Research update: Q2 2023

OBSERVIT AB

Observit develops and sells a software solution for camera surveillance to public transportation operators as the primary customer group. Today, about 38,000 cameras are connected to the company's solution. The intention is to expand to significantly larger European markets such as France and the UK.

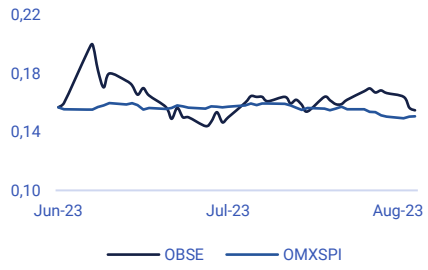
CEO: Björn Callenfors
CoB: Fredric Forsman
www.observit.com

Bloomberg: OMSE:SS
Refinitiv Eikon: OMSE.TE

List: Nasdaq First North

Last: SEK 0,15
Market cap: SEK 85m

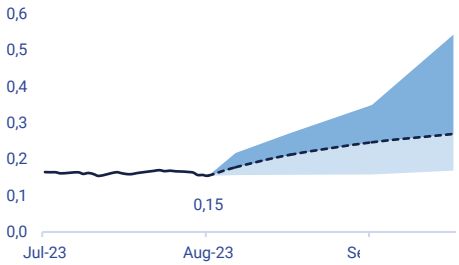
SHARE DEVELOPMENT



	12M	YTD	6M	1M
Development (%)	NA	NA	NA	-6

Source: S&P Capital IQ

VALUATION INTERVAL



	BEAR	BAS	BULL
Share price (SEK)	0.17	0.27	0.54
Up-/downside (%)	9	74	250

Source: S&P Capital IQ and Carlsquare estimates

CARLSQUARE EQUITY RESEARCH

Markus Augustsson
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Strong performance from software company

In H1 2023, Observit reported recurring software revenue of SEK 8.5 million. That indicates that new cameras are connected to the company's software solution faster than expected. Net sales grew in H1 by 43% to SEK 21.6 million. At the same time, EBITDA fell by 62%. We have made minor adjustments to our forecasts. A fair value per share is estimated at SEK 0.27 (0.28).

Strong growth and positive EBITDA

During the first six months of 2023 (H1), Observit reported recurring software revenue of SEK 8.5m, corresponding to a growth of a high 36%. In the initiation report, we had expected a growth rate of 9.4% for the full year 2023. The number of cameras connected to the software solution is thus increasing at a rate above expectations. Including hardware- and recurring service revenue, net sales in H1 amounted to SEK 21.6m, corresponding to a growth of 43%. For the full year 2023, we had expected an increase of 23%. Overall, the company is on a strong pace, above expectations for the full year. However, the quarterly recurring software revenue (QRR) fell sequentially to 4.0 MSEK in Q2 2023 from 4.5 MSEK in Q1 2023. That is due to one-time effects that make QRR in Q1 a little high while QRR in Q2 a little low.

In H1, hardware and software (non-recurring) accounted for 51% of net sales. During the same period, the gross margin ended up at 55%. In the initiation analysis, we assumed 58% hardware and a gross margin of 51%. Thus, there should be an upside in the gross margin. However, it should be noted that a higher proportion of revenue from hardware (and an initially lower gross margin) is a prerequisite for the long-term growth of valuable recurring high-margin software revenue.

The EBITDA result for H1 came in at SEK 0.7m, corresponding to a negative growth of minus 62%. Adjusted for non-recurring items related to the listing, the EBITDA result was SEK 1.7m, corresponding to a minor negative growth of minus 5.5%. Our previous forecast for EBITDA for the full year 2023 was SEK 2.2 million.

Minor adjustments to forecasts and the fair value per share

Based on the outcome for H1 2023, we have adjusted software revenue upwards and made a marginal adjustment to the net sales forecast. In 2023, we expect net sales of 47.0 MSEK and a CAGR 2022-2027 of 40.0% driven by international expansion. The EBITDA margin rises from 5.6% in 2023 to 16.2% by 2027. In the final forecast year 2032, we have assumed an EBITDA margin of 24.6%.

