

Hennes & Mauritz

Brand reignition around the corner?

- Q4 can mark a fresh start for H&M
- Strong sales could outweigh soft Q3e earnings
- Insignificant estimate revisions, reiterate BUY

A fresh start

Our impression of the new CEO, Daniel Erv r, is positive as we believe he can make a real change in the group. The H&M brand needs a fresh start, which might be around the corner. Erv r has great aspirations for the A/W 24 collection, to be launched on 12 Sept. We believe this could be the start of a brand reignition. Also, H&M has been testing an updated UX design in selected markets for some time and is now set to launch it across its key markets in the fall. We have tried it and share some early impressions. Lastly, the group is accelerating the roll-out of its new store concept. In this note, we describe what H&M customers can expect in the coming months. If successful, this could become the fresh start the group needs.

Q3 report due on 26 September

We have left our Q3'24e earnings roughly unchanged. We forecast Q3e (Jun-Aug) sales growth of +3.5% (lccy), implying a strong end to the quarter as June decreased by 6%. However, we fear EBIT dropped 4% to SEK 4.5bn, driven by external headwinds, higher markdowns, price investments in the US and higher marketing spend ahead of the A/W 24 launch. As such, the '24 margin target of 10% looks like a stretch, and we expect it to be pushed into '25. More positively, we expect current trading (Sept) to be strong at +7% (lccy).

Reiterate BUY

With a solid margin projection and strong cash flow during the last year, the only thing we have been lacking from H&M is a proper sales recovery. The June figure of -6% was a step in the wrong direction. However, we expect a strong finish to Q3 and a strong start to Q4 to outweigh soft Q3e earnings and give fuel to the stock. Furthermore, the stock is trading at 19.7x-17.6x '24e-'25e P/E vs the L10Y avg. of 21x (NTM), or a 25% discount to Inditex. We leave our estimates roughly unchanged and reiterate BUY and our TP of SEK 195.

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SEKm	2022	2023	2024e	2025e	2026e
Sales	223,553	236,035	237,797	246,819	253,946
EBITDA	28,858	37,460	40,829	43,026	44,378
EBITDA margin (%)	12.9	15.9	17.2	17.4	17.5
EBIT adj.	10,109	13,538	19,260	20,935	21,774
EBIT adj. margin (%)	4.5	5.7	8.1	8.5	8.6
Pretax profit	6,216	13,010	17,138	19,299	20,131
EPS	2.15	5.35	7.97	9.08	9.60
EPS adj.	3.99	4.52	8.13	9.08	9.60
Sales growth (%)	12.4	5.6	0.7	3.8	2.9
EPS growth (%)	-67.1	nm	48.8	14.0	5.7

Source: ABG Sundal Collier, Company Data

Reason: In-depth research

BUY HOLD SELL

Retail

Estimate changes (%)

	2024e	2025e	2026e
Sales	-0.4	-0.0	-0.1
EBIT	-0.5	-1.0	-1.2
EPS	-0.6	-1.1	-1.3

Source: ABG Sundal Collier

HM.B-SE/HMB SS

Share price (SEK)	5/9/2024	160.15
Target price		195.0

MCap (SEKm)	261,955
MCap (EURm)	20,241
No. of shares (m)	1,416.1
Free float (%)	37.1
Av. daily volume (k)	1,648

Next event Q3 Report 26 September 2024

Performance



— HM.B-SE — OMX Stockholm All Share Index

	2024e	2025e	2026e
P/E (x)	20.1	17.6	16.7
P/E adj. (x)	19.7	17.6	16.7
P/BVPS (x)	5.49	5.35	5.14
EV/EBITDA (x)	7.5	7.1	6.8
EV/EBIT adj. (x)	15.9	14.5	13.8
EV/sales (x)	1.29	1.23	1.18
ROE adj. (%)	27.9	30.7	31.4
Dividend yield (%)	4.1	4.1	4.1
FCF yield (%)	9.8	9.9	10.7
Le. adj. FCF yld. (%)	4.9	5.1	5.9
Net IB debt/EBITDA (x)	1.0	0.9	0.9
Le. adj. ND/EBITDA (x)	-0.3	-0.2	-0.2

Company description

H&M is one of the largest omni-players in the global fashion market. The company has in-house design but outsourced production, primarily located in Asia. The H&M brand is the absolute largest one, followed by COS, & Other Stories, Monki, Weekday, ARKET, Afound and H&M Home. H&M is driven by the desire to make great design available to everyone, in a more sustainable way.

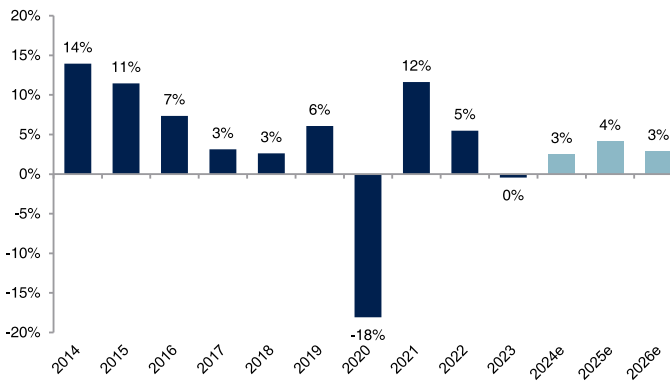
[Sustainability information](#)

Risks

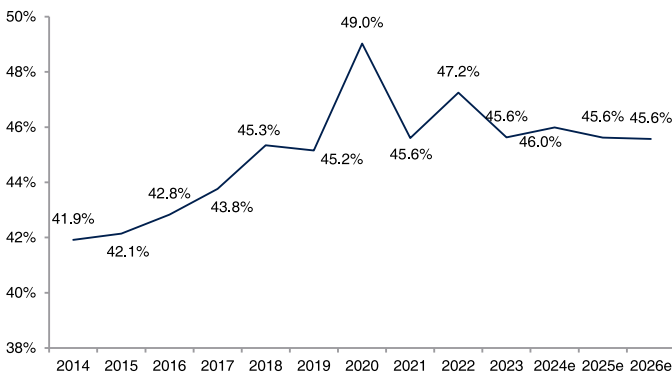
Naturally, we rank fashion risk (unsuccessful collections) as the most significant risk. In cases of declining LFL sales growth, margins usually follow on the back of rising inventories and elevated markdown levels. Furthermore, the digital transformation within the fashion industry imply accelerated competition and increased transparency, which could put pressure to prices. Furthermore, increasing awareness of sustainability could lower the demand for fast fashion.

Low-single-digit sales growth

Iccy sales growth (y-o-y)

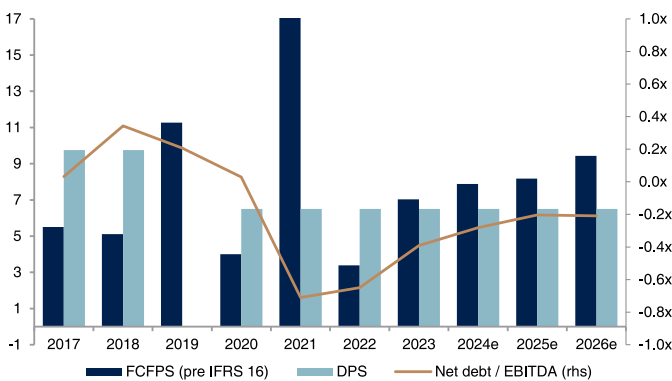


Opex-to-sales (pre-IFRS 16)



Source: ABG Sundal Collier, Company data

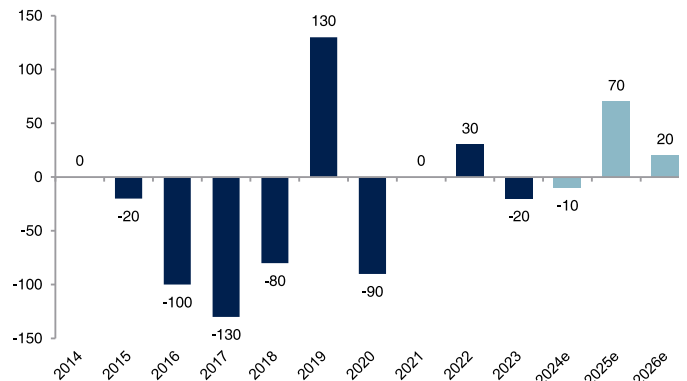
FCFPS, DPS and gearing (SEK)



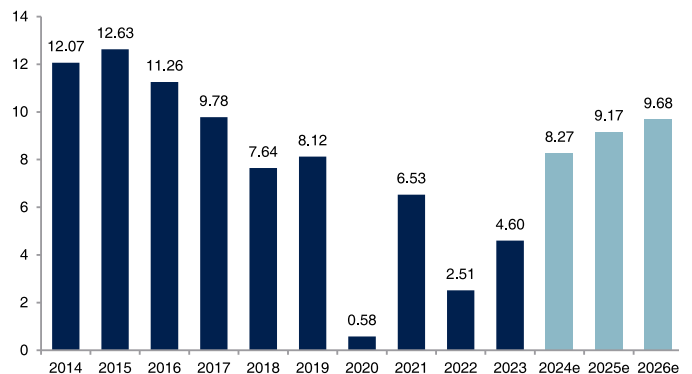
Source: ABG Sundal Collier, Company data

Improved inventory mgmt. supports margins

Markdown impact, y-o-y (bp)

