SEN Asset Management

RUGVISTA AB (RUG) -
Europe | E-commerce for rugs | MCAP MSEK 1313

16 November 2025

Buy

Target Price: 93 SEK

Current price: 63.2 SEK

Upside: 48%

Temporary pressure, long-term strength

Rugvista is a Swedish-based online retailer offering a broad assortment of rugs across 30 countries around the European markets, combining proprietary brands with products sourced from selected suppliers. The company holds a leading position within the European online rug category.

Rugvista is well positioned ahead of a gradual recovery in consumer demand. The company combines a structural advantaged e-commerce business model with high gross margins, low trend risk and a demonstrably scalable operating platform. Despite temporary pressure on AOV and EBIT margins due to softer purchasing power, the share trades at a clear discount compared to comparable peers. We see meaningful potential for margins to recover toward historical levels as demand normalises and operating leverage strengthens. The current valuation therefore appears attractive relative to Rugvista's underlying strengths and long-term growth profile.

As one of the leading players in a category where online penetration remains only around 21%, Rugvista is well positioned to benefit as the industry's shift toward digital accelerates. The category lends itself well to e-commerce because customers gain access to a broader assortment, clearer price transparency and smoother delivery processes compared with traditional brick and mortar retail. These aspects support the ongoing shift from physical to online and provide a solid foundation for Rugvista to expand its market position over time

Analysts

Viktor Söderberg   Equity Analyst

Market Data, MSEK	
Shares (m)	20 790 446
MCAP (m)	1313
EV (m)	1266

Metrics & Drivers	24A	25E	26E	27 E
EV/EBIT	18.9x	18.7x	11.4x	9.4x
EV/EBITDA	10.9x	13.4x	9.2x	7.8x
EV/S	1.2x	1.69x	1.5x	1.45x
P/E	20.0x	24x	14.8x	11.9x

Forecast, SEKm	24A	25E	26E	27E
Total Revenue	694.8	747	819	872
Rev. growth y/y	-1.04%	7.6%	9.6%	6.5%
Gross Profit	430.7	473	524	553
Gross Margin	61.9%	63%	64%	63.5%
EBITDA	77.8	94.7	138	168
EBITDA Margin	11.2%	12.6%	16.8%	18.5%
EBIT	60.7	67.9	111	134
EBIT Margin	8.7%	9%	13.5%	15.3%

Major Shareholders	
Madhat AB	18.2%
Alcur Fonder	13%
Futur Pension	8.7%
Indexon AB	7.2%
Nordnet Pension	6.9%

Key Takeaways

- **Positioned for a recovering market:** Rugvista has in recent years faced headwinds from weaker consumer purchasing power and elevated inflation. The Swedish e-commerce sector experienced two years of negative growth in 2022–2024, before returning to modest expansion in 2024 from low levels. The company's average order value (AOV) has been negatively affected by the softer consumer backdrop, declining from SEK 3,652 in 2022 to SEK 2,868 in 2024. Rugvista has also been impacted by currency fluctuations and temporary costs related to the relocation of warehouse and office facilities. At the same time, the company has taken active measures to strengthen profitability through more efficient marketing, improvements in the logistics chain and sustainability initiatives. As consumer purchasing power gradually recovers, Rugvista is well positioned to benefit from the structural growth in online retail and improve margins over time.

- **Strong and proven business model:** The company's model has shown resilience over time, supported by consistently high gross margins and sustained growth in order volumes across both stronger and softer market conditions. A structurally advantaged position within e-commerce, combined with low trend risk and a scalable operating model, underpins the durability of the business and reinforces its competitive position relative to traditional retail formats.

- **Margin recovery potential:** The wide gap between Rugvista's structurally strong gross margins and its currently subdued EBIT margin highlights clear recovery potential. EBIT margins of around 18 % historically versus roughly 10 % today reflect weaker consumer confidence, pricing pressure and a partly deliberate focus on volume and customer acquisition. As the company restores the balance between order growth and average order value, the scalability demonstrated in prior periods provides a credible path for margins to recover as demand normalizes.

