

BJÖRN BORG

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Excellent margins, risk/reward remains attractive

Björn Borg's Q3 report beat our expectations, with strong profitability driven by a favorable channel mix. The earnings beat lifted our near-term earnings estimates, while our mid-term revenue estimates came down slightly due to continued weakness in the Wholesale channel and slower-than-expected progress in footwear. Although the announced CEO change brings some short-term transition risk, we believe the strategic foundation remains solid. Given the attractive combination of expected earnings growth and a high dividend yield, we continue to see the stock's risk/reward ratio as attractive. We therefore reiterate our Buy recommendation and target price of SEK 66 per share.

The investment case relies on increased sales growth

In our view, Björn Borg's investment case depends on the company's ability to sustain profitable growth while successfully expanding its core categories. While top-line growth is the biggest positive driver for Björn Borg, the main near-term risks to achieving it are continued slow integration of footwear, sluggish Wholesale demand, and prolonged weak consumer confidence.

Gross margin drove a clear earnings beat

Björn Borg reported Q3 revenue of 308 MSEK, corresponding to 3% year-on-year growth, roughly in line with both our and Retail Consensus estimates. Own e-commerce was a positive highlight, growing by an impressive 16%, driven by a 32% increase in sports apparel sales. Wholesale, the largest channel, grew by 3%, in line with our expectations, with e-tailers growing by 18%, supported by good momentum in Germany. Once again, the standout in the report was the gross margin, which surged to 54.6% (Q3'25: 52.5%), mainly driven by the larger share of high-margin own e-commerce, as well as lower discounts to key accounts and positive FX effects. This lifted EBIT to 53 MSEK, corresponding to an exceptionally high margin of 17.2% and well

above our and Retail Consensus estimates. Cash generation also remained strong, with rolling 12-month free cash flow of 148 MSEK, and the balance sheet is solid (net debt/EBITDA 0.6x), supporting continued high dividends.

Higher near-term earnings estimates, slightly lower mid-term revenue

The Q3 beat lifted our 2026 EBIT estimate by 5% to 134 MSEK (EBIT margin 12.7%), while our revenue estimate is unchanged. Our Q4 assumptions remain largely unchanged, as we expect the channel mix to be less supportive when Wholesale accounts for a larger share of sales, and we do not expect a repeat of last year's FX tailwinds. For 2027–2028, we have lowered our revenue estimates by 1–2% due to slower growth in footwear and Wholesale, particularly in the Netherlands. However, a larger share of high-margin own e-commerce leads us to slightly raise our margin assumptions, and we expect the EBIT margin to remain around 12% in the coming years. Bunge will remain CEO until the end of March 2027 and thereafter be available as a senior adviser, which in our view supports a smooth transition.

Earnings growth and dividend yield support an attractive expected return

In our view, investing in Björn Borg exposes the investor to a profitable growth company with a solid balance sheet and a high dividend yield. With 2026–2027 P/E multiples of around 13–14x and EV/EBIT of ~10–11x, we consider the valuation low relative to the company's earnings and return on capital potential, and our DCF model (SEK 66 per share) also points to upside. We expect earnings growth of around 5–10% per year and an annual dividend yield of some 6–7%, which together offer a total expected return (~15–20%) well above our required return of 10%. We therefore consider the risk/reward ratio attractive.

Recommendation

Buy
(prev. Buy)

Target price:
66.0 SEK
(prev. 66.0 SEK)

Share price:
55.9 SEK

Business risk



Valuation risk



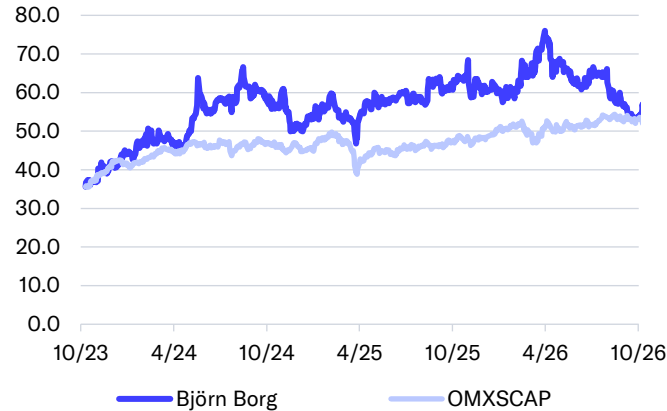
	2025	2026e	2027e	2028e
Revenue	1043.9	1057.6	1130.2	1188.0
growth-%	5%	1%	7%	5%
EBIT adj.	111.5	133.6	139.2	147.3
EBIT-% adj.	10.7 %	12.6 %	12.3 %	12.4 %
Net Income	92.1	104.1	106.0	113.9
EPS (adj.)	3.66	4.13	4.21	4.52
P/E (adj.)	17.2	13.5	13.3	12.4
P/B	4.3	3.6	3.4	3.3
Dividend yield-%	4.8 %	6.3 %	6.7 %	7.3 %
EV/EBIT (adj.)	14.6	10.5	10.0	9.3
EV/EBITDA	11.6	8.6	8.3	8.0
EV/S	1.6	1.3	1.2	1.2

Source: Inderes

Guidance

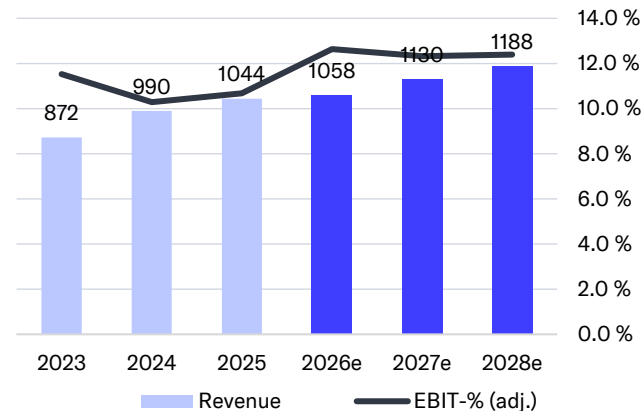
Björn Borg does not provide any guidance

Share price



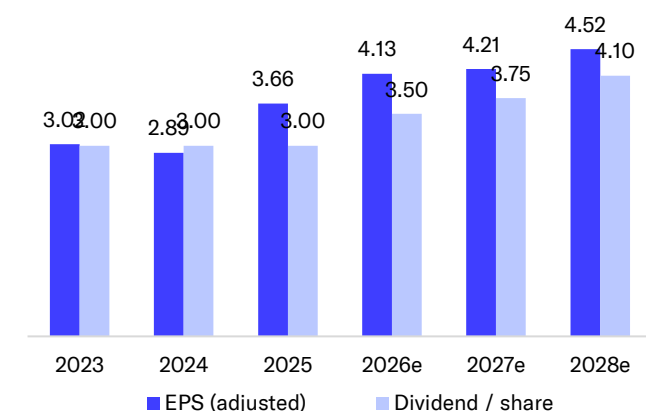
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend / share



Source: Inderes

Value drivers

- Opportunities for geographical expansion in currently smaller markets, especially Germany
- Good growth prospects across all product categories, with sports apparel being the main driver
- Improving margin levels driven by increasing online sales through the company's e-commerce platform and e-tailers
- Integrating the footwear business can boost future growth by enhancing quality control, fostering innovation and design

Risk factors

- Strong brand dependence carries risks like trend sensitivity, where the brand may fall out of fashion
- The fashion industry is fiercely competitive, and some collections might not appeal to customers
- Risks generated by integrating the footwear category or expansion investments
- Consumers' low purchasing power is a risk to short-term results

