

Aerospace & Defence

Key data

Price (SEK)*	12.3
Country	Sweden
Bloomberg	GOMX.SS
Reuters	GOMX.ST
Free float	90.0%
Market cap (SEKm)	643
Net debt (current Y/E) (SEKm)	-28
No. of shares (m)	52.3
Next event	Q4: 1-Feb

* Price as at close on 27 October 2021

CEO	Niels Buus
CFO	Troels Dalsgaard

Company description

GomSpace is a 'new space' company that was founded in 2007 by Ph.D. students at the Aalborg University in Denmark. Since then, GomSpace has developed into a leading nanosatellite manufacturer with a global reach and c.150 employees. GomSpace customers use its solutions for e.g. ship/airplane tracking and communication. Customers are both private and government funded entities. GomSpace was listed on Nasdaq First North in 2016.

Ownership structure

BNY Mellon SA/NV FRKN Jyske Banl	13.7%
Hansen & Langeland Aps	10.9%
Sparekassen Kronjylland	7.1%
SYDBANK A/S	4.5%
SAXO BANK A/S CLIENT ASSETS	4.1%

Source: Company data (31 Mar 2021)

Estimate changes

	21E	22E	23E
Sales	-12.3%	-12.1%	-7.8%
EBITDA	-68.0%	-33.6%	-13.1%
EBIT (adj.)	n.m.	-66.7%	-18.4%
EPS (adj.)	n.m.	n.m.	n.m.

Source: Danske Bank Equity Research estimates

Analyst(s)

Viktor Högberg

Find our research here:
<https://research.danskebank.com>

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

GomSpace

One step back, to improve when sourcing does

GomSpace had already cut its 2021 revenue guidance ahead of the Q3 report, so it was no surprise that the Q3 figures missed our initial estimates. The main culprits are the global component shortage, along with hiring (as GomSpace does not have the capacity to deliver fully currently). Nevertheless, the order backlog supports growth and better profitability in 2022. We adjust our valuation range to SEK16-29 from SEK21-33.

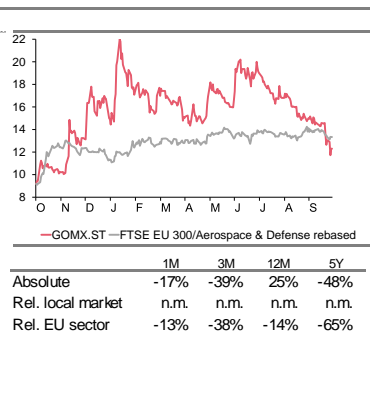
- Q3 21 review.** On 19 October, GomSpace lowered its 2021 revenue guidance to SEK215-235m (from SEK245-270m) due to sourcing issues and lower hiring than expected. Q3 revenue was SEK50m (+27% y/y but below our initial estimate) and implies Q4 sales of SEK83-103m (14-42% growth y/y). Order intake was decent at SEK43m and the order backlog was essentially flat over Q2. Judging by the CEO's comments, GomSpace expects to end the year with an even higher backlog (net of deliveries), hinting at considerable potential order intake in Q4 of at least SEK83-103m (Danske estimate), of which c.SEK9m has already been announced (as per 25 October). This supports our estimate of revenue growth in 2022. Cash flow was negatively affected by working capital, which should reverse at least to some extent in Q4, and GomSpace ended Q3 with a cash position of SEK68m.
- Estimate revisions.** We lower 2021E revenue to SEK222m (just below the mid-point of the new guidance range) and we also lower 2022E sales somewhat to reflect sourcing issues. Coupled with an estimated under-absorption of resources (it takes a while for new-hires to contribute fully), we also cut 2022E gross margin, resulting in a new EBIT estimate of SEK11m (was SEK34m), still a considerable improvement over the SEK31m loss in 2021E.
- Valuation.** Based on our estimates, GomSpace trades at EV/sales of 2.1x for 2022E. We continue to see value in the shares but acknowledge that this is not without risk, as clients need to progress further with their projects in order for GomSpace to realise its full potential. We note that follow-on orders from existing customers in the Commercial segment offer the largest profit upside (highest gross margins) and thus we continue to look for signs of improvement here. We believe the sourcing situation will improve in 2022. On the back of lowered estimates and multiples, we lower our valuation range to SEK16-29/share from SEK21-33 previously.

