

# SinterCast

## Series production starts off strong in '22

- Q1 report due on Wednesday 27 April
- Strong series production, softer equipment sales
- 21x '22e EV/EBIT, 5-8% '22e-'24e dividend yield

### Q1 expectations

We expect Q1 sales of SEK 30.2m, up 24% y-o-y (+13% organic and +11% from FX on a stronger USD). According to a company press release, Q1 series production volumes remain stable at 3.2m annualised engine equivalents (ABGSCe was 3.3m), with March peaking at an impressive 3.6m. For sampling cup volumes, we expect a slight sequential decline to account for customer de-stocking effects, following Q4'21 where sampling cup volumes were high. Although 2022 looks to be a strong year for series production, we believe equipment sales will be somewhat softer. SinterCast delivered on much of its pipeline of new installations during H2'21, and due to new pandemic restrictions at the start of '22 that pipeline has been difficult to replace. We expect EBIT of SEK 8.6m, for a margin of 29% (35%) on a growing opex base, which is being put in place to further scale operations.

### Minor EBIT estimate changes, sales up on FX effects

Following a hike in the USD/SEK rate and SinterCast's higher USD/SEK sensitivity as per the 2021 annual report, we raise '22e sales by 2%. This also includes some negative estimate revisions in '22e equipment sales, due to the currently smaller pipeline of new installations. The net effect of the aforementioned revisions is that our '22e EBIT estimate is up by 1%. For '23e-'24e, we make no estimate revisions.

### Trading at 21x '22e EV/EBIT, reiterate fair value SEK 130-230

On our current estimates, the share is trading at 21x '22e EV/EBIT, offering a 5-8% dividend yield for '22e-'24e. We keep our fair value range of SEK 130-230 per share, which we derive by discounting future dividends at 8-12% cost of equity, since SinterCast pays out ~100% of EPS as dividends.

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

SEKm	2020	2021	2022e	2023e	2024e
Sales	95	107	134	155	164
EBITDA	25	35	49	66	70
EBITDA margin (%)	26.6	32.8	36.4	42.3	42.9
EBIT adj	21	31	45	61	66
EBIT adj margin (%)	22.1	29.2	33.5	39.6	40.4
Pretax profit	22	29	44	61	65
EPS rep	3.12	4.64	6.76	9.68	10.37
EPS adj	3.04	4.64	6.76	9.68	10.37
Sales growth (%)	-18.1	12.6	24.5	15.9	5.8
EPS growth (%)	-54.0	48.5	45.7	43.2	7.1

Source: ABG Sundal Collier, Company data

Reason: Preview of results

## Commissioned research

Not rated

Estimate changes (%)

	2022e	2023e	2024e
Sales	2.3%	0.0%	0.0%
EBIT (rep)	1.4%	0.0%	0.0%
EPS (rep)	1.3%	0.0%	0.0%

Source: ABG Sundal Collier

Share price (SEK)	25/04/2022	138.0
Fair value range (per share)		130-230

Capital Goods, Sweden

SINT.ST/SINT SS

MCap (SEKm)	978
MCap (EURm)	95
Net debt (EURm)	-3

No. of shares (m)	7.1
Free float (%)	99
Av. daily volume (k)	7

Next event

Q1 report: 27 Apr

## Performance



	1m	3m	12m
Absolute (%)	14.4	0.0	-9.8

Source: FactSet

	2022e	2023e	2024e
P/E (x)	20.4	14.3	13.3
P/E adj (x)	20.4	14.3	13.3
P/BVPS (x)	7.78	6.60	6.34
EV/EBITDA (x)	19.5	14.4	13.5
EV/EBIT adj (x)	21.2	15.3	14.3
EV/sales (x)	7.10	6.07	5.78
ROE adj (%)	40.1	50.1	48.6
Dividend yield (%)	4.7	6.9	7.6
FCF yield (%)	3.9	5.7	6.4
Lease adj. FCF yld (%)	3.7	5.5	6.3
Net IB debt/EBITDA	-0.6	-0.6	-0.4
Lease adj. ND/EBITDA	-0.7	-0.6	-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.

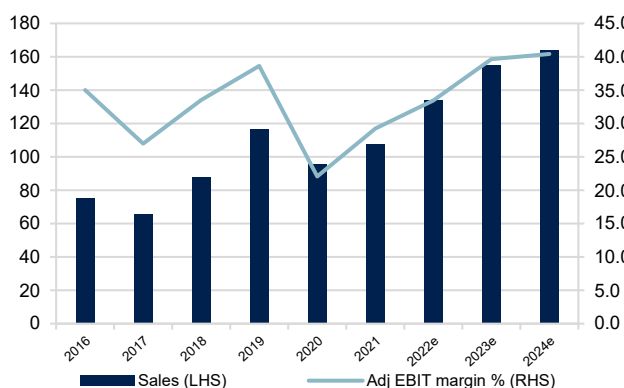
### Company description

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

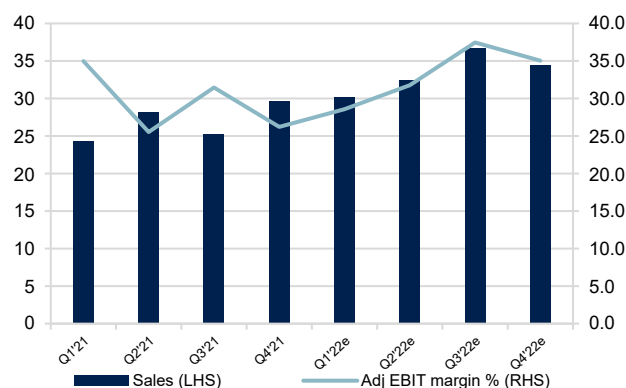
Automotive demand, and more specifically demand for larger passenger vehicles such as SUVs and pick-up trucks with diesel engines. Regulation relating to fossil fuels and diesel in particular poses risks to the business model.

