

# Alfa Laval

## Cargo shifts, but the ship speeds forward

- Divisional deviations, but overall close to expectations
- Adj. EBITA +2-3% on backlog visibility and FX
- Great exposure, visibility, financials - keep BUY

### Divisional deviations, overall comforting

While there were significant deviations on the divisional lines, we found Alfa's Q4 to be overall reassuring. Orders were 3% better than we expected, despite a harsher than expected contraction of heat pump-related sales. Earnings were 3% below our expectations, although some temporary cost meant that this was not too worrying. Cash flow was very strong, with a FY FCF conversion of 102%, and a higher than expected dividend increase to SEK 7.50 (6.00).

### Adj. EBITA in '24e-'25e +2-3%

Adj. EBITA in '24e-'25e has come up 2-3% on a combination of higher backlog visibility and currency. In addition, cash flow forecasts are lowered due to lower capex, while net debt projections come down also. We model only flattish orders in '24, but this is based mainly on cautiousness around large projects wins - most underlying drivers appear healthy across the three divisions. Margins have normalised but could still carry some upside from 17% in Marine, where the 2011-21 average was 22%.

### Great exposure, visibility

We think the negative reaction to the Q4 results provide a good entry point. Alfa's divisional earnings are known to be volatile, but the earnings visibility is superior: the backlog covers 67% of F12M sales (historical average: 52%), and it is as high as 88% in the most volume sensitive Marine business. Order growth may moderate after three years with double-digit growth, but the medium-term outlook is strong. Energy investment is weighed down by heat pumps in the short term but has significant medium-term secular drivers, as has parts of Food & Water. Marine should be in a cyclical upswing as yard capacity comes up. In light of high growth and clean numbers with 100% cash conversion, the 14x EV/EBITA and 18x P/E is too low in our view. We keep BUY with a target price of SEK 420 (415).

**Analyst(s):** anders.idborg@abgsc.se, +46 8 566 294 90  
 karl.bokvist@abgsc.se, +46 8 566 286 33  
 olof.cederholm@abgsc.se, +46 8 566 286 22

SEKm	2022	2023	2024e	2025e	2026e
Sales	52,135	63,598	67,707	70,849	73,883
EBITDA	8,911	11,723	12,945	13,801	14,487
EBITDA margin (%)	17.1	18.4	19.1	19.5	19.6
EBIT adj.	7,286	9,256	10,424	11,477	12,103
EBIT adj. margin (%)	14.0	14.6	15.4	16.2	16.4
Pretax profit	6,179	8,650	10,109	11,237	11,903
EPS	10.88	15.31	18.21	20.25	21.45
EPS adj.	14.10	17.14	20.03	21.59	22.79
Sales growth (%)	27.4	22.0	6.5	4.6	4.3
EPS growth (%)	-4.4	40.8	18.9	11.2	5.9

Source: ABG Sundal Collier, Company Data

Reason: Post-results comment

BUY



HOLD



SELL



### Capital Goods

Estimate changes (%)

	2024e	2025e	2026e
Sales	2.0	1.2	0.0
EBIT	0.9	1.6	0.0
EPS	1.8	2.8	0.0

Source: ABG Sundal Collier

### ALFA-SE/ALFA SS

Share price (SEK)	5/2/2024	373.00
Target price	(415.0)	420.0

MCap (SEKm)	159,379
MCap (EURm)	13,981
No. of shares (m)	413.3
Free float (%)	66.3
Av. daily volume (k)	630

### Next event

Q1 Report 25 April 2024

### Performance



	2024e	2025e	2026e
P/E (x)	20.5	18.4	17.4
P/E adj. (x)	18.6	17.3	16.4
P/BVPS (x)	3.72	3.31	2.97
EV/EBITDA (x)	12.5	11.5	10.7
EV/EBIT adj. (x)	15.6	13.8	12.8
EV/sales (x)	2.40	2.24	2.09
ROE adj. (%)	21.6	20.6	19.5
Dividend yield (%)	2.1	2.3	2.4
FCF yield (%)	4.6	4.8	5.4
Le. adj. FCF yld. (%)	4.2	4.4	5.0
Net IB debt/EBITDA (x)	0.6	0.3	0.0
Le. adj. ND/EBITDA (x)	0.4	0.1	-0.2

## Company description

Alfa Laval offers heat exchangers, separators and flow systems to customers in a wide range of industries, including food and beverage, HVAC, ship building and energy.

## Risks

Price pressure in the marine and commodity sectors.

## Estimates and outcome

SEKm	Prior year	Actual	ABGSC		Cons	
Order intake	Q4'22	Q4'23	Q4'23e	Dev	Q4'23e	Dev
Energy	4,407	4,662	4,940	-6%	4,822	-3%
Food & Water	5,613	7,286	5,843	25%	6,009	21%
Marine	5,747	4,972	5,638	-12%	5,711	-13%
Operations & Other	0		0		0	
<b>Group orders</b>	<b>15,767</b>	<b>16,920</b>	<b>16,421</b>	<b>3%</b>	<b>16,542</b>	<b>2%</b>
<b>Orders y-o-y</b>	<b>35%</b>	<b>7%</b>	<b>4%</b>		<b>5%</b>	
<i>Organic</i>	<i>16%</i>	<i>7%</i>	<i>3%</i>			
Sales	Q4'22	Q4'23	Q4'23e	Dev	Q4'23e	Dev
Energy	4,500	5,196	5,270	-1%	5,208	0%
Food & Water	7,407	7,060	7,192	-2%	7,018	1%
Marine	4,577	5,583	5,177	8%	5,298	5%
Operations & Other	0	0	0		0	
<b>Group sales</b>	<b>16,484</b>	<b>17,839</b>	<b>17,638</b>	<b>1%</b>	<b>17,524</b>	<b>2%</b>
<b>Sales y-o-y</b>	<b>41%</b>	<b>8%</b>	<b>7%</b>		<b>6%</b>	
<i>Organic</i>	<i>14%</i>	<i>7%</i>	<i>6%</i>			
Adj. EBITA	Q4'22	Q4'23	Q4'23e	Dev	Q4'23e	Dev
Energy	746	900	1,081	-17%	1,082	-17%
Food & Water	1,292	1,011	1,215	-17%	1,174	-14%
Marine	664	1,003	790	27%	816	23%
Operations & Other	-182	-84	-155	-46%	-111	-24%
<b>Group adj. EBITA</b>	<b>2,520</b>	<b>2,830</b>	<b>2,931</b>	<b>-3%</b>	<b>2,909</b>	<b>-3%</b>
IAC	-440	0	0	n.a.	-47	-100%
Amortisation of step-up	-266	-235	-242	-3%	-228	
<b>EBIT</b>	<b>1,814</b>	<b>2,595</b>	<b>2,689</b>	<b>-4%</b>	<b>2,634</b>	<b>-1%</b>
Adj. EBITA margin	Q4'22	Q4'23	Q4'23e	Dev	Q4'23e	Dev
Energy	16.6%	17.3%	20.5%	-3.2%	20.8%	-3.5%
Food & Water	17.4%	14.3%	16.9%	-2.6%	16.7%	-2.4%
Marine	14.5%	18.0%	15.3%	2.7%	15.4%	2.6%
<b>Adj. EBITA</b>	<b>15.3%</b>	<b>15.9%</b>	<b>16.6%</b>	<b>-0.8%</b>	<b>16.6%</b>	<b>-0.7%</b>
<b>EBIT</b>	<b>11.0%</b>	<b>14.5%</b>	<b>15.2%</b>	<b>-0.7%</b>	<b>15.0%</b>	<b>-0.5%</b>
Net financials	-52	-341	-85	301%	-113	202%
<b>PTP</b>	<b>1,762</b>	<b>2,254</b>	<b>2,604</b>	<b>-13%</b>	<b>2,521</b>	<b>-11%</b>
Taxes	-502	-684	-651			
<i>Tax rate</i>	<i>28%</i>	<i>30%</i>	<i>25%</i>			
Non-controlling interest	-21	-16	-14			
<b>Net profit</b>	<b>1,239</b>	<b>1,554</b>	<b>1,939</b>	<b>-20%</b>	<b>1,858</b>	<b>-16%</b>

