

# SinterCast

## Not a major blow to the long-term outlook

- Revenue back on track, better margins from the next quarter
- Programme end-of-life announcement for H2'24, expect revenue dip
- Management remains confident in continued growth through 2030

### Q2: Good revenue, temporary effects on margin

Q2 revenue came in at SEK 31.7m, up 14% y-o-y, while Engine Equivalents (EE:s) came in at SEK 3.7m, up 3% y-o-y. Revenue increased at a higher rate than EE:s due to a mix of FX effects and higher pricing. Revenue is thus back on track after the Q1 dip. EBIT was SEK 6.3m, up 80% vs. the restated y-o-y figure of SEK 3.5m, for a margin of 20% (13%). Q2 EBIT suffered from an NRI expense connected to the company's participation at the GIFA world foundry trade fair, as well as some double expenses related to the retirement of two employees. These expenses will no longer be present in the coming quarter, and adjusting for these, we estimate Q2 EBIT would have been SEK 8-9m (correction vs. the SEK 9-10m we suggested in our fast-comment).

### A programme end-of-life announced, but many opportunities

SinterCast announced that one of its high-volume programmes will reach the end-of-life stage in H2'24, and the company therefore expects a temporary decrease in volume during this period. As a result, the company predicts it will now reach its 5m annualised monthly EE milestone towards the end of 2025. Taking this into account, we reduce '24e-'25e EE:s by 3%, now predicting 3.78m, 4.25m and 4.75m EE:s for the period '23e-'25e. This is however offset by positive FX effects, leading to revenue increases of 2-0%. We make similarly minor changes to EBIT estimates. Management remains confident in its ambition for continued growth through 2030, citing the promising Traton and FAW programmes, and its belief that equipment installations will return to the SEK 8m annual level during '24-'25.

### Fair-value SEK 100-160

The share is down 11% YTD and is currently trading at 16-11x '23e-'25e EV/EBIT or 17-11x P/E, with a div. yield of 7-10% in '23e-'25e. We reiterate our fair value range of SEK 100-160.

**Analyst(s):** henric.hintze@abgsc.se, +46 8 566 294 89  
adrian.gilani@abgsc.se, +46 8 566 286 92

SEKm	2021	2022	2023e	2024e	2025e
Sales	107	119	137	160	174
EBITDA	35	35	47	61	69
EBITDA margin (%)	32.8	29.5	34.4	38.5	39.4
EBIT adj.	31	36	45	57	64
EBIT adj. margin (%)	29.2	30.0	32.6	35.7	36.8
Pretax profit	29	30	43	57	64
EPS	4.64	4.70	6.04	8.49	9.46
EPS adj.	4.64	5.45	6.25	8.49	9.46
Sales growth (%)	12.6	10.5	15.7	16.3	9.0
EPS growth (%)	48.5	1.2	28.6	40.5	11.5

Source: ABG Sundal Collier, Company Data

Reason: Post-results comment

Commissioned research

Not rated

### Capital Goods

Estimate changes (%)

	2023e	2024e	2025e
Sales	1.6	0.0	0.4
EBIT	0.0	0.0	2.3
EPS	-6.2	0.0	1.9

Source: ABG Sundal Collier

### SINT-SE/SINT SS

Share price (SEK)	16/8/2023	100.00
Fair value range		100.0-160.0

MCap (SEKm)	794
MCap (EURm)	67
No. of shares (m)	7.1
Free float (%)	71.9
Av. daily volume (k)	2

Next event Q3 Report 8 November 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.

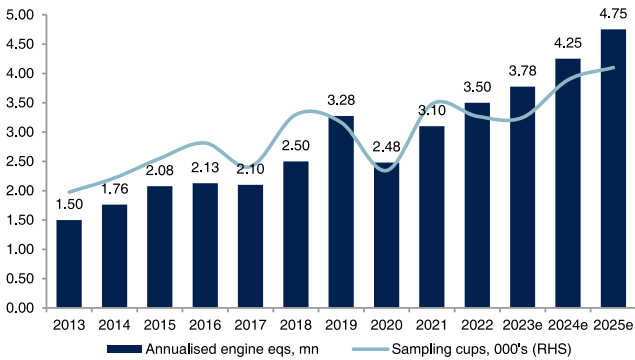
## Company description

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.

