

Telecommunications  
Equipment

Key data

Price (DKK)*	178
Country	Denmark
Bloomberg	RTX DC
Reuters	RTX.CO
Free float	100.0%
Market cap (DKKm)	1,572
Net debt (current Y/E) (DKKm)	-120
No. of shares (m)	8.8
Next event	Q4: 30-Nov

\* Price as at 15:51 CET on 24 August 2021

CEO	Peter Røpke
CFO	Morten Axel Petersen

Company description

RTX is a global company with 25 years of expertise in designing advanced wireless short-range radio systems and products. RTX combines software and hardware capabilities, through which it manages projects for globally recognised customers, from conceptualisation to finished products and modules. In recent years, RTX has succeeded in transforming the company from being dependent on non-recurring development projects to a product-led recurring business model. The base is long-term frame agreements with global OEMs, including world-leading brands.

Ownership structure

Jens Hansen	9.2%
Jens Toftgaard Petersen	7.6%
Fundamental Invest	5.3%

Source: Company data (24 August 2021)

Estimate changes

	21E	22E	23E
Sales	-0.3%	0.0%	0.0%
EBITDA	-5.4%	-2.7%	-2.6%
EBIT (adj.)	-18.0%	-4.0%	-3.9%
EPS (adj.)	n.m.	n.m.	n.m.

Source: Danske Bank Equity Research estimates

Analyst(s)

Poul Ernst Jessen

Find our research here:

<https://research.danskebank.com>

Important disclosures and certifications are contained from page 9 of this report

# RTX

## A strong Q4 to end a challenging year

**Q3 was affected by component shortage and supply constraints. With a historically high order backlog into Q4, these factors will also decide the strength of the year-end rally. Demand is back and building up. We leave our revenue and EBITDA outlook unchanged for Q4 and the subsequent years and continue to see a fair value of DKK235-275.**

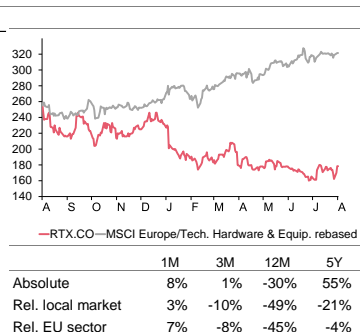
- Q3 with constraints.** Q3 revenue of DKK120m (down 17% y/y in local FX) versus expected DKK140m was affected by e.g. component shortage and supply constraints. Revenues were down across all segments, Enterprise (-19% in local FX), ProAudio (-9%) and Health (-22%), but more importantly, revenues in all segments were up sequentially for the second quarter as demand returns, inventories have to be rebuilt and new frame agreements continue to ramp up. At the end of Q3, the order backlog was at an all-time high. In Q3 RTX returned to EBITDA and EBIT profitability with 8% and 3% margins, respectively.
- Strong Q4 ahead.** RTX reiterated its FY outlook implying Q4 revenue of DKK180-230m (+15-45% y/y) – the strongest quarter ever. RTX does not expect the postponed revenue of DKK40m from Q3 into Q4 to be normalised during the quarter. Demand is strong across all segments. Supply of components and other constraints are set to decide where within the quarter revenue will end.
- Positioned for strong 2021/22.** From a demand point of view, we believe RTX is positioned for a strong 2021/22 recovery. As people return to work, the demand for Enterprise solutions should recover, ProAudio should benefit from live events coming back (Live Nation sees 2022 record concert activity), demand for wireless gaming peripherals remains strong as is demand for streaming solutions (wireless mikes) and the Philips partnership in healthcare is developing. On top of this, recent frame agreements are ramping up new products. Finally, RTX in Q3 moved DKK40m from R&D in progress to finished R&D, implying that the platform for wireless headsets is in place for product completion. We leave our 2021/22 and beyond revenue estimates unchanged with strong recovery. The risk relates in particular to availability of components. This could spoil some of the prospects.
- Valuation.** We leave our fair value unchanged at DKK235-275 per share. This is based on our DCF model and an improving FCF yield as earnings return.

