Research update: Q3 2022

RISK INTELLIGENCE A/S

Risk Intelligence provides processed, analysed, and actionable risk intelligence through its system and associated advisory services. The lion's share of sales is recurring.

CEO: Hans Tino Hansen
CoB: Jan Holm
investor.riskintelligence.eu

Bloomberg: RISK:SS
Reuters Eikon: RISK.TE

List: Spotlight Stock Market

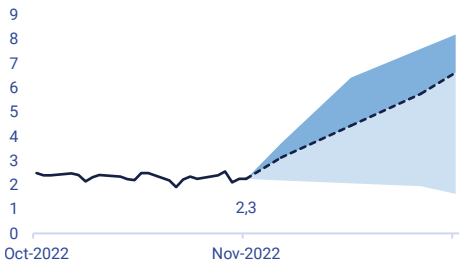
Last: DKK 2.3
Market cap: DKK 25m

SHARE DEVELOPMENT

	12M	YTD	6M	1M
Development (%)	-65	-63	-15	-6

Source: S&P Capital IQ

VALUATION INTERVAL



	BEAR	BAS	BULL
Share price (DKK)	1.6	6.7	8.2
Up-/diwnside (%)	-29	198	264

Source: S&P Capital IQ and Carlsquare estimates

CARLSQUARE EQUITY RESEARCH

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New initiatives improve prospects

In the past quarter, revenue increased by nine per cent to DKK 4.6 million. At the same time, the EBITDA result fell to minus DKK 0.9 million. However, long-term value drivers continue to develop strongly. Among others, this is demonstrated by the NRR at 122 per cent. After adjustments, we calculate a fair value per share of DKK 6.7.

Reiterated sales target after a quarter below expectations

During the quarter, net sales increased by nine per cent to DKK 4.6 million. That was slightly below our forecast of DKK 4.9 million. Low activity for consulting and advisory services continued to hamper revenue growth. At the same time, the CEO's statement indicates that activity in this business area has started to pick up in the current quarter. Most importantly, the main business is making progress. At the end of the third quarter of 2022, recurring system revenue (System ARR) amounted to DKK 16.3 million. System ARR increased year-on-year by an impressive 21 per cent and sequentially by 5.1 per cent. Also positive is that ARPU (average revenue per customer) is growing rapidly, by 13 per cent year-on-year and two per cent sequentially. These critical KPIs grew faster than we had anticipated.

The cost base, excluding depreciation and amortisation, increased by 24 per cent, faster than revenues. Thus, the negative EBITDA result fell to minus SEK 0.9 million. Our forecast was for minus DKK 0.4 million.

Lowered expectations on Land-Risk Logistics

With more than half of the fourth quarter behind us, the company's guidance of revenues between DKK 21.5-23.5 million for the full year 2022 remains. We expect growth to accelerate in the following years due to new customers on LandRisk Logistics. Additional growth drivers with "Strategy 2025" are further price increases, upselling new add-on services, partnerships, and sales of proprietary data. In line with the company's target, we expect revenues of DKK 50 million in 2025.

In our scenario, the company breaks even at the EBITDA level in 2023. A positive net result is not expected until 2024, one year later than the company's target. To adjust our assumption, we would like to see a few quarters that show that the business is developing in line with the target. All initiatives under "Strategy 2025" support a good margin over time. Therefore, we expect the EBITDA margin to rise towards 30 per cent by 2026.

Low valuation to recurring revenues

A fair value of DKK 6.7 per share (previously DKK 7.7) is calculated in a base-case scenario. The downward revision is mainly explained by lower valuation multiples in the market, adjusted financing assumptions and higher leverage. Our valuation corresponds to an EV/Sales NTM of 5.2x. The peer group is trading at a median EV/Sales NTM of 9.6x. In parallel, the stock is trading at an unjustifiably low 1.9x to our estimated NTM, and 3.0x last reported System ARR.

Key figures (DKKm)

	2021	2022E	2023E	2024E	2025E
Net sales	18.8	21.5	27.0	38.1	50.3
Total ARR	16.0	18.2	23.8	34.3	43.5
Total revenues	18.8	21.5	27.0	38.1	50.3
EBITDA	-0.9	-3.1	0.6	6.8	12.7
EBIT	-2.8	-5.6	-2.0	4.2	10.1
EBT	-4.8	-8.1	-3.3	3.2	9.2
Earning per share (DKK)	-0.3	-0.6	-0.2	0.1	0.3
Growth, net sales	20%	14%	26%	41%	32%
EBITDA-margin	Neg.	Neg.	2.2%	17.9%	25.3%
EBIT-margin	Neg.	Neg.	Neg.	11.1%	20.1%
EV/Sales	2.6x	2.3x	1.8x	1.3x	1.0x
EV/EBITDA (curr.)	NM	NM	83.2x	7.1x	3.8x
EV/EBIT (curr.)	NM	NM	NM	11.5x	4.8x

Total ARR = Annual recurring revenue (long contracts). ARPU = Average revenue per client. Source: Company information and Carlsquare estimates

Follow-up and comments

In Q3 2022, the company's revenue increased by nine per cent to DKK 4.6 million, but EBITDA fell to minus DKK 0.9 million. At the same time, key ratios continue to develop strongly. NRR came in at 122 per cent, meaning that existing customers are generating, on average, 22 per cent more in revenue, compared to the same quarter last year, after discontinued contracts. That demonstrates that the company's core business is developing strongly in line with its strategy for growth and profitability.

