knowit (KNOW)

Sweden | IT and Management Consulting | Nasdaq Stockholm Mid Cap

22 October 2026

Buy

DCF value: 133.69 SEK
Close, 22 Oct: 100 SEK
Upside: +33.69%

Margins can recover before sales do

We believe Knowit's smaller workforce and improving utilisation can restore earnings before a strong sales recovery. Our DCF valuation implies a value of SEK 133.69 per share, which offers a 33.69% upside to the SEK 100 close. The case assumes modest growth and a partial margin recovery, with adjusted EBITA margins rising from 5.9% in 2026 to 7.3% in 2028

Early signs of stabilisation

Swedish software and IT services turnover rose 8.3% in H1 2026, and Brainville's Swedish assignment postings grew 29.5% in September. Knowit enters a potential recovery with its average Q2 workforce already 5.4% smaller YoY

Profitability improves before sales recover

Q2 adjusted EBITA rose 13.9% despite 3.8% lower sales, and the margin improved to 4.3% from 3.6%. LTM revenue per average employee held around SEK 1.62m between Q1 and Q2. Higher utilisation could lift profits faster than sales, although the H1 margin of 5.0% (5.1%) shows that recovery is still unproven

Management and reorganisation

Fredrik Walde Ekerhovd became permanent CEO in August 2026. The country-led structure introduced on 1 October will bring customers, staffing and profitability under local leadership. Better consultant allocation and fewer duplicated costs could support margins. Savings remain unquantified

Main risks

Our case depends on demand stabilising at a level that supports higher utilisation. The main risk is that the market settles at a lower level than we assume. TechSverige's September report noted that IT services companies still considered assignment volumes insufficient, despite improving demand expectations. A weaker market could leave more consultant capacity unbilled. Operating leverage would then work against Knowit, as personnel costs are relatively fixed in the short term. Pricing pressure adds to this risk. In Q2 2026, hourly-rate increases did not cover salary increases, which could affect margin recovery. Further capacity reductions may therefore be required, adding restructuring costs. The earnings recovery could consequently be smaller and slower than our case assumes

Investment summary

Recommendation	Buy
Close, 22 Oct	SEK 100
DCF value	SEK 133.69
Implied upside	**+33.69%**
WACC	10.60%
Exit EBITDA	7.5x
Peer-derived value	SEK 128.07
Forecast horizon	2026-2030

Company data

Shares (m)	27.2
Market cap (SEKm)	2 723.8
EV, DCF basis (SEKm)	3 301.4
Net debt incl. leases	SEK 528.0m

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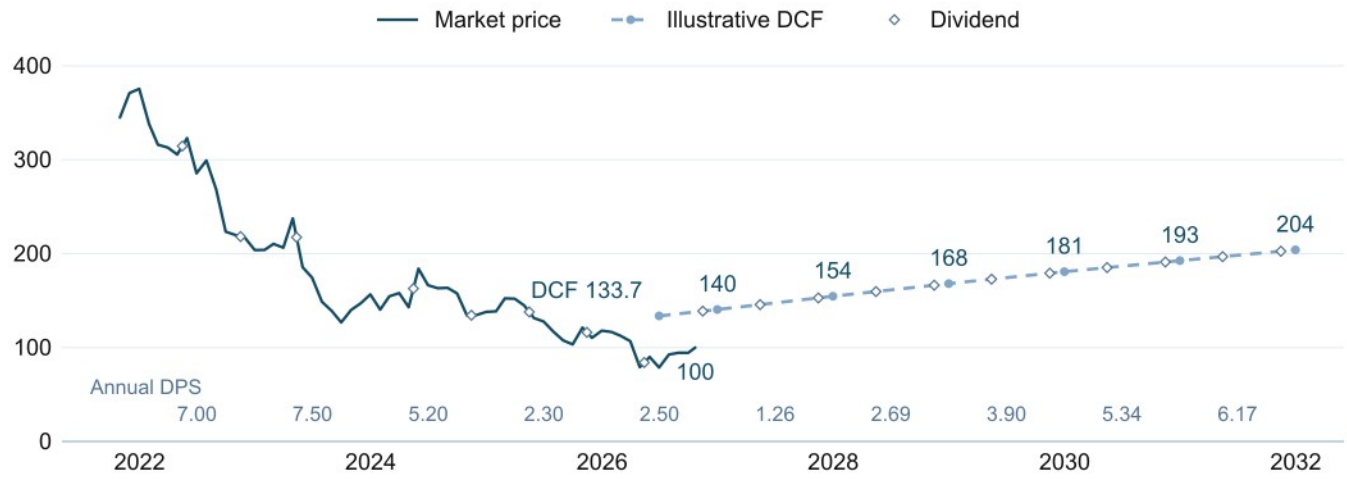
Year-end 31 Dec	FY24	FY25	FY26E	FY27E	FY28E
Revenue (SEKm)	6 416	5 798	5 701	5 909	6 149
Revenue growth (%)	(9.6)	(9.6)	(1.7)	3.6	4.1
Organic growth (%)	(9.0)	(6.4)	(0.1)	3.6	4.1
Inorganic growth (%)	0.0	(1.3)	(1.5)	0.0	0.0
Adj. EBITDA (SEKm)	569.0	507.4	502.6	560.4	613.1
Adj. EBITA (SEKm)	**395.0**	**337.1**	**335.8**	**396.8**	**448.7**
Adj. net income (SEKm)	128.2	105.0	68.7	146.4	212.3
EV / adj. EBITA (x)	**8.4**	**9.8**	**9.8**	**8.3**	**7.4**
FCF yield (%)	16.5	5.9	7.8%	9.4	10.9
ROCE (%)	4.1	(4.2)	3.8	5.9	7.5
Net debt / adj. EBITDA (x)	1.1	0.9	0.9	0.4	0.0

