



Picture: Salmon Evolution's Indre Harøy onshore aquaculture project, where Endúr-owned Artec Aqua is turnkey project supplier.

Endúr - Buy, TP NOK 0.90

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Time to focus on the underlying quality

Tommy Johannessen

Phone : (+47) 24 13 36 18

Mobile : (+47) 47 64 67 76

E-mail : tj@sb1markets.no

SpareBank 1 Markets has conducted investment banking services to Endúr during the past 12 months

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MARKETS 

Endúr – Buy, TP NOK 0.90

Time to focus on the underlying quality

We initiate coverage of Endúr with a Buy rating and NOK 0.90 target price. With majority of planned M&A now completed, recent debt problems resolved and new key personnel in place, we believe it's time to focus on the underlying quality in Endúr. Three major acquisitions have been completed in 2020-21: BMO, Marcon and Artec Aqua. These three companies account for 85% of 2021e group revenues. BMO and Marcon operates in the steady growing marine infrastructure market, with high EBITDA margins, while Artec Aqua is a fast-growing turnkey supplier in the land-based aquaculture market. We estimate organic group EBITDA growing from NOK 173m in 2021e to NOK 298m in 2024e. We estimate 3.8x NIBD/EBITDA after the bond payment and equity issue in Nov'21, falling to 1.9x YE'23 due to cash generation. EV/EBITDA of 7.9x/6.3x/5.5x on our 2022-24 estimates is below peer group median at 8.5x/7.5x/6.8x, while our fair value estimate and TP of NOK 0.90 is based on 7x EV/EBITDA for 2024.

- **Consolidator in marine infrastructure and aquaculture solutions:** “New Endúr” was set up in 2020 with a target to consolidate the Nordic marine infrastructure and aquaculture solutions segments. These two segments were targeted as they are highly fragmented, complementary and seeing strong market growth. Three major acquisitions have been completed in 2020-21 (BMO, Artec Aqua and Marcon), which combined account for ~85% of Endúr's 2021e revenues. All three companies have impressive track records and strong market positions on a standalone basis, while the rationale of combing them in a group is to enable synergies, scale and a one-stop-shop offering, including in the fast-growing onshore aquaculture market. Going forward, Endúr's focus will be on organic development of the portfolio.
- **Debt problems in Q2/Q3 shocked the market – Seems to be under control:** Although the rationale behind the M&A wave in 2020-21 was sound and solid companies were acquired, Endúr took on high bond debt and had too little resources in the organization to handle the big changes. When the Q2'21 results were announced on 31 Aug, the company became aware it was in covenant breach on the NOK 1.1bn Mar'25 bond. The news shocked the market and the share price plummeted. These problems have now been resolved, with NOK 200m of the bond redeemed after a NOK 170 equity issue in Nov'21. Jeppe Raaholt has been appointed new CEO and administrative functions has been strengthened. Going forward, an important job for the management will be to prove it has control in order to restore the market's confidence. We estimate NIBD/EBITDA at 3.8x after the bond payment, meaning leverage is still high, but we estimate a decline to 1.9x by YE'23 from cash generation.
- **Attractive portfolio companies:** BMO has a leading position in rehabilitation and concrete structures in Norway, like quays, dams and bridges. BMO has delivered EBITDA margins of 14-19% in 2015-20, except for 8% in 2019. Marcon is the Swedish equivalent to BMO, with additional expertise in marine services. Marcon has delivered steady EBITDA margin of 19-20% from 2015-2020, while we estimate 18% margin in 2021. Artec is a turnkey supplier for land-based aquaculture facilities, with strong position in all land-based segments. Artec Aqua's growth history is impressive, with revenues expected to surpass NOK 1bn in 2021, from NOK 637m in 2020 and NOK 378m in 2019. Artec has delivered EBITDA margins in the 5-10% range, which is below BMO and Marcon, but Artec takes lower project risk.
- **We estimate strong growth in 2022-24e, albeit below Endúr's target:** We estimate Endúr's EBITDA will improve from a trough of NOK 173m in 2021 to NOK 207m in 2022, NOK 257m in 2023 and NOK 298m in 2024. Endúr has previously guided revenues of NOK 2-2.5bn and 10-12% EBITDA margin within 2022, which it will reach on revenues but not on EBITDA margin. We see revenue increasing to NOK 3bn in 2024, which is ~30% below Endúr's target of “double revenues within three years”, meaning there us upside to our revenue estimate. We estimate 10-11% annual revenue growth for Marine Infrastructure in 2022-24 and 10-19% for Aquaculture, driven by Artec Aqua. We see EBITDA margins expanding from 8.1% in 2021e to 10% in 2024. If Endúr succeeds on the NOK 4-4.5bn revenue target by 2024, that will likely be driven by Artec Aqua, which means 2024 EBITDA margin likely will be lower than 10%.
- **Base case fair value of NOK 0.90/share – Sensitive to assumed EBITDA and multiple:** EV/EBITDA at 7.9x/6.3x/5.5x on our 2022-24 estimates is below peer group median at 8.5x/7.5x/6.8x. Our peer group comprises large Nordic contractors like Veidekke and Skanska, and AKVA Group within Aquaculture. Intuitively, a discount for Endúr vs peer seems fair due to smaller size and problems the past year. Arguments against a discount is that Endúr has higher revenue growth and EBITDA margins than peers. We apply 7x EV/EBITDA for 2024 in our target price, in line with slim consensus for 2024 and slightly below 7.5x peer median for 2023. Note that fair equity value is sensitive to assumed EBITDA and multiple due to leverage.

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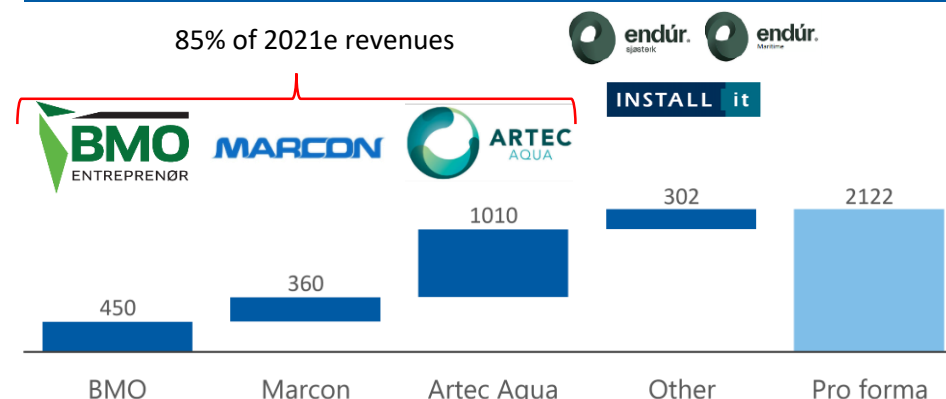
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Endúr at a glance

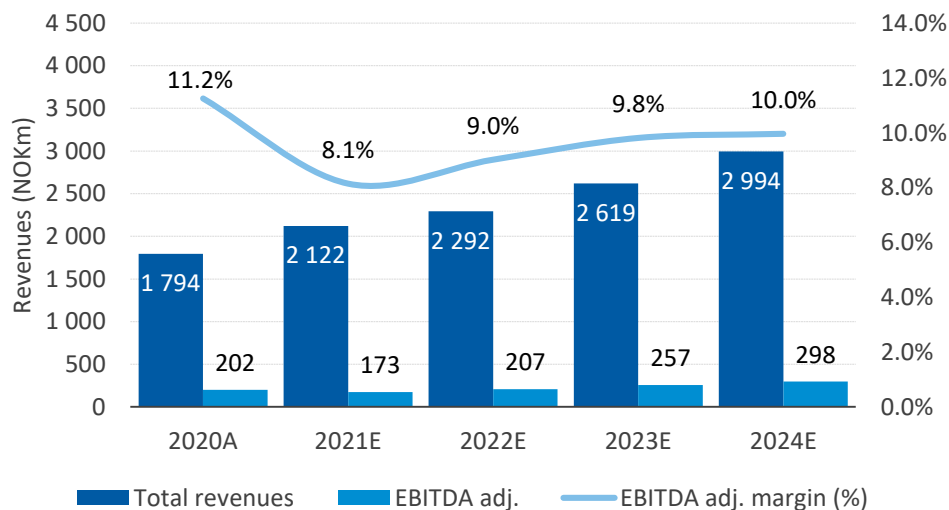
About

- “New Endúr” was established in 2020 with a target to consolidate the Nordic marine infrastructure and aquaculture solutions segments. These two segments were targeted as they are highly fragmented, complementary and seeing strong market growth.
- Three major acquisitions were completed in 2020 and 2021 (BMO Entreprenør, Artec Aqua and Marcon), which combined account for ~85% of Endúr’s 2021e revenues. All three companies have impressive track records and strong market positions on a standalone basis, while the rationale of combing them in a group is to enable synergies, scale and a one-stop-shop offering, including in the fast-growing onshore aquaculture market. Going forward, Endúr’s focus will be on organic development of the portfolio companies.
- Endúr has a market cap NOK 900m, NIBD of NOK 700 at YE’21e and EV of NOK 1.6bn. The company has 478 employees.

