

STENOCARE (STENO)



Strong Patient Growth in Denmark

The number of patients continued to grow strongly during Q3-23 for STENOCARE A/S ("STENOCARE" or "the Company") which resulted in actual sales of DKK 2.3m. The reported net sales amounted to DKK 0.2m but included a large product return from Norway of DKK 2.1m, which we consider as a one-of occasion. Adjusted for the product return, EBITDA amounted to DKK -1.7m, the best in a quarter since Q1-19 and we estimate STENOCARE to reach break-even by the end of 2024. With estimated net sales of DKK 66.6m by 2026, and with an applied P/S multiple of 5x, a potential present value per share of DKK 9.4 (10.2) is derived in a Base scenario.

Actual Sales Amounted to DKK 2.3m in Q3-23

The reported net sales of DKK 0.2m was affected by a return of products from Norway amounting to DKK 2.1m, which was delivered in Q4-22. Excluding the product return, sales in Q3-23 amounted to DKK 2.3m (0.3), corresponding to a growth of 686% Y-Y, albeit from low levels. The large product return is not desirable, but we expect returns of this size to be a one-off occasion. Excluding the large return from Norway, STENOCARE continues to grow through strong patient growth in Denmark.

Continues to Operate With a Stable Cost Base

Operating costs amounted to DKK 4.9m in Q3-23, compared to DKK 5.2m in the preceding quarter, why we believe STENOCARE continues to develop with a stable cost base. The EBITDA amounted to DKK -1.7m, adjusted for the returned products, which is the best result since Q1-19 and a step towards the estimated break-even by the end of 2024.

TO 1 is Important for the Liquidity

STENOCARE's cash positions amounted to DKK 5m at the end of Q3-23 and based on an estimated burn rate of DKK -0.7m per month, STENOCARE would be financed until early Q2-24, everything else equal. However, the cash position could be strengthened by DKK 3.7-7.8m in gross proceeds through exercise of warrants of series TO 1 in December, with an exercise price between DKK 3.21-6.70. It should also be noted that the Company has convertible bonds maturing on January 1st, 2024, of DKK 7m. However, these can be refinanced or extended, which would delay the maturity, or converted to equity at a share price between DKK 10.89 to 12.13.

Updated Valuation Range

With figures for Q3-23 presented and an updated guidance from STENOCARE, we have updated our financial forecasts. We have lowered our expectations in international markets as the ramp-up in sales has been slower than estimated. However, we still see continued strong growth in Denmark, break-even at the end of 2024 and a big potential in the Company's international markets. In this update, we have also switched target year for our valuation to 2026, as STENOCARE is expected to have reached a larger part of the Company's potential, which, in combination with the updated forecasts results in an updated valuation range in all scenarios.

VALUATION RANGE

Bear
DKK 2.3

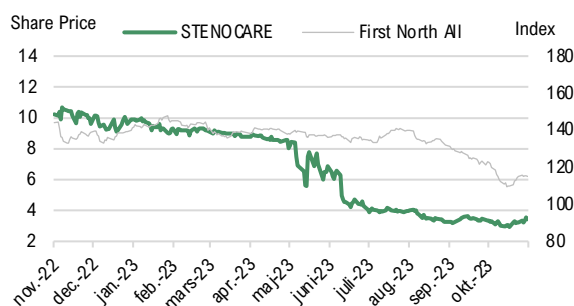
Base
DKK 9.4

Bull
DKK 13.2

STENOCARE

Share Price (2023-11-13)	3.39
Shares Outstanding	15,102,124
Market Cap (DKKm)	51.2
Net cash(-)/debt(+) (DKKm)	3.3
Enterprise Value (DKKm)	54.5
List	Nasdaq First North Growth Market
Year End Report	2024-02-22

STOCK DEVELOPMENT



TOP SHAREHOLDERS (SOURCE: INTERIM REPORT)

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)	2023E	2024E	2025E	2026E
Revenue	6.5	16.5	37.6	66.6
Net sales growth	176%	154%	128%	77%
Other external expenses	-10.4	-14.0	-23.8	-36.8
Share of revenue (%)	-160%	-85%	-63%	-55%
Personnel expenses	-6.4	-6.8	-9.1	-13.5
EBITDA	-10.3	-4.3	4.8	16.2
EBITDA margin	-158%	-26%	13%	24%
P/S	7.9	3.1	1.4	0.8
EV/S	8.4	3.3	1.4	0.8
EV/EBITDA	-5.3	-12.8	11.5	3.4
EV/EBIT	-4.0	-6.9	59.1	4.5

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Other

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