

# Insplorion AB (publ)

SECTOR: TECHNOLOGY

## Lågt nyhetsflöde genom turbulent makro

- Ökade räntehöjningar, inflation och Rysslands invasion i Ukraina har bidragit till turbulens på de globala kapitalmarknaderna. Insplorion har i år handlats ned med 43,7 % till ett börsvärde om 105 MSEK med en kassa på 43,6 MSEK, vilket ger ett EV om 62,6 MSEK. Mot bakgrund av fjolårets operationella utveckling med flertalet studier som påvisar Insplorions sensorteknologi tror vi att bolaget har potential att visa på en högre aktivitet under resten av året.
- Insplorion slöt under Q1 2022 ett avtal om ytterligare ett kundfinansierat industriellt pilotprojekt, med ett ordervärde om 250,000 SEK inom vätgas segmentet. Projektet går ut på att undersöka förutsättningarna inom en specifik typ av process där förekomsten av vätgas i specifika koncentrationer är centralt för slutresultatet. Därtill har Insplorion ingått ett hyresavtal gällande ett instrument med en ny kund under Q1 2022. Vidare fortsätter bolaget sin kommersialiseringssfas samt växa instrumentaffärerna med ökad satsning på försäljning och kundanpassning.
- Insplorions försäljning inom forskningsinstrument är oftast beroende av utfallet från kunders anslagsfinansiering vilket är en vertikal bolaget inte kan kontrollera. Bolagets resultatutveckling är fortsatt negativ till följd av ökade utvecklingskostnader anslutet till produktutveckling samt förstärkning av organisationen.
- Bolaget visade en svag försäljning under kvartalet men med ökade kundpiloter ser vi positivt på utvecklingen inför resten av året. Insplorion kom in på ett rörelseresultat om -4,5 MSEK (-3,7) med en kassa om 43,6 MSEK (59,4).

## Estimatförändringar – Vi justerar våra estimat efter förändrad makrosituation

- Ränteökningar har bidragit till att teknikbolagen nu handlas till lägre multiplar, i linje med ett generellt svagt klimat för aktier. De flesta tillväxtbolag inom teknik listade på Nasdaq First North har upplevat en nedgång under Q1 2022. Med Insplorions senaste aktienedgång anser vi ger en intressant risk reward profil.
- Vi gör vissa justeringar efter Q1-2022 rapporten och förändrar motiverat värde om 17-30 SEK (19-34) per aktie. De underliggande orsakerna inkluderar ökade räntor vilket leder till en högre WACC om 19 % (18,3 %). På lång sikt ser vi fortfarande att caset är intakt och med en ökad aktivitet inom vätgas och batterisen-sorer ser vi fortsatt möjlighet till licensavtal mellan 2023-2025 för Insplorion.

### UPDATE REPORT

This report was completed and disseminated on  
May 25, 2022 at 10:00 CET

#### RATING

Base scenario	SEK 23
Conservative scenario	SEK 17
Confident scenario	SEK 30

#### EQUITY RESEARCH ANALYST

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#### DATA

Ticker	INSP
ISIN	SE0006994943
Share price (SEK)*	8.0*
Market cap (SEKm)	105
Net debt (SEKm)**	(42.1)
EV (SEKm)	62.6
No. of shares	13.1
Free float (%)	96.70

Share price, 20 May 2022\*  
Net debt based on financials 31 March 2022\*\*

#### OWNERSHIP STRUCTURE

Shareholders	Capital & votes %
Avanza Pension	7.63
Mikael Hägg	3.81
Hans Olov Olsson	3.12
Chalmers Tekniska Högskola	2.93
Other	82.51
<b>Total</b>	<b>100.00</b>

#### SHARE PRICE DEVELOPMENT, 3 MONTHS



Financials (SEKm)	2021A	2022E	2023E	2024E	2025E
Operating revenue	6.5	7.1	9.0	19.8	46.2
EBITDA	-10.9	-17.8	-18.9	-10.3	10.1
EBITDA margin	neg.	neg.	neg.	neg.	22 %
EBIT	-11.4	-18.1	-19.3	-16.4	3.9
EBIT margin	neg.	neg.	neg.	neg.	8 %
Sales Growth	nm	9 %	27 %	119 %	134 %
Metrics	2021A	2022E	2023E	2024E	2025E
EV/Sales	9.6x	8.8x	6.9x	3.2x	1.4x
EV/EBITDA	neg.	neg.	neg.	neg.	6.2x
EV/EBIT	neg.	neg.	neg.	neg.	16.1x

