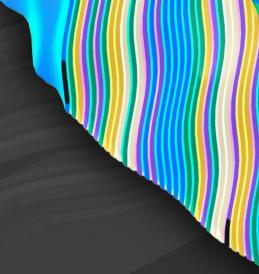


# NRMVEL

# MCFT Nordic Industrial Micro-Vertical Export Leaders

Exporters with global share leadership in micro-verticals, a.k.a. the Nordics' "Mittelstand-style" champions.



## **Why now**

Global supply chains are being rebuilt, but complex niches still source globally: factories need ultraspecialized components and instruments where Nordic firms excel (engineering depth, reliability, sustainability standards). These leaders monetize switching costs, certification moats, and service networks, often with price discipline and FCF resilience. They appear attractive in a higher-rate, capex-led world.

# 🔽 What's in 🕽

Pump/Valves & Flow Control (industrial pumps, dosing, seals)

Machine Vision & Metrology (2D/3D vision, laser/optical metrology, barcode/ID)

Test & Measurement / Instrumentation (electrical, acoustic, environmental, non-destructive testing)

Motion Control (servo/linear actuators, drives, precision gearing)

Specialty Connectors, Sensors & Cables (harshenvironment, marine/offshore, med-tech grade)

Filtration & Process Equipment, Packaging Machinery sub-systems, Power Electronics sub-components

## Mhy it's different

Typical regional indices overweight big multiindustry conglomerates or cyclicals. This index isolates micro-vertical export champions, i.e. firms that win on precision, certification, and lifetime service, not commodity cycles, capturing the "Nordic Mittelstand" effect: sticky global customers, pricing power, and durable FCF.

## What's out

Heavy/integrated OEMs (e.g., trucks/ships) lacking niche purity; broad EPC/contractors; commodity producers (steel, pulp, aluminum); generic distributors; IT services; domestic utilities/telecoms; shipping lines; consumer durables without industrial niche; companies with preponderant domestic sales (low export intensity).

# **L** Simple rules

Investability: Listings on Nordic exchanges (Nasdaq Stockholm, Copenhagen, Helsinki, Iceland; Oslo Børs); full-mcap ≥ \$200m; 3-month ADTV ≥ \$1m; primary lines only

Companies included in the following MCFT Thematics (Al-powered proprietary classification): Industrial Machinery; Contract Manufacturing; Machine Vision; Quality Assurance; Compliance Testing; Lab Services Quality guards: FCF > 0 (TTM), Gross Profitability > 0 (TTM)

Weighting: Optimized weighting with minimum variance algorithm (3 years rolling windows of returns), under constraints: single-name max 5%; country max 60% (prevents Sweden dominance).

Maintenance: Quarterly rebalancing. Annual MCFTsub- thematics list review.

# Scenarios

## Tends to work when

- $\times$  Global manufacturing PMIs stabilize/expand and capex resumes (automation, quality control, energy efficiency)
- × Nearshoring/reshoring still imports specialized subsystems that are hard to localize quickly
- $\times \, \text{Higher-for-longer rates favor businesses with positive FCF and pricing power over levered, low-margin peers}$
- × Regulatory/certification complexity rises (safety, sustainability), reinforcing switching costs

# May lag when

- × Broad industrial recessions lead to order deferrals and inventory digestion
- $\times A \, strong \, local \, currency \, (SEK/DKK/NOK) \, dampens \, translated \, earnings; \, sudden \, FX \, volatility \, hits \, exporters$
- imes Large-cap commodity cyclicals or mega-OEMs rip in early-cycle rebounds (style headwind)
- × Supply-chain snags (components, logistics) or sanctions/export-control shifts delay shipments to key markets

#### 6a Overview

Code NRMVEL Inception 2025/10/10 Currency EUR Series PR / GTR / NTR Rebalancing freq. Quarterly Constituents 33

## √x Performance

Return YTD +13.7% Return 1Y +10.5% Return 5Y +79.9%

Volatility 20.7% Max drawdown 45.4% Beta 1.09

#### **:≡** Top 10

Kone (FIN) 6.0% Schouw & Co (DNK) 6.0% Alfa Laval (SWE) 6.0% Hexpol (SWE) 6.0% Nilfisk Holding (DNK) 6.0% SKF (SWE) 5.2% Norbit (NOR) 5.0% Kitron (NOR) 4.6% Valmet (FIN) 4.5% Lifco (SWE) 4.5%

#### Key exposures

**Countries** (Top 3) SWE **60.0%** - DNK **15.3%** - FIN **15.1%** 

Sectors (Top 3) Industrials **67.5%** - Information Technology **17.1%** - Materials **9.3%** 

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