

Long-term Sales Drivers are Intact

In Q2-23, STENOCARE delivered a sales growth of 279% Y-Y, amounting to DKK 1.7m with a stable cost development. However, sales growth was under our expectations due to a delay from agencies regarding approval of new products as well as slower sales than expected in international markets. The delay is expected to affect sales growth for the rest of 2023 as STENOCARE's balanced oil is expected to obtain approval in the end of 2023. This, in combination with other sales drivers such as entering the German market in Q2-23 and a potential launch of the Company's premium products, is expected to accelerate sales growth from 2024. With estimated net sales of DKK 59.2m by 2025, and with an applied P/S multiple of 5x, a potential present value per share of DKK 10.2 (13.9) is derived in a Base scenario.

▪ Slower Sales Growth due to Delays from Agencies

STENOCARE's net sales amounted to DKK 1.7m (0.5) in Q2-23, corresponding to a growth of 279% Y-Y. The development in sales is below our expectations and is, among other things, attributable to a delay from medicinal agencies regarding approving the Company's products, for instance a balanced oil on the Danish market, which needs approval again as STENOCARE has a new supplier compared to when it was commercially active in 2018/2019. This product has historically represented +50% of the sales volume, why we expect sales growth to accelerate once the new balanced oil is approved, expected in the end of 2023.

▪ Growth in Prescriptions in Denmark

Despite the balanced oil being delayed, data from the Danish Medicines Agency shows that there has been a growth in the number of patients using medical cannabis since the Company obtained approval for their THC oil (early 2022) and CBD oil (early 2023) respectively. No other oil product has been approved in this period, why we assume that the patient growth is primarily attributable to STENOCARE's products entering the market, something that is expected to accelerate further when the balanced oil obtains approval.

▪ Updated Valuation Range

As the figures for the first half-year of 2023 is now presented, STENOCARE's net sales have developed below our expectations. This, in combination with a delay in approval for the balanced oil, which will affect the Company for the rest of 2023, has resulted in an update of our financial forecasts and valuation range in all scenarios. However, we see several growth drivers that are expected to materialize during 2024, including a ramp up in sales in the newly entered German market and a potential launch of the Company's own premium products, why we still estimate strong revenue growth going forward. In connection with this, we have switched target year for our valuation, why a P/S multiple is applied on 2025 years estimated sales, as STENOCARE is expected to have reached a larger part of the Company's potential. However, we still see, given today's share price, that an investment in STENOCARE invites to an attractive risk reward.

VALUATION RANGE

Bear
DKK 2.4

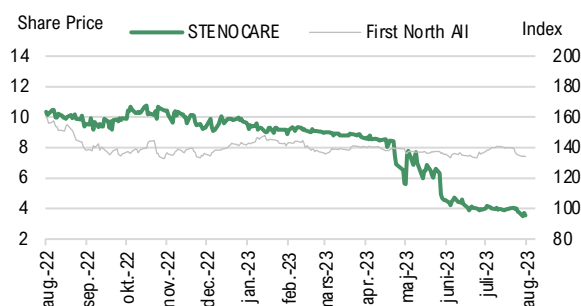
Base
DKK 10.2

Bull
DKK 14.1

STENOCARE

Share Price (2023-08-23)	3.55
Shares Outstanding	15,102,124
Market Cap (DKKm)	53.6
Net cash(-)/debt(+) (DKKm)	1.5
Enterprise Value (DKKm)	55.1
List	Nasdaq First North Growth Market
Interim Report Q3 2023	2023-11-09

STOCK DEVELOPMENT



TOP SHAREHOLDERS

Steno Group ApS (Rolf Steno, CCO)	11.1%
MS Kjør Holding ApS (Søren Kjør, COO)	10.8%
Prana Holding ApS (Thomas S. Schnegelsberg, CEO)	10.4%
Others	67.7%

Estimates (DKKm)	2022A	2023E	2024E	2025E
Revenue	4.5	7.8	24.1	59.2
Net sales growth	138%	73%	210%	146%
Other external expenses	-10.9	-11.4	-19.1	-32.5
Share of revenue (%)	-243%	-147%	-79%	-55%
Personnel expenses	-6.8	-7.0	-8.6	-14.4
EBITDA	-13.2	-10.7	-3.7	12.3
EBITDA margin	-294%	-138%	-15%	21%
P/S	11.9	6.9	2.2	0.9
EV/S	12.3	7.1	2.3	0.9
EV/EBITDA	-4.2	-5.1	-15.0	4.5
EV/EBIT	-3.3	-3.9	-7.5	6.5

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Other

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