### Key financials

Year-end Sep (DKK)	09/2019	09/2020	09/2021E	09/2022E	09/2023E
Revenues (m)	560	556	469	621	714
Revenues growth	17.9%	-0.8%	-15.6%	32.4%	15.0%
EBITDA (m)	100	108	42.4	112	134
EBIT adj. (m)	86.7	83.7	10.9	73.7	87.7
EBIT growth	15.9%	-3.5%	-86.9%	n.m.	19.0%
Pre-tax profit (m)	91.3	80.9	10.9	76.7	90.7
EPS adj.	8.27	7.41	1.01	7.38	8.99
DPS	2.50	2.50	2.20	2.60	3.00
Dividend yield	1.5%	1.2%	1.2%	1.5%	1.7%
FCFE yield (pre-IFRS16)	3.9%	2.0%	3.5%	3.8%	5.6%
EBIT margin (adj.)	15.5%	15.0%	2.3%	11.9%	12.3%
Net debt/EBITDA (x)	-2.3	-1.3	-2.8	-0.9	-0.7
ROIC	52.4%	37.1%	4.5%	29.2%	33.1%
EV/sales (x)	2.1	3.1	2.9	2.1	1.8
EV/EBITDA (adj.) (x)	11.8	15.9	31.8	11.8	9.6
EV/EBITA (adj.) (x)	13.6	20.6	n.m.	17.9	14.6
EV/EBIT (adj.) (x)	13.6	20.6	n.m.	17.9	14.6
P/E (adj.) (x)	19.8	29.1	n.m.	24.2	19.8

Source: Company data, Danske Bank Equity Research estimates

### Price performance



Source: FactSet

### Not for US distribution

*Table 1. Deviation between actual Q3 20/21 results and estimates*

<b>DKKm</b>	<b>Actual Q3 21</b>	<b>Danske Q3 21</b>	<b>Diff %</b>	<b>Q3 20</b>
Sales	121	142	-15%	158
Gross profit	61	71	-15%	86
Opex	51	48		47
EBITDA	10	23	-57%	39
Depreciation	7	7	-1%	6
EBIT	3	16	-81%	33
Net finances	-1	-20		-40
EBT	2	18		34
Taxes	0	-4		-8
Net profit or loss	1	14		26
Reported growth	-23.9%	-10.1%		6.4%
Gross margin	50.4%	50.0%		54.2%
EBITDA margin	8.3%	16.3%		24.6%
<b>Revenue by segment</b>				
Enterprise	82	90	-9%	110
ProAudio	26	40	-35%	31
Healthcare	13	12	6%	18
<b>Change</b>				
Enterprise	-25.6%	-18.0%		
ProAudio	-15.6%	30.8%		
Healthcare	-27.9%	-31.8%		

