

Careium

Back on track

- Fruitful restructuring - we revisit the Careium story
- Double-digit organic growth to persist in '24e, margins stabilising
- FVR of SEK 21-36 (17-40), with 20% '24e-'25e adj. EBITA CAGR

Diligence yields fruitful results

We have revisited the Careium story to get a fresh perspective following the successful turnaround from Q4'22 onwards. In mid-2022 Careium experienced a perfect storm; with gross margin pressure, skyrocketing admin costs, and significant working capital tie-up. Naturally, adj. EBITDA and cash flow were under significant pressure, weighing on leverage and resulting in a covenant breach. The turnaround was imminent, however, with the adj. EBITA margin improving 14pp sequentially from -7% in Q3'22 (i.e. the trough), to 7% in Q4'22. Since then, the margin has stabilised above 6%, and improved further recently to 12% in Q3'23 (albeit somewhat temporarily boosted by contract extensions). Furthermore, with positive FCF returning in '23 YTD, leverage has come back under control to a ratio of below 2x.

'24e-'25e adj. EBITA CAGR 20%, double-digit top-line growth

While costs were under pressure, the top line has developed nicely ever since the separate listing in late '21, with organic growth of ~14% in '22 and '23e. As such, with a recovered (and stable) gross margin, coupled with admin costs normalising, we estimate an adj. EBITA CAGR of 20% in '24e-'25e, based on a '24e-'25e margin of ~11%. To compare, Careium generated 9% and 12% margins in Q2'23 and Q3'23, respectively. Although we expect significant WC tie-up to persist in '24e-'25e, the cash conversion should improve significantly compared to the last three years, and support further de-leveraging.

Fair value range SEK 21-36 (17-40); 6.6x-10.3x '24e EV/EBITA

Our new FVR corresponds to 6.6x-10.3x '24e EV/EBITA, and is based on a blend between peer multiples and a DCF. On our updated estimates Careium is currently trading at 10x-6x '23e-'25e EV/EBITA.

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SEKm	2021	2022	2023e	2024e	2025e
Sales	588	725	852	956	1,041
EBITDA	65	59	143	179	195
EBITDA margin (%)	11.1	8.1	16.8	18.7	18.7
EBIT adj.	7	-10	60	82	94
EBIT adj. margin (%)	1.3	-1.4	7.1	8.6	9.0
Pretax profit	9	-16	57	68	79
EPS	0.20	-0.36	1.82	2.21	2.58
EPS adj.	0.39	0.18	2.40	2.80	3.17
Sales growth (%)	12.1	23.4	17.6	12.2	8.9
EPS growth (%)	-75.1	-285.2	-604.0	21.3	16.9

Source: ABG Sundal Collier, Company Data

Reason: In-depth research

Commissioned research

Not rated

IT

Estimate changes (%)

	2023e	2024e	2025e
Sales	-0.3	0.3	0.4
EBIT	-4.0	-10.1	-11.2
EPS	-4.3	-12.0	-13.0

Source: ABG Sundal Collier

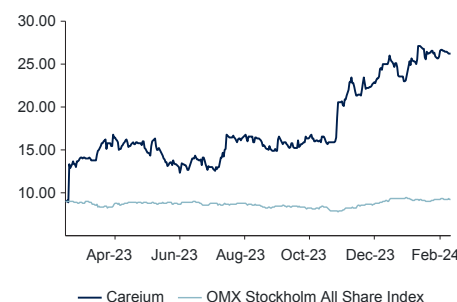
CARE-SE/CARE SS

Share price (SEK)	9/2/2024	26.20
Fair value range		21.0-36.0

MCap (SEKm)	637
MCap (EURm)	56
Net debt (SEKm)	217.00
No. of shares (m)	24.3
Free float (%)	100.0
Av. daily volume (k)	9

Next event Q4 Report 15 February 2024

Performance



	2023e	2024e	2025e
P/E (x)	14.4	11.8	10.1
P/E adj. (x)	10.9	9.4	8.3
P/BVPS (x)	1.03	0.95	0.87
EV/EBITDA (x)	5.6	4.1	3.4
EV/EBIT adj. (x)	13.2	9.0	7.2
EV/sales (x)	0.93	0.78	0.65
ROE adj. (%)	10.5	11.1	11.5
Dividend yield (%)	0.0	0.0	0.0
FCF yield (%)	7.0	11.1	13.4
Le. adj. FCF yld. (%)	4.5	8.6	10.9
Net IB debt/EBITDA (x)	1.1	0.6	0.2
Le. adj. ND/EBITDA (x)	0.7	0.2	-0.2

Disclosures and analyst certifications are located on pages 32-33 of this report.

This research product is commissioned and paid for by the company covered in this report. As such, this report is deemed to constitute an acceptable minor non-monetary benefit (i.e. not investment research) as defined in MiFID II.

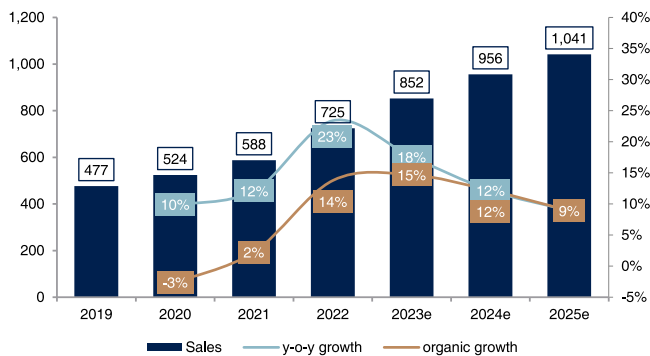
Company description

Careium is a market leader within Northern Europe of technology-enabled care solutions. Careium was previously a part of Doro as the company's Care segment and is, since December 2021, its own company with a sole focus on providing care solutions to increase quality of life for seniors. The company provides elderly persons with several different alarms, detectors and sensors connected to alarm centres, which enables the elderly to live independently and safely at home for a longer period. These care solutions are sold to public bodies, civil society and private companies.

Risks

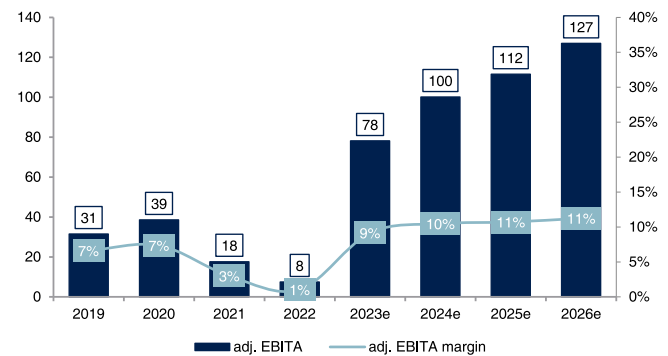
Careium has a strong position in Northern Europe, but there are some large competitors that could exploit this market, which could eventually hurt Careium's market share. The importance in delivering reliable products is crucial, since product failure could result in devastating consequences for the end-user, which in turn could have legal consequences for Careium and hurt demand for its solutions.

Sales estimates, yearly



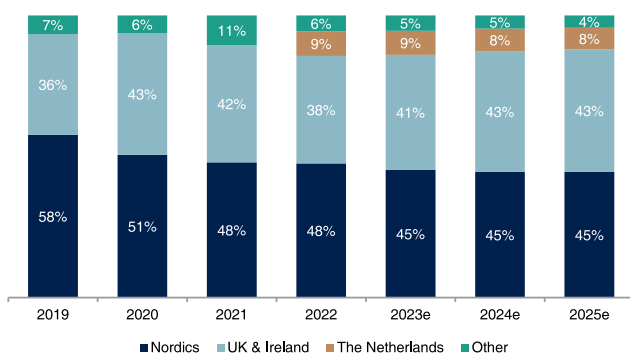
Source: ABG Sundal Collier, company data

adj. EBITA and margin, yearly



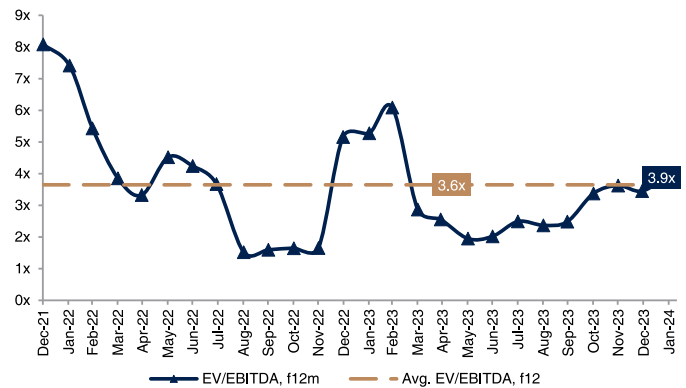
Source: ABG Sundal Collier, company data

Regional split, total sales



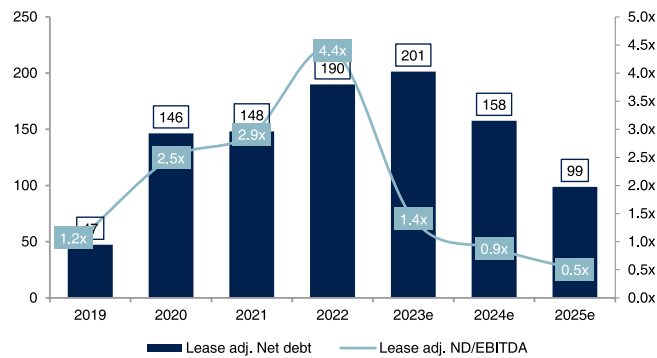
Source: ABG Sundal Collier, company data

Cons NTM EV/EBITDA



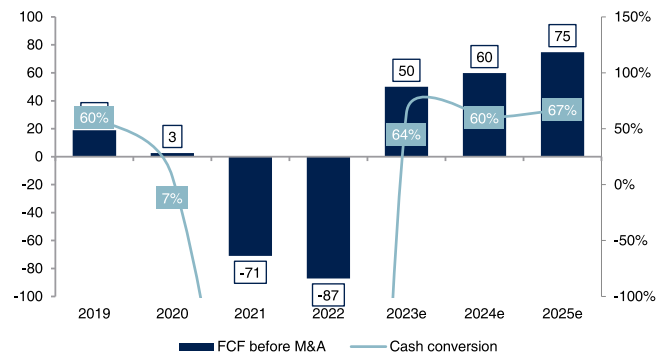
Source: ABG Sundal Collier, FactSet

ND/EBITDA adj.



Source: ABG Sundal Collier, company data

FCF before M&A and cash conversion



Source: ABG Sundal Collier, company data

Footnote: Includes long-term receivable tie-ups related to leasing contracts

Summary

Careium is Northern Europe's market leader within technology-enabled care solutions, catering predominantly to the elderly, mainly operating in the Nordics and in the UK. The company provides services, hardware and infrastructure, ensuring 24-hour monitoring, response and advice 365 days a year by connecting products directly to its alarm centres. Careium has seen strong top-line growth since the separation from Doro in late '21, and its margins have recovered from pressured '22 levels. We estimate an organic sales CAGR of 11% in '24e-'25e (down from 14% in '22-'23e), and a 10pp adj. EBITA margin improvement p.a., from 1% in '22 to 11% in '25e. We have conducted a peer valuation and a discounted cash flow analysis, arriving at a fair value range of SEK 21-36 per share, corresponding to '24e EV/EBITA of 6.6x-10.3x.

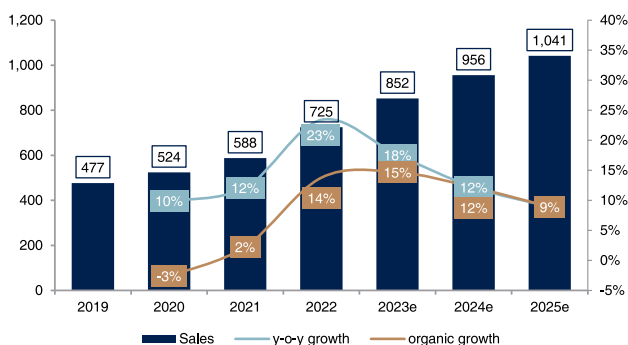
Business model and market overview

Careium operates in business-to-business (B2B) and business-to-government (B2G), offering its products and services directly to public bodies, civil society and private companies, which in turn act as providers to the end users. A majority (~75%) of total revenue is generated through service sales. The key market drivers include ageing populations and increased demand for digital care solutions. From 1980-2019, the ratio of tax-payers per pensioner decreased from 5x to 3x, and the company expects this ratio to decrease further to 2x by 2040. According to the company, its solutions are 8x and 4x less costly than hospital care and sheltered accommodation, respectively, creating significant cost savings for both public bodies and private customers.

Challenging 2022, but quick recovery

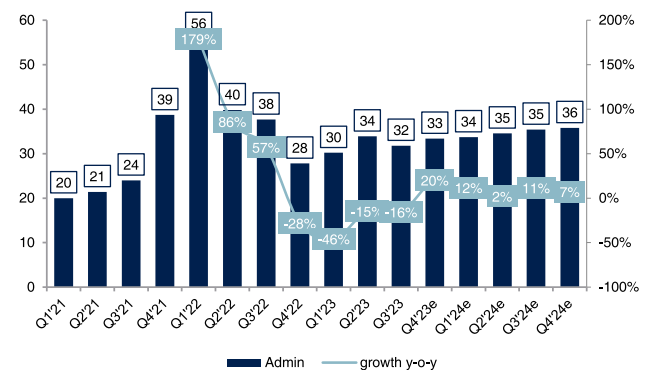
Careium has made several acquisitions throughout the years, primarily in the UK, to expand outside the Nordics (which is the company's home market). While this has supported solid sales growth and a solid UK position, we assess that the integration of these UK acquisitions has not been smooth, and was a key factor to the challenging 2022 when costs increased substantially. For instance, admin costs increased by 83% between '20-'22 (SEK 88m-161m), which we believe was partly driven by integration difficulties in the UK.

