

Careium (CARE)

Sweden | Telecare | MCAP SEK 564.0m

18 January 2026

Buy

Target price:	SEK 34.1
Current price:	SEK 23.6
Upside:	44.5%

Smarter Care, Stronger Margins

Careium AB ("Careium" or "the Company") is a Swedish provider of telecare solutions for seniors, offering safety alarms connected to 24/7 monitoring centers across Europe. Market concerns related to recent management changes and prior deficiencies in financial communication have resulted in a depressed valuation. However, Careium operates at the technological forefront of the telecare market, with a scalable integrated platform and strong competitive positioning that remain underappreciated by the market. This positions the Company to deliver an estimated 4.0% revenue CAGR through 2027 while sustaining EBIT margins of 11.0%. An equally weighted DCF and peer valuation, applying a 9.1x EV/EBIT multiple based on estimates for 2027, implies a 44.5% upside with a SEK 34.1 target share price.

Key Takeaways

- Scalable Product Mix Drives Margin Expansion:** Careium is transitioning toward a more scalable, product-driven revenue mix. Hardware products carry high profitability, with 80.0% gross margins and minimal incremental operating costs as volumes increase. Over the past five years, product sales have grown at a 16.0% CAGR, with the revenue-contribution rising from 20.0% in 2020 to 25.0% in 2024. The expansion into Germany and France is expected to drive a favorable shift toward B2B sales, supporting structural margin expansion. Consequently, the analysts forecast the Company's EBITDA margin to scale from 17.0% in 2024 to 19.0% by 2027.
- Structural Market Growth Supports 4.0% Revenue CAGR:** The European welfare-technology market is expected to grow at a 3.5% CAGR through 2027, driven by aging demographics and increased demand for home-based care. Careium is positioned at the technological forefront of the industry with a fully integrated hardware-software platform in a market that remains structurally under-digitalized. With few competitors able to match Careium's end-to-end solution, the analysts estimates a 4.0% revenue CAGR through 2027.
- Integrated Platform Improves Efficiency and Reduces Workload:** Careium's fully integrated hardware-software-monitoring platform enhances customer value and competitive differentiation. The i-Care Center (ICC) has enabled Careium to hold a 40.0% Nordic market share and is to be rolled out in the Netherlands and other markets through 2026, supporting an estimated 10.0% sales CAGR through 2027 in the two markets. The ICC system enables consolidation of alarm data and user history which results in a reduced workload. This efficiency is expected to cut personnel costs by 200 bps and deliver SEK 22m of cost savings by 2027, enabling scalable growth with limited incremental staffing and improved operating leverage.

Analysts

Måns Rössberger	Financial Analyst
Emma Rosberg	Financial Analyst

Market Data, SEK

Exchange	First North Stockholm
Shares (m)	24.3
MCAP (m)	564.0
EV (m)	728.9

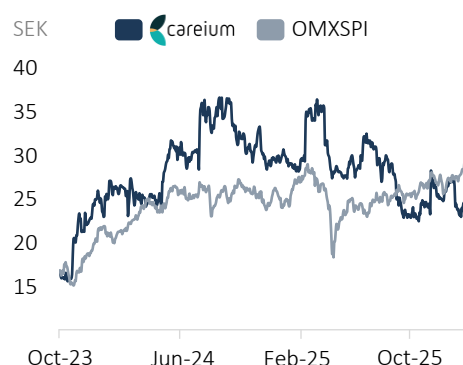
Metrics & Drivers	24A	25E	26E
EV/EBIT	11.8x	12.6x	6.9x
EV/EBITDA	6.6x	5.9x	4.1x
EV/S	1.0x	0.8x	0.8x
P/E	12.6x	13.7x	7.1x
ND/EBITDA	1.1x	1.3x	0.9x

Forecast, SEKm	24A	25E	26E
Total Revenue	897.0	879.4	960.2
Rev. Growth y/y	6.1%	(2.0%)	9.2%
Adj. Gross Profit ⁽¹⁾	727.8	696.4	780.2
Gross Margin	81.1%	79.2%	81.3%
EBITDA	150.5	123.6	177.0
EBITDA Margin	16.8%	17.0%	18.4%
EBIT	84.0	57.7	105.9
EBIT Margin	9.4%	6.6%	11.0%

