

Vitec

A case where organic growth is resilient

- Diversified vertical market software portfolio performs in shaky macro
- Cash flow adjustment on 2024 numbers not appealing
- Small revisions, we stick to BUY and our TP of SEK 650

Resilient to current market turmoil

We view Vitec as a relative winner in the current market turmoil from global trade and tariffs. Vitec is a software company with operations in the Nordics and Benelux, and manages a portfolio of ~50 business-critical vertical market software companies. These tend to be resilient vs. more cyclical companies, and have shown a low correlation within the portfolio historically. For example, the weakest pandemic-related organic growth figure in a single quarter was 1%, and the fact that 85-95% of the portfolio has been organically growing recurring revenues every year between 2021-24 shows the portfolio's resilience. We like that, and think it is a factor that will help make Vitec a relative winner ahead.

Cash flow mistake not what was needed for the story

The SEK 91m adjustment to the 2024 OCF and FCF (by moving a reversed earn-out from investing cash flow to changes in working capital) reduces these figures by 10% and 16%, respectively. As cash flow has been a well discussed topic for Vitec, both for valuation and the capability to self-fund future M&A, this reversal is negative in all aspects. However, we view it as a one-time effect that does not impact our OCF or FCF projections for 2025e-27e. We still see a 16% EBITA CAGR in our five-year self-funded M&A scenario.

Small revisions, we stick to BUY

We make small estimate revisions, as only one smaller acquisition has been announced since our last update (Intergrid), although Vitec is affected by a weaker EUR/SEK. We cut sales and adj. EBITA by 2% in 2025e-27e. We stick to BUY and our SEK 650 TP, and argue that 1) earnings quality in '25e will be higher on an increased share of subscription-based revenues, 2) headroom for M&A remains meaningful, and 3) the valuation (at a 30% discount to Constellation Software on NTM EV/EBIT) is attractive.

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SEKm	2023	2024	2025e	2026e	2027e
Sales	2,778	3,334	3,654	3,859	4,074
EBITDA	1,064	1,349	1,413	1,511	1,596
EBITDA margin (%)	38.3	40.4	38.7	39.1	39.2
EBIT adj.	628	723	803	932	1,017
EBIT adj. margin (%)	22.6	21.7	22.0	24.1	25.0
Pretax profit	468	541	691	847	932
EPS	8.89	10.29	13.36	16.15	17.78
EPS adj.	14.32	16.08	19.70	21.64	23.08
Sales growth (%)	40.4	20.0	9.6	5.6	5.6
EPS growth (%)	35.5	15.8	29.8	20.9	10.1

Source: ABG Sundal Collier, Company Data

Reason: Preview of results

BUY ● HOLD ○ SELL ○

IT

Estimate changes (%)

	2025e	2026e	2027e
Sales	-2.0	-1.9	-1.9
EBIT	-2.8	-2.5	-2.5
EPS	-3.2	-2.8	-2.7

Source: ABG Sundal Collier

VIT.B-SE/ITB SS

Share price (SEK)	3/4/2025	535.50
Target price		650.0

MCap (SEKm)	21,339
MCap (EURm)	1,856
No. of shares (m)	37.4
Free float (%)	89.8
Av. daily volume (k)	57

Next event Q1 Report 23 April 2025

Performance



— Vitec — OMX Stockholm All Share Index

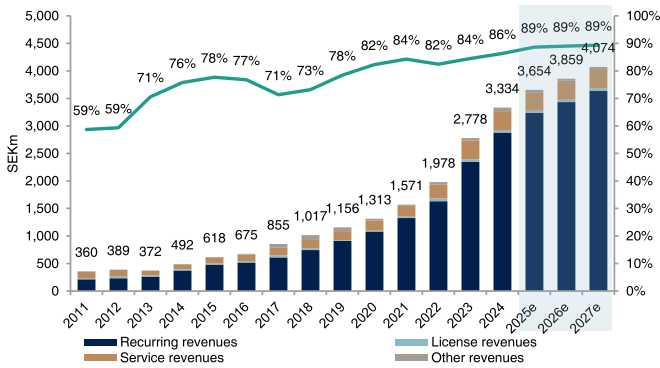
	2025e	2026e	2027e
P/E (x)	40.1	33.2	30.1
P/E adj. (x)	27.2	24.7	23.2
P/BVPS (x)	4.05	3.75	3.46
EV/EBITDA (x)	17.0	15.7	14.7
EV/EBIT adj. (x)	29.9	25.5	23.1
EV/sales (x)	6.57	6.16	5.77
ROE adj. (%)	16.9	17.0	16.6
Dividend yield (%)	0.8	1.0	1.1
FCF yield (%)	2.1	2.5	2.7
Le. adj. FCF yld. (%)	1.8	2.1	2.3
Net IB debt/EBITDA (x)	1.9	1.6	1.4
Le. adj. ND/EBITDA (x)	1.9	1.6	1.4

Company description

Vitec acquires and develops vertical software companies in niche markets, which are normally restricted to certain geographies as the software can be hard to sell in some areas. Its strategy is to make use of the M&A arbitrage from buying unlisted companies, the rationalization and maximisation of its current business, plus geographical and market diversification. The company, rather than the niche in which it operates, is in focus when Vitec makes an acquisition.