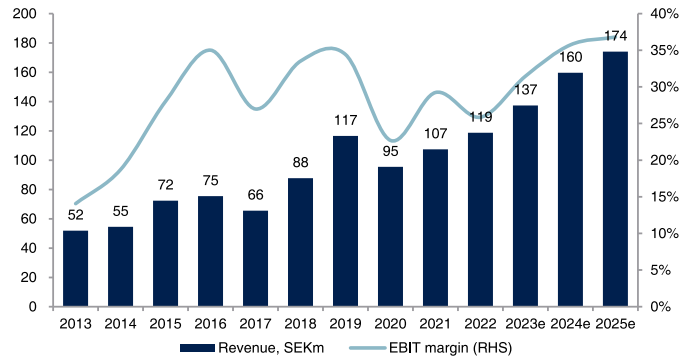
## Risks

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.

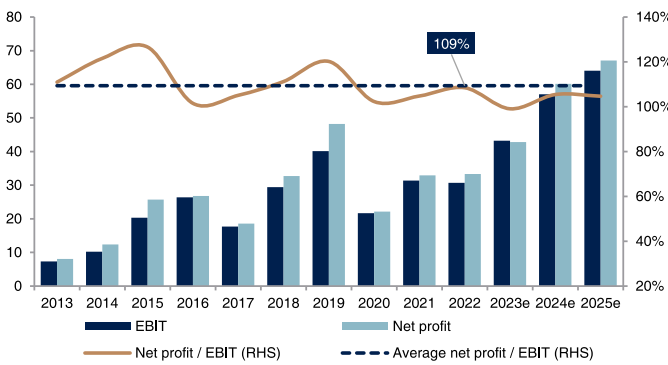
### Annualised engine eqs and sampling cups...



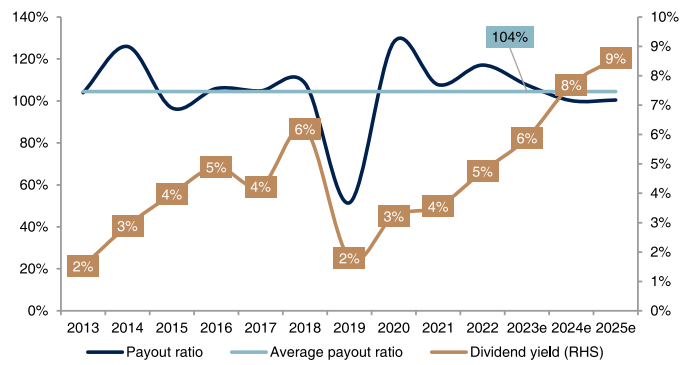
### ...correlate well with sales and EBIT margin



