

Medical Equipment & Services

**Key data**

Price (SEK)*	13.7
Country	Sweden
Bloomberg	ZENI.SS
Reuters	ZENI.TE
Free float	70.9%
Market cap (SEKm)	77
Net debt (current Y/E) (SEKm)	-0
No. of shares (m)	5.6
Next event	Q1: 13-May

\* Price as at close on close 17 February 2020

CEO	Mats Palerius
CFO	Mats Palerius

Company description

Zenitor 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. Zenitor's thumb EKG has been validated by several large scientific studies. Studies show that systematic screening using Zenitor'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

	20E	21E	22E
Sales	-14.5%	-11.3%	-4.7%
EBITDA	60.8%	29.6%	27.1%
EBIT (adj.)	n.m.	117.3%	32.0%
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>

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

# Zenitor

## Short-term negative effect from sales model transformation

**Sales saw a sharp -22% y/y drop in Q4 to SEK4.3m with negative EBIT of SEK-1,3m, largely explained by the ongoing change in sales model creating a short-term negative sales effect. Otherwise, the main takeaways were (1) reiterated positive growth outlook, (2) a new deal signed with Tiohundra in Sweden supporting the growth story ahead and (3) good underlying cash flow with a cash position recovery, key for sentiment.**

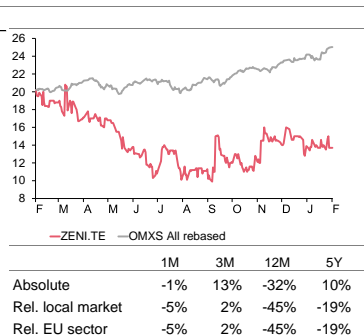
- **Sales negatively affected by sales model transformation.** While we had expected continued growth in both sales and earnings, we see the sharp Q4 decline as evidence of the short-term, negative effect a sales model transformation can have, as the company is currently moving from an upfront equipment-based sales model to recurring pay-per-use. We view the strategy change as supportive and expect the increasing share of recurring revenues to drive sales growth in the coming quarters.
- **Accelerating growth outlook reiterated and new deal signed.** The company's longer-term guidance was reiterated, with sales growth accelerating from 10% on average to 30% longer term (28% CAGR 2019-23 in our estimates), driven by new pay-per-use contracts. In addition, the CEO expects several new regions in Sweden, Finland and the UK to implement a new care path during 2020 – in line with our estimates of sales accelerating in H2 20. While the partnership with Tiohundra in Sweden signed in the quarter was small in absolute terms (c.1% of 2020 estimates), we see the steady flow of signed deals as an indication of care chains being willing to implement a new care pathway – i.e. Zenitor's thumb ECG (electrocardiogram).
- **Cash flow.** While FCF was negative at SEK-0.5m, burdened by SAFER-investments with back-end loaded cash flow, underlying cash flow from licence payments was positive. As the negative cash flow and the shrinking cash position has been the main concern for the stock as of late, this together with a healthier cash level at SEK2.7m is important both in terms of liquidity risk and in terms of stock market sentiment.
- **Estimate revisions and valuation.** We adjust our sales estimates for 2020 and 2021 by -14% and -11%, due to a larger than expected effect of the change in sales model. We fine-tune our valuation range from SEK33-40 to SEK34-40, affected by lowered sales forecast while boosted by a peer group revaluation.

Key financials

Year-end Dec (SEK)	2018	2019	2020E	2021E	2022E
Revenues (m)	21	21	25	34	50
Revenues growth	12.7%	-0.3%	18.6%	40.0%	45.0%
EBITDA (m)	-2	-1	2	3	12
EBIT adj. (m)	-2	-1	1	1	9
EBIT growth	14.5%	44.3%	n.m.	69.9%	n.m.
Pre-tax profit (m)	-3	-2	1	1	9
EPS adj.	-0.53	-0.30	0.08	0.14	1.49
DPS	0.00	0.00	0.00	0.00	0.49
Dividend yield					3.6%
FCF yield (incl. recurr capex)	-10.1%	-7.7%	5.4%	1.9%	9.7%
EBIT margin (adj.)	-11.5%	-6.4%	2.1%	2.6%	18.9%
Net debt/EBITDA (x)	1.3	-3.6	-0.0	-0.5	-0.8
ROIC	-21.6%	-7.7%	2.6%	5.1%	55.7%
EV/sales (x)	5.4	4.2	3.1	2.2	1.4
EV/EBITDA (adj.) (x)	n.m.	n.m.	34.2	27.1	5.9
EV/EBIT (x)	n.m.	n.m.	34.2	27.1	5.9
EV/EBIT (adj.) (x)	n.m.	n.m.	n.m.	84.3	7.2
P/E (adj.) (x)	n.m.	n.m.	n.m.	96.6	9.2

