



Penser Access by Carnegie

Electrical Equipment | Sweden | 05 February 2024

Fingerprint Cards

Asus launches PC with Fingerprints's MoC solution

First Asus PC with biometric Match-on-Chip solution

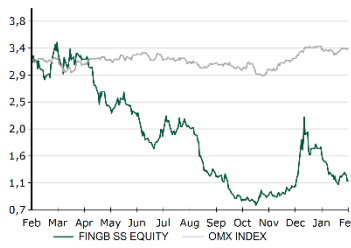
Asus, the world's fifth-largest PC manufacturer (around 7% market share), has integrated Fingerprints's biometric Match-on-Chip solution (MoC) into its Expertbook B5 laptop. Unlike the Match-on-Host (MoH) solution, verification with MoC is via a separate microcontroller unit (MCU), providing enhanced security – a solution that most enterprise computer users prefer. This is the first Asus PC to utilise an MoC solution. The launch is important as enterprise computers account for half of the PC market.

PC central to growth

MoC solutions offer a higher ASP than MoH, and we believe MoC will grow faster than MoH in the coming years, representing the majority of the addressable market. The solution was added to Microsoft's approved suppliers for Windows Hello Enhanced Sign-in Security at the start of 2022, and sales to PC manufacturers grew by more than 60% in the first nine months of 2023 to now account for 13% of sales so far this year. The PC market is essential to Fingerprints's transformation, as sales of capacitive sensors to mobile manufacturers will continue to diminish as a share of the total.

Q4 results due on 8 February

Focus with the quarterly report, to be released on 8 February, will be on signs of progress with the company's transformation, sequential improvements in gross margins, and that Fingerprints continues to free up working capital. We also anticipate an update on how the new platform strategy, launched in connection with the Q3 report, has been implemented across the organisation. We forecast positive EBITDA for 2024.

Change in estimates				Forecasts (SEKm)					Value and risk													
	23e	24e	25e		2022	2023e	2024e	2025e	Fair value	SEK 4.8 - 5.0												
Total Revenues	0.0%	0.0%	0.0%	Total Revenues	862	770	1,539	2,360	Share price	SEK 1.2												
EBIT, adj.	0.0%	0.0%	0.0%	Revenue growth	-36%	-11%	100%	53%	Risk level	High												
EPS, adj.	0.0%	0.0%	0.0%	EBITDA, adj.	-116	-130	78	201	<div>Price Performance 12 months</div> 													
Upcoming events				EBIT, adj.	-198	-229	-50	41														
Q4 - report 8 February 2024				EPS, adj.	-0.5	-0.5	-0.1	0.0														
				BV/share	2.8	1.6	1.1	0.7														
				Dividend per share	0.0	0.0	0.0	0.4														
Company facts (SEKm)				EBIT margin	Neg.	Neg.	Neg.	1.7%	<div>Conflicts of interest</div> <table><tr><th></th><th>Yes</th><th>No</th></tr><tr><td>Liquidity provider</td><td></td><td>✓</td></tr><tr><td>Certified adviser</td><td></td><td>✓</td></tr><tr><td>Transactions 12m</td><td>✓</td><td></td></tr></table>			Yes	No	Liquidity provider		✓	Certified adviser		✓	Transactions 12m	✓	
	Yes	No																				
Liquidity provider		✓																				
Certified adviser		✓																				
Transactions 12m	✓																					
Number of shares		575m		ROE, adj.	Neg.	Neg.	Neg.	4.1%														
Market capitalisation		681		ROCE, adj.	Neg.	Neg.	Neg.	4.1%														
Net debt		237		EV/Sales	1.5x	1.2x	0.6x	0.4x														
EV		918		EV/EBITDA	Neg.	-7.1x	11.7x	4.6x														
Free float		91%		EV/EBIT	Neg.	-4.0x	-18.3x	22.6x														
Daily trading volume, average		5,764k		P/E, adj.	-2.4x	-2.5x	-14.2x	32.6x														
Bloomberg Ticker	FINGB SS EQUITY			P/BV	0.4x	0.8x	1.1x	1.7x														
				Dividend yield	0.0%	0.0%	0.0%	33.8%														
Analyst				FCF yield	-122%	-2%	-5%	13%														
Markus Almerud				Net debt / EBITDA	-0.1x	-0.5x	1.6x	1.5x														
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