Corporate Research

Tempest Security

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Results Analysis | Services | Sweden | 26 August 2021

Growth set to accelerate further in H2

The Q2 results were broadly in line with our expectations in terms of revenue, but below on EBITDA. This was mainly driven by growth investments and the establishment of new platforms in Denmark and the US, which burdened EBITDA by around SEK 2m in Q2. These investments will support Tempest's growth agenda and we expect accelerating growth in H2 2021. We reiterate our investment case with a new mid-point DCF value of SEK 47 (49).

Investing for the future

Revenues in Q2 increased by 13.6% y/y, of which 3.3% came from the acquired businesses in the UK. Establishments in Denmark and the US, together with IT investments and integration costs, burdened EBITDA by a total of around SEK 2m. This mainly impacted the Risk Solutions segment, while the other segments performed in line with our expectations.

Expanding its geographical reach

The establishments in Denmark and the US are off to a good start, according to the company, which bodes well for improved organic growth during H2 2021. Furthermore, a letter of intent was signed in June to acquire Örestads Industribevakning (revenue of SEK 29.8m and EBIT of SEK 3.1m), adding a new platform in South of Sweden. The transaction is expected to be closed on 1 October.

Mid-point DCF value of SEK 47 per share

We have increased our near-term cost assumptions to account for higher investments, while we have made minor changes to our medium- to long-term margin assumptions. Based on these changes, we derive a new DCF-based fair price range of SEK 39-55 per share. In our view, the main short-term trigger for the investment case in Tempest Security will be a return to historical growth levels during H2 2021, supported by a combination of organic and acquired growth. Longer-term, we argue that improved revenue mix and operational leverage yields a clear margin upside potential.

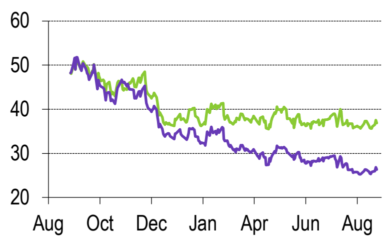
Key Data (2021E)

Price (SEK)	36.90
Reuters	TSEC.ST
Bloomberg	TSEC SS
Market cap (SEKm)	361
Market cap (USDm)	42
Market cap (EURm)	35
Net debt (SEKm)	(6)
Net gearing	(10%)
Net debt/EBITDA (x)	(0.6)
Shares fully dil. (m)	9.8
Avg daily turnover (m)	0.0
Free float	35%

Estimate Revisions (%)

	2021E	2022E	2023E
Revenues	1	0	0
Adj. EBIT	(89)	(8)	(3)
Adj. EPS	(107)	(9)	(4)

Share Price (12M)



Absolute (green) / Relative to Sweden (purple).

Marketing communication commissioned by: Tempest Security

Financials (SEK)

Year end: Dec	2019	2020	2021E	2022E	2023E
Revenues (m)	287	307	352	443	523
Adj. EBIT	(12)	4	1	15	24
Pre-tax profit (m)	(13)	3	(0)	13	22
EPS	(1.52)	0.14	(0.04)	1.21	2.06
Adj. EPS	(1.52)	0.14	(0.04)	1.21	2.06
DPS	0.00	0.00	0.00	0.00	0.00
Revenue growth (%)	29.1	7.1	14.6	25.9	18.0
Adj. EBIT growth (%)	n.m.	n.m.	(81.3)	n.m.	63.3
Adj. EPS growth (%)	n.m.	n.m.	n.m.	n.m.	70.5
Adj. EBIT margin (%)	(4.0)	1.3	0.2	3.3	4.6
ROE (%)	(45.6)	4.0	(0.7)	16.5	23.1
ROCE (%)	0.0	0.0	0.9	14.1	19.9
PER (x)	n.m.	262.2	n.m.	30.5	17.9
Free cash flow yield (%)	(3.1)	3.7	(3.1)	0.4	2.8
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
P/BV (x)	8.58	10.46	5.50	4.66	3.70
EV/Sales (x)	0.00	1.13	1.01	0.80	0.66
EV/Adj. EBITDA (x)	0.0	26.6	35.6	12.8	8.8
EV/Adj. EBIT (x)	0.0	83.7	470.0	24.1	14.4
Operating cash flow/EV (%)	n.a.	4.3	(2.6)	3.0	6.5
Net debt/EBITDA (x)	0.00	0.29	(0.65)	(0.28)	(0.45)

Source for all data on this page: SEB (estimates) and Millistream/Thomson Reuters (prices)

