



## Commissioned Research

09 October 2024

## Bactiguard

## Higher risk in Zimmer Biomet agreement – Q3 preview

## Company Update

## Fair value range:

SEK58.0–78.0

## Share price:

SEK47.1

Ahead of the upcoming Q3 report, we have reduced our long-term estimates to reflect Zimmer Biomet's decision to terminate its agreement for various orthopaedic products. This does not have any direct effect on the partnership in the Trauma segment, which is a separate agreement that accounts for the majority of Zimmer Biomet sales in our model. However, we believe the risk has increased regarding the timing of the US Trauma launch as Zimmer Biomet's decision to terminate the orthopaedic agreement was due to the path to approval by the US FDA turning out to be longer and more difficult than the company initially expected.

We highlight the uncertain regulatory pathway and timing of US approval as one of the key risks. Delaying the approval for Trauma in the US by one year to 2027e and now assuming slower uptake, we have lowered sales estimates by 2% in 2025e and 9% in 2026e. With the large operational leverage from the new out-licensing model there is an even larger impact on earnings. We now forecast sales of SEK411m in 2028e, which can be compared with Bactiguard's target of SEK1bn that we think needs to be lowered.

We have reduced our fair value range to SEK58–78 (70–90) to reflect our lower estimates. For this case to start attracting more interest from investors we see the need for BD (coating of urinary catheters) revenues to accelerate to a new, higher level. We also think momentum must improve for the Zimmer Biomet trauma launch in Europe that has so far been slow and been limited to only a small part of the total trauma assortment. In addition, Bactiguard needs to demonstrate that its new strategy of out-licensing the coating technology works by signing new agreements for other product categories.

For the upcoming Q3 report we forecast sales to be up 14% adjusted for FX, supported by significantly higher BD sales Y/Y compared with a temporarily weak Q3(23). This should not be seen as an acceleration, but rather a normalisation of volumes after last year being negatively impacted by stocking effects. We expect EBITDA to be about breakeven, similar to recent quarters, and for the operating loss on the adj. EBIT line to have decreased to SEK-12.6m (-21.6m).

## Research analysts:

Kristofer Liljeberg

## Changes in this report (SEK)

	From	To	Chg
EPS adj. 2024e	-0.73	-0.78	-6%
EPS adj. 2025e	0.39	0.27	-31%
EPS adj. 2026e	1.55	1.02	-34%

## Upcoming events

Q3 Report	24 Oct 2024
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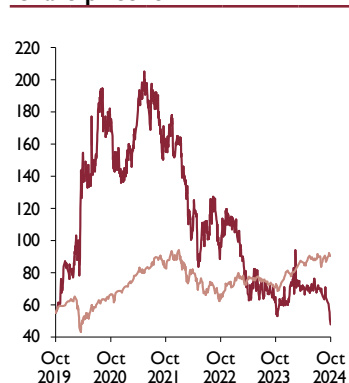
## Key facts

No. shares (m)	35.0
Market cap. (USDm)	159
Market cap. (SEKm)	1,651
Net IB Debt. (SEKm)	173
Adjustments (SEKm)	0
EV (2024e) (SEKm)	1,824
Free float	100.0%
Avg. daily vol. ('000)	3
Risk	High Risk
Fiscal year end	December
Share price as of (CET)	08 Oct 2024 11:11

## Key figures (SEK)

	2023	2024e	2025e	2026e
Sales (m)	223	232	240	278
EBITDA (m)	-76	0	42	67
EBIT (m)	-132	-46	-2	41
EPS	-3.95	-1.51	-0.49	0.75
EPS adj.	-1.75	-0.78	0.27	1.02
DPS	0.00	0.00	0.00	0.00
Sales growth Y/Y	-12%	4%	3%	16%
EPS adj. growth Y/Y	-chg	+chg	+chg	284%
EBIT margin	-59.1%	-19.8%	-0.9%	14.6%
P/E adj.	n.m.	n.m.	>100	46.1
EV/EBIT	neg.	neg.	neg.	43.7
EV/EBITA	neg.	neg.	70.1	35.0
EV/EBITDA	neg.	>100	43.3	26.6
P/BV	4.7	5.5	5.8	5.3
Dividend yield	0.0%	0.0%	0.0%	0.0%
FCF yield	-4.2%	-3.8%	0.3%	1.5%
Equity/Total Assets	53.3%	48.0%	47.4%	49.4%
ROCE	-18.4%	-7.5%	-0.2%	7.5%
ROE adj.	-14.5%	-8.3%	3.2%	12.1%
Net IB debt/EBITDA	-1.4	407.7	3.8	1.9

