

SinterCast

Unfortunate start to '23, but outlook still strong

- Slow start to '23, but March better, 4m-5m EE milestones delayed
- -14% y-o-y EBIT drop caused by temporary dip in cup sales
- Our '24e-'25e outlook remains intact, fair value SEK 100-160

Q1: temporary dip in cup sales, somewhat slower ramp

Q1 revenue came in at SEK 26.4m, down -6% y-o-y, and Engine Equivalents (EE) came in at 3.3m, up 3% y-o-y. The revenue decrease was mainly due to a drop in sampling cup shipments, which came in at 32,900, -33% y-o-y. The company states that the reason for this drop was order timing and inventory reductions following the normalisation of global supply chains, and thus was not related to future production demand. We believe this was indeed a temporary dip. EBIT was SEK 6.5m, down -14% y-o-y, as a result of the revenue decrease and operating leverage. Similarly, net profit was SEK 6.3m, -20% y-o-y. The somewhat slower than expected EE ramp in Q1 caused the company to state that the 4m and 5m EE milestones will likely be delayed. Nevertheless, after a weaker January and February, production picked up again in March, reaching 3.8m EE, making it the third highest month of production ever. Management states that the outlook for both production ramps and equipment installations remains good.

Reductions to '23e, but '24e-'25e remain fairly intact

We reduce '23e sales and EBIT by -7% and -9%, respectively, on the somewhat slower than expected EE ramp in Q1. For '24e-'25e, we only reduce sales and EBIT estimates by 1-2%, as our pre-report estimates did not assume the company would reach its 5m EE milestone before the end of '24, and we believe SinterCast's long-term growth path is unchanged by the temporary slowdown in Q1.

Trading at 16-12x '23e-'25e EV/EBIT, fair value SEK 100-160

The share is currently trading at 16-12x '23e-'25e EV/EBIT, with a div. yield of 7-10% in '23e-'25e. We reiterate our fair value range of SEK 100-160.

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SEKm	2021	2022	2023e	2024e	2025e
Sales	107	119	136	159	172
EBITDA	35	35	48	61	67
EBITDA margin (%)	32.8	29.5	35.6	38.4	38.7
EBIT adj.	31	36	44	56	62
EBIT adj. margin (%)	29.2	30.0	32.4	35.5	35.9
Pretax profit	29	30	43	56	61
EPS	4.64	4.70	6.52	8.39	9.18
EPS adj.	4.64	5.45	6.52	8.39	9.18
Sales growth (%)	12.6	10.5	14.6	16.6	8.7
EPS growth (%)	48.5	1.2	38.9	28.7	9.3

Source: ABG Sundal Collier, Company Data

Reason: Post-results comment

Commissioned research

Not rated

Capital Goods

Estimate changes (%)

	2023e	2024e	2025e
Sales	-6.8	-1.4	-1.5
EBIT	-9.4	-1.2	-1.4
EPS	-10.8	-1.2	-1.4

Source: ABG Sundal Collier

SINT-SE/SINT SS

Share price (SEK)	26/4/2023	103.00
Fair value range		100.0-160.0

MCap (SEKm)	721
MCap (EURm)	64
No. of shares (m)	7.1
Free float (%)	72.0
Av. daily volume (k)	2

Next event AGM 16 May 2023

Performance



Disclosures and analyst certifications are located on pages 9-10 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.

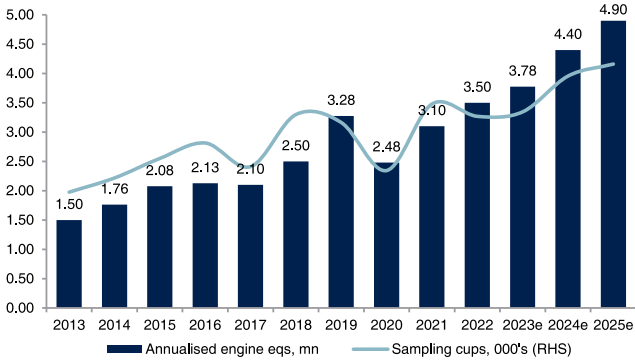
Company description

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.

