

## Medical Equipment &amp; Services

## Key data

Price (SEK)*	12.1
Country	Sweden
Bloomberg	ZENI SS
Reuters	ZENI.TE
Free float	70.9%
Market cap (SEKm)	68
Net debt (current Y/E) (SEKm)	2
No. of shares (m)	5.6
Next event	Q4: 14-Feb

\* Price as at 15:20 CET on 18 November 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 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 owner)	14.9%
Mats Palerius (CEO & co owner)	14.2%
Ydrehall AS	12.4%
Humle Fonder	8.9%
Handelsbanken Fonder	7.3%

Source: Company data

## Estimate changes

	19E	20E	21E
Sales	-3.7%	-3.7%	-3.7%
EBITDA	-60.3%	n.m.	-39.3%
EBIT (adj.)	n.m.	n.m.	-81.5%
EPS (adj.)	n.m.	n.m.	n.m.

Source: Danske Bank Equity Research estimates

## Analyst(s)

Siri Ladow

Carolina Elvind

Find our research here:

<https://research.danskebank.com>

## Zenkor

## NHS UK deal important step for growth story to materialise

**Q3 was a record quarter for Zenicor, with sales growth of 8% y/y and positive EBIT for the second time in a row. Although sales growth was slightly lower than our estimates, EBIT continued its positive streak sequentially. The main takeaway in the quarter was the deal signed with the NHS in the UK, a breakthrough step for European expansion. We view the deal as a key driver in this growth story but also as crucial for regaining market trust.**

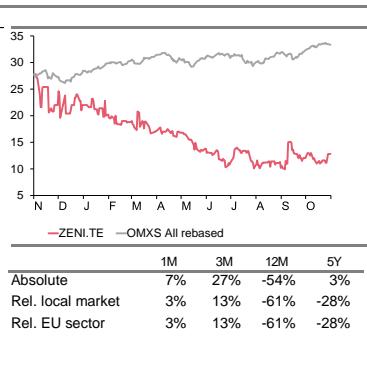
- Q3 summary.** Sales grew 8% to SEK4.6m (-6% on our estimates), EBIT was positive for the second quarter in a row at SEK65,000 (SEK-1.8m in Q3 18, our estimates SEK-0.8m) with a small but still positive result at SEK7,000 (SEK-1.9m Q3 18, our estimates at SEK-0.9m).
- The CEO expects the increasing growth** in Finland and Sweden to show in next year's numbers, together with continued implementation by the NHS/Bradford Clinical Commissioning Groups (CCGs) in the UK. The CEO's comments rhyme well with our view of accelerated growth in 2020 fuelled by the ongoing UK SAFER study and continued penetration in existing markets and expansion into new ones.
- Zenicor has signed a market opening deal** with the NHS in the UK that applies to, in a first step, five clinical centres within the Bradford CCG. The deal represents 4% of our sales estimates in 2019E but most importantly, it shows that CCGs are willing to implement a new, digitalised care pathway, i.e. Zenicor's thumb EKG. We see a high probability of Zenicor gradually signing several additional contracts with the 191 CCGs of the NHS, supporting top-line growth further.
- The main concern is still cash flow**, which was, as expected, negative at SEK-0.8m, shrinking the cash position to SEK0.4m. However, with current growth prospects to drive operational cash flow and a larger payment by end-2020 from SAFER, cash flow is not a worrying long-term aspect. In the shorter term, we expect cash to be sufficient for current operations and continued investments during 2020, driven by underlying cash flow from licensed revenues and payments from ongoing studies.
- Estimate revisions and valuation.** We adjust our sales estimates for both 2019 and 2020 by -4% due to a somewhat slower than expected increase in utilisation rates in new contracts. We raise the valuation range from SEK32-39 to SEK33-40, mainly due to a revaluation of the peer group.

