

Volvo

Underlying truck margin in good shape

- Q4 adj. EBIT 2% and 4% above ABGSCe and consensus
- Underlying margins higher on one-time items in Trucks
- Keep BUY, raise TP to SEK 310 (300), trading at ~6x '24e EV/EBIT

Q4 underlying margins in good shape

Volvo delivered a good Q4 adj. EBIT of SEK 18.4bn, +2-4% vs. ABGSCe and Infront cons. Initial concerns about a weakness in the truck margin, which came in at 13.7% vs. ABGSCe at 14.1% and consensus at 14.5%, were dispelled. The margin was held back by ~80bp, due to one-off costs related to the strike at Mack (SEK 700m above ABGSCe) and the Dongfeng JV (SEK 800m impairment), which was only partly offset by a gain in R&D of SEK 500m. All in all, the underlying truck margin continued to be good at ~14.5%, better than our forecast and in line with consensus and if we would adjust the group adj. EBIT for these items, it would have been 8% above consensus. The Board proposes a dividend of SEK 18.00 (SEK 7.50 ordinary and SEK 10.50 extra). The total dividend a touch above ABGSCe at SEK 17.00, even if the ordinary part was slightly light (ABGSCe SEK 8.00).

Small adjustments to the market outlook - estimates up by 1%

Management made only small adjustments to the '24 truck market outlook, lowering Europe to 280k units (290k) while increasing Brazil to 90k units (80k). Also, management said it will prioritise pricing and profitability over market shares in '24e, which we think is positive. The cost flexibility is higher than we expected, with the CFO explaining that Volvo can adjust the workforce by ~20% only through working with temporary workers/consultants (ABGSCe ~15%). Consequently, we think that the margin outlook for '24e looks very supportive. We raise '24-'25e adj. EBIT by ~1%, mainly on FX.

Reiterate BUY, raise the TP to SEK 310

We reiterate our BUY rating following the report. We argue that Volvo will deliver good margins despite lower volumes in '24e, and we were 7% above '24e cons adj. EBIT before the report. The valuation is attractive at ~6x EV/EBIT and ~7% dividend yield.

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

SEKm	2022	2023	2024e	2025e	2026e
Sales	473,479	552,764	502,317	526,278	555,929
EBITDA	66,441	88,490	84,855	91,830	98,871
EBITDA margin (%)	14.0	16.0	16.9	17.4	17.8
EBIT adj.	50,467	77,638	62,124	68,026	73,942
EBIT adj. margin (%)	10.7	14.0	12.4	12.9	13.3
Pretax profit	45,077	66,726	62,274	68,326	74,342
EPS	16.10	24.51	22.82	25.05	27.27
EPS adj.	18.43	29.85	22.82	25.05	27.27
Sales growth (%)	27.2	16.7	-9.1	4.8	5.6
EPS growth (%)	-0.2	52.3	-6.9	9.8	8.9

Source: ABG Sundal Collier, Company Data

Reason: Post-results comment

BUY ● HOLD ○ SELL ○

Capital Goods

Estimate changes (%)

	2024e	2025e	2026e
Sales	1.1	1.1	0.0
EBIT	0.6	0.8	0.0
EPS	0.6	0.8	0.0

Source: ABG Sundal Collier

VOLV.B-SE/VOLVB SS

Share price (SEK)	29/1/2024	253.40
Target price	(300.0)	310.0

MCap (SEKm)	517,680
MCap (EURm)	45,697
No. of shares (m)	2,033.5
Free float (%)	93.7
Av. daily volume (k)	9,321

Next event AGM 27 March 2024

Performance



	2024e	2025e	2026e
P/E (x)	11.1	10.1	9.3
P/E adj. (x)	11.1	10.1	9.3
P/BVPS (x)	2.75	2.57	2.39
EV/EBITDA (x)	4.7	4.1	3.7
EV/EBIT adj. (x)	6.4	5.5	4.9
EV/sales (x)	0.79	0.71	0.65
ROE adj. (%)	25.4	26.3	26.7
Dividend yield (%)	7.5	7.8	8.2
FCF yield (%)	11.2	11.4	10.1
Le. adj. FCF yld. (%)	11.2	11.4	10.1
Net IB debt/EBITDA (x)	1.8	1.4	1.2
Le. adj. ND/EBITDA (x)	-1.2	-1.4	-1.4

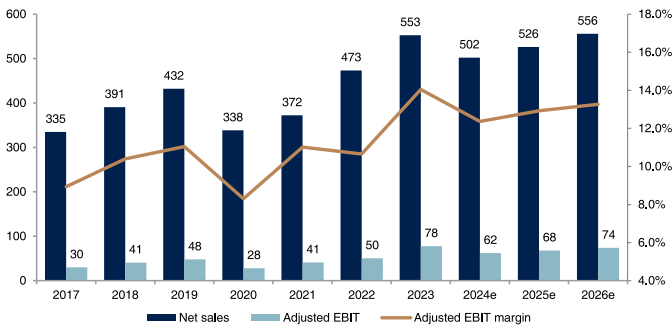
Company description

The Volvo Group is a leading manufacturer of trucks, buses, construction equipment and marine and industrial engines. The Group also provides complete solutions for financing and service. The Volvo Group, which employs about 100,000 people, has production facilities in 18 countries and sells its products in more than 190 markets. The Volvo Group is a publicly held company headquartered in Göteborg, Sweden.

