

BioRem Inc. (BRM:TSXV, BIRMF:OTC)

March 17, 2025

All figures in CAD unless otherwise stated

BioRem Inc.	BRM:TSXV
Share Price	\$2.46
Average Daily Volume (K)	48.8
Shares Outstanding (M)	16.1
Market Cap (\$M)	\$39.7
Cash (\$M)	\$7.3
Debt (\$M)	\$3.7
Enterprise Value (\$M)	\$36.1

FYE Dec 31	2023A	2024E	2025E
Sales (\$M)	\$25.2	\$36.9	\$40.3
Sales Growth (YoY %)	(13%)	47%	9%
Gross Margin (%)	28%	29%	29%
Adj. EBITDA (\$M)	\$3.3	\$5.3	\$6.4
Adj. EBITDA Margin (%)	13%	14%	16%
Net Income (\$M)	\$2.2	\$3.7	\$4.3

Valuation	2023A	2024E	2025E
EV/EBITDA	11.0x	6.8x	5.6x
P/E	18.2x	10.7x	9.2x
EV/Sales	1.4x	1.0x	0.9x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



BIOREM is a leading clean technology company that designs, manufactures and distributes a comprehensive line of high-efficiency air emissions control systems used to eliminate odors, volatile organic compounds (VOCs), and hazardous air pollutants (HAPs). With sales and manufacturing offices across the continent, a dedicated research facility, a worldwide sales representative network and more than 2000 installed systems worldwide, BIOREM offers state-of-the-art technology-based products and peace of mind for municipalities, industrial

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What you need to know:

- BioRem provides air pollutant and odour management solutions for industrial facilities globally.
- The Company has a rapidly growing backlog of \$60.5M, which includes a \$8M in new orders signed last month. This has led to significant revenue growth with 47% YoY growth expected in 2024, with increased margins.
- BRM has a strong balance sheet with \$3.6M in net cash which is expected to be deployed on tuck-in acquisitions.
- Watch clips of the interview [here](#).

Company Overview

BioRem is a leading provider of air pollutant and odour management solutions for industrial facilities. Headquartered in Puslinch, Ontario, BRM has established itself as a key player in the environmental technology sector, offering end-to-end systems designed to address volatile organic compounds, hazardous air pollutants, and odour control. With over 2,000 installations across 23 countries, BRM operates as an asset-light capital equipment vendor and systems integrator, leveraging its expertise in biological, chemical, and physical filtration technologies.

BIOREM's business model benefits from long-term relationships with municipalities and industrial clients, often securing repeat business due to its strong track record of performance and compliance. The Company has a history of steady financial growth, supported by an expanding product portfolio and increasing demand for air quality management solutions.

Investment Thesis

Growing Backlog. Given the increased demand for its services, BRM has a rapidly growing backlog, currently exceeding its market cap. On February 11th, BioRem announced the signing of over \$8M in new orders, which combines with the \$13M signed in December 2024, resulting in a \$60.5M backlog.

Expanding Margins. In Q3/24, BioRem posted a gross margin of 34% which is a major increase compared to the 28% seen in Q3/24. EBITDA margins scaled similarly, reaching 21% in Q3/24 vs. 14% in Q3/23.

Ready for Acquisitions. Given its robust balance sheet (\$7.3M in cash) and free cash flow generation, BRM is well positioned for potential tuck-in acquisitions, enabling it to expand into complementary market segments such as noise control, ventilation, and heating/cooling systems.

Management. BRM is led by CEO & President Derek Webb who has held the position since 2014, having previously served in other roles within the Company. The board is chaired by Bill White who brings over 30 years of experience, serving on other boards such as Thermal Energy International and CHAR Technologies.

Valuation. BioRem currently trades at 6.8x/5.6x 2024E/2025E EBITDA, which we find to be objectively cheap for an industrial company growing topline 47% in 2024E year with expanding EBITDA margins.

Conference Takeaways

- Management is strategically focused on growing and improving the business with 16% insider ownership.
- Management has strategically decided to retain its debt due to the low interest rates, allowing the Company to maintain financial flexibility.
- Currently investing in growing its service group and making it a stand-alone business segment.

For access to full versions of all interviews please visit either mscliffnotes.substack.com or geoinvesting.com/free-trial/.

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NOT RATED (N/R): Atrium does not provide research coverage on the respective company.

RATING	COVERED COMPANIES
BUY	21
HOLD	0
SELL	0

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