

Research update: Q1 2022

ZINZINO AB

Zinzino is a global player in the sale and production of food supplements. Today, the company is active in over 100 markets. The company has historically grown rapidly to improved profitability. A key component to its success has been its direct sales distribution method.

CEO: Dag Pettersen
CoB: Hans Jacobsson
www.zinzino.com

Bloomberg: ZZB:SS
Refinitiv Eikon: ZZB.ST

List: Nasdaq First North Sweden

Last: SEK 38.8
Market cap: SEK 1 308m

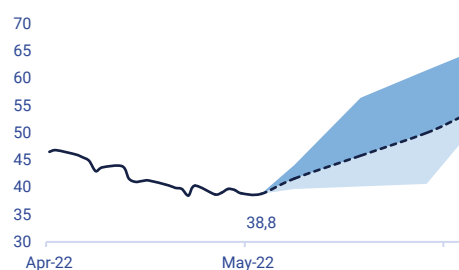
SHARE DEVELOPMENT



	12M	YTD	6M	1M
Development (%)	-50.6	-31.9	-33.3	-15.7

Source: S&P Capital IQ

VALUATION INTERVAL



	BEAR	BAS	BULL
Value per share (SEK)	47.9	52.8	63.9
Up-/downside (%)	23	36	65

Source: S&P Capital IQ and Carlsquare estimates

CARLSQUARE EQUITY RESEARCH

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Recovery in the cards after a lukewarm quarter

For the first quarter of 2022, Zinzino reported moderate growth with profitability below our expectations. Easing restrictions and acquisitions could boost the growth rate in future quarters. The April figures also show accelerating growth in APAC. Margins may also start to climb as the price increases take full effect. We estimate a fair value per share of SEK 52.8 (60.7). Lower margin assumptions and higher discount rate lower the fair value.

Growth in key markets

The Zinzino group reported total revenues of SEK 334 million in the first quarter of 2022, representing tepid growth of 0.7 per cent year-over-year. Counting Faun as a separate region and excluding Africa (no comparative figures), sales grew in four of eight regions. Except for the Baltics and the Nordics, the major markets in Europe grew at an acceptable rate.

With eased restrictions, we expect growth in Europe to pick up in the coming quarters. The acquisition of Enhazz in Germany provides a small revenue contribution but more importantly sales synergies that we believe can be realised in the second half of the current year. The Nordics and APAC held back the group's growth. We believe the Nordic region will continue to decline, while preliminary sales figures for April show a return to growth in APAC, which bodes well.

Strong gross margin

The group's gross profit amounted to just over SEK 99 million, corresponding to a margin of 29.7 per cent. That was marginally better than our estimate of SEK 97 million and 29.3 per cent, respectively. That signals that the price increase has already had a decent impact. However, we believe that the full effect of the price increase will become visible in the third quarter. Nevertheless, the question remains whether the implemented price increase will be able to fully cover the increased costs of goods sold when the inventory is turned over.

The EBITDA result for the quarter was SEK 25.8 million, corresponding to a margin of 7.7 per cent. That was in line with the company's long-term target of an EBITDA margin above seven per cent. The result was also below our forecast of SEK 33.4 million and is mainly explained by higher than expected personnel costs. However, given our growth assumptions for the coming quarters, we expect the scalability of the business to lift the EBITDA margin.

Short-term factors lower fair value

Given the outcome for the first quarter and the preliminary sales figures for April 2022, we have lowered our revenue forecast for 2022 by just over one per cent to SEK 1 490 million. Operating profit has been adjusted down by more than ten per cent to SEK 111 million. A fair value per share of SEK 52.8 (60.7) is motivated for the next 6-12 months in a base case scenario.

Key figures (SEKm)

	2019	2020	2021	2022E	2023E	2024E
Total revenue	771	1 139	1 371	1 490	1 734	1 910
Gross profit	232	349	428	457	543	601
EBITDA	34	109	138	131	167	190
EBIT	15	87	116	111	147	169
EBT	14	85	115	111	146	168
Earning per share	0,33	1,96	2,57	2,48	3,29	3,77
Growth, tot. revenue	33,5%	47,8%	20,4%	8,7%	16,4%	10,2%
EBITDA-margin	4,4%	9,5%	10,0%	8,8%	9,7%	10,0%
EBIT-margin	1,9%	7,6%	8,5%	7,5%	8,5%	8,8%
EV/Sales	1,4x	1,0x	0,8x	0,7x	0,6x	0,6x
EV/EBITDA (curr.)	32,7x	10,1x	8,0x	8,3x	6,6x	5,8x
EV/EBIT (curr.)	74,2x	12,7x	9,5x	9,8x	7,5x	6,5x
P/E (curr.)	118,6x	19,8x	15,1x	15,6x	11,8x	10,3x

Source: Company information and Carlsquare estimates

Follow-up and comments

In the first quarter of 2022, Zinzino reported tepid growth of 0.7 per cent, in line with our expectations given harsh market conditions. Excluding Africa but counting Faun as a region, the company reported growth in four out of eight regions. Supply issues explain the negative growth in APAC. Gross profit came in above our expectations. However, the EBITDA result landed at SEK 25.8 million, below our forecast of SEK 33.4 million. The deviation is mainly explained by higher personnel costs than we had anticipated.

Moderate quarter but improved outlook

Below is the outturn for the first quarter of 2022 against our forecasts. In summary, gross profit was above our expectations, while increased personnel costs created variances further down the income statement.

