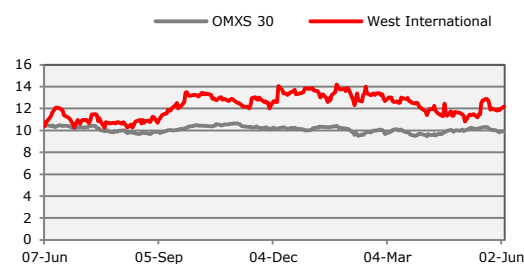


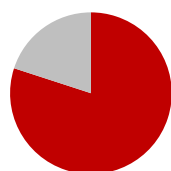
Summary
Westpay (WINT)
Going Gold

- Westpay (former West International) showed a strong development during Q1. The sales were in line with our estimates, but with a much better result. The profit deviance was primarily due to a very strong gross margin.
- The biggest news in the report was a bit hidden in the CEO comment. Namely, that Westpay has been appointed as a gold partner of Oracle, one of the world's largest suppliers of cash registers in trade, hotels, and restaurants. Westpay is now one of the seven globally preferred partners within Oracles Hospitality – Payment offering. Oracle has nearly 7000 employees and is operating in more than 180 countries.
- We are undoubtedly positive about Westpay's prospects and see a long growth journey ahead. We make some changes to our projections but reiterate our estimated fair value in Base-case at 18 SEK per share.

List: 273 MSEK
 Market Cap: 273 MSEK
 Industry: Information Technology
 CEO: Sten Karlsson
 Chairman: Christina Detlefsen

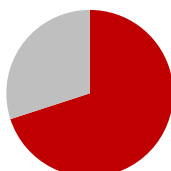

Redeye Rating (0 – 10 points)

Management



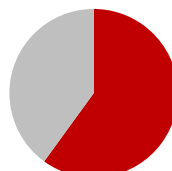
8.0 points

Ownership



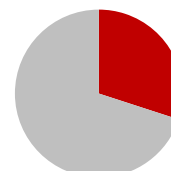
7.0 points

Profit outlook



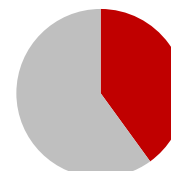
6.0 points

Profitability



3.0 points

Financial strength



4.0 points

Key Financials

	2016	2017	2018E	2019E	2020E
Revenue, MSEK	77	93	107	144	190
Growth	2%	21%	15%	34%	32%
EBITDA	6	11	12	22	34
EBITDA margin	8%	11%	11%	15%	18%
EBIT	3	6	6	15	27
EBIT margin	4%	7%	6%	11%	14%
Pre-tax earnings	3	6	6	15	26
Net earnings	2	4	5	12	21
Net margin	3%	5%	4%	8%	11%
Dividend/Share	0.00	0.00	0.00	0.00	0.00
EPS adj.	0.10	0.19	0.21	0.51	0.89
P/E adj.	65.0	63.2	59.1	23.9	13.7
EV/S	1.6	2.8	2.4	1.8	1.3
EV/EBITDA	20.0	24.3	22.0	11.7	7.3

Share information

Share price (SEK)	12.2
Number of shares (m)	22.5
Market Cap (MSEK)	273
Net cash (MSEK)	3
Free float (%)	80 %
Daily turnover ('000)	60

Analysts:
 Kristoffer Lindström
 kristoffer.lindstrom@redeye.se

Important information: All information regarding limitation of liability and potential conflicts of interest can be found at the end of the report.

Redeye Rating: Background and definitions

The aim of a Redeye Rating is to help investors identify high-quality companies with attractive valuation.

Company Qualities

The aim of Company Qualities is to provide a well-structured and clear profile of a company's qualities (or operating risk) – its chances of surviving and its potential for achieving long-term stable profit growth.

We categorize a company's qualities on a ten-point scale based on five valuation keys; 1 – Management, 2 – Ownership, 3 – Profit Outlook, 4 – Profitability and 5 – Financial Strength.

Each valuation key is assessed based a number of quantitative and qualitative key factors that are weighted differently according to how important they are deemed to be. Each key factor is allocated a number of points based on its rating. The assessment of each valuation key is based on the total number of points for these individual factors. The rating scale ranges from 0 to +10 points.

The overall rating for each valuation key is indicated by the size of the bar shown in the chart. The relative size of the bars therefore reflects the rating distribution between the different valuation keys.

Management

Our Management rating represents an assessment of the ability of the board of directors and management to manage the company in the best interests of the shareholders. A good board and management can make a mediocre business concept profitable, while a poor board and management can even lead a strong company into crisis. The factors used to assess a company's management are: 1 – Execution, 2 – Capital allocation, 3 – Communication, 4 – Experience, 5 – Leadership and 6 – Integrity.

Ownership

Our Ownership rating represents an assessment of the ownership exercised for longer-term value creation. Owner commitment and expertise are key to a company's stability and the board's ability to take action. Companies with a dispersed ownership structure without a clear controlling shareholder have historically performed worse than the market index over time. The factors used to assess Ownership are: 1 – Ownership structure, 2 – Owner commitment, 3 – Institutional ownership, 4 – Abuse of power, 5 – Reputation, and 6 – Financial sustainability.

