

SinterCast

Ram(ped up) sales expected

- Ram 6.7 in-line diesel to boost Q4 sales
- Scania order adds confidence to future of CGI
- Report due on 20 February

RAM lifting sales and production volumes

We expect Q4 to produce sales of SEK 23.1m and EBIT of SEK 6.9m, with an EBIT margin of 30%. We expect Series production sales of SEK 21.6m along with production averaging 2.75m engine equivalents and Sampling cups at 51,500. We have raised SG&A costs by SEK 1.4m due to higher activity in the quarter, thus lowering the expected EBIT. We also expect SEK 1m to be capitalised as a deferred tax asset. We expect the new high volume production program, for the new 6.7 litre in-line diesel for the RAM Super duty pick-up truck, to add sales and increase production volumes in existing production programs. Also, we expect the installation of a Mini-System 3000 at Kimura's Foundry in Japan to contribute to Equipment's sales of SEK 1m.

Scania order gives confidence

We have adjusted our Q4 estimates slightly due to FX, higher SG&A activity and increased Sampling cups sales. We also slightly adjust our selling price per tonne in Series production, boosting 18e-20e sales. In January, Sintercast announced a record order from Scania, which is building a new 90,000 tonne/year foundry designed for CGI production. This adds SEK 5m to '20e Equipment sales and could contribute more than SEK 20m in annual sales from 2023. This is great news for Sintercast's sales, further increasing the confidence in the future of CGI production and possibly proving doubters wrong.

Zero interest bearing debt

Sintercast is valued at a '19e EV/EBIT of 18x and FCF yield of 4.8%. The company has a deferred tax asset of SEK 32m and no interest bearing debt, which makes EBIT drop straight through to net profit.

Lead analyst: Mattias Ehrenborg
Karl Bokvist

SEKm	2016	2017	2018e	2019e	2020e
Sales	75	66	86	97	108
EBITDA	27	19	31	37	45
EBITDA margin (%)	36.3	29.3	35.8	38.8	41.4
EBIT adj	26	18	29	35	42
EBIT adj margin (%)	35.0	27.0	33.4	36.5	38.4
Pretax profit	26	18	28	35	42
EPS rep	3.78	2.62	4.28	4.97	5.87
EPS adj	3.78	2.62	4.28	4.97	5.87
Sales growth (%)	4.1	-13.0	31.3	12.1	12.1
EPS growth (%)	4.3	-30.6	63.2	16.0	18.1

Source: ABG Sundal Collier, Company data

Reason: Preview of results

Company sponsored research

Not rated

Estimate changes (%)	2018e	2019e	2020e
Sales	1.2%	2.1%	7.1%
EBIT (rep)	-2.7%	6.0%	12.6%
EPS (rep)	0.7%	6.0%	12.6%

Source: ABG Sundal Collier

Share price (SEK)	15/02/2019	95.0
Capital Goods, Sweden		
SINT.ST/SINT.SS		
MCap (SEKm)		674
MCap (EURm)		64.4
Net debt (EURm)		-7
No. of shares (m)		7.1
Free float (%)		75.0
Av. daily volume (k)		4.1

Next event Q4 report: 20 Feb

Performance



	1m	3m	12m
Absolute (%)	17.6	16.1	39.7
OMX STH PI (%)	7.7	6.8	4.8

Source: FactSet

	2018e	2019e	2020e
P/E (x)	22.2	19.1	16.2
P/E adj (x)	22.2	19.1	16.2
P/BVPS (x)	6.95	6.84	6.76
EV/EBITDA (x)	20.7	17.0	14.3
EV/EBIT adj (x)	22.2	18.1	15.4
EV/sales (x)	7.40	6.61	5.91
ROE adj (%)	33.2	36.0	42.0
Dividend yield (%)	5.0	6.0	6.3
FCF yield (%)	3.8	4.8	5.9
Net IB debt/EBITDA	-2.3	-1.8	-1.5

Please refer to important disclosures at the end of this report

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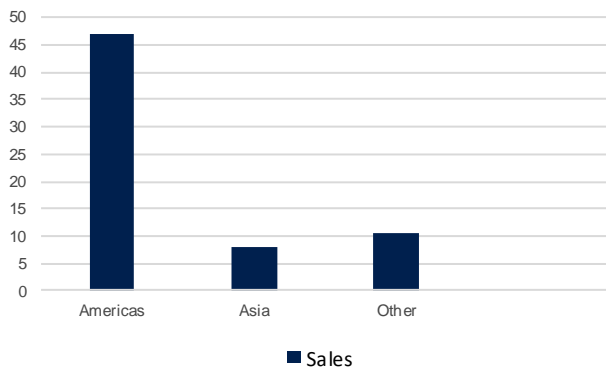
Opportunities

Increased focus on higher energy efficiency and lighter diesel engines. Increasing average vehicle size. Higher penetration of the truck and commercial vehicle segments.

