

AGTIRA: Solid ending to 2023 before scaleup in 2024

After several commercial contracts signed in 2023, Agtira ended the year with a strong cash position and only a few passing weaknesses in the report for Q4'23. Along with the contract with Swedish LIDL signed last month, worth some SEK 400m over 10 years, we now look forward to a scaleup in 2024. With a steep increase in cultivated area over the coming years, we expect Agtira to reach close to SEK 100m in ARR by the end of the year, with good prospects for profitability in 2025. Overall, we continue to find support for a fair value of SEK 14-16 per share.

Slightly lower capacity utilization in Q4

Due to replanting necessitated by a plant disease at the facility in Härnösand, the capacity utilization amounted to 69%, which can be compared to 87% the year before. This resulted in revenues that were slightly lower than we had anticipated, with full year sales at SEK 35.5m as opposed to our forecast of SEK 39.6. EBIT amounted to a loss of SEK -33m, slightly stronger than our estimate at SEK -35m. Following the rights issue concluded in Q4'23, cash position is now at SEK 47m (net cash SEK 33m) meaning that the company should be financed until positive cash flow can be reached.

Several significant launches in the coming two years

We now look forward to the establishment of three new production facilities, the ICA Maxi in Haninge, the Greenfood system in Boden, and the Coop Nord system in Umeå. Should these three be completed in 2024 that would mean a basis of almost SEK 97m in annual recurring revenue (ARR) towards the end of the year. This would then be followed by the establishment of a 10,000 square meter production facility for LIDL Sverige's all 205 stores, which would add another estimated SEK 40m in annual sales (Est 4m in sales / 1,000 sqm equals SEK 400m in revenue of the 10-year contract length).

Strong outlook in the Nordics

Although the Swedish market alone holds the potential to propel Agtira into the realm of a billion SEK company, the company is strategically looking towards long-term expansion into the Nordic countries. An initial LOI with a Norwegian retailer was signed in 2022. With robust ownership backing, Agtira is poised to make 2024 the year where the growth story truly takes off. All in all, we continue to find support for a fair value range of SEK 14-16 per share.

Read the full report here: https://www.emergers.se/agtira_t24/

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

[AGTIRA: Solid ending to 2023 before scaleup in 2024](#)