## Key financials

Year-end Dec (SEK)	2017	2018	2019E	2020E	2021E	
Revenues (m)	18	21	22	29	39	35
Revenues growth	7.3%	12.7%	8.0%	28.0%	35.0%	
EBITDA (m)	-3	-2	0	1	2	
EBIT adj. (m)	-3	-2	-0	-0	0	
EBIT growth	-69.8%	14.5%	97.7%	n.m.	n.m.	
Pre-tax profit (m)	-2	-3	-0	-0	0	
EPS adj.	-0.46	-0.53	-0.07	-0.03	0.07	
DPS	0.00	0.00	0.00	0.00	0.00	
Dividend yield						
FCF yield (incl. recur capex)	-0.5%	-10.1%	-7.3%	1.9%	1.0%	
EBIT margin (adj.)	-15.1%	-11.5%	-0.2%	-0.6%	1.1%	
Net debt/EBITDA (x)	-1.8	1.3	14.9	0.4	-0.1	
ROIC	-37.9%	-21.6%	-0.3%	-1.0%	2.6%	
EV/sales (x)	6.0	5.4	3.1	2.4	1.8	
EV/EBITDA (adj.) (x)	n.m.	n.m.	n.m.	49.0	31.5	Absolute
EV/EBITA (x)	n.m.	n.m.	n.m.	49.0	31.5	Rel. local market
EV/EBIT (adj.) (x)	n.m.	n.m.	n.m.	n.m.	n.m.	3% 13% -61% -28%
P/E (adj.) (x)	n.m.	n.m.	n.m.	n.m.	n.m.	1M 3M 12M 5Y

Source: Company data, Danske Bank Equity Research estimates

## Price performance



Source: FactSet

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## Q3 19 summary

### Positive EBIT streak and positive growth outlook

With a sales growth of 8% y/y and positive EBIT for the second quarter in a row at SEK65,000, Zenicor delivered a record quarter. Although sales growth was somewhat lower than we had expected, the main surprise was EBIT that continued its positive streak sequentially. This along with the deal signed with the NHS in the UK is the main takeaway from the report. We view this as an important step in a European expansion and as a relieving factor for a continued market penetration ahead – a key driver in the growth story but also an important brick for regained market trust.

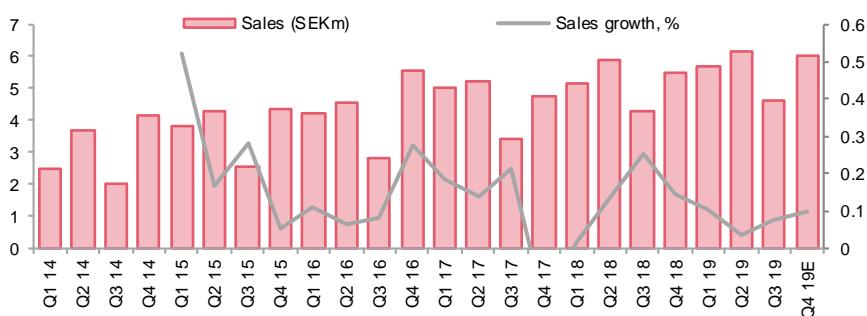
Table 1. Q3 deviation of actual from estimated results

SEKm	Q3 19A	Q3 19E	Deviation from DB	Q3 18
Sales	4.61	4.91	-6%	4.3
Sales growth	8%	15%	-7	0.3
EBITDA	0.04	-0.82	n.a.	0.0
EBIT	0.06	-0.84	n.a.	-1.8
EBIT margin	1%	neg	neg	neg
PTP	0.01	-0.92	n.a.	-1.9
Net profit	0.01	-0.92	n.a.	0.0
EPS (SEK)	0.00	-0.16	n.a.	0.0
Net debt (cash)	-2.83	-3.20	n.a.	8.1

Source: Company data, Danske Bank Equity Research estimates

The CEO expects the increasing growth in Finland and Sweden together with the implementation by the NHS in the UK to be clearly visible in the numbers during 2020. His comments rhyme well with our view of an acceleration in sales growth in 2020, driven by ripple effects from the UK SAFER study and continued penetration in existing markets and expansion into new ones.

Chart 1. Sales and growth by quarter



Source: Company data, Danske Bank Equity Research estimates

### Market-opening deal with NHS UK supports growth story ahead

At the end of the quarter, Zenicor signed a market-opening agreement with the NHS in the UK, which applies to, in a first step, five clinical centres in the Bradford CCG. The Bradford CCG has 25 clinical centres in total, which we expect to implement digitalised care gradually over the coming years. Encouragingly, the implementation of the first five clinics seems to have run smoothly in a quick phase, boding well for the process ahead.

