



Overview

Capital Market Day sets the pace going forward

Investment Case

Irisity is a software company that develops algorithms for IP cameras. These algorithms have the ability to independently raise an alarm if there is an intruder at a protected property or track human activity. Implementation of this type of solutions enables cost savings of 50–70% for a security company. We have assessed Irisity's algorithms as world-leading, which is reflected in the company's technical partners. These include Axis, the leading IP camera manufacturer in the western world, and Milestone, a market-leading VMS system. In our view, Irisity has in recent years and through the acquisition of Agent VI built a global presence and a stable base for reaching a new level of growth and profitability. This will be accomplished through close partnerships with key global players in the security industry.

Company Profile

The security industry had sales of approximately USD 161bn in 2019 and has historically seen growth in line with GDP. The industry has always been staff-intensive, with operating margins of around 5%. One of the fastest growing niches is video surveillance, a market that according to IHS Markit is expected to turn over USD 20bn in 2020 and to grow by about 10.5% per year (in value) in the coming years. Consulting company Mordor Intelligence estimates that 60% of sales currently consist of hardware and 10–15% of service. Software thus accounts for about 15–20% of sales. The reason video surveillance is growing faster than the security industry as a whole is the substantial efficiency gains that security companies can make by replacing patrolling guards with cameras. We also concur with industry analysts who believe a majority of new sales in video surveillance will be cloud-based within 3 years.

Irisity has been training and developing its algorithms for detecting human activity for over 10 years. The time and data that Irisity has amassed during the company's lifetime is one of its main competitive advantages since this volume of data processing is difficult to replicate, making the algorithm strong. We estimate that a security company could reduce its costs for monitoring a property by 40–60% by using Irisity's software, which would mean its operating margins for security work could rise from 5% with fully manual surveillance to 8–10% if fully replaced with video surveillance. We believe that the multinational security companies will accelerate their investments in improved margins post Covid-19.

One of Irisity's goals is to be the globally leading supplier of video analytics software. We believe the performance and precision of the company's algorithms show that Irisity is well on the way. To commercialise the company's market-leading product, Irisity has entered into partnerships with many of the leading companies in the market. These include G4S (security company), Axis (camera company), Milestone (VMS vendor) and several leading integrators. This strategy has proven to be beneficial, as 80% of the company's revenues come from the ten main partner companies. We consider the partnerships with Axis and Mobotix, where Irisity's software is sold embedded in the camera, highly interesting: they are paving the way for an expansion of the market and we believe they can generate significant revenues in future years.



ERIK PENSER BANK

Penser Access | Information Technology Services | Sweden | 25 May 2022

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Valuation approach

At present, the company is traded at an implicit WACC of 22%. We believe that a relative valuation is better suited in the current market climate. We have chosen to look at an EV/EBITDA multiple for 2023 and 2024. We formerly applied a discount of 30% because we did not have a clear picture of Irisity's potential and capacity to be strongly grounded in our estimates. We are now eliminating this discount because the Capital Market Day and the presentation of the pipeline have shown the path forward. Weighing up the valuations for 2023 and 2024 gives a fair value of SEK 61–63. During its Capital Market Day, the company clarified that growing the percentage of recurring revenues is a priority. Accordingly, we believe Irisity should be judged against other SaaS providers.

The quarter in detail

Net sales in Q1 amounted to SEK 30 million, corresponding to organic growth of 42% and 165% including Agent VI. The figure was significantly below our estimate and can be linked to lower up-front project revenues. To illustrate the point, revenues in Q4 amounted to SEK 35.8 million. We believe the discrepancy can be partly explained by a seasonal pattern in the new company, but that it is primarily linked to supply chain disruptions. We see, for example, that Irisity's customer Axis has supply problems due to the chip famine. This is impacting the entire ecosystem and causing delays in new projects. MRR increased by 6% q/q. While this is below our estimate, it shows that there is still strong demand for Irisity's services.

EBITDA was SEK -4.8m against our estimate of SEK -2m. The figure is below our estimate but shows that the company's cost base is significantly lower than our assumption for the consolidated company. The gross margin was 77% vs our assumption of 81%. The margin was dragged down by pilot projects, but we see that the company has reached critical mass, as the gross margin is not declining to the same extent as before due to pilot projects. When the company carried out several major pilots in Q2-Q3 21, the gross margin fell to an average of 58.5% .

EBIT amounted to SEK -30.4 million. The figure was reduced by the company's amortisation of goodwill from the acquisition of Agent VI, which is reported in USD. As this item is purely for accounting purposes and does not reduce cash flow, we believe focus should remain on EBITDA until the company reviews its accounting policies. Operating cash flow amounted to SEK .10.7 million against our estimate of SEK -5 million. Considering that the consolidated cost base is lower, we estimate that the company will turn around to positive cash flow during the year. The company also has cash reserves of SEK 56 million and unutilised credits.

