

# Flügger

## Company report

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## Top-line growth offsets softer margins while the structural case holds

Flügger closed 2025/26 with revenue of MDKK 2,313 (+2% y/y), marginally above our MDKK 2,298 estimate, and EBIT of MDKK 108 (+15%), both within guidance. Reported EBIT met our forecast, though earnings quality was a touch softer, with EBITDA, PTP and EPS landing a few percent below as admin and ERP costs ran ahead of our modelling. Poland again led growth at +11% local currency for the full year, while the Nordic segment rose 2% as the planned private-label phase-out masked improving core demand from professional painters and consumers. The new 2026/27 guidance of MDKK 2,400-2,500 revenue and MDKK 105-125 EBIT lifts our revenue outlook but trims our EBIT trajectory, the main change to our estimates for 2026/27e. We reiterate our "Accumulate" recommendation, with the ongoing sanctions case remaining the key risk factor.

### Nordic coatings group with international growth engine

Flügger is a family-controlled decorative paints group with strong Nordic market position and a growing Central European footprint, operating through three segments: Nordics, International and Partnerships. A central thread of the strategy is the deliberate tilt toward the professional painter (B2B), where the exit from low-margin private-label volumes both lifts the sales mix toward higher-margin own brands and reduces exposure to the more volatile, consumer-driven DIY market, leaving a more stable and resilient revenue base. In the Nordics, housing and renovation activity remains subdued, but profitability is improving as professional-painter demand shows the first signs of recovery. The International segment is anchored in Poland, which is the group's key growth engine, where continued store openings have expanded the network to 68 own stores and sustained double-digit local-currency growth. Partnerships is the smaller, more locally focused part of the group and carries longer-term optionality tied to an eventual Ukrainian rebuild. With the strategy staying purely organic and no M&A planned, the margin-expansion case rests on execution rather than acquisitions.

### Stronger revenue guidance and softer EBIT outlook

Full-year revenue grew 2% to MDKK 2,313, held back by the Danish private-label phase-out but supported by strong Polish growth and an improving product mix that lifted the gross margin to a historically high level. Strong cash generation enabled further deleveraging, with cash flow after investments reaching a record MDKK 272 and net interest-bearing debt excl. leases down to MDKK 124 (from MDKK 250). On the stronger topline guidance, we raise our revenue estimates for 2027e and 2028e, while the softer EBIT range leads us to cut EBIT and align DPS with the realized DKK 20.00 ordinary payout. The ongoing sanctions case remains the principal risk, alongside raw-material inflation and the cyclical nature of Nordic construction.

### Updated estimates leave absolute and relative valuation supportive of a higher target

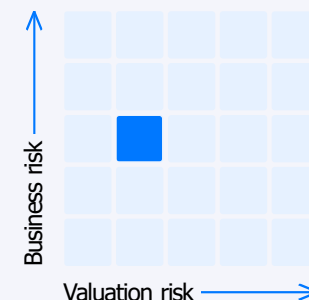
Our DCF-based model value of DKK 423 per share highlights the value to be unlocked from a sustained, purely organic margin recovery toward 7-8% EBIT margins, with improving professional-painter demand indicating the rebound is intact. The DCF implies value-creation potential even after a risk-weighted adjustment for the ongoing sanctions case. Flügger also screens at a clear discount to its coatings peers while offering an above-average dividend yield, and with downside reduced following deleveraging and the medium-term return exceeding our required rate, we reiterate our "Accumulate" recommendation and raise our target price to DKK 410 per share (prev. DKK 360).

## Recommendation

**Accumulate**  
(prev. Accumulate)

**410 DKK**  
(prev. 360 DKK)

**Share price:**  
374 DKK



## Key indicators

	2026	2027e	2028e	2029e
<b>Revenue</b>	2313	2414	2518	2631
<b>growth-%</b>	1.8%	4.3%	4.3%	4.5%
<b>EBIT</b>	108	124	141	168
<b>EBIT-%</b>	4.7 %	5.1 %	5.6 %	6.4 %
<b>Net Income</b>	68	87	101	123
<b>EPS (adj.)</b>	22.90	28.95	33.85	41.28
<b>P/E (adj.)</b>	14.1	12.9	11.0	9.1
<b>P/B</b>	1.1	1.3	1.2	1.2
<b>Dividend yield-%</b>	6.2 %	5.3 %	5.3 %	6.7 %
<b>EV/EBIT (adj.)</b>	13.7	13.1	11.2	8.9
<b>EV/EBITDA</b>	5.5	5.7	5.2	4.5
<b>EV/S</b>	0.6	0.7	0.6	0.6

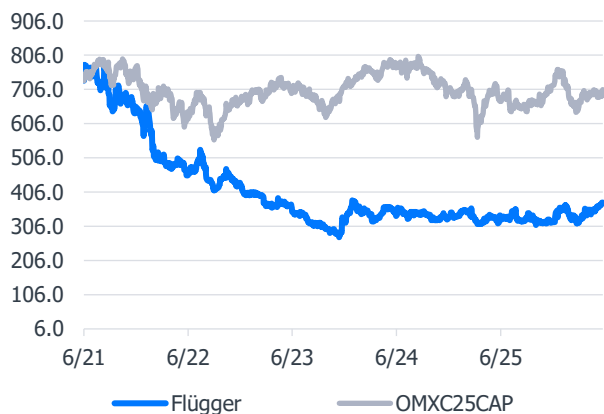
Source: HCA

## Guidance

(New guidance)