Major Shareholders

Peter Lindell	22.0%
Nordea Fonder	11.7%
Q Technology Company Limited	8.9%

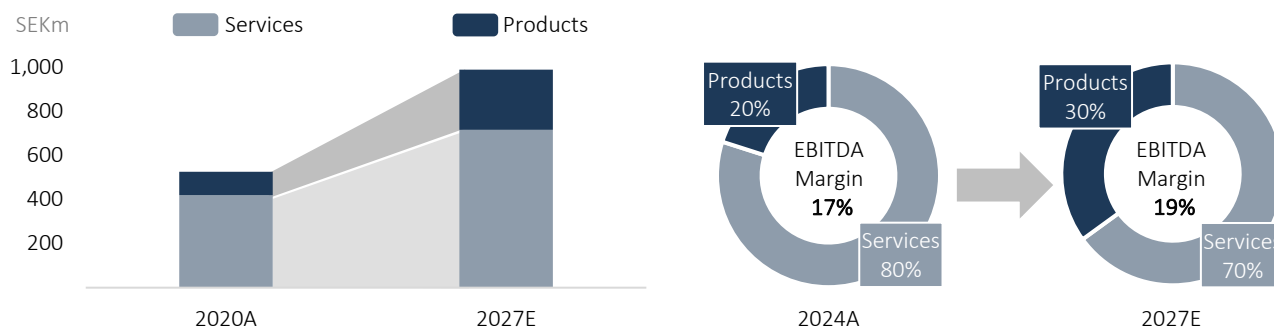
Price Development, SEK



Note: (1) Cost of services sold has been reclassified from COGS to OPEX resulting in an adjusted gross profit higher than reported figures.

