

BJÖRN BORG

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Playing offense on growth, margins under watch

Björn Borg's Q2 results were mixed. While the company reported strong revenue, it did not come without costs and profitability was lower than our expectations. The company's earnings multiples for this year are at the upper end of our acceptable valuation range, with a P/E ratio of approximately 18x and an EV/EBIT of ~14x. At current valuations, we would like to see clearer evidence that the company can successfully expand its revenue while maintaining solid gross margins. As a result, we reiterate our Reduce recommendation and target price of SEK 55 per share.

Another quarter of strong growth

Björn Borg's Q2 revenue grew by 8.9% in local currencies. However, due to a negative FX impact from a strengthening SEK, reported revenue increased by 6.0% year-on-year to 226 MSEK. Given the challenging comparison figures, we believe the company delivered strong growth, slightly exceeding our expectations. The main growth drivers in the quarter were Own e-commerce and the Wholesale segment, growing 26% and 9%, respectively. By product category, sports apparel was the standout performer, growing 40% despite challenging comparison figures. However, footwear revenue decreased, as anticipated, as last year's summer collection was distributed in Q2'24 due to delays in the footwear takeover, whereas this year's collection was distributed as planned in Q1'25. Geographically, key markets Sweden and Germany both experienced strong growth, while the Netherlands stood out on the negative side.

While the company showed a strong topline growth, the Q2 gross margin was weak, declining to 47.5% adjusted for currency effects. The decline primarily reflects strategic initiatives aimed at driving growth, including a focus on larger customers with higher order volumes, which has required offering greater discounts. Naturally, growth does not come without cost, and while this strategy supports revenue expansion and market share gains, it has weighed on profitability in the quarter. On the cost side, the company managed to keep operating expenses relatively in

check, leading to a slight increase in absolute EBIT to 10.6 MSEK. Nevertheless, despite good revenue growth, Q2 earnings were below our expectations as a result of the lower gross margins.

No major changes to our estimates

While we expect Björn Borg to remain aggressive in pursuing growth, which will likely pressure margins, we also anticipate stronger FX tailwinds in H2 than previously assumed, which should provide some offset. As a result, we have made only marginal adjustments to our estimates. While we do not view Q2's gross margin as the new normal, there is some downside risk to H2 estimates if the discounts that weighed on Q2 margins persist.

For the current year, we expect revenue growth of around 9% in local currencies (7% reported), driven primarily by the expansion of the sports apparel category within the company's own e-commerce channel. Looking ahead to 2026–2027, we forecast organic growth of around 6-7%, supported by rising sales in sports apparel and footwear, as well as expansion in the German market. While sales growth should generate some operating leverage, continued expansion will likely require additional costs. Overall, we continue to expect Björn Borg to deliver an EBIT margin roughly in line with its 10% target in the coming years, supported by good sales growth.

We stay patient for a more attractive valuation

We forecast good earnings growth in the coming years driven by revenue growth and solid margins. We expect Björn Borg to distribute most of its earnings and free cash flow as dividends, resulting in a dividend yield of 5-6%. However, the share is expensive on an actual earnings basis, and in our view, Björn Borg's expected return is lower than the required return. The DCF and peer valuation paint a similar picture. Consequently, we reiterate our Reduce recommendation and target price of SEK 55 per share.

Recommendation

Reduce
(prev. Reduce)

Target price:

55.0 SEK
(prev. 55.0 SEK)

Share price:

57.5 SEK

Business risk



Valuation risk



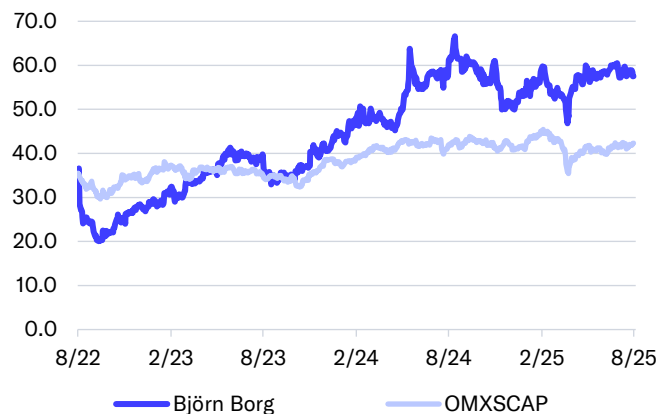
	2024	2025e	2026e	2027e
Revenue	990.0	1058.1	1130.2	1199.0
growth-%	13%	7%	7%	6%
EBIT adj.	101.8	109.9	119.5	129.8
EBIT-% adj.	10.3 %	10.4 %	10.6 %	10.8 %
Net Income	72.7	82.1	89.2	96.6
EPS (adj.)	2.89	3.26	3.55	3.84
P/E (adj.)	17.9	17.6	16.2	15.0
P/B	3.6	4.0	3.9	3.8
Dividend yield-%	5.8 %	5.6 %	6.1 %	6.5 %
EV/EBIT (adj.)	13.2	13.6	12.4	11.4
EV/EBITDA	10.1	10.6	9.8	9.2
EV/S	1.4	1.4	1.3	1.2

Source: Inderes

Guidance

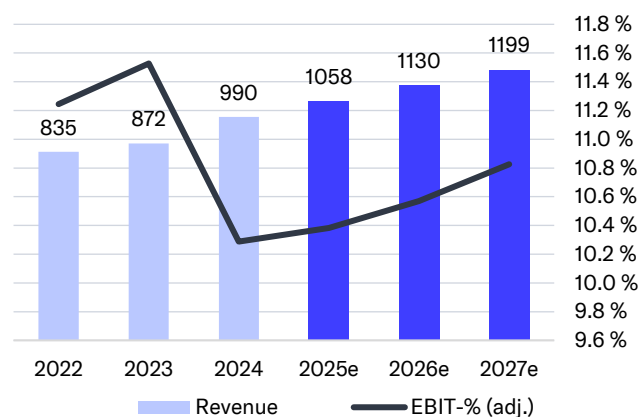
Björn Borg does not provide any guidance