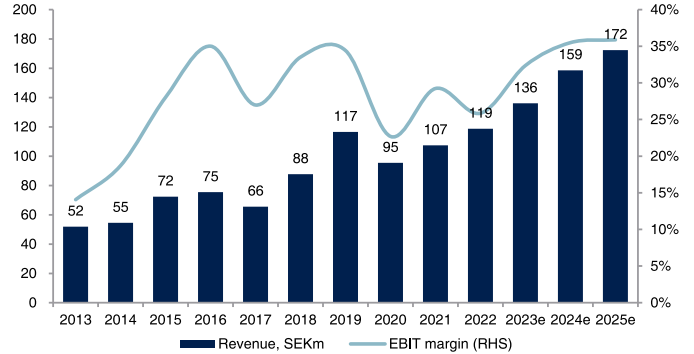
Risks

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.

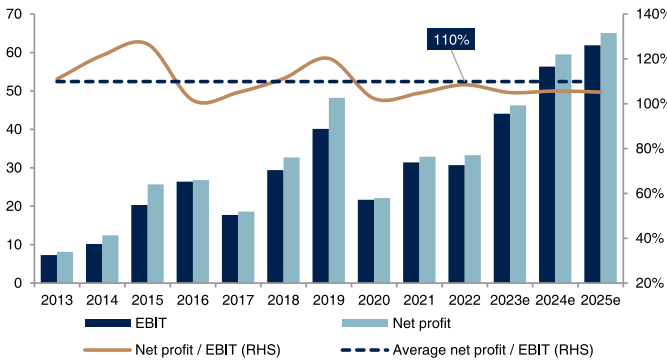
Annualised engine eqs and sampling cups...



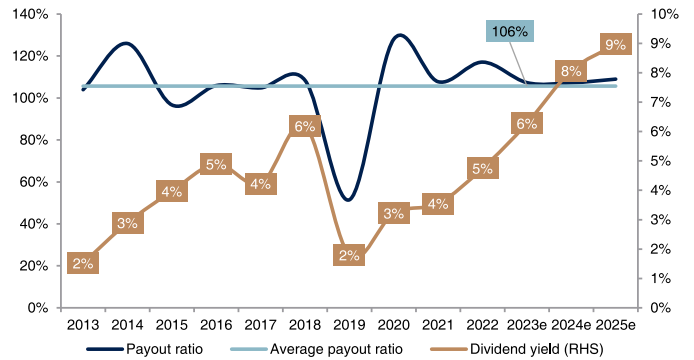
...correlate well with sales and EBIT margin



>100% EBIT to net profit conversion...



...and ~100% of net profit paid out in dividends



Deviation table

Deviation table	Last yr.	Actual		ABGSCe		
Income statement	Q1'22	Q1'23	y-o-y	Q1'23e	Dev %	Dev SEKm
Revenue	28.1	26.4	-6%	35.5	-26%	-9.1
Gross profit	20.2	18.4	-9%	26.2	-30%	-7.8
Opex	-12.6	-11.9	-6%	-14.8	-20%	2.9
EBIT	7.6	6.5	-14%	11.4	-43%	-4.9
Non-recurring items	0.0	0.0	n.a.	0.0	n.a.	0.0
Adj. EBIT	7.6	6.5	-14%	11.4	-43%	-4.9
PTP	7.9	6.4	-19%	11.2	-43%	-4.8
Net profit	7.9	6.3	-20%	12.2	-49%	-5.9
Growth and margins	Q1'22	Q1'23	y-o-y	Q1'23e	Dev %	Dev SEKm
Revenue growth	16%	-6%		26%	-32.2pp	
EBIT growth	-11%	-14%		50%	-64.9pp	
Gross margin	72%	70%	-2%	74%	-4.3pp	
EBIT margin	27%	25%	-2%	32%	-7.6pp	
Adj. EBIT margin	27%	25%	-2%	32%	-7.6pp	
Sales by segment	Q1'22	Q1'23	y-o-y	Q1'23e	Dev %	Dev SEKm
Equipment	0.8	0.7	-13%	0.5	40%	0.2
Series Production	26.9	25.6	-5%	34.4	-25%	-8.8
Engineering Service	0.4	0.2	-50%	0.6	-67%	-0.4
Total revenue	28.1	26.4	-6%	35.5	-26%	-9.1
Other metrics	Q1'22	Q1'23	y-o-y	Q1'23e	Dev %	Dev. #
Sampling cups	48,800	32,900	-33%	55,750	-41%	-22,850
Annualised engine eq. (mn)	3.20	3.30	3%	3.50	-6%	-0.20