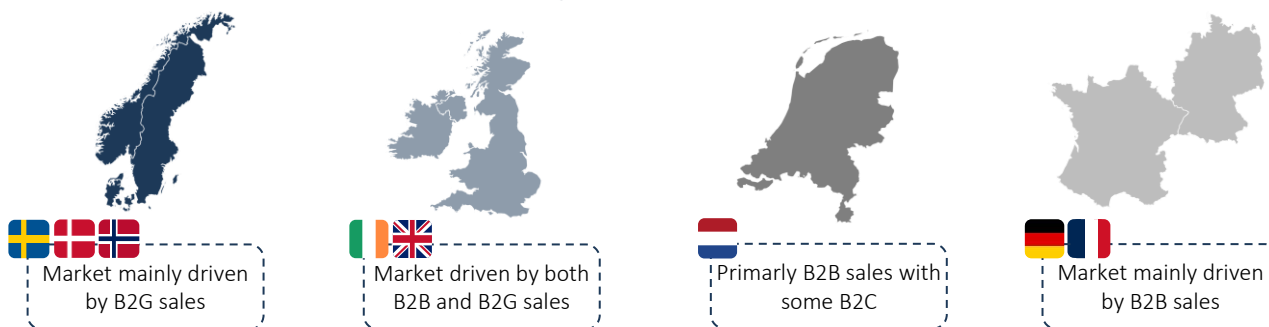
Investment Thesis in Charts

Highly Scalable Product Sales Drive Profitability & Margin Expansion



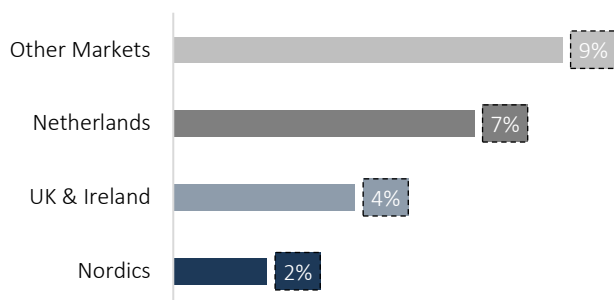
Source: the Company, Analyst Estimates

Geographic Segments Overview: Business Models and Customer Mix



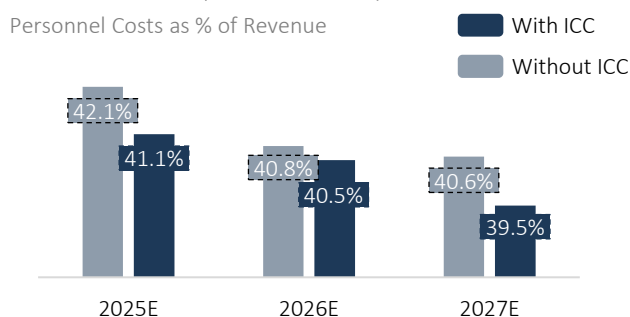
Source: the Company

Revenue CAGR by Geographic Segment 2024A-2027E



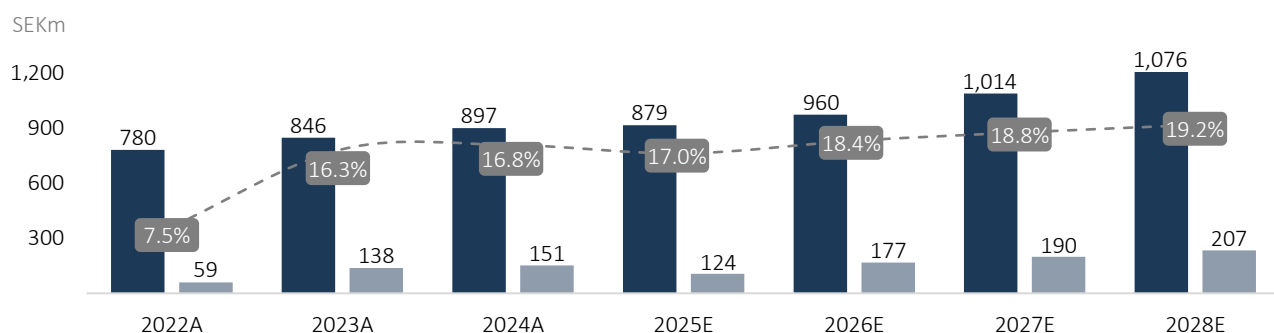
Source: Analyst Estimates

Forecasted Efficiency Gains from ICC System



Source: Analyst Estimates

Structural Growth Drivers Support Revenue Growth and EBITDA Margin Expansion



Source: the Company, Analyst Estimates

Investment Thesis

Scalable Products Drive Margins in Non-Procurement Markets

Careium is executing a strategic pivot toward a more scalable, product-driven revenue model, with an increasing focus on high-margin hardware sales in B2B-oriented markets. In Careium's core markets, the Nordics, UK and Ireland, growth is largely tied to long-term (2-6 years) public procurement contracts, which constrain scalability and link revenues closely to recurring service agreements. By contrast, Careium's expansion markets, mainly Germany and France, are predominantly B2B-driven, with an approximate revenue mix of 80.0% products and 20.0% services, offering greater flexibility, faster scalability, and reduced dependency on procurement cycles. Product sales are highly attractive from a profitability standpoint, carrying an estimated gross margin of approximately 80.0% and requiring minimal incremental operating costs as volumes scale, thereby strengthening operating leverage. Products accounted for 20.0% of total revenue in 2020, rising to 25.0% by 2024, directly contributing to an approximate 15.0% uplift in EBITDA over the corresponding period. As management increases focus on direct product sales in scalable B2B markets, analysts project EBITDA margins to increase from 17.0% in 2024 to approximately 19.0% by 2027.

Strong Position in a Structurally Growing Market Supports Continued Revenue Expansion

The European welfare-technology market is projected to grow at a 3.5% CAGR through 2027, supported by the population structure progressively shifting toward older age groups. With rising life expectancy and declining birth rates, the population within Europe aged 65+ is projected to increase by 16 million until 2030. The proportion of elderly individuals is therefore set to increase from the current 22.0% of the total population to nearly 25.0% by 2030, which is estimated to increase TAM by 13.0%. Careium is well-positioned to capitalize on this growing industry demand, due to the Company's leading technological capabilities, high-quality product standards, and fully integrated system that connects hardware and software into an easy-to-use platform. The welfare technology market is in an early stage of digital development, hence few competitors offer a comparable level of integration, which strengthens Careium's competitiveness in both procurement-driven- and B2B markets. The analysts estimate that Careium will be able to gain market share and grow revenue at a CAGR of 4.0% until 2027.

