



## Penser Access by Carnegie

Electrical Equipment | Sweden | 05 April 2024

# Fingerprint Cards

## Further biometric card launches in the market

### Turkey's Mutual Bank launches biometric payment card in Bangladesh

Following the joint launch by Thales and Fingerprints of biometric cards with Garanti BBVA in Turkey in March – the company's 11th commercial launch – IDEX has now launched a biometric card with Mutual Trust Bank in Bangladesh. Although the impact of the commercial breakthrough is slower than we had expected, these moves in the market are a positive sign. Our estimates and valuation do not include biometric payment cards, but we still see the potential as vast and anticipate further growth despite the increased uncertainty regarding timing and magnitude.

### Fingerprints implements biometric access cards at its headquarters

At the end of last year, British tech company Freevolt launched its new generation of biometric access cards including Fingerprints' latest sensor, T2. Freevolt's S-Key card operates as a reader with Axis, HID, and Paxton, for example. The company is also partners with Legic, one of the largest manufacturers of readers. As the physical security with biometric access cards improves significantly and biometric information can be stored locally on the cards, rather than in a central database, we believe the future for biometric access cards will be bright. Fingerprints has now implemented Freevolt cards at its Gothenburg headquarters.

### Expecting further signs the transformation has continued in Q1

The transformation of Fingerprints continues. Capacitive sensors for mobile phone manufacturers diminished from 90% of group sales in 2021 to less than three-quarters in 2023. We believe this trend will continue, with the company accelerating this shift. This will be driven by PC and Access, with PC sales having grown by more than 60% in 2023. An acceleration of biometric payment cards would spur this trend significantly.

Change in estimates				Forecasts (SEKm)				Value and risk			
	24e	25e	26e		2023	2024e	2025e	2026e	Fair value	SEK2.9 - 3.6	
Total Revenues	0.0%	0.0%	0.0%	Total Revenues	705	1,085	1,329	1,589	Share price	SEK1.0	
EBIT, adj.	0.0%	0.0%	0.0%	Revenue growth	-18%	54%	23%	20%	Risk level	High	
EPS, adj.	0.0%	0.0%	0.0%	EBITDA, adj.	-205	58	122	138	<b>Price performance 12 months</b>		
<b>Upcoming events</b>				EBIT, adj.	-283	-6	73	95			
Q1 - report	31 May 2024			EPS, adj.	-0.7	0.0	0.1	0.1			
Q2 - report	15 August 2024			EPS growth, adj.	N.m.	N.m.	N.m.	32%			
<b>Company facts (SEKm)</b>				BV/share	1.5	1.1	1.2	1.3			
Number of shares	604m			EBIT margin	Neg.	Neg.	5.5%	6.0%			
Market capitalisation	598			ROE, adj.	Neg.	Neg.	7.5%	9.1%			
Net debt	-32			ROCE, adj.	Neg.	Neg.	9.9%	12.2%			
EV	566			EV/Sales	1.4x	0.5x	0.4x	0.4x			
Free float	91%			EV/EBITDA	Neg.	9.8x	4.6x	4.1x			
Daily trading volume, average	3,856k			EV/EBIT	Neg.	Neg.	7.8x	6.0x			
Bloomberg Ticker	FINGB SS EQUITY			P/E, adj.	Neg.	Neg.	11.4x	8.6x	<b>Conflicts of interest</b>		
<b>Analyst</b>				P/BV	1.2x	0.9x	0.8x	0.7x			
Markus Almerud				FCF yield	Neg.	6%	17%	20%			
markus.almerud@carnegie.se				Net debt / EBITDA	N.m.	-0.9x	-1.1x	-1.7x			
										Yes	No
										Liquidity provider	✓
										Certified adviser	✓
										Transactions 12m	✓

# Disclosures and disclaimers

## Carnegie Investment Bank AB

Carnegie Investment Bank AB (publ.) is a leading investment bank with a Nordic focus. The Carnegie group of companies, together "Carnegie", generates added value for institutions, companies and private clients in the areas of trade in securities, investment banking and private banking. Carnegie has approximately 600 employees, located in offices in six countries.