Key financials

Year-end Dec (SEK)	2019	2020	2021E	2022E	2023E
Revenues (m)	136	195	222	301	408
Revenues growth	-11.2%	42.8%	14.3%	35.3%	35.4%
EBITDA (m)	-81.6	1.4	1.9	47.6	92.4
EBIT adj. (m)	-114	-32.3	-30.7	11.2	54.0
EBIT growth	2.3%	71.7%	5.0%	n.m.	n.m.
Pre-tax profit (m)	-147	-49.7	-31.6	7.2	55.0
EPS adj.	-2.90	-0.87	-0.54	0.14	1.03
DPS	0.00	0.00	0.00	0.00	0.00
Dividend yield					
FCFE yield (pre-IFRS16)	-22.9%	2.0%	-7.8%	-3.5%	4.2%
EBIT margin (adj.)	-83.6%	-16.6%	-13.8%	3.7%	13.2%
Net debt/EBITDA (x)	0.6	-52.8	-15.0	-0.1	-0.3
ROIC	-64.6%	-17.2%	-14.3%	5.6%	22.4%
EV/sales (x)	4.0	4.0	2.8	2.1	1.5
EV/EBITDA (adj.) (x)	n.m.	n.m.	n.m.	13.5	6.7
EV/EBITA (adj.) (x)	n.m.	n.m.	n.m.	23.1	8.4
EV/EBIT (adj.) (x)	n.m.	n.m.	n.m.	57.3	11.4
P/E (adj.) (x)	n.m.	n.m.	n.m.	89.7	11.9

Source: Company data, Danske Bank Equity Research estimates

Price performance



Source: FactSet

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Q3 21 summary

Given the recent (19 October) 2021 guidance cut, which was due to a continued constrained sourcing situation as well as hiring (GomSpace has not been able to hire and onboard as many employees as needed to handle deliveries), it was no surprise that the Q3 figures came in below our initial estimates. Sales grew 27% y/y to SEK50m, with a gross margin of 20% (24% Q3 20) which was just slightly below our estimated gross margin) and EBIT of SEK-7.2m, in line with Q3 20 but below our initial estimate of SEK-3.3m.

The cut in 2021 revenue guidance to SEK215-235m (from SEK245-270m) implies Q4 sales of SEK83-103m which implies y/y growth of 14-42% in Q4. Our previous estimate was for Q4 sales of SEK102m; we now estimate SEK90m, taking the full-year 2021E revenue to SEK222m.

We note management comments in the report about GomSpace striving to improve its revenue mix with higher profitability products/projects going forward, which we find positive (and necessary for the company to reach its target of improved profitability and cash flow).

All in all, Q3 was something of a step back from recent developments, but we note component sourcing issues are not unique to GomSpace, as many sectors (not least automotive) are struggling to meet demand given constrained component capacity. We expect this situation should improve in 2022.

Table 1: Deviation of actual results from estimates for Q3 21 - Note, we had NOT updated our estimates following the revenue guidance cut

GomSpace SEKm	Q3 21	Danske Q3 21E	Deviation	Q3 20
Revenues	49.7	68.9	-28%	39.1
Gross profit	10.2	15.1	-33%	9.2
Margin	20%	22%	-1.5%	24%
Opex	-9.2	-10.4	11%	-8.3
Adj. EBITDA	1.0	4.8	80%	1.0
D&A	-8.2	-8.0	-2%	-8.2
Adj. EBIT	-7.2	-3.3	-123%	-7.2
PTP	-7.8	-3.3	-139%	-9.3
Net profit	-7.3	-3.1	-135%	-7.4
Revenue growth	27%	76%	-49%	148%
EBIT growth	n.m.	n.m.	n.m.	-74%
EBITDA margin	2%	7%	n.m.	2%
EBIT margin	-115%	-21%	-93%	-18%

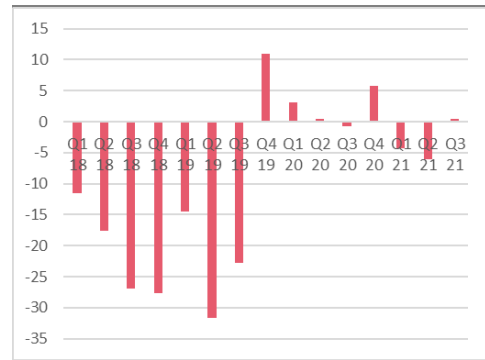
Source: Company data, Danske Bank Equity Research estimates

Cash flow

In Q3, cash flow from operations (before changes in working capital) was SEK1m (SEK0m Q3 20) while changes in working capital was SEK-26m (SEK32m), which seem partly due to customer payments made after the quarter end instead of in September. If the change is due to payment flows, we believe it should reverse at least to some extent in Q4. Net cash flow was SEK-34m in Q3 and GomSpace ended Q3 with a cash position of SEK68m, with limited debt. In the report, the company writes that it expects cash to have improved by the year-end, which is something we believe will be important for investors to see, in order to trust the liquidity situation. However, we expect higher volumes and a higher gross margin in 2022, which should help ease the burden on cash flow.