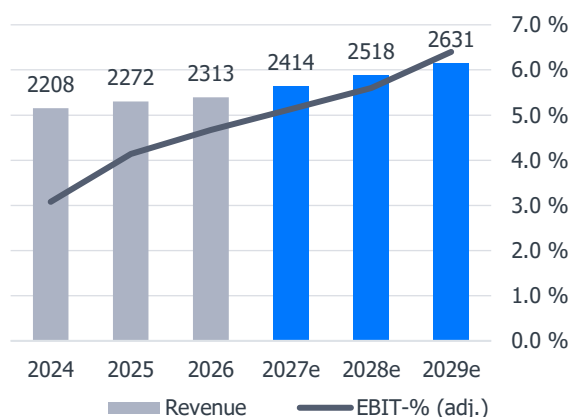
Flügger full year guidance for 2026/2027e is for revenue of MDKK 2,400-2,500 (3.8% to 8.1% y/y growth). EBIT is expected in the range of MDKK 105-125, reflecting a margin range of 4.4-5.0%, (4.7% margin 2025/26).

## Share Price



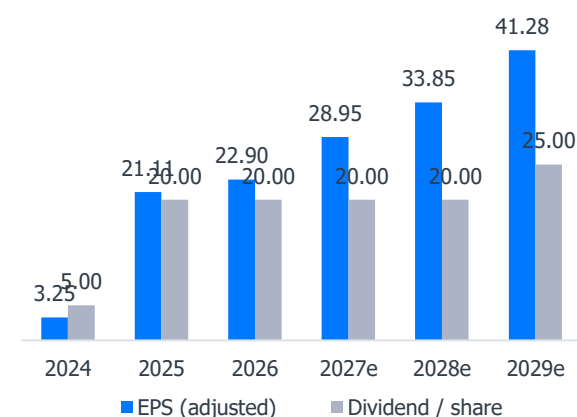
Source: S&P Capital IQ

## Revenue and EBIT-%



Source: HCA

## EPS and DPS



Source: HCA



### Value drivers

- A Strong growth in higher margin Poland to support group earnings
- Flügger Organic to drive operating leverage effect via higher volumes of own-brands
- Ukraine production facility gives optionality on rebuild of Ukraine
- Moderate CAPEX and deleveraged balance sheet support strong cash flow



### Risk factors

- An ongoing legal case related to past sanctions compliance may result in a significant financial penalty and damage the Flügger brand reputation
- Recovery in housing/refurbishment market is early and is sensitive to interest rates and economic development
- Limited short-term pricing power risks margin contraction if cost inflation arise medium-term from energy price shocks
- Majority family ownership adds stability but limits free float and share liquidity

Valuation	2027e	2028e	2029e
Share price	374.0	374.0	374.0
Number of shares, millions	2.99	2.99	2.99
Market cap	1118	1118	1118
EV	1618	1573	1506
P/E (adj.)	12.9	11.0	9.1
P/E	12.9	11.0	9.1
P/FCF	11.6	9.8	8.3
P/B	1.3	1.2	1.2
P/S	0.5	0.4	0.4
EV/Sales	0.7	0.6	0.6
EV/EBITDA	5.7	5.2	4.5
EV/EBIT (adj.)	13.1	11.2	8.9
Payout ratio (%)	69.1 %	59.1 %	60.6 %
Dividend yield-%	5.3 %	5.3 %	6.7 %

Source: HCA

Note: Flügger has skewed reporting periods. Fiscal year 2026/2027 is 1 May 2026 - 30 April 2027. In the above graphs and table to the right, 2027e reflects Flügger's 2026/27 fiscal period. 2028e reflects fiscal period 2027/28 and 2029e reflects fiscal period 2028/29.

# Structural drivers intact as Flügger ends the year with record cash flow

## Nordics with slower topline drag but earnings keep improving

H2 revenue of MDKK 1,049 came in around 1% above our MDKK 1,034 estimate and grew 1.9% y/y, with Q4 up 3% to MDKK 598. With the private label phase, out now fading as a drag, Denmark inflected from minus 3% year to date to plus 5% in Q4, alongside Norway at plus 11% incl. FX. The H2 EBIT loss of MDKK 33 landed on our MDKK 32.9 forecast and improved from the MDKK 46 loss a year earlier, but EBITDA of MDKK 43 missed our MDKK 54.1 estimate by around 21%, as rising admin and ERP costs ran ahead of our modelling and EBIT only held in line on correspondingly lower depreciation.

## Poland is still the growth engine

Poland delivered 11% local growth for the full year,

with 4 store openings in 2025/26 on top of the full year effect of the 8 opened before, taking the network to 68 own stores, and it remains the market with the best underlying volume outlook. Reported growth moderated to 8% in Q4 from 12% in Q3, which we read as a tougher base rather than a change in trajectory. International was held back by the deliberate exit from smaller export markets, a drag we expect to fade as the base normalizes, while Partnerships ended flat on still soft Unicell demand.

## Balance sheet strengthens and deleveraging funds the distribution

Operating cash flow rose 23% to MDKK 314 and cash flow after investments hit a record MDKK 272 on a MDKK 61 working capital release and flat CAPEX of MDKK 78, taking net interest-bearing debt

incl. leases down to around MDKK 477 from MDKK 609 (MDKK 124 from MDKK 250 excl. leases). The board proposes a DKK 20.00 ordinary dividend plus the buyback launched in March, around 20% below our DKK 25.00 ordinary dividend estimate.

