	0
Total equity	**249**	**212**	**293**	**399**	**415**	**538**	**513**	**564**	**600**	**639**
Long-term debt	0	0	0	75	57	27	39	33	33	33
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	50	50	50
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	16	16	16
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
Total liabilities and equity	**532**	**513**	**624**	**853**	**802**	**830**	**762**	**809**	**852**	**898**
Net IB debt	118	104	129	215	208	102	69	21	-32	-92
Net IB debt excl. pension debt	116	101	124	209	201	95	64	16	-37	-97
Net IB debt excl. leasing	98	71	62	145	150	39	15	-29	-82	-142
Capital employed	402	366	481	683	664	684	623	668	704	743
Capital invested	367	316	422	614	623	640	582	586	567	547
Working capital	114	53	90	128	147	151	150	148	150	149
EV breakdown	-	-	-	-	-	-	-	-	-	-
Market cap. diluted (m)	0	678	678	716	716	716	746	746	746	746
Net IB debt adj.	118	105	130	217	211	105	72	24	-29	-89
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	**118**	**783**	**808**	**933**	**927**	**821**	**818**	**771**	**717**	**657**
Total assets turnover (%)	99.6	109.0	113.9	97.5	89.5	95.3	96.0	98.4	99.5	99.1
Working capital/sales (%)	32.6	14.7	11.1	15.1	18.5	19.1	19.7	19.3	18.1	17.3
Financial risk and debt service	-	-	-	-	-	-	-	-	-	-
Net debt/equity (%)	47.5	49.2	43.8	53.8	50.1	19.0	13.5	3.8	-5.4	-14.5
Net debt / market cap (%)	--	15.4	18.9	30.0	29.0	14.2	9.2	2.9	-4.3	-12.4
Equity ratio (%)	46.8	41.3	47.1	46.8	51.7	64.8	67.3	69.8	70.4	71.1
Net IB debt adj. / equity (%)	47.5	49.5	44.2	54.5	50.9	19.5	14.0	4.3	-4.9	-14.0
Current ratio	1.07	0.94	1.13	1.23	1.23	1.80	2.34	2.55	2.85	3.16
EBITDA/net interest	18.0	25.4	17.9	160.6	6.5	6.6	33.3	24.9	36.3	39.3
Net IB debt/EBITDA (x)	1.3	1.1	1.2	1.9	1.8	0.7	0.5	0.2	-0.2	-0.6
Net IB debt/EBITDA lease adj. (x)	1.1	0.8	0.6	1.5	1.4	0.3	0.2	-0.2	-0.6	-0.9
Interest coverage	12.1	12.1	11.3	3.7	3.8	5.4	13.9	16.9	29.2	32.3

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	24	24	24	24
Actual shares outstanding (avg)	0	21	21	23	23	23	24	24	24	24

