Corporate Research

Careium

NOT TO BE DISTRIBUTED IN, OR TAKEN OR TRANSMITTED INTO, THE UNITED STATES, CANADA, JAPAN, AUSTRALIA OR IN ANY OTHER JURISDICTION WHERE TO DO SO WOULD BE UNLAWFUL.

Initiation of Coverage | IT/Technology | Sweden | 07 November 2024

Taking care of business

Careium sells technology-enabled care solutions that improve wellbeing and the cost-effectiveness of care. Based on its product suite, the business focuses on services with >70% recurring revenue. As one of the leaders in a growing but fragmented European market, we see the potential for organic growth and forecast a 2023-26 CAGR of 8% for sales and 21% for EBIT. The shares trade at a 2025E EV/EBITA of 9x. Our fair value range is SEK 41-47.

Key Data (2024E)

Price (SEK)	33.20
Reuters	CARE.ST
Bloomberg	CARE SS
Market cap (SEKm)	808
Market cap (USDm)	74
Net debt (SEKm)	149
Net gearing	23%
Net debt/EBITDA (x)	1.0
Shares fully dil. (m)	24.3
Avg daily turnover (m)	0.9
Free float	65%

A market leader with attractive fundamentals

Careium specialises in technology-enabled care solutions that increase the safety and wellbeing of the elderly. It provides alarm services for 350k individuals across the Nordics, the UK and the Netherlands, contributing to it having >70% of sales coming from recurring services. Careium is one of the leaders in a fragmented European market, which we expect to grow by 8% p.a. in 2023-28, supported by factors such as demographical tailwinds and the need for cost-effective care. Careium was spun out of Doro in late 2021; in 2019-LTM Q3/24, it posted a CAGR of 6% for organic revenue and 30% for EBIT.

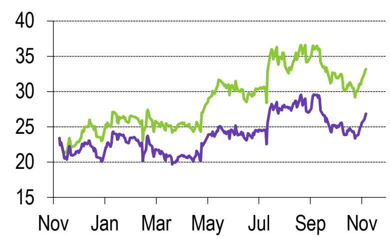
Multiple drivers supporting 8/21% sales/EBIT CAGR in 2023-26E

Supported by its strong product offering and well invested technology platform, we expect Careium to continue to take market share in the countries that it operates in. In Europe, its market share in services is only 7%, but it is c. 40% in Sweden and Norway. We see further potential from growing product sales across Europe, supporting a 2023-26E sales CAGR of 8%. We estimate modest expansion in the EBIT margin, reaching 10.6% in 2026E, leading to an EBIT CAGR of 21% in 2023-26E. In addition, we see the potential for bolt-on M&A, something there is room for given a Q3/LTM ND/EBITDA of 1.3x.

DCF-based fair value range of SEK 41-47

Careium trades at a 2024E-25E EV/EBITA of 9-12x. With technology peers trading richer, multiples could expand as it builds a track record.

Share Price (12M)



Absolute (green) / Relative to Sweden (purple).

Financials (SEK)

Year end: Dec	2022	2023	2024E	2025E	2026E
Revenues (m)	725	825	862	959	1,048
Adj. EBIT	(10)	59	75	90	105
Pre-tax profit (m)	(15)	53	65	79	98
EPS	(0.47)	1.56	2.06	2.42	3.00
Adj. EPS	0.06	2.10	2.35	2.68	3.26
DPS	0.00	0.00	0.00	0.00	0.00
Revenue growth (%)	23.4	13.7	4.5	11.3	9.3
Adj. EBIT growth (%)	n.m.	n.m.	26.0	20.9	16.0
Adj. EPS growth (%)	(90.9)	n.m.	11.5	14.1	21.7
Adj. EBIT margin (%)	(1.4)	7.2	8.7	9.4	10.0
ROE (%)	(2.0)	6.5	8.0	8.7	9.8
ROCE (%)	(1.2)	7.2	8.9	10.1	10.9
PER (x)	139.0	11.0	14.2	12.4	10.2
Free cash flow yield (%)	(49.2)	8.2	4.0	6.0	8.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
P/BV (x)	0.38	0.94	1.24	1.14	1.03
EV/Sales (x)	0.61	0.90	1.11	0.95	0.80
EV/Adj. EBITDA (x)	6.9	5.4	6.7	5.4	4.5
EV/Adj. EBIT (x)	(43.6)	12.5	12.8	10.0	8.0
EV/Adj. EBITA (x)	60.1	9.7	11.4	9.2	7.5
Net debt/EBITDA (x)	3.89	1.31	1.05	0.60	0.19

Source for all data on this page: SEB (estimates) and Millistream/Thomson Reuters (prices)

Marketing communication commissioned by: Careium

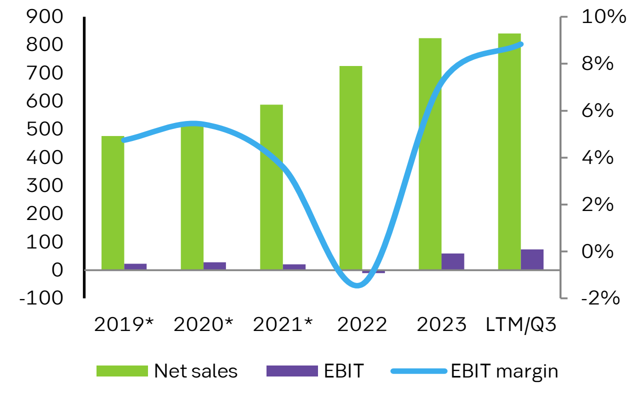
Contents

Executive summary

A niche company with attractive fundamentals

Careium specialises in technology enabled care solutions, focusing on social alarm services for seniors. Its equipment is installed in customers' homes and connected to Careium's alarm centres, through which it serves some 350k seniors and handles about 25k alarms daily. This service model provides a stable, recurring revenue stream, with services contributing over 70% of sales in 2023. Careium also sells products, both as a prerequisite for its alarm services and as standalone offering in markets where it does not provide services today. In 2023, the Nordics was the largest market (47% of sales), followed by the UK and Ireland (39%), the Netherlands (8%), and other markets (6%). Careium was spun out of Doro in late 2021 and during 2019-LTM Q3/24 it achieved a CAGR in organic revenue growth of 6% and in EBIT of 30%. Following the spin-off, Careium's faced profitability issues, but it has undergone successful restructuring and as of LTM Q3/24 the group EBIT margin recovered to 9%.

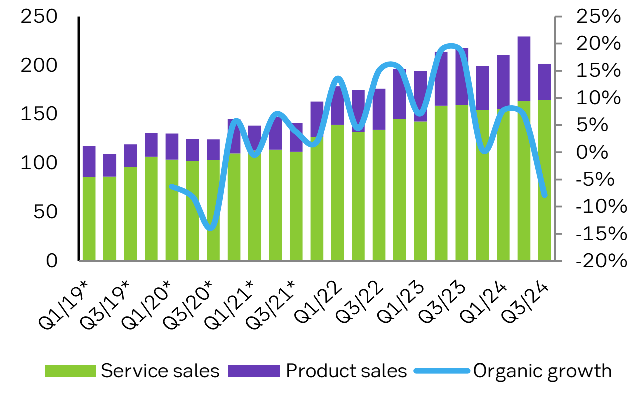
Net sales, EBIT (SEKm) and EBIT margin



*as a part of Doro

Source: Careium, SEB

Product & Service sales (SEKm) and organic growth



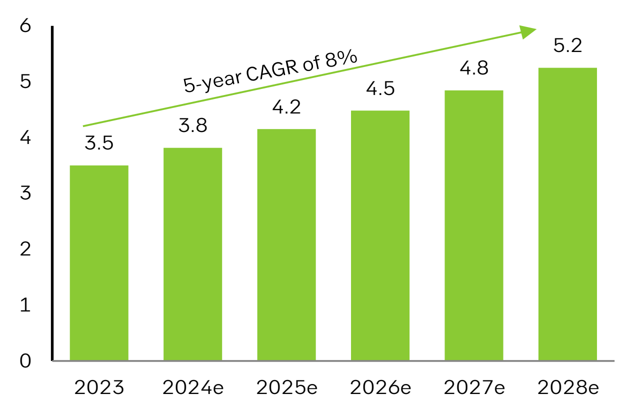
*as a part of Doro

Source: Careium, SEB

Long runway in a growing market

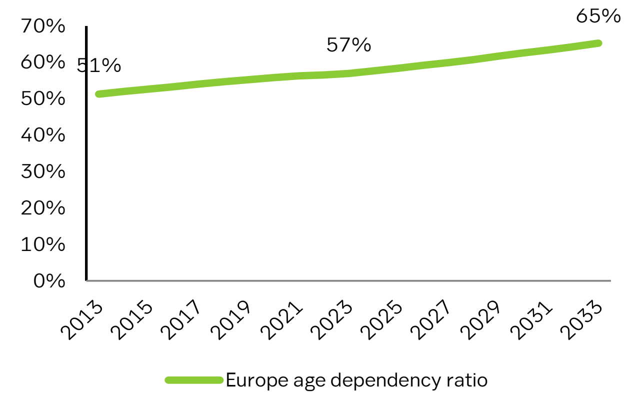
The European market for welfare technology was EUR 3.5bn in 2023, according to Bergh Insights, and it expects it to grow 8% p.a. over the next five years. We see multiple levers supporting this growth including an ageing population, increased market penetration driven by the need for more cost-effective care, and a mix shift towards more advanced technologies.

European technology enabled care market (EURbn)



Source: Careium, SEB, Bergh Insights

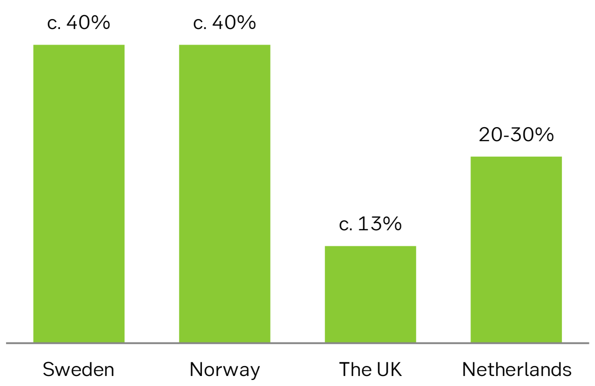
Share of population in non-working age is increasing



Source: World Bank, SEB

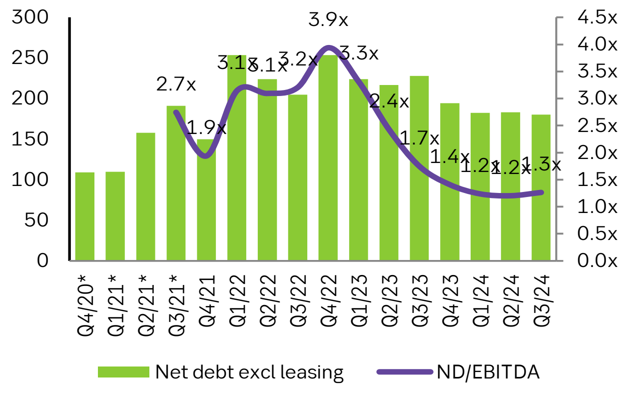
Careium is one of the leading players in a fragmented European market, which creates a long growth runway. Today its market share is 7% in Europe, but some 40% in Sweden and Norway. We also deem the competitive dynamics with its two main competitors as attractive, with one being financially constrained, and the other being part of conglomerate where technology enabled care is a minor component. Furthermore, the fragmented market creates potential for future acquisitions, such as to acquire local service providers or to expand its product portfolio. Careium currently has a ND/EBITDA of 1.3x, which in our view gives scope for acquisitions. By increasing leverage to 3.0x, we calculate M&A could add 33% to LTM EBIT.

Careium's market share in key markets



Source: Careium, SEB

Net debt (SEKm) and ND/ EBITDA



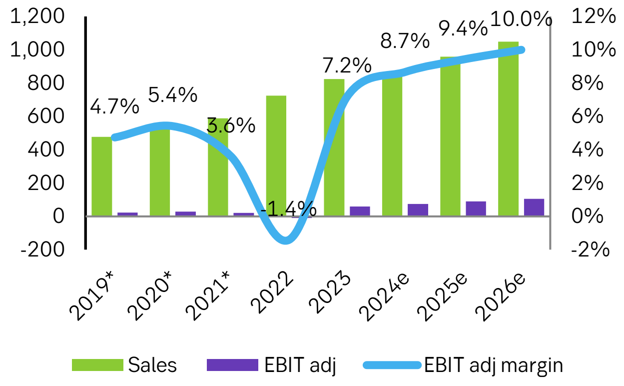
*as a part of Doro

Source: Careium, SEB

We forecast a 2023-26 CAGR in net sales of 8% and EBIT of 21%

We forecast a 2023-26 net sales CAGR of 8% and EBIT of 24%. Following a strong earnings recovery in 2024 (adj. EBIT growth of 26%), we forecast EBIT growth of 21% in 2025 and 12% in 2026.

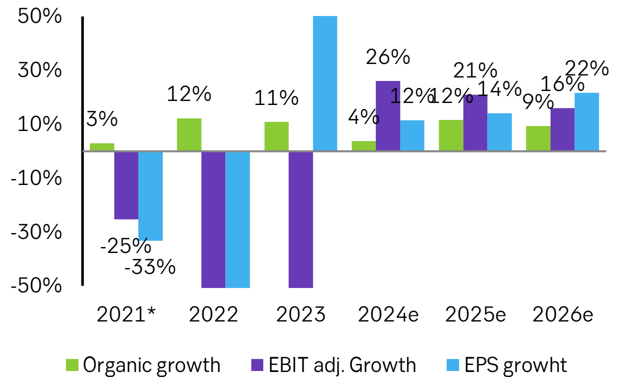
Net sales and EBIT forecasts (SEKm)



*as a part of Doro

Source: SEB

Growth forecasts



*as a part of Doro

Source: SEB

In the short term, Careium's sales are being impacted by the switching off of old telecom network infrastructure (e.g. PSTN, 2G/3g), which drives replacement demand for equipment that becomes obsolete. Near term, it was anticipated that two material switch-offs in Careium's key markets were set to occur in 2025 (2G in Sweden, PSTN in the UK). However, both of these have been postponed to 2027, leading to lower short-term demand as customers postpone their upgrades. Given the uncertainty and the delays, we do not model any major revenue increase from these switch-offs, although this could support higher growth when they eventually take place.

Network shutdown status in Careium's key markets

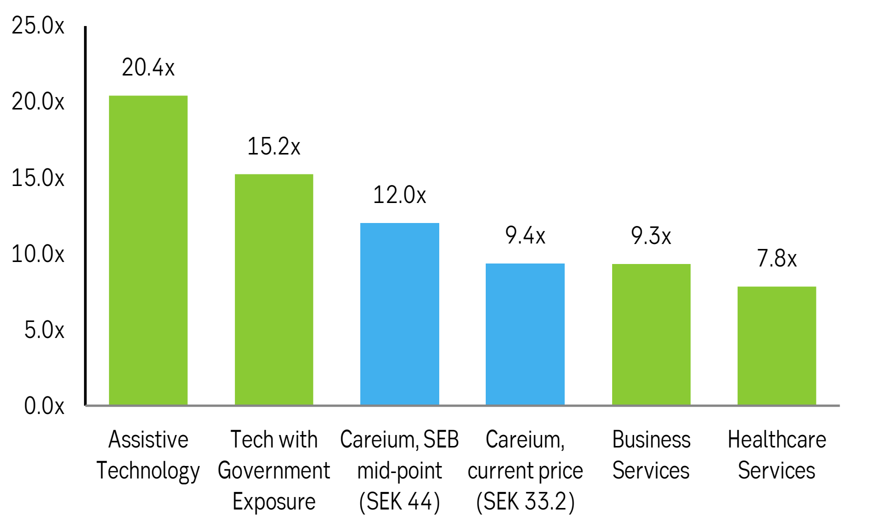
	Analogue/PSTN	2G	3G
Sweden	Mostly phased out, completed by 2026	Partially end of 2025, fully by end of 2027	Partially during 2024, fully in 2025
Norway	Completed in 2022	Completed by 2025	Completed by 2020
The UK	Planned to January 2027 (delayed from December 2025)	No communicated timeline	Ongoing and to be completed by end of 2025
Netherlands	Completed in 2021	Partially, to be completed end of 2025	Partially shutdown
Germany	Completed in 202	Partially by 2025	Completed
Spain	To be completed in 2024	Partially by 2025	Partially by 2025
France	Ongoing, complete closure by 2030	Partially in 2025, completed by 2026	Planned for 2028 and 2029

Source: Compiled by SEB, European Commission, Kore wireless, WIK Consult

We derive a fair value range of SEK 41-47

We use a DCF to derive our fair value range of SEK 41-47 for Careium. It trades at an EV/EBITA for 2024E and 2025E of 12x and 9x respectively. The midpoint in our fair value range corresponds to an EV/EBITA for 2024E and 2025E of 15x and 12x. As illustrated below (and in more detail in the valuation section of this report), Careium currently trades at discounts of 54% to its Assistive Technology peer group and 39% to tech peers with a government exposure. However, it trades at a premium of 19% to its healthcare services peers and 0% to business services. We believe its financial profile is inferior to the tech groups but superior to those in the services groups. Consequently, we believe Careium could justify a higher multiple as it builds its track record as a standalone company in a listed environment.

EV/EBITA, 2025E



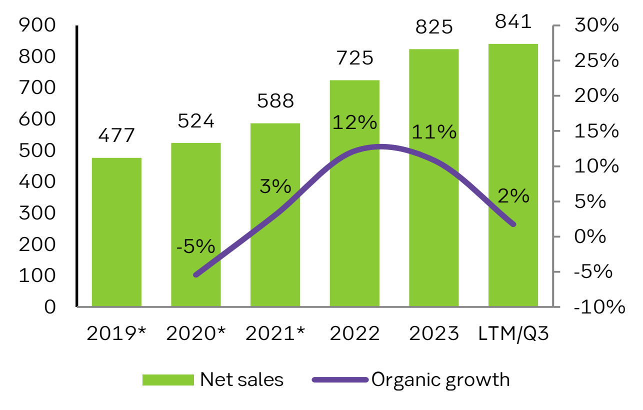
Source: SEB, FactSet

Company overview

Careium is a Swedish company offering technology enabled care solutions that provide the elderly with support in their day-to-day life. The company sells a combination of products and services, and today, it has more than 500,000 seniors that rely on its equipment, of which around 350,000 are connected to one of Careium's alarm centres. The company mainly has customers in Sweden, Norway, the UK, the Netherlands, Germany and France. Each day Careium's alarm centres receive around 25,000 alarms from its users.