*Source: Company data, Danske Bank Equity Research estimates*

Table 2. RTX guidance

DKKkm	November		January		April		August		Implicit H2	
	Low	High	Low	High	Low	High	Low	High	Low	High
<b>Sales</b>										
2015/16	365	385	365	385	385	400	385	400		
2016/17	420	435	420	435	420	435	420	435		
2017/18	460	490	460	490	460	490	460	490		
2018/19	520	550	520	550	520	550	550	565		
2019/20	620	650	620	650	620	650	550	570		
2020/21	545	600	545	600	450	500	450	500	190	230
<b>Change y/y</b>										
2015/16	4%	10%	4%	10%						
2016/17	6%	10%	6%	10%	6%	10%	6%	10%		
2017/18	6%	13%	6%	13%	6%	13%	6%	13%		
2018/19	9%	16%	9%	16%	9%	16%	16%	19%		
2019/20	11%	16%	11%	16%	11%	16%	-2%	2%		
2020/21	-2%	8%	-2%	8%	-19%	-10%	-19%	-10%	15%	47%
<b>EBITDA</b>										
2015/16	58	66	58	66	64	71	64	71		
2016/17	73	80	73	80	73	80	73	80		
2017/18	72	87	72	87	72	87	72	87		
2018/19	85	100	85	100	85	100	90	100		
2019/20	105	120	105	120	105	120	105	115		
2020/21	95	120	95	120	30	55	30	55	43	68
<b>In % of sales</b>										
2015/16	15.9%	17.1%	15.9%	17.1%	16.6%	17.8%	16.6%	17.8%		
2016/17	17.4%	18.4%	17.4%	18.4%	17.4%	18.4%	17.4%	18.4%		
2017/18	15.7%	17.8%	15.7%	17.8%	15.7%	17.8%	15.7%	17.8%		
2018/19	16.3%	18.2%	16.3%	18.2%	16.3%	18.2%	16.4%	17.7%		
2019/20	16.9%	18.5%	16.9%	18.5%	16.9%	18.5%	19.1%	20.2%		
2020/21	17.4%	20.0%	17.4%	20.0%	6.7%	11.0%	6.7%	11.0%	23.8%	29.5%
<b>Depreciations</b>										
2015/16	4	6	4	6	4	4	4	4		
2016/17	5	5	5	5	5	5	5	5		
2017/18	14	14	14	14	14	14	14	14		
2018/19	20	20	20	20	20	20	13	13		
2019/20	30	30	30	30	30	30	25	25		
2020/21	32	30	32	30	30	30	30	30		
<b>EBIT</b>										
2015/16	54	60	54	60	60	67	60	67		
2016/17	68	75	68	75	68	75	68	75		
2017/18	58	73	58	73	58	73	58	73		
2018/19	65	80	65	80	65	80	77	87		
2019/20	75	90	75	90	75	90	80	90		
2020/21	63	90	63	90	0	25	0	25	33	58
<b>In % of sales</b>										
2015/16	14.8%	15.6%	14.8%	15.6%	15.6%	16.8%	15.6%	16.8%		
2016/17	16.2%	17.2%	16.2%	17.2%	16.2%	17.2%	16.2%	17.2%		
2017/18	12.6%	14.9%	12.6%	14.9%	12.6%	14.9%	12.6%	14.9%		
2018/19	12.5%	14.5%	12.5%	14.5%	12.5%	14.5%	14.0%	15.4%		
2019/20	12.1%	13.8%	12.1%	13.8%	12.1%	13.8%	14.5%	15.8%		
2020/21	11.6%	15.0%	11.6%	15.0%	0.0%	5.0%	0.0%	5.0%	18.6%	25.4%

Source: Company data, Danske Bank Equity Research estimates

Table 3. RTX estimate changes

DKKkm	Actual	Current estimates			Previous estimates			Estimate changes		
	19/20	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Sales	556	469	621	714	470	621	714	0%	0%	0%
Gross income	309	244	323	371	244	323	371	0%	0%	0%
EBITDA - adjusted	108	42	112	134	45	115	138	-5%	-3%	-3%
EBIT	84	11	74	88	13	77	91	-18%	-4%	-4%
Net finances	-3	0	3	3	6	7	8			
PTP	80	11	77	91	19	84	99	-43%	-8%	-9%
Net income	63	9	60	71	15	65	78	-43%	-8%	-9%
<b>Growth y/y</b>										
Revenue	-0.8%	-15.6%	32.4%	15.0%	-15.4%	32.0%	15.0%	-0.2%	0.3%	0.0%
<b>Margin</b>										
Gross	55.6%	52.1%	52.0%	52.0%	51.9%	52.0%	52.0%	0.2%	0.0%	0.0%
EBITDA	19.5%	9.0%	18.1%	18.8%	9.5%	18.6%	19.3%	-0.5%	-0.5%	-0.5%
EBIT	15.0%	2.3%	11.9%	12.3%	2.8%	12.4%	12.8%	-0.5%	-0.5%	-0.5%
<b>Revenue by region</b>										
Enterprise	382	308	428	493	300	418	481	2%	2%	2%
ProAudio	128	116	139	160	126	150	172	-7%	-7%	-7%
Healthcare	46	45	53	61	44	53	61	2%	2%	2%
<b>Growth</b>										
Enterprise		-19.4%	39.2%	15.0%	-21.4%	39.2%	15.0%	1.9%	0.0%	0.0%
ProAudio		-8.7%	19.2%	15.0%	-1.6%	19.2%	15.0%	-7.2%	0.0%	0.0%
Healthcare		-3.0%	19.2%	15.0%	-4.4%	19.2%	15.0%	1.5%	0.0%	0.0%
<b>Free cash flow</b>	<b>30</b>	<b>49</b>	<b>52</b>	<b>76</b>	<b>52</b>	<b>59</b>	<b>83</b>	<b>-5%</b>	<b>-11%</b>	<b>-9%</b>