Share Data (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
All additional shares	0	21	0	1	0	0	1	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	2.25
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	24	24	24	24
Diluted shares adj.	0	21	21	23	23	23	24	24	24	24
EPS	-	2.02	2.77	2.54	1.74	2.54	2.83	2.86	3.25	3.67
Dividend per share	-	0.00	0.80	0.80	0.00	1.25	1.50	1.75	2.00	2.25
EPS adj.	-	2.54	3.31	3.17	1.88	2.54	2.83	2.86	3.25	3.67
BVPS	-	9.90	13.71	17.67	18.37	23.82	21.79	23.97	25.48	27.15
BVPS adj.	-	1.83	3.93	0.68	2.28	7.57	8.41	10.63	12.90	15.34
Net IB debt/share	-	4.90	6.06	9.63	9.34	4.65	3.06	1.04	-1.24	-3.80
Share price	31.70	31.70	31.70	31.70	31.70	31.70	31.70	31.70	31.70	31.70
Market cap. (m)	0	678	678	716	716	716	746	746	746	746
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	--	15.7	11.5	12.5	18.2	12.5	11.2	11.1	9.7	8.6
EV/sales (x)	0.2	1.4	1.2	1.3	1.3	1.1	1.1	1.0	0.9	0.8
EV/EBITDA (x)	1.3	8.4	7.5	8.3	7.8	5.9	6.2	5.8	4.8	4.1
EV/EBITA (x)	1.7	11.0	9.2	10.5	10.1	7.3	7.6	7.2	6.0	4.9
EV/EBIT (x)	1.8	11.9	10.1	13.1	13.2	8.9	9.2	8.5	7.0	5.7
Dividend yield (%)	0.0	0.0	2.7	2.5	0.0	3.9	4.7	5.5	6.3	7.1
FCF yield (%)	0.0	7.4	1.3	-6.8	6.8	13.8	9.2	12.5	14.3	16.0
Le. adj. FCF yld. (%)	0.0	5.8	-0.2	-8.5	4.3	11.7	7.1	10.9	12.7	14.4
P/BVPS (x)	--	3.20	2.31	1.79	1.73	1.33	1.45	1.32	1.24	1.17
P/BVPS adj. (x)	31.70	15.48	8.02	41.38	12.69	4.07	3.69	2.89	2.39	2.02
P/E adj. (x)	--	12.5	9.6	10.0	16.8	12.5	11.2	11.1	9.7	8.6
EV/EBITDA adj. (x)	1.2	7.5	6.8	7.4	7.6	5.9	6.2	5.8	4.8	4.1
EV/EBITA adj. (x)	1.5	9.5	8.1	9.1	9.7	7.3	7.6	7.2	6.0	4.9
EV/EBIT adj. (x)	1.6	10.1	8.8	10.9	12.7	8.9	9.2	8.5	7.0	5.7
EV/CE (x)	0.3	2.1	1.7	1.4	1.4	1.2	1.3	1.2	1.0	0.9
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	2.1	3.0	2.9	2.3	1.7	1.8	2.9	3.2	1.8	1.8
Capex/depreciation	1.1	1.7	2.2	1.4	1.2	1.4	2.1	1.9	1.0	1.0
Capex tangibles / tangible fixed assets	11.4	14.5	26.9	22.5	17.0	17.1	25.3	25.1	14.9	15.6
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	12.1	12.3	13.5	15.2	15.2

Source: ABG Sundal Collier, Company Data

Analyst Certification

We, Benjamin Wahlstedt, ABGSC Retail Research and Fredrik Ivarsson, analyst(s) with ABG Sundal Collier ASA , ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge, ABG Sundal Collier AB and/or ABG Sundal Collier Limited (hereinafter collectively referred to as “ABG Sundal Collier”), and the author(s) of this report, certify that not withstanding the existence of any such potential conflicts of interests referred to below, the views expressed in this report accurately reflect my/our personal view about the companies and securities covered in this report. I/We further certify that I/We has/have not been, nor am/are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

This report is produced by ABG Sundal Collier, which may cover companies either in accordance with legal requirements designed to promote the independence of investment research (“independent research”) or as commissioned research. Commissioned research is paid for by the subject company. As such, commissioned research is deemed to constitute an acceptable minor non-monetary benefit (i.e., not investment research) as defined in MiFID II.

Analyst valuation methods

ABG Sundal Collier analysts may publish valuation ranges for stocks covered under Company Sponsored Research. These valuation ranges rely on various valuation methods. One of the most frequently used methods is the valuation of a company by calculation of that company's discounted cash flow (DCF). Another valuation method is the analysis of a company's return on capital employed relative to its cost of capital. Finally, the analysts may analyse various valuation multiples (e.g. the P/E multiples and the EV/EBITDA multiples) relative to global industry peers. In special cases, particularly for property companies and investment companies, the ratio of price to net asset value is considered. Valuation ranges may be changed when earnings and cash flow forecasts are changed. They may also be changed when the underlying value of a company's assets changes (in the cases of investment companies, property companies or insurance companies) or when factors impacting the required rate of return change.

