

## SinterCast

### Q4 set to deliver record installation revenue

- Q4'20 report due on 10 February
- We lower EBIT est. by 12-5% '21e-22e
- Trading at 27x EV/EBIT '21e, +8% vs. historical

#### Q4'20 expectations

On the back of a company announcement and seasonal year-end shutdowns, we lower our estimated annualised engine equivalents from 3.0m to 2.6m for Q4'20e (-7% q-o-q, -16% y-o-y), corresponding to 2.5mn for 2020e (-24% vs. 2019). We estimate sampling cup deliveries of 45,350 (+38% q-o-q, -5% y-o-y), primarily driven by re-openings of foundries and higher production volumes during the quarter. However, we forecast total sales of SEK ~31m (+7% y-o-y), primarily driven by record installation revenue of SEK 9.8m in Q4 (SEK ~17m FY'20e, 39% y-o-y vs. ~12m FY'19) stemming from the System 4000 Plus installations at the FAW Foundry in China and the Scania foundry in Sweden. We expect adj. EBIT to reach c. SEK 12m for an adj. EBIT margin of 37% (30% Q4'19). The margin expansion is primarily due to increasing revenues on a stable cost base.

#### Intact installations, but lowered series production

We lower our sales expectations by 2% for '20e, 10% for '21e, and 4% for '22e, primarily due to lower volumes of engine equivalents and sampling cups. Although we raise EBIT by c. 10% in '20e, we do not extrapolate those numbers into '21e-22e, resulting in negative EBIT revisions of 12-5% for '21e-22e (-3% due to FX). Looking ahead, we believe that travel restrictions have postponed decision-making, delaying future potential installations. For '19-22e, we forecast a 7% sales CAGR and an 11% EBIT CAGR.

#### 27x EV/EBIT '21e, 3-6% dividend yields '20e-22e

On our estimates, the stock is trading at 27x EV/EBIT '21e, slightly above its five-year historical average of c. 25x, while offering 3-4% lease adj. FCF yields and 3-6% dividend yields '20e-'22e. Given SinterCast's history of paying out 100% of net profit, our dividend discount model using 6% mid-term growth with an applied cost of equity of 8-13% yields a fair value range of SEK 114-216 per share.

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SEKm	2018	2019	2020e	2021e	2022e
Sales	88	117	94	110	144
EBITDA	32	43	28	39	59
EBITDA margin (%)	36.0	37.2	29.6	35.8	40.7
EBIT adj	29	45	24	35	55
EBIT adj margin (%)	33.5	38.6	25.6	32.1	37.8
Pretax profit	29	40	25	35	55
EPS rep	4.61	6.80	3.53	5.53	8.99
EPS adj	4.61	7.49	3.53	5.53	8.99
Sales growth (%)	33.7	32.8	-19.4	16.7	31.6
EPS growth (%)	75.8	47.4	-48.1	56.5	62.7

Source: ABG Sundal Collier, Company data

Reason: Preview of results

### Company sponsored research

Not rated

Estimate changes (%)

	2020e	2021e	2022e
Sales	-1.5%	-10.4%	-4.2%
EBIT (rep)	9.5%	-11.7%	-5.4%
EPS (rep)	0.4%	-11.7%	0.5%

Source: ABG Sundal Collier

Share price (SEK)	26/01/2021	138.6
Fair value range (per share)		114-216

Capital Goods, Sweden

SINT.ST/SINT SS

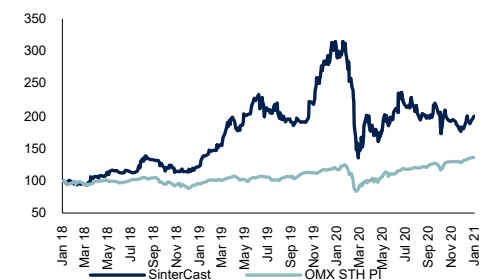
MCap (SEKm)	983
MCap (EURm)	98
Net debt (EURm)	-3

No. of shares (m)	7.1
Free float (%)	88
Av. daily volume (k)	17

Next event

Q4 report: 10 Feb

#### Performance



	1m	3m	12m
Absolute (%)	11.1	0.9	-33.7
OMX STH PI (%)	-81.8	-80.3	-80.2

Source: FactSet

	2020e	2021e	2022e
P/E (x)	39.3	25.1	15.4
P/E adj (x)	39.3	25.1	15.4
P/BVPS (x)	8.78	7.80	6.52
EV/EBITDA (x)	34.1	24.0	16.0
EV/EBIT adj (x)	39.5	26.7	17.2
EV/sales (x)	10.11	8.59	6.49
ROE adj (%)	22.4	32.9	46.1
Dividend yield (%)	2.5	4.0	6.5
FCF yield (%)	2.9	3.6	4.6
Lease adj. FCF yld (%)	2.8	3.4	4.5
Net IB debt/EBITDA	-1.2	-1.1	-0.8
Lease adj. ND/EBITDA	-1.4	-1.2	-0.9

Please refer to important disclosures at the end of this report

This research product is commissioned and paid for by the company covered in this report. As such, this report is deemed to constitute an acceptable minor non-monetary benefit (i.e. not investment research) as defined in MiFID II.

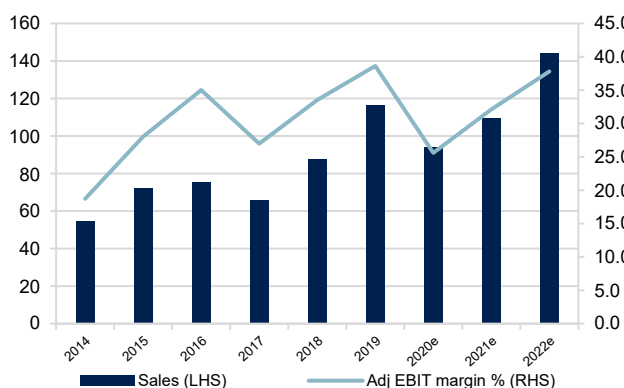
### Company description

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.

