

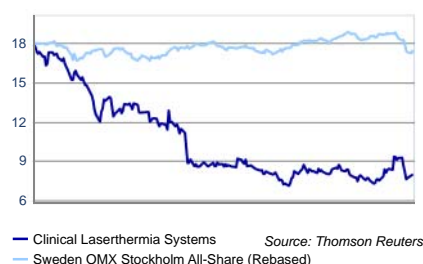
Clinical Laserthermia Systems

Healthcare
Sweden

KEY DATA

Stock country	Sweden
Bloomberg	CLSB SS
Reuters	CLSRb.ST
Share price (close)	SEK 8.08
Free Float	100%
Market cap. (bn)	EUR 0.03/SEK 0.28
Website	https://clinicallaser.se
Next report date	22 Nov 2018

PERFORMANCE



ESTIMATE CHANGES

Year	2018E	2019E	2020E
Sales	0%	0%	0%
EBIT (adj)	0%	0%	0%

Source: Nordea estimates

Nordea Markets - Analysts

Hans Mähler
DirectorDan Johansson
Analyst

Heating up its precision ablation business

Yesterday, Clinical Laserthermia (CLS) announced both an exclusive distribution deal and a co-development agreement with MRI Interventions. According to the press release, MRI Interventions will be given the rights to distribute and sell CLS's portfolio of products in the US and Canada. The companies will also partner up to develop a next-generation navigation and laser ablation platform for spine and neurosurgery, set for launch in 2020.

Developing a next-generation platform in neurosurgery

CLS has entered into a collaborative licensing and co-development agreement with MRI Interventions to develop a navigation and laser ablation platform for use in spine and neurosurgery. MRI Interventions is a US-listed company commercialising the ClearPoint system, which enables a range of minimally invasive procedures in the brain through the hospital's existing MRI suite. MRI Interventions will receive the global licence and IP rights to current and future products in spine and neurosurgery, while CLS will hold exclusive manufacturing rights. A formal launch of the joint platform is expected in 2020.

Extending its commercial reach

The two companies have also entered into an exclusive distribution deal for the US and Canada. Through the deal, CLS gains access to a team of more than 20 sales managers and clinical specialists. In addition, we believe it could benefit from MRI Interventions' established relationships and network of hospitals and clinicians through the installed ClearPoint base. According to a company presentation from September, ClearPoint is currently installed in 53 top US hospitals and growing. This two-year agreement includes all interventional MR-guided procedures offered by CLS, beyond the licensing agreement in spine and neurosurgery. Although the impact of the deal has yet to be seen, we consider it another positive step towards increasing commercial penetration and reaching profitability.

Term sheet formalised into an agreement with IGT

CLS also announced that it has signed an agreement with Image Guided Therapy SA, in line with the previously communicated term sheet. The aim of this is to enhance CLS's product offering by jointly developing a software product, offering doctors MR-generated, optimal conditions for viewing, measuring and controlling temperatures in laser ablation and imILT treatments. A new software product is expected to be approved and be ready for launch during H2 2019.

SUMMARY TABLE - KEY FIGURES

SEKm	2014	2015	2016	2017	2018E	2019E	2020E
Total revenue	0	0	4	11	14	20	80
EBITDA (adj)	-18	-17	-27	-21	-25	-31	-18
EBIT (adj)	-18	-17	-27	-21	-25	-32	-22
EBIT (adj) margin	n.m.	n.m.	-736.6%	-185.3%	-178.1%	-160.4%	-27.2%
EPS (adj)	-1.03	-0.82	-1.14	-0.81	-0.75	-0.91	-0.63
EPS (adj) growth	11.5%	20.1%	-39.2%	29.1%	7.4%	-21.9%	30.7%
DPS (ord)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	n.a.	n.a.	n.a.	n.a.	17.9	14.5	3.3
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
P/BV	n.a.	n.a.	n.a.	n.a.	5.7	16.3	9.8
Dividend yield (ord)	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%
FCF Yield bef acq & disp	n.a.	n.a.	n.a.	n.a.	-10.8%	-11.4%	-4.9%
Net debt	-19	-3	-6	-14	-26	5	-14
Net debt/EBITDA	1.1	0.2	0.2	0.7	1.1	-0.2	0.8
ROIC after tax	-107.7%	-87.2%	-151.5%	-108.5%	-94.1%	-109.4%	-92.2%

