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LUND UNIVERSITY FINANCE SOCIETY EST 1991

Fundamental Analysis

Midsona AB (MSON B)

Sweden | Healthy & Sustainable Foods | MCAP SEK 1,254

18 January 2026

Buy

Target price:	SEK 12.7
Current price:	SEK 8.6
Upside:	**48.0%**

Where There is Smoke, There is a Turnaround

Midsona AB ("Midsona" or "the Company") is a Swedish manufacturer of healthy and sustainable foods, operating through the Company's portfolio of sub-brands. A longer period of acquisition-driven growth under previous management failed to translate into brand development, due to insufficient marketing execution. As market conditions weakened in 2022, margins came under sustained pressure. Subsequently, a debt-reducing share issue doubled the share count and contributed to a ~90.0% decline in the share price from its 2021 peak. In addition, a small part of the Company's Spanish factory was damaged by a fire in Q2 2025, leading to continued market skepticism despite only affecting ~2.0% of total sales. As a result, Midsona is currently priced as if no improvement will occur. However, following a management overhaul and strategic pivot, this view diverges from the underlying fundamentals. The turnaround is anchored in operational execution, where further decentralization of the supply chain is expected to reduce COGS by 3.5 percentage points and double EBIT margins by 2027. Improved marketing efficiency adds optional revenue growth of up to 3.5%. An equally weighted DCF and peer valuation implies a target share price of SEK 12.7, corresponding to an upside of 48.0%.

Key takeaways

- **New Management Driving Midsona's Turnaround:** In 2022, Stena Adactum increased its stake in Midsona to 48.1% from 25.6% through the large share issue, subsequently initiating an overhaul of the Company's management. This resulted in 70.0% of the board being replaced with experienced industry professionals. Furthermore, the previous CEO of 17 years was replaced in June 2025 by Henrik Hjalmarsson, bringing a strong track record in disciplined capital allocation. His appointment represents a crucial step in executing Midsona's turnaround and repositioning the Company for sustainable long-term growth.
- **Decentralized Supply Chain Cutting COGS:** Under Hjalmarsson's leadership, Midsona is transitioning to a more decentralized supply chain model, empowering the teams closer to production to identify and eliminate inefficiencies throughout the value chain. Discussions with a supply chain expert, with over 27 years of industry experience, suggest that incremental improvements at each stage can compound significantly, potentially doubling EBIT margins from 3.4% to 6.6% by 2027.
- **Limited Downside, Meaningful Upside:** Midsona's current share price reflects a scenario where Midsona fails to improve. However, with a decentralized supply chain addressing inefficiencies and improved marketing driving optional revenue growth, there is significant room to improve the financials. According to a reverse DCF analysis, even modest improvements in EBIT margins justify meaningful upside from current levels.

Analysts	
Sebastian Brock	Financial Analyst
Joséphine Lindestam	Financial Analyst

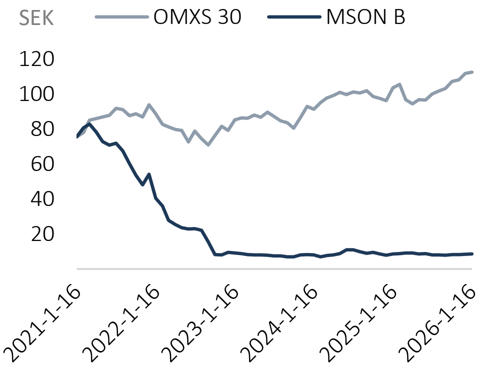
Market Data, SEK	
Exchange	OMX Stockholm Small Cap
Shares (m)	145.0
MCAP (m)	1,254
EV (m)	1,687

Metrics & Drivers	24A	25E	26E
EV/EBIT	13.7x	14.0x	10.2x
EV/EBITDA	6.3x	6.5x	5.6x
EV/S	0.47x	0.48x	0.47x
P/E	13.7x	8.9x	5.5x
ND/EBITDA	1.55x	1.61x	1.40x

Forecast, SEKm	24A	25E	26E
Net revenue	3,727	3,631	3,744
Rev. growth y/y	1.7%	2.6%	3.1%
Gross Profit	1,069	1,041	1,126
Gross Margin	28.7%	28.7%	30.1%
EBITDA	280	269	309
EBITDA Margin	7.5%	7.4%	8.3%
EBIT	128	125	172
EBIT Margin	3.4%	3.4%	4.6%