### >100% EBIT to net profit conversion...



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



Deviation table	Last yr.	Actual	ABGSCe			
Income statement	Q2'22	Q2'23	y-o-y	Q2'23e	Dev %	Dev SEKm
<b>Revenue</b>	<b>27.9</b>	<b>31.7</b>	<b>14%</b>	<b>32.5</b>	<b>-2%</b>	<b>-0.8</b>
Gross profit	20.8	23.8	14%	23.1	3%	0.7
Opex	-15.3	-17.5	14%	-14.1	24%	-3.4
<b>EBIT</b>	<b>5.5</b>	<b>6.3</b>	<b>15%</b>	<b>9.0</b>	<b>-30%</b>	<b>-2.7</b>
Non-recurring items	-4.9	0.0	-100%	0.0	n.a.	0.0
<b>Adj. EBIT</b>	<b>10.4</b>	<b>6.3</b>	<b>-39%</b>	<b>9.0</b>	<b>-30%</b>	<b>-2.7</b>
PTP	3.4	6.2	82%	8.8	-29%	-2.6
<b>Net profit</b>	<b>6.4</b>	<b>6.2</b>	<b>-3%</b>	<b>9.8</b>	<b>-37%</b>	<b>-3.6</b>
<b>Growth and margins</b>	<b>Q2'22</b>	<b>Q2'23</b>	<b>y-o-y</b>	<b>Q2'23e</b>	<b>Dev %</b>	<b>Dev SEKm</b>
Revenue growth	-1%	14%		16%	-2.8pp	
EBIT growth	-24%	15%		63%	-48.5pp	
Gross margin	75%	75%	1%	71%	4.1pp	
EBIT margin	20%	20%	0%	28%	-7.7pp	
Adj. EBIT margin	37%	20%	-17%	28%	-7.7pp	
<b>Sales by segment</b>	<b>Q2'22</b>	<b>Q2'23</b>	<b>y-o-y</b>	<b>Q2'23e</b>	<b>Dev %</b>	<b>Dev SEKm</b>
Equipment	0.2	0.3	50%	1.0	-70%	-0.7
Series Production	27.1	30.9	14%	30.9	0%	0.0
Engineering Service	0.6	0.5	-17%	0.6	-17%	-0.1
<b>Total revenue</b>	<b>27.9</b>	<b>31.7</b>	<b>14%</b>	<b>32.5</b>	<b>-2%</b>	<b>-0.8</b>
<b>Other metrics</b>	<b>Q2'22</b>	<b>Q2'23</b>	<b>y-o-y</b>	<b>Q2'23e</b>	<b>Dev %</b>	<b>Dev. #</b>
Sampling cups	48,500	49,500	2%	49,500	0%	0
Annualised engine eq. (mn)	3.60	3.70	3%	3.70	0%	0.00

Source: ABG Sundal Collier Estimates, Company Data

Estimate changes	Old forecast			New forecast			SEKm change			% change		
	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
<b>Income statement</b>												
<b>Revenue</b>	<b>135</b>	<b>160</b>	<b>173</b>	<b>137</b>	<b>160</b>	<b>174</b>	<b>2.2</b>	<b>0.1</b>	<b>0.6</b>	<b>1.6%</b>	<b>0.0%</b>	<b>0.4%</b>
Gross profit	97	117	127	100	117	127	3.3	0.1	0.4	3.4%	0.0%	0.4%
Opex	-53	-60	-64	-57	-60	-63	-3.5	0.0	1.0	6.6%	0.0%	-1.6%
<b>EBIT</b>	<b>43</b>	<b>57</b>	<b>63</b>	<b>43</b>	<b>57</b>	<b>64</b>	<b>-0.2</b>	<b>0.1</b>	<b>1.4</b>	<b>-0.5%</b>	<b>0.1%</b>	<b>2.3%</b>
Non-recurring items	0	0	0	-2	0	0	-1.5	0.0	0.0	n.a.	n.a.	n.a.
<b>Adj. EBIT</b>	<b>43</b>	<b>57</b>	<b>63</b>	<b>45</b>	<b>57</b>	<b>64</b>	<b>1.3</b>	<b>0.1</b>	<b>1.4</b>	<b>3.0%</b>	<b>0.1%</b>	<b>2.3%</b>
PTP	43	56	62	43	57	64	0.2	0.5	1.7	0.4%	0.8%	2.8%
<b>Net profit</b>	<b>46</b>	<b>60</b>	<b>66</b>	<b>43</b>	<b>60</b>	<b>67</b>	<b>-2.8</b>	<b>0.0</b>	<b>1.2</b>	<b>-6.2%</b>	<b>-0.1%</b>	<b>1.9%</b>
<b>Growth and margins</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>
Revenue growth	14%	18%	9%	16%	16%	9%				1.8pp	-1.8pp	0.3pp
EBIT growth	41%	31%	10%	41%	32%	12%				-0.7pp	0.8pp	2.4pp
Gross margin	72%	73%	73%	73%	73%	73%				1.3pp	0.0pp	0.0pp
EBIT margin	32%	36%	36%	31%	36%	37%				-0.7pp	0.0pp	0.7pp
Adj. EBIT margin	32%	36%	36%	33%	36%	37%				0.4pp	0.0pp	0.7pp
<b>Sales split</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>
Equipment	8	8	8	7	8	8	-0.7	0.0	0.0	-9%	0%	0%
Series Production	126	149	163	129	149	163	3.0	0.1	0.6	2%	0%	0%
Engineering Service	2	3	3	2	3	3	-0.1	0.0	0.0	-5%	0%	0%
<b>Total revenue</b>	<b>135</b>	<b>160</b>	<b>173</b>	<b>137</b>	<b>160</b>	<b>174</b>	<b>2.2</b>	<b>0.1</b>	<b>0.6</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>
<b>Other metrics</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>
Sampling cups	194,900	237,288	249,603	194,900	233,320	246,045	0	-3,968	-3,557	0%	-2%	-1%
Annualised engine eq. (mn)	3.78	4.40	4.90	3.78	4.25	4.75	0.00	-0.15	-0.15	0%	-3%	-3%