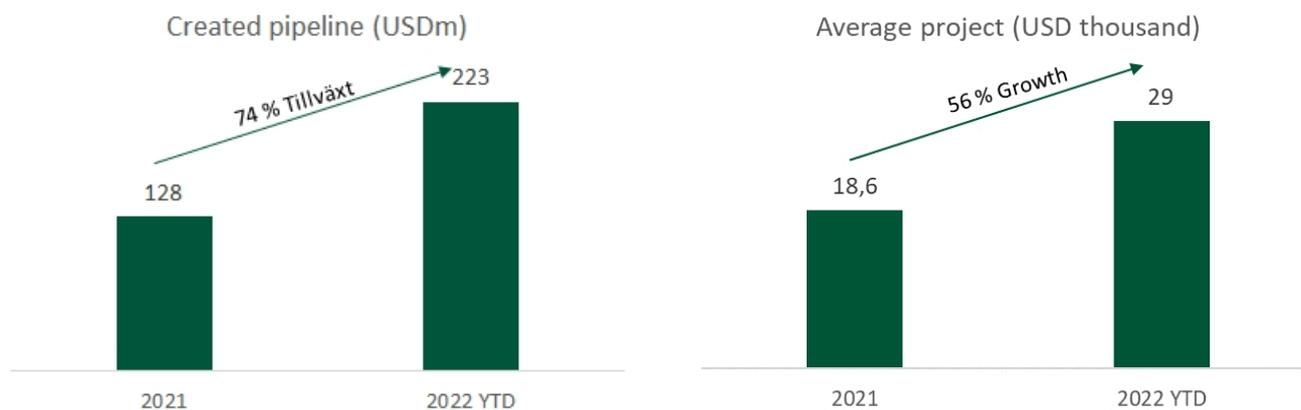
Capital Market Day

Review of the sales pipeline

The company presented an estimate of its sales pipeline for the next few years on Capital Market Day. In our view, the figures are strong and support our new estimates. Our conclusions from the presented figures:

- The sales pipeline has increased in 2022 to USD 29 million. Business worth USD 18.6 million was generated in 2021. As we see it, growth is demonstrably powerful and will remain strong in 2022-2025.
- The average project has grown from USD 128,000 to 223,000 thus far in 2022. The figure corresponds to growth of about 74% and shows that Irisity is taking in larger projects, a sign that the company's products appeal to the end customer and that the expanded sales force is delivering.
- Broad sales strategy: The company presented an end-customer distribution on Capital Market Day. It showed that Irisity is growing in areas with large public investments, such as smart cities and rail-bound transport.
- Focus on SaaS and mitigated volatility: The company's sales organisation has strong incentives to focus on SaaS-related sales. Short-term, this could result in lower growth and profitability but also mitigate volatility, leading to higher valuation.

Overall, we predict strong growth going forward and believe the sales loss in Q1 vs Q4 is temporary and can be attributed to the severe component famine we are seeing in the ecosystem. We are not, however, worried about our long-term estimates.



Review of the partner strategy

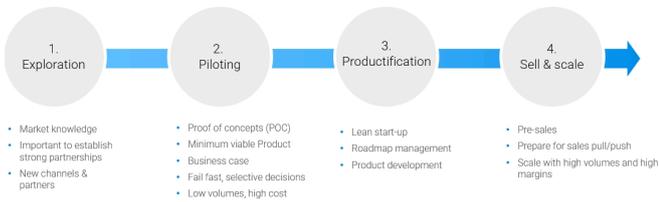
The company also provided an extensive review of Irisity’s partner strategy and total addressable market. At present, there are about 500 million connected cameras and the figure is growing by 25-50 million a year. A large share of these cameras are sold without sophisticated analytics, which implies large market potential for Irisity.

In our assessment, the company is going to be able to accelerate growth from resellers in the short term, while technical partners will be the source of long-term growth. In addition, we believe the company will be able to sell its software embedded or as a white label solution. This would widen the addressable market because it enables product sales to end customers that cannot have their cameras connected due to lack of access to high and reliable bandwidth or which lack the capacity to run the algorithms on a local server.

We see several distinct triggers for the share price in upcoming quarters as the company is in negotiations with additional technical partners as well as with one of the leading cloud providers.

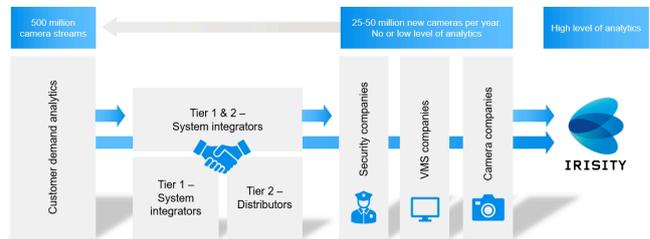
Illustration of the partner strategy

New channels & go-to-market



Källa: Irisity

An untapped need of analytics



Källa: Irisity

Review of technology/products

The company reviewed the four areas in which the technology is applied, which are:

- **Real-time notifications:** Various forms of activity, such as intrusion or vandalism, can be detected by applying Irisity's algorithms. The company has won numerous contracts in the public transportation sector and rail industry because Irisity's algorithms enable real-time notifications of rail trespasses.
- **Forensic search capability:** Irisity can apply its applications retroactively to track suspicious behaviour or to evaluate an incident.
- **Alarm filtering:** Irisity's software can be applied as a filter on existing older cameras and algorithms, a feature that can significantly reduce false alarms. The company estimates that the software can reduce 95% of all false alarms. In this area, Irisity partners with the American company Arial Immix, a leader in this niche.
- **Commercial analytics/behavioural analytics:** We believe there is substantial potential for using Irisity's algorithms for commercial purposes because they can be used to track various forms of activities. Detecting and preventing vandalism and other crimes is an area where Irisity is on the leading edge. By mapping and notifying suspicious behaviour, Irisity can facilitate security work in public places, for example.

These four can be combined in a single area. For example, Irisity can monitor the tracks for illegal trespass at a rail station while the cameras can provide advance warning of vandalism or other crimes. As the main purpose of the algorithms is to protect areas and detect harmful behaviour, the video streams are entirely de-identified, which reduces the need for permits required for cameras.