Forecasts and valuation

Estimate changes

(SEKm)	Q3/20E	2021E	2022E	2023E	Q3/20E	2021E	2022E	2023E	Q3/20E	2021E	2022E	2023E
	New estimates				Old estimates				Difference (%)			
Net sales	91.2	350.8	443.0	522.7	90.7	349.3	441.4	521.0	0.6	0.4	0.4	0.3
EBITDA	3.0	10.0	27.5	39.1	5.3	15.9	28.8	39.9	-43.7	-37.4	-4.5	-2.0
EBIT	0.6	0.8	14.6	23.9	2.9	6.7	16.0	24.8	-79.7	-88.8	-8.4	-3.4
EBT	0.3	-0.4	13.1	22.4	2.6	5.4	14.5	23.3	-88.9	-107.0	-9.2	-3.7
Net income	0.3	-0.3	11.8	20.2	2.3	4.9	13.0	20.9	-88.9	-107.0	-9.2	-3.7
Adj. EBITDA	**3.0**	**10.0**	**27.5**	**39.1**	**5.3**	**15.9**	**28.8**	**39.9**	**-43.7**	**-37.4**	**-4.5**	**-2.0**
Adj. EBITDA margin (%)	**3.2**	**2.8**	**6.2**	**7.5**	**5.8**	**4.6**	**6.5**	**7.7**	**-2.6pp**	**-1.7pp**	**-0.3pp**	**-0.2pp**
Sales												
Security Solutions	64.2	249.1	306.4	352.4	64.2	249.7	307.2	353.3	0.0	-0.2	-0.2	-0.2
Risk Solutions	20.2	73.9	98.2	119.8	18.4	69.1	92.0	112.2	9.8	6.9	6.8	6.8
Other	6.8	27.7	38.4	50.5	8.1	30.5	42.2	55.5	-15.8	-9.1	-9.1	-9.1
Total	**91.2**	**350.8**	**443.0**	**522.7**	**90.7**	**349.3**	**441.4**	**521.0**	**0.6**	**0.4**	**0.4**	**0.3**
EBITDA												
Security Solutions	8.7	33.0	40.5	46.5	8.8	33.2	40.9	46.6	-1.5	-0.4	-1.0	-0.2
Risk Solutions	1.1	5.4	12.8	16.3	2.4	9.0	12.3	15.3	-53.8	-39.9	3.6	6.8
Other	1.2	4.8	8.3	12.2	1.4	5.1	9.1	13.5	-18.0	-6.8	-9.1	-9.1
Group costs	-8.0	-33.2	-34.0	-36.0	-7.4	-31.4	-33.5	-35.5	-8.1	-6.0	-1.5	-1.4
Total consolidated	**3.0**	**10.0**	**27.5**	**39.1**	**5.3**	**15.9**	**28.8**	**39.9**	**-43.7**	**-37.4**	**-4.5**	**-2.0**
EBITDA margin (%)												
Security Solutions	13.5	13.3	13.2	13.2	13.7	13.3	13.3	13.2	-0.2pp	0.0pp	-0.1pp	0.0pp
Risk Solutions	5.6	7.3	13.0	13.6	13.3	13.1	13.4	13.6	-7.7pp	-5.7pp	-0.4pp	0.0pp
Other	17.0	17.3	21.5	24.3	17.5	16.8	21.5	24.3	-0.5pp	0.4pp	0.0pp	0.0pp
Total	**3.2**	**2.8**	**6.2**	**7.5**	**5.8**	**4.6**	**6.5**	**7.7**	**-2.6pp**	**-1.7pp**	**-0.3pp**	**-0.2pp**

Source: SEB

Interim financial statement

	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21E	Q4/21E	2019	2020	2021E	2022E	2023E
Net sales	**79.4**	**72.8**	**69.8**	**77.6**	**76.3**	**82.7**	**91.2**	**100.5**	**286.3**	**299.7**	**350.8**	**443.0**	**522.7**
Growth y/y	38.3%	9.0%	-11.7%	-6.6%	-4.0%	13.6%	30.6%	29.6%	29.1%	4.7%	17.0%	26.3%	18.0%
Other income	1.2	3.6	0.9	1.9	0.8	0.5	0.0	0.0	0.5	7.5	1.2	0.0	0.0
Cost of goods sold	-7.5	-6.9	-5.9	-8.5	-8.2	-8.2	-10.0	-11.1	-33.8	-28.8	-37.5	-48.7	-57.5
Other external expenses	-6.7	-6.2	-6.7	-8.5	-7.1	-9.0	-8.5	-7.6	-26.1	-28.0	-32.3	-28.3	-29.4
Personnel expenses	-63.5	-58.6	-55.3	-60.4	-60.2	-65.5	-69.7	-76.8	-229.9	-237.7	-272.2	-338.5	-396.7
Total operational expenses	-77.6	-71.7	-67.9	-77.3	-75.5	-82.8	-88.2	-95.5	-289.8	-294.5	-342.0	-415.5	-483.6
EBITDA	**3.0**	**4.8**	**2.7**	**2.1**	**1.6**	**0.4**	**3.0**	**5.0**	**-3.0**	**12.7**	**10.0**	**27.5**	**39.1**
Margin	**3.8%**	**6.6%**	**3.9%**	**2.7%**	**2.1%**	**0.5%**	**3.2%**	**5.0%**	**-1.1%**	**4.2%**	**2.8%**	**6.2%**	**7.5%**
EBIT	0.8	2.4	0.9	0.0	-0.5	-1.7	0.6	2.4	-11.5	4.0	0.8	14.6	23.9
Margin	1.0%	3.3%	1.2%	-0.1%	-0.7%	-2.1%	0.6%	2.4%	-4.0%	1.3%	0.2%	3.3%	4.6%
Net financials	-0.3	-0.5	-0.4	-0.3	-0.4	-0.1	-0.3	-0.3	-1.7	-1.5	-1.1	-1.5	-1.5
EBT	0.5	1.9	0.5	-0.3	-0.9	-1.8	0.3	2.1	-13.3	2.6	-0.4	13.1	22.4
Taxes	0.0	-0.4	-0.2	-0.7	0.0	0.0	0.0	0.1	0.6	-1.3	0.0	-1.3	-2.2
Net income	0.5	1.50	0.33	-1.02	-0.94	-1.82	0.26	2.20	-12.7	1.3	-0.3	11.8	20.2

