

SinterCast

Solid quarter and positive outlook into Q4

- Series production at stable levels
- EBIT raised by 5% for '21e, but down 8% for '22e
- Fair value range of SEK 132-241 (130-236) per share

Q3: Solid production volumes, EBIT +11% vs. ABGSCe

SinterCast reported Q3 sales of SEK 25.3m (-5% vs. ABGSCe 26.7m), up 32% y-o-y. Annualised engine equivalents for the quarter were 3.2m (Q3'20 2.8m) marking seven straight months at 3m or above. Sampling cup volumes declined sequentially since customers had stocked up their inventories in Q2'21, but volumes were still up 8% y-o-y. EBIT was SEK 8.0m (+11% vs. ABGSCe SEK 7.2m), for a margin of 31.6% (ABGSCe 27.0%). The EBIT beat was driven in part by a higher gross margin (75% vs. ABGSCe 72%), as well as some FX tailwinds. Moreover, the company says Q4 is expected to be a strong quarter for system installations ('21 guidance of SEK 8m implies SEK 3.8m equipment sales in Q4'21). SinterCast also stated that the ambition is to reach the 4m engine equivalents milestone during '22.

Q4'21e installations raised, '22e engine eqs. down slightly

We raise '21e EBIT by 5%, of which 3% is due to the isolated Q3 numbers and another 2% from raised Q4'21e equipment sales as Q4 looks to be a stronger quarter than we had expected for system installations. Meanwhile, we lower '22e EBIT by 8% as the company's outlook for engine equivalents, while positive, was somewhat lower than our previous estimates.

Trading at 20x '22e EV/EBIT, 3-7% '21e-'23e dividend yield

On our estimates, the share is currently trading at 20x '22e EV/EBIT, offering a 3-7% dividend yield for '21e-'23e. According to the company, its customers in North America (the largest end-user market) are now at all-time-low inventory levels, and our view is that the ensuing pent-up demand as production returns to normal will drive a '20-'23e EBIT CAGR of 46%, albeit from a low '20 EBIT. All in all, we raise our fair value range slightly to SEK 132-241 (130-236) per share.

Analyst(s): adrian.gilani@abgsc.se, +46 8 566 286 92
max.bacco@abgsc.se, +46 708 448 688

SEKm	2019	2020	2021e	2022e	2023e
Sales	117	95	106	141	164
EBITDA	43	25	35	56	72
EBITDA margin (%)	37.2	26.6	33.3	39.9	43.8
EBIT adj	45	21	32	52	68
EBIT adj margin (%)	38.6	22.1	29.6	37.0	41.3
Pretax profit	40	22	30	52	68
EPS rep	6.80	3.12	4.90	8.67	10.87
EPS adj	7.49	3.04	4.90	8.67	10.87
Sales growth (%)	32.8	-18.1	11.6	32.8	16.1
EPS growth (%)	47.4	-54.0	56.8	77.0	25.4

Source: ABG Sundal Collier, Company data

Reason: Post-results comment

Company sponsored research

Not rated

Estimate changes (%)

	2021e	2022e	2023e
Sales	-0.8%	-4.1%	0.5%
EBIT (rep)	4.6%	-8.0%	0.8%
EPS (rep)	-0.4%	-6.9%	0.7%

Source: ABG Sundal Collier

Share price (SEK)	03/11/2021	153.2
Fair value range (per share)		132-241

Capital Goods, Sweden

SINT.ST/SINT SS

MCap (SEKm)	1,086
MCap (EURm)	109
Net debt (EURm)	-3

No. of shares (m)	7.1
Free float (%)	99
Av. daily volume (k)	13

Next event Q4 report: 08 Feb

Performance



	1m	3m	12m
Absolute (%)	12.6	2.0	15.4

Source: FactSet

	2021e	2022e	2023e
P/E (x)	31.3	17.7	14.1
P/E adj (x)	31.3	17.7	14.1
P/BVPS (x)	9.43	7.65	6.90
EV/EBITDA (x)	29.9	18.7	14.6
EV/EBIT adj (x)	33.6	20.1	15.5
EV/sales (x)	9.95	7.44	6.41
ROE adj (%)	31.0	47.8	51.5
Dividend yield (%)	3.2	5.7	7.1
FCF yield (%)	2.6	4.0	5.7
Lease adj. FCF yld (%)	2.5	3.9	5.6
Net IB debt/EBITDA	-0.8	-0.6	-0.5
Lease adj. ND/EBITDA	-0.9	-0.7	-0.5

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.

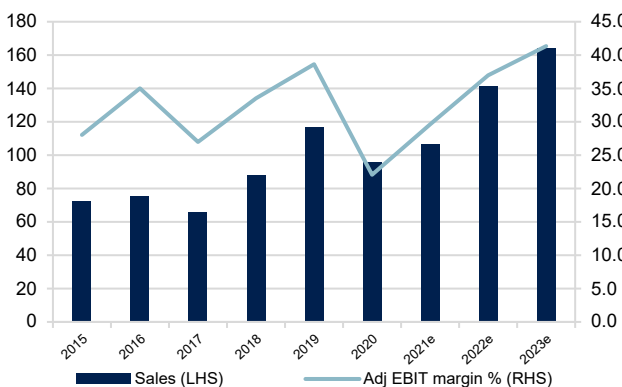
Company description

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

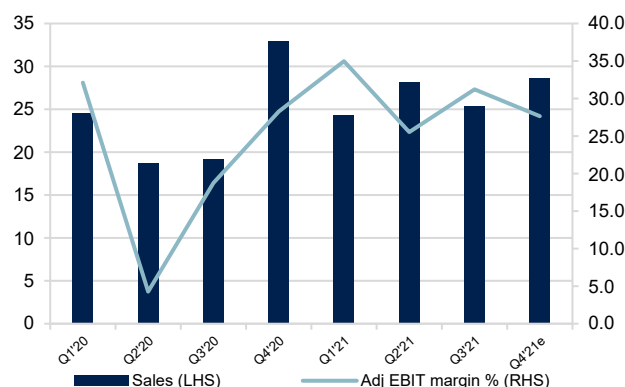
Automotive demand, and more specifically demand for larger passenger vehicles such as SUVs and pick-up trucks with diesel engines. Regulation relating to fossil fuels and diesel in particular poses risks to the business model.