Major Shareholders	
Stena Adactum	48.1%
Charles Jobson	5.0%
Nordea Investment	3.1%

Price Development



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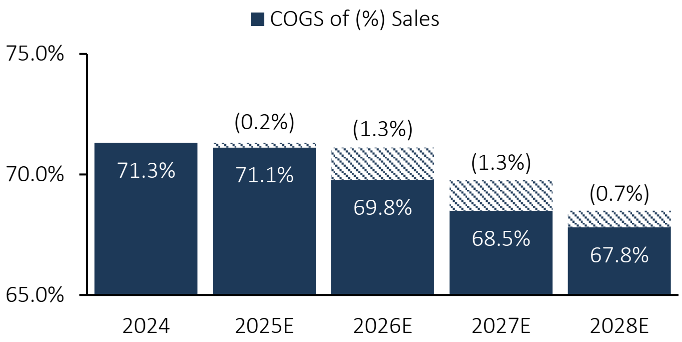
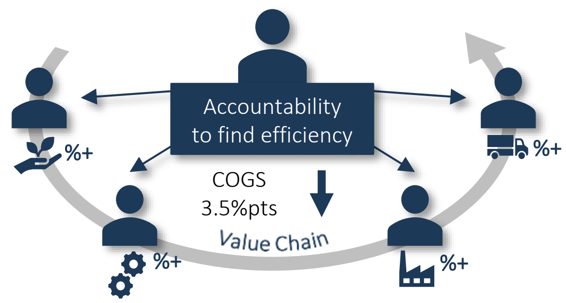
Investment Thesis in Charts

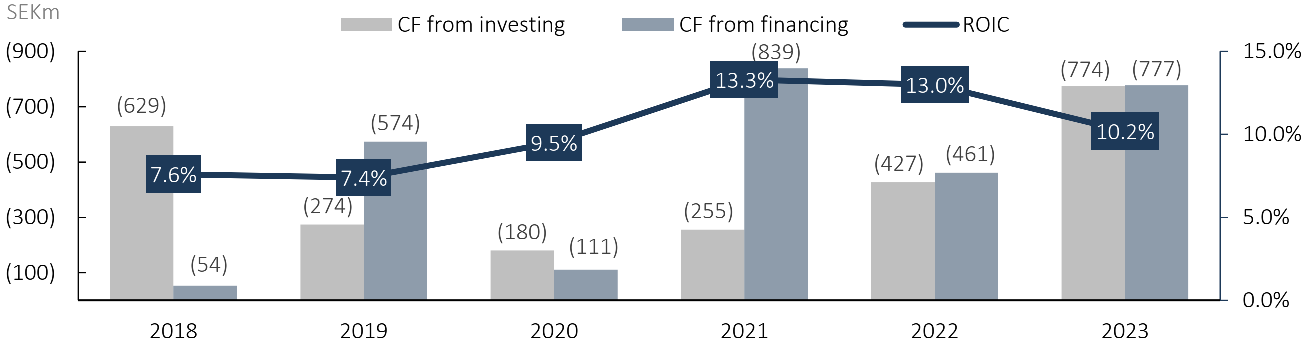
Reduction of COGS as % of Sales





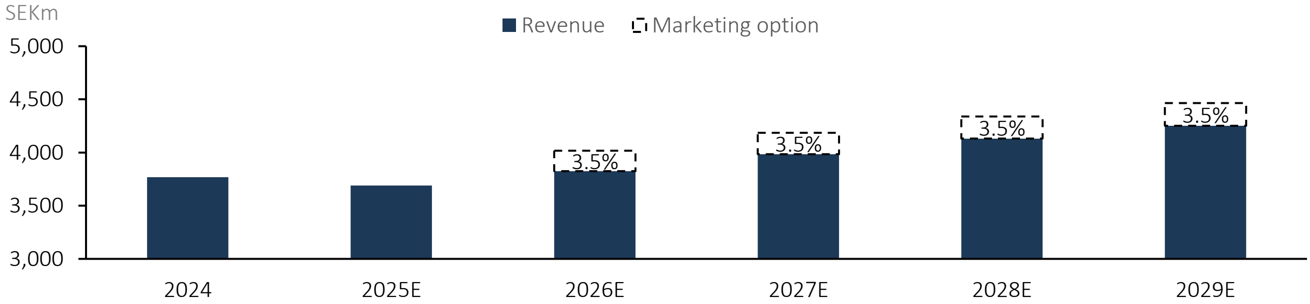
Sources: Industry expert, CEO of the company, Midsona and analyst estimated