The foray into embedded solutions was another interesting aspect presented. The technology makes it possible for all analysis to be done in the camera instead of connecting the camera for analytics in the cloud. This makes it possible for Irisity to sell to customers that do not have access to a reliable internet connection or the capacity to build their own servers to run analytics. As a result, more markets can be reached, with shorter time-to-market. At present, Irisity is partnering with Axis and Mobotix in this area. The cameras capable of running an embedded version of Irisity's algorithms were released late in 2021 and our take is that this sales channel has been hit hard by the disruptions we are currently seeing in the ecosystem but that there is strong potential in the sales channel going forward.

Estimate changes

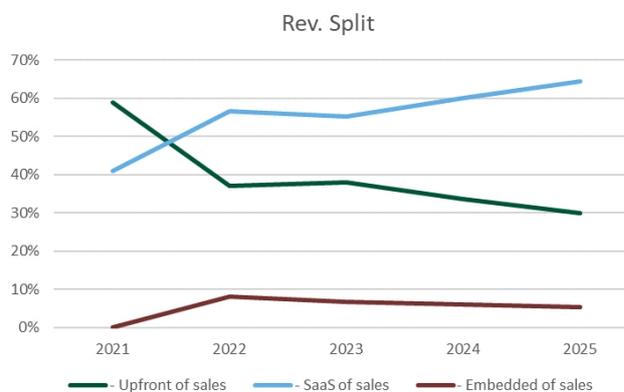
Based on external uncertainties, we are cutting our revenue estimates by an average of 35% over the forecast period. We have based our estimates on the commercialisation plan presented at the company's Capital Market Day, where we expect about 65% of the current pipeline to be realised within 2 years. We estimate that the volatility in revenues will decline over the next few years as the company has given the sales force strong incentives to increase the share of recurring revenues.

Considering that the consolidated cost base has turned out to be substantially lower than our estimates, we are lowering our EBITDA estimates by an average of 30% over the forecast period. In our assessment, the company now has a clear growth plan for the next few years, something that was formerly difficult to assess since the Agent VI acquisition and when our estimates could only be based on assumptions on the addressable market and potential impact of new types of cameras.

Estimate changes

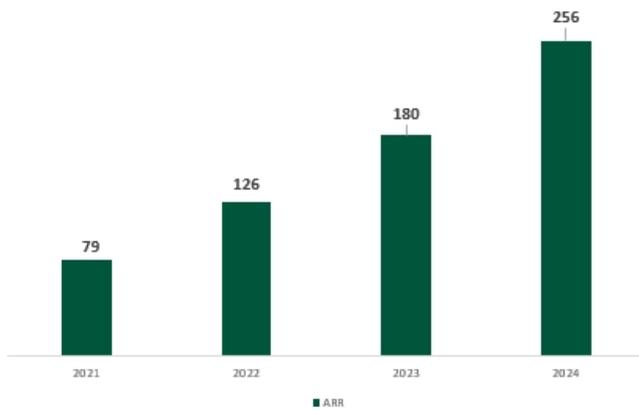
	2022	2023	2024
Δ Sales	-31,3%	-32,9%	-39,7%
Δ EBITDA	-42%	-25%	-25%
Sales	-79,5	-147,1	-254,9
EBITDA	-19,9	-32,5	-49,6

