

## Svedbergs Group

Consumer Goods  
Sweden

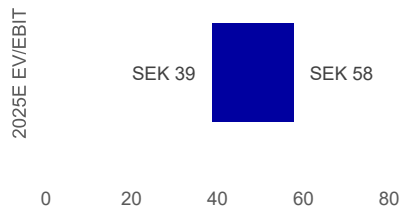
## KEY DATA

Stock country	Sweden
Bloomberg	SVEDB.SS
Reuters	SVEDb.ST
Share price (close)	SEK 46.30
Free float	
Market cap. (bn)	EUR 0.21/SEK 2.45
Website	www.svedbergsgroup.se
Next report date	25 Oct 2024

## PERFORMANCE



## VALUATION APPROACH



## ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	-1%	-1%	0%
EBIT (adj)	-4%	-2%	-1%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Mona Kilsgård  
AnalystAgnieszka Vilela  
Managing Director

## Operational excellence bearing fruit

Svedbergs Group released a solid Q2, growing its top line by 23% y/y and adjusted EBITA by 31%, primarily driven by the margin-accretive Thebalux and continued solid performance in Roper Rhodes. Yet, as market conditions continue to be challenging, especially for the Svedbergs brand, we cut adjusted EBITA by 1-4% for 2024E-26E. Given the company's strict cost control and de-risked end-market exposure, though, we still believe that improved operational excellence and efficiencies should continue to yield results. We derive a slightly lower fair value range of SEK 39-58 (40-60), which translates to 2025E adjusted EV/EBIT of 7.5-10.5x.

## Showcasing its strong market position

Svedbergs Group delivered a solid set of Q2 2024 numbers: sales grew by 23% y/y, with organic growth of -1.6% y/y versus our estimate of -1% (no consensus). Despite growing by 31% y/y, adjusted EBITA missed our forecast by 5%, mainly because newbuilds continued to be soft – primarily visible in Svedbergs. However, supported by strong performance in all the remaining segments, with Roper Rhodes and Thebalux continuously showing resilience despite a soft market outlook being maintained for the year, the adjusted EBITA margin grew by 0.9pp y/y, to 13.5%.

## Estimate revisions and expectations

We leave our sales estimates for 2024-26 largely unchanged, as our lowered outlook for the Svedbergs brand is mainly offset by our increased forecasts for the remaining parts of the group. We lower our adjusted EBITA forecasts by 1-4% for 2024-26, due to our more cautious view on the margin development for Svedbergs. However, given some additional cost savings ahead, coupled with the fact that the increased costs related to the commissioning of new production equipment seen in Q2 are not likely to continue into H2, earnings for the segment should be less volatile going forward. Following the company's tight cost control and operational efficiency, we raise our margin assumptions for the remaining segments, all of which beat our estimates on adjusted EBITA for the quarter, and we now pencil in an adjusted EBITA CAGR of 16% for the group for 2023-26.

## We trim our fair value range to SEK 39-58

We trim our fair value range to SEK 39-58 (40-60) per share, reflecting 2025E adjusted EV/EBIT of 7.5-10.5x. On our updated numbers, Svedbergs Group is trading at 2025E EV/EBIT of ~9x, which reflects a ~30% discount to our selected peer group.

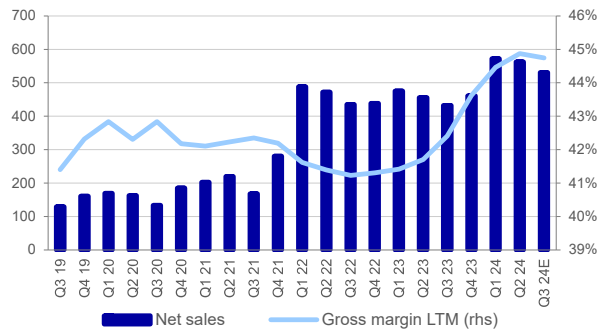
## SUMMARY TABLE - KEY FIGURES

SEKm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	649	869	1,833	1,824	2,193	2,289	2,382
EBITDA (adj)	100	146	298	292	382	428	458
EBIT (adj)	76	114	242	229	302	336	362
EBIT (adj) margin	11.8%	13.1%	13.2%	12.5%	13.8%	14.7%	15.2%
EPS (adj, SEK)	2.88	3.15	5.17	4.01	3.33	3.82	4.21
EPS (adj) growth	47.0%	9.3%	64.0%	-22.4%	-16.9%	14.7%	10.1%
DPS (ord, SEK)	0.00	1.25	0.00	1.50	1.00	1.00	1.25
EV/Sales	1.1	3.2	0.7	1.2	1.4	1.3	1.1
EV/EBIT (adj)	9.6	24.1	5.7	9.7	10.3	8.7	7.5
P/E (adj)	8.5	19.6	4.3	7.8	13.9	12.1	11.0
P/BV	2.3	6.0	0.8	1.1	1.6	1.4	1.2
Dividend yield (ord)	0.0%	2.0%	0.0%	4.8%	2.2%	2.2%	2.7%
FCF Yield bef A&D, lease	12.8%	5.0%	27.0%	15.4%	5.7%	9.3%	10.3%
Net debt	212	1,137	623	1,108	648	472	273
Net debt/EBITDA	2.4	9.0	2.1	4.0	1.7	1.1	0.6
ROIC after tax	13.0%	8.4%	11.2%	8.6%	9.8%	10.6%	11.1%

Source: Company data and Nordea estimates

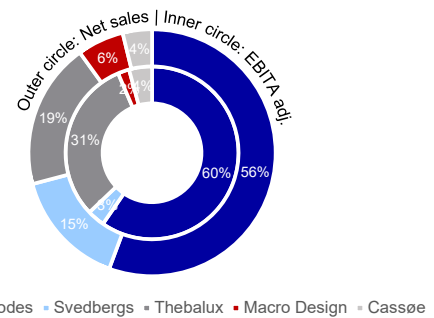
# Key charts

## NET SALES (SEKm) AND GROSS MARGIN LTM (%)



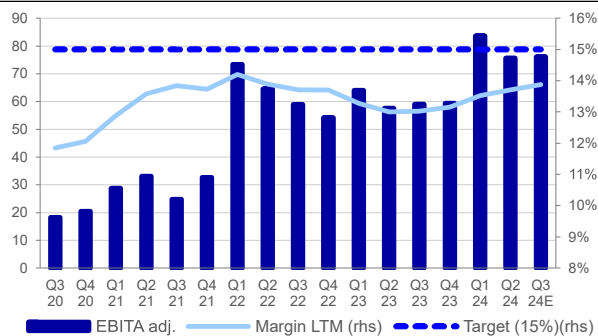
Source: Company data and Nordea estimates

