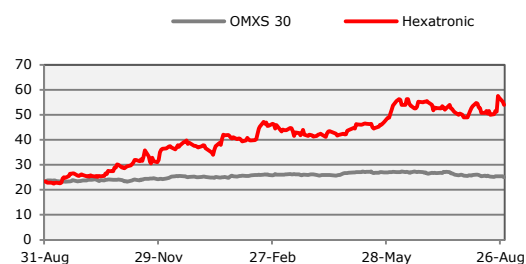


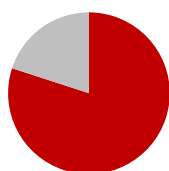
Summary
Hexatronic (HTRO)
The high demand continues

- Compared to last year Hexatronic grew their sales by 26%, of which 13% was organic. The sales figures were almost spot on to our estimates. A favorable sales mix with submarine cable deliveries and scale advantages lead to an impressive EBITDA margin of 14.2%. A large order book at the end of June indicates a strong quarter to come.
- The demand for optical fiber, the glass used in fiber cables, remains high and there is a global shortage of the raw material. The supply squeeze is a limiting factor. However, Hexatronic states they have secured the supply for 2017 and higher volumes for 2018.
- We have adjusted our long-term estimates of growth and margins slightly upwards. Our new Estimated Fair value amounts to 64 (57) SEK per share.

List:
 Market Cap: 2,042 MSEK
 Industry: Telecommunication Equipment
 CEO: Henrik Larsson Lyon
 Chairman: Anders Persson

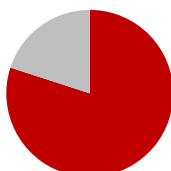

Redeye Rating (0 – 10 points)

Management



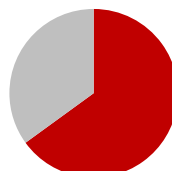
8.0 points

Ownership



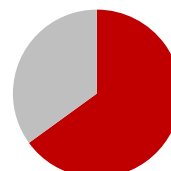
8.0 points

Profit outlook



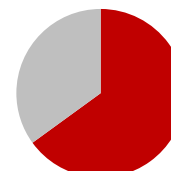
6.5 points

Profitability



6.5 points

Financial strength



6.5 points

Key Financials

	2015	2016	2017E	2018E	2019E
Revenue, MSEK	627	1,032	1,334	1,542	1,774
Growth	0%	65%	29%	16%	15%
EBITDA	64	110	172	206	240
EBITDA margin	10%	11%	13%	13%	14%
EBIT	50	89	137	165	199
EBIT margin	8%	9%	10%	11%	11%
Pre-tax earnings	49	70	123	150	192
Net earnings	37	54	95	117	148
Net margin	6%	5%	7%	8%	8%
Dividend/Share	0.00	0.00	0.29	0.00	0.00
EPS adj.	1.09	1.61	2.54	3.11	3.96
P/E adj.	10.0	13.9	22.2	18.2	14.3
EV/S	0.5	0.8	1.6	1.4	1.2
EV/EBITDA	5.3	7.5	12.5	10.3	8.6

Share information

Share price (SEK)	56.5
Number of shares (m)	36.1
Market Cap (MSEK)	2,042
Net debt (MSEK)	105
Free float (%)	77 %
Daily turnover ('000)	50

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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.

Massive order book

Estimate vs. Outcome				
MSEK	2016Q2	2017Q2E	2017Q2	Diff
Net sales	275	335	346	3%
other income	0.2	1.0	0.3	
COGS	-159	-184	-190	3%
Gross Profit	116	152	156	3%
SG&A	-86	-110	-107	-3%
EBITDA	31	41	49	19%
Net sale Growth %		22%	26%	
Gross Profit margin %	42%	45%	45%	
EBITDA margin %	11.3%	12.3%	14.2%	

Source: Hexatronic Group & Redeye Research

Compared to last year Hexatronic grew their sales by 26%, of which 13% was organic. The sales figures were almost spot on to our estimates. A favorable sales mix with submarine cable deliveries and scale advantages lead to an impressive EBITDA margin of 14.2%. The company continues to invest for the future and has increased their number of employees in sales, engineering, and production. The focus on recruit talent likely dampens the current profitability levels to some degree.

