

## Research Update: Q1 2024

### ENRAD AB

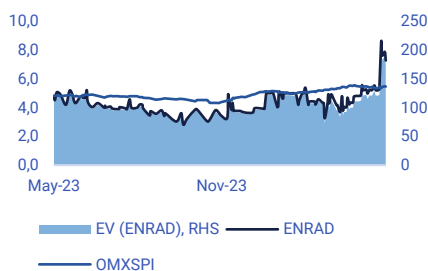
Enrad develops, manufactures, and sells natural refrigerant chillers and heat pumps. Sales are made to customers in industrial buildings, offices and grocery stores in Sweden, Norway and Finland.

CEO: Andreas Bäckäng  
Chairman of the Board: Mats Åström  
www.enrad.se

Stock market list: Spotlight, Stockholm  
Last price: 7,25 SEK  
Market Cap: 177 MSEK

Bloomberg: ENRAD:SS  
Refinitiv Eikon: ENRAD.ST

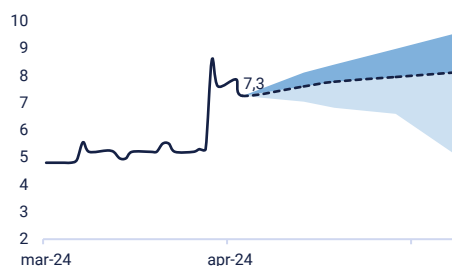
### SHARE PRICE DEVELOPMENT



	12M	YTD	6M	1M
Performance (%)	66	48	100	51

Källa: S&P Capital IQ

### VALUATION RANGE



	BEAR	BASE	BULL
Fair value (SEK)	5,0	8,1	9,5
Potential (%)	-31	12	31

Source: Carlsquare estimates

### CARLSQUARE EQUITY RESEARCH

Bertil Nilsson  
Senior Equity Analyst

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Equity Analyst

## Better than expected start to 2024

Enrad AB's net sales of SEK 7.6 million in the first quarter exceeded our forecast of SEK 2.9 million by a considerable margin. The high sales were due to orders that were not announced in advance. Carlsquare Equity Research raises its sales and earnings estimates for 2024-2026 by between 20 and 73%. This leads to a higher fair value for the Enrad share of SEK 8.1 in the base scenario, compared with SEK 5.0 after our Q4 2023 update on 28 February.

### Good start to 2024 despite weak Swedish market

Enrad AB ("Enrad" or the "Company") reported net sales of approximately SEK 7.6 million for Q1 2024. The day before the Q1 2024 report, Enrad sent out a press release about orders of SEK 5.3 million to its Norwegian subsidiary. Gross profit after purchases of goods and supplies was around SEK 4.3 million, compared with our estimate of around SEK 1.6 million. Operating profit after depreciation was minus SEK 1.2 million, compared with our estimate of minus SEK 1.9 million.

Enrad sells into a market for cooling and heat pumps that is affected by the interest rate situation for the important customer group of homeowners. Order intake is expected to increase from the second half of 2024, when interest rates are expected to fall. Enrad's marketing is facilitated by the fact that the European Parliament adopted two new F-Gas regulations on 29 January 2024, in which the company has positioned itself in the segment of chillers using natural refrigerants.

### Probably no need for capital in the coming quarters

Enrad's cash and cash equivalents amounted to SEK 3.0 million on 31 March 2024, compared with SEK 6.4 million on 31 December 2023. The company has pledged its inventories through the main owner's company. Enrad's capital tied up in inventories amounts to SEK 20 million, of which SEK 8 million is pledged as of 31 March 2024. Management is evaluating options to secure working capital but believes that it is possible to continue operations during the remainder of 2024 without capital injection.

### We increase the fair value from SEK 5.0 to SEK 8.1 per share

Enrad has delivered an unexpectedly strong Q1 2024 report against the backdrop of previously reported low order intake. We are revising our sales estimates from 22.1 to 39.6 MSEK in 2024 and from 47.1 to 71.0 MSEK in 2025. As a result of the higher sales estimates, earnings also increase, with a gross margin impact of around 50%, the DCF value of the shares rises sharply. Combining a DCF valuation with a peer group valuation in a weighted fair value of SEK 8.1 per share (previously SEK 5.0). The new justified value of SEK 8.1 corresponds to EV/sales of 2.7x in 2025 and an EV/EBIT of 12.9x in 2026. The peer group trades at an EV/sales NTM of 2.5x and EV/EBIT NTM of 15.8x.

### Key figures (SEKm)

	2021	2022	2023	2024E	2025E	2026E
Net revenues	16,7	19,9	29,6	39,1	71,0	99,4
Total revenues	17,4	21,0	30,3	39,8	71,8	100,9
Gross profit	7,1	9,3	15,1	20,6	34,9	48,2
EBITDA	-4,9	-3,4	2,0	5,0	14,5	24,2
EBIT	-6,2	-4,8	0,2	3,1	8,2	15,1
Earnings before tax (EBT)	-5,7	-5,2	1,1	3,1	8,3	14,7
EPS	-0,31	-0,21	0,04	0,13	0,30	0,54
Adjusted EPS	-0,09	-0,21	0,04	0,13	0,30	0,54
Net revenue growth	11%	19%	49%	32%	82%	40%
Gross margin	39%	41%	49%	51%	48%	47%
EBITDA margin	-28%	-16%	7%	12%	20%	24%
EBIT-margin	-35%	-23%	1%	8%	11%	15%
EV/Sales	3,4x	3,0x	4,0x	4,5x	2,5x	1,8x
EV/EBITDA	NM	NM	59,9x	35,7x	12,2x	7,3x
EV/EBIT	NM	NM	567,8x	56,9x	21,5x	11,7x
P/E	NM	NM	111,0x	56,5x	23,8x	13,4x