## DIVISIONAL DISTRIBUTIONS, Q3 2024



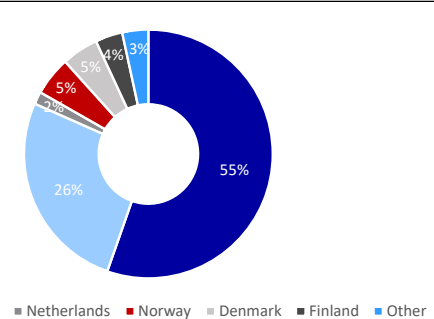
Source: Company data and Nordea estimates

## ADJUSTED EBITA (SEKm) AND MARGIN (%)



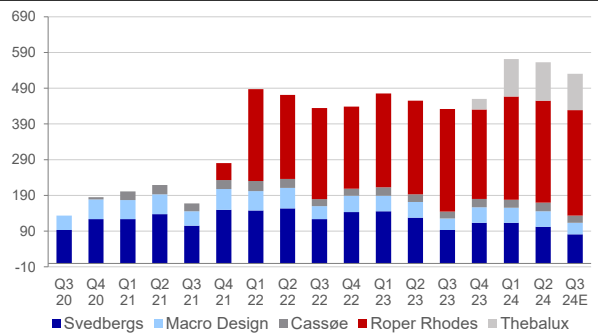
Source: Company data and Nordea estimates

## GEOGRAPHICAL SALES SPLIT (SEKm), 2023



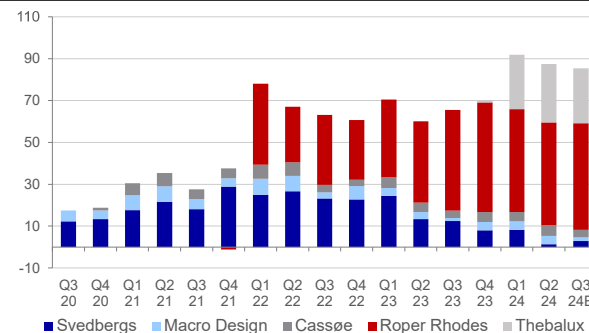
Source: Company data and Nordea

## EXTERNAL SALES DISTRIBUTION (SEKm)



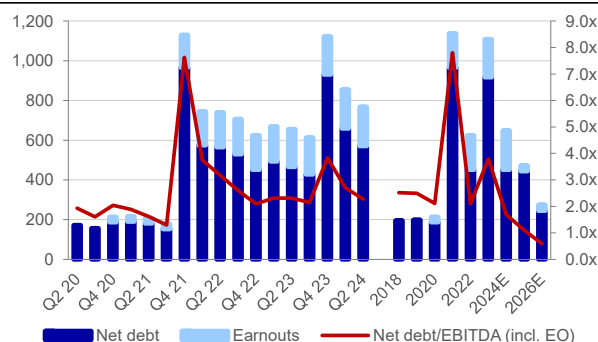
Source: Company data and Nordea estimates

## ADJUSTED EBITA DISTRIBUTION (SEKm)



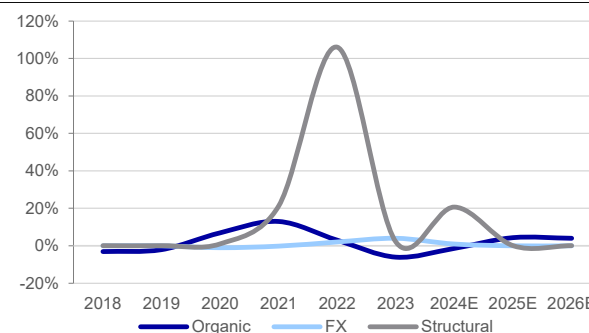
Source: Company data and Nordea estimates

## NET DEBT (SEKm) AND LEVERAGE RATIO (x)



Source: Company data and Nordea estimates

## SALES GROWTH DRIVERS (%)



Source: Company data and Nordea estimates

# Deviation

## SVEDBERGS GROUP: Q2 2024 DEVIATION

SEKm	Actual Q2 24	NDA est. Q2 24	Deviation vs. actual		Actual Q1 24	q/q %	Actual Q2 23	y/y %
<b>Net sales</b>	<b>562</b>	<b>560</b>	<b>3</b>	<b>0%</b>	<b>572</b>	<b>-2%</b>	<b>456</b>	<b>23%</b>
Gross profit	248	251	-2	-1%	255	-3%	193	29%
Adj. EBITDA	91	96	-4	-5%	100	-8%	70	31%
<b>Adj. EBITA</b>	<b>76</b>	<b>80</b>	<b>-4</b>	<b>-5%</b>	<b>84</b>	<b>-10%</b>	<b>58</b>	<b>31%</b>
Adj. EBIT	72	76	-4	-5%	80	-10%	55	31%
IAC	0	0	0	-	0	-100%	-4	-100%
EBIT	72	76	-4	-5%	80	-10%	51	41%
Net financials	-18	-12	-6	53%	-12	48%	-9	95%
Pre-tax profit	54	64	-10	-16%	67	-20%	42	29%
Net profit	40	48	-7	-15%	50	-19%	33	22%
<b>EPS (SEK)</b>	<b>0.76</b>	<b>0.90</b>	<b>-0.14</b>	<b>-16%</b>	<b>0.95</b>	<b>-20%</b>	<b>0.93</b>	<b>-19%</b>
<b>Margins</b>								
Gross margin	44.2%	44.8%	-	-0.6pp	44.6%	-0.5pp	42.3%	1.9pp
Adj. EBITDA margin	16.2%	17.1%	-	-0.9pp	17.4%	-1.2pp	15.3%	0.9pp
<b>Adj. EBITA margin</b>	<b>13.5%</b>	<b>14.2%</b>	<b>-</b>	<b>-0.7pp</b>	<b>14.6%</b>	<b>-1.2pp</b>	<b>12.6%</b>	<b>0.8pp</b>
Adj. EBIT margin	12.8%	13.5%	-	-0.7pp	14.0%	-1.2pp	12.0%	0.7pp
EBIT margin	12.8%	13.5%	-	-0.7pp	13.9%	-1.1pp	11.2%	1.6pp
<b>External net sales</b>								
Svedbergs	102	115	-13	-11%	113	-10%	128	-20%
Macro design	44	43	0	1%	42	3%	43	0%
Cassøe	25	22	3	14%	23	9%	22	11%
Roper Rhodes	285	280	6	2%	289	-1%	262	9%
Thebalux	107	101	6	6%	105	2%	0	-
<b>Group</b>	<b>562</b>	<b>560</b>	<b>3</b>	<b>0%</b>	<b>572</b>	<b>-2%</b>	<b>456</b>	<b>23%</b>
<b>EBITA adj. by segment</b>								
Svedbergs	1	8	-7	-84%	8	-84%	13	-90%
Macro design	4	3	1	21%	4	0%	3	28%
Cassøe	5	4	1	19%	4	14%	5	9%
Roper Rhodes	49	44	5	10%	49	0%	39	26%
Thebalux	28	24	3	14%	26	7%	0	-
Eliminations	-12	-5	-7	132%	-8	41%	-3	364%
<b>Group</b>	<b>76</b>	<b>80</b>	<b>-4</b>	<b>-5%</b>	<b>84</b>	<b>-9%</b>	<b>58</b>	<b>32%</b>
<b>EBITA adj. margin by segment</b>								
Svedbergs	1.3%	7.0%	-	-5.7pp	7.2%	-6.0pp	10.5%	-9.2pp
Macro design	9.4%	7.9%	-	1.6pp	9.7%	-0.3pp	7.4%	2.1pp
Cassøe	20.3%	19.4%	-	0.9pp	19.5%	0.9pp	20.8%	-0.5pp
Roper Rhodes	17.2%	15.9%	-	1.3pp	17.0%	0.2pp	14.8%	2.4pp
Thebalux	26.1%	24.3%	-	1.8pp	24.8%	1.3pp	-	-
<b>Group</b>	<b>13.5%</b>	<b>14.2%</b>	<b>-</b>	<b>-0.7pp</b>	<b>14.6%</b>	<b>-1.2pp</b>	<b>12.6%</b>	<b>0.8pp</b>