Combining a multiple valuation with a DCF valuation, we calculate a fair value per share of SEK 0.27 (0.28). Our valuation corresponds to EV/Sales 2023 of 3.1x. The reference group consisting of Swedish SaaS companies trades at a median EV/Sales 2023 of 3.4x. Today, the stock is traded at EV/Sales 2023 of 1.8x - an unjustified discount.

Key figures (SEKm)

	2022	2023E	2024E	2025E	2026E	2027E
Software revenue	14.7	16.5	20.2	25.6	34.1	46.8
ARR (software)	NA	18.6	22.9	29.5	40.0	55.0
Net sales	36.7	47.0	62.4	89.7	138.0	197.3
Gross profit	23.0	25.9	31.7	40.8	55.1	74.5
EBITDA	5.0	2.9	8.0	13.0	21.1	32.7
EBIT	2.3	-1.9	2.8	7.5	15.3	26.5
EBT	2.2	-2.0	2.8	7.5	15.3	26.5
EPS	0.00	0.00	0.00	0.01	0.02	0.04
Growth, revenue	49%	28%	33%	44%	54%	43%
Gross margin	54.9%	50.4%	47.5%	43.3%	38.7%	37.0%
EBITDA margin	11.9%	5.6%	11.9%	13.8%	14.8%	16.2%
EBIT-margin	5.4%	-3.7%	4.2%	8.0%	10.7%	13.1%
EV/Sales	NA	1.8x	1.4x	0.9x	0.6x	0.4x
EV/EBITDA	NA	29.5x	10.7x	6.5x	4.0x	2.6x
EV/EBIT	NA	NM	30.1x	11.3x	5.6x	3.2x
P/E	NA	NM	37.7x	14.2x	7.0x	4.0x

ARR = calculated on the last reported QRR. Source: Company information and Carlsquare estimates

Investment case, estimates, valuation, and risks

With a market-leading position in Sweden, Observit has demonstrated its ability and the strength of its offering. The settings are thus favourable for a successful expansion to the major markets in Europe, which we believe will drive growth over time. In the shorter perspective, we expect upsales and the new customer segment, commercial transportation, to drive growth. The anticipated growth entails an increased share of recurring software revenues, which, together with scalability, creates good prospects for high margins over time. We estimate a fair value of SEK 0.27 per share (0,28).

Growth, scalability, and profitability

The case is mainly based on (i) a successful geographical expansion to the much larger European markets and (ii) successful upselling and roll-out of the offering to the commercial transport customer segment. Growth means an increased share of recurring software revenues, which, together with scalability, creates good prospects for solid profitability over time.

- **Strong offering with proven value.** Since the launch of the solution for public transport in 2016, Observit has multiplied the number of software licences for public transportation operators with buses. The company has well-established customers such as Nobina, Arriva and Koelis. The history thus demonstrates the strength of the offer. Growth has been enjoyed in parallel with positive and growing earnings, displaying the company's capabilities, strategy, and model.

Today, the bus operator Nobina is the company's largest customer.

- **The expansion increases market potential by 18x.** The company will approach new and significantly larger European markets, such as France, the UK and Germany. The expansion increases the market potential by 18.1x. Strong reference cases increase the likelihood of a successful expansion, which we expect to drive the company's growth in the long run. However, the major bottleneck is the long sales cycle with traffic procurements. Therefore, we expect the international expansion to start bearing fruit and be visible in the income statement first in 2024-2025.
- **Upsales and the new customer segment with higher pricing.** The company has improved its offer with value-creating additional services. That enables Observit to do upsales to existing customers. Several customers are already connected, while pilots with new potential customers are ongoing/underway. Through acquisitions, the company has established an offering for commercial transportation that significantly expands the market potential. With customised functionality, the pricing is also more attractive, almost double the pricing of the solution for public transportation. We believe that upsales and the new customer segment can drive growth in the short term.

The company's net sales consist of hardware revenue, recurring software revenue and a limited amount of recurring service revenue.

