CTT Systems

Reason: Post-results comment

Getting closer to lift-off

- OEM ramping up, encouraging aftermarket
- '26e-'27e EBIT down 3%; ~55% EBIT CAGR '25-'28e
- 21-11x EBIT '26e-'27e, ~25-40% ROCE, net cash

Good OEM+AM activity partly offset by VIP

CTT's Q2 sales declined y-o-y, but by less than we feared (-4% organically vs. ABGSCe -10%). OEM revenues grew organically for the ninth quarter in a row and by ~120% y-o-y in Q2, further supporting the combination of increased production rates (next step-up expected in Q1'27) and higher CTT content per aircraft. Although we expect OEM sales to remain flat in H2'26 vs. H1'26, growth will continue y-o-y. In addition, distributor inventories have normalised, the installed base continues to grow and flight traffic has been resilient, so we expect CTT's aftermarket sales to reverse the negative trend seen since mid-2024 and return to organic growth in Q3. Private jet sales remained low, which will affect 2026 sales but grow again in 2027. Overall, we are optimistic towards CTT's ability to enter a longer period of growth in both sales and earnings. For Q3, we forecast 1% organic growth but ~40% EBIT growth, while Q4 organic sales growth of 24% should support an almost threefold increase in EBIT y-o-y.

Return to earnings growth in Q3'26e

We lower '26e-'27e EBIT by 3% due to lower Private Jet sales. We believe the visibility from increased aircraft production, higher content per aircraft, resilient air travel, and a growing installed base should support solid earnings. This should in turn drive a ~35% organic sales CAGR and a ~55% EBIT CAGR in '25-'28e.

Multi-year double-digit growth potential

Despite seeing tougher headwinds than we had previously anticipated, CTT's core strengths remain: the company benefits from a near-monopolistic position, strong demand, and its margin-accretive AM business. This should drive long-term double-digit earnings growth and ~25-30% margins, while the share is trading at 21-11x EBIT '26e-'27e (23x L10Y), offering 3-6% div. yields and ~25-40% ROCE.

Commissioned research

Not rated

Capital Goods

Estimate changes (%)

	2026e	2027e	2028e
Sales	-4.6	-1.2	-0.8
EBIT	-3.1	-2.8	-1.6
EPS	-10.1	-3.4	-1.6

Source: ABG Sundal Collier

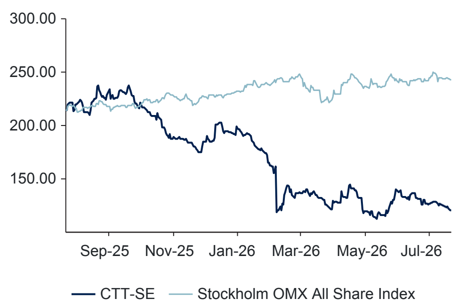
CTT-SE/CTT SS

Share price (SEK)	20/7/2026	121.20

MCap (SEKm)	1,524
MCap (EURm)	138
No. of shares (m)	12.5
Free float (%)	76.6
Av. daily volume (k)	11

Next event Q3 report 27 October 2026

Performance



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SEKm	2024	2025	2026e	2027e	2028e
Sales	300	264	289	460	625
EBITA adj.	112	49	72	131	189
EBITA adj. marg. (%)	37.5	18.7	24.9	28.5	30.3
EBIT adj.	112	49	72	131	189
EBIT adj. marg. (%)	37.5	18.7	24.9	28.5	30.3
Pretax profit	108	49	65	133	193
EPS	6.81	3.07	4.14	8.46	12.25
EPS adj.	6.81	3.20	4.27	8.46	12.25
Sales growth (%)	-2.8	-11.9	9.3	59.3	35.8
EPS adj. growth (%)	-12.8	-53.0	33.3	98.2	44.9
DPS	5.35	2.40	3.75	7.00	10.00

Source: ABG Sundal Collier, Company Data

	2026e	2027e	2028e
P/E (x)	29.3	14.3	9.9
P/E adj. (x)	28.4	14.3	9.9
EV/EBIT (x)	21.7	11.4	7.7
EV/EBIT adj. (x)	21.1	11.4	7.7
EV/EBITA adj. (x)	21.1	11.4	7.7
EV/sales (x)	5.25	3.25	2.34
Le. adj. FCF yld. (%)	2.6	4.7	7.7
Dividend yield (%)	3.1	5.8	8.3
ROCE adj. (%)	23.3	38.5	48.9
ROE adj. (%)	19.6	33.8	40.9
Net IB debt/EBITDA (x)	-0.0	-0.2	-0.3
Le. adj. ND/EBITDA (x)	-0.0	-0.2	-0.3

Disclosures and analyst certifications are located on pages 18-19 of this report.

Company description

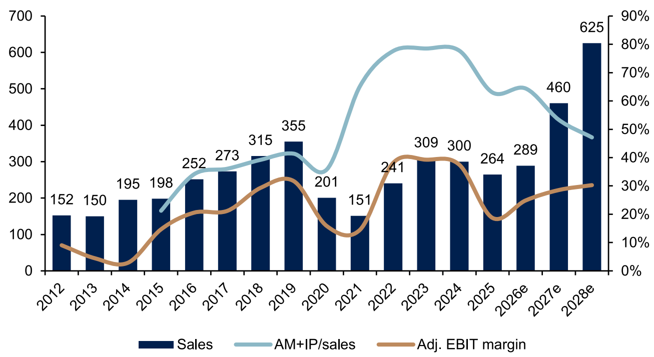
CTT Systems develops climate control products for aircraft, including dehumidification systems to prevent condensation and humidifiers for crew and passenger wellbeing. CTT's products are offered on the Boeing 787 and 777X as well as the Airbus A380 and A350. The company holds a majority market share within both dehumidification and humidification products and is a tier-1 supplier to the Boeing 787 and 777X.

Sustainability information

Risks

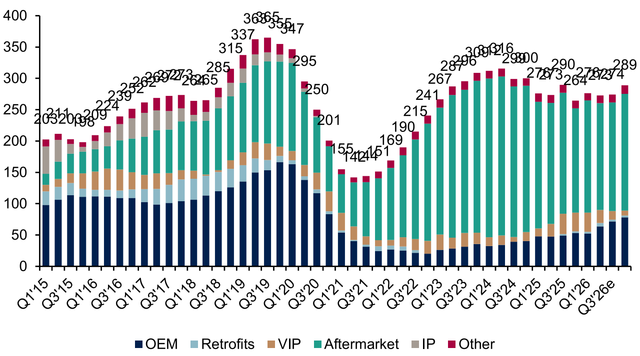
The high profitability in CTT's systems could attract new competitors, or result in the OEM suppliers providing their own solutions. While CTT's relationships with Airbus and Boeing are highly valuable, they have little influence over pricing and therefore are sensitive to contract renegotiations. Almost all revenues are dollar-based, implying a strong currency sensitivity. The main risks entail a lack of market penetration due to low willingness among airliners to have dehumidifiers and humidifiers installed.

Sales, margins and AM share



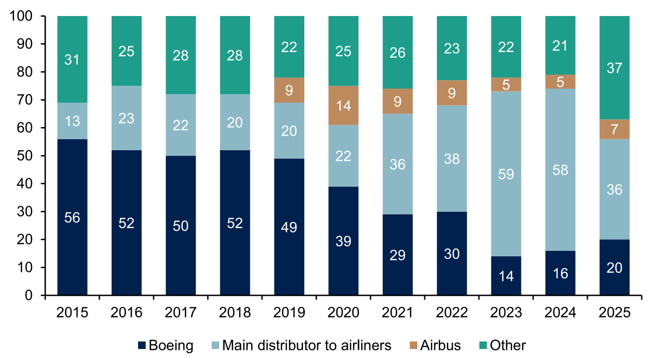
Source: ABG Sundal Collier, company data

R12m sales by segment



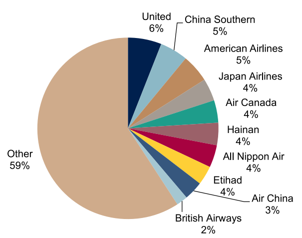
Source: ABG Sundal Collier, company data

Sales split by customer (%)



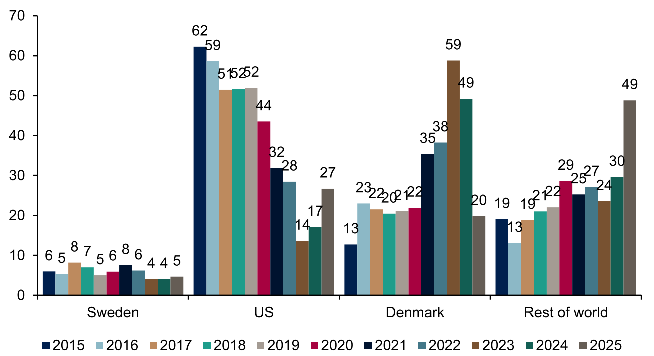
Source: ABG Sundal Collier, company data

Sales split by end-customer, 2021



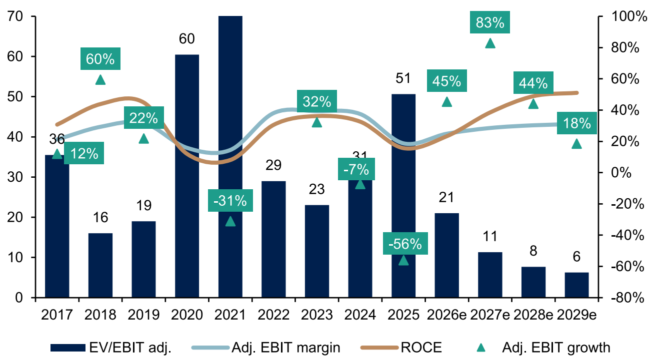
Source: ABG Sundal Collier, company data

Sales split by region (%)



Source: ABG Sundal Collier, company data

Valuation and profitability



Source: ABG Sundal Collier, company data

Outcome vs. expectations

Deviation table	Q2'25	Q2'26		Q2'26e	Deviation	
SEKm	**ABGSCe**	**Actual**	**y-o-y %**	**ABGSCe**	**SEKm**	**%**
Net sales	**79.7**	**75.9**	**-5%**	**68.6**	**7.3**	**11%**
Other income	5.4	0.9		4.6		
Opex	-65.5	-60.7	-7%	-58.0	-2.7	5%
EBITDA	**19.6**	**16.1**	**-18%**	**15.2**	**0.9**	**6%**
D&A	-1.6	-1.8		-1.9		
EBIT	**18.0**	**14.3**	**-21%**	**13.3**	**1.0**	**7%**
Non-recurring items	-2.0	0.0		0.0		
Adj. EBIT	**20.0**	**14.3**	**-29%**	**13.3**	**1.0**	**7%**
Net profit	**14.8**	**9.9**	**-33%**	**11.1**	**-1.2**	**-11%**
	Q2'25	**Q2'26**		**Q2'26e**	**Deviation**	
Assumptions	**ABGSCe**	**Actual**	**y-o-y %**	**ABGSCe**	**SEKm**	**%**
Opex / sales	82%	80%		85%		-5%
EBIT margin	23%	19%		19%		-1%
Adj. EBIT margin	25%	19%		19%		-1%
Organic sales	7%	-4%		-10%		6%
Sales y-o-y	**-3%**	**-5%**		**-14%**		
Adj. EBIT y-o-y	**-36%**	**-29%**		**-33%**		
	Q2'25	**Q2'26**		**Q2'26e**	**Deviation**	
Sales breakdown	**ABGSCe**	**Actual**	**y-o-y %**	**ABGSCe**	**SEKm**	**%**
OEM	9.6	21.1	120%	18.8	2.3	12%
Retrofits	0.0	2.7	n.a.	5.0	-2.3	-46%
VIP	10.3	0.3	-97%	2.0	-1.7	-85%
Other	3.1	3.6	16%	3.3	0.3	9%
System sales	**23.0**	**27.7**	**20%**	**29.1**	**-1.4**	**-5%**
Aftermarket / IP	56.7	48.2	-15%	39.5	8.7	22%
Group sales	**79.7**	**75.9**	**-5%**	**68.6**	**7.3**	**11%**
AM+IP/sales	*71%*	*64%*		*58%*		*6%*