Optical fiber supply squeeze

The demand for optical fiber, the glass used in fiber cables, remains high and there is a global shortage of the raw material. The supply squeeze is a limiting factor. However, Hexatronic states they have secured the supply for 2017 and higher volumes for 2018.

The major manufacturers of the optical fiber are investing heavily to boost their production capacity, which is good as there seems to be no slowdown in the market. According to Research and Markets, the fiber optics market size is projected to reach USD 5.0 billion by 2021 at a CAGR of 9.8%. As we have previously discussed the primary driver for the fiber market is the increasing demand for the Internet, FTTx networks, and 5G rollouts.

Low cash flow, but no worries

Cash flow during the period amounted to SEK -5.6m, compared to an EBIT result of SEK 42m this is low. However, the negative cash flow is an effect of the significant surge in orders and future deliveries the company has built up the working capital. Accountant receivables rose by roughly SEK 49m compared to the last quarter; the built up will “come” back after the massive order book is delivered.

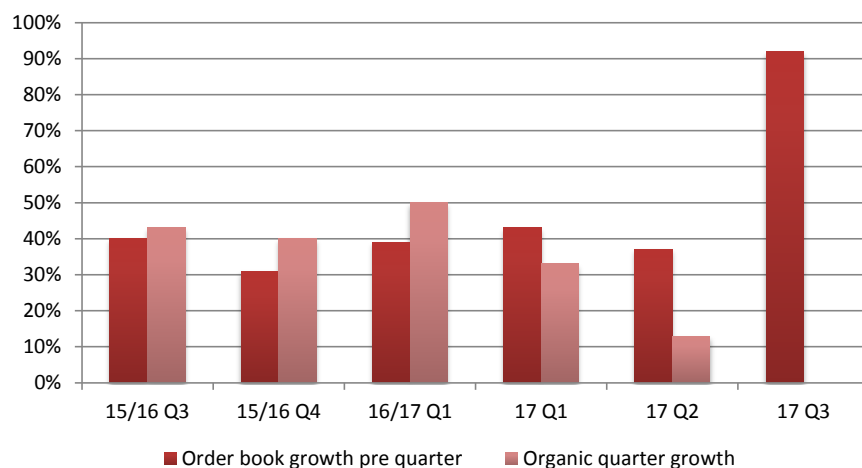
Changes in management roles

It has been relatively quiet on the news front from Hexatronic during the summer, but just prior the release of the report the company presented some changes in their management structure. Martin Åberg, currently CEO of Proximion AB, is appointed Deputy CEO of Hexatronic Group AB with responsibility for The Group's acquisition activities. Martin will also continue in his role as CEO of Proximion AB. .

Håkan Bäckström, former Deputy CEO of Hexatronic Cables & Interconnect Systems AB ("HCI") is replacing Henrik Larsson Lyon as CEO of HCI. Henrik will now focus solely on his role as CEO of Hexatronic Group AB. The change in the management team was in our view expected as the company is growing heavily and Henrik must concentrate on his role as the Group's CEO.