Source: Company data, Danske Bank Equity Research estimates

### Investment case

RTX offers original design manufacturing (ODM) services to original equipment manufacturers (OEMs). Its core competences are in near-field wireless technologies such as DECT (IP), WiFi and Bluetooth. RTX in recent years has transformed the business from design services to a product-based company with recurring revenues. We expect RTX to be positioned to benefit from OEMs taking advantage of its competences as more products go wireless, as e.g. IoT, 5G and flexible workplaces become the new normal. We expect RTX to grow revenues at low teens when markets normalise post COVID-19, frame agreements are extended and prolonged and new partners are added. RTX expects this growth to result in continued good profitability again from 2021/22.

### Valuation and methodology for deriving 12M fair value

We trim our 12-month fair value by DKK10 to DKK235-275 per share, reflecting our revised DCF model.

Our DCF model is based on a WACC of 8.9%. We estimate that a change in the WACC of +/- 1pp would change our DCF fair value by -14% to +19%. Our model includes a liquidity premium of 1pp on the WACC.

At our valuation range, RTX would trade at 13.9-16.5x EV/EBITDA 2022E, reflecting its higher growth and margins versus most of its peers.

### Risks to achievement of 12M target price

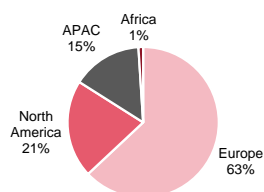
The key risks to our investment case are technology risks (e.g. if DECT is being replaced by other technologies), failed extension of existing frame agreements, failure to deliver products to clients in line with promises and failure to source products. Currently the manufacture of technology products is being challenged by an extensive shortage of components.

### Not for US distribution

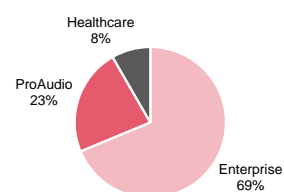
A prolonged shortage of components and supply chain constraints may lead to lower revenues than forecasted.

## Company summary

### Sales breakdown by geographical area



### Sales breakdown by division



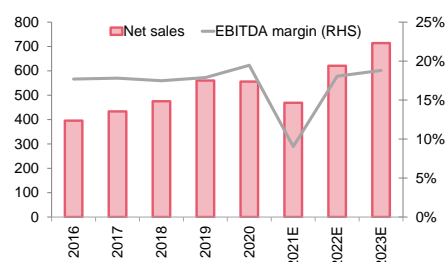
### Company information

RTX  
 Strømmen 6, DK-9400 Nørresundby  
 Denmark  
 www.rtx.dk

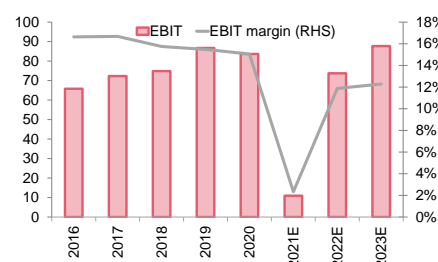
### Main shareholders

Name	Votes (%)	Capital (%)
Jens Hansen	9.2%	9.2%
Jens Toftgaard Petersen	7.6%	7.6%
Fundamental Invest	5.3%	5.3%

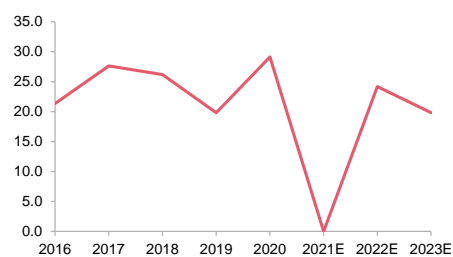
### Net sales and EBITDA margin (DKKm)



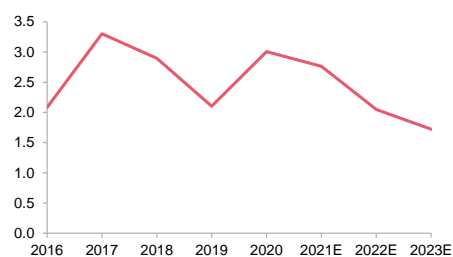
### EBIT and EBIT margin (DKKm)