Risks

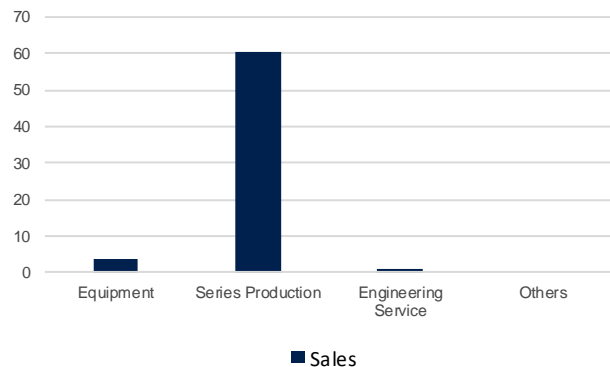
Automotive demand, and more specifically demand for larger passenger vehicles such as SUVs and pick-up trucks with diesel engines. Regulation relating to fossil fuels and diesel in particular poses risks to the business model.

Geographical breakdown, sales, SEKm



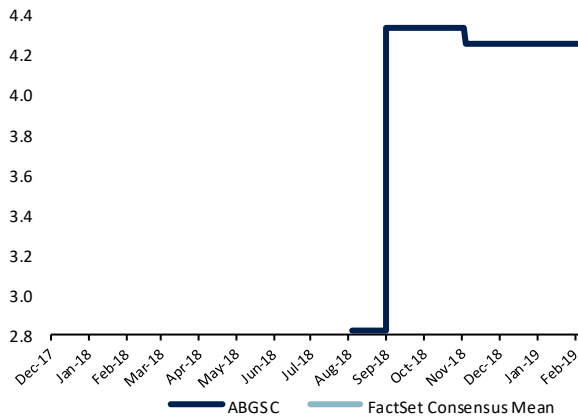
Source: ABG Sundal Collier, Company data

Business area breakdown, sales, SEKm



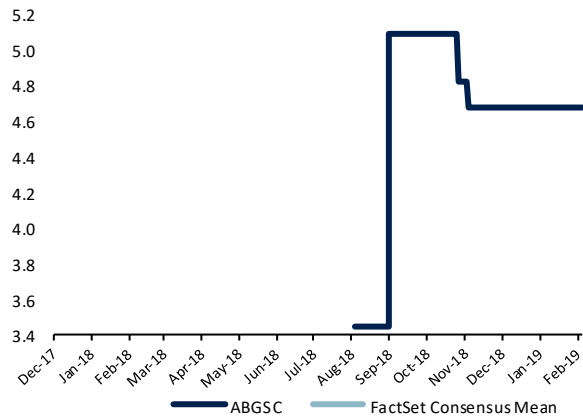
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2018e, SEK



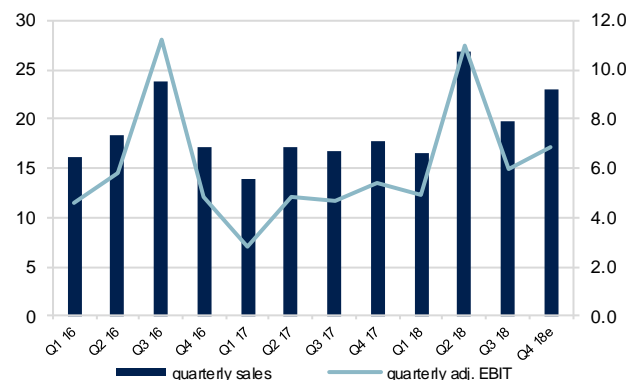
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2019e, SEK



Source: ABG Sundal Collier, FactSet

Quarterly sales and adj. EBIT, SEKm



Source: ABG Sundal Collier, Company data

Company description

SinterCast is a leading supplier of online process control technology and know-how for the reliable high-volume production of Compacted Graphite Iron (CGI). The material is stronger than traditional iron, which enables downsizing, increased thermal and mechanical loading, and increased engine performance. The technology is primarily used in diesel engines for larger passenger vehicles such as SUVs and pick-ups as well as commercial vehicles and offroad equipment.