Share price



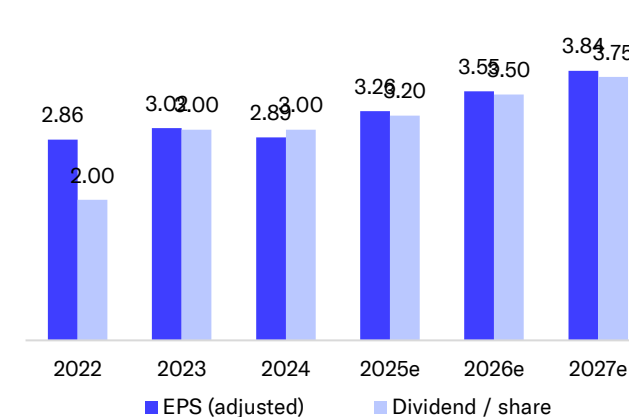
Source: Millstream Market Data AB

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 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 competed, 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	2025e	2026e	2027e
Share price	57.5	57.5	57.5
Number of shares, millions	25.1	25.1	25.1
Market cap	1446	1446	1446
EV	1493	1483	1474
P/E (adj.)	17.6	16.2	15.0
P/E	17.6	16.2	15.0
P/B	4.0	3.9	3.8
P/S	1.4	1.3	1.2
EV/Sales	1.4	1.3	1.2
EV/EBITDA	10.6	9.8	9.2
EV/EBIT (adj.)	13.6	12.4	11.4
Payout ratio (%)	98.1 %	98.7 %	97.7 %
Dividend yield-%	5.6 %	6.1 %	6.5 %

Source: Inderes

Good revenue growth but earnings lagged expectations

Strong revenue growth despite challenging comparison figures

Björn Borg's Q2 revenue grew by 8.9% in local currencies. However, due to a negative FX impact from a strengthening SEK, reported revenue increased by 6.0% year-on-year to 226 MSEK. Given the challenging comparison figures, we feel the company delivered strong growth, slightly exceeding our expectations and aligning with Retail Consensus (Pinpoint Estimates). Wholesale, the largest segment, reported strong growth of 9%, reaching 148 MSEK. This performance surpassed our expectations, primarily driven by strong development in the sports apparel category. While revenue in the Own e-commerce segment (Q2'25: 52 MSEK) was broadly in line with our estimates, both Own stores (Q2'25: 24 MSEK) and distributors (13 MSEK) underperformed our expectations. The Licensing segment continued to generate modest revenue following the integration of the footwear category, which previously constituted a significant portion of this

segment.

Geographically, key markets Sweden and Germany both experienced strong growth, up 22% and 20% year-on-year, respectively, both exceeding our expectations. Conversely, the Netherlands stood out negatively with an 8% decline, mainly due to a decrease in footwear sales. This was anticipated, as last year's summer collection was distributed in Q2'24 due to delays in the footwear takeover, whereas this year's collection was distributed as planned in Q1'25.

Earnings fell below our expectations

In our view, Björn Borg's Q2 gross margin was weak, declining to 50.6% (Q2'24: 51.8%) and coming in below our estimates. Adjusted for currency effects, the underlying gross margin was 47.5%. The decline primarily reflects strategic initiatives aimed at driving growth, including a focus on larger customers with higher order volumes, which has required offering greater discounts. Naturally,

growth does not come without cost, and while this strategy supports revenue expansion and market share gains, it has weighed on profitability in the quarter. On the cost side, the company managed to keep operating expenses relatively in check, increasing by 5% y/y, mainly due to higher marketing activities. Overall, despite revenue exceeding our forecasts, the lower gross margin resulted in Q2 EBIT falling below both our and Retail Consensus estimates, reaching 10.6 MSEK. Further down the income statement, EPS declined to 0.16 SEK (Q2'24: 0.26 SEK), also below our expectations, driven by the weaker operating result and a negative FX impact on net financial items.

In terms of cash flow, Björn Borg generated a positive operating cash flow of approximately 89 MSEK in Q2, consistent with the seasonal pattern of releasing working capital in Q2 and Q4. We continue to view the balance sheet as solid, with net debt/EBITDA at a healthy 0.71x and an equity ratio of 47%, comfortably above the 35% target.

Estimates MSEK / SEK	Q2'24 Comparison	Q2'25 Actualized	Q2'25e Inderes	Q2'25e Consensus	Consensus		Difference (%) Act. vs. inderes	2025e Inderes
					Low	High		
Revenue	213	226	220	226	224 - 231		3%	1058
EBITDA	17.6	17.7	21.5				-18%	141
EBIT	9.5	10.6	13.4	12.4	10.9 - 15.6		-21%	110
PTP	9.1	5.0	11.2				-55%	105
EPS (reported)	0.26	0.16	0.35				-54%	3.26
Revenue growth-%	28.7 %	6.0 %	3.0 %	6.2 %	4.9 % - 8.3 %		2.9 pp	6.9 %
EBIT-%	4.5 %	4.7 %	6.1 %	5.5 %	4.9 % - 6.8 %		-1.4 pp	10.7 %

Source: Inderes & Pinpoint
(retail consensus 06.08.25, 57
estimates) (consensus)

No major changes to our estimates

Revenue estimates remain largely unchanged

While Q2 revenue was good, particularly given the tough comparison figures, it only slightly exceeded our expectations. As a result, we have kept our revenue estimates largely unchanged. For the current year, we expect the company to grow its revenue by around 9% in local currencies, driven mainly by the expansion of the sports apparel category within its own e-commerce channel. However, we expect a negative FX impact from the strengthening SEK, resulting in reported growth of roughly 7% in 2025.

