

Health Care Equipment & Services, Sweden

Key data

Price (SEK)*	27.8
Country	Sweden
Bloomberg	ZENI:SS
Reuters	ZENI:TE
Free float	70.9%
Market cap (SEKm)	129
Net debt (current Y/E) (SEKm)	-8
No. of shares (m)	4.6
Next event	Q4: 5-Feb

\* Price as at close on 19 Nov, 2018

CEO	Mats Palerius
CFO	Mats Palerius

Company description

Zenitor is a Swedish medtech company offering a complete system including a thumb EKG and a software backbone used for spontaneous and systematic screening for atrial fibrillation, the single most significant indicator for stroke. Several large scientific studies have validated Zenitor's thumb EKG. A key conclusion from the studies is that systematic screening using Zenitor's product is more efficient than using the prevailing method Holter EKG. Several countries are considering national screening programmes for atrial fibrillation but are awaiting additional scientific support. Conclusions from the large Swedish Strokestop study could provide such scientific support in the next couple of years.

Ownership structure

Sonny Norström & co (co founder)	14.9%
Mats Palerius (CEO and co founder)	14.2%
Ydrehall AS	12.4%
Humble Fonder	8.9%

Source: Company data (30 September 2018)

Estimate changes

	2018E	2019E	2020E
Sales	-0.1%	-0.1%	-0.1%
EBITDA	n.m.	n.m.	49.2%
EBIT (adj.)	n.m.	n.m.	13.6%
EPS (adj.)	n.m.	n.m.	n.m.

Source: Danske Bank Equity Research estimates

Analyst(s)

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<https://research.danskebank.com/research>

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# Zenitor

## Building momentum for sales growth in Q4 and 2019

**Sales growth continued to increase in Q3 and we expect slightly higher growth in Q4 and 2019 driven by additional revenues from already-announced contracts. Looking ahead, we expect the company to announced additional contracts with county councils in Sweden and Finland. In 2019, follow up results from the Strokestop study are due. Results are important for potential national atrial fibrillation screenings in Sweden and other countries.**

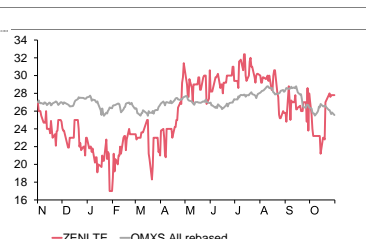
- **Sales growth continued to accelerate** along the line of our expectations at 25% y/y. We believe the key drivers are the first Finnish project (Oulu Heart Center), initial payments related to the UK screening project and the base business.
- **The Tampere contract** was signed in July and with slow activity in the summer months, we believe it really started to take off in September. As sales are invoiced with a lag, based on usage, we expect a minor, incremental, positive impact in Q4 but more so in Q1 19. Similarly, the contract with the County Council in Värmland was signed in September, so we expect to see more significant revenue contribution from Q1 19.
- **The UK screening project** is in the preparation phase currently but is due to go into volumes from the start of 2019. We believe this project alone will support roughly half our expected 31% revenue growth estimate for 2019.
- **The recent contract in Värmland** increases the likelihood of additional contracts being signed with some of the other 19 county councils. Similarly, we believe the company continues to approach regional municipalities in Finland.
- **Estimate revisions.** We fine-tune our estimates as top-line growth continues along the lines of our scenario. We expect an acceleration of top-line growth in 2019 but this is largely supported by already-announced contracts.
- **Valuation.** We value Zenitor based on sales multiples for 2020E compared with those of peers. We reiterate our fair valuation range of SEK44-51.