Source: Company data and Nordea estimates

# Revisions

## SVEDBERGS GROUP: ESTIMATE REVISIONS

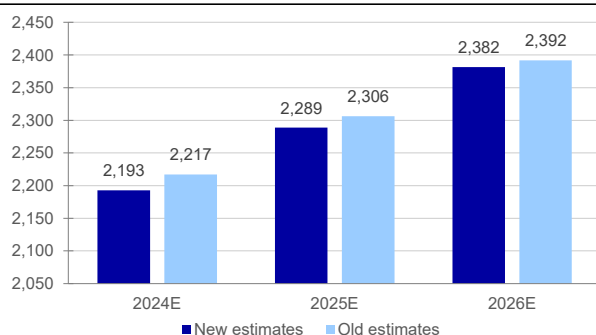
SEKm	New estimates				Old estimates				Difference %			
	Q2 24	2024E	2025E	2026E	Q2 24	2024E	2025E	2026E	Q2 24	2024E	2025E	2026E
<b>Net sales</b>	<b>562</b>	<b>2,193</b>	<b>2,289</b>	<b>2,382</b>	<b>560</b>	<b>2,217</b>	<b>2,306</b>	<b>2,392</b>	<b>0%</b>	<b>-1%</b>	<b>-1%</b>	<b>0%</b>
COGS	-314	-1,216	-1,255	-1,300	-309	-1,218	-1,260	-1,305	2%	0%	0%	0%
Gross profit	248	976	1,034	1,082	251	999	1,046	1,087	-1%	-2%	-1%	0%
Gross margin	44.2%	44.5%	45.2%	45.4%	44.8%	45.0%	45.4%	45.4%	-0.6pp	-0.5pp	-0.2pp	0.0pp
Adj. opex	-157	-594	-607	-624	-155	-601	-611	-627	1%	-1%	-1%	0%
<b>Adj. EBITDA</b>	<b>91</b>	<b>382</b>	<b>428</b>	<b>458</b>	<b>96</b>	<b>398</b>	<b>435</b>	<b>460</b>	<b>-5%</b>	<b>-4%</b>	<b>-2%</b>	<b>-1%</b>
Adj. EBITDA margin	16.3%	17.4%	18.7%	19.2%	17.1%	17.9%	18.9%	19.2%	-0.9pp	-0.5pp	-0.2pp	0.0pp
Depreciation	-16	-65	-78	-81	-16	-66	-78	-81	-4%	-2%	-1%	0%
<b>Adj. EBITA</b>	<b>76</b>	<b>317</b>	<b>350</b>	<b>377</b>	<b>80</b>	<b>331</b>	<b>357</b>	<b>379</b>	<b>-5%</b>	<b>-4%</b>	<b>-2%</b>	<b>-1%</b>
Adj. EBITA margin	13.5%	14.5%	15.3%	15.8%	14.2%	14.9%	15.5%	15.8%	-0.7pp	-0.5pp	-0.2pp	0.0pp
Amortisation (PPA)	-4	-16	-14	-14	-4	-16	-14	-14	0%	-1%	-1%	0%
<b>Adj. EBIT</b>	<b>72</b>	<b>302</b>	<b>336</b>	<b>362</b>	<b>76</b>	<b>316</b>	<b>343</b>	<b>364</b>	<b>-5%</b>	<b>-4%</b>	<b>-2%</b>	<b>-1%</b>
Adj. EBIT margin	12.8%	13.8%	14.7%	15.2%	13.5%	14.2%	14.9%	15.2%	-0.7pp	-0.5pp	-0.2pp	0.0pp
IAC	0	0	0	0	0	0	0	0	n.a.	0%	n.a.	n.a.
EBIT	72	301	336	362	76	315	343	364	-5%	-4%	-2%	-1%
EBIT margin	12.8%	13.7%	14.7%	15.2%	13.5%	14.2%	14.9%	15.2%	-0.7pp	-0.5pp	-0.2pp	0.0pp
Net financials	-18	-67	-66	-65	-12	-48	-47	-46	53%	40%	40%	41%
Pre-tax profit	54	235	270	297	64	267	296	318	-16%	-12%	-9%	-7%
Tax	-13	-59	-68	-74	-16	-67	-74	-80	-18%	-13%	-9%	-7%
Net profit	41	176	203	223	48	200	222	239	-15%	-12%	-9%	-7%
<b>Adj. EPS (SEK)</b>	<b>0.76</b>	<b>3.33</b>	<b>3.82</b>	<b>4.21</b>	<b>0.90</b>	<b>3.79</b>	<b>4.19</b>	<b>4.50</b>	<b>-15%</b>	<b>-12%</b>	<b>-9%</b>	<b>-7%</b>
EPS (SEK)	0.76	3.32	3.82	4.21	0.90	3.78	4.19	4.50	-15%	-12%	-9%	-7%

