ABG SUNDAL COLLIER

Infrea

Reason: In-depth research

Commissioned research

Not rated

From local roots to larger routes

- Becoming a company with SEK 5bn in sales...
- ...and saving SEK 50m in cost synergies
- Structural demand supporting the market

Scale meets local strength

The proposed merger between Infrea and Netel creates a Northern European infrastructure services group with ~SEK 5bn of revenue and around 1,200 employees across Infra, Power, Telecom and Paving. We see a strategic fit where the companies have complementary geographic footprints and capabilities, while greater scale should allow the combined group to compete for larger contracts without losing the local presence and relationships that remain important in smaller projects.

SEK 50m of synergies provides meaningful earnings leverage

The boards target SEK 50m of annual cost synergies within 12–24 months, equivalent to c. 60% of the companies' combined '25 adj. EBITA. Savings are expected from overlapping group functions, larger operating units, procurement, and removing duplicate listing costs. Revenue synergies are unquantified, but we see opportunities from cross-selling complementary capabilities and taking greater responsibility for larger, whole-of-scope projects.

The strategic logic is clear – execution is the key test

The market backdrop looks favourable, with substantial investment needs in the Nordic countries across transport infrastructure, power grids and digital networks. However, both companies enter the merger after periods of weak profitability and consolidation, and neither has consistently delivered on their profitability ambitions in recent years. We therefore see restoring underlying margins and delivering targeted synergies as more important near-term value drivers than growth. If execution improves, the combination should emerge with a stronger competitive position and broader avenues for growth.

Services

Estimate changes (%)

	2026e	2027e	2028e
Sales	0.0	0.0	0.0
EBIT	0.0	0.0	0.0
EPS	0.0	0.0	0.0

Source: ABG Sundal Collier

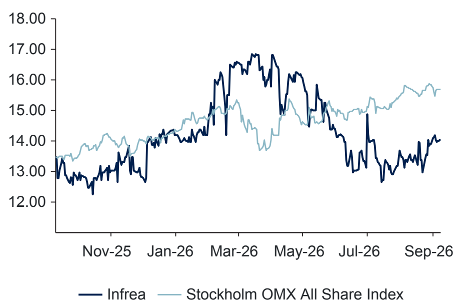
INFREA-SE/INFREA SS

Share price (SEK)	4/9/2026	14.00

MCap (SEKm)	394
MCap (EURm)	35
No. of shares (m)	28.1
Free float (%)	59.4
Av. daily volume (k)	5

Next event Q3 report 28 October 2026

Performance



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SEKm	2024	2025	2026e	2027e	2028e
Sales	2,078	2,189	2,091	2,158	2,204
EBITDA	121	131	126	148	159
EBITDA margin (%)	5.8	6.0	6.0	6.9	7.2
EBIT adj.	30	49	58	74	82
EBIT adj. margin (%)	1.4	2.2	2.8	3.4	3.7
Pretax profit	-5	12	51	69	78
EPS	-0.26	1.77	1.43	1.95	2.21
EPS adj.	0.50	1.98	1.43	1.95	2.21
Sales growth (%)	3.2	5.4	-4.5	3.2	2.1
EPS growth (%)	-32.1	nm	-19.1	36.3	13.2

Source: ABG Sundal Collier, Company Data

	2026e	2027e	2028e
P/E (x)	9.8	7.2	6.3
P/E adj. (x)	9.8	7.2	6.3
P/BVPS (x)	0.58	0.55	0.52
EV/EBITDA (x)	3.1	2.4	2.0
EV/EBIT adj. (x)	6.8	4.8	3.8
EV/sales (x)	0.19	0.17	0.14
ROE adj. (%)	5.9	7.9	8.5
Dividend yield (%)	5.0	5.4	5.7
FCF yield (%)	30.7	28.4	30.7
Le. adj. FCF yld. (%)	18.3	15.0	16.3
Net IB debt/EBITDA (x)	0.0	-0.3	-0.5
Le. adj. ND/EBITDA (x)	-1.3	-1.5	-1.8

Disclosures and analyst certifications are located on pages 30-31 of this report.

Company description

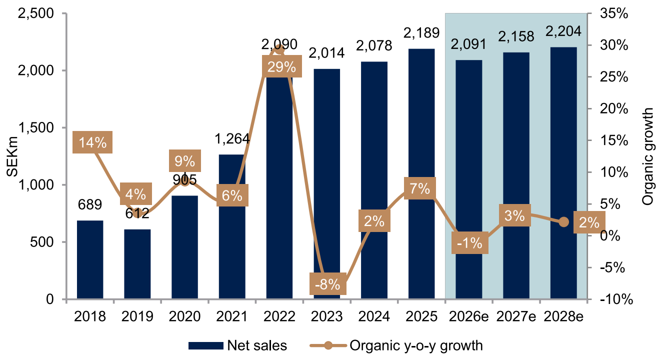
Infrea is an industrial group focused on maintaining and developing Sweden's infrastructure. With operations in land & construction (91% of sales in '23) and water & sewage (9%), Infrea manages and develops companies with local presence in a fragmented market. This is done through a decentralised model that focuses on subsidiaries serving both private and public clients.

[Sustainability information]

Risks

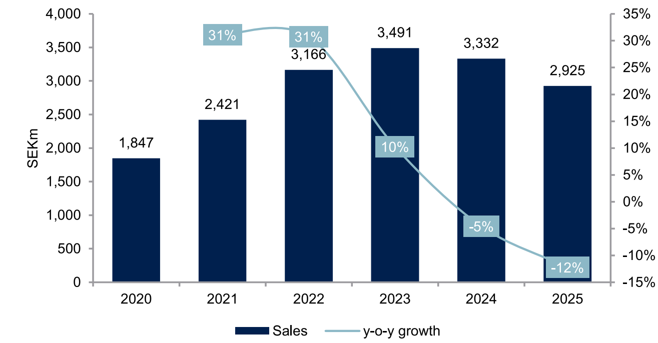
M&A execution, post-acquisition performance of acquired entities, working capital discipline, contract/price calculations on projects undertaken, cost inflation, increased price competition in bidding processes.

Infrea: Sales & organic growth



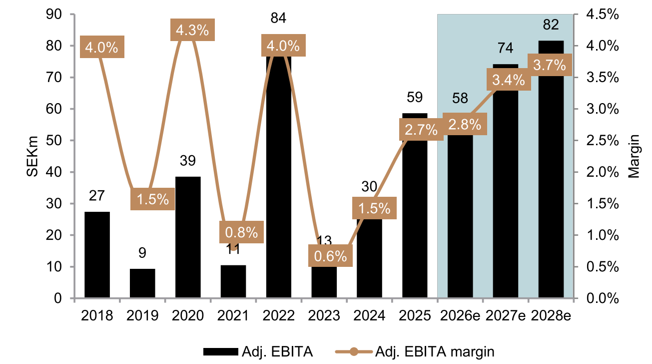
Source: ABG Sundal Collier, Company data.

Netel: Sales (SEKm) and y-o-y growth



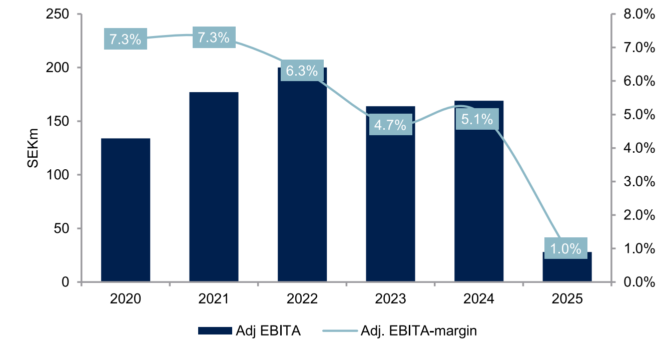
Source: ABG Sundal Collier, Company data

Infrea: Adj. EBITA & margin



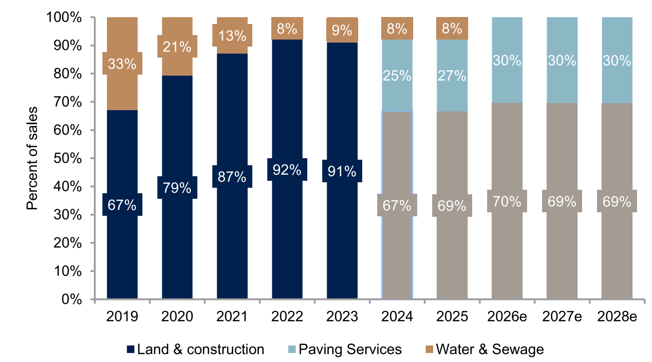
Source: ABG Sundal Collier, Company data.

Netel: Adj. EBITA & margin



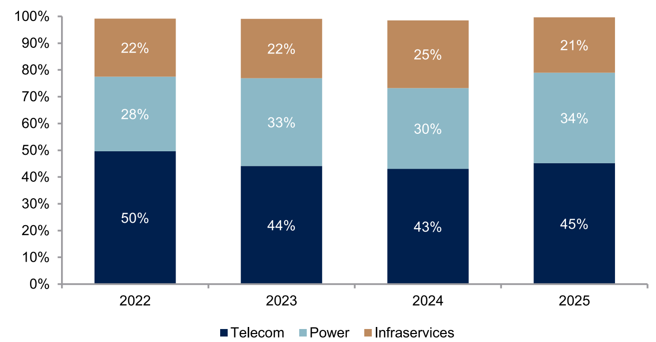
Source: ABG Sundal Collier, Company data.

Infrea: Sales split per segment



Source: ABG Sundal Collier, Company data.

Netel: Sales per segment



Source: ABG Sundal Collier, Company data

Contents

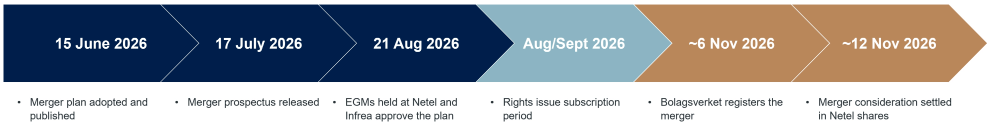
Transaction overview

Netel and Infrea have agreed to combine through a statutory merger, with Netel as the absorbing company. The consideration is entirely share-based, with Infrea shareholders receiving 17 new Netel shares for every four Infrea shares. Following completion, former Infrea shareholders will own up to 58% of the combined company, or up to 53% if the associated over-allotment issue is fully subscribed. Ahead of the merger, Netel is carrying out a fully underwritten rights issue of around SEK 127m, with an over-allotment option of up to SEK 75m.

The combination creates a Northern European infrastructure services group with around SEK 5bn of revenue and 1,200 employees across four business areas: Infra (c. 42% of revenue), Telecom (c. 26%), Power (c. 20%) and Paving (c. 12%). The company will remain listed on Nasdaq Stockholm and retain Netel Holding AB (publ) as its legal name. Martin Reinholdsson, currently CEO of Infrea, will become CEO of the combined group, while Netel CFO Fredrik Helenius will remain CFO.

The transaction requires shareholder approval in both companies. The EGMs were held on 21 August 2026, with registration of the merger expected around 6 November. Trading in the newly-issued Netel shares is expected to begin shortly thereafter, with the merger consideration expected to be delivered to Infrea shareholders around 12 November.