Source: Company data, Infront, ABG Sundal Collier

## Estimate changes

Forecast changes							Change		
Order intake	2023e	Old 2024e	2025e	2023e	New 2024e	2025e	2023e	2024e	2025e
Energy	20,692	20,717	21,960	20,414	20,090	21,417	-1%	-3%	-2%
Food & Water	24,925	24,941	25,939	26,368	26,411	27,497	6%	6%	6%
Marine	24,626	22,883	23,740	23,960	22,691	23,569	-3%	-1%	-1%
Operations & Other	0	0	0	0	0	0			
<b>Group orders</b>	<b>70,243</b>	<b>68,541</b>	<b>71,639</b>	<b>70,742</b>	<b>69,192</b>	<b>72,484</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
<b>Orders y-o-y</b>	<b>20%</b>	<b>-2%</b>	<b>5%</b>	<b>21%</b>	<b>-2%</b>	<b>5%</b>			
Organic	10%	1%	5%	11%	-1%	5%			
Sales	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
Energy	19,343	20,646	21,975	19,269	20,190	21,370	0%	-2%	-3%
Food & Water	25,412	24,945	25,943	25,280	25,631	26,686	-1%	3%	3%
Marine	18,643	20,781	22,063	19,049	21,886	22,794	2%	5%	3%
Operations & Other	0	0	0	0	0	0			
<b>Group sales</b>	<b>63,397</b>	<b>66,371</b>	<b>69,980</b>	<b>63,598</b>	<b>67,707</b>	<b>70,849</b>	<b>0%</b>	<b>2%</b>	<b>1%</b>
<b>Sales y-o-y</b>	<b>22%</b>	<b>5%</b>	<b>5%</b>	<b>22%</b>	<b>6%</b>	<b>5%</b>			
Organic	12%	8%	5%	12%	7%	5%			
Adj. EBITA	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
Energy	4,167	4,118	4,411	3,986	3,825	4,084	-4%	-7%	-7%
Food & Water	4,146	4,069	4,368	3,942	4,061	4,375	-5%	0%	0%
Marine	2,623	3,496	3,888	2,836	3,803	4,067	8%	9%	5%
Operations & Other	-628	-631	-692	-557	-300	-340			
<b>Adj. EBITA</b>	<b>10,074</b>	<b>11,052</b>	<b>11,975</b>	<b>10,221</b>	<b>11,389</b>	<b>12,187</b>	<b>1%</b>	<b>3%</b>	<b>2%</b>
IAC	0	0	0	0	0	0			
Amortisation of step-up	-972	-720	-680	-965	-965	-710			
<b>EBIT</b>	<b>9,350</b>	<b>10,332</b>	<b>11,295</b>	<b>9,256</b>	<b>10,424</b>	<b>11,477</b>	<b>-1%</b>	<b>1%</b>	<b>2%</b>
Adj. EBITA margin	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
Energy	21.5%	19.9%	20.1%	20.7%	18.9%	19.1%	-0.9%	-1.0%	-1.0%
Food & Water	16.3%	16.3%	16.8%	15.6%	15.8%	16.4%	-0.7%	-0.5%	-0.4%
Marine	14.1%	16.8%	17.6%	14.9%	17.4%	17.8%	0.8%	0.6%	0.2%
<b>Group EBITA margin</b>	<b>15.9%</b>	<b>16.7%</b>	<b>17.1%</b>	<b>16.1%</b>	<b>16.8%</b>	<b>17.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.1%</b>
<b>EBIT margin</b>	<b>14.7%</b>	<b>15.6%</b>	<b>16.1%</b>	<b>14.6%</b>	<b>15.4%</b>	<b>16.2%</b>	<b>-0.2%</b>	<b>-0.2%</b>	<b>0.1%</b>
Net financials	-350	-290	-240	-606	-315	-240			
<b>PTP</b>	<b>9,000</b>	<b>10,042</b>	<b>11,055</b>	<b>8,650</b>	<b>10,109</b>	<b>11,237</b>	<b>-4%</b>	<b>1%</b>	<b>2%</b>
Taxes	-2,236	-2,511	-2,764	-2,269	-2,527	-2,809			
<b>Tax rate</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>26%</b>	<b>25%</b>	<b>25%</b>			
Non-controlling interest	-49	-53	-56	-51	-55	-58			
<b>Net profit</b>	<b>6,715</b>	<b>7,479</b>	<b>8,236</b>	<b>6,330</b>	<b>7,526</b>	<b>8,369</b>	<b>-6%</b>	<b>1%</b>	<b>2%</b>
EPS	16.06	17.89	19.70	15.31	18.21	20.25	-5%	2%	3%
EPS ex XO, PPA	17.46	18.92	20.68	16.72	19.61	21.28	-4%	4%	3%
DPS	7.00	7.50	8.00	7.50	8.00	8.50	7%	7%	6%

