

COMPANY UPDATE

14 February 2025
Sweden
Healthcare

Research analysts:

Rikard Engberg

Mentice

Share price: SEK24.9

Fair value range: SEK37.0–49.0

A strong start for new CEO – Q4 review

Ending the year with growth in line with financial targets

Sales in Q4 were SEK86m compared to our estimate of SEK83m, corresponding to growth of 22.4% Y/Y, of which 21.4%-points organic. We consider this a solid number, suggesting that Mentice is back on track to deliver on its financial target of a 20–30% Y/Y growth rate. Order intake in Q4 was SEK109m vs our estimate of SEK124m, corresponding to growth of 4.7% Y/Y. We believe that part of the deviation is explained by major orders announced early in the quarter being delivered during the quarter. The order book at the end of the year was SEK138m, vs our estimate of SEK158m. Some SEK12m of the deviation is due to an adjustment made for an order received before 2023 with an undefined delivery. Mentice expects to deliver SEK96m of the order book in 2025.

Conservative approach regarding top-line growth

Due to the lower order intake and the adjustments to the order book, we are lowering our sales estimates for 2025 by 4%. Given the good cost control and strong gross margin in the quarter we are lowering our EBITDA estimate by just 3% for 2025. For 2026e we are keeping our sales estimate and increasing our EBITDA estimate by 3%, because of the high gross margin in the quarter and an increased share of software in revenue going forward.

Report confirms our investment case

We believe that the report today confirms our investment case that Mentice is close to reaching the volumes and sales it needs to start show consistent profitable growth. While there still may be volatility, we believe that the new management has started taking steps to improve cost control and scalability.

Minor adjustment in fair value range

We change our fair value range to SEK37–49 (40–48). Mentice currently trades close to an all-time low in terms of EV/S NTM. We believe that consistently strong momentum in profitable growth will be able to change this.

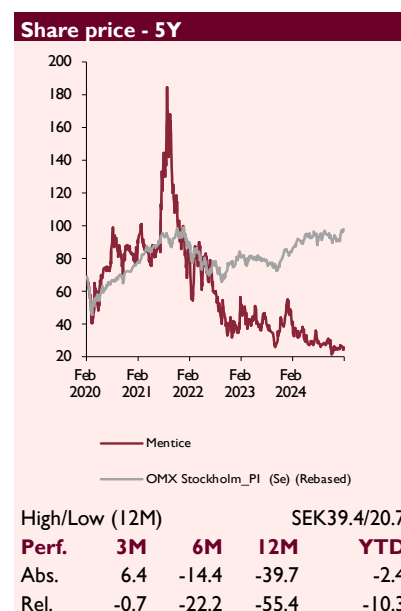
Upcoming events

- Q1 Report: 08 May 2025
- Q2 Report: 24 Jul 2025

Changes in this report			
	From	To	Chg
EPS adj. 2025e	0.56	0.44	-21%
EPS adj. 2026e	0.66	0.81	+23%
EPS adj. 2027e	n.a.	1.19	n.a.

Key facts	
No. shares (m)	25.6
Market cap. (USDm)	58
Market cap. (SEKm)	637
Net IB Debt. (SEKm)	-54
Adjustments (SEKm)	0
EV (2025e) (SEKm)	582
Free float	40.3%
Avg. daily vol. ('000)	8
Risk	High Risk
Fiscal year end	December
Share price as of (CET)	13 Feb 2025 00:00

Key figures (SEK)	2024	2025e	2026e	2027e
Sales (m)	290	331	389	418
EBITDA (m)	19	36	46	58
EBIT (m)	-12	10	20	32
EPS	-0.72	0.25	0.62	1.00
EPS adj.	-0.29	0.44	0.81	1.19
DPS	0.00	0.00	0.00	0.00
Sales growth Y/Y	6%	14%	18%	7%
EPS adj. growth Y/Y	-chg	+chg	84%	47%
EBIT margin	-4.3%	3.0%	5.0%	7.7%
P/E adj.	n.m.	56.3	30.6	20.8
EV/EBIT	neg.	57.8	28.9	16.8
EV/EBITA	neg.	39.0	23.2	14.6
EV/EBITDA	32.2	16.1	12.4	9.3
P/BV	4.4	4.2	3.8	3.3
Dividend yield	0.0%	0.0%	0.0%	0.0%
FCF yield	-1.2%	0.7%	2.7%	3.9%
Equity/Total Assets	44.4%	43.8%	42.4%	44.2%
ROCE	-7.3%	6.9%	12.5%	18.2%
ROE adj.	-4.8%	7.7%	13.2%	17.1%
Net IB debt/EBITDA	-2.6	-1.5	-1.5	-1.6



Source: Carnegie Research, FactSet, Millstream & company data

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Equity story

Near term: 6–12m

We believe that the key for the Mentice share the coming 6–12 months is if the company can show less volatility in revenue between quarters. Mentice's revenue is relatively project related, leading to high volatility between quarters. Should the revenue be more product related this volatility would decrease. Two of the company's segments, Healthcare Systems (17% of order intake R12M) and Strategic Alliances (8% of the order intake R12M) sell Mentice software as a subscription, leading to lower volatility over the quarters. We therefore see growth in these business areas as important in the coming 6–12 months.

Long term: 5Y+

Mentice has a strategy to increase recurring revenue by offering its product as a SaaS solution. Steady growth in SaaS revenue could lead to a multiple expansion. We also believe that Mentice can leverage on strong continuous product development by its clients in the Medical Device Industry segment. Another potential trigger is if Mentice can make acquisitions that increase its addressable market. This has been done previously and Mentice has been able to expose acquired companies to its network of world-leading medtech companies.

Key risks:

- Liquidity: the company has high volatility in its cash flows
- Counterparty risk: Mentice has a relatively high concentration among its customers
- FX risk: Mentice has costs in SEK but most of its revenue in other currencies

Company description

Launched in 1999, Mentice is the leading provider of software and hardware simulation solutions for image guided interventional therapies. The company has delivered over 3,100 systems globally and works closely with all leading medtech companies. Since the IPO in 2019 the company has made several bolt-on acquisitions in order to increase the addressable market.