Source: Company data, Danske Bank Equity Research estimates

Price performance



Source: FactSet

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## Q4 post result summary

### Short-term negative effect from sales model transformation

Sales growth saw a sharp drop in the quarter, down -22% y/y to SEK4,3m, with negative EBIT and negative results of SEK -1.3m and SEK-1.4m, respectively, explained by a short-term negative effect of the current sales model transformation. The sharp decline in sales and earnings can largely be explained by a higher sales and marketing focus on growing the so called 'new efficient care chain', i.e. focusing on new contracts based on a pay-per-use sales model, characterised by down payments and recurring revenues. This is instead of contracts based on an equipment sales model, i.e. licensed deals with upfront payments, which have traditionally had the largest share in Zenicor's contract set up. The Q4 figures are evidence of the short-term negative effect of such a sales model transformation, which longer term should result in a more even stream of recurring revenues and better lock-up of customers.

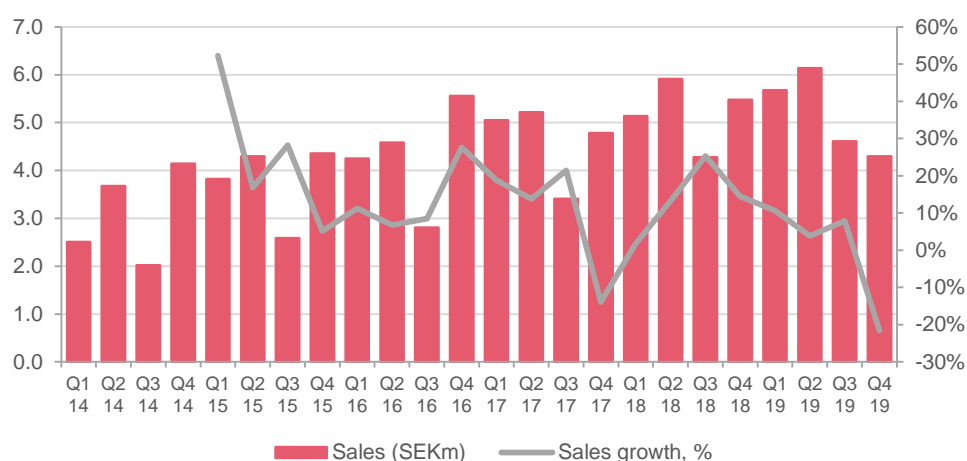
While a continued growth in both sales and earnings were in our estimates, we are not particularly concerned as (1) sales can be lumpy over quarters, (2) the increasing share of recurring revenues should drive sales growth in the coming quarters and (3) utilisation of new contracts should gradually pick up.

Table 1. Q4 deviation (SEKm)

	Q4 19	Q4 19E	Deviation	Q4 18
Sales	4.30	6.02	-29%	5.5
Sales growth	-22%	10%	-7	0.1
EBITDA	-1.28	0.04	n.a.	0.0
EBIT	-1.26	0.02	n.a.	-0.3
EBIT-margin	-29%	Neg.		Neg.
PTP	-1.39	-0.06	n.a.	-0.4
Net profit	-1.39	-0.06	n.a.	0.0
EPS (SEK)	-0.25	-0.01	n.a.	-0.3

Source: Danske Bank Equity Research estimates

Chart 1. Sales and growth by quarter



Source: Company data, Danske Bank Equity Research

### Accelerating growth outlook reiterated

Longer-term guidance was reiterated, with sales growth accelerating from around 10% on average to 30%, driven by new, and a higher share of, pay-per-use contracts. In addition, during 2020 the company expects to sign several new regions in Sweden, Finland as well as more

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CCGs (Clinical Commissioning Groups) in the UK – in line with our estimates of sales accelerating in H2 20. Besides entering new regions and CCG's, we also expect ripple effects from the ongoing UK SAFER study as well as continued penetration in existing markets.