Source: ABG Sundal Collier, company data

Estimate changes

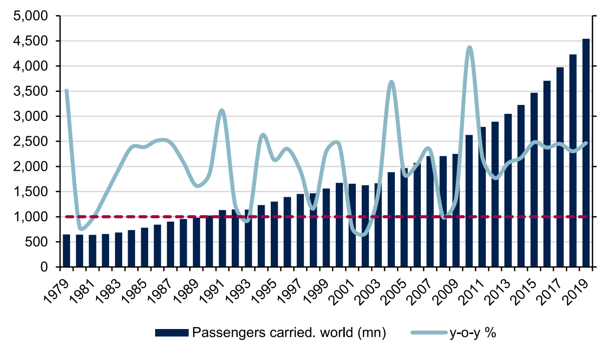
Estimate changes	Old forecast			New forecast			Estimate changes ∆			Estimate changes %		
SEKm	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**
Net sales	**303**	**466**	**630**	**289**	**460**	**625**	**-14**	**-6**	**-5**	**-5%**	**-1%**	**-1%**
Other income	15	20	19	8	15	16	-7	-5	-3	-46%	-25%	-16%
Opex	-238	-342	-446	-220	-335	-441	18	7	5	-8%	-2%	-1%
EBITDA	**80**	**144**	**203**	**77**	**140**	**200**	**-2**	**-4**	**-3**	**-3%**	**-3%**	**-2%**
D&A	-7	-9	-11	-7	-9	-11	0	0	0	-1%	0%	0%
EBIT	**72**	**135**	**192**	**70**	**131**	**189**	**-2**	**-4**	**-3**	**-3%**	**-3%**	**-2%**
Non-recurring items	-2	0	0	-2	0	0	0	0	0	0%	n.a.	n.a.
Adj. EBIT	**74**	**135**	**192**	**72**	**131**	**189**	**-2**	**-4**	**-3**	**-3%**	**-3%**	**-2%**
Net profit	**58**	**110**	**156**	**52**	**106**	**154**	**-6**	**-4**	**-2**	**-10%**	**-3%**	**-2%**
Assumptions	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**
EBIT margin	24%	29%	31%	24%	29%	30%				0.4%	-0.4%	-0.2%
Adj. EBIT margin	24%	29%	31%	25%	29%	30%				0.4%	-0.4%	-0.2%
EBIT y-o-y	52%	87%	42%	47%	88%	44%						
Adj. EBIT y-o-y	**50%**	**82%**	**42%**	**45%**	**83%**	**44%**						
Organic sales	21%	54%	35%	13%	59%	36%						
FX	-6%	0%	0%	-3%	0%	0%						
Sales y-o-y	**15%**	**54%**	**35%**	**9%**	**59%**	**36%**						
Sales breakdown	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**	**2026e**	**2027e**	**2028e**
OEM	79	135	215	78	134	214	-1	-1	-1	-1%	0%	0%
Retrofits	5	8	9	3	6	8	-2	-1	-1	-46%	-17%	-11%
VIP	25	66	99	8	61	94	-17	-5	-5	-68%	-8%	-5%
Other	13	14	14	14	14	14	0	0	0	2%	2%	2%
System sales	**123**	**221**	**337**	**103**	**215**	**331**	**-20**	**-7**	**-6**	**-16%**	**-3%**	**-2%**
Aftermarket / IP	180	245	294	186	246	295	6	1	1	3%	0%	0%
Group sales	**303**	**466**	**630**	**289**	**460**	**625**	**-14**	**-6**	**-5**	**-5%**	**-1%**	**-1%**
AM+IP/sales	*59%*	*53%*	*47%*	*64%*	*53%*	*47%*				*5.0%*	*0.9%*	*0.6%*

Source: ABG Sundal Collier, company data

Air travel historically resilient in economic downturns

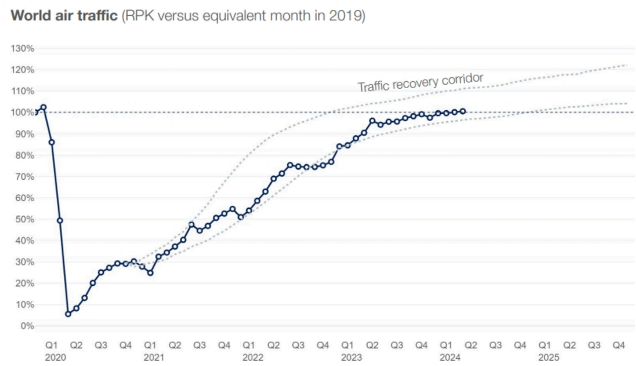
We believe that the first summer following the pandemic led to a surge in leisure travel. Although a weaker economic climate could adversely impact the ongoing air travel recovery, we note that multiple Western airliners (Delta, United, Ryanair, Lufthansa, SAS, Norwegian, etc.) saw continued high air travel activity and a good level of bookings in 2023-2024. Historically, we note that air travel has been resilient during economic downturns (down to the low-single digits in 1980, 2001, 2002 and 2008), and that Airbus expected global air travel to surpass 2019 levels in 2024. As shown below, the world seems to be on track to achieve this level of air traffic. This in turn should support continued system sales for CTT once the supply chain issues subside.

Passenger travel worldwide (mn), 1979-2019



Source: ABG Sundal Collier, IATA

Airbus 2024 global market forecast

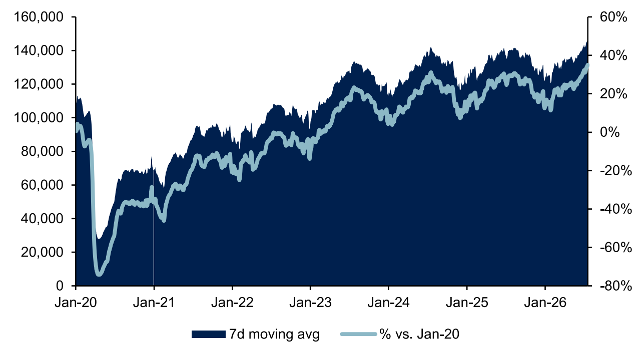


Source: ABG Sundal Collier, Airbus

Flight traffic remains solid, for now

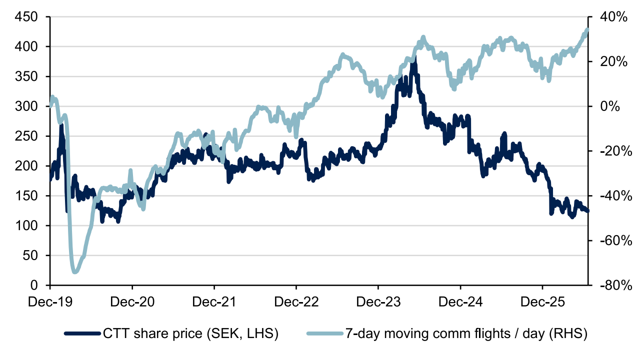
As shown below, CTT's share price correlated well with the early recovery in commercial air traffic following the pandemic. In the near term, we note that commercial air travel (according to Flightradar) has continued to improve and is now ~35% above 2019 levels, but could face further risk due to increased flight cancellations on increased fuel prices because of the Middle Eastern conflict.

Commercial flight traffic globally



Source: ABG Sundal Collier, Flightradar24

CTT's share price vs. flight traffic data

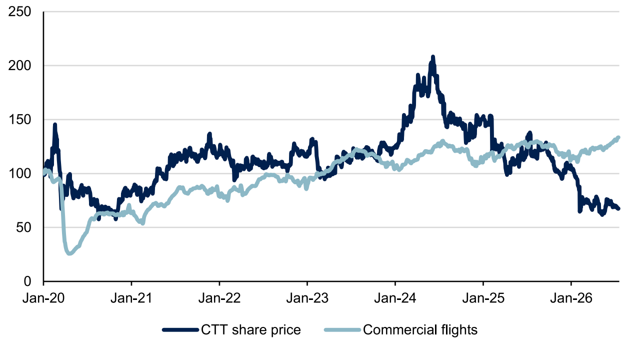


Source: ABG Sundal Collier, Flightradar24, FactSet

Underlying flight travel supports growing aftermarket

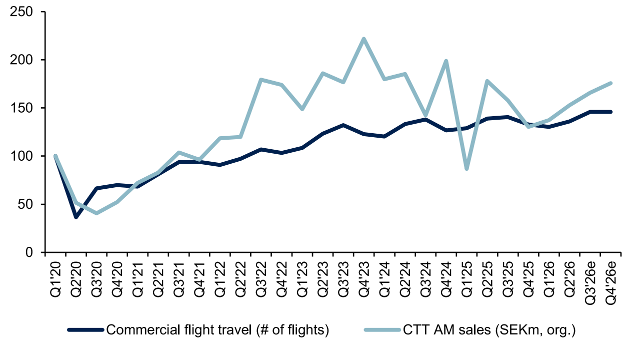
Since the start of 2020, CTT's share price is down ~30%, while flight travel is up ~25%. The more important aspect from a fundamental point of view is the effect that flight travel should have on CTT's earnings. First, higher air travel demand raised demand for more aircraft. This in turn leads to higher system sales. As these systems run onboard active aircraft, it drives aftermarket sales. Thus, as air travel continues to grow, so should aftermarket sales as it drives an underlying need to replace consumables and spare parts for CTT's installed base. As of Q2'25, we estimate that CTT's aftermarket revenues have grown by 8% p.a. organically since 2020, which can be compared to the 6% annualised growth in flight travel.

