

Svedbergs Group

Consumer Goods
Sweden

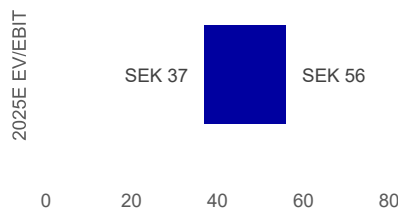
KEY DATA

Stock country	Sweden
Bloomberg	SVEDB.SS
Reuters	SVEDb.ST
Share price (close)	SEK 43.70
Free float	
Market cap. (bn)	EUR 0.20/SEK 2.32
Website	www.svedbergsgroup.se
Next report date	11 Feb 2025

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	-1%	-1%	-1%
EBIT (adj)	-3%	-1%	-1%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Mona Kilsgård
AnalystAgnieszka Vilela
Managing Director

Navigating adversity with consistent growth

During Q3, Svedberg Group once again demonstrated the strength of its risk-balanced portfolio. It sustained growth even in persistently soft market conditions, growing net sales by 19% y/y and adjusted EBITA by 21%. While we lower our adjusted EBITA forecast by 1-3% for 2024-26, we still believe that improved operational excellence and efficiencies should continue to yield results. We derive a slightly lower fair value range of SEK 37-56 (39-58), which translates to 2025E adjusted EV/EBIT of 7.5-10.5x.

A seasonally muted quarter for Thebalux

Svedbergs Group delivered an overall solid set of Q3 2024 numbers: sales grew by 19% y/y, with organic growth of -1.4% y/y versus our estimate of 1% (no consensus). The gross margin rose by 1.3pp y/y, to 46%, primarily driven by Roper Rhodes and Thebalux becoming a larger part of the mix. Despite growing 21% y/y, adjusted EBITA missed our forecast by 7%, mainly because Q3 appeared to be a seasonally muted quarter for Thebalux, which was previously unknown to both us and the company. Roper Rhodes, however, continued to show its ability to deliver continued growth amid prolonged softness in the market, beating our adjusted EBITA forecast by 6% and delivering a margin of 19.1% (up 2.4pp y/y).

Estimate revisions and expectations

We keep our sales estimates for 2024-26 largely unchanged, but trim our adjusted EBITA forecast by 1-3% for the same period. While we are encouraged by the company's solid cost control across the group, primarily visible in Macro Design, Cassøe and Roper Rhodes, we adjust our margin assumptions for Thebalux to reflect its seasonality going forward. We also apply a slightly more cautious view on the margin development for the Svedbergs brand, considering that lower volumes continue to pressure profitability. Nevertheless, we remain confident that the company's streamlined cost structure will support it going forward, especially as volumes start to rebound. We are also encouraged by management's comments that it is actively reviewing potential M&A targets; we continue to argue that more acquisitions are imminent.

We trim our fair value range to SEK 37-56

We trim our fair value range to SEK 37-56 (39-58) per share, reflecting 2025E adjusted EV/EBIT of 7.5-10.5x. Based on our updated numbers, Svedbergs Group is trading at 2025E adjusted EV/EBIT of ~8.5x, which reflects a ~30% discount to our selected peer group.

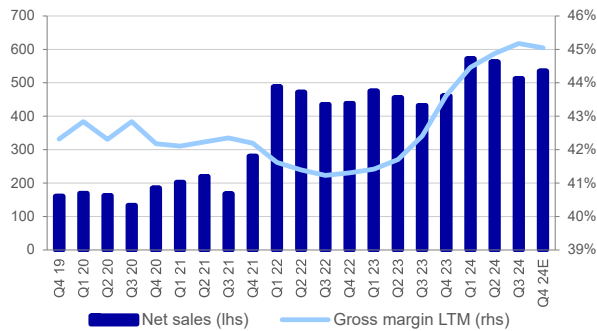
SUMMARY TABLE - KEY FIGURES

SEKm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	649	869	1,833	1,824	2,181	2,284	2,381
EBITDA (adj)	100	146	298	292	373	427	461
EBIT (adj)	76	114	242	229	297	334	364
EBIT (adj) margin	11.8%	13.1%	13.2%	12.5%	13.6%	14.6%	15.3%
EPS (adj, SEK)	2.88	3.15	5.17	4.01	2.92	3.76	4.20
EPS (adj) growth	47.0%	9.3%	64.0%	-22.4%	-27.4%	29.1%	11.6%
DPS (ord, SEK)	0.00	1.25	0.00	1.50	1.00	0.87	1.23
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	10.2	8.6	7.3
P/E (adj)	8.5	19.6	4.3	7.8	15.0	11.6	10.4
P/BV	2.3	6.0	0.8	1.1	1.6	1.3	1.2
Dividend yield (ord)	0.0%	2.0%	0.0%	4.8%	2.3%	2.0%	2.8%
FCF Yield bef A&D, lease	12.8%	5.0%	27.0%	15.4%	4.0%	9.5%	10.7%
Net debt	212	1,137	623	1,108	712	546	345
Net debt/EBITDA	2.4	9.0	2.1	4.0	1.9	1.3	0.7
ROIC after tax	13.0%	8.4%	11.2%	8.6%	9.6%	10.3%	10.9%