Forecast changes

Estimate changes	Old			New			SEKm			%		
SEKm	2018e	2019e	2020e	2018e	2019e	2020e	2018e	2019e	2020e	2018e	2019e	2020e
Net sales	85.2	94.6	101.1	86.2	96.6	108.3	1.0	2.0	7.1	1%	2%	7%
Gross profit	67.3	73.7	78.9	68.0	75.7	83.6	0.6	2.0	4.6	1%	3%	6%
Opex	-37.8	-40.5	-42.0	-39.2	-40.5	-42.0	-1.4	0.0	0.0	4%	0%	0%
EBIT	29.5	33.2	36.9	28.8	35.2	41.6	-0.8	2.0	4.6	-3%	6%	13%
PTP	29.1	33.2	36.9	28.4	35.2	41.6	-0.8	2.0	4.6	-3%	6%	13%
Net profit	30.1	33.2	36.9	30.4	35.2	41.6	0.2	2.0	4.6	1%	6%	13%
Growth and margins	2018e	2019e	2020e	2018e	2019e	2020e	2018e	2019e	2020e	2018e	2019e	2020e
Sales growth	30%	11%	7%	31%	12%	12%				2%	1%	5%
EBIT growth	67%	12%	11%	63%	22%	18%				-4%	10%	7%
Gross margin	79%	78%	78%	79%	78%	77%				0%	0%	-1%
EBIT margin	35%	35%	37%	33%	36%	38%				-1%	1%	2%
Sales split	2018e	2019e	2020e	2018e	2019e	2020e	2018e	2019e	2020e	2018e	2019e	2020e
Equipment	3.9	4.0	4.0	3.9	4.0	9.0	0.0	0.0	5.0	0%	0%	125%
Service	1.7	2.0	2.0	1.7	2.0	2.0	0.0	0.0	0.0	0%	0%	0%
Series production	79.6	88.6	95.1	80.6	90.6	97.3	1.0	2.0	2.1	1%	2%	2%
Net sales	85.2	94.6	101.1	86.2	96.6	108.3	1.0	2.0	7.1	1%	2%	7%
Other metrics	2018e	2019e	2020e	2018e	2019e	2020e	2018e	2019e	2020e	2018e	2019e	2020e
Sampling cups	191,100	216,500	232,600	195,600	216,500	232,600	4,500	0	0	2%	0%	0%
Engine equivalents / year (mn)	2.56	2.89	3.10	2.56	2.89	3.10	0.00	0.00	0.00	0%	0%	0%

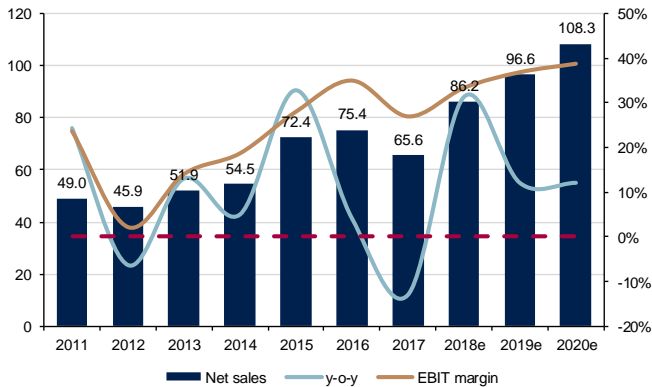
Source: ABG Sundal Collier, company data

