

Aerospace & Defence

Key data

Price (SEK)*	17.8
Country	Sweden
Bloomberg	GOMX.SS
Reuters	GOMX.ST
Free float	90.0%
Market cap (SEKm)	932
Net debt (current Y/E) (SEKm)	-42
No. of shares (m)	52.3
Next event	Q3: 25-Oct

* Price as at close on 20 July 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 Bank	13.7%
Hansen & Langeland Aps	10.9%
Saxo Bank A/S Client Assets	7.1%
Sparekassen Kronjylland	4.5%
BNY Mellon SA/NV (former BNY), W	4.1%

Source: Company data (31 Mar 2021)

Estimate changes

	21E	22E	23E
Sales	11.2%	11.0%	8.7%
EBITDA	-75.4%	6.0%	7.9%
EBIT (adj.)	n.m.	13.7%	13.3%
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 10 of this report

GomSpace

Another sign of the turnaround

While Q2 was slightly below our estimates, focus is on the Indra order for three satellites, a demonstration project that if successful could translate into material upside for GomSpace. Component sourcing continues to weigh on short-term deliveries and the recent order carries a lower margin initially. We now model 2021 sales slightly above the low end of the guided range. We raise our valuation range to SEK21-33 from SEK17-27.

- Q2 21 review.** The focus in Q2 was the EUR14.5m order from Spanish Indra, which prompted raised 2021 revenue guidance. As for Q2 financials, revenue growth of 11% y/y was hampered by the current (global) component shortage and together with mix, it saw Q2 gross margin at 14%. However, order intake was the main attraction in Q2, at SEK199m (up c.5x y/y) as it includes the 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 that 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 successful) it aims to deploy up to 200 satellites for this operation. If GomSpace were to be the supplier for that phase as well, it would offer significant upside to orders and revenues (potentially in the size of tens of millions of euros, we believe). We view this initial order as another sign of the positive development journey that GomSpace has been on for the past few years.
- Estimate revisions.** We include the recent order in our estimates and now model 2021 sales slightly above the low end of the range guided by GomSpace (SEK254m, versus range SEK245-270m). In all, we have raised 2022-23E EBIT by low double digits.
- Valuation.** Based on our estimates, GomSpace trades at EV/sales of 2.8x for 2022. 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 considerably in 2022. On the back of higher peer group multiples and raised estimates, we raise our valuation range to SEK21-33/share from SEK17-27 previously.

Key financials

Year-end Dec (SEK)	2019	2020	2021E	2022E	2023E
Revenues (m)	136	195	254	342	442
Revenues growth	-11.2%	42.8%	30.4%	34.9%	29.2%
EBITDA (m)	-81.6	1.4	5.9	71.6	106
EBIT adj. (m)	-114	-32.3	-26.3	33.5	66.2
EBIT growth	2.3%	71.7%	18.4%	n.m.	97.3%
Pre-tax profit (m)	-147	-49.7	-26.8	29.5	67.2
EPS adj.	-2.90	-0.87	-0.46	0.57	1.27
DPS	0.00	0.00	0.00	0.00	0.00
Dividend yield					
FCFE yield (pre-IFRS16)	-22.9%	2.0%	-4.4%	-0.6%	4.4%
EBIT margin (adj.)	-83.6%	-16.6%	-10.4%	9.8%	15.0%
Net debt/EBITDA (x)	0.6	-52.8	-7.1	-0.5	-0.7
ROIC	-64.6%	-17.2%	-12.5%	16.6%	28.1%
EV/sales (x)	4.0	4.0	3.5	2.6	1.9
EV/EBITDA (adj.) (x)	n.m.	n.m.	n.m.	12.5	8.1
EV/EBITA (adj.) (x)	n.m.	n.m.	n.m.	18.2	10.1
EV/EBIT (adj.) (x)	n.m.	n.m.	n.m.	26.7	13.0
P/E (adj.) (x)	n.m.	n.m.	n.m.	31.5	14.1

Source: Company data, Danske Bank Equity Research estimates

Price performance



Source: FactSet

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Q2 21 summary

Q2 was slightly off our estimates, but what is important and what we focus on is the large Spanish order GomSpace received in May, which we think is another data point that points to the 'turnaround' GomSpace has made over the past few years.