- **High-margin recurring software revenues.** Initially, as the growth rate picks up, the share of hardware revenue will grow. A low gross margin on hardware will hold back the overall margin development. However, the margin can rise rapidly as the share of recurring software revenue increases over time.
- **Valuation.** In a base case, we expect an average annual growth rate of 40,0% over the next five years. By 2032, we expect the gross margin to reach 47.2% and the EBITDA margin to reach 24.6%. We calculate a fair value per share of SEK 0.27. That corresponds to an EV/Sales 2023 of 3.1x and an EV/EBITDA 2024 of 18.4x.

Assumptions and estimates

Given the outcome of the year's first six months, we have adjusted software revenue and net sales slightly upwards. Increased software revenue increases gross profit. However, we have reduced EBIT slightly in the shorter term.

Projections (SEKm) and percentage adjustment, baseline scenario

	2023E	2024E	2025E	2026E	2027E	Adj. 23E	Adj. 24E	Adj. 25E	Adj. 26E	Adj. 27E
Software revenue	16.5	20.2	25.6	34.1	46.8	8%	8%	9%	9%	9%
Net sales	47.0	62.4	89.7	138.0	197.3	4%	4%	3%	3%	3%
Gross profit	25.9	31.7	40.8	55.1	74.5	1%	2%	1%	1%	1%
EBITDA	2.9	8.0	13.0	21.1	32.7	31%	21%	18%	14%	13%
EBIT	-1.9	2.8	7.5	15.3	26.5	-274%	-44%	-17%	-6%	1%

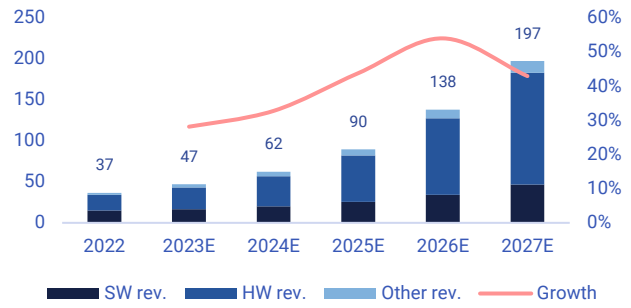
Source: Carlsquare estimates

Below are the assumed developments for ARR and net sales.

ARR (SEKm) and growth (%)

System ARR refers to the end of the period. Source: Company information and Carlsquare estimates

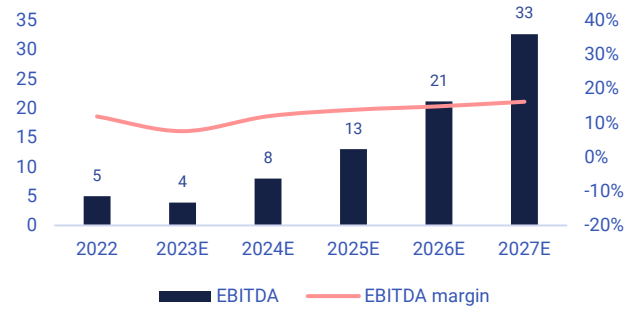
Net sales (SEKm) and growth (%)



Distribution of revenues are estimates also for historical years. Source: Company information and Carlsquare estimates

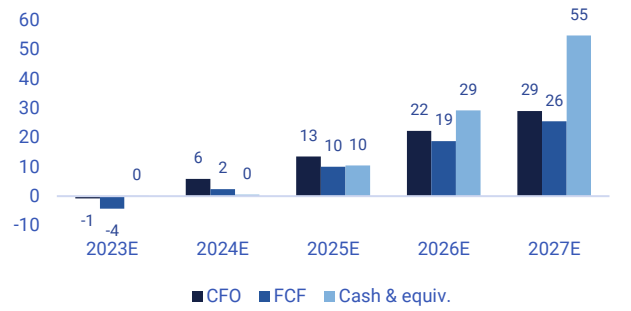
Below are assumed developments in net EBITDA and cash flow.

EBITDA (SEKm) and growth (%)



Source: Company information and Carlsquare estimates

Cash flow and cash (SEKm)



Source: Company information and Carlsquare estimates

The company's cash amounted to a very limited 1.1 MSEK at the end of Q2 2023. We expect the company to raise a short-term loan of SEK 2 million to finance its operations.

