

Hexagon AB

Company report

1/28/2025 08.45 am CET



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Valuation gap no longer exists

Hexagon will report its Q4 results on Friday, January 31. We expect growth to remain low, weighed down by weak industrial investment. However, we have raised our earnings estimates for 2025-26E due to recent acquisitions and positive FX changes. The recent rise in the company's share price has weakened the risk/reward ratio, which is why we change our recommendation to Reduce (was Accumulate) with a target price of SEK 120 (was SEK 115). We believe that the next key drivers for the share are related to global economic activity and the impact of changes in US trade policy.

Growth to be muted in Q4

Hexagon's organic growth has been declining since Q4'23 and reached -2% y/y in Q3'24. We expect organic growth to improve to 1% in Q4'24, slightly helped by easier y/y comparisons compared to previous quarters. However, we do not see any material change in the fundamental market activity. Weak spots in the market include in particular the construction markets in China and Europe, as well as the European manufacturing and automotive industries. However, we expect some improvement in growth by 2025, which we hope will be reflected in Hexagon's market commentary in the Q4 report. Our Q4'24 adjusted EBIT estimate is 437 MEUR, roughly flat y/y and 2% above consensus. We forecast net debt of 3,401 MEUR at the end of 2024.

FX and M&A to provide support to 2025-26 growth estimates

In conjunction with the pre-comment, we have made certain adjustments to our estimates for Hexagon with a net positive impact of 1% on revenue and 2% on adjusted EBIT. The changes are motivated by the recent strengthening of USD/EUR and the relatively small acquisitions of Geomagic and Septentrio in late December and early January, respectively. Our organic growth estimate for 2025 of around 6% is a significant improvement from the weak pace in 2024, as we expect organic growth to continue at a long-term average of 5% per year, possibly with a small bounce in 2025 due to the low starting point in 2024. The most important external driver for organic growth is the development of the global macroeconomy, which could be partly influenced by the decisions of the newly elected US president. Hexagon's revenue is more balanced across geographies, so overall growth and investment levels are relevant indicators.

Valuation not attractive enough with the increased share price

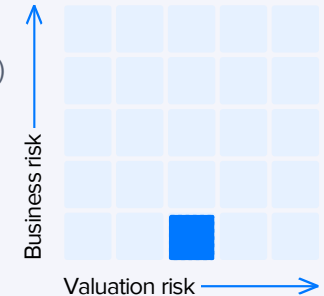
Hexagon currently trades at an adjusted EV/EBIT multiple of 20x for 2024e and 17x for 2025e. We believe 18x is a fair valuation multiple for this diversified, value-creating, high-quality technology company. Current valuation levels no longer offer attractive return expectations, we argue, as our current estimates and fair valuation assumptions would imply a return of only 6% p.a. over the next two years. We also flag that there is a risk of a delay in the recovery of organic growth due to political concerns. The recent changes in the company's management and governance seem to have stimulated the market valuation. We believe the nominations are a good fit for the company, but their near-term impact on earnings is likely to be muted and the long-term impact is still difficult to assess.

Recommendation

Reduce
(was Accumulate)

SEK 120.00
(SEK was 115.00)

Share price:
SEK 118.5



Key indicators

	2023	2024e	2025e	2026e
Revenue	5435.2	5393.1	5790.7	6146.3
growth-%	5%	-1%	7%	6%
EBIT adj.	1596.7	1590.0	1755.6	1879.2
EBIT-% adj.	29.4 %	29.5 %	30.3 %	30.6 %
Net income	858.9	1006.6	1157.0	1297.1
EPS (adj.)	0.43	0.42	0.48	0.53

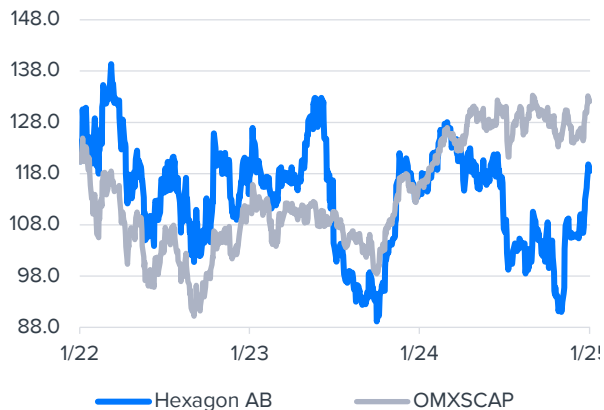
P/E (adj.)	21.1	24.3	21.4	19.6
P/B	2.4	2.6	2.4	2.2
Dividend yield-%	1.4 %	1.4 %	1.5 %	1.6 %
EV/EBIT (adj.)	17.5	19.6	17.3	15.7
EV/EBITDA	15.7	15.8	14.0	12.5
EV/S	5.2	5.8	5.3	4.8