Sales estimates, yearly



Source: ABG Sundal Collier, company data

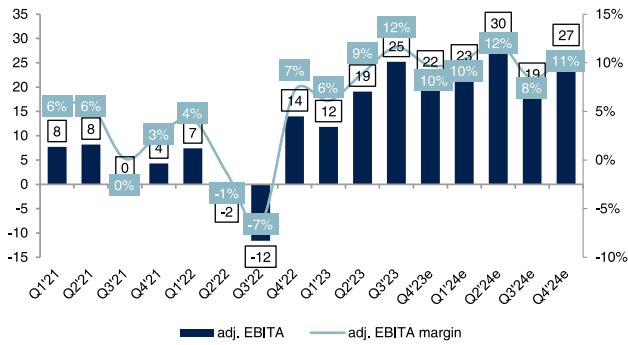
Admin costs increased by 180% y-o-y Q2'22



Source: ABG Sundal Collier, company data

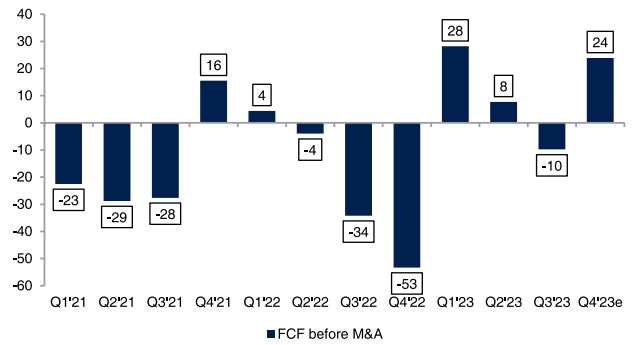
Adj. EBITA decreased from SEK 39m in '20 to SEK 7.5m in '22, with the corresponding adj. EBITA margin decrease from 7% to 1%. Simultaneously, FCF before M&A decreased from SEK 3m '20 to SEK -87m in '22, mainly on depressed EBITDA (SEK 78m '20 to SEK 59m in '22) and significant working capital tie-up (SEK -167m accumulated between '20 and '22), e.g. as receivables increased from 19% to 36% of sales between '20-'21. The negative cash flow combined with depressed adj. EBITDA quickly led to sharply increased leverage, and thus breached covenants in Q3'22. However, we have seen a rapid improvement since then: first improving margins sharply already in Q4'22, and then cash flow followed from the beginning of '23.

adj. EBITA and margin, quarterly



Source: ABG Sundal Collier, company data

FCF before M&A, quarterly



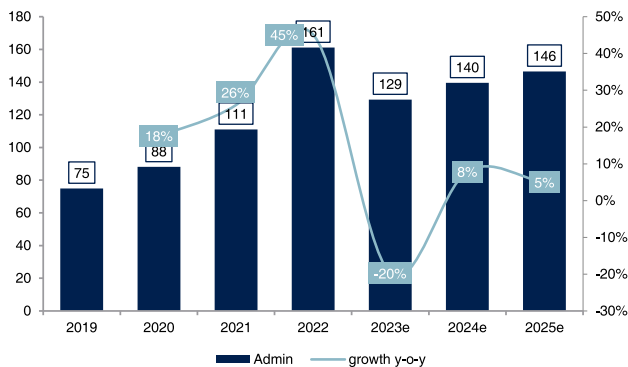
Source: ABG Sundal Collier, company data

Footnote: Includes long-term receivable tie-ups related to leasing contracts

Fruitful restructuring effects

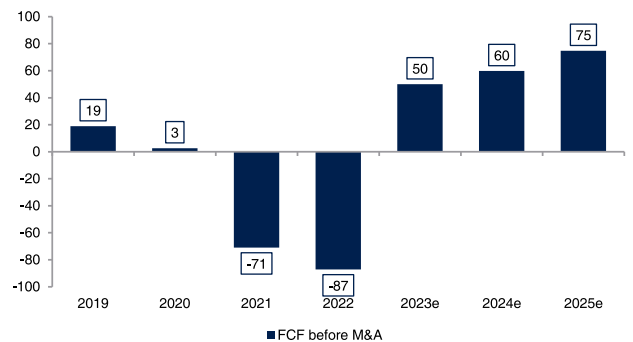
Careium implemented restructuring actions that included consolidating all UK entities into one single legal unit and streamlining its UK operations, as well as merging all product and technology development in the other markets segment under the Nordic region. While it might have taken a bit longer than expected to bear fruit, we have significant improvements for the company from Q4'22 and onwards on margins and cash flow, for instance seen in sharply decreasing admin costs.

Administrative expenditures, yearly



Source: ABG Sundal Collier, company data

FCF before M&A, yearly



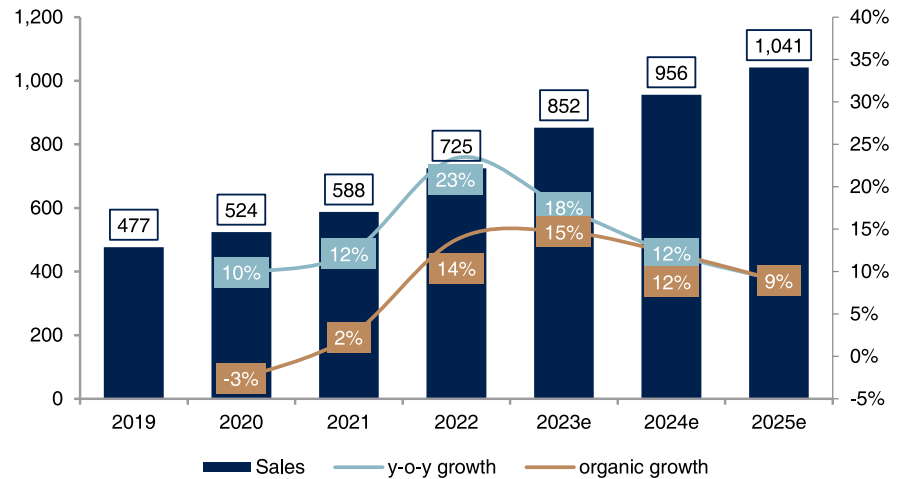
Source: ABG Sundal Collier, company data

Footnote: Includes long-term receivable tie-ups related to leasing contracts

Financial forecasts

We estimate total sales to grow from SEK 852m to SEK 1,041m '23e-'25e, corresponding to a 11% organic sales CAGR for '24e-'25e. By region, we anticipate the Nordics sales growth to gradually decline from 12% y-o-y '23e to 9% y-o-y '25e, coming down towards the expected market growth. In UK & Ireland we see growth improving from 13% in '22 to 26% in '23e (20% lccy), and a continued solid rate of 18-10% in '24e-'25e (15% lccy CAGR). Furthermore, we estimate sales growth in the Netherlands of 15% '23e (7% lccy), and we expect a sales growth of 6-5% lccy '24e-'25e.

Sales estimates, yearly

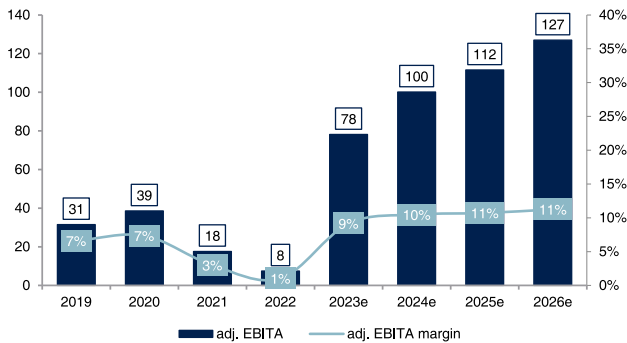


Source: ABG Sundal Collier, company data

We estimate adj. EBITA to increase from SEK 8m '22 to SEK 78m '23e and 100m '24e, corresponding to 9-11% margins in '23e-'24e, and '24e growth of 28%. Cost control has improved significantly in the past year on gross margin recovery coupled with stabilising admin costs. As such, we expect the current run-rate margin to persist and scale somewhat from the new levels, albeit at a much slower pace.

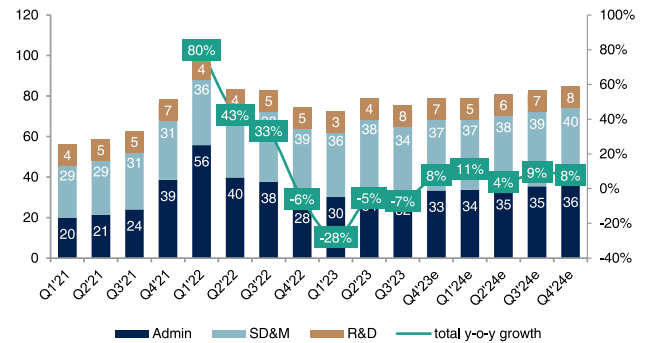
As we expect the restructuring phase to come to its end, we expect a healthy growth of admin and SD&M expenses of 5% and 7% in '25e, respectively, to remain set for continued growth. R&D costs came down 27% in '22, which we assess was due to the company prioritising cost-savings, but we expect this to increase by 27% '23e to approach normalised levels, and then continue to grow at ~21% annually '24e-'25e to fuel growth.

adj. EBITA and margin, yearly



Source: ABG Sundal Collier, company data

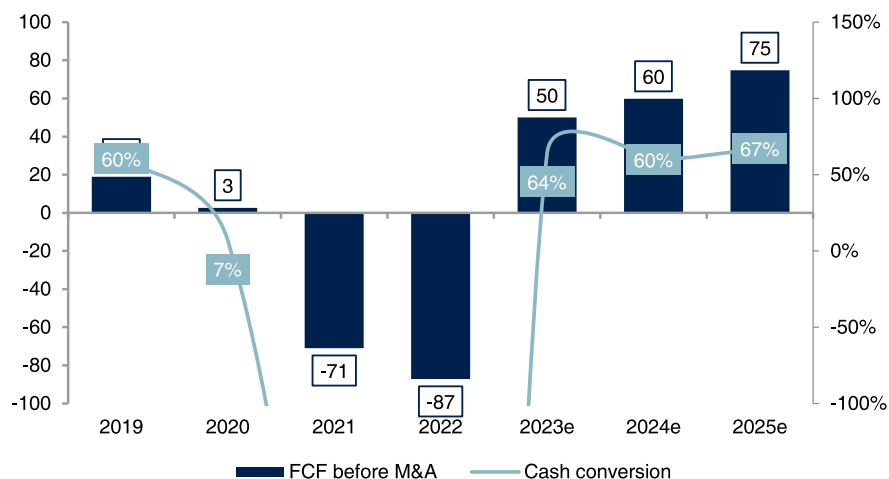
OPEX, quarterly overview



Source: ABG Sundal Collier, company data

Cash flow has been weak in the last few years ('21-'22 in particular) on depressed margins, restructuring costs, and significant working capital tie-up. A portion of Careium's service sales are on lease agreements, i.e. getting paid over time with some upfront costs, which weighs further on the cash conversion. While we do not expect any major changes in operational structure, the EBITDA growth (due to better cost control combined with a growing top line and less restructuring costs) will support the cash flow, according to our estimates. The WC movements are uncertain, but we estimate a normalisation of short-term receivables, inventory, and payables as a % of sales, while long-term receivables continue to expand slightly as a % of sales.

FCF before M&A and cash conversion



Source: ABG Sundal Collier, company data

Footnote: Includes long-term receivable tie-ups related to leasing contracts

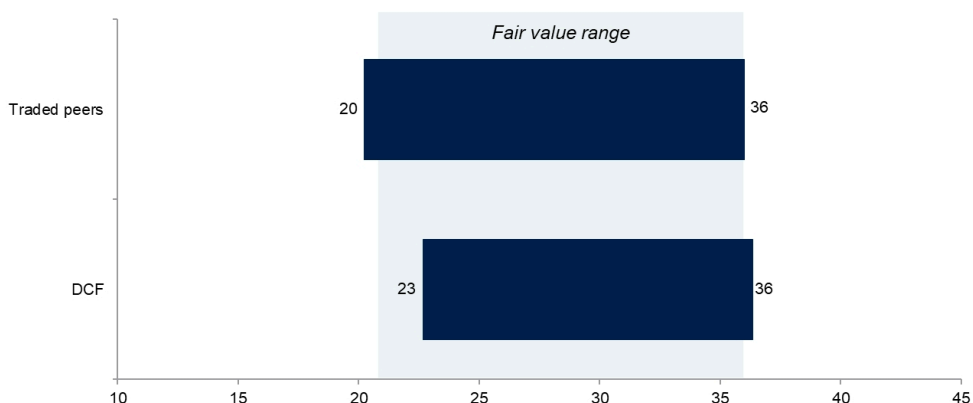
Valuation

We arrive at a fair value range of SEK 21-36 per share for Careium, which corresponds to a multiple of 6.6x-10.3x EV/EBITA '24e. Our valuation is based on a peer valuation containing service companies with comparable end-consumer exposure, and a DCF. On our updated estimates, Careium is currently trading at 10x-6x '23e-'25e EV/EBITA.

In our peer valuation, we note that Careium's business model is far from similar compared to our peers. However, while we struggle to find a perfect listed peer, we believe the exposure to the secular trends make them good comparisons. In addition, we blend our fair value range with a DCF to capture the unique aspects of Careium. When comparing to peer companies, we apply a range of scenarios that arrive at a fair value range of SEK 20-36.

In our discounted cash flow analysis, we applied a weighted average cost of capital (WACC) of 15%, and a terminal growth rate of 3%. In a sensitivity analysis, the DCF arrived at a fair value range of SEK 23-36.

Fair value range of SEK 21-36

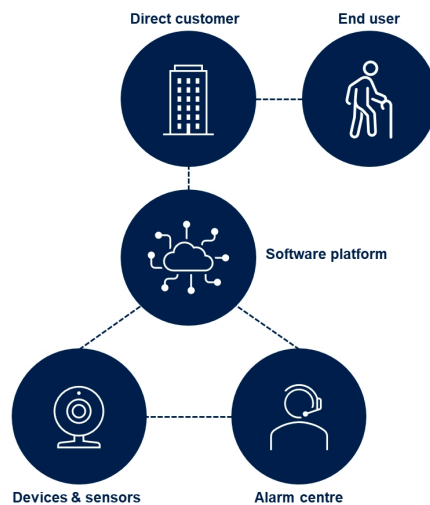


Source: ABG Sundal Collier

Careium in brief

Careium is the market leader within Northern Europe for technology-enabled care solutions. Its core proposition revolves around expanding access to digital care solutions, enhancing the quality of life for care recipients while simultaneously optimising operational efficiency and fostering a safer work environment for care providers.

Due to its ability to provide an end-to-end range of social alarms, sensors (including fall detectors, smoke detectors, motion detectors), and a variety of accessories (such as cameras, electronic locks, medical robots), Careium stands out as one of the few companies in the market capable of delivering a complete ecosystem of digital, hardware and services integration around the user. This entails providing hardware that is seamlessly connected to its alarm centres and services, which creates a completely integrated user-experience. Additionally, Careium has a flexible approach in terms of tailoring solutions to address the specific needs and requirements of both installers and end-users.