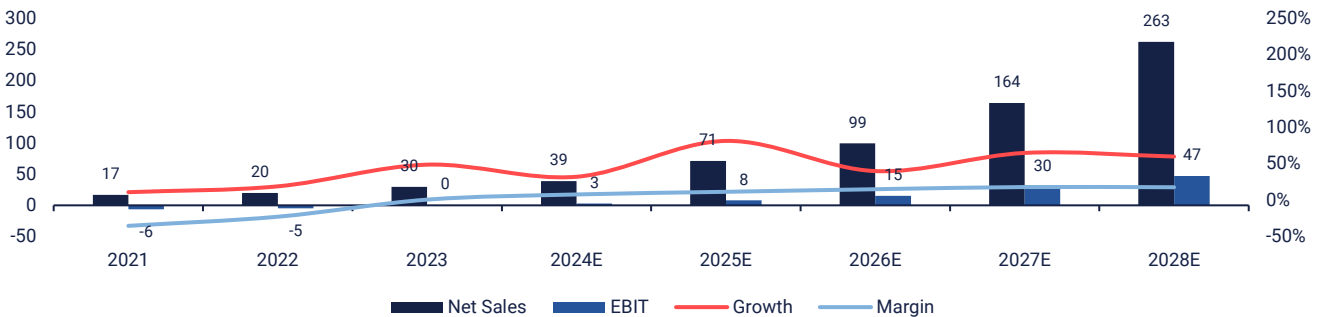
Source: Company information and Carlsquare estimates

# Investment case

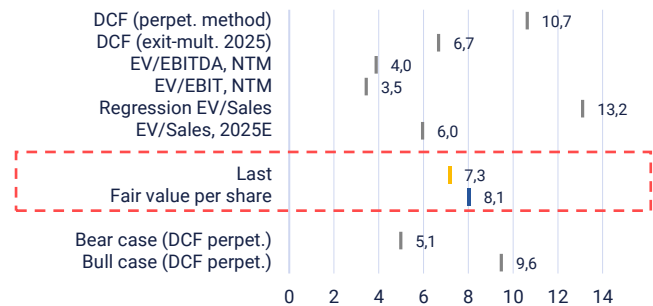
## Natural refrigerants have good long-term growth prospects

- Single row benefits from change to natural refrigerants.** An EU directive requires the heat pump and cooling pump industry to switch from synthetic refrigerants (HFCs and HFOs) to natural refrigerants by 2030. There is a quota system where less of the previous refrigerants can be sold and the supply of such products decreases. The EU and Sweden want to reduce greenhouse gas emissions, including emissions from refrigeration and heat pumps using synthetic refrigerants. The EU Parliament adopted two regulations banning PFAS chemicals on 29 January 2024. Synthetic refrigerants account for 63% of global emissions of PFAS.
- Enrad's CEO is an opinion leader for natural refrigerants in Sweden.** Andreas Bäckäng lives for this change and has his own podcast called "1.5 degrees". The podcast is widely used in secondary schools and vocational training in refrigeration and heating. Enrad has long worked with organic, industry-specific keywords on the Internet (SEO). The company logo and name are trademarked in Europe, and many domains are being purchased for future expansion into new countries.
- Reorganization of industrial production.** Since the beginning of 2021, the management in Enrad has completed the transformation of the production of the company's cooling units and heat pumps. There has been a shift from custom-built units to machines that are largely assembled and fitted with purchased standard components. This has created the opportunity for industrial production and an after-market, potentially on a global scale. Enrad can build inventory and finance the capital commitment with a loan from one of its principal owner's subsidiaries.
- Improved order intake is expected to boost earnings.** Since the autumn, Enrad has received several orders for heat pump systems for its Norwegian subsidiary. With a gross margin of around 50%, each of these orders means a significant improvement in the result. Enrad has passed the break-even point with annual sales of around SEK 29 million and is EBITDA positive with a gross margin of around 50%. Enrad has reported net sales of SEK 32 million LTM and a positive EBITDA of SEK 1.5 million (after deducting income from own work capitalised).

### Revenues and EBIT (SEKm), Base case scenario



- A fair value of SEK 8.1 per share is calculated for the next 6-12 months within a range of SEK 5.0-9.5 per share. A valuation of SEK 8.1 per share represents an upside of 12%.
- Fair value corresponds to a 2025 EV/sales multiple of 2.7x.
- Fair value corresponds to an EV/EBIT of 12.9x for 2026.
- The peer group is traded at an EV/Sales NTM of 2.5x.
- The peer group is traded at an EV/EBIT NTM of 15.8x.
- The premium is motivated by high growth expectations.