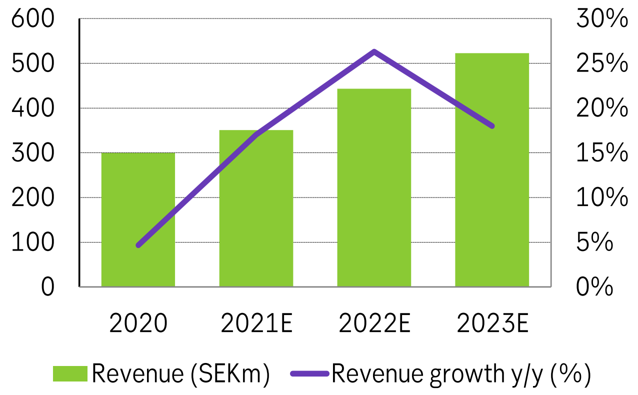
Source: Tempest Security, SEB

Estimates by segment

	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21E	Q4/21E	2019	2020E	2021E	2022E	2022E
Sales													
Security Solutions	62.1	58.2	57.3	59.9	56.1	59.3	64.2	69.5	210.5	237.5	249.1	306.4	352.4
Risk Solutions	11.9	9.4	7.2	10.4	14.1	17.7	20.2	21.9	56.4	39.0	73.9	98.2	119.8
Other	5.4	5.3	5.3	7.3	6.1	5.7	6.8	9.1	19.5	23.2	27.7	38.4	50.5
Group sales	**79.4**	**72.8**	**69.8**	**77.6**	**76.3**	**82.7**	**91.2**	**100.5**	**286.3**	**299.7**	**350.8**	**443.0**	**522.7**
Sales growth													
Security Solutions	52.8%	22.7%	-3.5%	-5.0%	-9.6%	2.0%	12.0%	16.0%	38.0%	12.8%	4.9%	23.0%	15.0%
Risk Solutions	-1.0%	-36.9%	-53.0%	-25.7%	17.7%	88.6%	179.3%	110.8%	12.2%	-30.8%	89.6%	32.9%	22.0%
Other	14.2%	17.5%	21.3%	23.0%	12.5%	8.3%	29.6%	25.0%	1.7%	19.2%	19.3%	38.5%	31.5%
Group sales growth	**38.3%**	**9.0%**	**-11.7%**	**-6.6%**	**-4.0%**	**13.6%**	**30.6%**	**29.6%**	**29.1%**	**4.7%**	**17.0%**	**26.3%**	**18.0%**
EBITDA													
Security Solutions	7.7	8.8	8.2	8.5	7.3	8.0	8.7	9.1	21.2	33.1	33.0	40.5	46.5
Risk Solutions	0.7	2.9	0.2	1.7	1.7	0.2	1.1	2.4	1.4	5.4	5.4	12.8	16.3
Other	0.8	0.9	0.8	1.1	0.9	1.2	1.2	1.5	0.2	3.7	4.8	8.3	12.2
Group costs	-6.1	-7.8	-6.4	-9.2	-8.4	-8.9	-8.0	-8.0	-25.8	-29.5	-33.2	-34.0	-36.0
Group EBITDA	**3.0**	**4.8**	**2.7**	**2.1**	**1.6**	**0.4**	**3.0**	**5.0**	**-3.0**	**12.7**	**10.0**	**27.5**	**39.1**
EBITDA margin													
Security Solutions	12.4%	15.1%	14.2%	14.2%	13.0%	13.4%	13.5%	13.1%	10.1%	13.9%	13.3%	13.2%	13.2%
Risk Solutions	5.6%	30.6%	2.1%	16.2%	12.2%	0.9%	5.6%	11.0%	2.5%	13.8%	7.3%	13.0%	13.6%
Other	14.6%	16.7%	15.8%	15.8%	15.5%	20.5%	17.0%	16.6%	1.3%	15.7%	17.3%	21.5%	24.3%
Group EBITDA margin	**3.8%**	**6.6%**	**3.9%**	**2.7%**	**2.1%**	**0.5%**	**3.2%**	**5.0%**	**-1.1%**	**4.2%**	**2.8%**	**6.2%**	**7.5%**

