

NEWS FLASH

11 February 2025
Sweden
Capital Goods

Research analysts:

Markus Almerud

Svedbergs Group

Share price: SEK44.9

Fair value range: SEK52.0–70.0

Strong finish of the year – Q4 first take

First positive quarter since Q3(22)

Svedbergs Group posted 0.2% organic growth, which was the first positive organic growth figure in eight quarters and better than our -1% expectation. With 5% organic growth in a weak British market, it was mainly Roper Rhodes that drove the beat. Svedbergs brand's sales continued falling on the back of the lacklustre Swedish and Finnish project markets.

160bp gross margin expansion drives EBITA margin beyond 15%

During the year the Svedbergs brand has continued to adapt its cost base to meet the challenging markets, but the EBITA margin still contracted 130bps Y/Y. The productivity in its production units has improved and towards the end of the quarter Svedbergs brand's earnings saw a slight improvement. Roper Rhodes, on the other hand, expanded its EBITA margin by 100bps Y/Y. Thebalux had a lower margin than earlier in the year because of product mix and as December had lower sales. Its margin is still higher than the group average, and together with Roper Rhodes, Thebalux drove the 230bp EBITA margin expansion. EBITA was 13% better than we had expected.

Well prepared for an upturn in the market

The company has used the downturn to work on its cost base and we believe a turn in the market would have a significant impact on earnings. We still believe that the Svedbergs brand is able to return to double-digit margins even without a turn in market. Even though we see the timing of a recovery as uncertain, we believe we are in the trough and it will not get worse.

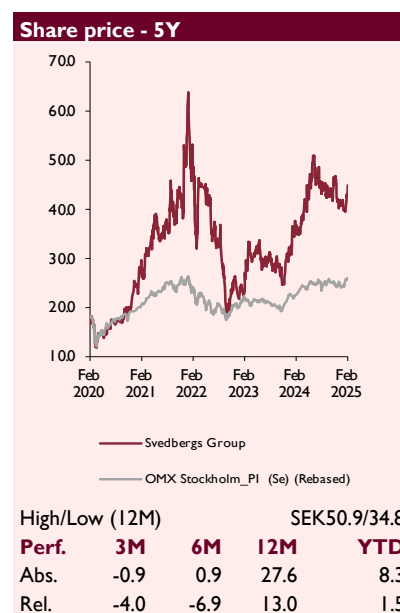
Conference call at 10.00 CET

We will look for any comments on signs of an improvement in the market environment as well as more colour on the slight upturn in Svedbergs brand's improvement in earnings towards the end of the quarter.

Upcoming events

- Q4 Report: 11 Feb 2025
- AGM 2025: 29 Apr 2025
- Q1 Report: 29 Apr 2025
- Q2 Report: 18 Jul 2025

		Key figures (SEK)				
		2023	2024e	2025e	2026e	
		Sales (m)	1,824	2,190	2,283	2,373
		EBITA (m)	222	303	331	357
		EBITA adj. (m)	240	303	331	357
		EPS	3.37	3.00	3.91	4.37
		EPS adj.	4.07	3.30	4.21	4.66
		DPS	1.00	1.20	1.40	1.50
		Sales growth Y/Y	-1%	20%	4%	4%
		EPS adj. growth Y/Y	-24%	-19%	28%	11%
		EBITA adj. margin	13.2%	13.8%	14.5%	15.0%
Key facts		EV/Sales	1.8	1.3	1.2	1.1
No. shares (m)	53.0	EV/EBITA adj.	8.5	9.1	8.4	7.4
Market cap. (USDm)	218	EV/EBITA	9.2	9.1	8.4	7.4
Market cap. (SEKm)	2,379	EV/EBIT	9.7	9.6	8.9	7.7
Net IB Debt. (SEKm)	549	P/E adj.	11.0	13.6	10.7	9.6
Adjustments (SEKm)	0	P/BV	1.6	1.6	1.5	1.4
EV (2024e) (SEKm)	2,927	Dividend yield	2.2%	2.7%	3.1%	3.3%
Free float	55.9%	FCF yield	6.2%	2.3%	8.8%	9.9%
Avg. daily vol. ('000)	19	ROCE	11.2%	12.5%	13.3%	14.4%
Risk	High Risk	ROE adj.	15.0%	14.3%	14.5%	14.8%
Fiscal year end	December	Net IB debt/EBITDA	3.4	1.5	1.0	0.6
Share price as of (CET)	07 Feb 2025 00:00					