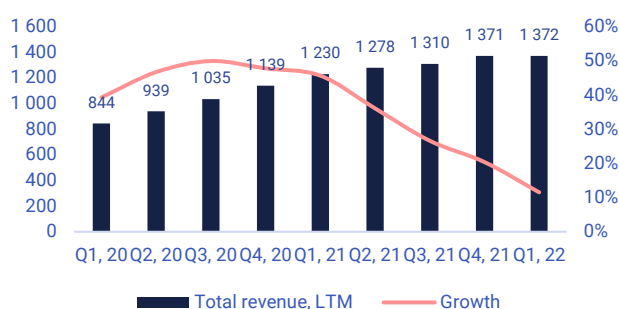
Outcome compared to Carlsquare forecasts, Q1 2022 (SEKm)

	Q1 22E	Q1 21	Q1 22A	Deviation (%)
Totala intäkter	331	333	334	0.9%
Bruttoresultat	97.0	101	99.3	2.4%
Bruttomarginal	29.3%	30.4%	29.7%	
EBITDA	33.4	37.3	25.8	-23%
EBITDA-marginal	10.1%	11.2%	7.7%	
EBIT	28.7	32.0	20.2	-30%
EBIT-marginal	8.7%	9.6%	6.0%	
EBT	28.3	31.9	19.9	-30%
Vinst per aktie (kr)	0.66	0.69	0.45	-47%

Source: Company information and Carlsquare estimates

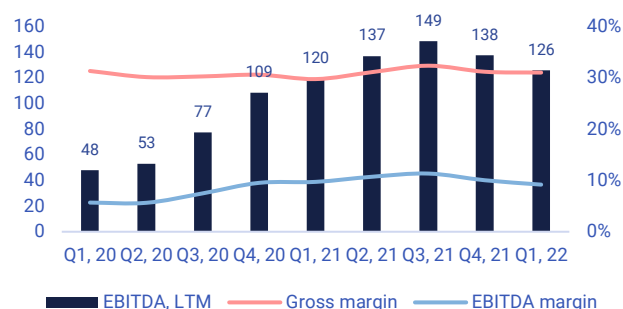
On a rolling 12-month basis, revenue growth continues to slow, and the EBITDA margin falls back. However, we expect that future expected growth can activate the scalability of the business and thus lift the EBITDA margin over time.

Total revenues (SEKm) and growth (%), LTM



LTM = Last twelve months. Source: Company information and Carlsquare

EBITDA result (SEKm), and margins (%), LTM



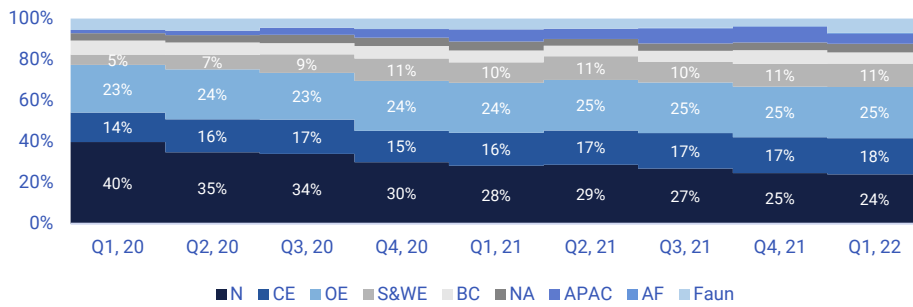
LTM = Last twelve months. Source: Company information and Carlsquare

Tepid growth despite price increases

Zinzino reported total revenues of SEK 334 million in the first quarter of 2022, representing tepid year-over-year growth of 0.7 per cent. Our forecast for the company's total revenue was SEK 331 million. In February, Zinzino implemented a price increase on popular Zinzino Health products sold per subscription, averaging six per cent. This has likely positively impacted growth, albeit limited so far. We expect the full effect of the price increase to be felt only at the beginning of the third quarter.

| Growth was helped by price hikes.

Revenue contribution as a percentage of total revenue by region plus Faun



Source: Company information and Carlsquare

Taking Faun as a separate region and excluding Africa (AF), which has no comparative figures, the company reported year-over-year growth in four out of eight regions: Central Europe (CE), Eastern Europe (EEE), Southern and Western Europe (S&WE) and Faun. The Nordic (N) and Asia-Pacific (APAC) regions declined relatively firmly.

The company's largest market in terms of revenue was Eastern Europe (EE) for the first time in the past quarter, contributing SEK 83.4 million in revenue, representing a growth of 3.0 per cent. The Nordic region (N) continues to decline, with revenue down 14.6 per cent to SEK 80 million. In the wake of the Covid pandemic, restrictions hampered the recruitment of new sales partners and new customers. Momentum is clearly negative in the Nordic region.

Easing restrictions and acquisitions create better prospects

We believe that the price increase will contribute to growth in the coming quarters as all existing subscriptions are affected. At the same time, in the wake of the Covid pandemic, restrictions have been eased in Europe and North America (NA). That should also facilitate the recruitment of new sales partners and the acquisition of new customers.

Acquisitions are expected to add revenue and sales synergies over time.