FCF yield deducts capex, lease payments or modelled lease investment, and financing costs. Forecast net income and ROCE use the model's financing schedule. Valuation ratios use the SEK 100 close on 22 October 2026, the DCF base is 30 June 2026. FY2025 reported ROCE includes the SEK 399m goodwill impairment

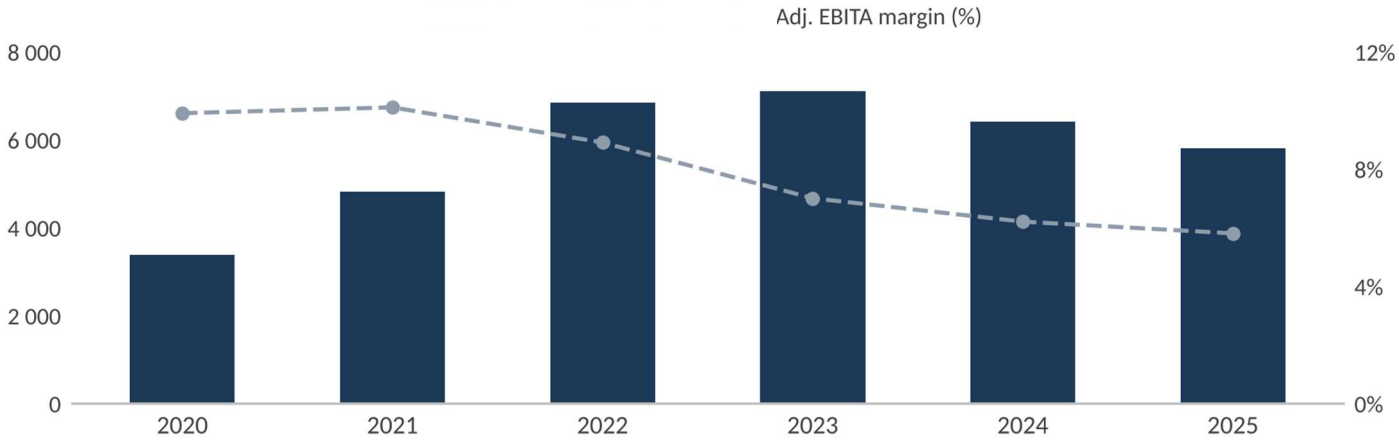
Investment Case in Charts

Knowit share price and illustrative DCF value (SEK)



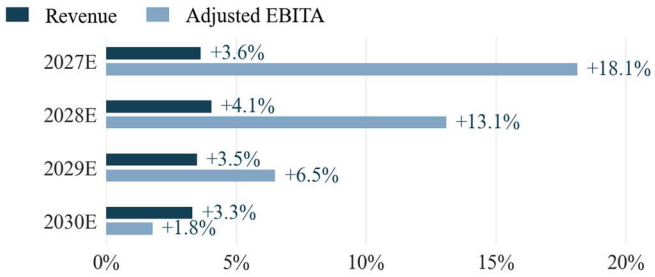
Prices through 22 October 2026. Fixed 27.238m shares and a 50% payout of prior-year modelled profit. Retained cash reduces net debt. The DCF base is 30 June 2026. Diamonds mark dividend payments. Numbers at the foot of the chart show annual DPS. Payment timing from 2027 is estimated, 2031 extends the terminal assumptions

Revenue and adjusted EBITA margin



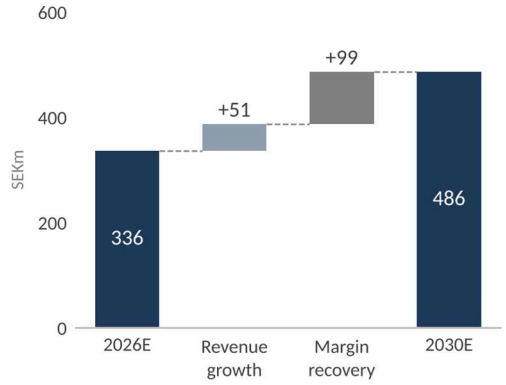
Forecast operating leverage

Year-on-year growth (%)



EBITA initially grows faster than sales as utilisation and margins recover. Wage and other cost increases are included