Source: ABG Sundal Collier, Company Data

Estimate changes	Old forecast			New forecast			SEKm change			% change		
Income statement	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
Revenue	146	161	175	136	159	172	-9.9	-2.3	-2.6	-6.8%	-1.4%	-1.5%
Gross profit	106	118	128	97	116	126	-8.8	-1.7	-1.9	-8.3%	-1.4%	-1.5%
Opex	-58	-61	-65	-53	-60	-64	4.2	1.0	1.0	-7.3%	-1.7%	-1.5%
EBIT	49	57	63	44	56	62	-4.6	-0.7	-0.9	-9.4%	-1.2%	-1.4%
Non-recurring items	0	0	0	0	0	0	0.0	0.0	0.0	n.a.	n.a.	n.a.
Adj. EBIT	49	57	63	44	56	62	-4.6	-0.7	-0.9	-9.4%	-1.2%	-1.4%
PTP	48	56	62	43	56	61	-4.5	-0.7	-0.9	-9.4%	-1.2%	-1.5%
Net profit	52	60	66	46	60	65	-5.6	-0.7	-0.9	-10.8%	-1.2%	-1.4%
Growth and margins	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
Revenue growth	23%	10%	9%	15%	17%	9%				-8.3pp	6.3pp	0.0pp
EBIT growth	58%	17%	10%	43%	28%	10%				-15.0pp	10.6pp	-0.2pp
Gross margin	73%	73%	73%	72%	73%	73%				-1.2pp	0.0pp	0.0pp
EBIT margin	33%	35%	36%	32%	35%	36%				-1.0pp	0.1pp	0.0pp
Adj. EBIT margin	33%	35%	36%	32%	35%	36%				-1.0pp	0.1pp	0.0pp
Sales split	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
Equipment	8	8	8	8	8	8	0.2	0.0	0.0	3%	0%	0%
Series Production	136	150	164	126	148	162	-9.6	-2.3	-2.6	-7%	-2%	-2%
Engineering Service	2	3	3	2	3	3	-0.4	0.0	0.0	-17%	0%	0%
Total revenue	146	161	175	136	159	172	-9.9	-2.3	-2.6	-7%	-1%	-1%
Other metrics	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
Sampling cups	223,500	237,288	249,603	200,650	237,288	249,603	-22,850	0	0	-10%	0%	0%
Annualised engine eq. (mn)	3.88	4.40	4.90	3.78	4.40	4.90	-0.10	0.00	0.00	-3%	0%	0%