For 2026–2027, we have also left our revenue estimates broadly unchanged, expecting growth of around 6-7%. This is below the company’s long-term financial target of at least 10% annual sales growth, which we believe will be challenging to achieve. To reach this level, the company would need faster growth in the footwear category than we currently anticipate, while sustaining the high growth

achieved in sports apparel in recent years. While Björn Borg has successfully expanded its sports apparel category, we would like to see clearer signs of increasing volumes in footwear now that it is fully integrated into operations. In our view, it will take time to significantly grow footwear sales, as the company needs to improve quality, enhance design, and streamline distribution, similar to the transformation seen in sports apparel following its full integration in the mid-2010s.

Earnings estimates remain intact

Björn Borg’s gross margins have averaged around 53% over the past decade. However, given the ongoing shift in the sales mix, where a smaller share of revenue comes from the higher-margin underwear category and a larger share from lower-margin segments such as sportswear and footwear, we believe it will be difficult to significantly exceed this level in the short to medium term. Furthermore, growth does not come without cost, and gross margins in

the last two quarters have been disappointing. That said, we expect somewhat stronger FX tailwinds in H2 than previously assumed, which should support gross margins, resulting in only marginal adjustments to our estimates.

Looking ahead to 2026–2027, while sales growth should provide some operational leverage, continued expansion, particularly in e-commerce and the German market, is likely to require additional costs. Consequently, we expect gross margins to stabilize around 54% from 2027 onwards.

Overall, we continue to expect Björn Borg to deliver an EBIT margin slightly above its 10% target in the coming years, supported by steady sales growth.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MSEK / SEK	Old	New	%	Old	New	%	Old	New	%
Revenue	1045	1058	1%	1125	1130	0%	1204	1199	0%
EBITDA	142	141	-1%	151	151	0%	158	159	1%
EBIT (excl. NRIs)	110	110	0%	120	119	-1%	129	130	1%
EBIT	110	110	0%	120	119	-1%	129	130	1%
PTP	106	105	-1%	115	114	0%	123	124	1%
EPS (excl. NRIs)	3.30	3.26	-1%	3.56	3.55	0%	3.80	3.84	1%
DPS	3.20	3.20	0%	3.50	3.50	0%	3.75	3.75	0%

Source: Inderes

Estimates

Group reporting, MSEK	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Revenue	496	539	574	632	696	710	757	705	768	835	872	990	1058	1130	1199	1261
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%	6.9%	6.8%	6.1%	5.2%
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%	9.0%	6.8%	6.1%	5.2%
COGS	-241	-254	-273	-314	-320	-303	-351	-335	-352	-411	-401	-469	-506	-531	-552	-580
Gross profit	259	291	311	324	384	414	428	399	444	450	491	544	584	623	667	701
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%	52.1%	53.0%	54.0%	54.0%
OPEX	-238	-238	-253	-260	-329	-343	-378	-365	-340	-377	-390	-442	-474	-504	-538	-565
EBIT	21	53	59	64	55	71	50	34	104	73	101	102	110	119	130	136
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%	10.4%	10.6%	10.8%	10.7%
Segment breakdown, MSEK	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Wholesale	204	193	207	290	441	466	516	464	502	540	577	672	734	770	800	830
Growth-%		-5.6%	7.5%	39.8%	52.4%	5.7%	10.7%	-10.0%	8.2%	7.5%	7.0%	16.3%	9.3%	4.9%	3.9%	3.8%
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%	8.0%	7.6%	8.7%	8.7%
Own e-commerce ¹									100	113	154	181	210	246	275	300
Growth-%										14.0%	35.8%	17.6%	15.9%	17.2%	11.8%	9.1%
EBIT margin-%									20.3%	15.6%	18.7%	18.2%	19.9%	18.3%	15.5%	15.0%
Own stores ¹									113	107	105	107	100	86	90	95
Growth-%										-5.9%	-1.7%	2.6%	-7.2%	-13.7%	4.7%	5.6%
EBIT margin-%									-5.6%	-22.8%	-6.7%	2.5%	-0.9%	3.4%	5.0%	5.0%
Direct-to-consumer	69	81	105	128	186	186	197	211	213	220	259	288	310	332	365	395
Growth-%		16.4%	29.7%	22.0%	45.8%	-0.1%	6.1%	7.1%	0.8%	3.4%	17.6%	11.5%	7.3%	7.3%	9.9%	8.2%
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%	13.2%	14.4%	12.9%	12.6%
Distributors	187	234	238	188	58	49	50	45	71	92	47	51	45	51	53	55
Growth-%		24.9%	1.8%	-21.1%	-69.0%	-15.8%	2.4%	-11.2%	59.9%	29.2%	-49.6%	8.9%	-10.6%	12.7%	3.9%	3.8%
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%	21.3%	23.0%	23.0%	23.0%
Licensing	38	37	35	34	19	15	15	14	10	9	9	2	1	1	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%	-39.9%	-10.4%	-16.7%	0.0%
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%	76.6%	77.5%	89.0%	89.0%
Geographical breakdown, MSEK	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Sweden	202	192	227	245	227	265	272	268	276	287	298	346	379	402	420	429
The Netherlands	146	158	171	160	167	176	210	164	173	179	208	225	240	254	264	265
Finland ²	54	65	66	88	123	115	110	119	104	112	118	122	126	135	132	139
Germany ²									81	93	86	104	111	129	156	189
Other	97	130	120	145	187	154	166	110	135	165	163	192	202	213	228	240
Product breakdown, -% as of sales	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Underwear	60 %	61 %	61 %	63 %	61 %	60 %	59 %	56 %	60 %	55 %	55 %	52 %	49 %	47 %	46 %	46 %
Sports Apparel	11 %	10 %	10 %	9 %	10 %	11 %	14 %	13 %	18 %	19 %	22 %	25 %	27 %	29 %	30 %	31 %
Footwear ³					23 %	24 %	23 %	27 %	9 %	9 %	8 %	10 %	10 %	11 %	12 %	13 %
Bags ³									0 %	7 %	6 %	6 %	6 %	6 %	5 %	5 %
Other	29 %	29 %	29 %	28 %	6 %	5 %	4 %	4 %	14 %	10 %	9 %	8 %	8 %	7 %	7 %	6 %

