

Aerospace & Defence

Key data

Price (SEK)*	7.21
Country	Sweden
Bloomberg	GOMX.SS
Reuters	GOMX.ST
Free float	77.0%
Market cap (SEKm)	377
Net debt (current Y/E) (SEKm)	-8
No. of shares (m)	52.3
Next event	Q2: 16-Jul

* Price as at close on 30 April 2020

CEO	Niels Buus
CFO	Troels Dalsgaard Normolle

Company description

GomSpace is a 'new space' company that was founded in 2007 by Ph.D. students at the Aalborg University in Denmark. Since, GomSpace has developed into a leading nanosatellite manufacturer with a global reach and c.130 employees. GomSpace was listed on Nasdaq First North in 2016.

Ownership structure

Hansen & Langeland Aps	10.0%
La Financiere de l'Echiquier	3.8%
Borean Innovation A/S	3.1%
Longbus Holding ApS	2.3%
Avanza Pension	1.2%

Source: Company data

Estimate changes

	20E	21E	22E
Sales	1.5%	-17.1%	-12.6%
EBITDA	n.m.	-25.5%	-11.3%
EBIT (adj.)	n.m.	n.m.	-22.3%
EPS (adj.)	n.m.	n.m.	n.m.

Source: Danske Bank Equity Research estimates

Analyst(s)

Viktor Högberg
Siri Ladow

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

Important disclosures and certifications are contained from page 11 of this report

GomSpace

Better Q1 but pandemic likely to result in order delays

Q1 was better than we had estimated. The cost restructuring of 2019 is now starting to bear fruit, with an improved free cash flow quarter on quarter. GomSpace reiterated its 2020 revenue guidance but removed its 2023 revenue target amid COVID-19 uncertainties. We believe the lockdowns will cause commercial orders to be pushed further into the future and have lowered our estimates and valuation range to reflect this.

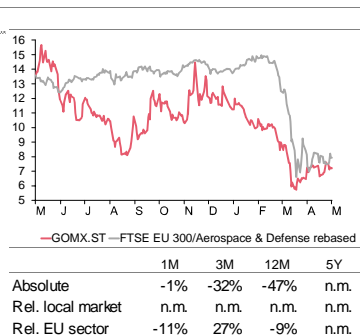
- Slightly better Q1 than expected.** Revenues were SEK40m (+35% y/y) and EBIT was SEK-8.5m (was SEK-27.7m in Q1 19). The order intake of SEK18m was lower than management had expected but GomSpace reiterated its SEK160-185m 2020 revenue guidance. We attribute the maintained guidance to the fact that 22-25% has already been booked in Q1, with an order backlog of SEK140m remaining and the fact that the European Space Agency is the largest customer. We estimate SEK178m in 2020 revenue. While GomSpace removed its 2023 revenue target of SEK1.5bn, it kept the target of positive operational cash flow. We believe this to be a wise approach given the current pandemic. We note that GomSpace has been able to slow the cash outflow considerably over the past quarters, mainly through reducing the headcount to c.130 by end of Q1, down from c.200 one year ago. GomSpace ended Q1 with SEK120m in cash, which we estimate to be enough, given that we estimate the 2020 order book will be delivered as planned.
- Pandemic increases risk for client funding, i.e. delays.** We expect satellite launch delays in this nascent market and, currently, the majority of GomSpace's most important clients are facing delays due to funding issues or to a crowded launch market. Most companies need to pass certain milestones (such as satellite launches) to ensure further financing, which adds to delays. Commercial orders have higher gross margins than science orders.
- Estimate revisions.** Given the uncertainty on orders from the commercial segment towards the latter part of 2020 we have lowered our revenue and gross margin assumptions.
- Valuation.** We continue to see good value in the shares but also acknowledge that this is not without risk, as clients need to progress further with their projects in order for this to materialise, i.e. the outlook for commercial orders needs to get clearer, which might take into 2021. We lower our valuation range to SEK9-28 (from SEK11-30 previously).