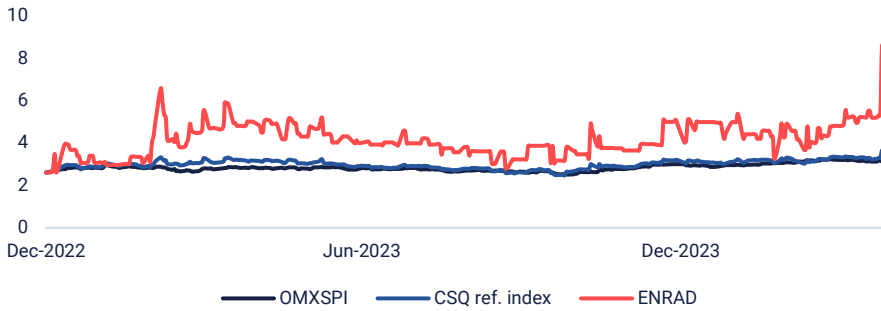


- The heating and cooling pump industry is conservative. It is dominated by large companies that have been in business for many years. Even if the product range is renewed with some regularity, the players in the industry are reluctant to implement major changes quickly. They prefer to rely on proven products and solutions.
- Purchasing components for chillers that use natural refrigerants is somewhat more expensive than for synthetic refrigerants. It is more difficult to find replaceable refrigerants in the synthetic segment. Enrad has a head start in switching to natural refrigerants. However, competition in this segment will increase within a few years.
- With limited cash and an expected expansion phase, a new issue at Enrad cannot be ruled out.

## Share performance and valuation

The graph below shows the performance of Enrad's share compared to the OMXSPI, CSQ reference index. The share has outperformed the OMXSPI, CSQ reference index since March 2023. It rose sharply on 25 April 2024 following a press release about orders for heat pump installations in Norway worth approximately SEK 5 million.

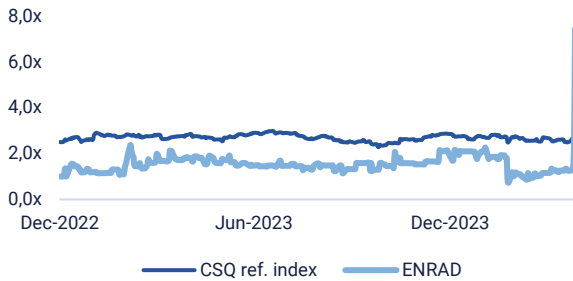
### Share price performance (Index 30 December 2022 = 2,6 SEK)



Sources: S&P Capital IQ and Carlsquare

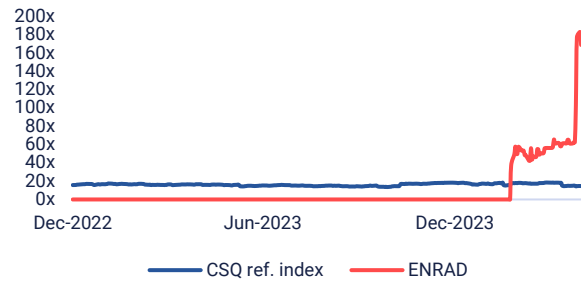
Valuation trends in relation to sales and earnings are shown below. The valuation multiples are calculated based on historical sales and 12-month rolling earnings.

### EV/Sales RTM



RTM/LTM = Rolling twelve months. Sources: S&P Capital IQ and Carlsquare

### EV/EBITDA RTM



Data missing for Enrad as the company has negative profitability. RTM/LTM = Rolling twelve months. Sources: S&P Capital IQ and Carlsquare

## Assumptions and estimates

Rising interest costs have been squeezing Swedish property owners and consumers for more than a year. The economic slowdown is bordering on recession for the Swedish economy. New housing production has been particularly hard hit, falling to historically low levels. A previously strong rise in energy prices in 2022 has slowed in 2023 and early 2024. This will reduce the incentive for property owners to invest in energy-saving measures. At the same time, directives to phase out synthetic refrigerants are boosting Enrad's sales.

The company has recruited qualified personnel for its Norwegian subsidiary, where several large orders have been received since autumn 2023. Earnings in the first quarter of 2024 were much higher than we had expected, due to decent sales without pre-announced orders. In addition, we believe that future interest rate cuts by the Riksbank in the second half of 2024 should lead to a gradual improvement in the Swedish heat pump market. Against this background and considering the results of Enrad's Q1 2024 report, we are raising our sales and earnings estimates quite substantially, as shown in the table below.

### Estimates and adjustments (SEKm)

	New			Previous			Change		
	2024E	2025E	2026E	2024E	2025E	2025E	2024E	2025E	2025E
Net revenues	39,1	71,0	99,4	22,6	47,1	82,5	73%	51%	20%
Gross Profit	20,6	34,9	48,2	12,0	23,4	38,8	72%	49%	24%
EBITDA	5,0	14,5	24,2	-0,5	7,2	18,0	NM	101%	34%
EBIT	3,1	8,2	15,1	-2,1	1,8	9,6	NM	355%	57%
EPS (SEK)	0,13	0,30	0,54	-0,08	0,07	0,33	NM	128%	64%

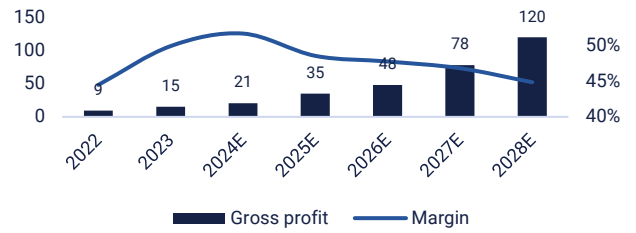
Source: Carlsquare estimates

**Net revenues (SEKm) and growth (%)**



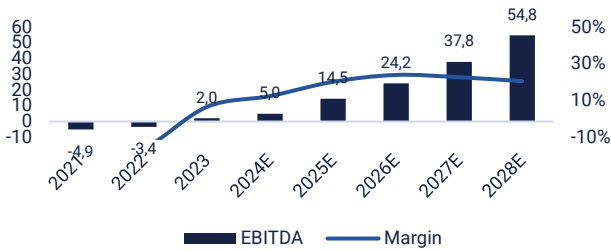
Source: Company information and Carlsquare estimates