Sustainability information

Sales mix and recurring revenue share

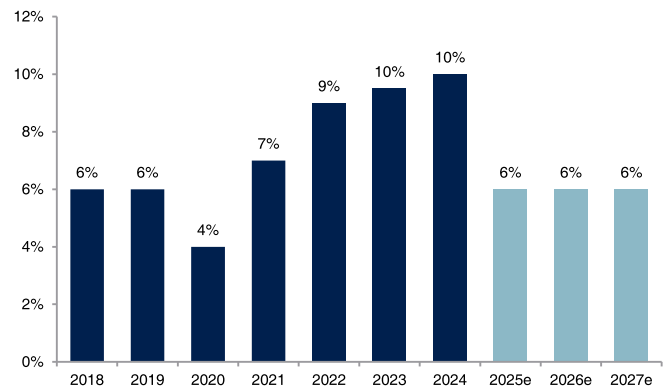


Source: ABG Sundal Collier, company data

Risks

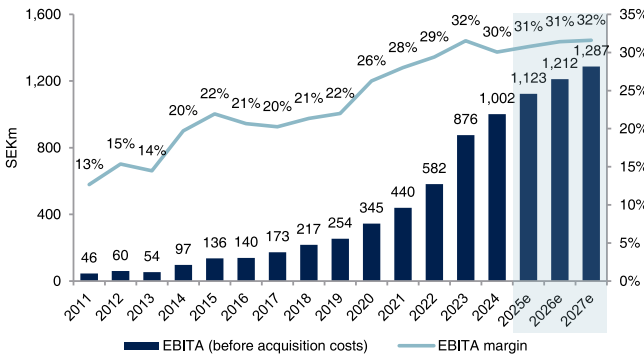
There is a risk of larger customers developing their own software due to weak maintenance and development from Vitec's side. As software becomes easier to develop, a future risk is found in start-ups developing similar software that could be easier for customers to implement. Additionally, some of the markets in which Vitec operates are experiencing lower growth, potentially dampening the organic growth for the group.

Organic growth in subscription-based recurring revenue



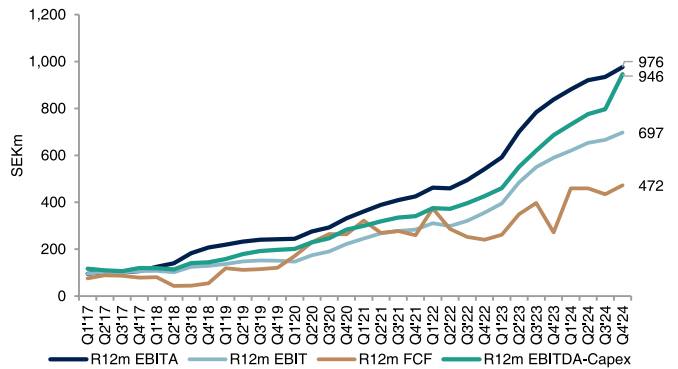
Source: ABG Sundal Collier, company data

Adj. EBITA and adj. EBITA margin



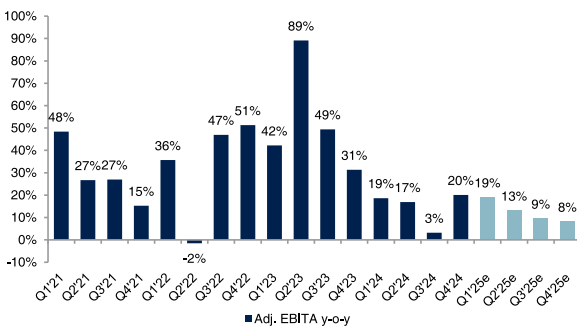
Source: ABG Sundal Collier, company data

R12m earnings and cash flow metrics



Source: ABG Sundal Collier, company data

Adj. EBITA growth



Source: ABG Sundal Collier, company data

NTM EV/EBIT Vitec and Constellation Software



Source: ABG Sundal Collier, FactSet

Five-year M&A scenario yields attractive returns

We also argue that Vitec should be valued on its standalone qualities, meaning its organic growth and M&A scenario, where we cap the annual addition to the current financial headroom and do not model for further rights issues (despite not ruling that out).

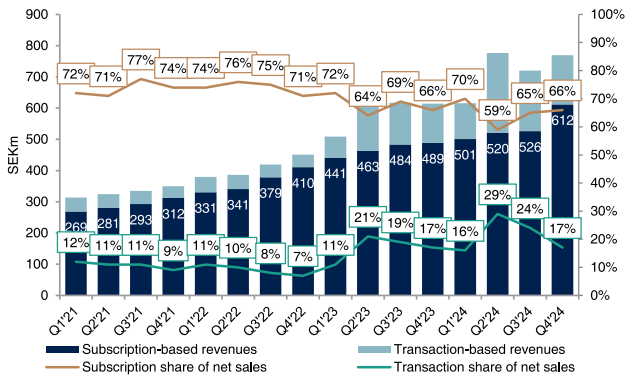
In this scenario, based on the assumptions below, including acquisition multiples of 9x EV/EBITA, a FCF margin trajectory and an exit multiple of 27.9x EV/EBIT (20.0x EV/EBITA), we reach an end of period value per share of SEK 942, or a present value of SEK 644 discounting by 10% per year. This is attractive enough for us to reiterate our BUY rating.

