2025-02-17

Elektroimportøren AS (ELIMP)

Attractive Macro-play with Asymmetric Risk/Reward Profile

Elektroimportøren AS (or "the Company") is a Norwegian retailer of electrical equipment, operating 29 stores and an online platform in Norway and Sweden. Through the private label Namron, offering everything from heating to cable, and installation service SpotOn, providing fixed cost, standardized installations, Elektroimportøren control the entire value chain, providing a distinct competitive edge. Despite challenges post-COVID leading to Elektroimportøren's first-ever loss in 2023, the Company demonstrated resilience by achieving EBITDA profitability in Sweden, while maintaining strong unit economics in Norway. With the property sector and electric goods market expected to grow due to efficiency demands and improving economic climates, the Company is positioned to capitalize on the market tailwinds through the omnichannel approach. A weighted DCF and peer valuation support a 11x EV/EBIT multiple of estimated EBIT 2026, NOK 112m, implying a potential price per share of NOK 18.2 in a Base scenario.

Capitalizing on the Smart Electrification Trend

Climate change and rising energy prices demand smarter energy use. In Norway, households consume 20% of the produced energy, where a banning of oil heating was constituted in 2020, while introducing energy efficiency labels in homes. Norway's ambitious 2030 climate goals are driving growth in Elektroimportøren's markets, including smart homes at a 22% CAGR, EV-chargers at a 30% CAGR and solar panels at a 20% CAGR until early 2030's. Elektroimportøren, Norway's fourth-largest electrical retailer, is well-positioned with 29 stores, online platform and proof of concept to capitalize on the market's growth. By this setup, Analyst Group estimates a 3.3% CAGR in revenue per store through 2027, resulting in a total revenue growth at a CAGR of 13.1% through 2027 by a further roll out of stores in Norway and Sweden.

Expanded TAM and Profitability in Sweden

Elektroimportøren entered the Swedish market with the brand Elbutik in 2023 during the toughest retail climates in over 25 years, resulting in a loss due to inventory write-downs. Since then, the Company has reduced operating expenses by 4%, and adjusted pricing strategies. Subsequently, Elbutik achieved EBITDA profitability in Q3-Q4 2024, and the Company reverted to profitability for the full year of 2024, further supported by a NOK 44m benefit from the forfeiture of a earn-out agreement. The market entry tripled the TAM from 2.5 million to 7.5 million households and is bolstered by a new Sweden-based warehouse with the OPEX reducing AutoStore system, supporting future physical and online growth as the Company brings the widely appreciated Norwegian retail concept to the larger Swedish market.

Macro Economical Factors Enables Growth

In Norway, interest rates is set at a 15-year high of 4.5%, new builds at a 25-year low and real estate transfers have decreased by 10% LTM from the COVID-peak. The Company's core business, refurbishments, is strongly correlated to housing mobility, which is closely tied to interest rates. High rates limit movement, however declining rates are expected as inflation eases in Norway and Sweden. Analyst Group projects as revenue per store increases, EBIT margin is set to grow from a low point, increasing from 2.4% LTM to 6.4% in 2027.

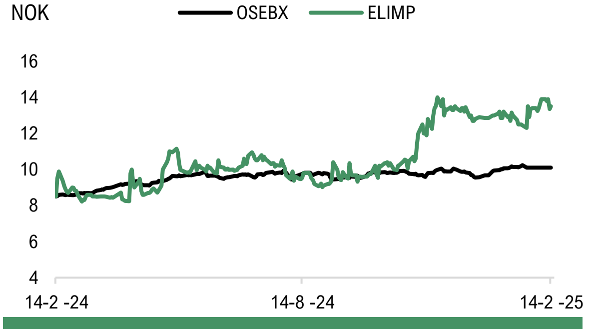
Valuation Range

Bear	Base	Bull
NOK 9.7	NOK 18.2	NOK 24.4

Key Information

Share Price NOK (2025-02-14)	NOK 13.5
Shares Outstanding	50.8m
Market Cap (NOKm)	677
Net cash(-)/debt(+) (NOKm)	533.0
Enterprise Value (NOKm)	1,210
List	Euronext Growth Oslo
Quarterly report – Q1	2025-05-15

Share Price Development



Owners (Source: Bloomberg)

Acapital ELIMP Holdco AS	22.6%
Verdipapirfond ODIN Norge	8.5%
Stenshagen Invest AS	5.2%
VJ Invest AS	4.6%
Melesio Invest AS	4.0%

Estimates (NOKm)	2023A	2024A	2025E	2026E
Revenue	1,603	1,627	1,831	2,023
COGS	-1,051	-1,062	-1,181	-1,295
Gross Profit	552	565	650	728
Gross Margin	34.4%	34.7%	35.5%	36.0%
Operating Costs	-145	-189	-469	-505
D&A	-273	-226	-105	-112
EBIT	40	39	76	112
EBIT margin	2.5%	2.4%	4.1%	5.5%
EV/S	0.67	0.74	0.65	0.50
EV/EBIT	26.3	30.7	15.8	10.7
P/E	N/A	19.3	23.0	11.4

Introduction

Table of Contents

About the Company

Elektroimportøren AS is a Norwegian company specializing in retail of electrical equipment and supplies, offering a wide range of products including smart home solutions, heating systems and other electrical installation materials. Elektroimportøren serves both professional electricians and DIY customers through physical stores in Norway and Sweden and an e-commerce platform. The Company's focus is on providing high-quality products and expertise to support electrical projects of all sizes and owns the entire value chain by the installation service SpotOn and private label Namron. Elektroimportøren is listed on Euronext Growth Oslo since 2020.

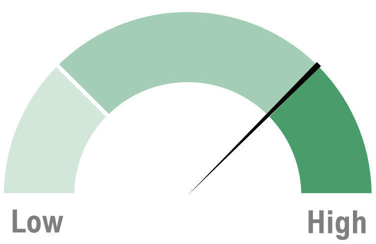
CEO and Chairman

CEO	Andreas Niss
Chairman	Karin Bing Orgland

Analyst

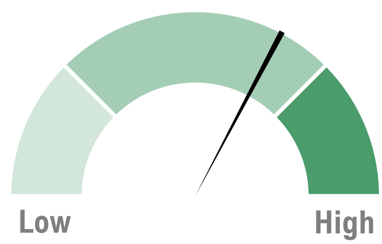
Name	Rasmus Nilsson
E-mail	rasmus.nilsson@analystgroup.se

Value Drivers



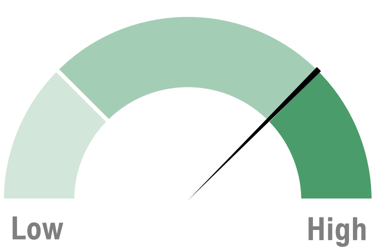
Elektroimportøren drives value through standardized electrical services, a market expansion into Sweden, the high-margin private label Namron constituting approximately 30% of sales, combined with a growing demand for smart energy solutions. With efficient logistics, cost optimization and macro tailwinds such as declining interest rates, the Company is well positioned for further scalable growth and profitability in the Nordic market.

