

Aerospace & Defence

Key data

Price (SEK)*	8.19
Country	Sweden
Bloomberg	GOMX SS
Reuters	GOMX.ST
Free float	77.0%
Market cap (SEKm)	428
Net debt (current Y/E) (SEKm)	-11
No. of shares (m)	52.3
Next event	Q3: 22-Oct

* Price as at close on 20 July 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 (31 March 2020)

Estimate changes

	20E	21E	22E
Sales	-3.4%	-3.4%	-3.5%
EBITDA	n.m.	-10.6%	-7.3%
EBIT (adj.)	n.m.	n.m.	-16.4%
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

Cancelled A&M project not a major surprise

Cancellation of the Aerial & Maritime (A&M) project in Q2 was not a major surprise given recent writedowns. We remove SEK1 per share from our valuation approach to reflect this. Q2 revenue and EBIT, adjusted for A&M settlements, came in slightly shy of our estimates but what we find important is that GomSpace reiterated its 2020 revenue guidance. It also continues to report improving cash flows, ending Q2 with SEK129m in cash.

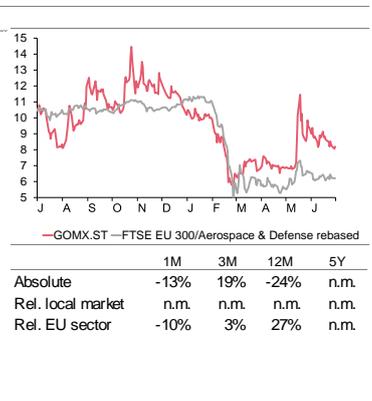
- Q2 20 review.** Adjusting for one-offs relating to the A&M cancellation and bad debt provisions, Q2 was slightly below our sales and EBIT estimates. In Q2, GomSpace cancelled the A&M project, resulting in c.SEK12m depreciation of equity interest but not affecting 2020 revenue guidance. This comes after the Q4 19 writedown of a large part of its A&M holding, so we argue it is not a major surprise. Adjusting for customer settlements in Q2 20 and Q2 19, we estimate underlying revenues grew c.54% y/y in Q2 and cost control continues to be good. Operational cash flow is improving year on year and, with favourable working capital effects and a tax receivable, the cash position rose by SEK10m q/q to SEK129m. In Q2, GomSpace's net order intake fell by 31% y/y to SEK42m, with the order backlog at SEK122m at end-Q2. GomSpace's CEO commented on expected orders for H2 20, to help 2021. Some 58% of the order backlog is from the science business area, another reason for the reiterated 2020 revenue guidance.
- Pandemic increases risk of client delays.** We expect satellite launch delays in this nascent market and many of GomSpace's most important clients are currently facing delays due to funding issues or a crowded/grounded 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.** We lower our 2020-22 sales estimates slightly, partly on the lower order backlog quarter on quarter. We are awaiting further orders to derisk our 2021-22 growth estimates.
- Valuation.** We continue to see 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 become clearer, which might take until within 2021. In addition to estimate revisions, we have removed SEK1 for A&M from our valuation range, which we lower to SEK7-26 (from SEK9-28 previously).

Key financials

Year-end Dec (SEK)	2018	2019	2020E	2021E	2022E
Revenues (m)	153	136	172	214	306
Revenues growth	59.1%	-11.2%	26.3%	24.2%	43.0%
EBITDA (m)	-96	-82	-3	27	66
EBIT adj. (m)	-117	-114	-36	-9	26
EBIT growth	-72.5%	2.3%	68.2%	75.9%	n.m.
Pre-tax profit (m)	-123	-147	-49	-13	22
EPS adj.	-3.93	-2.90	-0.88	-0.24	0.43
DPS	0.00	0.00	0.00	0.00	0.00
Dividend yield					
FCFE yield (pre-IFRS16)	-63.3%	-22.9%	-8.8%	-5.7%	-2.5%
EBIT margin (adj.)	-76.0%	-83.6%	-21.0%	-4.1%	8.6%
Net debt/EBITDA (x)	2.4	0.6	4.4	0.5	0.4
ROIC	-70.0%	-64.6%	-17.0%	-3.1%	10.0%
EV/sales (x)	n.m.	3.6	2.4	2.1	1.5
EV/EBITDA (adj.) (x)	n.m.	n.m.	n.m.	16.2	6.9
EV/EBITA (adj.) (x)	n.m.	n.m.	n.m.	76.5	10.4
EV/EBIT (adj.) (x)	n.m.	n.m.	n.m.	n.m.	17.2
P/E (adj.) (x)	n.m.	n.m.	n.m.	n.m.	19.3

