

Strong Revenues Despite a Tough Climate

During H1-23, Movinn A/S (“Movinn” or the “Company”) delivered revenues relatively in line with our expectations but with higher costs than estimated, as a result of lower demand leading to higher vacancy rates. The macroeconomic headwinds that have contributed to this outcome are anticipated to persist to some extent throughout 2023, gradually subsiding thereafter in 2024, which is estimated to result in an improved profitability thereafter. With an estimated EBITDA of DKK 10.4m in 2024, an applied target multiple of EV/EBITDA 15x, and a discount rate of 11.4%, a net present potential value per share of DKK 7.5 (10.2) is derived in a Base scenario.

▪ Challenging Market Conditions Affects the Performance

Movinn’s net revenue amounted to DKK 20.7m (17.8) in Q2-23, corresponding to a growth of 16% Y-Y, slightly below our estimate of DKK 22.5m. The Company is still experiencing a lower demand than expected due to the current macroeconomic climate as well as several large clients ending projects in Odense, leading to project-related staff not being on assignment in the city. Going forward, we expect a continued challenging market in 2023, leading to higher vacancy rates, hence affecting profitability negatively. However, we expect demand to gradually improve from early 2024, which, in combination with Movinn’s new strategy of taking on larger projects, is expected to improve profitability.

▪ Continued Strong Revenue per Unit

The revenue per unit amounted to DKK 186k in H1-23, divided into DKK 198k on the Danish units and DKK 88k on the Swedish units, compared to DKK 178t in H1-22. The higher revenue per unit is a strong performance according to Analyst Group considering that vacancy rates were much higher in H1-23, 16.7% compared to 9.5% in H1-22. Hence, we expect, as vacancy rates are estimated to decrease from 2024, that Movinn can deliver a revenue per unit in the higher end of the Company’s guidance of DKK 180-225t.

▪ Updated valuation range

With the H1-23 report presented, it is evident that Movinn has performed below our expectations regarding profitability, which can be attributed to a lower-than-anticipated demand. Given the Company’s performance in the first half of the year, as well as the prospects concerning demand in the forthcoming quarters, we have revised our financial forecasts in this analysis update. However, we see the lower profitability in 2023 as an unusual event, as margins has been, and is expected to be, stronger than during 2023. Consequently, in this update, our potential value per share is derived with an EV/EBITDA multiple applied on 2024’s EBITDA compared to 2023’s EBITDA in previous updates, as this is considered to give a better view of Movinn’s fair value according to Analyst Group. As a result of this, in combination with the updated financial forecasts, we have adjusted our valuation range for all three scenarios: Base, Bull, and Bear.

VALUATION RANGE

Bear
DKK 2.1

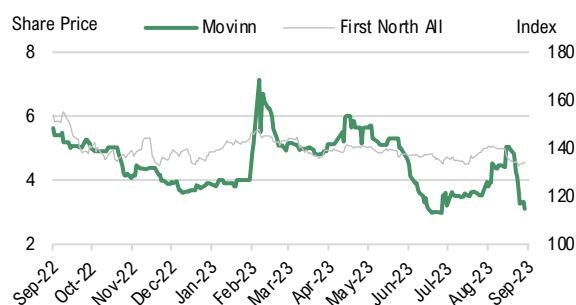
Base
DKK 7.5

Bull
DKK 9.4

MOVINN

Share Price (2023-08-31)	3.28
Shares Outstanding	16,735,542
Market Cap (DKKm)	54.9
Net cash(-)/debt(+) (DKKm)	12.4
Enterprise Value (DKKm)	67.3
List	Nasdaq First North Growth Market
Q3 interim report	2023-11-03

STOCK DEVELOPMENT



TOP SHAREHOLDERS (SOURCE: ANNUAL REPORT)

MAC Invest ApS	55.7%
Raymond Blok Holding ApS	16.7%
Dane Capital A/S	10.8%
HSCB Trinkhaus and Burkhardt AG	5.3%

Estimates (DKKm)	2022	2023E	2024E	2025E
Revenue	73.3	84.4	105.9	132.3
Variable costs	-54.2	-65.0	-77.3	-95.9
Fixed costs	-4.4	-3.8	-4.3	-5.3
Staff costs	-8.9	-11.8	-12.9	-14.0
Other operating expenses	-1.1	-1.0	-1.1	-1.1
EBITDA	4.8	3.0	10.4	16.1
EBITDA margin	6%	4%	10%	12%
P/S	0.7	0.7	0.5	0.4
EV/S	0.9	0.8	0.6	0.5
EV/EBITDA	14.2	22.7	6.5	4.2
EV/EBIT	neg.	neg.	14.8	7.0
P/E	neg.	neg.	23.0	8.8

Disclaimer

These analyses, documents and any other information originating from AG Equity Research AB (Henceforth "AG") are created for information purposes only, for general dissipation and are not intended to be advisory. The information in the analysis is based on sources, data and persons which AG believes to be reliable. AG can never guarantee the accuracy of the information. The forward-looking information found in this analysis are based on assumptions about the future, and are therefore uncertain by nature and using information found in the analysis should therefore be done with care. Furthermore, AG can never guarantee that the projections and forward-looking statements will be fulfilled to any extent. This means that any investment decisions based on information from AG, any employee or person related to AG are to be regarded to be made independently by the investor. These analyses, documents and any other information derived from AG is intended to be one of several tools involved in investment decisions regarding all forms of investments regardless of the type of investment involved. Investors are urged to supplement with additional relevant data and information, as well as consulting a financial adviser prior to any investment decision. AG disclaims all liability for any loss or damage of any kind that may be based on the use of analyzes, documents and any other information derived from AG.

Conflicts of Interest and impartiality

To ensure AG's independence, AG has established compliance rules for analysts. In addition, all analysts have signed an agreement in which they are required to report any and all conflicts of interest. These terms have been designed to ensure that *COMMISSION DELEGATED REGULATION (EU) 2016/958 of 9 March 2016, supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest*. Compliance policy: <https://analystgroup.se/interna-regler-ansvarsbegransning/> (Swedish)

Other

This analysis is a task analysis. This means Analyst Group has received payment for doing the analysis. The Principal, **Movinn A/S** (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 parts that the Company has been able to influence are the parts that are purely factual and objective.

The analyst does not own shares in the Company.

This analysis is copyright protected by law © AG Equity Research AB (2014-2023). Sharing, dissemination or equivalent action to a third party is permitted provided that the analysis is shared unchanged.