

Health Care Equipment & Services, Sweden

Key data

Price (SEK)*	16.8
Country	Sweden
Bloomberg	ZENI:SS
Reuters	ZENI.TE
Free float	70.9%
Market cap (SEKm)	95
Net debt (current Y/E) (SEKm)	1
No. of shares (m)	5.6
Next event	Q2: 23-Aug

* Price as at close on 20 May 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 Q320 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%
Humle Fonder	8.9%

Source: Company data

Estimate changes

	19E	20E	21E
Sales	-5.7%	-5.7%	-5.7%
EBITDA	-42.2%	-68.6%	-28.2%
EBIT (adj.)	-53.8%	n.m.	-32.4%
EPS (adj.)	n.m.	n.m.	n.m.

Source: Danske Bank Equity Research estimates

Analyst(s)

Oscar Stjerngren
Carolina Elvind

Find our research here:

<https://research.danskebank.com>

Important disclosures and certifications are contained from page 8 of this report

Zenicor

Growth could be higher, but tender pipeline strong

Top-line growth, although decent, continued to suffer from the transition from equipment-based sales to a subscription, pay-per-use-based model. The positive aspect of this is that Zenicor is building a recurring revenue base. Looking ahead, we expect several contract wins during 2019 on the main markets, and possibly on new markets, to support revenue growth in 2019 and, more so, in 2020.

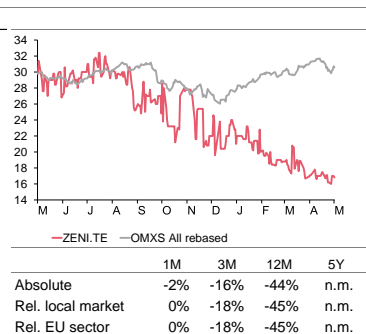
- **Sales grew 11% y/y and 4% q/q in Q1 (+14% y/y in Q4 18).** While this is slightly weaker than expected, growth in pay-per-use is picking up and as this is recurring revenues without initial payments the transition drives top-line growth more slowly than the previous business model with a large initial payment. The positive flip-side is that the revenues are subscription based and recurring. As pay-per-use contracts are relatively new (Finland, Sweden, UK), the utilisation rate is still relatively low, but we expect the increase to be a driver for higher growth during 2019.
- **New contracts.** The key positive is the continued expansion in the UK. The Cambridge study (SAFER), backed by the NHS, in which Zenicor's products are used, is getting positive ripple effects. Zenicor recently announced the first commercial project for atrial fibrillation (AF) diagnostics, with 10 local care units in London having signed an agreement to use Zenicor's equipment (digitalising healthcare). The CEO expects additional deals to be signed in 2019. We see a high likelihood for additional pay-per-use contracts in 2019, not only in the UK but possibly also in Sweden and Finland.
- **Cashflow.** Weak cashflow was the key negative. The underlying operations are close to zero, but the growth costs as pay-per-use customers pay with a lag. Also, payments for the SAFER project are back-end loaded in 2020. We consequently expect a swing back in working capital in 2020, but with cash on the balance sheet at SEK3m, the company needs to secure additional cash to fund growth, we believe.
- **Valuation.** In our base case we value Zenicor at 5.5x EV/Sales 2021E, a minor discount to peers at 7x. On the back of slightly reduced top-line estimates, we have trimmed our valuation range to SEK38-46 from SEK41-49.

Key financials

Year-end Dec (SEK)	2017	2018	2019E	2020E	2021E
Revenues (m)	18	21	25	32	43
Revenues growth	7.3%	12.7%	18.1%	30.0%	35.0%
EBITDA (m)	-3	-2	2	1	6
EBIT adj. (m)	-3	-2	1	-0	5
EBIT growth	-69.8%	14.5%	n.m.	n.m.	n.m.
Pre-tax profit (m)	-2	-3	1	-0	5
EPS adj.	-0.46	-0.53	0.14	-0.06	0.78
DPS	0.00	0.00	0.00	0.00	0.00
Dividend yield					
FCF yield (incl. recurr capex)	-0.5%	-10.1%	-4.5%	4.8%	4.3%
EBIT margin (adj.)	-15.1%	-11.5%	4.7%	-1.1%	11.5%
Net debt/EBITDA (x)	-1.8	1.3	0.6	-4.1	-1.2
ROIC	-37.9%	-21.6%	6.7%	-1.8%	29.8%
EV/sales (x)	6.0	5.4	3.9	2.9	2.0
EV/EBITDA (adj.) (x)	n.m.	n.m.	50.8	n.m.	13.9
EV/EBIT (x)	n.m.	n.m.	53.5	n.m.	14.5
EV/EBIT (adj.) (x)	n.m.	n.m.	83.8	n.m.	17.6
P/E (adj.) (x)	n.m.	n.m.	n.m.	n.m.	21.5