Merger timeline

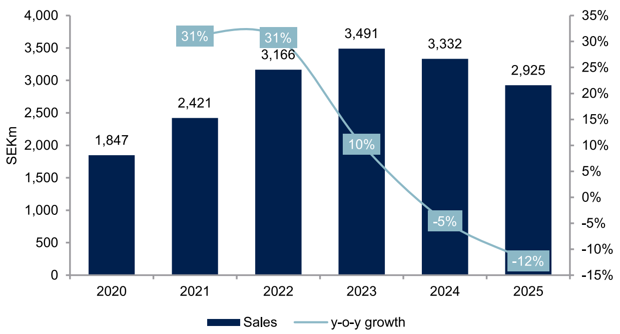


Source: ABG Sundal Collier, Company data

The Netel Group in brief

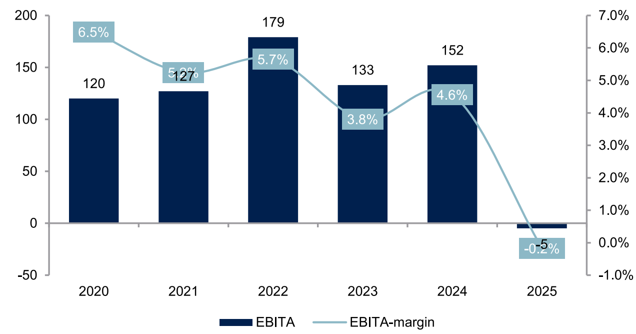
Netel is a Nordic contractor focused on development and maintenance of physical infrastructure. The group consists of 15 subsidiaries, divided into three segments; Infraservices (21% of sales '25), Power (34%) and Telecom (45%). In 2025 Netel divested its operations in Finland and the UK to focus solely on core markets in Sweden (46% of sales '25), Norway (48%) and Germany (6%). Netel's primary value proposition is its full value-chain offering, covering design, construction and long term maintenance under one roof, which reduces coordination complexity for large network owners. Contracts are typically long-term framework agreements won on technical track record and delivery reliability rather than price.

Netel: Sales (SEKm) and y-o-y growth



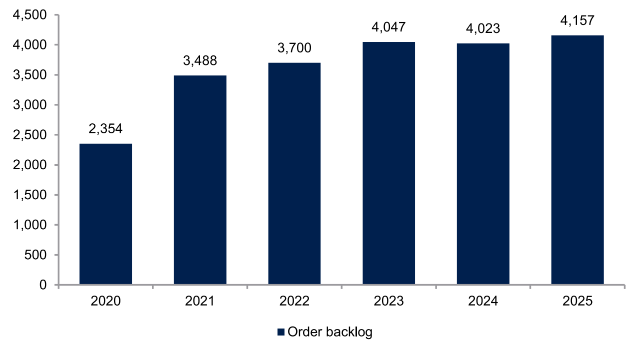
Source: ABG Sundal Collier, Company data

Netel: EBITA (SEKm) and margin



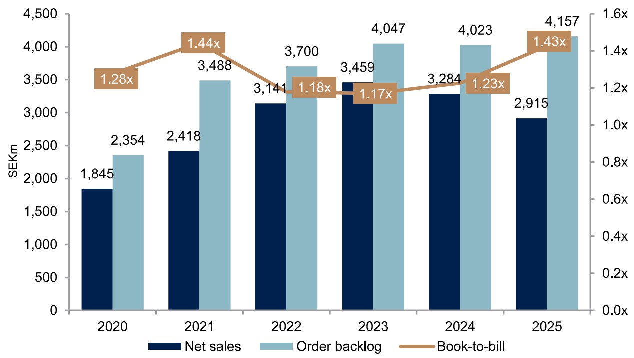
Source: ABG Sundal Collier, Company data

Order backlog, SEKm



Source: ABG Sundal Collier, Company data

Backlog vs. net sales '20-'25



Source: ABG Sundal Collier, Company data

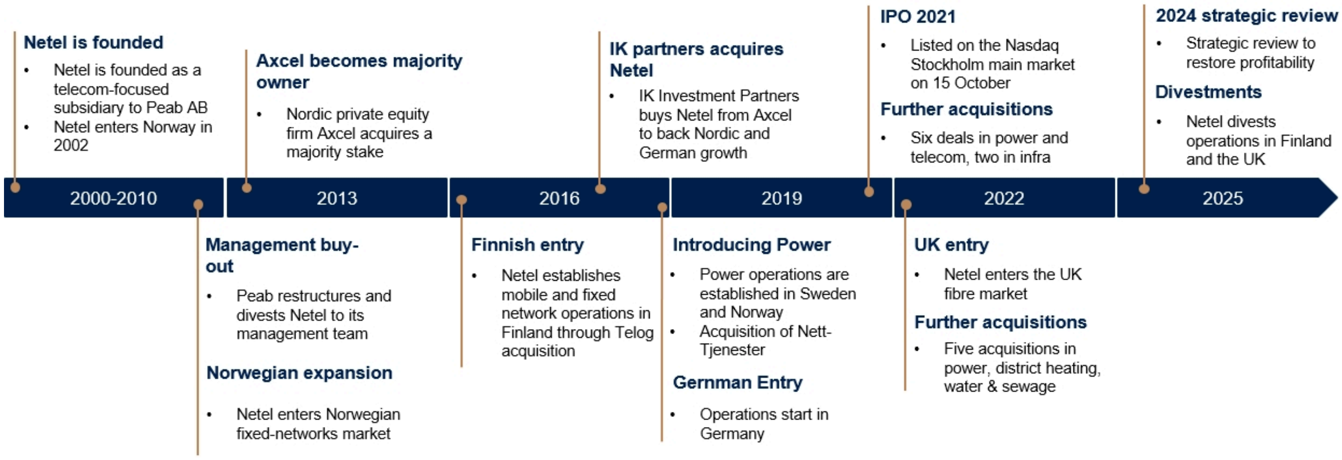
Company history

Netel was founded in 2000 as a subsidiary of Peab and built its early business around telecom network construction, signing the first contract for Sweden's 3G roll out in 2001 and entering Norway in 2002. By 2010 Netel was a recognised infrastructure specialist in its own right, and Peab sold the company to its management team.

The Nordic PE firm Axcel took a majority stake in 2013. Over the following three years revenue tripled to SEK 1,400m, supported by six acquisitions, and Netel entered Finland in 2015. Axcel sold Netel to IK Investment Partners in 2016. Under IK's ownership Netel launched the Power segment and entered Germany. Netel listed on Nasdaq Stockholm in October 2021 at SEK 48 per share. The listing was only a partial exit for IK, which retained 46.7% and sold out first in May 2025. Netel used the proceeds and its public platform to fund 13 bolt-ons in 2021–2022, entering district heating, water and sewage and the UK fibre market.

The acquisition pace slowed from 2023 and profitability deteriorated, driven by project losses and sub-scale operations in Finland. Netel restructured the Finnish power business and began moving away from full subsidiary autonomy. Jeanette Reuterskiöld was appointed CEO the same year. Integration continued through 2024, but Telecom still underperformed and volumes turned down in 2025, revenue fell and EBITA margins compressed. Management ultimately divested Finland and UK in 2025, and in 2026 Netel entered with a smaller footprint, guiding towards growth and margin improvement for the full year.

Company timeline



Source: ABG Sundal Collier, Company data

From acquisition-led growth to integration and control

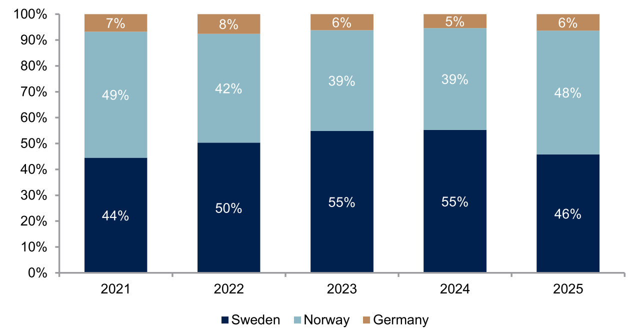
Netel's current structure reflects a period of acquisition-led expansion, particularly in 2021–23. Historically, acquired companies retained their brands, local management and a high degree of operating autonomy. This decentralised model supported rapid expansion into new services and geographies, but also left Netel with a relatively fragmented group structure.

Since 2023, the focus has shifted from expansion to integration, control and profitability. Netel has made no acquisitions since February 2023. It divested its loss-making Finnish and UK operations in 2025 and launched a cost-savings programme. The next step is structural consolidation: during autumn 2026, Netel plans to merge 12 of its 14 subsidiaries into the parent company, replacing separate brands and management structures with a more integrated organisation.

Subsidiaries

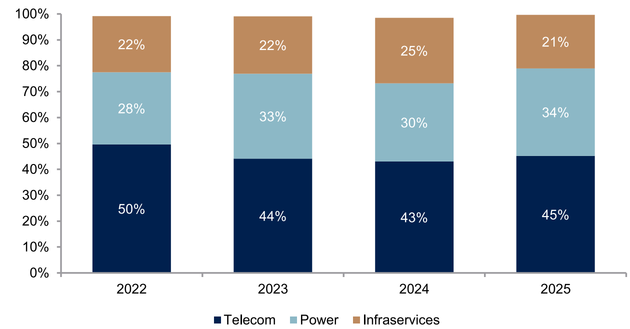
Source: ABG Sundal Collier, Company data

Geographical split



Source: ABG Sundal Collier, Company data

Netel: Sales per segment



Source: ABG Sundal Collier, Company data

Today, Netel operates through three segments: Infraservices (21% of '25 sales), Power (34%) and Telecom (45%). Through these segments, Netel is active in three geographies: Sweden (46% of sales '25), Norway (48%) and Germany (6%).

Segment performance

Sales area	*% of sales*	*EBITA margin*	Services	Location
Telecom	*45%*	*1.60%*	Telecom offers services in building and maintaining fibre and mobile networks	Norway *(68%)* , Sweden (18%), Germany (14%)
Power	*34%*	*-0.40%*	Power offers services in designing and building electricity grids, transformer stations and power cables for grid owners	Sweden *(50%)*, Norway *(50%)*
Infraservices	*21%*	*-2.70%*	Infraservices offers services in civil engineering and groundwork for district heating, water & sewage systems and general infrastructure works	Sweden *(100%)*

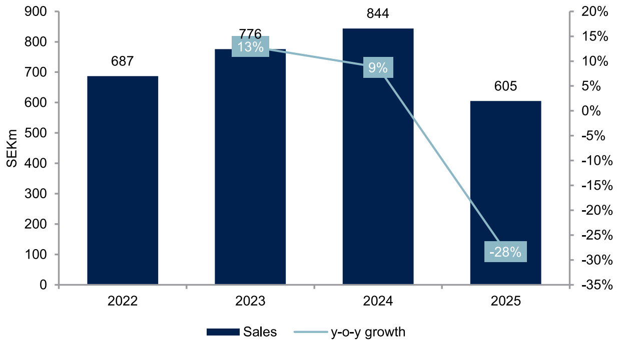
Source: ABG Sundal Collier, Company data

Infraservices driven by increased infrastructure spending in Sweden

Infraservices is Netel's youngest division (21% of '25 revenue) and was established in '21 through the acquisition of Brogrund. It expanded through further M&A, including JR Markteknik in '22. Infraservices operates only in Sweden, with a strong position in the central region of that country. Its offering covers design and construction of district heating, water and sewage infrastructure, plus general civil works. These are essentially the same capability commercially: digging, trenching and ground restoration is the same work whether the pipe carries heating water or wastewater. The division's largest contract ever, the SEK 110m Ludvika logistics centre won in late '25, is for pure groundworks.

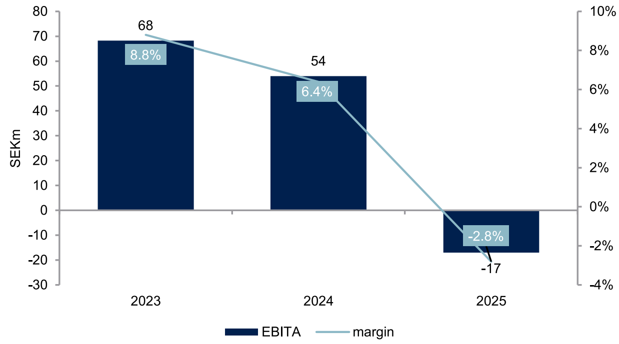
Revenue fell by 28% y-o-y to SEK 605m in 2025, as Netel became more selective on projects to prioritise profitability over volume. EBITA fell to SEK -17m, including a SEK 31m write-down on one project. We therefore see much of the recent weakness as company-specific rather than a reflection of underlying demand. Netel is tightening project selection, costing and execution, while the Swedish infrastructure market remains supported by investment in ageing water, sewage and other critical infrastructure. Competition remains a headwind, however, as weaker residential construction has pushed contractors into infrastructure projects.