Source: ABG Sundal Collier, company data

## Interim earnings

SEKm																
Order intake	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24e	Q2'24e	Q3'24e	Q4'24e
Energy	3,101	3,553	3,659	3,362	3,808	4,496	4,583	4,407	5,437	5,413	4,902	4,662	4,872	5,007	5,181	5,030
Food & Water	3,730	4,554	4,241	4,139	5,652	5,033	5,611	5,613	5,776	6,941	6,365	7,286	6,042	7,045	6,410	6,914
Marine	3,373	4,076	3,780	4,150	3,795	4,892	5,008	5,747	7,172	6,051	5,765	4,972	5,781	5,839	5,805	5,265
Operations & Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Group orders</b>	<b>10,204</b>	<b>12,183</b>	<b>11,680</b>	<b>11,651</b>	<b>13,255</b>	<b>14,421</b>	<b>15,202</b>	<b>15,767</b>	<b>18,385</b>	<b>18,405</b>	<b>17,032</b>	<b>16,920</b>	<b>16,694</b>	<b>17,891</b>	<b>17,396</b>	<b>17,210</b>
<b>Orders y-o-y</b>	<b>-14%</b>	<b>25%</b>	<b>31%</b>	<b>26%</b>	<b>30%</b>	<b>18%</b>	<b>30%</b>	<b>35%</b>	<b>39%</b>	<b>28%</b>	<b>12%</b>	<b>7%</b>	<b>-9%</b>	<b>-3%</b>	<b>2%</b>	<b>2%</b>
<i>Organic</i>	-5%	33%	29%	22%	20%	9%	13%	16%	25%	9%	4%	7%	-9%	-2%	4%	2%
Sales	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24e	Q2'24e	Q3'24e	Q4'24e
Energy	2,558	3,123	3,146	3,556	3,209	3,639	3,726	4,500	4,196	4,910	4,967	5,196	4,767	5,131	5,101	5,191
Food & Water	3,116	3,458	3,678	4,388	3,742	4,140	5,402	7,407	5,722	6,412	6,086	7,060	5,871	6,508	6,129	7,124
Marine	3,295	3,394	3,451	3,748	3,664	4,073	4,056	4,577	4,193	4,558	4,715	5,583	5,015	5,310	5,314	6,247
Operations & Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Group sales</b>	<b>8,969</b>	<b>9,975</b>	<b>10,275</b>	<b>11,692</b>	<b>10,615</b>	<b>11,852</b>	<b>13,184</b>	<b>16,484</b>	<b>14,111</b>	<b>15,880</b>	<b>15,768</b>	<b>17,839</b>	<b>15,652</b>	<b>16,949</b>	<b>16,544</b>	<b>18,562</b>
<b>Sales y-o-y</b>	<b>-15%</b>	<b>-5%</b>	<b>6%</b>	<b>9%</b>	<b>18%</b>	<b>19%</b>	<b>28%</b>	<b>41%</b>	<b>33%</b>	<b>34%</b>	<b>20%</b>	<b>8%</b>	<b>11%</b>	<b>7%</b>	<b>5%</b>	<b>4%</b>
<i>Organic</i>	-7%	2%	5%	7%	10%	9%	11%	14%	15%	17%	13%	7%	11%	7%	7%	4%
Adj. EBITA	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24e	Q2'24e	Q3'24e	Q4'24e
Energy	394	518	517	621	738	708	735	746	1,037	974	1,075	900	908	968	1,000	949
Food & Water	544	653	708	775	649	684	833	1,292	1,027	962	942	1,011	957	1,048	956	1,101
Marine	647	697	710	757	553	692	490	664	556	565	712	1,003	837	893	896	1,176
Operations & Other	-55	-130	-81	-161	-124	-125	-124	-182	-233	-122	-118	-84	-75	-75	-75	-75
<b>Group adj. EBITA</b>	<b>1,530</b>	<b>1,738</b>	<b>1,854</b>	<b>1,992</b>	<b>1,816</b>	<b>1,959</b>	<b>1,934</b>	<b>2,520</b>	<b>2,387</b>	<b>2,379</b>	<b>2,626</b>	<b>2,830</b>	<b>2,628</b>	<b>2,834</b>	<b>2,777</b>	<b>3,151</b>
IAC	12	-204	0	0	-327	0	0	-440	0	0	0	0	0	0	0	0
Amortisation of step-up	-202	-190	-199	-205	-214	-215	-248	-266	-241	-242	-247	-235	-241	-241	-241	-241
<b>EBIT</b>	<b>1,340</b>	<b>1,344</b>	<b>1,655</b>	<b>1,787</b>	<b>1,275</b>	<b>1,744</b>	<b>1,686</b>	<b>1,814</b>	<b>2,146</b>	<b>2,136</b>	<b>2,379</b>	<b>2,595</b>	<b>2,386</b>	<b>2,592</b>	<b>2,535</b>	<b>2,909</b>
Adj. EBITA margin	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24e	Q2'24e	Q3'24e	Q4'24e
Energy	15.4%	16.6%	16.4%	17.5%	23.0%	19.5%	19.7%	16.6%	24.7%	19.8%	21.6%	17.3%	19.1%	18.9%	19.6%	18.3%
Food & Water	17.5%	18.9%	19.2%	17.7%	17.3%	16.5%	15.4%	17.4%	17.9%	15.0%	15.5%	14.3%	16.3%	16.1%	15.6%	15.5%
Marine	19.6%	20.5%	20.6%	20.2%	15.1%	17.0%	12.1%	14.5%	13.3%	12.4%	15.1%	18.0%	16.7%	16.8%	16.9%	18.8%
<b>Adj. EBITA</b>	<b>17.1%</b>	<b>17.4%</b>	<b>18.0%</b>	<b>17.0%</b>	<b>17.1%</b>	<b>16.5%</b>	<b>14.7%</b>	<b>15.3%</b>	<b>16.9%</b>	<b>15.0%</b>	<b>16.7%</b>	<b>15.9%</b>	<b>16.8%</b>	<b>16.7%</b>	<b>16.8%</b>	<b>17.0%</b>
<b>EBIT</b>	<b>14.9%</b>	<b>13.5%</b>	<b>16.1%</b>	<b>15.3%</b>	<b>12.0%</b>	<b>14.7%</b>	<b>12.8%</b>	<b>11.0%</b>	<b>15.2%</b>	<b>13.5%</b>	<b>15.1%</b>	<b>14.5%</b>	<b>15.2%</b>	<b>15.3%</b>	<b>15.3%</b>	<b>15.7%</b>
Net financials	143	-113	-88	74	-15	-168	-105	-52	-98	-133	-34	-341	-90	-90	-75	-60
<b>PTP</b>	<b>1,483</b>	<b>1,231</b>	<b>1,567</b>	<b>1,861</b>	<b>1,260</b>	<b>1,576</b>	<b>1,581</b>	<b>1,762</b>	<b>2,048</b>	<b>2,003</b>	<b>2,345</b>	<b>2,254</b>	<b>2,296</b>	<b>2,502</b>	<b>2,460</b>	<b>2,849</b>
Taxes	-371	-246	-341	-383	-328	-424	-356	-502	-533	-488	-564	-684	-574	-626	-615	-712
<i>Tax rate</i>	25%	20%	22%	21%	26%	27%	23%	28%	26%	24%	24%	30%	25%	25%	25%	25%
Non-controlling interest	-5	-12	-9	-16	-12	-15	-18	-21	-11	-13	-11	-16	-13	-14	-14	-15
<b>Net profit</b>	<b>1,107</b>	<b>973</b>	<b>1,217</b>	<b>1,462</b>	<b>920</b>	<b>1,137</b>	<b>1,207</b>	<b>1,239</b>	<b>1,504</b>	<b>1,502</b>	<b>1,770</b>	<b>1,554</b>	<b>1,709</b>	<b>1,863</b>	<b>1,831</b>	<b>2,123</b>
EPS	2.64	2.32	2.91	3.51	2.22	2.75	2.92	2.99	3.64	3.63	4.28	3.76	4.14	4.51	4.43	5.14
EPS ex XO, PPA	2.91	2.97	3.20	3.81	3.14	3.06	3.28	4.21	3.98	3.98	4.64	4.10	4.49	4.86	4.78	5.49