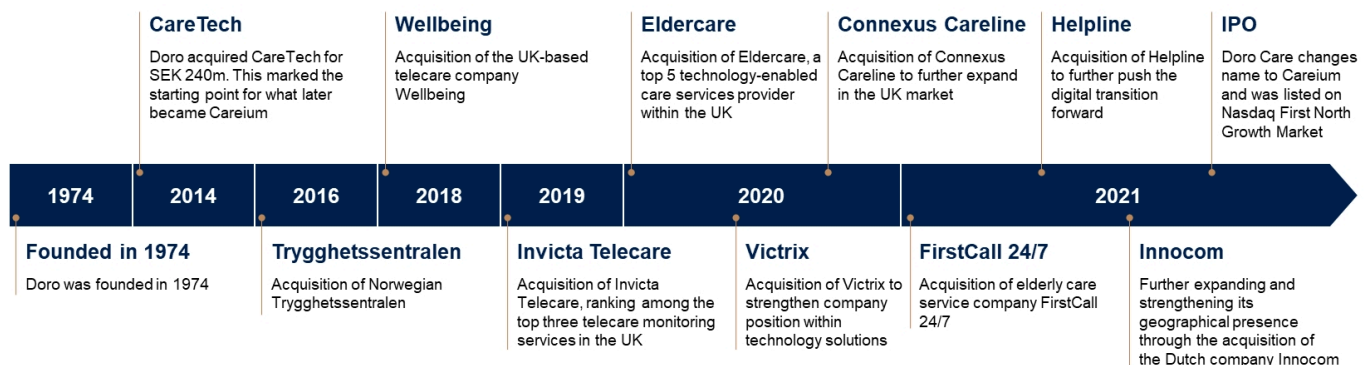
Stationary and mobile social alarms enable the elderly to live independently and safely at home for longer. This results in large savings for the society given the cost of nursing homes. For care providers, such technology solutions mean increased efficiency and an opportunity to invest in other, more valuable activities.

Company history

Careium was previously part of Doro, a company which provides products and services for seniors, with its main product being phones. In 2014, Doro acquired CareTech and created a segment called Doro Care, which later became what we now know as Careium.

Careium was listed on the Nasdaq First North Growth Market in 2021.

Careium timeline



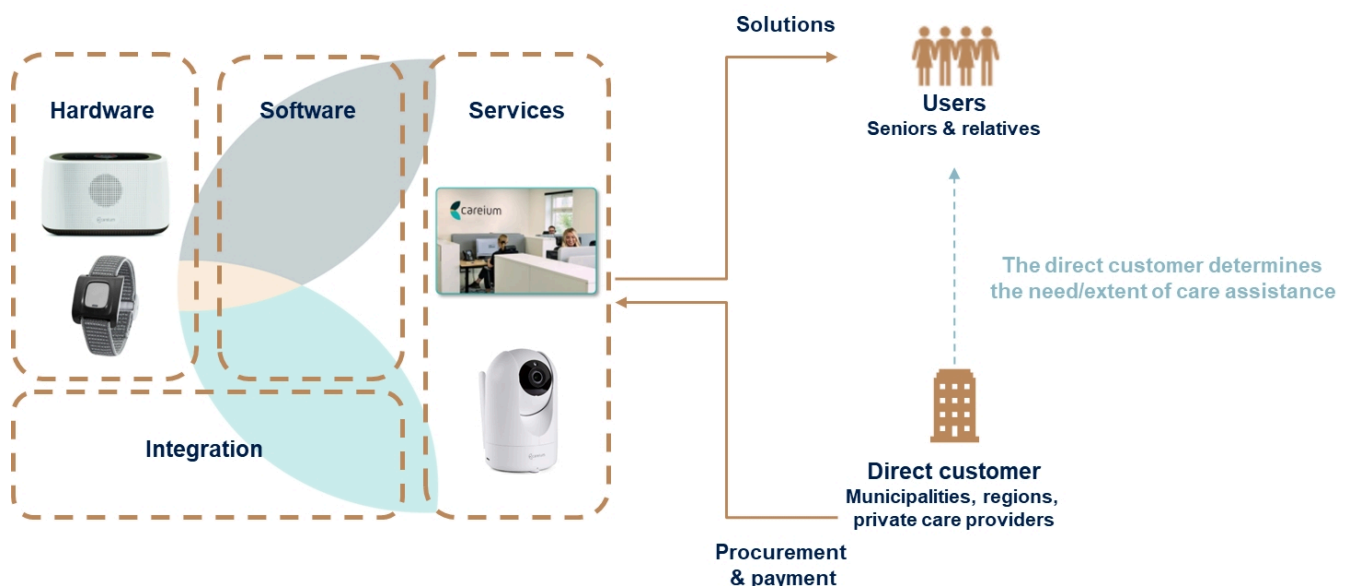
Source: ABG Sundal Collier, company data

Business model

Careium is predominately structured with a B2B/B2G model, selling its products and services directly to public bodies, civil society and private companies, which in turn act as providers to the end users. There is also a small-but-growing B2C market where seniors and/or their relatives are the direct customers. Careium provides more than 400,000 elderly persons with a range of alarms, detectors and sensors connected to one of four response centres that handle more than 30,000 calls per day in total.

Different consumer types have different tradeoffs between margins and volumes. We assess that B2G provides high volumes, as contracts with municipalities often entail large groups of end-users in need. However, we expect B2G sales to generate comparatively lower margins, as the possibility of price negotiations with public bodies is often limited. B2B sales are usually fairly balanced in terms of volume and margins, as pricing can more easily be adjusted for individual companies. The B2C sales are the least common form of sales for Careium, and are mostly related to product sales, which constitutes a minority of total sales. This volume/margin tradeoff affects Careium's results differently in different regions: B2G and B2B sales constitute a majority of sales in both the Nordics and the UK, and B2C sales are more common in the Netherlands and other markets.

Business model overview



Source: ABG Sundal Collier, company data

Careium provides both products and services, with a majority of total revenue being generated through service sales. Its products are directly integrated with its software and alarm centres using connectivity solutions installed by Careium.

Services and products are provided through long-term contracts that typically span four to five years, which creates a reliable stream of recurring revenue and opportunities for additional service and product sales. Moreover, this limits the risk of cyclical sensitivity and promotes long customer relationships.

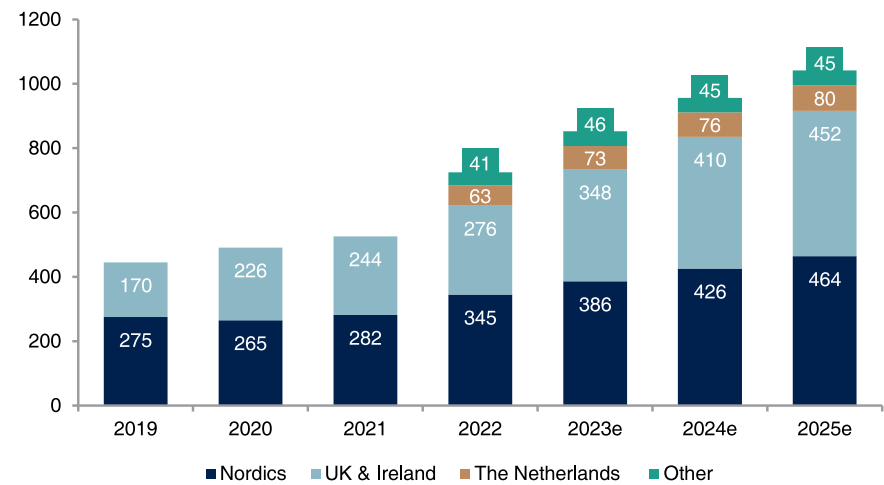
Service and product sales

Service sales can generally be split into two parts. The first and most common is recurring service sales, which are based on a monthly subscription fee from customers. The remaining part of service sales are composed of a bundle, i.e. providing the user with alarm services, hardware and the corresponding connectivity. This means that Careium delivers hardware directly to the end-user and charges for the SIM card that connects the hardware to its alarm centres. However, this form of service revenue only makes up a small portion of service sales in the Nordics.

Geographical split

The main operations are located in the Nordics, mainly Sweden and Norway, but Careium has expanded internationally as well, with these efforts proving most successful in the UK and the Netherlands. Furthermore, the software platform and proprietary hardware are sold in other parts of Europe, such as Germany, France, Spain and Belgium. The B2G model serves the Nordics and the UK, and the B2C model serves the Netherlands, France and the UK. B2B sales are relevant in all markets.

Geographical sales split, yearly



Source: ABG Sundal Collier, company data

The telecare market

Careium is one of the largest players within the telecare market in Northern Europe. An ageing population and the global digitisation trend are driving the telecare market. Together these drivers create a large demand for telecare solutions, resulting in a rapidly growing market. The importance of offering the latest technology coupled with winning contracts is key to winning market share.

What is telecare?

Telecare is a way to assist and monitor people that need remote care through electronic devices, and is used in domiciliary care. It enables caretakers to carry on living in their own homes instead of having to move to residential care homes. Beyond the benefits for the users, telecare has a positive impact on society. It reduces hospital admissions, postpones the need for institutional care and enables relatives to stay informed and involved. Telecare equipment has various areas of use and can raise an alarm or call for assistance when required. Careium offers a wide range of different solutions and covers almost all areas of the telecare industry. Types of telecare include but are not limited to:

- **Communication hubs:** One of the key elements of telecare. The hub is usually linked through a service contract to a staffed call centre, and it can be linked to numerous devices and sensors. In addition, alerts can be sent to a service centre, relative, caretaker, neighbour or another person of choice when something is wrong. Careium offers a solution called Eliza that is a unique smartcare hub that takes advantage of today's digital advances. It is compatible with various telecare devices and uses frequent heartbeat checks to ensure a reliable connection is always there.
- **Personal alarms:** A personal alarm is commonly placed on a wristband, and it raises an alert when a button is pressed. This is the most common form of telecare device. Careium offers a range of personal alarms.
- **Fall alarms:** A fall alarm is similar to a personal alarm in the sense that the user wears it around e.g. their wrist, but unlike a personal alarm, a fall alarm is triggered automatically if the person falls down. This solution is also part of Careium's offering through a device that detects a major fall and automatically triggers an alarm to a service monitoring unit.

"Eliza" smartcare hub



Communication hub that ensures reliable connections between devices and alarm centres

"Abby" telecare GPS



GPS watch for safety and independence

"Enzo" alarm button



Wrist alarm button which connects directly to all Careium safety alarms

Source: ABG Sundal Collier, company data

- **Fixed sensors:** Fixed sensors can be placed in various places within the user's home. They can be programmed to sense when the user acts abnormally. For example, a sensor can be placed in the mattress that is activated when a person leaves the bed and then raises an alarm if they do not come back. This also detects falls from bed. The device Motion 9200 is an example of such a solution.
- **GPS and personal locators:** Tracks the user at all times and is useful for people living with dementia and other medical challenges such as epilepsy. Careium offers several GPS watches, that can be triggered if the user leaves his or her home or safe zone.
- **Telehealth equipment:** Devices that remotely monitor health and physiological activity and transmit readings to professional healthcare workers. This tool is especially useful for people with chronic diseases.

Bed alarm



Bed alarm for simple and effective monitoring

CareIP® Mobile



Wireless communication over mobile and IP-networks

Heat detector



Monitored heat detector for extra safety

Epilepsy alarm



Bed device that detects movements induced by epilepsy

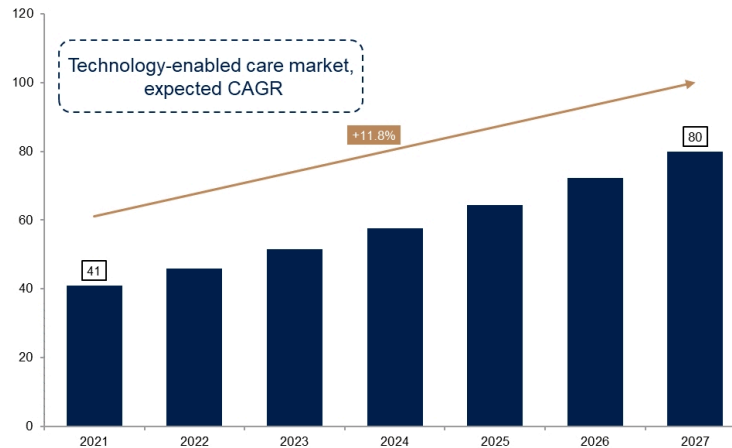
Source: ABG Sundal Collier, company data

The European telecare market

The telecare market is a segment of the larger connected care market, in which Careium is active in two segments: 1) traditional telecare, where Careium has historically placed most of its focus, and 2) the next-generation telecare segment, or digitalised telecare, where we see great potential and a strong outlook. Careium is already active in this segment and is continuously adapting its solutions and devices to meet the increasing demand for digitalisation.

In 2021, the traditional telecare segment had a total of 8.6 million users; this number is expected by [Berg Insight](#) to increase to 17 million in 2027, which corresponds to a CAGR of 12% in '21-'27e. Next-generation telecare solutions had 3 million users in 2021 and is forecast to grow to 8 million users in 2027. We think that this shows the importance of expanding in the next-generation market, which puts pressure on new and relevant technology. The total addressable European technology enabled care market, including traditional telecare, next-generation telecare and telehealth, was ~SEK 41bn in 2021 and is expected to grow at a CAGR of 12% '21-'27e, which would amount to ~SEK 80bn in 2027, according to Berg Insight. There is significant implied potential for Careium to grow its sales, given the corresponding expansion of the market.