Source: Inderes

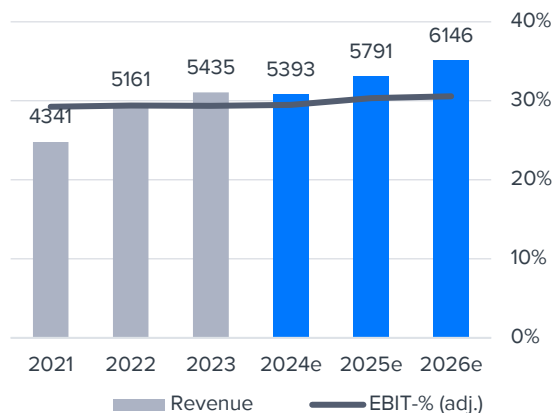
Guidance

(No guidance)

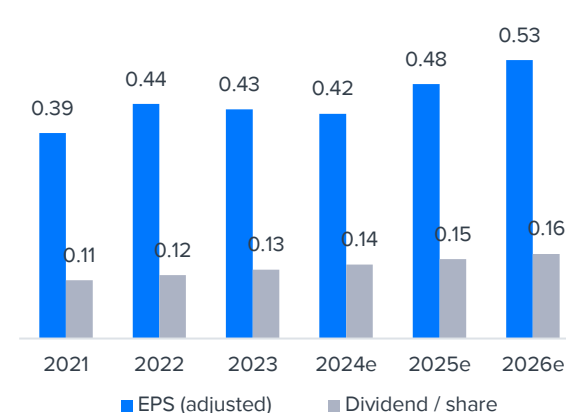
Share price



Revenue and operating earnings-%



Earnings per share and dividend



Value drivers

- Strong market position in core technologies
- Need to utilise data more efficiently in various industries adds demand for Hexagon's solutions over medium-term
- Focus on margin-additive growth and increasing the share of recurring revenue
- Solid track-record of creating value through acquisitions



Risk factors

- Cyclical demand in hardware sales and certain software products
- M&A strategy partially dependent on strong valuation multiples of Hexagon's share
- Execution risk in M&A
- Gradually saturating end-markets in certain segments

Valuation (EUR)	2024e	2025e	2026e
Share price	10.3	10.3	10.3
Number of shares, million	2684.3	2684.3	2684.3
Market cap	27696	27696	27696
EV	31181	30452	29574
P/E (adj.)	24.3	21.4	19.6
P/E	27.5	23.9	21.4
P/B	2.6	2.4	2.2
P/S	5.1	4.8	4.5
EV/Sales	5.8	5.3	4.8
EV/EBITDA	15.8	14.0	12.5
EV/EBIT (adj.)	19.6	17.3	15.7
Payout ratio (%)	37.3 %	34.8 %	33.1 %
Dividend yield-%	1.4 %	1.5 %	1.6 %

Source: Inderes

Growth likely to remain soft in Q4

Growth has not yet picked up

- We forecast Hexagon's organic growth to remain low in Q4 at around 1%. Total revenue growth is likely to remain close to zero.
- Large divisions such as Manufacturing Intelligence and Geosystems are likely to post negative organic growth due to weak construction and manufacturing investment conditions in e.g. China and Europe.
- We still expect strong growth around 8% in Asset Lifetime Intelligence and Autonomous Solutions.
- We forecast flat adjusted EBIT year-on-year at 437 MEUR that is slightly above consensus of 427 MEUR.

	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24e
Group	8%	8%	8%	5%	3%	0%	-2%	1%
Manufacturing Intelligence	10%	11%	8%	7%	5%	0%	-2%	-1%
Asset Lifetime Intelligence	16%	11%	10%	8%	2%	9%	6%	8%
Geosystems	7%	4%	3%	1%	-2%	-5%	-5%	-3%
Autonomous Solutions	13%	27%	34%	16%	8%	-2%	-1.2%	8%
Safety, Infrastructure and Geospatial	-11%	-9%	-5%	-4%	5%	6%	2%	4%

Estimates	Q4'23	Q4'24	Q4'24e	Q4'24e	Consensus	2024e	
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	1435		1440	1411			5393
Gross margin	66.5 %		66.2 %				66.8 %
EBIT (adj.)	438		437	427			1590
EBIT	391		392	383			1423
EPS (reported)	0.10		0.10	0.10			0.37
Revenue growth-%	2.4 %		0.3 %	-1.7 %			-0.8 %
EBIT-% (adj.)	30.5 %		30.4 %	30.3 %			29.5 %

Source: Inderes & Hexagon (consensus includes 20 estimates)

FX and M&A to boost 2025-26 earnings

We slightly revised up the estimates

- We raised our revenue estimate by 1% and adjusted EBIT estimate by 2% for 2025-26.
- The strengthened USD/EUR is likely to give a material boost to earnings in 2025, according to our FX model.
- Hexagon announced acquisitions of Geomagic and Septentrio in December 2024 and January 2025. We have now included them into our estimates. We estimate the combined EBIT impact to be around 18 MEUR to 2025.