Historical Profitability



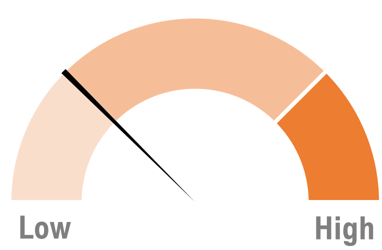
Elektroimportøren AS has been profitable at the net income level for over 15 years, supported by a mix of B2B and B2C sales. As B2B revenue has grown, the gross margin has declined, from 44.8% in 2015 to 34.5% in 2023, as B2B's share of revenue increased from 20% to 50% due to the 10-50% discounts typically given to B2B clients. The EBIT margin peaked at 10% in 2020 but has since declined to 2.4% LTM as revenue per store decreased due to economic conditions. The grade is solely based on historical profitability and is not forward looking.

Management & Board



Elektroimportøren's management brings over 20 years of combined experience in the Company, with the CEO dedicating his entire career to the industry. Through Niss Invest AS, CEO Andreas Niss holds 1.25% of the Company and thus aligns with shareholders. Furthermore, the board consists of industry professionals with backgrounds within finance, risk management and peers to the Company such as Elektroskandia.

Risk Profile



The Company hold as of Q4-24 NOK 139m in cash, total debt of NOK 673m of which NOK 220m is a long-term mortgage. Elektroimportøren operates in a tough macro environment with Analyst Group highlighting Sweden's retail struggles as the worst in 25 years. However, the Company has more profitable stores than ever in the already established Norwegian market, 28, and by a reached inflection point in Sweden, this setup offers significant potential as the two markets are estimated to recover.

Investment Thesis

Set to Capitalize on the Smart Electrification Trend

Capitalizing on the Smart Electrification

Climate change, shortage of electricity and prices of energy make efficiency and reducing usage cardinal. These factors have prompted decisions to regulate future home constructions and set standards for existing homes. In Norway, households consume 20% of the produced energy while Norwegian climate goals for 2030 are the most ambitious in the Paris-agreement, which has resulted in homes now having an energy efficiency stamp to publicly showcase the homes metrics and oil fired heating is forbidden since 2020. Moreover, Norway is estimated to be the first country to have an only EV car fleet by early 2030's. Many of Elektroimportørens' markets are therefore expected to experience substantial growth, e.g., smart home appliances are expected to grow at 22% CAGR until 2032, chargers for EV's at a 30% CAGR through 2030 and solar panels at a 20% CAGR by this decade. The Company addresses these needs and aims to be the best supplier locally by the 28 stores and online in Norway and in the long run achieve the same in Sweden, where the Company currently operates one store and online. To achieve this, the Company has a larger local inventory than peers, worth NOK 5m/store, longer opening hours and employ electricians working the stores. Elektroimportøren, Norway's 4th largest electrical retailer, is positioned to capitalize on the market tailwinds through the omnichannel approach with fast deliveries from AutoStore equipped warehouses and by the in-store experience. By this setup, Analyst Group estimates growth in revenue per store at a CAGR of 3.3% through 2027, and total revenue growth at a CAGR of 13.1% through 2027 and reach NOK 2.3bn the same year by 8 new stores in Sweden and Norway, as the total number reach 37 by 2027.

Expanded the TAM, Set to Leave a Period of Unprofitability in Sweden

Having Overcome Losses, the Company Is Set to Gain From the Larger Swedish Market

Elektroimportøren entered the Swedish market in 2023 under the name Elbutik during what management described as "the worst retail climate in over 25 years." This coupled with inventory write-downs resulted in a loss for 2023, the first ever. To address these issues, the Company implemented several strategic measures, including replacing managers, cutting OPEX, and adjusting pricing strategies. These actions have reduced OPEX per store by approximately 4% from Q1-Q4 2024 compared to corresponding quarters in 2023, and as a result Elbutik achieved EBITDA breakeven in Q3 2024. Hence, Elektroimportøren returned to profitability for the full year of 2024, further supported by the NOK 44m benefit from the forfeiture of the Elbutik earn-out agreement. The market entry has effectively tripled Elektroimportøren's TAM from 2.5 million to 7.5 million households and with an already proven Norwegian retail concept, the Company is positioned to grow efficiently in the larger market of Sweden. This growth is supported by the logistics infrastructure in place, including a new Sweden-based warehouse equipped with an AutoStore system, reducing OPEX while supporting future stores and online sales. Following a 2024 rights issue, the Company secured funds to pay down debt, to open and market new stores, estimated to five stores in Sweden by 2029. Elektroimportøren, backed by a management team with over 20 years of tenure, leverages a proven concept rated 4.5/5 by 66,000 reviews. With a strong value proposition of competitive pricing, high product availability, and a seamless omnichannel experience, the Company is well-positioned to drive profitable growth in both the Swedish and Norwegian market going forward.

Macro Economical Factors Drive Growth

A Pent Up Need is Estimated to Drive Revenue as Lower Rates Enable Mobility

People moving and renovating homes is the primary driver of Elektroimportøren's revenue, as homeowners often refurbish properties to sell, or after purchasing. These refurbishment projects are a key market for smaller electrical firms which the Company specialize in serving, and these firms make up the majority of the Company's B2B clients. As housing market mobility is estimated to increase, the demand for refurbishments is expected to grow, leading to more assignments for these firms and, in turn, lead to higher B2B sales for Elektroimportøren. Revenue per store has decreased approximately 10% from its COVID-peak as a consequence of a slowdown in housing market activity. Real estate transfers are down 10% since 2021 while housing development is at a 25-year low. This decline is largely attributed to macroeconomic factors, particularly Norway's 15-year high interest rate of 4.5%. Given the strong correlation between housing mobility, real estate activity, and the Company's revenue per store, these challenging conditions have directly impacted performance. However, as inflation is set to decline in Sweden and Norway, and with the US Fed signaling a 125-Bps interest rate decrease NTM (which Nordic countries tend to follow), interest rates is expected to fall. As cutting rates is estimated to boost mobility in the housing market, Analyst Group estimates this contributing to increasing revenue per store. Subsequently, as 40% of the Company's costs are fixed while the rest is COGS, margins are expected to grow from a low point. As revenue per store is estimated to increase from NOK 56m LTM to NOK 62m by 2027, the EBIT margin is estimated to increase from 2.4% in LTM to 6.4% in 2027, and estimated to reach NOK 149m by 2027.