Key industry drivers

- The shift from open to endovascular surgery
- Launch of new devices/methods for surgery
- Increased usage of simulation on a daily basis within surgery

Cyclicality

Cyclicality: N/A

Key peers

Surgical Science, Raysearch, Sectra, C-RAD

Industry outlook

- According to Polaris Market research the healthcare simulation market is expected to growth at a CAGR of 17% during 2024-2032

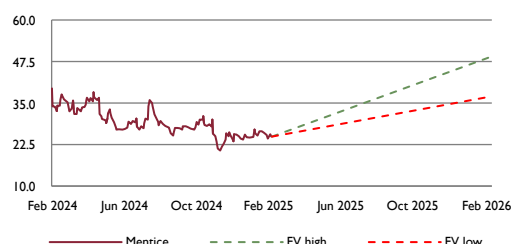
Largest shareholders

Karin Howell-Bidermann	34.0%
Bure Equity	14.7%
Fjärde AP-fonden	7.7%

Valuation and methodology

We use a peer valuation and a DCF to calculate our fair value range for Mentice. In the peer valuation, the EV/S(26e) is a function of the sum of average EBITDA margin 2025–26e and average growth rate 2025–26e. In the DCF, we use a WACC of 12% and beta of 1.5. After a 20-year forecast period, terminal period sales growth is 2% and EBIT margin is 12%.

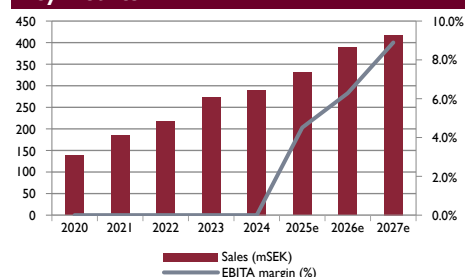
Fair value range 12m



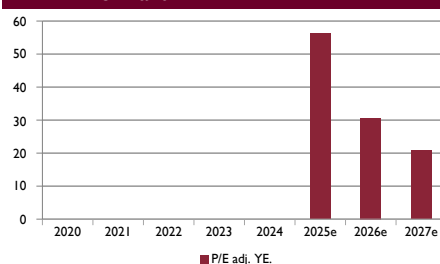
The upper part of our fair value range is determined by a peer valuation based on EV/S(26e) as a function of average growth and EBITDA margin 2025–26e. The main driver for the stock to reach the upper part of the fair value range would be stable signs of the company moving towards profitable growth, shown by a steady stream of news regarding larger orders.

The lower part of the fair value range is determined by a DCF. We have chosen a WACC of 12% to reflect the high volatility in Mentice's historical cash flows.

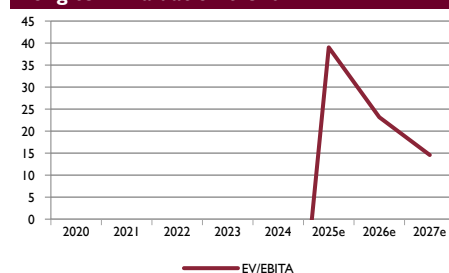
Key metrics



PE 12m forward



Long term valuation trend



Source: Carnegie Research & company data

Estimate changes

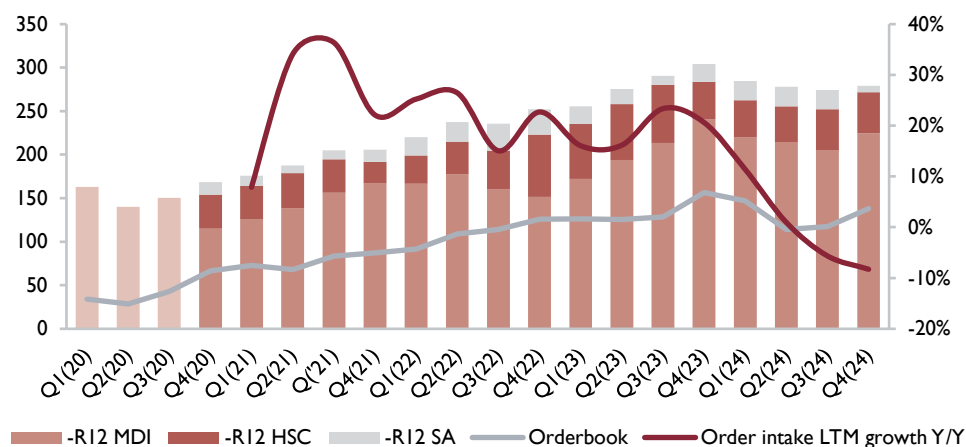
Mentice - Estimate changes	2025e	2025e	Chg	2026e	2026e	Chg
	Old	New		Old	New	
Sales	343	331	-4%	394	389	-1%
Growth	19%	14%	-550 bps	15%	18%	+288 bps
EBITDA	37	36	-3%	44	46	3%
EBITDA margin	10.9%	10.9%	+5 bps	11.3%	11.7%	+49 bps
EO	0	0	n.m	0	0	n.m
Adj. EBITDA	37	36	-3%	44	46	3%
Adj. EBITDA margin	10.9%	10.9%	+5 bps	11.3%	11.7%	+49 bps
Pre-tax profit	11	10	-11%	18	20	9%
Net profit	9	6	-32%	12	16	35%
EPS	0.4	0.3	-31%	0.5	0.6	33%
EPS adj	0.6	0.4	-21%	0.7	0.8	23%
Order intake						
Medical Device Industry (MDI)	249	259	4%	279	290	4%
Healthcare Systems (HCS)	53	54	2%	58	59	2%
Strategic Alliances (SA)	33	20	-39%	37	28	-24%
Sum	335	332	-1%	374	377	1%

Source: Carnegie Research

Mentice key charts

We estimate an acceleration of growth in order intake in 2025e. We believe that the development in the order book Q/Q is an indicator of sales growth in 2025e