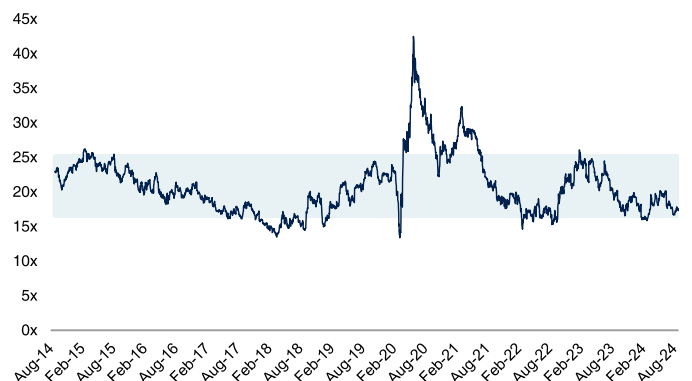


EPS adj. (pre-IFRS 16)



Source: ABG Sundal Collier, Company data

P/E (NTM)



Source: ABG Sundal Collier, FactSet

In need of brand reignition

When entering the 21st century, H&M had around 600 stores and SEK 30bn in sales. Fifteen years later, the store network had grown just shy of 4,000 and sales to SEK 180bn. During the last 8-9 years, however, the ride has been less smooth as like-for-like sales growth turned negative and margins contracted well below 10%. After four tough years, Helena Helmersson handed over the role as CEO to Daniel Erv r. Our impression of Erv r is positive as we believe that he can make a real change to the group's leadership. The H&M brand is in need of a fresh start and the new CEO has great aspirations for the upcoming autumn/winter collection which will be launched on 12 September. In addition, the group is accelerating the roll-out of its new store concept as well as its new digital interface. Below, we describe what H&M customers can expect in the coming months. If successful, this could become the fresh restart the group is in need of. Furthermore, we take a look at the ongoing turnaround of another fashion company that many investors thought had seen its best days, to prove that a reignition of H&M is far from impossible.

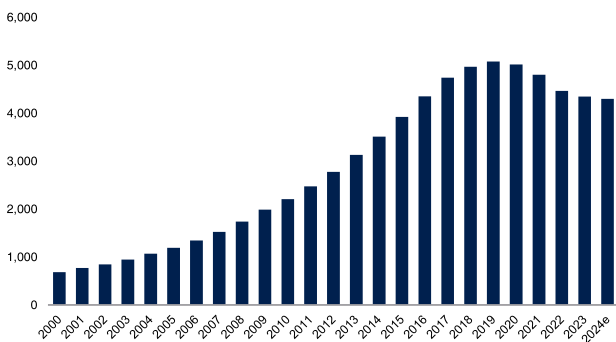
A walk down memory lane

Understanding history is often crucial for making sense of the future. History also teaches us about the impact individuals can have on companies. Hence, see below for a run-through of H&M's last decade.

A rough patch

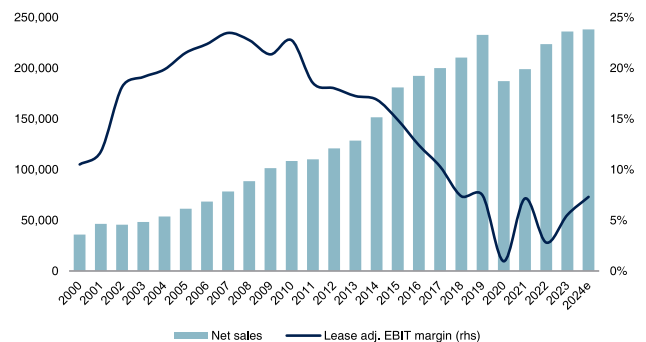
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H&M Group's number of stores



Source: ABG Sundal Collier, Company data

H&M Group net sales and margin

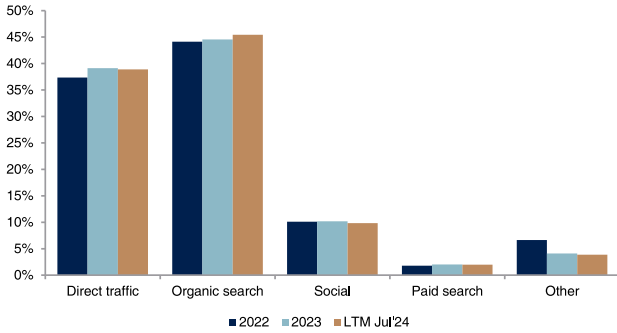


Source: ABG Sundal Collier, Company data

A brand issue rather than a channel issue

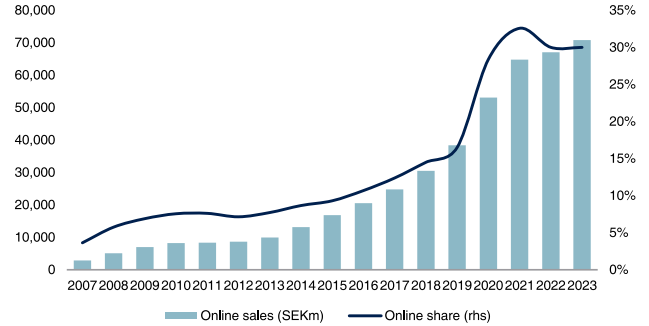
H&M entered a rough patch in 2016 as like-for-like growth turned negative and the gross margin contracted amid adverse FX effects and higher markdown levels. Since then, the group has failed to get back to sustainable growth (the 2016-23 sales CAGR was +3%, of which roughly half stems from FX) and the gross margin has contracted by 4pp (from 55.2% in 2016 to 51.2% in 2023) as the brand hasn't been able to offset external headwinds through price adjustments. Many feared the group didn't perform particularly well online and declared this as the main reason for the slump. However, this seemed like a misconception as the group's online share was well in line with peers (disclosed in conjunction with its 2018 CMD) and as profitable as its physical stores. When looking closer at how H&M brings traffic to its e-stores, the vast majority seems to be organic (i.e. free), meaning customer acquisition costs are minimal. With gross margins around 55%, we can conclude that online sales wasn't the main source of margin contraction. To us, the slump looks more like a brand issue rather than a channel issue.

H&M channel split dominated by free traffic



Source: ABG Sundal Collier, Similarweb

H&M online sales

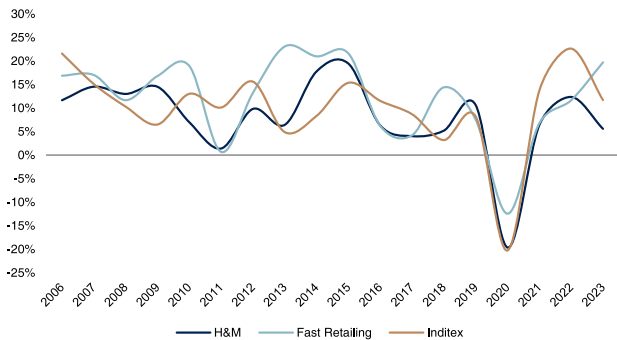


Source: ABG Sundal Collier, Company data

Benchmarking against key peers

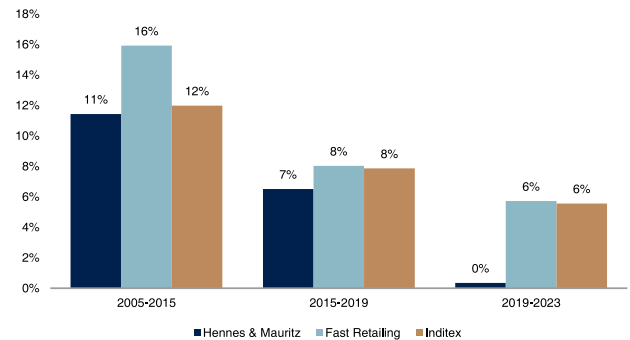
We saw glimpses of improvements during 2019 as like-for-like sales growth turned positive, the stock-in-trade decreased, the long-lived gross margin contraction seemed to turn and EPS grew after three years of contraction. Then came COVID. The pandemic was of course no good for any retailer with thousands of stores across the globe. In addition, the Chinese government decided to cancel H&M in 2021 after the group stopped sourcing cotton from the Xinjiang region. On top of that, H&M decided to exit Russia for obvious reasons in 2022. China and Russia together generated close to 10% of normalized group sales and even more of earnings. COVID, China and Russia clearly explain parts of the recent lacklustre performance. However, there seems to be more to it. This gets obvious when benchmarking its recent performance against key peers Inditex and Fast Retailing (Uniqlo). Although Fast Retailing had minimal exposure to the Russian market and neither of the two peers got cancelled by China, the outperformance vs. H&M is obvious. As illustrated below, the three fast-fashion giants performed roughly equally well in 2015-19 whereas H&M has clearly been left behind during the last four years. Again, this suggests the H&M brand has lost some of its strength.

Total sales growth



Source: ABG Sundal Collier, Company data

Sales CAGR over various time periods



Source: ABG Sundal Collier, Company data

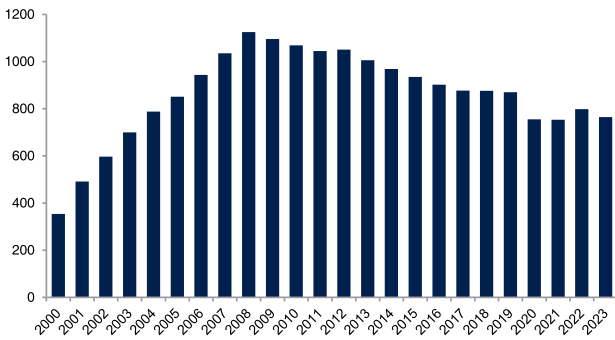
Abercrombie & Fitch: a case study

Some fear that H&M's business model is broken. Others say that it is stuck in the middle of a rock and a hard place as it no longer competes with the lowest prices nor with the hottest fashion. With cheaper players like Shein entering the market, the fight for value hunters has become even tougher. Meanwhile, others have claimed the premium position (e.g. Zara). In other words, H&M is not the cheapest nor the most fashionable. Whether this is true or not, we don't rule out that H&M can return to profitable growth again but argue that it "just" needs to reignite the brand. Is this an easy task for Daniel Erv r? No. Is it possible? We argue that it is and would like to turn to another brand that is going through what looks like a very successful turnaround.