Estimates for H2 2017

Order book growth pre-quarter and actual quarter growth

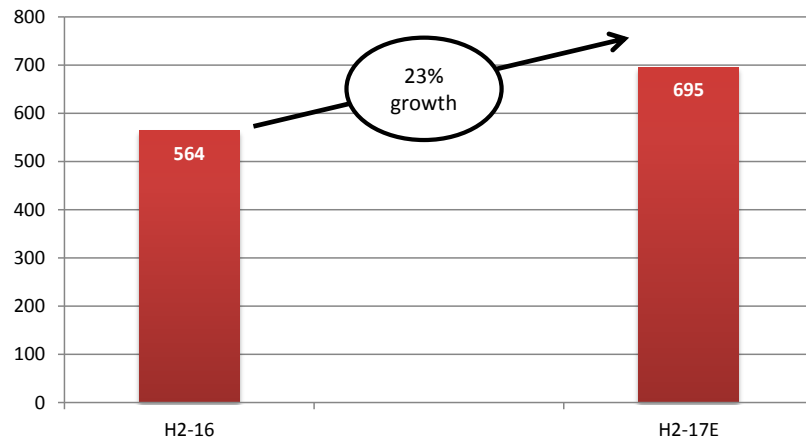


Source: Redeye Research

At the beginning of Q3, the order book stood 92% higher than the same period last year. Hexatronic states that some of their customers have placed their order further in advance than usual, which explains why the order book level is so strong. We do not believe that company will grow by 90% during the next quarter, but a large uptake is what we expect to see. As illustrated in the diagram above, the historical relationship between pre-quarter order book growth and the actual growth for the coming period have been high.

In conjunction with the Q1 report Hexatronic changed their reporting to follow fiscal year. Hexatronic has disclosed a proforma income statement for 2016, and we know the sales figures for Q1 and Q2 2016, but not the H2 split. Our forecast for the coming two-quarters will be based on a projection of the half-year result and the percentage split between the two-quarters.

Net sales H2-16 and H2-17E



Source: Redeye Research

Based on the strong market and the massive rise in order bookings we expect to see a high growth rate during H2-17. An increase of 90%, which the order book indicates, is not something we think the company would be able to handle today. We project that the half-year result will rise by about 23 %, with the largest uptake during Q3. As discussed earlier it seems like many customers have placed a lot of their order more in advance than they usually do.

Next quarter estimates

MSEK **2017 Q3E**

Revenues **344**
EBITDA **50**
EBIT **44**

Revenue Growth n.m.
 EBITDA margin 14.6%
 EBIT margin 12.7%

Source: Redeye Research

For Q3 we expect revenues in the region of SEK 344. The high volumes should boost the margin levels due to the inherent operational leverage. We anticipate an EBITDA in the region of SEK 50m corresponding to and margin of 14.6%.

Full-year revisions

Hexatronic continues to impress, and we see no slowdown in the high demand the coming years. One limiting factor is the production capacity; which is something Hexatronic is addressing and has invested heavily in, to meet the rising demand. The earlier investments and new asset will gradually lead to increased production capabilities and thus both increasing growth and margins.

We continue to believe there is a significant opportunity for Hexatronic to grow in international markets the coming decade. We would not be surprised if the company will announce a larger deal in the USA before the year has ended and possible acquisition in Germany. We have confidence in that the international expansion will create better capacity utilization, and in combination with increased gross profit margins and operational leverage we should see rising margins the coming years.

Forecast adjustments		
MSEK	2018E	2019E
Revenues		
Old	1 460	1 753
New	1 542	1 774
% change	5.6%	1.2%
EBITDA		
Old	187	235
New	206	240
% change	10%	2%
EBITDA-margin		
Old	12.8%	13.4%
New	13.3%	13.5%

Source Redeye Research

The investment case of Hexatronic

- Hexatronic is establishing themselves outside of the Nordics. Investors has their focus on the current main market, which will mature by 2020. Excellent opportunity's lies in the UK, USA, Germany, and New Zealand as investments in fiber infrastructure will continue for a decade and more.
- The growth of Hexatronic is driven by structural forces. The company is a profitable growth business but not valued as one, mainly because they are overlooked by investors. We believe the valuation will increase as most investors underestimate long-term structural growth.
- In the new market regions such as UK, USA, and possible soon Germany Hexatronic will focus on selling their system of Fiber products called Matrix with higher margins. This will lead to increased profitability when the international sales take off.