### Key financials

Year-end Dec (SEK)	2016	2017	2018E	2019E	2020E
Revenues (m)	17	18	21	28	39
Revenues growth	14.2%	7.3%	16.4%	31.0%	40.0%
EBITDA (m)	-2	-3	-0	-0	4
EBIT adj. (m)	-2	-3	-0	-0	3
EBIT growth	66.8%	-69.8%	90.5%	-32.0%	n.m.
Pre-tax profit (m)	-2	-2	-0	-0	3
EPS adj.	-0.38	-0.46	-0.05	-0.06	0.41
DPS	0.00	0.00	0.00	0.00	0.13
Dividend yield					0.5%
FCF yield (incl. recurr capex)	-8.3%	-0.5%	-2.9%	-3.3%	0.2%
EBIT margin (adj.)	-9.5%	-15.1%	-1.2%	-1.2%	6.5%
Net debt/EBITDA (x)	-1.5	-1.8	45.5	11.9	-0.9
ROIC	-31.3%	-37.9%	-2.7%	-2.5%	13.0%
EV/sales (x)	5.0	6.0	6.9	5.5	3.9
EV/EBITDA (adj.) (x)	n.m.	n.m.	n.m.	n.m.	43.3
EV/EBITDA (x)	n.m.	n.m.	n.m.	n.m.	44.6
EV/EBIT (adj.) (x)	n.m.	n.m.	n.m.	n.m.	59.5
P/E (adj.) (x)	n.m.	n.m.	n.m.	n.m.	68.3

Source: Company data, Danske Bank Equity Research estimates

### Price performance



	1M	3M	12M	5Y
Absolute	-1%	-8%	3%	n.m.
Rel. local market	3%	1%	9%	n.m.
Rel. EU sector	3%	1%	9%	n.m.

Source: FactSet

### Not for US distribution

## Q3 18 summary

Zenicor continued to deliver sales growth along the lines of our forecast scenario. The company invoices customers on a quarterly basis after the quarter has closed. This means that of the new contracts with a pay-per-use business model, it is only the Oulu project that is included in the sales numbers. The Tampere contract took effect early in Q3 18 but with a slow activity level during the vacation period, we expect some revenues in Q4, based on sales in September. In our view, an additional sequential increase should come in the Q1 19 report, based on sales for Q4 19. The contract with Värmland County Council was announced on 27 September, so sales are likely to start ramping up in Q4 18 and to be invoiced in Q1 19. We note in the profit and loss statement that the cost item traded goods doubled in Q3 18 versus Q2 18. This cost item is the COGS for devices, i.e. first Zenicor takes the cost for the devices as they are produced and placed at the local care units before they start generating revenues.

We believe the Värmland contract, on top of the two Finnish contracts, is a good reference case for the other 19 regional municipalities in Sweden. We see a high likelihood that the company will announce additional contracts in Sweden in the near term.

The UK screening project will commence in January 2019 but Zenicor has received some reimbursement for the initial work. The project is valued at SEK7m over the period and we expect the bulk of the revenues in 2019 and 2020. In 2019, we will get five-year follow-up data from the Strokestop study. We believe that if the outcome of this follow up is positive, i.e. we get significant statistical evidence of the early detection of atrial fibrillation and subsequent treatment with anticoagulants, several countries will start broader national screenings. In our opinion, Sweden and the UK are likely to be frontrunners. Given Zenicor's experience in this field, believe there is a high likelihood the company would be chosen as the equipment supplier.

### Estimate changes

Note that Zenicor started to capitalise R&D in Q2 18 and this boosted reported EBIT by SEK0.6m in Q3 18. As we want to show clean revenue growth, we have not included the capitalised R&D in our top-line estimates but included it as other income.

Table 1. Zenicor - Q3 18 deviation of actual

SEKm	Q3 18	Q3 18E	Deviation	Q3 17
Sales	4.3	4.2	1%	3.4
Sales growth	25%	24%	1.3	21%
EBITDA	-1.8	-1.1	60%	-1.8
EBIT	<b>-1.8</b>	<b>-1.1</b>	59%	<b>-1.8</b>
EBIT margin	-42.6%	-27.0%	-15.6	-54.1%
PTP	-1.9	-1.1	65%	-1.1
Net profit	-1.9	-1.1	65%	-1.1
EPS (SEK)	-0.33	-0.20	65%	-0.24
Net debt (cash)	-8.1	-5.7	42%	1.3

Source: Company data, Danske Bank Equity Research estimates

The working capital tie-up in Q2 swung back as we expected, so the SEK2.6m positive working capital reduced the negative cash flow in the quarter to SEK0.6m. Net cash at the end of the quarter was SEK8.1m. With the current projections for cost expansion and revenue growth, we do not see the need for additional cash injections. However, we do see a potentially more aggressive scenario in which management speeds up the marketing spend in order to capture the growth potential in new markets (France, Italy and Spain). In such a scenario, we do not rule out another capital injection to drive long-term growth.