## New guidance signals Nordic recovery and continued Polish strength

For 2026/27, management points to the first signs of recovery in the long-subdued Nordic professional-painter market, supported by double-digit growth in the number of professional painters in the Nordic segment in 2025/26, layered on continued double-digit Polish growth and the full-year effect of prior store openings and Flügger Organic measures. With structural drivers intact and the balance sheet able to absorb any sanctions-related fines, we see the medium-term case as unchanged.

Estimates	H2'25	H2'26	H2'26e	H2'26e	Consensus	Difference (%)	2026
MDKK/ DKK	Comparison	Actualized	HCA	Consensus	Low High	Act. vs. inderes	Actual
Revenue	1029	1049	1034			1%	2313
EBITDA	45.0	43.0	54.1			-21%	267
EBIT (adj.)	-46.0	-33.0	-32.9			0%	108
EBIT	-46.0	-33.0	-32.9			0%	108
PTP	-52.0	-43.0	-35.9			-20%	89.0
EPS (reported)	-20.78	-12.46	-11.01			-13%	22.90
DPS	20.00	20.00	25.00			-20%	20.00
Revenue growth-%	3.6 %	1.9 %	0.4 %			1.5 pp	1.8 %
EBIT-% (adj.)	-4.5 %	-3.1 %	-3.2 %			0 pp	4.7 %

Source: Inderes

# Stronger topline outlook into a new year, but softer EBIT guidance trims earnings

## FY2025/26 in brief

Full year revenue reached DKK 2,313m (+2%), marginally ahead of our DKK 2,298m estimate and within the guided DKK 2,200m to DKK 2,400m, with growth among professional painters and private consumers offsetting the planned phase out of private label low price products. Reported EBIT of DKK 108m (+15% y/y) landed in line with our forecast and within guidance, though earnings quality was a touch softer than we expected, with EBITDA, PTP and EPS coming in 4%, 7% and 5% below our estimates respectively on a less favorable sales mix and higher admin and ERP costs.

## Stronger topline and softer EBIT

The 2026/27 guidance sets the direction for our estimates. The DKK 2,400m to DKK 2,500m revenue range sits above our prior modelling and signals management confidence in store openings,

customer additions and a stabilizing market. We lift our revenue estimates by 2% for both 2027e and 2028e, though we are more cautious on the pace of the Nordic recovery than Flügger and therefore sit toward the lower end of the guided range. The DKK 105m to DKK 125m EBIT range falls below our prior trajectory, so we cut EBIT by 11% for 2027e and 9% for 2028e and align DPS with the realized DKK 20.00. Even after the estimate revision, we expect EBIT toward the upper end of the range, driven by the continued shift to higher margin own brands as private label is phased out and by efficiency gains from production optimization and the broader simplification of operations under Flügger Organic.

## Nordic growth set to return, Poland the structural driver

In 2026/27 we expect the Nordics to return to growth as the private label drag fades and the core

professional painter base, won through new painter centers and the digital B2B platform, converts into reported revenue, helped by a Swedish market that has bottomed. Poland stays the clearest growth driver, with continued double-digit expansion from new store openings and a scaling professional customer base lifting both revenue and EBIT at a structurally higher margin. Partnerships should return to modest growth as Unicell moves past this year's soft DIY and outdoor demand.

## Deleveraging set to continue

With a purely organic strategy, the equity base compounds from 45% of assets toward 50% over the coming years, and with cash generation comfortably covering the distribution we expect financial gearing to remain at a low level, leaving the balance sheet well placed to sustain an attractive ordinary payout.

Estimate revisions	2026	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MDKK/ DKK	HCA	Actualized	%	Old	New	%	Old	New	%
Revenue	2298	2313	1%	2369	2414	2%	2461	2518	2%
EBITDA	278	267	-4%	309	285	-8%	339	304	-10%
EBIT (exc. NRIs)	108	108	0%	139	124	-11%	166	141	-15%
EBIT	108	108	0%	139	124	-11%	166	141	-15%
PTP	96.1	89.0	-7%	126	111	-12%	154	130	-16%
EPS (excl. NRIs)	24.22	22.90	-5%	32.89	28.95	-12%	40.35	33.85	-16%
DPS	25.00	20.00	-20%	27.00	20.00	-26%	28.00	20.00	-29%

Source: Inderes

# Valuation

## Total return profile remains attractive after the full year

We continue to view Flügger as a solid long-term investment case, supported by its strong Nordic brand and a growing presence in Central Europe. The full-year results confirmed the early signs of recovery in Nordic professional-painter demand, clearest in Denmark, while the planned phase-out of low-margin private label continues to shift the mix toward higher-margin own brands and lift Nordic profitability. Poland again delivered double-digit local-currency growth, reinforcing its role as the group's structural growth engine, with Ukraine providing longer-term optionality. Execution under the Flügger Organic (2024-27) strategy is beginning to deliver margin-accretive growth in still challenging but stable markets. Sustained cash generation supports a high payout, with an ordinary dividend yield of around 5.3% rising toward 7% medium-term as earnings and the payout grow, supplemented by occasional extraordinary distributions. Record cash flow after investments of MDKK 272 enabled further deleveraging, leaving net debt/EBITDA at a comfortable 1.8x incl. leases (0.5x excl.). Limited capex needs and rising earnings underpin continued dividend growth, offering an attractive income profile alongside capital appreciation potential.