## Share price -5Y



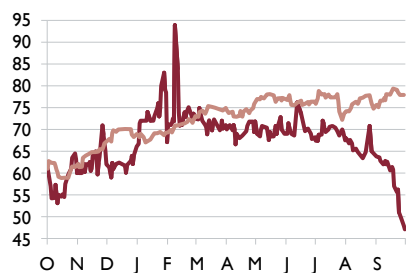
High/Low (12M) SEK93.9/47.1  
 Perf. 3M 6M 12M YTD  
 Abs. -30.9 -33.7 -24.8 -23.8  
 Rel. -32.9 -37.6 -51.2 -34.7

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

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**Performance & Valuation**

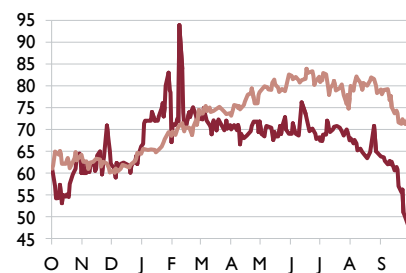
**Price relative to market – 1Y**



— Bactiguard  
— OMX Stockholm\_PI (Se)

Source: FactSet

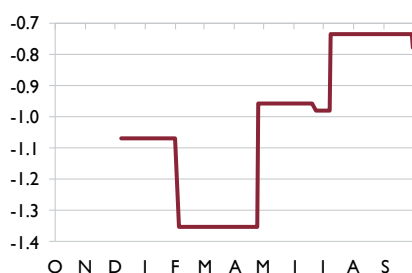
**Price relative to sector – 1Y**



— Bactiguard  
— Healthcare

Source: FactSet

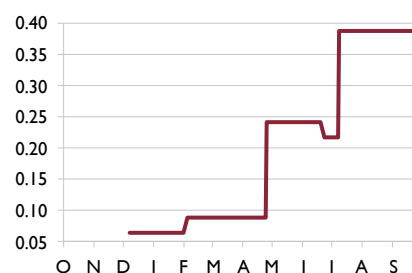
**Adj. EPS expectations –2024e (SEK)**



— Carnegie  
— Consensus

Source: Carnegie Research & FactSet

**Adj. EPS expectations –2025e (SEK)**



— Carnegie  
— Consensus

Source: Carnegie Research & FactSet

**Major shareholders**

Shareholders (%)	Capital	Votes
Thomas von Koch	23.4%	36.9%
Christian Kinch	17.6%	34.0%
Jan Ståhlberg	10.3%	5.1%
4th AP Fund	9.6%	4.7%
Nordea Funds	9.6%	4.7%
Handelsbanken Funds	6.9%	3.4%

Source: FactSet

**Company miscellaneous**

CEO	Christine Lind
CFO	Patrick Bach
IR	Nina Nornholm
Phone	+46 8 440 58 80
Web	www.bactiguard.com
Address	Alfred Nobels Allé 150
City	Tullinge

Source: Carnegie Research

**Company description**

Bactiguard, a Sweden-based medical technology company, has developed a coating that is applied to medical devices to prevent infection. By applying the company's coating to a medical device that is to remain in the body for longer than two days, the risk of a healthcare-associated infection (HAI) is reduced according to various clinical trials described in this report. The technology is documented to be safe after being used in 230m urinary catheters, cost-effective and easy-to-use. It has a long-standing licensing partnership with Becton Dickinson (BD) for coating its urinary catheters in the US. Bactiguard has announced that it will stop its proprietary, loss-making, coated medical device business and instead focus on signing licensing deals for these products.

Source: Carnegie Research & FactSet

## Valuation and risks

Our fair value range is down to SEK58–78 (70–90) per share. We use two different valuation approaches to come to our fair value range. The first is a standard discounted cash flow model (DCF) and the second is to apply peer multiples from two peer groups to our estimated earnings for 2028e (the same year that Bactiguard uses for its financial guidance) and discount back to today. In our peer groups we have applied 12-month forward EV/EBITA multiples for a broader group of global medtech companies (18x) and our local universe of fast-growing medtech stocks (24x, when excluding outliers) on our Bactiguard EBITA(28e), and discounted that back to today at a 10% discount rate.