Infraservices: Sales and y-o-y growth



Source: ABG Sundal Collier, Company data

Infraservices: EBITA and EBITA margin



Source: ABG Sundal Collier, Company data

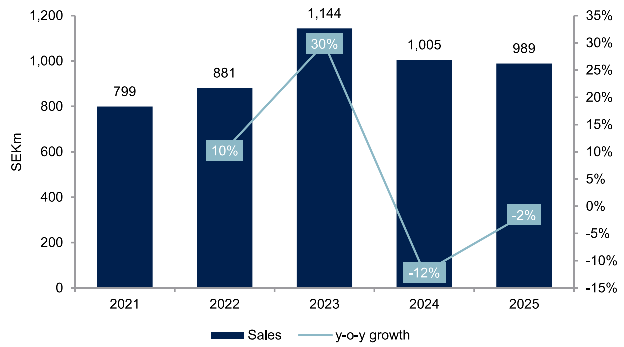
Power segment has broad geographical exposure and solid customers

Power (34% of '25 revenue) operates in the Swedish and Norwegian electricity supply markets, with a strong footprint in central Sweden including Stockholm, and in south-eastern Norway. The segment was launched in 2016 and built out in Sweden and Norway from 2017, the latter through the acquisition of Nett-Tjenester. The offering spans design, planning, construction and maintenance of distribution networks up to 400 kV, and power supply to railways and metro systems, a capability added with the '23 acquisition of Elektrotjänst i Katrineholm. Customers include E.ON, Svenska Kraftnät, Vattenfall Eldistribution, Elvia and Glitre Nett.

Power revenue fell by 2% y-o-y to SEK 989m in 2025, masking sharply diverging trends between Sweden and Norway. Swedish revenue fell by 25% to SEK 492m, reflecting a high share of projects in start-up phases and a weaker mix, with fewer high-margin power station projects. Norway grew by 41% to SEK 497m, supported by the 2024 expansion into new regions and industrial customers, and is now roughly equal in size to Sweden.

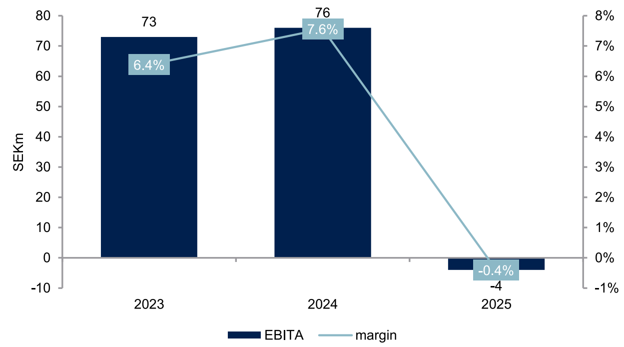
Profitability weakened significantly despite the relatively stable revenue. EBITA fell to SEK -4m from SEK 76m, reducing the margin by 8.0pp to -0.4%. The decline was driven by lower volumes and a weaker project mix in Sweden, compounded by write-downs on projects initiated in 2022 in one Swedish subsidiary.

Power: Sales and y-o-y growth



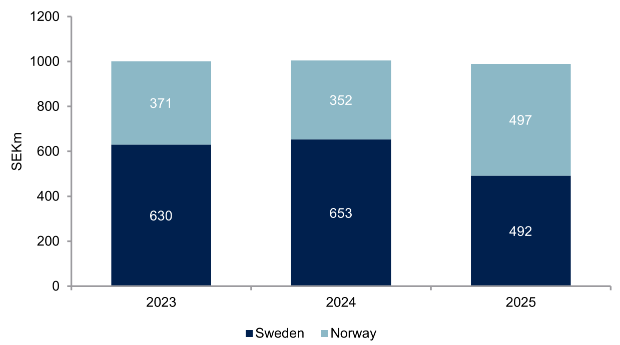
Source: ABG Sundal Collier, Company data

Power: EBITA and EBITA margin



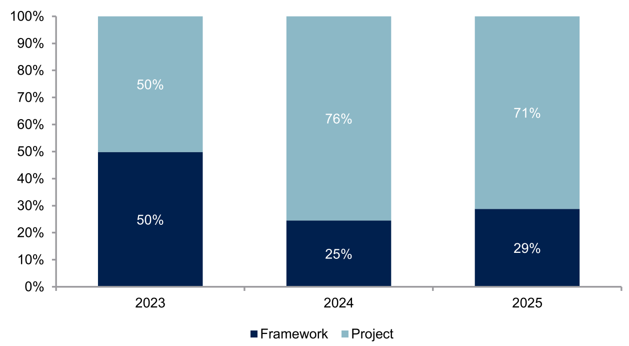
Source: ABG Sundal Collier, Company data

Power: Sales per geography



Source: ABG Sundal Collier, Company data

Power: Framework vs Project



Source: ABG Sundal Collier, Company Data

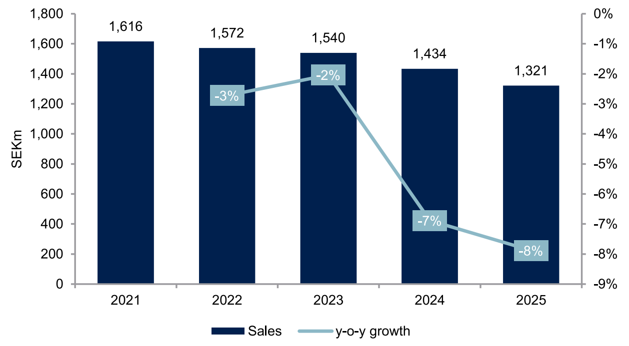
Telecom: the original segment with the broadest geographic footprint

The Telecom segment (45% of '25 revenue) is Netel's original business, operating since 2000. Its offering covers the full value chain for fibre and mobile networks, including planning, permitting, deployment, installation, commissioning and integration. Netel acts as a turnkey contractor, taking responsibility for a complete working solution rather than performing only a narrow scope of the work before handing it off.

The division is active in Sweden, Norway and Germany, with Norway the largest market at ~68% of segment revenue in '25, followed by Sweden at 18% and Germany at 14%. Sweden and Norway span both fibre and mobile, while Germany is fibre only. The geographic concentration carries customer concentration with it, especially the Norwegian business that rests substantially on the Telenor framework agreement renewed in '25, worth NOK 300m–400m annually. In Germany, the fibre roll-out is still ongoing with more to come, according to Netel's management. However, management wants to keep the expansion controlled and take it step-by-step.

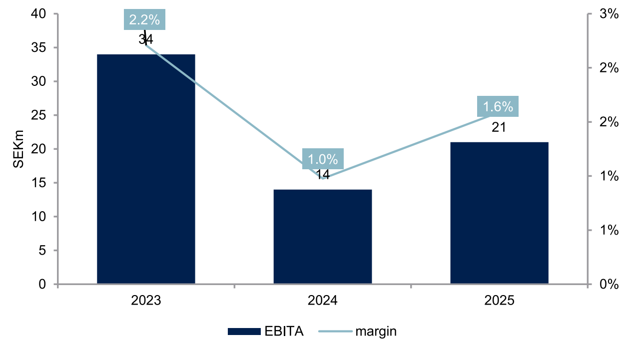
Telecom revenue fell 3.2% y-o-y to SEK 1,321m in 2025, with a mixed performance across markets. Sweden declined by 14.1% to SEK 240m and Norway fell by 2.0% to SEK 894m, while Germany grew 7.7% to SEK 187m, supported by new customer wins. The EBITA margin declined to 1.6% from 1.9%, but Telecom remained Netel's only profitable division in 2025.

Telecom: Sales and y-o-y growth



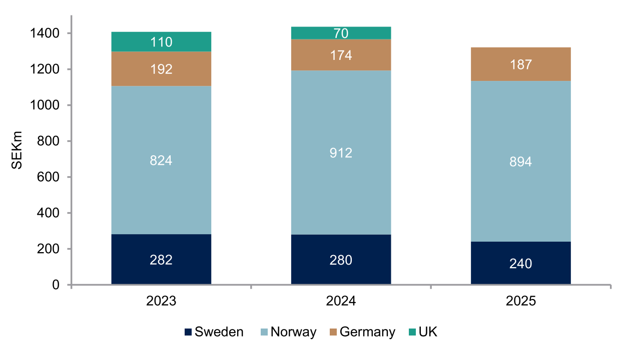
Source: ABG Sundal Collier, Company data

Telecom: EBITA and EBITA margin



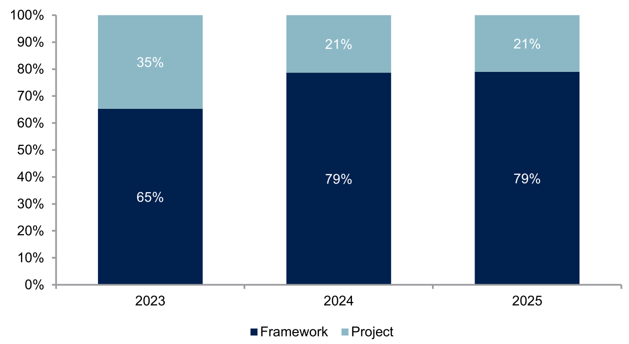
Source: ABG Sundal Collier, Company data

Telecom: Sales per geography



Source: ABG Sundal Collier, Company data

Telecom: Framework vs Project



Source: ABG Sundal Collier, Company data

Acquisitions built Netel beyond Telecom

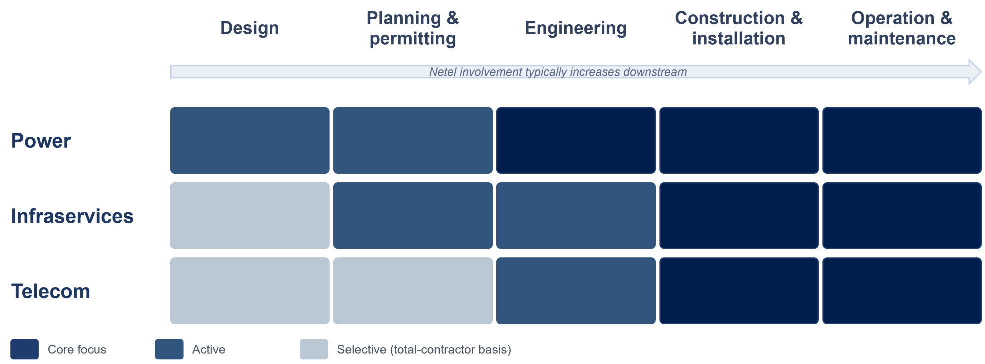
Netel has historically used acquisitions to diversify beyond Telecom and expand into adjacent infrastructure markets. The strategy has focused on small and mid-sized, often founder-led businesses in fragmented markets, either strengthening existing operations or adding new capabilities and geographies. Targets have typically been profitable businesses with established customer relationships, often supported by framework agreements with network owners, municipalities and utilities.

Netel has also favoured businesses that rely on field capabilities already present in the group. This reduces the need to build new competencies from scratch and, in principle, makes acquired operations easier to integrate.

Flexible workforce supports a project-driven model

Netel is primarily an execution-focused contractor, providing installation, construction and maintenance services to owners of critical infrastructure. Around 60% of its workforce is blue-collar, with field technicians, cable layers, excavator operators and civil construction crews carrying out most of the work on site. Planning, permitting and engineering account for a smaller share of the value chain. An exception is Nett-Tjenester in Norway, which also provides planning and engineering services for power networks up to 145 kV.

Netel combines its own workforce with subcontractors to match capacity to a project-driven order book. This provides flexibility as activity changes and limits the need to carry a larger fixed workforce through periods of lower volumes. The group had around 800 FTEs at year-end 2025.