¹ Included in "Direct-to-consumer" segment until 2020

² Germany is included in "Other" markets until 2020

³ Footwear is included in "Other" products until 2016, and bags until 2020

Source: Inderes, Björn Borg

We wait for better entry opportunities

Valuation summary - Reduce

We forecast good earnings growth in the coming years, driven by revenue growth and solid margins. We expect Björn Borg to distribute most of its earnings and free cash flow as dividends, resulting in a dividend yield of 5-6%. However, the share is expensive on an actual earnings basis, and in our view, Björn Borg's expected return is lower than the required return. Additionally, the DCF value is lower than the current share price. Consequently, we reiterate our Reduce recommendation and target price of SEK 55 per share.

Acceptable absolute multiples in 2025-26

Björn Borg's earnings multiples for this year are relatively high or neutral at best, with a P/E ratio of around 18x and EV/EBIT ~14x. Even after adjusting for lease liabilities, the earnings multiples remain roughly the same due to the small proportion of leases on the balance sheet. Therefore, these numbers are quite high from any perspective. If the company successfully expands its footwear and sports apparel category and the projected earnings growth materializes, the multiples for 2026 are P/E 16x and EV/EBIT 12x. Given the company's continued growth potential and high returns on capital, the 2026 earnings multiples appear quite neutral to us, contingent on the expected earnings growth being realized.

Looking ahead to 2026 and beyond, when we expect more stable growth and profitability, we believe Björn Borg's acceptable P/E ratio will be 14-18x and EV/EBIT 12-14x, based on reported figures.

Valuation compared to peers

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, the company's P/E multiples for 2025 and 2026 are, on average, 11% higher than those of its peers. However, when excluding the retail peers, Björn Borg trades at a discount of around 12%. Given that Björn Borg's sports apparel peers are larger, more globally established brands with historically higher growth, we believe it is reasonable to price Björn Borg below its sports apparel peers. On the one hand, we expect Björn Borg to grow faster in the coming years with slightly higher profitability and returns on capital. All in all, we therefore do not believe that Björn Borg is significantly mispriced relative to its peers. It is important to note that the peer group's valuation multiples vary widely, from single digits to ~40x, making the peer group somewhat dependent on the specific companies included. Consequently, we do not place too much emphasis on it.

No sufficient upside in the form of DCF

We also believe the DCF model is a relevant valuation method for Björn Borg, given its sufficient historical financial information, steady growth and relatively predictable business. The value of our DCF model (SEK 56 per share) is slightly lower than the current share price. Therefore, also in the context of the DCF, the current valuation does not offer a sufficient expected return.

Valuation	2025e	2026e	2027e
Share price	57.5	57.5	57.5
Number of shares, millions	25.1	25.1	25.1
Market cap	1446	1446	1446
EV	1493	1483	1474
P/E (adj.)	17.6	16.2	15.0
P/E	17.6	16.2	15.0
P/B	4.0	3.9	3.8
P/S	1.4	1.3	1.2
EV/Sales	1.4	1.3	1.2
EV/EBITDA	10.6	9.8	9.2
EV/EBIT (adj.)	13.6	12.4	11.4
Payout ratio (%)	98.1 %	98.7 %	97.7 %
Dividend yield-%	5.6 %	6.1 %	6.5 %

Source: Inderes

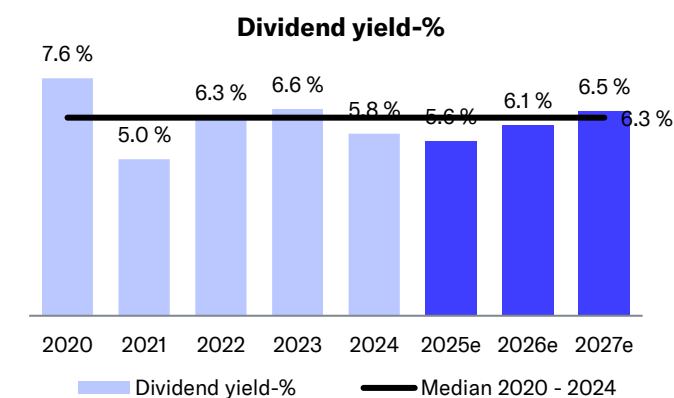
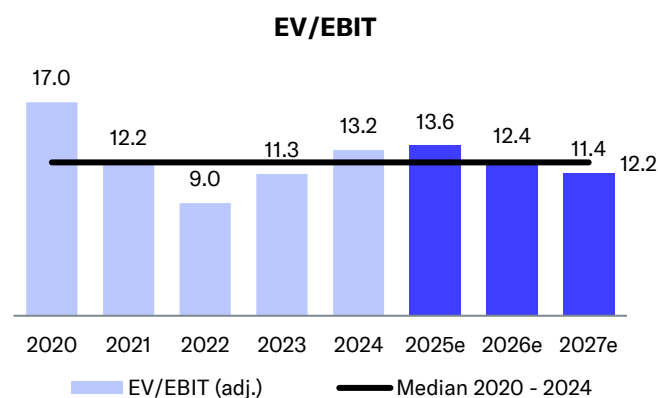
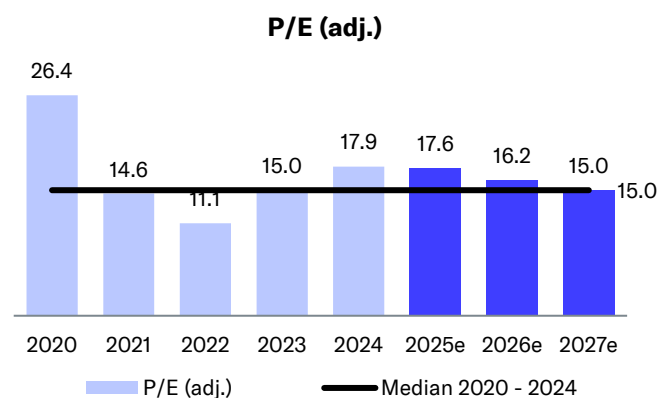
Peer group key figures