Detailed quarterly income statement Q1'16-Q4'19e

Quarterly overview	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18e	Q1'19e	Q2'19e	Q3'19e	Q4'19e
Net sales	16.1	18.3	23.8	17.2	13.9	17.2	16.7	17.8	16.6	26.8	19.7	23.1	23.5	24.6	23.5	25.0
Gross profit	12.9	13.8	18.4	13.7	10.8	13.4	12.7	13.7	13.2	20.9	15.8	18.1	18.4	19.3	18.4	19.6
SG&A	-6.4	-6.8	-5.7	-6.1	-6.8	-6.4	-5.8	-6.0	-6.5	-7.2	-6.8	-8.5	-7.0	-7.5	-7.4	-7.5
R&D	-1.7	-2.0	-1.5	-2.7	-1.0	-1.9	-2.1	-2.3	-2.3	-3.0	-2.1	-2.6	-2.6	-2.7	-2.7	-2.7
Other opex	-0.2	0.4	0.0	-0.1	-0.2	-0.3	-0.1	0.0	0.5	0.3	-0.9	-0.1	-0.1	-0.1	-0.1	-0.1
EBIT	4.6	5.8	11.2	4.8	2.8	4.8	4.7	5.4	4.9	11.0	6.0	6.9	8.6	9.1	8.2	9.3
Net financials	0.1	-0.8	-0.2	0.3	0.2	-0.2	0.0	0.0	-0.8	-0.6	1.0	0.0	0.0	0.0	0.0	0.0
PTP	4.7	5.0	11.0	5.1	3.0	4.6	4.7	5.4	4.1	10.4	7.0	6.9	8.6	9.1	8.2	9.3
Taxes	0.0	1.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0	1.0	0.0	1.0	0.0	0.0	0.0	0.0
Net profit	4.7	6.0	11.0	5.1	3.0	5.5	4.7	5.4	4.1	11.4	7.0	7.9	8.6	9.1	8.2	9.3
Growth and margins	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18e	Q1'19e	Q2'19e	Q3'19e	Q4'19e
Sales growth	-14%	16%	16%	0%	-14%	-6%	-30%	3%	19%	56%	18%	30%	41%	-8%	19%	8%
EBIT growth	-22%	100%	58%	9%	-39%	-17%	-58%	13%	75%	129%	28%	27%	76%	-17%	36%	36%
Gross margin	80%	75%	77%	80%	78%	78%	76%	77%	80%	78%	80%	78%	78%	78%	78%	78%
SG&A+R&D / sales R12m	50%	48%	30%	51%	56%	48%	47%	47%	53%	38%	45%	48%	41%	41%	43%	41%
EBIT margin	29%	32%	47%	28%	20%	28%	28%	30%	30%	41%	30%	30%	37%	37%	35%	37%
Tax rate	0%	-20%	0%	0%	0%	-20%	0%	0%	0%	-10%	0%	-15%	0%	0%	0%	0%
Sales split	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18e	Q1'19e	Q2'19e	Q3'19e	Q4'19e
Equipment	0.1	0.7	5.9	0.4	0.2	1.2	1.5	0.8	0.1	2.3	0.5	1.0	1.0	1.0	1.0	1.0
Service	0.2	0.7	0.5	0.4	0.1	0.2	0.5	0.4	0.0	0.7	0.5	0.5	0.5	0.5	0.5	0.5
Series production	15.8	16.8	17.4	16.4	13.6	15.8	14.7	16.6	16.5	23.8	18.7	21.6	22.0	23.1	22.0	23.5
Net sales	16.1	18.3	23.8	17.2	13.9	17.2	16.7	17.8	16.6	26.8	19.7	23.1	23.5	24.6	23.5	25.0
Other metrics	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18e	Q1'19e	Q2'19e	Q3'19e	Q4'19e
Sampling cups	36,100	46,800	50,900	35,000	28,700	32,900	40,600	42,400	32,500	68,800	42,800	51,500	52,500	55,300	52,500	56,200
y-o-y	-11%	34%	38%	-14%	-20%	-30%	-20%	21%	13%	109%	5%	21%	62%	-20%	23%	9%
Engine equivalents / year (mn)	2.10	2.20	2.00	2.20	2.00	2.20	2.00	2.20	2.50	2.70	2.30	2.75	2.80	2.95	2.80	3.00
Working capital / sales R12m	17%	18%	23%	16%	13%	17%	25%	21%	16%	24%	20%	20%	18%	20%	19%	19%
Net debt	-51	-30	-36	-45	-49	-22	-22	-30	-37	-20	-29	-36	-45	-35	-44	-35
ND/Equity	-0.52	-0.37	-0.40	-0.47	-0.50	-0.29	-0.28	-0.35	-0.41	-0.24	-0.33	-0.37	-0.42	-0.36	-0.41	-0.36
ROCE	41%	47%	52%	55%	51%	46%	30%	33%	39%	45%	46%	49%	57%	49%	54%	57%

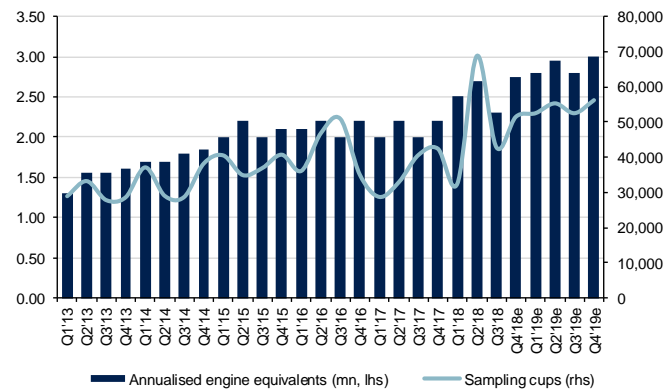
Source: ABG Sundal Collier, company data

Sales and margins steadily increasing



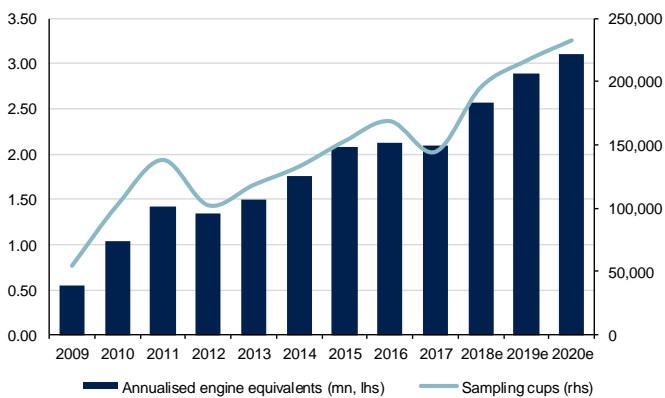
Source: ABG Sundal Collier, company data