Strong Unit Economics is Key for Store Rollout

Strong Unit Economics Enables the Company to Roll Out New Stores

Elektroimportøren's integrated value chain, including the Namron private label and SpotOn installation service, enables strong profitability by controlling sourcing, sales and installation. Namron has historically consituted to 35% of revenue at a 55% gross margin, selling e.g., sockets and heating developed and produced by the Company, while white labels generate the remainder at a 23% gross margin, enabling the Company to maintain a 37% average gross margin over the past five years, well above competitors like Wesco and Rexel with a 20% gross margin during the same period. With all Norwegian stores profitable and an average free cash flow margin of 7% since 2020, Elektroimportøren benefits from strong unit economics, allowing a further roll out of stores in Norway and Sweden, ensuring sustainable growth via an estimated 5.1% FCF margin going forward.

Company Description

Company Description

Disciplined Management Showcasing Growth By a Superior Value Proposition Statement

Elektroimportøren AS, founded in 1994 in Oslo, has evolved from a single-store operation into a leading omnichannel retailer and wholesaler of electrical installation products, driven by strong operational execution and a skilled organization. The Company launched an e-commerce platform in 1996 and introduced the private label Namron in 2007, offering a broad range of competitively priced electrical materials, lighting, heating solutions, and smart home technologies. Growth remained measured until 2014, with just three stores, but following Herkules acquiring the Company in 2014, Elektroimportøren expanded aggressively, increasing the store count to 29 by 2024, including the acquisition of Sweden's Elbutik AB in 2022. Today, the Company operates 28 stores in Norway, one in Sweden, two online platforms, and two automated warehouses utilizing AutoStore technology, enabling fast deliveries and access to inventory. Between 2015 and 2023, revenue grew at a 21.5% CAGR, reaching NOK 1.6 billion, significantly outpacing the market's 10.8% CAGR, underscoring the strength of the business model and operational efficiency. The Company's omnichannel strategy, supported by the SpotOn platform that standardize electrical services, enhances customer engagement by connecting them with professional installers. Following Herkules' exit in 2022, Aeternum Capital has become a key financial partner, participating in the NOK 120 million private placement in 2024 to strengthen the balance sheet. Elektroimportøren maintains solid financial fundamentals, generating NOK 1.6 billion in revenue and NOK 135 million in EBITDA in 2023, and with the current balance sheet as of Q4-24 showing NOK 139m in cash, total debt of NOK 673m of which NOK 220m is a long-term mortgage. With disciplined financial management, a scalable growth model, and strong investor support, the Company is well-positioned to sustain the market leadership and drive long-term value creation in the Nordic region.

1994
The Company is founded with one store in Oslo, Norway

1996
E-commerce platform www.elektroimportoren.no is launched

2007
Namron is established, generating sales of NOK 500m in 2023

2014
Acquired by PE-firm Hercules, nationwide store rollout and growth strategy

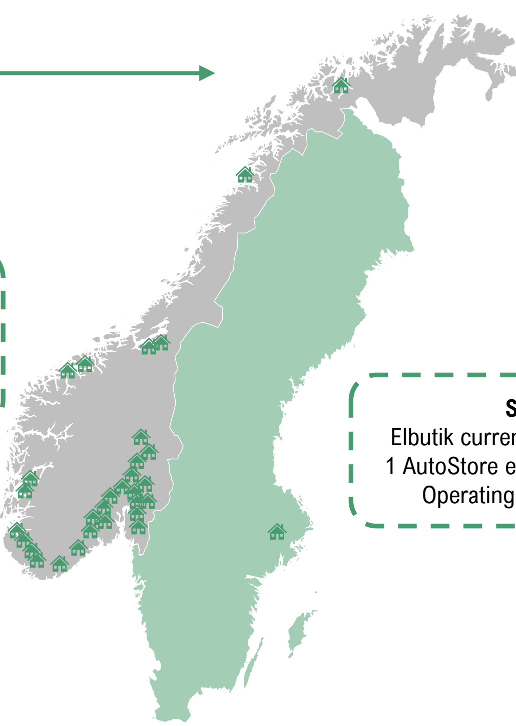
2019
Installation service SpotOn is launched, standardizing electrical services and make the Company a one-stop-shop

2020
The Company is listed on Euronext Growth Oslo under the ticker ELIMP

2022 & 2023
Elektroimportøren acquires Elbutik, enter the Swedish market and triple the total addressable market

Elektroimportøren Today

Norway
Elektroimportøren operate 28 profitable stores
1 AutoStore equipped warehouse
Operating www.elektromportoren.no



Sweden
Elbutik currently operate 1 store
1 AutoStore equipped warehouse
Operating www.elbutik.se