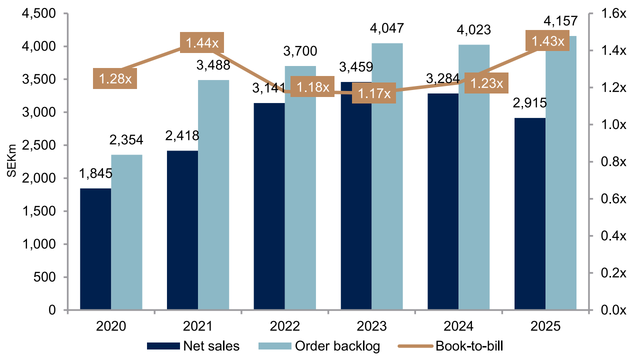
Source: ABG Sundal Collier, Company data

Framework agreements provide recurring volumes

Netel's contracts typically span two to five years and consist mainly of framework agreements and project contracts. Framework agreements set the terms under which customers can order work as needed, without committing to specific volumes upfront. These agreements typically run for two to three years (with extension options), providing Netel with recurring installation, service and maintenance work.

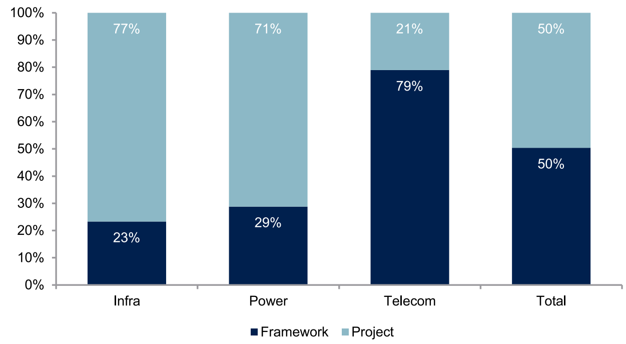
Project contracts, by contrast, have a defined scope and end date and typically run for one to two years. They are often larger than individual framework call-offs but provide less recurring revenue and make activity more dependent on project wins and start-up timing. The mix therefore balances the visibility of framework agreements against the larger but lumpier nature of project work.

Backlog vs. net sales '20-'25



Source: ABG Sundal Collier, Company data

Type of contract split



Source: ABG Sundal Collier, Company data

Roughly 50/50 split between contract types

The mix between the two contract types differs by segment. In Telecom, framework agreements accounted for 79% of revenue in '25. In Power and Infraservices the shares were far lower, at 29% and 23%, respectively, meaning that these are more dependent on winning and executing individual project tenders. This distinction helps explain why Telecom revenue has historically been comparatively stable, while Power and Infraservices have been more sensitive to project flow and procurement timing. With Telecom currently representing a larger share of sales, framework agreements make up 50% of total sales (as of '25).

Recently-signed contracts

Framework Agreements		Projects	
Telenor *(Norway, Telecom).* In 2025 Netel entered a new 3-year framework agreement with Telenor, with a 2-year extension option. The agreement is valued at NOK 300-400m/year and covers operation, maintenance and expansion of fibre networks in Norway.	E.ON *(Sweden, Power)* Netel signed a new 5-year framework agreement with E:ON. The contract guaranteed volumes totaling SEK 330m, covering project contracting for local networks in central Sweden.	Ludvika Logistics Centre *(Sweden, Infraservices)* Netel won civil engineering works for a 103,000 m3 logistics centre in Ludvika, worth approximately SEK 100m. Project started around year end '25 and is expected to complete in early '27.	Elvia Substation Upgrades *(Norway, Power)* Netel signed an agreement worth approximately NOK 70m with Elvia to upgrade Gjestad, Dal and Garder substations. Project runs from '25 to Q1 '27 and covers design, materials and installation.

Source: ABG Sundal Collier, Company data

Different customer profile creates stability

Netel's customers are the owners and operators of critical infrastructure, including telecom operators, grid companies, municipalities and, increasingly, large industrials. Demand is driven by regulation, replacement cycles and public investment programmes rather than end-market consumption, and customers prefer suppliers they can retain across contract cycles. The customer bases differ by division, and the cleanest measure of that difference is the share of revenue delivered under framework agreements: 79% in Telecom, 29% in Power, 23% in Infraservices, according to the quarterly reports.

Telecom customers are the most concentrated, the most recurring, and predominantly commercial; with the top customers being Telenor, Telia, Tele2, GlobalConnect, Ice and Viken Fiber in the Nordics, and UGG, E.dis and envia TEL in Germany. Public customers are a recent addition. FMV, on frameworks worth SEK 480m, and Trafikverket were added in 2026. Concentration is material: the Telenor framework in Norway alone is worth NOK 300m–400m a year, roughly a third of Telecom Norway and around a tenth of group revenue.

Power customers are typically large: E.ON, Svenska Kraftnät and Vattenfall Eldistribution in Sweden, Elvia and Glitre Nett in Norway, plus industrial customers such as the data-centre operator Green Mountain added under a 2024 broadening strategy.

Infraservices customers are generally more local, smaller and predominantly public. Typical customers are municipal water, energy and property companies such as Sigtuna Vatten & Renhållning, Järfälla, Mälarenergi and Stockholm Stad, and some private property and construction companies. Contracts are small and numerous, competition is local and intense, and framework penetration is the lowest in the group (and falling).

Netel customer characteristics

Segment	Customer characteristics	Share framework agreements
Telecom	- Recurring % predominantly commercial - High customer concentration - Telenor, Telia, Tele2, UGG, FMV, Trafikverket	79%
Power	- Generally larger - E.ON, Svenska Kraftnät, Vattenfall, Elvia, Giltre Nett	29%
Infra	- Generally smaller and predominantly public - Contracts are small and numerous - Sigtuna Vatten & renhållning, Stockholm Stad	23%

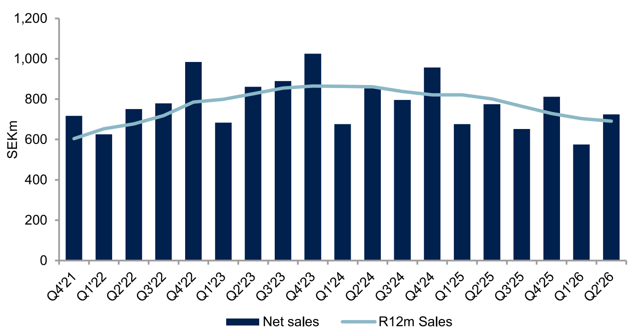
Source: ABG Sundal Collier, Company data

Earnings weighted towards H2

Netel follows the typical seasonality of the construction industry, driven mainly by weather, project phasing and customer investment timing. Q1 is generally the weakest quarter, as winter conditions limit groundwork and many projects remain in the start-up phase, with costs incurred ahead of meaningful invoicing. Activity and margins typically improve through Q2 and Q3, as projects move into production.

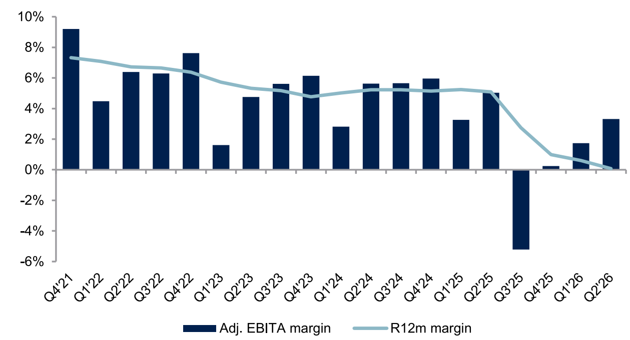
Q4 is typically the strongest quarter for both earnings and cash flow as project activity peaks and revenue is recognised. Historically, Q4 has accounted for around 36% of Netel's full-year earnings on average, compared with roughly 11% in Q1.

Quarterly and R12m sales, SEKm



Source: ABG Sundal Collier, Company data

Quarterly and R12m EBITA margins



Source: ABG Sundal Collier, Company data

Quarterly results follow the weather

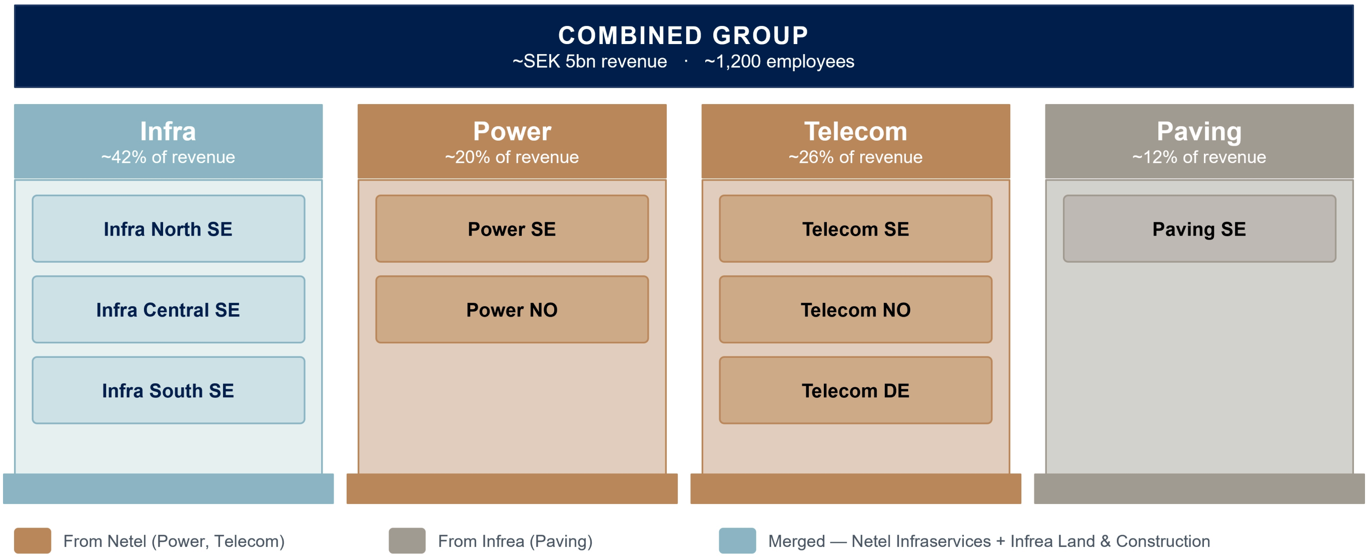
Source: ABG Sundal Collier, Company data

Netel and Infrea: the combined group

The new segment split

After the merger, the combined group of Infrea and Netel will be organised into four business areas across nine units, according to the prospectus. The new unit "Infra" merges Netel's Infraservices with Infrea's Land & Construction, Netel's Power and Telecom will carry over from Netel, and Paving (Beläggning) from Infrea.

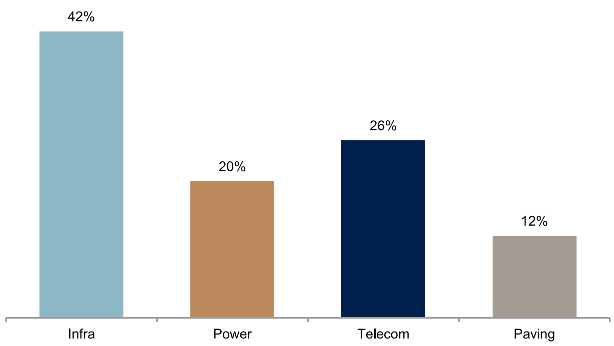
The combined group structure



Source: ABG Sundal Collier, Company data

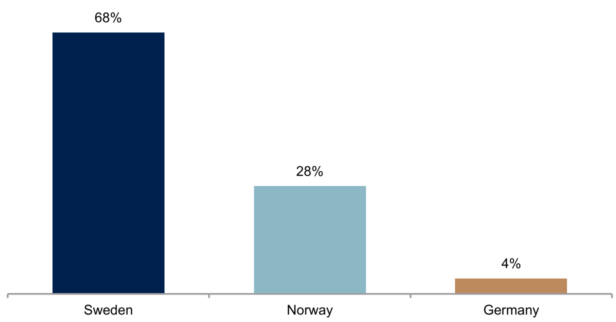
Infra will become the largest segment at roughly 42% of combined revenue, split into three units: Infra North SE, Infra Central SE and Infra South SE, with a footprint stretching from Skåne to Jämtland and from Gothenburg to Stockholm. Power will be ~20% of sales, across two units (Sweden and Norway), Telecom will account for ~26% across three countries (Sweden, Norway and Germany), and Paving for ~12% as a single Swedish unit that includes three owned asphalt plants.

