

I-tech AB (ITECH)

Sweden | Biotech | MCAP SEKm 828

14 June 2026

Buy

Target price: SEK 95.0
 Current price: SEK 69.0
 Upside: 37.7%

The Market Sold the Headline, Missed the Story

I-tech AB (“I-tech” or “the Company”) is the sole developer of Selektope, a marine antifouling biocide used to prevent barnacles from attaching to the ship’s hull, minimising drag and fuel consumption. The Company currently supplies six of the nine major coating companies globally. The share has been punished in the last year over proposed regulatory headwinds, and following this, the analysts see an attractive entry point as risks appear overstated relative to the strong underlying fundamentals. With a 96% y/y sales growth in China combined with an estimated increased penetration in the dry-docking market, the Company is set to unlock further exposure to the structurally larger aftermarket. This is further compounded by the 42% copper price surge in 2025 and tightening emission caps. These tailwinds flow almost directly to the bottom-line through a largely fixed cost base, driving EBIT margin expansion from 23.8% in 2025 to 32.2% by 2027, an incremental EBIT margin of 47.3% over the period. Applying an equally weighted DCF and peer valuation based on a target multiple of 12.0x 2027E EV/EBIT yields a SEK 95.0 target price implying a 37.7% upside.

Key takeaways

- Further Chinese Exposure Drives Dry-Docking Penetration:** China's share of total sales increased from 13% in 2024 to 26% in 2025, materially elevating I-tech’s exposure to the dry-docking aftermarket, a market 11x larger than the newbuild segment, growing at a 4.9% CAGR through 2033, and in which China holds a 65% market share. Approximately 20,000 vessels are dry-docked annually versus roughly 1,800 newbuilds. In addition, hulls must be repainted every 3-5 years, creating a structurally recurring demand profile. Yet, dry-docking accounts for only 40% of revenue compared to 60% for newbuilds, a structural underweight given China’s dominance of the aftermarket. Closing this gap underpins a Chinese sales CAGR of 38% through 2028.
- Copper Price Surge Drives Volumes to Selektope:** Copper-based paints account for around 54% of the global antifouling market, with copper oxide concentration being 50% on average. The 42% surge in copper prices in 2025 translates to around a 21% increase in the final product cost, creating strong incentives for coating companies to switch to Selektope as it becomes the more cost-efficient alternative. Market consensus estimates imply a further price increase driven by electrification and infrastructure demand. Regulatory pressure creates further incentives for coating companies to phase out copper usage in antifouling paint, which underpins a sales CAGR of 17% through 2030.
- Emission Caps Make Antifouling a Compliance-Driven Necessity:** The IMO’s revised framework mandates a 20% emissions reduction by 2030 and 70% by 2040, with fines for non-compliance making fuel efficiency critical. Biofouling can increase fuel consumption by over 40%. By delivering over 99% reduction in barnacle settlement and significantly outperforming traditional copper-based paints, the value proposition is substantial and acts as a demand catalyst for I-tech.

Analysts

William Sjögren	Financial Analyst
Jakob Lewrén	Financial Analyst

Market Data, SEK

Exchange	First North Stockholm
Shares (m)	12.0
MCAP (m)	827.8
EV (m)	670.8

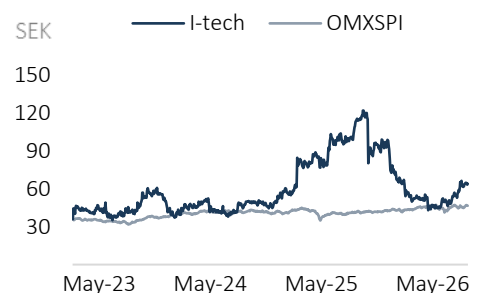
Metrics & Drivers	26E	27E	28E
EV/EBIT	12.6x	7.9x	6.4x
EV/EBITDA	10.9x	7.5x	6.1x
FCFF-yield	5.1%	8.6%	11.1%
EV/S	3.2x	2.6x	2.3x
ND/EBITDA	(2.6x)	(1.8x)	(1.4x)