### Risks

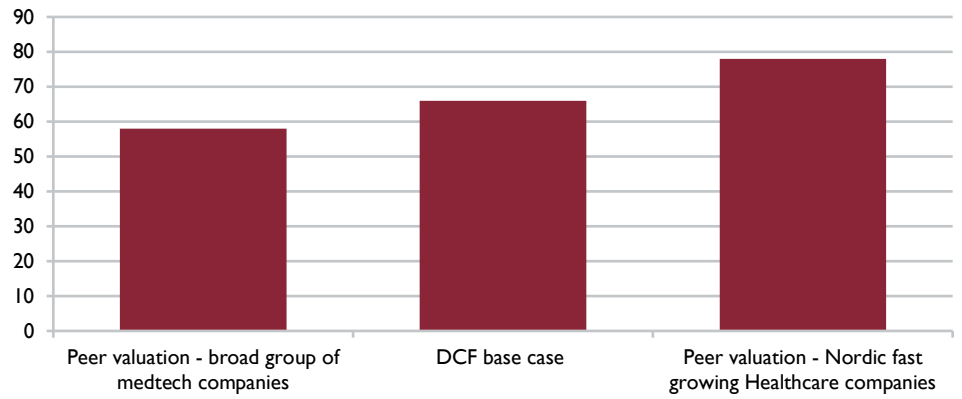
We believe one important risk for the share price is Bactiguard's ability to find the right licensing partners and their potential to roll out products with the coating technology. This risk is highlighted by Zimmer Biomet's decision to terminate the agreement for various orthopaedic product segment. Other important risks relate to regulatory timing, the technology itself and intellectual property. Even if our estimates are considerably below the company's official target, they still require a significant ramp-up in existing and new partner agreements in the coming years.

DCF assumptions - Summary	2024e	2025e	2026e	Average year			Terminal	
				4-5	6-10	11-15	16-20	period
Total sales growth	4.0%	3.4%	15.7%	24.6%	13.4%	4.2%	3.0%	2.0%
EBITDA margin	0.1%	17.4%	24.0%	37.5%	50.9%	50.1%	44.9%	42.1%
Depreciation % of sales	-7.8%	-6.7%	-5.8%	-4.2%	-2.5%	-2.1%	-2.1%	-2.1%
EBITA margin	-7.7%	10.8%	18.2%	33.3%	48.4%	48.0%	42.8%	40.0%
Amortisations % of sales	-12.2%	-11.7%	-3.6%	-2.6%	-1.5%	-1.3%	-1.3%	0.0%
EBIT margin	-19.8%	-0.9%	14.6%	30.7%	46.9%	46.7%	41.5%	38.7%
Capex % of sales	-7.1%	-4.8%	-4.9%	-4.4%	-3.1%	-2.8%	-2.8%	-2.8%
Paid tax rate	0.0%	0.0%	-5.0%	-5.0%	-22.0%	-22.0%	-22.0%	-22.0%
NWC to sales	10.6%	13.7%	12.1%	11.7%	12.1%	12.2%	12.2%	12.2%
Sales	232	240	278	389	670	916	1,082	1,170
<b>EBITDA</b>	<b>0</b>	<b>42</b>	<b>67</b>	<b>147</b>	<b>344</b>	<b>458</b>	<b>485</b>	<b>492</b>
Capex	-16	-12	-14	-17	-20	-25	-30	-24
Taxes	0	0	-1	-6	-70	-97	-102	103
Other	-20	4	-5	-10	-10	-4	-4	3,782
<b>Free cash flow</b>	<b>-36</b>	<b>34</b>	<b>47</b>	<b>115</b>	<b>244</b>	<b>332</b>	<b>349</b>	<b>4,353</b>
Discounted FCF	-35	29	37	77	116	100	65	667
Share of total discounted FCF	-2%	1%	2%	7%	26%	22%	14%	29%

Valuation	(curr.)m	Per share	WACC assumptions	
EV (discounted FCF)	2,262	65	Risk free interest rate	4.5%
- Net debt (2023)	-110	-3	Debt risk premium	0.5%
+ Associates	0	0	Equity risk premium	3.5%
- Minority interest	0	0	Equity beta	1.60
- Outstanding warrants	0	0	<b>Cost of Equity</b>	<b>10.1%</b>
Other debt adjustments	0	0	Tax rate	5.0%
ESG penalty	0	0	After tax cost of debt	4.8%
<b>Equity value at YE (23)</b>	<b>2,152</b>	<b>61</b>	Equity weight	100%
Time adjustment	167	5	<b>WACC</b>	<b>10.1%</b>
Dividend	0	0		
<b>Current equity value</b>	<b>2,318</b>	<b>66</b>		