Valuation	2026e	2027e	2028e
Share price	55.9	55.9	55.9
Number of shares, millions	25.2	25.2	25.2
Market cap	1409	1409	1409
EV	1408	1396	1373
P/E (adj.)	13.5	13.3	12.4
P/E	13.5	13.3	12.4
P/B	3.6	3.4	3.3
P/S	1.3	1.2	1.2
EV/Sales	1.3	1.2	1.2
EV/EBITDA	8.6	8.3	8.0
EV/EBIT (adj.)	10.5	10.0	9.3
Payout ratio (%)	84.7 %	89.1 %	90.7 %
Dividend yield-%	6.3 %	6.7 %	7.3 %

Source: Inderes

Strong online growth and margin expansion

Own e-commerce drove growth while revenue landed in line

Björn Borg reported Q3 revenue of 308 MSEK, corresponding to a 3% year-on-year increase, roughly in line with both our and Retail Consensus estimates. In our view, revenue growth in the company's own e-commerce channel stood out, expanding by an impressive 16% and outperforming our expectations. This growth was mainly driven by a 32% increase in sports apparel sales, while the key categories of underwear and footwear also showed solid growth in the company's own e-commerce channel. The largest channel, wholesale, grew by 3% in the third quarter, in line with our expectations. Also in the wholesale channel, online drove growth, with e-tailers growing 18%. In our view, the sales development in terms of product category in the wholesale channel was mixed, with underwear driving growth while sportswear sales lagged and footwear continued to disappoint. In our view,

the German market showed strong growth of 32%, mainly due to good sales momentum to its large e-tailer Zalando, although the company also faced modest comparison figures. In the Swedish market, Björn Borg delivered slightly higher growth than the underlying clothing market.

Gross margin surprised again, lifting earnings well above expectations

In our view, the clear positive surprise in the report was once again the gross margin, which surged to 54.6% (Q3'25: 52.5%), exceeding our expectations. We believe a favorable channel mix primarily drove this expansion, as the higher margin own e-commerce segment accounted for a larger share of total sales. In addition, we believe that the gross margin was supported by slightly increased sales of the high-margin underwear category, lower discounts to key accounts, and positive FX effects at the beginning of the quarter. As a result of the strong gross margin, the company delivered EBIT of 53 MSEK, corresponding to an

exceptionally high margin of 17.2%, well above both our and Retail Consensus estimates. With only a small year-on-year increase in net financials and taxes, the company posted an EPS of SEK 1.68, which also landed well above our estimates.

Strong cash generation and solid balance sheet support dividends

In terms of cash flow, Björn Borg generated a negative free cash flow in Q3 in line with its seasonal pattern of tying up working capital in Q1 and Q3. However, from a rolling 12-month perspective, we find that free cash flow (including amortization of lease) amounted to a very good 148 MSEK, corresponding to a strong 11% FCF yield. In our view, this strong cash generation will likely continue to support high dividends. We believe the balance sheet also continues to be solid, with net debt/EBITDA at a healthy 0.6x and an equity ratio of 49%, which is comfortably above the 35% target.

Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Consensus	Difference (%)	2026e
MSEK / SEK	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. inderes	Inderes
Revenue	300	308	306	305	296 - 310	1%	1058
Gross margin-%	53%	55%	53%			1.6 pp	54%
EBITDA	52.3	60.6	54.9			10%	163
EBIT	45.1	53.2	47.5	46.4	41.5 - 48.1	12%	134
PTP	45.5	52.4	46.1			14%	131
EPS (adj.)	1.47	1.68	1.43			17%	4.13
Revenue growth-%	5.1 %	2.8 %	2.1 %	1.7 %	-1.3 % - 3.4 %	0.7 pp	1.3 %
EBIT-%	15.1 %	17.2 %	15.5 %	15.2 %	14.0 % - 15.5 %	1.7 pp	12.6 %

Source: Inderes & Pinpoint (retail consensus 14.10.26, 56 estimates) (consensus)

CEO interview – Björn Borg Q3'26



Channel mix drives profitability higher

Q3 beat lifts 2026 earnings estimates

We have kept our near-term revenue estimates unchanged, but raised our earnings estimates to reflect the Q3 profitability beat. Our Q4'26 profitability assumptions remain largely unchanged, as we expect the favorable channel mix that supported Q3 to be less supportive in Q4, when the Wholesale segment typically accounts for a larger share of total sales. Last year, Q4 was also supported by FX tailwinds, which we do not expect to repeat this year.

For the full year 2026, we expect FX-adjusted revenue growth of a modest 1%, well below the company's target of at least 10% annual sales growth. This is mainly due to weak growth in the Wholesale segment during the year, partly driven by changing order patterns as retailers have become more cautious and increasingly buy in-season rather than through pre-orders to reduce inventory risk. In contrast, the company's own e-commerce channel has performed well so far this year, and we expect this trend to

continue in Q4, although growth has moderated somewhat from the ~20% annual average of the past five years. The larger share of high-margin own e-commerce, supportive FX effects on the gross margin for most of the year, and lower discounting have supported profitability. We therefore expect full-year 2026 EBIT of 134 MSEK, corresponding to a strong EBIT margin of 12.7%.

Slightly lower mid-term revenue, but higher margin assumptions

We have slightly lowered our mid-term revenue estimates, mainly because growth in footwear has taken longer than we initially expected and the company is struggling to accelerate growth in the large Wholesale channel, particularly in the Netherlands. At the same time, we have raised our mid-term profitability assumptions, as we expect the high-margin own e-commerce channel to account for a larger share of revenue and the lower-margin footwear business for a smaller one. Overall, we expect the EBIT margin to remain at around 12% in the coming years. While

sales growth should provide some operating leverage, continued expansion in the German market and in own e-commerce channels is likely to bring additional costs.

CEO change brings some transition risk, but the foundation is solid

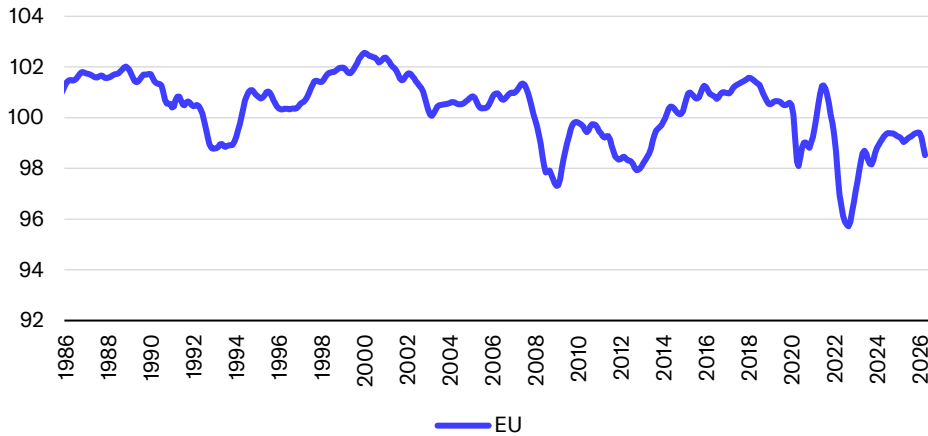
In connection with its Q3 report, Björn Borg also announced that Henrik Bunge will step down as CEO. In our view, Bunge has been an important leader, successfully transforming the company into a sports fashion brand with sustainably higher profitability. While his departure introduces some short-term transition risk, we believe the strategic foundation remains solid, as the sports fashion pivot is now fully embedded in the company's product lifecycle and operations. Furthermore, Bunge will remain CEO until March 31, 2027, and will thereafter be available as a senior adviser as needed. In our view, this supports a smooth transition and gives the company ample time to find a successor.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MSEK / SEK	Old	New	%	Old	New	%	Old	New	%
Revenue	1058	1058	0%	1145	1130	-1%	1218	1188	-2%
EBITDA	157	163	4%	164	169	3%	168	172	2%
EBIT (exc. NRIs)	128	134	5%	135	139	3%	147	147	0%
EBIT	128	134	5%	135	139	3%	147	147	0%
PTP	124	131	5%	131	135	4%	145	145	0%
EPS (excl. NRIs)	3.88	4.13	7%	4.06	4.21	4%	4.53	4.52	0%
DPS	3.50	3.50	0%	3.75	3.75	0%	4.10	4.10	0%

