

Monthly Report January 2026

Kavaljer Quality Focus

-6,1%

Return january 2026

+53%

5-year return



Monthly Comment

Weak small caps and strong large caps – again...January turned out to be a very strong month for large caps.

The broad Stockholm Stock Exchange (OMXSPI-GI) rose by 2.1% (large-cap index +5%), while the global equity index (Dow Jones Global Index) gained +3.1%. Just like throughout last year, Swedish small caps once again lagged behind: the small-cap index (Carnegie Small Cap Return Index Sweden) declined by -4.2%.

Small caps increasingly neglected as large caps keep marching on – parallels to “boring stocks” vs. IT stocks during the dot-com bubble

Small caps have continued to be pushed aside while large-cap stocks have kept marching higher. During last year, the theme was clear: small-cap stocks performed weakly while large caps were strong, and the outperformance of the large-cap index versus the small-cap index amounted to 13% – a record as far as we have been able to determine. January further reinforced the same trend.

Over longer periods, however, small caps have historically performed clearly better than large caps, partly due to greater long-term growth potential and partly because large caps are often valued more highly from the outset. As small companies grow and mature, their valuation multiples also tend to expand, further strengthening returns.

In today's uncertain global environment, investors naturally gravitate toward perceived safe havens – large caps – while reducing exposure to more “uncertain” small caps. This reinforces the narrative of large caps as safe and small caps as risky, creating a feedback loop that can persist for a long time.

But eventually gravity takes over. When valuations become stretched and growth opportunities limited, sentiment can shift quickly, often without a clear bottom.

The opposite is also true: once small caps begin to move higher, interest can return rapidly and create a positive spiral. We therefore see parallels to the dot-com bubble, where today's large caps resemble the IT stocks of that era, while today's small caps resemble the “boring” old-economy stocks. When sentiment turns we do not know – but we are confident in which category we favor over the coming 3–5 years.

Fund facts

Launch date	August 2019
Risk level	4 out of 7
Number of holdings	25-40
Trading	Daily
Fund rating (Morningstar)	★★★★★
Category	Sweden, small/mid cap
SFDR classification	Article 8
AUM	SEK 837 million
Management fee	A-class (1,25%) I-class (0,75%)
Total fee	A-class (1,59%) I-class (1,08%)
ISIN A-class	LU1232457504
ISIN I-class	LU1232457686
Fund managers	Peter Lindvall, Håkan Telander & Jesper von Koch

Risk measures

	3 years	5 years
Alpha	6.4	7.5
Beta	0.86	0.84
Sharpe-ratio	0.71	0.54
Standard deviation	14.36	18.79

Risk measures for A-class

Fund performance

Kavaljer Quality Focus performed weakly during the month, declining by -6.1%. Over the past five years, the fund has returned 53%, compared with 57% for the Stockholm Stock Exchange (OMXSPI-GI) and 16% for the small-cap index.

The largest positive contributors among the fund's holdings during the month were FlatexDegiro, ITAB, and RVRC, contributing +0.24, +0.2 and +0.11 percentage points. The largest negative contributors were Swedencare, Pandora, and Dometic, with contributions of -1 and -0.6 and -0.5 percentage points.

Changes and holdings

During the month, the fund reduced its holdings in Svedbergs and FlatexDegiro. We also increased our positions in Carasent, RVRC, Swedencare, Green Landscaping, Dometic, Proact, Inwido, and Bonesupport. In addition, we initiated new positions in CAG Group and Idun Industrier.

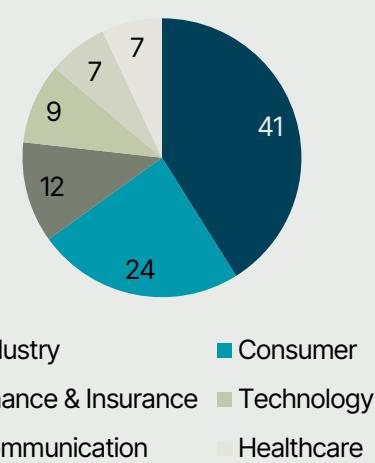
The equity exposure was 96%.