Source: Carnegie Research

**Fair value range SEK58-78 per share**



Source: Carnegie Research

Interim table (SEKm)	2023				2024				2021	2022	2023	Old 2024e	New 2024e	Old 2025e	New 2025e	Old 2026e	New 2026e
	Q1	Q2	Q3	Q4	Q1	Q2	Q3e	Q4e									
<b>Net sales</b>	<b>56</b>	<b>44</b>	<b>45</b>	<b>56</b>	<b>54</b>	<b>57</b>	<b>51</b>	<b>53</b>	<b>169</b>	<b>224</b>	<b>201</b>	<b>217</b>	<b>215</b>	<b>227</b>	<b>222</b>	<b>284</b>	<b>259</b>
Change Y/Y %	7%	-15%	-23%	-8%	-3%	30%	11%	-6%	-2%	32%	-10%	7%	7%	5%	3%	25%	17%
Change Y/Y % adjusted for FX	-2%	-19%	-23%	-9%	-4%	30%	14%	-3%	-3%	15%	-14%	8%	8%	5%	4%	25%	17%
Other revenues	6	7	4	5	5	4	5	5	10	30	22	17	17	18	18	19	19
<b>Total income</b>	<b>61</b>	<b>51</b>	<b>49</b>	<b>61</b>	<b>59</b>	<b>61</b>	<b>55</b>	<b>58</b>	<b>179</b>	<b>253</b>	<b>223</b>	<b>234</b>	<b>232</b>	<b>245</b>	<b>240</b>	<b>303</b>	<b>278</b>
Change in inventory of finished goods and products in progress	0	0	1	0	0	0	0	0	3	4	1	0	0	0	0	0	0
Capitalised production	0	0	1	0	0	0	0	0	2	1	1	0	0	0	0	0	0
Raw materials and consumables	-14	-25	-11	-16	-11	-12	-10	-10	-44	-48	-66	-43	-43	-23	-22	-28	-26
% of sales	-25%	-57%	-23%	-28%	-21%	-21%	-20%	-18%	-26%	-21%	-33%	-20%	-20%	-10%	-10%	-10%	-10%
Other external expenses	-23	-31	-22	-22	-19	-19	-19	-20	-56	-83	-98	-77	-77	-76	-76	-81	-80
% of sales	-41%	-71%	-47%	-39%	-35%	-34%	-38%	-38%	-33%	-37%	-49%	-36%	-36%	-33%	-34%	-29%	-31%
Personnel costs	-27	-47	-25	-25	-29	-27	-24	-23	-85	-105	-123	-104	-104	-88	-88	-94	-92
% of sales	-48%	-105%	-55%	-45%	-55%	-48%	-48%	-43%	-50%	-47%	-61%	-48%	-48%	-39%	-40%	-33%	-36%
Depreciation	-4	-4	-4	-5	-5	-5	-5	-5	-15	-14	-16	-18	-18	-16	-16	-16	-16
% of sales	0%	0%	0%	0%	0%	0%	0%	0%	-9%	-6%	-8%	-8%	-8%	-7%	-7%	-6%	-6%
Amortisation	-8	-8	-8	-15	-7	-7	-7	-7	-32	-35	-40	-28	-28	-28	-28	-10	-10
% of sales	0%	0%	0%	0%	0%	0%	0%	0%	-19%	-16%	-20%	-13%	-13%	-12%	-13%	-4%	-4%
Other operating expenses	-4	-4	-3	-3	-1	-1	-3	-3	-7	-28	-14	-8	-8	-12	-12	-13	-13
% of sales	-7%	-9%	-7%	-6%	-1%	-2%	-6%	-6%	-4%	-13%	-7%	-4%	-4%	-5%	-5%	-5%	-5%