For Hexatronic to be able to live up to their financial goals of a yearly growth rate of 20% and an EBITDA margin of at least 10%, the company need to utilize and nurture its existing customer base that the company gained through the acquisition of Ericsson's optical fiber cable business and make smart acquisitions..

Hexatronic is present in a growing industry, but to be able to live up to a growth rate of 20% it is likely that future acquisitions is needed. We believe that the company wants to expand on an international basis by acquiring companies with large customer bases. Making these acquisitions at attractive price tags will be crucial for value creation in the next few years.

It is reasonable to believe that the company will grow at a healthy rate and with a good profitability, when the size of the company increases, due to larger sales and profits, the value of the company will also do so. We believe that more and more analyst will take up coverage of Hexatronic in the future and the company likely will get more attention in the media.

Valuation

Our fair value is raised to 64 SEK per share in our Base-case

Our estimated Fair Value, in Base-case, per share is adjusted upwards to **64** (53) SEK per share, due to increased higher assumed future margins. In our valuation, we are accounting for a dilution effect from the outstanding stock options. To summarize: We believe that Hexatronic will experience significant growth for many years to come driven by the structural growth of the market for fiber infrastructure. We expect that the company will expand to new growth regions, and therefore increase their sustainable margin level. We estimate a CAGR of sales in the region of 14% between the years 2016-25 and an average EBITDA-margin of 14% during the period. Our valuation implies an EV/EBITDA exit multiple of 8x, which we find as a conservative assumption to make.

Hexatronic Group: Base-case			
Assumptions	2016-26	DCF-value	
CAGR Sales	14%	WACC	9.0%
EBITDA margin (avg)	14%	Net present value FCF	629
ROIC (avg)	32%	Net present value of Term	1 858
Terminal		EV	2 487
Terminal growth FCF	2.0%	Net debt	-75
Terminal EBITDA margin	15%	Value assos. Companies	0
Exit EV/EBITDA multiple	8x	Value minorities	0
		DCF-value	2 412
		Estimated Fair value	64
		Today's share price	58.0
		Potential/Risk	11%

Source: Redeye Research

According to our Base-case the share seems fair valued. However there is always a large option from a deal in the USA or a positive acquisition. We see a period of strong growth in the coming years and increasingly attractive long-term prospects due to the international expansion.

Valuation discrepancy to international peers for no reason (update)

Our Base-case fair value implies an EV/EBIT 2018E (as 2016/07 will be an extended year 2018 is better to use in comparison) multiple of about 13.3x. Compared to international peers this is still conservative. The peer group consisting of fiber optical equipment companies trade at a median of EV/EBIT18E of 16.9x. We believe a higher multiple is motivated given the company's attractive growth prospects.

Peer valuation, international fiber optical companies								
Company	Curr.	EV (MSEK)	EV/S 17E	EV/S 18E	EV/EBIT 17E	EV/EBIT 18E	Sales CAGR 15-18E	EBIT % 18E
Fiberhome Telecom Tech CO-A	CNY	40 620	1.3x	1.0x	26.6x	22.4x	21%	5%
Clearfield INC	USD	1 058	1.5x	1.3x	23.5x	18.5x	9%	7%
O-net Communications Group	HKD	4 066	1.5x	1.3x	13.8x	10.7x	22%	12%
Huber & Suhner AG-REG	CHF	8 292	1.2x	1.2x	17.1x	16.0x	3%	7%
Average			1.4x	1.2x	20.3x	16.9x	14%	8%
Median			1.4x	1.2x	20.3x	17.2x	15%	7%
Hexatronic Group at Base-case	SEK	2201	1.6x	1.4x	16.0x	13.3x	20%	11%
		2 487	1.9x	1.6x	18.1x	15.1x		