Based on similar contracts in Finland, we estimate an around two-year ramp-up from signing to full utilisation, from when the agreement is estimated to generate a revenue of GBP80,000 per year. The deal represents 4% of our sales estimates in 2019E, but most importantly, it shows

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that CCGs are willing to implement a new, digitalised care pathway, i.e. Zenicor's thumb EKG. Importantly, we see a high probability of Zenicor gradually signing several additional contracts with the 191 CCGs in the NHS, supporting top-line growth.

We view the deal as particularly important in terms of both an UK and a European market opening and thus as a relieving factor for significant market penetration ahead. We argue a key driver for signing this contract is Zenicor's participation in the NHS-backed SAFER study, validating the product. As there are as much as 191 CCGs in the NHS, we see a high probability of Zenicor gradually signing additional contracts with CCGs, supporting top-line growth.

#### *Cash flow and cash position still main concern for the stock*

Cash flow continued to be negative in the quarter at SEK-0.8m, weighted by continued development investments, but supported by a positive change in working capital in terms of a seasonal swing back in receivables. In addition, the cash position of SEK0.4m on the balance sheet is small in absolute and relative terms and has shrunk significantly compared to the SEK11.3m in Q3 last year.

Important to highlight is that the cash flow profile of the unusually big – and therefore unusually important - SAFER-study is back-end loaded, binding working capital while the project is running. With current growth prospects to drive operational cash flow and a larger milestone payment by end-2020 from the SAFER-project, we do not see the negative cash flow as a worrying long-term aspect. Thus, we expect a swing back in working capital and top-line driven positive operational cash flow by end 2020.

Shorter term, we expect the cash position to be sufficient for current operations and continued investments during 2020, thanks to underlying cash flow from licensed revenue through the new PPU-based sales model and payments from several smaller studies with shorter time horizon and thus a closer payment date compared to the SAFER-study. While we expect the cash position to be sufficient, we acknowledge the limited turning space for the company.

#### *Estimate revisions*

We adjust our sales estimates for both 2019 and 2020 by -4% due to a somewhat slower than expected increase in utilisation rates in new contracts. The company is currently in the middle of a sales model transition, going from an equipment-based sales model to a pay-per-use sales model, which has a negative effect on sales short term. Longer term, the increase in recurring revenues should, however, warrant a higher valuation multiple, we argue. In addition, fundamentals are in place for a pickup in growth rates in which the deal with the NHS plays an important role – in terms of existing clinical centres in the Bradford CCG but also the high probability of signing several of the other CCGs in the NHS.

Table 2. Zenicor – key figures (1 of 2)

SEKm	Q1 18	Q2 18	Q3 18	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19E
Sales	5.1	5.9	4.3	5.5	20.8	5.7	6.1	4.6	6.0
Sales growth	2%	13%	25%	14%	13%	11%	4%	8%	10%
EBITDA	-0.4	0.2	-1.8	-0.3	-2.3	-0.4	0.3	0.1	0.0
EBIT	-0.4	0.1	-1.8	-0.3	-2.4	-0.4	0.2	0.1	0.0
EBIT-margin	-7.7%	2.3%	-42.6%	-5.5%	-11.5%	-6.7%	4.0%	1.4%	0.3%
PTP	-0.5	0.1	-1.9	-0.4	-2.7	-0.5	0.2	0.0	-0.1
Net profit	-0.5	0.1	-1.9	-0.4	-2.7	-0.5	0.2	0.0	-0.1
EPS (SEK)	-0.11	0.01	-0.33	-0.07	-0.49	-0.09	0.03	0.00	-0.01
Net debt (cash)	-11.4	-8.6	-8.1	-3.1	-3.1	0.4	2.0	2.8	1.9

Source: Company data, Danske Bank Equity Research estimates

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Table 2: Zenicor - key figures (2 of 2)