The destruction

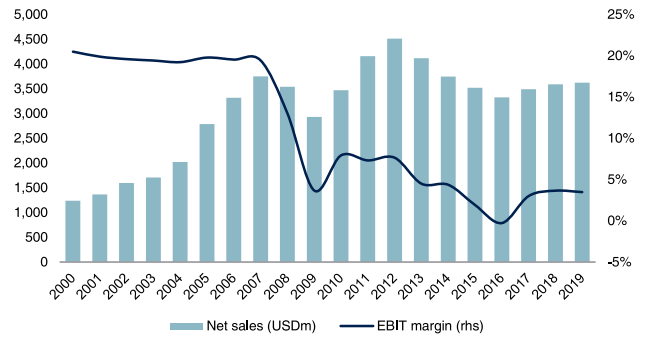
In the early 2000s, Abercrombie was one of the hippest brands on the street, targeting all the "cool kids", quoting the CEO at the time, Mike Jeffries. In 2000-2012, it grew by a sales CAGR of 12%, reaching sales of USD 4.5bn. However, the brand took a lot of heat due to its controversial marketing campaigns and questionable designs. It was criticised for exclusivity, body shaming, racism and hyper-sexualization among other things. Unsurprisingly, the brand eventually lost its coolness and sales took a bad turn in 2013. In 2013-2019, the corresponding CAGR was -3% and margins went from ~20% in 2000-2007 to 3% in 2019.

Abercrombie & Fitch: store count



Source: ABG Sundal Collier, Company data

Abercrombie & Fitch: net sales and margin

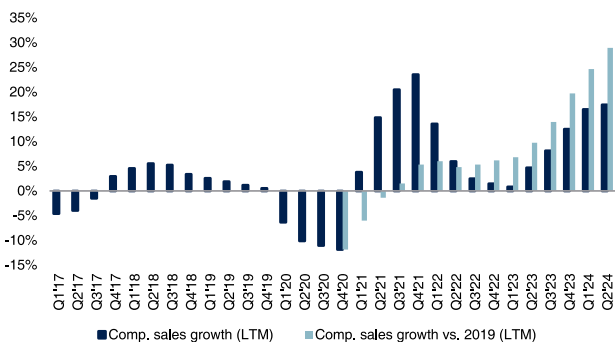


Source: ABG Sundal Collier, Company data

The turnaround

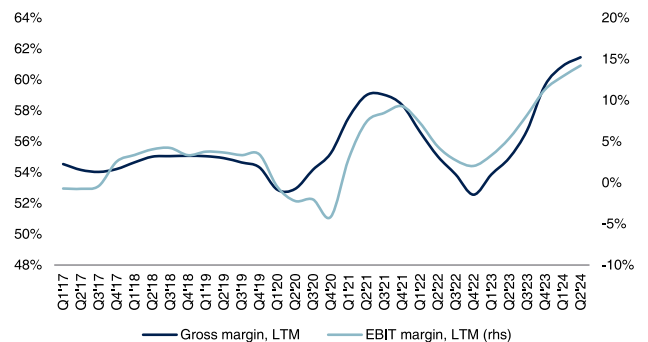
After the departure of the highly criticised CEO, Mike Jeffries, in 2014, the company initiated what many thought was impossible: a re-branding of the brand portfolio, shifting away from its hyper-sexualized, "cool kids" branding. It became less provocative in its marketing, and it made meaningful changes in the way it met its customers in stores. Furthermore, the target group was broadened as it started to appeal to consumers in their 20s and 30s (i.e. young adults rather than just teenagers). It also closed underperforming stores, reduced the number of flagships and invested heavily in its e-com platforms. As illustrated in the two charts below, it seems fair to say that the CEO since 2017, Fran Horowitz, and her team have succeeded. The group has reported five consecutive quarters with double-digit comparable sales growth and the EBIT margin has reached 14% on a LTM basis. Compared to the pre-pandemic sales level, A&F is now trending ~30% above.

A&F: comparable sales growth (LTM)



Source: ABG Sundal Collier, Company data

A&F: gross and EBIT margin (LTM)



Source: ABG Sundal Collier, Company data

Conclusion

Ten years ago, A&F's brand portfolio was in horrible shape and many expected it to slowly fade away. However, with the sufficient measures, it was instead brought back to life. This proves to us that even the weakest brands can get reignited. The H&M brand is nowhere close to where A&F was back then and the group does not need to make such radical changes. That said, changes need to be made, and we expect to see some by this autumn.

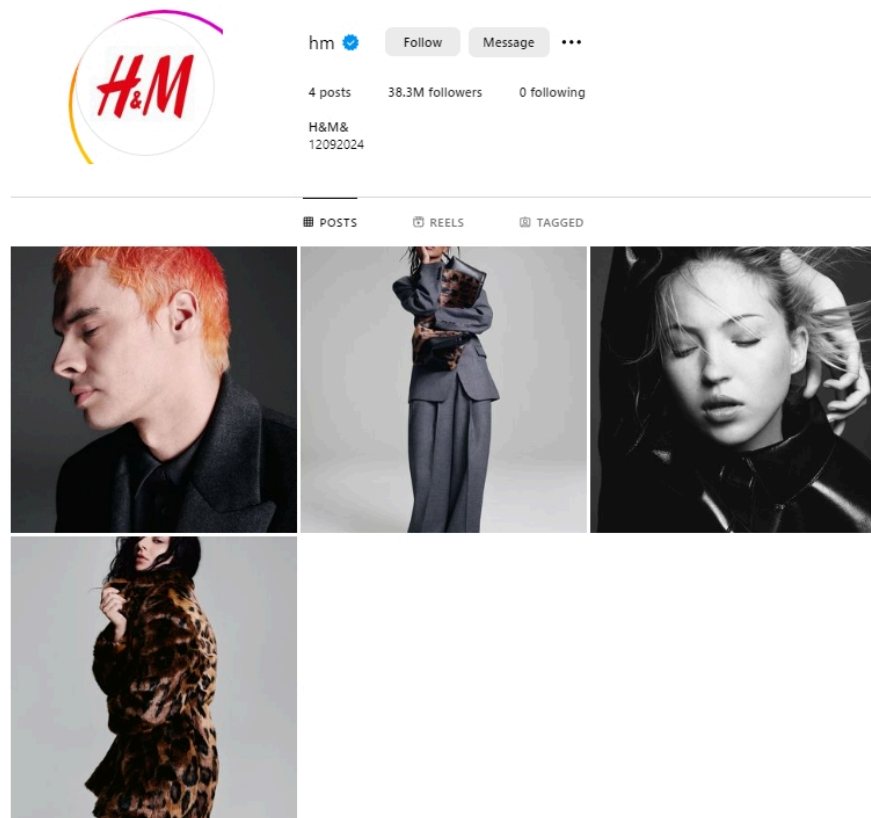
A/W 24: a fresh start

During the last few years, H&M has invested in its supply chain, increasing the share of nearshoring to shorten lead times and increase availability as well as precision. It has also invested heavily in AI/data which we believe will allow for improved quantification, allocation and pricing, which ultimately should support gross margins. However, turning around a big ship like H&M takes time, and we haven't seen any proof of these initiatives paying off just yet. Approaching Q4'24, the group management has raised the stakes, talking about an "increased ambition for the H&M brand".

Big hopes for the autumn/winter collection

The H&M brand is in need of a fresh start and the new CEO, Daniel Ervér, has great aspirations for the upcoming autumn/winter collection, which will be launched on 12 September. The campaign will celebrate the connection between fashion and music as some of the hottest artists will be involved in media as well as in several events in major cities of H&M's key markets. For instance, H&M will celebrate the launch of the collection with an open party at London fashion week, with performances by Charli XCX, Jamie xx and Sherrille.

To mark this fresh start, the group also wiped its social media content on 28 August, leaving just a save the date "12092024" topped by a cryptic H&M& (likely referring to the co-lab with Charli XCX). During the last week, it has started to fill up its Instagram with images of the collection, including a picture of Charli XCX in a leopard print coat.



