

Software, Sweden

Key data

Price (SEK)*	13.8
Country	Sweden
Bloomberg	ZUTEC.SS
Reuters	ZUTEC.ST
Free float	64.0%
Market cap (SEKm)	98
Net debt (current Y/E) (SEKm)	-27
No. of shares (m)	7.1
Next event	Q3: 21-May

* Price as at 15:30 CET on 26 February 2019

CEO	Brendan O'Riordan
CFO	Conor O'Brien

Company description

Zutec was founded in 1999 and is a software company that provides software for project and data management that targets the building and construction sector.

Ownership structure

Brian McGuire	19.0%
Athanase Industrial Partners	17.2%
Humble Fonder	9.5%
Thomas Boland	8.8%

Source: Company data (22 February 2019)

Estimate changes

	2019E	2020E	2021E
Sales	-26.5%	-9.7%	-8.2%
EBITDA	n.m.	n.m.	n.m.
EBIT (adj.)	n.m.	n.m.	n.m.
EPS (adj.)	n.m.	n.m.	n.m.

Source: Danske Bank Equity Research estimates

Analyst(s)

Carolina Elvind
Oscar Stjerngren

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<https://research.danskebank.com/research>

Important disclosures and certifications are contained from page 12 of this report

Zutec

Still early in its journey, near-term volatility pressuring shares

Adjusting the business model towards SaaS to SMEs from large contracts means higher costs, while a large contract in Qatar ending has weighed on sales. We expect the investment case in Zutec to materialise later in the future, although near-term volatility is a risk factor as current sales still hinge on large contracts.

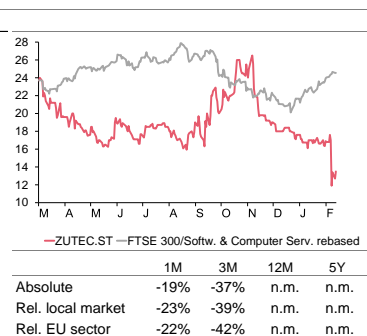
- Continued pressure from Qatar contract ending.** Similar to Q1, sales fell 28% y/y in Q2 to SEK4.3m, due to the large contract in Qatar ending (45% of 2017/18 revenues). This contract could be extended, but there was no news in this report. The operating loss was SEK8.4m in Q2, and at end-Q2, the net cash position was SEK28m. Excluding the Qatar contract, sales grew 5% in H1 2018/19 (year-end June). The CEO is positive and the pipeline of new contracts is strong.
- Investments in sales and marketing.** Zutec is investing in sales and marketing in order to be able to scale up volumes in the new Software-as-a-Service (SaaS) product. Although operating costs were higher than we expected in the quarter, the investment in marketing is in line with the company's communications at the time of the IPO. The company raised SEK50m, of which c.SEK35m was to be used for this purpose. Recent new hires in sales and investments is likely to result in new contracts in the foreseeable future, we believe.
- Weak report, but case is still intact.** The investment case in Zutec is the scaling of SaaS volumes to SMEs (small-to-medium enterprises), adding to its current business of large contracts. Zutec continues to invest in this SaaS solution. Zutec is exposed to the growing market of digitalising the construction sector, and the software has clear value-added qualities, such as efficiency, cost control and data collection.
- Still early on, risk is high.** The main risk is that Zutec is still early on in its journey. Key to its success will be if it can prove successful in building an organisation as well as scaling volumes over time. The majority of the business as it is today is dependent on large contracts that can add volatility to sales when they end.
- Estimate changes.** Following the large sales decline, we adjust our sales estimate 27% downward for 2018/19, and by 8-10% for the next two years.
- Valuation.** Our valuation range is SEK26-33/share (previously SEK27-33/share). At 3.3x 2018/19E EV/sales versus 6.2x EV/sales 2019E for the Nordic software sector, the current valuation looks attractive to us, given long-term high growth and opportunities for high profit margins. However, a discount to peers is warranted given the high risk, in our view.