Careium was spun out of Doro in late 2021. It was first reported as a standalone business area within Doro in 2020 (including comparable figures for 2019). In the period 2019-LTM Q3/24, it has achieved a sales CAGR of 13%, whereof 6% organically and c. 7% through acquisitions. During the first full year as a standalone company (2022), adjusted EBIT margin was -1% but reached 9% during LTM Q3/24. The lower organic growth observed during the last 12 months is due to a delay in the switch-off dates for old networks in the UK and Sweden.

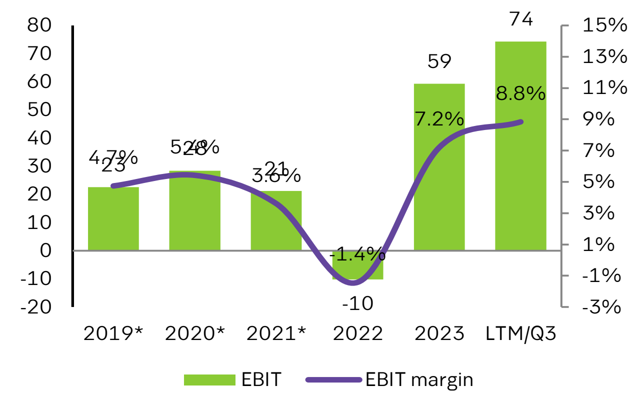
Net sales (SEKm) and organic growth



** As a part of Doro*

Source: Careium, SEB

Adjusted EBIT (SEKm) and adj. EBIT margin

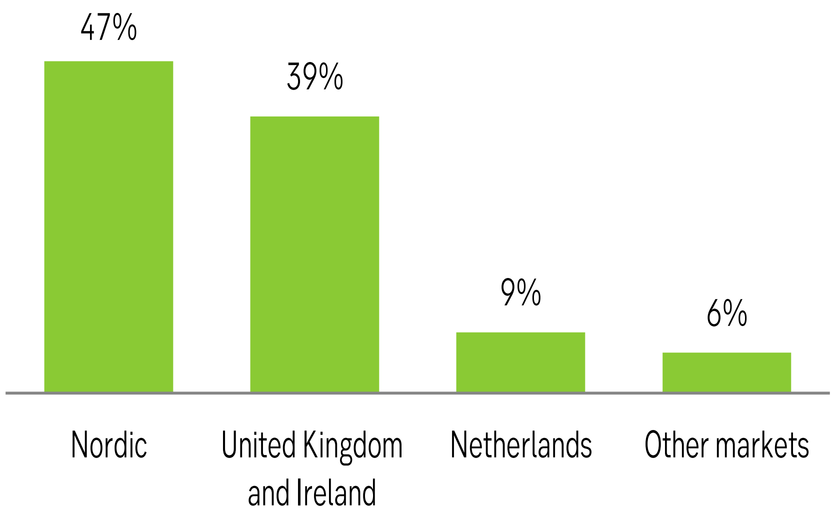


** As a part of Doro*

Source: Careium, SEB

Careium's main markets are the Nordics and the UK, with minor markets being the Netherlands, Germany and France. Careium operates four centres that are notified when an alarm is triggered; two are located in Sweden, one in the UK and one in Norway. In the Netherlands, alarm centres are operated externally. Most of the company's 900 employees are located in the countries where the alarm centres are located, with the remaining headcount located in the Netherlands, Germany and Spain. Its business in the DACH region and France is focused on hardware and software sales, hence there are no alarm centres and a lower headcount. In October 2024, Careium announced it had established a commercial office in Spain, with the intention of expanding further into Spain. Careium's head office is in Malmö, Sweden. Product development is done in a combination of proprietary designs and with collaboration partners, while manufacturing occurs in China.

Geographical sales split in 2023



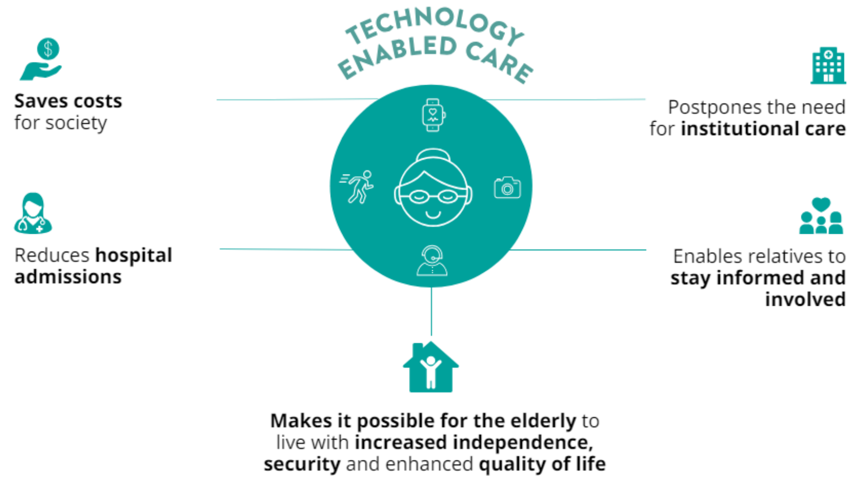
Source: Careium, SEB

Introduction to technology enabled care

According to Careium, technology enabled care is an umbrella term for technology that is integrated with care and healthcare, which helps the elderly and other individuals in need of support to gain greater security, involvement and freedom. While there is a variety of solutions available, their core function is a connectivity technology that allows seniors to readily access support when needed. This may take the form of a wearable social alarm button, connected to an alarm station, that an elderly person can press to receive support through an alarm response centre. Other examples of connectivity are through fall sensors and smoke detectors.

Ultimately, technology enabled care solutions increase the safety and wellbeing of seniors in their homes, acting as an enabler for the elderly to live independently in their own homes. By reducing incidents and hospital admissions, as well extending the duration that seniors can live in their own home before moving to a more expensive nursing home, these solutions also contribute to more cost-effective care.

Careium's description of technology enabled care

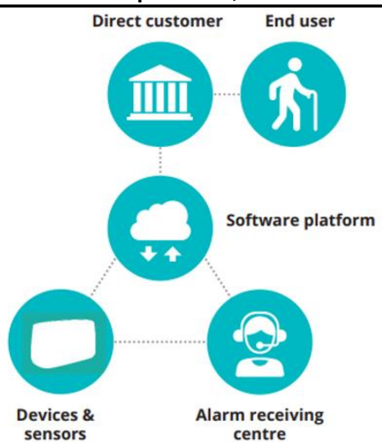


Source: Careium

Business model combines product, services and software

Careium's business model is based on offering an ecosystem of products, services and software, although it may vary depending on regional differences and customer needs. When a service is provided, the alarm buttons and/or sensors are connected an alarm hub which in turn is connected to a software platform at an alarm receiving centre, which also facilitates access by the payor/customer (e.g. municipality). Historically, Careium bought its software platform from a third-party, but during 2024 it has launched its own proprietary software platform called iCare, which it intends to roll out through its entire offering over time. The platform allows for integration with third-party solutions, enabling Careium to be a full-service provider even in instances where it does offer the full product suite itself. In some cases, mainly outside of its key geographies, Careium sells its platform as Software-as-a-Service (SaaS). Careium's iCare platform can also be used by other service providers and Careium announced the first SaaS customer on the platform in August 2024 (MD Medicus in Germany).

Offerings consist of a combination of products, software and services

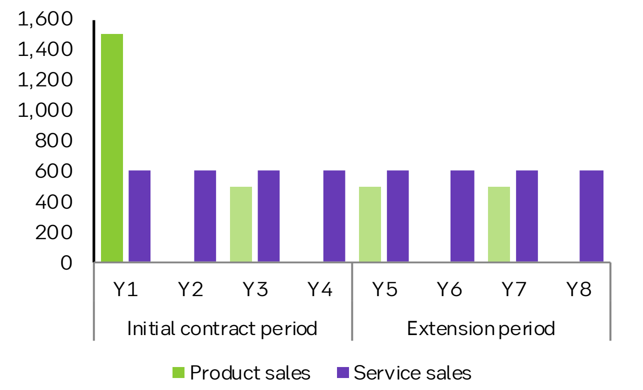


Source: Careium

In a typical integrated service contract where Careium delivers both products and alarm services, the customer (e.g. a municipality) purchases the service required for a certain number of users, then Careium sells products required for the services (e.g. SEK 1,500 per user) and charges a monthly fee for the alarm service (e.g. SEK 50 per month). Contracts are typically for 3-4 years in the Nordics and slightly shorter in the UK, with a typical extension period of the same length. The amount charged for the product and services varies depending on the type of customer and the extent of services the customer demands. Careium may also sell replacement products during the course of the service contract. The customer can also purchase additional devices, yielding add-on sales for Careium.

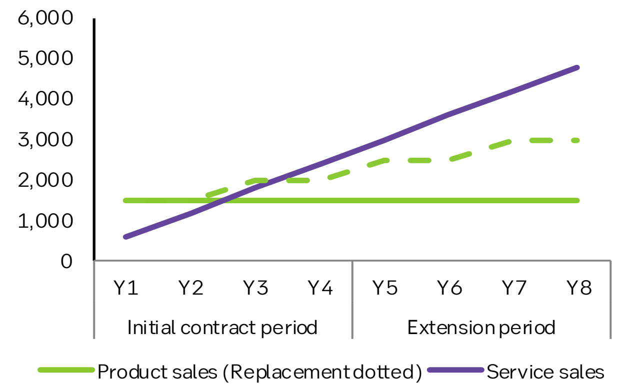
Below is an illustration of how a sale to a typical user may look. Over a four-year period, service sales account for c. 62% of the sales to a user, and if the contract is extended for another four-year period, it is c. 76% across the entire period. Careium can also generate product sales through the contract period if equipment needs to be replaced. When including replacement sales during the contract period, we calculate the product sales component is slightly higher.

Illustration of revenue stream from a user (SEK)



Source: SEB

Illustration of cumulative revenues from a user (SEK)

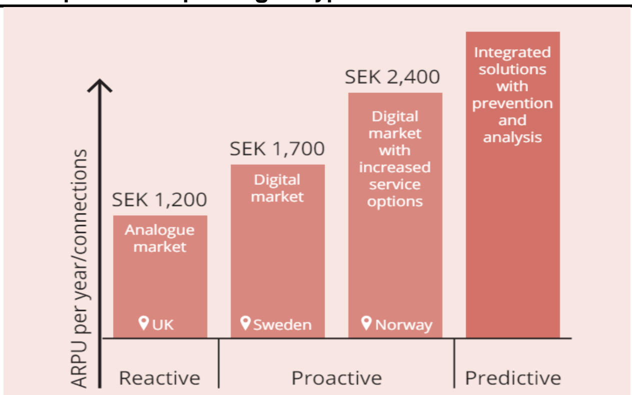


Source: SEB

Large variation in revenue per user

While the above is an example of what a typical contract may look like, it should be noted that revenue per user can vary quite widely. Below is a summary provided by Careium, showing that the average revenue per user (ARPU) can range from c. SEK 1,200 for conventional reactive alarms using analogue technology, toward c. SEK 2,400 for proactive solutions with extended service options using digital technology, and an even higher value for advanced predictive solutions.

Average revenue per user depending on type of service delivered



Source: Careium

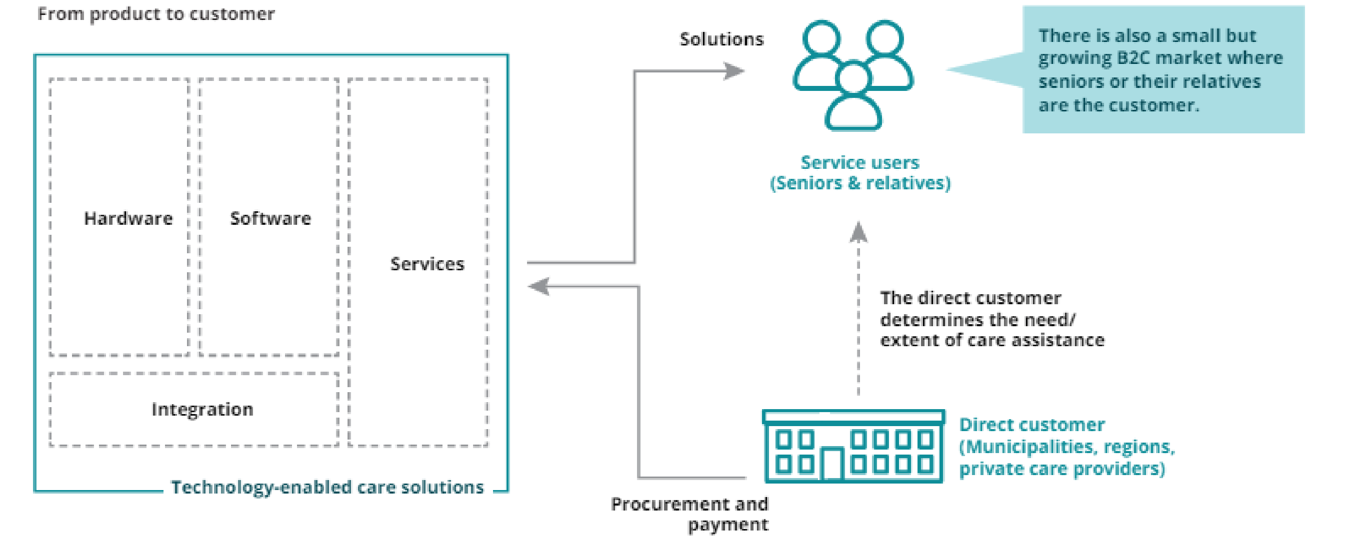
Customers

Careium's customer base can differ from country to country.

- **Business to government:** This is the most common customer group, where Careium's service offering is to, for example, municipalities, regions and public healthcare providers. In this customer group, sales are tender-based, and contracts can be awarded on certain products or service specification, as well as price, for example. Government is the predominant type in the Nordics, as well as comprising the majority in the UK.
- **Business to business (B2B):** This is the second most common group. This includes both business customers which are connected to the government, such as in the UK, where the main customers are insurance companies. In other cases, Careium sells to businesses that serve either consumers or care providers, which is common in Germany, for example.

- **Business to consumer (B2C):** Customers in this category pay for the solutions themselves. This is currently a small but growing segment for Careium. The company's recently launched Abby mobile alarm is intended to serve the B2C segment.

Careium addresses needs and demands of users and payors



Source: Careium

Overview of product offering

Careium offers a range of products, with social alarms being the largest product category. We believe the company's broad product offering is important as it accommodates the varying care needs of its customers.

- **Social alarms:** These are installed in a senior's home so that they are connected to an alarm station which can then provide them with support when needed. It is based on a stationary welfare station which is connected to an alarm button that may be worn or mounted on a wall. Careium offers a range of welfare stations including Eliza connected to the 4G network, or the older CareIP Mobile, which connects over the GSM (2g) or IP/Internet.
- **Mobile social alarms:** These devices are designed for mobile use and include a GPS position and are directly connected to an alarm station. The offering includes the recently launched product Abby, which includes a fall sensor and voice communication functionality.
- **Environmental safety:** This includes products such as smoke- and heat detectors, which connect directly to the welfare station and can trigger a response to an alarm centre.
- **Accessories and sensors:** This includes products such as fall detectors, motion sensors and remote supervision.

Welfare station Eliza S+

Source: Careium

Wearable alarm button

Source: Careium

Mobile social alarm Abby

Source: Careium

Smoke detector

Source: Careium

mBox radio and multisensory

Source: Careium

Visit camera for remote supervision

Source: Careium

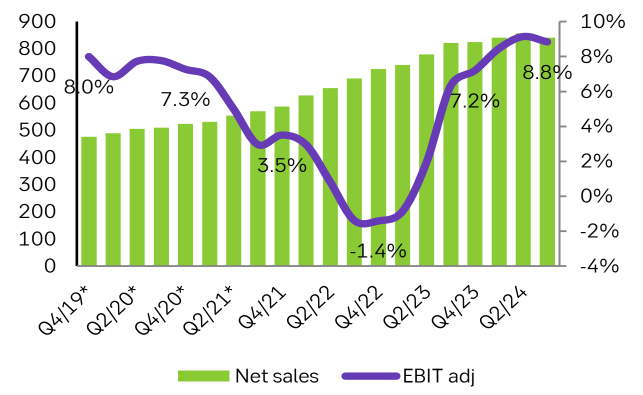
A rocky start as a standalone company

Following its spin-off in late 2021, Careium's initial period as a standalone company was turbulent, which had a negative impact on its profitability. We believe the main cause behind this was an inefficient and poorly functioning organisation, following many acquisitions that had not been integrated. The company initiated a restructuring during 2022, which focused on creating a new and more efficient organisational structure. This included a merger of product and technology development and forming a proper group management team to which the regions report to, yielding a more unified and agile organisation. The company also made specific changes in the UK, including rightsizing it and merging three alarm centres into one. In Q3/22, the company started to communicate that the UK restructuring had started to gain traction.

Since the turbulent 2022, we believe Careium has successfully undergone a turnaround and, together with the establishment of its iCare digital platform, we believe it has established a stronger platform for further expansion. In terms of profitability, Careium's EBIT margin reached a low point in Q3/22 and has since then gradually improved back to pre-spin-off levels (2019-21). We also note that restructuring costs have decreased since.

That said, we believe there are still opportunities to improve efficiency in the organisation related to customer procurement, administration etc. We also note that following a period of continuous cost increases until mid-2022, Careium's operating costs have been fairly stable, supporting the increased profitability.