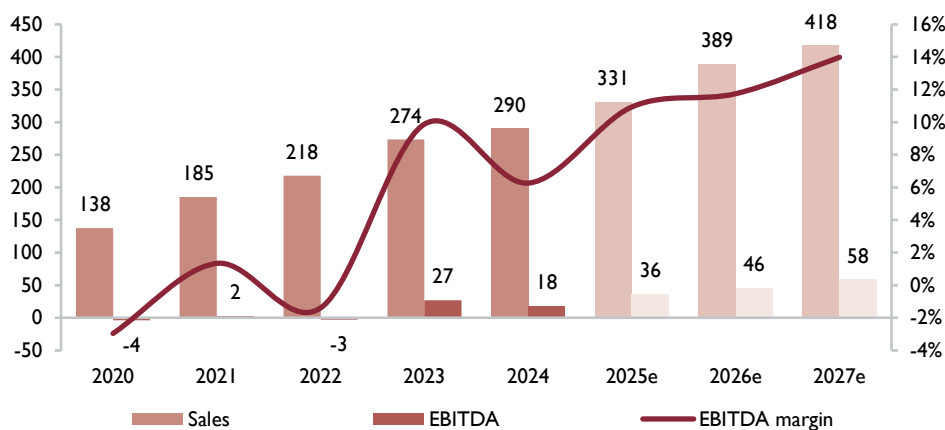
Overview of order intake R12 (SEKm)



Source: Carnegie Research, Company data

We estimate a margin expansion in 2025–26e, driven by stabilising sales growth and strong cost control by new management

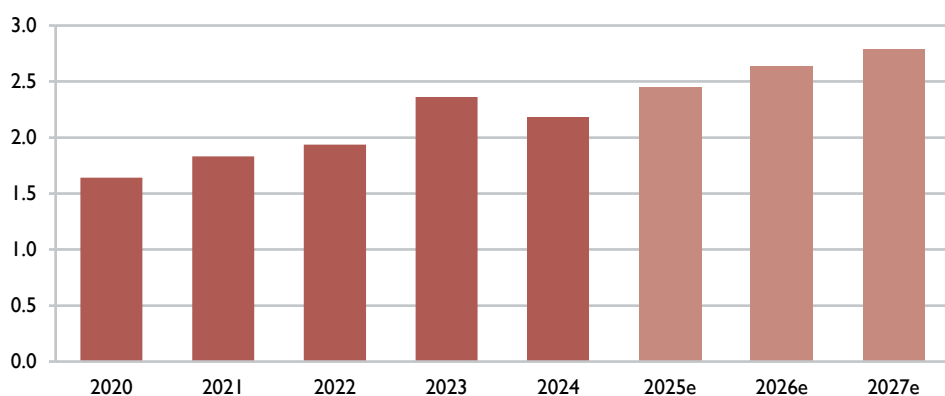
Sales and EBITDA (SEKm)



Source: Carnegie Research, Company data

We believe that the company will return to an increased efficiency per FTE in 2025–27e

Sales per FTE (SEKm)

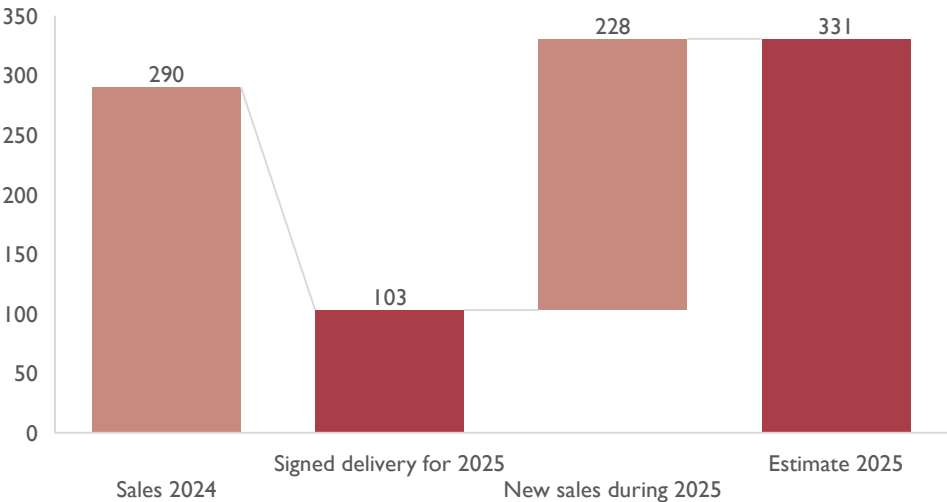


Source: Carnegie Research, Company data

Mentice interim charts

We have included the recently announced order for delivery for 2025e

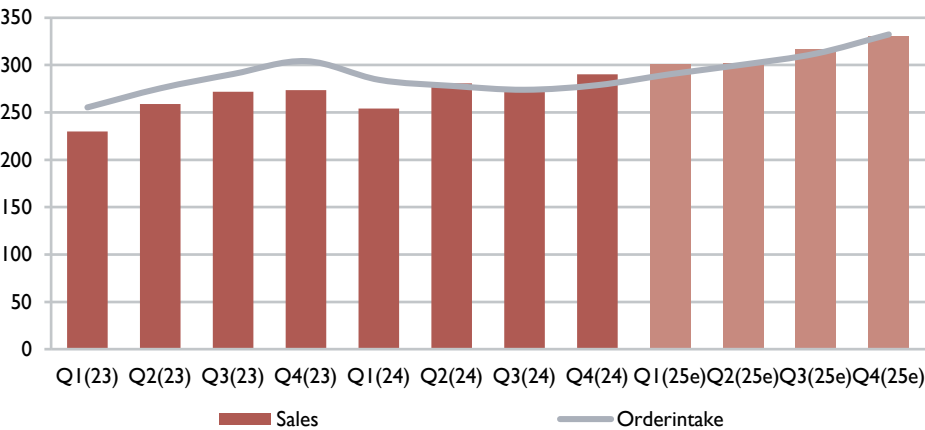
Revenue bridge 2025e



Source: Carnegie research

We believe that the sales and order intake R12M can accelerate from current levels

