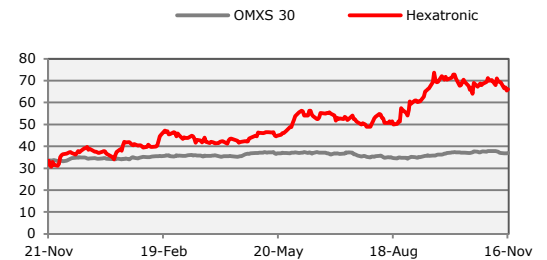


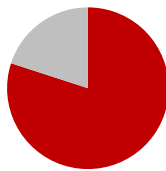
Summary
Hexatronic (HTRO.ST)
News from across the Atlantic

- Hexatronic delivered yet another strong report with an organic uptake of roughly 27%, spot-on to our estimates. The EBITDA margin came in slightly lower than expected affected by the sales mix and supporting purchases of duct. Improved capital efficiency boosted the cash flow significantly.
- One of the most exciting news in the report, at least according to us, was that Hexatronic's MATRIX system is now approved by a major US telecom operator. The carrier that Hexatronic collaborates with will roll-out more than 700k homes-past annually the coming years. In Sweden, the roll-out rate is approximately 300k per year.
- Our estimated Fair Value, in Base-case, per share is adjusted upwards to 72 (64) SEK per share, due to higher assumed future long-term margins and reduced NWC requirement projections.

List: 2,367 MSEK
 Market Cap: 2,367 MSEK
 Industry: Telecommunication Equipment
 CEO: Henrik Larsson Lyon
 Chairman: Anders Persson

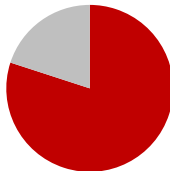

Redeye Rating (0 – 10 points)

Management



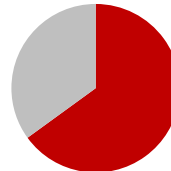
8.0 points

Ownership



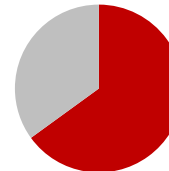
8.0 points

Profit outlook



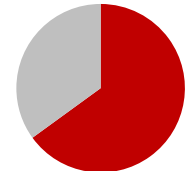
6.5 points

Profitability



6.5 points

Financial strength



6.5 points

Key Financials

	2015	2016	2017E	2018E	2019E
Revenue, MSEK	627	1,032	1,322	1,542	1,773
Growth	0%	65%	28%	17%	15%
EBITDA	64	110	159	205	242
EBITDA margin	10%	11%	12%	13%	14%
EBIT	50	89	123	171	201
EBIT margin	8%	9%	9%	11%	11%
Pre-tax earnings	49	70	118	163	203
Net earnings	37	54	90	127	155
Net margin	6%	5%	7%	8%	9%
Dividend/Share	0.00	0.00	0.29	0.00	0.00
EPS adj.	1.09	1.61	2.40	3.39	4.13
P/E adj.	10.0	13.9	27.3	19.3	15.9
EV/S	0.5	0.8	1.8	1.5	1.3
EV/EBITDA	5.3	7.5	15.2	11.6	9.5

Share information

Share price (SEK)	65.5
Number of shares (m)	36.1
Market Cap (MSEK)	2,367
Net debt (MSEK)	46
Free float (%)	50 %
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.