- **Attractive valuation:** Rugvista trades at a meaningful discount to peers on both EV/EBIT and EV/EBITDA, despite solid fundamentals and clear margin recovery optionality. The recent slowdown in top-line development is primarily market-driven, and current EBIT margins remain well below historical levels. As demand stabilises and operating leverage returns, we see credible potential for margins to move toward the company's historical range. On our 2027 estimates, the shares trades at 9.5xEV/EBIT versus a peer group at around 13x. In our view, a 14x exit multiple is justified given the company's strong cash-flow profile, robust balance sheet and established leadership within its category.

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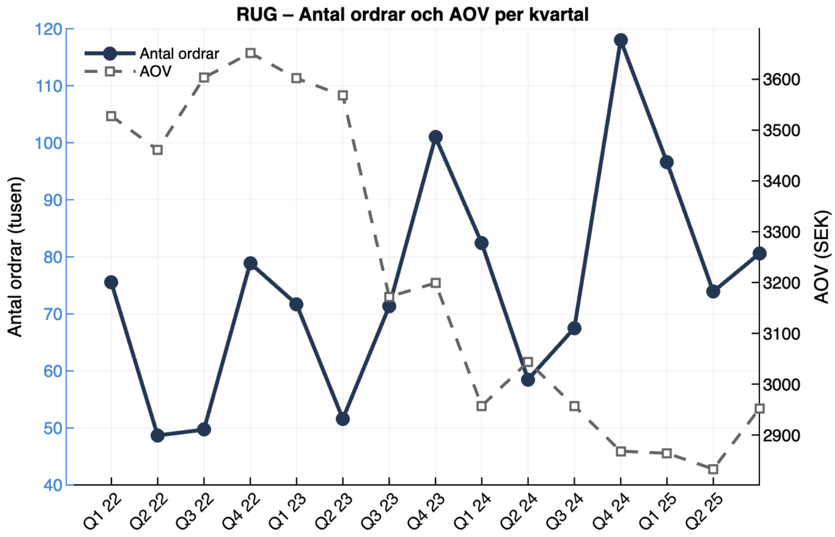
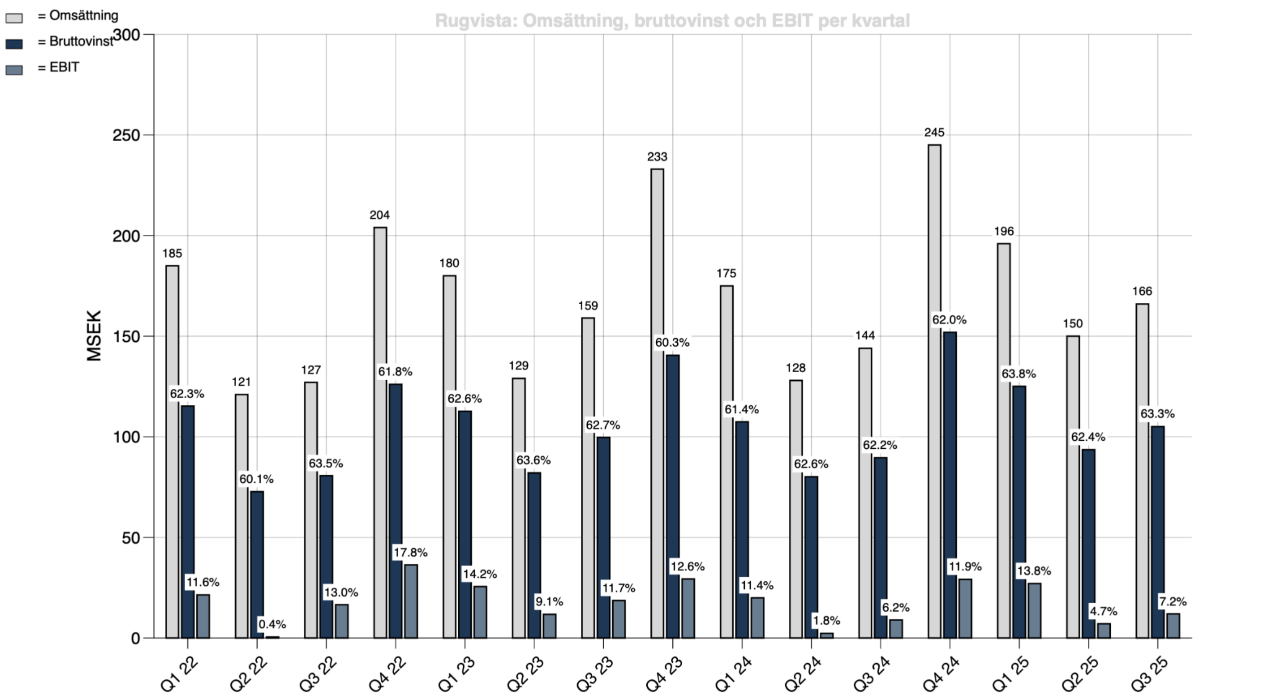
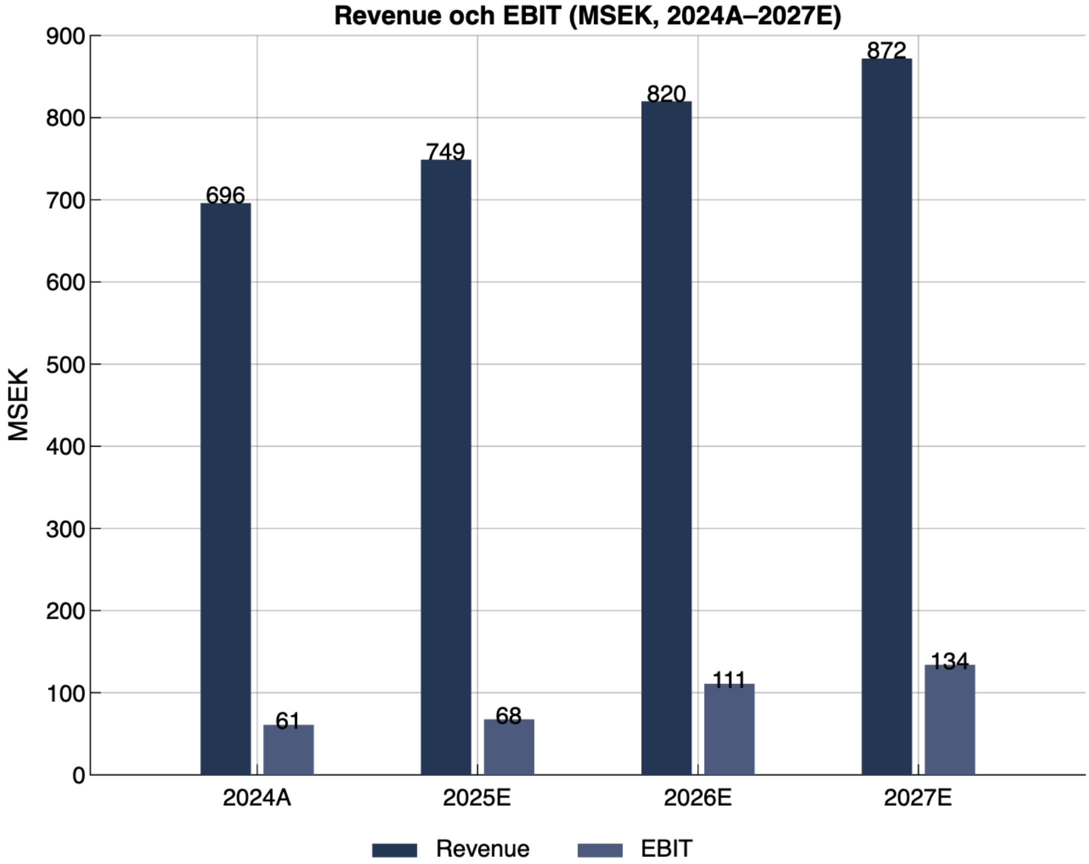
Investment thesis in charts



Order volumes are increasing while the average order value (AOV) is declining, indicating rising demand for the company's products but weaker consumer purchasing power.