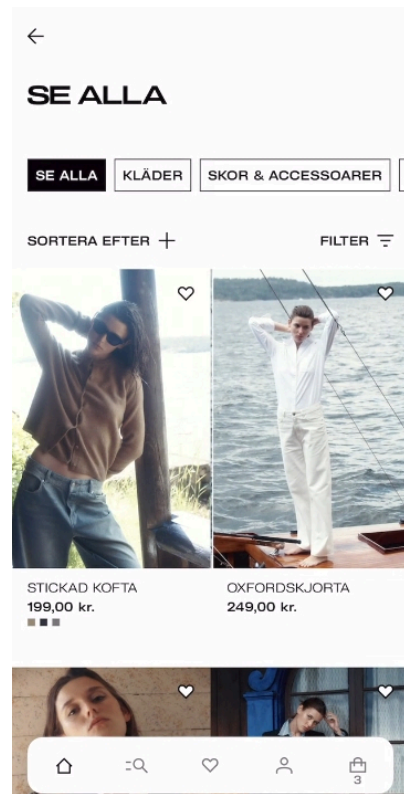
Source: Hennes & Mauritz

Furthermore, there will be local and global campaigns and several collaborations. Ervér showed clear enthusiasm over what could be seen as a fresh start for the brand when talking about the upcoming collection in conjunction with its Q2'24 press conference. We assess the product team has been granted full creative control over the collections and by removing some layers of management, the decision-making process is faster and smoother than previously. Furthermore, ongoing supply chain improvements allow for a higher degree of proximity sourcing, although the bulk of the production will remain in Asia. We are excited about the launch and expect to see something fresh rather than more of the same.

Upping the digital game

H&M has been testing an updated UX design in selected markets during the first three quarters of the year and is now set to launch it across its key markets in the fall. The tests have been made in the app, which covers the absolute majority of the brand's traffic and online sales. With its updated interface, the group aims to raise the level of inspiration, organic traffic, engagement, and time spent in the e-store, which in turn yields higher conversion rates and ticket sizes. Even more importantly, though, early testing suggests that the new site improves the fashion perception among customers, according to the CEO. In other words, a successful transformation of the digital footprint could boost the brand value, which is just what H&M needs at this point. We have been able to test the updated UX and can confirm that the changes are meaningful. The images are larger, the content is updated with both still and moving images, and scrolling is more intuitive. This facelift might be just what the company needs.

H&M new UX



Source: ABG Sundal Collier, company

Store upgrades

Lastly, large parts of the store network were out of date and during the last few years, H&M has gone through a large renewal of its global store footprint, closing ~600 stores (gross) in 2022-24 and modernising a large share of the stores. The group is now accelerating its store renovation programme, including the latest versions of digital services and locally adapted assortments. Upgrades in key cities such as NYC, London, Seoul and Tokyo have been met by great customer reception, according to the CEO, and by the end of the year, 250 stores will have gone through a complete rebuild and many more will have had a smaller facelift. We also believe the group aims to showcase the new autumn collection through a number of pop-up stores in a few key markets, which could add to the brand value.

Q3 2024 preview

H&M will report its fiscal Q3'24 (Jun-Aug) on 26 September. We forecast lccy sales growth of +3.5%, implying a strong end to the quarter as June decreased by 6%. However, we fear EBIT dropped 4% to SEK 4.5bn, driven by external headwinds, higher markdowns, price investments in the US and higher marketing spend ahead of the A/W 24 launch. As such, the 10% margin target for '24 is likely to be pushed into next year. To reach 10% in '24, the implicit Q4'23 margin would be 15%+, assuming our Q3'24e estimates are ballpark correct. Last time the group reached a Q4 margin around 15% was in 2015. Furthermore, we believe that inventories increased by low-single digits (adj. for FX). More positively, we expect current trading (September) to be strong at +7% (lccy), fuelled by the elevated marketing efforts alongside soft comps.

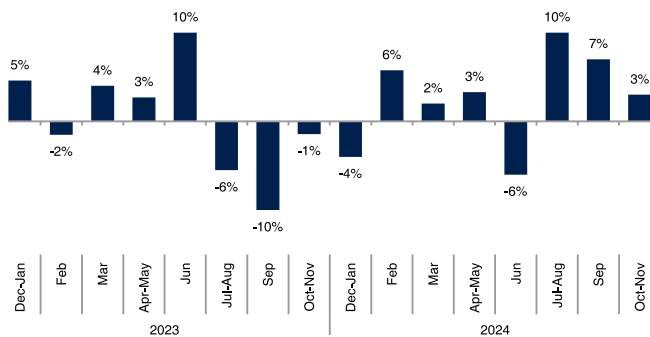
ABGSC Q3'24e sales: +3.5% (lccy)

In conjunction with its Q2'24 report, the group reported -6% lccy sales growth for the first month of Q3'24 (June). As mentioned above, we assess the group has accelerated its efforts into the A/W 24 launch, and we believe some extra buzz could give steam to the brand. Furthermore, underlying comps were significantly softer in July-August. Compared to pre-pandemic levels (2019), we calculate -5% in June last year and -12% in July-August, as illustrated in the right-hand chart below. The group saw a positive trend in June as weather "normalised" and we believe market conditions were better during the last two months of the quarter. As such, we assume a stronger underlying performance in July and August, translating into +10% y-o-y growth in those months.

Q4'24e current trading

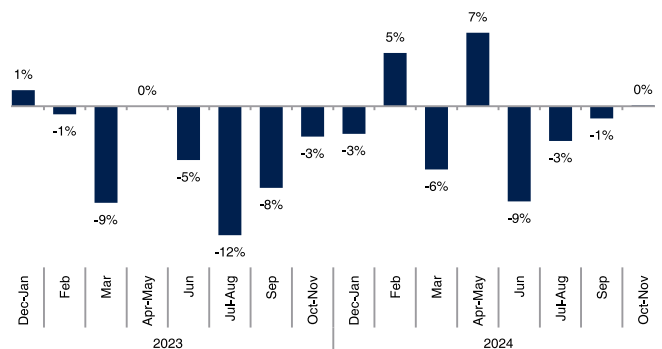
Furthermore, we believe that the group's efforts to reignite some buzz around the brand could result in an improved underlying performance as well. We assume September sales roughly in line with 2019 levels (lccy), or +7% (lccy) in y-o-y terms.

Monthly sales growth (y-o-y)



Source: ABG Sundal Collier, Company data

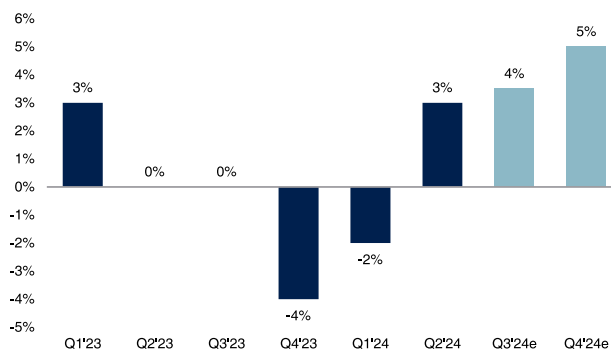
Monthly sales growth vs. 2019 (lccy)



Source: ABG Sundal Collier, Company data

Considering June usually generates ~40% of Q3 sales, we calculate +3.5% lccy sales growth for the full Q3'24e or total sales of SEK 60.9bn.

Lccy sales growth



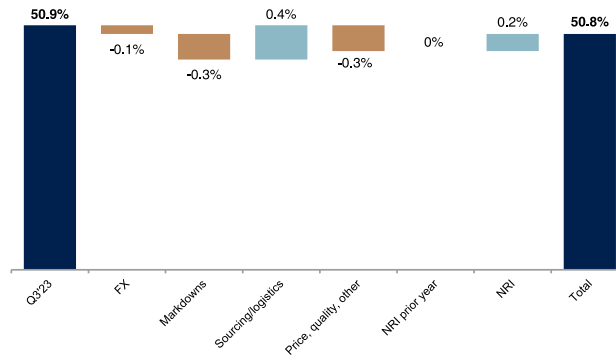
Source: ABG Sundal Collier, Company data

ABGSC Q3'24e adj. EBIT of SEK 4.5bn

Gross margin: external tailwinds continue to fuel

During H1'23, H&M was negatively impacted by unfavourable FX fluctuations, elevated freight rates and surging raw material prices. We estimate that these external headwinds amounted to ~SEK 2.9bn. The group's gross margin expanded by 3pp in H2'23 as these headwinds turned into tailwinds. Furthermore, the H1'24 gross margin expanded by a hefty 4.1pp y-o-y. However, we expect a temporary halt to this trend in Q3'24e, mainly due to a temporary spike in raw material costs. Furthermore, the group has previously communicated some price reductions in the US as well as guided for slight pressure from higher markdowns. Hence, we model a 10bp margin contraction.

ABGSC Q3'24e gross margin bridge

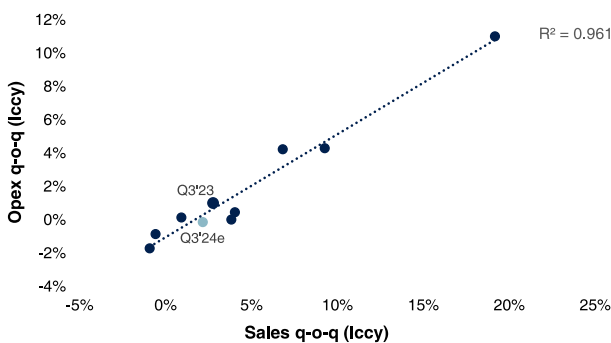


Source: ABG Sundal Collier, Company data

Q3'24e EBIT: a small step backwards

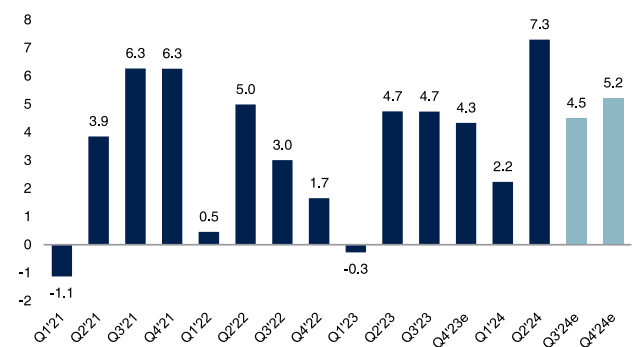
In FY'23, SG&A decreased by 4% (lccy) whereas sales were down by 1% (lccy). Hence, the SG&A-to-sales ratio decreased slightly, partly owing to the ongoing cost savings programme. We forecast lease adj. SG&A to be flattish y-o-y (excl. D&A) in Q3'24e. This estimate is supported by our opex model, in which we track q-o-q sales growth (lccy) vs. q-o-q adj. SG&A growth (excl. D&A), illustrated in the left-hand chart below. Coupled with a 10bp gross margin contraction, our opex estimate results in an EBIT margin of 7.4% for EBIT of SEK 4.5bn (-4% y-o-y). We have lowered our Q3'24e EBIT by 2% from our post-Q2 estimate.