*Deal signed with Tiohundra supports growth story*

A new partnership with Tiohundra was also signed in the quarter, a care pathway that is part of Region Stockholm in Sweden. While no details have been given in terms of revenue potential, we note that Tiohundra has a reach of 55,000 persons living in Norrtälje and surroundings. As a previous deal in the UK with the Bradford CCG had a total reach of 200,000 persons, this gives us a rough deal-size estimate for Tiohundra AB representing around a quarter of the Bradford deal, which it was estimated would generate revenue of £80,000 per year with a ramp up period from signing to full utilisation of two years. Hence, Tiohundra represents c.1% of our current sales estimates in 2020E. Most importantly, we see the steady flow of signed deals as an indication that care units in different regions are willing to implement a new, digitalised care path – i.e. Zenicor's thumb ECG versus the current standard of use, supporting this double-digit-growth story.

*Continued negative free cash flow but swing back in cash position*

Free cash flow was negative at SEK-0.5m in the quarter, weighed down by operating investments but strongly supported by in-advance licence payments (paid 6-12 months in advance on average). Cash was supported by a shareholder loan renewal, supporting the cash position currently at SEK2.7m (SEK373k in Q3). As the negative cash flow and the shrinking cash position has been the main concern for the stock as of late, the swing back in licence payments and a healthier cash level is important both in terms of liquidity risk and in terms of stock market sentiment.

With current growth prospects to drive operational cash flow and a larger payment by end-2020 from SAFER (SEK6.5m), cash flow is not a worrying long-term aspect, we argue. 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*

We adjust our sales estimates for 2020 by -14% and for 2021 by -11% due to a larger than expected effect from the transition of the sales model as well as lower than expected utilisation rates in new contracts. In addition, we adjust our personnel costs accordingly, as new hires and sales growth are strongly connected in Zenicor's business model. In 2020, we expect the increase in recurring revenues and effects from the change in sales model to start driving sales, with sales accelerating in H2 20E and onwards.

Table 2. Quarterly key figures (SEKm)

	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20E	Q2 20E	Q3 20E	Q4 20E
Sales	5.7	6.1	4.6	4.3	6.0	6.6	5.8	6.2
Sales growth	11%	4%	8%	-22%	5%	8%	25%	45%
EBITDA	-0.4	0.3	0.1	-1.2	0.4	1.0	0.2	0.6
EBIT	-0.4	0.2	0.1	-1.3	0.4	1.0	0.2	0.6
EBIT margin	-6.7%	4.0%	1.4%	-29.2%	6.0%	15.5%	2.7%	10.0%
PTP	-0.5	0.2	0.0	-1.4	1.3	2.9	3.1	4.5
Net profit	-0.5	0.2	0.0	-1.4	1.3	2.9	3.1	4.5
EPS (SEK)	-0.09	0.03	0.00	-0.25	0.23	0.52	0.55	0.81

Source: Danske Bank Equity Research estimates

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Table 3. Annual key figures (SEKm)

	2019	2020E	2021E	2022E
Sales	20.7	24.6	34.4	49.9
Sales growth	0%	19%	40%	45%
EBITDA	-1.2	2.3	2.8	11.5
EBIT	-1.3	0.5	0.9	9.4
EBIT margin	-6.4%	2.1%	2.6%	18.9%
PTP	-1.7	0.5	0.9	9.4
Net profit	-1.7	0.5	0.8	8.4
EPS (SEK)	-0.30	0.08	0.14	1.49

Source: Company data, Danske Bank Equity Research estimates

## Valuation

Zenitor 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 Zenitor's thumb ECG and a high probability of market penetration and good growth. In addition, Zenitor has an established position in terms of scientific support from several studies. The company has improved, and should continue to improve, its position in the market. We argue that recent large deals add to its validity and show that the company's way to market works, reducing the risk when valuing the company.