Peer group key figures	Sales growth			EBIT-%			ROIC			Sales growth			EBIT-%			ROIC-%		
Sports apparel	Average (3y)	Average (3y)	Average (3y)	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e			
Adidas	4%	3%	5%	8%	9%	9%	8%	10%	11%	24%	31%	36%						
Nike	5%	13%	25%	-11%	0%	5%	8%	6%	9%		14%	20%						
Lululemon	24%	23%	38%	10%	6%	7%	23%	22%	21%		37%	35%						
Puma	10%	7%	9%	-11%	2%	6%	1%	5%	6%	8%	12%	14%						
Under Armour	1%	3%	7%	-10%	-3%	2%	4%	3%	4%		3%	5%						
Columbia Sportswear	3%	9%	14%	1%	3%	4%	6%	6%	6%	11%	11%	11%						
Retail																		
PVH	-2%	9%	8%	-6%	2%	2%	10%	9%	9%		8%	9%						
GAP	-3%	4%	11%	1%	2%	2%	7%	7%	8%		9%	10%						
H&M	6%	6%	8%	-3%	2%	3%	7%	8%	8%	16%	17%	20%						
Fenix Outdoor	7%	6%	7%	5%	5%	4%	10%	10%	10%									
JD Sports	20%	10%	8%	10%	10%	5%	9%	8%	8%		19%	19%						
Average	7%	8%	13%	-1%	3%	4%	8%	9%	9%	15%	16%	18%						
Median	5%	7%	8%	1%	2%	4%	8%	8%	8%	14%	13%	16%						
Björn Borg (Inderes)	9%	10%	19%	7%	7%	6%	10%	11%	11%	20%	22%	24%						

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	19.8	50.0	31.6	45.4	51.6	57.5	57.5	57.5	57.5
Number of shares, millions	25.1	25.1	25.1	25.1	25.1	25.1	25.1	25.1	25.1
Market cap	497	1257	795	1142	1298	1446	1446	1446	1446
EV	574	1275	844	1138	1349	1493	1483	1474	1475
P/E (adj.)	26.4	14.6	11.1	15.0	17.9	17.6	16.2	15.0	13.9
P/E	26.4	14.6	15.6	15.0	17.9	17.6	16.2	15.0	13.9
P/B	1.7	3.7	2.4	3.2	3.6	4.0	3.9	3.8	3.7
P/S	0.7	1.6	1.0	1.3	1.3	1.4	1.3	1.2	1.1
EV/Sales	0.8	1.7	1.0	1.3	1.4	1.4	1.3	1.2	1.2
EV/EBITDA	7.7	9.1	7.8	8.5	10.1	10.6	9.8	9.2	9.0
EV/EBIT (adj.)	17.0	12.2	9.0	11.3	13.2	13.6	12.4	11.4	10.9
Payout ratio (%)	200.3 %	73.1 %	98.9 %	99.3 %	103.8 %	98.1 %	98.7 %	97.7 %	99.0 %
Dividend yield-%	7.6 %	5.0 %	6.3 %	6.6 %	5.8 %	5.6 %	6.1 %	6.5 %	7.1 %

Source: Inderes



Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Sports apparel													
Adidas	30,060	34,399	17.2	12.8	10.60	8.68	1.36	1.25	21.93	15.25	1.8	2.6	4.7
Nike	97,131	96,120	31.4	38.4	25.79	30.83	2.45	2.46	35.97	46.31	2.0	2.1	8.8
Lululemon	20,307	19,158	9.1	9.2	7.74	7.59	2.13	2.00	13.85	13.67			5.0
Puma	2,556	4,848	42.1	12.9	10.67	7.39	0.62	0.60		29.09	3.0	3.4	1.0
Under Armour	1,865	1,932	11.5	14.3	7.13	8.75	0.44	0.45	16.70	26.37			1.1
Columbia Sportswear	2,499	2,005	11.5	11.5	7.92	7.16	0.70	0.68	16.83	17.09	2.3	2.5	1.7
Retail													
PVH	3,156	4,997	6.8	7.7	5.10	5.61	0.68	0.66	6.57	7.07	0.2	0.2	0.9
GAP	6,590	5,967	6.7	6.2	4.50	4.30	0.47	0.46	10.19	9.52	2.9	3.1	2.5
H&M	20,533	25,636	17.3	15.4	7.43	6.99	1.25	1.22	20.93	18.16	4.8	5.1	5.3
Fenix Outdoor	1,573	1,733	21.4	20.6	12.41	12.12	2.17	2.07	10.06	9.65	3.6	3.8	1.2
JD Sports Fashion	5,128	9,133	7.8	7.6	4.42	4.19	0.68	0.62	7.15	7.40	1.1	1.2	1.8
Björn Borg (Inderes)	132	136	13.6	12.4	10.6	9.8	1.4	1.3	17.6	16.2	5.6	6.1	4.0
Average			16.6	14.2	9.4	9.4	1.2	1.1	16.0	18.1	2.4	2.6	3.1
Median			11.5	12.8	7.7	7.4	0.7	0.7	15.3	15.3	2.3	2.6	1.8
Diff-% to median			18%	-3%	37%	33%	102%	93%	15%	6%	142%	139%	115%