**Gross profit (SEKm) and growth (%)**



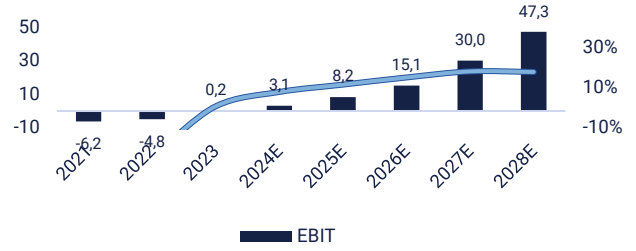
Source: Company information and Carlsquare estimates

**EBITDA (SEKm) and margin (%)**



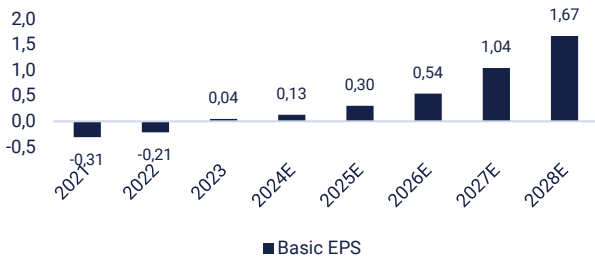
Source: Company information and Carlsquare estimates

**EBIT (SEKm) and margin (%)**



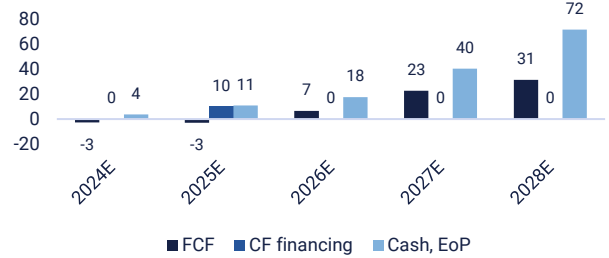
Source: Company information and Carlsquare estimates

**Earnings per share (SEK)**



Source: Company information and Carlsquare estimates

**Cash flow (SEKm)**



Source: Company information and Carlsquare estimates

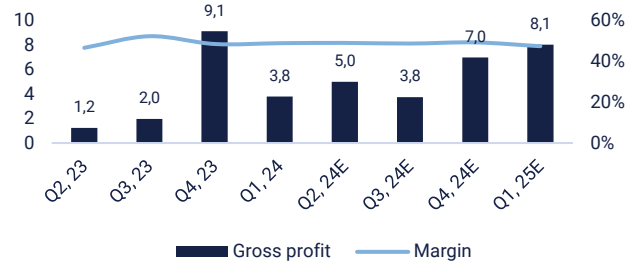
## Quarterly key figures

### Net revenues (SEKm) and growth (%)



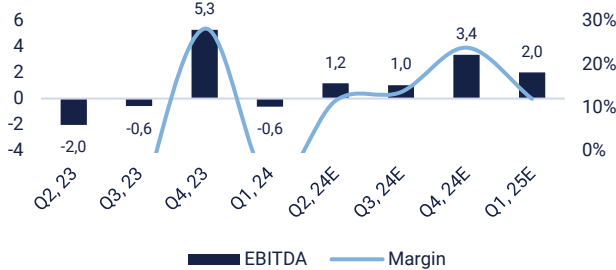
Source: Company information and Carlsquare estimates

### Net revenues (SEKm) and growth (%)



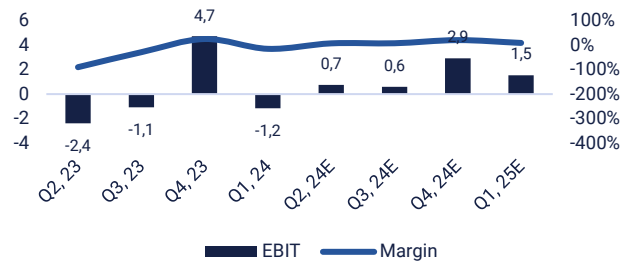
Source: Company information and Carlsquare estimates

### EBITDA (SEKm) and margin (%)



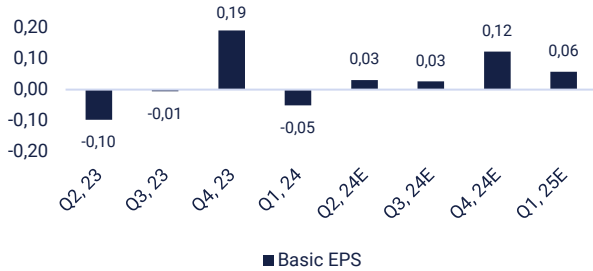
Source: Company information and Carlsquare estimates