Market Analysis

General Retail Market Set to Return to Growth

Retail is Returning to Growth

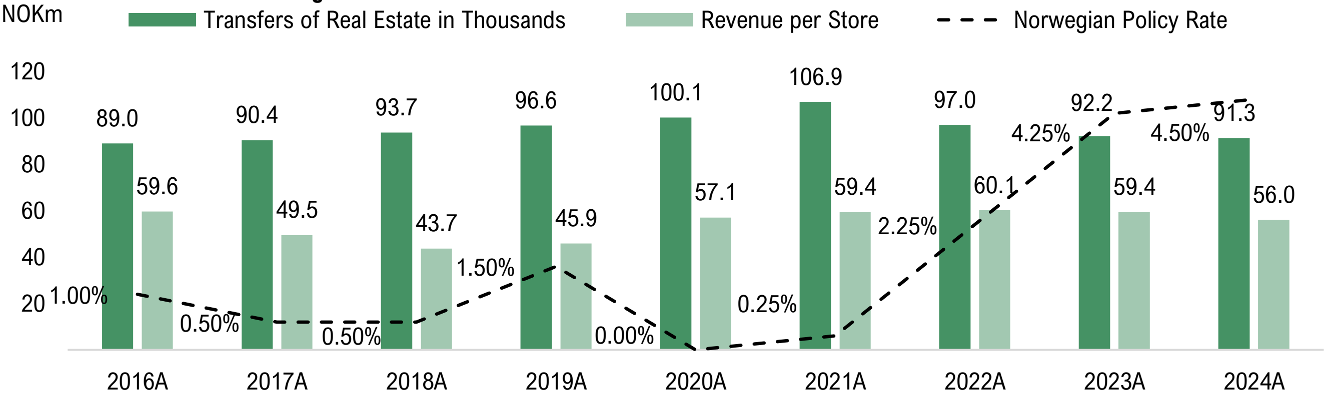
Elektroimportøren operates in Norway and Sweden within the retail sector, specializing in electrical installation products. After a surge in demand during COVID-19, the retail market has slowed, with growth declining due to rising interest rates and inflation, which have reduced customers' disposable income. In Sweden, the retail industry has seen a 10% decline in sales volume since interest rates and inflation hiked in 2022, further impacted by a post-pandemic shift in consumer spending toward travel and experiences. Both in Sweden and Norway, inflation is now declining toward the 2% target, with CPI at 2.4% LTM in Norway and 1.6% LTM in Sweden, down from peaks of 8% and 6%, respectively, over the past three years. With inflation remaining low, interest rates are expected to decline as the U.S. Fed signals a 125-bps rate cut NTM, a trend typically followed in Europe. Analyst Group estimates that lower rates will enable higher housing market mobility, this while supporting a broader recovery in consumer spending and positively impact the retail market. Looking ahead, the Nordic retail sector is expected to regain momentum in 2025, supported by improving macroeconomic conditions. According to Oxford Economics, the Nordic region is set for a cyclical upswing, driven by lower inflation, high wage growth, and strengthening consumer confidence, alongside supportive fiscal and monetary policies such as cutting interest rates. In Sweden, economic growth by GDP is projected to accelerate from 0.5% in 2024 to 3.1% in 2026, with consumption playing a key role in the recovery. This improving outlook suggests a return to favorable conditions for retailers, as rising disposable incomes and renewed consumer spending drive growth.

Robust Growth Within Electrical Goods

Strong Outlook for Electrical Goods

Industry growth is expected to be driven by advancements in smart home technology, the Internet of Things, and energy-efficient solutions, coupled with increased activity in the housing market. Innovations such as smartphone-controlled lighting systems and EV chargers that optimize charging based on electricity prices are becoming increasingly popular. Smart home features are projected to grow at a CAGR of 22% through 2032, solar panels at 20% by the end of the decade, and EV chargers at 30% through 2030. The rapid adoption of EV chargers is largely attributed to Norway's transition towards a fully electric vehicle fleet, with EVs accounting for 89% of new vehicle sales in 2024, up from 82% in 2023. Elektroimportøren is well-positioned to capitalize on these market trends by manufacturing these key products under the Namron brand, selling them at competitive prices with high margins, and offering installation services through SpotOn. This integrated model provides a strong value proposition, reinforced by in-store certified electricians, high local warehouse availability, and fast deliveries, ensuring the Company remains a key player in the evolving electrical goods market. The Company's strong value proposition, evidenced by a 4,5/5 grade by 66,000 customers, and strong unit economics combined with the market tailwinds is the foundation for a store rollout. By this setup, Analyst Group estimates growth in revenue per store at a CAGR of 3.3% through 2027, and total revenue growth at a CAGR of 13.1% through 2027 while reaching NOK 2.3bn the same year by 8 new stores in Sweden and Norway, as the total number reach 37 by 2027.

Revenue Correlates with Norwegian Transitions of Real Estate and Interest Rates



Source: Statistisk Sentralbyrå, Norges Bank and the Company

Competitive Landscape

Strong Value Proposition

Competitors within the market of electrical appliances in Norway and Sweden include Ahlsell, Onninen and Elektroimportøren. The Company places 4th in size in Norway by ambitiously serving B2B and B2C while having a niche in specializing the smaller electrical firms. The market position in Sweden is smaller as Elektroimportøren via Elbutik currently only operates one store and online. Moreover, online pure players such as Proffsmagasinet.se and department stores such as Jula or Biltema are in the field, but lack the customer service and assortment Elektroimportøren offer. Pricing is quite even between the market actors, who are all retailers of similar products, have similar number of stores and to some extent their own private labels. However, Elektroimportøren differentiates itself from peers by focusing locally, through having the best stocked local inventory, worth NOK 5m/store on average, and allow fast access to products. Furthermore, the Company have AutoStore-equipped warehouses in Norway and Sweden, thus online orders are often sent the same day as the order has been placed, and further support fast access to inventory. Moreover, the Company has longer opening hours than peers and employs electricians working in the store, enabling competent selling, reducing return rates while simultaneously creating high cost coverage. All together, this creates a strong, appreciated value proposition, showcased by the Company holding a grade of 4.5/5, far above peers ratings, in customer satisfaction based on 66,000 reviews.

Financial Forecast

Revenue Forecast 2024 - 2027

Trickle-Down Effect to SpotOn

The current revenue split is approximately 50% B2B and 50% B2C. Analyst Group expects that as B2C sales grow in response to an improving macroeconomic climate, demand will also increase for the SpotOn installation service. Several of the Company's products require professional installation, not only due to their complexity but also because insurance and warranty coverage often mandate work by a certified electrician. Additionally, the convenience and accessibility of Elektroimportøren's standardized installation services create a compelling value proposition, positioning the stores as a one-stop shop for customers looking to purchase and install electrical solutions to enhance their homes. Analyst Group anticipates that this seamless service offering will generate a network effect, further strengthening customer retention, as already evidenced by the Company's 4.5/5 rating from 66,000 customers.

Elbutik Estimated to Continuous Profitability by 2027

In Norway, the Company is estimated to launch 10 more stores selling worth NOK 20-70m per store annually. In the forecasted period the revenue per all current and new stores are estimated to NOK 62m by 2027, implying a return to volumes of sold goods in line with historical average even when not accounting for raised prices. When operating 38 stores, compared to the current 28, the Norwegian market is by Analyst Group deemed to mature, thus growing with price increases and the dwelling market as opposed to the current rollout of stores growth-strategy. Elbutik is estimated to achieve sustained EBIT profitability by 2027, derived from the two-year timeline it took to reach EBITDA profitability. Following 2027, the Company is estimated to launch two new stores in Sweden annually, bringing the total store count to 5 in Sweden by 2029. This store roll out will be fully funded through the Company's own cash flow rather than debt. With each new store requiring an investment of NOK 10 million, the total cost of launching the estimated 15 stores in Sweden and Norway amounts to NOK 150 million, of which NOK 75 million will be allocated to inventory.

