ABG SUNDAL COLLIER

# Clavister

Fast comment

Commissioned research

Not rated

IT

CLAV-SE/CLAV SS

| Share price (SEK) | 6/11/2024 | 1.45 |
|---|---|---|
| MCap (SEKm) | | 327 |
| MCap (EURm) | | 28 |
| No. of shares (m) | | 226.1 |
| Free float (%) | | 99.9 |
| Av. daily volume (k) | | 154 |

**Next event** Q3 Report 7 November 2024

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## Solid Q3, on track for positive EBIT 2025e

- EBITDA +6% vs ABGSC and EBIT turned positive in Q3
- We expect consensus to lift 2024 EBITDA by 10-15% and '25e-'26e by ~5%
- Increased conviction in positive EBIT 2025e

### Q3 details

Continued solid growth and better margins in Q3. Sales SEK 44m (-1% vs ABGSC 44m). FX adjusted growth 21% (vs ABGSC 21%). Order intake SEK 37m (+31% y-o-y), ARR SEK 127m (+10% y-o-y). EBITDA SEK 11m (+6% vs ABGSC 10m). EBIT SEK 1m (vs ABGSC -1m). Non-recurring items of SEK 1m also impacted reported EBIT and EBITDA negatively. Adjusted EBITDA was SEK 12m (25% margin). Operating cash flow SEK 2m (SEK -4m working capital) and free cash flow SEK -7m. YTD operating cash flow was SEK -1m and management guides for it to turn positive on full-year 2024. After Q3 ended, Clavister received SEK 50m before transaction fees from the warrant series TO8 (98% subscription rate), which should lead to a significant reduction of the net debt (SEK 203m in Q3).

### Preliminary estimate changes

While sales were relatively in line with expectations, profitability was stronger than expected. Moreover, with one quarter left, management is targeting an EBITDA margin over 20% for 2024 (ABGSC 16%). As such, we expect consensus to raise estimates for 2024 by 10-15% and 2025-2026 by ~5%.

### Final thoughts

The company is maintaining a solid sales trajectory while maintaining good cost control (opex expected to remain flat y-o-y for 2024 according to management), allowing the company to scale well on the cost base given ~20% sales growth and ~80% gross margins. It was also encouraging to see EBIT turning positive in Q3, which increases our conviction that Clavister will be able to deliver a positive sustainable EBIT during 2025e. Management will host a presentation of the report 9:00 CET (link).

### Deviation table

| SEKm | Q3'23 | Q4'23 | Q1'24 | Q2'24 | Q3'24 | ABGSCe Q3'24e | Deviation % | Deviation # |
|---|---|---|---|---|---|---|---|---|
| **Sales** | **38** | **48** | **44** | **45** | **44** | **44** | **-1%** | **-0.3** |
| Other income | 2 | 1 | 1 | 1 | 2 | 1 | 86% | 0.9 |
| **Total income** | **39** | **49** | **45** | **46** | **46** | **45** | **1%** | **0.5** |
| Personnel costs | -22 | -31 | -31 | -32 | -26 | -24 | 8% | -1.9 |
| Capitalised costs | 7 | 11 | 11 | 10 | 8 | 8 | -5% | -0.4 |
| Other costs | -10 | -11 | -9 | -9 | -8 | -9 | -14% | 1.3 |
| **EBITDA** | **7** | **6** | **8** | **5** | **11** | **10** | **6%** | **0.6** |
| Total D&A | -12 | -14 | -11 | -12 | -10 | -11 | -13% | 1.5 |
| **EBIT** | **-5** | **-7** | **-4** | **-7** | **1** | **-1** | **151%** | **2.1** |
| Net financials | -4 | 0 | -20 | -3 | -6 | -7 | -17% | 1.2 |
| **PTP** | **-9** | **-7** | **-23** | **-10** | **-5** | **-8** | **39%** | **3.3** |
| Tax | 0 | 0 | 0 | 0 | 0 | 0 | na | 0.0 |
| **Net profit** | **-9** | **-7** | **-23** | **-10** | **-5** | **-8** | **39%** | **3.3** |
| **Growth metrics** | **Q3'23** | **Q4'23** | **Q1'24** | **Q2'24** | **Q3'24** | **Q3'24e** | **%** | **#** |
| Sales growth y-o-y | 9% | 22% | 21% | 17% | 16% | 17% | -5% | 0.0 |
| Organic | 9% | 9% | 25% | 23% | 21% | 21% | 0% | 0.0 |
| FX | 0% | 13% | -4% | -6% | -5% | -4% | 25% | 0.0 |
| **Margins** | **Q3'23** | **Q4'23** | **Q1'24** | **Q2'24** | **Q3'24** | **Q3'24e** | **%** | **#** |
| EBITDA margin | 19% | 13% | 17% | 12% | 24% | 23% | 7% | 0.0 |
| EBIT margin | -14% | -15% | -8% | -15% | 2% | -3% | -151% | 0.0 |
| PTP margin | -23% | -14% | -53% | -23% | -12% | -19% | -39% | 0.1 |

*Source: ABG Sundal Collier, company data*

**Disclosures and analyst certifications are located on pages 4-5 of this report.**

| SEKm | 2022 | 2023 | 2024e | 2025e | 2026e |
|---|---|---|---|---|---|
| Sales | 143 | 161 | 190 | 224 | 252 |
| *Sales growth (%)* | *10.4* | *12.5* | *18.1* | *18.3* | *12.5* |
| EBITDA | -11 | 18 | 31 | 50 | 69 |
| *EBITDA margin (%)* | *-7.7* | *11.1* | *16.1* | *22.3* | *27.4* |
| EBIT adj. | -51 | -28 | -14 | 4 | 23 |
| *EBIT adj. margin (%)* | *-36.0* | *-17.5* | *-7.6* | *1.8* | *9.2* |
| Pretax profit | -113 | -65 | -52 | -9 | 15 |
| EPS | -2.00 | -1.15 | -0.23 | -0.04 | 0.07 |
| *EPS growth (%)* | *19.2* | *-42.2* | *-80.2* | *-82.7* | *-269.5* |
| EPS adj. | -2.00 | -1.11 | -0.22 | -0.04 | 0.07 |
| DPS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| EV/EBITDA (x) | -29.8 | 20.1 | 16.5 | 10.1 | 7.0 |
| EV/EBIT adj. (x) | -6.4 | -12.7 | -35.3 | 124.9 | 20.9 |
| P/E (x) | -0.7 | -1.3 | -6.3 | -36.5 | 21.6 |
| P/E adj. (x) | -0.7 | -1.3 | -6.5 | -36.5 | 21.6 |
| EV/sales (x) | 2.30 | 2.22 | 2.66 | 2.26 | 1.92 |
| FCF yield (%) | -74.8 | -35.3 | -9.1 | 1.0 | 8.3 |
| Le. adj. FCF yld. (%) | -80.7 | -41.4 | -10.5 | -0.4 | 6.9 |
| Dividend yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net IB debt/EBITDA (x) | -22.4 | 15.5 | 5.8 | 3.6 | 2.3 |
| Le. adj. ND/EBITDA (x) | -16.2 | 15.1 | 5.7 | 3.5 | 2.1 |

*Source: ABG Sundal Collier, Company Data*

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