Annual sales and adj. EBIT margin



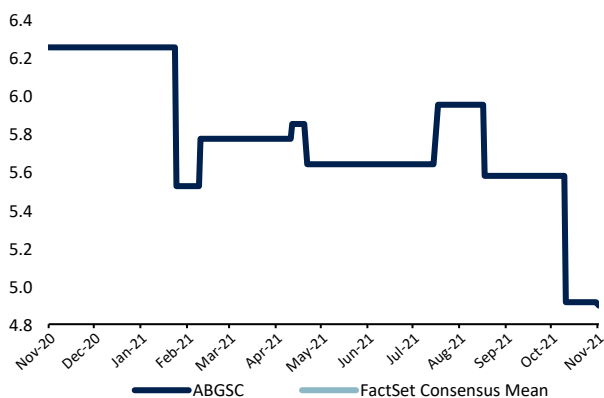
Source: ABG Sundal Collier, Company data

Quarterly sales and adj. EBIT margin



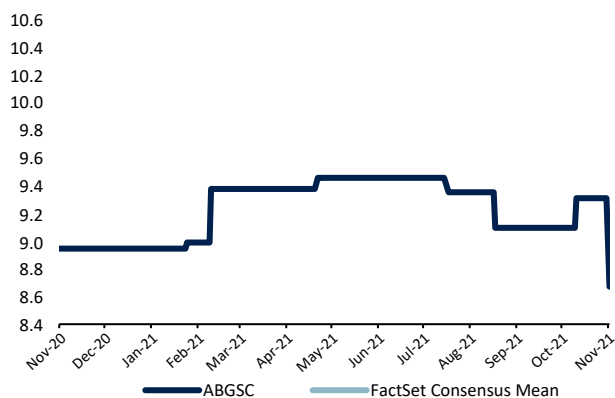
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2021e, SEK



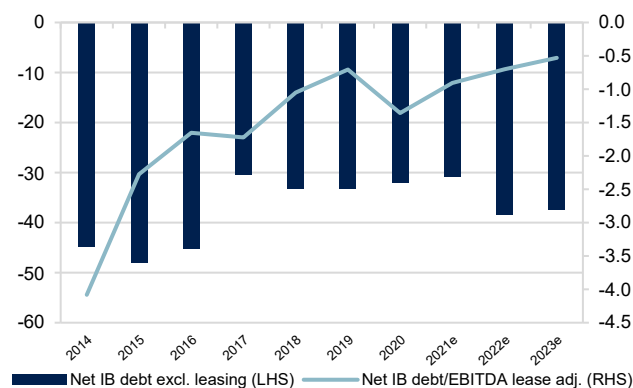
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2022e, SEK



Source: ABG Sundal Collier, FactSet

Lease adj. net debt and ND/EBITDA



Source: ABG Sundal Collier, Company data

Q3'21 outcome vs. expectations

Deviation table	Last yr.	Actual	ABGSCe			
Income statement	Q3'20	Q3'21	y-o-y	Q3'21e	Dev %	Dev SEKm
Revenue	19.2	25.3	32%	26.7	-5%	-1.4
Gross profit	14.6	19.0	30%	19.2	-1%	-0.2
Opex	-11.0	-11.0	0%	-12.0	-8%	1.0
EBIT	3.6	8.0	122%	7.2	11%	0.8
PTP	3.7	7.2	95%	7.2	0%	0.0
Net profit	3.7	7.4	100%	8.2	-10%	-0.8
Growth and margins	Q3'20	Q3'21	y-o-y	Q3'21e	Dev %	Dev SEKm
Revenue growth	-38%	32%		39%	-7.2pp	
EBIT growth	-75%	122%		100%	21.9pp	
Gross margin	76%	75%	-1%	72%	3.1pp	
EBIT margin	19%	32%	13%	27%	4.6pp	
Sales by segment	Q3'20	Q3'21	y-o-y	Q3'21e	Dev %	Dev SEKm
Equipment	0.3	2.5	733%	1.5	67%	1.0
Series Production	18.8	22.1	18%	24.8	-11%	-2.7
Engineering Service	0.1	0.7	600%	0.4	75%	0.3
Total revenue	19.2	25.3	32%	26.7	-5%	-1.4
Other metrics	Q3'20	Q3'21	y-o-y	Q3'21e	Dev %	Dev. #
Sampling cups	32,900	35,400	8%	46,065	-22%	-10,165
Annualised engine eq. (mn)	2.80	3.20	14%	3.20	0%	0.00

Source: ABG Sundal Collier estimates, company data

Estimate changes, '21e-'23e

Estimate changes	Old forecast			New forecast			SEKm change			% change		
	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e
Revenue	107	147	163	106	141	164	-1	-6	1	-1%	-4%	0%
Gross profit	77	112	124	77	107	125	0	-5	1	0%	-4%	0%
Opex	-46	-55	-57	-45	-55	-57	1	0	0	-3%	0%	0%
EBIT	30	57	67	32	52	68	1	-5	1	5%	-8%	1%
PTP	29	57	67	30	52	68	1	-5	1	3%	-8%	1%
Net profit	35	66	77	35	61	77	0	-5	1	0%	-7%	1%
Growth and margins	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e
Revenue growth	12%	37%	11%	12%	33%	16%				-0.9pp	-4.5pp	5.2pp
EBIT growth	39%	88%	18%	46%	66%	30%				6.3pp	-22.6pp	11.4pp
Gross margin	71%	76%	76%	72%	76%	76%				0.7pp	0.0pp	0.0pp
EBIT margin	28%	39%	41%	30%	37%	41%				1.5pp	-1.6pp	0.2pp
Sales split	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e
Equipment	6	14	12	8	12	12	1.8	-2.0	0	29%	-14%	0%
Series Production	99	130	148	96	126	149	-3	-4	1	-3%	-3%	1%
Engineering Service	2	3	4	2	3	4	0	0	0	14%	0%	0%
Total revenue	107	147	163	106	141	164	-1	-6	1	-1%	-4%	0%
Other metrics	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e
Sampling cups	207,765	189,960	199,500	197,100	194,960	204,500	-10,665	5,000	5,000	-5%	3%	3%
Annualised engine eq. (mn)	3.10	4.30	5.00	3.10	4.10	5.00	0.00	-0.20	0.00	0%	-5%	0%