BY SEGMENT	New estimates				Old estimates				Difference %			
	Q2 24	2024E	2025E	2026E	Q2 24	2024E	2025E	2026E	Q2 24	2024E	2025E	2026E
<b>Sales (external)</b>												
Svedbergs	102	402	426	456	115	444	466	489	-11%	-9%	-9%	-7%
Macro design	44	163	171	178	43	163	171	178	1%	0%	0%	0%
Cassøe	25	91	96	100	22	87	93	96	14%	4%	4%	4%
Roper Rhodes	285	1,131	1,165	1,200	280	1,121	1,154	1,189	2%	1%	1%	1%
Thebalux	107	406	430	448	101	402	422	439	6%	1%	2%	2%
<b>Group</b>	<b>562</b>	<b>2,193</b>	<b>2,289</b>	<b>2,382</b>	<b>560</b>	<b>2,217</b>	<b>2,306</b>	<b>2,392</b>	<b>0%</b>	<b>-1%</b>	<b>-1%</b>	<b>0%</b>
<b>Adj. EBITA</b>												
Svedbergs	1	18	32	41	8	32	40	45	-84%	-44%	-22%	-8%
Macro design	4	14	16	18	3	13	15	17	21%	6%	5%	5%
Cassøe	5	18	19	20	4	17	18	19	19%	6%	6%	6%
Roper Rhodes	49	203	212	222	44	198	206	216	10%	3%	3%	3%
Thebalux	28	103	112	117	24	99	106	111	14%	4%	6%	5%
Eliminations	-12	-39	-40	-41	-5	-28	-29	-29	n.m.	n.m.	n.m.	n.m.
<b>Group</b>	<b>76</b>	<b>317</b>	<b>350</b>	<b>377</b>	<b>80</b>	<b>331</b>	<b>357</b>	<b>379</b>	<b>-5%</b>	<b>-4%</b>	<b>-2%</b>	<b>-1%</b>
<b>Adj. EBITA margin</b>												
Svedbergs	1.3%	4.5%	7.4%	9.1%	7.0%	7.3%	8.6%	9.2%	-5.7pp	-2.8pp	-1.2pp	-0.1pp
Macro design	9.4%	8.7%	9.5%	10.1%	7.9%	8.2%	9.0%	9.6%	1.6pp	0.5pp	0.5pp	0.5pp
Cassøe	20.3%	19.6%	19.8%	20.0%	19.4%	19.3%	19.4%	19.6%	0.9pp	0.3pp	0.4pp	0.4pp
Roper Rhodes	17.2%	18.0%	18.2%	18.5%	15.9%	17.6%	17.8%	18.2%	1.3pp	0.3pp	0.3pp	0.3pp
Thebalux	26.1%	25.4%	26.0%	26.1%	24.3%	24.6%	25.1%	25.3%	1.8pp	0.8pp	0.9pp	0.9pp
<b>Group</b>	<b>13.5%</b>	<b>14.5%</b>	<b>15.3%</b>	<b>15.8%</b>	<b>14.2%</b>	<b>14.9%</b>	<b>15.5%</b>	<b>15.8%</b>	<b>-0.7pp</b>	<b>-0.5pp</b>	<b>-0.2pp</b>	<b>0.0pp</b>

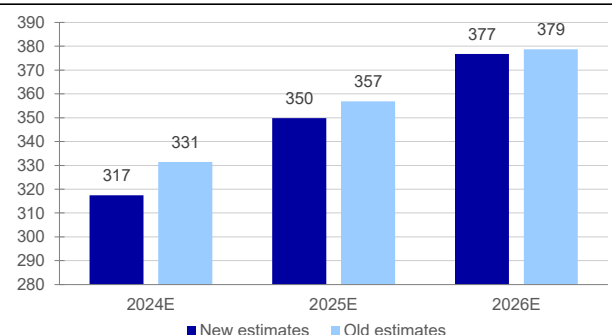
Source: Company data and Nordea estimates

### NET SALES (SEKm): NEW VS. OLD ESTIMATES



Source: Company data and Nordea estimates

### EBITA ADJUSTED (SEKm): NEW VS. OLD ESTIMATES



Source: Company data and Nordea estimates

# Detailed estimates

## SVEDBERGS GROUP: BREAKDOWN OF OUR ESTIMATES

SEKm	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24E	2021	2022	2023	2024E	2025E	2026E
Net sales	438	476	456	432	460	572	562	531	869	1,833	1,824	2,193	2,289	2,382
COGS	-257	-279	-263	-239	-248	-317	-314	-296	-502	-1,076	-1,028	-1,216	-1,255	-1,300
Gross profit	181	197	193	193	213	255	248	235	366	757	796	976	1,034	1,082
Adj. opex	-115	-121	-123	-122	-138	-156	-157	-143	-221	-459	-504	-594	-607	-624
Adj. EBITDA	67	76	70	72	75	100	91	92	146	298	292	382	428	458
Depreciation	-13	-12	-12	-13	-15	-16	-16	-16	-26	-47	-52	-65	-78	-81
Adj. EBITA	54	64	58	59	59	84	76	76	119	251	240	317	350	377
Amortisation (PPA)	-2	-3	-3	-3	-3	-4	-4	-4	-6	-9	-11	-16	-14	-14
Adj. EBIT	52	62	55	56	56	80	72	72	114	242	229	302	336	362
IAC	-5	0	-4	0	-15	0	0	0	-19	-7	-18	0	0	0
EBIT	48	62	51	57	41	80	72	72	95	234	210	301	336	362
Net financials	-9	-10	-9	-13	-18	-12	-18	-18	-16	-28	-51	-67	-66	-65
Pre-tax profit	39	52	42	43	23	67	54	54	79	206	160	235	270	297
Tax	-9	-10	-9	-9	-13	-17	-13	-14	-21	-40	-41	-59	-68	-74
Net profit	30	42	33	34	10	50	41	41	59	166	119	176	203	223
Adj. EPS (SEK)	0.95	1.19	1.02	0.96	0.60	0.95	0.76	0.77	2.82	5.07	3.77	3.33	3.82	4.21
EPS (SEK)	0.84	1.19	0.93	0.97	0.27	0.95	0.76	0.77	2.26	4.90	3.37	3.32	3.82	4.21

Margins	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24E	2021	2022	2023	2024E	2025E	2026E
Gross margin	41.3%	41.4%	42.3%	44.7%	46.2%	44.6%	44.2%	44.2%	42.2%	41.3%	43.6%	44.5%	45.2%	45.4%
Adj. EBITDA margin	15.2%	16.0%	15.3%	16.6%	16.2%	17.4%	16.3%	17.3%	16.8%	16.3%	16.0%	17.4%	18.7%	19.2%
Adj. EBITA margin	12.4%	13.5%	12.6%	13.7%	12.9%	14.6%	13.5%	14.3%	13.7%	13.7%	13.2%	14.5%	15.3%	15.8%
Adj. EBIT margin	11.9%	12.9%	12.0%	13.0%	12.2%	14.0%	12.8%	13.6%	13.1%	13.2%	12.5%	13.8%	14.7%	15.2%
EBIT margin	10.9%	12.9%	11.2%	13.1%	9.0%	13.9%	12.8%	13.6%	10.9%	12.8%	11.5%	13.7%	14.7%	15.2%

Sales drivers (y/y, %)	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24E	2021	2022	2023	2024E	2025E	2026E
Organic	-9%	-4%	-8%	-8%	-5%	-4%	-2%	0%	13%	3%	-6%	-1%	4%	4%
FX	3%	1%	4%	7%	3%	2%	2%	-1%	0%	2%	4%	1%	0%	0%
Structure	63%	0%	1%	0%	7%	22%	23%	24%	21%	106%	2%	21%	0%	0%
Total	56%	-3%	-3%	-1%	5%	20%	23%	23%	34%	111%	-1%	20%	4%	4%

