

ODIN Norden 28/02/2025

The fund features the unit classes in SEK, NOK and EUR: A, B, C, D, D2, F, G, H, I and J

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FUND COMMENTARY

Monthly Report for February 2025

February was a strong month in the Nordic stock market. The new president in the USA is making almost daily announcements that have created a lot of turbulence. The American stock market has declined while the European stock markets have risen nicely over the past month. Denmark and Finland had the strongest increases, while Norway fell back slightly. At the sector level, utilities, finance, and telecom rose the most, while energy, technology, and consumer durables fell back.

The American 10-year yield, also known as "the world's most important interest rate," fell by 0.35% last month, while the Nordic and European rates moved less.

Earnings season for Q4 and the entire 2024

The earnings season for Q4 is almost over. The companies in the portfolio have collectively delivered good results in Q4 and for the entire 2024. In this earnings period, stock reactions have been significant depending on whether companies delivered better or weaker numbers than expected. Overall, the portfolio had a revenue growth of 5.9% in Q4, of which 5.1% was organic growth. Operating profit increased by 12.1%, and earnings per share increased by 2.7%. Cash flows increased by 16% compared to the same period last year. Inventory reduction and lower purchasing costs explain some of the strong increase.

For the entire year 2024, revenue growth was 5.9%, of which 4.8% was organic growth. Operating profit increased by 8.3%, and earnings per share increased by 3.6%. For the year, cash flows increased by 1.5%.

Companies continue to make acquisitions

We have invested in several companies that, in addition to being in markets with underlying organic growth, also make value-adding acquisitions. In February, Atlas Copco, Assa Abloy, Mowi, and Novonesis announced new acquisitions.

On the other hand, Munters entered into an agreement to sell the Foodtech equipment division to Grain and Protein Technologies. The sale is in line with Munters' communicated strategy to focus on selected segments in their business areas, where they will focus on digital solutions within this business area.

Portfolio Managers:



Vigdis Almestad



Atle Hauge

Why invest in this fund?

A world in miniature – sector-wise diversification in line with the global index. You get exposure to niche companies that are making a global journey. Nordic companies typically have great transparency and good corporate governance.

Historically, companies in the Nordic region have delivered world-class profitability. As a result, price movements in the equity markets in the Nordic region have been at their peak in terms of returns, although there are slightly more fluctuations.

How is the fund positioned?

ODIN Norden has a concentrated portfolio. The best ideas from the country funds compete with each other in a Nordic context. The fund consists of quality companies that deliver good returns on capital and have identified competitive advantages. This makes the fund resilient, for continued solid development over time.