Risks

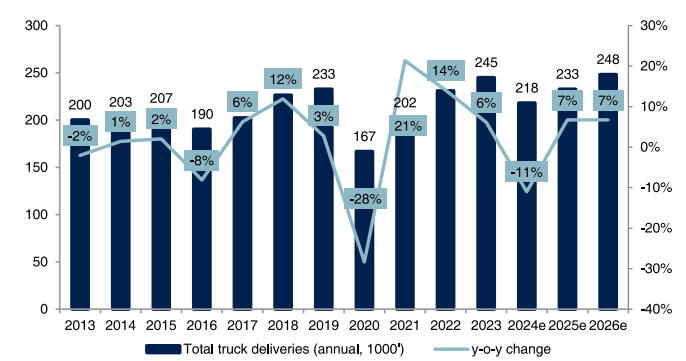
Weaker truck and construction equipment demand, price pressure.

Net sales, adj. EBIT, adj. EBIT margin 2017-2026e



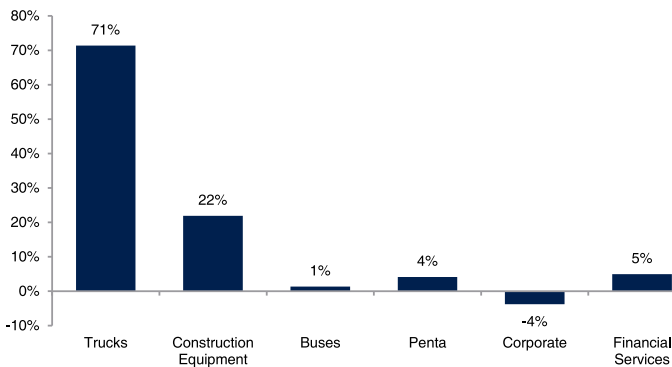
Source: ABG Sundal Collier, company data

Truck deliveries 2013-2026e



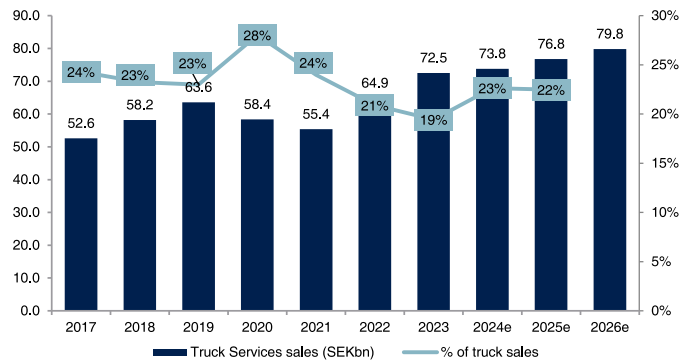
Source: ABG Sundal Collier, company data

Divisional adj. EBIT as a % of group adj. EBIT 2023



Source: ABG Sundal Collier, company data

Truck Services sales 2017-2026e



Source: ABG Sundal Collier, company data

Q4'23 result vs. expectations

SEKm	Prior year	2023 Q4	2023 Q4e		Deviation	
	2022 Q4	Actual	ABGSCe	Infront	ABGSCe	Infront
Net sales	134,302	148,117	141,730	137,835	5%	7%
Adjusted EBIT	12,171	18,384	17,972	17,704	2%	4%
Adj EBIT margin	9.1%	12.4%	12.7%	12.8%		
Non-recurring items	-630	-1,490	-650	-1,556		
EBIT	11,541	16,894	17,322	16,148	-2%	5%
EBIT margin	8.6%	11.4%	12.2%	11.7%		
PTP	10,420	16,884	17,472	16,244	-3%	4%
Tax	-3,730	-4,798	-4,368	-3,995	10%	20%
Net profit	6,620	12,086	13,054	12,249	-7%	-1%
Divisional sales	2022 Q4	Actual	ABGSCe	Infront	ABGSCe	Infront
Trucks	87,303	99,896	96,492	91,786	4%	9%
Construction Equipment	27,596	26,578	26,188	26,242	1%	1%
Buses	6,654	7,336	6,291	6,708	17%	9%
Penta	4,849	5,031	4,584	5,030	10%	0%
Corporate	2,777	5,448	2,795	2,219	95%	146%
Financial Services	5,124	6,542	5,380	5,849	22%	12%
Group sales	134,302	148,117	141,730	137,835	5%	7%
Deliveries	62,834	65,625	62,728	60,317	5%	9%
Truck orders	54,108	49,347	50,500	51,185	-2%	-4%
Divisional adj EBIT	2022 Q4	Actual	ABGSCe	Infront	ABGSCe	Factset
Trucks	8,274	13,691	13,650	13,342	0%	3%
Construction Equipment	3,093	3,320	3,352	3,275	-1%	1%
Buses	228	323	283	355	14%	-9%
Penta	468	365	458	578	-20%	-37%
Corporate	-754	-352	-700	-805	-50%	-56%
Financial Services	863	1,005	930	959	8%	5%
Group	12,171	18,384	17,972	17,704	2%	4%
Adj EBIT margin	2022 Q4	Actual	ABGSCe	Infront		
Trucks	9.5%	13.7%	14.1%	14.5%		
Construction Equipment	11.2%	12.5%	12.8%	12.5%		
Buses	3.4%	4.4%	4.5%	5.3%		
Penta	9.7%	7.3%	10.0%	11.5%		
Group	9.1%	12.4%	12.7%	12.8%		