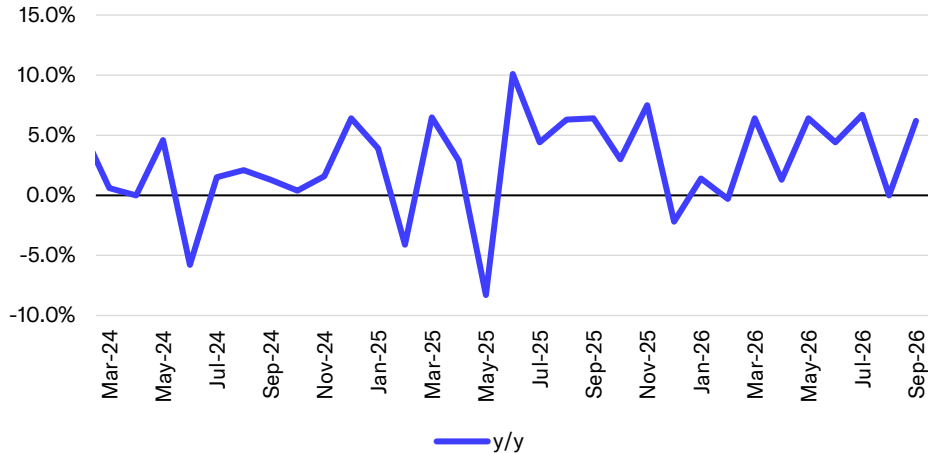
Source: Inderes

Market figures

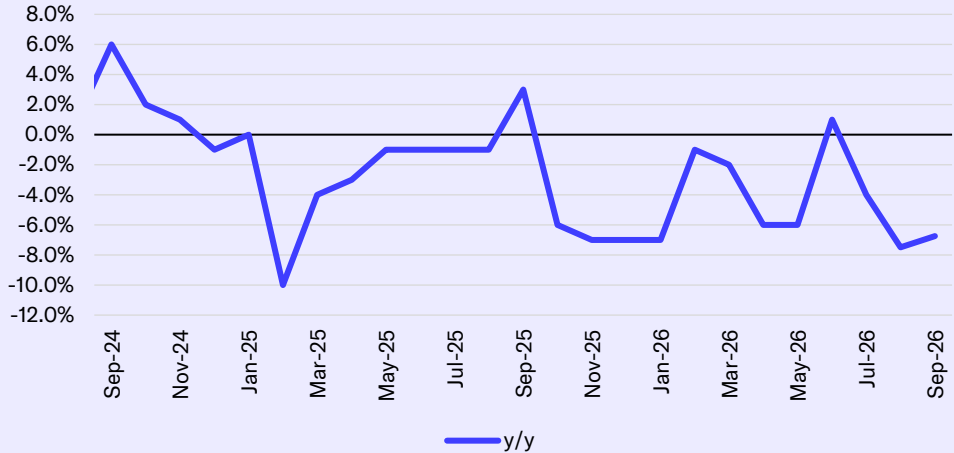
Consumer confidence



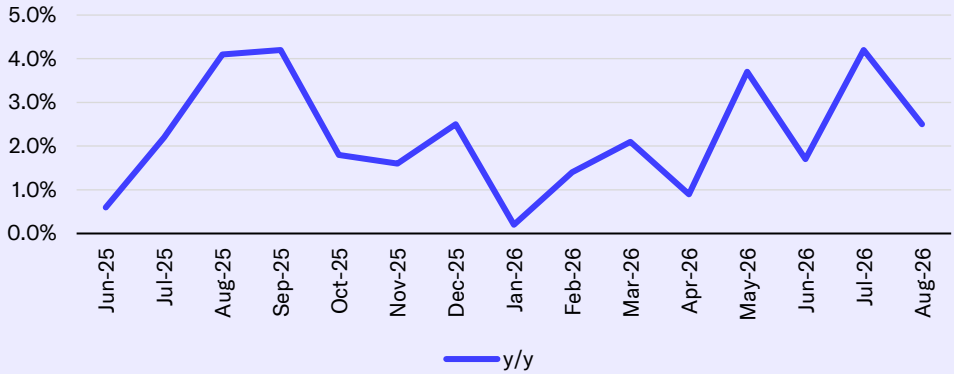
Sweden apparel sales ¹
(~37% of Björn Borg group sales)



Germany apparel sales ²
(~10% of Björn Borg group sales)



The Netherlands apparel sales ³
(~21% of Björn Borg group sales)



Source: Inderes, OECD, Stilindex, TextilWirtschaft, Statistics Netherlands (CBS),