Forecast, SEKm	26E	27E	28E
Total revenue	210	263	301
Rev. growth y/y	23.8%	25.0%	14.6%
Gross Profit	124	160	183
Gross Margin	59.1%	60.8%	60.8%
EBITDA	62	89	110
EBITDA Margin	29.2%	33.8%	36.5%
EBIT	53	85	105
EBIT Margin	25.3%	32.2%	35.0%

Major Shareholders

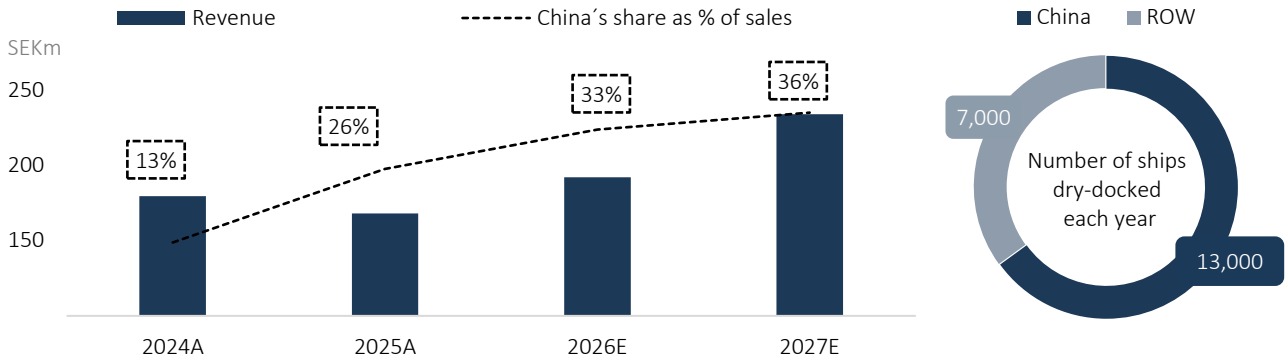
Pomona-gruppen	14.6%
Avanza Pension	9.5%
Swedbank Robur	6.7%

Price Development, SEK



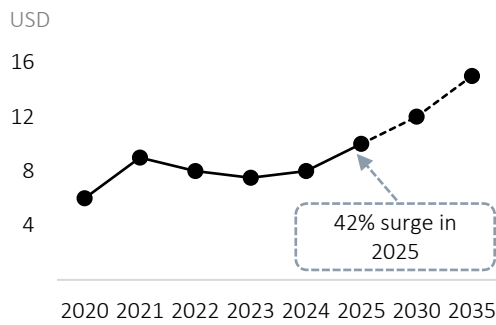
Investment Thesis in Charts

Penetration in China Creates Great Exposure to the Dry-Docking Market



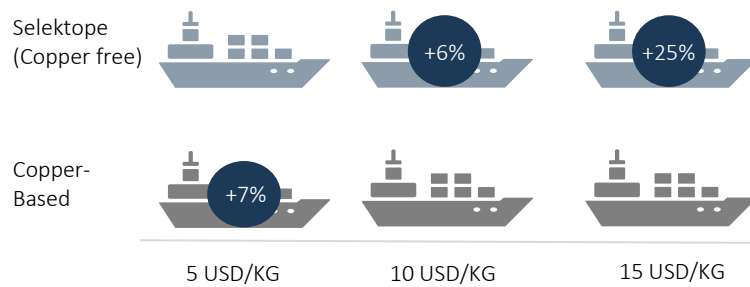
Sources: Analyst estimates, the Company

Copper Price



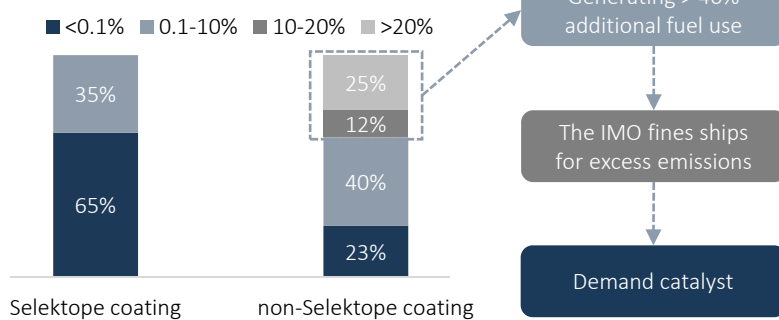
Sources: the Company, Financial Times

Gross Margin Difference for Paint Companies at Three Copper Price Scenarios (pp)



