

ODIN Sverige 28/02/2025

The fund has share classes in SEK, NOK and EUR: A, B, C and D

FUND COMMENTARY

The stock market continued its positive trajectory in February, although the rise was not as strong as in January. So far this year, the fund's benchmark index has increased by approximately nine percent, while ODIN Sverige has seen a slightly smaller gain.

In February, the earnings season concluded for the companies in ODIN Sverige, with all 29 holdings having reported their results for the fourth quarter of 2024. The earnings season for the fund's stocks can be summarized as relatively positive for most holdings. The company that received the most positive market reaction in February was Addlife. The stock rose by about fifteen percent on the report day, primarily driven by strong organic sales growth and a very strong cash flow. The robust cash flow has also helped reduce the company's debt levels. Munters experienced the most negative share price reaction among the portfolio companies, with its stock dropping by around ten percent on the report day. Concerns about future investments in data centers were the main reason for the stock's decline. Beijer Alma had the strongest share price performance during the month, rising by about ten percent, while Munters had the weakest performance.

In February, the stock market was mainly influenced by the reporting season, statements from the U.S. president, and the German election. At an aggregate level, around 60 percent of companies on the Swedish stock market exceeded consensus expectations in terms of revenue and earnings. However, forward-looking expectations were only marginally adjusted. Statements from President Trump also affected stock markets in February. One statement could create positive market sentiment one day, only to be followed by a negative reaction the next day after a new statement. Overall, the stock market remains on high alert regarding statements from the U.S. president. The outcome of the German election was received with relief by the market, as it now appears possible to form a majority government without support from parties on the far left or right.

We have also had the opportunity to meet with a relatively large proportion of our portfolio companies following their quarterly reports. The most evident message from these meetings is that companies are generally satisfied with their development in 2024 and look ahead to the coming year with cautious optimism. At the same time, many companies highlight that geopolitical uncertainty continues to make forecasting for 2025 challenging. Our companies are well-prepared regardless of economic cycles, and we see strong opportunities for continued value creation in ODIN Sverige's portfolio companies.

During the month, we divested our holding in Nibe and further increased our position in EQT. Additionally, we made a few minor adjustments to the portfolio's weightings.

We have held Nibe in ODIN Sverige since 2016. The market in which the company operates has undergone and will continue to experience significant changes. We have chosen to step aside for now, as we believe these changes create substantial uncertainty regarding the company's future position. Instead, we have focused on increasing our positions in other stocks with similar potential. In EQT, which we acquired in December last year and continued to build in January, we further increased our position in February.

We continue our work in building the portfolio based on our investment model, the Odin model, which focuses on the three P's – performance, position, and price. We are confident that this methodology will generate excess returns for our unitholders in the long term.

Portfolio Managers:



Peter Nygren



Philip Mesch



Jonathan Schönbäck

Why invest in this fund?

There are many good companies in Sweden. Several of these are niche players with small home markets, which have gradually built-up solid positions in Europe and the rest of the world. We aim to invest in companies that show good results, are in a strong competitive position for the future and are attractive pricewise.

How is the fund positioned?

75% of ODIN Sverige is made up of small and medium-sized companies and 25% of large companies. At the sector level, the fund has significant exposure to manufacturing and consumer goods. The fund has little exposure to real estate and property developers, and limited exposure to construction-related companies. We also have little exposure to the banking sector. We are a long-term stock-picker with few companies in the portfolio to maximize our investment ideas, and we know that value creation takes time. That is why it is important to find the companies that are well positioned in the long term, rather than those delivering good figures in the short term.