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Deviation table	2023			2024				Carnegie					
SEKm	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4a	Q4e	Dev	2023	2024e	2025e
Sales	476	456	432	460	572	562	512	537	543	-1%	1,824	2,190	2,283
Growth	-3%	-3%	-1%	5%	20%	23%	19%	17%	18%	-1.3pp	0%	20%	4%
Organic	-4%	-8%	-8%	-5%	-4%	-2%	-1%	0%	-1%	0.9pp	-6%	-2%	3%
Currency	1%	4%	7%	3%	2%	2%	-2%	2%	2%	-0.1pp	4%	1%	1%
Acquisitions	0%	1%	0%	7%	22%	23%	22%	14%	16%	-2.1pp	2%	21%	0%
Adj EBITA	64	58	59	59	84	76	71	82	72	13%	240	303	331
Adj EBITA margin	13.5%	12.6%	13.7%	12.9%	14.6%	13.5%	13.9%	15.2%	13.3%	1.9pp	13.2%	13.8%	14.5%
EO	0	-4	0	-15	0	0	0	0	0		-18	0	0
EBIT	62	51	57	41	80	72	67	78	68	13%	211	287	315
EBIT margin	12.9%	11.2%	13.1%	9.0%	13.9%	12.8%	13.2%	14.4%	12.6%	1.8pp	11.5%	13.1%	13.8%
Net financials	-10	-9	-13	-18	-12	-18	-30	-7	-15	-53%	-51	-75	-35
Pre-tax Profit	52	42	43	23	67	54	38	71	54	31%	160	212	280
Tax	-10	-9	-9	-13	-17	-13	-10	-21	-13	57%	-41	-53	-73
Tax rate	19%	20%	21%	58%	25%	24%	26%	30%	25%	4.8pp	26%	25%	26%
Net profit	42	33	34	10	50	40	28	50	40	n.m.	119	159	207
EPS (SEK)	1.12	0.89	0.92	0.28	0.95	0.76	0.53	0.94	0.76	n.m.	3.36	3.00	3.91
EPS Adj (SEK)	1.19	1.04	0.99	0.54	1.02	0.84	0.60	1.04	0.84	24%	4.07	3.30	4.21

Sales	2023			2024				Carnegie					
SEKm	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4a	Q4e	Dev	2023	2024e	2025e
Svedbergs	146	128	93	113	113	102	76	103	102	1%	480	394	410
Macro Design	44	43	32	44	42	44	35	46	47	-3%	163	167	174
Cassoe	24	22	20	23	23	25	19	21	23	-10%	88	89	92
Roper Rhodes	263	262	287	250	289	285	289	275	266	3%	1,062	1,130	1,184
Thebalux	0	0	0	30	105	107	94	95	105	-9%	30	410	423
Group	476	456	432	460	572	562	512	537	543	-1%	1,824	2,190	2,283

Adj EBITA	2023			2024				Carnegie			0	0	0
SEKm	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4a	Q4e	Dev	2023	2024e	2025e
Svedbergs	24	13	12	8	8	1	1	6	2	199%	58	13	17
Macro Design	4	3	2	4	4	4	3	5	4	26%	12	15	16
Cassoe	5	5	4	5	4	5	3	4	5	-28%	18	18	18
Roper Rhodes	37	39	48	52	49	49	55	60	51	19%	177	204	223
Thebalux				1	26	28	18	17	21	-18%	1	93	96
Other	-6	-3	-6	-11	-8	-12	-10	-11	-11	2%	-26	-40	-40
Group	64	58	59	59	84	76	71	81	72	13%	240	303	331

Adj EBITA margin	2023			2024				Carnegie			0	0	0
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4a	Q4e	Dev	2023	2024e	2025e
Svedbergs	16.8%	10.5%	13.3%	7.1%	7.2%	1.3%	1.7%	5.7%	1.9%	3.8pp	12.1%	3.2%	4.1%
Macro Design	8.7%	7.4%	4.7%	8.9%	9.7%	9.4%	8.1%	11.3%	8.8%	2.5pp	7.6%	9.0%	9.4%
Cassoe	21.2%	20.8%	17.8%	20.5%	19.5%	20.3%	18.3%	17.9%	22.4%	-4.6pp	20.2%	20.2%	19.7%
Roper Rhodes	14.1%	14.8%	16.7%	20.9%	17.0%	17.2%	19.1%	21.9%	19.0%	2.9pp	16.6%	18.1%	18.8%
Thebalux				3.4%	24.8%	26.1%	19.5%	18.0%	20.0%	-2pp	3.4%	22.7%	22.8%
Group	13.5%	12.6%	13.7%	12.9%	14.6%	13.5%	13.9%	15.1%	13.3%	1.9pp	13.2%	13.8%	14.5%

Source: Company data, Carnegie Research

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