Q2 revenues grew 11% y/y but were hampered by the continued supply (semi) issues. This together with mix saw the Q2 gross margin at 14% (ahead of Q2 20 but below our 31% estimate), thus EBIT of SEK-12m was below our estimate.

More important is the EUR14.5m Spanish order for three nanosatellites that GomSpace received in May and which prompted a 2021 revenue guidance range upgrade.

- In May, GomSpace received a very important EUR14.5m order from Spanish tech consultant Indra and the Spanish Air Navigational Service Provider Enaire for the development and launch of three IOD (in orbit demonstration) nanosats, with revenues up until 2023. GomSpace says it will expand its organisation (as it is now back in growth mode). We believe this order will require many hours to begin with (lower gross margin), i.e. lower margin impact in the initial phase.
- On the back of that order, GomSpace in May raised its 2021 revenue outlook range by c.16% to SEK245-270m from SEK210-235m. However, due to the sourcing issues, GomSpace now says that the lower end might be more likely. Our previous 2021 revenue estimate was SEK228m and we now estimate SEK254m.

The order intake in Q2 included the EUR14.5m Indra order and was SEK199m (up from SEK42m Q2 20). The order backlog as of 30 June was SEK338m (SEK189m in Q1 21).

Table 1. Deviation of actual results from estimates for Q2 21

SEKm	Q2 21A	Danske Q2 21E	Deviation	Q2 20A
Revenues (Q4 was known)	47.5	49.0	-3%	42.7
Gross profit	6.8	15.1	-55%	4.8
Margin	14%	31%	-16.6%	11%
Opex	-11.0	-11.3	2%	-14.1
Adj. EBITDA	-4.2	3.9	209%	-9.3
D&A	-8.1	-8.0	-1%	-5.6
Adj. EBIT	-12.3	-4.2	-197%	-14.9
PTP	-13.1	-4.2	-215%	-25.6
Net profit	-11.3	-3.9	-185%	-24.4
Revenue growth	11%	15%	-3%	-18%
EBIT growth	n.m.	n.m.	n.m.	-65%
EBITDA margin	-9%	8%	n.m.	-22%
EBIT margin	-126%	-27%	-98%	-35%

Source: Company data, Danske Bank Equity Research estimates

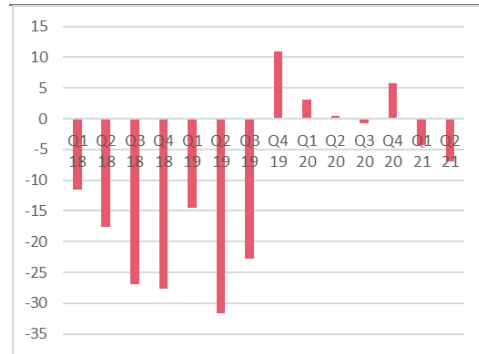
Cash flow

Cash flow from operations (after changes in working capital) was positive in Q2, but was helped somewhat by working capital release. This is a continuation of better cash flows than seen in 2019 and previously.

GomSpace raised its revenue guidance range for 2021 (albeit it now says that revenue might come in at the lower end of the range). This coupled with what we believe are lower margins on the Indra order leads us to expect negative cash flow this year, but we still believe that GomSpace is on track for at least neutral cash flow. GomSpace ended Q2 with a cash position of SEK102m, with limited debt.

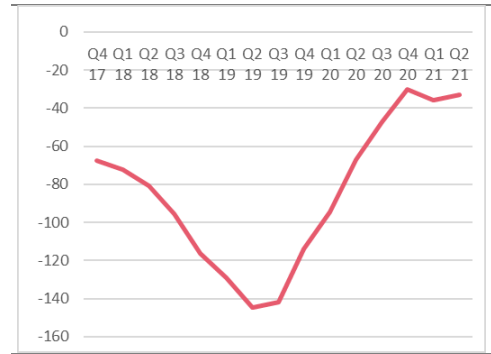
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Chart 1. Operational cash flow (before changes in working capital), quarterly (SEKm)



Source: Company data, Danske Bank Equity Research

Chart 2. EBIT, rolling 12 months (SEKm)