### Annual sales and adj. EBIT margin



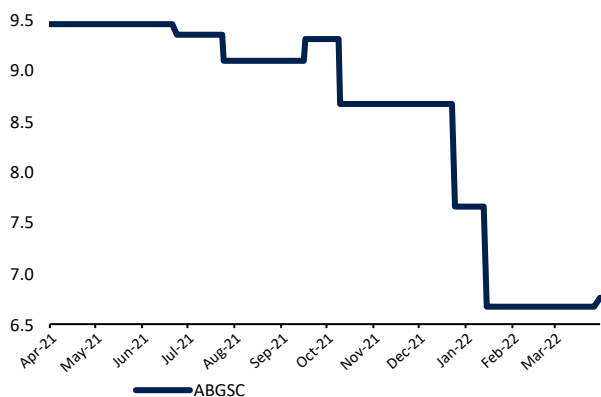
Source: ABG Sundal Collier, Company data

### Quarterly sales and adj. EBIT margin



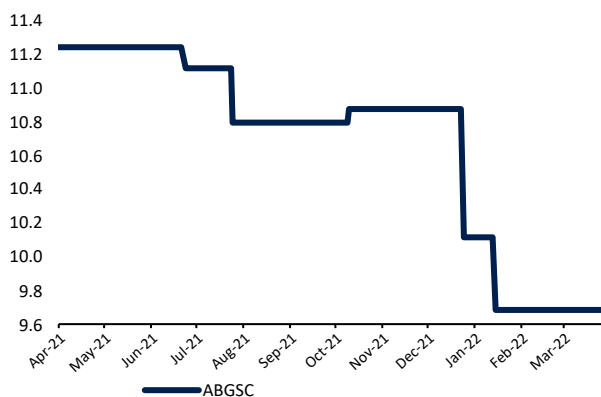
Source: ABG Sundal Collier, Company data

### EPS estimate changes, 2022e, SEK



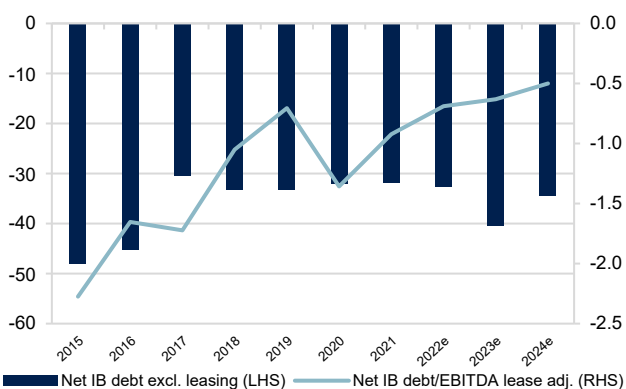
Source: ABG Sundal Collier, FactSet

### EPS estimate changes, 2023e, SEK



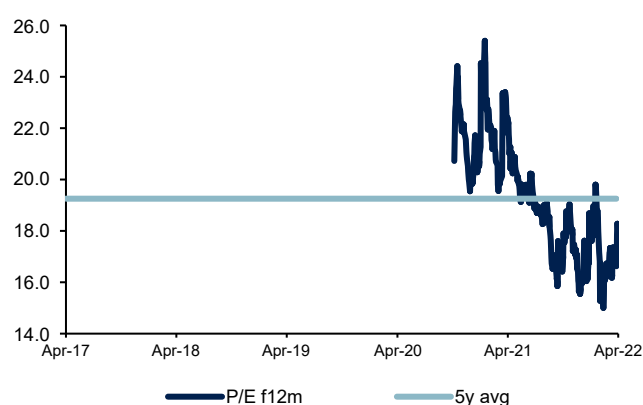
Source: ABG Sundal Collier, FactSet

### Lease adj. net debt and ND/EBITDA



Source: ABG Sundal Collier, Company data

### 12month forward-looking P/E



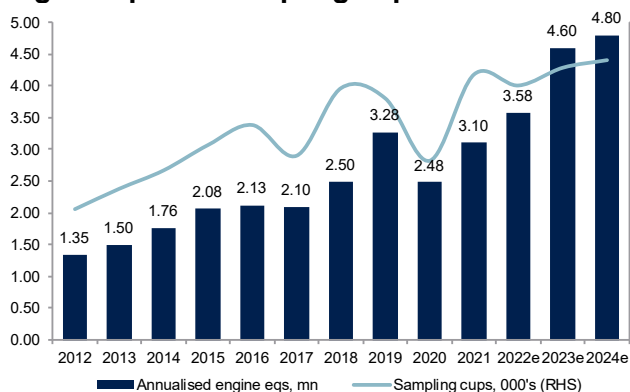
Source: ABG Sundal Collier, Company data