Source: ABG Sundal Collier, company data, Infront consensus

Forecast changes 2023a-2025e

SEKm	Old forecast			New forecast			Change		
	2023e	2024e	2025e	2023a	2024e	2025e	2023e	2024e	2025e
Sales									
Trucks	369,644	323,655	338,883	373,048	326,003	341,543	1%	1%	1%
Construction Equipment	104,592	100,053	104,918	104,982	100,547	105,446	0%	0%	1%
Buses	21,378	22,222	23,334	22,424	23,268	24,431	5%	5%	5%
Penta	20,559	19,627	20,708	21,006	20,046	21,138	2%	2%	2%
Corporate	11,596	11,828	12,065	11,810	12,046	12,287	2%	2%	2%
Total Industrial Operations	527,769	477,386	499,908	533,269	481,911	504,846	1%	1%	1%
Customer Finance	22,850	23,307	24,472	24,012	24,492	25,717	5%	5%	5%
Internal/other	-4,243	-3,840	-4,019	-4,518	-4,085	-4,285	6%	6%	7%
Total sales	546,376	496,853	520,361	552,764	502,317	526,278	1%	1%	1%
Adj. EBIT	2023e	2024e	2025e	2023a	2024e	2025e	2023e	2024e	2025e
Trucks	55,353	42,012	45,276	55,394	42,230	45,599	0%	1%	1%
Construction Equipment	17,025	14,897	16,944	16,993	14,977	17,038	0%	1%	1%
Buses	1,020	950	1,167	1,060	997	1,222	4%	5%	5%
Penta	3,323	2,936	3,216	3,230	2,829	3,107	-3%	-4%	-3%
Corporate	-3,298	-2,875	-2,947	-2,950	-2,800	-2,870	-11%	-3%	-3%
Industrial Operations	73,423	57,921	63,655	73,727	58,233	64,096	0%	1%	1%
Financial Services	3,779	3,855	3,893	3,854	3,931	3,970	2%	2%	2%
Total Adj. EBIT	77,227	61,736	67,509	77,638	62,124	68,026	1%	1%	1%
of which associated income	-1,766	-520	400	-2,560	-520	400	45%	0%	0%
Adj. EBIT ex associated income	78,993	62,256	67,109	80,198	62,644	67,626	2%	1%	1%
Extraordinary items	-10,014	0	0	-10,854	0	0	8%	n.a	n.a
EBIT	67,213	61,736	67,509	66,784	62,124	68,026	-1%	1%	1%
Net financial Items	101	150	300	-58	150	300	-158%	0%	0%
Pretax profit	67,314	61,886	67,809	66,726	62,274	68,326	-1%	1%	1%
Tax	-16,365	-15,471	-16,952	-16,794	-15,569	-17,082	3%	1%	1%
Net profit	50,826	46,094	50,536	49,825	46,386	50,925	-2%	1%	1%
Adj. EBIT margin	2023e	2024e	2025e	2023a	2024e	2025e	2023e	2024e	2025e
Trucks	15.0%	13.0%	13.4%	14.8%	13.0%	13.4%	-0.1%	0.0%	0.0%
Construction Equipment	16.3%	14.9%	16.1%	16.2%	14.9%	16.2%	-0.1%	0.0%	0.0%
Buses	4.8%	4.3%	5.0%	4.7%	4.3%	5.0%	0.0%	0.0%	0.0%
Penta	16.2%	15.0%	15.5%	15.4%	14.1%	14.7%	-0.8%	-0.8%	-0.8%
Total Industrial Operations	13.9%	12.1%	12.7%	13.8%	12.1%	12.7%	-0.1%	0.0%	0.0%
Total Volvo Group	14.1%	12.4%	13.0%	14.0%	12.4%	12.9%	-0.1%	-0.1%	0.0%
Rep. EBIT margin	12.3%	12.4%	13.0%	12.1%	12.4%	12.9%	-0.2%	-0.1%	0.0%
Tax rate	24.3%	25.0%	25.0%	25.2%	25.0%	25.0%	0.9%	0.0%	0.0%