Henrik Hjalmarsson's Capital Allocation at Inwido 2018- 1023



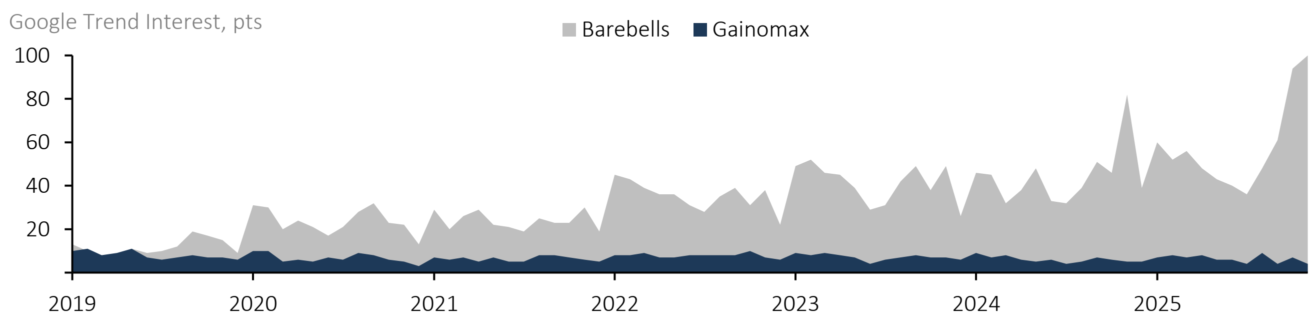
Source: Inwido

Free option in Stronger Growth From Enhanced Marketing



Sources: Interview with CEO, Midsona and analyst estimated

Case Study



Sources: Google Trends

Investment Thesis

New and Capable Management Driving Midsona's Turnaround

In 2022, Midsona's major shareholder, Stena Adactum, increased its ownership to 48.1% (25.6%) through a share issue and subsequently initiated a comprehensive overhaul of the Company's leadership. The board of directors has seen major changes, with 70.0% replaced by members with strong industry expertise, such as a former CEO of ICA Sweden and the current CFO of AAK. In June this year, Midsona's long-standing CEO Peter Åsberg, who had led the company for 17 years, was replaced by Henrik Hjalmarsson. He brings a proven track record of disciplined capital allocation from his tenure as CEO of Inwido, as well as relevant operational experience from his previous role as CEO of Findus Sweden. In addition, Henrik Hjalmarsson's supply chain background shows that COGS reduction will be a key focus area going forward for Midsona. Henrik Hjalmarsson is already making his presence known by announcing a cost-cutting program in Q3 2025 targeting workforce inefficiencies, saving SEK 20m annually with an implementation cost of SEK 15m.

Optional Upside from Enhanced Marketing and Brand Focus

More effective and targeted marketing creates a clear option for stronger sales growth. A case study comparing Midsona's brand Gainomax with its competitor Barebells shows that major inefficiencies have existed in the past. Despite similar consumer interest in 2019 Barebells has since significantly surpassed Gainomax in Google Trends interest, reaching levels approximately 10x higher. This divergence primarily reflects historically ineffective marketing rather than inferior product quality. Henrik Hjalmarsson plans to concentrate marketing resources on brands with the highest growth potential, including Friggs, Earth Control, and Gainomax. Increased marketing could contribute up to 3.5% additional annual top-line growth, based on assumptions that these three brands experience sales growth of 10.0-15.0%. At the same time, marketing expenditure is projected to rise from historical levels of approximately 1.8% of sales to 3.2% by 2028, offset by cost efficiencies.