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	5407	5393	0%	5713	5791	1%	6063	6146	1%
EBITDA	1984	1978	0%	2139	2168	1%	2334	2362	1%
EBIT (excl. NRIs)	1596	1590	0%	1727	1756	2%	1851	1879	2%
EBIT	1429	1423	0%	1559	1588	2%	1706	1734	2%
PTP	1260	1254	-1%	1419	1448	2%	1591	1619	2%
EPS (excl. NRIs)	0.43	0.42	0%	0.47	0.48	2%	0.52	0.53	2%
DPS	0.14	0.14	0%	0.15	0.15	0%	0.16	0.16	0%

Source: Inderes

Detailed estimates

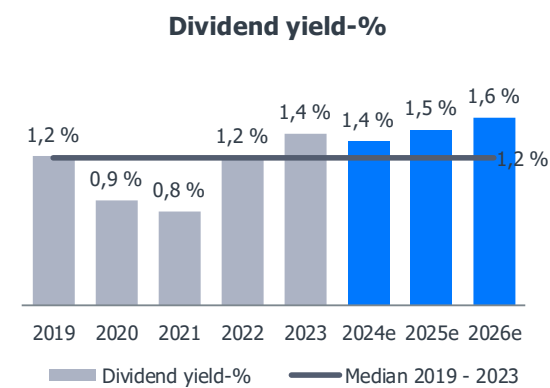
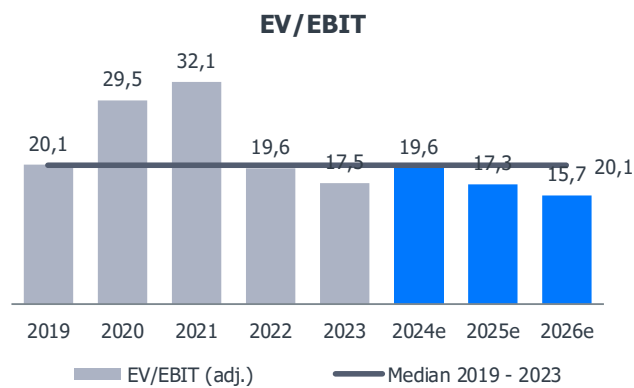
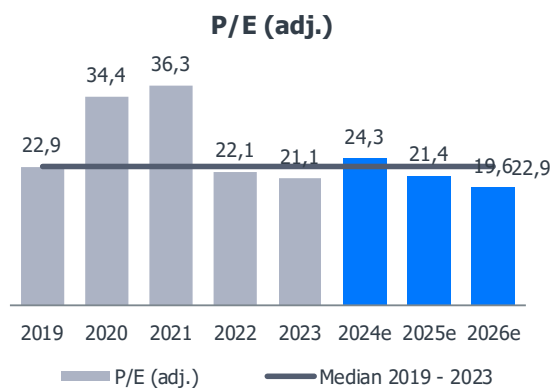
Group, MEUR	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Net operating sales	3761	3908	3771	4347	5176	5440	5393	5791	6146
-Growth y/y	8%	4%	-4%	15%	19%	5%	-1%	7%	6%
-of which organic	8%	-1%	-4%	12%	8%	7%	0%	6%	6%
-of which FX	-3%	2%	-2%	-1%	6%	-4%	-1%	0%	0%
-of which structural	4%	3%	3%	5%	5%	2%	0%	0%	0%
Gross margin (%)	62.1 %	62.8 %	63.6 %	64.6 %	65.4 %	66.1 %	66.8 %	66.7 %	66.8 %
Fixed costs (excluding adjustments)	-1357	-1430	-1385	-1535	-1857	-1996	-2011	-2107	-2227
-Growth y/y	10%	5%	-3%	11%	21%	7%	1%	5%	6%
Adjusted EBIT	978	1024	1010	1270	1518	1597	1590	1756	1879
-of net operating sales	26.0 %	26.2 %	26.8 %	29.2 %	29.3 %	29.4 %	29.5 %	30.3 %	30.6 %
FX-impact on adj. EBIT					98	-81	-19	55	0
EBIT-% change y/y if adjusting for FX-impact					0.6 pp	0.7 pp	0.4 pp	0.6 pp	0.4 pp
Divisions	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Manufacturing Intelligence									
Sales					1902	2013	1957	2093	2219
Organic growth	9%	-5%	-9%	15%	10%	9%	0%	6%	6%
Adj. EBIT-%					25.9 %	26.4 %	26.6 %	27.5 %	27.7 %
Asset Lifecycle Intelligence									
Sales					728	782	826	892	955
Organic growth	7%	8%	-3%	1%	7%	11%	6%	8%	7%
Adj. EBIT-%					35.8 %	36.2 %	35.7 %	36.5 %	36.7 %
Geosystems									
Sales					1585	1603	1543	1604	1693
Organic growth	11%	2%	-4%	19%	7%	4%	-4%	4%	6%
Adj. EBIT-%					32.8 %	31.8 %	31.5 %	32.3 %	32.6 %
Autonomous Solutions									
Sales					476	571	577	685	740
Organic growth	18%	2%	2%	8%	13%	22%	0%	10%	8%
Adj. EBIT-%					33.1 %	33.9 %	35.1 %	35.3 %	35.5 %
Safety, Infrastructure & Geospational									
Sales					476	464	487	511	537
Organic growth	-6%	-3%	13%	-3%	3%	-7%	4%	5%	5%
Adj. EBIT-%					22.8 %	22.4 %	23.1 %	23.8 %	24.0 %