## DCF value reaffirms recovery potential on updated estimates

Our latest DCF value of DKK 423 per share is broadly in line with our prior estimate, with medium-term assumptions mostly unchanged and the value resting on a sustained, purely organic margin recovery toward 7-8% EBIT margins. We do not fully reflect the headline DCF value in our price target, applying a risk adjustment for the ongoing investigation into potential breaches of Russian sanctions. We consider

three scenarios:

1. No penalty, where authorities conclude Flügger was misled by a distributor and complied with sanctions, supported by the divestment of Russian assets.
2. A moderate penalty equivalent to 1% of revenue, reflecting insufficient internal controls but meaningful cooperation and remediation.
3. The maximum EU sanctions penalty of 5% of global revenues.

Applying probability weightings of 50% / 35% / 15%, we reduce the DCF value by around DKK 15 per share to reflect the sanctions risk. We highlight that our model value is sensitive to assumptions, in particular the terminal EBIT margin and WACC.

## Relative valuation now screens at a discount after revisions

Flügger now trades at a discount to its coating's peers across most near-term multiples, with EV/EBIT of 13.1x for 2027e versus a peer median of 13.5x, and the discount widens to 11.2x in 2028e (peer median 12.4x) as the embedded margin recovery compresses the multiples. The discount is most pronounced on EV/EBITDA and EV/Sales, where Flügger's smaller scale and lower current margins weigh on the comparison. The ordinary dividend yield also stands well above the peer median, underscoring the attractive income component. We place less emphasis on relative valuation given the lack of truly comparable listed peers, as the global coatings majors differ materially in scale, geographic exposure and liquidity. Overall, we continue to see an attractive total return profile, and reiterate our "Accumulate" recommendation and raise our target price to DKK 410 per share (prev. DKK 360).

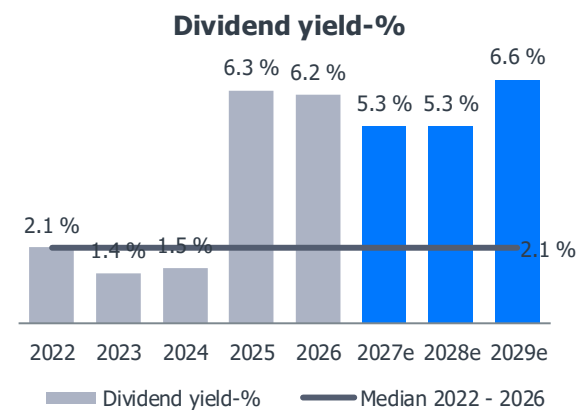
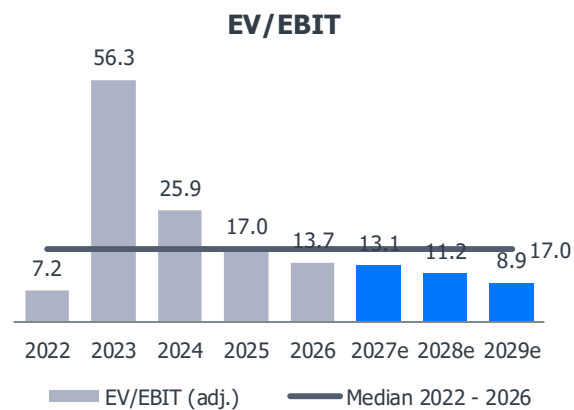
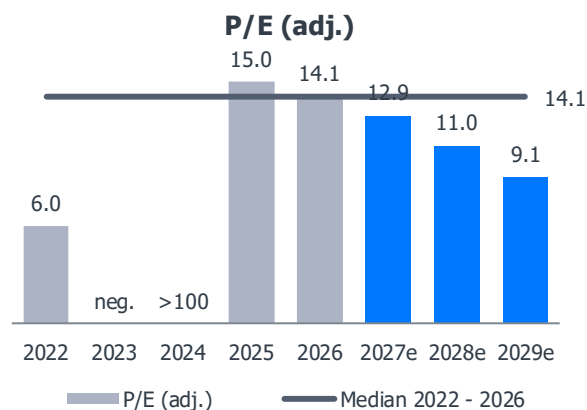
Valuation	2027e	2028e	2029e
Share price	374.0	374.0	374.0
Number of shares, millions	2.99	2.99	2.99
Market cap	1118	1118	1118
EV	1618	1573	1506
P/E (adj.)	12.9	11.0	9.1
P/E	12.9	11.0	9.1
P/FCF	11.6	9.8	8.3
P/B	1.3	1.2	1.2
P/S	0.5	0.4	0.4
EV/Sales	0.7	0.6	0.6
EV/EBITDA	5.7	5.2	4.5
EV/EBIT (adj.)	13.1	11.2	8.9
Payout ratio (%)	69.1 %	59.1 %	60.6 %
Dividend yield-%	5.3 %	5.3 %	6.7 %