5-year M&A scenario

SEKm	Actual					Scenario (not official estimates)					Comments	
	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e		2028e
Sales	1,017	1,156	1,313	1,571	1,978	2,778	3,334	3,835	4,410	5,071	5,832	6,707
growth, y-o-y	19%	14%	14%	20%	26%	40%	20%	15%	15%	15%	15%	15%
Organic	6%	6%	4%	7%	9%	10%	10%	5%	5%	5%	5%	5%
M&A	16%	13%	17%	15%	16%	26%	9%	10%	10%	10%	10%	10%
M&A contribution (SEKm)	128	193	193	193	249	516	244	333	383	441	507	583
Average target sales (SEKm)	26	39	39	39	50	86	35	75	75	75	75	75
Number of M&A	4	5	5	5	5	6	7	4	5	6	7	8
Adj. EBITA	217	254	345	440	582	876	1,002	1,163	1,351	1,569	1,822	2,115
adj. EBITA margin	21.3%	22.0%	26.3%	28.0%	29.4%	31.5%	30.0%	30.3%	30.6%	30.9%	31.2%	31.5%
Adj. EBIT	133	163	235	298	396	628	723	821	957	1,116	1,301	1,516
adj. EBIT margin	13.1%	14.1%	17.9%	18.9%	20.0%	22.6%	21.7%	21.4%	21.7%	22.0%	22.3%	22.6%
M&A scenario, SEKm	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e	2028e	2029e
Acquisition price (est)	134	219	167	1,282	1,154	1,302	1,646	900	1,035	1,191	1,369	1,575
Equity issue	195	0	0	904	819	-8	1,056	0	0	0	0	0
Dividend paid	33	39	33	53	68	83	109	167	192	220	253	291
share of FCF	60%	31%	13%	20%	25%	24%	17%	27%	27%	27%	27%	27%
FCF margin (excl. M&A)	5.4%	10.9%	20.1%	16.5%	14.1%	12.2%	19.1%	16.0%	16.0%	16.0%	16.0%	16.0%
Net debt (post M&A)	423	581	539	766	1,163	2,651	2,868	3,321	3,843	4,442	5,132	5,924
Adj. EBITDA/adj. EBITA	1.35	1.44	1.36	1.33	1.29	1.26	1.37	1.31	1.31	1.31	1.31	1.31
Net debt/adj. EBITDA	1.5x	1.5x	1.1x	1.2x	1.5x	2.5x	2.1x	2.2x	2.2x	2.2x	2.2x	2.1x
M&A assumptions												
EV/EBITA multiple	9.0x											
EV/Sales multiple	2.7x											
EBITA margin	30%											
Equity issue, mcap (SEK bn)	15.0											
No of shares (m, diluted)	30.5	32.4	32.6	33.4	35.3	37.4	39.8	39.8	39.8	39.8	39.8	39.8
Valuation 2029												
Adj. EBITA (SEKm)	217	254	345	440	582	876	1,002	1,163	1,351	1,569	1,822	2,115
EV/EBITA 2029e	20.0x											
Implied EV/EBIT 2029e	27.9x											
Implied FCF yield 2029e	2.9%											
EV (2029e)	42,305											
Mcap	37,504											
Price/share (2029e)	942											
PV of share price (10%)	644											

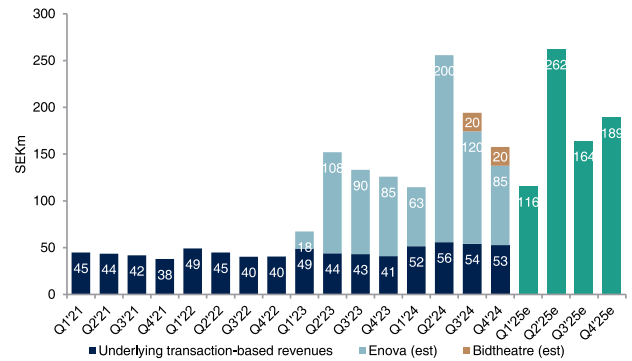
Source: ABG Sundal Collier, company data

Recurring revenue mix



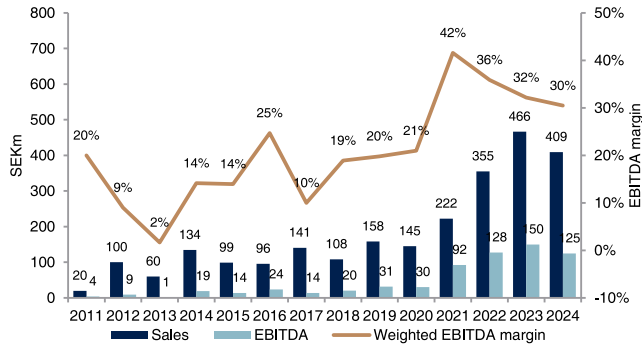
Source: ABG Sundal Collier, company data

Transaction-based recurring revenue per quarter



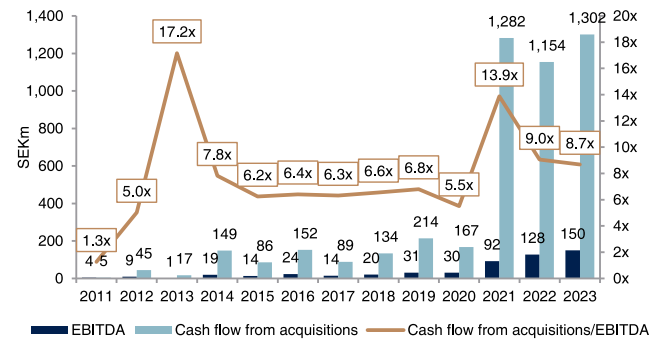
Source: ABG Sundal Collier, company data