Expected market growth (SEKb)

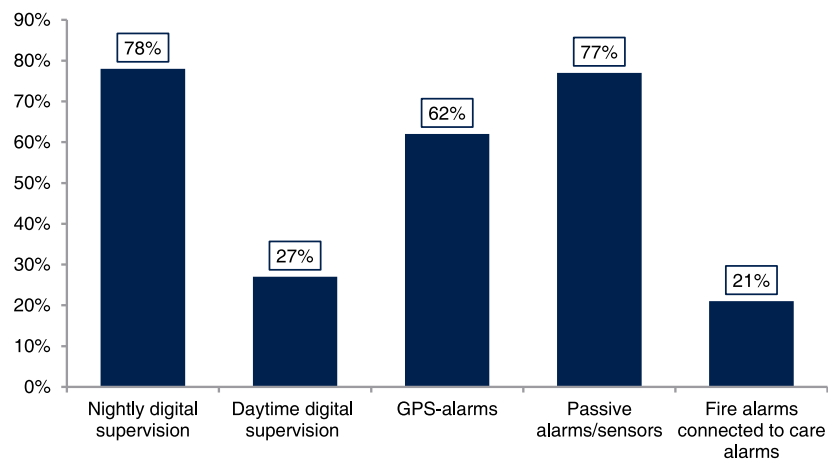


Source: ABG Sundal Collier, Berg Insight

The Swedish telecare market

Sweden is at the forefront of digitising the telecare market, and there are many statistics available on usage. [The Swedish National Board of Health and Welfare](#) reports that over 70% of Sweden's municipalities have drawn up policy documents (digitalisation plans or similar) to be able to carry out planned operational development with support from digitalisation. In fact, more than 95% of Swedish digital alarm installations now use mobile network connections, while in the UK, for example, there are around 1.6m analogue devices that need to be changed to digital devices, according to [Telecare Aware](#). Moreover, the number of people using safety alarms in Sweden has increased in the last seven years, which likely correlates with the ageing population.

Share of Swedish municipalities using telecare solutions by type



Source: ABG Sundal Collier, The Swedish National Board of Health and Welfare

Ageing population

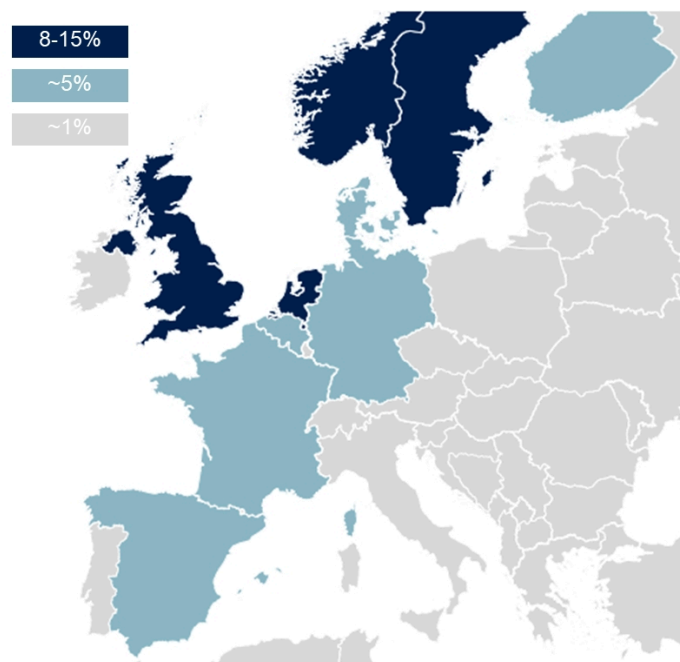
The world's demographics are changing, with life expectancies increasing globally. We are moving towards a future where we will have more seniors, who are healthier and able to live independently for longer. There is however a challenge to this phenomenon. The post-war generation is large, and now fewer children are being born than historically. This means that we will have a significant increased proportion of seniors, and a working population that will sharply decrease. Social expenditure on senior care will therefore be a large burden on the near future generation. In 1980, the old age dependency-ratio showed that there were five people of working age (15-64) per one economically inactive person (age 65+) in

Europe. In 2019, the ratio decreased to 31.4%, which means that there were approximately 3 tax-payers per pensioner. By 2040, this number is expected to decrease to two tax-paying people per pensioner, according to the [United Nations](#). Hospital care and sheltered accommodation are estimated to be 8x and 4x as costly, respectively, as care in the home.

Market penetration

The European market for telecare has the highest level of penetration in the UK, followed by the Nordics and the Netherlands. Penetration is low in the remaining parts of potential markets for Careium. In 2022, the proportion of the population aged over 65 who were using telecare was ~11% in Sweden, Norway, the UK and the Netherlands. The remaining parts of Europe had a market penetration between 1-5%. As we approach a demographic of an older population, there is great opportunity for increased market penetration and for Careium to increase its market share. According to the company, by the end of 2022, it had ~40% market share in Norway and Sweden, respectively, and ~13% in the UK.

Market penetration



Source: ABG Sundal Collier, Berg Insight

Financials and estimates

We estimate an organic sales CAGR of 11% for '24e-'25e, and a 20% '24e-'25e EBITA CAGR, on an improved adj. EBITA margin from 1% in '22 to 9% in '23e, which then slowly improves on operating leverage to 11% in '25e. Furthermore, with less restructuring costs and less working capital drag, we estimate an improvement in cash conversion, which coupled with solid EBITDA growth reduces the leverage from 1.7x in Q3'23, to a comfortable 0.5x in '25e.

Structural impediments called for restructuring phase

The COVID-19 pandemic led to increased costs for Careium, in terms of both freight and component costs, as well as increased costs for service delivery to seniors. Furthermore, in 2021, the company expanded its portfolio with the acquisition of two UK-based companies, FirstCall and Helpline, along with Innocom in the Netherlands. These entities operated as separate legal units with multiple offices, sites and alarm centres, causing significant intergrational hurdles for the company. The headwinds caused by COVID-19 and the acquisitions led to significant increases in costs. SD&M and administrative costs increased by 72% and 83%, respectively, '20-'22, and the structural challenges that came with the dispersion of the operations led to internal profitability issues and a decline in service delivery quality. The company faced large working capital tie-ups, mainly due to increased receivables and reduced payables.

Following a thorough analysis of the operations, Careium implemented a restructuring project for the organisational structure, focusing mainly on the UK. All UK entities were merged into one legal unit, all three UK offices were consolidated into one, and the company introduced one single system for service delivery. By the end of 2022, full time equivalents decreased by -21% y-o-y in the UK and -12% y-o-y for the group. Furthermore, Careium implemented a unified platform for alarm handling, terminated a number of its unprofitable customer contracts, merged the development for product and technology together, and merged the organisation of the other markets region under the Nordic region. These restructuring changes led to large restructuring costs in terms of severances and organisational costs.

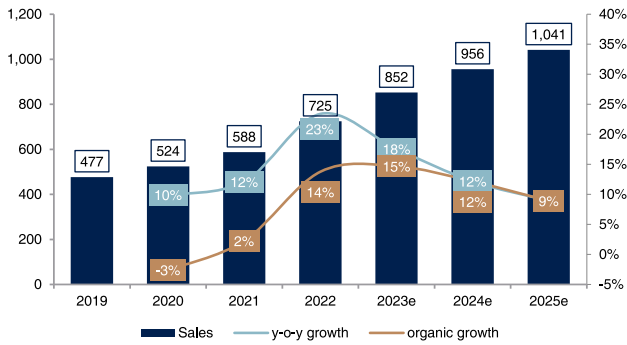
Benefits from these efficiency gains started to show in 2023. By Q3'23, sales grew by 24% y-o-y, SD&M and admin costs decreased by -6% y-o-y and -16% y-o-y, respectively, adj. EBITA increased by SEK 37m (from SEK -12m to SEK 25m) and the EPS increased from SEK -0.7 Q3'22 to SEK 0.5 Q3'23. We believe that the restructuring phase is coming to its end, and that the company will regain stability and normalised development in 2024e.

Group sales and margins

In Q3'23 the company saw accelerating sales growth of 24% y-o-y (18% organic, up from 14% LTM) and adj. EBITA margin of 12%. We expect that the efficiencies implemented by the restructuring programme are close to finished, but there is still work to be done in terms of cost reductions, although we have seen major improvements in the past year. Looking ahead into '24e, we expect gross and adj. EBITA margins to stabilise at ~42% and ~11%, respectively.

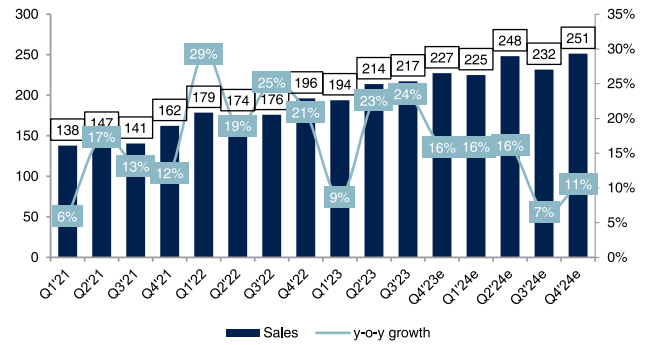
One of the advantages of Careium is that it is not particularly sensitive to economic fluctuations, as it primarily provides its services through the public sector. Inflation may affect the demand from private pay customers, although the cost of its private pay services and products are fairly low, and they are often viewed as critical services. We expect sales to grow in the low double digits in '24e-'25e, before later declining to slightly below 10% in '26e. We estimate a sales CAGR of 13% '23e-'25e, generating sales of SEK 1,041m in '25e.

Sales estimates, yearly



Source: ABG Sundal Collier, company data

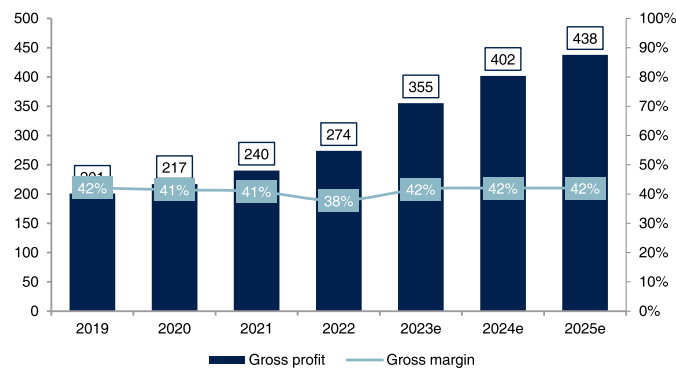
Quarterly sales development



Source: ABG Sundal Collier, company data

The firm struggled with increased costs associated with components, freight, and service delivery quality maintenance, partly due to the pandemic. Furthermore, administrative expenses increased by 18% y-o-y '19-'20 and 26% y-o-y '20-'21, partly due to a surge in sickness absences in alarm centres. Gross margins reached an all-time low in 2022, decreasing from 41% to 38%, but have recovered quickly since, to what we assess are normalised levels.

Gross profit development

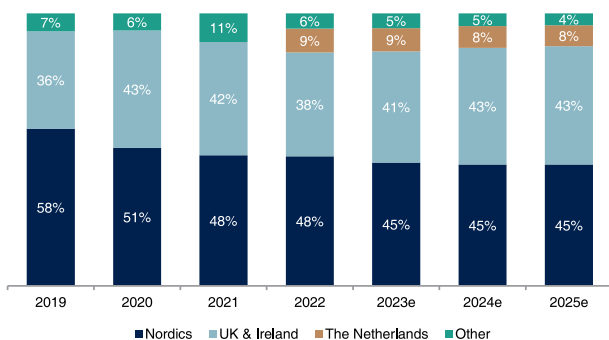


Source: ABG Sundal Collier, company data

Geographical and segment split

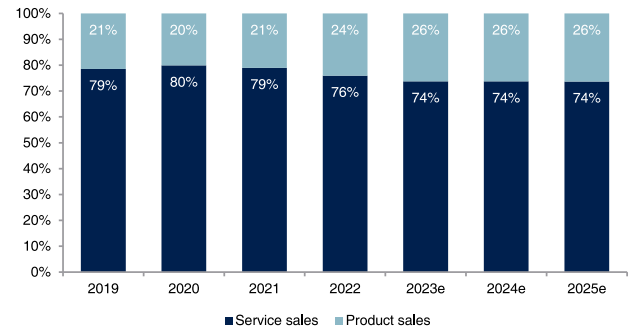
Careium has direct sales in seven European countries, and the company's geographical exposure is separated into four regions: the Nordics, the UK & Ireland, the Netherlands and other markets (mainly France and Germany). The total sales split has on average been ~51% '19-'22 in the Nordics, ~40% '19-'22 in the UK & Ireland, 9% '22 in the Netherlands and 6% '22 in other regions. We estimate the average sales split in '23e-'25e to be ~45% in the Nordics, ~42% in the UK & Ireland, ~8% in the Netherlands, and ~5% in other regions.

Regional split, total sales



Source: ABG Sundal Collier, company data

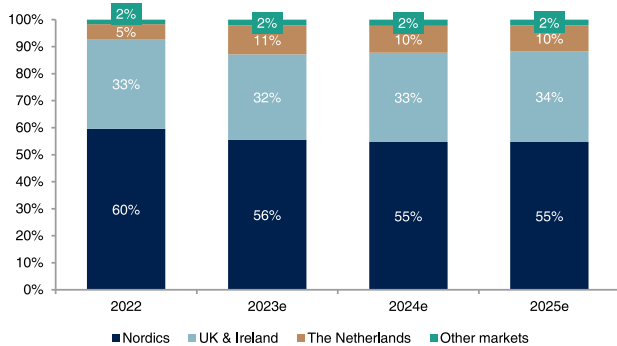
Segment split, total sales



Source: ABG Sundal Collier, company data

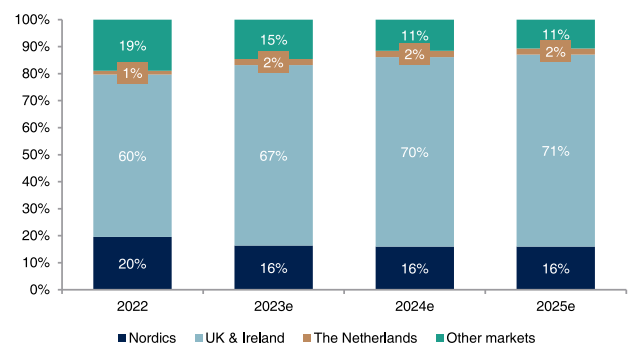
Of total sales, the segment split has on average been 78% service sales and 21% product sales. The majority of service sales (~56% '23e) are generated through the Nordics, followed by the UK & Ireland (~32% '23e), with The Netherlands contributing with 11% '23e. The UK & Ireland currently holds over 60% of product sales, followed by ~18% in the Nordics, and ~17% in other regions.

