ABG SUNDAL COLLIER

I-Tech

Proposed non-renewal of Selektope in the EU

- European Commission drafts proposal for non-renewal of Selektope
- Limited impact on near-term estimates, EU ~2% of total sales
- Voting expected to occur some time in H1'26, final decision in mid-26

European Commission drafts proposal for non-renewal of Selektope

This morning, I-Tech issued a press release stating that the European Commission has drafted a proposal for the non-renewal of Medetomidine (Selektope). The draft implementation act, which is yet to be published, will be discussed at the Standing Committee on Biocidal Products (SCBP) meeting taking place at 10 December. Several steps need to be completed before the final decision is made, and I-Tech expects voting on the implementation act to occur some time in H1'26. We expect a final decision in mid-26.

Limited impact to near-term estimates

In the event of an EU ban, the direct effects on I-Tech would be relatively minor, given that the EU currently accounts for around 2% of I-Tech's sales and ~10% of its TAM.

Remain positive on long-term prospects

We believe it is likely that the draft will be approved, however, we remain positive on the company's long-term outlook given its small exposure to the EU market. That said, there is always a risk that a ban could have a negative impact on I-Tech's attempts to enter other markets, such as the US (although this is a small market), or on re-application processes in regions where it has already achieved approval (most importantly Japan, South Korea, China). There is also the risk that paint companies may be deterred from using Selektope in other markets as well.

Fast comment

Commissioned research

Not rated

Chemicals

ITECH-SE/ITECH SS

Share price (SEK)	26/11/2025	66.80
MCap (SEKm)		801
MCap (EURm)		73
Net debt (SEKm)		-135.73
No. of shares (m)		12.0
Free float (%)		55.0
Av. daily volume (k)		5

Next event Q4 Report 5 February 2026

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SEKm	2023	2024	2025e	2026e	2027e
Sales	121	179	174	209	251
Sales growth (%)	*44.5*	*48.5*	*-3.0*	*20.1*	*20.0*
EBITDA	31	54	51	73	96
EBITDA margin (%)	*26.0*	*29.9*	*29.5*	*34.8*	*38.3*
EBIT adj.	24	52	43	64	93
EBIT adj. margin (%)	*20.2*	*29.0*	*24.9*	*30.8*	*37.0*
Pretax profit	25	49	45	68	98
EPS	1.70	3.28	3.04	4.50	6.46
EPS growth (%)	*91.0*	*92.9*	*-7.4*	*48.0*	*43.5*
EPS adj.	2.13	4.08	3.40	4.90	6.46
DPS	1.50	1.75	1.19	1.80	2.58
EV/EBITDA (x)	22.7	12.9	12.9	8.6	5.8
EV/EBIT adj. (x)	29.2	13.4	15.2	9.7	6.1
P/E (x)	39.3	20.4	22.0	14.9	10.3
P/E adj. (x)	31.3	16.4	19.6	13.6	10.3
EV/sales (x)	5.89	3.87	3.80	2.98	2.24
FCF yield (%)	4.1	4.4	7.1	6.7	10.2
Le. adj. FCF yld. (%)	4.1	4.4	7.1	6.7	10.2
Dividend yield (%)	2.2	2.6	1.8	2.7	3.9
Net IB debt/EBITDA (x)	-2.7	-1.9	-2.7	-2.5	-2.5
Le. adj. ND/EBITDA (x)	-2.6	-1.7	-2.7	-2.5	-2.5

Source: ABG Sundal Collier, Company Data

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