Income statement

Income statement	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	835	872	257	213	285	235	990	280	226	306	246	1058	1130	1199	1261
Wholesale	540	577	190	136	197	149	672	211	148	220	155	734	770	800	830
Own e-commerce	113	154	41	41	49	50	181	51	52	52	55	210	246	275	300
Own stores	107	105	21	30	29	28	107	19	24	29	28	100	86	90	95
Distributors	92	47	8	14	14	14	51	7	13	11	15	45	51	53	55
Licensing	9	9	1	0	0	0	2	0	0	0	0	1	1	1	1
EBITDA	108	134	42	18	50	25	134	42	18	55	26	141	151	159	165
Depreciation	-35	-33	-8	-8	-8	-8	-32	-8	-7	-8	-8	-31	-32	-30	-29
EBIT (excl. NRI)	94	101	33	10	42	17	102	34	11	47	18	110	119	130	136
EBIT	73	101	33	10	42	17	102	34	11	47	18	110	119	130	136
Wholesale	53	61	28	-3	27	2	54	28	-2	31	2	58	59	70	72
Own e-commerce	18	29	6	6	11	10	33	9	8	12	12	42	45	43	45
Own stores	-24	-7	-3	4	1	2	3	-5	1	1	2	-1	3	5	5
Distributors	20	10	2	2	3	3	10	1	3	2	3	10	12	12	13
Licensing	7	8	1	0	0	0	2	0	0	0	0	1	1	1	1
Net financial items	-2	-3	-7	0	2	-7	-11	12	-6	-3	-8	-5	-5	-6	-2
PTP	70	98	27	9	44	10	90	46	5	44	10	105	114	124	134
Taxes	-20	-22	-6	-3	-9	0	-18	-10	-1	-10	-2	-23	-25	-27	-29
Minority interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net earnings	51	76	21	7	35	10	73	36	4	34	8	82	89	97	104
EPS (adj.)	2.86	3.02	0.84	0.26	1.39	0.40	2.89	1.43	0.16	1.35	0.32	3.26	3.55	3.84	4.14
EPS (rep.)	2.02	3.02	0.84	0.26	1.39	0.40	2.89	1.43	0.16	1.35	0.32	3.26	3.55	3.84	4.14

Key figures	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	8.7 %	4.4 %	4.0 %	28.7 %	8.9 %	18.7 %	13.5 %	9.0 %	6.0 %	7.1 %	5.0 %	6.9 %	6.8 %	6.1 %	5.2 %
Adjusted EBIT growth-%		7.1 %	6.6 %	17.5 %	2.8 %	-16.7 %	1.3 %	2.1 %	11.5 %	10.9 %	9.7 %	7.9 %	8.8 %	8.7 %	4.4 %
EBITDA-%	12.9 %	15.3 %	16.2 %	8.2 %	17.6 %	10.5 %	13.5 %	15.0 %	7.8 %	17.9 %	10.7 %	13.3 %	13.4 %	13.3 %	13.1 %
Adjusted EBIT-%	11.2 %	11.5 %	13.0 %	4.5 %	14.7 %	7.2 %	10.3 %	12.2 %	4.7 %	15.2 %	7.5 %	10.4 %	10.6 %	10.8 %	10.7 %
Net earnings-%	6.1 %	8.7 %	8.3 %	3.1 %	12.2 %	4.3 %	7.3 %	12.8 %	1.7 %	11.1 %	3.3 %	7.8 %	7.9 %	8.1 %	8.3 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	304	307	304	299	297
Goodwill	36.4	36.4	36.4	36.4	36.4
Intangible assets	194	195	194	193	192
Tangible assets	61.6	63.0	60.8	57.4	56.6
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	12.3	12.3	12.3	12.3	12.3
Current assets	327	357	398	412	425
Inventories	184	194	201	203	204
Other current assets	16.9	16.9	16.9	16.9	16.9
Receivables	99.4	136	148	158	168
Cash and equivalents	26.6	9.7	31.7	33.9	36.0
Balance sheet total	632	663	701	712	722

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	351	352	359	367	376
Share capital	7.9	7.9	7.9	7.9	7.9
Retained earnings	175	177	183	192	200
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	174	174	174	174	174
Minorities	-6.3	-6.3	-6.3	-6.3	-6.3
Non-current liabilities	65.2	56.3	102	97.0	92.6
Deferred tax liabilities	39.7	39.7	39.7	39.7	39.7
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	25.5	16.6	62.0	57.3	52.9
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	216	255	241	247	254
Interest bearing debt	17.4	66.6	41.3	38.2	35.3
Payables	136	126	138	147	156
Other current liabilities	62.4	62.4	62.4	62.4	62.4
Balance sheet total	632	663	701	712	722