Key financials

Year-end Dec (SEK)	2018	2019	2020E	2021E	2022E
Revenues (m)	153	136	178	221	317
Revenues growth	59.1%	-11.2%	30.8%	24.1%	43.2%
EBITDA (m)	-96	-82	8	31	71
EBIT adj. (m)	-117	-114	-27	-6	31
EBIT growth	-72.5%	2.3%	76.7%	79.3%	n.m.
Pre-tax profit (m)	-123	-147	-28	-6	31
EPS adj.	-3.93	-2.90	-0.51	-0.11	0.60
DPS	0.00	0.00	0.00	0.00	0.00
Dividend yield					
FCF yield (incl. recurr capex)	-34.6%	-21.3%	-8.4%	-4.8%	1.5%
EBIT margin (adj.)	-76.0%	-83.6%	-14.9%	-2.5%	9.9%
Net debt/EBITDA (x)	2.4	1.3	-8.0	-1.1	-0.4
ROIC	-70.0%	-86.3%	-11.7%	-2.5%	12.5%
EV/sales (x)	n.m.	3.2	1.5	1.3	1.0
EV/EBITDA (adj.) (x)	n.m.	n.m.	n.m.	14.9	5.0
EV/EBITA (x)	n.m.	n.m.	n.m.	32.5	6.2
EV/EBIT (adj.) (x)	n.m.	n.m.	n.m.	n.m.	9.6
P/E (adj.) (x)	n.m.	n.m.	n.m.	n.m.	12.0

Source: Company data, Danske Bank Equity Research estimates

Price performance



Source: FactSet

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Q1 20 summary

Reiterated short-term guidance, but cut long-term target

Q1 20 revenue and EBIT were slightly better than we had expected, mainly on lower costs. The Q1 order intake of SEK18.5m (+25% y/y) was below management's expectation, but the guidance for FY2020 revenue was maintained, a positive message given that commercial customers might face launch/financing delays this year. We believe a main factor behind the maintained guidance is a decent order backlog of SEK140m (and SEK40m already booked in Q1) and the fact that the European Space Agency is GomSpace's largest customer (28% of revenues in Q1). Our 2020E revenue estimate is SEK178m.

However, the 2023 revenue target of SEK1.5bn was removed (which was no surprise as we already were substantially below it) and we believe that commercial customer delays are likely. Note that orders from commercial customers carry substantially higher gross margins than from science customers, which is why we see the mix shift as negative in the short term. We believe orders need to improve by late 2020 in order for GomSpace to see growth in 2021E.

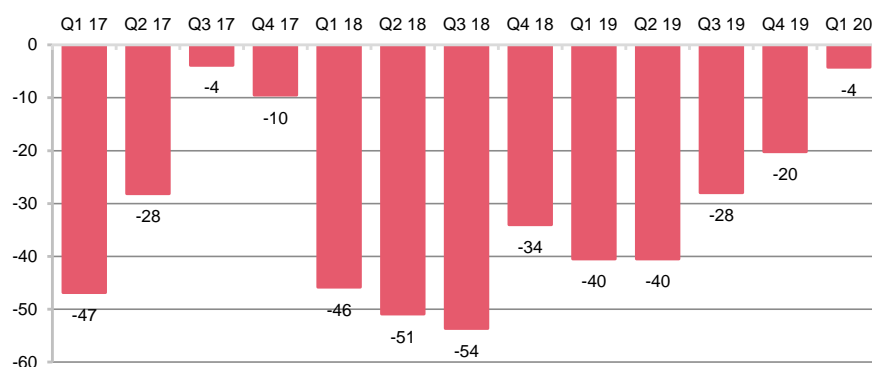
GomSpace maintained the target of positive operational cash flow. Q1 total cash outflow was just SEK-7m and gross cash by the end of Q1 was SEK120m. The cost restructuring done in 2019 gives us some comfort that GomSpace should be able to weather this storm if the 2020 revenue guidance holds. By 31 March the order backlog was SEK140m, versus 2020 revenue guidance of SEK160-185m.