Intense demand

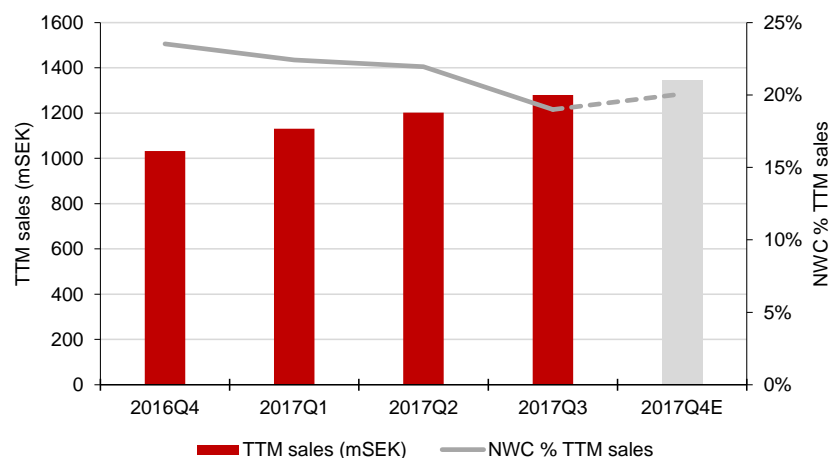
Estimate vs. Outcome				
MSEK	2016Q3	2017Q3E	2017Q3	Diff
Net sales	259	344	337	-2%
other income	3.3	0.3	2.0	
COGS	-144	-193	-193	0%
Gross Profit	118	152	146	-4%
SG&A	-85	-102	-103	1%
EBITDA	33	50	43	-15%
Net sale Growth %		33%	30%	
Gross Profit margin %	46%	44%	43%	
EBITDA margin %	12.8%	14.6%	12.7%	

Source: Hexatronic Group & Redeye Research

Hexatronic delivered yet another strong report with an organic uptake of roughly 27%, which was almost spot-on to our estimates. The only deviation was a slightly lower EBITDA margin than expected. Sales mix and supporting purchases of duct to meet demand affected the cost base somewhat. Still, an EBITDA margin of 12.7% is above both historical levels and the target of 10%. Hexatronic have announced that they will conduct growth investment in duct production capacity to handle the intense demand.

The cash flow from operations during the quarter was robust and amounted to SEK 54.3m; this was an effect of Hexatronic continuously work on improving their working capital efficiency. We have adjusted our assumed Net Working Capital (NWC) requirements downwards, which increase both assumed future cash flow and the valuation positively.

TTM sales and NWC

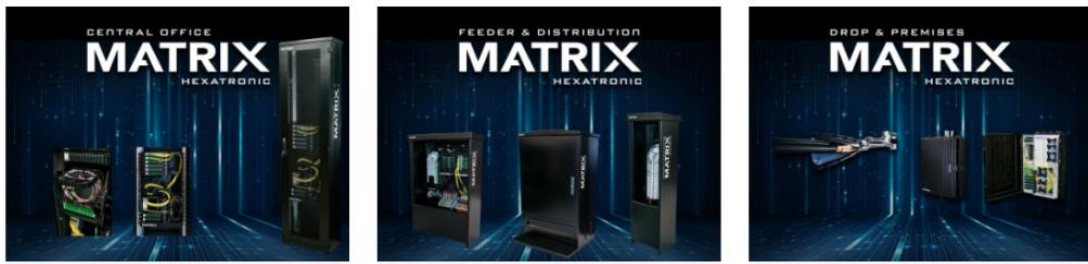


Source: Redeye Research

The global shortage of optical fiber does affect Hexatronic to some degree, and the company has to turn-down some potential deals. The company has secured delivery of the precious glass during 2018 that exceeds the delivered amount during 2017 by over 20%, so a continued growth is enabled. Hexatronic also sells a lot of duct and connectivity products where the fiber raw material is not used.

News from across the Atlantic

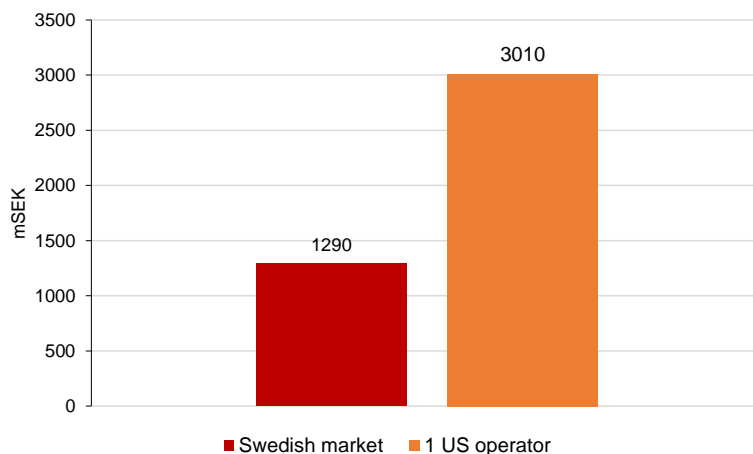
One of the most exciting news, at least according to us, was that Hexatronic’s MATRIX system is now approved by a major US telecom operator. The carrier that Hexatronic collaborates with will roll-out 700 000-800 000 homes-past annually the coming years. We can put this in contrast to the whole Swedish market with about 300 000 home-past per year. We believe it will take some time before the sales ramp-up starts, but the USA market indeed holds massive potential for Hexatronic.



