

NEWS FLASH

19 March 2025
Sweden
Capital Goods

Research analysts:

Markus Almerud

Bergman & Beving

Share price: SEK296.5

Fair value range: SEK289.0–364.0

Highlights from Carnegie's Micro & Small Cap Day

Bergman & Beving's CEO, Magnus Söderlind, presented at Carnegie's Micro & Small Cap Day on 18 March 2025. Watch the presentation here: [Bergman & Beving – Småbolagsdag 18 mars](#)

B&B expects recovery in demand from the autumn...

The downturn in the business cycle – B&B is mainly exposed to industrial and construction – has hampered organic growth for the past years. The company now expects demand to start recovering from H2(25). Despite negative organic growth for 11 consecutive quarters, EBIT has grown for 20 quarters in a row.

...but will continue to make acquisitions

B&B has a target to grow EBIT to SEK500m by FY(25/26) at the latest (SEK395m annualised at the end of December 2024). An important part of reaching the target is to acquire SEK50m–80m in EBIT per year. So far this fiscal year it has added sales of SEK385m with an EBIT margin of over 15%. We believe that the pace of acquisitions will remain high. The priority is Scandinavia and the UK, and targets must have an EBIT margin of at least 15% and EBITA/Working capital (P/WC), which is its variant of return on capital employed, over 45%.

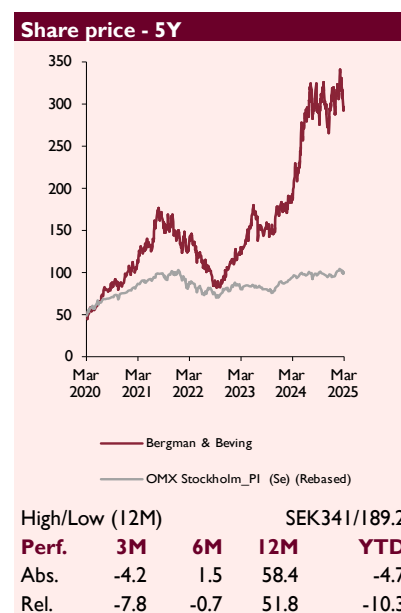
Internal improvements and M&A will continue to drive the margin

During the past couple of years B&B has been phasing out unprofitable products, and this work is almost finished. The gross margin expansion is behind and focus is now on margin protection. B&B has 33 subsidiaries. In its focus model, which is a traffic light system, P/WC needs to be above 45% to be green and 25–45% to be yellow. Nine subsidiaries are below 25% and in red, and focus for those units is on raising returns to acceptable levels. We believe that moving those subsidiaries to yellow or green in combination with further acquisitions will continue to drive the margin, also in the absence of growth. Meanwhile, the company is preparing for an upturn in volumes. We believe that as volumes return, B&B should be set to grow profitably.

Upcoming events

- Q4 Report: 09 May 2025

		Key figures (SEK)				
		2023	2024e	2025e	2026e	
		Sales (m)	4,723	4,985	5,359	5,560
		EBITA (m)	438	490	565	605
		EBITA adj. (m)	438	490	565	605
		EPS	7.13	8.01	10.2	11.5
		EPS adj.	9.59	11.2	13.6	14.9
		DPS	3.80	4.50	5.00	5.00
		Sales growth Y/Y	-1%	6%	8%	4%
		EPS adj. growth Y/Y	2%	16%	22%	10%
		EBITA adj. margin	9.3%	9.8%	10.5%	10.9%
		EV/Sales	2.1	2.0	1.8	1.7
		EV/EBITA adj.	17.5	20.2	17.2	15.6
		EV/EBITA	17.5	20.2	17.2	15.6
		EV/EBIT	20.6	24.5	20.6	18.4
		P/E adj.	30.9	26.5	21.8	19.9
		P/BV	3.8	3.6	3.3	3.1
		Dividend yield	1.3%	1.5%	1.7%	1.7%
		FCF yield	7.7%	7.8%	6.2%	7.4%
		ROE	8.4%	9.1%	10.6%	11.5%
		ROE adj.	12.0%	13.9%	15.9%	16.2%
		Net IB debt/EBITDA	3.1	2.8	2.3	1.8
Key facts						
No. shares (m)	26.7					
Market cap. (USDm)	786					
Market cap. (SEKm)	7,920					
Net IB Debt. (SEKm)	2,002					
Adjustments (SEKm)	0					
EV (2024e) (SEKm)	9,921					
Free float	82.6%					
Avg. daily vol. ('000)	20					
Risk	High Risk					
Fiscal year end	March					
Share price as of (CET)	18 Mar 2025 12:06					



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