Profit Outlook

Our Profit Outlook rating represents an assessment of a company's potential to achieve long-term stable profit growth. Over the long-term, the share price roughly mirrors the company's earnings trend. A company that does not grow may be a good short-term investment, but is usually unwise in the long term. The factors used to assess Profit Outlook are: 1 – Business model, 2 – Sale potential, 3 – Market growth, 4 – Market position, and 5 – Competitiveness.

Profitability

Our Profitability rating represents an assessment of how effective a company has historically utilised its capital to generate profit. Companies cannot survive if they are not profitable. The assessment of how profitable a company has been is based on a number of key ratios and criteria over a period of up to the past five years: 1 – Return on total assets (ROA), 2 – Return on equity (ROE), 3 – Net profit margin, 4 – Free cash flow, and 5 – Operating profit margin or EBIT.

Financial Strength

Our Financial Strength rating represents an assessment of a company's ability to pay in the short and long term. The core of a company's financial strength is its balance sheet and cash flow. Even the greatest potential is of no benefit unless the balance sheet can cope with funding growth. The assessment of a company's financial strength is based on a number of key ratios and criteria: 1 – Times-interest-coverage ratio, 2 – Debt-to-equity ratio, 3 – Quick ratio, 4 – Current ratio, 5 – Sales turnover, 6 – Capital needs, 7 – Cyclicity, and 8 – Forthcoming binary events.

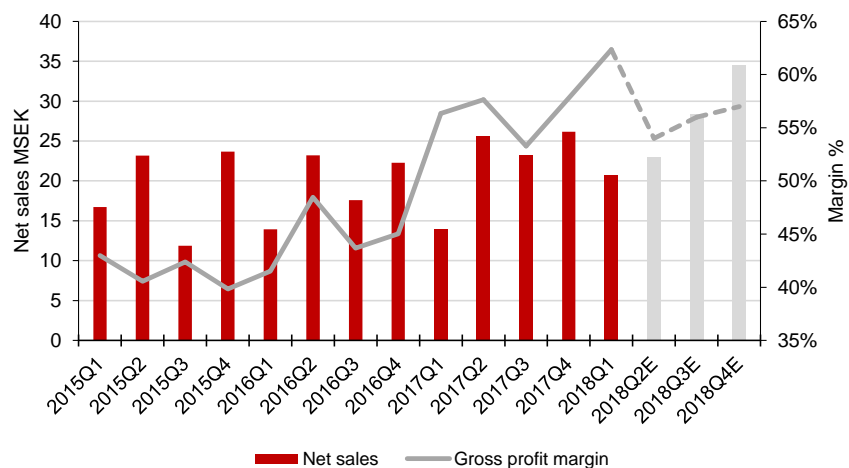
Impressive margins

Estimate vs outcome - Westpay				
MSEK	2017 Q1	2018 Q1A	2018 Q1E	Diff %
Net sales	18.0	20.8	20.3	2%
Gross profit	11.6	12.9	11.6	12%
EBITDA	3.2	2.5	1.0	150%
EBIT	2.5	1.2	-0.2	
Growth	29%	15%	12%	
<i>adj. Growth</i>		50%		
Gross profit margin	64%	62%	57%	
<i>adj. gp margin</i>		56%		
EBITDA margin	18%	12%	5%	
EBIT margin	14%	6%	-1%	

Source: Redeye Research

Westpay (former West International) showed a strong development during Q1. The sales were in line with our estimates, but with a much better result. The profit deviance was primarily due to a very strong gross margin. In Q1'17 figures, there were non-recurring items from the sale of the cash2go concept to ClearOn. Adjusted for this, growth came in at 50% and the gross margin increased by six percentage points. So the adjusted sales level during Q1'17 amounted to SEK 14m with a gross profit margin of 56%.

Westpay: Gross profit margin (%) & net sales (MSEK)



Source: Redeye Research

The reason that Westpay's gross margin strengthens and will continue to increase is:

- **Growing base of installed terminals** - As the installed base of terminals grows, service charges increase steadily. Today about 12% of the annual income is recurring.

- **Continued strengthened sales mix** - Sales of the classic Cash System equipment continue to decrease as a percentage of total revenues. As gross revenues in both Card Terminal and Self-service are far higher, the margin is further increased.
- **Improved offer in Self-service** - West has started deliver their proprietary card terminals within their self-service offering previously Ingenico was used. This leads to increased profitability on segment sales.
- **Strong Profitability on new business abroad** - In many of the overseas businesses, Westpay has a far higher service revenue than in Sweden, which will lead to a sharp rise in repetitive revenues in the future. The software business with ABSA is also an example of a deal for very good profitability. Similar business in the future may occur.

A new name and a new brand

Westpay has during the past years transformed from first being a supplier of cash registry hardware to



now being a global supplier of payment services. After the period ended the company chose to launch the brand WESTPAY and change their company name from West International. A company's name should reflect their culture and the name Westpay is more align with the fact that they are a Fintech company.

In 2017 Westpays Payment Gateway was certified and approved by the payment industry. And now the company is moving into new market regions and also online payments. We expect to see some first pilot customers at the end of the year.

Jan Lundblad enters the board

We are glad to see a really strong addition to Westpay's Board of Directors with Jan Lundblad. Jan has extensive experience from the payment industry. Mabey most notable has been his time at Payzone Nordic where he was the CEO for five years until Nets acquired the company in 2014. Payzone Nordic was Westpay's first strategic partner when they developed their new card terminals, so Jan has played a vital role in the transformation of Westpay over the years.