### Estimate changes, '22e-'24e

Estimate changes	Old forecast			New forecast			SEKm change			% change		
	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e
<b>Income statement</b>												
Revenue	131	155	164	134	155	164	3.1	0.0	0.0	2.3%	0.0%	0.0%
Gross profit	96	116	123	98	116	123	2.2	0.0	0.0	2.3%	0.0%	0.0%
Opex	-52	-55	-57	-54	-55	-57	-1.6	0.0	0.0	3.1%	0.0%	0.0%
<b>EBIT</b>	<b>44</b>	<b>61</b>	<b>66</b>	<b>45</b>	<b>61</b>	<b>66</b>	<b>0.6</b>	<b>0.0</b>	<b>0.0</b>	<b>1.4%</b>	<b>0.0%</b>	<b>0.0%</b>
PTP	43	61	66	44	61	65	0.6	0.0	0.0	1.4%	0.0%	0.0%
<b>Net profit</b>	<b>47</b>	<b>69</b>	<b>74</b>	<b>48</b>	<b>69</b>	<b>73</b>	<b>0.6</b>	<b>0.0</b>	<b>0.0</b>	<b>1.3%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Growth and margins</b>												
Revenue growth	22%	19%	6%	25%	16%	6%				2.8pp	-2.7pp	0.0pp
Organic	17%	19%	6%	14%	16%	6%				-2.8pp	-2.7pp	0.0pp
FX	5%	0%	0%	10%	0%	0%				5.6pp	0.0pp	0.0pp
EBIT growth	40%	39%	8%	42%	37%	8%				2.0pp	-2.0pp	0.0pp
Gross margin	74%	75%	75%	74%	75%	75%				0.0pp	0.0pp	0.0pp
EBIT margin	34%	40%	40%	33%	40%	40%				-0.3pp	0.0pp	0.0pp
<b>Sales split</b>												
Equipment	12	12	12	7	12	12	-5.0	0.0	0.0	-42%	0%	0%
Series Production	115	140	148	123	139	147	8.0	0.0	0.0	7%	0%	0%
Engineering Service	3	4	5	3	4	5	0.1	0.0	0.0	3%	0%	0%
<b>Total revenue</b>	<b>131</b>	<b>155</b>	<b>164</b>	<b>134</b>	<b>155</b>	<b>164</b>	<b>3.1</b>	<b>0.0</b>	<b>0.0</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>
<b>Other metrics</b>												
Sampling cups	200,000	214,000	220,000	200,000	214,000	220,000	0	0	0	0%	0%	0%
Annualised engine eq. (mn)	3.60	4.60	4.80	3.58	4.60	4.80	-0.03	0.00	0.00	-1%	0%	0%

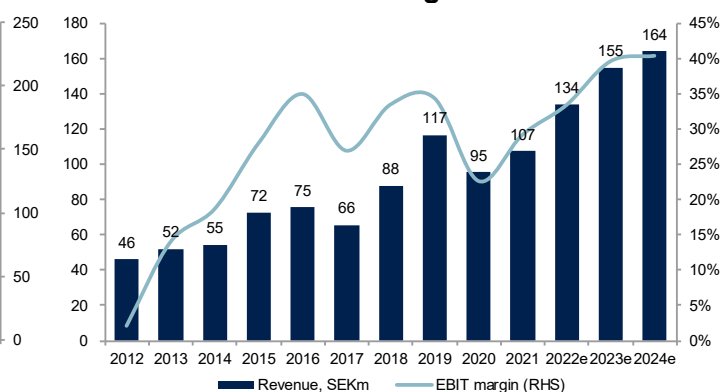
Source: ABG Sundal Collier estimates, company data

### Engine eqs and sampling cup volumes...



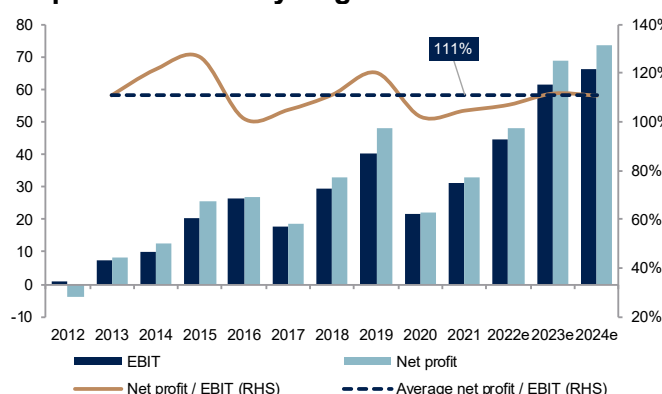
Source: ABG Sundal Collier estimates, company data

### ...correlated with EBIT margin



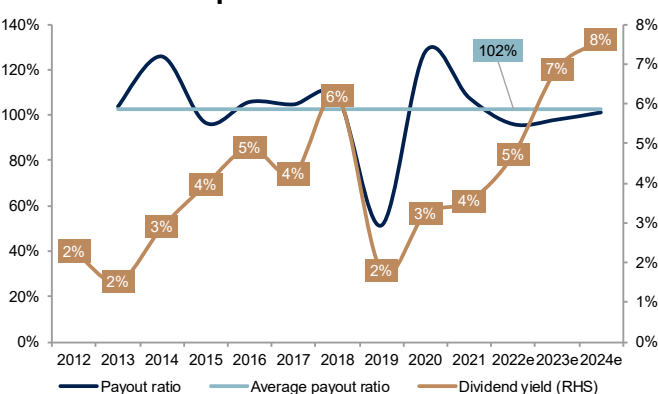
Source: ABG Sundal Collier estimates, company data

