Scandinavian Astor Group AB

Technology - Sweden

Buy (Initiation) 11.02.2025

SEK 17.00 (Initiation)

Target acquired and locked on. Initiating coverage with BUY

With the world's highest PhD ratio per capita in technical and natural sciences, an above average R&D intensity and a unique triangular cooperation between academia, government and industry, **Sweden** has one on the **most sophisticated industrial and defence sectors in the world**. The Nordic defense sector is dominated by several large OEMs, such as Saab, BAE Systems, and Kongsberg. However, these major players depend on key components from hundreds of highly specialized and fragmented SMEs (eNuW: >300). Many of those are privately owned, independent businesses with distinct product USPs, but they often lack the defence industry footprint, scale, and organizational professionalism.

Here, **Scandinavian Astor Group** (Astor), a industrial and defence serial acquirer, shows a strong track record of acquiring hidden champions with above average margins at attractive prices (six acquisitions for SEK 195m at only 6.3x EV/EBITDA at an average 17% EBITDA margin). Astor creates win-win situations and generates value by (1) professionalising operations, (2) qualifiying targets for defence and (3) offering traction and a broad customer network in a market with large entry barriers.

Following its accession to NATO, **Sweden has almost tripled its defence spending** ('24 vs. '21) and further aims to grow its defence spending by 7% p.a. from '24 -'30, which implies 2.6% of GDP. The ongoing discussions increase spending to 3% or more, highlights additional growth potential. As tier-1 suppliers, Astor's holdings are positioned in the first part of the value chain, but are in the last phase of the defence growth cycle, meaning that their wave of growing order intake is about to arrive. This should lead to **organic sales CAGR of 18%** (FY'24-'27e), which is **boosted by recent acquisitions** to an overall 27% **sales CAGR** (FY'24-'27e). **Group EBITDA** should expand disproportionately at a CAGR of **58%** (FY'24-'27e) thanks to (1) the acquisition of profitable targets, (2) subsequent operational improvements and (3) an improving fix cost coverage at holding level. Since foundation in 2022, the company is on track to **roughly 8x its top-line** reaching its guidance of SEK 400m sales until 2026.

In sum, Astor offers an unique opportunity to capture growth and the enormous potential of the Nordic defence sector. Valued at **only 11.5x FY'25e EV/EBITDA**, c. 50% below relevant peers, the stock offers an attractive entry opportunity. We initiate coverage with a **BUY recommendation and PT of SEK 17.00**, based on DCF.

Y/E 31.12 (SEK m)	2022	2023	2024e	2025e	2026e
Sales	52.8	83.0	223.0	352.5	408.3
Sales growth	n.a.	57.2%	168.6%	58.1%	15.8%
EBITDA	-6.2	1.0	19.0	45.7	63.8
Net debt (if net cash=0)	22.4	36.0	-27.6	30.2	0.9
FCF	-4.7	-18.3	-16.8	27.1	29.3
Net Debt/EBITDA	-3.6	36.2	-1.5	0.7	0.0
EPS pro forma	-0.53	-0.11	0.05	0.39	0.68
EBITDA margin	-11.8%	1.2%	8.5%	13.0%	15.6%
ROCE	-8.2%	-2.6%	2.1%	7.2%	13.0%
EV/sales	12.3	4.7	2.1	1.5	1.2
EV/EBITDA	-104.3	391.6	24.3	11.5	7.8
PER	-20.3	-97.9	221.3	27.6	15.9
Adjusted FCF yield	-2.3%	-0.5%	1.8%	5.3%	7.3%

Source: Company data, NuWays, Close price as of 03.02.2025

Share Performance

High/low 52 weeks (SEK)	25.70 / 8.88
3m rel. performance	
6m rel. performance	
12m rel. performance	

Market data

Share price (in SEK)	9.86
Market cap (in SEK m)	497.4
Number of shares (in m pcs)	46.1
Enterprise value (in SEK m)	527.7
Ø trading volume (6 months)	221,487

Identifier

Bloomberg	ASTOR NGM
Reuters	ASTOR.ST
WKN	A3D32A
ISIN	SE0019175274

Key shareholders

Nordnet Pension	11.0%
Avanza Pension	5.5%
Anders Danielsson	4.8%
Lennart Sundberg	3.9%
Wictor Billström	3.5%
Free Float	71.3%

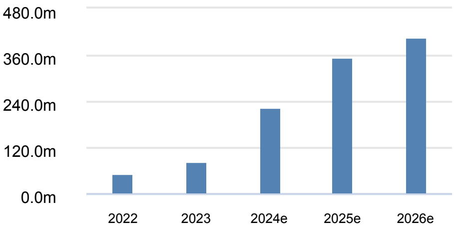
Estimates changes

	2024e	2025e	2026e
Sales	0.0	0.0	0.0
EBIT	0.0	0.0	0.0
EPS	0.0	0.0	0.0

Comment on changes

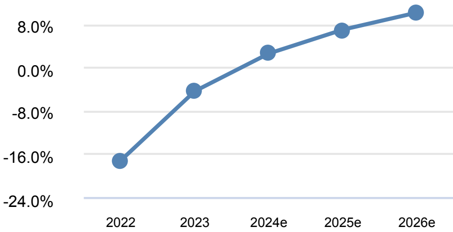
-

Sales (2022-26e)



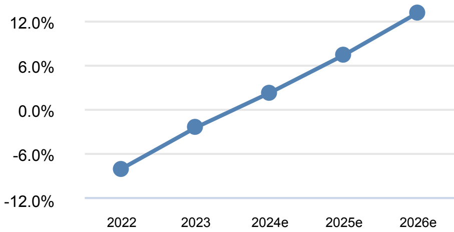
Source: NuWays Research

EBIT margin (2022-26e)



Source: NuWays Research

ROCE (2022-26e)



Source: NuWays Research

Company description

Scandinavian Astor Group is a Swedish industrial and defence group. The group operates under the two segments Astor Tech and Astor Industries that consinst of Oscilion, Airsafe, Scandiflash, Marstrom, Mikroponent and Astor Group Deutschland GmbH.

Guidance

- FY'26 sales: SEK 400m
- FY'26 EBITDA margin: > 15%

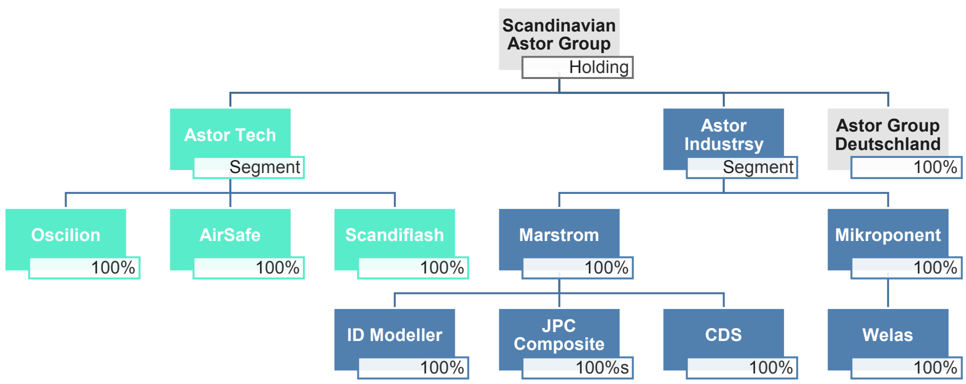
Analyst: Henry Wendisch · E-Mail: henry.wendisch@nuways-ag.com

Table of Contents

Introducing Scandinavian Astor Group

Astor is a Swedish serial acquirer active in the highly specialised Nordic defence supplier market as well as dual use industries such as composite materials and precision manufacturing. Divided into the **two segments "Tech" and "Industry"**, Astor's holdings supply key elements for industrial and defence OEMs in Scandinavia but also in mainland Europe.

Group Structure



Source: Company data, NuWays

Astor Tech (FY'24e: 20% of sales) embodies **one rising star** and **two cash-cows** within the fast-growing Nordic defence supplier market, that directly supply mostly defence OEMs and agencies such as Saab and the Swedish Armed Forces procurement agency FMV with critical parts and a significant aftermarket offering. The **defence share is estimated at 95%** (eNuW).

- **Oscilion** develops and produces state of the art **electromagnetic warfare** systems called "Astor", whose main objective is to detect and manipulate radar signals, and the drone shield "Astor Eclipse".
- **Airsafe** supplies **air safety equipment** and other highly specialized sewn products used in military aviation (e.g. deceleration parachutes for jets and paratroopers) or other military applications.
- **Scandiflash** is one of very few global **flash x-ray systems** providers, whose USP lies in the measurement of extremely fast-moving objects that cannot be captured by conventional cameras, such as projectiles.

Astor Industry (FY'24e: 80% of sales) represents **two cash-cows** active in **composite materials** and ultra **precise metal processing** used for manifold applications in civil and military industries. Usually, customers are OEMS or tier-1 suppliers, but some products are also produced directly for the end-customer. We estimate the **defence share to stand at c. 40%** in FY'24e, which looks set to outgrow the civil exposure over the coming years.

- **Mastrom** is world-renowned producer of composite parts (e.g. glass- or carbon fibre) such as masts, boat and aircraft parts and military products. The products are used anywhere, where strength and light weight at the same time are crucial. Marstrom also serves as the parent company for **JPC**, **Composite Design Sweden** (CDS) and recently acquired all assets of **ID Modeller**.
- **Mikroponent** manufactures thin metal components via laser cutting and etching with ultra-high precision used in all kinds of industries such as aerospace, precision mechanics, energy, electronics and automotive. The recent acquisition of **Welas** further increased the capacity and its manufacturing depth.

Within that group structure, the **parent company** “Scandinavian Astor Group” offers several benefits for existing and new companies within Astor:

- An increased and better access to funds to stem growth and capacity expansion.
- A reduction of overhead due to centralization of administrative tasks.
- Professionalisation of processes and increase in know-how and network, and
- a broader customer reach and access to attractive market with otherwise high entry barriers.

Company Overview

Segments	Astor Tech			Astor Industry					
Description	Equipment and electronic warfare systems for mostly miltary end-customers			Composite Materials such as Carbon- and Glass Fibre and Laser cutting & Edging					
Holdings	**Oscilion (before: My-Konsult)**	**Airsafe Sweden**	**Scandiflash**	**Marstrom**	**JPC Composite**	**Composite Design Sweden**	**Mikroponent**	**Welas**	**ID Modeller**
Products & Services	Electromagnetic Warfare Systems (Radar- & GPS jamming)	Parachute Systems, Technically Advanced Sewn Products and Safety Equipment	X-ray systems for measuring fast-moving objects	Masts, Boat- & Aircraft Parts and Military Products	Carbon Fiber Components	Engineering, Design and Production of Composites	High Precision Metal Products	Manufacturer of Metal Components	Manufacturer of high-quality moulds and prototypes for industrial needs
Industries	Military	Military & Civil	Military	Leisure, Civil & Military	Aviation, Military, Automotive & Medical	Civil & Military	Aerospace, Energy, Electronics & Automotive	Aerospace, Energy, Electronics & Automotive	Leisure, Civil & Military
Astor Ownership	100%	100%	100%	100%	100%	100%	100%	100%	100%
Part of Astor since	2006	Q2 2024	Q4 2024	2022	2018	Q3 2024	2023	Q1 2025	Q1 2025e
Purchase Price (SEK m) incl. Earnout		25.0	88.9			4.5	40.0	15.5	12.8
Acquisition Multiple EV/EBITDA		5.2x	5.6x			n.a.	6.8x	5.5x	4.1x

	Astor Tech FY'24e	Astor Tech FY'26e	Astor Industry FY'24e	Astor Industry FY'26e
Revenue (SEK m)	**45.0**	**112.0**	**178.0**	**296.3**
Group share	20%	27%	80%	73%
EBITDA (SEK m)	**7.2**	**19.0**	**27.7**	**56.7**
EBITDA margin	16%	17%	16%	19%
Group share	21%	25%	79%	75%
Defence share *(eNuW)*	95%	95%	40%	60%
FY'26e Guidance	**SEK 400m sales (incl. M&A) > 15% EBITDA margin**			
Exemplary Customers	SAAB, KONGSBERG, Patria, BAE SYSTEMS, FMV, Baltic Yachts — **Industrial- and Defence OEMs, Government Agencies**			
Competitors / Peers	INVISIO®, W5, 4C STRATEGIES, MILDEF, Kebni, Clavister			

Source: Company data, NuWays

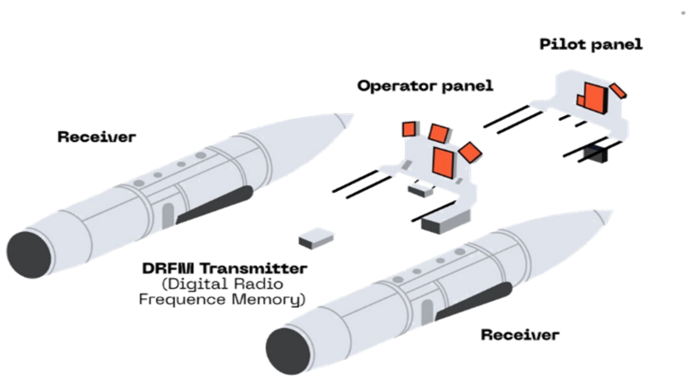
Holdings and Product Overview

Electromagnetic Warfare - Oscilion (Astor Tech)

Led by retired Swedish Air Force Brigadier General Fredrik Bergman as CEO, Oscilion (prev. known as My-Konsult, est. 2006) develops and produces advanced electromagnetic warfare (EW) systems designed to detect and manipulate radar signals. The flagship product is the Astor IV whereas the Astor Eclipse marks the newest development of Oscilion in the field of C-UAS (Counter-Unmanned Aircraft Systems, i.e. drone shields). Moreover, Oscilion signed a service framework agreement with FMV in Nov '24 for the predecessor product "Astor III", which lasts until end of 2026 and is valued at SEK 20m.