SEKm	2019E	2020E	2021E	2022E
Sales	22.5	28.7	38.8	52.4
Sales growth	8%	28%	35%	35%
EBITDA	0.0	1.4	2.2	9.1
EBIT	-0.1	-0.2	0.4	7.1
EBIT-margin	-0.2%	-0.6%	1.1%	13.6%
PTP	-0.4	-0.2	0.4	7.1
Net profit	-0.4	-0.2	0.4	6.4
EPS (SEK)	-0.07	-0.03	0.07	1.13
Net debt (cash)	1.9	0.6	-0.1	-5.4

Source: Danske Bank Equity Research estimates

## Valuation

Zenicor operates in an attractive market with solid structural growth drivers, such as an ageing population and efficiency needs within the healthcare chain. We see a high need for Zenicor's thumb EKG and a high probability of market penetration and good growth. In addition, Zenicor has an established position in terms of scientific support from several studies. The company has accelerated, and should continue to accelerate, its position in the market. We argue that recent large deals add to its validity and that the company's way to market works.

As the company is still in the early stages of the commercial phase, we have based our valuation on estimates two years out in time for a proper view of what sales and margin level the company could deliver.

### Relative multiple valuation and scenario analysis

We have chosen relative multiple valuation as an appropriate valuation method for the Zenicor stock, backed up by risk-weighted DCF. However, as the latter method has an inherent uncertainty in valuation of high-growth companies, we currently use it as secondary and for comparing purposes.

We value Zenicor on an EV/sales 2021E multiple of 5.3x, implying a discount to the peer group average of 7.2x by 36%. The discount is currently warranted, we argue, as Zenicor is in an earlier stage than most peers are and will have to show accelerated growth rates and achieve scale on the product. Note that Zenicor's larger US peer iRhythm Technologies, who also has a challenger role in its home market, with longer history than Zenicor but a less attractive position in our view, trades on EV/sales 2021E of 4.7x.

Table 3. Healthcare peer group summary - EV/sales

Ticker (FactSet)	Healthcare peers	Price* Ccy (Icl FX)	Ticker (Bloomberg)	Mkt cap (Icl FX)	EV/Sales (x)			
					2018	2019E	2020E	2021E
BIOT-SE	Biotage AB	SEK 122.8	BIOT SS	8,007	8.7	7.3	6.6	5.9
VITR-SE	Vitrolife AB	SEK 184.7	VITR SS	20,049	17.0	13.2	11.5	10.1
SECT.B-SE	Sectra AB Class B	SEK 342.5	SECTB SS	13,136	8.9	8.4	7.6	7.0
AMBU.B-DK	Ambu A/S Class B	DKK 119.95	AMBUB DC	29,393	12.0	11.0	9.2	7.6
BOUL-SE	Boule Diagnostics AB	SEK 63.9	BOUL SS	1,241	2.9	2.7	2.5	2.3
XVIVO-OME	Xvivo Perfusion AB	SEK 162.2	XVIVO SS	4,315	21.9	18.3	13.9	10.1
IRTC-US	iRhythm Technologies, Inc.	USD 69.68	IRTC US	1,841	12.6	8.1	6.1	4.7
<b>Median (excl. iRhythm &amp; Zenicor)</b>					<b>10.5</b>	<b>9.7</b>	<b>8.4</b>	<b>7.3</b>
<b>Average (excl. iRhythm &amp; Zenicor)</b>					<b>8.8</b>	<b>7.6</b>	<b>8.6</b>	<b>7.2</b>

\*Prices as at 15:20 CET on 18 November 2019.

Source: FactSet, Danske Bank Equity Research estimates

Our EV/sales multiple of 5.5x implies a value of SEK38. Applying our cautious and optimistic scenarios, we reach a range of SEK33-40. The range is lifted from previously SEK32-39, mainly driven by a small rerating of the peer group. In the longer term and with proven growth capacity,

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a valuation in line with peers would be justified given the company's asset-light model, scientific validation of the product and growth above that of peers over the forecast period. Our DCF model indicates a fair value of SEK60 underlining such reasoning, but in light of the inherent uncertainty in the DCF valuations of new high-growth companies, we find the relative multiple valuation more relevant.