Great, but what is 700k worth?

700k home-past is a large number and can be hard to grasp. We can approximate a value based on known information about installation cost for the installer. An installation, at least in Europe, cost somewhere between SEK 20-30k, of which about 15- 20% is material cost. So as a rough approximation we know that about 700k home-past would have an annual worth of about SEK 3bn.

Comparison swedish market and 1 US operator



Source: Redeye Research

We do not mean that Hexatronic will capture all this value, but we just want to exemplify how massive the numbers in the USA will be. To be able to handle a larger production for the operator we believe Hexatronic will have to acquire a duct production company in the USA, as shipment larger quantities of duct are not that lucrative.

Patent dispute in Hexatronic's favor

The last few months have been relatively quiet from the company, but just prior the quarterly report was released the outcome of the patent dispute with Emtelle was announced. The court ruled in favor of Hexatronic and declared Emtelle's patent invalid and therefore rejected the company's allegation of patent infringement. In our view, the outcome was expected, but it's, of course, positive for the company. The same type of dispute is ongoing in New Zealand, the positive outcome in Sweden is no guarantee for a favorable result as the jurisdiction differs.

New growth investments

Hexatronic have announced yet another growth investment for additional duct production capacity for the Hudiksvall plant. The investment amounts to approximately 21 MSEK and will take place in two stages where the first capacity increase will be completed in spring 2018 and the second phase will be finished in the fall of 2018.

Next quarter and estimate adjustments

At the beginning of Q4, the organic order stood 94% higher than the corresponding period last year; this indicates a continued healthy take-up of the sales levels during the next quarter.

For Q4 we expect revenues in the region of SEK 348m corresponding to a growth of roughly 14%. We anticipate an EBITDA in the region of SEK 39m corresponding to and margin of 11.1%.

Next quarter estimates		
MSEK	2016 Q4	2017 Q4E
Net sales	305	348
EBITDA	33	39
EBIT	26	32
Net sales growth		14.0%
EBITDA margin	10.8%	11.1%
EBIT margin	8.6%	9.1%

Source: Redeye Research

The demand for fiber will remain high in the coming years. One limiting factor is the production capacity and raw material shortage. The earlier investments and new asset will gradually lead to enhanced production capabilities and thus both increasing growth and margins.

Forecast adjustments			
MSEK	2017E	2018E	2019E
Revenues			
Old	1 334	1 542	1 774
New	1 322	1 542	1 773
% change	-0.9%	0.0%	0.0%
EBITDA			
Old	172	206	240
New	159	205	242
% change	-8%	0%	1%
EBITDA-margin			
Old	12.9%	13.4%	13.5%
New	12.0%	13.3%	13.6%

Source Redeye Research

We continue to believe there is a significant opportunity for Hexatronic to grow in international markets the coming decade. That Hexatronic is now approved by a larger US telecom operator confirms our beliefs. 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. We have made some adjustments to our long-term margins and decreased NWC requirements, which increases the future cash flows.

