

Market: OMXC Small Cap

Ticker: GREENM

Share price (DKK): 34.0

Market cap (DKKm): 182.7

Net debt (DKKm): 148.9 (Q2 2024)

Enterprise value (DKKm): 331.6

## Share information



YTD: -5.8% 1 year: -7.9%  
1 month: 11.8% 3 years: -69.1%

Note: We apply the closing price from 11 October 2024 (Source: Capital IQ)

## Financials

(DKKm)	2022**	2023**	2024E***
Revenue	75.6	94.6	120.0-130.0
Revenue growth	21%	25%	27% to 37%**
EBITDA	-14.7	-6.8	N/A
EBITDA margin	-19.4%	-7.2%	N/A
Profit before tax	-38.9	-49.1	N/A**
Pre-tax profit margin	-51%	-52%	N/A
Cash	43.6	36.2	N/A
Interest-bearing debt*	201.4	171.6	N/A

Note: \*Interest-bearing debt includes lease liabilities. \*\*Not all numbers are comparable after restatements. \*\*\*GreenMobility's own guidance for 2024.

## Valuation multiples

	2022	2023	2024E*
P/S (x)	2.6	2.0	1.5
EV/Sales (x)	4.7	3.5	2.7
EV/EBITDA (x)	-24.2	-48.2	N/A
EV/EBIT (x)	-9.8	-8.2	N/A
P/E (x)	-5.2	-3.9	N/A
P/B (x)	3.0	18.8	N/A
P/CF (x)	-4.0	-13.7	N/A

Note: Multiples for 2022 and 2023 are based on historical numbers. \*Multiples in 2024E are based on midpoint in GreenMobility's own guidance.

## Company description

Founded in 2016, GreenMobility is a car-sharing company within Mobility-as-a-Service. The company operates a fleet of approx. 1,400 electric vehicles with activities in Copenhagen and Aarhus. GreenMobility's smart app solution allows users to open and rent cars by using their smartphones. Following a period focused on growth and international expansion, the company has now shifted its focus to driving profitable growth in the home market while exploring new business opportunities here.

## Investment case

GreenMobility taps into megatrends such as the sharing economy, sustainability, and urbanization, with electrical cars being a transportation activity and service in cities rather than an asset. The company has opened up to target the rental market. In the capital region of Denmark, +26k<sup>1</sup> rental cars are registered vs. GreenMobility's current fleet of 1,400. This could increase the addressable market and the utilization of the existing fleet.

Since 2023, GreenMobility has continuously adapted its strategy focusing on profitable growth. As a result, markets outside Denmark have been closed. The company's primary market is Copenhagen after the exit of its main competitor in late 2023.

Looking at the Q3 2024 results, GreenMobility grew revenue from its continuing operations by 92% YoY. In Q3 2024, net income from continuing operations was DKK 2.4m. As a result, the profitable growth strategy seems achievable in the continuing business (DKK 1.4m for the first nine months of 2024). In 2024, GreenMobility expects net profit from continuing operations of DKK 2-12m.

Looking at valuation, GreenMobility trades at 2.5x EV/Sales (2024E) based on its current revenue guidance (midpoint). This implies that GreenMobility is valued above the broad peer group of listed companies based on the median EV/Sales (2024E) multiple of 1.3x. With the expectations of profitability, the relative valuation may shift to earnings multiples in the coming years.

<sup>1</sup>Danmark Statistik, <https://www.statbank.dk/BIL707>

## Key investment reasons

On a macro level, the growing focus on green car-sharing solutions to address air pollution, traffic congestion, and reach net zero carbon emissions, is expected to support GreenMobility's growth.

In 2024, the focus is on restoring investor confidence and aligning better with the preferred sentiment of profitable growth. Furthermore, this lays a foundation to build new business opportunities. Following the first nine months of 2024 with positive net profit from continuing operations, the 2024 guidance seems achievable, especially as Q4 is seasonal strong.

Despite a significant fleet expansion in Copenhagen, GreenMobility has not seen clear signs of a cannibalization effect yet. After an increase of 8% YoY (Q3 2024) in the revenue per car in Copenhagen, there could be a potential to continue expanding its fleet in Copenhagen. The opportunities could be further highlighted when a strategy update is communicated.

## Key investment risks

Other competitors can choose to seize the opportunity created by the closure of the biggest competitor in Copenhagen. However, this risk is mitigated by the high price of growth capital, industry profitability focus, and a first-mover/dominant position. According to the company, there have not been additional cars added from competitors based on parking slots.

