Services

Q2 trends and Q3 outlook

- 10% adj. EBITA growth in Q2, we expect 13% in Q3
- Upside risk to Instalco in Q3, downside in AFRY
- Top picks are Instalco, Sweco, Loomis

Q2 trends

Sector earnings grew 10% in Q2 (acceleration from 5% in Q1), 2% better than consensus on average. Earnings were driven by 3% organic sales growth and average margins expanding from 6.8% to 7.1% y-o-y. Our earnings estimates were raised slightly (+1%). Despite the beat and positive revisions, the average share reaction on the reporting day was 0% and the shares on average have traded weaker post the numbers (-5% L30D). Valuations for the sector remain significantly below both historical levels at ~10x f12m EBITA (-20% vs L10Y) and the broader market (-38% vs OMXSGI).

Q3 expectations

We expect earnings growth to accelerate further in Q3, with 13% adj. EBITA growth y-o-y compared to 10% growth in Q2 and 5% in Q1. The installers should lead this growth (**Bravida** 20%, **Instalco** 46% y-o-y), followed by **Loomis** (15%). We are notably above consensus on **Instalco** (6%) and below on **AFRY** (-4%) where we continue to see downside risk to estimates. The companies with accelerating earnings growth q-o-q are **Instalco** and **Coor**.

Overreactions

There were three notable share overreactions during the earnings season, in our view: **Instalco** (-12%), **Securitas** (-12%) and **Sweco** (-6%). **Instalco** delivered a strong report with a clear growth acceleration due to improved market conditions, and earnings ahead of expectations. Consensus also looks low for H2'26, in our view. Even so, the share is trading below pre-Q2 levels and at a five-year record discount to **Bravida**. **Securitas** delivered in line with expectations on the key segment, Technology & Solutions, while the legacy segment, Guarding, was softer. Given we only cut our EBITA estimates by 2%, the reaction seems harsh. **Sweco** delivered an in-line report, and we raised estimates 1% on better utilisation rates.

Top picks

Since we downgraded **Bravida** to **HOLD** (Buy), we prefer **Instalco (BUY)** where we continue to see upside to both consensus estimates and multiples.

Sentiment for technical consultants remains weak, and as a group they are trading at an historically high discount to the service sector. With higher infrastructure investments and more favourable calendar effects ahead, we expect earnings growth to improve. We believe this will boost sentiment, which is currently weighed down by excessive AI fears and temporarily softer earnings growth (i.e. partly due to calendar effects). This is especially true for **Sweco (BUY)**, while we see continued headwinds for **AFRY (HOLD)** in the near term.

Long term, we continue to view **Loomis (BUY)** as the most underestimated company in the sector. It is a leader in an attractive market with significant growth potential but limited competition. Its EPS growth should continue to be best-in-class over the coming years, while the valuation is below average for the sector.

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Reporting season recap, valuations and ABGSC vs consensus

	Consultants		Installers		Facility management		Security		
Q2'26	**AFRY**	**SWECO**	**INSTAL**	**BRAV**	**COOR**	**ISS**	**LOOMIS**	**SECU**	**Avg.**
Growth and gearing									
Sales	**-2%**	**9%**	**10%**	**9%**	**-3%**	**5%**	**7%**	**-2%**	**4%**
Organic	-5%	4%	8%	9%	-3%	7%	7%	0%	3%
FX + M&A	2%	5%	2%	0%	1%	-2%	0%	-2%	1%
Adj. EBITA	**-1%**	**11%**	**16%**	**20%**	**3%**	**n.a.**	**17%**	**1%**	**10%**
R12m ND/EBITDA	3.0	1.3	2.6	1.3	2.5	n.a.	1.6	2.2	2.1

	Consultants		Installers		Facility management		Security		
2026e	**AFRY**	**SWECO**	**INSTAL**	**BRAV**	**COOR**	**ISS**	**LOOMIS**	**SECU**	**Avg.**
ABGSC est. changes									
Adj. EBITA	-4%	1%	2%	6%	-1%	1%	5%	-2%	1%
EPS	-7%	0%	-4%	5%	-10%	2%	4%	-3%	-2%