Source: ABG Sundal Collier estimates

Detailed estimates, quarterly

Quarterly overview	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23e	Q2'23e	Q3'23e	Q4'23e
Revenue	24.3	28.2	25.3	29.6	28.1	27.9	29.8	32.9	26.4	33.5	39.3	36.8
Gross profit	17.1	19.7	19.0	20.3	20.2	20.8	23.2	22.6	18.4	23.8	29.5	25.8
SG&A	-8.7	-8.9	-8.8	-9.9	-9.2	-10.1	-10.0	-12.4	-9.6	-11.4	-10.9	-10.9
R&D	-2.6	-2.8	-3.3	-3.1	-2.6	-2.9	-2.5	-2.6	-2.6	-2.7	-2.8	-2.8
Other opex	2.7	-0.8	1.0	0.4	-0.8	-2.3	2.3	0.5	0.3	0.0	0.0	0.0
EBIT	8.5	7.2	8.0	7.8	7.6	5.5	13.0	8.1	6.5	9.7	15.8	12.1
Net financials	-1.6	0.2	-0.5	-0.5	0.3	-2.1	-1.9	-0.1	-0.1	-0.2	-0.2	-0.2
PTP	6.9	7.4	7.5	7.3	7.9	3.4	11.1	8.0	6.4	9.5	15.6	11.9
Taxes	0.0	4.0	0.0	0.0	0.0	3.0	0.0	-0.1	-0.1	1.0	1.0	1.0
Net profit	6.9	11.4	7.5	7.2	7.9	6.4	11.1	7.9	6.3	10.5	16.6	12.9
Growth and margins	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23e	Q2'23e	Q3'23e	Q4'23e
Revenue growth	-1%	51%	32%	-10%	16%	-1%	18%	11%	-6%	20%	32%	12%
EBIT growth	8%	800%	121%	-17%	-11%	-24%	63%	4%	-14%	77%	21%	49%
Gross margin	70%	70%	75%	69%	72%	75%	78%	69%	70%	71%	75%	70%
EBIT margin	35%	26%	31%	26%	27%	20%	44%	25%	25%	29%	40%	33%
Sales split	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23e	Q2'23e	Q3'23e	Q4'23e
Equipment	1.5	0.2	2.5	4.3	0.8	0.2	0.3	2.1	0.7	1.0	4.0	2.0
Series Production	22.4	27.8	22.1	25.0	26.9	27.1	29.2	30.2	25.6	31.9	34.7	34.2
Engineering Service	0.4	0.2	0.7	0.2	0.4	0.6	0.3	0.6	0.2	0.6	0.6	0.6
Total revenue	24.3	28.2	25.3	29.6	28.1	27.9	29.8	32.9	26.5	33.5	39.3	36.8
Other metrics	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23e	Q2'23e	Q3'23e	Q4'23e
Sampling cups	44,600	76,300	35,400	52,400	48,800	48,500	45,000	53,800	32,900	55,250	51,750	60,750
y-o-y	-1%	285%	8%	22%	9%	-36%	27%	3%	-33%	14%	15%	13%
Annualised engine eq. (mn)	2.90	3.20	3.20	3.10	3.20	3.60	3.60	3.50	3.30	3.70	4.10	4.00
y-o-y	0%	100%	14%	19%	10%	13%	13%	13%	3%	3%	14%	14%
Working capital / sales R12m	27%	24%	19%	23%	32%	36%	36%	32%				
Net debt/cash	-28	-21	-34	-23	-21	-7	-17	-11				
ND/EBITDA	-1.1	-0.6	-0.9	-0.7	-0.6	-0.2	-0.4	-0.3				
Equity ratio	86%	84%	87%	86%	89%	85%	87%	86%				
FCF conversion (lease adj.)	90%	64%	103%	89%	62%	58%	44%	66%				
ROCE	18%	24%	26%	27%	25%	25%	27%	29%				

