

# AAC Clyde Space

SDaaS starting to lift off

Largest SDaaS contract secured

Aerospace and defence

1 July 2021

**Price** **SEK2.6**

**Market cap** **SEK486m**

SEK11.8/£1

Net cash (SEKm) at 31 March 2021 (excluding lease liabilities) 36.8

Shares in issue 186.4m

Free float 97%

Code AAC

Primary exchange Nasdaq First North Premier

Secondary exchange OTCQX

On the day the Queen visited its Glasgow operations, AAC Clyde Space announced it had won its largest SDaaS (space data as a service) contract to date. The SEK100m (£8.4m) four-year contract from Canadian company Wyvern follows an agreement to supply three 6U satellites on a build-own-operate basis announced in March. Together with other recent major contract awards, the deal underpins management's confidence in its order pipeline indicated at the Q121 result and supports the move to SEK500m revenues by 2024. We maintain our estimates.

Year end	Revenue (SEKm)	PBT* (SEKm)	EPS* (SEK)	DPS (SEK)	P/E (x)	Yield (%)
12/19	66.4	(38.2)	(0.45)	0.0	N/A	N/A
12/20	98.4	(26.7)	(0.26)	0.0	N/A	N/A
12/21e	217.8	(3.8)	(0.02)	0.0	N/A	N/A
12/22e	293.0	16.5	0.08	0.0	32.6	N/A

Note: \*PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

The agreement will see AAC Clyde Space design, build, own and operate the three 6U satellites that are to be used to supply the data to Wyvern over the initial four-year period starting in mid-2022. One satellite is to be launched in H122 and the other two in H222. Wyvern is a specialist earth-observation company and will receive data in the hyperspectral bands. The order adds to the group backlog, which at 30 April 2021 stood at SEK260.4m, following the addition of SEK130m by the recently acquired Omnisys. In addition to the Wyvern agreement, AAC Clyde Space has won other substantial awards since the Q121 report, including the following:

On 16 June 2021, it announced it had won a c SEK55m (£4.6m) contract from Horizon Space Technologies for a full turnkey solution. The contract includes the supply and deployment of two EPIC 6U satellites in H222, their operation and data delivery as part of Horizon's Amber Constellation for maritime intelligence data, with the UK's National Maritime Information Centre in Portsmouth as its first customer. The contract is a follow-on from the Satellite Applications Catapult IOD programme's (IOD-3 AMBER) 6U satellite, which AAC Clyde Space is to deploy from the International Space Station later this year. The agreement could be extended to the supply of at least 10 more satellites for the constellation.

On 24 June, the company extended its contract to operate the SeaHawk-1 satellite launched in 2018 for a further 12 months for the University of North Carolina and NASA, studying changes in the ocean's surface.

On 9 June, AAC Clyde Space won a c SEK8.5m (\$1m) subsystems order for the ice-drilling mission as part of Intuitive Machines' 2022 lunar mission.

On 8 June, SpaceQuest won a c SEK4.6m (\$0.55m) order for global navigation satellite system receivers and antennas for an Asian customer.

On 28 May, AAC Clyde Space won a c SEK3m (£0.26m) contract to support a space-debris mission for Astroscale UK by helping to engineer the satellite platform. The scope includes the design and update of the Starbuck power subsystem, Sirius avionics and other systems from Sweden to meet the mission requirements.

## Share price performance



## Business description

Headquartered in Sweden, AAC Clyde Space is a world leader in nanosatellite end-to-end solutions, subsystems, platforms, services and components, including supply to third parties. It has production and development operations in Sweden, Scotland, the Netherlands and the United States.

## Analysts

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