

FASADGRUPPEN

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INDERES CORPORATE CUSTOMER

EXTENSIVE REPORT



Renovated investment case at an attractive price

We initiate coverage on Fasadgruppen with a Buy recommendation and a target price of SEK 26 per share. Fasadgruppen's value creation model is based on owning and developing businesses while consolidating the fragmented market for exterior property work. The company has created a strong market position with well-established local brands that generate good cash flow, which is crucial for Fasadgruppen to continue executing on its acquisition strategy. The valuation has declined to a very low level following a period of weak market conditions and moderate performance. While the environment remains challenging and near-term performance is likely to stay subdued, we expect the business to recover in the latter part of the year and view the risk/reward as attractive at current valuations.

Market leader with proven track record

Over roughly a decade, Fasadgruppen has become a market leader in the Nordics and expanded into the UK, providing services covering all aspects of exterior property work, including façades, windows, balconies, and roofs. Fasadgruppen's historically solid profitability, capital-light business model, and modest working capital requirements have enabled strong cash flow generation and accelerated geographic expansion through strategic M&A activity. Over the past five years, Fasadgruppen has delivered a 32% revenue CAGR and an average adj. EBITA margin of 8.7%.

Turnaround in progress

Fasadgruppen's organic growth and profitability have been weak in recent years (2023-2025), reflecting macroeconomic headwinds, like rising interest rates, inflation, and a weak new construction market. In late 2024, Fasadgruppen acquired the high-margin company Clear Line, establishing a strategic entry into the UK market. However, the company has faced short-term challenges due to long approval processes for fire prevention measures in higher-risk buildings, which have

temporarily delayed project starts. The significant acquisition, combined with weak profitability, resulted in high leverage and a rights issue in early 2026. Looking ahead, we expect Fasadgruppen's ability to improve the profitability of acquired businesses, coupled with a gradual market recovery, to drive margin expansion over time. We expect the improved visibility on delayed UK projects to support organic growth and profitability recovery in H2'26, given Clear Line's strong margins. Furthermore, we believe that with a strengthened balance sheet post-rights issue and improved cash flow, opportunities for continued M&A expansion will emerge. Reflecting on the Group's business model and strategic choices, we believe that the return on capital allocation achieved is the key driver of the stock's long-term return expectation.

We believe the risk/reward is attractive

According to our forecasts, the adjusted P/E ratios for 2026 and 2027 are approximately 7x and 6x, with corresponding adj. EV/EBITA multiples of around 6-5x. In relative terms, Fasadgruppen is valued significantly below its peers, despite historically delivering roughly similar return on capital levels. In absolute terms, the company trades below its 5-year median multiples, and our DCF value is well above the current share price. We believe the current low valuation reflects market skepticism about Fasadgruppen's turnaround and future capital allocation success. While requiring consecutive quarters of positive operational progress is reasonable given recent performance, we believe the market currently underestimates the probability of a successful turnaround. Given the current valuation, Fasadgruppen's historical capital allocation track record, and the reduced risk profile following the strengthened balance sheet, we believe the company's interesting long-term investment story can be accessed with a good risk/return ratio at the current valuation.

Recommendation

Buy

Business risk



Target price:

26.00 SEK

Valuation risk



Share price:

20.15 SEK

	2025	2026e	2027e	2028e
Revenue	5446.8	5487.9	5647.8	5965.6
growth-%	11%	1%	3%	6%
EBIT adj.	447.5	446.9	484.9	539.7
EBIT-% adj.	8.2 %	8.1 %	8.6 %	9.0 %
Net Income	-116.2	229.6	276.3	346.1
EPS (adj.)	4.68	2.75	3.17	3.96

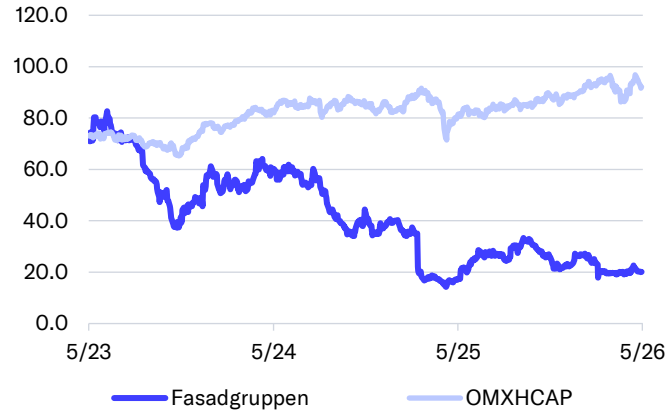
P/E (adj.)	6.6	7.3	6.4	5.1
P/B	0.8	0.6	0.6	0.5
Dividend yield-%	0.0 %	0.0 %	0.0 %	5.9 %
EV/EBIT (adj.)	8.1	6.8	5.9	4.8
EV/EBITDA	8.2	5.2	4.6	3.6
EV/S	0.7	0.6	0.5	0.4

Source: Inderes

Guidance

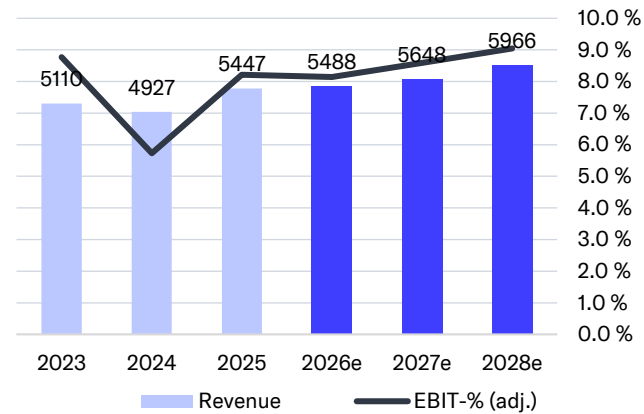
(The company does not provide any guidance)

Share price



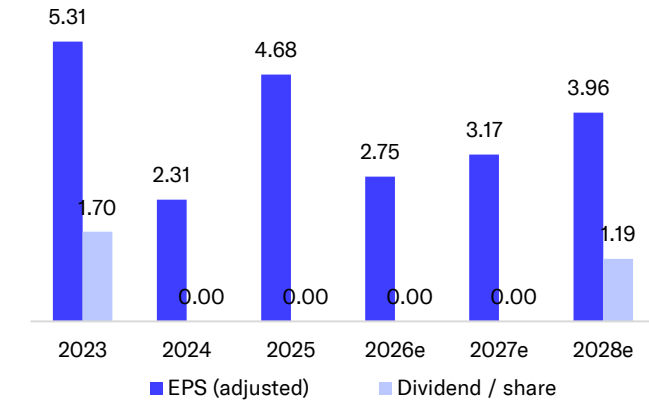
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Market trends such as energy-efficient renovations and fire safety remediation provide a strong foundation for long-term growth
- Capital-light business model enhances financial flexibility and enables strong cash conversion
- Strong market position with locally established brands
- If Fasadgruppen is successful with M&A it has good preconditions to generate ROI that exceeds the cost of equity

Risk factors

- Slowdown in economic growth, higher interest rates and inflation could result in margin pressures and elevated leverage levels
- Risks associated with the implementation of an inorganic growth strategy
- No strong and sustainable competitive advantages in the businesses
- Prolonged regulatory bottlenecks in the UK could continue to slowdown growth

Valuation	2026e	2027e	2028e
Share price	20.2	20.2	20.2
Number of shares, millions	87.3	87.3	87.3
Market cap	1759	1759	1759
EV	3059	2874	2600
P/E (adj.)	7.3	6.4	5.1
P/E	7.7	6.4	5.1
P/B	0.6	0.6	0.5
P/S	0.3	0.3	0.3
EV/Sales	0.6	0.5	0.4
EV/EBITDA	5.2	4.6	3.6
EV/EBIT (adj.)	6.8	5.9	4.8
Payout ratio (%)	0.0 %	0.0 %	30.0 %
Dividend yield-%	0.0 %	0.0 %	5.9 %

Source: Inderes

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Fasadgruppen in brief

Fasadgruppen acquires, develops, and supports companies providing exterior property services, including façades, windows, balconies, and roofs for residential and commercial buildings.

2016

Year of establishment

5,447 MSEK (10.6%)

Revenue 2025 (growth-%)

32%

Growth in reported revenue, 2020-2025 (CAGR-%)

448 MSEK (8.2%)

Adj. EBITA (margin-%)

2,047

Personnel at the end of 2025

46% / 43% / 11%

Sweden / Rest of the Nordics / UK share of revenue in 2025

2016-2018

Fasadgruppen is established through a merger, with a focus on improving purchase prices.

Initially, the primary focus was on expanding in Sweden through a series of acquisitions, adding expertise within the building envelope sector.

2019-2022

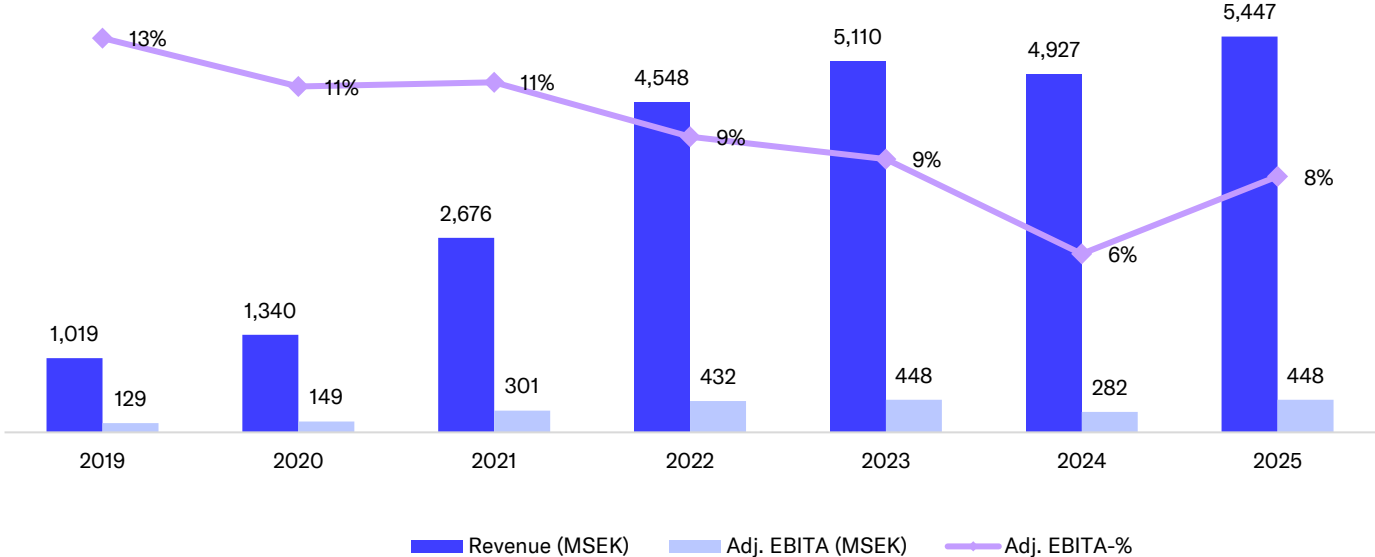
Through a combination of acquisitions and organic growth, revenues increased rapidly, and Fasadgruppen was listed on Nasdaq Stockholm in 2020.

The Group continued consolidating the Nordic market, expanding into Norway, Denmark, and Finland.

2023-

Fasadgruppen is the clear market leader with a presence across the Nordics, and in 2024 the Group made its first acquisition in the UK.

After challenging years in 2023–2025, with rising interest rates and a weak construction market impacting profitability and leverage, Fasadgruppen completed a fully secured rights issue in 2026 to strengthen its balance sheet.



Company description and business model 1/8

Company introduction

Fasadgruppen was established in 2016 through the merger of STARK Fasadenovering and AB Karlsson Fasadenovering, with a history dating back to the early 1900s. Through the merger, the companies aimed to strengthen their negotiating position and improve their bargaining power with suppliers. We believe that the rationale behind the merger was logical, as large suppliers hold significant power in the value chain. Building on this foundation, focusing on acquiring locally leading, entrepreneurial specialist companies, Fasadgruppen has expanded through both acquisitions and organic growth to become a market leader in the Nordics. In recent years, it has also expanded into the UK, where it has established a leading position within the niche segment of complex fire prevention projects. By 2025, Fasadgruppen consisted of 55 subsidiaries across its markets, reflecting a highly decentralized group structure built through acquisitions.

Overview of operations

Fasadgruppen provides services covering all aspects of exterior property work, including façades, windows, balconies, and roofs, with façade renovation constituting the largest share of revenue which we estimate at approximately 60–65% of total revenue. The acquisition of Clear Line in UK, has further strengthened Fasadgruppen’s capabilities, especially within complex fire prevention projects. Following the acquisition, Fasadgruppen updated its reporting structure and segment disclosure to include Total Solutions, Specialist Solutions, and Clear Line.

Total Solutions

Total Solutions is the company’s largest segment by

revenue, accounting for approximately 52% of the Group’s total revenue in 2025, and comprises companies operating in Sweden, Denmark, and Norway. These companies typically take full responsibility for entire projects, unlike Specialist Solutions, which primarily operate as subcontractors. As main contractors, the Total Solutions companies manage projects from consultation and planning through to installation, including craftsmanship, production management, and administration. Typical projects involve the renovation of façades, balconies, windows, and roofs.

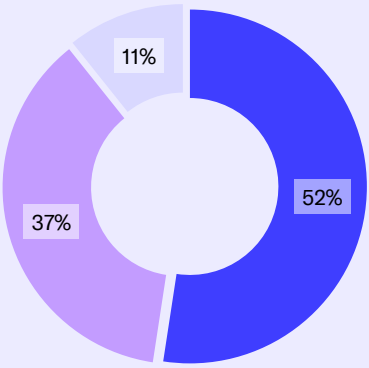
According to our understanding, Total Solutions typically operates at somewhat lower margins than Specialist Solutions, reflecting the latter’s niche expertise, but it benefits from a less volatile revenue and profitability profile. This is driven by closer relationships with end customers, a broader service offering, and the fact that Total Solutions companies are generally larger than those in Specialist Solutions. Acting as the main contractor also provides greater control over project pipelines and customer dialogue, supporting more predictable volumes over time. However, we believe the segment also entails higher execution risk and working capital requirements, particularly in larger projects.

Specialist Solutions

Specialist Solutions accounted for approximately 37% of the Group’s total revenue in 2025, making it the company’s second-largest segment by revenue. The segment comprises niche service providers operating primarily in Sweden, Denmark, Norway, and Finland. These companies typically act as subcontractors, delivering specialized building envelope services to construction companies, which constitute their main customer group.

Revenue by segment

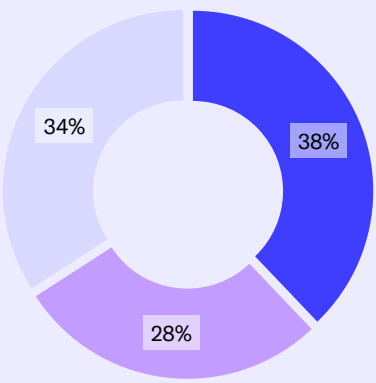
2025



■ Total Solutions ■ Specialist Solutions ■ Clear Line

Order backlog by segment

2025



■ Total Solutions ■ Specialist Solutions ■ Clear Line

Company description and business model 2/8

The companies provide expertise in areas such as masonry, plastering, roofing, sheet metal work, windows, balconies, industrial façade systems, forging, façade cleaning, and scaffolding. A typical project can range from standalone specialist assignments within larger construction projects to more comprehensive façade-related scope packages delivered as part of a broader contract.

Clear Line

Clear Line was acquired by Fasadgruppen in October 2024 and forms a separate segment due to its significant size, representing around 11% of Group revenue and 34% of the order backlog by 2025. The current revenue lag relative to the backlog reflects longer approval processes for fire prevention measures in higher-risk UK buildings under the Building Safety Regulator, which have temporarily delayed project starts (more about this in the estimates section).

Clear Line is a UK façade contractor founded in 1997 with a strong position within design, renovation and work on façades and building envelopes. The company offers a full-service solution, from design to execution and documentation, and has built up a strong reputation among consultants, property managers and developers. The company operates on a growing market for façade renovations, where demand is driven primarily by fire prevention measures for apartment buildings. There is strong demand for energy efficiency projects, but more acute fire prevention measures have taken priority over these in recent years.

PCSA – a key part of Clear Line’s operating model

We believe that a key part of Clear Line’s operating model is its use of Pre-Contract Service Agreements (PCSAs). During the PCSA phase, the company collaborates closely with the client to develop detailed designs, define scope, estimate costs, and establish project timelines before construction begins. This provides cost certainty, technical clarity, and visibility on delivery schedules ahead of execution. At the end of the phase, an agreed program and budget form the basis for project delivery. As Clear Line operates in a regulatory environment governed by the UK Building Safety Act, which increasingly promotes structured planning phases and transparent documentation prior to construction, we believe its long-standing experience with PCSA-based delivery provides a competitive advantage. Many companies would find it difficult to subcontract design work under a PCSA, as external designers may see limited value in developing detailed designs without certainty that the project will proceed to execution. However, this is not as big of an issue for Clear Line, as the company already has in-house design capabilities and therefore retains full control over the process.

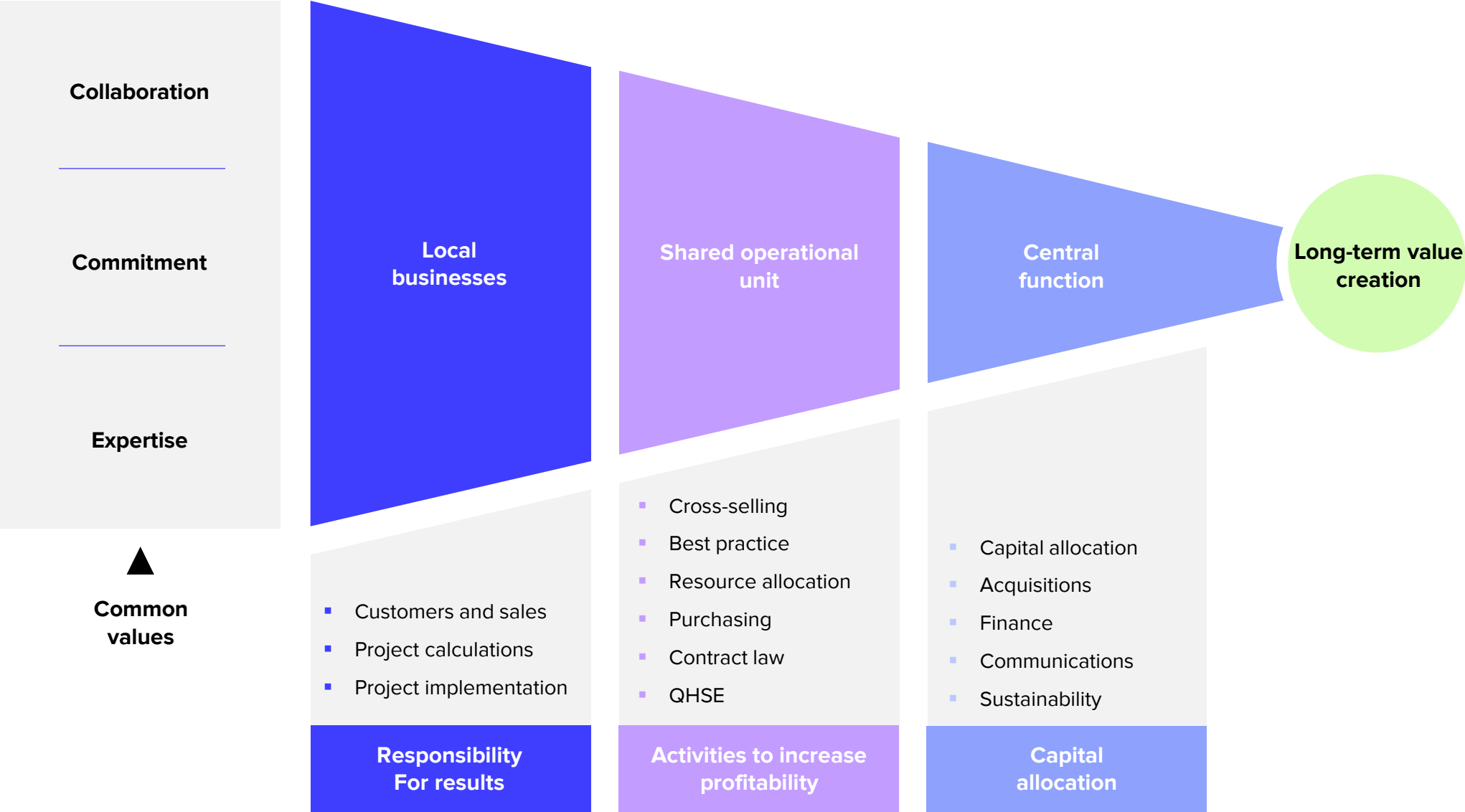
Due to its strong focus on consulting and early involvement in projects, combined with its very niche expertise and thereby lower competition, Clear Line can optimize solutions for clients and command higher project fees. This operating model results in a significantly higher margin profile, with adjusted EBITA historically around 30-40%, depending on project mix, compared with Fasadgruppen’s approximately 10%.

Decentralized operating model

Fasadgruppen adopts a decentralized model, which in our view should enable its subsidiaries to maintain their autonomy, entrepreneurial drive, and focus on their core markets. Each subsidiary manages its own brands, customers, sales, project calculations, production, and profitability, operating with a high degree of independence. Each CEO reports to a Chair of the Board, who provides strategic guidance and support, while subsidiary chairs participate in both regional and group-level chair forums. These forums, in our view, should enable knowledge sharing, exchange of best practices, identification of synergies, and coordination of joint initiatives across subsidiaries, helping to strengthen overall group performance without limiting local autonomy.

At the same time, certain key functions, such as purchasing, finance, and QHSE, are centralized at the group level. In our view, centralizing purchasing should help strengthen negotiating power and create cost savings, particularly for newly acquired companies, while the group’s diversified supplier base reduces dependency on any single supplier. Overall, this central support should enable subsidiaries to focus on their operational priorities while benefiting from coordination, economies of scale, and shared resources.

Fasadgruppen's business model



Company description and business model 4/8

Focus on small and mid-sized projects with attractive risk-return profiles

Fasadgruppen primarily focuses on small to medium-sized projects (1-100 MSEK), with an average project size of around 3-4 MSEK, where it sees the most attractive balance between risk and return. In this segment, projects are large enough to require technical expertise and specialized capabilities, but not so large that they involve the significant execution and estimation risks associated with major contracts. Winning contracts in this space is largely driven by local presence, strong customer relationships, references, and efficient project execution. Profitability tends to increase with technical complexity, as more advanced façade work requires specialized skills that limit competition and support higher margins, particularly in renovation, restoration, and advanced façade systems. A clear example is Clear Line, which focuses on technically complex façade and fire remediation projects. These projects typically involve larger contract sizes (around 60-70 MSEK), as well as higher margins, driven by specialist expertise, regulatory requirements, and early involvement in the project lifecycle.

Fixed-price contracts require cost efficiency

Fasadgruppen's contracts are typically structured as fixed-price agreements, requiring accurate cost estimation and efficient execution to ensure profitability. While some contracts include indexation clauses, these generally do not fully offset increases in input costs, such as materials.