Service sales contribution per region



Source: ABG Sundal Collier, company data

Product sales contribution per region

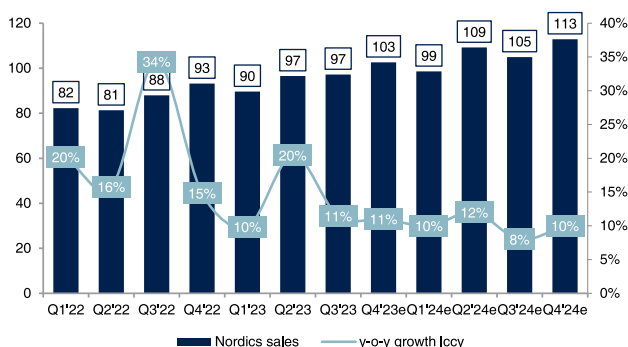


Source: ABG Sundal Collier, company data

The Nordics

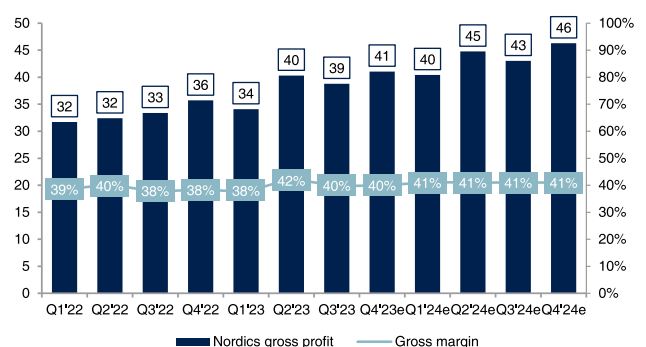
The Nordics is currently the biggest market for Careium, and the company holds around 40% market share in Sweden and Norway, respectively. The Nordics transitioned to digitalised solutions a number of years ago, and the public healthcare sector is, according to the company, showing a growing interest in alternatives in technology-enabled care. Sweden specifically has a large community of sheltered accommodation, which we see as an opportunity for Careium to strengthen its position in this segment. Historically, the Nordics have had ~90% of revenue generated through service sales, and the region currently makes up around 45% of group sales. The Nordics has achieved a sales CAGR of 17% '22-'23e, growing sales from SEK 282m-386m. Looking ahead, we expect an organic sales growth of 13% '23e, 10% '24e, and 9% '25e, mainly on tougher comps, corresponding to an organic sales CAGR of 9% '24e-'25e. Furthermore, we estimate gross margins to improve slightly by 3pp, from 39% '22 to 41% '25e on normalised component and freight prices as we assume they were elevated during '22.

Nordic sales development



Source: ABG Sundal Collier, company data

Nordics gross profit development



Source: ABG Sundal Collier, company data

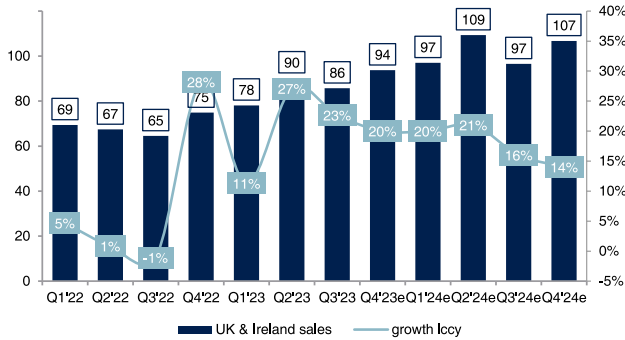
The UK and Ireland

The UK & Ireland is the second-largest region, where Careium holds ~13% market share according to the company ('22, however). The UK has historically accounted for more than 60% of total product sales, but is gradually moving towards an increased share of service sales, which is still the vast majority of total UK revenue. The UK market differs from the Nordics in the sense that most healthcare is provided through small private and municipal service providers, and digitisation has not yet come as far in terms of phasing out analogue

networks, which creates promising opportunities to growth both organically and through acquisitions.

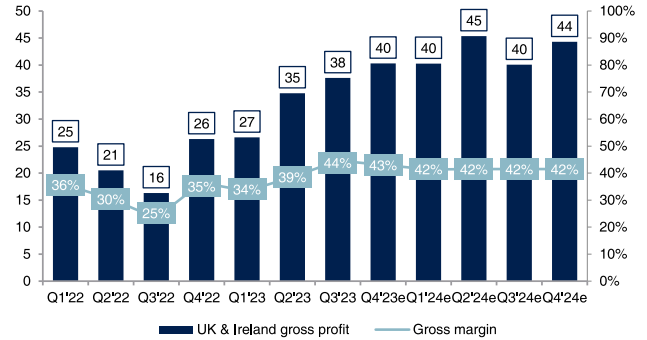
The average y-o-y FX-adjusted sales growth per quarter declined from 38% in '20, to 8% in '21 and '22, respectively. In Q1'23-Q3'23, the UK has generated an average FX-adjusted y-o-y sales growth of 20% each quarter, and we expect sales to continue strong with ~18% FX-adjusted growth in '24e, and thereafter gradually decline towards the European market growth.

UK & Ireland sales development



Source: ABG Sundal Collier, company data

UK & Ireland gross profit development



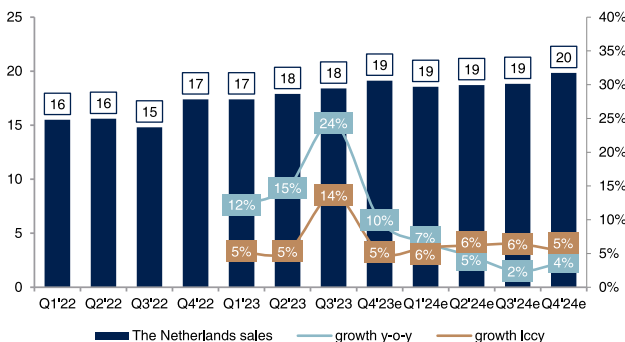
Source: ABG Sundal Collier, company data

The Netherlands and other regions

Following the Innocom acquisition in 2021, the Netherlands is the latest addition to Careium's home markets. The Netherlands shares market characteristics with the Nordics, with advanced digitalisation. According to the company, it is one of the three leading players in the region. Revenue in the Netherlands is mainly generated through service sales, and has the highest gross margin of all the regions at ~55%.

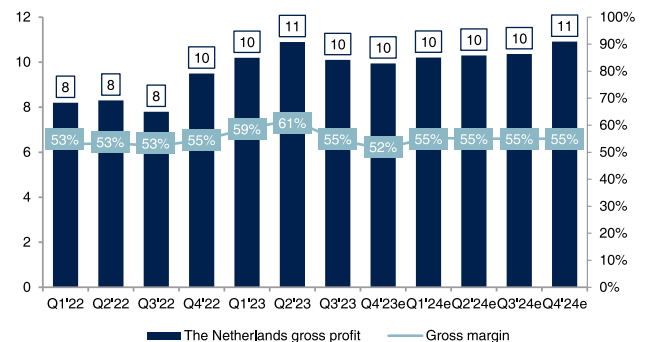
In Q1'23-Q3'23, the average FX-adjusted sales growth has been 8% y-o-y, driven by a strong customer mix, with more corporate and private pay customers increasing demand, which also could explain the high margins, as sales generated through private pay generally produce higher gross margins. We estimate an organic sales CAGR of 9% '24e-'25e.

The Netherlands sales development



Source: ABG Sundal Collier, company data

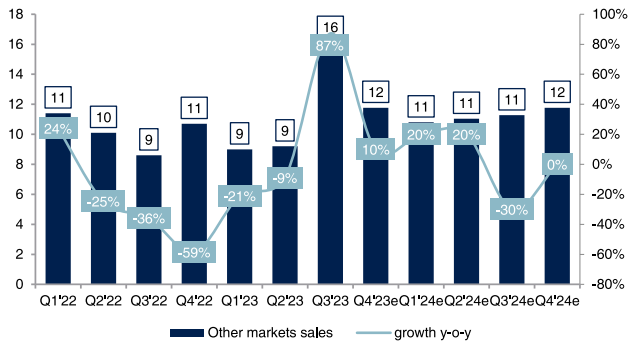
The Netherlands gross profit development



Source: ABG Sundal Collier, company data

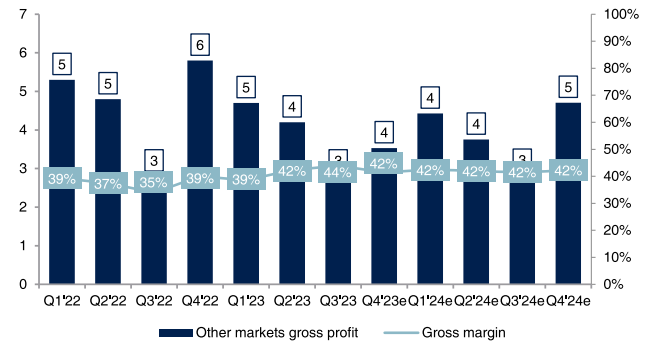
Other markets, which consists primarily of Germany and France, has performed well in the past year, and is mainly generating revenue through product sales. In Q3'23, product sales grew by 80% y-o-y (from SEK 7m to 12m) and service sales by 119% y-o-y (from SEK 2m to 5m). Furthermore, Other mainly generates product sales, which we believe has led to the high gross margins of 46% '22 and 33% '23e. However, this region represents merely ~5% of total sales, and we expect the high growth of the past quarter to normalise in the mid-term, with 2% annual growth long-term.

Other markets sales development



Source: ABG Sundal Collier, company data

Other markets gross profit development

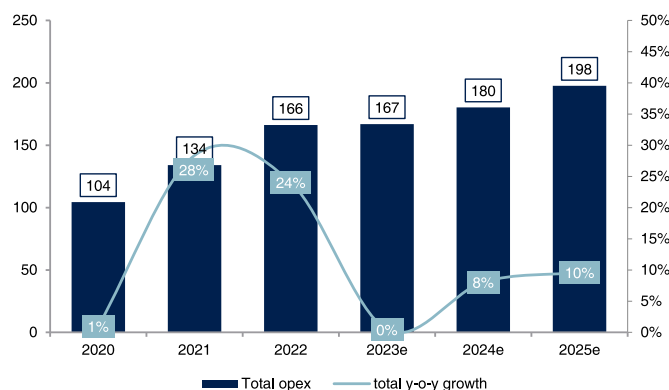


Source: ABG Sundal Collier, company data

Operating expenses

Operating expenses increased by 23% y-o-y '20-'21 and 25% y-o-y '21-'22, primarily due to elevated administrative costs (45% increase y-o-y '21-'22). The consolidation of the UK entities caused operating expenses to decline, with Q1'23 delivering declines in admin costs of -46% y-o-y, R&D costs of -34% y-o-y, and a slight increase y-o-y in SD&M of +1%, compared to the previous five quarters' average of +24% y-o-y.

OPEX development



Source: ABG Sundal Collier, company data

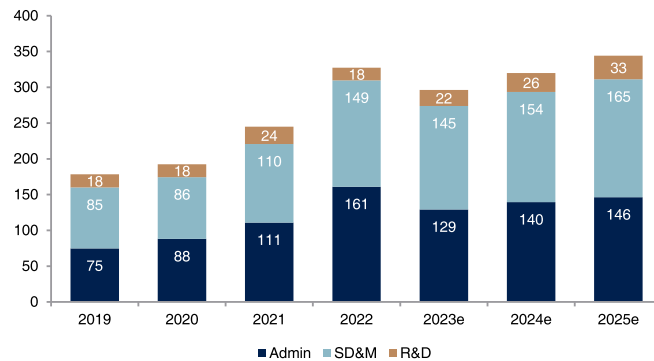
We believe that opex growth will come down significantly from the average annual growth rate of 23% '21-'22 to ~8% '24e-'25e. We expect SD&M to decline by -3% in '23e, compared to the growth rate of 27% in '21 and 35% in '22, to later stabilise at an average annual growth rate of ~7% '24e-'25e. Research and development costs decreased significantly by -27% in 2022. To fuel growth ahead, however, we estimate an R&D growth of 27% '23e, and an average annual growth of 21% '24e-'25e. Note that R&D is only around 3% of sales, hence the significant growth has limited impact on margins.

Admin costs showed the largest increase within opex of 45% in '22, with the most significant increase reported in Q1'22 of 179% y-o-y growth (from SEK -20m to -56m). The merging of the three UK entities was a key driver behind the dramatic decrease of admin costs, and Q4'22 reported growth rates of -28% y-o-y and -26% q-o-q. The decrease continued into 2023 with Q3'22 and Q1'23 reporting growth rates of -28% and -46% y-o-y, respectively.

The average y-o-y growth in the first three quarters of '23 was -26%, and while we expect admin costs to increase by 20% Q4'23e y-o-y on normalised comps (from SEK -28m to SEK -33m), we expect admin costs to decline by -20% for the full year of '23e (from SEK -161m to -129m). We later estimate admin costs to increase by ~7% annually '24e-'25e to be set for

further growth. Administrative costs as a percentage of sales is estimated to decline by 7pp, from 22% '22 to 15% '23e-'25e.

OPEX split



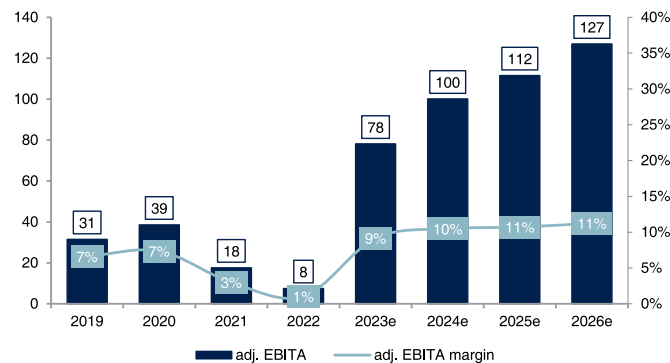
Source: ABG Sundal Collier, company data

Adj. EBITA

The elevated operating expenses in '22 resulted in negative adj. EBITA in both Q2'22 (SEK -2m) and Q3'22 (SEK -12m). Adj. EBITA for FY'22 was SEK 8m, compared to the previous year's of SEK 18m. In Q3'YTD '23, adj. EBITA has increased by SEK 21m to 19m compared to last year of SEK -2m (Q3'YTD '22).