In the short to medium term, price fluctuations on EVs create a risk of losses on the current fleet and could delay the potential for lowering cost per car by replacing the fleet with cheaper new models. Looking ahead, the company has changed its strategy on new fleet additions by no longer carrying the risk on prices.

Lower-than-expected economic growth and falling consumer sentiment could lower the transportation demand in Denmark. This could affect GreenMobility's profitability and cash flow expectations and potentially lead to the risk of further capital requirements.

## Peer group

Company	Currency	Price (local)	Total return YTD (%)	Market Cap (EURm)	Net debt (EURm)	EV/Sales (x) 2023	EV/Sales (x) 2024E	Revenue growth (%) 2023	Revenue growth (%) 2024E	EV/EBITDA (x) 2023	EV/EBITDA (x) 2024E
Donkey Republic A/S	DKK	6.50	23.8%	21.1	3.9	1.3	1.3	70%	28%	16.3	8.3
Uber Technologies Inc	USD	86.34	40.2%	165,668.0	1,734.1	3.5	4.3	17%	16%	32.0	28.8
Lyft Inc	USD	13.60	-9.3%	5,094.5	-504.3	1.2	0.9	8%	28%	24.0	14.8
<b>Average</b>			<b>18.3%</b>	<b>56,927.9</b>	<b>411.2</b>	<b>2.0</b>	<b>2.1</b>	<b>32%</b>	<b>24%</b>	<b>24.1</b>	<b>17.3</b>
<b>Median</b>			<b>23.8%</b>	<b>5,094.5</b>	<b>3.9</b>	<b>1.3</b>	<b>1.3</b>	<b>28%</b>	<b>24%</b>	<b>24.0</b>	<b>14.8</b>
<b>GreenMobility A/S</b>	<b>DKK</b>	<b>34.00</b>	<b>-5.8%</b>	<b>24.5</b>	<b>20.0</b>	<b>3.5</b>	<b>2.7</b>	<b>25%</b>	<b>32%*</b>	<b>N/A</b>	<b>N/A</b>

Note: We apply GreenMobility's own 2024 revenue guidance (midpoint) and Donkey Republic's own 2024 guidance (midpoint). Other estimates are based on analyst mean estimates from Capital IQ. Data is extracted from 11 October 2024, and net debt is latest reported. Source: HC Andersen Capital, company reports, and Capital IQ. \*GreenMobility is not directly comparable after restatements and closure of markets. GreenMobility's EV/EBITDA (2023) is marked N/A as this number is negative.

# Appendix: Peer group

**Peer group selection:** GreenMobility operates in a highly dynamic market with several different players. In this overview, we primarily apply GreenMobility's prospectus from the Main Market listing in 2020. Even though GreenMobility mainly operates in the free-floating car-sharing market, the free-floating market is affected by competition from other on-demand mobility segments like micro-mobility, stationary, and car-hailing. For perspectives on valuation multiples, the peer group contains listed companies within the micro-mobility and car-hailing market. We exclude some companies, as we cannot find or extract updated and relevant financial information on these.

Below, we have shortly described the companies used in the peer group for perspective. Note that some companies are significantly larger than GreenMobility, and the peer group landscape may change and vary across geographies.

DonkeyRepublic Holding A/S: Looking at the Danish stock market, Donkey Republic operates in the micro-mobility segment, providing an end-to-end bike-sharing solution. For perspective in the peer group, it is assumed that GreenMobility and Donkey Republic meet some of the same needs for residents in larger cities who want to quickly transport themselves over shorter distances.

Uber Technologies Inc: As shown in GreenMobility's Main Market prospectus, Uber operates in the car-hailing market in competition with local taxi companies. Note also that Uber is significantly larger than GreenMobility, implying that the company is less comparable. However, the car-hailing market affects the free-floating car-sharing market, why the comparison contributes to perspective in the peer group analysis.

Lyft Inc: Like Uber, Lyft operates in the car-hailing market and is significantly larger than GreenMobility. Lyft is the second-largest ride-sharing service provider in North America after Uber, connecting riders and drivers over the Lyft app.

**Estimates and assumptions:** Some of the data in the peer group has not been calculated by HC Andersen Capital but is instead consensus analyst estimates from Capital IQ. HC Andersen Capital assumes no responsibility for the correctness of the numbers in the peer group; however, considers Capital IQ a credible source of information.