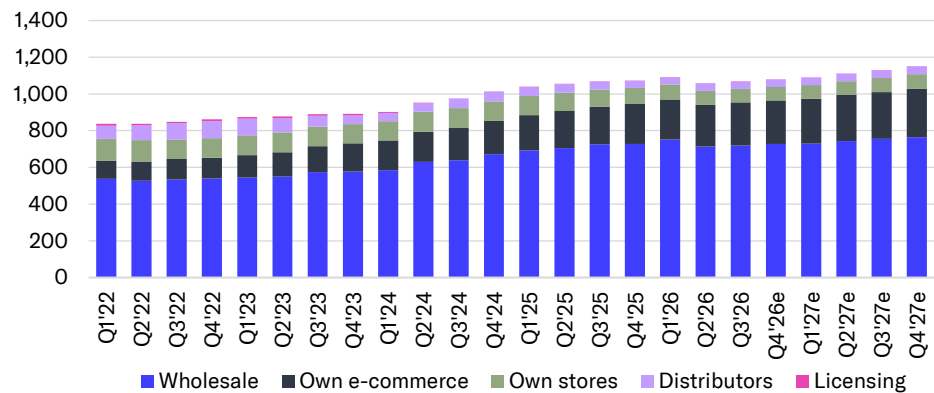
Estimates

Group reporting, MSEK	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Revenue	496	539	574	632	696	710	757	705	768	835	872	990	1044	1058	1130	1188
Revenue growth-%	-9.0%	9.0%	7.0%	10.0%	10.3%	1.9%	6.7%	-6.8%	8.9%	8.7%	4.4%	13.5%	5.5%	1.3%	6.9%	5.1%
Revenue growth-% (currency neutral)	-8.0%	6.0%	-1.0%	10.0%	9.6%	1.6%	3.7%	-5.8%	11.5%	4.7%	0.7%	13.8%	7.8%	1.0%	6.9%	5.1%
COGS	-241	-254	-273	-314	-320	-303	-351	-335	-352	-411	-401	-469	-504	-482	-528	-558
Gross profit	259	291	311	324	384	414	428	399	444	450	491	544	568	598	622	650
Gross margin	51.5%	52.9%	52.4%	50.3%	54.0%	57.4%	53.7%	52.5%	54.2%	50.8%	54.0%	52.6%	51.8%	54.5%	53.3%	53.0%
OPEX	-238	-238	-253	-260	-329	-343	-378	-365	-340	-377	-390	-442	-457	-464	-483	-502
EBIT	21	53	59	64	55	71	50	34	104	73	101	102	112	134	139	147
EBIT margin-%	4.3%	9.8%	10.2%	10.2%	7.9%	10.0%	6.7%	4.8%	13.5%	8.7%	11.5%	10.3%	10.7%	12.6%	12.3%	12.4%
Segment breakdown, MSEK	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Wholesale	204	193	207	290	441	466	516	464	502	540	577	672	728	728	765	800
Growth-%		-5.6%	7.5%	39.8%	52.4%	5.7%	10.7%	-10.0%	8.2%	7.5%	7.0%	16.3%	8.5%	-0.1%	5.1%	4.6%
EBIT margin-%	7.6%	3.3%	-2.0%	6.1%	7.8%	9.8%	5.7%	3.6%	13.6%	9.8%	10.5%	8.1%	9.2%	11.0%	10.0%	10.0%
Own e-commerce								84	100	113	154	181	217	238	264	280
Growth-%									19.0%	14.0%	35.8%	17.6%	19.7%	9.7%	11.1%	6.1%
EBIT margin-%								12.2%	20.3%	15.6%	18.7%	18.2%	18.5%	20.4%	19.2%	19.0%
Own stores								127	113	107	105	107	87	73	78	80
Growth-%									-11.2%	-5.9%	-1.7%	2.6%	-18.6%	-16.3%	6.6%	2.6%
EBIT margin-%								-10.1%	-5.6%	-22.8%	-6.7%	2.5%	-5.8%	-6.3%	1.8%	3.0%
Direct-to-consumer	69	81	105	128	186	186	197	211	213	220	259	288	304	311	342	360
Growth-%		16.4%	29.7%	22.0%	45.8%	-0.1%	6.1%	7.1%	0.8%	3.4%	17.6%	11.5%	5.4%	2.2%	10.0%	5.3%
EBIT margin-%	-18.9%	-5.9%	1.0%	-4.9%	-7.4%	-1.5%	-1.4%	-1.3%	6.5%	-3.0%	8.4%	12.3%	11.5%	14.1%	15.2%	15.4%
Distributors	187	234	238	188	58	49	50	45	71	92	47	51	38	39	42	47
Growth-%		24.9%	1.8%	-21.1%	-69.0%	-15.8%	2.4%	-11.2%	59.9%	29.2%	-49.6%	8.9%	-24.7%	3.2%	6.7%	11.9%
EBIT margin-%	2.2%	14.9%	15.7%	17.8%	31.3%	30.1%	22.1%	15.6%	19.0%	21.2%	21.2%	19.7%	21.7%	21.2%	23.0%	23.0%
Licensing	38	37	35	34	19	15	15	14	10	9	9	2	1	2	1	1
Growth-%		-2.2%	-7.3%	-3.2%	-44.8%	-17.1%	0.4%	-9.7%	-30.7%	-8.4%	2.9%	-75.6%	-48.0%	36.0%	-23.9%	-16.7%
EBIT margin-%	38.4%	52.2%	69.6%	58.0%	87.7%	87.1%	86.6%	89.7%	84.6%	81.0%	88.6%	86.7%	90.9%	88.1%	85.0%	85.0%
Geographical breakdown, MSEK	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Sweden	202	192	227	245	227	265	272	268	276	287	298	346	387	386	408	416
The Netherlands	146	158	171	160	167	176	210	164	173	179	208	225	234	222	248	249
Finland	54	65	66	88	123	115	110	119	104	112	118	122	132	136	132	143
Germany								44	81	93	86	104	100	112	116	143
Other	97	130	120	145	187	154	166	110	135	165	163	192	190	202	226	238
Product breakdown, -% as of sales	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Underwear	60 %	61 %	61 %	63 %	61 %	60 %	59 %	56 %	60 %	55 %	55 %	52 %	48 %	49 %	47 %	46 %
Sports Apparel	11 %	10 %	10 %	9 %	10 %	11 %	14 %	13 %	18 %	19 %	22 %	25 %	29 %	30 %	32 %	34 %
Footwear					23 %	24 %	23 %	27 %	9 %	9 %	8 %	10 %	9 %	8 %	8 %	9 %
Bags									0 %	7 %	6 %	5 %	5 %	4 %	4 %	4 %
Other	29 %	29 %	29 %	28 %	6 %	5 %	4 %	4 %	14 %	10 %	9 %	8 %	9 %	9 %	9 %	7 %

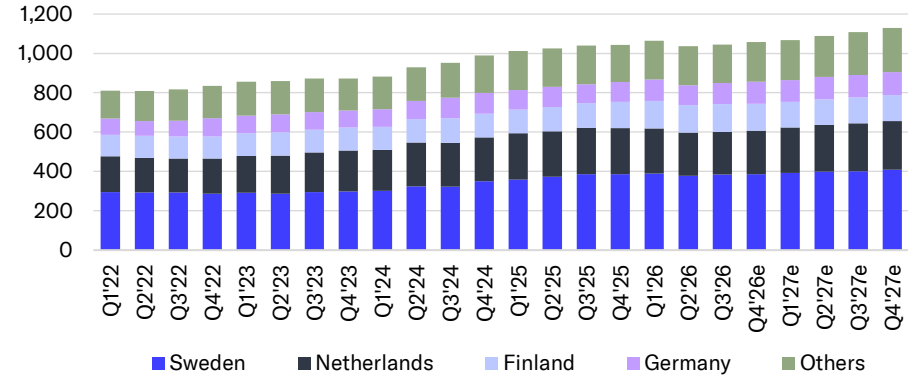
* Own e-commerce & Own Stores are included in “Direct-to-consumer” segment until 2020. Germany is included in “Other” markets until 2020. Footwear is included in “Other” products until 2016, and bags until 2020
Source: Inderes, Björn Borg

Financial development

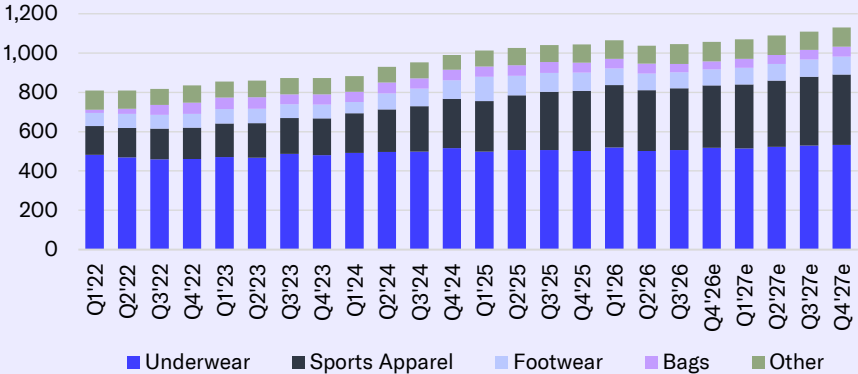
Revenue by segment
Rolling 12 months, MSEK