Source: ABG Sundal Collier estimates

Detailed quarterly financials

Quarterly overview	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21e
Revenue	22.9	33.5	30.8	29.3	24.6	18.7	19.2	32.9	24.3	28.2	25.3	28.7
Gross profit	18.4	25.4	24.6	20.6	17.6	12.9	14.6	23.3	17.1	19.7	19.0	20.9
SG&A	-7.8	-9.1	-8.4	-10.9	-8.9	-7.3	-7.5	-9.8	-8.7	-8.9	-8.8	-9.8
R&D	-2.2	-2.7	-3.0	-4.1	-3.3	-2.3	-3.2	-2.9	-2.6	-2.8	-3.3	-3.0
Other opex	0.5	-0.7	1.3	-1.8	2.5	-2.5	-0.3	-1.3	2.7	-0.8	1.0	-0.2
EBIT	8.9	12.9	14.5	3.8	7.9	0.8	3.6	9.3	8.5	7.2	7.9	7.9
Net financials	-0.6	0.3	-0.3	0.4	-1.3	2.2	0.1	-0.3	-1.6	0.2	-0.5	0.0
PTP	8.3	13.2	14.2	4.2	6.6	3.0	3.7	9.0	6.9	7.4	7.4	7.9
Taxes	0.0	0.9	0.0	7.4	0.0	0.0	0.0	-0.1	0.0	4.0	0.0	1.1
Net profit	8.3	14.1	14.2	11.6	6.6	3.0	3.7	8.9	6.9	11.4	7.4	9.0
Growth and margins	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21e
Revenue growth	38%	25%	56%	19%	7%	-44%	-38%	12%	-1%	51%	32%	-13%
Organic	37%	25%	56%	19%	3%	-46%	-32%	20%	8%	60%	34%	-12%
FX	1%	0%	0%	0%	4%	2%	-5%	-7%	-10%	-9%	-2%	-1%
EBIT margin	39%	39%	47%	13%	32%	4%	19%	28%	35%	26%	31%	28%
Sales split	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21e
Equipment	0.5	6.6	2.4	2.4	0.4	6.1	0.3	9.8	1.5	0.2	2.5	3.8
Series Production	22.2	26.7	28.2	25.2	23.8	12.5	18.8	21.9	22.4	27.8	22.1	23.8
Engineering Service	0.2	0.2	0.2	1.7	0.5	0.1	0.1	1.1	0.4	0.2	0.7	1.1
Total revenue	22.9	33.5	30.8	29.3	24.7	18.7	19.2	32.8	24.3	28.2	25.3	28.7
Other metrics	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21e
Sampling cups	36,800	49,400	55,700	47,900	45,100	19,800	32,900	42,800	44,600	73,600	35,400	43,500
y-o-y	13%	-28%	30%	-11%	23%	-60%	-41%	-11%	-1%	272%	8%	2%
Annualised engine eq. (mn)	3.10	3.40	3.50	3.10	2.90	1.60	2.80	2.60	2.90	3.20	3.20	3.10
y-o-y	24%	26%	52%	19%	2%	-53%	-20%	-16%	0%	100%	14%	19%
Working capital / sales R12m	24%	29%	25%	22%	21%	18%	22%	25%				
Net debt/cash	-36	-25	-41	-30	-39	-45	-42	-22				
ND/EBITDA	-1.0	-0.7	-0.9	-0.7	-0.9	-1.4	-2.1	-0.9				
Equity ratio	86%	88%	90%	88%	86%	85%	86%	85%				
FCF conversion (lease adj.)	59%	65%	68%	74%	81%	110%	80%	106%				
ROCE	33%	37%	42%	38%	34%	23%	13%	19%				

