

BJÖRN BORG

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INDERES CORPORATE CUSTOMER
COMPANY REPORT



Margin strength drive an upgrade

Björn Borg delivered strong Q4 earnings, due to solid sales volumes and good cost control. In our view, the outlook for next year is positive, and combined with a strong finish to last year, this has led us to raise our earnings estimates for the coming years. With our updated estimates, the company's earnings multiples for this year are at the lower end of our acceptable valuation range, with a P/E ratio of around 15x and EV/EBIT of 12x. As a result, we raise our recommendation to Accumulate (prev. Reduce) and increase our target price to SEK 67 per share (prev. SEK 57 per share), mainly due to increased estimates.

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 footwear and sports apparel categories. While the biggest positive driver for Björn Borg is clearly topline growth, the main near-term risks to achieving this are slow integration of footwear, a lack of brand traction, and prolonged weak consumer confidence.

Concludes 2025 with strong earnings growth

Björn Borg delivered Q4 revenue growth of around 1.5% y/y, which was in line with our estimates. However, adjusted for negative FX effects, revenue growth amounted to 5.0%, with the sports apparel category continuing to outperform. While revenue growth in Björn Borg's largest segment, Wholesale, was in line with our expectations, Own e-commerce stood out positively, with Q4 revenue growth of around 24%, above our expectations.

The clear positive highlight in the report was the profitability that significantly exceeded our expectations, driven by solid volumes and good cost control. EBIT increased from 16.8 MSEK in Q4'24 to 21.6 MSEK in Q4'25, corresponding to an operating margin of 9.1%, well above our expectations. FY2025 EPS

amounted to 3.66 (FY2024: 2.89), but the company proposed to leave the dividend unchanged at SEK 3.00 per share. While the payout ratio is at high levels, around 82% of its earnings, we believe that it is sustainable given the company's solid balance sheet and net debt/EBITDA of 0.4x, excluding leases. Over the long term, we expect Björn Borg to continue distributing a large share of its earnings through dividends.

We have increased our earnings estimates for the coming years

Since Q4 revenue came in well in line with our estimates, we have kept our revenue forecasts unchanged for the coming years. However, due to the stronger-than-expected operating margin outcome, and that we expect the profitable Own e-commerce segment to continue to grow and constitute a larger share of the company's revenues, we have increased our earnings estimates by some 9-10%. While we expect continued expansion, particularly in the Footwear segment and the German market, to require additional costs, we believe that the solid sales growth should provide some operational leverage. As a result, we expect an EBIT margin expansion from 10.7% in 2025 to 11.8% in 2027.

Current valuation invites a good risk/reward

We forecast good earnings growth of around 8% in the coming years, driven by solid revenue growth. We expect Björn Borg to distribute most of its earnings and free cash flow as dividends, resulting in a dividend yield of some 6%. Although we expect some downward pressure on LTM earnings multiples, we believe the expected return is slightly higher than the required return. In addition, the DCF model and peer valuation paint a similar picture. As a result, we raise our recommendation to Accumulate (prev. Reduce) and increase our target price to SEK 67 per share (prev. SEK 57 per share), mainly due to increased estimates.

Recommendation

Accumulate

(prev. Reduce)

Business risk



Target price:

67.0 SEK

(prev. 57.0 SEK)

Valuation risk



Share price:

61.0 SEK

	2025	2026e	2027e	2028e
Revenue	1043.9	1130.2	1199.0	1286.0
growth-%	5%	8%	6%	7%
EBIT adj.	111.5	131.5	141.6	153.2
EBIT-% adj.	10.7 %	11.6 %	11.8 %	11.9 %
Net Income	92.1	100.0	106.5	118.5
EPS (adj.)	3.66	3.98	4.24	4.71

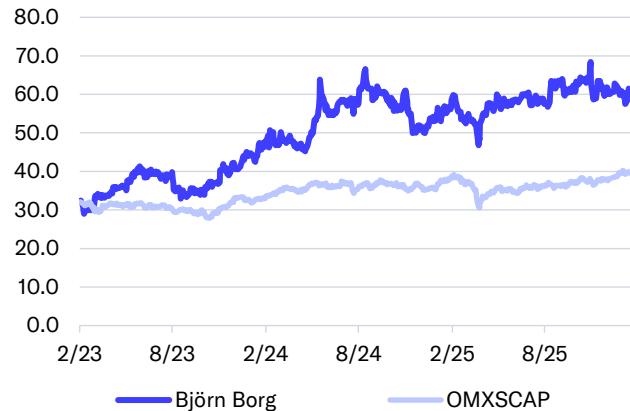
P/E (adj.)	17.2	15.3	14.4	12.9
P/B	4.3	3.9	3.7	3.5
Dividend yield-%	4.8 %	5.7 %	6.1 %	6.7 %
EV/EBIT (adj.)	14.6	11.9	11.0	10.0
EV/EBITDA	11.6	9.7	9.1	8.7
EV/S	1.6	1.4	1.3	1.2

Source: Inderes

Guidance

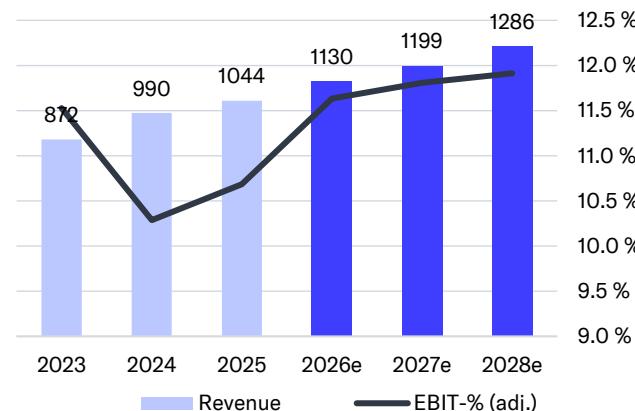
(Björn Borg does not provide any guidance)