### Risks

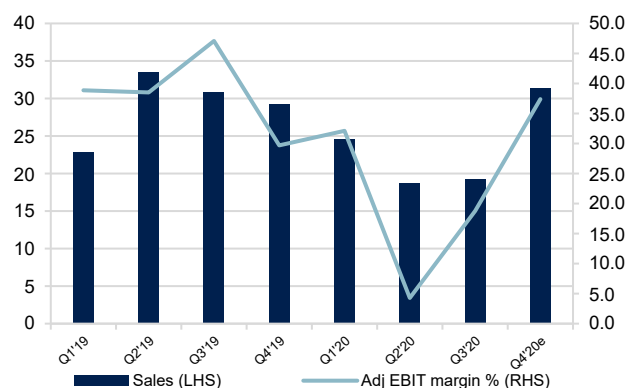
Automotive demand, and more specifically demand for larger passenger vehicles such as SUVs and pick-up trucks with diesel engines. Regulation relating to fossil fuels and diesel in particular poses risks to the business model.

### Annual sales and adj. EBIT margin



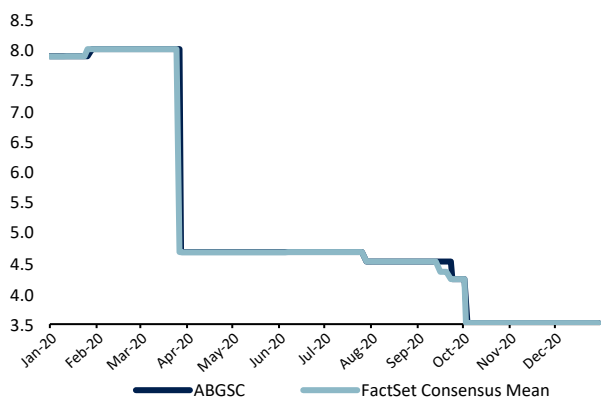
Source: ABG Sundal Collier, Company data

### Quarterly sales and adj. EBIT margin



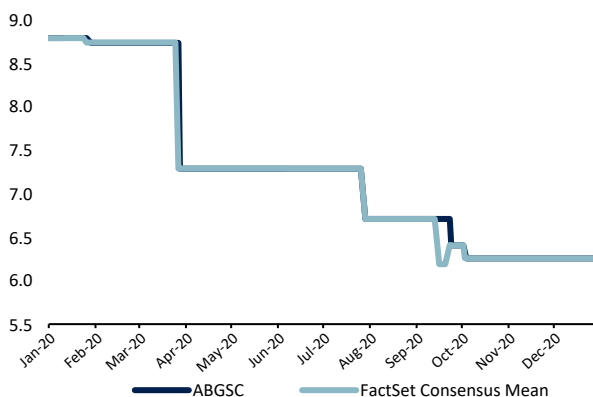
Source: ABG Sundal Collier, Company data