Acquired sales, EBITDA and EBITDA margin



Source: ABG Sundal Collier, company data

Vitec cash flow from acquisitions/acquired EBITDA



Source: ABG Sundal Collier, company data

Interim breakdown of forecast

SEKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2022	2023	2024	2025e	2026e	2027e
Recurring revenues	616	775	718	769	752	878	790	818	1,631	2,346	2,878	3,237	3,434	3,640
License revenues	8	9	7	23	10	10	10	10	54	47	47	40	42	44
Service revenues	86	85	67	107	87	82	65	102	254	343	344	336	343	350
Other revenues	6	14	17	28	10	10	10	10	39	41	65	40	40	40
Net sales	716	882	809	927	859	980	875	939	1,978	2,778	3,334	3,654	3,859	4,074
Total income	814	977	906	1,097	964	1,101	983	1,055	2,247	3,126	3,795	4,103	4,360	4,603
Opex	-534	-649	-593	-670	-630	-730	-639	-691	-1,536	-2,062	-2,446	-2,690	-2,850	-3,008
EBITDA	279	328	314	427	334	371	344	364	711	1,064	1,349	1,413	1,511	1,596
- Of which acquisition related costs	-1	0	-10	-14	-2	-2	-2	-2	-40	-38	-25	-8	-8	-8
D&A (ex acquisition related)	-61	-64	-75	-172	-74	-74	-75	-75	-170	-226	-372	-298	-307	-316
adj. EBITA	220	264	248	269	262	299	271	291	582	876	1,002	1,123	1,212	1,287
Acquisition related amortisation	-66	-68	-68	-78	-80	-80	-80	-80	-185	-248	-279	-320	-280	-270
EBIT, after acq. Costs	153	196	171	178	180	217	189	209	356	590	697	795	924	1,009
Net financials	-38	-43	-30	-46	-26	-26	-26	-26	-44	-122	-157	-104	-77	-77
EBT	115	153	140	132	154	191	163	183	312	468	541	691	847	932
Taxes	-30	-34	-32	-35	-35	-44	-38	-42	-67	-129	-131	-159	-203	-224
Net profit	86	119	108	97	119	147	126	141	245	339	410	532	643	709
EPS after dilution	2.23	3.11	2.72	2.42	2.97	3.69	3.16	3.54	6.56	8.89	10.29	13.36	16.15	17.78
DPS									2.28	3.00	3.60	4.45	5.38	5.93
Growth														
Net sales growth	17%	22%	15%	25%	20%	11%	8%	1%	26%	40%	20%	10%	6%	6%
M&A contribution (est.)	12%	6%	8%	9%	14%	11%	8%	5%	16%	26%	9%	9%	0%	0%
Organic growth in subscription-based recurring revenue	10%	10%	9%	11%	7%	6%	6%	5%	9%	10%	10%	6%	6%	6%
Adj. EBITA growth	19%	17%	3%	20%	19%	13%	9%	8%	32%	51%	14%	12%	8%	6%
EBIT growth	25%	20%	8%	22%	18%	11%	11%	18%	26%	66%	18%	14%	16%	9%
Margin														
EBITDA	39.0%	37.2%	38.8%	46.1%	38.9%	37.8%	39.3%	38.8%	36.0%	38.3%	40.4%	38.7%	39.1%	39.2%
Adj. EBITA	30.7%	30.0%	30.6%	29.1%	30.5%	30.5%	31.0%	31.0%	29.4%	31.5%	30.0%	30.7%	31.4%	31.6%
EBIT	21.4%	22.2%	21.1%	19.2%	21.0%	22.1%	21.6%	22.3%	18.0%	21.2%	20.9%	21.8%	23.9%	24.8%
KPI's	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2022	2023	2024	2025e	2026e	2027e
ARR	2,453	2,615	2,719	2,878	3,013	3,116	3,189	3,237	1,631	2,346	2,878	3,237	3,434	3,640
growth, y-o-y	39%	31%	24%	23%	23%	19%	17%	12%	23%	44%	23%	12%	6%	6%
Proforma ARR (R12m)									1,759					
FCF margin (excl M&A, R12m)	16.0%	15.1%	13.8%	14.2%	-2.8%	-2.0%	-2.9%	0.0%	14.1%	12.2%	16.4%	19.0%	18.9%	18.8%
Tangible capex/sales (R12m)	0.9%	0.6%	0.6%	0.7%					0.9%	0.9%	0.7%	0.9%	0.9%	0.9%
Intangible capex/sales (R12m)	12.7%	12.4%	12.6%	11.3%					13.5%	12.6%	11.3%	12.3%	13.0%	13.0%