CTT's share price vs. flight traffic, indexed



Source: ABG Sundal Collier, Flightradar24, FactSet

Indexed flight travel vs. CTT's AM sales

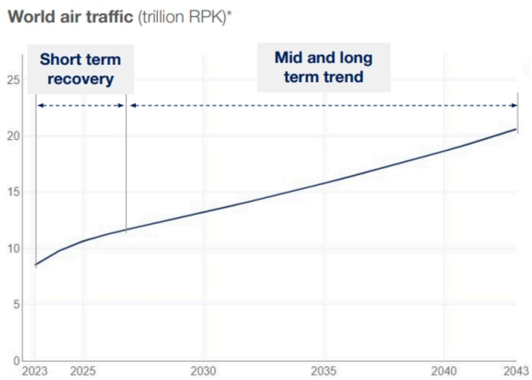


Source: ABG Sundal Collier, company data, Flightradar24

Long-term outlook remains solid

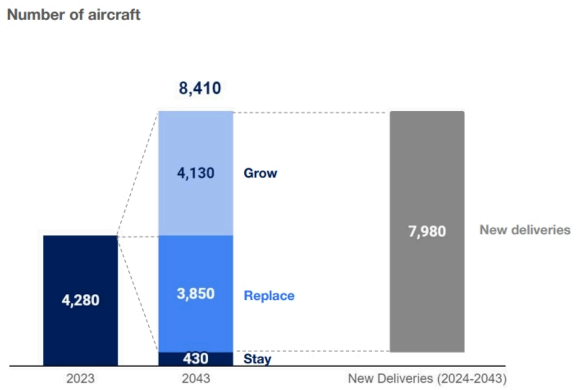
Despite the ongoing challenges following the pandemic, and the current supply chain and quality issues negatively affecting build rates at Boeing and Airbus, the order books are stronger than ever. In Airbus' latest Global Market Forecast, world air traffic is expected to grow by ~8% p.a. until 2027, and by ~4% thereafter, while the total base of widebody deliveries is expected to double between 2023 and 2043. This implies ~8k new deliveries (mainly B787, A350, B777X, all key platforms for CTT), which can be compared to the ~1.7k B787 and A350 delivered during 2011-2023. Thus, we continue to believe that CTT's underlying market exposure is highly attractive, and that visibility remains high.

Passenger forecast: 8.4% CAGR '23-'27, 3.6% '27-'43



Source: ABG Sundal Collier, Airbus

Widebody forecast: 3% CAGR '23-'43, ~8k new aircraft



Source: ABG Sundal Collier, Airbus

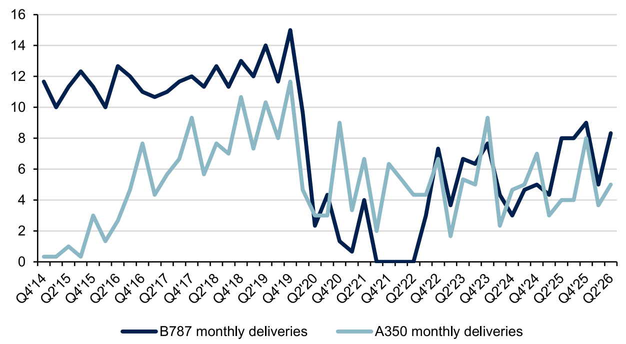
Delayed ramp-up among OEMs now happening

One of the key drivers of CTT's OEM revenues is the monthly production at Boeing (B787, B777X, bizjets) and Airbus (A350, bizjets). Production rates were consistently lowered during the pandemic but are now starting to show the opposite trend, with the pandemic-era cash-preservation trend turning into an immense focus on ramping up production as quickly as possible. This ramp-up has faced several obstacles, including internal challenges within Boeing (quality issues, legal challenges, management replacements) as well as broader supply chain challenges (shortage of supply from players such as Spirit, and prolonged approval processes for cabin interior) that have affected both Boeing and Airbus. Consequently, the actual monthly delivery rate has remained at around 5 for the Airbus A350, while Boeing's delivery rate has increased from 0 in mid-2022 to approximately 8 in Q2'26.

In Q2'26, Boeing produced eight B787s per month, with a target of reaching 10 per month by YE'26. On the long-range B777X, numerous delays now mean that the first commercial deliveries will be in 2027, but CTT has already started to ship small quantities of humidifiers to this platform. We find it positive to see that the long-haul market is gradually improving (from low levels), and view CTT's position as strong given that the B777X will essentially be the only remaining 'true' long-haul aircraft following the retirement of the B747 and A380 programmes. Prior to the pandemic, Boeing produced roughly 100 'older version' B777s p.a. In addition, Boeing recently halted its flight testing, which means that sales from CTT will likely take place first in mid-to-late 2026.

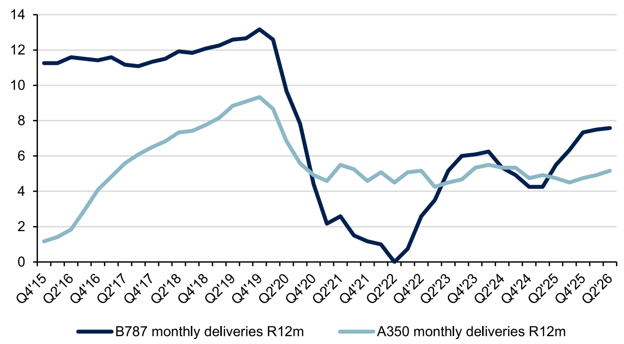
Airbus is currently producing around five A350 aircraft per month, aiming to increase this to 12 per month by 2028. However, the ongoing supply chain challenges means that a production rate of 10 will likely be reached towards the end of 2026, or in 2027. In addition, we found it positive to hear from CTT that penetration among new airlines continues to improve (similar penetration in the cockpit as on the B787, rising in the flight deck, promising in the business/premium cabin), as well as the disclosed selection from Air India (2 humidifiers per aircraft) and that, in Q3'25, another (undisclosed) airline had selected full penetration (three cabin zones, flight deck and crew rest) for the A350s that are set to be delivered from 2026.

Monthly deliveries



Source: ABG Sundal Collier, company data

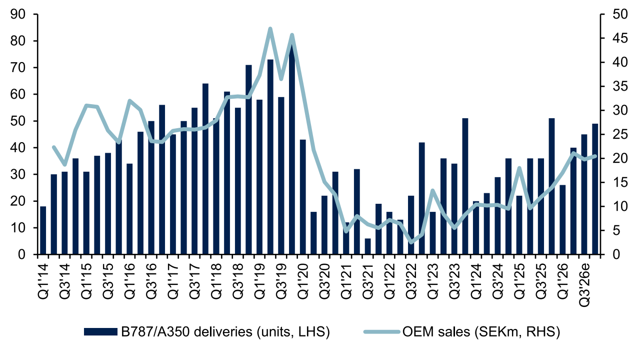
Monthly delivery rate, R12m



Source: ABG Sundal Collier, company data

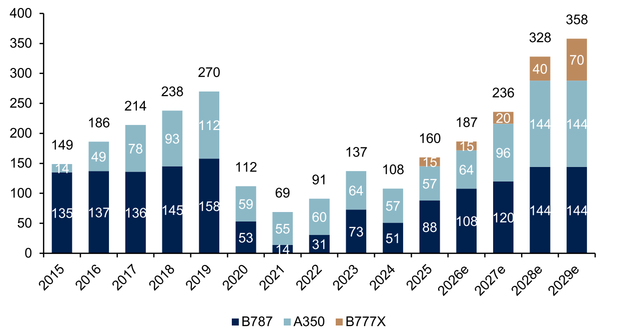
We have assumed that long-haul production rates (B787, A350, B777X) will approach pre-pandemic levels in 2026, and that deliveries will surpass 2019 levels in 2028. However, CTT sales will diverge from production rates, as OEMs are struggling with supply constraints. This should now have normalised, according to CTT's management. In addition, we expect the combination of rising production rates as well as higher content per aircraft to have a clear benefit on CTT's OEM sales throughout 2026, as we saw in H1'26.

B787/A350 deliveries vs. CTT's OEM sales



Source: ABG Sundal Collier, company data

Long-haul delivery assumptions (# of aircraft)

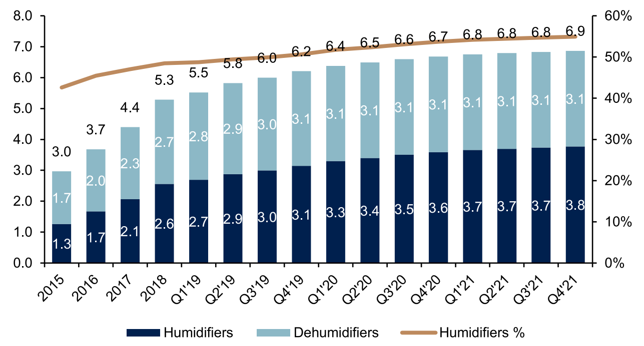


Source: ABG Sundal Collier, company data

Aftermarket surpassed 2019 levels in 2022

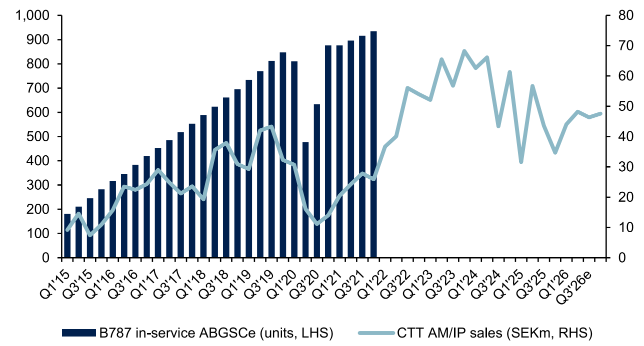
CTT's aftermarket sales correlate closely with the number of hours flown by its installed population. Naturally, the sharp decline in flight hours due to the pandemic had an immediate impact on CTT's business. However, the strength of CTT's aircraft exposure, as highlighted earlier, is that the fleet is relatively modern and has therefore been used to a far higher extent than older aircraft models due to their superior economics. Thus, CTT claims that 90-100% of its installed population is currently back in service. As air traffic continues to grow, we expect the ongoing recovery in CTT's aftermarket sales to continue as well, despite the Q3'24, Q1'25 and Q4'25 inventory correction among distributors, and expect 10% in the installed base 2025, before reaching ~20% in 2026.