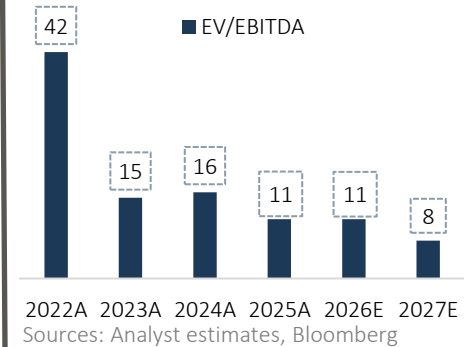
Source: the Company

Presence of Barnacles Upon Dry-Docking

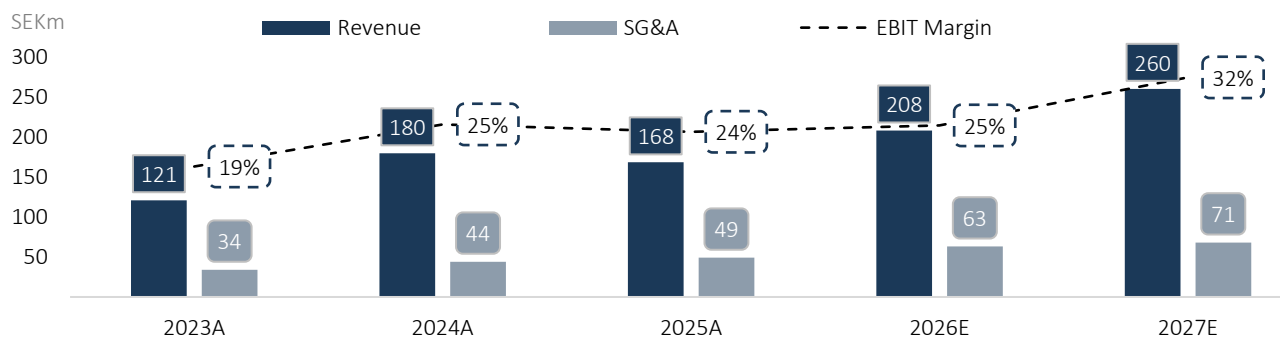


Sources: the Company, the IMO

Exaggerated Multiple Contraction



Operating Leverage Driving EBIT-Margin Expansion



Source: Analyst estimates

Investment Thesis

Deepening Chinese Penetration Unlocks a Substantially Larger Aftermarket

China's share of I-tech's total sales increased from 13% in 2024 to 26% in 2025, increasing the Company's exposure to the dry-docking market where China holds a 65% market share. The dry-docking market is also 11x larger than the newbuild segment as hulls must be repainted every 3-5 years, creating a structurally recurring demand profile. Despite this, dry-docking accounts for only 40% of current revenue compared to 60% for newbuilds and with Chinese penetration still in its early stage, dry-docking has yet to become the dominant revenue driver that analysts estimate it to be. I-tech is strengthening its position in the Chinese market by investing in new resources as well as evaluating further strategic partnerships which support an estimated Chinese sales CAGR of 38% through 2028.

Copper Price Surge Widens Selektepe's Margin Advantage and Accelerates Substitution

Copper-based paints represent 54% of the global antifouling market, where copper oxide concentration in the paint is on average around 50%. The 42% increase in copper price in 2025 implies roughly a 21% increase in the final product cost, creating strong incentives for coating companies to switch to Selektepe as it becomes the more cost-efficient option. At the current copper spot price of around \$14/kg, paint manufacturers using Selektepe-based paint enjoy a gross margin advantage of approximately 20 percentage points compared to using copper as the main ingredient. The breakeven price at which copper becomes cost-competitive with Selektepe is around \$6/kg, which is more than a 50% decline from current spot price. The market consensus suggests a copper price increase due to electrification and infrastructure demand, which strengthens I-tech's position as the financially superior choice. Regulatory pressure further compounds this by mandating reduced copper usage as it is harmful to marine life, accelerating further Selektepe adoption, supporting a revenue CAGR of 17% through 2030.