*Table 4. Scenario valuation summary*

<b>2021E</b>				
2021E	EV/Sales	Mkt cap (SEKm)	Per share (SEK)	Upside
Bear	4.8	186.2	33.0	173%
Base	5.3	205.6	36.5	202%
Bull	5.8	225.0	39.9	230%
<b>Current share price*</b>		<b>72.0</b>	<b>12.1</b>	

\*Price as at 15:20 CET on 18 November 2019

Source: Danske Bank Equity Research estimates

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## Risks

Zenicor 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 and is 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, which could increase their marketing efforts to expand their shares in Zenicor'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 increased spending will not result in the expected top-line growth, requiring additional capital injections. In addition, the strain on working capital increases the risk that Zenicor needs additional capital.

A key demand driver for Zenicor 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 Zenicor 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.

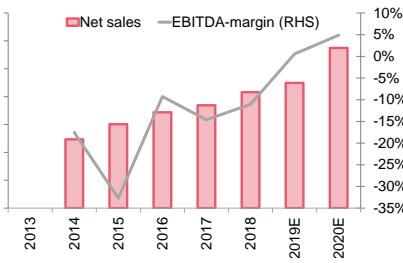
### Company information

Zenicor  
Salmåtargatan 8, 113 59 STOCKHOLM  
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[www.zenicor.se](http://www.zenicor.se)

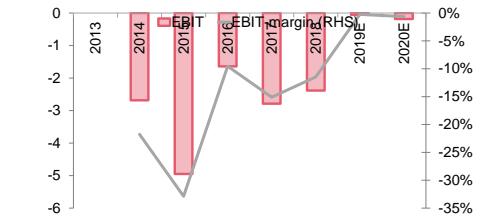
### Main shareholders

Name	Votes (%)	Capital (%)
Sonny Norström & co (co owner)	14.9%	14.9%
Mats Palerius (CEO & co owner)	14.2%	14.2%
Ydrehall AS	12.4%	12.4%
Humble Fonder	8.9%	8.9%
Handelsbanken Fonder	8.9%	7.3%

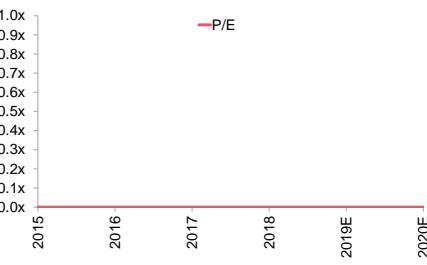
### Net sales and EBITDA margin (SEKm)



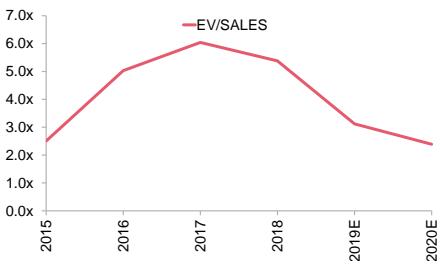
### EBIT and EBIT-margin (SEKm)