- **Astor IV** is an ITAR-free (International Traffic in Arms Regulation – free; i.e. eligible for export without consent from the USA) modular, standalone radar jamming system, that can be mounted underneath any aircraft with a NATO standard pod interface. It manipulates radar signals from ships, aircrafts and stationary radar stations, thus disabling the enemy's ability to locate targets.

  Astor IV - Electromagnetic Warfare System

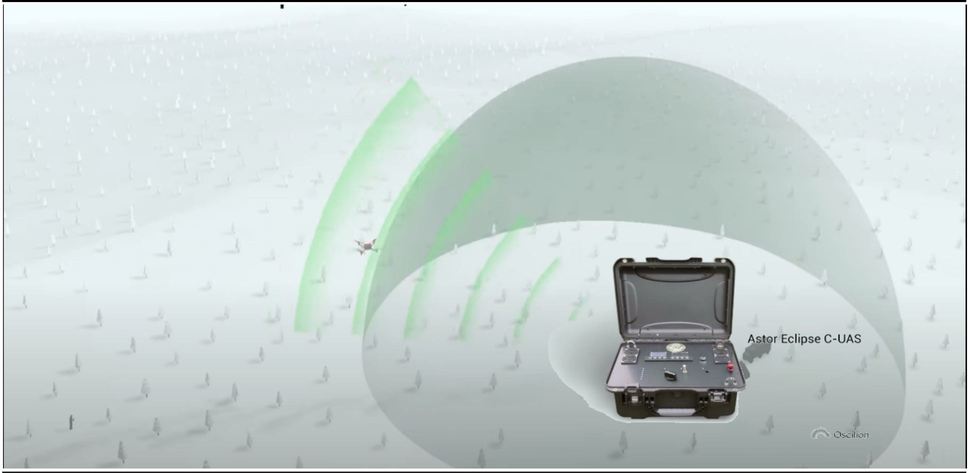
  

  Source: Company data, NuWays

  Following its predecessor (Astor III), Astor IV is still under development, but first delivery contracts have already been signed.

- **Astor Eclipse** is a portable, robust system that detects and disrupts drones by disrupting the command link of drones. It provides a large blocking range which ultimately protects ground units such as infantry, artillery and armoured vehicles against enemy drone attacks. Astor signed a contract with a third-party manufacturer for serial production in Nov '24.

Astor Eclipse - C-UAS Systems



Source: Company data, NuWays

Currently, both products are **about to enter serial production**, explaining the still low revenues and the negative EBITDA contribution from Oscilion, as it incurs meaningful development costs upfront. Once development is finished, the market potential should amount to SEK 100m (eNuW) in annual revenues from Astor IV alone, with the potential of Astor Eclipse on top. In 2023, Oscilion signed a contract with an undisclosed trial customer, proving that the products are nearing market entry, in our view.

Air Safety Equipment - Airsafe Sweden (Astor Tech)

Airsafe Sweden is a developer and producer of mission critical, military parachute systems as well as other civil and military technically advanced sewn products. The company was established in 1977, was acquired by Astor in May 2024 and reported FY'24 revenues of SEK 33.6m with a 14% EBITDA margin. Key customers are Saab, FMV or BAE Systems as well as the Swedish and Norwegian coast guards.

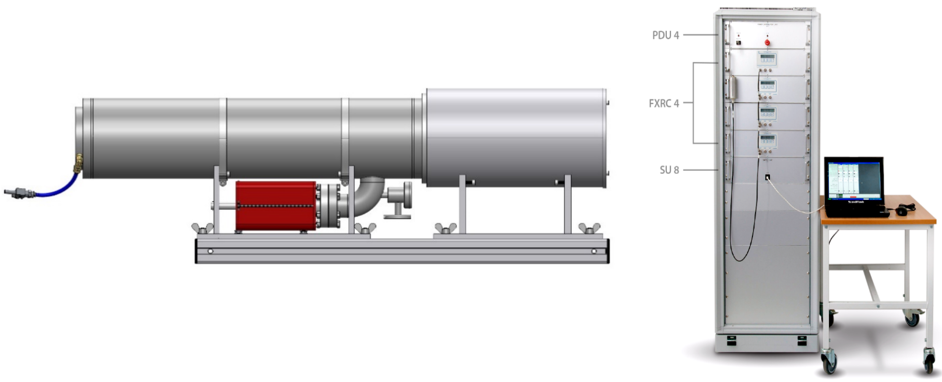
AirSafe Sweden - Military Parachutes

Source: Company data, NuWays

Flash X-Ray Systems - Scandiflash (Astor Tech)

Being one of three (eNuW) globally, Scandiflash (active since 1968, acquired in Q4’24) accounts for an enormous economic moat. It develops and produces **flash x-ray systems** that can measure ultra-fast-moving objects with 1,000,000 frames per second (fps), such as projectiles. This is especially needed in measurement and testing where optical cameras reach their limit (i.e., to see through materials or smoke), which is only possible using x-ray.

Scandiflash - Flash X-Ray Systems



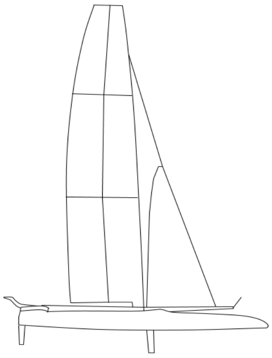
Source: Company data, NuWays

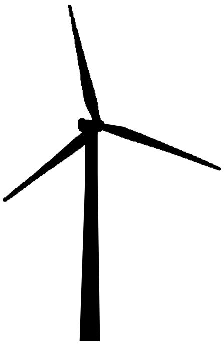
Scandiflash’s stellar economic moat is visible in superb business metrics, as it accounted for SEK 48m in FY’23 sales with a stellar 32% EBITDA margin, carrying most of the Tech segment’s EBITDA. The comparably low acquisition multiple of only 5.3x EV/EBITDA should pose this acquisition as one of Astor’s most value accretive additions to the group, in our view. Furthermore, shortly after closing, Scandiflash secured a SEK 44m order intake from a Western NATO partner country, giving good visibility into FY’25e and beyond.

Composite Materials - Marstrom, JPC, CDS & ID Modeller (Astor Industry)

Marstrom was established in 1983 by Gold-medallist sailor Göran Marstrom and is a high-end developer and producer of composite materials, with a competitive edge in its unique “pre-peg” (“pre-impregnated”, developed in aerospace industry in the 1980s) composite material production know-how, which allows for extraordinary durability, strength and light weight at the same time. This is especially needed in military products, but also in civil fields like performance sailing, on which the company’s history is based on. Moreover, Marstrom invested into a large-scale CNC machine (delivered end of FY’24), making it the only player in Sweden capable to produce own moulds which are necessary to produce composite parts.

Marstrom, JPC & CDS - Composite Materials - Product examples


Masts, Spars and other composite parts


Wind Turbine Blades


Housing for FLIR devices

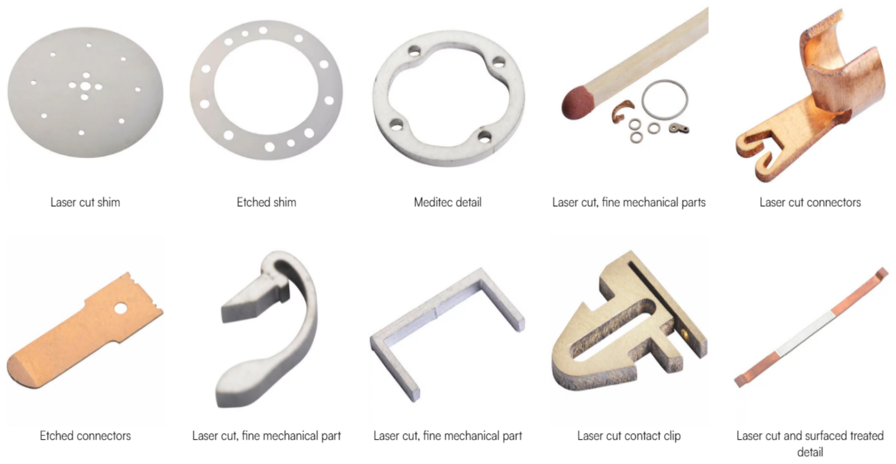
Source: NuWays

Astor entered the field of composite materials with the acquisition of a 60% stake in JPC in 2018, which supplied Oscilion with radoms for the Astor III and IV systems. Through that, it enabled Astor in-house production and the vertical integration of a key supply chain element. Following the acquisition of Marstrom and the remaining 40% of JPC in 2022, Astor has increased its capacities, capabilities and customer network in the field of composite materials even more. In mid-2024 based on long-lasting supplier relationships, Composite Design Sweden (CDS) was acquired in an asset deal, which relies on a 40-year experience in this sector. Finally, Astor acquired all assets of ID Modeller (closing Q1'25; 4.1x EV/EBITDA, 16% EBITDA margin) serving as another capacity and capability expansion for Marstrom. Going forward, all holdings (JPC, CDS and ID Modeller) operate under the business unit "Marstrom". The broadened capacity and production capability is key to supply the growing demand for high-end military equipment, thus we see Marstrom well prepared to serve customers well in the future.

Laser cutting and etching – Mikroponent & Welas (Astor Industry)

In addition to the production of high-end composite materials, the field of ultra precise metal parts is also highly sought after by military and specialised civil customers. Therefore, Astor entered this field with the acquisition of Mikroponent in 2023 (only one of very few global players in this field) and recently added Welas Oy Ltd (closing expected in Q1'25e, based in Finland, 5.5x EV/EBITDA, 21% EBITDA margin) which was a supplier of Mikroponent to fill an important gap in production capability and to move some production closer to the customer. Roughly 40 % of customers are defence OEMs like Kongsberg Gruppen (Norway) and Saab. Its products are ultra-thin metal products used for military products, such as ammunition, but also for space tech and watchmaking.

Mikroponent & Welas - Product Examples



Source: Company data, NuWays

Competitive Quality

Sweden's unique and high-tech defence sector - Products ready for export

Due to the characteristics of Sweden's defence sector, which counts no government owned companies and relies to a large part of supply from key NATO partners and their respective OEMs, the local, privately owned players' need to compete with global players within their home market. While this does increase competition at home, it has the large benefit that in **turn products from domestic OEMs and or their tier-1 suppliers like Astor, are not just fit for the domestic military need but are ready to serve military needs of partner countries**, ultimately increasing the addressable market outside of the Nordics. For example, the EW system "Astor IV" by Oscilion can be mounted on any NATO aircraft using the standard NATO mounting-pod.

Sweden has one of the world's most sophisticated defence sectors that no other country of similar size has. This stems from its past (as non-NATO member, it had to cover all areas of defence independently) but more importantly from its strong R&D foundation (15% of the combined annual turnover was reinvested in R&D in 2021). Government, academia and industry are closely working together on defence technologies, posing the defence sector as one of the **most research-intensive technology sectors**. No wonder that most PhDs in the world per capita in technical and natural-science subjects are obtained in Sweden. This makes Sweden one of the world leaders in certain defence areas such as fighter jets, naval underwater vessels, sensors, and cryptography, that are technologically competitive in the international arena. The basis for this success comes to a high degree from high-tech, highly specialized SMEs, such as Astor's holdings.