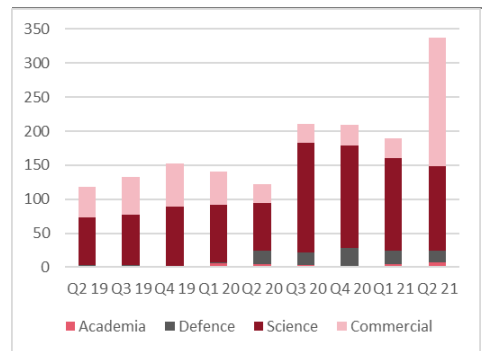


Source: Company data, Danske Bank Equity Research

Order intake

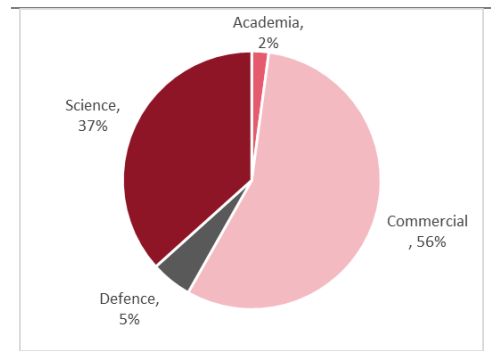
In Q2 21, GomSpace's order intake was SEK199m, up almost 5x over Q2 20, mainly driven by the Indra order, as detailed below. The order backlog per end-quarter was SEK338m.

Chart 3. Order backlog Q2 21 (SEKm)



Source: Company data, Danske Bank Equity Research estimates

Chart 4. Order backlog 30 June 2021



Source: Company data, Danske Bank Equity Research estimates

Project pipeline

We highlight three important projects that could scale 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 to the success of the projects.

Notable recent orders

- 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* that 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), it aims to deploy up to 200 satellites for this operation. If GomSpace were to be the supplier for that phase as well, it 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.

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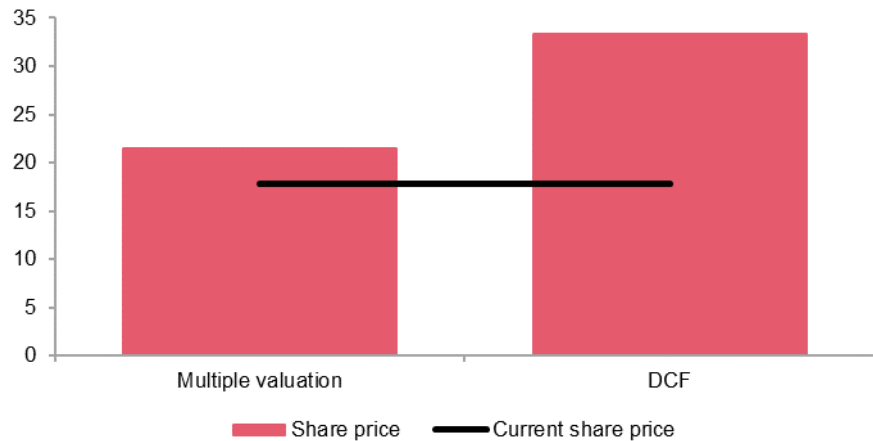
- **Q4 20.** SEK5.1m order to be delivered in 2021 from an existing North American customer in the geo-intelligence industry. The order is for GomSpace to deliver its software defined radio modules and antenna systems. We assume the customer is the same as that detailed below from Q4 19 and this indicates 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.

Valuation

We continue to see significant long-term potential following the uncertainty regarding previously removed orders and writedowns 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 slightly higher peer multiples and raised estimates, we raise our valuation range to SEK21-33 per share from SEK17-27.

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Chart 5. 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 11.1%, the value is SEK33. In this scenario, GomSpace reaches SEK1.5bn sales in 2026E, all else being equal. We base our multiple valuation on EV/EBIT 2022E of 33x (previously 28.5x), reflecting the Nordic tech peer group’s 2022E multiple (not discounted), based on FactSet consensus, which gives us a value of SEK21 per share (previously SEK17). 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 SEK43 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, 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.