IMO Decarbonization Targets Make Premium Antifouling a Compliance-Driven Necessity

The International Maritime Organization's newly established emissions framework requires a 20% reduction in greenhouse gas emissions by 2030 and at least 70% by 2040, forcing ship operators to minimise fuel consumption. Vessels which do not comply with new regulatory frameworks will face increasing fines per excess tonnage of CO₂ emissions. Biofouling from barnacle build-up can increase hull drag and fuel consumption by over 40%, making premium antifouling technology a necessity to comply with increasingly strict regulations. Selektepe delivers over 99% reduction in barnacle settlement, significantly outperforming traditional copper-based coatings, making it the most effective available tool for operators facing mandatory efficiency targets. Copper is also leaching toxic heavy metals into the ocean at 4-8x above what is actually needed to achieve effective antifouling. This combined with compliance pressure from the IMO acts as a demand catalyst for I-tech.

Regulatory Overhang; Mispricing Creates an Asymmetric Entry Point

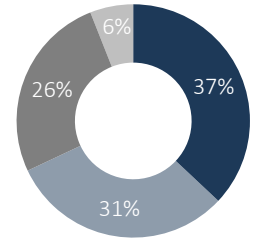
The EU's proposed non-renewal of Selektepe over endocrine-disruptor concerns affects only the European market, which accounts for just 2% of I-tech's revenue in 2025 and approximately 15% of the global antifouling market. In line with multiple stakeholders, analysts' research suggests that the data which the EU refers to in its analysis is flawed and is not relevant to the actual use of Selektepe. Selektepe's approval in the European market has recently been prolonged. However, the risk of a ban in the EU is high but strictly limited to Europe. The market has nonetheless priced I-tech as if an Asian ban were realistic. Correspondence with an industry expert indicates that significant differences in legislation between Asia and the EU make the risk of spillover effects unsubstantiated. The Asian countries' regulatory framework is based on actual consequences of the intended use rather than the intrinsic chemical properties. From this perspective, Selektepe is asymmetrically environmentally positive by delivering superior barnacle repellence, causing less fuel consumption as well as having no long-term effect on marine life.

Company Overview

Strategic Positioning With Global Reach

I-tech is a Swedish biotech company focusing on marine antifouling by developing and selling Selektepe, an ingredient incorporated in underwater paint for ships used to prevent barnacles from attaching to the hull, reducing fuel consumption. I-tech was founded in the year 2000 as a research project at Chalmers University of Technology and the University of Gothenburg and after 15 years of R&D and regulatory processes, the first ship was painted with a Selektepe-based paint. I-tech primarily has exposure to three markets, Korea which represents 37% of sales, Japan which represents 31% of sales and China which represents 26% of sales. I-tech has two different segments, newbuild which represents 60% of sales and dry-docking which represents 40% of sales and is maintenance and re-painting of ships.

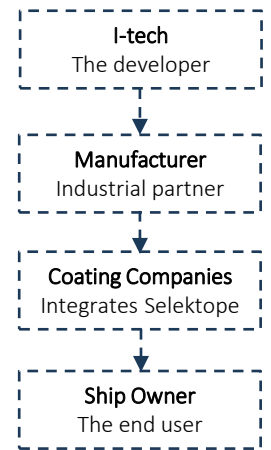
■ Korea ■ Japan ■ China ■ ROW



Business Model

A Lean Model With Strong Operating Leverage

The Company operates an asset-light, highly scalable B2B business model centred on its sole product Selektepe, a patented marine antifouling biocide supplied to global marine coating companies worldwide. The current customer base includes six of the nine major coating companies worldwide. The Company generates revenue through supply agreements where Selektepe is incorporated into antifouling paints that are sold and applied on to ships. I-tech is the developer of Selektepe but all production is outsourced to contract manufacturers in India. Through a small team of 19 employees, the Company focuses on R&D, sales and regulatory affairs, meaning that the cost base is mostly fixed and incremental sales flow almost entirely to the bottom-line. Regulatory approval requirements across multiple jurisdictions create significant barriers to entry, underpinning strong pricing power and a high-margin business model. Strong cash generation with a four-year average free cash flow margin of 26% has resulted in a cash buildup and a net-cash position of 157 SEKm, allowing the Company to make investments in order to diversify the product portfolio and enter new markets, which management has been clear is the ambition.



