

Inwido

Improving margins open doors for a higher valuation

Inwido has built a leading European windows and doors platform through more than 50 margin-accretive acquisitions, leveraging a disciplined roll-up strategy in a highly fragmented market. The company has set a target to reach SEK 20bn in revenue by 2030, implying ~15% CAGR from SEK 9bn today, driven by aggressive M&A and structurally supported organic growth. Following a cyclical downturn, improving end-markets and margin normalisation provide a clear path to accelerated earnings growth and scale-driven profitability, which we believe is not fully reflected in the current valuation, supporting a compelling upside in their stock price.

Inwido combines disciplined, margin-accretive M&A with improving end-market conditions and strong structural tailwinds. Following a cyclical downturn in European construction, demand is normalising into 2026, led by residential recovery in the Nordics and UK. The implementation of the EU's EPBD is expected to drive renovation-led volume growth, pricing power, and margin expansion. We see margin upside in e-Commerce and especially the Eastern Europe segment, which together represent approximately 30% of group sales yet currently operate at an operational EBITA margin of just 5.8%, well below the 10.5% delivered by the rest of the group, highlighting substantial potential for operational leverage and profitability uplift.

Given the reliance on continued M&A alongside organic growth, a more limited acquisition pipeline, rising valuation multiples, or integration setbacks could materially dampen growth and return outcomes relative to current expectations. Especially if margin improvements are not seen and the leverage turns uncomfortably high. In addition, a continued economic downturn similar to the last 2-3 years would weaken disposable income among Swedish and European consumers and most likely pressure end-market demand.

Based on a blended valuation approach combining a discounted cash flow analysis and peer multiple benchmarking, we derive a target price of SEK 202, implying a 19.7% upside from current levels. The valuation underscores Inwido's relative valuation discount versus peers, which we view as unwarranted given the company's leading market position, proven consolidation strategy and clearly articulated long-term revenue growth ambition.

Year-end 31 dec	FY24	FY25	FY26E	FY27E	FY28E
Revenue (SEKm)	8 838	9 002	10 417	11 980	13 777
Organic growth (%)	(6.0)	3.0	2.0	4.5	4.5
Inorganic growth (%)	4.0	1.0	10.0	9.5	7.5
Adj. EBITDA (SEKm)	1 124	1 215	1 291.8	1 569.4	1 901.3
Adj. EBIT (SEKm)	850	832	875.1	1 042.3	1 281.3
Adj. net income (SEKm)	578	553	694.8	827.6	973.6
EV/EBIT (X)	14.6	13.0	13.54	11.38	9.25
P/E (X)	18.6	17.2	14.0	11.8	10.0
FCF yield (%)	5.0	5.7	8.1	9.9	10.7
ROCE (%)	12.0	11.2	12.7	13.1	13.1
Net debt / EBITDA (X)	1.1	1.7	1.1	0.5	0.0

Source: Company, PEVC (estimates)

BUY

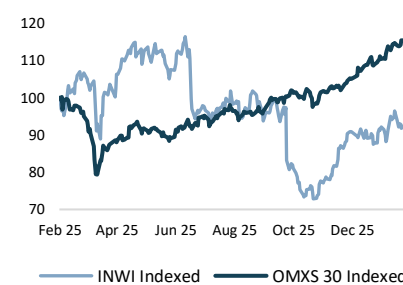
Equity	Capital goods
Share Price	168.8 kr
Target Price	202 kr
Implied upside	+ 19.7%

Company data

# Shares O/S (mn)	57.7
52-week range (Skr)	135.1-221.6
Market cap (SEK m)	9 739.76
EV (SEK m)	11 856.76
Free float (%)	89.36
Div yield (%)	3.34
3M ADV (# shares)	206 423
Volatility (90 day)	26.06 %
Index	Nasdaq Stockholm

Source: Company, S&P Capital IQ

Relative performance chart



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Next event

Q1 2026	28/04/2026
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Disclaimer

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Company overview

Inwido AB traces its origins to 2004, when the former private equity player Ratos AB, acquired Elitfönstergruppen and reorganised the business, laying the foundation for what has since developed into a leading European building components group. Listed on Nasdaq Stockholm since 2014, Inwido is a Sweden-based supplier of customised window and door solutions focused on enhancing indoor living environments across Europe. The group is one of Europe's leading players in its segment, serving both private- and professional consumers, including private homeowners, construction companies and prefabricated house manufacturers.