Adding to this, **Sweden has long-lasting, bilateral defence cooperations** with partner countries, such as the Nordic Defence Cooperation (NORDEFCO; contains Denmark, Finland, Iceland, Norway and Sweden) but also strong ties to NATO partners like the Baltic states, US, UK, France and Germany. Besides NATO and EU's defence efforts, Sweden also engages in various other **multilateral defence cooperations** such as the UK's Joint Expeditionary Forces (JEF).

All the above shows Sweden as an internationalised, competitive, and cooperative defence market, allowing enterprises to develop state-of-the art military equipment, while being a reliable partner and supplier for customers in Sweden and around the world.

Hard to get into defence, especially for SMEs

The defence sector is marked by high market entry barriers, stemming from tight requirements for supplier qualifications, relatively large upfront investments and highly specialised know-how and capabilities. On top, military suppliers need to fulfil secrecy and other national interest criteria. All of that, is extremely difficult for non-military suppliers, especially SMEs. Furthermore, the increase in defence spending and the subsequent increase in production output creates the need to source from previously civil companies as the previous tier-1 defence suppliers are facing capacity constraints. This is however only possible, if defence criteria are met.

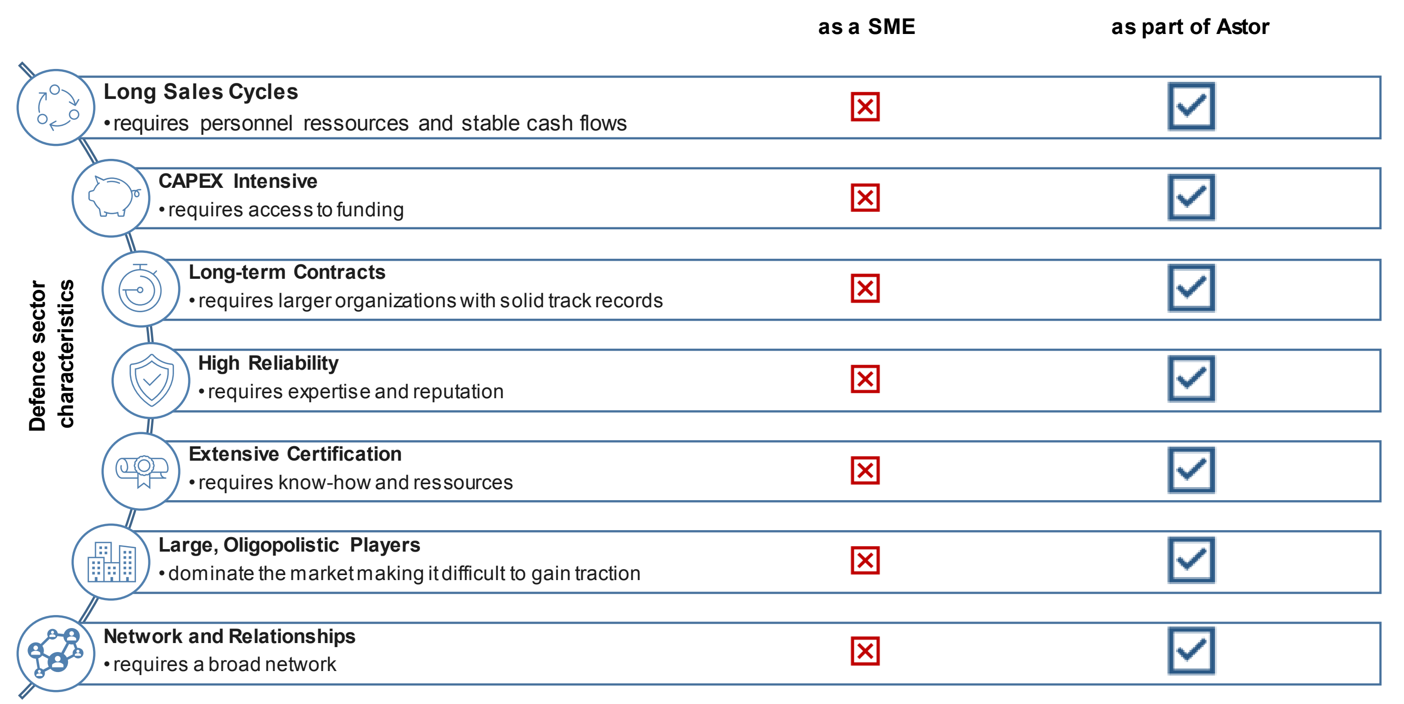
As part of the Astor group, these barriers are not as high, as it has been operating in the defence sector for many years, serving large OEMs in the Nordics such as Saab (Sweden), Kongsberg Gruppen (Norway), the Swedish unit of BAE Systems, but also directly to military agencies like the Swedish Defence Material Administration (FMV).

Many targets with win-win opportunities

Within the nordic defence sector (Sweden: $ 14.1bn; Norway: $ 7.6bn), there are a handful large OEMs like Saab, BAE Systems and Kongsberg Gruppen that account for a large part of the market. However, they rely on tier-1 suppliers of key elements, which are several hundreds, highly specialised and fragmented SMEs, (eNuW: at least 300 SMEs; SOFF members: 180 members, thereof 100 SMEs). Many of those SMEs are privately owned, owner-run family businesses with an undeniable

USPs, but lack the defence foothold, scale and professionalism. Therefore, there is plenty of room to improve not only processes and efficiency, but also to expand their sales reach further into the defence sector, on top of the already served civil industries. Going forward, we expect Astor to acquire precious targets in that field, as it should create a win-win situation for both, Astor and the target:

Defence sector disadvantages small players, that can benefit within a larger group.



Source: Company data, NuWays

Strong M&A pipeline, sharp focus & solid track record

Looking at the six latest acquisitions, five of them in the last 12 months, Astor has a **specialty in acquiring solid hidden champions with above industry average EBITDA margins at very attractive prices**.

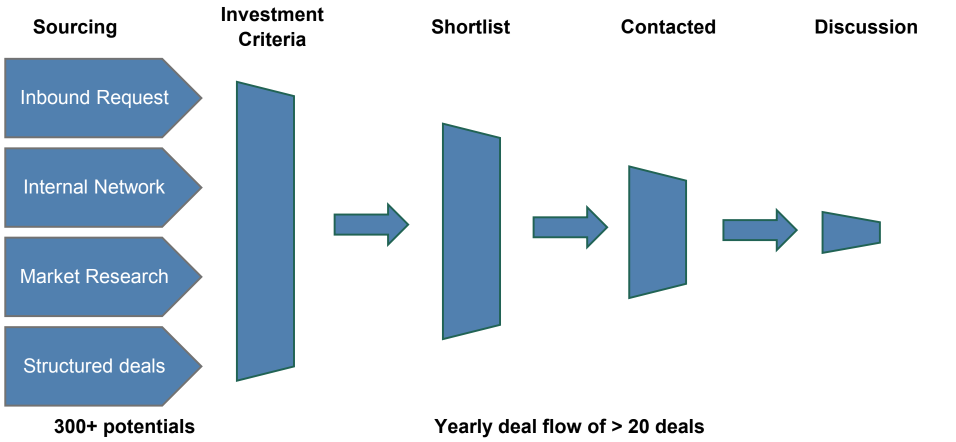
Target	Closing Date / Stake	Deal Type / Payment Method	Sales (last FY)	EBITDA (last FY)	EBITDA margin	Initial Purchase Price	Earnout (max.)	Total Purchase Price	Net Debt / (Net Cash)	EV	Acquisition Multiple EV/Sales	Acquisition Multiple EV/EBITDA
Mikroponent	11.12.2023 / 100%	Share Deal / cash	50.0	5.9	11.8%	30.0	10.0	40.0		40.0	0.8x	6.8x
Airsafe	22.05.2024 / 100%	Share Deal / cash	33.6	4.8	14.3%	20.0	5.0	25.0		25.0	0.7x	5.2x
Composite Design Sweden	02.09.2024 / 100%	Asset Deal / cash	3.2	n.a.	n.a.	4.5		4.5		4.5	1.4x	n.a.
Scandiflash	01.10.2024 / 100%	Share Deal / cash	48.4	15.5	32.0%	95.0		95.0	-6.1	88.9	1.8x	5.7x
Welas	25.01.2025 / 100%	Share Deal / cash and shares	12.0	2.5	21.0%	15.5	2.4	17.9	-4.0	13.9	1.2x	5.5x
ID Modeller	03.02.2025 / 100%	Asset Deal / cash and shares	18.7	3.1	16.5%	12.8		12.8		12.8	0.7x	4.1x
Sum/Average			**165.9**	**28.7**	**17.3%**	**177.8**	**17.4**	**195.2**	**-10.1**	**185.0**	**1.1x**	**6.3x**

Source: Company data, NuWays

For example, having acquired the world leader Scandiflash with only 2 competitors worldwide in the respective field with a superb 32% EBITDA margin and a growing order intake for only 5.7x EBITDA, highlights Astor's strong acquisition capability, in our view.

This is a direct result of its well filled M&A pipeline with an annual deal flow of more than 20 deals in discussion stemming from various sources:

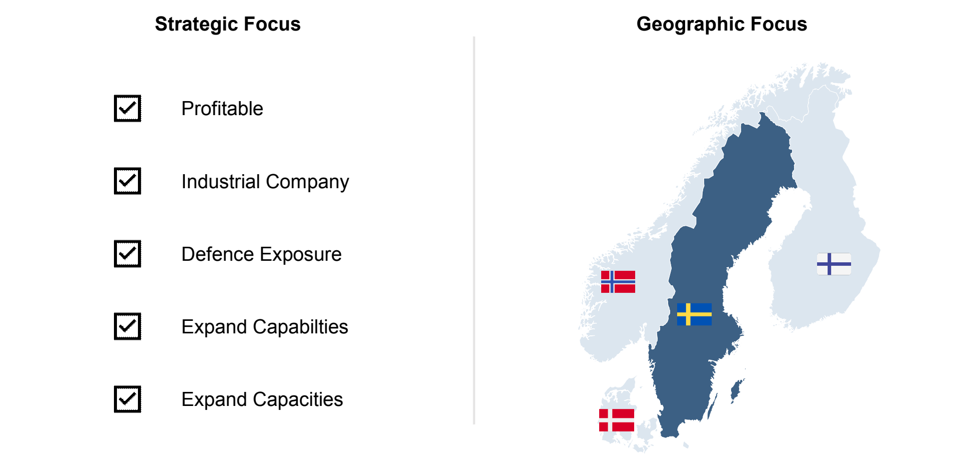
M&A Pipeline



Source: Company data, NuWays

All this is done with a clear focus on key factors: an industrial, profitable company that either already has a defence exposure or whose products and services can have defence applications that ultimately serve the purpose of either expanding the group's production capabilities or capacities or both. With at least 100 SMEs in the Swedish unique and high-tech defence sector alone, there are plenty of opportunities for Astor to acquire attractive targets, also possibly outside the Nordics.

M&A focus



Source: Company data, NuWays

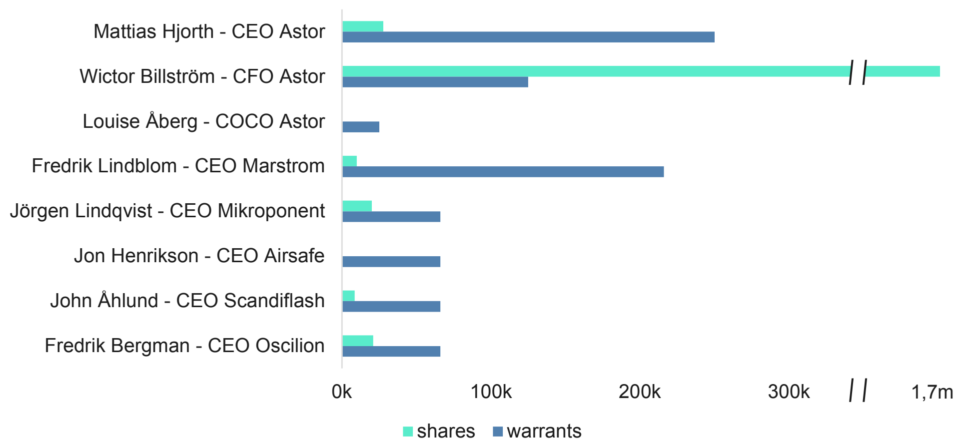
The right people in the right positions

At the parent company, the c-level show remarkable experience in their respective fields. But at the operating subsidiaries, the experience and network in the defence sector becomes even more visible:

- Group CEO Mattias Hjorth has previously worked for Saab, where he led the electromagnet warfare unit.