Source: ABG Sundal Collier, company data

Detailed quarterly income statement 2022-2024e

Volvo group (SEKm)	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124e	Q224e	Q324e	Q424e
Net sales	105,317	118,943	114,917	134,302	131,420	140,821	132,405	148,117	127,411	125,767	113,941	135,197
COGS	-80,700	-90,221	-87,594	-103,227	-96,112	-101,900	-96,026	-109,405	-92,437	-91,858	-83,878	-102,278
Gross profit	24,617	28,722	27,323	31,075	35,308	38,921	36,379	38,712	34,974	33,910	30,063	32,919
R&D expense	-4,588	-5,454	-5,595	-6,893	-6,492	-6,819	-6,305	-7,029	-6,880	-7,169	-6,723	-7,706
Selling expense	-6,788	-6,977	-7,046	-8,239	-7,894	-8,329	-8,202	-9,249	-8,537	-8,175	-7,292	-8,382
Administrative expense	-1,321	-1,432	-1,383	-1,744	-1,663	-1,858	-1,686	-2,149	-1,656	-1,635	-1,709	-1,758
Other oper income	-3,377	-809	-896	-2,292	-1,980	-6,873	-1,180	-2,247	-400	-400	-400	-400
Associated income	4	-304	-535	-366	-171	-580	-665	-1,144	-200	-320	-200	200
EBIT	8,556	13,745	11,870	11,541	17,109	14,462	18,320	16,894	17,301	16,211	13,739	14,873
EBIT margin	8.1%	11.6%	10.3%	8.6%	13.0%	10.3%	13.8%	11.4%	13.6%	12.9%	12.1%	11.0%
EBIT ex associated income	8,552	14,049	12,405	11,907	17,280	15,042	18,985	18,038	17,501	16,531	13,939	14,673
Net financials	471	127	-111	-1,121	-312	-53	316	-10	100	-150	0	200
Pretax profit	9,027	13,872	11,759	10,420	16,797	14,410	18,636	16,884	17,401	16,061	13,739	15,073
Tax	-1,956	-3,352	-3,071	-3,730	-3,863	-3,591	-4,543	-4,798	-4,350	-4,015	-3,435	-3,768
Net profit	7,033	10,442	8,627	6,620	12,910	10,770	14,092	12,053	12,971	11,966	10,224	11,225
EPS	3.46	5.14	4.24	3.26	6.35	5.30	6.93	5.93	6.38	5.89	5.03	5.52
Adjustments	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124e	Q224e	Q324e	Q424e
Non-recurring items	-4,125	0	0	-630	-1,300	-7,270	-794	-1,490	0	0	0	0
Adjusted EBIT	12,681	13,745	11,870	12,171	18,409	21,732	19,114	18,384	17,301	16,211	13,739	14,873
Adjusted EBIT change y-o-y	7%	41%	26%	21%	45%	58%	61%	51%	-6%	-25%	-28%	-19%
Adjusted EBIT margin	12.0%	11.6%	10.3%	9.1%	14.0%	15.4%	14.4%	12.4%	13.6%	12.9%	12.1%	11.0%
Gross margin	23.4%	24.1%	23.8%	23.1%	26.9%	27.6%	27.5%	26.1%	27.4%	27.0%	26.4%	24.3%
Opex to sales	12.1%	11.7%	12.2%	12.6%	12.2%	12.1%	12.2%	12.4%	13.4%	13.5%	13.8%	13.2%
Tax rate	21.7%	24.2%	26.1%	35.8%	23.0%	24.9%	24.4%	28.4%	25.0%	25.0%	25.0%	25.0%
Divisional sales	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124e	Q224e	Q324e	Q424e
Trucks	69,552	78,603	75,078	87,303	89,556	93,748	89,848	99,896	85,003	81,367	72,612	87,021
Construction Equipment	22,613	25,814	24,238	27,596	25,109	28,999	24,296	26,578	25,875	26,447	22,497	25,729
Buses	3,051	4,062	4,817	6,654	4,267	5,435	5,386	7,336	4,450	5,642	5,534	7,642
Penta	4,204	4,597	4,451	4,849	5,603	5,416	4,956	5,031	5,003	4,810	5,043	5,191
Corporate	3,848	3,750	3,793	4,985	3,779	3,629	3,954	5,448	3,854	3,702	4,033	5,557
Other/elim	-923	-1,106	-950	-1,175	-1,195	-1,236	-1,219	-1,348	-1,219	-1,261	-1,244	-1,375
Industrial Operations	102,345	115,720	111,427	130,212	127,117	135,991	127,220	142,941	122,966	120,706	108,474	129,764
Financial Services	3,734	4,067	4,430	5,124	5,370	5,851	6,249	6,542	5,477	5,968	6,374	6,673
Reclassification/Eliminations	-762	-844	-940	-1,033	-1,067	-1,021	-1,064	-1,366	-1,032	-906	-907	-1,240
Group sales	105,317	118,943	114,917	134,302	131,420	140,821	132,405	148,117	127,411	125,767	113,941	135,197
Divisional adjusted EBIT	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124e	Q224e	Q324e	Q424e
Trucks	8,690	9,551	7,307	8,274	12,715	14,950	14,038	13,691	11,849	10,836	9,129	10,416
Construction Equipment	2,810	3,568	3,773	3,093	4,587	5,353	3,733	3,320	4,011	4,231	3,262	3,473
Buses	20	7	99	228	178	219	340	323	178	254	221	344
Penta	769	699	593	468	1,271	804	790	365	1,085	666	753	325
Corporate	-488	-890	-778	-754	-1,225	-513	-860	-352	-700	-700	-700	-700
Eliminations	-2	19	-4	-1	12	3	11	32	-10	-10	-10	-10
Financial Services	882	792	879	863	871	916	1,062	1,005	888	934	1,083	1,025
Group	12,681	13,745	11,870	12,171	18,409	21,732	19,114	18,384	17,301	16,211	13,739	14,873
Adjusted EBIT margin	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124e	Q224e	Q324e	Q424e
Trucks	12.5%	12.2%	9.7%	9.5%	14.2%	15.9%	15.6%	13.7%	13.9%	13.3%	12.6%	12.0%
Construction Equipment	12.4%	13.8%	15.6%	11.2%	18.3%	18.5%	15.4%	12.5%	15.5%	16.0%	14.5%	13.5%
Buses	0.7%	0.2%	2.1%	3.4%	4.2%	4.0%	6.3%	4.4%	4.0%	4.5%	4.0%	4.5%
Penta	18.3%	15.2%	13.3%	9.7%	22.7%	14.8%	15.9%	7.3%	21.7%	13.8%	14.9%	6.3%
Group	12.0%	11.6%	10.3%	9.1%	14.0%	15.4%	14.4%	12.4%	13.6%	12.9%	12.1%	11.0%

