HOMEMAID

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EXTENSIVE REPORT

A well-swept business with a polished price tag

We initiate coverage on HomeMaid with a Reduce recommendation and a target price of SEK 29. We believe HomeMaid holds a strategically attractive position in the steadily growing and resilient Swedish cleaning and services market. The company has a long history of successfully combining organic growth with a disciplined M&A strategy, capitalizing on the industry's fragmented landscape by acquiring smaller players at attractive valuations. The company has also distributed generous dividends over the past years, a trend we expect to continue given its good cash flow generation and low capital intensity. However, valuation remains the key constraint in our view, and we maintain a watchful stance for a more attractive entry.

Stable revenues and asset-light model support strong cash flow

HomeMaid is Sweden's second-largest home cleaning provider, with B2C accounting for approximately two-thirds of the Group's revenue. Around 80% of the Group's revenue is subscription-based, providing stable, recurring revenue streams. HomeMaid operates with a highly labor-intensive cost structure, making operational efficiency and utilization optimization essential for maintaining the relatively thin margins typical of the industry. However, the business model is asset-light with modest working capital requirements, allowing for strong cash flow generation that closely mirrors operating profit over time.

A fragmented industry where trust and quality are crucial

As one of the largest providers, HomeMaid benefits from scale-driven advantages such as stronger brand recognition, credibility, and operational resources. We believe these are important differentiators in a highly fragmented market dominated by smaller players. Despite its size, HomeMaid maintains a strong local presence, high-touch onboarding (e.g., home visits), and a focus on workforce quality, factors we believe provide a modest competitive edge. That said, we feel strong long-term sustainable competitive advantages are difficult to achieve in this industry. Since the RUT tax deduction was introduced in 2007, the industry has experienced significant growth. Over the past decade, the market has grown at a 10% CAGR, far outpacing Sweden's GDP (~2%), driven by rising adoption, new entrants, and supportive policies. The market is also low-cyclical, having contracted only once post-RUT reform. However, policy risk, labor shortages, and price pressure remain key headwinds to continued growth.

2025 will be strong and long-term outlook remains solid

The RUT market has started strongly in 2025 and is on track for a record year. Given HomeMaid's close correlation to the market, we project 11% revenue growth in 2025. Recent years' operational efficiencies have supported margin improvements, and we expect this, combined with estimated revenue growth, to improve the EBITA margin from 8.0% in 2024 to 9.4% in 2025. Beyond 2025, we expect growth to normalize at 5-6%, reflecting the RUT market's structural stability and rising consumer adoption. While we believe long-term margin pressure is likely due to fragmentation and limited pricing power, HomeMaid's scale and maturity should support margins somewhat above the industry average over time.

On the lookout for a more attractive risk/reward

Over the past year, HomeMaid's stock has appreciated significantly (+120%), which we believe reflects a combination of the company's accelerated growth and improved profitability. Based on our 2025-2026e estimates, HomeMaid is trading at forward adjusted EV/EBITA and P/E multiples of 13-12x and 17-16x, respectively, which we believe to be on the high side. With earnings growth somewhat compensating for expected multiple contraction, we assess the expected return leans on the 4-5 % dividend yield and looks insufficient. While we believe structural drivers such as increased interest and adoption of RUT-related services will continue to support the company's growth trajectory over several years, while maintaining rather stable margins, we are on the lookout for a more attractive risk/reward.

Recommendation
Reduce

Business risk

Target price:
SEK 29

Valuation risk

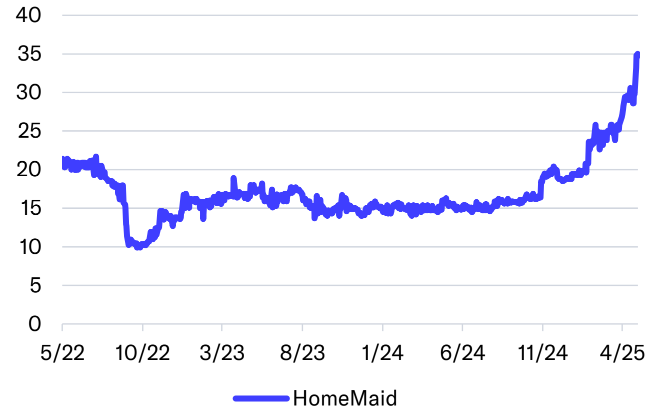
Share price:
SEK 35

	2024	2025e	2026e	2027e
Revenue	501	556	577	614
growth-%	14%	11%	4%	6%
EBIT adj.	40	52	55	55
EBIT-% adj.	8.0 %	9.4 %	9.5 %	9.0 %
Net Income	26	36	38	38
EPS (adj.)	1.58	2.10	2.22	2.23
P/E (adj.)	11.7	16.7	15.8	15.7
P/B	6.5	10.1	8.4	7.5
Dividend yield-%	6.8 %	3.9 %	4.3 %	4.6 %
EV/EBIT (adj.)	9.9	13.3	12.4	12.2
EV/EBITDA	7.1	10.1	9.6	9.2
EV/S	0.8	1.3	1.2	1.1

Source: Inderes

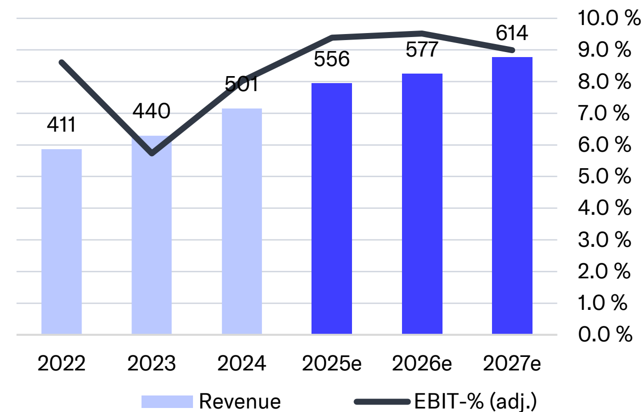
Guidance (HomeMaid provides no guidance)

Share price



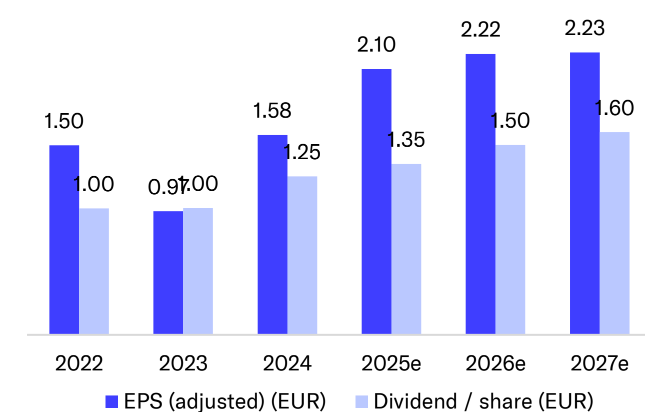
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- Low market share in the home cleaning industry leaves plenty of room for expansion
- Steadily growing and resilient end market provides a strong foundation for long-term growth
- Recurring revenue model, with the vast majority of sales subscription-based, ensures predictable cash flows
- Fragmented industry offers compelling value-creation potential through consolidation.
- Attractive dividend payouts

Risk factors

- Lack of strong competitive advantages could hinder growth and put pressure on margins
- Labor market challenges, including hiring constraints and high employee turnover, remain persistent industry-wide issues
- Potential cuts to current subsidy schemes (e.g., RUT) could significantly impact market size and sector stability
- Execution risk in M&A

Valuation	2025e	2026e	2027e
Share price	35.0	35.0	35.0
Number of shares, millions	19.0	19.0	19.0
Market cap	663	663	663
EV	695	684	672
P/E (adj.)	16.7	15.8	15.7
P/E	18.4	17.4	17.3
P/FCF	16.6	16.8	15.7
P/B	10.1	8.4	7.5
P/S	1.2	1.1	1.1
EV/Sales	1.3	1.2	1.1
EV/EBITDA	10.1	9.6	9.2
EV/EBIT (adj.)	13.3	12.4	12.2
Payout ratio (%)	71.1 %	74.4 %	79.3 %
Dividend yield-%	3.9 %	4.3 %	4.6 %

HomeMaid

HomeMaid is a Swedish provider of cleaning services for homes and offices, offered as a subscription and one-time service. The service breadth includes various types of cleaning, home care, as well as construction/industrial cleaning and decontamination.

1997

Year of establishment (Halmstad)

+50

Amount of locations where HomeMaid has presence

501 MSEK

Reported revenue in 2024 (FY23: 440 MSEK)

40 MSEK

Reported EBITA in 2024 (FY: 25 MSEK)

+1,300

Employees by the end of 2024

SEK 1.25

Dividend, 2024 (FY23: SEK 1.00)

2013: Acquired Veteranpoolen, a staffing and service company with ~70 MSEK in revenue at the time.

2018: Divested Veteranpoolen, which was distributed to shareholders and later listed in Sweden.

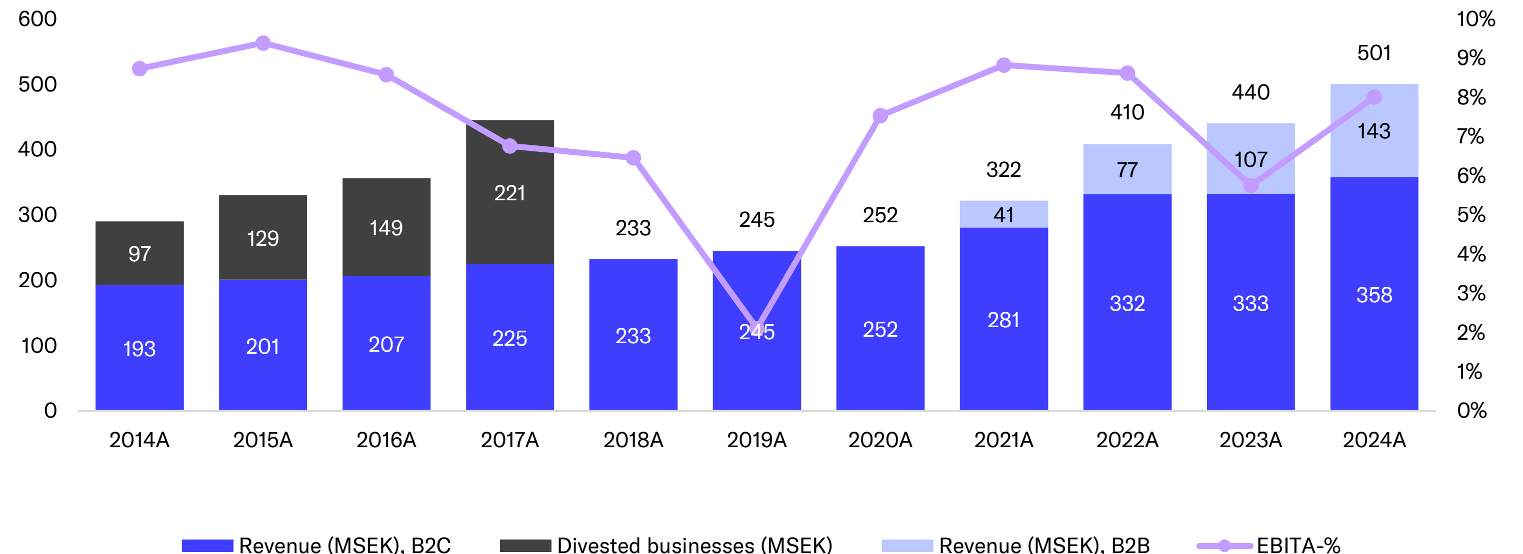
2019: Profitability declined due to the divestment, a CEO change, and a new business system implementation.

2021: Entered the B2B segment through multiple acquisitions. The intention is to build a group of autonomous subsidiaries under their own brands, while sharing overhead, expertise, and capacity.

2022-2024: Continued steady growth both organically and through acquisitions.

2023: Despite a softer market, HomeMaid focused on long-term growth and continued investing in customer satisfaction, operational efficiency, and acquisition strategies, which temporarily impacted profitability. The company also transitioned to IFRS accounting standards (from K3).

2024: Investments made in 2023 began to pay off, boosting growth and profitability. While B2B profitability was dampened by a sluggish real estate and construction market, a stronger B2C segment helped balance the results.



Company description and business model 1/5

Homemaid is a Swedish cleaning service company with a broad national footprint

HomeMaid is an established Swedish provider of cleaning and related services for both private households (B2C) and businesses (B2B). The company's core offering includes residential and commercial cleaning, property care, and complementary home services tailored to customer needs. HomeMaid was founded in 1997 by Birgitta Josefsson, who is no longer operationally involved. Throughout the 2010s, the company saw several leadership changes before appointing the current CEO Stefan Högkvist in 2019.

HomeMaid is currently only operating in Sweden, with largest presence in the central and south regions (~85%) and a smaller presence in the north (~15%). HomeMaid prioritizes being local and wants to be near its customers, with the company being available in 50+ different locations spread across the country. The geographical coverage has been built through a mix of organic growth initiatives, acquisitions, and collaboration partners.

Business segments are split to consumers and businesses

Residential cleaning (B2C) is at the core of HomeMaid's service offering and represents the company's historical foundation. The B2C segment accounts for over 70% of Group revenue, corresponding to approximately 360 MSEK in FY2024 (FY2023: 333 MSEK). The offering is broad and tailored to household needs, ranging from recurring home cleaning, move-out cleaning, and window cleaning, to seasonal services such as summer house care, laundry and ironing, gardening, and even babysitting.

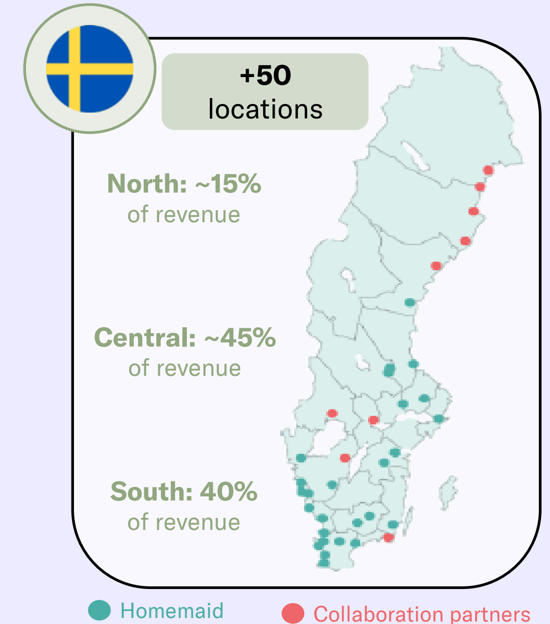
Commercial cleaning (B2B) contributes roughly 30% of Group revenue, equal to some 140 MSEK in FY2024 (FY23: 103 MSEK). This segment has been primarily built through a series of targeted acquisitions since 2021, with HomeMaid adopting a strategy of maintaining acquired companies as independently operated subsidiaries while leveraging shared resources, best practices, and cost efficiencies. Key subsidiaries in this segment include Städhuset i Stockholm, Top Städ, and KS Städ & Fönsterputs Almvik. The B2B offering largely mirrors the B2C service range but is tailored toward offices, hotels, and retail spaces, as well as more specialized services such as industrial cleaning, facility maintenance, and decontamination.

A straightforward business model with low capital intensity

HomeMaid's business model is based on recurring revenue from subscription-based home and office cleaning services, complemented by one-time jobs and specialized offerings such as industrial cleaning and decontamination. As the company's cleaning services are tailored to the customer's home and needs, a high share of recurring customers is preferable, as it enables predictability to revenue streams but also unlock operational efficiency gains for the workers over time, as well as enables stronger relationships with customers.

The long-term success of the business model hinges on high customer retention, efficient workforce utilization, and tight cost control. In addition, in a labor-intensive business such as HomeMaid, maintaining high staff utilization is essential to protect margins, while inefficiencies such as idle time or "back-cleaning“, i.e. repeat visits caused by quality issues, can hurt profitability.

Geographical footprint and share-% of revenue



Source: Inderes, HomeMaid

Company description and business model 2/5

Therefore, ensuring each employee has the right skills, mindset, and support is critical, as operational excellence directly influences both customer satisfaction and margin protection. Ultimately, consistent service quality drives loyalty and referrals, which are vital in a commoditized, reputation-driven industry where organic growth depends as much on trust as on efficiency.

The lion's share of revenue are subscription-based, but the structural lock-in effects are moderate

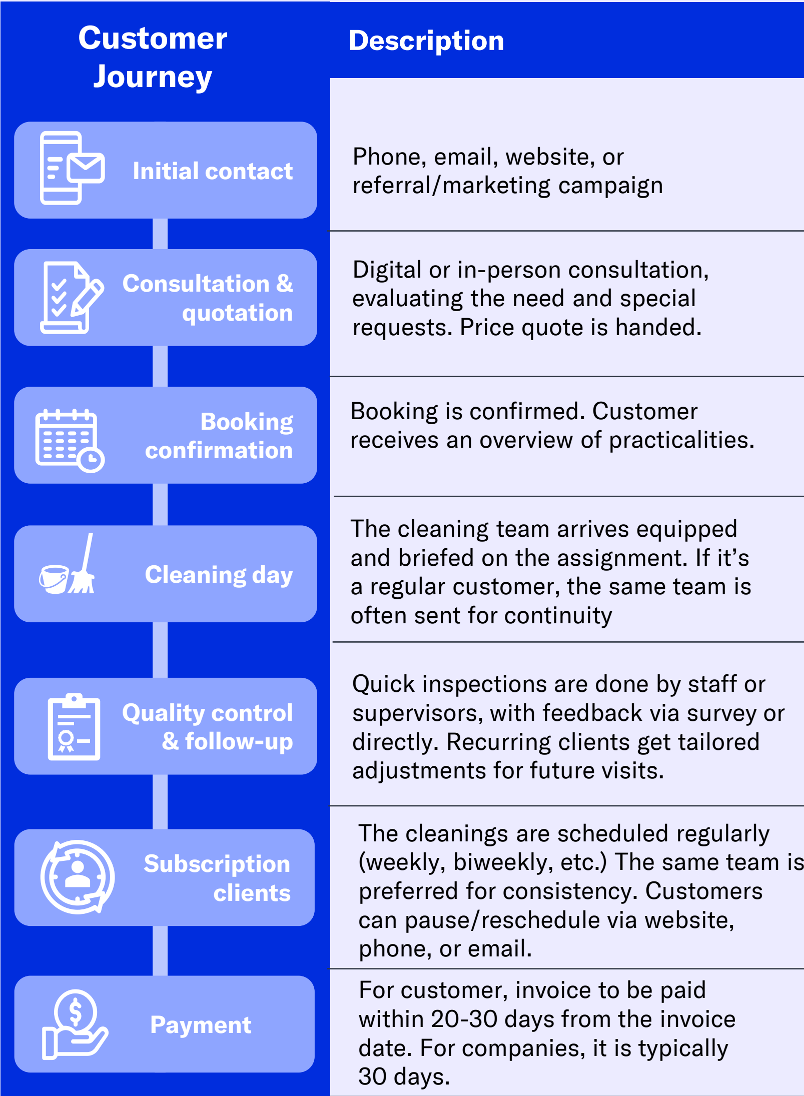
Around 80% of the Group's revenue is subscription-based, providing a stable base of predictable and recurring income. The remaining share (~20%) is made up of one-off services, typically move-out cleaning, deep cleaning, and window cleaning, which are more event-driven.

