Update: Q2 2023

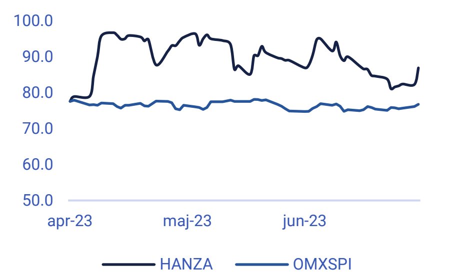
HANZA AB

HANZA is a contract manufacturer founded in 2008 that has successfully built six regional manufacturing clusters in Europe and China through new factories, organic growth, and acquisitions in, e.g., sheet metal processing, heavy mechanics, and electronics. Several large European industrial groups are among its customers.

CEO: Erik Stenfors
CoB: Francesco Franzé
www.hanza.com

Bloomberg: HANZA:SS
Reuters Eikon: HANZA.ST
List: Nasdaq Stockholm Small Cap
Last: 86
Market cap: SEK 3 487m

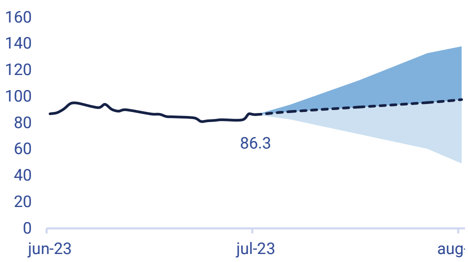
SHARE DEVELOPMENT



	12M	YTD	6M	1M
Development (%)	60	72	40	0

Source: S&P Capital IQ

VALUATION INTERVAL



	BEAR	BASE	BULL
Value per share (SEK)	49,3	97,7	138,1
Up-/downside (%)	-43%	13%	60%

Source: S&P Capital IQ and Carlsquare estimates

CARLSQUARE EQUITY RESEARCH

Niklas Elmhammer
Senior Equity Analyst

Higher profitability confirmed

Carlsquare Equity Research believes the Q2 report supports a more optimistic view of margins, as the progress in the Main markets segments is more robust than expected. Good order intake, ongoing capacity expansions and a differentiated offering support the growth prospects. We raise the valuation range in our DCF model following higher estimates in the mid-term and a lower WACC.

Main markets showing great form

Despite some headwinds in the period, such as fewer working days and component shortages in some areas, HANZA's operating earnings increased by over 60 per cent in Q2 2023 and exceeded our estimates by about ten per cent. The primary driver was the Main markets segment as growth accelerated to 25 per cent, and segment margins reached an all-time high of eleven per cent. Greater efficiency in the German units appears to be the most important factor behind the profitability improvement. We believe this validates the expansion into Germany and the coordination program that HANZA undertook last year. Growth in other markets disappointed us, partly due to internal temporary factors; however, new orders (e.g., Mitsubishi Logisnext) are a good sign.

Solid growth and margin outlook supported by a broad offering

Overall, the Q2 report confirms that HANZA is well on its way to reaching its financial goals for 2025. Already in the first six months, EBITA (excluding electricity subsidies) was on target at 8.1 per cent, and there should still be room for profitability improvement in the Other markets segment. Sales are growing at double digits and there is no sign of tapering of demand immediately ahead, as order intake is still very good. On the contrary, HANZA is taking new steps to increase capacity primarily in Other markets and also in Sweden. The news of increased business with existing customer Mitsubishi Logisnext Europe demonstrates that HANZA has an attractive offer of multiple manufacturing and related services. It validates the company slogan, "All you need is one", and should support future growth and profitability if additional customers catch on. We raise our earnings forecasts by about eight per cent and believe HANZA's operating performance will be at the top of the Nordic peer group over the next few years.

We raise the DCF valuation range

We raise our base case DCF valuation markedly due to higher mid-term earnings estimates, as discussed above, and a lower WACC assumption following the solid operating performance since 2021. This compensates for a lower valuation in our multiple valuation model. In conclusion, we raise our base case somewhat to SEK 98 per share (96). Our fair value range is adjusted upwards from the changed input to the DCF model. As before, the bull case assumes an increased pace of expansion via acquisitions.