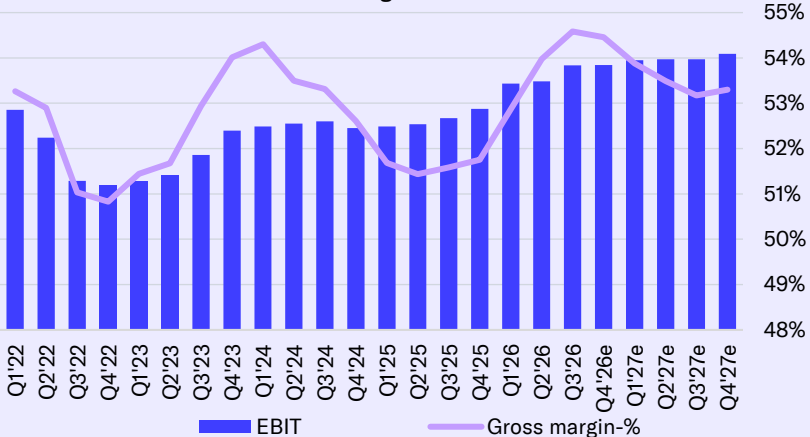
Revenue by geography
Rolling 12 months, MSEK



Revenue by product
Rolling 12 months, MSEK



EBIT (MSEK) & Gross margin-%
Rolling 12 months



We reiterate our Buy recommendation

Low multiples relative to earnings potential

We forecast Björn Borg's earnings to grow at a CAGR of around 5-10% in the medium term, mainly driven by solid sales growth. Increasing earnings will put downward pressure on valuation multiples in the coming years, meaning that earnings growth itself is expected to be a driver of returns. The P/E multiples for 2026 and 2027, incorporating earnings growth, are around 13-14x, while the corresponding EV/EBIT multiples are ~10-11x. In our view, Björn Borg's forward-looking multiples are low relative to its earnings and return on capital potential, historical valuation levels, and the broader market valuation environment.

Peer valuation points to upside

Most retail chains have significant lease liabilities, which muddle the EV-based valuation. Thus, we look mainly at the P/E ratios of the peer group. When comparing Björn Borg to several listed sports apparel and retail companies, its P/E multiples for 2026 and 2027 are, on average, ~8% lower than those of its peers. When excluding the retail peers, Björn Borg's discount increases to around 15%. Given that Björn Borg's sports apparel peers are larger and more globally established brands, we find it reasonable, on the one hand, to price Björn Borg below its peers. However, we expect Björn Borg to grow roughly in line with its peers in the coming years, along with higher profitability and returns on capital, suggesting that the current discount is exaggerated. We believe it is important to note that the peer group's valuation multiples vary widely, from single digits to over 20x, which in our view makes the peer group somewhat dependent on the specific companies included. Consequently, while peer valuation indicates some upside

potential for Björn Borg, we do not place too much emphasis on it.

Dividend yield and earnings growth underpin an attractive expected return

We expect investors to receive an annual dividend yield of about 6-7% over the next few years at the current share price, which roughly aligns with our estimated cash flow yield. In our view, the dividend yield therefore provides a very solid foundation for the total expected return of the share. Looking at earnings multiples on an actual earnings basis, we believe that Björn Borg's valuation is also relatively low (P/E ~14x), which provides some support to the stock's total expected return. However, we see the combination of earnings growth and dividend yield as the main driver for the stock's total expected return. Overall, the total expected return of the share (~15-20%) is well above our required return (CoE: 10%), and we therefore find the risk/reward ratio to be attractive, which warrants a positive investment view.

DCF is in the green

We estimate Björn Borg's cost of equity to be 10.0%, which we consider fair given its relatively stable history of generating profitable growth and high returns on capital. However, this rate also reflects the company's small size and limited global market presence. As we assume little debt in the WACC calculation (as the company generates good operational cash flow and typically carries little leverage excluding lease liabilities), the WACC is set to 9.5%. With these assumptions, our DCF model arrives at an EV of ~1,789 MSEK, which translates into an equity value per share of SEK 66.

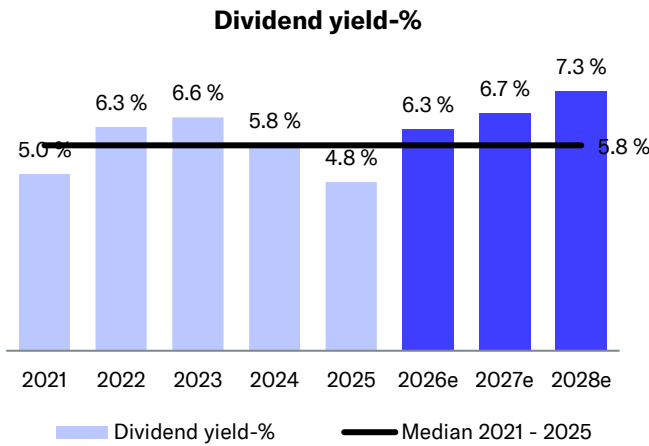
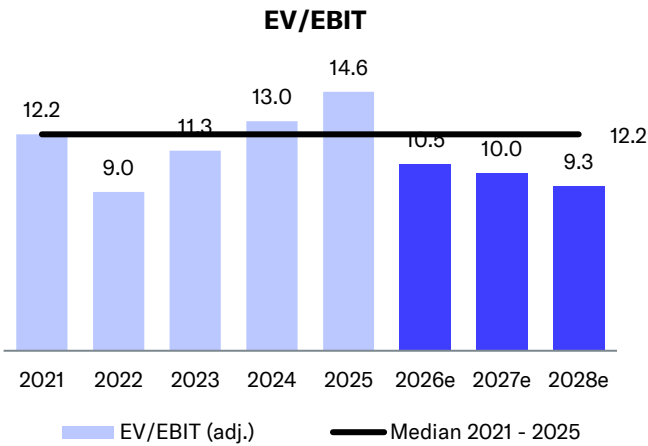
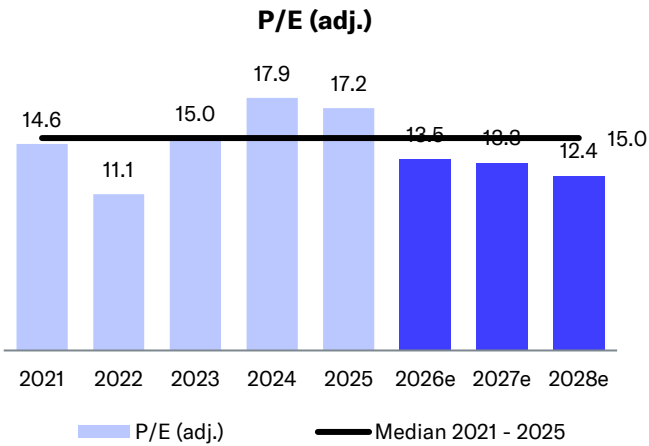
Valuation	2026e	2027e	2028e
Share price	55.9	55.9	55.9
Number of shares, millions	25.2	25.2	25.2
Market cap	1409	1409	1409
EV	1408	1396	1373
P/E (adj.)	13.5	13.3	12.4
P/E	13.5	13.3	12.4
P/B	3.6	3.4	3.3
P/S	1.3	1.2	1.2
EV/Sales	1.3	1.2	1.2
EV/EBITDA	8.6	8.3	8.0
EV/EBIT (adj.)	10.5	10.0	9.3
Payout ratio (%)	84.7 %	89.1 %	90.7 %
Dividend yield-%	6.3 %	6.7 %	7.3 %