Top 20 holdings as % of portfolio

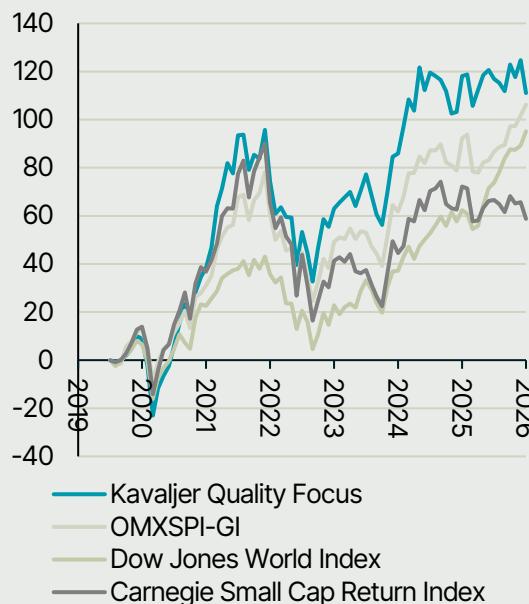
RevolutionRace	4.9
Securitas	4.9
Carasent	4.5
Ratos	4.5
Storytel	4.3
Proact IT Group	3.9
ITAB Shop Concept	3.9
Bravida Holding	3.9
Huhtamäki	3.7
Inwido	3.6
New Wave	3.4
Catella	3.3
Exsitec	3.1
Idun Industrier	3.1
Dometic Group	3.0
Nederman	3.0
Alligo	2.9
Swedencare	2.8
Valmet	2.6
flatexDEGIRO	2.6

Top portfolio holdings
Topp 20 as a percentage
of total

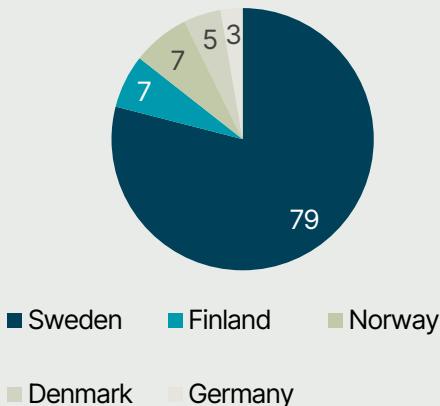
Sector Allocation %



Returns after fees



Geographical Allocation %



Top and Bottom Performers

Company	Contribution of return
FlatexDegiro	0.24%
ITAB	0.20%
RVRC	0.11%
Swedencare	-1.02%
Pandora	-0.59%
Dometic	-0.54%

In-depth thoughts on our holdings

Protector: Growth in France accelerates and confirms the long-term growth story

Protector has been a strong contributor since we entered the position almost a year ago, with the share price up around 70%, driven by market share gains in the UK and successful expansion into new markets, primarily France.

January confirmed this trend with +25% volume growth, half of which came from France, and we believe profitability remains intact thanks to disciplined pricing and high-quality data. However, the share is no longer as inexpensive (P/E ~22), which has led us to reduce the position, but we still see potential for outperformance.

Protector Forsikring represents 2.3% of Kavaljer Quality Focus.

RevolutionRace: A very strong report despite a tough market

RevolutionRace (RVRC) delivered a strong quarterly report with +12% revenue growth despite market and currency headwinds. The DACH region (Germany, Austria & Switzerland) grew +15% and accounted for 58% of sales, confirming continued market share gains and solid growth potential ahead.

Profitability improved to a 23.6% EBIT margin due to a lower marketing spend ratio, and the gross margin should receive further support from USD exposure going forward. The share trades at around P/E ~20, which appears reasonable given cyclically depressed earnings and strong long-term growth potential.

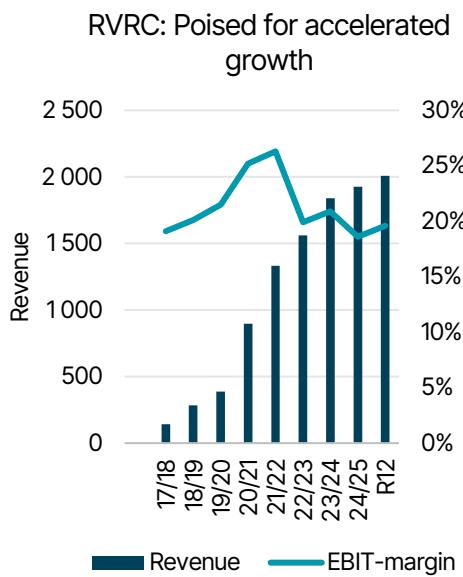
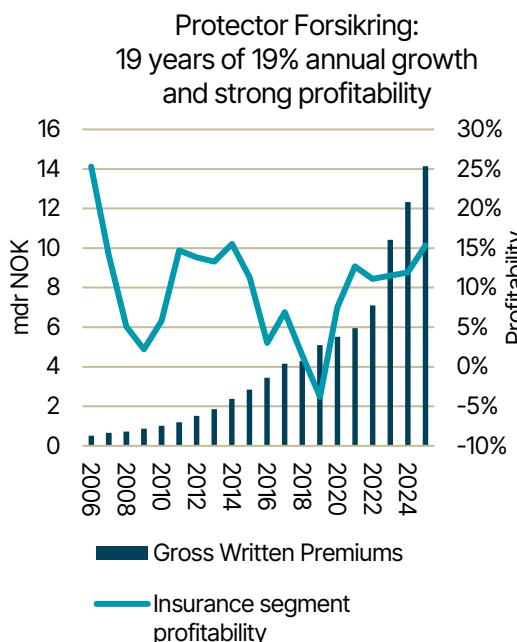
RVRC represents 4.9% of Kavaljer Quality Focus.