Valuation

Our estimated Fair Value, in Base-case, per share is adjusted upwards to **72** (64) SEK per share, due to increased higher assumed future margins and lower NWC requirements. 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	2016-25	DCF-value	
CAGR Sales	14%	WACC	9.0%
EBITDA margin (avg)	14%	Net present value FCF	768
ROIC (avg)	37%	Net present value of Terminal	1 993
Terminal		EV	2 760
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	2 685
		Estimated Fair value	72
		Today's share price	66.0
		Potential/Risk	8%

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 should disappear

Our Base-case fair value implies an EV/EBIT 2018E multiple of about 16.2x. 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 20.8x. 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	55 044	1.6x	1.3x	37.4x	30.3x	23%	4%
Clearfield INC	USD	1 347	2.1x	1.9x	32.1x	24.9x	4%	8%
O-net Communications Group	HKD	4 964	1.7x	1.4x	15.4x	12.1x	25%	12%
Huber & Suhner AG-REG	CHF	7 705	1.2x	1.1x	18.3x	16.8x	3%	7%
Average			1.6x	1.4x	25.8x	21.0x	14%	8%
Median			1.7x	1.4x	25.2x	20.8x	14%	7%
Hexatronic Group at Base-case	SEK	2432	1.8x	1.6x	19.7x	14.2x	20%	11%
		2 760	2.1x	1.8x	22.4x	16.2x		

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 and Germany 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%, 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.

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 December 2015, which should attract more investors. The company will also likely be moved to Mid-cap in January 2018, which should increase investors' attention for the company.

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 with competitors expanding their offerings. Lower growth, profitability and no acquisitions this give rise to a lower ROIC and lower terminal growth rates.

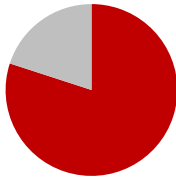
Summary Redeye Rating

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

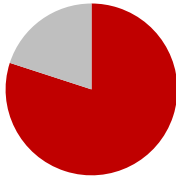
No changes in Rating.

Management 8.0p



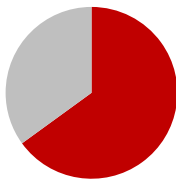
Hexatronic has a strong management team of entrepreneurial people with plenty of skin in the game. CEO have significant experience from the telecom industry. Staff at other key positions, that joined the group through last year's acquisitions, are also intact. The company has delivered so far on their 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



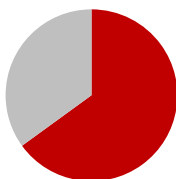
Hexatronic receives high scores in our ownership Rating. The CEO, Henrik Larsson-Lyon owns a significant stake in the company and Hexatronic has some of the most renowned institutional owners that focus on the small cap universe. The largest shareholder is the hedge-fund Accendo Capital, which is also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

Profit outlook 6.5p



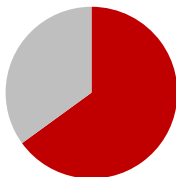
The rating for Growth Outlook is only average, in spite of good overall market prospects. The reason is mainly the competitive situation. Product differentiation appears to be difficult, thus price will always be an issue. Hexatronic is a small player compared to some of the dominant multinational companies. 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	1,322	1,542	1,773
Total operating costs	-564	-923	-1,164	-1,337	-1,532
EBITDA	64	110	159	205	242
Depreciation	-14	-21	-35	-33	-39
Amortization	0	0	0	-2	-2
Impairment charges	0	0	0	0	0
EBIT	50	89	123	171	201
Share in profits	0	0	0	0	0
Net financial items	-1	-19	-5	-8	2
Exchange rate dif.	0	0	0	0	0
Pre-tax profit	49	70	118	163	203
Tax	-11	-16	-28	-36	-48
Net earnings	37	54	90	127	155
Balance	2015	2016	2017E	2018E	2019E
Assets					
<i>Current assets</i>					
Cash in banks	46	40	66	77	105
Receivables	137	196	251	293	337
Inventories	164	207	245	285	328
Other current assets	8	21	27	31	36
Current assets	356	464	589	687	805
<i>Fixed assets</i>					
Tangible assets	43	80	119	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	233	266	286
Deferred tax assets	0	0	0	0	0
Total (assets)	482	657	821	952	1,092
Liabilities					
<i>Current liabilities</i>					
Short-term debt	0	26	12	11	0
Accounts payable	73	104	159	185	213
O current liabilities	99	77	98	115	132
Current liabilities	172	207	269	311	345
Long-term debt	27	89	101	74	24
O long-term liabilities	0	0	0	0	0
Convertibles	0	0	0	0	0
Total Liabilities	199	296	370	384	369
Deferred tax liab	27	32	32	32	32
Provisions	7	0	0	0	0
Shareholders' equity	249	330	420	536	691
Minority interest (BS)	0	0	0	0	0
Minority & equity	249	330	420	536	691
Total liab & SE	482	657	821	952	1,092
Free cash flow	2015	2016	2017E	2018E	2019E
Net sales	627	1,032	1,322	1,542	1,773
Total operating costs	-564	-923	-1,164	-1,337	-1,532
Depreciations total	-14	-21	-35	-35	-41
EBIT	50	89	123	171	201
Taxes on EBIT	0	0	0	0	0
NOPLAT	50	89	123	171	201
Depreciation	14	21	35	35	41
Gross cash flow	64	110	159	205	242
Change in WC	-138	-105	-23	-44	-46
Gross CAPEX	-140	-89	-74	-68	-62
Free cash flow	-214	-84	62	94	134
Capital structure	2015	2016	2017E	2018E	2019E
Equity ratio	52%	50%	51%	56%	63%
Debt/equity ratio	11%	35%	27%	16%	3%
Net debt	-19	75	46	7	-81
Capital employed	230	405	466	543	611
Capital turnover rate	1.3	1.6	1.6	1.6	1.6
Growth	2015	2016	2017E	2018E	2019E
Sales growth	0%	65%	28%	17%	15%
EPS growth (adj)	0%	47%	50%	41%	22%