### EBIT (SEKm) and margin (%)



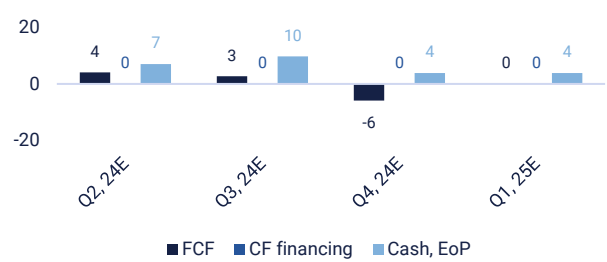
Source: Company information and Carlsquare estimates

### Earnings per share (SEK)



Source: Company information and Carlsquare estimates

### Cash flow (SEKm)



Source: Company information and Carlsquare estimates

## Valuation

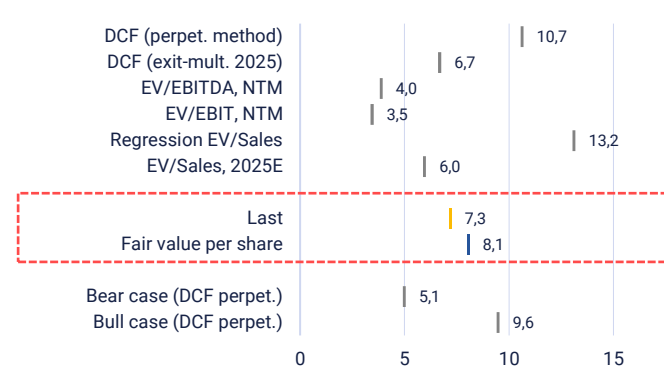
By combining a cash flow valuation with a multiple valuation, a base case fair value of SEK 8.1 per share is calculated for the next 6-12 months. The DCF valuation is based on our updated earnings and cash flow estimates for Enrad following their Q1 2024 report. The fair value of the Enrad shares implies a price upside of 12%.

### Fair market value (SEK/share), Base scenario

Currency, SEK/SEK		1,0
EV/Sales 2025E	SEK	6,1
DCF (exit-mult. 2025)	SEK	6,7
DCF valuation	SEK	10,7
Fair value per share	SEK	8,1
Potential up-/downside		12%
Shares outstanding, fully financed, and diluted	MILL	24,4
Equity value	SEKm	198
Cash (last rep. Q)	SEKm	3,0
Debt (last rep. Q)	SEKm	0,0
PV cash from equity financing	SEKm	0,0
EV	SEKm	195

Source: Carlsquare estimates.

### Fair market value within a range (SEK/share)



Source: Carlsquare estimates.

Our base case valuation implies an EV/sales multiple of 2.7x in 2025 and an EV/EBIT multiple of 12.9x in 2026. The peer group trades at a median EV/Sales NTM of 2.5x and EV/EBIT NTM of 15.8x.

### Implied valuation multiples, base scenario

2022	2023	Current NTM	NTM	2024E	2025E	2026E	2027E	2028E	2022
EV/Sales	2,8x	3,9x	3,7x	4,0x	4,9x	2,7x	1,9x	1,2x	0,7x
EV/EBITDA	NM	NM	26,5x	28,3x	39,3x	13,4x	8,1x	5,1x	3,6x
EV/EBIT	NM	NM	31,6x	33,7x	62,6x	23,7x	12,9x	6,5x	4,1x
P/E	NM	NM	32,1x	34,2x	63,1x	26,6x	14,9x	7,8x	4,9x

Source: Carlsquare estimates

In the more optimistic bull scenario, a fair value of SEK 9.5 per share is calculated. In the more cautious bear scenario, a fair value of SEK 5.0 per share is calculated. See table below for assumptions in the different scenarios.

### Growth and EBIT margins, three scenarios

	BEAR	BASE	BULL
<b>Revenue growth assumptions</b>			
CAGR, 2023-26	43,4%	49,8%	43,4%
CAGR, 2026-29	48,0%	59,9%	60,7%
CAGR, 2023-33	33,1%	38,4%	36,9%
<b>EBITDA margin assumptions</b>			
Average, 2024-26	15,3%	17,7%	17,7%
Average, 2027-29	16,0%	19,3%	19,4%
Average, 2024-33	13,6%	16,6%	16,6%
2032	10,0%	13,1%	13,2%
<b>Value per share (SEK)</b>	<b>5,0</b>	<b>8,1</b>	<b>9,5</b>

Source: Carlsquare estimates

## DCF valuation

### DCF-valuation, Base scenario

DCF-valuation						
PV(UFCF)	SEKm	94	Discount rate			
PV(TV)	SEKm	164	Risk free rate	2,3%	Tax Adjusted rate	4,8%
Enterprise value (EV)	SEKm	258	Market risk premium	6,1%	Loan-to-value	36,3%
Net cash (-), last quarter	SEKm	-3,0	Market cap premium	3,5%	WACC	9,9%
Value, associated companies	SEKm	0,0	Beta	1,1x	Company premium	3,9%
Value, minority interests	SEKm	0,0	Required return on eq.	12,9%	<b>Discount rate</b>	<b>13,9%</b>
Share value	SEKm	261	Assumptions			
Present value of newly issued shares	SEKm	0	CAGR, 2023-33E	38,4%		
Value per share after dilution	SEKm	261	EBITDA-marg., 2033E	16,5%		
Number of shares	M	24	EBIT-marginal, 2033E	16,5%		
New shares from equity financing	M	0,0	Tax rate	20,6%		
Number of shares after equity financing	M	24	Valuation multiples			
Value per share before dilution	SEK	10,7	EV/Sales, NTM	5,3x	EV/EBITDA, NTM	37,4x
Value per share after dilution	SEK	10,7	EV/Sales, 2025E	3,6x	EV/EBITDA, 2025E	18,7x
Currency	SEK/SEK	1,0	P/S, NTM	5,4x	EV/EBIT, NTM	50,4x
Value per share before dilution	SEK	10,7	P/S, 2025E	3,7x	EV/EBIT, 2025E	34,6x
<b>Value per share after dilution</b>	<b>SEK</b>	<b>10,7</b>	EV/Gross profit., NTM	10,8x	P/E, NTM	45,1x
Share price potential		48%	EV/Gross profit 2025E	7,6x	P/E, 2025E	38,6x

Source: Carlsquare estimates.