Source: Company data, Danske Bank Equity Research estimates

Price performance



Source: FactSet

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Q2 20 summary

Q2 20 earnings slightly below our estimate but cash position is comforting

GomSpace reported revenue of SEK43m, or c.SEK38m adjusted for a positive one-off relating to the A&M settlement (previously disclosed in June). We had estimated SEK42m in revenues. Reported revenue was down 19% y/y but if we adjust for the Sky & Space settlement in Q2 19, revenues were up 79% y/y (and up c.54% y/y if we also adjust for A&M).

Adjusted EBIT was SEK-17.7m versus our SEK-7m estimate; however, non-cash charges of c.SEK-7m had a negative effect (see below). For GomSpace currently, we argue that the most important aspect of the Q2 report was the reiterated 2020 revenue guidance and cash position (see below).

In Q2, GomSpace cancelled the A&M spin-out project but it plans to retain the assets in terms of eight already-built satellites, booked at SEK0 in the balance sheet, which might be positive for margins ahead if it can sell the satellites. The cancellation resulted in a depreciation of equity interest of c.SEK12m and a reduction in the backlog of c.SEK14m but it does not affect the 2020 revenue outlook.

Targets reiterated

GomSpace reiterated its 2020 revenue guidance of SEK160-185m and its target of positive operational cash flow.

Q2 reported figures

Q2 reported revenue was SEK42.7m but in the deviation table below we adjust for the SEK4.8m positive effect from the A&M settlement and add back c.SEK2m to the gross profit. We have thus adjusted EBITDA and EBIT by c.SEK2.8m. The writedown of SEK8.6m related to the A&M settlement is included in 'share of profit from associates', below the EBIT line in the profit and loss statement. Included in opex is a SEK4.3m bad debt provision (which we do not adjust for below).

Table 1: Q2 20 deviation between actual results and estimates

SEKm	Q2 20A	Q2 20E	Deviation	Q2 19
Revenues	37.9	42.4	-11%	52.2
Gross profit	6.8	12.0	-43%	12.0
Margin	18%	28%	-10.3%	23%
Adj. EBITDA	-9.3	1.6	682%	-34.4
Depreciation & amortisation	-8.4	-8.6	3%	-7.9
Adj. EBIT	-17.7	-7.0	-152%	-42.3
Pre-tax profit	-25.6	-7.6	-236%	-43.3
Net profit	-24.4	-7.3	-234%	-42.3
Revenue growth	-27%	-19%	-9%	25%
EBIT growth	n.m.	n.m.	n.m.	n.m.
EBITDA margin	-25%	4%	n.m.	-66%
EBIT margin	-147%	-58%	-88%	-81%

Source: Company data, Danske Bank Equity Research estimates

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Cash flow

Cash flow continued to improve year on year and GomSpace ended Q2 with a comfortable SEK129m cash position. In Q2, reported operating cash flow was SEK15.5m. This includes changes in working capital of SEK15m and SEK6m received in tax as part of an aid package. In Q2 19, operating cash flow was SEK-34.4m and, while changes in working capital affected Q2 19 slightly negatively, the year-on-year improvement is significant, due partly to the cost-restructuring programme. Because of the favourable working capital and tax in Q2, free cash flow inflected upwards in Q2. GomSpace reiterated its target of positive operating cash flow in connection with the Q2 report. The cash position at end-Q2 amounted to SEK129m.

Chart 1: Free cash flow, quarterly (SEKm)