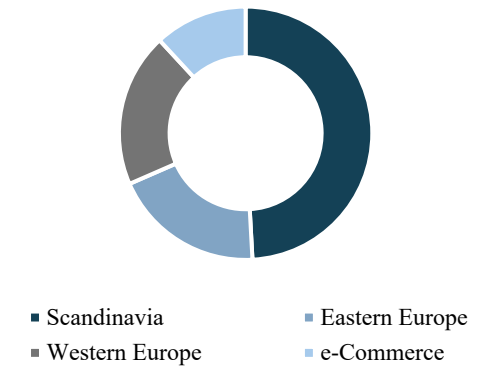
Inwido operates through four segments - Scandinavia, Western Europe, Eastern Europe and e-Commerce, with presence in 12 countries. The Group consists of 37 business units, employs approximately 4,700 people, and reported annual revenue of SEK 9,002 million in 2025.

The group is pursuing a disciplined consolidation strategy in a highly fragmented market with more than 5,000 manufacturers. Inwido operates a bolt-on acquisition approach within a broader roll-up framework. Since inception, more than 50 acquisitions have been completed, reflecting a long-standing and systematic M&A strategy, with approximately 50% of current group revenues generated from acquired businesses. Supported by a strengthened management team and the new CEO Fredrik Mueller, with a clear strategic focus, Inwido leverages its strong balance sheet, decentralised operating model, and proven M&A track record to execute margin-accretive acquisitions of well-positioned local market leaders that enhance regional presence, product capabilities, and profitability, often acquiring businesses with margin profiles above the current group average. This strategy is complemented by ongoing operational improvements, product innovation, and an increasing focus on sustainability and energy-efficient solutions, positioning the group well to capitalise on both cyclical recovery and long-term structural demand

Over the past two years, Inwido has been materially impacted by the weak macroeconomic environment across Europe, particularly within the residential construction and renovation markets. Sharp interest rate hikes, elevated inflation, and declining real wages have pressured household disposable income, resulting in reduced renovation activity and lower demand for windows and doors. This led to declining construction activity in 2023-2024 and negative organic growth for Inwido, with group revenue declining by approximately 6% in 2023 and a further 1.5% in 2024, corresponding to a cumulative decrease of roughly 7-8% from the 2022 peak level. As a cyclical supplier with high exposure to the renovation segment, the company has been sensitive to these conditions. In 2025/26, demand has begun to stabilise, supported by improving consumer confidence and a gradual normalisation of the construction market.

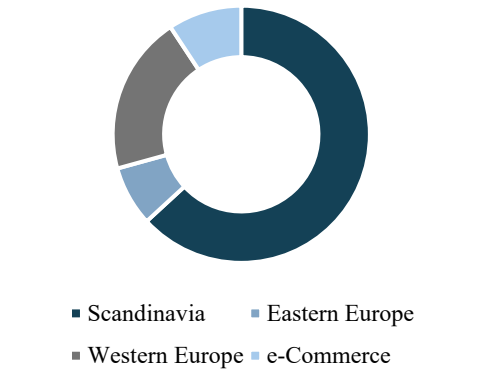
Despite the challenging market backdrop, Inwido has demonstrated notable operational resilience relative to peers. Over the past 18-36 months, several larger competitors, including three players with revenues exceeding SEK 4bn, have entered insolvency, highlighting the financial strain within the industry. This includes UK windows and doors Group LTD with a reported revenue 2022 of GBP 165m. Despite being materially impacted by the weak macroeconomic environment, Inwido has managed to keep their profitability intact, with EBIT margins declining by only 101bps between 2022 (11.2) and 2024 (10.1), while EBITDA margins expanded by approximately 30bps over the same period. This performance underscores disciplined cost control, pricing resilience, and economies of scale in a structurally pressured environment.

