Kavaljer

Monthly Report July 2026

# Kavaljer Investmentbolagsfond

+2.8%
return July 2026

+7.8%
return five years

## Monthly commentary

**A good summer month**
July was a strong month for Swedish equities, with the Stockholm exchange (OMXSPI-GI) up 2.2%, while the global index (Dow Jones Global Index) was slightly weaker at -0.2%. Kavaljer Investmentbolagsfond returned a positive 2.8% for the month.

**A strong reporting season and a promising cyclical turn**
The second-quarter reporting season dominated July and was strong overall for our portfolio companies, with BB Biotech, HBM Healthcare, Lifco and Ratos standing out. Danaher's report was received more weakly, but we see the weakness as temporary and its long-term potential as intact. We have therefore used the share price decline to add to our holding.

Beyond that, we are seeing positive economic signs. Sweden is in a stable, broad-based recovery with low inflation. Europe has just turned up but remains fragile. The US is growing, though inflation is the risk. Energy prices and the Middle East conflict remain significant uncertainties.

One sign of the cyclical turn is also visible among listed serial acquirers, where the number of acquisitions rose sharply in the second quarter versus the first. The pace is likely picking up for three reasons: companies built up capital during the weaker years and are now deploying it; management teams see the same turning economy we do and are acting before competition for targets intensifies; and a strong share price makes each acquisition more value-creating relative to what targets cost. Serial acquirers account for 22% of Kavaljer Investmentbolagsfond.

NAV discounts in July vary widely across the holdings. The largest are in Bure Equity (21.65%) and HBM Healthcare Investments (17.18%), the latter in line with its historical average. Bure, Latour, Svolder and Linc have all moved from a historical premium to smaller discounts: Latour from a five-year premium of 28.9% to almost parity (a 1.04% discount), while Svolder and Linc stand at discounts of 3.97% and 6.19% respectively. Investor and Industrivärden both trade at premiums, of 5.8% and 5.09%, a situation that to our knowledge has never occurred before.

In aggregate, around 11% of the fund trades at a premium, while the remaining 29% of NAV-valued holdings still offer a discount.



## Fund facts

| | |
|---|---|
| Inception date | May 2018 |
| Risk level | 4 of 7 |
| Number of holdings | 25-40 |
| Trading | Daily |
| Fund rating (Morningstar) | ★ |
| Category | Global, Sweden |
| SFDR classification | Article 8 |
| AUM | SEK 782 million |
| Management fee | Class A (0.3%) Class C (1%) |
| Total fee | Class A (0.56%) Class C (1.19%) |
| ISIN Class A | LU1777968246 |
| ISIN Class C | LU2838471790 |
| Portfolio managers | Peter Lindvall, Håkan Telander, Jesper von Koch & Jakob Wahlberg |

## Risk measures

| | 3 yr | 5 yr |
|---|---|---|
| Alpha | -5.4 | -7.43 |
| Beta | 0.77 | 0.92 |
| Sharpe ratio | 0.28 | 0.02 |
| Standard deviation | 10.68 | 13.64 |

*Risk measures for Class A*

## Fund performance

Kavaljer Investmentbolagsfond delivered a positive return of 2.8% during the month. Since inception, the fund has returned 148%, compared with 142% for the Stockholm exchange (OMXSPI-GI) and 108% for the global index (Dow Jones).

The largest positive contributors among the fund's holdings during the month were Microsoft, Thermo Fisher and Ratos. The largest negative contributors among the fund's holdings during the month were Markel, LVMH and Alphabet.

## Changes and holdings

During the month, the fund reduced its holdings in Bure Equity, Idun Industrier and Industrivärden, and fully divested its holding in VEF. The fund added to Alphabet, Danaher, Lifco and Siemens AG.

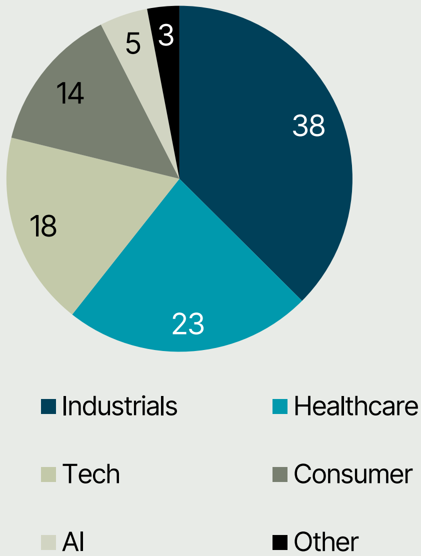
The equity allocation was 97%.

