

Zaptec ASA (ZAP)



Charged Up For International Expansion

Zaptec ASA ("Zaptec" or "the Company") is a leading provider of electric vehicle ("EV") chargers in the Nordics, targeting both the commercial and residential market. The underlying market is expected to grow at a CAGR of 20.4% until 2030 driven by stringent regulations in Europe, shifting customer preferences, technological advancements, and further product launches. Zaptec is anticipated to capitalize on this market by leveraging the leading, and patented, technology by an initiated European expansion. Zaptec is estimated to grow revenue to NOK 2,422.2m in 2025, corresponding to a CAGR of 30.3% from 2023. In conjunction with the European expansion, EBITDA is estimated to reach NOK 221.3m in 2025 with an EBITDA margin of 9.1%. Analyst Group applies a 7.0x EV/EBITDA 2025 multiple, based on a Peer valuation complemented by a DCF valuation, justifying a potential share price of NOK 16.8 in a Base scenario.

Leading Position in an Attractive Market

The market for alternating current ("AC") chargers of EVs in Europe is estimated to be valued at NOK 19bn in 2023 and is expected to grow with a CAGR of 20.4%, culminating in a market value of NOK 69.9bn by 2030. The growth is strongly connected to the continuing shift towards an EV transition, driven by stringent European regulations, evolving customer preferences, technological innovations, and rollouts of new products. Zaptec has obtained a leading position in the Nordics with a 28.3% market share and is poised to capitalize on this robust underlying market growth. The Company is strategically expanding in Europe, which expands the addressable market by 4.4x, by utilizing the sales strategy, leading position, and technology, why Analyst Group estimates Zaptec to grow its revenue by a CAGR of 30.3% during 2023-2025.

Competitive Advantages

Price and charging speed are crucial factors for end customers to decide on an EV charger. Zaptec's products are price-positioned as competitors, however, the patented technology can reduce additional installation costs by up to 66% for commercial projects, giving it an advantage opposed to established competitors. Furthermore, Zaptec's strong market position, evidenced by over 500k installations and partnerships with over 1.6k installers, enhances competitiveness against new entrants in the market. This is due to the distribution channel requiring electricians to install the chargers, indicating a network effect as the installers serve as intermediaries who influence the product offering toward the end customer.

Inventory Normalization Enhances Operational Efficiency

Due to macroeconomic factors such as supply shortages, inflation, and rising interest rates, Zaptec experienced an inventory buildup in H2-2023. Analyst Group expects net working capital management to normalize inventories by 2025, which is estimated to enhance the operational efficiency of the capital-light adaptable business model by an anticipated ROIC expansion from 4.6% in 2023 to 18.8% in 2025.

VALUATION RANGE

Bear
NOK 4.8

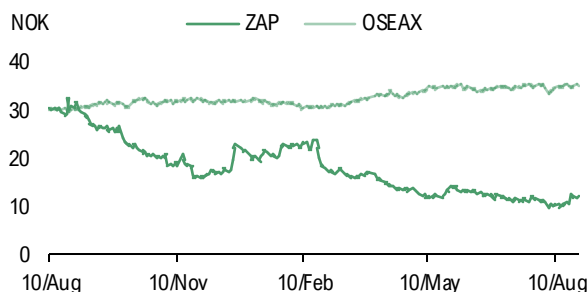
Base
NOK 16.8

Bull
NOK 25.1

KEY INFORMATION

Share Price (2024-08-27)	NOK 12.3
Shares Outstanding	87,520,790
Market Cap (NOKm)	1,079.1
Net cash(-)/debt(+) (NOKm)	98.7
Enterprise Value (NOKm)	1,177.8
List	Oslo Stock Exchange
Quarterly report 3 2024	2024-11-13

SHARE PRICE DEVELOPMENT



OWNERS (SOURCE: BLOOMBERG)

DNB ASA	13.1%
Validor AS	11.9%
Nordea Bank Abp	8.9%
Avanza Bank AB	7.1%
Danske Bank A/S	4.6%

Estimates (NO Km)	2024E	2025E	2026E	2027E
Revenue	2,060.6	2,422.2	2,868.8	3,299.1
COGS	-1,263.2	-1,480.0	-1,747.1	-2,012.5
Gross Profit	797.5	942.2	1,121.7	1,286.7
Gross Margin	38.7%	38.9%	39.1%	39.0%
Operating Costs	-636.7	-721.0	-829.7	-956.7
EBITDA	160.7	221.3	292.0	329.9
EBITDA Margin	7.8%	9.1%	10.2%	10.0%
P/S	0.5x	0.4x	0.4x	0.3x
EV/S	0.6x	0.5x	0.4x	0.4x
EV/EBITDA	7.3x	5.3x	4.0x	3.6x
EV/EBIT	14.3x	9.7x	6.5x	5.8x

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Other

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