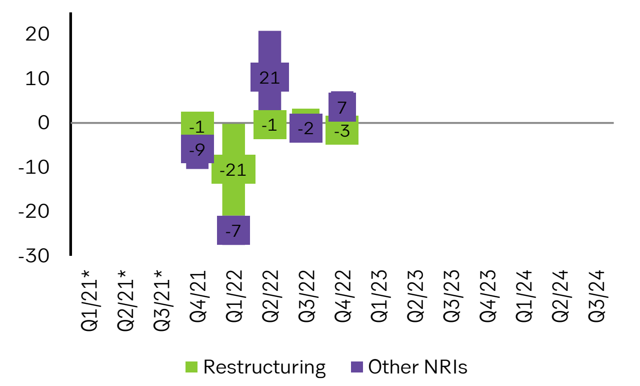
Sales (SEKm) and EBIT adj. margin, LTM



as a part of Doro

Source: Careium, SEB

Overview of restructuring costs and non-recurring items



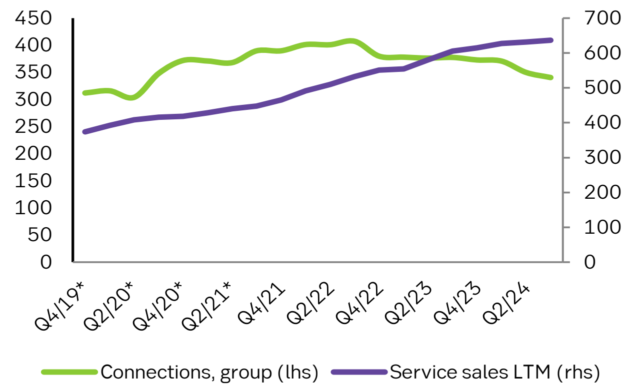
as a part of Doro

Source: Careium, SEB

Focusing on profitable customers

A part of the restructuring has been to increase the commercial focus, including leaving service contracts with bad profitability. This has contributed to a decreasing number of connections (number of users connected to its alarm centres), particularly in the UK. Notably, Careium has been able to grow its service revenue continuously regardless.

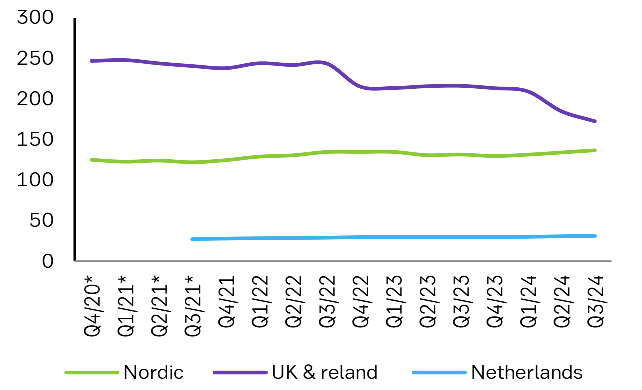
Connections and service sales LTM (SEKm)



**as a part of Doro*

Source: Careium, SEB

Connections by region



**as a part of Doro*

Source: Careium, SEB

Share price recovery

In line with the turnaround, we note the share price has recovered from lows of SEK 8 per share in 2022, recently returning to the post spin-off level of SEK 30.

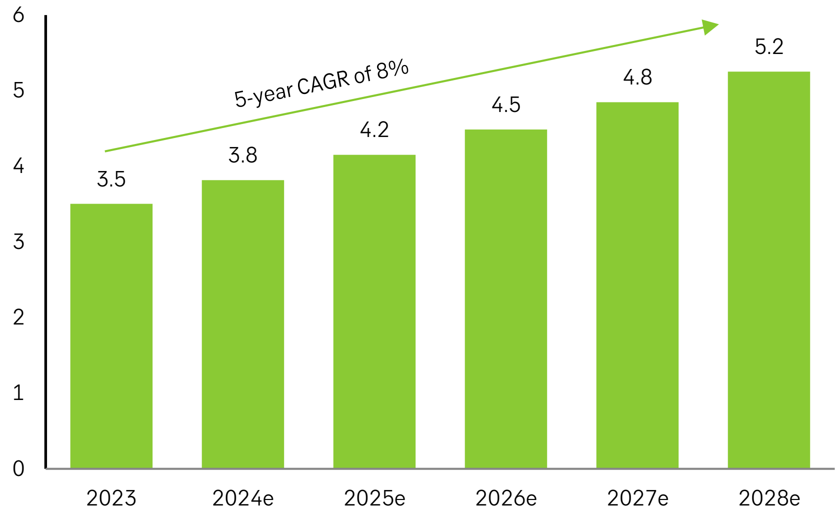
Careium share price

Source: FactSet, SEB

Market overview

The European Market for Welfare Technology, including both the home care and assisted living segment, was according to Berg Insights worth EUR 3.5bn in 2023. It anticipates that the market will grow by a CAGR of 8% until 2028, which we deem reasonable based on our research. The main growth drivers, in our view, are 1) an ageing population, 2) increased market penetration driven by the need for more cost-effective care and 3) a mix shift toward more advanced technologies. Careium is one of the leading players in a fragmented European market, with an overall market share as of 2023 of 7%, with highs of c. 40% in Sweden and Norway.

European technology enabled care market (SEKbn)



Source: Bergh Insights, SEB

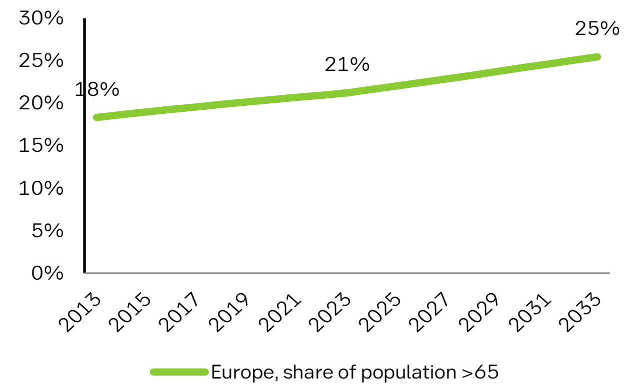
Market drivers

As mentioned above, we believe the main market drivers in the telecare market are 1) an ageing population and the need for cost-effective care, 2) increased market penetration of telecare and 3) a mix shift to more advanced technologies.

Ageing population

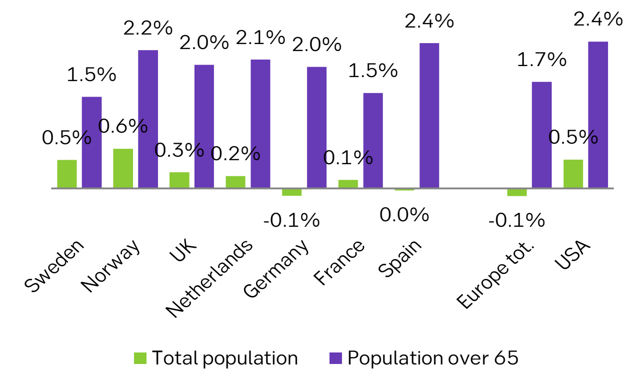
Careium mainly serves the elderly population. As a proxy for this segment, we look at the population that is aged 65 years and above, as it encapsulates Careium's target population, although we acknowledge that there is high variation in the needs of a +65-year-old. According to a population forecast carried out by the World Bank, this segment is expected to grow faster than the total population across Careium's key markets, exhibiting a CAGR ranging from 1.5% to 2.2% across the key markets. This is also true when looking at all of Europe, which should see higher growth for the population over 65 years, compared to the total population. This trend in the ageing population means that that each individual Careium customer may be a user for a longer period of time, thus contributing to the market growing.

Share of population aged >65 is expected to increase



Source: World Bank, SEB

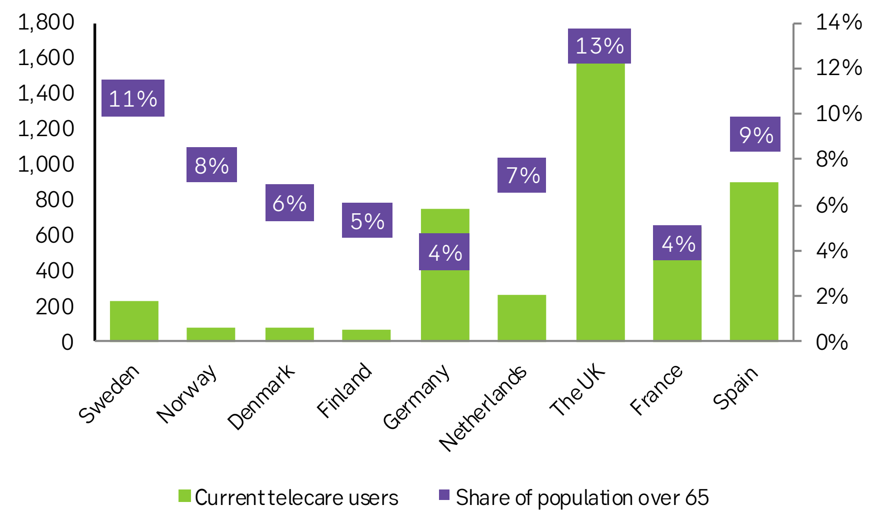
Aged >65 to outgrow total population (2023-33E CAGR)



Source: World Bank, SEB

Need for cost-effective care to drive higher market penetration
Today, there are around 5.2m telecare users (users of social alarm systems) in Europe, corresponding to a penetration of c. 5% of the population aged over 65. Leading markets such as Sweden and the UK have reached penetration rates of c. 11% and 13% respectively.

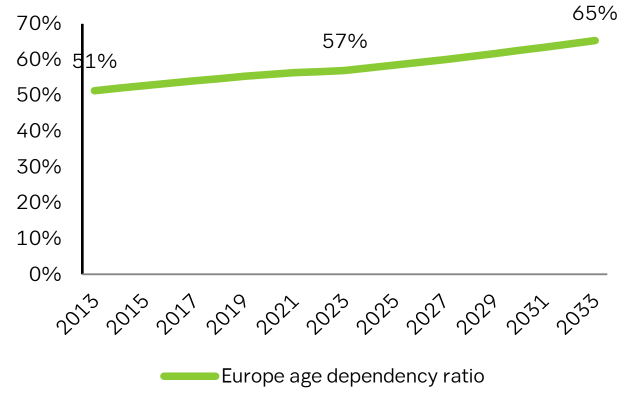
Number of telecare users and market penetration in key market



Source: Careium. World Bank, SEB calculations

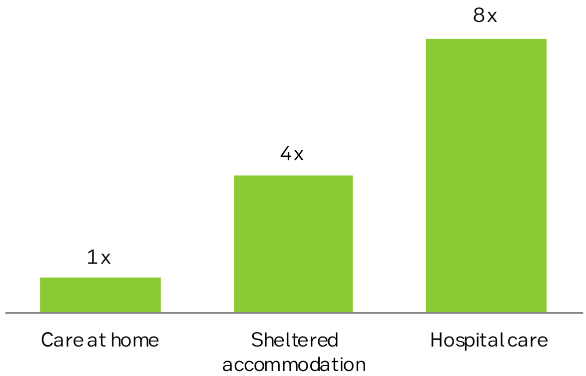
We believe demographic trends such as an ageing population drive demand for more effective care solutions, supporting increased penetration of telecare, which is a cost-effective solution. We note, for example, that the age dependency ratio in Europe, which measures the ratio between the age-dependent population and working-age population, is increasing and looks set to continue to increase for the foreseeable future, according to data from the World Bank. We believe this supports increased penetration of more care at home, as well as increased usage of telecare solutions, which can make care at home more effective. According to a cost-effective analysis provided by Careium, compared to care at home, sheltered accommodation (e.g. nursing home) is four times as expensive and hospital care is eight times as expensive.

Age dependency ratio set to continue to increase



Source: World Bank, SEB

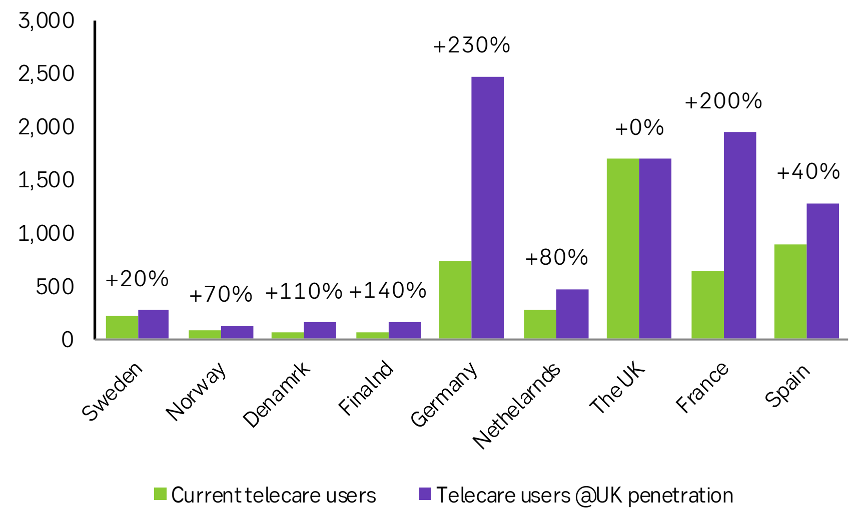
Care at home is the cheapest care alternative



Source: cost analysis provided by Careium

Below, we calculate the increase in telecare users if certain markets were to reach the 13% penetration rate of the UK. This would imply an increase of telecare users of >200% in large markets such as Germany and France, as well as >70-140% increase in the Nordic countries other than Sweden.

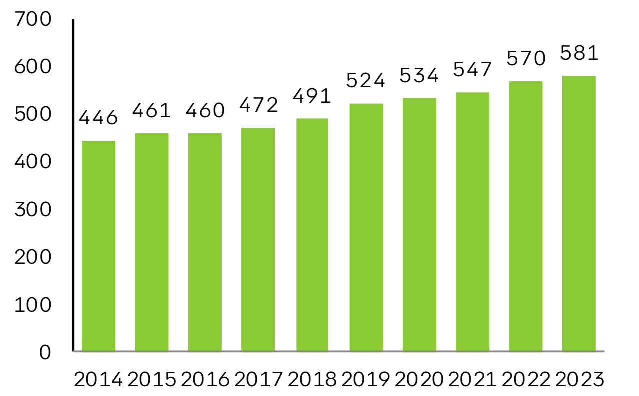
Increase in telecare users if UK penetration is assumed



Source: SEB calculations

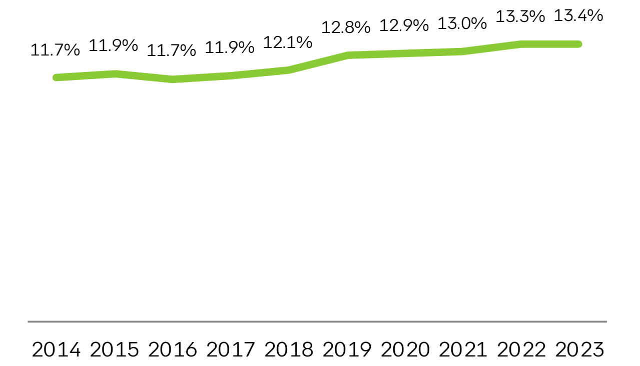
The Swedish National Board of Health and Welfare reports statistics on telecare users. During 2018-23, the number of telecare users grew by 3.4% per year and reached 13.4% of the population aged 65 and above. We note that this age group has grown by 1.4% during the same period, meaning that c. 2% per year is explained by increased penetration. Considering that Sweden is one of the markets with the highest penetration of telecare, we believe the benefit to growth from increased penetration is likely higher in other markets where telecare is less established. We believe this aligns well with Bergh Insights' estimate that total European telecare market is growing at c. 8% p.a.

Social alarm users in Sweden ('000 users)



Source: Swedish National Board of Health and Welfare, SEB

Social alarm penetration for users aged 65+ in Sweden



Source: Swedish National Board of Health and Welfare, SEB

Mix shift to more advanced technology

We believe a mix shift is a meaningful contributor to market growth, which can be divided into two components.

- **Extended care solutions:** This includes, for example, the shift toward preventative and predictive care, as well as mobile solutions.
- **More advanced technology:** This refers to replacement of obsolete systems due to phasing-out of old technology, such as the phasing out of analogue telephone networks as well as the older digital networks (e.g. 2G/3G). Generally, the new technology has a higher price point, as well as contributing to increased demand during the upgrade period.

Assuming that the impact from mix is c. 2pp per year, we estimate that a more developed market such as Sweden (where volume growth is c. 3% according to the above) shows a market growth in the mid-single digits. We believe that less penetrated markets (e.g. Germany) should grow faster, although we have no exact figures.

Switch-off of old network infrastructure is a driver of the mix shift

A significant technology transition is taking place in the UK which is about to phase out its analogue network. Initially, the analogue network was set to close down in 2025, but this has recently been moved to 2027. Other notable transitions near-term include the discontinuation of the switch-off of the Swedish 2G/3G networks in 2025, as well as the French, German and Dutch closure of 2G networks by 2025. We believe the closure is particularly important as a large part of the existing infrastructure relies on GSM/2G.

Below is an overview of ongoing network shutdowns in the markets that are most relevant to Careium.

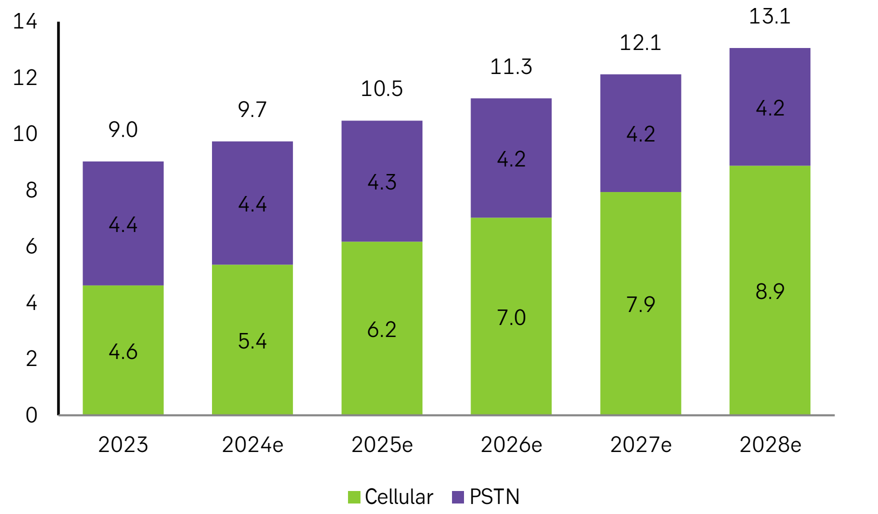
Network shutdown status in Careium's key markets

	Analogue/PSTN	2G	3G
Sweden	Mostly phased out, completed by 2026	Partially end of 2025, fully by end of 2027	Partially during 2024, fully in 2025
Norway	Completed in 2022	Completed by 2025	Completed by 2020
The UK	Planned to January 2027 (delayed from December 2025)	No communicated timeline	Ongoing and to be completed by end of 2025
Netherlands	Completed in 2021	Partially, to be completed end of 2025	Partially shutdown
Germany	Completed in 2020	Partially by 2025	Completed
Spain	To be completed in 2024	Partially by 2025	Partially by 2025
France	Ongoing, complete closure by 2030	Partially in 2025, completed by 2026	Planned for 2028 and 2029

Source: Compiled by SEB, European Commission, Kore wireless, WIK Consult

Cellular users expected to grow at a 2023-2028 CAGR of 14%
Bergh Insights estimates that 51% of European telecare users were on cellular technology in 2023, with the 49% remaining on the old PSTN technology. It forecasts that the share of users on cellular will increase to 68% in 2028, supporting a CAGR of 14% in cellular users, while PSTN will decline slightly.