## Multiple valuation

### Multiple valuation median value EV/Sales 2025

	Mcap (SEKm)	CAGR, 22-25	Avg. EBITDA-m., 23-25	EV/Sales, 2025P
Peer group, median value	6 934	6%	15%	2,5x
Peer group, average	13 539	7%	16%	2,2x
Discount				0,0%
Multiplle applied				2,5x
Nett revenues 2025E	SEKm			39
Enterprise Value (EV)	SEKm			100
Present value of enterprise value	SEKm			100
Net debt (+), last quarter	SEKm			-3,0
Value of associates	SEKm			0,0
Value of minority interests	SEKm			0,0
Present value of new issue cash	SEKm			0,0
Share value after financing	SEKm			103
No of shares	M			24,4
No of shares after share issues	M			0,0
No of shares after full dilution	MILLION			24,4
Currency	SEK/SEK			1,0
<b>Value per share after dilution</b>	<b>SEK</b>			<b>4,2</b>

Source: S&P Capital IQ and Carlsquare estimates

### Multiple valuation, median values EV/Sales 2025E

	HQ	Mcap (EURm)	EV (EURm)	CAGR		Average EBITDA-marg.		EV/Sales		EV/EBITDA		EV/EBIT	
				2023-2026	2024-2026	NTM	2024E	NTM	2024E	NTM	2024E		
Trane Technologies	IE	64 773	68 734	8,0%	19,0%	3,9x	3,9x	20,7x	20,7x	23,0x	23,0x		
NIBE Industrier	SE	8 877	10 435	3,4%	16,5%	2,7x	2,7x	18,5x	18,5x	24,8x	24,8x		
A. O. Smith Corporation	US	11 463	11 315	5,0%	22,1%	3,0x	3,0x	13,7x	13,8x	14,9x	15,1x		
Beijer Ref	SE	6 934	7 635	7,1%	13,0%	2,5x	2,5x	19,9x	19,9x	25,1x	25,1x		
Lindab International	SE	1 414	1 677	3,1%	15,3%	1,4x	1,4x	10,2x	10,2x	14,6x	14,6x		
Systemair	SE	1 301	1 392	NA	12,3%	1,4x	1,4x	11,4x	11,4x	15,8x	15,8x		
Ecoclime Group	SE	9	6	12,4%	13,1%	0,2x	0,2x	1,9x	1,9x	3,3x	3,3x		
<b>Median</b>		<b>6 934</b>	<b>7 635</b>	<b>6%</b>	<b>15%</b>	<b>2,5x</b>	<b>2,5x</b>	<b>13,7x</b>	<b>13,8x</b>	<b>15,8x</b>	<b>15,8x</b>		
Average		13 539	14 456	7%	16%	2,2x	2,2x	13,7x	13,8x	17,4x	17,4x		
<b>ENRAD (curr.)*</b>	<b>SE</b>	<b>16</b>	<b>16</b>	-	-	<b>3,8x</b>	<b>2,6x</b>	<b>26,5x</b>	<b>37,4x</b>	<b>31,3x</b>	<b>37,4x</b>		
<b>ENRAD (CSQ)*</b>	<b>SE</b>	<b>17</b>	<b>17</b>	<b>50%</b>	<b>19%</b>	<b>4,0x</b>	<b>4,9x</b>	<b>28,3x</b>	<b>39,3x</b>	<b>33,7x</b>	<b>62,6x</b>		

Source: S&P Capital IQ and Carlsquare estimates.



## Risks and challenges

### Marketing to a conservative sector

The heating and cooling pump industry is dominated by large companies that have been in business for many years. Even if the product range is renewed with some regularity, the players are reluctant to implement major changes quickly. They prefer to rely on proven products and solutions. The same applies to consultants, who can duplicate their knowledge of a certain type of established product and continue to bill many hours for it. Even installers are used to selling and installing market-dominating products that have been around for many years.

### Higher procurement costs and component shortages

The purchase of components for a heat and cooling pump system using natural refrigerant is slightly more expensive than the synthetic equivalent. At the same time, it will be more difficult to find a substitute refrigerant within the synthetic segment in the event of a reduction by 2030. The latter supply risk is likely to affect most of Enrad's competitors.

### Can only produce a limited amount of stock

Enrad can pledge approximately 100% of the inventory under an agreement with one of the main owners, Welandson's companies. Enrad's debts to group companies amounted to approximately 40% of the value of the inventory (raw materials and supplies) as of 31 March 2024.

### Enrad has a window of opportunity before competition intensifies

As in other industries undergoing product change, we expect that established manufacturers will begin to develop their own products that can run on natural refrigerants. Some have already done so. In such a scenario, the potential for Enrad to win larger orders in the marketplace is reduced. Most other manufacturers have far greater financial resources than Enrad, resources that can be used for marketing and for adapting production. One option for Enrad that would limit the need for new capital for expansion is to become a supplier of heat pumps and natural refrigerant chillers to other suppliers in the industry.