Source: ABG Sundal Collier estimates, company data

Detailed annual financials

Annual overview	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Revenue	45.9	51.9	54.5	72.4	75.4	65.6	87.7	116.5	95.4	106.5	141.4	164.2
Gross profit	32.2	37.3	40.8	55.4	58.8	50.6	68.9	89.0	68.4	76.7	107.5	124.8
SG&A	-26.2	-24.6	-24.7	-26.4	-25.0	-25.0	-28.8	-36.2	-33.5	-36.2	-38.8	-40.5
R&D	-5.5	-5.8	-6.5	-7.6	-7.9	-7.3	-10.3	-12.0	-11.6	-11.7	-15.4	-15.4
Other opex	0.5	0.4	0.6	-1.1	0.5	-0.6	-0.4	-0.7	-1.6	2.7	-1.0	-1.0
EBIT	1.0	7.3	10.2	20.3	26.4	17.7	29.4	40.1	21.7	31.5	52.3	67.9
Net financials	1.0	0.2	1.3	4.6	-0.6	0.0	0.0	-0.2	0.6	-1.9	0.0	0.0
PTP	2.0	7.5	11.5	24.9	25.8	17.7	29.4	39.9	22.3	29.6	52.3	67.9
Taxes	-5.7	0.6	0.9	0.8	1.0	0.9	3.3	8.3	-0.1	5.1	9.2	9.2
Net profit	-3.7	8.1	12.4	25.7	26.8	18.6	32.7	48.2	22.2	34.7	61.5	77.1
EPS	-0.5	1.2	1.7	3.6	3.8	2.6	4.6	6.8	3.1	4.9	8.7	10.9
DPS	1.0	1.2	2.2	3.5	4.0	2.8	5.0	3.5	4.0	4.9	8.7	10.9
Growth and margins	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Revenue growth	-6%	13%	5%	33%	4%	-13%	34%	33%	-18%	12%	33%	16%
EBIT growth	-91%	630%	40%	99%	30%	-33%	66%	36%	-46%	46%	66%	30%
Gross margin	70%	72%	75%	77%	78%	77%	79%	76%	72%	72%	76%	76%
EBIT margin	2%	14%	19%	28%	35%	27%	34%	34%	23%	30%	37%	41%
Sales split	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Equipment	9.0	10.1	4.9	7.7	7.1	3.7	4.6	11.9	16.6	8.0	12.0	12.0
Series Production	35.8	44.1	47.8	63.6	66.4	60.7	81.3	102.3	77.0	96.1	126.0	148.7
Engineering Service	1.0	1.5	1.8	1.1	1.8	1.2	1.8	2.3	1.8	2.4	3.4	3.5
Total revenue	45.8	55.7	54.5	72.4	75.3	65.6	87.7	116.5	95.4	106.5	141.4	164.2
Other metrics	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Sampling cups	102,400	118,500	133,000	153,000	168,800	144,600	197,900	189,800	140,600	197,100	194,960	204,500
y-o-y	-26%	16%	12%	15%	10%	-14%	37%	-4%	-26%	40%	-1%	5%
Annualised engine eq. (mn)	1.35	1.50	1.76	2.08	2.13	2.10	2.50	3.28	2.48	3.10	4.10	5.00
y-o-y	-4%	11%	18%	18%	2%	-1%	19%	31%	-24%	25%	32%	22%
Working capital / sales	24%	9%	18%	13%	16%	21%	24%	22%	25%	24%	24%	24%
Net debt/cash	-35	-48	-45	-48	-45	-30	-33	-30	-22	-21	-29	-27
ND/EBITDA	-17.7	-5.9	-4.1	-2.3	-1.7	-1.7	-1.0	-0.7	-0.9	-0.6	-0.5	-0.4
Equity ratio	94%	89%	91%	88%	89%	91%	90%	88%	85%	85%	85%	84%
FCF conversion (lease adj.)	8%	170%	44%	73%	82%	71%	68%	74%	107%	78%	69%	78%
ROCE	1%	9%	12%	22%	28%	19%	32%	38%	19%	27%	39%	44%
Payout ratio	-189%	104%	126%	97%	106%	105%	108%	51%	128%	100%	100%	100%

Source: ABG Sundal Collier estimates, company data

Income Statement (SEKm)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021e
Sales	25	19	19	33	24	28	25	29
COGS	-7	-6	-5	-10	-7	-9	-6	-8
Gross profit	18	13	15	23	17	20	19	21
Other operating items	-9	-11	-10	-13	-8	-12	-10	-12
EBITDA	9	2	5	10	10	8	9	9
Depreciation and amortisation	-1	-1	-1	-1	-1	-1	-1	-1
EBITA	8	1	4	9	9	7	8	8
EO items	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0
EBIT	8	1	4	9	9	7	8	8
Net financial items	-1	2	0	-0	-2	0	-1	0
Pretax profit	7	3	4	9	7	7	7	8
Tax	0	0	0	-0	0	4	0	1
Net profit	7	3	4	9	7	11	7	9
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	7	3	4	9	7	11	7	9
EPS	0.93	0.42	0.52	1.26	0.97	1.61	1.04	1.27
EPS Adj	0.93	0.42	0.52	1.26	0.97	1.61	1.04	1.27
Total extraordinary items after tax	0	0	0	0	0	0	0	0
Tax rate (%)	0	0	0	1.1	0	54.1	0	13.9
Gross margin (%)	71.5	69.0	76.0	70.8	70.4	69.9	75.1	73.0
EBITDA margin (%)	35.4	9.1	24.0	31.0	39.5	28.4	35.2	31.1
EBITA margin (%)	32.1	4.3	18.8	28.3	35.0	25.5	31.2	27.7
EBIT margin (%)	32.1	4.3	18.8	28.3	35.0	25.5	31.2	27.7
Pretax margin (%)	26.8	16.0	19.3	27.4	28.4	26.2	29.2	27.7
Net margin (%)	26.8	16.0	19.3	27.1	28.4	40.4	29.2	31.5
Growth rates Y/Y	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021e
Sales growth (%)	7.4	-44.2	-37.7	12.3	-1.2	50.8	31.8	-12.9
EBITDA growth (%)	-8.4	-87.2	-71.1	121.7	10.3	370.6	93.5	-12.5
EBIT growth (%)	-11.2	-93.8	-75.2	144.7	7.6	800.0	119.4	-14.8
Net profit growth (%)	-20.5	-78.7	-73.9	-23.3	4.5	280.0	100.0	1.4
EPS growth (%)	-20.5	-78.7	-73.9	-23.3	4.5	280.0	100.0	1.4
Adj earnings numbers	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021e
EBITDA Adj	9	2	5	10	10	8	9	9
EBITDA Adj margin (%)	35.4	9.1	24.0	31.0	39.5	28.4	35.2	31.1
EBITA Adj	8	1	4	9	9	7	8	8
EBITA Adj margin (%)	32.1	4.3	18.8	28.3	35.0	25.5	31.2	27.7
EBIT Adj	8	1	4	9	9	7	8	8
EBIT Adj margin (%)	32.1	4.3	18.8	28.3	35.0	25.5	31.2	27.7
Pretax profit Adj	7	3	4	9	7	7	7	8
Net profit Adj	7	3	4	9	7	11	7	9
Net profit to shareholders Adj	7	3	4	9	7	11	7	9
Net Adj margin (%)	26.8	16.0	19.3	27.1	28.4	40.4	29.2	31.5