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Chart 1: Operational cash flow (before changes in working capital), quarterly (SEKm)



Source: Company data, Danske Bank Equity Research

Chart 2: EBIT, rolling 12 months (SEKm)

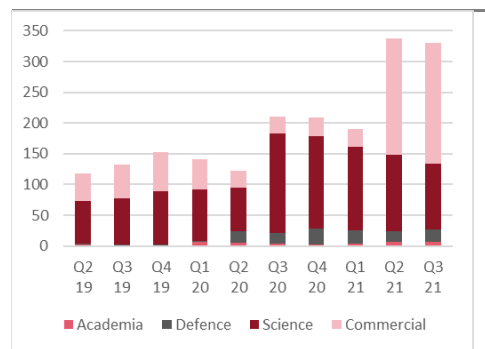


Source: Company data, Danske Bank Equity Research

Order intake

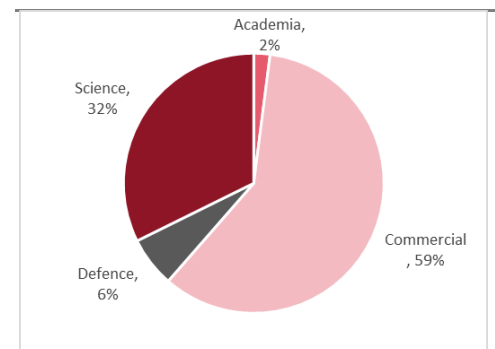
In Q3 21, GomSpace's order intake was SEK43m, a decrease from last year's Q3 orders of SEK136m, which included the EUR11m order from ESA for the Hera project. However, the order book remains strong, and is almost at the same level as in Q2 21, thanks to the EUR14.5m Indra order, as detailed below. The order backlog at the end of the quarter was SEK331m. Judging from the CEO's comments, GomSpace expects to end the year with an even higher backlog (net of deliveries), hinting at considerable potential order intake in Q4 of at least SEK83-103m (Danske estimate).

Chart 3: Order backlog Q3 21 (SEKm)



Source: Company data, Danske Bank Equity Research estimates

Chart 4: Order backlog 30 Sept 2021



Source: Company data, Danske Bank Equity Research estimates

Project pipeline

Note that the project pipeline is not limited to these projects.

Notable recent orders

- Q3 21.** SEK21m order from SpaceAble for a project to enhance the sustainability of Low Earth Orbit (i.e. track space weather to decrease risk of disruptions to constellations). Work to begin in 2021, with delivery in late 2023.
- Q2 21.** EUR14.5m order from the Spanish technology consultant Indra and Spanish Air Navigational Service Provider Enaire that entails three nanosatellites scheduled to launch in late 2022 and in 2023. This is a demonstration project from Indra and Enaire, in a joint collaboration called *Startical* which aims to prove technical viability for its novel global air traffic management service. *In the Startical press release*, the parties say that once the validation phase (2021-23) is complete (and if successful), they aim to deploy up to 200 satellites for this operation. If GomSpace were to be the supplier for that phase as well, it

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would offer significant upside to orders and revenues (potentially in the size of tens of millions of euros, we believe). This is a public-private partnership and we note that Indra in 2020 reported revenue of EUR3bn, thus the financial stability of this project might be better than previous projects that GomSpace has been a part of.