Key figures (SEKm)

	2020	2021	2022	2023E	2024E	2025E
Net sales	2 155	2 515	3 549	4 187	4 624	5 085
Gross profit	955	1 149	1 531	1 838	2 041	2 263
EBITDA	139	232	316	462	536	615
EBITA	48	143	212	346	390	441
EBT	9	100	143	264	300	350
Earnings per share	-0.03	2.27	3.34	5.57	6.29	7.34
Growth, net sales	4.2%	16.7%	41.1%	18.0%	10.4%	10.0%
EBITDA-margin	6.6%	8.7%	8.5%	11.0%	11.6%	12.1%
EBITA-margin	2.2%	5.7%	6.0%	8.3%	8.4%	8.7%
EV/Sales	0.4x	1.2x	0.7x	0.9x	0.8x	0.8x
EV/EBITDA	6.7x	13.0x	8.1x	8.4x	7.3x	6.3x
EV/EBITA	19.3x	21.0x	12.1x	11.2x	10.0x	8.8x
P/E	NM	28.3x	15.3x	15.8x	14.0x	12.0x

Source: Company information and Carlsquare estimates

Higher profitability confirmed

Q2 was another record quarter for HANZA, with the largest segment, “Main markets”, shifting to a higher gear of profitability. As a result, group operating earnings exceeded our expectations by ten per cent. In the first six months of the year, HANZA has already reached its end-of-2025 EBITA margin target of over eight per cent. Growth in the Other markets segment dropped more than anticipated, but new orders suggest the headwinds should abate.

Main markets showing great form

HANZA’s Q2 sales increased by 21 per cent to SEK 1,068m and were virtually unchanged compared to the previous quarter. The organic growth was 13 per cent (23 per cent in Q1), below our expectations of 19 per cent. The deviation is mainly explained by the Other market segment where organic sales growth fell from 30 per cent in Q1 to five per cent. HANZA reports that ongoing capacity expansion work and some component shortages hampered sales in the period.

Still, the overall sales mix for the group was more positive than anticipated, as growth in the Main market segment unexpectedly accelerated to 25 per cent. Even more importantly, margins in the segment climbed to 11 per cent, an all-time high level. The German cluster is a significant contributor to the improvement, as last year’s coordination program between the German sites has seemingly paid off handsomely in 2023. All in all, the strong performance of the Main markets segment (i.e., Sweden, Finland and Germany) resulted in EBITA beating our forecast by about ten per cent.

The table below compares the Q2, 2023 reported sales and earnings vs our estimates.

HANZA Q2, 2023 Net sales and EBITA vs CSQ Forecast (SEKm)

	Q2 23E	Q1 22A	Q1 23A	Dev
Net Sales	1095	886	1068	-2%
Growth, net sales	24%	40%	21%	
Main Markets, net sales	583	485	605	4%
Main Markets, growth	20%	43%	25%	
Other Markets, net sales	508	401	458	-10%
Other Markets, Growth	27%	36%	14%	
EBITA	84	57	92	10%
EBITA growth	46%	155%	61%	
EBITA-margin	7.6%	6.5%	8.6%	
Main Markets, EBITA-margin	8.7%	7.6%	11.1%	
Other Markets, EBITA-margin	6.5%	5.6%	6.1%	

Source: Company information and Carlsquare estimates.

Despite higher inventories, cash conversion was good. Cash flow from operations was SEK 86m (29), and the development in 2023 is a welcome scene change after a challenging period in 2021 to 2022 of heavy working capital build-up.

HANZA continues to invest in expanding the capacity of existing manufacturing clusters in line with its growth strategy “HANZA 2025”. Expansions in Other markets are currently ongoing at several sites, including Tartu. Although they are modular, add-on capacity increases, there is a negative impact on sales and margins in the short term, according to HANZA. However, we do not expect the same earnings headwinds as from the building of the complex assembly plant in Estonia in 2021-2022. In fact, the margin in the Other markets segment still increased despite the somewhat disappointing sales.