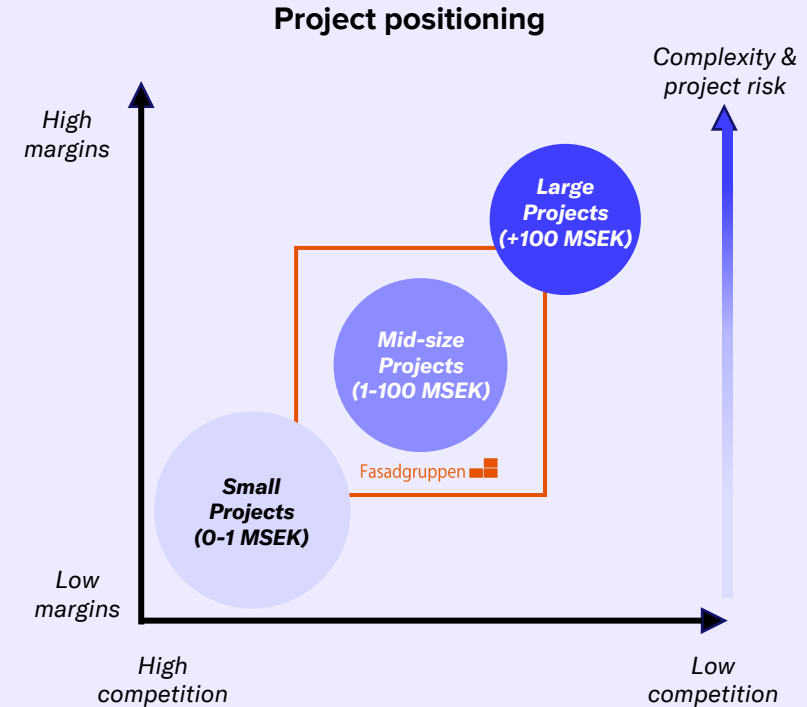
Project cycles are relatively short, typically within one year, and a significant share of revenue is generated from orders received and executed within the same year. In addition, project values often increase during execution, typically by

around 20%, as the scope becomes clearer and additional work is identified. We estimate that the company's order backlog carries a margin of around 25%, although this likely varies over time and across segments. In the event of project cancellations, contracts often entitle the company to compensation, including for lost margin.

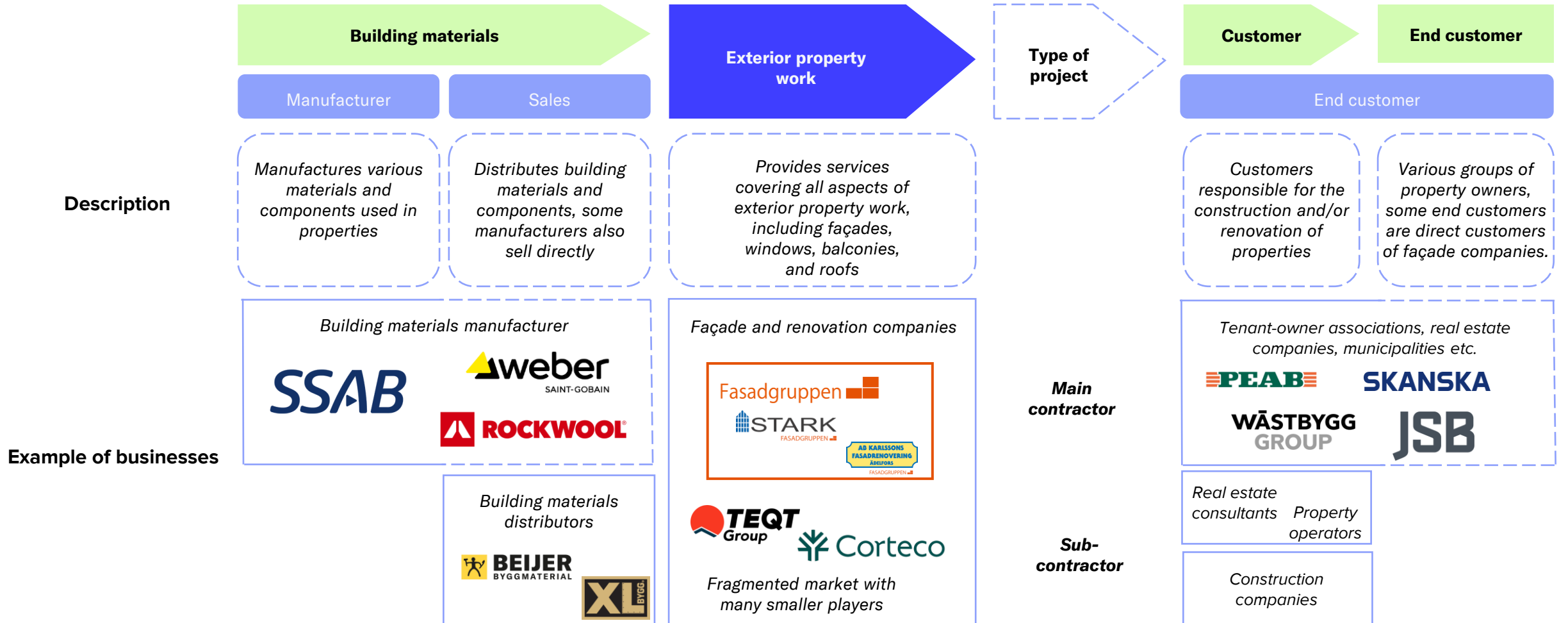
Customer base is highly fragmented

Fasadgruppen's customer base consists of both construction and renovation customers. Within renovation, Fasadgruppen usually takes responsibility for the project and performs services on behalf of property companies, municipal authorities, government agencies, and tenant-owner associations, such as HSB and Riksbyggen. In the construction market, Fasadgruppen usually acts as a subcontractor to large construction companies, such as PEAB and Skanska. Overall, at the group level, we estimate that tenant-owner associations account for approximately 25% of Fasadgruppen's revenue, while public sector clients, including government agencies and municipal authorities, represent another 25%. The remaining revenue is, in our view, primarily derived from construction companies and private property owners, mainly within the B2B segment. It is worth noting, however, that this distribution likely varies across segments and geographies.

Considering this, we believe that Fasadgruppen's customer base is well diversified. We estimate that the ten largest customers account for less than 10% of the group's annual revenue. Therefore, we feel that revenue continuity does not constitute a significant risk in terms of the group's largest customers. In addition, according to the company, some 80-90% of the customers are recurring, due to the company's strong customer relationships and references.



Fasadgruppen's value chain



Nordic players

100+

100+

1,000+

1,000+

Company description and business model 6/8

Main geographic markets

Fasadgruppen’s largest market is **Sweden**, accounting for approximately 46% of total revenue in 2025. The average annual revenue growth rate in the Swedish market between 2022 and 2025 has been negative, at around -3%, primarily due to weak market conditions in recent years characterized by high inflation and elevated interest rates. However, in a five-year perspective, the market has delivered an average annual growth rate of approximately 15%, driven by both organic growth and acquisitions. By 2025, Fasadgruppen had 35 subsidiaries in Sweden, providing services covering all aspects of exterior property work.

Norway has also experienced weak economic and market conditions in recent years, resulting in an average annual revenue decline of approximately -2% between 2022 and 2025. By 2025, Fasadgruppen operated 11 subsidiaries in the Norwegian market.

Finland and **Denmark** have been Fasadgruppen’s fastest-growing markets over the past three years, with CAGRs of approximately 47% and 15%, respectively. In 2025, Finland accounted for around 5% of total revenue, while Denmark represented approximately 22%. Although these growth figures have been supported by acquisitions, we believe organic growth has also been solid in recent years.

In Finland, Fasadgruppen operates one subsidiary that serves not only the domestic market but also Northern Europe, which has acted as a buffer during periods of weaker local demand. The Finnish subsidiary focuses on façade and roofing work for industrial buildings in general, and power plants in particular. Demand in this segment has

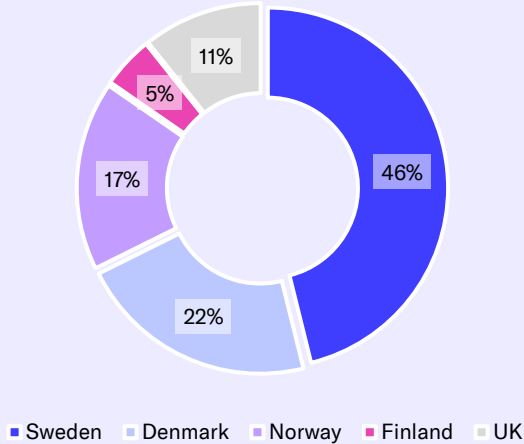
increased following Russia’s invasion of Ukraine, which has prompted Europe to place greater emphasis on strengthening its domestic energy supply.

The strong growth in Denmark can partly be attributed to the relatively stronger performance of the Danish economy compared to its Nordic peers in recent years. In addition, the company’s primary focus on renovation, rather than new construction, has been beneficial in a market characterized by low new-build activity. By 2025, Fasadgruppen had approximately eight subsidiaries in Denmark, which have successfully implemented the group’s operating model, resulting in increased collaboration and cross-selling opportunities.

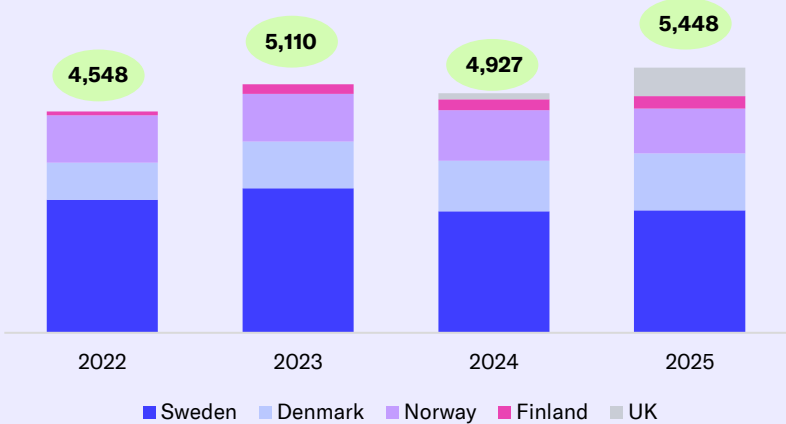
Overall, Fasadgruppen generates the majority of its revenue in the Nordic region, and we believe this regional focus enables efficient cross-border collaboration and knowledge sharing among its local subsidiaries.

In 2024, Fasadgruppen also expanded into the **UK** through the acquisition of Clear Line, which accounted for approximately 11% of group revenue in 2025. Clear Line offers a full-service solution, from design to execution and documentation, and has built a strong reputation among consultants, property managers, and developers.

Revenue by geography 2025



Revenue development by geography 2022-2025, MSEK



Source: Inderes, Fasadgruppen

Company description and business model 7/8

Cyclicality and seasonality of revenue

Demand for Fasadgruppen’s services depends on activity in construction and property investment. Higher interest rates, weaker real estate markets, or lower construction activity can reduce project volumes and delay renovations, creating cyclicality in revenue. This was evident in 2023-2025, when the company saw an average organic decline of around 5% due to high interest rates and a slow new-build market. The company is particularly exposed to the Nordic property market (around 89% of its revenue in 2025), meaning regional downturns can significantly affect revenue growth. However, around 80-90% of Fasadgruppen’s business is renovation and upgrading of existing buildings, rather than new construction. Renovation demand is structurally supported by an ageing building stock and stricter energy-efficiency requirements, which we believe makes demand more stable over time. As a result, we consider renovation less cyclical than new construction, although it remains sensitive to property owners’ investment decisions.

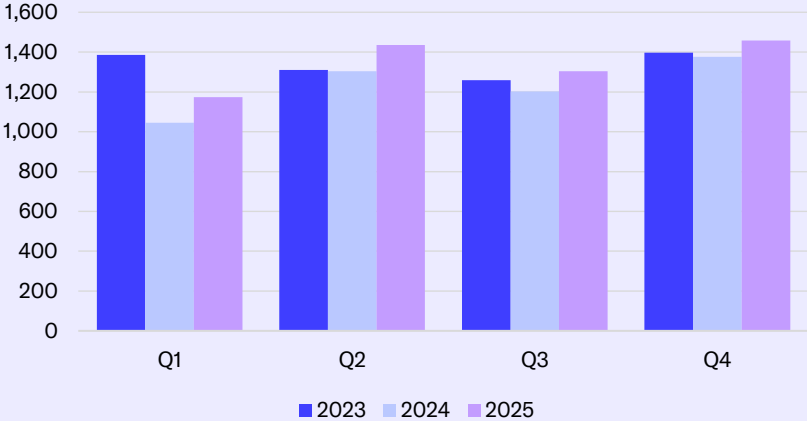
Fasadgruppen’s operations are somewhat subject to seasonal variations, primarily due to weather conditions affecting outdoor construction work. The first quarter is typically weaker than the rest of the year, as winter conditions make services such as roofing, rendering, and masonry more difficult to perform. To maintain quality standards, the company generally avoids larger rendering and masonry projects during the winter months. To mitigate the impact of seasonality on revenue, Fasadgruppen works to optimize utilization rates across the Group by facilitating the temporary relocation of personnel between local units. For example, units in northern Sweden may lend personnel

during the winter months to units in other parts of Scandinavia where the climate is generally milder. We also note that renovation projects tend to be more seasonal, as they typically start in the spring, whereas new construction projects are generally less affected by seasonal patterns. Overall, we believe that Fasadgruppen’s diversified service offering and broad geographic presence help to somewhat reduce the Group’s exposure to seasonal fluctuations.

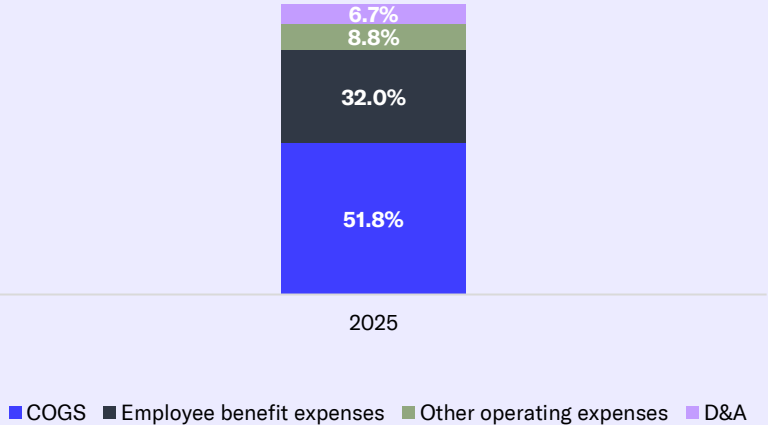
Cost structure

The majority of Fasadgruppen’s cost structure consists of variable costs, where the largest expense item on the income statement is materials and consumables, which includes subcontracting and material purchases for various projects. Historically, this cost item has accounted for around 50-52% of revenue. Personnel costs have historically been about 30-32% of revenue, however, given the nature of the project personnel businesses, we assume that personnel expenses for the workforce are relatively flexible as much of the staff is either independent contractors or external consultancies, which enables higher flexibility during swift changes in market demand. Other operating costs on the income statement mainly consist of administrative expenses and rental costs for premises (~8-10% of revenue). Due to the limited capital requirement of the business, D&A costs have historically been minor at around 1-2%. However, in 2025, this cost item accounted for 7% of revenue, primarily driven by higher amortization of acquisition-related intangible assets and increased impairment charges. Although it is non-cash in nature, higher impairment levels indicate that expected future earnings in certain acquired units have been revised downward.

Seasonality
Revenue 2023-2025, MSEK



Cost structure
% of revenue, 2025



Source: Inderes, Fasadgruppen

Company description and business model 8/8

Low investment needs and capital commitment

Fasadgruppen operates a project-based business that does not require significant investments in tangible or intangible assets. As a result, investments between 2020 and 2025 (excluding acquisitions) averaged just over 70 MSEK annually. However, investments increased during 2023-2025, which we believe reflects the company's larger operational platform and the need for additional equipment, such as scaffolding, to support a growing group. Against this backdrop, we estimate Fasadgruppen's annual organic investments in fixed assets at around 100 MSEK, likely increasing somewhat as the company expands.

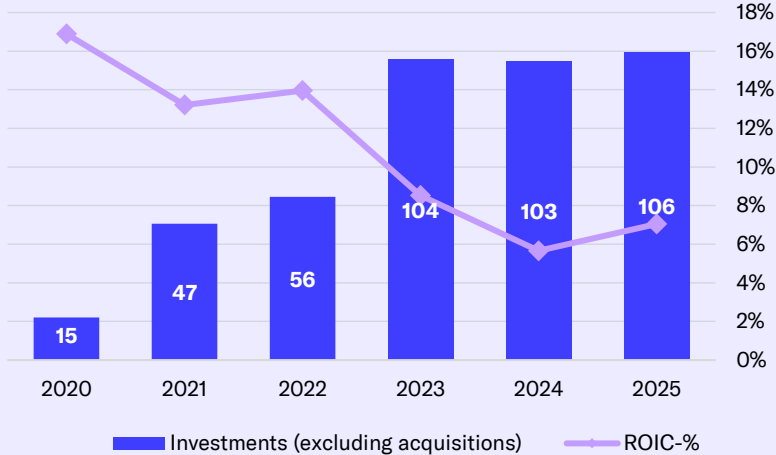
Capital allocation has historically been directed toward acquisitions, reflecting the group's growth strategy. As a result, we believe ROIC is a key indicator of value creation for Fasadgruppen's business model. Between 2020 and 2025, ROIC averaged around 11%, which we believe has generally slightly exceeded the cost of capital and indicates value creation from the acquisition strategy. However, ROIC declined to around 6-7% in 2024-2025, mainly due to continued high invested capital while operating profit weakened. Going forward, ROIC will largely depend on how efficiently the company allocates capital to acquisitions, as well as the operational performance and organic growth of both existing and newly acquired businesses.

Historically, Fasadgruppen's operating cash flow has closely tracked the company's EBITDA. Between 2020 and 2025, the cash conversion ratio (operating cash flow/EBITDA) averaged around 96%, reflecting a strong cash flow profile and low capital requirements due to the

group's asset-light business model. In theory, this low capital intensity could imply lower barriers to entry, as new competitors may enter the market more easily compared to more capital-intensive construction segments. In practice, however, market entry is more challenging. While capital and equipment are relatively accessible, establishing long-term customer relationships, developing organizational expertise, and building a strong market position represent significantly higher barriers than the asset-light structure might initially suggest.

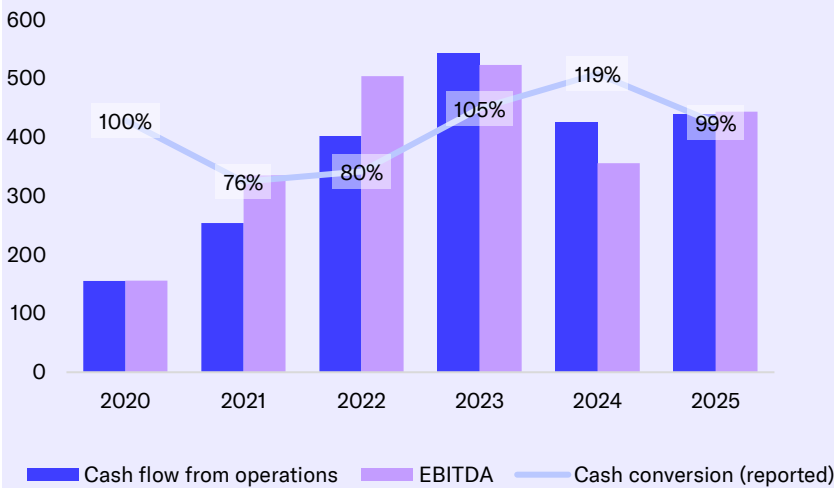
CAPEX (MSEK) & ROIC-%

2020-2025



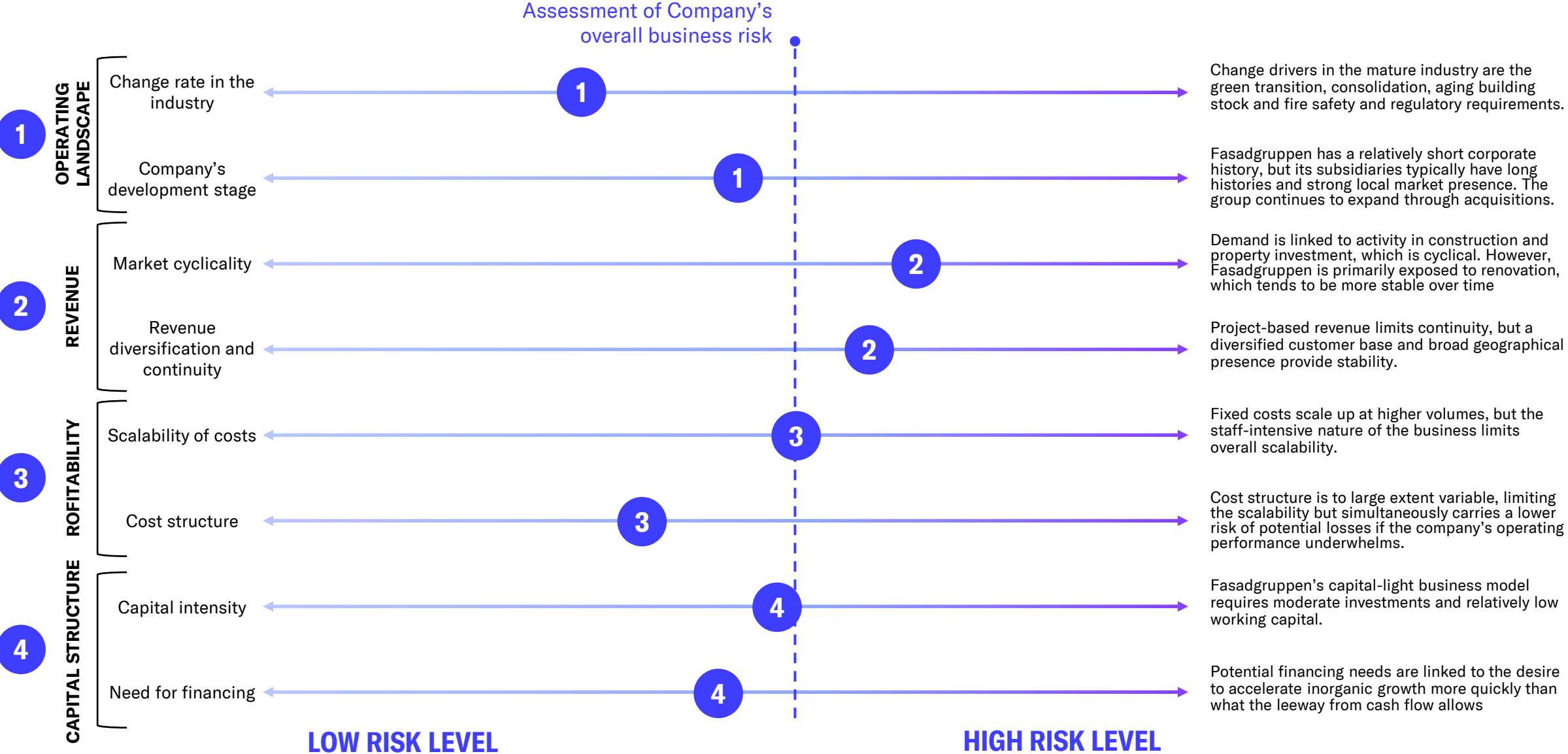
Cash flow development (MSEK)

2020-2025



Source: Inderes, Fasadgruppen

Risk profile of the business model



Strategy & financial targets 1/4

Decentralized model

Fasadgruppen's strategy for value creation is based on four focus areas that together provide the foundation for profitable growth. Described briefly, they are:

People and network development: Fasadgruppen's most important asset is its workforce, where strong craftsmanship, project management capabilities, and entrepreneurial leadership are key to successful execution. The group maintains a consistent leadership culture through established frameworks, while also investing in employee development via both central and local training initiatives. In addition, we believe that internal networks across subsidiaries enable knowledge sharing and best practice exchange, supporting operational efficiency and cross-selling opportunities.

