

## NEWS FLASH

20 February 2025

Sweden

Technology Hardware &amp; Equipment

Research analysts:

Örjan Rödén

## Waystream

Share price: SEK14.0

Fair value range: SEK16.0–30.0

## Good cost control – Q4(24) initial comment

**Y/Y growth and good cost control excluding a non-cash inventory write-down**


Waystream reported sales of SEK21m, below our forecast of SEK28m, but still growing by 15% Y/Y. The market has been even more challenging than we expected. Excluding a non-cash inventory write-down of SEK7m, adj. EBIT of SEK-3m was still better than our SEK-4m estimate, indicating good cost control. Operating cash flow improved significantly Y/Y to SEK5m (from SEK0 in Q4(23)). Waystream has improved productivity and reduced manufacturing costs according to the release, which is visible in the reported adjusted EBIT. Sales in Sweden were flat Y/Y, while they decreased in the Nordics outside Sweden. In the important growth market Europe outside the Nordic countries, sales tripled Y/Y from a low level, which is nevertheless positive. The gross margin, which is dependent on the product and customer mix, improved to 48% in Q4 from 37% in Q3(24), although it is lower Y/Y (53% in Q4(23))

**Good cost control and improved cash flow in a challenging environment**

We believe the report highlights Waystream's ability to survive in a challenging environment for fibre infrastructure. In our view, lower production and operating costs make for a solid base when demand recovers from the current low situation.

## Upcoming events

- Q4 Report: 20 Feb 2025
- Q1 Report: 24 Apr 2025

Key facts		Key figures (SEK)				Share price - 5Y	
No. shares (m)	8.1	Sales (m)	2023	2024e	2025e	2026e	
Market cap. (USDm)	11	EBITDA (m)	1	0	12	23	
Market cap. (SEKm)	113	EBIT (m)	-5	-7	5	16	
Net IB Debt. (SEKm)	6	EPS	-0.60	-0.86	0.40	1.51	
Adjustments (SEKm)	0	EPS adj.	-0.60	-0.86	0.40	1.51	
EV (2024e) (SEKm)	119	DPS	0.00	0.00	0.40	0.75	
Free float	72.4%	Sales growth Y/Y	-29%	22%	9%	15%	
Avg. daily vol. ('000)	8	EPS adj. growth Y/Y	-chg	-chg	+chg	273%	
Risk	Medium Risk	EBIT margin	-5.1%	-5.4%	4.0%	10.5%	
Fiscal year end	December	P/E adj.	n.m.	n.m.	34.7	9.3	
Share price as of (CET)	17 Feb 2025 15:52	EV/EBIT	neg.	neg.	22.4	7.0	
		EV/EBITA	neg.	neg.	22.4	7.0	
		EV/EBITDA	>100	neg.	9.6	4.9	
		P/BV	1.7	1.9	1.8	1.6	
		Dividend yield	0.0%	0.0%	2.8%	5.3%	
		FCF yield	-26.0%	2.5%	0.4%	7.2%	
		Equity/Total Assets	51.8%	52.8%	51.4%	51.7%	
		ROCE	-6.4%	-8.4%	6.8%	19.2%	
		ROE adj.	-6.8%	-11.0%	5.3%	18.0%	
		Net IB debt/EBITDA	7.2	-91.2	0.4	0.0	
						High/Low (12M)	SEK26/13.9
						Perf.	3M 6M 12M YTD
						Abs.	-27.3 -38.6 -32.5 -15.8
						Rel.	-36.5 -45.7 -47.3 -25.4

Source: Carnegie Research, FactSet, Millstream &amp; company data

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## Deviation table

SEKm	2023				2024			Carnegie		
	Q1	Q2	Q3	Q4e	Q1	Q2	Q3	Q4a		Dev
Sales	31	25	27	18	36	33	25	21	28	-25%
Growth	21%	-16%	-28%	-63%	16%	35%	-5%	15%	54%	-38pp
<b>Adj EBIT</b>	<b>0</b>	<b>-2</b>	<b>1</b>	<b>-5</b>	<b>-2</b>	<b>2</b>	<b>-3</b>	<b>-3</b>	<b>-4</b>	n.m.
<b>Adj EBIT margin</b>	<b>1.2%</b>	<b>-8.8%</b>	<b>4.8%</b>	<b>-25.0%</b>	<b>-5.4%</b>	<b>5.3%</b>	<b>-10.7%</b>	<b>-12.9%</b>	<b>-14.1%</b>	1pp
EO	0	0	0	0	0	0	0	-7	0	
EBIT	0	-2	1	-5	-2	2	-3	-9	-4	n.m.
EBIT margin	1.2%	-8.8%	4.8%	-25.0%	-5.4%	5.3%	-10.7%	-44.3%	-14.1%	-30pp
Net financials	0	0	0	0	0	0	0	-1	0	n.m.
Pre-tax Profit	0	-2	1	-4	-2	1	-3	-10	-4	n.m.
Tax	1	0	0	0	0	1	0	2	0	
Tax rate	-133%	-9%	-49%	11%	-13%	-45%	n.m.	15%	0%	15pp
Net profit	0	-2	1	-4	-2	1	-2	-9	-4	n.m.
EPS (SEK)	0.0	-0.2	0.1	-0.5	-0.2	0.1	-0.3	-1.1	-0.5	n.m.
<b>EPS Adj (SEK)</b>	<b>0.0</b>	<b>-0.2</b>	<b>0.1</b>	<b>-0.5</b>	<b>-0.2</b>	<b>0.1</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.5</b>	<b>n.m.</b>

Source: Carnegie Research, Company data

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