Source: ABG Sundal Collier, company data

## Annual earnings

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
<b>Order intake</b>													
Energy	12,601	10,681	10,208	11,175	12,685	13,963	11,952	13,675	17,294	20,414	20,090	21,417	22,810
Food & Water	10,027	11,184	11,327	12,388	13,691	14,026	13,814	16,664	21,909	26,368	26,411	27,497	28,597
Marine	12,315	13,657	8,761	11,456	17,322	15,953	14,067	15,379	19,442	23,960	22,691	23,569	24,276
Operations & Other	1,715	1,574	1,764	1,609	1,307	177	0	0	0	0	0	0	0
<b>Group orders</b>	<b>36,658</b>	<b>37,096</b>	<b>32,060</b>	<b>36,628</b>	<b>45,005</b>	<b>44,119</b>	<b>39,833</b>	<b>45,718</b>	<b>58,645</b>	<b>70,742</b>	<b>69,192</b>	<b>72,484</b>	<b>75,683</b>
<b>Orders y-o-y</b>	<b>21%</b>	<b>1%</b>	<b>-14%</b>	<b>14%</b>	<b>23%</b>	<b>-2%</b>	<b>-10%</b>	<b>15%</b>	<b>28%</b>	<b>21%</b>	<b>-2%</b>	<b>5%</b>	<b>4%</b>
<b>Organic</b>	<b>5%</b>	<b>-10%</b>	<b>-14%</b>	<b>13%</b>	<b>19%</b>	<b>-4%</b>	<b>-6%</b>	<b>18%</b>	<b>14%</b>	<b>11%</b>	<b>-1%</b>	<b>5%</b>	<b>4%</b>
<b>Sales</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Energy	12,338	11,673	10,642	11,001	12,413	13,814	12,187	12,383	15,074	19,269	20,190	21,370	22,652
Food & Water	10,368	11,198	11,364	11,850	13,210	14,189	13,414	14,640	20,691	25,280	25,631	26,686	27,753
Marine	10,689	14,545	12,125	10,809	13,583	17,993	15,867	13,888	16,370	19,049	21,886	22,794	23,478
Operations & Other	1,671	2,330	1,504	1,680	1,460	521	0	0	0	0	0	0	0
<b>Group sales</b>	<b>35,066</b>	<b>39,746</b>	<b>35,635</b>	<b>35,340</b>	<b>40,666</b>	<b>46,517</b>	<b>41,468</b>	<b>40,911</b>	<b>52,135</b>	<b>63,598</b>	<b>67,707</b>	<b>70,849</b>	<b>73,883</b>
<b>Sales y-o-y</b>	<b>17%</b>	<b>13%</b>	<b>-10%</b>	<b>-1%</b>	<b>15%</b>	<b>14%</b>	<b>-11%</b>	<b>-1%</b>	<b>27%</b>	<b>22%</b>	<b>6%</b>	<b>5%</b>	<b>4%</b>
<b>Organic</b>	<b>3%</b>	<b>0%</b>	<b>-10%</b>	<b>-2%</b>	<b>12%</b>	<b>13%</b>	<b>-7%</b>	<b>2%</b>	<b>11%</b>	<b>12%</b>	<b>7%</b>	<b>5%</b>	<b>4%</b>
<b>Adj. EBITA</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Energy							2,061	2,050	2,927	3,986	3,825	4,084	4,366
Food & Water							2,436	2,680	3,458	3,942	4,061	4,375	4,589
Marine							3,369	2,811	2,399	2,836	3,803	4,067	4,238
Operations & Other							-635	-427	-555	-557	-300	-340	-380
<b>Adj. EBITA</b>	<b>5,894</b>	<b>6,810</b>	<b>5,550</b>	<b>5,628</b>	<b>6,722</b>	<b>7,989</b>	<b>7,231</b>	<b>7,114</b>	<b>8,229</b>	<b>10,221</b>	<b>11,389</b>	<b>12,187</b>	<b>12,813</b>
IAC	-320	0	-1,500	0	151	189	-796	-192	-767	0	0	0	0
Amortisation of step-up	-904	-1,094	-1,064	-1,021	-1,038	-980	-855	-796	-943	-965	-965	-710	-710
<b>EBIT</b>	<b>4,670</b>	<b>5,716</b>	<b>2,986</b>	<b>4,607</b>	<b>5,835</b>	<b>7,198</b>	<b>5,580</b>	<b>6,126</b>	<b>6,519</b>	<b>9,256</b>	<b>10,424</b>	<b>11,477</b>	<b>12,103</b>
<b>Adj. EBITA margin</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Energy							16.9%	16.6%	19.4%	20.7%	18.9%	19.1%	19.3%
Food & Water							18.2%	18.3%	16.7%	15.6%	15.8%	16.4%	16.5%
Marine							21.2%	20.2%	14.7%	14.9%	17.4%	17.8%	18.1%
<b>Group EBITA margin</b>	<b>16.8%</b>	<b>17.1%</b>	<b>15.6%</b>	<b>15.9%</b>	<b>16.5%</b>	<b>17.2%</b>	<b>17.4%</b>	<b>17.4%</b>	<b>15.8%</b>	<b>16.1%</b>	<b>16.8%</b>	<b>17.2%</b>	<b>17.3%</b>
<b>EBIT margin</b>	<b>13.3%</b>	<b>14.4%</b>	<b>8.4%</b>	<b>13.0%</b>	<b>14.3%</b>	<b>15.5%</b>	<b>13.5%</b>	<b>15.0%</b>	<b>12.5%</b>	<b>14.6%</b>	<b>15.4%</b>	<b>16.2%</b>	<b>16.4%</b>
Net financials	-550	-273	336	-218	65	23	-603	16	-340	-606	-315	-240	-200
<b>PTP</b>	<b>4,120</b>	<b>5,443</b>	<b>3,322</b>	<b>4,389</b>	<b>5,900</b>	<b>7,221</b>	<b>4,977</b>	<b>6,142</b>	<b>6,179</b>	<b>8,650</b>	<b>10,109</b>	<b>11,237</b>	<b>11,903</b>
Taxes	-1,153	-1,588	-1,013	-1,383	-1,359	-1,713	-1,397	-1,341	-1,610	-2,269	-2,527	-2,809	-2,976
<b>Tax rate</b>	<b>28%</b>	<b>29%</b>	<b>30%</b>	<b>32%</b>	<b>23%</b>	<b>24%</b>	<b>28%</b>	<b>22%</b>	<b>26%</b>	<b>26%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>
Non-controlling interest	-22	-23	-22	-12	-18	-22	-27	-42	-66	-51	-55	-58	-61
<b>Net profit</b>	<b>2,945</b>	<b>3,832</b>	<b>2,287</b>	<b>2,994</b>	<b>4,523</b>	<b>5,486</b>	<b>3,553</b>	<b>4,759</b>	<b>4,503</b>	<b>6,330</b>	<b>7,526</b>	<b>8,369</b>	<b>8,866</b>
EPS	7.02	9.15	5.46	7.09	10.77	13.08	8.47	11.38	10.88	15.31	18.21	20.25	21.45
EPS ex XO, PPA	8.86	10.70	9.46	8.60	11.99	14.14	11.06	12.89	13.62	16.72	19.61	21.28	22.48
DPS	4.00	4.25	4.25	4.25	5.00	0.00	5.50	6.00	6.00	7.50	8.00	8.50	9.00