### Financial position

Enrad has a strong main owner who we expect to be able to provide bridge loans to finance Enrad's operations. Cash as of 31 March 2024 amounts to SEK 3.0 million, which corresponds to 73% of personnel and other external costs in the first quarter of 2024. Despite the additional possibility of pledging the inventory, a new share issue in the company cannot be ruled out.

### Low free float in the share

The ownership structure is concentrated in the hands of Gösta Welandson via the company as the dominant owner with 71% of all shares. The proportion of Enrad's shares that can be traded on the stock exchange (free float) is currently limited to around 15%, according to Holdings. The low free float hampers trading in Enrad's shares.

## Financial statement and key figures

### Income Statement (SEKm)

	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024E	Q3 2024E	Q4 2024E	Q1 2025E
Net revenues	2,5	3,6	18,6	7,6	10,0	7,5	14,0	16,8
Total revenues	2,6	3,8	18,8	7,8	10,2	7,7	14,2	17,0
Gross Profit	1,2	2,0	9,1	3,8	5,0	3,8	7,0	8,1
EBITDA	-2,0	-0,6	5,3	-0,6	1,2	1,0	3,4	2,0
EBITA	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
EBIT	-2,4	-1,1	4,7	-1,2	0,7	0,6	2,9	1,5
Earnings before tax (EBT)	-2,4	-0,1	4,6	-1,2	0,8	0,6	3,0	1,6
Net profit	-2,4	-0,1	4,6	-1,2	0,8	0,6	3,0	1,4
Earnings per share	-0,10	-0,01	0,19	-0,05	0,03	0,03	0,12	0,06
<b>Growth rate</b>	<b>Q2 2023</b>	<b>Q3 2023</b>	<b>Q4 2023</b>	<b>Q1 2024</b>	<b>Q2 2024E</b>	<b>Q3 2024E</b>	<b>Q4 2024E</b>	<b>Q1 2025E</b>
Net revenues	-45%	-8%	187%	55%	306%	109%	-25%	120%
Total revenues	-45%	-10%	177%	53%	286%	103%	-25%	118%
Gross profit	-46%	14%	190%	45%	306%	89%	-23%	111%
EBITDA	-123%	49%	0%	13%	0%	0%	-36%	0%
EBIT	-90%	26%	0%	-10%	0%	0%	-38%	0%
EBT	-71%	91%	0%	-17%	0%	0%	-36%	0%
Net profit	-71%	91%	0%	-17%	0%	0%	-36%	0%
<b>Margins</b>	<b>Q2 2023</b>	<b>Q3 2023</b>	<b>Q4 2023</b>	<b>Q1 2024</b>	<b>Q2 2024E</b>	<b>Q3 2024E</b>	<b>Q4 2024E</b>	<b>Q1 2025E</b>
Gross margin	47%	52%	49%	49%	49%	49%	49%	47%
EBITDA-margin	-77%	-15%	28%	-8%	12%	13%	24%	12%
EBIT-margin	-90%	-29%	25%	-15%	7%	8%	21%	9%
EBT-margin	-90%	-4%	25%	-16%	7%	8%	21%	9%
Net profit margin	-90%	-4%	25%	-16%	7%	8%	21%	8%

Source: Company information and Carlsquare estimates.

**Income Statement (SEKm)**

	2022	2023	2024E	2025E	2026E	2027E	2028E
Net revenues	19,9	29,6	39,1	71,0	99,4	164,1	262,5
Total revenues	21,0	30,3	39,8	71,8	100,9	166,6	266,6
Costs of goods sold	-11,6	-15,2	-19,2	-36,9	-52,7	-88,6	-147,0
Gross profit	9,3	15,1	20,6	34,9	48,2	78,0	119,6
Operating expenses less CSG and depreciation	-12,8	-13,1	-15,6	-20,4	-24,0	-40,2	-64,8
EBITDA	-3,4	2,0	5,0	14,5	24,2	37,8	54,8
Depreciation	-1,4	-1,8	-1,8	-6,3	-9,0	-7,8	-7,5
EBIT	-4,8	0,2	3,1	8,2	15,1	30,0	47,3
Financial net	-0,4	0,9	0,0	0,0	-0,4	-0,1	0,6
Earnings before tax (EBT)	-5,2	1,1	3,1	8,3	14,7	30,0	47,9
Tax expenses	0,0	0,0	0,0	-0,8	-1,5	-4,5	-7,2
Net profit	-5,2	1,1	3,1	7,4	13,2	25,5	40,7
Adjusted Net profit	-5,2	1,1	3,1	7,4	13,2	25,5	40,7
Profit assignable to parent company	-5,2	1,1	3,1	7,4	13,2	25,5	40,7
Adjusted profit assignable to parent company	-5,2	1,1	3,1	7,4	13,2	25,5	40,7
EPS	-0,21	0,04	0,13	0,30	0,54	1,04	1,67
Adjusted EPS	-0,21	0,04	0,13	0,30	0,54	1,04	1,67
EPS after dilution	-0,21	0,04	0,13	0,30	0,54	1,04	1,67
No of shares (million), start of period	24	24	24	24	24	24	24
Average no of shares (million)	24	24	24	24	24	24	24
<b>Growth rate</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
Net revenues	19%	49%	32%	82%	40%	65%	60%
Total revenues	21%	44%	31%	80%	41%	65%	60%
Gross profit	31%	62%	36%	69%	38%	62%	53%
EBITDA	31%	NM	149%	193%	66%	57%	45%
EBIT	22%	NM	1382%	164%	84%	98%	57%
EBT	9%	NM	191%	164%	78%	104%	60%
Net Profit	9%	NM	191%	137%	78%	92%	60%
Adjusted Net profit	9%	NM	191%	137%	78%	92%	60%
EPS	31%	NM	191%	137%	78%	92%	60%
Adjusted EPS	31%	NM	191%	137%	78%	92%	60%
<b>Margins</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
Gross margin	44%	50%	52%	49%	48%	47%	45%
EBITDA margin	-16%	7%	12%	20%	24%	23%	21%
EBITA margin	0%	0%	0%	0%	0%	0%	0%
EBIT margin	-23%	1%	8%	11%	15%	18%	18%
Net profit margin	-25%	4%	8%	12%	15%	18%	18%
Adjusted Net profit margin	-25%	4%	8%	10%	13%	15%	15%

