

Swedish reporting season summary Q1: undramatic

- 91% of the Swedish companies (MCap-adj.) have reported their earnings
- Small changes: 0% EBIT revisions on Q1, 44% beat consensus
- Revisions: EBIT up 1% on both 24e and 25e, unch. on sales

Mixed Q1 but more or less in line with expectations

Swedish Companies making up nearly 90% of the total Nordic market cap have announced their quarterly earnings. Compared to consensus, only 43% of the companies have beaten the Q1 expectations on the revenue line, while about 44% have exceeded operating profit (EBIT) expectations. On the sector level, 67% of the Financials companies beat consensus on operating profit while only 20% of the companies in Information technology beat consensus.

Small positive revisions for 2024e and 2025e for EBIT

Looking at our aggregated sample for the Swedish companies that have reported so far, there are more or less no changes on 2024e sales while there have been 1% positive revisions on operating profit, for both 2024e and 2025e (measured 3 days prior and 3 days after reporting day). The sectors with the largest positive EBIT revisions (2024e) were Materials and Consumer discretionary while Information technology had the largest negative EBIT revisions (2024e). If we compare the operating profit in 2025e vs 2024e, we have 11% growth (unadjusted EBIT), which is in line with the expected growth for MSCI World for 2025e (13%) while expected growth for this year is a bit lower (8%). We also see that the EBIT margin is currently 11.8% for the Swedish companies (weighted) for 2024e and 12.8% for 2025e.

The largest revisions zooming out over last month

If we take a bit longer horizon (1m period) and look at the companies with the largest consensus revisions (EBIT 2024e) we find Addnode, Boliden, Engcon and MTG with the largest positive EBIT revisions while Paradox Interactive, New Wave Group, Indutrade and Elextrolux had the largest negative revisions. Keep in mind we use unadjusted figures, so one-offs could cause large deviations in some cases. There has been a fairly high correlation between earnings adjustments and performance; the top 20 companies with the highest earnings upgrades last month, having an average EBIT upgrade of 9%, were up an average of 10% in same period; the bottom 20 with the weakest earnings revisions last month, with an average downgrade of 4% on EBIT, were down an average of 3% in the same period. We have looked at the companies with a MCap above EUR 500m and used FactSet consensus estimates.

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Fast comment: Strategy Comments

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