Source: Inderes

Valuation table

	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
	7,19	10,7	14,1	9,79	9,13	10,3	10,3	10,3	10,3
Revenue, millions	2572,8	2568,3	2599,3	2689,7	2684,3	2684,3	2684,3	2684,3	2684,3
	18494	27415	38095	26345	24506	27696	27696	27696	27696
	20552	29732	40703	29747	27992	31181	30452	29574	28642
	22,9	34,4	36,3	22,1	21,1	24,3	21,4	19,6	18,6
	26,3	44,4	45,7	26,1	28,5	27,5	23,9	21,4	19,9
	3,0	4,6	4,4	2,7	2,4	2,6	2,4	2,2	2,1
	4,7	7,3	8,8	5,1	4,5	5,1	4,8	4,5	4,3
	5,3	7,9	9,4	5,8	5,2	5,8	5,3	4,8	4,4
	16,1	22,5	25,6	17,0	15,7	15,8	14,0	12,5	11,5
	20,1	29,5	32,1	19,6	17,5	19,6	17,3	15,7	14,4
	32,4 %	38,6 %	37,1 %	32,0 %	40,6 %	37,3 %	34,8 %	33,1 %	32,8 %
	1,2 %	0,9 %	0,8 %	1,2 %	1,4 %	1,4 %	1,5 %	1,6 %	1,6 %

Source: Inderes



Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Ansys	26009	25671	26,0	23,9	23,7	21,9	11,2	10,3	32,6	30,0			9,2
Autodesk	56902	57280	32,5	28,6	30,0	27,1	11,3	10,1	38,2	34,6			37,9
Dassault Systemes	43298	42244	21,8	20,7	19,6	17,6	6,7	6,2	25,3	23,4	0,8	0,9	5,0
Faro Technologies	317	291	17,7	12,5	10,5	8,8	0,9	0,9	29,3	19,5	5,7	5,7	
Nikon	3806	3540		1,0	8,1	7,8	0,8	0,8	21,7	21,2	2,8	3,0	1,0
Renishaw	2839	2583	18,9	16,7	14,9	13,1	3,1	3,0	22,8	20,7	2,3	2,5	2,6
Topcon	1020	1413			10,4	8,7	1,1	1,0	54,0	20,3	2,7	3,0	1,6
Trimble	13697	14480	17,4	16,9	15,9	15,3	4,3	4,2	22,0	20,1			2,8
Hexagon AB (Inderes)	27696	31181	21,9	19,2	15,8	14,0	5,8	5,3	32,2	27,5	1,4	1,5	2,6
Average			22,4	17,2	16,6	15,0	4,9	4,6	30,7	23,7	2,9	3,0	8,6
Median			20,4	16,9	15,4	14,2	3,7	3,6	27,3	21,0	2,7	3,0	2,8
Diff-% to median			8 %	14 %	2 %	-1 %	55 %	47 %	18 %	31 %	-50 %	-52 %	-6 %