Our estimate changes post the Q3 18 report are very minor, as the report for the quarter confirmed our revenue growth scenario.

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Table 2. Zenicor - key figures by quarter and year

SEKm	2016	Q1 17	Q2 17	Q3 17	Q4 17	2017	Q1 18	Q2 18	Q3 18E	Q4 18E	2018E	2019E	2020E
Sales	17.2	5.0	5.2	3.4	4.8	18.5	5.1	5.9	4.3	6.2	21.5	28.2	39.4
Sales growth	14%	19%	14%	21%	-14%	7%	2%	13%	25%	29%	16%	31%	40%
EBITDA	-1.6	0.2	0.1	-1.8	-1.2	-2.7	-0.4	0.2	-1.8	0.2	-0.5	-0.3	3.5
<b>EBIT</b>	<b>-1.6</b>	<b>0.2</b>	<b>0.1</b>	<b>-1.8</b>	<b>-1.2</b>	<b>11.1</b>	<b>-0.4</b>	<b>0.1</b>	<b>-1.8</b>	<b>0.2</b>	<b>-0.6</b>	<b>-0.4</b>	<b>2.6</b>
EBIT margin	-9.5%	3.4%	2.1%	-54.1%	-25.6%	60.2%	-7.7%	2.3%	-42.6%	3.3%	-2.6%	-1.2%	6.7%
PTP	-1.7	0.2	0.1	-1.1	-1.3	-2.1	-0.5	0.1	-1.9	0.2	-0.6	-0.4	2.6
Net profit	-1.7	0.2	0.1	-1.1	-1.3	-2.1	-0.5	0.1	-1.9	0.2	-0.6	-0.4	2.3
EPS (SEK)	-0.37	0.04	0.02	-0.24	-0.28	-0.45	-0.11	0.01	-0.33	0.04	-0.10	-0.06	0.41
Net debt (cash)	2.4	2.1	2.6	1.3	4.9	4.9	-11.4	-8.6	-8.1	-8.1	-8.1	-3.0	-3.3

Source: Company data, Danske Bank Equity Research estimates

## Valuation

When valuing a company such as Zenicor in an attractive market with good growth prospects but in the early stages of its development phase, we need to look two to four years out to determine what kind of sales and margins the company could deliver. We have established that we see a high need for the company's products and that there is a high probability of market growth. In this market, Zenicor has an established position in terms of scientific support from several studies. Also, the company has accelerated, and should continue to accelerate, its position in the market and has a proven revenue model. We argue recent orders add to the validation and that the company's way to market works.

### Healthcare peer table (1 of 2)

Healthcare peers	Ccy	Price (lcl ccy)	Ticker (Bloomberg)	Mkt cap (lcl ccy)	EV/sales (x)				
					2017	2018E	2019E	2020E	2021E
Biotage AB	SEK	123.6	BIOT SS	7,999	10.5	8.6	7.6	6.9	
Vitrolife AB	SEK	152.26	VITR SS	16,528	15.5	14.1	12.0	10.5	
Sectra AB Class B	SEK	262.45	SECTB SS	10,005	7.7	6.9	6.4	5.9	
Ambu A/S Class B	DKK	117.8	AMBUB DC	28,689	12.9	11.7	9.8	8.1	
Boule Diagnostics AB	SEK	59.6	BOUL SS	1,157	2.6	2.5	2.2	2.1	
Xvivo Perfusion AB	SEK	128.8	XVIVO SS	3,373	21.5	17.5	12.1	8.0	
iRhythm Technologies, Inc.	USD	74.27	IRTC US	1,796	18.4	12.6	9.3	6.9	
Zenicor Medical Systems AB	SEK	27.8	ZENI SS	157	6.0	6.9	5.4	4.3	2.8
<b>Median (excl. iRhythm &amp; Zenicor)</b>					<b>11.7</b>	<b>10.2</b>	<b>8.7</b>	<b>7.4</b>	
<b>Average (excl. iRhythm &amp; Zenicor)</b>					<b>8.8</b>	<b>7.8</b>	<b>6.8</b>	<b>6.9</b>	

Note: Prices as at 13.05 CET on 19 November 2018.