In June, HANZA also announced that it had acquired the property in Töcksfors for sheet metal processing (a leading site for the Swedish Wermech unit), including 28,000 sqm of land. Clearly, the purchase (some SEK 49m) is a preparation to increase capacity (besides lowering the cost of premises). Although no expansion program has been announced yet, we believe it is a good long-term growth signal.

There is more evidence that HANZA’s strategy of building geographic clusters and offering several manufacturing technologies and services is paying off. A recently announced deal with Mitsubishi Logisnext Europe, a manufacturer of material handling solutions and forklift trucks, means HANZA will increase sales to this customer by more than SEK 100m annually by also providing assembly and logistics services in addition to current module manufacturing. HANZA management believes the expanded deal is very significant as it judges that few other contract manufacturers can provide the same “one-stop” solution. The goal is a less complex and more flexible supply chain for the customer and increased business for HANZA in line with the slogan, “All you need is one”.

HANZA says order intake is still very good and has yet to experience the shorter order lead times and decreasing order books that some other contract manufacturers have reported. We interpret this as a positive sign, although it should be noted that HANZA does not disclose its order book, and consequently, we cannot make a full assessment at this point.

Investment Case

We believe HANZA's manufacturing cluster strategy and sustainability focus makes it well-positioned for contract manufacturing trends in Europe. As the international clusters (e.g., Germany and Other markets) become more mature, we see the company's profitability approaching its leading Nordic peers, implying further solid earnings growth from current levels. HANZA's operating performance in 2022 supports this view.

Positioned for "slowbalization" era

Since the early 2010s, the rate of globalisation appears to have slowed, and many multi-national companies are redirecting investments and production to regional sites, also called "back shoring" and "regionalisation". One reason is risk mitigation in the face of potential disturbances to supply chains from, e.g., trade wars and, more recently, pandemics, geopolitics and armed conflicts. Another reason is the waning cost advantages of sourcing manufacturing from developing economies. The chart below demonstrates that growth in global trade slowed already following the great financial crisis.

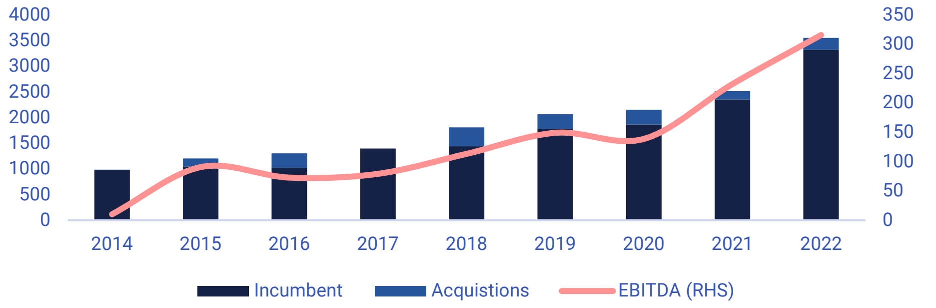
World Exports Growing Slower than GDP

Source: World Bank and Carlsquare Equity Research

Successful expansion of manufacturing clusters

For many companies, particularly start-ups, manufacturing is not part of the strategy, and contract manufacturers are natural partners. We believe the financial performance shows that the regionalisation trend has benefited regional contract manufacturers during the last decade.

HANZA sales and EBITDA (SEKm)



Source: Company information and Carlsquare estimates

HANZA is a contract manufacturer founded in 2008 that has successfully built regional manufacturing clusters in the Nordics, the Baltics, and Central Europe mainly through acquisitions of sheet metal processing, heavy mechanics, and electronics operations. We believe HANZA has demonstrated that the shift from globalisation to regionalisation is advantageous. In 2019, HANZA took the first step towards expanding the cluster approach to Germany by acquiring RITTER Elektronik GmBH in Remscheid in Western Germany. Establishment in Germany was forced to pause from early 2020 until the summer of 2021 due to the pandemic and the hard lockdown in Germany. In 2021, the electronics firm Beyers in Mönchengladbach was added. The six manufacturing clusters are currently divided into Main Markets (Sweden, Finland, and Germany) and Other Markets (The Baltics, Central Europe, and China).