Source: ABG Sundal Collier estimates, company data

Detailed estimates, annual

Annual overview	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Revenue	54.5	72.4	75.4	65.6	87.7	116.5	95.4	107.4	118.7	136.0	158.6	172.4
Gross profit	40.8	55.4	58.8	50.6	68.9	89.0	68.4	76.1	86.8	97.4	115.8	125.9
SG&A	-24.7	-26.4	-25.0	-25.0	-28.8	-36.2	-33.5	-36.2	-41.6	-42.8	-47.5	-51.0
R&D	-6.5	-7.6	-7.9	-7.3	-10.3	-12.0	-11.6	-11.8	-10.7	-10.9	-12.0	-13.0
Other opex	0.6	-1.1	0.5	-0.6	-0.4	-0.7	-1.6	3.3	-3.8	0.3	0.0	0.0
EBIT	10.2	20.3	26.4	17.7	29.4	40.1	21.7	31.4	30.7	44.0	56.3	61.9
Net financials	1.3	4.6	-0.6	0.0	0.0	-0.2	0.6	-2.4	-0.3	-0.7	-0.8	-0.8
PTP	11.5	24.9	25.8	17.7	29.4	39.9	22.3	29.0	30.4	43.3	55.5	61.1
Taxes	0.9	0.8	1.0	0.9	3.3	8.3	-0.1	3.9	2.9	2.9	4.0	4.0
Net profit	12.4	25.7	26.8	18.6	32.7	48.2	22.2	32.9	33.3	46.2	59.5	65.1
EPS	1.7	3.6	3.8	2.6	4.6	6.8	3.1	4.6	4.7	6.5	8.4	9.2
DPS	2.2	3.5	4.0	2.8	5.0	3.5	4.0	5.0	5.5	7.0	9.0	10.0
<i>Payout ratio</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>117%</i>	<i>107%</i>	<i>107%</i>	<i>109%</i>
<i>Dividend / FCF</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>165%</i>	<i>94%</i>	<i>117%</i>	<i>120%</i>
<i>Dividend yield</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>6.3%</i>	<i>8.1%</i>	<i>9.0%</i>
Growth and margins	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Revenue growth	5%	33%	4%	-13%	34%	33%	-18%	13%	11%	15%	17%	9%
EBIT growth	40%	99%	30%	-33%	66%	36%	-46%	45%	-2%	43%	28%	10%
Gross margin	75%	77%	78%	77%	79%	76%	72%	71%	73%	72%	73%	73%
EBIT margin	19%	28%	35%	27%	34%	34%	23%	29%	26%	32%	35%	36%
Sales split	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Equipment	4.9	7.7	7.1	3.7	4.6	11.9	16.6	8.5	3.4	7.7	8.0	8.0
Series Production	47.8	63.6	66.4	60.7	81.3	102.3	77.0	97.3	113.4	126.4	148.0	161.6
Engineering Service	1.8	1.1	1.8	1.2	1.8	2.3	1.8	1.5	1.9	2.0	2.6	2.8
Total revenue	54.5	72.4	75.3	65.6	87.7	116.5	95.4	107.4	118.7	136.1	158.6	172.4
Other metrics	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Sampling cups	133,000	153,000	168,800	144,600	197,900	189,800	140,600	208,700	196,100	200,650	237,288	249,603
<i>y-o-y</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>-6%</i>	<i>2%</i>	<i>18%</i>	<i>5%</i>
Annualised engine eq. (mn)	1.76	2.08	2.13	2.10	2.50	3.28	2.48	3.10	3.50	3.78	4.40	4.90
<i>y-o-y</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>13%</i>	<i>8%</i>	<i>17%</i>	<i>11%</i>
Working capital / sales	18%	13%	16%	21%	24%	22%	25%	23%	32%	23%	21%	21%
Net debt/cash	-45	-48	-45	-30	-33	-30	-22	-23	-11	-23	-27	-20
ND/EBITDA	-4.1	-2.3	-1.7	-1.7	-1.0	-0.7	-0.9	-0.7	-0.3	-0.5	-0.4	-0.3
Equity ratio	91%	88%	89%	91%	90%	88%	85%	86%	86%	85%	84%	84%
FCF conversion (lease adj.)	44%	73%	82%	71%	68%	74%	107%	90%	66%	111%	89%	89%
ROCE	12%	22%	28%	19%	32%	38%	19%	27%	26%	37%	45%	47%