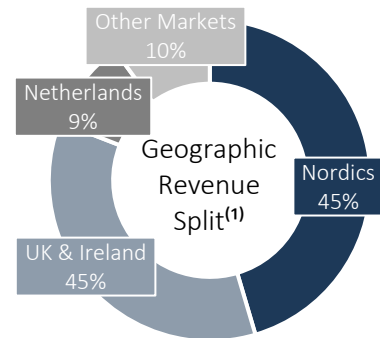
Integrated Software Platform Enhances Customer Experience and Reduces Workload

Launched in 2024, the i-Care Center is a cloud based SaaS platform that integrates hardware into an easy-to-use system, currently only available in the Nordics. Based on a review of 30 public procurement contracts, municipalities highly value Careium's one-stop-shop model and integrated system, reflected in Careium's strong 40.0% market share in the Nordics (mainly Sweden and Norway). The system is scheduled to be introduced in the Netherlands and other markets by the end of 2026, with estimated sales CAGR of 7.3% in the Netherlands and 9.4% in other markets. Additionally, the i-Care-Center platform offers a front-end interface designed to streamline operations, by integrating alarm data and user history, providing real-time decision support in alarm calls. These efficiency gains reduce operational workload and limit incremental hiring, with personnel costs estimated to decline by 200 bps and generate SEK 22m of cost savings by 2027.

Company Overview

Technology-Enabled Care Solutions for Independent and Safer Living

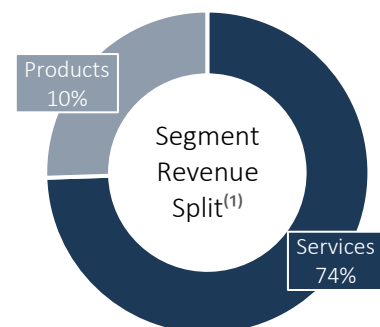
Careium is a Swedish provider of safety and telecare solutions for elderly individuals living at home. Careium was earlier a part of Doro, however Doro reorganized into two separate business areas, Doro Care and Doro Phones, and announced in February 2021 that it would divest the Care segment. The product offering includes personal alarm buttons, fall detectors, and epilepsy sensors. Careium serves 515,000 users, most of whom are connected to one of the Company's four call centers in Sweden, Norway, and the UK, which handle more than 24,000 incoming calls per day. The largest customers are municipalities in the Nordics, the UK, and Ireland, representing 80.0% of 2024 revenue, of which 75.0% is recurring under long-term tender contracts which tend to span over 2-6 years. Since Careium's listing in late 2021, the Company has grown sales at a 13.0% CAGR, supported by a stable and expanding underlying market where Careium has thrived with a superior end to end solution. In 2024, the Company launched the SaaS-based alarm management i-Care Center, and has since appointed a new CEO and CFO. From Q3-26, Tove Christiansson will assume the role of CEO, joining from her position as CEO of the Medcap company Abilia.



Business Model

One-Stop Telecare Platform Combining Hardware, Software, and Call Centers

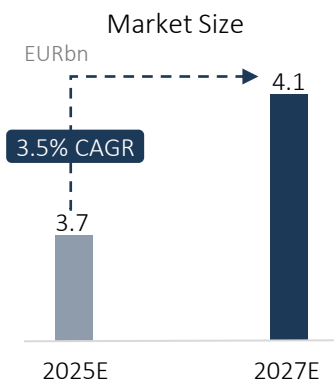
Careium operates predominantly in a business-to-government and business-to-business model, selling telecare devices to municipalities and corporate customers, who in turn provide the solutions to elderly individuals living at home. Direct consumer sales are currently only established in the Netherlands. The products carry gross margins of roughly 80.0% and forms the entry point for long-term service contracts. Once installed, the devices are connected to Careium's alarm centers, generating 74.0% recurring revenue in 2024 via services as municipalities pay for monitoring, maintenance, and alarm handling. The business is concentrated in the public sector, where procurements are made through formal tender processes. Examination of more than 30 tender processes shows that Careium's estimated 40.0% Nordic market share serves as a proof of concept for Careium's integrated hardware, software, and call-center model. The introduction of the i-Care Center platform increases interoperability between devices and supports more efficient alarm-center workflows. As devices, software, and monitoring services are tightly linked, municipalities have limited incentive to change supplier once systems are. This structure creates high retention and stable recurring revenue, which has consistently stayed above 74.0% of sales since 2020.