Decentralized Decision Making to Drive Cost Efficiency

Midsona is undergoing a fundamental shift in the Company's supply chain strategy, with decision-making and accountability being moved closer to production, enabling greater decentralization. Top three improvement areas are: reduced direct materials cost (1 percentage point of COGS reduction), reduced logistics costs through transport optimization (1.5 pp), and reduced inventory by improved forecasting (1 pp). This shift allows teams closest to operations to identify and eliminate inefficiencies across the value chain without delays caused by centralized approval processes, thereby increasing agility. To assess the potential impact, insights were obtained from a supply chain expert from Tetra Pak with more than 27 years of experience, confirming these assumptions. The expert highlighted that incremental improvements at each stage of the value chain can compound meaningfully over time, indicating that COGS reductions of up to 7 pp are achievable. Applying a conservative assumption of a 3.5 pp reduction in COGS would imply a doubling of EBIT margins from approximately 3.4% to 7.0% in 2027.

Field Research Mitigates Risk of Increased Competition

A potential risk for Midsona is increased competition from retailers' private-label brands. With the private-label segment estimated to grow at a CAGR of 10.0% through 2032, combined with retailer's own brands typically priced lower than branded alternatives, this may intensify price competition and put pressure on both volumes and margins. To evaluate the severity of this risk, field research was conducted. This included visits to 12 grocery stores in Lund, interviews with store employees, and discussions with the manager of Coop Syd, who oversees 99 stores across southern Sweden. The results and answers indicate that Midsona's products are in high demand among customers and represent a core component in 85.0% of the grocery stores' product offerings. These results suggest that the perceived risk from private-label competition is significantly lower than commonly assumed.

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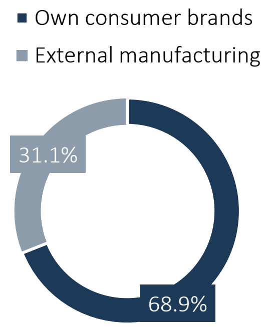
Company Overview

Founded as a Wholesale and Trading Company – Now a Nordic Leader

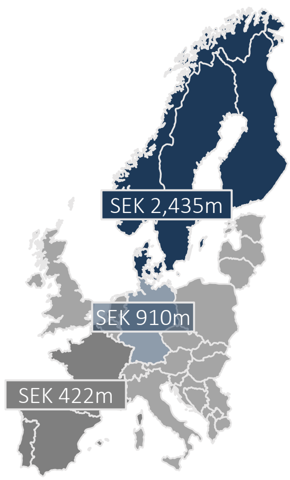
Midsona was founded in 1892 by Wilh Sonesson and started as a wholesaler and trading company. Over the years, it evolved and entered several prominent industries. The company was listed on the Stockholm Stock Exchange in 1966 and relisted in 1999. Midsona, as it exists today, was established in 2010 with a new brand identity and strategic focus on developing, manufacturing, and marketing healthy and sustainable products. Over the past decade, Midsona has strengthened its position in its niche through several key acquisitions, resulting in topline growth at a 19.7% CAGR between 2014 and 2022. Midsona has accumulated a broad portfolio of brands and even expanded the Company's presence into Germany, France and Spain.



Business Model

Diversified Product Portfolio Driven by Own Brands and External Manufacturing

The Company generates revenue through two streams: Own Consumer Brands and External Manufacturing. Own Consumer Brands make up 68.9% of sales, of which 90.1% are distributed through grocery stores and 9.9% are B2B brands sold to food processors or restaurants. External Manufacturing includes private label and contract manufacturing and makes up 31.1% of sales. Own consumer brands generally carry higher margins and are central to Midsona's long term strategy of improving its business mix. The margin difference is not disclosed, however, a supply chain expert at Tetra Pak estimates that External Manufacturing margins are between 50.0-85.0% lower than Own Consumer Brands. Despite this, External Manufacturing serves an important role by providing stable volumes, operational leverage, and customer diversification. Midsona's business model is built around a portfolio of 69 proprietary brands sold through European grocery retailers and other stores. The Company's brands primarily include organic and plant-based foods, dietary supplements, and natural personal care products. Midsona operates across three geographic regions. Nordics, (65.0% of revenue), North Europe (24.0%), and South Europe (11.0%), each with distinct consumer profiles. The Company is vertically integrated from production to distribution of products. This enables cost efficiencies, but there remain significant room for operational improvement.