Number of telecare users in Europe, by connectivity type (thousand)

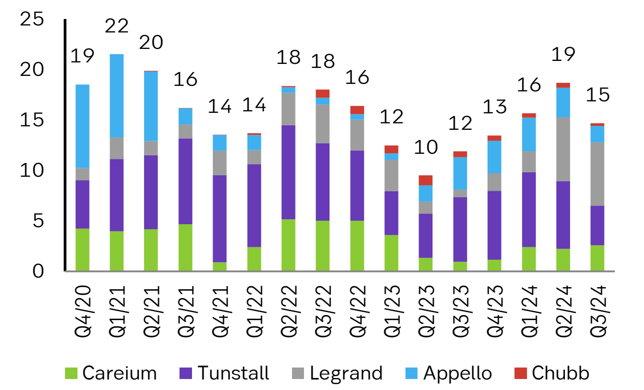


Source: Bergh Insights, SEB

In the UK, the TSA (Technology Enabled-Care Services Association) estimates that 60% of the installed based in the home care setting still uses analogue technology, thus it needs to be phased out. In Sweden, around 40% of the installed base relies on the soon-to-be obsolete 2G technology and in Norway this is c. 60%, according to estimates by Careium. The switch to digital is also an enabler for selling more advanced technology, as it allows for more preventive and predictive solutions, which command a higher ARPU.

When looking at awarded tenders for what we believe are the five largest suppliers in the UK (Careium, Tunstall, Legrand, Appello, Chubb), where Careium is the third largest, it shows that tender activity has shown a muted development since 2021. Likewise, looking at tenders with multiple suppliers, which typically are larger frame agreements that form the basis for future procurement, we note that there has been limited activity since 2022. We believe this supports the view that delayed analogue switch-off has caused lower market activity.

Awarded UK telecare tenders, top4 suppliers (GBPm)



Source: SEB, gov.uk

Awarded UK telecare tenders, multiple suppliers (GBPm)

Source: SEB, gov.uk

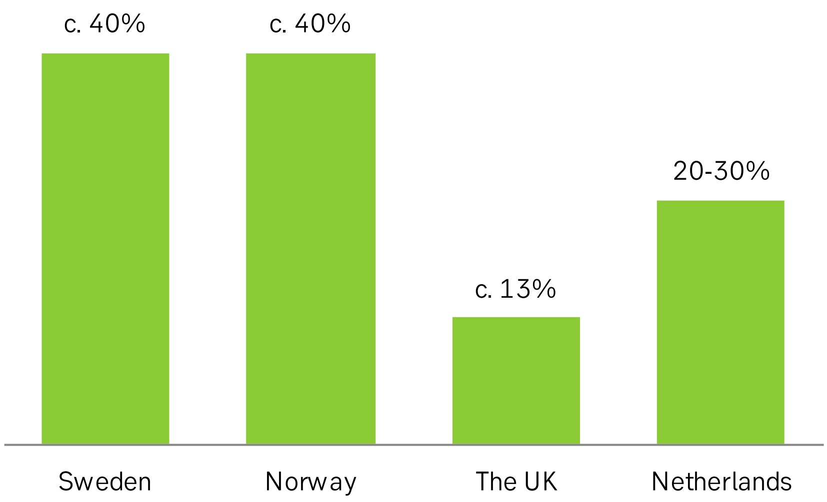
Competitive landscape

The market for equipment is relatively consolidated, with a handful of players, including Careium, making up the entire European market. For services, we believe the market is more fragmented, with some players active across many markets, but a relatively high share left to local service providers. The competitive landscape for European telecare varies depending on the market segment. In many markets, Careium also competes with non-profits organisations and local governments.

In general, we believe the competitive dynamics could be favourable with the largest European player, Tunstall currently showing weak operational performance coupled with high debt. In addition, LeGrand's (the number two player) telecare is a minor subsidiary in a conglomerate. We believe this puts Careium, which is focused solely on providing telecare equipment services, in a good position.

Careium holds a strong market position in its key markets
In its focus markets, Careium holds a strong market share for services, with c. 40% market share in both Sweden and Norway, c. 13% in the UK, and c. 20-30% in the Netherlands. Based on the number of connections, Careium holds a market share of c. 7% across Europe in 2023.

Careium market share in key markets, 2023



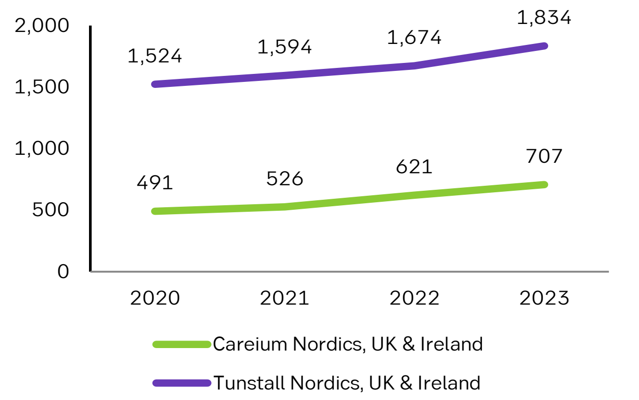
Source: Careium, SEB

Notable competitors
Below we highlight the larger players across Europe.

Tunstall is one of the main competitors to Careium in our view. The company is based in the UK with proprietary products and an extensive service offering, focused both on the home care telecare market, as well as assisted living. The company is active selling both services and products in most of Careium's markets, and in total it is present in 17 countries, with key markets being European countries such as the UK, Spain and the Nordics, but it also has a presence in Australia as well as some sales in the US. The company has 15 alarm centres and 5m connected end users, of which 1.4m are under direct management. In 2023, it had sales of GBP 231m (c. SEK 3,000m), including both the independent living and group living market segments. Notably, Tunstall recent financial performance has been weak, with its 2023 adjusted EBIT margin at -1.6% (-5.5% reported) and reporting ND/EBITDA of 10.8x for its FY 2023 (ends in September)

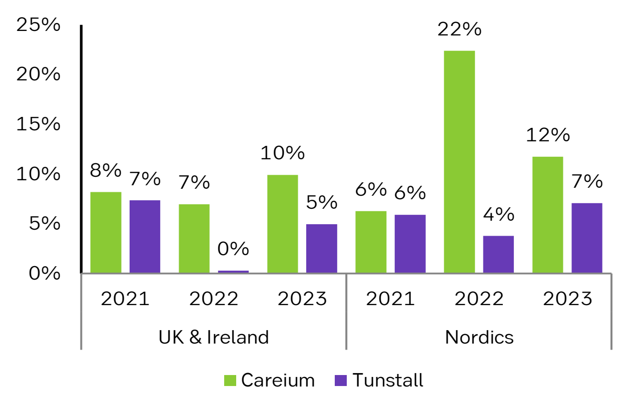
Compared with Tunstall, we note Careium in recent years has outgrown Tunstall in both UK and Ireland, as well as the Nordics. Comparing the two companies' sales in these two markets, we note Tunstall is around 2.5x the size of Careium, although it should be noted that Tunstall also sells to the assisted living segment.

Sales: Nordics, UK and Ireland, Careium vs Tunstall



Source: Company reports, SEB calculations

Local currency growth, Careium vs Tunstall



Source: Company reports, SEB calculations

LeGrand is a large French conglomerate focusing on building infrastructure electronics with a telecare division and is another major competitor to Careium. LeGrand's telecare business has emerged following acquisitions carried out in France, UK and Spain. Our understanding is that LeGrand mainly provides equipment as well as software, and on the equipment side we believe LeGrand has a meaningful presence in most of Careium's markets. In 2023, the total LeGrand group had sales of EUR 8,417m (c. SEK 97bn), where we believe telecare solutions made up a small component, and we note that during its 2021 CMD, it said it was the number two European player in telecare solutions.

It recently acquired Dutch company Enovation, which offers software for connected health and assisted living, and was in conjunction with acquisitions said to have sales of EUR 60m. Enovation claims to have sales in 18 countries with a local presence in the Netherlands, Germany, the UK and Spain, with 1.5m connected users to its digital platform. We note that in Sweden, LeGrand does not operate its own alarm service, instead it cooperates with state-owned SOS Alarm (which also operates the Swedish emergency line, 112).

TeleAlarm is a telecare company offering hardware and software solutions. The company has historically been part of German IoT company Kontron, which it recently announced its intention to divest TeleAlarm to Primepulse, which is a German IT-focused investment company. In conjunction with the sale, it was communicated that TeleAlarm had 2023 sales of EUR 24m (SEK 275m). The deal value is EUR 39m and the company is said to have achieved profits of EUR 4m in 2023.

Other competitors across Careium's different markets include:

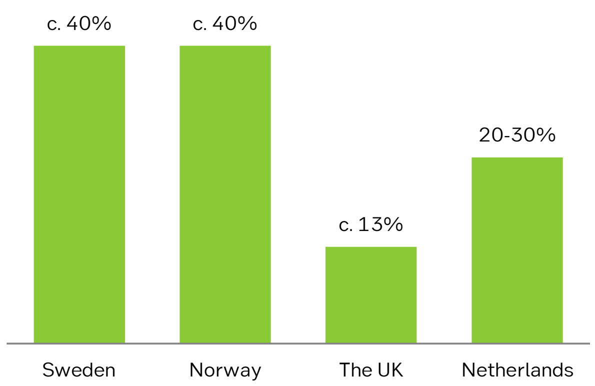
- **Nordics:** Another notable player is Norwegian centric Sensio, which was recently acquired by Swedish private equity investor Nordic Capital.
- **UK and Ireland:** Other notable competitors on the services side include Appelo, as well as Chiptech and Chubb, which is more focused on equipment.
- **Netherlands:** A local competitor is FocusCura, which in 2020 was acquired by Swedish listed lock company Assa Abloy.

Growth strategy

We believe Careium is well positioned to continue to grow. We believe the high-single digit market growth offers a solid foundation, to which we see multiple levers that contribute to higher growth. We also see good rationale for acquisitions, which could contribute further to growth.

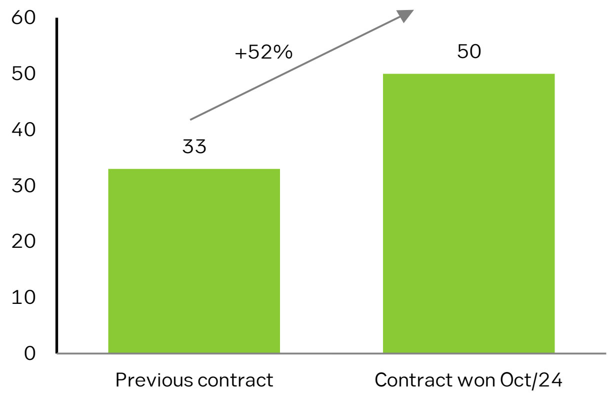
Good foundation from strong product and existing customer relationships
Careium has established a solid market position in its core markets; however, we believe its current market share of c. 40% in the Nordics and c. 13% in the UK will allow Careium to grow volumes and take market share. In certain markets, Careium has local governments as customers, such as in Sweden (33% of group sales 2023) and this business will be driven by achieving success in public tenders. Here we believe Careium has a good foundation with a strong hardware offering and established success in tendering in its existing markets (i.e. UK, Sweden, Norway). In markets where there is also a B2B market, such as the UK and Norway, we believe Careium could continue to grow by building on its recent commercial excellence initiatives. In this segment, we also see potential for contribution from ARPU growth, by selling broader and more advanced solutions to customers.

Careium: market share, 2023



Source: SEB,

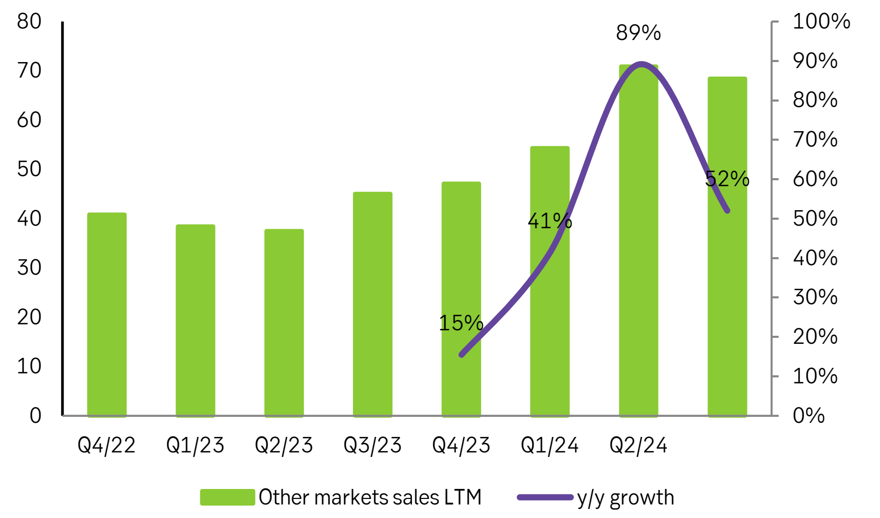
Careium: Oslo contract annual value (SEKm)



Source: Careium, SEB

Continued growth in new markets
We believe Careium has shown good traction in "Other Markets", with 65% sales growth in 2023, followed by +131% YTD 2024, mainly through success in product sales in Germany and France. Given the large size of these markets, we believe there is potential to grow quickly for many years in these markets. Furthermore, as the penetration of telecare services remains relatively low in these markets (c. 4% vs. Sweden >10%), we see tailwinds from solid market growth as well. Another notable market is Spain, where Careium announced it had established a commercial office in Q3/24, with the intention of participating in tenders during 2025. Careium has had a local presence in Spain since 2020, when it acquired technology platform company Victrix.

Net sales trend in other markets (SEKm)



Source: Careium, SEB

Expanding into new customer segments, such as B2C

We also see potential from expanding to new customer segments, where we believe Careium is increasingly prioritising the B2C segment. The company recently launched the "Abby" mobile alarm intended for this market, which can be complimentary to its other equipment (fixed installed), as well address a younger customer segment, thus expanding the potential customer lifetime value. In addition to B2C, there is also potential to expand into the assisted living market segment in the long term.

Acquisitions

Following Doro's initial acquisition of Caretech in 2014, the organisation has been active in making acquisitions, although it has not announced any acquisitions since the spin-off in 2021. With operations now stabilising, we believe Careium will seek to resume doing acquisitions. Below is the main type of acquisition opportunities we see for Careium ahead:

- **Service providers:** First, we believe there is an opportunity to acquire local service providers that do not have their own product suite. This would expand Careium's existing revenue stream and provide potential for increased sales and profitability by replacing third-party equipment with its own in the service contracts. Furthermore, we see potential to drive profitability improvements through increasing scale. There are also direct cost synergies by transferring targets to Careium's existing alarm centres, as well as increasing scale on overhead costs. Our impression is that the landscape for service providers is relatively fragmented, meaning that there are plenty of potential targets.
- **Product companies:** The second type of acquisition we see is product companies, where Careium can expand its product offering, thus expanding the breadth of service it can provide. In some instances, we understand Careium complements tenders with third-party products and replacing these with proprietary products should support better profitability.

We could also see a more platform type acquisition with a view to gaining a foothold in a market outside of its current key markets.

Acquiring at attractive multiples

Historically, Careium (as a part of Doro before 2021) has made acquisitions at an average EV/sales of 1x. Assuming it can achieve an EBIT margin of c. 10% (EBIT margin LTM Q2/24 was 9.1%) implies an EV/EBIT acquisition multiple of c. 10x. Excluding the initial acquisition in Sweden (Caretech), the UK (Welbeing) and the Netherlands (Innocom), which were larger and above the average multiple, the average EV/sales is 0.6x.

Overview of acquisitions

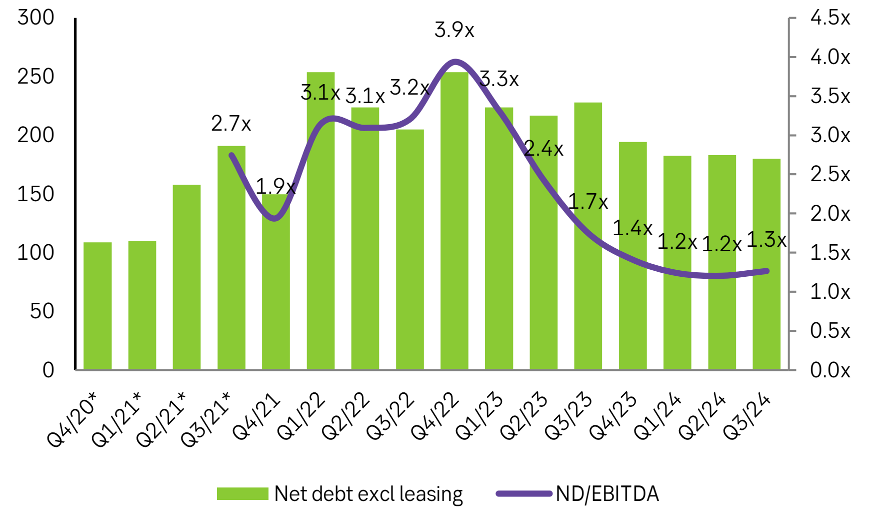
	Date	Country	EV (SEKm)	Sales (SEKm)	EV/sales	Users ('000)
Caretech	Dec-14	Sweden	240	150	1.6x	60
Trygghetssentralen	Feb-16	Norway	29	68	0.4x	34
Welbeing	May-18	UK	130	90	1.4x	75
Invicta Telecare	Sep-19	UK	60	77	0.8x	106
Eldercare	Aug-20	UK	26	52	0.5x	50
Victrix	Sep-20	Spain	14.8	3.7	4.0x	
Connexus Careline	Oct-20	UK	7	13	0.6x	25
FirstCall 24/7	Feb-21	UK	0	6	0.0x	
Helpline	Sep-21	UK	0	1	0.0x	
Innocom	Sep-21	Netherlands	72	50	1.4x	26
Total			**579**	**510**	**1.1x**	**376**

Source: Company announcements, SEB

Balance sheet with room for acquisitions

Supported by the increased profitability and solid cash flow generation, we note Careium's ND/EBITDA has been steadily decreasing and is now at 1.3x, which allows for acquisitions.