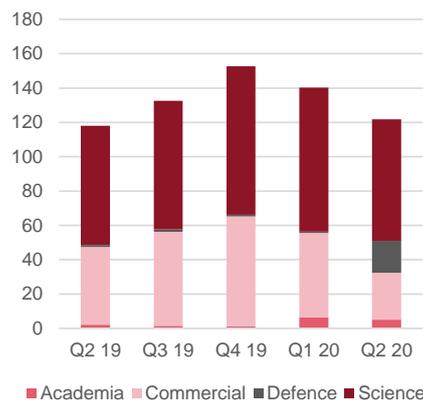


Source: Company data, Danske Bank Equity Research estimates

Order intake

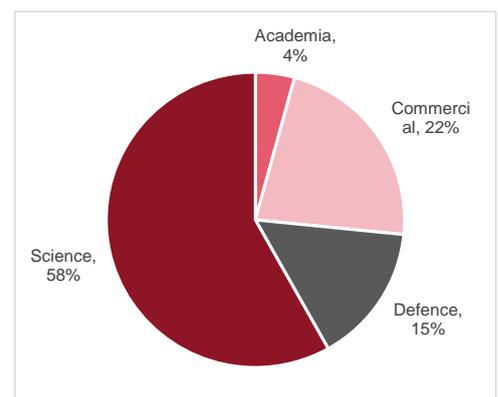
Q2 order intake was down 31% y/y but due to the current order book size (SEK121m) and H1 booked revenues of SEK83m, GomSpace reiterated its 2020 revenue guidance of SEK160-185m (we estimate SEK172m). The CEO also commented on expected orders for H2, which would help 2021.

Chart 2: Order backlog Q2 20



Source: Company data, Danske Bank Equity Research

Chart 3: Order backlog 30 June 2020



Source: Company data, Danske Bank Equity Research

Project pipeline

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

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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 co-operation 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 and booked it in Q4 19. The order from UnseenLabs is to conclude the design and delivery of nano-satellite platforms, a continuation of the collaboration between the two companies. UnseenLabs aims to provide maritime surveillance systems. The contract is due for fulfilment 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.
- **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 expect revenue recognition to be spread out up until Q3 21.

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 in late 2019; hence, if the initial phase of this constellation is successful, we find it likely the company will place additional orders with GomSpace. 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 global shutdowns. Although the planned constellation is smaller than Danu (100), the satellites are larger (six units versus two units for Danu), so the supply value for this constellation could very well be similar to the EUR12.5m in potential order value for the equipment for Danu. Given normal lead times, if the constellation moves ahead and if GomSpace is the supplier, we believe we could also see orders for the Hydra constellation within the next one to two years.

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Kleos Space

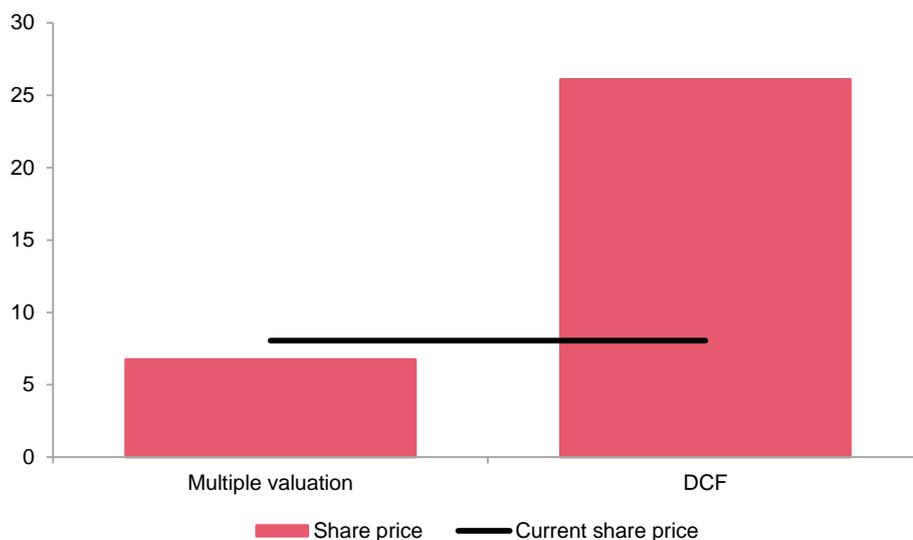
Kleos Space, a Luxembourg-based space technology operator, recently floated on the Australian stock market. Kleos Space aims to guard borders, protect assets and save lives by delivering global activity-based intelligence and geolocation as a service. The first Kleos Space satellite system, known as Kleos Scouting Mission (KSM), is set to perform a technology demonstration that would 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 builds 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. Kleos postponed the launch from Q2 19 and had been aiming for Q1 20 (according to nanosats.eu and Spaceflight Now) but we believe further delays are likely due to the lockdowns.

Our estimate is that neither Aistech nor Kleos makes 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 SEK7-26 (from SEK9-28 previously).