- Group CFO Wictor Billström (CFO since 2023, prev. member of board of directors) gained more than 15 years of experience in finance, accounting and insurance and hold various other board memberships at listed companies. More importantly, as a major shareholder
- Oscilion's CEO Fredrik Bergman is a former air force brigadier general with 35 years army experience and a worldwide network of key people in government agencies and OEMs. Before joining Oscilion, he previously worked for the military procurement agency FMV as Head of Test & Evaluation.
- Jörgen Lindqvist is CEO of the company since 2003 and has gained international experience as CEO of Calator-Ruckh GmbH.
- Fredrik Lindblom, CEO of Mastrom, has been with the company for more than 10 years and was a pioneer in the composite material sector, thus knowing the sector and production of composite materials inside and out.
- John Åhlund, CEO of Scandiflash, joined the company in 2020 and was previously head of R&D at Scienta Omicron. He holds a PhD in Physics and thus seems to be the right choice for the world market leader.

Experienced team with skin in the game



Source: Company data, NuWays

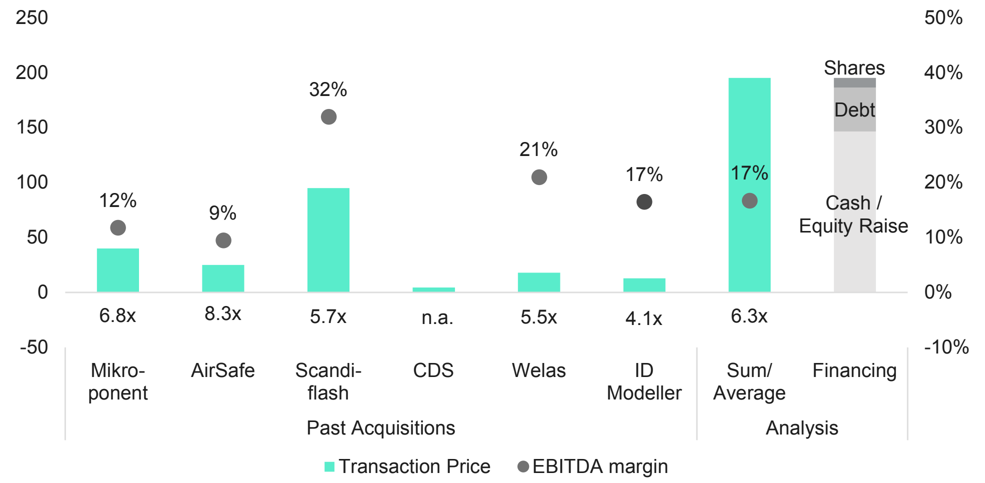
In addition to the experience and sector know-how, the managers are properly incentivised with shares and stock warrants, aligning the interests of management and shareholders alike.

Business Quality

Value and margin accretive acquisitions at favourable prices

Over the last 24 months, Astor has acquired five subsidiaries at an **average 6.3x EV/EBITDA multiple** for a sum of SEK 191m, while itself trading at an EV/EBITDA FY'25e of 11.5x. Moreover, the EBITDA margin of all acquisitions together, especially carried by Scandiflash's stellar 32% EBITDA margin, compares extremely well to the group's **EBITDA margin of only 1.2% before those acquisitions** (FY'23 incl. the negative EBITDA contribution of the holding) and should thus lift overhead cost coverage and increase the group **EBITDA margin to > 15% by FY'26e**, in our view.

Acquisition track record at favourable multiples



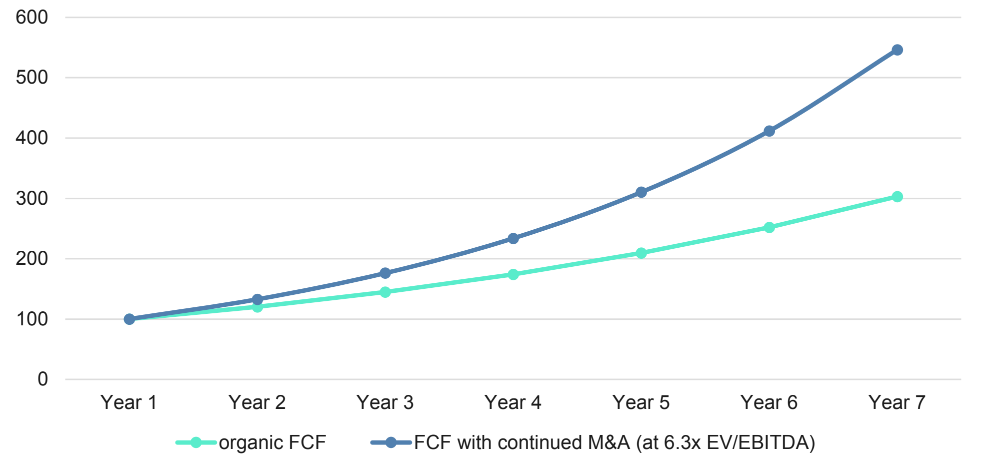
Source: Company data, NuWays

Compounding effect at work thanks to capital allocation towards M&A

By inverting the 6.3x EV/EBITDA average acquisition multiple of the last acquisitions and assuming an 80% cash conversion rate (FCF/EBITDA, current group average), this corresponds to a 7.9x EV/FCF multiple or a 12.7% FCFY if inverted. This additionally acquired FCF can be reinvested to acquire further companies (at similarly attractive prices).

In addition, the strong organic growth (22% organic sales CAGR '25-'29e) coupled with ongoing margin expansions across the group but held by a disproportionate CAPEX expansion, organic FCF should grow accordingly (eNuW: 18% CAGR '25-'29e). By combining both effects (organic FCF growth and reinvesting FCFs in value accretive M&A), FCFs should grow by more than 30% annually. This **development can be further accelerated by taking on debt or raising equity** to finance new acquisitions instead of using available FCFs.

Illustrative cash flows with and without further acquisitions (Year 1 = 100)



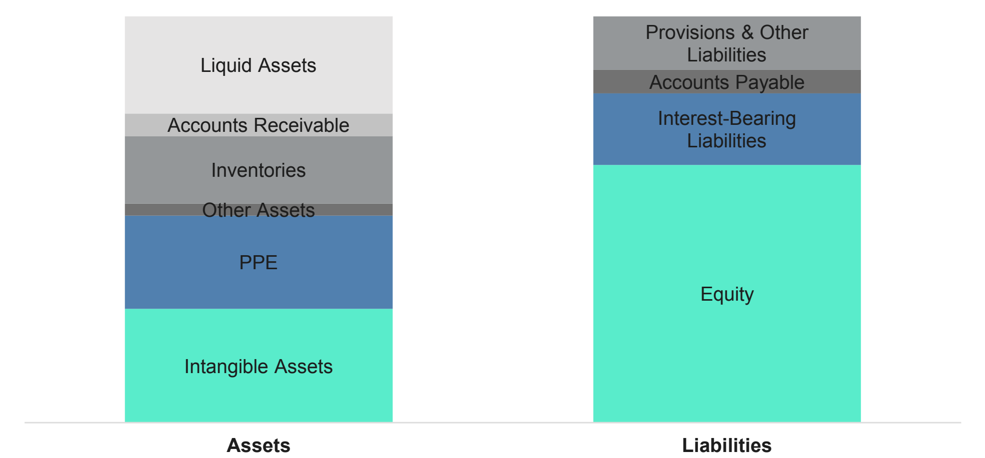
Source: NuWays

In our view, this **M&A driven compounding effect** is one of Astor's investment highlights, as our illustration above highlights. To make it comparable, both scenarios are normalised to 100 one assumes no reinvestment in M&A or other value accretive measures and the other assumes a continuation of M&A at the current multiples. Given Astor's serial acquirer nature, we expect more M&A in the future, however, cannot reflect future M&A in our model. Therefore, substantial upside to our estimates arises anytime a new deal is announced.

Healthy balance sheet with room to manoeuvre

Per FY'24e, Astor group should report a rock-solid balance sheet with a net cash position of SEK 28m, a debt-to-equity ratio of 28%. However, these figures should change slightly in Q1'25e, when the purchase price payments for Welas and ID Modeller (SEK 31m) are due. Nevertheless, the past equity raises have given Astor plenty of room to take on more debt without endangering its financial stability.

Healthy balance sheet (SEK m, FY'24e)

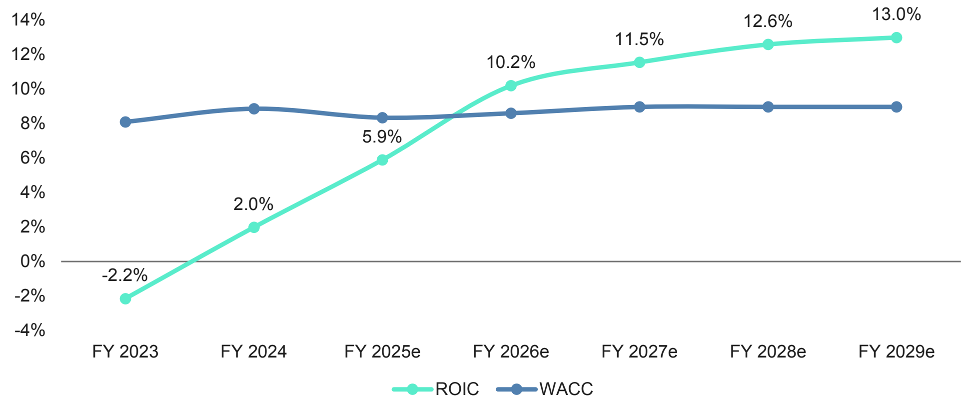


Source: NuWays

Value creation soon, even without future M&A

To assess whether the invested capital earns its costs, we compare the Return on Invested Capital (ROIC = NOPAT / Invested Capital) with the capital costs (WACC). For FY'24e, we still expect Astor's returns to be behind its capital costs on group level. On an individual level, most subsidiaries yield ROICs above capital costs, however the holding (with no revenues, but overhead costs) still drags down NOPAT. Going forward (FY'25e and beyond) the group NOPAT should increase, thanks to an improving coverage of holding expenses following enough scale.

ROIC to outperform capital costs soon



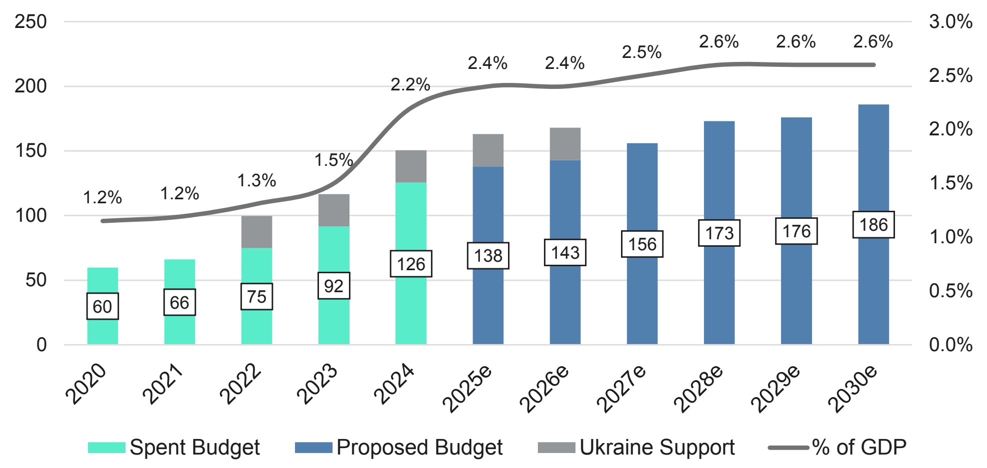
Source: Company data, NuWays

Growth

Sweden, NATO and EU drive up military spending

Following Sweden's accession to the NATO in March 2024, the government sharply increased the defence spending to above 2% of GDP and subsequently proposed elevated budgets for the future. Mind you, this does not include any support of Ukraine (SEK 48.4bn from Feb'22 until Oct '24; SEK 75bn over 2024-26e with further support likely beyond 2026). In sum, this implies a **defence spending CAGR '24-'30e of 6.8%** (excl. Ukraine support)