Market Overview

Market Transition Unlocks a Substantial Share Capture Opportunity

The antifouling market is dominated by copper-based coatings, which hold a 54% market share whilst I-tech serves only 3.5% of the total addressable market, creating significant room for growth. The usage of copper in antifouling paints is in a structural decline as increased regulatory pressure is forcing coating companies to cut down on copper oxide usage as it is harmful to marine life. Furthermore, the 42% copper price surge in 2025 accelerates the switch from copper to more sustainable and affordable alternatives. I-tech's sales can be divided into newbuild and dry-docking maintenance sales. Around 20,000 ships are dry-docked annually whilst around 1,800 are being built. Dry-docking is especially big in China as it is the centre for maritime infrastructure. China holds 65% of the dry-docking market and is where analysts see the biggest growth potential; therefore the 96% year-over-year growth in China is seen as positive. Analysts estimate China's share of total sales will reach 36% by 2027 compared to 26% in 2025.



A Heavily Regulated Market

The antifouling market is heavily regulated and operators often have to undergo a decade-long regulatory process that can cost upwards of 100 SEKm before launching a product, creating high barriers to entry. The increased regulatory pressure in the form of CO2 emission caps is a structural tailwind for I-tech as it offers superior barnacle repellence, causing less fuel consumption and lower emissions. In 2025, the EU proposed a non-renewal of Selektepe over concerns that it has endocrine-disrupting properties. This puts I-tech's exposure to the European market at risk. However, the EU only accounts for 2% of sales and the risk of spillover effects to Asia is, according to analysts' research, unsubstantiated.

Valuation

DCF Valuation

Based on a 10-year forecast period, the DCF valuation implies an upside of 33.3% using a WACC of 10.7% as the discount rate. A 0.0% terminal growth rate was used to account for a potential loss of market share after the patent on the application and manufacturing process for Selektepe expires in 2035. However, analysts see that as unlikely due to the Company's clear ambition to diversify the product portfolio. The intrinsic value is supported by the strong cash generation as 55% of implied enterprise value is derived from the present value of the forecast period's free cash flows. The implied share price is thus relatively insensitive to the terminal assumptions made.

		WACC							EBIT Margin					DCF Breakdown		SEKm
		SEK	8.7%	9.7%	10.7%	11.7%	12.7%	SEK	22.8%	29.8%	36.8%	42.8%	47.8%			
TGR	(2%)	103	94	86	80	74	WACC	8.7%	92	103	114	124	132	Sum of PV of Free Cash Flow	521	
	(1%)	108	98	89	82	76		9.7%	84	93	102	110	117	PV of Terminal Value	429	
	0%	114	102	92	84	78		10.7%	77	85	92	99	104	Implied Enterprise Value	950	
	1%	122	108	96	88	80		11.7%	72	78	84	90	94	Net Debt	(157)	
	2%	131	115	101	91	83		12.7%	67	72	78	82	86	Implied Equity Value	1,107	
															NOSH (m)	12
													Implied Share Price, SEK	92		
													Current Share Price, SEK	69		
													Implied Upside	33.3%		

Source: Analyst Estimates

Peer Valuation

I-tech is currently trading at a significant discount to its peer group with a 2027 EV/EBIT multiple of 7.9x compared to the peer median of 13.4x. The peer group is a broad mix of companies with similarities in business model and market in which they operate, mainly in regulated, IP-driven environments. The most relevant peer for I-tech is Sintercast, which operates a similar business model of a single proprietary technology licensed to manufacturers. Implementing a discount of 10% to the median EV/EBIT yields a target multiple of 12.0x and implies an upside of 41.7%. A 10% discount to the peer group is a conservative assumption, reflecting I-tech's smaller scale and lower liquidity.