Sales growth vs. Opex growth (Q3'14 to Q3'24e)



Source: ABG Sundal Collier, Company data

Adj. EBIT (SEKbn)

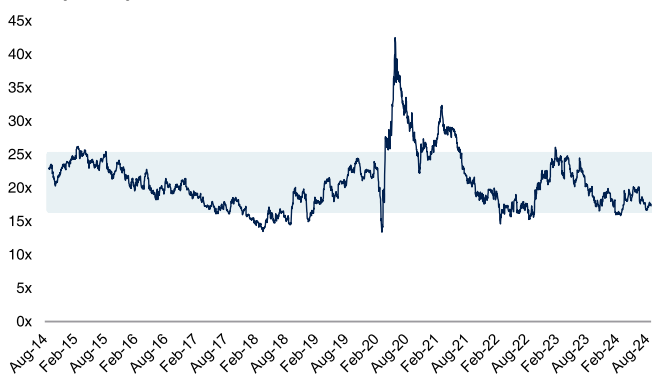


Source: ABG Sundal Collier, Company data

Valuation

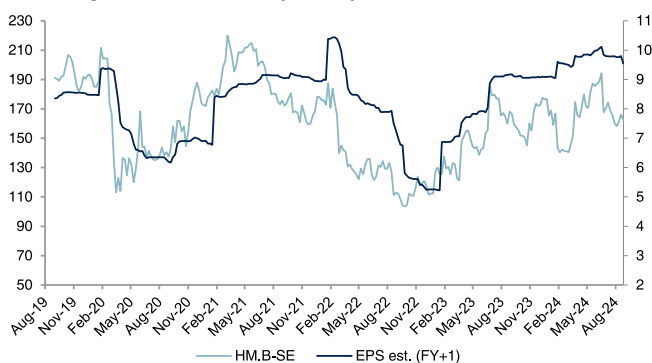
Given the expected strong earnings recovery, 12-month forward multiples are set to de-rate swiftly. On our estimates, the stock is currently trading at 19.7x-17.6x '24e-'25e P/E. Due to insignificant estimate revisions we leave our TP of SEK 195 unchanged and reiterate BUY, as the narrative could turn more positive as sales growth picks up (i.e. a catalyst for a re-rating). Furthermore, an average lease adj. FCF yield of 5% (avg. '24e-'25e) coupled with a lease adj. net cash position of around SEK 7.4bn looks attractive to us.

P/E (NTM)



Source: ABG Sundal Collier, FactSet

Share price and EPS (FY+1) est.



Source: ABG Sundal Collier, Company data

ABGSC P&L estimates (SEKm)

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024e	Q4 2024e	2023	2024e	2025e	2026e
Net sales	54,872	57,616	60,897	62,650	53,669	59,605	60,893	63,630	236,035	237,797	246,819	253,946
Cost of goods sold	-29,006	-27,300	-29,930	-29,061	-26,014	-26,036	-29,993	-29,030	-115,297	-111,073	-114,742	-117,905
Gross profit	25,866	30,316	30,967	33,589	27,655	33,569	30,900	34,601	120,738	126,724	132,077	136,041
SG&A	-20,635	-20,082	-20,501	-23,059	-19,851	-20,847	-20,932	-23,744	-84,277	-85,375	-89,052	-91,663
EBITDA adj.	5,231	10,234	10,466	10,530	7,804	12,722	9,968	10,856	36,461	41,350	43,026	44,378
Non-recurring items	999	0	0	0	-161	-199	0	0	999	-360	0	0
EBITDA	6,230	10,234	10,466	10,530	7,643	12,523	9,968	10,856	37,460	40,990	43,026	44,378
D&A	-5,505	-5,493	-5,727	-6,198	-5,405	-5,425	-5,463	-5,636	-22,923	-21,929	-22,090	-22,604
o/w Ordinary D&A and write-downs	-2,415	-2,405	-2,352	-2,634	-2,128	-2,134	-2,264	-2,315	-9,806	-8,841	-9,454	-10,005
o/w IFRS 16	-3,090	-3,088	-3,375	-3,564	-3,277	-3,291	-3,199	-3,322	-13,117	-13,089	-12,636	-12,599
EBIT adj.	-274	4,741	4,739	4,332	2,238	7,297	4,505	5,220	13,538	19,260	20,935	21,774
EBIT	725	4,741	4,739	4,332	2,077	7,098	4,505	5,220	14,537	18,900	20,935	21,774
Net financial items	-329	-416	-366	-416	-471	-430	-435	-425	-1,527	-1,761	-1,636	-1,643
PTP	396	4,325	4,373	3,916	1,606	6,668	4,069	4,795	13,010	17,138	19,299	20,131
Tax	144	-1,037	-1,054	-2,340	-405	-1,673	-1,032	-1,204	-4,287	-4,314	-4,854	-5,062
Minorities	0	0	0	0	0	0	0	0	0	0	0	0
Net profit	540	3,288	3,319	1,576	1,201	4,995	3,038	3,591	8,723	12,824	14,445	15,069
EPS	0.33	2.02	2.04	0.97	0.74	3.10	1.89	2.24	5.35	7.97	9.08	9.60
EPS adj. (SEK)	-0.50	2.02	2.04	0.97	0.82	3.19	1.89	2.24	4.52	8.13	9.08	9.60
Ratios												
Sales growth	12%	6%	6%	0%	-2%	3%	0%	2%	5.6%	0.7%	3.8%	2.9%
Sales growth, lccy	3%	0%	0%	-4%	-2%	3%	4%	5%	-0.5%	2.5%	4.1%	2.9%
Gross margin	47.1%	52.6%	50.9%	53.6%	51.5%	56.3%	50.7%	54.4%	51.2%	53.3%	53.5%	53.6%
SG&A-to-sales	37.6%	34.9%	33.7%	36.8%	37.0%	35.0%	34.4%	37.3%	45.6%	46.0%	45.6%	45.6%
EBIT adj. margin	-0.5%	8.2%	7.8%	6.9%	4.2%	12.2%	7.4%	8.2%	5.7%	8.1%	8.5%	8.6%
Pretax margin	0.7%	7.5%	7.2%	6.3%	3.0%	11.2%	6.7%	7.5%	5.5%	7.2%	7.8%	7.9%
Net margin	1.0%	5.7%	5.5%	2.5%	2.2%	8.4%	5.0%	5.6%	3.7%	5.4%	5.9%	5.9%
Tax rate	-36.4%	24.0%	24.1%	59.8%	25.2%	25.1%	25.3%	25.1%	33.0%	25.2%	25.2%	25.1%
DPS									6.50	6.50	6.50	6.50
Growth drivers												
LFL sales growth	8%	5%	5%	-2%	-2%	3%	4%	5%	4%	3%	4%	2%
Expansion	-5%	-5%	-5%	-2%	0%	0%	0%	0%	-4%	0%	1%	0%
FX	8%	6%	6%	4%	0%	0%	-4%	-3%	6%	-2%	0%	0%
Total	12%	6%	6%	0%	-2%	3%	0%	2%	6%	1%	4%	3%
Lccy	3%	0%	0%	-4%	-2%	3%	4%	5%	0%	3%	4%	3%
Gross margin bridge (bp)												
Currency impact	-90	-100	-90	10	30	50	-10	-10	-70	20	0	0
Markdowns	0	0	-60	0	-50	0	-30	50	-20	-10	70	20
Sourcing/logistics	-140	-300	260	300	460	350	40	70	35	215	-50	0
Price, quality, other	80	70	70	80	0	-30	-30	-30	80	-20	0	-10
NRI prior year	0	-20	0	0	0	0	0	0	0	0	0	0
NRI	-70	140	10	0	0	0	20	0	25	5	0	0
Total	-220	-210	190	390	440	370	-10	80	50	210	20	10
Gross margin	47.1%	52.6%	50.9%	53.6%	51.5%	56.3%	50.7%	54.4%	51.2%	53.3%	53.5%	53.6%

Source: ABG Sundal Collier, Company data

ABGSC cash flow estimates (SEKm)