DCF valuation		Cash flow, MSEK	
WACC (%)	9.0 %	NPV FCF (2017-2019)	158
		NPV FCF (2020-2026)	610
		NPV FCF (2027-)	1992
		Non-operating assets	40
		Interest-bearing debt	-114
		Fair value estimate MSEK	2685
Assumptions 2017-2023 (%)			
Average sales growth	14.8 %	Fair value e. per share, SEK	71.6
EBIT margin	11.5 %	Share price, SEK	65.5

Profitability	2015	2016	2017E	2018E	2019E
ROE	0%	19%	24%	27%	25%
ROCE	36%	25%	25%	30%	30%
ROIC	0%	39%	30%	37%	37%
EBITDA margin	10%	11%	12%	13%	14%
EBIT margin	8%	9%	9%	11%	11%
Net margin	6%	5%	7%	8%	9%

Data per share	2015	2016	2017E	2018E	2019E
EPS	1.09	1.61	2.40	3.39	4.13
EPS adj	1.09	1.61	2.40	3.39	4.13
Dividend	0.00	0.00	0.29	0.00	0.00
Net debt	-0.56	2.22	1.23	0.19	-2.15
Total shares	34.35	33.68	37.51	37.51	37.51

Valuation	2015	2016	2017E	2018E	2019E
EV	336.7	825.7	2,413.5	2,374.3	2,286.6
P/E	10.0	13.9	27.3	19.3	15.9
P/E diluted	10.0	13.9	27.3	19.3	15.9
P/Sales	0.6	0.7	1.9	1.6	1.4
EV/Sales	0.5	0.8	1.8	1.5	1.3
EV/EBITDA	5.3	7.5	15.2	11.6	9.5
EV/EBIT	6.7	9.3	19.6	13.9	11.4
P/BV	1.4	2.3	5.6	4.4	3.4

Share performance		Growth/year	15/17e
1 month	-5.1 %	Net sales	45.2 %
3 month	31.0 %	Operating profit adj	57.2 %
12 month	83.0 %	EPS, just	48.5 %
Since start of the year	77.0 %	Equity	29.9 %

Shareholder structure %	Capital	Votes
Accendo Capital	12.9 %	12.9 %
Jonas Nordlund	8.3 %	8.3 %
Göran Nordlund	5.3 %	5.3 %
Fondita Fonder	5.0 %	5.0 %
Chirp AB	4.9 %	4.9 %
Handelsbanken Fonder	4.0 %	4.0 %
Nordea Fonder	3.7 %	3.7 %
Swedbank Robur Fonder	3.6 %	3.6 %
Avanza Pension	2.9 %	2.9 %
Henrik Larsson Lyon	2.2 %	2.2 %