Key financials

Year-end Jun (SEK)	06/2017	06/2018	06/2019E	06/2020E	06/2021E
Revenues (m)	28	33	21	40	60
Revenues growth		18.9%	-34.6%	88.0%	49.0%
EBITDA (m)	10	6	-20	-9	-1
EBIT adj. (m)	7	2	-25	-15	-7
EBIT growth		-67.6%	n.m.	40.5%	50.4%
Pre-tax profit (m)	7	2	-25	-15	-7
EPS adj.			-3.58	-2.15	-0.98
DPS			0.00	0.00	0.00
Dividend yield					
FCF yield (incl. recurr capex)			-21.0%	-17.9%	-10.4%
EBIT margin (adj.)	26.1%	7.1%	n.m.	-36.5%	-12.1%
Net debt/EBITDA (x)	-0.7	-7.5	1.3	1.0	-1.9
ROIC	217.9%	18.4%	-173.1%	-110.9%	-38.8%
EV/sales (x)			3.3	2.2	1.7
EV/EBITDA (adj.) (x)			n.m.	n.m.	n.m.
EV/EBIT (x)			n.m.	n.m.	n.m.
EV/EBIT (adj.) (x)			n.m.	n.m.	n.m.
P/E (adj.) (x)			n.m.	n.m.	n.m.

Source: Company data, Danske Bank Equity Research estimates

Price performance



Source: FactSet

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Q2 summary

The large contract in Qatar ending continued to weigh on sales in Q2 (3M to December), and we are likely to see a similar development for sales in absolute terms in the current quarter given that no new major contracts were signed. The CEO was very upbeat on the project pipeline, however, and we expect project announcements to support sales from Q4 (calendar Q2) and into the next fiscal year. Given that the Qatar project constituted 45% of sales in the 17/18 fiscal year illustrates the volatility in the current business model. The gradual transition to a SaaS business model with more, smaller customers will, we believe, reduce the volatility over time. Until the company proves that the new business has taken off however, the volatility will persist.

Zutec fiscal Q2 deviation table

SEKm	Q2 18/19A	Q2 18/19E	Deviation	Q2 17/18A
Operating income	4.26	6.85	-38%	5.9
EBITDA	-7.06	-1.34	428%	-1.7
EBIT	-8.40	-2.35	258%	-2.7
PTP	-8.40	-2.35	258%	-2.7
EPS (SEK)	-1.16	-0.33	250%	
Revenue growth	-28%	16%	-44%	n.m.
EBITDA growth	315%	-21%	337%	n.m.
EBIT growth	211%	-13%	224%	n.m.
EBIT margin	-197%	-13%	-184%	n.m.

Source: Company data, Danske Bank Equity Research estimates

The past year has been characterised by a focus on the company's IPO and an increase in sales-related costs. This has yet to bear fruit, but we believe the increase in marketing efforts, digitally as well as 'feet on the street', will support growth in both the 'old' project business and the new SaaS-based offering.

Cashflow was weak in the quarter on the back of the negative earnings, and the company has an outstanding invoice of SEK10m related to the Qatar project. Management does not see any reason why this should not be paid, hence we expect a swingback of working capital in the coming quarters. Cash on hand at the end of Q2 was SEK29m.

Yearly and quarterly estimates

P&L (SEKm)	2016/17	2017/18	Q1 19	Q2 19	Q3 19E	Q4 19E	2018/19E	2019/20E	2020/21E
Revenues	27.6	32.8	5.6	3.9	4.7	7.2	21.5	40.4	60.1
EBITDA	9.9	6.3	-1.7	-7.1	-6.8	-4.5	-20.1	-9.0	-0.5
EBIT	7.2	2.3	-2.7	-8.4	-7.9	-5.7	-24.7	-14.7	-7.3
EBIT margin	26%	7%	-48%	-215%	-167%	-80%	-115%	-36%	-12%
Pre tax profit	7.2	2.3	-2.7	-8.4	-7.9	-5.7	-24.7	-14.7	-7.3
Net profit to equity holders	7.1	2.3	-2.5	-8.3	-7.8	-5.6	-24.1	-14.2	-5.9

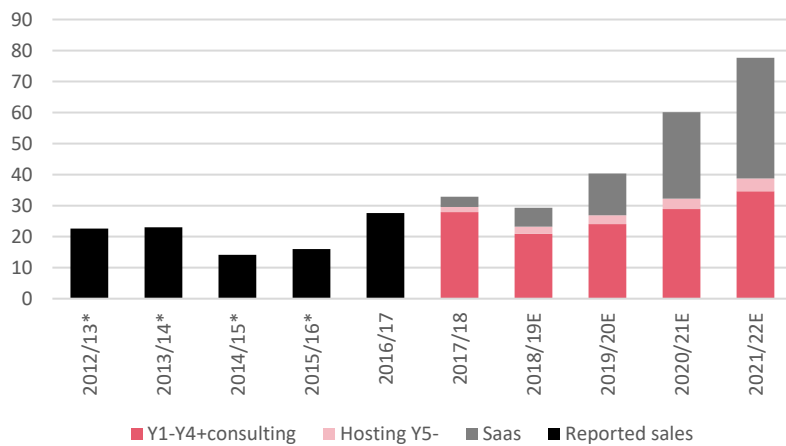
Source: Company data, Danske Bank Equity Research estimates