Future Focus on Organic Growth and Brand Strengthening

Following several challenging years, Midsona is undergoing a strategic turnaround led by a refreshed management team. An interview with the new CEO, Henrik Hjalmarsson, made it clear that the future focus lies in improving Midsona's core business and deprioritizing further acquisitions. Going forward they will improve marketing, focusing on organic growth, further decentralize the supply chain, and optimize operations.

Market Overview

Structural Market Growth Driven by Sustainability, Consumer Trends, and EU Regulation

The European organic food industry is forecasted to grow at a CAGR of 5.0-10.0% through 2032. Recent years have been weak for healthy and sustainable foods, but the sector is now recovering. The growth going forward will be driven by structural shifts in consumer behaviour, increasing sustainability demands, and regulatory initiatives reshaping the health and wellness landscape. EU initiatives such as the Green Deal strategy will increase organic food penetration. In summary, the recovery in consumer sentiment, supportive regulatory tailwinds, and rising demand for sustainable food systems together present a favorable outlook for sustainable and healthy food industry.

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Valuation

Peer Valuation

Midsona is currently trading at a discount to its peer group, with a 2027 EV/EBIT multiple of 6.5x versus a peer average of 9.6x and a peer median of 9.2x. Midsona's most suitable peer is Humble Group, which has similar focus areas and geographic positioning. Using Humble Group's 2027 EV/EBIT of 8.8x and applying a 10.0% discount implies an upside of 25.1%. The discount reflects Stena Adactum's majority ownership, which reduces liquidity. Additionally, peers are currently trading at a 19.5% discount to historical EV/EBIT multiples, implying an even greater upside as the food industry further recovers.

SEKm	Market Data			Revenue		Gross margin (%)		EBIT (%)		EV/EBIT	
Peers	MCAP	EV	ND/EBITDA	24	27E	24	27E	24	27E	24	27E
Humble Group AB	3,654	5,243	2.9	7,708	9,200	*31.4%*	*33.5%*	*4.9%*	*6.5%*	13.9x	8.8x
Atria Oyj	5,125	7,811	3.4	19,305	20,536	*10.9%*	*11.1%*	*3.8%*	*4.1%*	10.7x	9.2x
Raisio K	4,601	3,809	NEG	2,485	2,671	*28.6%*	*30.7%*	*8.8%*	*13.3%*	17.4x	10.7x
Average	**4,460**	**5,621**	**3.2**	**9,833**	**10,802**	***23.6%***	***25.1%***	***5.8%***	***8.0%***	**14.0x**	**9.6x**
Median	**4,601**	**5,243**	**3.2**	**7,708**	**9,200**	***28.6%***	***30.7%***	***4.9%***	***6.5%***	**13.9x**	**9.2x**
Midsona B	1,254	1,687	1.6	3,727	3,905	*28.7%*	*31.3%*	*3.4%*	*6.6%*	13.2x	6.5x

Sources: Industry expert, CEO of the company, Midsona and analyst estimated

DCF Valuation

The DCF valuation is built on a 10.3% WACC. The cost of equity is estimated at 12.5%, derived from a 7.0% equity risk premium, a beta of 1.2, and a 4.0% risk-free rate, and is weighted at 65.5%. Debt contributes the remaining 34.5%, with a cost of 7.9% before tax and 6.3% after tax. Under the assumption of a 7.1% terminal EBIT margin and a conservative 2.0% terminal growth rate, the valuation implies a 70.9% upside.

Terminal EBIT (%)	WACC				
	8.0%	9.0%	10.3%	11.0%	12.0%
3.5%	21.6%	1.7%	(16.6%)	(23.3%)	(31.4%)
4.2%	41.7%	18.5%	0.0%	(10.4%)	(19.8%)
4.5%	52.8%	27.9%	2.3%	(3.2%)	(13.2%)
5.0%	69.1%	41.8%	16.8%	7.7%	(3.4%)
6.0%	101.8%	69.6%	40.1%	29.3%	16.2%
7.1%	139.0%	101.4%	70.9%	54.3%	39.1%
8.0%	169.7%	127.6%	89.1%	75.0%	58.0%

DCF, SEKm	
PV of FCFF (2025-2034)	1,436
PV of terminal value (2035-)	1,128
Net present value	**2,564**
Net debt	433
Implied equity value	2,131
NOSH (m)	145
Implied share price, SEK	**14.7**
Current share price, SEK	8.6
Implied upside	**70.9%**

Sources: Industry expert, CEO of the company, Midsona and analyst estimated

Equally Weighted DCF and Peer Valuation

A 50/50 combination of the DCF and peer valuation results in a target price of SEK 12.7. From the current share price of SEK 8.6, this implies a 48.0% upside, offering attractive returns.