Operational excellence: Fasadgruppen leverages a set of standardized core processes, implemented at the time of acquisition, to drive economies of scale and operational improvements. Regional support functions and synergy initiatives allow subsidiaries to focus on day-to-day operations while benefiting from shared expertise, purchasing agreements, and resource optimization across the group.

M&A: We believe that a key driver of value creation in the business model is the reallocation of cash flow generated by the group's subsidiaries, which naturally supports a strategy centered on acquisitions. Having completed more than 70 acquisitions to date, we expect a somewhat more cautious approach going forward, with greater emphasis on profitability and operational improvements. Nevertheless,

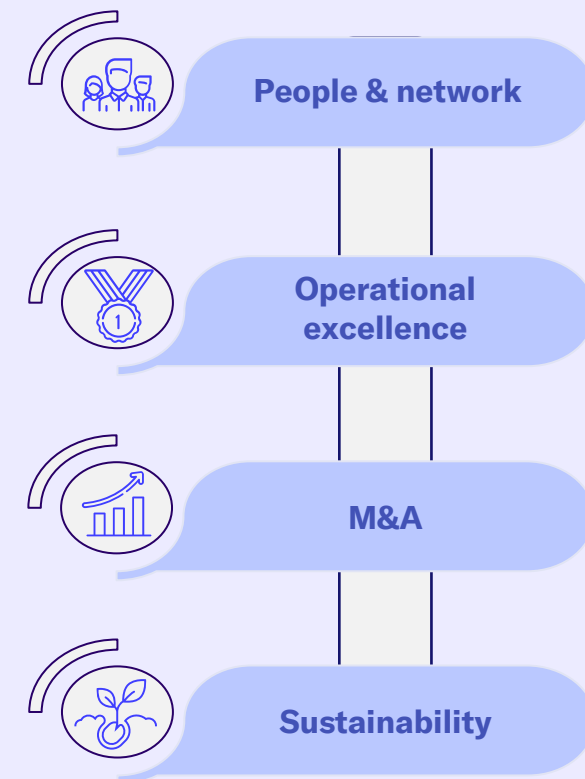
acquisitions are likely to remain an important part of the growth strategy.

Sustainability: Fasadgruppen integrates sustainability into its overall strategy through three key focus areas: climate impact, workplace quality, and long-term partnerships. These priorities support the group's broader objectives of developing its workforce, strengthening operational capabilities, and enhancing its position as a stable and responsible industry player.

A model that attracts entrepreneurs

Fasadgruppen's acquisition philosophy is designed to appeal to entrepreneurial business owners who want to continue building their companies in collaboration with a strong partner. When Fasadgruppen acquires a company, it continues operating with high independence, while benefitting from the group's scale in areas like procurement, reputation, financial stability, and cross-selling. More than 80% of acquired companies still have the same leadership as at the time of the acquisition, and deals are structured to benefit sellers who stay with the company and continue generating good results. Clear performance targets are set in collaboration with the acquired company's management, and acquisition remunerations are to some extent dependent on continued financial performance post-acquisition.

Strategic pillars of Fasadgruppen



Strategy & financial targets 2/4

Acquisition criteria

Fasadgruppen evaluates targets across three dimensions. At the company level, the focus is on niche businesses with a strong reputation, revenue of at least 50 MSEK, EBITA margins above 10%, and a clear focus on renovation. At the management level, the group prioritizes entrepreneurial-led companies with strong integrity and cultural alignment. At the market level, targets should hold solid local positions in growing regions or add complementary services within existing geographies.

Acquisition process & pipeline

Each acquisition follows a three-stage process: Identify, Connect, and Elevate. In the Identify phase, leads are

primarily sourced through the group's internal network, including management contacts, subsidiaries, suppliers, and industry associations. In the Connect phase, acquired companies are onboarded through structured processes with targeted support and clear expectations from day one. The Elevate phase focuses on long-term development, including leadership alignment, KPI management, and access to the group's shared expertise and resources.

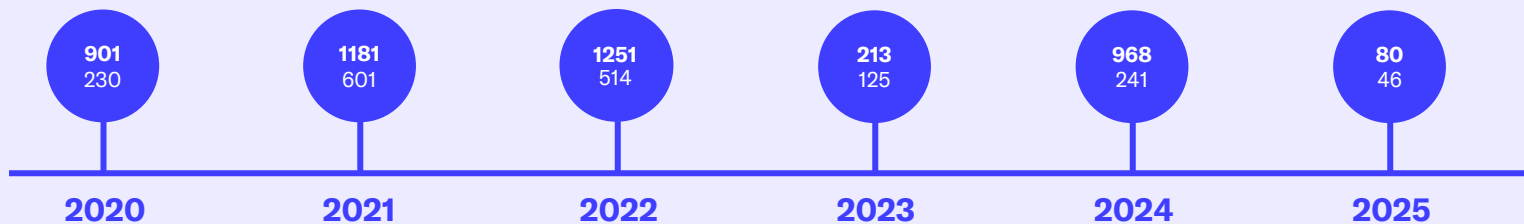
Fasadgruppen's acquisition pipeline is largely driven by its expanding network of subsidiaries, creating a self-reinforcing flow of opportunities. We believe that this approach reduces reliance on external brokers and supports strong cultural alignment, reflected in the high retention of management teams post-acquisition (around 80%). A key

feature of the strategy is its long-term ownership horizon, with the group aiming to develop subsidiaries over extended periods and compound value through active ownership.

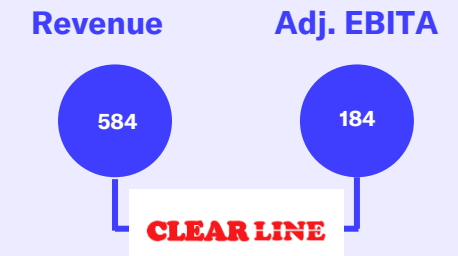
Disciplined M&A supports long-term value creation

We find the company's acquisition strategy to be well aligned with the underlying value creation logic of the business model. The combination of strong cash flow generation at subsidiary level and a disciplined reallocation of capital supports continued inorganic growth while maintaining financial flexibility. In addition, the decentralized model, combined with operational support and knowledge sharing, enables synergies without compromising the entrepreneurial culture in the acquired business.

Acquisitions by year (Revenue, No. of employees)



Clear Line constitutes Fasadgruppen's largest acquisition, (figures by 2025)



Strategy & financial targets 3/4

Financial targets

Fasadgruppen's Board of Directors have decided on the following financial targets:

Revenue growth of at least 15% per year on average across a business cycle. This includes both organic and inorganic growth.

EBITA margins of at least 10% per year over a business cycle.

Cash conversion of at least 100%.

Net debt to adj. EBITDA of no more than 2.5x, although leverage may temporarily exceed the target in connection with large capital expenditures.

Our view of the financial objectives

From a revenue growth perspective, we believe the target is achievable over time, supported by underlying market growth, the company's strong historical growth (CAGR 2020–2025: ~32%), and its expansion into the UK, which we believe strengthens organic growth opportunities and its position in the value chain. However, historical growth has been largely acquisition-driven, with organic growth averaging around 1% over the same period. While we expect organic growth to improve as market conditions normalize, we believe achieving the growth target remains highly dependent on continued acquisitions. Given the company's strong cash flow generation, improved balance sheet following the recent rights issue, and good access to external financing, we believe it has solid prerequisites to deliver on its growth ambitions through M&A.

In parallel with its long-term financial targets, the company has communicated an ambition to reach 10 BSEK in revenue with an EBITA margin of at least 10% by 2028. From a revenue perspective, we view this as challenging, as it implies an average annual growth rate of around 22%. Assuming organic growth broadly in line with market growth (~7%), this would require approximately 1.3 BSEK in annual revenue from acquisitions. Given current leverage levels (around 2.5x net debt/adjusted EBITDA pro forma 2025), we believe additional equity financing would likely be required to support acquisitions of this magnitude, which could limit value creation. It is worth noting, however, that this represents the company's ambition rather than a formal financial target.

From a profitability perspective, we view the 10% EBITA margin target as reasonable. The company has demonstrated a solid track record, with an average adjusted EBITA margin of around 9% during 2020-2025. In addition, we expect Clear Line to constitute a larger share of the group going forward, which should support margins given its significantly higher profitability (around 32% in 2025 and historically 35-40%). However, increased competition and a potentially prolonged weak construction market could continue to put pressure on pricing and margins, limiting upside in the near term.

While the company has a strong track record and we expect cash generation to remain solid, we view the 100% cash conversion target as somewhat ambitious. This is primarily due to potential working capital build-up from growth, a higher share of larger and more complex projects, and

acquisition-related effects, which could weigh on cash conversion over time.

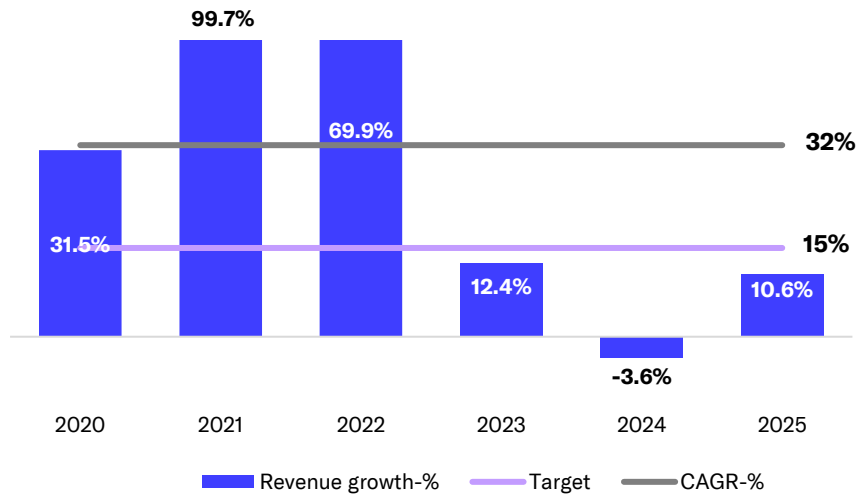
In terms of capital structure, we are broadly neutral on the leverage target of below 2.5x net debt/adjusted EBITDA. It provides sufficient flexibility to pursue acquisitions while maintaining a reasonable financial risk profile, although temporary deviations are likely in connection with larger transactions.

Profit distribution depends on risk-willingness

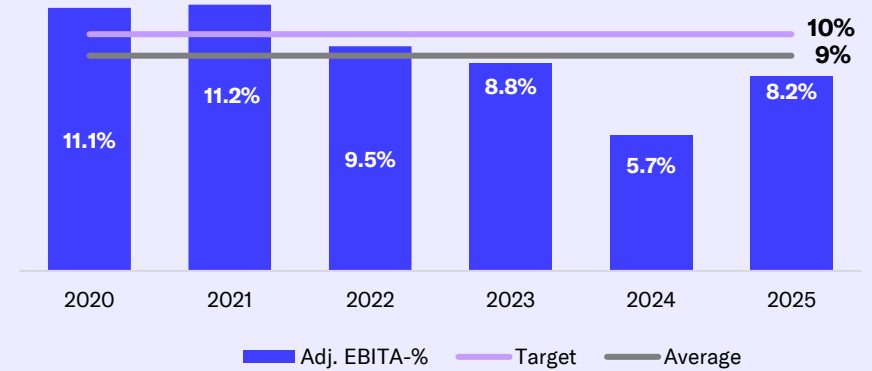
The company previously had a dividend policy of distributing around 30% of net profit, which was removed in 2024. We believe Fasadgruppen's asset-light business model, strong cash flow generation, and relatively low capital requirements provide good conditions for shareholder distributions over time. However, the level of distributions will depend on the pace of acquisitions. In our view, it may be challenging to simultaneously distribute around 30% of earnings while achieving the growth target of 15% and maintaining leverage below 2.5x, suggesting that capital allocation will remain focused on growth in the near to medium term.

Strategy & financial targets 4/4

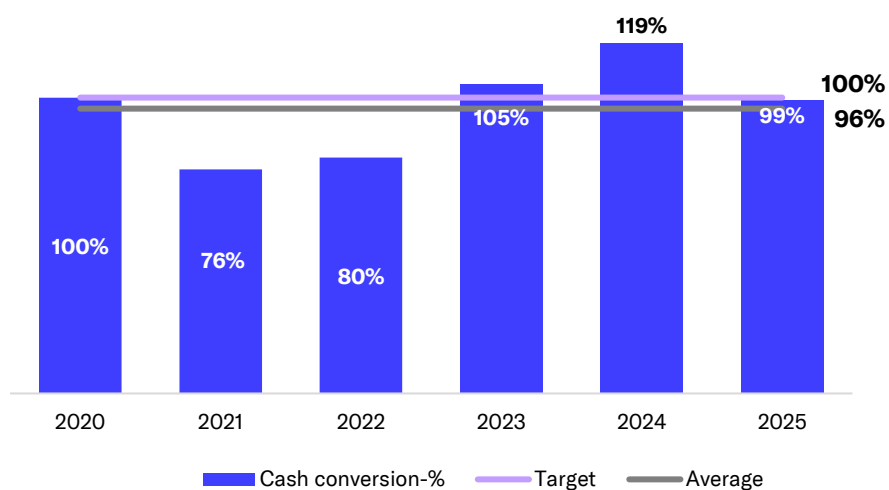
Revenue growth-% vs target



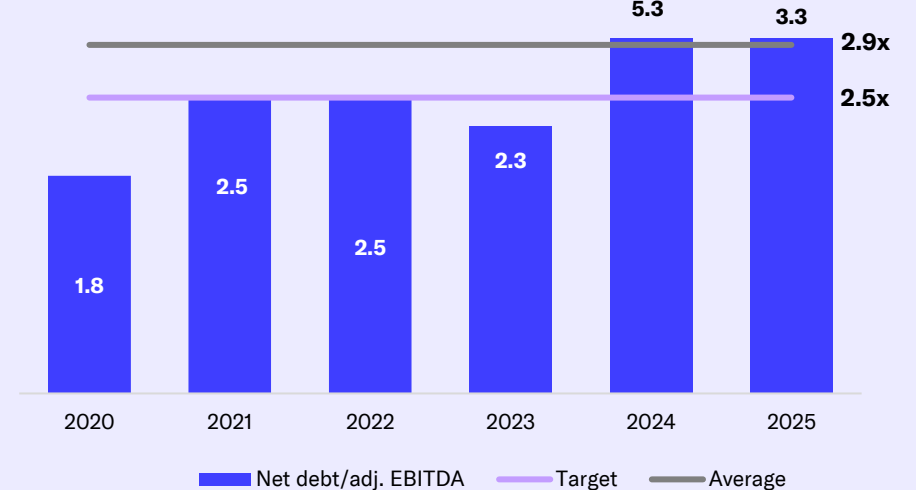
Adj. EBITA-% vs target



Cash conversion-% vs target



Net debt/adj. EBITDA vs target



Industry and competitive landscape 1/7

Target markets

Fasadgruppen's subsidiaries primarily operate in Sweden, Denmark, Norway, Finland, and the UK, providing services covering most aspects of exterior building work, including façades, windows, balconies, and roofs. The underlying market consists of renovation, new construction, and fire prevention measures. Fasadgruppen primarily focuses on the renovation of existing buildings, which accounts for approximately 80-90% of revenue. We believe that this segment is generally less cyclical than new construction, which is more dependent on factors such as interest rates and overall economic conditions.

According to Arthur D. Little (ADL), the façade markets targeted by Fasadgruppen in the Nordic region and the UK, covering renovation, maintenance, and installation of cladding, windows, balconies, roofs, ventilation, and other exterior components, were estimated at approximately 409 BSEK in 2025. Of this, the Nordic market accounted for nearly 160 BSEK, with Sweden representing around 44 BSEK, Norway approximately 41 BSEK, Denmark about 42 BSEK, and Finland roughly 31 BSEK. The UK façade market, where Fasadgruppen's subsidiary Clear Line operates, was estimated at around 250 BSEK in 2025.

Solid underlying market growth driven by several factors

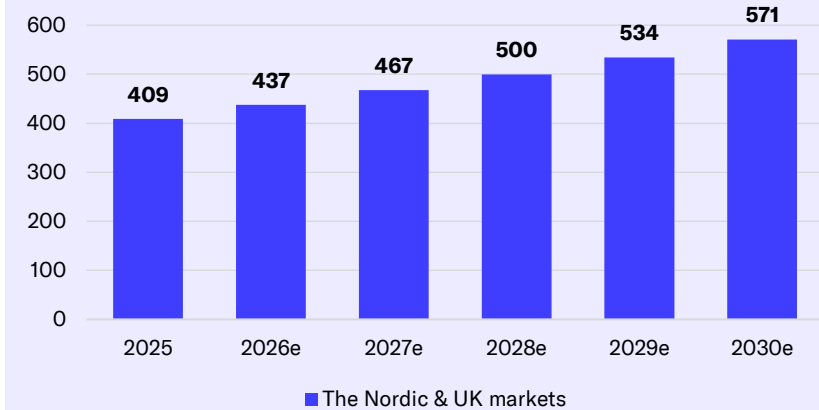
Over the next five years, ADL expects the façade markets in the Nordics and the UK to grow by nearly 7% annually. Growth is primarily driven by an aging building stock that increases demand for renovations, improving macroeconomic conditions that support long-term property investments, stricter energy efficiency regulations, and evolving building usage requirements.

Increasing regulatory focus is a structural market driver

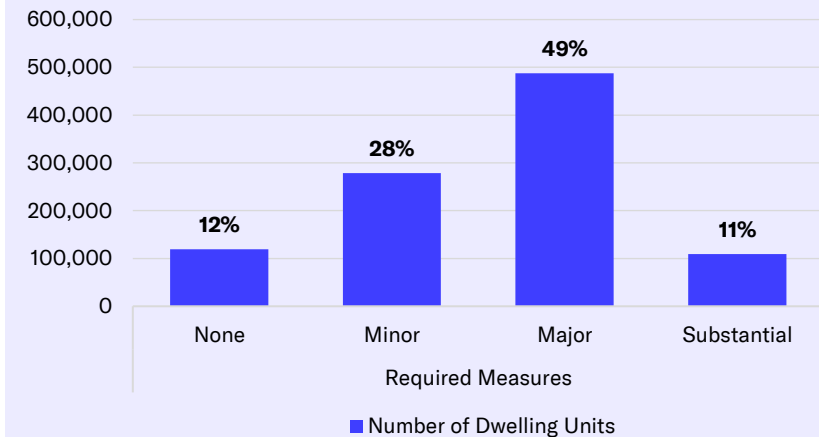
In our view, one of the most important structural market drivers is the increasing regulatory focus on energy efficiency in buildings. Both national regulations and EU-wide directives are placing increasingly strict requirements on the energy performance of new and existing buildings. These requirements are pushing property developers, owners, and public-sector actors to invest in upgrades of building envelopes to meet compliance standards. Since a significant share of energy loss in buildings occurs through poorly insulated façades, outdated windows, and inefficient ventilation systems, improvements to the building envelope are often among the most effective measures to enhance overall energy performance. As regulatory pressure intensifies toward 2030 and 2050 climate targets, the need for energy-related façade renovations is likely to increase further.

Beyond insulation work, EU wide directives also place progressively stricter requirements on solar installation on new and existing buildings. These requirements are already in effect for new construction of commercial buildings. By 2027, existing public and commercial buildings are also required to install solar, and by 2029, all new housing developments will be required to install solar panels. Finally, by 2030, all existing public buildings will be included in the directive.

Estimated market value of Fasadgruppen's target markets 2025-2030, BNSEK

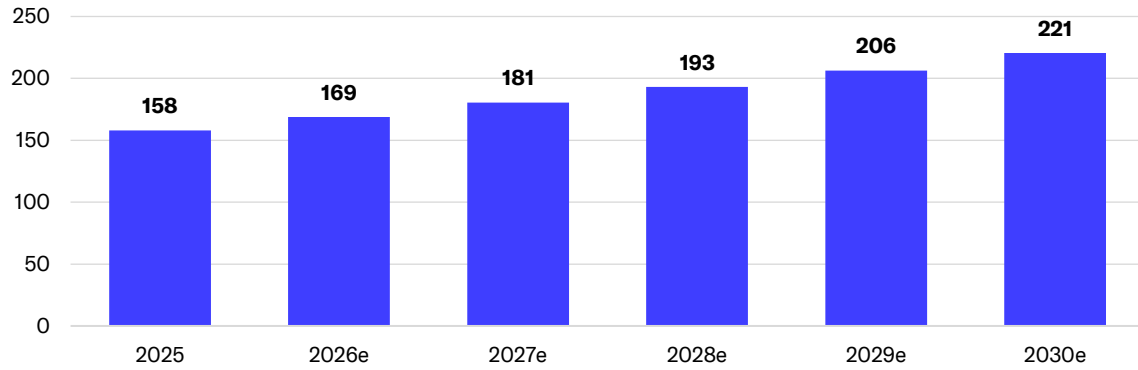


Swedish public buildings by required energy efficiency upgrades

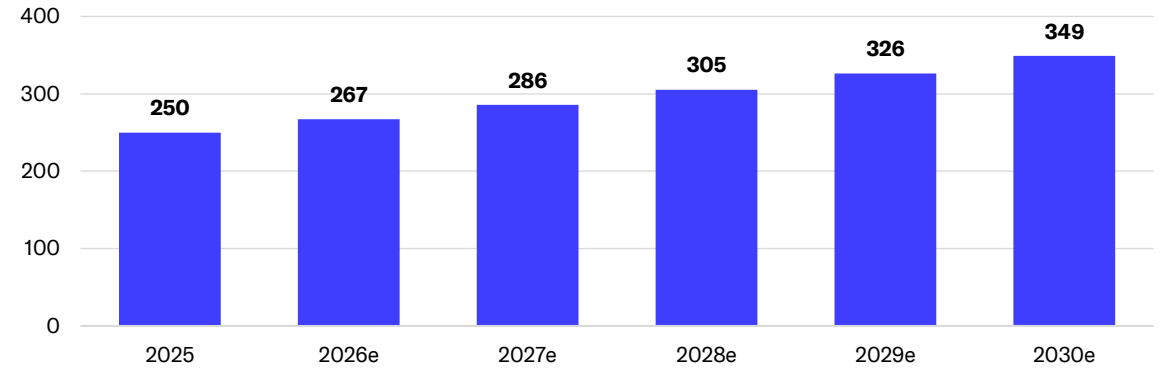


Fasadgruppen's target markets

Estimated market value of the Nordic façade market
2025-2030, BSEK



Estimated market value of the UK façade market
2025-2030, BSEK



Fasadgruppen market shares, as of 2025



Industry and competitive landscape 3/7

In addition to regulatory compliance, economic incentives generate further demand. Improved insulation, upgraded windows, and modernized ventilation systems reduce energy consumption and lower operating costs for property owners and tenants. In an environment characterized by volatile energy prices and heightened awareness of sustainability, energy-efficient buildings are increasingly valued not only for compliance reasons but also for their cost efficiency and attractiveness in the real estate market.