Source: HCA

# Valuation table

Valuation	2022	2023	2024	2025	2026	2027e	2028e	2029e	2030e
Share price	485.0	364.0	330.0	316.0	322.0	374.0	374.0	374.0	374.0
Number of shares, millions	2.94	2.99	2.99	2.98	2.97	2.99	2.99	2.99	2.99
Market cap	1427	1089	987	943	956	1118	1118	1118	1118
EV	2198	1957	1761	1597	1478	1618	1573	1506	1444
P/E (adj.)	6.0	neg.	>100	15.0	14.1	12.9	11.0	9.1	7.8
P/E	10.7	neg.	>100	15.0	14.1	12.9	11.0	9.1	7.8
P/FCF	neg.	neg.	16.5	5.5	6.4	11.6	9.8	8.3	7.8
P/B	1.6	1.6	1.3	1.1	1.1	1.3	1.2	1.2	1.1
P/S	0.6	0.5	0.4	0.4	0.4	0.5	0.4	0.4	0.4
EV/Sales	1.0	0.9	0.8	0.7	0.6	0.7	0.6	0.6	0.5
EV/EBITDA	6.1	9.6	7.4	6.0	5.5	5.7	5.2	4.5	4.0
EV/EBIT (adj.)	7.2	56.3	25.9	17.0	13.7	13.1	11.2	8.9	7.5
Payout ratio (%)	22.0 %	neg.	153.7 %	94.7 %	87.3 %	69.1 %	59.1 %	60.0 %	60.0 %
Dividend yield-%	2.1 %	1.4 %	1.5 %	6.3 %	6.2 %	5.3 %	5.3 %	6.6 %	7.7 %

Source: HCA



# Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MDKK	MDKK	2027e	2028e	2027e	2028e	2027e	2028e	2027e	2028e	2027e	2028e	2027e
Akzo Nobel N.V.	77237	101529	12.9	11.7	9.5	8.9	1.4	1.3	15.7	14.2	2.0	2.0	2.1
PPG Industries, Inc.	180032	221078	14.1	13.1	11.7	11.0	2.0	2.0	15.7	14.2	2.8	2.9	3.3
The Sherwin-Williams Company	552930	647202	23.5	21.2	20.6	19.0	4.0	3.8	29.3	26.0	3.1	3.2	17.1
Nippon Paint Holdings Co., Ltd.	99107	141459	12.6	11.7	9.9	9.4	1.7	1.7	12.8	11.8	16.0	17.0	1.3
RPM International Inc.	94065	111141	16.7	15.4	13.8	12.8	2.2	2.1	20.5	19.0	2.0	2.1	4.4
Axalta Coating Systems Ltd.	48390	65325	11.5	10.7	8.7	8.3	1.9	1.8	13.3	12.3			2.6
<b>Flügger (HCA)</b>	<b>1118</b>	<b>1618</b>	<b>13.1</b>	<b>11.2</b>	<b>5.7</b>	<b>5.2</b>	<b>0.7</b>	<b>0.6</b>	<b>12.9</b>	<b>11.0</b>	<b>5.3</b>	<b>5.3</b>	<b>1.3</b>
<b>Average</b>			<b>15.2</b>	<b>14.0</b>	<b>12.4</b>	<b>11.6</b>	<b>2.2</b>	<b>2.1</b>	<b>17.9</b>	<b>16.2</b>	<b>5.2</b>	<b>5.5</b>	<b>5.1</b>
<b>Median</b>			<b>13.5</b>	<b>12.4</b>	<b>10.8</b>	<b>10.2</b>	<b>2.0</b>	<b>1.9</b>	<b>15.7</b>	<b>14.2</b>	<b>2.8</b>	<b>2.9</b>	<b>2.9</b>
<i>Diff-% to median</i>			<b>-3%</b>	<b>-10%</b>	<b>-47%</b>	<b>-49%</b>	<b>-66%</b>	<b>-67%</b>	<b>-18%</b>	<b>-22%</b>	<b>92%</b>	<b>85%</b>	<b>-56%</b>

Source: S&P Capital IQ / HCA

# Income statement

Income statement	2025	H1'26	H2'26	2026	H1'27e	H2'27e	2027e	2028e	2029e	2030e
<b>Revenue</b>	<b>2272</b>	<b>1264</b>	<b>1049</b>	<b>2313</b>	<b>1313</b>	<b>1101</b>	<b>2414</b>	<b>2518</b>	<b>2631</b>	<b>2763</b>
<b>EBITDA</b>	<b>267</b>	<b>224</b>	<b>43</b>	<b>267</b>	<b>244</b>	<b>41</b>	<b>285</b>	<b>304</b>	<b>334</b>	<b>364</b>
Depreciation	-173.0	-83	-76	-159	-84	-77	-161	-163	-165	-171
<b>EBIT</b>	<b>94.0</b>	<b>141</b>	<b>-33</b>	<b>108</b>	<b>160</b>	<b>-36</b>	<b>124</b>	<b>141</b>	<b>168</b>	<b>193</b>
Net financial items	-12	-9	-10	-19	-6	-7	-13	-11	-10	-9
<b>PTP</b>	<b>82.0</b>	<b>132</b>	<b>-43</b>	<b>89</b>	<b>154</b>	<b>-43</b>	<b>111</b>	<b>130</b>	<b>158</b>	<b>184</b>
Taxes	-19	-27	6	-21	-31	7	-24	-29	-35	-41
Minority interest	0	0	0	0	0	0	0	0	0	0
<b>Net earnings</b>	<b>63</b>	<b>105</b>	<b>-37</b>	<b>68</b>	<b>123</b>	<b>-36</b>	<b>87</b>	<b>101</b>	<b>123</b>	<b>144</b>
<b>EPS (rep.)</b>	<b>21</b>	<b>35</b>	<b>-12</b>	<b>23</b>	<b>41</b>	<b>-12</b>	<b>29</b>	<b>34</b>	<b>41</b>	<b>48</b>