Source: Company data and Nordea estimates

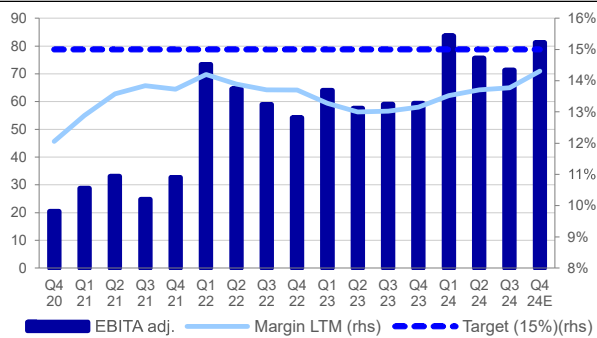
Key charts

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



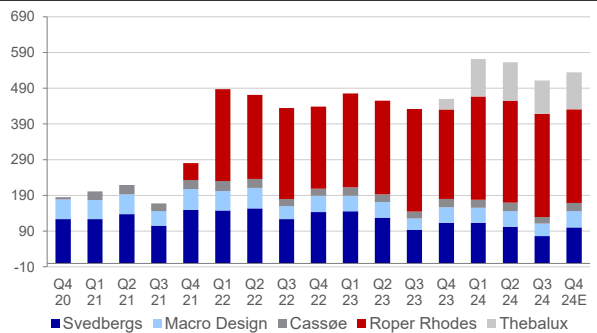
Source: Company data and Nordea estimates

ADJUSTED EBITA (SEKm) AND MARGIN (%)



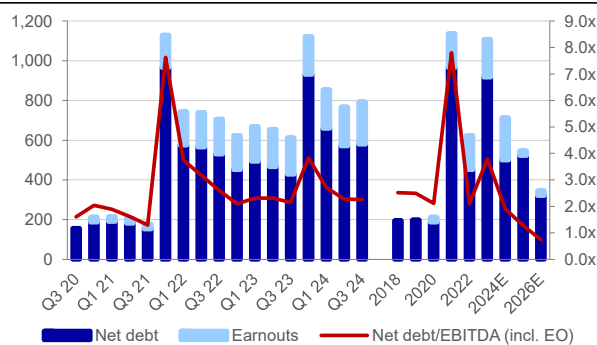
Source: Company data and Nordea estimates

EXTERNAL SALES DISTRIBUTION (SEKm)



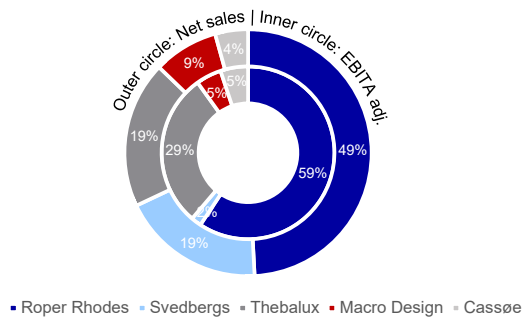
Source: Company data and Nordea estimates

NET DEBT (SEKm) AND LEVERAGE RATIO (x)



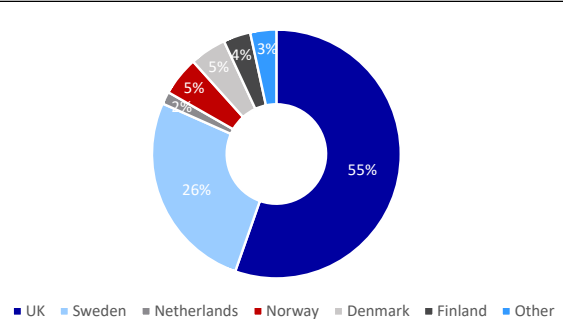
Source: Company data and Nordea estimates

DIVISIONAL DISTRIBUTIONS, 2024E



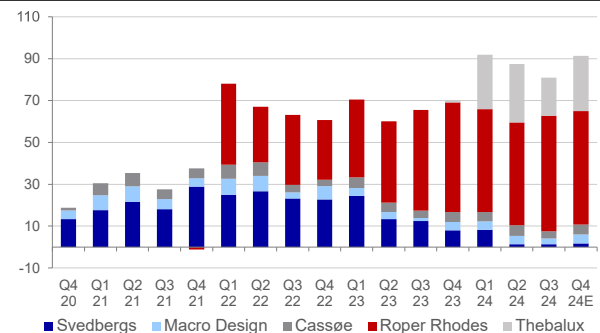
Source: Company data and Nordea estimates

GEOGRAPHICAL SALES SPLIT (SEKm), 2023



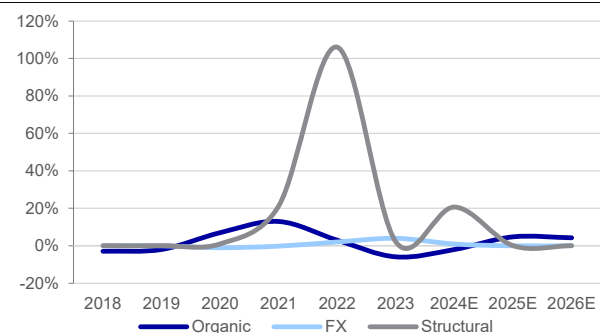
Source: Company data and Nordea estimates

ADJUSTED EBITA DISTRIBUTION (SEKm)



Source: Company data and Nordea estimates

SALES GROWTH DRIVERS (%)