Sweden's military spending on the rise following NATO accession (SEK bn)

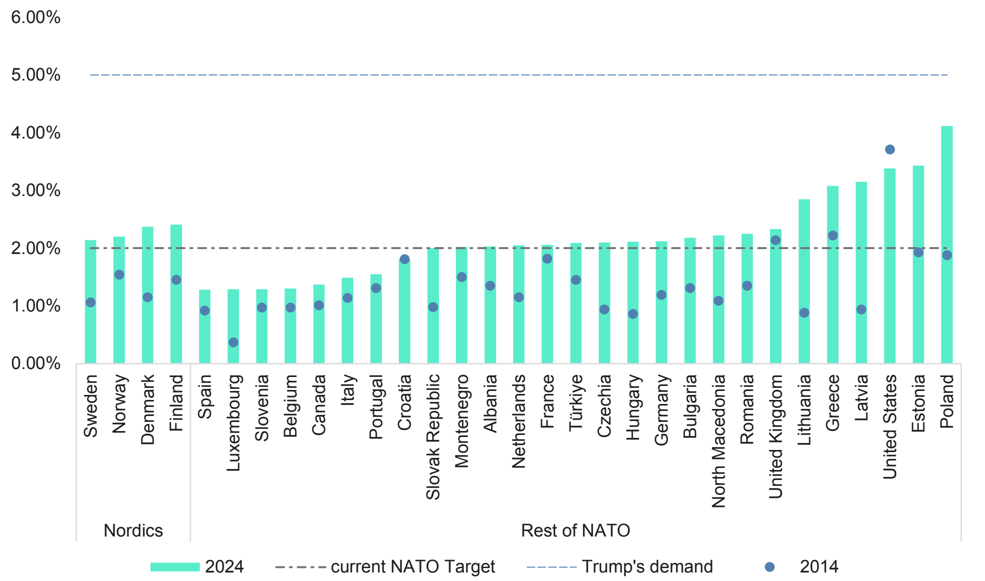


Source: Swedish Government, NuWays

Sweden aims to balance both, a defence build-up at home in parallel with the support going to Ukraine in a way that avoids impairing the build-up and other necessary reform. This should inevitably lead to a sharp rise in production output at Swedish OEMs, which will pass through to its tier-1 suppliers such as Astor's holding companies.

In addition, the military budgets over most NATO countries have not only drastically increased since 2014, now most NATO members meet the current target (defence spending in the amount of 2% of real GDP). Moreover, there is ample room to grow even further as targets are set to increase further, evidenced by several politicians, demanding targets of 3-5% of real GDP, for example US president Trump with his 5% demand or NATO secretary Gernal Rutte saying that 2% "is not enough".

NATO spending (in % of real GDP)



Source: NATO, NuWays

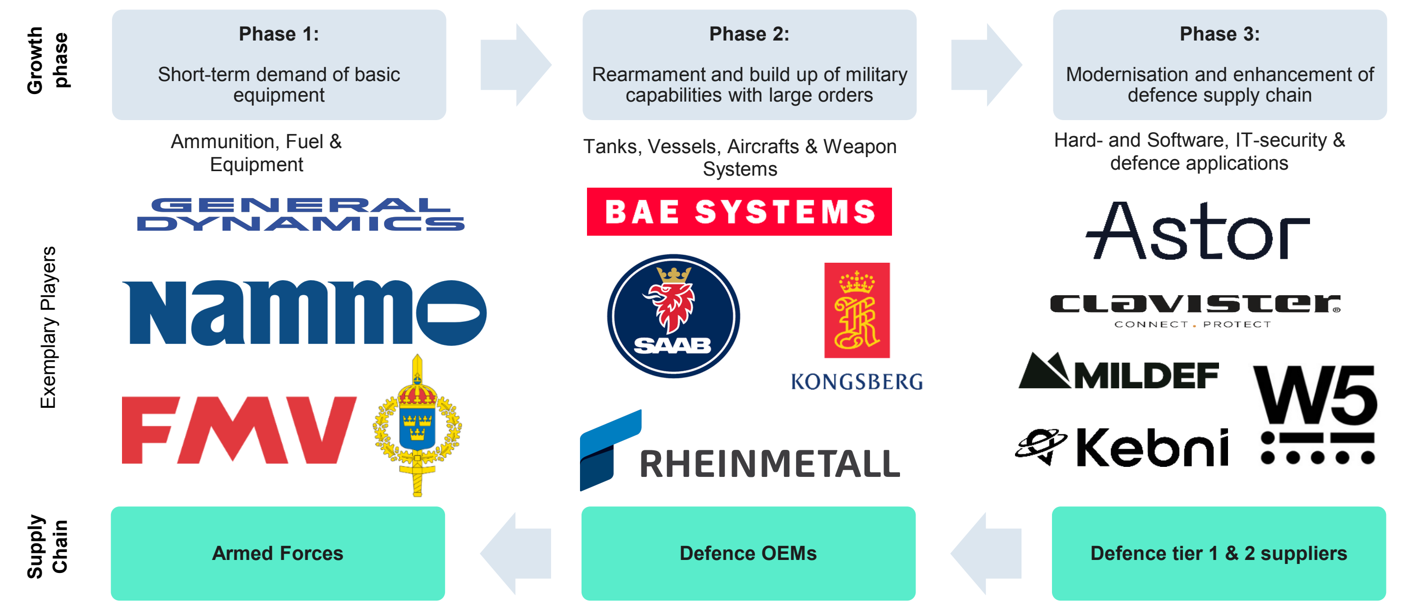
Furthermore, upcoming or recent policy changes on national and supranational level should positively affect the defence sector by offering political support and more importantly, secure the necessary funding:

1. the **Swedish Security and Defence Industry Association (SOFF)** expects the Swedish government to formulate and introduce a defence industry strategy in 2025, which we regard as positive news, as it should come with further political support for the sector.
2. The **European Defence Industrial Strategy (EDIP)** provides funds of € 1.5bn from the EU budget over 2025-2027, specifically directed towards the availability and supply of defence products to strengthen the competitiveness and responsiveness of Europe's defence sector.
3. The **European Investment Bank (EIB)** intends to ramp up its investments in European defence such as drones, satellites and cyber security, aiming to provide a further € 6bn financing.

Last part of the growth cycle, first part in the value chain.

Astor has lots of growth yet ahead of them. It's unique position as one of the first parts, positions Astor inevitably in the last phase of the current defence growth cycle, experienced in the Western world:

Last in the growth cycle and first in the value chain



Source: NuWays

Noteworthy, that since the start of the full-scale invasion of Ukraine, the otherwise exemplary growth cycle is at two parallel stages: Due to the delivery of equipment and weapon systems to Ukraine, the empty stockpiles in Europe's armies need to be filled up, visible as **phase 2 is entered now**. Simultaneously, the defence OEMs are scaling up and enhancing their supply chains to ensure key components and services for future and more modern weapon systems from tier-1 suppliers, such as Astor (**phase 3**). On top of those "development orders", it is expected that large scale orders of OEMs will follow, once the OEMs have secured orders for the next generation weapon systems themselves.

Growth outside the home turf

As outlined before, the Swedish defence sector is ready for export. Therefore, we also expect Astor to expand into core military partners' countries (in the short- and medium-term via export deliveries, in the long-term via production facilities or acquisitions) and adding further growth outside the domestic market. To secure orders from foreign partner countries procurement agencies or from the local OEMs, Astor has recently set up branches in Germany. With that, Astor qualifies as a supplier in the respective market, as defence budgets need to be spent on domestic companies in many cases and export and import control rules are then lower.

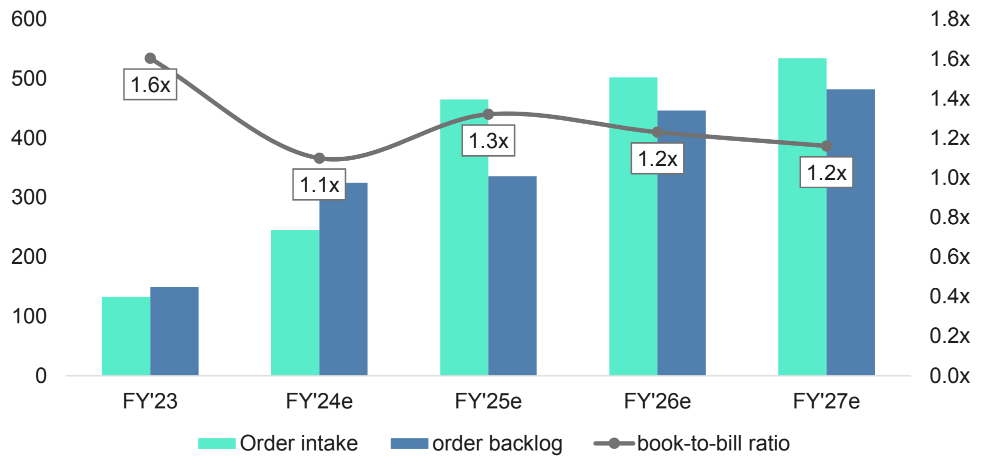
Strong growth also in the civil sector

Compared to Germany, Sweden's manufacturing sector looks very healthy and is supported by better framework conditions (e.g. power prices of € 15/MWh in Sweden vs. € 115/MWh in Germany), which should support growth going forward. However, Astor's holdings with large civil sector exposures (eNuW: currently c. 50% civil share on group level in FY'24e), are active in fragmented niche markets, which is why GDP growth or manufacturing output do not serve as valid growth proxies, in our view. Nevertheless, demand from Astor's civil industries customers remains high, visible for example in an order intake at Marstrom for a carbon fibre mast for a luxury yacht worth SEK 23m (c. € 2m). For example, the highly specialized field of strong and light-weight **composite materials is set to grow at a 7-11% CAGR** from '23-'33e, according to several market studies. Also, the field of **precision manufacturing** (focus of Mikroponent) should grow at an **8% CAGR '25-'30e**, according to Grand View Research.

Solid order book to provide strong visibility

An ongoing strong demand for its products, visible in a healthy book-to-bill ratio and a solid order backlog, provides good visibility into the coming years. As outlined before, Astor is positioned in the last part of the current defence super cycle with export-ready product offerings, which is why we see further upside potential to our current order intake estimates in the coming years.

Order intake and book-to-bill ratio highlights strong momentum and good visibility

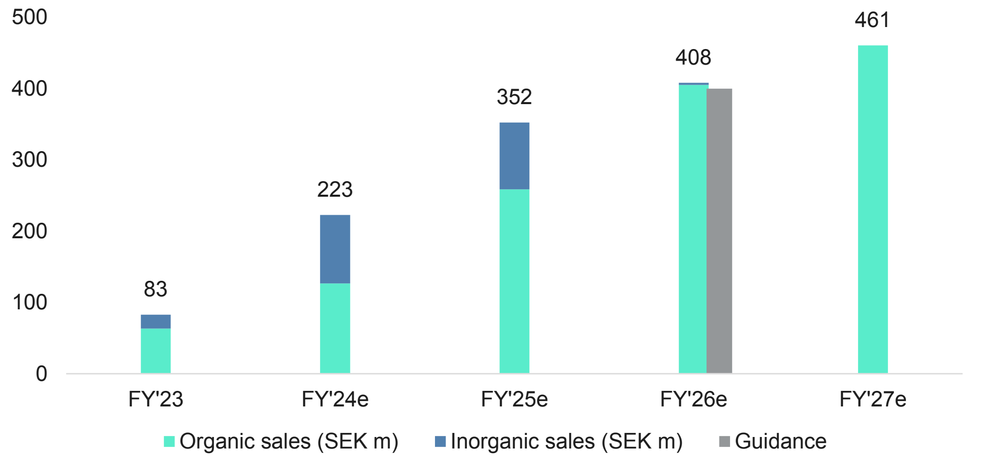


Source: Company data, NuWays

Putting it all together – strong organic sales growth boosted with M&A

The closings of Scandiflash and Airsafe should have undoubtedly pushed FY'24e sales by 169% yoy to new heights of SEK 225m sales (eNuW), whereof 53% yoy should stem from a strong organic development of its subsidiaries and the rest by inorganic growth (eNuW: 116% yoy). On top of our expected 16% organic sales growth, the fist-time consolidation of Airsafe, CDS, Scandiflash, Welas and ID Modeller is seen to push overall sales growth to 58% in FY'25e.