Following the continued sales growth, coupled with opex improvements, we estimate an adj. EBITA of SEK 78m in '23e, SEK 100m in '24e and SEK 112m in '25e. This corresponds to an adj. EBITA margin of ~11% in '24e-'25e, compared to -1% in '22 and 9% in '23e. This corresponds to an adj. EBITA growth of 29% y-o-y '24e, and we estimate an adj. EBITA growth of 11% y-o-y '25e.

adj. EBITA and margin, yearly

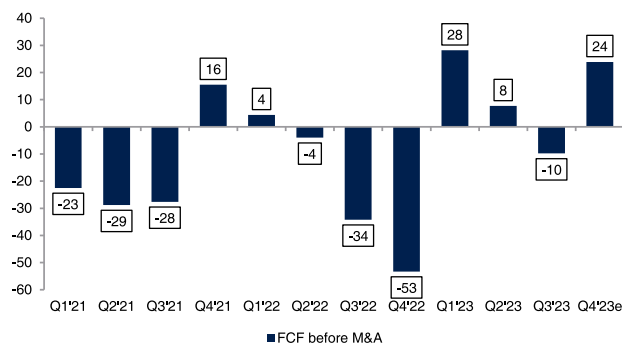


Source: ABG Sundal Collier, company data

Cash flows

Free cash flow before M&A was SEK -71m in '21 and SEK -87m in '22, which coupled with deteriorating adj. EBITDA caused Careium to breach its covenants in Q3'22. Apart from thin margins and restructuring costs, this was mainly caused by large tie-ups in working capital of SEK -80m in '21 and SEK -67m in '22 following an inventory build-up, payables decrease (2022) and sharply increased receivables (2021). We believe the seemingly successful restructuring in the UK and of the company as a whole led these circumstances to improve in '23e, which can be seen in OCF increasing by SEK 38m q-o-q in Q1'23 from a soft Q4'22 of -21m, and continuing solidly throughout '23e. With significantly improved cash conversion, supporting leverage to come down from 3.9x R12 in Q2'22 to 1.7x R12 in Q3'23, Careium complied with the original covenant.

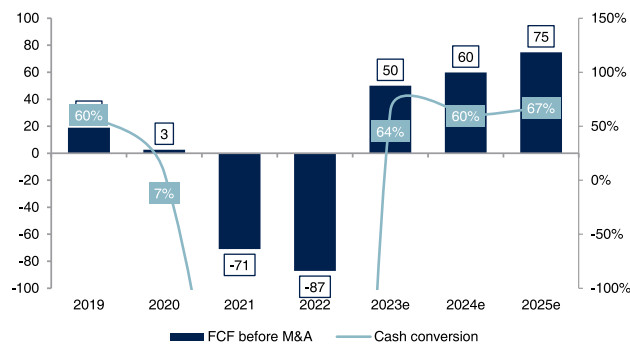
FCF before M&A, quarterly



Source: ABG Sundal Collier, company data

Footnote: Includes long-term receivable tie-ups related to leasing contracts

FCF before M&A and cash conversion

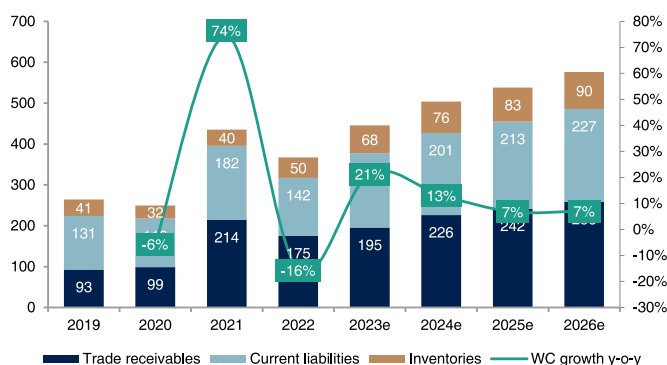


Source: ABG Sundal Collier, company data

Footnote: Includes long-term receivable tie-ups related to leasing contracts

These strains on working capital have accentuated the company's challenges with maintaining healthy cash flow. We assess that this operational structure will remain as is, and estimate receivables and liabilities as a percentage of sales to remain at approximately the current level (trade receivables ~23%, current liabilities ~20% and inventories ~8%).

Net working capital split



Source: ABG Sundal Collier, company data

Estimate changes

Following a review of our estimates, we slightly lower our sales estimates for 2023e, and hold our '24e-'25e sales estimates relatively flat on 1pp higher organic growth, offset by unfavourable FX effects, expecting the growth rate to come down from 18% '23e to 12%-9% '24e-'25e. In addition, we trim our gross margin estimates by ~1pp for '24e-'25e on renewed assumptions, and slightly increase our opex estimates for '24e-'25e as well. This, in turn, leads to 8-10% adj. EBITA cuts for '24e-'25e.

Estimate changes '23e-'25e

SEKm	Old estimates			New estimates			Change		
	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
Sales	855	954	1,037	852	956	1,041	0%	0%	0%
COGS	-498	-545	-594	-497	-554	-604	0%	2%	2%
Gross profit	357	409	443	355	402	438	-1%	-2%	-1%
Opex	-295	-317	-338	-295	-320	-344	0%	1%	2%
Non-recurring items	0	0	0	0	0	0	n.a.	n.a.	n.a.
Adj. EBITA	81	109	123	78	100	112	-3%	-8%	-10%
EBIT	63	91	105	60	82	94	-4%	-10%	-11%
Adj. EBIT	63	91	105	60	82	94	-4%	-10%	-11%
Net financials	-3	-14	-14	-3	-14	-14	0%	0%	0%
Pre-tax profit	60	77	91	57	68	79	-4%	-12%	-13%
Tax	-13	-16	-19	-13	-14	-16	-4%	-12%	-13%
Net profit	46	61	72	44	54	63	-4%	-12%	-13%
	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
Sales y-o-y	18%	12%	9%	18%	12%	9%	-0.4pp	0.7pp	0.2pp
Organic growth y-o-y	15%	11%	9%	15%	12%	9%	-0.2pp	1.4pp	0.2pp
FX growth y-o-y	3%	1%	0%	3%	0%	0%	-0.2pp	-0.8pp	0.0pp
M&A growth y-o-y	0%	0%	0%	0%	0%	0%	0.0pp	0.0pp	0.0pp
Gross margin	41.8%	42.9%	42.7%	41.7%	42.0%	42.0%	-0.1pp	-0.8pp	-0.7pp
Adj. EBITA margin	9.4%	11.5%	11.9%	9.2%	10.5%	10.7%	-0.3pp	-1.0pp	-1.2pp
EBIT margin	7.3%	9.6%	10.2%	7.1%	8.6%	9.0%	-0.3pp	-1.0pp	-1.2pp
	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
Service sales	349	375	405	349	385	420	0%	3%	4%
Nordics	349	375	405	349	385	420	0%	3%	4%
UK & Ireland	200	237	263	198	233	257	-1%	-2%	-2%
Netherlands	68	73	77	68	70	74	0%	-4%	-4%
Other	13	16	16	13	16	16	3%	0%	1%
Total service sales	631	701	761	629	705	768	0%	1%	1%
	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
Product sales	37	39	42	37	40	44	-1%	3%	4%
Nordics	37	39	42	37	40	44	-1%	3%	4%
UK & Ireland	150	179	199	149	176	195	0%	-2%	-2%
Netherlands	5	6	6	5	6	6	2%	-2%	3%
Other	33	29	29	33	29	29	-1%	0%	1%
Total product sales	225	253	276	224	251	274	-1%	-1%	-1%

Source: ABG Sundal Collier

Detailed estimates

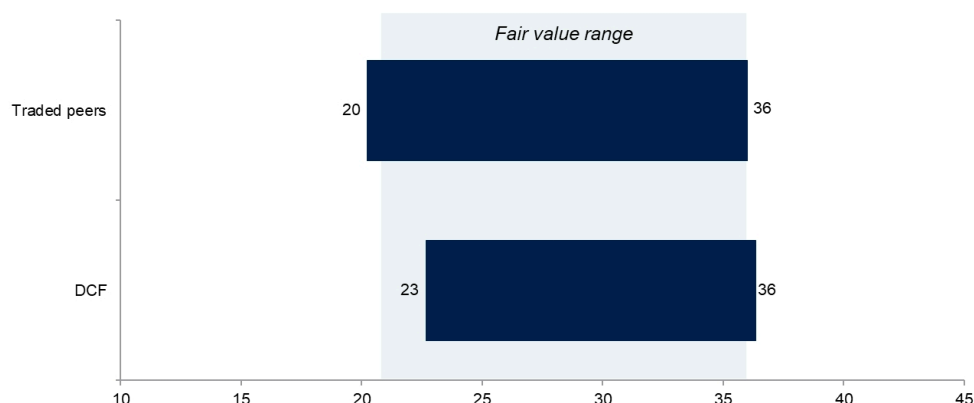
P/L, SEKm	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23e	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2021	2022	2023e	2024e	2025e	2026e
Sales	138	147	141	162	179	174	176	196	194	214	217	227	225	248	232	251	588	725	852	956	1,041	1,129
COGS	-80	-86	-84	-96	-109	-109	-115	-119	-119	-119	-123	-132	-130	-144	-135	-145	-347	-451	-497	-554	-604	-654
Gross profit	58	61	57	66	70	65	61	77	76	90	95	95	95	104	96	106	240	274	355	402	438	475
OPEX adj.	-53	-55	-58	-66	-94	-52	-79	-64	-68	-76	-74	-77	-77	-79	-81	-83	-232	-290	-295	-320	-344	-369
of which D&A ex. PPA	-11	-11	-11	-12	-15	-14	-15	-14	-14	-14	-19	-19	-19	-20	-20	-20	-46	-57	-65	-79	-83	-85
EBITDA	18	19	11	17	-5	32	1	32	25	33	44	41	42	49	39	48	65	59	143	179	195	209
EBITA adj.	8	8	0	4	7	-2	-12	14	12	19	25	22	23	30	19	27	18	8	78	100	112	124
Non-recurring items	0	0	0	1	-27	20	-2	4	0	0	0	0	0	0	0	0	1	-6	0	0	0	0
PPA amortisation	-3	-3	-2	-6	-4	-5	-4	-5	-5	-5	-5	-5	-5	-5	-5	-5	-10	-18	-18	-18	-18	-18
EBIT	5	6	-2	0	-24	13	-18	13	7	15	21	18	19	25	15	23	9	-16	60	82	94	106
Net financials	0	-1	-1	2	0	1	-2	1	1	5	-5	-4	-4	-4	-4	-4	1	0	-3	-14	-14	-14
PTP	5	5	-3	2	-25	14	-20	14	8	20	16	14	15	22	11	19	9	-16	57	68	79	92
Tax	-1.3	-1.2	0.6	-2.6	5.1	2.9	4.1	-5.3	-1.8	-4.5	-3.5	-2.9	-3.1	-4.5	-2.3	-4.0	-5	7	-13	-14	-16	-19
Net profit	4	4	-2	-1	-19	17	-16	9	6	15	12	11	12	17	9	15	5	-9	44	54	63	73
EPS (SEK)	0.16	0.18	-0.09	-0.05	-0.83	0.68	-0.67	0.35	0.23	0.62	0.50	0.45	0.49	0.71	0.37	0.63	0.19	-0.36	1.82	2.21	2.58	2.99
Margins	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23e	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2021	2022	2023e	2024e	2025e	2026e
Gross	42%	41%	40%	41%	39%	37%	35%	39%	39%	42%	44%	42%	42%	42%	42%	42%	41%	38%	42%	42%	42%	42%
EBITDA	13%	13%	8%	10%	-3%	18%	0%	16%	13%	15%	20%	18%	19%	20%	17%	19%	11%	8%	17%	19%	19%	19%
Adj. EBITA	6%	6%	0%	3%	4%	-1%	-7%	7%	6%	9%	12%	10%	10%	12%	8%	11%	3%	1%	9%	10%	11%	11%
EBIT	4%	4%	-1%	0%	-14%	8%	-10%	7%	4%	7%	10%	8%	8%	10%	6%	9%	1%	-2%	7%	9%	9%	9%
Growth	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23e	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2021	2022	2023e	2024e	2025e	2026e
Sales y-o-y	6%	17%	13%	12%	29%	19%	25%	21%	9%	23%	24%	16%	16%	16%	7%	11%	12%	23%	18%	12%	9%	8%
Of which organic	0%	9%	6%	2%	14%	4%	15%	16%	7%	19%	18%	13%	14%	16%	8%	11%	2%	14%	15%	12%	9%	8%
Of which FX	4%	-2%	-1%	2%	5%	4%	4%	5%	2%	4%	5%	3%	2%	0%	-2%	0%	0%	3%	3%	0%	0%	0%
Of which M&A	2%	11%	8%	9%	11%	11%	7%	0%	0%	0%	0%	0%	0%	0%	0%	0%	10%	6%	0%	0%	0%	0%
Adj. EBITA growth y-o-y	148%	228%	-83%	-50%	-4%	n.a.	n.a.	226%	59%	n.a.	n.a.	57%	97%	57%	-23%	25%	-54%	-57%	942%	28%	11%	11%
Service sales breakdown	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23e	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2021	2022	2023e	2024e	2025e	2026e
Nordics	n.a.	n.a.	n.a.	n.a.	73	75	81	83	81	90	87	91	89	102	94	100	n.a.	311	349	385	420	458
UK & Ireland	n.a.	n.a.	n.a.	n.a.	50	42	38	44	42	51	50	55	52	61	57	63	n.a.	173	198	233	257	280
Netherlands	n.a.	n.a.	n.a.	n.a.	15	14	n.a.	n.a.	16	17	17	18	17	17	17	18	n.a.	n.a.	68	70	74	80
Other	n.a.	n.a.	n.a.	n.a.	2	2	n.a.	n.a.	3	1	5	4	4	4	4	4	n.a.	n.a.	13	16	16	16
Total service sales	112	115	111	127	139	132	134	145	143	159	159	168	162	185	172	186	464	551	629	705	768	834
Product sales breakdown	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23e	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2021	2022	2023e	2024e	2025e	2026e
Nordics	n.a.	n.a.	n.a.	n.a.	9	7	7	10	9	6	10	11	10	7	11	12	n.a.	34	37	40	44	48
UK & Ireland	n.a.	n.a.	n.a.	n.a.	19	26	27	31	36	40	35	38	45	48	40	44	n.a.	103	149	176	195	212
Netherlands	n.a.	n.a.	n.a.	n.a.	1	2	n.a.	n.a.	1	1	1	1	1	1	2	2	n.a.	n.a.	5	6	6	6
Other	n.a.	n.a.	n.a.	n.a.	10	8	n.a.	n.a.	6	8	12	8	7	7	7	8	n.a.	n.a.	33	29	29	30
Total product sales	27	31	29	36	39	42	42	51	52	55	58	59	63	63	59	66	124	174	224	251	274	295
Gross margin breakdown	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23e	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2021	2022	2023e	2024e	2025e	2026e
Nordics	n.a.	n.a.	n.a.	n.a.	39%	40%	38%	38%	38%	42%	40%	40%	41%	41%	41%	41%	n.a.	39%	40%	41%	41%	41%
UK & Ireland	n.a.	n.a.	n.a.	n.a.	36%	30%	25%	35%	34%	39%	44%	43%	42%	42%	42%	42%	n.a.	32%	40%	42%	42%	42%
Netherlands	n.a.	n.a.	n.a.	n.a.	53%	53%	53%	55%	59%	61%	55%	52%	55%	55%	55%	55%	n.a.	53%	56%	55%	55%	55%
Other	n.a.	n.a.	n.a.	n.a.	46%	48%	33%	54%	52%	46%	17%	30%	41%	34%	25%	40%	n.a.	46%	33%	35%	35%	35%
Total gross margin	42%	41%	40%	41%	39%	37%	35%	39%	39%	42%	44%	42%	42%	42%	42%	42%	41%	38%	42%	42%	42%	42%

Source: ABG Sundal Collier, company data

Valuation

We arrive at a fair value range of SEK 21-36 per share for Careium, which corresponds to a multiple of 6.6x-10.3x EV/EBITA '24e. Our valuation is based on a peer valuation containing healthcare service companies and a discounted cash flow model. On our estimates, Careium's share is currently trading at 10x-6x '23e-'25e EV/EBITA.