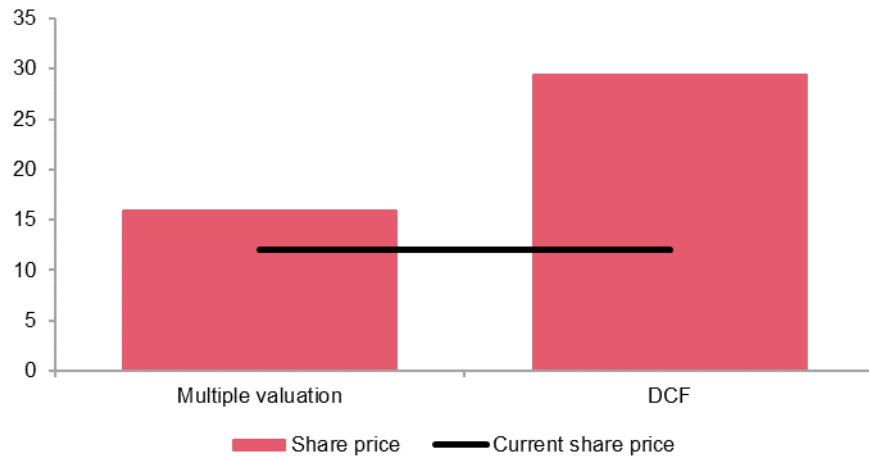
- **Q1 21.** SEK35.5m order from Unseen Labs, for continued work on nanosatellite platforms. Delivery in 2021.
- **Q4 20.** SEK5.1m order to be delivered in 2021 from an existing North American customer in the geo-intelligence industry. The order is for GomSpace to deliver its software-defined radio modules and antenna systems. We assume the customer is the same as that detailed below from Q4 19 and this indicates to us that GomSpace can compete with US-based rivals as well as European ones.
- **Q3 20.** EUR11.0m order (of which EUR6.1m would be directly to GomSpace, the rest to partners) from ESA for the Hera project (Juventas CubeSat), running until 2024, for a nanosatellite to measure asteroids. This is a large order adding to the Science order backlog. While gross margins on these orders are lower than for commercial projects, we find it positive that GomSpace has a solid Science backlog while we await further clarity on the outlook for the commercial market.
- **Q2 20.** SEK19m order for a Norwegian military communications satellite (for the research institute Norwegian Defence Research Establishment [FFI]), with the launch planned in October 2021. We assume revenue recognition is spread out until Q3 21.
- **Q4 19.** Order for Lockheed Martin Space (US)/Orbital Micro Systems (UK). This is an important contract to build a 6U nanosatellite for Lockheed Martin, with the end-customer being Orbital Micro System. Lockheed Martin is set to finance the design/build process but, more importantly, it is due to provide technical assistance, review, test and, if satisfied, approve the work done by GomSpace – a strategically important quality stamp. The contract is worth SEK17m, with revenue recognition throughout 2020. It is the first deal with Lockheed Martin for GomSpace and is part of an industrial co-operation commitment to Denmark (but we note there were still other competitors for this contract).
- **Q4 19.** GomSpace announced a SEK18.6m order for UnseenLabs (France) in Q1 20 at the client's request but had taken and booked it in Q4 19. The order from UnseenLabs is to conclude the design and delivery of nanosatellite platforms, a continuation of the collaboration between the two companies. UnseenLabs aims to provide maritime surveillance systems. The contract was due for fulfilment in 2020.
- **Q4 19.** This North American geo-intelligence customer order was a SEK8m order with delivery in 2020 for an existing North American customer, to provide GomSpace's software defined radio and antennas for a customer in the geo-intelligence industry. In addition, it is strategically important for a Danish company to supply an intelligence payload to what we assume is a US company.

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Valuation

We continue to see significant long-term potential following the uncertainty regarding previously removed orders and write-downs in 2020, even though risk is set to stay high in the short term, as illustrated by the historical and current mismatch between capacity and activity level. On the back of lowered estimates we also lower our valuation multiple and lower our valuation range to SEK16-29 per share from SEK21-33.

Chart 5: Value per share potential with different valuation approaches (SEK)



Source: Danske Bank Equity Research estimates

In our DCF with a WACC of 11.1%, the value is SEK33. In this scenario, GomSpace reaches SEK1.5bn sales in 2027E, all else being equal. We base our multiple valuation on EV/EBIT 2022-23E of 25x (previously 33x 2022E), reflecting a 40% discount to the Nordic tech peer group's 2022E multiple, based on FactSet consensus, which gives us a value of SEK21 per share (previously SEK21). We note the Nordic Tech peer group 2022E multiples have expanded slightly lately. If we use 2023E EBIT as a basis for our multiple valuation, the non-discounted value would increase to SEK27 per share, all else being equal. In light of the uncertain outlook regarding timing of customer orders and margin on said orders, we await more visibility before using our 2023 estimates as a basis for the multiple valuation.

Risks

The most tangible risk we see for GomSpace is execution risk, as the company is gearing up for a significant increase in production. The industrialisation of production was set to commence in 2018, but due to customer delays, production and revenues have yet to scale up significantly. However, going from low- to high-volume production is an inherently risky phase in a company's growth profile, as demonstrated by the current overcapacity situation. Another risk is customers' ability to secure external funding and meet their obligations to GomSpace. The large customers, and potential customers, are typically start-up companies aiming to build a satellite communication constellation. The predominant source of funding is externally raised equity and debt.