Källa: EPB



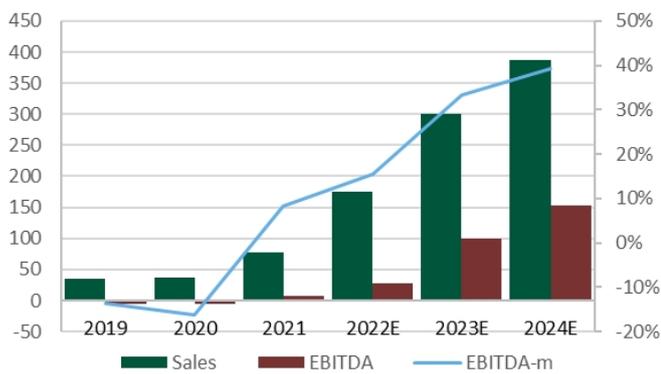
Irisity i grafer

ARR mkr (MRRx12) year end

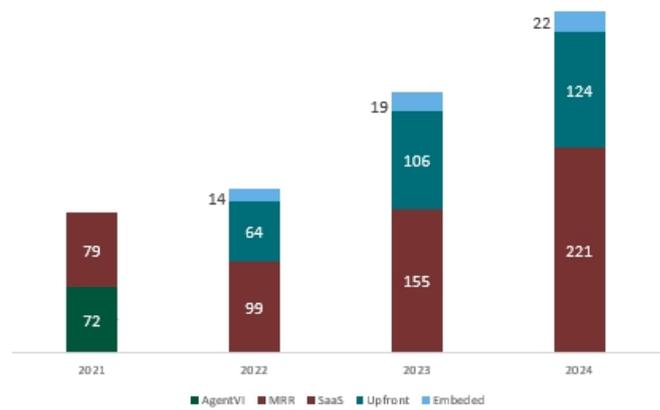


Källa: EPB

Sales and EBIT (y/y), mkr

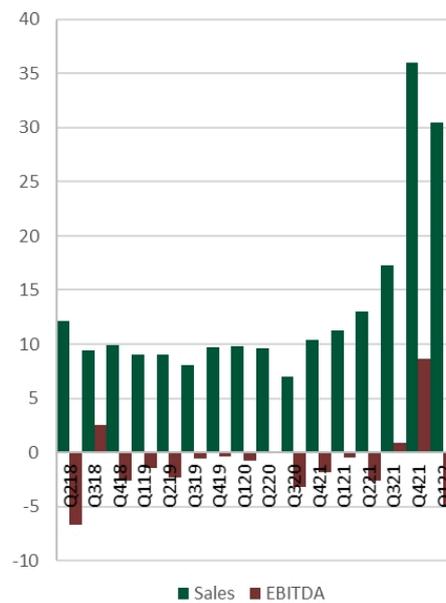


Revenue bridge mkr



Källa: EPB

Sales and EBIT (q/q), mkr



Peers

Valuation	MCAP (sek)	EV (sek)	EV / Sales			EV / EBITDA			EV / EBIT			Price / Earnings		
			LTM	2022	2023	LTM	2022	2023	LTM	2022	2023	LTM	2022	2023
Admicom	2 772	2 586	9,89x	8,1x	7,02x	21,2x	17,6x	15,4x	23,8x	18,1x	16,4x	32,3x	23,9x	21,4x
Fortnox	28 079	28 146	27,79x	22,0x	16,56x	65,4x	47,7x	34,3x	84,4x	59,6x	40,8x	107,3x	79,4x	54,2x
Vitec Software Group	17 194	17 621	10,71x	9,7x	8,65x	28,3x	25,2x	21,8x	54,4x	47,3x	39,5x	75,0x	48,4x	41,7x
SimCorp A/S	29 411	28 555	5,48x	5,0x	4,60x	18,5x	18,5x	16,6x	20,6x	20,6x	17,9x	24,9x	26,5x	23,5x
Lime Technologies	3 794	3 973	9,28x	8,3x	7,14x	31,6x	26,2x	22,2x	52,2x	41,9x	33,4x	68,0x	42,7x	34,2x
Kahoot	12 665	10 887	36,63x	7,2x	5,28x	-	42,3x	18,5x	-	68,2x	21,6x	-	173,5x	33,9x
Twilio	186 230	149 434	4,72x	3,8x	2,95x	-	62,3x	39,1x	-	(276,1x)	239,6x	(19,0x)	-	542,3x
Adobe	1 876 055	1 875 715	11,69x	10,6x	9,20x	27,8x	21,4x	18,8x	31,8x	23,6x	20,4x	39,6x	29,3x	24,9x
HubSpot	158 514	154 285	10,94x	9,0x	7,03x	-	72,3x	51,5x	-	101,0x	70,2x	(245,3x)	138,4x	100,8x
Salesforce	1 578 671	1 614 412	6,13x	5,1x	4,30x	30,6x	17,1x	14,6x	290,4x	25,4x	20,3x	106,3x	34,4x	27,7x
Upsales Technology	848	783	7,76x	6,2x	4,61x	41,8x	29,0x	16,7x	65,2x	29,1x	16,8x	88,8x	56,0x	29,8x
SignUp Software	1 892	1 874	10,05x	7,4x	5,95x	56,4x	66,3x	35,5x	65,1x	118,9x	46,4x	-	194,7x	67,6x
Checkin.com Group	1 025	965	24,84x	12,5x	6,39x	-	(9653,8x)	31,7x	-	(79,1x)	67,0x	(165,1x)	-	88,3x
Irisity	933	862	9,40x	4,2x	2,40x	-	26,6x	7,3x	-	n.m	41,60x	-	-	-
Mean			15,2x	8,7x	6,8x	35,7x	(654,7x)	25,4x	76,4x	19,0x	48,0x	10,3x	85,1x	80,3x
Median			10,0x	7,8x	6,2x	30,6x	26,4x	20,3x	54,4x	29,1x	36,4x	39,6x	48,4x	34,2x
Irisity vs Peers			-6%	-46%	-61%	n.m	1%	-64%		n.m	14%	n.m	n.m	n.m

Margins	Gross Income			EBITDA			EBIT			Net Income		
	LTM	2022	2023	LTM	2022	2023	LTM	2022	2023	LTM	2022	2023
Kahoot	-	93,2%	90,9%	-	17,1%	28,5%	-	10,6%	24,4%	-	1,4%	16,2%
Admicom	52,2%	94,2%	94,1%	47,7%	46,1%	45,7%	41,7%	44,7%	42,9%	32,4%	29,9%	31,4%
Fortnox	32,9%	92,8%	92,0%	42,5%	46,0%	48,2%	32,9%	36,9%	40,6%	25,8%	27,0%	30,4%
Vitec Software Group	19,7%	97,8%	90,5%	37,8%	38,5%	39,8%	19,7%	20,5%	21,9%	13,9%	14,6%	16,0%
SimCorp A/S	60,3%	58,8%	58,1%	29,6%	26,8%	27,6%	26,5%	24,1%	25,6%	22,2%	18,9%	19,6%
Lime Technologies	20,8%	-	-	29,3%	31,6%	32,2%	17,8%	19,8%	21,4%	13,0%	14,6%	16,2%
Twilio	46,1%	52,6%	53,5%	-19,4%	6,1%	7,6%	-29,5%	-1,4%	1,2%	-30,9%	-2,0%	0,7%
Adobe	87,0%	89,4%	89,6%	41,9%	49,5%	49,0%	36,7%	44,8%	45,2%	29,9%	36,0%	36,7%
HubSpot	80,4%	81,5%	82,1%	-0,3%	12,4%	13,6%	-3,6%	8,9%	10,0%	-4,5%	7,2%	8,1%
Salesforce	65,6%	78,3%	78,6%	19,6%	29,6%	29,5%	2,1%	20,0%	21,2%	5,5%	14,8%	16,1%
Dropbox	79,7%	81,1%	81,0%	22,3%	36,2%	36,8%	15,2%	29,3%	29,8%	16,7%	24,6%	25,3%
Upsales Technology	11,9%	-	-	18,6%	21,3%	27,6%	11,9%	21,2%	27,4%	9,5%	12,2%	17,1%
SignUp Software	1 892	1 874	100,5%	744%	595%	-	-	-	-	-	-	-
Checkin.com Group	1 025	965	-	-	-	-	-	-	-	-	-	-
Irisity	-	-33,9%	87,1%	81,0%	7,8%	16,0%	33,0%	-33,9%	-38,0%	6,0%	-	-
Mean		117,5%	137,5%	123,9%	23,1%	29,0%	32,2%	11,5%	18,6%	24,4%	12,1%	16,6%
Median		56,2%	89,4%	89,6%	29,3%	30,6%	30,8%	17,8%	20,8%	25,0%	13,9%	14,7%