Increasing degree of outsourcing

We believe that another key driver is the outsourcing of specialized construction work. In both new construction and large-scale renovation projects, general contractors increasingly rely on specialized subcontractors for technically demanding tasks such as façade and ventilation installations and upgrades. Building envelope work requires domain-specific expertise, precision, and experience to ensure sufficient build quality, weather resistance, and energy performance. General contractors often lack these skills, which means that specialized providers like Fasadgruppen hold a strong position in project value chains - both for new construction and renovation projects.

Beyond the need for technical expertise, this outsourcing trend is driven by a desire to reduce administrative complexity and project risk. Property owners and general contractors increasingly prefer turnkey solutions over the burden of coordinating multiple fragmented subcontractors for scaffolding, masonry, windows, and roofing. By offering a multidisciplinary approach, comprehensive providers simplify the procurement process and assume full responsibility for the entire building envelope. This shift in customer preference directly benefits consolidated players

with broad service capabilities, allowing them to capture a larger share of the outsourced market compared to smaller, single-discipline competitors.

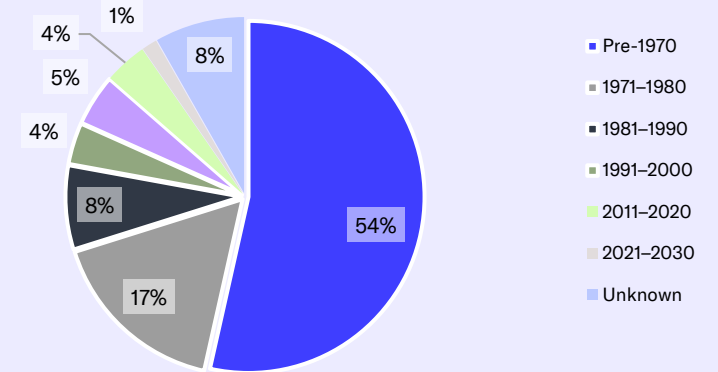
Aging building stock

The ageing building stock in the Nordic region represents an additional and strategically important source of demand. According to Statistics Sweden, a substantial portion of Nordic residential and commercial buildings were constructed during the early 1900s and are now reaching an age where major exterior renovations are required. Façades deteriorate over time due to weather exposure, while balconies, roofs, and windows require periodic replacement to maintain safety and functionality. This creates a recurring and relatively non-discretionary demand for renovation services. Furthermore, EU directives stipulate that the energy performance of existing buildings must gradually approach that of newly constructed buildings by 2050. As a result, many properties will require comprehensive energy upgrades in the coming decades. Given that renovation projects account for approximately 80-90% of Fasadgruppen's revenue, we believe that the company is strongly positioned to benefit from this long-term structural renovation cycle.

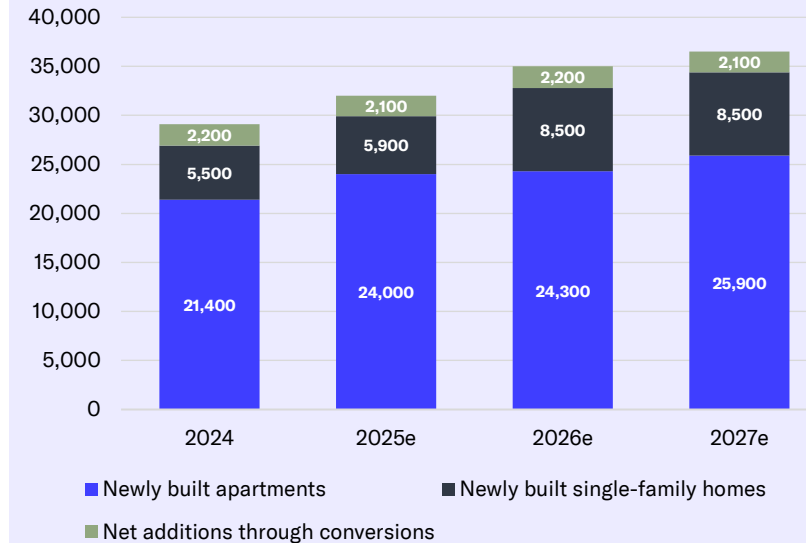
Fire safety remediation

In addition to the general need to modernize old buildings in the Nordics and the UK, fire prevention has emerged as a particularly strong growth driver in the UK market. This trend has emerged in the wake of the Grenfell Tower Fire in London in 2017. The total required spend on fire safety remediation in England is estimated at between 12.6 and 22.4 BGBP, according to the Ministry of Housing, Communities & Local Government (MHCLG).

Age of Swedish Buildings
as of 2024



Total Housing Starts (Sweden, 2024-2027e)



Industry and competitive landscape 4/7

According to MHCLG, an estimated 14,600 buildings have been found to require fire prevention upgrades, and only roughly 1,400 of these buildings have been treated to date, leaving a long runway of policy-driven demand. As property owners face heavy consequences for failing to address the new fire safety requirements, we believe this demand is resilient and price inelastic. While fire safety work has come a long way in the UK, approximately 3,000 high rise buildings still require safety upgrades according to the MHCLG. Fasadgruppen's UK subsidiary Clear Line is a niche player specialized in fire protection work and, in our view, stands to benefit from the continued spend on these services.

Protection against extreme weather

The increase in extreme weather due to climate change has been responsible for increasingly large levels of economic damage both in Sweden and in the EU. This has caused an increase in demand for sustainable and weather-resistant envelope upgrades, which is a market that many of Fasadgruppen's subsidiaries are exposed to.

Preservation of cultural heritage

An additional market driver is the need to preserve and maintain cultural heritage buildings. Working on these buildings typically requires specialist knowledge of niche building techniques and craftsmanship. We believe that this part of the market is inaccessible to many competitors, as only some possess the required experience to win these contracts.

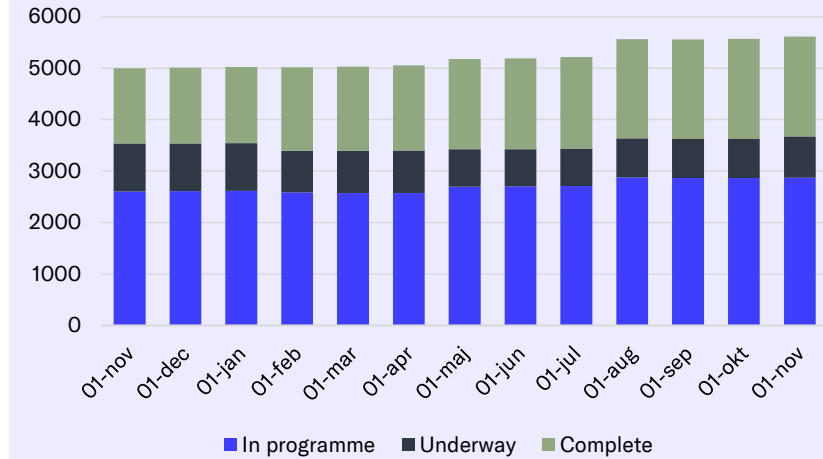
Growth in new construction

Fasadgruppen focuses mainly on the renovation market, but approximately 10-20% of revenue comes from new

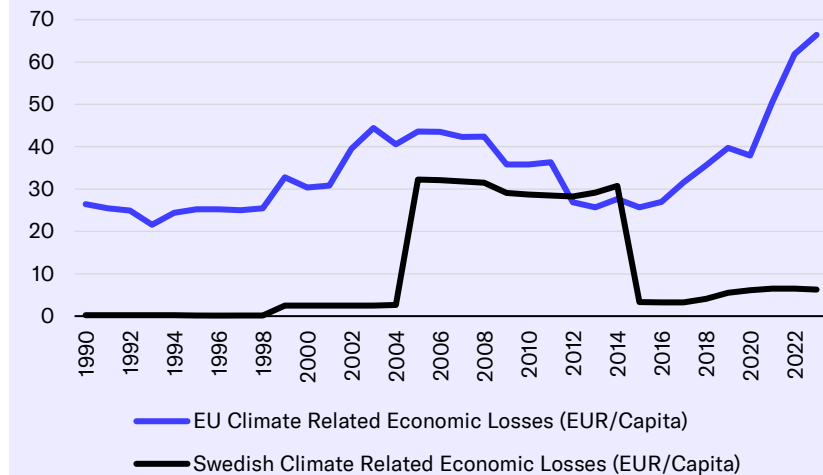
construction. After a few years of decline in Swedish new construction, housing starts are estimated to have increased by approximately 10% y/y in 2025, and are expected to increase by 9% and 4% in 2026 and 2027 respectively, according to Boverket. While the increase is from low levels compared to the peak levels in 2018-2021, we believe that this provides some well-needed relief for construction services companies with exposure to new construction. In aggregate, Boverket expects total volumes to grow by roughly 25% between 2024 and 2027, suggesting a sustained, if gradual, recovery in Swedish construction activity. For Fasadgruppen, we believe that this trajectory is meaningful on two levels. First, the ~20% revenue exposure to new construction means the company stands to benefit directly from rising housing starts, with improved project pipelines and potentially better pricing dynamics as demand for construction services increases. Second, and perhaps more importantly, a healthier new construction market typically supports broader sentiment and investment activity across the building sector, which can have positive read-through effects on the renovation market, which is Fasadgruppen's core business.

Historically, renovation activity tends to follow new construction with a lag, as newly built stock eventually requires maintenance and refurbishment, adding a longer-term tailwind to the company's primary revenue base. For newly constructed buildings, routine maintenance is typically required within 10-15 years from the year of construction and can include less extensive services such as painting and minor repairs. More substantial envelope intervention is typically needed within 15-25 years and can include window replacements, major repairs, and roof replacements.

UK Building Safety Remediation Status



Increasing climate-related economic losses



Industry and competitive landscape 5/7

Overview of competitive landscape

The market for building envelope services is highly fragmented, comprising large general construction contractors, small local specialist firms, and specialist companies offering multidisciplinary services. General contractors include major companies such as PEAB, Veidekke, and NCC, with whom Fasadgruppen may occasionally compete on large renovation or turnkey projects, but more often collaborate as clients or partners when e.g., specialized façade expertise is required. The majority of the market consists of smaller local, entrepreneur-led companies that focus on one or a few niche segments within exterior work. In our view, these firms represent both main competitors for Fasadgruppen's subsidiaries and potential acquisition targets. These players, however, are mostly unlisted. In addition, there are a few companies positioned similarly to Fasadgruppen, acting as compounders of smaller specialist firms and offering multidisciplinary services across multiple niches. In our view, Fasadgruppen's main competitors in this segment are Teqt Group and Corteco, although both companies are privately held. Other companies with similarities to Fasadgruppen include Balco Group (listed), Novedo, and SEHED Byggmästargruppen (listed), although their main focus and service offerings differ.

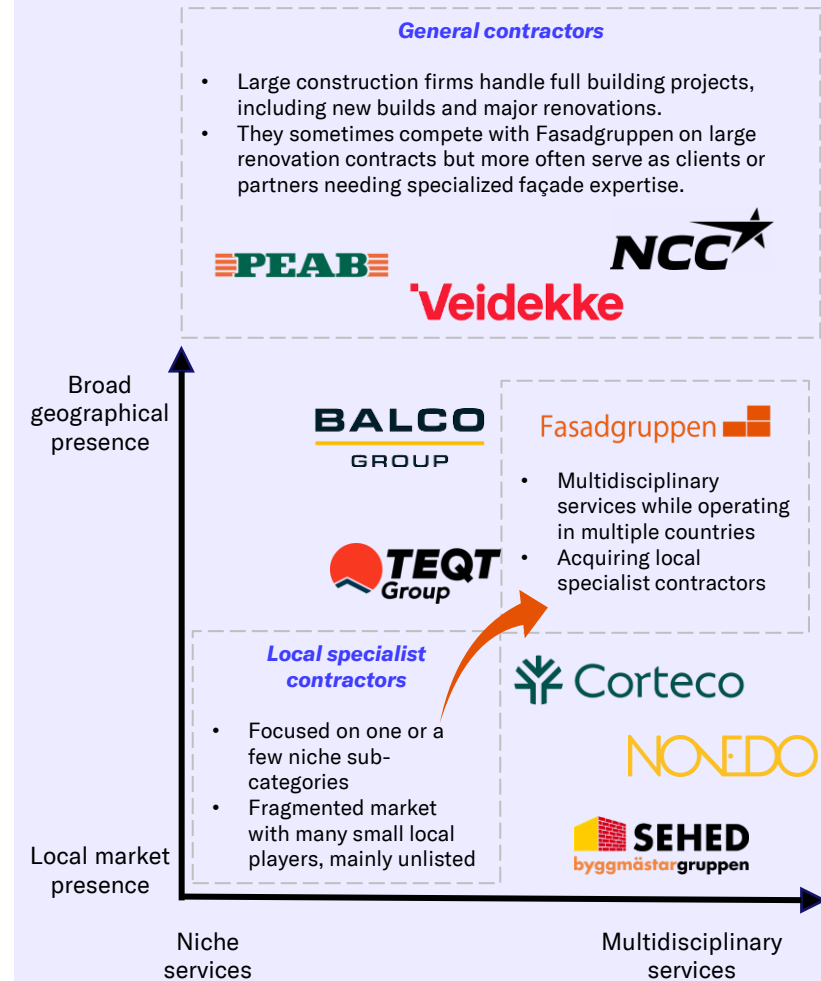
Teqt Group is a Nordic group of specialist contractors focused primarily on roofing, sheet metal, waterproofing, and solar installations for buildings. The company operates mainly in the Nordic region, with an expanding presence in parts of Northern Europe, and offers services across renovation and new construction. Similar to Fasadgruppen, Teqt Group follows an acquisition-driven strategy, bringing

together local specialist companies that retain their brand, management, and regional presence within a decentralized group structure. Renovation and maintenance projects account for most of its business, reflecting the structurally large renovation market for building envelopes. However, the main difference compared to Fasadgruppen is that Teqt's core offering is roofing, whereas Fasadgruppen's primary focus is façade renovation.

Corteco is a Nordic group of specialist contractors focused on exterior building envelope services, including roofing, façades, and related renovation and maintenance work. The company operates primarily in Sweden and the broader Nordic region and serves both renovation and new construction markets. Similar to Fasadgruppen, Corteco pursues an acquisition-driven strategy.

Balco Group is a Sweden-based company specializing in the development, manufacturing, sale, and installation of balcony systems and related exterior solutions. Its largest markets are in the Nordic countries, but it also operates in Northern Europe, including the UK, Germany, and the Netherlands. Similar to Fasadgruppen, acquisitions are a central part of Balco's strategy, with subsidiaries continuing to operate under their existing management and brand. Renovation is the largest part of its business, accounting for approximately 70% of revenue, while new construction makes up around 30%. However, the main difference compared to Fasadgruppen is that Balco's core offering is glazed and open balconies, whereas façade and other exterior services (Fasadgruppen's primary focus) account for only about 14% of Balco's revenue.

Illustration of competitive landscape



Industry and competitive landscape 6/7

Novedo is a Sweden-based group that acquires and develops entrepreneurial companies with strong niche positions across multiple service segments. The company operates primarily in Sweden and other parts of Northern Europe, with subsidiaries also present in Denmark, Estonia, Germany, and Norway. Novedo’s core activities are organized into three main segments: Industry, Infrastructure, and Installation & Services, covering a broad range of B2B offerings such as property services and renovation, specialized infrastructure work, and installation-related services. In our view, the Installation & Services segment is the most comparable to Fasadgruppen’s service offering, which includes work on façades, windows, balconies, and roofs, as well as e.g., electrical installations and painting services. This segment represents the largest part of the group’s revenue, accounting for some 46%.

SEHED Byggmästargruppen is a Sweden-based construction group made up of specialist contracting companies offering a wide range of building services across renovation and new construction projects. The group serves a broad customer base that includes public sector clients, housing cooperatives, private property owners, and larger construction firms. SEHED’s service offering spans comprehensive building and exterior work, including façade renovation, structural repairs, roofing, balconies and window work, commercial interior rebuilds, and specialized trades such as sheet metal and roofing services. Its companies operate independently within the group following shared quality standards, enabling both full project delivery and specific trades services across renovation and new build segments. The business is primarily focused on the Swedish construction market, with

projects throughout major regions of the country.

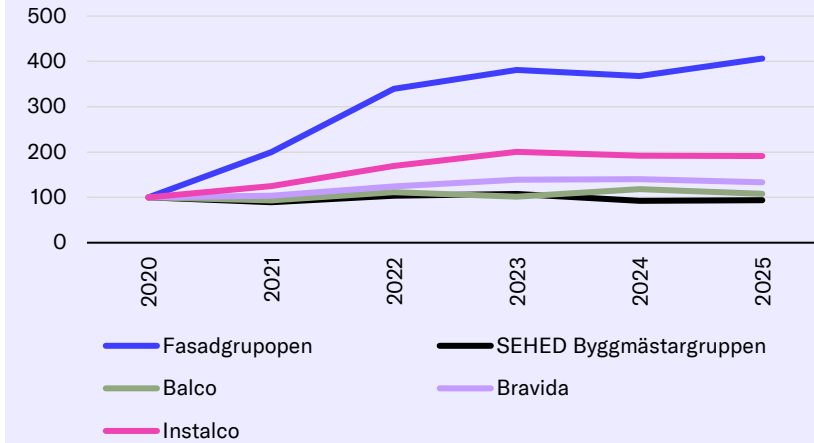
Growth and margin profile compared to industry

As we believe there are no clear direct listed peers to Fasadgruppen, we have instead included companies operating within the construction services sector with similar acquisition-driven business models, such as SEHED Byggmästargruppen AB, Balco Group AB, Bravida Holding AB, and Instalco AB. Although there are differences between the companies, for example in terms of service offerings, we believe this peer group provides a reasonable benchmark for the industry’s growth and margin profile.

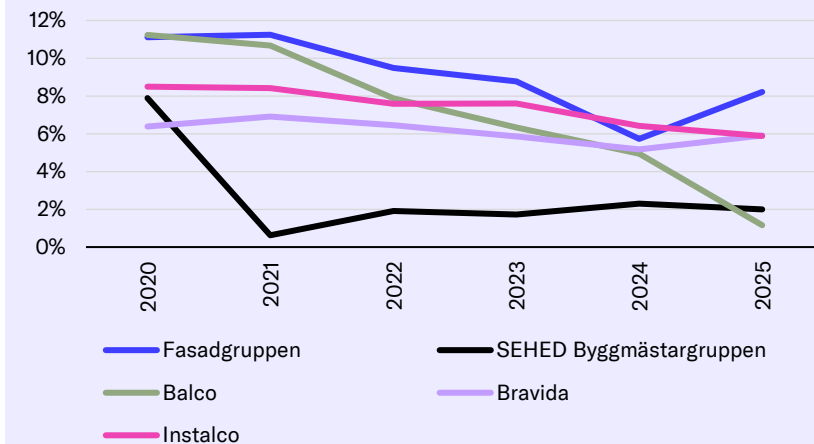
Looking at growth, Fasadgruppen has expanded notably faster than its peers over the past five years, primarily driven by acquisitions. On an organic basis, however, the company has shown only slightly stronger performance, with organic growth of around 1% compared to approximately -1% for the peer group. That said, the overall trend has been broadly similar across all companies, where 2022 was characterized by strong organic growth, largely driven by price increases in a high-inflation environment, while 2023–2025 were more challenging due to a weak economic backdrop and a subdued construction market.

In terms of profitability, Fasadgruppen has outperformed its peers, reporting an average EBITA margin of around 9% over the past five years, compared to approximately 5% for the peer group. However, margin pressure has been evident across the sector in recent years. Fasadgruppen has nevertheless demonstrated relatively stronger resilience, which we believe is partly explained by its higher exposure to renovation, typically more stable than new construction, supporting better capacity utilization.

Indexed revenue development
2020=100



EBITA margin development
2020-2025



Industry and competitive landscape 7/7

Fasadgruppen has generated returns on invested capital (ROIC), broadly in line with the industry average over the period, which is supported by its capital-light business model and solid underlying profitability, although this is partly offset by a relatively high share of goodwill.

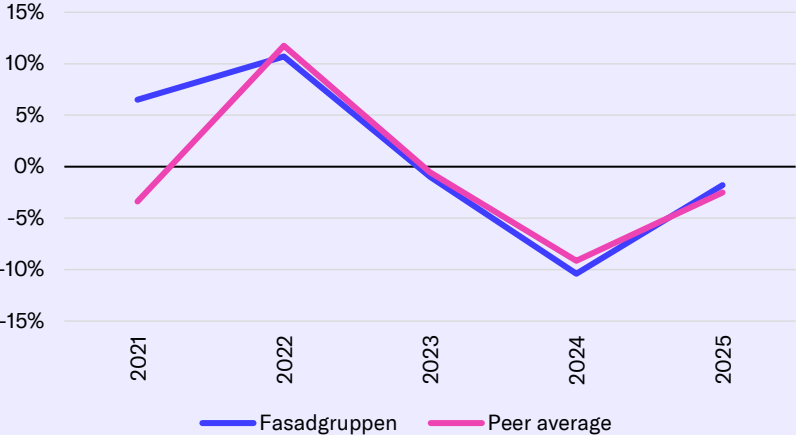
Competitive advantages

While the industry's relatively low capital intensity implies lower barriers to entry, allowing new competitors to enter the market more easily than in more capital-intensive construction segments, we believe that entering the sector at scale remains challenging without strong references, established relationships, and sufficient operational resources. That said, we assess that achieving sustainable competitive advantages in the sector is difficult due to limited differentiation, intense competition, and the project-based and cyclical nature of the industry. This dynamic has been particularly visible in recent years. During large parts of 2023–2025, a weak new-construction market pushed companies primarily focused on new builds into the more stable renovation segment, intensifying competition and putting downward pressure on prices.

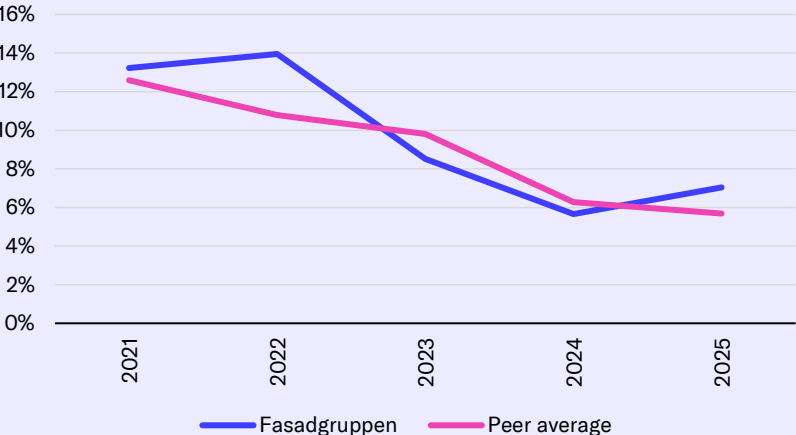
However, while sustainable competitive advantages are difficult to achieve, we believe consolidators such as Fasadgruppen can gain an edge, particularly relative to smaller local operators. In our view, the group's broad service offering, covering all parts of a building's exterior, allows clients to engage a single provider rather than coordinating multiple contractors, simplifying project management and potentially strengthening customer relationships. In addition, centralized procurement enhances negotiating power and creates cost efficiencies,

providing greater flexibility on pricing and margins. Furthermore, we believe that the subsidiaries' extensive experience, strong reference projects, and deep local market knowledge support the group's overall competitive positioning.