Source: Company data, Danske Bank Equity Research estimates

Price performance



Source: FactSet

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Q1 19 summary and 2019 / 2020 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. On top of this a contract was signed with the local care units in Värmland in 2018, and now recently a commercial agreement was signed with 10 local care units in London. We have very high hopes for continued roll-out in the UK, and possibly an additional, new market, of the concept to digitalise initial care in AF. The UK project is not significant in monetary terms, but comes on the back of the large, NHS-backed SAFER study. We see this as a first step to roll out the pay-per-use based model in the UK. Zenicor's CEO, Mats Palerius, say they have high hopes of signing additional pay-per-use deals in 2019. The company has previously talked about additional deals in Sweden and Finland, and now the vast UK market has opened up. We believe the validation of the UK's NHS through the SAFER study is an essential argument in the sales process, and we would not be surprised if this also helps Zenicor to break into an additional, new market.

From a financial perspective we believe the 10 local care units in London could generate sales of SEK0.3m per annum, assuming a 50% utilisation of the equipment. This equals some 2% of 2018 revenues, but mind that this is a small deal. The gradual ramp up in utilisation rates of the already announced projects is the key driver for an expected higher top-line growth in the remainder of 2019, and we expect new contracts yet to be announced to support our growth assumptions for 2020. The significant upside still lies in national screening programmes for AF, but this lies a couple of years out in time.

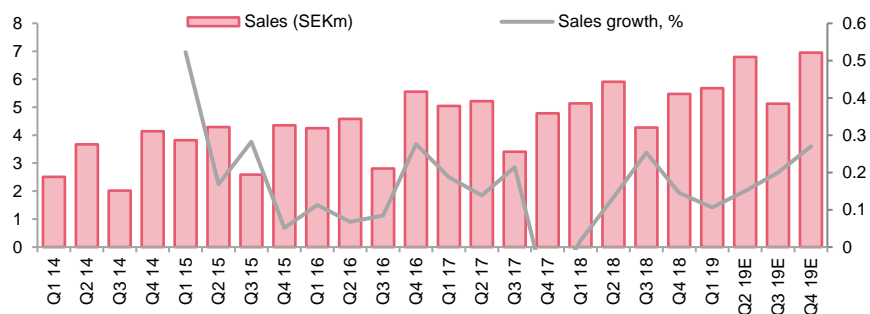
Table 1: Zenicor Q1 19 deviation of actual from estimated results

SEKm	Q1 19A	Q1 19E	Deviation	Q1 18
Sales	5.7	6.3	-9%	5.1
Sales growth	11%	22%	-11.4	2%
EBITDA	-0.4	1.0	-137%	-0.4
EBIT	-0.4	0.9	-140%	-0.4
EBIT-margin	-6.7%	15.1%	-21.7	-7.7%
PTP	-0.5	0.9	-159%	-0.5
Net profit	-0.5	0.9	-159%	-0.5
EPS (SEK)	-0.09	0.15	-159%	-0.11
Net debt (cash)	0.4	-3.2	-11%	-11.4

Source: Company data, Danske Bank Equity Research estimates

We have trimmed our sales growth assumptions for 2019 by 6% on the back of the slight sales miss in Q1, but we keep our H2 19 tilted recovery in growth on the back of an increased utilisation rate in the new contracts.

Chart 1: Zenicor - sales and growth by quarter



Source: Company data, Danske Bank Equity Research estimates

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Cashflow in the quarter was weak, negative SEK3.4m hurt by a SEK2.4m working capital tie. Cashflow ex working capital was negative SEK1.0m and we expect the company to be able to bring this into positive territory for FY 2019, driven by top-line growth. The working capital tie is, however, likely to continue to be a strain on cash, in particular as payment terms for the SAFER project are back-end loaded in 2020. This will support cashflow in 2020, but the low cash level is a risk and increases the likelihood that the company will need to secure additional external funding.