### 20 largest holdings in %

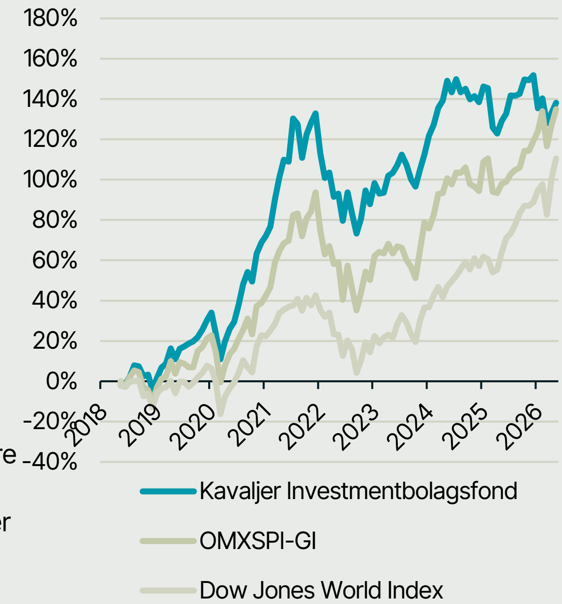
| | |
|---|---|
| Latour | 6.1 |
| Investor | 5.8 |
| Danaher | 5.2 |
| Berkshire Hathaway | 5.2 |
| Prosus | 5.2 |
| Markel | 4.8 |
| Industrivärden | 4.8 |
| Microsoft | 4.7 |
| Fairfax Financial Holdings | 4.7 |
| Alphabet | 4.3 |
| Svolder | 4.2 |
| Linc | 4.2 |
| Ratos | 4.2 |
| HBM Healthcare | 4.1 |
| Thermo Fisher | 4.0 |
| Siemens AG | 3.7 |
| LVMH | 3.7 |
| Lifco | 3.3 |
| Bure Equity | 3.0 |
| Beijer Alma | 2.2 |

| | |
|---|---|
| Total number of portfolio holdings | 25 |
| Top-20 share of total | 87.4 |

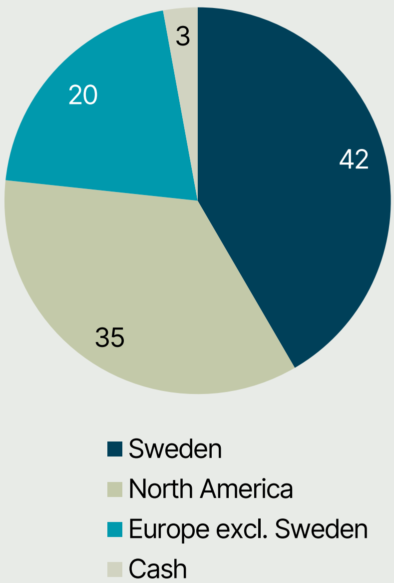
### Sector breakdown in %




### Return after fees




### Geographic breakdown in %




### Best and worst – contributors of the month

| Company | Contribution |
|---|---|
| Microsoft | 1.0% |
| Thermo Fisher | 0.5% |
| Ratos | 0.3% |
| Markel | -0.2% |
| LVMH | -0.1% |
| Alphabet | -0.1% |