Continued solid development for core KPIs

The table below shows the outcome for the third quarter of 2022, compared to the same quarter last year and our forecasts. Critical KPIs driving long-term value continue to perform strongly and above expectations, while low activity in Advisory is holding back revenues. The Q3 report indicates that this business is starting to recover in the current quarter.

Actuals vs estimates, Q2 2022 (MDKK)

	Q3, 2022E	Q3, 2022A	Q3, 2021A	Deviation	Growth
ARR, system	15.8	16.3	13.5	3%	21%
ARR, totalt	17.3	17.5	14.7	1%	19%
ARPU (DKKk)	144.7	155.2	128.0	7%	21%
Net sales	4.9	4.6	4.2	-5%	9%
EBITDA	-0.4	-0.9	-0.2	-108%	-315%
EBITDA margin	*Neg.*	*Neg.*	*Neg.*		
EBIT	-0.9	-1.7	-0.7	-84%	-148%
EBIT margin	*Neg.*	*Neg.*	*Neg.*		
EBT	-1.7	-2.5	-1.1	-48%	-119%
EPS	-0.12	-0.17	-0.08	-45%	-113%

ARR = Annual recurring revenue. ARPU = Average revenue per client. Source: Company information and Carlsquare estimates

Strong development for system revenues

Important recurring revenue grows sequentially

Recurring revenues provide greater predictability and, thus, greater predictability in the revenue stream. In the past quarter, Risk Intelligence showed annual recurring system revenue (ARR, system) of DKK 16.3 million, corresponding to an impressive 21 per cent growth. Sequentially, i.e. compared to the previous quarter, the growth was five per cent. Recurring system revenue was slightly above our forecast of DKK 15.8 million. Total recurring (ARR total), including contracted revenue for the company's risk reports, increased by 19.1 per cent to DKK 17.5 million. Sequential growth was 3.5 per cent. Total recurring revenue marginally exceeded our forecast of DKK 16.0 million.

Recurring system revenue (ARR, system) is contracted over 12 months. Total recurring revenues include revenue from systems plus intelligence reports that are typically contracted for a quarter or longer.

NRR demonstrates that the company can execute the strategy

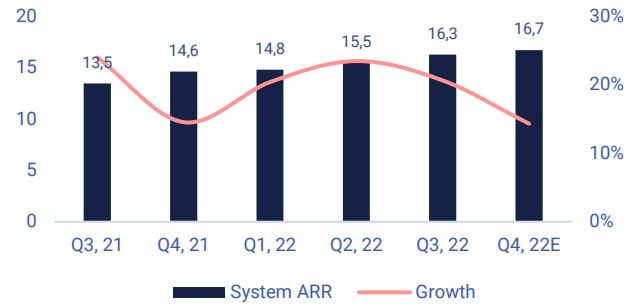
NRR, or "Net Revenue Retention", shows the percentage change in revenue from existing customers over a given period (one year), adjusted for terminated contracts. The Company's NRR at the end of the third quarter was 122 per cent. That means that, on average, customers are generating 22 per cent more revenue than in the same quarter last year. Strong NRR is mainly explained by an increase in average revenue per customer (ARPU). That, in turn, is an essential part of the strategy for growth and profitability.

NRR in the third quarter of 2022 was 122 per cent.

Increasing ARPU growth rate

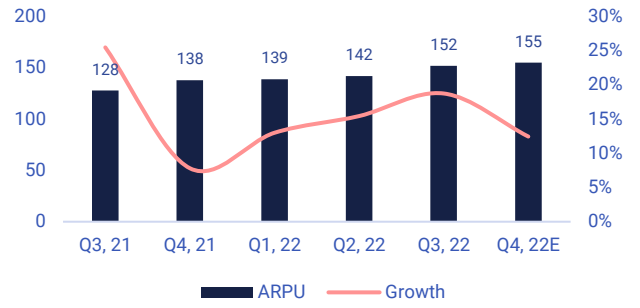
At the end of the previous quarter, ARPU increased by 18.8 per cent to DKK 152,000. That exceeded our forecast of approximately DKK 145 000. The explanation for the increase is mainly more user licences per customer, which is an important component of the strategy to increase profitability. See the chart below right for ARPU development. Note how the growth rate is accelerating.

ARR, system (DKKm) and growth (%)



Source: Company information and Carlsquare

ARPU (000 DKK) and growth (%)



Source: Company information and Carlsquare

The company estimates that customers of LandRisk Logistics will pay an average of DKK 300 000 over time. That is almost double the existing ARPU. Thus, the ARPU is expected to increase as more customers are signed up on LandRisk Logistics. The signing of new customers on LandRisk Logistics is, therefore, a critical component for the company to grow and, more importantly, achieve good profitability over time. In line with "Strategy 2025", the company has established a separate business segment for LandRisk and LandRisk Logistics. Having a fully focused business segment increases the likelihood of success. The staff is already in place, so no cost additions must be made to the current operating cost structure. Revenues will cover any potential cost increases.