### EPS estimate changes, 2020e, SEK



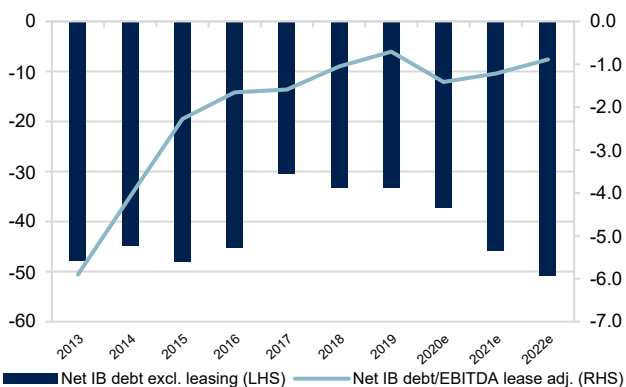
Source: ABG Sundal Collier, FactSet

### EPS estimate changes, 2021e, SEK



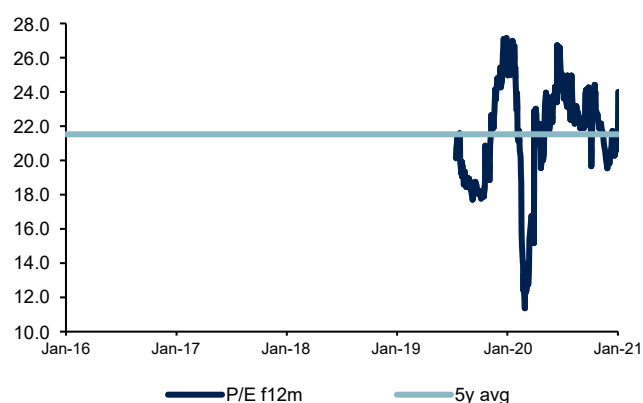
Source: ABG Sundal Collier, FactSet

### Net debt and ND/EBITDA adj.



Source: ABG Sundal Collier, Company data

### 12month forward-looking P/E



Source: ABG Sundal Collier, Company data

## Estimate changes 2020e-2022e

Estimate changes SEKm	New			New			SEKm			%		
	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e
<b>Revenue</b>	<b>95.3</b>	<b>122.3</b>	<b>150.6</b>	<b>93.9</b>	<b>109.6</b>	<b>144.3</b>	<b>-1.4</b>	<b>-12.8</b>	<b>-6.4</b>	<b>-1%</b>	<b>-10%</b>	<b>-4%</b>
Gross profit	69.7	91.8	113.7	67.7	82.2	109.6	-2.0	-9.6	-4.1	-3%	-10%	-4%
Opex	-47.8	-51.9	-56.1	-43.7	-47.0	-55.1	4.1	4.9	1.0	-9%	-9%	-2%
<b>EBIT</b>	<b>21.9</b>	<b>39.9</b>	<b>57.6</b>	<b>24.0</b>	<b>35.2</b>	<b>54.5</b>	<b>2.1</b>	<b>-4.7</b>	<b>-3.1</b>	<b>10%</b>	<b>-12%</b>	<b>-5%</b>
FTP	22.9	39.9	57.6	25.0	35.2	54.5	2.1	-4.7	-3.1	9%	-12%	-5%
<b>Net profit</b>	<b>24.9</b>	<b>44.4</b>	<b>63.4</b>	<b>25.0</b>	<b>39.2</b>	<b>63.7</b>	<b>0.1</b>	<b>-5.2</b>	<b>0.3</b>	<b>0%</b>	<b>-12%</b>	<b>0%</b>
<b>Growth and margins</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Revenue grow th	-18%	28%	23%	-19%	17%	32%				-1%	-12%	9%
EBIT grow th	-45%	82%	45%	-40%	46%	55%				5%	-35%	10%
Gross margin	73%	75%	76%	72%	75%	76%				-1%	0%	1%
EBIT margin	23%	33%	38%	26%	32%	38%				3%	0%	0%
<b>Sales split</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Installation	15.7	12.0	13.4	16.6	12.4	14.3	0.9	0.4	0.9	6%	3%	7%
Series Production	78.5	109.0	135.7	76.2	95.9	128.5	-2.3	-13.2	-7.3	-3%	-12%	-5%
Engineering Service	1.2	1.3	1.5	1.2	1.3	1.5	0.0	0.0	0.0	0%	0%	0%
<b>Total revenue</b>	<b>95.3</b>	<b>122.3</b>	<b>150.6</b>	<b>93.9</b>	<b>109.6</b>	<b>144.3</b>	<b>-1.4</b>	<b>-12.8</b>	<b>-6.4</b>	<b>-1%</b>	<b>-10%</b>	<b>-4%</b>
<b>Other metrics</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Sampling cups	143,300	164,250	189,960	143,150	163,965	189,960	-150	-285	0	0%	0%	0%
y-o-y	-24%	15%	16%	-25%	15%	16%				0%	0%	0%
Annualised engine eq. (mn)	2.58	3.62	4.50	2.48	3.16	4.22	-0.10	-0.46	-0.28	-4%	-13%	-6%
y-o-y	-21%	41%	24%	-24%	28%	33%				-3%	-13%	9%

Source: ABG Sundal Collier, company data

## Quarterly overview, Q1'18-Q4'20e

Quarterly overview	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20e
<b>Revenue</b>	<b>16.6</b>	<b>26.8</b>	<b>19.7</b>	<b>24.6</b>	<b>22.9</b>	<b>33.5</b>	<b>30.8</b>	<b>29.3</b>	<b>24.6</b>	<b>18.7</b>	<b>19.2</b>	<b>31.4</b>
Gross profit	13.2	20.9	15.8	19.0	18.4	25.4	24.6	20.6	17.6	12.9	14.6	22.6
SG&A	-6.5	-7.2	-6.8	-8.3	-7.8	-9.1	-8.4	-10.9	-8.9	-7.3	-7.5	-7.6
R&D	-2.3	-3.0	-2.1	-2.9	-2.2	-2.7	-3.0	-4.1	-3.3	-2.3	-3.2	-3.0
Other opex	0.5	0.3	-0.9	-0.3	0.5	-0.7	1.3	-1.8	2.5	-2.5	-0.3	-0.3
<b>EBIT</b>	<b>4.9</b>	<b>11.0</b>	<b>6.0</b>	<b>7.5</b>	<b>8.9</b>	<b>12.9</b>	<b>14.5</b>	<b>3.8</b>	<b>7.9</b>	<b>0.8</b>	<b>3.6</b>	<b>11.7</b>
Net financials	-0.8	-0.6	1.0	0.4	-0.6	0.3	-0.3	0.4	-1.3	2.2	0.1	0.0
PTP	4.1	10.4	7.0	7.9	8.3	13.2	14.2	4.2	6.6	3.0	3.7	11.7
Taxes	0.0	1.0	0.0	2.3	0.0	0.9	0.0	7.4	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>4.1</b>	<b>11.4</b>	<b>7.0</b>	<b>10.2</b>	<b>8.3</b>	<b>14.1</b>	<b>14.2</b>	<b>11.6</b>	<b>6.6</b>	<b>3.0</b>	<b>3.7</b>	<b>11.7</b>
Growth and margins	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20e
Revenue growth	19%	56%	18%	38%	38%	25%	56%	19%	7%	-44%	-38%	7%
EBIT growth	75%	129%	28%	39%	82%	17%	142%	-49%	-11%	-94%	-75%	209%
Gross margin	80%	78%	80%	77%	80%	76%	80%	70%	72%	69%	76%	72%
EBIT margin	30%	41%	30%	30%	39%	39%	47%	13%	32%	4%	19%	37%
Sales split	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20e
Equipment	0.1	2.3	0.5	1.7	0.5	6.6	2.4	2.4	0.4	6.1	0.3	9.8
Series Production	16.5	23.8	18.7	22.3	22.2	26.7	28.2	25.2	23.8	12.5	18.8	21.1
Engineering Service	0.0	0.7	0.5	0.6	0.2	0.2	0.2	1.7	0.5	0.1	0.1	0.5
<b>Total revenue</b>	<b>16.6</b>	<b>26.8</b>	<b>19.7</b>	<b>24.6</b>	<b>22.9</b>	<b>33.5</b>	<b>30.8</b>	<b>29.3</b>	<b>24.7</b>	<b>18.7</b>	<b>19.2</b>	<b>31.4</b>
Other metrics	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20e
Sampling cups	32,500	68,800	42,800	53,800	36,800	49,400	55,700	47,900	45,100	19,800	32,900	45,350
y-o-y	13%	109%	5%	27%	13%	-28%	30%	-11%	23%	-60%	-41%	-5%
Annualised engine eq. (mn)	2.50	2.70	2.30	2.60	3.10	3.40	3.50	3.10	2.90	1.60	2.80	2.60
y-o-y	25%	23%	15%	18%	24%	26%	52%	19%	-6%	-53%	-20%	-16%
Working capital / sales R12m	16%	24%	20%	24%	24%	29%	25%	22%	21%	18%		
Net debt/cash	-37	-20	-29	-33	-36	-25	-41	-30	-39	-45		
ND/EBITDA	-1.7	-0.7	-1.0	-1.0	-1.0	-0.7	-0.9	-0.7	-0.9	-1.4		
Equity ratio	89%	88%	91%	90%	86%	88%	90%	88%	86%	85%		
FCF conversion (lease adj.)	83%	68%	95%	68%	59%	65%	68%	74%	81%	110%		
ROCE	21%	33%	32%	32%	33%	37%	42%	38%	34%	23%		