Revenue per segment



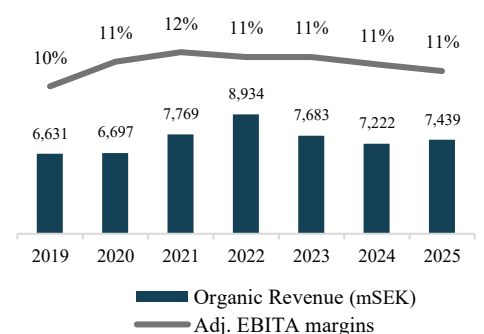
Source: Company

Scandinavia EBITA margin driven by higher margin renovation segment



Source: Company

Resilient margins in volume downturns



*Organic revenue excludes impacts of acquisitions
Source: Company

Financial targets

Inwido targets a group revenue of approximately SEK 20 billion by 2030, driven by a combination of cyclical recovery, structural renovation demand, and continued disciplined bolt-on acquisitions within the European market.

Source: Company

Key management

- Fredrik Mueller – CEO
- Peter Welin – CFO & Vice CFO
- Daniel Hughes – MD of Inwido UK
- Mads Storgaard – VP of Scandinavia

Source: Company

Largest Shareholders

- Swedbank Robur Fonder – 8. %
- NN Group – 6.8 %
- Fjärde AP-Fonden – 5.5 %
- Första AP-Fonden – 5.0 %
- Odin Fonder – 4.8 %
- Dimensional Fund advisors – 4.4 %
- Capital Group – 4.3 %

Source: Company

Industry overview

The door and window industry is undergoing a period of structural change, driven by evolving building regulations, rising energy-efficiency standards and shifting renovation patterns across Europe. At the same time, the sector remains exposed to macroeconomic conditions, with demand closely linked to residential construction activity and renovation cycles.

Energy efficiency

The revised Energy Performance of Buildings Directive (EPBD, EU/2024/1275) mandates significant reductions in primary energy use across EU building stocks, targeting a 16% cut by 2030 and 20-22% by 2035 for residential buildings, with at least 55% of savings from renovating the worst-performing structures. This drives a surge in demand for energy-efficient doors and windows, as they account for up to 35% of building heat loss. For the doors and windows sector, this translates to accelerated growth, with Europe's market projected at a 3-4% CAGR through 2030, fueled by sustainability mandates and funding for green upgrades.

End-market split

Demand in the door and window market is split between new residential construction and renovation-driven replacement demand. New-build activity is more cyclical and sensitive to interest rates and macro conditions, while renovation demand is supported by an aging housing stock, energy-efficiency requirements and long replacement cycles of 25-40 years. The difference has been clear during the recent downturn. According to Euroconstruct, total new-build activity (residential and non-residential) declined by around 9.6% between 2022 and 2024, reflecting the sharp fall in European construction volumes. Over the same period, renovation activity grew by roughly 5.4%, highlighting the more resilient nature of replacement demand.