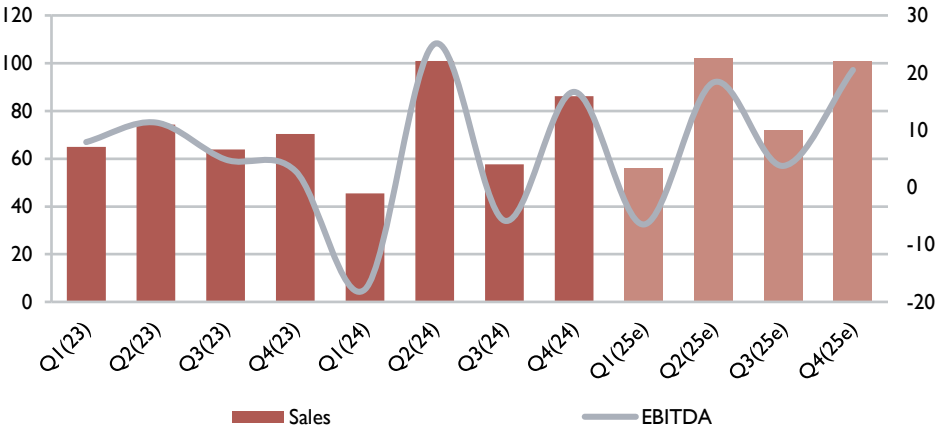
Sales and Order intake R12 (SEKm)



Source: Carnegie Research, Company data

We see Q1(25e) as a quarter with an easy comparison Y/Y

Sales and EBITDA (SEKm)



Source: Carnegie Research, Company data

Mentice in numbers

	Orderbook (SEKm)											
	Q1(22)	Q2(22)	Q3(22)	Q4(22)	Q1(23)	Q2(23)	Q3(23)	Q4(23)	Q1(24)	Q2(24)	Q3(24)	Q4(24)
Mentice VIST HW	24	35	27	20	24	26	27	33	33	23	25	31
Mentice VIST SW	53	63	66	73	73	73	75	91	85	69	67	79
Mentice VIST Dev	11	6	19	16	14	11	12	19	17	14	16	21
Physical Sim	3	4	2	7	7	6	6	5	5	2	4	3
Ankyras	0	0	0	9	9	10	9	8	7	6	5	4
SUM	91	109	114	126	126	125	129	156	147	114	117	138
Vist HW growth Y/Y					-1%	-28%	2%	63%	39%	-10%	-10%	-7%
Vist SW growth Y/Y					0%	-1%	3%	22%	-6%	-18%	-3%	-13%
Vist Dev. Growth Y/Y					38%	15%	13%	24%	16%	-5%	-10%	9%
Vist dev. growth Y/Y					-16%	-20%	8%	61%	-10%	-21%	15%	-39%
Total Growth Y/Y					38%	15%	13%	24%	16%	-9%	-9%	-12%

Source: Carnegie research, Company data

	Sales (SEKm)											
	Q1(22)	Q2(22)	Q3(22)	Q4(22)	Q1(23)	Q2(23)	Q3(23)	Q4(23)	Q1(24)	Q2(24)	Q3(24)	Q4(24)
Mentice VIST HW	27	20	26	30	32	45	32	37	20	58	24	49
Mentice VIST SW	14	17	17	23	19	17	22	22	14	28	24	22
Mentice VIST Dev	6	4	4	12	10	9	6	7	6	5	5	6
Physical Sim	6	4	4	5	3	3	3	4	4	8	4	7
Ankyras				0	1	1	1	1	1	1	1	1
SUM	53	45	51	69	65	74	64	70	45	101	58	86
Vist HW growth Y/Y					17%	123%	21%	24%	-37%	31%	-25%	35%
Vist SW growth Y/Y					38%	-2%	28%	-2%	-29%	71%	9%	0%
Vist Dev. Growth Y/Y					73%	108%	48%	-42%	-41%	-42%	-19%	-9%
Vist dev. growth Y/Y					-9%	-30%	-3%	178%	-9%	-16%	-31%	66%
Physical Sim Growth Y/Y					-48%	-12%	-7%	-4%	43%	138%	21%	66%
Ankyras Growth Y/Y								243%	91%	16%	26%	26%
Total growth Y/Y	64%	-3%	32%	1%	22%	65%	25%	3%	-30%	36%	-10%	22%

Source: Carnegie research, Company data

	Sales (SEKm)											
	Q1(22)	Q2(22)	Q3(22)	Q4(22)	Q1(23)	Q2(23)	Q3(23)	Q4(23)	Q1(24)	Q2(24)	Q3(24)	Q4(24)
EMEA	4	15	11	17	20	21	19	21	15	19	15	34
APAC	12	16	10	12	8	7	14	15	5	26	14	11
Americas	16	14	30	40	37	47	31	34	25	56	28	41
SUM	32	45	51	69	65	74	64	70	45	101	58	86
EMEA growth Y/Y						39%	68%	27%	-21%	-7%	-19%	61%
APAC growth Y/Y						-57%	42%	26%	-45%	274%	4%	-26%
Americas Y/Y						228%	3%	-15%	-32%	19%	-10%	20%

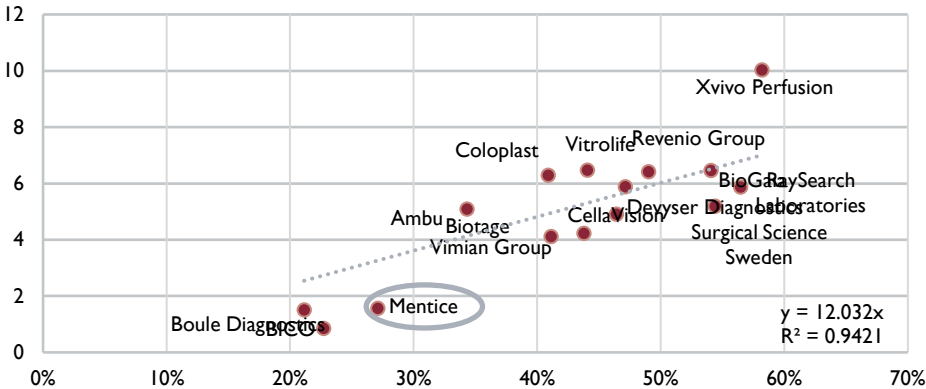
Source: Carnegie research, Company data

Valuation

In our peer valuation, representing the high end of our fair value range, we have looked at several listed Nordic medtech companies. The valuation multiple we use, EV/S(26e), is a function of the sum of average revenue growth in 2025–26e and the average EBITDA margin in 2025–26e. The reason for using this method is to highlight the markets’ focus on profitable growth. See Appendix I for a complete peer list.