More vital consulting activity in Q4 gives hope

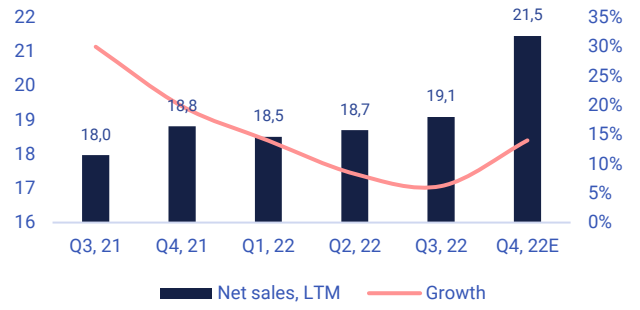
In the third quarter, net sales increased by 9.1 per cent year-on-year to DKK 4.6 million. That was slightly below our expectation of DKK 4.9 million. Net sales were again held back by low consulting and advisory activity. In the report, it is stated that activity in this business has recovered in the current quarter.

The second and third quarters typically have low recurring system revenues. The fourth quarter has the highest recurring system revenue.

Net sales (DKKm) and growth (%)

Source: Company information and Carlsquare

Net sales (DKKm) and growth (%), LTM

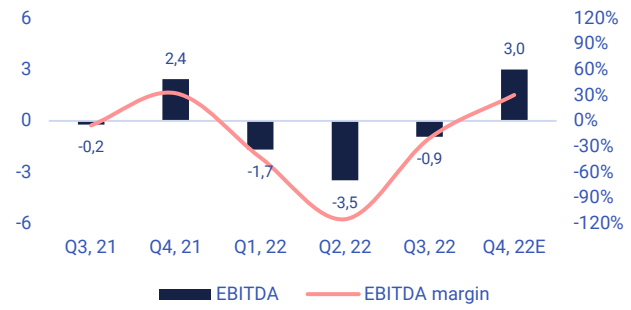


LTM = Last twelve months. Source: Company information and Carlsquare

EBITDA was somewhat below expectations

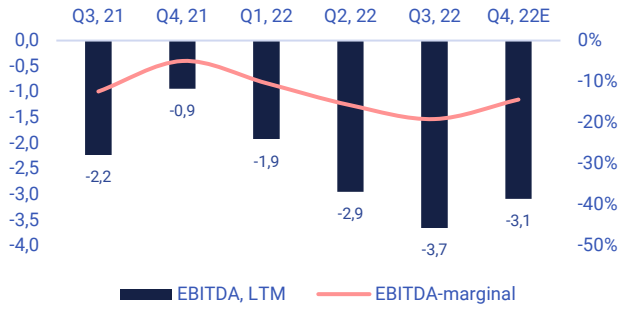
The cost base, excluding depreciation and amortisation, increased by 24 per cent, faster than revenues. Consequently, the negative EBITDA result also increased to minus DKK 0.9 million. Our forecast was minus DKK 0.4 million.

EBITDA (DKKm) and margins (%)



Source: Company information and Carlsquare

EBITDA (DKKm) and margins (%), LTM

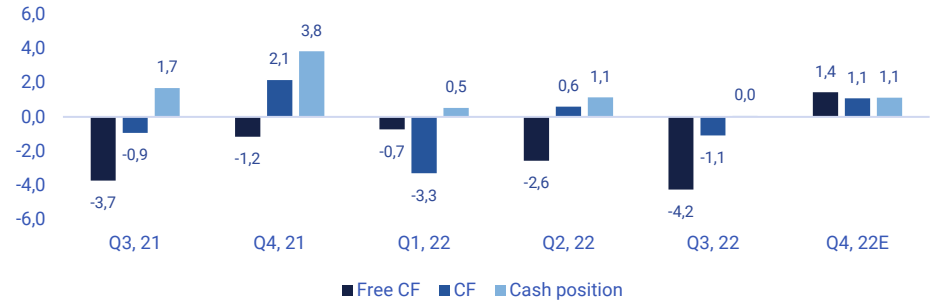


LTM = Last twelve months. Source: Company information and Carlsquare

Cash flow and liquidity

In the past quarter, free cash flow amounted to minus DKK 4.2 million and cash flow to minus DKK 1.1 million, taking into account a loan of DKK 3.2 million. The cash position at the end of the third quarter was DKK 48 000.

Cash flow and cash balance (DKKm)



Source: Company information

We expect a positive free cash flow in the current quarter. Still, with little cash at the beginning of the quarter, the company will likely need to raise new bridge financing. Meanwhile, the notice of the extraordinary general meeting on December 8 states that the board is seeking shareholder approval to convert loans into shares. The company has also announced that a minor capital increase is planned.

Investment case, estimates and valuation

Risk Intelligence is a well-established provider of its risk system and associated consultancy to the maritime industry. Historically, growth has been driven by (i) new customers and (ii) increased ARPU, for example, through upselling and price increases. We expect this pattern to continue as LandRisk Logistics can take the company to the next level regarding growth and profitability. In our base case scenario, a justified value of DKK 6.7 per share is calculated, corresponding to an EV/Sales NTM of 5.6x. The peer group median EV/Sales NTM is 9.6x.

Growth, scalability, and profitability

Risk Intelligence revenues consist mainly of recurring system revenues accrued over 12 months. Recurring revenue is valuable because it creates predictability in the revenue stream. That is typically also reflected in valuation multiples. One of the essential value drivers is the ARPU trend. In our scenario, ARPU increases with more customers on LandRisk Logistics, which in turn brings scalability and enables profitability. Increased focus on selling proprietary data is another factor that improves the profitability outlook.