Share price



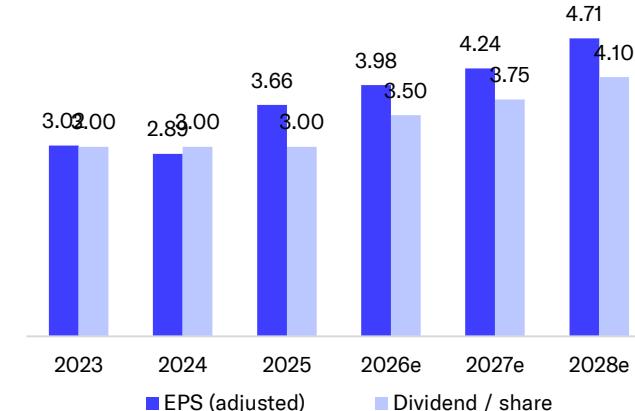
Source: Millistream Market Data AB

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 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	2026e	2027e	2028e
Share price	61.0	61.0	61.0
Number of shares, millions	25.1	25.1	25.1
Market cap	1534	1534	1534
EV	1561	1551	1532
P/E (adj.)	15.3	14.4	12.9
P/E	15.3	14.4	12.9
P/B	3.9	3.7	3.5
P/S	1.4	1.3	1.2
EV/Sales	1.4	1.3	1.2
EV/EBITDA	9.7	9.1	8.7
EV/EBIT (adj.)	11.9	11.0	10.0
Payout ratio (%)	88.0 %	88.5 %	87.0 %
Dividend yield-%	5.7 %	6.1 %	6.7 %

Source: Inderes

Strong earnings growth

Solid revenue growth despite challenging comparison figures

Björn Borg's Q4 revenue grew by 5.0% in local currencies. However, due to a negative FX impact from a strengthening SEK, reported revenue increased by 1.5% year-on-year to 238 MSEK. This was in line with our expectations, and given the tough year-over-year comparisons, we feel the company delivered solid growth in the quarter.

By segment, Own e-commerce stood out positively, with Q4 revenue growth of around 24%, above our expectations. While revenue growth in Björn Borg's largest segment, Wholesale, was in line with our expectations of around 2%, the Own stores and Distributor segments came in below our estimates. The Licensing segment continued to generate modest revenues following the integration of the footwear category, which previously constituted a significant portion of this segment. Geographically,

Germany stood out positively, as we had expected, with Q4 revenue growth of around 21%. Also, Finland was strong (25% y/y), which benefited from favorable year-over-year comparisons. The company's largest market, Sweden, was facing a very tough comparison, as the market delivered 43% revenue growth in Q4'24. Given this, we believe that the revenue growth outcome of around 6% during the quarter was solid.

Operating profit significantly above our expectations

In our view, Björn Borg's Q4 gross margin was at rather solid levels, increasing to 54.0% (Q4'24: 53.3%), in line with our expectations. In our view, Björn Borg demonstrated very good cost control during the quarter, with operating expenses (OPEX) decreasing by approximately 1%, which was better than we expected. Overall, Q4 EBIT increased from 16.8 MSEK in Q4'24 to 21.6 MSEK in Q4'25, corresponding to an operating margin of 9.1%. This was significantly above our expectations.

FY2025 EPS amounted to 3.66 (FY2024: 2.89), but the company proposed to leave the dividend unchanged at SEK 3.00 per share. While the payout ratio is at high levels, around 82% of its earnings, we believe that it is sustainable given the company's solid balance sheet and net debt/EBITDA of 0.4x, excluding leases. Over the long term, we expect Björn Borg to continue distributing a large share of its earnings through dividends.

Cash flow was good, and the balance sheet remains healthy

Björn Borg delivered a 131 MSEK operating cash flow in Q4, aligning with the typical seasonal pattern where Björn Borg tends to free up working capital in Q2 and Q4. Net debt/EBITDA (excluding leases) was good 0.4x, and the equity ratio amounted to 50%, well above the target of 35%.

Estimates MSEK / SEK	Q4'24 Comparison	Q4'25 Actualized	Q4'25e Inderes	Q4'25e Consensus	Consensus Low	Consensus High	Difference (%) Act. vs. Inderes	2025 Actual
Revenue	235	238	238	253	243	247	0%	1044
Gross margin-%	53%	54%	54%				0 pp	52%
EBITDA	24.5	28.4	25.7				11%	141
EBIT	16.8	21.6	17.7	20.2	18.6	23.4	22%	112
PTP	10.3	21.3	14.7				46%	118
EPS (reported)	0.40	0.61	0.45				34%	3.66
DPS	3.00	3.00	3.20	0.00	0.00	0.00	-6%	3.00
Revenue growth-%	18.7 %	1.5 %	1.6 %	7.7 %	3.5 %	- 5.3 %	-0.1 pp	5.4 %
EBIT-%	7.2 %	9.1 %	7.4 %	8.0 %	7.7 %	- 9.5 %	1.7 pp	10.7 %

Source: Inderes & Pinpoint (retail consensus 05.02.26, 64 estimates) (consensus)

We increased our earnings estimates for the coming years

We kept our revenue estimates unchanged

Since Q4 revenue came in well in line with our estimates, we kept our revenue forecasts unchanged for the coming years. In Q1'26, we expect some 9.5% FX adj. revenue growth, mainly driven by the sports apparel category in Own e-commerce. However, due to the continued strengthening of the SEK, we estimate reported revenue growth of some 6%. By geography, we estimate strong growth in Germany, which benefits from favorable year-over-year comparisons. For the full-year 2026, we estimate that revenue will amount to 1,130 MSEK, corresponding to some 8% growth.

We also left our revenue estimates for 2027-2028 largely unchanged, expecting growth of around 6-8%. 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, as footwear performance has disappointed in the latest quarters. 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 we observed in sports apparel following its full integration in the mid-2010s.

We increased our EBIT estimates on the back of a strong Q4

In Q1'26, we estimate that the FX-adjusted gross margin will decrease slightly to 50.0% (Q1'25: 50.9%). This is mainly driven by the company's continued focus on gaining market share, which we expect will require higher discounting and put pressure on gross margins. However,

we expect FX effects to support the gross margin, resulting in a reported gross margin of 53.0% in Q1'26. In terms of operating result, we expect higher sales volumes, combined with continued good operational cost control, to result in an EBIT margin of 14% in Q1'26.