Mentice is valued far below the trendline for valuation given growth and profitability estimates

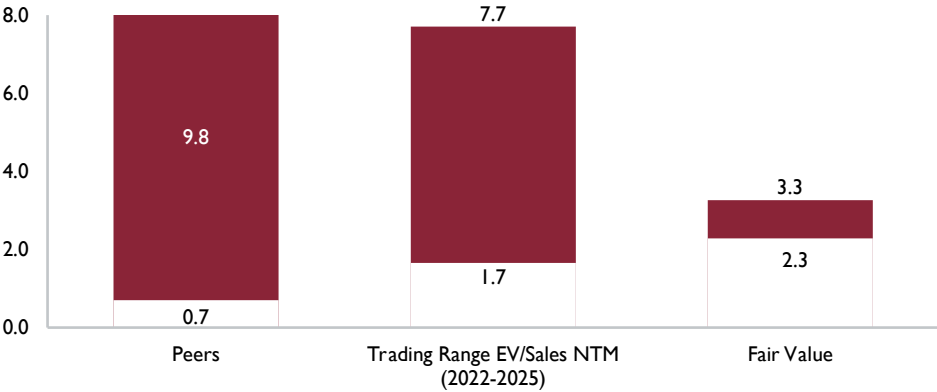
Peers, R40 (%) EV/Sales 2026e



Source: Carnegie Research, FactSet

The valuation is currently close to an all-time low based on EV/S NTM

EV/Sales 2026e, EV/sales NTM for trading range



Source: Carnegie Research, FactSet

DCF

DCF assumptions - Summary	2025e	2026e	2027e	Average year			Terminal period
				4-5	6-10	11-15	
Total sales growth	13.9%	17.6%	7.4%	15.5%	14.6%	10.2%	6.6%
EBITDA margin	10.9%	11.7%	14.0%	16.5%	18.0%	18.0%	18.0%
Depreciation % of sales	-6.4%	-5.5%	-5.1%	-5.0%	-5.0%	-5.0%	-5.0%
EBITA margin	4.5%	6.3%	8.9%	11.5%	13.0%	13.0%	13.0%
Amortisations % of sales	-1.5%	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%
EBIT margin	3.0%	5.0%	7.7%	10.3%	11.8%	11.8%	11.8%
Capex % of sales	-8.5%	-8.0%	-7.4%	-5.0%	-5.0%	-5.0%	-5.0%
Paid tax rate	-21.8%	-21.8%	-21.8%	-21.2%	-20.6%	-20.6%	-20.6%
NWVC to sales	-12.0%	-11.0%	-11.0%	-2.0%	-2.0%	-2.0%	-2.0%
Sales	331	389	418	521	859	1,512	2,196
EBITDA	36	46	58	87	155	272	395
Capex	-28	-31	-31	-26	-43	-76	-110
Taxes	-2	-4	-7	-7	-23	-40	-59
Other	0	3	3	-22	2	3	3
Free cash flow	6	14	24	31	91	159	229
Discounted FCF	6	11	18	19	38	38	32
Share of total discounted FCF	1%	1%	2%	4%	21%	21%	18%
Valuation	(curr.)m	Per share		WACC assumptions			
EV (discounted FCF)	889	34.8		Risk free interest rate			
Current net debt	28	1.3		Debt risk premium			
+ Associates	0	0.0		Equity risk premium			
- Minority interest	0	0.0		Equity beta			
- Outstanding warrants	0	0.0		Cost of Equity			
Other debt adjustments	0	0.0		Tax rate			
ESG penalty	0	0.0		After tax cost of debt			
Equity value at YE (25)	921	36		Equity weight			
Time adjustment	13	0		WACC			
Dividend	0	0.0					
Current equity value	934	37					

Source: Carnegie Research

Risks

We see three main risks related to the Mentice share:

Currency risk: Mentice has a large part of its costs in SEK and a substantial share of revenue in foreign currency. Fluctuations in FX could therefore affect the company.

Counterparty risk: Mentice's largest customer stood for 15% of revenue in 2023. Mentice's main customers are large medtech companies, meaning that Mentice is dependent on these companies continuing to invest in marketing and new product launches.

Liquidity risk: Mentice has high volatility in cash flows; should it report 1–2 negative quarterly reports in a row the market might become concerned about the cash flow of the company, potentially affecting the valuation negatively.

Appendix I

Valuation	MCAP (USD)	EV (USD)	EV / Sales			EV / EBITDA			EV / EBIT			Price / Earnings		
			LTM	2025	2026	LTM	2025	2026	LTM	2025	2026	LTM	2025	2026
CellaVision	425	414	6.2x	5.6x	4.9x	21.3x	17.2x	14.1x	25.4x	20.2x	16.5x	32.9x	26.3x	20.9x
Vitrolife	2,468	2,554	7.7x	7.1x	6.5x	22.6x	20.5x	18.5x	35.2x	30.5x	26.1x	52.4x	42.1x	35.2x
Revenio Group	821	820	7.8x	6.7x	5.9x	25.9x	20.9x	17.1x	31.1x	23.6x	19.2x	41.3x	30.9x	25.0x
BioGaia	1,196	1,085	8.3x	7.2x	6.4x	24.3x	20.6x	18.0x	28.8x	21.9x	19.0x	37.0x	29.7x	26.3x
Coloplast	25,219	27,523	7.2x	6.8x	6.3x	22.4x	20.9x	18.8x	26.4x	24.4x	21.8x	36.6x	31.1x	27.5x
Sectra	4,453	4,370	15.5x	12.4x	11.0x	88.7x	53.2x	44.3x	100.0x	62.5x	50.5x	124.6x	77.4x	64.4x
Ambu	4,976	4,919	6.3x	5.7x	5.1x	31.4x	28.0x	24.0x	82.6x	37.9x	30.8x	108.5x	48.8x	40.1x
Vimian Group	1,882	2,139	5.7x	4.7x	4.2x	24.0x	16.3x	14.1x	39.8x	23.1x	19.3x	(5286.7x)	31.9x	26.0x
RaySearch Laboratories	806	811	7.6x	6.6x	5.9x	23.2x	14.9x	13.3x	38.2x	29.3x	22.9x	50.1x	42.2x	32.8x
Xvivo Perfusion	1,323	1,288	17.1x	13.3x	10.0x	69.0x	52.4x	33.4x	121.4x	79.4x	42.6x	83.7x	79.2x	54.6x
BICO	214	340	1.7x	1.7x	1.5x	36.2x	16.3x	11.3x	--	(27.7x)	(47.6x)	(1.9x)	--	--
Intuitive Surgical	210,289	206,517	24.7x	21.6x	18.7x	73.6x	52.2x	43.7x	87.9x	60.6x	51.3x	91.9x	73.3x	62.2x
Devysr Diagnostics	210	199	11.0x	7.1x	5.2x	--	84.5x	23.2x	--	689.1x	31.2x	(31.8x)	695.0x	39.7x
Biotage	1,004	1,002	5.2x	4.6x	4.1x	19.0x	16.5x	13.7x	27.8x	22.8x	18.1x	42.5x	28.0x	23.4x
Boule Diagnostics	33	49	1.0x	0.9x	0.8x	--	5.8x	5.1x	--	7.6x	6.7x	(1.6x)	7.4x	6.4x
Surgical Science Sweden	831	766	9.8x	7.7x	6.5x	38.9x	25.6x	17.6x	53.4x	33.5x	20.4x	46.8x	39.9x	25.9x
Mentice	58	54	2.2x	1.8x	1.6x	133.0x	16.5x	13.9x	--	42.5x	13.3x	(27.3x)	59.3x	25.3x
			8.9x	7.5x	6.4x	37.1x	29.3x	20.8x	53.7x	73.7x	21.9x	-308.0x	88.8x	34.6x
			7.6x	6.7x	5.9x	24.3x	20.6x	18.0x	36.7x	24.4x	21.8x	41.3x	37.0x	30.1x