### Net profit historically larger than EBIT...



Source: ABG Sundal Collier estimates, company data

### ...and all EPS is paid out as dividends



Source: ABG Sundal Collier estimates, company data

## Detailed quarterly figures

Quarterly overview	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22e	Q2'22e	Q3'22e	Q4'22e
<b>Revenue</b>	<b>24.6</b>	<b>18.7</b>	<b>19.2</b>	<b>32.9</b>	<b>24.3</b>	<b>28.2</b>	<b>25.3</b>	<b>29.6</b>	<b>30.2</b>	<b>32.5</b>	<b>36.7</b>	<b>34.4</b>
Gross profit	17.6	12.9	14.6	23.3	17.1	19.7	19.0	20.3	22.0	23.7	27.1	25.5
SG&A	-8.9	-7.3	-7.5	-9.8	-8.7	-8.9	-8.8	-9.9	-10.1	-10.1	-10.1	-10.1
R&D	-3.3	-2.3	-3.2	-2.9	-2.6	-2.8	-3.3	-3.1	-3.2	-3.2	-3.2	-3.2
Other opex	2.5	-2.5	-0.3	-1.3	2.7	-0.8	1.0	0.4	-0.1	-0.1	-0.1	-0.1
<b>EBIT</b>	<b>7.9</b>	<b>0.8</b>	<b>3.6</b>	<b>9.3</b>	<b>8.5</b>	<b>7.2</b>	<b>8.0</b>	<b>7.8</b>	<b>8.6</b>	<b>10.3</b>	<b>13.7</b>	<b>12.1</b>
Net financials	-1.3	2.2	0.1	-0.3	-1.6	0.2	-0.5	-0.5	-0.2	-0.2	-0.2	-0.2
PTP	6.6	3.0	3.7	9.0	6.9	7.4	7.5	7.3	8.4	10.1	13.5	11.9
Taxes	0.0	0.0	0.0	-0.1	0.0	4.0	0.0	0.0	1.0	1.0	1.0	1.0
<b>Net profit</b>	<b>6.6</b>	<b>3.0</b>	<b>3.7</b>	<b>8.9</b>	<b>6.9</b>	<b>11.4</b>	<b>7.5</b>	<b>7.2</b>	<b>9.4</b>	<b>11.1</b>	<b>14.5</b>	<b>12.9</b>
Growth and margins	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22e	Q2'22e	Q3'22e	Q4'22e
Revenue growth	7%	-44%	-38%	12%	-1%	51%	32%	-10%	24%	15%	45%	16%
EBIT growth	-11%	-94%	-75%	145%	8%	800%	121%	-17%	1%	43%	73%	55%
Gross margin	72%	69%	76%	71%	70%	70%	75%	69%	73%	73%	74%	74%
EBIT margin	32%	4%	19%	28%	35%	26%	31%	26%	29%	32%	37%	35%
Sales split	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22e	Q2'22e	Q3'22e	Q4'22e
Equipment	0.4	6.1	0.3	9.8	1.5	0.2	2.5	4.3	1.0	1.0	2.0	3.0
Series Production	23.8	12.5	18.8	21.9	22.4	27.8	22.1	25.0	28.4	30.7	33.9	30.5
Engineering Service	0.5	0.1	0.1	1.1	0.4	0.2	0.7	0.2	0.8	0.8	0.8	0.9
<b>Total revenue</b>	<b>24.7</b>	<b>18.7</b>	<b>19.2</b>	<b>32.8</b>	<b>24.3</b>	<b>28.2</b>	<b>25.3</b>	<b>29.6</b>	<b>30.2</b>	<b>32.5</b>	<b>36.7</b>	<b>34.4</b>
Other metrics	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22e	Q2'22e	Q3'22e	Q4'22e
Sampling cups	45,100	19,800	32,900	42,800	44,600	76,300	35,400	52,400	45,000	50,000	55,000	50,000
y-o-y	23%	-60%	-41%	-11%	-1%	285%	8%	22%	1%	-34%	55%	-5%
Annualised engine eq. (mm)	2.90	1.60	2.80	2.60	2.90	3.20	3.20	3.10	3.20	3.50	4.00	3.60
y-o-y	-6%	-53%	-20%	-16%	0%	100%	14%	19%	10%	9%	25%	16%
Working capital / sales R12m	21%	18%	22%	25%	27%	24%	19%	23%				
Net debt/cash	-39	-45	-42	-22	-28	-21	-34	-23				
ND/EBITDA	-0.9	-1.4	-2.1	-0.9	-1.1	-0.6	-0.9	-0.7				
Equity ratio	86%	85%	86%	85%	86%	84%	87%	86%				
FCF conversion (lease adj.)	81%	110%	80%	106%	90%	64%	103%	89%				
ROCE	34%	23%	13%	19%	18%	24%	26%	27%				