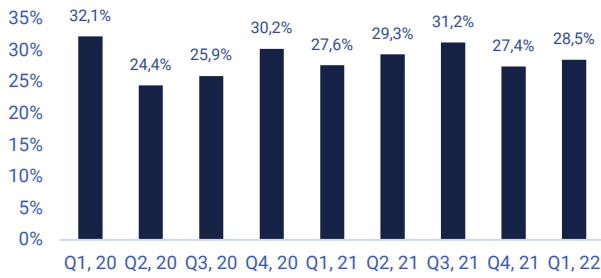
Preliminary sales figures for April also show a return to growth in APAC, which is a positive sign. However, the region is still negatively impacted by restrictions and growth rates are thus not expected to reach 2021 levels any time soon. Central Europe, including Germany, also continues to grow at a robust pace. Here we also believe that the acquisition of Enhazz Global AG can directly contribute new, albeit moderate, revenue streams (estimated at SEK 5-10 million quarterly). However, the critical element of the acquisition was the expected sales synergies that arise when partners have access to a broader product offering.

Solid gross margin for Zinzino after price increases

The Group's gross profit was just over SEK 99 million, corresponding to a margin of 29.7 per cent. Our forecast was for SEK 97 million and 29.3 per cent, respectively. The largest business segment by far, Zinzino, increased its gross margin by 0.9 percentage points relative to the same quarter last year. That indicates that the price increase has already had a good impact. The gross margin of the much smaller business segment Faun declined by four percentage points compared to the same quarter last year.

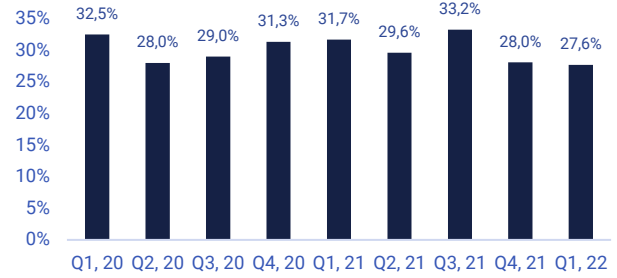
Solid gross margin for the business segment Zinzino, again price increases are assumed to have a finger in the pie.

Gross margin development (%), Zinzino



Source: Company information and Carlsquare

Gross margin development (%), Faun



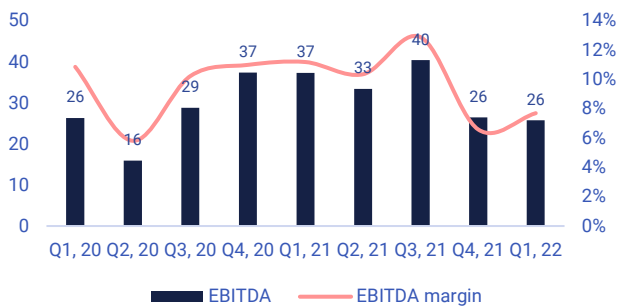
Source: Company information and Carlsquare

Given an even more significant impact of the implemented price increases in Zinzino Health, it is reasonable to expect that the increased cost of goods sold to a larger extent can be covered. The segment can thus maintain a better gross profit. However, there is a risk that the cost of goods sold will increase further in the coming quarters. In the latest quarterly report, the management also comments on the uncertainty that has risen around this figure due to uncertain world situations and increased raw material and transport prices.

EBITDA margin above the long-term target

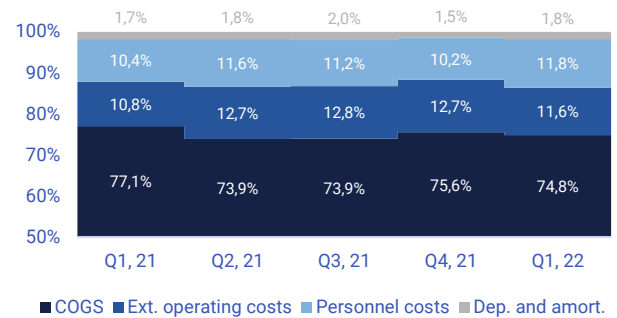
Reported EBITDA came in at SEK 26 million, a decline of about 38 per cent. Our forecast was SEK 33 million. The deviation is mainly explained by higher personnel costs than we expected. The reported margin was 7.7 per cent, which was above the company's long-term target of higher than 7.0 per cent.

EBITDA (SEKm) and margin (%)



Source: Company information and Carlsquare

Cost breakdown



Source: Company information and Carlsquare

Cash flow from operating activities before working capital amounted to SEK 23.3 million. After changes in working capital, the figure was minus SEK 8.9 million.

Investment case

Zinzino has demonstrated strong historical growth to improved profitability. That shows the strength of the business model, strategy and offering. Historically, Europe has been the main growth driver. Now, Asia is next, where the conditions can be considered even better with a strong interest in both direct sales and health. We believe Zinzino can achieve revenue growth and margin expansion in parallel with a cost-effective sales model. In our base case, a fair value per share of SEK 52.8 (60.7) is calculated for the next 6-12 months.

Growth and margin expansion create upside

Since its founding in 2007, Zinzino has grown into a global player in the food supplements industry. We see good prospects for Zinzino to continue to grow at a fast pace with improved profitability.