2025-02-13

Source: FactSet, consensus numbers

Margins	Gross Income			EBITDA			EBIT			Net Income		
	LTM	2025	2026	LTM	2025	2026	LTM	2025	2026	LTM	2025	2026
CellaVision	67%	68%	69%	30%	32%	35%	25%	28%	30%	19%	22%	24%
Vitrolife	52%	60%	60%	35%	35%	35%	22%	23%	25%	14%	17%	18%
Revenio Group	44%	71%	71%	30%	32%	34%	25%	28%	31%	19%	22%	24%
BioGaia	72%	74%	74%	34%	35%	36%	29%	33%	34%	25%	27%	27%
Coloplast	67%	68%	69%	32%	33%	33%	27%	28%	29%	18%	15%	21%
Sectra	17%	88%	90%	17%	23%	25%	16%	20%	22%	13%	16%	17%
Ambu	59%	61%	63%	20%	20%	21%	8%	15%	17%	6%	12%	13%
Vimian Group	14%	71%	72%	24%	29%	30%	14%	20%	22%	0%	12%	14%
RaySearch Laboratories	91%	90%	90%	--	44%	44%	20%	23%	26%	15%	17%	20%
Xvivo Perfusion	65%	77%	81%	25%	25%	30%	14%	17%	24%	21%	13%	19%
BICO	19%	52%	53%	5%	10%	13%	-17%	-6%	-3%	-56%	-6%	-1%
Intuitive Surgical	67%	67%	68%	34%	41%	43%	28%	36%	37%	28%	31%	32%
Devysr Diagnostics	81%	85%	89%	-27%	8%	22%	-37%	1%	17%	-36%	1%	13%
Biotage	62%	66%	66%	27%	28%	30%	19%	20%	23%	12%	14%	18%
Boule Diagnostics	48%	47%	47%	--	16%	17%	-39%	12%	13%	-40%	8%	9%
Surgical Science Sweden	62%	71%	70%	25%	30%	37%	18%	23%	32%	22%	19%	26%
Mentice	-8%	87%	87%	2%	12%	18%	-8%	4%	11%	-8%	3%	9%
	55.2%	69.8%	70.8%	21.9%	27.5%	29.9%	10.2%	19.8%	22.8%	3.8%	14.6%	17.7%
	62.5%	68.3%	69.1%	27.1%	28.7%	30.0%	18.6%	20.2%	23.5%	14.2%	15.1%	18.1%

2025-02-13

Source: FactSet, consensus numbers

Growth	Sales			EBITDA			EBIT			Net Income		
	LTM	2025	2026	LTM	2025	2026	LTM	2025	2026	LTM	2025	2026
CellaVision	7%	12%	14%	2%	20%	22%	6%	25%	23%	8%	25%	26%
Vitrolife	3%	8%	10%	6%	11%	11%	8%	16%	17%	-113%	27%	19%
Revenio Group	6%	13%	14%	1%	22%	22%	-3%	27%	23%	0%	35%	25%
BioGaia	10%	15%	12%	5%	14%	15%	-7%	13%	15%	-4%	25%	13%
Coloplast	10%	7%	8%	11%	10%	11%	10%	11%	12%	0%	-13%	49%
Sectra	15%	19%	13%	-6%	25%	20%	-7%	23%	24%	-9%	22%	20%
Ambu	15%	16%	11%	69%	26%	17%	19%	44%	23%	37%	206%	24%
Vimian Group	9%	18%	11%	0%	18%	15%	-2%	22%	20%	-103%	289%	30%
RaySearch Laboratories	18%	12%	12%	-7%	10%	12%	92%	25%	28%	115%	25%	28%
Xvivo Perfusion	38%	28%	33%	193%	52%	57%	200%	72%	86%	88%	-19%	87%
BICO	-6%	7%	12%	-39%	68%	44%	23%	nm	nm	-26%	nm	nm
Intuitive Surgical	17%	15%	15%	27%	12%	19%	33%	11%	18%	29%	10%	19%
Devysr Diagnostics	25%	42%	37%	15%	nm	264%	31%	nm	2112%	33%	nm	nm
Biotage	32%	12%	12%	9%	22%	20%	5%	25%	26%	4%	38%	38%
Boule Diagnostics	-2%	4%	9%	-384%	nm	15%	-602%	nm	13%	-994%	nm	15%
Surgical Science Sweden	-5%	23%	19%	-13%	45%	46%	-18%	49%	65%	-17%	42%	59%
Mentice	1%	20%	18%	-82%	220%	80%	895%	nm	219%	726%	nm	210%
	13.2%	15.2%	14.9%	-6.4%	23.9%	37.6%	-12.9%	26.4%	174.3%	-62.3%	55.8%	30.3%
	9.8%	13.3%	12.4%	4.8%	20.0%	19.2%	7.8%	23.9%	22.8%	0.3%	24.9%	24.7%