Gold partner to Oracle

The biggest news in the report was a bit hidden in the CEO comment. Namely, that Westpay has been appointed as a gold partner of Oracle, one of the world's largest suppliers of cash registers in trade, hotels, and restaurants. What does this mean for the company? Basically, their payment solutions have been validated approved and will be preferred by users of Oracles cash registry systems in all markets where Westpay operates.

To get a perspective on Oracle's size: The company bought Micros for USD 5.3 billion in 2014 and created Oracle Hospitality. The most recent figures we have found states that the organization has nearly 7000 employees and operating in more than 180 countries.

Becoming a Gold Partner is no easy task, and the due diligence process is extensive. In total there are seven, when counting Westpay, global Gold Partners within Hospitality – Payments in the network.

Gobal Oracle Gold Partners - Hospitality Payments	
Company	Country
Eigen Development	Canada
Sage (UK) Limited	The UK
3C Payment	The UK
PXP Solutions	The UK
Industrial and Commercial Bank of China	China
UjungInformation System	Korea
Westpay	Sweden

Source: Oracle & Redeye Research

Reaching this kind of status with such a leading player as Oracle is clearly a significant milestone for Westpay. It's obviously hard for us to project or estimate how much increased business volume the cooperation with Oracle will lead to, but it will definitely generate increased volumes in the coming years.

It takes some time abroad

Westpay continues to work strategically with its investment abroad, but it takes a bit longer than the company had hoped. Certification approval and technology implementations in new countries take a long time, this also led to substantial barriers to entry. In Norway, the company has signed to new distribution partners. In Sweden, Westpay has received many large orders from Max Burger, OpenSolution, Datorama, and Nets. In South Africa, Westpay continues to help modernize Absa Bank's branch offices. We expect to see increasing volumes from the Asian market during H2.

Next quarter estimates

Westpay states that the positive trend that they saw during Q1 has continued through the beginning of Q2 and the company continues to be confident that we will see a full year growth. According to our calculations, the announced orders with delivery during Q2 stands about 30% lower than we saw the same period last year, on the same time the recurring revenue levels continue to grow, and only larger bulk order is announced.

Next quarter - Westpay		
MSEK	2017 Q2	2018 Q2E
Net sales	25.6	23.0
Gross profit	14.8	12.4
EBITDA	4.0	0.9
EBIT	2.9	-0.4
Growth	10%	-10%
Gross profit margin	58%	54%
EBITDA margin	15%	4%
EBIT margin	11%	-2%

Source: Redeye Research

We expect to see net sales during the next quarter of SEK 23m. We expect that the underlying gross margin will continue to be strong, Q1, however, will be somewhat affected by a little weaker sales mix. The company will deliver two cash equipment order to ABSA Bank and Bangkok Bank with a value of about SEK 6m, the cash equipment deals is good money but at lower margins. Westpay is a growing company and continues to build the organization for further growth. The fulltime employees amounted to 34 at the end of Q1; this is an increase of 36%. As many of the new members of the staff are yet to "bear" their cost, we believe the SG&A in relation to sales will increase. Our assumptions lead to a projected EBIT slightly below zero. The true value in Westpay lies in the international markets; we believe we will see increasing volumes during H2'18.

Investment case

Case summary:

- **Global expansion not yet discounted:** Today's valuation indicates that the market has not yet understood the opportunities with the expansion abroad and the sales growth and profitability that it will lead to.
- **Moving up the value chain leads to improved profitability:** The company invests in its technical platform, which means that West will soon be able to make money on transaction volumes, which will lead to increased profitability and the possibility of more rapid international expansion.
- **High entry barriers:** Westpay operates in a market where there are major obstacles for new companies to establish themselves. Primary competitive advantages are heavy technology investments, long start-up times in new markets and lock-in effects.

Moving up the value chain

Westpay is a company that has changed sharply in recent years. Thanks to investments in the Card Terminal segment, the company has significantly improved its profitability in terms of a gross margin expansion. The company has managed to achieve significant traction with their competitive offering and is now one of the largest PoS suppliers in Sweden. Westpay's Card Terminals are at the forefront of technology, security, and function and are competitively priced. We believe that the company has excellent opportunities to continue to gain market share in Sweden and we see a strong expansion abroad in the coming years. The international development and the launched payment gateway will lead to increased profitability as the company takes a step in the value chain.

High barriers to entry

In Sweden, in addition to Westpay, there are only 3-4 other players in the Card Terminal market. The most prominent player is Verifone and Ingenico is number two. These two players strongly dominate the world market. One of the main reasons why there are only a few players in such a big market is that existing players, such as Westpay, are protected by high barriers to entry. The regulatory requirements on Card Terminals are very high. The terminals must be approved according to the card companies regulations and a number of regional and international safety standards. This creates real barriers to entry. There is also a strong lock-in effect with customers, which creates high switching costs. Customers to West are PSPs. A PSP has developed software in the form of a gateway that needs to be integrated with the software in the card terminal provided by Westpay; then they must be certified together according to different security standards. After a PSP, which sells the terminal to merchants, has begun to sell a terminal from a

supplier, they would prefer to avoid changing it. This leads to a lock-in effect on West's customers as they do not like to change a supplier of terminals.