Source: ABG Sundal Collier, company data

## Annual overview, 2008-2022e

Annual overview	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
<b>Revenue</b>	<b>24.8</b>	<b>20.0</b>	<b>39.4</b>	<b>49.0</b>	<b>45.9</b>	<b>51.9</b>	<b>54.5</b>	<b>72.4</b>	<b>75.4</b>	<b>65.6</b>	<b>87.7</b>	<b>116.5</b>	<b>93.9</b>	<b>109.6</b>	<b>144.3</b>
Gross profit	15.4	13.0	29.2	34.8	32.2	37.3	40.8	55.4	58.8	50.6	68.9	89.0	67.7	82.2	109.6
SG&A	-17.5	-15.3	-16.8	-21.0	-26.2	-24.6	-24.7	-26.4	-25.0	-25.0	-28.8	-36.2	-31.3	-34.2	-38.7
R&D	-3.9	-3.9	-4.5	-4.4	-5.5	-5.8	-6.5	-7.6	-7.9	-7.3	-10.3	-12.0	-11.8	-12.0	-15.4
Other opex	0.3	-0.1	-0.7	2.2	0.5	0.4	0.6	-1.1	0.5	-0.6	-0.4	-0.7	-0.6	-0.8	-1.0
<b>EBIT</b>	<b>-5.7</b>	<b>-6.3</b>	<b>7.2</b>	<b>11.6</b>	<b>1.0</b>	<b>7.3</b>	<b>10.2</b>	<b>20.3</b>	<b>26.4</b>	<b>17.7</b>	<b>29.4</b>	<b>40.1</b>	<b>24.0</b>	<b>35.2</b>	<b>54.5</b>
Net financials	0.3	1.8	1.4	-0.5	1.0	0.2	1.3	4.6	-0.6	0.0	0.0	-0.2	1.0	0.0	0.0
PTP	-5.4	-4.5	8.6	11.1	2.0	7.5	11.5	24.9	25.8	17.7	29.4	39.9	25.0	35.2	54.5
Taxes	18.5	2.7	8.0	3.4	-5.7	0.6	0.9	0.8	1.0	0.9	3.3	8.3	0.0	4.0	9.2
<b>Net profit</b>	<b>13.1</b>	<b>-1.8</b>	<b>16.6</b>	<b>14.5</b>	<b>-3.7</b>	<b>8.1</b>	<b>12.4</b>	<b>25.7</b>	<b>26.8</b>	<b>18.6</b>	<b>32.7</b>	<b>48.2</b>	<b>25.0</b>	<b>39.2</b>	<b>63.7</b>
EPS	2.4	-0.3	2.5	2.1	-0.5	1.2	1.7	3.6	3.8	2.6	4.6	6.8	3.5	5.5	9.0
DPS			0.5	1.0	1.0	1.2	2.2	3.5	4.0	2.8	5.0	3.5	3.5	5.5	9.0
Growth and margins	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Revenue growth	9%	-19%	97%	24%	-6%	13%	5%	33%	4%	-13%	34%	33%	-19%	17%	32%
EBIT growth	12%	11%	-214%	61%	-91%	630%	40%	99%	30%	-33%	66%	36%	-40%	46%	55%
Gross margin	62%	65%	74%	71%	70%	72%	75%	77%	78%	77%	79%	76%	72%	75%	76%
EBIT margin	-23%	-32%	18%	24%	2%	14%	19%	28%	35%	27%	34%	34%	26%	32%	38%
Sales split	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Equipment	5.8	2.6	6.8	7.9	9.0	10.1	4.9	7.7	7.1	3.7	4.6	11.9	16.6	12.4	14.3
Series Production	17.1	15.6	30.9	39.0	35.8	44.1	47.8	63.6	66.4	60.7	81.3	102.3	76.2	95.9	128.5
Engineering Service	1.9	1.8	1.7	2.0	1.0	1.5	1.8	1.1	1.8	1.2	1.8	2.3	1.2	1.3	1.5
<b>Total revenue</b>	<b>24.8</b>	<b>20.0</b>	<b>39.4</b>	<b>48.9</b>	<b>45.8</b>	<b>55.7</b>	<b>54.5</b>	<b>72.4</b>	<b>75.3</b>	<b>65.6</b>	<b>87.7</b>	<b>116.5</b>	<b>93.9</b>	<b>109.6</b>	<b>144.3</b>
Other metrics	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Sampling cups	57,600	54,600	102,650	138,200	102,400	118,500	133,000	153,000	168,800	144,600	197,900	189,800	143,150	163,965	189,960
y-o-y		-5%	88%	35%	-26%	16%	12%	15%	10%	-14%	37%	-4%	-25%	15%	16%
Annualised engine eq. (mn)		0.55	1.04	1.41	1.35	1.50	1.76	2.08	2.13	2.10	2.50	3.28	2.48	3.16	4.22
y-o-y		-12%	89%	36%	-4%	11%	18%	18%	2%	-1%	19%	31%	-24%	28%	33%
Working capital / sales	11%	5%	29%	20%	24%	9%	18%	13%	16%	21%	24%	22%	23%	19%	19%
Net debt/cash	-9	-25	-37	-48	-35	-48	-45	-48	-45	-30	-33	-30	-27	-36	-41
ND/EBITDA	2.0	5.2	-4.7	-3.7	-17.7	-5.9	-4.1	-2.3	-1.7	-1.6	-1.0	-0.7	-1.0	-0.9	-0.7
Equity ratio	84%	85%	89%	93%	94%	89%	91%	88%	89%	91%	90%	88%	82%	83%	82%
FCF conversion (lease adj.)	-56%	306%	15%	97%	8%	170%	44%	73%	82%	71%	68%	74%	110%	86%	69%
ROCE	-21%	-15%	11%	13%	1%	9%	12%	22%	28%	19%	32%	38%	20%	28%	37%
Payout ratio			20%	48%	-189%	104%	126%	97%	106%	105%	108%	51%	100%	100%	100%