CTT's installed base (units): 15% CAGR



Source: ABG Sundal Collier, company data

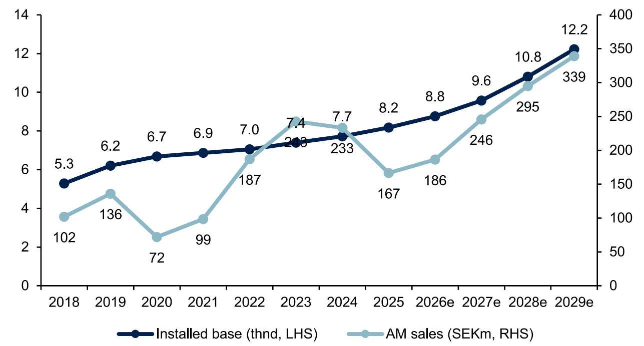
CTT's AM sales vs. B787 aircraft in-service



Source: ABG Sundal Collier, company data

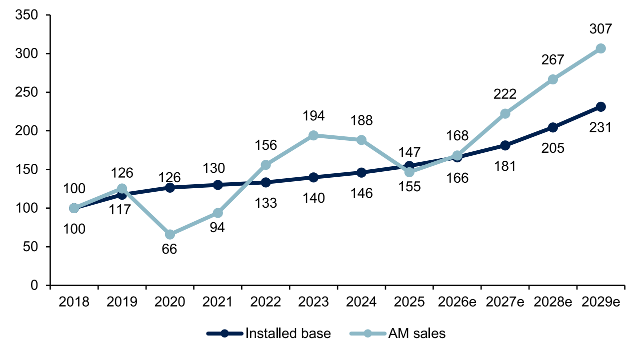
As seen in 2024, CTT's aftermarket sales were ~50% above their 2019 levels, but this was not only due to recovering air traffic. First, we note that CTT's installed base continued to grow in 2020-2022, implying a larger underlying sales base than the company had in 2019. In addition, we believe that pricing (and FX) has supported growth by at least 5-10% vs. 2019 levels. As shown below, CTT's installed base grew by 20% p.a. in 2015-2019 whereas its aftermarket sales achieved an organic sales CAGR of 38%. For the aforementioned reasons, we expect CTT's aftermarket sales to continue outpacing the underlying installed base, reaching ~SEK 340m by 2029e. Meanwhile, the inventory corrections should only have a short-term impact on sales.

CTT's installed base vs. AM sales



Source: ABG Sundal Collier, company data

Indexed installed base vs. CTT's org AM sales



Source: ABG Sundal Collier, company data

Aftermarket to account for ~100-80% of '27e-'29e EBIT

We believe that the impressive strength in CTT's profitable aftermarket-based business model should continue to drive sales growth despite the slowdown in OEM sales during the pandemic. For '19-'26e, we estimate a -3% sales CAGR, as growth in the installed base and positive pricing has been held back by low system sales. Combined with the emerging potential of the private jet market, these factors are the primary drivers behind our estimated -3% organic sales CAGR for '19-'26e, which should accelerate to a 33% CAGR '25-'28e (7% '19-'29e) as system sales accelerate.

CTT's aftermarket primarily concerns consumables, and we estimate this sales channel to have margins just above 50%. The non-AM part of CTT has therefore been running at a loss in 2020-2026e, which we find reasonable given the drop in sales, the higher cost base and the lower pricing potential. As such, we expect CTT to deliver >30% EBIT margins from 2028 (thanks to accretive AM/VIP sales), and that the company will achieve a 7% adj. EBIT CAGR for '19-'29e, but a 56% CAGR '25-'28e. Even as OEM sales begin to normalise and VIP sales start to take off, we expect the aftermarket to account for ~100-80% of EBIT in 2027e-2029e. Finally, CTT's asset-light business model means that the company has generally been running with a net cash position, and a future ROIC of ~40-50%.

Earnings forecast

Earnings forecast	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026e**	**2027e**	**2028e**	**2029e**	**'19-'26e**	**'19-'29e**	**'25-'28e**
OEM	111	109	104	126	167	83	25	20	36	40	53	78	134	214	246	-10%	4%	59%
Aftermarket	42	86	99	124	147	72	99	187	243	233	167	186	246	295	339	3%	9%	21%
VIP	24	28	15	14	15	32	10	21	18	14	30	8	61	94	113	-8%	23%	47%
Retrofit/other	21	29	56	52	27	14	18	13	13	12	15	16	20	22	24	-7%	-1%	14%
Group sales	**198**	**252**	**273**	**315**	**355**	**201**	**151**	**241**	**309**	**300**	**264**	**289**	**460**	**625**	**722**	**-3%**	**7%**	**33%**
y-o-y	*2%*	*27%*	*9%*	*15%*	*13%*	*-43%*	*-25%*	*59%*	*28%*	*-3%*	*-12%*	*9%*	*59%*	*36%*	*16%*			
Organic	*-17%*	*26%*	*10%*	*13%*	*7%*	*-42%*	*-19%*	*36%*	*23%*	*-2%*	*-5%*	*13%*	*59%*	*36%*	*16%*	-3%	7%	35%
Sales split (%)																		
OEM	56%	43%	38%	40%	47%	41%	16%	8%	11%	13%	20%	27%	29%	34%	34%			
Aftermarket	21%	34%	36%	39%	41%	36%	65%	78%	79%	78%	63%	64%	53%	47%	47%			
VIP	12%	11%	5%	4%	4%	16%	6%	9%	6%	5%	11%	3%	13%	15%	16%			
Retrofit/other	11%	12%	20%	16%	8%	7%	12%	5%	4%	4%	6%	6%	4%	4%	3%			
EBIT	**29**	**51**	**58**	**90**	**120**	**38**	**27**	**92**	**118**	**112**	**47**	**70**	**131**	**189**	**224**	**-7%**	**7%**	**59%**
Non-recurring items	0	-1	0	-2	7	7	5	0	-3	0	-2	-2	0	0	0			
Adj. EBIT	**29**	**52**	**58**	**92**	**113**	**32**	**22**	**92**	**121**	**112**	**49**	**72**	**131**	**189**	**224**	**-6%**	**7%**	**56%**
Margin	*15%*	*21%*	*21%*	*29%*	*32%*	*16%*	*14%*	*38%*	*39%*	*37%*	*19%*	*25%*	*29%*	*30%*	*31%*			
y-o-y	*420%*	*78%*	*12%*	*60%*	*22%*	*-72%*	*-31%*	*318%*	*32%*	*-7%*	*-56%*	*45%*	*83%*	*44%*	*18%*			
ABGSCe margin, AM	*32%*	*39%*	*41%*	*50%*	*48%*	*50%*	*50%*	*50%*	*50%*	*50%*	*53%*	*53%*	*53%*	*53%*	*53%*			
AM share of EBIT	*46%*	*64%*	*69%*	*67%*	*63%*	*113%*	*225%*	*102%*	*100%*	*104%*	*179%*	*137%*	*99%*	*83%*	*80%*			
ABGSCe margin, non-AM	*10%*	*11%*	*10%*	*16%*	*20%*	*-3%*	*-52%*	*-3%*	*0%*	*-6%*	*-40%*	*-26%*	*1%*	*10%*	*12%*			
Net debt	**36**	**11**	**-35**	**-37**	**-78**	**15**	**23**	**-15**	**-76**	**-25**	**9**	**0**	**-24**	**-53**	**-105**			
FCF	**12**	**34**	**75**	**37**	**86**	**-44**	**22**	**54**	**109**	**62**	**30**	**39**	**71**	**117**	**176**			
FCF conversion (FCF / EBIT)	*41%*	*68%*	*129%*	*41%*	*72%*	*#####*	*81%*	*59%*	*92%*	*55%*	*64%*	*56%*	*54%*	*62%*	*79%*			
Dividends	-5	-9	-26	-35	-51	-51	-22	-10	-51	-109	-67	-30	-47	-88	-125			
% of EBIT -1y		*30%*	*52%*	*60%*	*56%*	*42%*	*57%*	*37%*	*55%*	*92%*	*60%*	*63%*	*67%*	*67%*	*66%*			
ROIC	**16%**	**27%**	**32%**	**50%**	**55%**	**13%**	**7%**	**30%**	**39%**	**35%**	**15%**	**21%**	**35%**	**45%**	**50%**			

Source: ABG Sundal Collier, company data

Possibility to achieve up to ~30% annual return until 2030

Looking into 2030, we expect CTT to generate sales of SEK 811m, EBIT of SEK 248m (31% margin) and FCF of SEK 170m, while yielding a ROIC of ~50%. Thus, we believe that the return in air traffic should support a return to form for CTT's impressive, asset-light business. Based on the current share price of SEK 121 (SEK 1.5bn market cap), this would yield an implicit 2028e-2030e EV/EBIT of 8-6x (10-7x if we only include the earnings from the 50%+ margin aftermarket business), and ~8-12% FCF yields. Historically, we note that CTT's five-year average F12m EV/EBIT (FactSet) has been ~23x.

Taking a different perspective, we aim to illustrate the potential annual shareholder return (including dividends) that one would receive assuming varying EV/EBIT multiples on CTT's 2030e earnings. As shown below, valuing CTT at 22x '30e EV/EBIT would mean a dividend-adjusted market cap of SEK 6.0bn, implying a ~30% annual shareholder return. By comparison, the potential would be -14% (-3% annualised) assuming 3x '30e EV/EBIT.

2029 valuation scenario

Financial overview	Actual						ABGSC official					CAGR		
SEKm	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026e**	**2027e**	**2028e**	**2029e**	**2030e**	**'20-'26e**	**'20-'30e**	**'25-'28e**
OEM	83	25	20	36	40	53	78	134	214	246	271	-1%	13%	59%
AM	72	99	187	243	233	167	186	246	295	339	390	17%	18%	21%
VIP	32	10	21	18	14	30	8	61	94	113	124	-20%	15%	47%
Retrofit/other	14	18	13	13	12	15	16	20	22	24	26	3%	7%	14%
Sales	**201**	**151**	**241**	**309**	**300**	**264**	**289**	**460**	**625**	**722**	**811**	**6%**	**15%**	**33%**
y-o-y	*-43%*	*-25%*	*59%*	*28%*	*-3%*	*-12%*	*9%*	*59%*	*36%*	*16%*	*12%*			
Organic	*-42%*	*-19%*	*36%*	*23%*	*-2%*	*-5%*	*13%*	*59%*	*36%*	*16%*	*12%*	*6%*	*15%*	*35%*
AM % of sales	*36%*	*65%*	*78%*	*79%*	*78%*	*63%*	*64%*	*53%*	*47%*	*47%*	*48%*			
EBIT	**38**	**27**	**92**	**118**	**112**	**47**	**70**	**131**	**189**	**224**	**248**	**11%**	**21%**	**59%**
Margin	*19%*	*18%*	*38%*	*38%*	*37%*	*18%*	*24%*	*29%*	*30%*	*31%*	*31%*			
y-o-y		*-30%*	*243%*	*29%*	*-5%*	*-58%*	*47%*	*88%*	*44%*	*18%*	*11%*			
FCF	**-44**	**22**	**54**	**109**	**62**	**30**	**39**	**71**	**117**	**176**	**170**			
FCF conversion (FCF / EBIT)	*-116%*	*81%*	*59%*	*92%*	*55%*	*64%*	*56%*	*54%*	*62%*	*79%*	*69%*			
Dividends	-51	-22	-10	-51	-109	-67	-30	-47	-88	-125	-150			
% of EBIT -1y	*n.a.*	*57%*	*37%*	*55%*	*92%*	*60%*	*63%*	*67%*	*67%*	*66%*	*67%*			
ROIC	**13%**	**7%**	**30%**	**39%**	**35%**	**15%**	**21%**	**35%**	**45%**	**50%**	**52%**			
Market cap	**1,907**	**2,713**	**2,675**	**2,869**	**3,521**	**2,496**	**1,511**	**1,511**	**1,511**	**1,511**	**1,511**			
Net debt	15	23	-15	-76	-25	9	0	-24	-53	-105	-124			
Enterprise value	**1,922**	**2,735**	**2,660**	**2,793**	**3,496**	**2,505**	**1,511**	**1,487**	**1,458**	**1,406**	**1,387**			
EV/EBIT	**50x**	**102x**	**29x**	**24x**	**31x**	**53x**	**22x**	**11x**	**8x**	**6x**	**6x**			
EV/ AM EBIT (50% margins)	**53x**	**55x**	**28x**	**23x**	**30x**	**30x**	**16x**	**12x**	**10x**	**8x**	**7x**			
FCF yield	**-2%**	**1%**	**2%**	**4%**	**2%**	**1%**	**3%**	**5%**	**8%**	**12%**	**11%**			