Rugvista maintains a stable gross margin of around 60–63%, confirming the resilience of its business model. The more volatile operating margin reflects underlying operational leverage, suggesting potential for margin expansion as volumes increase.



Topline and ebit estimates 2025E-2027E:
We expect average order value (AOV) to stabilise around SEK 1,900 as consumer purchasing power normalises, while order volumes are projected to grow by roughly 8% year-on-year, supported by management commentary and historical trends. Together, stabilising AOV and sustained order growth should drive topline expansion. In addition, we anticipate EBIT to scale as marketing expenses decline as a share of revenue, driven by increasingly efficient allocation of spend across geographies and channels based on performance data.

Investment Thesis - Rugvista

The investment thesis is driven by the expectation that demand will remain robust while consumer purchasing power gradually recovers toward historical levels. To provide greater clarity around our top-line estimates, our forecasts are based on a combination of a stabilising average order value (AOV) and a gradual recovery in order volumes. For 2026, we expect order growth of approximately 8%, consistent with Rugvista's historical development and the opportunities highlighted by management. At the same time, we anticipate AOV to normalise toward around SEK 2,900 as the product mix improves and consumer purchasing power strengthens. For 2027, we estimate slightly lower but still solid volume growth of around 6%, with AOV reaching about SEK 2,920. These assumptions reflect a realistic balance between mix effects, underlying demand, and Rugvista's strengthened positioning within its category.

KPI	2022A	2023A	2024A	2025E	2026E	2027E
Antal ordrar, thousands	252.8	295.6	326.4	361.1	389	412
Average order value, SEK	3561	3385.25	2956.5	2884.75	2900	2920

As volumes recover and operational leverage improves, we expect EBIT margins to move higher from the current 10%, supported by a more efficient allocation of marketing spend and a gradual decline in marketing intensity as the company shifts toward channels with better return on investment. This trend is further reinforced by continued improvements in customer acquisition efficiency and a more focused allocation of spend toward geographies where Rugvista already has stronger traction, enabling marketing costs to increase at a slower pace than revenue.

We also expect operating costs to normalise as temporary expenses related to the warehouse and office transition phase roll off. This reduction is not tied to volume growth but reflects the completion of non-recurring projects, which should allow external costs to develop more in line with revenue over the forecast period. As a result, a larger share of incremental revenue is expected to convert to earnings, reinforcing the operating leverage already present in the model.

Taken together, these effects imply that incremental volumes carry meaningfully higher contribution margins than the current average. With both marketing intensity and external costs growing more slowly than revenue, and with gross margins supported by mix and currency dynamics, the model naturally benefits from operating leverage as demand recovers. This provides a clear path from the current 10% EBIT margin toward our estimated 15% over the forecast period, without requiring material pricing actions.

Historically, Rugvista has demonstrated that the model scales well, with EBIT margins around 18% in periods of high demand. However, our estimates assume margins closer to 15%, reflecting both the underlying scalability of the platform and a more conservative stance relative to previous peak levels.

Positioning

Rugvista is well positioned as one of the leading players in the European market for online rug sales. The category lends itself well to e-commerce, with customers benefiting from broader assortment access, price transparency and more convenient delivery compared with traditional retail. These structural advantages support the ongoing shift toward digital purchasing behaviour. At the same time, Rugvista continues to see solid demand, while performance has been influenced by a challenging macro environment and more cautious consumer behaviour. In addition, Rugvista benefits from a structurally lower cost base than most offline competitors, supported by high and stable gross margins and relatively low return rates (around 14% 2024). The company's broad assortment and category specialisation further enhance its competitive position by offering greater depth and relevance than traditional retail alternatives.