Table 1. Q1 20 deviation table

Gomspace SEKm	Q1 20A	Danske Q1 20E	Deviation	Q1 19A
Revenues	40.5	38.6	5%	29.9
Gross profit	9.8	13.8	-29%	0.4
Margin	24%	36%	-11.5%	1%
EBITDA	0.1	-2.9	104%	-20.0
D&A	-8.6	-8.6	0%	-7.7
EBIT	-8.5	-11.5	26%	-27.7
PTP	-8.2	-13.2	38%	-29.7
Net profit	-7.5	-12.6	40%	-30.3
Revenue growth	35%	29%	6%	59%
EBIT growth	n.m.	n.m.	n.m.	n.m.
EBITDA margin	0%	-8%	n.m.	-67%
EBIT margin	n.m.	-83%	-59%	-93%

Source: Company data, Danske Bank Equity Research estimates

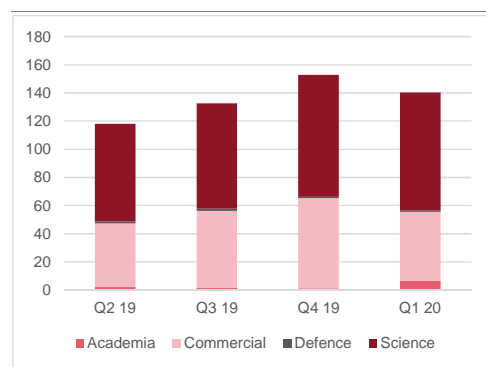
Chart 1. Free cash flow, quarterly (SEKm). Note that Q1 20 had more favourable working capital movements than Q4 19



Source: Company data, Danske Bank Equity Research estimates

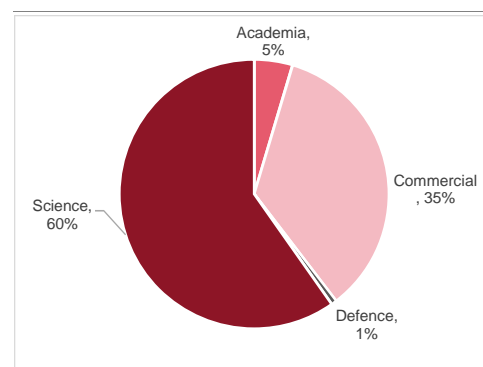
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Chart 2. Order backlog Q2 19-Q1 20



Source: Company data, Danske Bank Equity Research

Chart 3. Order backlog as of 31 March 2020



Source: Company data, Danske Bank Equity Research

Project pipeline

We highlight three important projects, which, over the next two to four years, could be scaled up to significant volume orders. Note that the project pipeline is not limited to these projects. Clients securing funding is key for the success of the projects.

Notable recent orders

- Q4 19: Lockheed Martin Space (US)/Orbital Micro Systems (UK).** This is an important contract to build a 6U nano-satellite 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 cooperation commitment to Denmark (but there were still other competitors for this contract).
- Q4 19: UnseenLabs (France).** GomSpace announced an SEK18.6m order in Q1 20 at the client's request but had taken it and booked it in Q4 19. The order from UnseenLabs (UL) is to conclude the design and delivery of nano-satellite platforms, a continuation of the collaboration between the two companies. UL aims to provide maritime surveillance systems. The contract is due to be fulfilled in 2020.
- Q4 19: North American geo-intelligence customer order.** This is 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 intelligence payload to what we believe is a US company.

Aerial and Maritime (A&M)

GomSpace recently wrote down a large part of its A&M holding (see below).

A&M is a joint venture between GomSpace and several external investors. The company has entered into an initial agreement with GomSpace for equatorial coverage of satellites. It is planning to implement radio-based satellite tracking of aircraft traffic, initially over the equator and, longer term, globally. Inter alia, A&M can assist countries on the equator with charging airlines overflight charges – something that is not being done today due to a lack of technical expertise. The planned system has also attracted interest from Airbus. A&M has to date placed orders worth USD10m with GomSpace and in June 2018, the companies signed a memorandum of understanding for supply of the planned global satellite constellation. If this translates into an order, the estimated value could be up to USD100m. However, given the recent writedown, the

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probability of these order values has come down significantly. In GomSpace's financial reporting, a portion of sales and EBIT is eliminated, equal to GomSpace's ownership (39%). Bear in mind that the company will not fund A&M's expansion, so if additional external funding is secured, GomSpace's ownership would reduce.

The plan is for the constellation to be up and running by end-2021 and GomSpace previously said it expected a formal agreement in Q4 18 but this is clearly taking longer than expected. The delay is due to the postponed launch of satellites for the In-Orbit Demonstration and lack of funding. The launch was first planned for early 2019 and then for Q4 19 but we understand it has been delayed. GomSpace earlier said that it does not expect to inject more capital into the project but, instead, would reduce its ownership. However, in order to push the project forward, we do not rule out GomSpace investing additional capital in the venture.