Source: Company data, ABG Sundal Collier

Income Statement (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Sales	35,340	40,666	46,517	41,468	40,911	52,135	63,598	67,707	70,849	73,883
COGS	-23,379	-26,910	-30,734	-27,210	-26,401	-34,489	-42,714	-56,603	-58,692	-61,099
Gross profit	11,961	13,756	15,783	14,258	14,510	17,646	20,884	11,104	12,157	12,783
Other operating items	-5,704	-6,257	-6,532	-6,689	-6,397	-8,735	-9,161	1,842	1,644	1,703
<b>EBITDA</b>	<b>6,257</b>	<b>7,499</b>	<b>9,251</b>	<b>7,569</b>	<b>8,113</b>	<b>8,911</b>	<b>11,723</b>	<b>12,945</b>	<b>13,801</b>	<b>14,487</b>
Depreciation and amortisation	-629	-626	-1,073	-1,134	-1,191	-1,449	-1,502	-1,557	-1,614	-1,673
of which leasing depreciation	0	0	-417	-436	-399	-470	-494	-518	-544	-571
<b>EBITA</b>	<b>5,628</b>	<b>6,873</b>	<b>8,178</b>	<b>6,435</b>	<b>6,922</b>	<b>7,462</b>	<b>10,221</b>	<b>11,389</b>	<b>12,187</b>	<b>12,813</b>
EO Items	0	151	189	-796	-192	-767	0	0	0	0
Impairment and PPA amortisation	-1,021	-1,038	-980	-855	-796	-943	-965	-965	-710	-710
<b>EBIT</b>	<b>4,607</b>	<b>5,835</b>	<b>7,198</b>	<b>5,580</b>	<b>6,126</b>	<b>6,519</b>	<b>9,256</b>	<b>10,424</b>	<b>11,477</b>	<b>12,103</b>
Net financial items	-218	65	23	-603	16	-340	-606	-315	-240	-200
<b>Pretax profit</b>	<b>4,389</b>	<b>5,900</b>	<b>7,221</b>	<b>4,977</b>	<b>6,142</b>	<b>6,179</b>	<b>8,650</b>	<b>10,109</b>	<b>11,237</b>	<b>11,903</b>
Tax	-1,383	-1,359	-1,713	-1,397	-1,341	-1,610	-2,269	-2,527	-2,809	-2,976
<b>Net profit</b>	<b>3,006</b>	<b>4,541</b>	<b>5,508</b>	<b>3,580</b>	<b>4,801</b>	<b>4,569</b>	<b>6,381</b>	<b>7,581</b>	<b>8,428</b>	<b>8,928</b>
Minority interest	-12	-18	-22	-27	-42	-66	-51	-55	-58	-61
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
<b>Net profit to shareholders</b>	<b>2,994</b>	<b>4,523</b>	<b>5,486</b>	<b>3,553</b>	<b>4,759</b>	<b>4,503</b>	<b>6,330</b>	<b>7,526</b>	<b>8,369</b>	<b>8,866</b>
EPS	7.14	10.78	13.08	8.47	11.38	10.88	15.31	18.21	20.25	21.45
EPS adj.	9.04	12.43	14.55	11.54	13.23	14.10	17.14	20.03	21.59	22.79
Total extraordinary items after tax	0	118	148	-621	-150	-598	0	0	0	0
Leasing payments	0	0	-417	-436	-399	-470	-494	-518	-544	-571
<i>Tax rate (%)</i>	<i>31.5</i>	<i>23.0</i>	<i>23.7</i>	<i>28.1</i>	<i>21.8</i>	<i>26.1</i>	<i>26.2</i>	<i>25.0</i>	<i>25.0</i>	<i>25.0</i>
<i>Gross margin (%)</i>	<i>33.8</i>	<i>33.8</i>	<i>33.9</i>	<i>34.4</i>	<i>35.5</i>	<i>33.8</i>	<i>32.8</i>	<i>16.4</i>	<i>17.2</i>	<i>17.3</i>
<i>EBITDA margin (%)</i>	<i>17.7</i>	<i>18.4</i>	<i>19.9</i>	<i>18.3</i>	<i>19.8</i>	<i>17.1</i>	<i>18.4</i>	<i>19.1</i>	<i>19.5</i>	<i>19.6</i>
<i>EBITA margin (%)</i>	<i>15.9</i>	<i>16.9</i>	<i>17.6</i>	<i>15.5</i>	<i>16.9</i>	<i>14.3</i>	<i>16.1</i>	<i>16.8</i>	<i>17.2</i>	<i>17.3</i>
<i>EBIT margin (%)</i>	<i>13.0</i>	<i>14.3</i>	<i>15.5</i>	<i>13.5</i>	<i>15.0</i>	<i>12.5</i>	<i>14.6</i>	<i>15.4</i>	<i>16.2</i>	<i>16.4</i>
<i>Pre-tax margin (%)</i>	<i>12.4</i>	<i>14.5</i>	<i>15.5</i>	<i>12.0</i>	<i>15.0</i>	<i>11.9</i>	<i>13.6</i>	<i>14.9</i>	<i>15.9</i>	<i>16.1</i>
<i>Net margin (%)</i>	<i>8.5</i>	<i>11.2</i>	<i>11.8</i>	<i>8.6</i>	<i>11.7</i>	<i>8.8</i>	<i>10.0</i>	<i>11.2</i>	<i>11.9</i>	<i>12.1</i>
<b>Growth Rates y-o-y</b>	-	-	-	-	-	-	-	-	-	-
<i>Sales growth (%)</i>	<i>-0.8</i>	<i>15.1</i>	<i>14.4</i>	<i>-10.9</i>	<i>-1.3</i>	<i>27.4</i>	<i>22.0</i>	<i>6.5</i>	<i>4.6</i>	<i>4.3</i>
<i>EBITDA growth (%)</i>	<i>33.3</i>	<i>19.8</i>	<i>23.4</i>	<i>-18.2</i>	<i>7.2</i>	<i>9.8</i>	<i>31.6</i>	<i>10.4</i>	<i>6.6</i>	<i>5.0</i>
<i>EBITA growth (%)</i>	<i>39.0</i>	<i>22.1</i>	<i>19.0</i>	<i>-21.3</i>	<i>7.6</i>	<i>7.8</i>	<i>37.0</i>	<i>11.4</i>	<i>7.0</i>	<i>5.1</i>
<i>EBIT growth (%)</i>	<i>54.3</i>	<i>26.6</i>	<i>23.4</i>	<i>-22.5</i>	<i>9.8</i>	<i>6.4</i>	<i>42.0</i>	<i>12.6</i>	<i>10.1</i>	<i>5.5</i>
<i>Net profit growth (%)</i>	<i>30.2</i>	<i>51.0</i>	<i>21.3</i>	<i>-35.0</i>	<i>34.1</i>	<i>-4.8</i>	<i>39.7</i>	<i>18.8</i>	<i>11.2</i>	<i>5.9</i>
<i>EPS growth (%)</i>	<i>30.9</i>	<i>51.0</i>	<i>21.3</i>	<i>-35.2</i>	<i>34.4</i>	<i>-4.4</i>	<i>40.8</i>	<i>18.9</i>	<i>11.2</i>	<i>5.9</i>
<b>Profitability</b>	-	-	-	-	-	-	-	-	-	-
<i>ROE (%)</i>	<i>14.8</i>	<i>20.6</i>	<i>21.5</i>	<i>12.6</i>	<i>15.6</i>	<i>13.3</i>	<i>17.5</i>	<i>19.2</i>	<i>19.0</i>	<i>18.0</i>
<i>ROE adj. (%)</i>	<i>19.8</i>	<i>24.8</i>	<i>24.7</i>	<i>17.8</i>	<i>18.7</i>	<i>17.9</i>	<i>20.1</i>	<i>21.6</i>	<i>20.6</i>	<i>19.5</i>
<i>ROCE (%)</i>	<i>12.9</i>	<i>16.4</i>	<i>17.6</i>	<i>12.7</i>	<i>14.0</i>	<i>13.1</i>	<i>17.0</i>	<i>18.7</i>	<i>19.5</i>	<i>19.6</i>
<i>ROCE adj. (%)</i>	<i>15.8</i>	<i>18.4</i>	<i>19.4</i>	<i>16.5</i>	<i>16.2</i>	<i>16.5</i>	<i>18.7</i>	<i>20.5</i>	<i>20.8</i>	<i>20.8</i>
<i>ROIC (%)</i>	<i>12.2</i>	<i>16.6</i>	<i>17.6</i>	<i>12.6</i>	<i>14.2</i>	<i>12.1</i>	<i>15.3</i>	<i>17.4</i>	<i>18.1</i>	<i>18.5</i>
<i>ROIC adj. (%)</i>	<i>12.2</i>	<i>16.3</i>	<i>17.2</i>	<i>14.2</i>	<i>14.5</i>	<i>13.3</i>	<i>15.3</i>	<i>17.4</i>	<i>18.1</i>	<i>18.5</i>
<b>Adj. earnings numbers</b>	-	-	-	-	-	-	-	-	-	-
<i>EBITDA adj.</i>	<i>6,257</i>	<i>7,348</i>	<i>9,062</i>	<i>8,365</i>	<i>8,305</i>	<i>9,678</i>	<i>11,723</i>	<i>12,945</i>	<i>13,801</i>	<i>14,487</i>
<i>EBITDA adj. margin (%)</i>	<i>17.7</i>	<i>18.1</i>	<i>19.5</i>	<i>20.2</i>	<i>20.3</i>	<i>18.6</i>	<i>18.4</i>	<i>19.1</i>	<i>19.5</i>	<i>19.6</i>
<i>EBITDA lease adj.</i>	<i>6,257</i>	<i>7,348</i>	<i>8,645</i>	<i>7,929</i>	<i>7,906</i>	<i>9,208</i>	<i>11,229</i>	<i>12,427</i>	<i>13,257</i>	<i>13,915</i>
<i>EBITDA lease adj. margin (%)</i>	<i>17.7</i>	<i>18.1</i>	<i>18.6</i>	<i>19.1</i>	<i>19.3</i>	<i>17.7</i>	<i>17.7</i>	<i>18.4</i>	<i>18.7</i>	<i>18.8</i>
<i>EBITA adj.</i>	<i>5,628</i>	<i>6,722</i>	<i>7,989</i>	<i>7,231</i>	<i>7,114</i>	<i>8,229</i>	<i>10,221</i>	<i>11,389</i>	<i>12,187</i>	<i>12,813</i>
<i>EBITA adj. margin (%)</i>	<i>15.9</i>	<i>16.5</i>	<i>17.2</i>	<i>17.4</i>	<i>17.4</i>	<i>15.8</i>	<i>16.1</i>	<i>16.8</i>	<i>17.2</i>	<i>17.3</i>
<i>EBIT adj.</i>	<i>4,607</i>	<i>5,684</i>	<i>7,009</i>	<i>6,376</i>	<i>6,318</i>	<i>7,286</i>	<i>9,256</i>	<i>10,424</i>	<i>11,477</i>	<i>12,103</i>
<i>EBIT adj. margin (%)</i>	<i>13.0</i>	<i>14.0</i>	<i>15.1</i>	<i>15.4</i>	<i>15.4</i>	<i>14.0</i>	<i>14.6</i>	<i>15.4</i>	<i>16.2</i>	<i>16.4</i>
<i>Pretax profit Adj.</i>	<i>5,410</i>	<i>6,787</i>	<i>8,012</i>	<i>6,628</i>	<i>7,130</i>	<i>7,889</i>	<i>9,615</i>	<i>11,074</i>	<i>11,947</i>	<i>12,613</i>
<i>Net profit Adj.</i>	<i>4,027</i>	<i>5,461</i>	<i>6,341</i>	<i>5,056</i>	<i>5,747</i>	<i>6,110</i>	<i>7,346</i>	<i>8,546</i>	<i>9,138</i>	<i>9,638</i>
<i>Net profit to shareholders adj.</i>	<i>4,015</i>	<i>5,443</i>	<i>6,319</i>	<i>5,029</i>	<i>5,705</i>	<i>6,044</i>	<i>7,295</i>	<i>8,491</i>	<i>9,079</i>	<i>9,576</i>
<i>Net adj. margin (%)</i>	<i>11.4</i>	<i>13.4</i>	<i>13.6</i>	<i>12.2</i>	<i>14.0</i>	<i>11.7</i>	<i>11.6</i>	<i>12.6</i>	<i>12.9</i>	<i>13.0</i>

