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Results Reaction	IT/Technology	Denmark	24 February 2021
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## **Q4: a solid quarter as expected, 2021 guidance looks encouraging**

**Q4 results came in with sales and gross profit in line with our expectation but EBIT 6% above our estimate. The company is guiding sales growth of 10-20% for 2021, higher than our expectation at 10%. EBIT guidance at USD 9-15m vs. SEB 13m. Overall a solid quarter and we are looking into small estimate revisions.**

### **Outcome: No big drama in the numbers, but disclosed Datacenter revenue looks encouraging**

Q4 sales and gross profit in line with our expectation and EBIT at USD 5.6m, 6% higher than our estimate at USD 5.3m. Q4 EBIT was negatively impacted by asset write-down related to cancellation of a development project. Adjusted for this, the Q4 EBIT would have been slightly higher. When looking into the revenue mix for 2020, Asetek's Datacenter business delivered USD 8m revenue, which was at record high also higher than our expectation at USD 6m. We recognise the lumpiness in this business unit, but continued strong momentum in its order book looks encouraging for 2021.

### **Conference call details: on 4 March**

No conference call today but the company will host its Q4 results and capital market update on 4 March.

#### Q4 deviation from estimates

	Q4/20	Deviation SEB			Q4/19		Q3/20	
	Actual	SEB	Abs	Rel (%)	Actual	y/y	Actual	q/q
<b>Netsales</b>	27.9	27.8	0	0%	15.7	78%	21.6	29%
% change, yr-on-yr	78	77.3			-5.1		108.2	
<b>COGS</b>	-15.5	-15.4			-8.9		-11.6	
<b>Gross profit</b>	12.4	12.4	0	0%	6.7	84%	10.1	23%
<b>Gross margin (%)</b>	44.3	44.7			42.9		46.5	
<b>OPEX</b>								
R&D expenses	-1.8	-1.9			-1.2		-1.5	
- as % of sales	6.3	6.7			7.6		6.7	
SG&A costs	-5.0	-5.3			-4.4		-4.4	
- as % of sales	17.9	18.9			27.9		20.1	
<b>EBIT</b>	5.6	5.3	0	6%	1.2	381%	4.3	31%
EBIT margin (%)	20.0	19.1			7.4		19.7	
EBIT growth (%)	381	354.9			-1.8		-452.9	
Net financials	-0.8	0.8			-0.3		-0.6	
<b>PTP</b>	4.8	6.0	-1	-20%	0.8	489%	3.7	32%
Taxes	1.3	-3.8			-1.9		-1.2	
Tax rate (%)	-27.0	62.6			231.5		33.2	
<b>Net income from continuing activities</b>	6.1	2.3	4	171%	-1.1	n.m.	2.4	152%

Source: SEB

#### Financial guidance vs. SEB estimates

##### Financial guidance

##### Long term

Sales growth:	Average 15%	
<b>2021</b>	<b>Company</b>	<b>SEB</b>
Sales growth (%):	10-20	10.2
Gross margin (%):	lower than 47%	47.4
EBIT (USDm):	9-15	13

Source: SEB, Asetek

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