<b>EBIT</b>	<b>-19</b>	<b>-68</b>	<b>-22</b>	<b>-24</b>	<b>-13</b>	<b>-11</b>	<b>-13</b>	<b>-10</b>	<b>-54</b>	<b>-56</b>	<b>-132</b>	<b>-44</b>	<b>-46</b>	<b>2</b>	<b>-2</b>	<b>60</b>	<b>41</b>
Margin %	-31%	-133%	-44%	-39%	-22%	-18%	-23%	-17%	-30%	-22%	-59%	-19%	-20%	1%	-1%	20%	15%
Non recurring items	0	-42	0	0	0	0	0	0	0	0	-42	0	0	0	0	0	0
<b>Adj. EBIT</b>	<b>-19</b>	<b>-26</b>	<b>-22</b>	<b>-24</b>	<b>-13</b>	<b>-11</b>	<b>-13</b>	<b>-10</b>	<b>-54</b>	<b>-56</b>	<b>-90</b>	<b>-44</b>	<b>-46</b>	<b>2</b>	<b>-2</b>	<b>60</b>	<b>41</b>
Margin %	-31%	-50%	-44%	-39%	-22%	-18%	-23%	-17%	-30%	-22%	-40%	-19%	-20%	1%	-1%	20%	15%
<b>Adj. EBITA</b>	<b>-10</b>	<b>-18</b>	<b>-13</b>	<b>-9</b>	<b>-6</b>	<b>-4</b>	<b>-6</b>	<b>-3</b>	<b>-22</b>	<b>-21</b>	<b>-51</b>	<b>-16</b>	<b>-18</b>	<b>30</b>	<b>26</b>	<b>70</b>	<b>51</b>
Margin %	-17%	-34%	-27%	-15%	-10%	-6%	-10%	-4%	-12%	-8%	-23%	-7%	-8%	12%	11%	23%	18%
<b>Adj. EBITDA</b>	<b>-7</b>	<b>-14</b>	<b>-10</b>	<b>-4</b>	<b>-2</b>	<b>1</b>	<b>-1</b>	<b>2</b>	<b>-7</b>	<b>-6</b>	<b>-34</b>	<b>2</b>	<b>0</b>	<b>46</b>	<b>42</b>	<b>86</b>	<b>67</b>
Margin %	-11%	-27%	-19%	-7%	-3%	2%	-2%	3%	-4%	-3%	-15%	1%	0%	19%	17%	28%	24%
Net financials	-4	0	-4	-7	1	-5	-4	-5	-9	-4	-15	-12	-12	-16	-16	-13	-13
<b>Profit/loss before tax</b>	<b>-22</b>	<b>-68</b>	<b>-26</b>	<b>-31</b>	<b>-12</b>	<b>-16</b>	<b>-16</b>	<b>-14</b>	<b>-63</b>	<b>-60</b>	<b>-147</b>	<b>-57</b>	<b>-58</b>	<b>-14</b>	<b>-18</b>	<b>47</b>	<b>28</b>
Taxes for the period	0	3	1	4	2	2	1	1	4	7	9	5	5	1	1	-2	-1
Tax rate %	-1%	-5%	-5%	-12%	-19%	-10%	-5%	-5%	-7%	-12%	-6%	-9%	-9%	-5%	-5%	-5%	-5%
<b>Profit/loss for the year</b>	<b>-22</b>	<b>-64</b>	<b>-25</b>	<b>-27</b>	<b>-10</b>	<b>-14</b>	<b>-15</b>	<b>-13</b>	<b>-59</b>	<b>-53</b>	<b>-138</b>	<b>-51</b>	<b>-53</b>	<b>-13</b>	<b>-17</b>	<b>45</b>	<b>26</b>
EPS (SEK)	-0.63	-1.84	-0.70	-0.78	-0.28	-0.41	-0.44	-0.38	-1.68	-1.51	-3.95	-1.47	-1.51	-0.37	-0.49	1.27	0.75
Adj EPS (SEK)									-0.82	-0.56	-1.75	-0.73	-0.78	0.39	0.27	1.55	1.02