## Penser by Carnegie

In November 2023, Carnegie acquired the commissioned research business from Erik Penser Bank AB. This included the business under which Erik Penser Bank AB e.g. has published its Penser Access and Penser Future research services. This business continues to be operated by Carnegie under the trademark Penser by Carnegie.

## Valuation, methodology, and assumptions

### Penser Access by Carnegie

Commissioned research reports under Penser Access by Carnegie include the analyst's assessment of a fair value range on the date the research was published based on various fundamental valuation methods. A commonly used method is DCF valuation, where future cash flows are discounted to today. Analysts may also use different valuation multiples, e.g. P/E ratio and EV/EBIT multiples, relative to industry peers to obtain a target price. For companies where it is appropriate, a fair value range can also be based on the analyst's assessment of a fair ratio relative to the net asset value of the company. Fair value ranges represent the assessment of the analyst(s) at the time of writing. For more information on valuation models, click [here](#).

### Penser Future by Carnegie

Commissioned research reports under Penser Future by Carnegie do not contain a fair value range. Instead, the analyst assesses the company and sheds light on the strengths and weaknesses observed based on four areas. The four areas are assessed based on the following criteria: Potential, Risk, Financial Position and History & Merits. The results are presented on a scale of 1-5 where 5 represents the highest rating in each area. For example, a rating of 5 for Potential means that we see strong potential in the business while a rating of 5 for Risk means that we assess the risk as high.

## Frequency of update

Penser by Carnegie's research analysis consists of case-based analyses, which implies that the frequency of the analytical report may vary over time. Unless otherwise expressly stated in the report, the analysis will be updated quarterly or when considered necessary by the research department, for example in the event of significant changes in market conditions or events related to the issuer/the financial instrument.

## Analyst certification

The research analyst or analysts responsible for the content of this commissioned research report certify that, notwithstanding the existence of any potential conflicts of interests referred to herein, the views expressed in this commissioned research report accurately reflect the research analyst's personal views about the companies and securities covered. It is further certified that the research analyst has not been, nor is or will be, receiving direct or indirect compensation related to the specific ratings or views contained in this commissioned research report.

## Potential conflicts of interest

Carnegie, or its subsidiaries, may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any company mentioned in this report. Any such publicly announced business activity, during the past 12 months, will be referred to in this commissioned research report. A set of rules handling conflicts of interest is implemented in the Carnegie Group. Investment Banking and other business departments in Carnegie are surrounded by information barriers to restrict the flows of sensitive information. Persons outside such barriers may gain access to sensitive information only after having observed applicable procedures. The remuneration of persons involved in preparing this commissioned research report is not tied to investment banking transactions performed by Carnegie or a legal person within the same group.

Confidential and non-public information regarding Carnegie and its clients, business activities and other circumstances that could affect the market value of a security ("sensitive information") is kept strictly confidential and may never be used in an undue manner.

Internal guidelines are implemented in order to ensure the integrity and independence of research analysts. In accordance with the guidelines the research department is separated from the Investment Banking department and there are no reporting lines between the research department and Investment Banking. The guidelines also include rules regarding, but not limited to, the following issues; contacts with covered companies, prohibition against offering favourable recommendations, personal involvement in covered companies, participation in investment banking activities, supervision and review of research reports, analyst reporting lines and analyst remuneration.

## Other material conflicts of interest

This report was commissioned and sponsored by the issuer (issuer-paid research).

## Distribution restrictions

This commissioned research report does not have regard to the specific investment objectives, financial situation or particular needs of any specific person who may receive it. Investors should seek financial advice regarding the appropriateness of investing in any securities discussed in this commissioned research report and should understand that statements regarding future prospects may not be realized. Past performance is not necessarily a guide to future performance. Carnegie and its subsidiaries accept no liability whatsoever for any direct or consequential loss, including, without limitation, any loss of profits arising from the use of this commissioned research report or its contents. This commissioned research report may not be reproduced, distributed or published by any recipient for any purpose. The document may not be distributed to persons that are citizens of or domiciled in any country in which such distribution is prohibited according to applicable laws or other regulations.