Source: ABG Sundal Collier, company data

Income Statement (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	1,017	1,156	1,313	1,571	1,978	2,778	3,334	3,654	3,859	4,074
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	1,017	1,156	1,313	1,571	1,978	2,778	3,334	3,654	3,859	4,074
Other operating items	-730	-802	-856	-1,003	-1,267	-1,714	-1,986	-2,240	-2,348	-2,478
EBITDA	287	354	457	569	711	1,064	1,349	1,413	1,511	1,596
Depreciation and amortisation of which leasing depreciation	-75	-111	-125	-143	-170	-226	-372	-298	-307	-316
EBITA	212	243	332	425	541	838	976	1,115	1,204	1,279
EO Items	-5	-12	-13	-15	-40	-38	-25	-8	-8	-8
Impairment and PPA amortisation	-83	-92	-109	-142	-185	-248	-279	-320	-280	-270
EBIT	128	151	222	283	356	590	697	795	924	1,009
Net financial items	-12	-14	-15	-21	-44	-122	-157	-104	-77	-77
Pretax profit	117	137	208	262	312	468	541	691	847	932
Tax	-20	-28	-47	-55	-67	-129	-131	-159	-203	-224
Net profit	97	109	161	207	245	339	410	532	643	709
Minority interest	0	0	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
Net profit to shareholders	97	109	161	207	245	339	410	532	643	709
EPS	3.13	3.32	4.85	5.91	6.56	8.89	10.29	13.36	16.15	17.78
EPS adj.	5.50	5.82	7.72	9.44	11.30	14.32	16.08	19.70	21.64	23.08
Total extraordinary items after tax	-4	-9	-10	-12	-32	-28	-19	-6	-6	-6
Leasing payments	0	-27	-37	-47	-49	-67	-71	-74	-74	-74
<i>Tax rate (%)</i>	<i>17.0</i>	<i>20.3</i>	<i>22.6</i>	<i>21.0</i>	<i>21.6</i>	<i>27.5</i>	<i>24.2</i>	<i>23.0</i>	<i>24.0</i>	<i>24.0</i>
<i>Gross margin (%)</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>
<i>EBITDA margin (%)</i>	<i>28.2</i>	<i>30.6</i>	<i>34.8</i>	<i>36.2</i>	<i>36.0</i>	<i>38.3</i>	<i>40.4</i>	<i>38.7</i>	<i>39.1</i>	<i>39.2</i>
<i>EBITA margin (%)</i>	<i>20.8</i>	<i>21.0</i>	<i>25.3</i>	<i>27.1</i>	<i>27.4</i>	<i>30.2</i>	<i>29.3</i>	<i>30.5</i>	<i>31.2</i>	<i>31.4</i>
<i>EBIT margin (%)</i>	<i>12.6</i>	<i>13.1</i>	<i>16.9</i>	<i>18.0</i>	<i>18.0</i>	<i>21.2</i>	<i>20.9</i>	<i>21.8</i>	<i>23.9</i>	<i>24.8</i>
<i>Pre-tax margin (%)</i>	<i>11.5</i>	<i>11.9</i>	<i>15.8</i>	<i>16.7</i>	<i>15.8</i>	<i>16.8</i>	<i>16.2</i>	<i>18.9</i>	<i>21.9</i>	<i>22.9</i>
<i>Net margin (%)</i>	<i>9.5</i>	<i>9.4</i>	<i>12.2</i>	<i>13.2</i>	<i>12.4</i>	<i>12.2</i>	<i>12.3</i>	<i>14.6</i>	<i>16.7</i>	<i>17.4</i>
Growth Rates y-o-y	-	-	-	-	-	-	-	-	-	-
<i>Sales growth (%)</i>	<i>18.9</i>	<i>13.7</i>	<i>13.5</i>	<i>19.7</i>	<i>25.9</i>	<i>40.4</i>	<i>20.0</i>	<i>9.6</i>	<i>5.6</i>	<i>5.6</i>
<i>EBITDA growth (%)</i>	<i>22.8</i>	<i>23.4</i>	<i>29.1</i>	<i>24.5</i>	<i>25.1</i>	<i>49.5</i>	<i>26.8</i>	<i>4.8</i>	<i>6.9</i>	<i>5.6</i>
<i>EBITA growth (%)</i>	<i>25.3</i>	<i>14.6</i>	<i>36.8</i>	<i>28.2</i>	<i>27.3</i>	<i>54.8</i>	<i>16.5</i>	<i>14.3</i>	<i>7.9</i>	<i>6.3</i>
<i>EBIT growth (%)</i>	<i>20.3</i>	<i>17.6</i>	<i>47.3</i>	<i>27.4</i>	<i>25.7</i>	<i>65.8</i>	<i>18.2</i>	<i>14.1</i>	<i>16.1</i>	<i>9.3</i>