Sales	2023				2024				2021	2022	2023	Old 2024e	New 2024e	Old 2025e	New 2025e	Old 2026e	New 2026e
	Q1	Q2	Q3	Q4	Q1	Q2	Q3e	Q4e									
<b>License revenues</b>	<b>39</b>	<b>25</b>	<b>21</b>	<b>32</b>	<b>35</b>	<b>38</b>	<b>33</b>	<b>35</b>	<b>113</b>	<b>161</b>	<b>117</b>	<b>142</b>	<b>140</b>	<b>161</b>	<b>156</b>	<b>213</b>	<b>188</b>
Change Y/Y %	8%	-31%	-51%	-31%	-11%	52%	56%	7%	9%	43%	-27%	21%	19%	13%	12%	32%	20%
Of which Recurring license revenues (commercial phase)	38	19	18	30	31	35	30	32	104	139	104	130	128	136	131	161	141
-BD (USA, Japan)	36	19	9	29	28	28	27	28	100	134	93	111	111	115	115	121	121
-ZimmerBiomet	1	1	9	0	3	8	3	4	3	6	11	20	18	21	16	40	20
-New agreements from old Coated medtech	0	0	0	0	0	0	0	0	0	0	0	0	0	17	17	42	37
Of which Non-recurring	2	6	3	3	3	3	3	3	9	22	13	10	10	8	8	10	10
<b>Sales of own products</b>	<b>16</b>	<b>19</b>	<b>25</b>	<b>24</b>	<b>19</b>	<b>20</b>	<b>18</b>	<b>19</b>	<b>57</b>	<b>62</b>	<b>84</b>	<b>75</b>	<b>75</b>	<b>66</b>	<b>66</b>	<b>71</b>	<b>71</b>
Change Y/Y %	6%	25%	51%	61%	15%	1%	-27%	-23%	-18%	9%	36%	-11%	-11%	-12%	-12%	8%	8%
Of which Wound	11	11	18	14	13	15	16	17	n.a	44	54	60	60	66	66	71	71
Of which BIP portfolio (coated medtech)	5	8	7	10	6	5	2	2	n.a	18	31	15	15	0	0	0	0
<b>Net sales</b>	<b>56</b>	<b>44</b>	<b>45</b>	<b>56</b>	<b>54</b>	<b>57</b>	<b>51</b>	<b>53</b>	<b>169</b>	<b>224</b>	<b>201</b>	<b>217</b>	<b>215</b>	<b>227</b>	<b>222</b>	<b>284</b>	<b>259</b>
Change Y/Y %	7%	-15%	-23%	-8%	-3%	30%	11%	-6%	-2%	32%	-10%	7%	7%	5%	3%	25%	17%
Change Y/Y % adjusted for FX	-2%	-19%	-23%	-9%	-4%	30%	14%	-3%	-3%	15%	-14%	8%	8%	5%	4%	25%	17%