Source: Company data and Nordea estimates

Deviation

SVEDBERGS GROUP: Q3 2024 DEVIATION

	Actual Q3 24	NDA est. Q3 24	Deviation vs. actual		Actual Q2 24	q/q %	Actual Q3 23	y/y %
SEKm								
Net sales	512	532	-20	-4%	562	-9%	432	19%
Gross profit	236	238	-2	-1%	248	-5%	193	22%
Adj. EBITDA	86	93	-8	-8%	91	-6%	72	19%
Adj. EBITA	71	77	-6	-7%	76	-6%	59	21%
Adj. EBIT	67	73	-6	-8%	72	-6%	56	20%
IAC	0	0	0	-	0	-	0	-100%
EBIT	67	73	-6	-8%	72	-6%	57	19%
Net financials	-30	-19	-11	62%	-18	63%	-13	125%
Pre-tax profit	38	55	-17	-32%	54	-30%	43	-13%
Net profit	28	41	-13	-32%	41	-31%	34	-19%
EPS (SEK)	0.53	0.78	-0.25	-32%	0.76	-31%	0.97	-45%
Margins								
Gross margin	46.0%	44.7%	-	1.3pp	44.2%	1.9pp	44.7%	1.3pp
Adj. EBITDA margin	16.7%	17.5%	-	-0.8pp	16.3%	0.4pp	16.6%	0.1pp
Adj. EBITA margin	13.9%	14.5%	-	-0.6pp	13.5%	0.5pp	13.7%	0.3pp
Adj. EBIT margin	13.2%	13.8%	-	-0.6pp	12.8%	0.4pp	13.0%	0.1pp
EBIT margin	13.2%	13.8%	-	-0.6pp	12.8%	0.4pp	13.1%	0.1pp
External net sales								
Svedbergs	76	79	-3	-4%	102	-26%	93	-18%
Macro design	35	32	2	8%	44	-20%	32	8%
Cassøe	19	20	-2	-8%	25	-24%	20	-6%
Roper Rhodes	289	299	-10	-3%	285	1%	287	1%
Thebalux	94	102	-8	-8%	107	-12%	0	-
Group	512	532	-20	-4%	562	-9%	432	19%
EBITA adj. by segment								
Svedbergs	1	3	-1	-53%	1	0%	12	-90%
Macro design	3	2	1	56%	4	-32%	2	87%
Cassøe	3	4	0	-7%	5	-32%	4	-3%
Roper Rhodes	55	52	3	6%	49	12%	48	15%
Thebalux	18	26	-8	-30%	28	-34%	0	-
Eliminations	-10	-9	0	5%	-12	-17%	-6	52%
Group	71	77	-6	-7%	76	-6%	59	21%
EBITA adj. margin by segment								
Svedbergs	1.7%	3.5%	-	-1.8pp	1.3%	0.4pp	13.3%	-11.6pp
Macro design	8.1%	5.6%	-	2.5pp	9.4%	-1.4pp	4.7%	3.4pp
Cassøe	18.3%	18.1%	-	0.2pp	20.3%	-2.0pp	17.8%	0.5pp
Roper Rhodes	19.1%	17.4%	-	1.7pp	17.2%	1.9pp	16.7%	2.4pp
Thebalux	19.5%	25.8%	-	-6.3pp	26.1%	-6.6pp	-	-
Group	13.9%	14.5%	-	-0.6pp	13.5%	0.5pp	13.7%	0.3pp

Source: Company data and Nordea estimates

Revisions

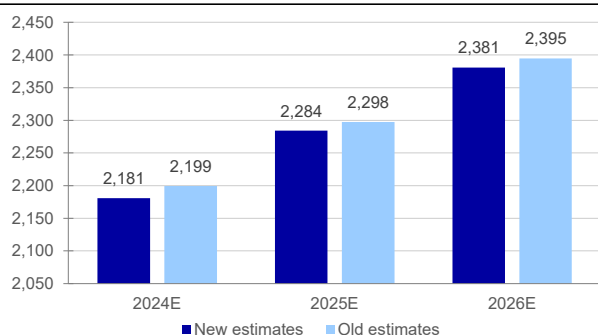
SVEDBERGS GROUP: ESTIMATE REVISIONS

SEKm	New estimates				Old estimates				Difference %			
	Q3 24	2024E	2025E	2026E	Q3 24	2024E	2025E	2026E	Q3 24	2024E	2025E	2026E
Net sales	512	2,181	2,284	2,381	532	2,199	2,298	2,395	-4%	-1%	-1%	-1%
COGS	-277	-1,198	-1,246	-1,293	-294	-1,214	-1,259	-1,306	-6%	-1%	-1%	-1%
Gross profit	236	982	1,038	1,088	238	985	1,038	1,089	-1%	0%	0%	0%
Gross margin	46.0%	45.1%	45.4%	45.7%	44.7%	44.8%	45.2%	45.5%	1.3pp	0.2pp	0.2pp	0.2pp
Adj. opex	-150	-610	-610	-627	-145	-600	-607	-626	4%	2%	1%	0%
Adj. EBITDA	85	373	427	461	93	385	431	463	-8%	-3%	-1%	-1%
Adj. EBITDA margin	16.7%	17.1%	18.7%	19.3%	17.5%	17.5%	18.8%	19.3%	-0.8pp	-0.4pp	-0.1pp	0.0pp
Depreciation	-14	-61	-78	-81	-16	-65	-78	-81	-11%	-7%	-1%	-1%
Adj. EBITA	71	312	350	380	77	320	353	382	-7%	-3%	-1%	-1%
Adj. EBITA margin	13.9%	14.3%	15.3%	15.9%	14.5%	14.6%	15.4%	15.9%	-0.6pp	-0.2pp	-0.1pp	0.0pp
Amortisation (PPA)	-4	-15	-16	-15	-4	-16	-16	-16	5%	-2%	-1%	-1%
Adj. EBIT	67	297	334	364	73	304	338	366	-8%	-3%	-1%	-1%
Adj. EBIT margin	13.1%	13.6%	14.6%	15.3%	13.8%	13.8%	14.7%	15.3%	-0.7pp	-0.2pp	-0.1pp	0.0pp
IAC	0	0	0	0	0	0	0	0	n.a.	0%	n.a.	n.a.
EBIT	67	296	334	364	73	304	338	366	-8%	-3%	-1%	-1%
EBIT margin	13.1%	13.6%	14.6%	15.3%	13.8%	13.8%	14.7%	15.3%	-0.7pp	-0.2pp	-0.1pp	0.0pp
Net financials	-30	-90	-68	-67	-19	-68	-66	-65	62%	34%	3%	3%
Pre-tax profit	37	206	266	297	55	237	272	301	-32%	-13%	-2%	-1%
Tax	-10	-52	-66	-74	-14	-59	-68	-75	-30%	-12%	-2%	-1%
Net profit	28	154	199	223	41	177	204	226	-33%	-13%	-2%	-1%
Adj. EPS (SEK)	0.52	2.91	3.76	4.20	0.78	3.36	3.85	4.26	-33%	-13%	-2%	-1%
EPS (SEK)	0.52	2.91	3.76	4.20	0.78	3.35	3.85	4.26	-33%	-13%	-2%	-1%