Adjusted EBITA bridge (SEKm)



The bridge first applies revenue growth at the 2026 margin. The remaining increase comes from margin recovery

Company overview

Knowit is a Nordic IT and management consultancy founded in 1990, with approximately 3 550 employees. The company operates across Sweden, Norway, Finland, Denmark, Poland, Germany and Serbia. It is listed on Nasdaq Stockholm's Mid Cap segment. Knowit's operations are organised into five business areas

In Q2 2026, Solutions accounted for 48% of net sales. It develops customised IT systems, including cloud, data and AI solutions. Experience (19%) focuses on digital customer experiences and e-commerce, while Insight (16%) provides management consulting services covering strategy, ERP systems, cybersecurity and organisational development. Connectivity (10%) develops embedded software and connected solutions, including IoT and 5G technologies, primarily for telecom and automotive clients. Products (7%) comprises proprietary software and platform-based offerings, including solutions for defence and insurance

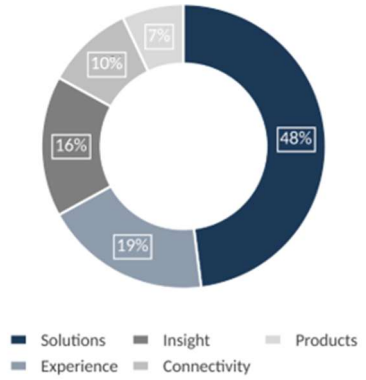
Customers include public-sector organisations and private companies, with buyers across IT, business operations, marketing and R&D. In April 2026, Eiendomskreditt selected Knowit and Mambu to modernise its core banking platform. ICA Försäkring uses Knowit's i2i insurance platform, licensed in 2023. Knowit also gained approval under the NATO Communications and Information Agency's framework in April 2026, allowing it to participate in relevant procurements

Knowit's revenue model is primarily driven by the sale of consulting hours, making revenue dependent on consultant headcount, working hours and utilisation. The public sector generated 42% of Q2 2026 sales, up from 37% a year earlier, supported by growth in Norway and large framework agreements. Retail and services accounted for 15%, industry 13%, banking and finance 8%, and defence 6%. Public-sector framework agreements support demand, while defence offers scope for growth

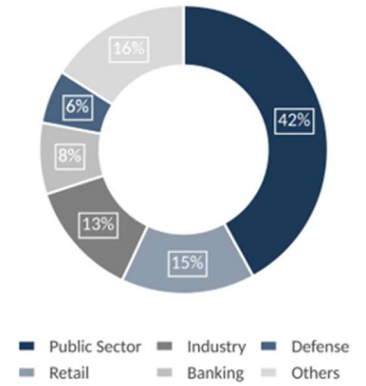
Sweden and Norway generated 45% and 33% of Q2 sales. Finland contributed 11%, Denmark 8% and Poland 4%. Norway's share rose from 29% a year earlier as revenue increased 6% to SEK 463m, supported by large public-sector framework agreements. Norway also generated a 10.3% EBITA margin, compared with 3.3% in Sweden, making its contribution to profit greater than its share of sales. Knowit's sales growth of 42.4% in 2021 and 42.0% in 2022 reflected exceptional IT spending and acquisitions, including Cybercom. The pandemic accelerated digital investment and remote working. Global spending on digital transformation rose from USD 1.31tn in 2020 to USD 1.85tn in 2022. These growth rates provide a poor benchmark for normal demand

Since 2023, Knowit has faced lower demand as clients have delayed or cancelled IT projects. Revenue has fallen from its 2023 peak, putting pressure on profitability. The adjusted EBITA margin was 5.8% over the twelve months to June 2026. In Q1 2026, revenue fell by 9.0% YoY to approximately SEK 1.45bn. The decline slowed to 3.8% in Q2. The operating analysis examines how this lower revenue base affects utilisation and margins

Revenue by business area, Q2 2026



Revenue by sector, Q2 2026



Financial Targets

Knowit targets sales growth of around 15% a year over time, through organic growth and acquisitions, and an EBITA margin of 12%. The adjusted margin was 5.0% in H1 2026, so the gap to target remains wide

Key management

Fredrik Walde Ekerhovd - CEO
Marie Björklund - CFO
Kenneth Gvein - COO
Pernilla Vinneby - MD Sweden

Largest shareholders

Formica Capital AB	13.4%
JCE Group AB	9.45%
TIND Asset Management AS	5.94%
Protector Forsikring ASA	4.91%
Första AP-Fonden	4.77%

Market outlook

Recent Nordic indicators point to stabilisation, although they cover different markets and measures. (1-4,7-8) TechSverige's Tech Temperature rose from -2 in March to 0 in June 2026, reaching neutral territory. IT services companies still reported insufficient assignment volumes. Brainville postings indicate activity rather than filled assignments or utilisation, and platform participation affects the figures (1-2)