Net debt (SEKm) and ND/ EBITDA



**as a part of Doro*

Source: Careium, SEB

Assuming that Careium can increase its ND/EBITDA to 3x, and that it pays an EV/EBIT of 10x, we estimate it could add 33% in EBIT through acquisitions.

M&A potential calculation (SEKm)

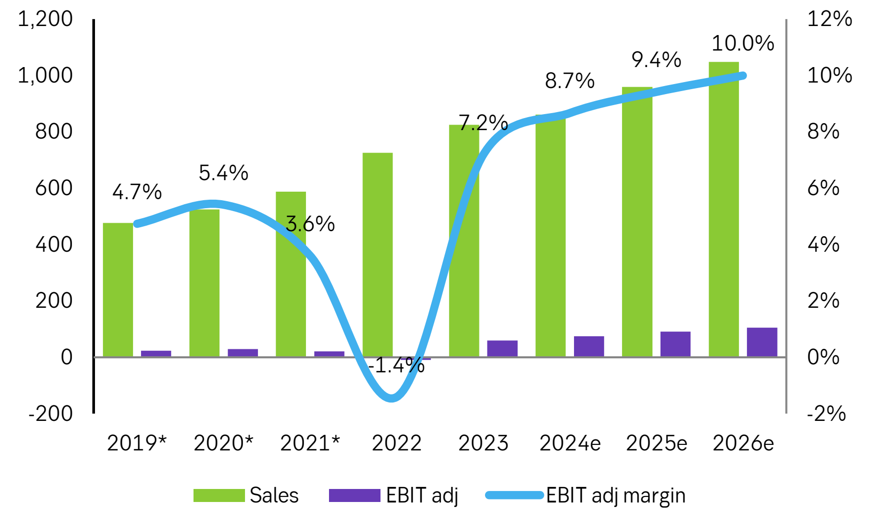
Net debt (SEKm)	180
LTM EBITDA	142
ND/EBITDA	1.3x
Target	3.0x
Headroom	247
M&A EV/EBIT multiple	10.0x
Sales addition	247.2
EBIT addition	24.72
EBIT Margin assumed	10%
Sales increase vs LTM	29%
EBIT increase vs LTM	33%

Source: SEB

Financials and estimates

Over 2019-LTM Q3/24, Careium achieved a CAGR in net sales of 13% (6% organically) while EBIT grew at a CAGR of 27%, although with big variations between years. Looking ahead, we forecast a 2023-26 organic net sales CAGR of 8% and an adj. EBIT CAGR of 21% (18% for 2024E-26E).

Net sales and EBIT trend (SEKm)



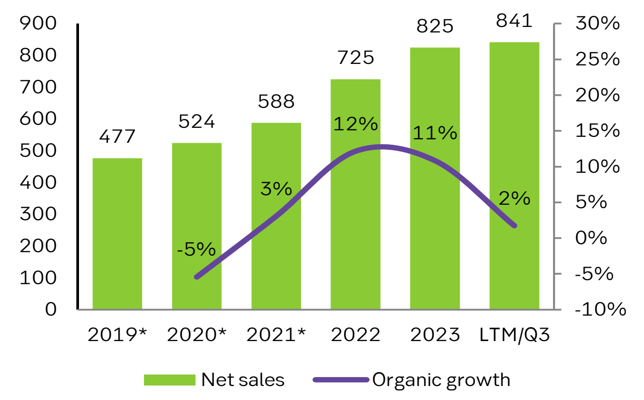
Source: Careium, SEB

Historical financials

Net sales: 6% organic CAGR since 2019

Careium has delivered an organic CAGR during 2019-LTM Q3/24 of 6%. Since becoming a standalone company (Q4/21), it has averaged quarterly organic growth of 9%.

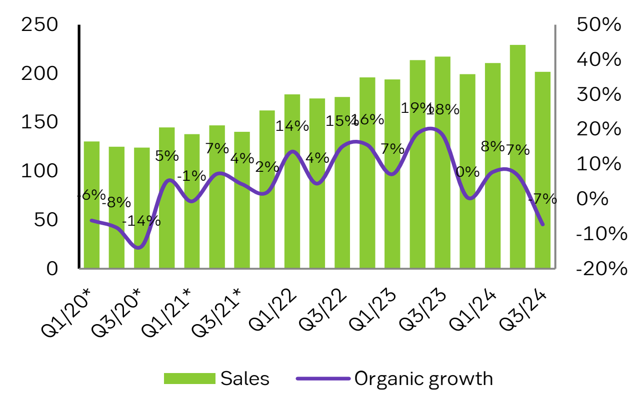
Net sales (SEKm) and organic growth, annual



As a part of Doro

Source: Careium, SEB

Net sales (SEKm) and organic growth, quarterly

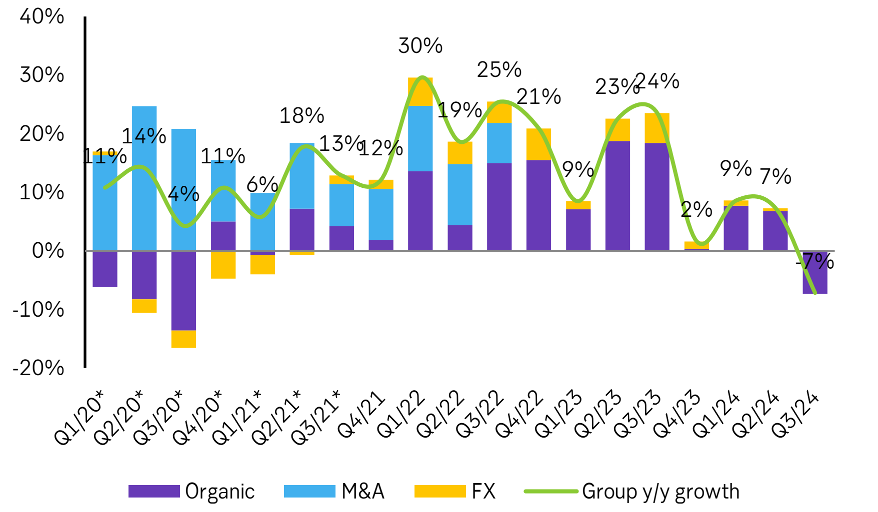


As a part of Doro

Source: Careium, SEB

Since 2019, Careium's total sales CAGR has been 13%, where it posted a c. 7% contribution per year from acquisitions, while FX has had a minor impact. As can be seen below, however, acquisitions have not made any contribution since Q3/22.

Careium: growth breakdown, quarterly



As a part of Doro

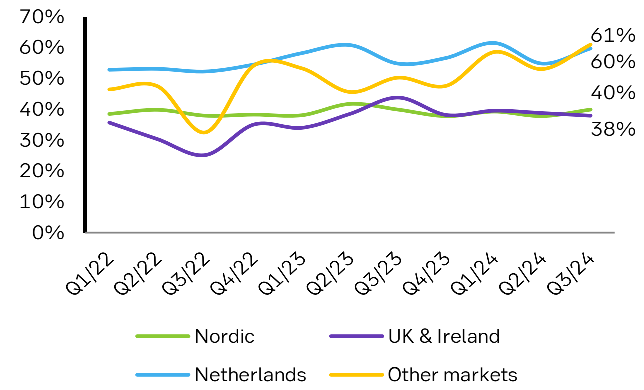
Source: Careium, SEB

In terms of regions, the Nordics is Careium's largest region (48% LTM Q3/24), followed by the UK and Ireland (34%) and the Netherlands (10%). Other markets (7%) are mainly made up of Germany and France.

The deceleration in the group's organic growth observed since Q4/23 is mainly an effect of lower growth in the UK, following the decision to postpone the switch-off of the analogue network. In this context, we believe it should be noted that the UK market is more product tilted (e.g. compared with the Nordics), hence short-term disruptions in purchasing have a greater impact on sales.

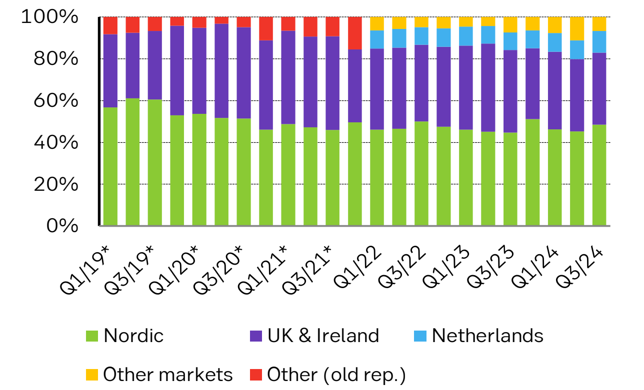
In the Nordics and the Netherlands, Careium has shown stable growth, with sales growing 7% and 9% respectively over the past 12 months. Other markets are growing quickly, with sales increasing 52% in the past 12 months.

Sales growth by region, quarterly



Source: Careium, SEB

Sales split by region



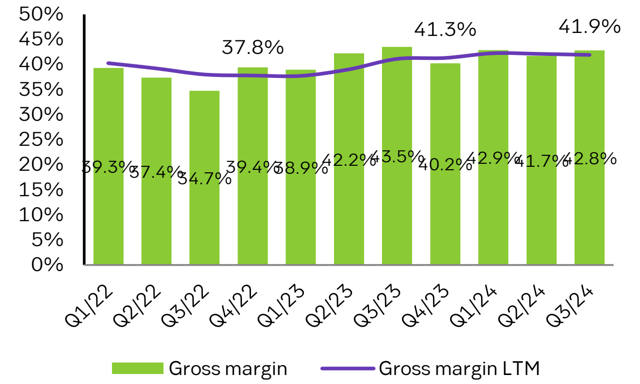
As a part of Doro

Source: Careium, SEB

Gross margin: slow and steady increases

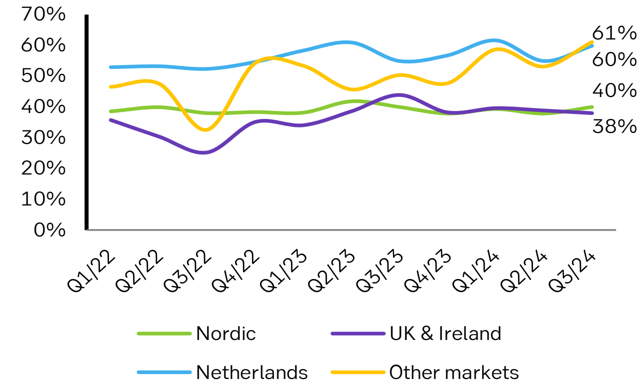
Careium's gross margin varies quarter to quarter, but it has increased more than 400bp since 2022 on an LTM basis to 41.9% in Q3/24. Looking at regions, the Netherlands and other markets have the highest gross margin of 61% and 60% respectively, with the UK and Ireland and the Nordics lower at 40 and 39%. A fundamental reason behind this difference is that the alarm receiving centre in the Netherlands is not operated by Careium, and instead is reported as opex. In other markets, the gross margin is higher as Careium only sells products.

Gross margin by quarter and LTM



Source: Careium, SEB

Gross margin by region, quarterly

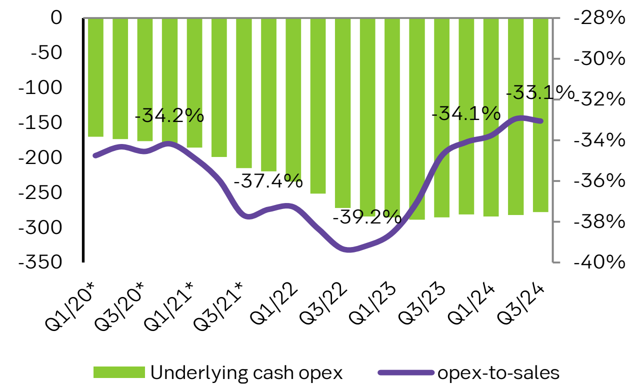


Source: Careium, SEB

Opex has been flat since mid-2022

Careium's cost base has been fairly stable since Q4/22, which was around the time its restructuring efforts started to gain traction. This has led to operating leverage, with opex-to-sales going from a high of 39% at the end of 2022, to 33% over the past 12 months. Looking at the opex distribution, selling expenses have increased versus opex while admin expenses have decreased.

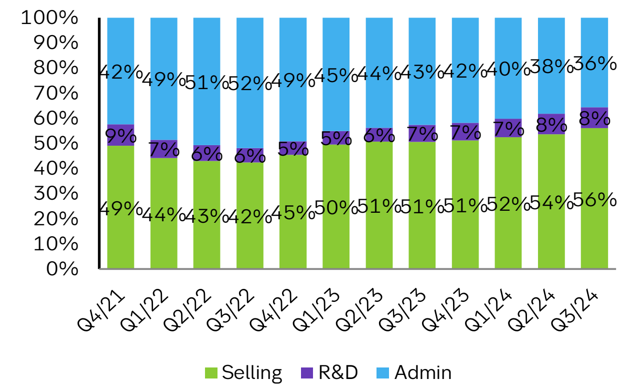
Opex and opex-to-sales, LTM (SEKm)



*As a part of Doro

Source: Careium, SEB

Opex distribution, LTM

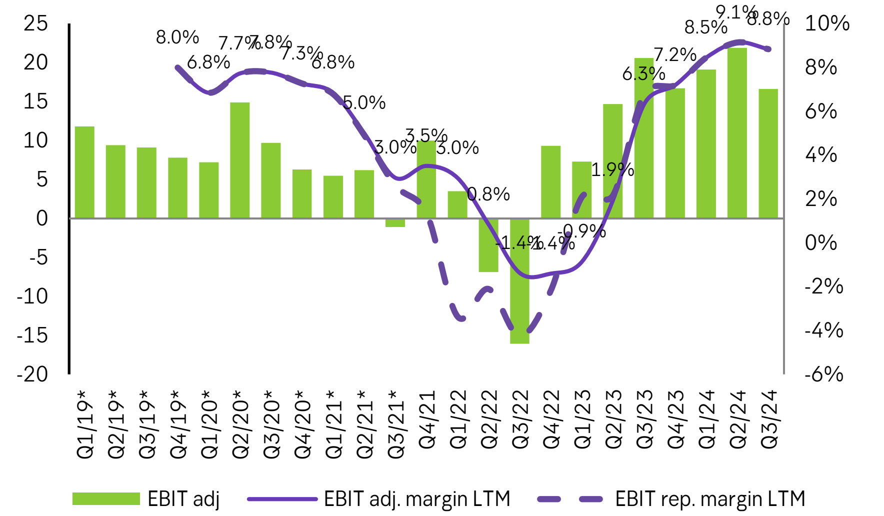


Source: Careium, SEB

EBIT margin has turned to 9% from negative in 2022

The combination of sales growth, slight gross margin increases and stable opex has led to strong EBIT margin performance, with the EBIT margin going from negative in 2022 to 8.8% as of LTM Q3/24.

EBIT adj. quarterly (SEKm) and EBIT margin LTM



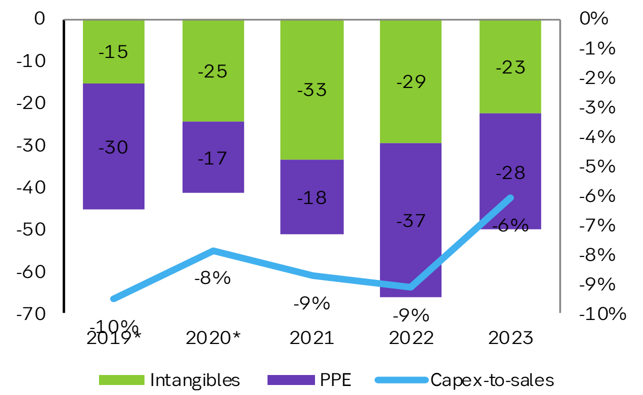
**As a part of Doro*

Source: Careium, SEB

Net working capital, capex and cash flow

Careium's capex has gradually decreased, reaching 6% of sales in 2023, which was slightly more tilted toward PPE. While we view the business as fairly asset-light, the company invests in equipment that is leased to customers, and on the intangible side mainly software. Net working capital in relation to sales has varied since 2019, reaching 17% in 2023.

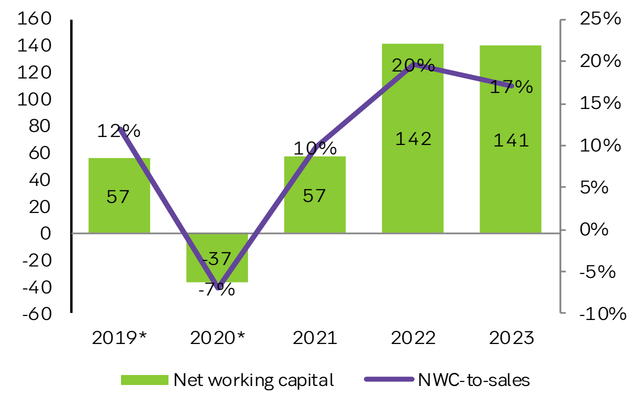
Capex (SEKm) and capex-to-sales



** As a part of Doro*

Source: Careium, SEB

Net working capital (SEKm) and NWC-to-sales

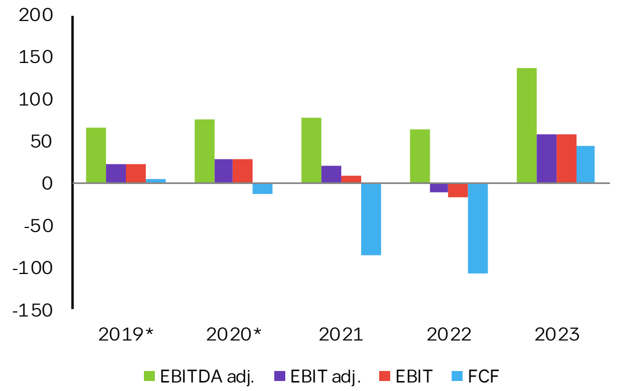


** As a part of Doro*

Source: Careium, SEB

With the varying margin profile and NWC, cash conversion has also varied. In 2023 it was 77%. Likewise, ROCE has varied a lot, with a 2023 print of 7% or 14% excluding goodwill.