Market Overview

Structural Market Growth Driven by Demographics and Public Sector Demand

The European telecare market is highly fragmented with significant structural barriers to entry and high switching costs. Once municipalities establish supplier relationships, replacing existing alarm systems involves thousands of units, requiring substantial operational effort. Public procurement contracts are complex, requiring suppliers to meet multiple criteria, including price, quality, and service. Key competitors include Tunstall, TeleAlarm, Legrand, and Verklizan, offering a mix of devices and software. Suppliers with experience in procurement and pricing can gain a competitive advantage, winning contracts even with higher headline prices, as integrated solutions are highly valued by municipalities for simplifying operations and reducing administrative burdens. According to market research firm Berg Insight, the number of connected telecare systems in Europe is currently 9.7 million. Berg Insight expects this to increase rapidly in the coming years, reaching 13.1 million connected telecare users by 2028. In addition, the European population is progressively shifting toward older age groups, supported by rising life expectancy and declining birth rates. The 65+ population is projected to increase by 16 million by 2030, driving growing demand for home-based care solutions as healthcare systems seek to reduce pressure on hospitals and care facilities. These trends support structural growth in integrated home care products and services, with the European welfare technology market projected to grow at a 3.5% CAGR through 2027.



Note: (1) 2024A

Valuation

Peer Valuation Implies Upside of 54.4%

Careium is expected to outgrow peers through 2027, with the analysts projecting a three-year sales CAGR of 3.9%. This growth is accompanied with a 200 bps expansion in EBIT margins by 2027, supported by operational efficiency and a higher mix of high-margin products. Leveraging a scalable business model, Careium is expected to sustain superior EBIT margins of 11.4% in 2027, compared with a peer average of 9.2%. Despite these strengths, the Company continues to trade at a significant discount relative to peers. Careium currently trades at 6.3x EV/EBIT on 2027 estimates, compared with a 13.0x peer group average multiple. The peer group consists of Nordic providers of elderly care services, representing the same end market as Careium. The analysts have applied a 30.0% discount to the peer multiple to account for the peer group's larger market capitalizations, as well as Careium's shorter track record in the public markets. Applying a target multiple of 9.1x EV/EBIT on 2027 estimates implies an upside of 54.4% with a SEK 34.1 target share price.

SEKm	Market Data		Sales CAGR%	EBIT margin		EV/EBITDA			EV/EBIT		
Company	MCAP	EV	2024A-2027E	2024A	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Ambea	10,473.4	13,897.2	7.8%	7.8%	9.6%	8.2x	7.5x	7.2x	16.8x	15.0x	14.1x
Attendo	12,630.5	14,853.6	1.4%	7.2%	9.8%	7.6x	7.2x	6.9x	16.5x	15.4x	14.3x
Humana	2,472.1	3,947.1	1.4%	4.6%	5.9%	6.0x	5.5x	5.2x	12.9x	11.8x	10.7x
Average	6,535.0	8,356.7	3.5%	7.2%	9.2%	6.9x	6.1x	5.8x	15.4x	14.1x	13.0x
Median	6,472.8	8,922.2	1.4%	7.5%	9.7%	6.8x	6.4x	6.1x	16.5x	15.0x	14.1x
Careium	564.0	728.9	3.9%	9.4%	11.4%	5.9x	4.1x	3.8x	12.6x	6.9x	6.3x

Source: the Company, Analyst Estimates, FactSet

A 50/50 weighted DCF and Peer Valuation Implies a Target of SEK 34.1

The DCF valuation is based on a terminal growth rate of 2.0% and a weighted average cost of capital ("WACC") of 11.5%. The WACC is derived using a beta of 1.6 and an equity risk premium of 5.6%, resulting in a cost of equity of 12.8%. The after-tax cost of debt is calculated to be 6.4%. Analysts applied an equally weighted DCF and peer valuation, reflecting the Company's strong long-term cash flow generation and current heavy discount to peers. The resulting 50/50 valuation implies a target price of SEK 34.1, corresponding to an upside of 44.5%.