Source: Bloomberg & Redeye Research

The investment case of Hexatronic

- Hexatronic is establishing themselves outside of the Nordics. Investors has their focus on the current main market, which will mature by 2020. Excellent opportunity's lies in the UK, USA, Germany, and New Zealand as investments in fiber infrastructure will continue for a decade and more.
- The growth of Hexatronic is driven by structural forces. The company is a profitable growth business but not valued as one, mainly because they are overlooked by investors. We believe the valuation will increase as most investors underestimate long-term structural growth.
- In the new market regions such as UK, USA, and possible soon Germany Hexatronic will focus on selling their system of Fiber products called Matrix with higher margins. This will lead to increased profitability when the international sales take off.

For Hexatronic to be able to live up to their financial goals of a yearly growth rate of 20% and an EBITDA margin of 10-12%, the company need to utilize and nurture its existing customer base that the company gained through the acquisition of Ericsson's optical fiber cable business and make smart acquisitions. In our view the recent acquisitions of TD Fiber and Proximion have strengthen the company substantially.

Hexatronic is present in a growing industry, but to be able to live up to a growth rate of 20% it is likely that future acquisitions is needed. We believe that the company wants to expand on an international basis by acquiring companies with large customer bases. Making these acquisitions at attractive price tags will be crucial for value creation in the next few years.

The company today is quite small. This is an advantage as Hexatronic might be overlooked by the investment community. It is reasonable to believe that the company will grow at a healthy rate and with a good profitability, when the size of the company increases, due to larger sales and profits, the value of the company will also do so. We believe that more and more analyst will take up coverage of Hexatronic in the future and the company likely will get more attention in the media. Hexatronic listed their share on Nasdaq Stockholm Small cap during 2016, which should attract more investors. Hexatronic is a profitable growth company that is not valued as one, mainly because the company is overlooked by investors.

Hexatronic: Fair value range


Bull-case assumptions

In our Bull-case we assume that the company can live up to their goal of about 20% annual growth during the next couple of years and sustain a high growth rate. In this scenario we also model an increase their profitability due to scalability, and a successful international expansion. The large increase in international sales leads to a higher capacity utilization of Hexatronic's production units.

Bear-case assumptions

In our Bear-case we assume a slower future demand for fiber due to financial distress in the market thus reducing the investments done by the telecom operators and new entrants gaining market share, like Nexans and Draka expanding their offerings. Lower growth, profitability and no acquisitions this give rise to a lower ROIC and lower terminal growth rates.

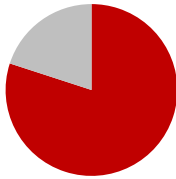
Summary Redeye Rating

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

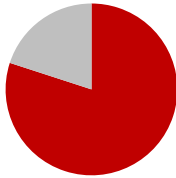
No changes in Rating.

Management 8.0p



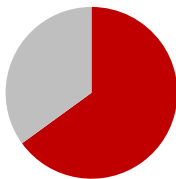
Hexatronic has a strong management team of entrepreneurial people with plenty of skin in the game. CEO have significant experience from the telecom industry. Staff at other key positions, that joined the group through last year's acquisitions, are also intact. The company has delivered so far on their financial goals but we would like to see further transparency on subsidiary/segment level as Hexatronics corporate structure becomes more and more complex.

Ownership 8.0p



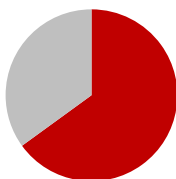
Hexatronic receives high scores in our ownership Rating. The CEO, Henrik Larsson-Lyon owns a significant stake in the company and Hexatronic has some of the most renowned institutional owners that focus on the small cap universe. The largest shareholder is the hedge-fund Accendo Capital, which is also an active member of the board.

Profit outlook 6.5p



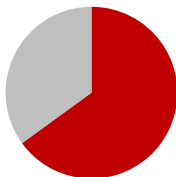
The rating for Growth Outlook is only average, in spite of good overall market prospects. The reason is mainly the competitive situation. Product differentiation appears to be difficult, thus price will always be an issue. Hexatronic is a small player compared to some of the dominant multinational companies. Surely that means growth opportunities but also challenges.