### P/E NTM (x)



### EV/sales NTM (x)



Source: FactSet, Company data, Danske Bank Equity Research estimates

*Summary tables*

<b>INCOME STATEMENT</b>										
<b>Year end Sep, DKKm</b>	<b>09/2014</b>	<b>09/2015</b>	<b>09/2016</b>	<b>09/2017</b>	<b>09/2018</b>	<b>09/2019</b>	<b>09/2020</b>	<b>09/2021E</b>	<b>09/2022E</b>	<b>09/2023E</b>
Net sales	288	350	396	434	475	560	556	469	621	714
Cost of sales & operating costs	-243	-291	-326	-356	-392	-460	-448	-427	-509	-580
<b>EBITDA</b>	<b>45.6</b>	<b>59.0</b>	<b>70.0</b>	<b>77.2</b>	<b>83.1</b>	<b>100</b>	<b>108</b>	<b>42.4</b>	<b>112</b>	<b>134</b>
EBITDA, adj.	45.6	59.0	70.0	77.2	83.1	100	108	42.4	112	134
Depreciation	-3.0	-6.7	-2.1	-4.0	-5.2	-6.1	-12.2	-14.4	-15.3	-16.4
<b>EBITA</b>	<b>42.6</b>	<b>52.3</b>	<b>65.8</b>	<b>72.3</b>	<b>74.8</b>	<b>86.7</b>	<b>83.7</b>	<b>10.9</b>	<b>73.7</b>	<b>87.7</b>
<b>EBIT incl. EO, bef. ass.</b>	<b>37.0</b>	<b>52.3</b>	<b>65.8</b>	<b>72.3</b>	<b>74.8</b>	<b>86.7</b>	<b>83.7</b>	<b>10.9</b>	<b>73.7</b>	<b>87.7</b>
EBIT, adj.	37.0	52.3	65.8	72.3	74.8	86.7	83.7	10.9	73.7	87.7
Financial items, net	-1.0	0.7	2.7	-1.9	1.4	4.6	-2.8	0.0	3.0	3.0
<b>Pre-tax profit</b>	<b>35.9</b>	<b>53.0</b>	<b>68.5</b>	<b>70.4</b>	<b>76.2</b>	<b>91.3</b>	<b>80.9</b>	<b>10.9</b>	<b>76.7</b>	<b>90.7</b>
Taxes	19.9	-4.1	-19.0	-12.2	-16.3	-20.0	-17.1	-2.4	-16.9	-20.0
<b>Net profit, rep.</b>	<b>55.8</b>	<b>48.9</b>	<b>49.6</b>	<b>58.2</b>	<b>59.9</b>	<b>71.4</b>	<b>63.8</b>	<b>8.5</b>	<b>59.8</b>	<b>70.7</b>
Net profit, adj.	55.8	48.9	49.6	58.2	59.9	71.4	63.8	8.5	59.8	70.7
<b>CASH FLOW</b>										
<b>DKKm</b>	<b>09/2014</b>	<b>09/2015</b>	<b>09/2016</b>	<b>09/2017</b>	<b>09/2018</b>	<b>09/2019</b>	<b>09/2020</b>	<b>09/2021E</b>	<b>09/2022E</b>	<b>09/2023E</b>
EBITDA	45.6	59.0	70.0	77.2	83.1	100	108	42.4	112	134
Change in working capital	4.7	-15.1	-11.6	-25.4	2.0	-2.9	-28.6	52.1	-12.6	-7.7
Net interest paid	-1.0	0.3	0.4	0.3	2.5	4.7	-4.3		3.0	3.0
Taxes paid	1.1	0.1	-1.8	-4.7	1.7	-2.0	-9.8	-1.3	-9.3	-11.0
Other operating cash items	3.5	8.9	-3.6	-0.7	6.3	7.7	5.1			
<b>Cash flow from operations</b>	<b>53.8</b>	<b>53.2</b>	<b>53.4</b>	<b>46.7</b>	<b>95.6</b>	<b>108</b>	<b>70.6</b>	<b>93.1</b>	<b>93.3</b>	<b>119</b>
Capex	-4.7	-5.9	-15.4	-26.3	-27.9	-21.1	-35.2	-37.7	-34.2	-35.6
Div to min	1.3									
<b>Free cash flow</b>	<b>50.4</b>	<b>47.3</b>	<b>37.9</b>	<b>20.3</b>	<b>67.7</b>	<b>86.6</b>	<b>35.4</b>	<b>55.4</b>	<b>59.1</b>	<b>83.0</b>