DCF Valuation Breakdown, SEKm		WACC						
PV of Forecasted Cash Flows	501.7	TGR	SEK	9.5%	10.5%	11.5%	12.5%	13.5%
PV of Terminal Value	436.4		1.0%	40.2	34.4	29.7	25.9	22.7
EV	938.1		1.5%	41.8	35.6	30.6	26.5	23.2
Net Debt	164.9		2.0%	43.7	36.9	31.6	27.3	23.8
NOSH (m)	24.3		2.5%	45.8	38.4	32.6	28.1	24.4
Current Share Price	23.6		3.0%	48.2	40.1	33.8	29.0	25.0
Implied Share Price	31.8							
Potential Upside	34.7%							

Source: the Company, Analyst Estimates

Appendix: Income Statement & Downside Risk

Income statement, SEKm	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E
Net sales	524.1	587.5	725.1	824.6	870.7	852.1	932.9	986.6	1,048.8
Other income	8.9	25.6	54.8	21.0	26.3	27.3	27.3	27.3	27.3
Total revenue	533.0	613.1	779.9	845.6	897.0	879.4	960.2	1013.9	1,076.1
COGS	(99.7)	(113.8)	(135.4)	(161.9)	(169.2)	(183.0)	(180.0)	(196.7)	(214.7)
Gross profit	433.3	499.3	644.5	683.7	727.8	696.4	780.2	817.2	861.4
<i>Gross margin</i>	<i>81.3%</i>	<i>81.4%</i>	<i>82.6%</i>	<i>80.9%</i>	<i>81.1%</i>	<i>79.2%</i>	<i>81.3%</i>	<i>80.6%</i>	<i>80.0%</i>
Other external costs	(82.1)	(105.6)	(220.2)	(187.2)	(207.1)	(197.9)	(211.2)	(223.0)	(236.7)
Personnel costs	(273.3)	(328.6)	(365.5)	(358.5)	(370.2)	(375.0)	(392.0)	(403.9)	(417.9)
EBITDA	77.9	65.1	58.8	138.0	150.5	123.6	177.0	190.3	206.8
<i>EBITDA margin</i>	<i>14.6%</i>	<i>10.6%</i>	<i>7.5%</i>	<i>16.3%</i>	<i>16.8%</i>	<i>17.0%</i>	<i>18.4%</i>	<i>18.8%</i>	<i>19.2%</i>
D&A	(49.5)	(56.5)	(74.6)	(78.6)	(66.5)	(66.0)	(71.1)	(75.0)	(91.5)
EBIT	28.4	8.6	(15.8)	59.4	84.0	57.7	105.9	115.2	115.3
<i>EBIT margin</i>	<i>5.3%</i>	<i>1.4%</i>	<i>(2.0%)</i>	<i>7.0%</i>	<i>9.4%</i>	<i>6.6%</i>	<i>11.0%</i>	<i>11.4%</i>	<i>10.7%</i>
Net financial items	(2.1)	0.6	0.4	(6.5)	(6.4)	(6.4)	(6.5)	(6.5)	(6.5)
EBT	26.3	9.2	(15.4)	52.9	77.6	51.2	99.5	108.7	108.8
Taxes	(7.5)	(4.5)	6.8	(12.1)	(16.1)	(10.6)	(20.5)	(22.4)	(22.4)
Net income	18.8	4.7	(8.6)	40.8	61.5	40.7	79.0	86.3	86.4
<i>Net income margin</i>	<i>3.5%</i>	<i>0.8%</i>	<i>(1.1%)</i>	<i>4.8%</i>	<i>6.9%</i>	<i>4.6%</i>	<i>8.2%</i>	<i>8.5%</i>	<i>8.0%</i>

Source: the Company, Analyst Estimates

EBIT and WACC sensitivity analysis indicates limited downside under conservative margin assumptions, supported by Careium's shift toward scalable, high-margin product sales in B2B markets. Successful execution of the product-led strategy and platform rollout implies meaningful upside, resulting in an asymmetric risk profile.

Source: the Company, Analyst Estimates

EBIT-% Deviation	WACC					
	SEK	9.5%	10.5%	11.5%	12.5%	13.5%
	(2.0%)	33.8	28.3	23.9	20.4	17.5
	(1.0%)	38.8	32.6	27.7	23.8	20.6
	0.0%	43.7	36.9	31.6	27.3	23.8
	1.0%	48.6	41.2	35.4	30.7	26.9
	2.0%	53.5	45.5	39.2	34.1	30.0

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