Source: ABG Sundal Collier, company data

## ESG profile

### Risks and opportunities

SinterCast is a market-leading supplier of process control technology for production of CGI (Compacted Graphite Iron), a form of cast iron that is primarily used in the production of vehicle engines. The material offers higher tensile strength, stiffness and fatigue strength of grey iron and aluminium. This enables smaller-volume engines with higher efficiency (because the engines are lighter, the vehicles have lower emissions as less energy is required to transport them). The producer of the engine (the foundry) is also likely to reduce its production energy costs as the volumes of the engines are smaller, which lowers both electricity consumption and emissions. SinterCast's technologies also enable the foundry to test every batch of liquid iron to ensure that it has the right properties before the castings are produced. This enables savings in terms of energy, costs and the environment.

### Company ESG activities

SinterCast has both a direct and an indirect impact on the environment. In the foundry, the improved efficiency of the SinterCast CGI technology reduces energy consumption, lowers CO2 emissions, and reduces the demand for raw materials. On the road, CGI enables the use of more efficient downsized engines, improving fuel economy and reducing CO2 emissions. Potential risks for SinterCast are the future for combustion engines and the timing of OEM decisions, in addition to emissions legislation, which is both a risk and an opportunity.

Key issues*	ABGSC weight
<b>Environment</b>	70%
Carbon emissions	
Pollution and waste	
Toxic emissions and waste	
<b>Social</b>	20%
Product safety and quality	
Chemical safety	
Product liability	
<b>Governance</b>	10%
Business ethics	
Corporate behaviour	
Corporate governance	
<b>Previous ESG incidents</b>	
None	
<b>Exposure to ESG Trends</b>	
Energy efficiency, Reduced fuel consumption	

Social and governance data			
	2017	2018	2019
Women in workforce %	19	19	17
Women in management %	0	0	0
Women in board %	21	15	15
CEO salary, SEKm p.a.	3.6	4	4.8
Employee turnover %	na	na	na
Employee absence %	na	na	na
Person responsible for sustainability:	Steve Dawson		
Senior management:	Yes		

\*based on the MSCI framework but not using all the parameters.

Income Statement (SEKm)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020e
Sales	23	34	31	29	25	19	19	31
COGS	-5	-8	-6	-9	-7	-6	-5	-9
Gross profit	18	25	25	21	18	13	15	23
Other operating items	-9	-12	-9	-16	-9	-11	-10	-10
<b>EBITDA</b>	<b>10</b>	<b>13</b>	<b>16</b>	<b>5</b>	<b>9</b>	<b>2</b>	<b>5</b>	<b>13</b>
Depreciation and amortisation	-1	-0	-1	-1	-1	-1	-1	-1
<b>EBITA</b>	<b>9</b>	<b>13</b>	<b>15</b>	<b>4</b>	<b>8</b>	<b>1</b>	<b>4</b>	<b>12</b>
EO items	0	0	0	-5	0	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>9</b>	<b>13</b>	<b>15</b>	<b>4</b>	<b>8</b>	<b>1</b>	<b>4</b>	<b>12</b>
Net financial items	-1	0	-0	0	-1	2	0	0
<b>Pretax profit</b>	<b>8</b>	<b>13</b>	<b>14</b>	<b>4</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>12</b>
Tax	0	1	0	7	0	0	0	0
<b>Net profit</b>	<b>8</b>	<b>14</b>	<b>14</b>	<b>12</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>12</b>
Minority interest	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0
<b>Net profit to shareholders</b>	<b>8</b>	<b>14</b>	<b>14</b>	<b>12</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>12</b>
EPS	1.17	1.99	2.00	1.64	0.93	0.42	0.52	1.66
EPS Adj	1.17	1.99	2.00	2.33	0.93	0.42	0.52	1.66
Total extraordinary items after tax	0	0	0	-5	0	0	0	0
Tax rate (%)	0	6.8	0	176.2	0	0	0	0
Gross margin (%)	80.3	75.8	79.9	70.3	71.5	69.0	76.0	72.0
EBITDA margin (%)	41.5	39.7	51.6	15.7	35.4	9.6	24.0	40.6
EBITA margin (%)	38.9	38.5	47.1	13.0	32.1	4.3	18.8	37.4
EBIT margin (%)	38.9	38.5	47.1	13.0	32.1	4.3	18.8	37.4
Pretax margin (%)	36.2	39.4	46.1	14.3	26.8	16.0	19.3	37.4
Net margin (%)	36.2	42.1	46.1	39.6	26.8	16.0	19.3	37.4
<b>Growth rates Y/Y</b>	<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020e</b>
Sales growth (%)	38.0	25.0	56.3	19.1	7.4	-44.2	-37.7	7.1
EBITDA growth (%)	72.7	15.7	148.4	-42.5	-8.4	-86.5	-71.1	176.9
EBIT growth (%)	81.6	17.3	141.7	-49.3	-11.2	-93.8	-75.2	208.8
Net profit growth (%)	102.4	23.7	102.9	13.7	-20.5	-78.7	-73.9	1.2
EPS growth (%)	102.4	23.7	102.9	13.7	-20.5	-78.7	-73.9	1.2
<b>Adj earnings numbers</b>	<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020e</b>
EBITDA Adj	10	13	16	10	9	2	5	13
EBITDA Adj margin (%)	41.5	39.7	51.6	32.4	35.4	9.6	24.0	40.6
EBITA Adj	9	13	15	9	8	1	4	12
EBITA Adj margin (%)	38.9	38.5	47.1	29.7	32.1	4.3	18.8	37.4
EBIT Adj	9	13	15	9	8	1	4	12
EBIT Adj margin (%)	38.9	38.5	47.1	29.7	32.1	4.3	18.8	37.4
Pretax profit Adj	8	13	14	9	7	3	4	12
Net profit Adj	8	14	14	17	7	3	4	12
Net profit to shareholders Adj	8	14	14	17	7	3	4	12
Net Adj margin (%)	36.2	42.1	46.1	56.3	26.8	16.0	19.3	37.4

