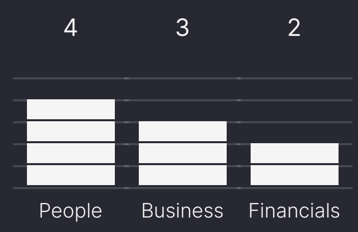
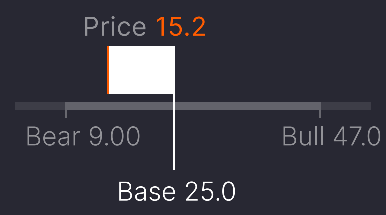
REDEYE

Transtema
Research Note

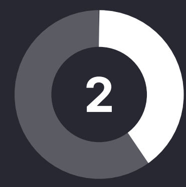
QUALITY RATING



FAIR VALUE RANGE



MOMENTUM



Performance VS OMXS30

TRANS OMXS30

Share Information

Share Price SEK	15.2
Number of shares (M)	43.0
Marketplace	NASDAQ Stockholm
CEO	Henning Sveder
Chairman	Magnus Johansson

Key Stats

Market Cap	609.2 MSEK
Entprs. Value (EV)	768.7 MSEK
Net Debt (2024Q3)	159.5 MSEK
30 Day Avg Vol	53 K
Dividend Yield	N/A

Top Holders

Name	Ownership
Magnus Johansson	20.63%
Göran Nordlund (Fore C Investments)	10%
Jonas Nordlund	7.82%
Sune Tholin	4.35%
Avanza Pension	3.62%
Nordnet Pensionsförsäkring	3.4%
Per Anders Bendt	3.26%
Sellers of Tessta Connect	2.85%
Jovitech Invest AB	2.69%
Swedbank Robur Fonder	2.21%

Redeye Equity Analysts

Fredrik Nilsson
fredrik.nilsson@redeye.se
Shareholder

More research on Transtema

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Transtema Q4: Back to Excellence in Sweden

Redeye reinforces its positive view on Transtema following a Q4 report showing strong development in the Swedish market while Norway continued to struggle. Overall, it was a significantly better Q4 than we expected.

Sales beat our forecast by 18%. Organic sales growth was 9% y/y compared to our forecast of -8%. The solid number results from a strong development in the Swedish market, while the Norwegian market remains challenging. Sweden had an impressive 24% organic growth, while Norway had -16%.

The adjusted EBITA margin was 5.8% (5.6), and EBITA beat our forecast by 70%. While Q4 tends to be a seasonally strong quarter, the number is a clear improvement relative to earlier during 2024 and even slightly above the strong level seen in Q4 2023. According to management, all profitability is more or less related to the Swedish market, implying a solid 8% EBITA margin in the Swedish operations.

Considering the solid momentum in Sweden and an expected recovery in the Norwegian market (although slow) in 2025, management expects profitability to improve in 2025. The financial targets remain unchanged at +10% sales growth and +7% EBITA margin. While we have believed +7% to be somewhat optimistic considering Transtema's recent performance and profitability among peers, the 8% level seen in Sweden this quarter highlights that Transtema has the potential to reach +7%.

Overall, this is a strong quarter on every line, and the Swedish operation is back at very healthy levels, although Q4 tends to be seasonally strong. We will likely increase our forecasts and Base Case and expect a significant positive share price reaction.

Estmates

Sales	Q4E 2024	Q4A 2024	Diff	Q4A 2023	Q3A 2024
Net Sales	668	790	18%	726	590
Y/Y Growth (%)	11%	9%		20%	-2%
Earnings					
EBITA	27	45	70%	41	16
EBITA Margin (%)	4.0%	5.8%		5.6%	2.8%
Diluted EPS	0.33	-0.13	-139%	0.44	0.22

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