2025-02-13

Source: FactSet, consensus numbers

Interim figures

QUARTERLY DATA (SEKm)	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1e	2025Q2e	2025Q3e	2025Q4e
Financial Year End	2023-03-31	2023-06-30	2023-09-30	2023-12-31	2024-03-31	2024-06-30	2024-09-30	2024-12-31	2025-03-31	2025-06-30	2025-09-30	2025-12-31
Sales	65	74	65	70	45	101	58	86	56	102	72	101
EBITDA	8	11	5	3	-18	25	-6	17	-6	18	4	21
EBITA	0	5	-2	-4	-24	18	-12	6	-13	12	-3	14
Adjusted EBITA	0	5	-2	-4	-24	18	-12	14	-13	12	-3	14
EBIT	0	5	-2	-4	-24	18	-12	6	-13	12	-3	14
Adjusted EBIT	0	5	-2	1	-24	18	-12	14	-13	12	-3	14
Net Financial Items	-1	0	0	1	0	0	0	-1	0	0	0	0
EAFI	-1	5	-2	3	-24	18	-12	13	-13	12	-3	14
Pre-Tax Profit	-1	5	-2	-2	-24	18	-12	5	-13	12	-3	14
Adjusted Pre-Tax Profit	-1	5	-2	3	-24	18	-12	13	-13	12	-3	14
Net Profit	-1	1	0	-3	-25	17	-13	2	-13	10	-3	12
Adjusted Net Profit	-1	1	0	2	-25	17	-13	10	-13	10	-3	12
EPS	-0.1	0.1	0.0	-0.1	-1.0	0.7	-0.5	0.1	-0.5	0.4	-0.1	0.5

Source: Company data, Carnegie Research

Financial statements

Profit & loss (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	157	149	138	185	218	274	290	331	389	418
COGS	-29	-23	-33	-35	-29	-37	-33	-45	-53	-56
Gross profit	128	127	104	150	189	236	257	286	337	361
Other income & costs	-107	-140	-108	-147	-190	-209	-238	-250	-291	-303
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
EBITDA	21	-13	-4	3	-1	27	19	36	46	58
Depreciation PPE	0	0	0	0	-3	-3	-14	-2	-2	-2
Depreciation lease assets	-3	-8	-14	-10	-9	-9	-2	-9	-9	-9
Amortisation development costs	0	0	0	0	0	0	-7	-7	-7	-7
Amortisation other intangibles	-3	-3	0	-12	-11	-16	-4	-3	-3	-3
Impairments / writedowns	0	0	0	0	0	0	0	0	0	0
EBITA	16	-24	-18	-20	-24	-1	-8	15	24	37
Amortization acquisition related	0	0	0	0	0	0	-5	-5	-5	-5
Impairment acquisition related	0	0	0	0	0	0	0	0	0	0
EBIT	16	-24	-18	-20	-24	-1	-12	10	20	32
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	0	-2	0	-2	0	1	-1	0	0	0
of which interest income/expenses	0	-2	0	-2	0	1	-1	0	0	0
of which interest on lease liabilities	0	0	0	0	0	0	0	0	0	0
of which other items	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	15	-26	-19	-21	-24	0	-14	10	20	32
Taxes	0	6	5	-8	-7	-3	-5	-4	-4	-7
Post-tax minorities interest	0	0	0	0	0	0	0	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Net profit	15	-21	-13	-29	-31	-3	-18	6	16	26
Adjusted EBITDA	21	-13	-4	3	-1	27	27	36	46	58
Adjusted EBITA	16	-24	-18	-20	-24	-1	0	15	24	37
Adjusted EBIT	16	-24	-18	-20	-24	-1	-4	10	20	32
Adjusted net profit	15	-21	-13	-29	-31	-3	-7	11	21	31
Sales growth Y/Y	+chg	-4.9%	-7.9%	34.6%	17.8%	25.5%	6.1%	13.9%	17.6%	7.4%
EBITDA growth Y/Y	+chg	-chg	+chg	+chg	-chg	+chg	-30.6%	92.9%	26.4%	27.8%
EBITA growth Y/Y	+chg	-chg	+chg	-chg	-chg	+chg	-chg	+chg	63.9%	52.0%
EBIT growth Y/Y	+chg	-chg	+chg	-chg	-chg	+chg	-chg	+chg	94.6%	64.9%
EBITDA margin	13.2%	-8.6%	-3.0%	1.4%	-0.5%	9.9%	6.5%	10.9%	11.7%	14.0%
EBITA margin	9.9%	nm	nm	nm	nm	nm	nm	4.5%	6.3%	8.9%
EBIT margin	9.9%	-16.4%	-13.2%	-10.6%	-11.0%	-0.2%	-4.3%	3.0%	5.0%	7.7%
Tax rate	na	21.5%	29.6%	-37.4%	-27.5%	-21576.9%	21.8%	21.8%	21.8%	21.8%
Cash flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	21	-13	-4	3	-1	27	19	36	46	58
Paid taxes	0	6	0	0	-1	-1	-4	-2	-4	-7
Change in NWC	0	0	34	-6	21	9	5	0	3	3
Non cash adjustments	0	0	0	0	-4	0	-1	-2	4	2
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Total operating activities	21	-7	31	-4	15	35	19	33	48	56
Capex tangible assets	0	0	-3	-9	-6	-4	-1	-7	-10	-10
Capitalised development costs	0	0	-22	-17	-8	-3	-15	-12	-12	-12
Capex - other intangible assets	0	0	0	0	0	0	0	0	0	0
Acquisitions/divestments	0	0	0	0	-19	-9	0	0	0	0
Other non-cash adjustments	0	0	0	0	0	0	0	0	0	0
Total investing activities	0	0	-25	-26	-32	-16	-16	-19	-22	-22
Net financial items	0	-2	0	-2	0	1	-1	0	0	0
Lease payments	0	0	-4	-6	-7	-7	-9	-9	-9	-9
Dividend paid and received	0	0	0	0	0	0	0	0	0	0
Share issues & buybacks	0	0	0	0	57	0	0	0	0	0
Change in bank debt	0	0	0	0	0	0	0	0	0	0
Other cash flow items	0	0	0	0	0	0	0	0	0	0
Total financing activities	0	-2	-4	-7	49	-6	-10	-9	-9	-9
Operating cash flow	21	-7	31	-4	15	35	19	33	48	56
Free cash flow	20	-9	1	-37	-5	22	-8	5	17	25
Net cash flow	20	-9	2	-37	32	13	-8	5	17	25
Change in net IB debt	20	-17	-9	-41	31	11	2	5	17	25
Capex / Sales	0.0%	0.0%	2.4%	4.9%	2.5%	1.6%	0.4%	2.1%	2.6%	2.4%
NWC / Sales	0.0%	0.0%	-5.7%	-7.2%	-11.2%	-13.6%	-13.1%	-11.9%	-10.6%	-10.6%

Source: Carnegie Research & company data

Financial statements, cont.