In Q4 19, GomSpace decided to write down its 39% holding in A&M by SEK23m to SEK11.7m. The writedown implies significantly lowered expectations on the possibility of a large-scale constellation for A&M in the near/medium term. As we understand it, A&M will continue to look for external funding (outside of GomSpace) to fund future operations and launches.

Aistech

Aistech is a peer to A&M with a similar proposition, i.e. to offer aircraft tracking over the North and South Poles and different types of asset tracking. The company entered into a framework delivery agreement with GomSpace in September 2017 for delivery of up to 100 satellites by 2022. The contract is worth up to EUR12.5m. The first 10 satellites in the Danu constellation were scheduled for launch late 2019; hence, if this initial phase of the constellation were successful, we find it likely that additional orders will be placed with GomSpace over the course of 2020-21. However, we gather that the Danu constellation launches have been delayed, possibly due to funding. Further to the equipment-supply agreement, GomSpace has also entered a five-year data-supply agreement, started in 2018. The agreement is worth USD1-8m, with the range driven by optionality in the agreement.

Aistech is held privately and we have no insight into its financials but assume it will need to raise equity in order to fulfil its commitments to GomSpace. In July 2018, GomSpace signed a follow-up order, under the initial frame agreement, worth EUR1.4m, and delivered on this order in Q1 19. We believe the orders announced by GomSpace relate to the Danu project but, on top of this, Aistech has another planned constellation, the Hydra constellation. To our knowledge, Aistech plans to schedule its first four satellites for launch in 2020 and plans that the total constellation will contain 30 satellites. Despite no insight, we believe this could be delayed given the current shutdowns. Although the planned constellation is smaller than Danu (100), the satellites are larger (six units versus two units in Danu), so the supply value for this constellation could very well be similar to the EUR12.5m in potential order value for the equipment in Danu. Given normal lead times, if the constellation moves ahead and if GomSpace is the supplier, we could also see orders for the Hydra constellation within the next one to two years.

Kleos Space

Kleos Space, a Luxembourg-based space technology operator, recently floated on the Australian stock market. Kleos Space aims to guard borders, protect assets and save lives by delivering global activity-based intelligence and geolocation as a service. The first Kleos Space satellite system, known as Kleos Scouting Mission (KSM), will perform a technology demonstration that will be the keystone for a subsequent global high capacity constellation. GomSpace has won the initial EUR2.4m order to develop the scouting mission and, if successful, we expect the order to scale up as the constellation is built out further. Kleos accounted for 10% of group revenues in Q1 19 (SEK3m) and 28% in Q4 18 (SEK11m). Recently, KSM passed a milestone, the Critical Design Review, and is waiting to launch. The launch was

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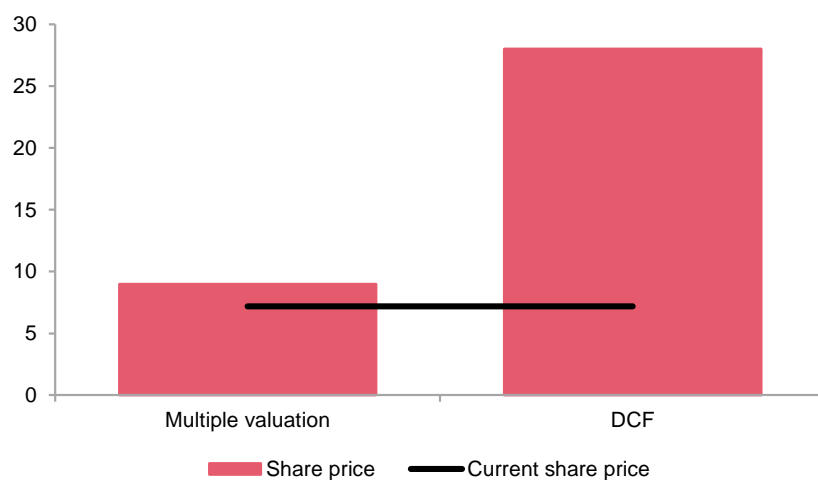
postponed from Q2 19 and Kleos had been aiming for Q1 20 (according to nanosats.eu and Spaceflight Now) but further delays are likely we believe due to the current lockdowns.