Key figures	2025	H1'26	H2'26	2026	H1'27e	H2'27e	2027e	2028e	2029e	2030e
<b>Revenue growth-%</b>	2.9 %	1.7 %	1.9 %	1.8 %	3.8 %	5.0 %	4.3 %	4.3 %	4.5 %	5.0 %
<b>Adjusted EBIT growth-%</b>	38.2 %	0.7 %	-28.3 %	14.9 %	13.5 %	10.1 %	14.6 %	13.9 %	19.4 %	14.8 %
<b>EBITDA-%</b>	11.8 %	17.7 %	4.1 %	11.5 %	18.6 %	3.7 %	11.8 %	12.1 %	12.7 %	13.2 %
<b>Adjusted EBIT-%</b>	4.1 %	11.2 %	-3.1 %	4.7 %	12.2 %	-3.3 %	5.1 %	5.6 %	6.4 %	7.0 %
<b>Net earnings-%</b>	2.8 %	8.3 %	-3.5 %	2.9 %	9.4 %	-3.3 %	3.6 %	4.0 %	4.7 %	5.2 %

Source: HCA

# Balance sheet

Assets	2025	2026	2027e	2028e	2029e
<b>Non-current assets</b>	<b>1089</b>	<b>1067</b>	<b>1059</b>	<b>1050</b>	<b>1043</b>
Goodwill	149	149	149	149	149
Intangible assets	0.0	0.0	0.0	0.0	0.0
Tangible assets	929	903	895	886	879
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	11.0	15.0	15.0	15.0	15.0
<b>Current assets</b>	<b>831</b>	<b>761</b>	<b>834</b>	<b>918</b>	<b>1010</b>
Inventories	375	363	379	390	400
Other current assets	0.1	0.1	0.1	0.1	0.1
Receivables	432	376	393	405	415
Cash and equivalents	24.0	22.0	61.9	123	194
<b>Balance sheet total</b>	<b>1920</b>	<b>1828</b>	<b>1894</b>	<b>1969</b>	<b>2053</b>

Source: HCA

Liabilities & equity	2025	2026	2027e	2028e	2029e
<b>Equity</b>	<b>870</b>	<b>881</b>	<b>903</b>	<b>945</b>	<b>1009</b>
Share capital	60.0	60.0	60.0	60.0	60.0
Retained earnings	875	883	910	952	1016
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-110.0	-105.0	-110.0	-110.0	-110.0
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	45.0	43.0	43.0	43.0	43.0
<b>Non-current liabilities</b>	<b>418</b>	<b>421</b>	<b>423</b>	<b>427</b>	<b>432</b>
Deferred tax liabilities	21.0	28.0	28.0	28.0	28.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	388	384	386	390	395
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	9.0	9.0	9.0	9.0	9.0
<b>Current liabilities</b>	<b>632</b>	<b>526</b>	<b>567</b>	<b>597</b>	<b>612</b>
Interest bearing debt	245	115	131	142	142
Payables	206	231	241	252	259
Other current liabilities	181	180	195	203	211
<b>Balance sheet total</b>	<b>1920</b>	<b>1828</b>	<b>1894</b>	<b>1969</b>	<b>2053</b>

