

Health Care Equipment & Services, Sweden

Key data

Price (SEK)*	29.0
Country	Sweden
Bloomberg	ZENI:SS
Reuters	ZENI.TE
Free float	70.9%
Market cap (SEKm)	163
Net debt (current YE) (SEKm)	-3
No. of shares (m)	5.6
Next event	Q1: 17-May

* Price as at close on 15 February 2019

CEO	Mats Palerius
CFO	Mats Palerius

Company description

Zenicor offers 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. Zenicor's thumb EKG has been validated by several large scientific studies. Studies show that systematic screening using Zenicor's product is more efficient than the prevailing method, Holter EKG. Several countries are considering national screening programs for AF, but are awaiting additional scientific support, possibly coming Q3/20 in the 5 year follow up from the Swedish "Strokestop" study.

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 (31 December 2018)

Estimate changes

	2018	2019E	2020E
Sales	-3.2%	-7.6%	-14.2%
EBITDA	n.m.	63.5%	-25.7%
EBIT (adj.)	n.m.	67.8%	-46.2%
EPS (adj.)	n.m.	46.1%	-46.2%

Source: Danske Bank Equity Research estimates

Analyst(s)

Oscar Stjerngren

Carolina Elvind

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

Important disclosures and certifications are contained from page 10 of this report

Zenicor

UK SAFER project key driver for new contracts in 2019

Q4 was slightly disappointing in terms of growth and cash drain but we expect this to swing back in 2019. FY 2018 marked a pickup in growth from 2017. Note that the transition to a pay-per-use revenue model puts short-term pressure on growth but adds to stability longer term. In 2019, we expect additional contracts similar to the Finnish one to be signed outside of Sweden, evidencing the validity of the product and business model.

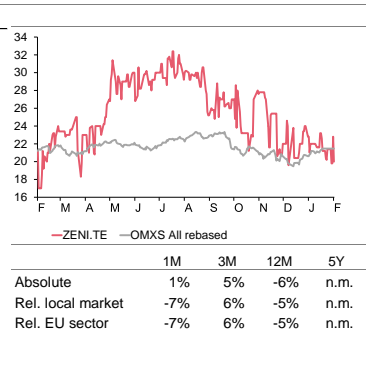
- **Sales growth** slowed somewhat from the 25% in Q3 to 14% in Q4 versus the estimated 29%. However, our conclusion is that revenue growth from the contracts being ramped up in 2018 (Tammerfors, Uleåbord and Värmland) is materialising but somewhat slower than expected. We understand this to be a function of an inherently slow adaptation with local healthcare units. On a positive note, we expect these contracts to generate incremental, sequential growth through 2019. Note that as Zenicor is in transition from a revenue model based on initial fee and subscription to a pay-per-use model, similar to SAAS, this negatively affects sales growth but builds a more stable revenue base going forward.
- **Cost and cash flow development.** As expected, earnings came in very close to zero in Q4 despite high development costs taken over the P&L. However, cash burn was high in the quarter, on the back of a combination of development costs and a SEK3m working capital tie. We believe most of this will swing back in Q1 19 and 2019. The cash position was SEK6.3m at YE 2018 versus our estimate of SEK11m. However, as the majority of this relates to working capital and the P&L is very close to breakeven at current sales levels, we expect the additional cash drain in 2019 to be relatively low.
- **Estimates – we trim our sales growth estimates** for 2019 and 2020 as the rollout of new contracts appears somewhat slower than expected. However, on a positive note, we believe the SAFER study in Cambridge, sponsored by the NHS, will facilitate the sales process and increases the likelihood of additional large contracts, not only in the UK but also in continental Europe. On a national screening for atrial fibrillation in Sweden, we expect it to happen in 2021 on the back of positive data from the five-year follow up of the Strokestop study in Q3 20. We continue to see a high likelihood of a national screening programme in the UK given that the NHS has vested interests in the real-life test/SAFER study.
- **Valuation.** We value Zenicor at a peer-based EV/sales 2021E multiple. Our valuation range of EV/sales 2021E of 5.0-6.0x, with a base scenario of EV/sales of 5.5x, gives us a valuation range of SEK41-49 per share (previously SEK44-51). The reduction comes on the back of lower growth assumptions. Note that Zenicor's larger US peer trades at EV/sales 2021E of 6.3x.