Portfolio companies and revenue mix 2021e (NOKm)

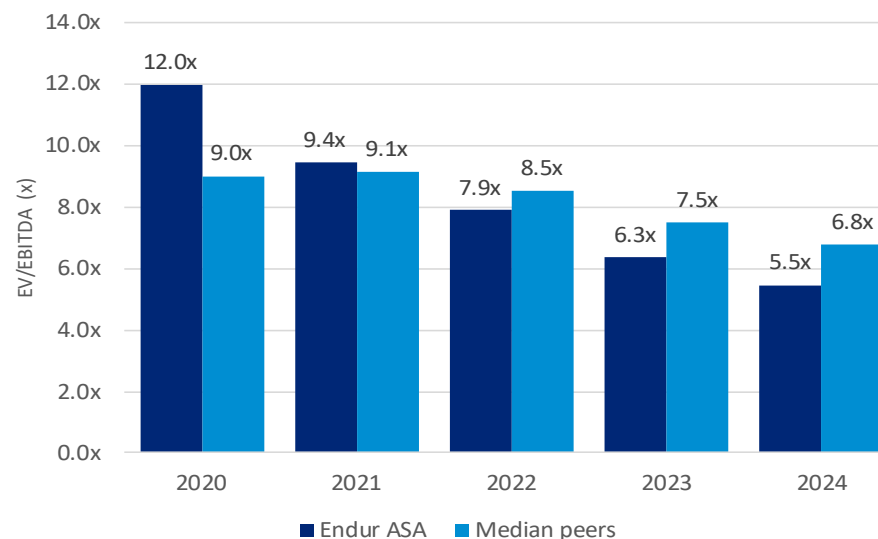


Estimates



Source: SB1 Markets, Company

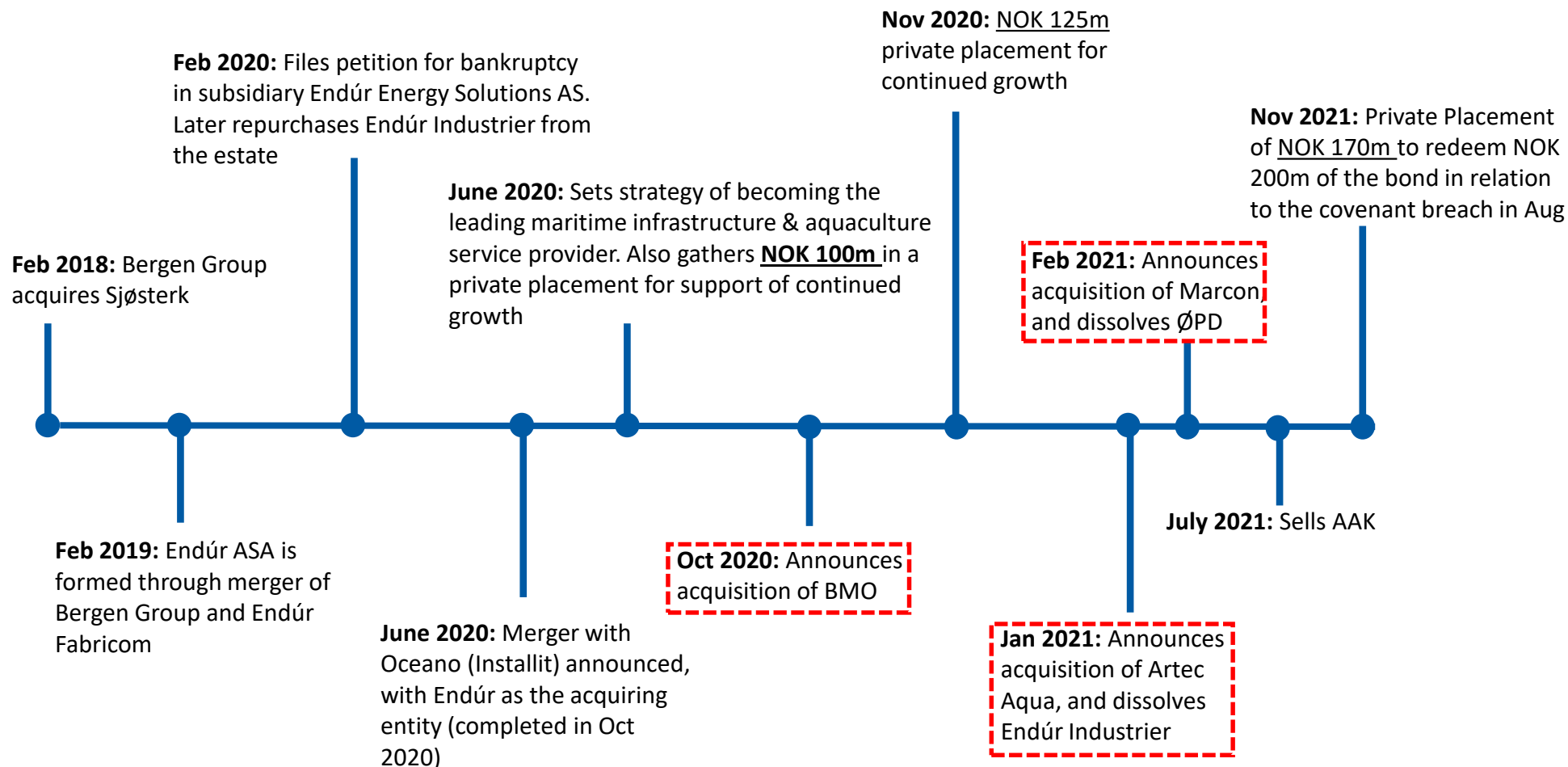
EV/EBITDA



Strategy to consolidate the Marine Infrastructure and Aquaculture Solutions segments

Why these markets: 1) Attractive growth, 2) Highly fragmented, 3) Complimentary

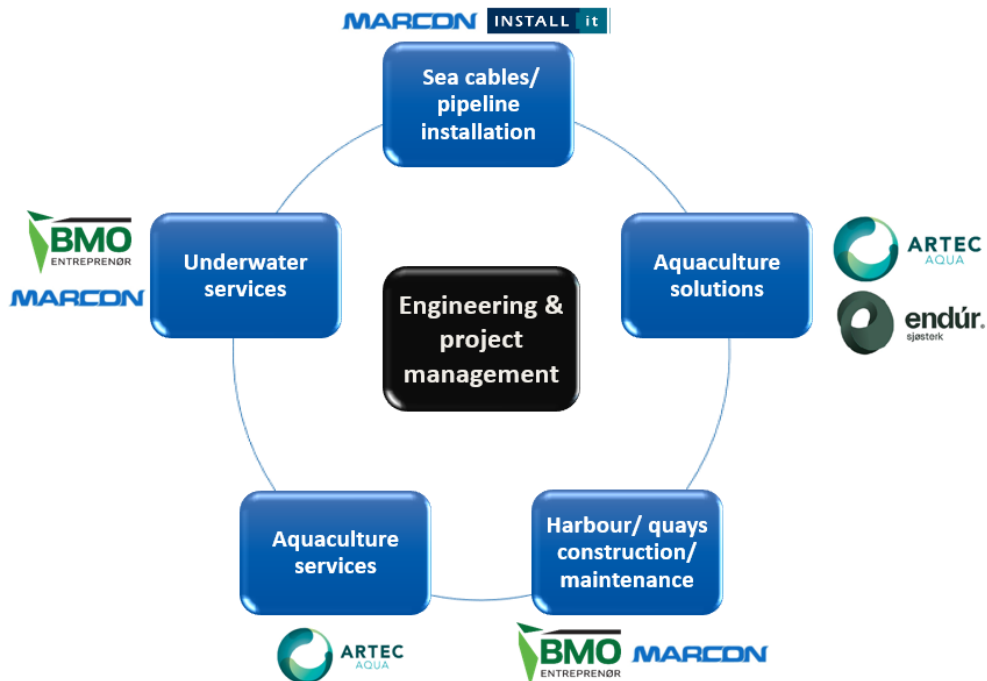
Company timeline – Significant M&A activity in 2020-21



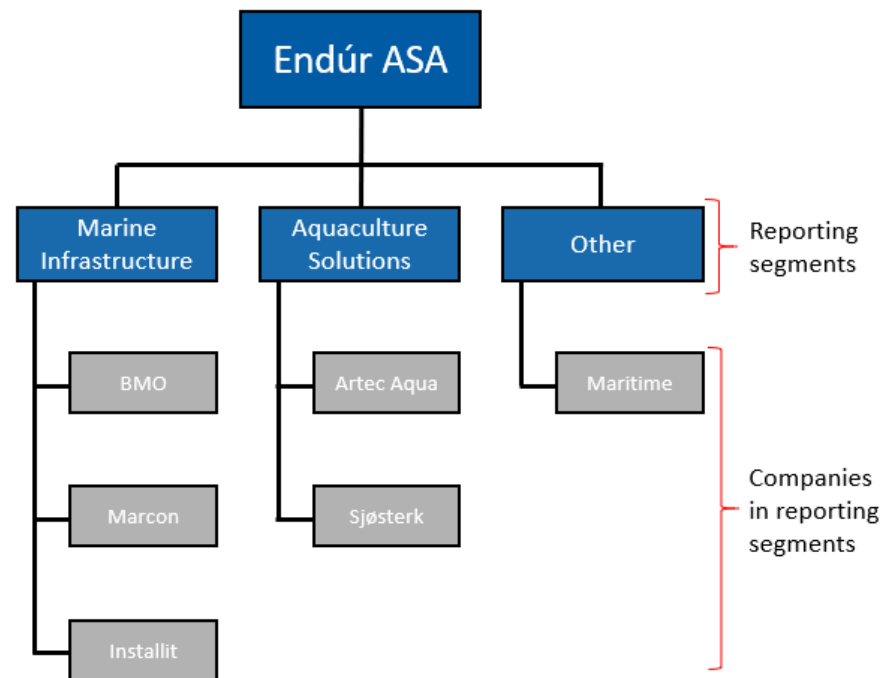
Able to offer larger share of targeted marine projects scope following M&A wave in 2020-21