<i>Net profit growth (%)</i>	<i>22.3</i>	<i>12.7</i>	<i>47.2</i>	<i>28.7</i>	<i>18.3</i>	<i>38.5</i>	<i>20.9</i>	<i>29.8</i>	<i>20.9</i>	<i>10.1</i>
<i>EPS growth (%)</i>	<i>17.8</i>	<i>6.1</i>	<i>46.3</i>	<i>21.7</i>	<i>11.1</i>	<i>35.5</i>	<i>15.8</i>	<i>29.8</i>	<i>20.9</i>	<i>10.1</i>
Profitability	-	-	-	-	-	-	-	-	-	-
<i>ROE (%)</i>	<i>18.2</i>	<i>15.3</i>	<i>20.1</i>	<i>14.6</i>	<i>9.4</i>	<i>10.3</i>	<i>9.9</i>	<i>10.5</i>	<i>11.7</i>	<i>12.0</i>
<i>ROE adj. (%)</i>	<i>34.6</i>	<i>29.4</i>	<i>35.0</i>	<i>25.5</i>	<i>17.8</i>	<i>18.6</i>	<i>17.0</i>	<i>16.9</i>	<i>17.0</i>	<i>16.6</i>
<i>ROCE (%)</i>	<i>11.4</i>	<i>11.3</i>	<i>15.4</i>	<i>12.8</i>	<i>9.0</i>	<i>10.5</i>	<i>9.9</i>	<i>9.8</i>	<i>10.9</i>	<i>11.4</i>
<i>ROCE adj. (%)</i>	<i>19.2</i>	<i>18.9</i>	<i>23.9</i>	<i>19.9</i>	<i>14.7</i>	<i>15.6</i>	<i>14.1</i>	<i>13.8</i>	<i>14.3</i>	<i>14.6</i>
<i>ROIC (%)</i>	<i>18.0</i>	<i>15.9</i>	<i>18.9</i>	<i>16.2</i>	<i>11.9</i>	<i>11.7</i>	<i>10.7</i>	<i>10.9</i>	<i>11.4</i>	<i>11.8</i>
<i>ROIC adj. (%)</i>	<i>18.4</i>	<i>16.7</i>	<i>19.6</i>	<i>16.8</i>	<i>12.8</i>	<i>12.2</i>	<i>11.0</i>	<i>11.0</i>	<i>11.5</i>	<i>11.9</i>
Adj. earnings numbers	-	-	-	-	-	-	-	-	-	-
<i>EBITDA adj.</i>	<i>292</i>	<i>366</i>	<i>470</i>	<i>583</i>	<i>752</i>	<i>1,102</i>	<i>1,374</i>	<i>1,421</i>	<i>1,519</i>	<i>1,604</i>
<i>EBITDA adj. margin (%)</i>	<i>28.7</i>	<i>31.6</i>	<i>35.8</i>	<i>37.1</i>	<i>38.0</i>	<i>39.7</i>	<i>41.2</i>	<i>38.9</i>	<i>39.4</i>	<i>39.4</i>
<i>EBITDA lease adj.</i>	<i>292</i>	<i>339</i>	<i>433</i>	<i>536</i>	<i>702</i>	<i>1,035</i>	<i>1,303</i>	<i>1,347</i>	<i>1,445</i>	<i>1,530</i>
<i>EBITDA lease adj. margin (%)</i>	<i>28.7</i>	<i>29.3</i>	<i>33.0</i>	<i>34.1</i>	<i>35.5</i>	<i>37.3</i>	<i>39.1</i>	<i>36.9</i>	<i>37.4</i>	<i>37.5</i>
<i>EBITA adj.</i>	<i>217</i>	<i>254</i>	<i>345</i>	<i>440</i>	<i>582</i>	<i>876</i>	<i>1,002</i>	<i>1,123</i>	<i>1,212</i>	<i>1,287</i>
<i>EBITA adj. margin (%)</i>	<i>21.3</i>	<i>22.0</i>	<i>26.3</i>	<i>28.0</i>	<i>29.4</i>	<i>31.5</i>	<i>30.0</i>	<i>30.7</i>	<i>31.4</i>	<i>31.6</i>
<i>EBIT adj.</i>	<i>133</i>	<i>163</i>	<i>235</i>	<i>298</i>	<i>396</i>	<i>628</i>	<i>723</i>	<i>803</i>	<i>932</i>	<i>1,017</i>
<i>EBIT adj. margin (%)</i>	<i>13.1</i>	<i>14.1</i>	<i>17.9</i>	<i>18.9</i>	<i>20.0</i>	<i>22.6</i>	<i>21.7</i>	<i>22.0</i>	<i>24.1</i>	<i>25.0</i>
<i>Pretax profit Adj.</i>	<i>205</i>	<i>240</i>	<i>330</i>	<i>419</i>	<i>538</i>	<i>754</i>	<i>845</i>	<i>1,019</i>	<i>1,135</i>	<i>1,210</i>
<i>Net profit Adj.</i>	<i>185</i>	<i>210</i>	<i>280</i>	<i>361</i>	<i>462</i>	<i>615</i>	<i>708</i>	<i>859</i>	<i>930</i>	<i>985</i>
<i>Net profit to shareholders adj.</i>	<i>185</i>	<i>210</i>	<i>280</i>	<i>361</i>	<i>462</i>	<i>615</i>	<i>708</i>	<i>859</i>	<i>930</i>	<i>985</i>
<i>Net adj. margin (%)</i>	<i>18.2</i>	<i>18.2</i>	<i>21.4</i>	<i>23.0</i>	<i>23.4</i>	<i>22.1</i>	<i>21.2</i>	<i>23.5</i>	<i>24.1</i>	<i>24.2</i>

