

Careium

Continued headwinds in Sweden

- Q2 sales 8% below our ests. at SEK 202m, for -9% org. growth
- EBIT SEK 10m vs. ABGSCe 18m
- Trading at 9x '25e EV/EBITA adj.

Q2: A soft quarter, partly on accounting effects

Careium delivered sales of SEK 202m (-8% vs ABGSCe 220m), corresponding to y-o-y organic growth ex. FX of -9.3% (-4.5pp vs ABGSCe -4.5%). Sales in Sweden were negatively impacted by the accounting of financial leases, which had an effect of SEK -15m, leading to negative sales growth in the Nordics of 16% y-o-y. Excluding the impact of the classification of financial leases, Nordics net sales would have increased 1.4% and group net sales would have decreased 5.4% y-o-y (vs. reported -12%). Segment wise, service sales was SEK 148m (-9% vs ABGSCe 162m), and product sales was SEK 54m (-7% vs ABGSCe 58m). The gross margin increased to 43% (-1pp vs ABGSCe 44%), -1.2pp q-o-q and +1.6pp y-o-y). Opex was roughly in line with estimates, and came in at SEK -78m (-2% vs ABGSCe -79m). EBIT amounted to SEK 10m (-45% vs ABGSCe 18m), for a margin of 5% (-3pp vs ABGSCe 8%), down 4.6pp vs. 9.5% Q2'24, mainly on lower reported sales and continued growth in R&D.

Cash flow and outlook

FCF in Q2 amounted to SEK 1m, below ABGSCe of SEK 5.5m. This is an increase of SEK 0.5m y-o-y and 5.3m q-o-q (0.5m Q2'24 and -4.3m Q1'25). FCF was below our expectations, due to lower than expected EBIT. Tangible capex increased to SEK -19m vs -13.5m in Q2'24, as a lower number of contracts were classified as financial leases. FY'25 outlook remains unchanged, with expected recovery in Sweden in H2 once the Swedish ADDA 2025 framework comes into effect. Additionally, Careium comments that H1'26 should be drastically less affected by the accounting of financial leases, but that we should expect these headwinds to continue during H2'25. We are encouraged by the first recorded order of fixed alarms in France and the previously announced five-year contract with Gloucestershire County Council in the UK, with an expected annual revenue of SEK 6.5m.

Valuation and conference call details

On our pre-Q2 estimates, the share is trading at 8.7x-7.3x '25-'26e EV/EBITA adj. The negative mechanical effect for consensus '25e-'26e EBIT should be within a high-single-digit range. In addition, we expect more details about Q2 on the conference call at 10.30 CET. Link to the webcast [here](#).

Fast comment

Commissioned research

Not rated

IT

CARE-SE/CARE SS

Share price (SEK)	10/7/2025	30.50
MCap (SEKm)		754
MCap (EURm)		68
Net debt (SEKm)		182.50
No. of shares (m)		24.3
Free float (%)		62.9
Av. daily volume (k)		23

Next event

Q2 Report 11 July 2025

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Deviation table

SEKm	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	ABGSCe	Deviation	
						Q2'25e	%	#
Sales	229	202	229	207	202	220	-8%	-18
COGS	-134	-115	-127	-115	-115	-123	-7%	9
Gross profit	96	86	102	92	88	97	-10%	-10
Opex	-74	-70	-75	-76	-78	-79	-2%	1
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0	na	0
EBITDA	38	34	44	34	26.4	36	-26%	-9
EBIT	22	17	27	17	10	18	-45%	-8
Net financials	-3.8	-2.4	0.4	-7.1	-1.8	-3.6	-50%	2
Pre-tax profit	18	14	27	10	8	15	-44%	-6
Tax	-4	-3	-4	-2	-2	-3	-44%	1
Net profit	14	11	23	8	7	12	-44%	-5
Assumptions	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q2'25e	%	
Sales y-o-y	7.3%	-7.2%	14.8%	-1.6%	-11.9%	-3.9%	-8.0pp	
Organic growth y-o-y	6.8%	-7.9%	12.5%	-2.3%	-9.3%	-4.5%	-4.8pp	
Gross margin	41.7%	42.7%	44.4%	44.5%	43.3%	44.1%	-0.8pp	
EBITDA margin	16.4%	17.0%	19.1%	16.2%	13.1%	16.2%	-3.1pp	
EBIT margin	9.5%	8.2%	11.6%	8.0%	5.0%	8.3%	-3.3pp	
Service sales	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q2'25e	%	#
Nordics	95	94	88	81	82	83	-1%	-1
UK & Ireland	45	46	51	52	41	54	-24%	-13
Netherlands	20	20	21	21	21	21	-2%	0
Other	4.3	4.4	5.7	6.0	5.3	5.0	6%	0
Total service sales	163.3	164.3	165.9	160.3	148.0	162.2	-9%	-14
Product sales	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q2'25e	%	#
Nordics	9.3	3.9	6.9	4.6	5.9	6.2	-5%	0
UK & Ireland	34	24	30	31	31	32	0%	0
Netherlands	0.9	0.7	0.5	0.5	0.7	0.7	0%	0
Other	22	9	26	12	16	20	-18%	-4
Total product sales	66.1	37.4	63	47.2	54.2	58.2	-7%	-4

Source: ABG Sundal Collier, company data

SEKm	2023	2024	2025e	2026e	2027e
Sales	825	871	922	1,011	1,087
Sales growth (%)	13.7	5.6	5.9	9.7	7.5
EBITDA	149	151	166	186	192
EBITDA margin (%)	18.0	17.3	18.0	18.4	17.6
EBIT adj.	59	84	96	110	116
EBIT adj. margin (%)	7.2	9.6	10.4	10.9	10.7
Pretax profit	53	78	78	95	101
EPS	1.68	2.53	2.55	3.10	3.29
EPS growth (%)	nm	50.7	1.0	21.5	6.2
EPS adj.	2.22	2.81	2.72	3.28	3.48
DPS	0.00	0.00	0.00	0.00	
EV/EBITDA (x)	6.2	6.0	5.2	4.5	4.2
EV/EBIT adj. (x)	15.7	10.8	9.1	7.5	6.9
P/E (x)	18.2	12.1	12.0	9.8	9.3
P/E adj. (x)	13.7	10.8	11.2	9.3	8.8
EV/sales (x)	1.13	1.04	0.95	0.82	0.73
FCF yield (%)	8.3	5.0	7.9	8.3	7.0
Le. adj. FCF yld. (%)	2.9	-0.4	5.4	5.6	4.3
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Net IB debt/EBITDA (x)	1.3	1.1	0.8	0.5	0.3
Le. adj. ND/EBITDA (x)	1.2	1.1	0.7	0.4	0.2

Source: ABG Sundal Collier, Company Data

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