Fundamental Analysis

Xplora (XPLRA)

NORWAY | TECHNOLOGY | MCAP NOK 1,981m

14 July 2026

Buy

Target price:	NOK 70.8
Current price:	NOK 41.4
Upside:	71.0%

One SIM to Rule Them All

Xplora is Europe's leading provider of senior phones and children's smartwatches. The Company is transitioning from a hardware-focused business to a recurring revenue model by converting device buyers into mobile subscribers by offering them its own mobile plan. With the recent acquisition of Doro and the planned acquisition of Emporia, Xplora will become the largest senior phone provider in Europe, selling approximately 1.8 million devices annually. The SIM conversion rate, which measures the percentage of buyers who add an Xplora subscription, is currently priced at only 3% by the market, despite the Company achieving 25% online. A 10% base-case would raise the group's EBITDA margin from 12.6% to 21.6% by 2028. Analyst estimates, based on weighted peer valuation and DCF analysis, suggest a fair value of NOK 70.8 per share, a 71.0% increase from the current price of NOK 41.4.

Key Takeaways

- **SIM Conversion Drives Recurring Revenue and Margin Expansion**
  Xplora's model is straightforward and effective. By bundling its own subscription with each device sale, the company turns one-time hardware sales into recurring revenue. Service revenue, with a gross margin of around 80% compared to 40% for hardware, significantly improves profitability. Each new subscriber generates strong returns at an acquisition cost of just NOK 250-500. For its 2026 rollout, Xplora has secured 900 retail stores, marking its first expansion from online to physical retail. Analyst estimates project service revenue to grow from NOK 342 million to NOK 1,185 million by 2028, with high-margin recurring revenue as the main driver of group profitability. However, the market still values Xplora primarily as a hardware business, overlooking a recurring-revenue opportunity that early results already demonstrate.

- **School Smartphone Bans Accelerate Kids' Smartwatch Adoption**
  Smartphone bans in schools have risen from 45 countries in 2022 to 114 today, pushing parents toward purpose-built devices. As the European category leader, Xplora is positioned to capture this demand across its nine markets. Norway's roughly 11% penetration shows the headroom still open in larger, underpenetrated markets.

- **B2B Care is an Optionality The Market Has Not Yet Recognized**
  Europe's elderly care market includes 5.9 million residents, but no provider currently offers both senior hardware and a proprietary mobile subscription. Xplora can fill this gap by bundling SIMs with Doro's installed base, without requiring new product development. This base represents a total addressable market of NOK 6-7 billion. Analyst estimates suggest a single contract with a top-30 care group could generate NOK 350-450 million in recurring ARR. As the base case assigns no value to this segment, any progress would provide incremental upside.

Analysts	
Erik Sommerlou	Financial Analyst
Sam Drougge	Financial Analyst

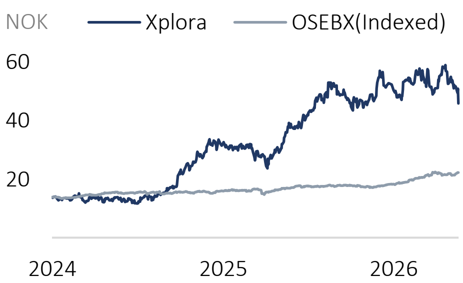
Market Data, NOK	
Exchange	Euronext Growth Oslo
Shares (m)	47.9
MCAP (m)	1,981
EV (m)	2,364

Metrics & Drivers	25A	26E	27E
EV/EBIT	19.1x	10.0x	6.4x
EV/EBITDA	13.0x	7.4x	5.0x
EV/S	1.6x	1.1x	0.9x
P/E	(98.0x)	11.3x	6.6x
ND/EBITDA	2.2x	1.4x	0.4x

Forecast, NOKm	25A	26E	27E
Total revenue	1,918	2,570	3,159
Rev. growth y/y	135.9%	34.0%	22.9%
Gross Profit	997	1,348	1,677
Gross Margin	52.0%	52.4%	53.1%
EBITDA	241	374	555
EBITDA Margin	12.6%	14.5%	17.6%
EBIT	164	276	435
EBIT Margin	8.6%	10.7%	13.8%