Source: ABG Sundal Collier, company data

Detailed annual income statement 2017-2026e

Volvo group (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Net sales	334,748	390,833	431,980	338,445	372,215	473,479	552,764	502,317	526,278	555,929
Organic	11%	14%	5%	-17%	16%	18%	11%	-7%	5%	6%
Structure	0%	-1%	0%	0%	0%	0%	0%	0%	0%	0%
Currency	0%	3%	6%	-4%	-6%	9%	6%	-2%	0%	0%
Total growth	11%	17%	11%	-22%	10%	27%	17%	-9%	5%	6%
COGS	-254,581	-303,477	-326,895	-259,319	-282,463	-361,742	-403,443	-370,451	-385,812	-404,411
Gross profit	80,167	87,356	105,085	79,126	89,752	111,737	149,321	131,866	140,466	151,519
R&D expense	-16,098	-15,899	-18,537	-16,798	-18,027	-22,530	-26,645	-28,478	-30,917	-33,770
Selling expense	-28,582	-30,890	-33,038	-26,510	-23,959	-29,050	-33,674	-32,386	-33,682	-35,579
Administrative expense	-5,632	-5,798	-5,901	-4,621	-4,871	-5,880	-7,356	-6,758	-6,842	-7,227
Other oper income	-1,061	-2,273	-215	-5,459	-75	-7,374	-12,280	-1,600	-1,400	-1,400
Associated income	1,543	1,983	2,138	1,746	-37	-1,201	-2,560	-520	400	400
EBIT	30,325	34,478	49,531	27,484	43,072	45,712	66,784	62,124	68,026	73,942
EBIT ex associated income	28,782	32,495	47,393	25,738	43,109	46,913	69,344	62,644	67,626	73,542
Net financials	-2,072	-2,331	-2,699	-1,568	117	-635	-58	150	300	400
Pretax profit	28,253	32,147	46,832	25,916	43,189	45,077	66,726	62,274	68,326	74,342
Tax	-6,971	-6,784	-10,337	-5,844	-9,948	-12,109	-16,794	-15,569	-17,082	-18,586
Net profit	20,980	24,896	35,860	19,316	32,786	32,722	49,825	46,386	50,925	55,437
EPS	10.35	12.34	17.64	9.50	16.13	16.10	24.51	22.82	25.05	27.27
Adjusted EBIT	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Adjusted EBIT	29,925	40,660	47,692	28,105	41,014	50,467	77,638	62,124	68,026	73,942
Change y-o-y	42%	36%	17%	-41%	46%	23%	54%	-20%	9%	9%
Adjusted EBIT margin	8.9%	10.4%	11.0%	8.3%	11.0%	10.7%	14.0%	12.4%	12.9%	13.3%
Gross margin	23.9%	22.4%	24.3%	23.4%	24.1%	23.6%	27.0%	26.3%	26.7%	27.3%
Opex to sales	15.0%	13.5%	13.3%	14.2%	12.6%	12.1%	12.2%	13.5%	13.6%	13.8%
Tax rate	24.7%	21.1%	22.1%	22.5%	23.0%	26.9%	25.2%	25.0%	25.0%	25.0%
Divisional overview	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Trucks	216,479	250,358	276,646	208,262	230,882	310,536	373,048	326,003	341,543	362,380
Construction Equipment	66,498	84,237	88,604	81,453	92,031	100,261	104,982	100,547	105,446	110,586
Buses	26,078	25,826	31,019	19,791	17,623	18,584	22,424	23,268	24,431	25,653
Penta	11,120	13,741	13,287	11,892	14,437	18,101	21,006	20,046	21,138	22,302
Corporate/other	3,635	4,158	8,804	5,075	6,088	12,222	11,810	12,046	12,287	12,533
Industrial Operations	323,809	378,320	418,361	326,473	361,061	459,704	533,269	481,911	504,846	533,454
Financial Services	11,812	13,070	14,870	13,960	13,437	17,355	24,012	24,492	25,717	27,003
Reclassification/Eliminations	-873	-556	-1,251	-1,987	-2,283	-3,579	-4,518	-4,085	-4,285	-4,528
Group sales	334,748	390,833	431,980	338,445	372,215	473,479	552,764	502,317	526,278	555,929
Divisional adjusted EBIT	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Trucks	20,384	26,352	31,335	16,568	25,567	33,822	55,394	42,230	45,599	50,194
Construction Equipment	7,914	11,307	11,910	10,205	12,227	13,244	16,993	14,977	17,038	17,870
Buses	927	765	1,337	-495	-90	354	1,060	997	1,222	1,283
Penta	1,438	2,341	1,875	1,578	2,091	2,529	3,230	2,829	3,107	3,409
Corporate	-2,934	-2,504	-1,517	-1,371	-2,118	-2,910	-2,950	-2,800	-2,870	-2,942
Eliminations	3	-12	-14	12	56	13	57	-40	-40	-40
Financial Services	2,192	2,410	2,766	1,508	3,280	3,416	3,854	3,931	3,970	4,169
Group	29,924	40,661	47,692	28,005	41,014	50,467	77,638	62,124	68,026	73,942
Adjusted EBIT margin	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Trucks	9.4%	10.5%	11.3%	8.0%	11.1%	10.9%	14.8%	13.0%	13.4%	13.9%
Construction Equipment	11.9%	13.4%	13.4%	12.5%	13.3%	13.2%	16.2%	14.9%	16.2%	16.2%
Buses	3.6%	3.0%	4.3%	-2.5%	-0.5%	1.9%	4.7%	4.3%	5.0%	5.0%
Penta	12.9%	17.0%	14.1%	13.3%	14.5%	14.0%	15.4%	14.1%	14.7%	15.3%
Group	8.9%	10.4%	11.0%	8.3%	11.0%	10.7%	14.0%	12.4%	12.9%	13.3%