Valuation scenario											
EV/EBIT 2030e	3x	5x	6x	8x	10x	12x	14x	16x	18x	20x	22x
EV	745	1,241	1,489	1,986	2,482	2,978	3,475	3,971	4,468	4,964	5,461
Net debt	-124	-124	-124	-124	-124	-124	-124	-124	-124	-124	-124
Market cap	**869**	**1,365**	**1,613**	**2,110**	**2,606**	**3,103**	**3,599**	**4,096**	**4,592**	**5,088**	**5,585**
Incl. dividends '26e-'30e	440	440	440	440	440	440	440	440	440	440	440
Mcap, div adjusted	**1,309**	**1,806**	**2,054**	**2,550**	**3,047**	**3,543**	**4,040**	**4,536**	**5,032**	**5,529**	**6,025**
Implied share price	**104**	**144**	**164**	**204**	**243**	**283**	**322**	**362**	**402**	**441**	**481**
Annualised return	**-3%**	**4%**	**6%**	**11%**	**15%**	**19%**	**22%**	**25%**	**27%**	**30%**	**32%**

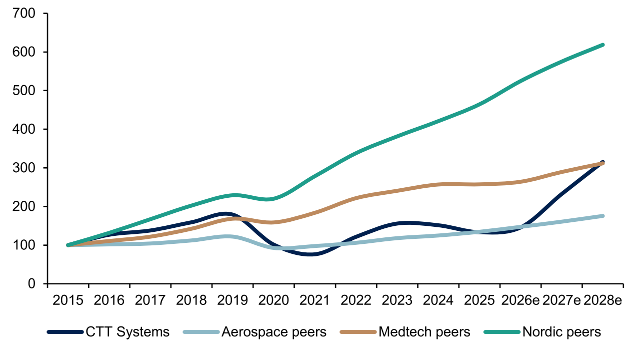
Source: ABG Sundal Collier, company data

Return to operational outperformance vs. peers in 2026e

Because CTT operates in the aerospace industry, one could argue that the company should be compared to peers in the same industry. However, we believe that this downplays CTT's monopolistic (albeit with some competition risk from 'copy cats' of inferior quality) market position, as well as its operating and financial characteristics. In fact, one could argue that the company is actually more closely related to companies in the medical technology (medtech) or Nordic technology (Nordic) sectors.

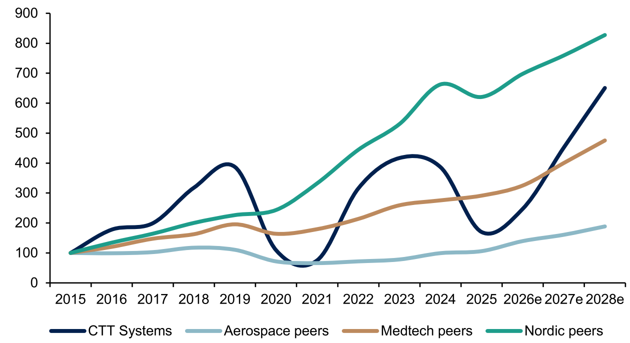
Similar to these peer groups, CTT has a strong, market-leading position, a high degree of recurring revenues (aftermarket, consumables or software) and high earnings growth, supported by high margins and a high return on capital. As shown below, CTT outperformed all peer groups in terms of EBIT growth until 2019, and was above medtech and aerospace in terms of sales growth. That outperformance vs. peers has disappeared following pandemic-related challenges in the aerospace industry and recent supply chain difficulties, but we expect it to return in 2026e-2027e.

Indexed sales vs. peers



Source: ABG Sundal Collier, company data, FactSet

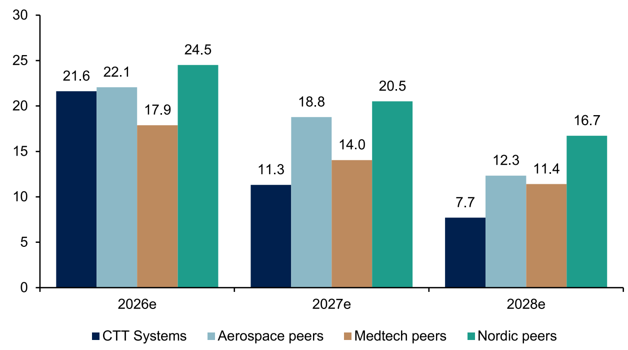
Indexed EBIT vs. peers



Source: ABG Sundal Collier, company data, FactSet

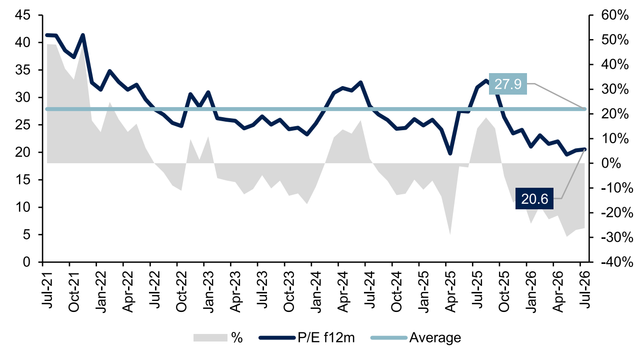
Looking ahead, and compared to the estimates provided by FactSet and ABGSC (see the next page for more detailed figures), we find that CTT is trading below its peers in the aerospace and medtech sectors on an EV/EBIT basis for 2026e, but below all its peers for 2027e–2028e. Additionally, the current F12m PE ratio is ~21x (based on ABGSC's F12m EPS estimate), representing a ~25% decrease from the 5-year average.

EV/EBIT vs. selected peer groups



Source: ABG Sundal Collier, company data, FactSet

P/E F12m valuation vs. 5Y avg.



Source: ABG Sundal Collier, FactSet

Peer overview

Valuation	Mcap SEKm	EV/Sales 2026e	EV/Sales 2027e	EV/Sales 2028e	EV/EBIT 2026e	EV/EBIT 2027e	EV/EBIT 2028e	P/E 2026e	P/E 2027e	P/E 2028e	ROCE (%) 2026e	ROCE (%) 2027e	ROCE (%) 2028e	DY (%) 2026e
Aerospace peers														
Boeing	1,599,063	1.96	1.66	1.45	78.2	27.8	17.7	n.a.	50.7	26.7	4.3	12.0	17.5	0.0
Airbus	1,678,362	1.74	1.52	1.34	18.5	15.3	12.3	26.4	22.4	18.1	11.5	12.7	14.5	1.8
United Technologies	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Honeywell	693,914	4.18	4.11	1.88	23.1	19.1	7.6	27.3	22.8	17.8	8.9	10.8	28.2	1.9
Moog Inc	12,904	3.13	2.87	n.a.	25.5	22.9	n.a.	37.6	34.3	n.a.	15.5	15.5	n.a.	0.3
Spirit Aerosystems	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Safran	1,500,438	3.67	3.30	2.97	21.0	18.5	16.4	31.9	26.3	23.3	31.1	32.4	33.6	1.2
Thales	509,331	1.98	1.78	1.57	15.7	13.6	11.6	21.4	18.5	16.3	19.9	19.8	20.6	1.9
Aero median	**1,097,176**	**2.55**	**2.33**	**1.57**	**22.1**	**18.8**	**12.3**	**27.3**	**24.5**	**18.1**	**13.5**	**14.1**	**20.6**	**1.5**
Medtech peers														
Biotage	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Boule Diagnostics	140	0.74	0.67	0.60	20.8	12.5	8.4	n.a.	16.4	8.2	n.a.	n.a.	n.a.	0.0
Cellavision	3,549	4.20	3.70	3.35	18.0	14.5	12.5	24.4	19.7	17.4	16.5	18.6	19.3	1.9
Elekta	17,176	1.25	1.18	1.12	12.6	9.1	8.3	13.6	11.2	10.2	12.1	15.9	16.4	5.4
Ossur	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Raysearch	5,479	4.16	3.61	3.06	16.9	13.6	10.5	22.7	18.8	15.4	24.3	27.1	30.0	2.3
Sectra	49,582	13.60	11.69	9.83	60.6	46.8	36.1	78.4	60.0	46.6	35.4	39.5	39.9	0.8
Vitrolife	12,177	3.62	3.23	2.85	17.7	14.8	12.3	20.2	17.3	15.2	6.6	7.3	8.0	1.3
Medtech median	**8,828**	**3.89**	**3.42**	**2.96**	**17.9**	**14.0**	**11.4**	**22.7**	**18.1**	**15.3**	**16.5**	**18.6**	**19.3**	**1.6**
Nordic peers														
Evolution Gaming	142,327	5.68	5.39	4.94	9.9	9.4	8.6	11.8	10.3	9.2	27.0	27.1	26.4	4.3
Hexagon	206,684	5.20	4.68	4.33	19.5	18.3	16.7	23.9	21.5	20.3	6.8	7.0	7.2	2.0
HMS Networks	23,650	6.27	5.50	4.99	24.5	21.1	18.9	31.8	26.4	23.7	16.7	18.0	18.4	1.1
I.A.R Systems	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
MIPS	10,014	12.06	9.16	7.31	28.1	20.5	15.3	39.4	26.8	20.3	28.7	33.4	39.4	1.8
Mycronic	66,231	6.70	6.05	5.29	25.0	22.5	19.1	32.8	29.8	25.9	26.6	25.2	25.1	0.9
Nordic median	**66,231**	**6.27**	**5.50**	**4.99**	**24.5**	**20.5**	**16.7**	**31.8**	**26.4**	**20.3**	**26.6**	**25.2**	**25.1**	**1.8**
Peer group avg	**384,178**	**4.72**	**4.12**	**3.55**	**25.6**	**18.8**	**14.5**	**29.6**	**25.5**	**19.7**	**18.2**	**20.1**	**23.0**	**1.7**
CTT Systems*	**2,869**	**5.23**	**3.23**	**2.33**	**21.6**	**11.3**	**7.7**	**29.1**	**14.3**	**9.8**	**23.3**	**38.5**	**48.9**	**3.1**
vs. Aero peers		*105%*	*39%*	*49%*	*-2%*	*-40%*	*-38%*	*7%*	*-42%*	*-46%*	*9.8*	*24.4*	*28.3*	*1.6*
vs. Medtech peers		*34%*	*-6%*	*-21%*	*21%*	*-19%*	*-32%*	*28%*	*-21%*	*-36%*	*6.9*	*19.9*	*29.7*	*1.5*
vs. Nordic peers		*-17%*	*-41%*	*-53%*	*-12%*	*-45%*	*-54%*	*-8%*	*-46%*	*-52%*	*-3.3*	*13.3*	*23.8*	*1.3*
vs. total peer group		*11%*	*-22%*	*-34%*	*-16%*	*-40%*	*-47%*	*-1%*	*-44%*	*-50%*	*5.1*	*18.4*	*25.9*	*1.4*