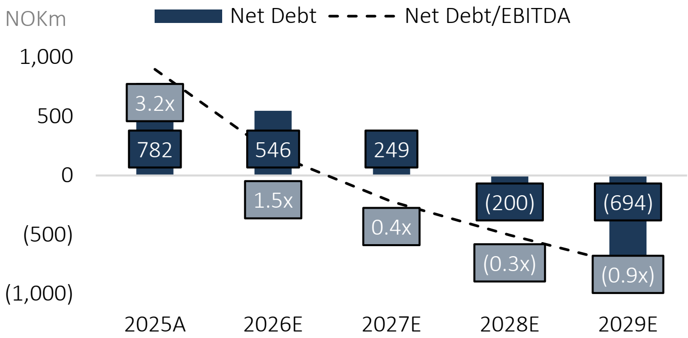
Major Shareholders	
Passesta AS	10.0%
Vinterstua AS	5.3%
Harmonium Invest AS	5.1%

Price Development, NOK



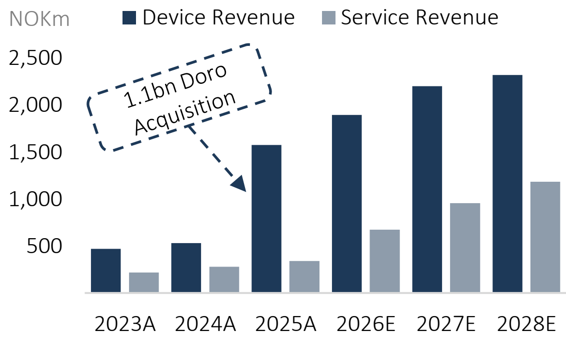
Investment Thesis In Charts

Net Cash Positive by 2028E



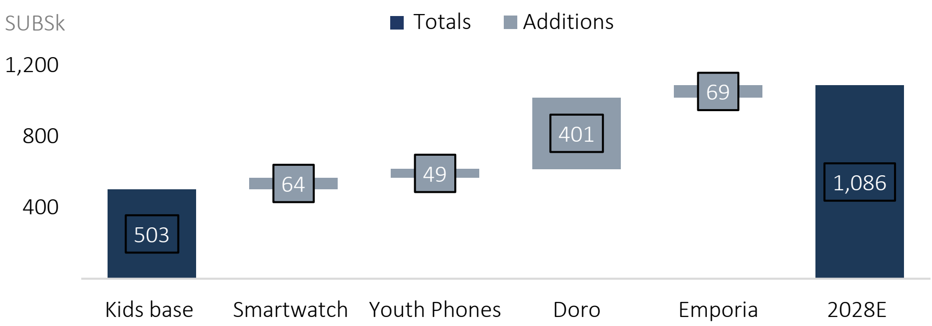
Source: Analyst Estimates

Device Base Expanded, Service Revenue Follows



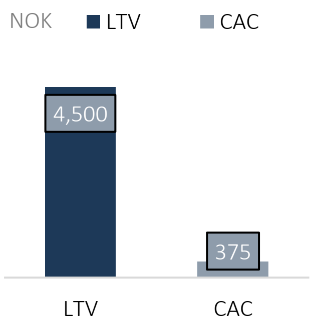
Sources: the Company, Analyst Estimates

Doro + Emporia: 470k of 580k New Subs



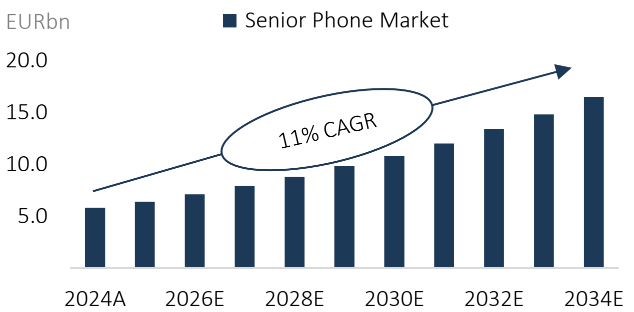
Source: Analyst Estimates

Senior Segment: 12x LTV/CAC



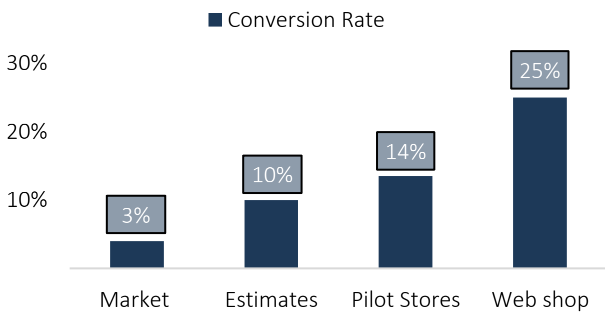
Source: Analyst Estimates

Senior Phones: EUR 16bn Market by 2034



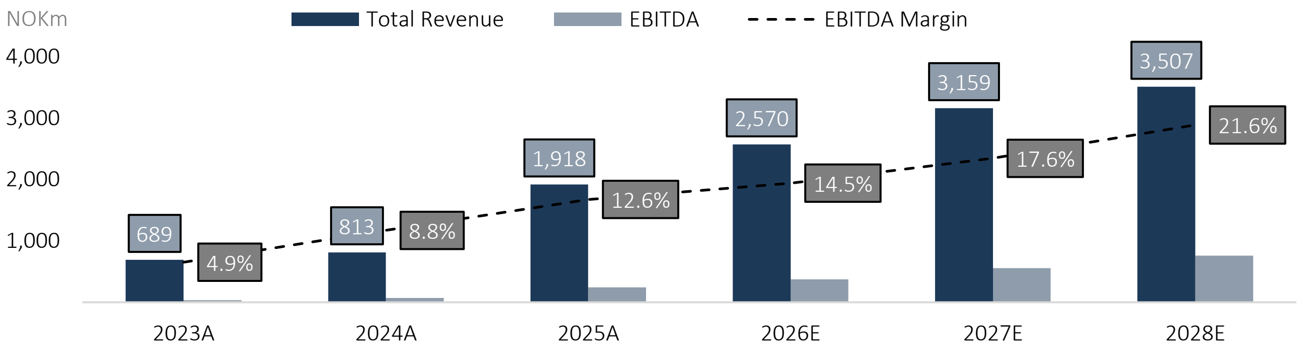
Source: Verified Market Report

Market's 3% Assumption Finds No Support in the Data



Sources: the Company, Analyst Estimates

Revenue & EBITDA Forecast



Sources: the Company, Analyst Estimates

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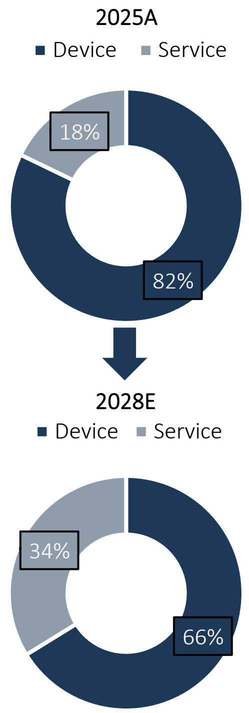
Investment Thesis

SIM Conversion Drives Recurring Revenue and Margin Expansion

Xplora is shifting from a hardware-focused business to a recurring-revenue model by converting senior phone buyers into mobile subscribers. After acquiring Doro in 2025 and the pending Emporia deal in Q2 2026, both of which are consolidated in our estimates, Xplora is now Europe's largest provider of senior phones, supplying about 1.8 million devices annually. Each device ships with a pre-installed SIM from Xplora's own MVNO, giving the user mobile connectivity plus emergency calling, location sharing, and simplified support, the features that make a senior phone usable, while generating recurring service revenue for Xplora. Service revenue generates an 80% gross margin on a largely fixed-cost base, so each new subscriber contributes 55-65% directly to EBITDA. With a customer acquisition cost of NOK 250-500 and a lifetime value of NOK 4,500, the LTV/CAC ratio is 10-18x. Early results are strong: web shop conversion is around 25%, and pilot stores report 12-15%. However, analyst estimates based on a reverse DCF, holding all base-case assumptions constant and flexing only the senior conversion rate, suggest the current NOK 41.4 share price assumes a conversion rate of just 3%. This points to significant mispricing: the market appears to expect 97 of every 100 senior buyers to decline a SIM priced 20% below competitors, despite strong evidence to the contrary and an ongoing rollout to 900 retail stores in 2026. Even at a conservative 10% conversion rate, less than half the current online rate, EBITDA would rise from NOK 241m in 2025 to NOK 759m by 2028. Any conversion rate above the implied 3% represents upside to the current valuation.