Source: ABG Sundal Collier, Company data

Income Statement (SEKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Sales	52	55	72	75	66	88	117	94	110	144
COGS	-15	-14	-17	-17	-15	-19	-28	-26	-27	-35
Gross profit	37	41	55	59	51	69	89	68	82	110
Other operating items	-29	-30	-34	-31	-31	-37	-46	-40	-43	-51
<b>EBITDA</b>	<b>8</b>	<b>11</b>	<b>21</b>	<b>27</b>	<b>19</b>	<b>32</b>	<b>43</b>	<b>28</b>	<b>39</b>	<b>59</b>
Depreciation and amortisation	-1	-1	-1	-1	-2	-2	-3	-4	-4	-4
Of which leasing depreciation	0	0	0	0	0	0	-1	-1	-1	-1
<b>EBITA</b>	<b>7</b>	<b>10</b>	<b>20</b>	<b>26</b>	<b>18</b>	<b>29</b>	<b>40</b>	<b>24</b>	<b>35</b>	<b>55</b>
EO items	0	0	0	0	0	0	-5	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>7</b>	<b>10</b>	<b>20</b>	<b>26</b>	<b>18</b>	<b>29</b>	<b>40</b>	<b>24</b>	<b>35</b>	<b>55</b>
Net financial items	0	1	5	-1	0	0	-0	1	0	0
<b>Pretax profit</b>	<b>8</b>	<b>12</b>	<b>25</b>	<b>26</b>	<b>18</b>	<b>29</b>	<b>40</b>	<b>25</b>	<b>35</b>	<b>55</b>
Tax	1	1	1	1	1	3	8	0	4	9
<b>Net profit</b>	<b>8</b>	<b>12</b>	<b>26</b>	<b>27</b>	<b>19</b>	<b>33</b>	<b>48</b>	<b>25</b>	<b>39</b>	<b>64</b>
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
<b>Net profit to shareholders</b>	<b>8</b>	<b>12</b>	<b>26</b>	<b>27</b>	<b>19</b>	<b>33</b>	<b>48</b>	<b>25</b>	<b>39</b>	<b>64</b>
EPS	1.15	1.75	3.62	3.78	2.62	4.61	6.80	3.53	5.53	8.99
EPS Adj	1.15	1.75	3.62	3.78	2.62	4.61	7.49	3.53	5.53	8.99
Total extraordinary items after tax	0	0	0	0	0	0	-5	0	0	0
Leasing payments	0	0	0	0	0	0	-1	-1	-1	-1
Tax rate (%)	8.0	7.8	3.2	3.9	5.1	11.2	20.8	0	11.3	16.9
Gross margin (%)	71.9	74.9	76.5	78.0	77.1	78.6	76.4	72.1	75.0	76.0
EBITDA margin (%)	15.6	20.2	29.1	36.3	29.3	36.0	37.2	29.6	35.8	40.7
EBITA margin (%)	14.1	18.7	28.0	35.0	27.0	33.5	34.4	25.6	32.1	37.8
EBIT margin (%)	14.1	18.7	28.0	35.0	27.0	33.5	34.4	25.6	32.1	37.8
Pretax margin (%)	14.5	21.1	34.4	34.2	27.0	33.5	34.2	26.7	32.1	37.8
Net margin (%)	15.6	22.8	35.5	35.5	28.4	37.3	41.4	26.7	35.8	44.2
<b>Growth rates Y/Y</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Sales growth (%)	13.1	5.0	32.8	4.1	-13.0	33.7	32.8	-19.4	16.7	31.6
EBITDA growth (%)	305.0	35.8	91.8	29.9	-29.9	64.6	37.0	-35.7	40.8	49.7
EBIT growth (%)	630.0	39.7	99.0	30.0	-33.0	66.1	36.4	-40.1	46.4	55.0
Net profit growth (%)	318.9	53.1	107.3	4.3	-30.6	75.8	47.4	-48.1	56.5	62.7
EPS growth (%)	317.6	51.3	107.3	4.3	-30.5	75.8	47.4	-48.1	56.5	62.7
<b>Profitability</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
ROE (%)	10.0	14.3	28.3	28.4	20.5	35.4	45.7	22.4	32.9	46.1
ROE Adj (%)	10.0	14.3	28.3	28.4	20.5	35.4	50.4	22.4	32.9	46.1
ROCE (%)	9.0	11.8	22.4	27.9	19.5	31.8	37.5	20.5	27.7	37.2
ROCE Adj(%)	9.0	11.8	22.4	27.9	19.5	31.8	42.1	20.5	27.7	37.2
ROIC (%)	19.9	27.4	47.2	57.3	35.2	53.9	65.8	30.0	48.0	67.7
ROIC Adj (%)	19.9	27.4	47.2	57.3	35.2	53.9	73.9	30.0	48.0	67.7
<b>Adj earnings numbers</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
EBITDA Adj	8	11	21	27	19	32	48	28	39	59
EBITDA Adj margin (%)	15.6	20.2	29.1	36.3	29.3	36.0	41.4	29.6	35.8	40.7
EBITDA lease Adj	8	11	21	27	19	32	47	26	38	57
EBITDA lease Adj margin (%)	15.6	20.2	29.1	36.3	29.3	36.0	40.5	28.2	34.5	39.7
EBITA Adj	7	10	20	26	18	29	45	24	35	55
EBITA Adj margin (%)	14.1	18.7	28.0	35.0	27.0	33.5	38.6	25.6	32.1	37.8
EBIT Adj	7	10	20	26	18	29	45	24	35	55
EBIT Adj margin (%)	14.1	18.7	28.0	35.0	27.0	33.5	38.6	25.6	32.1	37.8
Pretax profit Adj	8	12	25	26	18	29	45	25	35	55
Net profit Adj	8	12	26	27	19	33	53	25	39	64
Net profit to shareholders Adj	8	12	26	27	19	33	53	25	39	64
Net Adj margin (%)	15.6	22.8	35.5	35.5	28.4	37.3	45.6	26.7	35.8	44.2