BY SEGMENT	New estimates				Old estimates				Difference %			
	Q3 24	2024E	2025E	2026E	Q3 24	2024E	2025E	2026E	Q3 24	2024E	2025E	2026E
Sales (external)												
Svedbergs	76	392	422	451	79	402	426	456	-4%	-2%	-1%	-1%
Macro design	35	166	174	181	32	163	171	178	8%	2%	2%	2%
Cassøe	19	89	94	98	20	91	96	100	-8%	-2%	-2%	-2%
Roper Rhodes	289	1,126	1,160	1,195	299	1,136	1,170	1,205	-3%	-1%	-1%	-1%
Thebalux	94	408	434	456	102	408	434	456	-8%	0%	0%	0%
Group	512	2,181	2,284	2,381	532	2,199	2,298	2,395	-4%	-1%	-1%	-1%
Adj. EBITA												
Svedbergs	1	13	30	41	3	18	32	41	-53%	-32%	-4%	-2%
Macro design	3	15	17	19	2	14	16	18	56%	8%	7%	7%
Cassøe	3	18	19	20	4	18	19	20	-7%	-2%	-1%	-1%
Roper Rhodes	55	208	216	227	52	204	213	223	6%	2%	2%	1%
Thebalux	18	99	108	115	26	105	114	120	-30%	-6%	-5%	-4%
Eliminations	-10	-40	-41	-42	-9	-39	-40	-41	n.m.	n.m.	n.m.	n.m.
Group	71	312	350	380	77	320	353	382	-7%	-3%	-1%	-1%
Adj. EBITA margin												
Svedbergs	1.7%	3.2%	7.2%	9.0%	3.5%	4.6%	7.4%	9.1%	-1.8pp	-1.4pp	-0.3pp	-0.1pp
Macro design	8.1%	9.2%	10.0%	10.6%	5.6%	8.7%	9.5%	10.1%	2.5pp	0.5pp	0.5pp	0.5pp
Cassøe	18.3%	19.7%	20.1%	20.4%	18.1%	19.6%	19.8%	20.0%	0.2pp	0.2pp	0.3pp	0.4pp
Roper Rhodes	19.1%	18.4%	18.6%	19.0%	17.4%	18.0%	18.2%	18.5%	1.7pp	0.5pp	0.4pp	0.4pp
Thebalux	19.5%	24.2%	24.8%	25.3%	25.8%	25.6%	26.2%	26.4%	-6.3pp	-1.4pp	-1.4pp	-1.1pp
Group	13.9%	14.3%	15.3%	15.9%	14.5%	14.6%	15.4%	15.9%	-0.6pp	-0.2pp	-0.1pp	0.0pp

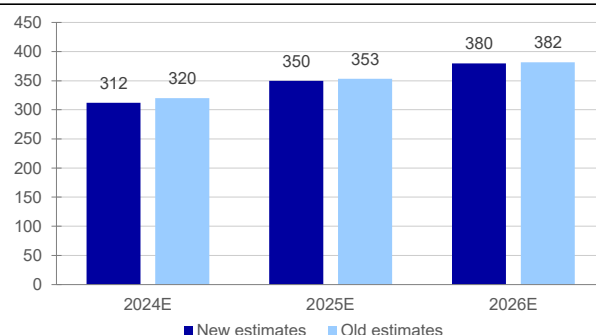
Source: Nordea estimates

NET SALES (SEKm): NEW VS. OLD ESTIMATES



Source: Nordea estimates

EBITA ADJUSTED (SEKm): NEW VS. OLD ESTIMATES



Source: Nordea estimates

Detailed estimates

SVEDBERGS GROUP: BREAKDOWN OF OUR ESTIMATES

SEKm	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24E	2021	2022	2023	2024E	2025E	2026E
Net sales	476	456	432	460	572	562	512	534	869	1,833	1,824	2,181	2,284	2,381
COGS	-279	-263	-239	-248	-317	-314	-277	-291	-502	-1,076	-1,028	-1,198	-1,246	-1,293
Gross profit	197	193	193	213	255	248	236	243	366	757	796	982	1,038	1,088
Adj. opex	-121	-123	-122	-138	-156	-157	-150	-147	-221	-459	-504	-610	-610	-627
Adj. EBITDA	76	70	72	75	100	91	85	96	146	298	292	373	427	461
Depreciation	-12	-12	-13	-15	-16	-16	-14	-15	-26	-47	-52	-61	-78	-81
Adj. EBITA	64	58	59	59	84	76	71	81	119	251	240	312	350	380
Amortisation (PPA)	-3	-3	-3	-3	-4	-4	-4	-4	-6	-9	-11	-15	-16	-15
Adj. EBIT	62	55	56	56	80	72	67	78	114	242	229	297	334	364
IAC	0	-4	0	-15	0	0	0	0	-19	-7	-18	0	0	0
EBIT	62	51	57	41	80	72	67	78	95	234	210	296	334	364
Net financials	-10	-9	-13	-18	-12	-18	-30	-30	-16	-28	-51	-90	-68	-67
Pre-tax profit	52	42	43	23	67	54	37	48	79	206	160	206	266	297
Tax	-10	-9	-9	-13	-17	-13	-10	-12	-21	-40	-41	-52	-66	-74
Net profit	42	33	34	10	50	41	28	36	59	166	119	154	199	223
Adj. EPS (SEK)	1.19	1.02	0.96	0.60	0.95	0.76	0.52	0.67	2.82	5.07	3.77	2.91	3.76	4.20
EPS (SEK)	1.19	0.93	0.97	0.27	0.95	0.76	0.52	0.67	2.26	4.90	3.37	2.91	3.76	4.20