Why have all companies part of the Endúr group: Synergies, scale and one-stop-shop offering

Endúr companies in marine project value chain



Company structure and reporting segments



Indre Harøy project exemplifies rationale of having the portfolio companies part of one group

Artec Aqua's Indre Harøy project on behalf of Salmon Evolution

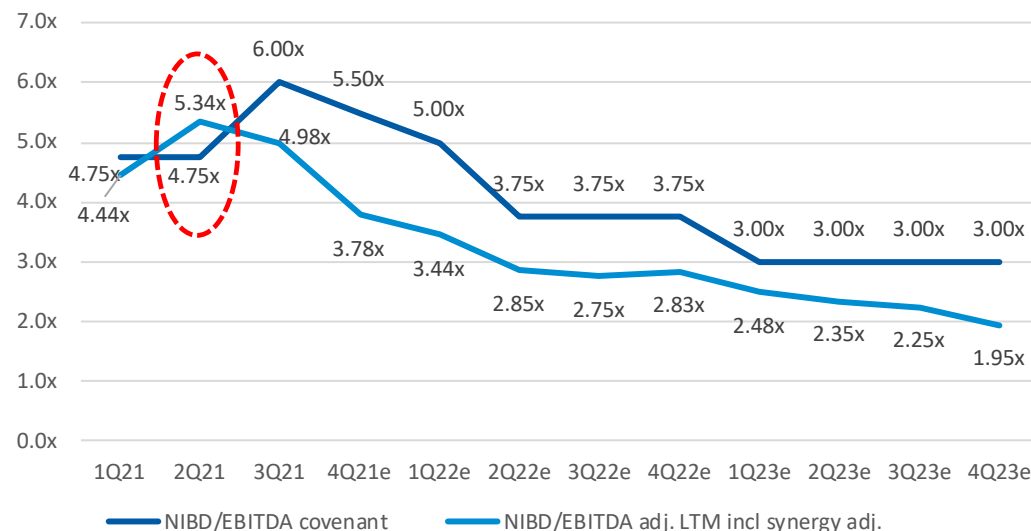


- Artec Aqua is turnkey supplier for Salmon Evolution's onshore salmon project at Indre Harøy. Artec Aqua's contract value for the full turnkey scope is around NOK 1.3bn.
- Very little of the Indre Harøy project is executed internally today (BMO has a NOK 25-30m contract relating to the tanks). However, Endúr believes it can deliver more than 1/3 of the capex of similar projects in the future. This includes e.g. utilizing more of BMO's competence in concrete structures and quays and Marcon's expertise in marine services and sea cables (where also Installit has competence).
- In addition to utilizing competence and resources across the Endúr companies for such projects (revenue synergies), improved procurement prices and payments terms are expected when being part of the same group. Purchased goods accounts for ~50% of BMO and Marcon's revenue, meaning there is significant cost reduction potential from improved terms.

Debt problems in Q2/Q3 shocked the market – Seems to be under control

Leverage still high at 3.8 NIBD/EBITDA after bond payment but will decline rapidly as cash is generated

NIBD/EBITDA development – Covenant breach in Q2'21



Covenant breach announcement 31 Aug 2021

Endúr ASA – Breach of covenant under terms for senior secured bond issue

Reference is made to the stock exchange announcements by Endúr ASA (the "Company") on 31 August 2021 regarding the second quarter and first half 2021 interim financial results (the "H1 Results"). Further reference is made to the announcement on 15 February 2021 on the completion of a NOK 1,100 million senior secured floating rate non-amortizing bond issue with ISIN NO0010935430 (the "Bonds").

Following today's publication of the H1 Results, the Company has become aware that as per 30 June 2021 the Company was not in full compliance with the requirement under the terms of the Bonds to maintain a leverage ratio not greater than 4.75x.

In accordance with the terms of the Bonds, the Company has 20 business days to remedy this failure. The Company is in the process of engaging advisors to assist with the current situation and any remedial actions.

- Although the rationale behind the M&A wave in 2020-21 was sound and solid companies were acquired, Endúr took on high bond debt and had too little resources in the organization to handle the big changes. When the Q2'21 results were announced on 31 August, the company became aware it was in covenant breach on the NOK 1.1bn Mar'25 bond. The news shocked the market and the share price plummeted.
- These problems have now been resolved, with NOK 200m of the bond redeemed after a NOK 170 equity issue in Nov'21. Jeppe Raaholt has been appointed new CEO of Endúr and the administrative department has been strengthened. Going forward, an important job for the management will be to prove it has control in order to restore the market's confidence.
- We estimate NIBD/EBITDA at 3.8x after the bond payment, meaning leverage is still high, but we estimate decline to 1.9x by YE'23 from cash generation.

Refinancing of bond would be positive for the equity but not likely before 2023-24

7.25% + 3m Nibor on NOK 900m outstanding bonds means NOK 74m annual interest expenses

Bond details	
Endúr ASA 2025	
Issuer:	Endúr ASA
Bond Trustee:	Nordic Trustee AS
ISIN:	NO0010935430
Amount:	NOK 900m (max. NOK 1,600m)
Coupon rate:	3mN + 725
Issue date:	03/03/2021
Final Maturity:	03/03/2025
Amortization	None (Bullet)
Status:	Senior Secured
Call options:	Make Whole from Mar 2021 - Mar 2023 @103.680 from Mar 2023 - Sept 2023 @102.210 from Sept 2023 - Mar 2024 @101.100 from Mar 2024 - Sept 2024 @100.740 from Sept 2024 - Dec 2024 @100.250 from Dec 2024 - Mar 2025
Financial covenants:	NIBD/adj. EBITDA: July 2021 - Sept 2021 < 6.00x Oct 2021 - Dec 2021 < 5.50x Jan 2022 - Mar 2022 < 5.00x Apr 2022 - Mar 2023 < 3.75x Mar 2023 - Mar 2024 < 3.00x Mar 2024 - Maturity < 2.50x Liquidity > NOK 75m
Incurrence tests:	Tap issue & additional indebtedness, NIBD/adj EBITDA: Mar 2021 - Mar 2022 < 3.50x Mar 2022 - Mar 2023 < 3.00x Mar 2023 - Maturity < 2.50x
Distributions:	Maximum 50% of previous calendar year's net profit, subject to incurrence test of NIBD/adj. EBITDA below 2.50x.
Change of control:	101%

- While Endúr financed the cash portion of the BMO and Artec Aqua acquisitions with bank debt, it did not manage to obtain bank debt when Marcon was acquired. Instead, a NOK 1.1bn bullet bond was issued, which carries a 7.25% + 3m nibor coupon rate. As NOK 200m of the bond was redeemed in Q4'21, NOK 900m is now outstanding. Still, that means high annual interest expenses of NOK 74m.
- We consider refinancing of the bond a positive trigger for the equity but this seems unlikely before 2023-24 due to high call premiums in the bond. The call premiums decline at the same time as leverage for the company declines on our estimates, which should make a bond refinancing easier.

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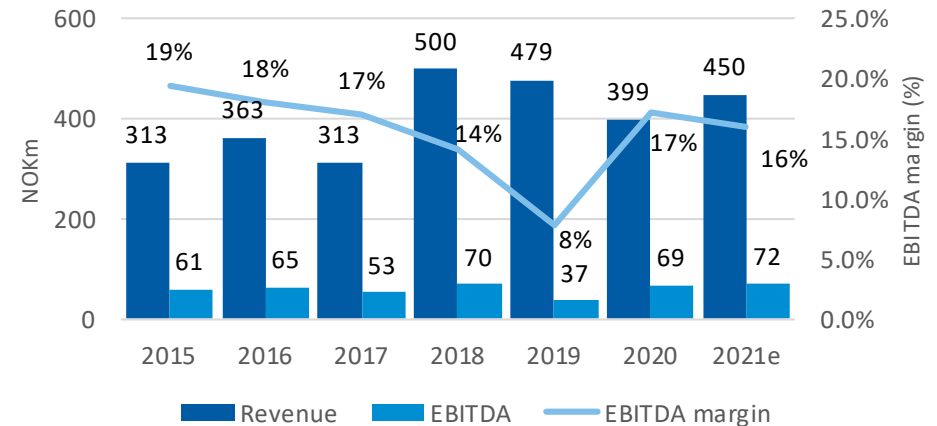
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BMO Entreprenør: Leading player in rehabilitation and concrete structures

About

- BMO Entreprenør is a leading Norwegian player in rehabilitation of bridges, quays, dams and other concrete and steel structures. The company was founded in 1996 by Vidar Pettersen and has around 150 employees.
- BMO takes on full EPC project scopes and risk, which enables high margins. The company has delivered EBITDA margins of 14-19% in 2015-21, except for 8% in 2019.
- Average duration for BMOs projects are around one year. 80-90% of the customers base are public, including municipalities and government owned companies like Statens Vegvesen, Bane NOR and Statnett.