Our estimate is that neither Aistech nor Kleos make up a material part of the current order backlog.

Valuation

We still see significant long-term potential following the uncertainty regarding the SAS order and the writedown of A&M, even though risk is set to stay high in the short term, as illustrated by the current mismatch between capacity and activity level. We lower our valuation range to SEK9-28 (from SEK11-30 previously).

Chart 4. Value per share potential with different valuation approaches (SEK)



Source: Danske Bank Equity Research estimates

In our DCF, with a long-term market share approaching 10% and WACC of 11.9%, the value is SEK28 (previously SEK30). In this scenario, GomSpace reaches SEK1.5bn sales in 2028. We base our multiple valuation on EV/EBIT 2022E of 12.8x, reflecting the Nordic tech peer group's 2022E multiple discounted two years, which gives us a value of SEK8 per share (previously SEK10). If we use 2023E EBIT as a basis for our multiple valuation, the non-discounted value would increase to SEK24 per share. In light of the uncertain outlook regarding timing of customer orders, we await more visibility before using our 2023 estimates as a basis for the multiple valuation. Our valuation includes a SEK1 per share valuation of A&M.

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. 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 to grow to the high end of industry analysts' predictions. Based on our current projections for the market

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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, 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.

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 chance of success and the actual timing of projects are very difficult to forecast. Company forecasts based on these uncertain projects increase the 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 nano-satellites in order to achieve a market-leading position and drive growth in the industry.

Table 2. GomSpace - key figures (1 of 2)

SEKm	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019
Revenues	153.4	29.9	52.2	15.8	38.4	136.3
Gross profit	38.5	0.4	12.0	1.8	3.8	18.0
Gross margin	25%	1%	23%	11%	10%	13%
EBITDA	-96.0	-20.0	-34.4	-19.1	-8.0	-92.2
EBITDA Margin	-63%	-67%	-66%	-121%	-21%	-68%
EBIT	-116.6	-27.7	-42.3	-27.3	-16.6	-113.9
EBIT margin	-76%	-93%	-81%	-173%	-43%	-84%
PTP	-122.8	-29.7	-43.3	-27.5	-46.1	-146.6
Net profit	-112.5	-30.3	-42.3	-38.6	-40.6	-151.8
Revenue						
Sales of satellite solutions	118.3	22.6	41.1	11.5	23.7	98.8
Sales of platforms, payloads and subsystems	34.4	7.2	11.0	4.1	14.6	36.9
Constellation management	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.7	0.1	0.1	0.1	0.1	0.0
Total	153.4	29.9	52.2	15.8	38.4	136.3
Growth						
Sales of satellite solutions		-28%	23%	-61%	-3%	-16%
Sales of platforms, payloads and subsystems		15%	33%	-5%	-6%	7%
Constellation management						n.m.
Other		-32%	-33%	-24%	-38%	0%
Total	59%	-21%	25%	-53%	-5%	-11%
Total employees (YE)	231	201	176	133	134	134

Source: Company data, Danske Bank Equity Research estimates

Table 3. GomSpace - key figures (2 of 2)

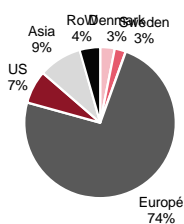
SEKm	Q1 20	Q2 20E	Q3 20E	Q4 20E	2020E	2021E	2022E
Revenues	40.5	42.4	44.8	50.5	178	221	317
Gross profit	9.8	12.0	13.0	15.4	50	82	139
Gross margin	24%	28%	29%	30%	28%	37%	44%
EBITDA	0.1	1.6	2.1	4.1	8.0	30.5	70.9
EBITDA Margin	0%	4%	5%	8%	4%	14%	22%
EBIT	-8.5	-7.0	-6.5	-4.4	-26.5	-5.5	31.4
EBIT margin	-21%	-16%	-14%	-9%	-15%	-2%	10%
PTP	-8.2	-7.6	-7.1	-5.1	-28.2	-5.5	31.4
Net profit	-7.5	-7.3	-6.8	-4.8	-26.5	-5.5	31.4
Revenue							
Sales of satellite solutions	31.7	29.8	32.4	36.9	131	156	228
Sales of platforms, payloads and subsystems	8.7	12.5	12.3	13.5	47	53	60
Constellation management	0.0	0.0	0.0	0.0	0	13	28
Other	0.0	0.1	0.1	0.1	0	0	0
Total	40.5	42.4	44.8	50.5	178	221	317
Growth							
Sales of satellite solutions	-73%	32%	-21%	221%	32%	19%	46%
Sales of platforms, payloads and subsystems	-75%	74%	12%	227%	28%	12%	15%
Constellation management					n.m.	n.m.	n.m.
Other	-100%	-34%	-23%	-43%	0%	0%	0%
Total	35%	-19%	184%	32%	31%	24%	43%
Total employees (YE)	132	135	138	141	141	155	175