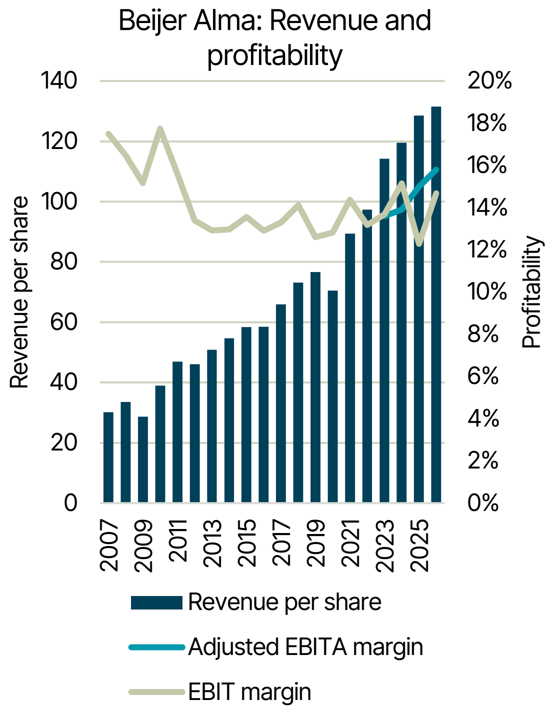
## A closer look at our holdings

**Beijer Alma: Continued profitability improvements**
During the month, serial acquirer Beijer Alma released its second-quarter report. Sales came in at SEK 2,131m, up 5.3% year on year, of which organic growth accounted for 1%. Adjusted EBITA rose 13.4% to SEK 346m and the margin improved by 1.1 percentage points to 16.2%, a good 3% ahead of analysts' forecasts.

The main driver behind the margin improvement is Beijer Components, which despite negative organic growth lifted its margin to close to 20%, helped by the cost-saving programme, a stabilised Alcomex and the phasing out of low-margin volumes in the US.

On the weaker side, organic order intake was flat year on year. At the same time, Beijer Alma completed five acquisitions during the quarter and continues to see good acquisition opportunities for both Beijer Tech and Beijer Components going into the second half. The balance sheet remains strong (net debt/EBITDA of 1.7x), leaving ample room to maintain a high acquisition pace going forward.

Beijer Alma accounts for 2.6% of Kavaljer Investmentbolagsfond

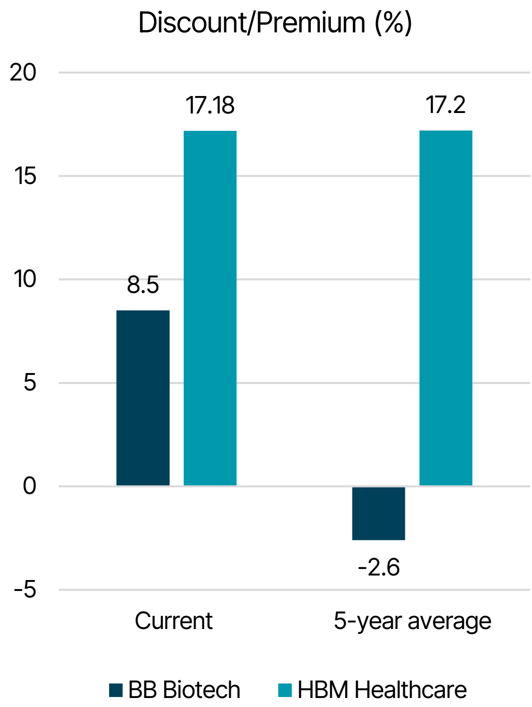



**BB Biotech & HBM Healthcare: Higher portfolio activity and clear market improvements**
In our monthly letter for [December]() last year, we discussed a potential recovery in the healthcare sector. To our satisfaction, both BB Biotech and HBM Healthcare delivered reports that support the view that the recovery is now genuinely gathering pace.

BB Biotech increased its net asset value by more than 17% during the second quarter, while HBM Healthcare rose 13%. High portfolio activity, clinical progress among the portfolio companies and elevated transaction activity in the sector lay behind the strong performance of both companies.

Looking ahead, we see several interesting drivers in favour of the healthcare sector. Large pharmaceutical companies have more than USD 250 billion of revenue at risk of falling away by 2030 as patents on blockbuster drugs expire. One example is pharma giant Merck, which loses its core patent for the cancer drug Keytruda (with annual sales of around USD 25 billion) as early as 2028. The fastest way for the large caps to replace this revenue is to acquire already proven, differentiated innovation, which is pushing them out into the acquisition market. Here we see BB Biotech and HBM Healthcare as well positioned to benefit from this tailwind.

