

# Transtema Q2: Better than Expected – Set for Improvements From Now On

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Redeye strengthens its positive view of Transtema following a Q2 beating our expectations. While the Q2 numbers were on the soft side as expected (yet better than we expected), the most important takeaway is that the worst likely is over, and Transtema enters 2025 with a solid order backlog.

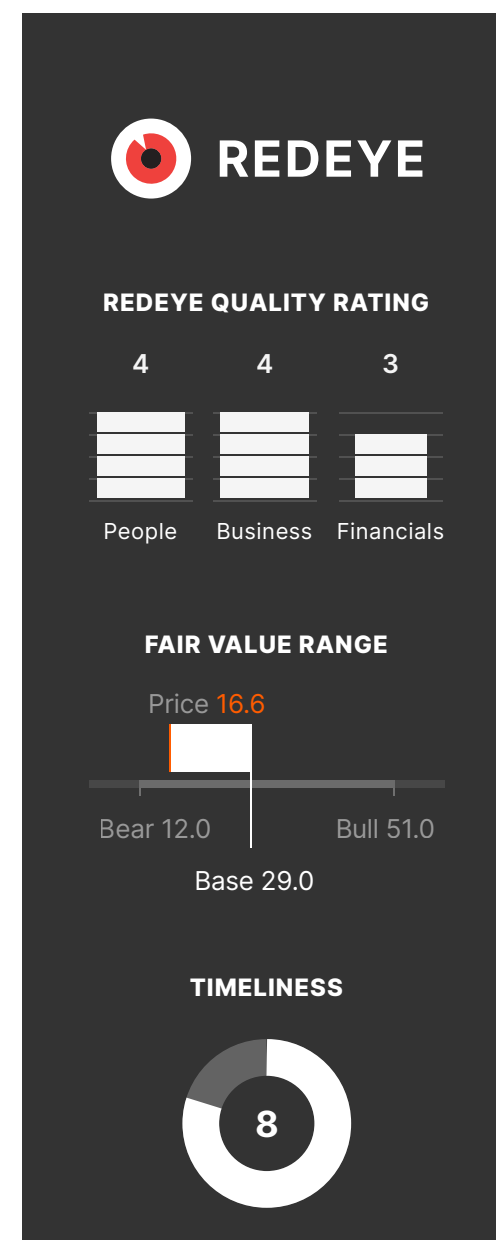


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- Sales was SEK609m (713), beating our forecast of SEK556m. Organic growth was -14.6%, compared to -27% in Q1. Sweden had -12.1% as Transtema has been unable to compensate for the decline in copper in the soft market. Norway had -18.7% following lower market demand and some capacity being locked up finishing projects delayed by the harsh winter. While the growth figures remain soft, we are encouraged to see the positive trend in organic growth, which, along with the solid order inflow seen recently, suggests Transtema is on the right track.
- EBITA was SEK19m (14) and beat our forecast of SEK16m. The EBITA margin improved y/y and beat our expectations, but is still substantially below the 7% target. The margin was pressured by Norwegian operations, which are lagging behind Sweden in terms of efficiency measures. Nevertheless, efficiency initiatives are ongoing in both areas.
- Management sees a challenging market, although the investments in the sales organization have paid off – highlighted by the recently strong inflow of new deals (which we discussed in our [Q2 preview](#)).
- Overall, a better-than-expected yet soft Q2. However, what is more important is that we believe the worst is over for Transtema. The outlook for H2 2024 and especially 2025 is promising thanks to the strong order inflow, efficiency measures paying off, and overall market stabilization.
- We will likely increase our forecasts somewhat.

Estimates					
Sales	Q2E 2024	Q2A 2024	Diff	Q2A 2023	Q1A 2024
Net Sales	556	609	9%	713	500
Y/Y Growth (%)	-22%	-15%		10%	-23%
Earnings					
EBITA	16	19	21%	14	-4
EBITA Margin (%)	2.8%	3.1%		2.0%	-0.8%
Diluted EPS	0.14	0.02	nmf	1.84	-0.33

Source: Redeye, Company Reports | Adjusted EBITA



KEY STATS	
Market Cap	691.8 MSEK
Entprs. Value (EV)	813.0 MSEK
Net Debt (2024e)	121.1 MSEK
30 Day Avg Vol	124 K
Shares Outstanding	41.7M
Price / Earnings	22.3x
PEG	N/A
Dividend Yield	N/A

Data from 2024-08-15 08:58

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All information regarding limitation of liability and potential conflicts of interest can be found at the end of the report.

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