Increasing Revenue per Store Enables Margin Expansion

Price increases are a standard practice in the industry, typically occurring once or twice annually. However, by COVID-19, supply chain disruptions led to a surge in costs, with building materials rising by 17.2% and electrical goods by 6.8%. Analyst Group estimates that price adjustments will normalize, reverting to historical averages of 2-4% annually going forward. The Omnichannel is central for the Company, a large part of online buys is adherent to the stores meaning that you buy online but pick the products up in the store. By this, Analyst Group has chosen to count the online sales as revenue per store and not forecast the income through the online website separately. For reference, the online orders have constituted 19% of sales historically. By the strong underlying growth in the addressed markets and by the easing macroeconomic climate, estimated to increase mobility in the housing market, it is estimated that revenue per store will increase, while margins are expected to grow from a low point through 2027. Hence, Analyst Group estimates revenue to grow at a CAGR of 13.1% through 2027 and revenue per store at a CAGR of 3.3%, which in turn enables EBIT growth from NOK 39m in 2024 to NOK 149m in 2027 as EBIT margin is estimated to rise from 2.4% LTM to 6.4% by 2027.

Cost Forecast 2024 - 2027

Strong Unit Economics and Normalized Inventory

Elektroimportøren is a retailer of electrical appliances B2C and B2B, making COGS the largest cost as % of revenue. B2C entails higher margins compared to B2B and pricing is dynamic, meaning that the Company can raise prices continuously. Within B2B prices are set via contracts, not dynamic, and often discounted by 10-50%, although goods that follow commodity prices such as copper wire are dynamic. The gross margin has decreased as B2B increased in the revenue split, as a consequence of the B2B discount, from 44.8% in 2015 to 34.5% in 2023 as B2B increased from 20% to 50%. During the same period revenue grew at a 21.5% CAGR, and the gross profit at a 18% CAGR. By this, 60% of the Company's costs are variable, COGS, while the rest are fixed and per store annually include e.g., NOK 10m in personnel, NOK 5m in other external costs and depreciation of assets at NOK 3m. Approximately 30% of sales is by the private label Namron of which Elektroimportøren achieves a gross margin of 55%, compared to white labels of which the Company achieves approximately a 23% gross margin on. Management emphasizes that the Company will not prioritize Namron sales at the expense of its broad assortment, preserving the diverse value proposition that has driven its success, rather than becoming a private-label retailer like Jula. However, Analyst Group projects a 0.5 percentage point annual increase in gross margin through 2026, reaching 36%, driven by a higher revenue share from B2C, which entails higher margins than B2B. Moreover, in 2023 the Company wrote down NOK 13m in slow-moving solar inventory. Solar, energy, and batteries are more capital-intensive and as a result, the Cash Conversion Cycle peaked at 84 days in 2023 (up from 65 in 2022), driven by weak solar and energy sales and an Easee EV charger sales halt. Going forward, CCC is expected to normalize around 60 days, supported by a higher B2C revenue share as a total, a rebound in Sweden and inventory normalization. Finally, total cost per store including D&A is estimated to grow by general price increases at a CAGR of 2% through 2029, making OPEX including D&A in total for the Company to grow at a CAGR of 10.3%, accompanied with a revenue CAGR of 13.1%, through 2029 and reach NOK 926m the same year as the Company launches 16 new stores, and the total number of stores reach 45 by 2029.

Valuation

Peer-Valuation
NOK 15.5

Peer Valuation

The Peer group comprises Nordic publicly traded companies that offer home appliances and building material B2B, B2C or a combination of the both. These companies utilize a similar business model by an omnichannel approach, reaching profitability by volume and are all set to capitalize on the easing macro-economic climate and to some extent the smart electrification of Sweden and Norway. Analyst Group employs a forward-looking EV/EBIT-multiple to evaluate the Company on a relative basis while accounting for dissimilarities in accounting principles and capital structure. Despite being smaller than peers in terms of revenue and market capitalization, Elektroimportøren stands out by an estimated clearer revenue growth strategy, estimating a revenue CAGR twice the peer median and an above peer-average EBIT margin. However, due to the smaller size to peers by revenue and market capitalization, no premium is applied, and Analyst group applies a target multiple of 11.6x EV/EBIT 2026 of NOK 112m, implying in line with peers and a potential price per share of NOK 15.5 in a Base scenario.

NOKm	MCAP	EV	Revenue LTM	Revenue CAGR LTM-2026E	EBIT margin LTM	EBIT Margin 2026E	EV/EBIT 2026E
Kjell Group AB	237	900	2,612	7.0%	0.7%	4.4%	10.6
Elon AB	367	566	4,822	5.1%	1.1%	1.8%	6.7
Komplett ASA	1,543	2,617	15,152	6.9%	-0.3%	1.7%	9.0
Byggmax AB	2,737	5,136	6,002	5.0%	2.6%	6.0%	16.6
BHG Group AB	3,484	5,539	10,061	8.4%	-0.7%	4.5%	10.5
Tokmanni Group Corp	8,495	17,906	19,138	5.4%	5.8%	7.4%	12.7
Rusta AB	11,060	16,750	11,516	8.0%	7.1%	8.2%	15.2
Clas Ohlson AB	14,295	15,740	11,207	4.3%	9.1%	9.6%	13.5
Median	3,111	5,338	10,634	6.1%	1.8%	5.2%	11.6
Average	5,277	8,144	10,064	6.2%	3.2%	5.4%	11.8
Elektroimportøren AS	677	1,210	1,627	12.5%	2.4%	5.5%	10.7