Nordic recovery signals	Observation	Interpretation
Sweden, H1 2026 (1)	Software / IT-services turnover +8.3%	Constant, calendar-adjusted prices, broader than consulting
Norway, Q3 2026 (7)	6 in 10 IT consultancies expect hiring, 1 in 10 cuts	Next-six-month expectations, small, FTE-weighted sample
Finland, Aug 2026 (8)	Gofore: +4% organic growth in Finland	One company's performance, not total market growth
Brainville Sweden, YoY (2)	Assignments / available consultants: Aug +48.5% / +4.0%; Sep +29.5% / +18.1%	Platform activity, August excludes healthcare
B3, Q2 2026 vs Q2 2025 (3)	Utilisation 86.1% vs 84.7%; EBITA margin 4.5% vs 3.7%	Company-level operating improvement

The indicators cover realised activity, hiring expectations, platform postings and individual companies. They do not form a common Nordic market-growth series. Sources: (1-3,7-8)

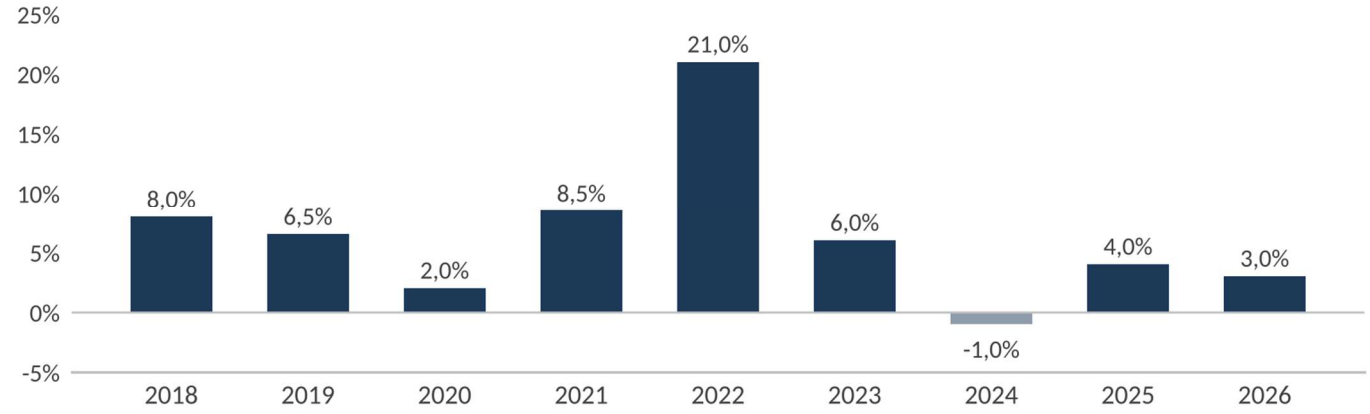
Profitability can improve before sales recover. B3's Q2 revenue fell by 3.4% YoY, while EBITA rose by 18.3%, alongside higher utilisation. Knowit's sales decline slowed to 3.8% from 9.0% in Q1, and its Q2 adjusted EBITA margin rose to 4.3% from 3.6%. However, hourly-rate increases did not cover higher salaries, leaving pricing a constraint (3-4)

AI creates work in data preparation, systems integration, workflow redesign, governance and security, but interest must convert into funded assignments. The FT reported clients delaying larger transformations while assessing AI. Accenture's FY2027 guidance of 3-6% growth in local currency is a global reference. Tho not a Nordic or organic-growth forecast it can be used to interoperate global market growth. AI can reduce billable hours on time-and-materials contracts while improving fixed-price delivery economics. The net benefit depends on pricing, project mix, tool costs and whether saved capacity generates additional paid work. (5-6) Cloud migration, legacy-system integration, optimisation and security create related needs. Knowit has renewed its Azure Expert MSP status and was selected with Mambu to modernise Eiendomskreditt's core banking platform. Cybersecurity adds access-management, monitoring and resilience requirements (4)

Sweden and Norway generated 45% and 33% of Knowit's Q2 sales. The public sector accounted for 42% and defence for 6%. Norwegian public-sector framework agreements supported performance, while NATO supplier approval expanded procurement access. Modernisation and security needs provide opportunities, but budgets, contract awards, call-offs and delivery timing determine revenue. (4) The evidence points to stabilisation. Our forecasts assume revenue growth of 3.6% in 2027 and 4.1% in 2028 as available consultants spend more time on paid assignments, supported by pricing and business mix. This depends on winning funded work and matching consultants' skills to it

Sources: (1) TechSverige, August 2026 report, pp. 3-4 (published September). (2) Brainville Sweden, August/September updates, 2 Sep/1 Oct 2026. (3) B3 Q2 2026, pp. 2, 5. (4) Knowit Q2 2026, pp. 1-5. (5) Financial Times, 13 Oct 2026. (6) Accenture Q4 FY2026 presentation, p. 5, 1 Oct 2026. (7) Abelia, Q3 2026 market survey, employment outlook. (8) Gofore, August 2026 business review, 11 September 2026

Accenture organic revenue growth (%)