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Appendix - Income Statement

Income Statement, SEKm	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E
Net revenue	3,709	3,773	3,899	3,793	3,727	3,631	3,744	3,905	4,042
% change		*1.7%*	*3.3%*	*(2.7%)*	*(1.7%)*	*(2.6%)*	*3.1%*	*4.3%*	*3.5%*
COGS	(2,672)	(2,758)	(3,021)	(2,834)	(2,658)	(2,590)	(2,618)	(2,682)	(2,741)
Gross profit	1,037	1,015	878	959	1,069	1,041	1,126	1,224	1,301
Gross margin (%)	*28.0%*	*26.9%*	*22.5%*	*25.3%*	*28.7%*	*28.7%*	*30.1%*	*31.3%*	*32.2%*
Sales expenses	(395)	(436)	(884)	(461)	(469)	(440)	(479)	(504)	(525)
Administrative costs	(284)	(289)	(298)	(327)	(319)	(338)	(337)	(351)	(364)
Other operating income	52	35	10	22	5	15	6	6	6
Other operating costs	(6)	(8)	(10)	(7)	(6)	(9)	(6)	(6)	(6)
EBITDA	404	317	(304)	186	280	269	309	368	412
EBITDA margin (%)	*10.9%*	*8.4%*	*(7.8%)*	*4.9%*	*7.5%*	*7.4%*	*8.3%*	*9.4%*	*10.2%*
D&A	(147)	(156)	(161)	(157)	(152)	(144)	(143)	(129)	(127)
EBIT	257	161	(465)	29	128	125*	172	259	285
EBIT margin (%)	*6.9%*	*4.3%*	*NEG*	*0.8%*	*3.4%*	*3.4%*	*4.6%*	*6.6%*	*7.0%*

* 2025E adjusted for SEK 45m in fire-related costs and SEK 19m for CEO replacement costs

Sources: The Company and analyst estimates

Appendix – Discounted Cash Flow

SEKm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
NOPAT (20.6%)	102	99	136	206	226	233	238	243	249	254	260
D (+)	103	96	94	92	97	100	102	104	106	108	110
A (+)	49	48	49	37	30	30	30	30	30	30	30
Capex (-)	88	86	88	92	101	104	106	108	110	110	110
Change in NWC (+)	(41)	(12)	(13)	(11)	(13)	(13)	(12)	(10)	(10)	(10)	(10)
FCFF	**125**	**146**	**177**	**232**	**239**	**246**	**252**	**259**	**264**	**272**	**279**
FCFF margin (%)	3.4%	4.0%	4.7%	5.9%	5.9%	5.9%	5.9%	6.0%	6.0%	6.0%	6.1%

Sources: The Company and analyst estimates

Appendix – Reverse Discounted Cash Flow

SEKm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenue estimate	3,727	3,631	3,744	3,905	4,042	4,154	4,243	4,328	4,415	4,503	4,593
(%) of change		(2.6%)	3.1%	4.3%	3.5%	2.8%	2.1%	2.0%	2.0%	2.0%	2.0%
EBIT (%)	3.4%	3.4%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%
NOPAT (20.6%)	102	99	126	129	132	134	137	140	142	145	148
D (+)	103	96	94	92	97	100	102	104	106	108	110
A (+)	49	48	49	37	30	30	30	30	30	30	30
Capex (-)	88	86	88	92	101	104	106	108	110	110	110
Change in NWC (+)	(42)	(13)	(13)	(12)	(14)	(14)	(13)	(11)	(11)	(11)	(11)
FCFF	**125**	**169**	**167**	**155**	**145**	**147**	**151**	**155**	**158**	**163**	**168**

DCF, SEKm	
PV of FCFF (2025-2034)	1,007
PV of terminal value (2035-)	680
Net present value	**1,687**
Net debt	433
Implied equity value	1,254
NOSH (m)	145
Implied share price, SEK	**8.6**
Current share price, SEK	8.6
Implied upside	**0.0%**

Sources: The Company and analyst estimates

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