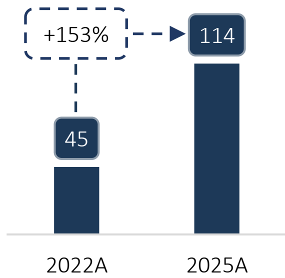
Service Revenue Mix



Regulatory Tailwinds: School Phone Bans Drive Structural Demand Shift to Safety Devices

School phone bans are reshaping the European kids' tech market, with the number of countries restricting smartphones in schools rising from 45 in 2022 to 114 today. The behavioral shift is clear: in Sweden, the share of nine-year-olds without a smartphone doubled between 2022 and 2024, while feature phone sales tripled. Xplora is the European category leader in purpose-built kids' smartwatches, offering GPS, SOS, parental controls, and a proprietary School Mode. Norway, the earliest adopter, has reached roughly 11% penetration, while Germany remains in the low single digits despite being a far larger market. As Xplora's subscriptions become more widely available across retail, analyst estimates suggest Germany reaching 3% penetration, around a third of Norway's level and equivalent to roughly 210,000 of its seven million children, would add NOK 400-500 million in annual revenue. This sits outside the base case, representing upside as school bans broaden and category awareness grows toward levels already proven in the Nordics, with the Q2 and Q3 2026 back-to-school seasons serving as the next catalyst.

Countries with Phone Bans



Optionality: B2B Care Wasn't an Opportunity Before, Now It Is

Europe’s elderly care market serves 5.9 million residents and represents a NOK 6-7 billion addressable market. Currently, no major provider offers both senior-focused hardware and integrated mobile subscriptions. Doro devices are already widely used in care settings, allowing Xplora to bundle SIMs with the existing installed base rather than develop new products. This opportunity exists because Doro’s 2022 Careium spinoff left the installed base without an MVNO to monetize it. Care homes typically purchase through centralized procurement and multi-year framework agreements, spreading acquisition and distribution costs across large user groups. Xplora can pursue this opportunity without investing in new hardware or distribution channels. Analyst estimates indicate that a single agreement with one of the top 30 pan-European care groups, which together control about a quarter of the region’s beds, could generate NOK 350-450 million in recurring ARR. However, the market currently assigns no value due to long sales cycles and the absence of signed contracts, so any contract win would represent upside to current estimates.

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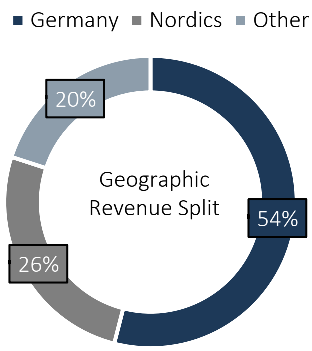
Company Overview

From Children's Smartwatches to Europe's Senior Phone Leader

Xplora is a Norwegian technology company that designs and sells purpose-built mobile devices for children and seniors across nine European markets. Founded in 2016 and based in Oslo, Xplora expanded into the senior segment with the acquisition of Doro in January 2025 and is set to further strengthen its position through the pending acquisition of Emporia, expected to close in Q2 2026. These acquisitions will make Xplora Europe's leading senior phone vendor, with combined annual sales of approximately 1.8 million units. Xplora addresses both the children's and senior markets. The portfolio includes smartwatches and smartphones for children under the Xplora brand, as well as senior-focused phones under the Doro and Emporia brands. Devices are distributed through retail and online channels in over 20 countries. Xplora targets niche segments where simplicity, safety, and connectivity are prioritized over traditional smartphone features. Listed on Euronext Growth Oslo, Xplora is the only fully integrated MVNO operator in the European senior and youth device markets.



Business Model

An Integrated Device and Connectivity Model

Xplora generates revenue from senior phones and children's smartwatches. The Company also earns recurring revenue by bundling mobile subscriptions with its devices through its MVNO platform, enabling ongoing monetization of each device sale. This model, proven in the kids' smartwatch segment with a 45% conversion rate, is now being expanded to the senior market. Xplora's hardware is produced by external partners, supporting a capital-light structure focused on product design, brand management, and MVNO operations. The MVNO model uses leased telecom infrastructure, eliminating the need for significant network investments. As the subscriber base grows, service revenue increases with minimal additional operating costs. Subscription revenue achieves approximately 80% gross margin, compared to 40% for hardware sales. A 900-store retail rollout is planned for 2026. This strategy shifts revenue from one-time hardware sales to recurring services, with service revenue expected to rise from 18% of the group mix to 40% by 2030.

