

# ODI Pharma (ODI)



## Ready to Capitalize on Rapid Market Growth in Poland

ODI Pharma AB:s ("ODI Pharma" or the "Company") latest quarter was affected by import restrictions in Poland, which has been resolved after the quarters end, as the Polish government nearly doubled the import quota for medical cannabis for 2025, driven by rapidly growing demand. As ODI Pharma is the exclusive supply partner to one of the leading pharmaceutical brands in Poland, the Company is expected to capitalize on this rapidly increasing demand. With estimated net sales of SEK 96m by 2025/2026, and with an applied P/S multiple of 2.5x, a potential present value per share of SEK 12.3 (17.4) is derived in a Base scenario.

### Net Sales was Affected by Import Restrictions

ODI Pharma's net sales amounted to SEK 0.1m (0.5) during Q1-24/25. Sales were affected by import restrictions set by the Polish government, where the import quota for medical cannabis in the country for 2024 were initially set at 6 tons, which was reached with several months left of the year, leading to that the Polish government increased the estimated annual demand for cannabis, hence also the quota, by an additional 5.3 tons in October 2024. As the updated quota is expected to be applied from January 2025, ODI Pharma's sales in Q1-24/25 as well as the upcoming Q2-24/25, is expected to be affected by the import restrictions. However, based on the rapid market growth, illustrated by the updated quota, and the fact that ODI Pharma acts as the supplier to one of the leading pharmaceutical brands in the country, we estimate strong revenue growth in the upcoming year.

### Rights Issue of SEK 4.1m to Leverage Market Potential

On October 30<sup>th</sup>, ODI Pharma announced that the Company intends to carry out a rights issue of SEK 4.1m before transaction costs. The net proceeds are expected to be used to strengthen the financial position through loan repayments, support continued expansion into new European markets, and further establish a strong presence in Poland. Based on a pre money valuation of SEK 49m, and the estimated sales growth ahead, based on a strong market growth in Poland and expansion to more countries, Analyst Group believes that the rights issue entails a great risk/reward for investors.

### Updated Valuation Range

Based on the Q1-24/25 report, where sales were affected by import restrictions, nevertheless below our expectations, we have updated our financial forecasts for ODI Pharma. Although import quotas have now been increased, the lower sales in the first quarter of the fiscal year, which is also expected for the upcoming quarter, still impact our full-year forecast. This also serves as a reminder of ODI Pharma's dependence on government regulations, which, combined with the updated forecasts and the estimated additional outstanding shares following the rights issue, results in a revised valuation range.

#### VALUATION RANGE

**Bear**  
SEK 2.5

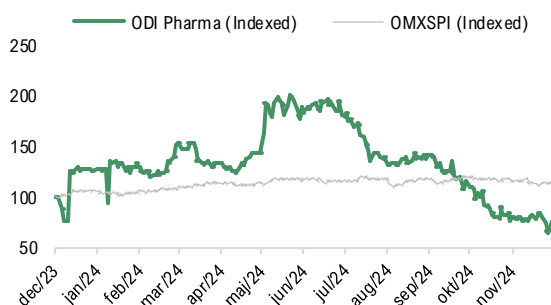
**Base**  
SEK 12.3

**Bull**  
SEK 15.5

#### KEY INFORMATION

Share Price (2024-11-29)	3.0
Shares Outstanding	15,981,000 <sup>1</sup>
Market Cap (SEKm)	47.9
Net cash(-)/debt(+)(SEKm)	-5.9 <sup>1</sup>
Enterprise Value (SEKm)	42.0
List	Spotlight Stock Market
Quarterly report 2 2024/2025	2025-02-27

#### SHARE PRICE DEVELOPMENT



#### OWNERS (SOURCE: HOLDINGS)

= INSIDER

Volker Wiederrich	39.8%
Niclas Kappelin	26.2%
Derek Simmros	26.0%
Tommi Kalevi Heikkinen	0.3%
Siv Merethe Skorpen	0.3%

#### Estimates (SEKm) 2023/2024 2024/2025E 2025/2026E 2026/2027E

Net Sales	22.4	31.9	95.7	145.0
COGS	-17.7	-25.3	-75.4	-113.7
<b>Gross Profit</b>	<b>7.8</b>	<b>6.6</b>	<b>20.3</b>	<b>31.3</b>
Gross Margin <sup>2</sup>	21%	21%	21%	22%
Operating Costs	-6.5	-6.5	-9.0	-11.0
<b>EBITDA</b>	<b>1.2</b>	<b>0.2</b>	<b>11.3</b>	<b>20.3</b>
EBITDA Margin <sup>2</sup>	-8%	1%	12%	14%
P/S	2.1	1.5	0.5	0.3
EV/S	1.9	1.3	0.4	0.3
EV/EBITDA	34.4	248.2	3.7	2.1
EV/EBIT	34.4	250.8	3.7	2.1

<sup>1</sup>After the ongoing rights issue and based on a conservative estimated subscription rate of 60%

<sup>2</sup>Adjusted for other operating income

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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.

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