Tempest Security

Fast comment

Feedback from ABGSC's Investor Days

- Capitalising on increased insecurity within society
- Focus on core operations is starting to bear fruit
- Potential on the SOC business

Overview of Tempest Security

This week, we hosted Tempest Security CEO Andrew Spry at ABGSC's Investor Days. Founded in 2004, Tempest Security is a security services company offering protection and security-related services. It has established itself as Sweden's third-largest guarding company. Tempest provides trained security staff and technical solutions for alarms and surveillance. Its customers are found in a variety of sectors, including industry, offices and property, as well as state and municipal organisations.

Potential in the SOC

The key takeaways from the presentation were that the divestments and focus on core operations are starting to be reflected in the numbers, and that the initial costs associated with new contracts should now be declining, as the Scania contract has been replaced. Looking ahead, Tempest will continue to work on improving profitability. We believe that the Security Operations Centre (SOC) has the potential to contribute more in the future than it does today. The SOC dates back to Tempest's 2017 acquisition of Falck, an alarm centre that it has since developed into a SOC. The SOC currently accounts for a small proportion of Tempest's business, but according to Mr. Spry, margins of 50% in an SOC are reasonable in the future. For Tempest to reach this level, however, volumes will need to increase. The SOC business is highly scalable; adding a sensor or alarm does not incur any additional costs, and we believe this could boost Tempest's margins in the future.

Focus on core operations

We believe the company has taken important steps throughout the year with the divestment of the US and the turnaround in Denmark. There are further efficiencies to be gained from the newly signed contracts in Guarding, as profitability typically increases gradually after the initial start-up period. This is because the additional costs associated with extra hiring decrease, planning and efficiency improve, and Tempest can sell additional services that improve profitability.

Commissioned research

Not rated

Services

TSEC-SE/TSEC SS

Share price (SEK)	4/12/2025	12.35
MCap (SEKm)		129
MCap (EURm)		12
No. of shares (m)		10.5
Av. daily volume (k)		2

Next event Q4 Report 19 February 2026

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SEKm	2023	2024	2025e	2026e	2027e
Sales	469	502	562	612	657
Sales growth (%)	*10.6*	*7.0*	*11.8*	*9.0*	*7.3*
EBITDA	21	-5	5	27	35
EBITDA margin (%)	*4.5*	*-1.0*	*0.8*	*4.4*	*5.3*
EBIT adj.	13	-16	2	12	19
EBIT adj. margin (%)	*2.9*	*-3.2*	*0.3*	*2.0*	*2.9*
Pretax profit	7	-55	-11	10	18
EPS	0.50	-5.30	-0.96	0.79	1.33
EPS growth (%)	*-46.3*	*nm*	*-81.9*	*nm*	*67.5*
EPS adj.	0.83	-1.84	-0.13	0.79	1.33
DPS	0.00	0.00	0.00	0.00	0.00
EV/EBITDA (x)	7.1	-31.3	32.3	5.0	3.2
EV/EBIT adj. (x)	11.1	-9.4	78.8	10.9	5.9
P/E (x)	24.6	nm	nm	15.6	9.3
P/E adj. (x)	14.9	nm	nm	15.6	9.3
EV/sales (x)	0.32	0.30	0.27	0.22	0.17
FCF yield (%)	12.6	3.9	3.1	21.2	24.2
Le. adj. FCF yld. (%)	4.2	-28.9	-5.5	11.0	13.2
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Net IB debt/EBITDA (x)	0.8	-4.4	4.8	0.2	-0.5
Le. adj. ND/EBITDA (x)	-0.6	-0.3	-0.4	-0.9	-1.3

Source: ABG Sundal Collier, Company Data

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