Profitability 6.5p



The last few years both the margins and return on capital has strengthened. Our rating for profitability focus mostly historical numbers and Hexatronic in its current form has only a few years of operation history. Overall we view Hexatronic's profitability levels as compelling and improving.

Financial strength 6.5p



In our view Hexatronic is very financial stable and recives a good score in most subcategories for Financial Strength. We see some risks for new rights issues given the strong focus on acquisitions, still if the acquisition is done at good prices and creates value this will not be an issue.

Income statement	2015	2016	2017E	2018E	2019E
Net sales	627	1,032	1,334	1,542	1,774
Total operating costs	-564	-923	-1,163	-1,336	-1,534
EBITDA	64	110	172	206	240
Depreciation	-14	-21	-35	-39	-39
Amortization	0	0	0	-2	-2
Impairment charges	0	0	0	0	0
EBIT	50	89	137	165	199
Share in profits	0	0	0	0	0
Net financial items	-1	-19	-14	-15	-7
Exchange rate dif.	0	0	0	0	0
Pre-tax profit	49	70	123	150	192
Tax	-11	-16	-28	-33	-44
Net earnings	37	54	95	117	148

Balance	2015	2016	2017E	2018E	2019E
Assets					
<i>Current assets</i>					
Cash in banks	46	40	67	77	89
Receivables	137	196	254	293	337
Inventories	164	207	307	355	426
Other current assets	8	21	27	31	36
Current assets	356	464	654	756	887
<i>Fixed assets</i>					
Tangible assets	43	80	120	154	177
Associated comp.	0	0	0	0	0
Investments	0	0	0	0	0
Goodwill	0	0	0	0	0
Cap. exp. for dev.	82	113	113	111	109
O intangible rights	0	0	0	0	0
O non-current assets	0	0	0	0	0
Total fixed assets	126	194	234	266	286
Deferred tax assets	0	0	0	0	0
Total (assets)	482	657	888	1,022	1,174

Liabilities	2015	2016	2017E	2018E	2019E
<i>Current liabilities</i>					
Short-term debt	0	26	27	28	21
Accounts payable	73	104	160	185	213
O current liabilities	99	77	99	115	132
Current liabilities	172	207	287	327	366
Long-term debt	27	89	144	131	96
O long-term liabilities	0	0	0	0	0
Convertibles	0	0	0	0	0
Total Liabilities	199	296	431	459	462
Deferred tax liab	27	32	32	32	32
Provisions	7	0	0	0	0
Shareholders' equity	249	330	425	531	680
Minority interest (BS)	0	0	0	0	0
Minority & equity	249	330	425	531	680
Total liab & SE	482	657	888	1,022	1,174

Free cash flow	2015	2016	2017E	2018E	2019E
Net sales	627	1,032	1,334	1,542	1,774
Total operating costs	-564	-923	-1,163	-1,336	-1,534
Depreciations total	-14	-21	-35	-41	-41
EBIT	50	89	137	165	199
Taxes on EBIT	0	0	0	0	0
NOPLAT	50	89	137	165	199
Depreciation	14	21	35	41	41
Gross cash flow	64	110	172	206	240
Change in WC	-138	-105	-85	-51	-75
Gross CAPEX	-140	-89	-75	-73	-62
Free cash flow	-214	-84	12	82	104

Capital structure	2015	2016	2017E	2018E	2019E
Equity ratio	52%	50%	48%	52%	58%
Debt/equity ratio	11%	35%	40%	30%	17%
Net debt	-19	75	105	82	29
Capital employed	230	405	530	613	708
Capital turnover rate	1.3	1.6	1.5	1.5	1.5