Source: Company data and Danske Bank Equity Research estimates

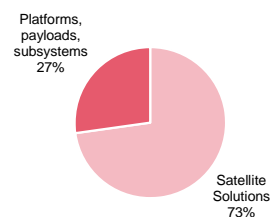
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Company summary

Sales breakdown by geographical area



Sales breakdown by division



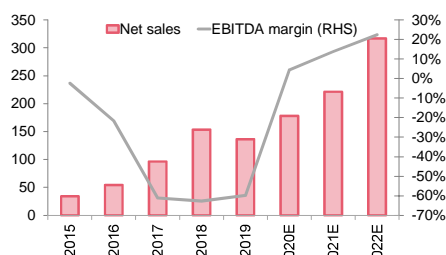
Company information

GomSpace
 Langgervvej 6 9220 Aalborg East
 Denmark
 gomspace.com

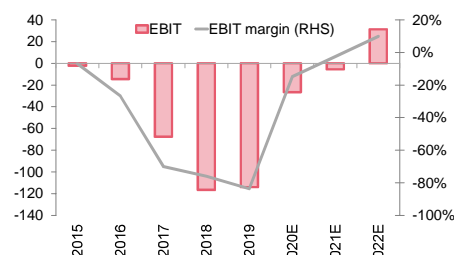
Main shareholders

Name	Votes (%)	Capital (%)
Hansen & Langeland Aps	10.0%	10.0%
La Financiere de l'Echiquier	3.8%	3.8%
Borean Innovation A/S	3.1%	3.1%
Longbus Holding ApS	2.3%	2.3%
Avanza Pension	1.2%	1.2%

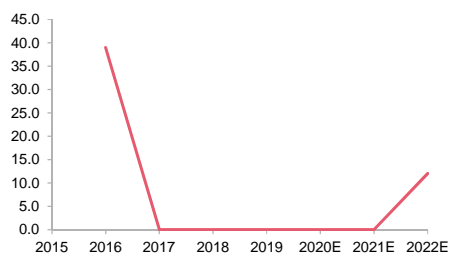
Net sales and EBITDA margin (SEKm)



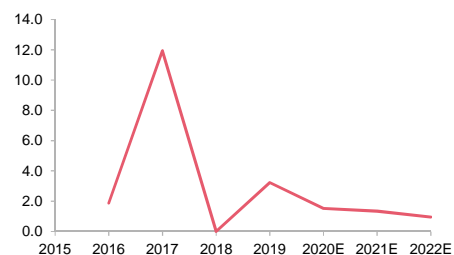
EBIT and EBIT margin (SEKm)



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	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Net sales	10	27	34	54	96	153	136	178	221	317
Cost of sales & operating costs	-9	-23	-35	-66	-155	-249	-218	-170	-191	-246
EBITDA	1	3	-1	-12	-59	-96	-82	8	31	71
EBITDA, adj.	1	3	-1	-12	-59	-96	-82	8	31	71
Depreciation	-0	-0	-0	-1	-4	-10	-21	-21	-22	-22
EBITA	1	3	-1	-13	-63	-106	-102	-13	9	49
EBIT incl. EO, bef. ass.	0	2	-2	-15	-68	-117	-114	-27	-6	31
EBIT, adj.	0	2	-2	-15	-68	-117	-114	-27	-6	31
Associated income				21	5	-2	-26	1		
Financial items, net	-0	-0	-1	-1	-3	-4	-7	-3	0	0
Pre-tax profit	0	2	-3	5	-67	-123	-147	-28	-6	31
Taxes	-0	-0	1	3	13	10	-5	2		
Net profit, rep.	0	1	-2	9	-54	-112	-152	-26	-6	31
Net profit, adj.	0	1	-2	9	-54	-112	-152	-26	-6	31