The European rug market generated approximately SEK 193 billion in annual sales according to a 2021 industry report. With online penetration at only around 21%, the majority of sales still occur through offline channels. This indicates that there is still considerable room for further online growth. As one of the most established online actors in the category, Rugvista is well positioned to capture market share as the channel shift progresses.

Core drivers of the thesis

- **Strong positioning and competitive advantages:** Rugvista is one of the most established and leading online players in Europe. The company's niche and market position provide clear structural advantages, including broader assortment access, greater price transparency and more convenient home delivery compared with traditional retail. Moreover, online penetration in the category remains relatively low at around 21%, indicating substantial potential for continued growth as purchasing shifts further toward online channels.

- **Attractive unit economics:** Rugvista maintains a high and stable gross margin, which reflects the strength of its business model and provides a solid foundation for profitability. The company also has a consistently low return rate of around 14–16% in recent years, which is favourable for an e-commerce-driven business. The combination of high gross margins and low return levels supports attractive unit economics and contributes to a structurally efficient operating model.

- **Operative leverage as volumes recover:** Rugvista has clear operating leverage as volumes increase. A portion of the cost base consists of fixed and semi-fixed costs, which scale well as topline grows. Temporary costs related to the warehouse and office relocation are expected to disappear, which will improve the cost level somewhat even without volume growth. As a result, external costs should develop more in line with revenues going forward. In addition, marketing efficiency is improving through a more focused allocation toward channels and geographies that generate higher returns, which further strengthens the cost structure as volumes recover. Taken together, these factors support margin expansion as volumes increase.

- **Improvements in marketing efficiency:** Rugvista is expected to gradually improve the efficiency of its marketing efforts by increasingly prioritising channels that generate higher returns and focusing on geographies where the company benefits from stronger traction. A more strategic allocation of the marketing budget should also contribute to more cost-effective customer acquisition. As volumes recover, this approach is expected to support a more efficient cost structure and thereby strengthen the company's operating leverage.

Risks and uncertainties

Increasing competition in the rug market

Increasing competitive pressure in the online home décor segment poses a risk to average order value. If competitors intensify discounting or broaden their assortments, pricing power may weaken, limiting Rugvista's ability to expand AOV. This would cap topline growth and reduce the operating leverage necessary for margin recovery, thereby constraining the company's potential to reach higher profitability levels.

Lack in improvement for customer purchase power

Prolonged weakness in consumer purchasing power poses a significant risk to AOV development, as sustained demand for lower-priced categories would constrain topline growth and limit the operating leverage needed for EBIT margin expansion. In such a scenario, the upside case diminishes materially, and the current valuation would appear more reasonable, with an estimated downside of roughly 10% in a bearish outcome.

Currency risks

Currency fluctuations constitute a further source of risk to reported earnings. A stronger SEK has a negative impact on Rugvista's financial results, with unrealised FX losses already visible in the cash-flow statement due to prior currency appreciation. Although the effect moderated in Q3 2025, where AOV increased by 3.1 percent in constant currency but remained flat on a reported basis, continued SEK strength would constrain reported revenue and exert pressure on margins, limiting the visibility of underlying operational performance. FX effects are also lagging in nature, meaning their full impact does not materialize immediately. Recent currency movements have been more favourable, and we therefore estimate that the gross margin in 2026 will show a modest improvement.

Peer Valuation Comparison

The peer group consists of a mix of e-commerce and other comparable companies, all of which are roughly similar in marketcap to Rugvista.