Green Landscaping: 2025 a lost year, but signs of a turnaround

2025 became a lost year with a weak Q4 and pressured profitability, with Norway having the largest negative impact. Sweden is more stable after exiting weaker units, while Other Europe is performing strongly with a 22% EBITA margin and accounted for 65% of EBITA in Q4.

Looking ahead to 2026, several turnaround drivers are in place, including easier comparables, snow removal supporting Q1, continued measures in Norway, and contributions from acquisitions, alongside a focus on reducing leverage. On depressed earnings, the share trades at P/E ~20, but a normalization toward ~SEK 4 EPS in 2026 would imply P/E ~11, offering an attractive margin of safety.

Green Landscaping represents 1.9% of Kavaljer Quality Focus.



Tidsperiod	1 month	YTD	1 year	3 years	5 years	Since inception*	Annualised return
Kavaljer Quality Focus	-6.1%	-6.1%	-3.2%	29%	53%	111%	12.9%
OMXSPI-GI	2.2%	2.2%	7.2%	38%	57%	109%	12.7%
Dow Jones World Index	3.1%	3.1%	20.2%	59%	59%	100%	11.9%
Carnegie Small Cap Return Index	-4.2%	-4.2%	-7.8%	12%	16%	60%	7.9%

* 5 august 2019

Swedencare: Profit warning and a crisis of confidence – but we remain convinced

Swedencare issued a profit warning late in the month as both revenue and margins came in below expectations, driven by a messy NaturVet transition on Amazon and production disruptions related to a new ERP system. A major marketing campaign via Walmart delivered good results, but Amazon (around 30% of sales) was unable to absorb the elevated marketing costs, and a large Pharma project appears to have been postponed by one or two quarters.

Our assessment is that most of these issues are temporary, although the company should have identified the situation earlier, scaled back marketing more quickly, and benefited from a stronger CFO.

Looking ahead, 2026 is likely to be more “bread and butter” with fewer large projects running in parallel, and while Amazon-related issues are expected to persist through the first half of Q1, we expect gradual improvement quarter by quarter thereafter, alongside greater cost discipline.

New targets of net debt/EBITDA below 2.0 suggest a pause in acquisitions, reducing the risk of one-off costs, and although net debt/EBITDA may peak around 3.3 after Q4, we view balance sheet concerns as exaggerated.

Following the sharp decline, we consider the valuation very attractive at 10.5x owner earnings or EV/EBITA ~10 for 2026, which is why we continue to like the stock.

Swedencare represents 2.8% of Kavaljer Quality Focus.

Valmet: Acquisition in the best business area – and in exactly the right size

In December, Valmet acquired Severn Group, which will become part of Process Performance Solutions, the company's most profitable business area (29% of revenue but close to 50% of EBITA). The acquisition adds EUR 215m in revenue with a 16% EBITDA margin, corresponding to +27% topline growth in the segment and around +8% at group level, but as much as 13–14% at EBITA level – a good size that provides meaningful contribution without being transformational.

The purchase price corresponds to 12x EBITDA, which we view as reasonable given the high quality of the segment and Valmet's track record of improving margins in similar acquisitions. The balance sheet remains strong, with net debt/EBITDA increasing from ~0.8x to ~1.2x. With expected net profit of just under EUR 2.3 per share in 2026, the stock trades at a P/E slightly below 13, which we still consider attractive relative to historical levels.

Valmet represents 2.6% of Kavaljer Quality Focus

Nacka Strand, 9 February 2026
 Peter Lindvall, Håkan Telander, Jesper von Koch, Jakob Wahlberg

“In the short run, the market is a voting machine but in the long run, it is a weighing machine.”

Warren Buffet

More information about the fund can be found at: <https://kavaljer.se/>