

COMMISSIONED RESEARCH

NEWS FLASH

24 March 2025 Sweden Software & Services Research analysts: Rikard Engberg

Irisity

Share price: SEK0.57

Fair value range: SEK 1.00-2.00

Releases revised preliminary numbers after audit

Revised timing of revenue recognition, reserve for doubtful accounts

After an extended year-end audit, Irisity has revised the timing of revenue recognition related to partner contracts. This has led to revenue in Q4(24) of SEK4.7m; before the revision, sales were estimated to be SEK17–19m. Both numbers are significantly lower than our estimate of SEK28.7m. EBITDA in the quarter is expected by the company to reach SEK-63.6m. EBITDA was affected by SEK40.7m in extraordinary costs, with SEK13.7m attributable to the changed revenue recognition, SEK14.7m to reserve for doubtful accounts and SEK12.2m to additional reserves due to delays. Invoicing in the quarter is expected by the company to be in the range of SEK38–40m and the reassessment of previously reported sales of SEK13.7m will be put in the orderbook for delivery during 2025e.

Largest shareholder provides extra liquidity in terms of loans and equity

Cash and cash equivalents at year-end amounted to SEK7.6m, this after an equity raise that ended in December of SEK56.5m before costs. To provide additional liquidity, the company has decided to take out a credit facility of SEK15m from its largest shareholder, Stockhorn, and conduct a rights issue of up to approximately SEK21.1m. The share issue is fully guaranteed, and the subscription price is SEK0.4.

Revision of numbers and preliminary results question equity story

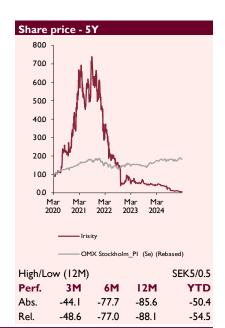
We believe that the revision of sales numbers for Q4 in combination with the low liquidity at year-end raises questions for the equity story and the capital allocation of management. We await more information in the Q4 report, to be released on 25 March.

Upcoming events

• Q4 Report: 25 Mar 2025

Key facts	
No. shares (m)	114.3
Market cap. (USDm)	6
Market cap. (SEKm)	65
Net IB Debt. (SEKm)	-56
Adjustments (SEKm)	0
EV (2024e) (SEKm)	9
Free float	0.0%
Avg. daily vol. ('000)	218
Risk	Medium Risk
Fiscal year end	December
Share price as of (CET)	21 Mar 2025 00:00

Key figures (SEK)	2023	2024e	2025e	2026e
Sales (m)	118	112	145	173
EBITDA (m)	-16	-33	-15	- 11
EBIT (m)	-141	-157	-139	-113
EPS	-3.03	-1.94	-1.23	-1.01
EPS adj.	-1.88	-1.47	-0.89	-0.67
DPS	0.00	0.00	0.00	0.00
Sales growth Y/Y	34%	-4%	29%	19%
EPS adj. growth Y/Y	+chg	+chg	+chg	+chg
EBIT margin	-119.6%	-139.4%	-95.4%	-65.1%
P/E adj.	n.m.	n.m.	n.m.	n.m.
EV/EBIT	neg.	neg.	neg.	neg.
EV/EBITA	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	4.7
P/BV	0.0	0.1	0.2	0.2
Dividend yield	0.0%	0.0%	0.0%	0.0%
FCF yield	-112.4%	-55.4%	-62.2%	-2.3%
Equity/Total Assets	83.1%	84.7%	79.1%	72.1%
ROCE	-19.4%	-24.8%	-26.6%	-28.7%
ROE adj.	-12.0%	-19.9%	-20.2%	-20.2%
Net IB debt/FBITDA	-0.6	1.7	1.0	-1.3



Source: Carnegie Research, FactSet, Millistream & company data

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