- **History demonstrates abilities.** Founded in 2001, Risk Intelligence has become the maritime industry's leading risk information provider. That is proven by the historical growth and the impressive list of reference clients. The low number of cancelled contracts confirms the company's strength and capabilities.
- **Recurring revenue on long-term contracts.** Annual recurring system revenue on long-term contracts (12 months) amounted to DKK 16.3 million at the end of the third quarter of 2022. With a high proportion of recurring revenue, the predictability of the revenue streams increases.
- **A new market.** The launch of the LandRisk Logistics application has good potential in a multi-billion-dollar market. LandRisk Logistics will be an essential factor in boosting growth rates and profitability. With LandRisk and LandRisk Logistics now a separate business segment, the likelihood of success increases.
- **A higher ARPU offers good prospects for profitability.** The assumed growth of LandRisk Logisitcs will significantly increase the company’s average revenue per customer (ARPU). An improved ARPU and more extensive use of artificial intelligence will pave the way for good profitability over time.
- **Low valuation compared to the reference Group.** Risk Intelligence trades at an EV/Sales multiple on our estimate for the next twelve month forecast (NTM) of 1.9x. The ARR multiple is at a low 3.0x. Our reference group consisting of actionable intelligence providers with a similar business model, such as FactSet and S&P Global, trades at EV/Sales NTM of 9.6x. Our fair value of DKK 6.7 per share represents an attractive potential upside and an implied EV/Sales NTM of 5.2x. Our valuation corresponds to a discount of 46 per cent to the reference group. The discount is justified by uncertainty in our estimates given the early stage of the launch of LandRisk Logistics, the fact that Risk Intelligence is not profitable at the moment, size and thus profitability prospects.

Assumptions and estimates

New growth initiatives will increase net sales

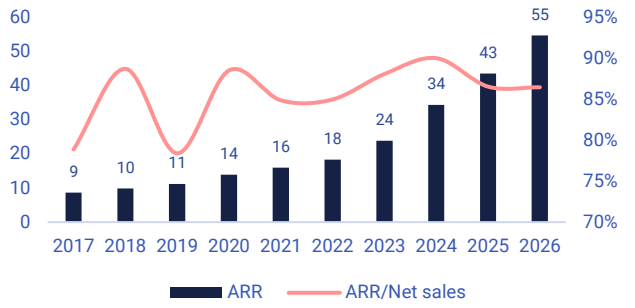
After more than half of the fourth quarter has passed, the company's revenue guidance of DKK 21.5-23.5 million for the year 2022 remains. Against this background, we expect revenues of DKK 21.5 million in 2022. Although the fourth quarter is the company's strongest, a substantial revenue increase is required in the current quarter for this assumption to realise. By 2025, revenues are expected to increase to DKK 50 million– in line with the company's target. The scenario requires that the new strategy is working out well; (i) more customers on LandRisk Logistics with a higher ARPU, (ii) further price increases and continued upselling with new services, (iii) new partnerships bearing fruit, and (iv) that sales of proprietary data are increasing.

Net sales include revenues from the risk intelligence solution, risk reports and consultancy services. The company has guided for net sales of 21.5 to 23.5 DKKm during 2022.

Net sales (DKKm) and growth (%)

Source: Company information and Carlsquare estimates

Total recurring revenue (DKKm)



Source: Company information and Carlsquare estimates

Margin potential with scalability and higher ARPU

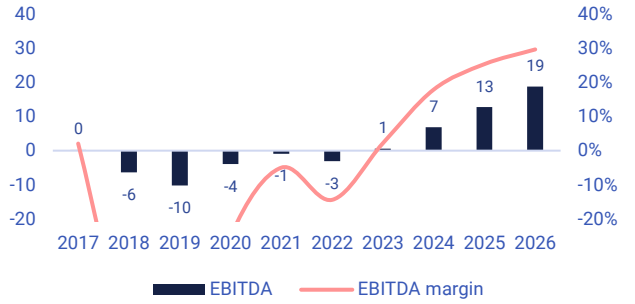
Increasing ARPU is crucial for scalability and for achieving profitability. The initiative to focus more on selling proprietary data improves the profitability outlook. In 2022, we expect a negative EBITDA result of approximately DKK 3 million. In 2023, we estimate that a slightly positive EBITDA result will be generated. Over time, we assume that the EBITDA margin will rise to around 30 per cent in 2026, in line with the company's previously communicated EBITDA margin target. The reference group of companies with a similar business model averaged just over 40 per cent in 2021. However, the reference companies are significantly larger and can thus benefit from scalability to a greater extent.

The company has guided for a negative EBITDA result in 2022. The company's long-term target for the EBITDA margin was to reach at least 30 per cent.

ARPU (000 DKK) and growth (%)

Source: Company information and Carlsquare estimates

EBITDA (DKKm) and margin (%)



Source: Company information and Carlsquare estimates

Fair value within a range

Low valuation, given growth potential and reference group

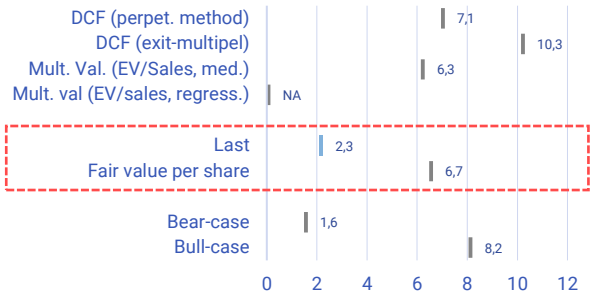
A fair value per share is calculated at DKK 6.7 (7.7) in a base case scenario. The downward revision is due to lower valuation multiples for the reference group, assumptions around new issuance and share price and higher borrowings. Our valuation nevertheless represents a significant premium to the last price paid.