To our understanding, the current share of subscription revenue (~80% of revenue) is at a satisfactory level for the company, as a higher level (up to 90-95%) could cause some slowness in the operations. One-off services, on one hand, work as an entry point to convert customers to a subscription, and on the other hand, as a tool to optimize the utilization rate among its staff.

While the subscription model provides a degree of customer stickiness and operational visibility, we assess that the structural lock-in effects are moderate, particularly in the consumer segment. Home cleaning services are discretionary by nature and often perceived as "everyday luxuries", which makes them theoretically vulnerable in times of economic uncertainty or inflationary pressure. However, despite the sharp rise in interest rates and inflation during 2022-2023, the Swedish RUT market remained stable, and HomeMaid maintained positive revenue levels. Although growth slowed notably in 2023, we believe that the absence of revenue decline indicates that these services are not scaled back to the same extent as other discretionary categories such as dining out or travel. As such, behavioral loyalty, driven by convenience, habit, and the perceived value of outsourcing household chores, appears to mitigate churn even in tougher economic conditions. That said, we believe that the subsidization of these kinds of services contributes significantly to this resilience and without such support, the outcome would likely resemble more closely that of other discretionary categories such as dining out or travel.

In the B2B segment, while these contracts generally offer greater visibility and duration, retention is not immune to cost-saving initiatives. This was demonstrated in 2024, when HomeMaid lost a relatively large commercial client in the real estate sector that chose to bring cleaning operations in-house. We view this more as an exception than a widespread trend. While we believe that a broader industry downturn can trigger reassessments of non-core spending, such as cleaning services, it is unlikely that businesses cancel these services outright. Instead, we believe it is more common for them to adjust the scope, reduce cleaning frequency, or seek lower-cost providers to manage expenses.

Overall, while tougher market conditions could trigger cancellations (primarily in B2C) or adjustments to scope and frequency (primarily in B2B), we believe that maintaining high service quality, strong customer satisfaction, and a trusted brand is essential for long-term customer retention in an otherwise highly competitive and price-sensitive market.



Customer Journey	Description
Initial contact	Phone, email, website, or referral/marketing campaign
Consultation & quotation	Digital or in-person consultation, evaluating the need and special requests. Price quote is handed.
Booking confirmation	Booking is confirmed. Customer receives an overview of practicalities.
Cleaning day	The cleaning team arrives equipped and briefed on the assignment. If it's a regular customer, the same team is often sent for continuity
Quality control & follow-up	Quick inspections are done by staff or supervisors, with feedback via survey or directly. Recurring clients get tailored adjustments for future visits.
Subscription clients	The cleanings are scheduled regularly (weekly, biweekly, etc.) The same team is preferred for consistency. Customers can pause/reschedule via website, phone, or email.
Payment	For customer, invoice to be paid within 20-30 days from the invoice date. For companies, it is typically 30 days.

Source: Inderes, HomeMaid

Company description and business model 3/5

Demand is relatively cycle resilient and customer risks are limited

In general, there's a low degree of cyclicality in HomeMaid's revenue, as the market, particularly within the B2C segment, is relatively resilient to economic fluctuations. In fact, the RUT-market (market for cleaning, maintenance, and laundry) grew ~7% during the pandemic in 2020. However, the demand for these services is somewhat sensitive to changes in interest rate levels, as well as inflation, where the former has a more immediate impact on household spending, given the high debt levels and widespread use of floating-rate mortgages among Swedish consumers. However, the market is most dependent on potential policy changes related RUT deduction, where a more generous policy naturally boosts consumer demand, and vice versa. Meanwhile, the B2B segment is more exposed to general business cycle swings and overall economic conditions.

Furthermore, HomeMaid's revenues are subject to some degree of seasonality, reflecting patterns in customer behavior and demand. The fourth quarter is typically the strongest, driven by increased household activity and preparation ahead of the holiday season, which increases demand for cleaning services.

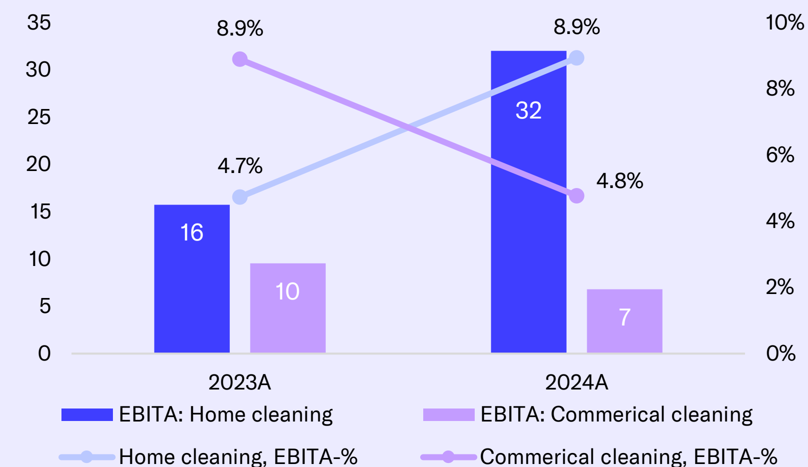
In contrast, the first quarter tends to be the weakest, often influenced by reduced consumer spending and slower household routines following the holiday period. Meanwhile, the second and third quarters generally see more stable and evenly distributed revenue, as regular service usage resumes during the spring and summer months.

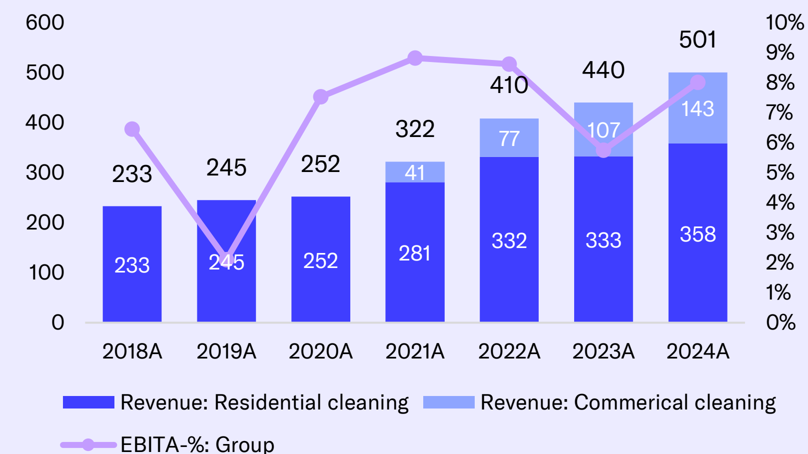
HomeMaid does not report number of customers within each business segment. However, the B2C segment naturally consists of several private households that purchase services for a relatively small amount. Hence, we assess the customer risk to be relatively small in this segment. In the B2B segment, however, HomeMaid's customer base is less diversified, and the average order value is also higher, making the concentration risk higher. This was evident during 2024, when the loss of one larger customer contributed to a relatively subdued performance for B2B for the year.

Profitability levels are fairly similar within business segments

While profitability levels can vary somewhat between HomeMaid's subsidiaries in the B2B segment, driven by differences in service mix, geographies, and customer profiles, we estimate that the overall margin profile between B2C and B2B segments is relatively comparable, at around 8-10% EBITA margin in normal business conditions. However, we believe the B2B segment has slightly higher scalability compared to the B2C segment, primarily because each corporate client typically requires fewer customer service resources than individual consumers.

Due to the labor-intensive nature of the business, where salaries represent the majority of the cost base, margins in both segments are sensitive to changes in customer demand, affecting sales volumes. However, since the demand cycles for B2C and B2B are not always synchronized, maintaining a presence in both provides a degree of natural risk diversification.





Source: Inderes, HomeMaid

Company description and business model 4/5

For example, in 2024, HomeMaid's B2B operations were negatively impacted by a slowdown in the construction and real estate sectors, leading to widespread cost-cutting among clients. At the same time, B2C demand remained stable, helping to offset the weakness in the commercial segment. The reverse occurred in 2023, when rising interest rates and inflation more rapidly eroded consumer spending power. This led to weaker B2C volumes, which combined with the company's wave of in-house hiring following a post-COVID demand surge, pressured margins.

Personnel expenses account for the majority of costs

HomeMaid's cost structure is highly labor-intensive, with personnel expenses making up around 80% of revenue. Hence, the cost structure is largely fixed, although personnel can be scaled with demand, but naturally with some lag. However, this semi-flexibility comes with challenges, such as maintaining workforce utilization, controlling overtime, and managing customer churn, which are all essential to sustain margins.

As such, the gross margin is a critical element for the sustainability of HomeMaid's overall profitability. Currently, the company primarily reports consumables/cleaning materials in COGS, which naturally elevates the reported gross margin, ranging 98-99% in the past five years. To capture the underlying gross margin, we assess that around 75-80% of reported personnel costs are attributable to blue-collar workers (those directly delivering the cleaning services), while the rest is attributable to administrative personnel and operational overhead (white-collars).

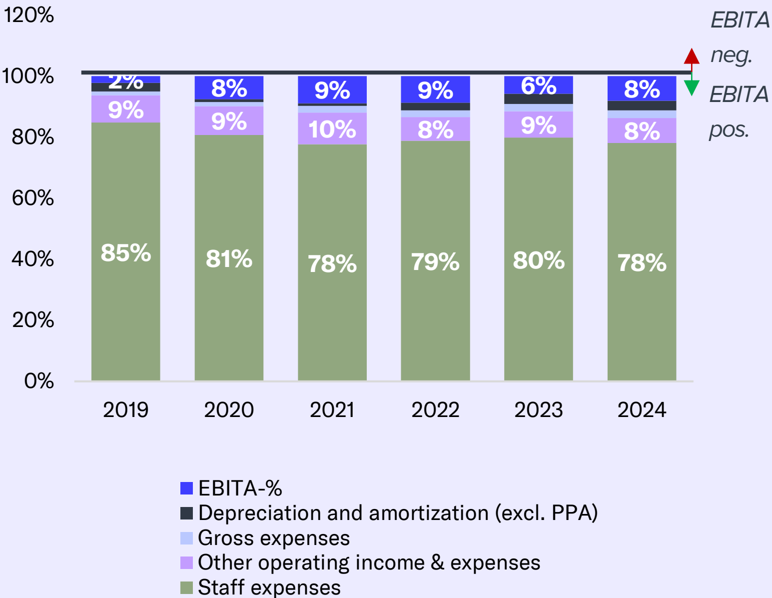
When adjusted accordingly, we estimate that HomeMaid's underlying gross margin is around 38-42%. We also believe, considering that personnel expenses as a percentage of revenue has decreased from 85% to 78% during 2019-2024, that HomeMaid has improved the underlying gross margin notably over the last five years. We believe this positive trend is due to improved overall operational efficiency, including e.g. higher first-time cleaning quality (reducing the need for rework), reduced traveling time to customers, and improved workforce utilization.

With relatively thin EBITDA margins, ranging between 5-11% in the last five years, even small inefficiencies in labor allocation or pricing can therefore materially impact profitability. As such, HomeMaid's margin profile and profitability are heavily dependent on tight operational execution, efficient workforce management, and maintaining a high level of service consistency.

Other external expenses, including e.g. general admin and overhead expenses, salaries to temporary contractors during high demand, and fuel for vehicles used in the operation, constitute around 10-12% of revenue.

Due to the low capital intensity of the business, D&A expenses are small, ranging between 1-3% in the past five years. As acquisitions are an important part of HomeMaid's growth strategy, PPA amortization increases D&A expenses, and when accounting for these, D&A has been between 3-5% in the past five years.

Operational cost structure
2019-2024, as a % of revenue



Source: Inderes, HomeMaid

Company description and business model 5/5

Low capital commitment enables solid cash flow generation

The business model is not capital-intensive. The relatively modest working capital needs typically associated with staffing services are offset by the timing of cash flows from offered staffing services, where HomeMaid usually invoices the end customer (primarily B2C customers) before paying the workers' wages.

As a result, HomeMaid consistently maintains negative net working capital, and slightly positive when excluding deferred income and accrued expenses, indicating that the company still maintains a solid balance between receivables and payables.

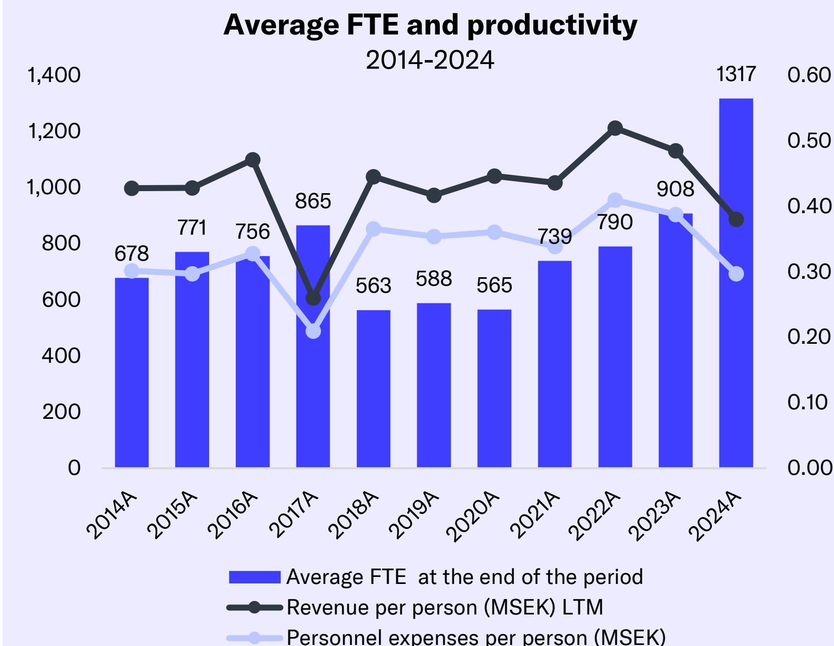
Given that HomeMaid's field staff rely on customers' own cleaning equipment to some extent (like a vacuum cleaner), the company has limited need for own equipment. As a result, investment requirements in both tangible and intangible assets are relatively modest. Most capital expenditures are tied to administrative functions, such as IT systems. Vehicles used in daily operations and certain premises are leased, which further reduces upfront investment needs. Hence, HomeMaid's CapEx typically remains in the low single-digit range as a percentage of revenue.

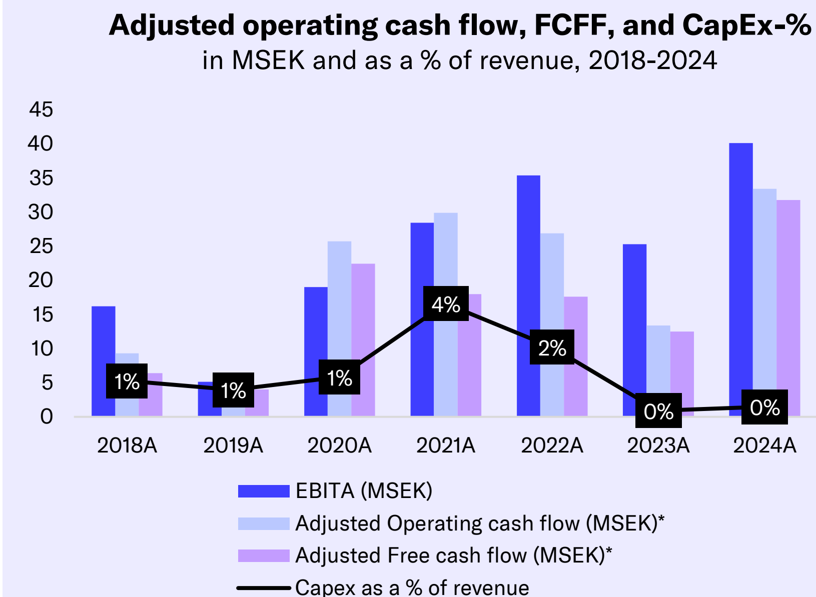
This asset-light model allows HomeMaid to operate efficiently without tying up significant capital in working capital. As such, operational cash flow (adjusted for lease payments) tends to closely track operating profit (EBITA) over time, even though there may be typical fluctuations in working capital within the year. The company's adjusted operating cash flow conversion has therefore consistently remained at a high level, averaging 90% during the last five years.

HomeMaid's capital allocation is growth-oriented and shareholder-friendly

HomeMaid primarily allocates its cash flows toward dividend distributions, organic growth initiatives, and selective acquisitions. The company typically targets smaller businesses at low valuations, often in the range of 3-5x EBIT, with the acquisition of Städhuset AB in 2023 standing out as an exception at a higher multiple of approximately 11x EBIT. With Städuset, HomeMaid expects to increase the EBIT margin to 10% (from 4% at the time of the acquisition) over time through the realization of operational synergies. At the targeted margin level, the implied multiple would fall within the historical range of past acquisitions.

The financing structure for acquisitions varies depending on size, where smaller deals are generally funded with cash, and larger transactions are financed through a balanced mix of cash and debt. Given the company's low capital intensity and modest reinvestment needs, HomeMaid has maintained a consistently high dividend yield, around 6.5-7% over the past five years, with 2021 as a temporary exception (FY21: 2.8%).