Expansion abroad drives growth

West has a clear goal and strategy with international expansion. The company has already established itself in a number of geographic markets where sales potential is high and entered strategic partnerships. We believe the expansion in new markets regions will be the most significant driver of growth the coming years.

We believe that the stock market has not yet revealed how much sales potential is actually at Westpay. The company is still relatively undiscovered, in particular, it has gone a long way since one of Sweden's largest card terminals supplier is a small company listed on First North.

Counter-arguments (Bear points)

- Risk of relying on a partner: Westpay's expansion abroad is clearly dependent on their partners succeeding as the company has no own sales in the new markets. The company cannot control the amount of effort the partner makes.
- New regulations can affect and change: The banking industry as a whole undergoes a number of changes. New laws and regulations may lead to complications in the establishment of new markets or possibly simplification for competitors.
- Subdued technology investments: Continued investment in payment infrastructure is important to Westpay. Should the economic decline, there is a risk that planned expenditures by West end customers will be postponed in the future.

Valuation – Base-case

We make some changes to our projections, but reiterate our Base-case valuation of **18 SEK** per share. In this scenario, we assume a sales CAGR of 18% and an average EBIT margin of 19% during our forecast period. Furthermore, we assume that the margin is expanding, as the company's business model within Card Terminals is scalable, and amounts to 24% in the terminal phase. We use a terminal growth of FCF at 2%. However, in our forecasts, we are still quite conservative regarding volumes from the international expansion.

West International Base-case			
Assumptions	2018-27	DCF-value	
CAGR Sales	18%	WACC	11.9%
EBIT margin (avg)	19%	Net present value FCF	157
		Net present value of Terminal	233
Terminal			
Terminal growth FCF	2.0%	EV	390
Terminal EBIT margin	24%	Net cash	12
Exit EV/EBIT multiple	7x	Value minorities	0
		Dividend corr.	0
		DCF-value	402
		Estimated Fair value	18
		Today's share price	12.2
		Potential/Risk	47%

Source: Redeye Research

Relative valuation

A relative valuation of Westpay is not simple. Primarily because there are no listed competitors or similar companies in Sweden and the public competitors such as Ingenico, Verifone and Pax are much larger. iZettle, acquired by PayPal, would have been a nice addition. Even though Square is not directly comparable and has a different focus we choose to include them. We believe that such high growth the West will experience should be valued higher. Westpay is still early in their growth trajectory, so it is somewhat misleading to focus on the current year's earnings.

Peer valuation West International (MSEK)									
Bolag	EV	EV/Sales		EV/EBITDA		Sales CAGR		EBITDA margin	
		2018E	2019E	2018E	2019E	2018E	2019E	2018E	2019E
Square	200 232	15.9x	12.0x	90.0x	52.5x	-34%	32%	18%	23%
Ingenico	59 213	2.1x	2.0x	10.6x	9.7x	17%	7%	20%	20%
Verifone	27 779	1.8x	1.7x	11.3x	10.7x	-4%	5%	16%	16%
Cardtronics	16 987	1.5x	1.5x	7.5x	7.2x	-12%	2%	20%	21%
PAX	2 549	0.6x	0.5x	4.1x	3.4x	14%	13%	14%	15%
Medel	76 053	4.4x	3.5x	24.7x	16.7x	-8%	11%	18%	20%
Median	43 496	1.8x	1.7x	10.6x	9.7x	-8%	6%	19%	20%
West International	258	2.4x	1.8x	21.7x	11.6x	15%	34%	11%	15%

Source: Bloomberg & Redeye Research

Bull- and Bear-case valuation

Our value range amounts to SEK 7-29 per share with a Base-case of 18 SEK.

Bear-case

In our Bear-case, we use the assumption that the company's international expansion does not work out that well, and only contributes to modest growth in sales. We assume that the company continues to grow slightly in Sweden and then mature at a 15 percent market share then grow by around 4 percent per year. In this scenario, we assume that competition is increasing, which pushes margins and growth opportunities. Our motivated value in Bear case amounts to SEK 7 per share.

West International Bear-case			
Assumptions	2018-27	DCF-value	
CAGR Sales	10%	WACC	11.9%
EBIT margin (avg)	10%	Net present value FCF	47
		Net present value of Terminal	90
Terminal			
Terminal growth FCF	2.0%	EV	137
Terminal EBIT margin	18%	Net cash	12
Exit EV/EBIT multiple	7x	Value minorities	0
		Dividend corr.	0
		DCF-value	149
		Estimated Fair value	7
		Today's share price	12.2
		Potential/Risk	-45%

Source: Redeye Research

Bul- case

In our Bull-case, we assume that the company succeeds faster in gaining market share in the new geographical growth areas as well as successful re-investments into the online venture. This scenario requires higher CAPEX as this expansion costs money in terms of development, but this is weighed up thanks to the rapid growth and improved margins. In this scenario, we expect Westpay to be re-evaluated more as a "FinTech company". We estimate that the company can reach EBIT margins of 28% in its maturation phase, which is in line with more mature FinTech companies. Our motivated value in Bull case amounts to SEK 29 per share.