Planned combined group segment split



Source: ABG Sundal Collier, Company data

Planned combined group geographical split



Source: ABG Sundal Collier, Company data

The geographic footprint...

The more notable shift is geographic. Infra and Paving are entirely Swedish, and Sweden already accounts for a large share of Power and Telecom. As a result, we estimate that Sweden will represent ~68% of combined revenues. Norway (Netel's largest market at 48% of revenues) will fall to ~28% of the combined group, while Germany should decline from ~6% to below 4%. Hence, while the transaction diversifies Netel's service offering, it increases its geographic concentration. The combined group will be materially more exposed to Sweden; particularly Swedish municipal and utility spending.

…and where the companies overlap

Infra is the main area of operational overlap. Netel brings expertise in Power and Telecom, while Infrea adds Paving, but Netel's Infraservices and Infrea's Land & Construction operations both perform groundworks in Sweden and compete for municipal contracts. However, Infrea's analysis of historical tenders suggests limited direct competition, with the two companies rarely bidding for the same contracts.

We therefore see the Infra operations as more complementary than competitive

Infrea is strong in southern and northern Sweden, while Netel has a strong position in Mälardalen, an area Infrea has previously highlighted for potential M&A. The merger therefore fills a geographic gap for Infrea and creates a broader Swedish Infra footprint, combining Infrea's positions in the north and south with Netel's strength in central Sweden.

Greater scale opens larger contracts

A larger platform could offer cost and revenue synergies, a broader reference base and access to contracts with revenue or size thresholds that may previously have limited either company. The overlap could therefore strengthen the combined group's competitive position, in our view, although the extent of these benefits remains to be demonstrated.

We expect limited personnel changes across the operating units. The combined group targets just over 1,200 employees, broadly in line with the two companies' current combined workforce, suggesting that the merger is not primarily based on headcount reductions.

Expected synergies of SEK 50m

The boards of both companies jointly assess that cost synergies of around SEK 50m can be realised within 12–24 months of merger completion. These are expected to come from savings in shared and overlapping group functions, the creation of larger units, procurement, and the elimination of the duplicated costs of operating as two separately-listed companies. Management also expects combined future financing costs to be lower than the two companies' costs standalone, and over time, for meaningful but unquantified revenue synergies from the complementary offering and geographic overlap. Moreover, management sees meaningful cross-selling potential from combining Infra and Power. Its preliminary analysis suggests that adding groundworks to just one or two Power contracts could generate low-to-mid hundreds of SEKm in additional revenue relatively quickly, although this is illustrative and not a formal target.

Integration is expected to begin immediately on completion. Restructuring costs are estimated by management at approximately SEK 35m in total, of which SEK 12m are financial (financing-related) costs, with the majority expected to arise and be recognised during 2026.

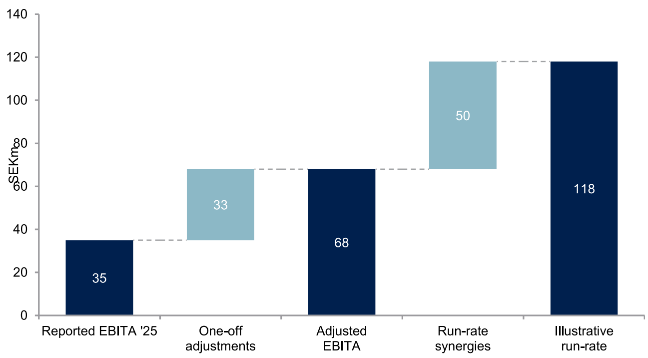
Combined group profitability 2025 numbers

	Netel	Infrea	Combined
Net sales	2,915	2,069	**4,984**
EBITA, reported	-5	40	**35**
EBITA margin	-0.2%	1.9%	**0.7%**
EBITA, adjusted	28	40	**68**
Adj. EBITA margin	1.0%	1.9%	**1.4%**

Source: ABG Sundal Collier, Company data

Footnote: SEK 40m EBITA in Infrea excludes the EBITA from the Water & Sewage segment, sold in 2025.

Combined company run-rate EBITA



Source: ABG Sundal Collier, Company data

The combined group's market

The combined group will operate across four markets: Civil engineering & groundworks, power & grid installation, telecom network services, and paving; adding power and telecom from Infrea's base. Overall the sector is facing an ageing asset base, demand anchored in the public sector or regulated utilities & network operators, and fragmentation among many small regional players. Infrea management estimates the total Swedish civil engineering market at SEK 268bn, growing around 5% annually, of which the combined group addresses roughly SEK 115bn with current operations in the segment. In power, Sweco estimates a Swedish grid investment need of SEK 890bn-945bn through 2045. The telecom market is shifting from build out towards upgrade and maintenance. Groundwork and paving are essentially Swedish markets for the group, while power and telecom reach a wider geography. Grid investments span the Nordics, with additional fibre roll out in Germany.

Structural demand drivers

Transport infrastructure
SEK 1,171bn
National Transport Plan 2026–37; ~half to maintenance & reinvestment of the existing road and rail network.
Infra | Paving

Power grid
SEK 890–945bn
Total Swedish grid investment to 2045 (Sweco); Svenska kraftnät SEK 70bn in 2027–29 (+SEK 14bn).
Power

Electrification
300+ TWh
Possible doubling of power demand by 2045; +2,900 km lines & ~40 stations; N. Sweden >SEK 1,000bn.
Power

Ageing-asset backlog
SEK 31bn / yr
Water & sewage need vs ~SEK 20bn actual; ~32% of state roads in poor/very poor condition.
Infra | Paving | Power

Digitalisation
98% gigabit
Sweden near-complete (lifecycle & service focus); Germany a live fibre build-out market.
Telecom

Green transition & adaptation
Net-zero 2045
Transport ~36% of emissions; coastal climate adaptation >SEK 100bn to 2100.
Infra | Power | Paving

Source: ABG Sundal Collier, Regeringen, Dagens PS, Svenska kraftnät, Sweco/Ellevio, Svenskt Vatten, Transportföretagen, PTS, Naturvårdsverket, Boverket, Norrbottens Handelskammare.

Macro & policy backdrop

The main driver for the combined company's market is investment in critical infrastructure. In the early 2020s, cost pressure, capacity constraints, lengthy approval processes, cash-strapped municipalities and political re-prioritisation weighed on activity. A recovery has since begun as the Swedish economy stabilises and political support strengthens, now translating into concrete budget commitments and reinforced by the shift in the fiscal framework from a surplus to a balance target from 2027,[1] which opens further room for public investment. Beyond the cyclical recovery, the market is primarily driven by investment needs that hold regardless of the cycle.

Two investment cycles anchoring the landscape

The Swedish government has adopted a historically large programme through its National Transport Infrastructure Plan 2026–2037, totalling SEK 1,171bn [2] of which half (~SEK 564bn) is directed at operation, maintenance and reinvestment of the existing road and rail network.[3] Today's roads in Sweden need investments to cope with increased pressure and NATO requirements (NATO requires up to 1.5% of GDP to be allocated to broader defence- and security-related investments, including critical infrastructure, with a specific need for Sweden to strengthen east-west road connections).

[1]Sveriges riksdag (2025) *Statens budget 2026 – Rambeslutet* (Betänkande 2025/26:FiU1). Finansutskottet. Available at: https://www.riksdagen.se/sv/dokument-och-lagar/dokument/betankande/statens-budget-2026-rambeslutet_hd01fiu1/

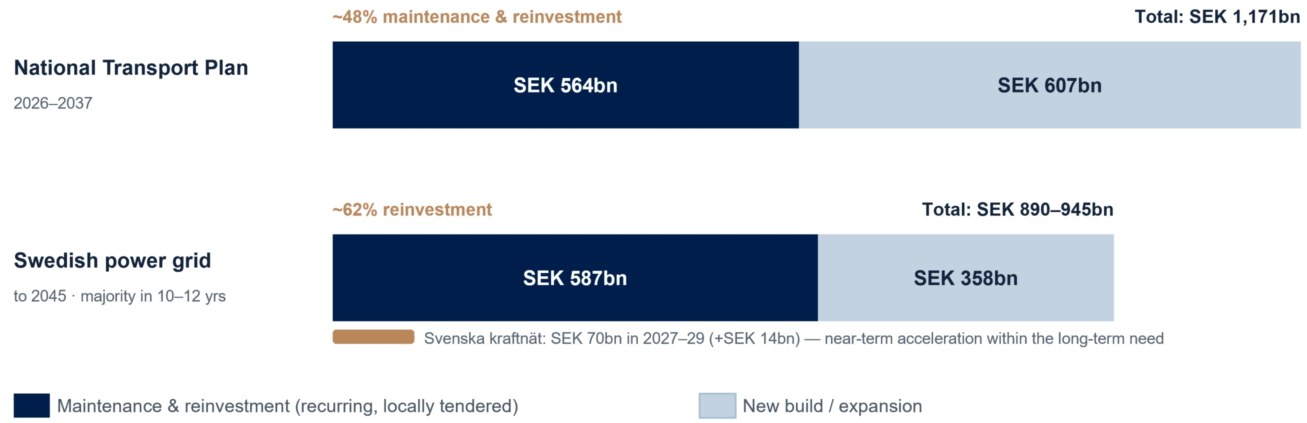
[2]Regeringen (2025) *Nationell plan för transportinfrastrukturen 2026–2037*. Regeringskansliet.

[3]Dagens PS (2026) *Var tredje svensk väg är i uselt skick – här är de sämsta*. Available at: https://www.dagensps.se/motor/var-tredje-svensk-vag-ar-i-uselt-skick-har-ar-de-samsta/

For Infrea and Netel, maintenance is the recurring, locally tendered work that flows to regional groundworks and paving specialists, which is where Infrea and Netel's civil-engineering and paving subsidiaries operate.

In the transmission grid, Svenska kraftnät plans to invest SEK 70bn over 2027–2029,[4] an increase of SEK 14bn on the previous three-year plan,[5] with the bulk going to raising transfer capacity and replacing assets at end-of-life. This near-term step aligns with far larger long-term needs: Sweco estimates a total Swedish grid investment of around SEK 890bn–945bn through 2045, with the majority required within the coming 10–12 years.[6] As with roads, a large share is refurbishment. About SEK 587bn is reinvestment required regardless of scenario, according to Sweco/Ellevio, rather than pure expansion.

Investment plans



Source: ABG Sundal Collier, Regeringen, Dagens PS, Svenska kraftnät, Sweco/Ellevio

Footnote: Grid split shown at high scenario (SEK 945bn = SEK 587bn reinvestment + SEK 358bn new build); low scenario ~SEK 890bn

Backlog in ageing infrastructure is now actively funded

A structurally important factor across all the group's markets is a large installed base reaching end-of-life, creating durable replacement and maintenance demand. Roads are especially exposed: around 32% of state roads are classified as being in poor or very poor condition,[7] and the backlog is worsening as the network deteriorates faster than current budgets can maintain. Transportföretagen estimates that the worst tier alone, roughly 11% of state roads in very poor condition, would cost about SEK 8.1bn to fix. [8] The same dynamic extends across adjacent segments. Svenskt Vatten estimates that the water and sewage system needs about SEK 31bn of annual investment against an actual rate of roughly SEK 20bn–21bn, with parts of the network dating back to the mid-19th century. [9] Transmission grids show the same replacement pattern, with a large share of investments directed at assets reaching end-of-life rather than pure expansion, according to Sweco/Ellevio and Svenska kraftnät.