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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

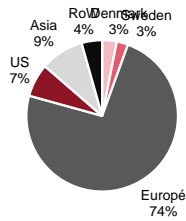
Table 2. Key figures and estimates

SEKm	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21E	Q4 21E	2020	2021E	2022E	2023E
Revenues	40.5	42.7	39.1	72.3	35.2	47.5	68.9	102.0	195	254	342	442
Gross profit	9.8	4.8	9.2	23.8	1.0	6.8	15.1	24.2	48	47	141	203
Gross margin	24%	11%	24%	33%	3%	14%	22%	24%	24%	19%	41%	46%
EBITDA	0.1	-9.3	1.0	8.8	-5.9	-4.2	4.8	11.2	0.6	5.9	71.6	108.3
EBITDA Margin	0%	-22%	2%	12%	-17%	-9%	7%	11%	0%	2%	21%	24%
EBIT	-8.5	-14.9	-7.2	0.3	-13.9	-12.3	-3.3	3.2	-32.3	-26.3	33.5	67.2
EBIT margin	-21%	-35%	-18%	0%	-39%	-26%	-5%	3%	-17%	-10%	10%	15%
PTP	-8.2	-25.6	-9.3	-4.6	-13.6	-13.1	-3.3	3.2	-49.7	-26.8	29.5	63.2
Net profit	-7.5	-24.4	-7.4	-4.3	-12.5	-11.3	-3.1	3.0	-45.6	-23.9	29.5	63.2
Revenue												
Sales of satellite solutions	31.7	31.9	33.0	54.3	28.3	28.3	54.1	80.0	151	191	271	335
Sales of platforms, payloads and subsystems	8.7	9.5	7.5	17.9	6.9	6.9	14.8	22.0	44	51	61	70
Constellation management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	10	37
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	35.2	68.9	102.0	195	241	342	442

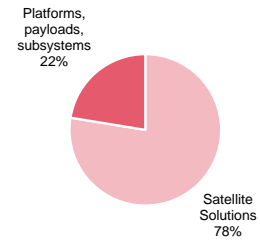
Source: Company data, Danske Bank Equity Research estimates

Company summary

Sales breakdown by geographical area



Sales breakdown by division



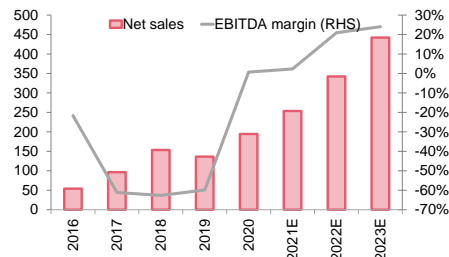
Company information

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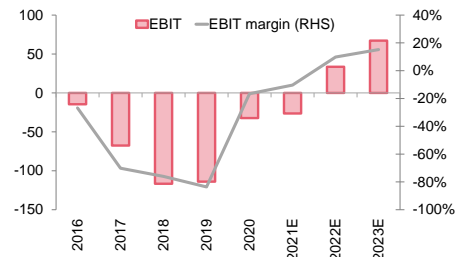
Main shareholders

Name	Votes (%)	Capital (%)
BNY Mellon SA/NV FRKN Jyske Bank, V	13.7%	13.7%
Hansen & Langeland Aps	10.9%	10.9%
Saxo Bank A/S Client Assets	7.1%	7.1%
Sparekassen Kronjylland	4.5%	4.5%
BNY Mellon SA/NV (former BNY), W8IV	4.1%	4.1%

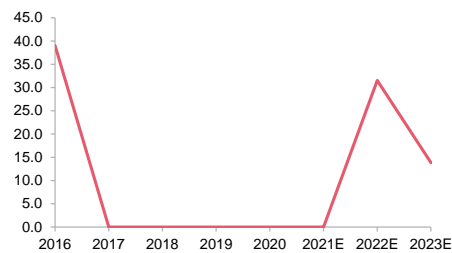
Net sales and EBITDA margin (SEKm)



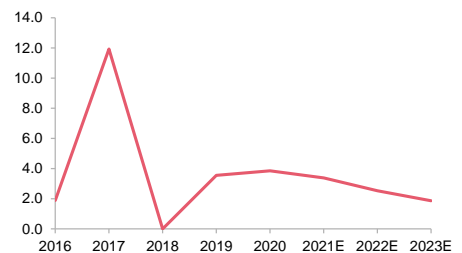
EBIT and EBIT margin (SEKm)