Fair value range SEK 21-36



Source: ABG Sundal Collier

Peer valuation

Looking at Nordic listed companies, we find a few companies with similar structural drivers and end-consumer exposure as Careium. Since the main revenue stream comes from services, we see the most relevant listed peers among healthcare services companies. This peer group consists of companies with many dissimilarities to Careium and should not be regarded as a perfect peer group, but we believe that these peers can adequately reflect how the market values healthcare services companies, which we include Careium in.

The companies we have chosen, Attendo, Ambea and Humana, are trading at an average of 9.4x-6.9x on '23e-'25e lease adj. EV/EBITA, and are growing at an average 17% '24e-'25e adj. EBITA CAGR on FactSet consensus estimates. According to our estimates for Careium, we expect a EBITA CAGR of 20% '24e-'25e.

We apply a range of scenarios where Careium trades either below or above this peer group, from -20% to reflect the volatile history, up to +20% to reflect the rapid growth. This ultimately leads us to a fair value range of SEK 20-36 per share, corresponding to a 6.4x-10.3x EV/EBITA for '24e.

Peer valuation details

Company	FX	Share price	Market cap (SEK)	Average EBIT margin ('23e-'25e)	CAGR '24e-'25e			EV/sales			EV/EBITA (IFRS adj.)			P/E		
					Sales	EBITA adj.	EPS	23e	24e	25e	23e	24e	25e	23e	24e	25e
Attendo	SEK	38.2	6,139	8%	4%	26%	32%	1.2x	1.1x	1.0x	11.6x	8.6x	7.3x	14.2x	10.1x	8.2x
Ambea	SEK	56.1	4,753	8%	3%	12%	13%	1.2x	1.1x	1.1x	9.0x	8.1x	7.2x	9.5x	9.1x	7.5x
Humana	SEK	24.1	1,048	5%	2%	11%	27%	0.6x	0.6x	0.6x	7.6x	6.9x	6.1x	6.9x	5.4x	4.3x
Average					3%	17%	24%	1.0x	0.9x	0.9x	9.4x	7.9x	6.9x	10.2x	8.2x	6.6x
Median					3%	12%	27%	1.2x	1.1x	1.0x	9.0x	8.1x	7.2x	9.5x	9.1x	7.5x
Careium (ABG est)	SEK	26.2	637	8%	7%	20%	25%	0.7x	0.6x	0.6x	10.7x	7.9x	6.6x	14.0x	10.6x	9.0x

Source: ABG Sundal Collier

Discounted cash flow model

As we conclude that there are no perfect peers to Careium, we supplement our peer valuation with a DCF. We estimate a WACC of 15% for the company and assume a long-term growth rate of 3%. We use our explicit estimates for the period '24e-'26e and then assume a gradual decrease company's growth until 2034e, after which sales growth is bridged to a maintainable level of 3% in the long run.

The estimated EBITDA margins are expected to increase to 19% in 2026e. In the mid- to long-term, we assume an EBITDA margin in the range of 17-15% that is gradually fading until the terminal margin which we set to ~15%. Coupled with our estimated depreciation assumptions, this indicates an EBITA margin of ~11% in 2026e, and consequently an EBITA margin of ~10% in the terminal period. This results in a fair value range of SEK 23-36 per share, corresponding to a 7.2x-10.3x EV/EBITA for '24e.

DCF

Discounted cash flow analysis												
SEKm	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e
Total sales	852	956	1,041	1,129	1,217	1,303	1,386	1,465	1,539	1,606	1,665	1,715
Sales growth, y-o-y	17.6%	12.2%	8.9%	8.4%	7.8%	7.1%	6.4%	5.7%	5.0%	4.4%	3.7%	3.0%
EBITDA	143	179	195	209	211	219	230	236	244	246	252	254
EBITDA margin	16.8%	18.7%	18.7%	18.5%	17.4%	16.8%	16.6%	16.1%	15.9%	15.3%	15.1%	14.8%
Depreciation	-65	-79	-83	-85	-99	-98	-100	-97	-97	-92	-93	-94
Amortisation (PPA)	-18	-18	-18	-18	-12	-7	-5	-2	0	0	0	0
EBIT	60	82	94	106	101	114	125	137	147	154	158	160
EBIT margin	7.1%	8.6%	9.0%	9.4%	8.3%	8.8%	9.0%	9.4%	9.6%	9.6%	9.5%	9.3%
Add-back: depreciation	65	79	83	85	99	98	100	97	97	92	93	94
Add-back: amortisation	18	18	18	18	12	7	5	2	0	0	0	0
EBITDA	143	179	195	209	211	219	230	236	244	246	252	254
Tax on EBITA	-13	-14	-16	-19	-21	-24	-26	-28	-30	-32	-33	-33
Effective tax rate	21.1%	17.0%	17.4%	17.8%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%
Investments in tangible assets	-5	-32	-36	-40	-37	-39	-42	-44	-46	-48	-50	-51
Investments in intangible assets	-39	-28	-32	-36	-30	-33	-35	-37	-38	-40	-42	-43
M&A investments	-10	0	0	0	0	0	0	0	0	0	0	0
Total capex	-2	-60	-68	-76	-67	-72	-76	-81	-85	-88	-92	-94
Change in Working Capital	4	-20	-11	-8	-12	-9	-9	-9	-8	-7	-6	-5
Free Cash Flow to Firm	81	85	100	107	111	114	118	118	121	118	121	121
Time Factor	0.5	1.5	2.5	3.5	4.5	5.5	6.5	6.5	7.5	8.5	9.5	10.5
Discount Factor	0.9	0.8	0.7	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.2
Discounted Cash Flow	79	81	75	68	61	55	48	48	42	36	32	28

Valuation summary

Total Discounted Cash Flow	606
Terminal Value	240
Enterprise Value	845
Net debt (-) / Net cash (+) (Q3/Q4'23e)	-184
Equity value	662

Terminal value (TV) calculation

Free cash flow (t+1)	125
LTGR	3.0%
WACC	15.0%
TV	1,040
PV of TV	240

Source: ABG Sundal Collier

Sensitivity analysis

Sensitivity analysis						
SEK per share		Long-term growth rate				
		2.0%	2.5%	3.0%	3.5%	4.0%
WACC	13.0%	33	34	35	35	36
	14.0%	30	30	31	32	32
	15.0%	27	28	28	28	29
	16.0%	25	25	25	26	26
	17.0%	23	23	23	24	24

Source: ABG Sundal Collier

Risks

Product reliability

Considering that Careium's solutions are occasionally used in emergencies where the user's life is dependent on the solution, it is crucial for them to be reliable. Failure in delivering reliable products could result in devastating consequences for the end-user, which in turn could have legal consequences for Careium and hurt demand for its solutions. We have seen failure in delivering reliable products among Careium's competitors, and this resulted in [exclusion from procurement for these firms](#). This requires a strong focus on secure and reliable products and service and so far, Careium's products and services have been reliable.

M&A risks

Careium has in the past, and could again, use acquisitions to grow. Several factors act as risks and could lead to outcomes that may not prove to be in line with the initial rationale. For example, there is always a chance that Careium could overpay or buy into a business that does not perform in line with expectations, as well as integration risks that can affect the profitability or synergies. The company might not be able to find attractive targets at attractive valuations, which could stall or hinder acquisitions. Acquisitions, however, are also an upside risk for Careium, as they can contribute to additional sales growth and margin expansion.

Competition

There are some large and small competitors on the market for Careium. The main large ones pose the greatest threat to Careium's ability to compete for market share through organic growth, but competition to grow through acquisitions is also intensifying.

Appendix

Competitive landscape

Careium is a market leader in the Nordics, with a ~40% market share in Sweden and Norway, and has a competitive position in the UK, with a ~13% market share. There are, however, both international and local players that constitute competition. We have identified three larger players that are active on the European market (Tunstall, Legrand Care, Appello), as well as a smaller Swedish company (Zafe Care Systems) that is locally active in Sweden, as the main competitors for Careium.

Tunstall

Established in the UK in 1957 with a global presence in 22 countries including Sweden, Norway and the UK, Tunstall supports more than 5 million end users. The company is a market-leading provider of digital health and care solutions. Tunstall's Nordic region makes up over 20% of its sales, and it has over 250 employees in Sweden. However, in 2021, the company has had issues with its products not living up to requirements, which resulted in the firm being excluded from procurements in Sweden.

Legrand Care

Legrand was established in 1860 and is a French-listed group with a global presence within electronic and digital infrastructure. Under the name Legrand Care (a subsidiary to the group), the assisted living and healthcare business supports more than 3 million individuals in over 40 countries. Legrand has become a market leader in telecare in Europe with its Legrand Care brand, with revenues of EUR 8,339m.

Appello

Appello is a UK-based company established in 2014, and it is a market leader within technology-enabled care in the UK. Aside from offering different telecare solutions, Appello partners with housing, health and care providers to enrich the lives of customers, patients and residents. In recent years, it has acquired several companies including competitors Medvivo, Careline and RedAssure, which also target the UK market.

Zafe Care Systems

A Swedish telecare company that was acquired by AddLife (publ) in October 2020. Addlife develops and acquires profitable and market-leading specialised companies within the life science sector. Zafe Care systems specialises in offering security alarms and welfare technology for care homes. In 2022, Zafe Care Systems had revenues of SEK ~48m.

Management

	Christian Walén CEO Since 2023	Background: Before being assigned the position as CEO of Careium, Walén served as CEO of SaaS company Assessio Sweden and healthcare and corporate care company PBM AB, as well as senior manager at Accenture. Additionally, Walén serves as Chairman of the board of Hundra HQ. No. shares: 63,830 (including holdings of related parties)
	Mathias Carlsson CFO Since 2021	Background: Before being assigned the position as CFO of Careium, Carlsson was head of financial controlling at Doro AB. Furthermore, Carlsson has been an authorised public accountant and partner at PwC. No. shares: 40,800 (including holdings of related parties)
	Annika Ramsing CHRO Since 2021	Background: Ramsing has previous experience as chief human resources officer at Doro AB, Group HR Manager for TwentyFourSevenGroup AB, HRBP for Grontmij AB. No. shares: 1,946 (including holdings of related parties)
	Ulrik Nilsson COO Since 2021	Background: Nilsson was vice president of operations at Doro from 2007-2017, before becoming IT/IS director from 2017-2020, and most recently he was operations director of Doro. No. shares: 15,500 (including holdings of related parties)
	Johan Helgertz CPO Since 2022	Background: Before joining the executive team of Careium, Helgertz was director of product, management and marketing at Doro AB. Previously he worked at SONY for 15 years and had various roles within the company. No. shares: 2,150 (including holdings of related parties)
	Martin Puumalainen Director Nordic & International Since 2021	Background: Puumalainen has previous experience from working as Regional Manager Sweden for DORO AB, Country Manager Sweden at Lekolar, Group Purchasing Manager at Arriva Scandinavia A / S and consulting through MP Consulting. No. shares: -
	Yvonne Warmerdam Director Netherlands Since 2022	Background: Warmerdam joined Careium in 2022 and has previous experience from various management positions at Eurocross Assistance. Additionally, she has served as process manager and commercial director at Innocom Bureau for Bedrijfscommunicatie BV. No. shares: -

Source: ABG Sundal Collier, company data

Board of Directors

	Maria Khorsand Chairman of the Board Since 2023	Background: Khorsand has previously been CEO of SOS Alarm, CEO of the Technical Research Institute of Sweden (Sveriges Tekniska Forskningsinstitut), CEO of Dell Sverige, CEO of Ericsson Technology Licensing. She has also held several management positions at OMX and Ericsson, and worked at Riksbanken and Burroughs Corporation (USA). No. shares: 13,737 (including holdings of related parties)
	Cecilia Ardstrom Board member Since 2021	Background: Ardstrom's has experience acting CEO of AMF Fonder AB and as a board member of, among others, Aktiebolaget Svensk Exportkredit, Doro AB, Länsförsäkringar Fondförvaltning AB and Humlegården Fastigheter AB. In addition, she has experience as Head of Risk and COO at Folksam Capital Management and as Head of Investment at Folksam Group and Länsförsäkringar AB. No. shares: 1,565 (including holdings of related parties)
	Stefan Berg Board member Since 2022	Background: Stefan has previously worked at Electrolux on the Internet of Things (IoT) and as Chief Informant Officer (CIO) at Com Hem. He also has experience from AU-System/Teleca, Cybercom Group and Strand Interconnect. No. shares: 42,000 (including holdings of related parties)
	Kai Tavakka Board member Since 2022	Background: Before being assigned the position as CEO of Careium, Christian served as CEO of SaaS company Assessio Sweden and healthcare and corporate care company PBM AB, as well as senior manager at Accenture. No. shares: 13,000 (including holdings of related parties)