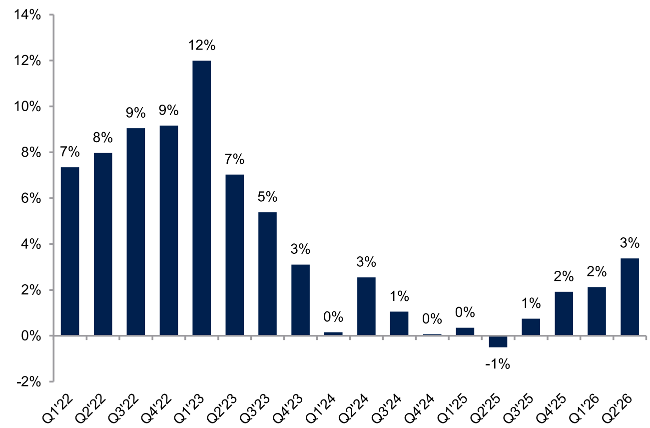
	Consultants		Installers		Facility management		Security		
Share reaction	**AFRY**	**SWECO**	**INSTAL**	**BRAV**	**COOR**	**ISS**	**LOOMIS**	**SECU**	**Avg.**
Reporting day	-5%	0%	5%	4%	1%	4%	4%	-11%	0%
Last 30 days	-3%	-6%	-12%	-3%	-6%	1%	3%	-12%	-5%

	Consultants		Installers		Facility management		Security		
2026e	**AFRY**	**SWECO**	**INSTAL**	**BRAV**	**COOR**	**ISS**	**LOOMIS**	**SECU**	**Avg.**
Valuation									
EV/EBITA adj.	**9.4**	**12.7**	**12.0**	**14.6**	**10.3**	**12.6**	**10.8**	**9.7**	**11.5**
vs sector now	*-18%*	*10%*	*4%*	*27%*	*-10%*	*10%*	*-6%*	*-16%*	
10Y average prem/disc	*5%*	*50%*	*4%*	*5%*	*4%*	*-4%*	*-15%*	*-11%*	
P/E adj.	**9.9**	**16.3**	**14.3**	**18.3**	**11.1**	**14.8**	**13.0**	**11.1**	**13.6**
vs sector now	*-27%*	*20%*	*5%*	*35%*	*-19%*	*9%*	*-4%*	*-19%*	

	Consultants		Installers		Facility management		Security		
Q3'26e	**AFRY**	**SWECO**	**INSTAL**	**BRAV**	**COOR**	**ISS**	**LOOMIS**	**SECU**	
ABGSC vs. cons									
Sales	-1%	2%	5%	0%	-2%	0%	-1%	-1%	
Adj. EBITA	-4%	2%	6%	-1%	2%	n.a.	0%	0%	
Adj. EBITA y-o-y	-3%	6%	46%	20%	6%	n.a.	15%	1%	13%

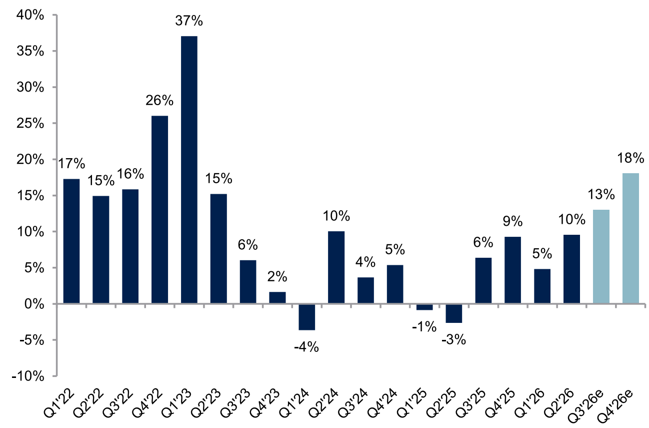
Source: ABG Sundal Collier, company data, FactSet consensus

Avg. organic sales growth



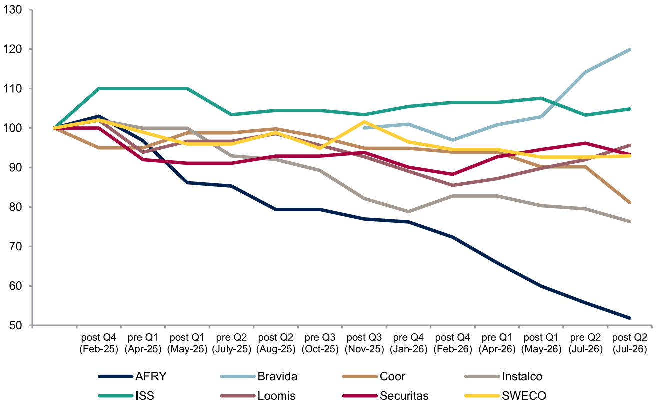
Source: ABG Sundal Collier, company data