Overall, for 2026-2027, we increased our earnings estimates by some 9-10%. While we expect continued expansion, particularly in the Footwear segment and the German market, to require additional costs, we believe that the good sales growth should provide some operational leverage. In addition, Björn Borg has successfully expanded its Own e-commerce in recent years, which we expect will continue and support the EBIT margin expansion from 10.7% in 2025 to 11.8% in 2027. We therefore continue to expect Björn Borg to deliver an EBIT margin above the 10% target in the coming years.

Estimate revisions	2025	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MSEK / SEK	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	1044	1044	0%	1130	1130	0%	1199	1199	0%
EBITDA	138	141	2%	153	161	5%	160	170	6%
EBIT (exc. NRIs)	108	112	4%	121	132	9%	130	142	9%
EBIT	108	112	4%	121	132	9%	130	142	9%
PTP	111	118	6%	118	128	9%	124	137	10%
EPS (excl. NRIs)	3.51	3.66	4%	3.65	3.98	9%	3.84	4.24	10%
DPS	3.20	3.00	-6%	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	2025	2026e	2027e	2028e
Revenue	496	539	574	632	696	710	757	705	768	835	872	990	1044	1130	1199	1286
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%	8.3%	6.1%	7.3%
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%	8.3%	6.1%	7.3%
COGS	-241	-254	-273	-314	-320	-303	-351	-335	-352	-411	-401	-469	-504	-535	-552	-592
Gross profit	259	291	311	324	384	414	428	399	444	450	491	544	568	619	667	714
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%	52.7%	54.0%	54.0%
OPEX	-238	-238	-253	-260	-329	-343	-378	-365	-340	-377	-390	-442	-457	-488	-526	-561
EBIT	21	53	59	64	55	71	50	34	104	73	101	102	112	132	142	153
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%	11.6%	11.8%	11.9%
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	728	770	800	850
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%	5.7%	3.9%	6.3%	
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%	10.0%	10.0%	
Own e-commerce¹									100	113	154	181	217	246	275	305
Growth-%									14.0%	35.8%	17.6%	19.7%	13.6%	11.8%	10.9%	
EBIT margin-%									20.3%	15.6%	18.7%	18.2%	18.5%	17.3%	17.0%	
Own stores¹									113	107	105	107	87	86	90	95
Growth-%									-5.9%	-1.7%	2.6%	-18.6%	-1.7%	4.7%	5.6%	
EBIT margin-%									-5.6%	-22.8%	-6.7%	2.5%	-5.8%	1.5%	2.0%	3.0%
Direct-to-consumer	69	81	105	128	186	186	197	211	213	220	259	288	304	332	365	400
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%	9.2%	9.9%	9.6%	
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%	13.2%	13.3%	13.7%
Distributors	187	234	238	188	58	49	50	45	71	92	47	51	38	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%	-24.7%	33.7%	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%	21.7%	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%	-48.0%	3.5%	-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%	90.9%	85.0%	85.0%	85.0%
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	387	399	420	437
The Netherlands	146	158	171	160	167	176	210	164	173	179	208	225	234	254	264	270
Finland ²	54	65	66	88	123	115	110	119	104	112	118	122	132	135	132	141
Germany ²									81	93	86	104	100	129	156	193
Other	97	130	120	145	187	154	166	110	135	165	163	192	190	213	228	244
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 %	48 %	47 %	46 %	46 %
Sports Apparel	11 %	10 %	10 %	9 %	10 %	11 %	14 %	13 %	18 %	19 %	22 %	25 %	29 %	30 %	30 %	31 %
Footwear ³					23 %	24 %	23 %	27 %	9 %	9 %	8 %	10 %	9 %	8 %	12 %	13 %
Bags ³									0 %	7 %	6 %	5 %	5 %	5 %	5 %	5 %
Other	29 %	29 %	29 %	28 %	6 %	5 %	4 %	4 %	14 %	10 %	9 %	8 %	9 %	9 %	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

Current valuation invites a good risk/reward

Valuation summary – Accumulate

We forecast good earnings growth of around 8% in the coming years, driven by solid revenue growth. We expect Björn Borg to distribute most of its earnings and free cash flow as dividends, resulting in a dividend yield of some 6%. Although we expect some downward pressure on LTM earnings multiples, we believe the expected return is slightly higher than the required return. As a result, we raise our recommendation to Accumulate (prev. Reduce) and increase our target price to SEK 67 per share (prev. SEK 57 per share), mainly due to increased estimates.

Acceptable absolute multiples in 2026-27

With our updated estimates, Björn Borg's P/E and EV/EBIT for 2026 are 15x and 12x, respectively. These multiples are in the lower range of our accepted valuation multiples, and we view them to be relatively modest. If the company continues to expand its sports apparel category, as well as successfully scale the footwear segment, and the projected earnings growth materializes, the multiples for 2027 are P/E 14x and EV/EBIT 11x. Given the company's continued growth potential and high returns on capital, the 2027 earnings multiples appear even more attractive to us

Looking at 2028 and onwards, when we expect more stable growth and profitability, we believe Björn Borg's acceptable P/E ratio will be 14-18x and EV/EBIT will be 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 2026 and 2027 are, on average, around 6% higher than those of its peers. However, when excluding the retail peers, Björn Borg trades at a discount of around 27%. 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. However, we expect higher growth for Björn Borg in the coming years, along with improved profitability and returns on capital, suggesting that the current discount may be somewhat exaggerated. It is important to note that the peer group's valuation multiples vary widely, from single digits to over 30x, making 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.