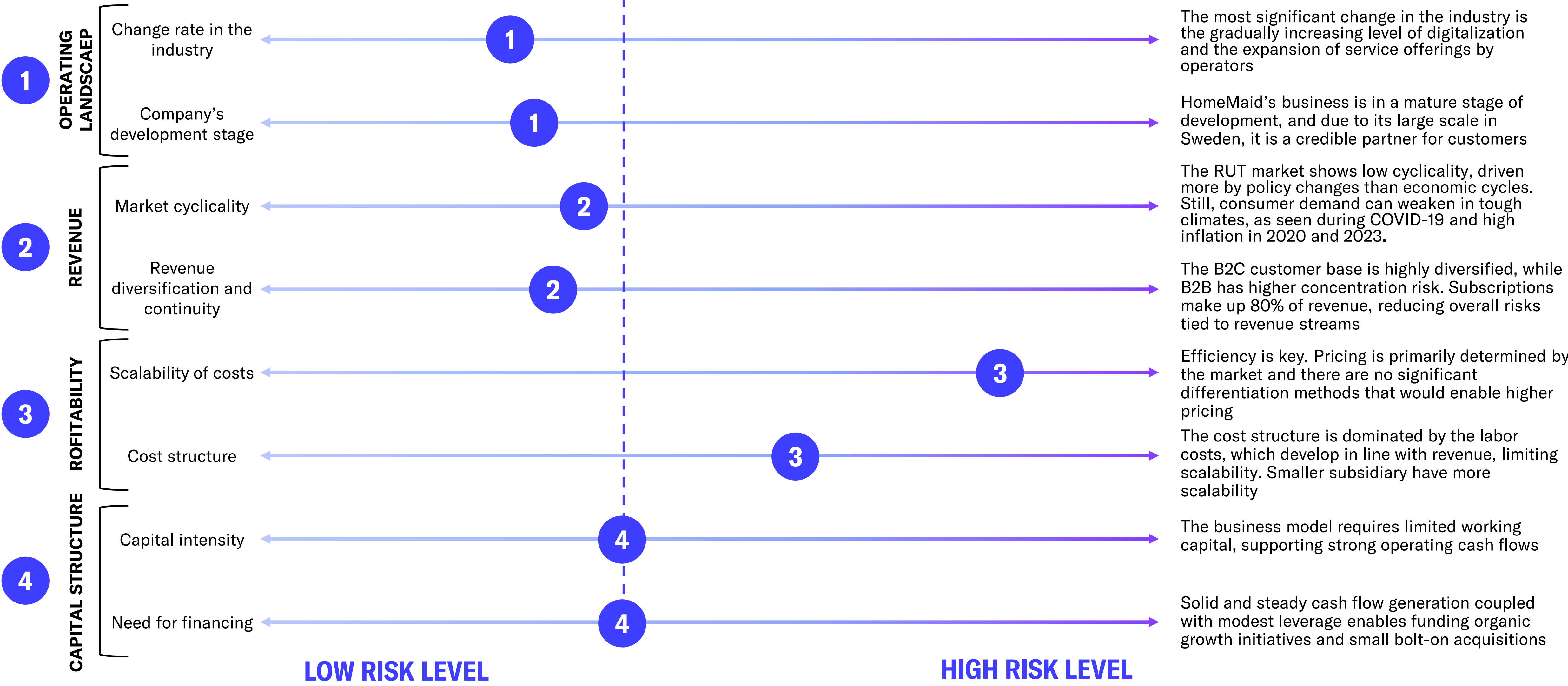




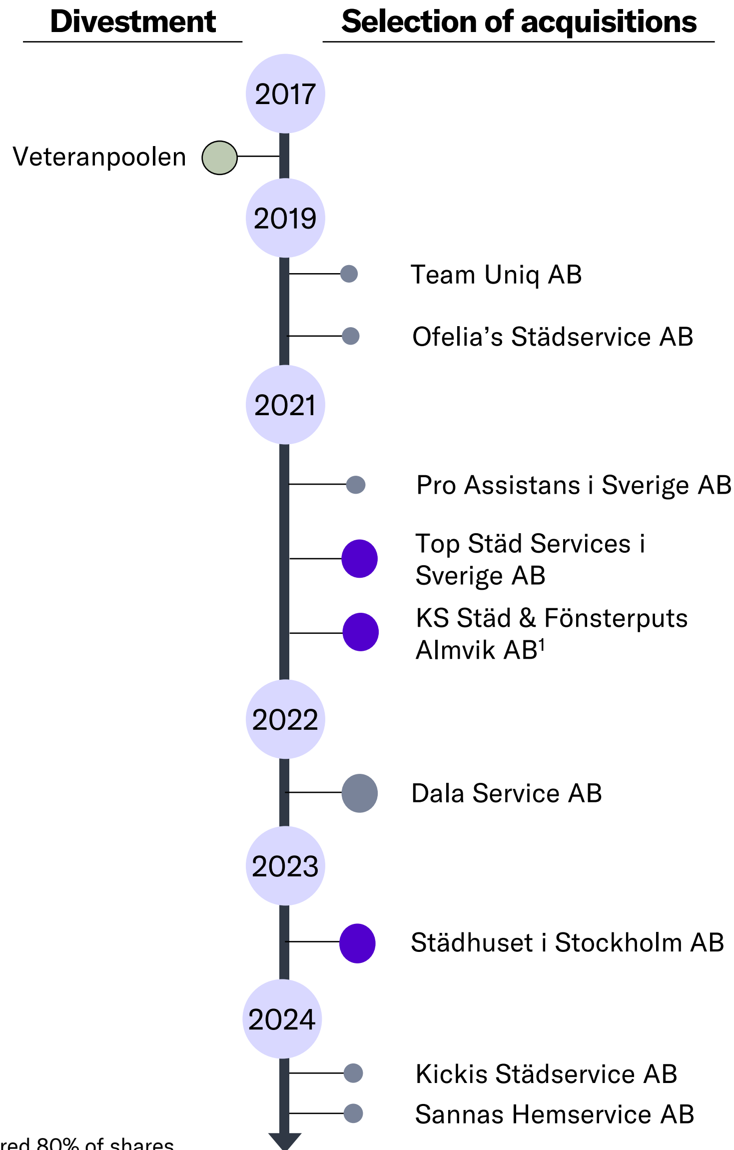
*Adjusted for lease payments.

Source: Inderes, HomeMaid

Risk profile of the business model



Leveraging a fragmented market through M&A



[1] Acquired 80% of shares

Revenue of the target

- ~0-15 MSEK
- +15 MSEK

Company segment profile

- Residential cleaning (B2C)
- Commercial cleaning (B2B)
- Non-core companies

Acquisition target	Key benefits	Valuation (EV/EBIT, EV/Sales)
Pro Assistans	+ Strengthening geographical presence in the Western and Southern Sweden	n.a.
Top Städ Services	+ Unlocking the commercial cleaning segment	3.6x
KS Städ & Fönsterputs	+ Strengthening the commerical segment	4.6x
Dala Service	+ Strengthening geographical presence in Central Sweden	3.0x
Städhuset	+ Strengthening the commerical segment	10.8x
Kickis Städservice	+ Strengthening geographical presence in Northern Sweden	0.2x
Sannas Hemservice	+ Entering a new market (Jönköping, Southern Sweden)	0.2x

Source: Inderes, HomeMaid

Industry and competitive landscape (1/5)

The Swedish cleaning and service market is stable and growing, but highly fragmented

HomeMaid operates in the broader Swedish cleaning and service industry, which includes cleaning companies, home service companies and facility management companies. According to industry reports (Almega, 2024), the market was valued at approximately 43 BNSEK in 2023, and is generally stable, growing by 5% CAGR in the last ten years. While HomeMaid does not directly operate within the facility management segment, where companies functions as a general contractor for the entire building beyond just cleaning, it offers cleaning services and related services to enterprises through its subsidiaries.

In the cleaning services industry, the barriers to entry are relatively low, primarily due to the minimal need for expensive equipment, complex technology or stores, which significantly reduces initial capital requirements. Additionally, business operations are relatively simple, and the business model is straightforward, with time and labor exchanged for payment. Thus, the market is highly fragmented, and the competition is intense.

According to Almega's Industry Report (2024), approximately 4,600 companies were active in the sector in 2023. The majority (~80%) are very small businesses with fewer than 10 FTE, while only 0.4% of companies have more than 250 employees. As a result of the low barriers to entry, the industry sees a steady influx of new entrants, with around 200-300 companies established annually, which naturally adds to the competition but also contributes to the overall market growth.

It's important to note that the number of active companies varies depending on the source, definitions, and scope applied. For example, Almega's figures for home service companies include only those that are members of the home service section of the Swedish Service Companies association. As such, the actual figure is notably higher. HomeMaid, for instance, estimates that there are over 10,000 home cleaning businesses operating in Sweden. Regardless of the exact figure, the industry remains highly fragmented.

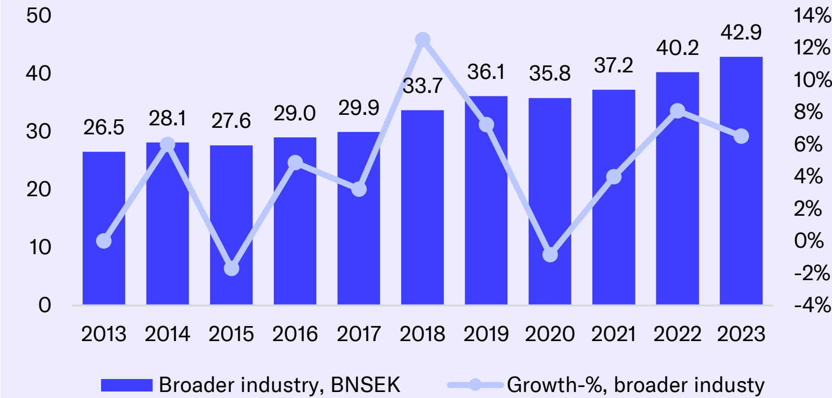
RUT deductions have become increasingly widespread

The home service industry is a sub-segment of the larger cleaning industry that provides household-related services to private individuals. Examples of services offered within the home service industry include cleaning, window cleaning, laundering, and moving services, with cleaning making up a significant majority (around 70%) according to Almega.

The industry has grown significantly since 2007, when the tax deduction for household services, known as the RUT ("Rengöring/Cleaning, Underhåll/Maintenance, & Tvätt/Laundry") deduction, was introduced. This allows private individuals to deduct 50% of the labor cost for household services, like cleaning. According to Almega, the number of purchases using the RUT deduction has increased more than tenfold since 2009. Furthermore, the RUT deduction has significantly reduced the unregulated market for household services. The Swedish Tax Agency reports that conscious black-market purchases dropped by over 70% between 2005 and 2019.

Broader cleaning and service industry grows steadily (Sweden)

2013-2023, BNSEK, y-y growth-%

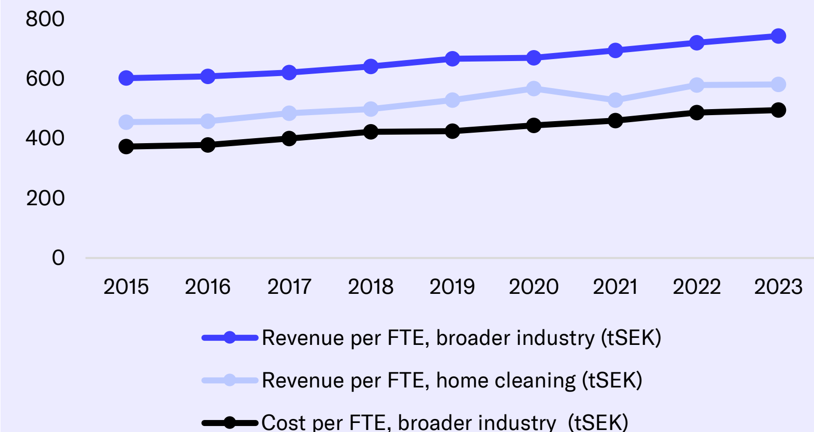


~4,600
\# of companies in the broader sector

~240
Average of new established companies (annually), 2007-2023

Revenue and cost per FTE

Broader industry & home cleaning (tSEK), 2015-2023



Source: Inderes, Almega, HomeMaid

Industry and competitive landscape (2/5)

Market growth supported by favorable policy developments

Since the RUT deduction accounts for half the value of a service, the total market value of home services reached approximately 13.1 BNSEK in 2024. Over the past decade, the market has grown at an average annual rate of around 10%, far outpacing Sweden's GDP growth, which recorded a compounded annual growth rate (CAGR) of roughly 2% during the same period. This indicates a strong and growing adoption of home services such as cleaning.

We believe this is partly attributable to favorable policy changes to the RUT system, including an increase in the annual deduction limit from SEK 25,000 in mid-2010s to SEK 75,000 per person in 2023 and the inclusion of additional services over time. While the RUT market is subject to some cyclical fluctuations, it is notable that the total value of RUT deductions has only declined in one year since 2015, showcasing a high degree of resilience.

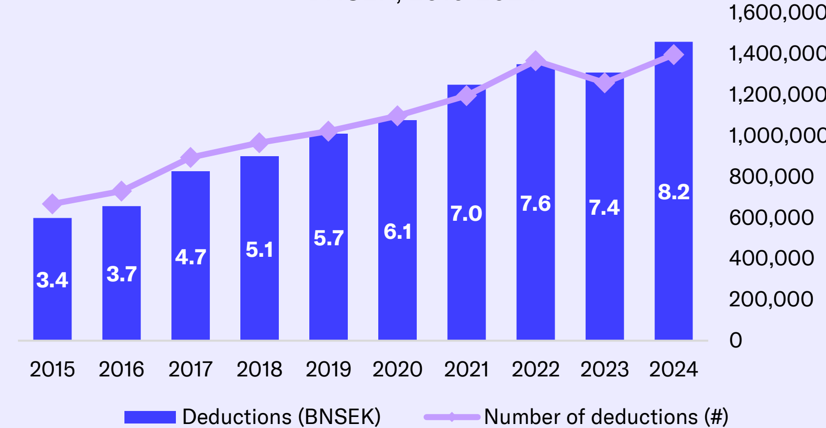
Changes to the RUT deduction policy directly influence market demand. A higher cap tends to stimulate interest by making recurring services more affordable, while a lower cap could dampen demand, particularly among price-sensitive households. Given the current generous RUT framework, a moderate reduction in the annual cap (e.g. from SEK 75,000 to SEK 50,000) would likely have a small impact. According to SCB, the average deduction is around SEK 6,000, well below both thresholds. We estimate that monthly home cleaning subscriptions, such as those offered by HomeMaid, typically range from SEK 1,000 to 5,000, depending on home size, cleaning frequency, and optional services. Assuming an average customer spends around SEK 3,000 per month, an annual deduction cap of SEK 50,000 would still fully cover their tax benefits.

However, more drastic cuts, such as a reduction to SEK 20,000, could materially affect customer behavior and pressure industry revenues. Rather than cancel outright, we believe it is more likely that many customers would choose to scale back service levels to manage costs. Additionally, a sharp reduction risks reversing hard-won progress against undeclared work, potentially fueling a resurgence in the black market and distorting price expectations across the sector. A complete phase-out of the RUT deduction would therefore present a serious threat to the industry, but we view this to be unlikely. The system enjoys broad political and public support due to its role in formalizing labor, reducing undeclared work, and creating employment opportunities, especially for underrepresented groups. From a fiscal standpoint, RUT is a relatively minor expense compared to other tax incentives, making drastic changes improbable in the near term.

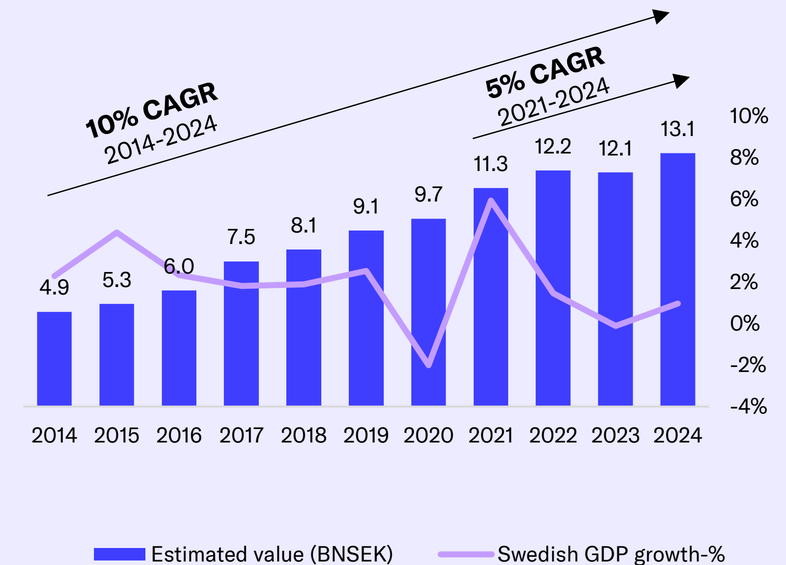
Consumer confidence and purchasing power drive growth

While the industry has shown consistent growth, the pace can vary in the short term based on consumer spending, consumer sentiment, and the broader economic environment. Consumer spending patterns have a direct impact on the demand for cleaning services, when consumers have more disposable income and are willing to spend, they are more likely to allocate disposable income to cleaning services. Although cleaning services, particularly home cleaning, are considered discretionary and can be subject to cutbacks during downturns, the industry overall has shown notable resilience over time.

RUT deductions
BNSEK, 2015-2024



Home service market
BNSEK, 2014-2024



Source: Inderes, Almega, SCB

Industry and competitive landscape (3/5)

For instance, during the COVID-19 crisis, the industry was significantly impacted as customers canceled their cleaning appointments due to illness or concerns about infection, while staff sick leave rates also rose sharply. Similarly, periods of elevated inflation (such as in 2022-2023) tend to erode household purchasing power, leading to increased subscription cancellations/reductions and slower customer acquisition. Despite these pressures, the industry remained resilient (see graph on previous page), while HomeMaid maintained a stable performance even in these challenging conditions (see chart on the right).

Key drivers and challenges within the industry

One of the key growth drivers in the home service market is, in our view, the shift in consumer lifestyle, where consumers are actively seeking cleaning services that fit into their fast-paced lives. Furthermore, we argue that the growing aging population to supports market growth, as older adults seek support in maintaining clean, comfortable living environments without the physical strain of doing it themselves.

Profitability challenges in the market are primarily driven by low barriers to entry, which foster intense price competition. This pressure stems not only from a growing number of competitors, but also from operators with unsustainable business models (often characterized by low wages and substandard working conditions) that distort market pricing and create unrealistic customer expectations. Furthermore, as the industry is heavily dependent on human labor, persistent labor shortages and high employee turnover negatively impact profitability and pose constraints on expansion strategies.

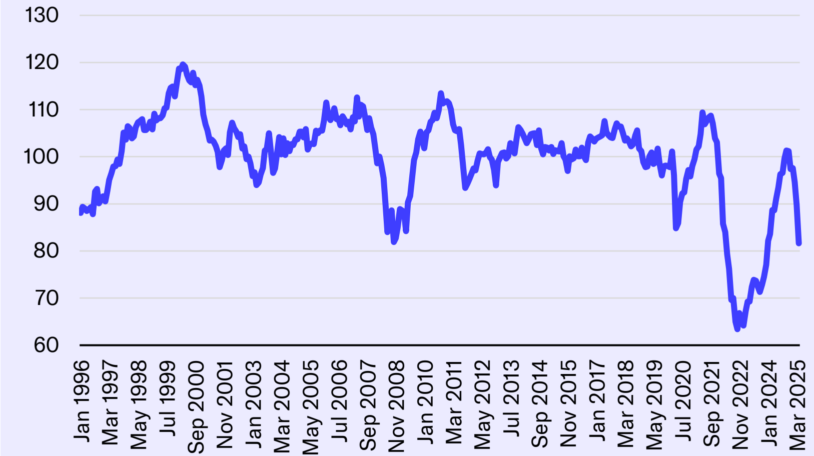
Competitive landscape is extensive

There are a number of significant variables that are driving competitiveness in this industry, including price, service quality, brand reputation, local presence, and availability. Based on the Swedish market size (RUT deductions, 2024), we believe that Hemfrid is the largest player by revenue in the market with a market share of about 7%, followed by HomeMaid of 3%. Other larger players in the market include Freska and Nytta, holding around 1% market share each. There are also numerous cleaning companies focusing on cleaning services outside the home, which we do not consider as direct competitors to HomeMaid as the B2C market constitutes around 70% of revenues.

Hemfrid, founded in 1996, is the market leader in home services and one of HomeMaid's primary competitors. The company has a local presence in most major cities across southern and central Sweden. Hemfrid offers a broad range of household services, from cleaning to gardening, and operates primarily in the B2C segment. In 2023, the company reported revenues exceeding 800 MSEK and employed 1,776 people, making it the largest player in the industry.

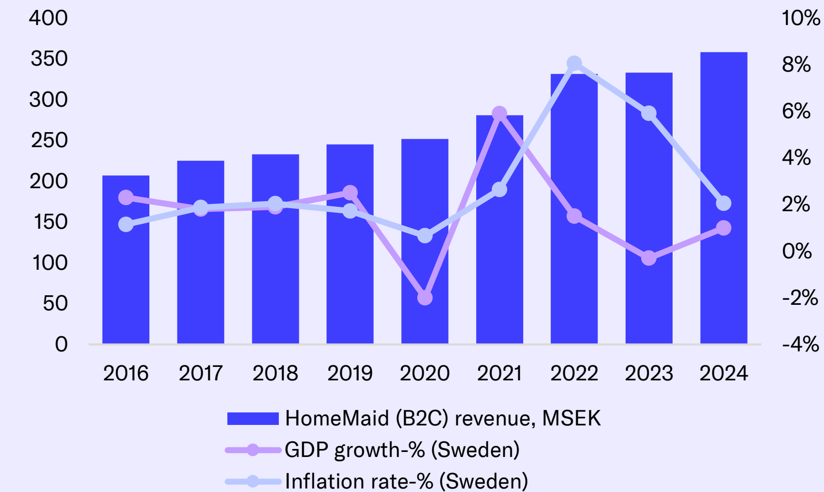
Another large player in the home cleaning market is **Freska**, established in 2008. Freska provides a standard range of home cleaning services and maintains offices in Stockholm, Uppsala, Västerås, Gothenburg, and Malmö. The company has a strong focus on subscription-based cleaning services, although one-time cleanings are also available. In 2023, Freska reported revenues of approximately 132 MSEK and had 209 employees.