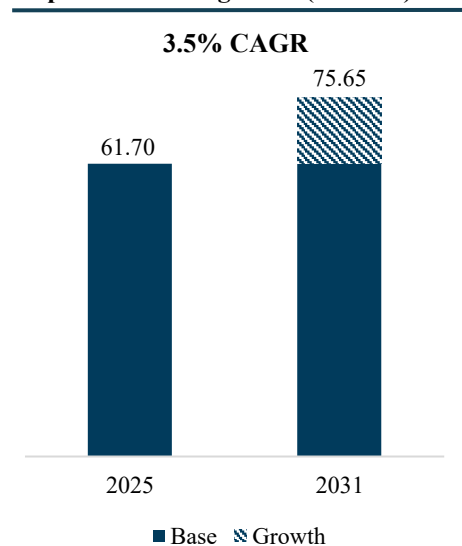
Highly fragmented market

The European windows and doors market is highly fragmented, with more than 5,000 manufacturers and the top 10 players accounting for less than one-third of total market share. The industry consists mainly of small, locally focused and often family-owned businesses with limited geographic reach. Country-specific regulations, certification requirements and building standards make local expertise and established customer relationships important. This limits large-scale centralisation and favours bolt-on acquisitions of strong local operators. As a result, disciplined consolidators with decentralised models are structurally advantaged. Inwido's roll-up strategy, decentralised structure and ability to keep local brands while extracting procurement and operational synergies position the group well to continue gaining market share.

Long-term market growth

Doors and windows are essential building components with little risk of technological substitution or product obsolescence, unlike more innovation-driven industries where demand can shift quickly. The European market was valued at approximately USD 61.70bn in 2025 and is expected to reach around USD 75.65bn by 2031, implying a CAGR of roughly 3.5%. This growth rate, broadly in line with or slightly above long-term GDP growth, supports a stable long-term outlook driven by structural replacement demand and regulatory upgrades.

Expected market growth (USD bn)



Source: Research and Markets (estimates)

Favorable gearing toward new residential

	2021	2022	2023	2024	2025	2026E
Europe	5.6%	2.4%	-1.3%	-2.4%	0.6%	1.8%
New residential	5.4%	0.5%	-9.3%	-8.2%	0.3%	4.1%
New non-residential	1.3%	1.5%	-0.5%	-3.0%	-0.8%	2.3%
Building renovation	7.5%	4.2%	1.1%	-0.1%	-1.0%	1.3%
Civil Engineering	5.4%	-1.6%	5.6%	1.9%	3.7%	3.3%

Source: Euroconstruct (actuals and estimates)

Investment case

Aggressive and proven successful M&A strategy

Since inception, Inwido has completed more than 50 acquisitions, establishing a proven track record as a disciplined consolidator in a highly fragmented European windows and doors market. Over the past decade alone, the group has acquired 18 companies, including four acquisitions completed in the most recent year, which are expected to contribute approximately SEK 880m in incremental revenue in 2026E. Relative to the group's 2025 revenue base of approximately SEK 9bn, this corresponds to roughly 10% acquisition-driven growth, highlighting Inwido's ability to consistently deliver double-digit inorganic expansion.

Supported by a strong balance sheet, with SEK 643m in cash and leverage maintained at a conservative 1.4 net debt (excl IFRS 16) / operational EBITDA, Inwido retains significant capacity to continue executing bolt-on acquisitions without balance sheet restraint, underpinning our expectation of approximately 10% annual inorganic growth for the coming two years.

Importantly, recent acquisitions have been executed at attractive valuation levels of approximately 4-7x EV / EBITDA and around 1.0x EV / Revenue, representing a clear discount compared to trading multiples for listed peers. This valuation arbitrage highlights Inwido's ability to acquire high-quality businesses at favorable terms, while targeting profitability levels above the group average. As a result, acquisitions are structurally margin-accretive and reinforce Inwido's disciplined capital allocation strategy.

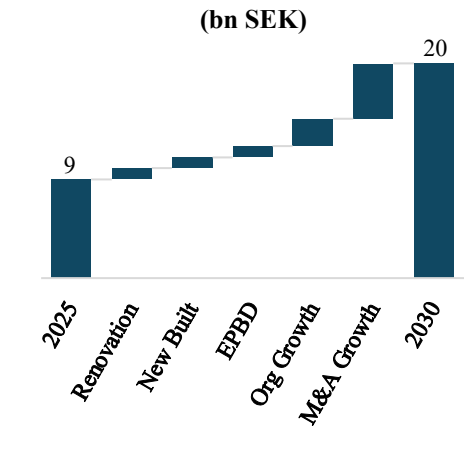
Macro recovery and EPBD implementation to drive structurally supported organic growth