Fair value within a range

Unjust rebate and good potential upside

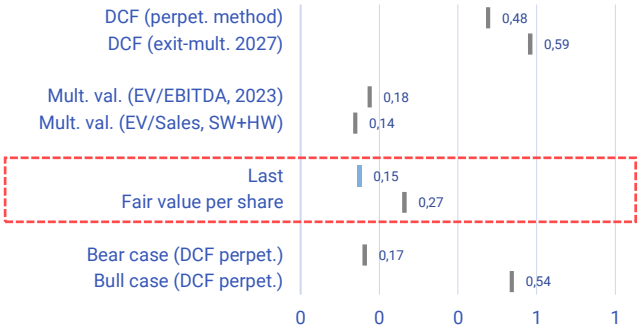
In a base scenario, the fair value per share is estimated at SEK 0.27 (0.28) after full financing and dilution. That corresponds to an attractive potential upside of 74%.

Fair value per share (SEK), base case

Currency, SEK		1,0
EV/Sales, 2023 HW+SW	SEK	0,14
EV/EBITDA, 2023	SEK	0,18
DCF valuation	SEK	0,48
Fair value per share	**SEK**	**0,27**
Potential up-/downside		74%
Shares outstanding, fully financed, and diluted	M	549
Equity value	**SEKm**	**148**
Cash (last rep. Q)	SEKm	1,1
Debt (last rep. Q)	SEKm	0,0
PV cash from equity financing	SEKm	0
EV	**SEKm**	**147**

Source: Carlsquare estimates

Fair value within a range (SEK)



Source: Carlsquare estimates

Impied valuation multiples, base case

	2022	2023E	2024E	2025E	2026E	2027E
EV/Sales	4,0x	3,1x	2,4x	1,6x	1,1x	0,7x
EV/SW-revenue	10,0x	8,9x	7,3x	5,7x	4,3x	3,1x
EV/EBITDA	29,5x	50,8x	18,4x	11,3x	6,9x	4,5x
EV/EBIT	64,4x	NM	52,0x	19,6x	9,6x	5,5x
P/E	137,9x	NM	65,5x	24,7x	12,2x	7,0x

Source: Carlsquare estimates

The table above shows that our valuation corresponds to an EV/Sales multiple NTM of 3.9x and 5.1x last reported System ARR. Our reference group of information systems providers and SaaS companies trade at a median EV/Sales NTM of 5.7x.

DCF valuation, base case

DCF valuation						
PV(UFCF)	SEKm	108	Disc. rate			
PV(TV)	SEKm	156	Risk free rate	2.4%	Tax adjust. Int. on debt	0.0%
Enterprise value	SEKm	264	Market risk premium	6.7%	Leverage	0.0%
Net cash(+), last Q	SEKm	1.1	Size premium	3.8%	WACC	15.0%
Value, associated comps.	SEKm	0.0	Beta	1.2x	Comp. spec. premium	1.9%
Value, minority interest	SEKm	0.0	Req. return on equity	15.0%	**Discount rate**	**16.9%**
Shareholder value	SEKm	265	Assumptions			
PV(equity financing proceeds)	SEKm	0	CAGR, 2022-2032	28.6%		
Shareholder value, after financing	SEKm	265	EBITDA-margin, 2032	23.9%		
Current shares outstanding	M	549	EBIT-margin, 2032	23.1%		
New shares	M	0.0	Tax rate	20.6%		
Shares outstanding after financing and dilution	M	549	Implied multiples			
Value per share (before financing and dilution)	SEK	0.48	EV/Sales, NTM	NA	EV/EBITDA, NTM	NA
Value per share (after financing and dilution)	SEK	0.48	EV/Sales, 2024E	4.2x	EV/EBITDA, 2024E	91.4x
Currency	SEK/SEK	1.0	P/S, NTM	NA	EV/EBIT, NTM	NA
Value per share (before financing and dilution)	SEK	0.5	P/S, 2024E	4.2x	EV/EBIT, 2024E	NM
Value per share (after financing and dilution)	**SEK**	**0.48**	EV/Gross prof., NTM	NA	P/E, NTM	NA
Potential up-/downside	%	212	EV/Gross prof., 2024E	9.7x	P/E, 2024E	117.4x