Expected updates

ABGSC has no fixed schedule for updating its research reports. Unless expressly stated otherwise, ABGSC expects (but does not undertake) to issue updates when considered necessary by the research department, for example following the publication of new figures or forecasts by a company or in the event of any material news on a company or its industry.

Important Company Specific Disclosure

The following disclosures relate to the relationship between ABG Sundal Collier and its affiliates and the companies covered by ABG Sundal Collier referred to in this research report.

Unless disclosed in this section, ABG Sundal Collier has no required regulatory disclosures to make in relation to an ownership position for the analyst(s) and members of the analyst's household, ownership by ABG Sundal Collier, ownership in ABG Sundal Collier by the company(ies) to whom the report(s) refer(s) to, market making, managed or co-managed public offerings, compensation for provision of certain services, directorship of the analyst, or a member of the analyst's household, or in relation to any contractual obligations to the issuance of this research report.

ABG Sundal Collier has undertaken a contractual obligation to issue this report and receives predetermined compensation from the company covered in this report.

ABG Sundal Collier is not aware of any other actual, material conflicts of interest of the analyst or ABG Sundal Collier of which the analyst knows or has reason to know at the time of the publication of this report.

Production of report: 7/21/2026 16:59.

All prices are as of market close on 20 July, 2026 unless otherwise noted.

Disclaimer

This report has been prepared by ABG Sundal Collier ASA, ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge, ABG Sundal Collier AB and/or ABG Sundal Collier Limited and any of their directors, officers, representatives and employees (hereinafter collectively referred to as “ABG Sundal Collier”). This report is not a product of any other affiliated or associated companies of any of the above entities.

This report is provided solely for the information and use of professional investors, who are expected to make their own investment decisions without undue reliance on this report. The information contained herein does not apply to, and should not be relied upon by, retail clients. This report is for distribution only under such circumstances as may be permitted by applicable law. Research reports prepared by ABG Sundal Collier are for information purposes only. The recommendation(s) in this report is (are) has/ have no regard to specific investment objectives and the financial situation or needs of any specific recipient. ABG Sundal Collier and/or its affiliates accepts no liability whatsoever for any losses arising from any use of this report or its contents. This report is not to be used or considered as an offer to sell, or a solicitation of an offer to buy. The information herein has been obtained from, and any opinions herein are based upon, sources believed reliable, but ABG Sundal Collier and/or its affiliates make no representation as to its accuracy or completeness and it should not be relied upon as such. All opinions and estimates herein reflect the judgment of ABG Sundal Collier on the date of this report and are subject to change without notice. Past performance is not indicative of future results.

The compensation of our research analysts is determined exclusively by research management and senior management, but not including investment banking management. Compensation is not based on specific investment banking revenues, however, it is determined from the profitability of the ABG Sundal Collier group, which includes earnings from investment banking operations and other business. Investors should assume that ABG Sundal Collier ASA, ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge and/or ABG Sundal Collier AB is seeking or will seek investment banking or other business relationships with the companies in this report.

The research analyst(s) responsible for the preparation of this report may interact with trading desk and sales personnel and other departments for the purpose of gathering, synthesizing and interpreting market information. From time to time, ABG Sundal Collier and/or its affiliates and any shareholders, directors, officers, or employees thereof may (I) have a position in, or otherwise be interested in, any securities directly or indirectly connected to the subject of this report, or (II) perform investment banking or other services for, or solicit investment banking or other services from, a company mentioned in this report. ABG Sundal Collier and/or its affiliates rely on information barriers to control the flow of information contained in one or more areas of ABG Sundal Collier, into other areas, units, groups or affiliates of ABG Sundal Collier.

Norway: ABG Sundal Collier ASA is regulated by the Financial Supervisory Authority of Norway (Finanstilsynet)

Denmark: ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge, is regulated by the Financial Supervisory Authority of Norway (Finanstilsynet) and the Danish Financial Supervisory Authority (Finanstilsynet)

Sweden: ABG Sundal Collier AB is regulated by the Swedish Financial Supervisory Authority (Finansinspektionen)

UK: This report is a communication made, or approved for communication in the UK, by ABG Sundal Collier Limited, authorised and regulated by the Financial Conduct Authority in the conduct of its business.