Since 2023, Europe (particularly Northern Europe) has faced a prolonged economic downturn, weighing on consumer confidence and renovation activity. Reflecting its cyclical exposure, Inwido's revenues declined by 6.0% in 2023 and 1.5% in 2024, compared to a European construction contraction of 1.35% and 2.4%, respectively. However, the cycle is now turning. European construction is expected to grow by 0.6% in 2025E, with Inwido already outperforming, reporting revenue growth of 1.9% as of Q3 2025. Looking ahead, Euroconstruct forecasts construction growth of 2.4% in 2026E, driven by a residential recovery. New residential construction is expected to increase by 4.1%, while residential RMI is projected to grow by 1.2%, providing a stable demand base. With the Nordics expected to lead the rebound and UK outlooks supportive, this marks a clear shift from macro headwinds to tailwinds, supporting volume normalisation and organic growth.

In parallel, the revised Energy Performance of Buildings Directive (EPBD) provides an additional structural growth driver, with renovation rates mandated to increase from 1% to 2% by 2030. The European door and window market, valued at approximately USD 60bn and growing at a 3.2% CAGR, is expected to support incremental revenue growth of 4-6% over time, equivalent to roughly 2-3 percentage points annually.

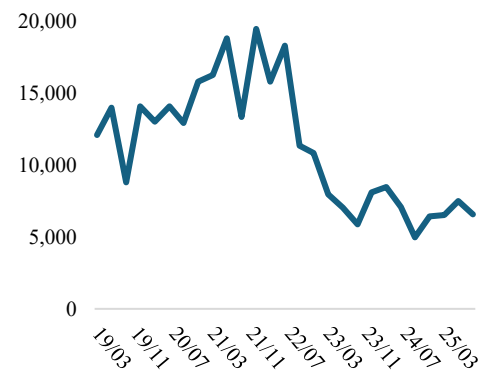
Combined, macro recovery, EPBD-driven renovation demand, and underlying market growth are expected to support approximately ~4% annual organic revenue growth, providing strong visibility for sustained organic expansion.

Expected revenue growth drivers



Source: Company CMD 2025 (estimates)

Housing starts, Sweden



Source: Statistiska Centralbyrån

Investment case

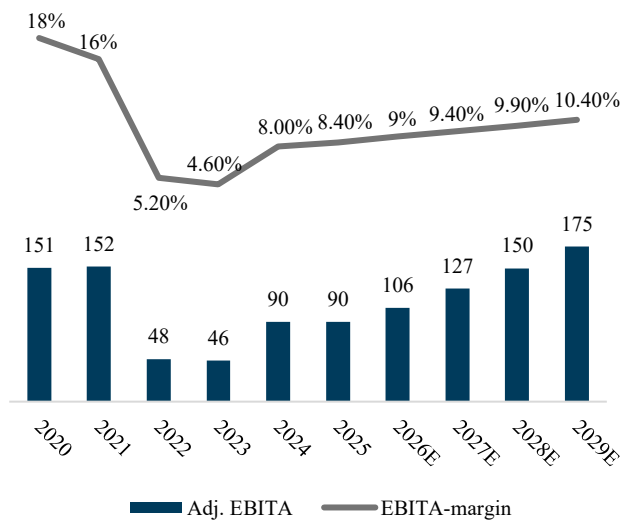
Margin Expansion Potential in Eastern Europe and e-Commerce

While the group delivered an operational EBITA margin of 10.5% in 2025, profitability in Eastern Europe (4.2%) and e-Commerce (8.4%) remains materially below the group average and well below Scandinavia (14.0%). Eastern Europe has been particularly impacted, with operational EBITA declining by 70% between 2023 and 2025, despite revenues declining by only approximately 20%, primarily driven by underperformance in Finland. In response, management has initiated cost reduction programs aimed at lowering the fixed cost base and improving operational efficiency.