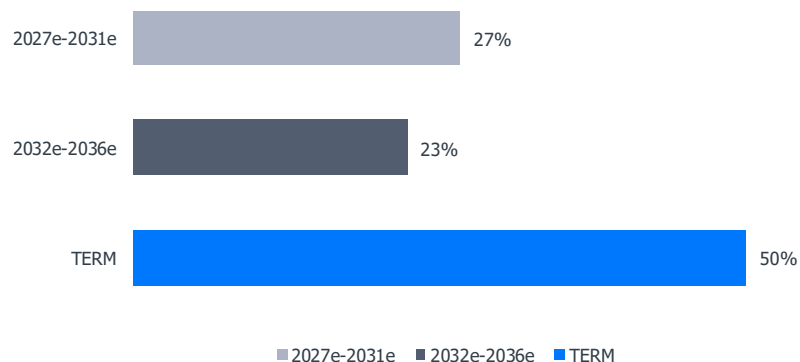
# DCF calculation

DCF model	2026	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	TERM
Revenue growth-%	1.8 %	4.3 %	4.3 %	4.5 %	5.0 %	4.0 %	3.5 %	3.2 %	3.0 %	2.5 %	2.0 %	2.0 %
EBIT-%	4.7 %	5.1 %	5.6 %	6.4 %	7.0 %	7.5 %	7.8 %	7.3 %	6.5 %	6.0 %	5.0 %	5.0 %
<b>EBIT (operating profit)</b>	<b>108</b>	<b>124</b>	<b>141</b>	<b>168</b>	<b>193</b>	<b>216</b>	<b>232</b>	<b>224</b>	<b>205</b>	<b>194</b>	<b>165</b>	
+ Depreciation	159	161	163	165	171	175	175	176	176	176	176	
- Paid taxes	-11	-24	-29	-35	-41	-46	-50	-48	-44	-42	-36	
- Tax, financial expenses	-4	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	
+ Tax, financial income	0	0	0	1	1	1	2	2	2	2	3	
- Change in working capital	61	-8	-5	-5	-6	-5	-4	-2	-2	0	0	
<b>Operating cash flow</b>	<b>191</b>	<b>250</b>	<b>268</b>	<b>292</b>	<b>315</b>	<b>338</b>	<b>352</b>	<b>348</b>	<b>335</b>	<b>327</b>	<b>305</b>	
+ Change in other long-term liabilities	85.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-127	-153	-154	-158	-173	-180	-178	-178	-177	-177	-176	
<b>Free operating cash flow</b>	<b>149</b>	<b>96.2</b>	<b>114</b>	<b>134</b>	<b>143</b>	<b>158</b>	<b>174</b>	<b>170</b>	<b>157</b>	<b>151</b>	<b>129</b>	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	149	96.2	114	134	143	158	174	170	157	151	129	2087
<b>Discounted FCFF</b>		<b>85.3</b>	<b>93.2</b>	<b>102</b>	<b>99.7</b>	<b>102</b>	<b>104</b>	<b>93.6</b>	<b>79.8</b>	<b>70.6</b>	<b>55.8</b>	<b>902</b>
Sum of FCFF present value		1787	1702	1609	1507	1408	1306	1202	1109	1029	958	902
<b>Enterprise value DCF</b>		<b>1787</b>										
- Interest bearing debt		-498.7										
+ Cash and cash equivalents		22.0										
-Minorities		-45.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>1266</b>										
<b>Equity value DCF per share</b>		<b>423</b>										

WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	40.0 %
Cost of debt	4.8 %
Equity Beta	1.30
Market risk premium	5.80%
Liquidity premium	1.80%
Risk free interest rate	2.0 %
<b>Cost of equity</b>	<b>11.3 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.3 %</b>

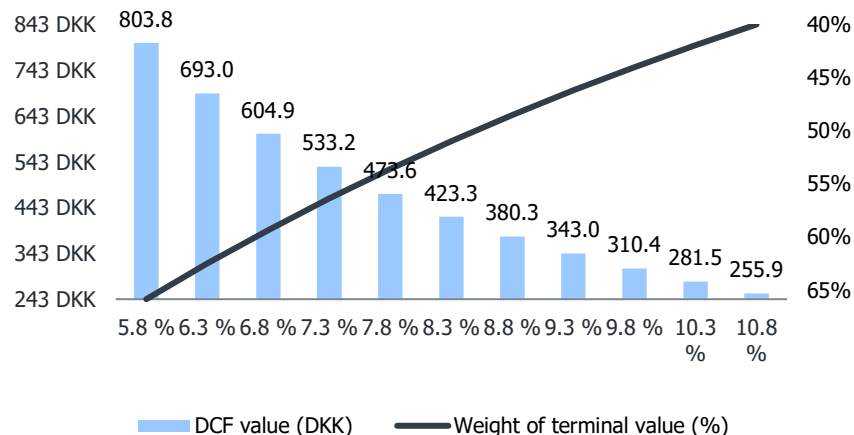
Source: HCA

## Cash flow distribution

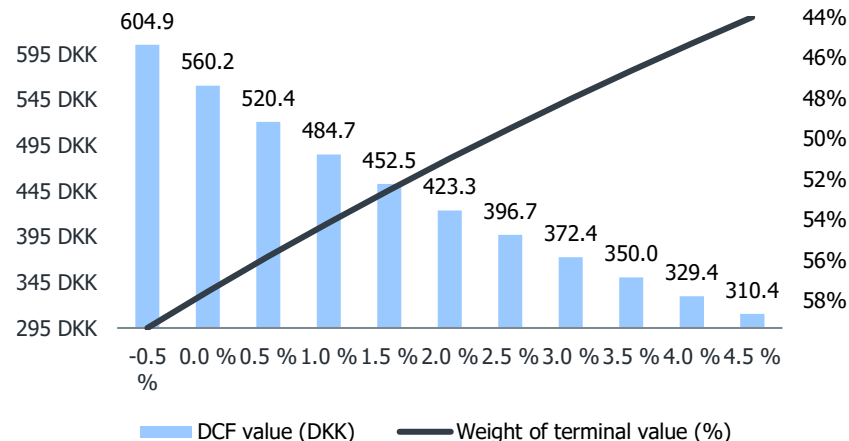


# DCF sensitivity calculations and key assumptions in graphs

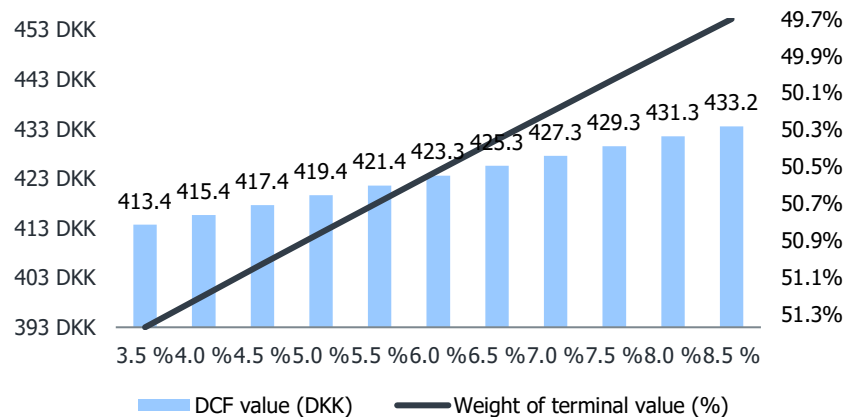
### Sensitivity of DCF to changes in the WACC-%