Detailed annualised engine equivalents and Sampling cups



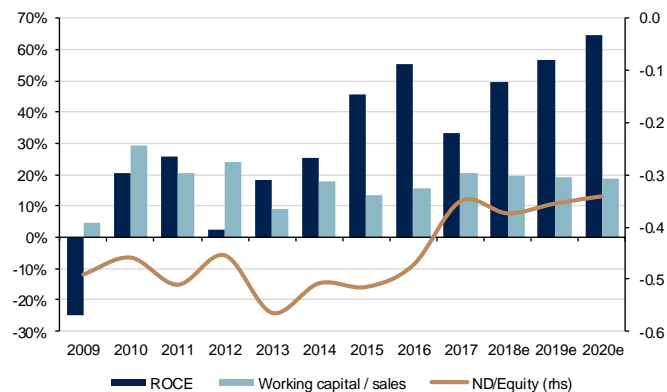
Source: ABG Sundal Collier, company data

Engine equivalents and Sampling cups walking hand in hand



Source: ABG Sundal Collier, company data

High profitability and zero interest bearing debt



Source: ABG Sundal Collier, company data

Income Statement (SEKm)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018e
Sales	14	17	17	18	17	27	20	23
COGS	-3	-4	-4	-4	-3	-6	-4	-5
Gross profit	11	13	13	14	13	21	16	18
Other operating items	-8	-8	-8	-8	-8	-9	-9	-11
EBITDA	3	5	5	6	6	12	6	7
Depreciation on tangibles	-0	-0	-1	-0	-1	-1	-0	-1
Depreciation on intangibles	0	0	0	0	0	0	0	0
EBITA	3	5	5	5	5	11	6	7
Goodwill impairment charges	0	0	0	0	0	0	0	0
Other impairment and amortisation	0	0	0	0	0	0	0	0
EBIT	3	5	5	5	5	11	6	7
Interest Net	0	-0	0	0	-1	-1	1	0
Other financial items	0	0	0	0	0	0	0	0
Associated income	0	0	0	0	0	0	0	0
Other EO items	0	0	0	0	0	0	0	0
Pretax profit	3	5	5	5	4	10	7	7
Tax	0	1	0	0	0	1	0	1
Net profit	3	6	5	5	4	11	7	8
Minority interest	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0
Net profit to shareholders	3	6	5	5	4	11	7	8
EPS	0.42	0.78	0.66	0.76	0.58	1.61	0.99	1.11
EPS Adj	0.42	0.78	0.66	0.76	0.58	1.61	0.99	1.11
Total extraordinary items after tax	0	0	0	0	0	0	0	0
Tax rate (%)	0	19.6	0	0	0	9.6	0	14.6
Gross margin (%)	77.7	77.9	76.0	77.0	79.5	78.0	80.2	78.3
EBITDA margin (%)	22.3	29.7	31.1	32.6	33.1	42.9	32.5	32.2
EBITA margin (%)	20.1	27.9	28.1	30.3	29.5	41.0	30.5	29.8
EBIT margin (%)	20.1	27.9	28.1	30.3	29.5	41.0	30.5	29.8
Pretax margin (%)	21.6	26.7	28.1	30.3	24.7	38.8	35.5	29.8
Net margin (%)	21.6	32.0	28.1	30.3	24.7	42.5	35.5	34.1
Growth rates Y/Y	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018e
Sales growth (%)	-13.7	-6.0	-29.8	3.5	19.4	55.8	18.0	29.6
EBITDA growth (%)	-36.7	-16.4	-54.4	16.0	77.4	125.5	23.1	28.0
EBIT growth (%)	-39.1	-17.2	-58.0	12.5	75.0	129.2	27.7	27.1
Net profit growth (%)	-36.2	-8.3	-57.3	5.9	36.7	107.3	48.9	45.6
EPS growth (%)	-36.2	-8.3	-57.3	5.9	36.7	107.3	48.9	45.6
Adj earnings numbers	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018e
EBITDA Adj	3	5	5	6	6	12	6	7
EBITDA Adj margin (%)	22.3	29.7	31.1	32.6	33.1	42.9	32.5	32.2
EBITA Adj	3	5	5	5	5	11	6	7
EBITA Adj margin (%)	20.1	27.9	28.1	30.3	29.5	41.0	30.5	29.8
EBIT Adj	3	5	5	5	5	11	6	7
EBIT Adj margin (%)	20.1	27.9	28.1	30.3	29.5	41.0	30.5	29.8
Pretax profit Adj	3	5	5	5	4	10	7	7
Net profit Adj	3	6	5	5	4	11	7	8
Net profit to shareholders Adj	3	6	5	5	4	11	7	8
Net Adj margin (%)	21.6	32.0	28.1	30.3	24.7	42.5	35.5	34.1