Since the Eastern Europe segment is tilted toward the new-build market it has taken much longer to rebound than the renovation market, but it seems to have bottomed out and is improving from its lowest levels. As the cost measures take effect alongside a gradual volume recovery, driven by a rebound in the Finnish new-builds market, we believe a normalised operational EBITA margin in Eastern Europe could recover by at least 300bps to approximately 7.2% by 2029, still below the 11.6% achieved in 2023, indicating further upside potential longer term. E-Commerce have exhibited volatile margins, topping above 15% in 2020-21 and bottoming at approximately 5% in 2022-23. With almost 100% of sales aimed toward the consumer renovation market it has seen more stable sales growth and we believe margins to continue expanding and subside at around 10.4% by 2029, representing a 200bps improvement from current levels.

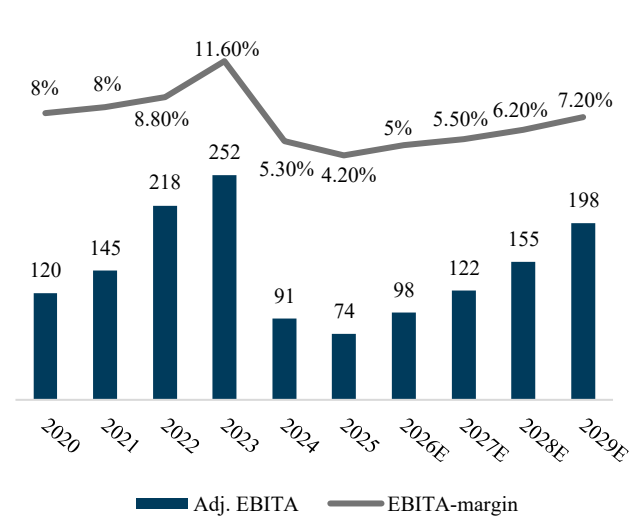
Combined, this implies a potential increase in the group EBITA margin to approximately 11.7% by 2029, corresponding to an uplift of 82bps compared to a flat-margin scenario. This translates into EBITA growth of approximately 7.5%, assuming all other segment margins remain unchanged and that each segment continues to contribute to group revenue in line with its current proportion. This corresponds to an incremental EBITA contribution of approximately SEK 116m from Eastern Europe and e-Commerce, highlighting a meaningful and clearly identifiable profitability lever within the current business structure.

+200bps expected margin improvement in e-Commerce



Source: Company (estimates)

+300bps expected margin improvement in Eastern Europe



Source: Company (estimates)

Valuation

Comps analysis shows that Inwido is trading at lower multiples despite clear margin expansion potential and strong projected top-line growth

Company	Ticker	Price (SEK)	Market Value	Enterprise Value	EV / EBIT		P / E	
					2026E	2027E	2026E	2027E
Inwido AB	INWI	163.8	9 495.9	10 801.5	11.0x	9.0x	12.2x	10.0x

Company	Ticker	Price	Market Value	Enterprise Value	EV / EBIT		P / E	
					2026E	2027E	2026E	2027E
Eurocell plc	ECEL	15.6	1 550.5	2 767.0	8.0x	7.0x	7.4x	6.1x
Svedbergs Group	SVED B	71.5	3 797.0	4 529.4	12.7x	11.9x	16.0x	14.7x
Fasad Gruppen AB	FG	29.9	1 609.6	3 751.2	7.1x	6.2x	4.9x	4.4x
Arbonia AG	ARBN	51.7	3 588.8	5 185.7	25.8x	15.2x	24.6x	14.5x
Lindab	LIAB	200.0	15 768.6	19 987.6	15.5x	12.7x	18.2x	14.0x
BHG Group	AON	32.9	5 890.5	8 285.5	16.1x	13.7x	24.0x	18.3x
Rockwool A/S	WTW	302.4	63 999.1	61 192.4	8.9x	9.5x	16.5x	13.7x
Deceuninck	DECB	25.3	3 501.8	4 723.4	6.6x	6.0x	9.2x	7.9x
Bygghem Group	BMAX	58.6	3347.5	5813.5	15.1x	14.1x	13.3x	12.0x
				Average	12.9x	10.7x	14.9x	11.7x
				Median	12.7x	11.9x	16.0x	13.7x