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Executive summary

Zutec develops and sells software for project management to companies in the construction sector. The main markets are currently the UK/Ireland, Australia and the Middle East. Software for digitalising the construction sector is disruptive and we see large potential for productivity increases and digitalisation within the construction sector, as one of the least digitalised sectors, in the coming years which should imply a very good market development for software such as Zutec's. We expect the recent focus on and investment in volume of SaaS sales towards SMEs to be the main sales driver in the coming years.

Chart 1. Sales development and estimates by type (SEKm)



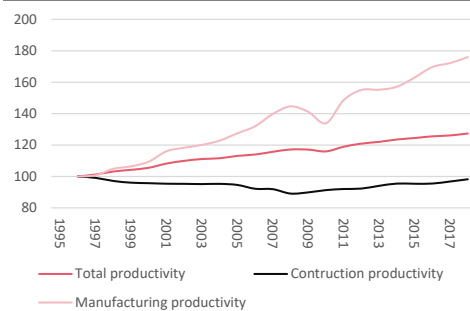
Note: *Zutec Ireland, not the group, has sales in Qatar, the UK, Abu-Dhabi and Ireland.
Source: Company data, Danske Bank Equity Research estimates.

Low but accelerating digitalisation in the construction sector

The construction sector has seen low relative productivity development over the past 20 years, where productivity has barely moved and R&D spend is the lowest. We believe the digitalisation of the construction sector is at an inflection point, where faster digitalisation is driven by, for example, state guidelines regarding BIM (Building Information Modelling). Estimates of the potential market for building collaboration software indicate a global market worth USD2-5bn with an expected CAGR of 15-20% per year (source: company data, Aconex).

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Chart 2. Productivity in euro area - gross value added per hour worked in constant prices (Index 100=1995)



Source: OECD, Danske Bank Equity Research

Digitalisation index: Construction ranks second worst

1	ICT
2	Media
3	Professional Services
4	Finance and Insurance
5	Wholesale trade
6	Advanced manufacturing
7	Oil and gas
8	Utilities
9	Chemicals and pharmaceuticals
10	Mining
11	Real estate
12	Transportation and warehousing
13	Education
14	Retail trade
15	Entertainment and recreation
16	Personal and local services
17	Government
18	Healthcare
19	Hospitality
20	Construction
21	Agriculture and hunting

Source: McKinsey 2015, Danske Bank Equity Research

Value-adding software

Zutec was founded in 1999. Since then, it has provided software and services to larger construction projects with annual sales of some SEK30m. Value added by the software can be summarised as follows:

- **Material efficiency.** Zutec's product offering increases efficiency and control, helps to lower costs and make information easily accessible. For example, one particular project in London, the Shard worth GBP640m, using Zutec's software, was estimated to save some 50 million A4 pages (corresponding to c.550 trees) (company data).
- **Labour efficiency.** We estimate about a third of costs within construction are related to personnel. Increasing efficiency for employees saves costs and time. Sharing data enables all employees to have real-time access to the construction workflow. This enables workers to cross off tasks and keep colleagues informed of the workflow. This could also be linked to a company's budgeting tool, which could in real time illustrate how a task done or when delayed would affect the overall project budget.
- **Data collecting and accountability.** The software stores data on both parts of the building and check-ups signed by employees, which makes it easy to track when something goes wrong and which part can be held accountable.
- **Digitalised building.** The software stores data on all aspects of the building, which is also valuable in the hosting stage, after the building is finalised. The data is owned by the construction company, but is a selling point for them in the final stage, which clearly states the benefit for a construction company in using the software.

The next step: volume sales to SMEs

From the beginning, the software was tailored and developed together with construction companies on large projects, adding functionality gradually over time. In order to be able to scale, recent investments have been steered towards developing a version that targets SMEs.

In a project, there are many parties involved, from architects and engineers to small and large contractors. With Zutec's traditional structure, its software is sold to the main contractor on the project. There is significant potential in targeting the smaller parties involved in a project.