Source: Refinitiv / Inderes

Income statement

Income statement	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
Revenue	4341	5161	1285	1365	1350	1435	5435	1300	1353	1300	1440	5393	5791	6146	6463
Manufacturing Intelligence	2201	2537	477	498	487	552	2013	478	484	464	532	1957	2093	2219	2330
Asset Lifecycle Intelligence	2146	2639	191	186	198	208	782	192	203	208	223	826	892	955	1012
Geosystems	-6,3	-15,0	390	425	389	399	1603	377	406	373	387	1543	1604	1693	1777
Autonomous Solutions	0,0	0,0	125	139	157	150	571	136	141	135	166	577	685	740	777
Safety, Infrastructure & Geospatial	0,0	0,0	103	115	120	126	464	117	120	120	131	487	511	537	564
Group adjustments	0,0	0,0	0,7	1,8	-1,0	0,7	2,2	0,4	0,0	1,0	1,5	3	5	4	4
EBITDA	1589	1754	447	475	292	565	1779	471	497	475	535	1978	2168	2362	2489
Depreciation	-578,9	-467,0	-119,0	-124,6	-144,7	-174,7	-563,0	-134,8	-136,6	-140,5	-143,1	-555	-580	-628	-628
EBIT (excl. NRI)	1270	1518	371	394	393	438	1597	377	400	377	437	1590	1756	1879	1988
EBIT	1010	1287	328	350	147	391	1216	336	361	334	392	1423	1588	1734	1860
Manufacturing Intelligence	685	787	120	129	124	159	531	125	129	118	148	521	576	615	650
Asset Lifecycle Intelligence	609	755	68,3	62,1	73,5	79,3	283	66,5	70,5	72,5	85,3	295	326	350	373
Geosystems	-284,0	-254,9	128	139	123	121	510	118	131	122	117	487	518	552	579
Autonomous Solutions	0,0	0,0	41,3	48,1	54,0	50,2	194	47,7	52,6	45,8	56,4	202	242	263	280
Safety, Infrastructure & Geospatial	0,0	0,0	18,4	21,7	26,6	37,3	104	24,3	23,8	24,6	39,7	112	122	129	135
Group adjustments	0,0	0,0	-46,6	-49,6	-253,5	-56,2	-406	-44,9	-46,5	-48,3	-54,0	-194	-195	-175	-158
Net financial items	-26,2	-38,7	-26,8	-36,2	-43,0	-49,3	-155	-42,7	-42,1	-44,2	-40,0	-169	-140	-115	-100
PTP	984	1248	302	314	104	341	1061	293	318	290	352	1254	1448	1619	1760
Taxes	-173,6	-228,9	-54,3	-56,6	-16,6	-61,4	-189	-52,8	-57,3	-52,2	-70,9	-233	-275	-304	-352
Minority interest	-8,4	-11,5	-2,9	-3,7	-3,6	-2,7	-13	-2,6	-3,1	-2,8	-5,7	-14	-16	-17	-19
Net earnings	802	1008	244	254	83,6	277	859	238	258	235	276	1007	1157	1297	1389
EPS (adj.)	0,39	0,44	0,10	0,11	0,10	0,12	0,43	0,10	0,11	0,10	0,12	0,42	0,48	0,53	0,56
EPS (rep.)	0,31	0,37	0,09	0,09	0,03	0,10	0,32	0,09	0,10	0,09	0,10	0,37	0,43	0,48	0,52

Key figures	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	15,3 %	18,9 %	10,8 %	6,4 %	2,5 %	2,4 %	5,3 %	1,2 %	-0,8 %	-3,7 %	0,3 %	-0,8 %	7,4 %	6,1 %	5,2 %
Adjusted EBIT growth-%		19,5 %	10,8 %	4,1 %	1,8 %	4,9 %	5,2 %	1,4 %	1,4 %	-4,2 %	-0,2 %	-0,4 %	10,4 %	7,0 %	5,8 %
EBITDA-%	36,6 %	34,0 %	34,8 %	34,8 %	21,6 %	39,4 %	32,7 %	36,2 %	36,7 %	36,5 %	37,2 %	36,7 %	37,4 %	38,4 %	38,5 %
Adjusted EBIT-%	29,2 %	29,4 %	28,9 %	28,9 %	29,1 %	30,5 %	29,4 %	29,0 %	29,5 %	29,0 %	30,4 %	29,5 %	30,3 %	30,6 %	30,8 %
Net earnings-%	18,5 %	19,5 %	19,0 %	18,6 %	6,2 %	19,3 %	15,8 %	18,3 %	19,1 %	18,1 %	19,1 %	18,7 %	20,0 %	21,1 %	21,5 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	13833	14132	14527	14583	14602
Goodwill	9600	9931	10048	10048	10048
Intangible assets	3206	3063	3319	3374	3394
Tangible assets	791	801	801	801	801
Associated companies	0,0	0,0	0,0	0,0	0,0
Other investments	115	158	160	160	160
Other non-current assets	0,0	0,0	0,0	0,0	0,0
Deferred tax assets	122	179	200	200	200
Current assets	2644	2752	2793	2942	3066
Inventories	577	585	609	643	670
Other current assets	173	200	220	220	220
Receivables	1407	1420	1316	1384	1438
Cash and equivalents	486	547	647	695	738
Balance sheet total	16477	16884	17320	17524	17668