- **A proven growth strategy.** Over the past ten years, Zinzino has grown at an average annual rate of approximately 30 per cent. Direct selling (or network marketing) and an extended product offering with proven effect have been critical ingredients in the growth recipe. In parallel, the EBITDA margin has increased from 3.2 per cent in 2012 to 10.0 per cent in 2021, primarily explained by scalability. Competition is fierce with many similarly formulated products and health claims. However, the company's history demonstrates the strength of its product offering, business model and strategy.
- **Expansion in Asia is a key growth driver.** Over the past few years, expansion into new countries in Europe has been one of the primary growth drivers. Despite SEK billions in turnover, the market share on existing markets is minimal, leaving room for growth. The acquisition of Enhazz in Germany should provide sales synergies. The first steps have also been taken to replicate the expansion strategy in Asia-Pacific. So far, the initiative has borne fruit, and more markets will be opened. Overall, we see continued strong growth prospects, not least as restrictions in the wake of the pandemic are eased.
- **Upside to margins.** Zinzino is well behind its larger sector peers such as Herbalife and Usana Health in terms of gross margin after distributor costs. We believe gross margins can increase with a broadened product range and more of which produced in-house. However, the main driver of the potential upside in profitability is the scalability of the business as group-wide costs are spread across higher revenues.
- **Higher growth and margin expansion justifies premium, not discount.** Zinzino is currently trading at a 12-month rolling EV/EBIT multiple of 10.5x. That is a historically low level compared to the average of 33.3x since March 2013. Combining two multiple valuation models with a DCF valuation, we calculate a fair value per share of SEK 52.8 (60.7) for the next 6-12 months. That represents a good potential upside of 36 per cent over the last paid price. Our valuation corresponds to an EV/EBIT multiple of 14.1x our 2022 forecast. Today, Zinzino is trading at an EV/EBIT multiple of 9.8x our 2022 forecast. That is an excessive discount to our peer group, given our assumptions regarding growth and margin expansion over time.

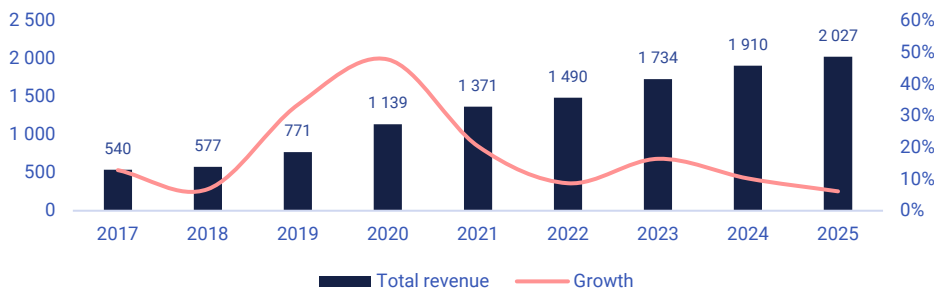
Assumptions and estimates

New growth initiatives will boost revenues

In 2022, we expect growth of 8.7 per cent and total revenues of SEK 1 490 million. That is a slight downward revision from the previous SEK 1 510 million. Growth is hampered by continued weak development in the Nordics and shutdowns in APAC. 2023 we have assumed that growth will pick up again, and the CAGR, 2021-2025 is 10.3 per cent. That is below the company's target of growing at an average of 20 per cent per year until 2025. However, we do not include acquisitions in our estimates, so acquisitions are a trigger that could accelerate the growth rate.

Over the forecast period, 2022-2031, we expect an average annual growth rate of 6.9 per cent, down from previously 7.1 per cent.

Total revenues (MSEK) and growth (%)



Source: Company information and Carlsquare estimates

Scalability yields margin expansion

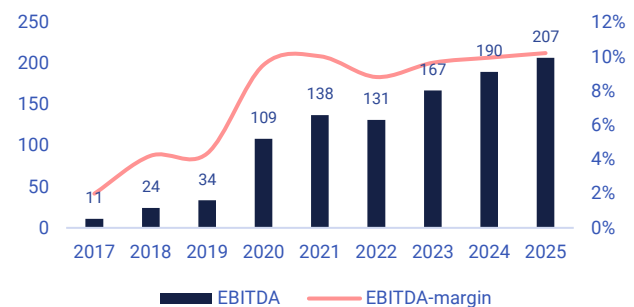
In 2022, we expect a gross profit of SEK 457 million, corresponding to a margin of 30.7 per cent. By the final year of the forecast period, 2031, we expect the gross margin to increase to 32.5 per cent, partly due to a change in product mix and a higher proportion of goods sold are produced in-house. In 2021, Herbalife and USANA Health reported gross margins after distributor costs of 47.0 per cent and 37.9 per cent, respectively.

Gross result (MSEK) and margin (%)



Gross profit = total revenue reduced by the cost of goods sold and distribution costs. Source: Company information and Carlsquare estimates

EBITDA (SEKM) and margin (%)



Source: Company information and Carlsquare estimates

With cost-effective growth through direct sales, scalability can be enjoyed in parallel to high growth rates. In our scenario, the company makes an EBITDA result in 2022 of SEK 131 million, corresponding to an EBITDA margin of 8.8 per cent. That is a downward adjustment from the previous 9.5 per cent. EBITDA margin is expected to increase to 12.0 per cent by the end of 2031, down from the prior assumption of 12.5 per cent.

The average EBITDA margin 2022-2025 in our scenario is 10.3 per cent. That is in line with the company's target of an average EBITDA margin above ten per cent.

Fair value within a range

Stock under pressure but with good upside

We have combined a DCF model with two multiple valuation models to calculate a fair value per share. Our DCF valuation results in a value per share of SEK 58.1-76.1 per share. Our multiple valuation on EV/EBIT 2022 results in a value per share of SEK 44.5-55.7 per share.

In the base case, a fair value of SEK 52.8 per share is calculated for the next 6-12 months.