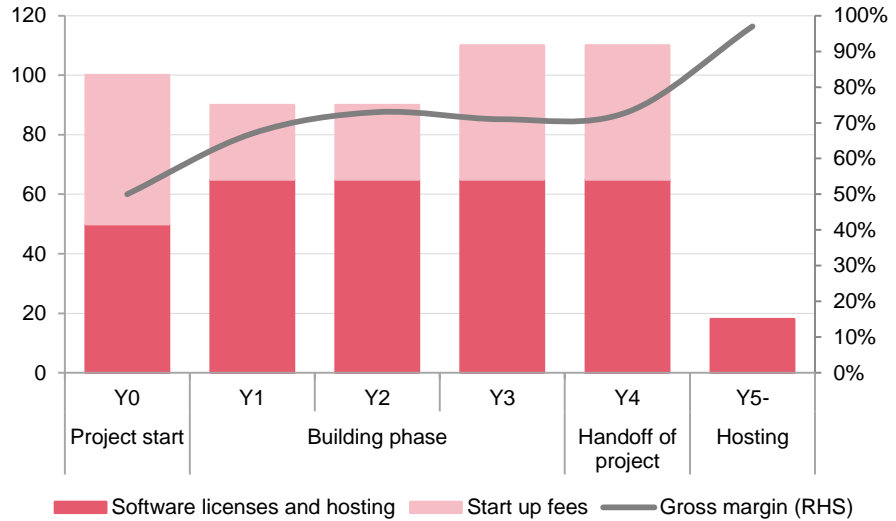
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We believe this is the next major step for Zutech, in order to scale and target the product towards a larger market and we expect this to be a significant driver for its investment case. It will also generate stability in an increased share of recurring revenues and risk diversification in many smaller customers rather than a few large ones. We believe there should be plenty of leads in companies already involved in the same projects Zutech is working on today, which should make it possible for Zutech to scale its operations. However, the cost involved in building up a sales organisation and reach all these customers in order to handle the growing business still constitutes a risk in the case.

Business model

Zutec’s revenues are a mix of subscription, licence and start-up fees. With the volume sales described above, income from subscription fees will increase, as these will be a Software-as-a-service model. The chart below describes Zutec’s income during a typical project. Today, 15% of sales are recurring.

Chart 3. Revenues and gross margin in typical project (SEKm)



Source: Company data

Competition

There are a number of competitors that offer software with similar functions as Zutec. Globally, this is still a fairly young market with low penetration. Recent transactions in the industry including Trimble acquiring e-Builder and Oracle buying Aconex illustrate that the position as an aggregator is attractive for larger players in the industry, and it is a way for broader suppliers in the space to tie customers closer in order to drive sales of software in other parts of the value chain (modelling, BIM etc.). Recent public transactions have valued peers at 8-10x on the most recent year’s reported sales, illustrating the importance of gaining a strong foothold in the niche. In a comparison with Zutec, all acquired companies have been more than 10 times larger in terms of sales, but we argue that the technical platforms are not that dissimilar.

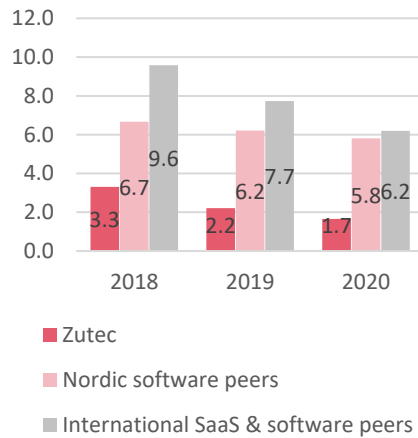
As digitalisation in the construction industry is low, it is not necessarily negative that other large players are expanding within Zutec’s niche. For a small supplier, it is hard to make a change and alter behaviour in the industry. Large suppliers, on the other hand, have the distribution power and customer reach to drive digitalisation. This implies is better to have a smaller share of a rapidly expanding market than a large share of a small market.

Valuation

We believe that the long-term potential for Zutec is significant. In general, SaaS companies are rewarded with high valuations by the market because of the elements of scalability, recurring revenues and stickiness. However, as a small company, the risk is still higher in Zutec compared to most of its peers, which we believe warrants a discount, especially considering the major part of the investment case, in our view, i.e. volume sales (SaaS) have not started to materialise yet. We believe a discount of 10-30% to Nordic software peers on EV/sales is reasonable given the risks. 10-30% discount equates to 4.3-5.6x EV/sales next year, in 2019/20E, which represents a valuation range of SEK26-33.