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

SEKm	2010	2011	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E
Net revenue	n.a.	n.a.	0	0	0	0	4	11	14	20	80
Revenue growth	n.a.	n.a.	n.a.	-90.3%	-56.3%	n.m.	n.m.	208.5%	25.3%	39.6%	308.2%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	0	0	-13	-18	-18	-17	-27	-21	-25	-31	-18
Depreciation and impairments PPE	0	0	0	0	0	0	0	0	0	0	-2
EBITA	0	0	-13	-18	-18	-17	-27	-21	-25	-31	-20
Amortisation and impairments	0	0	0	0	0	0	0	0	0	-1	-2
EBIT	n.a.	n.a.	-13	-18	-18	-17	-27	-21	-25	-32	-22
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	0	0	0	0	0	0	0	0	1	0	0
Pre-tax profit	0	0	-13	-18	-17	-17	-27	-21	-24	-32	-22
Reported taxes	0	0	0	0	0	0	0	0	0	0	0
Net profit from continued operations	0	0	-13	-18	-17	-17	-27	-21	-24	-32	-22
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	0	0	-13	-18	-17	-17	-27	-21	-24	-32	-22
EPS	n.a.	n.a.	-0.87	-1.16	-1.03	-0.82	-1.14	-0.81	-0.75	-0.91	-0.63
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profit margin in percent

EBITDA	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	-735.1%	-183.7%	-176.2%	-155.4%	-22.2%
EBITA	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	-736.6%	-185.3%	-176.6%	-157.4%	-24.2%
EBIT	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	-736.6%	-185.3%	-178.1%	-160.4%	-27.2%

Adjusted earnings

EBITDA (adj)	0	0	-13	-18	-18	-17	-27	-21	-25	-31	-18
EBITA (adj)	0	0	-13	-18	-18	-17	-27	-21	-25	-31	-20
EBIT (adj)	0	0	-13	-18	-18	-17	-27	-21	-25	-32	-22
EPS (adj)	n.a.	n.a.	-0.87	-1.16	-1.03	-0.82	-1.14	-0.81	-0.75	-0.91	-0.63

Adjusted profit margins in percent

EBITDA (adj)	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	-735.1%	-183.7%	-176.2%	-155.4%	-22.2%
EBITA (adj)	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	-736.6%	-185.3%	-176.6%	-157.4%	-24.2%
EBIT (adj)	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	-736.6%	-185.3%	-178.1%	-160.4%	-27.2%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	146.8%	311.3%	418.8%	269.0%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2,352.1%	-665.0%	-367.2%	-247.9%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2,341.9%	-661.9%	-365.2%	-244.8%

VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2010	2011	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.