HANZA's philosophy is that margins and cash flow can be significantly increased by coordinating and sharing resources between sites within a cluster. The development within the Main Markets segment, especially the Swedish cluster, is strong evidence that the approach is valid.

We believe the management and board possess extensive manufacturing expertise, an established network, and proven company-building quality. They have a background in leading Swedish industrial companies, including Note, Husqvarna, Hexagon, Nibe and Systemair.

Financial targets were raised at the end of 2022

In conjunction with the Q3 2022 report, HANZA also reviewed its financial targets for the period up to and including 2025. The goals are a part of the "HANZA 2025" strategy. In short, the company will continue to develop the existing manufacturing clusters with possible acquisitions to increase capacity. Also, the company plans to further expand its product development and advisory services.

- The new growth target is to reach **sales of at least SEK 5bn by 2025**. The old target was an average sales growth of at least ten per cent over a business cycle. The updated goal implies a CAGR of at least twelve per cent from 2022 to 2025 and hence should be considered an upgrade, in our view.
- HANZA raises its profitability target and aims for an **EBITA margin of at least eight per cent** by the end of 2025. This is also more ambitious than the previous objective of at least six per cent EBIT margin and implies that EBITA should almost double compared to 2022, at minimum.
- In addition, HANZA defines a new target for debt. Net interest-bearing debt should not exceed 2.5x rolling 12-month EBITDA.

At the same time, the board has decided to keep the capital structure target and dividend policy unchanged.

During the coming years, HANZA will also investigate a possible expansion to new geographies to meet its customers' needs. According to the present outlook, this step may begin by the end of 2025.

Estimates

Margin increases in the sector, but some concern about orders

Overall, Nordic contract manufacturers have reported sales and earnings in Q2 in line with or somewhat above expectations. For NOTE, no consensus estimates were available ahead of the Q2 report, but shares fell as the numbers were not quite as strong as in previous quarters. In contrast, for Kitron, demand from, e.g., Defence and Electrification customers pushed growth above 30 per cent. However, investors seemed disappointed by a lower order backlog, and Kitron cited shorter order lead times as components availability has improved. AQ Group reported very high growth and a significant increase in profitability and Scanfil recently raised its full-year outlook somewhat. In conclusion, demand for contract manufacturing services appears solid, albeit with some pockets of weakness. Profitability, however, is a bright spot, improving from higher volumes but also fading price inflation.

Margin headway in Main markets supports higher estimates

Main markets, sales (SEKm) and EBITA margin (Q)

Source: Company information and Carlsquare estimates

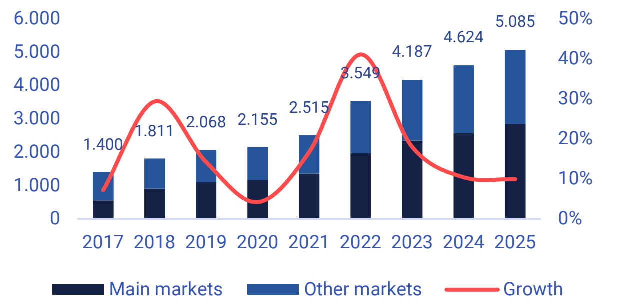
Other markets, sales (SEKm) and EBITA margin (Q)

Source: Company information and Carlsquare estimates

Despite what appears to be a slower momentum for the Other markets segment, at least in the short term, the Q2 report strengthens the case for solid growth with higher margins. We are encouraged by the continued high growth and markedly increased profitability in the slightly larger Main markets segment. We raise our revenue and EBITA forecasts for the segment by four and 20 per cent for 2023 and 2024, as we now expect double-digit margins for that area. For the group overall, we make only minor positive adjustments to our top-line forecasts and expect about 18% growth for the full year. This is at the high end of the range of guidance from Nordic peers such as Kitron, Note and Scanfil (10 to 17 per cent; however, currencies are not comparable). At the same time, we increase our group earnings forecasts by some eight per cent for 2023 and 2024 (driven by Main markets, as we explain above).