Comparables valuation (SEKm)	
Target EV/EBIT 2027E (x)	11.5x
EBIT 2027E	1 195.35
Implied enterprise value	13 746.53
Net debt	2 117
Shares outstanding (m)	57.97
Implied share price (SEK)	200
Current share price (SEK)	168
Implied upside	19%

Our comparable company analysis indicates that Inwido is currently trading at a meaningful discount to its European peer group, despite exhibiting broadly similar operational characteristics and attractive forward-looking growth and margins. The peer group consists of listed European companies with exposure to home renovation, building materials and energy-efficient retrofit solutions, with comparable cyclicality, capital intensity and margin structures.

Based on our estimates, Inwido trades at 11.0x EV/EBIT 2026E and 9.0x 2027E, compared to a peer group median of 12.7x and 11.9x, respectively. This corresponds to a discount of approximately 13% on 2026E and closer to 25% on 2027E earnings. The discount is even more pronounced on a P/E basis, where Inwido trades at 12.2x 2026E and 10.0x 2027E, versus peer medians of 16.0x and 13.7x. This implies a discount of roughly 24-27% relative to comparable companies. Importantly, the discount is difficult to justify from a fundamental perspective. While some peers are expected to deliver slightly higher near-term earnings growth, this difference does not appear sufficient to warrant the magnitude of the current valuation gap. In fact, Inwido combines cyclical recovery potential with structural consolidation tailwinds, creating an asymmetric earnings profile over the next 2-3 years.

Applying the peer median 2027E EV/EBIT multiple of 11.9x to Inwido's forecasted 2027E EBIT would imply an upside of approximately 26% from the current share price. However, to reflect somewhat higher forecasted growth among certain peers and to maintain a conservative stance, we apply a modest discount and use a 2027E multiple of 11.5x. Applying 11.5x to our 2027E EBIT estimate implies an enterprise value of approximately SEK 13,746m. After adjusting for net debt, this corresponds to an implied equity value of approximately SEK 200 per share, representing an upside of 19% relative to the current share price of SEK 168.8.

In our view, as the macro environment normalises, margins in Eastern Europe recover, and inorganic growth continues at a disciplined pace, we see limited justification for Inwido to trade at a persistent discount to peers. A gradual multiple re-rating toward the peer median appears reasonable as earnings visibility improves and the group demonstrates continued operational resilience.

Valuation

DCF valuation points to a share price of SEK 204 per share

Our DCF valuation yields an equity value of SEK 204 per share, corresponding to an upside of approximately 20% from the current share price of SEK 168.8. The valuation is based on a five-year explicit forecast period and a terminal value derived from both an exit EV/EBIT multiple and a Gordon Growth terminal rate, resulting in an blended implied enterprise value of approximately SEK 14.6bn.

We apply a WACC of 9.2%, reflecting a 2.5% risk-free rate, a 6.0% equity risk premium, a levered beta of 1.02 and a 2.0% size premium, resulting in a cost of equity of 10.6%. The after-tax cost of debt is calculated at 3.9%, consistent with Inwido's financing profile and moderate leverage.

Our base case assumes 2% annual organic growth in 2026, to then stabilise around 4.5% the years after, supported by gradual macro normalisation, renovation demand and EPBD-driven energy efficiency upgrades. Inorganic growth is modelled at around 10% in 2026, gradually tapering thereafter to reflect execution risk, acquisition timing uncertainty and leverage considerations. While management targets 15% annual revenue growth towards 2030, we view this ambition as dependent on sustained and sizeable acquisition spending. Given historical free cash flow margins of 6-12%, maintaining acquisition volumes of SEK 850m-1.2bn annually without meaningfully increasing leverage would require consistently favourable deal flow and disciplined execution.