Source: ABG Sundal Collier, Company data

Income Statement (SEKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Sales	49	46	52	55	72	75	66	86	97	108
COGS	-14	-14	-15	-18	-17	-17	-15	-18	-21	-25
Gross profit	35	32	37	36	55	59	51	68	76	84
Other operating items	-22	-30	-29	-25	-34	-31	-31	-37	-38	-39
EBITDA	13	2	8	11	21	27	19	31	37	45
Depreciation on tangibles	-1	-1	-1	-1	-1	-1	-2	-2	-2	-3
Depreciation on intangibles	0	0	0	0	0	0	0	0	0	0
EBITA	12	1	7	10	20	26	18	29	35	42
Goodwill impairment charges	0	0	0	0	0	0	0	0	0	0
Other impairment and amortisation	0	0	0	0	0	0	0	0	0	0
EBIT	12	1	7	10	20	26	18	29	35	42
Interest Net	-1	1	0	1	5	-1	0	-0	0	0
Other financial items	0	0	0	0	0	0	0	0	0	0
Associated income	0	0	0	0	0	0	0	0	0	0
Other EO items	0	0	0	0	0	0	0	0	0	0
Pretax profit	11	2	8	12	25	26	18	28	35	42
Tax	3	-6	1	1	1	1	1	2	0	0
Net profit	15	-4	8	12	26	27	19	30	35	42
Minority interest	0	0	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
Net profit to shareholders	15	-4	8	12	26	27	19	30	35	42
EPS	2.08	-0.53	1.14	1.75	3.62	3.78	2.62	4.28	4.97	5.87
EPS Adj	2.08	-0.53	1.14	1.75	3.62	3.78	2.62	4.28	4.97	5.87
Total extraordinary items after tax	0	0	0	0	0	0	0	0	0	0
Tax rate (%)	30.6	285.0	8.0	7.8	3.2	3.9	5.1	7.1	0	0
Gross margin (%)	71.0	70.2	71.9	66.6	76.5	78.0	77.1	78.9	78.4	77.2
EBITDA margin (%)	25.9	4.4	15.6	20.2	29.1	36.3	29.3	35.8	38.8	41.4
EBITA margin (%)	23.7	2.2	14.1	18.7	28.0	35.0	27.0	33.4	36.5	38.4
EBIT margin (%)	23.7	2.2	14.1	18.7	28.0	35.0	27.0	33.4	36.5	38.4
Pretax margin (%)	22.7	4.4	14.5	21.1	34.4	34.2	27.0	32.9	36.5	38.4
Net margin (%)	29.6	-8.1	15.6	22.8	35.5	35.5	28.4	35.2	36.5	38.4
Growth rates Y/Y	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Sales growth (%)	24.4	-6.3	13.1	5.0	32.8	4.1	-13.0	31.3	12.1	12.1
EBITDA growth (%)	58.8	-84.3	305.0	35.8	91.8	29.9	-29.9	60.5	21.6	19.7
EBIT growth (%)	61.1	-91.4	630.0	39.7	99.0	30.0	-33.0	62.5	22.5	18.1
Net profit growth (%)	-12.7	-125.5	318.9	53.1	107.3	4.3	-30.6	63.2	16.0	18.1
EPS growth (%)	-12.7	-125.4	316.1	53.1	107.3	4.3	-30.6	63.2	16.0	18.1
Profitability	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
ROE (%)	16.6	-4.3	10.0	14.3	28.3	28.4	20.5	33.2	36.0	42.0
ROE Adj (%)	16.6	-4.3	10.0	14.3	28.3	28.4	20.5	33.2	36.0	42.0
ROCE (%)	84.7	7.3	63.8	92.7	141.5	156.7	84.7	115.0	124.0	134.7
ROCE Adj(%)	84.7	7.3	63.8	92.7	141.5	156.7	84.7	115.0	124.0	134.7
ROIC (%)	110.6	-13.5	68.9	100.0	146.0	162.7	89.0	123.1	124.0	134.7
ROIC Adj (%)	110.6	-13.5	68.9	100.0	146.0	162.7	89.0	123.1	124.0	134.7
Adj earnings numbers	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
EBITDA Adj	13	2	8	11	21	27	19	31	37	45
EBITDA Adj margin (%)	25.9	4.4	15.6	20.2	29.1	36.3	29.3	35.8	38.8	41.4
EBITA Adj	12	1	7	10	20	26	18	29	35	42
EBITA Adj margin (%)	23.7	2.2	14.1	18.7	28.0	35.0	27.0	33.4	36.5	38.4
EBIT Adj	12	1	7	10	20	26	18	29	35	42
EBIT Adj margin (%)	23.7	2.2	14.1	18.7	28.0	35.0	27.0	33.4	36.5	38.4
Pretax profit Adj	11	2	8	12	25	26	18	28	35	42
Net profit Adj	15	-4	8	12	26	27	19	30	35	42
Net profit to shareholders Adj	15	-4	8	12	26	27	19	30	35	42
Net Adj margin (%)	29.6	-8.1	15.6	22.8	35.5	35.5	28.4	35.2	36.5	38.4