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	Q1'23	Q2'23	Q3'23e	Q4'23e
<b>Revenue</b>	<b>24.3</b>	<b>28.2</b>	<b>25.3</b>	<b>29.6</b>	<b>28.1</b>	<b>27.9</b>	<b>29.8</b>	<b>32.9</b>	<b>26.4</b>	<b>31.7</b>	<b>40.7</b>	<b>38.5</b>
Gross profit	17.1	19.7	19.0	20.3	20.2	20.8	23.2	22.6	18.4	23.8	31.0	27.0
SG&A	-8.7	-8.9	-8.8	-9.9	-9.2	-10.1	-10.0	-12.4	-9.6	-13.1	-11.0	-11.0
R&D	-2.6	-2.8	-3.3	-3.1	-2.6	-2.9	-2.5	-2.6	-2.6	-2.6	-2.7	-2.7
Other opex	2.7	-0.8	1.0	0.4	-0.8	-2.3	2.3	0.5	0.3	-1.9	0.0	0.0
<b>EBIT</b>	<b>8.5</b>	<b>7.2</b>	<b>8.0</b>	<b>7.8</b>	<b>7.6</b>	<b>5.5</b>	<b>13.0</b>	<b>8.1</b>	<b>6.5</b>	<b>6.2</b>	<b>17.3</b>	<b>13.3</b>
Net financials	-1.6	0.2	-0.5	-0.5	0.3	-2.1	-1.9	-0.1	-0.1	0.0	-0.1	-0.1
PTP	6.9	7.4	7.5	7.3	7.9	3.4	11.1	8.0	6.4	6.2	17.2	13.2
Taxes	0.0	4.0	0.0	0.0	0.0	3.0	0.0	-0.1	-0.1	0.0	0.0	0.0
<b>Net profit</b>	<b>6.9</b>	<b>11.4</b>	<b>7.5</b>	<b>7.2</b>	<b>7.9</b>	<b>6.4</b>	<b>11.1</b>	<b>7.9</b>	<b>6.3</b>	<b>6.2</b>	<b>17.2</b>	<b>13.2</b>
Growth and margins	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23e	Q4'23e
Revenue growth	-1%	51%	32%	-10%	16%	-1%	18%	11%	-6%	14%	37%	17%
EBIT growth	8%	800%	121%	-17%	-11%	-24%	63%	4%	-14%	13%	33%	64%
Gross margin	70%	70%	75%	69%	72%	75%	78%	69%	70%	75%	76%	70%
EBIT margin	35%	26%	31%	26%	27%	20%	44%	25%	25%	20%	42%	34%
Sales split	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23e	Q4'23e
Equipment	1.5	0.2	2.5	4.3	0.8	0.2	0.3	2.1	0.7	0.3	4.0	2.0
Series Production	22.4	27.8	22.1	25.0	26.9	27.1	29.2	30.2	25.6	30.9	36.1	35.9
Engineering Service	0.4	0.2	0.7	0.2	0.4	0.6	0.3	0.6	0.2	0.5	0.6	0.6
<b>Total revenue</b>	<b>24.3</b>	<b>28.2</b>	<b>25.3</b>	<b>29.6</b>	<b>28.1</b>	<b>27.9</b>	<b>29.8</b>	<b>32.9</b>	<b>26.5</b>	<b>31.7</b>	<b>40.7</b>	<b>38.5</b>
Other metrics	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23e	Q4'23e
Sampling cups	44,600	76,300	35,400	52,400	48,800	48,500	45,000	53,800	32,900	49,500	51,750	60,750
<i>y-o-y</i>	-1%	285%	8%	22%	9%	-36%	27%	3%	-33%	2%	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
<i>y-o-y</i>	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
<b>Revenue</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>118.7</b>	<b>137.3</b>	<b>159.7</b>	<b>174.1</b>
Gross profit	40.8	55.4	58.8	50.6	68.9	89.0	68.4	76.1	86.8	100.1	116.6	127.1
SG&A	-24.7	-26.4	-25.0	-25.0	-28.8	-36.2	-33.5	-36.2	-41.6	-44.7	-47.5	-50.5
R&D	-6.5	-7.6	-7.9	-7.3	-10.3	-12.0	-11.6	-11.8	-10.7	-10.6	-12.0	-12.5
Other opex	0.6	-1.1	0.5	-0.6	-0.4	-0.7	-1.6	3.3	-3.8	-1.6	0.0	0.0