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



Note: Price as at close on 20 July 2020

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

In our DCF, with a long-term market share approaching 10% and WACC of 11.9%, the value is SEK26 (previously SEK28). In this scenario, GomSpace reaches SEK1.5bn sales in 2028. We base our multiple valuation on EV/EBIT 2022E of 14.4x, reflecting the Nordic tech peer group's 2022E multiple discounted by two years, which gives us a value of SEK7 per share (previously SEK9). 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. We have removed the SEK1 per share valuation for A&M from our valuation approach.

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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 to grow 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, 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 chances 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.

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Key figures

Table 2. GomSpace - key figures

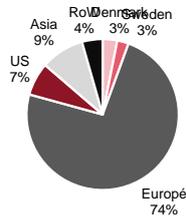
SEKm	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20E	Q4 20E	2020E	2021E	2022E
Revenues	153.4	29.9	52.2	15.8	38.4	136.3	40.5	42.7	40.3	48.7	172	214	306
Gross profit	38.5	0.4	12.0	1.8	3.8	18.0	9.8	4.8	11.1	14.7	40	78	132
Gross margin	25%	1%	23%	11%	10%	13%	24%	11%	27%	30%	23%	37%	43%
EBITDA	-96.0	-20.0	-34.4	-19.1	-8.0	-92.2	0.1	-9.3	1.0	4.3	-3.8	27.3	65.7
EBITDA margin	-63%	-67%	-66%	-121%	-21%	-68%	0%	-22%	3%	9%	-2%	13%	21%
EBIT	-116.6	-27.7	-42.3	-27.3	-16.6	-113.9	-8.5	-14.9	-7.3	-4.0	-36.2	-8.7	26.2
EBIT margin	-76%	-93%	-81%	-173%	-43%	-84%	-21%	-35%	-18%	-8%	-21%	-4%	9%
PTP	-122.8	-29.7	-43.3	-27.5	-46.1	-146.6	-8.2	-25.6	-8.3	-5.0	-48.6	-12.7	22.2
Net profit	-112.5	-30.3	-42.3	-38.6	-40.6	-151.8	-7.5	-24.4	-7.9	-4.8	-46.1	-12.7	22.2
Revenue													
Sales of satellite solutions	118.3	22.6	41.1	11.5	23.7	98.8	31.7	31.9	30.2	35.5	129	153	223
Sales of platforms, payloads & subsystems	34.4	7.2	11.0	4.1	14.6	36.9	8.7	9.5	9.9	13.0	41	47	54
Constellation management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	13	28
Other	0.7	0.1	0.1	0.1	0.1	0.0	0.0	0.2	0.1	0.1	0	0	0
Total	153.4	29.9	52.2	15.8	38.4	136.3	40.5	41.6	40.3	48.7	171	214	306
Growth													
Sales of satellite solutions		-28%	23%	-61%	-3%	-16%	-73%	42%	-27%	209%	31%	18%	45%
Sales of platforms, payloads & subsystems		15%	33%	-5%	-6%	7%	-75%	32%	-9%	215%	11%	15%	15%
Constellation management						n.m.					n.m.	n.m.	n.m.
Other		-32%	-33%	-24%	-38%	0%	-100%	80%	13%	-5%	0%	0%	0%
Total	59%	-21%	25%	-53%	-5%	-11%	35%	-20%	156%	27%	26%	25%	43%
Total employees YE	231	201	176	133	134	134	132	133	136	139	139	153	173

Source: Company data, Danske Bank Equity Research estimates

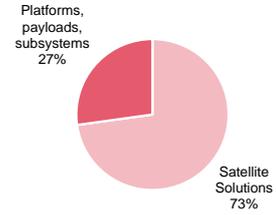
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Company summary

Sales breakdown by geographical area



Sales breakdown by division



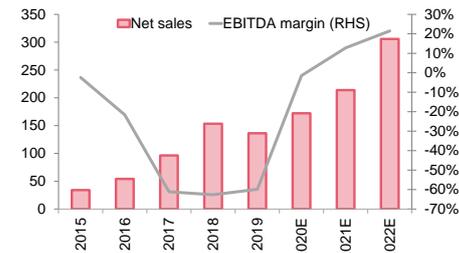
Company information

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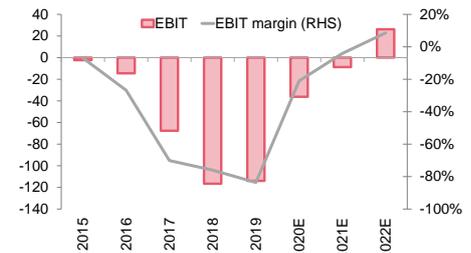
Main shareholders