Margins	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24E	2021	2022	2023	2024E	2025E	2026E
Gross margin	41.4%	42.3%	44.7%	46.2%	44.6%	44.2%	46.0%	45.5%	42.2%	41.3%	43.6%	45.1%	45.4%	45.7%
Adj. EBITDA margin	16.0%	15.3%	16.6%	16.2%	17.4%	16.3%	16.7%	18.0%	16.8%	16.3%	16.0%	17.1%	18.7%	19.3%
Adj. EBITA margin	13.5%	12.6%	13.7%	12.9%	14.6%	13.5%	13.9%	15.2%	13.7%	13.7%	13.2%	14.3%	15.3%	15.9%
Adj. EBIT margin	12.9%	12.0%	13.0%	12.2%	14.0%	12.8%	13.1%	14.5%	13.1%	13.2%	12.5%	13.6%	14.6%	15.3%
EBIT margin	12.9%	11.2%	13.1%	9.0%	13.9%	12.8%	13.1%	14.5%	10.9%	12.8%	11.5%	13.6%	14.6%	15.3%

Sales drivers (y/y, %)	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24E	2021	2022	2023	2024E	2025E	2026E
Organic	-4%	-8%	-8%	-5%	-4%	-2%	-1%	-1%	13%	3%	-6%	-2%	5%	4%
FX	1%	4%	7%	3%	2%	2%	-2%	1%	0%	2%	4%	1%	0%	0%
Structure	0%	1%	0%	7%	22%	23%	22%	15%	21%	106%	2%	21%	0%	0%
Total	-3%	-3%	-1%	5%	20%	23%	19%	16%	34%	111%	-1%	20%	5%	4%

PERFORMANCE BY SEGMENT

External net sales	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24E	2021	2022	2023	2024E	2025E	2026E
Svedbergs	146	128	93	113	113	102	76	101	516	569	480	392	422	451
Macro design	44	43	32	44	42	44	35	45	208	193	163	166	174	181
Cassøe	24	22	20	23	23	25	19	23	97	94	88	89	94	98
Roper Rhodes	263	262	287	250	289	285	289	263	47	977	1,062	1,126	1,160	1,195
Thebalux	0	0	0	30	105	107	94	103	0	0	30	408	434	456
Group	476	456	432	460	572	562	512	534	869	1,833	1,824	2,181	2,284	2,381

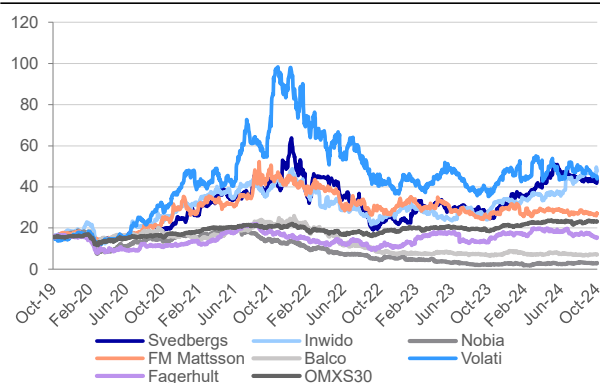
Adj. EBITA	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24E	2021	2022	2023	2024E	2025E	2026E
Svedbergs	24	13	12	8	8	1	1	2	86	99	59	13	30	41
Macro design	4	3	2	4	4	4	3	4	24	24	12	15	17	19
Cassøe	5	5	4	5	4	5	3	5	22	20	18	18	19	20
Roper Rhodes	37	39	48	52	49	49	55	54	-1	130	179	208	216	227
Thebalux	0	0	0	1	26	28	18	26	0	0	1	99	108	115
Eliminations	-6	-3	-6	-11	-8	-12	-10	-10	-11	-22	-28	-40	-41	-42
Group	64	58	59	59	84	76	71	81	119	251	240	312	350	380

Adj. EBITA margin	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24E	2021	2022	2023	2024E	2025E	2026E
Svedbergs	16.8%	10.5%	13.3%	7.1%	7.2%	1.3%	1.7%	1.7%	16.6%	17.3%	12.2%	3.2%	7.2%	9.0%
Macro design	8.7%	7.4%	4.7%	8.9%	9.7%	9.4%	8.1%	9.5%	11.3%	12.5%	7.4%	9.2%	10.0%	10.6%
Cassøe	21.2%	20.8%	17.8%	20.5%	19.5%	20.3%	18.3%	20.6%	22.5%	21.4%	20.3%	19.7%	20.1%	20.4%
Roper Rhodes	14.1%	14.8%	16.7%	20.9%	17.0%	17.2%	19.1%	20.6%	-2.5%	13.3%	16.8%	18.4%	18.6%	19.0%
Thebalux				3.4%	24.8%	26.1%	19.5%	25.7%			3.4%	24.2%	24.8%	25.3%
Group	13.5%	12.6%	13.7%	12.9%	14.6%	13.5%	13.9%	15.2%	13.7%	13.7%	13.2%	14.3%	15.3%	15.9%

Source: Company data and Nordea estimates

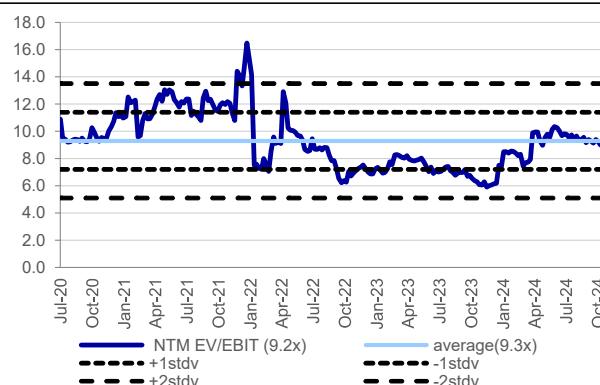
Performance and valuation

SHARE PRICE PERFORMANCE (SEK)