Sweden consumer confidence*



HomeMaid showcases high resilience to economic cycles

Revenue B2C (MSEK), GDP growth, inflation rate, 2016-2024



*Above 100 signals increasing confidence in the future, below 100 decreasing confidence

Source: Inderes, Almega, OECD, The National Institute of Economic Research (NIER)

Industry and competitive landscape (4/5)

Nytta is the fourth-largest player in the Swedish home cleaning market. Unlike many of its competitors, Nytta has chosen to focus exclusively on Stockholm and its surrounding suburbs, with no current expansion into other cities. In 2023, the company generated revenues of around 71 MSEK and employed approximately 120 people. Nytta AB is part of the Nytta Group, which also operates in the B2B cleaning segment through its subsidiary, Städia.

Growth and margin performance slightly behind main competitors

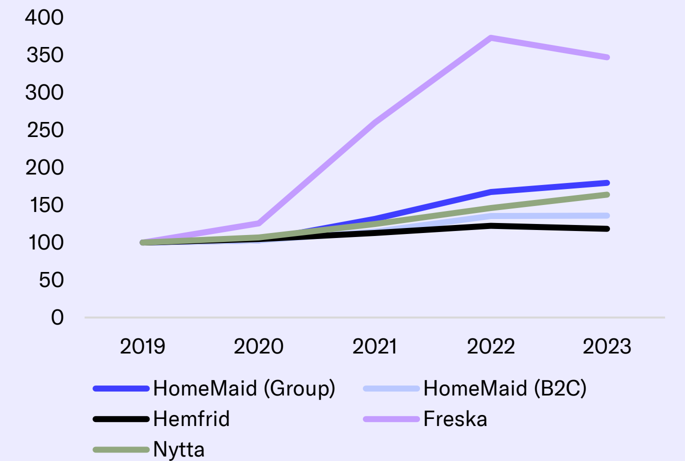
Between 2019 and 2023, HomeMaid achieved a revenue CAGR of 16% at a Group level, compared to 36% for Freska, 13% for Nytta, and 4% for Hemfrid. While this places HomeMaid behind the fastest-growing peer, Freska, much of Freska's growth appears to have been driven by M&A activity during 2021–2022, rather than organic expansion. At the same time, HomeMaid's B2C segment ranked third among larger players, with a CAGR of 8%.

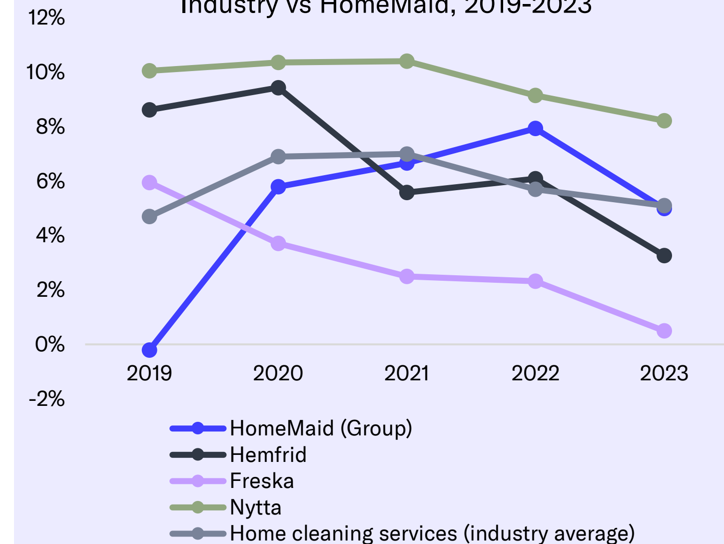
From a profitability standpoint, HomeMaid averaged an EBIT margin of 5% between 2019 and 2023, which is slightly below the broader home cleaning industry during the same period (5.9%), and below Hemfrid (6.6%) and Nytta (9.6%). If excluding 2019, when HomeMaid incurred one-off costs related to CEO change, divestment, and investment in a new business system, the average EBIT margin would be 6.3%.

Hard to sustain strong competitive advantages in the industry

We believe that sustaining strong, long-term competitive advantages in the home cleaning industry is inherently difficult. The service is largely commoditized, competition is intense, and labor shortages are persistent, all of which make it challenging for any single provider to build enduring differentiation. However, in the short to medium term, we argue that certain factors can offer some advantages. Brand recognition, high customer satisfaction, and low employee turnover are particularly valuable in an industry where trust and personal recommendations are key drivers of growth.

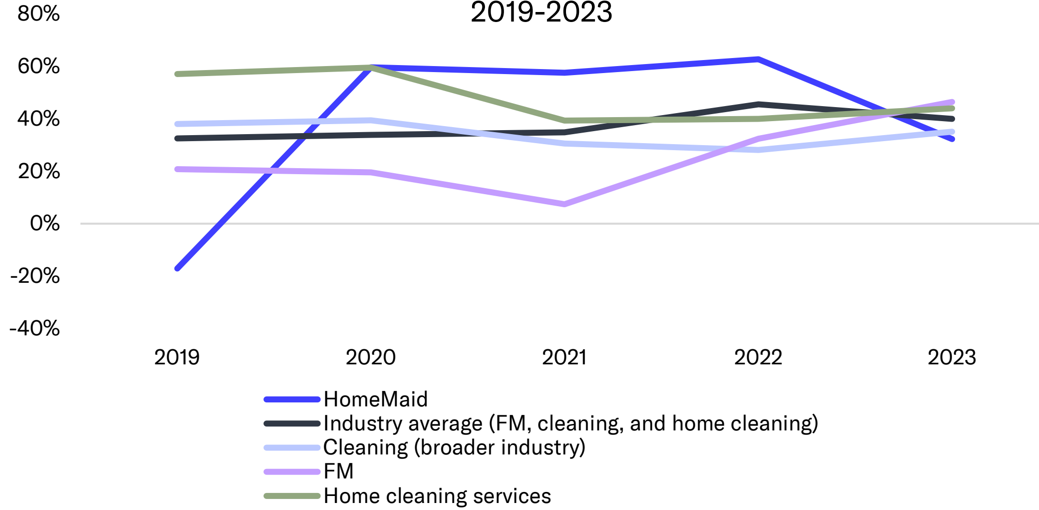
In this context, we assess that HomeMaid is relatively well-positioned. The company benefits from a solid industry reputation, which facilitates customer acquisition and amplifies referral-driven growth. In addition, HomeMaid's scale and operational maturity allow it to invest in quality assurance, workforce development, and localized customer engagement, which are capabilities that are often beyond the reach of smaller, resource-constrained operators. The company also has the financial strength to maintain a dedicated sales organization, enabling a more proactive and structured approach to customer acquisition. While scale can deliver modest strategic benefits, we recognize that long-term success in this industry hinges more on service quality and strong customer relationships than on size alone. Overall, while we see HomeMaid enjoying some competitive advantages, particularly when compared to smaller players, we assess these advantages to be relatively modest and potentially difficult to sustain over time.

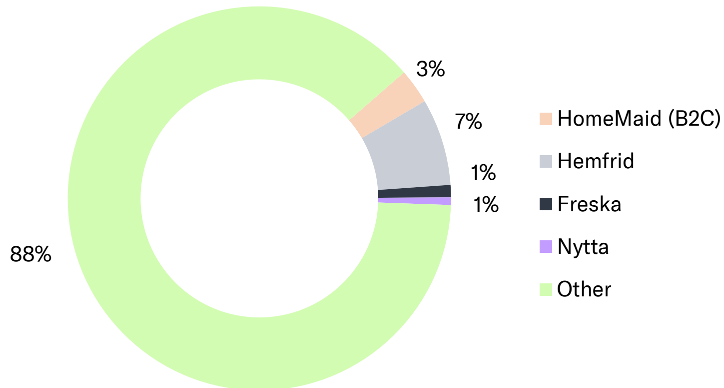


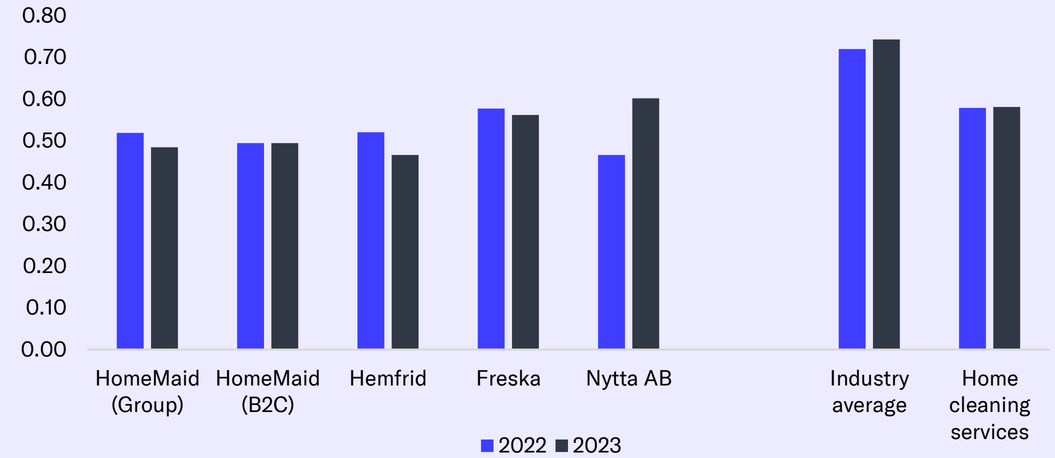


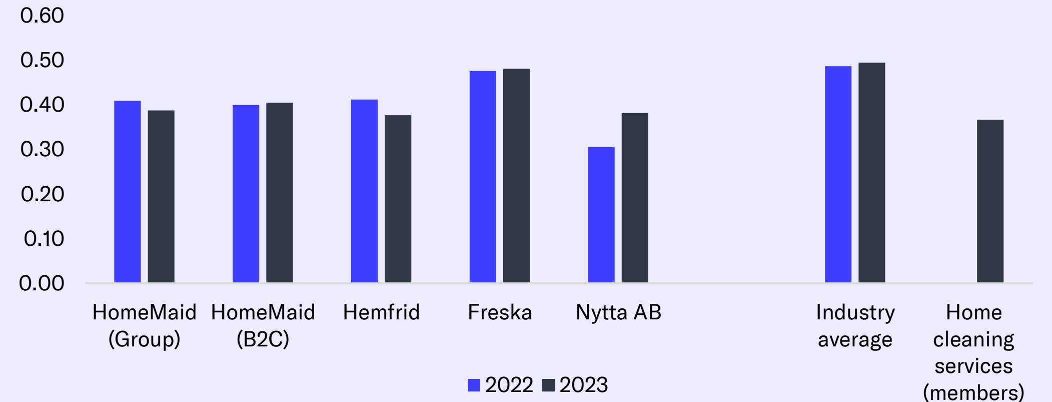
Source: Inderes, HomeMaid, Allabolag, Almega

Industry and competitive landscape (5/5)









Source: Inderes, HomeMaid, Allabolag, Almega

Strategy 1/2

Strategy: Win customers' trust, scale efficiently and M&A

The Swedish cleaning and service industry is a mature, stable, and highly fragmented market. In this context, we view HomeMaid's strategy revolving around three main themes: winning customer trust, operating with efficiency, and executing targeted M&A.

Given the recommendation-driven nature of the industry, trust and customer satisfaction are very important to differentiate from most other providers that offer almost identical services. To earn the customer's trust and ensure strong customer satisfaction, HomeMaid focuses on consistently delivering high-quality services and high engagement to its customers. Regarding the latter, the company emphasizes proximity, with local offices serving as direct points of contact to strengthen accountability and responsiveness.

To our understanding, HomeMaid differentiates from the vast majority by offering home visits before the first cleaning, both to build stronger relationships and ensure more accurate pricing. We think this attention to "soft values" is important in an otherwise very commoditized market, where pricing and service scope alone offer limited room for differentiation.

In parallel, HomeMaid seeks to engage customers earlier in the decision-making process through proactive sales efforts, both in-person and digital, and by marketing in relevant online channels. While these initiatives (home visits, proactive sales efforts) may add to customer acquisition costs, we believe they position the company as a more serious and committed provider.

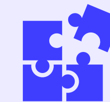
To support margin stability in a low-margin, labor-intensive industry, HomeMaid emphasizes operational discipline. The company closely monitors key performance indicators such as staff utilization, customer satisfaction, and unit-level profitability, while also fostering a culture of healthy competition among its regional offices. Employees are provided with structured training and operate under collective bargaining agreements, which we believe support a higher degree of fairness, motivation, and retention. Given the tight labor market within the industry and the importance of long-standing relationships between individual employees and clients, we think employee satisfaction and retention are direct drivers of customer loyalty in the long term, and it makes sense that HomeMaid pays a lot of attention to its employees.

Despite limited external visibility into detailed operational KPIs (e.g., rework rates or productivity per cleaner), we acknowledge HomeMaid has delivered consistently stable EBITA margins over the past five years, even amid economic volatility and expansion. We believe this suggests that the company has a rather disciplined operating model already in place.

Alongside organic growth, HomeMaid pursues a structured M&A strategy*, which we view as a logical complement to HomeMaid's organic efforts, especially in a fragmented market where scale can provide advantages in brand recognition, operational leverage, and access to talent. While size alone doesn't guarantee customer trust, a larger platform enables better infrastructure and margin scalability. Provided the company maintains its financial discipline and integration capabilities, M&A should remain a value-accretive growth lever over the medium to long term, particularly as HomeMaid expands into niche and underpenetrated service areas.

M&A strategy in short*

Bolt-on acquisitions: Smaller, local residential cleaning firms that are fully integrated post-acquisition to increase local density and scale.



Complementary acquisitions: Typically larger, specialized B2B cleaning companies retained as standalone units, enhancing service diversity and enabling knowledge-sharing and cross-selling.

Source: Inderes, HomeMaid, Allabolag, Almega

Strategy 2/2

Target market and HomeMaid's position

Core market of HomeMaid (RUT-market), 2024	**13 BNSEK**
Market growth 2014-2024	**10% CAGR**
Market share (RUT-market) 2024	**3%**

Trends/drivers behind market development

Favorable policy developments

Shifts in consumer lifestyle, where time is revalued

General GDP growth

New entrants in the market

Challenges within the market

High fragmentation and commoditized service leads to intense price competition

Labor shortage

Strategic focus areas

Win the customers' trust

- Consistently deliver high-quality services
- Local presence and personal engagement
- Proactive sales efforts, marketing, & communication

Operational excellence

- Consistently tracking performance metrics
- Internal performance culture
- Retention and workforce quality

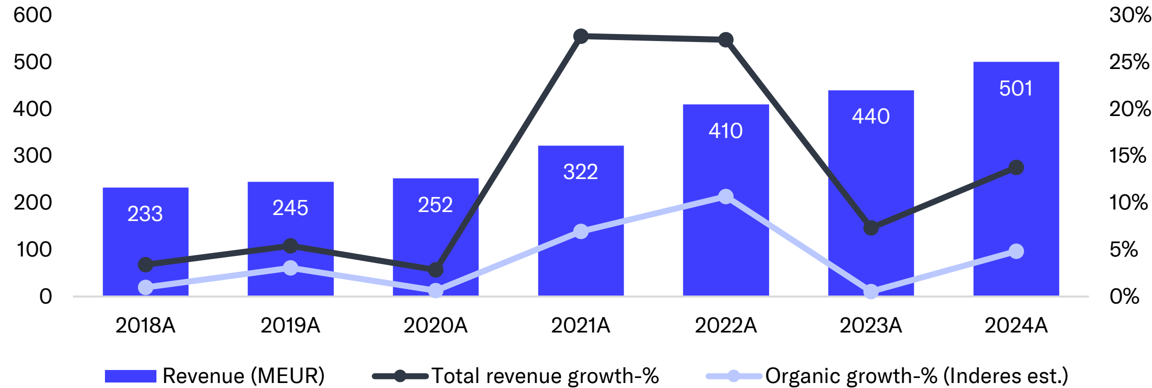
Accelerate growth and scale through M&A

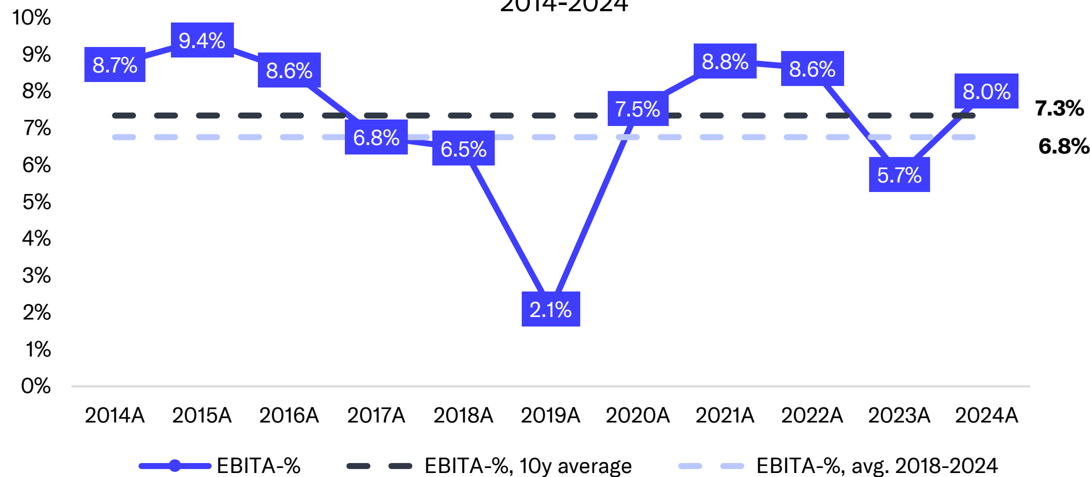
- Bolt-on acquisitions
- Complementary acquisitions

Financing strategy with cash flow and primarily using a mix of cash and debt in acquisitions.

Controlled profitable growth

Financial position and historical development 1/2





- During 2018-2024, annual revenue growth (CAGR) has been around 14% for the Group and from 2014, the corresponding figure is about 10% (when excluding Veteranpoolen, which was divested in 2018). The growth has primarily been driven by a growing market as whole (i.e. more people using RUT services), leading to an increased number of subscriptions, but also made efforts to reduce churn. Relative to the broader market, the company has grown at a similar pace during both time periods.

- However, while not explicitly communicated by the company, we estimate that the organic revenue CAGR has been around 4% during 2018-2024, meaning that the Group has been lagging overall market growth somewhat by organic measures. Nevertheless, when isolating the organic growth to the B2C segment, we estimate that the organic growth has been just slightly short of overall market growth. On this topic, we acknowledge that the steady flow of new registered cleaning companies (annually) naturally boosts overall market growth and does not always reflect the underlying growth of established players in the industry.