	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
PTP (adjusted for interest cash effects)	20,809	15,639	17,391	2,052	14,300	6,216	13,010	17,219	19,417	20,249
Provisions for pensions	9	0	-12	22	-13	768	-323	79	0	0
Depreciation	8,488	9,671	11,051	25,953	22,320	22,579	22,955	21,931	22,090	22,604
Tax paid	-6,071	-3,059	-3,677	-3,719	-4,974	-3,499	-5,565	-3,133	-4,854	-5,062
Other non-cash items	0	0	0	0	0	0	-971	399	0	0
CASH EARNINGS	23,235	22,251	24,753	24,308	31,633	26,064	29,106	36,495	36,654	37,790
CASH EARNINGS pre IFRS 16				10,134	19,354	13,925	16,239	23,992	24,468	25,642
Changes in current receivables	-1,115	-587	753	1,373	-736	-452	-594	-659	-502	-147
Changes in stock-in-trade	-2,414	-3,489	273	-1,980	1,263	-3,734	5,248	130	-429	179
Changes in current liabilities	1,881	3,112	3,207	2,199	12,459	2,598	189	-711	522	498
CHANGE IN WORKING CAPITAL	-1,648	-964	4,233	1,592	12,986	-1,588	4,843	-1,240	-410	530
OPERATING CASH FLOW	21,587	21,287	28,986	25,900	44,619	24,476	33,949	35,256	36,244	38,321
OPERATING CASH FLOW pre IFRS 16	21,587	21,287	28,986	11,726	32,340	12,337	21,082	22,752	24,059	26,172
Investments in renting rights and other intangibles	-2,160	-3,271	-2,956	-1,496	-737	-1,484	-978	-2,036	-2,899	-2,982
Investments in fixed assets	-10,311	-9,557	-7,384	-3,606	-2,727	-5,329	-8,641	-8,077	-8,208	-8,445
CASH FLOW FROM INVESTMENT ACTIVITIES	-12,471	-12,828	-10,340	-5,102	-3,464	-6,813	-9,619	-10,113	-11,107	-11,428
FREE CASH FLOW	9,116	8,459	18,646	20,798	41,155	17,663	24,330	25,142	25,137	26,893
FREE CASH FLOW pre IFRS 16	9,116	8,459	18,646	6,624	28,876	5,524	11,463	12,639	12,952	14,745
Financial investments	7,595	9,128	-2,343	-1,127	-7,762	680	5,904	-1,380	0	0
Dividends	-16,137	-16,137	-16,137	0	-10,758	-10,687	-10,577	-10,593	-10,432	-10,294
Buybacks	0	0	0	0	0	-3,000	-1,075	-2,927	-4,000	-4,000
CASH FLOW FROM FINANCING ACTIVITIES	-8,542	-7,009	-18,480	-15,301	-30,799	-25,146	-18,615	-27,403	-26,618	-26,442
CASH FLOW FOR THE PERIOD	574	1,450	166	5,497	10,356	-7,483	5,715	-2,261	-1,480	451
IB liquid funds & short-term investments	9,446	9,718	11,590	12,312	16,540	27,471	21,707	26,398	24,173	22,693
Cash flow for the period	574	1,450	166	5,497	10,356	-7,483	5,715	-2,261	-1,480	451
Changes in currency rates	-302	422	556	-1,269	575	1,719	-1,024	36	0	0
OB liquid funds & short-term investments	9,718	11,590	12,312	16,540	27,471	21,707	26,398	24,173	22,693	23,143
FCFPS (pre IFRS 16)	5.5	5.1	11.3	4.0	17.4	3.4	7.0	7.9	8.2	9.4
DPS	9.75	9.75	0.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Net debt / EBITDA	0.0x	0.3x	0.2x	0.0x	-0.7x	-0.6x	-0.4x	-0.3x	-0.2x	-0.2x

Source: ABG Sundal Collier, Company data

Income Statement (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Sales	200,004	210,400	232,755	187,031	198,967	223,553	236,035	237,797	246,819	253,946
COGS	-91,914	-99,513	-110,302	-93,547	-94,011	-110,330	-115,297	-111,073	-114,742	-117,905
Gross profit	108,090	110,887	122,453	93,484	104,956	113,223	120,738	126,724	132,077	136,041
Other operating items	-79,033	-85,723	-94,056	-64,432	-67,391	-84,365	-83,278	-85,896	-89,052	-91,663
EBITDA	29,057	25,164	28,397	29,052	37,565	28,858	37,460	40,829	43,026	44,378
Depreciation and amortisation	-8,488	-9,671	-11,051	-25,953	-22,310	-21,689	-22,923	-21,929	-22,090	-22,604
of which leasing depreciation	0	0	0	-13,869	-11,988	-11,631	-13,117	-13,089	-12,636	-12,599
EBITA	20,569	15,493	17,346	3,099	15,255	7,169	14,537	18,900	20,935	21,774
EO Items	0	0	0	0	0	-2,940	999	-360	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0	0	0
EBIT	20,569	15,493	17,346	3,099	15,255	7,169	14,537	18,900	20,935	21,774
Net financial items	240	146	45	-1,047	-955	-953	-1,527	-1,761	-1,636	-1,643
Pretax profit	20,809	15,639	17,391	2,052	14,300	6,216	13,010	17,138	19,299	20,131
Tax	-4,625	-2,987	-3,948	-809	-3,290	-2,650	-4,287	-4,314	-4,854	-5,062
Net profit	16,184	12,652	13,443	1,243	11,010	3,566	8,723	12,824	14,445	15,069
Minority interest	0	0	0	0	0	0	0	0	-	-
Net profit discontinued	0	0	0	0	0	0	0	0	-	-
Net profit to shareholders	16,184	12,652	13,443	1,243	11,010	3,566	8,723	12,824	14,445	15,069
EPS	9.78	7.64	8.12	0.58	6.53	2.15	5.35	7.97	9.08	9.60
EPS adj.	9.78	7.64	8.12	0.75	6.65	3.99	4.52	8.13	9.08	9.60
Total extraordinary items after tax	0	0	0	0	0	-2,940	670	-269	0	0
Leasing payments	0	0	0	-13,869	-11,988	-11,631	-13,117	-13,089	-12,636	-12,599
<i>Tax rate (%)</i>	<i>22.2</i>	<i>19.1</i>	<i>22.7</i>	<i>39.4</i>	<i>23.0</i>	<i>42.6</i>	<i>33.0</i>	<i>25.2</i>	<i>25.2</i>	<i>25.1</i>
<i>Gross margin (%)</i>	<i>54.0</i>	<i>52.7</i>	<i>52.6</i>	<i>50.0</i>	<i>52.8</i>	<i>50.6</i>	<i>51.2</i>	<i>53.3</i>	<i>53.5</i>	<i>53.6</i>
<i>EBITDA margin (%)</i>	<i>14.5</i>	<i>12.0</i>	<i>12.2</i>	<i>15.5</i>	<i>18.9</i>	<i>12.9</i>	<i>15.9</i>	<i>17.2</i>	<i>17.4</i>	<i>17.5</i>
<i>EBITA margin (%)</i>	<i>10.3</i>	<i>7.4</i>	<i>7.5</i>	<i>1.7</i>	<i>7.7</i>	<i>3.2</i>	<i>6.2</i>	<i>7.9</i>	<i>8.5</i>	<i>8.6</i>
<i>EBIT margin (%)</i>	<i>10.3</i>	<i>7.4</i>	<i>7.5</i>	<i>1.7</i>	<i>7.7</i>	<i>3.2</i>	<i>6.2</i>	<i>7.9</i>	<i>8.5</i>	<i>8.6</i>
<i>Pre-tax margin (%)</i>	<i>10.4</i>	<i>7.4</i>	<i>7.5</i>	<i>1.1</i>	<i>7.2</i>	<i>2.8</i>	<i>5.5</i>	<i>7.2</i>	<i>7.8</i>	<i>7.9</i>
<i>Net margin (%)</i>	<i>8.1</i>	<i>6.0</i>	<i>5.8</i>	<i>0.7</i>	<i>5.5</i>	<i>1.6</i>	<i>3.7</i>	<i>5.4</i>	<i>5.9</i>	<i>5.9</i>
Growth Rates y-o-y	-	-	-	-	-	-	-	-	-	-
<i>Sales growth (%)</i>	<i>4.0</i>	<i>5.2</i>	<i>10.6</i>	<i>-19.6</i>	<i>6.4</i>	<i>12.4</i>	<i>5.6</i>	<i>0.7</i>	<i>3.8</i>	<i>2.9</i>
<i>EBITDA growth (%)</i>	<i>-7.5</i>	<i>-13.4</i>	<i>12.8</i>	<i>2.3</i>	<i>29.3</i>	<i>-23.2</i>	<i>29.8</i>	<i>9.0</i>	<i>5.4</i>	<i>3.1</i>
<i>EBITA growth (%)</i>	<i>-13.7</i>	<i>-24.7</i>	<i>12.0</i>	<i>-82.1</i>	<i>392.3</i>	<i>-53.0</i>	<i>102.8</i>	<i>30.0</i>	<i>10.8</i>	<i>4.0</i>
<i>EBIT growth (%)</i>	<i>-13.7</i>	<i>-24.7</i>	<i>12.0</i>	<i>-82.1</i>	<i>NM</i>	<i>-53.0</i>	<i>NM</i>	<i>30.0</i>	<i>10.8</i>	<i>4.0</i>
<i>Net profit growth (%)</i>	<i>-13.2</i>	<i>-21.8</i>	<i>6.3</i>	<i>-90.8</i>	<i>785.8</i>	<i>-67.6</i>	<i>144.6</i>	<i>47.0</i>	<i>12.6</i>	<i>4.3</i>
<i>EPS growth (%)</i>	<i>-13.2</i>	<i>-21.8</i>	<i>6.3</i>	<i>-92.8</i>	<i>nm</i>	<i>-67.1</i>	<i>nm</i>	<i>48.8</i>	<i>14.0</i>	<i>5.7</i>
Profitability	-	-	-	-	-	-	-	-	-	-
<i>ROE (%)</i>	<i>26.8</i>	<i>21.4</i>	<i>23.3</i>	<i>2.2</i>	<i>19.2</i>	<i>6.4</i>	<i>17.7</i>	<i>27.2</i>	<i>30.7</i>	<i>31.4</i>
<i>ROE adj. (%)</i>	<i>26.8</i>	<i>21.4</i>	<i>23.3</i>	<i>2.2</i>	<i>19.2</i>	<i>11.7</i>	<i>15.7</i>	<i>27.9</i>	<i>30.7</i>	<i>31.4</i>
<i>ROCE (%)</i>	<i>31.0</i>	<i>21.2</i>	<i>22.8</i>	<i>2.1</i>	<i>11.0</i>	<i>5.1</i>	<i>10.5</i>	<i>14.1</i>	<i>16.1</i>	<i>16.7</i>
<i>ROCE adj. (%)</i>	<i>31.0</i>	<i>21.2</i>	<i>22.8</i>	<i>2.1</i>	<i>11.0</i>	<i>7.4</i>	<i>9.7</i>	<i>14.4</i>	<i>16.1</i>	<i>16.7</i>
<i>ROIC (%)</i>	<i>28.2</i>	<i>20.0</i>	<i>21.8</i>	<i>2.2</i>	<i>11.8</i>	<i>4.6</i>	<i>10.7</i>	<i>16.1</i>	<i>18.1</i>	<i>18.6</i>
<i>ROIC adj. (%)</i>	<i>28.2</i>	<i>20.0</i>	<i>21.8</i>	<i>2.2</i>	<i>11.8</i>	<i>6.5</i>	<i>10.0</i>	<i>16.4</i>	<i>18.1</i>	<i>18.6</i>
Adj. earnings numbers	-	-	-	-	-	-	-	-	-	-
<i>EBITDA adj.</i>	<i>29,057</i>	<i>25,164</i>	<i>28,397</i>	<i>29,052</i>	<i>37,565</i>	<i>31,798</i>	<i>36,461</i>	<i>41,189</i>	<i>43,026</i>	<i>44,378</i>
<i>EBITDA adj. margin (%)</i>	<i>14.5</i>	<i>12.0</i>	<i>12.2</i>	<i>15.5</i>	<i>18.9</i>	<i>14.2</i>	<i>15.4</i>	<i>17.3</i>	<i>17.4</i>	<i>17.5</i>
<i>EBITDA lease adj.</i>	<i>29,057</i>	<i>25,164</i>	<i>28,397</i>	<i>13,872</i>	<i>24,542</i>	<i>16,321</i>	<i>22,849</i>	<i>26,207</i>	<i>28,928</i>	<i>30,323</i>
<i>EBITDA lease adj. margin (%)</i>	<i>14.5</i>	<i>12.0</i>	<i>12.2</i>	<i>7.4</i>	<i>12.3</i>	<i>7.3</i>	<i>9.7</i>	<i>11.0</i>	<i>11.7</i>	<i>11.9</i>
<i>EBITA adj.</i>	<i>20,569</i>	<i>15,493</i>	<i>17,346</i>	<i>3,099</i>	<i>15,255</i>	<i>10,109</i>	<i>13,538</i>	<i>19,260</i>	<i>20,935</i>	<i>21,774</i>
<i>EBITA adj. margin (%)</i>	<i>10.3</i>	<i>7.4</i>	<i>7.5</i>	<i>1.7</i>	<i>7.7</i>	<i>4.5</i>	<i>5.7</i>	<i>8.1</i>	<i>8.5</i>	<i>8.6</i>
<i>EBIT adj.</i>	<i>20,569</i>	<i>15,493</i>	<i>17,346</i>	<i>3,099</i>	<i>15,255</i>	<i>10,109</i>	<i>13,538</i>	<i>19,260</i>	<i>20,935</i>	<i>21,774</i>
<i>EBIT adj. margin (%)</i>	<i>10.3</i>	<i>7.4</i>	<i>7.5</i>	<i>1.7</i>	<i>7.7</i>	<i>4.5</i>	<i>5.7</i>	<i>8.1</i>	<i>8.5</i>	<i>8.6</i>
<i>Pretax profit Adj.</i>	<i>20,809</i>	<i>15,639</i>	<i>17,391</i>	<i>2,052</i>	<i>14,300</i>	<i>9,156</i>	<i>12,011</i>	<i>17,498</i>	<i>19,299</i>	<i>20,131</i>
<i>Net profit Adj.</i>	<i>16,184</i>	<i>12,652</i>	<i>13,443</i>	<i>1,243</i>	<i>11,010</i>	<i>6,506</i>	<i>7,724</i>	<i>13,184</i>	<i>14,445</i>	<i>15,069</i>
<i>Net profit to shareholders adj.</i>	<i>16,184</i>	<i>12,652</i>	<i>13,443</i>	<i>1,243</i>	<i>11,010</i>	<i>6,506</i>	<i>7,724</i>	<i>13,184</i>	<i>14,445</i>	<i>15,069</i>
<i>Net adj. margin (%)</i>	<i>8.1</i>	<i>6.0</i>	<i>5.8</i>	<i>0.7</i>	<i>5.5</i>	<i>2.9</i>	<i>3.3</i>	<i>5.5</i>	<i>5.9</i>	<i>5.9</i>