The launch of satellites could become a constraining factor in the event of high growth in the segment. A reduction in launch costs is a critical driver for the small-satellite market growing to the high end of industry analysts' expectations. Based on our current projections for the market and GomSpace's growth, we do not see launch capacity constraints as an issue, but these could limit growth significantly above our estimates.

Demand for low Earth orbit (LEO) based services is the core of small-satellite demand. This includes imagery-based intelligence, sensing activities such as radio-frequency mapping,

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automatic identification systems and weather monitoring. The demand for such services in space, in turn, requires continued downward pressure on costs (satellite assembly, increased modularisation and increased automation). In addition, it requires continued rapid technology development for components and systems. Our conclusion from visiting GomSpace's production facilities is that we are seeing exactly the increase in modularisation and automation of production that the research institute said is required to support growth in the small-satellite industry.

Competing systems developing more quickly than expected could hamper growth in small satellites. This includes breakthroughs when it comes to the relative value propositions and technology development of larger satellites. Other breakthroughs that risk hurting the relative benefits of small satellites could be terrestrial or airborne platforms.

The COVID-19 pandemic has resulted in some customer delays as launch facilities have been closed. Further lockdowns could result in further delays, which could affect both revenue and order intake negatively for GomSpace.

Understanding the nature of an emerging, venture capital-funded industry

GomSpace operates in an emerging new industry, with projects funded to a high degree by venture capital. Even if we are convinced that the potential is significant, the outcome of the planned projects is very difficult to forecast, given that they rely on external equity funding. This makes communication with the equity market very difficult, as there are a number of projects with significant potential but GomSpace's management does not control the funding of the projects. Consequently, the chances of success and the actual timing of projects are very difficult to forecast. Company forecasts based on these uncertain projects increase volatility in the company's demand and, consequently, the accuracy of long-term forecasts. This is important to understand when investing in GomSpace. Our view remains that it is the right strategy to industrialise volume production of nanosatellites in order to achieve a market-leading position and drive growth in the industry.

Key figures

Table 2: Key figures and estimates

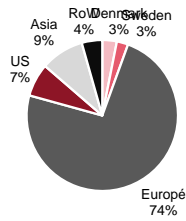
SEKm	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21E	2020	2021E	2022E	2023E
Revenues	40.5	42.7	39.1	72.3	35.2	47.5	49.7	90.0	195	222	301	408
Gross profit	9.8	4.8	9.2	23.8	1.0	6.8	10.2	23.6	48	42	106	184
Gross margin	24%	11%	24%	33%	3%	14%	20%	26%	24%	19%	35%	45%
EBITDA	0.1	-9.3	1.0	8.8	-5.9	-4.2	1.0	11.1	0.6	2.0	47.6	94.4
EBITDA Margin	0%	-22%	2%	12%	-17%	-9%	2%	12%	0%	1%	16%	23%
EBIT	-8.5	-14.9	-7.2	0.3	-13.9	-12.3	-7.2	2.9	-32.3	-30.7	11.2	55.0
EBIT margin	-21%	-35%	-18%	0%	-39%	-26%	-15%	3%	-17%	-14%	4%	13%
PTP	-8.2	-25.6	-9.3	-4.6	-13.6	-13.1	-7.8	2.9	-49.7	-31.6	7.2	51.0
Net profit	-7.5	-24.4	-7.4	-4.3	-12.5	-11.3	-7.3	2.8	-45.6	-28.4	7.2	51.0
Revenue												
Sales of satellite solutions	31.7	31.9	33.0	54.3	28.3	38.2	39.4	70.0	151	176	247	314
Sales of platforms, payloads and subsystems	8.7	9.5	7.5	17.9	6.9	9.3	10.3	20.0	44	47	54	64
Constellation management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	30
Other	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0
Total	40.5	41.6	40.5	72.2	35.2	47.5	49.7	90.0	195	222	301	408

Source: Company data, Danske Bank Equity Research estimates

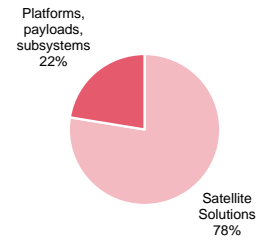
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Company summary

Sales breakdown by geographical area



Sales breakdown by division



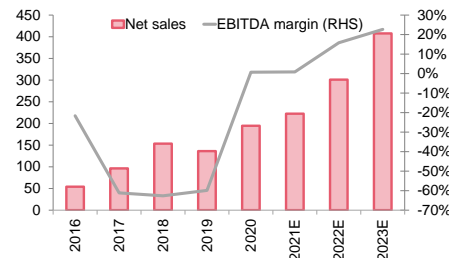
Company information

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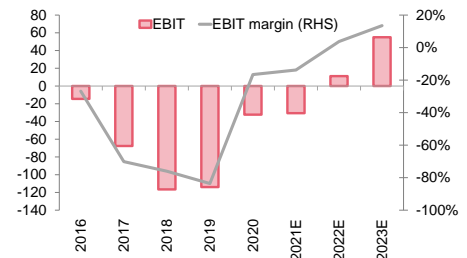
Main shareholders

