

Q1 FCF of NOK >40m (~7% of EV)

Mintra just announced Q1'22 figures - a positive report in our view, with slight organic growth and strong cash generation. Revenues came in at NOK 62m, up ~3% y/y and fairly in-line with exp., while EBITDA ended at NOK 17m, equal to a 28% margin and spot on exp. With positive effects from WC and limited capex, FCF for the quarter ended at NOK 41m, which equals roughly 7% of the current EV of NOK ~600m. Another positive is the order intake that ended at NOK 41m, up 17% y/y and a good indication of continued growth over the coming quarters. We expect to make positive estimate revisions and believe the share should trade higher today. Buy reiterated – please see latest report ([link](#))

Deviation table

P&L		Q1'21	Q4'21	Actual Q1'22	PAS est. Q1'22	Dev.	Pareto est (pre report)		
							2022e	2023e	2024e
Revenue	NOKm	60	61	62	63	(1.6%)	256	263	269
COGS	"	(8)	(7)	(8)	(7)	6.9%	(30)	(31)	(32)
Gross profit	"	52	55	54	56	(2.8%)	226	231	237
OPEX	"	(42)	(39)	(37)	(39)	(5.5%)	(149)	(151)	(151)
EBITDA	"	10	16	17	17	3.8%	76	81	85
Depreciation & amortization	"	(7)	(8)	(6)	(8)	(27.1%)	(32)	(34)	(36)
EBIT	"	3	8	11	9	32.9%	44	47	50
Net profit	"	1	4	10	5	83.9%	29	31	33
Other items									
Revenue eLearning	NOK	30	33	33	33	(0.4%)	136	140	143
Revenue HCM	"	19	20	18	19	(5.2%)	80	82	84
Revenue Consultancy & Other	"	10	9	11	10	1.0%	40	41	42
Operational CF	"	33	(3)	45	41	10.5%	67	68	72
Capex	"	(4)	(1)	(3)	(4)	(16.4%)	(16)	(17)	(17)
FCF	"	29	(4)	41	36	13.5%	51	51	55
Cash & Liquid assets	"	185	172	196	194	1.2%	202	245	291
Net debt	"	(85)	(70)	(109)	(105)	3.9%	(113)	(156)	(203)
Key ratios									
Revenue growth y/y	%	(1.6%)	40.2%	3.3%	5.0%	-2 p.p.	6.4%	2.5%	2.3%
EBITDA margin	"	17.3%	25.9%	27.9%	26.5%	1.4	29.8%	30.8%	31.8%
EBIT margin	"	5.2%	13.4%	18.4%	13.6%	4.8	17.2%	17.9%	18.5%
OCF margin	"	54.9%	(5.1%)	72.3%	64.3%	7.9	19.7%	19.4%	20.3%

Highlights

- Revenues came in at NOK 62m, up 3.3% y/y and 1.6% below our exp.
- With lower-than-expected costs, EBITDA came in in-line with our estimate, at NOK 17m. EBIT at NOK 11m and net profit at NOK 10m were both above PAS exp
- Seasonal effects and strong demand (customers prepays for e-learning courses and the HCM software) left WC movements with a 27m positive cash effect, leaving OCF at 45m for the quarter. With a capex of 3m, FCF ended at NOK 41m
- After a debt repayment of around 13m, the cash position ended at NOK 196m, up from 172m the previous quarter. Including its 88m loan, net cash is currently at 109m
- Mintra comments that demand is strong, which is reflected in the order intake. For Q1 this came in at 41m, its highest reported figure to date, and roughly 17% above the order intake in Q1 last year

Valuation

- At NOK 3.7 per share and prior to positive estimates adjustments, Mintra trades at ~7x '22e EV/EBITDA, ~13x '22e EV/EBIT and ~11x '22e EV/FCF

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