Source: ABG Sundal Collier, Company Data

Cash Flow (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	29,057	25,164	28,397	29,052	37,565	28,858	37,460	40,829	43,026	44,378
Net financial items	240	146	45	-1,047	-955	-953	-1,527	-1,761	-1,636	-1,643
Paid tax	-4,625	-2,987	-3,948	-809	-3,290	-2,650	-4,287	-4,314	-4,854	-5,062
Non-cash items	-1,437	-72	259	-2,888	-1,687	809	-2,540	1,742	118	118
Cash flow before change in WC	23,235	22,251	24,753	24,308	31,633	26,064	29,106	36,495	36,654	37,790
Change in working capital	-1,648	-964	4,233	1,592	12,986	-1,588	4,843	-1,240	-410	530

Cash Flow (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Operating cash flow	21,587	21,287	28,986	25,900	44,619	24,476	33,949	35,256	36,244	38,321
Capex tangible fixed assets	-10,311	-9,557	-7,384	-3,606	-2,727	-5,329	-8,641	-8,077	-8,208	-8,445
Capex intangible fixed assets	-2,160	-3,271	-2,956	-1,496	-737	-1,484	-978	-2,036	-2,899	-2,982
Acquisitions and Disposals	0	0	0	0	0	0	0	0	0	0
Free cash flow	9,116	8,459	18,646	20,798	41,155	17,663	24,330	25,142	25,137	26,893
Dividend paid	-16,137	-16,137	-16,137	0	-10,758	-10,687	-10,577	-10,593	-10,432	-10,294
Share issues and buybacks	0	0	0	0	0	-3,000	-1,075	-2,927	-4,000	-4,000
Leasing liability amortisation	0	0	0	-14,174	-12,279	-12,139	-12,867	-12,503	-12,185	-12,149
Other non-cash items	-859	1,434	631	-59,151	7,181	-3,565	-3,914	4,490	-581	-130
Balance Sheet (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Goodwill	64	64	64	64	64	64	64	64	64	64
Other intangible assets	6,979	9,554	11,384	10,368	9,492	9,092	9,661	9,456	9,887	10,259
Tangible fixed assets	39,818	42,439	40,892	31,639	26,576	24,431	25,242	26,957	28,178	29,229
Right-of-use asset	0	0	0	59,535	53,086	58,305	56,294	56,125	55,957	55,789
Total other fixed assets	6,871	8,951	5,873	7,407	11,577	10,633	9,483	9,958	9,958	9,958
Fixed assets	53,732	61,008	58,213	109,013	100,795	102,525	100,744	102,560	104,044	105,299
Inventories	33,712	37,721	37,823	38,209	37,306	42,495	37,358	37,334	37,763	37,584
Receivables	12,316	12,265	12,137	10,609	14,209	15,321	16,773	16,736	17,238	17,385
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	9,718	11,590	12,312	16,540	27,471	21,707	26,398	24,173	22,693	23,143
Total assets	109,478	122,584	120,485	174,371	179,781	182,048	181,273	180,802	181,738	183,411
Shareholders equity	59,713	58,546	57,069	54,623	60,018	50,757	47,601	46,786	47,368	48,711
Minority	0	0	-	-	-	-	-	-	-	-
Total equity	59,713	58,546	57,069	54,623	60,018	50,757	47,601	46,786	47,368	48,711
Long-term debt	350	10,492	0	0	0	0	0	0	0	0
Pension debt	445	445	445	445	445	445	445	445	445	445
Convertible debt	0	0	-	-	-	-	-	-	-	-
Leasing liability	0	0	0	63,733	57,077	61,857	60,888	56,125	55,957	55,789
Total other long-term liabilities	5,331	5,088	5,404	1,224	4,584	3,755	6,018	6,077	6,827	7,125
Short-term debt	9,870	9,289	17,763	16,499	9,597	10,666	17,016	16,361	16,361	16,361
Accounts payable	7,215	6,800	8,217	6,465	6,783	7,755	8,133	8,186	8,520	8,753
Other current liabilities	23,638	28,130	31,587	31,382	41,278	46,813	41,172	46,822	46,260	46,227
Total liabilities and equity	106,562	118,790	120,485	174,371	179,781	182,048	181,273	180,802	181,738	183,411
Net IB debt	-3,008	3,479	23	56,730	28,071	40,628	42,468	38,800	40,112	39,493
Net IB debt excl. pension debt	-3,453	3,034	-422	56,285	27,626	40,183	42,023	38,355	39,667	39,048
Net IB debt excl. leasing	-3,008	3,479	23	-7,003	-29,006	-21,229	-18,420	-17,325	-15,845	-16,295
Capital employed	70,378	78,772	75,277	135,300	127,137	123,725	125,950	119,717	120,131	121,306
Capital invested	59,621	65,819	57,092	111,353	88,089	91,385	90,069	85,586	87,480	88,205
Working capital	15,175	15,056	10,156	10,971	3,455	3,248	4,826	-938	221	-11
EV breakdown	-	-	-	-	-	-	-	-	-	-
Market cap. diluted (m)	265,060	265,060	265,060	265,060	265,060	260,994	260,994	257,039	253,619	250,416
Net IB debt adj.	947	8,636	5,896	64,137	39,648	51,261	51,951	48,758	50,070	49,451
Market value of minority	0	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	-	-	-	-	-	-	-	-	-	-
EV	266,007	273,696	270,956	329,197	304,708	312,255	312,945	305,797	303,689	299,867
Total assets turnover (%)	189.7	181.3	191.5	126.9	112.4	123.6	129.9	131.4	136.2	139.1
Working capital/sales (%)	6.7	7.2	5.4	5.6	3.6	1.5	1.7	0.8	-0.1	0.0
Financial risk and debt service	-	-	-	-	-	-	-	-	-	-
Net debt/equity (%)	-5.0	5.9	0.0	103.9	46.8	80.0	89.2	82.9	84.7	81.1
Net debt / market cap (%)	-1.1	1.3	0.0	21.4	10.6	15.6	16.3	15.1	15.8	15.8
Equity ratio (%)	54.5	47.8	47.4	31.3	33.4	27.9	26.3	25.9	26.1	26.6
Net IB debt adj. / equity (%)	1.6	14.8	10.3	117.4	66.1	101.0	109.1	104.2	105.7	101.5
Current ratio	1.37	1.39	1.08	1.20	1.37	1.22	1.21	1.10	1.09	1.09
EBITDA/net interest	121.1	172.4	189.3	193.7	250.4	192.4	249.7	272.2	--	--
Net IB debt/EBITDA (x)	-0.1	0.1	0.0	2.0	0.7	1.4	1.1	1.0	0.9	0.9
Net IB debt/EBITDA lease adj. (x)	0.0	0.3	0.2	0.0	-0.7	-0.6	-0.4	-0.3	-0.2	-0.2
Interest coverage	508.5	108.1	115.6	20.7	101.7	47.8	96.9	126.0	--	--