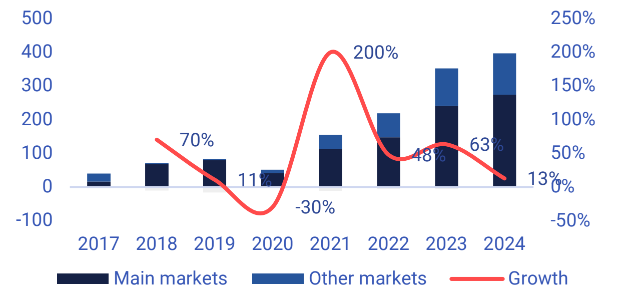
On the back of the good numbers, we remain confident that HANZA also will reach its margin target of at least eight per cent EBITA (by the end of 2025). We believe there is room for further improvement in Other markets from increased efficiency from expansions and implementation of the cluster strategy.

Revenue (SEKm) and growth (%)



Source: Company information and Carlsquare estimates

EBITA (SEKm) and growth (%)



Source: Company information and Carlsquare estimates

Valuation

Higher estimates and reviewed assumptions lift the DCF value

We have combined a DCF model with a multiple valuation model in an average to calculate a fair value per share.

We have raised our DCF valuation due to the higher estimates in the abovementioned forecast period. We have also assumed a lower beta of 1.0 (1.2), in line with industry peers. A lower cost of equity is motivated by HANZA's strong operating performance, also relative to peers, since we initiated coverage at the beginning of 2022, we believe. The WACC is consequently adjusted to 10.1 per cent (10.9).

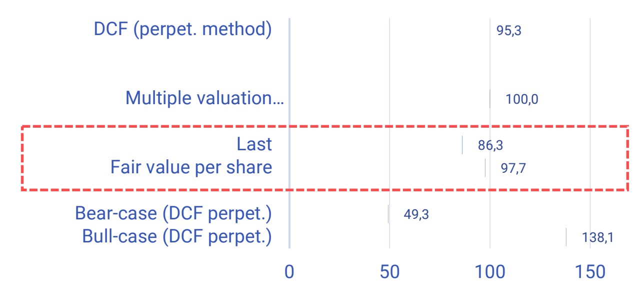
Following the changed assumptions, our DCF valuation results in a markedly higher value per share of SEK 95 (77). Our multiple valuation (EV/sales based on regression analysis, see below) yields a value per share of about SEK 100 (115) based on 2023-2025 average estimates. The lower value in the multiple valuation model is due to higher consensus estimates for growth and margins in the peer group since our previous update. Combining the value in the DCF model with the multiple valuation in an average, we calculate an unchanged fair value per share of SEK 98 per share (previously: 96).

Fair value, base case (SEKm)

Multiple valuation	100.0
DCF valuation	95.3
Fair value per share	**97.7**
Potential up-/down side	11%
Shares outstanding, fully financed and diluted	40.1
Shareholder value	**3 920**
Cash	131
Debt	-556
PV cash from equity financing	0
EV	**4 345**

Source: Carlsquare Estimates

Fair value within an interval (SEK)



Source: Carlsquare Estimates

Multiple valuation, base case

Our valuation corresponds to an EV/EBITDA multiple 2023E of 9.9x. The companies in the Nordic contract manufacturers reference group are currently trading at a median EV/EBITDA multiple 2023E of 8.9x.

We have derived a motivated EV/Sales multiple from a regressions analysis of a peer group with forward EBITDA margin and expected growth as variables for a multiple valuation.

Comparison with peers continues to support a higher valuation

With expected **sales growth (23-25E) of 12.7 per cent** and an **average EBITDA margin of 11.5 per cent** in the same period as our input for HANZA, the multiple valuation yields a motivated EV/Sales multiple (23E) of 1.06. This corresponds to a premium to the peer group. The premium is motivated by the combination of expected sales growth and forecast EBITDA margin being generally higher than peers (except Kitron if consensus estimates are correct). However, there are no estimates for NOTE and AQ Group currently.