Key financials

Year-end Dec (SEK)	2017	2018	2019E	2020E	2021E
Revenues (m)	18	21	26	34	46
Revenues growth	7.3%	12.7%	25.2%	30.0%	35.0%
EBITDA (m)	-3	-2	3	3	9
EBIT adj. (m)	-3	-2	2	1	7
EBIT growth	-69.8%	14.5%	n.m.	-44.0%	n.m.
Pre-tax profit (m)	-2	-3	2	1	7
EPS adj.	-0.46	-0.53	0.38	0.22	1.15
DPS	0.00	0.00	0.00	0.07	0.38
Dividend yield				0.2%	1.3%
FCF yield (incl. recurr capex)	-0.5%	-10.1%	-0.1%	0.7%	2.6%
EBIT margin (adj.)	-15.1%	-11.5%	9.5%	4.1%	16.0%
Net debt/EBITDA (x)	-1.8	1.3	-0.9	-1.5	-0.9
ROIC	-37.9%	-21.6%	15.9%	7.3%	36.1%
EV/sales (x)	6.0	5.4	6.2	4.7	3.4
EV/EBITDA (adj.) (x)	n.m.	n.m.	49.1	60.1	17.9
EV/EBIT (x)	n.m.	n.m.	50.5	62.5	18.3
EV/EBIT (adj.) (x)	n.m.	n.m.	64.8	n.m.	21.3
P/E (adj.) (x)	n.m.	n.m.	75.8	n.m.	25.1

Source: Company data, Danske Bank Equity Research estimates

Price performance



Source: FactSet

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Q4 18 summary and 2019 outlook

In 2018, Zenicor had three major projects entering a commercial stage: Tammerfors, Uleåborg and Värmland. Tammerfors was the first project and was commercial from Q2 18. Sales growth in Q4 was somewhat slower than we had estimated but we understand this has to do with an inherently slow ramp up of sales to the projects. This is not related to problems but more a slow adaptation rate. As the Tammerfors project is still being ramped up and Q4 contained only limited sales from the Uleåborg (and Värmland) projects, we are convinced the sequential growth will continue throughout 2019.

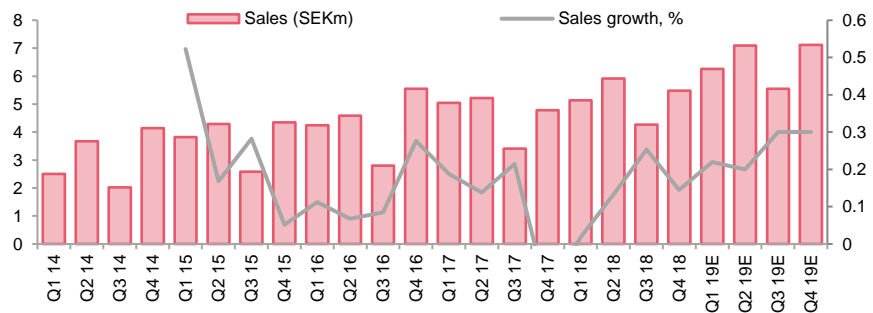
Table 1: Zenicor Q4 18 deviation of actual from estimated results