Fair value per share (DKK), base case

Multiple valuation	6.3
DCF valuation	7.1
Fair value per share	**6.7**
Potential up-/down side	162%
Shares outstanding, fully financed and diluted	19.7
Shareholder value	**132**
Cash	1.1
Debt	15.2
PV cash from equity financing	14.0
EV	**132**

Source: Carlsquare estimates

Fair value within a range (DKK)



Source: Carlsquare estimates

Impied valuation multiples, base case

	NTM	2022E	2023E	2024E	2025E
EV/Sales	5.2x	6.1x	4.9x	3.5x	2.6x
EV/Total ARR	NM	NM	225.7x	19.3x	10.4x
EV/EBITDA	NM	NM	NM	31.1x	13.0x
EV/EBIT	5.2x	6.1x	4.9x	3.5x	2.6x

Source: Carlsquare estimates

As shown in the table above, our valuation corresponds to an EV/Sales multiple NTM of 5.2x. Our peer group of providers of processed, analysed, and actionable information currently trades at a median EV/Sales NTM of 9.6x and an EV/EBITDA NTM of 22.9x. The discount is justified by higher uncertainty and the long-term profitability outlook than the reference group.

DCF valuation, base case

DCF-valuation		Discount rate		Assumptions	
PV(UFCF)	18.4	Risk free rate	1.9%	CAGR. 2020–2026	27.4%
PV(TV)	121	Market risk premium	6.7%	EBITDA-margin 2026	29.6%
Enterprise value	**139**	Size premium	4.2%	EBIT-margin 2026	25.4%
Net debt (31-Dec)	-14.1	Beta	1.2x	Tax rate	22.0%
Shareholder value	**125**	Req. return on equity	15.0%		
PV(equity financing proceeds)	14.0			Implied multiples	
Shareholder value, after financing	**139**	Tax adjust. Int. on debt	7.5%	EV/Sales. NTM	5.5x
Current shares outstanding	11.1	Leverage	10.0%	EV/Sales 2022	6.5x
New shares	8.7	WACC	14.2%	EV/EBITDA. NTM	NM
Shares outstanding after financing and dilution	19.7			EV/EBITDA 2022	NM
Value per share (before financing and dilution)	11.3	Comp. spec. premium	1.5%	EV/EBIT NTM	NM
Value per share (after financing and dilution)	**7.1**	**Discount rate**	**15.7%**	EV/EBIT. 2022	NM

Source: Carlsquare estimates

Below on the left is a sensitivity analysis with the variables discount rate and assumed growth rate for calculating the terminal value. Below to the right is a second sensitivity analysis for the valuation based on a DCF model with an exit multiple as a method to calculate the perpetual value - an alternative to perpetual capitalisation. For this method, we have used the median EBIT multiple of the reference

group, discounted the multiple by 50 per cent and applied it to the assumed EBIT result in 2026. This value has then been discounted to its present value and represents the perpetuity value in the DCF model. As can be seen, this model yields a justified value per share of DKK 10.3.

Sensitivity analysis (DKK/share), base case

	3.0%	4.0%	5.0%	6.0%
13.7%	7.6	8.4	9.3	10.5
14.7%	7.0	7.7	8.4	9.3
15.7%	6.5	**7.1**	7.7	8.5
16.7%	6.1	6.5	7.1	7.7
17.7%	5.7	6.1	6.6	7.1

Discount rate on Y-axis and growth perpetuity on X-axis.
Source: Carlsquare estimates

Sensitivity analysis with an exit-multipel (DKK/share)

	9.2x (60%)	11.5x (50%)	13.8x (40%)	16.2x (30%)
13.7%	8.5	10.4	12.3	14.1
14.7%	8.5	10.3	12.2	14.1
15.7%	8.4	**10.3**	12.2	14.1
16.7%	8.4	10.3	12.1	14.0
17.7%	8.4	10.2	12.1	14.0

Discount rate on Y-axis and growth perpetuity on X-axis.
(XX%) = applied rebate on reference group's median value for EV/EBIT.
Source: Carlsquare estimates

Below is the multiple valuation. As shown, we have applied a discount of 50 per cent due to uncertainty in our forecasts, differences in size and profitability. With expected sales over the next 12 months of DKK 25.2 million, the multiple valuation gives a value per share of DKK 6.3 after full funding and dilution.

