

**RISK INTELLIGENCE A/S**

[investor.riskintelligence.eu](http://investor.riskintelligence.eu)

**Industry:** Intelligence provider  
**List:** Spotlight Stock Market  
**Market value:** 55 DKK million  
**Initial coverage:** 7 December, 2021 (Fair value per share: DKK 11.7)

## Higher ARPU drives growth. The stock at support

Earlier this month, Risk Intelligence reported sales data for the fourth quarter and the full year 2021. During the full year, revenues increased by 20 per cent to DKK 18.8 million, and in the fourth quarter, revenue increased by 13% to DKK 7.5 million. The outcome was thus bang in line with our forecast. The growth was mainly driven by an increase in average revenue per customer (ARPU). Increasing ARPU comes with good scalability and therefore creates the conditions for the company to improve its profitability.

Risk Intelligence has a high proportion of recurring revenue (ARR), in other words, revenue secured with long-term contracts. These revenue streams are valuable because they create predictability and thereby reduce risk. At the end of 2021, recurring revenue from the Risk Intelligence System amounted to DKK 14.6 million, corresponding to a growth of 15%. Total recurring revenue, including subscription revenues related to the company's risk reports, also grew by 15 per cent and amounted to DKK 16.0 million at the end of 2021. Growth in recurring revenue is also likely to be an effect of increased average revenue per customer. At the same time, the percentage of terminated contract value increased to 3.9 per cent in the past quarter. For the full year 2021, the percentage of the terminated contract value was 3.2 per cent, compared to 1.4 per cent in 2020.

We look forward to the year-end report, which will be released on 23 February. 2022 will otherwise be an exciting year for Risk Intelligence and its push for the LandRisk Logistics, an application with good potential in a large market. In a base case scenario, we calculated a justified value of DKK 11.7 on 7 Dec. 2021. [Read the initial coverage report here.](#)

Like the stock market in general and small caps in particular, Risk Intelligence's stock has had a rough start to 2022. The weekly chart below shows that the rising trend has been broken. Support on the downside can be found around DKK 4.0-4.1.

**Share development (DKK)**

Source: Reuters Eikon | Carlsquare, RIC: RISK.TE



Source: Refinitiv Eikon and Carlsquare

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