Source: ABG Sundal Collier, Company Data

Cash Flow (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	6,257	7,499	9,251	7,569	8,113	8,911	11,723	12,945	13,801	14,487
Net financial items	-218	65	23	-603	16	-340	-606	-315	-240	-200
Paid tax	-1,383	-1,359	-1,713	-1,397	-1,341	-1,610	-2,269	-2,527	-2,809	-2,976
Non-cash items	-109	-695	-491	604	-82	30	259	0	0	0
Cash flow before change in WC	4,547	5,510	7,070	6,173	6,706	6,991	9,107	10,103	10,751	11,311
Change in working capital	-300	-762	-2,268	934	-1,397	-3,891	-259	-917	-359	-346



Cash Flow (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
<b>Operating cash flow</b>	<b>4,247</b>	<b>4,748</b>	<b>4,802</b>	<b>7,107</b>	<b>5,309</b>	<b>3,100</b>	<b>8,848</b>	<b>9,187</b>	<b>10,393</b>	<b>10,965</b>
Capex tangible fixed assets	-652	-1,370	-1,276	-1,055	-1,148	-1,415	-1,733	-1,971	-2,916	-2,600
Capex intangible fixed assets	0	0	-54	-57	-57	-60	-60	-60	-60	-60
Acquisitions and Disposals	-69	77	303	54	-3,820	-3,685	-337	0	0	0
<b>Free cash flow</b>	<b>3,526</b>	<b>3,455</b>	<b>3,775</b>	<b>6,049</b>	<b>284</b>	<b>-2,060</b>	<b>6,718</b>	<b>7,156</b>	<b>7,417</b>	<b>8,305</b>
Dividend paid	-1,783	-1,783	-2,097	0	-2,307	-2,480	-2,498	-3,100	-3,307	-3,513
Share issues and buybacks	0	0	0	0	-1,339	-661	0	0	0	0
Balance Sheet (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Goodwill	19,775	20,537	21,112	19,080	22,480	26,258	24,822	24,822	24,822	24,822
Other intangible assets	4,692	3,873	3,134	2,204	3,441	5,159	4,800	3,895	3,245	2,595
Tangible fixed assets	4,851	5,605	6,260	6,169	6,751	8,181	9,169	10,102	11,947	13,445
Right-of-use asset	0	127	2,683	2,152	2,324	2,529	2,600	2,709	2,811	2,904
Total other fixed assets	1,656	2,484	2,081	3,688	3,241	2,766	2,727	2,727	2,727	2,727
Fixed assets	30,974	32,626	35,270	33,293	38,237	44,893	44,118	44,254	45,552	46,494
Inventories	8,424	9,253	10,077	9,223	10,525	14,775	14,950	16,927	17,712	18,471
Receivables	8,806	11,281	12,582	10,576	11,952	16,918	17,357	18,933	19,798	20,632
Cash and liquid assets	4,345	4,912	6,467	7,768	3,647	4,663	5,863	7,499	9,230	10,333
<b>Total assets</b>	<b>52,549</b>	<b>58,072</b>	<b>64,396</b>	<b>60,860</b>	<b>64,361</b>	<b>81,249</b>	<b>82,288</b>	<b>87,613</b>	<b>92,292</b>	<b>95,929</b>
Shareholders equity	20,398	23,477	27,600	28,908	32,096	35,382	37,033	41,459	46,522	51,875
Minority	102	122	147	163	248	322	345	400	459	520
<b>Total equity</b>	<b>20,500</b>	<b>23,599</b>	<b>27,747</b>	<b>29,071</b>	<b>32,344</b>	<b>35,704</b>	<b>37,378</b>	<b>41,860</b>	<b>46,981</b>	<b>52,395</b>
Long-term debt	11,092	8,540	10,600	8,043	3,059	13,362	9,829	8,036	6,302	3,279
Pension debt	2,297	2,118	2,321	2,494	1,907	1,192	1,090	1,090	1,090	1,090
Leasing liability	0	34	2,620	2,235	2,427	2,671	2,601	2,601	2,601	2,601
Total other long-term liabilities	2,777	3,084	2,343	2,239	2,313	2,883	2,762	2,762	2,762	2,762
Short-term debt	1,404	3,323	1,422	1,125	5,185	1,864	3,444	3,444	3,444	3,444
Accounts payable	10,942	12,153	13,074	11,272	12,302	16,939	17,209	19,696	20,610	21,492
Other current liabilities	3,537	5,221	4,269	4,381	4,824	6,634	7,975	8,125	8,502	8,866
<b>Total liabilities and equity</b>	<b>52,549</b>	<b>58,072</b>	<b>64,396</b>	<b>60,860</b>	<b>64,361</b>	<b>81,249</b>	<b>82,288</b>	<b>87,613</b>	<b>92,292</b>	<b>95,929</b>
Net IB debt	10,448	9,103	10,496	6,129	8,931	14,426	11,101	7,672	4,208	81
Net IB debt excl. pension debt	8,151	6,985	8,175	3,635	7,024	13,234	10,011	6,582	3,118	-1,009
Net IB debt excl. leasing	10,448	9,069	7,876	3,894	6,504	11,755	8,500	5,071	1,607	-2,520
Capital employed	35,293	37,614	44,710	42,968	44,922	54,793	54,342	57,031	60,418	62,809
Capital invested	30,948	32,702	38,243	35,200	41,275	50,130	48,479	49,532	51,188	52,476
Working capital	2,751	3,160	5,316	4,146	5,351	8,120	7,123	8,040	8,398	8,744
<b>EV breakdown</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Market cap. diluted (m)	156,457	156,457	156,457	156,457	155,926	154,376	154,171	154,171	154,171	154,171
Net IB debt adj.	10,448	9,103	10,496	6,129	8,931	14,426	11,101	7,672	4,208	81
Market value of minority	102	122	147	163	248	322	345	400	459	520
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
<b>EV</b>	<b>167,007</b>	<b>165,682</b>	<b>167,100</b>	<b>162,749</b>	<b>165,105</b>	<b>169,124</b>	<b>165,617</b>	<b>162,243</b>	<b>158,837</b>	<b>154,772</b>
Total assets turnover (%)	66.7	73.5	76.0	66.2	65.3	71.6	77.8	79.7	78.8	78.5
Working capital/sales (%)	7.0	7.3	9.1	11.4	11.6	12.9	12.0	11.2	11.6	11.6
<b>Financial risk and debt service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net debt/equity (%)	51.0	38.6	37.8	21.1	27.6	40.4	29.7	18.3	9.0	0.2
Net debt / market cap (%)	6.7	5.8	6.7	3.9	5.7	9.3	7.2	5.0	2.7	0.1
Equity ratio (%)	39.0	40.6	43.1	47.8	50.3	43.9	45.4	47.8	50.9	54.6
Net IB debt adj. / equity (%)	51.0	38.6	37.8	21.1	27.6	40.4	29.7	18.3	9.0	0.2
Current ratio	1.36	1.23	1.55	1.64	1.17	1.43	1.33	1.39	1.44	1.46
EBITDA/net interest	28.7	115.4	402.2	12.6	507.1	26.2	19.3	41.1	57.5	72.4
Net IB debt/EBITDA (x)	1.7	1.2	1.1	0.8	1.1	1.6	0.9	0.6	0.3	0.0
Net IB debt/EBITDA lease adj. (x)	1.7	1.2	0.9	0.5	0.8	1.3	0.8	0.4	0.1	-0.2
Interest coverage	25.8	105.7	355.6	10.7	432.6	21.9	16.9	36.2	50.8	64.1

Source: ABG Sundal Collier, Company Data

Share Data (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Actual shares outstanding	419	419	419	419	418	414	413	413	413	413
Actual shares outstanding (avg)	419	419	419	419	418	414	413	413	413	413
Actual dividend per share	4.25	5.00	0.00	5.50	6.00	6.00	7.50	8.00	8.50	9.00
Reported earnings per share	7.14	10.78	13.08	8.47	11.38	10.88	15.31	18.21	20.25	21.45

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Shares outstanding adj.	419	419	419	419	418	414	413	413	413	413