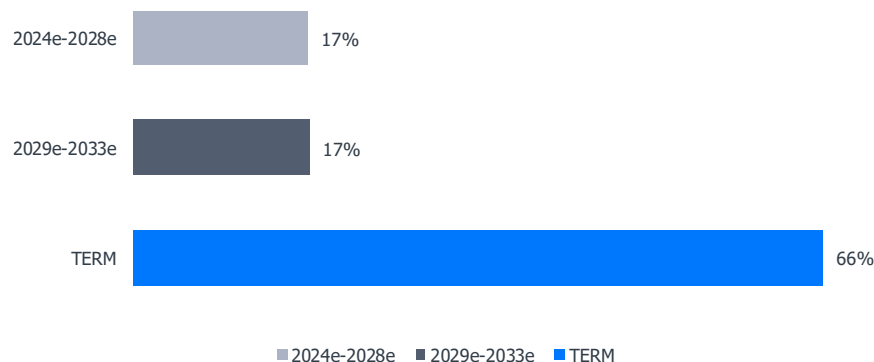
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	9865	10046	10704	11485	12379
Share capital	0,0	0,0	0,0	0,0	0,0
Retained earnings	0,0	0,0	658	1439	2333
Hybrid bonds	0,0	0,0	0,0	0,0	0,0
Revaluation reserve	0,0	0,0	0,0	0,0	0,0
Other equity	9830	10014	10014	10014	10014
Minorities	34,4	32,2	32,2	32,2	32,2
Non-current liabilities	3945	3753	3638	3145	2538
Deferred tax liabilities	582	580	560	560	560
Provisions	63,4	65,0	20,0	20,0	20,0
Interest bearing debt	3178	2984	2958	2465	1858
Convertibles	0,0	0,0	0,0	0,0	0,0
Other long term liabilities	122	124	100,0	100,0	100,0
Current liabilities	2667	3085	2978	2895	2750
Interest bearing debt	696	1100	1090	908	685
Payables	1971	1985	1888	1986	2065
Other current liabilities	0,0	0,0	0,0	0,0	0,0
Balance sheet total	16477	16884	17320	17524	17668