Source: Carlsquare estimates

Multiple valuation, base case

Software multiple		2,9x
Software revenue, 2023E	SEKm	16,5
EV	SEKm	48
Hardware+service-multiple		1,0x
Hardware+service revenue, 2023E	SEKm	30
EV	SEKm	30
Total EV	**SEKm**	**78**
Net cash	SEKm	1,1
Equity value	**SEKm**	**79**
Outstanding shares	M	549
Value per share	**SEK**	**0,14**

EV/EBITDA multiple		19,7x
EBITDA, 2023E	SEKm	5,0
EV	**SEKm**	**98**
Net cash	SEKm	1,1
Equity value	**SEKm**	**99**
Outstanding shares	M	549
Value per share	**SEK**	**0,18**

Source: S&P Capital IQ and Carlsquare estimates

Referensgrupp

	HQ	Mcap (EURm)	EV (EURm)	EV/Sales	EV/EBITDA
				NTM	NTM
4C Group AB (publ)	SE	115	109	3,4x	17,2x
Artificial Solutions International AB (publ)	SE	1	21	2,9x	Neg.
AVTECH Sweden AB (publ)	SE	15	14	5,3x	9,4x
Bambuser AB (publ)	SE	70	34	1,9x	Neg.
BIMobject AB	SE	38	17	1,3x	Neg.
Checkin.Com Group AB (publ)	SE	92	90	8,1x	38,3x
Cint Group AB (publ)	SE	801	864	2,9x	18,6x
Formpipe Software AB (publ)	SE	107	114	2,4x	10,5x
Fortnox AB (publ)	SE	2 588	2 588	15,8x	30,6x
Hoylu AB (publ)	SE	4	9	1,8x	Neg.
IAR Systems Group AB (publ)	SE	184	173	4,5x	13,0x
Irisity AB (publ)	SE	23	21	2,0x	127,2x
Pagero Group Ab (Publ)	SE	180	190	2,5x	69,1x
Lime Technologies AB (publ)	SE	274	295	5,7x	17,8x
Litium AB (publ)	SE	16	13	2,0x	10,9x
Nepa AB (publ)	SE	26	21	0,8x	12,0x
Oneflow AB (publ)	SE	118	97	8,8x	Neg.
Safeture AB (publ)	SE	13	13	2,9x	NA
Upsales Technology AB (publ)	SE	109	104	8,6x	33,5x
Vertiseit AB (publ)	SE	60	75	2,5x	15,0x
Vitec Software Group AB (publ)	SE	1 401	1 548	6,0x	15,6x
XMReality AB (publ)	SE	2	1	0,5x	Neg.
Median		**92**	**90**	**2,9x**	**17,2x**
Average		425	428	4,2x	29,2x

Källa: S&P Capital IQ och Carlsquare

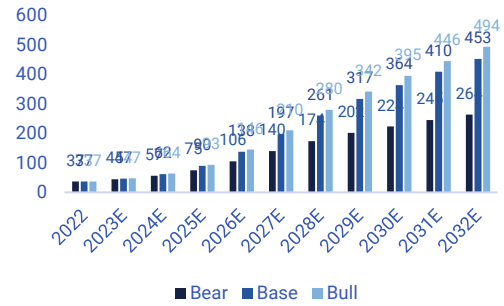
Valuation range

In the Bull and Bear scenarios, we have used our DCF model (perpetual capitalisation) but developed alternative curves for growth and profitability.

In the Bull scenario, we model an average annual growth rate for net sales 2023-2032 of 29.7% (28.6% in the base scenario). The EBITDA margin on net sales is assumed to increase to 24.3% (23.9% in the base scenario) by 2032. After full financing and dilution, a value per share of SEK 0.54 is calculated.