Source: ABG Sundal Collier estimates, company data

## Detailed annual figures

Annual overview	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
<b>Revenue</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>95.4</b>	<b>107.4</b>	<b>133.7</b>	<b>155.0</b>	<b>164.0</b>
Gross profit	37.3	40.8	55.4	58.8	50.6	68.9	89.0	68.4	76.1	98.3	116.2	123.0
SG&A	-24.6	-24.7	-26.4	-25.0	-25.0	-28.8	-36.2	-33.5	-36.2	-40.4	-40.8	-41.7
R&D	-5.8	-6.5	-7.6	-7.9	-7.3	-10.3	-12.0	-11.6	-11.8	-12.8	-14.0	-15.0
Other opex	0.4	0.6	-1.1	0.5	-0.6	-0.4	-0.7	-1.6	3.3	-0.4	0.0	0.0
<b>EBIT</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>21.7</b>	<b>31.4</b>	<b>44.7</b>	<b>61.4</b>	<b>66.3</b>
Net financials	0.2	1.3	4.6	-0.6	0.0	0.0	-0.2	0.6	-2.4	-0.8	-0.8	-0.8
PTP	7.5	11.5	24.9	25.8	17.7	29.4	39.9	22.3	29.0	43.9	60.6	65.5
Taxes	0.6	0.9	0.8	1.0	0.9	3.3	8.3	-0.1	3.9	4.0	8.0	8.0
<b>Net profit</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>22.2</b>	<b>32.9</b>	<b>47.9</b>	<b>68.6</b>	<b>73.5</b>
EPS	1.2	1.7	3.6	3.8	2.6	4.6	6.8	3.1	4.6	6.8	9.7	10.4
<b>DPS</b>	<b>1.2</b>	<b>2.2</b>	<b>3.5</b>	<b>4.0</b>	<b>2.8</b>	<b>5.0</b>	<b>3.5</b>	<b>4.0</b>	<b>5.0</b>	<b>6.5</b>	<b>9.5</b>	<b>10.5</b>
<i>Payout ratio</i>	<i>104%</i>	<i>126%</i>	<i>97%</i>	<i>106%</i>	<i>105%</i>	<i>108%</i>	<i>51%</i>	<i>128%</i>	<i>108%</i>	<i>96%</i>	<i>98%</i>	<i>101%</i>
<i>Dividend / FCF</i>	<i>61%</i>	<i>289%</i>	<i>133%</i>	<i>128%</i>	<i>148%</i>	<i>160%</i>	<i>68%</i>	<i>115%</i>	<i>117%</i>	<i>121%</i>	<i>122%</i>	<i>119%</i>
<i>Dividend yield</i>	<i>1.5%</i>	<i>2.9%</i>	<i>4.0%</i>	<i>4.9%</i>	<i>4.2%</i>	<i>6.2%</i>	<i>1.8%</i>	<i>3.2%</i>	<i>3.6%</i>	<i>4.7%</i>	<i>6.9%</i>	<i>7.6%</i>
<b>Growth and margins</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
Revenue grow th	13%	5%	33%	4%	-13%	34%	33%	-18%	13%	25%	16%	6%
EBIT grow th	630%	40%	99%	30%	-33%	66%	36%	-46%	45%	42%	37%	8%
Gross margin	72%	75%	77%	78%	77%	79%	76%	72%	71%	74%	75%	75%
EBIT margin	14%	19%	28%	35%	27%	34%	34%	23%	29%	33%	40%	40%
<b>Sales split</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
Equipment	10.1	4.9	7.7	7.1	3.7	4.6	11.9	16.6	8.5	7.0	12.0	12.0
Series Production	44.1	47.8	63.6	66.4	60.7	81.3	102.3	77.0	97.3	123.4	139.5	147.5
Engineering Service	1.5	1.8	1.1	1.8	1.2	1.8	2.3	1.8	1.5	3.3	3.5	4.5
<b>Total revenue</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>95.4</b>	<b>107.4</b>	<b>133.7</b>	<b>155.0</b>	<b>164.0</b>
<b>Other metrics</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
<b>Sampling cups</b>	<b>118,500</b>	<b>133,000</b>	<b>153,000</b>	<b>168,800</b>	<b>144,600</b>	<b>197,900</b>	<b>189,800</b>	<b>140,600</b>	<b>208,700</b>	<b>200,000</b>	<b>214,000</b>	<b>220,000</b>
<i>y-o-y</i>	<i>16%</i>	<i>12%</i>	<i>15%</i>	<i>10%</i>	<i>-14%</i>	<i>37%</i>	<i>-4%</i>	<i>-26%</i>	<i>48%</i>	<i>-4%</i>	<i>7%</i>	<i>3%</i>
<b>Annualised engine eq. (mn)</b>	<b>1.50</b>	<b>1.76</b>	<b>2.08</b>	<b>2.13</b>	<b>2.10</b>	<b>2.50</b>	<b>3.28</b>	<b>2.48</b>	<b>3.10</b>	<b>3.58</b>	<b>4.60</b>	<b>4.80</b>
<i>y-o-y</i>	<i>11%</i>	<i>18%</i>	<i>18%</i>	<i>2%</i>	<i>-1%</i>	<i>19%</i>	<i>31%</i>	<i>-24%</i>	<i>25%</i>	<i>15%</i>	<i>29%</i>	<i>4%</i>
Working capital / sales	9%	18%	13%	16%	21%	24%	22%	25%	23%	23%	23%	23%
Net debt/cash	-48	-45	-48	-45	-30	-33	-30	-22	-23	-25	-32	-27
ND/EBITDA	-5.9	-4.1	-2.3	-1.7	-1.7	-1.0	-0.7	-0.9	-0.7	-0.5	-0.5	-0.4
Equity ratio	89%	91%	88%	89%	91%	90%	88%	85%	86%	85%	86%	86%
FCF conversion (lease adj.)	170%	44%	73%	82%	71%	68%	74%	107%	90%	76%	79%	84%
ROCE	9%	12%	22%	28%	19%	32%	38%	19%	27%	36%	44%	43%

Source: ABG Sundal Collier estimates, 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				ESG Data			
	2018	2019	2020		2018	2019	2020
Women in workforce %	15	18	19	None provided			
Women in management %	0	0	0				
Women in board %	19	15	15				
CEO total compensation, SEKm p.a.	na	na	na				
Employee turnover %	na	na	na				
Employee absence %	na	na	na				
Person responsible for sustainability:	Steve Dawson						
Senior management:	Yes						
ESG quantified targets					Today	Target	By
None provided							

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

Income Statement (SEKm)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022e	Q2 2022e	Q3 2022e	Q4 2022e
Sales	24	28	25	30	30	33	37	34
COGS	-7	-9	-6	-9	-8	-9	-10	-9
Gross profit	17	20	19	20	22	24	27	25
Other operating items	-8	-12	-10	-12	-12	-12	-12	-12
<b>EBITDA</b>	<b>10</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>15</b>	<b>13</b>
Depreciation and amortisation	-1	-1	-1	-1	-1	-1	-1	-1
<b>EBITA</b>	<b>9</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>14</b>	<b>12</b>
EO items	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>9</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>14</b>	<b>12</b>
Net financial items	-2	0	-1	-1	-0	-0	-0	-0
<b>Pretax profit</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>10</b>	<b>14</b>	<b>12</b>
Tax	0	4	0	0	1	1	1	1
<b>Net profit</b>	<b>7</b>	<b>11</b>	<b>7</b>	<b>7</b>	<b>9</b>	<b>11</b>	<b>15</b>	<b>13</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>7</b>	<b>11</b>	<b>7</b>	<b>7</b>	<b>9</b>	<b>11</b>	<b>15</b>	<b>13</b>
EPS	0.97	1.61	1.05	1.02	1.33	1.57	2.05	1.81
EPS Adj	0.97	1.61	1.05	1.02	1.33	1.57	2.05	1.81
Total extraordinary items after tax	0	0	0	0	0	0	0	0
Tax rate (%)	0	54.1	0	0	11.9	9.9	7.4	8.4
Gross margin (%)	70.4	69.9	75.1	68.6	73.0	73.0	74.0	74.0
EBITDA margin (%)	39.5	28.4	35.4	29.3	31.9	34.8	40.2	37.9
EBITA margin (%)	35.0	25.5	31.5	26.2	28.6	31.8	37.5	35.0
EBIT margin (%)	35.0	25.5	31.5	26.2	28.6	31.8	37.5	35.0
Pretax margin (%)	28.4	26.2	29.5	24.5	27.9	31.2	36.9	34.5
Net margin (%)	28.4	40.4	29.5	24.5	31.2	34.2	39.6	37.4
<b>Growth rates Y/Y</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021</b>	<b>Q1 2022e</b>	<b>Q2 2022e</b>	<b>Q3 2022e</b>	<b>Q4 2022e</b>
Sales growth (%)	-1.2	50.8	31.8	-10.0	24.1	15.3	45.0	16.2
EBITDA growth (%)	10.3	370.6	94.8	-15.1	0.2	41.6	64.5	50.7
EBIT growth (%)	7.6	800.0	121.1	-16.6	1.4	43.4	72.6	55.3
Net profit growth (%)	4.5	280.0	101.6	-18.4	36.5	-2.4	94.9	77.0
EPS growth (%)	4.5	280.0	101.6	-18.4	36.5	-2.4	94.9	77.0
<b>Adj earnings numbers</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021</b>	<b>Q1 2022e</b>	<b>Q2 2022e</b>	<b>Q3 2022e</b>	<b>Q4 2022e</b>
EBITDA Adj	10	8	9	9	10	11	15	13
EBITDA Adj margin (%)	39.5	28.4	35.4	29.3	31.9	34.8	40.2	37.9
EBITA Adj	9	7	8	8	9	10	14	12
EBITA Adj margin (%)	35.0	25.5	31.5	26.2	28.6	31.8	37.5	35.0
EBIT Adj	9	7	8	8	9	10	14	12
EBIT Adj margin (%)	35.0	25.5	31.5	26.2	28.6	31.8	37.5	35.0
Pretax profit Adj	7	7	7	7	8	10	14	12
Net profit Adj	7	11	7	7	9	11	15	13
Net profit to shareholders Adj	7	11	7	7	9	11	15	13
Net Adj margin (%)	28.4	40.4	29.5	24.5	31.2	34.2	39.6	37.4