Source: FactSet (peer consensus), Danske Bank Equity Research (Zenicor estimates)

### Healthcare peer table (2 of 2)

Healthcare peers	Ccy	Price (lcl ccy)	EV/EBIT (x)					P/E (x)				
			2017	2018E	2019E	2020E	2021E	2017	2018E	2019E	2020E	2021E
Biotage AB	SEK	123.6	58.4	43.0	34.1	28.0	57.8	43.1	36.1	34.5		
Vitrolife AB	SEK	152.26	47.7	40.6	35.3	30.4	93.6	50.3	44.4	41.0		
Sectra AB Class B	SEK	262.45	40.8	36.8	32.5	29.8	50.6	49.5	44.9	41.5		
Ambu A/S Class B	DKK	117.8	67.4	54.3	41.1	29.8	91.5	83.9	56.1	38.8		
Boule Diagnostics AB	SEK	59.6	40.6	15.5	13.1	12.1	30.5	22.4	19.2	17.4		
Xvivo Perfusion AB	SEK	128.8	449.8	231.1	62.4	31.9	314.1	215.9	78.2	41.4		
iRhythm Technologies, Inc.	USD	74.27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Zenicor Medical Systems AB	SEK	27.8	-40.0	-258.8	-377.3	62.6	13.7	-49.8	-250.0	-386.4	72.0	16.3
<b>Median (excl. iRhythm &amp; Zenicor)</b>			<b>43.5</b>	<b>47.7</b>	<b>40.6</b>	<b>34.1</b>	<b>29.8</b>	<b>57.8</b>	<b>49.5</b>	<b>44.4</b>	<b>38.8</b>	
<b>Average (excl. iRhythm &amp; Zenicor)</b>			<b>49.0</b>	<b>46.8</b>	<b>35.4</b>	<b>29.0</b>	<b>24.2</b>	<b>60.4</b>	<b>46.3</b>	<b>37.5</b>	<b>32.3</b>	

Note: Prices as at 13.05 CET on 19 November 2018.

Source: FactSet (peer consensus), Danske Bank Equity Research (Zenicor estimates)

## Not for US distribution

We find the sales multiple in relation to peers the most relevant way to value Zenicor. Valuing Zenicor on EV/sales 2020E of 6.7x (a slight discount to the peer group average of 6.9x), we reach a value of SEK47 per share. Applying our cautious and optimistic scenarios, we reach a range of SEK44-51. Given the company's asset-light model, scientific validation of the product and growth above that of peers over the forecast period, we find a valuation in line with peers justified. Our DCF indicates a fair value of SEK63 but in light of the strong expected sales growth and inherent uncertainty in the DCF valuations of high-growth companies, we rely on the sales multiple valuation.

*Scenario valuation summary*

<b>2020E</b>	<b>EV/sales (x)</b>	<b>2020E market cap (SEKm)</b>	<b>Value per share (SEK)</b>	<b>Upside potential</b>
Bull	5.2	288.4	51.2	84%
Base	6.7	264.1	46.9	69%
Bear	7.7	245.6	43.6	57%
Share price		156.7	27.8	

*\*As at 13:05 CET on 19 November 2018*

*Source: Danske Bank Equity Research*

## Company summary

### Sales breakdown, geographical areas

### Sales breakdown, divisions

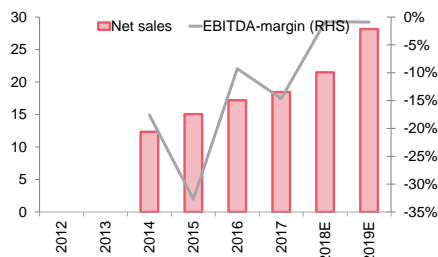
### Company information

Zenikor  
 Saltmätargatan 8, 113 59 STOCKHOLM  
 Sweden  
 www.zenikor.se

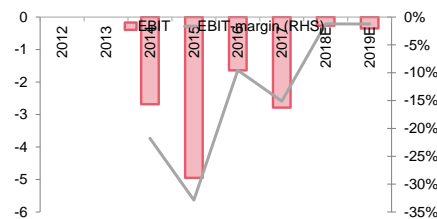
### Main shareholders

Name	Votes (%)	Capital (%)
Sonny Norström & co (co founder)	14.9%	14.9%
Mats Palerius (CEO and co founder)	14.2%	14.2%
Ydrehall AS	12.4%	12.4%
Humle Fonder	8.9%	8.9%