Avg. adj. EBITA growth



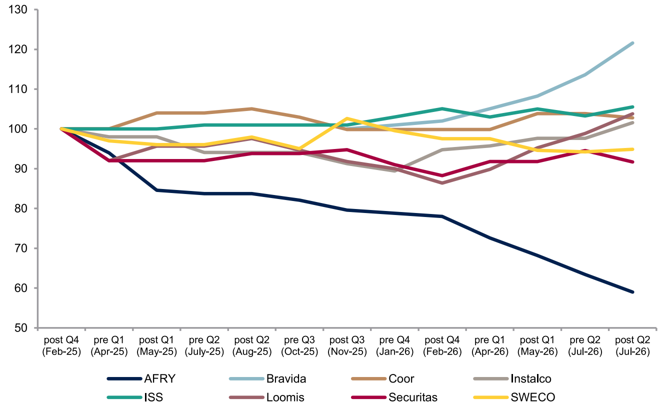
Source: ABG Sundal Collier, company data

ABGSC 2026e EPS revisions



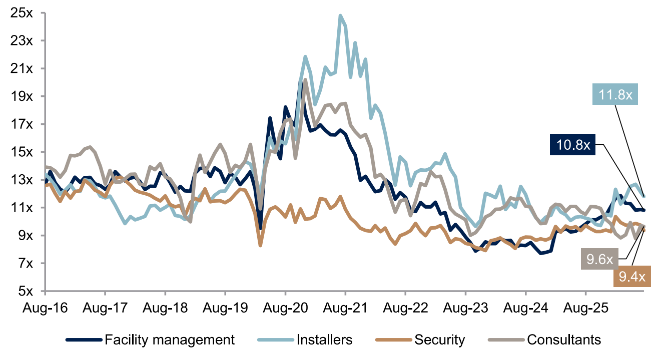
Source: ABG Sundal Collier, company data

ABGSC 2027e EPS revisions



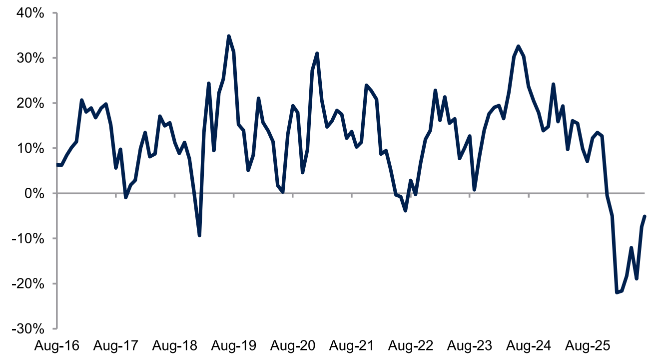
Source: ABG Sundal Collier, company data

F12m EV/EBITA



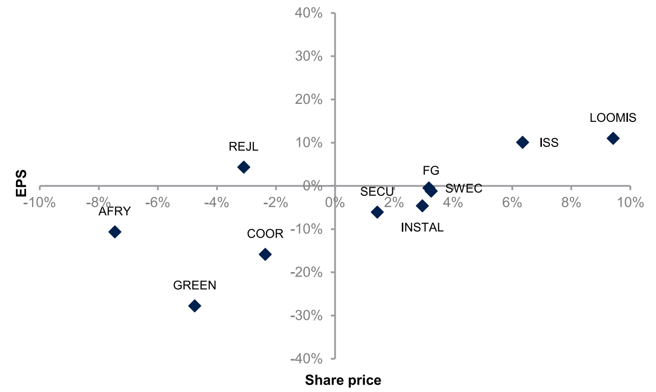
*Source: ABG Sundal Collier, FactSet consensus, * consultants include AFRY, SWECO, REJL*

F12m EV/EBITA consultants vs sector



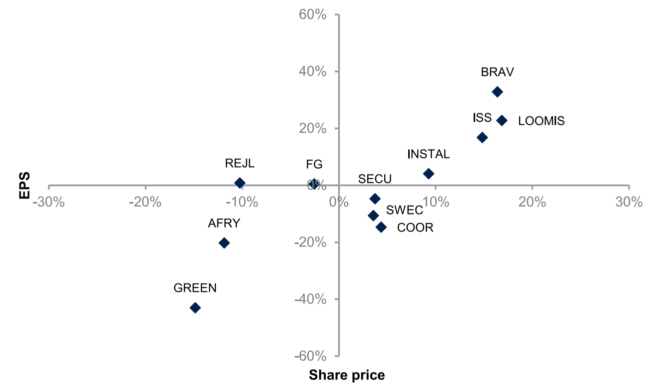
Source: ABG Sundal Collier, FactSet consensus

Share prices vs EPS revisions L3M



Source: ABG Sundal Collier, FactSet consensus

Share prices vs EPS revisions L6M



Source: ABG Sundal Collier, FactSet consensus

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