Source: ABG Sundal Collier, Company Data

Cash Flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	287	354	457	569	711	1,064	1,349	1,413	1,511	1,596
Net financial items	-12	-14	-15	-21	-44	-122	-157	-104	-77	-77
Paid tax	-30	-25	-18	-55	-72	-110	-124	-159	-203	-224
Non-cash items	-3	-36	-130	-28	-240	-67	-232	0	0	0
Cash flow before change in WC	242	279	295	466	356	765	836	1,150	1,230	1,295
Change in working capital	-45	4	142	22	207	-49	114	26	35	37

Cash Flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Operating cash flow	197	283	436	488	563	716	949	1,176	1,265	1,331
Capex tangible fixed assets	-14	-16	-10	-19	-18	-26	-25	-32	-35	-35
Capex intangible fixed assets	-128	-141	-163	-210	-267	-351	-378	-449	-502	-530
Acquisitions and Disposals	-134	-219	-167	-1,282	-1,154	-1,302	-1,554	-240	-200	-200
Free cash flow	-80	-92	96	-1,022	-876	-963	-1,007	455	529	566
Dividend paid	-33	-39	-33	-53	-68	-83	-109	-177	-214	-236
Share issues and buybacks	195	0	0	904	819	-8	1,056	0	0	0
Leasing liability amortisation	0	-27	-37	-44	-51	-67	-74	-74	-74	-74
Other non-cash items	-44	-174	5	-115	-340	-545	-311	0	0	-0
Balance Sheet (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Goodwill	386	618	770	1,689	2,901	3,963	5,035	5,227	5,387	5,547
Other intangible assets	745	848	917	1,429	2,163	2,915	3,881	3,858	3,912	3,995
Tangible fixed assets	40	45	41	48	55	60	69	77	87	96
Right-of-use asset	0	86	63	116	101	103	112	112	112	112
Total other fixed assets	9	9	6	34	52	51	80	80	80	80
Fixed assets	1,180	1,605	1,797	3,316	5,272	7,091	9,178	9,356	9,579	9,831
Inventories	5	4	3	3	3	5	4	4	4	4
Receivables	228	197	221	247	368	438	467	585	617	652
Other current assets	27	67	51	67	99	123	192	184	190	197
Cash and liquid assets	235	17	135	120	616	172	244	347	487	644
Total assets	1,676	1,890	2,207	3,752	6,357	7,829	10,084	10,474	10,877	11,327
Shareholders equity	670	759	843	1,989	3,210	3,408	4,908	5,263	5,692	6,164
Minority	0	0	0	0	0	0	0	0	0	0
Total equity	670	759	843	1,989	3,210	3,408	4,908	5,263	5,692	6,164
Long-term debt	662	460	550	774	1,686	2,759	2,868	2,768	2,668	2,568
Pension debt	0	5	4	0	0	0	0	0	0	0
Convertible debt	0	52	65	0	0	0	0	0	0	0
Leasing liability	0	87	59	116	94	95	103	103	103	103
Total other long-term liabilities	0	174	186	289	408	585	813	813	813	813
Short-term debt	5	3	3	21	38	13	212	212	212	212
Accounts payable	30	35	35	47	57	57	72	110	116	122
Other current liabilities	308	315	463	515	866	913	1,108	1,206	1,273	1,344
Total liabilities and equity	1,676	1,890	2,207	3,752	6,358	7,829	10,084	10,474	10,877	11,327
Net IB debt	423	581	539	766	1,163	2,651	2,869	2,666	2,425	2,169
Net IB debt excl. pension debt	423	576	535	766	1,163	2,651	2,869	2,666	2,425	2,169
Net IB debt excl. leasing	423	494	480	650	1,070	2,557	2,766	2,563	2,322	2,066
Capital employed	1,337	1,366	1,523	2,901	5,028	6,274	8,091	8,346	8,675	9,048
Capital invested	1,093	1,341	1,382	2,755	4,373	6,059	7,777	7,929	8,117	8,333
Working capital	-78	-82	-223	-246	-453	-404	-518	-543	-578	-615
EV breakdown	-	-	-	-	-	-	-	-	-	-
Market cap. diluted (m)	16,590	17,621	17,734	18,767	19,990	20,440	21,339	21,339	21,339	21,339
Net IB debt adj.	423	581	539	766	1,163	2,651	2,869	2,666	2,425	2,169
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	17,013	18,202	18,273	19,533	21,153	23,091	24,208	24,005	23,764	23,508
Total assets turnover (%)	69.2	64.8	64.1	52.7	39.1	39.2	37.2	35.5	36.1	36.7
Working capital/sales (%)	-9.9	-6.9	-11.6	-14.9	-17.7	-15.4	-13.8	-14.5	-14.5	-14.6
Financial risk and debt service	-	-	-	-	-	-	-	-	-	-
Net debt/equity (%)	63.2	76.5	63.9	38.5	36.2	77.8	58.5	50.7	42.6	35.2
Net debt / market cap (%)	2.6	3.3	3.1	4.3	6.2	13.3	14.2	12.5	11.4	10.2
Equity ratio (%)	40.0	40.2	38.2	53.0	50.5	43.5	48.7	50.2	52.3	54.4
Net IB debt adj. / equity (%)	63.2	76.5	63.9	38.5	36.2	77.8	58.5	50.7	42.6	35.2
Current ratio	1.44	0.81	0.82	0.75	1.13	0.75	0.65	0.73	0.81	0.89
EBITDA/net interest	24.7	25.5	31.3	27.1	16.3	8.7	8.6	13.6	19.6	20.7
Net IB debt/EBITDA (x)	1.5	1.6	1.2	1.3	1.6	2.5	2.1	1.9	1.6	1.4
Net IB debt/EBITDA lease adj. (x)	1.5	1.5	1.1	1.2	1.5	2.5	2.1	1.9	1.6	1.4
Interest coverage	17.8	16.2	22.0	20.0	11.8	6.6	5.9	10.0	15.1	16.0

Source: ABG Sundal Collier, Company Data

Share Data (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Actual shares outstanding	31	32	33	33	35	37	38	40	40	40
Actual shares outstanding (avg)	31	32	33	33	35	37	38	40	40	40

Share Data (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
All additional shares	1	2	0	1	2	2	0	2	0	0
Issue month	0.0	0.0	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	0	0
As. dil. of shares from conv. (avg)	0	0	0	0	0	0	0	0	0	0
Conv. debt not assumed as equity	0	0	0	0	0	0	0	0	0	0
No. of warrants	0	0	0	0	0	0	0	0	0	0
Market value per warrant	0	0	0	0	0	0	0	0	0	0
Dilution from warrants	0	0	1	2	2	1	2	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	1.27	1.03	1.63	2.04	2.34	3.00	3.60	4.45	5.38	5.93
Reported earnings per share	3.13	3.32	4.85	5.91	6.56	8.89	10.29	13.36	16.15	17.78