<b>EBIT</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>30.7</b>	<b>43.2</b>	<b>57.1</b>	<b>64.1</b>
Net financials	1.3	4.6	-0.6	0.0	0.0	-0.2	0.6	-2.4	-0.3	-0.3	-0.4	-0.5
PTP	11.5	24.9	25.8	17.7	29.4	39.9	22.3	29.0	30.4	42.9	56.7	63.6
Taxes	0.9	0.8	1.0	0.9	3.3	8.3	-0.1	3.9	2.9	-0.1	3.5	3.5
<b>Net profit</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>33.3</b>	<b>42.8</b>	<b>60.2</b>	<b>67.1</b>
EPS	1.7	3.6	3.8	2.6	4.6	6.8	3.1	4.6	4.7	6.0	8.5	9.5
<b>DPS</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>5.5</b>	<b>6.5</b>	<b>8.5</b>	<b>9.5</b>
<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>108%</i>	<i>100%</i>	<i>100%</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>91%</i>	<i>109%</i>	<i>110%</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>6.5%</i>	<i>8.5%</i>	<i>9.5%</i>
<b>Growth and margins</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>2022</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>
Revenue growth	5%	33%	4%	-13%	34%	33%	-18%	13%	11%	16%	16%	9%
EBIT growth	40%	99%	30%	-33%	66%	36%	-46%	45%	-2%	41%	32%	12%
Gross margin	75%	77%	78%	77%	79%	76%	72%	71%	73%	73%	73%	73%
EBIT margin	19%	28%	35%	27%	34%	34%	23%	29%	26%	31%	36%	37%
<b>Sales split</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>2022</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>
Equipment	4.9	7.7	7.1	3.7	4.6	11.9	16.6	8.5	3.4	7.0	8.0	8.0
Series Production	47.8	63.6	66.4	60.7	81.3	102.3	77.0	97.3	113.4	128.5	149.1	163.3
Engineering Service	1.8	1.1	1.8	1.2	1.8	2.3	1.8	1.5	1.9	1.9	2.6	2.8
<b>Total revenue</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>118.7</b>	<b>137.4</b>	<b>159.7</b>	<b>174.1</b>
<b>Other metrics</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>2022</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>
<b>Sampling cups</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>196,100</b>	<b>194,900</b>	<b>233,320</b>	<b>246,045</b>
<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>-1%</i>	<i>20%</i>	<i>5%</i>
<b>Annualised engine eq. (mn)</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>3.50</b>	<b>3.78</b>	<b>4.25</b>	<b>4.75</b>
<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>13%</i>	<i>12%</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	-21	-29	-29
ND/EBITDA	-4.1	-2.3	-1.7	-1.7	-1.0	-0.7	-0.9	-0.7	-0.3	-0.5	-0.5	-0.4
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%	115%	90%	89%
ROCE	12%	22%	28%	19%	32%	38%	19%	27%	26%	37%	46%	48%