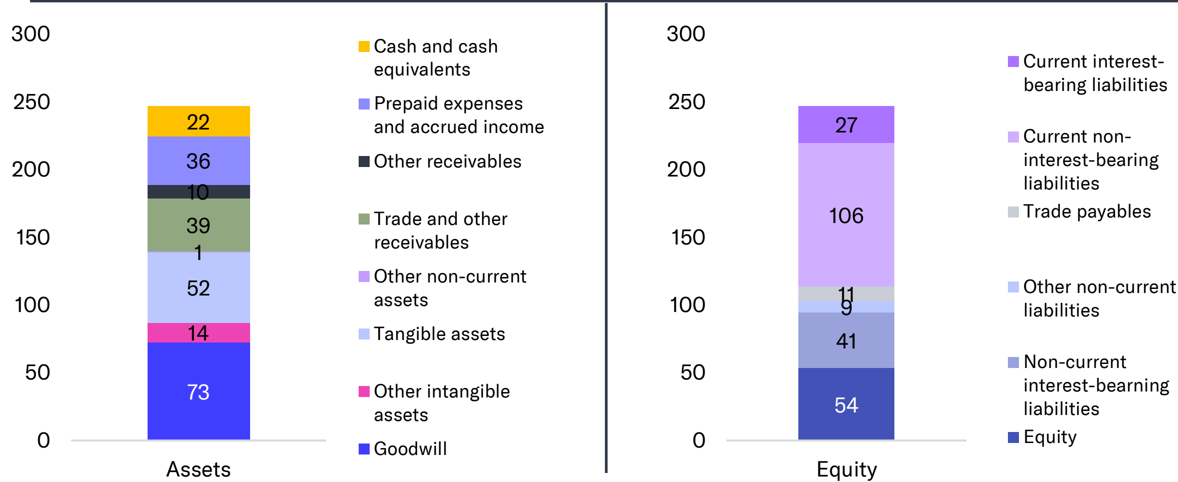
- The exceptionally strong growth during 2021-2022 was, in addition to strong overall demand post-COVID, due to the expansion into commercial cleaning (B2B) through a selection of larger acquisitions (by HomeMaid's measures).

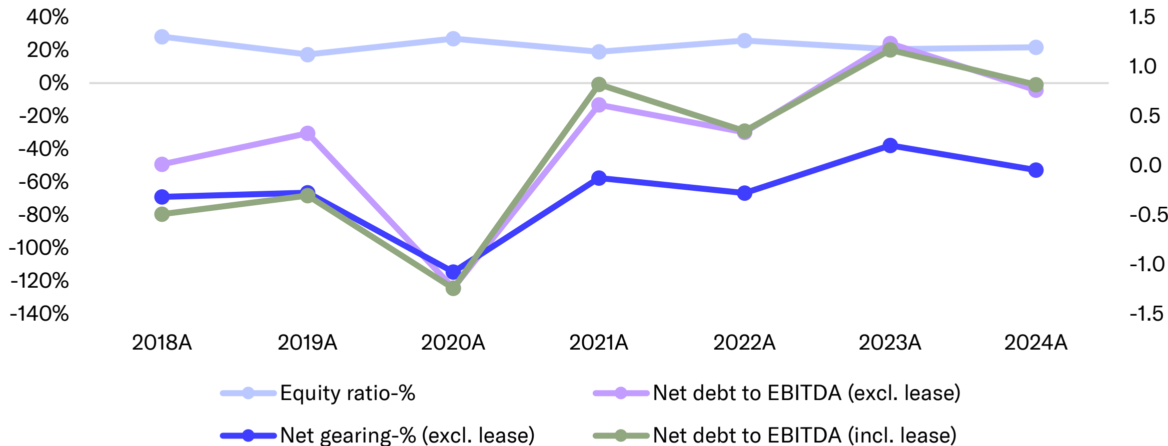
- With the exception of 2019, when HomeMaid faced extraordinary costs related to a CEO transition, a divestment, and the implementation of a new business system, the company's profitability (EBITA-%) has remained relatively stable throughout the recent 10-year period, consistently ranging between 6% and 9%.

- Also, the dip in profitability in 2023 was largely self-inflicted. HomeMaid made a strategic decision to ride out what they anticipated would be a temporary downturn in the B2C market. In the aftermath of the post-COVID surge in demand, the company had significantly increased its operating expenses (OpEx) by investing in its sales force, ramping up marketing efforts, and providing additional staff training to support rapid growth. However, as inflation and rising interest rates began to weigh on consumer demand in early 2023, HomeMaid chose not to reduce its cost base. This decision, though costly in the short term, positioned the company advantageously when demand eventually rebounded in 2024.

Financial position and historical development 2/2

HomeMaid's balance sheet is in pretty good condition, but it is inflated by goodwill from acquisitions. Balance sheet total: 247 MEUR (Q4'24)





- Acquisition activity is visible in the balance sheet, with goodwill amounting to 73 MSEK by the end of 2024. In 2023, HomeMaid changed its accounting standard to IFRS, meaning that goodwill is no longer depreciated, instead it is tested for impairment annually.
- By the end of 2024, HomeMaid had a minor net cash position when excluding lease liabilities (+2 MSEK), and a net debt position when accounting for these (-46 MSEK).
- In general, acquired companies have been purchased at relatively low multiples, which naturally lowers the risk of goodwill impairment. However, Städhuset AB was acquired at an EBIT multiple of ~11x during 2023, and given the weak profitability achieved in 2024 (2.7%) relative to the company's communicated ambition (at the time of the acquisition) to increase Städhuset's EBIT-% to 10% through synergies, we note that there could be some impairment risks going forward if the profitability does not improve substantially.

- The company's debt level is relatively low, which is rather typical for service companies like HomeMaid that don't need heavy fixed assets. Considering the profitability profile and cash flow generation abilities, we don't see the current debt position as a clear risk to the company. Net debt to EBITDA (incl. lease) stood at 0.8x at the end of 2024, down from 1.2x in 2023.
- The equity ratio has averaged 23% since 2018, which is relatively low and reflects a stable, moderate-growth profile with a focus on shareholder distributions rather than the accumulation of retained earnings. Additionally, the implementation of IFRS 16 in 2023, combined with rising goodwill from recent acquisitions, has further weighed on the equity ratio.
- Net gearing stood at a high 86% in 2024 when including lease liabilities, and around -4% when excluding these. Given that HomeMaid is asset-light and leases much of its infrastructure, IFRS 16 makes HomeMaid appear more indebted than it is in a traditional sense.
- Given a relatively conservative debt profile, we view HomeMaid's balance sheet as stable and well-managed. Operating cash flows comfortably cover interest and lease obligations, support ongoing dividend distributions, and allow for continued debt amortization. That said, with current cash flow levels, we believe there is limited capacity to increase leverage materially without impacting financial flexibility. As such, we view the company as positioned to pursue only smaller, bolt-on acquisitions in the near term.

Estimates 1/4

Our estimates are based on each business segment

We forecast the development of HomeMaid's revenue at a business segment level. In the short term, we forecast revenue based on the current outlook for Sweden's economy, historical growth of addressable markets, and the company's relative market positioning and historical organic growth. Regarding profitability, we model each business segment at an EBITA level. In terms of evaluating profitability, we focus on the expected growth, historical figures and overall profitability potential of HomeMaid's current businesses.

In the longer term, we forecast revenue growth based on the expected development in home and commercial cleaning markets, normalized growth rates for Sweden's economy and changing consumer behavior. Our long-term profitability forecast reflects our view that strong, sustainable competitive advantages are hard to achieve, and, as such, profitability will diverge closer to industry averages over time.

Our estimates don't include potential acquisitions, as these are virtually impossible to model. However, as M&A is at the core of HomeMaid's growth strategy, it is highly likely that additional acquisitions will be executed throughout the forecast period, whereupon we will add these to our estimates. Hence, successful M&A are a positive option for the investors.

Swedish economy looks to have the prerequisite to support growth in HomeMaid's addressable markets

Sweden is emerging from a period of weak economic growth in 2023–2024, with decent GDP expansion expected in 2025 and 2026 (1.8-2.3%). Meanwhile, inflation is easing, and interest rates have been on a downward trajectory since 2023.

Additionally, fiscal policy in Sweden is expected to be mildly expansionary, supporting the recovery. As such, we believe the Swedish economy has the prerequisites to support continued growth on RUT market in, at least, the next 2-3 years. The key risks to this view include potential significant changes in tax deduction related to RUT services and a worse economic environment than currently projected, even though we acknowledge that the market is very stable in nature.

The B2C segment is expected to be the main revenue driver for 2025

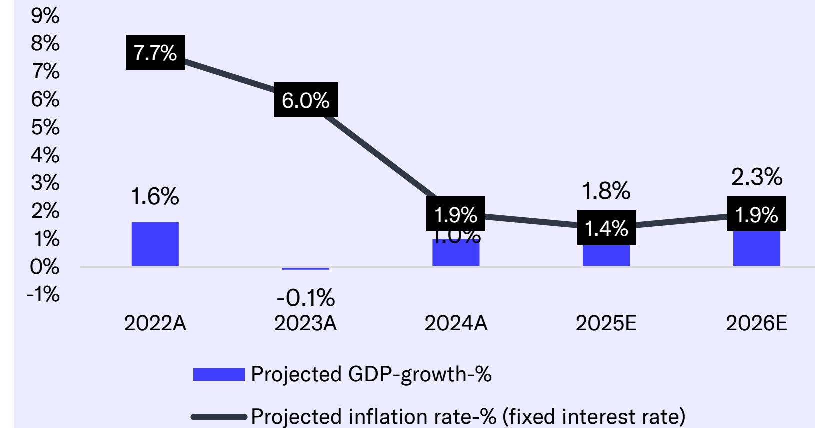
HomeMaid does not provide near-term guidance or long-term financial targets. However, based on the economic outlook for the year, we expect strong growth in 2025. We forecast revenue to reach 556 MSEK, reflecting an 11% increase year-on-year, with an EBITA margin of 9.4% (FY24: 8%).

The B2C segment is expected to drive the strongest growth, supported by a favorable RUT market outlook, which industry reports suggest is on track for a record year. Home cleaning, the largest component of the RUT market, grew 10% year-on-year in Q1'25 and 28% in April, indicating sustained strong demand for such services.

Historically, HomeMaid's B2C revenue has closely tracked the broader RUT market, albeit with slightly higher sensitivity. In practical terms, this means HomeMaid tends to outperform the market during upswings and underperform during downturns. As shown in the graph on the right, this cyclical pattern has remained consistent over several years.

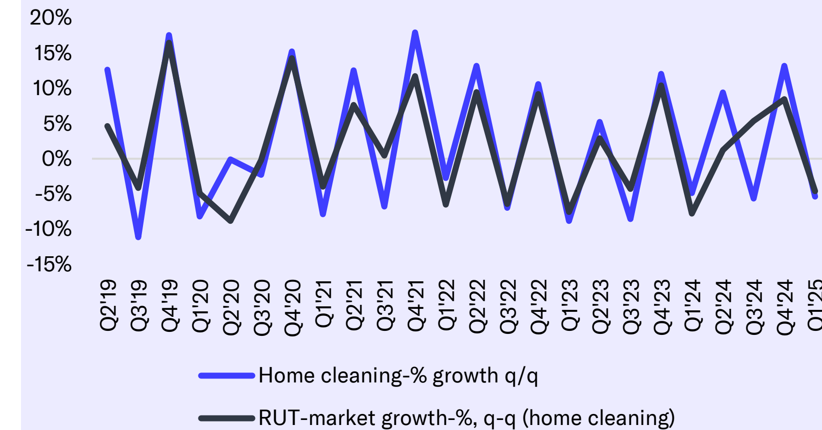
Stable inflation and growing economy should give support to the RUT market

Projected GDP growth & inflation, 2022-2026



HomeMaid's B2C revenue has a strong correlation to the RUT-market

B2C revenue growth and RUT-market growth (q/q), 2019-2024



Source: Inderes, RUT-barometern, HomeMaid, Ministry of Finance (Sweden), OECD

Estimates 2/4

We believe HomeMaid's B2C segment is well-positioned to deliver above-market growth when market conditions are favorable also going forward, supported by, e.g., its solid brand reputation and ongoing investments in its in-house sales organization. In our view, these proactive sales efforts are likely to be more effective as consumer household finances improve, aided by falling interest rates and easing inflation, which are trends we've seen in the past year. Conversely, when conditions deteriorate, we believe consumers are more inclined to choose lower-cost alternatives or reduce the frequency and scope of services.

Growth is also expected to be supported by a continued decline in B2C subscription churn, which has witnessed a declining trend according to the company. For 2025, we forecast B2C revenue to reach 404 MSEK, up 13% year-on-year. This implies an acceleration in growth from the 11% recorded in Q1'25, driven primarily by continued strength in the RUT market.

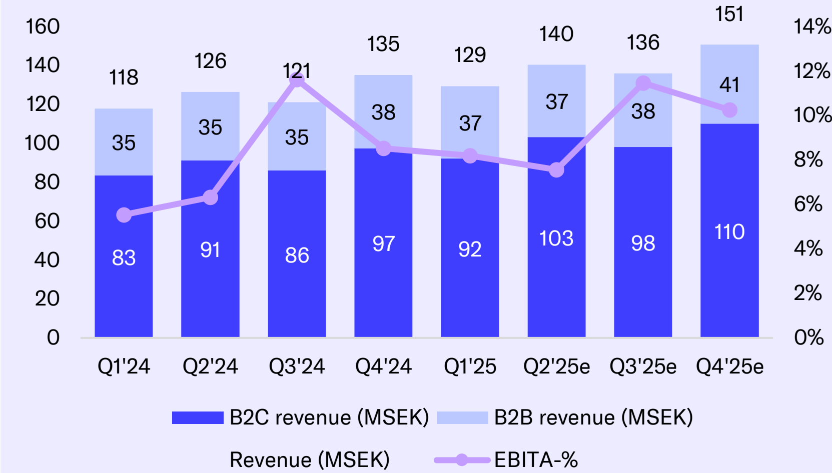
In contrast, growth in the B2B segment is expected to be more moderate but show a clear improvement from a weak 2024. This recovery is supported by gradually improving conditions in key industries such as construction and real estate, to which HomeMaid's B2B operations are heavily exposed. The 8% year-on-year growth recorded in Q1'25 signals a positive shift, and we expect this trend to continue throughout the year. For 2025, we project B2B revenue to reach 153 MSEK, reflecting a 7% year-on-year increase.

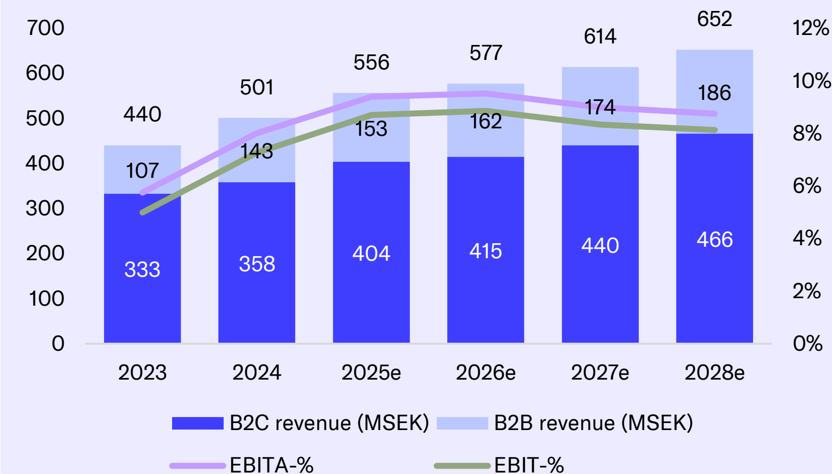
On the margin side, we believe HomeMaid is well-positioned to sustain above-industry profitability in the near-to mid-term. This is supported by its operational scale and more sophisticated systems and processes relative to the vast majority of smaller, less-resourced competitors. We believe this should allow the company to drive efficiencies, maintain cost discipline, and adapt more effectively to market fluctuations.

Profitability in Q1'25 was notably strong given the seasonality of the quarter, with an EBITA margin of 8.2% (Q1'24: 5.5%). For 2025, we forecast an EBITA margin of 9.6% for the B2C segment (FY24: 8.9%) and 8.4% for the B2B segment (FY24: 4.8%), supported by revenue growth and continued cost efficiency. In the B2B segment, we also expect margin improvement to be driven by realized synergies from the Städhuset acquisition. After a period of relatively weak profitability post-acquisition, Städhuset posted a strong Q1 performance with a 9% EBITA margin (FY24: 2.7%).

At the Group level, we forecast EBITA of 52 MSEK in 2025, corresponding to a margin of 9.4% (FY24: 8%). After factoring in approximately 4 MSEK in acquisition-related amortization, we estimate EBIT of 48 MSEK, translating to a margin of 8.7% (FY24: 7.3%).

Moving down the income statement, we expect net financials and taxes to remain relatively stable in 2025 compared to the previous year. As a result, we forecast earnings per share (EPS) of SEK 1.90 in 2025 (FY24: 1.38), representing an EPS growth of 38%. On the capital allocation front, we expect the company to maintain its shareholder-friendly dividend policy. We forecast a dividend of SEK 1.35 per share on its FY25 earnings (FY24: SEK 1.25), implying a payout ratio of 71% (FY24: 91%).





Source: Inderes, National Institue of Economic Research (Sweden)

Estimates 3/4

Challenging comparables dampen 2026 growth, with a modest rebound expected thereafter

Following the strong expected growth in 2025, we estimate that B2C growth to moderate in 2026, slowing to 3% due to challenging comparison figures. However, the underlying demand is expected to remain solid, supported by a growing RUT market, a high share of subscription revenue and continued efforts in reducing churn. Meanwhile, the B2B segment is expected to grow relative faster in 2026 (7%), as we expect it to benefit from a faster growing economy (expected GDP growth FY26e: 2.3%, vs FY25e: 1.8%), which we believe is likely to support more favorable market conditions within, e.g., construction and real estate. For 2026, we estimate revenue at 577 MSEK (4% y/y growth) with an EBITA of 55 MSEK, corresponding to a 9.5% margin.

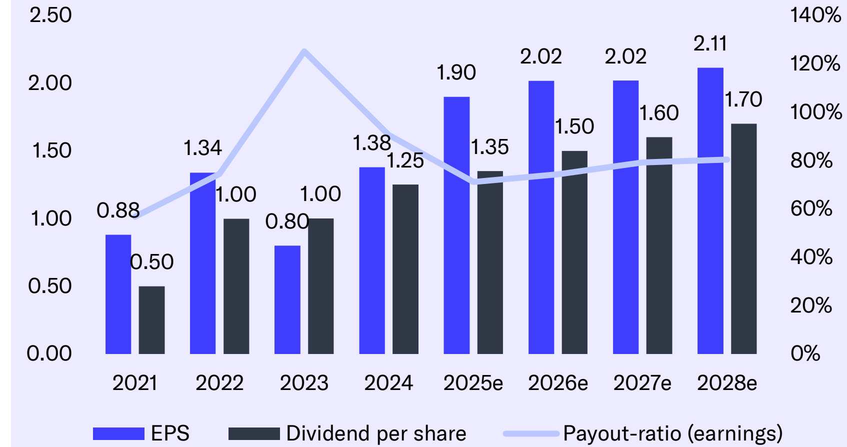
With the absence of any market research reports forecasting mid-term growth for the RUT market, we believe a reasonable assumption is that HomeMaid's addressable market could grow a few percentage points above GDP during this period. Based on this, we expect HomeMaid to slightly outperform the broader market, growing by an average of 6% between 2027-2028, and reach 652 MSEK in revenue by 2028. On the profitability side, we expect margins to remain relatively stable but flatten slightly due to intensifying price competition in an increasingly saturated and fragmented market. For 2028, we project an EBITA margin of 8.7% and an EBIT margin of 8.1%. During the 2026 to 2028 period, we estimate average EPS growth of 4% annually, alongside an average dividend yield of approximately 5%, reflecting the company's strong cash flow generation.