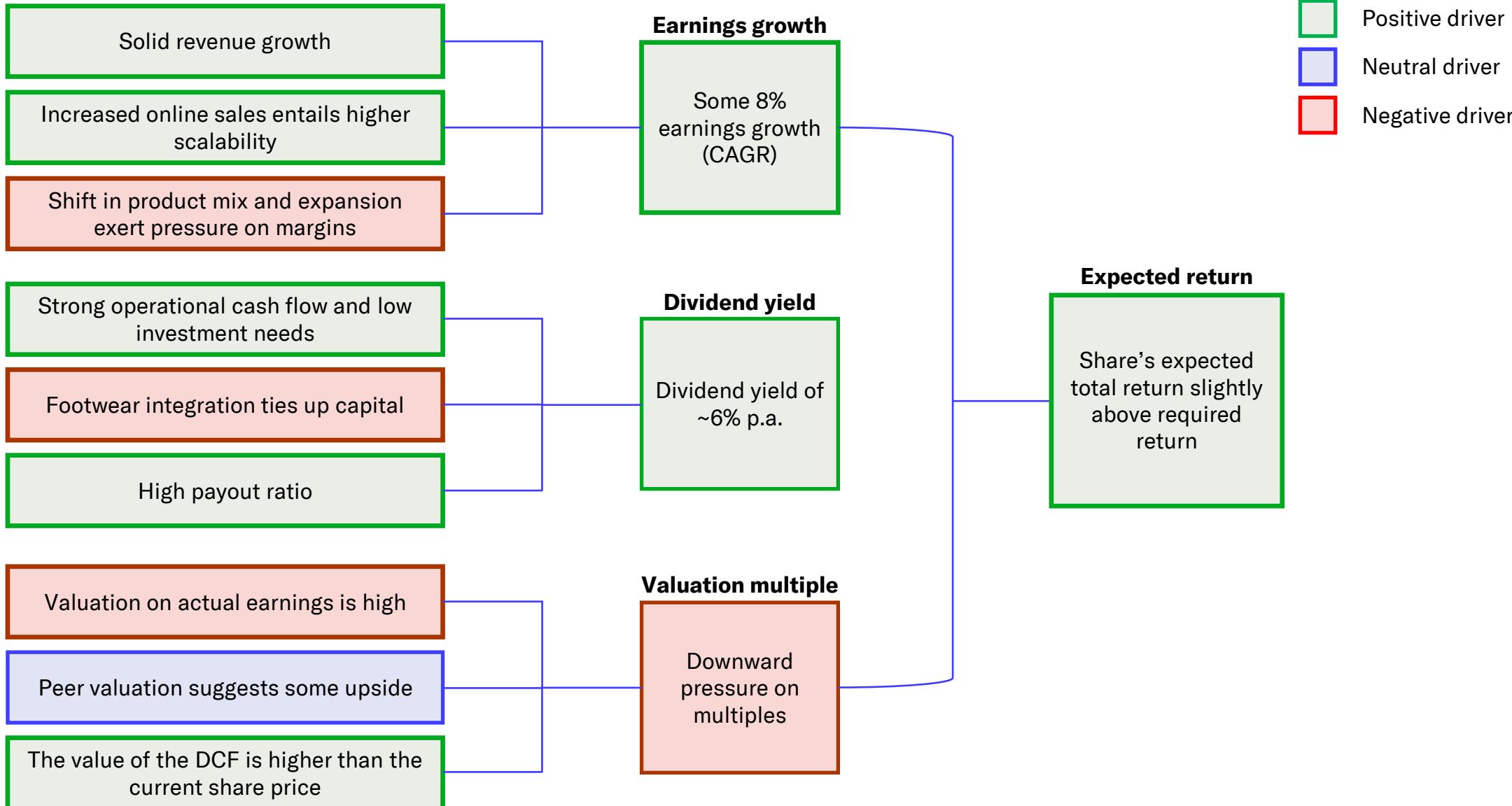
DCF model is also in the green

We also believe the DCF model is a relevant valuation method for Björn Borg, given the sufficient historical financial information, steady growth, and relatively predictable business. We expect relatively stable growth and margins in 2030-2034. In the terminal period, we expect the EBIT margin to stabilize at around 11%, while our terminal growth rate assumption is 2.5%. Based on our updated estimates, we arrive at a value per share of SEK 67 (prev. SEK 57 per share). Therefore, also in the context of DCF, the current valuation generates sufficient expected return.

Valuation	2026e	2027e	2028e
Share price	61.0	61.0	61.0
Number of shares, millions	25.1	25.1	25.1
Market cap	1534	1534	1534
EV	1561	1551	1532
P/E (adj.)	15.3	14.4	12.9
P/E	15.3	14.4	12.9
P/B	3.9	3.7	3.5
P/S	1.4	1.3	1.2
EV/Sales	1.4	1.3	1.2
EV/EBITDA	9.7	9.1	8.7
EV/EBIT (adj.)	11.9	11.0	10.0
Payout ratio (%)	88.0 %	88.5 %	87.0 %
Dividend yield-%	5.7 %	6.1 %	6.7 %

Source: Inderes

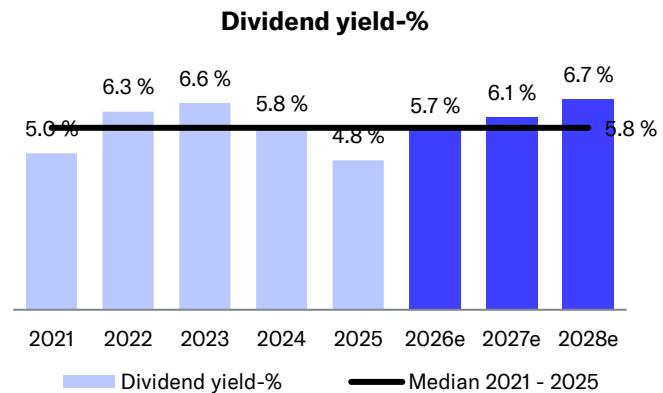
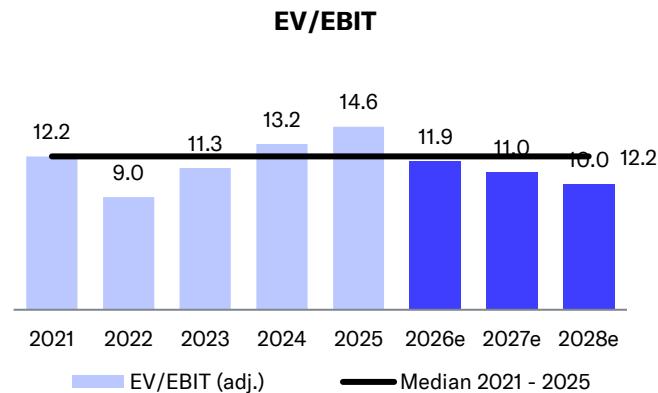
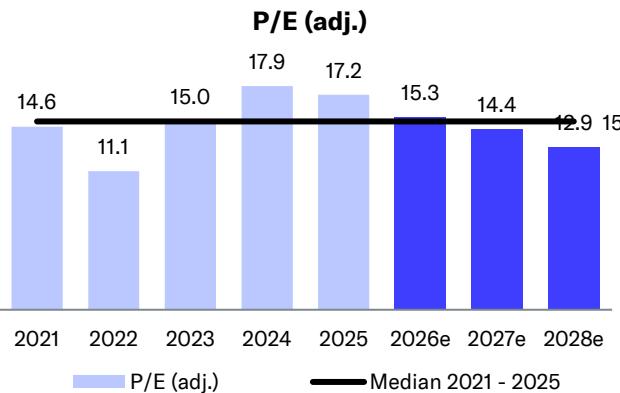
Drivers of stock returns 2025– 2027e



Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	50.0	31.6	45.4	51.6	62.8	61.0	61.0	61.0	61.0
Number of shares, millions	25.1	25.1	25.1	25.1	25.1	25.1	25.1	25.1	25.1
Market cap	1257	795	1142	1298	1579	1534	1534	1534	1534
EV	1275	844	1138	1349	1631	1561	1551	1532	1511
P/E (adj.)	14.6	11.1	15.0	17.9	17.2	15.3	14.4	12.9	11.9
P/E	14.6	15.6	15.0	17.9	17.2	15.3	14.4	12.9	11.9
P/B	3.7	2.4	3.2	3.6	4.3	3.9	3.7	3.5	3.3
P/S	1.6	1.0	1.3	1.3	1.5	1.4	1.3	1.2	1.1
EV/Sales	1.7	1.0	1.3	1.4	1.6	1.4	1.3	1.2	1.1
EV/EBITDA	9.1	7.8	8.5	10.1	11.6	9.7	9.1	8.7	8.0
EV/EBIT (adj.)	12.2	9.0	11.3	13.2	14.6	11.9	11.0	10.0	9.0
Payout ratio (%)	73.1 %	98.9 %	99.3 %	103.8 %	82.0 %	88.0 %	88.5 %	87.0 %	90.0 %
Dividend yield-%	5.0 %	6.3 %	6.6 %	5.8 %	4.8 %	5.7 %	6.1 %	6.7 %	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
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	
Sports apparel													
Adidas	27,900	31,630	11.6	10.2	7.99	7.11	1.18	1.09	14.55	12.61	2.7	3.3	3.7
Nike	78,760	78,481	32.3	22.8	25.66	19.58	1.99	1.92	40.08	26.91	2.6	2.7	7.1
Lululemon	17,465	16,563	9.0	9.5	7.29	7.44	1.78	1.70	13.46	13.96			4.1
Puma	3,475	5,924		23.5	17.68	9.74	0.84	0.80		67.00		0.8	1.6
Under Armour	2,547	2,484	28.2	18.3	13.67	10.69	0.59	0.58	60.09	31.83			2.1
Columbia Sportswear	2,878	2,679	14.7	13.6	9.73	9.16	0.92	0.89	18.76	16.65	1.9	1.9	1.8
Retail													
PVH	2,656	4,429	6.9	6.8	5.06	5.01	0.59	0.58	6.31	5.76	0.2	0.3	0.7
GAP	8,685	7,819	8.3	7.8	5.72	5.44	0.60	0.59	12.94	11.92	2.4	2.4	2.8
H&M	28,064	33,405	17.9	16.5	8.70	8.31	1.58	1.54	22.42	20.34	3.9	4.2	6.6
Fenix Outdoor	1,619	1,769	21.1	20.1	12.37	12.03	2.12	2.03	9.93	9.50	3.7	3.8	1.2
JD Sports Fashion	4,482	8,136	7.1	7.1	3.75	3.71	0.56	0.54	6.75	6.70	1.3	1.4	1.4
Björn Borg (Inderes)	140	142	11.9	11.0	9.7	9.1	1.4	1.3	15.3	14.4	5.7	6.1	3.9
Average			15.7	14.2	10.7	8.9	1.2	1.1	20.5	20.3	2.3	2.3	3.0
Median			13.1	13.6	8.7	8.3	0.9	0.9	14.0	14.0	2.5	2.4	2.1
Diff-% to median			-10%	-20%	11%	10%	50%	45%	10%	3%	133%	156%	85%

Income statement

Income statement	2023	2024	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	872	990	1044	296	243	323	267	1130	1199	1286	1378
Wholesale	577	672	728	220	155	230	165	770	800	850	900
Own e-commerce	154	181	217	59	60	62	65	246	275	305	340
Own stores	105	107	87	15	20	25	26	86	90	95	100
Distributors	47	51	38	9	14	12	16	51	53	55	58
Licensing	9	2	1	0	0	0	0	1	1	1	1
EBITDA	134	134	141	50	21	60	31	161	170	176	190
Depreciation	-33	-32	-29	-7	-7	-7	-7	-30	-28	-23	-23
EBIT (excl. NRI)	101	102	112	43	13	52	23	132	142	153	167
EBIT	101	102	112	43	13	52	23	132	142	153	167
Wholesale	61	54	67	31	0	39	5	75	80	85	90
Own e-commerce	29	33	40	11	9	9	14	43	47	52	58
Own stores	-7	3	-5	-1	1	1	1	1	2	3	5
Distributors	10	10	8	2	3	3	4	12	12	13	13
Licensing	8	2	1	0	0	0	0	1	1	1	1
Net financial items	-3	-11	6	0	-1	-1	-1	-3	-5	-2	-2
PTP	98	90	118	43	12	51	22	128	137	151	165
Taxes	-22	-18	-26	-9	-3	-11	-5	-28	-30	-33	-36
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Net earnings	76	73	92	33	10	40	17	100	107	119	129
EPS (adj.)	3.02	2.89	3.66	1.32	0.39	1.57	0.69	3.98	4.24	4.71	5.14
EPS (rep.)	3.02	2.89	3.66	1.32	0.39	1.57	0.69	3.98	4.24	4.71	5.14
Key figures	2023	2024	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	4.4 %	13.5 %	5.4 %	5.8 %	7.7 %	7.8 %	12.2 %	8.3 %	6.1 %	7.3 %	7.2 %
Adjusted EBIT growth-%		1.3 %	9.5 %	24.5 %	27.0 %	15.6 %	8.0 %	17.9 %	7.7 %	8.2 %	9.0 %
EBITDA-%	15.3 %	13.5 %	13.5 %	16.9 %	8.6 %	18.4 %	11.5 %	14.3 %	14.2 %	13.7 %	13.8 %
Adjusted EBIT-%	11.5 %	10.3 %	10.7 %	14.4 %	5.5 %	16.1 %	8.7 %	11.6 %	11.8 %	11.9 %	12.1 %
Net earnings-%	8.7 %	7.3 %	8.8 %	11.2 %	4.0 %	12.2 %	6.5 %	8.8 %	8.9 %	9.2 %	9.4 %

