

# Ovzon

## Slam dunk

- SEK 1bn break-through order from Swedish FMV
- ~80% leased capacity SATCOM (24 months), ~20% Terminals
- Could add ~50% to '25e-'26e EBITDA estimates

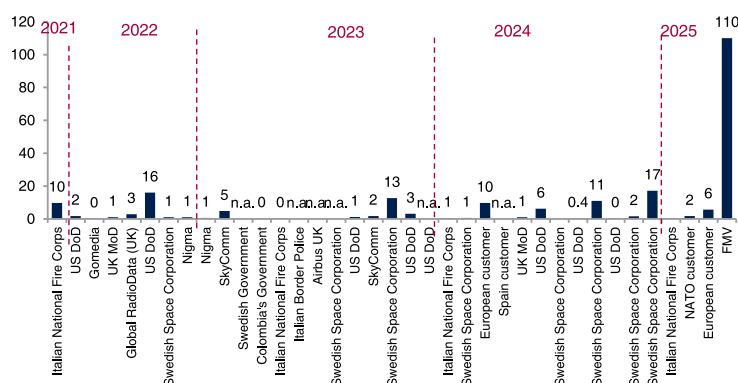
### Record-high order from Swedish FMV

Today, Ovzon has announced a SEK 1.04bn (USD 110m) breakthrough order with the Swedish Defence Materiel Administration (FMV): this is by far the largest order that Ovzon has ever received. Of this order, ~80% relates to a 24-month SATCOM contract (start in June), and ~20% relates to terminals. According to the press release, the SATCOM element relates to leased capacity (at least Ovzon-3 is not mentioned), which is somewhat surprising given that Ovzon-3 is not fully utilised (with utilisation at ~40% in Q2e). This means that Ovzon may need to purchase extra capacity in order to fulfil this order. Hopefully, we will learn more about this during its conference call at 10:00 CET ([link](#)).

### Positive impact on estimates

We estimate that Ovzon currently achieves a gross margin of around 50% for its leased-capacity business (and over 90% for Ovzon-3 related revenues). Assuming this order carries a 50% gross margin, it could potentially increase '25e-'26e EBITDA estimates by c. 50%, based on what we currently know. In terms of pricing, the SATCOM part equates to revenues of ~SEK 35m per month, which, according to our estimates, is relatively consistent with the recent SEK 185m SSC contract. Furthermore, we emphasise the strategic value of winning this order in terms of both size and length, as well as the support it provides to Ovzon's balance sheet (net debt SEK 523m in Q1) and subdued free cash flow (r12m FCF SEK 24m, including orders with prepayments, albeit this is currently improving well). In conclusion, this is a breakthrough order.

### Ovzon order announcements (USDm)



Source: ABG Sundal Collier, company data

## Fast comment

## Commissioned research

## Not rated

## Telecom Equipment

### OVZON-SE/OVZON SS

Share price (SEK)	29/5/2025	26.60
MCap (SEKm)		2,967
MCap (EURm)		272
No. of shares (m)		111.5
Free float (%)		53.6
Av. daily volume (k)		340

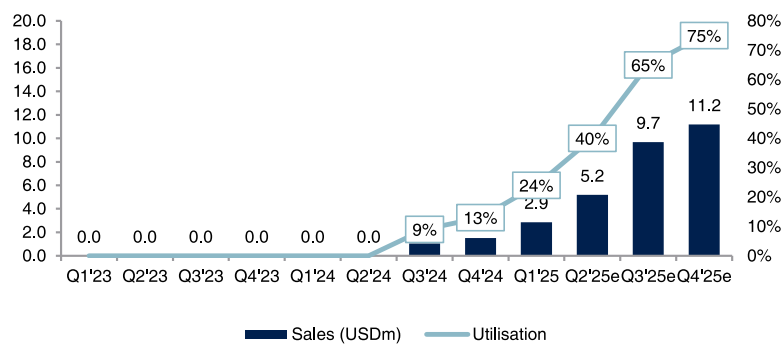
**Next event** Q2 Report 15 August 2025

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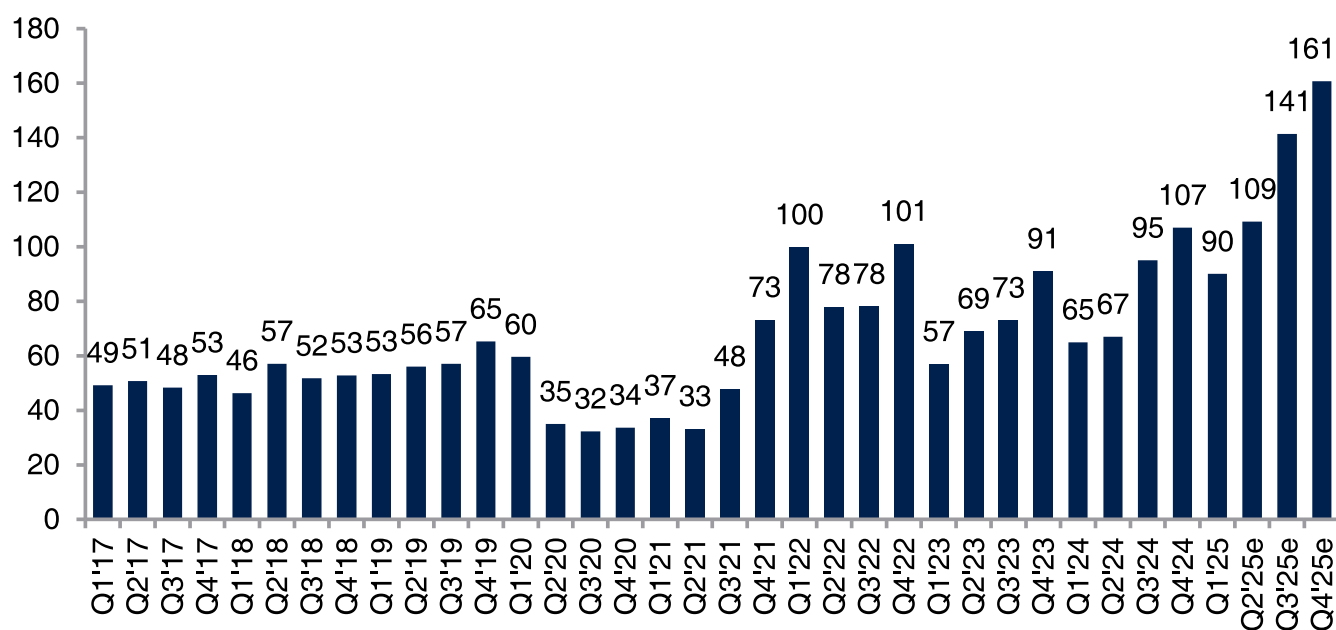
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## Ovzon-3 assumptions (ABGSCe)