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	137	160	174
COGS	-17	-15	-19	-28	-27	-31	-32	-37	-43	-47
Gross profit	59	51	69	89	68	76	87	100	117	127
Other operating items	-31	-33	-37	-46	-43	-41	-52	-53	-55	-58
<b>EBITDA</b>	<b>27</b>	<b>18</b>	<b>32</b>	<b>43</b>	<b>25</b>	<b>35</b>	<b>35</b>	<b>47</b>	<b>61</b>	<b>69</b>
Depreciation and amortisation	-1	0	-2	-3	-4	-4	-4	-4	-4	-5
of which leasing depreciation	0	0	0	-1	-1	-1	-1	-0	-1	-1
<b>EBITA</b>	<b>26</b>	<b>18</b>	<b>29</b>	<b>40</b>	<b>22</b>	<b>31</b>	<b>31</b>	<b>43</b>	<b>57</b>	<b>64</b>
EO Items	0	0	0	-5	1	0	-5	-2	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>26</b>	<b>18</b>	<b>29</b>	<b>40</b>	<b>22</b>	<b>31</b>	<b>31</b>	<b>43</b>	<b>57</b>	<b>64</b>
Net financial items	-1	0	0	-0	1	-2	-0	-0	-0	-1
<b>Pretax profit</b>	<b>26</b>	<b>18</b>	<b>29</b>	<b>40</b>	<b>22</b>	<b>29</b>	<b>30</b>	<b>43</b>	<b>57</b>	<b>64</b>
Tax	1	1	3	8	-0	4	3	-0	4	4
<b>Net profit</b>	<b>27</b>	<b>19</b>	<b>33</b>	<b>48</b>	<b>22</b>	<b>33</b>	<b>33</b>	<b>43</b>	<b>60</b>	<b>67</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>27</b>	<b>19</b>	<b>33</b>	<b>48</b>	<b>22</b>	<b>33</b>	<b>33</b>	<b>43</b>	<b>60</b>	<b>67</b>
EPS	3.78	2.62	4.61	6.80	3.12	4.64	4.70	6.04	8.49	9.46
EPS adj.	3.78	2.62	4.61	7.63	3.04	4.64	5.45	6.25	8.49	9.46
Total extraordinary items after tax	0	0	0	-6	1	0	-5	-1	0	0
Leasing payments	0	0	0	-1	-1	-1	-2	-1	-1	-1
<i>Tax rate (%)</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>-9.5</i>	<i>0.2</i>	<i>-6.2</i>	<i>-5.5</i>
<i>Gross margin (%)</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>73.1</i>	<i>72.9</i>	<i>73.0</i>	<i>73.0</i>
<i>EBITDA margin (%)</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>29.5</i>	<i>34.4</i>	<i>38.5</i>	<i>39.4</i>
<i>EBITA margin (%)</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>25.9</i>	<i>31.5</i>	<i>35.7</i>	<i>36.8</i>
<i>EBIT margin (%)</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>25.9</i>	<i>31.5</i>	<i>35.7</i>	<i>36.8</i>
<i>Pre-tax margin (%)</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>25.6</i>	<i>31.2</i>	<i>35.5</i>	<i>36.5</i>
<i>Net margin (%)</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>28.1</i>	<i>31.2</i>	<i>37.7</i>	<i>38.5</i>
<b>Growth Rates y-o-y</b>	-	-	-	-	-	-	-	-	-	-
<i>Sales growth (%)</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>10.5</i>	<i>15.7</i>	<i>16.3</i>	<i>9.0</i>
<i>EBITDA growth (%)</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>-0.6</i>	<i>34.9</i>	<i>30.2</i>	<i>11.7</i>
<i>EBITA growth (%)</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>-2.2</i>	<i>40.8</i>	<i>32.0</i>	<i>12.3</i>