Valuation and Ratios (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Diluted shares adj.	419	419	419	419	418	414	413	413	413	413
EPS	7.14	10.78	13.08	8.47	11.38	10.88	15.31	18.21	20.25	21.45
Dividend per share	4.25	5.00	0.00	5.50	6.00	6.00	7.50	8.00	8.50	9.00
EPS adj.	9.04	12.43	14.55	11.54	13.23	14.10	17.14	20.03	21.59	22.79
BVPS	48.63	55.97	65.80	68.92	76.78	85.49	89.60	100.31	112.55	125.51
BVPS adj.	-9.70	-2.22	8.00	18.18	14.77	9.58	17.93	30.83	44.65	59.17
Net IB debt/share	24.91	21.70	25.02	14.61	21.36	34.86	26.86	18.56	10.18	0.20
Share price	373.00	373.00	373.00	373.00	373.00	373.00	373.00	373.00	373.00	373.00
Market cap. (m)	156,457	156,457	156,457	156,457	155,926	154,376	154,171	154,171	154,171	154,171
<b>Valuation</b>	-	-	-	-	-	-	-	-	-	-
P/E (x)	52.2	34.6	28.5	44.0	32.8	34.3	24.4	20.5	18.4	17.4
EV/sales (x)	4.73	4.07	3.59	3.92	4.04	3.24	2.60	2.40	2.24	2.09
EV/EBITDA (x)	26.7	22.1	18.1	21.5	20.4	19.0	14.1	12.5	11.5	10.7
EV/EBITA (x)	29.7	24.1	20.4	25.3	23.9	22.7	16.2	14.2	13.0	12.1
EV/EBIT (x)	36.2	28.4	23.2	29.2	27.0	25.9	17.9	15.6	13.8	12.8
Dividend yield (%)	1.1	1.3	0.0	1.5	1.6	1.6	2.0	2.1	2.3	2.4
FCF yield (%)	2.3	2.2	2.4	3.9	0.2	-1.3	4.4	4.6	4.8	5.4
Le. adj. FCF yld. (%)	2.3	2.2	2.1	3.5	-0.1	-1.7	4.0	4.2	4.4	5.0
P/BVPS (x)	7.67	6.66	5.67	5.41	4.86	4.36	4.16	3.72	3.31	2.97
P/BVPS adj. (x)	-38.45	-167.69	46.65	20.52	25.25	38.93	20.80	12.10	8.35	6.30
P/E adj. (x)	41.3	30.0	25.6	32.3	28.2	26.4	21.8	18.6	17.3	16.4
EV/EBITDA adj. (x)	26.7	22.5	18.4	19.5	19.9	17.5	14.1	12.5	11.5	10.7
EV/EBITA adj. (x)	29.7	24.6	20.9	22.5	23.2	20.6	16.2	14.2	13.0	12.1
EV/EBIT adj. (x)	36.2	29.1	23.8	25.5	26.1	23.2	17.9	15.6	13.8	12.8
EV/CE (x)	4.7	4.4	3.7	3.8	3.7	3.1	3.0	2.8	2.6	2.5
<b>Investment ratios</b>	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	1.8	3.4	2.9	2.7	2.9	2.8	2.8	3.0	4.2	3.6
Capex/depreciation	1.0	2.2	2.0	1.6	1.5	1.5	1.8	2.0	2.8	2.4
Depreciation on tangibles / tangibles	12.97	11.17	10.47	11.31	11.73	11.97	11.00	10.28	8.95	8.20

Source: ABG Sundal Collier, Company Data

## Analyst Certification

We, ABGSC Capital Goods Research, Anders Idborg, Karl Bokvist and Olof Cederholm, analyst(s) with ABG Sundal Collier ASA, ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge, ABG Sundal Collier AB and/or ABG Sundal Collier Limited (hereinafter collectively referred to as "ABG Sundal Collier"), and the author(s) of this report, certify that not withstanding the existence of any such potential conflicts of interests referred to below, the views expressed in this report accurately reflect my/our personal view about the companies and securities covered in this report. I/We further certify that I/We has/have not been, nor am/are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

This report is produced by ABG Sundal Collier, which may cover companies either in accordance with legal requirements designed to promote the independence of investment research ("independent research") or as commissioned research. Commissioned research is paid for by the subject company. As such, commissioned research is deemed to constitute an acceptable minor non-monetary benefit (i.e., not investment research) as defined in MiFID II.

## Stock ratings distribution

### ABG Sundal Collier Ratings and Investment Banking by 2/6/2024

	Research Coverage	Investment Banking Clients (IBC)	
	% of	% of	% of
Total of Rating	Total Rating	Total IBC	Total Rating by Type
<b>BUY</b>	62.22%	20%	9.13%
<b>HOLD</b>	30.11%	4%	3.77%
<b>SELL</b>	7.10%	0%	0.00%

IBC: Companies in respect of which ABG SC or an affiliate has received compensation for investment banking services within the past 12 months.

## Analyst stock ratings definitions

**BUY** = We expect this stock's total return to exceed the market's expected total return by 5% or more over the next six months.

**HOLD** = We expect this stock's total return to be in line with the market's expected total return within a range of 4% over the next six months.

**SELL** = We expect this stock's total return to underperform the market's expected total return by 5% or more over the next six months.

## Analyst valuation methods

When setting the individual ratings for investment research ("independent research"), ABG Sundal Collier assumes that a normal total absolute return (including dividends) for the market is 8% per annum, or 4% on a 6-month basis. Therefore, when we rate a stock a BUY, we expect an absolute return of 9% or better over six months. Volatility and low trading volumes mean that we have a wider range for expected returns on small cap stocks than for large caps.

ABG Sundal Collier's analysts publish price targets for independent research and may publish valuation ranges for commissioned research. These price targets or valuation ranges rely on various valuation methods. One of the most frequently used methods is the valuation of a company by calculation of that company's discounted cash flow (DCF). Another valuation method is the analysis of a company's return on capital employed relative to its cost of capital. Finally, the analysts may analyse various valuation multiples (e.g., the P/E multiples and the EV/EBITDA multiples) relative to global industry peers. In special cases, particularly for property companies and investment companies, the ratio of price to net asset value is considered. Price targets and valuation ranges are changed when earnings and cash flow forecasts are changed. They may also be changed when the underlying value of a company's assets changes (in the cases of investment companies, real estate companies or insurance companies) or when factors impacting the required rate of return change.

### Expected updates

ABGSC has no fixed schedule for updating its research reports. Unless expressly stated otherwise, ABGSC expects (but does not undertake) to issue updates when considered necessary by the research department, for example following the publication of new figures or forecasts by a company or in the event of any material news on a company or its industry.

## Stock price, company ratings and target price history

Company: Alfa Laval

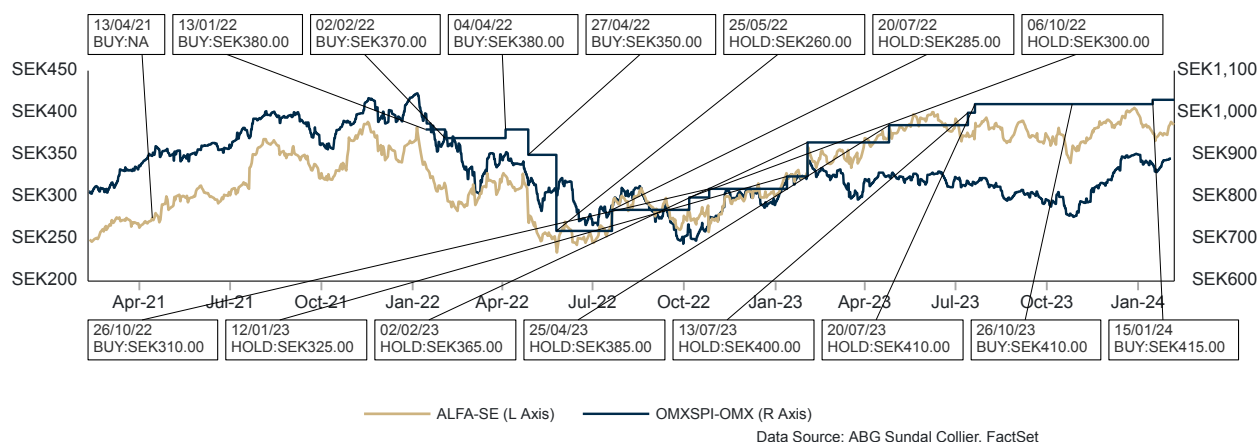
Currency: SEK

Current Recommendation: BUY

Date: 5/2/2024

Current Target price: 420.0

Current Share price: 373.00



## Important Company Specific Disclosure

The following disclosures relate to the relationship between ABG Sundal Collier and its affiliates and the companies covered by ABG Sundal Collier referred to in this research report.