[4] Svenska kraftnät (2026) *Verksamhetsplan med investerings- och finansieringsplan 2027–2029*. Available at: https://www.svk.se/press-och-nyheter/nyheter/allmanna-nyheter/2026/svenska-kraftnat-okar-investeringstakten/

[5] Svenska kraftnät (2025) *Nätutvecklingsplan 2026–2035*. Available at: https://www.svk.se/om-oss/rapporter-och-remissvar/natutvecklingsplan/

[6] Sweco/Ellevio (2023) *Elnätsrapporten 2023 – investeringsbehovet i det svenska kraftsystemet till 2045* (updated in *Effektrapporten 2025*). Available at: https://www.ellevio.se/globalassets/content/nyheter-pressrum/elnatsrapporten-2023.pdf

[7] Dagens PS (2026) *Var tredje svensk väg är i uselt skick – här är de sämsta*. Available at: https://www.dagensps.se/motor/var-tredje-svensk-vag-ar-i-uselt-skick-har-ar-de-samsta/

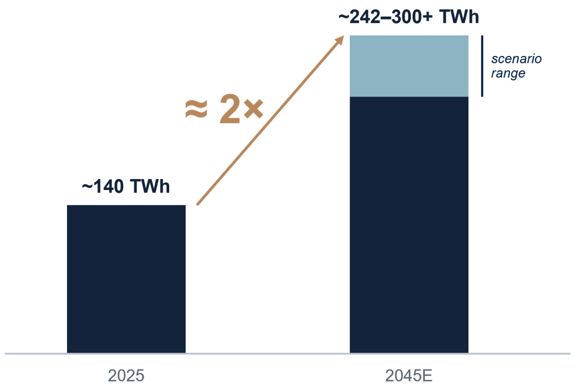
[8] Transportföretagen (2025) *Våra vägar*. Available at: https://www.transportforetagen.se/prioriterade-fragor/transportfakta/vara-vagar/

[9] Svenskt Vatten (2023) *Investeringsbehov och framtida kostnader för kommunalt vatten och avlopp*. Available at: https://www.svensktvatten.se/vara-sakomraden/va-infrastruktur/

Electrification & the energy transition

Sweden's electricity use is expected to rise sharply. Planning scenarios point to a possible doubling towards 300+ TWh by 2045 from roughly 140 TWh today,[10] though more recent scenarios have been revised down somewhat (~242–294 TWh) while keeping the same direction. Meeting this requires extensive new build-outs and reinforcement: Svenska kraftnät's grid-development plan foresees around 2,900 km of new lines and about 40 new stations over the coming decade, plus reinvestment in over 1,100 km of existing lines, with annual project investment rising from roughly SEK 9bn in 2025 towards SEK 20bn.[11] The shift to weather-dependent generation adds another layer, as a more variable system demands capacity, flexibility and new grid technology. Much is industrially driven: in northern Sweden, over SEK 1,000bn of green industrial investment is expected by 2040, [12]requiring substantial grid reinforcement and supporting infrastructure.

Sweden electricity demand (TWh)



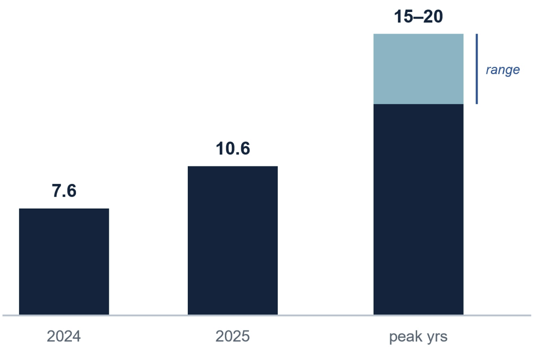
SEK 9bn → 20bn / yr
Grid project capex stepping up
Svenska kraftnät annual project investment (2025 → rising).

+2,900 km · ~40 stations
New transmission build this decade
plus reinvestment in over 1,100 km of existing lines.

>SEK 1,000bn
Northern-Sweden industrial pull to 2040
green steel, electrification & mining — needs major grid reinforcement.

Source: ABG Sundal Collier, Sweco/Ellevio, Svenska kraftnät, Norrbottens Handelskammare

Statnett annual investment (NOK bn)



NOK 150–200bn
Transmission investment, next decade
Statnett (+ digitalisation); project portfolio up from ~100 to ~130bn.

~NOK 100bn
Regional & local grid, to 2031
where Nett-Tjenester operates; total grid ~NOK 170bn in 2024–30.

7,700 MW
New consumption capacity reserved
+7,300 MW new production — strong connection demand (Statnett).

Source: ABG Sundal Collier, Statnett, NVE/RME

[10] Sweco/Ellevio 2023

[11] Svenska kraftnät 2025

[12] Norrbottens Handelskammare, in Svenskt Vatten 2024

Digitalisation going from build-out to lifecycle

Digitalisation has made telecommunications a critical societal infrastructure, and demand for capacity, availability and security keeps rising as data traffic grows. This drives continuous investment, not only to extend coverage, but to upgrade capacity and resilience in existing networks. In Sweden the fixed build-out is largely complete: around 98% of households and businesses had fibre or gigabit-capable access as of 1 October 2025,[13] making Sweden one of Europe's most connected markets. Germany represents an earlier stage of the same transition, with fibre penetration well below Nordic levels[14] and active copper-to-fibre replacement still underway, [15] making it a live build-out market. Across regions the focus has shifted from rolling out new networks to managing the full lifecycle of planning, construction and maintenance, with long-term framework agreements, reliability and lifecycle responsibility increasingly the norm, and telecommunications now widely treated as critical infrastructure.

Although near-term telecom capex has softened following the 5G upgrade cycle and the wind-down of legacy networks, we see several drivers supporting medium-term activity. In Sweden, fibre networks have historically been built primarily along a north–south axis, leaving west–east routes to be completed, while defence, resilience and redundancy requirements are adding demand as telecom networks become increasingly critical. Data-centre expansion provides another source of connectivity and capacity investment. Management expects these drivers to gradually offset the maturing Nordic fixed-network build-out, while Germany remains an active fibre build-out market.

Green transition and climate adaptation also drives investment

The green transition is among the most significant structural drivers of infrastructure investment. Decarbonising transport, heating and industry requires extensive reinvestment in grid capacity, renewable connectivity and urban transport. Sweden has legislated for net-zero by 2045, [16] and transport (which is just over a third of national emissions; around 35% in 2024), [17] is under particular pressure, keeping the political and budgetary commitment firm. In cities, this is generating concrete investments in bicycle and pedestrian networks, bus-priority infrastructure, green corridors, and multimodal hubs. Procurement criteria are shifting too, with low-emission-vehicle requirements, recycled-material specifications and carbon criteria increasingly built into tender evaluations, making sustainability credentials a growing precondition for contractors. Climate adaptation adds another layer: more frequent heavy rainfall is straining roads, drainage and water networks designed for historical norms, and coastal municipalities alone are estimated to need over SEK 100bn in adaptation investment to 2100, against public budgets that fall well short. [18]

[13] PTS (2025). *Mobiltäcknings och bredbandskartläggning 2025.* Post och telestyrelsen.

[14] Business Sweden (2025). *Germany accelerates digital expansion* (12 sep 2025) and FTTH Council Europe / Opensignal (2025). *Europe's 2026 Market Panorama / Germany Fixed Broadband Experience Report.*

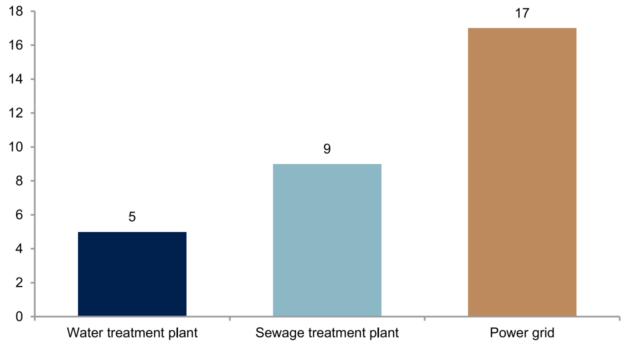
[15] Omdia (2025). *Germany's fiber rollout falls short, putting 2025 targets at risk.*

[16] Klimatlag (2017:720). Sveriges klimatpolitiska ramverk. Riksdagen.

[17] Naturvårdsverket (2025). *Sveriges utsläpp och upptag av växthusgaser* (slutlig statistik för 2024).

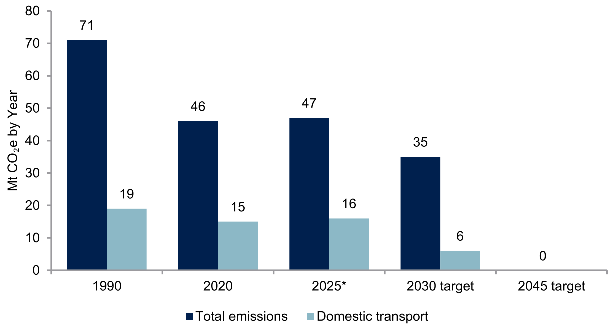
[18] Boverket (2021). *Klimatanpassning, kostnader och finansiering* (Rapport 2021:22).

Annual investment requirement, SEKbn



Source: ABG Sundal Collier, Company Data, Svenskt Vatten 2023

Sweden's emissions: history and legislated path



Source: ABG Sundal Collier, Naturvårdsverket (2025), Sveriges utsläpp och upptag av växthusgaser; transport milestone from the etappmål for inrikes transporter (−70% vs 2010); net-zero 2045 from Klimatlag 2017:720.

Structural demand already visible in revenues

These structural drivers will likely translate into meaningful revenues for the combined group. Management estimates that more than SEK 1bn of current revenues are directly linked to power investment, with more than a further SEK 1bn potentially exposed to municipal infrastructure and public-service spending. This should give the group a sizeable existing revenue base exposed to the structural investment trends outlined above.

Netel-Infrea positioned in middle of competitive landscape

Local advantages create barriers to entry

The Nordic infrastructure market is fragmented, with numerous local players competing for small and mid-sized contracts and a handful of larger companies targeting major projects. Netel and Infrea have historically focused mainly on the smaller-contract segment, where local presence and relationships matter. Knowledge of procurement processes, terrain, customers and subcontractor networks takes time to build, giving established local players an advantage. Paving is particularly local, as asphalt quality deteriorates when transported more than c. 100-150km, making regional density important.

Scale matters as contract sizes increase

The competitive dynamics change for larger projects and framework agreements. These typically require certifications, quality systems, financial strength and broader geographic coverage, raising barriers to entry for smaller contractors. Scale therefore becomes increasingly important as contract sizes rise.

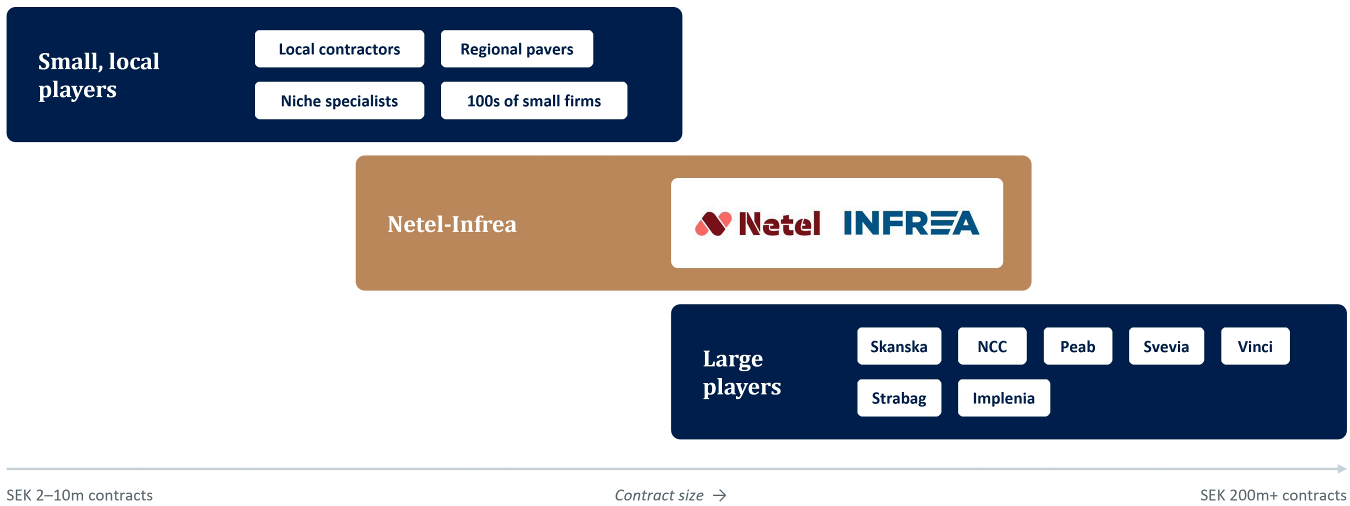
Netel and Infrea sit between these two groups. Both retain the local relationships and market knowledge needed to compete for smaller contracts, while their scale, certifications, quality systems and in-house production capacity allow them to pursue larger projects and framework agreements. This gives them the ability to compete locally while meeting the formal requirements of larger contracts.