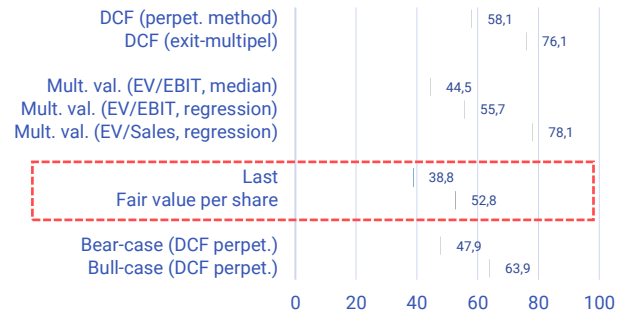
Combining the lowest value in the DCF model with the values from the multiple valuations (EV/EBIT, regression and median) in an average, we calculate a fair value per share of SEK 52.8 (60.7) for the next 6-12 months. This downward revision is mainly explained by downward profitability assumptions after the first quarter report, a higher risk-free rate and slightly lower valuation multiples in the sector.

Fair value (SEK/share), base case

Multiple valuation (EV/EBIT, med. 2022)	44.5
Multiple valuation (EV/EBIT, reg. 2022)	55.7
DCF valuation	58.1
Fair value per share	52.8
Potential up-/down side	36%
Shares outstanding, fully financed, and diluted	33.8
Shareholder value	1 782
Cash (last rep. Q)	218
Debt (last rep. Q)	-5
PV cash from equity financing	0
EV	1 569

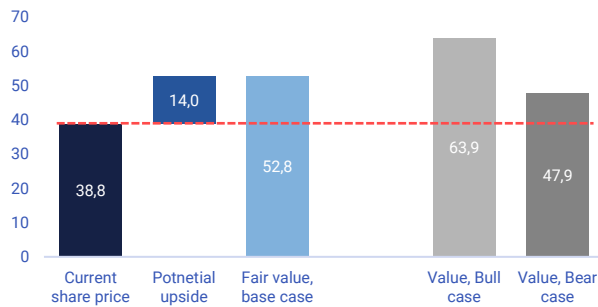
Source: Carlsquare estimates

Fair value range (SEK/share)



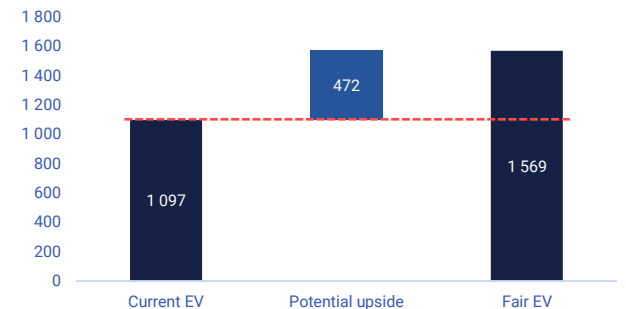
Source: Carlsquare estimates

Fair value per share (SEK), three scenarios



Source: Carlsquare estimates

Visualisation EV, base case (MSEK)



Source: Carlsquare estimates

A sanity check, base case

Our fair value in the base case corresponds to the implied multiples below.

Implied multiples, base case

	NTM	2021	2022	2023	2024
EV/Sales	1,0x	1,1x	1,1x	0,9x	0,8x
EV/EBITDA	10,7x	11,4x	11,9x	9,4x	8,2x
EV/EBIT	12,4x	13,5x	14,1x	10,7x	9,3x
P/E	18,6x	20,5x	21,3x	16,1x	14,0x

Source: Carlsquare estimates

Our reference group of companies producing and selling health foods currently trade at a median of EV/Sales multiple 2022 of 1.0x and EV/EBIT multiple 2022 of 11.6x. Zinzino is currently trading at a discount (0.7x and 9.8x our 2022 estimate).

DCF valuation

By discounting the assumed future cash flow to its present value in a DCF model with a discount rate of 12.7 per cent (11.8), a fair value of SEK 58.1 per share (69.3) is calculated for the next 6-12 months.

DCF valuation, base case

DCF-valuation		Discount rate		Assumptions	
PV(UFCF)	926	Risk free rate	1,7%	CAGR, 2021-2031	6,9%
PV(TV)	823	Market risk premium	6,7%	EBITDA-margin, 2031	12,0%
Enterprise value	1 749	Size premium	2,5%	EBIT-margin, 2031	10,9%
Net debt (31-Dec)	213	Beta	1,2x	Tax rate	20,6%
Shareholder value	1 962	Req. return on equity	12,7%		
PV(equity financing proceeds)	0			Implied multiples	
Shareholder value, after financing	1962	Tax adjust. interest on debt	2,4%	EV/Sales, NTM	1,1x
Current shares outstanding	33,8	Leverage	0,0%	EV/Sales 2022	1,2x
New shares	0,0	WACC	12,7%	EV/EBITDA, NTM	12,0x
Shares outstanding after financing and dilution	33,8			EV/EBITDA 2022	13,3x
Value per share (before financing and dilution)	58,1	Company spec. premium	0,0%	EV/EBIT NTM	13,8x
Value per share (after financing and dilution)	58,1	Discount rate	12,7%	EV/EBIT, 2022	15,7x

Source: Carlsquare estimates

Below on the left is a sensitivity analysis with the variables discount rate and assumed growth rate for calculating the terminal value.