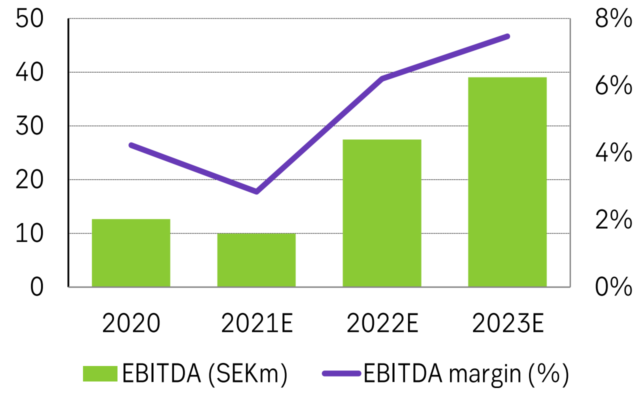
Source: Tempest Security, SEB

Revenue and revenue growth forecast



Source: Tempest Security, SEB

EBITDA and EBITDA margin forecast



Source: Tempest Security, SEB

Mid-point DCF value of SEK 47 per share

DCF valuation (SEKm)		**Weighted average cost of capital (%)**	
NPV of FCF in explicit forecast period	251	Risk free interest rate	2.5
NPV of continuing value	169	Risk premium	5.0
Value of operation	**420**	**Cost of equity**	**7.5**
Net debt	(39)	**After tax cost of debt**	**2.0**
Share issue/buy-back in forecast period	-		
Value of associated companies	-	**WACC**	**7.5**
Value of minority shareholders' equity	-		
Value of marketable assets	-	**Assumptions**	
DCF value of equity	**459**	Number of forecast years	20
DCF value per share (SEK)	**47**	EBIT margin - steady state (%)	4.8
Current share price (SEK)	36.90	EBIT multiple - steady state (x)	10.7
DCF performance potential (%)	27	Continuing value (% of NPV)	40.2

Source: SEB

DCF sensitivity

		Cost of equity (%)				
		6.5	7.0	**7.5**	8.0	8.5
Equity capital weight (%)	80	74	68	62	57	53
	90	64	59	54	49	46
	100	56	51	**47**	43	40
	100	56	51	47	43	40
	100	56	51	47	43	40

Source: SEB

DCF sensitivity

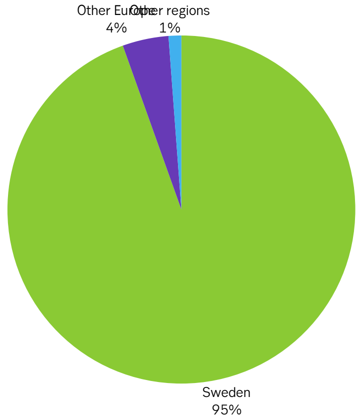
		Relative change in EBITDA margin - all years				
		-20%	-10%	**0**	+10%	+20%
Rel. change in sales growth - all years	-20%	28	35	41	48	55
	-10%	30	37	44	51	58
	0	32	39	**47**	55	62
	+10%	34	42	50	58	67
	+20%	36	45	53	62	71