Source: ABG Sundal Collier, company data

Income Statement (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Sales	334,748	390,833	431,980	338,445	372,215	473,479	552,764	502,317	526,278	555,929
COGS	-254,581	-303,477	-326,895	-259,319	-282,463	-361,742	-403,443	-370,451	-385,812	-404,411
Gross profit	80,167	87,356	105,085	79,126	89,752	111,737	149,321	131,866	140,466	151,519
Other operating items	-32,972	-34,440	-34,968	-31,043	-27,960	-45,296	-60,831	-47,012	-48,637	-52,647
EBITDA	47,194	52,917	70,117	48,083	61,792	66,441	88,490	84,855	91,830	98,871
Depreciation and amortisation	-16,869	-18,439	-20,586	-20,599	-18,720	-20,729	-21,706	-22,730	-23,804	-24,929
EBITA	30,325	34,478	49,531	27,484	43,072	45,712	66,784	62,124	68,026	73,942
EO Items	400	-6,182	1,839	-621	2,058	-4,755	-10,854	0	0	0
EBIT	30,325	34,478	49,531	27,484	43,072	45,712	66,784	62,124	68,026	73,942
Net financial items	-2,072	-2,331	-2,699	-1,568	117	-635	-58	150	300	400
Pretax profit	28,253	32,147	46,832	25,916	43,189	45,077	66,726	62,274	68,326	74,342
Tax	-6,971	-6,784	-10,337	-5,844	-9,948	-12,109	-16,794	-15,569	-17,082	-18,586
Net profit	21,282	25,363	36,495	20,072	33,241	32,969	49,931	46,706	51,245	55,757
Minority interest	-302	-466	-635	-756	-455	-247	-107	-320	-320	-320
Net profit to shareholders	20,980	24,896	35,860	19,316	32,786	32,722	49,825	46,386	50,925	55,437
EPS	10.35	12.28	17.64	9.50	16.13	16.10	24.51	22.82	25.05	27.27
EPS adj.	10.15	15.33	16.73	9.81	15.11	18.43	29.85	22.82	25.05	27.27
Total extraordinary items after tax	400	-6,182	1,839	-621	2,058	-4,755	-10,854	0	0	0
Tax rate (%)	24.7	21.1	22.1	22.5	23.0	26.9	25.2	25.0	25.0	25.0
Gross margin (%)	23.9	22.4	24.3	23.4	24.1	23.6	27.0	26.3	26.7	27.3
EBITDA margin (%)	14.1	13.5	16.2	14.2	16.6	14.0	16.0	16.9	17.4	17.8
EBITA margin (%)	9.1	8.8	11.5	8.1	11.6	9.7	12.1	12.4	12.9	13.3
EBIT margin (%)	9.1	8.8	11.5	8.1	11.6	9.7	12.1	12.4	12.9	13.3
Pre-tax margin (%)	8.4	8.2	10.8	7.7	11.6	9.5	12.1	12.4	13.0	13.4
Net margin (%)	6.4	6.5	8.4	5.9	8.9	7.0	9.0	9.3	9.7	10.0
Growth Rates y-o-y	-	-	-	-	-	-	-	-	-	-
Sales growth (%)	10.9	16.8	10.5	-21.7	10.0	27.2	16.7	-9.1	4.8	5.6
EBITDA growth (%)	25.5	12.1	32.5	-31.4	28.5	7.5	33.2	-4.1	8.2	7.7
EBITA growth (%)	45.6	13.7	43.7	-44.5	56.7	6.1	46.1	-7.0	9.5	8.7
EBIT growth (%)	45.6	13.7	43.7	-44.5	56.7	6.1	46.1	-7.0	9.5	8.7
Net profit growth (%)	60.9	19.2	43.9	-45.0	65.6	-0.8	51.5	-6.5	9.7	8.8
EPS growth (%)	59.6	18.7	43.6	-46.1	69.7	-0.2	52.3	-6.9	9.8	8.9
Profitability	-	-	-	-	-	-	-	-	-	-
ROE (%)	20.8	21.7	27.4	13.6	22.9	21.5	29.3	25.4	26.3	26.7
ROE adj. (%)	20.4	27.1	26.0	14.0	21.5	24.7	35.6	25.4	26.3	26.7
ROCE (%)	12.1	13.1	16.5	8.5	13.5	13.2	16.8	14.7	15.7	16.5
ROCE adj. (%)	12.0	15.5	15.9	8.7	12.9	14.5	19.4	14.7	15.7	16.5
ROIC (%)	10.3	12.2	15.6	8.4	13.4	11.9	15.1	13.4	15.1	16.5
ROIC adj. (%)	10.2	14.4	15.0	8.6	12.8	13.1	17.6	13.4	15.1	16.5
Adj. earnings numbers	-	-	-	-	-	-	-	-	-	-
EBITDA adj.	46,794	59,099	68,278	48,704	59,734	71,196	99,344	84,855	91,830	98,871
EBITDA adj. margin (%)	14.0	15.1	15.8	14.4	16.0	15.0	18.0	16.9	17.4	17.8
EBITDA lease adj.	46,794	59,099	68,278	48,704	59,734	71,196	99,344	84,855	91,830	98,871
EBITDA lease adj. margin (%)	14.0	15.1	15.8	14.4	16.0	15.0	18.0	16.9	17.4	17.8
EBITA adj.	29,925	40,660	47,692	28,105	41,014	50,467	77,638	62,124	68,026	73,942
EBITA adj. margin (%)	8.9	10.4	11.0	8.3	11.0	10.7	14.0	12.4	12.9	13.3
EBIT adj.	29,925	40,660	47,692	28,105	41,014	50,467	77,638	62,124	68,026	73,942
EBIT adj. margin (%)	8.9	10.4	11.0	8.3	11.0	10.7	14.0	12.4	12.9	13.3
Pretax profit Adj.	27,853	38,329	44,993	26,538	41,131	49,832	77,580	62,274	68,326	74,342
Net profit Adj.	20,882	31,545	34,656	20,694	31,183	37,723	60,785	46,706	51,245	55,757
Net profit to shareholders adj.	20,580	31,078	34,021	19,938	30,728	37,477	60,679	46,386	50,925	55,437
Net adj. margin (%)	6.2	8.1	8.0	6.1	8.4	8.0	11.0	9.3	9.7	10.0

Source: ABG Sundal Collier, Company Data

Cash Flow (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	47,194	52,917	70,117	48,083	61,792	66,441	88,490	84,855	91,830	98,871
Net financial items	-2,072	-2,331	-2,699	-1,568	117	-635	-58	150	300	400
Paid tax	-6,971	-6,784	-10,337	-5,844	-9,948	-12,109	-16,794	-15,569	-17,082	-18,586
Non-cash items	-2,385	14,561	9,858	-62,482	8,423	939	-16,727	0	0	0
Cash flow before change in WC	35,766	58,363	66,938	-21,811	60,384	54,637	54,910	69,436	75,048	80,686
Change in working capital	23,259	-21,974	-27,891	52,421	-26,737	-21,393	-28,235	12,522	6,141	-4,833
Operating cash flow	59,025	36,389	39,047	30,610	33,647	33,244	26,675	81,958	81,189	75,853
Capex tangible fixed assets	-5,734	-6,989	-8,064	-5,733	-8,809	-11,301	-13,120	-14,432	-15,154	-15,911
Capex intangible fixed assets	-2,006	-3,746	-3,954	-3,023	-3,722	-5,390	-5,278	-5,806	-6,386	-7,025
Acquisitions and Disposals	1,594	-3,063	-2,573	-2,218	11,042	-4,795	-4,587	-4,000	-1,000	-1,000