SEKm	Market Data		EBIT Margin			EV/EBIT		ND/EBITDA
Company	MCAP	EV	2025A	2026E	2027E	2026E	2027E	2025A
Paxman	1,201	1,099	9.1%	11.1%	19.8%	24.5x	11.2x	(3.8x)
Surgical Science Sweden	1,642	976	6.9%	11.8%	15.1%	8.5x	5.9x	(4.0x)
Sintercast	749	731	30.4%	35.3%	40.1%	17.5x	13.4x	(0.1x)
Biogaia	12,564	11,693	26.8%	32.0%	34.1%	22.1x	18.5x	(1.8x)
Mips	6,326	6,422	29.3%	38.7%	45.9%	21.2x	13.9x	0.6x
Average	4,496	4,184	20.5%	25.8%	31.0%	18.8x	12.6x	(1.8x)
Median	1,642	1,099	26.8%	32.0%	34.1%	21.2x	13.4x	(1.8x)
I-tech	828	671	23.8%	25.3%	32.2%	12.6x	7.9x	(3.0x)

Sources: Analyst estimates, FactSet

Equally Weighted Valuation

An equally weighted DCF and peer valuation suggest an upside of 37.7% and a target price of SEK 95 compared to the current share price of SEK 69.

Appendix – Income Statement

Income statement, SEKm	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
Net revenue	84	121	180	168	208	260	298	334	367
<i>y/y change</i>		44.5%	48.9%	(6.7%)	23.8%	25.0%	14.6%	12.1%	10.0%
Other revenue	3	2	2	2	2	3	3	4	4
Total revenue	86	123	182	170	210	263	301	338	372
COGS	(39)	(57)	(84)	(72)	(86)	(103)	(118)	(132)	(145)
<i>% of sales</i>	46.0%	47.4%	46.8%	43.0%	41.3%	39.6%	39.6%	39.6%	39.6%
Gross profit	48	66	98	98	124	160	183	206	226
Gross Margin	55.4%	53.4%	53.8%	57.6%	59.1%	60.8%	60.8%	60.8%	60.8%
SG&A	(28)	(34)	(44)	(49)	(63)	(71)	(73)	(78)	(84)
<i>% of sales</i>	33.2%	28.4%	24.5%	29.5%	30.2%	27.3%	24.6%	23.3%	22.8%
EBITDA	20	31	54	49	62	89	110	128	142
EBITDA Margin	23.2%	25.5%	29.6%	28.5%	29.2%	33.8%	36.5%	37.8%	38.3%
D&A	(8)	(8)	(8)	(8)	(8)	(4)	(5)	(5)	(5)
<i>% of sales</i>	9.6%	6.6%	4.6%	4.8%	3.9%	1.6%	1.6%	1.5%	1.5%
EBIT	12	23	46	41	53	85	105	123	137
EBIT Margin	14.0%	19.0%	25.1%	23.8%	25.3%	32.2%	35.0%	36.4%	36.8%

Sources: The Company and Analyst Estimates

Decrease in D&A due to PPA amortisation ending

Appendix – Discounted Cash Flow

FCFF, SEKm	2025A	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
NOPAT	32	42	67	84	97	109	118	123	125	126	128
D&A (+)	8	8	4	5	5	5	6	6	7	7	7
CapEx (-)	(0)	(5)	(7)	(8)	(9)	(8)	(8)	(8)	(8)	(8)	(7)
Change in NWC (-)	(22)	11	7	5	5	5	4	2	1	1	1
FCFF	62	34	58	75	88	101	112	118	122	125	127
FCFF Margin	36.8%	16.5%	22.2%	25.0%	26.3%	27.5%	28.4%	29.0%	29.2%	29.2%	29.4%