Organic growth development 2021-2025



ROIC-% development 2021-2025



Historical development

Acquisition-driven growth

Fasadgruppen was listed on the Nasdaq Stockholm stock exchange in December 2020, following a period of rapid expansion fueled by both organic growth and significant acquisitions. Since going public, the company has continued to acquire firms within the building envelope services sector, achieving a revenue CAGR of 32% in 2020-2025. While growth has primarily been inorganic, 2021 and 2022 saw solid organic growth of 6.1% and 12.2%, respectively, driven largely by post-COVID recovery and price adjustments passed through to customers. The strong growth in 2022 was further supported by heightened demand for energy efficiency upgrades, prompted by volatile and rising electricity prices, alongside increasingly stringent energy efficiency regulations in the building sector.

During this period, Fasadgruppen strengthened its Nordic platform by expanding into Finland in 2022, following earlier entries into Norway and Denmark. The company also accelerated its acquisition strategy, completing 41 acquisitions in 2021-2022, enabled by proceeds from the public listing and new financing agreements.

Challenging market conditions

Despite rapid growth since the listing, profitability has been under pressure in recent years due to lower activity in new construction and increased competition in renovation projects. The rising interest rate environment since 2023 has also negatively impacted Fasadgruppen, which relies heavily on debt to fund its acquisition-driven growth strategy. Additionally, non-recurring organizational

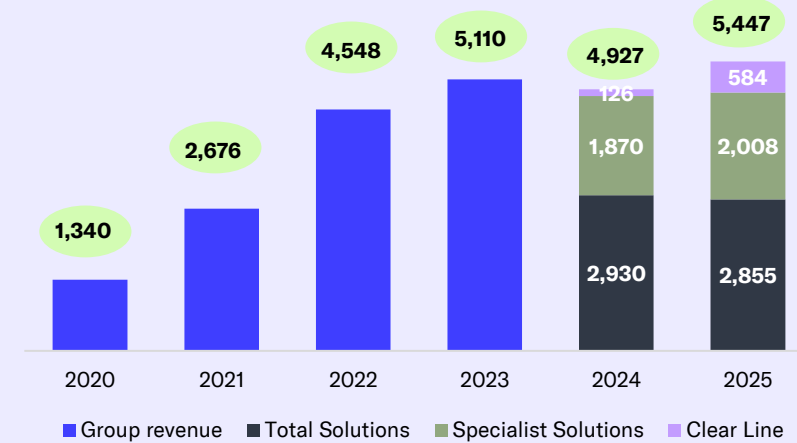
restructuring costs significantly affected earnings in 2024 and 2025.

Some subsidiaries have underperformed, necessitating goodwill and brand impairments of 35 MSEK in 2024 and 87 MSEK in 2025. In 2025, the company also recorded a capital loss of 99 MSEK upon divesting its subsidiary, Alnova Balkongsystem AB. To improve profitability, organizational changes have been implemented, including removing a managerial layer between local companies and group leadership and consolidating certain subsidiaries into single entities.

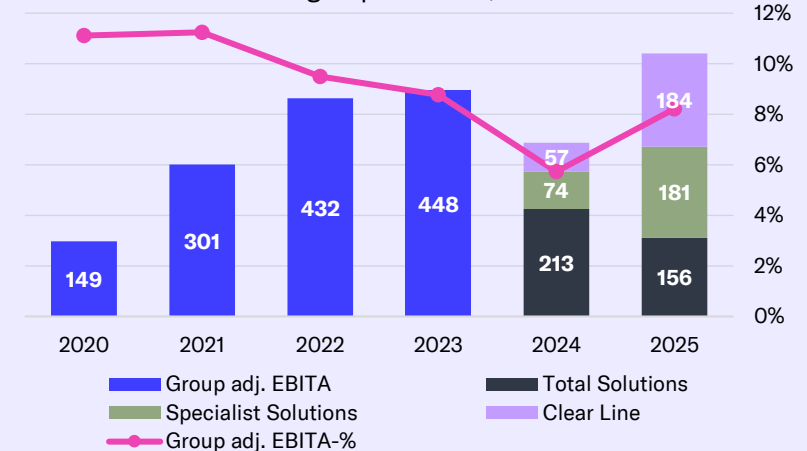
Expansion beyond the Nordics

In response to challenging conditions in the Nordic markets, Fasadgruppen has pursued growth beyond its home region. In November 2024, the company acquired its first non-Nordic subsidiary, Clear Line, a Sheffield-based firm specializing in fire safety remediation services. This acquisition provides greater geographical diversification in revenue and access to the UK's growing building safety market, which expanded in response to the 2017 Grenfell Tower tragedy. It also establishes a platform for further acquisitions in the UK, a market significantly larger than the Nordic region.

Revenue development*
MSEK, 2020-2025



Adj. EBITA development*
MSEK & group EBITA-%, 2020-2025



* Segment split from 2024 onwards. Clear Line's results included from November 2024.

Financial position 1/2

Considerable goodwill in the balance sheet

At the end of 2025, Fasadgruppen's balance sheet total was 6,404 MSEK. The single largest asset class was goodwill, amounting to around 4,012 MSEK or 63% of the total, due to Fasadgruppen's active engagement in acquisitions. It's worth highlighting that if the company's profitability were to decline, this could potentially expose it to the risk of write-downs, which was the case in 2024 and 2025. Although a goodwill impairment charge is non-cash and doesn't directly impact cash flows, it does signify a previous management mistake that affects the company's track record in capital allocation. Considering Fasadgruppen's historically good return on capital levels, and that the business is currently in a turnaround, we are not overly concerned about the high share of goodwill.

Due to Fasadgruppen's asset-light business model, tangible assets are at a relatively low level of 142 MSEK, consisting mainly of machinery and equipment required for business operations. Including right-of-use assets, tangible assets stand at 327 MSEK in total. Current assets consist mainly of receivables (1,042 MSEK) and cash (424 MSEK). In principle, we consider the company's assets to be liquid, and we don't believe that there are significant risks to the value of the assets on the balance sheet.

Clear Line acquisition drives leverage and contingent liabilities

At the end of 2025, equity on the balance sheet amounted to 2,044 MSEK and the company's equity ratio was at 32%. Interest-bearing debt on the balance sheet amounted to 2,374 MSEK, reflecting a net debt position of 1,951 MSEK at the end of 2025. It should be noted, however, that the balance sheet at the end of 2025 does not include the

rights issue made in Q1'26, which we describe later on. Fasadgruppen's loan facilities agreements comprises multiple facilities, including three facilities expiring on February 2, 2029, and one facility expiring February 2, 2030. The company's net debt/adjusted EBITDA was 3.3x by 2025 (before the rights issue).

In addition, a significant portion (~790 MSEK) of non-interest-bearing liabilities relate to deferred and contingent considerations from previous acquisitions, primarily linked to the acquisition of Clear Line. These include earn-out structures as well as call and put options, representing future payment obligations that are typically settled in cash or shares and are dependent on the performance of the acquired business. The company has not disclosed the specific profitability levels required to trigger the various payment outcomes. However, based on the transaction structure, the additional consideration linked to the preference shares includes a minimum payment of approximately 2.95 MGBP and a maximum of up to 77.2 MGBP (excluding accumulated dividends), depending on Clear Line's earnings development. In our estimates, we assume that approximately half of the maximum contingent consideration will be paid, with the bulk of the payment occurring in 2029.

Rights issue strengthened the balance sheet

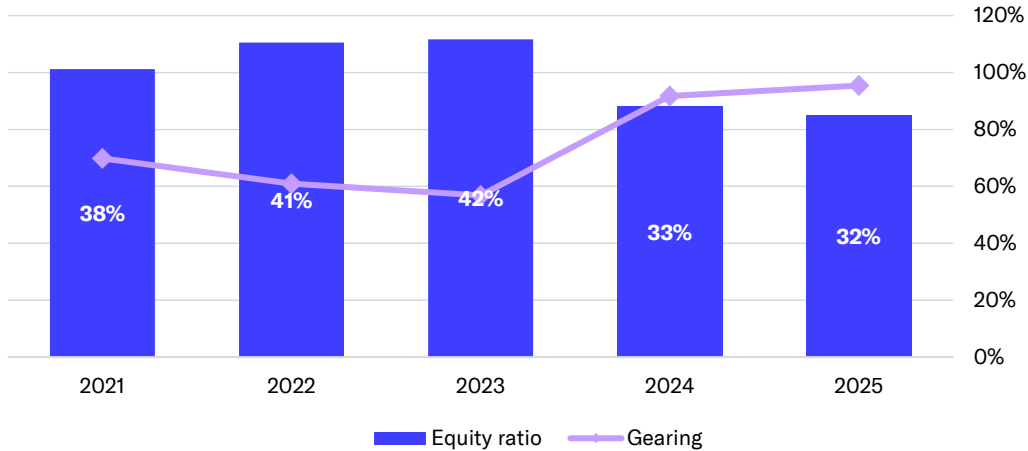
Since Fasadgruppen's inception in 2016, the company has acquired more than 70 businesses. These acquisitions have primarily been financed through debt and internal cash flows, with equity used to a lesser extent. As a result of largely debt-funded acquisitions, the company's net debt/adjusted EBITDA ratio has remained elevated over the past five years, averaging around 3.2x.

In 2024, Fasadgruppen completed the significant acquisition of Clear Line, while operating profitability simultaneously weakened due to sluggish market conditions. This combination led to a peak in leverage of 5.3x in 2024. However, this figure is not presented on a pro forma basis, on a pro forma basis, leverage amounted to 3.3x. Excluding this year, the average net debt/adjusted EBITDA has been around 2.5x since the company's listing in 2020, in line with its financial targets. Although improved profitability and cash flow generation in 2025 helped reduce leverage to 3.3x by year-end, it still remained at relatively elevated levels. To address this, the company completed a fully guaranteed rights issue of approximately 504 MSEK in Q1'26. On one hand, the timing of the rights issue could be questioned, as it might have been more appropriate to raise equity in connection with the Clear Line acquisition, which it effectively helps finance. On the other hand, as a rights issue, it allows existing shareholders to protect themselves against dilution. We also view the structure positively, given the strong commitment from management and the Board, as well as relatively low transaction costs (around 4% of gross proceeds) and no compensation to guarantors.

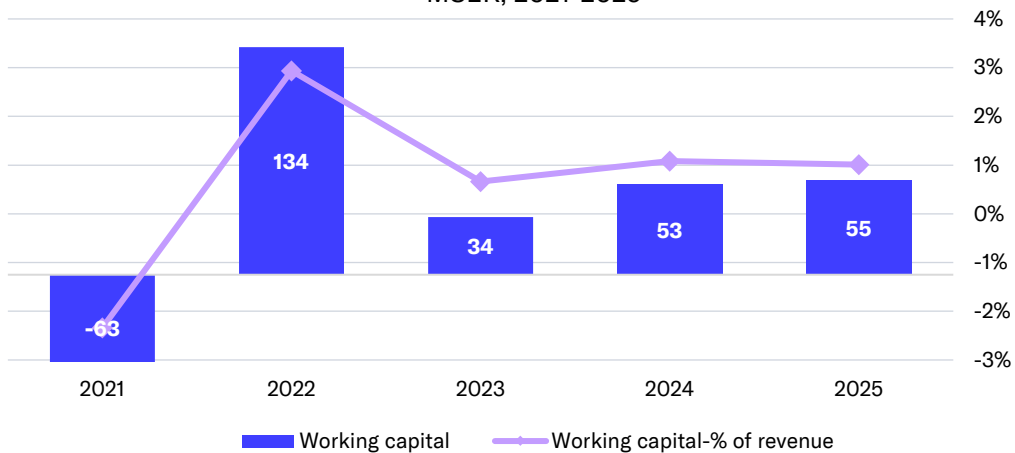
The rights issue was oversubscribed (142%) and generated approximately 485 MSEK in net proceeds. Following this, we view the balance sheet as significantly strengthened and better positioned to support the ongoing operational recovery. The transaction reduces leverage (net debt/adjusted EBITDA) to around 2.5x based on 2025 pro forma figures. In our view, this is a sustainable level considering the company's business risk level.

Financial position 2/2

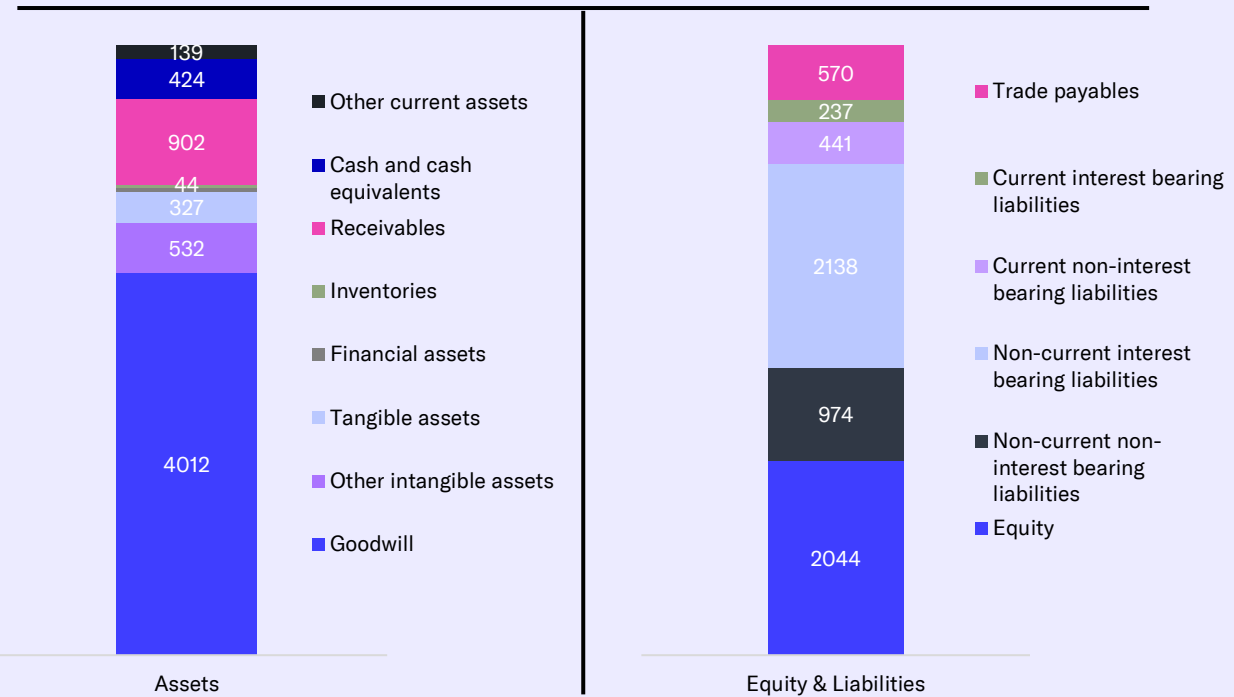
Equity ratio & gearing-%
2021-2025



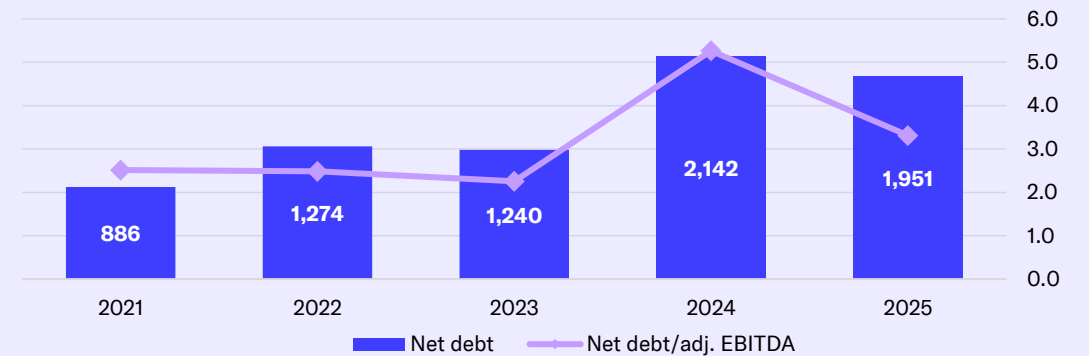
Working capital development
MSEK, 2021-2025



Balance sheet total per 2025: 6,404 MSEK



Net debt
MSEK, 2021-2025



Investment profile

1

Market trends such as energy-efficient renovations and fire safety remediation provide a strong foundation for long-term growth

2

Capital-light business model enhances financial flexibility and enables strong cash conversion

3

Strong market position with locally established brands

4

High share of renovation demand, which is less cyclical than new construction

5

In the long run, the expected return is determined by the success of the capital reallocation

Potential

- The Clear Line acquisition unlocks a large potential in the significant UK market
- Flexible cost structure
- If Fasadgruppen is successful with M&A it has good preconditions to generate ROI that exceeds the cost of equity
- In a large and fragmented market, the number of potential acquisition targets is huge

Risks

- Slowdown in economic growth, higher interest rates and inflation could result in margin pressure and elevated leverage levels
- Risks associated with the implementation of an inorganic growth strategy
- No strong and sustainable competitive advantages in the businesses
- Prolonged regulatory bottlenecks in the UK could continue to slowdown growth

Estimates 1/7

Estimate model

We model Fasadgruppen through its three segments: Total Solutions, Specialist Solutions, and Clear Line. We estimate the segment development in the short- and medium term primarily based on the order backlog, expected market growth and already realized acquisitions. Profitability estimates are grounded in historical performance, the impact of realized acquisitions, and an assessment of the credibility of Fasadgruppen's financial targets.

Our longer-term growth estimates are based on estimated market growth and for profitability on historical profitability levels and profitability levels that we deem sustainable in the longer term. Our estimates do not consider unimplemented acquisitions as their detailed prediction is practically impossible.

Economic growth outlook in target markets

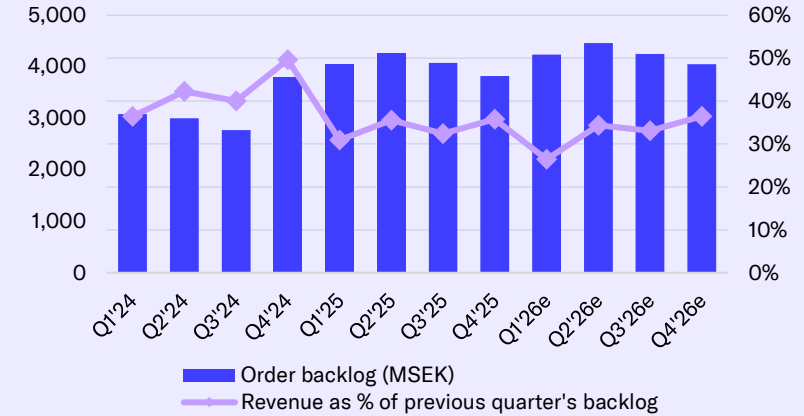
The relevant markets for Fasadgruppen (Sweden, Finland, Denmark, Norway, and the UK) are generally on a recovery path, though the pace and underlying dynamics vary by country. Sweden is rebounding from a weak 2023-2024 period and is expected to show relatively strong growth of around 2.6% in 2026, supported by improving household consumption and a recovery in construction and exports. Denmark continues to demonstrate stable expansion, with GDP growth of approximately 2%, underpinned by strong export performance and resilient domestic demand. Norway is expected to grow at a moderate pace of around 1.6% in GDP, supported by oil revenues, public spending, and rising real wages. Finland remains the weakest among the Nordics, with growth closer to 1% due to subdued domestic demand and a more restrictive fiscal stance.

Growth prospects in the UK remain subdued, with GDP growth around 1.2%, reflecting weak household consumption and labor market.

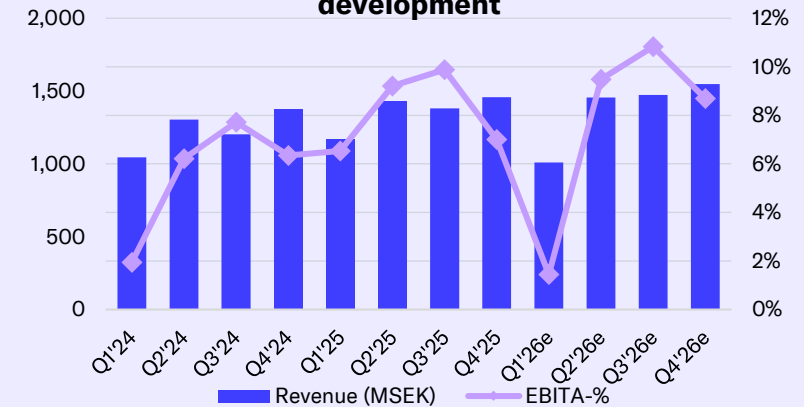
Inflation is generally moderating across the Nordic region, with Sweden, Finland, and Denmark expected to see inflation below the 2% target in 2026. Norway continues to face somewhat elevated inflation above target, driven by currency depreciation and persistent wage pressures, while the UK remains an outlier with inflation around 3%, largely due to energy price volatility. As a result, monetary policy paths diverge, where central banks in Sweden and the euro area have begun easing, whereas Norges Bank and the Bank of England are expected to proceed more cautiously given inflation risks.

While there have been some early signs of stabilization in construction confidence, particularly in Sweden and Denmark, the overall sentiment remains weak, especially in Finland and the UK, and below historical averages. Public and private investment, interest rates, inflation, GDP growth, and overall construction sentiment remain key factors shaping demand across these markets. In addition, ongoing geopolitical tensions, particularly the conflict in the Middle East, continue to pose upside risks to energy and input prices. For companies such as Fasadgruppen, this may translate into higher sourcing and material costs, particularly for energy-intensive inputs, and potentially delaying interest rate cuts. Although conditions are gradually improving compared to 2023-2024, the recovery remains sensitive to external shocks, while structural demand drivers in renovation, energy efficiency, and infrastructure continue to provide some resilience.