## PERFORMANCE BY SEGMENT

External net sales	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24E	2021	2022	2023	2024E	2025E	2026E
Svedbergs	144	146	128	93	113	113	102	81	516	569	480	402	426	456
Macro design	45	44	43	32	44	42	44	32	208	193	163	163	171	178
Cassøe	20	24	22	20	23	23	25	20	97	94	88	91	96	100
Roper Rhodes	230	263	262	287	250	289	285	295	47	977	1,062	1,131	1,165	1,200
Thebalux	0	0	0	0	30	105	107	102	0	0	30	406	430	448
Group	438	476	456	432	460	572	562	531	869	1,833	1,824	2,193	2,289	2,382

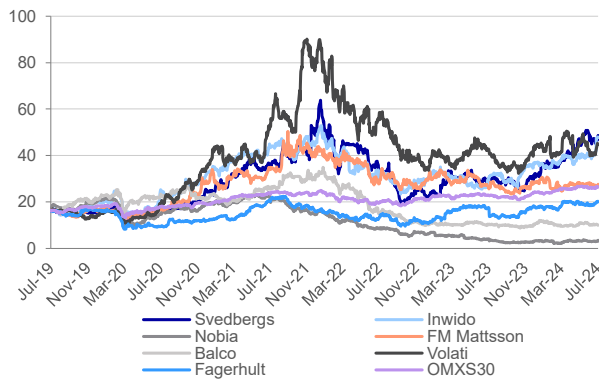
Adj. EBITA	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24E	2021	2022	2023	2024E	2025E	2026E
Svedbergs	23	24	13	12	8	8	1	3	86	99	59	18	32	41
Macro design	6	4	3	2	4	4	4	2	24	24	12	14	16	18
Cassøe	3	5	5	4	5	4	5	4	22	20	18	18	19	20
Roper Rhodes	28	37	39	48	52	49	49	51	-1	130	179	203	212	222
Thebalux	0	0	0	0	1	26	28	26	0	0	1	103	112	117
Eliminations	-6	-6	-3	-6	-11	-8	-12	-9	-11	-22	-28	-39	-40	-41
Group	54	64	58	59	59	84	76	76	119	251	240	317	350	377

Adj. EBITA margin	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24E	2021	2022	2023	2024E	2025E	2026E
Svedbergs	15.9%	16.8%	10.5%	13.3%	7.1%	7.2%	1.3%	3.5%	16.6%	17.3%	12.2%	4.5%	7.4%	9.1%
Macro design	13.9%	8.7%	7.4%	4.7%	8.9%	9.7%	9.4%	5.6%	11.3%	12.5%	7.4%	8.7%	9.5%	10.1%
Cassøe	15.6%	21.2%	20.8%	17.8%	20.5%	19.5%	20.3%	18.1%	22.5%	21.4%	20.3%	19.6%	19.8%	20.0%
Roper Rhodes	12.4%	14.1%	14.8%	16.7%	20.9%	17.0%	17.2%	17.2%	-2.5%	13.3%	16.8%	18.0%	18.2%	18.5%
Thebalux					3.4%	24.8%	26.1%	25.8%			3.4%	25.4%	26.0%	26.1%
Group	12.4%	13.5%	12.6%	13.7%	12.9%	14.6%	13.5%	14.3%	13.7%	13.7%	13.2%	14.5%	15.3%	15.8%

Source: Company data and Nordea estimates

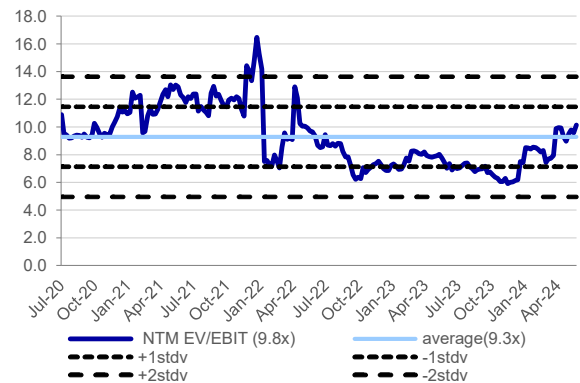
# Performance and valuation

## SHARE PRICE PERFORMANCE (SEK)



Source: LSEG Data & Analytics and Nordea

## SVEDBERGS GROUP: NTM EV/EBIT (x)



Source: LSEG Data & Analytics and Nordea

## SWEDISH BUILDING MATERIALS COMPANIES: VALUATION TABLE

Company	Rating	Mcap SEKm	EV/EBITDA (adj.)			EV/EBITA (adj.)			EV/EBIT (adj.)			P/E (adj.)			EBIT %	Growth
			24E	25E	26E	24E	25E	26E	24E	25E	26E	24E	25E	26E		
Inwido	BUY	10,139	9.1x	7.7x	6.7x	12.3x	10.2x	8.8x	13.0x	10.6x	9.2x	18.1x	14.1x	12.7x	10.8%	5.1%
Nobia	BUY	3,456	8.0x	5.6x	4.3x	-	17.8x	10.4x	-	22.2x	11.9x	-	-	13.8x	2.9%	4.4%
Volati	BUY	8,956	12.4x	10.0x	9.2x	14.9x	11.9x	10.7x	17.7x	13.7x	12.4x	-	20.4x	17.9x	8.7%	7.6%
FM Mattsson	NOT COVERED	1,932	5.8x	5.4x	5.0x	7.1x	6.0x	-	8.0x	7.1x	6.3x	13.8x	11.6x	10.2x	12.3%	6.0%
Balco	NOT COVERED	959	11.2x	6.7x	6.2x	17.4x	8.7x	7.9x	11.2x	6.7x	6.2x	20.8x	8.6x	7.4x	7.4%	9.8%
Nordic Waterproofing	NOT COVERED	3,856	10.4x	8.2x	7.8x	14.1x	10.7x	10.1x	14.4x	11.0x	10.4x	16.8x	12.0x	11.2x	8.8%	4.4%
Fagerhult	NOT COVERED	13,040	11.5x	10.9x	10.1x	15.2x	13.9x	-	16.5x	14.9x	13.4x	19.6x	17.4x	15.4x	11.4%	6.1%
<b>Peers average</b>			<b>9.8x</b>	<b>7.8x</b>	<b>7.0x</b>	<b>13.5x</b>	<b>11.3x</b>	<b>9.6x</b>	<b>13.5x</b>	<b>12.3x</b>	<b>10.0x</b>	<b>17.8x</b>	<b>14.0x</b>	<b>12.6x</b>	<b>8.9%</b>	<b>6.2%</b>
Peers median			10.4x	7.7x	6.7x	14.5x	10.7x	10.1x	13.7x	11.0x	10.4x	18.1x	13.1x	12.7x	8.8%	6.0%
<b>Svedbergs (Nordea)</b>	<b>NO RATING</b>	<b>2,575</b>	<b>8.4x</b>	<b>7.1x</b>	<b>6.2x</b>	<b>10.1x</b>	<b>8.7x</b>	<b>7.6x</b>	<b>10.7x</b>	<b>9.1x</b>	<b>7.9x</b>	<b>14.6x</b>	<b>12.7x</b>	<b>11.5x</b>	<b>14.6%</b>	<b>4.2%</b>
vs. peers average			-14%	-9%	-12%	-25%	-23%	-21%	-21%	-26%	-21%	-18%	-9%	-9%	5.7 pp	-2.0 pp
vs. peers median			-19%	-7%	-8%	-30%	-19%	-25%	-22%	-18%	-25%	-19%	-3%	-9%	5.7 pp	-2.0 pp