Organic and inorganic sales growth



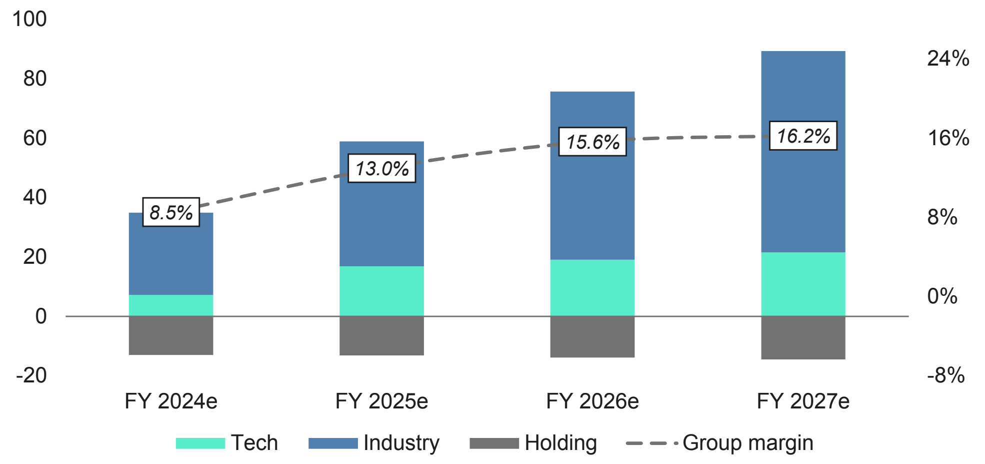
Source: Company data, NuWays

Thereafter, we expect double digit organic growth rates, which are seen to drive sales over management's guidance of SEK 400m in sales by FY'26e. As our estimates do not factor in any future M&A, the guidance could be seen as conservative already.

Jump in profitability ahead thanks to rising scale

Individually, all of Astor's holdings operate highly profitable (except Oscilion, whose products are still under development). However, the insufficient scale does not yet cover the holding expenses (eNuW: SEK 13m in FY'24e), leading to a group EBITDA margin of 8.5% in FY'24p. With the latest, highly profitable acquisitions, this is about to change, as holding cost coverage will improve drastically.

Projected EBITDA development (in SEK m)



Source: Company data, NuWays

For FY'25e, the consolidation of (1) Scandiflash (32% EBITDA margin) into the segment Tech, but also the margin accretive acquisition of (2) Welas (21% EBITDA margin) and (3) ID Modeller (17% EBITDA margin) into the Industry segment, **the group EBITDA margin is seen to grow by 5pp yoy to 13%.**

Thereafter, we expect the strong organic growth to yield a better fix and overhead cost coverage and lead to incremental margin improvements on group level, which should lead to an **EBITDA margin of 15.6% by FY'26e**, which is line with the company guidance (> 15% in FY'26e).

In sum, we thus expect group EBITDA to expand drastically with a 58% FY'24-27e CAGR thanks to the effects described above.

P&L Forecast

Scandinavian Astor Group (SEK m)	FY 2022	FY 2023	FY 2024e	FY 2025e	FY 2026e	FY 2027e	CAGR 2024-27e
Sales	**53**	**83**	**223**	**353**	**408**	**461**	**27%**
yoy	*-93.4%*	*57%*	*169%*	*58%*	*16%*	*13%*	
+/- finished goods, WIP, OWC	12	6	4	0	0	0	
% of sales	*22.7%*	*6.9%*	*1.8%*	*0.0%*	*0.0%*	*0.0%*	
Other operating income	2	0	3	0	0	0	
% of sales	*16.9%*	*6.8%*	*62.5%*	*n.a.*	*n.a.*	*n.a.*	
Total output	**67**	**89**	**230**	**353**	**408**	**461**	**26%**
yoy	*-77.8%*	*33%*	*158%*	*54%*	*16%*	*13%*	
Material expenses	42	55	135	219	247	278	
% of sales	*80.0%*	*65.8%*	*60.7%*	*62.0%*	*60.5%*	*60.4%*	
Personnel expenses	24	33	75	87	95	105	
% of sales	*45.0%*	*40.4%*	*33.6%*	*24.5%*	*23.4%*	*22.8%*	
Other operating expenses	7	0	0	2	2	2	
% of sales	*13.3%*	*0.0%*	*0.1%*	*0.5%*	*0.5%*	*0.5%*	
EBITDA	**-6**	**1**	**19**	**46**	**64**	**75**	**58%**
yoy		*neg.*	*1810%*	*140%*	*40%*	*17%*	
margin	*-12%*	*1%*	*9%*	*13%*	*16%*	*16%*	
D&A	3	5	13	21	23	23	
% of sales	*5.4%*	*5.6%*	*6.0%*	*6.0%*	*5.5%*	*5.1%*	
EBIT	**-9**	**-4**	**6**	**25**	**41**	**51**	**108%**
yoy		*neg.*	*neg.*	*332%*	*68%*	*24%*	
margin	*-17%*	*-4%*	*3%*	*7%*	*10%*	*11%*	
Financial result	-1	-2	-3	-2	-1	-1	
EBT	**-11**	**-6**	**3**	**23**	**40**	**50**	**169%**
yoy		*neg.*	*neg.*	*792%*	*74%*	*26%*	
margin	*-20%*	*-7%*	*1%*	*7%*	*10%*	*11%*	
Tax expense	0	-2	0	5	8	10	
tax rate	*4%*	*37%*	*12%*	*21%*	*21%*	*21%*	
Net Income	**-10**	**-4**	**2**	**18**	**32**	**40**	**160%**
yoy		*neg.*	*neg.*	*702%*	*74%*	*26%*	
margin	*-19%*	*-4%*	*1%*	*5%*	*8%*	*9%*	

Source: Company data, NuWays

Below EBITDA, slightly organically growing D&A, an improving financial result should lift EBT disproportionately. Furthermore, we assume Sweden's corporate tax rate of 21% for Astor's effective tax rate, once tax losses carried forward are used up. In sum, net income should grow by 160% (FY'24e-'27e CAGR).

Valuation

Discounted Cash Flow - Valuation

We base our valuation for Astor on a Discounted Cash Flow model, which derives a **price target of SEK 17.00 per share** with the terminal value accounting for 74% of total value. The key assumptions of our model are:

- **Terminal EBIT margin:** 14.7%
- **Terminal growth rate:** 2%.
- **WACC: 9.08**%, derived from a 2.1% risk-free rate (current yield of 10y Swedish government bonds) , a Beta of 1.5 and 4.4% equity risk premium for Sweden (Source: Aswath Damodaran, NYU Stern, 2025).

DCF (EUR m) (except per share data and beta)	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	Terminal value
NOPAT	5	19	33	41	50	58	69	72	74
Depreciation	13	21	23	23	24	24	24	24	24
Increase/decrease in working capital	-5	0	-7	-5	-4	-5	1	-1	0
Increase/decrease in long-term provisions and accruals	0	0	0	0	0	0	0	0	0
Capex	10	12	18	22	24	24	24	25	24
Acquisitions	110	25	0	0	0	0	0	0	0
Capital increase	130	0	0	0	0	0	0	0	0
Cash flow	**23**	**3**	**30**	**37**	**46**	**54**	**70**	**69**	**74**
Present value	23	3	26	29	33	35	42	38	583
WACC	9.0%	8.4%	8.7%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%

DCF per share derived from	
Total present value	812
thereof terminal value	72%
Net debt (net cash) at start of year	36
Financial assets	3
Provisions and off balance sheet debt	2
Equity value	778
No. of shares outstanding	45.3
Discounted cash flow per share	**17.2**
upside/(downside)	**59%**
Share price	**10.80**

DCF avg. growth and earnings assumptions	
Short term growth (2023-2026)	70.1%
Medium term growth (2026 - 2031)	7.6%
Long term growth (2031 - infinity)	2.0%
Terminal year EBIT margin	14.7%

WACC derived from	
Cost of borrowings before taxes	5.0%
Tax rate	11.6%
Cost of borrowings after taxes	4.4%
Required return on invested capital	8.7%
Risk premium	4.4%
Risk-free rate	2.1%
Beta	1.5

Sensitivity analysis DCF

WACC \ Long term growth	0%	1.0%	2.0%	2.5%	3.0%
11.1%	11	12	13	14	14
10.1%	12	14	15	16	17
9.1%	14	15	17	18	20
8.1%	16	18	20	22	24
7.1%	18	21	25	27	30

Sensitivity analysis DCF

WACC \ EBIT margin terminal year	13%	14%	15%	16%	17%
11.1%	12	13	13	14	14
10.1%	13	14	15	16	16
9.1%	15	16	17	18	19
8.1%	18	19	20	21	22
7.1%	22	23	25	26	27

Source: NuWays

Peer Group Analysis

To validate our DCF valuation method, we conduct a peer group analysis to assess Astor's current valuation to relevant peers. The peer group comprises:

Transdigm Group: A serial acquirer with c. 50 "business units" (i.e. holdings) active as tier-1 suppliers or OEMs in civil and military aviation across the world. While it might not be comparable in size, it's more comparable in terms of strategy, industrial focus and customer segment.

Clavister Holding: A cybersecurity company providing advanced network security solutions for enterprises and service providers, based in Sweden, serving both military and civil customers.

MilDef Group: A Swedish defence technology company specializing in rugged IT equipment for military and other high-demand environments, based in Sweden, primarily serving military customers.

W5 Solutions: A company offering innovative IT solutions, including cybersecurity, for the private and public sectors, based in Sweden, serving both military and civil customers.

KebNi: A technology company focused on providing advanced satellite communication and positioning solutions, based in Sweden, serving both military and civil customers.

4C Group: A consulting and technology company specializing in digital transformation, business optimization, and strategy execution, based in Sweden, serving civil customers, including businesses and public organizations.

Saab: A global defence and aerospace company offering products and services in areas such as security, aviation, and defence technology, based in Sweden, primarily serving military customers.

Kongsberg: A Norwegian technology company delivering cutting-edge solutions in defence, aerospace, and maritime industries, based in Norway, serving both military and civil customers.

BAE Systems: A global defense, aerospace, and security company that designs and manufactures advanced technological solutions for military and civilian customers, primarily focusing on defense forces, governments, and security organizations.

Looking at EV/sales, Astor is on average trading at a 50% discount to its peers, whereas the EV/EBITDA comparison shows a similar discount which seems unjustified in our view, providing the stock with upside potential to close that valuation gap.

Type	Company	EV (in m)	EV / Sales			EV / EBITDA			EV/EBIT		
			2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Peer	Transdigm Group Inc.	101,112 USD	11.8x	10.5x	9.7x	24.2x	19.8x	18.1x	26.5x	22.1x	20.0x
Peer	Clavister Holding AB	762 SEK	4.1x	3.4x	3.1x	22.4x	14.7x	10.7x	n.a.	127.0x	31.7x
Peer	Mildef Group AB	8,170 SEK	5.0x	2.7x	2.1x	49.8x	20.8x	14.3x	n.a.	20.8x	14.3x
Peer	W5 Solutions AB	793 SEK	2.0x	1.7x	1.3x	41.4x	13.3x	9.2x	n.a.	82.7x	23.8x
Peer	4C Group AB	448 SEK	1.3x	1.2x	1.0x	11.8x	5.7x	4.5x	n.a.	12.3x	8.8x
Peer	KebNi AB	278 SEK	2.0x	1.6x	1.4x	34.8x	15.5x	11.6x	39.8x	27.9x	18.6x
Peer	INVISIO Communications AB	14,857 SEK	8.8x	8.0x	6.9x	36.6x	30.1x	24.5x	44.8x	33.5x	26.7x
OEM	Saab AB	154,346 SEK	2.1x	1.8x	1.5x	15.5x	12.8x	10.7x	22.5x	17.9x	14.8x
OEM	Kongsberg Gruppen ASA	235,491 NOK	4.8x	4.2x	3.7x	29.3x	25.3x	22.4x	36.4x	30.7x	26.5x
OEM	BAE Systems plc	44,378 GPB	1.6x	1.5x	1.4x	11.9x	10.9x	10.2x	15.0x	13.6x	12.6x
	Average Peers		**5.0x**	**4.1x**	**3.6x**	**31.6x**	**17.1x**	**13.3x**	**37.0x**	**46.6x**	**20.6x**
	Average OEMs		**2.8x**	**2.5x**	**2.2x**	**18.9x**	**16.3x**	**14.4x**	**24.6x**	**20.7x**	**18.0x**
	Scandinavian Astor Group AB	**462 SEK**	**2.1x**	**1.5x**	**1.2x**	**24.3x**	**11.5x**	**7.8x**	**81.3x**	**21.5x**	**12.1x**
	Discount (-) / Premium (+) to Peers		-59%	-64%	-66%	-23%	-32%	-41%	120%	-54%	-41%
	Discount (-) / Premium (+) to OEMS		-27%	-39%	-45%	29%	-29%	-46%	230%	4%	-33%

Source: Market Map, NuWays

Theme

Strong current trading

Astor recently released FY'24 preliminary results with sales growing by 169% yoy to SEK 223m, whereof 53% yoy should be organic sales growth and 116% coming from M&A (eNuW). FY'24 EBITDA thus expanded by a staggering 1810% yoy to SEK 19m (8.5% EBITDA margin).