West International Bull-case			
Assumptions	2018-27	DCF-value	
CAGR Sales	21%	WACC	11.9%
EBIT margin (avg)	26%	Net present value FCF	267
		Net present value of Terminal	366
Terminal			
Terminal growth FCF	2.0%	EV	633
Terminal EBIT margin	28%	Net cash	12
Exit EV/EBIT multiple	7x	Value minorities	0
		Dividend corr.	0
		DCF-value	645
		Estimated Fair value	29
		Today's share price	12.2
		Potential/Risk	136%

Source: Redeye Research

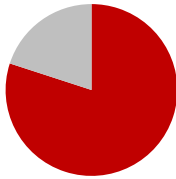
Summary Redeye Rating

The rating consists of five valuation keys, each constituting an overall assessment of several factors that are rated on a scale of 0 to 2 points. The maximum score for a valuation key is 10 points.

Rating changes in the report

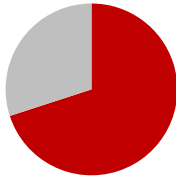
No changes in Rating.

Management 8.0p



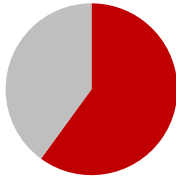
The ownership structure in Westpay is another of the company's main strengths. The high rating is mainly because both the board and the management of the company have major ownership in the company. The Board and the CEO together hold close to 25 percent of the capital. We find this as positive as it contributes to a shareholder-friendly focus. Of course, we would like to see institutions as major owners, but we are aware that for a company of Westpays' size rarely gets that kind of owner.

Ownership 7.0p



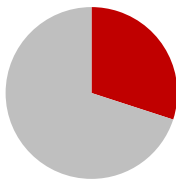
We find the opportunities for growth to be very strong for the company. Future focus will be on Card Terminals where the company has a great opportunity to take further market shares and launch their terminals internationally, and the new Online offering should warrant strong opportunities ahead. The company is number three in Sweden, but the market share is not directly large compared to Verifone and Ingenico. We have identified two different types of sustainable competitive advantages that protect the company. Partly regulatory barriers that block new entrants from entering the market as well as lock-in effects of Westpay's customers due to development costs at PSPs and Cash System suppliers.

Profit outlook 6.0p



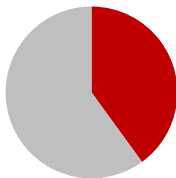
Westpay has experienced a favorable development in recent years, which has led to increasingly improved profitability. However, the rating score is relatively low since our profitability rating primarily looks at the history and is not forward-looking. We will increase our rating as the company continues to deliver improving results.

Profitability 3.0p



Westpay has experienced a favorable development in recent years, which has led to increasingly improved profitability. However, the rating score is relatively low since our profitability rating primarily looks at the history and is not forward-looking. We will increase our rating as the company continues to deliver improving results.

Financial strength 4.0p



Westpay's financial strength is considered to be good. The company has a diversified customer portfolio, and are entering both new market regions and verticals within the payment space.

Income statement	2016	2017	2018E	2019E	2020E
Net sales	77	93	107	144	190
Total operating costs	-71	-83	-95	-122	-156
EBITDA	6	11	12	22	34
Depreciation	0	0	-1	-1	-1
Amortization	-3	-4	-5	-6	-7
Impairment charges	0	0	0	0	0
EBIT	3	6	6	15	27
Share in profits	0	0	0	0	0
Net financial items	0	0	0	0	0
Exchange rate dif.	0	0	0	0	0
Pre-tax profit	3	6	6	15	26
Tax	-1	-2	-1	-3	-6
Net earnings	2	4	5	12	21

Balance	2016	2017	2018E	2019E	2020E
Assets					
<i>Current assets</i>					
Cash in banks	19	12	12	14	23
Receivables	9	18	21	29	38
Inventories	19	23	26	35	42
Other current assets	3	0	0	0	0
Current assets	51	54	60	78	103
<i>Fixed assets</i>					
Tangible assets	1	1	1	1	1
Associated comp.	0	0	0	0	0
Investments	0	0	0	0	0
Goodwill	0	0	0	0	0
Cap. exp. for dev.	0	0	0	0	0
O intangible rights	8	11	13	18	23
O non-current assets	0	0	0	0	0
Total fixed assets	9	13	14	18	24
Deferred tax assets	4	2	2	2	2
Total (assets)	64	68	76	98	129

Liabilities					
<i>Current liabilities</i>					
Short-term debt	0	0	0	1	0
Accounts payable	24	24	27	36	48
O current liabilities	3	0	0	0	0
Current liabilities	27	24	27	37	48
Long-term debt	0	0	0	0	0
O long-term liabilities	0	0	0	0	0
Convertibles	0	0	0	0	0
Total Liabilities	27	24	27	37	48
Deferred tax liab	0	0	0	0	0
Provisions	0	2	2	2	2
Shareholders' equity	36	42	47	59	79
Minority interest (BS)	0	0	0	0	0
Minority & equity	36	42	47	59	79
Total liab & SE	64	68	76	98	129

Free cash flow	2016	2017	2018E	2019E	2020E
Net sales	77	93	107	144	190
Total operating costs	-71	-83	-95	-122	-156
Depreciations total	-3	-4	-6	-7	-8
EBIT	3	6	6	15	27
Taxes on EBIT	0	0	0	0	0
NOPLAT	3	6	6	15	27
Depreciation	3	4	6	7	8
Gross cash flow	6	11	12	22	34
Change in WC	3	-13	-3	-7	-5
Gross CAPEX	-6	-8	-8	-11	-14
Free cash flow	4	-10	1	4	16