Source: ABG Sundal Collier, Company data

Income Statement (SEKm)	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
Sales	72	75	66	88	117	95	107	134	155	164
COGS	-17	-17	-15	-19	-28	-27	-31	-35	-39	-41
Gross profit	55	59	51	69	89	68	76	98	116	123
Other operating items	-34	-31	-33	-37	-46	-43	-41	-50	-51	-53
<b>EBITDA</b>	<b>21</b>	<b>27</b>	<b>18</b>	<b>32</b>	<b>43</b>	<b>25</b>	<b>35</b>	<b>49</b>	<b>66</b>	<b>70</b>
Depreciation and amortisation	-1	-1	0	-2	-3	-4	-4	-4	-4	-4
Of which leasing depreciation	0	0	0	0	-1	-1	-1	-1	-1	-1
<b>EBITA</b>	<b>20</b>	<b>26</b>	<b>18</b>	<b>29</b>	<b>40</b>	<b>22</b>	<b>31</b>	<b>45</b>	<b>61</b>	<b>66</b>
EO items	0	0	0	0	-5	1	0	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>20</b>	<b>26</b>	<b>18</b>	<b>29</b>	<b>40</b>	<b>22</b>	<b>31</b>	<b>45</b>	<b>61</b>	<b>66</b>
Net financial items	5	-1	0	0	-0	1	-2	-1	-1	-1
<b>Pretax profit</b>	<b>25</b>	<b>26</b>	<b>18</b>	<b>29</b>	<b>40</b>	<b>22</b>	<b>29</b>	<b>44</b>	<b>61</b>	<b>65</b>
Tax	1	1	1	3	8	-0	4	4	8	8
<b>Net profit</b>	<b>26</b>	<b>27</b>	<b>19</b>	<b>33</b>	<b>48</b>	<b>22</b>	<b>33</b>	<b>48</b>	<b>69</b>	<b>73</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>26</b>	<b>27</b>	<b>19</b>	<b>33</b>	<b>48</b>	<b>22</b>	<b>33</b>	<b>48</b>	<b>69</b>	<b>73</b>
EPS	3.62	3.78	2.62	4.61	6.80	3.12	4.64	6.76	9.68	10.37
<i>EPS Adj</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>4.64</i>	<i>6.76</i>	<i>9.68</i>	<i>10.37</i>
Total extraordinary items after tax	0	0	0	0	-5	1	0	0	0	0
Leasing payments	0	0	0	0	-1	-1	-1	-1	-1	-1
<i>Tax rate (%)</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>13.4</i>	<i>9.1</i>	<i>13.2</i>	<i>12.2</i>
<i>Gross margin (%)</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>70.9</i>	<i>73.5</i>	<i>75.0</i>	<i>75.0</i>
<i>EBITDA margin (%)</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>32.8</i>	<i>36.4</i>	<i>42.3</i>	<i>42.9</i>
<i>EBITA margin (%)</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>29.2</i>	<i>33.5</i>	<i>39.6</i>	<i>40.4</i>
<i>EBIT margin (%)</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>29.2</i>	<i>33.5</i>	<i>39.6</i>	<i>40.4</i>
<i>Pretax margin (%)</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>27.0</i>	<i>32.9</i>	<i>39.1</i>	<i>39.9</i>
<i>Net margin (%)</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>30.6</i>	<i>35.8</i>	<i>44.3</i>	<i>44.8</i>
<b>Growth rates Y/Y</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
<i>Sales growth (%)</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>12.6</i>	<i>24.5</i>	<i>15.9</i>	<i>5.8</i>
<i>EBITDA growth (%)</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>38.9</i>	<i>38.4</i>	<i>34.5</i>	<i>7.4</i>
<i>EBIT growth (%)</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>45.0</i>	<i>42.5</i>	<i>37.3</i>	<i>7.9</i>
<i>Net profit growth (%)</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>48.5</i>	<i>45.7</i>	<i>43.2</i>	<i>7.1</i>
<i>EPS growth (%)</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>48.5</i>	<i>45.7</i>	<i>43.2</i>	<i>7.1</i>
<b>Profitability</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
<i>ROE (%)</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>29.6</i>	<i>40.1</i>	<i>50.1</i>	<i>48.6</i>
<i>ROE Adj (%)</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>29.6</i>	<i>40.1</i>	<i>50.1</i>	<i>48.6</i>
<i>ROCE (%)</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>27.3</i>	<i>36.3</i>	<i>43.6</i>	<i>42.7</i>
<i>ROCE Adj(%)</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>27.3</i>	<i>36.3</i>	<i>43.6</i>	<i>42.7</i>
<i>ROIC (%)</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>42.9</i>	<i>53.7</i>	<i>66.9</i>	<i>63.4</i>
<i>ROIC Adj (%)</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>42.9</i>	<i>53.7</i>	<i>66.9</i>	<i>63.4</i>
<b>Adj earnings numbers</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
EBITDA Adj	21	27	18	32	48	25	35	49	66	70
<i>EBITDA Adj margin (%)</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>32.8</i>	<i>36.4</i>	<i>42.3</i>	<i>42.9</i>
EBITDA lease Adj	21	27	18	32	47	24	35	47	64	69
<i>EBITDA lease Adj margin (%)</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>32.1</i>	<i>35.4</i>	<i>41.4</i>	<i>42.1</i>
EBITA Adj	20	26	18	29	45	21	31	45	61	66
<i>EBITA Adj margin (%)</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>29.2</i>	<i>33.5</i>	<i>39.6</i>	<i>40.4</i>
EBIT Adj	20	26	18	29	45	21	31	45	61	66
<i>EBIT Adj margin (%)</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>29.2</i>	<i>33.5</i>	<i>39.6</i>	<i>40.4</i>
Pretax profit Adj	25	26	18	29	45	22	29	44	61	65
Net profit Adj	26	27	19	33	53	22	33	48	69	73
Net profit to shareholders Adj	26	27	19	33	53	22	33	48	69	73
Net Adj margin (%)	35.5	35.5	28.4	37.3	45.6	22.6	30.6	35.8	44.3	44.8