Cash Flow (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Free cash flow	52,879	22,591	24,456	19,636	32,158	11,758	3,690	57,720	58,649	51,916
Dividend paid	-6,588	-8,615	-20,270	0	-49,809	-26,429	-28,925	-36,594	-38,424	-40,345
Other non-cash items	-16,183	-36,107	-18,891	51,194	-42,758	-29,469	-5,975	0	0	-0
Balance Sheet (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Goodwill	20,893	23,104	21,668	19,577	22,070	26,544	27,512	27,512	27,512	27,512
Other intangible assets	15,000	15,000	15,000	15,000	15,000	15,000	15,000	17,654	20,794	24,475
Tangible fixed assets	53,348	55,673	53,496	49,113	54,405	63,162	68,449	72,303	72,899	73,226
Right-of-use asset	0	43,103	43,326	37,962	39,969	39,969	46,969	46,969	46,969	46,969
Total other fixed assets	132,562	103,109	109,160	109,053	128,908	160,542	164,765	159,765	154,765	149,765
Fixed assets	221,803	239,989	242,650	230,705	260,352	305,217	322,695	324,203	322,939	321,947
Inventories	52,701	65,783	56,644	47,625	63,916	75,689	76,863	69,315	72,621	76,713
Receivables	108,185	60,779	71,099	57,985	68,118	88,864	110,565	92,929	94,730	100,067
Other current assets	229	61,179	92,983	89,300	61,345	75,408	80,619	80,619	80,619	80,619
Cash and liquid assets	36,092	46,933	61,461	85,206	62,125	83,886	83,326	104,452	124,677	136,249
Total assets	419,010	474,663	524,837	510,821	515,856	629,064	674,068	671,517	695,587	715,595
Shareholders equity	105,861	123,379	138,595	145,295	141,045	162,717	177,791	187,583	200,084	215,176
Minority	1,941	2,452	3,083	2,847	3,073	3,519	2,948	3,268	3,588	3,908
Total equity	107,802	125,831	141,678	148,142	144,118	166,236	180,739	190,851	203,672	219,084
Long-term debt	73,904	87,210	101,616	95,166	104,177	138,571	138,502	138,502	138,502	138,502
Pension debt	14,476	16,482	19,988	18,430	12,177	8,745	11,219	11,219	11,219	11,219
Leasing liability	0	0	7,100	6,100	6,200	6,600	6,600	6,600	6,600	6,600
Total other long-term liabilities	42,330	65,115	61,846	21,647	64,927	76,536	78,869	78,869	78,869	78,869
Short-term debt	53,771	48,646	56,136	58,258	49,447	72,377	98,289	98,289	98,289	98,289
Accounts payable	125,028	73,630	66,866	59,611	76,745	90,177	82,987	70,324	81,573	86,169
Other current liabilities	1,699	57,749	69,607	103,467	58,065	69,822	76,863	76,863	76,863	76,863
Total liabilities and equity	419,010	474,663	524,837	510,821	515,856	629,064	674,068	671,517	695,587	715,595
Net IB debt	106,059	105,405	123,379	92,748	109,876	142,407	171,284	150,158	129,933	118,361
Net IB debt excl. pension debt	91,583	88,923	103,391	74,318	97,699	133,662	160,065	138,939	118,714	107,142
Net IB debt excl. leasing	106,059	105,405	116,279	86,648	103,676	135,807	164,684	143,558	123,333	111,761
Capital employed	249,953	278,169	326,518	326,096	316,119	392,529	435,349	445,461	458,282	473,694
Capital invested	213,861	231,236	265,057	240,890	253,994	308,643	352,023	341,009	333,604	337,445
Working capital	34,388	56,362	84,253	31,832	58,569	79,962	108,197	95,675	89,534	94,367
EV breakdown	-	-	-	-	-	-	-	-	-	-
Market cap. diluted (m)	513,642	513,642	515,162	515,162	515,162	515,162	515,162	515,162	515,162	515,162
Net IB debt adj.	-26,339	-43,926	-62,596	-74,696	-66,215	-73,897	-83,435	-104,561	-124,786	-136,358
Market value of minority	1,941	2,452	3,083	2,847	3,073	3,519	2,948	3,268	3,588	3,908
Reversal of shares and participations	-11,224	-11,135	-12,955	-13,160	-20,685	-21,583	-19,158	-19,158	-19,158	-19,158
EV	478,020	461,033	442,694	430,153	431,335	423,201	415,517	394,711	374,806	363,554
Total assets turnover (%)	81.9	87.5	86.4	65.4	72.5	82.7	84.8	74.7	77.0	78.8
Working capital/sales (%)	13.7	11.6	16.3	17.1	12.1	14.6	17.0	20.3	17.6	16.5
Financial risk and debt service	-	-	-	-	-	-	-	-	-	-
Net debt/equity (%)	98.4	83.8	87.1	62.6	76.2	85.7	94.8	78.7	63.8	54.0
Net debt / market cap (%)	20.6	20.5	23.9	18.0	21.3	27.6	33.2	29.1	25.2	23.0
Equity ratio (%)	25.7	26.5	27.0	29.0	27.9	26.4	26.8	28.4	29.3	30.6
Net IB debt adj. / equity (%)	-24.4	-34.9	-44.2	-50.4	-45.9	-44.5	-46.2	-54.8	-61.3	-62.2
Current ratio	1.09	1.30	1.47	1.27	1.39	1.39	1.36	1.41	1.45	1.51
EBITDA/net interest	22.8	22.7	26.0	30.7	528.1	104.7	1,515.2	565.7	306.1	247.2
Net IB debt/EBITDA (x)	2.2	2.0	1.8	1.9	1.8	2.1	1.9	1.8	1.4	1.2
Net IB debt/EBITDA lease adj. (x)	-0.6	-0.7	-0.9	-1.5	-1.1	-1.0	-0.8	-1.2	-1.4	-1.4
Interest coverage	13.6	13.7	16.5	14.9	181.0	28.5	25.3	27.5	29.5	32.0

