

BRICKNODE (BRICK B)

BUILDING THE FUTURE OF FINANCIAL SOFTWARE



Bricknode Holding AB ("Bricknode" or the "Company") is a leading supplier of SaaS solutions that enable financial companies and startups to design and launch their own digital investment, lending and savings product, or transform existing operations. The Company has developed a platform which is highly scalable and fully cloud based, *Bricknode Core*, which can be likened as an operating system for all financial applications. Bricknode are estimated to reach a revenue of 26 MSEK in 2023, and based on an applied P/S target multiple of 5.9x, a potential fair value of 13.9 SEK per share is justified in our Base scenario.

▪ *Pick-and-Shovel* Business

Bricknode remove barriers for startups and established firms with its cloud-based software and technology solutions by enabling customers to take new propositions to market in a quick and cost-efficient manner, allowing customers to focus on end-consumer value creation. The Company is a part of the global fintech revolution and can be likened with a *pick-and-shovel* business, where the Company is gaining exposure to the global digitalization of the financial markets, without carrying the traditional company specific risk.

▪ Bricknode Offers An Extensive Product Portfolio

Bricknode has spent over a decade on developing its financial platform Bricknode Core which is highly scalable, as well as an extensive product portfolio. On top of Bricknode Core, the Company provides additional applications such as *Bricknode Broker*, *Bricknode Lending*, *Bricknode Marketplace* and *Investment Manager*. The applications offers complete flexibility in product design, regulatory umbrella services and outsourcing for back-office operations. In June 2022, the Company completed a core technology upgrade that enables customers to create new financial services, which is estimated to sustain Bricknode's growth going forward.

▪ Sticky Business Model And A Strong Moat

Bricknode's services, for example Bricknode Broker and Bricknode Lending, are crucial services for the customers and due to the complexity of products like e.g. Bricknode Broker, the Company is able to create a strong moat. Due to the provided flexibility and customization on the platform, Bricknode have been able to create long as well as valuable relationship with its customers. Services such as brokerage and lending also results in high switching costs for customers, given that the service can be seen as a core part of the customers offer to the end-users. Bricknode's agreements have therefore a high Total Contract Value (TCV), which strengthen's the moat around the business. As a result, the Company has a very low churn, leading to highly predictable recurring revenues.

SHARE PRICE | 6.1 SEK

VALUATION RANGE

BEAR	BASE	BULL
5.3 SEK	13.9 SEK	17.1 SEK

BRICKNODE	
Share Price (2022-09-06)	6.1
Number of Shares Outstanding	9,869,023
Market Cap (MSEK)	60.2
Net cash(-)/debt(+) (MSEK)	-5.4
Enterprise Value (MSEK)	54.8
W.52 Price Intervall (SEK)	6.0 – 28.0
List	Nasdaq First North Growth Market

SHARE PRICE DEVELOPMENT	
1 Month	-23.6%
3 Month	-32.2%
Since IPO	-72.9%
YTD	-64.9%

OWNERSHIP DATA (SOURCE: HOLDINGS)	
Willebrand Group AB (Stefan Willebrand via Company)	28.4%
Team Hagelin AB (Erik Hagelin via Company)	15.0%
BackingMinds Invest AB	8.1%
Robert Lempka	6.9%
Nordnet Pensionsförsäkring AB	6.2%

CEO AND CHAIRMAN	
CEO	Stefan Willebrand
Chairman	Robert Lempka

FINANCIAL CALENDAR	
Interim report Q3 2022	2022-11-17

ESTIMATES (BASE), MSEK	2021A	LTM	2022E	2023E	2024E
Net revenue	15.4	17.3	18.4	26.3	38.1
Subcontractors	-0.1	-0.1	-0.2	-0.2	-0.3
Other external costs	-8.1	-10.0	-9.6	-7.1	-6.7
Staffing costs	-19.4	-27.9	-26.6	-21.0	-24.2
EBITDA	-11.9	-16.4	-17.7	-1.6	7.5
EBITDA margin	-77.4%	-94.5%	-96.6%	-6.2%	19.6%
P/S	3.9	3.5	3.3	2.3	1.6
EV/S	3.6	3.2	3.0	2.1	1.4
EV/EBITDA	-4.7	-3.4	-3.1	-33.7	7.3



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Other

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