### Relative multiple valuation and scenario analysis

We have chosen relative multiple valuation as an appropriate valuation method when valuing the Zenitor stock, backed up by risk-weighted DCF. However, as the latter method has an inherited uncertainty in valuation of high-growth companies with a short history, we currently see it as secondary and more for the purposes of comparison until the company has matured.

The mid-point of our valuation range for Zenitor gives an EV/sales 2021E multiple of 6x, implying a discount to the peer group average of 8.1x by -26%. The discount is currently warranted, we argue, as Zenitor is at an earlier stage than most peers and will have to show accelerated growth rates and achieve scale on the product. Note that Zenitor's larger US peer iRhythm Technologies, which also has a challenger role in its home market, with a longer history than Zenitor but a less attractive position in our view, trades on EV/sales 2021E of 6.3x.

Table 4. Healthcare peer group summary - EV/sales

Ticker (Factset)	Healthcare peers	Ccy	Price (lcl FX)	Ticker (Bloomberg)	Mkt cap (lcl FX)	EV/Sales (x)			
						2018	2019E	2020E	2021E
BIOT-SE	Biotage AB	SEK	125.9	BIOT SS	8,209	8.9	7.4	6.7	5.9
VITR-SE	Vitrolife AB	SEK	183	VITR SS	19,865	16.8	13.0	11.4	10.0
SECT.B-SE	Sectra AB Class B	SEK	402.5	SECTB SS	15,499	10.6	9.8	9.0	8.2
AMBU.B-DK	Ambu A/S Class B	DKK	164.95	AMBUB DC	40,550	16.3	15.0	12.4	10.1
BOUL-SE	Boule Diagnostics AB	SEK	72.1	BOUL SS	1,400	3.3	2.9	2.7	2.5
XVIVO-OME	Xvivo Perfusion AB	SEK	174.8	XVIVO SS	4,650	23.7	20.3	16.7	12.2
IRTC-US	iRhythm Technologies, Inc.	USD	89.22	IRTC US	2,375	16.2	10.8	8.1	6.3
<b>Median (excl. iRhythm &amp; Zenitor)</b>						<b>13.5</b>	<b>11.4</b>	<b>10.2</b>	<b>9.1</b>
<b>Average (excl. iRhythm &amp; Zenitor)</b>						<b>9.9</b>	<b>8.5</b>	<b>9.8</b>	<b>8.1</b>

\*Prices as at 09:11 CET on 17 February 2020

Source: FactSet, Danske Bank Equity Research estimates

Our EV/sales multiple of 6x implies a value of SEK37. Applying our cautious and optimistic scenarios, we reach a range of SEK34-40. The range is fine-tuned from previously SEK33-40, affected by lowered sales forecast while boosted by a peer group revaluation. In the longer term and with proven growth capacity, 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 5. Scenario valuation summary

2021E	EV/Sales	2021E Mkt cap (SEKm)	Per share (SEK)	Upside
Bear	5.5	189.3	33.6	158%
Base	6.0	206.5	36.6	182%
Bull	6.5	223.7	39.7	205%
Current share price		73.0	13.0	

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 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 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 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 Zenikor needs additional capital.

A potential upside 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 by geographical area

n.a.

### Sales breakdown by division

n.a.

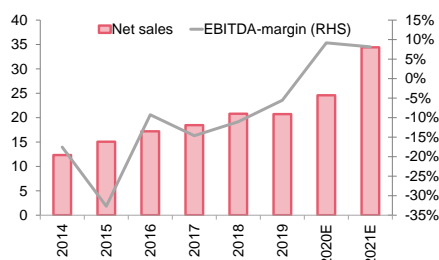
### Company information

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

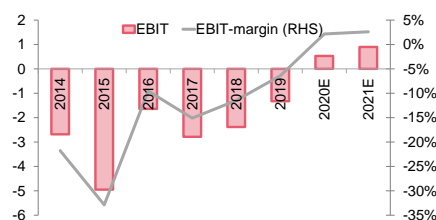
### Main shareholders

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%
Humle Fonder	8.9%	8.9%
Handelsbanken Fonder	8.9%	7.3%

