

STENOCARE (STENO)



An Exciting Year Ahead

During 2023 STENOCARE delivered record in gross sales amounting to DKK 6.9m, corresponding to a growth of 18%, in combination with a decreasing cost base. For 2024 we estimate net sales of DKK 16.5m driven by, among other things, new products in Australia and Denmark as well as introduction of the first product in Germany, resulting in a positive EBITDA-result at the end of the year. With estimated net sales of DKK 66.6m by 2026, and with an applied P/S multiple of 5x, a potential present value per share of DKK 8.8 (9.4) is derived in a Base scenario.

Gross Sales Amounted to DKK 1.7m in Q4-23

STENOCARE reported net sales of DKK 1.3m (2.8) in Q4-23, corresponding to a decrease of 56% compared to Q4-22. As mentioned in earlier updates, STENOCARE's sales will fluctuate between quarters and in Q4-22, STENOCARE had a large delivery to Norway, which should be taken into consideration when comparing. Moreover, gross sales amounted to DKK 1.7m, where the difference from net sales is attributable to a product return from Norway. We expect returns of this size to be a one-off occasion and procedures to avoid similar situations has been implemented. Hence, we expect minor differences between gross sales and net sales going forward.

The Balanced oil Obtains Approval in Denmark

After the Q4-report, STENOCARE announced that a balanced oil, called "THC/CBD Olie STENOCARE", has obtained approval from the Danish Medicines Agency. STENOCARE now has regained the position of being the sole provider of all three essential oil products; THC-oil, CBD-oil and a balanced oil. Historically, the balanced oil has represented +50% of the Company's sales, why we see this as an important driver of sales growth in the coming years.

Continues to Operate With a Stable Cost Base

Operating costs amounted to DKK -5.1m in Q4-23, compared to DKK -4.9m in the preceding quarter, why STENOCARE continues to develop with a stable cost base. After the refinancing agreement in January 2024, the cash position is estimated at DKK 6.6m. We estimate STENOCARE to be break even on an EBITDA level at the end of 2024, where the existing cash position is estimated to be enough to reach that point.

Updated Valuation Range

The Q4-report was relatively in line with our expectations, why we only make minor adjustments to our forecasts and reiterate our valuation range in terms of market cap. However, following the capital injections from warrants of series TO1 and the directed rights issue, the value per share is affected, which is just a technical adjustment. Moreover, we believe that STENOCARE has progressed in the right direction over the year with increasing gross sales, we consider that the risk in the Company has slightly decreased. Therefore, we have adjusted the discount rate from 30% to 25%. Overall, this results in an updated valuation range for all three scenarios.

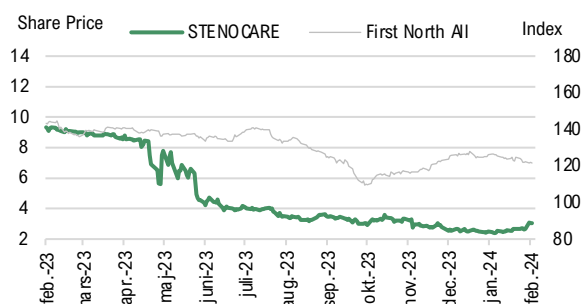
VALUATION RANGE

Bear DKK 2.1 **Base** DKK 8.8 **Bull** DKK 12.3

STENOCARE

Share Price (2024-02-29)	2.90
Shares Outstanding	18,384,315
Market Cap (DKKm)	53.3
Net cash(-)/debt(+) (DKKm)	-1.2 ¹
Enterprise Value (DKKm)	52.1
List	Nasdaq First North Growth Market
Q1-report 2024	2024-05-02

STOCK DEVELOPMENT



TOP SHAREHOLDERS (SOURCE: INTERIM REPORT)

SC-Founders Holding ApS	26.5%
HHTM ApS	12.4%
STENOCARE A/S (Treasury shares)	1.3%
Others	59.8%

Estimates (DKKm)	2023A	2024E	2025E	2026E
Revenue	4.0	16.5	37.6	66.6
Net sales growth	-11%	313%	128%	77%
Other external expenses	-10.2	-14.6	-24.6	-38.1
Share of revenue (%)	-255%	-88%	-65%	-57%
Personnel expenses	-6.4	-6.9	-9.2	-13.9
EBITDA	-12.6	-4.9	3.8	14.6
EBITDA margin	-315%	-30%	10%	22%
P/S	13.4	3.2	1.4	0.8
EV/S	13.1	3.2	1.4	0.8
EV/EBITDA	-4.2	-10.6	13.8	3.6
EV/EBIT	-3.3	-6.1	1,072.2	4.9

¹After refinancing of debt including repayment of DKK 2.9m in January 2024.

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Other

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