Table 2: Zenicor - Key figures

SEKm	Q1 18	Q2 18	Q3 18	Q4 18	2018	Q1 19	Q2 19E	Q3 19E	Q4 19E	2019E	2020E	2021E
Sales	5.1	5.9	4.3	5.5	20.8	5.7	6.8	5.1	7.0	24.6	31.9	43.1
Sales growth	2%	13%	25%	14%	13%	11%	15%	20%	27%	18%	30%	35%
EBITDA	-0.4	0.2	-1.8	-0.3	-2.3	-0.4	1.3	-0.6	0.9	1.2	0.8	6.2
EBIT	-0.4	0.1	-1.8	-0.3	-2.4	-0.4	1.3	-0.6	0.9	1.1	-0.4	4.9
EBIT-margin	-7.7%	2.3%	-42.6%	-5.5%	-11.5%	-6.7%	18.5%	-12.4%	12.9%	4.7%	-1.1%	11.5%
PTP	-0.5	0.1	-1.9	-0.4	-2.7	-0.5	1.2	-0.7	0.8	0.8	-0.4	4.9
Net profit	-0.5	0.1	-1.9	-0.4	-2.7	-0.5	1.2	-0.7	0.8	0.8	-0.3	4.4
EPS (SEK)	-0.11	0.01	-0.33	-0.07	-0.49	-0.09	0.21	-0.13	0.15	0.14	-0.06	0.78
Net debt (cash)	-11.4	-8.6	-8.1	-3.1	-3.1	0.4	0.0	1.6	1.2	1.2	-3.4	-7.6

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. 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.

Table 3: 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	120.3	BIOT SS	7,844	8.5	7.4	6.7	6.0
Vitrolife AB	204.6	VITR SS	22,210	18.9	15.3	13.5	12.0
Sectra AB Class B	310	SECTB SS	11,889	8.3	7.7	7.1	0.0
Ambu A/S Class B	124.6	AMBUB DC	30,516	12.4	10.3	8.4	6.7
Boule Diagnostics AB	58.5	BOUL SS	1,136	2.6	2.4	2.2	1.9
Xvivo Perfusion AB	194.4	XVIVO SS	5,091	26.1	19.9	12.1	8.2
iRhythm Technologies, Inc.	69.965	IRTC US	1,727	11.9	8.3	6.3	4.8
Zenicor Medical Systems AB	16.3	ZENI SS	92	3.8	2.8	2.0	1.3
Median (excl. iRhythm & Zenicor)				10.5	9.0	7.8	6.3
Average (excl. iRhythm & Zenicor)				9.0	7.6	8.3	7.0

* Prices as at 16:15 CEST on 17 May 2019

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

Table 4: 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	120.3	BIOT SS	7,844	45.2	36.9	30.4	26.6	46.4	39.3	37.1	36.2
Vitrolife AB	204.6	VITR SS	22,210	54.3	44.6	38.5	32.5	71.1	56.9	50.4	43.4
Sectra AB Class B	310	SECTB SS	11,889	48.2	42.6	38.0	0.0	63.5	56.9	51.0	0.0
Ambu A/S Class B	124.6	AMBUB DC	30,516	57.5	43.9	31.6	23.0	88.9	60.8	41.0	28.7
Boule Diagnostics	58.5	BOUL SS	1,136	20.5	17.4	13.7	12.0	28.4	28.9	19.2	17.1
Xvivo Perfusion AB	194.4	XVIVO SS	5,091	346.3	124.9	46.9	25.5	279.1	133.9	58.6	33.1
iRhythm Technolog..	69.965	IRTC US	1,727	0.0	0.0	0.0	211.4	0.0	0.0	0.0	343.0
Zenikor Medical Sys.	16.3	ZENI SS	92	81.3	-249.6	17.1	5.7	118.5	-291.4	20.9	7.9
Median (excl. iRhythm & Zenikor)				48.2	42.6	31.6	23.0	63.5	56.9	41.0	28.7
Average (excl. iRhythm & Zenikor)				41.9	34.3	27.9	15.7	55.4	44.9	36.6	23.8

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

We find the sales multiple in relation to peers the most relevant way to value Zenikor. We value Zenikor on an EV/sales 2021E multiple of 5.5x. This implies a discount to the peer group average of 7.0x and the reason for the 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 5x. We lower the base value from SEK45 to SEK42 per share on the back of a reduction in top-line growth assumptions. Applying our cautious and optimistic scenarios, we reach a range of SEK38-46 (previously SEK41-49). 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 close to 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.

Figure 1: Scenario valuation summary

2021E	EV/Sales	Mkt cap (SEKm)	Per share (SEK)	Upside
Bear	5.0	215.5	38.2	135%
Base	5.5	237.1	42.1	158%
Bull	6.0	258.6	45.9	182%
Current share price		91.9	16.3	

Source: Danske Bank Equity Research estimates

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. Also, the strain on working capital increases the risk that additional capital is needed.

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).