Approximate organic growth in local currency, fiscal years ended 31 August

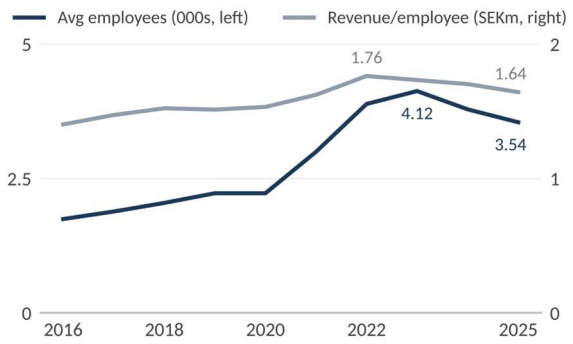
Turnaround drivers

A leaner organisation

Between December 2022 and June 2026, Knowit's headcount fell from 4 410 to 3 550, a reduction of 19.5%, including 164 fewer employees during H1 2026. A smaller workforce lowers the personnel cost base for a potential recovery. Annual revenue per average employee fell from SEK 1.76m in 2022 to SEK 1.64m in 2025. On a comparable LTM basis, the ratio was broadly unchanged between Q1 and Q2 2026 at SEK 1.615m and SEK 1.621m. The Q2 LTM figure remained 3.2% below SEK 1.674m a year earlier. This points to stabilisation where a sustained recovery is still unproven. Pricing, currency, business mix and portfolio changes also affect the ratio. Higher utilisation within the smaller workforce could support margin expansion if demand stabilises

The chart uses calendar-year revenue and average employees. Interim LTM averages are reconstructed from reported period averages

Average employees and revenue per employee
Calendar years 2016-2025



Operating leverage

Consultants' salaries are relatively fixed in the short term. Personnel costs were SEK 4.06bn in 2025, around 70% of revenue. They fell 5.3%, while revenue declined 9.6%, illustrating the margin pressure when sales fall faster than costs. If the remaining employees bill more hours, revenue can increase faster than personnel costs, creating operating leverage. In its Q1 2026 investor presentation, Knowit reported increased utilisation in all five business areas. Its Q2 report stated that the positive utilisation trend seen for over a year had continued. This supports an improving utilisation trend. The size of future gains remains our assumption. At the LTM revenue base, a 3% sales increase would lift adjusted EBITA by around 26% if half of the additional revenue contributes to EBITA

Additional adjusted EBITA at TTM revenue

EBITA margin	Additional EBITA (SEK m)
5.8% reference	0
6.0%	+11
6.5%	+39
7.0%	+67
7.5%	+95

Knowit generated approximately SEK 5.6bn in revenue over the twelve months to June 2026. At this revenue level, a 50-basis-point increase in adjusted EBITA margin would add approximately SEK 28m in annual EBITA, while 100 basis points would add SEK 56m, assuming unchanged revenue. The table shows additional annual adjusted EBITA at the same TTM revenue, relative to a 5.8% margin. Our forecasts assume a partial margin recovery, with the EBITDA margin reaching around 10% in 2028-2030, compared with 11.7% in 2021. This assumes improved utilisation and a lower cost base, without a full return to earlier profitability

An uneven recovery across business areas

In Q2 2026, EBITA margins for Experience and Connectivity increased from 2.3% to 6.1% and 1.9% to 5.7%, respectively. Together, they generated an additional SEK 15.6m in EBITA YoY, despite combined revenue growth of only 0.9%. Solutions, the largest business area at 48% of sales, maintained a 6.9% margin despite a 3.7% revenue decline against the disposal-adjusted comparison. This indicates margin resilience in a weaker market. Insight's 3.7% margin remained affected by restructuring, ERP capacity investments and delayed assignments. However, new transformation assignments and strong cybersecurity and defence demand could support recovery. Products adds a further growth opportunity, with revenue increasing 14.2% against the acquisition-adjusted comparison to SEK 100.7m. Management highlighted strong demand in defence, security and mobility. Although its margin declined from an acquisition-adjusted 14.4% to 10.4%, it remained the highest among the five business areas. Its reusable software and platforms could also support growth with less dependence on adding consulting hours

A simpler organisation could support recovery

From 1 October 2026, responsibility for customers, employees and profitability was brought together within Knowit's operations in Sweden, Norway, Finland and Denmark. Products remains separate with its own governance model. This could make it easier to coordinate staffing and customer relationships across the former business areas. Better matching of consultants to assignments could support utilisation, while clearer responsibility could help management address weaker operations and duplicated overheads. Management has not quantified the expected savings. For comparison, Rejlers' 2018 restructuring targeted SEK 30m in annual savings, equivalent to around 127 basis points of its 2018 revenue. Country-level pro forma figures are due by December 2026

Financial forecasts

Revenue forecasts

Our revenue assumptions reflect the gradual recovery discussed in the market outlook. For consulting services, we assess growth through delivery headcount, available working hours, utilisation and realised hourly rates. Headcount and working hours determine the available capacity. Utilisation determines how much of this capacity becomes billable work, while the realised hourly rate converts that work into revenue