Key figures – 2021 revenues guided, EBITDA is SB1Me

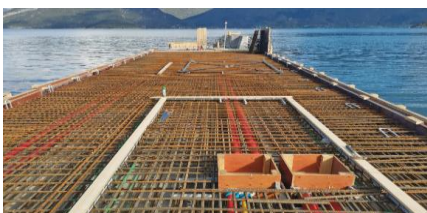


Key service offerings

Track and facilities



Rehabilitation



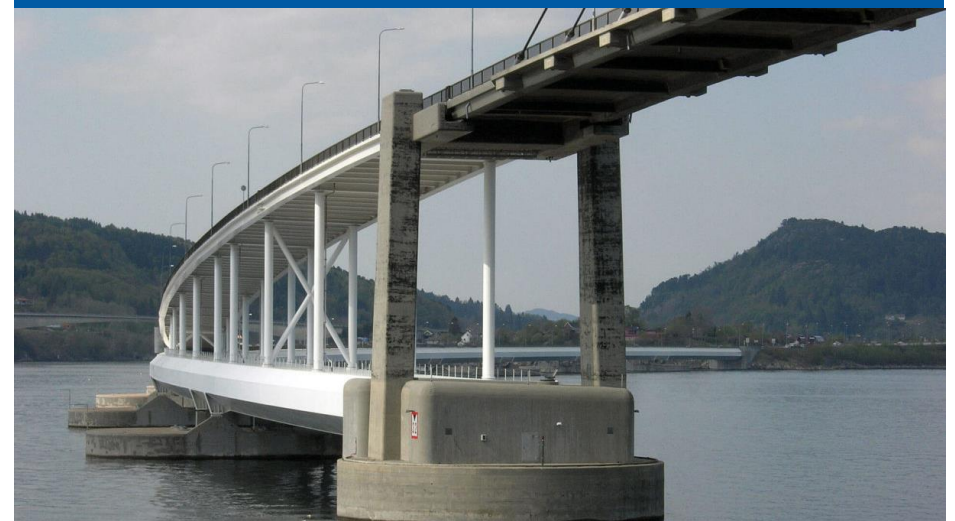
Dam and power



Diving



Project example: Rehabilitation of Nordhordlandbrua

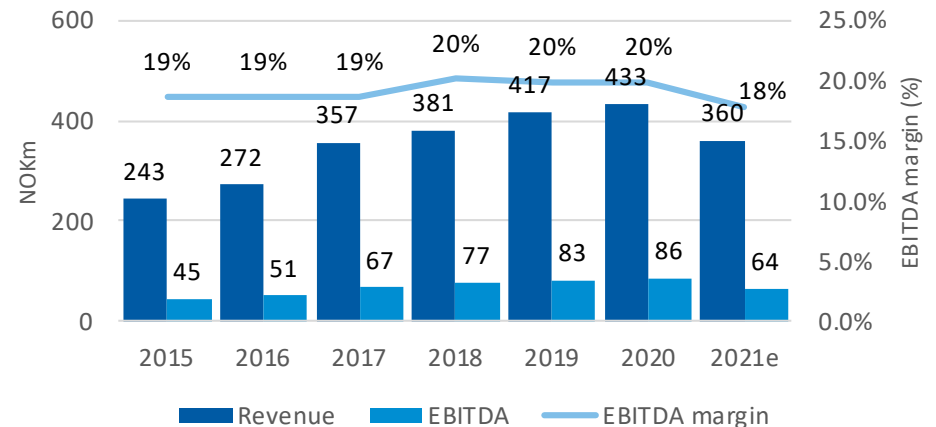


Marcon: Multi-service marine infrastructure provider

About

- Marcon is a leading Swedish company engaged in marine construction and engineering activities. Marcon can be seen as the Swedish equivalent to BMO, with additional expertise in deeper waters. Marcon’s founder, Jörn Ryberg, is represented in Endúr’s BoD.
- As with BMO, Marcon takes on full EPC project scope and risk, which enables high margins. Has delivered steady EBITDA margin of 19-20% in 2015-2020, while 2021e has been weaker as the company has been negatively affected by Covid-19 and cold weather.
- 80% of Marcon’s end-clients are public entities, including projects where Marcon e.g. works as subcontractor to large contractors like Skanska, NCC and Peab. Typical contract duration is 2-3 months.

Key figures – 2021 revenues guided, EBITDA is SB1Me



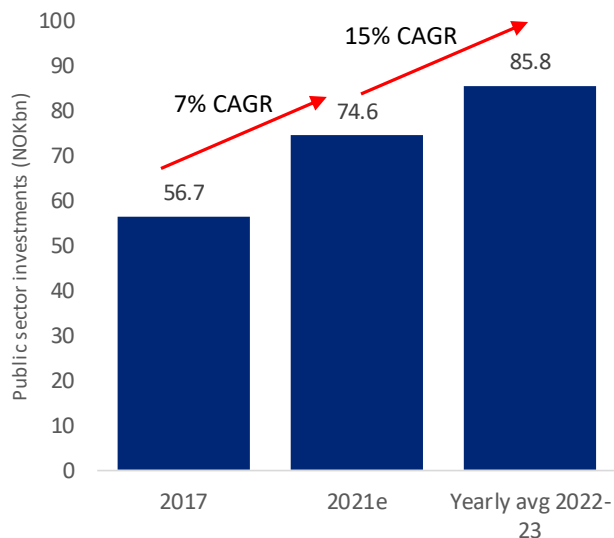
Service offerings

Marine services	Marine resources	Dredging	Technical services	Ship-diving	Renewable energy
<ul style="list-style-type: none"> • Diving and sea work • Marine facility • Quays • Piers • Piping • Sea lines • Sea transport 	<ul style="list-style-type: none"> • Sound prospector – Jackup • Sound provider – Shoalbuster • Sound supplier/ solution/horizon – Multicat • Sound enterprise/ express – FCV 	<ul style="list-style-type: none"> • Fairway • Marinas • Slopes • Environmental dredging • Maintenance dredging • Recess 	<ul style="list-style-type: none"> • Sea level measurement • Status assessments • Bridge inspections • Acoustic imaging • ROV • Design • Port databases 	<ul style="list-style-type: none"> • IWS/UWE • Hull cleaning • Blind drainage • Service • Repair work 	<ul style="list-style-type: none"> • Shutdowns • Gaps • Foundation • Generator change • Leaf replacement • Cable work

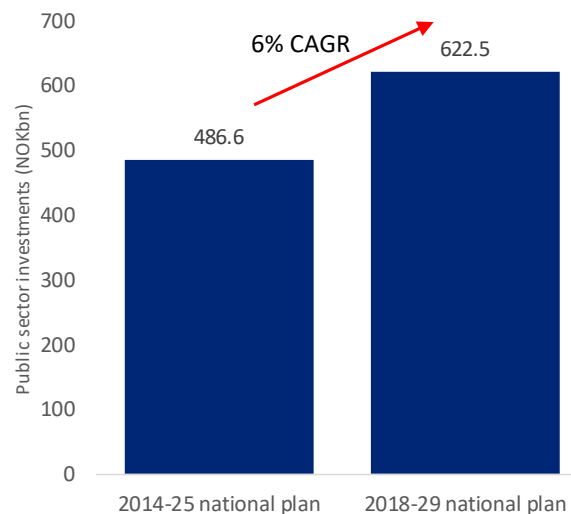
Healthy and steady growth in marine infrastructure investments in coming years

Highest growth in Norway but also significant pent-up demand in Sweden after weak 2021

Norwegian infrastructure market



Swedish infrastructure market



- Infrastructure investments in both Norway and Sweden are expected to see steady growth in the coming years, and is largely dictated by National Transport Plans.
- There is a big overhang in public marine infrastructure maintenance (bridges, dams, tunnels, quays etc), which is core markets for BMO and Marcon.
- Norway is expected to see the highest growth, at around 15% per year, while there potentially also is high short-term demand in Sweden from pent-up demand following a weak 2021.

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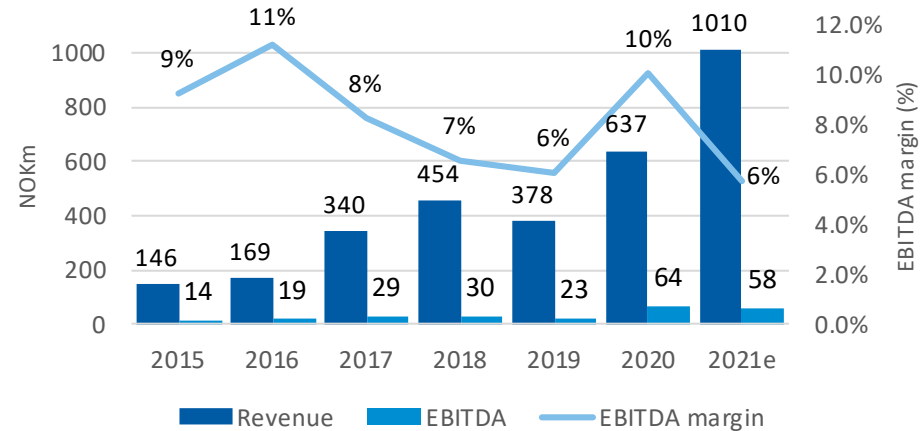
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Artec Aqua: Leading turnkey supplier for onshore aquaculture

About

- Artec Aqua is a leading turnkey contractor and supplier of onshore aquaculture facilities, managing projects from design to completion. Artec specialize in water treatment and supplies facilities with flowthrough, hybrid and RAS. Irrespective of technology used, Artec guarantees superior water quality. Artec is well positioned in all land-based segments (post-smolt, broodstock, grow-out and other species).
- Artec was founded in 2002 and is based in Ålesund. The founders are still active in the company and collectively Endúr's largest shareholders (represented by Bjørn Finnøy on the BoD).
- Artec has delivered stellar revenue growth over the past years, from NOK 146m in 2015 to above NOK 1bn in 2021e. EBITDA margins have been in the 5-10% range. Contract structure is cost plus markup, meaning the company carries low project risk and thus also lower margins than BMO and Marcon.