Unless disclosed in this section, neither ABG Sundal Collier nor any of their affiliated or associated companies and their directors, officers, representatives, and employees have any required regulatory disclosures to make in relation to an ownership position for the analyst(s) and members of the analyst's household, ownership by ABG Sundal Collier and/or its affiliates, ownership in ABG Sundal Collier Holding ASA by the company(ies) to whom the recommendation(s) refer(s) to, liquidity provision/market making agreement, managed or co-managed public offerings, compensation for provision of certain services, directorship of the analyst, or a member of the analyst's household, or in relation to any contractual obligations to the issuance of this research report.

ABG Sundal Collier is not aware of any other actual, material conflicts of interest of the analyst or ABG Sundal Collier of which the analyst knows or has reason to know at the time of the publication of this report.

Production of recommendation: 2/6/2024 14:56.

All prices are as of market close on 5 February, 2024 unless otherwise noted.

For full details of recommendation and target price history for the subject company, please see company page on Research Web.

For details of recommendations and target prices for ABG Sundal Collier coverage universe, please see coverage page on ABG Sundal Collier's Research Web.

## Disclaimer

This report has been prepared by ABG Sundal Collier ASA, ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge, ABG Sundal Collier AB and/or ABG Sundal Collier Limited and any of their directors, officers, representatives and employees (hereinafter collectively referred to as "ABG Sundal Collier"). This report is not a product of any other affiliated or associated companies of any of the above entities.

This report is provided solely for the information and use of professional investors, who are expected to make their own investment decisions without undue reliance on this report. The information contained herein does not apply to, and should not be relied upon by, retail clients. This report is for distribution only under such circumstances as may be permitted by applicable law. Research reports prepared by ABG Sundal Collier are for information purposes only. The recommendation(s) in this report is (are) has/ have no regard to specific investment objectives and the financial situation or needs of any specific recipient. ABG Sundal Collier and/or its affiliates accepts no liability whatsoever for any losses arising from any use of this report or its contents. This report is not to be used or considered as an offer to sell, or a solicitation of an offer to buy. The information herein has been obtained from, and any opinions herein are based upon, sources believed reliable, but ABG Sundal Collier and/or its affiliates make no representation as to its accuracy or completeness and it should not be relied upon as such. All opinions and estimates herein reflect the judgment of ABG Sundal Collier on the date of this report and are subject to change without notice. Past performance is not indicative of future results.

The compensation of our research analysts is determined exclusively by research management and senior management, but not including investment banking management. Compensation is not based on specific investment banking revenues, however, it is determined from the profitability of the ABG Sundal Collier group, which includes earnings from investment banking operations and other business. Investors should assume that ABG Sundal Collier ASA, ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge and/or ABG Sundal Collier AB is seeking or will seek investment banking or other business relationships with the companies in this report.

The research analyst(s) responsible for the preparation of this report may interact with trading desk and sales personnel and other departments for the purpose of gathering, synthesizing and interpreting market information. From time to time, ABG Sundal Collier and/or its affiliates and any shareholders, directors, officers, or employees thereof may (I) have a position in, or otherwise be interested in, any securities directly or indirectly connected to the subject of this report, or (II) perform investment banking or other services for, or solicit investment banking or other services from, a company mentioned in this report. ABG Sundal Collier and/or its affiliates rely on information barriers to control the flow of information contained in one or more areas of ABG Sundal Collier, into other areas, units, groups or affiliates of ABG Sundal Collier.

Norway: ABG Sundal Collier ASA is regulated by the Financial Supervisory Authority of Norway (Finanstilsynet)

Denmark: ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge, is regulated by the Financial Supervisory Authority of Norway (Finanstilsynet) and the Danish Financial Supervisory Authority (Finanstilsynet)

Sweden: ABG Sundal Collier AB is regulated by the Swedish Financial Supervisory Authority (Finansinspektionen)

UK: This report is a communication made, or approved for communication in the UK, by ABG Sundal Collier Limited, authorised and regulated by the Financial Conduct Authority in the conduct of its business.

US: This report is being distributed in the United States (U.S.) in accordance with FINRA Rule 1220 by ABG Sundal Collier Inc., an SEC registered broker-dealer and a FINRA/SIPC member which accepts responsibility for its content and its compliance with FINRA Rule 2241. Research reports distributed in the U.S. are intended solely for "major U.S. institutional investors," and "U.S. institutional investors" as defined under Rule 15a-6 of the Securities Exchange Act of 1934 and any related interpretive guidance and no-action letters issued by the Staff of the U.S. Securities and Exchange Commission ("SEC") collectively ("SEC Rule 15a-6"). Each major U.S. institutional investor and U.S. institutional investor that receives a copy of this research report, by its acceptance of such report, represents that it agrees that it will not distribute this research report to any other person. This communication is only intended for major U.S. institutional investors and U.S. institutional investors. Any person which is not a major U.S. institutional investor, or a U.S. institutional investor as covered by SEC Rule 15a-6 must not rely on this communication. The delivery of this research report to any person in the U.S. is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. Any major U.S. institutional investor or U.S. institutional investor receiving this report which wishes to effect transactions in any securities referred to herein should contact ABG Sundal Collier Inc., not its affiliates. Further information on the securities referred to herein may be obtained from ABG Sundal Collier Inc., on request.

Singapore: This report is distributed in Singapore by ABG Sundal Collier Pte. Ltd, which is not licensed under the Financial Advisors Act (Chapter 110 of Singapore). In Singapore, this report may only be distributed to institutional investors as defined in Section 4A(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) ("SFA"), and should not be circulated to any other person in Singapore.

Canada: This report is being distributed by ABG Sundal Collier ASA in Canada pursuant to section 8.25 of National Instrument 31-103 or an equivalent provision and has not been tailored to the needs of any specific investor in Canada. The information contained in this report is not, and under no circumstances is to be construed as, a prospectus, an advertisement, a public offering or an offer to sell the securities described herein, in Canada or any province or territory thereof. No securities commission or similar regulatory authority in Canada has reviewed or considered this report, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. Under no circumstances is this report to be construed as an offer to sell such securities or as a solicitation of an offer to buy such securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada may only be made in accordance with applicable securities laws and only by a dealer properly registered under such securities laws, or alternatively, pursuant to an applicable dealer registration exemption, in the Canadian jurisdiction in which such offer or sale is made.

This report may not be reproduced, distributed, or published by any recipient for any purpose whatsoever without the prior written express permission of ABG Sundal Collier.

**Additional information available upon request. If reference is made in this report to other companies and ABG Sundal Collier provides research coverage for those companies, details regarding disclosures may be found on our website [www.abgsc.com](http://www.abgsc.com).**

© Copyright 2024 ABG Sundal Collier ASA

Norway	Sweden	Denmark	United Kingdom	USA	Germany	Singapore
Ruseløkkveien 26, 8th floor 0251 Oslo	Regeringsgatan 25, 8th floor	Forbindelsesvej 12, 2100 Copenhagen	10 Paternoster Row, 5th floor	140 Broadway, Suite 4604 New York, NY 10005	Schillerstrasse 2, 5. OG 60313 Frankfurt	10 Collyer Quay
Norway	111 53 Stockholm	Denmark	London EC4M 7EJ	USA	Germany	Ocean Financial Center
Tel: +47 22 01 60 00	Sweden	Tel: +45 35 46 61 00	UK	Tel. +1 212 605 3800	Tel +49 69 96 86 96 0	#40-07, Singapore 049315
Fax: +47 22 01 60 60	Tel: +46 8 566 286 00	Fax: +45 35 46 61 10	Tel: +44 20 7905 5600	Fax. +1 212 605 3801	Fax +49 69 96 86 96 99	Tel +65 6808 6082
	Fax: +46 8 566 286 01		Fax: +44 20 7905 5601			