Infrea

Fast comment

Feedback from ABGSC's Investor Days

- Riding the infrastructure spending wave
- Internal efficiency improvements to continue
- 8-6x EBITA '25e-'27e, 26-16% FCF yields

Expected investment boost

Yesterday, we hosted Infrea's CEO, Martin Reinholdsson, at ABGSC's Investor Days. Mr Reinholdsson started by putting Infrea in the context of the infrastructure investment boost that is currently taking place in Sweden. This includes the NATO spending budget of 5%, the Swedish Transport Administration's proposed budget of SEK 1,200bn, Svenska Kraftnät's expected investment expansion and the large investment needs in water and sewage, all of which Infrea has the opportunity to capitalise on.

Internal improvements showing in the numbers

Besides operating in a market that is expected to have a bright future, Infrea has taken steps forward in terms of internal efficiency. Efforts begun in 2023/2024 are bearing fruit from what we can see in the numbers, and there is more work to be done, according to Mr Reinholdsson. The work is mostly focused around project management, tender discipline and capital tie-up. Infrea is a group consisting of 14 companies. Jonab and Asfaltsgruppen are ~50% of revenue, with the remaining 12 companies accounting for the rest. The group has worked with the companies during the year, closing down one unit that was not performing and restructuring another that needed a push in the right direction.

Margins to improve and FCF to stabilise

We believe that Infrea is well-positioned to grow organically and improve its margins, given its exposure to underlying demand and to public customers (~55%), as well as support from M&A (13% sales CAGR in '21-'24). For '24-'27e, we expect Infrea to deliver sales and profitability growth and FCF above peers but with slightly lower margins. The share is trading at 8-6x adj. EBITA on '25e-'27e with a 26-16% lease-adj. FCF yield, while peers are trading at 7-6x.

Commissioned research

Not rated

Services

INFREA-SE/INFREA SS

Share price (SEK)	3/12/2025	12.80

MCap (SEKm)	385
MCap (EURm)	35
No. of shares (m)	30.1
Free float (%)	59.4
Av. daily volume (k)	5

Next event Q4 Report 17 February 2026

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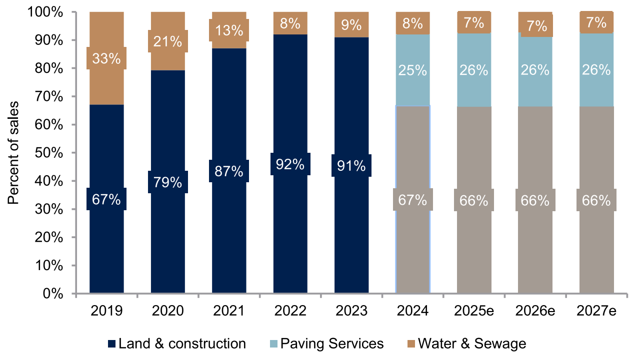
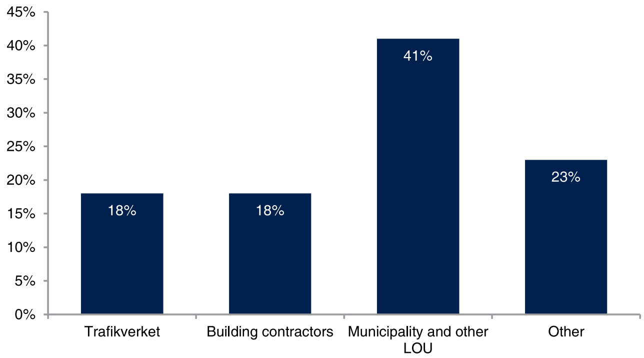
Sales split per segment



Source: ABG Sundal Collier, Company data.

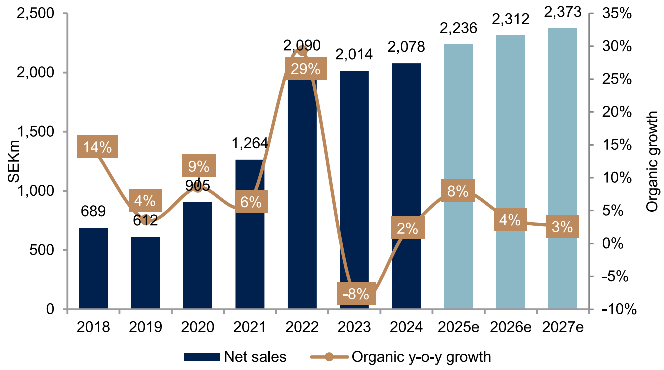
*Footnote: *From 2024 Land & Construction is divided into two segments; Paving Services and Land & Construction.*

Consumer split (ABGSCe)



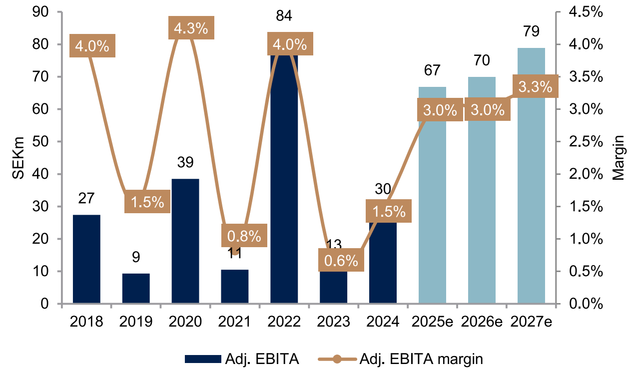
Source: ABG Sundal Collier, Company data

Sales & organic growth



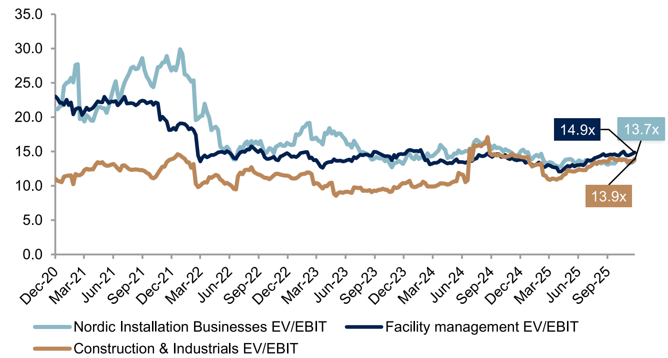
Source: ABG Sundal Collier, Company data.

Adj. EBITA & margin



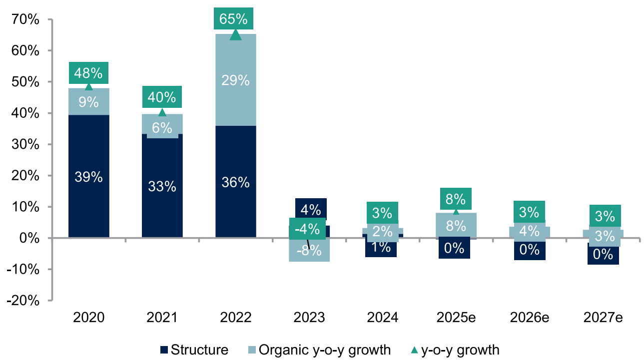
Source: ABG Sundal Collier, Company data.

F12m EV/EBITA vs. peer groups



Source: ABG Sundal Collier, FactSet

ABGSC sales growth breakdown



Source: ABG Sundal Collier, Company data

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