BB Biotech and HBM Healthcare together account for 6.4% of Kavaljer Investmentbolagsfond




| Period | 1 month | YTD | 1 year | 3 years | 5 years | Since inception* | Annualised avg. return |
|---|---|---|---|---|---|---|---|
| Kavaljer Investmentbolagsfond | 2.8% | -1.4% | 3% | 17% | 7.8% | 148% | 13.5% |
| OMXSPI-GI | 2.2% | 10.2% | 19% | 45% | 32.4% | 142% | 13.1% |
| Dow Jones World Index | -0.2% | 10.3% | 20% | 57% | 55% | 108% | 10.8% |

**May 2018*

**Danaher: A minor disappointment in Biotechnology but improving underlying markets**

Danaher also reported its second-quarter results during the month. The report beat market expectations on both revenue and earnings per share. The disappointment lay instead in the performance of the company's most important segment, Biotechnology, which came in below expectations, sending the Danaher share down by more than 15% during the day.

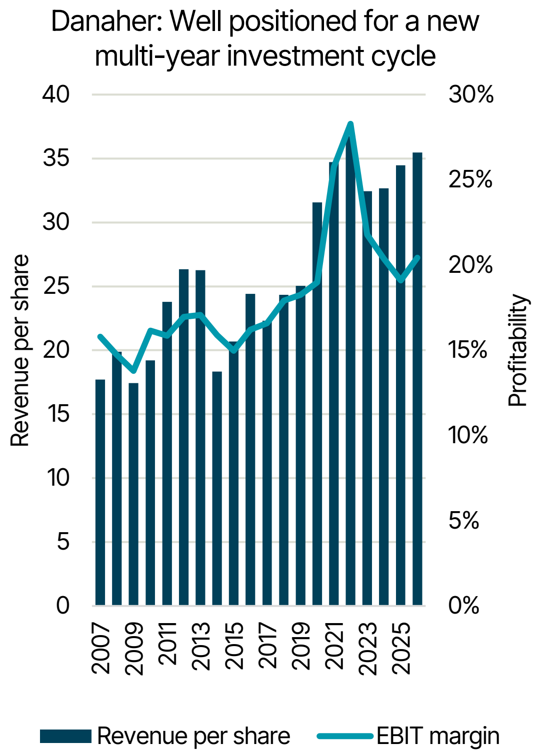
The dominant explanation is that a couple of larger orders for major customers, scheduled for delivery in the second and third quarters, are instead being pushed into 2027 as a result of facility and scheduling issues at those customers. As a result, Danaher lowered its full-year guidance. Since the growth narrative sits within Biotechnology, which also carries higher profitability than the group as a whole, the impact is amplified.

Underlying order intake for Biotechnology nevertheless remained strong, growing by around 15% for both equipment and key consumables. This is the second consecutive quarter of rapid order growth. The positive trend in Bioprocessing was also confirmed by Thermo Fisher, which said that the improved customer activity in biotech is now beginning to translate into actual revenue, and which raised its full-year guidance.

A further data point supporting this thesis came recently from US-based Repligen, whose business consists 100% of Bioprocessing (equipment and consumables). As the fund has noted previously, the company often serves as a good indicator, since its order intake is a pure measure of Danaher's and Thermo Fisher's most important growth engine. During the second quarter, book-to-bill improved sharply sequentially and was said to be clearly above 1.0x, while the order book is being built up ahead of 2027. Order trends are strong overall, and China has improved markedly (+60% in the first half), accounting for 8–10% of Thermo's and Danaher's respective revenue. There is also growing discussion around reshoring production.

Repligen has won several large capacity expansion projects and, according to the company, is “on track to win a third within the coming weeks”, which confirms that this investment cycle is also under way. The fund increased its holding in Danaher on the day of the report, as the share price decline was judged to be excessive.

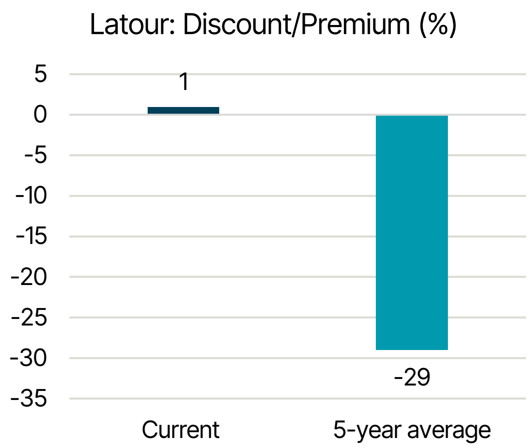
Danaher and Thermo Fisher account for 5.2% and 4% respectively of Kavaljer Investmentbolagsfond




**Latour: Recovery in sight for Industrial Operations**

The reporting season is now approaching its final stage, and expectations for Latour's upcoming second-quarter report, due on 19 August, have become increasingly positive.