Source: ABG Sundal Collier estimates, company data

Income Statement (SEKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Sales	75	66	88	117	95	107	119	136	159	172
COGS	-17	-15	-19	-28	-27	-31	-32	-39	-43	-47
Gross profit	59	51	69	89	68	76	87	97	116	126
Other operating items	-31	-33	-37	-46	-43	-41	-52	-49	-55	-59
EBITDA	27	18	32	43	25	35	35	48	61	67
Depreciation and amortisation	-1	0	-2	-3	-4	-4	-4	-4	-5	-5
of which leasing depreciation	0	0	0	-1	-1	-1	-1	-0	-1	-1
EBITA	26	18	29	40	22	31	31	44	56	62
EO Items	0	0	0	-5	1	0	-5	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0	0	0
EBIT	26	18	29	40	22	31	31	44	56	62
Net financial items	-1	0	0	-0	1	-2	-0	-1	-1	-1
Pretax profit	26	18	29	40	22	29	30	43	56	61
Tax	1	1	3	8	-0	4	3	3	4	4
Net profit	27	19	33	48	22	33	33	46	60	65
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	27	19	33	48	22	33	33	46	60	65
EPS	3.78	2.62	4.61	6.80	3.12	4.64	4.70	6.52	8.39	9.18
EPS adj.	3.78	2.62	4.61	7.63	3.04	4.64	5.45	6.52	8.39	9.18
Total extraordinary items after tax	0	0	0	-6	1	0	-5	0	0	0
Leasing payments	0	0	0	-1	-1	-1	-2	-1	-1	-1
Tax rate (%)	-3.9	-5.1	-11.2	-20.8	0.4	-13.4	-9.5	-6.7	-7.2	-6.6
Gross margin (%)	78.0	77.1	78.6	76.4	71.6	70.9	73.1	71.6	73.0	73.0
EBITDA margin (%)	36.3	27.0	36.0	37.2	26.6	32.8	29.5	35.6	38.4	38.7
EBITA margin (%)	35.0	27.0	33.5	34.4	22.7	29.2	25.9	32.4	35.5	35.9
EBIT margin (%)	35.0	27.0	33.5	34.4	22.7	29.2	25.9	32.4	35.5	35.9
Pre-tax margin (%)	34.2	27.0	33.5	34.2	23.3	27.0	25.6	31.9	35.0	35.4
Net margin (%)	35.5	28.4	37.3	41.4	23.2	30.6	28.1	34.0	37.5	37.7
Growth Rates y-o-y	-	-	-	-	-	-	-	-	-	-
Sales growth (%)	4.1	-13.0	33.7	32.8	-18.1	12.6	10.5	14.6	16.6	8.7
EBITDA growth (%)	29.9	-35.4	78.5	37.0	-41.5	38.9	-0.6	38.4	25.7	9.4
EBITA growth (%)	30.0	-33.0	66.1	36.4	-46.0	45.0	-2.2	43.5	27.8	9.8
EBIT growth (%)	30.0	-33.0	66.1	36.4	-46.0	45.0	-2.2	43.5	27.8	9.8
Net profit growth (%)	4.3	-30.6	75.8	47.4	-54.0	48.5	1.2	38.9	28.7	9.3
EPS growth (%)	4.3	-30.5	75.8	47.4	-54.0	48.5	1.2	38.9	28.7	9.3
Profitability	-	-	-	-	-	-	-	-	-	-
ROE (%)	28.4	20.5	35.4	45.7	20.1	29.6	29.6	40.0	48.0	50.2
ROE adj. (%)	28.4	20.5	35.4	51.3	19.5	29.6	34.4	40.0	48.0	50.2
ROCE (%)	27.9	19.5	31.8	37.5	20.1	27.3	26.5	37.4	44.8	47.1
ROCE adj. (%)	27.9	19.5	31.8	42.1	18.5	27.3	30.7	37.4	44.8	47.1
ROIC (%)	57.3	35.2	53.9	65.8	26.6	42.9	36.3	48.1	61.3	62.5
ROIC adj. (%)	57.3	35.2	53.9	73.9	25.9	42.9	42.1	48.1	61.3	62.5
Adj. earnings numbers	-	-	-	-	-	-	-	-	-	-
EBITDA adj.	27	18	32	48	25	35	40	48	61	67
EBITDA adj. margin (%)	36.3	27.0	36.0	41.4	25.9	32.8	33.6	35.6	38.4	38.7
EBITDA lease adj.	27	18	32	47	24	35	38	47	60	65
EBITDA lease adj. margin (%)	36.3	27.0	36.0	40.5	24.8	32.1	32.3	34.5	37.5	37.9
EBITA adj.	26	18	29	45	21	31	36	44	56	62
EBITA adj. margin (%)	35.0	27.0	33.5	38.6	22.1	29.2	30.0	32.4	35.5	35.9
EBIT adj.	26	18	29	45	21	31	36	44	56	62
EBIT adj. margin (%)	35.0	27.0	33.5	38.6	22.1	29.2	30.0	32.4	35.5	35.9
Pretax profit Adj.	26	18	29	45	22	29	35	43	56	61
Net profit Adj.	27	19	33	54	22	33	39	46	60	65
Net profit to shareholders adj.	27	19	33	54	22	33	39	46	60	65
Net adj. margin (%)	35.5	28.4	37.3	46.5	22.6	30.6	32.6	34.0	37.5	37.7

Source: ABG Sundal Collier, Company Data

Cash Flow (SEKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
EBITDA	27	18	32	43	25	35	35	48	61	67
Net financial items	-1	0	0	-0	1	-2	-0	-1	-1	-1
Paid tax	0	-0	0	0	-0	0	-0	0	0	0
Non-cash items	-1	1	0	-0	1	-2	1	0	0	0
Cash flow before change in WC	26	19	32	43	26	31	36	48	60	66
Change in working capital	-1	-2	-7	-5	1	3	-10	7	-2	-3