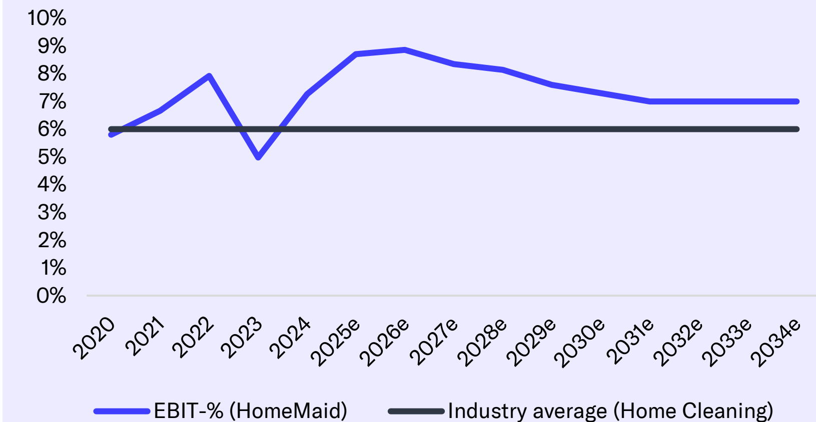
Slower long-term growth trajectory coupled with margin compression due to intense competition

Over the long term, we expect HomeMaid's growth to be supported by the structurally stable and low-cyclical nature of the RUT market, combined with the continued increase in consumer interest and adoption of RUT-related services. These underlying drivers should enable sustained growth in the B2C segment well beyond 2028. Although the B2B segment is more exposed to economic fluctuations, its cyclical nature may serve as a counterbalance during periods of softer consumer demand, providing a natural diversification effect for revenue growth over time, as evidenced during 2023.

Between 2029 and 2034, we forecast a gradual deceleration in top-line growth, starting at 5.3% in 2029 and declining to 1.5% by 2034, which we apply as our terminal growth rate. We consider this assumption to be realistic, considering the company's business model, the maturity of the cleaning services industry, and broader macroeconomic considerations. Structurally, the sector continues to face challenges in the form of hiring constraints and high staff turnover, which, coupled with HomeMaid's lack of strong competitive advantages, make it unlikely, in our view, that the company will consistently grow above Sweden's long-term GDP growth, which averages around 2%.

On the profitability front, we anticipate some margin compression over time. This is primarily due to the fragmented nature of the market and the commoditized character of services offered, which limits pricing power and drives high competition.





Source: Inderes, National Institue of Economic Research (Sweden)

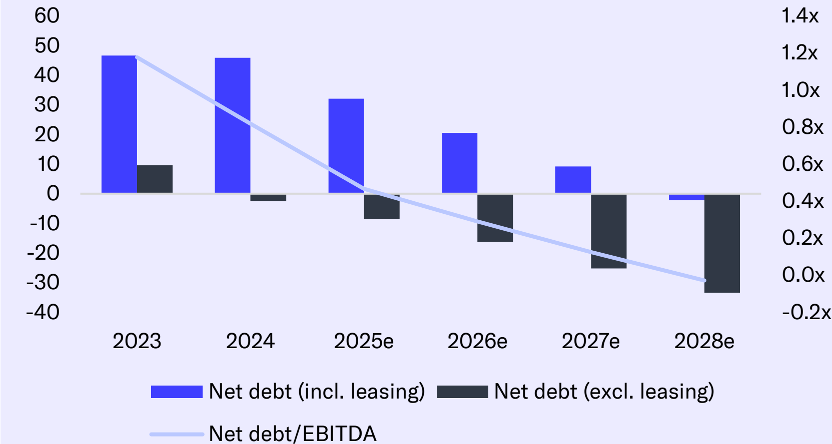
Estimates 4/4

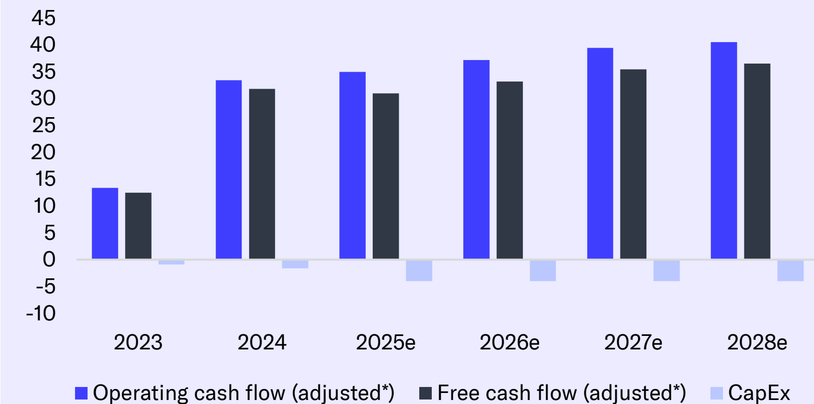
We believe a sustainable long-term EBIT margin in the range of 6-8% is achievable for HomeMaid and depends on its ability to leverage its scale and operational maturity. We think this should offer a modest advantage over the many smaller competitors in the market, particularly those with fewer than 10 full-time employees, who represent the majority of providers and heavily influence the industry average of approximately 6%. As such, we expect the EBIT margin to settle around 7% in the long term, slightly above the broader industry average.

The balance sheet is expected to stay in solid shape

HomeMaid's balance sheet remains in solid condition, with net debt including leasing amounting to 46 MSEK by the end of 2024. Excluding lease liabilities, the company held a net cash position of 2 MSEK. While debt levels increased during the company's acquisition phase between 2021 and 2023, we consider the leverage (net debt to EBITDA of 0.8x, FY24) as moderate and appropriate for a capital-light services business. Given the company's low reinvestment requirements, we do not expect leverage to increase materially from current levels. Although HomeMaid may consider new acquisitions over time, we do not include such transactions in our base case forecast. As such, we expect the company's steady cash flow generation to gradually decrease the debt position over the forecast period.

In addition, HomeMaid's conservative capital structure supports the company's capacity to continue distributing attractive dividends. However, we will continue to monitor capital allocation decisions closely and revisit our dividend assumptions should the company alter its approach going forward.





* Adjusted for lease payments

Source: Inderes, National Institue of Economic Research (Sweden)

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	**440**	**118**	**126**	**121**	**135**	**501**	**129**	**140**	**136**	**151**	**556**	**577**	**614**	**652**
Home cleaning	333	83.4	91.3	86.1	97.5	358	92	103	98	110	404	415	440	466
Commercial cleaning	107	34.5	35.1	35.1	37.7	142	37	37	38	41	153	162	174	186
EBITDA	**39.6**	**10.5**	**12.0**	**18.1**	**15.5**	**56**	**15**	**15**	**20**	**19**	**69**	**71**	**73**	**76**
Depreciation	-17.7	-4.9	-5.2	-5.0	-4.7	-20	-5	-5	-5	-5	-20	-20	-22	-23
EBIT (excl. NRI)	**25.2**	**6.5**	**8.0**	**14.1**	**11.5**	**40**	**11**	**11**	**16**	**15**	**52**	**55**	**55**	**57**
EBIT	**21.9**	**5.6**	**6.9**	**13.1**	**10.8**	**36**	**10**	**10**	**15**	**14**	**48**	**51**	**51**	**53**
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0
Net financial items	-2.7	-0.9	-0.9	-0.8	-0.5	-3	-1	-1	-1	-1	-3	-3	-3	-3
PTP	**19.2**	**4.8**	**6.0**	**12.3**	**10.3**	**33**	**9**	**9**	**14**	**14**	**45**	**48**	**48**	**50**
Taxes	-4.0	-1.1	-1.4	-2.6	-2.2	-7	-2	-2	-3	-3	-9	-10	-10	-10
Minority interest	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0
Net earnings	**15.1**	**3.7**	**4.6**	**9.7**	**8.2**	**26**	**7**	**7**	**11**	**11**	**36**	**38**	**38**	**40**
EPS (adj.)	**0.97**	**0.24**	**0.30**	**0.57**	**0.47**	**1.58**	**0.42**	**0.42**	**0.63**	**0.63**	**2.10**	**2.22**	**2.23**	**2.32**
EPS (rep.)	**0.80**	**0.19**	**0.24**	**0.51**	**0.43**	**1.38**	**0.37**	**0.37**	**0.58**	**0.58**	**1.90**	**2.02**	**2.02**	**2.11**

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	7.2 %	16.5 %	19.4 %	11.9 %	8.2 %	13.7 %	9.7 %	11.1 %	12.1 %	11.5 %	11.1 %	3.8 %	6.3 %	6.3 %
Adjusted EBIT growth-%	-28.7 %	1.4 %	88.8 %	79.3 %	71.6 %	59.0 %	62.3 %	32.7 %	10.6 %	34.1 %	30.2 %	5.2 %	0.4 %	3.4 %
EBITDA-%	9.0 %	8.9 %	9.5 %	15.0 %	11.5 %	11.2 %	11.7 %	10.4 %	14.4 %	12.9 %	12.4 %	12.3 %	12.0 %	11.6 %
Adjusted EBIT-%	5.7 %	5.5 %	6.3 %	11.6 %	8.5 %	8.0 %	8.2 %	7.6 %	11.5 %	10.3 %	9.4 %	9.5 %	9.0 %	8.7 %
Net earnings-%	3.4 %	3.1 %	3.6 %	8.0 %	6.0 %	5.2 %	5.4 %	5.0 %	8.1 %	7.2 %	6.5 %	6.6 %	6.2 %	6.1 %

Source: Inderes

Note: EBIT (excl. NRI) corresponds to the adjusted EBITA and adjusted EBIT growth-% corresponds to adjusted EBITA growth-%

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	**129**	**140**	**143**	**145**	**146**
Goodwill	70	73	73	73	73
Intangible assets	18	14	12	9	8
Tangible assets	40	52	58	63	65
Associated companies	0	0	0	0	0
Other investments	0	0	0	0	0
Other non-current assets	0	0	0	0	0
Deferred tax assets	0	1	1	1	1
Current assets	**100**	**107**	**125**	**133**	**146**
Inventories	0	0	0	0	0
Other current assets	44	46	50	52	55
Receivables	37	39	42	43	45
Cash and equivalents	20	22	33	38	46
Balance sheet total	**229**	**247**	**268**	**279**	**292**

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	**47**	**54**	**66**	**79**	**88**
Share capital	1	1	1	1	1
Retained earnings	17	26	38	51	61
Hybrid bonds	0	0	0	0	0
Revaluation reserve	0	0	0	0	0
Other equity	29	27	27	27	27
Minorities	0	0	0	0	0
Non-current liabilities	**49**	**50**	**49**	**46**	**44**
Deferred tax liabilities	3	4	4	4	4
Provisions	4	4	4	4	4
Interest bearing debt	42	41	40	37	35
Convertibles	0	0	0	0	0
Other long term liabilities	0	0	0	0	0
Current liabilities	**133**	**144**	**153**	**154**	**160**
Interest bearing debt	25	27	25	22	20
Payables	92	103	115	119	126
Other current liabilities	16	14	14	14	14
Balance sheet total	**229**	**247**	**268**	**279**	**292**

Investment profile

1. Stable and resilient B2C market, growing at a CAGR of 10% over the past decade

2. Second-largest home cleaning provider in Sweden, with a majority of revenue derived from recurring subscription-based services

3. Highly fragmented industry creates M&A opportunities, though it also introduces significant price competition

4. Proven track record of value-accretive acquisitions, supporting long-term growth.

5. Challenging to achieve strong competitive advantages, given low barriers to entry and high service standardization

Potential

- Low market share in the home cleaning industry leaves plenty of room for expansion
- Steadily growing and resilient end market provides a strong foundation for long-term growth
- Recurring revenue model, with vast a majority of sales subscription-based, ensures predictable cash flows
- Fragmented industry offers compelling value-creation potential through consolidation
- Attractive dividend payouts

Risks

- Lack of strong competitive advantages could hinder growth and put pressure on margins
- Labor market challenges, including hiring constraints and high employee turnover, remain persistent industry-wide issues
- Potential cuts to current subsidy schemes (e.g., RUT) could significantly impact market size and sector stability
- Execution risk in M&A

Valuation and recommendation 1/4

We approach the valuation on an earnings basis

We prefer earnings-based price multiples in our valuation for HomeMaid. In our opinion, the best earnings multiples are the adjusted EV/EBITA and P/E ratios. We adjusted the P/E ratio for purchase price allocation (PPA) depreciation, while the EV/EBITA ratio is adjusted for PPA depreciation and IFRS16 liabilities. As the effect of IFRS16 liabilities are already vastly accounted for in our earnings estimates, and the PPA depreciations from M&A are non-cash flow cost items, this gives a better grounding for valuation in our view. We examine these multiples in absolute terms. In relative valuation, we primarily use the EV/EBITDA ratio due to its better comparability, as it treats companies with different accounting standards equally on M&A-related amortizations, though somewhat helps companies in IFRS as lease expenses are not included. In addition, we see the revenue-based EV/sales multiple as a somewhat useful sanity check and a kind of "thermometer" for gauging the growth and profitability expectations priced into the stock. We examine the valuation primarily with valuation multiples for the current and next year.

We also rely on the expected total shareholder return of the next few years and the DCF model. However, their weakness is that they do not consider the potential for value creation through inorganic growth, which is why we believe they are best suited to value the current business mix.

We believe that the pursuit of inorganic growth is among the top priorities for capital allocation; however, given the track record of high dividends, we feel that they should also be expected going forward and therefore support the expected return.

Factors affecting the acceptable valuation ranges

We believe the key factors supporting and depressing HomeMaid's valuation are:

- **Growth and capital allocation**: We believe that HomeMaid's key value driver is growth through M&A transactions and dividend distribution, i.e. capital reallocation. In light of the development in recent years, we consider the reallocation of capital successful. As we do not model acquisitions in our estimates, we take them into account as part of our valuation.
- **A resilient and growing market:** The Swedish RUT-supported cleaning market is structurally resilient and growing, which reduces cyclical downside risk. That said, this also raises the bar for sustained outperformance. As the market matures further, HomeMaid must balance stable subscription-based revenue with continued market share gains or M&A to outperform GDP-linked growth.
- **Company's cash flow profile and capital intensity:** HomeMaid's cash flow has historically been strong. The free cash flow, while typically benefiting from favorable changes in working capital, is limited by the costs of vehicles and premises used for operations (mainly lease liabilities shown in cash flow from financing). We, therefore, estimate that the company's free cash flow will be slightly lower than the operating profit, somewhat limiting the reallocation of capital.
- **In our opinion, the lack of strong competitive advantages** affects the competitive dynamics of the industry in the short and long run. This also limits the pricing power of players and thus the profitability potential. However, we see that scale can be beneficial in supporting margins above industry average, considering that the average primarily makes up of very small players.

Valuation	2025e	2026e	2027e
Share price	35.0	35.0	35.0
Number of shares, millions	19.0	19.0	19.0
Market cap	663	663	663
EV	695	684	672
P/E (adj.)	16.7	15.8	15.7
P/E	18.4	17.4	17.3
P/FCF	16.6	16.8	15.7
P/B	10.1	8.4	7.5
P/S	1.2	1.1	1.1
EV/Sales	1.3	1.2	1.1
EV/EBITDA	10.1	9.6	9.2
EV/EBIT (adj.)	13.3	12.4	12.2
Payout ratio (%)	71.1 %	74.4 %	79.3 %
Dividend yield-%	3.9 %	4.3 %	4.6 %

Valuation and recommendation 2/4

Peer group and acceptable valuation

To our knowledge, there are no other listed companies on the stock exchange that are pure-play cleaning service providers like HomeMaid. Therefore, we have compiled a peer group that includes companies operating in either similar or adjacent service sectors (e.g., facility management), those with comparable business models (in terms of cost structure and margins), and those active in markets with similar growth dynamics (Sweden and mid-single growth). What unites all these peers is that they operate personnel-intensive businesses and exhibit profitability levels broadly in line with HomeMaid.

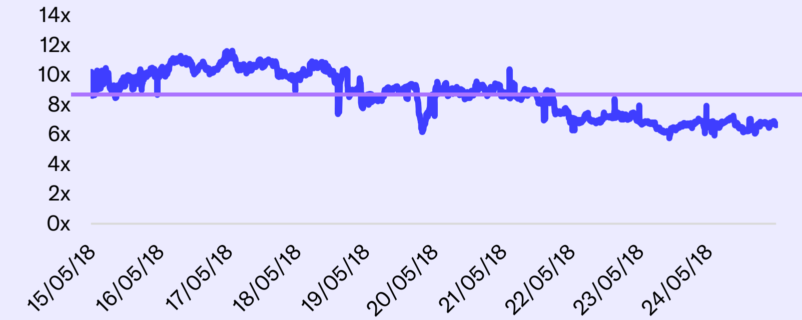
International facility management ("IFM"): We consider this peer group to be the most relevant in terms of business model comparability. While these companies typically offer a broader range of services, and cleaning services may account for only a small portion of their total revenue, they exhibit similar cost structures, particularly in terms of personnel expenses as a percentage of revenue. Their profitability profiles are also broadly in line with HomeMaid's, and the market growth is at a stable, mid-single-digit, level.

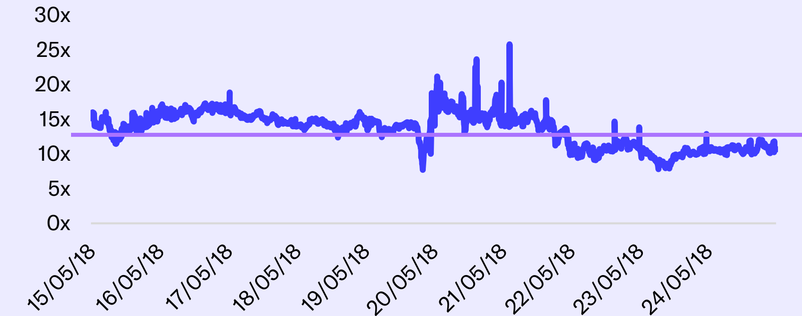
Swedish staffing business ("SBB"): This group provides useful insights due to their geographic relevance and similar operational models, despite many focusing on skilled labor segments. Like HomeMaid, they rely heavily on personnel as their key resource.

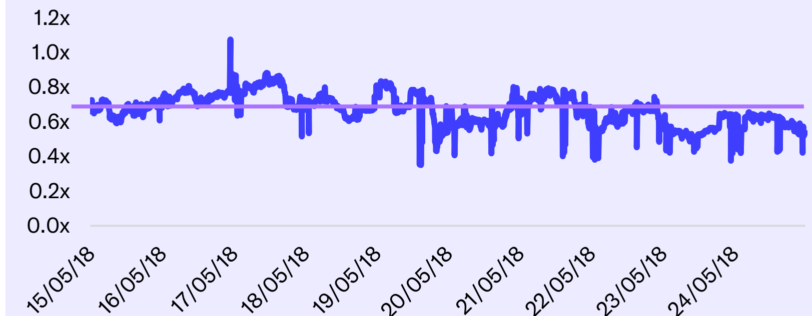
We also look at a few **Other** peers, namely Ambea, Attendo, and Green Landscaping. Although Ambea and Attendo operate in more regulated markets with higher barriers to entry, their businesses are people-intensive, include home care services, and share similar growth and profitability characteristics. Green Landscaping, while primarily focused on outdoor services and subject to a higher degree of seasonality, also operates with a labor-intensive model, maintains recurring service contracts, and displays a growth and margin profile comparable to HomeMaid.