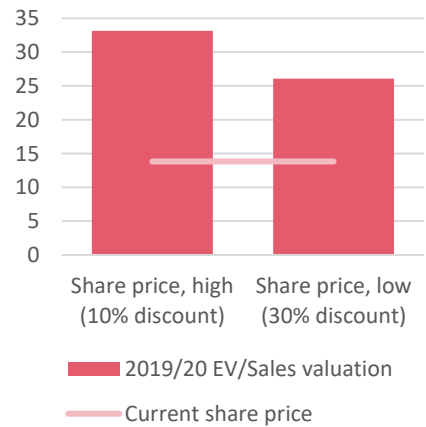
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Chart 4. EV/Sales vs peers* (x)



Note: *18/19E, 19/20E 20/21E respectively for Zutec.
Source: FactSet, Danske Bank Equity Research estimates *

Chart 5. Share price at high end and low end of valuation range (SEK)



Source: Danske Bank Equity research estimates

Risks

We believe the main driver of the investment case is the volume sales. As sales have not ramped up yet, there is still a large amount of risk attached. Zutec is still a small company and investing in new areas, sales processes and organisation can be costly relative to its size before volumes start to ramp up. We believe it is likely that it will need to raise more equity in the future, depending on how rapidly sales ramp up in order to cover the costs of building the organisation.

Zutec is currently dependent on large contracts, which adds volatility to sales, as evidenced in 2014/15 (see Chart 1, p.3). A large contract that ended in July 2018 represents almost half of this financial year's sales, with potential for extension. If not extended, we would expect the order backlog and new sales to mitigate some of the loss but not all, as we expect a sales decline this year (-35%).

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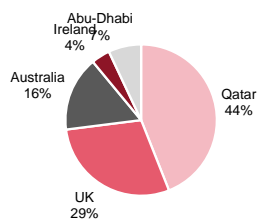
Peers