DCF-calculation

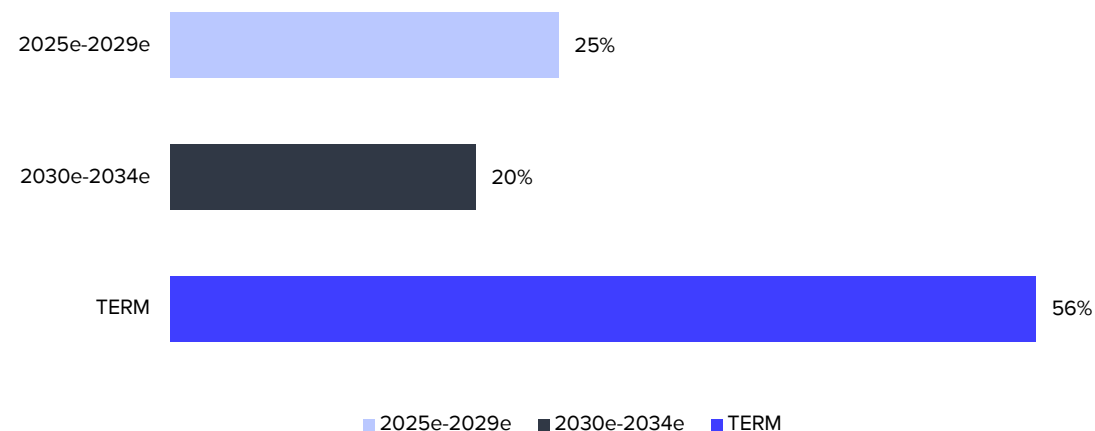
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	13.5 %	6.9 %	6.8 %	6.1 %	5.2 %	6.5 %	6.5 %	6.5 %	6.0 %	5.5 %	2.5 %	2.5 %
EBIT-%	10.3 %	10.4 %	10.6 %	10.8 %	10.7 %	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %	10.5 %
EBIT (operating profit)	102	110	119	130	136	141	150	160	170	179	183	
+ Depreciation	32.1	31.0	32.0	29.7	29.3	29.1	28.9	28.9	28.8	28.8	28.8	
- Paid taxes	-17.7	-22.9	-25.1	-27.2	-29.4	-30.6	-32.6	-34.7	-36.9	-38.9	-39.9	
- Tax, financial expenses	-2.2	-1.1	-1.1	-1.3	-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	-56.0	-7.6	-3.1	-1.1	-11.2	-14.8	-15.7	-16.7	-16.5	-16.0	-7.8	
Operating cash flow	58.0	109	122	130	124	124	130	137	145	152	164	
+ 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	-34.5	-28.0	-27.6	-27.8	-27.9	-28.1	-28.2	-28.3	-28.4	-28.4	-28.4	
Free operating cash flow	23.4	81.3	94.5	102	95.9	96.2	102	109	116	124	136	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	23.4	81.3	94.5	102	95.9	96.2	102	109	116	124	136	1986
Discounted FCFF		78.5	83.4	82.2	70.5	64.6	62.6	60.7	59.3	57.8	57.7	845
Sum of FCFF present value		1523	1444	1361	1278	1208	1143	1081	1020	961	903	845
Enterprise value DCF		1523										
- Interest bearing debt		-83.2										
+ Cash and cash equivalents		9.7										
-Minorities		25.0										
-Dividend/capital return		-75.4										
Equity value DCF		1399										
Equity value DCF per share		56										

WACC

Tax-% (WACC)	20.6 %
Target debt ratio (D/(D+E))	7.0 %
Cost of debt	5.0 %
Equity Beta	1.15
Market risk premium	4.75%
Liquidity premium	2.00%
Risk free interest rate	2.5 %
Cost of equity	10.0 %
Weighted average cost of capital (WACC)	9.5 %