Source: SEB

Overview

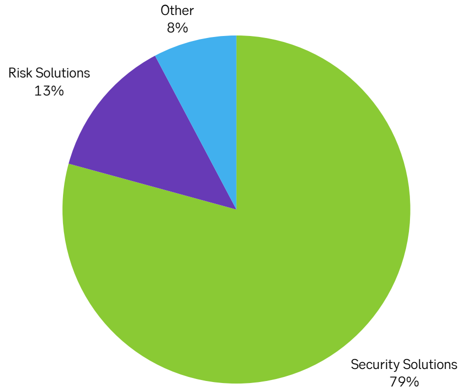
Investment considerations	In our view, Tempest Security is equipped to continue to show above-industry revenue growth rates throughout our forecast period, driven by market share gains and increased penetration of more advanced security services. We also expect that the recent turnaround in profitability could be sustained, due to further operational leverage and an enhanced revenue mix. We expect the group to turn profitable for the full year 2020 and then gradually move towards the long-term EBITDA margin target of 10%.
Company profile	Tempest Security is a fast-growing Swedish security company founded ten years ago by the current CEO Andrew Spry together with Thomas Löfving and Thomas Cavas. During this period, Tempest has transformed from conducting guarding operations mainly in the Stockholm region to offering a broad set of different security services. In the past five years, the company has increased its revenues from SEK 55m in 2014 to SEK 287M in 2019, implying revenue CAGR of close to 40%. Traditional security services remain the main exposure (73%), while higher value-add services such as risk solutions and surveillance are expected to gradually increase its part of the future revenue mix.
Valuation approach	Our fair share price range is based on a mid-point DCF value +/- 10% relative change to our EBITDA assumptions being the upper- and lower end of the range.
Investment risks	The security industry is people-intensive and Tempest Security, in line with its peers, is highly dependent on the ability to maintain and attract new employees. This is particularly crucial in order to deliver on its ambitious growth agenda. Furthermore, the company has yet to prove that the recent turnaround in profitability is sustainable and our forecasts of further margin improvements is partly based on success and high growth rates within its new and more advanced security services.