SEKm	Q4 18A	Q4 18E	Deviation	Q4 17
Sales	5.5	6.2	-11%	4.8
Sales growth	14%	29%	-14.8	-14%
EBITDA	-0.3	0.2	-225%	-1.2
EBIT	-0.3	0.2	-249%	-1.2
EBIT margin	-5.5%	3.3%	-8.8	-25.6%
PTP	-0.4	0.1	-403%	-1.3
Net profit	-0.4	0.1	-403%	-1.3
EPS (SEK)	-0.07	0.02	-403%	-0.28
Net debt (cash)	-3.1	-7.8	-60%	4.9

Source: Company data, Danske Bank Equity Research estimates

In the report, the CEO expressed a high conviction on signing additional contracts in 2019 and we believe being the supplier to the SAFER study in the UK has done much for the company's credibility. The proof of concept of digitalising the chain of care, in a commercial way in Finland and Sweden, and now in the study in the UK will, we believe, help Zenicor to secure additional contracts not only in the UK but also in continental Europe. We expect the company to announce additional contracts, similar to the Finnish and Swedish contracts digitalising the care, during the course of 2019. Given the lead times, such contracts are likely to be more supportive for growth in 2020 but could have an impact later in 2019. With national screenings probably some three years off, this kind of contract, and an expansion in continental Europe, is a key growth driver short to medium term.

Chart 1: Zenicor - sales (SEKm) and sales growth (%) by quarter



Source: Danske Bank Equity Research estimates

We trim our top-line growth assumptions, mainly as a function of the rollout of contracts being slightly slower than previously expected. Still, growth in 2020 and to some extent 2021 will be a function of contracts landed in 2019. Besides additional contracts in general, we would like to see an expansion into France, Italy or Spain. We expect Zenicor to approach these markets but at a later stage. On the back of reduced top-line estimates, we also take down our expectation of cost expansion slightly. However, note that our earnings revisions are minor in absolute terms but large in percentage terms, as the company is close to breakeven. We do not include any effects of national screening programmes, which are a possibility from 2021.

Table 2: Zenicor - estimate revisions

	2018	2019E	2020E
Sales	-3.2%	-7.6%	-14.2%
EBITDA	1,184.3%	63.5%	-25.7%
EBIT	798.4%	67.8%	-46.2%
Net profit	919.1%	46.1%	-46.2%

Source: Danske Bank Equity Research estimates

The cash flow in the quarter was hurt by a SEK3m working capital tie and high R&D costs. A significant amount of invoices was sent out late in Q4 and we expect working capital to swing back in 2019. Also, at the start of the SAFER project in the UK, we understand costs are elevated as a significant effort to set up the study, support education and so on is needed. We believe we will enter a phase when equipment shipped to local care units starts to be in use. This part of the project should, we believe, be less cash consuming. Consequently, we have made only minor adjustments to our projection for Zenicor's cash position at YE 2019 (SEK6m).

Table 3: Zenicor - key estimates

SEKm	Q1 18	Q2 18	Q3 18	Q4 18	2018E	Q1 19E	Q2 19E	Q3 19E	Q4 19E	2019E	2020E	2021E
Sales	5.1	5.9	4.3	5.5	20.8	6.3	7.1	5.6	7.1	26.0	33.8	45.7
Sales growth	2%	13%	25%	14%	13%	22%	20%	30%	30%	25%	30%	35%
EBITD	-0.4	0.2	-1.8	-0.3	-2.3	1.0	1.5	-0.3	0.4	2.6	2.6	8.7
EBIT	-0.4	0.1	-1.8	-0.3	-2.4	0.9	1.5	-0.4	0.4	2.5	1.4	7.3
EBIT margin	-7.7%	2.3%	-42.6%	-5.5%	-11.5%	15.1%	21.3%	-6.5%	5.3%	9.5%	4.1%	16.0%
PTP	-0.5	0.1	-1.9	-0.4	-2.7	0.9	1.4	-0.4	0.3	2.2	1.4	7.3
Net profit	-0.5	0.1	-1.9	-0.4	-2.7	0.9	1.4	-0.4	0.3	2.2	1.2	6.5
EPS (SEK)	-0.11	0.01	-0.33	-0.07	-0.49	0.15	0.25	-0.08	0.05	0.38	0.22	1.15
Net debt (cash)	-11.4	-8.6	-8.1	-3.1	-3.1	-3.2	-3.9	-2.7	-3.0	-3.0	-4.0	-7.9

