



## Commissioned Research

29 August 2024

## News Flash

## Fair value range:

SEK66.0–83.0

## Share price:

SEK50.0

## Integrum

## Weaker than expected across the board – Q1 initial comment

Integrum reported its Q1(24/25) numbers today, 29 August. Sales in Q1 were SEK18.5m, which was 39% below our forecast of SEK30.2m. The sales figure corresponds to a Y/Y decline of 9% and a Q/Q decline of 29%. The company explained the negative growth as being due to building up inventory in new markets and that work related to the Hanger agreement had taken up a lot of resources from the US team in the quarter. The US market accounted for 74% of Q1 sales.

Gross profit when adjusted for capitalised R&D and other operating income amounted to SEK14.9m, which was 38% below our forecast. EBIT was SEK-12.0m versus our forecast of SEK1.1m, primarily explained by the weaker sales. Overall operating expenditure was rather in line with our estimate.

Operating cash flow came in at SEK-14.0m and cash at the end of the period amounted to SEK46.2m. Overall, we are discouraged by the report, which came in below our expectations in terms of both sales and EBIT. We expect a strongly negative share reaction today.

## Research analysts:

Ludvig Svensson

Ulrik Trattner

## Upcoming events

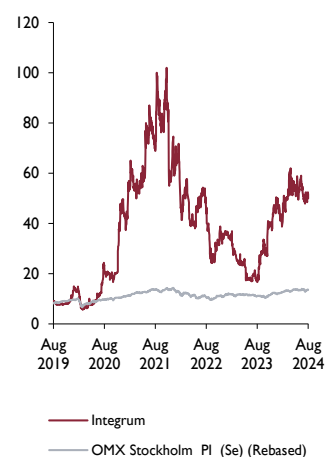
Q1 Report 29 Aug 2024

## Key facts

No. shares (m)	19.4
Market cap. (USDm)	95
Market cap. (SEKm)	970
Net IB Debt. (SEKm)	-56
Adjustments (SEKm)	0
EV (2024e) (SEKm)	914
Free float	67.4%
Avg. daily vol. ('000)	25
Risk	High Risk
Fiscal year end	December
Share price as of (CET)	28 Aug 2024 10:26

Key figures (SEK)	2023	2024e	2025e	2026e
Sales (m)	104	147	207	277
EBITDA (m)	9	13	35	61
EBIT (m)	7	10	32	57
EPS	0.22	0.44	1.34	2.39
EPS adj.	0.22	0.44	1.34	2.39
DPS	0.00	0.00	0.00	0.00
Sales growth Y/Y	40%	42%	40%	34%
EPS adj. growth Y/Y	+chg	99%	202%	78%
EBIT margin	6.3%	7.0%	15.4%	20.6%
P/E adj.	>100	>100	37.2	20.9
EV/EBIT	>100	88.3	27.9	15.1
EV/EBITA	>100	88.3	27.9	15.1
EV/EBITDA	95.6	71.3	25.4	14.1
P/BV	6.4	4.8	4.3	3.5
Dividend yield	0.0%	0.0%	0.0%	0.0%
FCF yield	-2.7%	-0.5%	2.0%	2.9%
Equity/Total Assets	86.6%	86.0%	84.1%	83.3%
ROCE	5.3%	7.0%	16.5%	24.5%
ROE adj.	2.9%	4.9%	12.2%	18.5%
Net IB debt/EBITDA	-1.4	-4.4	-2.2	-1.8

## Share price -5Y



High/Low (12M) SEK62/16.6

Perf.	3M	6M	12M	YTD
Abs.	-8.8	16.3	196.2	9.5
Rel.	-8.1	8.7	173.4	0.0

Source: Carnegie Research, FactSet, Millstream &amp; company data

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## Q1(24/25) deviation

Integrum Carnegie estimates (SEKm)	22/23			23/24			24/25			Carnegie								
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4a	Q1a	Q1e	% Dev	Q2e	Q3e	Q4e	23/24	24/25e	25/26e	26/27e
<b>Net sales</b>	17.2	20.2	18.7	18.1	20.4	27.6	30.1	26.1	18.5	30.2	-39%	35.4	39.8	42.0	104	147	207	277
COGS	-2.4	-4.1	-6.8	-3.4	-2.4	-7.9	-3.1	-5.8	-3.6	-6.0		-7.1	-8.0	-8.4	-19	-29	-41	-55
<b>Gross profit*</b>	14.8	16.1	11.9	14.7	18.0	19.6	27.0	20.3	14.9	24.2	-38%	28.3	31.8	33.6	85	118	165	222
Gross margin %	86%	80%	64%	81%	88%	71%	90%	78%	81%	80%		80%	80%	80%	82%	80%	80%	80%
Other external costs	-10.7	-11.7	-13.0	-9.9	-8.7	-9.8	-10.6	-11.9	-12.5	-12.6		-14.4	-16.2	-15.9	-41	-59	-69	-81
Personnel expenses	-8.5	-10.8	-9.3	-11.1	-13.5	-9.6	-12.6	-11.8	-12.7	-12.6		-13.8	-15.2	-16.1	-47	-58	-75	-94
D&A	-0.3	-0.3	-0.1	-0.5	-0.5	-0.5	-0.6	-0.6	-1.6	-0.5		-0.7	-0.7	-0.7	-2	-2	-3	-4
Other operating expenses	-2.8	-4.7	-6.8	-1.1	0.0	0.0	-5.7	0.0	-1.4	-0.2		-0.2	-0.2	-0.2	0	-1	-1	-2
<b>Adj EBIT</b>	0.4	0.9	-13.8	-7.2	-2.9	6.5	0.3	2.6	-12.0	1.1	nm.	2.2	2.8	4.2	7	10	32	57
Adj EBIT margin %	2%	4%	-74%	-40%	-14%	23%	1%	10%	-61%	4%		6%	7%	10%	6%	7%	15%	21%
EO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	1.0	2.0	0	0	0	1
<b>EBIT</b>	0.4	0.9	-13.8	-7.2	-2.9	6.5	0.3	2.6	-12.0	1.1	nm.	2.2	2.8	4.2	7	10	32	57
EBIT margin %	2%	4%	-74%	-40%	-14%	23%	1%	10%	-61%	4%		6%	7%	10%	6%	7%	15%	21%
Net financials	-0.9	0.0	-0.4	-0.5	-0.1	-0.1	0.0	-0.2	-0.1	0.1		0.1	0.1	0.1	-1	0	1	1
<b>Profit/loss before tax</b>	-0.5	0.9	-14.2	-7.7	-3.0	6.3	0.3	2.4	-12.1	1.2	nm.	2.3	2.9	4.2	6	11	33	58
Tax	0.0	1.4	0.6	3.3	0.2	-2.5	0.5	-0.1	2.7	-0.2		-0.5	-0.6	-0.9	-2	-2	-7	-12
Tax rate	0%	163%	-4%	-43%	-6%	-39%	177%	-5%	-22%	-21%		-21%	-21%	-21%	-31%	-21%	-21%	-21%
<b>Net profit</b>	-0.5	2.3	-13.6	-4.4	-2.9	3.9	0.8	2.3	-9.4	0.9	nm.	1.8	2.3	3.4	4	8	26	46

\*Adjusted for capitalised R&D and other operating income

Source: Carnegie Research

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