Revenues by region 2020



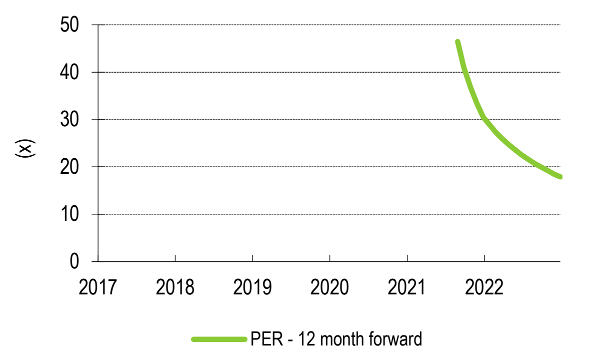
Source: SEB

Revenues per segment 2020



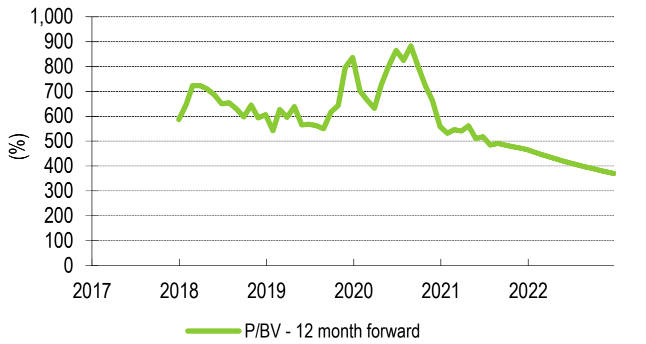
Source: SEB

PER - 12 month forward



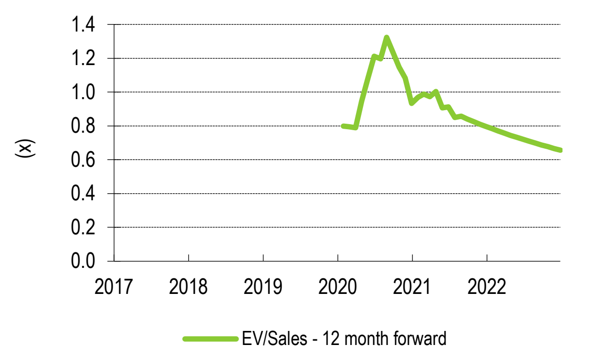
Source: SEB

P/BV - 12 month forward



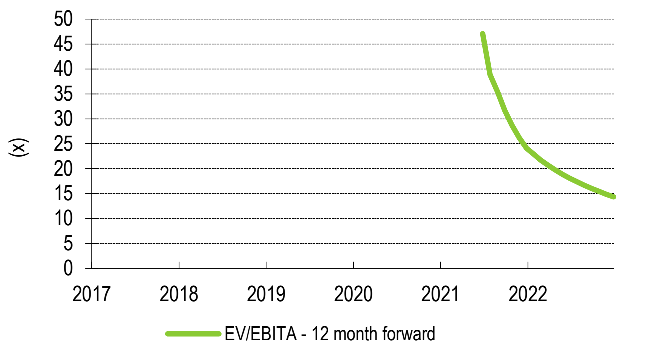
Source: SEB

EV/Sales - 12 month forward



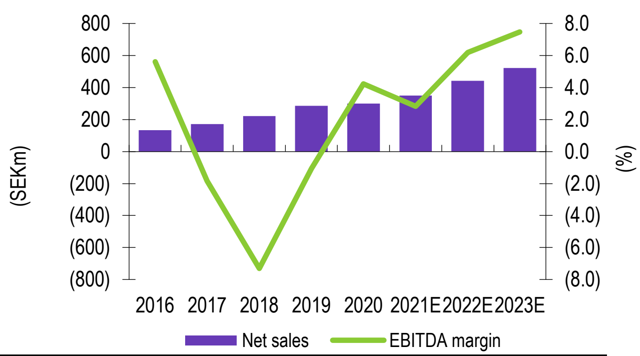
Source: SEB

EV/EBITA - 12 month forward



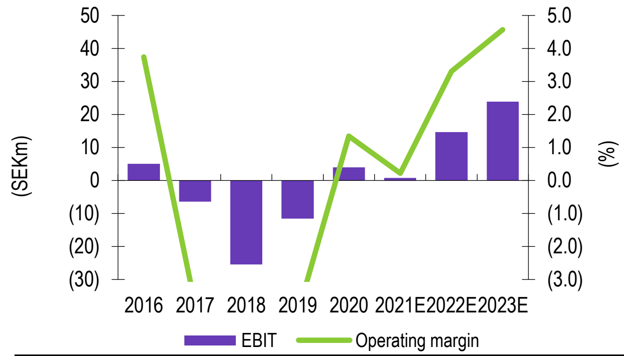
Source: SEB

Net sales & EBITDA margin



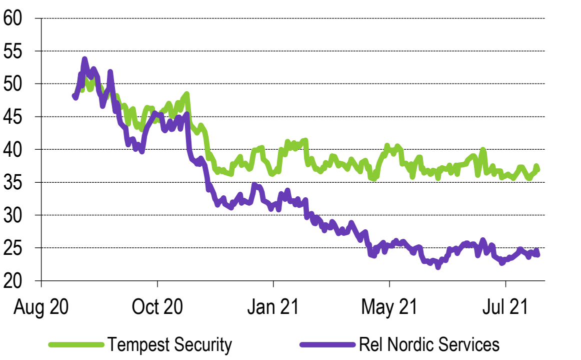
Source: SEB

EBIT & Operating margin



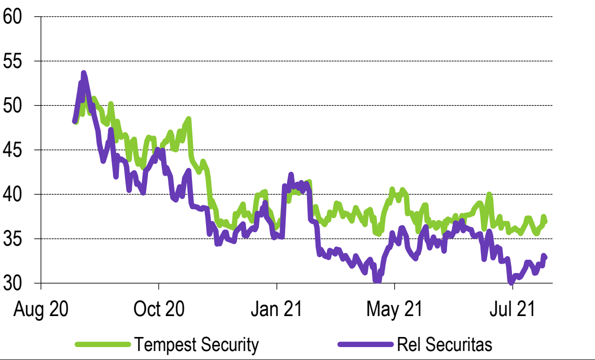
Source: SEB

Comparison with sector index - 1 year



Source: SIX

Comparison with Securitas - 1 year



Source: SIX

Profit & loss statement - Tempest Security								
(SEKm)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
Net Sales	134	171	222	286	300	351	443	523
Other revenues	0	0	0	0	7	1	0	0
Total revenues	**135**	**172**	**222**	**287**	**307**	**352**	**443**	**523**
Total expenses	(127)	(175)	(238)	(290)	(295)	(342)	(416)	(484)
Profit before depreciation	**8**	**(3)**	**(16)**	**(3)**	**13**	**10**	**27**	**39**
Depreciation - Fixed assets	(2)	(1)	(1)	(2)	(2)	(3)	(6)	(9)
Depreciation - Other assets	0	0	0	0	0	0	0	0
Depreciation of right-of-use assets	0	0	0	(7)	(7)	(7)	(7)	(7)
Amortisation - Goodwill	(0)	(1)	(7)	0	0	0	0	0
Amortisation - Other intangibles	(0)	(1)	(1)	0	0	0	0	0
Operating profit	**5**	**(6)**	**(25)**	**(12)**	**4**	**1**	**15**	**24**
Net interest expenses	(0)	(0)	(1)	(2)	0	0	0	0
Foreign exchange items	0	0	0	0	0	0	0	0
Other financial items	0	0	0	0	(1)	(1)	(2)	(2)
Value changes - Fixed assets	0	0	0	0	0	0	0	0
Value changes - Financial assets	0	0	0	0	0	0	0	0
Value changes - Other assets	0	0	0	0	0	0	0	0
Reported pre-tax profit	**5**	**(6)**	**(26)**	**(13)**	**3**	**(0)**	**13**	**22**
Minority interests	0	0	0	0	0	0	0	0
Total taxes	(1)	1	0	1	(1)	0	(1)	(2)
Reported profit after tax	**4**	**(5)**	**(26)**	**(13)**	**1**	**(0)**	**12**	**20**
Discontinued operations	0	0	0	0	0	0	0	0
Extraordinary items	0	0	0	0	0	0	0	0
Net Profit	**4**	**(5)**	**(26)**	**(13)**	**1**	**(0)**	**12**	**20**
Adjustments:								
Discontinued operations	0	0	0	0	0	0	0	0
Interest on convertible debt	0	0	0	0	0	0	0	0
Minority interests (IFRS)	0	0	0	0	0	0	0	0
Value changes	0	0	0	0	0	0	0	0
Goodwill/intangibles amortisations	0	2	8	0	0	0	0	0
Restructuring charges	0	0	0	0	0	0	0	0
Other adjustments	0	0	0	0	0	0	0	0
Tax effect of adjustments	0	0	0	0	0	0	0	0
Adjusted profit after tax	**4**	**(4)**	**(18)**	**(13)**	**1**	**(0)**	**12**	**20**
Margins, tax & returns								
Operating margin	3.7	(3.7)	(11.4)	(4.0)	1.3	0.2	3.3	4.6
Pre-tax margin	3.7	(3.7)	(11.7)	(4.6)	0.9	(0.1)	3.0	4.3
Tax rate	25.1	14.4	1.1	4.4	50.6	10.0	10.0	10.0
ROE	64.0	(27.4)	(90.4)	(45.6)	4.0	(0.7)	16.5	23.1
ROCE	86.4	(32.0)	(79.7)	0.0	0.0	0.9	14.1	19.9
Growth rates y-o-y (%)								
Total revenues	n.a.	27.4	29.5	29.1	7.1	14.6	25.9	18.0
Operating profit	133.2	n.m.	n.m.	n.m.	n.m.	(81.3)	1,841.5	63.3
Pre-tax profit	138.2	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	70.5
EPS (adjusted)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	70.5

