

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.

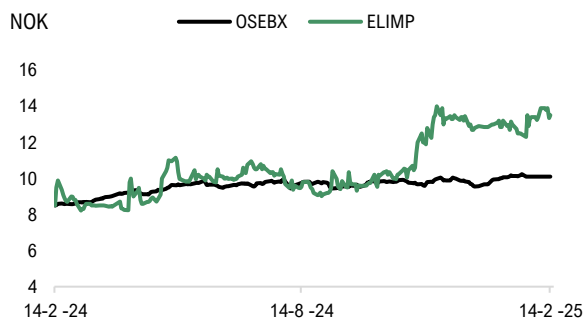
VALUATION RANGE

Bear NOK 9.7 **Base** NOK 18.2 **Bull** 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

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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.

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