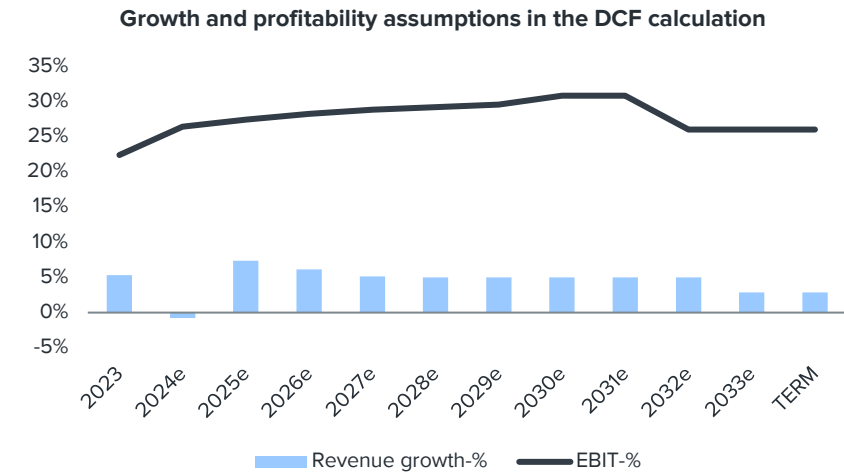
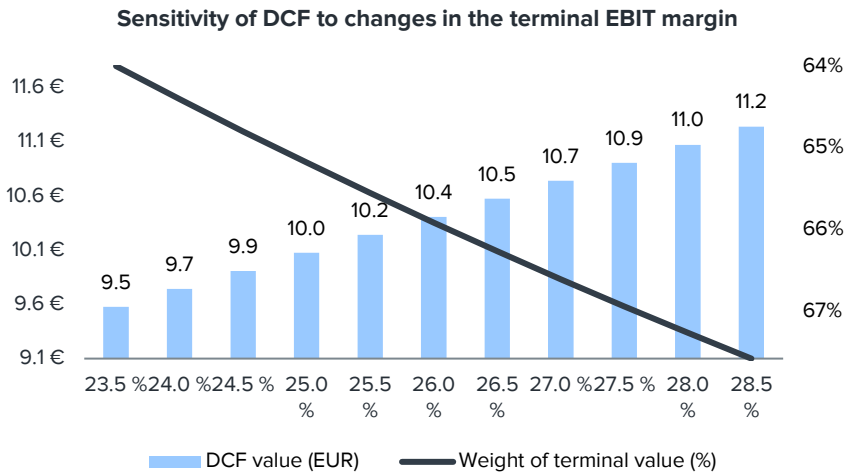
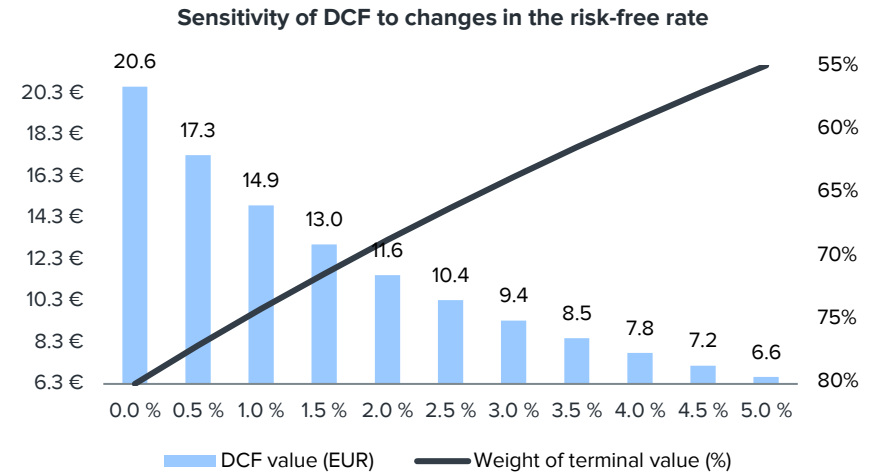
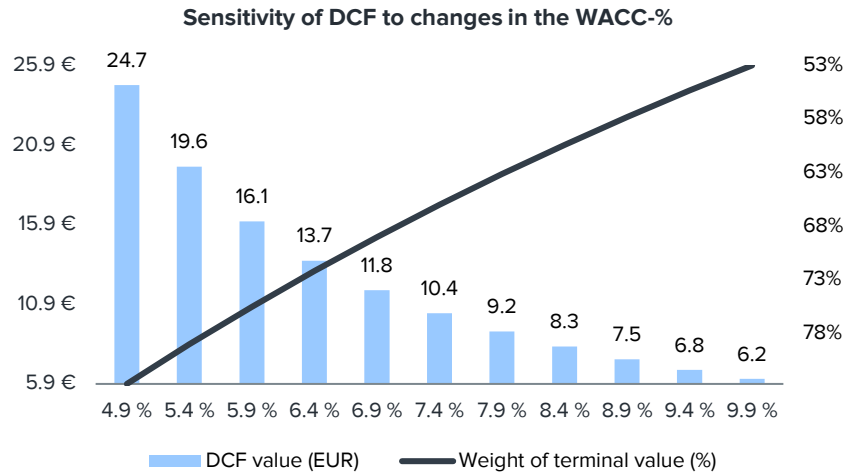
DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	5,3 %	-0,8 %	7,4 %	6,1 %	5,2 %	5,0 %	5,0 %	5,0 %	5,0 %	5,0 %	2,8 %	2,8 %
EBIT-%	22,4 %	26,4 %	27,4 %	28,2 %	28,8 %	29,2 %	29,6 %	30,8 %	30,8 %	26,0 %	26,0 %	26,0 %
EBIT (operating profit)	1216	1423	1588	1734	1860	1980	2106	2304	2419	2144	2205	
+ Depreciation	563	555	580	628	628	645	653	642	660	676	686	
- Paid taxes	-248	-274	-275	-304	-352	-387	-419	-461	-484	-429	-441	
- Tax, financial expenses	-26,8	-30,8	-26,6	-21,6	-20,0	-9,2	-2,6	0,0	0,0	0,0	0,0	
+ Tax, financial income	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
- Change in working capital	-33,9	-37,7	-2,8	-2,5	-2,2	4,5	5,1	5,7	6,4	7,1	-0,5	
Operating cash flow	1471	1636	1863	2034	2114	2234	2342	2491	2602	2399	2450	
+ Change in other long-term liabilities	4,1	-69,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
- Gross CAPEX	-804	-930	-635	-648	-659	-670	-682	-693	-704	-704	-695	
Free operating cash flow	670	636	1228	1385	1455	1564	1661	1799	1898	1694	1755	
+/- Other	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
FCFF	670	636	1228	1385	1455	1564	1661	1799	1898	1694	1755	39900
Discounted FCFF		640	1150	1208	1182	1183	1170	1181	1160	965	931	21165
Sum of FCFF present value		31935	31295	30145	28937	27755	26572	25401	24221	23060	22095	21165
Enterprise value DCF		31935										
- Interest bearing debt		-4083,4										
+ Cash and cash equivalents		547										
-Minorities		-83,6										
-Dividend/capital return		-349,0										
Equity value DCF		27966										
Equity value DCF per share		10,4										
Equity value DCF per share (SEK)		119,6										
WACC												
Tax-% (WACC)		20,0 %										
Target debt ratio (D/(D+E))		15,0 %										
Cost of debt		3,0 %										
Equity Beta		1,21										
Market risk premium		4,75 %										
Liquidity premium		0,00 %										
Risk free interest rate		2,5 %										
Cost of equity		8,2 %										
Weighted average cost of capital (WACC)		7,4 %										