Cash flow								
(SEKm)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
Net profit	4	(5)	(26)	(13)	1	(0)	12	20
Non-cash adjustments	2	2	7	8	6	3	6	9
Cash flow before work cap	**6**	**(4)**	**(19)**	**(5)**	**8**	**2**	**18**	**29**
Ch. in working capital / Other	2	10	6	3	7	(11)	(7)	(6)
Operating cash flow	**7**	**7**	**(13)**	**(2)**	**15**	**(9)**	**11**	**22**
Capital expenditures	(2)	(1)	(3)	(6)	(2)	(2)	(9)	(12)
Asset disposals	0	0	0	0	0	0	0	0
L/T financial investments	0	0	0	0	0	0	0	0
Acquisitions / adjustments	0	(3)	(27)	0	(2)	(13)	0	0
Free cash flow	**5**	**2**	**(43)**	**(8)**	**10**	**(24)**	**1**	**10**
Net loan proceeds	0	(2)	7	(13)	(6)	0	0	0
Dividend paid	0	(6)	0	0	0	0	0	0
Share issue	0	36	18	16	0	34	0	0
Other	(0)	0	0	0	(0)	(0)	0	0
Net change in cash	**6**	**30**	**(18)**	**(5)**	**4**	**10**	**1**	**10**
Adjustments								
C/flow bef chng in work cap	6	(4)	(19)	(5)	8	2	18	29
Adjustments	0	0	0	0	0	0	0	0
Int on conv debt net of tax	0	0	0	0	0	0	0	0
Cash earnings	6	(4)	(19)	(5)	8	2	18	29
Per share information								
Cash earnings	1.09	(0.56)	(2.5)	(0.54)	0.84	0.24	1.85	2.94
Operating cash flow	1.41	1.05	(1.73)	(0.23)	1.65	(0.96)	1.1	2.29
Free cash flow	0.98	0.31	(5.66)	(0.94)	1.17	(2.49)	0.13	1.02
Investment cover								
Capex/sales (%)	0.2	0.3	0.9	1.9	0.6	0.3	1.8	2.0
Capex/depreciation (%)	15	43	137	287	93	37	125	123