Performance	Mcap SEKm	Gross margin (%) 2026e	Gross margin (%) 2027e	Gross margin (%) 2028e	EBIT margin (%) 2026e	EBIT margin (%) 2027e	EBIT margin (%) 2028e	Sales CAGR (%) '18-'23	Sales CAGR (%) '20-'23	Sales CAGR (%) '23-'26e	EBIT CAGR (%) '18-'23	EBIT CAGR (%) '20-'23	EBIT CAGR (%) '23-'26e	ND/EBITD. 2026e
Aerospace peers														
Boeing	1,599,063	12.8	16.6	16.5	2.5	6.0	8.2	-5.1	10.2	8.0	-158.6	-49.4	-244.6	6.1
Airbus	1,678,362	15.7	16.2	16.7	9.4	9.9	10.9	0.5	9.5	7.1	6.4	85.9	21.0	-1.3
United Technologies	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Honeywell	693,914	46.0	48.8	25.6	18.1	21.6	24.8	-2.6	3.9	-17.9	0.2	7.8	-22.5	1.4
Moog Inc	12,904	27.5	27.4	27.2	12.2	12.5	12.8	4.1	4.8	9.3	3.0	6.9	19.0	1.2
Spirit Aerosystems	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-3.5	21.1	n.a.	-168.3	-42.0	n.a.	n.a.
Safran	1,500,438	37.6	38.1	n.a.	17.5	17.8	18.1	2.4	12.5	14.9	7.3	32.9	34.2	-0.6
Thales	509,331	26.2	26.8	27.3	12.6	13.1	13.5	3.1	6.2	8.8	2.6	22.5	21.8	0.1
Aero median	**1,097,176**	**26.8**	**27.1**	**25.6**	**12.4**	**12.8**	**13.1**	**0.5**	**9.5**	**8.4**	**2.6**	**7.8**	**20.0**	**0.6**
Medtech peers														
Biotage	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	15.4	19.5	n.a.	17.3	19.7	n.a.	n.a.
Boule Diagnostics	140	43.7	44.5	45.4	3.6	5.4	7.1	6.1	12.6	-7.4	-3.3	-236.9	-27.9	7.3
Cellavision	3,549	68.7	68.3	68.4	23.3	25.6	26.8	13.2	12.8	4.6	8.4	14.8	2.6	-0.8
Elekta	17,176	38.9	39.3	39.9	12.6	13.2	13.7	6.0	9.6	-1.6	6.1	7.6	-2.7	1.0
Ossur	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Raysearch	5,479	91.9	91.9	91.8	24.6	26.5	29.1	10.3	16.2	11.6	11.6	67.3	42.7	-0.3
Sectra	49,582	90.2	89.2	88.9	23.5	25.6	27.9	16.0	22.0	9.5	17.4	14.0	20.8	-1.6
Vitrolife	12,177	60.4	60.6	60.9	20.4	21.9	23.2	25.0	41.3	-0.6	12.6	26.2	-1.3	0.4
Medtech median	**8,828**	**64.5**	**64.4**	**64.6**	**21.9**	**23.8**	**25.0**	**13.2**	**16.2**	**2.0**	**11.6**	**14.8**	**0.7**	**0.1**
Nordic peers														
Evolution Gaming	142,327	101.3	102.0	102.1	57.6	57.5	57.7	52.3	52.0	3.9	70.2	57.6	0.5	-0.4
Hexagon	206,684	63.3	63.3	63.5	26.7	25.6	25.9	10.1	16.4	-10.7	14.9	20.8	-14.1	1.0
HMS Networks	23,650	62.8	63.1	63.7	25.6	26.1	26.4	17.2	27.3	10.1	25.5	37.5	10.0	1.5
I.A.R Systems	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.5	7.2	n.a.	-5.7	0.9	n.a.	n.a.
MIPS	10,014	72.9	72.7	72.8	42.9	44.7	47.6	13.1	-0.7	32.6	0.9	-21.1	61.4	0.2
Mycronic	66,231	54.2	53.0	53.1	26.8	26.8	27.7	8.5	13.7	18.2	2.7	7.2	28.5	-1.0
Nordic median	**66,231**	**63.3**	**63.3**	**63.7**	**26.8**	**26.8**	**27.7**	**11.6**	**15.0**	**10.1**	**8.8**	**14.0**	**10.0**	**0.2**
Peer group avg	**384,178**	**53.8**	**54.2**	**54.0**	**21.2**	**22.3**	**23.6**	**9.8**	**15.9**	**5.9**	**-6.4**	**4.0**	**-3.0**	**0.8**
CTT Systems*	**2,869**				**24.2**	**28.5**	**30.3**	**-3.3**	**15.4**	**15.3**	**0.0**	**56.3**	**5.3**	**-0.2**
vs. Aero peers					*11.8*	*15.8*	*17.1*	*-3.8*	*6.0*	*7.0*	*-2.7*	*48.5*	*-14.6*	*-0.9*
vs. Medtech peers					*2.3*	*4.8*	*5.3*	*-16.5*	*-0.8*	*13.3*	*-11.6*	*41.4*	*4.7*	*-0.3*
vs. Nordic peers					*-2.6*	*1.7*	*2.6*	*-14.9*	*0.4*	*5.2*	*-8.9*	*42.3*	*-4.6*	*-0.4*
vs. total peer group					*3.0*	*6.2*	*6.7*	*-13.1*	*-0.5*	*9.4*	*6.4*	*52.3*	*8.3*	*-1.0*

**ABGSC estimates, adjusted for NRI and PPA amortisation*

Source: ABG Sundal Collier, company data, FactSet

Quarterly overview

Quarterly overview (	Q1'23	Q2'23	Q3'23	Q4'23	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	**75**	**79**	**74**	**81**	**78**	**82**	**57**	**82**	**54**	**80**	**74**	**57**	**66**	**76**	**76**	**71**
Other income	-5	6	1	2	7	8	-2	5	7	5	6	-5	-1	1	4	5
Opex	-44	-49	-42	-49	-50	-57	-39	-52	-55	-66	-60	-43	-53	-61	-52	-54
EBITDA	**26**	**36**	**33**	**34**	**35**	**33**	**17**	**35**	**6**	**20**	**20**	**9**	**12**	**16**	**28**	**22**
D&A	-3	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
EBIT	**23**	**34**	**31**	**32**	**33**	**31**	**15**	**34**	**4**	**18**	**19**	**7**	**10**	**14**	**26**	**20**
Non-recurring items	-3	0	0	0	0	0	0	0	0	-2	0	0	-2	0	0	0
Adj. EBIT	**26**	**34**	**31**	**32**	**33**	**31**	**15**	**34**	**4**	**20**	**19**	**7**	**12**	**14**	**26**	**20**
Net fin expenses	0	-3	1	3	-2	0	0	-3	1	1	0	0	-1	-2	-2	0
PTP	**23**	**31**	**32**	**35**	**31**	**31**	**15**	**30**	**5**	**19**	**18**	**7**	**8**	**12**	**24**	**20**
Taxes	-5	-6	-7	-7	-6	-6	-3	-6	-1	-4	-4	-2	-2	-3	-5	-4
Net profit	**18**	**25**	**25**	**27**	**25**	**25**	**12**	**24**	**4**	**15**	**14**	**6**	**7**	**10**	**19**	**16**
Metrics	**Q1'23**	**Q2'23**	**Q3'23**	**Q4'23**	**Q1'24**	**Q2'24**	**Q3'24**	**Q4'24**	**Q1'25**	**Q2'25**	**Q3'25**	**Q4'25**	**Q1'26**	**Q2'26**	**Q3'26e**	**Q4'26e**
EBIT margin	30%	43%	41%	39%	42%	38%	26%	41%	7%	23%	25%	12%	15%	19%	34%	28%
Adj. EBIT margin	**34%**	**43%**	**41%**	**39%**	**42%**	**38%**	**26%**	**41%**	**7%**	**25%**	**25%**	**12%**	**18%**	**19%**	**34%**	**28%**
Net profit margin	24%	31%	34%	34%	31%	30%	21%	29%	7%	19%	20%	10%	10%	13%	26%	22%
Tax rate	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	20%	24%	20%	20%	21%	21%
Sales y-o-y	**52%**	**35%**	**13%**	**20%**	**4%**	**4%**	**-22%**	**1%**	**-31%**	**-3%**	**29%**	**-31%**	**22%**	**-5%**	**2%**	**26%**
Organic	*36%*	*27%*	*10%*	*21%*	*5%*	*3%*	*-18%*	*1%*	*-33%*	*7%*	*39%*	*-22%*	*41%*	*-4%*	*1%*	*24%*
FX	*16%*	*8%*	*3%*	*-1%*	*-1%*	*1%*	*-4%*	*0%*	*2%*	*-10%*	*-10%*	*-9%*	*-19%*	*-1%*	*1%*	*2%*
Adj. EBIT y-o-y	**82%**	**44%**	**-9%**	**52%**	**28%**	**-7%**	**-51%**	**6%**	**-88%**	**-36%**	**25%**	**-79%**	**201%**	**-29%**	**39%**	**188%**
EBIT y-o-y	61%	44%	-9%	52%	44%	-7%	-51%	6%	-88%	-43%	25%	-79%	150%	-21%	39%	188%
Sales breakdown	**Q1'23**	**Q2'23**	**Q3'23**	**Q4'23**	**Q1'24**	**Q2'24**	**Q3'24**	**Q4'24**	**Q1'25**	**Q2'25**	**Q3'25**	**Q4'25**	**Q1'26**	**Q2'26**	**Q3'26e**	**Q4'26e**
OEM	13	8	6	8	10	10	10	10	18	10	12	14	17	21	20	20
Retrofits	0	0	0	0	0	0	0	0	0	0	3	0	0	3	0	0
VIP	7	1	9	2	3	2	1	8	1	10	13	6	2	0	6	0
Other	3	4	3	3	3	4	3	3	4	3	3	3	3	4	3	3
System sales	**23**	**14**	**17**	**13**	**16**	**16**	**14**	**21**	**23**	**23**	**30**	**22**	**22**	**28**	**29**	**24**
Aftermarket	52	66	57	68	63	66	43	61	32	57	44	35	44	48	46	48
IP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Group sales	**75**	**79**	**74**	**81**	**78**	**82**	**57**	**82**	**54**	**80**	**74**	**57**	**66**	**76**	**76**	**71**