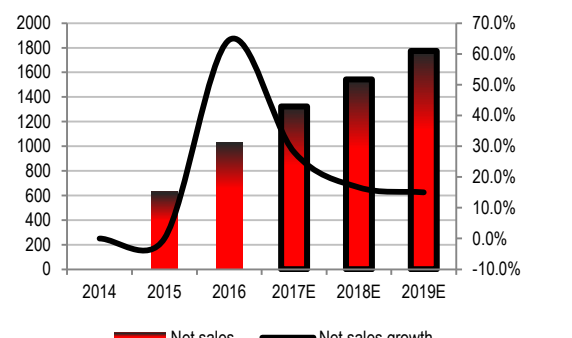
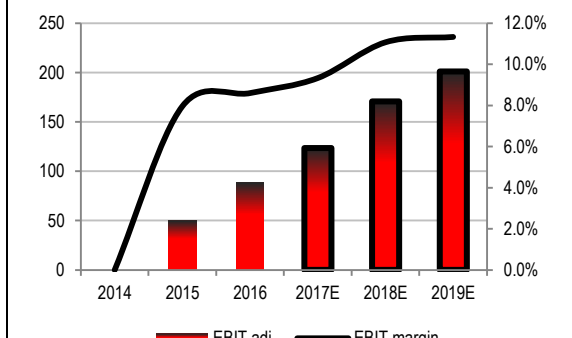
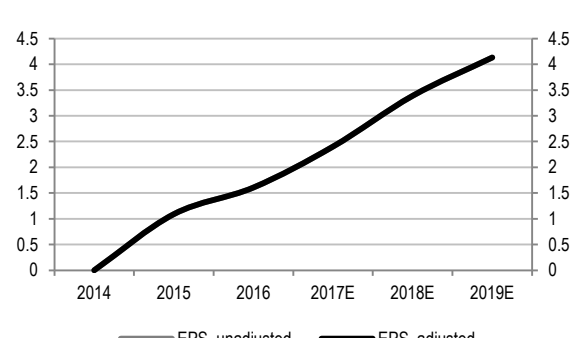
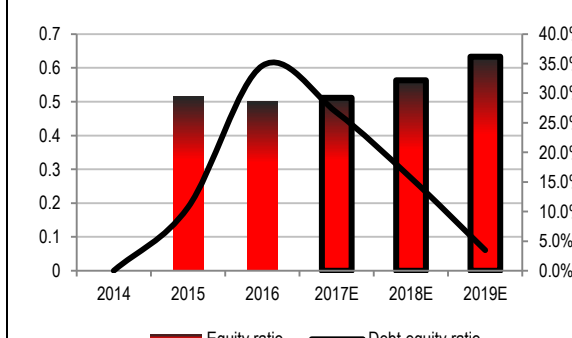
Share information	
Reuters code	
List	
Share price	65.5
Total shares, million	36.1
Market Cap, MSEK	2367.2

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

Financial information

Analysts	Redeye AB
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Henrik Alveskog
henrik.alveskog@redeye.se

