

Svedbergs Group

Feedback from ABGSC Investor Days

- Double-digit Svedbergs profitability in Q4 not ruled out
- Sustainability work is paying off
- Aims to fund M&A through its own cash flows from here

Could deliver on promises made despite market softness

We welcomed Svedbergs Group's CEO Per-Arne Andersson and Director of Business Development and Sustainability Beate Hennessy to our Investor Days event this week. Mr Andersson spoke about the pivot from being a low-growth high-dividend company in the past to the current M&A-driven strategy. A year ago, he set out a goal of reaching double-digit margins in the Svedbergs segment by Q4'25 after three tough years, with part of the then-expected recovery driven by an improving housing market. The Nordic primary housing market has not recovered, but Mr. Andersson still does not want to rule out reaching 10% margins in Q4.

Sustainability is a sales and margin driver

Mr. Andersson elaborated on the Group's (Ms. Hennessy's) sustainability work, saying it feels very comfortable in its progression in terms of sustainability reporting compared to its competition and the requirements set out by CSRD, although CSRD reporting requirements look to be more lax than initially thought. This is important for two reasons. Firstly because the Group's customers, whether retailers or project managers, have their own sustainability reporting protocols. As Svedbergs Group has plenty of sustainability-related documentation in place already and continue to develop LCAs, EPDs and started Digital Product Passports, choosing Svedbergs Group's companies as a supplier means choosing the path of least resistance. While no names were mentioned, there are concrete examples in which multi-million SEK contracts have been won due to Svedbergs Group's better sustainability reporting. Secondly, sustainability initiatives also reduce costs: in the UK, waste is taxed and Svedbergs Group's goal of reducing waste thus lowers cost both directly through materials use and through a lower tax bill.

M&A remains the name of the game

We also discussed Svedbergs Group's next steps in terms of M&A. The balance sheet looks ready for another acquisition, at a leverage of 1.2x ex IFRS-16 reported in Q3'25 the Group can afford buying another Thebalux-sized acquisition without exceeding a manageable 2.5x ND/EBITDA ratio. To this point, Mr. Andersson also stated the intention not to fund further M&A through share issues, rather using its own cash flows to grow. He also commented on the general M&A landscape, saying it appears that sellers' expectations on transaction have come up in recent years, but still expect future M&A to be struck at 6-8x EBITA.

Fast comment

Commissioned research

Not rated

Consumer Goods

SVED.B-SE/SVEDB SS

Share price (SEK)	4/12/2025	65.00
MCap (SEKm)		3,452
MCap (EURm)		315
No. of shares (m)		53.1
Free float (%)		52.0
Av. daily volume (k)		20

Next event Q4 Report 4 February 2026

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SEKm	2023	2024	2025e	2026e	2027e
Sales	1,824	2,183	2,230	2,262	2,351
Sales growth (%)	-0.5	19.7	2.1	1.4	3.9
EBITDA	274	374	409	437	462
EBITDA margin (%)	15.0	17.1	18.3	19.3	19.6
EBIT adj.	229	297	323	349	373
EBIT adj. margin (%)	12.6	13.6	14.5	15.4	15.9
Pretax profit	160	229	271	320	354
EPS	3.37	3.17	3.82	4.53	5.00
EPS growth (%)	-27.7	-5.9	20.5	18.5	10.5
EPS adj.	4.08	3.47	4.09	4.80	5.27
DPS	1.50	1.50	1.75	2.00	2.25
EV/EBITDA (x)	12.5	11.3	9.7	8.6	7.8
EV/EBIT adj. (x)	14.9	14.2	12.3	10.8	9.6
P/E (x)	19.3	20.5	17.0	14.4	13.0
P/E adj. (x)	15.9	18.7	15.9	13.5	12.3
EV/sales (x)	1.87	1.93	1.78	1.67	1.53
FCF yield (%)	-13.4	3.7	3.3	8.6	8.7
Le. adj. FCF yld. (%)	-14.4	3.1	2.5	7.9	8.0
Dividend yield (%)	2.3	2.3	2.7	3.1	3.5
Net IB debt/EBITDA (x)	4.1	2.1	1.3	0.7	0.3
Le. adj. ND/EBITDA (x)	3.9	1.9	1.1	0.6	0.1

Source: ABG Sundal Collier, Company Data

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