Source: ABG Sundal Collier, Company Data

Share Data (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Actual shares outstanding	1,655	1,655	1,655	1,655	1,655	1,630	1,630	1,605	1,584	1,564
Actual shares outstanding (avg)	1,655	1,655	1,655	1,655	1,655	1,630	1,630	1,605	1,584	1,564

Share Data (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
All additional shares	0	0	0	0	0	0	0	0	0	0
Issue month	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Assumed dil. of shares from conv.	0	0	0	0	0	0	0	0	-	-
As. dil. of shares from conv. (avg)	0	0	0	0	0	0	0	0	-	-
Conv. debt not assumed as equity	0	0	0	0	0	0	0	0	-	-
No. of warrants	0	0	0	0	0	0	0	0	-	-
Market value per warrant	0	0	0	0	0	0	0	0	-	-
Dilution from warrants	0	0	0	0	0	0	0	0	-	-
Issue factor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual dividend per share	9.75	9.75	0.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Reported earnings per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Shares outstanding adj.	1,655	1,655	1,655	1,655	1,655	1,630	1,630	1,605	1,584	1,564
Diluted shares adj.	1,655	1,655	1,655	1,655	1,655	1,630	1,630	1,605	1,584	1,564
EPS	9.78	7.64	8.12	0.58	6.53	2.15	5.35	7.97	9.08	9.60
Dividend per share	9.75	9.75	0.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50
EPS adj.	9.78	7.64	8.12	0.75	6.65	3.99	4.52	8.13	9.08	9.60
BVPS	36.08	35.37	34.48	33.00	36.26	31.15	29.21	29.15	29.91	31.15
BVPS adj.	31.82	29.56	27.56	26.70	30.49	25.53	23.24	23.22	23.63	24.55
Net IB debt/share	0.57	5.22	3.56	38.75	23.96	31.45	31.88	30.38	31.62	31.63
Share price	160.15	160.15	160.15	160.15	160.15	160.15	160.15	160.15	160.15	160.15
Market cap. (m)	265,060	265,060	265,060	265,060	265,060	260,994	260,994	257,039	253,619	250,416
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	16.4	21.0	19.7	274.7	24.5	74.6	29.9	20.1	17.6	16.7
EV/sales (x)	1.33	1.30	1.16	1.76	1.53	1.40	1.33	1.29	1.23	1.18
EV/EBITDA (x)	9.2	10.9	9.5	11.3	8.1	10.8	8.4	7.5	7.1	6.8
EV/EBITA (x)	12.9	17.7	15.6	106.2	20.0	43.6	21.5	16.2	14.5	13.8
EV/EBIT (x)	12.9	17.7	15.6	106.2	20.0	43.6	21.5	16.2	14.5	13.8
Dividend yield (%)	6.1	6.1	0.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1
FCF yield (%)	3.4	3.2	7.0	7.8	15.5	6.8	9.3	9.8	9.9	10.7
Le. adj. FCF yld. (%)	3.4	3.2	7.0	2.5	10.9	2.1	4.4	4.9	5.1	5.9
P/BVPS (x)	4.44	4.53	4.64	4.85	4.42	5.14	5.48	5.49	5.35	5.14
P/BVPS adj. (x)	5.03	5.42	5.81	6.00	5.25	6.27	6.89	6.90	6.78	6.52
P/E adj. (x)	16.4	21.0	19.7	213.2	24.1	40.1	35.5	19.7	17.6	16.7
EV/EBITDA adj. (x)	9.2	10.9	9.5	11.3	8.1	9.8	8.6	7.4	7.1	6.8
EV/EBITA adj. (x)	12.9	17.7	15.6	106.2	20.0	30.9	23.1	15.9	14.5	13.8
EV/EBIT adj. (x)	12.9	17.7	15.6	106.2	20.0	30.9	23.1	15.9	14.5	13.8
EV/CE (x)	3.8	3.5	3.6	2.4	2.4	2.5	2.5	2.6	2.5	2.5
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	6.2	6.1	4.4	2.7	1.7	3.0	4.1	4.3	4.5	4.5
Capex/depreciation	1.5	1.3	0.9	0.4	0.3	0.7	1.0	1.1	1.2	1.1
Capex tangibles / tangible fixed assets	25.9	22.5	18.1	11.4	10.3	21.8	34.2	30.0	29.1	28.9
Capex intangibles / definite intangibles	30.9	34.2	26.0	14.4	7.8	16.3	10.1	21.5	29.3	29.1
Depreciation on intang / def. intang	0	0	0	0	0	0	0	0	0	0
Depreciation on tangibles / tangibles	21.32	22.79	27.02	38.19	38.84	41.17	38.85	32.80	33.55	34.23

Source: ABG Sundal Collier, Company Data

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Stock price, company ratings and target price history

Company: Hennes & Mauritz

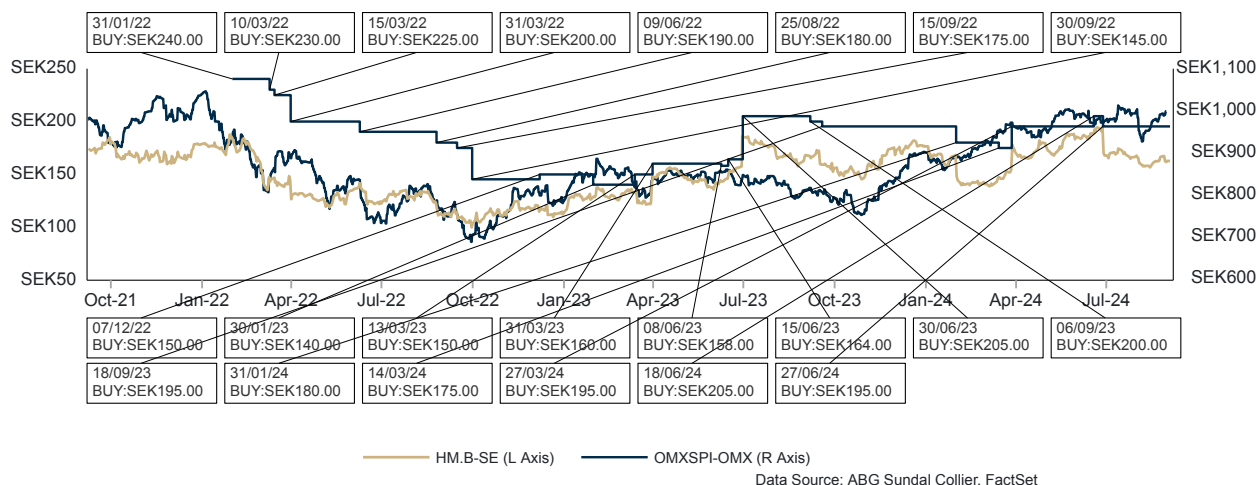
Currency: SEK

Current Recommendation: BUY

Date: 5/9/2024

Current Target price: 195.0

Current Share price: 160.15



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Production of recommendation: 9/6/2024 06:30.

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