

STENOCARE (STENO)



New Products Paves the way for Further Patient Growth

With a new THC/CBD medical cannabis oil approved, which is ready for sales under the Danish pilot program, STENOCARE A/S ("STENOCARE" or the "Company") has regained the position as the only provider of all three essential oil products under the program; a THC oil, CBD oil, and the new THC/CBD oil. The last time STENOCARE had all three products approved in Denmark back in 2018/2019, the Company reported net sales of DKK 4.3m in Q1-19 with a positive net result. STENOCARE are now back in the same situation in Denmark, and with products approved in five additional markets. With estimated net sales of DKK 66.6m by 2026, and with an applied P/S multiple of 4.5x, a potential present value per share of DKK 8.8 (8.8) is derived in a Base scenario.

Net Sales Amounted to DKK 1.2m in Q1-24

STENOCARE reported net sales of DKK 1.2m (0.8) in Q1-24, corresponding to a growth of 43% compared to Q1-23. The gross sales, excluding product returns, amounted to DKK 1.4m. With the figures for Q1-24 presented, STENOCARE still has a way to go to reach our estimate of net sales of DKK 16.5m in 2024. However, STENOCARE's sales fluctuate between quarters as the Company delivers products in large bulks and we expect stronger sales in the coming quarters as sales of the two newly approved products on the Danish and Australian market will be included.

Operates With a Lean Organization

The operating expenses decreased by 7% in Q1-24 to DKK -4.5m, compared to DKK -4.8m in Q1-23, while the cost base compared to Q4-23 decreased by 12% from DKK -5.1m. Thus, STENOCARE continues to operate with a good cost control towards the estimated break even by the end of 2024.

German Legalization Enables more Prescriptions

During Q1-24, Germany legalized cannabis for recreational use. Moreover, the country also declassified cannabis as narcotics, something that is expected to simplify the process for more doctors to prescribe medical cannabis and ease the way for patients to obtain a prescription. This is expected to further support the growth of the German medical cannabis market, which is already the largest in Europe with approximately 230,000 patients. STENOCARE entered the German market in Q4-23, and we expect strong sales growth in 2024.

We make Small Adjustments in our Valuation Range

With reported net sales of DKK 1.2m in Q1-24, we still see possibilities for STENOCARE to reach our revenue estimate of DKK 16.5m in 2024 through sales of the two newly approved products on the Danish and Australian market, as well as sales growth on the German market. Hence, we are keeping our financial forecasts for STENOCARE, as well as a largely unchanged valuation range, with small adjustments in our Bear and Bull scenario.

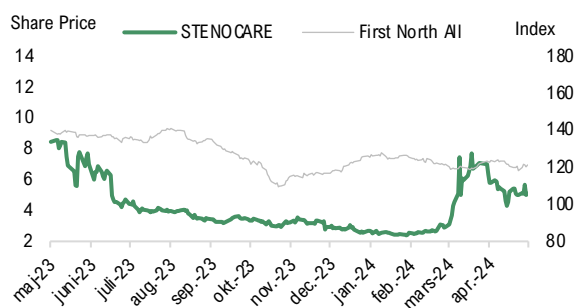
VALUATION RANGE

Bear DKK 2.2 **Base** DKK 8.8 **Bull** DKK 12.4

STENOCARE

Share Price (2024-05-07)	5.0
Shares Outstanding	18,384,315
Market Cap (DKKm)	91.9
Net cash(-)/debt(+) (DKKm)	3.1
Enterprise Value (DKKm)	95.0
List	Nasdaq First North Growth Market
Q2-report 2024	2024-08-21

STOCK DEVELOPMENT



TOP SHAREHOLDERS (SOURCE: INTERIM REPORT)

SC-Founders Holding ApS	26.3%
HHTM ApS	11.6%
STENOCARE A/S (Treasury shares)	1.3%
Others	60.8%

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	23.0	5.6	2.4	1.4
EV/S	23.8	5.8	2.5	1.4
EV/EBITDA	-7.6	-19.2	25.1	6.5
EV/EBIT	-6.0	-11.2	1,952.3	8.9

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Other

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