Source: LSEG Data & Analytics and Nordea estimates

## EUROPEAN BUILDING MATERIALS COMPANIES: VALUATION TABLE

Company	Rating	Mcap SEKm	EV/EBITDA (adj.)			EV/EBITA (adj.)			EV/EBIT (adj.)			P/E (adj.)			EBIT %	Growth
			24E	25E	26E	24E	25E	26E	24E	25E	26E	24E	25E	26E		
Geberit	NOT COVERED	230,597	22.6x	21.5x	20.2x	26.2x	24.8x	23.4x	27.1x	25.7x	24.1x	31.2x	29.0x	27.2x	24.8%	4.3%
Villeroy & Boch	NOT COVERED	2,781	4.2x	3.9x	3.7x	-	-	-	7.2x	6.9x	6.5x	6.8x	6.1x	5.7x	8.7%	6.8%
Howden	NOT COVERED	70,129	11.2x	10.2x	9.8x	15.3x	13.9x	12.8x	15.3x	13.8x	13.1x	19.4x	17.3x	15.8x	15.8%	6.4%
<b>Peers average</b>			<b>12.6x</b>	<b>11.9x</b>	<b>11.2x</b>	<b>20.8x</b>	<b>19.4x</b>	<b>18.1x</b>	<b>16.5x</b>	<b>15.4x</b>	<b>14.6x</b>	<b>19.1x</b>	<b>17.4x</b>	<b>16.2x</b>	<b>16.4%</b>	<b>5.8%</b>
Peers median			11.2x	10.2x	9.8x	20.8x	19.4x	18.1x	15.3x	13.8x	13.1x	19.4x	17.3x	15.8x	15.8%	6.4%
<b>Svedbergs (Nordea)</b>	<b>NO RATING</b>	<b>2,575</b>	<b>8.4x</b>	<b>7.1x</b>	<b>6.2x</b>	<b>10.1x</b>	<b>8.7x</b>	<b>7.6x</b>	<b>10.7x</b>	<b>9.1x</b>	<b>7.9x</b>	<b>14.6x</b>	<b>12.7x</b>	<b>11.5x</b>	<b>14.6%</b>	<b>4.2%</b>
vs. peers average			-33%	-40%	-45%	-51%	-55%	-58%	-35%	-41%	-46%	-24%	-27%	-29%	-1.8 pp	-1.6 pp
vs. peers median			-25%	-30%	-36%	-51%	-55%	-58%	-30%	-34%	-40%	-25%	-26%	-27%	-1.8 pp	-1.6 pp

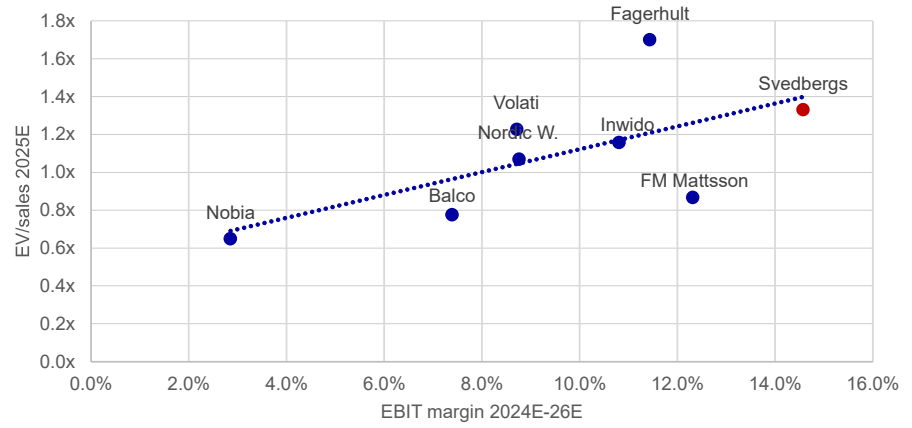
Source: LSEG Data & Analytics and Nordea estimates

## VALUATION: 2025E ADJUSTED EV/EBIT SENSITIVITY (SEK PER SHARE, SEKm, x)

Adjusted EV/EBIT 2025E - multiple	7.0x	7.5x	8.0x	8.5x	9.0x	9.5x	10.0x	10.5x	11.0x	11.5x	12.0x	12.5x	13.0x
Implied EV	2,353	2,521	2,689	2,857	3,025	3,193	3,361	3,529	3,697	3,865	4,033	4,201	4,369
ND	472	472	472	472	472	472	472	472	472	472	472	472	472
Implied Mcap	1,881	2,049	2,217	2,385	2,553	2,721	2,889	3,057	3,225	3,393	3,561	3,729	3,897
<b>Mcap per share (SEK)</b>	<b>35</b>	<b>39</b>	<b>42</b>	<b>45</b>	<b>48</b>	<b>51</b>	<b>55</b>	<b>58</b>	<b>61</b>	<b>64</b>	<b>67</b>	<b>70</b>	<b>74</b>
Implied P/E	9.3x	10.1x	10.9x	11.8x	12.6x	13.4x	14.3x	15.1x	15.9x	16.7x	17.6x	18.4x	19.2x
Implied FCF yield	3.2%	2.9%	2.7%	2.5%	2.3%	2.2%	2.1%	2.0%	1.9%	1.8%	1.7%	1.6%	1.5%
Implied EV/EBIT 2025E vs. peer average	-43%	-39%	-34%	-30%	-26%	-22%	-18%	-14%	-10%	-6%	-2%	2%	6%
Implied EV/EBIT 2025E vs. peer median	-34%	-29%	-24%	-20%	-15%	-10%	-6%	-1%	4%	9%	13%	18%	23%
<b>Upside/downside to current share price</b>	<b>-23%</b>	<b>-16%</b>	<b>-10%</b>	<b>-3%</b>	<b>4%</b>	<b>11%</b>	<b>18%</b>	<b>25%</b>	<b>31%</b>	<b>38%</b>	<b>45%</b>	<b>52%</b>	<b>59%</b>