<i>EBIT growth (%)</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>-2.2</i>	<i>40.8</i>	<i>32.0</i>	<i>12.3</i>
<i>Net profit growth (%)</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>1.2</i>	<i>28.6</i>	<i>40.5</i>	<i>11.5</i>
<i>EPS growth (%)</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>1.2</i>	<i>28.6</i>	<i>40.5</i>	<i>11.5</i>
<b>Profitability</b>	-	-	-	-	-	-	-	-	-	-
<i>ROE (%)</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>29.6</i>	<i>37.6</i>	<i>49.0</i>	<i>50.3</i>
<i>ROE adj. (%)</i>	<i>28.4</i>	<i>20.5</i>	<i>35.4</i>	<i>51.3</i>	<i>19.5</i>	<i>29.6</i>	<i>34.4</i>	<i>38.9</i>	<i>49.0</i>	<i>50.3</i>
<i>ROCE (%)</i>	<i>27.9</i>	<i>19.5</i>	<i>31.8</i>	<i>37.5</i>	<i>20.1</i>	<i>27.3</i>	<i>26.5</i>	<i>37.2</i>	<i>45.9</i>	<i>47.5</i>
<i>ROCE adj. (%)</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>30.7</i>	<i>38.5</i>	<i>45.9</i>	<i>47.5</i>
<i>ROIC (%)</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>36.3</i>	<i>44.5</i>	<i>62.7</i>	<i>65.4</i>
<i>ROIC adj. (%)</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>42.1</i>	<i>46.1</i>	<i>62.7</i>	<i>65.4</i>
<b>Adj. earnings numbers</b>	-	-	-	-	-	-	-	-	-	-
<i>EBITDA adj.</i>	<i>27</i>	<i>18</i>	<i>32</i>	<i>48</i>	<i>25</i>	<i>35</i>	<i>40</i>	<i>49</i>	<i>61</i>	<i>69</i>
<i>EBITDA adj. margin (%)</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>33.6</i>	<i>35.5</i>	<i>38.5</i>	<i>39.4</i>
<i>EBITDA lease adj.</i>	<i>27</i>	<i>18</i>	<i>32</i>	<i>47</i>	<i>24</i>	<i>35</i>	<i>38</i>	<i>48</i>	<i>60</i>	<i>67</i>
<i>EBITDA lease adj. margin (%)</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>32.3</i>	<i>34.7</i>	<i>37.6</i>	<i>38.6</i>
<i>EBITA adj.</i>	<i>26</i>	<i>18</i>	<i>29</i>	<i>45</i>	<i>21</i>	<i>31</i>	<i>36</i>	<i>45</i>	<i>57</i>	<i>64</i>
<i>EBITA adj. margin (%)</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>30.0</i>	<i>32.6</i>	<i>35.7</i>	<i>36.8</i>
<i>EBIT adj.</i>	<i>26</i>	<i>18</i>	<i>29</i>	<i>45</i>	<i>21</i>	<i>31</i>	<i>36</i>	<i>45</i>	<i>57</i>	<i>64</i>
<i>EBIT adj. margin (%)</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>30.0</i>	<i>32.6</i>	<i>35.7</i>	<i>36.8</i>
<i>Pretax profit Adj.</i>	<i>26</i>	<i>18</i>	<i>29</i>	<i>45</i>	<i>22</i>	<i>29</i>	<i>35</i>	<i>44</i>	<i>57</i>	<i>64</i>
<i>Net profit Adj.</i>	<i>27</i>	<i>19</i>	<i>33</i>	<i>54</i>	<i>22</i>	<i>33</i>	<i>39</i>	<i>44</i>	<i>60</i>	<i>67</i>
<i>Net profit to shareholders adj.</i>	<i>27</i>	<i>19</i>	<i>33</i>	<i>54</i>	<i>22</i>	<i>33</i>	<i>39</i>	<i>44</i>	<i>60</i>	<i>67</i>
<i>Net adj. margin (%)</i>	<i>35.5</i>	<i>28.4</i>	<i>37.3</i>	<i>46.5</i>	<i>22.6</i>	<i>30.6</i>	<i>32.6</i>	<i>32.3</i>	<i>37.7</i>	<i>38.5</i>