Name	Votes (%)	Capital (%)
BNY Mellon SA/NV FRKN Jyske Bank, v	10.9%	13.7%
Hansen & Langeland Aps	10.0%	10.9%
Sparekassen Kronjylland	4.3%	7.1%
SYDBANK A/S	3.8%	4.5%
SAXO BANK A/S CLIENT ASSETS	3.8%	4.1%

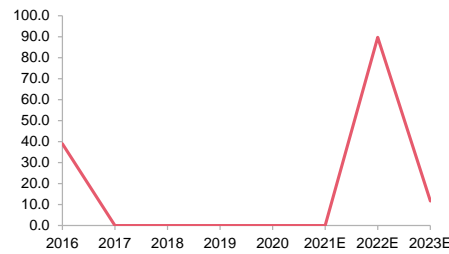
Net sales and EBITDA margin (SEKm)



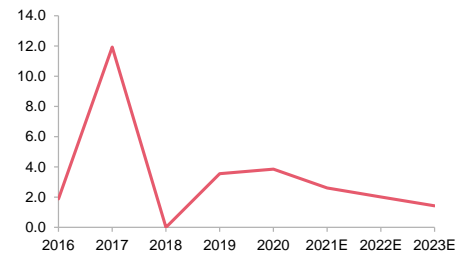
EBIT and EBIT margin (SEKm)



P/E NTM (x)



EV/sales NTM (x)