Key figures – 2021 revenues guided, EBITDA is SB1Me



Project example 1: Cermaq smolt facility in Forsan



Source: SB1 Markets, Company

Project example 2: Salmon Evolution grow out facility



Artec Aqua is well established and positioned in all land-based segments

Smolt/post-smolt

- Artec Aqua’s core segment since inception in 2002.
- Strong track record and extensive experience in both greenfield and brownfield projects, with multiple turnkey projects delivered to repeat customers



Broodstock

- Solid experience with turnkey deliveries of broodstock facilities
- Market leader
- Extensive experience with large fish onshore (logistics, welfare, growth ratios), which is valuable both for broodstock and grow out.



Grow out

- Turn key supplier to Salmon Evolution using Artec Aqua’s proven Hybrid System
- Handful of other projects in an early phase

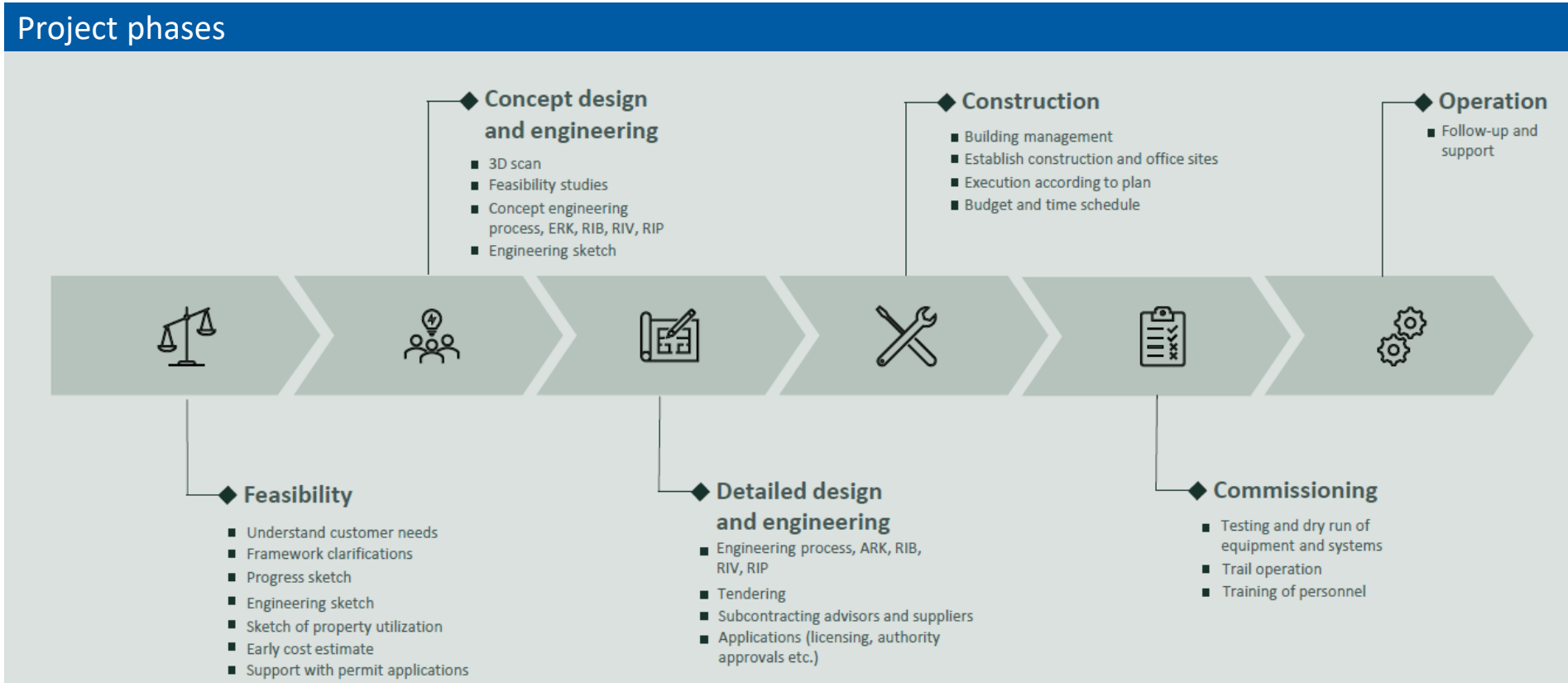


Other species

- Artec Aqua technology is also relevant for other species
- Lumpfish, Halibut, Kingfish, Cod and Trout.



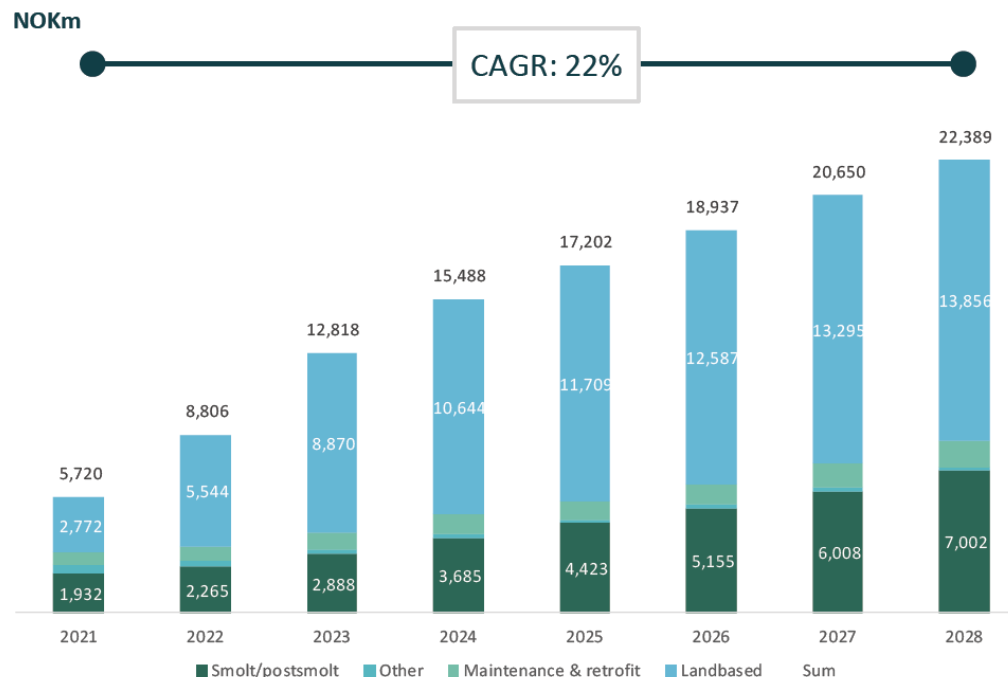
All projects goes through the same phases and is carefully selected



Addressable market for Artec Aqua expected to grow at 22% CAGR from 2021-28

Artec Aqua currently involved in prospects with NOK 49.9bn estimated value

Artec Aqua core market size development



- Artec Aqua's core market is estimated at NOK 5.7bn in 2021, comprising mainly of smolt/post smolt facilities, land-based facilities and maintenance & retrofits. This market is expected to grow 45-54% per year in 2022-24 and at 22% CAGR until 2028.
- Based on this expected market growth, Artec Aqua's strong market position and impressive track-record, we believe Artec Aqua's future looks very bright. To back this up, Endúr stated at the Q3'21 presentation that Artec Aqua is involved in client prospects worth an estimated NOK 49.9bn, which is projects where Artec Aqua is involved in some way (including feasibility studies). Not all these projects will materialize, but it underlines the potential for the company.

Artec has projects in various phases currently – Some in early phase with huge potential

Salmon Evolution on track for completion in Q4'22 and Hofseth Aqua in H1'23

Artec Aqua project tracker

Project	Facility type	Size (tonne)	Estimated contract value (NOK)	Contract status	Key triggers	Phase	Construction start	Planned completion	Comment
Indre Harey (Salmon Evolution)	Grow-out	8 300	1.3bn	Signed turnkey contract including civil	Completion	Construction	May'20	Q4'22	Signed contract Phase 2 of project completed in 2018
Hofseth Aqua	Smolt (trout)		250m	Signed turnkey contract including civil	Completion	Construction	Mar'21	Q1/Q2'23	
Profunda (AquaGen)	Broodstock	80-100m volume per year	150m			Detailed engineering	Feb'21	Summer 2022	
World Heritage Salmon	Grow-out	100 000	15-20bn (over several years)	Signed turnkey contract including civil	Permits and financing to be in place before realization	Feasibility study phase	2023?	2025 (phase 1)	
Norwegian Sea Farming	Grow-out	10 500	2bn	Signed LOI for turnkey delivery	Permits and financing to be in place before realization	Feasibility study phase			
K Smart Farming (Salmon Evolution/Dongwon)	Grow-out	20 000		Feasibility study contract signed (intention to deliver)		Feasibility study phase			
Råknes Gård	Grow-out (spotted castfish)		750m	Signed turnkey contract including civil	Subject to licensing and financing	Feasibility study phase			
Eco SeaFood	Grow-out	40 000	4-5bn?	LOI signed for engineering & construction	Subject to licensing and financing	Feasibility study phase			
Steinvik Rensefisk	Other species/grow out		190m		Completed	Completed		Jan'21	