Cash Flow (SEKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Operating cash flow	25	17	25	38	28	33	25	55	58	63
Capex tangible fixed assets	-1	-0	-1	-1	-2	-1	-1	-2	-2	-2
Capex intangible fixed assets	-2	-3	-2	-1	-1	-2	-1	0	-2	-2
Acquisitions and Disposals	0	0	0	0	0	0	0	0	0	0
Free cash flow	22	13	22	37	25	30	24	53	54	59
Dividend paid	-25	-28	-19	-35	-25	-28	-36	-39	-50	-64
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Leasing liability amortisation	0	0	0	-1	-1	-1	-2	-1	-1	-1
Other non-cash items	0	0	-0	-3	-1	-1	-3	-0	0	0
Balance Sheet (SEKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Goodwill	0	0	0	0	0	0	0	0	0	0
Other intangible assets	5	8	8	7	6	6	5	2	1	1
Tangible fixed assets	2	2	2	2	3	3	3	4	5	5
Right-of-use asset	0	0	0	3	4	4	3	4	4	5
Total other fixed assets	32	33	36	45	50	53	52	55	59	63
Fixed assets	39	42	46	56	63	65	62	65	69	74
Inventories	4	4	7	8	9	10	17	16	16	17
Receivables	19	18	25	31	29	29	37	34	40	43
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	45	30	33	33	26	27	14	25	28	22
Total assets	108	95	110	128	128	131	131	140	153	156
Shareholders equity	96	86	99	112	109	113	112	119	129	130
Minority	0	0	0	0	0	0	0	0	0	0
Total equity	96	86	99	112	109	113	112	119	129	130
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	3	4	4	3	2	2	2
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	12	9	11	13	15	14	16	19	22	24
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	108	95	110	128	128	131	131	140	153	156
Net IB debt	-45	-31	-33	-31	-28	-28	-12	-24	-27	-21
Net IB debt excl. pension debt	-45	-31	-33	-31	-28	-28	-12	-24	-27	-21
Net IB debt excl. leasing	-45	-31	-33	-33	-32	-32	-15	-26	-29	-23
Capital employed	96	86	99	115	113	117	115	121	131	132
Capital invested	51	55	66	81	81	85	100	95	102	109
Working capital	12	14	21	26	24	25	39	31	33	36
EV breakdown	-	-	-	-	-	-	-	-	-	-
Market cap. diluted (m)	731	730	730	730	730	730	730	730	730	730
Net IB debt adj.	-45	-31	-33	-31	-28	-28	-12	-24	-27	-21
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	-	-	-	-	-	-	-	-	-	-
EV	686	700	697	700	702	702	718	706	703	709
Total assets turnover (%)	70.5	64.9	85.6	98.0	74.7	82.9	90.6	100.6	108.4	111.6
Working capital/sales (%)	14.1	19.3	19.6	20.0	26.0	22.7	26.7	25.7	20.4	20.2
Financial risk and debt service	-	-	-	-	-	-	-	-	-	-
Net debt/equity (%)	-47.3	-35.5	-33.5	-27.3	-25.6	-24.6	-10.6	-20.1	-21.2	-16.2
Net debt / market cap (%)	-6.2	-4.2	-4.5	-4.2	-3.8	-3.8	-1.6	-3.3	-3.7	-2.9
Equity ratio (%)	89.1	90.6	90.0	87.5	85.2	86.2	85.7	85.2	84.4	83.5
Net IB debt adj. / equity (%)	-47.3	-35.5	-33.5	-27.3	-25.6	-24.6	-10.6	-20.1	-21.2	-16.2
Current ratio	5.87	5.91	5.86	5.48	4.42	4.68	4.38	3.95	3.77	3.41
EBITDA/net interest	45.7	--	--	216.5	42.3	14.7	116.7	69.2	76.1	83.3
Net IB debt/EBITDA (x)	-1.7	-1.7	-1.1	-0.7	-1.1	-0.8	-0.3	-0.5	-0.4	-0.3
Net IB debt/EBITDA lease adj. (x)	-1.7	-1.7	-1.1	-0.7	-1.4	-0.9	-0.4	-0.5	-0.5	-0.3
Interest coverage	44.0	--	--	200.5	36.1	13.1	102.3	62.9	70.4	77.3

Source: ABG Sundal Collier, Company Data

Share Data (SEKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Actual shares outstanding	7	7	7	7	7	7	7	7	7	7
Actual shares outstanding (avg)	7	7	7	7	7	7	7	7	7	7