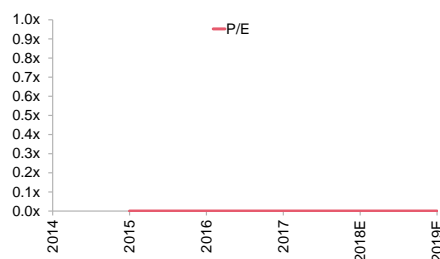
### Net sales and EBITDA margin (SEKm)



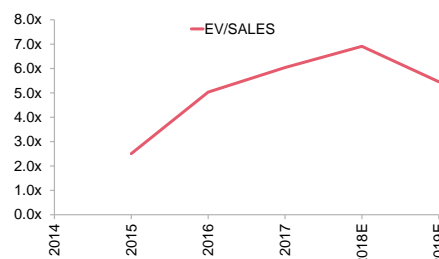
### EBIT and EBIT-margin (SEKm)



### P/E NTM



### EV/Sales NTM



Source: FactSet, Company data, Danske Bank Equity Research estimates

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*Summary tables*

<b>INCOME STATEMENT</b>										
<b>Year end Dec, SEKm</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
Net sales			12	15	17	18	21	28	39	57
Cost of sales & operating costs			-15	-20	-19	-21	-25	-30	-36	-44
<b>EBITDA</b>			<b>-2</b>	<b>-5</b>	<b>-2</b>	<b>-3</b>	<b>-0</b>	<b>-0</b>	<b>4</b>	<b>13</b>
EBITDA, adj.			-2	-5	-2	-3	-0	-0	4	13
Depreciation			-1	-0	-0	-0	-0	-0	-0	-0
<b>EBITA</b>			<b>-3</b>	<b>-5</b>	<b>-2</b>	<b>-3</b>	<b>-0</b>	<b>-0</b>	<b>3</b>	<b>13</b>
<b>EBIT incl. EO, bef. ass.</b>			<b>-3</b>	<b>-5</b>	<b>-2</b>	<b>-3</b>	<b>-0</b>	<b>-0</b>	<b>3</b>	<b>12</b>
EBIT, adj.			-3	-5	-2	-3	-0	-0	3	12
Financial items, net			-0	-0	-0	1	0	0	0	0
<b>Pre-tax profit</b>			<b>-3</b>	<b>-5</b>	<b>-2</b>	<b>-2</b>	<b>-0</b>	<b>-0</b>	<b>3</b>	<b>12</b>
Taxes									-0	-1
<b>Net profit, rep.</b>			<b>-3</b>	<b>-5</b>	<b>-2</b>	<b>-2</b>	<b>-0</b>	<b>-0</b>	<b>2</b>	<b>10</b>
Net profit, adj.			-3	-5	-2	-2	-0	-0	2	10
<b>CASH FLOW</b>										
<b>SEKm</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
EBITDA			-2	-5	-2	-3	-0	-0	4	13
Change in working capital			1	-1	-5	2	-1	-3	-3	-4
Net interest paid			-0	-0	-0	1				
Taxes paid			-0	-0					-0	-1
Other operating cash items										
<b>Cash flow from operations</b>			<b>-2</b>	<b>-6</b>	<b>-7</b>	<b>-0</b>	<b>-1</b>	<b>-3</b>	<b>1</b>	<b>8</b>
Capex			-0	-0	-0	-0	-3	-2	-0	-0
Div to min										
<b>Free cash flow</b>			<b>-2</b>	<b>-6</b>	<b>-7</b>	<b>-0</b>	<b>-5</b>	<b>-5</b>	<b>0</b>	<b>7</b>
Disposals/(acquisitions)										
<b>Free cash flow to equity</b>			<b>-2</b>	<b>-6</b>	<b>-7</b>	<b>-0</b>	<b>-5</b>	<b>-5</b>	<b>0</b>	<b>7</b>
Dividend paid										-1
Share buybacks										
New issue common stock			11				18			
Incr./(decr.) in debt										
Minorities & other financing CF			-10	-0	4	-0				
<b>Cash flow from financing</b>			<b>11</b>	<b>-0</b>	<b>4</b>	<b>-0</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>-1</b>
Disc. ops & other										
<b>Incr./(decr.) in cash</b>			<b>10</b>	<b>-6</b>	<b>-3</b>	<b>-1</b>	<b>13</b>	<b>-5</b>	<b>0</b>	<b>6</b>
<b>BALANCE SHEET</b>										
<b>SEKm</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
Cash & cash equivalents			10	4	1	0	13	8	8	15
Inventory			2	1	3	4	4	6	7	9
Trade receivables			2	3	4	4	5	7	9	11
Other current assets			1	1	2	3	3	5	6	9
Goodwill			1							
Other intangible assets							3	5	4	3
Fixed tangible assets				0	0	0	0	0	0	1
Associated companies			0	0	0	0	0	0	0	0
Other non-current assets			0	0	0	0	0	0	0	0
<b>Total assets</b>			<b>15</b>	<b>9</b>	<b>11</b>	<b>12</b>	<b>30</b>	<b>31</b>	<b>36</b>	<b>49</b>
<b>Shareholders' equity</b>			<b>12</b>	<b>7</b>	<b>5</b>	<b>3</b>	<b>20</b>	<b>20</b>	<b>22</b>	<b>32</b>
Of which minority interests										
Current liabilities			3	2	3	4	4	6	8	12
Interest-bearing debt			1	0	3	5	5	5	5	5
Pension liabilities										
Oth non-curr. liabilities										
<b>Total liabilities</b>			<b>4</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>13</b>	<b>17</b>
<b>Total liabilities and equity</b>			<b>15</b>	<b>9</b>	<b>11</b>	<b>12</b>	<b>30</b>	<b>31</b>	<b>36</b>	<b>49</b>
Net debt			-9	-3	2	5	-8	-3	-3	-10

