

Equity Research | FOM TECHNOLOGIES: Ready for takeoff

FOM is active in the small but fast growing market for coating solutions to the renewable energy sector. The client list reveals a market leading position. We expect continued double-digit revenue growth with bottom-line profits.

Hypergrowth market

We estimate FOM's addressable market to grow by 40-50% annually in the coming 5 years. The strong growth is a function of high demand and a small base. We estimate FOM's addressable market to be worth USD ~20m which could grow to USD ~128m by 2026. We forecast FOM's sales to grow in line with the market from DKK 24m in 2021 to DKK 77m in 2024 (CAGR +47%) with Net profits increasing from DKK 1.6m to DKK 4.6m during the same period.

Market leading position

The client list includes XEROX, First Solar (PV), Rivian (EV), Livent (Lithium batteries), and the US Department of Energy. Why do global corporations buy coating machines from a small Danish company? We believe it is because they provide the best product i.e., FOM is the market leader in our view.

Base case Fair value DKK 55.00/shr.

Our Base case DCF Fair value is DKK 55.00/shr., which assumes a terminal EBIT margin of 15%. We believe FOM could be in the beginning of a long-term above normal growth journey driven by the renewable energy industry's need for new coating solutions.

Read the full report here https://www.emergers.se/fom_a/

This is a equity research collaboration with Enlight Research.
For more information see <https://www.enlightresearch.net>

Contact

Johan Widmark
johan@emergers.se



About Emergers

This is a press release from Emergers.

DISCLAIMER

Information provided here or on Emergers' website emergers.se is not intended to be financial advice. Emergers receives compensation for writing about the company in question. The company has been given the opportunity to influence factual statements before publication, but forecasts, conclusions and valuation reasoning are Emergers' own. Articles of analysis shall not be construed as a recommendation or solicitation to invest in the companies described. Emergers cannot guarantee that the conclusions presented in the analysis will be met. Emergers cannot be held liable for either direct or indirect damages caused by decisions made on the basis of information in this analysis. Investors are encouraged to seek additional information as well as consult a financial advisor prior to any investment decision.

For more information and complete terms, please see emergers.se.

Attachments

[Equity Research | FOM TECHNOLOGIES: Ready for takeoff](#)