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	254	342	442
Cost of sales & operating costs	-23.4	-34.9	-65.9	-155	-249	-218	-193	-248	-271	-336
EBITDA	3.2	-0.8	-11.7	-58.9	-96.1	-81.6	1.4	5.9	71.6	106
EBITDA, adj.	3.2	-0.8	-11.7	-58.9	-96.1	-81.6	1.4	5.9	71.6	106
Depreciation	-0.1	-0.4	-0.8	-3.9	-9.6	-20.7	-20.4	-19.0	-22.3	-22.3
EBITA	3.1	-1.2	-12.5	-62.8	-106	-102	-19.0	-13.1	49.4	86.0
EBIT incl. EO, bef. ass.	1.8	-2.4	-14.5	-67.6	-117	-114	-32.3	-26.3	33.5	67.2
EBIT, adj.	1.8	-2.4	-14.5	-67.6	-117	-114	-32.3	-26.3	33.5	66.2
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	-0.4	-4.0	0.0
Pre-tax profit	1.6	-3.1	5.5	-66.5	-123	-147	-49.7	-26.8	29.5	67.2
Taxes	-0.4	0.8	3.5	12.5	10.3	-5.1	4.1	2.9		
Net profit, rep.	1.2	-2.4	9.0	-54.0	-112	-152	-45.6	-23.9	29.5	67.2
Net profit, adj.	1.2	-2.4	9.0	-54.0	-112	-152	-45.6	-23.9	29.5	66.2
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	5.9	71.6	106
Change in working capital	-4.4	-9.7	-4.7	43.5	-18.7	-34.6	34.8	-19.5	-35.2	-22.8
Net interest paid	-0.2	-0.7	-1.3	-1.4	-3.6	-4.6	-3.6	-0.4	-4.0	
Taxes paid	0.1			2.3	5.3	7.7	-0.4	2.9		
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	-11.1	32.4	83.5
Capex	-1.3	-6.1	-12.1	-55.8	-81.8	-32.7	-16.7	-21.2	-30.0	-34.0
Div to min										
Free cash flow	-2.4	-17.3	-29.4	-64.2	-184	-125	26.8	-32.3	2.4	49.5
Disposals/(acquisitions)			-2.9	-24.1						
Free cash flow to equity	-2.4	-17.3	-32.3	-88.3	-184	-125	26.8	-32.3	2.4	49.5
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			
Minorities & other financing CF			-22.1	-2.8	1.1	-10.9	-19.5	0.9	-10.0	-10.0
Cash flow from financing	0.0	12.7	105	113	358	-17.0	-18.4	0.9	-10.0	-10.0
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	-31.4	-7.6	39.5
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	104	96.5	136
Inventory	3.5	2.9	4.3	9.8	34.8	24.1	26.4	45.7	68.5	84.0
Trade receivables	9.1	16.8	52.1	65.8	97.0	37.2	21.7	38.1	61.6	97.3
Other current assets	0.0	0.0	0.0	0.0		25.2	31.1	43.1	61.6	79.6
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	117	127	136
Fixed tangible assets	0.5	0.7	6.4	21.3	37.9	31.1	22.3	18.5	10.3	6.0
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	407	467	580
Shareholders' equity	7.7	13.8	146	185	442	296	247	224	253	320
Of which minority interests										
Current liabilities	8.0	4.6	46.4	93.8	131	59.6	86.0	114	144	190
Interest-bearing debt	2.2	10.8	13.5	34.0	36.2	23.8	30.2	30.2	30.2	30.2
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	184	214	260
Total liabilities and equity	19.1	30.1	209	313	609	437	403	407	467	580
Net debt	0.6	9.5	-60.3	-61.6	-233	-103	-105	-73.9	-66.3	-106