Source: Danske Bank Equity Research estimates

Meeting Professor Dr Mårten Rosenqvist

We recently met with Mårten Rosenqvist, Professor of heart diseases and in charge of the largest study on atrial fibrillation screening, Strokestop 1 and 2. Our key conclusion from the meeting is that as an aggregate, the market for atrial fibrillation screening products will experience strong growth. As a tool in the healthcare system, Zenicor's product has an advantage on back of the clinical experience, scientific validation and ease of use. This is particularly the case for the older population. Having said this, we believe consumer products will grow in parallel. As people become increasingly health conscious, many are likely to adopt the consumer products currently available in the market or those being developed. If a patient shows that he/she is suffering from atrial fibrillation through data on a smart watch or similar device, more experienced doctors could subscribe anti-coagulants. The risk is that this reduces the need for Zenicor's products, as the doctor skips the evaluation stage. However, having said this, it probably applies to a smaller group of more experienced physicians and, to be on the safe side and eliminate the risk of malpractice, we expect the bulk of the physicians to investigate thoroughly before subscribing anti-coagulants, particularly because anti-coagulants have side effects and treatment is for life. Consequently, we remain convinced that Zenicor, with its position in the healthcare system, will play an increasingly important role as a diagnostics tool.

When it comes to national screenings, we believe it will be at least another two years before the Swedish national health service Socialstyrelsen gives the go ahead. The five-year follow-up results from the original Strokestop study are due in Q3 20 and subsequent to this Socialstyrelsen is likely to review them before revisiting the decision on national screening. If results are conclusive, i.e. if they demonstrate that the positive effects on stroke from the test group are significant, we believe the lead time before a possible national screening is probably at least one year. Consequently, we believe Swedish national screening could start late in 2021. According to the initial data from the Strokestop study, the benefits of performing a national screening are clear and cost/benefits from the society's perspective are more favourable than other prevailing national screening programmes for cancer.

Is national atrial fibrillation screening in the UK further out in time? Although the NHS could take a decision based on follow-up results from the Swedish Strokestop study, there is a risk that it will await the test results of the SAFER (Cambridge) study, which is starting now. If this is the case, a national screening in the UK could take another five years. However, a key factor of the SAFER study is that it is initiated by the NHS, which consequently has a vested interest. The study is set up much more as a practical test for screening than the Swedish Strokestop study. In our view, it could well be that the NHS uses initial data from the SAFER study and five-year follow-up data from Strokestop 1, as a basis for a broader screening. In any case, the SAFER study is commencing in Q1 19 from a practical standpoint, so we would not expect a broader screening in the short to medium term.

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. In addition, 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.

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Table 4: Healthcare peer group summary - EV/sales

Healthcare peers	Price		Mkt cap (lcl ccy m)	EV/sales (x)			
	(lcl ccy)*	Ticker		2018	2019E	2020E	2021E
Biotage AB	112.2	BIOT SS	7,316	8.0	7.0	6.2	5.7
Vitrolife AB	180.38	VITR SS	19,580	16.6	13.5	11.9	11.4
Sectra AB Class B	228	SECTB SS	8,744	6.1	5.7	5.4	0.0
Ambu A/S Class B	160.7	AMBUB DC	39,195	15.9	13.2	10.8	8.5
Boule Diagnostics AB	65.01	BOUL SS	1,262	2.9	2.7	2.4	2.2
Xvivo Perfusion AB	159	XVIVO SS	4,164	21.1	15.4	9.9	7.0
iRhythm Technologies, Inc.	93.79	IRTC US	2,268	15.5	11.2	8.4	6.6
Zenikor Medical Systems AB	20	ZENI SS	113	4.2	3.2	2.3	1.6
Median (excl. iRhythm & Zenikor)				11.9	10.1	8.1	6.3
Average (excl. iRhythm & Zenikor)				8.9	7.5	7.8	6.9