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Company summary

Sales breakdown, geographical areas

n.a.

Sales breakdown, divisions

n.a.

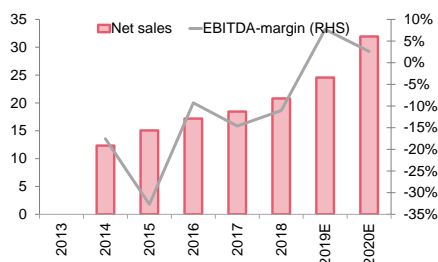
Company information

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

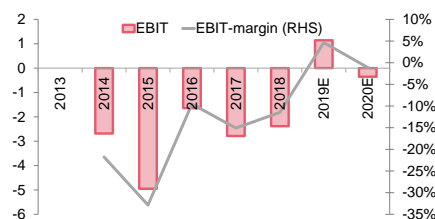
Main shareholders

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%

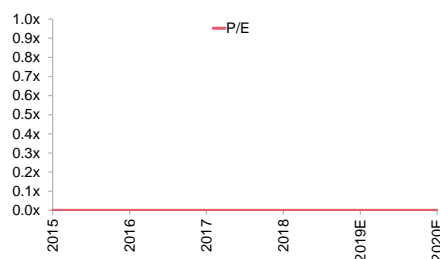
Net sales and EBITDA margin (SEKm)



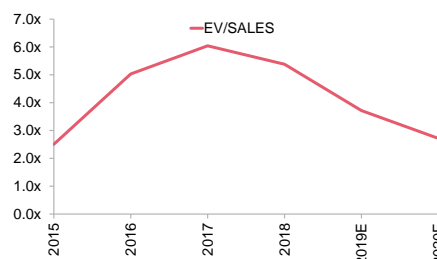
EBIT and EBIT-margin (SEKm)