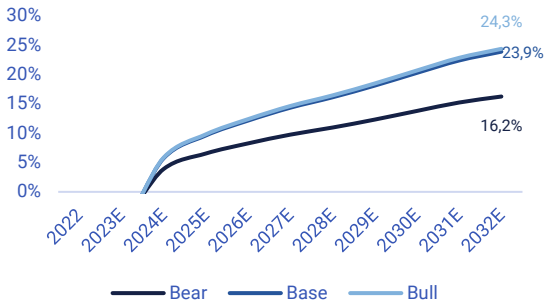
We model an average annual growth rate of 21.8% for the Bear scenario. The EBITDA margin on net sales is assumed to increase to 16.2% in 2032. After full funding and dilution, the more conservative scenario yields a value per share of SEK 0.17.

Net sales (SEKm), three scenarios



Source: Company information and Carlsquare estimates

EBITDA-margin (%), three scenarios



Margins are calculated on net sales. Source: Company information and Carlsquare estimates

Long processes and large customer contracts

Procurement long processes

Based on our assessment, the company's greatest sales opportunity lies in partnering with bus operators during the procurement process for traffic contracts. These procurements are often prolonged, spanning 1-4 years from the tender to the commencement of service. Consequently, we assume that the company at this moment already is active with tenders on new markets, which may or may not be the case. The uncertainty surrounding expansion plans will diminish as the company secures its first substantial deal outside the Nordic region.

Lacking a history of sales to the new customer segment in the Nordic region

In the short term, we expect the new customer segment of commercial transport to be an essential growth driver. The company is currently mainly active in the UK with this solution. Thus, uncertainty is associated with taking this service to the Nordic region and the rest of Europe. The time to process the market and close deals may be longer than we currently anticipate. If so, growth in the short term will not reach the expected levels. This risk will come down when the company can show positive development.

Churn and key contracts, including Stockholm city centre

The company's contract with a customer typically runs for three years. However, a traffic contract typically runs for 10+2 years. We assess the risk of customer loss during an ongoing traffic contract as low. The risk of customer loss is most significant when the traffic contract expires and must be tendered again.

The traffic contract for public transport by bus in parts of Stockholm city centre is currently operated by Nobina (and Koelis). The contract is to be re-tendered in 2024. If Nobina were to lose this contract, there is a risk that Observit would also lose a large proportion of its existing contract value with Nobina. However, it should be noted that three companies are typically included in tenders for Stockholm City centre: Nobina, Koelis and VR (formerly Arriva), which are all current clients. That means that the probability can be assessed as low that Observit would lose this particular traffic contract.

An important advantage

The company's system structure is difficult to patent and can thus be replicated. Therefore, it is crucial that the company utilises its "first mover advantage" and continues to take market shares when competing solutions are lagging. In parallel, the company must continue to focus on customer benefit and develop its offering with functionality in line with demand.

Limited finances

At the end of Q2 2023, Observit had a cash balance of SEK 1.1 million. The company has been EBITDA-positive for a long time, which probably opens up for loans. In our scenario, we have assumed that the company raises a short-term loan in 2023 to finance its operations. Otherwise, the company does not need to carry out any additional capitalisation to finance its growth plans. Negative deviations from our assumptions could change the situation.

Developments

Demand for intelligent functionality based on machine learning/AI is increasing. For this, the company's solution is limited as it stands today. That is because the camera hardware limits calculation capacity. Thus, the company must continuously continue technical development to stay attractive. We expect development work of about SEK 2m annually to be recognised as investments.

At the same time, it should be noted that the company's solution for commercial transport includes smart functionality based on AI that automatically anonymises sensitive information. Also, Observit has developed software for people counters. These solution places higher demands on the hardware and is thus not part of the immediate solution.

A possible overhang of investors who want out

Observit was spun off from SpectrumOne and distributed to its shareholders at the end of June 2022. That means there may be investors who do not wish to keep their shares and thus sell off when the opportunity arises. The potential overhang of selling interest may cause the share price to deviate significantly from its fundamental value. However, such a scenario creates opportunities for new investors with long-term interests to take a position in the share.