Capital structure	2016	2017	2018E	2019E	2020E
Equity ratio	56%	62%	62%	60%	61%
Debt/equity ratio	0%	0%	0%	2%	0%
Net debt	-19	-12	-12	-13	-23
Capital employed	17	30	35	46	57
Capital turnover rate	1.2	1.4	1.4	1.5	1.5

Growth	2016	2017	2018E	2019E	2020E
Sales growth	2%	21%	15%	34%	32%
EPS growth (adj)	295%	99%	8%	147%	75%

DCF valuation		Cash flow, MSEK	
WACC (%)	11.9 %	NPV FCF (2018-2020)	8
		NPV FCF (2021-2027)	150
		NPV FCF (2028-)	247
		Non-operating assets	12
		Interest-bearing debt	0
		Fair value estimate MSEK	417
Assumptions 2017-2023 (%)		Fair value e. per share, SEK	18
Average sales growth	21.4 %	Share price, SEK	12.2
EBIT margin	14.7 %		

Profitability	2016	2017	2018E	2019E	2020E
ROE	8%	11%	11%	22%	30%
ROCE	11%	16%	14%	28%	38%
ROIC	15%	37%	20%	44%	58%
EBITDA margin	8%	11%	11%	15%	18%
EBIT margin	4%	7%	6%	11%	14%
Net margin	3%	5%	4%	8%	11%

Data per share	2016	2017	2018E	2019E	2020E
EPS	0.10	0.19	0.21	0.51	0.89
EPS adj	0.10	0.19	0.21	0.51	0.89
Dividend	0.00	0.00	0.00	0.00	0.00
Net debt	-0.82	-0.53	-0.53	-0.56	-0.98
Total shares	23.28	23.28	23.28	23.28	23.28

Valuation	2016	2017	2018E	2019E	2020E
EV	120.4	257.7	260.9	260.4	250.5
P/E	65.0	63.2	59.1	23.9	13.7
P/E diluted	65.0	63.2	59.1	23.9	13.7
P/Sales	1.9	3.0	2.6	2.0	1.5
EV/Sales	1.6	2.8	2.4	1.8	1.3
EV/EBITDA	20.0	24.3	22.0	11.7	7.3
EV/EBIT	39.1	40.7	43.3	17.2	9.5
P/BV	3.9	6.4	5.8	4.7	3.4

Share performance		Growth/year	15/17e
1 month	12.5 %	Net sales	18.0 %
3 month	-6.5 %	Operating profit adj	39.8 %
12 month	20.3 %	EPS, just	46.7 %
Since start of the year	-12.3 %	Equity	14.1 %

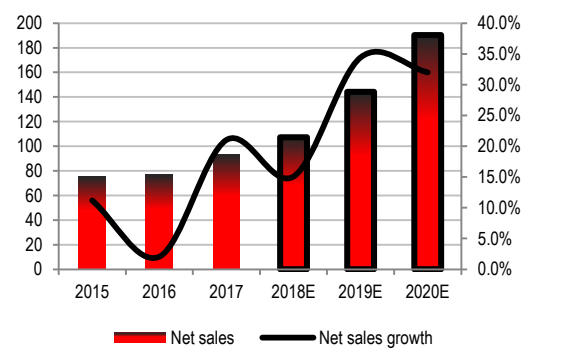
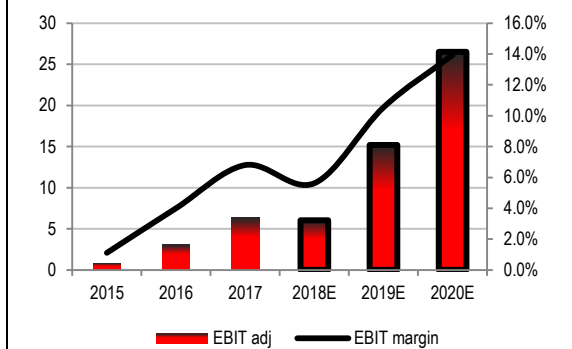
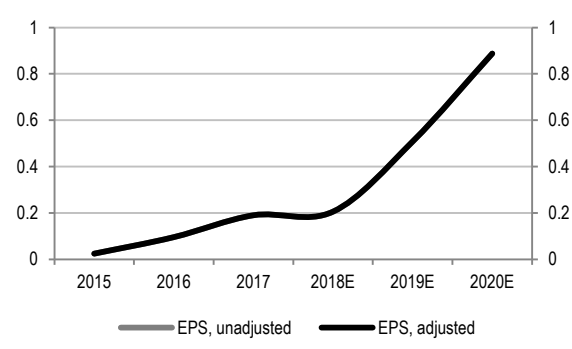
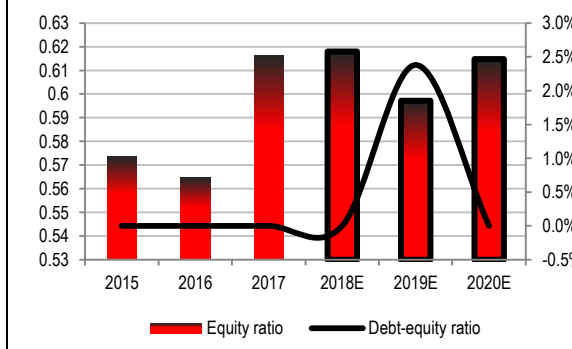
Shareholder structure %	Capital	Votes
Nordnet Pensionsförsäkring	16.6 %	16.6 %
Avanza Pension	8.3 %	8.3 %
Malte Roggentin	8.3 %	8.3 %
Per Jörgen Roland Nordlund (med bolag)	5.9 %	5.9 %
Göran Sparrdal	4.7 %	4.7 %
Ejderholmen AB	3.2 %	3.2 %
Sten Karlsson (med bolag)	3.0 %	3.0 %
Elementa	2.8 %	2.8 %
Roger Andersson	2.4 %	2.4 %