This commissioned research report is distributed in Sweden by Carnegie Investment Bank AB. Carnegie Investment Bank AB is a bank incorporated in Sweden with limited liability which is authorised and regulated by the Swedish Financial Supervisory Authority (Finansinspektionen). In Finland this commissioned research report is issued by Carnegie Investment Bank AB, Finland Branch. The Finland branch is authorised by the Swedish Financial Supervisory Authority and subject to limited regulation by the Finnish Financial Supervisory Authority (Finanssivalvonta). In Norway this commissioned research report is issued by Carnegie AS, a wholly-owned subsidiary of Carnegie Investment Bank AB. Carnegie AS is regulated by the Financial Supervisory Authority of Norway (Finanstilsynet). In Denmark this commissioned research report is issued by Carnegie Investment Bank AB, Denmark Branch. The Denmark branch is authorised by the Swedish Financial Supervisory Authority and subject to limited regulation by the Danish Financial Supervisory Authority (Finanstilsynet).

This commissioned research report is distributed in the US by Carnegie, Inc., a US-registered broker-dealer and a member of FINRA and SIPC. Carnegie's research analysts located outside of the US are employed by non-US affiliates of Carnegie Inc. ("non-US affiliates") that are not subject to FINRA regulations. Generally, Carnegie research analysts are not registered with or qualified as research analysts with FINRA, and therefore are not subject to FINRA rule 2241 restrictions intended to prevent conflicts of interest by, among other things, prohibiting certain compensation practices, restricting trading by analysts and restricting communications with the companies that are the subject of the research report. Research reports distributed in the U.S. are intended solely for major US institutional investors and US institutional investors as defined under Rule 15a-6 of the Securities Exchange Act of 1934. This commissioned research report is provided for informational purposes only and under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy any securities. Reports regarding equity products are prepared by non-US affiliates of and distributed in the United States by Carnegie Inc. under Rule 15a-6(a)(3). When distributed by Carnegie Inc, Carnegie Inc. takes responsibility for the commissioned research report. Any US person who wishes to effect transactions based on this commissioned research report should contact Carnegie Inc. Investors in the US should be aware that investing in non-US securities entails certain risks. The securities of non-US issuers may not be registered with, or be subject to, the current information reporting and audit standards of the US Securities and Exchange Commission.

This commissioned research report has been issued in the UK by Carnegie UK which is the UK Branch of Carnegie Investment Bank AB. Carnegie UK is authorised and regulated by the Financial Conduct Authority (FCA).

**Research Disclaimer**

This commissioned research report is provided solely for information. It does not constitute or form part of, and shall under no circumstances be considered as an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instrument.

This commissioned research report has been requested and paid for by the issuer and should therefore be considered a marketing communication (i.e not investment research). Payment for the report has been agreed in advance on a non-recourse basis. As commissioned research, this material can be considered an acceptable minor non-monetary benefit under MiFID II. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. However, it is still subject to a prohibition on dealing ahead of the dissemination of the report.

Carnegie Investment Bank AB is responsible for the preparation of this commissioned research report in Sweden, Finland, Denmark, and the UK. Carnegie AS is responsible for the preparation of this commissioned research report in Norway. Carnegie Inc. is responsible for this research report in the US.

The information in this commissioned research report was obtained from various sources. While all reasonable care has been taken to ensure that the information is true and not misleading, Carnegie gives no representation or warranty, express or implied, about its accuracy or completeness. Carnegie, its subsidiaries and any of their officers or directors may have a position, or otherwise be interested in, transactions in securities that are directly or indirectly the subject of this commissioned research report. Any significant financial interests held by the analyst, Carnegie or a legal person in the same group in relation to the issuer will be referred to in the Company-specific disclosures below, and the Conflicts of interest on the front page of this report.

**Company specific disclosures**

Parts of this commissioned research report may have been submitted to the issuer prior to its publication.

Copyright © 2024 Carnegie

---

Carnegie Investment Bank AB  
Regeringsgatan 56  
SE-103 38 Stockholm  
Tel: +46 8 676 88 00 Fax +46 8 676 88 95