

Market: OMXC Small Cap

Ticker: ASTK

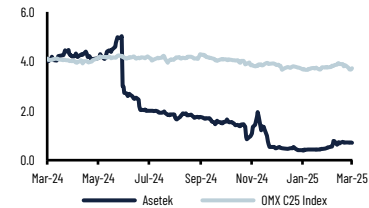
Share price (DKK): 0.72

Market cap (DKK): 229m

Net debt (DKK): 135m

Enterprise value (DKK): 364m

## Share information



YTD 48.2% 1 year: -82.3%  
1 month: 35.8% 3 years: N/A

Note: \*We apply the closing price from 14 March 2025. Index rebased to March 2024. Share data reflects listing in Copenhagen. Source: S&P Capital IQ

## Financials

USDm	2023	2024	2025E*
Revenue	76.3	52.5	52 - 58
Revenue growth	50.7%	-31.2%	-1% to 10%
Adj EBITDA	15.9	0.3	1.5 - 3.0 <sup>(2)</sup>
Adj EBITDA margin	20.8%	0.5%	3-5%
Operating income	9.4	-19.2 <sup>(1)</sup>	N/A
Operating margin	12.3%	N/A	N/A
Net income	6.0	-23.9	N/A
Net income margin	7.9%	N/A	N/A
Net debt	9.3	18.8	N/A

Note: \*Asetek's own 2025 guidance. 1) Includes USD 13.8m impairment cost 2) Rounded to nearest USD 0.5m based on guidance of 3-5% Adj. EBITDA margin.

## Valuation multiples

	2023	2024	2025E*
P/S (x)	0.7	0.6	0.6
EV/Sales (x)	0.8	1.0	1.0
EV/Adj EBITDA (x)	4.1	N/A	23.9
EV/Adj EBIT (x)	6.9	N/A	N/A
P/E (x)	9.3	N/A	N/A
P/B (x)	0.1	0.8	N/A
P/CF (x)	0.6	27.5	N/A

Note: Multiples for 2023 and 2024 are based on historical numbers from S&P Capital IQ. \*Multiples in 2025 are based on Asetek's own mid-point guidance

## Company description

Asetek is a Danish tech company focused on the design, manufacture, and sale of gaming hardware. It is a leading producer of liquid cooling solutions for major PC and Enthusiast gaming brands; selling B2B to the OEM producers. The company is also ramping up SimSports activities, where Asetek produces a range of high-end and upper mid-market SimSports products for sim racing. Asetek is listed on the Nasdaq Copenhagen, switching from the Oslo Børs in 2024.

## Investment case

Asetek has faced volatile demand since Covid-19, initially surging during lockdowns, followed by weakness in 2022, a rebound 2023, and weakening again in 2024. Over the mid/long term Asetek's liquid cooling and SimSports activities are supported by digitalization, with SimSports forecast to grow at 13.7%<sup>(1)</sup> annually.

A changing liquid cooling market structure in 2024, due to lower-cost Chinese entrants, a large customer switch to dual sourcing, and market weakness, reduced the potential for cash flows from liquid cooling to fully finance SimSports investments. A resulting rights issue in Dec 2024 raising gross DKK 88m (around USD 12m) has strengthened the financial position as Asetek builds towards its mid-term ambitions for SimSports revenues of USD +50m and positive (single-digit) EBITDA margins, while growing liquid cooling revenues back to around USD 50m with >25% adj. EBITDA margin.

An agreement with a leading PC manufacturer and a new global PC upgrade cycle can power a return to liquid cooling growth expected from 2026. Despite facing weaker profitability in liquid cooling, ongoing solid cash flow can support investment in the fast-growing SimSports market, where Asetek aims to be a market leader.

Asetek trades at a significantly lower EV/Sales to peers, reflecting weaker profitability and recent dilutive capital raises. Showing stable cash generation and an improving balance sheet in 2025 can be a trigger for valuation improvement.

<sup>1</sup>Asetek Annual Report 2024, via Statista

<sup>2</sup><https://www.marketsandmarkets.com/Market-Reports/racing-simulator-market-247895850.html>

## Key investment reasons

SimSports activities continue to develop positively with 34% revenue growth FY2024. Continued strong development despite broader gaming hardware weakness is a positive signal. Asetek's recent partnership with Xbox to develop console-compatible products significantly expands the SimSports market opportunity, and while the timeline toward profitability is uncertain the market size and appetite for Asetek's products is growing.

Improving macro conditions, including lower interest rates and inflation, alongside a global PC upgrade cycle may lift demand for premium gaming hardware. New agreements also provide some sales visibility into 2025 and 2026, supporting growth expectations.