The broader peer group's median valuation multiples for 2025 and 2026 are approximately 7x EV/EBITDA, 12x/10x P/E, and 0.5x EV/S, respectively. These levels are slightly below the 10-year historical average median multiples (based on the next twelve months, NTM), which stand at 9x for EV/EBITDA, 14x for P/E, and 0.7x for EV/S. Given today's higher interest rate environment and increased macroeconomic and geopolitical uncertainty, especially when compared to most of the historical period, which was shaped by near-zero interest rates, we view the current valuation levels of the peer group as reasonable.

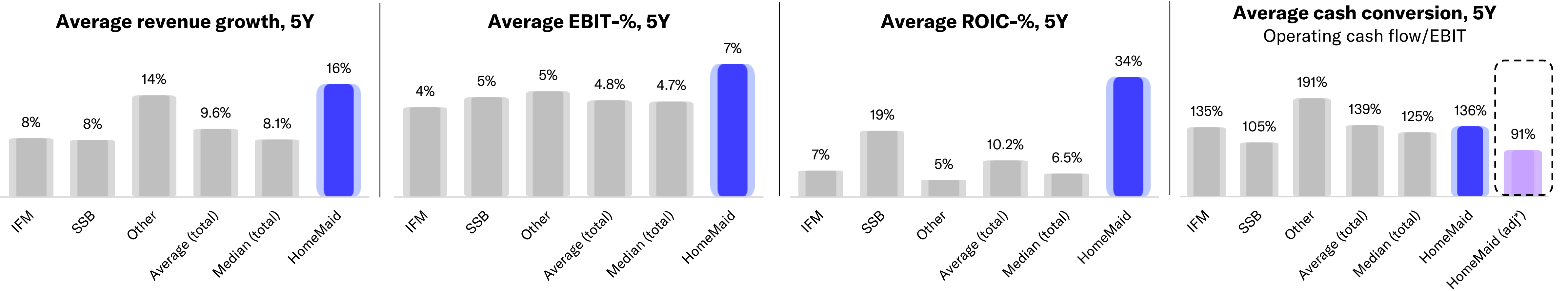
Looking more closely at the defined sub-groups, we observe that the International Facility Management Group (IFM) and "Other" peers have historically traded at higher valuation multiples, with 10-year averages of approximately 9x and 10x EV/EBITDA, and 15x and 17x P/E, respectively. In contrast, the Swedish Staffing Businesses (SBB) group has typically traded at the lower end of the range, with 10-year average multiples of 8x EV/EBITDA and 13x P/E. However, as each subgroup includes a relatively limited number of companies, any conclusions drawn should be interpreted with caution.

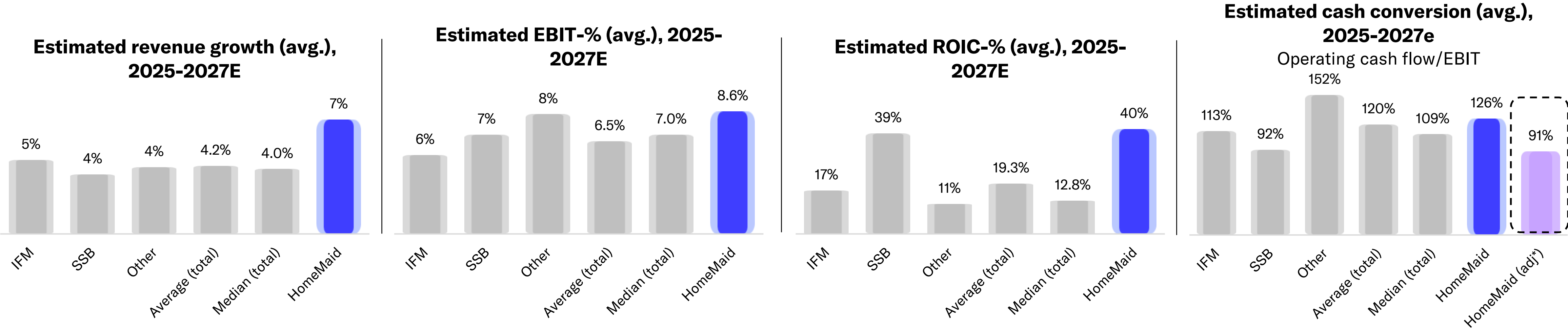






Peers' financial performance vs HomeMaid





* Adjusted for lease payments

Valuation and recommendation 3/4

As illustrated on the previous page, we note that HomeMaid has shown similar cash conversion to peers but higher growth, profitability, and notably stronger return on capital. Based on our estimates, we expect these dynamics to continue over at least the next three years. From a risk perspective, we also note the HomeMaid carries, in relative terms, notably lower debt levels than its peers. We also think that HomeMaid operates in a relatively more stable and resilient market compared to peers, considering the current government subsidies in the RUT market, although this presents risks to the downside if there are any large reductions going forward.

In addition, the company derives a majority of its revenue from subscription-based services, which helps to mitigate demand fluctuations and provides enhanced cash flow visibility. While many within the peer group derive a big portion of their revenue from long-term contracts, we believe the subscription business of HomeMaid is slightly more predictable.

We think the above-mentioned dynamics support the case for higher earnings multiples compared to peer group averages, as they lower the risk profile related to both earnings and overall business. That said, the low barriers to entry and lack of significant competitive moats somewhat offset these advantages. However, we note that these challenges are not isolated to HomeMaid and are common across much of the peer group.

Taking all this into account, we find it justified to assign a small valuation premium to HomeMaid relative to the peer group averages. As previously discussed, we focus on adjusted EV/EBITA and adjusted P/E multiples, recognizing that these adjusted figures (accounting for IFRS 16 lease effects and PPA amortization) are lower than unadjusted metrics. Applying similar adjustments to the peer group (where applicable) would generally result in lower peer averages as well. On that basis, we believe HomeMaid's acceptable valuation range, in its current form, is around 9x-12x at adjusted EV/EBITA and 11x-14x at adjusted P/E.

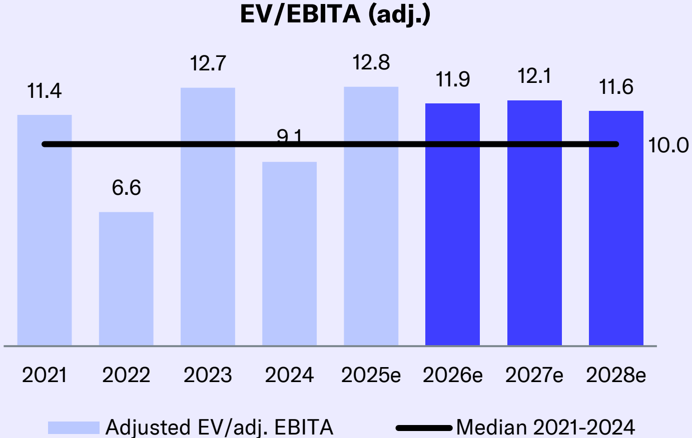
Given that HomeMaid's primary business segment, B2C, accounts for the majority of the company's revenue (72% in FY24) and is closely tied to the RUT market, which is currently experiencing strong growth momentum, we believe it is reasonable to value HomeMaid toward the upper end of our acceptable valuation range in the short term. This view is further supported by the company's solid balance sheet and positive profitability outlook.

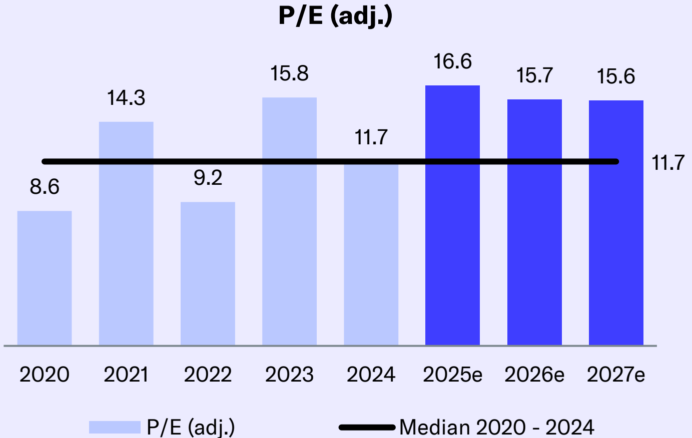
However, we do not consider a valuation at the very top of the range to be fully justified at this stage, primarily due to the recent subdued performance in the B2B segment. We would prefer to see a sustained positive momentum before valuing HomeMaid at the top of our range.

Absolute valuation

Based on our current estimates, HomeMaid trades at an adjusted EV/EBITA multiple of 13x for 2025, while the corresponding adjusted P/E multiple stands at 17x. Thus, looking at this year, we believe the current earnings-based valuation levels are on the high side. To give a comparison figure to the mentioned peer group average, HomeMaid's EV/EBITDA and EV/S multiples are 10x and 1.3x on our 2025 estimates.

Widening the time lens, we draw the same conclusions, with HomeMaid trading at adjusted EV/EBITA multiples of 12x for 2026-2027, and a P/E ratio of 16x during the same period. Therefore, if HomeMaid develops as we expect going forward, we believe the stock will continue trading at rather high earnings multiples.





Valuation and recommendation 4/4

Total expected return in the coming years

To complement our valuation analysis, we've evaluated HomeMaid's expected total return over the coming years, based on a simplified assumption of valuation multiples and our 2027 earnings estimates. In our view, HomeMaid's business could be valued at 10x-12x adjusted EV/EBITA and around 12x-14x adjusted P/E at the end of 2027, based on our current estimates. The multiples would represent a premium to current peer group medians, and pricing would therefore naturally require the company to maintain growth and profitability levels slightly above the peer average, with no major changes in the company's growth outlook.

Based on this and our current estimates, we believe that HomeMaid could be valued at roughly SEK 28.6-33.7 per share at the end of 2027. At the current share price of SEK 35, the expected average annual return would be around -4%. In addition, we expect investors to receive an annual dividend yield of around 4-5%. Hence, the average annual expected total return would be below the 9.5% cost of equity we use (WACC: 9.3%).

We adjust the DCF model for IFRS 16

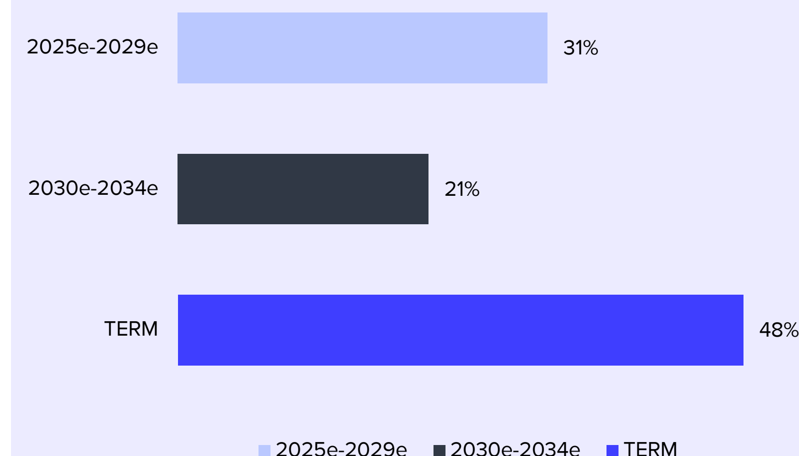
We presented our short- and long-term estimates in the estimates section, expecting a steady growth and margin during 2025-2030, which then tapers towards the 1.5% growth and 7% EBIT margin we use for the terminal period. We adjust the DCF model for IFRS 16 by adding IFRS 16-related costs, which are in financials in the P&L, to our DCF model and deducting lease debt from the net debt amount. Hence, our DCF model roughly excludes the IFRS 16 impact.

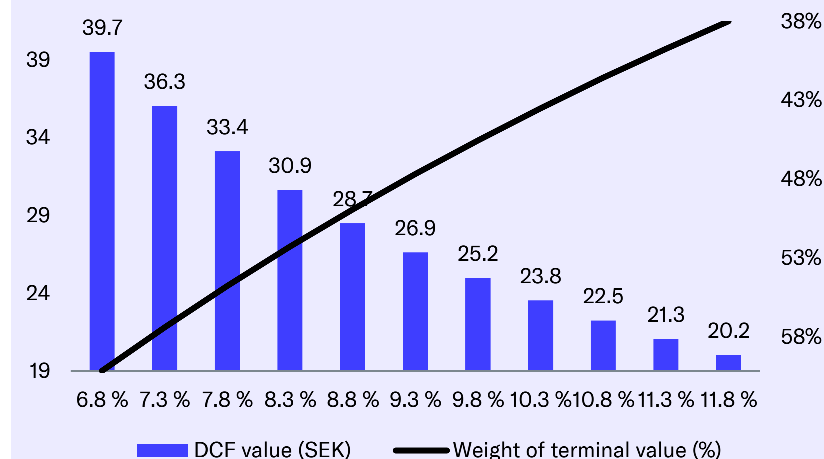
While we believe the overall risk tied to HomeMaid's operations to be fairly low, due to a lion's share of revenue being subscription-based, stable margins, and a resilient B2C end market, we feel the low liquidity in the stock elevates the risk profile. Hence, we estimate the cost of equity for HomeMaid to be 9.5%, including a 1.3pp liquidity risk premium. As we assume rather low debt in the WACC calculation (as the company typically is in net cash, excluding lease liabilities) the WACC is slightly lower than the cost of equity. Based on these assumptions, our DCF model arrives at an EV of 530 MSEK, which translates into a roughly similar equity value or SEK 26.9 per share.

The DCF model ignores the value creation potential of inorganic growth and therefore primarily serves as a valuation benchmark for the current business structure. In our model, the weight of the terminal period is at a reasonable 48%. We note that the DCF model is quite sensitive to the required rate of return used, as illustrated by the figure to the right. Hence, we see downward pressure in our WACC (i.e upside potential in the DCF value) if the liquidity in the stock improves going forward.

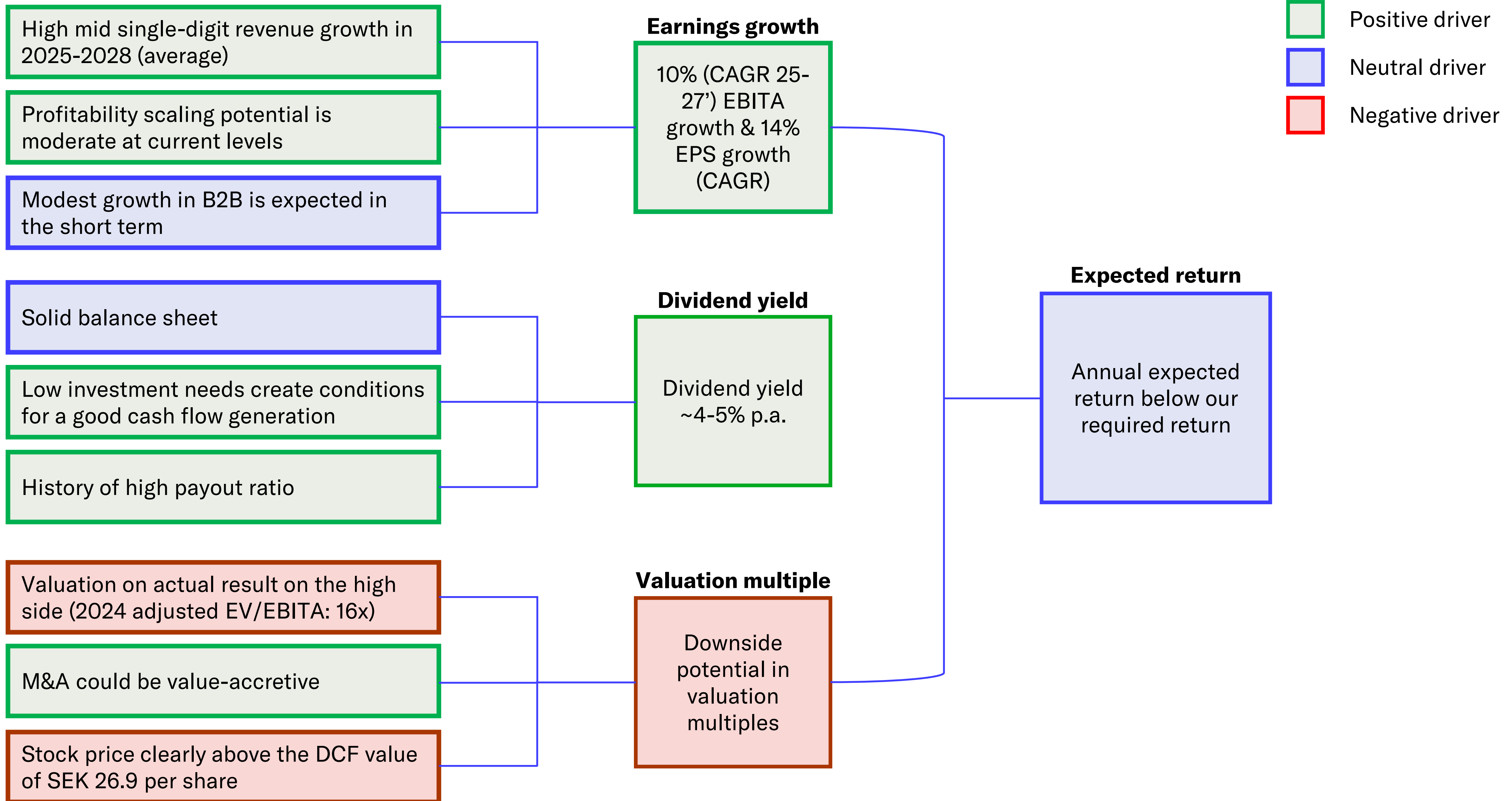
Target price and investment view

We believe the fair value of the share is SEK 26-31, supported by a combination of earnings multiples (adjusted EV/EBITA 10-12x, adjusted P/E 12-14x) as well as our DCF value. Given that our DCF does not capture the value creation from HomeMaid's M&A strategy, where they re-allocate cash flows to roll-up acquisitions at low multiples, we place more emphasis on earnings multiples to better reflect this upside. Combined with solid business momentum and favorable B2C market conditions, this leads us to lean toward the upper end of our acceptable valuation range. As such, we initiate our coverage with a SEK 29 target price and Reduce recommendation for HomeMaid. In our view, the share valuation is on the high side, and while earnings growth somewhat compensating for expected multiple contraction, we assess the expected return leans on the 4-5 % dividend yield and looks insufficient.