Source: Company data, Danske Bank Equity Research estimates

**Summary tables**

<b>PER SHARE DATA</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
No. of shares, fully diluted (y.e.) (m)				4.5	4.5	4.6	5.6	5.6	5.6	5.6
No. of shares, fully diluted (avg.) (m)				4.5	4.5	4.5	5.1	5.6	5.6	5.6
EPS (SEK)				-1.12	-0.38	-0.46	-0.05	-0.06	0.41	1.85
EPS adj. (SEK)				-1.12	-0.38	-0.46	-0.05	-0.06	0.41	1.85
DPS (SEK)				0.00	0.00	0.00	0.00	0.00	0.13	0.61
CFFO/share (SEK)				-1.4	-1.6	-0.1	-0.3	-0.5	0.1	1.3
Book value/share (SEK)				1.51	1.11	0.61	3.58	3.52	3.93	5.65
<b>MARGINS AND GROWTH</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
EBITDA margin			-17.6%	-32.7%	-9.3%	-14.6%	-0.8%	-0.9%	9.0%	22.4%
EBITA margin			-21.8%	-32.9%	-9.5%	-15.1%	-1.2%	-1.2%	8.7%	22.0%
EBIT margin			-21.8%	-32.9%	-9.5%	-15.1%	-1.2%	-1.2%	6.5%	20.5%
EBIT adj margin			-21.8%	-32.9%	-9.5%	-15.1%	-1.2%	-1.2%	6.5%	20.5%
Sales growth				22.0%	14.2%	7.3%	16.4%	31.0%	40.0%	45.0%
EBITDA growth				n.m.	67.6%	-69.4%	93.4%	-42.7%	n.m.	n.m.
EBITA growth				-84.4%	66.8%	-69.8%	90.5%	-32.0%	n.m.	n.m.
EPS adj growth				65.9%	66.8%	-21.1%	88.8%	-20.3%	n.m.	n.m.
<b>PROFITABILITY</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
ROIC (after tax, incl. GW, adj.)			-199.8%	-164.2%	-31.3%	-37.9%	-2.7%	-2.5%	13.0%	51.3%
ROIC (after tax, excl. GW, adj.)			-246.1%	-179.2%	-31.3%	-37.9%	-2.7%	-2.5%	13.0%	51.3%
ROE (adj.)			-47.9%	-54.2%	-29.2%	-54.1%	-2.3%	-1.7%	10.9%	38.7%
ROIC (adj.) - WACC			-208.8%	-173.2%	-40.4%	-46.9%	-11.8%	-11.5%	3.9%	42.2%
<b>MARKET VALUE</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
Share price (SEK)			10.2	9.20	18.9	23.0	27.8	27.8	27.8	27.8
No. shares reduced by buybacks (m)				4.5	4.5	4.6	5.6	5.6	5.6	5.6
<b>Mkt cap used in EV (m)</b>				<b>41</b>	<b>84</b>	<b>107</b>	<b>157</b>	<b>157</b>	<b>157</b>	<b>157</b>
Net debt, year-end (m)			-9	-3	2	5	-8	-3	-3	-10