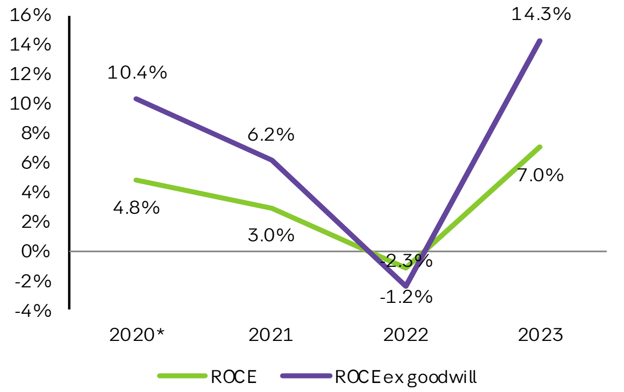
EBITDA, EBIT and FCF (SEKm)



** As a part of Doro*

Source: Careium, SEB

Return on capital employed



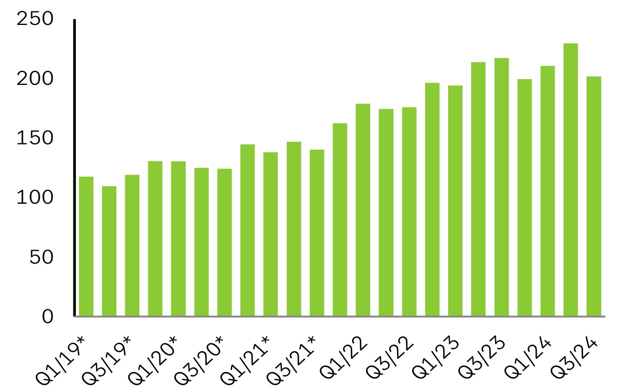
** As a part of Doro*

Source: Careium, SEB

No major quarterly variations

Careium does not exhibit major variations in sales between quarters. Historically, Q4 has been a slightly larger quarter, on average making up 27% during 2019-23.

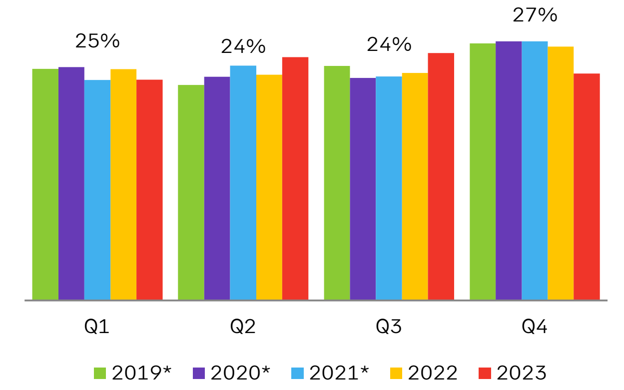
Net sales by quarter (SEKm)



** As a part of Doro*

Source: Careium, SEB

Net sales distribution by quarter (figure is median)



** As a part of Doro*

Source: Careium, SEB

Estimates

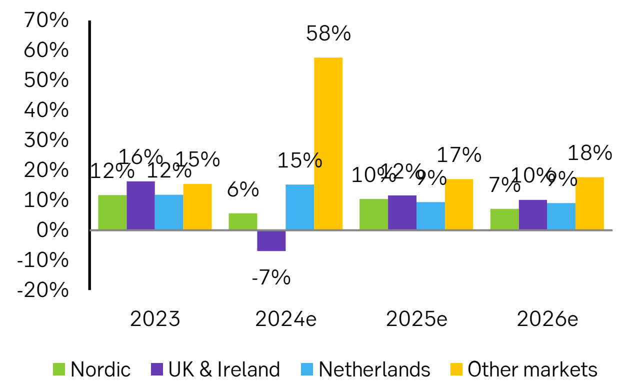
We forecast Careium to report a 2023-26 organic net sales CAGR of 8% and an adj. EBIT CAGR of 21% (18% for 2024E-26E).

Broad-based sales support

- **Nordics:** We model a net sales CAGR of 8% over 2023-26. Based on our assessment of the market growth (c. 5%), this corresponds to slight market share gains for Careium. However, as the market is consolidated, we do not expect any major share gains. We assume slightly higher product sales growth for 2025-26 driven by the anticipated switch-off of 2G in Sweden.
- **UK and Ireland:** The UK is similar but with more potential for market share gains. After -9% growth in 2024, we assume 10% growth for 2025 and 2026 (adjusted for FX). We assume slightly higher product sales growth for 2025-26 driven by the analogue network switch expected to be completed by January 2027.
- **Netherlands:** We assume a 11% CAGR in 2023-26, as we believe Careium is doing well in the region but has captured little of the potential
- **Other markets:** We believe there is significant potential for Careium to grow in its "other focus markets" such as Germany and France, supported by its strong product offering and strengthened by the combination with its software platform. We do not factor in any major success in Spain at this stage. We assume a 30% CAGR over 2023-26 (18% over 2024-26).

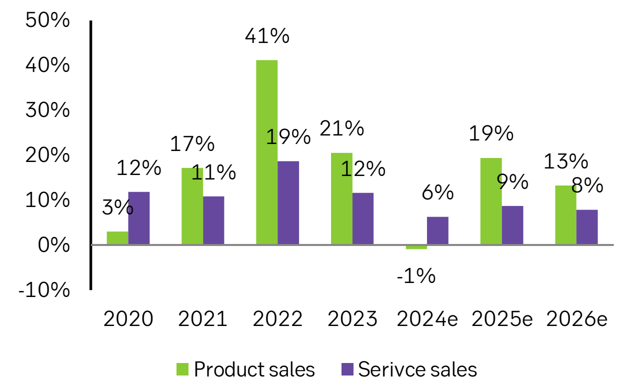
We expect product sales to outgrow service sales, supported by product sales growth in other markets, as well as slightly elevated growth from network transmission in Careium's key markets such as Sweden and the UK.

Net sales growth by region



Source: SEB estimates, Careium

Net sales growth by product and services

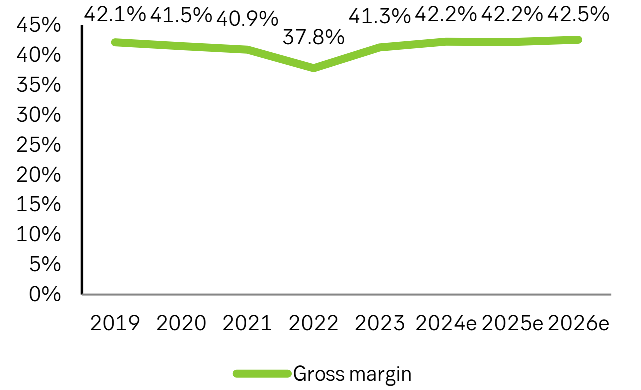


Source: SEB estimates, Careium

Stable gross margin and modest opex increase

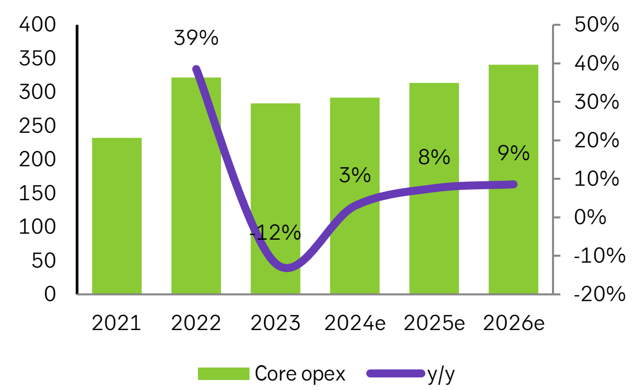
We expect a slight gross margin increase to 42.5% by 2026. This is supported by increased scale and a higher share of full-service contracts where profitability is higher. Following a year of reductions in 2023 and relatively flat development anticipated for 2024, we expect opex to increase somewhat in 2025-26, as Careium transitions from restructuring toward more forward-leaning investments.

Gross margin forecasts



Source: SEB estimates, Careium

Opex forecasts (SEKm)

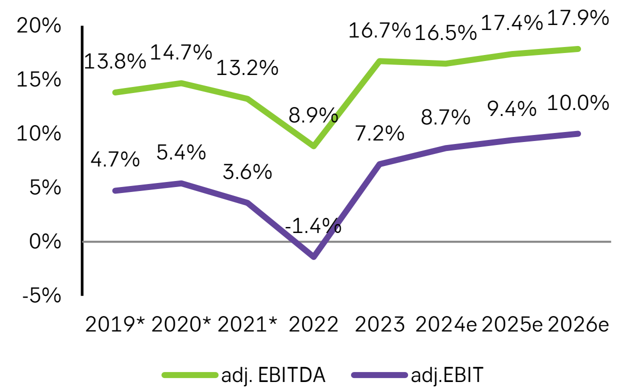


Source: SEB estimates, Careium

>15% EBIT growth for 2025E-26E

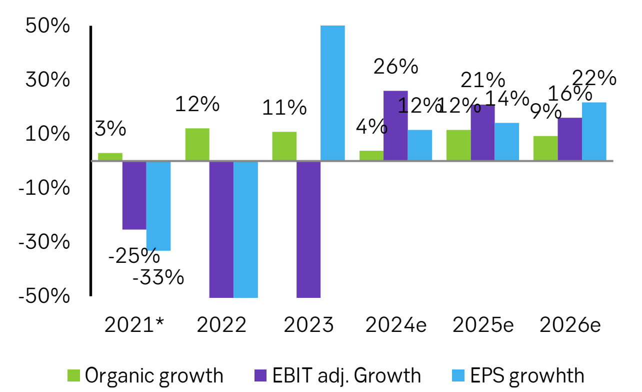
We expect the EBIT margin to increase to 9.6% in 2026, with organic growth of 12% in 2025E and 9% in 2026E. This supports EBIT growth of 21% and 16% for the same years.

EBITDA and EBIT margin trends



Source: SEB estimates, Careium

Growth forecasts

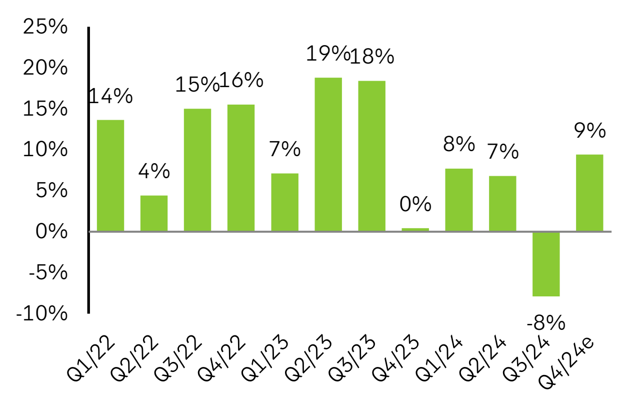


Source: SEB estimates, Careium

Growth rebound in Q4

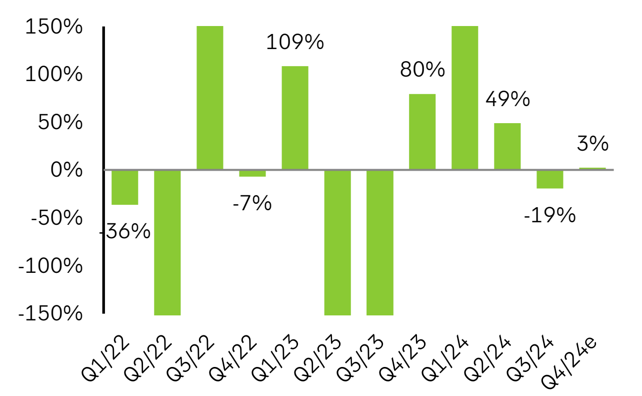
We forecast 9% organic sales growth in Q4, a rebound from -8% in Q3, mainly on the back of weak sales in the UK in Q4 last year. On adj. EBIT we forecast 3% growth in Q4.

Organic sales growth by quarter



Source: SEB estimates, Careium

EBIT adj. growth by quarter



Source: SEB estimates, Careium

Other forecast assumptions

- Net financials: We assume 6.5% interest on net debt going forward.
- Tax: We assume a tax rate of 22%, in line with the recent average.
- Working capital: The NWC-to-sales ratio has varied in recent years, averaging 11% during 2019-23, reaching a low of 8% in 2023. We assume it is stable at c. 10% going forward.
- Capex: We forecast capex to stay stable at 6% of sales going forward, as we expect Careium to continue to invest in rental equipment and capitalise development costs for software.
- Dividends: We assume no dividends, as we believe Careium will continue to pay down its debt and make room for future acquisitions.

Detailed annual financials and estimates (SEKm)

	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	**477**	**524**	**588**	**725**	**825**	**862**	**959**	**1,048**
COGS	-276	-307	-347	-451	-484	-498	-555	-602
Gross profit	**201**	**217**	**240**	**274**	**340**	**364**	**404**	**446**
Opex	-135	-140	-175	-215	-203	-222	-237	-259
EBITDA	**66**	**77**	**65**	**59**	**138**	**142**	**167**	**187**
D&A	-33	-39	-45	-57	-61	-58	-69	-74
EBITA	**33**	**38**	**21**	**2**	**77**	**84**	**98**	**113**
PPA amortization	-11	-9	-12	-18	-17	-9	-8	-8
EBIT	**23**	**28**	**9**	**-16**	**59**	**75**	**90**	**105**
Net financials	-1	-2	1	0	-7	-10	-11	-7
PBT	**22**	**26**	**9**	**-15**	**53**	**65**	**79**	**98**
Tax rate	0	0	0	0	0	0	0	0
Net income	**13**	**19**	**5**	**-9**	**41**	**50**	**62**	**76**
EPS	0.53	0.79	0.19	-0.47	1.56	2.06	2.42	3.00
NRIs			-13	-6	0	0	0	0
adj. EBITDA			**78**	**64**	**138**	**142**	**167**	**187**
adj.EBIT			**21**	**-10**	**59**	**75**	**90**	**105**
adj. EPS			**0.71**	**0.06**	**2.10**	**2.35**	**2.68**	**3.26**
Margins								
Gross margin	42.1%	41.5%	40.9%	37.8%	41.3%	42.2%	42.2%	42.5%
EBITDA adj. Margin	0.0%	0.0%	13.2%	8.9%	16.7%	16.5%	17.4%	17.9%
EBIT adj. Margin	0.0%	0.0%	3.6%	-1.4%	7.2%	8.7%	9.4%	10.0%
EBIT margin	4.7%	5.4%	1.5%	-2.2%	7.2%	8.7%	9.4%	10.0%
Growth								
Sales		10%	12%	23%	14%	5%	11%	9%
Organic		-5%	3%	12%	11%	4%	12%	9%
M&A		18%	9%	7%	0%	0%	0%	0%
FX		-3%	0%	4%	3%	1%	0%	0%
EBIT adj.		na	na	-148%	-681%	26%	21%	16%
EPS adj.		na	na	-91%	3148%	12%	14%	22%
Sales split								
Product sales			124	174	210	208	249	282
y/y			17%	41%	21%	-1%	19%	13%
Serivce sales			464	551	615	653	710	766
y/y			11%	19%	12%	6%	9%	8%
Sales by region								
Nordic			282	345	385	407	449	481
United Kingdom and Ireland			245	276	322	299	334	367
Netherlands				63	71	82	89	97
Other markets			61	41	47	74	87	102
Gross profit by region								
Nordic				133	152	158	173	186
United Kingdom and Ireland				88	125	115	130	144
Netherlands				34	41	48	53	58
Other markets				19	23	42	49	57

Source: SEB estimates, Careium

Detailed quarterly financials and estimates (SEKm)