Metrics and financials

Key metrics

	2022	2023E	2024E	2025E	2026E	2027E
SEK/SEK	1.0	1.0	1.0	1.0	1.0	1.0
Share price	NA	0.2	0.2	0.2	0.2	0.2
Market cap	NA	85	85	85	85	85
EV	NA	84	84	84	84	84
P/S	NA	1.8x	1.4x	0.9x	0.6x	0.4x
P/E	NA	NM	37.7x	14.2x	7.0x	4.0x
P/CF operations	NA	NM	14.4x	6.3x	3.8x	2.9x
EV/Sales	NA	1.8x	1.3x	0.9x	0.6x	0.4x
EV/Gross profit	NA	3.2x	2.6x	2.1x	1.5x	1.1x
EV/EBITDA	NA	21.6x	10.5x	6.5x	4.0x	2.6x
EV/EBIT	NA	NM	29.7x	11.2x	5.5x	3.2x
CSQ fair value per share	0.27	0.27	0.27	0.27	0.27	0.27
CSQ market cap	148	148	148	148	148	148
CSQ EV	146	150	147	137	119	93
P/S, CSQ implied	4.0x	3.1x	2.4x	1.6x	1.1x	0.7x
P/E, CSQ implied	137.9x	NM	65.5x	24.7x	12.2x	7.0x
P/CF operations, CSQ implied	NA	-193.2x	25.0x	11.0x	6.6x	5.1x
EV/Sales, CSQ implied	4.0x	3.2x	2.4x	1.5x	0.9x	0.5x
EV/Gross profit, CSQ implied	4.6x	3.7x	2.7x	1.8x	1.2x	0.7x
EV/EBITDA, CSQ implied	29.2x	38.5x	18.5x	10.6x	5.6x	2.9x
EV/EBIT, CSQ implied	63.8x	NM	52.2x	18.3x	7.8x	3.5x
Shares outstanding (EoP)	549.3	549.3	549.3	549.3	549.3	549.3
Shares outstanding, fully dil. (Avg)	NA	549.3	549.3	549.3	549.3	549.3
EPS (SEK)	0.00	0.00	0.00	0.01	0.02	0.04
DPS (SEK)	0.00	0.00	0.00	0.00	0.00	0.00
BV per share (SEK)	0.0	0.0	0.0	0.0	0.1	0.1
tBV per share (SEK)	0.0	0.0	0.0	0.0	0.0	0.0
EV per share (SEK)	0.2	0.2	0.2	0.2	0.2	0.2
Equity per share	NA	0.0	0.0	0.0	0.1	0.1
Dividend yield	NA	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	NA	-5.0%	2.9%	11.7%	22.1%	30.0%
FCF yield (unlevered)	NA	-4.9%	2.8%	11.7%	22.1%	30.0%

Source: Company information and Carlsquare

Income statement (SEKm)

	2022	2023E	2024E	2025E	2026E	2027E
Net sales	37	47	62	90	138	197
Total operating income	42	51	67	94	142	202
COGS	-19	-26	-35	-53	-87	-127
Gross profit	23	26	32	41	55	75
Other operating expenses, less COGS and D&A	-18	-23	-24	-28	-34	-42
EBITDA	5	3	8	13	21	33
Adj. EBITDA	5	4	8	13	21	33
Dep. and amort.	-3	-5	-5	-6	-6	-6
EBIT	2	-2	3	8	15	26
Adj. EBIT	2	-1	3	8	15	26
Net finances	0	0	0	0	0	0
EBT	2	-2	3	8	15	26
Adj. EBT	2	-3	3	8	15	26
Tax	-1	0	-1	-2	-3	-5
Net profit/loss	1	-2	2	6	12	21
Adj. net profit/loss	1	-2	2	6	12	21
Basic EPS adj.	0,00	0,00	0,00	0,01	0,02	0,04
Fully diluted EPS adj.						
Shares, EoP	549	549	549	549	549	549
Shares, avg.	NA	549	549	549	549	549
Growth	2022	2023E	2024E	2025E	2026E	2027E
Net sales	NA	28%	33%	44%	54%	43%
Tot. revenue	NA	22%	30%	41%	51%	42%
Gross profit	NA	12%	23%	29%	35%	35%
EBITDA	NA	-42%	176%	63%	63%	54%
Adj. EBITDA	NA	-22%	105%	63%	63%	54%
EBIT	NA	-184%	248%	166%	104%	73%
Adj. EBIT	NA	-140%	411%	166%	104%	73%
EBT	NA	-191%	239%	165%	103%	73%
Adj. EBT	NA	-236%	193%	165%	103%	73%
Net profit/loss	NA	-251%	239%	165%	103%	73%
Adj. net profit	NA	-326%	193%	165%	103%	73%
Basic EPS adj.	NA	-326%	-193%	165%	103%	73%
Margins	2022	2023E	2024E	2025E	2026E	2027E
Gross profit	55%	50%	47%	43%	39%	37%
EBITDA margin	12%	6%	12%	14%	15%	16%
Adj. EBITDA margin	12%	8%	12%	14%	15%	16%
EBIT margin	5%	-4%	4%	8%	11%	13%
Adj. EBIT margin	5%	-2%	4%	8%	11%	13%
EBT margin	5%	-4%	4%	8%	11%	13%
Adj. EBT margin	5%	-6%	4%	8%	11%	13%
Profit margin	3%	-3%	3%	6%	9%	10%
Adj. profit margin	3%	-5%	3%	6%	9%	10%