	Bloomberg ticker	Market cap (local ccy)	Share price (local ccy)	Currency	EV/EBIT (x)			P/E (x)			EV/Sales		
					2018E	2019E	2020E	2018E	2019E	2020E	2018E	2019E	2020E
International SaaS & Software peers													
Nemetschek SE	NEM GR	4,940	128.3	EUR	49.0	39.7	33.6	69.0	56.2	48.3	10.7	9.0	7.8
RIB Software SE	RIB GR	622	12.0	EUR	14.8	13.1	9.2	42.1	32.1	21.7	3.1	2.6	2.2
Box, Inc. Class A	BOX US	3,470	24.2	USD		564.7	78.9		948.0	109.4	5.9	4.7	3.8
Oracle Corporation	ORCL US	188,634	52.6	USD	11.5	11.4	11.1	15.5	14.4	13.5	5.0	5.0	4.9
Trimble Inc.	TRMB US	10,199	40.6	USD	18.0	16.0	14.3	20.9	19.4	17.3	3.7	3.4	3.1
Xero Limited	XRO AU	6,749	48.0	AUD	9	121.7	60.7		182.6	79.7	13.0	10.0	7.9
AppFolio Inc Class A	APPF US	1,144	71.0	USD	92.3	55.5	39.7	114.0	72.5	56.4	12.6	9.7	7.8
Coupa Software, Inc.	COUP US	5,713	96.1	USD	549.8	n.m.	134.8	783.5	n.m.	189.1	21.7	17.3	13.6
Kinaxis, Inc.	KXSCF US	2,183	83.7	CAD	69.9	42.4	30.7	67.4	51.8	43.1	9.6	7.7	6.2
RealPage, Inc.	RP US	5,722	60.9	USD	29.1	23.4	22.2	40.4	34.8	29.8	6.8	5.9	5.1
ServiceNow, Inc.	NOW US	42,494	237.0	USD	79.3	56.3	39.3	95.2	76.5	55.6	16.0	12.0	9.1
Average					224.0	94.4	43.1	138.6	148.8	60.3	9.8	7.9	6.5
Median					59.5	41.0	33.6	67.4	54.0	48.3	9.6	7.7	6.2
Zutec Holding AB	ZUTEC SS	90	13.8	SEK	-2.9	-6.1	-13.7	-3.9	-6.4	-14.0	3.3	2.2	1.7
<i>Premium (+)/Discount(-) to peer median</i>					<i>-105%</i>	<i>-115%</i>	<i>-141%</i>	<i>-106%</i>	<i>-112%</i>	<i>-129%</i>	<i>-65%</i>	<i>-71%</i>	<i>-73%</i>
Nordic SaaS & Software peers													
Admicom Oyj	ADMCM FH	141	29.2	EUR	30.4	20.7	15.8	41.1	28.7	22.6	11.4	8.2	6.0
Fortnox AB	FNOXMTF SS	5,195	87.0	SEK	49.0	33.2	24.0	65.9	45.3	33.7	13.4	10.0	7.9
F-Secure Oyj	FSC1V FH	370	2.3	EUR	57.8	55.9	21.1	108.4	111.7	29.1	2.0	1.7	1.5
IAR Systems Group AB Class B	IARB SS	3,478	257.5	SEK	28.4	24.2	19.5	37.5	33.7	27.6	8.8	7.5	6.5
Cinnober Financial Technology AB Class B	CINN SS		86.1	SEK									
Sectra AB Class B	SECTB SS	8,833	247.2	SEK	37.4	33.6	29.9	50.6	45.2	40.5	6.7	6.2	5.8
SimCorp A/S	SIM DC	23,855	589.0	DKK	30.5	26.9	24.8	42.4	34.7	32.1	8.2	7.4	6.8
ContextVision AB	COV NO	495	64.0	NOK	31.9	263.0	40.8	18.6	39.5	28.1	5.5	5.3	4.6
RaySearch Laboratories AB Class B	RAYB SS	2,609	101.0	SEK	37.0	24.2	15.5	44.1	38.9	23.4	5.6	4.4	3.6
Micro Systemation AB Class B	MSABB SS	928	52.9	SEK	27.5	15.7	10.1	36.5	23.3	15.4	2.9	2.5	2.1
Average					36.7	55.3	22.4	49.5	44.6	28.0	7.2	5.9	5.0
Median					31.9	26.9	21.1	42.4	38.9	28.1	6.7	6.2	5.8
Zutec Holding AB	ZUTEC SS	90.0	13.8	SEK	-2.9	-6.1	-13.7	-3.9	-6.4	-14.0	3.3	2.2	1.7
<i>Premium (+)/Discount(-) to peer median</i>					<i>-109%</i>	<i>-123%</i>	<i>-165%</i>	<i>-109%</i>	<i>-116%</i>	<i>-150%</i>	<i>-50%</i>	<i>-64%</i>	<i>-71%</i>

Source: FactSet prices and peer estimates as of close on 26 February 2019 (15.30 CET), Danske Bank Equity Research (Zutec estimates) - 18/19E, 19/20E, 20/21E respectively for Zutec.

Company summary

Sales breakdown, geographical areas



Sales breakdown, divisions

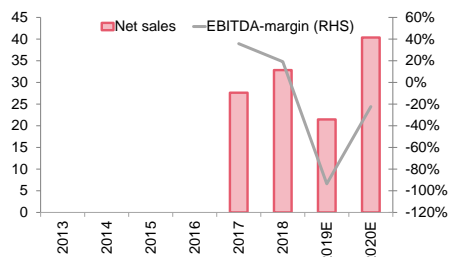
Company information

Zutec
 Adelphi Plaza, Upper George's Street, Dun Laoghaire, Dublin
 Ireland
 www.zutec.com

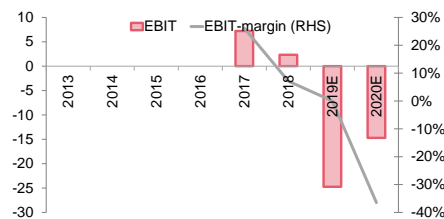
Main shareholders

Name	Votes (%)	Capital (%)
Brian McGuire	19.0%	19.0%
Athanase Industrial Partners	17.2%	17.2%
Humle Fonder	9.5%	9.5%
Thomas Boland	8.8%	8.8%

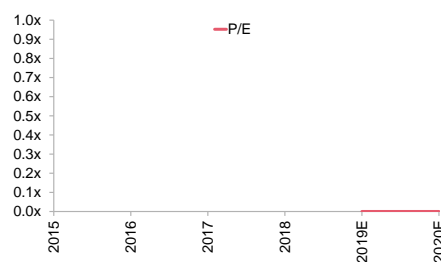
Net sales and EBITDA margin (SEKm)