This corresponds to a value per share of SEK 100 after total financing and dilution.

Multiple valuation, base case

	EV	Growth, CAGR 23-25E	EBITDA avg. 23-25E	EV/Sales, NTM	EV/EBITDA, NT
AQ Group AB (publ)	9 214	NA	NA	NA	NA
NOTE AB (publ)	5 882	NA	NA	NA	NA
Inission AB (publ)	1 762	8%	11%	0.8x	7.4x
Kitron ASA	9 443	15%	11%	1.0x	9.1x
Scanfil Oyj	8 976	6%	9%	0.8x	9.5x
Incap Oyj	3 777	7%	15%	1.3x	8.6x
Median	**7 429**	**8%**	**11%**	**0.9x**	**8.9x**
Average	6 509	9%	11%	1.0x	8.6x

Discount	0%
Applied EV/Sales multiple (NTM)	**1.06x**
Exp. Sales NTM (SEKm)	4 187
Enterprise value	**4 439**
Net debt	-425
PV(Cash from equity financing)	0
Shareholder value. after financing	**4 014**
Current shares outstanding (m)	40.1
New shares	0.0
Shares outstanding after financing and dilution	40.1
Value per share (before financing and dilution)	100.0
Value per share (after financing and dilution)	**100.0**

Source: S&P Capital IQ and Carlsquare estimates

Valuation within an interval

We have used our DCF model (perpetual method) in the bull and bear case but developed alternative growth curves and profitability targets. For the bull case, we have also used a multiple valuation method.

In the bull case, we assume higher growth at an average of about twelve per cent in the forecast period, i.e., five percentage points higher than the calculated rate in the base case scenario, propelled by acquisitions. We assume acquisitions correspond to an EV/Sales valuation of 0.5. Using a combined DCF model and multiple valuation (EV/sales multiple based on regression analysis), we calculate a fair value of SEK 138 (129) per share.

For the bear case, we model an average annual growth rate of some four, i.e., almost half the growth assumed in the base case. We also pencil a lower average EBIT margin of five per cent (vs seven in the base case) over the forecast period. After total financing and dilution, the more pessimistic scenario yields a fair value per share of about SEK 49 (38) in a DCF model.

Key figures and accounts

Key Ratios (SEK)

	2019	2020	2021	2022	2023E	2024E
Per share						
EPS	0.75	-0.03	2.27	3.34	5.57	6.29
DPS	0.3	0.0	0.3	0.5	0.8	1.0
BVPS	14.6	14.0	16.4	22.9	28.9	34.6
TBVPS	8.2	7.9	11.4	14.0	19.4	23.4
Valuation (curr.)	2019	2020	2021	2022	2023E	2024E
P/E	20.8x	NM	28.3x	15.3x	15.8x	14.0x
P/B	7.6x	7.9x	6.4x	4.2x	3.0x	2.5x
EV/Sales	0.5x	0.4x	1.2x	0.7x	0.9x	0.8x
EV/EBITDA	7.2x	6.7x	13.0x	8.1x	8.4x	7.3x
EV/EBIT	15.8x	19.3x	21.0x	12.1x	11.2x	10.0x
Other	2019	2020	2021	2022	2023E	2024E
Dividend yield	0.3%	0.0%	0.3%	0.5%	0.9%	1.1%
FCF yield	3.4%	2.8%	5.1%	6.2%	10.3%	12.9%