MV of min/ass and oth (m)			-0	-0	-0	-0	-0	-0	-0	-0
<b>Enterprise value (m)</b>				<b>38</b>	<b>86</b>	<b>111</b>	<b>149</b>	<b>154</b>	<b>153</b>	<b>147</b>
<b>VALUATION</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
EV/sales (x)				2.5	5.0	6.0	6.9	5.5	3.9	2.6
EV/EBITDA (x)				n.m.	n.m.	n.m.	n.m.	n.m.	43.3	11.5
EV/EBITA (x)				n.m.	n.m.	n.m.	n.m.	n.m.	44.6	11.7
EV/EBIT (x)				n.m.	n.m.	n.m.	n.m.	n.m.	59.5	12.5
P/E (reported) (x)				n.m.	n.m.	n.m.	n.m.	n.m.	68.3	15.0
P/E (adj.) (x)				n.m.	n.m.	n.m.	n.m.	n.m.	68.3	15.0
P/BV (x)				6.10	17.1	37.6	7.76	7.90	7.08	4.92
EV/invested capital (x)										
Dividend yield									0.48%	2.20%
Total yield (incl. buybacks)									0.48%	2.20%
FCFE-yield				-15.04%	-8.27%	-0.46%	-2.92%	-3.26%	0.16%	4.54%
<b>FINANCIAL RATIOS</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
Net debt/EBITDA (x)			4.1	0.6	-1.5	-1.8	45.5	11.9	-0.9	-0.8
Net debt/equity (x), year-end			-0.8	-0.5	0.5	1.7	-0.4	-0.2	-0.1	-0.3
Dividend payout ratio				0.0%	0.0%	0.0%	0.0%	0.0%	33.0%	33.0%
Interest coverage (x)			-22.7	n.m.	-28.0	-6.0				
Cash conversion (FCF/net profit)				n.m.	n.m.	n.m.	n.m.	n.m.	10.6%	68.1%
Capex/sales			0.4%	0.5%	0.3%	0.7%	14.9%	7.8%	0.7%	0.7%
NWC/sales			17.3%	21.4%	40.6%	39.8%	39.8%	39.8%	35.4%	31.4%
<b>QUARTERLY P&amp;L</b>			<b>Q1 17</b>	<b>Q2 17</b>	<b>Q3 17</b>	<b>Q4 17</b>	<b>Q1 18</b>	<b>Q2 18</b>	<b>Q3 18</b>	<b>Q4 18E</b>
Sales (m)			5	5	3	5	5	6	4	6
EBITDA (m)			0	0	-2	-1	-0	0	-2	0
EBIT before non-recurring items (m)			0	0	-2	-1	-0	0	-2	0
Net profit (adj.) (m)			0	0	-1	-1	-1	0	-2	2
EPS (adj.) (SEK)			0.00	0.00	0.00	-7.07	-2.87	0.44	-10.33	3.03
EBITDA margin			3.4%	2.1%	-54.1%	-23.8%	-7.7%	2.3%	-42.6%	4.7%
EBIT margin (adj.)			3.4%	2.1%	-54.1%	-25.6%	-7.7%	2.3%	-42.6%	3.3%

Source: Company data, Danske Bank Equity Research estimates

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