For Q4'24, this implies total sales growth of 330% yoy (159% yoy organic, 171% yoy inorganic) with an EBITDA of SEK 20m (22% EBITDA margin).

Albeit fluctuation of orders and sales should have positively affected Q4 earnings, our estimate of only 16% yoy organic sales growth coupled with an expected 13% EBITDA margin in FY'25e (vs. 22% in Q4'24), could turn out to be too conservative.

Discussion about rising NATO defence spending targets

An ongoing discussion about NATO defence spending targets currently shapes newsflow around most defence stocks. NATO secretary general Mark Rutte recently remarked that the current 2% defence spending target "*is not nearly enough*". He adds, that in the event of a US withdrawal from NATO (which accounts for more than 60% of all NATO spending), the remaining powers would need to spend 8-10% of real GDP annually to compensate that. Moreover, newly elected US president Trump's latest demand was a 5% target. In any case, the discussion is ongoing and as soon as speeches turn into real commitments and eventually policy, but the direction seems to be clear: spending should go up. In the example of Sweden (2025e: 2.2%), an increase to 3% would imply a c. 50% higher military budget (or an increase by c. SEK 75bn) and that annually for the foreseeable future, highlighting the huge impact of a potential policy change for the domestic defence sector.

In our view, any commitment of Sweden and other core markets of Astor to drive up military spending should serve a positive share price catalyst.

No negative impact from a potential peace in Ukraine

Besides the current discussion about NATO defence spending, the war in Ukraine continues to rage. Remarks by newly elected US president Trump to "make peace" has led to volatility among US and European defence stocks, out of fear that military spending will be cut back. However, the current defence cycle is not dependent on a potentially short-term peace in Ukraine but looks set to last at least another decade. Therefore, we do not see a negative impact from a potential peace for the sector in general, but also not specifically to Astor. On the contrary, the rising budgets are duly needed to outproduce Russia and refill empty armament piles.

In sum, a potential peace announcement could have a negative impact on the share price, which would on the other hand serve as a buying opportunity, as the negative share price reaction would be newsflow driven and not fundamentally justified, in our view.

Company Background

Business model

The Scandinavian Astor Group is a diversified group of companies, primarily focusing on providing specialized solutions in the areas of defence, security, and technology. Their business model revolves around developing, producing, and delivering innovative products and services to customers in both the military and civil sectors. The group often operates through subsidiaries that focus on high-tech solutions, including software, electronics, and engineering services, particularly in defence systems, satellite communications, command and control systems, and IT security.

Astor Group is also involved in consulting services, providing expert advisory for military and defence clients, ensuring their products meet specific security and operational needs. The group's model likely leverages long-term contracts and strategic partnerships, particularly with government and defence contractors, ensuring steady revenue from defence-related projects while also serving civil markets with specialized technology solutions.

History

Source: NuWays Research

Management Board


Mattias Hjorth

CEO

Mattias Hjorth has over 25 years of experience in business and operational development, sales, and technology within the IT and defense industries. His previous roles include CEO of CAG Security and Senior Director of Business Development at Saab, where he focused on Electromagnetic Warfare in the Surveillance, EW & Aircraft Systems division. He holds a background in applied physics and electrical engineering from Linköping University.

27.8k shares
250k warrants (ESOP 24/28)


Wictor Billström

CFO

Wictor Billström has over 15 years of experience in finance, insurance, and accounting, having worked at If Skadeförsäkring, Euler Hermes, SEB, and Altris. He became CFO of Astor Group in November 2023 after previously serving as a board member, and holds board positions at Thulcandra Capital AB and Upgrade Invest Nordic AB. Wictor holds a MSc in Business Administration and Economics from Stockholm University and an Investment Management Certificate from CFA UK.

1.7m shares
50k warrants (ESOP 22/25)
75k warrants (ESOP 24/28)


Louise Åberg

COCO

Louise has extensive experience in financial communication, corporate governance, and change management in listed environments. She has previously held roles as Lead Governance & Communication and Business Manager, focusing on strategic business development and communication. Louise holds a Bachelor's degree in Peace and Conflict Studies and has also studied economics and organizational development at Lund University.

25k warrants (ESOP 24/28)

Source: Company data, NuWays

Board of Directors


Lars Granbom (Chairman)


Kristoffer Weywadt


Per Adamsson


Ola Alfredson


Robert Humeur

Source: Company data, NuWays

Astor's board of directors comprises key people from Astor's focus industries and customers.

Lars Granbom is the Chairman of the Board with extensive experience in IPOs, acquisitions, capital raising, and corporate management. He holds a Master of Science in Electrical Engineering from Chalmers Tekniska Högskola. He owns 123,149 shares and 200,000 warrants in Astor Group.

Kristoffer Weywadt is a Board member with strategic and business development experience at **Rheinmetall** Defence, along with previous roles at **ABB**, **SAAB**, and the **Swedish Armed Forces**. He holds an MBA from Quantic Business School and an MSc in Electrical Engineering from Chalmers. He owns 66,453 shares in Astor Group.

Per Adamsson has served as CEO of **Volvo** Group Venture Capital and co-founded WirelessCar AB. He has board experience across multiple tech companies and holds a Computer Science degree from the University of Gothenburg with graduate studies at Harvard. He owns 5,357 shares in Astor Group.

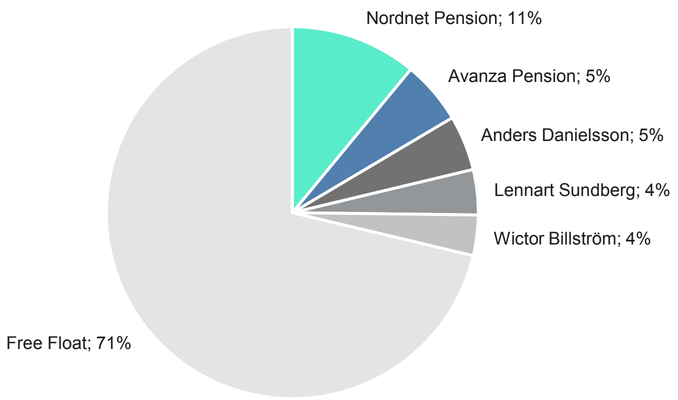
Ola Alfredsson is a Board member with strategic and leadership roles at **MilDef** Group AB, Kockums AB, and the **Swedish Embassy** in Washington, DC. He holds systems engineering training from the Swedish Naval Officers' Training College. He owns 22,725 shares in Astor Group.

Robert Humeur is currently Business Development Manager at **Palantir** Technologies. He has expertise in electronic warfare and sensor technologies from roles at SAAB and the Swedish Armed Forces. He holds a master's degree in information Warfare from the Naval Postgraduate School in California.

Shareholder Structure

Astor currently has 46,057,499 shares outstanding. The majority (71%) is attributable to the free float. The Swedish Pension fund "Nordnet Pension" holds 11%, followed by Avanza Bank (5%) and the private individual Anders Danielsson (5%). Insiders hold c. 8% with CFO Wictor Billström at 4% and Lennart Sundberg, founder of Oscilion, with 4%.

Shareholder Structure



Source: Company data, NuWays

Investment Risks

As with any investment, there are certain risks associated with investing in FWAG AG. The key investment risks, in our view, are:

- **Supply chain risks**: Defence companies often rely on complex, global supply chains for components and materials. Disruptions due to geopolitical instability, trade restrictions, or natural disasters could lead to delays in production and delivery, negatively impacting profitability.
- **Market risk**: The Defence sector can become highly competitive, especially for high-tech or specialized products. Major players may face competition from emerging companies, and international companies may pose challenges as well. Market saturation can also limit growth potential in some areas.
- **Cyclical risk**: Defence spending can be cyclical and is influenced by broader economic conditions. During times of economic downturn, governments may cut back on military spending, impacting the profitability of Defence contractors. Conversely, in times of heightened national security concerns or global conflicts, spending may increase.
- **Reputational risk:** Defence companies may face backlash from activists, investors, or the public, particularly if their products are involved in controversial military operations. Ethical considerations or public protests could lead to reputational risks, affecting stock prices and investor sentiment.

Financials

Profit and loss (SEK m)	2022	2023	2024e	2025e	2026e
Net sales	**52.8**	**83.0**	**223.0**	**352.5**	**408.3**
Sales growth	*n.a.*	*57.2%*	*168.6%*	*58.1%*	*15.8%*
Increase/decrease in finished goods and work-in-process	12.0	5.7	4.0	0.0	0.0
Total sales	**64.8**	**88.7**	**227.0**	**352.5**	**408.3**
Other operating income	2.0	0.4	2.5	0.0	0.0
Material expenses	42.3	54.6	135.4	218.5	247.0
Personnel expenses	23.7	33.5	74.9	86.5	95.4
Other operating expenses	7.0	0.0	0.2	1.8	2.0
Total operating expenses	**71.0**	**87.7**	**208.0**	**306.8**	**344.5**
EBITDA	**-6.2**	**1.0**	**19.0**	**45.7**	**63.8**
Depreciation	2.9	4.7	13.3	21.1	22.5
EBITA	**-9.1**	**-3.7**	**5.7**	**24.5**	**41.3**
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	**-9.1**	**-3.7**	**5.7**	**24.5**	**41.3**
Interest income	0.0	0.5	0.8	1.4	1.6
Interest expenses	1.4	2.8	3.9	2.9	2.9
Investment income	0.0	0.0	0.0	0.0	0.0
Financial result	-1.4	-2.2	-3.1	-1.5	-1.3
Recurring pretax income from continuing operations	**-10.5**	**-5.9**	**2.6**	**23.0**	**40.0**
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	**-10.5**	**-5.9**	**2.6**	**23.0**	**40.0**
Income tax expense	-0.4	-2.2	0.3	4.7	8.2
Net income from continuing operations	**-10.1**	**-3.7**	**2.3**	**18.3**	**31.8**
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0
Net income	**-10.1**	**-3.7**	**2.3**	**18.3**	**31.8**
Minority interest	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	**-10.1**	**-3.7**	**2.3**	**18.3**	**31.8**
Average number of shares	19.0	32.7	45.3	46.1	46.1
EPS reported	**-0.53**	**-0.11**	**0.05**	**0.40**	**0.69**

Profit and loss (common size)	2022	2023	2024e	2025e	2026e
Net sales	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Sales growth	*n.a.*	*57.2%*	*168.6%*	*58.1%*	*15.8%*
Increase/decrease in finished goods and work-in-process	22.7%	6.9%	1.8%	0.0%	0.0%
Total sales	**122.7%**	**106.9%**	**101.8%**	**100.0%**	**100.0%**
Other operating income	3.8%	0.5%	1.1%	0.0%	0.0%
Material expenses	80.0%	65.8%	60.7%	62.0%	60.5%
Personnel expenses	45.0%	40.4%	33.6%	24.5%	23.4%
Other operating expenses	13.3%	0.0%	0.1%	0.5%	0.5%
Total operating expenses	**134.4%**	**105.7%**	**93.3%**	**87.0%**	**84.4%**
EBITDA	**-11.8%**	**1.2%**	**8.5%**	**13.0%**	**15.6%**
Depreciation	5.4%	5.6%	6.0%	6.0%	5.5%
EBITA	**-17.2%**	**-4.4%**	**2.5%**	**7.0%**	**10.1%**
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	**-17.2%**	**-4.4%**	**2.5%**	**7.0%**	**10.1%**
Interest income	0.0%	0.6%	0.4%	0.4%	0.4%
Interest expenses	2.7%	3.3%	1.7%	0.8%	0.7%
Investment income	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	**-19.9%**	**-7.1%**	**1.2%**	**6.5%**	**9.8%**
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	**-19.9%**	**-7.1%**	**1.2%**	**6.5%**	**9.8%**
Tax rate	4.0%	37.3%	11.6%	20.6%	20.6%
Net income from continuing operations	**-19.1%**	**-4.5%**	**1.0%**	**5.2%**	**7.8%**
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	**-19.1%**	**-4.5%**	**1.0%**	**5.2%**	**7.8%**
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit (reported)	**-19.1%**	**-4.5%**	**1.0%**	**5.2%**	**7.8%**