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	307	291	282	275	274
Goodwill	36.4	35.9	35.9	35.9	35.9
Intangible assets	195	194	193	192	191
Tangible assets	63.0	52.8	44.8	38.5	38.0
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	8.8	8.8	8.8	8.8
Current assets	357	428	465	480	500
Inventories	194	257	260	264	270
Other current assets	16.9	24.0	24.0	24.0	24.0
Receivables	136	133	147	156	167
Cash and equivalents	9.7	13.5	33.9	36.0	38.6
Balance sheet total	663	719	747	755	773

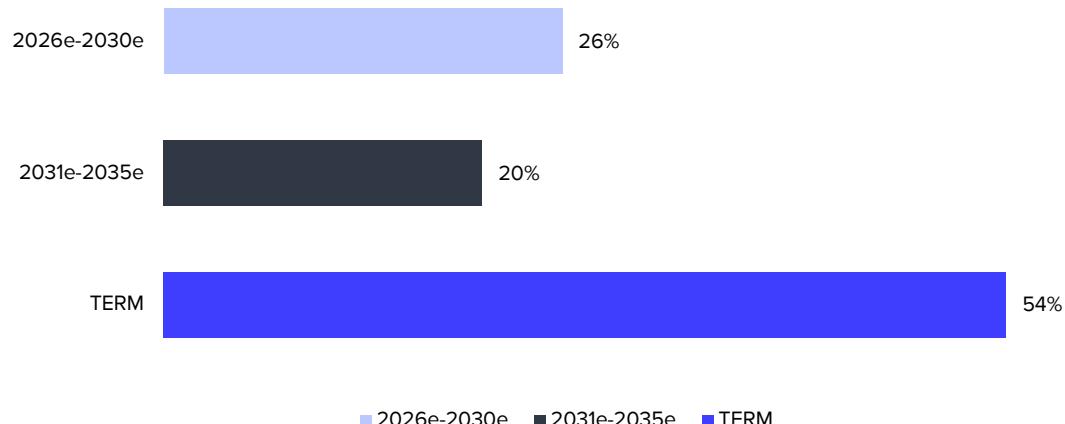
Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	352	361	386	404	428
Share capital	7.9	7.9	7.9	7.9	7.9
Retained earnings	177	186	210	229	253
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	56.3	54.5	90.9	85.3	74.7
Deferred tax liabilities	39.7	39.5	39.5	39.5	39.5
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	16.6	15.0	51.4	45.8	35.1
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	255	304	271	265	270
Interest bearing debt	66.6	77.8	34.2	30.5	23.4
Payables	126	159	170	168	180
Other current liabilities	62.4	66.9	66.9	66.9	66.9
Balance sheet total	663	719	747	755	773

DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	5.4 %	8.3 %	6.1 %	7.3 %	7.2 %	7.0 %	6.5 %	6.5 %	6.5 %	6.5 %	2.5 %	2.5 %
EBIT-%	10.7 %	11.6 %	11.8 %	11.9 %	12.1 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	11.0 %	11.0 %
EBIT (operating profit)	112	132	142	153	167	177	188	201	214	228	214	
+ Depreciation	29.1	29.6	28.5	23.1	22.8	22.9	23.1	23.4	23.7	24.1	24.5	
- Paid taxes	-22.3	-28.1	-30.0	-32.7	-35.6	-37.8	-40.3	-42.9	-45.7	-48.7	-46.6	
- Tax, financial expenses	1.4	-0.7	-1.1	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	
+ 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	-30.0	-6.0	-14.4	-5.4	-4.6	-11.0	-17.7	-18.9	-20.1	-21.4	-8.9	
Operating cash flow	89.6	126	124	138	149	151	153	162	171	181	182	
+ 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	-17.3	-20.6	-21.2	-21.6	-22.2	-22.7	-23.2	-23.7	-24.1	-24.5	-24.5	
Free operating cash flow	72.4	106	103	116	127	128	130	138	147	157	158	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	72.4	106	103	116	127	128	130	138	147	157	158	2312
Discounted FCFF	97.6	87.1	89.4	89.2	82.0	76.0	73.8	71.8	69.8	64.2	940	
Sum of FCFF present value	1741	1644	1556	1467	1378	1296	1220	1146	1074	1004	940	
Enterprise value DCF	1741											
- Interest bearing debt	-92.8											
+ Cash and cash equivalents	13.5											
-Minorities	24.7											
-Dividend/capital return	0.0											
Equity value DCF	1687											
Equity value DCF per share	67											