Growth	2015	2016	2017E	2018E	2019E
Sales growth	0%	65%	29%	16%	15%
EPS growth (adj)	0%	47%	58%	22%	27%

DCF valuation	WACC (%)	9.0 %	Cash flow, MSEK	NPV FCF (2017-2019)	77
				NPV FCF (2020-2026)	551
				NPV FCF (2027-)	1858
				Non-operating assets	40
				Interest-bearing debt	-114
				Fair value estimate MSEK	2411

Assumptions 2017-2023 (%)	Average sales growth	13.6 %	Fair value e. per share, SEK	64.3
	EBIT margin	11.4 %	Share price, SEK	56.5

Profitability	2015	2016	2017E	2018E	2019E
ROE	0%	19%	25%	24%	25%
ROCE	36%	25%	26%	26%	27%
ROIC	0%	39%	34%	31%	33%
EBITDA margin	10%	11%	13%	13%	14%
EBIT margin	8%	9%	10%	11%	11%
Net margin	6%	5%	7%	8%	8%

Data per share	2015	2016	2017E	2018E	2019E
EPS	1.09	1.61	2.54	3.11	3.96
EPS adj	1.09	1.61	2.54	3.11	3.96
Dividend	0.00	0.00	0.29	0.00	0.00
Net debt	-0.56	2.22	2.79	2.18	0.77
Total shares	34.20	33.68	37.51	37.51	37.51

Valuation	2015	2016	2017E	2018E	2019E
EV	336.7	825.7	2,146.6	2,123.7	2,070.8
P/E	10.0	13.9	22.2	18.2	14.3
P/E diluted	10.0	13.9	22.2	18.2	14.3
P/Sales	0.6	0.7	1.6	1.4	1.2
EV/Sales	0.5	0.8	1.6	1.4	1.2
EV/EBITDA	5.3	7.5	12.5	10.3	8.6
EV/EBIT	6.7	9.3	15.6	12.9	10.4
P/BV	1.4	2.3	4.8	3.8	3.0

Share performance	2015	2016	2017E	2018E	2019E
1 month	15.3 %	Net sales			45.9 %
3 month	11.9 %	Operating profit adj			65.7 %
12 month	141.5 %	EPS, just			52.4 %
Since start of the year	52.7 %	Equity			30.7 %

Shareholder structure %	Capital	Votes
Accendo Capital	13.2 %	13.2 %
Jonas Nordlund	8.3 %	8.3 %
Göran Nordlund	6.8 %	6.8 %
Fondita Nordic Micro Cap	5.0 %	5.0 %
Martin Åberg och Erik Selin via Chirp AB	4.9 %	4.9 %
Swedbank Robur Västfonden	4.7 %	4.7 %
Placeringsfond småbolagsfond, Norden	3.7 %	3.7 %
Swedbank Försäkring	3.6 %	3.6 %
Avanza Pension	3.1 %	3.1 %
Henrik Larsson Lyon	2.4 %	2.3 %