Source: ABG Sundal Collier, Company data

Income Statement (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Sales	55	72	75	66	88	117	95	106	141	164
COGS	-14	-17	-17	-15	-19	-28	-27	-30	-34	-39
Gross profit	41	55	59	51	69	89	68	77	107	125
Other operating items	-30	-34	-31	-33	-37	-46	-43	-41	-51	-53
EBITDA	11	21	27	18	32	43	25	35	56	72
Depreciation and amortisation	-1	-1	-1	0	-2	-3	-4	-4	-4	-4
Of which leasing depreciation	0	0	0	0	0	-1	-1	-1	-1	-1
EBITA	10	20	26	18	29	40	22	32	52	68
EO items	0	0	0	0	0	-5	1	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0	0	0
EBIT	10	20	26	18	29	40	22	32	52	68
Net financial items	1	5	-1	0	0	-0	1	-2	0	0
Pretax profit	12	25	26	18	29	40	22	30	52	68
Tax	1	1	1	1	3	8	-0	5	9	9
Net profit	12	26	27	19	33	48	22	35	61	77
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	12	26	27	19	33	48	22	35	61	77
EPS	1.75	3.62	3.78	2.62	4.61	6.80	3.12	4.90	8.67	10.87
<i>EPS Adj</i>	<i>1.75</i>	<i>3.62</i>	<i>3.78</i>	<i>2.62</i>	<i>4.61</i>	<i>7.49</i>	<i>3.04</i>	<i>4.90</i>	<i>8.67</i>	<i>10.87</i>
Total extraordinary items after tax	0	0	0	0	0	-5	1	0	0	0
Leasing payments	0	0	0	0	0	-1	-1	-1	-1	-1
<i>Tax rate (%)</i>	<i>7.8</i>	<i>3.2</i>	<i>3.9</i>	<i>5.1</i>	<i>11.2</i>	<i>20.8</i>	<i>0.4</i>	<i>17.2</i>	<i>17.6</i>	<i>13.6</i>
<i>Gross margin (%)</i>	<i>74.9</i>	<i>76.5</i>	<i>78.0</i>	<i>77.1</i>	<i>78.6</i>	<i>76.4</i>	<i>71.6</i>	<i>72.1</i>	<i>76.0</i>	<i>76.0</i>
<i>EBITDA margin (%)</i>	<i>20.2</i>	<i>29.1</i>	<i>36.3</i>	<i>27.0</i>	<i>36.0</i>	<i>37.2</i>	<i>26.6</i>	<i>33.3</i>	<i>39.9</i>	<i>43.8</i>
<i>EBITA margin (%)</i>	<i>18.7</i>	<i>28.0</i>	<i>35.0</i>	<i>27.0</i>	<i>33.5</i>	<i>34.4</i>	<i>22.7</i>	<i>29.6</i>	<i>37.0</i>	<i>41.3</i>
<i>EBIT margin (%)</i>	<i>18.7</i>	<i>28.0</i>	<i>35.0</i>	<i>27.0</i>	<i>33.5</i>	<i>34.4</i>	<i>22.7</i>	<i>29.6</i>	<i>37.0</i>	<i>41.3</i>
<i>Pretax margin (%)</i>	<i>21.1</i>	<i>34.4</i>	<i>34.2</i>	<i>27.0</i>	<i>33.5</i>	<i>34.2</i>	<i>23.3</i>	<i>27.8</i>	<i>37.0</i>	<i>41.3</i>
<i>Net margin (%)</i>	<i>22.8</i>	<i>35.5</i>	<i>35.5</i>	<i>28.4</i>	<i>37.3</i>	<i>41.4</i>	<i>23.2</i>	<i>32.6</i>	<i>43.5</i>	<i>46.9</i>
Growth rates Y/Y	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
<i>Sales growth (%)</i>	<i>5.0</i>	<i>32.8</i>	<i>4.1</i>	<i>-13.0</i>	<i>33.7</i>	<i>32.8</i>	<i>-18.1</i>	<i>11.6</i>	<i>32.8</i>	<i>16.1</i>
<i>EBITDA growth (%)</i>	<i>35.8</i>	<i>91.8</i>	<i>29.9</i>	<i>-35.4</i>	<i>78.5</i>	<i>37.0</i>	<i>-41.5</i>	<i>39.7</i>	<i>59.2</i>	<i>27.7</i>
<i>EBIT growth (%)</i>	<i>39.7</i>	<i>99.0</i>	<i>30.0</i>	<i>-33.0</i>	<i>66.1</i>	<i>36.4</i>	<i>-46.0</i>	<i>45.6</i>	<i>65.8</i>	<i>29.9</i>
<i>Net profit growth (%)</i>	<i>53.1</i>	<i>107.3</i>	<i>4.3</i>	<i>-30.6</i>	<i>75.8</i>	<i>47.4</i>	<i>-54.0</i>	<i>56.8</i>	<i>77.0</i>	<i>25.4</i>
<i>EPS growth (%)</i>	<i>51.3</i>	<i>107.3</i>	<i>4.3</i>	<i>-30.5</i>	<i>75.8</i>	<i>47.4</i>	<i>-54.0</i>	<i>56.8</i>	<i>77.0</i>	<i>25.4</i>
Profitability	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
<i>ROE (%)</i>	<i>14.3</i>	<i>28.3</i>	<i>28.4</i>	<i>20.5</i>	<i>35.4</i>	<i>45.7</i>	<i>20.1</i>	<i>31.0</i>	<i>47.8</i>	<i>51.5</i>
<i>ROE Adj (%)</i>	<i>14.3</i>	<i>28.3</i>	<i>28.4</i>	<i>20.5</i>	<i>35.4</i>	<i>50.4</i>	<i>19.5</i>	<i>31.0</i>	<i>47.8</i>	<i>51.5</i>
<i>ROCE (%)</i>	<i>11.8</i>	<i>22.4</i>	<i>27.9</i>	<i>19.5</i>	<i>31.8</i>	<i>37.5</i>	<i>19.0</i>	<i>27.1</i>	<i>39.4</i>	<i>44.1</i>
<i>ROCE Adj(%)</i>	<i>11.8</i>	<i>22.4</i>	<i>27.9</i>	<i>19.5</i>	<i>31.8</i>	<i>42.1</i>	<i>18.5</i>	<i>27.1</i>	<i>39.4</i>	<i>44.1</i>
<i>ROIC (%)</i>	<i>27.4</i>	<i>47.2</i>	<i>57.3</i>	<i>35.2</i>	<i>53.9</i>	<i>65.8</i>	<i>26.6</i>	<i>43.6</i>	<i>62.7</i>	<i>66.5</i>
<i>ROIC Adj (%)</i>	<i>27.4</i>	<i>47.2</i>	<i>57.3</i>	<i>35.2</i>	<i>53.9</i>	<i>73.9</i>	<i>25.9</i>	<i>43.6</i>	<i>62.7</i>	<i>66.5</i>
Adj earnings numbers	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA Adj	11	21	27	18	32	48	25	35	56	72
<i>EBITDA Adj margin (%)</i>	<i>20.2</i>	<i>29.1</i>	<i>36.3</i>	<i>27.0</i>	<i>36.0</i>	<i>41.4</i>	<i>25.9</i>	<i>33.3</i>	<i>39.9</i>	<i>43.8</i>
EBITDA lease Adj	11	21	27	18	32	47	24	34	55	71
<i>EBITDA lease Adj margin (%)</i>	<i>20.2</i>	<i>29.1</i>	<i>36.3</i>	<i>27.0</i>	<i>36.0</i>	<i>40.5</i>	<i>24.8</i>	<i>32.0</i>	<i>38.9</i>	<i>43.0</i>
EBITA Adj	10	20	26	18	29	45	21	32	52	68
<i>EBITA Adj margin (%)</i>	<i>18.7</i>	<i>28.0</i>	<i>35.0</i>	<i>27.0</i>	<i>33.5</i>	<i>38.6</i>	<i>22.1</i>	<i>29.6</i>	<i>37.0</i>	<i>41.3</i>
EBIT Adj	10	20	26	18	29	45	21	32	52	68
<i>EBIT Adj margin (%)</i>	<i>18.7</i>	<i>28.0</i>	<i>35.0</i>	<i>27.0</i>	<i>33.5</i>	<i>38.6</i>	<i>22.1</i>	<i>29.6</i>	<i>37.0</i>	<i>41.3</i>
Pretax profit Adj	12	25	26	18	29	45	22	30	52	68
Net profit Adj	12	26	27	19	33	53	22	35	61	77
Net profit to shareholders Adj	12	26	27	19	33	53	22	35	61	77
Net Adj margin (%)	22.8	35.5	35.5	28.4	37.3	45.6	22.6	32.6	43.5	46.9