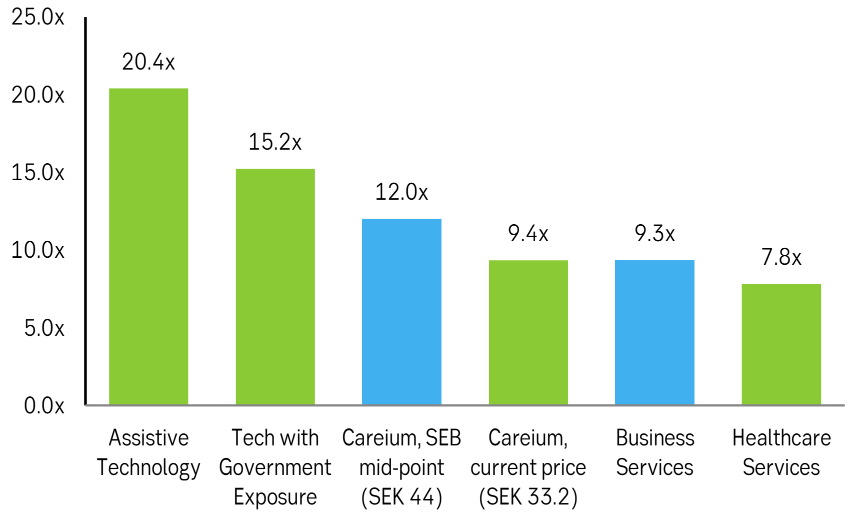
	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24	Q3/24E	Q4/24E
Sales	**179**	**174**	**176**	**196**	**194**	**214**	**217**	**199**	**211**	**229**	**202**	**220**
COGS	-109	-109	-115	-119	-119	-124	-123	-119	-120	-134	-115	-128
Gross profit	**70**	**65**	**61**	**77**	**76**	**90**	**95**	**80**	**90**	**96**	**86**	**92**
Opex	-75	-34	-60	-46	-50	-57	-50	-45	-55	-58	-52	-56
EBITDA	**-5**	**32**	**1**	**32**	**25**	**33**	**44**	**36**	**35**	**38**	**34**	**35**
D&A	-15	-14	-15	-14	-13	-14	-19	-15	-13	-14	-15	-16
EBITA	**-20**	**18**	**-14**	**18**	**12**	**20**	**25**	**20**	**22**	**24**	**19**	**19**
PPA amortization	-4	-5	-5	-5	-5	-5	-4	-4	-3	-2	-2	-2
EBIT	**-24**	**13**	**-18**	**13**	**7**	**15**	**21**	**17**	**19**	**22**	**17**	**17**
Net financials	0	1	-2	1	1	5	-5	-7	-1	-4	-2	-3
PBT	**-24**	**14**	**-20**	**14**	**8**	**20**	**16**	**10**	**19**	**18**	**14**	**14**
Tax rate	0	0	0	0	0	0	0	0	0	0	0	0
Net income	**-19**	**17**	**-16**	**9**	**6**	**15**	**12**	**7**	**14**	**14**	**11**	**11**
EPS (SEK)	-0.83	0.68	-0.67	0.35	0.23	0.59	0.47	0.27	0.55	0.54	0.54	0.42
NRIs	-28	20	-2	4	0	0	0	0	0	0	0	0
adj. EBITDA	**22**	**11**	**3**	**28**	**25**	**33**	**44**	**36**	**35**	**38**	**34**	**35**
adj. EBIT	**4**	**-7**	**-16**	**9**	**7**	**15**	**21**	**17**	**19**	**22**	**17**	**17**
adj. EPS (SEK)	**0.20**	**-0.09**	**-0.45**	**0.37**	**0.38**	**0.74**	**0.60**	**0.38**	**0.64**	**0.60**	**0.62**	**0.49**
Margins												
Gross margin	39.3%	37.4%	34.7%	39.4%	38.9%	42.2%	43.5%	40.2%	42.9%	41.7%	42.8%	41.6%
EBITDA adj. margin	12.5%	6.4%	1.7%	14.2%	13.1%	15.4%	20.3%	17.8%	16.6%	16.4%	17.0%	16.0%
EBIT adj. margin	2.0%	-4.0%	-9.2%	4.7%	3.8%	6.9%	9.5%	8.4%	9.1%	9.5%	8.2%	7.8%
EBIT margin	-13.4%	7.6%	-10.4%	6.7%	3.8%	6.9%	9.5%	8.4%	9.1%	9.5%	8.2%	7.8%
Growth												
Sales	30%	19%	25%	21%	9%	23%	24%	2%	9%	7%	-7%	10%
Organic	14%	4%	15%	16%	7%	19%	18%	0%	8%	7%	-8%	9%
M&A	11%	10%	7%	0%	0%	0%	0%	0%	0%	0%	0%	0%
FX	5%	4%	4%	5%	1%	4%	5%	1%	1%	0%	1%	1%
EBIT adj.	-36%	-211%	1364%	-7%	109%	-313%	-228%	80%	162%	49%	-19%	3%
EPS adj.	17%	-152%	1151%	-254%	94%	-887%	-233%	5%	69%	-18%	3%	27%
Sales split												
Product sales	39	42	42	51	52	55	58	45	56	66	37	49
y/y	55%	28%	42%	41%	32%	30%	39%	-11%	8%	20%	-36%	8%
Service sales	139	132	134	145	143	159	159	154	155	163	164	171
y/y	23%	16%	20%	14%	2%	20%	19%	6%	9%	3%	3%	11%
Geographical sales split												
Nordic	82	81	88	93	90	97	97	102	98	104	98	108
UK and Ireland	69	68	65	75	78	90	86	68	78	79	70	72
Netherlands	16	16	15	17	18	18	18	17	19	20	21	21
Other markets	11	10	9	11	9	9	16	13	16	26	14	19
Geographical gross profit split												
Nordic	32	32	33	36	34	40	39	39	38	39	39	41
UK and Ireland	25	21	16	26	27	35	38	26	31	31	26	27
Netherlands	8	8	8	10	10	11	10	10	12	11	13	13
Other markets	5	5	3	6	5	4	8	6	10	14	8	10

Source: SEB estimates, Careium

Valuation

We use DCF to derive our fair value range of SEK 41-47 for Careium. It currently trades at an EV/EBITA for 2024E and 2025E of 12x and 9x respectively. The midpoint in our fair value range corresponds to EV/EBITA for 2024E and 2025E of 15x and 12x. Compared to peers, Careium trades at a discount to technology peers (-54% and -39%), but more in line with the two services groups (+19% and 0%). We believe its financial profile is inferior to the tech groups, but superior to those in the services groups. Consequently, we believe Careium could justify a higher multiple, as it builds its track record as a standalone company in a listed environment.

EV/EBITA, 2025E



Source: SEB, FactSet

DCF-based value range of SEK 41-47

We derive our fair value using a DCF valuation. We extend our three-year forecast period to 10 years, where we normalise growth toward a steady state level of 2.5%, leading to a 10-year CAGR of 6%. We expect only modest EBIT margin expansion beyond our forecast period, flattening out at 12%. We assume a WACC of 9.5% and a long-term growth rate of 2.5%. Our WACC assumption reflects Careium's small size, relatively volatile recent history and short track record as a listed company. Based on a +/- 0.5pp change in cost of capital, we derive our fair value range of SEK 41-47 with a midpoint of SEK 44.

DCF overview

DCF valuation (SEKm)		**Weighted average cost of capital (%)**	
NPV of FCF in explicit forecast period	543	Risk free interest rate	2.5
NPV of continuing value	657	Risk premium	7.6
Value of operation	**1,200**	**Cost of equity**	**10.1**
Net debt	135	**After tax cost of debt**	**5.1**
Share issue/buy-back in forecast period	-		
Value of associated companies	-	**WACC**	**9.5**
Value of minority shareholders' equity	-		
Value of marketable assets	-	**Assumptions**	
DCF value of equity	**1,065**	Number of forecast years	10
DCF value per share (SEK)	**44**	EBIT margin - steady state (%)	12.0
Current share price (SEK)	31.20	EBIT multiple - steady state (x)	8.4
DCF performance potential (%)	40	Continuing value (% of NPV)	54.8

Source: SEB

Sensitivity table (SEK/share)

		Cost of equity (%)				
		9.1	9.6	**10.1**	10.6	11.1
Equity capital weight (%)	68	66	63	59	56	53
	78	57	54	51	48	45
	88	50	47	**44**	41	39
	98	44	41	38	36	34
	100	43	40	38	35	33

		Absolute change in EBITDA margin - all years				
		-2%	-1%	**0**	+1%	+2%
Abs. change in sales growth - all years	-2%	32	36	40	43	47
	-1%	34	38	42	45	49
	0	36	40	**44**	48	52
	+1%	38	42	46	50	55
	+2%	40	44	49	53	57

Source: SEB

Peer comparison

We view Careium as relatively unique, combining technology products, a high share of recurring service sales, as well as having a relatively high government funded component to its sales. As a result, we do not believe there are any close peers in a listed environment. However, we have identified four groups that share some similarities. These are Assistive Technology, Tech with Government Exposure, Healthcare Services and Business Services.

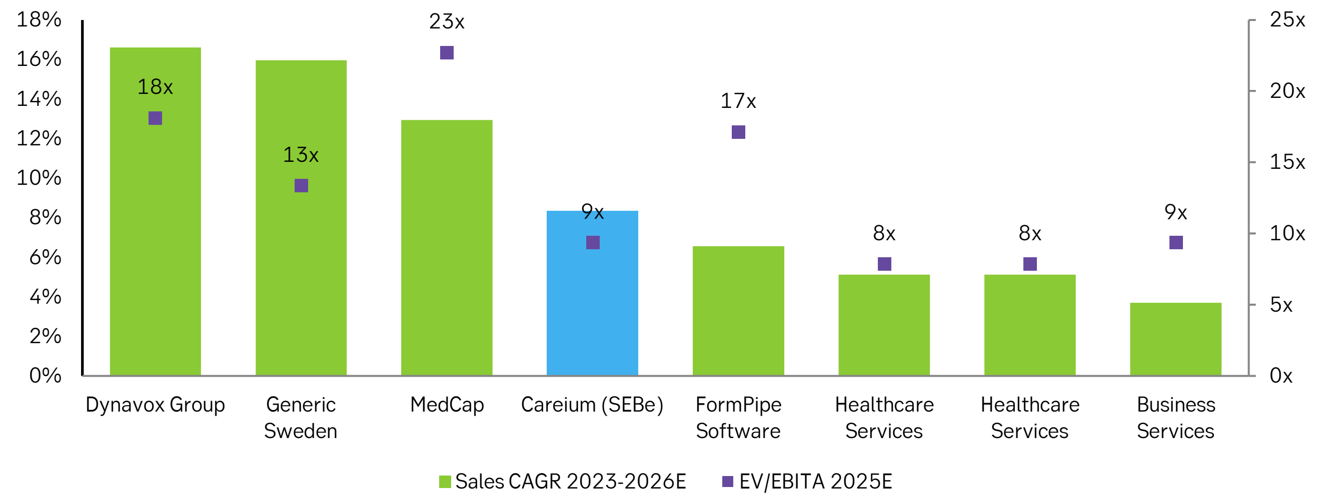
Operationally, we believe the Assistive Tech business area of MedCap is the most relevant peer, offering assistive aids that are government funded, sold mainly in the Nordics and mainly selling to the municipalities (like Careium). Assistive Tech is c. 40% of MedCap and the remainder, which consists of MedTech and Speciality Pharma, is less comparable to Careium. We also deem Dynavox Group, which sells assistive technology for communication, as a relevant peer, although there are differences as Dynavox products fall under medical device regulations and are mainly sold through health insurance systems in the US. Furthermore, we believe the 2025E EV/EBITA for MedCap (23x) and Dynavox (18x) includes a M&A/capital allocation premium which has been awarded by the market over time.

Trading in line with service peers but at a discount to technology

Careium currently trades at an EV/EBITA in 2025E of 9x, which is at a discount to the two technology groups (-54% and -39%), but more in line with the two services groups (+19% and +0%). We believe Careium’s financial profile is inferior to the tech groups, but superior to those in the services groups. Consequently, we believe Careium could justify a higher multiple, as it builds its track record as a standalone company in a listed environment.

Careium expected to grow faster than services' peers
Looking at sales growth, based on our estimates, Careium will grow faster than the healthcare services and business services groups but slower than most companies in the assistive technology and government technology groups.

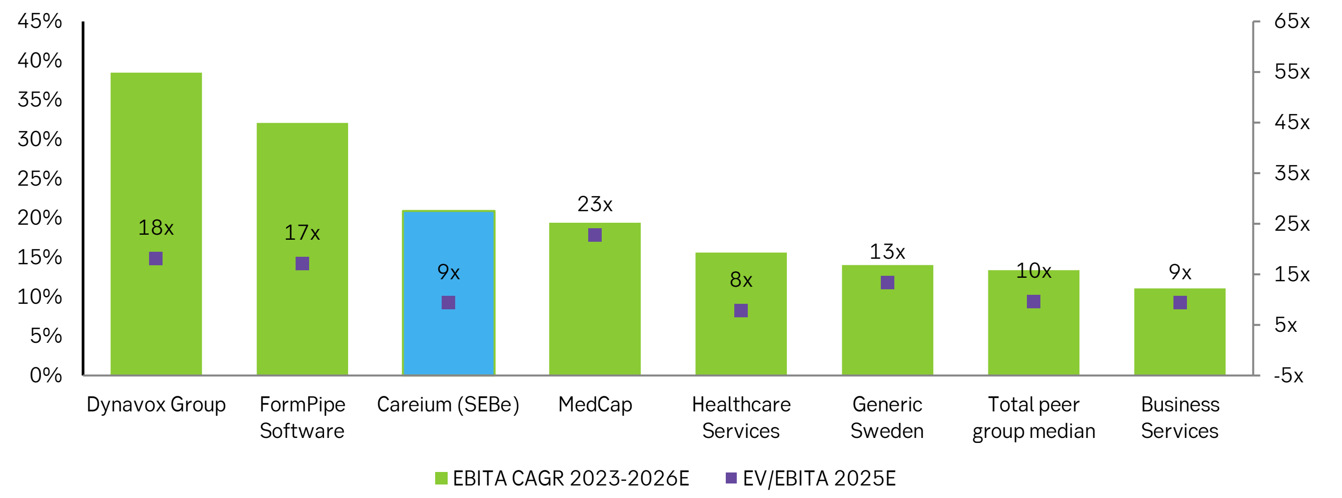
Peer comparison: Sales CAGR and EV/EBITA



Source: SEB, FactSet

Careium EBITA growth exceeds most of our peers
Careium fares well on 2023-26E EBITA CAGR versus peers, based on our forecasts; we expect 21%, which is only matched by Dynavox and FormPipe.

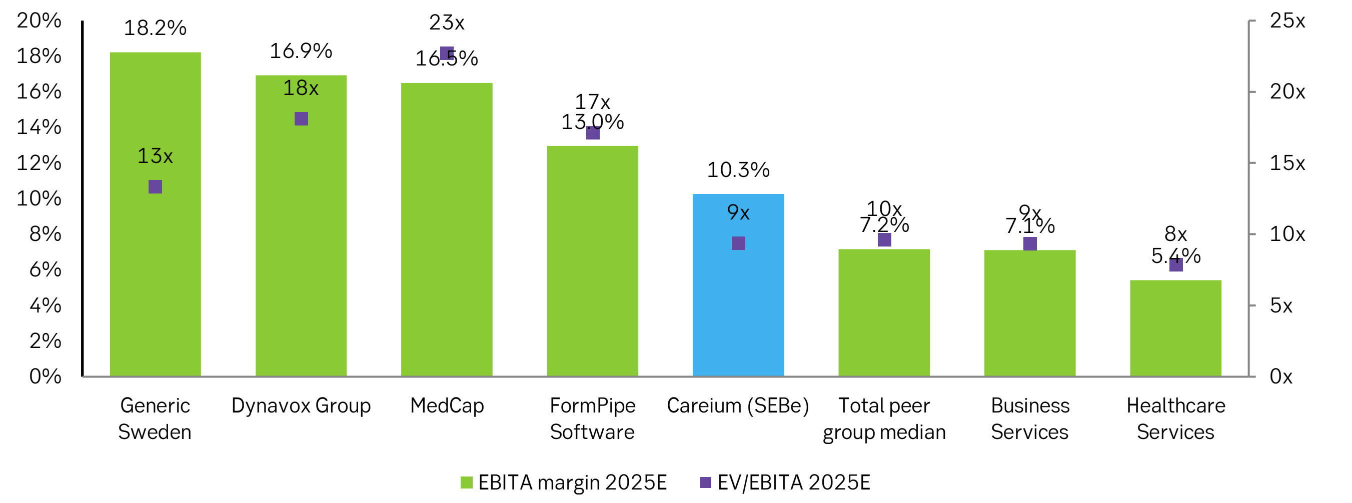
Peer comparison: EBITA CAGR and EV/EBITA



Source: SEB, FactSet

Careium's EBITA margin is lower than tech peers but better than services
On EBITA margin, Careium comes out lower than the assistive technology and government technology, but substantially higher than the two services groups.

Peer comparison: EBITA margin and EV/EBITA



Source: SEB, FactSet

Peer table

In the peer table below, please note that we have used SEB estimates as the reference for the healthcare services group. This is due to IFRS16 lease reporting distorting the multiples we deem relevant in FactSet.

Peer table

	FX	Mkt cap. (SEKm)	CAGR 2023-26E Sales	EBIT	2024E	EV/EBITA 2025E	2026E	2024E	EV/EBIT 2025E	2026E	2024E	PE adj. 2025E	2026E
Assistive Technology													
Dynavox Group	SEK	6,574	17%	38%	25x	18x	14x	31x	21x	16x	42x	28x	21x
MedCap	SEK	7,937	13%	19%	26x	23x	19x	26x	23x	19x	28x	24x	22x
Median			**15%**	**29%**	**26x**	**20x**	**17x**	**29x**	**22x**	**18x**	**35x**	**26x**	**21x**
Tech with Government Exposure													
FormPipe Software	SEK	1,355	7%	32%	32x	17x	10x	32x	17x	10x	40x	23x	15x
Generic Sweden	SEK	530	16%	14%	17x	13x	11x	17x	13x	11x	22x	17x	15x
Median			**11%**	**23%**	**24x**	**15x**	**11x**	**24x**	**15x**	**11x**	**31x**	**20x**	**15x**
Healthcare Services													
Ambea (SEBe)	SEK	8,782	5%	13%	9x	8x	7x	9x	8x	7x	9x	9x	9x
Attendo **(SEBe)**	SEK	7,725	7%	19%	10x	8x	6x	10x	8x	6x	12x	10x	8x
Humana (SEBe)	SEK	2,102	4%	16%	8x	7x	6x	8x	7x	6x	9x	6x	5x
Median			**5%**	**16%**	**9x**	**8x**	**6x**	**9x**	**8x**	**6x**	**9x**	**9x**	**8x**
Business Services													
Coor Service Management	SEK	3,466	2%	12%	11x	9x	8x	11x	9x	8x	11x	9x	7x
Green Landscaping	SEK	4,207	7%	12%	15x	12x	11x	15x	12x	11x	15x	13x	11x
ISS	DKK	39,347	4%	13%	9x	8x	7x	9x	8x	7x	9x	8x	8x
Lassila & Tikanoja	EUR	3,911	0%	6%	13x	11x	11x	13x	11x	11x	11x	10x	9x
Loomis	SEK	24,126	4%	10%	10x	9x	8x	10x	9x	8x	12x	10x	9x
Securitas	SEK	77,214	3%	6%	11x	10x	9x	11x	10x	9x	13x	11x	10x
Median			**4%**	**11%**	**11x**	**9x**	**8x**	**11x**	**10x**	**8x**	**12x**	**10x**	**9x**
Total peer group median			**5%**	**13%**	**11x**	**10x**	**9x**	**11x**	**10x**	**9x**	**12x**	**10x**	**9x**
Careium (SEBe)		**791**	**8%**	**21%**	**12x**	**9x**	**7x**	**13x**	**10x**	**8x**	**14x**	**12x**	**10x**
Discount (-) / Premium (+) vs Total medium					3%	-3%	-14%	15%	2%	-11%	20%	20%	9%
Discount (-) / Premium (+) vs Assistive Technology					-54%	-54%	-55%	-54%	-54%	-55%	-60%	-52%	-53%
Discount (-) / Premium (+) vs Tech with Government Exposure					-52%	-39%	-31%	-46%	-33%	-25%	-54%	-39%	-32%
Discount (-) / Premium (+) vs Healthcare Service					28%	19%	15%	43%	30%	24%	60%	44%	22%
Discount (-) / Premium (+) vs Business services					7%	0%	-10%	16%	7%	-5%	22%	23%	13%

Source: FactSet, SEB

Risks

We view the following as the key risks for Careium.