Source: ABG Sundal Collier, Company data

Cash Flow Statement (SEKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
EBITDA	8	11	21	27	19	32	43	28	39	59
Net financial items	0	1	5	-1	0	0	-0	1	0	0
Paid tax	0	-0	-0	0	-0	0	0	0	0	0
Non-cash items	0	0	0	0	0	0	0	0	0	0
Cash flow before change in WC	8	12	26	27	19	32	43	29	39	59
Change in WC	6	-6	-5	-1	-2	-7	-5	4	1	-6
<b>Operating cash flow</b>	<b>14</b>	<b>7</b>	<b>20</b>	<b>25</b>	<b>17</b>	<b>25</b>	<b>38</b>	<b>33</b>	<b>40</b>	<b>52</b>
CAPEX tangible fixed assets	-0	-0	-0	-1	-0	-1	-1	-1	-1	-2
CAPEX intangible fixed assets	-0	-1	-2	-2	-3	-2	-1	-3	-4	-5
Acquisitions and disposals	0	0	0	0	0	0	0	0	0	0
<b>Free cash flow</b>	<b>14</b>	<b>5</b>	<b>19</b>	<b>22</b>	<b>13</b>	<b>22</b>	<b>37</b>	<b>29</b>	<b>35</b>	<b>45</b>
Dividend paid	-7	-9	-16	-25	-28	-19	-35	-25	-25	-39
Share issues and buybacks	6	0	0	0	0	0	0	0	0	0
Lease liability amortisation	0	0	0	0	0	0	-1	-1	-1	-1
Other non cash items	0	0	-0	0	0	-0	-3	0	0	0
Balance Sheet (SEKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Goodwill	0	0	0	0	0	0	0	0	0	0
Other intangible assets	2	2	4	5	8	8	7	8	9	12
Tangible fixed assets	2	2	2	2	2	2	2	2	3	4
Right-of-use asset	0	0	0	0	0	0	3	3	4	4
Total other fixed assets	29	30	30	32	33	36	45	50	54	63
Fixed assets	32	34	36	39	42	46	56	63	70	83
Inventories	4	4	4	4	4	7	8	12	10	13
Receivables	11	15	18	19	18	25	31	25	29	38
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	48	45	48	45	30	33	33	36	44	49
<b>Total assets</b>	<b>95</b>	<b>97</b>	<b>106</b>	<b>108</b>	<b>95</b>	<b>110</b>	<b>128</b>	<b>136</b>	<b>152</b>	<b>183</b>
Shareholders equity	85	88	93	96	86	99	112	112	126	151
Minority	0	0	0	0	0	0	0	0	0	0
<b>Total equity</b>	<b>85</b>	<b>88</b>	<b>93</b>	<b>96</b>	<b>86</b>	<b>99</b>	<b>112</b>	<b>112</b>	<b>126</b>	<b>151</b>
Long-term debt	0	0	0	0	0	0	0	4	4	4
Pension debt	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0
Leasing liability	0	0	0	0	0	0	3	4	4	4
Total 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	10	8	13	12	9	11	13	16	18	24
Other current liabilities	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>95</b>	<b>97</b>	<b>106</b>	<b>108</b>	<b>95</b>	<b>110</b>	<b>128</b>	<b>136</b>	<b>152</b>	<b>183</b>
Net IB debt	-48	-45	-48	-45	-31	-33	-31	-33	-42	-47
Net IB debt excl. pension debt	-48	-45	-48	-45	-31	-33	-31	-33	-42	-47
Net IB debt excl. leasing	-48	-45	-48	-45	-31	-33	-33	-37	-46	-51
Capital invested	37	44	45	51	55	66	81	79	84	104
Working capital	5	10	10	12	14	21	26	21	20	27
EV breakdown	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Market cap. diluted (m)	554	540	627	580	461	573	1,383	983	983	983
Net IB debt Adj	-48	-45	-48	-45	-31	-33	-31	-33	-42	-47
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
<b>EV</b>	<b>506</b>	<b>495</b>	<b>579</b>	<b>535</b>	<b>430</b>	<b>540</b>	<b>1,352</b>	<b>950</b>	<b>941</b>	<b>936</b>
Capital efficiency	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Total assets turnover (%)	58.4	56.9	71.3	70.5	64.9	85.6	98.0	71.3	76.1	86.1
Working capital/sales (%)	15.1	13.3	13.4	14.1	19.3	19.6	20.0	25.1	19.0	16.3
Financial risk and debt service	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Net debt/equity	-0.56	-0.51	-0.52	-0.47	-0.36	-0.33	-0.27	-0.30	-0.33	-0.31
Net debt/market cap	-0.10	-0.08	-0.08	-0.08	-0.06	-0.06	-0.03	-0.03	-0.04	-0.05
Equity ratio (%)	89.3	91.3	87.6	89.1	90.6	90.0	87.5	82.5	82.7	82.4
Net IB debt adj./equity	-0.56	-0.51	-0.52	-0.47	-0.36	-0.33	-0.27	-0.30	-0.33	-0.31
Current ratio	6.20	7.51	5.36	5.87	5.91	5.86	5.13	4.37	4.31	4.00
EBITDA/net interest	-40.50	-8.46	-4.59	45.67	high	high	216.50	-27.84	high	high
Net IB debt/EBITDA	-5.90	-4.08	-2.27	-1.65	-1.59	-1.05	-0.70	-1.19	-1.07	-0.79
Net IB debt/EBITDA lease Adj	-5.90	-4.08	-2.27	-1.65	-1.59	-1.05	-0.71	-1.41	-1.22	-0.89
Interest cover	-36.50	-7.85	-4.41	44.00	nm	nm	200.50	-24.04	nm	nm