Source: ABG Sundal Collier, Company data

Cash Flow Statement (SEK m)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
EBITDA	13	2	8	11	21	27	19	31	37	45
Net financial items	-1	1	0	1	5	-1	0	-0	0	0
Paid tax	0	0	0	0	0	0	0	2	0	0
Non-cash items	1	-1	-0	-1	-6	1	-0	-1	0	0
Cash flow before change in WC	13	2	8	12	20	28	19	32	37	45
Change in WC	2	-1	6	-5	0	-2	-2	-3	-2	-2
Operating cash flow	15	1	14	7	20	25	17	28	36	43
CAPEX tangible fixed assets	-0	-2	-1	-1	-2	-3	-4	-3	-3	-4
CAPEX intangible fixed assets	0	0	0	0	0	0	0	0	0	0
Acquisitions and disposals	0	0	0	0	0	0	0	0	0	0
Free cash flow	14	-0	14	5	19	22	13	26	32	39
Dividend paid	-7	-7	-7	-9	-16	-25	-28	-19	-34	-40
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Other non cash items	7	-10	7	1	1	1	1	1	0	0
Decrease in net IB debt	14	-17	13	-2	4	-1	-14	7	-1	-1
Balance Sheet (SEK m)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Goodwill	0	0	0	0	0	0	0	0	0	0
Indefinite intangible assets	2	2	2	2	4	5	8	8	8	8
Definite intangible assets	0	0	0	0	0	0	0	0	0	0
Tangible fixed assets	0	2	2	2	2	2	2	2	4	4
Other fixed assets	33	28	29	30	30	32	33	34	34	34
Fixed assets	36	32	32	34	36	39	42	44	45	45
Inventories	4	4	4	4	4	4	4	6	7	7
Receivables	12	12	11	15	18	19	18	23	25	28
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	48	35	48	45	48	45	30	36	35	34
Total assets	100	83	95	97	106	108	95	109	111	115
Shareholders equity	93	78	85	88	93	96	86	97	99	100
Minority	0	0	0	0	0	0	0	0	0	0
Total equity	93	78	85	88	93	96	86	97	99	100
Long-term debt	0	0	0	0	0	0	0	0	0	0
Pension debt	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0
Deferred tax	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0
Short-term debt	0	0	0	0	0	0	0	0	0	0
Accounts payable	7	5	10	8	13	12	9	12	13	15
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	100	83	95	97	106	108	95	109	111	115
Net IB debt	-81	-63	-77	-75	-78	-77	-63	-70	-69	-68
Net IB debt excl. pension debt	-81	-63	-77	-75	-78	-77	-63	-70	-69	-68
Capital invested	13	15	8	14	15	19	23	27	30	32
Working capital	10	11	5	10	10	12	14	17	19	20
EV breakdown	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Market cap. diluted (m)	na	na	560	539	626	580	461	674	674	674
Net IB debt Adj	-48	-35	-48	-45	-48	-45	-30	-36	-35	-34
Market value of minority	0	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	0	0	0	0	0	0	0	0	0	0
EV	na	na	512	494	578	534	431	637	639	640
Capital efficiency (%)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Total assets turnover (%)	51.1	50.2	58.4	56.9	71.3	70.5	64.9	84.6	87.8	95.8
Capital invested turnover (%)	357.7	335.0	453.3	495.5	504.5	447.5	313.9	344.6	339.9	350.5
Capital employed turnover (%)	357.7	335.0	453.3	495.5	504.5	447.5	313.9	344.6	339.9	350.5
Inventories/sales (%)	7.6	9.2	7.6	6.8	5.5	5.8	6.5	5.9	6.5	6.4
Customer advances/sales (%)	0	0	0	0	0	0	0	0	0	0
Payables/sales (%)	14.4	12.9	14.6	17.0	14.9	16.5	15.7	12.1	12.7	12.8
Working capital/sales (%)	22.0	22.9	15.1	13.3	13.4	14.1	19.3	17.8	18.5	18.0
Financial risk and debt service	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Net debt/equity (%)	-86.4	-81.1	-90.3	-84.4	-84.0	-80.4	-73.2	-72.1	-69.7	-67.9
Net debt/market cap (%)	na	na	-16.5	-12.9	-12.5	-12.8	-11.9	-12.8	-10.2	-10.1
Equity ratio (%)	93.3	93.9	89.3	91.3	87.6	89.1	90.6	89.1	88.7	86.8
Net IB debt adj./equity (%)	-51.1	-45.4	-56.4	-50.8	-51.5	-47.3	-35.1	-37.4	-35.5	-34.1
Current ratio (%)	959.7	1,009.8	619.8	751.2	536.4	587.2	591.0	547.4	526.7	458.3
EBITDA/net interest (%)	2,540.0	-200.0	-4,050.0	-846.2	-458.7	4,566.7	high	7,706.4	high	high
Net IB debt/EBITDA (%)	-633.9	-3,160.0	-944.4	-678.2	-371.1	-281.0	-327.1	-226.9	-183.3	-151.0
Interest cover (%)	2,320.0	-100.0	-3,650.0	-784.6	-441.3	4,400.0	nm	7,190.7	nm	nm