Name	Votes (%)	Capital (%)
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%

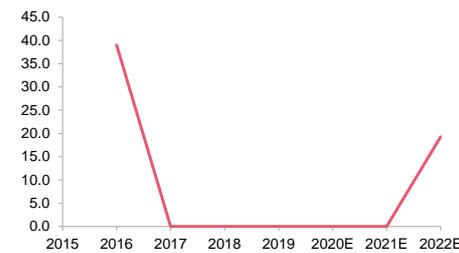
Net sales and EBITDA margin (SEKm)



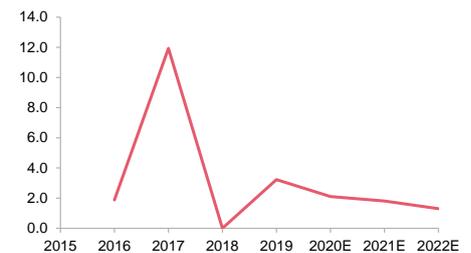
EBIT and EBIT margin (SEKm)



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	172	214	306
Cost of sales & operating costs	-9	-23	-35	-66	-155	-249	-218	-175	-186	-240
EBITDA	1	3	-1	-12	-59	-96	-82	-3	27	66
EBITDA, adj.	1	3	-1	-12	-59	-96	-82	-3	27	66
Depreciation	-0	-0	-0	-1	-4	-10	-21	-20	-22	-22
EBITA	1	3	-1	-13	-63	-106	-102	-23	6	43
EBIT incl. EO, bef. ass.	0	2	-2	-15	-68	-117	-114	-36	-9	26
EBIT, adj.	0	2	-2	-15	-68	-117	-114	-36	-9	26
Associated income				21	5	-2	-26	-9		
Financial items, net	-0	-0	-1	-1	-3	-4	-7	-3	-4	-4
Pre-tax profit	0	2	-3	5	-67	-123	-147	-49	-13	22
Taxes	-0	-0	1	3	13	10	-5	3		
Net profit, rep.	0	1	-2	9	-54	-112	-152	-46	-13	22
Net profit, adj.	0	1	-2	9	-54	-112	-152	-46	-13	22

CASH FLOW

SEKm	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
EBITDA	1	3	-1	-12	-59	-96	-82	-3	27	66
Change in working capital	1	-4	-10	-5	43	-19	-35	-10	-13	-26
Net interest paid	-0	-0	-1	-1	-1	-4	-5	-3	-4	-4
Taxes paid	0	0			2	5	8	3		
Other operating cash items		0		0	6	11	20			
Cash flow from operations	2	-1	-11	-17	-8	-103	-93	-14	10	36
Capex	-2	-1	-6	-12	-56	-82	-33	-15	-25	-37
Div to min										
Free cash flow	1	-2	-17	-29	-64	-184	-125	-28	-15	-1
Disposals/(acquisitions)				-3	-24					
Free cash flow to equity	1	-2	-17	-32	-88	-184	-125	-28	-15	-1
Dividend paid										
Share buybacks										
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	-38	-24	-11

