

OMDA (OMDA)



OMDA Way to Digitise the Healthcare Sector

OMDA AS ("OMDA" or "the Company") provides scalable software solutions to the healthcare sector, such as emergency response systems, primarily through tenured contracts, ensuring recurring revenue for 10+ years. With political headwinds and a strong cash position, the Company is set to grow organically and through acquisitions. However, reduced reliance on acquired growth facilitates the Company to focus on integrating previous acquisitions, thus enabling greater efficiency, lower operating costs, and higher EBITDA margins through scalable solutions. OMDA is estimated to reach an EBITDA of NOK 150.2m in 2025 and based on an applied EV/EBITDA target multiple of 10.4x, a potential fair value of NOK 49.1 per share is derived in a Base scenario.

Favourable Acquisitions Enables Increased Revenue

Tenders for new suppliers from public-owned hospitals can sometimes take up to ten years; therefore, acquisitions has been the primary strategy for OMDA to gain new customers and revenue streams. However, the Swedish and Norwegian governments have set aside SEK 660m and NOK 1.25bn, respectively, to digitise healthcare, leading to tenders for new suppliers are estimated to be more frequent going forward. Reduced reliance on acquired growth allows OMDA to focus on growing organically and creating synergies, leading to lower CapEx, which enables higher cash flows. Therefore, Analyst Group estimates that the revenue will grow with a CAGR of 18.1% until 2025, reaching NOK 608.6m.

Positioned to Capitalize on Political Initiatives

Nordic's most prominent public-owned hospitals have used OMDA's software solutions over the past 25 years, and as tenders increase, the Company is well-positioned to capitalize on the demand. OMDA's Coordcom platform, already serving 11% of the European population, aligns with the EU's directive towards NG112, fueling further possible revenue growth. With the healthcare sector's sensitivity to change, contracts of +15 years, and a churn below 2% annually, the stickiness of the solution enables up-selling and price increases. Analyst Group estimates ARR to grow with a CAGR of 21%, primarily through the underlying demand to digitise the European healthcare sector, continued up-selling, and price increases.

Further Integration Provides Compelling Margin Growth

In 2021, OMDA acquired two companies in the emergency segment, initially with EBITDA margins of -4% and 12%. The integration is now completed whereas EBITDA margins have increased to 18.5% YTD. As the 2022 acquired companies' integration period closes in, the EBITDA margins are estimated to increase further as integration-related salary expenses are reduced. With a strong position, serving nearly all hospitals in the Nordics, OMDA can scale the software without higher sales personnel expenses, enabling lower operating costs as a percentage of sales. Analyst Group estimates EBITDA to expand from 12.9% YTD to 24.7% in 2025 through proven integration effects and a scalable SaaS business model.

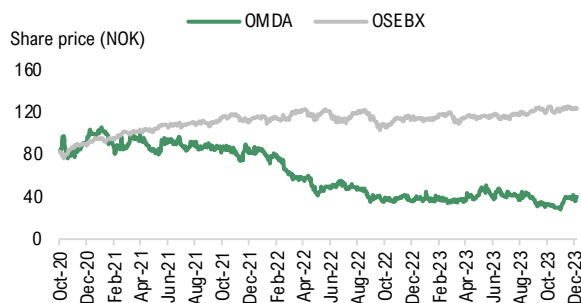
VALUATION RANGE

Bear	Base	Bull
NOK 18.6	NOK 49.1	NOK 64.8

KEY INFORMATION

Share Price NOK (2024-01-18)	37.5
Shares Outstanding	20,964,404
Market Cap (MNOK)	784
Net cash(-)/debt(+)(MNOK)	366
Enterprise Value (MNOK)	1,150
List	Euronext Oslo Growth
Quarterly report 4 2023	2024-03-01

SHARE PRICE DEVELOPMENT



OWNERS (SOURCE: THE COMPANY, 2023-12-29)

Equilibrium AS	19.5%
The Northern Trust Comp, London Br	12.8%
The Bank of New York Mellon SA/NV	8.2%
Pershing LLC	5.0%
DEFA Endeavour AS	4.7%

Estimates (MNOK)	2022A	2023E	2024E	2025E
Revenue	369.7	414.0	498.8	608.6
COGS	33.4	32.9	39.6	45.3
Gross Profit	336.3	377.9	455.3	558.4
Gross Margin	91.0%	92.0%	92.0%	92.5%
Operating Costs	320.7	324.9	364.3	408.2
EBITDA	15.6	52.9	90.9	150.2
EBITDA Margin	4.2%	12.8%	18.2%	24.7%
P/S	2.0x	1.9x	1.6x	1.3x
EV/S	3.1x	2.8x	2.3x	1.9x
EV/EBITDA	73.6x	21.2x	12.6x	7.6x
EV/EBIT	-12.7x	-30.6x	-64.1x	66.2x

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Other

The Principal, **OMDA AS** (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 analyst does not own shares in the Company.

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