Source: The Company, Bloomberg and Analyst Group estimates

DCF-Valuation
NOK 20.9

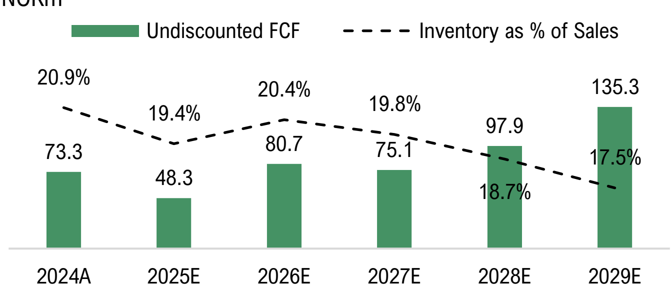
DCF-Valuation

The DCF assumptions is based on a growth period of five years, a normalized period and terminal period, constituting 45% of the EV. For the Growth Period 2024-2029 revenue is estimated to grow at a CAGR of 11.7% and for the normalized period stay flat. The long growth period is due to a longer strategic implementation of stores in Sweden and Norway affecting the business cash flow, thus long period of growth. Cost associated with starting a new store is approximately NOK 10m affecting the cash flow, with 5 million of it going to the local inventory, and making the payback-time between 2 and 3 years per new store. The terminal EBIT margin is 6.9%, rising from 2.4% LTM by the increased average revenue per store and the DCF has been conducted by a WACC of 12.4%. Furthermore, the terminal EBIT margin of 6.9% implies a terminal FCF margin of 5.1% going forward. The perpetual growth rate has been set to 2%, to represent inflation and price hikes. The DCF motivates a target multiple of 10.2x EV/EBIT 2026 of NOK 112m, implying a potential price per share of NOK 20.9 in a Base scenario.

The Company is estimated to normalize inventory and generate significant FCF

Sensitivity table and Forecasted Free Cashflow to Firm

NOKm



	Perpetual Growth Rate				
WACC / 20.9	0.0%	1.0%	2.0%	3.0%	4.0%
10.4%	23.8	25.0	26.6	28.5	31.1
11.4%	21.3	22.3	23.4	24.9	26.7
12.4%	19.3	20.0	20.9	22.0	23.3
13.4%	17.6	18.1	18.8	19.6	20.6
14.4%	16.1	16.6	17.1	17.7	18.5

Source: Analyst Group estimates

Base Scenario
NOK 18.2

Base Scenario

By equally weighting the DCF and peer-valuation, a target multiple of 11x EBIT 2026 is deemed. By applying the target multiple of 11x to the estimated EBIT of NOK 112m in 2026, a potential price per share of NOK 18.2 is motivated in a Base scenario.

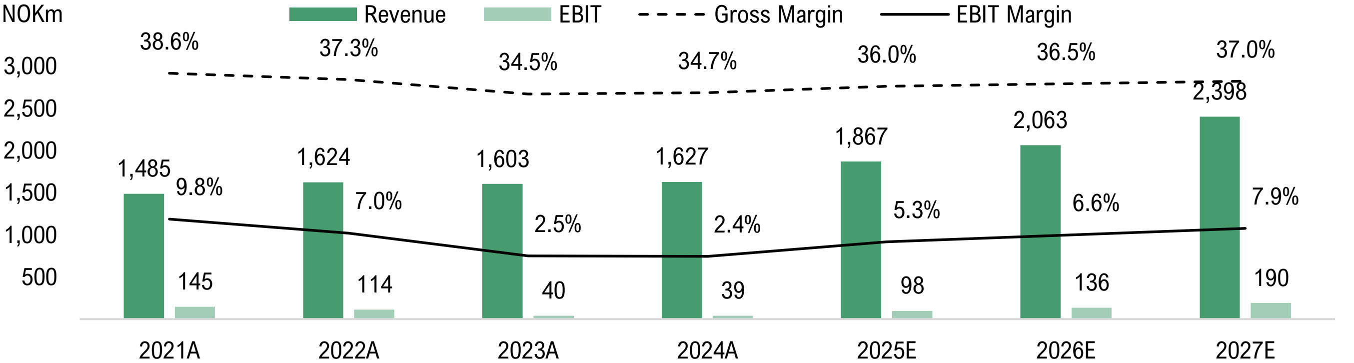
Bull & Bear

Bull Scenario
NOK 24.4

Bull Scenario

In a Bull scenario, Swedish Elbutik shows continuous profitability by 2026 and, with an accelerated roll out, Elbutik reach 8 stores by 2029. In total the Company operates 48 stores by 2029 and successfully leverages the omnichannel in the two markets, this while faster reaching scale in Sweden and utilizing the Swedish warehouse to a fuller extent. Furthermore, in a Bull scenario, the gross margin is expected to rise to 37% by 2027, compared to 36% in the Base scenario, driven by a higher B2C revenue share, as B2C carries higher margins. As private consumer demand normalizes and reverts to historical averages amid declining inflation and interest rates, the B2B-B2C revenue split is expected to return to its 2022 levels, where the gross margin reached 37%. This implies a shift back toward a revenue mix weighted more heavily toward B2C, reinforcing higher-margin sales and supporting overall profitability. By this setup, revenue per store is estimated to reach NOK 64m by 2027 compared to NOK 62m in the Base scenario. The higher revenue and gross margin create a trickle-down effect to EBIT and EBIT margin, reaching an estimated NOK 136m, corresponding to 6.6%, by 2026 compared to NOK 112m and 5.5% in a Base scenario. Through the DCF, a target multiple of 11.1x EV/EBIT 2026 of NOK 136m is motivated, while the peer table supports a target multiple of 11.6x EV/EBIT 2026 of NOK 136m. Equally weighted, a target multiple of 11.5x EV/EBIT 2026 is motivated, corresponding to a market capitalization of NOK 1,309m, implying a potential price per share of NOK 24.4 in a Bull scenario.

Bull scenario forecast



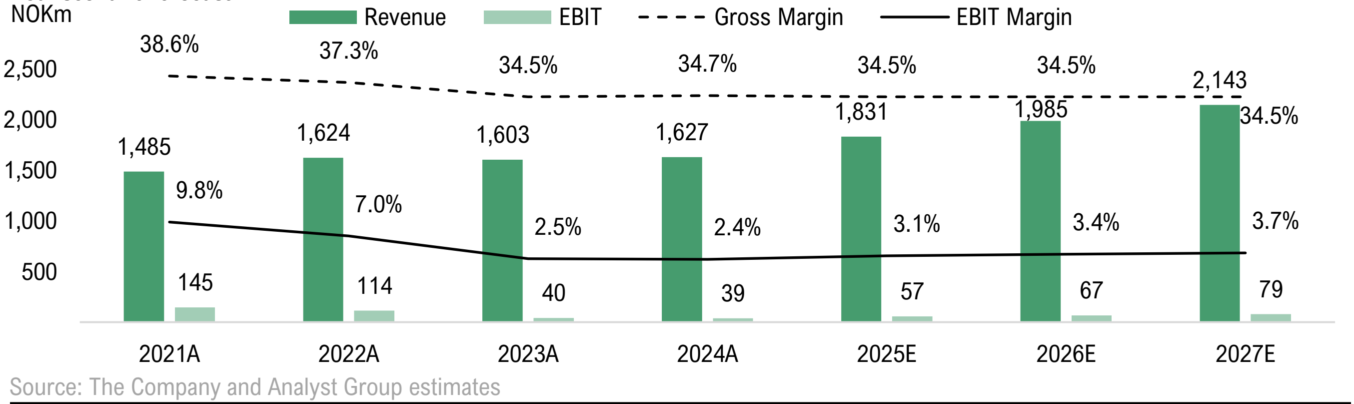
Source: The Company and Analyst Group estimates

