

Market: OMXC Small Cap

Ticker: GREENM

Share price (DKK): 30.0

Market cap (DKKm): 161.2

Net debt (DKKm): 148.9 (Q2 2024)

Enterprise value (DKKm): 310.1

## Share information



YTD: -16.9% 1 year: -20.4%  
1 month: 22.0% 3 years: -81.1%

Note: We apply the closing price from 28 August 2024 (Source: Capital IQ)

## Financials

(DKKm)	2022**	2023**	2024E***
Revenue	75.6	94.6	120.0-130.0
Revenue growth	21%	25%	27% to 37%**
EBITDA	-14.7	-6.8	N/A
EBITDA margin	-19.4%	-7.2%	N/A
Profit before tax	-38.9	-49.1	N/A**
Pre-tax profit margin	-51%	-52%	N/A
Cash	43.6	36.2	N/A
Interest-bearing debt*	201.4	171.6	N/A

Note: \*Interest-bearing debt includes lease liabilities. \*\*Not all numbers are comparable after restatements. \*\*\*GreenMobility's own guidance for 2024.

## Valuation multiples

	2022	2023	2024E*
P/S (x)	2.6	2.0	1.3
EV/Sales (x)	4.7	3.5	2.5
EV/EBITDA (x)	-24.2	-48.2	N/A
EV/EBIT (x)	-9.8	-8.2	N/A
P/E (x)	-5.2	-3.9	N/A
P/B (x)	3.0	18.8	N/A
P/CF (x)	-4.0	-13.7	N/A

Note: Multiples for 2022 and 2023 are based on historical numbers. \*Multiples in 2024E are based on midpoint in GreenMobility's own guidance.

## Company description

Founded in 2016, GreenMobility is a car-sharing company within Mobility-as-a-Service. The company operates a fleet of approx. 1,400 electric vehicles with main activities in Copenhagen and Aarhus. GreenMobility's smart app solution allows users to open and rent cars by using their smartphones. After a period with focus on growth and internationalization, the focus has now shifted to drive profitable growth in the home market.

## Investment case

GreenMobility taps into several megatrends such as the sharing economy, sustainability, and urbanization, with electrical cars being a transportation activity and service in cities rather than an asset for the customers. Car sharing can reduce the number of privately owned cars, suggesting that congested cities have a significant incentive to promote car sharing solutions.

Since 2023, GreenMobility has continuously adapted its strategy focusing on profitable growth. As a result, markets outside Denmark have been closed. The company's primary market is Copenhagen after the exit of its main competitor in late 2023.

Looking at the H1 2024 results, GreenMobility grew revenue from continuing operations by 59%. In H1 2024, net income from continuing operations was DKK -1.0m, however, with a positive net profit of DKK 1.8m in Q2 2024. Delivering on the profitable growth strategy is supported by its recent full-year guidance upgrade on both top- and bottom line. In 2024, GreenMobility now expects net profit from continuing operations of DKK 2-12m.

Looking at valuation, GreenMobility trades at 2.5x EV/Sales (2024E) based on its current revenue guidance (midpoint). This implies that GreenMobility is valued above the broad peer group of listed companies based on the median EV/Sales (2024E) multiple of 1.3x. With the expectations of profitability, the relative valuation may shift to earnings multiples in the coming years.

## Key investment reasons

On a macro level, the growing focus on green car sharing solutions to address air pollution, traffic congestion, and reach net zero carbon emissions is expected to support GreenMobility's growth.

In 2024, the focus is on restoring the investor confidence and aligning better with the preferred sentiment of profitable growth. Furthermore, this lays a foundation to build new business opportunities. Following a Q2 2024 that saw positive net profit from continuing operations, with no signs of cannibalization from the relocated cars to Copenhagen, GreenMobility is heading into a normally seasonally stronger second half of the year. Without signs of a cannibalization effect yet, this could indicate that there is potential to continue expanding in Copenhagen.

Going forward, results should be more clean and less messy for the market to read after the closing of international markets. It also removes the risk from closing costs running out of control.

## Key investment risks

Other competitors can choose to seize the opportunity created by the closure of the biggest competitor in Copenhagen. However, this risk is mitigated by the high price of growth capital, industry profitability focus, and a first-mover/dominant position by GreenMobility, currently closing the gap in Copenhagen with more cars.