Source: ABG Sundal Collier, company data

Annual overview

Annual overview (SEKm)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Net sales	**152**	**150**	**195**	**198**	**252**	**273**	**315**	**355**	**201**	**151**	**241**	**309**	**300**	**264**	**289**	**460**	**625**
Other income	7	16	10	14	3	4	21	22	32	25	23	3	19	13	8	15	16
Opex	-138	-150	-185	-173	-192	-212	-240	-250	-188	-138	-164	-184	-199	-223	-220	-335	-441
EBITDA	**21**	**17**	**20**	**39**	**63**	**66**	**96**	**126**	**45**	**38**	**100**	**128**	**120**	**54**	**77**	**140**	**200**
Depreciation & amortisation	-8	-10	-15	-10	-12	-8	-6	-7	-7	-11	-8	-9	-8	-7	-7	-9	-11
EBIT	**14**	**7**	**6**	**29**	**51**	**58**	**90**	**120**	**38**	**27**	**92**	**118**	**112**	**47**	**70**	**131**	**189**
Non-recurring items	0	0	0	0	-1	0	-2	7	7	5	0	-3	0	-2	-2	0	0
Adj. EBIT	**14**	**7**	**6**	**29**	**52**	**58**	**92**	**113**	**32**	**22**	**92**	**121**	**112**	**49**	**72**	**131**	**189**
Net financial expenses	0	-2	-4	-3	-2	3	-1	-2	1	-9	-8	2	-5	1	-5	2	4
PTP	**14**	**5**	**2**	**26**	**48**	**61**	**89**	**118**	**40**	**18**	**84**	**120**	**108**	**49**	**65**	**133**	**193**
Taxes	-10	-1	-1	-6	-11	-14	-20	-25	-9	-4	-17	-25	-22	-10	-13	-27	-40
Net profit	**3**	**4**	**1**	**20**	**38**	**48**	**70**	**93**	**31**	**14**	**66**	**96**	**85**	**39**	**52**	**106**	**154**
Metrics	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026e**	**2027e**	**2028e**
EBIT margin	9%	4%	3%	15%	20%	21%	29%	34%	19%	18%	38%	38%	37%	18%	24%	29%	30%
Adj. EBIT margin	9%	4%	3%	15%	21%	21%	29%	32%	16%	14%	38%	39%	37%	19%	25%	29%	30%
Net profit margin	2%	3%	1%	10%	15%	17%	22%	26%	16%	9%	28%	31%	28%	15%	18%	23%	25%
Tax rate	76%	21%	29%	22%	22%	22%	22%	21%	21%	21%	21%	21%	21%	21%	20%	21%	21%
Sales y-o-y	**52%**	**-1%**	**30%**	**2%**	**27%**	**9%**	**15%**	**13%**	**-43%**	**-25%**	**59%**	**28%**	**-3%**	**-12%**	**9%**	**59%**	**36%**
Organic	*52%*	*-4%*	*24%*	*-17%*	*26%*	*10%*	*13%*	*5%*	*-44%*	*-19%*	*36%*	*23%*	*-2%*	*-5%*	*13%*	*59%*	*36%*
FX	*0%*	*2%*	*6%*	*19%*	*1%*	*-2%*	*2%*	*8%*	*0%*	*-5%*	*23%*	*6%*	*-1%*	*-7%*	*-3%*	*0%*	*0%*
Adj. EBIT y-o-y	**-494%**	**-51%**	**-16%**	**420%**	**78%**	**12%**	**60%**	**22%**	**-72%**	**-31%**	**318%**	**32%**	**-7%**	**-56%**	**45%**	**83%**	**44%**
EBIT y-o-y	-494%	-51%	-16%	420%	74%	14%	56%	33%	-68%	-30%	243%	29%	-5%	-58%	47%	88%	44%
Sales breakdown	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026e**	**2027e**	**2028e**
OEM				111	109	104	126	167	83	25	20	36	40	53	78	134	214
Retrofits				13	14	35	30	10	5	8	0	0	0	3	3	6	8
VIP				24	28	15	14	15	32	10	21	18	14	30	8	61	94
Other				8	15	21	22	17	9	11	13	13	12	12	14	14	14
System sales				**156**	**166**	**175**	**192**	**208**	**129**	**53**	**54**	**66**	**67**	**98**	**103**	**215**	**331**
Aftermarket				35	54	78	102	136	72	99	187	243	233	167	186	246	295
IP				7	32	21	22	11	0	0	0	0	0	0	0	0	0
Group sales	**152**	**150**	**195**	**198**	**252**	**273**	**315**	**355**	**201**	**151**	**241**	**309**	**300**	**264**	**289**	**460**	**625**
y-o-y				**2%**	**27%**	**9%**	**15%**	**13%**	**-43%**	**-25%**	**59%**	**28%**	**-3%**	**-12%**	**9%**	**59%**	**36%**
Sales breakdown %	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026e**	**2027e**	**2028e**
OEM				56%	43%	38%	40%	47%	41%	16%	8%	11%	13%	20%	27%	29%	34%
Retrofits				7%	5%	13%	9%	3%	2%	5%	0%	0%	0%	1%	1%	1%	1%
VIP				12%	11%	5%	4%	4%	16%	6%	9%	6%	5%	11%	3%	13%	15%
Other				4%	6%	8%	7%	5%	5%	7%	5%	4%	4%	5%	5%	3%	2%
System sales				**79%**	**66%**	**64%**	**61%**	**59%**	**64%**	**35%**	**22%**	**21%**	**22%**	**37%**	**36%**	**47%**	**53%**
Aftermarket				18%	21%	28%	32%	38%	36%	65%	78%	79%	78%	63%	64%	53%	47%
IP				4%	13%	8%	7%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%
AM+IP / sales			**0%**	**21%**	**34%**	**36%**	**39%**	**41%**	**36%**	**65%**	**78%**	**79%**	**78%**	**63%**	**64%**	**53%**	**47%**
Other metrics	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026e**	**2027e**	**2028e**
ND/EBITDA	2.3	4.9	2.0	0.9	0.2	-0.5	-0.4	-0.6	0.3	0.6	0.0	-0.2	-0.2	0.2	0.0	-0.2	-0.3
NWC / sales	23%	35%	26%	32%	30%	24%	26%	20%	56%	75%	55%	38%	49%	57%	54%	40%	34%
ROE	5%	6%	1%	19%	30%	31%	39%	42%	14%	7%	28%	33%	28%	14%	19%	34%	41%
ROIC	3%	4%	3%	16%	27%	32%	50%	55%	13%	7%	30%	39%	35%	15%	21%	35%	45%
ROCE	12%	5%	3%	17%	28%	31%	44%	45%	12%	8%	31%	36%	33%	16%	23%	39%	49%

Source: ABG Sundal Collier, company data

Income Statement (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Sales	355	201	151	241	309	300	264	289	460	625
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	355	201	151	241	309	300	264	289	460	625
Other operating items	-229	-156	-113	-141	-181	-180	-210	-212	-320	-425
EBITDA	**126**	**45**	**38**	**100**	**128**	**120**	**54**	**77**	**140**	**200**
Depreciation and amortisation	-7	-7	-11	-8	-9	-8	-7	-7	-9	-11
of which leasing depreciation	0	0	0	0	0	0	0	0	0	0
EBITA	**120**	**38**	**27**	**92**	**118**	**112**	**47**	**70**	**131**	**189**
EO Items	7	7	5	0	-3	0	-2	-2	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0	0	0
EBIT	**120**	**38**	**27**	**92**	**118**	**112**	**47**	**70**	**131**	**189**
Net financial items	-2	1	-9	-8	2	-5	1	-5	2	4
Pretax profit	**118**	**40**	**18**	**84**	**120**	**108**	**49**	**65**	**133**	**193**
Tax	-25	-9	-4	-17	-25	-22	-10	-13	-27	-40
Net profit	**93**	**31**	**14**	**66**	**96**	**85**	**39**	**52**	**106**	**154**
Minority interest	0	0	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
Net profit to shareholders	**93**	**31**	**14**	**66**	**96**	**85**	**39**	**52**	**106**	**154**
EPS	7.39	2.49	1.13	5.30	7.62	6.81	3.07	4.14	8.46	12.25
EPS adj.	6.96	2.07	0.82	5.30	7.81	6.81	3.20	4.27	8.46	12.25
Total extraordinary items after tax	5	5	4	0	-2	0	-2	-2	0	0
Leasing payments	0	0	0	0	0	0	0	0	0	0
Tax rate (%)	*21.5*	*21.4*	*20.8*	*20.8*	*20.7*	*20.7*	*21.3*	*20.5*	*20.6*	*20.6*
Gross margin (%)	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*
EBITDA margin (%)	*35.6*	*22.5*	*25.1*	*41.4*	*41.3*	*40.0*	*20.4*	*26.7*	*30.5*	*32.0*
EBITA margin (%)	*33.7*	*19.1*	*17.7*	*38.1*	*38.3*	*37.5*	*17.9*	*24.2*	*28.5*	*30.3*
EBIT margin (%)	*33.7*	*19.1*	*17.7*	*38.1*	*38.3*	*37.5*	*17.9*	*24.2*	*28.5*	*30.3*
Pre-tax margin (%)	*33.2*	*19.7*	*11.8*	*34.8*	*39.0*	*35.8*	*18.5*	*22.6*	*29.0*	*30.9*
Net margin (%)	*26.1*	*15.5*	*9.3*	*27.6*	*30.9*	*28.4*	*14.6*	*17.9*	*23.0*	*24.6*
Growth Rates y-o-y	-	-	-	-	-	-	-	-	-	-
Sales growth (%)	*12.5*	*-43.4*	*-24.7*	*59.2*	*28.3*	*-2.8*	*-11.9*	*9.3*	*59.3*	*35.8*
EBITDA growth (%)	*31.2*	*-64.2*	*-16.0*	*162.3*	*28.1*	*-5.9*	*-55.1*	*43.2*	*81.8*	*42.7*
EBITA growth (%)	*32.6*	*-67.9*	*-30.4*	*243.2*	*29.1*	*-5.0*	*-57.8*	*47.3*	*88.1*	*44.1*
EBIT growth (%)	*32.6*	*-67.9*	*-30.4*	*nm*	*29.1*	*-5.0*	*-57.8*	*47.3*	*88.1*	*44.1*
Net profit growth (%)	*32.9*	*-66.4*	*-54.7*	*369.9*	*43.9*	*-10.7*	*-54.8*	*34.7*	*104.3*	*44.9*
EPS growth (%)	*32.9*	*-66.4*	*-54.7*	*nm*	*43.9*	*-10.7*	*-54.8*	*34.7*	*nm*	*44.9*
Profitability	-	-	-	-	-	-	-	-	-	-
ROE (%)	*42.2*	*13.5*	*6.5*	*27.5*	*32.7*	*28.2*	*13.9*	*19.0*	*33.8*	*40.9*
ROE adj. (%)	*39.8*	*11.3*	*4.8*	*27.5*	*33.5*	*28.2*	*14.5*	*19.6*	*33.8*	*40.9*
ROCE (%)	*47.6*	*15.4*	*9.9*	*30.6*	*36.5*	*32.6*	*15.9*	*22.7*	*39.7*	*51.0*
ROCE adj. (%)	*44.8*	*12.0*	*8.1*	*30.6*	*36.2*	*32.6*	*15.6*	*23.3*	*38.5*	*48.9*
ROIC (%)	*58.0*	*15.1*	*9.0*	*29.6*	*38.1*	*35.4*	*13.9*	*20.0*	*34.6*	*44.6*
ROIC adj. (%)	*54.6*	*12.5*	*7.4*	*29.6*	*39.1*	*35.4*	*14.5*	*20.6*	*34.6*	*44.6*
Adj. earnings numbers	-	-	-	-	-	-	-	-	-	-
EBITDA adj.	119	39	33	100	131	120	56	79	140	200
EBITDA adj. margin (%)	*33.6*	*19.2*	*21.9*	*41.4*	*42.2*	*40.0*	*21.2*	*27.4*	*30.5*	*32.0*
EBITDA lease adj.	119	39	33	100	131	120	56	79	140	200
EBITDA lease adj. margin (%)	*33.6*	*19.2*	*21.9*	*41.4*	*42.2*	*40.0*	*21.2*	*27.4*	*30.5*	*32.0*
EBITA adj.	113	32	22	92	121	112	49	72	131	189
EBITA adj. margin (%)	*31.7*	*15.8*	*14.5*	*38.1*	*39.3*	*37.5*	*18.7*	*24.9*	*28.5*	*30.3*
EBIT adj.	113	32	22	92	121	112	49	72	131	189
EBIT adj. margin (%)	*31.7*	*15.8*	*14.5*	*38.1*	*39.3*	*37.5*	*18.7*	*24.9*	*28.5*	*30.3*
Pretax profit Adj.	111	33	13	84	123	108	51	67	133	193
Net profit Adj.	87	26	10	66	98	85	40	53	106	154
Net profit to shareholders adj.	87	26	10	66	98	85	40	53	106	154
Net adj. margin (%)	*24.6*	*12.9*	*6.8*	*27.6*	*31.7*	*28.4*	*15.2*	*18.5*	*23.0*	*24.6*