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	25	32	43	58
Cost of sales & operating costs		-15	-20	-19	-21	-27	-26	-31	-37	-44
EBITDA		-2	-5	-2	-3	-2	2	1	6	15
EBITDA, adj.		-2	-5	-2	-3	-2	2	1	6	15
Depreciation		-1	-0	-0	-0	-0	-0	-0	-0	-0
EBITA		-3	-5	-2	-3	-2	2	1	6	14
EBIT incl. EO, bef. ass.		-3	-5	-2	-3	-2	1	-0	5	13
EBIT, adj.		-3	-5	-2	-3	-2	1	-0	5	13
Financial items, net	0	-0	-0	-0	1	-0	-0	0	0	0
Pre-tax profit		-3	-5	-2	-2	-3	1	-0	5	13
Taxes								0	-1	-1
Net profit, rep.		-3	-5	-2	-2	-3	1	-0	4	12
Net profit, adj.		-3	-5	-2	-2	-3	1	-0	4	12
CASH FLOW										
SEKm	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
EBITDA		-2	-5	-2	-3	-2	2	1	6	15
Change in working capital		1	-1	-5	2	-5	-2	4	-1	-3
Net interest paid		-0	-0	-0	1	-0	-0			
Taxes paid		-0	-0					0	-1	-1
Other operating cash items										
Cash flow from operations		-2	-6	-7	-0	-7	-1	5	4	10
Capex		-0	-0	-0	-0	-4	-3	-0	-0	-0
Div to min										
Free cash flow		-2	-6	-7	-0	-12	-4	5	4	10
Disposals/(acquisitions)										
Free cash flow to equity		-2	-6	-7	-0	-12	-4	5	4	10
Dividend paid										
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	0
Disc. ops & other										
Incr./(decr.) in cash		10	-6	-3	-1	6	-4	5	4	10
BALANCE SHEET										
SEKm	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Cash & cash equivalents		10	4	1	0	6	2	7	11	21
Inventory		2	1	3	4	4	4	5	7	9
Trade receivables		2	3	4	4	4	5	7	9	12
Other current assets		1	1	2	3	7	9	4	4	6
Goodwill		1								
Other intangible assets						4	6	5	4	3
Fixed tangible assets			0	0	0	0	0	1	1	1
Associated companies		0	0	0	0	0	0	0	0	0
Other non-current assets		0	0	0	0	0	0	0	0	0
Total assets		15	9	11	12	26	28	29	36	51
Shareholders' equity		12	7	5	3	18	18	18	23	34
Of which minority interests										
Current liabilities		3	2	3	4	5	6	8	10	14
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	17
Total liabilities and equity		15	9	11	12	26	28	29	36	51
Net debt		-9	-3	2	5	-3	1	-3	-7	-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	0.14	-0.06	0.78	2.08
EPS adj. (SEK)			-1.12	-0.38	-0.46	-0.53	0.14	-0.06	0.78	2.08
DPS (SEK)			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.68
CFFO/share (SEK)			-1.4	-1.6	-0.1	-1.4	-0.1	0.8	0.8	1.8
Book value/share (SEK)			1.51	1.11	0.61	3.14	3.28	3.22	4.00	6.08
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%	7.7%	2.6%	14.5%	25.1%
EBITA margin		-21.8%	-32.9%	-9.5%	-15.1%	-11.5%	7.3%	2.3%	14.0%	24.4%
EBIT margin		-21.8%	-32.9%	-9.5%	-15.1%	-11.5%	4.7%	-1.1%	11.5%	22.6%
EBIT adj margin		-21.8%	-32.9%	-9.5%	-15.1%	-11.5%	4.7%	-1.1%	11.5%	22.6%
Sales growth			22.0%	14.2%	7.3%	12.7%	18.1%	30.0%	35.0%	35.0%
EBITDA growth			n.m.	67.6%	-69.3%	14.9%	n.m.	-55.9%	n.m.	n.m.
EBITA growth			-84.4%	66.8%	-69.8%	14.5%	n.m.	-59.4%	n.m.	n.m.
EPS adj growth				65.9%	-21.1%	-13.9%	n.m.	n.m.	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%	6.7%	-1.8%	29.8%	73.8%
ROIC (after tax, excl. GW, adj.)		-246.1%	-179.2%	-31.3%	-37.9%	-21.6%	6.7%	-1.8%	29.8%	73.8%
ROE (adj.)		-47.9%	-54.2%	-29.2%	-54.1%	-26.3%	4.3%	-1.7%	21.6%	41.2%
ROIC (adj.) - WACC		-208.8%	-173.2%	-40.4%	-46.9%	-30.7%	-2.3%	-10.9%	20.8%	64.8%
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	16.8	16.8	16.8	16.8
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	95	95	95	95
Net debt, year-end (m)		-9	-3	2	5	-3	1	-3	-7	-17
MV of min/ass and oth (m)		-0	-0	-0	-0	-0	-0	-0	-0	-0
Enterprise value (m)			38	86	111	112	96	91	87	77
VALUATION	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
EV/sales (x)			2.5	5.0	6.0	5.4	3.9	2.9	2.0	1.3
EV/EBITDA (x)			n.m.	n.m.	n.m.	n.m.	50.8	n.m.	13.9	5.3
EV/EBITA (x)			n.m.	n.m.	n.m.	n.m.	53.5	n.m.	14.5	5.4
EV/EBIT (x)			n.m.	n.m.	n.m.	n.m.	83.8	n.m.	17.6	5.9
P/E (reported) (x)			n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	21.5	8.1
P/E (adj.) (x)			n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	21.5	8.1
P/BV (x)			6.10	17.1	37.6	6.49	5.12	5.21	4.20	2.76
EV/invested capital (x)										
Dividend yield										4.08%
Total yield (incl. buybacks)										4.08%
FCFE-yield			-15.04%	-8.27%	-0.46%	-10.06%	-4.49%	4.81%	4.34%	10.39%
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	0.6	-4.1	-1.2	-1.2
Net debt/equity (x), year-end		-0.8	-0.5	0.5	1.7	-0.2	0.1	-0.2	-0.3	-0.5
Dividend payout ratio			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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.	-548.8%	n.m.	93.3%	84.1%
Capex/sales		0.4%	0.5%	0.3%	0.7%	19.8%	14.0%	0.7%	0.7%	0.7%
NWC/sales		17.3%	21.4%	40.6%	39.8%	49.1%	51.1%	27.0%	23.0%	22.0%
QUARTERLY P&L			Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19E	Q3 19E	Q4 19E
Sales (m)			5	6	4	5	0	0	0	25
EBITDA (m)			-0	0	-2	-0	0	0	0	2
EBIT before non-recurring items (m)			-0	0	-2	-0	0	0	0	1
Net profit (adj.) (m)			-1	0	-2	-0	0	0	0	1
EPS (adj.) (SEK)			-2.87	0.44	-10.33	-0.55	0.00	0.00	0.00	0.66
EBITDA margin			-7.7%	2.3%	-42.6%	-3.9%	n.m.	n.m.	n.m.	7.7%
EBIT margin (adj.)			-7.7%	2.3%	-42.6%	-5.5%	n.m.	n.m.	n.m.	4.7%

Source: Company data, Danske Bank Equity Research estimates

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