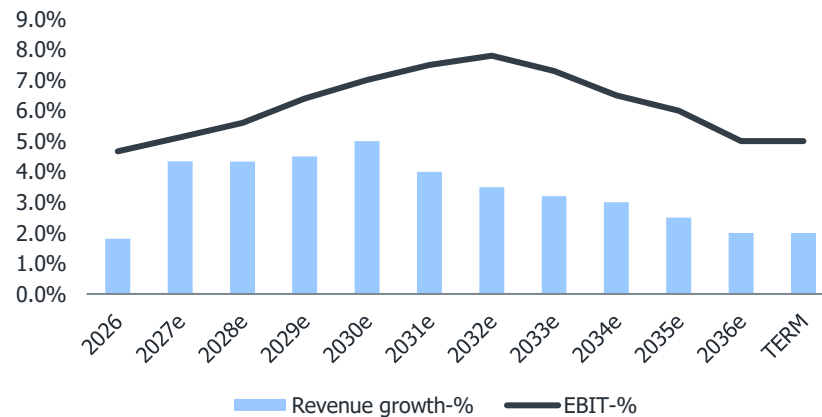
### Sensitivity of DCF to changes in the risk-free rate



### 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	2024	2025	2026	2027e	2028e	Per share data	2024	2025	2026	2027e	2028e
Revenue	2208	2272	2313	<b>2414</b>	<b>2518</b>	EPS (reported)	3.3	21.1	22.9	<b>28.9</b>	<b>33.9</b>
EBITDA	237	267	267	<b>285</b>	<b>304</b>	EPS (adj.)	3.3	21.1	22.9	<b>28.9</b>	<b>33.9</b>
EBIT	68	94	108	<b>124</b>	<b>141</b>	OCF / share	42.1	62.1	64.2	<b>83.5</b>	<b>89.6</b>
PTP	46	82	89	<b>111</b>	<b>130</b>	FCF / share	20.0	57.7	50.0	<b>32.2</b>	<b>38.1</b>
Net Income	10	63	68	<b>87</b>	<b>101</b>	Book value / share	250.4	276.5	282.3	<b>287.8</b>	<b>301.7</b>
Extraordinary items	0	0	0	<b>0</b>	<b>0</b>	Dividend / share	5.0	20.0	20.0	<b>20.0</b>	<b>20.0</b>
Balance sheet	2024	2025	2026	2027e	2028e	Growth and profitability	2024	2025	2026	2027e	2028e
Balance sheet total	1939	1920	1828	<b>1894</b>	<b>1969</b>	Revenue growth-%	4%	3%	2%	<b>4%</b>	<b>4%</b>
Equity capital	821	870	881	<b>903</b>	<b>945</b>	EBITDA growth-%	17%	12%	0%	<b>7%</b>	<b>7%</b>
Goodwill	147	149	149	<b>149</b>	<b>149</b>	EBIT (adj.) growth-%	95%	38%	15%	<b>15%</b>	<b>14%</b>
Net debt	702	609	477	<b>455</b>	<b>410</b>	EPS (adj.) growth-%	-156%	549%	8%	<b>26%</b>	<b>17%</b>
Cash flow	2024	2025	2026	2027e	2028e	EBITDA-%	10.8 %	11.8 %	11.5 %	<b>11.8 %</b>	<b>12.1 %</b>
EBITDA	237	267	267	<b>285</b>	<b>304</b>	EBIT (adj.)-%	3.1 %	4.1 %	4.7 %	<b>5.1 %</b>	<b>5.6 %</b>
Change in working capital	7	4	61	<b>-8</b>	<b>-5</b>	EBIT-%	3.1 %	4.1 %	4.7 %	<b>5.1 %</b>	<b>5.6 %</b>
Operating cash flow	126	185	191	<b>250</b>	<b>268</b>	ROE-%	1.3 %	8.0 %	8.2 %	<b>10.2 %</b>	<b>11.5 %</b>
CAPEX	-145	-134	-127	<b>-153</b>	<b>-154</b>	ROI-%	4.3 %	6.6 %	7.5 %	<b>8.9 %</b>	<b>9.9 %</b>
Free cash flow	60	172	149	<b>96</b>	<b>114</b>	Equity ratio	42.3 %	45.3 %	48.2 %	<b>47.7 %</b>	<b>48.0 %</b>
						Gearing	85.6 %	70.0 %	54.1 %	<b>50.4 %</b>	<b>43.4 %</b>
Valuation multiples	2024	2025	2026	2027e	2028e						
EV/S	0.8	0.7	0.6	<b>0.7</b>	<b>0.6</b>						
EV/EBITDA	7.4	6.0	5.5	<b>5.7</b>	<b>5.2</b>						
EV/EBIT (adj.)	25.9	17.0	13.7	<b>13.1</b>	<b>11.2</b>						
P/E (adj.)	>100	15.0	14.1	<b>12.9</b>	<b>11.0</b>						
P/B	1.3	1.1	1.1	<b>1.3</b>	<b>1.2</b>						
Dividend-%	1.5 %	6.3 %	6.2 %	<b>5.3 %</b>	<b>5.3 %</b>						

Source: HC Andersen Capital

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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
20-03-2026	Accumulate	360 DKK	322 DKK
15-12-2025	Accumulate	360 DKK	326 DKK
30-09-2025	Accumulate	370 DKK	332 DKK
17-09-2025	Accumulate	375 DKK	320 DKK

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