Latour's wholly owned industrial arm, Industrial Operations, is an important driver of both the net asset value and the valuation of Latour. The fund has noted several data points that bode well for Industrial Operations: the Nordic installation companies Instalco and Bravida reported organic growth of 8–9% in the second quarter, driven by an improving installation and construction market. That is a positive signal for Latour's largest unlisted industrial holding, Swegon, as well as for Bemsiq in building automation and Hultafors in workwear and hand tools.

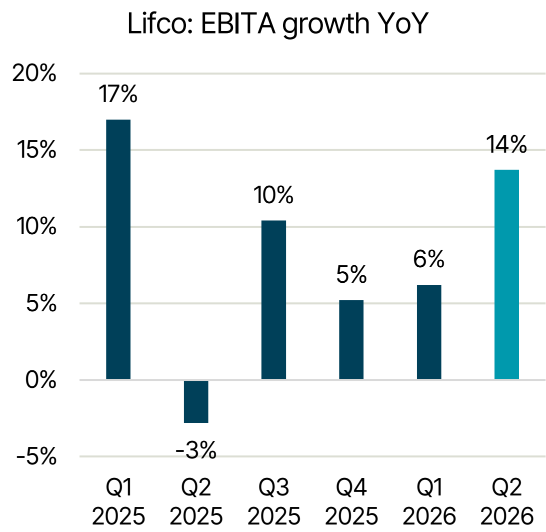


Further support came from Systemair, a competitor to Swegon, which reported organic growth of 11% in the first quarter. Latour itself noted at the end of the first quarter that Industrial Operations entered the second quarter with strong momentum. In addition, serial acquirers such as Addtech, Indutrade and Lifco have beaten consensus expectations on organic growth.

The overall picture is that the Swedish industrial economy is heading into a broader recovery, which will benefit Latour's Industrial Operations. Together with SEK 5 billion of cash following the disposals of Securitas and Assa Abloy, this points to more bolt-on acquisitions ahead.

Latour accounts for 6.1% of Kavaljer Investmentbolagsfond

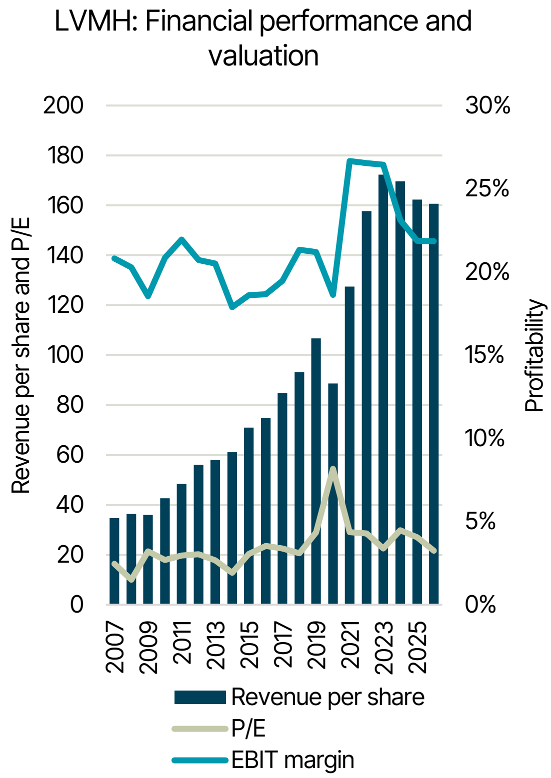
**Lifco: Higher organic growth and some recovery in Demolition & Tools**
Lifco reported a solid second quarter that beat market expectations. Revenue grew by a good 11%, of which organic growth accounted for 4.7%, up from 1% in the first quarter. EBITA rose by more than 14% year on year, with expanding margins




In the first half, acquisition activity was lower than a year earlier, with six completed acquisitions. At the same time, management said on the conference call that activity in the acquisition market is higher than ever, providing a good pipeline of deals to work with in the second half. The balance sheet remains strong, with net debt/EBITDA of 1.2x excluding leases. During 2025, Lifco acquired a total of 16 companies at an average multiple of 6.4x EV/EBITA, with acquired EBITA margins of around 29%.