MVNO Presence

Market Overview

A Concentrated Market With Structural Tailwinds

The European market for specialized devices for children and seniors is highly concentrated, with three to four established brands accounting for most industry volume. Doro holds an estimated 45% share in Western Europe and nearly 97% in the Nordics. Relationships with telecom operators, retail certifications, and senior-focused software create barriers to entry. Growth in the senior segment is driven by demographic trends, with the European 65+ population expected to rise from 21% today to 30% by 2050. Increasing rates of age-related conditions, such as cognitive decline and reduced fine-motor skills, continue to drive demand for accessible devices. The children's segment benefits from expanding school smartphone bans, which redirect demand toward purpose-built alternatives. Recent research estimates the European senior phone market will grow at an 11% CAGR over the next decade, supported by the digitization of elderly care services. Market dynamics favor companies that combine specialized hardware, MVNO infrastructure, and established telecom relationships.

Valuation

Discounted Cash Flow Valuation Implies an Upside of 73.3%

The DCF extends to 2035, with the senior subscription thesis supporting NOPAT and free cash flow growth until cash flows normalize for the terminal calculation. Capex remains closely aligned with D&A, reflecting capital-light expansion of existing telecom infrastructure. Cash flows are discounted at a 12.0% WACC, based on a 15.0% cost of equity and a 5.5% pre-tax cost of debt. The Gordon Growth method uses a 2.0% terminal growth rate, in line with long-term Norwegian GDP expectations. Net debt of NOK 782m reflects Doro acquisition financing and is adjusted for the pending Emporia transaction. The model produces an implied enterprise value of NOK 4,218m and an implied equity value of NOK 3,436m, or NOK 71.7 per share, representing 73.3% upside to the current share price of NOK 41.4. The valuation is most sensitive to the senior conversion rate and WACC. Assigning equal weight to the DCF and peer valuations results in a blended target of NOK 70.8 per share, representing 71.0% upside from the current price.

DCF Breakdown	
Sum of PV of Free Cash Flow, NOKm	2,451
PV Terminal Value, NOKm	1,767
Implied Enterprise Value, NOKm	**4,218**
Net Debt	782
Implied Equity Value, NOKm	**3,436**
NOSH(m)	47.9
Implied Share price	**71.7**
Implied upside	73.3%

TGR \ WACC	8.0%	10.0%	12.0%	14.0%	16.0%
1.0%	130	91	68	58	47
1.5%	136	96	70	59	47
2.0%	143	102	72	60	48
2.5%	152	105	74	61	49
3.0%	162	110	76	62	50

Sources: the Company, Analyst Estimates

Peer Valuation Supports NOK 70 Target

Xplora trades at a 2027 EV/EBIT multiple of 6.4x, below both peer groups. The consumer devices group (Turtle Beach, VTech, Ascom) trades at a median of 9.2x, while the device platforms group (Yubico, Nedap, Smartoptics) trades at 14.6x, reflecting a premium for recurring service revenue models. Xplora's hardware business aligns with peers in the consumer device space, and it is increasing recurring subscription revenue through its owned MVNO. A 20% discount is applied to the weighted peer multiple to account for Xplora's illiquidity, limited free float, and smaller size. Migration to the main Oslo Børs could reduce this discount, as similar Nordic listing transfers have typically closed such discounts within 12 to 18 months. The shift toward recurring service revenue supports earnings growth and quality. With EBIT margin expected to rise from 8.6% in 2025 to 13.8% by 2027, applying an equally weighted target multiple of 11.9x to 2027 EBIT of NOK 435m is conservative and justified. After the 20% discount, the target share price is NOK 70.0, representing 69.1% upside.

NOKm	MCAP	EV	Gross Margin		EBIT Margin		EV/EBITDA		EV/EBIT	
Company	NOKm	NOKm	2025A	2027E	2025A	2027E	2025A	2027E	2025A	2027E
Turtle Beach	2,445	2,839	37.3%	37.6%	9.6%	8.7%	11.5x	5.8x	18.3x	9.2x
Vtech Holdings	15,905	14,571	31.5%	32.2%	9.1%	8.0%	6.0x	7.1x	7.6x	9.3x
Ascom	2,741	2,365	48.2%	48.6%	6.9%	7.3%	5.3x	5.7x	15.0x	9.1x
Median	**2,741**	**2,839**	**37.3%**	**37.6%**	**9.1%**	**8.0%**	**6.0x**	**5.8x**	**15.0x**	**9.2x**
Average	**7,030**	**6,592**	**39.0%**	**39.5%**	**8.5%**	**8.0%**	**7.6x**	**6.2x**	**13.6x**	**9.2x**
Yubico	5,625	4,658	77.9%	78.4%	9.0%	14.2%	10.8x	12.2x	28.6x	13.4x
Nedap	7,129	7,141	74.9%	74.0%	11.3%	13.6%	15.2x	11.6x	22.0x	14.6x
Smartoptics	6,216	6,139	47.8%	48.3%	9.0%	15.2%	32.6x	16.2x	55.3x	31.3x
Median	**6,216**	**6,139**	**74.9%**	**74.0%**	**9.0%**	**14.2%**	**15.2x**	**12.2x**	**28.6x**	**14.6x**
Average	**6,323**	**5,979**	**66.9%**	**66.9%**	**9.8%**	**14.3%**	**19.5x**	**13.3x**	**35.3x**	**19.8x**
Xplora	1,981	2,763	52.0%	53.1%	8.6%	13.8%	13.0x	5.0x	19.1x	6.4x