Growth	Sales			EBITDA			EBIT			Net Income		
	LTM	2022	2023	LTM	2022	2023	LTM	2022	2023	LTM	2022	2023
Kahoot	-	81,1%	36,8%	0,0%	56,8%	128,1%	0,0%	642,7%	215,5%	0,0%	-31,2%	1475,9%
Admicom	13,4%	22,1%	15,1%	19,0%	17,6%	14,3%	19,8%	18,3%	10,3%	20,2%	12,3%	20,9%
Fortnox	38,4%	37,4%	32,7%	31,0%	46,5%	39,1%	29,2%	47,3%	46,0%	24,4%	43,6%	49,3%
Vitec Software Group	19,9%	15,7%	12,1%	24,1%	21,4%	15,9%	26,4%	25,0%	19,7%	27,8%	27,9%	22,9%
SimCorp A/S	8,6%	10,4%	7,9%	0,7%	-0,8%	11,5%	1,2%	-0,2%	14,6%	15,6%	-5,8%	12,0%
Lime Technologies	23,0%	18,6%	16,2%	11,3%	14,0%	18,2%	-10,1%	27,4%	25,4%	-14,5%	23,9%	28,4%
Twilio	57,4%	36,3%	29,2%	70,4%	-9,1%	59,5%	60,5%	n.m	n.m	60,1%	n.m	n.m
Adobe	17,8%	13,1%	14,8%	22,2%	9,7%	13,7%	24,1%	10,1%	15,8%	-13,3%	7,0%	17,0%
HubSpot	46,6%	32,7%	27,5%	-63,9%	31,5%	40,3%	-0,4%	30,4%	43,9%	-29,2%	33,9%	44,8%
Salesforce	24,7%	21,0%	17,9%	5,0%	15,0%	17,6%	-42,3%	29,4%	24,9%	-67,5%	2,0%	28,3%
Dropbox	12,1%	7,8%	7,4%	59,3%	5,4%	9,4%	117,5%	5,2%	9,4%	-248,3%	-6,1%	10,5%
Upsales Technology	29,2%	36,6%	33,9%	-15,0%	36,4%	74,1%	-7,8%	35,9%	73,2%	-1,2%	59,8%	87,1%
SignUp Software	-	33,4%	25,0%	-1,5%	-16,9%	86,8%	-3,6%	-29,5%	156,3%	3,4%	-35,5%	188,0%
Checkin.com Group	-	98,2%	95,8%	-	-	-	-	-	-	-	-	-
Pexip Holding	18,7%	19,9%	18,6%	n.m	n.m							
Irisity	110,2%	228,2%	76,2%	n.m	n.m							
Mean		32,3%	44,5%	29,2%	12,5%	17,5%	40,6%	16,5%	70,2%	54,6%	-17,1%	11,0%
Median		21,4%	22,1%	18,6%	11,3%	15,0%	18,2%	1,2%	26,2%	25,1%	0,0%	9,7%

Källa: Factset

Assumptions for implicit WACC

We believe that a traditional DCF becomes too sensitive when valuing growth companies to be able to support a valuation. We have instead used our DCF to calculate what implicit WACC the current share price corresponds to given our estimates.