Sensitivity analysis (SEK/share)

	2,0%	3,0%	4,0%	5,0%
10,7%	68,3	72,8	78,6	86,5
11,7%	61,3	64,6	68,7	74,1
12,7%	55,6	58,1	61,2	65,0
13,7%	50,9	52,9	55,2	58,0
14,7%	47,0	48,5	50,3	52,4

Discount rate on the Y-axis and growth in perpetuity on the X-axis.
 Source: Carlsquare estimates

Sensitivity analysis with exit multiple (SEK/share)

	10,4x (10%)	11,6x (0%)	12,7x (10%)	13,9x (20%)
10,7%	76,3	80,8	85,2	89,6
11,7%	74,0	78,4	82,7	87,1
12,7%	71,9	76,1	80,4	84,6
13,7%	69,8	74,0	78,1	82,3
14,7%	67,9	72,0	76,0	80,1

Discount rate on the Y-axis and exit multiple on the X-axis. (XX%) = discount applied to the median EV/EBIT of the reference group.
 Source: Carlsquare estimates

On the right is a second sensitivity analysis for the valuation based on a DCF model with an exit multiple as the method to calculate the perpetuity value - an alternative perpetuity capitalisation. For this method, we took the median EBIT multiple of the reference group, discounted the multiple by zero per cent and applied it to the assumed EBIT result in 2026. This value is then discounted to its present value and represents the perpetuity value in the DCF model. As can be seen, this model yields a motive-rated value per share of SEK 76.1 (85.0).

Multiple valuation

Below are multiple valuations based on the peer group's median EV/EBIT 2022. As shown, a value per share calculated by this method is SEK 44.5 (50.0).

Multiple valuation median EV/EBIT 2022, base case

	HQ	Mcap (SEKm)	CAGR, 2020-2023	μEBIT-marg., 2021-2023	EV/EBIT, 2022
Midsona AB (publ)	SE	1 746	5%	6%	15,7x
Orkla ASA	NO	74 315	4%	12%	13,8x
Probi AB (publ)	SE	3 589	6%	16%	31,1x
Aker BioMarine AS	NO	4 236	20%	9%	37,7x
Herbalife Nutrition Ltd.	US	20 828	2%	11%	8,0x
Nu Skin Enterprises, Inc.	US	22 172	3%	11%	9,3x
USANA Health Sciences, Inc.	US	12 944	-	14%	7,3x
Tupperware Brands Corporation	US	2 702	2%	12%	6,7x
Median		8 590	4%	12%	11,6x
Genomsnitt		17 816	6%	11%	16,2x
Discount	0%				
Applied EV/EBIT multiple	11,6x				
Exp. EBIT 2022 (MSEK)	111				
Enterprise value	1 290				
Net debt	213				
PV(Cash from equity financing)	0				
Shareholder value, after financing	1 503				
Current shares outstanding (m)	33,8				
New shares	0,0				
Shares outstanding after financing and dilution	33,8				
Value per share (before financing and dilution)	44,5				
Value per share (after financing and dilution)	44,5				

Source: S&P Capital IQ and Carlsquare estimates

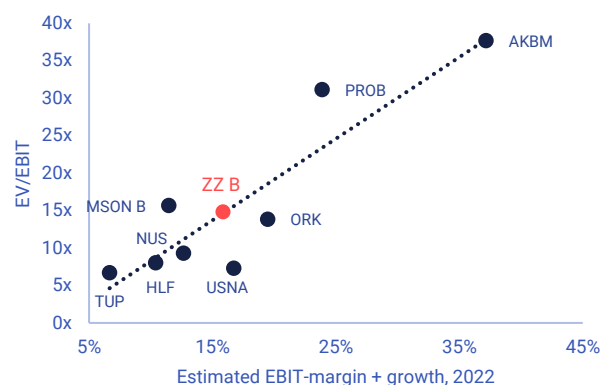
Below are multiple valuations based on a regression analysis with EV/EBIT multiple 2022 and expected growth plus EBIT margin 2022. A value per share calculated by this method is SEK 55.7 (62.9).

Multiple valuation EV/EBIT 2022, regression

Slope	108.9
Intercept	-2.6
Rsq	80%
Expected growth	8.7%
Expected EBIT margin	7.5%
Implied multiple	15.0x
Expected EBIT	111
EV	1 667
Net debt (31-Dec)	213
PV(Cash from equity financing)	0
Shareholder value, after financing	1 881
Shares outstanding after financing and dilution	33.8
Value per share (before financing and dilution)	55.7
Value per share (after financing and dilution)	55.7

Source: S&P Capital IQ and Carlsquare estimates

Implied valuation multiple from regression



Source: S&P Capital IQ and Carlsquare estimates

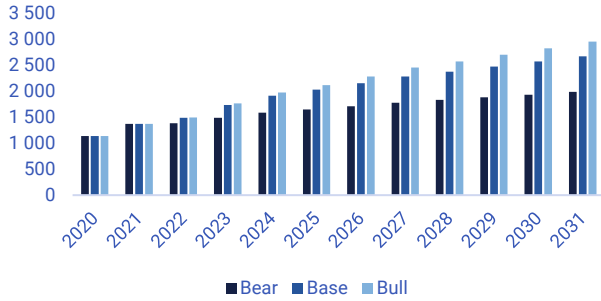
Valuation range

We have used our DCF (perpetual capitalisation) model in the bull and bear case but developed alternative growth and profitability curves. We model an average annual growth rate of 8.0 per cent (6.9 per cent in the base case) in the bull case. The EBIT margin is assumed to increase to 12.4 per cent (10.9 per cent in the base case) by 2031. With these assumptions, a value per share of SEK 63.9 (76.7) is calculated.