On profitability, we assume gradual margin expansion driven primarily by recovery in Eastern Europe and improving profitability in e-Commerce, while core Scandinavian operations remain structurally strong. Importantly, the model does not assume a full peer-level re-rating in the terminal multiple. We apply an exit EV/EBIT multiple of 10.8x, broadly in line with the historical trading levels and slightly below peer medians.

Even under moderated growth assumptions and without fully pricing in management's long-term revenue ambition, the DCF supports a valuation upside. In our view, the current share price implies either structurally weaker margins or materially lower growth than what historical resilience, identifiable margin levers and structural renovation tailwinds suggest. As cyclical headwinds fade and underperforming segments normalise, we believe the gap between intrinsic value and market pricing should narrow.

Summary

We deem the company's stated goal of compounding revenue at a 15% rate to reach SEK 20bn by 2030 as lofty and quite risky. Assuming a 5% organic growth annually would mean inorganic need to contribute 10% each year. An exit multiple range of 5-7x EV/EBIT, in range with previous acquisitions, would yield an average yearly spend of SEK 850m-1.2bn. With historical FCF margins of 6-12%, keeping that spend up without adding meaningful leverage will be a challenge that will require perfect execution, which is not sustainable. Our projections point to 10% inorganic growth in 2026 that gradually turns lower due to the uncertainty of M&A timing and leverage risk.

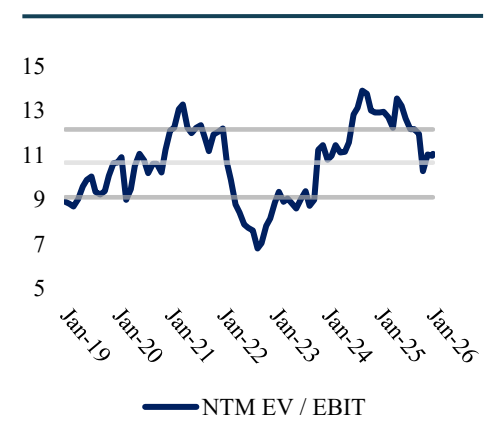
However, even if the lofty goal is not met, we see a meaningful opportunity in this stock. Mainly rooted in its ability to sustain margins in harsh business conditions that currently are turning better. The opportunity for margin expansion in the temporarily suppressed Eastern Europe and e-Commerce division should be low-hanging fruit opportunities while the performance in Scandinavia continue to drive profits higher. The current EV / 26E EBIT valuation of 11x is deemed a good entry point. A high sustained revenue growth rate combined with some margin expansion should be rewarded with a higher multiple to reflect the quality of the company and improving macro conditions. Handels PEVC issues a buy recommendation with a target price of SEK 202 per share, based on a blended approach utilising a DCF and a peer valuation.

DCF summary

DCF Valuation (SEKm)	
NPV of UFCF in forecast	3782.5
NPV of continuation value	10 796.8
Value of operation	14 579.3
Net debt (ink IFRS 16)	2117
DCF value of equity	11 826.4
DCF value per share (SEK)	204
Current share price	168.8
DCF upside potential (%)	20.1
WACC (%)	
Risk-free interest rate	2.5%
Risk premium	6.0%
Levered beta	1.02
Size premium	2.0%
Cost of equity	10.6%
After tax cost of debt	3.9%
WACC	9.2%
Assumptions	
Number of forecast years	5
EXIT EV / EBIT multiple	10.8x
Gordon Growth terminal rate	2.5%

Source: PEVC (estimates)

NTM EV / EBIT at attractive levels



Source: PEVC (estimates)

Disclaimer

This equity research report on Inwido has been prepared by members of a student organisation as part of an educational case workshop. The purpose of the report is solely to illustrate how an equity research report can be structured and conducted for academic and training purposes. The analysis includes a discounted cash flow (DCF) valuation and a comparable company analysis, leading to a theoretical target price of SEK 202 and a "Buy" label based on our internal methodology.

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