Source: ABG Sundal Collier, Company data



Cash Flow Statement (SEKm)	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
EBITDA	21	27	18	32	43	25	35	49	66	70
Net financial items	5	-1	0	0	-0	1	-2	-1	-1	-1
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	26	27	18	32	43	26	33	48	65	70
Change in WC	-5	-1	-1	-7	-5	2	1	-6	-5	-2
<b>Operating cash flow</b>	<b>20</b>	<b>25</b>	<b>17</b>	<b>25</b>	<b>38</b>	<b>28</b>	<b>33</b>	<b>42</b>	<b>60</b>	<b>68</b>
CAPEX tangible fixed assets	-0	-1	-0	-1	-1	-2	-1	-2	-2	-2
CAPEX intangible fixed assets	-2	-2	-3	-2	-1	-1	-2	-2	-2	-2
Acquisitions and disposals	0	0	0	0	0	0	0	0	0	0
<b>Free cash flow</b>	<b>19</b>	<b>22</b>	<b>13</b>	<b>22</b>	<b>37</b>	<b>25</b>	<b>30</b>	<b>38</b>	<b>55</b>	<b>63</b>
Dividend paid	-16	-25	-28	-19	-35	-25	-28	-35	-46	-67
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Lease liability amortisation	0	0	0	0	-1	-1	-1	-1	-1	-1
Other non cash items	-0	0	0	-0	-3	-1	-1	0	0	0
Balance Sheet (SEKm)	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
Goodwill	0	0	0	0	0	0	0	0	0	0
Other intangible assets	4	5	8	8	7	6	6	6	6	6
Tangible fixed assets	2	2	2	2	2	3	3	4	5	6
Right-of-use asset	0	0	0	0	3	4	4	4	5	5
Total other fixed assets	30	32	33	36	45	50	53	57	65	73
Fixed assets	36	39	42	46	56	63	65	70	80	90
Inventories	4	4	4	7	8	9	10	13	15	16
Receivables	18	19	18	25	31	29	29	36	41	44
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	48	45	30	33	33	26	27	29	36	30
<b>Total assets</b>	<b>106</b>	<b>108</b>	<b>95</b>	<b>110</b>	<b>128</b>	<b>128</b>	<b>131</b>	<b>147</b>	<b>173</b>	<b>180</b>
Shareholders equity	93	96	86	99	112	109	113	126	148	154
Minority	0	0	0	0	0	0	0	0	0	0
<b>Total equity</b>	<b>93</b>	<b>96</b>	<b>86</b>	<b>99</b>	<b>112</b>	<b>109</b>	<b>113</b>	<b>126</b>	<b>148</b>	<b>154</b>
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	3	4	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	13	12	9	11	13	15	14	18	20	22
Other current liabilities	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>106</b>	<b>108</b>	<b>95</b>	<b>110</b>	<b>128</b>	<b>128</b>	<b>131</b>	<b>147</b>	<b>173</b>	<b>180</b>
Net IB debt	-48	-45	-31	-33	-31	-28	-28	-29	-37	-31
Net IB debt excl. pension debt	-48	-45	-31	-33	-31	-28	-28	-29	-37	-31
Net IB debt excl. leasing	-48	-45	-31	-33	-33	-32	-32	-33	-40	-35
Capital invested	45	51	55	66	81	81	85	97	111	123
Working capital	10	12	14	21	26	24	25	31	36	38
EV breakdown	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
Market cap. diluted (m)	627	580	461	573	1,383	881	998	978	978	978
Net IB debt Adj	-48	-45	-31	-33	-31	-28	-28	-29	-37	-31
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>579</b>	<b>535</b>	<b>430</b>	<b>540</b>	<b>1,352</b>	<b>853</b>	<b>970</b>	<b>949</b>	<b>942</b>	<b>948</b>
Capital efficiency	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
Total assets turnover (%)	71.3	70.5	64.9	85.6	98.0	74.7	82.9	96.0	96.9	93.0
Working capital/sales (%)	13.4	14.1	19.3	19.6	20.0	26.0	22.7	20.8	21.5	22.5
Financial risk and debt service	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
Net debt/equity	-0.52	-0.47	-0.36	-0.33	-0.27	-0.26	-0.25	-0.23	-0.25	-0.20
Net debt/market cap	-0.08	-0.08	-0.06	-0.06	-0.03	-0.03	-0.03	-0.03	-0.04	-0.03
Equity ratio (%)	87.6	89.1	90.6	90.0	87.5	85.2	86.2	85.4	85.9	85.8
Net IB debt adj./equity	-0.52	-0.47	-0.36	-0.33	-0.27	-0.26	-0.25	-0.23	-0.25	-0.20
Current ratio	5.36	5.87	5.91	5.86	5.13	4.14	4.21	4.00	4.20	3.87
EBITDA/net interest	-4.59	45.67	high	high	216.50	-42.25	14.67	60.92	81.93	88.00
Net IB debt/EBITDA	-2.27	-1.65	-1.72	-1.05	-0.70	-1.10	-0.79	-0.60	-0.56	-0.44
Net IB debt/EBITDA lease Adj	-2.27	-1.65	-1.72	-1.05	-0.71	-1.36	-0.92	-0.69	-0.63	-0.50
Interest cover	-4.41	44.00	nm	nm	200.50	-36.08	13.08	55.92	76.80	82.86