Merger should move the group up the contract-size ladder

We believe that the merger will strengthen this position. Infrea has mainly operated in southern Sweden and, to a lesser extent, the north, while Netel's civil works have focused on Mälardalen and coastal areas. The combination therefore broadens the group's geographic reach with limited overlap. Broader capabilities and references, a national presence in power, and a combined order book of >SEK 5bn should also improve its ability to compete for larger contracts and framework agreements that would have been difficult for either company to pursue independently.

In our view, the combination should therefore move Netel-Infrea up the contract-size ladder while preserving the local advantages that underpin its existing business.

Positioned in the middle of the competitive landscape



Source: ABG Sundal Collier, Company data

Future strategy

Complementary footprint creates cross-selling opportunities

The two businesses have limited overlap and complement each other geographically. Infrea is concentrated in southern (and, to a lesser extent, northern) Sweden, while Netel's civil works are centred on Mälardalen and coastal areas. Combined, the group will operate from around 60 sites across Sweden, Norway and Germany, broadening its geographic reach and service offering.

We see particular potential where the companies' capabilities meet. A substation requires groundworks, while a data centre requires both power and digital infrastructure. The combined group can take greater responsibility for these projects and offer a broader scope from a single platform.

A broader and more resilient business

The merger also diversifies the group across four business areas and several contract types, including service contracts, long-term framework agreements and projects. This reduces dependence on individual segments, customers and contract types.

The near-term priority for the combined group is to restore profitability rather than pursue growth, according to managemt. Both companies will enter the merger after two years of consolidation. Netel has divested its Finnish and UK operations, reduced management layers, and tightened project control and costing, while Infrea has divested Water & Sewage to focus on Ground & Civil Works and Paving. Further consolidation of Swedish subsidiaries into larger units should support margins even before merger synergies, in our view.

Once profitability has recovered, we see several avenues for growth. In Power, the group is currently focused on local and distribution grids, leaving scope to expand into transmission grids and data-centre-related demand. Greater scale, broader capabilities and a stronger set of references should also improve its ability to compete for larger contracts.

SEK 50m of synergies provides meaningful earnings leverage

As mentioned above, the boards target around SEK 50m of annual cost synergies, equivalent to c. 60% of the companies' combined 2025 adjusted EBITA. Savings should come from combining group functions, removing duplicate listing costs and improving purchasing. Management expects ~20–25% of the synergies to be captured within the first ~90 days, primarily from straightforward measures such as consolidating premises and removing duplicate listing costs. Procurement represents roughly half of the total synergy target, but will phase in as new projects are tendered and launched, with full effect expected within 24 months. Revenue synergies have not been quantified, but should emerge over time as the group sells its power and civil-works capabilities across a broader geographic footprint.

Management sees the synergies as a way to reach existing profitability ambitions faster rather than as upside to those targets. Neither Infrea nor Netel has yet reached their desired profitability: although the existing targets imply EBITA margins of roughly 5–7%, neither of the companies have reached their target in the last five years.

The group will enter the merger with an order book of more than SEK 5bn, which management describes as healthy in terms of both customers and margins. Importantly, the order book has been built without prioritising growth at the expense of profitability, according to the company. Furthermore, management indicates that the combined group could operate at ~2.5x net debt/EBITDA in the near term, supported by a larger and more diversified business and a greater share of service agreements alongside frameworks and projects.

Integration before further M&A

Both companies have historically grown through acquisitions, but we expect near-term M&A activity to be limited. Management views the merger itself as the large strategic step both companies had been looking to take, making further transformational deals unlikely in the near term. Any acquisitions are therefore more likely to be smaller, complementary bolt-ons, in our view.

The immediate priority is to integrate the businesses, restore underlying profitability, and strengthen the balance sheet. Management nevertheless sees continued consolidation opportunities in its fragmented markets, and we expect M&A activity to pick up once profitability has recovered and the balance sheet provides greater headroom.

Short-term strategy

- **Long-term financing in place**
  Replace the bridge facility with durable long-term financing
- **A clear, shared group strategy**
  One agreed direction across the four business areas
- **Capture the low-hanging cost synergies**
  One office, one listing and procurement

Source: ABG Sundal Collier, Company data

Group management and ownership

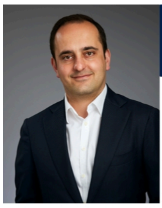
Combined group management

Following the completion of the merger, the combined company will be led by former Infrea CEO Martin Reinholdsson, together with former Netel CFO Fredrik Helenius.

Combined group board

The combined group's board will consist of six members: three from Netel and three from Infrea. Netel's current chairman of the board, Alireza Etemad, will be proposed as the new chairman of the combined group. The current chairman of the board of Infrea, Tomas Bergström, will be proposed as the new deputy chairman of the board of the combined group.

Proposed board members



Alireza Etemad

Chairman of the board

Chaiman of the board of Netel since 2024.

Tomas Bergström

Deputy chairman of the board

Chairman of the board of Infrea since 2021, boardmember since 2020. Current CEO of byggmästare Anders J Ahlström.

Source: ABG Sundal Collier, Company Data

Combined group management

Martin Reinholdsson

CEO

Martin joined Infrea in 2023. His prior experience includes 25 years at Vattenfall. He was also CEO at Enwell AB.

Fredrik Helenius

CFO

Fredrik joined Netel in 2020, and prior to becoming CFO he was the Group Accounting Manager for Netel Group in 2020-2023.

Source: ABG Sundal Collier, Company Data

Ownership structure

Under the merger plan, Infrea's shareholders will hold at most 58% of the capital and votes in the combined group, falling to at most 53% if the over allotment issue is fully subscribed.

Etemad Group AB will increase its holding materially in connection with the merger, with the stated intention of being a leading, active and long-term owner with the support of the other major shareholders.

The combined company owner table

Owner	% Shares before the rights issue	% Shares after the rights issue	% Shares after both issues
Byggmästare Anders J Ahlström Invest AB	15.2%	12.5%	12.6%
Erik Lindeblad	11.5%	9.5%	8.6%
Etemad Group AB	2.6%	3.7%	5.4%
Avanza Pension	6.6%	6.0%	5.4%
Theodor Jeansson	2.7%	4.0%	3.6%
Pontus Lindwall	4.3%	3.5%	3.2%
Stefan Lindblad	2.1%	3.0%	2.7%
Nordnet Pensionsförsäkring	2.5%	2.9%	2.6%
LOE Equity AS	0.7%	1.1%	2.5%
Futur Pension	2.3%	2.4%	2.2%
10 largest shareholders	50.6%	48.6%	48.7%
Other	49.4%	51.4%	51.3%
Total	100.0%	100.0%	100.0%
Netel - shareholders	*28.9%*	*41.5%*	*47.1%*
Infrea - shareholders	*71.1%*	*58.5%*	*52.9%*

Source: ABG Sundal Collier, Prospectus

*Footnote: *according to the prospectus*

Income Statement (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Sales	612	905	1,264	2,090	2,014	2,078	2,189	2,091	2,158	2,204
COGS	-271	-464	-712	-1,343	-1,308	-1,373	-1,465	-1,425	-1,404	-1,426
Gross profit	341	441	552	747	706	705	724	666	754	779
Other operating items	-297	-343	-471	-582	-609	-584	-594	-540	-606	-619
EBITDA	**44**	**98**	**82**	**165**	**97**	**121**	**131**	**126**	**148**	**159**
Depreciation and amortisation	-34	-52	-61	-70	-85	-91	-82	-68	-74	-78
of which leasing depreciation	0	-18	-29	-35	-49	-59	-57	-46	-50	-54
EBITA	**9**	**46**	**21**	**94**	**13**	**30**	**49**	**58**	**74**	**82**
EO Items	0	0	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	-1	-1	-1	-1	-0	-15	-14	0	0	0
EBIT	**8**	**45**	**20**	**94**	**13**	**15**	**35**	**58**	**74**	**82**
Net financial items	5	-9	-10	-13	-21	-20	-14	-7	-5	-3
Pretax profit	**13**	**43**	**19**	**92**	**-8**	**-5**	**12**	**51**	**69**	**78**
Tax	-6	5	-3	-13	1	-3	-9	-11	-14	-16
Net profit	**7**	**48**	**16**	**79**	**-8**	**-8**	**3**	**40**	**55**	**62**
Minority interest	0	0	0	0	0	0	0	0	0	0
Net profit discontinued	130	0	0	0	0	0	50	0	0	0
Net profit to shareholders	**136**	**48**	**16**	**79**	**-8**	**-8**	**53**	**40**	**55**	**62**
EPS	8.14	2.84	0.84	3.93	-0.39	-0.26	1.77	1.43	1.95	2.21
EPS adj.	8.17	2.44	0.45	3.51	-0.37	0.50	1.98	1.43	1.95	2.21
Total extraordinary items after tax	0	8	8	9	-0	0	-3	0	0	0
Leasing payments	0	-18	-29	-35	-49	-59	-57	-46	-50	-54
Tax rate (%)	*47.7*	*-10.7*	*16.0*	*13.8*	*7.1*	*-49.1*	*73.5*	*21.5*	*20.6*	*20.6*
Gross margin (%)	*55.7*	*48.7*	*43.7*	*35.7*	*35.1*	*33.9*	*33.1*	*31.8*	*34.9*	*35.3*
EBITDA margin (%)	*7.1*	*10.8*	*6.4*	*7.9*	*4.8*	*5.8*	*6.0*	*6.0*	*6.9*	*7.2*
EBITA margin (%)	*1.5*	*5.0*	*1.6*	*4.5*	*0.6*	*1.5*	*2.2*	*2.8*	*3.4*	*3.7*
EBIT margin (%)	*1.4*	*4.9*	*1.5*	*4.5*	*0.6*	*0.7*	*1.6*	*2.8*	*3.4*	*3.7*
Pre-tax margin (%)	*2.1*	*4.7*	*1.5*	*4.4*	*-0.4*	*-0.3*	*0.5*	*2.5*	*3.2*	*3.6*
Net margin (%)	*1.1*	*5.2*	*1.3*	*3.8*	*-0.4*	*-0.4*	*0.1*	*1.9*	*2.5*	*2.8*
Growth Rates y-o-y	-	-	-	-	-	-	-	-	-	-
Sales growth (%)	*-11.2*	*47.9*	*39.7*	*65.3*	*-3.6*	*3.2*	*5.4*	*-4.5*	*3.2*	*2.1*
EBITDA growth (%)	*-16.7*	*123.6*	*-16.4*	*102.0*	*-40.8*	*24.3*	*7.8*	*-3.5*	*17.5*	*7.7*
EBITA growth (%)	*-66.1*	*391.3*	*-54.9*	*357.8*	*-86.4*	*136.7*	*61.4*	*18.8*	*27.7*	*10.0*
EBIT growth (%)	*58.1*	*nm*	*-56.2*	*nm*	*-86.6*	*19.2*	*nm*	*65.0*	*27.7*	*10.0*
Net profit growth (%)	*-211.7*	*609.0*	*-65.7*	*384.0*	*-109.9*	*1.3*	*-139.2*	*1,200.8*	*36.3*	*13.2*
EPS growth (%)	*nm*	*-65.1*	*-70.3*	*nm*	*nm*	*-32.1*	*nm*	*-19.1*	*36.3*	*13.2*
Profitability	-	-	-	-	-	-	-	-	-	-
ROE (%)	*44.3*	*13.1*	*3.7*	*14.8*	*-1.4*	*-1.3*	*8.0*	*5.9*	*7.9*	*8.5*
ROE adj. (%)	*44.6*	*11.2*	*2.0*	*13.3*	*-1.3*	*1.2*	*10.5*	*5.9*	*7.9*	*8.5*
ROCE (%)	*2.7*	*7.6*	*4.0*	*11.7*	*1.3*	*1.5*	*2.7*	*6.5*	*8.4*	*9.0*
ROCE adj. (%)	*1.5*	*6.7*	*2.8*	*10.6*	*1.3*	*3.1*	*5.1*	*6.5*	*8.4*	*9.0*
ROIC (%)	*0.9*	*9.0*	*2.8*	*10.5*	*1.4*	*5.2*	*1.7*	*6.7*	*8.7*	*9.6*
ROIC adj. (%)	*0.9*	*9.0*	*2.8*	*10.5*	*1.4*	*5.2*	*1.7*	*6.7*	*8.7*	*9.6*
Adj. earnings numbers	-	-	-	-	-	-	-	-	-	-
EBITDA adj.	44	98	82	165	97	121	131	126	148	159
EBITDA adj. margin (%)	*7.1*	*10.8*	*6.4*	*7.9*	*4.8*	*5.8*	*6.0*	*6.0*	*6.9*	*7.2*
EBITDA lease adj.	44	80	53	130	48	62	73	80	98	106
EBITDA lease adj. margin (%)	*7.1*	*8.8*	*4.2*	*6.2*	*2.4*	*3.0*	*3.3*	*3.8*	*4.5*	*4.8*
EBITA adj.	9	46	21	94	13	30	49	58	74	82
EBITA adj. margin (%)	*1.5*	*5.0*	*1.6*	*4.5*	*0.6*	*1.5*	*2.2*	*2.8*	*3.4*	*3.7*
EBIT adj.	8	45	20	94	13	30	49	58	74	82
EBIT adj. margin (%)	*1.4*	*4.9*	*1.5*	*4.5*	*0.6*	*1.4*	*2.2*	*2.8*	*3.4*	*3.7*
Pretax profit Adj.	14	37	10	82	-8	10	35	51	69	78
Net profit Adj.	8	41	9	71	-7	8	19	40	55	62
Net profit to shareholders adj.	137	41	9	71	-7	8	69	40	55	62
Net adj. margin (%)	*1.3*	*4.5*	*0.7*	*3.4*	*-0.4*	*0.4*	*0.9*	*1.9*	*2.5*	*2.8*