Revenue & Growth (%)	EBIT (adjusted) & Margin (%)																																										
 <p>Net sales (bars) and Net sales growth (line) from 2014 to 2019E. Net sales are shown in SEK million on the left axis (0-2000), and growth is on the right axis (-10.0% to 70.0%).</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Net sales (SEK million)</th> <th>Net sales growth (%)</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>~200</td> <td>~0.0%</td> </tr> <tr> <td>2015</td> <td>~600</td> <td>~20.0%</td> </tr> <tr> <td>2016</td> <td>~1000</td> <td>~65.0%</td> </tr> <tr> <td>2017E</td> <td>~1300</td> <td>~30.0%</td> </tr> <tr> <td>2018E</td> <td>~1500</td> <td>~15.0%</td> </tr> <tr> <td>2019E</td> <td>~1800</td> <td>~20.0%</td> </tr> </tbody> </table>	Year	Net sales (SEK million)	Net sales growth (%)	2014	~200	~0.0%	2015	~600	~20.0%	2016	~1000	~65.0%	2017E	~1300	~30.0%	2018E	~1500	~15.0%	2019E	~1800	~20.0%	 <p>EBIT adj (bars) and EBIT margin (line) from 2014 to 2019E. EBIT adj is shown in SEK million on the left axis (0-250), and margin is on the right axis (0.0% to 12.0%).</p> <table border="1"> <thead> <tr> <th>Year</th> <th>EBIT adj (SEK million)</th> <th>EBIT margin (%)</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>~0</td> <td>~0.0%</td> </tr> <tr> <td>2015</td> <td>~50</td> <td>~8.0%</td> </tr> <tr> <td>2016</td> <td>~90</td> <td>~9.0%</td> </tr> <tr> <td>2017E</td> <td>~120</td> <td>~10.0%</td> </tr> <tr> <td>2018E</td> <td>~170</td> <td>~11.0%</td> </tr> <tr> <td>2019E</td> <td>~200</td> <td>~11.5%</td> </tr> </tbody> </table>	Year	EBIT adj (SEK million)	EBIT margin (%)	2014	~0	~0.0%	2015	~50	~8.0%	2016	~90	~9.0%	2017E	~120	~10.0%	2018E	~170	~11.0%	2019E	~200	~11.5%
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<p>Earnings per share</p>  <p>EPS, unadjusted (line) and EPS, adjusted (line) from 2014 to 2019E. Both axes range from 0 to 4.5 SEK.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>EPS, unadjusted (SEK)</th> <th>EPS, adjusted (SEK)</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>~0.2</td> <td>~0.2</td> </tr> <tr> <td>2015</td> <td>~1.0</td> <td>~1.0</td> </tr> <tr> <td>2016</td> <td>~1.5</td> <td>~1.5</td> </tr> <tr> <td>2017E</td> <td>~2.5</td> <td>~2.5</td> </tr> <tr> <td>2018E</td> <td>~3.5</td> <td>~3.5</td> </tr> <tr> <td>2019E</td> <td>~4.2</td> <td>~4.2</td> </tr> </tbody> </table>	Year	EPS, unadjusted (SEK)	EPS, adjusted (SEK)	2014	~0.2	~0.2	2015	~1.0	~1.0	2016	~1.5	~1.5	2017E	~2.5	~2.5	2018E	~3.5	~3.5	2019E	~4.2	~4.2	<p>Equity & debt-equity ratio (%)</p>  <p>Equity ratio (bars) and Debt-equity ratio (line) from 2014 to 2019E. Equity ratio is on the left axis (0-0.7), and debt-equity ratio is on the right axis (0.0% to 40.0%).</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Equity ratio</th> <th>Debt-equity ratio (%)</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>~0.0</td> <td>~0.0%</td> </tr> <tr> <td>2015</td> <td>~0.5</td> <td>~10.0%</td> </tr> <tr> <td>2016</td> <td>~0.5</td> <td>~35.0%</td> </tr> <tr> <td>2017E</td> <td>~0.5</td> <td>~25.0%</td> </tr> <tr> <td>2018E</td> <td>~0.55</td> <td>~15.0%</td> </tr> <tr> <td>2019E</td> <td>~0.65</td> <td>~5.0%</td> </tr> </tbody> </table>	Year	Equity ratio	Debt-equity ratio (%)	2014	~0.0	~0.0%	2015	~0.5	~10.0%	2016	~0.5	~35.0%	2017E	~0.5	~25.0%	2018E	~0.55	~15.0%	2019E	~0.65	~5.0%
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<p>Sales division</p>	<p>Geographical areas</p>																																										
<p>Conflict of interests</p> <p>Kristoffer. Lindström owns shares in the company Hexatronic: Yes</p> <p>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>Company description</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 (2017-11-20)

Rating	Management	Ownership	Profit outlook	Profitability	Financial Strength
7,5p - 10,0p	42	40	17	10	22
3,5p - 7,0p	71	65	97	36	44
0,0p - 3,0p	17	25	16	84	64
Company N	130	130	130	130	130

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