Bear Scenario
NOK 9.7

Bear Scenario

In a Bear scenario, Swedish Elbutik does not show profitability in the forecasted period as a result of low activity in the dwelling market and low number of transitions of real estate by continuously high interest rates. By this, the Company chooses to dismantle the Swedish operation by 2026. However, the Norwegian expansion of stores reaches 39 by 2029, but reducing the total number of stores in a Bear scenario compared to the Base scenario from 45 to 39 by 2029. Furthermore, in a Bear scenario, the B2C-segment is still hesitant to return to retail, while no mobility increase in the housing market occurs as a consequence of the macro-economic headwinds interest and inflation, resulting in a flat gross margin of 34.5% from 2023 and onward. Moreover, in a bear scenario, revenue per store is expected to grow at 2% CAGR, only with annual price hikes, and Revenue in total for the Company to grow at a CAGR of 10.8% through 2027 as a consequence of the low activity in the housing market. By this setup, EBIT and EBIT margin is estimated to NOK 67m and 3.4% by 2026. Through the DCF a target multiple of 12x EV/EBIT 2026 of NOK 67m is motivated, while the peer-table motivates target multiple of 11.6x EV/EBIT 2026 of NOK 67m. Equally weighted, a target multiple of 11.8x EV/EBIT 2026 of NOK 67m is motivated, implying a potential price per share of NOK 9.7 in a Bear scenario.

Bear scenario forecast



Source: The Company and Analyst Group estimates

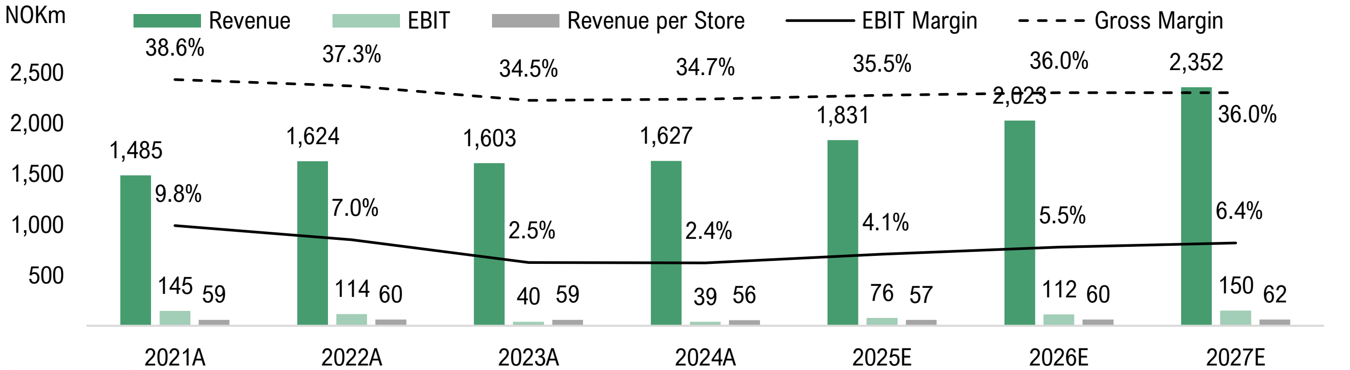
Appendix

Income Statement Base Scenario									
NOKm	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
Revenue	1,485.0	1,623.6	1,602.9	1,627.0	1,831.2	2,023.5	2,352.0	2,651.6	2,833.4
COGS	-912.3	-1,019.1	-1,051.2	-1,062.0	-1,181.1	-1,295.0	-1,505.3	-1,697.0	-1,813.4
Gross Profit	**572.7**	**604.4**	**551.7**	**565.0**	**650.1**	**728.5**	**846.7**	**954.6**	**1,020.0**
Gross Margin	38.6%	37.2%	34.4%	34.7%	35.5%	36.0%	36.0%	36.0%	36.0%
S,G&A	-350.8	-400.6	-417.7	-415.0	-468.7	-504.8	-571.9	-640.8	-680.6
EBITDA	**221.9**	**203.8**	**134.0**	**150.0**	**181.4**	**223.7**	**274.9**	**313.8**	**339.5**
EBITDA Margin	14.9%	12.6%	8.4%	9.2%	9.9%	11.1%	11.7%	11.8%	12.0%
D&A	-77.3	-92.3	-95.3	-111.0	-105.4	-112.0	-125.2	-138.4	-144.9
EBIT	**144.6**	**111.5**	**38.7**	**39.0**	**76.0**	**111.7**	**149.7**	**175.5**	**194.5**
EBIT Margin	9.7%	6.9%	2.4%	2.4%	4.1%	5.5%	6.4%	6.6%	6.9%
Net Financials	-20.4	-46.4	-56.0	4.0	-39.1	-37.3	-36.9	-36.5	-34.7
EBT	**124.2**	**65.1**	**-17.3**	**43.0**	**36.8**	**74.3**	**112.8**	**139.0**	**159.8**
Taxes	-27.3	-15.1	4.1	3.0	-8.1	-16.4	-24.8	-30.6	-35.2
Net Income	**96.9**	**50.0**	**-13.3**	**46.0**	**28.7**	**58.0**	**87.9**	**108.4**	**124.7**
Net Margin	6.5%	3.1%	-0.8%	2.8%	1.6%	2.9%	3.7%	4.1%	4.4%

Key Metrics Base Scenario	2023A	2024A	2025E	2026E
EV/S	0.67	0.74	0.65	0.59
P/S	0.2	0.36	0.36	0.33
EV/EBIT	26.3	30.7	15.8	10.7
P/E	N/A	19.3	23.0	11.4