Multiple valuation, base case

	HQ	Mcap (DKKm)	CAGR, 2020-2023	µEBIT-marg., 2021-2023	EV/Sales, NTM
S&P Global Inc.	US	828 019	21%	47%	10,6x
Moody's Corporation	US	392 109	4%	39%	11,0x
Verisk Analytics, Inc.	US	198 360	0%	45%	12,3x
FactSet Research Systems Inc.	US	118 134	8%	35%	8,6x
GlobalData Plc	GB	12 203	14%	34%	7,0x
Euromoney Institutional Investor PLC	GB	13 402	-100%	21%	3,9x
Median		**158 247**	**6%**	**37%**	**9,6x**
Average		260 371	-9%	37%	8,5x
Discount	50%				
Applied EV/Sales multiple	**4,8x**				
Exp. sales NTM (DKKm)	25,2				
Enterprise value	**121,2**				
Net debt (31-Dec)	-14,1				
Cash from equity financing	17,0				
Shareholder value, after financing	**124,2**				
Current shares outstanding (m)	11,1				
New shares	8,7				
Shares outstanding after financing and dilution	19,7				
Value per share (before financing and dilution)	9,7				
Value per share (after financing and dilution)	**6,3**				

Source: S&P Capital IQ and Carlsquare estimates

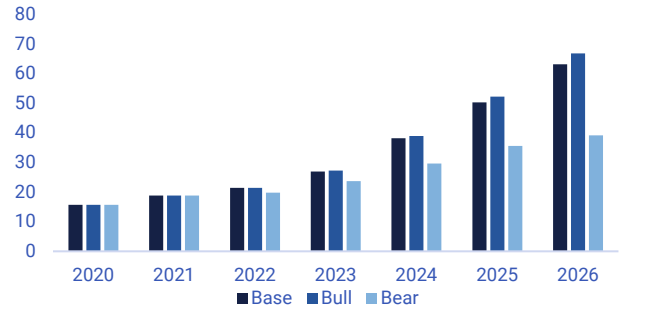
Valuation range

In the Bull and Bear scenarios, we have used our DCF (perpetual capitalisation) model but developed alternative growth and profitability curves. In the Bull scenario, we model with an average annual growth rate of 28.8 per cent (27.4 per cent in the Base scenario). The EBITDA margin is assumed to increase to 32.1 per cent (29.6 per cent in the Base scenario). After full funding and dilution, a value per share of DKK 8.2 is calculated.

For the Bear scenario, we model with an average annual growth rate of 17.6 per cent. The EBITDA margin is assumed to increase to 16.0 per cent in 2026. After full

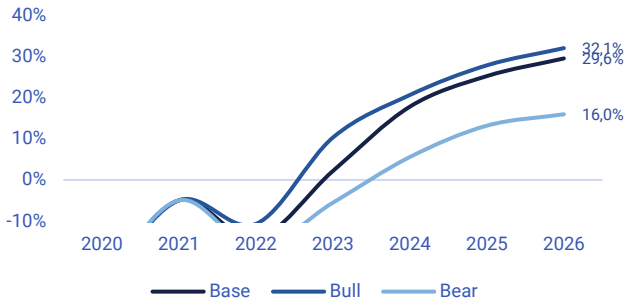
funding and dilution, the more pessimistic scenario yields a value per share of DKK 1.6. The assumed development of net sales and EBITDA margin is shown below.

Net sales (DKKm), three scenarios



Source: Company information and Carlsquare estimates

EBITDA-margin (%), three scenarios



Source: Company information and Carlsquare estimates

Risks and challenges

The LandRisk Logistics programme, an extended version of the LandRisk module, was recently launched. So far only two customers are using this application. The product launch is, therefore, still at an early stage, which implies considerable uncertainty. Furthermore, the product's pricing is uncertain, sales cycles are long, and new potential customers often require tailor-made solutions, which implies resource requirements from both sides. The competitive situation is also complex. The solution faces competition from related systems, such as Fleet Management systems, which have overlapping functions.

When the company set a new strategy in 2017, the goal was to have revenues of over DKK 30 million by the end of 2020. Intensified sales and marketing efforts of the strengthened offering, including the LandRisk module, were expected to be the main growth drivers. Growth of 27.9 per cent was strong in 2019, resulting in total revenue of DKK 14.2 million. Although Covid hurt the outcome, the target of DKK 30 million in net sales in 2020 was not achieved. That is also an example that illustrates this uncertainty and factors outside the company's control that can have a negative impact on the outcome.

We do not consider the current geopolitical uncertainty to be a risk of adversely affecting the company's ability to operate in its core markets. However, if the situation escalates further, the business could be hampered.

The company has been profitable for several years since its inception in 2001. In 2021, the company invested DKK 2.9 million. We assume that investments will drop to DKK 2.1 million in 2022. Since the most significant investments in LandRisk Logistics should already have been made, we assume that investments will decrease until 2026.

To meet its debt commitments and deliver on growth prospects, we have assumed that the company will raise around DKK 15m via a new share issue during 2023. That is in addition to the outstanding warrants. If equity is not issued (or assets are written up), the company risks having negative equity on its balance sheet for a longer period of time. Negative equity at the group level could be the case as early as next quarter.

In our scenario, the share issue is not carried out until 2023 because investors in Denmark usually have a different view on negative equity compared to investors in Sweden. In 2020, for example, equity was negative.