Order backlog



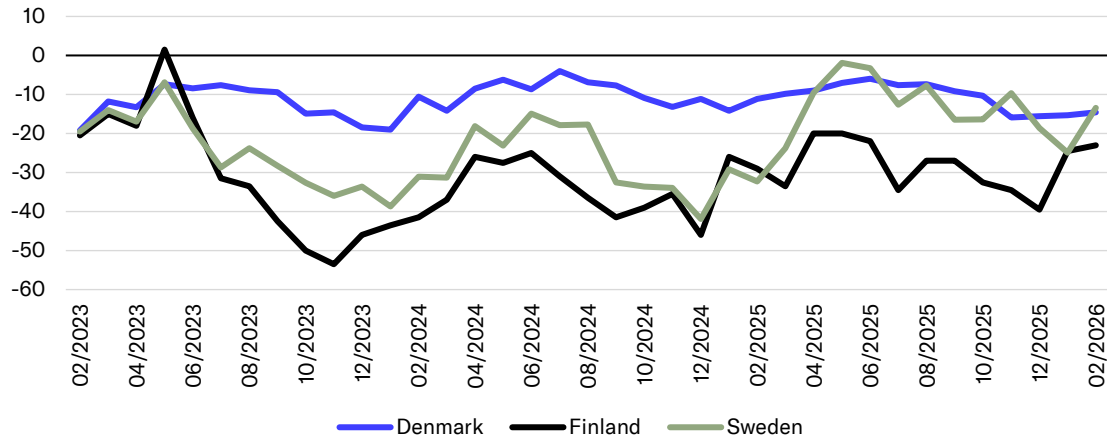
Quarterly revenue and adj. EBITA-% development



Estimates 2/7

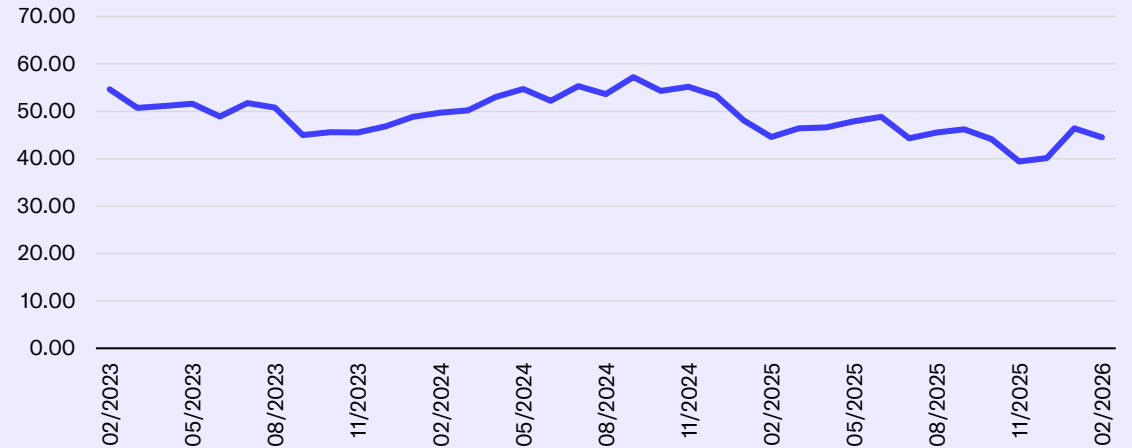
Construction confidence indicators remain low in the Nordics...

Construction confidence indicator, 2023-2026



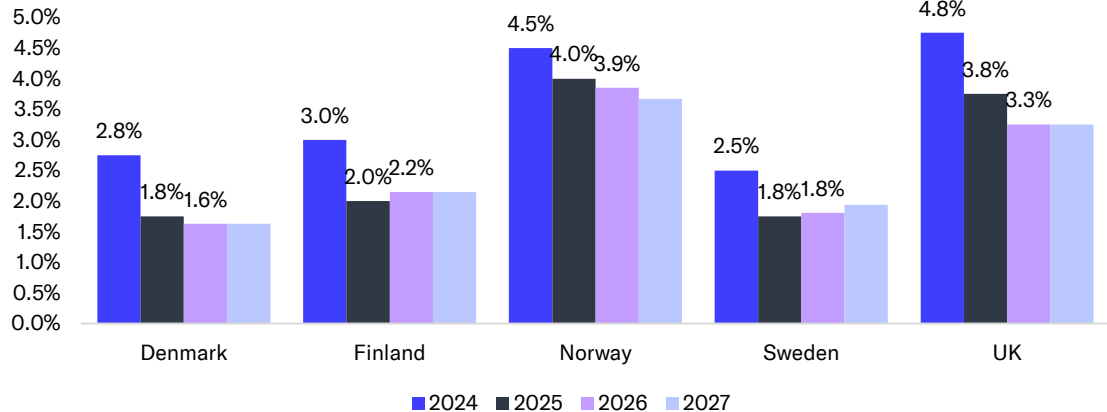
...and also in the UK

UK construction PMI, 2023-2026



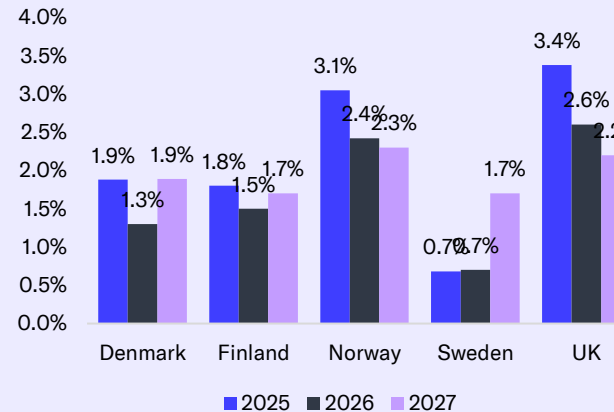
Repo rates-%

Bloomberg median, 2024-2027



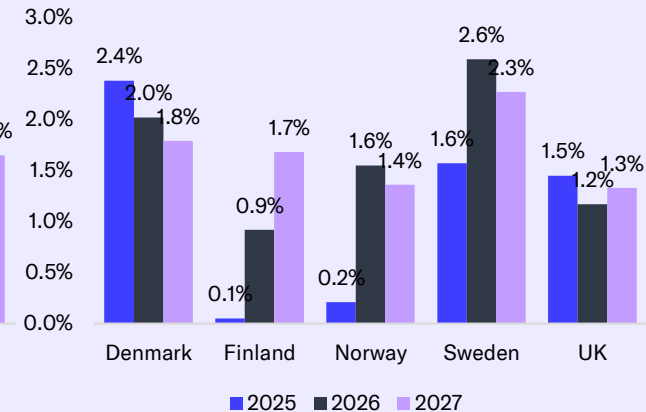
Consumer Price Index-% (CPI)

Bloomberg median, 2025-2027



Projected GDP growth-%

OECD, 2025-2027



Estimates 3/7

We estimate a gradual recovery in the Total Solutions segment

At the end of 2025, the order backlog in the Total Solutions segment amounted to approximately 1,447 MSEK, representing an organic decline of around 18% compared to 2024. This decrease was largely explained by a significant project in Denmark included in the 2024 figures. Nevertheless, the lower backlog implies a weaker starting point for 2026, as the level of secured revenue entering the year is clearly below prior levels. However, in our view, the company's historically high backlog conversion mitigates the direct impact of this decline. Although segment-level backlog data is limited, approximately 165% of the 2024 order backlog was converted into revenue in 2025 (compared to a 2020–2025 group average of ~192%). As previously discussed, this reflects short project cycles and a business model where a significant share of revenue is generated from orders received and executed within the same year. In addition, project values often increase over time, typically by around 20%, as the scope of work becomes clearer and additional work is identified during execution.

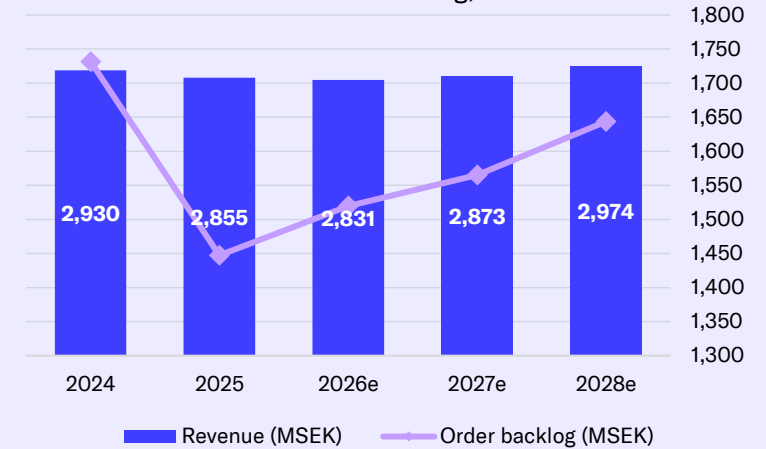
For 2026, we believe revenue development will be highly dependent on in-year order intake rather than solely on the opening backlog. While the lower backlog creates a headwind, the high conversion ratio provides flexibility and potential upside if market conditions improve. We estimate negative organic growth in H1'26, driven by weaker order intake at the end of 2025 and continued soft market conditions, particularly in Norway. At the same time, we expect the Swedish market to show continued gradual improvement. Our estimates assume a recovery over the

course of the year, with H2 supported by a broader improvement in the construction market. As a result, we forecast Total Solutions segment's revenue to be approximately 2,831 MSEK in 2026, corresponding to an organic decline of around 1%. However, risks remain skewed to the downside if market activity stays weak for longer, as the reduced backlog provides limited visibility and buffer against weaker order intake.

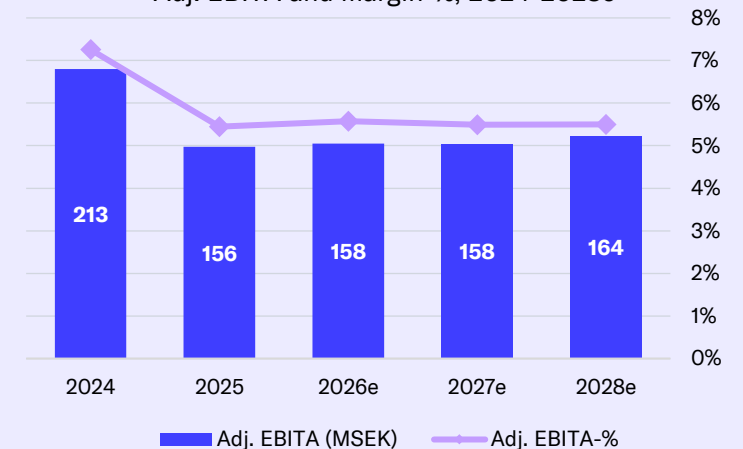
Gradual margin recovery from a low base

From a profitability perspective, the Total Solutions segment was negatively impacted in 2025 by intensified competition. This was primarily driven by a decline in the number of available projects, increasing competition for remaining contracts, as well as companies previously focused on new-build construction entering the renovation market, which has been relatively more stable. Looking ahead to 2026, we expect competitive pressure to gradually ease toward the latter part of the year as market conditions improve. A more supportive market environment should also enable increased upselling within existing projects, which typically carries higher margins. However, given the expected gradual nature of the recovery, particularly in Norway which we believe is lagging a bit, we anticipate that full-year profitability will remain broadly in line with 2025 levels. Overall, we estimate adjusted EBITA of approximately 158 MSEK for Total Solutions in 2026, corresponding to an adjusted EBITA margin of around 5.6%.

Total Solutions
Revenue and order backlog, 2024-2028e



Total Solutions
Adj. EBITA and margin-%, 2024-2028e



Estimates 4/7

Specialist Solutions' revenue supported by strong backlog and favorable market exposure

The Specialist Solutions segment has recovered somewhat earlier than the Total Solutions segment, reflecting its earlier position in the cycle. The segment also benefits from greater exposure to the Danish market, which showed solid development in 2025, as well as the Finnish subsidiary, which serves not only the domestic market but also Northern Europe that has performed well. As a result, Specialist Solutions delivered a rebound from H2'25 and reported organic revenue growth of approximately 3% for the full year. The order backlog amounted to 1,069 MSEK at the end of 2025, corresponding to organic growth of around 8% compared to 2024.

We believe backlog conversion in Specialist Solutions is generally higher than in Total Solutions, as companies in this segment typically act as subcontractors with specialized roles within larger projects. This usually implies shorter project cycles and faster revenue realization. Although segment-level data is limited, this is supported by the fact that around 195% of the 2024 backlog was converted into revenue in 2025.

For 2026, we estimate organic revenue growth of around 5%, supported by the current backlog and continued positive development in the underlying markets in Sweden, Denmark, and Finland. However, we expect growth to be backloaded to the second half of the year, particularly as we anticipate a weak Q1'26 due to weak market conditions and weather-related delays in project starts. Furthermore, the divestment of Alnova in Q4'25, previously part of the segment, is expected to reduce reported growth slightly,

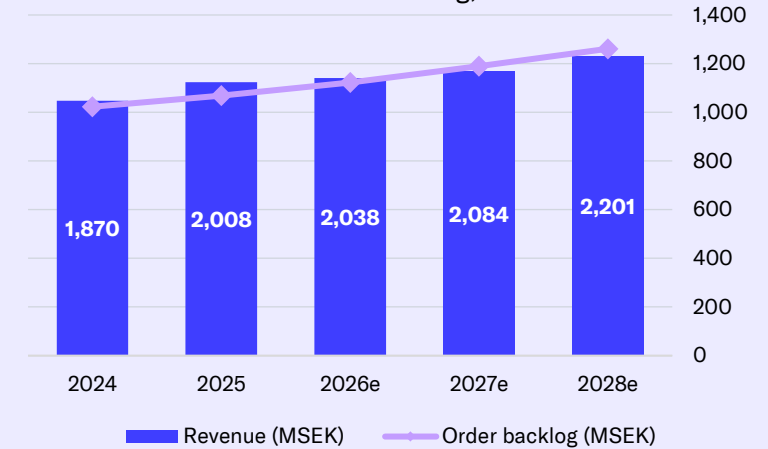
resulting in total growth of around 2% for 2026.

We expect margins to remain on solid levels

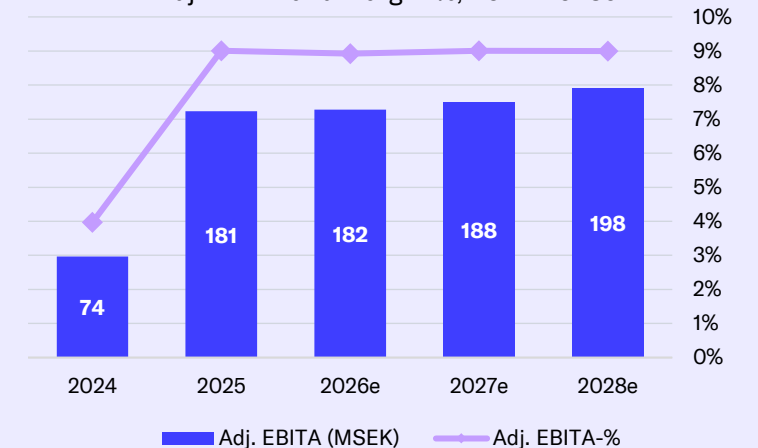
From a profitability perspective, we expect that an improving market environment should gradually ease competitive pressure, enabling better pricing discipline. In addition, higher activity levels are also expected to support capacity utilization, allowing for more efficient absorption of fixed costs and some degree of operational leverage. At the same time, we expect continued wage inflation and general cost increases to partly offset these positive effects. In addition, macroeconomic uncertainty remains a key risk. Ongoing geopolitical tensions, including the conflict in the Middle East, could contribute to renewed inflationary pressures, particularly in energy and material costs. Combined with still relatively weak underlying construction markets, this may put some pressure on the company's ability to sustain the improved margin levels achieved in 2025.

Against this backdrop, we estimate adjusted EBITA of approximately 182 MSEK for Specialist Solutions in 2026, corresponding to an adjusted EBITA margin of around 8.9%.

Specialist Solutions
Revenue and order backlog, 2024-2028e



Specialist Solutions
Adj. EBITA and margin-%, 2024-2028e



Estimates 5/7

Clear Line growth supported by backlog release

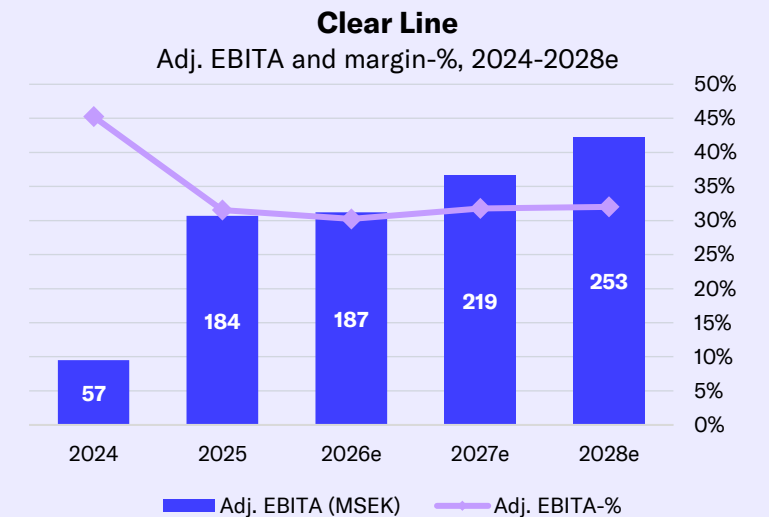
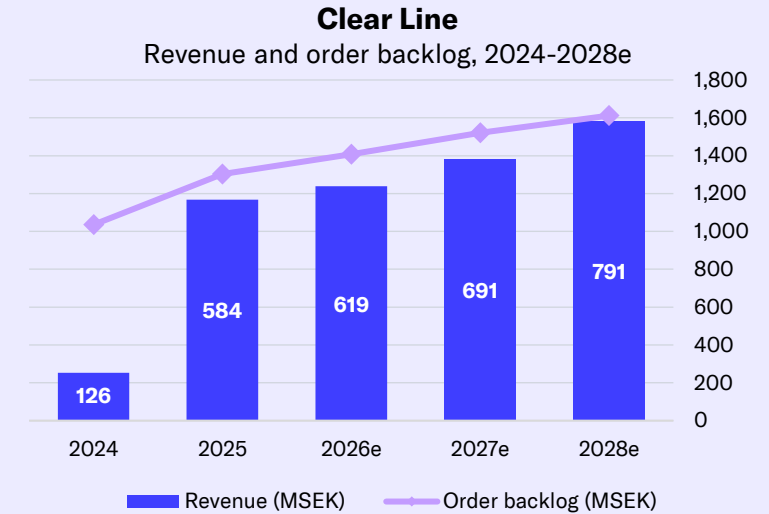
Clear Line was acquired by Fasadgruppen in October 2024 and is reported as a separate segment due to its significant size. At the end of 2025, the order backlog amounted to 1,304 MSEK, corresponding to an increase of around 26% compared to 2024. Backlog conversion, i.e., the share of the 2024 backlog recognized as revenue in 2025, was 56%, significantly below the group average of ~192% (2020–2025). In our view, this lower conversion is partly explained by structural differences in Clear Line’s business model. The company executes larger projects, with average contract values of 60–70 MSEK versus 3-4 MSEK for the rest of the group, resulting in longer durations. In addition, we believe that Clear Line’s full-service, consultancy-led approach further extends timelines. Moreover, project starts have also been delayed by longer BSR approval processes for fire safety in higher-risk UK buildings, creating industry-wide bottlenecks that are expected to ease as regulatory capacity improves.

At the end of 2025, Fasadgruppen announced that approximately 400 MSEK of orders had received approval to start, with the majority expected to be executed in 2026. Including previously approved projects, the company has indicated that around 750 MSEK of the backlog is now cleared for execution. While this provides some indication of revenue potential for 2026, visibility remains limited given the project-based nature of the business and the timing of project execution. Nevertheless, we estimate strong organic revenue growth in H2’26 of around 16–17%, supported by a solid backlog and improved execution. However, we expect weaker performance in H1’26, resulting in full-year revenue of approximately 619 MSEK for FY2026.

From a profitability perspective, we estimate an adjusted EBITA margin of around 30% in 2026. We expect a weaker H1, followed by improvement in H2, driven by gradually increasing volumes and better absorption of fixed costs as project execution ramps up. However, we remain somewhat cautious in our margin assumptions given the uncertainty related to project execution, as well as the broader market environment, where potential inflationary pressures, particularly linked to energy and input cost, could impact profitability. It is also worth noting that the margin profile depends on project phase and mix, which can lead to significant quarterly fluctuations. As a result, we believe forecast risk is high, and outcomes may differ materially from our estimates.

We estimate solid organic growth and steady profitability development at group level

Our revenue estimate for the full year 2026 is 5,488 MSEK, marking a slight growth of around 0.8%. The increase consists of organic growth of 3.3% in local currencies, a negative FX effect of -1.4%, and divested operations of -1.2% (related to Alnova). We forecast Fasadgruppen’s adj. EBITA to be roughly flat compared to 2025 at 447 MSEK in 2026, corresponding to a margin of 8.1%. We estimate that financing costs will decrease due to lower interest rates and reduced debt levels, but we estimate that the tax rate for 2026 will be at its normal level. As a result, we forecast a net result of 230 MSEK for 2026, which corresponds to earnings per share of SEK 2.63. In line with the dividend policy, we do not expect the company to distribute any dividends in 2026, but rather allocate cash towards growth initiatives such as acquisitions.



Estimates 6/7

Estimates for 2027-2029

Over the medium term, we believe Fasadgruppen is well positioned to deliver solid organic growth, supported by efficient project execution, continued investments in fire safety remediation in the UK, increasing demand for energy-efficient renovations, and a more normalized macroeconomic environment in terms of inflation and interest rates. In addition, improved order intake and high backlog conversion, driven by short project cycles, should enable the company to translate a market recovery relatively quickly into revenue growth, in our view. Reflecting this, we forecast organic growth of around 3–6% annually in 2027-2029. In our forecasts, the company does not reach its financial target of at least 15% average annual growth over a business cycle. However, this target includes both organic and inorganic growth, and as previously noted, our estimates do not include future acquisitions, which we view as highly likely in the coming years. In our view, Fasadgruppen has strong prerequisites to achieve its growth target through M&A, supported by solid cash flow generation and good access to external financing.

We expect revenue growth to drive modest operational leverage, with improved activity in Norway, currently a weaker market, contributing positively. While we do not assume immediate, material synergies from recent acquisitions, Fasadgruppen's track record of maintaining high margins and improving the profitability of acquired businesses should support gradual margin expansion over time. Additionally, we expect Clear Line to become an increasingly important contributor to group profitability, given its structurally higher margins driven by a strong focus on consultancy, early project involvement, and niche expertise with relatively lower competitive pressure. As a

result, we forecast Fasadgruppen's EBITA to reach 585 MSEK in 2029, corresponding to an EBITA margin of around 9%, slightly below its long-term target.

Moving further down the income statement, we expect financial costs to remain at a stable level from 2028, but be lower than in 2027, due to expected debt repayments. Furthermore, we expect the tax rate to remain at around 22%. As a result, we forecast EPS to increase from SEK 3.17 per share in 2027 to SEK 4.36 per share in 2029. Given the estimated increase in profitability, strong cash flow, and low investment needs, we anticipate that the company will distribute around 30% of its earnings as dividends from 2028 and onwards. In our view, given the solid balance sheet at that time, there is potential for continued acquisitions or an even larger payout ratio.

Development of cash flow and balance sheet position

Fasadgruppen has low working capital requirements due to its asset-light business model. As a result, net working capital (NWC) has averaged around 1% of revenue over the past five years. With the current business structure, we expect working capital needs to remain low, although we anticipate a slight increase to around 2-3% of revenue over the medium term. This is mainly driven by growth, which is likely to result in larger contracts and more complex projects, typically associated with longer billing cycles. Reflecting this, we forecast cash conversion (operating cash flow/EBITDA) of around 80% in the medium term.

As mentioned earlier, Fasadgruppen's leverage has been elevated in 2024-2025, primarily due to the acquisition of Clear Line, combined with weaker profitability amid challenging market conditions. To address this, the company completed a rights issue raising gross proceeds of

504 MSEK, which reduces leverage (net debt/adj. EBITDA) to around 2.5x on 2025 pro forma figures. Following this, we view the balance sheet as significantly strengthened. Looking ahead, supported by solid earnings growth, we expect net debt/adj. EBITDA to decline further to around 1.4x by 2029. It is important to note that our estimates do not include future acquisitions. However, we believe Fasadgruppen remains well positioned to pursue M&A, supported by its improved financial position. In the absence of larger acquisition opportunities, or if acquisitions are relatively small, we see potential for the company to optimize its capital structure through increased dividend distributions over the medium term.