Selected projects

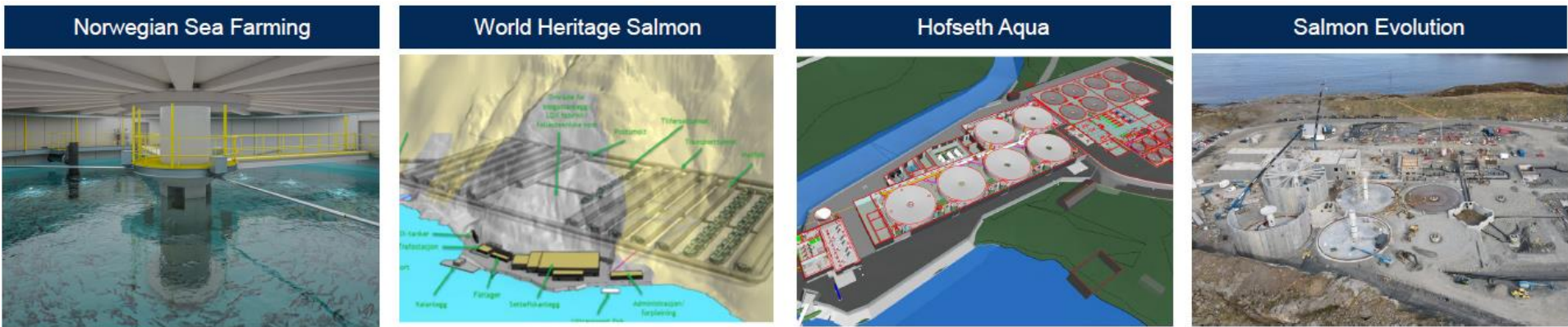


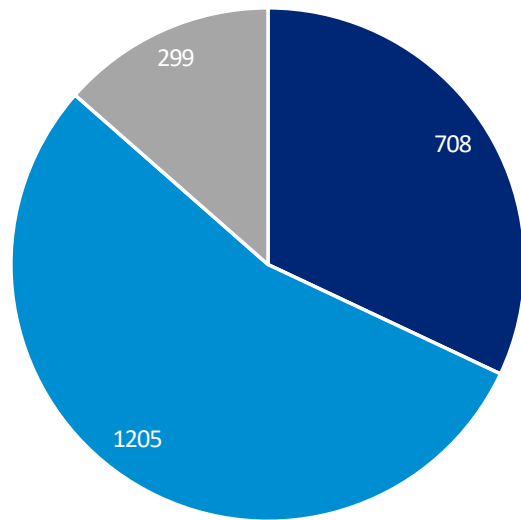
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Group backlog of NOK 2.2bn as of Q3'21, of which NOK 1.2bn in Aquaculture

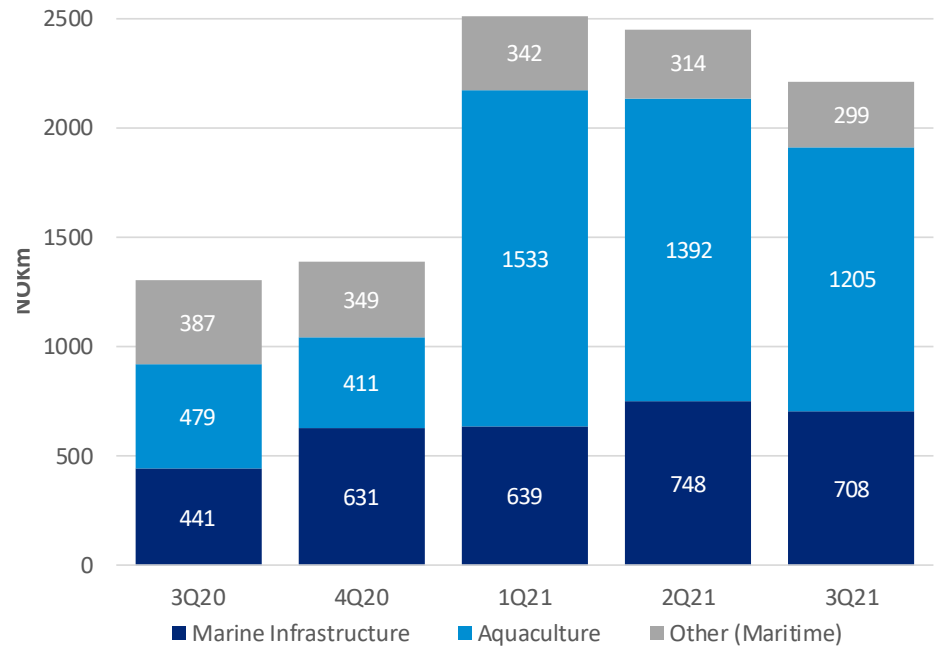
Backlog decline YTD due to execution on Salmon Evolution project – Marine Infrastructure backlog up 12%

Backlog split by segment (NOKm)



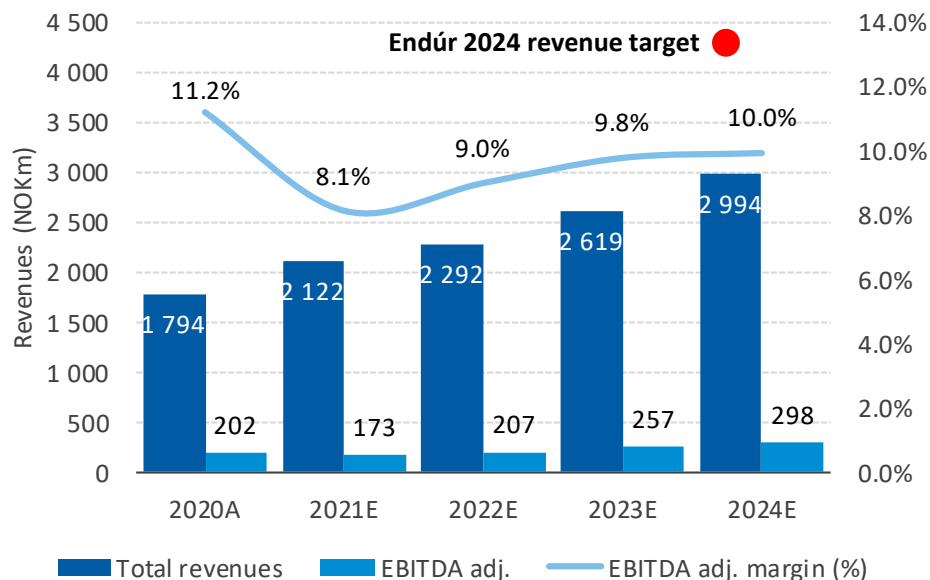
■ Marine Infrastructure ■ Aquaculture ■ Other (Maritime)

Backlog development (NOKm)

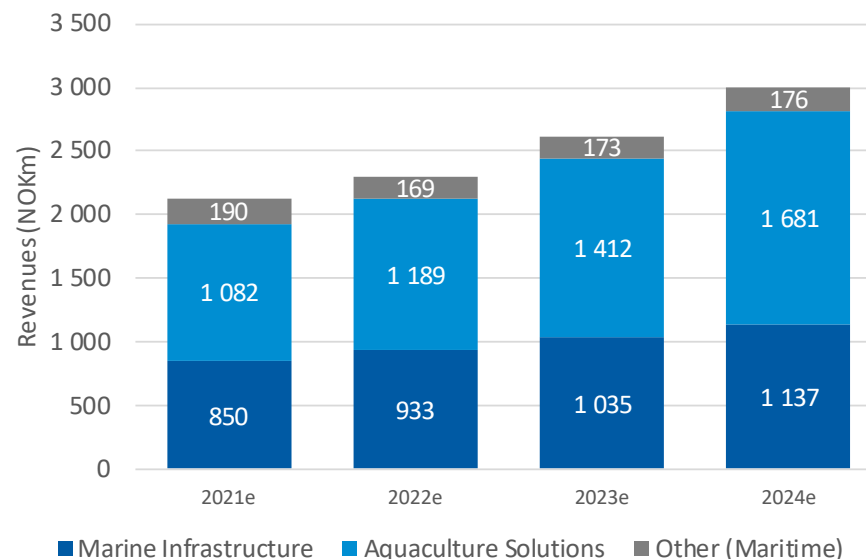


We estimate strong growth in 2022-24e, albeit below Endúr's target

SB1M estimates and Endúr target



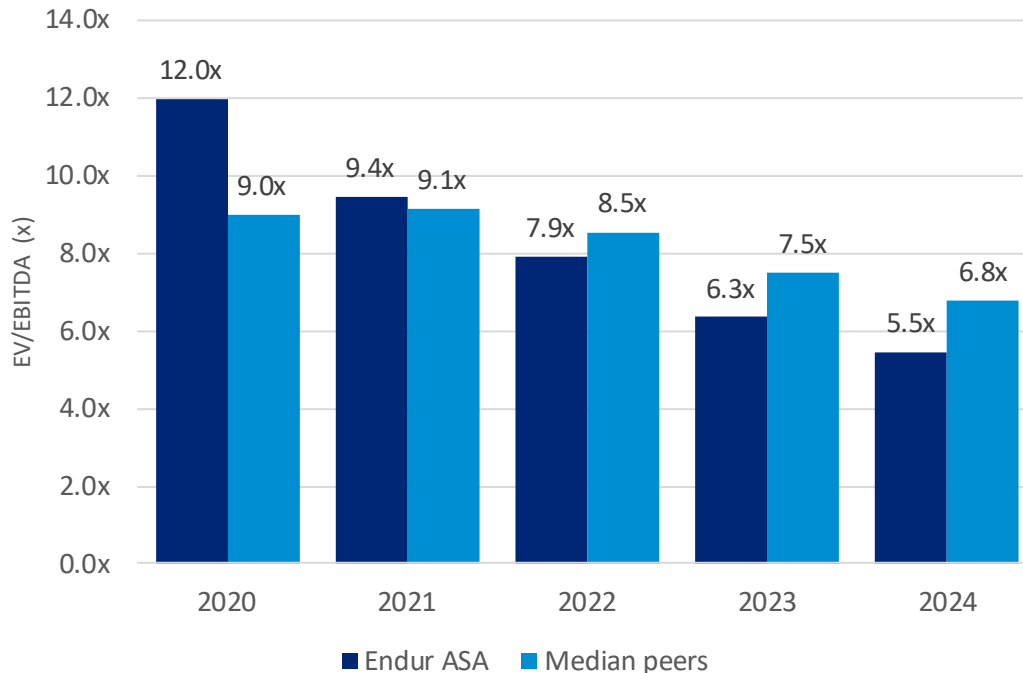
Revenue breakdown (SB1Me)