Source for all data on this page: SEB

Balance sheet - Tempest Security

(SEKm)	2016	2017	2018	2019	2020	2021E	2022E	2023E
Cash and liquid assets	17	47	29	25	29	39	40	50
Debtors	21	27	27	39	31	36	45	53
Inventories	1	0	0	0	0	0	0	0
Other	5	6	13	10	13	13	13	13
Current assets	**44**	**80**	**70**	**74**	**72**	**88**	**98**	**117**
Interest bearing fixed assets	0	0	0	0	0	0	0	0
Other financial assets	0	2	3	3	6	6	6	6
Capitalized development cost	0	0	0	0	0	1	3	5
Goodwill	2	11	22	24	24	31	31	31
Other intangibles	1	4	8	10	10	17	17	17
Right-of-use lease assets	0	0	0	25	26	26	26	26
Fixed tangible assets	5	4	6	12	7	5	7	9
Other fixed assets	0	0	0	0	0	0	0	0
Fixed assets	**8**	**20**	**39**	**74**	**73**	**85**	**88**	**92**
Total assets	**51**	**100**	**109**	**148**	**145**	**173**	**187**	**209**
Creditors	3	6	11	8	7	8	10	12
Other trade financing	0	0	0	0	0	0	0	0
S/T lease liabilities	0	0	0	6	7	7	7	7
S/T interest bearing debt	0	0	1	0	0	0	0	0
Other	39	62	63	75	74	74	74	74
Current liabilities	**41**	**68**	**75**	**88**	**88**	**89**	**91**	**93**
L/T interest bearing debt	0	0	6	0	0	0	0	0
L/T lease liabilities	0	0	0	25	26	26	26	26
Other long-term liabilities	2	1	4	0	0	(7)	(7)	(7)
Convertible debt	0	0	0	0	0	0	0	0
Pension provisions	0	0	0	0	0	0	0	0
Other provisions	0	0	0	0	0	(0)	0	0
Deferred tax	0	0	0	0	0	0	0	0
Long term liabilities	**2**	**1**	**10**	**25**	**26**	**18**	**19**	**19**
Minority interests	0	0	0	0	0	0	0	0
Shareholders' equity	**8**	**32**	**25**	**31**	**32**	**66**	**77**	**98**
Total liabilities and equity	**51**	**101**	**110**	**144**	**145**	**173**	**187**	**209**
Net debt (m)	(17)	(47)	(22)	0	4	(6)	(8)	(18)
Working capital (m)	(15)	(35)	(34)	(33)	(37)	(33)	(26)	(19)
Capital employed (m)	8	32	32	0	65	98	110	130
Net debt/equity (%)	(222)	(147)	(91)	0	12	(10)	(10)	(18)
Net debt/EBITDA (x)	(2.3)	14.9	1.4	0.0	0.3	(0.6)	(0.3)	(0.5)
Equity/total assets (%)	15	32	22	22	22	38	41	47
Interest cover	66.0	(841.3)	(48.7)	(6.6)	0.0	0.0	0.0	0.0

Valuation

(SEK)	2016	2017	2018	2019	2020	2021E	2022E	2023E
No of shares, fully dil. (y/e)	5.3	7.3	8.3	8.9	8.9	9.8	9.8	9.8
No of shares, fully dil. avg.	5.3	6.3	7.5	8.4	8.9	9.6	9.8	9.8
Share price, y/e		17.4	21.2	30.0	37.5	36.9	36.9	36.9
Share price, high		23.6	27.0	31.6	56.2	41.4		
Share price, low		16.5	14.5	18.0	23.1	35.5		
Share price, avg		18.5	21.0	22.1	38.9	37.8		
EPS (reported)	0.70	(0.87)	(3.40)	(1.52)	0.14	(0.04)	1.21	2.06
EPS (adjusted)	0.77	(0.57)	(2.38)	(1.52)	0.14	(0.04)	1.21	2.06
Cash earnings/share	1.09	(0.56)	(2.50)	(0.54)	0.84	0.24	1.85	2.94
Dividend/share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Enterprise value/share		10.9	18.5	0.0	38	36	36	35
Book value/share	1.5	4.4	3.0	3.5	3.6	6.7	7.9	10.0
Adjusted equity/share	1.5	4.4	3.0	3.5	3.6	6.7	7.9	10.0
PER (adjusted)		n.m.	n.m.	n.m.	n.m.	n.m.	30.5	17.9
CEM		(30.9)	(8.5)	(55.5)	44.4	155.6	20.0	12.6
Dividend yield		0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV/EBITDA		(25.1)	(9.5)	0.0	26.6	35.6	12.8	8.8
EV/EBITA		(17.7)	(8.7)	0.0	83.7	470.0	24.1	14.4
EV/EBIT		(12.4)	(6.0)	0.0	83.7	470.0	24.1	14.4
EV/Sales (x)		0.46	0.69	0.00	1.13	1.01	0.80	0.66
Price/Book value		3.94	7.15	8.58	10.46	5.50	4.66	3.70
Price/adjusted equity		3.94	7.15	8.58	10.46	5.50	4.66	3.70
Free cash flow/Market cap (%)		4.8	(10.0)	(3.1)	3.7	(3.1)	0.4	2.8
Operating cash flow/EV (%)		8.3	(8.5)	n.a.	4.3	(2.6)	3.0	6.5
EV/Capital employed (x)		2.5	4.9	n.a.	5.2	3.6	3.2	2.6

Main shareholders

Name	(%) Votes	Capital
Andrew Spry	23.0	23.0
Thomas Löfving	22.7	22.7
Athanase Industrial Partners II AB	17.2	17.2

Management

Title	Name
COB	Anders Laurin
CEO	Andrew Spry
CFO	Lotta Iverstrand
IR	Lotta Iverstrand

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Source for all data on this page: SEB

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