

NEWS FLASH

13 February 2025
Sweden
Healthcare

Research analysts:

Rikard Engberg

Mentice

Share price: SEK25.8

Fair value range: SEK40.0–48.0

Strong sales delivery – Q4 first take

Ending the year with growth in line with financial targets

Sales during the quarter were SEK86m compared to our estimate of SEK83m, corresponding to a growth rate of 22.4%, of which 21.4%-points were organic. We consider this a solid number, suggesting that Mentice is back on track to deliver on its financial target of a 20–30% Y/Y growth rate. Order intake in Q4 was SEK109m vs our estimate of SEK124m, corresponding to a growth rate of 4.7% Y/Y. We believe that part of the deviation is explained by major orders announced early in the quarter being delivered during the quarter. The order book at the end of the year was SEK138m, vs our estimate of SEK158m. Much of the deviation, SEK12m, is due to an adjustment made for an order received before 2023 with an undefined delivery. Mentice expects to deliver SEK96m of the orderbook in 2025.

Strong profitability in the quarter

EBITDA in Q4 was SEK17m, vs our estimate of SEK9m, corresponding to a margin of 19.1%. Adjusting for one-time costs Q4 EBITDA was SEK24.1m. We believe that the strong profitability gives support to our investment thesis that Mentice has high operational leverage with its gross margin of +85%.

Q4 report supports our investment case

We argue that the strong report confirms our investment case in Mentice, which is that the company shows signs of high operational leverage and is close to achieving strong, profitable growth.

Still trading at low multiple compared to historical valuation

Mentice currently trades at EV/Sales 2025 of 1.8x, compared to the average EV/Sales NTM multiple in 2022–25 of 3.3x. We believe that this indicates scepticism in the market that Mentice can deliver the profitable growth that this report indicates is possible.

Upcoming events

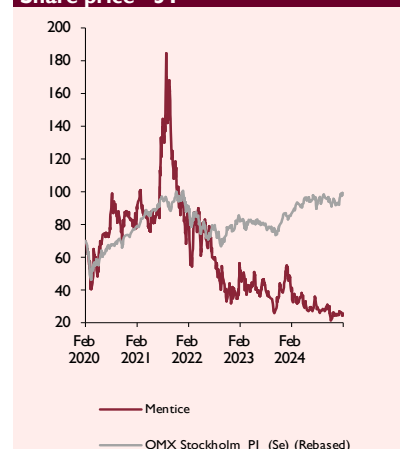
- Q4 Report: 13 Feb 2025
- Q1 Report: 08 May 2025
- Q2 Report: 24 Jul 2025

Key facts

No. shares (m)	25.6
Market cap. (USDm)	61
Market cap. (SEKm)	660
Net IB Debt. (SEKm)	-28
Adjustments (SEKm)	0
EV (2024e) (SEKm)	632
Free float	40.3%
Avg. daily vol. ('000)	7
Risk	Medium Risk
Fiscal year end	December
Share price as of (CET)	12 Feb 2025 00:00

Key figures (SEK)	2023	2024e	2025e	2026e
Sales (m)	274	288	343	394
EBITDA (m)	27	10	37	44
EBIT (m)	-1	-16	11	18
EPS	-0.11	-0.70	0.37	0.47
EPS adj.	-0.11	-0.51	0.56	0.66
DPS	0.00	0.00	0.00	0.00
Sales growth Y/Y	26%	5%	19%	15%
EPS adj. growth Y/Y	+chg	-chg	+chg	18%
EBIT margin	-0.2%	-5.6%	3.3%	4.6%
P/E adj.	n.m.	n.m.	46.1	39.0
EV/EBIT	neg.	neg.	55.9	34.6
EV/EBITA	neg.	neg.	39.1	27.3
EV/EBITDA	43.2	63.1	16.9	14.2
P/BV	4.1	4.7	4.4	4.1
Dividend yield	0.0%	0.0%	0.0%	0.0%
FCF yield	3.3%	-3.0%	0.6%	0.8%
Equity/Total Assets	49.3%	48.5%	45.6%	44.0%
ROCE	0.3%	-11.1%	7.7%	11.4%
ROE adj.	-1.8%	-8.7%	9.8%	10.8%
Net IB debt/EBITDA	-2.0	-2.8	-0.8	-0.6

Share price - 5Y



High/Low (12M) SEK41.3/20.7

Perf. 3M 6M 12M YTD

Abs. 2.8 -12.8 -36.0 1.2

Rel. -3.7 -20.8 -50.5 -6.5

Source: Carnegie Research, FactSet, Millstream & company data

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Deviation table

Mentice												
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SEKm	2024			Carnegie			2025e					
	Q1	Q2	Q3	Q4a	Q4e	Dev	Q1e	Q2e	Q3e	Q4e	2025e	2026e
Sales	45	101	58	86	83	3%	58	113	74	99	343	394
Growth	-30%	36%	-10%	22%	18%	4pp	28%	11%	28%	19%	19%	15%
EBITDA	-18	25	-6	17	9	77%	-6	23	4	17	37	44
EBITDA Margin	-39.2%	24.8%	-10.1%	19.3%	11.3%	8pp	-11%	20%	5%	18%	10.9%	11.3%
EO	0	0	0	0	0	0	0	0	0	0	0	0
Adj EBIT	-24	18	-12	6	3	77%	-13	16	-3	11	11	18
Adj. EBIT margin	-53.3%	18.0%	-21.4%	6.9%	4.0%	2.9pp	-22%	14%	-4%	11%	3.3%	4.6%
Pre-tax Profit	-24	18	-12	5	3	51%	-13	16	-3	11	11	18
Net profit	-24	18	-12	2	3	-39%	-13	16	-3	11	10	16
EPS (SEK)	-1.0	0.7	-0.5	0.1	0.1	-29%	-0.4	0.5	-0.1	0.4	0.4	0.5
EPS Adj (SEK)	-1.0	0.7	-0.5	0.1	0.1	nm	-0.4	0.5	-0.1	0.4	0.6	0.7

Sales SEKm	2024			Carnegie			2025e					
	Q1	Q2	Q3	Q4a	Q4e	Dev	Q1e	Q2e	Q3e	Q4e	2025e	2026e
Orderbook	147	114	118	138	158	-13%	143	143	143	143	150	130
Medical Device Industry (MDI)	32	59	36	97	90	8%	37	68	42	103	249	279
Healthcare Systems (HCS)	4	12	21	11	11	-5%	4	13	23	12	53	58
Strategic Alliances (SA)	2	1	4	1	23	-96%	2	1	4	26	33	37
Order Intake	38	71	61	109	124	-12%	43	81	69	141	335	374

Source: Company data, Carnegie Research

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