Share Data (SEKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
All additional shares	0	0	0	0	0	0	0	0	0	0
Issue month	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assumed dil. of shares from conv.	0	0	0	0	0	0	0	0	0	0
As. dil. of shares from conv. (avg)	0	0	0	0	0	0	0	0	0	0
Conv. debt not assumed as equity	0	0	0	0	0	0	0	0	0	0
No. of warrants	0	0	0	0	0	0	0	0	0	0
Market value per warrant	0	0	0	0	0	0	0	0	0	0
Dilution from warrants	0	0	0	0	0	0	0	0	0	0
Issue factor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual dividend per share	4.00	2.75	5.00	3.50	4.00	5.00	5.50	7.00	9.00	10.00
Reported earnings per share	3.78	2.62	4.61	6.80	3.12	4.64	4.70	6.52	8.39	9.18

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (SEKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Shares outstanding adj.	7	7	7	7	7	7	7	7	7	7
Diluted shares adj.	7	7	7	7	7	7	7	7	7	7
EPS	3.78	2.62	4.61	6.80	3.12	4.64	4.70	6.52	8.39	9.18
Dividend per share	4.00	2.75	5.00	3.50	4.00	5.00	5.50	7.00	9.00	10.00
EPS adj.	3.78	2.62	4.61	7.63	3.04	4.64	5.45	6.52	8.39	9.18
BVPS	13.50	12.10	13.99	15.75	15.35	15.97	15.78	16.81	18.20	18.37
BVPS adj.	12.77	11.02	12.92	14.81	14.47	15.13	15.12	16.53	18.03	18.30
Net IB debt/share	-6.38	-4.30	-4.68	-4.30	-3.94	-3.93	-1.68	-3.37	-3.85	-2.98
Share price	103.00	103.00	103.00	103.00	103.00	103.00	103.00	103.00	103.00	103.00
Market cap. (m)	731	730	730	730	730	730	730	730	730	730
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	27.3	39.3	22.3	15.2	33.0	22.2	21.9	15.8	12.3	11.2
EV/sales (x)	9.09	10.67	7.95	6.01	7.36	6.54	6.05	5.19	4.43	4.11
EV/EBITDA (x)	25.0	39.5	22.1	16.2	27.7	20.0	20.5	14.6	11.5	10.6
EV/EBITA (x)	26.0	39.5	23.7	17.5	32.4	22.4	23.4	16.0	12.5	11.5
EV/EBIT (x)	26.0	39.5	23.7	17.5	32.4	22.4	23.4	16.0	12.5	11.5
Dividend yield (%)	3.9	2.7	4.9	3.4	3.9	4.9	5.3	6.8	8.7	9.7
FCF yield (%)	3.0	1.8	3.0	5.0	3.4	4.1	3.2	7.2	7.5	8.1
Le. adj. FCF yld. (%)	3.0	1.8	3.0	4.9	3.2	4.0	3.0	7.0	7.3	7.9
P/BVPS (x)	7.63	8.51	7.36	6.54	6.71	6.45	6.53	6.13	5.66	5.61
P/BVPS adj. (x)	8.07	9.35	7.97	6.96	7.12	6.81	6.81	6.23	5.71	5.63
P/E adj. (x)	27.3	39.3	22.3	13.5	33.9	22.2	18.9	15.8	12.3	11.2
EV/EBITDA adj. (x)	25.0	39.5	22.1	14.5	28.4	20.0	18.0	14.6	11.5	10.6
EV/EBITA adj. (x)	26.0	39.5	23.7	15.6	33.4	22.4	20.2	16.0	12.5	11.5
EV/EBIT adj. (x)	26.0	39.5	23.7	15.6	33.4	22.4	20.2	16.0	12.5	11.5
EV/CE (x)	7.2	8.2	7.0	6.1	6.2	6.0	6.3	5.8	5.4	5.4
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	4.4	5.6	3.0	1.0	2.9	3.0	1.4	1.8	2.3	2.3
Capex/depreciation	3.3	--	1.2	0.5	0.9	1.0	0.4	0.6	0.9	0.9
Capex tangibles / tangible fixed assets	52.6	23.5	42.9	31.6	57.1	27.6	35.5	55.5	33.7	33.3
Capex intangibles / definite intangibles	44.2	42.9	22.4	9.0	19.3	40.5	12.8	0.0	169.8	434.2
Depreciation on intang / def. intang	13	0	20	25	34	39	57	141	230	570
Depreciation on tangibles / tangibles	15.79	0.00	31.43	37.89	32.14	34.14	36.77	27.24	25.48	24.36

Source: ABG Sundal Collier, Company Data

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