Cash flow distribution

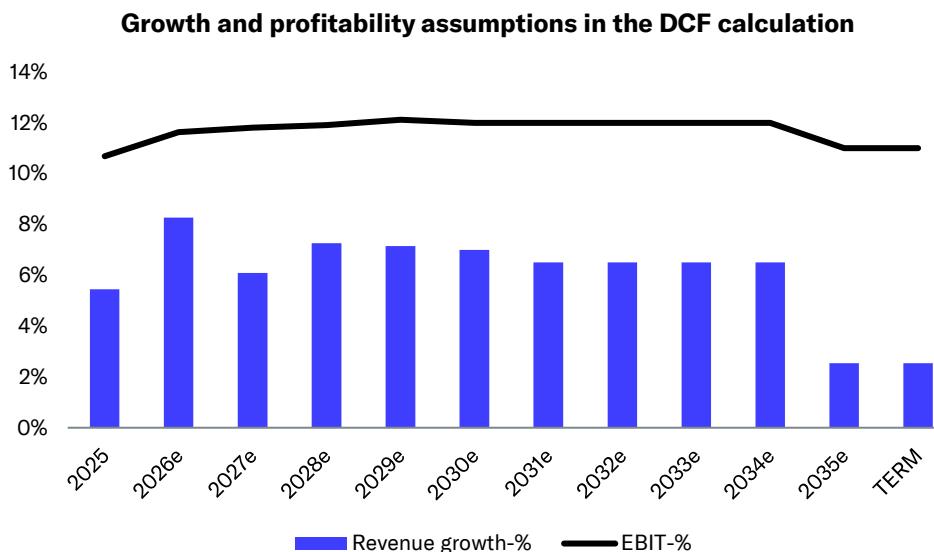
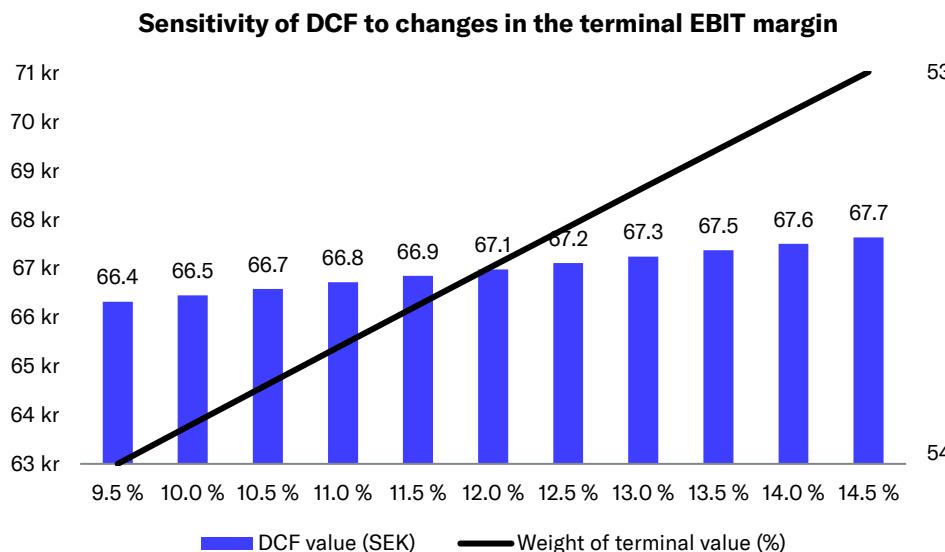
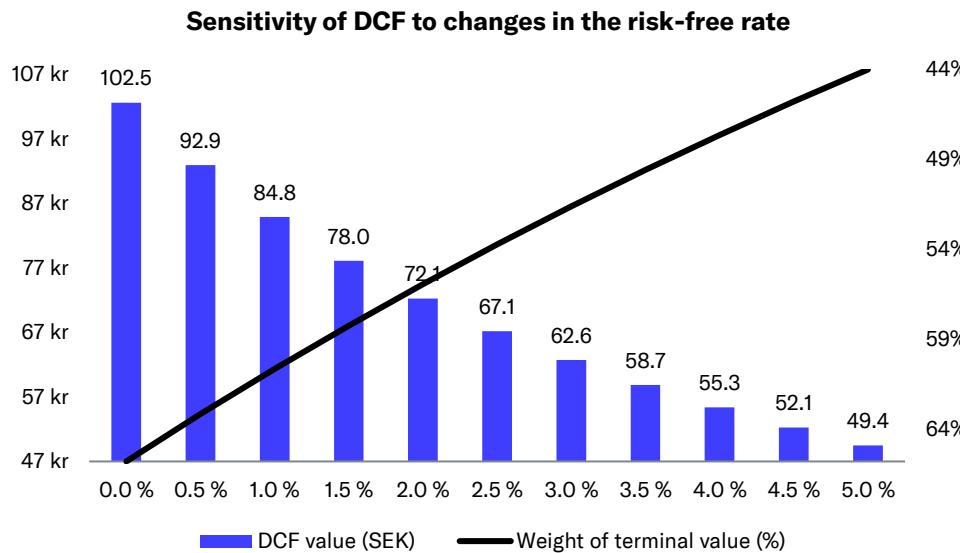
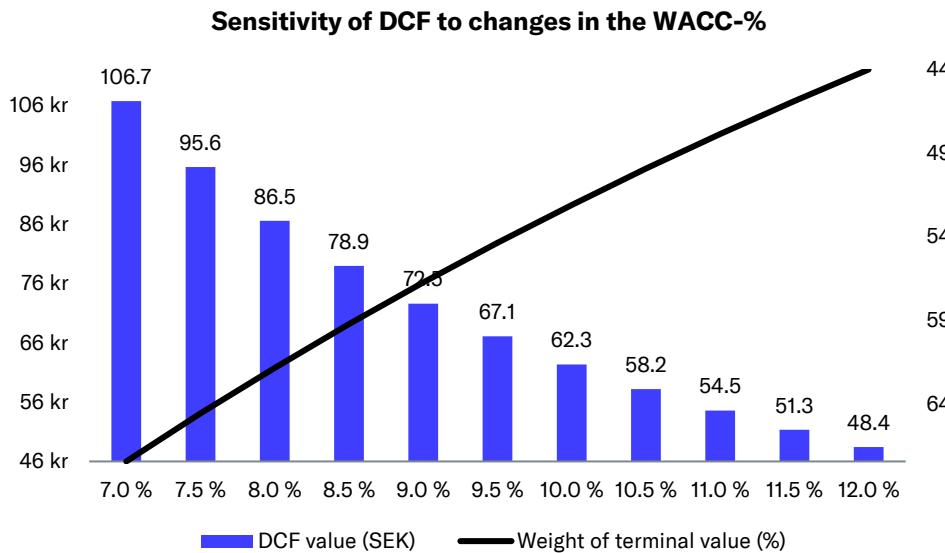