DCF - GROWING FCF PERPETUITY FORMULA																																																					
Valuation output			WACC assumptions			Sensitivity analysis																																															
Sum of PV of FCF (explicit period)	714		Risk free nominal rate	2,0%		Long-term growth rate																																															
PV of terminal value (perpetuity formula)	88		Risk premium	17,0%																																																	
Enterprise value	802		Extra risk premium	3,0%		<table border="1"> <thead> <tr> <th></th> <th>1,0%</th> <th>1,5%</th> <th>2,0%</th> <th>2,5%</th> <th>3,0%</th> </tr> </thead> <tbody> <tr> <td>18,0%</td> <td>25,2</td> <td>25,5</td> <td>25,7</td> <td>26,0</td> <td>26,3</td> </tr> <tr> <td>19,5%</td> <td>24,6</td> <td>24,9</td> <td>25,1</td> <td>25,3</td> <td>25,6</td> </tr> <tr> <td>20,0%</td> <td>24,1</td> <td>24,3</td> <td>24,5</td> <td>24,7</td> <td>25,0</td> </tr> <tr> <td>20,5%</td> <td>23,5</td> <td>23,7</td> <td>23,9</td> <td>24,1</td> <td>24,4</td> </tr> <tr> <td>21,0%</td> <td>23,0</td> <td>23,2</td> <td>23,4</td> <td>23,6</td> <td>23,8</td> </tr> </tbody> </table>							1,0%	1,5%	2,0%	2,5%	3,0%	18,0%	25,2	25,5	25,7	26,0	26,3	19,5%	24,6	24,9	25,1	25,3	25,6	20,0%	24,1	24,3	24,5	24,7	25,0	20,5%	23,5	23,7	23,9	24,1	24,4	21,0%	23,0	23,2	23,4	23,6	23,8						
	1,0%	1,5%	2,0%	2,5%	3,0%																																																
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Latest net debt	-55		Beta	1,0		Long-term EBIT margin																																															
Minority interests & other	0		Cost of equity	22,0%																																																	
Equity value	857		Cost of debt (pre-tax)	3,0%		<table border="1"> <thead> <tr> <th></th> <th>25,0%</th> <th>27,5%</th> <th>30,0%</th> <th>32,5%</th> <th>35,0%</th> </tr> </thead> <tbody> <tr> <td>18,0%</td> <td>24,5</td> <td>25,1</td> <td>25,7</td> <td>26,4</td> <td>27,0</td> </tr> <tr> <td>19,5%</td> <td>23,9</td> <td>24,5</td> <td>25,1</td> <td>25,7</td> <td>26,3</td> </tr> <tr> <td>20,0%</td> <td>23,4</td> <td>23,9</td> <td>24,5</td> <td>25,1</td> <td>25,6</td> </tr> <tr> <td>20,5%</td> <td>22,8</td> <td>23,4</td> <td>23,9</td> <td>24,4</td> <td>25,0</td> </tr> <tr> <td>21,0%</td> <td>22,3</td> <td>22,9</td> <td>23,4</td> <td>23,9</td> <td>24,4</td> </tr> </tbody> </table>							25,0%	27,5%	30,0%	32,5%	35,0%	18,0%	24,5	25,1	25,7	26,4	27,0	19,5%	23,9	24,5	25,1	25,7	26,3	20,0%	23,4	23,9	24,5	25,1	25,6	20,5%	22,8	23,4	23,9	24,4	25,0	21,0%	22,3	22,9	23,4	23,9	24,4						
	25,0%	27,5%	30,0%	32,5%	35,0%																																																
18,0%	24,5	25,1	25,7	26,4	27,0																																																
19,5%	23,9	24,5	25,1	25,7	26,3																																																
20,0%	23,4	23,9	24,5	25,1	25,6																																																
20,5%	22,8	23,4	23,9	24,4	25,0																																																
21,0%	22,3	22,9	23,4	23,9	24,4																																																
No. of shares outstanding (millions)	38		Tax rate	22%																																																	
Equity value per share (SEK)	22		Target debt/(debt + equity)	0%																																																	
			Implicit WACC	22,0%																																																	
Implicit multipl.			Terminal value assumptions																																																		
EV/Sales	2021	2022	2023	Long term growth rate	2,0%																																																
EY/EBITDA	10,4	4,8	2,7	Long term EBIT margin	30,0%																																																
EY/EBIT	125,1	29,5	9,0	Depreciation (% of sales)	2,0%																																																
EY/NOPLAT	-31,1	-12,2	46,1	Capex (% of sales)	2,0%																																																
EV/NOPLAT	-39,9	-15,7	59,1	Working cap. (% of sales)	2,5%																																																
P/E				Tax rate	22%																																																
ROIC/WACC																																																					
Current Share price	52,4																																																				

DCF (SEKm)	2022-05-23	dec-19	dec-20	dec-21	dec-22	dec-23	dec-24	dec-25	dec-26	dec-27	dec-28	dec-29	dec-30	dec-31	dec-32	dec-33	Terminal
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Sales	35	37	77	174	300	388	477	556	612	636	658	680	699	718	734	749	
EBITDA	-5	-6	6	27	100	152	187	217	239	247	248	249	248	246	243	240	
- Depreciation	-12	-13	-32	-93	-82	-75	-81	-82	-76	-64	-57	-50	-42	-34	-25	-15	
= EBIT	-17	-19	-26	-66	17	78	106	136	163	183	191	198	206	212	219	225	
- Tax on EBIT	4	4	6	14	-4	-17	-23	-30	-36	-40	-42	-44	-45	-47	-48	-49	
= NOPLAT	-13	-15	-20	-51	14	61	83	106	127	143	149	155	160	166	171	175	
+ Depreciation	12	13	32	93	82	75	81	82	76	64	57	50	42	34	25	15	
= Gross cash flow	-1	-2	12	42	96	135	164	187	203	207	206	205	203	199	195	190	
- Capex	27	47	124	0	0	0	-1	-2	-3	-5	-6	-8	-10	-11	-13	-15	
- Increase (+decrease) in WC	3	-4	-18	-18	-9	-13	-3	-3	-2	-1	-1	-1	-1	-1	-1	-1	
= Free cash flow from operations	29	41	118	24	87	122	160	183	198	201	199	196	192	187	182	175	
PV of cash flow				130	22	64	74	79	74	66	55	45	36	29	23	18	88
% of Enterprise value				16%	3%	8%	9%	10%	9%	8%	7%	6%	4%	4%	3%	2%	11%
Accumulated % of Enterprise value				16%	19%	27%	36%	46%	55%	63%	70%	76%	80%	84%	87%	89%	100%

Key figures	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Sales growth	3,8%	110,2%	125,4%	72,1%	29,3%	22,8%	16,6%	10,2%	3,8%	3,5%	3,2%	2,9%	2,6%	2,3%	2,0%	
EBITDA margin	-16%	8%	16%	33%	39,3%	39,2%	39,1%	39,0%	38,9%	37,7%	36,6%	35,4%	34,3%	33,1%	32,0%	
EBITDA growth	23%	-208%	325%	266%	52,9%	22,6%	16,2%	9,9%	3,5%	0,5%	0,1%	-0,3%	-0,7%	-1,1%	-1,5%	
EBIT margin	-52%	-33%	-38%	6%	20,0%	22,2%	24,4%	26,6%	28,8%	29,0%	29,2%	29,4%	29,6%	29,8%	30,0%	
Depreciation (% of sales)	36,3%	41,7%	53,2%	27,5%	19,2%	17,0%	14,7%	12,4%	10,1%	8,7%	7,4%	6,0%	4,7%	3,3%	2,0%	
Capex (% of sales)	-126,8%	-160,1%	0,0%	0,0%	0,0%	0,2%	0,4%	0,5%	0,7%	0,8%	1,2%	1,4%	1,6%	1,8%	2,0%	
Capex (% of depreciation)	-350%	-384%	0%	0%	0%	1%	2%	4%	7%	11%	16%	23%	34%	53%	100%	