## Appendix (Finansiellt)

### Resultaträkning 2020 – 2025e

Income Statement (SEKm)	Hist.	Hist.	Proj.	Proj.	Proj.	Proj.
	2020	2021	2022	2023	2024	2025
Operating revenue	2.9	6.5	7.1	9.0	19.8	46.2
Capitalized expenses	4.6	3.1	4.5	5.0	7.0	8.1
<b>Total Revenue</b>	<b>7.5</b>	<b>9.6</b>	<b>11.6</b>	<b>14.0</b>	<b>26.8</b>	<b>54.4</b>
COGS	-0.5	-0.5	-1.4	-1.9	-1.9	-3.5
<b>Gross profit</b>	<b>7.0</b>	<b>9.1</b>	<b>10.1</b>	<b>12.1</b>	<b>24.9</b>	<b>50.8</b>
Sales and marketing	-8.9	-10.9	-13.5	-14.5	-15.8	-18.5
Logistics	0.0	0.0	-0.2	-0.3	-0.6	-1.4
Technology costs	0.0	0.0	0.0	-0.9	-3.0	-6.9
General and Admin	-10.3	-9.0	-14.2	-15.4	-15.8	-13.9
<b>EBITDA</b>	<b>-12.2</b>	<b>-10.9</b>	<b>-17.8</b>	<b>-18.9</b>	<b>-10.3</b>	<b>10.1</b>
Depreciation	-0.4	-0.6	-0.3	-0.4	-0.2	-0.2
Amortization	0.0	0.0	0.0	0.0	-5.8	-6.1
<b>EBIT</b>	<b>-12.6</b>	<b>-11.4</b>	<b>-18.1</b>	<b>-19.3</b>	<b>-16.4</b>	<b>3.9</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net interest income / expense	-0.2	-0.2	-0.1	-0.1	-0.5	-0.9
<b>PBT</b>	<b>-12.8</b>	<b>-11.6</b>	<b>-18.2</b>	<b>-19.4</b>	<b>-16.9</b>	<b>3.0</b>
Tax expense	0.0	0.0	0.0	0.0	0.0	-0.7
<b>Net income</b>	<b>-12.8</b>	<b>-11.6</b>	<b>-18.2</b>	<b>-19.4</b>	<b>-16.9</b>	<b>2.3</b>
<b>Ratios</b>						
Sales growth	nm	122%	9%	27%	119%	134%
Gross margin	83%	92%	80%	79%	90%	92%
EBITDA margin	neg.	neg.	neg.	neg.	neg.	19%

### Balansräkning 2020 – 2025e

Balance Sheet (SEKm)	Hist.	Hist.	Proj.	Proj.	Proj.	Proj.
	2020	2021	2022	2023	2024	2025
<b>Current Assets</b>						
Cash and cash equivalents	67.9	49.5	33.5	12.7	20.6	38.6
Non-cash current assets	1.1	2.1	3.5	4.5	5.9	13.9
<b>Total Current Assets</b>	<b>69.0</b>	<b>51.7</b>	<b>37.0</b>	<b>17.2</b>	<b>26.6</b>	<b>52.4</b>
<b>Non-current Assets</b>						
Net PP&E	0.6	0.5	0.9	1.2	1.0	0.8
Intangible assets	16.6	19.2	24.1	29.1	30.3	32.4
Other assets	1.5	0.7	0.2	0.2	0.2	0.2
<b>Total Non-Current Assets</b>	<b>18.6</b>	<b>20.4</b>	<b>25.2</b>	<b>30.5</b>	<b>31.5</b>	<b>33.3</b>
<b>Total Assets</b>	<b>87.6</b>	<b>72.1</b>	<b>62.2</b>	<b>47.7</b>	<b>58.0</b>	<b>85.8</b>
<b>Liabilities</b>						
Short-term debt	2.2	0.7	0.7	0.7	0.7	0.7
Non-debt current liabilities	1.6	0.9	3.7	4.7	10.3	23.1
Other long-term liabilities	10.9	8.1	14.2	18.1	19.8	32.4
Long-term debt	2.3	1.7	1.7	1.7	21.7	21.7
Tax liability	0.0	0.1	0.1	0.1	0.1	0.1
<b>Total Liabilities</b>	<b>17.0</b>	<b>11.5</b>	<b>20.3</b>	<b>25.3</b>	<b>52.5</b>	<b>77.9</b>
<b>Equity</b>						
Capital	123.4	124.4	124.4	124.4	124.4	124.4
Retained earnings	-52.8	-63.8	-82.5	-102.0	-118.9	-116.5
<b>Total Equity</b>	<b>70.6</b>	<b>60.6</b>	<b>41.8</b>	<b>22.4</b>	<b>5.5</b>	<b>7.9</b>
<b>Total Liabilities &amp; Equity</b>	<b>87.6</b>	<b>72.1</b>	<b>62.2</b>	<b>47.7</b>	<b>58.0</b>	<b>85.8</b>

### Kassaflöde 2020 – 2025e

	Hist. 2020	Hist. 2021	Proj. 2022	Proj. 2023	Proj. 2024	Proj. 2025
<b>Cash Flow (SEKm)</b>						
<b>Net Income</b>	-12.8	-11.6	-18.2	-19.4	-16.9	2.3
Depreciation	0.4	0.6	0.3	0.4	0.2	0.2
Amortization	0.0	0.0	0.0	0.0	5.8	6.1
(Inc) dec in operating working capital	7.1	-3.7	1.3	0.0	4.2	4.9
Inc (dec) other long-term liabilities	0.0	0.0	6.1	3.9	1.7	12.6
(Inc) dec in other long-term assets	0.0	0.0	-0.5	0.0	0.0	0.0
<b>Cash Flow from Operations</b>	-5.3	-14.7	-10.9	-15.1	-5.0	26.0
Capital expenditure	-0.2	0.0	-0.6	-0.8	0.0	0.0
Capitalized expenses	-4.6	-3.3	-4.5	-5.0	-7.0	-8.1
Cash Flow from Investing	-4.7	-3.3	-5.1	-5.7	-7.0	-8.1
Inc (dec) in long-term debt	-0.1	-2.1	0.0	0.0	20.0	0.0
Inc (dec) in capital	54.3	3.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash Flow from Financing</b>	54.2	0.9	0.0	0.0	20.0	0.0
<b>Net Cash Flow</b>	44.2	-17.1	-16.0	-20.8	8.0	17.9
Cash balance beginnig of year	23.7	67.9	50.8	34.8	14.0	22.0
Cash balance end of year	67.9	50.8	34.8	14.0	22.0	39.9

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Name	Owns shares in Insplorion (Yes/No)	No. of shares
Naventus Corporate Finance AB	Yes	35,000

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