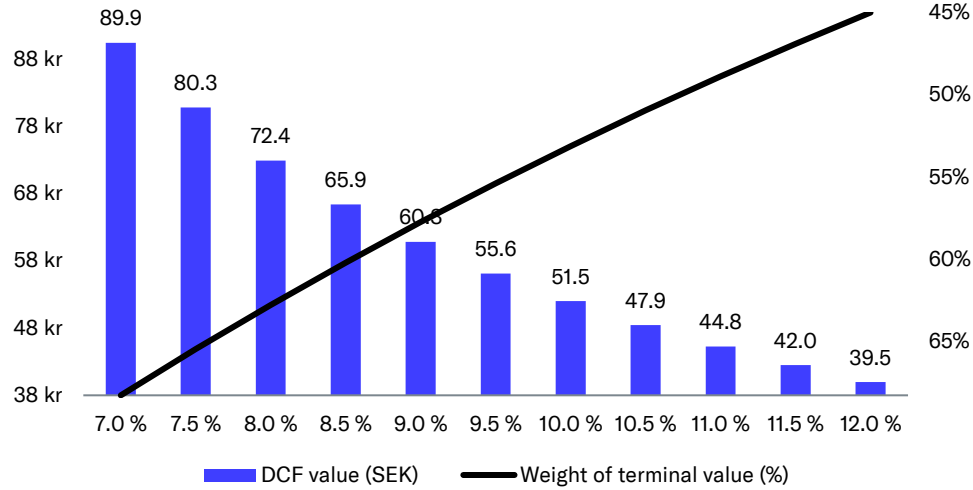
Source: Inderes

Cash flow distribution

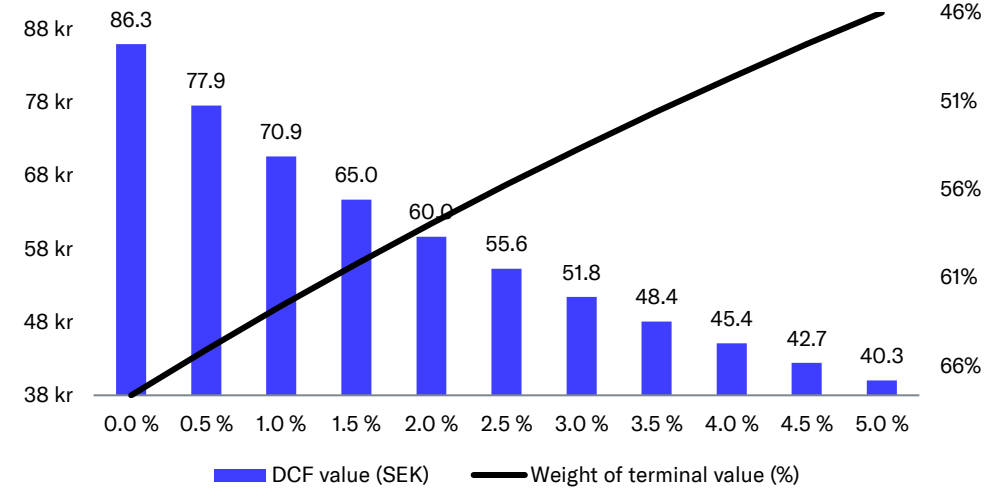


DCF sensitivity calculations and key assumptions in graphs

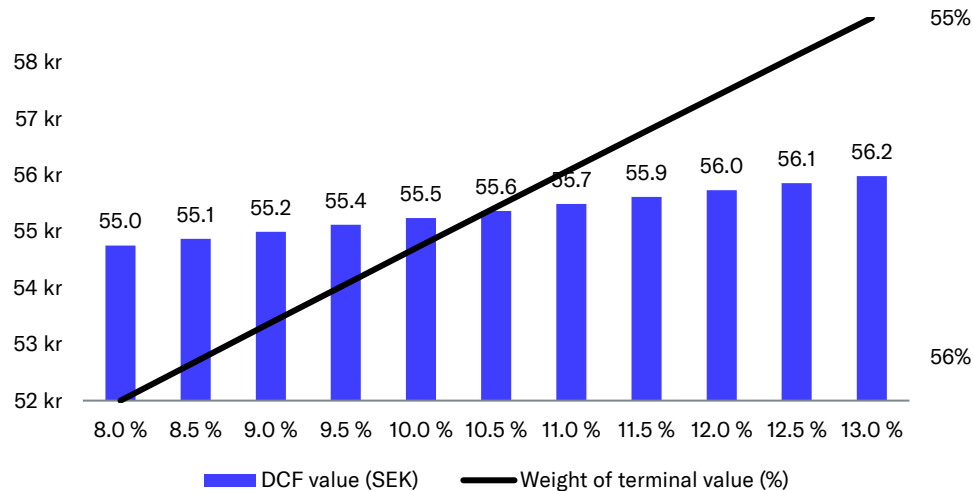
Sensitivity of DCF to changes in the WACC-%



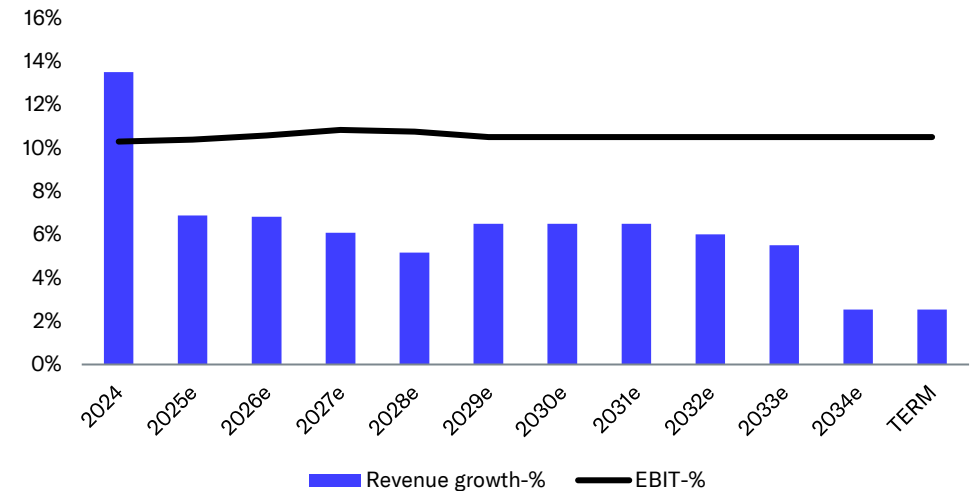
Sensitivity of DCF to changes in the risk-free rate



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	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	835.2	872.3	990.0	1058.1	1130.2	EPS (reported)	2.02	3.02	2.89	3.26	3.55
EBITDA	107.7	133.6	134.0	140.9	151.5	EPS (adj.)	2.86	3.02	2.89	3.26	3.55
EBIT	72.9	100.6	101.8	109.9	119.5	OCF / share	2.67	5.02	2.31	4.35	4.86
PTP	70.4	97.7	90.4	104.9	114.3	OFCF / share	1.42	4.04	0.93	3.23	3.76
Net Income	50.9	76.0	72.7	82.1	89.2	Book value / share	13.18	14.20	14.25	14.51	14.85
Extraordinary items	-21.0	0.0	0.0	0.0	0.0	Dividend / share	2.00	3.00	3.00	3.20	3.50
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	653.4	631.5	663.5	701.4	711.7	Revenue growth-%	9%	4%	13%	7%	7%
Equity capital	324.8	350.8	351.9	358.5	367.2	EBITDA growth-%	-23%	24%	0%	5%	8%
Goodwill	36.5	36.4	36.4	36.4	36.4	EBIT (adj.) growth-%	-10%	7%	1%	8%	9%
Net debt	65.6	16.2	73.5	71.5	61.5	EPS (adj.) growth-%	-16%	6%	-4%	13%	9%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	12.9 %	15.3 %	13.5 %	13.3 %	13.4 %
EBITDA	107.7	133.6	134.0	140.9	151.5	EBIT (adj.)-%	11.2 %	11.5 %	10.3 %	10.4 %	10.6 %
Change in working capital	-21.8	14.9	-56.0	-7.6	-3.1	EBIT-%	8.7 %	11.5 %	10.3 %	10.4 %	10.6 %
Operating cash flow	67.2	126.2	58.0	109.3	122.1	ROE-%	15.2 %	22.1 %	20.3 %	22.7 %	24.2 %
CAPEX	-31.6	-24.6	-34.5	-28.0	-27.6	ROI-%	16.6 %	25.1 %	24.6 %	24.5 %	25.8 %
Free cash flow	35.6	101.6	23.4	81.3	94.5	Equity ratio	49.7 %	55.6 %	53.0 %	51.1 %	51.6 %
						Gearing	20.2 %	4.6 %	20.9 %	19.9 %	16.8 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	1.0	1.3	1.4	1.4	1.3						
EV/EBITDA	7.8	8.5	10.1	10.6	9.8						
EV/EBIT (adj.)	9.0	11.3	13.2	13.6	12.4						
P/E (adj.)	11.1	15.0	17.9	17.6	16.2						
P/B	2.4	3.2	3.6	4.0	3.9						
Dividend-%	6.3 %	6.6 %	5.8 %	5.6 %	6.1 %						

Source: Inderes

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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



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