Source: ABG Sundal Collier, Company data

Cash Flow Statement (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA	11	21	27	18	32	43	25	35	56	72
Net financial items	1	5	-1	0	0	-0	1	-2	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	12	26	27	18	32	43	26	34	56	72
Change in WC	-6	-5	-1	-1	-7	-5	2	-2	-8	-6
Operating cash flow	7	20	25	17	25	38	28	32	48	66
CAPEX tangible fixed assets	-0	-0	-1	-0	-1	-1	-2	-2	-2	-2
CAPEX intangible fixed assets	-1	-2	-2	-3	-2	-1	-1	-2	-2	-2
Acquisitions and disposals	0	0	0	0	0	0	0	0	0	0
Free cash flow	5	19	22	13	22	37	25	28	44	62
Dividend paid	-9	-16	-25	-28	-19	-35	-25	-28	-35	-61
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Lease liability amortisation	0	0	0	0	0	-1	-1	-1	-1	-1
Other non cash items	0	-0	0	0	-0	-3	-1	0	0	0
Balance Sheet (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Goodwill	0	0	0	0	0	0	0	0	0	0
Other intangible assets	2	4	5	8	8	7	6	5	5	6
Tangible fixed assets	2	2	2	2	2	2	3	3	4	6
Right-of-use asset	0	0	0	0	0	3	4	5	5	6
Total other fixed assets	30	30	32	33	36	45	50	55	64	73
Fixed assets	34	36	39	42	46	56	63	69	79	90
Inventories	4	4	4	4	7	8	9	10	13	15
Receivables	15	18	19	18	25	31	29	33	43	50
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	45	48	45	30	33	33	26	25	33	32
Total assets	97	106	108	95	110	128	128	136	168	187
Shareholders equity	88	93	96	86	99	112	109	115	142	158
Minority	0	0	0	0	0	0	0	0	0	0
Total equity	88	93	96	86	99	112	109	115	142	158
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
Leasing liability	0	0	0	0	0	3	4	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	8	13	12	9	11	13	15	16	22	25
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	97	106	108	95	110	128	128	136	168	187
Net IB debt	-45	-48	-45	-31	-33	-31	-28	-27	-34	-33
Net IB debt excl. pension debt	-45	-48	-45	-31	-33	-31	-28	-27	-34	-33
Net IB debt excl. leasing	-45	-48	-45	-31	-33	-33	-32	-31	-39	-37
Capital invested	44	45	51	55	66	81	81	89	108	124
Working capital	10	10	12	14	21	26	24	26	34	40
EV breakdown	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Market cap. diluted (m)	540	627	580	461	573	1,383	881	1,086	1,086	1,086
Net IB debt Adj	-45	-48	-45	-31	-33	-31	-28	-27	-34	-33
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	495	579	535	430	540	1,352	853	1,060	1,052	1,053
Capital efficiency	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Total assets turnover (%)	56.9	71.3	70.5	64.9	85.6	98.0	74.7	80.8	93.2	92.5
Working capital/sales (%)	13.3	13.4	14.1	19.3	19.6	20.0	26.0	23.3	21.2	22.5
Financial risk and debt service	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Net debt/equity	-0.51	-0.52	-0.47	-0.36	-0.33	-0.27	-0.26	-0.23	-0.24	-0.21
Net debt/market cap	-0.08	-0.08	-0.08	-0.06	-0.06	-0.03	-0.03	-0.02	-0.03	-0.03
Equity ratio (%)	91.3	87.6	89.1	90.6	90.0	87.5	85.2	84.8	84.5	84.2
Net IB debt adj./equity	-0.51	-0.52	-0.47	-0.36	-0.33	-0.27	-0.26	-0.23	-0.24	-0.21
Current ratio	7.51	5.36	5.87	5.91	5.86	5.13	4.14	3.86	3.90	3.68
EBITDA/net interest	-8.46	-4.59	45.67	high	high	216.50	-42.25	18.65	high	high
Net IB debt/EBITDA	-4.08	-2.27	-1.65	-1.72	-1.05	-0.70	-1.10	-0.75	-0.61	-0.46
Net IB debt/EBITDA lease Adj	-4.08	-2.27	-1.65	-1.72	-1.05	-0.71	-1.36	-0.91	-0.70	-0.53
Interest cover	-7.85	-4.41	44.00	nm	nm	200.50	-36.08	16.59	nm	nm