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Shares outstanding adj.	31	32	33	33	35	37	38	40	40	40
Diluted shares adj.	31	33	33	35	37	38	40	40	40	40
EPS	3.13	3.32	4.85	5.91	6.56	8.89	10.29	13.36	16.15	17.78
Dividend per share	1.10	1.20	1.35	2.00	2.28	3.00	3.60	4.45	5.38	5.93
EPS adj.	5.50	5.82	7.72	9.44	11.30	14.32	16.08	19.70	21.64	23.08
BVPS	21.61	23.08	25.47	56.76	85.99	89.28	123.16	132.07	142.83	154.68
BVPS adj.	-14.89	-21.46	-25.49	-32.23	-49.67	-90.91	-100.59	-95.93	-90.53	-84.78
Net IB debt/share	13.66	17.66	16.28	21.86	31.16	69.46	72.00	66.90	60.86	54.43
Share price	535.50	535.50	535.50	535.50	535.50	535.50	535.50	535.50	535.50	535.50
Market cap. (m)	16,357	17,374	17,443	17,884	18,894	20,001	20,207	21,339	21,339	21,339
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	nm	nm	nm	90.7	81.6	60.3	52.0	40.1	33.2	30.1
EV/sales (x)	16.73	15.74	13.92	12.43	10.69	8.31	7.26	6.57	6.16	5.77
EV/EBITDA (x)	59.3	51.4	40.0	34.3	29.7	21.7	18.0	17.0	15.7	14.7
EV/EBITA (x)	80.3	75.0	55.1	45.9	39.1	27.6	24.8	21.5	19.7	18.4
EV/EBIT (x)	132.5	120.6	82.2	69.0	59.4	39.1	34.7	30.2	25.7	23.3
Dividend yield (%)	0.2	0.2	0.3	0.4	0.4	0.6	0.7	0.8	1.0	1.1
FCF yield (%)	-0.5	-0.5	0.5	-5.4	-4.4	-4.7	-4.7	2.1	2.5	2.7
Le. adj. FCF yld. (%)	-0.5	-0.7	0.3	-5.7	-4.6	-5.0	-5.1	1.8	2.1	2.3
P/BVPS (x)	24.77	23.20	21.03	9.43	6.23	6.00	4.35	4.05	3.75	3.46
P/BVPS adj. (x)	-35.45	-24.60	-20.67	-15.83	-10.19	-5.76	-5.04	-5.58	-5.92	-6.32
P/E adj. (x)	nm	nm	69.4	56.7	47.4	37.4	33.3	27.2	24.7	23.2
EV/EBITDA adj. (x)	58.3	49.8	38.9	33.5	28.1	21.0	17.6	16.9	15.6	14.7
EV/EBITA adj. (x)	78.4	71.6	53.0	44.4	36.4	26.4	24.2	21.4	19.6	18.3
EV/EBIT adj. (x)	127.4	111.9	77.6	65.6	53.4	36.8	33.5	29.9	25.5	23.1
EV/CE (x)	12.7	13.3	12.0	6.7	4.2	3.7	3.0	2.9	2.7	2.6
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	14.0	13.5	13.2	14.5	14.4	13.6	12.1	13.2	13.9	13.9
Capex/depreciation	1.9	1.9	2.0	2.4	2.4	2.4	1.3	2.2	2.3	2.3
Capex tangibles / tangible fixed assets	36.1	35.0	23.4	38.7	32.4	43.3	35.9	41.7	39.8	36.7
Capex intangibles / definite intangibles	17.2	16.6	17.8	14.7	12.4	12.0	9.7	11.6	12.8	13.3
Depreciation on intang / def. intang	8	8	8	6	5	5	7	5	5	5
Depreciation on tangibles / tangibles	41.25	39.59	30.46	31.34	33.85	35.74	29.66	31.04	28.76	27.00

Source: ABG Sundal Collier, Company Data

Analyst Certification

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Stock price, company ratings and target price history

Company: Vitec

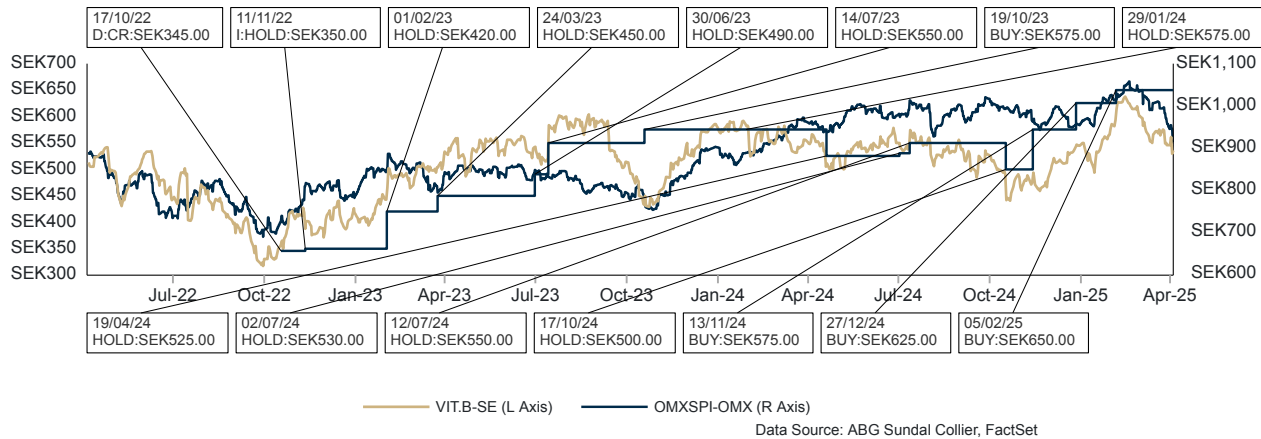
Currency: SEK

Current Recommendation: BUY

Date: 3/4/2025

Current Target price: 650.0

Current Share price: 535.50



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Production of recommendation: 4/6/2025 20:22.

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