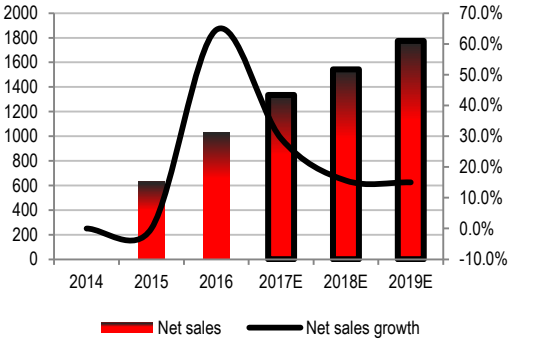
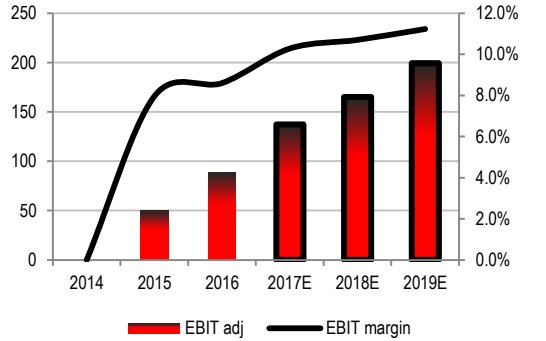
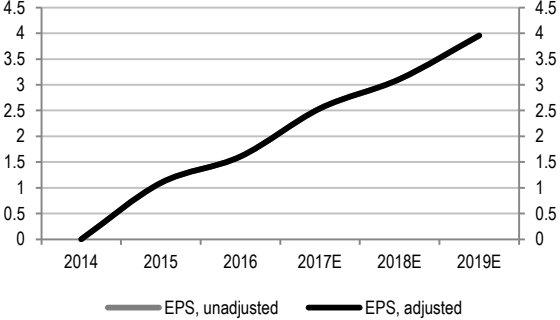
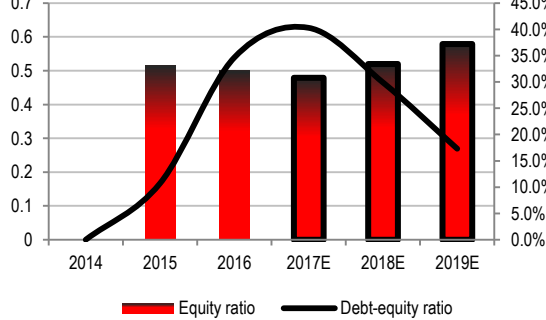
Share information	Reuters code	List	Share price	56.5
			Total shares, million	36.1
			Market Cap, MSEK	2042.0

Management & board	CEO	Henrik Larsson Lyon
	CFO	Lennart Sparud
	IR	
	Chairman	Anders Persson

Financial information

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Revenue & Growth (%)	EBIT (adjusted) & Margin (%)
 <p>Net sales (bars) and Net sales growth (line) from 2014 to 2019E. Net sales shows a steady increase from approximately 200 in 2014 to 1800 in 2019E. Net sales growth peaks at about 65% in 2016 and stabilizes around 10% from 2017E onwards.</p>	 <p>EBIT adj (bars) and EBIT margin (line) from 2014 to 2019E. EBIT adj increases from 0 in 2014 to 200 in 2019E. EBIT margin rises from 0% in 2014 to approximately 11% by 2019E.</p>
Earnings per share	Equity & debt-equity ratio (%)
 <p>EPS, unadjusted (line) and EPS, adjusted (line) from 2014 to 2019E. Both metrics show a consistent upward trend, with adjusted EPS reaching approximately 4.0 by 2019E.</p>	 <p>Equity ratio (bars) and Debt-equity ratio (line) from 2014 to 2019E. Equity ratio fluctuates between 0.4 and 0.6. Debt-equity ratio peaks at about 40% in 2016 and declines to approximately 15% by 2019E.</p>
Sales division	Geographical areas
Conflict of interests	Company description
<p>Kristoffer Lindström. owns shares in the company Hexatronic: Yes Henrik Alveskog owns shares in the company Hexatronic: No</p> <p>Redeye performs/have performed services for the Company and receives/have received compensation from the Company in connection with this.</p>	<p>The Hexatronic group of companies are active in the optical fiber infrastructure market. They offer a complete line of products for passive and complementary active products for optical networks. Home market is Skandinavia and main costumers are large telecom operators such as Telia and Telenor. Partners like ABB and Ericsson give Hexatronic access to the world market.</p>

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Redeye Rating (2017-08-31)

Rating	Management	Ownership	Profit outlook	Profitability	Financial Strength
7,5p - 10,0p	44	42	17	11	22
3,5p - 7,0p	71	65	99	35	45
0,0p - 3,0p	12	20	11	81	60
Company N	127	127	127	127	127

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