BALANCE SHEET

SEKm	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Cash & cash equivalents	2	2	1	74	96	269	127	90	65	54
Inventory	1	3	3	4	10	35	24	29	37	55
Trade receivables	2	9	17	52	66	97	37	46	60	89
Other current assets	0	0	0	0	0		25	31	38	55
Goodwill				4	4	3	4	4	4	4
Other intangible assets	5	4	8	27	62	115	117	116	119	127
Fixed tangible assets	0	1	1	6	21	38	31	23	20	20
Associated companies				37	42	35	12	3	3	3
Other non-current assets				5	13	16	5	5	5	5
Total assets	10	19	30	209	313	609	437	401	406	466
Shareholders' equity	6	8	14	146	185	442	296	251	239	263
Of which minority interests										
Current liabilities	4	8	5	46	94	131	60	69	86	122
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	150	167	204
Total liabilities and equity	10	19	30	209	313	609	437	401	406	466
Net debt	-2	1	10	-60	-62	-233	-103	-66	-42	-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 (avg.) (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	-0.88	-0.24	0.43
EPS adj. (SEK)				0.62	-2.08	-3.93	-2.90	-0.88	-0.24	0.43
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	-0.3	0.2	0.7
Book value/share (SEK)				5.96	7.06	8.45	5.66	4.80	4.58	5.02
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%	-1.5%	12.8%	21.5%
EBITA margin	9.5%	11.6%	-3.5%	-23.2%	-65.1%	-68.9%	-75.0%	-13.3%	2.7%	14.2%
EBIT margin	2.5%	6.6%	-6.9%	-26.8%	-70.1%	-76.0%	-83.6%	-21.0%	-4.1%	8.6%
EBIT adj margin	2.5%	6.6%	-6.9%	-26.8%	-70.1%	-76.0%	-83.6%	-21.0%	-4.1%	8.6%
Sales growth		n.m.	27.9%	58.8%	78.1%	59.1%	-11.2%	26.3%	24.2%	43.0%
EBITDA growth		n.m.	n.m.	n.m.	n.m.	-63.0%	15.1%	96.9%	n.m.	n.m.
EBITA growth		n.m.	n.m.	n.m.	n.m.	-68.3%	3.3%	77.5%	n.m.	n.m.
EPS adj growth					n.m.	-88.5%	26.1%	69.7%	72.3%	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%	-64.6%	-17.0%	-3.1%	10.0%
ROIC (after tax, excl. GW, adj.)	3.7%	18.8%	-10.6%	21.5%	-53.5%	-71.6%	-65.6%	-17.3%	-3.1%	10.2%
ROE (adj.)	0.5%	17.8%	-22.0%	11.2%	-32.6%	-35.9%	-41.2%	-16.9%	-5.2%	8.9%
ROIC (adj.) - WACC	-8.2%	6.9%	-22.5%	8.9%	-63.4%	-81.9%	-76.5%	-28.9%	-15.0%	-1.8%
MARKET VALUE	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Share price (SEK)				24.0	62.4	10.2	11.2	8.19	8.19	8.19
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	428	428	428
Net debt, year-end (m)	-2	1	10	-60	-62	-233	-49	-11	13	24
MV of min/ass and oth (m)	0	0	0	-426	-426	-426	-44	0	0	0
Enterprise value (m)				102	1,150	n.m.	495	417	441	452
VALUATION	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
EV/sales (x)				1.88	11.93	n.m.	3.63	2.42	2.06	1.48
EV/EBITDA (x)				n.m.	n.m.	n.m.	n.m.	n.m.	16.2	6.9
EV/EBITA (x)				n.m.	n.m.	n.m.	n.m.	n.m.	76.5	10.4
EV/EBIT (x)				n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	17.2
P/E (reported) (x)				39.0	n.m.	n.m.	n.m.	n.m.	n.m.	19.3
P/E (adj.) (x)				39.0	n.m.	n.m.	n.m.	n.m.	n.m.	19.3
P/BV (x)				4.03	8.84	1.20	1.99	1.71	1.79	1.63
EV/invested capital (x)				1.3	10.4	n.m.	2.0	1.8	1.8	1.6
Dividend yield										
Total yield (incl. buybacks)										
FCFE-yield				-5.00%	-3.92%	-34.64%	-21.33%	-6.58%	-3.48%	-0.34%
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	0.6	4.4	0.5	0.4
Net debt/equity (x), year-end	-0.3	0.1	0.7	-0.4	-0.3	-0.5	-0.2	-0.0	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	-7.9		
Cash conversion (FCF/net profit)	n.m.	-196.3%	n.m.	-327.8%	n.m.	n.m.	n.m.	n.m.	n.m.	-6.6%
Capex/sales	15.5%	4.8%	17.8%	22.3%	57.9%	53.3%	24.0%	8.5%	11.7%	12.1%
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 20	Q3 20E	Q4 20E
Sales (m)			30	52	16	38	40	43	40	49
EBITDA (m)			-22	-37	-22	-11	-3	-9	-2	2
EBIT before non-recurring items (m)			-28	-42	-27	-17	-8	-18	-7	-1
Net profit (adj.) (m)			-30	-42	-39	-41	-7	-27	-8	-4
EPS (adj.) (SEK)			-0.58	-0.81	-0.74	-0.78	-0.14	-0.52	-0.15	-0.07
EBITDA margin			-74.9%	-71.3%	n.m.	-28.1%	-6.5%	-21.7%	-4.3%	3.2%
EBIT margin (adj.)			-92.8%	-81.1%	n.m.	-43.3%	-21.0%	-41.3%	-18.2%	-2.5%

Source: Company data, Danske Bank Equity Research estimates

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