* Prices as at close on 15 February 2019

Source: FactSet (prices and peer consensus), Danske Bank Equity Research (Zenikor estimates)

Table 5: Healthcare peer group summary - EV/EBIT and P/E

Healthcare peers	Price		Mkt cap (lcl ccy m)	EV/EBIT (x)				P/E (x)			
	(lcl ccy)*	Ticker		2018	2019E	2020E	2021E	2018	2019E	2020E	2021E
Biotage AB	112.2	BIOT SS	7,316	42.2	34.2	27.6	24.5	43.3	36.4	33.8	33.5
Vitrolife AB	180.38	VITR SS	19,580	48.5	41.0	35.3	33.4	58.4	50.8	45.3	42.1
Sectra AB Class B	228	SECTB SS	8,744	34.4	31.0	27.6	0.0	46.7	41.9	37.4	0.0
Ambu A/S Class B	160.7	AMBUB DC	39,195	73.6	55.7	39.9	28.6	114.6	77.6	52.4	35.7
Boule Diagnostics	65.01	BOUL SS	1,262	22.8	16.9	14.7	12.8	31.6	23.9	20.8	18.7
Xvivo Perfusion AB	159	XVIVO SS	4,164	273.0	78.6	36.7	21.0	223.3	88.8	45.9	27.3
iRhythm Technolog..	93.79	IRTC US	2,268	0.0	0.0	0.0	248.1	0.0	0.0	0.0	463.2
Zenikor Medical Sys.	20	ZENI SS	113	44.3	78.4	14.3	7.0	52.3	91.4	17.3	9.1
Median (excl. iRhythm & Zenikor)				42.2	34.2	27.6	21.0	46.7	41.9	37.4	27.3
Average (excl. iRhythm & Zenikor)				41.4	33.5	27.1	16.5	55.0	43.3	35.6	21.7

* Prices as at close on 15 February 2019

Source: Danske Bank Equity Research estimates, FactSet

We find the sales multiple in relation to peers the most relevant way to value Zenikor. We are rolling our valuation from 2020E to 2021E and value Zenikor on an EV/sales 2021E multiple of 5.5x. This implies a discount to the peer group average of 6.9x and the reason for the increased discount is that we argue Zenikor must demonstrate that the company can accelerate growth rates and achieve scale on the product. Note that the larger US peer iRhythm Technologies trades on an EV/sales 2021E of 6.3x. We lower the base value from SEK47 to SEK45 per share on the back of a reduction in top-line growth assumptions. Applying our cautious and optimistic scenarios, we reach a range of SEK41-49 (previously 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 SEK62 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.

Table 6: Scenario valuation summary

2021E	EV/sales (x)	Market cap (SEKm)	Per share (SEK)	Potential upside
Bull	5.0	228.4	40.5	103%
Base	5.5	251.3	44.6	123%
Bear	6.0	274.1	48.6	143%
Share price*		112.7	20.0	

* Price as at close on 15 February 2019

Source: Danske Bank Equity Research estimates

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Risks

Zenikor operates in a competitive industry, with several potential competing products and technologies. The technology is proven and superior to most prevailing methods for atrial fibrillation screening, supported by several independent studies. Having said this, there is always a risk of new entrants, or existing players developing stronger propositions. There are several global players with strong financial resources that could increase their marketing efforts to expand their shares in Zenikor's home markets.

The company needs to continue investing in marketing in order to drive volumes, while trimming costs in order to remain competitive. There is a risk that increased spending would not result in the expected top-line growth, hence requiring additional capital injections.