- We estimate Endúr's EBITDA will improve from a trough of NOK 173m in 2021 to NOK 207m in 2022, NOK 257m in 2023 and NOK 298m in 2024. Endúr has previously guided revenues of NOK 2-2.5bn and 10-12% EBITDA margin within 2022, which it will reach on revenues but not on EBITDA margin.
- We see revenue increasing to NOK 3bn in 2024, which is ~30% below Endúr's target of "double revenues within three years", meaning there is upside to our revenue estimate. We estimate 10-11% annual revenue growth for Marine Infrastructure in 2022-24 and 10-19% for Aquaculture Solutions, driven by Artec Aqua. We see EBITDA margins expanding from 8.1% in 2021e to 10% in 2024.
- If Endúr succeeds on the NOK 4-4.5bn revenue target by 2024, that will likely be driven by Artec Aqua, which means 2024 EBITDA margin likely will be lower than 10%.

Endúr trades above peers on 2020-21 EV/EBITDA and below on 2022-24

EV/EBITDA – Endúr vs median peers*



- Endúr trades at 12x and 9.4x EV/EBITDA for 2020-21, somewhat above peer group median at 9x, while it declines to 7.9x/6.3x/5.5x in 2022-24e (below peers at 7.5-8.5x) due to EBITDA growth.
- Our peer group comprises the large contractors in Norway and Sweden (like Veidekke and Skanska) for the Marine Infrastructure segment and AKVA Group for the Aquaculture Solutions segment.
- Intuitively, a discount for Endúr vs the established player in our peer group seems fair due to smaller size and poor track record the past year. Arguments against a discount is that Endúr has both higher revenue growth and EBITDA margins than peers. AKVA Group also trades higher than the contractors in our peer group, and much of the growth in Endúr is expected to come from Aquaculture Solutions.
- We apply 7x EV/EBITDA for 2024 in our target price, in line with slim consensus for 2024 and slightly below 7.5x peer median for 2023.

Endúr significantly smaller than peers but higher revenue growth and margins

Peer table – Figures in NOK

Company	Capitalization			EV / Sales					EV / EBITDA					EV / EBIT					P / E					
	Market cap	Net debt	EV	2020	2021E	2022	2023E	2024E	2020	2021E	2022E	2023E	2024E	2020	2021E	2022E	2023E	2024E	2020	2021	2022	2023	2024	
<i>NOKm</i>																								
AF Gruppen ASA Class A	19 951	113	20 965	0.8x	0.7x	0.7x	0.6x	0.5x	10.3x	9.9x	8.5x	7.5x	5.7x	14.3x	13.7x	11.6x	9.9x	7.5x	20.6x	20.9x	18.2x	15.5x	11.7x	
Veidekke ASA	17 382	(3 072)	14 335	0.4x	0.4x	0.4x	0.4x	n/a	6.9x	6.5x	6.1x	5.7x	n/a	11.7x	10.8x	9.9x	8.9x	n/a	8.4x	17.9x	15.8x	14.4x	n/a	
Peab AB Class B	31 273	13 509	44 783	0.7x	0.8x	0.7x	0.7x	n/a	9.0x	11.2x	10.4x	9.9x	n/a	11.7x	16.8x	15.1x	14.2x	n/a	10.0x	15.1x	13.2x	12.2x	n/a	
Skanska AB Class B	91 586	4 600	96 287	0.6x	0.7x	0.6x	0.6x	n/a	6.7x	9.1x	9.3x	8.1x	n/a	7.8x	11.5x	11.8x	11.0x	n/a	9.7x	13.3x	13.9x	13.0x	n/a	
NCC AB Class B	17 010	1 464	18 474	0.3x	0.4x	0.3x	0.3x	n/a	6.4x	5.8x	5.5x	5.2x	n/a	13.2x	10.0x	9.1x	8.5x	n/a	13.2x	11.5x	10.5x	9.9x	n/a	
NRC Group ASA	1 609	984	2 596	0.4x	0.4x	0.4x	0.4x	n/a	9.8x	7.8x	6.0x	4.8x	n/a	199.7x	29.0x	13.8x	8.2x	n/a	N.M.	1334.2x	15.6x	7.4x	n/a	
AKVA Group ASA	3 300	1 204	4 504	1.4x	1.5x	1.2x	1.1x	1.0x	13.1x	15.8x	10.3x	8.7x	7.9x	29.1x	46.0x	18.2x	13.8x	12.1x	37.9x	215.0x	20.0x	14.6x	12.2x	
Median peers	17 382	1 204	18 474	0.6x	0.7x	0.6x	0.6x	0.8x	9.0x	9.1x	8.5x	7.5x	6.8x	13.2x	13.7x	11.8x	9.9x	9.8x	11.6x	17.9x	15.6x	13.0x	12.0x	
Endur ASA	914	718	1 631	1.3x	0.8x	0.7x	0.6x	0.5x	12.0x	9.4x	7.9x	6.3x	5.5x	82.5x	neg	21.4x	10.9x	7.9x	n/a	neg	neg	12.6x	7.0x	

Company	Sales					EBITDA					EBIT					Net income							
	2020	2021E	2022E	2023E	2024E	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024			
<i>NOKm</i>																							
AF Gruppen ASA Class A	27 004	27 973	31 977	34 793	40 288	2 043	2 124	2 455	2 801	3 684	1 470	1 527	1 804	2 117	2 802	971	953	1 094	1 287	1 708			
Veidekke ASA	38 141	37 593	38 976	40 177	n/a	2 092	2 220	2 359	2 532	n/a	1 227	1 325	1 447	1 616	n/a	2 082	970	1 097	1 207	n/a			
Peab AB Class B	59 913	57 439	59 794	61 899	n/a	4 976	4 015	4 318	4 533	n/a	3 813	2 658	2 962	3 162	n/a	3 132	2 078	2 367	2 561	n/a			
Skanska AB Class B	161 481	142 404	150 768	157 737	n/a	14 426	10 537	10 383	11 946	n/a	12 288	8 353	8 160	8 774	n/a	9 442	6 908	6 577	7 071	n/a			
NCC AB Class B	55 846	52 627	53 777	54 724	n/a	2 865	3 192	3 387	3 551	n/a	1 404	1 839	2 022	2 173	n/a	1 291	1 478	1 617	1 724	n/a			
NRC Group ASA	6 449	6 054	6 627	6 838	n/a	265	331	429	545	n/a	13	89	188	318	n/a	(61)	1	103	218	n/a			
AKVA Group ASA	3 191	3 061	3 701	4 172	4 394	345	286	438	519	573	155	98	248	326	371	87	15	165	226	270			
Median peers	38 141	37 593	38 976	40 177	22 341	2 092	2 220	2 455	2 801	2 128	1 404	1 527	1 804	2 117	1 586	1 291	970	1 097	1 287	989			
Endur ASA	1 794	2 122	2 292	2 619	2 994	202	173	207	257	298	29	(6)	76	149	207	n/a	(116)	(0)	73	130			

Company	Revenue growth					EBITDA margin					EBIT margin					NIBD/EBITDA				
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
AF Gruppen ASA Class A		3.6%	14.3%	8.8%	15.8%	7.6%	7.6%	7.7%	8.1%	9.1%	5.4%	5.5%	5.6%	6.1%	7.0%	0.1x	0.1x	0.0x	0.0x	0.0x
Veidekke ASA		-1.4%	3.7%	3.1%	n/a	5.5%	5.9%	6.1%	6.3%	n/a	3.2%	3.5%	3.7%	4.0%	n/a	-1.5x	-1.4x	-1.3x	-1.2x	n/a
Peab AB Class B		-4.1%	4.1%	3.5%	n/a	8.3%	7.0%	7.2%	7.3%	n/a	6.4%	4.6%	5.0%	5.1%	n/a	2.7x	3.4x	3.1x	3.0x	n/a
Skanska AB Class B		-11.8%	5.9%	4.6%	n/a	8.9%	7.4%	6.9%	7.6%	n/a	7.6%	5.9%	5.4%	5.6%	n/a	0.3x	0.4x	0.4x	0.4x	n/a
NCC AB Class B		-5.8%	2.2%	1.8%	n/a	5.1%	6.1%	6.3%	6.5%	n/a	2.5%	3.5%	3.8%	4.0%	n/a	0.5x	0.5x	0.4x	0.4x	n/a
NRC Group ASA		-6.1%	9.5%	3.2%	n/a	4.1%	5.5%	6.5%	8.0%	n/a	0.2%	1.5%	2.8%	4.7%	n/a	3.7x	3.0x	2.3x	1.8x	n/a
AKVA Group ASA		-4.1%	20.9%	12.7%	5.3%	10.8%	9.3%	11.8%	12.4%	13.0%	4.9%	3.2%	6.7%	7.8%	8.4%	3.5x	4.2x	2.7x	2.3x	2.1x
Median peers		-4.1%	5.9%	3.5%	10.6%	7.6%	7.0%	6.9%	7.6%	11.1%	4.9%	3.5%	5.0%	5.1%	7.7%	0.5x	0.5x	0.4x	0.4x	1.1x
Endur ASA		18.3%	8.0%	23.4%	30.7%	11.2%	8.1%	9.0%	9.8%	10.0%	1.6%	-0.3%	3.3%	5.7%	6.9%	3.4x	3.8x	2.8x	2.8x	1.9x