For the bear case, we model an average annual growth rate of 3.8 per cent. The EBIT margin is assumed to increase to 8.3 per cent by 2031. With these assumptions, a value per share of SEK 47.9 (56.3) is calculated.

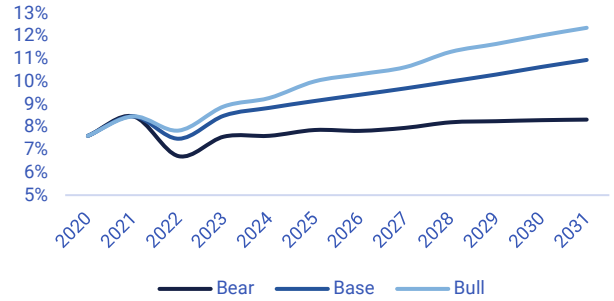
The assumed net sales and EBITDA margin development in the three scenarios is shown below.

Total revenues (SEKm), three scenarios



Source: Company information and Carlsquare estimates

EBIT-margin, three scenarios



Source: Company information and Carlsquare estimates

Key figures and accounts

Key figures (SEK)

	2019	2020	2021	2022E	2023E	2024E	2025E
Per share							
EPS	-0.03	0.15	0.33	1.96	2.57	2.48	3.29
DPS	0.7	0.7	1.3	2.0	2.0	2.3	2.3
BVPS	1.2	2.9	4.7	5.4	6.7	8.4	10.5
TBVPS	0.2	0.2	0.3	0.4	0.4	0.4	0.4
Valuation (curr.)							
P/E	118.6x	19.8x	15.1x	15.6x	11.8x	10.3x	9.4x
P/B	32.5x	13.8x	8.6x	7.4x	5.8x	4.6x	3.7x
EV/Sales	1.4x	1.0x	0.8x	0.7x	0.6x	0.6x	0.5x
EV/EBITDA	32.7x	10.1x	8.0x	8.3x	6.6x	5.8x	5.3x
EV/EBIT	74.2x	12.7x	9.5x	9.8x	7.5x	6.5x	5.9x
Other							
Dividend yield	1.8%	1.8%	3.2%	5.2%	5.2%	5.8%	5.8%
FCF yield	4.9%	6.7%	10.8%	7.0%	11.4%	11.0%	12.4%

Source: Company information and Carlsquare estimates

Income statement (SEKm), quarterly

	Q1, 21	Q2, 21	Q3, 21	Q4, 21	Q1, 22P	Q2, 22P	Q3, 22P	Q4, 22P
Total sales	333	322	314	401	334	331	361	463
Gross profit	101	105	107	114	99	99	114	144
EBITDA	37	33	40	26	26	26	37	43
EBIT	32	28	35	21	20	21	32	38
EBT	32	28	35	21	20	21	32	38
Net profit/loss	24	23	28	15	16	17	25	30
EPS (SEK)	0,69	0,66	0,80	0,43	0,45	0,47	0,72	0,85
Growth								
Total sales	Q1, 21	Q2, 21	Q3, 21	Q4, 21	Q1, 22E	Q2, 22E	Q3, 22E	Q4, 22E
Total sales	39.0%	17.5%	11.6%	15.3%	-0.1%	3.0%	15.2%	16.1%
Gross profit	20.9%	43.0%	32.4%	3.2%	-1.9%	-5.6%	6.3%	26.6%
EBITDA	41.9%	109.3%	40.1%	-29.4%	-31.0%	-22.9%	-8.6%	62.4%
EBIT	48.8%	153.3%	51.9%	-32.7%	-37.1%	-25.5%	-7.8%	82.7%
EBT	49.4%	155.6%	60.1%	-34.1%	-37.5%	-25.6%	-7.6%	84.6%
Net profit/loss	43.1%	168.9%	66.3%	-39.7%	-34.0%	-28.1%	-10.2%	107.4%
Margins								
Gross margin	Q1, 21	Q2, 21	Q3, 21	Q4, 21	Q1, 22E	Q2, 22E	Q3, 22E	Q4, 22E
Gross margin	30.4%	32.6%	34.3%	28.3%	29.7%	29.9%	31.7%	31.1%
EBITDA margin	11.2%	10.4%	12.9%	6.6%	7.7%	7.8%	10.2%	9.3%
EBIT margin	9.6%	8.8%	11.1%	5.2%	6.0%	6.3%	8.9%	8.2%
EBT margin	9.6%	8.7%	11.0%	5.1%	6.0%	6.3%	8.8%	8.2%
Profit margin	7.2%	7.1%	9.0%	3.6%	4.7%	5.0%	7.0%	6.5%

Source: Company information and Carlsquare estimates

Income statement (MSEK)

	2017	2018	2019	2020	2021	2022P	2023P	2024P	2025P
Total revenue	540	577	771	1139	1371	1490	1734	1910	2027
COGS	-381	-394	-538	-790	-943	-1033	-1191	-1310	-1385
Gross profit	160	183	232	349	428	457	543	601	643
Other operating expenses	-149	-159	-199	-240	-290	-325	-376	-411	-435
EBITDA	11	24	34	109	138	131	167	190	207
Dep. and amort.	-10	-17	-19	-22	-22	-20	-20	-21	-22
EBIT	1	7	15	87	116	111	147	169	185
Net finances	0	-1	-1	-2	-1	-1	-1	-1	-1
EBT	1	6	14	85	115	111	146	168	184
Tax	-2	-1	-3	-19	-25	-23	-30	-35	-38
Net profit/loss	-1	5	11	66	90	88	116	133	146
EPS	-0,03	0,15	0,33	1,96	2,57	2,48	3,29	3,77	4,14
Shares, EoP	32,6	32,6	32,6	33,0	33,7	33,8	33,8	33,8	33,8
Shares, avg.	32,6	32,6	32,6	32,8	33,4	33,7	33,8	33,8	33,8