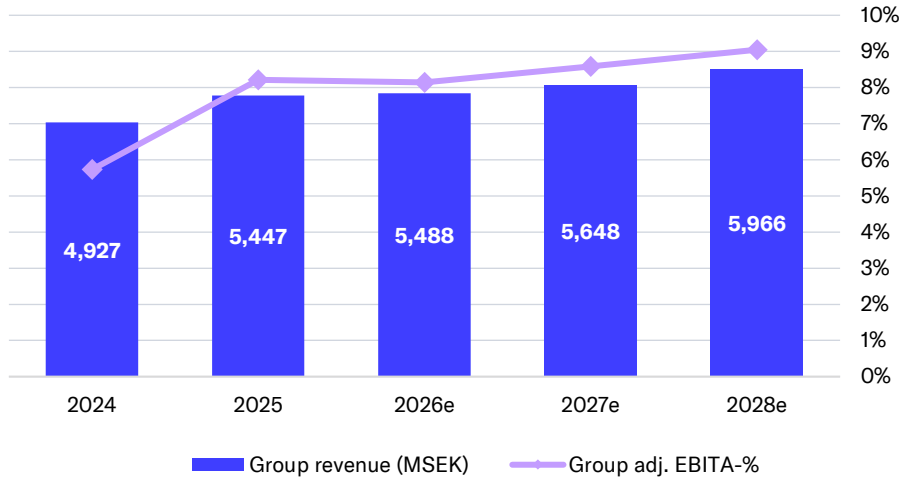
Historically, returns on capital have been somewhat depressed due to the company's acquisition-driven growth strategy, which has resulted in significant goodwill on the balance sheet. In our estimates, Fasadgruppen's ROIC is expected to reach around 10% by 2029, and ROE is projected to be roughly the same. However, both metrics remain broadly in line with the company's cost of capital.

Long-term estimates

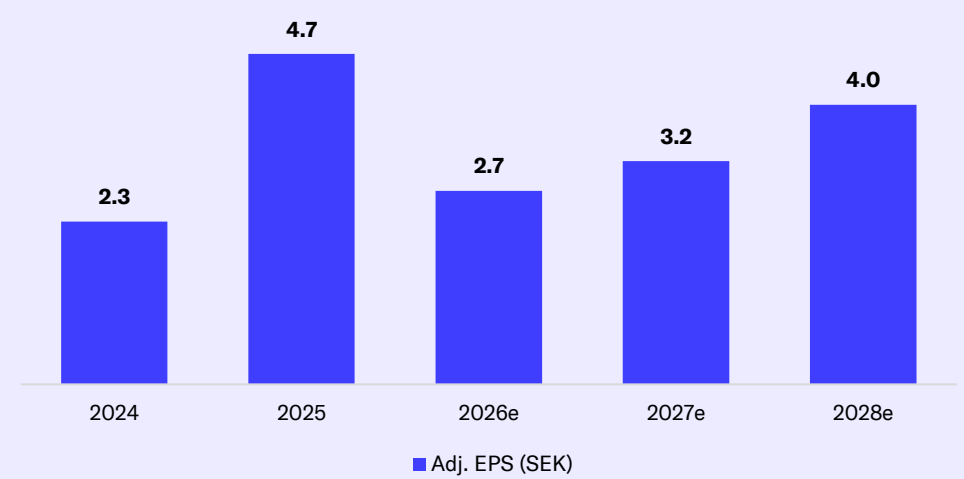
Our long-term growth estimates are based on the market growth we expect, which means they are at 2-3%. We expect Fasadgruppen's EBITA margin to be around 8.5-9% in the same period. This is based on our assessment of the moderate scalability potential in the business model and the profitability potential of the current form of business. However, the Group-level profitability potential depends on the relative share of the different segments, and, for example, stronger-than-expected growth in Clear Line and thus a higher relative share could increase the Group-level profitability potential. On the other hand, for example, heightening competition could lower this potential.

Estimates 7/7

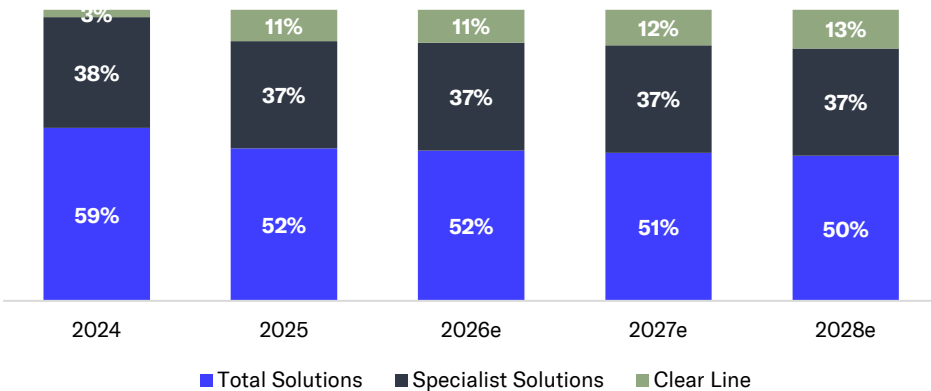
Group revenue and adj. EBITA
2024-2028e



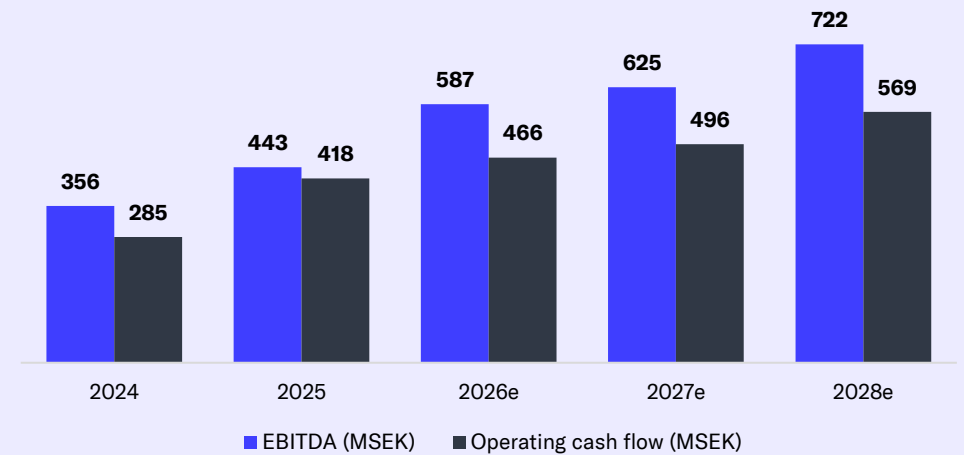
Earnings per share development
2024-2028e



Business segment, share of revenue-%
-% as of total revenue, 2024-2028e



Cash flow development
EBITDA and OCF, 2024-2028e



Source: Inderes, Fasadgruppen

Income statement

Income statement	2023	2024	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	5110	4927	5447	1010	1456	1474	1549	5488	5648	5966	6326
Total Solutions	0.0	2930	2855	492	711	762	866	2831	2873	2974	3122
Specialist Solutions	0.0	1870	2008	374	558	548	557	2038	2084	2201	2333
Clear Line	0.0	126	584	143	187	163	125	619	691	791	870
EBITDA	523	356	444	49.6	173	195	170	587	625	722	783
Depreciation	-119.3	-189.7	-364.0	-40.0	-40.0	-35.0	-35.0	-150.0	-140.0	-182.6	-197.8
Adj. EBITA	448	282	448	14.6	138	160	135	447	485	540	585
EBIT	404	166	79.7	9.6	133	160	135	437	485	540	585
Net financial items	-102.0	-127.8	-161.3	-35.6	-35.6	-35.6	-35.6	-142.5	-130.6	-96.0	-96.8
PTP	302	38.2	-81.6	-26.0	97.5	124	99.0	294	354	444	488
Taxes	-82.7	-37.8	-34.6	5.7	-21.4	-27.3	-21.8	-64.8	-77.9	-97.6	-107.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	219	0.4	-116.2	-20.3	76.0	96.7	77.2	230	276	346	381
EPS (adj.)	5.31	2.31	4.68	-0.18	0.93	1.11	0.88	2.75	3.17	3.96	4.36
EPS (rep.)	4.42	0.01	-2.16	-0.23	0.87	1.11	0.88	2.63	3.17	3.96	4.36

Key figures	2023	2024	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	12.4 %	-3.6 %	10.6 %	-13.9 %	1.5 %	6.7 %	6.2 %	0.8 %	2.9 %	5.6 %	6.0 %
Adjusted EBIT growth-%		-37.0 %	58.5 %	-81.0 %	4.5 %	16.9 %	31.6 %	-0.1 %	8.5 %	11.3 %	8.4 %
EBITDA-%	10.2 %	7.2 %	8.1 %	4.9 %	11.9 %	13.2 %	11.0 %	10.7 %	11.1 %	12.1 %	12.4 %
Adj. EBITA-%	8.8 %	5.7 %	8.2 %	1.4 %	9.5 %	10.8 %	8.7 %	8.1 %	8.6 %	9.0 %	9.3 %
Net earnings-%	4.3 %	0.0 %	-2.1 %	-2.0 %	5.2 %	6.6 %	5.0 %	4.2 %	4.9 %	5.8 %	6.0 %

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	5447	4914	4964	5034	5072
Goodwill	4342	4012	4012	4012	4012
Intangible assets	709	532	522	522	522
Tangible assets	362	327	387	457	494
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	4.1	4.1	4.1	4.1	4.1
Deferred tax assets	30.4	39.9	39.9	39.9	39.9
Current assets	1616	1490	1563	1647	1982
Inventories	33.7	23.8	27.4	28.2	29.8
Other current assets	114	53.8	53.8	53.8	53.8
Receivables	986	989	1043	1073	1133
Cash and equivalents	482	424	439	492	765
Balance sheet total	7063	6404	6527	6681	7055

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	2334	2044	2777	3054	3400
Share capital	2.7	2.7	4.4	4.4	4.4
Retained earnings	-57.3	-194.2	35.4	312	658
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	2387	2224	2726	2726	2726
Minorities	2.0	12.0	12.0	12.0	12.0
Non-current liabilities	3408	3112	2580	2475	2475
Deferred tax liabilities	240	181	181	181	181
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	2384	2137	1605	1500	1500
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	784	794	794	794	794
Current liabilities	1321	1248	1170	1153	1180
Interest bearing debt	240	237	126	100.0	100.0
Payables	526	569	604	633	680
Other current liabilities	554	442	440	420	400
Balance sheet total	7063	6404	6527	6681	7055

Valuation 1/4

We approach the valuation on an earnings basis

We prefer earnings-based multiples in our valuation for Fasadgruppen. In our view, the most suitable earnings multiples are the net profit-based adjusted P/E ratio and EV/EBITA ratios adjusted by PPA depreciation and IFRS 16 liabilities, which better reflect the company's balance sheet structure, and we examine them in absolute terms. In relative valuation, we primarily use the EV/EBITDA ratio due to its better comparability. We primarily examine the valuation using 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 of inorganic growth, which is why we believe they are best suited to value the current business mix. We feel the share's valuation relative to the justified valuation level of the current business entity reflects the extent to which the valuation relies on the potential value creation of future M&A transactions. In simple terms, if the share is priced through the current business's earnings performance, the investor gets the value creation potential of inorganic growth "for free". On the other hand, the more the valuation rises above the earnings potential of the current business, the more risk the investor bears as to how successful the allocation of capital to acquisitions will be in the future.

We believe that the pursuit of inorganic growth is the priority in capital allocation and, therefore, we feel dividends should not be a component that supports the expected return, at least not in the near term.

Factors influencing valuation

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

Growth and capital allocation: We believe that Fasadgruppen's key value driver is growth through M&A transactions, i.e., capital reallocation. In light of the company's historical track record, we consider the capital reallocation to have been largely successful. As we do not model acquisitions, we take them into account as part of our valuation and view.

Strong long-term demand drivers: We see solid underlying market drivers, including an aging building stock that supports renovation demand, tightening energy efficiency regulations, and ongoing investment in fire safety remediation in the UK, all of which help mitigate cyclical downside risk.

Good cash flow profile and low capital intensity: Fasadgruppen's operating cash flow has historically been strong, reflecting favorable changes in working capital and low capital requirements due to the group's asset-light business model.

Competitive advantages: 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 the industry average, considering that the average is primarily made up of very small players.

Valuation	2026e	2027e	2028e
Share price	20.2	20.2	20.2
Number of shares, millions	87.3	87.3	87.3
Market cap	1759	1759	1759
EV	3059	2874	2600
P/E (adj.)	7.3	6.4	5.1
P/E	7.7	6.4	5.1
P/B	0.6	0.6	0.5
P/S	0.3	0.3	0.3
EV/Sales	0.6	0.5	0.4
EV/EBITDA	5.2	4.6	3.6
EV/EBIT (adj.)	6.8	5.9	4.8
Payout ratio (%)	0.0 %	0.0 %	30.0 %
Dividend yield-%	0.0 %	0.0 %	5.9 %

Source: Inderes

Valuation 2/4

Overview of peer group

To our knowledge, there are no other publicly listed companies focused specifically on exterior property work, primarily facades, while also pursuing a continuous acquisition strategy. We have therefore compiled a peer group primarily consisting of acquisition-driven companies operating in similar or adjacent service sectors, which we consider the most comparable to Fasadgruppen due to similarities in cost structures, margin profiles, and value creation driven by capital allocation to inorganic growth. In addition, we include traditional construction companies to provide a more balanced and representative view of the company's valuation landscape. While these peers differ in focus, size, and geographic exposure, we believe that their personnel-intensive operations and broadly comparable profitability levels offer useful additional context.

Peer group valuation

Over the past five years, Fasadgruppen has, on average, traded at a discount of around 5-10% compared to peers on earnings-based multiples. In our view, such a discount is not unreasonable given the company's relatively higher leverage, shorter track record, broadly in-line returns on capital, and comparable organic growth.

In our view, valuation multiples for Fasadgruppen and its acquisition-driven peers were elevated during 2021-2022, largely supported by a low-interest rate environment that enabled premium pricing for acquisitive business models. Since then, multiples have moderated sharply as interest rates increased and financing conditions tightened, particularly impacting acquisition-driven business models. While interest rates have declined from their peak in 2023, the broader market environment remains uncertain, and end markets, especially construction, are still relatively

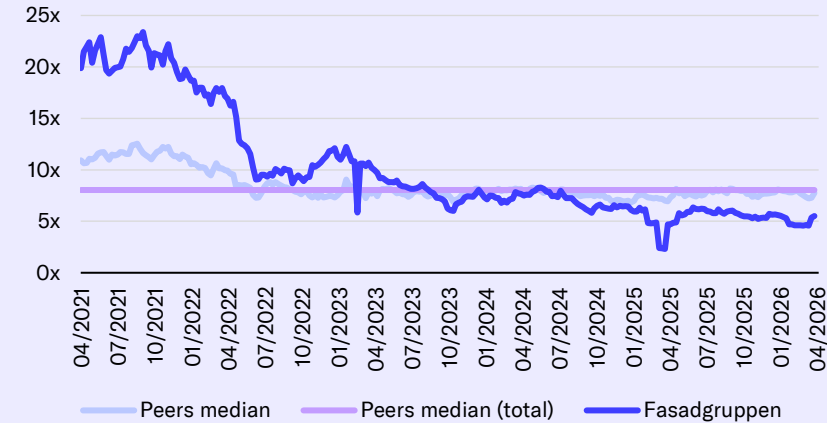
weak. Although an improvement in macroeconomic conditions and improved construction activity could support higher valuation multiples over time, we believe that, in the current environment, anchoring valuation to 5-year historical median levels represents a balanced and reasonable approach.

Looking ahead, the broader peer group trades at median multiples of approximately 8-7x EV/EBITDA and 13-11x P/E for 2026-2027, broadly in line with 5-year historical averages. However, based on these forward-looking multiples, Fasadgruppen is currently trading at a steep discount of around 40% relative to peers. In our view, this appears to be an excessive discount, given that we expect the company to show similar growth in the coming years with higher margins and broadly comparable returns on invested capital. Even when applying a discount in line with historical levels, the current valuation suggests meaningful upside potential from a relative perspective.

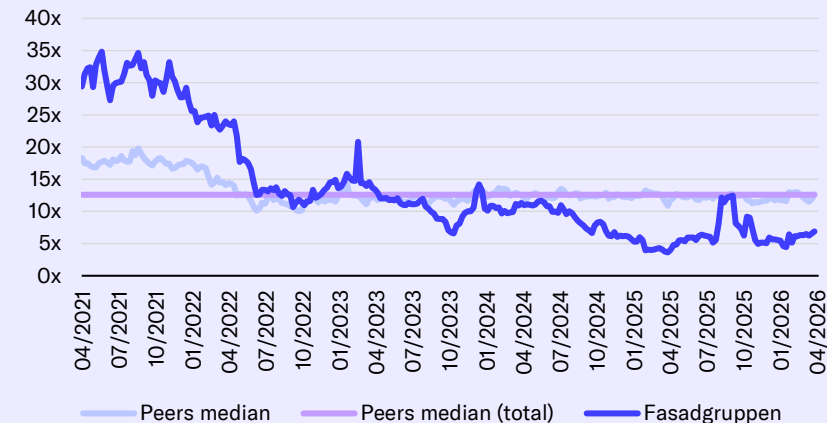
Total expected return

We forecast Fasadgruppen's adjusted earnings to grow at a CAGR of approximately 10% over 2025-2028e, driven by solid organic growth and a gradual margin recovery. As earnings increase, this will put downward pressure on valuation multiples in the coming years, meaning that earnings growth itself is expected to be a key driver of returns. The adjusted P/E multiples for 2026 and 2027, incorporating earnings growth, are 7x and 6x, respectively, while the corresponding adjusted EV/EBITDA multiples are 6x and 5x. Looking ahead to 2028, the corresponding multiples decline further to around 4-5x due to continued solid earnings growth. However, forecast risks also increase at this stage.

Historical trading multiples
EV/EBITDA (NTM), 2021-2026

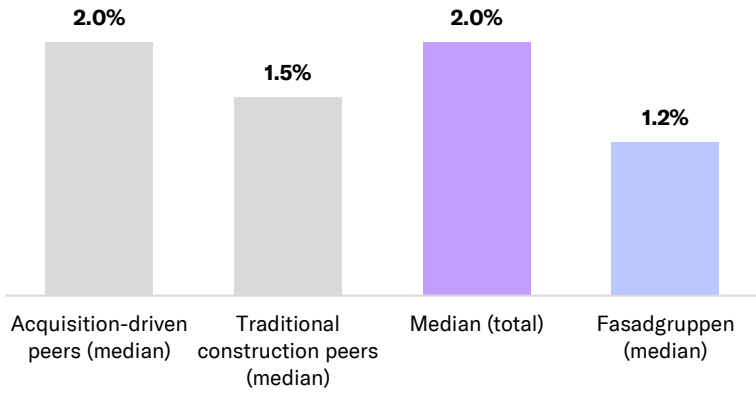


Historical trading multiples
P/E (NTM), 2021-2026

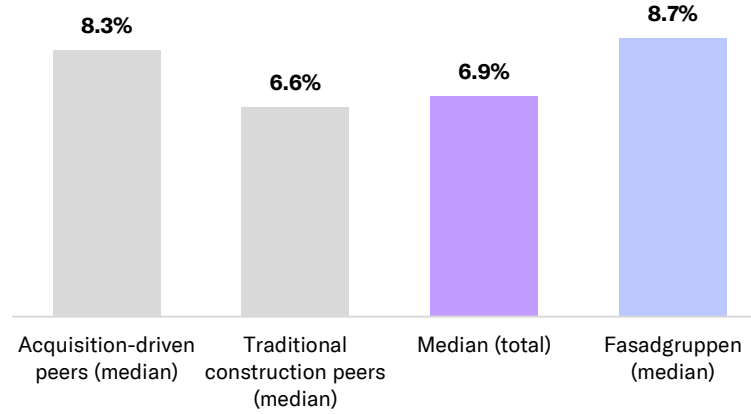


Valuation 3/4

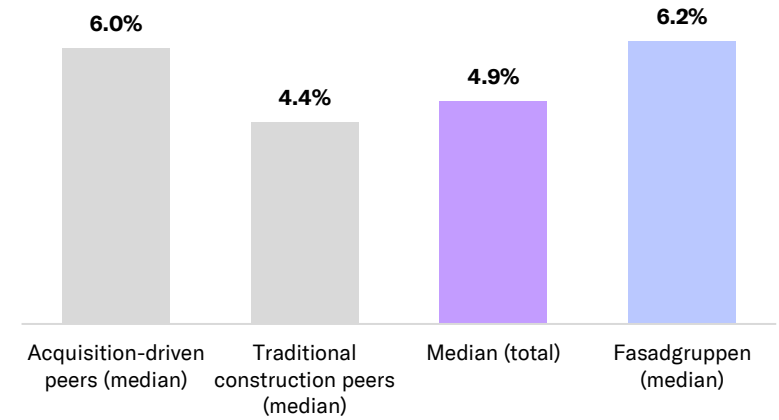
Organic revenue growth, 5Y
2020-2025



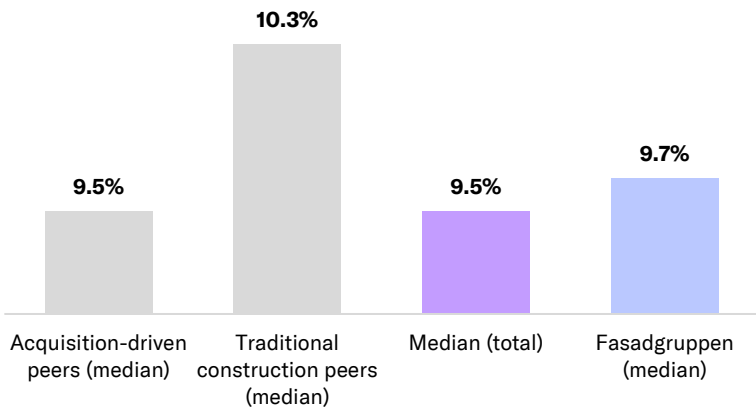
EBITDA-%, 5Y
2020-2025



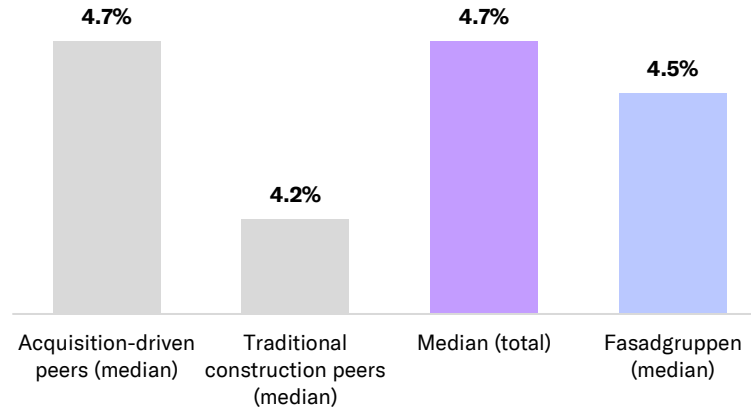
EBIT-%, 5Y
2020-2025



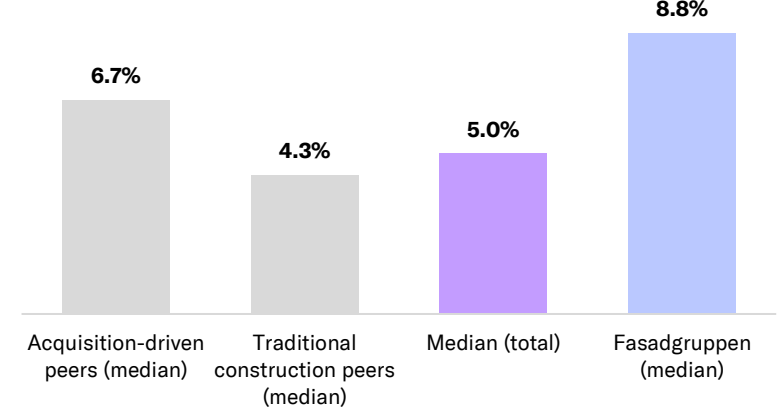
Average ROIC-%, 5Y
2020-2025



Estimated revenue growth
2026-2028e



Estimated EBIT-%
2026-2028e



Valuation 4/4

In our view, Fasadgruppen's valuation levels are low relative to its earnings and return on capital potential, as well as the broader market valuation environment. On this basis, we see upside in the stock from an absolute valuation perspective. As we expect cash flow to be primarily allocated to inorganic growth opportunities, we do not anticipate meaningful support from dividend yield in the near term. Overall, the expected return, driven mainly by earnings growth and an upside in the valuation, is well above the required return. Importantly, achieving a solid return does not depend on successful capital allocation to acquisitions, although effective deployment of capital could further enhance returns. Taking these factors into account, we view the stock's risk/reward profile as attractive.