Financial Forecast Base Scenario

NOKm



Source: The Company and Analyst Group estimates

Appendix

Income Statement Bull Scenario									
NOKm	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
Revenue	1,485.0	1,623.6	1,602.9	1,627.0	1,867.1	2,063.2	2,398.1	2,703.6	3,151.6
COGS	-912.3	-1,019.1	-1,051.2	-1,062.0	-1,195.0	-1,310.1	-1,510.8	-1,703.3	-1,985.5
Gross Profit	**573.0**	**606.5**	**553.1**	**565.0**	**672.2**	**753.1**	**887.3**	**1,000.3**	**1,166.1**
Gross Margin	38.6%	37.3%	34.5%	34.7%	36.0%	36.5%	37.0%	37.0%	37.0%
S,G&A	-350.8	-400.6	-417.7	-415.0	-468.7	-504.8	-571.9	-640.8	-742.4
EBITDA	**222.3**	**205.9**	**135.4**	**150.0**	**203.5**	**248.3**	**315.4**	**359.6**	**423.7**
EBITDA Margin	15.0%	12.7%	8.4%	9.2%	10.9%	12.0%	13.2%	13.3%	13.4%
D&A	-77.3	-92.3	-95.3	-111.0	-105.4	-112.0	-125.2	-138.4	-158.1
EBIT	**144.9**	**113.6**	**40.1**	**39.0**	**98.0**	**136.3**	**190.3**	**221.2**	**265.5**
EBIT Margin	9.8%	7.0%	2.5%	2.4%	5.3%	6.6%	7.9%	8.2%	8.4%
Net Financials	-20.4	-46.4	-56.0	4.0	-39.2	-37.4	-37.0	-36.5	-37.5
EBT	**124.6**	**67.1**	**-15.9**	**43.0**	**58.9**	**98.9**	**153.3**	**184.7**	**228.1**
Taxes	-27.3	-15.1	4.1	3.0	-13.0	-21.8	-33.7	-40.6	-50.2
Net Income	**97.2**	**52.1**	**-11.9**	**40.0**	**45.9**	**77.1**	**119.6**	**144.0**	**177.9**
Net Margin	6.5%	3.2%	-0.7%	2.5%	2.5%	3.7%	5.0%	5.3%	5.6%

Key Metrics Bull Scenario	2023A	2024A	2025E	2026E
EV/S	0.67	0.74	0.64	0.58
P/S	0.2	0.36	0.35	0.32
EV/EBIT	26.3	30.7	12.2	8.8
P/E	N/A	19.3	14.4	8.6

Appendix

Income Statement Bear Scenario									
NOKm	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
Revenue	1,485.0	1,623.6	1,602.9	1,627.0	1,831.2	1,984.6	2,143.3	2,352.9	2,575.8
COGS	-912.3	-1,019.1	-1,051.2	-1,062.0	-1,199.9	-1,300.4	-1,404.4	-1,541.8	-1,687.8
Gross Profit	**573.0**	**606.5**	**553.1**	**565.0**	**631.3**	**684.2**	**738.9**	**811.2**	**888.0**
Gross Margin	38.6%	37.3%	34.5%	34.7%	34.5%	34.5%	34.5%	34.5%	34.5%
S,G&A	-350.8	-400.6	-417.7	-415.0	-468.7	-504.8	-541.8	-579.7	-618.7
EBITDA	**222.3**	**205.9**	**135.4**	**150.0**	**162.6**	**179.4**	**197.1**	**231.4**	**269.3**
EBITDA Margin	15.0%	12.7%	8.4%	9.2%	8.9%	9.0%	9.2%	9.8%	10.5%
D&A	-77.3	-92.3	-95.3	-111.0	-105.4	-112.0	-118.6	-125.2	-131.8
EBIT	**144.9**	**113.6**	**40.1**	**39.0**	**57.2**	**67.4**	**78.6**	**106.2**	**137.5**
EBIT Margin	9.8%	7.0%	2.5%	2.4%	3.1%	3.4%	3.7%	4.5%	5.3%
Net Financials	-20.4	-46.4	-56.0	4.0	-39.1	-37.3	-35.5	-33.7	-32.0
EBT	**124.6**	**67.1**	**-15.9**	**43.0**	**18.1**	**30.1**	**43.1**	**72.5**	**105.6**
Taxes	-27.3	-15.1	4.1	3.0	-4.0	-6.6	-9.5	-16.0	-23.2
Net Income	**97.2**	**52.1**	**-11.9**	**40.0**	**14.1**	**23.5**	**33.6**	**56.6**	**82.3**
Net Margin	6.5%	3.2%	-0.7%	2.5%	0.8%	1.2%	1.6%	2.4%	3.2%

Key Metrics Bear Scenario	2023A	2024A	2025E	2026E
EV/S	0.67	0.74	0.65	0.60
P/S	0.20	0.41	0.36	0.33
EV/EBIT	26.3	30.7	20.9	17.8
P/E	N/A	19.3	47.0	28.2

Disclaimer

These analyses, documents and any other information originating from AG Equity Research AB (Henceforth “AG) are created for information purposes only, for general dissipation and are not intended to be advisory. The information in the analysis is based on sources, data and persons which AG believes to be reliable. AG can never guarantee the accuracy of the information. The forward-looking information found in this analysis are based on assumptions about the future, and are therefore uncertain by nature and using information found in the analysis should therefore be done with care. Furthermore, AG can never guarantee that the projections and forward-looking statements will be fulfilled to any extent. This means that any investment decisions based on information from AG, any employee or person related to AG are to be regarded to be made independently by the investor. These analyses, documents and any other information derived from AG is intended to be one of several tools involved in investment decisions regarding all forms of investments regardless of the type of investment involved. Investors are urged to supplement with additional relevant data and information, as well as consulting a financial adviser prior to any investment decision. AG disclaims all liability for any loss or damage of any kind that may be based on the use of analyzes, documents and any other information derived from AG.

Conflicts of Interest and impartiality
To ensure AG’s independence, AG has established compliance rules for analysts. In addition, all analysts have signed an agreement in which they are required to report any and all conflicts of interest. These terms have been designed to ensure that *COMMISSION DELEGATED REGULATION (EU) 2016/958 of 9 March 2016, supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest*. Compliance policy: https://analystgroup.se/interna-regler-ansvarsbegransning/ (Swedish)

Other
The Principal, **Elektroimportøren 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.