A key demand driver for Zenikor is preventive screening for atrial fibrillation. We see a high likelihood of more broad-based screening but these decisions lie outside the company's control. National healthcare systems tend to be slow in adopting new technology and medical professionals can be slow in implementing new technical solutions.

There is a currency risk as Zenikor reports in Swedish krona but sales, to an increasing extent (30% of total sales but 50% of sales growth), are outside of Sweden. Costs are predominantly in Swedish krona. The 30% of revenues not in Swedish krona are mainly in euro and British pounds (with, we believe, minor exposure to Norwegian krone and Swiss francs).

Company summary

Sales breakdown, geographical areas

n.a.

Sales breakdown, divisions

n.a.

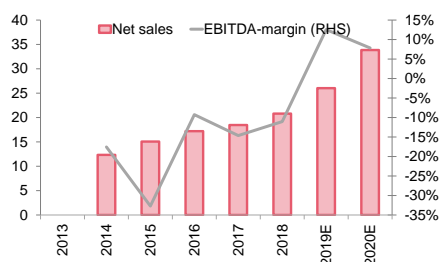
Company information

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

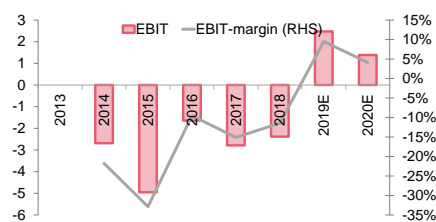
Main shareholders

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%

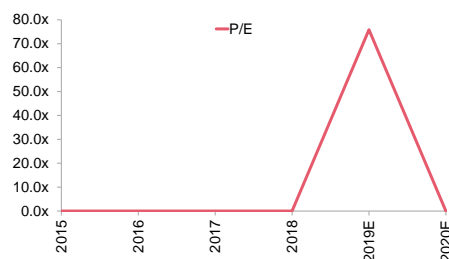
Net sales and EBITDA margin (SEKm)



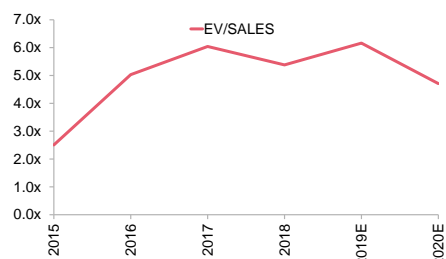
EBIT and EBIT-margin (SEKm)



P/E NTM



EV/sales NTM



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

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Summary tables

INCOME STATEMENT

Year end Dec, SEKm	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Net sales	12	15	17	18	21	26	34	46	62	
Cost of sales & operating costs	-15	-20	-19	-21	-27	-26	-31	-37	-44	
EBITDA	-2	-5	-2	-3	-2	3	3	9	18	
EBITDA, adj.	-2	-5	-2	-3	-2	3	3	9	18	
Depreciation	-1	-0	-0	-0	-0	-0	-0	-0	-0	
EBITA	-3	-5	-2	-3	-2	3	3	8	18	
EBIT incl. EO, bef. ass.	-3	-5	-2	-3	-2	2	1	7	16	
EBIT, adj.	-3	-5	-2	-3	-2	2	1	7	16	
Financial items, net	-0	-0	-0	1	-0	-0	0	0	0	
Pre-tax profit	-3	-5	-2	-2	-3	2	1	7	16	
Taxes								-0	-1	-2
Net profit, rep.	-3	-5	-2	-2	-3	2	1	7	15	
Net profit, adj.	-3	-5	-2	-2	-3	2	1	7	15	