Source: Company information and Carlsquare estimates

Income statement (SEKm), quarterly

	Q1, 22	Q2, 22	Q3, 22	Q4, 22	Q1, 23	Q2, 23	Q3, 23E	Q4, 23E
Sales	824	886	838	1001	1065	1068	970	1085
Gross profit	361	385	357	428	456	476	424	483
EBITDA	66	82	76	91	117	121	103	120
EBITA	41	57	50	63	88	92	76	90
EBIT	37	53	46	57	84	88	72	86
EBT	25	40	30	48	70	72	54	68
Net profit	19	36	26	40	59	60	45	57
EPS (SEK)	0.54	1.01	0.73	1.06	1.50	1,51	1.13	1.43
Growth	Q1. 22	Q2. 22	Q3. 22	Q4. 22	Q1. 23	Q2, 23E	Q3. 23E	Q4. 23E
Sales	45.2%	39.8%	40.3%	39.7%	29.3%	20,5%	15.7%	8.4%
Gross profit	38.4%	29.2%	31.7%	33.9%	26.5%	23,6%	18.7%	12.7%
EBITDA	55.5%	31.3%	27.8%	35.2%	76.2%	46,8%	36.2%	32.2%
EBIT	94.2%	46.7%	37.1%	47.6%	127.6%	65,3%	56.5%	50.5%
EBT	114.4%	30.9%	15.2%	51.6%	176.7%	78,6%	82.2%	42.4%
Net profit	111.0%	39.2%	30.7%	56.1%	207.3%	65,2%	74.0%	44.3%
Margins	Q1. 22	Q2. 22	Q3. 22	Q4. 22	Q1. 23	Q2, 23E	Q3. 23E	Q4. 23E
Gross margin	43.8%	43.5%	42.6%	42.8%	42.8%	44,6%	43.7%	44.5%
EBITDA margin	8.1%	9.3%	9.0%	9.1%	11.0%	11,3%	10.6%	11.1%
EBIT margin	4.5%	6.0%	5.5%	5.7%	7.9%	8,2%	7.4%	8.0%
EBT margin	3.1%	4.5%	3.5%	4.8%	6.6%	6,7%	5.5%	6.3%
Profit margin	2.3%	4.1%	3.1%	4.0%	5.5%	5,6%	4.7%	5.3%

Source: Company information and Carlsquare estimates

Income statement (MSEK)

	2017	2018	2019	2020	2021	2022	2023E	2024E
Total revenue	**1 400**	**1 811**	**2 068**	**2 155**	**2 515**	**3 549**	**4 187**	**4 624**
COGS	-807	-1 006	-1 121	-1 200	-1 366	-2 018	-2 349	-2 583
Gross profit	**593**	**805**	**947**	**955**	**1 149**	**1 531**	**1 838**	**2 041**
Other operating expenses	-514	-692	-798	-816	-917	-1 215	-1 377	-1 506
EBITDA	**79**	**113**	**149**	**139**	**232**	**316**	**462**	**536**
Dep. and amort.	-43	-59	-92	-107	-105	-122	-132	-162
EBIT	**36**	**54**	**57**	**31**	**128**	**193**	**330**	**374**
Net finances	-10	-25	-25	-22	-28	-50	-66	-73
EBT	**26**	**29**	**32**	**9**	**100**	**143**	**264**	**300**
Tax	-10	-20	-22	-39	-44	-22	-42	-48
Net profit/loss	**15**	**10**	**11**	**-30**	**55**	**121**	**221**	**252**
EPS	**0.68**	**0.78**	**0.75**	**-0.03**	**2.26**	**3.34**	**5.57**	**6.29**
Shares. EoP	24.2	29.9	34.0	34.0	35.8	39.3	40.1	40.1
Shares. avg.	24.2	27.0	31.9	34.0	34.9	37.5	39.7	40.1