Source: ABG Sundal Collier, company data

Income Statement (SEKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Sales	-	-	-	477	524	588	725	852	956	1,041
COGS	-	-	-	-276	-307	-347	-451	-497	-554	-604
Gross profit	0	0	0	201	217	240	274	355	402	438
Other operating items	0	0	0	-135	-139	-175	-215	-212	-223	-243
EBITDA	0	0	0	66	78	65	59	143	179	195
Depreciation and amortisation	0	0	0	-34	-39	-46	-57	-65	-79	-83
of which leasing depreciation	-	-	-	-9	-12	-12	-14	-16	-17	-17
EBITA	0	0	0	31	39	19	2	78	100	112
EO Items	-	-	-	0	0	1	-6	0	0	0
Impairment and PPA amortisation	0	0	0	-9	-10	-10	-18	-18	-18	-18
EBIT	-	-	-	23	28	9	-16	60	82	94
Net financial items	0	0	0	-1	-2	1	0	-3	-14	-14
Pretax profit	0	0	0	21	26	9	-16	57	68	79
Tax	0	0	0	-9	-8	-5	7	-13	-14	-16
Net profit	0	0	0	12	19	5	-9	44	54	63
Minority interest	-	-	-	0	0	0	0	0	0	0
Net profit discontinued	-	-	-	0	0	0	0	0	0	0
Net profit to shareholders	0	0	0	12	19	5	-9	44	54	63
EPS	-	-	-	0.53	0.79	0.20	-0.36	1.82	2.21	2.58
EPS adj.	-	-	-	0.74	1.09	0.39	0.18	2.40	2.80	3.17
Total extraordinary items after tax	0	0	0	0	0	1	-3	0	0	0
Leasing payments	0	0	0	-9	-12	-12	-14	-16	-17	-17
<i>Tax rate (%)</i>	--	--	--	41.9	28.5	48.9	43.6	22.2	20.6	20.6
<i>Gross margin (%)</i>	--	--	--	42.1	41.5	40.9	37.8	41.7	42.0	42.0
<i>EBITDA margin (%)</i>	--	--	--	13.8	14.9	11.1	8.1	16.8	18.7	18.7
<i>EBITA margin (%)</i>	--	--	--	6.6	7.4	3.2	0.2	9.2	10.5	10.7
<i>EBIT margin (%)</i>	--	--	--	4.7	5.4	1.5	-2.2	7.1	8.6	9.0
<i>Pre-tax margin (%)</i>	--	--	--	4.5	5.0	1.6	-2.2	6.7	7.1	7.6
<i>Net margin (%)</i>	--	--	--	2.6	3.6	0.8	-1.2	5.2	5.6	6.0
Growth Rates y-o-y	-	-	-	-	-	-	-	-	-	-
<i>Sales growth (%)</i>	--	--	--	--	9.9	12.1	23.4	17.6	12.2	8.9
<i>EBITDA growth (%)</i>	--	--	--	--	18.2	-16.4	-10.0	144.7	24.6	9.1
<i>EBITA growth (%)</i>	--	--	--	--	22.5	-51.3	-90.4	4,240.0	28.2	11.4
<i>EBIT growth (%)</i>	--	--	--	--	25.6	-69.7	-286.0	-475.7	36.6	13.9
<i>Net profit growth (%)</i>	--	--	--	--	50.3	-75.0	-287.2	-604.0	21.3	16.9
<i>EPS growth (%)</i>	--	--	--	--	49.5	-75.1	-285.2	-604.0	21.3	16.9
Profitability	-	-	-	-	-	-	-	-	-	-
<i>ROE (%)</i>	--	--	--	6.5	4.9	1.0	-1.6	7.5	8.3	8.9
<i>ROE adj. (%)</i>	--	--	--	11.2	7.5	3.0	2.2	10.5	11.1	11.5
<i>ROCE (%)</i>	--	--	--	8.7	5.0	1.3	-1.7	6.9	9.1	9.7
<i>ROCE adj. (%)</i>	--	--	--	12.2	6.8	2.4	0.9	9.0	11.0	11.6
<i>ROIC (%)</i>	--	--	--	8.0	5.3	1.5	0.1	7.8	10.2	11.5
<i>ROIC adj. (%)</i>	--	--	--	8.0	5.3	1.4	0.6	7.8	10.2	11.5
Adj. earnings numbers	-	-	-	-	-	-	-	-	-	-
<i>EBITDA adj.</i>	0	0	0	66	78	64	64	143	179	195
<i>EBITDA adj. margin (%)</i>	--	--	--	13.8	14.9	10.9	8.9	16.8	18.7	18.7
<i>EBITDA lease adj.</i>	0	0	0	57	66	52	50	127	162	178
<i>EBITDA lease adj. margin (%)</i>	--	--	--	11.9	12.6	8.8	6.9	14.9	16.9	17.1
<i>EBITA adj.</i>	0	0	0	31	39	18	8	78	100	112
<i>EBITA adj. margin (%)</i>	--	--	--	6.6	7.4	3.0	1.0	9.2	10.5	10.7
<i>EBIT adj.</i>	0	0	0	23	28	7	-10	60	82	94
<i>EBIT adj. margin (%)</i>	--	--	--	4.7	5.4	1.3	-1.4	7.1	8.6	9.0
<i>Pretax profit Adj.</i>	0	0	0	30	36	18	8	75	86	97
<i>Net profit Adj.</i>	0	0	0	21	29	14	12	62	72	81
<i>Net profit to shareholders adj.</i>	0	0	0	21	29	14	12	62	72	81
<i>Net adj. margin (%)</i>	--	--	--	4.5	5.5	2.4	1.7	7.3	7.5	7.8

Source: ABG Sundal Collier, Company Data

Cash Flow (SEKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
EBITDA	0	0	0	66	78	65	59	143	179	195
Net financial items	0	0	0	-1	-2	1	0	-3	-14	-14
Paid tax	-	-	-	-12	-12	-5	-4	-7	-14	-16
Non-cash items	0	0	0	24	-6	-21	-55	-26	0	0
Cash flow before change in WC	0	0	0	77	58	39	-0	108	150	164
Change in working capital	0	0	0	-13	-14	-59	-21	-9	-20	-11

Cash Flow (SEKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Operating cash flow	-	-	-	64	44	-20	-21	98	131	153
Capex tangible fixed assets	-	-	-	-30	-17	-51	-66	-5	-32	-36
Capex intangible fixed assets	-	-	-	-15	-25	0	0	-39	-28	-32
Acquisitions and Disposals	0	0	0	-19	-38	-113	-3	-10	0	0
Free cash flow	0	0	0	0	-36	-184	-90	44	71	85
Dividend paid	-	-	-	0	0	0	0	0	0	0
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Leasing liability amortisation	-	-	-	-12	-12	-14	-15	-16	-16	-16
Other non-cash items	0	0	0	-64	-68	208	62	36	-0	0
Balance Sheet (SEKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Goodwill	-	-	-	288	340	408	429	435	435	435
Other intangible assets	0	0	0	30	111	141	147	150	129	111
Tangible fixed assets	-	-	-	91	49	55	63	48	49	51
Right-of-use asset	-	-	-	33	48	41	39	39	38	37
Total other fixed assets	0	0	0	10	7	12	49	67	77	88
Fixed assets	0	0	0	452	554	656	727	738	728	721
Inventories	-	-	-	41	32	40	50	68	76	83
Receivables	-	-	-	93	99	214	175	195	226	242
Other current assets	-	-	-	0	0	0	0	0	0	0
Cash and liquid assets	-	-	-	54	32	143	40	46	90	149
Total assets	0	0	0	639	717	1,052	992	1,047	1,120	1,195
Shareholders equity	0	0	0	384	387	552	567	618	672	735
Minority	-	-	-	0	0	0	0	0	0	0
Total equity	0	0	0	384	387	552	567	618	672	735
Long-term debt	-	-	-	91	165	277	215	179	179	179
Pension debt	-	-	-	0	0	0	0	0	0	0
Convertible debt	-	-	-	0	0	0	0	0	0	0
Leasing liability	0	0	0	33	48	41	69	69	69	69
Total other long-term liabilities	0	0	0	0	0	0	0	0	0	0
Short-term debt	-	-	-	11	14	14	15	15	15	15
Accounts payable	-	-	-	0	0	0	0	0	0	0
Other current liabilities	0	0	0	121	105	168	127	167	186	198
Total liabilities and equity	0	0	0	639	717	1,052	992	1,047	1,120	1,195
Net IB debt	0	0	0	75	190	180	223	159	104	35
Net IB debt excl. pension debt	0	0	0	75	190	180	223	159	104	35
Net IB debt excl. leasing	0	0	0	42	143	139	155	90	36	-34
Capital employed	0	0	0	518	613	884	865	881	934	997
Capital invested	0	0	0	459	577	731	790	777	776	770
Working capital	0	0	0	13	27	86	98	97	117	128
EV breakdown	-	-	-	-	-	-	-	-	-	-
Market cap. diluted (m)	0	0	0	623	626	630	637	637	637	637
Net IB debt adj.	0	0	0	75	190	180	223	159	104	35
Market value of minority	0	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	-	-	-	-	-	-	-	-	-	-
EV	0	0	0	698	816	810	860	796	742	672
Total assets turnover (%)	--	--	--	149.3	77.3	66.4	70.9	83.6	88.2	90.0
Working capital/sales (%)	--	--	--	1.3	3.7	9.5	12.7	11.5	11.2	11.7
Financial risk and debt service	-	-	-	-	-	-	-	-	-	-
Net debt/equity (%)	--	--	--	19.7	49.2	32.6	39.4	25.7	15.5	4.8
Net debt / market cap (%)	--	--	--	12.1	30.4	28.5	35.0	24.9	16.4	5.5
Equity ratio (%)	--	--	--	60.1	53.9	52.4	57.1	59.0	60.0	61.5
Net IB debt adj. / equity (%)	--	--	--	19.7	49.2	32.6	39.4	25.7	15.5	4.8
Current ratio	--	--	--	1.43	1.38	2.18	1.87	1.70	1.95	2.23
EBITDA/net interest	--	--	--	59.9	37.1	108.5	146.5	46.3	12.4	13.5
Net IB debt/EBITDA (x)	--	--	--	1.1	2.4	2.8	3.8	1.1	0.6	0.2
Net IB debt/EBITDA lease adj. (x)	--	--	--	0.7	2.2	2.7	3.1	0.7	0.2	-0.2
Interest coverage	--	--	--	28.6	18.4	31.3	4.5	25.2	7.0	7.7

Source: ABG Sundal Collier, Company Data

Share Data (SEKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Actual shares outstanding	-	-	-	24	24	24	24	24	24	24
Actual shares outstanding (avg)	0	0	0	24	24	24	24	24	24	24

Share Data (SEKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
All additional shares	-	-	-	0	0	0	0	0	0	0
Issue month	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assumed dil. of shares from conv.	-	-	-	0	0	0	0	0	0	0
As. dil. of shares from conv. (avg)	-	-	-	0	0	0	0	0	0	0
Conv. debt not assumed as equity	-	-	-	0	0	0	0	0	0	0
No. of warrants	-	-	-	0	0	0	0	0	0	0
Market value per warrant	-	-	-	0	0	0	0	0	0	0
Dilution from warrants	-	-	-	0	0	0	0	0	0	0
Issue factor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual dividend per share	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reported earnings per share	-	-	-	0.53	0.79	0.20	-0.36	1.82	2.21	2.58

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (SEKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Shares outstanding adj.	0	0	0	24	24	24	24	24	24	24
Diluted shares adj.	0	0	0	24	24	24	24	24	24	24
EPS	-	-	-	0.53	0.79	0.20	-0.36	1.82	2.21	2.58
Dividend per share	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EPS adj.	-	-	-	0.74	1.09	0.39	0.18	2.40	2.80	3.17
BVPS	-	-	-	16.14	16.18	22.93	23.29	25.42	27.63	30.21
BVPS adj.	-	-	-	2.77	-2.68	0.13	-0.39	1.39	4.44	7.79
Net IB debt/share	-	-	-	3.17	7.97	7.48	9.17	6.53	4.29	1.44
Share price	26.20	26.20	26.20	26.20	26.20	26.20	26.20	26.20	26.20	26.20
Market cap. (m)	0	0	0	623	626	630	637	637	637	637
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	--	--	--	49.9	33.3	134.1	-72.4	14.4	11.8	10.1
EV/sales (x)	--	--	--	1.46	1.56	1.38	1.19	0.93	0.78	0.65
EV/EBITDA (x)	--	--	--	10.6	10.5	12.4	14.7	5.6	4.1	3.4
EV/EBITA (x)	--	--	--	22.2	21.2	43.1	478.0	10.2	7.4	6.0
EV/EBIT (x)	--	--	--	30.9	28.8	94.2	-53.8	13.2	9.0	7.2
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF yield (%)	0.0	0.0	0.0	0.0	-5.7	-29.1	-14.1	7.0	11.1	13.4
Le. adj. FCF yld. (%)	0.0	0.0	0.0	-1.8	-7.5	-31.3	-16.4	4.5	8.6	10.9
P/BVPS (x)	--	--	--	1.62	1.62	1.14	1.12	1.03	0.95	0.87
P/BVPS adj. (x)	26.20	26.20	26.20	9.45	-9.76	203.32	-67.09	18.83	5.90	3.36
P/E adj. (x)	--	--	--	35.3	24.0	67.8	143.0	10.9	9.4	8.3
EV/EBITDA adj. (x)	--	--	--	10.6	10.5	12.7	13.4	5.6	4.1	3.4
EV/EBITA adj. (x)	--	--	--	22.2	21.2	46.0	114.7	10.2	7.4	6.0
EV/EBIT adj. (x)	--	--	--	30.9	28.8	109.5	-83.5	13.2	9.0	7.2
EV/CE (x)	--	--	--	1.3	1.3	0.9	1.0	0.9	0.8	0.7
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	--	--	--	9.5	7.8	8.7	9.1	5.2	6.3	6.5
Capex/depreciation	--	--	--	1.8	1.5	1.5	1.5	0.9	1.0	1.0
Capex tangibles / tangible fixed assets	--	--	--	33.0	33.7	92.7	104.3	10.4	66.0	71.1
Capex intangibles / definite intangibles	--	--	--	51.9	22.1	0.0	0.0	26.0	21.6	28.9
Depreciation on intang / def. intang	--	--	--	26	5	4	3	12	23	30
Depreciation on tangibles / tangibles	--	--	--	19.34	44.31	52.27	61.08	63.75	64.95	67.00

Source: ABG Sundal Collier, Company Data

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