Source: Nordea estimates

**EV/SALES (x) VS. EBIT MARGIN (%)**



Source: LSEG Data & Analytics and Nordea estimates

# Reported numbers and forecasts

## INCOME STATEMENT

SEKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Total revenue</b>	<b>449</b>	<b>639</b>	<b>622</b>	<b>609</b>	<b>649</b>	<b>869</b>	<b>1,833</b>	<b>1,824</b>	<b>2,193</b>	<b>2,289</b>	<b>2,382</b>
Revenue growth	0.3%	42.4%	-2.7%	-2.1%	6.6%	33.8%	111.0%	-0.5%	20.2%	4.4%	4.0%
of which organic	n.a.	n.a.	-3.0%	-2.0%	7.0%	13.0%	3.0%	-6.0%	-1.3%	4.4%	4.0%
of which FX	n.a.	n.a.	0.0%	0.0%	-1.0%	-0.2%	2.0%	4.0%	0.9%	0.0%	0.0%
EBITDA	57	83	75	79	90	127	291	274	382	428	458
Depreciation and impairments PPE	0	-19	-19	-21	-22	-26	-47	-52	-65	-78	-81
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	57	64	56	58	68	101	244	222	317	350	377
Amortisation and impairments	0	-1	-1	-2	-2	-6	-9	-11	-16	-14	-14
EBIT	57	63	55	56	66	95	234	210	301	336	362
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	0	-3	-3	-3	-4	-16	-28	-51	-67	-66	-65
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>57</b>	<b>60</b>	<b>51</b>	<b>53</b>	<b>62</b>	<b>79</b>	<b>206</b>	<b>160</b>	<b>235</b>	<b>270</b>	<b>297</b>
Reported taxes	-13	-13	-11	-12	-14	-21	-40	-41	-59	-68	-74
Net profit from continued operations	44	46	41	41	48	59	166	119	176	203	223
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	44	46	41	41	48	59	166	119	176	203	223
<b>EPS, SEK</b>	<b>2.10</b>	<b>2.20</b>	<b>1.93</b>	<b>1.96</b>	<b>2.28</b>	<b>2.26</b>	<b>4.90</b>	<b>3.37</b>	<b>3.32</b>	<b>3.82</b>	<b>4.21</b>
DPS, SEK	2.25	2.25	2.25	1.25	0.00	1.25	0.00	1.50	1.00	1.00	1.25
of which ordinary	2.25	2.25	2.25	1.25	0.00	1.25	0.00	1.50	1.00	1.00	1.25
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## Profit margin in percent

EBITDA	12.8%	13.0%	12.1%	13.0%	13.9%	14.6%	15.9%	15.0%	17.4%	18.7%	19.2%
EBITA	12.8%	10.0%	9.0%	9.5%	10.5%	11.6%	13.3%	12.2%	14.5%	15.3%	15.8%
EBIT	12.8%	9.9%	8.8%	9.2%	10.2%	10.9%	12.8%	11.5%	13.7%	14.7%	15.2%

## Adjusted earnings

EBITDA (adj)	58	87	77	79	100	146	298	292	382	428	458
EBITA (adj)	58	68	58	58	78	119	251	240	318	350	377
EBIT (adj)	58	67	57	56	76	114	242	229	302	336	362
EPS (adj, SEK)	2.13	2.44	2.05	1.96	2.88	3.15	5.17	4.01	3.33	3.82	4.21

## Adjusted profit margins in percent

EBITDA (adj)	12.9%	13.6%	12.4%	13.0%	15.5%	16.8%	16.3%	16.0%	17.4%	18.7%	19.2%
EBITA (adj)	12.9%	10.7%	9.3%	9.5%	12.0%	13.7%	13.7%	13.2%	14.5%	15.3%	15.8%
EBIT (adj)	12.9%	10.5%	9.1%	9.2%	11.8%	13.1%	13.2%	12.5%	13.8%	14.7%	15.2%

## Performance metrics

CAGR last 5 years											
Net revenue	0.5%	9.8%	11.0%	9.8%	7.7%	14.1%	23.5%	24.0%	29.2%	28.7%	22.3%
EBITDA	-3.7%	24.1%	24.9%	10.9%	15.4%	17.2%	28.4%	29.4%	37.0%	36.6%	29.2%
EBIT	-3.7%	17.4%	17.2%	3.5%	8.5%	10.6%	30.1%	30.9%	39.9%	38.4%	30.7%
EPS	-2.3%	15.5%	18.4%	2.7%	7.3%	1.5%	17.3%	11.8%	11.1%	10.9%	13.3%
DPS	n.m.	n.m.	n.m.	4.6%	n.m.	-11.1%	n.m.	-7.8%	-4.4%	n.m.	-0.1%
Average last 5 years											
Average EBIT margin	9.8%	10.3%	10.5%	9.9%	10.0%	9.9%	11.1%	11.4%	12.3%	13.1%	13.7%
Average EBITDA margin	9.8%	11.2%	12.1%	12.3%	13.0%	13.4%	14.5%	14.9%	15.8%	16.7%	17.4%

## VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	14.3	10.5	7.7	8.3	8.5	19.6	4.3	7.8	13.9	12.1	11.0
EV/EBITDA (adj)	14.1	8.1	6.8	6.9	7.3	18.8	4.6	7.6	8.1	6.8	6.0
EV/EBITA (adj)	14.1	10.4	9.1	9.4	9.4	23.0	5.5	9.2	9.8	8.4	7.2
EV/EBIT (adj)	14.1	10.6	9.3	9.7	9.6	24.1	5.7	9.7	10.3	8.7	7.5

## VALUATION RATIOS - REPORTED EARNINGS

SEKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	14.6	11.6	8.2	8.3	10.8	27.4	4.5	9.3	13.9	12.1	11.0
EV/Sales	1.82	1.11	0.85	0.89	1.13	3.16	0.75	1.21	1.41	1.28	1.14
EV/EBITDA	14.2	8.5	7.0	6.9	8.1	21.6	4.7	8.1	8.1	6.8	6.0
EV/EBITA	14.2	11.1	9.4	9.4	10.8	27.2	5.6	10.0	9.8	8.4	7.2
EV/EBIT	14.2	11.3	9.6	9.7	11.1	28.8	5.9	10.5	10.3	8.7	7.5
Dividend yield (ord.)	7.4%	8.8%	14.3%	7.6%	0.0%	2.0%	0.0%	4.8%	2.2%	2.2%	2.7%
FCF yield	-19.0%	8.0%	11.0%	10.0%	1.9%	-44.0%	8.2%	-27.8%	5.7%	2.4%	10.3%
FCF Yield bef A&D, lease adj	6.6%	7.8%	10.9%	9.9%	12.8%	5.0%	27.0%	15.4%	5.7%	9.3%	10.3%
Payout ratio	105.6%	92.4%	109.7%	63.7%	0.0%	39.7%	0.0%	37.4%	30.0%	26.1%	29.6%