Lifco accounts for 3.3% of Kavaljer Investmentbolagsfond

**LVMH: Growth still subdued, but several signs of a possible turn**
The last time the fund wrote about LVMH was as long ago as May 2025. At that point we identified an attractive entry opportunity after a period of weaker growth and profitability, with the slowdown judged to be temporary and the valuation low. With hindsight, the slowdown has lasted longer than we dared predict at the time, but the original thesis remains intact, albeit pushed further out.




LVMH's second-quarter report demonstrated continued resilience in a tough market. Organic revenue rose 3%, up sequentially from 1% in the first quarter. At the segment level, Fashion & Leather Goods returned to positive growth (1%) for the first time in seven quarters, up from -2%, while the previous problem child Wines & Spirits continued to show signs of recovery, growing 5% for the second consecutive quarter. Watches & Jewelry stood out positively, growing as much as 11%. By region, Asia excluding Japan continued to perform strongly (+4%), showing that Chinese consumers are still spending on luxury goods, albeit more cautiously than before.

The operating margin came in at 22.5%, marginally down year on year, which testifies to continued strong cost control. Those of an optimistic bent could argue that a broader market recovery is now in sight. Whether that proves to be the case remains to be seen, but the valuation is now even lower than before, at a P/E of 18 on expected 2027 earnings. When the market does turn, we see LVMH as well positioned, and our confidence in the company remains intact.

LVMH accounts for 3.7% of Kavaljer Investmentbolagsfond.

**Ratos: Strong Q2 report paves the way for a re-rating**

As is well known, the second quarter is Ratos's most important quarter, and it offered several highlights. Organic growth came in at 3.4% and EBITA growth was 14% year on year, a good 5% ahead of analysts' forecasts.

The strength was particularly clear within Industrial Products, where EBITA grew by as much as 22% year on year thanks to Diab, which benefited from pent-up demand in the defence sector. Industrial Services also showed signs of stabilising. EBITA did continue to fall, by 8% year on year, but that was a clear improvement from -40% in the first quarter, driven by Knightec returning to organic growth. Consumer was more mixed, with KVD declining organically while Plantasjen showed signs of improvement.

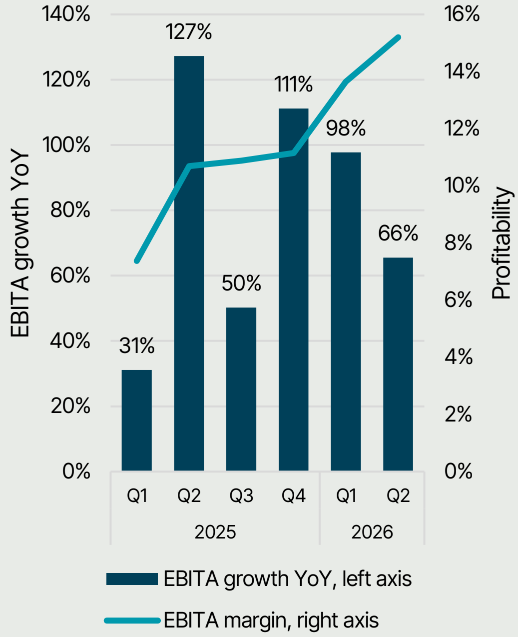
With a track record gradually being built, it is now primarily a question of Ratos continuing to deliver quarter after quarter for the market to re-rate the share. In the second half, there is good scope for continued double-digit EBITA growth, with strong contributions from Diab and HL Display and a continued recovery at Knightec.

In addition to the planned divestment of Plantasjen and the other consumer businesses, Ratos's strong balance sheet (net debt/EBITDA of 0.8x excluding leases) leaves ample room for many value-creating initiatives ahead.

Despite the strong report, the valuation remains attractive, with the share trading at what the fund considers a substantial discount to a sum-of-the-parts valuation of its holdings.

Ratos accounts for 4.2% of Kavaljer Investmentbolagsfond

Diab: A profit machine with very strong momentum




**Nacka Strand, August 7 2026**

Peter Lindvall, Håkan Telander, Jesper von Koch and Jakob Wahlberg

More information about the fund is available at https://kavaljer.se/

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