Source: ABG Sundal Collier, Company data

Valuation and Ratios (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
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	1.75	3.62	3.78	2.62	4.61	6.80	3.12	4.90	8.67	10.87
Dividend per share Adj	2.2	3.5	4.0	2.8	5.0	3.5	4.0	4.9	8.7	10.9
EPS Adj	1.75	3.62	3.78	2.62	4.61	7.49	3.04	4.90	8.67	10.87
BVPS	12.45	13.13	13.50	12.10	13.99	15.75	15.35	16.24	20.02	22.22
BVPS Adj	12.11	12.62	12.77	11.02	12.92	14.81	14.47	15.47	19.25	21.41
Net IB debt / share	-6.3	-6.8	-6.4	-4.3	-4.7	-4.3	-3.9	-3.8	-4.8	-4.7
Share price	76.00	88.25	81.75	65.00	80.80	195.00	124.20	153.20	153.20	153.20
Market cap. (m)	540	627	580	461	573	1,383	881	1,086	1,086	1,086
Valuation	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
P/E	43.5	24.4	21.7	24.8	17.5	28.7	39.8	31.3	17.7	14.1
EV/sales	9.08	7.99	7.09	6.56	6.15	11.61	8.94	9.95	7.44	6.41
EV/EBITDA	45.0	27.4	19.5	24.3	17.1	31.2	33.6	29.9	18.7	14.6
EV/EBITA	48.5	28.5	20.3	24.3	18.4	33.7	39.4	33.6	20.1	15.5
EV/EBIT	48.5	28.5	20.3	24.3	18.4	33.7	39.4	33.6	20.1	15.5
Dividend yield (%)	2.9	4.0	4.9	4.2	6.2	1.8	3.2	3.2	5.7	7.1
FCF yield (%)	1.0	3.0	3.8	2.9	3.9	2.6	2.8	2.6	4.0	5.7
Lease adj. FCF yield (%)	1.0	3.0	3.8	2.9	3.9	2.6	2.7	2.5	3.9	5.6
P/BVPS	6.10	6.72	6.06	5.37	5.78	12.38	8.09	9.43	7.65	6.90
P/BVPS Adj	6.27	6.99	6.40	5.90	6.25	13.17	8.58	9.90	7.96	7.16
P/E Adj	43.5	24.4	21.7	24.8	17.5	26.0	40.9	31.3	17.7	14.1
EV/EBITDA Adj	45.0	27.4	19.5	24.3	17.1	28.1	34.5	29.9	18.7	14.6
EV/EBITA Adj	48.5	28.5	20.3	24.3	18.4	30.0	40.5	33.6	20.1	15.5
EV/EBIT Adj	48.5	28.5	20.3	24.3	18.4	30.0	40.5	33.6	20.1	15.5
EV/cap. employed	5.6	6.2	5.6	5.0	5.4	11.8	7.5	8.9	7.2	6.5
Investment ratios	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Capex/sales	2.4	2.3	4.4	5.6	3.0	1.0	2.9	3.0	2.9	2.9
Capex/depreciation	162.5	212.5	330.0	nm	118.2	50.0	93.3	96.8	131.9	153.1
Capex tangibles/tangible fixed assets	12.5	5.9	52.6	23.5	42.9	31.6	57.1	46.9	44.5	39.5
Capex intangibles/definite intangibles	45.8	44.4	44.2	42.9	22.4	9.0	19.3	29.1	39.0	43.0
Depreciation on intangibles/definite intai	23.3	15.6	13.5	0	20.3	25.1	33.8	42.0	40.0	38.0
Depreciation on tangibles/tangibles	15.0	14.1	15.8	0	31.4	37.9	32.1	29.1	20.9	16.0

Source: ABG Sundal Collier, Company data

Analyst certification

I/We, Adrian Gilani, Max Bacco, the author(s) of this report, certify that not withstanding the existence of any such potential conflicts of interests referred to below, the views expressed in this report accurately reflect my/our personal view about the companies and securities covered in this report.

Analyst valuation methods

ABG Sundal Collier analysts may publish valuation ranges for stocks covered under Company Sponsored Research. These valuation ranges rely on various valuation methods. One of the most frequently used methods is the valuation of a company by calculation of that company's discounted cash flow (DCF). Another valuation method is the analysis of a company's return on capital employed relative to its cost of capital. Finally, the analysts may analyse various valuation multiples (e.g. the P/E multiples and the EV/EBITDA multiples) relative to global industry peers. In special cases, particularly for property companies and investment companies, the ratio of price to net asset value is considered. Valuation ranges may be changed when earnings and cash flow forecasts are changed. They may also be changed when the underlying value of a company's assets changes (in the cases of investment companies, property companies or insurance companies) or when factors impacting the required rate of return change.

Important Company Specific Disclosure

The following disclosures relate to the relationship between ABG Sundal Collier and its affiliates and the companies covered by ABG Sundal Collier referred to in this research report.