Metrics and financials

Key metrics

	2020	2021	2022	2023	2024	2025	2026
Per share							
EPS	-0.66	-0.33	-0.57	-0.16	0.13	0.36	0.60
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BVPS		0.4	-0.1	0.6	0.7	1.1	1.7
Valuation (curr.)							
P/E	NM	NM	NM	NM	17.8x	6.2x	3.8x
P/B	NM	5.1x	NM	2.3x	1.8x	1.1x	0.7x
EV/Sales	3.1x	2.6x	2.3x	1.8x	1.3x	1.0x	0.8x
EV/EBITDA	NM	NM	NM	83.2x	7.1x	3.8x	2.6x
EV/EBIT	NM	NM	NM	NM	11.5x	4.8x	3.0x
Other							
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	-24.0%	-11.5%	-22.7%	-40.6%	20.8%	35.3%	66.1%

Source: Company information and Carlsquare

Income statement (MDKK), quarterly

	2021, Q1	2021, Q2	2021, Q3	2021, Q4	2022, Q1	2022, Q2	2022, Q3	2022, Q4
Net sales	**4.2**	**2.8**	**4.2**	**7.5**	**3.9**	**3.0**	**4.6**	**9.9**
Total Sales	4.2	2.8	4.2	7.5	3.9	3.0	4.6	9.9
Other operating expenses	-1.5	-1.6	-1.5	-1.7	-1.7	-2.3	-1.8	-2.8
Gross profit	**2.7**	**1.2**	**2.8**	**5.9**	**2.2**	**0.8**	**2.8**	**7.1**
Staff costs	-3.4	-3.7	-3.0	-3.4	-3.9	-4.2	-3.7	-4.1
Dep. and amort.	-0.5	-0.5	-0.5	-0.5	-0.6	-0.6	-0.8	-0.6
Other expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operating expenses	-5.4	-5.7	-4.9	-5.6	-6.2	-7.1	-6.3	-7.5
EBIT	**-1.1**	**-2.9**	**-0.7**	**1.9**	**-2.2**	**-4.0**	**-1.7**	**2.4**
EBITDA	**-0.7**	**-2.5**	**-0.2**	**2.4**	**-1.7**	**-3.5**	**-0.9**	**3.0**
EBT	**-1.6**	**-3.4**	**-1.1**	**1.3**	**-2.8**	**-4.5**	**-2.5**	**1.7**
Net profit	**-1.1**	**-2.7**	**-0.9**	**1.5**	**-2.2**	**-3.5**	**-1.9**	**1.3**
Earnings per share (DKK)	**-0.11**	**-0.26**	**-0.08**	**0.13**	**-0.20**	**-0.32**	**-0.17**	**0.12**

Source: Company information and Carlsquare

Income statement (DKKm)

	2020	2021	2022	2023	2024	2025	2026
Net sales	**15.7**	**18.8**	**21.5**	**27.0**	**38.1**	**50.3**	**63.2**
Other revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Sales	**15.7**	**18.8**	**21.5**	**27.0**	**38.1**	**50.3**	**63.2**
Other operating expenses	-6.5	-6.2	-8.6	-9.8	-13.4	-17.5	-21.5
Gross profit	**9.2**	**12.6**	**12.9**	**17.2**	**24.7**	**32.7**	**41.7**
Staff costs	-13.1	-13.5	-15.9	-16.6	-17.9	-20.0	-23.0
Dep. and amort.	-1.8	-1.9	-2.5	-2.5	-2.6	-2.6	-2.7
Other expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operating expenses	-21.4	-21.7	-27.1	-28.9	-33.9	-40.2	-47.1
EBIT	**-5.7**	**-2.8**	**-5.6**	**-2.0**	**4.2**	**10.1**	**16.1**
EBITDA	**-3.9**	**-0.9**	**-3.1**	**0.6**	**6.8**	**12.7**	**18.7**
Financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial costs	-2.1	-1.9	-2.5	-1.4	-1.0	-0.9	-0.8
Net finances	-2.0	-1.9	-2.5	-1.4	-1.0	-0.9	-0.8
EBT	**-7.8**	**-4.8**	**-8.1**	**-3.3**	**3.2**	**9.2**	**15.3**
Tax	1.8	1.2	1.8	0.7	-0.7	-2.0	-3.4
Net loss/profit	**-6.0**	**-3.6**	**-6.3**	**-2.6**	**2.5**	**7.2**	**11.9**
Earnings per share	**-0.7**	**-0.3**	**-0.6**	**-0.2**	**0.1**	**0.4**	**0.6**
Shares. EoP	9.1	11.1	11.1	18.8	19.2	19.6	19.9

Growth	2020	2021	2022	2023	2024	2025	2026
Net sales	10.4%	19.8%	14.0%	25.8%	41.3%	31.7%	25.8%
Total Sales	10.4%	19.8%	14.0%	25.8%	41.3%	31.7%	25.8%
Bruttoresultat	162.3%	37.1%	2.1%	33.6%	44.0%	32.4%	27.3%
EBIT	49.9%	50.4%	-97.2%	65.2%	317.0%	138.3%	58.9%
EBITDA	61.3%	76.2%	-229.4%	118.9%	1066.2%	86.7%	47.1%
EBT	36.8%	38.8%	-69.5%	58.8%	196.4%	187.2%	65.8%
Net loss/profit	38.0%	39.4%	-73.6%	58.6%	196.4%	187.2%	65.8%
Earnings per share	42.1%	50.0%	-72.6%	71.5%	178.0%	188.5%	63.3%

Margins	2020	2021	2022	2023	2024	2025	2026
Gross profit	58.5%	66.9%	59.9%	63.6%	64.8%	65.1%	65.9%
EBIT margin	-36.5%	-15.1%	-26.1%	-7.2%	11.1%	20.1%	25.4%
EBITDA margin	-25.1%	-5.0%	-14.4%	2.2%	17.9%	25.3%	29.6%
EBT margin	-49.6%	-25.3%	-37.6%	-12.3%	8.4%	18.3%	24.2%
Profit margin	-38.0%	-19.2%	-29.2%	-9.6%	6.6%	14.3%	18.8%