Share information	
Reuters code	
List	
Share price	12.2
Total shares, million	22.5
Market Cap, MSEK	273.4

Management & board	
CEO	Sten Karlsson
CFO	Lars Levin
IR	
Chairman	Christina Detlefsen

Financial information

Analysts	Redeye AB
Kristoffer Lindström	Mäster Samuelsgatan 42, 10tr
kristoffer.lindstrom@redeye.se	111 57 Stockholm

Revenue & Growth (%)	EBIT (adjusted) & Margin (%)																																										
 <table border="1"> <caption>Revenue & Growth (%) Data</caption> <thead> <tr> <th>Year</th> <th>Net sales</th> <th>Net sales growth</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>~75</td> <td>~10%</td> </tr> <tr> <td>2016</td> <td>~75</td> <td>~0%</td> </tr> <tr> <td>2017</td> <td>~95</td> <td>~25%</td> </tr> <tr> <td>2018E</td> <td>~110</td> <td>~15%</td> </tr> <tr> <td>2019E</td> <td>~145</td> <td>~30%</td> </tr> <tr> <td>2020E</td> <td>~190</td> <td>~35%</td> </tr> </tbody> </table>	Year	Net sales	Net sales growth	2015	~75	~10%	2016	~75	~0%	2017	~95	~25%	2018E	~110	~15%	2019E	~145	~30%	2020E	~190	~35%	 <table border="1"> <caption>EBIT (adjusted) & Margin (%) Data</caption> <thead> <tr> <th>Year</th> <th>EBIT adj</th> <th>EBIT margin</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>~1</td> <td>~2%</td> </tr> <tr> <td>2016</td> <td>~3</td> <td>~4%</td> </tr> <tr> <td>2017</td> <td>~6</td> <td>~7%</td> </tr> <tr> <td>2018E</td> <td>~6</td> <td>~6%</td> </tr> <tr> <td>2019E</td> <td>~15</td> <td>~12%</td> </tr> <tr> <td>2020E</td> <td>~26</td> <td>~14%</td> </tr> </tbody> </table>	Year	EBIT adj	EBIT margin	2015	~1	~2%	2016	~3	~4%	2017	~6	~7%	2018E	~6	~6%	2019E	~15	~12%	2020E	~26	~14%
Year	Net sales	Net sales growth																																									
2015	~75	~10%																																									
2016	~75	~0%																																									
2017	~95	~25%																																									
2018E	~110	~15%																																									
2019E	~145	~30%																																									
2020E	~190	~35%																																									
Year	EBIT adj	EBIT margin																																									
2015	~1	~2%																																									
2016	~3	~4%																																									
2017	~6	~7%																																									
2018E	~6	~6%																																									
2019E	~15	~12%																																									
2020E	~26	~14%																																									
Earnings per share	Equity & debt-equity ratio (%)																																										
 <table border="1"> <caption>Earnings per share Data</caption> <thead> <tr> <th>Year</th> <th>EPS, unadjusted</th> <th>EPS, adjusted</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>~0.05</td> <td>~0.05</td> </tr> <tr> <td>2016</td> <td>~0.10</td> <td>~0.10</td> </tr> <tr> <td>2017</td> <td>~0.18</td> <td>~0.18</td> </tr> <tr> <td>2018E</td> <td>~0.20</td> <td>~0.20</td> </tr> <tr> <td>2019E</td> <td>~0.45</td> <td>~0.45</td> </tr> <tr> <td>2020E</td> <td>~0.85</td> <td>~0.85</td> </tr> </tbody> </table>	Year	EPS, unadjusted	EPS, adjusted	2015	~0.05	~0.05	2016	~0.10	~0.10	2017	~0.18	~0.18	2018E	~0.20	~0.20	2019E	~0.45	~0.45	2020E	~0.85	~0.85	 <table border="1"> <caption>Equity & debt-equity ratio (%) Data</caption> <thead> <tr> <th>Year</th> <th>Equity ratio</th> <th>Debt-equity ratio</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>~0.57</td> <td>~0.0%</td> </tr> <tr> <td>2016</td> <td>~0.56</td> <td>~0.0%</td> </tr> <tr> <td>2017</td> <td>~0.61</td> <td>~0.0%</td> </tr> <tr> <td>2018E</td> <td>~0.62</td> <td>~0.0%</td> </tr> <tr> <td>2019E</td> <td>~0.59</td> <td>~2.5%</td> </tr> <tr> <td>2020E</td> <td>~0.62</td> <td>~0.0%</td> </tr> </tbody> </table>	Year	Equity ratio	Debt-equity ratio	2015	~0.57	~0.0%	2016	~0.56	~0.0%	2017	~0.61	~0.0%	2018E	~0.62	~0.0%	2019E	~0.59	~2.5%	2020E	~0.62	~0.0%
Year	EPS, unadjusted	EPS, adjusted																																									
2015	~0.05	~0.05																																									
2016	~0.10	~0.10																																									
2017	~0.18	~0.18																																									
2018E	~0.20	~0.20																																									
2019E	~0.45	~0.45																																									
2020E	~0.85	~0.85																																									
Year	Equity ratio	Debt-equity ratio																																									
2015	~0.57	~0.0%																																									
2016	~0.56	~0.0%																																									
2017	~0.61	~0.0%																																									
2018E	~0.62	~0.0%																																									
2019E	~0.59	~2.5%																																									
2020E	~0.62	~0.0%																																									
Sales division	Geographical areas																																										
Conflict of interests	Company description																																										
<p>Kristoffer. Lindström. owns shares in the company Westpay : Yes</p> <p>Redeye performs/have performed services for the Company and receives/have received compensation from the Company in connection with this.</p>	<p>Westpay delivers smart transaction and payment solutions that help the company's customers to streamline trade in physical environments. Customers consist of system integrators, distributors and end customers in the areas of trade and tourism. Westpay was founded in 1988 and is listed on Nasdaq OMX First North since 2007. Headquartered in Upplands Väsby, there are more than 30 employees in sales, project management, development, purchasing, warehouse and service.</p>																																										