Unless disclosed in this section, ABG Sundal Collier has no required regulatory disclosures to make in relation to an ownership position for the analyst(s) and members of the analyst's household, ownership by ABG Sundal Collier, ownership in ABG Sundal Collier by the company(ies) to whom the report(s) refer(s) to, market making, managed or co-managed public offerings, compensation for provision of certain services, directorship of the analyst, or a member of the analyst's household, or in relation to any contractual obligations to the issuance of this research report.

ABG Sundal Collier has undertaken a contractual obligation to issue this report and receives predetermined compensation from the company covered in this report.

ABG Sundal Collier is engaged in providing liquidity in SinterCast's securities at the time of this report's publication.

ABG Sundal Collier is not aware of any other actual, material conflicts of interest of the analyst or ABG Sundal Collier of which the analyst knows or has reason to know at the time of the publication of this report.

Production of report: 04/11/2021 08:39 CET.

All prices are as of market close on 03 November, 2021 unless otherwise noted.

Disclaimer

This document has been prepared by ABG Sundal Collier which is the marketing name referring to all or any of ABG Sundal Collier ASA, ABG Sundal Collier AB or ABG Sundal Collier Partners LLP and any of their affiliated or associated companies and their directors, officers, representatives and employees.

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.

This research product has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination.

This report is provided solely for the information and use of investors who are able to make their own investment decisions without undue reliance on this report. The information contained herein does not apply to, and should not be relied upon by, investors with no or limited experience and knowledge from investments in financial instruments. This report is for distribution only under such circumstances as may be permitted by applicable law. Research reports prepared by ABG Sundal Collier are for information purposes only. ABG Sundal Collier accepts no liability whatsoever for any losses arising from any use of this report or its contents. This report is not to be used or considered as an offer to sell, or a solicitation of an offer to buy. The information herein has been obtained from, and any opinions herein are based upon, sources believed reliable, but ABG Sundal Collier makes no representation as to its accuracy or completeness and it should not be relied upon as such. All opinions and estimates herein reflect the judgment of ABG Sundal Collier on the date of this report and are subject to change without notice. Past performance is not indicative of future results.

This research report does not, and does not attempt to contain everything material that there is to be said about SinterCast.

The compensation of our research analysts is determined exclusively by research management and senior management, but not including investment banking management. Compensation is not based on specific investment banking revenues, however, it is determined from the profitability of the ABG Sundal Collier Group, which includes earnings from investment banking operations and other business. Investors should assume that ABG Sundal Collier is seeking or will seek investment banking or other business relationships with the companies in this report. The research analyst(s) responsible for the preparation of this report may interact with trading desk and sales personnel and other departments for the purpose of gathering, synthesizing and interpreting market information. From time to time, ABG Sundal Collier and its affiliates and any shareholders, directors, officers or employees thereof may (I) have a position in, or otherwise be interested in, any securities directly or indirectly connected to the subject of this report, or (II) perform investment banking or other services for, or solicit investment banking or other services from, a company mentioned in this report. ABG Sundal Collier relies on information barriers to control the flow of information contained in one or more areas of ABG Sundal Collier, into other areas, units, groups or affiliates of ABG Sundal Collier.

Norway: ABG Sundal Collier ASA is regulated by the Financial Supervisory Authority of Norway (Finanstilsynet); Sweden: ABG Sundal Collier AB is regulated by the Swedish Financial Supervisory Authority (Finansinspektionen); UK: This report is a communication made, or approved for communication in the UK, by ABG Sundal Collier Partners LLP, authorised and regulated by the Financial Conduct Authority in the conduct of its business. US: This report is being distributed in the United States in accordance with FINRA Rule 1050(f)(3)(B) by ABG Sundal Collier Inc., a FINRA member which accepts responsibility for its content. Research analysts are not registered/qualified as research analysts with FINRA or the NYSE, and are not associated persons of ABG Sundal Collier Inc. and therefore not subject to FINRA Rule 2241, the research analyst conflict rules. Research reports distributed in the U.S are intended solely for "major institutional investors", as defined under Rule 15a-6 of the Securities Exchange Act of 1934. Each U.S major institutional investor that receives a copy of this research report by its acceptance represents that it agrees

it will not distribute this research report to any other person. Any U.S. major institutional investor receiving this report who wishes to effect transactions in any securities referred to herein should contact ABG Sundal Collier Inc., not its affiliates. Further information on the securities referred to herein may be obtained from ABG Sundal Collier Inc., on request.

Singapore: This report is distributed in Singapore by ABG Sundal Collier Pte Ltd, which is not licensed under the Financial Advisers Act (Chapter 110 of Singapore). In Singapore, this report may only be distributed to institutional investors as defined in Section 4A(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) ("SFA"), and should not be circulated to any other person in Singapore.

This report may not be reproduced, distributed or published by any recipient for any purpose whatsoever without the prior written express permission of ABG Sundal Collier.

Additional information available upon request. If reference is made in this report to other companies and ABG Sundal Collier provides research coverage for those companies details regarding disclosures may be found on our website www.abgsc.com.

© Copyright 2021 ABG Sundal Collier ASA

Norway	Sweden	Denmark	United Kingdom	USA	Germany	Singapore
Pb. 1444 Vika NO-0115 OSLO Norway Tel: +47 22 01 60 00 Fax: +47 22 01 60 60	Regeringsgatan 25, 8 th floor SE-111 53 STOCKHOLM Sweden Tel: +46 8 566 286 00 Fax: +46 8 566 286 01	Forbindelsesvej 12, DK-2100 COPENHAGEN Denmark Tel: +45 35 46 61 00 Fax: +45 35 46 61 10	10 Paternoster Row, 5th fl LONDON EC4M 7EJ UK Tel: +44 20 7905 5600 Fax: +44 20 7905 5601	850 Third Avenue, Suite 9-C NEW YORK, NY 10022 USA Tel: +1 212 605 3800 Fax: +1 212 605 3801	Schillerstrasse 2, 5. OG DE-60313 FRANKFURT Germany Tel +49 69 96 86 96 0 Fax +49 69 96 86 96 99	10 Collyer Quay Ocean Financial Center #40-07, Singapore 049315 Tel +65 6808 6082