> Billable hours = Average delivery headcount × Available hours per consultant × Utilisation
> Consulting revenue ≈ Billable hours × Realised hourly rate

We forecast group revenue to decline by 1.7% in 2026, before returning to growth of 3.6% in 2027 and 4.1% in 2028. During the initial recovery, we expect improved utilisation to support sales within the existing workforce, limiting the immediate need for recruitment. This assumes that available consultants match the requirements of incoming assignments. As utilisation improves, further gains become harder to repeat. Growth therefore increasingly depends on selective recruitment, realised pricing and business mix. Group revenue growth moderates to 3.5% in 2029 and 3.3% in 2030

The assumptions differ between business areas. Solutions is forecast to grow by 2% in 2027 and 3% annually thereafter. Experience and Insight initially grow by 4%, while Connectivity grows by 5%, before all three moderate to 3% by 2030. Products grows faster, with growth slowing from 12% in 2027 to 7% in 2030. Its revenue increases from SEK 369m in 2026 to SEK 526m in 2030, raising its share of group sales from approximately 6.5% to 8.0%. Product and licence revenue is assessed separately from the consulting-hours framework. Together, these assumptions increase group revenue from SEK 5.70bn to SEK 6.58bn over 2026-2030, representing total growth of 15.3%, or approximately 3.6% annually. Solutions contributes approximately SEK 329m, or 38%, of the forecast revenue increase between 2026 and 2030. Products contributes SEK 156m, or 18%. The largest absolute contribution therefore still comes from Solutions, despite Products' faster growth

Revenue (SEK m)	2026E	2027E	2028E	2029E	2030E
Solutions	2 870	2 927	3 015	3 105	3 198
Experience	1 053	1 095	1 139	1 173	1 208
Connectivity	587	617	647	673	694
Insight	860	895	931	959	987
Products	369	413	455	491	526
Other	(38)	(38)	(38)	(38)	(38)
Total revenue	5 701	5 909	6 149	6 363	6 575
Revenue growth	(1.7%)	3.6%	4.1%	3.5%	3.3%

Group forecasts (SEK m)	2026E	2027E	2028E	2029E	2030E
Adjusted EBITA	335.8	396.8	448.7	477.9	486.4
Adjusted EBITA margin	5.89%	6.71%	7.30%	7.51%	7.40%
EBITDA margin	8.82%	9.48%	9.97%	10.13%	9.99%

Margin recovery drives the earnings case

We expect margin recovery to contribute more to earnings growth than higher sales. Adjusted EBITA increases from SEK 336m in 2026 to SEK 486m in 2030, up 44.8%, against revenue growth of 15.3%. The adjusted EBITA margin rises from 5.9% to 7.4%, or approximately 151 basis points. Margin recovery accounts for around 66% of the projected earnings increase. EBITDA margins remain close to 10% during 2028-2030. Annual unlevered free cash flow rises from SEK 280m in 2027 to SEK 344m in 2030, up 23.1%, with the free cash flow margin increasing from 4.7% to 5.2%

The operating model starts from the 2026E cost base. We assume based on previous levels, annual compensation growth of 3%, pricing growth of 2% and fixed non-pay cost growth of 2%. Relative gains in consultant utilisation and staffing efficiency are 2%, 1.5%, 1% and 0.5% in 2027-2030, cumulatively 5.1%. We assume larger gains early as spare capacity fills, followed by smaller gains as further improvements become harder to achieve. Products uses 0.5% annual staff-efficiency gains. These are relative improvements, not percentage-point changes in an absolute utilisation rate. Knowit's Q1 and Q2 comments support an improving trend, the percentages are our estimates. Appendices A and B show the cost equations and worked examples

The country-led organisation could support consultant allocation and cost discipline. Earlier cost reductions are reflected in the starting base, and no separate restructuring uplift is added. Corporate costs increase from SEK 97m to SEK 105m. In 2030, adjusted EBITA margins reach 10.16% for Solutions, 7.60% for Experience, 8.52% for Connectivity, 4.21% for Insight and 14.08% for Products. Products' higher margin reflects revenue growth of 7-12%, while fixed non-pay costs rise by 2% a year. Insight's lower margin reflects its weaker starting profitability. Appendix A shows the calculations and Appendix B sets out the cost methodology

Valuation

Our operating DCF implies SEK 133.69 per share using the margin assumptions above, a 10.60% WACC and a 7.5x terminal EBITDA multiple. This is 33.69% above the SEK 100 closing price on 22 October 2026. The DCF retains its 30 June 2026 base and balance-sheet inputs. Knowit's estimates are our own, while Capital IQ consensus estimates are used only for peers