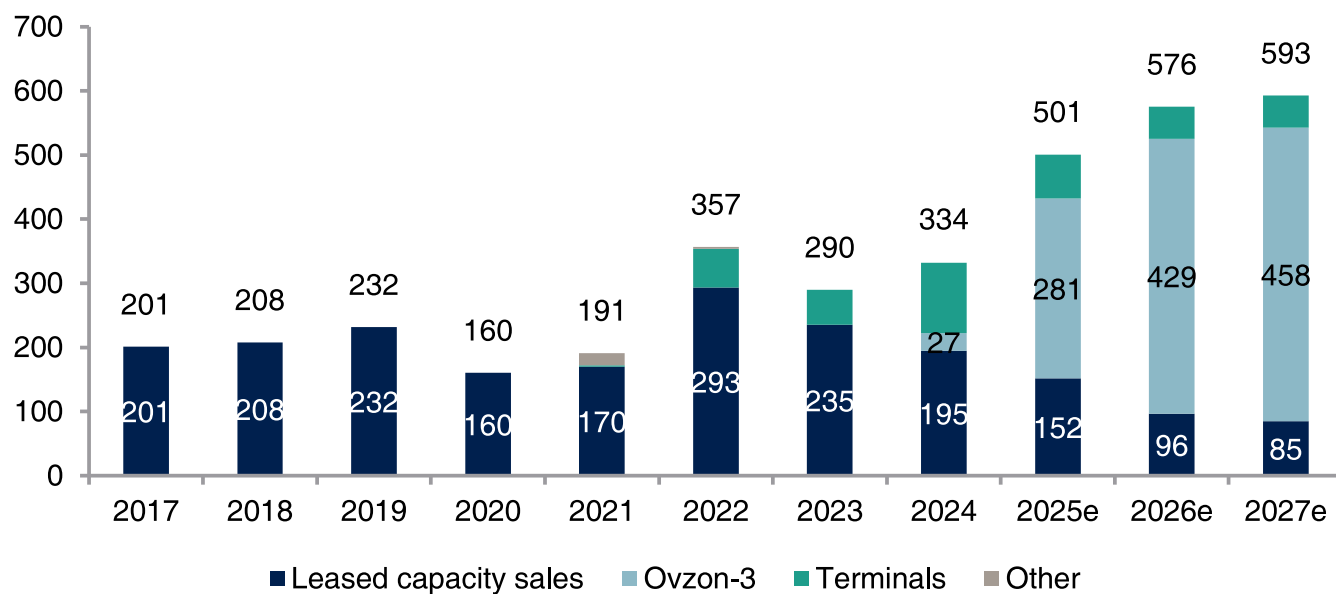
Source: ABG Sundal Collier, company data

## Sales, quarterly (SEKm)



Source: ABG Sundal Collier, company data

## Sales breakdown (SEKm)



Source: ABG Sundal Collier, company data

<b>SEKm</b>	<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
Sales	290	334	501	576	593
<i>Sales growth (%)</i>	-18.8	15.2	50.1	14.8	3.0
EBITDA	-65	0	219	308	322
<i>EBITDA margin (%)</i>	-22.4	0.0	43.7	53.5	54.3
EBIT adj.	-105	-83	77	156	171
<i>EBIT adj. margin (%)</i>	-36.2	-24.9	15.3	27.1	28.9
Pretax profit	-65	-162	43	98	146
EPS	-0.52	-1.46	0.38	0.88	1.02
<i>EPS growth (%)</i>	-26.3	<i>nm</i>	-126.3	<i>nm</i>	16.8
EPS adj.	-0.61	-1.46	0.38	0.88	1.02
DPS	0.00	0.00	0.00	0.00	0.00
EV/EBITDA (x)	-51.9	--	16.3	10.9	9.7
EV/EBIT adj. (x)	-32.2	-43.6	46.4	21.5	18.2
P/E (x)	<i>nm</i>	<i>nm</i>	69.2	30.3	26.0
P/E adj. (x)	<i>nm</i>	<i>nm</i>	69.2	30.3	26.0
EV/sales (x)	11.64	10.83	7.12	5.83	5.26
FCF yield (%)	-23.0	-3.6	1.8	7.3	8.2
Le. adj. FCF yld. (%)	-23.1	-3.7	1.6	7.2	8.1
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Net IB debt/EBITDA (x)	-6.3	--	2.8	1.3	0.5
Le. adj. ND/EBITDA (x)	-5.1	-214.0	2.8	1.3	0.4

Source: ABG Sundal Collier, Company Data

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