	2017	2018	2019	2020	2021	2022E	2023E	2024E	2025E
Growth									
Total revenue	-62.1%	8.0%	32.9%	51.2%	19.9%	8.8%	16.5%	10.2%	6.1%
Gross profit	-72.8%	14.8%	26.6%	50.0%	22.7%	6.8%	19.0%	10.6%	6.9%
EBITDA	-85.1%	125.3%	37.7%	223.7%	26.7%	-4.5%	27.4%	13.6%	9.0%
EBIT	-97.3%	935.1%	109.7%	485.8%	33.9%	-3.9%	32.2%	14.6%	9.7%
EBT	-84.8%	1086.3%	120.5%	512.2%	35.2%	-3.8%	32.4%	14.7%	9.8%
Net profit/loss	-156.3%	595.7%	113.0%	487.2%	35.3%	-2.2%	32.4%	14.7%	9.8%
EPS	722.2%	-542.6%	125.0%	499.3%	31.1%	-3.4%	32.3%	14.7%	9.8%

	2017	2018	2019	2020	2021	2022E	2023E	2024E	2025E
Margins									
Gross profit	29.6%	31.8%	30.1%	30.6%	31.2%	30.7%	31.3%	31.5%	31.7%
EBITDA margin	2.0%	4.2%	4.4%	9.5%	10.0%	8.8%	9.7%	10.0%	10.2%
EBIT margin	0.1%	1.2%	1.9%	7.6%	8.5%	7.5%	8.5%	8.8%	9.1%
EBT margin	0.1%	1.1%	1.8%	7.5%	8.4%	7.4%	8.4%	8.8%	9.1%
Profit margin	-0.2%	0.9%	1.5%	5.8%	6.5%	5.9%	6.7%	7.0%	7.2%

Source: Company information and Carlsquare estimates

Balance sheet (SEKm)

	2019	2020	2021	2022P	2023P	2024P	2025P
Tot. intangible assets	50	56	64	85	96	109	122
Tot. tangible assets	6	7	11	13	14	14	15
Tot. other fixed assets	52	47	43	41	41	41	42
Total fixed assets	108	110	118	140	151	164	178
Inventories	89	127	159	177	204	216	229
Accounts Receivables	22	67	58	78	82	91	97
Other current assets	10	37	35	45	49	53	56
Cash	77	143	236	244	310	361	428
Total current assets	198	373	487	544	645	721	810
Total assets	307	483	605	684	796	885	988
Shareholder equity	40	95	152	177	226	283	353
Total equity	40	95	152	177	226	283	353
Debt to creditors	2	5	5	5	5	5	5
Lease liabilities	33	34	25	24	24	24	24
Other long-term liabilities	0	0	1	1	1	1	1
Tot. long-term liabilities	35	39	31	30	30	30	30
Tax liabilities	3	12	17	19	19	19	19
Lease liabilities	11	10	14	12	12	12	12
Accounts payable	36	55	44	62	64	72	76
Other liabilities	101	163	239	248	297	308	327
Accrued expenses and prepaid income	82	109	109	136	148	161	171
Tot. short-term debt	232	349	423	477	541	572	605
Total debt	266	389	453	507	571	602	635
Tot. equity and debt	307	483	605	684	796	885	988
Liquidity	2019	2020	2021	2022E	2023E	2024E	2025E
Current ratio	86%	107%	115%	114%	119%	126%	134%
Cash ratio	33%	41%	56%	51%	57%	63%	71%
Leverage	2019	2020	2021	2022E	2023E	2024E	2025E
Net debt(-)/Net cash(+)	75	138	231	239	305	356	424
Net debt/EBITDA	NM	NM	NM	NM	NM	NM	NM
Net debt/Equity	NM	NM	NM	NM	NM	NM	NM
Equity/Total Assets	13%	20%	25%	26%	28%	32%	36%
Efficiency	2019	2020	2021	2022E	2023E	2024E	2025E
ROA	Neg.	1.1%	1.9%	9.7%	11.3%	9.9%	11.8%
ROE	Neg.	7.9%	9.2%	40.4%	44.6%	34.5%	36.5%
ROIC	1.3%	5.6%	7.5%	37.9%	40.0%	30.8%	32.7%

Source: Company information and Carlsquare estimates

Cash flow (SEKm)

	2019	2020	2021	2022E	2023E	2024E	2025E
CF, operating activities b4 delta WC	34	105	110	110	136	155	168
Delta operating capital	38	-8	43	6	29	6	11
CF operating activities	71	97	153	116	165	161	179
CF investing activities	-7	-9	-12	-24	-15	-17	-18
CF financing activities	-33	-22	-49	-83	-84	-93	-95
Cash flow	31	66	93	8	66	51	67
Cash, BoP	45	77	143	236	244	310	361
Cash, EoP	77	143	236	244	310	361	428
Key ratios	2019	2020	2021	2022E	2023E	2024E	2025E
CF operating activities/Total revenue	9%	9%	11%	8%	10%	8%	9%
CF operating activities/EBITDA	213%	90%	112%	88%	99%	85%	87%

Source: Company information and Carlsquare estimates

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