US: This report is being distributed in the United States (U.S.) in accordance with FINRA Rule 1220 by ABG Sundal Collier Inc., an SEC registered broker-dealer and a FINRA/SIPC member which accepts responsibility for its content and its compliance with FINRA Rule 2241. Research reports distributed in the U.S. are intended solely for “major U.S. institutional investors,” and “U.S. institutional investors” as defined under Rule 15a-6 of the Securities Exchange Act of 1934 and any related interpretive guidance and no-action letters issued by the Staff of the U.S. Securities and Exchange Commission (“SEC”) collectively (“SEC Rule 15a-6”). Each major U.S. institutional investor and U.S. institutional investor that receives a copy of this research report, by its acceptance of such report, represents that it agrees that it will not distribute this research report to any other person. This communication is only intended for major U.S. institutional investors and U.S. institutional investors. Any person which is not a major U.S. institutional investor, or a U.S. institutional investor as covered by SEC Rule 15a-6 must not rely on this communication. The delivery of this research report to any person in the U.S. is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. Any major U.S. institutional investor or U.S. institutional investor receiving this report which wishes to effect transactions in any securities referred to herein should contact ABG Sundal Collier Inc., not its affiliates. Further information on the securities referred to herein may be obtained from ABG Sundal Collier Inc., on request.

Singapore: This report is distributed in Singapore by ABG Sundal Collier Pte. Ltd, which is not licensed under the Financial Advisors Act (Chapter 110 of Singapore). In Singapore, this report may only be distributed to institutional investors as defined in Section 4A(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (“SFA”), and should not be circulated to any other person in Singapore.

Canada: This report is being distributed by ABG Sundal Collier ASA in Canada pursuant to section 8.25 of National Instrument 31-103 or an equivalent provision and has not been tailored to the needs of any specific investor in Canada. The information contained in this report is not, and under no circumstances is to be construed as, a prospectus, an advertisement, a public offering or an offer to sell the securities described herein, in Canada or any province or territory thereof. No securities commission or similar regulatory authority in Canada has reviewed or considered this report, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. Under no circumstances is this report to be construed as an offer to sell such securities or as a solicitation of an offer to buy such securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada may only be made in accordance with applicable securities laws and only by a dealer properly registered under such securities laws, or alternatively, pursuant to an applicable dealer registration exemption, in the Canadian jurisdiction in which such offer or sale is made.

Additional information available upon request. If reference is made in this report to other companies and ABG Sundal Collier provides research coverage for those companies, details regarding disclosures may be found on our website www.abgsc.com.

Norway
Ruseløkkveien 26, 8th floor
0251 Oslo
Norway
Tel: +47 22 01 60 00
Fax: +47 22 01 60 60

Sweden
Regeringsgatan 25, 8th floor
111 53 Stockholm
Sweden
Tel: +46 8 566 286 00
Fax: +46 8 566 286 01

USA
140 Broadway, Suite 4604
New York, NY 10005
USA
Tel. +1 212 605 3800
Fax. +1 212 605 3801

Germany
Schillerstrasse 2, 5. OG
60313 Frankfurt
Germany
Tel +49 69 96 86 96 0
Fax +49 69 96 86 96 99

Denmark
Forbindelsesvej 12,
2100 Copenhagen
Denmark
Tel: +45 35 46 61 00
Fax: +45 35 46 61 10

United Kingdom
10 Paternoster Row, 5th floor
London EC4M 7EJ
UK
Tel: +44 20 7905 5600
Fax: +44 20 7905 5601

Singapore
10 Collyer Quay
Ocean Financial Center
#40-07, Singapore 049315
Tel +65 6808 6082

Switzerland
ABG Sundal Collier AG
Representative Office
Schwanenplatz 4
6004 Lucerne
Switzerland
Tel +41 79 502 33 39