VALUATION RATIOS - REPORTED EARNINGS

SEKm	2010	2011	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	17.9	14.5	3.3
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-10.8%	-11.4%	-4.9%
Payout ratio	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2010	2011	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E
Intangible assets	0	0	12	14	17	18	20	24	25	26	29
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	0	12	14	17	18	20	24	25	26	29
of which goodwill	0	0	0	0	0	0	0	0	0	0	0
Tangible assets	0	0	0	0	0	0	0	1	1	1	1
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	0	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	0	0	12	14	17	19	20	25	26	27	30
Inventory	0	0	0	0	0	0	0	3	4	6	23
Accounts receivable	0	0	0	0	0	0	0	0	1	2	12
Other current assets	0	0	1	1	2	1	1	1	2	2	9
Cash and bank	0	0	7	14	19	3	6	16	28	1	21
Total current assets	0	0	8	15	20	4	7	20	35	11	65
Assets held for sale	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	0	0	20	29	37	22	27	45	61	38	95
Shareholders equity	0	0	17	26	32	19	17	33	49	17	29
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	0	0	17	26	32	19	17	33	49	17	29
Deferred tax	0	0	0	0	0	0	0	0	0	0	0
Long term interest bearing debt	0	0	0	0	0	0	0	1	2	7	6
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	0	0	0	0	0	0	0	1	2	7	6
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	0	0	2	2	4	2	3	3	3	5	20
Other current liabilities	0	0	1	1	1	1	7	7	7	10	40
Short term interest bearing debt	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	0	0	3	3	5	3	10	11	11	15	60
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	0	0	20	29	37	22	27	45	61	38	95
Balance sheet and debt metrics											
Net debt	0	0	-7	-14	-19	-3	-6	-14	-26	5	-14
Working capital	0	0	-2	-2	-4	-2	-9	-5	-3	-4	-16
Invested capital	0	0	10	13	13	17	11	19	23	23	14
Capital employed	0	0	17	26	32	19	17	34	50	24	35
ROE	n.m.	n.m.	-148.6%	-84.9%	-60.7%	-65.0%	-147.6%	-84.9%	-58.1%	-96.0%	-95.9%
ROIC	n.m.	n.m.	-196.0%	-124.5%	-107.7%	-87.2%	-151.5%	-108.5%	-94.1%	-109.4%	-92.2%
ROCE	n.a.	n.a.	-74.2%	-69.6%	-55.7%	-85.3%	-157.6%	-60.7%	-49.9%	-133.3%	-62.6%
Net debt/EBITDA	n.m.	n.m.	0.6	0.7	1.1	0.2	0.2	0.7	1.1	-0.2	0.8
Interest coverage	n.a.	n.a.	-806.7	-99.7	-482.5	-15,743.7	-490.0	-410.4	-659.4	-879.1	-609.1
Equity ratio	n.m.	n.m.	85.2%	89.4%	85.4%	87.4%	62.5%	73.4%	80.1%	44.6%	30.1%
Net gearing	n.m.	n.m.	-40.6%	-51.8%	-59.2%	-13.5%	-36.3%	-41.9%	-53.9%	32.0%	-49.5%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

SEKm	2010	2011	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E
EBITDA (adj) for associates	0	0	-13	-18	-18	-17	-27	-21	-25	-31	-18
Paid taxes	0	0	0	0	0	0	0	0	0	0	0
Net financials	0	0	0	0	0	0	0	0	1	0	0
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	0	0	0	0	0	0	0	0	0	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	0	0	0	0	0	0	0	0	-3	0	0
Funds from operations (FFO)	0	0	-13	-18	-18	-17	-27	-21	-26	-31	-18
Change in NWC	0	0	1	0	2	-2	7	-3	-2	1	11
Cash flow from operations (CFO)	0	0	-12	-18	-16	-19	-20	-24	-28	-30	-7
Capital expenditure	0	0	-2	-2	-2	-2	-2	-5	-2	-2	-7
Free cash flow before A&D	0	0	-14	-21	-18	-21	-21	-29	-30	-32	-14
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0	0	0
Free cash flow	0	0	-14	-21	-18	-21	-21	-29	-30	-32	-14
Dividends paid	0	0	0	0	0	0	0	0	0	0	0
Equity issues / buybacks	0	0	19	27	23	4	25	37	43	0	33
Net change in debt	0	0	0	0	0	0	0	2	0	5	0
Other financing adjustments	0	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	0	0	2	0	0	0	0	0	0	0	0
Change in cash	0	0	7	6	5	-16	4	9	12	-27	19

Cash flow metrics

Capex/D&A	n.m.	n.m.	1,721.7%	2,099.7%	4,291.7%	3,557.0%	2,889.1%	2,656.0%	631.6%	200.0%	180.0%
Capex/Sales	n.a.	n.a.	-1,672.2%	2,381.9%	1,063.7%	-1,614.2%	-42.2%	-41.5%	-12.0%	-10.0%	-9.0%

Key information

Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8	8	8
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	280	280	280
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	253	285	265
Diluted no. of shares, year-end (m)	0.0	0.0	14.6	17.0	17.0	23.4	23.8	28.7	34.6	34.6	34.6

Source: Company data and Nordea estimates

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Issuer Review

This report has not been reviewed by the Issuer prior to publication.

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