

Improved Profitability in Sight

Movinn A/S (“Movinn” or the “Company”) continued to demonstrate growth during the third quarter of 2023, amounting to 9% Y-Y. However, margins continue to be impacted by high vacancy rates, with the EBITDA margin (from operations) reaching 1.4%. The Company has taken measures to enhance profitability, which, combined with a more favorable macroeconomic environment, is expected to strengthen profitability starting from Q1-24. With an estimated EBITDA of DKK 8.9m in 2024, an applied target multiple of EV/EBITDA 15x, and a discount rate of 10.9%, a net present potential value per share of DKK 6.5 (7.5) is derived in a Base scenario.

Revenue per Unit Remains Robust in a Tough Market

Movinn’s revenue amounted to DKK 21.2m (19.4), corresponding to a growth of 9% and 4% below our estimate of DKK 22m. Aarhus and Odense continues to face challenges regarding demand, which translates to high vacancy rates on the Danish units, amounting to 17.3%, compared to the same period last year of 8%. However, the revenue per unit continues to remain strong, amounting to DKK 199k, which we anticipate will increase to DKK 205k in 2024, as vacancy rates decline, thereby contributing to stronger revenue.

High Vacancy Rates Continues to Tear on Margins

EBITDA from operations amounted to DKK 0.3m, compared to our estimate of DKK 1.4m, corresponding to a margin of 1.4%. The high vacancy rates continues to affect margins as the variable costs, which mostly consists of rent paid to landlords, has risen in relation to revenue. Moreover, staff costs was slightly higher than estimated in Q3-23, owing to a rebuild within the sales organization during Q2-23, which also has affected the costs in Q3-23. Movinn has taken actions to improve profitability, including downsizing in Aarhus, where the Company will remove 13 of the 43 units from its portfolio that are underperforming, which is expected to improve vacancy rates and save costs. On a positive note, the Swedish market is performing well and is close to break-even, where the vacancy rate amounted to 3.6%, which indicates that Movinn is effectively managing demand in the Swedish market.

Updated Valuation Range

With the Q3-report presented, it is evident that Movinn continues to operate in a challenging market, especially in the Company’s secondary Danish markets Odense and Aarhus. We assess that Movinn is making the right move by downsizing underperforming markets and instead expanding in markets with stronger performance to increase profitability. However, it is expected that the high vacancy rates will persist into the beginning of 2024, resulting in a slightly lower revenue and profitability. In light of this, we have updated our financial forecasts for Movinn, which also leads to an adjusted valuation range for all three scenarios: Base, Bull, and Bear.

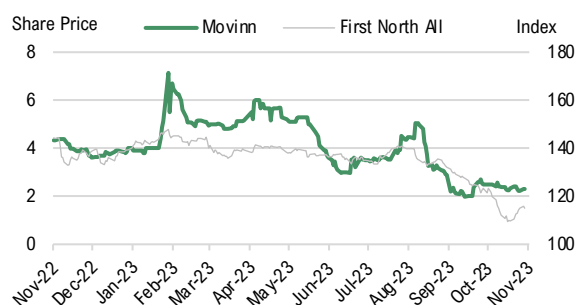
VALUATION RANGE

Bear **Base** **Bull**
DKK 1.4 DKK 6.5 DKK 8.7

MOVINN

Share Price (2023-11-09)	2.76
Shares Outstanding	16,735,542
Market Cap (DKKm)	46.2
Net cash(-)/debt(+) (DKKm)	12.9
Enterprise Value (DKKm)	59.1
List	Nasdaq First North Growth Market
Annual report 2023	TBA

STOCK DEVELOPMENT



TOP SHAREHOLDERS (SOURCE: ANNUAL REPORT)

MAC Invest ApS	55.7%
Raymond Blok Holding ApS	16.7%
Dane Capital A/S	10.8%

Estimates (DKKm)	2022	2023E	2024E	2025E
Revenue	73.3	82.6	95.4	125.9
Variable costs	-54.2	-64.6	-69.5	-91.3
Fixed costs	-4.4	-3.8	-3.9	-5.0
Staff costs	-8.9	-12.7	-12.1	-14.0
Other operating expenses	-1.1	-1.1	-1.1	-1.1
EBITDA	4.8	0.4	8.9	14.6
EBITDA margin	6%	1%	9%	12%
P/S	0.6	0.6	0.5	0.4
EV/S	0.8	0.7	0.6	0.5
EV/EBITDA	12.4	136.2	6.6	4.0
EV/EBIT	neg.	neg.	18.3	7.1
P/E	neg.	neg.	32.0	8.7

Disclaimer

These analyses, documents and any other information originating from AG Equity Research AB (Henceforth "AG") are created for information purposes only, for general dissipation and are not intended to be advisory. The information in the analysis is based on sources, data and persons which AG believes to be reliable. AG can never guarantee the accuracy of the information. The forward-looking information found in this analysis are based on assumptions about the future, and are therefore uncertain by nature and using information found in the analysis should therefore be done with care. Furthermore, AG can never guarantee that the projections and forward-looking statements will be fulfilled to any extent. This means that any investment decisions based on information from AG, any employee or person related to AG are to be regarded to be made independently by the investor. These analyses, documents and any other information derived from AG is intended to be one of several tools involved in investment decisions regarding all forms of investments regardless of the type of investment involved. Investors are urged to supplement with additional relevant data and information, as well as consulting a financial adviser prior to any investment decision. AG disclaims all liability for any loss or damage of any kind that may be based on the use of analyzes, documents and any other information derived from AG.

Conflicts of Interest and impartiality

To ensure AG's independence, AG has established compliance rules for analysts. In addition, all analysts have signed an agreement in which they are required to report any and all conflicts of interest. These terms have been designed to ensure that *COMMISSION DELEGATED REGULATION (EU) 2016/958 of 9 March 2016, supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest*. Compliance policy: <https://analystgroup.se/interna-regler-ansvarsbegransning/> (Swedish)

Other

This analysis is a task analysis. This means Analyst Group has received payment for doing the analysis. The Principal, **Movinn A/S** (furthermore "the Company") has had no opportunity to influence the parts where Analyst Group has had opinions about the Company's future valuation or anything that could constitute an objective assessment.

The parts that the Company has been able to influence are the parts that are purely factual and objective.

The analyst does not own shares in the Company.

This analysis is copyright protected by law © AG Equity Research AB (2014-2023). Sharing, dissemination or equivalent action to a third party is permitted provided that the analysis is shared unchanged.