### 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>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Net sales	12	15	17	18	21	22	29	39	52	
Cost of sales & operating costs	-15	-20	-19	-21	-27	-26	-31	-37	-43	
<b>EBITDA</b>	<b>-2</b>	<b>-5</b>	<b>-2</b>	<b>-3</b>	<b>-2</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>9</b>	
EBITDA, adj.	-2	-5	-2	-3	-2	0	1	2	9	
Depreciation	-1	-0	-0	-0	-0	-0	-0	-0	-0	
<b>EBITA</b>	<b>-3</b>	<b>-5</b>	<b>-2</b>	<b>-3</b>	<b>-2</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>9</b>	
EBIT incl. EO, bef. ass.	-3	-5	-2	-3	-2	0	-0	-0	0	7
EBIT, adj.	-3	-5	-2	-3	-2	-0	-0	-0	0	7
Financial items, net	0	-0	-0	1	-0	-0	0	0	0	0
<b>Pre-tax profit</b>	<b>-3</b>	<b>-5</b>	<b>-2</b>	<b>-2</b>	<b>-3</b>	<b>-0</b>	<b>-0</b>	<b>0</b>	<b>0</b>	<b>7</b>
Taxes							0	0	-0	-1
<b>Net profit, rep.</b>	<b>-3</b>	<b>-5</b>	<b>-2</b>	<b>-2</b>	<b>-3</b>	<b>-0</b>	<b>-0</b>	<b>0</b>	<b>0</b>	<b>6</b>
Net profit, adj.	-3	-5	-2	-2	-3	-0	-0	0	0	6
<b>CASH FLOW</b>										
<b>SEKm</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
EBITDA	-2	-5	-2	-3	-2	0	1	2	9	
Change in working capital	1	-1	-5	2	-5	-1	4	-1	-3	
Net interest paid	-0	-0	-0	1	-0	-0				
Taxes paid	-0	-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>-7</b>	<b>-1</b>	<b>5</b>	<b>1</b>	<b>6</b>	
Capex	-0	-0	-0	-0	-4	-3	-4	-0	-0	
Div to min										
<b>Free cash flow</b>	<b>-2</b>	<b>-6</b>	<b>-7</b>	<b>-0</b>	<b>-12</b>	<b>-5</b>	<b>1</b>	<b>1</b>	<b>5</b>	
Disposals/(acquisitions)										
<b>Free cash flow to equity</b>	<b>-2</b>	<b>-6</b>	<b>-7</b>	<b>-0</b>	<b>-12</b>	<b>-5</b>	<b>1</b>	<b>1</b>	<b>5</b>	
Dividend paid										
Share buybacks										
New issue common stock	11					18				
Incr./(decr.) in debt						-2				
Minorities & other financing CF	-10	-0	4	-0	2					
<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>0</b>	<b>0</b>	<b>0</b>
Disc. ops & other										
Incr./(decr.) in cash	<b>10</b>	<b>-6</b>	<b>-3</b>	<b>-1</b>	<b>6</b>	<b>-5</b>	<b>1</b>	<b>1</b>	<b>5</b>	
<b>BALANCE SHEET</b>										
<b>SEKm</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Cash & cash equivalents	10	4	1	0	6	1	3	3	9	
Inventory	2	1	3	4	4	4	5	6	8	
Trade receivables	2	3	4	4	4	5	6	8	11	
Other current assets	1	1	2	3	7	8	4	4	5	
Goodwill	1									
Other intangible assets					4	7	9	8	6	
Fixed tangible assets	0	0	0	0	0	0	0	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	
<b>Total assets</b>	<b>15</b>	<b>9</b>	<b>11</b>	<b>12</b>	<b>26</b>	<b>26</b>	<b>27</b>	<b>30</b>	<b>40</b>	
<b>Shareholders' equity</b>	<b>12</b>	<b>7</b>	<b>5</b>	<b>3</b>	<b>18</b>	<b>17</b>	<b>17</b>	<b>18</b>	<b>24</b>	
Of which minority interests										
Current liabilities	3	2	3	4	5	5	7	9	13	
Interest-bearing debt	1	0	3	5	3	3	3	3	3	
Pension liabilities										
Oth non-curr. liabilities										
<b>Total liabilities</b>	<b>4</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>12</b>	<b>16</b>	
<b>Total liabilities and equity</b>	<b>15</b>	<b>9</b>	<b>11</b>	<b>12</b>	<b>26</b>	<b>26</b>	<b>27</b>	<b>30</b>	<b>40</b>	
Net debt	-9	-3	2	5	-3	2	1	-0	-5	