Source: Inderes

Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	50.0	31.6	45.4	51.6	62.8	55.9	55.9	55.9	55.9
Number of shares, millions	25.1	25.1	25.1	25.1	25.1	25.2	25.2	25.2	25.2
Market cap	1257	795	1142	1298	1579	1409	1409	1409	1409
EV	1275	844	1138	1323	1634	1408	1396	1373	1358
P/E (adj.)	14.6	11.1	15.0	17.9	17.2	13.5	13.3	12.4	11.8
P/E	14.6	15.6	15.0	17.9	17.2	13.5	13.3	12.4	11.8
P/B	3.7	2.4	3.2	3.6	4.3	3.6	3.4	3.3	3.1
P/S	1.6	1.0	1.3	1.3	1.5	1.3	1.2	1.2	1.1
EV/Sales	1.7	1.0	1.3	1.3	1.6	1.3	1.2	1.2	1.1
EV/EBITDA	9.1	7.8	8.5	9.9	11.6	8.6	8.3	8.0	7.7
EV/EBIT (adj.)	12.2	9.0	11.3	13.0	14.6	10.5	10.0	9.3	8.8
Payout ratio (%)	73.1 %	98.9 %	99.3 %	103.8 %	82.0 %	84.7 %	89.1 %	90.7 %	90.0 %
Dividend yield-%	5.0 %	6.3 %	6.6 %	5.8 %	4.8 %	6.3 %	6.7 %	7.3 %	7.6 %

Source: Inderes



The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Sports apparel													
Adidas	27,431	31,944	13.0	11.1	9.10	7.94	1.18	1.10	16.67	13.55	2.2	2.8	4.4
Nike	49,434	49,010	20.1	22.7	15.66	17.39	1.19	1.28	24.87	29.42	4.5	4.5	4.1
Puma	3,681	5,966		31.3	20.14	10.34	0.86	0.82		119.67			2.3
Under Armour	1,770	1,944	20.3	15.2	10.12	8.56	0.44	0.46	38.00	40.71		0.5	1.4
RVRC	523	495	12.9	9.8	12.52	9.65	2.71	2.00	17.19	13.67	2.8	3.2	4.5
Columbia Sportswear	2,803	2,246	8.7	9.7	6.44	6.67	0.73	0.70	13.92	14.59	2.0	2.0	1.8
New Wave Group	1,189	1,502	12.6	10.5	9.73	8.34	1.52	1.39	14.29	11.66	3.3	3.9	1.8
Retail													
PVH	3,499	4,644	6.9	6.7	5.01	4.95	0.59	0.58	7.80	7.08	0.2	0.2	0.8
GAP	6,998	6,112	6.1	5.4	4.22	3.96	0.45	0.46	10.43	9.32	2.9	3.1	2.3
H&M	25,147	29,873	17.1	16.8	8.46	8.24	1.49	1.45	21.84	21.15	4.2	4.4	6.6
Fenix Outdoor	936	1,126	13.4	12.8	7.88	7.66	1.35	1.29	5.74	5.50	6.3	6.6	0.7
JD Sports Fashion	5,048	9,075	7.7	8.5	4.03	4.14	0.60	0.60	7.67	8.35	1.1	1.5	1.5
Boozt	838	896	16.9	13.9	11.2	9.6	1.1	1.0	19.7	16.5			3.3
Lindex Group	378	929	11.5	11.8	4.7	4.9	1.0	0.9	11.5	12.1			0.8
Zalando	6,687	6,592	13.3	9.5	6.5	5.6	0.5	0.5	25.1	15.7			2.3
Björn Borg (Inderes)	128	128	10.5	10.0	8.6	8.3	1.3	1.2	13.5	13.3	6.3	6.7	3.6
Average			12.9	13.0	9.0	7.9	1.0	1.0	16.8	22.6	2.9	3.0	2.6
Median			12.9	11.1	8.5	7.9	1.0	0.9	15.5	13.7	2.9	3.1	2.3
Diff-% to median			-18%	-10%	2%	4%	40%	33%	-13%	-3%	118%	114%	57%

Income statement

Income statement	2023	2024	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue	872	990	1044	301	198	308	250	1058	1130	1188	1263
Wholesale	577	672	728	234	110	224	160	728	765	800	840
Own e-commerce	154	181	217	53	60	60	65	238	264	280	310
Own stores	105	107	87	13	19	21	20	73	78	80	85
Distributors	47	51	38	7	13	9	10	39	42	47	48
Licensing	9	2	1	0	0	0	0	2	1	1	1
EBITDA	134	134	141	54	19	61	29	163	169	172	177
Depreciation	-33	-32	-29	-7	-7	-7	-7	-29	-30	-24	-23
EBIT (excl. NRI)	101	102	112	47	12	53	22	134	139	147	154
EBIT	101	102	112	47	12	53	22	134	139	147	154
Wholesale	61	54	67	41	-4	38	5	80	77	80	84
Own e-commerce	29	33	40	8	15	12	14	48	51	53	56
Own stores	-7	3	-5	-4	-1	0	0	-5	1	2	3
Distributors	10	10	8	2	2	2	2	8	10	11	11
Licensing	8	2	1	0	0	0	0	1	1	1	1
Net financial items	-3	-11	6	-1	0	-1	-1	-3	-4	-2	-2
PTP	98	90	118	46	12	52	21	131	135	145	152
Taxes	-22	-18	-26	-9	-3	-10	-5	-27	-29	-31	-33
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Net earnings	76	73	92	37	9	42	16	104	106	114	119
EPS (adj.)	3.02	2.89	3.66	1.46	0.34	1.68	0.65	4.13	4.21	4.52	4.74
EPS (rep.)	3.02	2.89	3.66	1.46	0.34	1.68	0.65	4.13	4.21	4.52	4.74
Key figures	2023	2024	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	4.4 %	13.5 %	5.4 %	7.3 %	-12.2 %	2.8 %	5.1 %	1.3 %	6.9 %	5.1 %	6.3 %
Adjusted EBIT growth-%		1.3 %	9.5 %	37.1 %	11.0 %	17.8 %	1.2 %	19.8 %	4.2 %	5.8 %	4.7 %
EBITDA-%	15.3 %	13.5 %	13.5 %	18.0 %	9.6 %	19.7 %	11.7 %	15.4 %	14.9 %	14.4 %	14.0 %
Adjusted EBIT-%	11.5 %	10.3 %	10.7 %	15.6 %	5.9 %	17.2 %	8.7 %	12.6 %	12.3 %	12.4 %	12.2 %
Net earnings-%	8.7 %	7.3 %	8.8 %	12.3 %	4.4 %	13.7 %	6.5 %	9.8 %	9.4 %	9.6 %	9.5 %

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	307	291	281	271	267
Goodwill	37.2	35.9	35.9	35.9	35.9
Intangible assets	194	194	193	192	191
Tangible assets	63.3	52.8	43.3	34.1	31.3
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	12.2	8.8	8.8	8.8	8.8
Current assets	402	428	459	473	505
Inventories	259	257	243	260	261
Other current assets	22.6	24.0	24.0	24.0	24.0
Receivables	111	133	127	136	143
Cash and equivalents	8.8	13.5	65.1	53.4	76.8
Balance sheet total	709	719	740	744	772