CASH FLOW

SEKm	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
EBITDA	1	3	-1	-12	-59	-96	-82	8	31	71
Change in working capital	1	-4	-10	-5	43	-19	-35	-11	-14	-27
Net interest paid	-0	-0	-1	-1	-1	-4	-5	-3		
Taxes paid	0	0			2	5	8	2		
Other operating cash items		0		0	6	11	20			
Cash flow from operations	2	-1	-11	-17	-8	-103	-93	-5	17	44
Capex	-2	-1	-6	-12	-56	-82	-33	-27	-35	-38
Div to min										
Free cash flow	1	-2	-17	-29	-64	-184	-125	-32	-18	6
Disposals/(acquisitions)				-3	-24					
Free cash flow to equity	1	-2	-17	-32	-88	-184	-125	-32	-18	6
Dividend paid										
Share buy backs										
New issue common stock			9	125	95	356		0		
Incr./(decr.) in debt		0	4	2	20	1	-6	-0		
Minorities & other financing CF	0			-22	-3	1	-11	-9	-9	-9
Cash flow from financing	0	0	13	105	113	358	-17	-9	-9	-9
Disc. ops & other	0	-0	0	-14	3					
Incr./(decr.) in cash	1	-2	-4	59	24	174	-142	-41	-28	-4

BALANCE SHEET

SEKm	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Cash & cash equivalents	2	2	1	74	96	269	127	86	59	55
Inventory	1	3	3	4	10	35	24	30	39	57
Trade receivables	2	9	17	52	66	97	37	47	62	92
Other current assets	0	0	0	0	0		25	32	40	57
Goodwill				4	4	3	4	4	4	4
Other intangible assets	5	4	8	27	62	115	117	126	136	145
Fixed tangible assets	0	1	1	6	21	38	31	25	24	25
Associated companies				37	42	35	12	13	13	13
Other non-current assets				5	13	16	5	5	5	5
Total assets	10	19	30	209	313	609	437	423	436	507
Shareholders' equity	6	8	14	146	185	442	296	270	266	299
Of which minority interests										
Current liabilities	4	8	5	46	94	131	60	71	88	127
Interest-bearing debt	0	2	11	13	34	36	24	24	24	24
Pension liabilities										
Oth non-curr. liabilities	1	1	1	3			3	3	3	3
Total liabilities	4	11	16	63	128	167	141	153	170	208
Total liabilities and equity	10	19	30	209	313	609	437	423	436	507
Net debt	-2	1	10	-60	-62	-233	-103	-62	-35	-31