Source: Carnegie Research &amp; Company data

**Financial statements**

<b>Profit &amp; loss (SEKm)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Sales	152	162	194	186	179	253	223	232	240	278
COGS	-19	-24	-25	-35	-39	-43	-64	-43	-22	-26
<b>Gross profit</b>	<b>133</b>	<b>137</b>	<b>168</b>	<b>151</b>	<b>140</b>	<b>210</b>	<b>159</b>	<b>189</b>	<b>218</b>	<b>252</b>
Other income & costs	-99	-115	-107	-124	-148	-217	-235	-189	-176	-185
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
<b>EBITDA</b>	<b>34</b>	<b>22</b>	<b>62</b>	<b>27</b>	<b>-7</b>	<b>-6</b>	<b>-76</b>	<b>0</b>	<b>42</b>	<b>67</b>
Depreciation PPE	-8	-7	-14	-15	-15	-14	-16	-18	-16	-16
Depreciation lease assets	0	0	0	0	0	0	0	0	0	0
Amortisation development costs	0	0	0	0	0	0	0	0	0	0
Amortisation other intangibles	0	0	0	0	0	0	0	0	0	0
Impairments / writedowns	0	0	0	0	0	0	0	0	0	0
<b>EBITA</b>	<b>27</b>	<b>15</b>	<b>47</b>	<b>12</b>	<b>-22</b>	<b>-21</b>	<b>-92</b>	<b>-18</b>	<b>26</b>	<b>51</b>
Amortization acquisition related	-27	-27	-28	-30	-32	-35	-40	-28	-28	-10
Impairment acquisition related	0	0	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>-1</b>	<b>-12</b>	<b>20</b>	<b>-18</b>	<b>-54</b>	<b>-56</b>	<b>-132</b>	<b>-46</b>	<b>-2</b>	<b>41</b>
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	-8	-9	-9	-24	-9	-4	-15	-12	-16	-13
of which interest income/expenses	-8	-9	-9	-21	-6	-2	-13	-10	-13	-10
of which interest on lease liabilities	0	0	0	-3	-3	-3	-3	-3	-3	-3
of which other items	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>-8</b>	<b>-21</b>	<b>10</b>	<b>-42</b>	<b>-63</b>	<b>-60</b>	<b>-147</b>	<b>-58</b>	<b>-18</b>	<b>28</b>
Taxes	5	6	6	4	4	7	9	5	1	-1
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
<b>Net profit</b>	<b>-3</b>	<b>-15</b>	<b>16</b>	<b>-39</b>	<b>-59</b>	<b>-53</b>	<b>-138</b>	<b>-53</b>	<b>-17</b>	<b>26</b>
Adjusted EBITDA	34	22	62	27	-7	-6	-34	0	42	67
Adjusted EBITA	27	15	47	12	-22	-21	-50	-18	26	51
Adjusted EBIT	-1	-12	20	-18	-54	-56	-90	-46	-2	41
Adjusted net profit	22	11	43	-10	-28	-20	-61	-27	9	36
Sales growth Y/Y	20.7%	6.1%	19.9%	-4.1%	-3.8%	41.6%	-12.0%	4.0%	3.4%	15.7%
EBITDA growth Y/Y	127.9%	-35.7%	178.2%	-56.8%	-chg	+chg	-chg	+chg	9735.3%	59.4%
EBITA growth Y/Y	197.2%	-42.7%	211.8%	-74.9%	-chg	+chg	-chg	+chg	+chg	96.2%
EBIT growth Y/Y	+chg	-chg	+chg	-chg	-chg	-chg	-chg	+chg	+chg	+chg
EBITDA margin	22.6%	13.7%	31.8%	14.3%	-4.0%	-2.5%	-34.1%	0.2%	17.4%	24.0%
EBITA margin	17.4%	9.4%	24.4%	6.4%	nm	nm	nm	nm	10.8%	18.2%
EBIT margin	-0.4%	-7.4%	10.1%	-9.7%	-30.3%	-21.9%	-59.1%	-19.8%	-0.9%	14.6%
Tax rate	60.8%	27.9%	-57.0%	8.4%	7.1%	11.7%	6.0%	9.2%	5.0%	5.0%
<b>Cash flow (SEKm)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
EBITDA	34	22	62	27	-7	-6	-76	0	42	67
Paid taxes	0	0	0	-2	0	0	0	0	0	-1
Change in NWC	-22	-17	1	-14	22	13	29	-20	4	-5
Non cash adjustments	-3	-2	0	16	2	0	10	-5	-3	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
<b>Total operating activities</b>	<b>9</b>	<b>4</b>	<b>63</b>	<b>28</b>	<b>17</b>	<b>7</b>	<b>-37</b>	<b>-25</b>	<b>42</b>	<b>60</b>
Capex tangible assets	-3	-1	-2	-10	-5	-10	-7	-15	-10	-12
Capitalised development costs	-4	-5	-3	-5	-3	-1	-1	-1	-2	-2
Capex - other intangible assets	0	0	0	0	0	0	0	0	0	0
Acquisitions/divestments	0	0	0	-42	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	0	0	0	0	0	0	0
<b>Total investing activities</b>	<b>-6</b>	<b>-6</b>	<b>-4</b>	<b>-57</b>	<b>-7</b>	<b>-11</b>	<b>-9</b>	<b>-16</b>	<b>-12</b>	<b>-14</b>
Net financial items	-8	-9	-9	-24	-9	-4	-15	-12	-16	-13
Lease payments	-1	-1	-9	-5	-9	-13	-12	-12	-12	-12
Dividend paid and received	0	0	0	0	0	0	0	0	0	0
Share issues & buybacks	0	0	0	0	228	0	0	0	0	0
Change in bank debt	0	0	0	0	0	0	0	0	0	0
Other cash flow items	-2	0	0	0	0	0	0	0	0	0
<b>Total financing activities</b>	<b>-11</b>	<b>-10</b>	<b>-18</b>	<b>-27</b>	<b>213</b>	<b>-14</b>	<b>-24</b>	<b>-22</b>	<b>-25</b>	<b>-22</b>
Operating cash flow	9	4	63	28	17	7	-37	-25	42	60
Free cash flow	-7	-12	41	-15	-6	-18	-70	-63	6	25
Net cash flow	-8	-12	41	-56	222	-18	-70	-63	6	25
Change in net IB debt	-7	-11	50	-54	228	-8	-60	-54	15	34
Capex / Sales	1.7%	0.4%	0.8%	5.6%	2.6%	3.9%	3.2%	6.5%	4.2%	4.3%
NWC / Sales	14.9%	23.3%	21.5%	31.4%	35.1%	17.3%	11.6%	10.6%	13.7%	12.1%