Source: Inderes

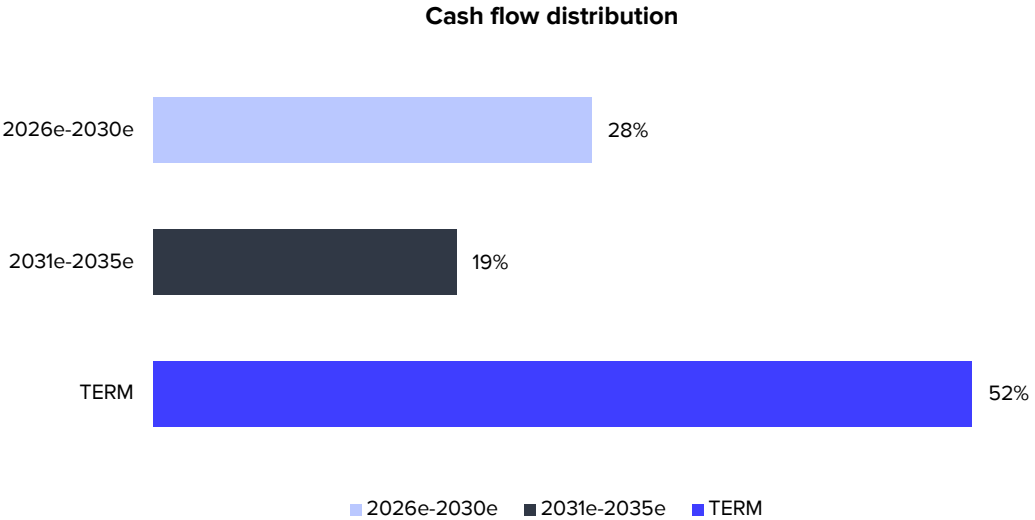
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	352	361	390	408	427
Share capital	7.9	7.9	7.9	7.9	7.9
Retained earnings	173	177	206	223	243
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	179	182	182	182	182
Minorities	-6.9	-5.8	-5.8	-5.8	-5.8
Non-current liabilities	62.0	54.5	64.5	59.5	59.5
Deferred tax liabilities	39.5	39.5	39.5	39.5	39.5
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	22.6	15.0	25.0	20.0	20.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	294	304	286	276	285
Interest bearing debt	36.4	77.8	60.0	40.0	40.0
Payables	189	159	159	170	178
Other current liabilities	69.0	66.9	66.9	66.9	66.9
Balance sheet total	709	719	740	744	772

DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	5.4 %	1.3 %	6.9 %	5.1 %	6.3 %	6.0 %	6.0 %	6.0 %	6.0 %	5.0 %	2.5 %	2.5 %
EBIT-%	10.7 %	12.6 %	12.3 %	12.4 %	12.2 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	11.5 %	11.5 %
EBIT (operating profit)	112	134	139	147	154	161	170	181	191	201	198	
+ Depreciation	29.1	29.4	29.6	24.3	22.6	22.4	22.9	23.7	24.6	25.2	25.7	
- Paid taxes	-22.2	-26.9	-29.2	-31.4	-32.9	-34.3	-36.4	-38.6	-40.9	-43.0	-42.4	
- Tax, financial expenses	1.4	-0.5	-0.9	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-53.0	19.9	-14.5	0.3	-1.6	-0.3	-13.7	-14.5	-15.3	-13.6	-7.2	
Operating cash flow	66.7	156	124	140	142	148	143	151	159	169	174	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-17.1	-18.6	-19.6	-20.5	-21.6	-22.6	-23.7	-24.8	-25.3	-25.7	-25.7	
Free operating cash flow	49.6	137	105	119	120	125	119	126	134	143	148	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	49.6	137	105	119	120	125	119	126	134	143	148	2168
Discounted FCFF		135	93.9	97.9	90.0	85.7	74.2	71.6	69.6	68.0	64.1	939
Sum of FCFF present value		1789	1654	1560	1462	1372	1286	1212	1141	1071	1003	939
Enterprise value DCF		1789										
- Interest bearing debt		-92.8										
+ Cash and cash equivalents		13.5										
+ Associated companies		0.0										
-Minorities		20.7										
-Dividend/capital return		-75.4										
Equity value DCF		1655										
Equity value DCF per share		66										

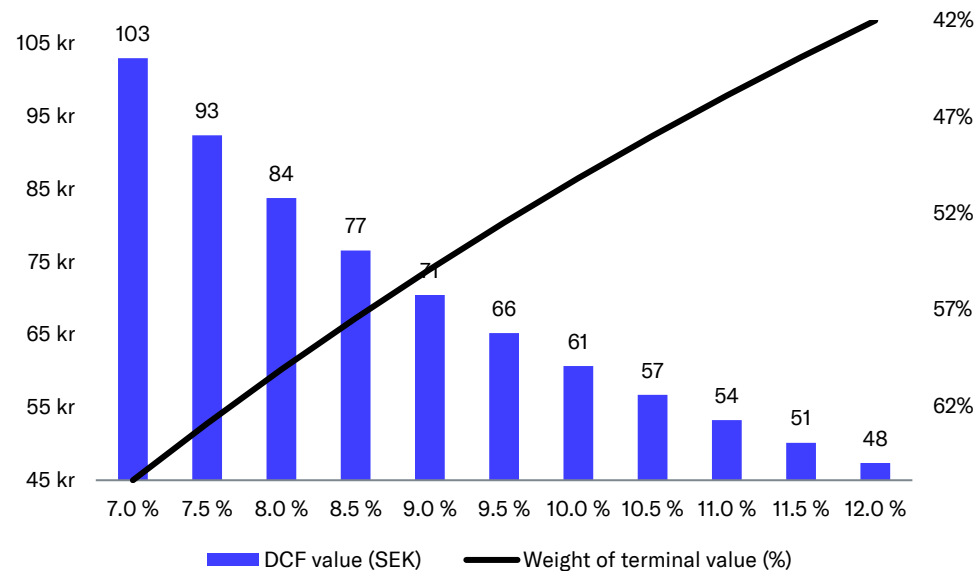
WACC	
Tax-% (WACC)	20.6 %
Target debt ratio D/(D+E)	7.0 %
Cost of debt	5.0 %
Equity Beta	1.05
Market risk premium	4.75%
Liquidity premium	2.00%
Risk free interest rate	3.0 %
Cost of equity	10.0 %
Weighted average cost of capital (WACC)	9.5 %