Source: Company data, Danske Bank Equity Research estimates

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*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	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	5.6	5.6
EPS (SEK)	-1.12	-0.38	-0.46	-0.53	-0.07	-0.03	0.07	0.07	0.07	1.13
EPS adj. (SEK)	-1.12	-0.38	-0.46	-0.53	-0.07	-0.03	0.07	0.07	0.07	1.13
DPS (SEK)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.37
CFFO/share (SEK)	-1.4	-1.6	-0.1	-1.4	-0.3	0.9	0.2	1.0		
Book value/share (SEK)	1.51	1.11	0.61	3.14	3.07	3.04	3.11	4.24		
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%	0.6%	4.9%	5.6%	5.6%	17.3%
EBITA margin	-21.8%	-32.9%	-9.5%	-15.1%	-11.5%	0.2%	4.9%	5.6%	5.6%	17.3%
EBIT margin	-21.8%	-32.9%	-9.5%	-15.1%	-11.5%	-0.2%	-0.6%	1.1%	1.1%	13.6%
EBIT adj margin	-21.8%	-32.9%	-9.5%	-15.1%	-11.5%	-0.2%	-0.6%	1.1%	1.1%	13.6%
Sales growth	22.0%	14.2%	7.3%	12.7%	8.0%	28.0%	35.0%	35.0%		
EBITDA growth	n.m.	67.6%	-69.3%	14.9%	n.m.	n.m.	53.9%	n.m.		
EBITA growth	-84.4%	66.8%	-69.8%	14.5%	n.m.	n.m.	53.9%	n.m.		
EPS adj growth	65.9%	-21.1%	-13.9%	86.7%	58.6%	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%	-0.3%	-1.0%	2.6%	42.8%	
ROIC (after tax, excl. GW, adj.)	-246.1%	-179.2%	-31.3%	-37.9%	-21.6%	-0.3%	-1.0%	2.6%	42.8%	
ROE (adj.)	-47.9%	-54.2%	-29.2%	-54.1%	-26.3%	-2.3%	-1.0%	2.1%	30.7%	
ROIC (adj.) - WACC	-208.2%	-172.6%	-39.8%	-46.4%	-30.1%	-8.8%	-9.5%	-5.8%	34.4%	
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	12.1	12.1	12.1	12.1	12.1
No. shares reduced by buybacks (m)	4.5	4.5	4.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6
Mkt cap used in EV (m)	41	84	107	115	68	68	68	68	68	68
Net debt, year-end (m)	-9	-3	2	5	-3	2	1	-0	-0	-5
MV of min/ass and oth (m)	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
Enterprise value (m)	38	86	111	112	70	69	68	68	68	63
Valuation	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
EV/sales (x)	2.5	5.0	6.0	5.4	3.1	2.4	1.8	1.2	1.2	1.2
EV/EBITDA (x)	n.m.	n.m.	n.m.	n.m.	n.m.	49.0	31.5	6.9		
EV/EBITA (x)	n.m.	n.m.	n.m.	n.m.	n.m.	49.0	31.5	6.9		
EV/EBIT (x)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	8.8	
P/E (reported) (x)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	10.7	
P/E (adj.) (x)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	10.7	
P/BV (x)	6.10	17.1	37.6	6.49	3.94	3.98	3.89	2.86		
EV/invested capital (x)									3.07%	
Dividend yield									3.07%	
Total yield (incl. buybacks)									3.07%	
FCFE-yield	-15.04%	-8.27%	-0.46%	-10.06%	-7.27%	1.93%	0.99%	0.99%	7.77%	
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	14.9	0.4	-0.1	-0.6	
Net debt/equity (x), year-end	-0.8	-0.5	0.5	1.7	-0.2	0.1	0.0	-0.0	-0.2	
Dividend payout ratio	0.0%	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.	n.m.	n.m.	183.1%	83.4%	
Capex/sales	0.4%	0.5%	0.3%	0.7%	19.8%	15.5%	13.2%	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 19	Q3 19	Q4 19E	
Sales (m)		5	6	4	5	6	6	5	6	
EBITDA (m)		-0	0	-2	-0	-0	0	0	0	
EBIT before non-recurring items (m)		-0	0	-2	-0	-0	0	0	0	
Net profit (adj.) (m)		-1	0	-2	-0	-1	0	0	-0	
EPS (adj.) (SEK)		-2.87	0.44	-10.33	-0.55	-0.43	0.14	0.01	-0.05	
EBITDA margin		-7.7%	2.3%	-42.6%	-3.9%	-6.7%	4.0%	1.4%	3.3%	
EBIT margin (adj.)		-7.7%	2.3%	-42.6%	-5.5%	-6.7%	4.0%	1.4%	0.3%	

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

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Report completed: 18 November 2019 at 15:40 CET

Report disseminated: 18 November 2019 at 19:20 CET

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