Source: Company data, Danske Bank Equity Research estimates

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 (av.g.) (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	-0.46	0.57	1.29
EPS adj. (SEK)			0.62	-2.08	-3.93	-2.90	-0.87	-0.46	0.57	1.27
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	-0.2	0.6	1.6
Book value/share (SEK)			5.96	7.06	8.45	5.66	4.73	4.28	4.84	6.13
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%	2.3%	20.9%	24.0%
EBITA margin	11.6%	-3.5%	-23.2%	-65.1%	-68.9%	-75.0%	-9.8%	-5.2%	14.4%	19.5%
EBIT margin	6.6%	-6.9%	-26.8%	-70.1%	-76.0%	-83.6%	-16.6%	-10.4%	9.8%	15.2%
EBIT adj margin	6.6%	-6.9%	-26.8%	-70.1%	-76.0%	-83.6%	-16.6%	-10.4%	9.8%	15.0%
Sales growth	n.m.	27.9%	58.8%	78.1%	59.1%	-11.2%	42.8%	30.4%	34.9%	29.2%
EBITDA growth	n.m.	n.m.	n.m.	n.m.	-63.0%	15.1%	n.m.	n.m.	n.m.	48.4%
EBITA growth	n.m.	n.m.	n.m.	n.m.	-68.3%	3.3%	81.4%	30.9%	n.m.	74.3%
EPS adj growth				n.m.	-88.5%	26.1%	70.0%	47.6%	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%	-12.5%	16.6%	28.1%
ROIC (after tax, excl. GW, adj.)	18.8%	-10.6%	21.5%	-53.5%	-71.6%	-65.6%	-17.5%	-12.7%	16.9%	28.5%
ROE (adj.)	17.8%	-22.0%	11.2%	-32.6%	-35.9%	-41.2%	-16.8%	-10.1%	12.4%	23.1%
ROIC (adj.) - WACC	7.7%	-21.8%	9.6%	-62.7%	-81.1%	-75.7%	-28.3%	-23.6%	5.4%	16.9%
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	17.8	17.8	17.8
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	932	932	932
Net debt, year-end (m)	1	10	-60	-62	-233	-49	-74	-42	-34	-74
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	890	897	858
VALUATION	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EV/sales (x)			1.88	11.93	n.m.	3.96	4.02	3.51	2.62	1.94
EV/EBITDA (x)			n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	12.5	8.1
EV/EBITA (x)			n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	18.2	10.1
EV/EBIT (x)			n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	26.7	13.0
P/E (reported) (x)			39.0	n.m.	n.m.	n.m.	n.m.	n.m.	31.5	13.9
P/E (adj.) (x)			39.0	n.m.	n.m.	n.m.	n.m.	n.m.	31.5	14.1
P/BV (x)			4.03	8.84	1.20	1.99	3.46	4.17	3.68	2.91
EV/invested capital (x)			1.3	10.4	n.m.	2.2	4.4	4.8	4.1	3.5
Dividend yield										
Total yield (incl. buybacks)										
FCFE-yield			-5.00%	-3.92%	-34.64%	-21.33%	3.13%	-3.47%	0.26%	5.31%
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	-7.1	-0.5	-0.7
Net debt/equity (x), year-end	0.1	0.7	-0.4	-0.3	-0.5	-0.2	-0.3	-0.2	-0.1	-0.2
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	-16.7		
Cash conversion (FCF/net profit)	-196.3%	n.m.	-327.8%	n.m.	n.m.	n.m.	n.m.	n.m.	8.1%	73.6%
Capex/sales	4.8%	17.8%	22.3%	57.9%	53.3%	24.0%	8.6%	8.4%	8.8%	7.7%
NWC/sales	17.2%	44.3%	18.4%	-18.9%	0.9%	19.8%	-3.5%	5.0%	14.0%	16.0%
QUARTERLY P&L			Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21E	Q4 21E
Sales (m)			40.5	42.7	39.1	72.3	35.2	47.5	68.9	102
EBITDA (m)			-2.6	-9.3	-1.8	6.0	-8.6	-7.0	2.0	8.5
EBIT before non-recurring items (m)			-8.5	-17.7	-7.2	3.1	-13.9	-12.3	-3.3	3.2
Net profit (adj.) (m)			-7.5	-27.2	-7.4	-3.5	-12.5	-11.3	-3.1	3.0
EPS (adj.) (SEK)			-0.14	-0.52	-0.14	-0.07	-0.24	-0.22	-0.06	0.06
EBITDA margin			-6.5%	-21.7%	-4.6%	8.4%	-24.5%	-14.7%	2.9%	8.3%
EBIT margin (adj.)			-21.0%	-41.3%	-18.5%	4.3%	-39.5%	-25.9%	-4.7%	3.1%

Source: Company data, Danske Bank Equity Research estimates

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