

Asetek

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Company Comment	IT/Technology	Denmark	08 June 2023
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Significant guidance upgrade for 2023

Asetek released a guidance upgrade last night. The company now expects revenue growth of 25-35% (previously 5-15%) and EBIT of USD 5-7m (previously USD 2-4m). The guidance upgrade is significant. Applying the mid-point of the new guidance range, our EBIT estimates would increase by 70%+ for 2023. The shares are likely to outperform today on the back of this massive profit upgrade.

Gaming market improvement and product launches triggered the profit upgrade

Asetek explains that the higher sales expectation is driven by increased sales after industry inventory adjustments, product launches and positive feedback and firm orders received from a recent trade show in Taiwan.

We currently assume 15% revenue growth and USD 3.4m EBIT for 2023. Applying the mid-point of the new guidance range, our EBIT estimates would increase by 70%+ for 2023, but the revisions would be less for the long term.

Company guidance vs. SEB estimates

Financial guidance for 2023

	New guidance	Previous guidance	SEB
Sales growth (%):	25-35	5-15	15
Gross margin (%):	n.a.	n.a.	44.1
Operating income (USDm):	5-7	2-4	3.4

Source: Asetek, SEB

Key figures

(USDm)	2022	2023E	2024E	2025E
Revenues (m)	51	58	71	82
Adj. EBIT	(5)	3	8	11
PTP (m)	(6)	3	7	11
EPS	(0.17)	0.03	0.06	0.08
EPS (adjusted)	(0.17)	0.03	0.06	0.08
DPS	0.00	0.00	0.00	0.00
Revenue growth (%)	(36.5)	15.0	21.3	15.7
EPS growth (%)	n.a.	n.a.	119.0	n.a.
Operating margin (%)	(10.7)	5.8	10.9	13.6
ROCE (%)	(9.3)	4.3	8.0	10.8
Net Debt/EBITDA (x)	(10.4)	1.9	1.3	0.6
PER (adjusted)	(3.6)	17.0	7.8	5.3
Dividend yield (%)	0.0	0.0	0.0	0.0
Free Cash Flow Yield (%)	(216.4)	(50.0)	(3.7)	13.2
P/BV (x)	0.4	0.7	0.6	0.6
EV/EBIT (x)	(5.5)	17.8	7.9	4.9
EV/Sales (x)	0.59	1.03	0.86	0.66

Source: SEB

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