Disposals/(acquisitions)		-40.7	39.9	-10.7	-1.3	-31.4				
<b>Free cash flow to equity</b>	<b>50.4</b>	<b>6.6</b>	<b>77.8</b>	<b>9.6</b>	<b>66.4</b>	<b>55.2</b>	<b>35.4</b>	<b>55.4</b>	<b>59.1</b>	<b>83.0</b>
Dividend paid	-4.8	-9.6	-19.3	-17.6	-17.4	-17.1	-21.6	-22.0	-18.8	-21.6
Share buybacks			-27.7	-48.7	-8.6	-16.1	-27.5	-50.0	-50.0	-60.0
New issue common stock										
Incr./(decr.) in debt	-3.2	-12.2								
Minorities & other financing CF	-4.4	115	21.8	5.5	-9.2	22.1	-18.2	-6.2	-6.7	-7.2
<b>Cash flow from financing</b>	<b>-12.4</b>	<b>93.0</b>	<b>-25.3</b>	<b>-60.8</b>	<b>-35.1</b>	<b>-11.1</b>	<b>-67.3</b>	<b>-78.2</b>	<b>-75.5</b>	<b>-88.9</b>
Disc. ops & other										
<b>Incr./(decr.) in cash</b>	<b>38.0</b>	<b>99.7</b>	<b>-6.0</b>	<b>-51.2</b>	<b>31.3</b>	<b>44.1</b>	<b>-31.9</b>	<b>-22.8</b>	<b>-16.4</b>	<b>-5.9</b>
<b>BALANCE SHEET</b>										
<b>DKKm</b>	<b>09/2014</b>	<b>09/2015</b>	<b>09/2016</b>	<b>09/2017</b>	<b>09/2018</b>	<b>09/2019</b>	<b>09/2020</b>	<b>09/2021E</b>	<b>09/2022E</b>	<b>09/2023E</b>
Cash & cash equivalents	109	208	202	151	183	227	195	172	156	150
Inventory	11.1	24.4	20.6	24.1	22.1	21.8	15.2	12.8	17.0	19.5
Trade receivables	54.4	54.5	77.8	100	139	133	174	112	148	171
Other current assets	4.0	3.1	6.9	9.0	6.3	6.0	8.3	5.6	7.4	8.6
Goodwill	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8
Other intangible assets	4.1	3.7	2.6	19.1	35.5	43.6	58.8	70.8	72.3	67.1
Fixed tangible assets	75.8	3.8	7.4	12.2	15.5	14.8	16.2	16.7	17.7	19.1
Associated companies										
Other non-current assets	38.8	37.5	29.8	28.9	14.3	9.6	9.7	9.7	9.7	9.7
<b>Total assets</b>	<b>305</b>	<b>344</b>	<b>356</b>	<b>353</b>	<b>423</b>	<b>463</b>	<b>534</b>	<b>456</b>	<b>485</b>	<b>501</b>
<b>Shareholders' equity</b>	<b>228</b>	<b>266</b>	<b>281</b>	<b>283</b>	<b>312</b>	<b>347</b>	<b>352</b>	<b>289</b>	<b>280</b>	<b>269</b>
Of which minority interests										
Current liabilities	65.0	77.2	74.9	70.0	110	108	106	91.7	121	140
Interest-bearing debt	12.2									
Pension liabilities										
Oth non-curr. liabilities	0.5	0.4	0.3	0.3	0.9	7.4	22.9	24.0	31.6	40.6
<b>Total liabilities</b>	<b>77.6</b>	<b>77.6</b>	<b>75.1</b>	<b>70.3</b>	<b>111</b>	<b>116</b>	<b>181</b>	<b>168</b>	<b>205</b>	<b>232</b>
<b>Total liabilities and equity</b>	<b>305</b>	<b>344</b>	<b>356</b>	<b>353</b>	<b>423</b>	<b>463</b>	<b>534</b>	<b>456</b>	<b>485</b>	<b>501</b>
Net debt	-96.6	-208	-202	-151	-183	-227	-195	-172	-156	-150