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

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Summary tables

INCOME STATEMENT										
Year end Dec, SEKm	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Net sales	26.6	34.1	54.1	96.4	153	136	195	222	301	408
Cost of sales & operating costs	-23.4	-34.9	-65.9	-155	-249	-218	-193	-221	-253	-315
EBITDA	3.2	-0.8	-11.7	-58.9	-96.1	-81.6	1.4	1.9	47.6	92.4
EBITDA, adj.	3.2	-0.8	-11.7	-58.9	-96.1	-81.6	1.4	1.9	47.6	92.4
Depreciation	-0.1	-0.4	-0.8	-3.9	-9.6	-20.7	-20.4	-19.3	-19.9	-19.9
EBITA	3.1	-1.2	-12.5	-62.8	-106	-102	-19.0	-17.5	27.7	74.5
EBIT incl. EO, bef. ass.	1.8	-2.4	-14.5	-67.6	-117	-114	-32.3	-30.7	11.2	55.0
EBIT, adj.	1.8	-2.4	-14.5	-67.6	-117	-114	-32.3	-30.7	11.2	54.0
Associated income			21.4	4.6	-2.1	-26.0	-9.0			
Financial items, net	-0.2	-0.8	-1.4	-3.5	-4.1	-6.7	-8.4	-1.0	-4.0	0.0
Pre-tax profit	1.6	-3.1	5.5	-66.5	-123	-147	-49.7	-31.6	7.2	55.0
Taxes	-0.4	0.8	3.5	12.5	10.3	-5.1	4.1	3.3		
Net profit, rep.	1.2	-2.4	9.0	-54.0	-112	-152	-45.6	-28.4	7.2	55.0
Net profit, adj.	1.2	-2.4	9.0	-54.0	-112	-152	-45.6	-28.4	7.2	54.0
CASH FLOW										
SEKm	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA	3.2	-0.8	-11.7	-58.9	-96.1	-81.6	1.4	1.9	47.6	92.4
Change in working capital	-4.4	-9.7	-4.7	43.5	-18.7	-34.6	34.8	-21.2	-27.7	-23.1
Net interest paid	-0.2	-0.7	-1.3	-1.4	-3.6	-4.6	-3.6	-1.0	-4.0	
Taxes paid	0.1			2.3	5.3	7.7	-0.4	3.3		
Other operating cash items	0.1		0.4	6.2	10.6	20.4	11.2			
Cash flow from operations	-1.1	-11.2	-17.4	-8.4	-103	-92.6	43.4	-17.1	15.9	69.3
Capex	-1.3	-6.1	-12.1	-55.8	-81.8	-32.7	-16.7	-24.8	-30.0	-34.0
Div to min										
Free cash flow	-2.4	-17.3	-29.4	-64.2	-184	-125	26.8	-41.9	-14.1	35.3
Disposals/(acquisitions)			-2.9	-24.1						
Free cash flow to equity	-2.4	-17.3	-32.3	-88.3	-184	-125	26.8	-41.9	-14.1	35.3
Dividend paid										
Share buy backs										
New issue common stock		8.9	125	95.4	356					
Incr./(decr.) in debt	0.0	3.8	2.4	20.1	0.8	-6.0	1.0	-17.0		
Minorities & other financing CF			-22.1	-2.8	1.1	-10.9	-19.5	-0.1	-11.0	-11.0
Cash flow from financing	0.0	12.7	105	113	358	-17.0	-18.4	-17.1	-11.0	-11.0
Disc. ops & other	0.0	0.1	-14.4	2.7						
Incr./(decr.) in cash	-2.4	-4.5	58.5	24.4	174	-142	8.3	-58.9	-25.1	24.3
BALANCE SHEET										
SEKm	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Cash & cash equivalents	1.5	1.3	73.8	95.6	269	127	136	76.6	51.4	75.7
Inventory	3.5	2.9	4.3	9.8	34.8	24.1	26.4	41.2	60.2	77.5
Trade receivables	9.1	16.8	52.1	65.8	97.0	37.2	21.7	33.4	54.2	89.7
Other current assets	0.0	0.0	0.0	0.0		25.2	31.1	37.8	54.2	73.4
Goodwill			3.7	3.7	3.2	3.7	3.7	3.7	3.7	3.7
Other intangible assets	4.4	8.4	27.3	62.4	115	117	114	122	131	140
Fixed tangible assets	0.5	0.7	6.4	21.3	37.9	31.1	22.3	17.8	12.9	12.1
Associated companies			36.7	41.9	34.6	11.8				
Other non-current assets			4.8	12.7	16.2	5.2	5.6	5.6	5.6	5.6
Total assets	19.1	30.1	209	313	609	437	403	373	408	512
Shareholders' equity	7.7	13.8	146	185	442	296	247	219	226	281
Of which minority interests										
Current liabilities	8.0	4.6	46.4	93.8	131	59.6	86.0	97.9	126	175
Interest-bearing debt	2.2	10.8	13.5	34.0	36.2	23.8	30.2	13.2	13.2	13.2
Pension liabilities										
Oth non-curr. liabilities	1.1	0.9	3.1			2.9	7.6	7.6	7.6	7.6
Total liabilities	11.3	16.3	63.0	128	167	141	156	154	182	231
Total liabilities and equity	19.1	30.1	209	313	609	437	403	373	408	512
Net debt	0.6	9.5	-60.3	-61.6	-233	-103	-105	-63.4	-38.2	-62.6