CASH FLOW

SEKm	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
EBITDA	-2	-5	-2	-3	-2	3	3	9	18	
Change in working capital	1	-1	-5	2	-5	1	-1	-3	-4	
Net interest paid	-0	-0	-0	1	-0	-0				
Taxes paid	-0	-0						-0	-1	-2
Other operating cash items										
Cash flow from operations	-2	-6	-7	-0	-7	4	1	5	12	
Capex	-0	-0	-0	-0	-4	-4	-0	-0	-0	
Div to min										
Free cash flow	-2	-6	-7	-0	-12	-0	1	4	11	
Disposals/(acquisitions)										
Free cash flow to equity	-2	-6	-7	-0	-12	-0	1	4	11	
Dividend paid									-0	-2
Share buybacks										
New issue common stock	11					18				
Incr./(decr.) in debt					-2					
Minorities & other financing CF	-10	-0	4	-0	2					
Cash flow from financing	11	-0	4	-0	18	0	0	-0	-2	
Disc. ops & other										
Incr./(decr.) in cash	10	-6	-3	-1	6	-0	1	4	9	

BALANCE SHEET

SEKm	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Cash & cash equivalents	10	4	1	0	6	6	7	11	20	
Inventory	2	1	3	4	4	5	6	7	9	
Trade receivables	2	3	4	4	4	5	7	10	13	
Other current assets	1	1	2	3	7	6	6	8	11	
Goodwill	1									
Other intangible assets						4	7	6	5	3
Fixed tangible assets		0	0	0	0	0	0	0	0	0
Associated companies	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	15	9	11	12	26	29	32	41	58	
Shareholders' equity	12	7	5	3	18	20	21	27	40	
Of which minority interests										
Current liabilities	3	2	3	4	5	6	8	11	15	
Interest-bearing debt	1	0	3	5	3	3	3	3	3	
Pension liabilities										
Oth non-curr. liabilities										
Total liabilities	4	3	6	9	8	9	11	14	18	
Total liabilities and equity	15	9	11	12	26	29	32	41	58	
Net debt	-9	-3	2	5	-3	-3	-4	-8	-17	