DCF model

The DCF model ignores the value creation potential of inorganic growth and therefore primarily serves as a valuation benchmark for the current business structure. We estimate a steady growth and margin during 2026-2029, which then narrows towards the 2% growth and 8.5% 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, although the impact is quite moderate due to the company's small lease liabilities.

We have used a rather high cost of capital (WACC 9.8%), as forecast risks are elevated. 55% of the value of the model consists of the terminal, which we consider an acceptable level. Based on these assumptions, our DCF model arrives at an EV of 4,277 MSEK, which translates into an equity

value of 2,498 MSEK, or SEK 28.6 per share. Therefore, also in the context of the DCF, the current valuation suggests a solid upside potential.

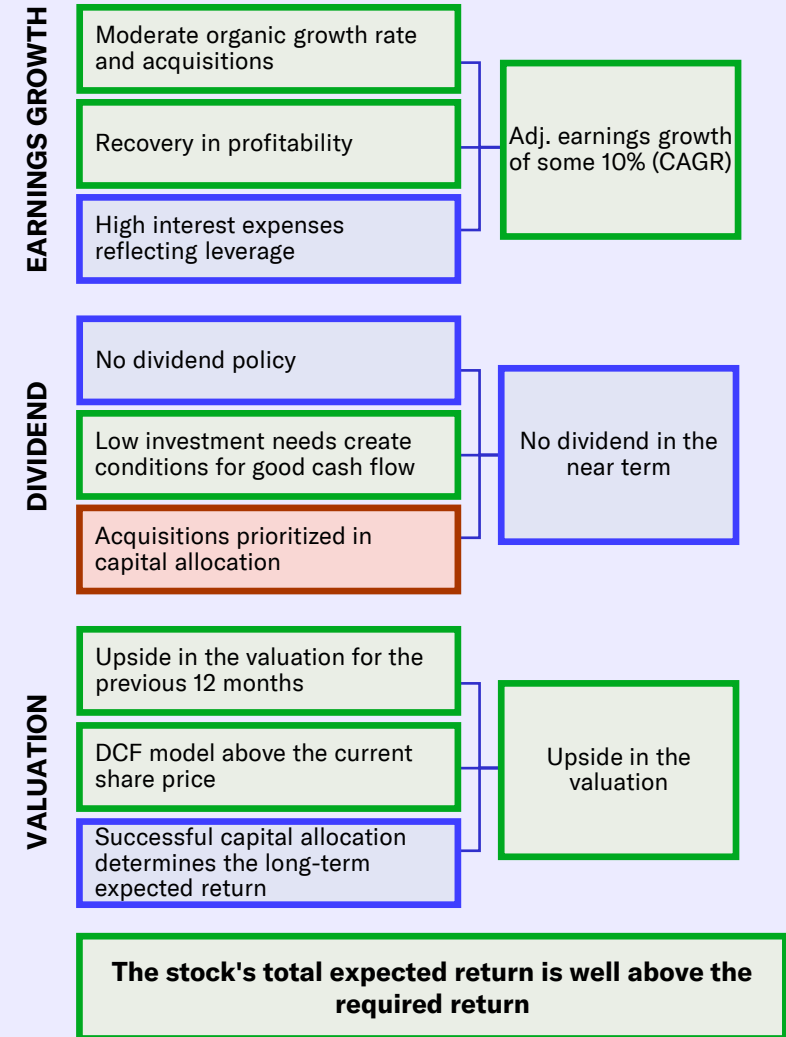
Target price and investment view

We believe that the fair value of the share is SEK 26-32, supported by a combination of earnings multiples (adj. EV/EBITA ~8-9x, adj. P/E ~10-12x), which are based on the company's historical valuation and peers, as well as our DCF value. Given the uncertain market environment, limited visibility in the ongoing turnaround, and the decline in return on capital in recent years, which increases the risk related to future capital allocation, we lean towards the lower end of our valuation range. As such, we initiate coverage on Fasadgruppen with a target price of SEK 26 per share and a Buy recommendation.

In our view, the current valuation is very attractive, as supported by all applied valuation methods. Furthermore, the cash injection from the rights issue in early 2026 reduces the company's financial risk by lowering leverage. We believe that the key question for the investment case and expected return is the company's normal margin level. This is closely linked to the risk profile, as both debt capacity and financial risk depend on earnings and cash flow generation. In addition, the fair value is highly dependent on returns on capital allocation. Higher returns on acquisition-driven investments will increase shareholder value, while returns below our required rate will have the opposite effect. As we expect the company to remain active in capital allocation, the development of shareholder value will largely depend on the success of these investments.

Total shareholder return drivers 2025-2028e

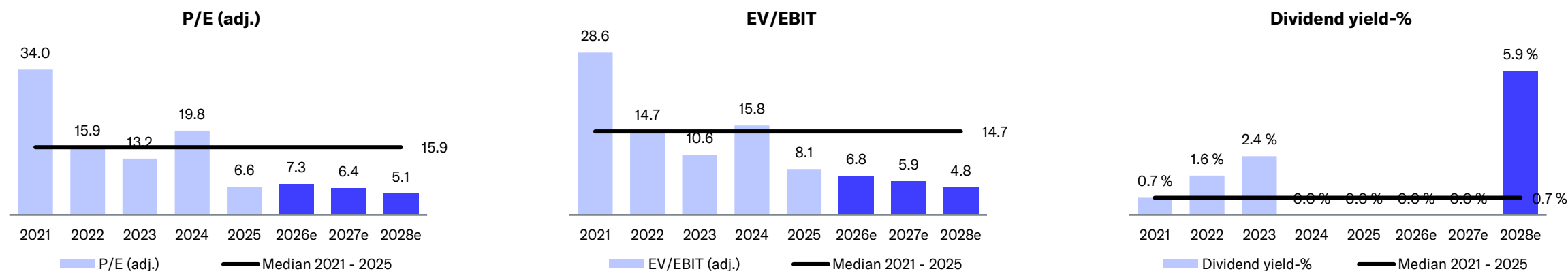
■ Positive
 ■ Neutral
 ■ Negative



Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	170.0	104.8	70.3	45.7	31.0	20.2	20.2	20.2	20.2
Number of shares, millions	45.4	48.4	49.6	50.6	53.7	87.3	87.3	87.3	87.3
Market cap	7712	5068	3488	2311	1663	1759	1759	1759	1759
EV	8598	6343	4728	4454	3623	3059	2874	2600	2887
P/E (adj.)	34.0	15.9	13.2	19.8	6.6	7.3	6.4	5.1	4.6
P/E	41.5	18.6	15.9	>100	neg.	7.7	6.4	5.1	4.6
P/B	6.1	2.4	1.6	1.0	0.8	0.6	0.6	0.5	0.5
P/S	2.9	1.1	0.7	0.5	0.3	0.3	0.3	0.3	0.3
EV/Sales	3.2	1.4	0.9	0.9	0.7	0.6	0.5	0.4	0.5
EV/EBITDA	25.7	12.6	9.0	12.5	8.2	5.2	4.6	3.6	3.7
EV/EBIT (adj.)	28.6	14.7	10.6	15.8	8.1	6.8	5.9	4.8	4.9
Payout ratio (%)	29.3 %	30.2 %	38.5 %	0.0 %	0.0 %	0.0 %	0.0 %	30.0 %	30.0 %
Dividend yield-%	0.7 %	1.6 %	2.4 %	0.0 %	0.0 %	0.0 %	0.0 %	5.9 %	6.5 %

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.

Peer group valuation

Peer group valuation Company	Market cap MSEK	EV MSEK	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Bravida	1766	2010	12.3	11.0	9.0	8.3	0.8	0.7	14.3	12.7	4.3	4.5	2.0
Instalco	937	1269	15.3	12.7	9.6	8.5	1.0	0.9	15.8	12.7	2.0	2.5	2.8
Green Landscaping	169	401	9.6	8.7	5.0	4.7	0.7	0.6	7.9	6.6			0.9
Balco	30	65	23.6	8.3	9.1	5.3	0.5	0.5	13.0	4.8		7.1	0.4
Consti	94	87	8.7	7.0	6.5	5.3	0.3	0.2	12.7	9.6	6.3	6.5	2.0
Peab	2412	3195	11.5	10.5	7.5	7.1	0.6	0.5	11.2	10.1	4.6	5.0	1.4
NCC	1846	2063	10.7	9.8	6.5	6.0	0.4	0.4	12.0	10.7	5.1	5.6	2.2
Skanska	9544	8454	11.5	10.2	8.9	8.1	0.5	0.5	15.1	13.5	4.0	4.4	1.6
Veidekke	2305	2057	11.4	10.6	7.2	6.8	0.5	0.5	16.2	15.1	6.1	6.3	6.8
Fasadgruppen (Inderes)	1759	3059	6.8	5.9	5.2	4.6	0.6	0.5	7.3	6.4	0.0	0.0	0.6
Average			12.7	9.9	7.7	6.7	0.6	0.5	13.1	10.6	4.6	5.2	2.2
Median			11.5	10.2	7.5	6.8	0.5	0.5	13.0	10.7	4.6	5.3	2.0
Diff-% to median			-40%	-42%	-31%	-32%	5%	0%	-44%	-40%	-100%	-100%	-68%

Source: Refinitiv / Inderes

DCF-calculation

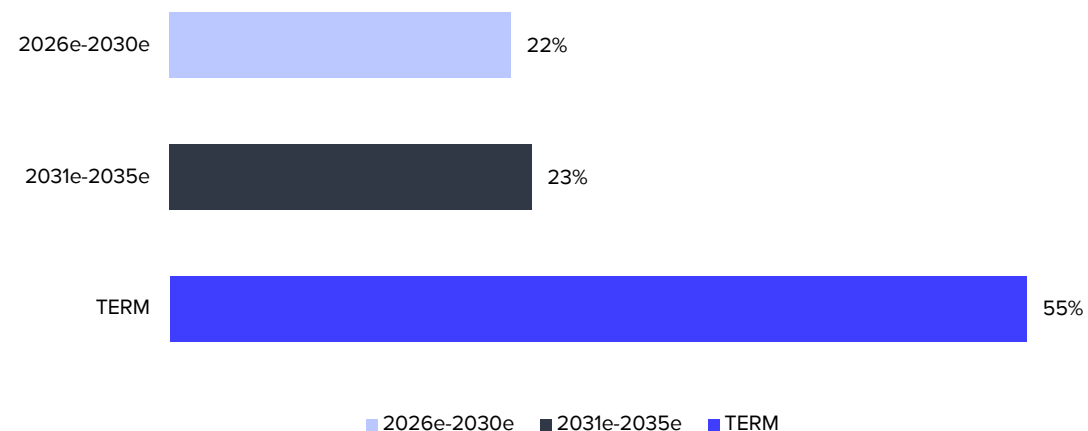
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	10.6 %	0.8 %	2.9 %	5.6 %	6.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	1.5 %	8.0 %	8.6 %	9.0 %	9.3 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %	8.5 %
EBIT (operating profit)	79.7	437	485	540	585	548	559	571	582	594	606	
+ Depreciation	364	150	140	183	198	211	224	237	249	262	275	
- Paid taxes	-103.1	-64.8	-77.9	-97.6	-107.4	-99.4	-102.0	-104.4	-106.9	-109.5	-112.1	
- Tax, financial expenses	-35.5	-31.3	-28.7	-21.1	-21.3	-21.3	-21.1	-21.1	-21.1	-21.1	-21.1	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-2.0	-25.1	-22.3	-34.4	-36.5	-17.1	-16.8	-29.9	-30.1	-10.3	-10.5	
Operating cash flow	303	466	496	569	618	622	644	652	673	715	737	
+ Change in other long-term liabilities	9.9	0.0	0.0	0.0	-694.2	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	178	-200.0	-210.0	-220.5	-31.5	-243.1	-255.3	-268.0	-281.4	-295.5	-295.5	
Free operating cash flow	491	266	286	349	-108.0	379	388	384	392	419	442	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	491	266	286	349	-108.0	379	388	384	392	419	442	5789
Discounted FCFF		250	245	272	-76.7	245	229	206	192	187	179	2349
Sum of FCFF present value		4277	4027	3782	3510	3587	3342	3113	2907	2715	2528	2349
Enterprise value DCF		4277										
- Interest bearing debt		-2194.2										
+ Cash and cash equivalents		424										
+ Associated companies		0.0										
-Minorities		-7.6										
-Dividend/capital return		0.0										
Equity value DCF		2498										
Equity value DCF per share		28.6										

WACC

Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	9.0 %
Equity Beta	1.30
Market risk premium	4.75%
Liquidity premium	1.80%
Risk free interest rate	2.5 %
Cost of equity	10.5 %
Weighted average cost of capital (WACC)	9.8 %

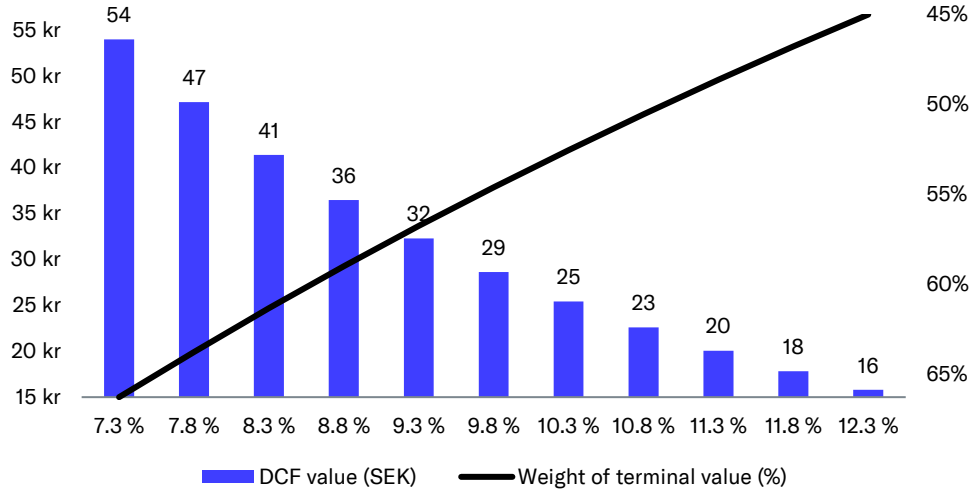
Source: Inderes

Cash flow distribution

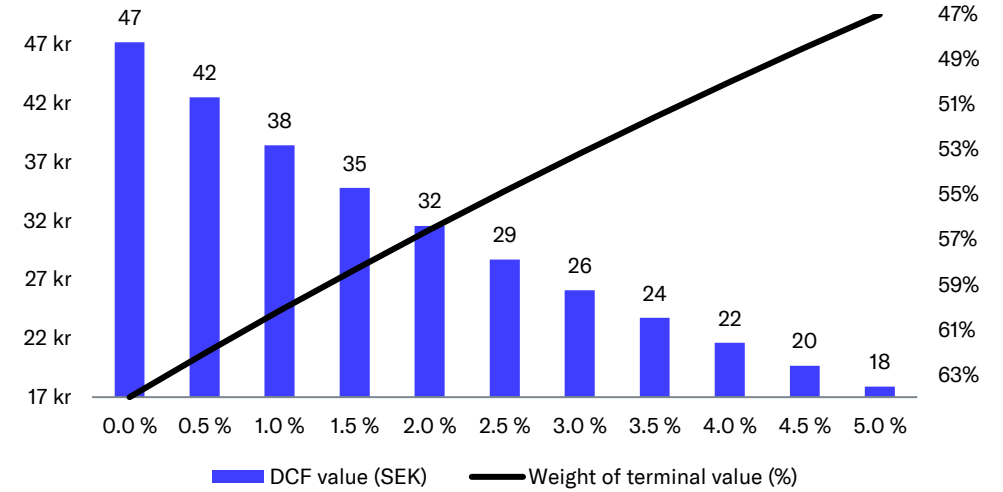


DCF sensitivity calculations and key assumptions in graphs

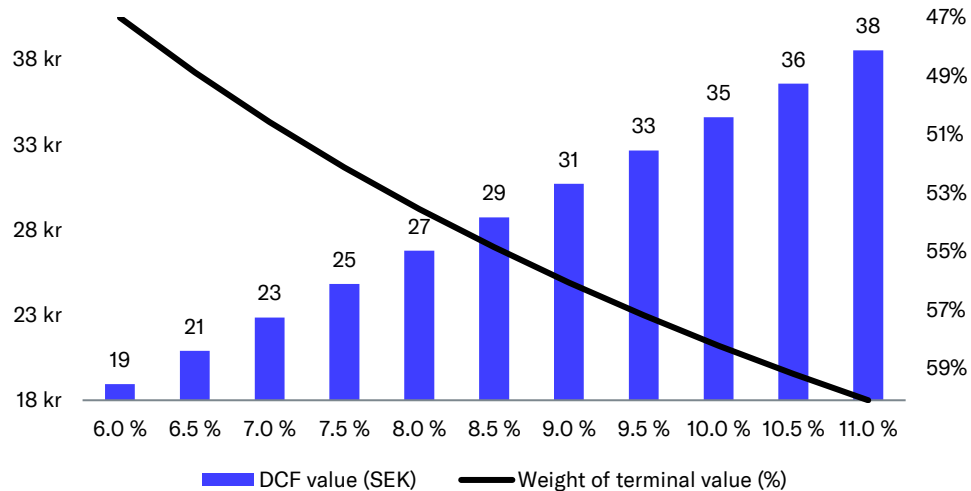
Sensitivity of DCF to changes in the WACC-%



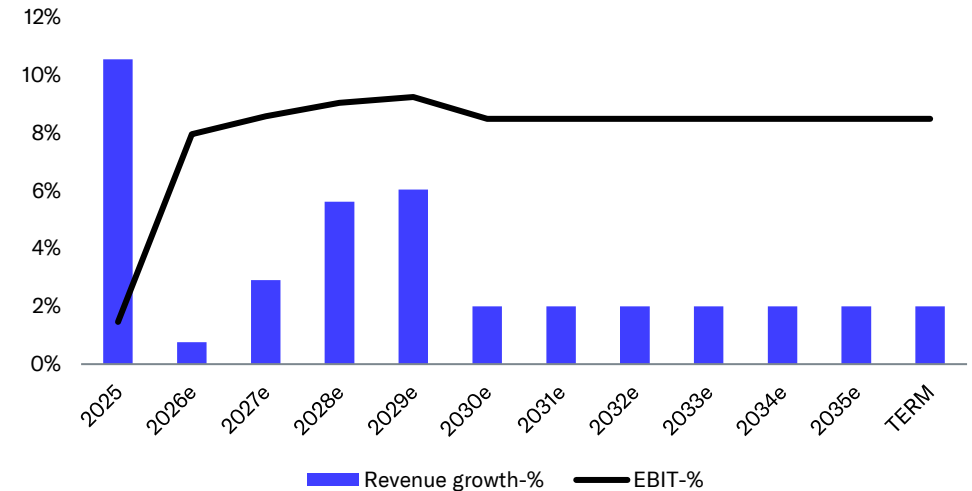
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	5109.6	4926.9	5446.8	5487.9	5647.8	EPS (reported)	4.42	0.01	-2.16	2.63	3.17
EBITDA	523.1	355.7	443.7	586.9	624.9	EPS (adj.)	5.31	2.31	4.68	2.75	3.17
EBIT	403.8	166.0	79.7	436.9	484.9	OCF / share	10.71	6.69	5.64	5.33	5.68
PTP	301.8	38.2	-81.6	294.4	354.3	OFCF / share	4.79	-18.86	9.14	3.04	3.28
Net Income	219.1	0.4	-116.2	229.6	276.3	Book value / share	43.98	46.13	37.83	31.68	34.85
Extraordinary items	-44.3	-116.4	-367.8	-10.0	0.0	Dividend / share	1.70	0.00	0.00	0.00	0.00
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	5212.0	7063.0	6404.2	6527.4	6681.2	Revenue growth-%	12%	-4%	11%	1%	3%
Equity capital	2182.3	2334.4	2044.1	2777.3	3053.7	EBITDA growth-%	4%	-32%	25%	32%	6%
Goodwill	2917.3	4341.6	4012.2	4012.2	4012.2	EBIT (adj.) growth-%	4%	-37%	58%	0%	9%
Net debt	1240.2	2141.6	1950.6	1292.4	1108.4	EPS (adj.) growth-%	-20%	-56%	103%	-41%	15%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	10.2 %	7.2 %	8.1 %	10.7 %	11.1 %
EBITDA	523.1	355.7	443.7	586.9	624.9	EBIT (adj.)-%	8.8 %	5.7 %	8.2 %	8.1 %	8.6 %
Change in working capital	99.7	-19.4	-2.0	-25.1	-22.3	EBIT-%	7.9 %	3.4 %	1.5 %	8.0 %	8.6 %
Operating cash flow	531.3	338.4	303.1	465.7	495.9	ROE-%	10.3 %	0.0 %	-5.3 %	9.6 %	9.5 %
CAPEX	-234.6	-1937.2	177.9	-200.0	-210.0	ROI-%	10.5 %	3.8 %	1.7 %	9.8 %	10.6 %
Free cash flow	237.5	-953.4	490.9	265.7	285.9	Equity ratio	41.9 %	33.1 %	31.9 %	42.5 %	45.7 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	56.8 %	91.7 %	95.4 %	46.5 %	36.3 %
EV/S	0.9	0.9	0.7	0.6	0.5	Net debt/EBITDA	2.4	6.0	4.4	2.2	1.8
EV/EBITDA	9.0	12.5	8.2	5.2	4.6	EBITDA/net financials	5.1	2.8	2.8	4.1	4.8
EV/EBIT (adj.)	10.6	15.8	8.1	6.8	5.9						
P/E (adj.)	13.2	19.8	6.6	7.3	6.4						
P/B	1.6	1.0	0.8	0.6	0.6						
Dividend-%	2.4 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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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
2026-05-04	Buy	26.00 kr	20.15 kr



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