Balance sheet (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Acquired intangible assets	0	0	42	42	48	49	49	44	39	34
Other fixed intangible assets	0	0	20	18	38	32	27	24	21	19
Capitalised development	0	0	39	46	44	37	42	46	51	55
Tangible assets	0	0	8	14	14	12	9	14	22	30
Lease assets	0	0	11	14	14	8	8	8	8	8
Other IB assets (1)	0	0	0	0	0	0	0	0	0	0
Other non-IB assets	0	0	21	14	10	8	5	5	5	5
Fixed assets	0	0	141	148	168	145	139	141	146	151
Inventories (2)	0	0	6	9	17	14	17	23	31	33
Receivables (2)	0	0	29	68	86	86	97	99	117	125
Prepaid exp. & other NWC items (2)	0	0	16	18	10	13	12	17	19	21
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	4	6	5	5	5	5	5	5
Cash & cash equivalents (1)	0	0	49	13	47	59	54	59	74	99
Current assets	0	0	104	114	165	177	185	202	246	283
Total assets	0	0	245	262	333	323	324	343	392	434
Shareholders' equity	0	0	163	137	163	159	144	150	166	192
Minorities	0	0	0	0	0	0	0	0	0	0
Other equity	0	0	0	0	0	0	0	0	0	0
Total equity	0	0	163	137	163	159	144	150	166	192
Deferred tax	0	0	0	0	0	0	0	0	0	0
LT IB debt (1)	0	0	0	0	0	0	0	0	0	0
Other IB provisions (1)	0	0	0	0	0	0	0	0	0	0
Lease liabilities	0	0	6	10	9	2	5	4	4	4
Other non-IB liabilities	0	0	0	0	0	0	0	0	0	0
LT liabilities	0	0	6	10	9	2	5	4	4	4
ST IB debt (1)	0	0	0	0	0	0	0	0	0	0
Payables (2)	0	0	17	9	14	16	13	20	23	25
Accrued exp. & other NWC items (2)	0	0	51	97	136	134	153	159	187	201
Other ST non-IB liabilities	0	0	8	8	11	12	10	10	12	13
Liabilities - assets held for sale	0	0	0	0	0	0	0	0	0	0
Current liabilities	0	0	75	115	161	161	176	188	222	238
Total equity and liabilities	0	0	245	262	333	323	324	343	392	434
Net IB debt (=1)	0	0	-42	-3	-45	-54	-49	-54	-70	-95
Net working capital (NWC) (=2)	0	0	-16	-11	-38	-37	-39	-40	-43	-46
Capital employed (CE)	0	0	149	133	155	156	143	149	165	190
Capital invested (CI)	0	0	66	77	76	64	53	50	47	44
Equity / Total assets	nm	nm	67%	52%	49%	49%	44%	44%	42%	44%
Net IB debt / EBITDA	0.0	0.0	10.4	-1.0	44.3	-2.0	-2.6	-1.5	-1.5	-1.6
Per share data (SEK)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Adj. no. of shares in issue YE (m)	0.00	0.00	24.19	24.76	25.57	25.57	25.57	25.57	25.57	25.57
Diluted no. of Shares YE (m)	0.00	0.00	24.19	24.76	25.57	25.57	25.57	25.57	25.57	25.57
EPS	na	na	-1.08	-1.19	-1.22	-0.11	-0.72	0.25	0.62	1.00
EPS adj.	na	na	-1.08	-1.19	-1.22	-0.11	-0.29	0.44	0.81	1.19
CEPS	na	na	-0.24	-0.52	-0.60	0.69	0.13	0.91	1.28	1.66
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BVPS	na	na	6.75	5.53	6.36	6.22	5.62	5.87	6.50	7.50
Performance measures	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
ROE	nm	nm	-16.0%	-19.5%	-20.5%	-1.8%	-12.2%	4.4%	10.1%	14.4%
Adj. ROCE pre-tax	na	na	na	-14.0%	-15.7%	0.3%	1.3%	10.2%	15.6%	20.9%
Adj. ROIC after-tax	na	na	na	-37.8%	-39.7%	-210.7%	0.6%	22.8%	39.7%	64.1%
Valuation	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
FCF yield	3.2%	-1.4%	0.2%	-5.8%	-0.8%	3.4%	-1.2%	0.7%	2.7%	3.9%
Dividend yield YE	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend payout ratio	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend + buy backs yield YE	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Sales YE	na	na	14.38	13.18	4.23	4.26	2.08	1.76	1.46	1.30
EV/EBITDA YE	na	na	neg.	>50	neg.	43.1	32.2	16.1	12.4	9.3
EV/EBITA YE	na	na	neg.	neg.	neg.	neg.	neg.	39.0	23.2	14.6
EV/EBITA adj. YE	na	na	neg.	neg.	neg.	neg.	>50	39.0	23.2	14.6
EV/EBIT YE	na	na	neg.	neg.	neg.	neg.	neg.	>50	28.9	16.8
P/E YE	na	na	nm	nm	nm	nm	nm	>50	39.9	24.8
P/E adj. YE	na	na	nm	nm	nm	nm	nm	>50	30.6	20.8
P/BV YE	na	na	12.37	17.84	5.94	7.67	4.54	4.24	3.83	3.32
Share price YE (SEK)			83.5	98.6	37.8	47.7	25.5	24.9		

Source: Carnegie Research & company data

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