Källa: EPB

Income statement

	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Net sales	35,3	45,4	35,4	36,8	77,3	174,2	299,8	387,7	480,0
Other income			16,3	12,7	15,8	19,0	0,0	0,0	0,0
Cost of goods sold	-7,9	-9,3	-13,1	-14,8	-21,7	-34,2	-48,9	-62,5	-92,0
Gross profit	27,4	36,1	38,6	34,7	71,3	159,0	250,9	325,2	388,0
Personnel costs	-18,2	-25,8	-28,5	-31,6	-49,6	-94,8	-107,2	-124,7	-140,0
Other operating costs	-8,5	-18,2	-15,0	-9,1	-15,3	-36,9	-44,0	-48,0	-60,0
Extraordinära kostnader									
EBITDA	0,7	-8,0	-4,8	-5,9	6,4	27,2	99,7	152,5	188,0
Depreciation/amortisation	-3,7	-5,6	-11,8	-13,3	-32,2	-92,8	-82,3	-74,9	-68,4
Impairments									
EBIT (adjusted)	-2,9	-13,6	-16,7	-19,3	-25,8	-65,5	17,4	77,6	119,7
Items affecting comparability	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
EBIT	-2,9	-13,6	-16,7	-19,3	-25,8	-65,5	17,4	77,6	119,7
Financial income	-0,2	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Financial expenses	-0,5	-0,7	-0,6	-0,3	-0,6	0,0	0,0	0,0	0,0
Profit before tax	-3,6	-14,3	-17,3	-19,6	-26,4	-65,5	17,4	77,6	119,7
Tax	0,1	0,0	-0,4	0,0	2,5	17,4	-3,6	-16,0	-24,7
Minority interests	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Net profit (reported)	-3,5	-14,3	-17,6	-19,6	-23,9	-48,1	13,8	61,6	95,0
Net profit (adjusted)	-3,5	-14,3	-17,6	-19,6	-23,9	-48,1	13,8	61,6	95,0

Balance Sheet

	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Assets									
Other intangible assets	12	25	59	59	425	680	617	562	514
Property, plant and equipment	7	8	5	2	311	3	3	3	3
Interest-bearing non-current assets	0	0	0	0	36	34	34	34	34
Investments in associates and shares	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0
Total non-current assets	19	33	64	61	772	717	655	600	551
Inventory	0	0	0	0	0	0	0	0	0
Trade receivables	8	9	6	8	40	49	66	86	104
Other current assets	37	3	2	4	15	23	23	23	23
Cash and cash equivalents	6	32	40	65	71	47	114	217	349
Total current assets	51	44	48	77	127	119	202	326	476
TOTAL ASSETS	70	77	112	138	899	836	857	926	1 027

	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
EQUITY AND LIABILITIES									
Equity	0	0	0	118	762	702	715	777	872
Minority interests	0	0	0	0	0	0	0	0	0
Total equity	36	47	87	118	762	702	715	777	872
Non-current financial liabilities	8	6	3	1	14	14	14	14	14
Provisions for pensions	0	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	70	70	70	70	70
Other non-current liabilities	0	0	0	0	0	0	0	0	0
Total non-current liabilities	8	6	3	1	84	84	84	84	84
Current financial liabilities	6	5	3	1	1	1	1	1	1
Trade payables	4	4	4	4	12	17	25	32	38
Tax liabilities	0	0	0	0	0	0	0	0	0
Other current liabilities	16	14	14	14	38	33	33	33	33
Total current liabilities	25	24	22	19	52	51	58	66	72
TOTAL EQUITY AND LIABILITIES	69	77	112	138	898	836	857	926	1 027

Cashflow statement

	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Net profit (reported)	-3,5	-14,3	-17,6	-19,6	-23,9	-48,1	13,8	61,6	95,0
Non-cash items	-2,9	5,6	12,7	12,6	14,4	60,0	82,2	74,9	68,4
Changes in working capital	2,1	1,7	2,7	-4,2	-17,9	-17,5	-9,1	-13,5	-11,2
Cash flow from operating activities	-4,4	-7,0	-2,2	-11,1	-27,4	-5,6	86,9	123,0	152,2
Investments	-11,3	-20,4	-17,7	-10,0	-90,2	-19,2	-20,0	-20,0	-20,0
Disposals	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Free cash flow	-16	-27	-20	-21	-118	-25	67	103	132
Dividends	0	0	0	0	0	0	0	0	0
Share issues/buybacks	0	54	27	47	124	0	0	0	0
Purchases	0	0	0	0	0	0	0	0	0
Debt financing and other adjustments	0	0	0	0	0	0	0	0	0
Cash flow	-18	26	7,5	25,4	6,2	-24,8	66,9	103,0	132,2
Net Debt	8	-21	-34	-63	-56	-32	-99	-202	-334