In the short to medium term, price fluctuations on EVs create a risk of losses on the current fleet. Looking ahead, the company has changed its strategy on new additions to the fleet where GreenMobility no longer carries the risk of price fluctuations. In the long run, falling prices of EVs will create opportunities.

Lower-than-expected economic growth and falling consumer sentiment could lower the transportation demand in Denmark. This could affect GreenMobility's profitability and cash flow expectations and potentially lead to the risk of further capital requirements.

## Peer group

Company	Currency	Price (local)	Total return YTD (%)	Market cap (EURm)	Net debt (EURm)	EV/Sales (x)		Revenue growth (%)		EV/EBITDA (x)	
						2023	2024E	2023	2024E	2023	2024E
Donkey Republic A/S	DKK	6.90	31.4%	22.4	3.9	1.3	1.3	70%	28%	16.3	8.7
Uber Technologies Inc	USD	71.85	16.7%	135,645.8	1,734.1	3.5	3.6	17%	16%	32.0	24.1
Lyft Inc	USD	11.46	-23.6%	4,223.8	-504.3	1.2	0.7	8%	28%	24.0	12.2
<b>Average</b>			<b>8.2%</b>	<b>46,630.7</b>	<b>411.2</b>	<b>2.0</b>	<b>1.9</b>	<b>32%</b>	<b>24%</b>	<b>24.1</b>	<b>15.0</b>
<b>Median</b>			<b>16.7%</b>	<b>4,223.8</b>	<b>3.9</b>	<b>1.3</b>	<b>1.3</b>	<b>17%</b>	<b>28%</b>	<b>24.0</b>	<b>12.2</b>
<b>GreenMobility A/S</b>	<b>DKK</b>	<b>30.00</b>	<b>-16.9%</b>	<b>21.6</b>	<b>20.0</b>	<b>3.5</b>	<b>2.5</b>	<b>25%</b>	<b>32%*</b>	<b>-48.2</b>	<b>N/A</b>

Note: We apply GreenMobility's own 2024 revenue guidance (midpoint) and Donkey Republic's own 2024 guidance (midpoint). Other estimates are based on analyst mean estimates from Capital IQ. Data is extracted from 28 August 2024, and net debt is latest reported. Source: HC Andersen Capital, company reports, and Capital IQ. \*Not comparable after restatements.

# Appendix: Peer group

**Peer group selection:** GreenMobility operates in a highly dynamic market with several different players. In this overview, we primarily apply GreenMobility's prospectus from the Main Market listing in 2020. Even though GreenMobility mainly operates in the free-floating car-sharing market, the free-floating market is affected by competition from other on-demand mobility segments like micro-mobility, stationary, and car-hailing. For perspectives on valuation multiples, the peer group contains listed companies within the micro-mobility and car-hailing market. We exclude some companies, as we cannot find or extract updated and relevant financial information on these.

Below, we have shortly described the companies used in the peer group for perspective. Note that some companies are significantly larger than GreenMobility, and the peer group landscape may change and vary across geographies.

DonkeyRepublic Holding A/S: Looking at the Danish stock market, Donkey Republic operates in the micro-mobility segment, providing an end-to-end bike-sharing solution. For perspective in the peer group, it is assumed that GreenMobility and Donkey Republic meet some of the same needs for residents in larger cities who want to quickly transport themselves over shorter distances.

Uber Technologies Inc: As shown in GreenMobility's Main Market prospectus, Uber operates in the car-hailing market in competition with local taxi companies. Note also that Uber is significantly larger than GreenMobility, implying that the company is less comparable. However, the car-hailing market affects the free-floating car-sharing market, why the comparison contributes to perspective in the peer group analysis.

Lyft Inc: Like Uber, Lyft operates in the car-hailing market and is significantly larger than GreenMobility. Lyft is the second-largest ride-sharing service provider in North America after Uber, connecting riders and drivers over the Lyft app.

**Estimates and assumptions:** Some of the data in the peer group has not been calculated by HC Andersen Capital but is instead consensus analyst estimates from Capital IQ. HC Andersen Capital assumes no responsibility for the correctness of the numbers in the peer group; however, considers Capital IQ a credible source of information.