Source: Company data, Danske Bank Equity Research estimates

Summary tables

PER SHARE DATA	09/2014	09/2015	09/2016	09/2017	09/2018	09/2019	09/2020	09/2021E	09/2022E	09/2023E	
No. of shares, fully diluted (y.e.) (m)	9.6	9.6	9.1	8.8	8.7	8.6	8.6	8.2	8.0	7.7	
No. of shares, fully diluted (avg.) (m)	9.6	9.6	9.4	8.9	8.7	8.6	8.6	8.4	8.1	7.9	
EPS (DKK)	5.79	5.07	5.29	6.51	6.86	8.27	7.41	1.01	7.38	8.99	
EPS adj. (DKK)	5.79	5.07	5.29	6.51	6.86	8.27	7.41	1.01	7.38	8.99	
DPS (DKK)	1.00	2.00	2.00	2.00	2.00	2.50	2.50	2.20	2.60	3.00	
CFFO/share (DKK)	5.6	5.5	5.7	5.2	10.9	12.5	8.2	11.0	11.5	15.1	
Book value/share (DKK)	23.6	27.6	30.9	32.2	35.9	40.6	40.8	35.1	35.0	34.8	
MARGINS AND GROWTH	09/2014	09/2015	09/2016	09/2017	09/2018	09/2019	09/2020	09/2021E	09/2022E	09/2023E	
EBITDA margin	15.8%	16.9%	17.7%	17.8%	17.5%	17.9%	19.5%	9.0%	18.1%	18.8%	
EBITA margin	14.8%	15.0%	16.6%	16.7%	15.7%	15.5%	15.0%	2.3%	11.9%	12.3%	
EBIT margin	12.8%	15.0%	16.6%	16.7%	15.7%	15.5%	15.0%	2.3%	11.9%	12.3%	
EBIT adj margin	12.8%	15.0%	16.6%	16.7%	15.7%	15.5%	15.0%	2.3%	11.9%	12.3%	
Sales growth	19.4%	21.2%	13.2%	9.6%	9.6%	17.9%	-0.8%	-15.6%	32.4%	15.0%	
EBITDA growth	n.m.	29.4%	18.6%	10.3%	7.6%	20.6%	7.9%	-60.8%	n.m.	19.7%	
EBITA growth	n.m.	22.8%	25.8%	9.9%	3.5%	15.9%	-3.5%	-86.9%	n.m.	19.0%	
EPS adj growth	71.0%	-12.4%	4.3%	23.1%	5.3%	20.6%	-10.4%	-86.3%	n.m.	21.9%	
PROFITABILITY	09/2014	09/2015	09/2016	09/2017	09/2018	09/2019	09/2020	09/2021E	09/2022E	09/2023E	
ROIC (after tax, incl. GW, adj.)	45.4%	51.0%	69.9%	56.9%	44.9%	52.4%	37.1%	4.5%	29.2%	33.1%	
ROIC (after tax, excl. GW, adj.)	48.4%	55.6%	78.9%	61.4%	47.7%	55.8%	38.7%	4.7%	30.4%	34.4%	
ROE (adj.)	27.6%	19.8%	18.1%	20.7%	20.1%	21.6%	18.2%	2.7%	21.1%	25.8%	
ROIC (adj.) - WACC	36.6%	42.2%	61.0%	48.0%	36.0%	43.6%	28.2%	-4.3%	20.4%	24.3%	
MARKET VALUE	09/2014	09/2015	09/2016	09/2017	09/2018	09/2019	09/2020	09/2021E	09/2022E	09/2023E	
Share price (DKK)	49.4	87.0	113	180	180	164	216	178	178	178	
No. shares reduced by buybacks (m)	9.6	9.6	9.1	8.8	8.7	8.6	8.6	8.2	8.0	7.7	
<b>Mkt cap used in EV (m)</b>	<b>476</b>	<b>839</b>	<b>1,027</b>	<b>1,583</b>	<b>1,560</b>	<b>1,405</b>	<b>1,866</b>	<b>1,468</b>	<b>1,427</b>	<b>1,380</b>	
Net debt, year-end (m)	-97	-208	-202	-151	-183	-227	-143	-120	-104	-98	
MV of min/ass and oth (m)	0	0	0	0	0	0	0	0	0	0	