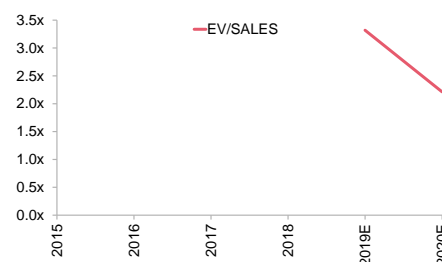
EBIT and EBIT-margin (SEKm)



P/E NTM



EV/Sales NTM



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

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Summary tables

INCOME STATEMENT										
Year end Jun, SEKm	06/2013	06/2014	06/2015	06/2016	06/2017	06/2018	06/2019E	06/2020E	06/2021E	06/2022E
Net sales					28	33	21	40	60	78
Cost of sales & operating costs					-18	-29	-42	-49	-61	-69
EBITDA					10	6	-20	-9	-1	8
EBITDA, adj.					10	6	-20	-9	-1	8
Depreciation					-3	-4	-5	-6	-7	-8
EBITA					7	2	-25	-15	-7	0
EBIT incl. EO, bef. ass.					7	2	-25	-15	-7	0
EBIT, adj.					7	2	-25	-15	-7	0
Financial items, net	0	0	0	0	0	0	0	0	0	0
Pre-tax profit					7	2	-25	-15	-7	0
Taxes					-0	-0			1	-0
Minorities					-0	-0	-1	-1	-1	-1
Net profit, rep.					7	2	-25	-15	-7	-0
Net profit, adj.					7	2	-25	-15	-7	-0
CASH FLOW										
SEKm	06/2013	06/2014	06/2015	06/2016	06/2017	06/2018	06/2019E	06/2020E	06/2021E	06/2022E
EBITDA					10	6	-20	-9	-1	8
Change in working capital						-8	7	-1	-1	-1
Net interest paid						0	0			
Taxes paid						0			1	-0
Other operating cash items						-0	-1		0	
Cash flow from operations					0	-2	-14	-10	-0	7
Capex						-5	-7	-8	-10	-10
Div to min										
Free cash flow					0	-7	-21	-18	-10	-3
Disposals/(acquisitions)						10				
Free cash flow to equity					0	3	-21	-18	-10	-3
Dividend paid										
Share buybacks										
New issue common stock						44				
Incr./(decr.) in debt									10	10
Minorities & other financing CF						-0				
Cash flow from financing					0	44	0	0	10	10
Disc. ops & other										
Incr./(decr.) in cash					0	47	-21	-18	-0	7
BALANCE SHEET										
SEKm	06/2013	06/2014	06/2015	06/2016	06/2017	06/2018	06/2019E	06/2020E	06/2021E	06/2022E
Cash & cash equivalents					7	47	27	9	9	16
Inventory										
Trade receivables					9	15	5	6	6	7
Other current assets					3	7	6	6	6	6
Goodwill										
Other intangible assets										
Fixed tangible assets					8	10	12	14	18	20
Associated companies										
Other non-current assets					0	0				
Total assets					26	78	50	35	39	49
Shareholders' equity					13	64	39	24	17	18
Of which minority interests					1	1	0	1	1	2
Current liabilities					13	14	11	11	11	11
Interest-bearing debt									10	20
Pension liabilities										
Oth non-curr. liabilities										
Total liabilities					13	14	11	11	21	31
Total liabilities and equity					26	78	50	35	39	49
Net debt					-7	-47	-27	-9	1	4