Source: ABG Sundal Collier, Company Data

Cash Flow (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
EBITDA	126	45	38	100	128	120	54	77	140	200
Net financial items	-2	1	-9	-8	2	-5	1	-5	2	4
Paid tax	-14	-35	-7	-13	-33	-29	-16	-13	-27	-40
Non-cash items	-3	-11	6	7	-4	3	-2	0	0	0
Cash flow before change in WC	108	0	28	85	93	89	37	59	115	165
Change in working capital	0	-11	3	-24	24	-23	-1	-7	-28	-28

Cash Flow (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Operating cash flow	**109**	**-11**	**30**	**61**	**117**	**66**	**36**	**53**	**87**	**136**
Capex tangible fixed assets	-9	-13	-0	-2	-3	-2	-2	-8	-7	-6
Capex intangible fixed assets	-14	-21	-8	-5	-4	-2	-3	-6	-9	-13
Acquisitions and Disposals	5	0	0	-0	-0	0	0	0	0	0
Free cash flow	**91**	**-44**	**22**	**54**	**109**	**62**	**30**	**39**	**71**	**117**
Dividend paid	-51	-51	-22	-10	-51	-109	-67	-30	-47	-88
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Leasing liability amortisation	0	0	0	0	0	0	0	0	0	0
Other non-cash items	-2	5	-5	-6	3	-3	2	0	0	0

Balance Sheet (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Goodwill	0	0	0	0	0	0	0	0	0	0
Other intangible assets	55	73	76	80	81	81	85	88	93	100
Tangible fixed assets	45	54	48	43	41	39	36	39	42	43
Right-of-use asset	0	0	0	0	0	0	0	0	0	0
Total other fixed assets	2	2	2	2	2	2	2	2	2	2
Fixed assets	102	129	126	125	124	121	123	130	137	144
Inventories	73	101	100	116	109	125	124	127	166	200
Receivables	78	56	53	75	67	74	73	87	115	156
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	110	22	49	60	118	69	27	36	44	56
Total assets	**363**	**308**	**329**	**377**	**417**	**389**	**347**	**379**	**462**	**557**
Shareholders equity	240	221	213	269	314	291	262	284	343	409
Minority	0	0	0	0	0	0	0	0	0	0
Total equity	**240**	**221**	**213**	**269**	**314**	**291**	**262**	**284**	**343**	**409**
Long-term debt	33	36	71	44	40	43	0	15	15	1
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	0	0	0	0	0	0	0	0	0	0
Total other long-term liabilities	8	6	4	3	3	1	2	2	2	2
Short-term debt	0	1	1	2	2	2	36	20	5	1
Accounts payable	82	44	40	59	59	53	47	58	97	144
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**363**	**308**	**329**	**377**	**417**	**389**	**347**	**379**	**462**	**557**
Net IB debt	-78	15	23	-15	-76	-25	9	-0	-24	-53
Net IB debt excl. pension debt	-78	15	23	-15	-76	-25	9	-0	-24	-53
Net IB debt excl. leasing	-78	15	23	-15	-76	-25	9	-0	-24	-53
Capital employed	273	257	285	315	356	335	298	319	363	411
Capital invested	163	236	236	255	238	266	271	284	319	355
Working capital	69	113	114	133	117	146	149	156	184	213
EV breakdown	-	-	-	-	-	-	-	-	-	-
Market cap. diluted (m)	1,519	1,519	1,519	1,519	1,519	1,519	1,519	1,519	1,519	1,519
Net IB debt adj.	-78	15	23	-15	-76	-25	9	-0	-24	-53
Market value of minority	0	0	0	0	0	0	0	0	0	0
EV	**1,441**	**1,534**	**1,541**	**1,504**	**1,442**	**1,494**	**1,527**	**1,518**	**1,495**	**1,465**
Total assets turnover (%)	104.1	59.9	47.5	68.2	77.8	74.5	71.9	79.6	109.5	122.8
Working capital/sales (%)	21.4	45.5	75.1	51.2	40.4	43.8	55.9	52.9	36.9	31.7
Financial risk and debt service	-	-	-	-	-	-	-	-	-	-
Net debt/equity (%)	-32.3	6.9	10.8	-5.4	-24.2	-8.5	3.4	-0.0	-7.0	-13.1
Net debt / market cap (%)	-5.1	1.0	1.5	-1.0	-5.0	-1.6	0.6	-0.0	-1.6	-3.5
Equity ratio (%)	66.2	71.7	64.8	71.4	75.2	74.7	75.5	74.9	74.2	73.4
Net IB debt adj. / equity (%)	-32.3	6.9	10.8	-5.4	-24.2	-8.5	3.4	-0.0	-7.0	-13.1
Current ratio	3.19	3.96	4.94	4.16	4.88	4.90	2.70	3.21	3.20	2.85
EBITDA/net interest	78.9	36.1	4.3	12.6	62.2	24.3	37.0	16.5	70.2	50.1
Net IB debt/EBITDA (x)	-0.6	0.3	0.6	-0.1	-0.6	-0.2	0.2	-0.0	-0.2	-0.3
Net IB debt/EBITDA lease adj. (x)	-0.6	0.4	0.7	-0.1	-0.6	-0.2	0.2	-0.0	-0.2	-0.3
Interest coverage	74.7	30.7	3.0	11.6	57.8	22.7	32.5	14.9	65.7	47.3

Source: ABG Sundal Collier, Company Data

Share Data (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Actual shares outstanding	13	13	13	13	13	13	13	13	13	13
Actual shares outstanding (avg)	13	13	13	13	13	13	13	13	13	13
Actual dividend per share	4.05	1.74	0.79	4.05	8.70	5.35	2.40	3.75	7.00	10.00
Reported earnings per share	7.39	2.49	1.13	5.30	7.62	6.81	3.07	4.14	8.46	12.25

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (SEKm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Shares outstanding adj.	13	13	13	13	13	13	13	13	13	13
Diluted shares adj.	13	13	13	13	13	13	13	13	13	13
EPS	7.39	2.49	1.13	5.30	7.62	6.81	3.07	4.14	8.46	12.25
Dividend per share	4.05	1.74	0.79	4.05	8.70	5.35	2.40	3.75	7.00	10.00
EPS adj.	6.96	2.07	0.82	5.30	7.81	6.81	3.20	4.27	8.46	12.25
BVPS	19.17	17.60	16.99	21.49	25.06	23.19	20.91	22.65	27.36	32.61
BVPS adj.	14.82	11.77	10.93	15.09	18.62	16.75	14.11	15.60	19.93	24.63
Net IB debt/share	-6.19	1.22	1.83	-1.17	-6.07	-1.96	0.71	-0.01	-1.90	-4.27
Share price	121.20	121.20	121.20	121.20	121.20	121.20	121.20	121.20	121.20	121.20
Market cap. (m)	1,519	1,519	1,519	1,519	1,519	1,519	1,519	1,519	1,519	1,519
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	16.4	48.8	nm	22.9	15.9	17.8	39.4	29.3	14.3	9.9
EV/sales (x)	4.1	7.6	10.2	6.2	4.7	5.0	5.8	5.3	3.2	2.3
EV/EBITDA (x)	11.4	33.9	40.6	15.1	11.3	12.4	28.3	19.7	10.6	7.3
EV/EBITA (x)	12.1	40.0	57.7	16.4	12.2	13.3	32.2	21.7	11.4	7.7
EV/EBIT (x)	12.1	40.0	57.7	16.4	12.2	13.3	32.2	21.7	11.4	7.7
Dividend yield (%)	3.3	1.4	0.7	3.3	7.2	4.4	2.0	3.1	5.8	8.3
FCF yield (%)	6.0	-2.9	1.4	3.5	7.2	4.1	2.0	2.6	4.7	7.7
Le. adj. FCF yld. (%)	6.0	-2.9	1.4	3.5	7.2	4.1	2.0	2.6	4.7	7.7
P/BVPS (x)	6.32	6.89	7.13	5.64	4.84	5.23	5.80	5.35	4.43	3.72
P/BVPS adj. (x)	8.18	10.30	11.08	8.03	6.51	7.24	8.59	7.77	6.08	4.92
P/E adj. (x)	17.4	58.5	nm	22.9	15.5	17.8	37.9	28.4	14.3	9.9
EV/EBITDA adj. (x)	12.1	39.8	46.5	15.1	11.1	12.4	27.3	19.2	10.6	7.3
EV/EBITA adj. (x)	12.8	48.2	70.3	16.4	11.9	13.3	30.9	21.1	11.4	7.7
EV/EBIT adj. (x)	12.8	48.2	70.3	16.4	11.9	13.3	30.9	21.1	11.4	7.7
EV/CE (x)	5.3	6.0	5.4	4.8	4.1	4.5	5.1	4.8	4.1	3.6
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	6.3	16.7	5.7	3.0	2.4	1.4	2.0	4.7	3.5	3.0
Capex/depreciation	3.3	4.9	0.8	0.9	0.8	0.6	0.8	1.8	1.8	1.7

Source: ABG Sundal Collier, Company Data

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