Sources: The Company and Analyst Estimates

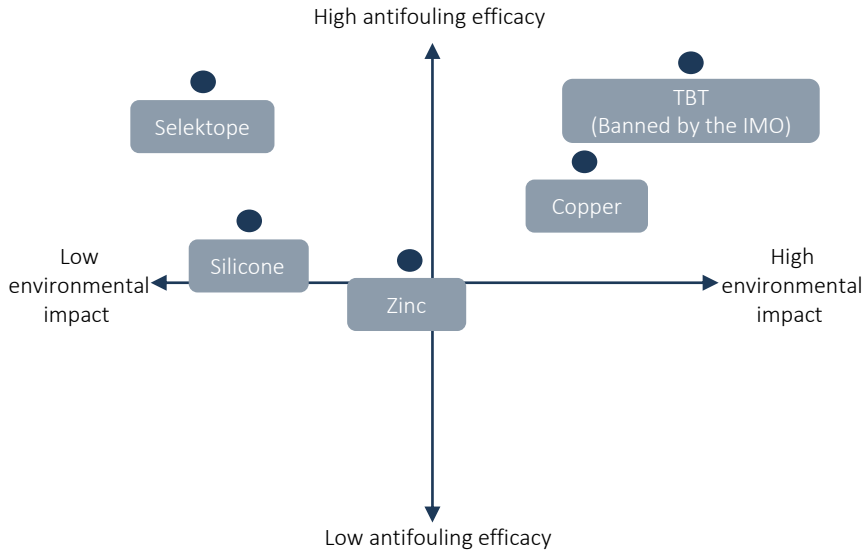
Appendix – Share Price



Sources: Bloomberg and Analyst Estimates

Appendix – Competitive Landscape

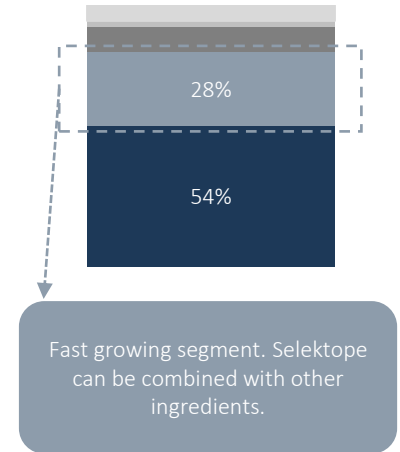
Positioning Matrix – Paint Ingredients



Source: Industry expert

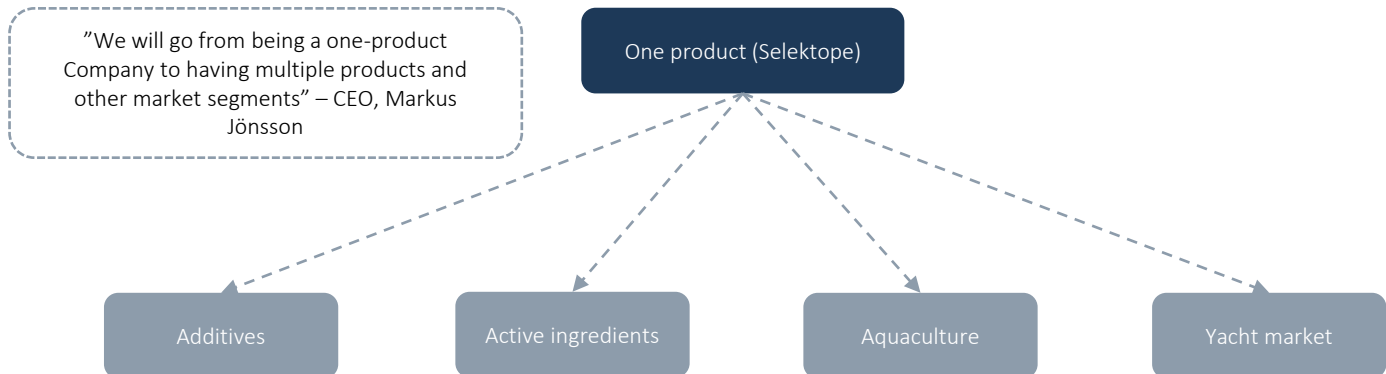
Total Market Sales Split

■ Copper ■ Hybrids ■ Zinc ■ Silicone ■ Other



Source: the Company

Appendix – Product Diversification



After conversations with the CEO, it is clear that I-tech’s ambition is to diversify the product portfolio and widen the use of Selektepe which is made possible with a net-cash position of 157 SEKm. Analysts have modelled for an increase in Capex, going from 0.1 SEKm in 2025 to 7 SEKm by 2027. However, new additives and active ingredients, which are the highest priority for I-tech, are largely an extension of the current IP-driven, asset-light business model which the Company operates, meaning that further Capex and R&D spending is limited. 30-40% of the input cost of a coating formulation comes from additives, meaning that there are significant growth opportunities ahead. I-tech’s established relationships with six of the nine major coating companies mean that new products can be introduced at low costs and the regulatory expertise and infrastructure built over the last 25 years can be leveraged for registration of new substances at a fraction of the cost that a new entrant would face. These synergies mean that the incremental cost of diversification is low. Analysts estimate that the product diversification will have an impact on the P&L by H2 2027.

Sources: Interview with CEO, the Company

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