Source: Company data, Danske Bank Equity Research estimates

Summary tables

PER SHARE DATA	06/2013	06/2014	06/2015	06/2016	06/2017	06/2018	06/2019E	06/2020E	06/2021E	06/2022E
No. of shares, fully diluted (y.e.) (m)							7.1	7.1	7.1	7.1
No. of shares, fully diluted (avg.) (m)							7.1	7.1	7.1	7.1
EPS (SEK)							-3.58	-2.15	-0.98	-0.02
EPS adj. (SEK)							-3.58	-2.15	-0.98	-0.02
DPS (SEK)							0.00	0.00	0.00	0.00
CFFO/share (SEK)							-2.0	-1.4	-0.0	1.0
Book value/share (SEK)							5.44	3.29	2.31	2.29
MARGINS AND GROWTH	06/2013	06/2014	06/2015	06/2016	06/2017	06/2018	06/2019E	06/2020E	06/2021E	06/2022E
EBITDA margin					35.7%	19.1%	-93.6%	-22.4%	-0.9%	10.7%
EBITA margin					26.1%	7.1%	n.m.	-36.5%	-12.1%	0.6%
EBIT margin					26.1%	7.1%	n.m.	-36.5%	-12.1%	0.6%
EBIT adj margin					26.1%	7.1%	n.m.	-36.5%	-12.1%	0.6%
Sales growth						18.9%	-34.6%	88.0%	49.0%	29.2%
EBITDA growth						-36.3%	n.m.	55.1%	94.1%	n.m.
EBITA growth						-67.6%	n.m.	40.5%	50.4%	n.m.
EPS adj growth								39.8%	54.3%	98.3%
PROFITABILITY	06/2013	06/2014	06/2015	06/2016	06/2017	06/2018	06/2019E	06/2020E	06/2021E	06/2022E
ROIC (after tax, incl. GW, adj.)					217.9%	18.4%	-173.1%	-110.9%	-38.8%	2.1%
ROIC (after tax, excl. GW, adj.)					217.9%	18.4%	-173.1%	-110.9%	-38.8%	2.1%
ROE (adj.)					100.6%	5.1%	-49.3%	-48.8%	-33.7%	-0.7%
ROIC (adj.) - WACC					210.3%	10.9%	-180.7%	-118.5%	-46.3%	-5.5%
MARKET VALUE	06/2013	06/2014	06/2015	06/2016	06/2017	06/2018	06/2019E	06/2020E	06/2021E	06/2022E
Share price (SEK)						18.1	13.8	13.8	13.8	13.8
No. shares reduced by buybacks (m)							7.1	7.1	7.1	7.1
Mkt cap used in EV (m)							98	98	98	98
Net debt, year-end (m)					-7	-47	-27	-9	1	4
MV of min/ass and oth (m)					1	1	0	1	1	2
Enterprise value (m)							71	89	100	104
VALUATION	06/2013	06/2014	06/2015	06/2016	06/2017	06/2018	06/2019E	06/2020E	06/2021E	06/2022E
EV/sales (x)							3.3	2.2	1.7	1.3
EV/EBITDA (x)							n.m.	n.m.	n.m.	12.5
EV/EBITA (x)							n.m.	n.m.	n.m.	n.m.
EV/EBIT (x)							n.m.	n.m.	n.m.	n.m.
P/E (reported) (x)							n.m.	n.m.	n.m.	n.m.
P/E (adj.) (x)							n.m.	n.m.	n.m.	n.m.
P/BV (x)							2.54	4.20	5.99	6.04
EV/invested capital (x)										
Dividend yield										
Total yield (incl. buybacks)										
FCFE-yield							-20.99%	-17.89%	-10.43%	-3.06%
FINANCIAL RATIOS	06/2013	06/2014	06/2015	06/2016	06/2017	06/2018	06/2019E	06/2020E	06/2021E	06/2022E
Net debt/EBITDA (x)					-0.7	-7.5	1.3	1.0	-1.9	0.5
Net debt/equity (x), year-end					-0.5	-0.7	-0.7	-0.4	0.1	0.2
Dividend payout ratio							0.0%	0.0%	0.0%	0.0%
Interest coverage (x)										
Cash conversion (FCF/net profit)					0.0%	-357.8%	n.m.	n.m.	n.m.	n.m.
Capex/sales						16.1%	31.0%	19.5%	16.6%	12.9%
NWC/sales					-3.8%	21.5%	-1.9%	0.6%	1.3%	2.6%
QUARTERLY P&L			Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19E	Q3 19E	Q4 19E
Sales (m)			0	0	0	0	6	4	5	7
EBITDA (m)			0	0	0	0	-2	-7	-7	-5
EBIT before non-recurring items (m)			0	0	0	0	-3	-8	-8	-6
Net profit (adj.) (m)			0	0	0	0	-3	-9	-8	-6
EPS (adj.) (SEK)			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EBITDA margin			n.m.	n.m.	n.m.	n.m.	-30.6%	n.m.	n.m.	-63.0%
EBIT margin (adj.)			n.m.	n.m.	n.m.	n.m.	-47.6%	n.m.	n.m.	-79.9%

Source: Company data, Danske Bank Equity Research estimates

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