Source: LSEG Data & Analytics

SVEDBERGS GROUP: NTM EV/EBIT (x)



Source: LSEG Data & Analytics

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	10,938	9.6x	8.1x	7.2x	12.9x	10.7x	9.3x	13.5x	11.1x	9.7x	19.3x	15.3x	13.8x	11.1%	5.0%
Nobia	BUY	3,567	8.1x	5.7x	4.4x	-	18.1x	10.6x	-	22.5x	12.1x	-	-	14.2x	2.9%	4.4%
Volati	BUY	8,035	11.8x	9.2x	8.5x	14.3x	10.9x	9.9x	17.2x	12.7x	11.5x	32.6x	18.7x	16.5x	8.6%	7.6%
FM Mattsson	NOT COVERED	1,852	6.2x	5.5x	4.9x	9.0x	7.2x	6.2x	9.0x	7.3x	6.2x	17.0x	12.5x	10.0x	11.2%	6.5%
Balco	NOT COVERED	934	11.0x	6.7x	6.0x	17.2x	8.7x	7.8x	11.0x	6.7x	6.0x	20.6x	8.5x	7.2x	7.2%	9.7%
Nordic Waterproofing	NOT COVERED	4,051	10.8x	8.7x	8.2x	14.6x	11.3x	10.6x	14.9x	11.6x	11.0x	20.0x	13.6x	12.6x	8.9%	4.1%
Fagerhult	BUY	10,331	9.8x	8.6x	7.6x	13.9x	11.9x	10.4x	15.5x	13.1x	11.5x	21.5x	17.0x	14.9x	9.9%	3.2%
Peers average			9.6x	7.5x	6.7x	13.6x	11.3x	9.3x	13.5x	12.2x	9.7x	21.8x	14.3x	12.7x	8.5%	5.8%
Peers median			9.8x	8.1x	7.2x	14.1x	10.9x	9.9x	14.2x	11.6x	11.0x	20.3x	14.5x	13.8x	8.9%	5.0%
Svedbergs (Nordea)	NO RATING	2,315	8.1x	6.7x	5.8x	9.7x	8.2x	7.0x	10.2x	8.6x	7.3x	15.0x	11.6x	10.4x	14.5%	4.5%
vs. peers average			-15%	-11%	-13%	-29%	-27%	-24%	-25%	-30%	-25%	-31%	-19%	-18%	6.0 pp	-1.3 pp
vs. peers median			-17%	-18%	-19%	-31%	-25%	-29%	-28%	-26%	-34%	-26%	-20%	-25%	6.0 pp	-1.3 pp

Source: LSEG Data & Analytics and Nordea estimates

EUROPEAN BUILDING MATERIALS COMPANIES: VALUATION TABLE

Company	Rating	Mcap EURm	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	19,461	22.0x	21.1x	19.9x	25.8x	24.6x	23.0x	26.5x	25.3x	23.8x	29.7x	27.8x	25.8x	24.7%	3.8%
Villeroy & Boch	NOT COVERED	237	5.0x	4.1x	3.8x	-	-	-	9.5x	7.2x	6.5x	8.5x	6.3x	5.6x	7.7%	8.0%
Howden	NOT COVERED	5,829	10.9x	10.1x	9.5x	15.2x	13.8x	12.5x	15.1x	13.7x	12.9x	18.7x	16.8x	15.2x	15.5%	6.4%
Peers average			12.6x	11.7x	11.1x	20.5x	19.2x	17.8x	17.0x	15.4x	14.4x	19.0x	16.9x	15.5x	15.9%	6.1%
Peers median			10.9x	10.1x	9.5x	20.5x	19.2x	17.8x	15.1x	13.7x	12.9x	18.7x	16.8x	15.2x	15.5%	6.4%
Svedbergs (Nordea)	NO RATING	201	8.1x	6.7x	5.8x	9.7x	8.2x	7.0x	10.2x	8.6x	7.3x	15.0x	11.6x	10.4x	14.5%	4.5%
vs. peers average			-36%	-43%	-48%	-53%	-57%	-61%	-40%	-44%	-49%	-21%	-31%	-33%	-1.4 pp	-1.6 pp
vs. peers median			-26%	-34%	-39%	-53%	-57%	-61%	-32%	-38%	-43%	-20%	-31%	-31%	-1.4 pp	-1.6 pp

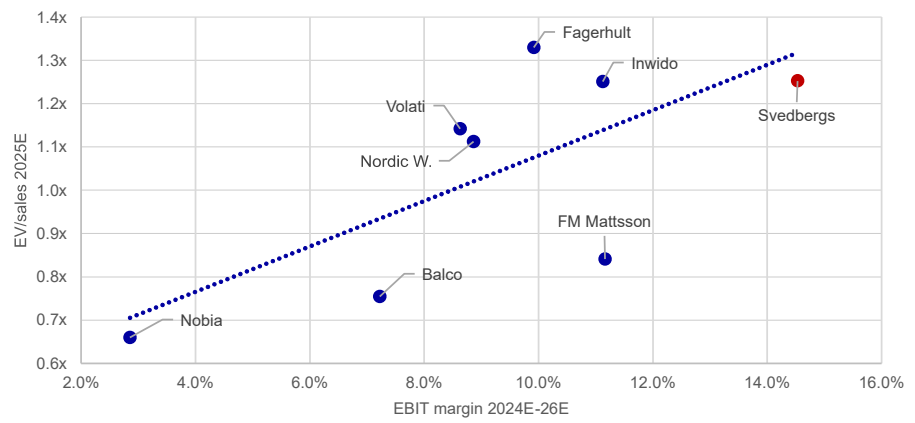
Source: LSEG Data & Analytics and Nordea estimates

