

# Airthings (AIRX)



## Leading the Way in Indoor Air Quality Monitoring

Airthings ASA ("Airthings" or the "Company") provides indoor air quality ("IAQ") solutions, supported by software. Airthings operates both in B2B and B2C, with ARR projected to grow at a CAGR of 16.6% to 2026, driven by B2B customer acquisitions and service upgrades allowing price increases. In Q2-23, the Company launched the Airthings 3.0 initiative, which in 2024 developed into OneAirthings, focusing on profitability through high-margin software and D2C sales while streamlining operations. Airthings is projected to grow at a CAGR of 11.5% until 2026, driven by strong B2C momentum and regulations driving B2B growth, with sales reaching USD 48.4m. Based on a target EV/S multiple of x1.0 for 2026, a potential of 3.04 NOK per share is derived in a Base scenario.

### ▪ Increase in Awareness Regarding IAQ to Drive Demand

IAQ significantly affects health, with pollutants causing irritations, headaches, and serious conditions like cancer and heart disease. The U.S. Environmental Protection Agency found indoor pollutants to be 2–5 times more concentrated than outdoors. Airthings' premium monitors address IAQ issues, detect radon, and improve energy efficiency while offered at a competitive price, positioning the Company to benefit from rising awareness of poor IAQ risks. In Q4-24, Airthings achieved (adjusted for one-time inventory buyback) 25% y/y B2C sales growth, reflecting the growing public concern and awareness regarding IAQ. Airthings is set to continue to capitalize on this trend, driving strong growth as awareness increases, with an estimated revenue CAGR of 11.5% to 2026, reaching USD 48.4m in 2026.

### ▪ Strategic Shift Set to Drive Profitable Growth

In Q2-23, The Company launched Airthings 3.0, and in 2024, Airthings announced OneAirthings, further building on Airthings 3.0. The strategic shift focuses on enhancing operational efficiency while prioritizing subscription sales and D2C sales. Subscription sales deliver gross margins exceeding 80%, while D2C sales bypass intermediaries, further improving gross margins. The strategy is already yielding results as total sales for 2024, adjusted for one time inventory buybacks in Q4-24 grew by 7.4% y/y while OPEX, adjusted for restructuring costs in Q3-24, only grew by 2.4% y/y. Analyst Group estimates the 20% workforce reduction which is effective from Q1-25, to drive further OPEX reductions. Reductions estimated at over 2 USDm (7.0% decrease) in 2025, which, combined with an estimated revenue growth of 12% for 2025 is estimated to turn the Company EBITDA positive in H2-25.

### ▪ Regulatory Tailwinds Drive Demand

EU aims for more efficient energy-usage, as current usage wastes energy and is cost insufficient. The European Performance of Buildings Directive (EPBD) partially addresses this issue by enhancing buildings efficiency, driving demand for energy-efficient solutions, such as Airthings monitors. Airthings enable optimized energy usage, reducing temperatures during off-hours and optimizing HVAC efficiency, saving up to 40% on energy. With Airthings energy-saving features the Company is set to capitalize on regulatory directives, driving B2B revenue to USD 10.1m by 2026, a CAGR of 26% to 2026.

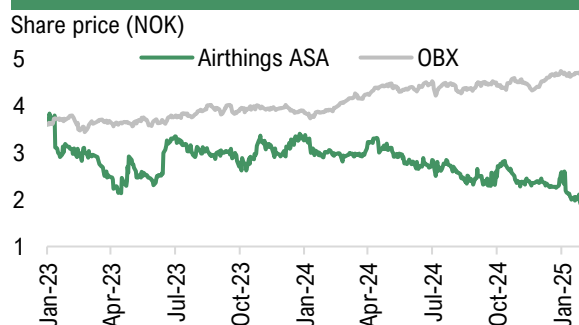
### VALUATION RANGE

**Bear** NOK 1.67      **Base** NOK 3.04      **Bull** NOK 3.86

### KEY INFORMATION

|                              |            |
|------------------------------|------------|
| Share Price NOK (2025-03-04) | 1.835      |
| Shares Outstanding           | 199.3m     |
| Market Cap (NOKm)            | 366        |
| Net cash(-)/debt(+) (NOKm)   | (66)       |
| Enterprise Value (NOKm)      | 300        |
| List                         | OsloBors   |
| Quarterly report 1 2025      | 2025-05-05 |

### SHARE PRICE DEVELOPMENT



### OWNERS (SOURCE: HOLDINGS) - INSIDER

|                         |       |
|-------------------------|-------|
| Firda AS                | 28.7% |
| Holmen Spesialfond      | 6.3%  |
| Victoria India Funds AS | 3.0%  |
| Rabakken Invest AS      | 2.9%  |
| Atlas Invest AS         | 2.8%  |

| Estimates (USDm)    | 2023A       | 2024A       | 2025E       | 2026E       |
|---------------------|-------------|-------------|-------------|-------------|
| Revenue             | 36.6        | 38.5        | 43.6        | 48.4        |
| COGS                | -14.3       | -16.8       | -16.4       | -17.4       |
| <b>Gross Profit</b> | <b>22.3</b> | <b>21.6</b> | <b>27.2</b> | <b>31.0</b> |
| Gross Margin        | 60.9%       | 56.2%       | 62.4%       | 64.1%       |
| Operating Costs     | -29.1       | -30.7       | -27.2       | -28.6       |
| <b>EBITDA</b>       | <b>-6.8</b> | <b>-9.1</b> | <b>55</b>   | <b>2.4</b>  |
| EBITDA Margin       | -18.7%      | -23.5%      | 0.1%        | 5.1%        |
| P/S                 | 1.1x        | 0.9x        | 0.8x        | 0.7x        |
| EV/S                | 1.0x        | 0.7x        | 0.6x        | 0.6x        |
| EV/EBITDA           | N/A         | N/A         | 754x        | 13x         |
| EV/EBIT             | N/A         | N/A         | N/A         | 1528x       |

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## **Other**

The Principal, **Airthings ASA** (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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