Source: ABG Sundal Collier, Company data



Valuation and Ratios (SEKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
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	1.15	1.75	3.62	3.78	2.62	4.61	6.80	3.53	5.53	8.99
Dividend per share Adj	1.2	2.2	3.5	4.0	2.8	5.0	3.5	3.5	5.5	9.0
EPS Adj	1.15	1.75	3.62	3.78	2.62	4.61	7.49	3.53	5.53	8.99
BVPS	12.07	12.45	13.13	13.50	12.10	13.99	15.75	15.79	17.78	21.25
BVPS Adj	11.84	12.11	12.62	12.77	11.02	12.92	14.81	14.69	16.47	19.55
Net IB debt / share	-6.8	-6.3	-6.8	-6.4	-4.3	-4.7	-4.3	-4.7	-5.9	-6.6
Share price	79.00	76.00	88.25	81.75	65.00	80.80	195.00	138.60	138.60	138.60
Market cap. (m)	554	540	627	580	461	573	1,383	983	983	983
<b>Valuation</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
P/E	68.4	43.5	24.4	21.7	24.8	17.5	28.7	39.3	25.1	15.4
EV/sales	9.76	9.08	7.99	7.09	6.56	6.15	11.61	10.11	8.59	6.49
EV/EBITDA	62.5	45.0	27.4	19.5	22.4	17.1	31.2	34.1	24.0	16.0
EV/EBITA	69.4	48.5	28.5	20.3	24.3	18.4	33.7	39.5	26.7	17.2
EV/EBIT	69.4	48.5	28.5	20.3	24.3	18.4	33.7	39.5	26.7	17.2
Dividend yield (%)	1.5	2.9	4.0	4.9	4.2	6.2	1.8	2.5	4.0	6.5
FCF yield (%)	2.5	1.0	3.0	3.8	2.9	3.9	2.6	2.9	3.6	4.6
Lease adj. FCF yield (%)	2.5	1.0	3.0	3.8	2.9	3.9	2.6	2.8	3.4	4.5
P/BVPS	6.54	6.10	6.72	6.06	5.37	5.78	12.38	8.78	7.80	6.52
P/BVPS Adj	6.67	6.27	6.99	6.40	5.90	6.25	13.17	9.44	8.41	7.09
P/E Adj	68.4	43.5	24.4	21.7	24.8	17.5	26.0	39.3	25.1	15.4
EV/EBITDA Adj	62.5	45.0	27.4	19.5	22.4	17.1	28.1	34.1	24.0	16.0
EV/EBITA Adj	69.4	48.5	28.5	20.3	24.3	18.4	30.0	39.5	26.7	17.2
EV/EBIT Adj	69.4	48.5	28.5	20.3	24.3	18.4	30.0	39.5	26.7	17.2
EV/cap. employed	6.0	5.6	6.2	5.6	5.0	5.4	11.8	7.9	7.0	5.9
<b>Investment ratios</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Capex/sales	1.2	2.4	2.3	4.4	5.6	3.0	1.0	4.7	4.7	4.7
Capex/depreciation	75.0	162.5	212.5	330.0	246.7	118.2	50.0	147.1	161.0	218.0
Capex tangibles/tangible fixed assets	15.8	12.5	5.9	52.6	23.5	42.9	31.6	55.0	53.1	51.7
Capex intangibles/definite intangibles	18.8	45.8	44.4	44.2	42.9	22.4	9.0	41.0	40.2	40.9
Depreciation on intangibles/definite intai	35.0	23.3	15.6	13.5	13.6	20.3	25.1	27.0	24.1	18.1
Depreciation on tangibles/tangibles	12.6	15.0	14.1	15.8	26.5	31.4	37.9	40.5	35.8	25.7

Source: ABG Sundal Collier, Company data

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