Source: Company data and Nordea estimates

**BALANCE SHEET**

SEKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	165	163	160	160	260	971	1,001	1,381	1,385	1,561	1,568
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	51	49	46	46	98	376	388	543	547	554	561
of which goodwill	114	114	114	114	162	595	614	838	838	1,007	1,007
Tangible assets	70	70	70	85	81	322	317	461	426	371	314
of which leased assets	0	0	0	9	9	40	28	82	82	82	82
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	0	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	2	3	3	3	3
Total non-current assets	235	233	231	245	341	1,294	1,320	1,845	1,814	1,935	1,885
Inventory	108	131	118	134	130	326	444	499	545	568	592
Accounts receivable	119	118	126	120	138	322	291	296	349	365	379
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	5	7	12	5	7	67	35	64	66	69	72
Cash and bank	17	16	21	36	58	320	200	217	283	290	489
Total current assets	249	272	277	296	334	1,035	971	1,076	1,244	1,292	1,532
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total assets</b>	<b>484</b>	<b>505</b>	<b>508</b>	<b>541</b>	<b>674</b>	<b>2,328</b>	<b>2,291</b>	<b>2,921</b>	<b>3,057</b>	<b>3,227</b>	<b>3,416</b>
Shareholders equity	170	168	163	179	227	267	935	979	1,487	1,806	1,976
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	170	168	163	179	227	267	935	979	1,487	1,806	1,976
Deferred tax	14	13	17	21	36	135	132	174	174	174	174
Long term interest bearing debt	153	131	131	132	132	528	563	490	489	489	489
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	25	163	164	187	30	30	3
Other long-term liabilities	8	15	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	3	4	20	10	64	64	66	66
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	176	158	148	156	196	846	868	915	758	760	733
Short-term provisions	2	3	3	3	6	13	12	11	174	5	32
Accounts payable	45	50	43	37	39	102	113	161	172	180	187
Current lease debt	0	0	0	7	6	20	19	19	19	17	17
Other current liabilities	55	69	65	66	96	363	282	261	285	298	310
Short term interest bearing debt	36	56	86	93	105	718	61	576	163	163	163
Total current liabilities	139	178	197	206	251	1,216	487	1,027	813	662	708
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>484</b>	<b>505</b>	<b>508</b>	<b>541</b>	<b>674</b>	<b>2,328</b>	<b>2,291</b>	<b>2,921</b>	<b>3,057</b>	<b>3,227</b>	<b>3,416</b>
<b>Balance sheet and debt metrics</b>											
Net debt	172	171	195	198	212	1,137	623	1,108	648	472	273
of which lease debt	0	0	0	10	9	39	29	83	83	83	83
Working capital	131	137	148	156	140	249	375	437	503	525	546
Invested capital	367	370	379	401	481	1,543	1,695	2,281	2,317	2,460	2,431
Capital employed	359	355	379	414	474	1,552	1,588	2,126	2,222	2,541	2,711
ROE	25.8%	27.5%	24.6%	24.3%	23.7%	23.7%	27.5%	12.4%	14.3%	12.3%	11.8%
ROIC	15.6%	13.6%	11.4%	10.8%	13.0%	8.4%	11.2%	8.6%	9.8%	10.6%	11.1%
ROCE	21.4%	18.7%	15.5%	14.2%	17.2%	11.2%	15.4%	12.3%	13.9%	14.1%	13.8%
Net debt/EBITDA	3.0	2.1	2.6	2.5	2.4	9.0	2.1	4.0	1.7	1.1	0.6
Interest coverage	n.m.	20.6	15.6	21.1	16.1	6.2	8.3	4.1	4.5	5.1	5.6
Equity ratio	35.1%	33.3%	32.1%	33.1%	33.7%	11.5%	40.8%	33.5%	48.6%	56.0%	57.8%
Net gearing	101.4%	101.6%	120.0%	110.8%	93.4%	426.0%	66.6%	113.2%	43.6%	26.1%	13.8%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

SEKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>EBITDA (adj) for associates</b>	<b>57</b>	<b>83</b>	<b>75</b>	<b>79</b>	<b>90</b>	<b>127</b>	<b>291</b>	<b>274</b>	<b>382</b>	<b>428</b>	<b>458</b>
Paid taxes	-20	-14	-16	0	-12	0	-30	-49	-59	-68	-74
Net financials	0	-3	-3	-3	-4	-15	-23	-38	-67	-66	-65
Change in provisions	0	1	0	0	27	145	0	22	6	-169	0
Change in other LT non-IB	8	7	-15	0	0	0	-2	-1	0	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	8	-6	15	1	-25	-156	4	-24	-6	169	0
<b>Funds from operations (FFO)</b>	<b>53</b>	<b>67</b>	<b>57</b>	<b>78</b>	<b>77</b>	<b>101</b>	<b>240</b>	<b>183</b>	<b>257</b>	<b>294</b>	<b>318</b>
Change in NWC	6	-6	-2	-17	18	-5	0	13	-66	-22	-21
<b>Cash flow from operations (CFO)</b>	<b>60</b>	<b>61</b>	<b>55</b>	<b>61</b>	<b>94</b>	<b>96</b>	<b>240</b>	<b>196</b>	<b>190</b>	<b>272</b>	<b>297</b>
Capital expenditure	-17	-19	-19	-26	-27	-15	-38	-26	-49	-43	-45
<b>Free cash flow before A&amp;D</b>	<b>43</b>	<b>42</b>	<b>36</b>	<b>34</b>	<b>67</b>	<b>81</b>	<b>203</b>	<b>170</b>	<b>141</b>	<b>229</b>	<b>252</b>
Proceeds from sale of assets	5	1	0	0	0	1	8	0	0	0	0
Acquisitions	-170	0	0	0	-57	-788	-149	-477	0	-169	0
Free cash flow	-123	43	37	35	10	-707	62	-307	141	60	252
Free cash flow bef A&D, lease adj	43	42	36	34	67	81	203	170	141	229	252
Dividends paid	-48	-47	-48	-26	0	-26	0	-53	-53	-53	-53
Equity issues / buybacks	-1	-1	1	1	1	2	480	0	391	0	0
Net change in debt	180	4	15	8	12	992	-655	407	-413	0	0
Other financing adjustments	0	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	0	0	0	12	-7	0	0	0
Change in cash	9	-1	5	15	22	261	-120	17	66	7	199
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	92.8%	89.9%	n.m.	n.m.	48.5%	67.0%	40.6%	61.3%	47.5%	47.5%
Capex/Sales	3.7%	3.0%	3.0%	4.3%	4.2%	1.8%	2.1%	1.4%	2.2%	1.9%	1.9%
<b>Key information</b>											
Share price year end (/current)	31	26	16	16	25	62	22	31	46	46	46
Market cap.	644	539	332	346	521	1,606	750	1,102	2,453	2,453	2,453
Enterprise value	817	710	528	545	734	2,742	1,373	2,210	3,101	2,925	2,726
Diluted no. of shares, year-end (m)	21.1	21.1	21.1	21.1	21.2	26.0	33.8	35.3	53.0	53.0	53.0

Source: Company data and Nordea estimates

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