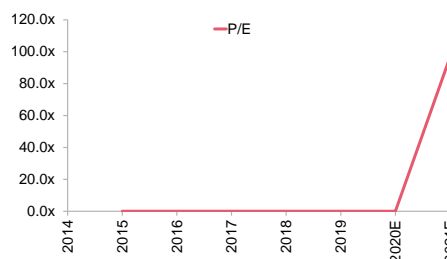
### Net sales and EBITDA margin (SEKm)



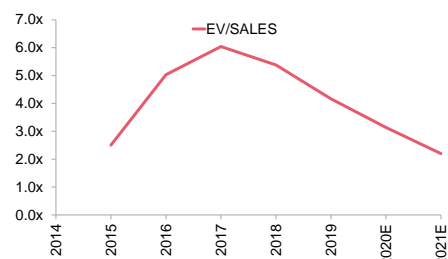
### EBIT and EBIT margin (SEKm)



### P/E NTM



### EV/sales NTM (x)



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>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
Net sales	12	15	17	18	21	21	25	34	50	72
Cost of sales & operating costs	-15	-20	-19	-21	-27	-26	-26	-32	-38	-48
<b>EBITDA</b>	<b>-2</b>	<b>-5</b>	<b>-2</b>	<b>-3</b>	<b>-2</b>	<b>-1</b>	<b>2</b>	<b>3</b>	<b>12</b>	<b>24</b>
EBITDA, adj.	-2	-5	-2	-3	-2	-1	2	3	12	24
Depreciation	-1	-0	-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>-1</b>	<b>2</b>	<b>3</b>	<b>12</b>	<b>24</b>
<b>EBIT incl. EO, bef. ass.</b>	<b>-3</b>	<b>-5</b>	<b>-2</b>	<b>-3</b>	<b>-2</b>	<b>-1</b>	<b>1</b>	<b>1</b>	<b>9</b>	<b>22</b>
EBIT, adj.	-3	-5	-2	-3	-2	-1	1	1	9	22
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>-2</b>	<b>1</b>	<b>1</b>	<b>9</b>	<b>22</b>
Taxes	-0	-0	-0	-0	-0	-0	-0	-0	-1	-5
<b>Net profit, rep.</b>	<b>-3</b>	<b>-5</b>	<b>-2</b>	<b>-2</b>	<b>-3</b>	<b>-2</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>17</b>
Net profit, adj.	-3	-5	-2	-2	-3	-2	0	1	8	17
<b>CASH FLOW</b>										
<b>SEKm</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
EBITDA	-2	-5	-2	-3	-2	-1	2	3	12	24
Change in working capital	1	-1	-5	2	-5	-1	6	-1	-3	0
Net interest paid	-0	-0	-0	1	-0	-0	-0	-0	-1	-5
Taxes paid	-0	-0	-0	-0	0	0	-0	-0	-1	-5
Other operating cash items	-0	-0	-0	-0	0	0	-0	-0	-1	-5
<b>Cash flow from operations</b>	<b>-2</b>	<b>-6</b>	<b>-7</b>	<b>-0</b>	<b>-7</b>	<b>-2</b>	<b>8</b>	<b>2</b>	<b>8</b>	<b>20</b>
Capex	-0	-0	-0	-0	-4	-4	-4	-0	-0	-1
Div to min	-0	-0	-0	-0	-4	-4	-4	-0	-0	-1
<b>Free cash flow</b>	<b>-2</b>	<b>-6</b>	<b>-7</b>	<b>-0</b>	<b>-12</b>	<b>-6</b>	<b>4</b>	<b>1</b>	<b>7</b>	<b>19</b>
Disposals/(acquisitions)	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
<b>Free cash flow to equity</b>	<b>-2</b>	<b>-6</b>	<b>-7</b>	<b>-0</b>	<b>-12</b>	<b>-6</b>	<b>4</b>	<b>1</b>	<b>7</b>	<b>19</b>