Growth	2017	2018	2019	2020	2021	2022	2023E	2024E
Total revenue	7.2%	29.4%	14.2%	4.2%	16.7%	41.1%	18.0%	10.4%
Gross profit	0.9%	35.8%	17.6%	0.9%	20.3%	33.2%	20.1%	11.0%
EBITDA	8.8%	43.1%	31.6%	-7.0%	67.5%	36.0%	46.2%	16.0%
EBIT	41.7%	51.5%	5.0%	-44.9%	307.3%	51.5%	70.7%	13.3%
EBT	631.4%	14.1%	10.6%	-72.4%	1020.2%	43.3%	84.6%	13.9%
Net profit/loss	1089.5%	-8.0%	13.5%	-105.9%	5820.7%	50.6%	82.7%	13.9%
EPS	722.2%	14.7%	-3.8%	-104.5%	-6794.1%	46.8%	66.9%	13.0%
Margins	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**
Gross profit	42.3%	44.5%	45.8%	44.3%	45.7%	43.1%	43.9%	44.1%
EBITDA margin	5.7%	6.3%	7.2%	6.4%	9.2%	8.9%	11.0%	11.6%
EBIT margin	2.6%	3.0%	2.7%	1.5%	5.1%	5.4%	7.9%	8.1%
EBT margin	1.8%	1.6%	1.6%	0.4%	4.0%	4.0%	6.3%	6.5%
Profit margin	1.1%	0.5%	0.5%	-1.4%	2.2%	3.4%	5.3%	5.5%

Source: Company information and Carlsquare estimates

Balance sheet (SEKm)

	2019	2020	2021	2022	2023E	2024E
Tot. intangible assets	416	396	464	478	494	480
Tot. tangible assets	279	270	407	551	777	940
Tot. other fixed assets	177	165	210	197	176	176
Total fixed assets	871	830	1 081	1 226	1 446	1 596
Inventories	423	342	663	937	1 020	1 113
Accounts Receivables	122	77	107	151	163	179
Other current assets	45	44	55	91	127	140
Cash	67	121	46	137	166	225
Total current assets	657	584	870	1 316	1 475	1 658
Total assets	**1 528**	**1 414**	**1 951**	**2 541**	**2 921**	**3 254**
Shareholder equity	498	475	586	898	1 159	1 387
Total equity	**498**	**475**	**586**	**898**	**1 159**	**1 387**
Debt to creditors	210	175	245	223	221	221
Lease liabilities	93	81	133	125	114	114
Other long-term liabilities	155	154	154	151	171	171
Tot. long-term liabilities	457	409	531	499	506	506
Debt to creditors	203	169	241	396	419	441
Accounts payable	232	200	373	488	538	594
Lease liabilities	46	43	42	41	45	45
Other short-term liabilities	93	118	178	220	255	281
Tot. short-term debt	573	530	835	1 145	1 257	1 361
Total debt	**1 030**	**939**	**1 366**	**1 643**	**1 763**	**1 867**
Tot. equity and debt	**1 528**	**1 414**	**1 951**	**2 541**	**2 921**	**3 254**

Liquidity	2019	2020	2021	2022E	2023E	2024E
Current ratio	1.1	1.1	1.0	1.1	1.2	1.2
Cash ratio	0.1	0.2	0.1	0.1	0.1	0.2
Leverage	2019	2020	2021	2022	2023E	2024E
Net debt (-)/Net cash(+)	-543	-450	-712	-556	-647	-600
Net debt/EBITDA	3.6x	3.2x	3.1x	1.8x	1.4x	1.1x
Net debt/Equity	1.1x	0.9x	1.2x	0.6x	0.6x	0.4x
Net debt/Equity	109%	95%	122%	62%	56%	43%

Source: Company information and Carlsquare estimates

Cash flow (SEKm)

	2019	2020	2021	2022	2023E	2024E
CF operating activities	128	106	194	234	358	445
Delta WC	-6	76	-67	-89	0	-55
CF operating activities	122	182	126	145	358	390
CF investing activites	-137	-60	-186	-184	-276	-231
CF financing activities	5	-63	-22	120	-66	-115
Cash flow	-10	59	-81	81	16	43
Exchange differences	-1	-4	6	10	13	16
Cash, BoP	78	67	121	46	136	166
Cash, EoP	67	121	46	136	166	225

Key ratios	2019	2020	2021	2022	2023E	2024E
CF operating activities/Sales	6%	8%	5%	4%	9%	8%
CF operating activities/Total assets	8%	13%	6%	6%	12%	12%

Source: Company information and Carlsquare estimates

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