

Shape Robotics

Market: OMXC Small Cap

Ticker: SHAPE

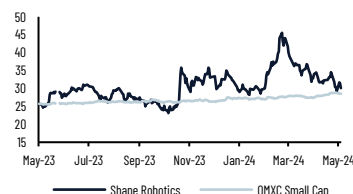
Share price (DKK): 30.1

Market cap (DKKm): 453.5

Net debt (DKKm): 42.1 (Q1 2024)

Enterprise value (DKKm): 495.6

Share information



YTD: 1.0% 1 year: 17.1%
1 month: -11.5% Since IPO* 207.1%

Note: *Shape Robotics' IPO date was 25 June 2020 (subscription price of DKK 9.80). We apply the closing price from 29 May 2024 (source: Nasdaq).

Financials

DKKm	2022	2023	2024E**
Revenue	87.4	171.2	>300.0
Revenue growth	392%	96%	>75%
EBITDA	5.1	16.9*	>25.0
EBITDA margin	6%	10%	8%
Net income	-4.3	2.6	N/A
Net income margin	-5%	2%	N/A
Cash	4.7	1.7	N/A
Interest-bearing debt	34.2	57.2	N/A

Note: *Shape Robotics' 2023 adjusted EBITDA (EBITDA before non-recurring costs). **Shape Robotics' 2024 guidance.

Valuation multiples

	2022	2023	2024E*
P/S (x)	3.2	2.4	1.5
EV/Sales (x)	3.5	2.8	1.7
EV/EBITDA (x)	59.5	29.5	19.8
EV/EBIT (x)	N/A	64.5	N/A
P/E (x)	N/A	166.4	N/A
P/B (x)	6.2	3.3	N/A
P/CF (x)	N/A	N/A	N/A

Note: Multiples for 2022 and 2023 are based on historical numbers. *Multiples in 2024E are based on Shape Robotics' guidance.

Company description

Shape Robotics is a Danish educational technology (EdTech) company. Originally, Shape Robotics developed the Fable robot system. After several acquisitions and partnerships in recent years following new market opportunities, the company has transformed into a global provider of educational technology and intelligent classroom solutions, including hardware and software. Currently, Shape Robotics has its strongest presence in Central- and Eastern European countries.

Investment case

After Shape Robotics' transformation from being solely a developer of its Fable robots to a provider of EdTech technology that started in 2021, the investment case is driven by the company's ability to scale and expand its activities at sustainable margins.

Shape Robotics has taken advantage of the EU's Recovery and Resilience Plan which includes a significant focus on investments in education and digitalization. In Shape Robotics' largest market, Romania, the company has more or less secured its 2024 revenue guidance of a minimum of DKK 300m through large announced orders which are expected to be delivered during the year.

Shape Robotics has recently announced its 2027 strategic plan with financial goals of reaching a net revenue of DKK 1bn at the latest in 2027 with an EBITDA margin in the range of 12-15%. The financial goals rely on further penetration in European countries, replicating its model and strategy from Romania, as well as expansion into new large markets such as India and China.

Looking at valuation, Shape Robotics trades at EV/Sales of 1.7x (2024E) and EV/EBITDA of 19.8x (2024E) based on its minimum guidance. The selected peer group of larger Danish growth companies trades at 1.8x EV/Sales (2024E) and 13.4x EV/EBITDA (2024E). However, Shape Robotics targets significant growth above the peer group and trades at 3.7x EV/EBITDA (2027G) based on the 2027 goal of DKK 1bn and EBITDA margin of 13.5% (midrange goal).

Key investment reasons

The short- and mid-term outlook is supported by its pipeline and announced orders as well as the acquisition of Skriware in Poland, accelerating the company's European expansion.

With the strong execution in Romania and the Republic of Moldova, the acquisition of Skriware in Poland, as well as several partnerships with global technology companies such as Samsung Electronics and Lenovo, Shape Robotics is in a good position to continue ramping up its activities across markets. This is driven by significant investments in education and digitalization by institutions and governments (grants).

If Shape Robotics proves to develop new products and succeed in its launched subscription-based educational intelligence assistant (AI assistant), investors may value the case higher due to the nature of the recurring revenue and thereby an increased value of an installed base.

Key investment risks

As Shape Robotics is in a scaling phase with ambitions of accelerating its market expansion and reach DKK 1bn in revenue, Shape Robotics invests heavily and ties up much capital to deliver on large orders and projects. Even though the company has already completed several capital raises with success to continue the expansion, there is a risk for additional capital raises over the coming years, which potentially can have a diluting effect for existing shareholders.

Shape Robotics completed its acquisition of Skriware on 1 January 2024. An acquisition such as this with +20 FTEs in a new market always bears some common M&A risks. However, the Q1 2024 report underlined that the integration has been finalized, and the former CFO of Skriware is now the Group CFO of Shape Robotics which could be an important factor concerning alignment across the group.

Selected peer group of Danish growth companies

Company	Total return		Market cap (DKKm)	Net debt (DKKm)	EV/Sales (x)		EV/EBITDA (x)		Revenue growth (%)		EBITDA (DKKm)	
	YTD	2024E			2023	2024E	2023	2024E	2023	2024E		
FOM Technologies	-15.8%		222.4	-39.2	2.9	2.5	63.6	N/A	45%	-7%	3.5	-3.0
OrderYOYO*	0.3%		705.6	31.1	2.9	2.6	28.6	16.2	38%	13%	25.6	45.5
Penneo*	12.2%		281.6	-10.5	2.6	N/A	-26.7	36.1	23%	N/A	-8.7	7.5
Scandinavian Medical Solutions*	-5.7%		192.5	35.0	1.1	1.0	10.1	10.6	73%	15%	21.1	21.5
WindowMaster*	15.9%		76.3	64.7	0.5	0.5	6.9	5.2	-1%	9%	19.0	27.0
Median of selected companies	0.3%		222.4	31.1	2.6	1.8	10.1	13.4	38%	11%	19.0	21.5
Shape Robotics*	1.0%		453.5	42.1	2.8	1.7	28.3	19.8	96%	75%	16.9	25.0

Note: Selected peer group of larger Danish growth companies (there is no close EdTech peers listed). For 2024E, we apply Shape Robotics' and other companies guidance (midpoint in ranges). Market capitalizations are from 29 May 2024, and we apply the latest reported cash and debt (we include leasing liabilities). *HC Andersen Capital currently receives payment from companies with * for a Corporate Visibility/Digital IR subscription agreement. Source: HC Andersen Capital and company reports (manually collected).