Sources: Bloomberg, the Company, Analyst Estimates

Appendix – Income Statement

Income Statement, NOKm	2023A	2024A	2025A	2026E	2027E	2028E
Device Revenue	470	533	1,575	1,896	2,203	2,322
Service Revenue	219	281	342	674	956	1,185
Total Revenue	**689**	**813**	**1,918**	**2,570**	**3,159**	**3,507**
COGS	(357)	(408)	(921)	(1,222)	(1,483)	(1,601)
Gross Profit	**332**	**406**	**997**	**1,348**	**1,677**	**1,906**
Gross Margin	*48.2%*	*49.9%*	*52.0%*	*52.4%*	*53.1%*	*54.3%*
Other Operating Expenses	(113)	(125)	(294)	(342)	(389)	(393)
Personnel Costs	(113)	(128)	(296)	(380)	(449)	(459)
Marketing Expenses	(72)	(81)	(166)	(252)	(284)	(295)
EBITDA	**34**	**71**	**241**	**374**	**555**	**759**
EBITDA Margin	*4.9%*	*8.8%*	*12.6%*	*14.5%*	*17.6%*	*21.6%*
D&A	(57)	(60)	(77)	(98)	(120)	(133)
EBIT	**(23)**	**12**	**164**	**276**	**435**	**626**
EBIT Margin	*(3.3%)*	*1.4%*	*8.6%*	*10.7%*	*13.8%*	*17.8%*
Net Financial Items	(7)	(14)	(160)	(52)	(49)	(47)
EBT	**(30)**	**(2)**	**4**	**224**	**386**	**579**
Taxes	8	(4)	(31)	(49)	(85)	(127)
Net Income	**(21)**	**(6)**	**(27)**	**175**	**301**	**452**
Net Income Margin	*(3.1%)*	*(0.7%)*	*(1.4%)*	*6.8%*	*9.5%*	*12.9%*

Source: the Company, Analyst Estimates

Appendix – Reverse DCF

Reverse DCF: Market Implies 3% Conversion Rate

The reverse DCF suggests the market has assumed a 3% conversion rate for Xplora's SIM cards, even though the Company currently achieves about 25% online conversion. All base case assumptions remain unchanged, except for the senior conversion rate, which is adjusted to align the model with the current NOK 41.4 share price. At a 3% rate, projected 2028 service revenue is NOK 735m, compared to NOK 1,185m at 10% base-case scenario. This is less than half the conversion Xplora already achieves online.

FCFF, NOKm	2025A	2026E	2027E	2028E	2029E	2030E
Nopat	128	158	222	312	316	320
D&A (+)	77	92	109	118	120	123
Capex (-)	48	85	101	109	114	116
Change in NWC (-)	121	(34)	38	35	10	11
FCFF	**36**	**199**	**192**	**286**	**312**	**316**
FCFF Margin	*1.9%*	*7.7%*	*6.1%*	*8.2%*	*8.7%*	*8.7%*

Reverse DCF Breakdown	
Sum of PV of Free Cash Flow, NOKm	1,625
PV Terminal Value, NOKm	1,138
Implied Enterprise Value, NOKm	**2,763**
Net Debt	782
Implied Equity Value, NOKm	**1,981**
NOSH(m)	47.9
Implied Share price	**41.4**
Implied upside	0.0%

		WACC				
		8.0%	10.0%	12.0%	14.0%	16.0%
Conversion Rate	2.5%	85	59	40	33	25
	5.0%	105	73	54	42	33
	10.0%	143	102	72	60	48
	15.0%	182	130	99	78	63
	20.0%	220	158	121	96	79

Sources: the Company, Analyst Estimates

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Other