Source: ABG Sundal Collier, Company Data

Share Data (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Actual shares outstanding	2,027	2,027	2,033	2,033	2,033	2,033	2,033	2,033	2,033	2,033
Actual shares outstanding (avg)	2,027	2,027	2,033	2,033	2,033	2,033	2,033	2,033	2,033	2,033
Actual dividend per share	4.25	10.00	0.00	24.50	13.00	14.23	18.00	18.90	19.85	20.84

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Shares outstanding adj.	2,027	2,027	2,033	2,033	2,033	2,033	2,033	2,033	2,033	2,033
Diluted shares adj.	2,027	2,027	2,033	2,033	2,033	2,033	2,033	2,033	2,033	2,033
EPS	10.35	12.28	17.64	9.50	16.13	16.10	24.51	22.82	25.05	27.27
Dividend per share	4.25	10.00	0.00	24.50	13.00	14.23	18.00	18.90	19.85	20.84
EPS adj.	10.15	15.33	16.73	9.81	15.11	18.43	29.85	22.82	25.05	27.27

Valuation and Ratios (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
BVPS	52.23	60.87	68.17	71.47	69.38	80.04	87.45	92.27	98.42	105.84
BVPS adj.	34.52	42.07	50.14	54.46	51.14	59.60	66.54	70.05	74.66	80.27
Net IB debt/share	-12.99	-21.67	-30.79	-36.74	-32.57	-36.35	-41.04	-51.43	-61.38	-67.07
Share price	253.40	253.40	253.40	253.40	253.40	253.40	253.40	253.40	253.40	253.40
Market cap. (m)	513,642	513,642	515,162	515,162	515,162	515,162	515,162	515,162	515,162	515,162
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	24.5	20.6	14.4	26.7	15.7	15.7	10.3	11.1	10.1	9.3
EV/sales (x)	1.43	1.18	1.02	1.27	1.16	0.89	0.75	0.79	0.71	0.65
EV/EBITDA (x)	10.1	8.7	6.3	8.9	7.0	6.4	4.7	4.7	4.1	3.7
EV/EBITA (x)	15.8	13.4	8.9	15.7	10.0	9.3	6.2	6.4	5.5	4.9
EV/EBIT (x)	15.8	13.4	8.9	15.7	10.0	9.3	6.2	6.4	5.5	4.9
Dividend yield (%)	1.7	3.9	0.0	9.7	5.1	5.6	7.1	7.5	7.8	8.2
FCF yield (%)	10.3	4.4	4.7	3.8	6.2	2.3	0.7	11.2	11.4	10.1
Le. adj. FCF yld. (%)	10.3	4.4	4.7	3.8	6.2	2.3	0.7	11.2	11.4	10.1
P/BVPS (x)	4.85	4.16	3.72	3.55	3.65	3.17	2.90	2.75	2.57	2.39
P/BVPS adj. (x)	7.34	6.02	5.05	4.65	4.95	4.25	3.81	3.62	3.39	3.16
P/E adj. (x)	25.0	16.5	15.1	25.8	16.8	13.7	8.5	11.1	10.1	9.3
EV/EBITDA adj. (x)	10.2	7.8	6.5	8.8	7.2	5.9	4.2	4.7	4.1	3.7
EV/EBITA adj. (x)	16.0	11.3	9.3	15.3	10.5	8.4	5.4	6.4	5.5	4.9
EV/EBIT adj. (x)	16.0	11.3	9.3	15.3	10.5	8.4	5.4	6.4	5.5	4.9
EV/CE (x)	1.9	1.7	1.4	1.3	1.4	1.1	1.0	0.9	0.8	0.8
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	2.3	2.7	2.8	2.6	3.4	3.5	3.3	4.0	4.1	4.1
Capex/depreciation	0.5	0.6	0.6	0.4	0.7	0.8	0.8	0.9	0.9	0.9
Capex tangibles / tangible fixed assets	10.7	12.6	15.1	11.7	16.2	17.9	19.2	20.0	20.8	21.7
Capex intangibles / definite intangibles	13.4	25.0	26.4	20.2	24.8	35.9	35.2	32.9	30.7	28.7
Depreciation on intang / def. intang	22	20	20	21	19	20	20	18	16	14
Depreciation on tangibles / tangibles	25.54	27.69	32.94	35.54	29.27	28.12	27.24	27.08	28.20	29.48

Source: ABG Sundal Collier, Company Data

Analyst Certification

We, ABGSC Capital Goods Research, Olof Cederholm and Anders Idborg, 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 notwithstanding 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 1/29/2024

Total of Rating	Research Coverage	Investment Banking Clients (IBC)	
	% of Total Rating	% of Total IBC	% of Total Rating by Type
BUY	63.64%	20%	8.93%
HOLD	29.55%	4%	3.85%
SELL	6.25%	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: Volvo

Currency: SEK

Current Recommendation: BUY

Date: 29/1/2024

Current Target price: 310.0

Current Share price: 253.40



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: 1/29/2024 06:29.

All prices are as of market close on 26 January, 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.

© Copyright 2024 ABG Sundal Collier ASA

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