Source: Company information and Carlsquare

Balance sheet (DKKm)

	2020	2021	2022	2023	2024	2025	2026
ASSETS							
Tot. intangible assets	10.6	11.6	10.5	8.5	6.4	4.3	2.2
Tot. tangible assets	1.5	1.5	1.1	0.8	0.6	0.3	0.1
Tot. financial assets	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Tot. other fixed assets	12.5	13.5	12.0	9.7	7.4	5.1	2.7
Accounts Receivables	4.5	5.2	6.1	7.2	11.0	13.5	17.2
Other receivables	0.0	0.1	0.4	1.2	1.3	1.3	1.7
Tax	1.8	2.3	2.1	1.3	0.6	0.0	0.0
Deferred tax	3.7	4.4	6.2	6.9	6.2	4.2	0.8
Accruals	1.0	0.9	2.0	2.3	3.5	4.3	5.5
Cash	0.6	3.8	1.1	3.5	5.3	11.5	25.0
Total current assets	11.6	16.7	17.9	22.4	27.9	34.8	50.2
Total assets	**24.1**	**30.2**	**29.9**	**32.1**	**35.3**	**39.9**	**53.0**
EQUITY							
Total equity	**-2.5**	**4.9**	**-1.4**	**10.8**	**14.0**	**21.9**	**34.6**
DEBT							
Debt to credit institutions	4.8	3.5	2.3	1.8	1.3	0.8	0.8
Debt to shareholders & management	6.3	5.1	4.3	3.4	2.5	1.6	0.7
Total long term liabilities	11.2	8.5	6.5	5.2	3.8	2.4	1.5
Short-term part of long-term debt	1.6	2.8	2.6	2.6	2.6	2.6	2.6
Trade payable	1.2	1.0	2.1	2.5	3.8	4.6	5.9
Payables to subsidiaries	0.5	0.2	0.2	0.2	0.2	0.2	0.2
Lease obligations	0.7	0.6	0.6	0.6	0.6	0.6	0.6
Shareholders & management	3.9	6.0	8.1	0.0	0.0	0.0	0.0
Other payables	3.7	2.5	7.8	6.9	6.9	4.1	4.2
Credit institutions	2.8	3.0	3.4	3.4	3.4	3.4	3.4
Accrued exp. and prepaid income	1.1	0.7	0.0	0.0	0.0	0.0	0.0
Tot. short-term debt	15.4	16.8	24.8	16.1	17.4	15.6	16.9
Total debt	**26.6**	**25.3**	**31.3**	**21.3**	**21.2**	**18.0**	**18.4**
Tot. equity and debt	**24.1**	**30.2**	**29.9**	**32.1**	**35.3**	**39.9**	**53.0**

Liquidity	2020	2021	2022	2023	2024	2025	2026
Current ratio	0.8	1.0	0.7	1.4	1.6	2.2	3.0
Cash ratio	0.2	0.3	0.3	0.4	0.4	0.3	0.0

Leverage	2020	2021	2022	2023	2024	2025	2026
Net debt(-)/Net cash(+)	-16.5	-13.4	-14.1	-10.3	-7.1	0.4	14.9
Net debt/EBITDA	NM	NM	NM	1769%	105%	NM	NM
Net debt/Equity	NM	274%	NM	96%	51%	NM	NM
Debt/Equity	NM	518%	NM	197%	151%	82%	53%
Assets/Equity	NM	16%	NM	34%	40%	55%	65%

Efficiency	2020	2021	2022	2023	2024	2025	2026
ROA	Neg.	Neg.	Neg.	Neg.	7.1%	18.0%	22.5%
ROE	Neg.	Neg.	Neg.	Neg.	20.1%	39.9%	42.2%
ROIC	Neg.	Neg.	Neg.	Neg.	18.4%	31.0%	32.9%

Source: Company information and Carlsquare

Cash flow (DKKm)

	2020	2021	2022	2023	2024	2025	2026
CF operationg activities	-6.0	-2.9	-5.7	-10.1	5.2	8.8	16.5
Delta WC	-1.4	-3.3	0.0	-0.7	-2.5	-1.7	-2.4
CF operationg activities	-7.4	-6.1	-5.7	-10.8	2.7	7.1	14.1
CF investing activites	-2.2	-2.9	-0.4	-0.2	-0.2	-0.2	-0.2
CF financing activities	9.3	12.2	3.4	13.4	-0.7	-0.7	-0.3
Cash flow	**-0.2**	**3.2**	**-2.7**	**2.3**	**1.8**	**6.2**	**13.6**
Cash, BoP	0.8	0.6	3.8	1.1	3.5	5.3	11.5
Cash, EoP	**0.6**	**3.8**	**1.1**	**3.5**	**5.3**	**11.5**	**25.0**

Other	2020	2021	2022	2023	2024	2025	2026
CF operationg activities/Net sales	-47%	-32%	-26%	-40%	7%	14%	22%
CF operationg activities/Total assets	-31%	-20%	-19%	-34%	8%	18%	27%

Source: Company information and Carlsquare

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