Source: ABG Sundal Collier, Company data

Valuation and Ratios (SEKm)	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
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	3.62	3.78	2.62	4.61	6.80	3.12	4.64	6.76	9.68	10.37
Dividend per share Adj	3.5	4.0	2.8	5.0	3.5	4.0	5.0	6.5	9.5	10.5
EPS Adj	3.62	3.78	2.62	4.61	7.49	3.04	4.64	6.76	9.68	10.37
BVPS	13.13	13.50	12.10	13.99	15.75	15.35	15.97	17.73	20.91	21.77
BVPS Adj	12.62	12.77	11.02	12.92	14.81	14.47	15.13	16.92	20.08	20.91
Net IB debt / share	-6.8	-6.4	-4.3	-4.7	-4.3	-3.9	-3.9	-4.1	-5.2	-4.4
Share price	88.25	81.75	65.00	80.80	195.00	124.20	140.80	138.00	138.00	138.00
Market cap. (m)	627	580	461	573	1,383	881	998	978	978	978
<b>Valuation</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
P/E	24.4	21.7	24.8	17.5	28.7	39.8	30.3	20.4	14.3	13.3
EV/sales	7.99	7.09	6.56	6.15	11.61	8.94	9.04	7.10	6.07	5.78
EV/EBITDA	27.4	19.5	24.3	17.1	31.2	33.6	27.6	19.5	14.4	13.5
EV/EBITA	28.5	20.3	24.3	18.4	33.7	39.4	30.9	21.2	15.3	14.3
EV/EBIT	28.5	20.3	24.3	18.4	33.7	39.4	30.9	21.2	15.3	14.3
Dividend yield (%)	4.0	4.9	4.2	6.2	1.8	3.2	3.6	4.7	6.9	7.6
FCF yield (%)	3.0	3.8	2.9	3.9	2.6	2.8	3.0	3.9	5.7	6.4
Lease adj. FCF yield (%)	3.0	3.8	2.9	3.9	2.6	2.7	3.0	3.7	5.5	6.3
P/BVPS	6.72	6.06	5.37	5.78	12.38	8.09	8.82	7.78	6.60	6.34
P/BVPS Adj	6.99	6.40	5.90	6.25	13.17	8.58	9.31	8.15	6.87	6.60
P/E Adj	24.4	21.7	24.8	17.5	26.0	40.9	30.3	20.4	14.3	13.3
EV/EBITDA Adj	27.4	19.5	24.3	17.1	28.1	34.5	27.6	19.5	14.4	13.5
EV/EBITA Adj	28.5	20.3	24.3	18.4	30.0	40.5	30.9	21.2	15.3	14.3
EV/EBIT Adj	28.5	20.3	24.3	18.4	30.0	40.5	30.9	21.2	15.3	14.3
EV/cap. employed	6.2	5.6	5.0	5.4	11.8	7.5	8.3	7.3	6.2	6.0
<b>Investment ratios</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
Capex/sales	2.3	4.4	5.6	3.0	1.0	2.9	3.0	2.9	2.9	2.9
Capex/depreciation	212.5	330.0	nm	118.2	50.0	93.3	97.0	121.2	144.5	152.9
Capex tangibles/tangible fixed assets	5.9	52.6	23.5	42.9	31.6	57.1	27.6	49.1	43.0	35.8
Capex intangibles/definite intangibles	44.4	44.2	42.9	22.4	9.0	19.3	40.5	35.2	39.8	40.2
Depreciation on intangibles/definite intai	15.6	13.5	0	20.3	25.1	33.8	39.0	39.3	37.3	35.5
Depreciation on tangibles/tangibles	14.1	15.8	0	31.4	37.9	32.1	34.1	25.2	18.5	14.6

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: 25/04/2022 14:04 CET.

All prices are as of market close on 24 April, 2022 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 Limited 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 Limited, 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](http://www.abgsc.com).**

© Copyright 2022 ABG Sundal Collier ASA

Norway	Sweden	Denmark	United Kingdom	USA	Germany	Singapore
Ruseløkkveien 26, 8 <sup>th</sup> floor 0251 Oslo Norway Tel: +47 22 01 60 00 Fax: +47 22 01 60 60	Regeringsgatan 25, 8 <sup>th</sup> floor 111 53 Stockholm Sweden Tel: +46 8 566 286 00 Fax: +46 8 566 286 01	Forbindelsesvej 12 2100 Copenhagen Denmark Tel: +45 35 46 61 00 Fax: +45 35 46 61 10	10 Paternoster Row, 5 <sup>th</sup> floor 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 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