Source: Company data, Danske Bank Equity Research estimates

Summary tables

PER SHARE DATA	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
No. of shares, fully diluted (y.e.) (m)				24.5	26.3	52.3	52.3	52.3	52.3	52.3
No. of shares, fully diluted (av.g.) (m)				14.6	25.9	28.6	52.3	52.3	52.3	52.3
EPS (SEK)				0.62	-2.09	-3.93	-2.90	-0.51	-0.11	0.60
EPS adj. (SEK)				0.62	-2.08	-3.93	-2.90	-0.51	-0.11	0.60
DPS (SEK)				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	-0.1	0.3	0.8
Book value/share (SEK)				5.96	7.06	8.45	5.66	5.17	5.09	5.71
MARGINS AND GROWTH	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
EBITDA margin	10.1%	12.1%	-2.4%	-21.6%	-61.1%	-62.7%	-59.9%	4.4%	13.8%	22.4%
EBITA margin	9.5%	11.6%	-3.5%	-23.2%	-65.1%	-68.9%	-75.0%	-7.4%	4.1%	15.4%
EBIT margin	2.5%	6.6%	-6.9%	-26.8%	-70.1%	-76.0%	-83.6%	-14.9%	-2.5%	9.9%
EBIT adj margin	2.5%	6.6%	-6.9%	-26.8%	-70.1%	-76.0%	-83.6%	-14.9%	-2.5%	9.9%
Sales growth		n.m.	27.9%	58.8%	78.1%	59.1%	-11.2%	30.8%	24.1%	43.2%
EBITDA growth		n.m.	n.m.	n.m.	n.m.	-63.0%	15.1%	n.m.	n.m.	n.m.
EBITA growth		n.m.	n.m.	n.m.	n.m.	-68.3%	3.3%	87.1%	n.m.	n.m.
EPS adj growth					n.m.	-88.5%	26.1%	82.5%	79.2%	n.m.
PROFITABILITY	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
ROIC (after tax, incl. GW, adj.)	3.7%	18.8%	-10.6%	20.8%	-51.5%	-70.0%	-86.3%	-11.7%	-2.5%	12.5%
ROIC (after tax, excl. GW, adj.)	3.7%	18.8%	-10.6%	21.5%	-53.5%	-71.6%	-88.1%	-11.9%	-2.5%	12.7%
ROE (adj.)	0.5%	17.8%	-22.0%	11.2%	-32.6%	-35.9%	-41.2%	-9.4%	-2.1%	11.1%
ROIC (adj.) - WACC	-8.2%	6.9%	-22.5%	8.9%	-63.4%	-81.9%	-98.2%	-23.6%	-14.4%	0.6%
MARKET VALUE	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Share price (SEK)				24.0	62.4	10.2	11.2	7.21	7.21	7.21
No. shares reduced by buybacks (m)				24.5	26.3	52.3	52.3	52.3	52.3	52.3
Mkt cap used in EV (m)				588	1,638	532	588	377	377	377
Net debt, year-end (m)	-2	1	10	-60	-62	-233	-103	-62	-35	-31
MV of min/ass and oth (m)	0	0	0	-426	-426	-426	-44	-44	-44	-44
Enterprise value (m)				102	1,150	n.m.	440	270	298	302
VALUATION	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
EV/sales (x)				1.9	11.9	n.m.	3.2	1.5	1.3	1.0
EV/EBITDA (x)				n.m.	n.m.	n.m.	n.m.	n.m.	14.9	5.0
EV/EBITA (x)				n.m.	n.m.	n.m.	n.m.	n.m.	32.5	6.2
EV/EBIT (x)				n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	9.6
P/E (reported) (x)				39.0	n.m.	n.m.	n.m.	n.m.	n.m.	12.0
P/E (adj.) (x)				39.0	n.m.	n.m.	n.m.	n.m.	n.m.	12.0
P/BV (x)				4.03	8.84	1.20	1.99	1.39	1.42	1.26
EV/invested capital (x)				25.2						
Dividend yield										
Total yield (incl. buybacks)										
FCFE-yield				-5.00%	-3.92%	-34.64%	-21.33%	-8.40%	-4.81%	1.51%
FINANCIAL RATIOS	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Net debt/EBITDA (x)	-1.8	0.2	-11.5	5.2	1.0	2.4	1.3	-8.0	-1.1	-0.4
Net debt/equity (x), year-end	-0.3	0.1	0.7	-0.4	-0.3	-0.5	-0.3	-0.2	-0.1	-0.1
Dividend payout ratio				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest coverage (x)	1.2	9.8	-2.4	-7.3	-8.4	-15.0	-15.8	-6.1		
Cash conversion (FCF/net profit)	n.m.	-196.3%	n.m.	-327.8%	n.m.	n.m.	n.m.	n.m.	n.m.	18.1%
Capex/sales	15.5%	4.8%	17.8%	22.3%	57.9%	53.3%	24.0%	15.0%	15.8%	12.0%
NWC/sales	1.2%	17.2%	44.3%	18.4%	-18.9%	0.9%	19.8%	21.5%	23.5%	25.0%
QUARTERLY P&L			Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20E	Q3 20E	Q4 20E
Sales (m)			30	52	16	38	40	42	45	51
EBITDA (m)			-22	-37	-22	-11	-3	-1	-1	1
EBIT before non-recurring items (m)			-28	-42	-27	-17	-8	-7	-6	-4
Net profit (adj.) (m)			-30	-42	-39	-41	-7	-7	-7	-5
EPS (adj.) (SEK)			-0.58	-0.81	-0.74	-0.78	-0.14	-0.14	-0.13	-0.10
EBITDA margin			-74.9%	-71.3%	n.m.	-28.1%	-6.5%	-2.7%	-1.4%	2.7%
EBIT margin (adj.)			-92.8%	-81.1%	n.m.	-43.3%	-21.0%	-16.5%	-14.4%	-8.8%

Source: Company data, Danske Bank Equity Research estimates

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