Comparable company analysis

Company	EV SEK m	EV/Sales 26E	EV/Sales 27E	EV/EBITDA 26E	EV/EBITDA 27E	EV/EBITA proxy* 26E	EV/EBITA proxy* 27E
Knowit	3 248	0.6x	0.55x	6.5x	5.8x	6.8x	6.1x
Addnode	10 611.5	1.6x	1.6x	9.4x	9.0x	11.3x	10.6x
B3 Consulting	475.9	0.4x	0.4x	5.7x	4.8x	5.8x	4.8x
Tieto	29 983.9	1.5x	1.5x	8.6x	8.6x	9.4x	9.4x
Digia	1 752.6	0.7x	0.7x	6.4x	5.5x	7.3x	6.3x
Peer average	**-**	**1.1x**	**1.1x**	**7.5x**	**7.0x**	**8.4x**	**7.8x**
Peer median	**-**	**1.1x**	**1.1x**	**7.5x**	**7.1x**	**8.4x**	**7.8x**

DCF equity bridge, SEK m	
PV forecast cash flow	1 091.1
PV terminal value	3 128.0
Enterprise value	4 219.0
Less net debt including leases	(528.0)
Less acquisition liabilities	(49.6)
Equity value	3 641.4
Shares outstanding (m)	27.2
DCF value (SEK/share)	133.69

Peer-derived valuation	
2027E EBITA proxy (SEK m)	534.86
Selected multiple	7.5x
Enterprise value (SEK m)	4 011.43
Less net debt including leases (SEK m)	(528.0)
Shares outstanding (m)	27.2
Implied value (SEK/share)	128.07
Closing price, 22 Oct 2026	100
Implied upside	28.07%

DCF sensitivity - implied value per share (SEK)

WACC \ Exit EBITDA multiple	133.69	6.5x	7.0x	7.5x	8.0x	8.5x
9.60%		123.38	131.36	139.33	147.31	155.29
10.10%		120.85	128.66	136.48	144.29	152.11
10.60%		118.38	126.03	133.69	141.35	149.00
11.10%		115.96	123.46	130.97	138.47	145.97
11.60%		113.60	120.96	128.31	135.66	143.01

Operating forecasts and capital structure are held constant. Terminal value is discounted at year-end 2030

Investment summary

We retain a Buy view because Knowit can rebuild earnings only requiring a simple increase in market activity. Market indicators point to stabilisation and the workforce is smaller. Our forecasts assume revenue growth of 3.6% in 2027 and 4.1% in 2028. Higher utilisation and slower growth in fixed costs lift adjusted EBITA from SEK 336m in 2026 to SEK 486m in 2030, against 15.3% revenue growth

The forecast includes cumulative relative consulting-efficiency gains of 5.1% over 2027-2030, with larger gains early as spare capacity fills. These are our estimates and management's utilisation comments support the direction. The country-led organisation may help staffing and cost control, but expected savings are unquantified and no separate restructuring uplift is added. Weak demand, salary growth outpacing pricing or difficulty matching consultants to assignments would threaten the margin recovery

The DCF gives SEK 133.69 per share, or 33.69% upside, while the 2% Gordon check gives SEK 118.99 (Appendix C). The peer-based value is SEK 128.07 per share, implying 28.07% upside, using a selected 7.5x 2027E EBITA proxy multiple below the 7.8x peer average. Knowit's current 6.1x 2027E EV/EBITA proxy multiple is approximately 22% below that average, although lease treatment and business-mix differences limit comparability. With 74.1% of DCF enterprise value coming from the terminal value, the Buy case depends on delivering the forecast cash generation.

*The peer EBITA proxy deducts fixed historical PPE depreciation from EBITDA. For Knowit, it leaves right-of-use depreciation undeducted and therefore differs from operating adjusted EBITA. The two measures are SEK 534.86m and SEK 396.76m in 2027E, respectively. Lease treatment limits comparability across peers.

Appendix A: Operating margin calculations

Independent operating assumptions produce a 7.40% group adjusted EBITA margin in 2030 and a DCF value of SEK 133.69 per share

Operating assumptions

Driver	2027E	2028E	2029E	2030E
Pricing growth	2.0%	2.0%	2.0%	2.0%
Compensation growth	3.0%	3.0%	3.0%	3.0%
Consulting efficiency gain	2.0%	1.5%	1.0%	0.5%
Fixed non-pay cost growth	2.0%	2.0%	2.0%	2.0%
Products staff-efficiency gain	0.5%	0.5%	0.5%	0.5%

Solutions 2027 worked example

Personnel costs reflect revenue growth, compensation, pricing and relative efficiency gains, with working hours held constant

$$P_{2027} = 1{,}704.7 \times \frac{1.02 \times 1.03}{1.02 \times 1.02} \approx 1{,}721.4 \text{ (SEKm)}$$

Metric	2026E	2027E
Revenue	2 869.6	2 927.0
Personnel cost	1 704.7	1 721.4
Variable non-pay costs	450.0	459.0
Fixed non-pay costs	450.0	459.0
Depreciation	4.9	4.8
Adjusted EBITA	260.1	282.9
Adjusted EBITA margin	9.06%	9.66%
Personnel cost growth	Base	0.98%