Source: Company data, Danske Bank Equity Research estimates

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Summary tables

PER SHARE DATA	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
No. of shares, fully diluted (y.e.) (m)			24.5	26.3	52.3	52.3	52.3	52.3	52.3	52.3
No. of shares, fully diluted (avg.) (m)			14.6	25.9	28.6	52.3	52.3	52.3	52.3	52.3
EPS (SEK)			0.62	-2.09	-3.93	-2.90	-0.87	-0.54	0.14	1.05
EPS adj. (SEK)			0.62	-2.08	-3.93	-2.90	-0.87	-0.54	0.14	1.03
DPS (SEK)			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CFFO/share (SEK)			-1.2	-0.3	-3.6	-1.8	0.8	-0.3	0.3	1.3
Book value/share (SEK)			5.96	7.06	8.45	5.66	4.73	4.19	4.33	5.38
MARGINS AND GROWTH	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA margin	12.1%	-2.4%	-21.6%	-61.1%	-62.7%	-59.9%	0.7%	0.8%	15.8%	22.7%
EBITA margin	11.6%	-3.5%	-23.2%	-65.1%	-68.9%	-75.0%	-9.8%	-7.8%	9.2%	18.3%
EBIT margin	6.6%	-6.9%	-26.8%	-70.1%	-76.0%	-83.6%	-16.6%	-13.8%	3.7%	13.5%
EBIT adj margin	6.6%	-6.9%	-26.8%	-70.1%	-76.0%	-83.6%	-16.6%	-13.8%	3.7%	13.2%
Sales growth	n.m.	27.9%	58.8%	78.1%	59.1%	-11.2%	42.8%	14.3%	35.3%	35.4%
EBITDA growth	n.m.	n.m.	n.m.	n.m.	-63.0%	15.1%	n.m.	35.6%	n.m.	94.3%
EBITA growth	n.m.	n.m.	n.m.	n.m.	-68.3%	3.3%	81.4%	8.2%	n.m.	n.m.
EPS adj growth				n.m.	-88.5%	26.1%	70.0%	37.7%	n.m.	n.m.
PROFITABILITY	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
ROIC (after tax, incl. GW, adj.)	18.8%	-10.6%	20.8%	-51.5%	-70.0%	-64.6%	-17.2%	-14.3%	5.6%	22.4%
ROIC (after tax, excl. GW, adj.)	18.8%	-10.6%	21.5%	-53.5%	-71.6%	-65.6%	-17.5%	-14.6%	5.7%	22.8%
ROE (adj.)	17.8%	-22.0%	11.2%	-32.6%	-35.9%	-41.2%	-16.8%	-12.2%	3.2%	21.3%
ROIC (adj.) - WACC	7.7%	-21.8%	9.6%	-62.7%	-81.1%	-75.7%	-28.3%	-25.4%	-5.6%	11.3%
MARKET VALUE	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Share price (SEK)			24.0	62.4	10.2	11.2	16.4	12.3	12.3	12.3
No. shares reduced by buybacks (m)			24.5	26.3	52.3	52.3	52.3	52.3	52.3	52.3
Mkt cap used in EV (m)			588	1,638	532	588	855	643	643	643
Net debt, year-end (m)	1	10	-60	-62	-233	-49	-74	-28	-3	-28
MV of min/ass and oth (m)	0	0	-426	-426	-426	0	0	0	0	0
Enterprise value (m)			102	1,150	n.m.	539	782	615	640	615
VALUATION	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EV/sales (x)			1.88	11.93	n.m.	3.96	4.02	2.76	2.13	1.51
EV/EBITDA (x)			n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	13.5	6.7
EV/EBITA (x)			n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	23.1	8.4
EV/EBIT (x)			n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	57.3	11.4
P/E (reported) (x)			39.0	n.m.	n.m.	n.m.	n.m.	n.m.	89.7	11.7
P/E (adj.) (x)			39.0	n.m.	n.m.	n.m.	n.m.	n.m.	89.7	11.9
P/BV (x)			4.03	8.84	1.20	1.99	3.46	2.94	2.84	2.29
EV/invested capital (x)			1.3	10.4	n.m.	2.2	4.4	3.2	2.8	2.4
Dividend yield										
Total yield (incl. buybacks)										
FCFE-yield			-5.00%	-3.92%	-34.64%	-21.33%	3.13%	-6.51%	-2.20%	5.49%
FINANCIAL RATIOS	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Net debt/EBITDA (x)	0.2	-11.5	5.2	1.0	2.4	0.6	-52.8	-15.0	-0.1	-0.3
Net debt/equity (x), year-end	0.1	0.7	-0.4	-0.3	-0.5	-0.2	-0.3	-0.1	-0.0	-0.1
Dividend payout ratio			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest coverage (x)	9.8	-2.4	-7.3	-8.4	-15.0	-15.8	-3.0	-14.1		
Cash conversion (FCF/net profit)	-196.3%	n.m.	-327.8%	n.m.	n.m.	n.m.	n.m.	n.m.	-197.1%	64.2%
Capex/sales	4.8%	17.8%	22.3%	57.9%	53.3%	24.0%	8.6%	11.1%	10.0%	8.3%
NWC/sales	17.2%	44.3%	18.4%	-18.9%	0.9%	19.8%	-3.5%	6.5%	14.0%	16.0%
QUARTERLY P&L			Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21E
Sales (m)			40.5	42.7	39.1	72.3	35.2	47.5	49.7	90.0
EBITDA (m)			-2.6	-9.3	-1.8	6.0	-8.6	-7.0	-1.8	8.3
EBIT before non-recurring items (m)			-8.5	-17.7	-7.2	3.1	-13.9	-12.3	-7.2	2.9
Net profit (adj.) (m)			-7.5	-27.2	-7.4	-3.5	-12.5	-11.3	-7.3	2.7
EPS (adj.) (SEK)			-0.14	-0.52	-0.14	-0.07	-0.24	-0.22	-0.14	0.05
EBITDA margin			-6.5%	-21.7%	-4.6%	8.4%	-24.5%	-14.7%	-3.6%	9.3%
EBIT margin (adj.)			-21.0%	-41.3%	-18.5%	4.3%	-39.5%	-25.9%	-14.6%	3.2%

Source: Company data, Danske Bank Equity Research estimates

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Report completed: 27 October at 21:08 CET

Report disseminated: 27 October at 21:35 CET

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