Source: Company data, Danske Bank Equity Research estimates

Summary tables

PER SHARE DATA	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
No. of shares, fully diluted (y.e.) (m)			4.5	4.5	4.6	5.6	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	5.6
EPS (SEK)			-1.12	-0.38	-0.46	-0.53	0.38	0.22	1.15	2.58
EPS adj. (SEK)			-1.12	-0.38	-0.46	-0.53	0.38	0.22	1.15	2.58
DPS (SEK)			0.00	0.00	0.00	0.00	0.00	0.07	0.38	0.85
FFFO/share (SEK)			-1.4	-1.6	-0.1	-1.4	0.6	0.2	0.8	2.1
Book value/share (SEK)			1.51	1.11	0.61	3.14	3.52	3.74	4.83	7.03
MARGINS AND GROWTH	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
EBITDA margin		-17.6%	-32.7%	-9.3%	-14.6%	-11.0%	12.5%	7.8%	19.0%	29.0%
EBITA margin		-21.8%	-32.9%	-9.5%	-15.1%	-11.5%	12.2%	7.5%	18.6%	28.4%
EBIT margin		-21.8%	-32.9%	-9.5%	-15.1%	-11.5%	9.5%	4.1%	16.0%	26.5%
EBIT adj margin		-21.8%	-32.9%	-9.5%	-15.1%	-11.5%	9.5%	4.1%	16.0%	26.5%
Sales growth			22.0%	14.2%	7.3%	12.7%	25.2%	30.0%	35.0%	35.0%
EBITDA growth			n.m.	67.6%	-69.3%	14.9%	n.m.	-18.8%	n.m.	n.m.
EBITA growth			-84.4%	66.8%	-69.8%	14.5%	n.m.	-19.7%	n.m.	n.m.
EPS adj growth				65.9%	-21.1%	-13.9%	n.m.	-42.8%	n.m.	n.m.
PROFITABILITY	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
ROIC (after tax, incl. GW, adj.)		-199.8%	-164.2%	-31.3%	-37.9%	-21.6%	15.9%	7.3%	36.1%	70.1%
ROIC (after tax, excl. GW, adj.)		-246.1%	-179.2%	-31.3%	-37.9%	-21.6%	15.9%	7.3%	36.1%	70.1%
ROE (adj.)		-47.9%	-54.2%	-29.2%	-54.1%	-26.3%	11.5%	6.0%	26.9%	43.6%
ROIC (adj.) - WACC		-208.8%	-173.2%	-40.4%	-46.9%	-30.7%	6.8%	-1.7%	27.1%	61.0%
MARKET VALUE	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Share price (SEK)		10.2	9.20	18.9	23.0	20.4	29.0	29.0	29.0	29.0
No. shares reduced by buybacks (m)			4.5	4.5	4.6	5.6	5.6	5.6	5.6	5.6
Mkt cap used in EV (m)			41	84	107	115	163	163	163	163
Net debt, year-end (m)		-9	-3	2	5	-3	-3	-4	-8	-17
MV of min/ass and oth (m)		-0	-0	-0	-0	-0	-0	-0	-0	-0
Enterprise value (m)			38	86	111	112	160	159	156	146
VALUATION	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
EV/sales (x)			2.5	5.0	6.0	5.4	6.2	4.7	3.4	2.4
EV/EBITDA (x)			n.m.	n.m.	n.m.	n.m.	49.1	60.1	17.9	8.2
EV/EBITA (x)			n.m.	n.m.	n.m.	n.m.	50.5	62.5	18.3	8.4
EV/EBIT (x)			n.m.	n.m.	n.m.	n.m.	64.8	n.m.	21.3	8.9
P/E (reported) (x)			n.m.	n.m.	n.m.	n.m.	75.8	n.m.	25.1	11.2
P/E (adj.) (x)			n.m.	n.m.	n.m.	n.m.	75.8	n.m.	25.1	11.2
P/BV (x)			6.10	17.1	37.6	6.49	8.23	7.75	6.01	4.13
EV/invested capital (x)										
Dividend yield								0.25%	1.31%	2.94%
Total yield (incl. buybacks)								0.25%	1.31%	2.94%
FCFE-yield			-15.04%	-8.27%	-0.46%	-10.06%	-0.06%	0.65%	2.59%	6.92%
FINANCIAL RATIOS	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Net debt/EBITDA (x)		4.1	0.6	-1.5	-1.8	1.3	-0.9	-1.5	-0.9	-1.0
Net debt/equity (x), year-end		-0.8	-0.5	0.5	1.7	-0.2	-0.2	-0.2	-0.3	-0.4
Dividend payout ratio			0.0%	0.0%	0.0%	0.0%	0.0%	33.0%	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.	-4.6%	86.5%	65.2%	77.7%
Capex/sales		0.4%	0.5%	0.3%	0.7%	19.8%	13.8%	0.7%	0.7%	0.7%
NWC/sales		17.3%	21.4%	40.6%	39.8%	49.1%	37.1%	32.0%	31.0%	30.0%
QUARTERLY P&L			Q1 18	Q2 18	Q3 18	Q4 18	Q1 19E	Q2 19E	Q3 19E	Q4 19E
Sales (m)			5	6	4	5	0	0	0	26
EBITDA (m)			-0	0	-2	-0	0	0	0	3
EBIT before non-recurring items (m)			-0	0	-2	-0	0	0	0	2
Net profit (adj.) (m)			-1	0	-2	-0	0	0	0	2
EPS (adj.) (SEK)			-2.87	0.44	-10.33	-0.55	0.00	0.00	0.00	1.82
EBITDA margin			-7.7%	2.3%	-42.6%	-3.9%	n.m.	n.m.	n.m.	12.5%
EBIT margin (adj.)			-7.7%	2.3%	-42.6%	-5.5%	n.m.	n.m.	n.m.	9.5%

Source: Company data, Danske Bank Equity Research estimates

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