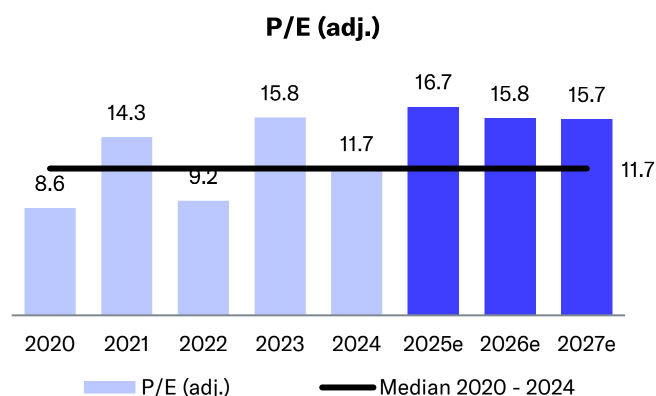


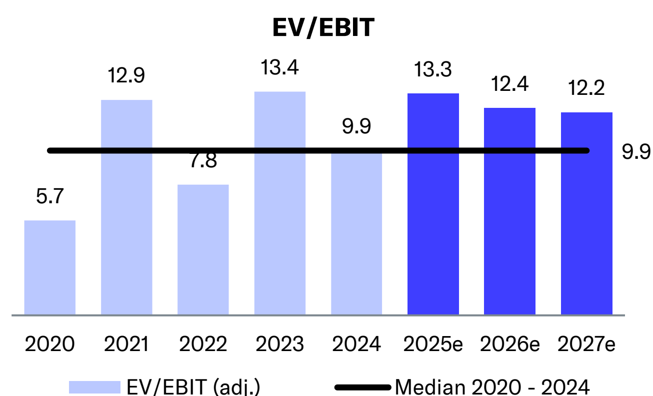
Drivers of stock returns

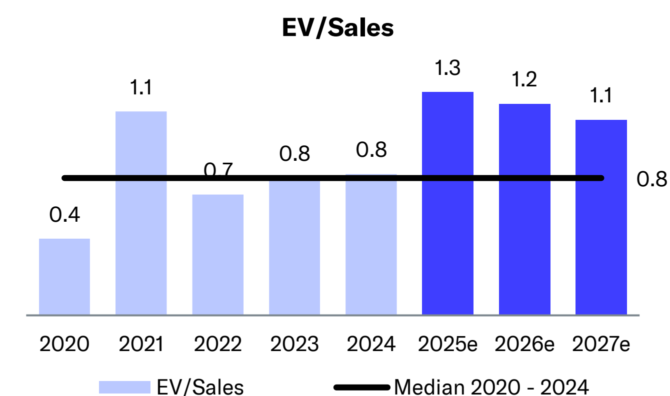


Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	7.38	18.0	13.7	15.4	18.5	**35.0**	**35.0**	**35.0**	**35.0**
Number of shares, millions	18.2	18.2	18.2	19.0	19.0	**19.0**	**19.0**	**19.0**	**19.0**
Market cap	135	328	250	292	351	**663**	**663**	**663**	**663**
EV	108	367	277	338	397	**695**	**684**	**672**	**661**
P/E (adj.)	8.6	14.3	9.2	15.8	11.7	**16.7**	**15.8**	**15.7**	**15.1**
P/E	11.9	20.4	10.2	19.3	13.4	**18.4**	**17.4**	**17.3**	**16.6**
P/FCF	5.9	neg.	13.1	neg.	15.3	**16.6**	**16.8**	**15.7**	**15.2**
P/B	5.5	10.5	5.4	6.2	6.5	**10.1**	**8.4**	**7.5**	**6.8**
P/S	0.5	1.0	0.6	0.7	0.7	**1.2**	**1.1**	**1.1**	**1.0**
EV/Sales	0.4	1.1	0.7	0.8	0.8	**1.3**	**1.2**	**1.1**	**1.0**
EV/EBITDA	5.1	11.7	6.0	8.5	7.1	**10.1**	**9.6**	**9.2**	**8.8**
EV/EBIT (adj.)	5.7	12.9	7.8	13.4	9.9	**13.3**	**12.4**	**12.2**	**11.6**
EV/FCFF	4.8	20.4	12.9	11.7	8.3	**11.7**	**11.8**	**11.0**	**10.5**
Payout ratio (%)	80.7 %	56.8 %	74.5 %	125.1 %	90.6 %	**71.1 %**	**74.4 %**	**79.3 %**	**80.4 %**
Dividend yield-%	6.8 %	2.8 %	7.3 %	6.5 %	6.8 %	**3.9 %**	**4.3 %**	**4.6 %**	**4.9 %**







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

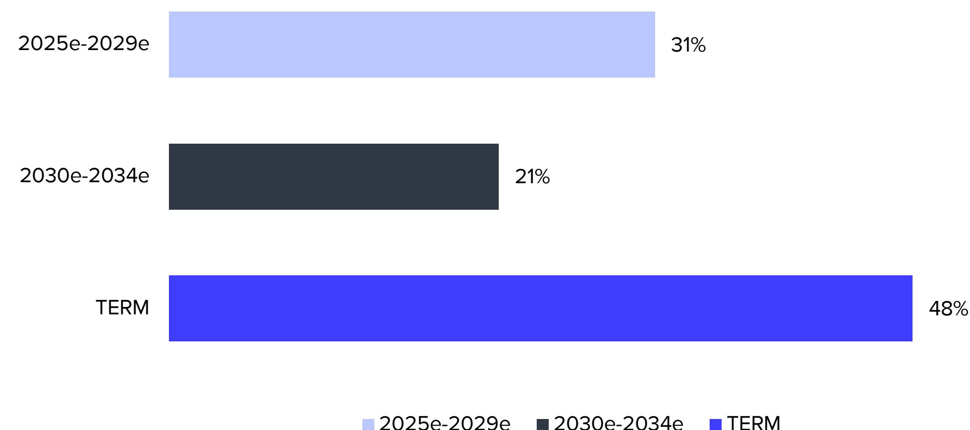
Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**
Coor Service Management Holding	345	560	12.0	10.1	7.0	6.2	0.5	0.5	12.0	8.8	5.5	6.5	2.5
ISS A/S	4,060	5,707	9.8	9.3	7.2	6.8	0.5	0.5	10.4	9.3	2.4	2.7	2.6
Compass Group PLC	54,034	60,017	20.5	18.8	14.9	13.7	1.5	1.4	27.3	24.6	1.9	2.1	8.0
Sodexo SA	8,685	12,829	11.0	10.2	7.9	7.3	0.5	0.5	10.9	10.2	4.6	4.9	2.2
Derichebourg S.A.	1,014	1,730	8.2	8.0	4.8	4.7	0.5	0.5	6.8	6.2	3.6	3.9	0.8
Mitie Group PLC	2,300	2,517	9.3	8.7	7.1	6.7	0.4	0.4	13.4	12.0	2.6	3.0	5.3
Securitas	7,699	11,216	11.1	10.4	8.2	7.8	0.8	0.7	12.1	11.0	3.5	3.9	1.8
Ogunsen	25	23	8.5	5.8	6.4	4.7	0.6	0.5	13.0	8.9	7.3	11.3	4.0
PION Group	24	26	9.6	5.7	4.0	3.1	0.2	0.1	11.5	5.7	7.3	9.1	1.5
Dedicare	40	28	2.0	1.9	1.7	1.6	0.1	0.1	4.0	3.8	15.4	16.5	1.1
Green Landscaping	312	509	12.4	10.7	6.4	5.9	0.9	0.8	13.1	10.4			1.7
Ambea	890	1,922	15.0	13.8	7.3	6.8	1.3	1.3	12.4	11.1	2.2	2.6	1.7
Attendo	895	2,390	16.0	15.1	7.0	6.7	1.4	1.3	13.7	12.1	2.3	2.6	1.8
HomeMaid (Inderes)	**61**	**64**	**13.3**	**12.4**	**10.1**	**9.6**	**1.3**	**1.2**	**16.7**	**15.8**	**3.9**	**4.3**	**10.1**
Average			**11.2**	**9.9**	**6.9**	**6.3**	**0.7**	**0.7**	**12.3**	**10.3**	**4.9**	**5.8**	**2.7**
Median			**11.0**	**10.1**	**7.0**	**6.7**	**0.5**	**0.5**	**12.1**	**10.2**	**3.5**	**3.9**	**1.8**
Diff-% to median			***21%***	***23%***	***44%***	***44%***	***140%***	***137%***	***38%***	***55%***	***9%***	***10%***	***459%***

Source: Refinitiv / Inderes

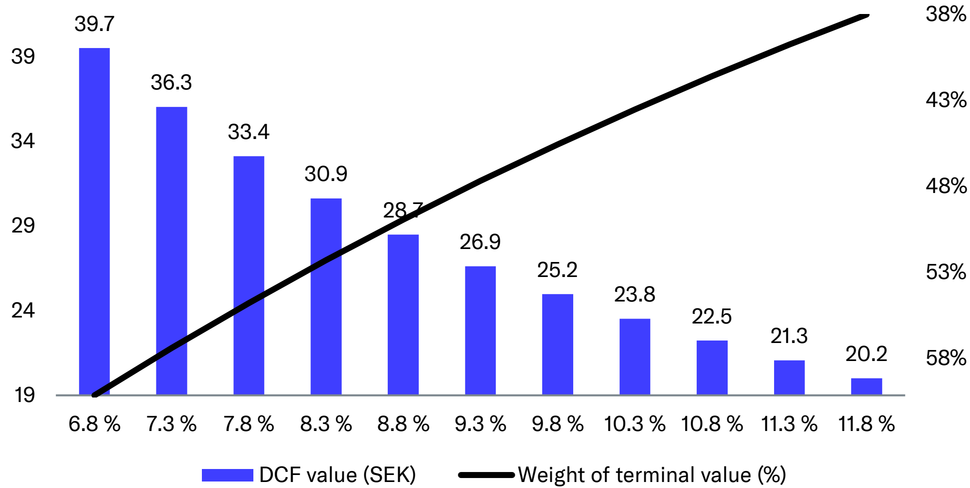
DCF-calculation

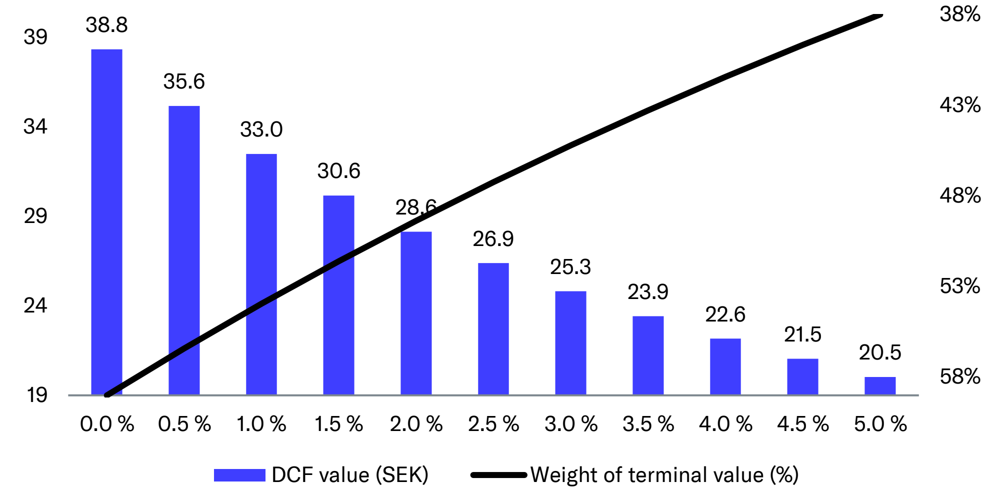
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	13.8 %	11.1 %	3.8 %	6.3 %	6.3 %	5.3 %	4.3 %	4.0 %	4.0 %	3.0 %	1.5 %	1.5 %
EBIT-%	7.3 %	8.7 %	8.9 %	8.3 %	8.1 %	7.6 %	7.3 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %
EBIT (operating profit)	**36**	**48**	**51**	**51**	**53**	**52**	**52**	**52**	**54**	**56**	**57**	
+ Depreciation	20	20	20	22	23	23	23	23	23	24	24	
- Paid taxes	-6	-9	-10	-10	-10	-10	-10	-10	-11	-11	-11	
- Tax, financial expenses	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	
+ Tax, financial income	0	0	0	0	0	0	0	0	0	0	0	
- Change in working capital	4	5	1	2	2	2	1	1	1	1	1	
Operating cash flow	**53**	**63**	**62**	**65**	**67**	**66**	**66**	**66**	**68**	**69**	**69**	
+ Change in other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0	
- Gross CAPEX	-30	-23	-22	-23	-23	-24	-24	-24	-24	-23	-24	
Free operating cash flow	**23**	**40**	**40**	**42**	**44**	**42**	**42**	**42**	**43**	**46**	**45**	
+/- Other	0	0	0	0	0	0	0	0	0	0	0	
FCFF	23	40	40	42	44	42	42	42	43	46	45	592
Discounted FCFF		**38**	**34**	**34**	**32**	**28**	**26**	**24**	**22**	**21**	**19**	**253**
Sum of FCFF present value		530	492	458	425	393	365	339	316	294	272	253
Enterprise value DCF		**530**										
- Interest bearing debt		-20										
+ Cash and cash equivalents		22										
-Minorities		0										
-Dividend/capital return		-24										
Equity value DCF		**509**										
Equity value DCF per share		**26.9**										

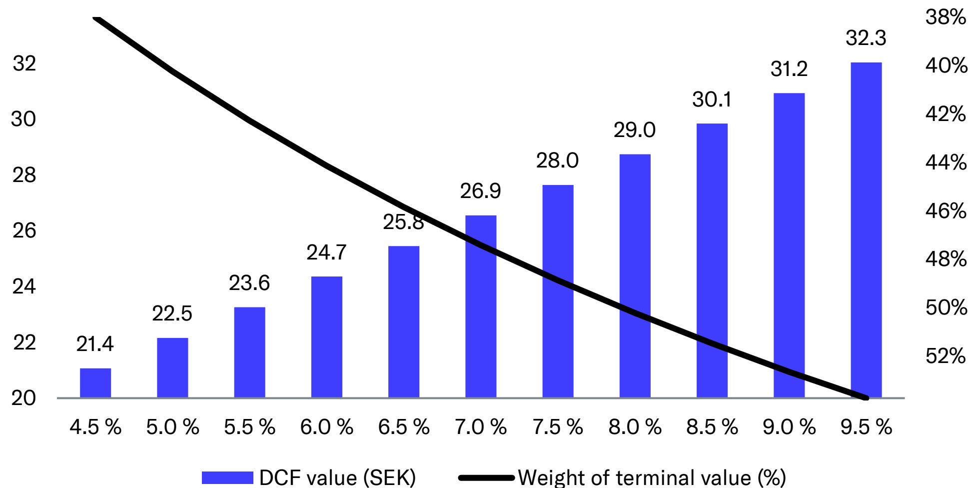
WACC	
Tax-% (WACC)	20.6 %
Target debt ratio (D/(D+E)	5.0 %
Cost of debt	6.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.30%
Risk free interest rate	2.5 %
Cost of equity	**9.5 %**
Weighted average cost of capital (WACC)	**9.3 %**

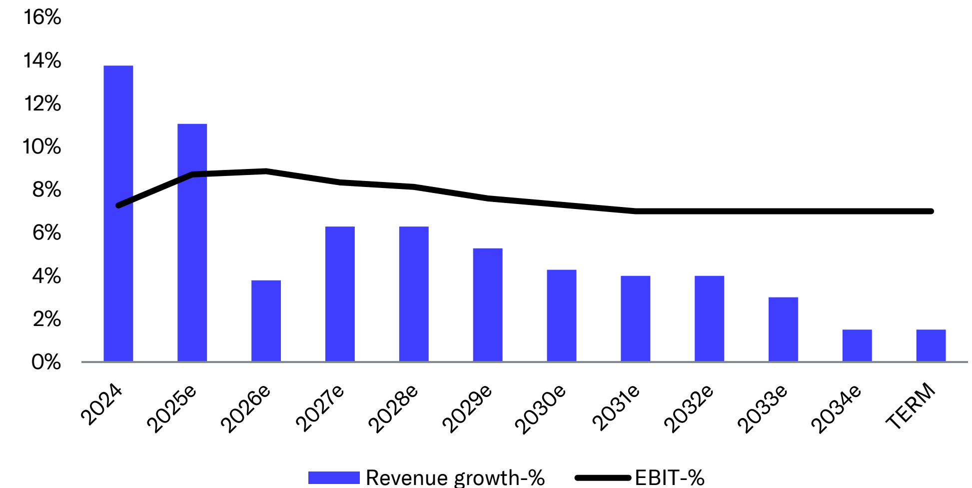


DCF sensitivity calculations and key assumptions in graphs









Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e
Revenue	411	440	501	**556**	**577**
EBITDA	46	40	56	**69**	**71**
EBIT	33	22	36	**48**	**51**
PTP	31	19	33	**45**	**48**
Net Income	24	15	26	**36**	**38**
Extraordinary items	-2.9	-3.3	-3.7	**-3.8**	**-3.8**

Per share data	2022	2023	2024	2025e	2026e
EPS (reported)	1.34	0.80	1.38	**1.90**	**2.02**
EPS (adj.)	1.50	0.97	1.58	**2.10**	**2.22**
OCF / share	2.08	1.94	2.80	**3.34**	**3.26**
OFCF / share	1.05	-0.63	1.21	**2.10**	**2.08**
Book value / share	2.56	2.50	2.83	**3.48**	**4.14**
Dividend / share	1.00	1.00	1.25	**1.35**	**1.50**

Balance sheet	2022	2023	2024	2025e	2026e
Balance sheet total	189	229	247	**268**	**279**
Equity capital	49	47	54	**66**	**79**
Goodwill	49	70	73	**73**	**73**
Net debt	16	47	46	**32**	**21**

Growth and profitability	2022	2023	2024	2025e	2026e
Revenue growth-%	28%	7%	14%	**11%**	**4%**
EBITDA growth-%	47%	-14%	42%	**22%**	**3%**
EBIT (adj.) growth-%	24%	-29%	59%	**30%**	**5%**
EPS (adj.) growth-%	18%	-35%	62%	**33%**	**6%**
EBITDA-%	11.2 %	9.0 %	11.2 %	**12.4 %**	**12.3 %**
EBIT (adj.)-%	8.6 %	5.7 %	8.0 %	**9.4 %**	**9.5 %**
EBIT-%	7.9 %	5.0 %	7.3 %	**8.7 %**	**8.9 %**
ROE-%	62.7 %	32.2 %	51.8 %	**60.2 %**	**52.9 %**
ROI-%	36.1 %	20.7 %	30.8 %	**38.7 %**	**38.6 %**
Equity ratio	25.8 %	20.7 %	21.7 %	**24.6 %**	**28.2 %**
Gearing	32.5 %	98.4 %	85.6 %	**48.7 %**	**26.2 %**

Cash flow	2022	2023	2024	2025e	2026e
EBITDA	46	40	56	**69**	**71**
Change in working capital	-1	1	4	**5**	**1**
Operating cash flow	38	37	53	**63**	**62**
CAPEX	-19	-53	-30	**-23**	**-22**
Free cash flow	19	-12	23	**40**	**40**

Valuation multiples	2022	2023	2024	2025e	2026e
EV/S	0.7	0.8	0.8	**1.3**	**1.2**
EV/EBITDA	6.0	8.5	7.1	**10.1**	**9.6**
EV/EBIT (adj.)	7.8	13.4	9.9	**13.3**	**12.4**
P/E (adj.)	9.2	15.8	11.7	**16.7**	**15.8**
P/B	5.4	6.2	6.5	**10.1**	**8.4**
Dividend-%	7.3 %	6.5 %	6.8 %	**3.9 %**	**4.3 %**

Source: Inderes

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2024-05-23	Reduce	29.0 kr	35.0 kr

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