KPIs

	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
EPS, rep.	-0,26	-0,81	-0,96	-0,51	-0,62	-1,25	0,36	1,61	1,61
EPS adj	-0,26	-0,39	-0,96	-0,57	-0,06	2,78	7,01	1,61	1,61
FCF/Share	-0,41	-0,71	-0,52	-0,55	-3,07	-0,65	1,74	2,69	3,45
Dividend/share	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Equity/share	0,95	1,22	2,28	3,07	19,87	18,29	18,65	20,26	22,73
Number of shares	15,99	17,58	23,16	25,84	38,36	38,36	38,36	38,36	38,36
Snitt antal aktier efter utspädning									

	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
P/E	-86,9	-28,4	-24,0	-45,0	-36,9	-18,3	63,9	14,3	14,3
P/Equity	24,2	18,8	10,1	7,5	1,2	1,3	1,2	1,1	1,0
P/FCF	-56,3	-32,2	-44,2	-41,8	-7,5	-35,6	13,2	8,6	6,7
EV/Sales	23,4	18,2	23,4	22,5	12,1	5,4	3,1	2,4	2,0
EV/EBITDA	1136,5	-103,3	-170,7	-139,2	146,2	34,4	9,4	6,1	5,0
EV/EBIT	-281,2	-60,8	-49,7	-42,9	-36,3	-14,3	53,9	12,1	7,8
EV	890,0	861,1	848,7	819,5	827,4	850,6	783,6	680,6	882,3

Quarterly data

Income Statement																	
	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q419	Q120	Q220	Q320	Q420	Q121	Q221	Q321	Q421	Q122
Net sales	6,7	12,1	9,4	9,9	9,0	9,0	8,0	9,7	9,8	9,6	7,0	10,4	11,3	13,0	17,2	36,0	36,0
Other income	2,8		4,5		4,5	4,5	3,5	3,5	3,1	3,1	3,0	3,6	4,1	2,8	3,5	5,1	5,1
Cost of goods sold	-2,4	-2,1	-2,3	-2,6	-3,6	-3,8	-3,0	-2,7	-3,5	-3,1	-3,6	-4,5	-3,1	-5,5	-7,1	-6,1	-6,1
Gross profit	7,2	10,0	11,6	7,3	9,9	9,7	8,5	10,4	9,4	9,6	6,4	9,4	12,2	10,3	13,7	35,1	35,1
Personnel costs	-5,0	-11,4	-4,9	-4,7	-6,4	-7,8	-6,0	-8,3	-7,8	-7,6	-7,2	-8,9	-9,5	-10,3	-8,0	-21,7	-21,7
Other operating costs	-3,5	-5,4	-4,2	-5,3	-5,1	-4,3	-3,1	-2,5	-2,3	-2,0	-2,3	-2,4	-3,2	-2,6	-4,7	-4,7	-4,7
EBITDA	-1,2	-6,7	2,6	-2,6	-1,5	-2,4	-0,6	-0,4	-0,8	-0,1	-3,2	-1,9	-0,5	-2,6	0,9	8,6	8,6
Avskrivningar	-1,4	-1,3	-1,2	-1,7	-2,8	-3,2	-3,1	-2,6	-3,4	-3,4	-3,4	-3,1	-3,3	-3,5	-3,5	-21,9	-21,9
Goodwillnedskrivningar																	
Resultat (EBIT)	-2,6	-8,0	1,3	-4,3	-4,3	-5,6	-3,7	-3,0	-4,2	-3,5	-6,6	-4,9	-3,8	-6,1	-2,6	-13,2	-13,2
Extraordinära Poster	0,0	-6,3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Adj. (EBIT)	-2,6	-1,7	1,3	-4,3	-4,3	-5,6	-3,7	-3,0	-4,2	-3,5	-6,6	-4,9	-3,8	-6,1	-2,6	-13,2	-13,2
Finansiella intäkter	-0,2	-0,2	-0,2	-0,2	0,0	-0,2	0,0	-0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Finansiella kostnader	0,0	0,0	0,0	0,0	-0,2	0,0	-0,1	0,0	-0,1	-0,1	-0,1	-0,1	-0,1	0,0	0,0	-0,5	-0,5
Resultat före skatt	-2,8	-8,2	1,2	-4,5	-4,5	-5,8	-3,9	-3,1	-4,3	-3,6	-6,6	-5,0	-3,9	-6,1	-2,6	-13,7	-13,7
Skatter	0,0	0,0	0,0	0,1	0,1	0,0	0,0	-0,4	0,1	0,1	0,1	-0,4	0,1	0,1	0,1	2,1	2,1
Minoritetsintressan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nettoresultat Rapporterat	-2,8	-8,2	1,2	-4,4	-4,4	-5,8	-3,9	-3,5	-4,2	-3,5	-6,5	-5,4	-3,7	-6,0	-2,5	-11,6	-11,6
Nettoresultat (just)	-2,8	-3,3	1,2	-4,4	-4,4	-5,8	-3,9	-3,5	-4,2	-3,5	-6,5	-5,4	-3,7	-6,0	-2,5	-11,6	-11,6
Tillväxt och marginaler																	
	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q419	Q120	Q220	Q320	Q420	Q121	Q221	Q321	Q421	Q122
Omsättningstillväxt								-2%	9%	7%	-13%	7%	15%	35%	146%	248%	220%
EBIT, tillväxt								na	na								
Bruttomarginal				74%	74%	72%	74%	72%	64%	68%	48%	56%	72%	58%	59%	83%	83%
EBITDA-marginal	na	5%	24%	24%													
EBIT-marginal	na	na	14%	na	na												
Skattesats	na	na	0%	na	na												

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Erik Penser Bank (*publ.*)

Apelbergsgatan 27 Box 7405 103 91 STOCKHOLM

tel: +46 8 463 80 00 fax: +46 8 678 80 33 www.penser.se