Dividend paid	-0	-0	-0	-0	-0	-0	-0	-0	-0	-3
Share buybacks	-0	-0	-0	-0	-0	-0	-0	-0	-0	-3
New issue common stock	11	-0	-0	-0	18	-0	-0	-0	-0	-0
Incr./(decr.) in debt	-0	-0	-0	-0	-2	3	-0	-0	-0	-0
Minorities & other financing CF	-10	-0	4	-0	2	-0	-0	-0	-0	-0
<b>Cash flow from financing</b>	<b>11</b>	<b>-0</b>	<b>4</b>	<b>-0</b>	<b>18</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3</b>
Disc. ops & other	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
<b>Incr./(decr.) in cash</b>	<b>10</b>	<b>-6</b>	<b>-3</b>	<b>-1</b>	<b>6</b>	<b>-4</b>	<b>4</b>	<b>1</b>	<b>7</b>	<b>16</b>
<b>BALANCE SHEET</b>										
<b>SEKm</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
Cash & cash equivalents	10	4	1	0	6	3	7	8	16	32
Inventory	2	1	3	4	4	4	4	6	7	10
Trade receivables	2	3	4	4	4	5	6	8	12	13
Other current assets	1	1	2	3	7	9	3	3	5	7
Goodwill	1	-0	-0	-0	-0	-0	-0	-0	-0	-0
Other intangible assets	-0	-0	-0	-0	4	8	10	8	6	4
Fixed tangible assets	-0	0	0	0	0	0	0	0	1	1
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
<b>Total assets</b>	<b>15</b>	<b>9</b>	<b>11</b>	<b>12</b>	<b>26</b>	<b>29</b>	<b>30</b>	<b>34</b>	<b>47</b>	<b>68</b>
<b>Shareholders' equity</b>	<b>12</b>	<b>7</b>	<b>5</b>	<b>3</b>	<b>18</b>	<b>16</b>	<b>16</b>	<b>17</b>	<b>26</b>	<b>40</b>
Of which minority interests	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
Current liabilities	3	2	3	4	5	6	7	10	14	21
Interest-bearing debt	1	0	3	5	3	7	7	7	7	7
Pension liabilities	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
Oth non-curr. liabilities	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
<b>Total liabilities</b>	<b>4</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>8</b>	<b>13</b>	<b>14</b>	<b>17</b>	<b>21</b>	<b>28</b>
<b>Total liabilities and equity</b>	<b>15</b>	<b>9</b>	<b>11</b>	<b>12</b>	<b>26</b>	<b>29</b>	<b>30</b>	<b>34</b>	<b>47</b>	<b>68</b>
Net debt	-9	-3	2	5	-3	4	-0	-1	-9	-25