Source: ABG Sundal Collier, Company data

Valuation and Ratios (SEKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Shares outstanding adj.	7	7	7	7	7	7	7	7	7	7
Fully diluted shares Adj	7	7	7	7	7	7	7	7	7	7
EPS	2.08	-0.53	1.14	1.75	3.62	3.78	2.62	4.28	4.97	5.87
Dividend per share Adj	1.0	1.0	1.2	2.2	3.5	4.0	2.8	4.8	5.7	6.0
EPS Adj	2.08	-0.53	1.14	1.75	3.62	3.78	2.62	4.28	4.97	5.87
BVPS	13.36	11.13	11.95	12.47	13.15	13.51	12.10	13.68	13.89	14.06
BVPS Adj	13.36	11.13	11.95	12.47	13.15	13.51	12.10	13.68	13.89	14.06
Net IB debt / share	-11.5	-9.0	-10.8	-10.5	-11.0	-10.9	-8.9	-9.9	-9.7	-9.6
Share price	na	na	79.00	76.00	88.25	81.75	65.00	95.00	95.00	95.00
Market cap. (m)	na	na	560	539	626	580	461	674	674	674
Valuation	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
P/E	na	na	69.1	43.5	24.3	21.6	24.8	22.2	19.1	16.2
EV/sales	na	na	9.87	9.06	7.98	7.09	6.57	7.40	6.61	5.91
EV/EBITDA	na	na	63.2	44.9	27.4	19.5	22.4	20.7	17.0	14.3
EV/EBITA	na	na	70.2	48.4	28.5	20.2	24.3	22.2	18.1	15.4
EV/EBIT	na	na	70.2	48.4	28.5	20.2	24.3	22.2	18.1	15.4
Dividend yield (%)	na	na	1.5	2.9	4.0	4.9	4.2	5.0	6.0	6.3
FCF yield (%)	na	na	2.5	1.0	3.0	3.8	2.9	3.8	4.8	5.9
P/BVPS	na	na	6.61	6.10	6.71	6.05	5.37	6.95	6.84	6.76
P/BVPS Adj	na	na	6.61	6.10	6.71	6.05	5.37	6.95	6.84	6.76
P/E Adj	na	na	69.1	43.5	24.3	21.6	24.8	22.2	19.1	16.2
EV/EBITDA Adj	na	na	63.2	44.9	27.4	19.5	22.4	20.7	17.0	14.3
EV/EBITA Adj	na	na	70.2	48.4	28.5	20.2	24.3	22.2	18.1	15.4
EV/EBIT Adj	na	na	70.2	48.4	28.5	20.2	24.3	22.2	18.1	15.4
EV/cap. employed	na	na	62.5	35.8	38.8	28.4	18.7	23.6	21.4	20.0
Investment ratios	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Capex/sales	0.8	3.5	1.2	2.4	2.3	4.4	5.6	3.3	3.6	3.5
Capex/depreciation	36.4	160.0	75.0	162.5	212.5	330.0	246.7	136.7	152.4	116.7
Capex tangibles/tangible fixed assets	100.0	80.0	31.6	81.3	100.0	173.7	217.6	114.8	94.4	90.7
Capex intangibles/definite intangibles	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Depreciation on intangibles/definite inta	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Depreciation on tangibles/tangibles	275.0	50.0	42.1	50.0	47.1	52.6	88.2	83.9	62.0	77.7

Source: ABG Sundal Collier, Company data

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