We apply 7x EV/EBITDA for 2024 in our target price

Note that fair value is sensitive to assumed EBITDA and EV/EBITDA due to high leverage

Valuation – SB1M base case and target price

	NOKm
EBITDA (2024e)	298
EV/EBITDA multiple	7.0
EV	2 087
Net debt (2023e)	551
Equity value	1 537
Per share undiscounted	1.13
Per share discounted @ 12%	0.90

Fair share price sensitivity to 24e EBITDA and EV/EBITDA

		EBITDA 2024e						
		100	200	250	300	350	400	450
EV/EBITDA	4x	-0.09	0.15	0.26	0.38	0.50	0.61	0.73
	5x	-0.03	0.26	0.41	0.56	0.70	0.85	0.99
	6x	0.03	0.38	0.56	0.73	0.91	1.08	1.26
	7x	0.09	0.50	0.70	0.91	1.11	1.31	1.52
	8x	0.15	0.61	0.85	1.08	1.31	1.55	1.78
	9x	0.20	0.73	0.99	1.26	1.52	1.78	2.05
	10x	0.26	0.85	1.14	1.43	1.72	2.02	2.31

- We apply 7x EV/EBITDA for 2024 in our target price, in line with slim consensus for 2024 and slightly below 7.5x peer median for 2023.
- Note that fair equity value is sensitive to assumed EBITDA and fair multiple due to leverage. There is significant upside to valuation if the company beats our estimates, and downside if the company falls short of estimates.

Financial summary

Annual financials*

P&L , NOKm	2020	2021e	2022e	2023e	2024e
Total revenues	1 794	2 122	2 292	2 619	2 994
EBITDA adj.	202	173	207	257	298
<i>EBITDA adj. margin</i>	11.2%	8.1%	9.0%	9.8%	10.0%
EBIT	29	-6	76	149	207
<i>EBIT margin</i>	1.6%	-0.3%	3%	6%	7%
Pretax profit	n/a	-122	0	73	130
Net income	n/a	-116	0	73	130
EPS	n/a	-0.09	0.00	0.05	0.10

Balance Sheet, NOKm	2020	2021e	2022e	2023e	2024e
Total fixed assets	1 838	1 691	1 628	1 597	1 593
Cash and equivalents	353	279	353	446	568
Other current assets	344	582	604	695	799
Total Assets	2 534	2 552	2 585	2 738	2 960
Total equity	903	859	858	931	1 062
Total non current liabilities	1 282	1 112	1 112	1 112	1 112
Total current liabilities	349	581	614	694	786
Total equity and liabilities	2 534	2 552	2 585	2 738	2 960

Net debt (cash) incl leasing obligations	753	718	644	551	428
Equity ratio	36%	34%	33%	34%	36%

Cash flow , USDm	2020	2021e	2022e	2023e	2024e
Cash flow from operations	-178	89	141	170	209
Cash flow from investments	-46	-554	-40	-50	-60
Cash flow from financing	1280	574	-27	-27	-27
Change in cash	1 056	110	74	93	122
Cash CB	1 077	279	353	446	568

Valuation	2020	2021e	2022e	2023e	2024e
EV/Sales	1.3x	0.8x	0.7x	0.6x	0.5x
EV/EBITDA adj.	12.0x	9.4x	7.9x	6.3x	5.5x
EV/EBIT	82.5x	neg	21.4x	10.9x	7.9x
P/E	n/a	neg	neg	12.6x	7.0x
P/B	1.8x	1.1x	1.1x	1.0x	0.9x

Quarterly financials*

P&L , NOKm	1Q21	2Q21	3Q21	4Q21e	1Q22e
Total revenues	425	542	568	588	517
EBITDA adj.	22	37	66	48	34
<i>EBITDA adj. margin</i>	5.1%	6.9%	11.5%	8.2%	6.5%
EBIT	-42	-7	30	13	-1
<i>EBIT margin</i>	-10%	-1%	5%	2%	0%
Pretax profit	-62	-32	-9	-19	-20
Net income	-62	-32	-4	-19	-20
EPS	-0.05	-0.02	0.00	-0.01	-0.01

Balance Sheet, NOKm	1Q21	2Q21	3Q21	4Q21e	1Q22e
Total fixed assets	1 753	1 726	1 708	1 691	1 673
Cash and equivalents	323	203	309	279	296
Other current assets	424	564	551	582	496
Total Assets	2 500	2 493	2 568	2 552	2 465
Total equity	768	726	720	859	839
Total non current liabilities	1 301	1 311	1 312	1 112	1 112
Total current liabilities	431	456	536	581	514
Total equity and liabilities	2 500	2 493	2 568	2 552	2 465

Net cash (debt)	-753	-874	-776	-605	-588
Equity ratio	31%	29%	28%	34%	34%

Cash flow , USDm	1Q21	2Q21	3Q21	4Q21e	1Q22e
Cash flow from operations	-8	-85	151	32	34
Cash flow from investments	-534	-3	-4	-12	-10
Cash flow from financing (incl FX)	697	-33	-41	-49	-7
Change in cash	155	-121	106	-30	17
Cash CB	508	202	309	279	296

* Pro-firma figures: Assuming acquisitions of BMO, Artec Aqua and Marcon occurred on 1 Jan 2020 and similarly that the bankruptcies in Endür Industrier and ØPD as well as divestment of Endür Aak occurred at the same date.





















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Portfolio companies offer a broad service offering across key segments














Company	Marine Infrastructure			Aquaculture		Other exposure
	Underwater services	Sea cables/pipeline installation	Harbor/quays	Aquaculture solutions	Aquaculture services	
Artec Aqua	-	-	-	√	√	-
BMO Entreprenør	√	Potential	√	-	Potential	√
Marcon	√	√	√	-	-	-
Sjøsterk	-	-	Potential	√	-	-
Installit	√	√	-	-	-	-
Maritime	-	-	-	-	-	√

Competitive landscape – Marine Infrastructure

Competitive landscape – Marine Infrastructure									
Key competitors	Market	Revenue 2019 (20) NOK '000	Service offerings						
			Marine construction	Marine services	Technical services	Marine resources	Dredging	Ship service	
		858,134 ¹⁾	✓	✓	✓	✓	✓	✓	✓
		304,951	✓	X	X	X	X	X	X
		196,426	✓	X	X	X	X	X	X
		183,488	✓	✓	X	✓	X	X	X
		177,965	✓	✓	✓	X	✓	X	X
		102,678	✓	X	✓	✓	✓	X	X
		60,506	✓	✓	X	✓	✓	X	X
		41,503	✓	X	X	X	X	X	X
		7,355	✓	✓	✓	✓	X	X	X
		n.a.	✓	✓	✓	X	✓	X	X

Competitive landscape – Aquaculture

Competitive landscape – Aquaculture

Key competitors ¹⁾	Market	Revenue 2019 NOK '000	Turnkey solution incl. building	Turnkey, process solution	FTS ²⁾	FTS-R ²⁾	RAS ²⁾	Other
 ARTEC AQUA		378,376	✓	✓	✓	✓	(✓)	
 KRUGER KALDNES		328,930	-	✓	X	X	✓	General water treatment provider.
 Sterner		213,162	X	-	-	-	✓	General water treatment provider – including industry
 Billund Aquaculture	Global	193,937	X	✓	-	-	✓	Reference on several different species
 AKVA GROUP	Global	173,391	X	✓	✓	✓	✓	Sea-based farming equipment and solutions
 NOFITECH		80,389	-	✓	-	-	✓	Standardized RAS modules, concrete and building
 GRÅKJÆR		71,006	✓	-	-	-	✓	Turnkey supplier in agriculture and industry
 SCALE AQ	Global	n.a.	X	✓	X	X	✓	Reference on several different species. Sea-based farming eqpt. and solutions

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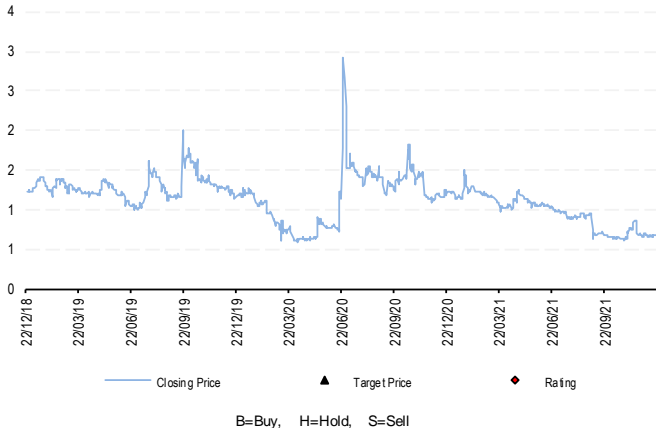
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3-Year Price, Target Price and Rating Change History Chart for ENDUR NO

ENDUR NO	Closing Price	Target Price	Rating
21/12/2021	0.675	0.9	BUY



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