Increased competition
We deem increased competition from new entrants or existing actors expanding to new markets as a risk for Careium. An increased number of relevant competitors in each local market could lead to lower prices in tenders and/or lower market share for Careium.

Technological advancements
Net technology that meaningfully improves the value of telecare services or can deliver the same value at a lower cost could replace Careium's solution. Consequently, we believe it is important for Careium to invest in R&D to help ensure its offering remains relevant and competitive.

Setbacks following the recent turnaround
Careium has recently undergone a turnaround, which among other things included a review of its customer portfolio, cost savings initiatives and changes in management positions. We believe a potential setback, such as due to the high turnover in the new organisation, is a risk.

Future acquisitions
We believe Careium intends to make add-on acquisitions in the future. We believe this comes with risks, such as relating to integration and acquired companies not performing as expected.

Political risks
While it has not communicated an exact figure, the ultimate payor for a large share of Careium's revenue are government entities. While we see no immediate political risk for the foreseeable future, this exposure risks Careium to being impacted by policy changes that could impact the government procurement of Careium's products and services.

However, we believe Careium's value proposition as a cost-effective care solution puts it at lower risk from a negative impact from policy changes. Furthermore, most of Careium's exposure is to many local governments (e.g. municipalities), putting it at less risk of decisions made by individual public servants.

Appendix: Management and board of directors

Group management

Christian Walén has been the CEO of Careium since 2023. Previously, Mr Walén was CEO of Assessio Sweden, Senior Manager at Accenture, CEO of PBM AB, and Head of B2B and Global Head of Mental Health at Kry. Furthermore, he has held various board positions for SaaS start-ups. Mr Walén holds a Master of Science in Psychology from Linköping University and an MBA from Stockholm School of Economics. His current shareholding in Careium (including holdings of related parties) is 70,313 shares.

David Granath joined Careium as CFO during the summer of 2024. Previously, Mr Granath has held the CFO position at Polarium and Qliro Group. He also worked as a management consultant at Applied Value and business controller at Dustin. He is currently a member of the board in Swedish listed Söder Sportfikse. He has a shareholding in Careium (including holdings of related parties) of 900 shares.

Annika Ramsing has been the Chief HR Officer of Careium since 2021. Previously, Ms Ramsing has held the position of Chief HR Officer at DORO AB, Group HR Manager at TwentyForSevenGroup AB and HRBP at Grontmij AB. Ms Ramsing holds a bachelor’s degree in Behavioural Science at Lund University. Her current shareholding in Careium (including holdings of related parties) is 1,946 shares.

Ulrik Nilsson has been Chief Supply Chain Officer of Careium since 2021. Previously, Mr Nilsson has held positions such as Operations Director, IT/IS Director and VP Operations at DORO AB. Mr Nilsson has general secondary education in electrical telecommunication. His shareholding in Careium (including holdings of related parties) is 15,500 shares.

Oskar Hägglund has been the Chief Information Officer of Careium since 2023. Mr Hägglund has experience as an IT Manager at Attendo AB and various senior positions within IT at SJ and Swedavia, in addition to experience as an IT management consultant at companies like Connecta. Mr Hägglund holds an MBA from Umeå University. His shareholding in Careium (including holdings of related parties) is 2,800 shares.

Martin Puumalainen has been Careium’s Chief Commercial Officer since 2021. Mr Puumalainen has previous experience working as Regional Manager of Sweden for DORO AB, Country Manager Sweden at Lekolar, Group Purchasing Manager at Arriva Scandinavia AS and consulting through MP Consulting. Mr Puumalainen holds a bachelor’s degree in law from Lund University. He does not have any shares in Careium.

Members of the board

Maria Khorsand has been Chairman of the board for Careium since 2023. Mrs Khorsand has previously been CEO of SOS Alarm, CEO of the Technical Research Institute of Sweden, CEO of Dell Sverige and CEO of Ericsson Technology Licensing. She has also held several management positions at OMX and Ericsson, in addition to experience at Riksbanken and Burroughs Corporations. Other ongoing assignments include board member of VTI, Sweden Sea Rescue Society and Mistra. Mrs Khorsand holds a Master of Science with a major in Computer Science from California State University. Her shareholding in Careium (including holdings of related parties) is 20,862 shares.

Kai Tavakka has been a board member of Careium since 2022. Mr Tavakka has previous experience as an activist investor, working together with boards, nomination committees and management teams as an active owner. Prior to that, Mr Tavakka worked in Corporate Finance at PCA Corporate Finance and Danske Bank. Other ongoing assignments include Partner at Accendo Capital and Board Member in SSH Communications Security Oyj. Mr Tavakka holds a Master of Science in Economics from Aalto University, and he is a CFA charterholder. His shareholding in Careium (including holdings of related parties) is 23,000 shares. Accendo Capital , which Mr Tavakka represents, holds 2,943,410 shares (12% of outstanding shares).

Sara Lindell has been a board member of Careium since 2024. Mrs Lindell has previous experience as Chief Commercial Officer at Releasy Customer Management, in addition to working as a management consultant at Centigo, and independently. Other ongoing assignments include board member of Elk Audio AB, Berno Invest AB and Lindell Consulting Sweden AB. Mrs Lindell holds a Bachelor of Science in Industrial Engineering from Linköping University of Technology. Her shareholding in Careium (including holdings of related parties) is 10,601 shares.

Nils Normell has been a board member of Careium since 2024. Previous experience includes senior positions at Microsoft, Apple, Nokia and Electrolux, in addition to founding start-up companies. Other ongoing assignments include President of Market Unit Europe and Rest of World at Tobii Dynavox AB. Mr Normell holds a Master of Science from the Royal Institute of Technology and an MBA from Stockholm School of Economics. His shareholding in Careium (including holdings of related parties) is 15,822 shares.

SEAM (SEB's ESG Assessment Methodology)

Careium

Country: Sweden Sector: IT/Technology Overall impact of ESG factors on valuation: Neutral Fully discounted in mid-point DCF value: **No**

In our view, ESG factors do or will have an overall neutral impact on the share's valuation. The most material impact is reluctance among financiers for financing suppliers to public care. None of the impact is yet to be discounted in our mid-point equity valuation. We believe that most of the ESG factors facing the company could be manageable by the company, and that the company's management of these issues is optimal..

Our analysis suggests an overall neutral ESG impact on valuation, which is more negative relative to Sustainalytics' "low" qualitative ESG score. This suggests that ESG value impacts are more negative for the share than ESG reputational impacts.

With regard to the EU taxonomy, the company has not yet reported its revenue eligibility, or is not required to do so. In the longer term, we also expect alignment to be insignificant.

ESG impact on NPV (as % of equity valuation)		ESG impact on NPV (as % of enterprise valuation)	
Total impact over time	n.m.	Total impact over time	(1)
of which:		of which:	
- impact reflected in mid-point equity valuation	n.m.	- impact reflected in mid-point enterprise valuation	0
- impact yet-to-be reflected in mid-point equity valuation	n.m.	- impact yet-to-be reflected in mid-point enterprise valuation	(1)

SEB ESG Financial Assessment

	As % of equity valuation		As % of enterprise valuation
Long term impact of ESG issue on valuation	(Infinity)		(1)
of which:			
Impact already reflected in our 6-12 month mid-point	n.m.		0
Impact yet-to-be reflected in mid-point price	n.m.		(1)
Sales (price/volume) exposure to ESG opportunities/threats	Impact on Sales CAGR (%pa) 0-3 yrs	4-10+ yrs	NPV/EV (%)
Societal impacts			
Contributing to more cost-effective care for society	1	1	3
Cost of capital exposure to ESG opportunities/threats	Impact on cost of capital (percent units)		NPV/EV (%)
Societal impacts			
Reluctance among financiers for financing suppliers to public care	0.5	0.5	(4.0)
Long term impact of ESG issue on valuation (% NPV/EV)			(1)

Careium (cont.)

Sustainalytics Assessment (note: lower number means less risk)

Overall risk	Low
Percentile vs. companies in all industries	20
Percentile vs. others in industry	12

The Sustainalytics ESG rating is an assessment of how well a company is managing its material ESG risks, while SEB's SEFA is a bottom up evaluation of the impact of most material ESG factors on the company's financial performance.

Sustainalytics rating	SEB SEFA (as % of EV)
Negligible	Positive
Low	Slightly positive
Medium	**Neutral**
High	Slightly negative
Severe	Negative

EU Taxonomy Eligibility/Alignment (based on mandatory EU disclosures)

In our view, the company does not have EU Taxonomy eligible revenues.

Sustainability related committments and targets

Does the company have a science based target?	No
Is the CEO's remuneration linked to achievement of sustainability goals?	No
What are the company's most material sustainability goals?	The number of digital inspections carried out and e-locks installed will increase according to the internal plans in Sweden and Norway. Energy efficiency of offices is to be done in UK and Norway, according to plan. The vehicle fleet in Norway will consist of at least 70 % electric cars by the end of 2024. Double materiality assesment must be performed and measurments set up to meet the requierments of CSRD in 2025.
Who has ultimate responsibility for sustainability management?	Christian Walén, CEO

Overview

Investment considerations	Careium operates in an attractive market, supported by tailwinds such as an ageing population, increased market penetration driven by the need for more cost-effective care and a mix shift toward more advanced technologies. Supported by its strong product offering and well invested technology platform, we see potential for Careium to continue to grab market share and outgrow the market. We forecast a 2023-26 net sales CAGR of 9% and EBIT CAGR of 21%. Also, we could see some contribution from M&A.
Company profile	Careium specialises in technology enabled care solutions, focusing on social alarm services for seniors. Its equipment is installed in customers' homes and connected to Careium's alarm centres, through which it serves some 400k seniors and handles about 25k alarms daily. This service model provides a stable, recurring revenue stream, with services contributing over 70% of sales in 2023. Careium also sells products, both as a prerequisite for its alarm services and as a standalone offering in markets where it does not provide services. In 2023, the Nordics was the largest market (47% of sales), followed by the UK and Ireland (39%), the Netherlands (8%) and other markets (6%). Careium was spun out of Doro in late 2021 and over 2019-LTM Q2/24 it reported a CAGR in organic growth of 7% and EBIT of 32%. Following the spin-off, Careium faced profitability issues in the UK, but it has undergone a successful restructuring and as of LTM Q2/24 the group EBIT margin recovered to 9.1%.
Valuation approach	Our fair value range is based on a DCF valuation. We also benchmark trading multiples compared to peers.
Investment risks	We view increased competition and technological disruption as key risks. Furthermore, the company has recently undergone a successful turnaround, including many changes in management positions, and we view a potential setback following this as a risk. If Careium starts to make acquisitions again, this would increase its risk profile (e.g. integration). With a high share of revenue being funding by governments there are political risks, although we view these as less significant.

About this publication
This report is a marketing communication commissioned by Careium and prepared by Skandinaviska Enskilda Banken AB (publ). It does not constitute investment research; as such, it has not been prepared in accordance with the legal requirements to promote the independence of investment research, nor is it subject to any prohibition on dealing ahead of the dissemination of investment research.

This statement affects your rights
This report is confidential and may not be reproduced, redistributed or republished by any recipient for any purpose or to any person. Redistributing this report to third parties may invoke legal requirements on the person engaging in such activities.

Producers and Recipients
SEB Research is approved and issued by Skandinaviska Enskilda Banken AB (publ) ("SEB"), a bank organized under the laws of the Kingdom of Sweden, on behalf of itself and its affiliates for institutional investors. When SEB Research is issued by an SEB subsidiary, the subsidiary itself is subject to this disclaimer.

Use
This material has been prepared by SEB for information purposes only. It does not constitute investment advice and is being provided to you without regard to your investment objectives or circumstances. The document does not constitute an invitation or solicitation of an offer to subscribe for or purchase any securities and neither this document nor anything contained herein shall form the basis for any contract or commitment whatsoever. Opinions contained in the report represent the authors' present opinion only and may be subject to change. In the event that the authors' opinion should change, we shall endeavour (but do not undertake) to disseminate any such change, within the constraints of any regulations, applicable laws, internal procedures within SEB, or other circumstances.

Good faith and limitations
All information, including statements of fact, contained in this research report have been obtained and compiled in good faith from sources believed to be reliable. However, no representation or warranty, express or implied, is made by SEB with respect to the completeness or accuracy of its contents, and it is not to be relied upon as authoritative and should not be taken in substitution for the exercise of reasoned, independent judgement by you. Recipients are urged to base their investment decisions upon such investigations as they deem necessary. To the extent permitted by applicable law, no liability whatsoever is accepted by SEB for any direct or consequential loss arising from the use of this document or its contents.

Distribution
This research report has been prepared by SEB or its affiliates and is being distributed by SEB offices in Stockholm, Copenhagen, Oslo, Helsinki, Frankfurt, London, Tallinn, Vilnius and Riga. Research reports are prepared and distributed in Lithuania by AB SEB bankas and in Estonia by AS SEB Pank in accordance with the requirements of the local laws and Financial Supervision Authority's conduct of business rules. This document may not be distributed in the United States, Canada, Japan or Australia or in any other jurisdiction where to do so would be unlawful. Addresses and Phone numbers for each office can be found at the end of the report.

The SEB Group: members, memberships and regulators

SEB is a member of, inter alia, Nasdaq OMX Nordic, Oslo Stock Exchange, the London Stock Exchange, NYSE Euronext, SIX Swiss Exchange, Frankfurt Stock Exchange, Tallinn Stock Exchange as well as certain European MTF's such as BATS-Chi-X, Turquoise and Burgundy. SEB is regulated by Finansinspektionen in Sweden and, for the conduct of investment services business, in (i) Denmark by Finanstilsynet, (ii) Norway by Finanstilsynet, (iii) Finland by Finanssivalvonta, (iv) Germany by Bundesanstalt für Finanzdienstleistungsaufsicht, (v) the UK authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request, (vi) Estonia by the Estonian Financial Supervision Authority, (vii) Lithuania by the Bank of Lithuania , (viii) Latvia by the Financial and Capital Markets Commission and Futures Commission.

SEB's research reports are prepared in accordance with the industry standards and codes of conduct applicable to financial analysts in the countries where they are based. In Denmark, Finland, Norway and Sweden, analysts act in accordance with the rules of ethics of each country's Society of Financial Analysts. Analysts comply with the recommendations and industry standards of the Danish, Norwegian and the Swedish Securities Dealers Associations and with those of the Federation of Finnish Financial Services. Analysts certified by the CFA Institute also comply with the Code of Ethics of the CFA Institute.

Prevention and avoidance of conflicts of interest

The remuneration of staff within the Research department is determined exclusively by research management and senior management and may include discretionary awards based on the firm's total earnings, including investment banking and markets (sales and trading businesses) income; however, no such staff receive remuneration based upon specific investment banking or markets transactions. SEB's Compliance department monitors the production of research and the observance of the group's procedures designed to prevent any potential conflicts of interest from affecting the content of research; the latter are described in greater detail in the "Statement of Policies for dealing with potential conflicts of interest surrounding our Research activities" which is available on our SEB Research website.

Your attention is also drawn to the fact that:

The current market price of the securities shown in this report is the price prevailing at the close of the business day preceding the date of publication, save where such price was more than 5% different from the price prevailing as at the time of publication, in which case it is the latter.

Unless explicitly stated otherwise in this report, SEB expects (but does not undertake) to issue updates to this report following the publication of new figures or forecasts by the company covered, or upon the occurrence of other events which could potentially have a material effect on it.

The securities discussed in this research report may not be eligible for sale in all countries, and such securities may not be suitable for all types of investors. Offers and sales of securities discussed in this research report, and the distribution of this report, may be made only in countries where such securities are exempt from registration or qualification or have been so registered or qualified for offer and sale, and in accordance with applicable broker-dealer and agent/salesman registration or licensing requirements.A copy of this report, not including the recommendation, has been provided to the issuer prior to its dissemination to check factual statements for accuracy; as a result, some amendments have been made.

A full list of disclosures for other companies mentioned herein (in which SEB has research coverage), can be found on our SEB Research website

Methodology

Final consideration as to any valuations, projections and forecasts contained in this report are based on a number of assumptions and estimates and are subject to contingencies and uncertainties, and their inclusion in this report should not be regarded as a representation or warranty by or on behalf of the Group or any person or entity within the Group that they or their underlying assumptions and estimates will be met or realized. Different assumptions could result in materially different results. Past performance is not a reliable indicator of future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report. In addition, investors in securities, such as ADRs, whose values are influenced by the currency of the underlying security, effectively assume currency risk.

Company specific disclosures and potential conflicts of interest

A member of, or an entity associated with, SEB or its affiliates, officers, directors, employees or shareholders of such members (a) is not, and has never been, represented on the board of directors or similar supervisory entity of Careium, (b) has from time to time bought or sold the securities issued by the company or options relating to the company, and (c) SEB does not hold any short / long position exceeding 0.5% of the total issued share capital of Careium as of 31 Oct 2024.

The analyst(s) responsible for this research report (jointly with their closely related persons) hold(s) 0 shares in Careium and do(es) not have holdings in other instruments related to the company.

Copenhagen
Bernstorffsgade 50
P.O. Box 100
DK-1577 Copenhagen V

Telephone: (45) 3328 2828

Frankfurt
Stephanstrasse 14-16
D-60313 Frankfurt am Main

Telephone: (49) 69 9727 7740

Helsinki
Eteläesplanadi 18
P.O. Box 630
FIN-00101 Helsinki

Telephone: (358) 9 616 28700

London
One Carter Lane
London, EC4V 5AN

Telephone: (44) 20 7246 4000

Oslo
Filipstad Brygge 1,
P.O. Box 1363 Vika
NO-0113 Oslo

Telephone: (47) 2100 8500

Stockholm
Kungsträdgårdsgatan 8
S-106 40 Stockholm

Telephone: (46) 8 522 29500

Tallinn
Tornimäe 2
EE-Tallinn 15010

Telephone: (372) 665 7762