Source: Company information and Carlsquare estimates.

## Balance Sheet (SEKm)

	2022	2023	2024E	2025E	2026E	2027E	2028E
Total intangible assets	6,9	6,6	5,9	4,6	3,2	1,9	0,5
Total tangible assets	0,8	1,2	1,5	16,6	19,0	12,7	6,7
Total other fixed assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total fixed assets	7,7	7,8	7,3	21,1	22,2	14,6	7,2
Inventory	8,3	13,0	13,9	13,8	19,4	32,1	51,3
Accounts receivable	7,7	7,3	8,5	8,1	11,3	18,7	29,9
Other current assets	0,4	1,0	2,0	3,0	4,2	6,9	11,1
Cash & cash equivalents	3,2	6,4	3,8	11,0	17,6	40,2	71,6
Total current assets	19,7	27,7	28,2	35,8	52,5	97,9	163,9
Total assets	27,4	35,6	35,5	57,0	74,8	112,5	171,1
Total equity	23,2	23,3	26,4	33,8	47,1	72,5	113,2
Provisions	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Non-current liabilities to banks	0,0	0,0	0,0	10,0	10,0	10,0	10,0
Other non-current liabilities	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total non-current liabilities	0,0	0,0	0,0	10,0	10,0	10,0	10,0
Current liabilities to banks	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Accounts payable	1,5	2,7	3,9	4,3	6,1	10,2	16,7
Other current liabilities	2,7	9,6	5,2	8,8	11,6	19,8	31,1
Total current liabilities	4,2	12,3	9,1	13,1	17,7	29,9	47,9
Total equity and liabilities	27,4	35,6	35,5	57,0	74,8	112,5	171,1
Liquidity	2 022	2 023	2024P	2025E	2026E	2027E	2028E
Current ratio	474%	226%	310%	273%	297%	327%	342%
Quick ratio	262%	111%	135%	145%	163%	197%	212%
Cash from operations/current liabilities	NA	NA	-26%	131%	95%	76%	66%
Debt	2 022	2 023	2024P	2025E	2026E	2027E	2028E
Net debt (+)/net cash (-)	-3,2	-6,4	-3,8	-1,0	-7,6	-30,2	-61,6
Net debt +)/net cash (-) save leasing	-3,2	-6,4	-3,8	-1,0	-7,6	-30,2	-61,6
Net debt/EBITDA	94%	-322%	-77%	-7%	-31%	-80%	-112%
Net debt/Equity	0%	0%	0%	30%	21%	14%	9%
Solvency ratio	85%	65%	74%	59%	63%	64%	66%
Return	2 022	2 023	2024P	2025E	2026E	2027E	2028E
Return on Assets	-23%	3%	9%	16%	20%	27%	29%
Return on Equity	-30%	5%	13%	25%	33%	43%	44%
Return on Invested Capital	-19%	1%	8%	17%	23%	37%	44%

Source: Company information and Carlsquare estimates.

## Cash flow (SEKm)

	2024E	2025E	2026E	2027E	2028E
Operating cash flow before working capital changes	-1,5	16,4	23,9	38,7	55,4
Change in working capital	-0,9	0,9	-7,1	-15,9	-23,9
Operating cash flow after working capital changes	-2,4	17,3	16,8	22,8	31,6
Cash flow from Investments	-0,2	-20,1	-10,1	-0,2	-0,2
Free Cash flow	-2,6	-2,8	6,6	22,6	31,4
Cash flow from financing activities	0,0	10,0	0,0	0,0	0,0
Net Cash flow	-2,6	7,2	6,6	22,6	31,4
Cash, Start of period	9,8	11,4	24,7	54,6	95,8
Cash End of period	3,8	11,0	17,6	40,2	71,6
Key ratios	2024E	2025E	2026E	2027E	2028E
Change in working capital/Total revenues	-2%	1%	-7%	-10%	-9%
Cash flow from operations/Total revenues	-6%	24%	17%	14%	12%
Cash flow from operations/EBITDA	-48%	119%	69%	60%	58%
Cash flow from Investments/Total revenues	0%	-28%	-10%	0%	0%
Free Cash flow/EBITDA	-52%	-20%	27%	60%	57%

Source: Company information and Carlsquare estimates.

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