Peer comparison	Valutation					
Company	EV/S 27E	EV/EBIT 27E	EV/EBITDA 27E	MCAP (mdSek)	Enterprise Value	EBIT margin R12
KID	1.71	12.3	6.4	5.1	7.4	11.20%
Björn Borg	1.52	12.9	10.6	1.7	1.8	10.10%
RVRC	2.86	13.7	13.4	6.9	6.7	19.10%
Verkokauppa	0.32	10.6	7.6	1.98	1.96	3%
Lyko Group	0.64	15.3	7	2	3.1	3.70%
Median	**1.52x**	**12.9x**	**7.6x**	**2**	**3.1**	**10.10%**
Average	**1.41**	**12.96**	**9**	**3.536**	**4.192**	**9.42%**
Rugvista	1.45	9.4x	7.8x	1.3	1.26	10%

Sources: Refinitiv (LSEG), FactSet and our estimates

Trading at a discount compared to peers

Rugvista trades at a discount compared to peers, both EV/EBIT and EV/EBITDA multiples. Given the company's structural strengths and margin potential, we believe Rugvista deserves at least a peer-level valuation.

Rugvista has historically delivered strong growth, but weaker consumer purchasing power has temporarily constrained topline development. Both current and estimated EBIT margins remain well below historical peak levels. As demand normalises and operational leverage improves, we see potential for recovery in profitability moving toward historical peak levels.

Re-valuation indicates 48% upside

Rugvista currently trades at an EV/EBIT multiple of around 9.5x on our 2027 estimates, well below the peer group average of approximately 13x. As one of the market leaders within its niche, with an attractive business model and relatively low online penetration, we believe Rugvista deserves to trade at least in line with peers. A 14x exit multiple is considered reasonable as it reflects the company's strong cash-flow generation, robust balance sheet, stable demand development, and leading position in the European market, while also accounting for the cyclicality that warrants only a moderate premium relative to the peer group.

Income statement

Income statement, MSEK	2024A	2025E	2026E	2027E
Net revenue	694.8	747	819	872
Other operating income	1.2	1.2	1	-
Revenue	**696.1**	**749**	**820**	**872**
COGS	-264	-276	-296	-305
Gross profit	**432.1**	**473**	**524**	**553**
Gross margin	62%	63%	64%	63.50%
Other external costs	-257.2	-272	-274	-277
Personel costs	-94.5	-102	-110	-110
Other operating expenses	-2.59	-4.3	-2	-4
EBITDA	**77.81**	**94.7**	**138**	**162**
EBITDA-margin	11.20%	12.60%	16.80%	18.50%
Depreciation and amortization	-16.9	-27	-27	-28
EBIT	**60.91**	**67.7**	**111**	**134**
EBIT-margin	8.70%	9%	13.50%	15.30%
Interest income	5.4	3.2	2.7	5.3
Interest expenses	-0.8	-2.9	-3	-1.2
EBT	**65.51**	**68**	**110.7**	**138**
EBT-margin	9.40%	9%	13.40%	15.30%
Tax expense	-13.5	-13.9	-22.14	-27.6
Profit	**52**	**54.1**	**88.56**	**110**
Profit-margin	7.50%	7.20%	10.80%	12.60%

Sources: Our own estimates

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Conclusion

Rugvista remains a well-positioned niche e-commerce operator with stable underlying demand, strong free-cash-flow generation and a scalable business model that supports improved profitability as market conditions normalize. Although weaker purchasing power has weighed on AOV, order volumes have held up, indicating resilient category demand, and a gradual recovery in consumer budgets should support both revenue and margin expansion. Low online penetration in the European rug market provides additional scope for long-term market share gains, and the company's solid balance sheet enhances strategic flexibility.

Rugvista currently trades at a discount to peers on core valuation metrics, and as margins recover and AOV stabilizes, we see credible potential for a re-rating, implying an upside of approximately 48 percent in our base case. Even in a bearish scenario, where weaker consumer trends persist and AOV fails to recover, the implied downside is around 10 percent. Overall, we view the risk-reward profile as attractive, supported by a robust operational foundation and clear earnings recovery potential.

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