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	2,339	2,506	2,673	2,840	3,007	3,174	3,341	3,508	3,675	3,842	4,010	4,177	4,344
ND	546	546	546	546	546	546	546	546	546	546	546	546	546
Implied Mcap	1,793	1,960	2,127	2,294	2,461	2,628	2,795	2,963	3,130	3,297	3,464	3,631	3,798
Mcap per share (SEK)	34	37	40	43	46	50	53	56	59	62	65	69	72
Implied P/E	9.0x	9.8x	10.7x	11.5x	12.3x	13.2x	14.0x	14.9x	15.7x	16.5x	17.4x	18.2x	19.0x
Implied FCF yield	1.7%	1.6%	1.4%	1.3%	1.2%	1.2%	1.1%	1.0%	1.0%	0.9%	0.9%	0.8%	0.8%
Implied EV/EBIT 2025E vs. peer average	-42%	-38%	-34%	-30%	-26%	-22%	-18%	-14%	-10%	-5%	-1%	3%	7%
Implied EV/EBIT 2025E vs. peer median	-40%	-35%	-31%	-27%	-23%	-18%	-14%	-10%	-5%	-1%	3%	8%	12%
Upside/downside to current share price	-27%	-20%	-13%	-6%	0%	7%	14%	21%	28%	34%	41%	48%	55%

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
Total revenue	449	639	622	609	649	869	1,833	1,824	2,181	2,284	2,381
Revenue growth	0.3%	42.4%	-2.7%	-2.1%	6.6%	33.8%	111.0%	-0.5%	19.6%	4.7%	4.2%
of which organic	n.a.	n.a.	-3.0%	-2.0%	7.0%	13.0%	3.0%	-6.0%	-2.0%	4.7%	4.2%
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	372	427	461
Depreciation and impairments PPE	0	-19	-19	-21	-22	-26	-47	-52	-61	-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	312	350	380
Amortisation and impairments	0	-1	-1	-2	-2	-6	-9	-11	-15	-16	-15
EBIT	57	63	55	56	66	95	234	210	296	334	364
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	-90	-68	-67
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
Pre-tax profit	57	60	51	53	62	79	206	160	206	266	297
Reported taxes	-13	-13	-11	-12	-14	-21	-40	-41	-52	-66	-74
Net profit from continued operations	44	46	41	41	48	59	166	119	154	199	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	154	199	223
EPS, SEK	2.10	2.20	1.93	1.96	2.28	2.26	4.90	3.37	2.91	3.76	4.20
DPS, SEK	2.25	2.25	2.25	1.25	0.00	1.25	0.00	1.50	1.00	0.87	1.23
of which ordinary	2.25	2.25	2.25	1.25	0.00	1.25	0.00	1.50	1.00	0.87	1.23
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%	17.1%	18.7%	19.3%
EBITA	12.8%	10.0%	9.0%	9.5%	10.5%	11.6%	13.3%	12.2%	14.3%	15.3%	15.9%
EBIT	12.8%	9.9%	8.8%	9.2%	10.2%	10.9%	12.8%	11.5%	13.6%	14.6%	15.3%

Adjusted earnings

EBITDA (adj)	58	87	77	79	100	146	298	292	373	427	461
EBITA (adj)	58	68	58	58	78	119	251	240	312	350	380
EBIT (adj)	58	67	57	56	76	114	242	229	297	334	364
EPS (adj, SEK)	2.13	2.44	2.05	1.96	2.88	3.15	5.17	4.01	2.92	3.76	4.20

Adjusted profit margins in percent

EBITDA (adj)	12.9%	13.6%	12.4%	13.0%	15.5%	16.8%	16.3%	16.0%	17.1%	18.7%	19.3%
EBITA (adj)	12.9%	10.7%	9.3%	9.5%	12.0%	13.7%	13.7%	13.2%	14.3%	15.3%	15.9%
EBIT (adj)	12.9%	10.5%	9.1%	9.2%	11.8%	13.1%	13.2%	12.5%	13.6%	14.6%	15.3%

Performance metrics

CAGR last 5 years											
Net revenue	0.5%	9.8%	11.0%	9.8%	7.7%	14.1%	23.5%	24.0%	29.1%	28.6%	22.3%
EBITDA	-3.7%	24.1%	24.9%	10.9%	15.4%	17.2%	28.4%	29.4%	36.2%	36.5%	29.4%
EBIT	-3.7%	17.4%	17.2%	3.5%	8.5%	10.6%	30.1%	30.9%	39.5%	38.2%	30.8%
EPS	-2.3%	15.5%	18.4%	2.7%	7.3%	1.5%	17.3%	11.8%	8.2%	10.6%	13.3%
DPS	n.m.	n.m.	n.m.	4.6%	n.m.	-11.1%	n.m.	-7.8%	-4.4%	n.m.	-0.4%
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%	13.0%	13.7%
Average EBITDA margin	9.8%	11.2%	12.1%	12.3%	13.0%	13.4%	14.5%	14.9%	15.7%	16.6%	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	15.0	11.6	10.4
EV/EBITDA (adj)	14.1	8.1	6.8	6.9	7.3	18.8	4.6	7.6	8.1	6.7	5.8
EV/EBITA (adj)	14.1	10.4	9.1	9.4	9.4	23.0	5.5	9.2	9.7	8.2	7.0
EV/EBIT (adj)	14.1	10.6	9.3	9.7	9.6	24.1	5.7	9.7	10.2	8.6	7.3