WACC

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

DCF sensitivity calculations and key assumptions in graphs



Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	872.3	990.0	1043.9	1130.2	1199.0	EPS (reported)	3.02	2.89	3.66	3.98	4.24
EBITDA	133.6	134.0	140.6	161.1	170.1	EPS (adj.)	3.02	2.89	3.66	3.98	4.24
EBIT	100.6	101.8	111.5	131.5	141.6	OCF / share	5.02	2.31	3.56	5.02	4.95
PTP	97.7	90.4	117.7	128.1	136.6	OFCF / share	4.04	0.93	2.88	4.20	4.11
Net Income	76.0	72.7	92.1	100.0	106.5	Book value / share	14.20	14.25	14.61	15.58	16.32
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	663.5	719.2	747.1	754.6	Revenue growth-%	4%	13%	5%	8%	6%
Equity capital	350.8	351.9	361.0	385.5	404.1	EBITDA growth-%	24%	0%	5%	15%	6%
Goodwill	36.4	36.4	35.9	35.9	35.9	EBIT (adj.) growth-%	7%	1%	9%	18%	8%
Net debt	16.2	73.5	79.3	51.7	40.3	EPS (adj.) growth-%	6%	-4%	27%	9%	7%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	15.3 %	13.5 %	13.5 %	14.3 %	14.2 %
EBITDA	133.6	134.0	140.6	161.1	170.1	EBIT (adj.)-%	11.5 %	10.3 %	10.7 %	11.6 %	11.8 %
Change in working capital	14.9	-56.0	-30.0	-6.0	-14.4	EBIT-%	11.5 %	10.3 %	10.7 %	11.6 %	11.8 %
Operating cash flow	126.2	58.0	89.6	126.3	124.5	ROE-%	22.1 %	20.3 %	25.4 %	26.3 %	26.6 %
CAPEX	-24.6	-34.5	-17.3	-20.6	-21.2	ROI-%	25.1 %	24.6 %	25.1 %	28.4 %	29.8 %
Free cash flow	101.6	23.4	72.4	105.7	103.3	Equity ratio	55.6 %	53.0 %	50.2 %	51.6 %	53.5 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	4.6 %	20.9 %	22.0 %	13.4 %	10.0 %
EV/S	1.3	1.4	1.6	1.4	1.3						
EV/EBITDA	8.5	10.1	11.6	9.7	9.1						
EV/EBIT (adj.)	11.3	13.2	14.6	11.9	11.0						
P/E (adj.)	15.0	17.9	17.2	15.3	14.4						
P/B	3.2	3.6	4.3	3.9	3.7						
Dividend-%	6.6 %	5.8 %	4.8 %	5.7 %	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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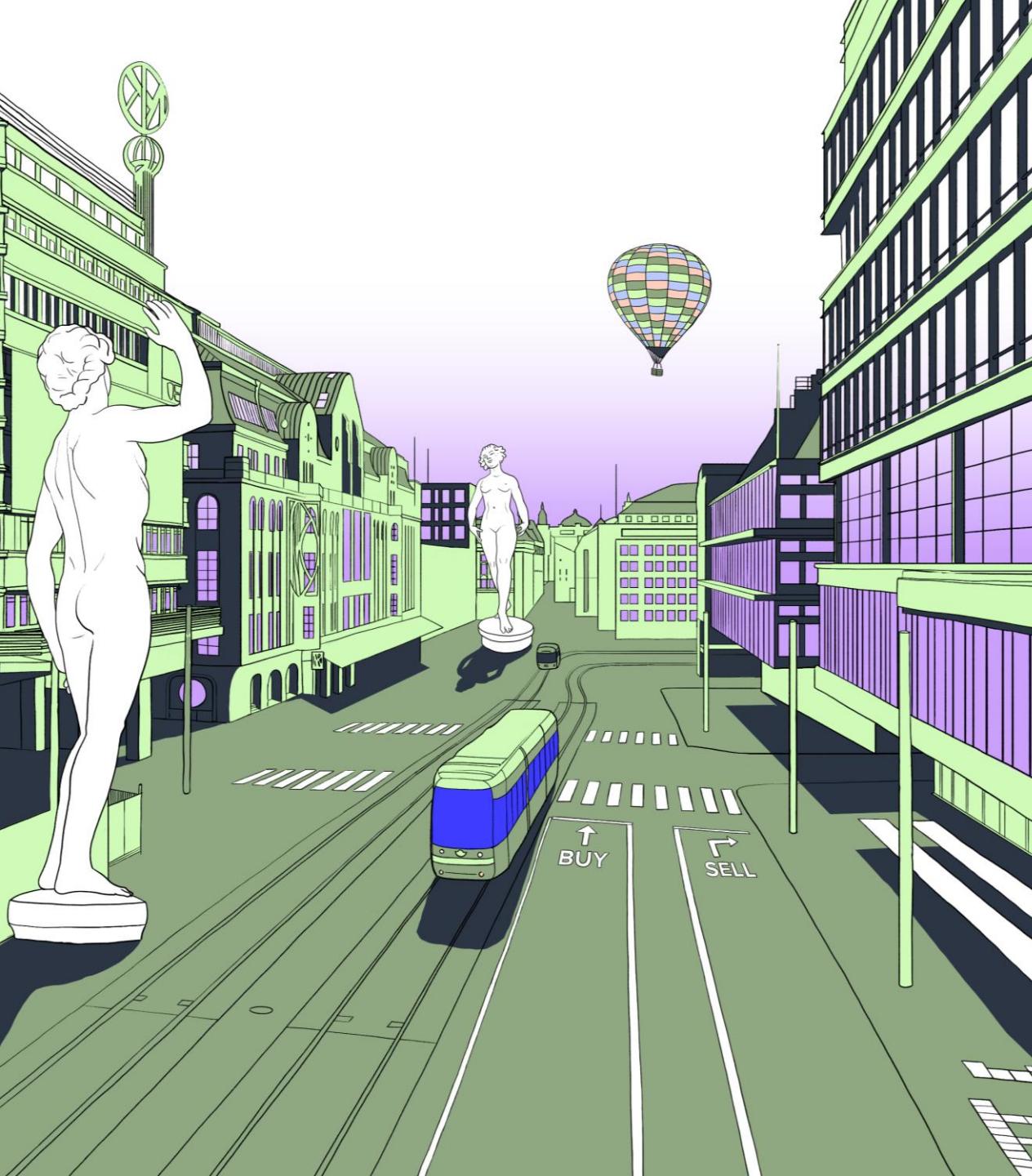
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Recommendation history (>12 mo)

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



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