Source: Inderes

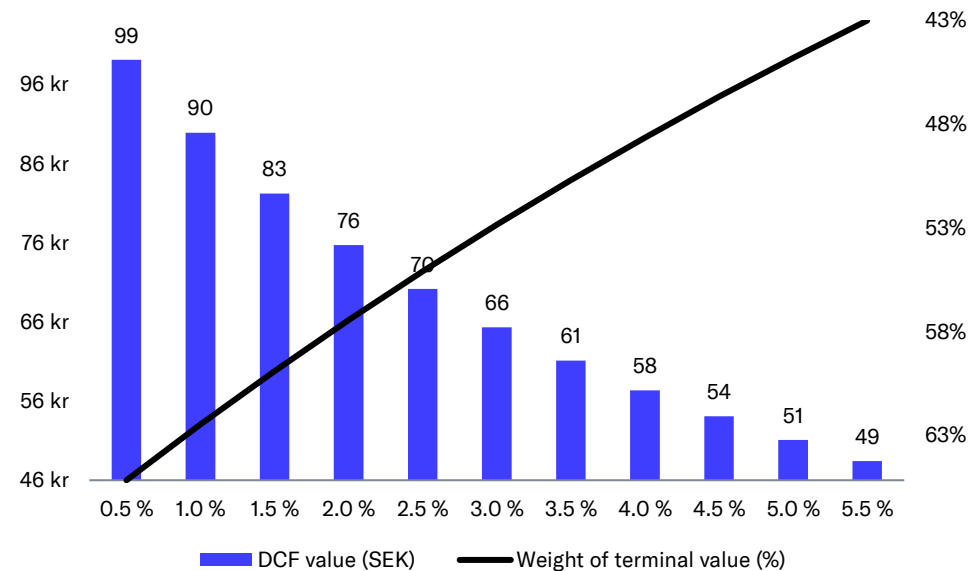


DCF sensitivity calculations and key assumptions in graphs

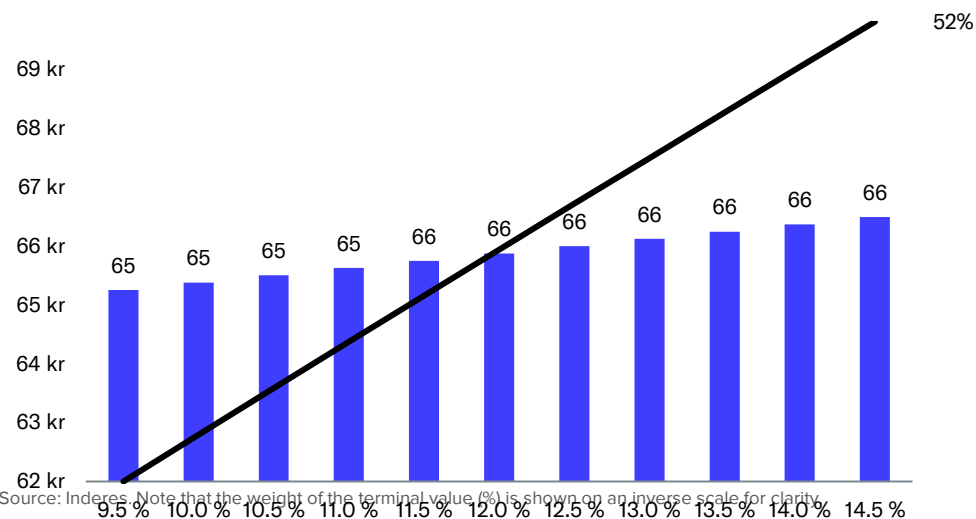
Sensitivity of DCF to changes in the WACC-%



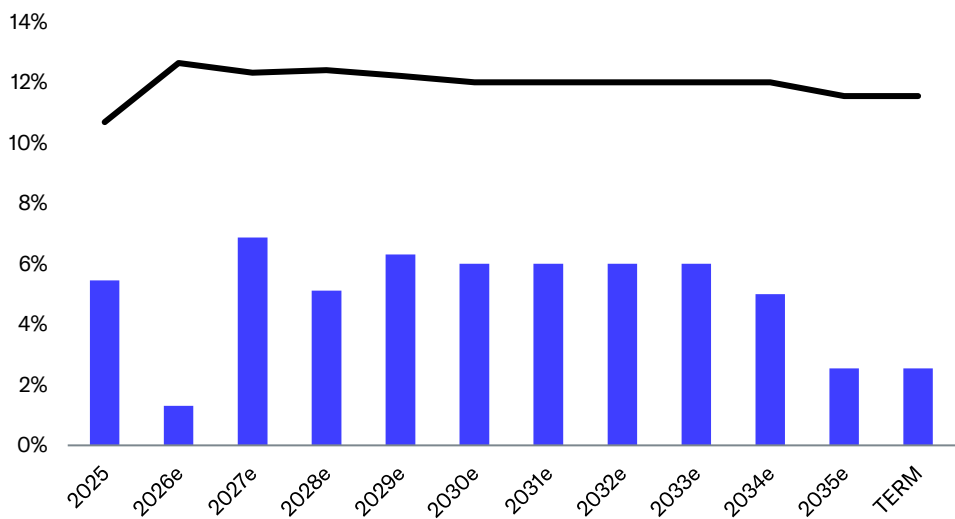
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	872.3	990.0	1043.9	1057.6	1130.2	EPS (reported)	3.02	2.89	3.66	4.13	4.21
EBITDA	133.6	134.0	140.6	163.1	168.8	EPS (adj.)	3.02	2.89	3.66	4.13	4.21
EBIT	100.6	101.8	111.5	133.6	139.2	OCF / share	5.02	3.22	2.65	6.17	4.93
PTP	97.7	90.4	117.7	131.0	135.2	OFCF / share	4.04	1.84	1.97	5.43	4.15
Net Income	76.0	72.7	92.1	104.1	106.0	Book value / share	14.20	14.29	14.59	15.69	16.40
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share	3.00	3.00	3.00	3.50	3.75
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	631.5	708.9	719.2	739.8	743.5	Revenue growth-%	4%	13%	5%	1%	7%
Equity capital	350.8	352.5	361.0	389.7	407.5	EBITDA growth-%	24%	0%	5%	16%	4%
Goodwill	36.4	37.2	35.9	35.9	35.9	EBIT (adj.) growth-%	7%	1%	9%	20%	4%
Net debt	16.2	50.2	79.3	19.9	6.6	EPS (adj.) growth-%	6%	-4%	27%	13%	2%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	15.3 %	13.5 %	13.5 %	15.4 %	14.9 %
EBITDA	133.6	134.0	140.6	163.1	168.8	EBIT (adj.)-%	11.5 %	10.3 %	10.7 %	12.6 %	12.3 %
Change in working capital	14.9	-33.0	-53.0	19.9	-14.5	EBIT-%	11.5 %	10.3 %	10.7 %	12.6 %	12.3 %
Operating cash flow	126.2	80.9	66.7	155.5	124.2	ROE-%	22.1 %	20.3 %	25.4 %	27.3 %	26.2 %
CAPEX	-24.6	-34.7	-17.1	-18.6	-19.6	ROI-%	25.1 %	25.3 %	25.8 %	28.8 %	29.6 %
Free cash flow	101.6	46.2	49.6	136.9	104.6	Equity ratio	55.6 %	49.7 %	50.2 %	52.7 %	54.8 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	4.6 %	14.2 %	22.0 %	5.1 %	1.6 %
EV/S	1.3	1.3	1.6	1.3	1.2	Net debt/EBITDA	0.1	0.4	0.6	0.1	0.0
EV/EBITDA	8.5	9.9	11.6	8.6	8.3	EBITDA/net financials	46.7	11.7	-22.6	61.7	42.2
EV/EBIT (adj.)	11.3	13.0	14.6	10.5	10.0						
P/E (adj.)	15.0	17.9	17.2	13.5	13.3						
P/B	3.2	3.6	4.3	3.6	3.4						
Dividend-%	6.6 %	5.8 %	4.8 %	6.3 %	6.7 %						

Source: Inderes

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2024-08-07	Accumulate	63.0 kr	57.3 kr
2024-08-19	Accumulate	68.0 kr	61.2 kr
2024-11-18	Accumulate	67.0 kr	61.0 kr
2025-02-24	Reduce	62.0 kr	58.3 kr
2025-04-10	Accumulate	55.0 kr	48.2 kr
2025-05-16	Reduce	55.0 kr	57.8 kr
2025-08-18	Reduce	55.0 kr	57.5 kr
2025-11-17	Reduce	57.0 kr	62.9 kr
2026-02-16	Accumulate	67.0 kr	61.0 kr
2026-04-24	Reduce	67.0 kr	71.9 kr
2026-04-30	Reduce	67.0 kr	68.0 kr
2026-07-09	Accumulate	69.0 kr	62.4 kr
2026-08-17	Accumulate	69.0 kr	62.6 kr
2026-10-16	Buy	66.0 kr	53.5 kr
2026-10-26	Buy	66.0 kr	55.9 kr



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Our goal is to be the most investor-minded company in finance. Inderes was founded in 2009 by investors, for investors. As a Nasdaq First North-listed company, we understand the day-to-day reality of our customers.

Inderes Ab

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Risk profile of the business