Source: ABG Sundal Collier, Company Data

Cash Flow (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
EBITDA	44	98	82	165	97	121	131	126	148	159
Net financial items	5	-9	-10	-13	-21	-20	-14	-7	-5	-3
Paid tax	-6	5	-3	-13	1	-3	-9	-11	-14	-16
Non-cash items	120	-163	31	16	-19	-10	11	-6	0	0
Cash flow before change in WC	162	-70	99	155	58	89	119	102	129	140
Change in working capital	-133	147	-65	-20	-28	11	-55	27	-5	-3

Cash Flow (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Operating cash flow	**29**	**77**	**34**	**135**	**30**	**100**	**64**	**129**	**124**	**137**
Capex tangible fixed assets	-3	-16	-14	-17	16	-7	37	-7	-12	-16
Capex intangible fixed assets	-126	124	0	0	0	0	2	-1	0	0
Acquisitions and Disposals	249	-21	-125	-72	-20	0	102	0	0	0
Free cash flow	**150**	**164**	**-105**	**47**	**26**	**93**	**204**	**121**	**112**	**121**
Dividend paid	-48	-131	0	0	0	0	-15	-18	-20	-21
Share issues and buybacks	0	0	73	0	-6	83	0	-31	0	0
Leasing liability amortisation	-21	-24	-31	-38	-60	-54	-59	-49	-53	-57
Other non-cash items	-107	-13	-34	-43	-37	12	84	-28	0	-0

Balance Sheet (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Goodwill	260	277	357	413	426	411	340	340	340	340
Other intangible assets	5	4	32	31	31	30	31	31	31	31
Tangible fixed assets	116	136	162	183	158	140	72	63	51	43
Right-of-use asset	94	117	121	145	195	181	98	129	132	135
Total other fixed assets	0	1	1	1	0	0	0	0	0	0
Fixed assets	475	535	673	773	810	762	541	563	554	549
Inventories	11	15	21	28	32	32	20	22	22	23
Receivables	134	107	200	283	246	256	302	288	298	304
Other current assets	147	50	102	151	184	174	200	192	199	203
Cash and liquid assets	121	111	107	125	67	156	218	199	213	251
Total assets	**888**	**818**	**1,102**	**1,360**	**1,339**	**1,379**	**1,280**	**1,264**	**1,286**	**1,331**
Shareholders equity	343	382	489	575	564	638	686	677	712	753
Minority	131	0	0	0	0	0	0	0	0	0
Total equity	**474**	**383**	**489**	**575**	**564**	**638**	**686**	**677**	**712**	**753**
Long-term debt	91	92	166	170	195	167	107	72	46	41
Pension debt	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0
Leasing liability	91	114	115	135	174	165	88	111	111	111
Total other long-term liabilities	28	14	25	37	30	27	20	20	20	20
Short-term debt	65	49	56	71	32	29	20	20	20	20
Accounts payable	63	68	107	207	191	162	172	171	177	181
Other current liabilities	77	98	145	164	152	192	187	194	201	205
Total liabilities and equity	**888**	**818**	**1,102**	**1,360**	**1,339**	**1,379**	**1,280**	**1,264**	**1,286**	**1,331**
Net IB debt	126	144	230	252	335	205	-3	3	-37	-80
Net IB debt excl. pension debt	126	144	230	252	335	205	-3	3	-37	-80
Net IB debt excl. leasing	35	30	115	116	160	40	-91	-108	-148	-191
Capital employed	721	638	825	952	965	998	901	879	888	925
Capital invested	600	527	718	827	898	842	683	679	675	673
Working capital	152	6	71	91	119	108	163	136	141	144
EV breakdown	-	-	-	-	-	-	-	-	-	-
Market cap. diluted (m)	234	234	271	281	281	420	420	394	394	394
Net IB debt adj.	126	144	230	252	335	205	-3	3	-37	-80
Market value of minority	131	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	**491**	**379**	**501**	**533**	**616**	**624**	**417**	**396**	**357**	**314**
Total assets turnover (%)	74.7	106.1	131.7	169.8	149.3	152.9	164.7	164.4	169.2	168.5
Working capital/sales (%)	14.0	8.7	3.0	3.9	5.2	5.4	6.2	7.1	6.4	6.4
Financial risk and debt service	-	-	-	-	-	-	-	-	-	-
Net debt/equity (%)	26.6	37.7	47.0	43.7	59.4	32.1	-0.4	0.4	-5.2	-10.6
Net debt / market cap (%)	53.8	61.5	84.7	89.4	118.9	48.7	-0.6	0.6	-9.4	-20.3
Equity ratio (%)	53.3	46.8	44.4	42.3	42.1	46.2	53.6	53.5	55.4	56.6
Net IB debt adj. / equity (%)	26.6	37.7	47.0	43.7	59.4	32.1	-0.4	0.4	-5.2	-10.6
Current ratio	2.02	1.31	1.39	1.33	1.41	1.61	1.95	1.82	1.84	1.93
EBITDA/net interest	9.7	11.1	8.0	13.1	4.7	6.0	9.5	18.7	29.8	49.6
Net IB debt/EBITDA (x)	2.9	1.5	2.8	1.5	3.4	1.7	-0.0	0.0	-0.3	-0.5
Net IB debt/EBITDA lease adj. (x)	0.8	0.4	2.2	0.9	3.3	0.6	-1.2	-1.3	-1.5	-1.8
Interest coverage	2.1	5.2	2.0	7.5	0.6	1.5	3.5	8.6	15.0	25.4

Source: ABG Sundal Collier, Company Data

Share Data (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Actual shares outstanding	17	17	19	20	20	30	30	28	28	28
Actual shares outstanding (avg)	17	17	19	20	20	30	30	28	28	28

Share Data (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
All additional shares	1	0	3	1	0	10	0	-2	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	0.60	0.10	0.00	0.00	0.00	0.50	0.65	0.70	0.75	0.80
Reported earnings per share	3.10	2.50	0.40	3.50	-0.40	-0.30	2.10	1.43	1.95	2.21

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Shares outstanding adj.	17	17	19	20	20	30	30	28	28	28
Diluted shares adj.	17	17	19	20	20	30	30	28	28	28
EPS	8.14	2.84	0.84	3.93	-0.39	-0.26	1.77	1.43	1.95	2.21
Dividend per share	0.60	0.10	0.00	0.00	0.00	0.50	0.65	0.70	0.75	0.80
EPS adj.	8.17	2.44	0.45	3.51	-0.37	0.50	1.98	1.43	1.95	2.21
BVPS	20.47	22.85	25.24	28.63	28.05	21.26	22.87	24.06	25.31	26.77
BVPS adj.	4.64	6.09	5.16	6.53	5.32	6.55	10.51	10.86	12.12	13.58
Net IB debt/share	7.53	8.61	11.86	12.52	16.65	6.82	-0.08	0.09	-1.32	-2.85
Share price	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Market cap. (m)	234	234	271	281	281	420	420	394	394	394
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	1.7	4.9	16.6	3.6	nm	nm	7.9	9.8	7.2	6.3
EV/sales (x)	0.8	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.1
EV/EBITDA (x)	11.3	3.9	6.1	3.2	6.3	5.2	3.2	3.1	2.4	2.0
EV/EBITA (x)	52.8	8.3	24.3	5.7	48.1	20.6	8.5	6.8	4.8	3.8
EV/EBIT (x)	59.2	8.5	25.7	5.7	49.3	41.9	11.9	6.8	4.8	3.8
Dividend yield (%)	4.3	0.7	0.0	0.0	0.0	3.6	4.6	5.0	5.4	5.7
FCF yield (%)	64.2	70.0	-38.6	16.5	9.4	22.1	48.7	30.7	28.4	30.7
Le. adj. FCF yld. (%)	55.1	60.0	-49.9	3.0	-11.9	9.1	34.7	18.3	15.0	16.3
P/BVPS (x)	0.68	0.61	0.55	0.49	0.50	0.66	0.61	0.58	0.55	0.52
P/BVPS adj. (x)	2.83	2.22	2.05	1.73	2.05	1.85	1.21	1.17	1.06	0.95
P/E adj. (x)	1.7	5.7	31.0	4.0	nm	27.9	7.1	9.8	7.2	6.3
EV/EBITDA adj. (x)	11.3	3.9	6.1	3.2	6.3	5.2	3.2	3.1	2.4	2.0
EV/EBITA adj. (x)	52.8	8.3	24.3	5.7	48.1	20.6	8.5	6.8	4.8	3.8
EV/EBIT adj. (x)	59.2	8.5	25.7	5.7	49.3	20.7	8.5	6.8	4.8	3.8
EV/CE (x)	0.7	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.4	0.3
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	21.0	11.9	1.1	0.8	0.8	0.3	1.8	0.4	0.6	0.7
Capex/depreciation	3.7	-3.1	0.4	0.5	-0.4	0.2	-1.6	0.4	0.5	0.7
Capex tangibles / tangible fixed assets	2.4	11.8	8.6	9.5	9.8	5.1	51.5	11.0	23.7	37.5
Capex intangibles / definite intangibles	--	--	--	--	--	--	--	--	--	--
Depreciation on intang / def. intang	--	--	--	--	--	--	--	--	--	--
Depreciation on tangibles / tangibles	29.6	25.2	19.9	19.4	22.4	22.7	34.1	35.2	47.3	56.2

Source: ABG Sundal Collier, Company Data

Analyst Certification

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