Cash flow distribution



DCF sensitivity calculations and key assumptions in graphs



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	4341	5161	5435	5393	5791	EPS (reported)	0,31	0,37	0,32	0,37	0,43
EBITDA	1589	1754	1779	1978	2168	EPS (adj.)	0,39	0,44	0,43	0,42	0,48
EBIT	1010	1287	1216	1423	1588	OCF / share	0,54	0,56	0,55	0,61	0,69
PTP	984	1248	1061	1254	1448	FCF / share	-0,85	-0,36	0,25	0,24	0,46
Net Income	802	1008	859	1007	1157	Book value / share	3,36	3,65	3,73	3,98	4,27
Extraordinary items	-260	-231	-381	-167	-168	Dividend / share	0,11	0,12	0,13	0,14	0,15
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	14095	16477	16884	17320	17524	Revenue growth-%	15 %	19 %	5 %	-1 %	7 %
Equity capital	8765	9865	10046	10704	11485	EBITDA growth-%	20 %	10 %	1 %	11 %	10 %
Goodwill	8206	9600	9931	10048	10048	EBIT (adj.) growth-%	26 %	20 %	5 %	0 %	10 %
Net debt	2466	3388	3536	3401	2678	EPS (adj.) growth-%	25 %	14 %	-2 %	-2 %	13 %
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	36,6 %	34,0 %	32,7 %	36,7 %	37,4 %
EBITDA	1589	1754	1779	1978	2168	EBIT (adj.)-%	29,2 %	29,4 %	29,4 %	29,5 %	30,3 %
Change in working capital	-14	-96	-34	-38	-3	EBIT-%	23,3 %	24,9 %	22,4 %	26,4 %	27,4 %
Operating cash flow	1411	1509	1471	1636	1863	ROE-%	10,9 %	10,9 %	8,7 %	9,7 %	10,5 %
CAPEX	-3589	-2461	-804	-930	-635	ROI-%	9,9 %	10,1 %	8,7 %	9,9 %	10,7 %
Free cash flow	-2199	-971	670	636	1228	Equity ratio	62,2 %	59,9 %	59,5 %	61,8 %	65,5 %
Valuation multiples	2021	2022	2023	2024e	2025e	Gearing	28,1 %	34,3 %	35,2 %	31,8 %	23,3 %
EV/S	9,4	5,8	5,2	5,8	5,3						
EV/EBITDA	25,6	17,0	15,7	15,8	14,0						
EV/EBIT (adj.)	32,1	19,6	17,5	19,6	17,3						
P/E (adj.)	36,3	22,1	21,1	24,3	21,4						
P/B	4,4	2,7	2,4	2,6	2,4						
Dividend-%	0,8 %	1,2 %	1,4 %	1,4 %	1,5 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
11/24/2023	Reduce	102.00 kr	104.00 kr
02/02/2024	Reduce	106.00 kr	118.10 kr
29/04/2024	Reduce	110.00 kr	120.20 kr
28/07/2024	Accumulate	115.00 kr	107.25 kr
25/10/2024	Accumulate	115.00 kr	106.40 kr
28/01/2025	Reduce	120.00 kr	118.45 kr



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