Source: Carnegie Research &amp; company data

**Financial statements, cont.**

<b>Balance sheet (SEKm)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Acquired intangible assets	476	451	426	432	407	383	354	325	297	287
Other fixed intangible assets	0	0	0	0	0	0	0	0	0	0
Capitalised development	19	21	22	22	20	14	3	4	6	8
Tangible assets	36	30	16	35	37	44	43	40	34	30
Lease assets	0	0	79	73	64	55	50	60	60	60
Other IB assets (1)	0	0	0	0	0	0	0	0	0	0
Other non-IB assets	17	0	2	2	2	3	14	14	14	14
<b>Fixed assets</b>	<b>547</b>	<b>502</b>	<b>544</b>	<b>564</b>	<b>529</b>	<b>499</b>	<b>464</b>	<b>444</b>	<b>411</b>	<b>399</b>
Inventories (2)	14	14	14	34	36	44	30	35	29	33
Receivables (2)	40	54	45	50	43	47	17	46	48	56
Prepaid exp. & other NWC items (2)	13	14	15	18	24	19	28	29	30	35
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash & cash equivalents (1)	12	2	23	10	218	198	123	72	79	103
<b>Current assets</b>	<b>78</b>	<b>85</b>	<b>97</b>	<b>111</b>	<b>320</b>	<b>308</b>	<b>198</b>	<b>182</b>	<b>185</b>	<b>227</b>
<b>Total assets</b>	<b>625</b>	<b>587</b>	<b>641</b>	<b>675</b>	<b>849</b>	<b>808</b>	<b>662</b>	<b>626</b>	<b>597</b>	<b>626</b>
Shareholders' equity	387	371	387	373	541	496	353	300	283	309
Minorities	0	0	0	0	0	0	0	0	0	0
Other equity	0	0	0	0	0	0	0	0	0	0
<b>Total equity</b>	<b>387</b>	<b>371</b>	<b>387</b>	<b>373</b>	<b>541</b>	<b>496</b>	<b>353</b>	<b>300</b>	<b>283</b>	<b>309</b>
Deferred tax	25	19	14	12	7	0	0	0	0	0
LT IB debt (1)	143	131	0	188	181	179	0	0	0	0
Other IB provisions (1)	0	0	0	0	0	0	0	0	0	0
Lease liabilities	0	0	81	76	67	59	55	45	36	27
Other non-IB liabilities	30	11	0	0	0	0	5	0	0	0
<b>LT liabilities</b>	<b>197</b>	<b>161</b>	<b>95</b>	<b>276</b>	<b>255</b>	<b>239</b>	<b>60</b>	<b>45</b>	<b>36</b>	<b>27</b>
ST IB debt (1)	8	14	127	0	0	0	179	200	200	200
Payables (2)	5	7	9	9	28	34	17	30	29	33
Accrued exp. & other NWC items (2)	28	34	25	17	25	39	44	45	47	54
Other ST non-IB liabilities	0	0	0	0	0	0	10	5	2	2
Liabilities - assets held for sale	0	0	0	0	0	0	0	0	0	0
<b>Current liabilities</b>	<b>41</b>	<b>55</b>	<b>160</b>	<b>26</b>	<b>53</b>	<b>73</b>	<b>249</b>	<b>281</b>	<b>278</b>	<b>290</b>
<b>Total equity and liabilities</b>	<b>625</b>	<b>587</b>	<b>641</b>	<b>675</b>	<b>849</b>	<b>808</b>	<b>662</b>	<b>626</b>	<b>597</b>	<b>626</b>
Net IB debt (=1)	138	143	185	254	30	41	110	173	158	124
Net working capital (NWC) (=2)	33	42	41	76	50	37	15	35	31	36
Capital employed (CE)	562	535	608	649	797	734	581	535	508	525
Capital invested (CI)	545	523	562	615	558	520	462	460	423	414
Equity / Total assets	62%	63%	60%	55%	64%	61%	53%	48%	47%	49%
Net IB debt / EBITDA	4.0	6.5	3.0	9.5	-4.2	-6.4	-1.4	407.7	3.8	1.9
<b>Per share data (SEK)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Adj. no. of shares in issue YE (m)	33.30	35.04	35.04	33.54	35.04	35.04	35.04	35.04	35.04	35.04
Diluted no. of Shares YE (m)	33.30	35.04	35.04	33.54	35.04	35.04	35.04	35.04	35.04	35.04
EPS	-0.10	-0.44	0.46	-1.13	-1.72	-1.51	-3.95	-1.51	-0.49	0.75
EPS adj.	0.68	0.32	1.22	-0.30	-0.82	-0.56	-1.75	-0.78	0.27	1.02
CEPS	0.91	0.52	1.41	0.09	-0.52	-0.40	-2.62	-0.45	0.50	1.23
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BVPS	11.6	10.6	11.0	11.1	15.5	14.1	10.1	8.57	8.08	8.83
<b>Performance measures</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
ROE	-0.8%	-3.9%	4.3%	-10.2%	-12.9%	-10.2%	-32.6%	-16.2%	-5.9%	8.9%
Adj. ROCE pre-tax	5.2%	3.4%	8.3%	1.8%	-2.4%	-1.4%	-6.0%	-2.4%	5.2%	9.5%
Adj. ROIC after-tax	1.9%	2.1%	13.7%	1.9%	-3.5%	-3.4%	-9.7%	-3.5%	5.5%	11.5%
<b>Valuation</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
FCF yield	-0.4%	-0.7%	2.5%	-0.9%	-0.3%	-1.1%	-4.2%	-3.8%	0.3%	1.5%
Dividend yield YE	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend + buy backs yield YE	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Sales YE	na	9.60	15.88	27.15	32.46	15.42	10.20	7.86	7.53	6.39
EV/EBITDA YE	na	>50	50.0	>50	neg.	neg.	neg.	>50	43.3	26.6
EV/EBITA YE	na	>50	>50	>50	neg.	neg.	neg.	neg.	>50	35.0
EV/EBITA adj. YE	na	>50	>50	>50	neg.	neg.	neg.	neg.	>50	35.0
EV/EBIT YE	na	neg.	>50	neg.	neg.	neg.	neg.	neg.	neg.	43.7
P/E YE	na	nm	>50	nm	nm	nm	nm	nm	nm	>50
P/E adj. YE	na	>50	>50	nm	nm	nm	nm	nm	>50	46.1
P/BV YE	na	3.80	7.49	12.85	10.68	7.80	6.13	5.50	5.83	5.34
Share price YE (SEK)		40.2	82.6	143	165	110	61.8	47.1		

*Source: Carnegie Research & company data*

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