Source: Company data, Danske Bank Equity Research estimates



Summary tables

PER SHARE DATA	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
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
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
EPS (SEK)		-1.12	-0.38	-0.46	-0.53	-0.30	0.08	0.14	1.49	3.07
EPS adj. (SEK)		-1.12	-0.38	-0.46	-0.53	-0.30	0.08	0.14	1.49	3.07
DPS (SEK)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.49	1.01
CFFO/share (SEK)		-1.4	-1.6	-0.1	-1.4	-0.4	1.4	0.3	1.4	3.5
Book value/share (SEK)		1.51	1.11	0.61	3.14	2.84	2.92	3.06	4.55	7.12
MARGINS AND GROWTH	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
EBITDA margin	-17.6%	-32.7%	-9.3%	-14.6%	-11.0%	-5.5%	9.2%	8.1%	23.1%	33.8%
EBITA margin	-21.8%	-32.9%	-9.5%	-15.1%	-11.5%	-6.0%	9.2%	8.1%	23.1%	33.8%
EBIT margin	-21.8%	-32.9%	-9.5%	-15.1%	-11.5%	-6.4%	2.1%	2.6%	18.9%	30.6%
EBIT adj margin	-21.8%	-32.9%	-9.5%	-15.1%	-11.5%	-6.4%	2.1%	2.6%	18.9%	30.6%
Sales growth		22.0%	14.2%	7.3%	12.7%	-0.3%	18.6%	40.0%	45.0%	45.0%
EBITDA growth		n.m.	67.6%	-69.3%	14.9%	50.0%	n.m.	24.0%	n.m.	n.m.
EBITA growth		-84.4%	66.8%	-69.8%	14.5%	48.1%	n.m.	24.0%	n.m.	n.m.
EPS adj growth			65.9%	-21.1%	-13.9%	42.1%	n.m.	69.9%	n.m.	n.m.
PROFITABILITY	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
ROIC (after tax, incl. GW, adj.)	-199.8%	-164.2%	-31.3%	-37.9%	-21.6%	-7.7%	2.6%	5.1%	55.7%	122.4%
ROIC (after tax, excl. GW, adj.)	-246.1%	-179.2%	-31.3%	-37.9%	-21.6%	-7.7%	2.6%	5.1%	55.7%	122.4%
ROE (adj.)	-47.9%	-54.2%	-29.2%	-54.1%	-26.3%	-10.2%	2.9%	4.7%	39.1%	52.5%
ROIC (adj.) - WACC	-208.2%	-172.6%	-39.8%	-46.4%	-30.1%	-16.2%	-5.9%	-3.4%	47.2%	114.0%
MARKET VALUE	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Share price (SEK)	10.2	9.20	18.9	23.0	20.4	14.6	13.7	13.7	13.7	13.7
No. shares reduced by buybacks (m)		4.5	4.5	4.6	5.6	5.6	5.6	5.6	5.6	5.6
Mkt cap used in EV (m)		41	84	107	115	82	77	77	77	77
Net debt, year-end (m)	-9	-3	2	5	-3	4	-0	-1	-9	-25
MV of min/ass and oth (m)	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
Enterprise value (m)		38	86	111	112	86	77	76	68	52
VALUATION	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
EV/sales (x)	2.5	5.0	6.0	5.4	4.2	3.1	2.2	1.4	0.7	
EV/EBITDA (x)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	34.2	27.1	5.9	2.1
EV/EBITA (x)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	34.2	27.1	5.9	2.1
EV/EBIT (x)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	84.3	7.2	2.3
P/E (reported) (x)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	96.6	9.2	4.5
P/E (adj.) (x)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	96.6	9.2	4.5
P/BV (x)	6.10	17.1	37.6	6.49	5.15	4.69	4.47	3.01	1.92	
EV/invested capital (x)										
Dividend yield									3.58%	7.38%
Total yield (incl. buybacks)									3.58%	7.38%
FCFE-yield		-15.04%	-8.27%	-0.46%	-10.05%	-7.71%	5.36%	1.86%	9.67%	24.87%
FINANCIAL RATIOS	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net debt/EBITDA (x)	4.1	0.6	-1.5	-1.8	1.3	-3.6	-0.0	-0.5	-0.8	-1.0
Net debt/equity (x), year-end	-0.8	-0.5	0.5	1.7	-0.2	0.3	-0.0	-0.1	-0.3	-0.6
Dividend payout ratio		0.0%	0.0%	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.	n.m.	879.7%	179.7%	89.0%	111.2%
Capex/sales	0.4%	0.5%	0.3%	0.7%	19.8%	19.8%	15.3%	0.7%	0.7%	0.7%
NWC/sales	17.3%	21.4%	40.6%	39.8%	49.1%	56.5%	24.4%	20.4%	19.4%	13.2%
QUARTERLY P&L		Q1 19	Q2 19	Q3 19	Q4 19	Q1 20E	Q2 20E	Q3 20E	Q4 20E	
Sales (m)		6	6	5	4	6	7	6	6	6
EBITDA (m)		-0	0	0	-1	0	1	0	2	
EBIT before non-recurring items (m)		-0	0	0	-1	0	1	0	1	
Net profit (adj.) (m)		-1	0	0	-1	0	1	0	-1	
EPS (adj.) (SEK)		-0.43	0.14	0.01	-1.17	0.30	0.87	0.13	-0.91	
EBITDA margin		-6.7%	4.0%	1.4%	-25.1%	6.0%	15.5%	2.7%	37.7%	
EBIT margin (adj.)		-6.7%	4.0%	1.4%	-29.2%	6.0%	15.5%	2.7%	10.0%	

Source: Company data, Danske Bank Equity Research estimates

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