<b>Enterprise value (m)</b>	<b>380</b>	<b>631</b>	<b>825</b>	<b>1,431</b>	<b>1,377</b>	<b>1,178</b>	<b>1,724</b>	<b>1,348</b>	<b>1,323</b>	<b>1,282</b>	
VALUATION	09/2014	09/2015	09/2016	09/2017	09/2018	09/2019	09/2020	09/2021E	09/2022E	09/2023E	
EV/sales (x)	1.32	1.80	2.08	3.30	2.90	2.10	3.10	2.87	2.13	1.80	
EV/EBITDA (x)	8.3	10.7	11.8	18.5	16.6	11.8	15.9	31.8	11.8	9.6	
EV/EBITA (x)	8.9	12.1	12.5	19.8	18.4	13.6	20.6	n.m.	17.9	14.6	
EV/EBIT (x)	10.3	12.1	12.5	19.8	18.4	13.6	20.6	n.m.	17.9	14.6	
P/E (reported) (x)	8.5	17.2	21.4	27.6	26.2	19.8	29.1	n.m.	24.2	19.8	
P/E (adj.) (x)	8.5	17.2	21.4	27.6	26.2	19.8	29.1	n.m.	24.2	19.8	
P/BV (x)	2.09	3.16	3.66	5.59	5.00	4.04	5.30	5.08	5.10	5.13	
EV/invested capital (x)	3.1	12.6	11.7	11.5	11.2	9.8	7.7	7.3	6.6	6.3	
Dividend yield	2.02%	2.30%	1.77%	1.11%	1.11%	1.52%	1.16%	1.23%	1.46%	1.68%	
Total yield (incl. buybacks)	2.02%	2.30%	4.39%	4.14%	1.66%	2.66%	2.64%	4.56%	4.91%	5.96%	
FCFE-yield	10.58%	5.64%	3.69%	1.29%	4.34%	6.16%	1.89%	3.77%	4.14%	6.01%	
FINANCIAL RATIOS	09/2014	09/2015	09/2016	09/2017	09/2018	09/2019	09/2020	09/2021E	09/2022E	09/2023E	
Net debt/EBITDA (x)	-2.1	-3.5	-2.9	-2.0	-2.2	-2.3	-1.3	-2.8	-0.9	-0.7	
Net debt/equity (x), year-end	-0.4	-0.8	-0.7	-0.5	-0.6	-0.7	-0.4	-0.4	-0.4	-0.4	
Dividend payout ratio	17.3%	39.4%	37.8%	30.7%	29.2%	30.2%	33.7%	217.3%	35.2%	33.4%	
Interest coverage (x)	29.8	35.0	116.5	21.7	84.9						
Cash conversion (FCF/net profit)	90.3%	96.7%	76.6%	35.0%	113.0%	121.3%	55.4%	648.8%	98.7%	117.3%	
Capex/sales	1.6%	1.7%	3.9%	6.1%	5.9%	3.8%	6.3%	8.0%	5.5%	5.0%	
NWC/sales	1.6%	1.4%	7.7%	14.7%	12.0%	9.4%	16.3%	8.3%	8.3%	8.3%	
QUARTERLY P&L				Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21E
Sales (m)				128	113	158	156	61.3	88.5	121	199
EBITDA (m)				21.4	11.3	38.9	36.5	-18.8	-4.0	10.1	55.0
EBIT before non-recurring items (m)				16.3	5.7	32.6	29.0	-25.3	-11.3	3.0	44.6
Net profit (adj.) (m)				10.6	2.6	26.3	24.4	-15.8	-11.3	1.4	34.3
EPS (adj.) (DKK)				1.37	0.33	3.41	3.23	-2.14	-1.53	0.19	4.83
EBITDA margin				16.7%	10.0%	24.6%	23.3%	-30.6%	-4.5%	8.3%	27.7%
EBIT margin (adj.)				12.7%	5.1%	20.6%	18.6%	-41.3%	-12.7%	2.5%	22.4%

Source: Company data, Danske Bank Equity Research estimates



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