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	15.0	11.6	10.4
EV/Sales	1.82	1.11	0.85	0.89	1.13	3.16	0.75	1.21	1.39	1.25	1.12
EV/EBITDA	14.2	8.5	7.0	6.9	8.1	21.6	4.7	8.1	8.1	6.7	5.8
EV/EBITA	14.2	11.1	9.4	9.4	10.8	27.2	5.6	10.0	9.7	8.2	7.0
EV/EBIT	14.2	11.3	9.6	9.7	11.1	28.8	5.9	10.5	10.2	8.6	7.3
Dividend yield (ord.)	7.4%	8.8%	14.3%	7.6%	0.0%	2.0%	0.0%	4.8%	2.3%	2.0%	2.8%
FCF yield	-19.0%	8.0%	11.0%	10.0%	1.9%	-44.0%	8.2%	-27.8%	4.0%	1.3%	10.7%
FCF Yield bef A&D, lease adj	6.6%	7.8%	10.9%	9.9%	12.8%	5.0%	27.0%	15.4%	4.0%	9.5%	10.7%
Payout ratio	105.6%	92.4%	109.7%	63.7%	0.0%	39.7%	0.0%	37.4%	34.3%	23.1%	29.2%

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	1,390	1,584	1,590
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	551	556	562
of which goodwill	114	114	114	114	162	595	614	838	838	1,027	1,027
Tangible assets	70	70	70	85	81	322	317	461	455	406	354
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	1,847	1,993	1,946
Inventory	108	131	118	134	130	326	444	499	520	544	568
Accounts receivable	119	118	126	120	138	322	291	296	365	382	398
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	235	212	413
Total current assets	249	272	277	296	334	1,035	971	1,076	1,185	1,208	1,451
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total assets	484	505	508	541	674	2,328	2,291	2,921	3,033	3,201	3,397
Shareholders equity	170	168	163	179	227	267	935	979	1,449	1,784	1,961
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	1,449	1,784	1,961
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	26	26	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	754	756	733
Short-term provisions	2	3	3	3	6	13	12	11	194	5	28
Accounts payable	45	50	43	37	39	102	113	161	171	179	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	284	297	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	830	661	704
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	484	505	508	541	674	2,328	2,291	2,921	3,033	3,201	3,397
Balance sheet and debt metrics											
Net debt	172	171	195	198	212	1,137	623	1,108	712	546	345
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	496	519	541
Invested capital	367	370	379	401	481	1,543	1,695	2,281	2,343	2,512	2,488
Capital employed	359	355	379	414	474	1,552	1,588	2,126	2,184	2,519	2,696
ROE	25.8%	27.5%	24.6%	24.3%	23.7%	23.7%	27.5%	12.4%	12.7%	12.3%	11.9%
ROIC	15.6%	13.6%	11.4%	10.8%	13.0%	8.4%	11.2%	8.6%	9.6%	10.3%	10.9%
ROCE	21.4%	18.7%	15.5%	14.2%	17.2%	11.2%	15.4%	12.3%	13.8%	14.2%	14.0%
Net debt/EBITDA	3.0	2.1	2.6	2.5	2.4	9.0	2.1	4.0	1.9	1.3	0.7
Interest coverage	n.m.	20.6	15.6	21.1	16.1	6.2	8.3	4.1	3.3	4.9	5.4
Equity ratio	35.1%	33.3%	32.1%	33.1%	33.7%	11.5%	40.8%	33.5%	47.8%	55.7%	57.7%
Net gearing	101.4%	101.6%	120.0%	110.8%	93.4%	426.0%	66.6%	113.2%	49.2%	30.6%	17.6%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

SEKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
EBITDA (adj) for associates	57	83	75	79	90	127	291	274	372	427	461
Paid taxes	-20	-14	-16	0	-12	0	-30	-49	-52	-66	-74
Net financials	0	-3	-3	-3	-4	-15	-23	-38	-90	-68	-67
Change in provisions	0	1	0	0	27	145	0	22	22	-189	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	-22	189	0
Funds from operations (FFO)	53	67	57	78	77	101	240	183	230	293	319
Change in NWC	6	-6	-2	-17	18	-5	0	13	-59	-23	-22
Cash flow from operations (CFO)	60	61	55	61	94	96	240	196	171	269	297
Capital expenditure	-17	-19	-19	-26	-27	-15	-38	-26	-79	-50	-50
Free cash flow before A&D	43	42	36	34	67	81	203	170	92	220	247
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	-189	0
Free cash flow	-123	43	37	35	10	-707	62	-307	92	31	247
Free cash flow bef A&D, lease adj	43	42	36	34	67	81	203	170	92	220	247
Dividends paid	-48	-47	-48	-26	0	-26	0	-53	-53	-53	-46
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	18	-22	201
Cash flow metrics											
Capex/D&A	n.m.	92.8%	89.9%	n.m.	n.m.	48.5%	67.0%	40.6%	n.m.	53.2%	51.9%
Capex/Sales	3.7%	3.0%	3.0%	4.3%	4.2%	1.8%	2.1%	1.4%	3.6%	2.2%	2.1%
Key information											
Share price year end (/current)	31	26	16	16	25	62	22	31	44	44	44
Market cap.	644	539	332	346	521	1,606	750	1,102	2,315	2,315	2,315
Enterprise value	817	710	528	545	734	2,742	1,373	2,210	3,027	2,861	2,660
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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Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
Nordea IB & Equity Division, Equity Research Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland	Nordea IB & Equity Division, Equity Research Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden	Nordea IB & Equity Division, Equity Research Visiting address: Grønjørdsvej 10 DK-2300 Copenhagen S Denmark	Nordea IB & Equity Division, Equity Research Visiting address: Essendropsgate 7 N-0107 Oslo Norway
Tel: +358 9 1651 Fax: +358 9 165 59710	Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Tel: +45 3333 3333 Fax: +45 3333 1520	Tel: +47 2248 5000 Fax: +47 2256 8650
Reg.no. 2858394-9 Satamaradankatu 5 Helsinki			