Source: Company data, NuWays

Balance sheet (SEK m)	2022	2023	2024e	2025e	2026e
Intangible assets	21.1	62.2	122.2	122.2	122.2
Property, plant and equipment	39.6	53.2	99.9	115.8	111.2
Financial assets	0.0	3.3	3.3	3.3	3.3
FIXED ASSETS	**60.7**	**118.7**	**225.4**	**241.2**	**236.7**
Inventories	43.2	58.5	72.6	75.0	86.9
Accounts receivable	12.1	22.0	24.1	36.7	40.4
Other assets and short-term financial assets	1.7	7.7	9.6	9.6	9.6
Liquid assets	2.1	15.6	104.2	42.4	67.7
Deferred taxes	n.a.	n.a.	n.a.	0.0	0.0
Deferred charges and prepaid expenses	n.a.	n.a.	n.a.	0.0	0.0
CURRENT ASSETS	**59.1**	**103.8**	**210.5**	**163.7**	**204.5**
TOTAL ASSETS	**119.8**	**222.5**	**435.9**	**404.9**	**441.3**
SHAREHOLDERS EQUITY	**36.2**	**85.7**	**276.6**	**235.0**	**266.8**
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0
Long-term liabilities to banks	14.3	28.5	53.5	49.5	45.5
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	4.7	16.4	16.4	16.4	16.4
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0
Other provisions and accrued liabilities	0.9	1.4	1.7	1.7	1.7
NON-CURRENT LIABILITIES	**19.8**	**46.3**	**71.6**	**67.6**	**63.6**
Short-term liabilities to banks	5.6	6.7	6.7	6.7	6.7
Accounts payable	6.8	12.2	25.1	39.7	48.3
Advance payments received on orders	27.8	30.1	19.1	19.1	19.1
Accrued taxes	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	20.1	38.3	35.0	35.0	35.0
Deferred taxes	3.4	3.2	1.7	1.7	1.7
Deferred income	0.0	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	**63.7**	**90.6**	**87.7**	**102.3**	**110.9**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**119.8**	**222.5**	**435.9**	**404.9**	**441.3**

Balance sheet (common size)	2022	2023	2024e	2025e	2026e
Intangible assets	17.6%	28.0%	28.0%	30.2%	27.7%
Property, plant and equipment	33.0%	23.9%	22.9%	28.6%	25.2%
Financial assets	0.0%	1.5%	0.8%	0.8%	0.7%
FIXED ASSETS	**50.7%**	**53.4%**	**51.7%**	**59.6%**	**53.6%**
Inventories	36.0%	26.3%	16.7%	18.5%	19.7%
Accounts receivable	10.1%	9.9%	5.5%	9.1%	9.2%
Other assets and short-term financial assets	1.4%	3.4%	2.2%	2.4%	2.2%
Liquid assets	1.8%	7.0%	23.9%	10.5%	15.3%
Deferred taxes	n.a.	n.a.	n.a.	0.0%	0.0%
Deferred charges and prepaid expenses	n.a.	n.a.	n.a.	0.0%	0.0%
CURRENT ASSETS	**49.3%**	**46.6%**	**48.3%**	**40.4%**	**46.4%**
TOTAL ASSETS	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
SHAREHOLDERS EQUITY	**30.3%**	**38.5%**	**63.5%**	**58.0%**	**60.5%**
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term liabilities to banks	11.9%	12.8%	12.3%	12.2%	10.3%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	3.9%	7.4%	3.8%	4.1%	3.7%
Provisions for pensions and similar obligations	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions and accrued liabilities	0.7%	0.6%	0.4%	0.4%	0.4%
NON-CURRENT LIABILITIES	**16.6%**	**20.8%**	**16.4%**	**16.7%**	**14.4%**
Short-term liabilities to banks	4.7%	3.0%	1.5%	1.7%	1.5%
Accounts payable	5.7%	5.5%	5.8%	9.8%	11.0%
Advance payments received on orders	23.2%	13.5%	4.4%	4.7%	4.3%
Accrued taxes	0.0%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	16.8%	17.2%	8.0%	8.6%	7.9%
Deferred taxes	2.8%	1.4%	0.4%	0.4%	0.4%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	**53.2%**	**40.7%**	**20.1%**	**25.3%**	**25.1%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Company data, NuWays

Cash flow statement (SEK m)	2022	2023	2024e	2025e	2026e
Net profit/loss	-10.1	-3.7	2.3	18.3	31.8
Depreciation of fixed assets (incl. leases)	2.9	4.7	13.3	21.1	22.5
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	1.6	-2.2	-17.2	0.0	0.0
Cash flow from operating activities	-4.7	-18.3	-16.8	27.1	29.3
Increase/decrease in inventory	-13.1	-12.3	-14.1	-2.4	-11.9
Increase/decrease in accounts receivable	3.3	-1.0	-2.1	-12.6	-3.7
Increase/decrease in accounts payable	20.6	4.6	13.0	14.6	8.6
Increase/decrease in other working capital positions	0.0	0.0	-1.9	0.0	0.0
Increase/decrease in working capital	10.8	-8.7	-5.2	-0.4	-7.0
Cash flow from operating activities	**5.3**	**-10.0**	**-6.8**	**39.1**	**47.3**
CAPEX	9.9	8.4	10.0	12.0	18.0
Payments for acquisitions	27.8	30.5	110.0	25.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	n.a.	n.a.	0.0	0.0	0.0
Cash flow from investing activities	**-37.8**	**-38.8**	**-120.0**	**-37.0**	**-18.0**
Cash flow before financing	-32.5	-48.8	-126.8	2.1	29.3
Increase/decrease in debt position	9.8	12.5	25.0	-4.0	-4.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0
Capital measures	22.9	52.3	130.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	**32.7**	**64.7**	**155.0**	**-4.0**	**-4.0**
Increase/decrease in liquid assets	0.1	15.9	28.2	-1.9	25.3
Liquid assets at end of period	**0.1**	**16.1**	**44.3**	**42.4**	**67.7**

Key ratios (SEK m)	2022	2023	2024e	2025e	2026e
P&L growth analysis					
Sales growth	n.a.	57.2%	168.6%	58.1%	15.8%
EBITDA growth	n.a.	-116.0%	1809.5%	140.5%	39.7%
EBIT growth	n.a.	-59.7%	-255.0%	332.0%	68.3%
EPS growth	n.a.	-78.7%	-144.4%	689.0%	73.7%
Efficiency					
Sales per employee	10,561.4	8,300.9	14,866.7	19,583.3	19,442.9
EBITDA per employee	-1,245.0	99.5	1,266.7	2,538.2	3,039.8
No. employees (average)	5	10	15	18	21
Balance sheet analysis					
Avg. working capital / sales	39.1%	46.0%	16.4%	12.9%	13.7%
Inventory turnover (sales/inventory)	298.3	257.2	118.9	77.7	77.7
Accounts receivable turnover	83.8	96.8	39.5	38.0	36.1
Accounts payable turnover	46.9	53.6	41.2	41.2	43.2
Cash flow analysis					
Free cash flow	-4.7	-18.3	-16.8	27.1	29.3
Free cash flow/sales	-8.8%	-22.1%	-7.5%	7.7%	7.2%
FCF / net profit	46.1%	494.5%	neg.	148.1%	92.4%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency					
Net debt	22.4	36.0	-27.6	30.2	0.9
Net Debt/EBITDA	-3.6	36.2	-1.5	0.7	0.0
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	5.7%	5.3%	7.7%	4.7%	4.0%
Returns					
ROCE	-8.2%	-2.6%	2.1%	7.2%	13.0%
ROE	-27.8%	-4.3%	0.8%	7.8%	11.9%
Adjusted FCF yield	-2.3%	-0.5%	1.8%	5.3%	7.3%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
DPS	0.0	0.0	0.0	0.0	0.0
EPS reported	-0.53	-0.11	0.05	0.40	0.69
Average number of shares	19.0	32.7	45.3	46.1	46.1
Valuation ratios					
P/BV	5.7	4.2	1.8	2.1	1.9
EV/sales	12.3	4.7	2.1	1.5	1.2
EV/EBITDA	-104.3	391.6	24.3	11.5	7.8
EV/EBIT	-71.4	-106.3	81.3	21.5	12.1

Source: Company data, NuWays

Disclosures

Disclosures regarding research publications of NuWays AG pursuant to section 85 of the German Securities Trading Act (WpHG)

Indication of conflict of interest

It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analysed company. A conflict of interest is presumed to exist in particular if NuWays AG

(1) or any other person belonging to the same group with it was part of a consortium within the past twelve months that issued the financial instruments of the analysed company by way of a public offer.
(2) or any other person belonging to the same group with it has entered into an agreement on the production of the research report with the analysed company.
(3) or any other person belonging to the same group with it has been party to an agreement on the provision of investment banking services with the analysed company or have received services or a promise of services under the term of such an agreement within the past twelve month.
(4) The analysed company holds 5% or more of the share capital of NuWays AG.
(5) holds (a) a net short position or (b) a net long position of 0.5% of the outstanding share capital of the analysed company.
(6) or any other person belonging to the same group with it is a market maker or liquidity provider in the financial instruments of the issuer.
(7) or the analyst has any other significant financial interests relating to the analysed company such as, for example, exercising mandates in the interest of the analysed company.
(8) The research report has been made available to the analysed company prior to its publication. Thereafter, only factual changes have been made to the report.

Conflicts of interest that existed at the time when this research report was published:

Company	Disclosures
Scandinavian Astor Group AB	2,8

Historical target price and rating changes for Scandinavian Astor Group AB

Company	Date	Analyst	Rating	Target Price	Close

1. General Information/Liabilities

This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by NuWays AG exclusively to selected recipients in the European Union (EU) or, in individual cases, also in other countries. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of NuWays AG. Reproduction of this document, in whole or in part, is not permitted without prior permission NuWays AG. All rights reserved.

Under no circumstances shall NuWays AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

2. Responsibilities

This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analysed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

3. Organisational Requirements

NuWays AG took internal organisational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of NuWays AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

4. Information Concerning the Methods of Valuation/Update

The determination of the fair value per share, i.e. the price target, and the resultant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made.

The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value.

NuWays AG uses the following three-step rating system for the analysed companies:

Buy: Sustainable upside potential of more than 20% within 12 months

Sell: Sustainable downside potential of more than 20% within 12 months.

Hold: Upside/downside potential is limited. No immediate catalyst visible.

The decision on the choice of the financial instruments analysed in this document was solely made by NuWays AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of NuWays AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

5. Major Sources of Information

Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. NuWays AG has checked the information for plausibility but not for accuracy or completeness.

6. Competent Supervisory Authority

NuWays AG is an affiliated company of Hauck Aufhäuser Lampe Privatbank AG which is under supervision of the BaFin – German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M.

7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany and the European Union (EU). The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state. If this communication is distributed in the United Kingdom it is solely directed at (i) investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO") or (ii) high net-worth entities as defined in article 49 of the FPO. This document should not be distributed or forwarded, either directly or indirectly, to any other individuals.

8. Miscellaneous

According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under: www.nuways-ag.com

Date of publication creation: 11/02/2025 08:05 AM

Date of publication dissemination: 11/02/2025 08:05 AM

Contacts

NuWays AG

Mittelweg 16-17
20148 Hamburg
Germany

+49 170 119 8648
info@nuways-ag.com
www.nuways-ag.com

Christian Sandherr
Co-CEO/Analyst
christian.sandherr@nuways-ag.com

Frederik Jarchow
Co-CEO/Analyst
frederik.jarchow@nuways-ag.com

Philipp Sennewald
Analyst
philipp.sennewald@nuways-ag.com

Henry Wendisch
Analyst
henry.wendisch@nuways-ag.com

Mark Schüssler
Analyst
mark-hendrik.schuessler@nuways-ag.com

Konstantin Völk
Analyst
konstantin.voelk@nuways-ag.com

Find us on Social Media

Instagram

Twitter/X

LinkedIn