

Shape Robotics

Market: OMXC Small Cap

Ticker: SHAPE

Share price (DKK): 37.5

Market cap (DKKm): 527.0

Net debt (DKKm): 55.5 (Q4 2023)

Enterprise value (DKKm): 582.5

Share information



YTD: 25.8% 1 year: 89.9%
1 month: 32.0% Since IPO* 282.7%

Note: *Shape Robotics' IPO date was 25 June 2020 (subscription price of DKK 9.80). We apply the closing price from 7 March 2024 (source: Nasdaq).

Financials

DKKm	2022	2023*	2024E**
Revenue	87.4	171.2	>300.0
Revenue growth	392%	96%	>75%
EBITDA	5.1	16.1	>25.0
EBITDA margin	6%	9%	8%
Net income	-4.3	2.5	N/A
Net income margin	-5%	1%	N/A
Cash	4.7	1.7	N/A
Interest-bearing debt	34.2	57.2	N/A

Note: *Shape Robotics' interim 2023 results.
**Shape Robotics' 2024 guidance.

Valuation multiples

	2022	2023	2024E*
P/S (x)	3.2	2.4	1.8
EV/Sales (x)	3.5	2.8	1.9
EV/EBITDA (x)	59.5	29.5	23.3
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 midpoints.

Company description

Shape Robotics is a Danish educational technology (EdTech) company. Originally, Shape Robotics developed the Fable robot system. After acquisitions and partnerships in recent years, the company has transformed itself to be a distributor of technology classroom concepts, including hardware and software, for educational institutions with sales across regions. Currently, Shape Robotics has its strongest presence in Central- and Eastern European countries.

Investment case

Following Shape Robotics' transformation from being a developer of its Fable robots to a distributor of EdTech technology rooms 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, among others, secured a framework agreement of at least EUR 40m (with some delivered in 2023).

Looking ahead, Shape Robotics has recently announced its 2027 strategic plan "Preparing today's generation for the future". The company's financial goals are to reach 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, as well as potential expansion into new markets such as UAE, Saudi Arabia, the US, India, and/or China.

Looking at valuation, Shape Robotics trades at EV/Sales of 1.9x (2024E) and EV/EBITDA of 23.3x (2024E) based on its minimum guidance. This is above the selected peer group of Danish growth companies, explained by Shape Robotics' significantly higher growth rates. Looking ahead, Shape Robotics trades at an EV/EBITDA of 4.3x (2027G) based on its 2027 goal of DKK 1bn and EBITDA margin of 13.5% (midrange of goal).

Key investment reasons

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 Europe and achieve an attractive profitability level over the coming years. This is supported by the company's own 2027 financial goals.

The short- and mid-term outlook is supported by its pipeline and announced orders as well as the acquisition in Poland, accelerating the company's European expansion. Shape Robotics also aims to be the first EdTech company to offer AI classroom education to existing and new customers with a subscription-based educational intelligence assistant.

Looking at the long-term case, strategic partnerships with global companies could open up new larger markets outside Europe.

Key investment risks

As Shape Robotics is in a scaling phase with ambitions of accelerating its market expansion, Shape Robotics invests heavily and ties up much capital to deliver on orders and projects. This implies that Shape Robotics targets to raise gross proceeds of a minimum of DKK 30-35m in the first half of 2024 for working capital and investments. After its approval at an extraordinary general meeting, the company now pursues a directed share issue. This will have a limited dilution effect on existing shareholders, as it corresponds to approx. 8.5% of the existing share capital.

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. These risks can e.g., lead to a slower integration or lower return than initially expected. However, Shape Robotics has done it successfully before in Romania in 2022, where Shape Robotics acquired Video Technic Systems (12 FTEs).

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			2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E
FOM Technologies	-24.5%	196.4	-10.8	2.4	N/A	53.0	N/A	46%	N/A	3.5	N/A
Hove	-2.8%	151.4	-1.4	0.8	0.8	6.3	7.5	20%	10%	24.0	20.0
OrderYOYO*	-11.6%	618.7	29.5	2.6	2.3	25.3	18.3	38%	11%	25.6	35.5
Penneo*	9.2%	274.1	-18.3	2.9	N/A	-29.4	34.1	23%	N/A	-8.7	7.5
Scandinavian Medical Solutions*	0.3%	204.6	8.5	1.1	1.0	10.1	9.9	73%	15%	21.1	21.5
WindowMaster*	-6.6%	61.5	47.9	0.5	0.4	8.1	5.8	-2%	7%	13.5	19.0
Median of selected companies	-4.7%	200.5	3.5	1.7	0.9	9.1	9.9	30%	10%	17.3	20.0
Shape Robotics*	25.8%	527.0	55.5	3.4	1.9	36.2	23.3	96%	75%	16.1	25.0

Note: Selected peer group of Danish growth companies with expected positive EBITDA. For 2023E and 2024E, we apply Shape Robotics' and other companies guidance (midpoint in ranges). Market capitalizations are from 7 March 2024, and we apply the latest reported cash and debt (we include leasing liabilities). Not all companies have reported annual report 2023 and 2024 guidance yet. *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).