Asetek's market value has adjusted lower following its weaker earnings level and recent capital raise. Delivering at or above its 2025 guidance while demonstrating continued growth momentum in SimSports can be triggers for a revaluation.

## Key investment risks

Asetek announced projections for a USD 20m cash shortfall following weaker liquid cooling earnings outlook. Its Dec 2024 rights issue raised over half of this amount but could suggest further dilutive capital raises for Asetek in the future.

The changing liquid cooling market structure primarily due to new lower-cost producers makes for a less certain outlook. While Asetek's introduction of a mid-market product can combat the entrants, margins may face further pressure. There is also a risk that Asetek fails to capture a sizeable share of the SimSports market and/or that the industry does not develop as expected.

Asetek's customers are highly concentrated, with 61% of FY2024 revenues from its top three customers. A larger customer exited the market in 2024, and other customers switched to dual-sourcing impacting sales. Asetek is thereby exposed to third-party risks as it doesn't sell directly to end-user markets.

## Peer group

Company	Price	Total return	Market cap	EV	EV/Sales		EV/EBITDA		EV/EBIT		Revenue growth	
	(local)	YTD	(EURm)	(EURm)	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025	2024	2025E
Fractal Gaming Group AB	SEK 37	10.1%	98	94	1.5	1.3	15.3	9.4	21.8	12.8	-14%	19%
Corsair Gaming, Inc.	USD 10.5	59.2%	1,014	1,147	0.7	0.8	34.2	13.9	N/A	16.8	-12%	16%
Micro-Star International Co., Ltd.	TWD 169	-6.8%	4,029	3,381	0.7	0.5	14.8	8.2	17.2	9.3	8%	19%
Turtle Beach Corporation	USD 13.6	-21.7%	250	333	1.4	0.9	16.9	5.2	28.7	8.4	40%	6%
<b>Median</b>		<b>1.7%</b>	<b>632</b>	<b>740</b>	<b>1.0</b>	<b>0.9</b>	<b>16.1</b>	<b>8.8</b>	<b>21.8</b>	<b>11.0</b>	<b>-2%</b>	<b>17%</b>
<b>Asetek A/S</b>	<b>DKK 0.72</b>	<b>48.2%</b>	<b>30</b>	<b>48</b>	<b>0.5</b>	<b>0.6</b>	<b>NM</b>	<b>23.9</b>	<b>N/A</b>	<b>N/A</b>	<b>-31%</b>	<b>5%</b>

Note: Data from 16/03/2025

Source: S&P Capital IQ

Estimates and assumptions: The data in the peer group concerning the peer companies has not been calculated by HC Andersen Capital but is instead consensus analyst estimates S&P Capital IQ. Some peers have no or limited analyst cover; hence N/A shows for some data points. HC Andersen Capital assumes no responsibility for the correctness of the numbers in the peer group; however, considers S&P Capital IQ a credible source of information.

## **Peers Group overview:**

Peer group overview: Asetek's peer group consists of companies engaged in the manufacture of gaming hardware and SimSports equipment. Corsair is a leading competitor to Asetek in the liquid cooling segment, while Endor is a market leader within sim racing sim equipment manufacture. Asetek's peers generally share a greater market cap than Asetek, but we feel comparison remains appropriate.

Fractal Gaming Group: is a Swedish company that operates in the gaming and esports industry. The company designs and manufactures a wide range of gaming peripherals, including cases, power supplies, cooling solutions, and other PC components, with a primary focus on premium PC cases for gamers. Fractal is a customer of Asetek's liquid cooling systems, as a core component to Fractal's liquid cooling systems.

Corsair Gaming: is a US-based company that designs, manufactures, and sells high-performance gaming peripherals and hardware. The company's products include gaming keyboards, mice, headsets, and PC components such as cooling systems, power supplies, and memory modules. Corsair Gaming primarily targets gamers and PC enthusiasts and also offers a range of products and services for streaming and content creation, such as microphones and webcams. Corsair develops a liquid cooling system in partnership with Asetek's leading competitor CoolIT.

Micro-star International: also known as MSI, is a Taiwan-based multinational electronics company that specialises in computer hardware. The company's products include motherboards, graphics cards, laptops, desktops, and other gaming peripherals. MSI is a well-known brand in the gaming industry, and its products are aimed at gamers and PC enthusiasts. The company has a strong presence in Asia, Europe, and North America, and it has a significant market share in the gaming motherboard and graphics card markets.

Turtle Beach Corp: is a US-listed gaming hardware equipment producer. It is the market leader for gaming headsets in the US, also producing SimSports hardware, including eRacing since 2024 (entry level), and other segments include PC gaming accessories and gaming controllers. Turtle Beach Corp sells its products globally under its own brand.