Source: Company information and Carlsquare

Balance sheet (SEKm)

	2022	2023E	2024E	2025E	2026E	2027E
Tot. intangible assets	22	21	19	17	15	12
Tot. tangible assets	0	0	0	0	0	0
Tot. other fixed assets	0	0	0	0	0	0
Total fixed assets	22	21	19	17	15	12
Inventories	2	3	3	5	7	10
Accounts Receivables	16	20	24	31	43	61
Other current assets	4	5	6	9	14	19
Cash	2	0	0	10	29	55
Total current assets	24	28	34	55	93	145
Total assets	47	49	54	73	108	157
Total equity	19	17	20	26	38	59
Debt to creditors	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0
Tot. long-term liabilities	0	0	0	0	0	0
Short-term debt to creditors	0	2	0	0	0	0
Accounts payable	11	14	15	20	31	44
Other short-term liabilities	16	15	19	26	39	54
Tot. short-term debt	27	31	33	47	70	98
Total debt	28	31	34	47	70	98
Tot. equity and debt	47	49	54	73	108	157
Liquidity	2 022	2023E	2024E	2025E	2026E	2027E
Current ratio	0,9	0,9	1,0	1,2	1,3	1,5
Cash ratio	0,1	0,0	0,0	0,2	0,4	0,6
Leverage	2 022	2023E	2024E	2025E	2026E	2027E
Net debt(+)/Net cash(-)	-2	2	0	-10	-29	-55
Net debt/EBITDA	NM	-1	NM	NM	NM	NM
Net debt/Equity	NM	0	NM	NM	NM	NM
Equity/Total Assets	0	0	0	35%	35%	37%
Efficiency	2 022	2023E	2024E	2025E	2026E	2027E
ROA	6%	-2%	4%	9%	13%	16%
ROE	15%	-4%	12%	26%	38%	43%
ROIC	40%	7%	-2%	4%	10%	17%

Source: Company information and Carlsquare

Cash flow (SEKm)

	2022	2023E	2024E	2025E	2026E	2027E
CF, operations b4 delta WC	NA	3	7	11	18	27
Delta operating capital	NA	-4	-1	2	4	2
CF operations	NA	-1	6	13	22	29
CF investing	NA	-4	-4	-4	-4	-4
Free cash flow	NA	-4	2	10	19	26
CF financing	NA	2	-2	0	0	0
Cash flow	NA	-2	0	10	19	26
Cash, BoP	NA	2	0	0	10	29
Cash, EoP	NA	0	0	10	29	55
Key ratios	2022	2023E	2024E	2025E	2026E	2027E
CF operations/Total operating income	NA	-1%	9%	14%	16%	14%
CF operations/EBITDA	NA	-27%	74%	104%	105%	89%

Source: Company information and Carlsquare

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