DISCLAIMER**Important information**

Redeye AB ("Redeye" or "the Company") is a specialist financial advisory boutique that focuses on small and mid-cap growth companies in the Nordic region. We focus on the technology and life science sectors. We provide services within Corporate Broking, Corporate Finance, equity research and investor relations. Our strengths are our award-winning research department, experienced advisers, a unique investor network, and the powerful distribution channel redeye.se. Redeye was founded in 1999 and since 2007 has been subject to the supervision of the Swedish Financial Supervisory Authority.

Redeye is licensed to; receive and transmit orders in financial instruments, provide investment advice to clients regarding financial instruments, prepare and disseminate financial analyses/recommendations for trading in financial instruments, execute orders in financial instruments on behalf of clients, place financial instruments without position taking, provide corporate advice and services within mergers and acquisition, provide services in conjunction with the provision of guarantees regarding financial instruments and to operate as a Certified Advisory business (ancillary authorization).

Limitation of liability

This document was prepared for information purposes for general distribution and is not intended to be advisory. The information contained in this analysis is based on sources deemed reliable by Redeye. However, Redeye cannot guarantee the accuracy of the information. The forward-looking information in the analysis is based on subjective assessments about the future, which constitutes a factor of uncertainty. Redeye cannot guarantee that forecasts and forward-looking statements will materialize. Investors shall conduct all investment decisions independently. This analysis is intended to be one of a number of tools that can be used in making an investment decision. All investors are therefore encouraged to supplement this information with additional relevant data and to consult a financial advisor prior to an investment decision. Accordingly, Redeye accepts no liability for any loss or damage resulting from the use of this analysis.

Potential conflict of interest

Redeye's research department is regulated by operational and administrative rules established to avoid conflicts of interest and to ensure the objectivity and independence of its analysts. The following applies:

- For companies that are the subject of Redeye's research analysis, the applicable rules include those established by the Swedish Financial Supervisory Authority pertaining to investment recommendations and the handling of conflicts of interest. Furthermore, Redeye employees are not allowed to trade in financial instruments of the company in question, effective from 30 days before its covered company comes with financial reports, such as quarterly reports, year-end reports, or the like, to the date Redeye publishes its analysis plus two trading days after this date.
- An analyst may not engage in corporate finance transactions without the express approval of management, and may not receive any remuneration directly linked to such transactions.
- Redeye may carry out an analysis upon commission or in exchange for payment from the company that is the subject of the analysis, or from an underwriting institution in conjunction with a merger and acquisition (M&A) deal, new share issue or a public listing. Readers of these reports should assume that Redeye may have received or will receive remuneration from the company/companies cited in the report for the performance of financial advisory services. Such remuneration is of a predetermined amount and is not dependent on the content of the analysis.

Redeye's research coverage

Redeye's research analyses consist of case-based analyses, which imply that the frequency of the analytical reports may vary over time. Unless otherwise expressly stated in the report, the analysis is updated when considered necessary by the research department, for example in the event of significant changes in market conditions or events related to the issuer/the financial instrument.

Recommendation structure

Redeye does not issue any investment recommendations for fundamental analysis. However, Redeye has developed a proprietary analysis and rating model, Redeye Rating, in which each company is analyzed and evaluated. This analysis aims to provide an independent assessment of the company in question, its opportunities, risks, etc. The purpose is to provide an objective and professional set of data for owners and investors to use in their decision-making.

Redeye Rating (2018-06-07)

Rating	Management	Ownership	Profit outlook	Profitability	Financial Strength
7,5p - 10,0p	45	44	17	10	20
3,5p - 7,0p	78	70	107	35	47
0,0p - 3,0p	15	24	14	93	71
Company N	138	138	138	138	138

Duplication and distribution

This document may not be duplicated, reproduced or copied for purposes other than personal use. The document may not be distributed to physical or legal entities that are citizens of or domiciled in any country in which such distribution is prohibited according to applicable laws or other regulations.

Copyright Redeye AB.