Calculated margins and valuation

Business area	2027E	2028E	2029E	2030E
Solutions	9.66%	10.12%	10.29%	10.16%
Experience	7.08%	7.67%	7.81%	7.60%
Connectivity	7.75%	8.47%	8.72%	8.52%
Insight	3.78%	4.37%	4.48%	4.21%
Products	12.96%	13.55%	13.88%	14.08%
Group after corporate costs	6.71%	7.30%	7.51%	7.40%

Metric	Current base case
2030 adjusted EBITA (SEK m)	486.4
Implied DCF value (SEK/share)	133.69

The group margin eases from 7.51% in 2029 to 7.40% in 2030 as 3% compensation growth exceeds combined pricing and efficiency gains of 2.51%. These are forecast assumptions, not reported rates. Starting payroll is inferred from 2026E margins and historical cost shares. Products assumes personnel costs at 70% of allocated operating costs and depreciation at 0.2% of revenue. Remaining non-pay costs are split equally between variable and fixed costs. No separate restructuring uplift is added

Appendix B: Business area cost calculations

One model applies to all five areas. Starting margins, cost shares and revenue forecasts explain differences in profitability

Establishing the 2026E cost base

Business area	Revenue	Adj. EBITA margin	Personnel share	PPE proxy / sales	Modelled payroll
Solutions	2 869.6	9.06%	65.45%	0.171%	1 704.7
Experience	1 052.8	6.15%	73.14%	0.129%	721.7
Connectivity	587.3	6.68%	72.42%	0.470%	394.9
Insight	860.4	2.81%	79.17%	0.101%	661.3
Products	369.1	12.06%	70.00%	0.200%	226.7

Consulting payroll shares use 2025 employee costs divided by the sum of employee costs and other segment costs. PPE depreciation proxies use 2025 segment depreciation relative to sales. Products assumes a 70% payroll share and a 0.2% proxy. Depreciation in 2026E equals revenue multiplied by the PPE proxy/sales ratio in the table

$$C_0 = R_0\,(1 - m_0) - D_0 \qquad P_0 = s\,C_0$$

$$V_0 = F_0 = (C_0 - P_0)\,/\,2$$

R is revenue, m the adjusted EBITA margin, D the depreciation proxy, C remaining operating costs, P personnel costs and s the payroll share. V and F are variable and fixed non-pay costs. These are modelled allocations, not reported 2026 costs

Forecasting personnel costs

$$P_t = P_{t-1} \times \frac{(R_t / R_{t-1}) \times 1.03}{1.02 \times (1 + e_t)}$$

Compensation grows by 3% and pricing by 2% annually. Relative efficiency gains (e) are 2%, 1.5%, 1% and 0.5% in 2027-2030 for consulting areas found by looking at previous years. Products use 0.5% annual staff-efficiency gains. Working hours remain constant. Higher pricing and efficiency reduce the capacity needed per unit of revenue

Other costs and the group reconciliation

Variable non-pay costs follow revenue. Fixed non-pay costs grow by 2% annually. Each area's depreciation proxy follows the group PPE-plus-lease depreciation index, this is not a full area lease-cost allocation

$$\mathrm{EBITA}_{i,t} = R_{i,t} - P_{i,t} - V_{i,t} - F_{i,t} - D_{i,t}$$

Each area's EBITA margin is EBITA divided by its revenue. Group adjusted EBITA equals the five area results less corporate costs, which rise from SEK 97m in 2026E to SEK 105m in 2030E. Group margin is group EBITA divided by consolidated revenue after eliminations. No separate restructuring uplift is added

Products 2027 worked example

$$P_{2027} = 226.73 \times \frac{1.12 \times 1.03}{1.02 \times 1.005} = 255.15$$

$$\mathrm{EBITA} = 413.44 - 255.15 - 54.42 - 49.56 - 0.72 = 53.59$$

The resulting margin is 12.96%. Revenue grows 12%, while fixed non-pay costs rise 2%. This supports margin expansion even though personnel costs grow slightly faster than sales

Appendix C: Terminal value and Gordon growth

We retain a 7.5x multiple on 2030E EBITDA of SEK 656.8m, giving a terminal value of SEK 4 925.6m, or SEK 3 128.0m today. This accounts for 74.1% of enterprise value. The explicit forecast covers H2 2026 and 2027-2030 and includes weaker cash flows during the initial recovery, leaving most of the value after 2030. The valuation therefore relies on Knowit sustaining the forecast 2030 cash generation

A 2% Gordon growth check on 2030 unlevered free cash flow of SEK 344.3m gives SEK 118.99 per share, 19% above the SEK 100 close, using a 10.60% WACC. It assumes each year's cash flow arrives mid-year, consistent with the explicit forecast. The exit-multiple method values the company at year-end 2030. Under these cash-flow timing assumptions, the 7.5x exit multiple implies about 3.0% perpetual free-cash-flow growth. SEK 133.69 remains our base case

The Gordon check assumes continuing annual cash flows arrive mid-year, first in 2031. Assuming year-end receipts instead gives SEK 114.07. Both retain forecast 2030 cash conversion and the same equity bridge.

Disclaimer

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