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	47	61	69
Net financial items	-1	0	0	-0	1	-2	-0	-0	-0	-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	47	61	68
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
<b>Operating cash flow</b>	<b>25</b>	<b>17</b>	<b>25</b>	<b>38</b>	<b>28</b>	<b>33</b>	<b>25</b>	<b>54</b>	<b>59</b>	<b>65</b>
Capex tangible fixed assets	-1	-0	-1	-1	-2	-1	-1	-3	-2	-2
Capex intangible fixed assets	-2	-3	-2	-1	-1	-2	-1	-1	-2	-2
Acquisitions and Disposals	0	0	0	0	0	0	0	0	0	0
<b>Free cash flow</b>	<b>22</b>	<b>13</b>	<b>22</b>	<b>37</b>	<b>25</b>	<b>30</b>	<b>24</b>	<b>50</b>	<b>55</b>	<b>61</b>
Dividend paid	-25	-28	-19	-35	-25	-28	-36	-39	-46	-60
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	3	2	1
Tangible fixed assets	2	2	2	2	3	3	3	5	5	6
Right-of-use asset	0	0	0	3	4	4	3	3	4	5
Total other fixed assets	32	33	36	45	50	53	52	52	55	59
Fixed assets	39	42	46	56	63	65	62	63	67	71
Inventories	4	4	7	8	9	10	17	16	16	17
Receivables	19	18	25	31	29	29	37	34	40	44
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	45	30	33	33	26	27	14	23	31	30
<b>Total assets</b>	<b>108</b>	<b>95</b>	<b>110</b>	<b>128</b>	<b>128</b>	<b>131</b>	<b>131</b>	<b>137</b>	<b>154</b>	<b>163</b>
Shareholders equity	96	86	99	112	109	113	112	116	130	137
Minority	0	0	0	0	0	0	0	0	0	0
<b>Total equity</b>	<b>96</b>	<b>86</b>	<b>99</b>	<b>112</b>	<b>109</b>	<b>113</b>	<b>112</b>	<b>116</b>	<b>130</b>	<b>137</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	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
<b>Total liabilities and equity</b>	<b>108</b>	<b>95</b>	<b>110</b>	<b>128</b>	<b>128</b>	<b>131</b>	<b>131</b>	<b>137</b>	<b>154</b>	<b>163</b>
Net IB debt	-45	-31	-33	-31	-28	-28	-12	-22	-30	-30
Net IB debt excl. pension debt	-45	-31	-33	-31	-28	-28	-12	-22	-30	-30
Net IB debt excl. leasing	-45	-31	-33	-33	-32	-32	-15	-24	-32	-31
Capital employed	96	86	99	115	113	117	115	117	131	138
Capital invested	51	55	66	81	81	85	100	94	100	107
Working capital	12	14	21	26	24	25	39	32	34	37
<b>EV breakdown</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Market cap. diluted (m)	710	709	709	709	709	709	709	709	709	709
Net IB debt adj.	-45	-31	-33	-31	-28	-28	-12	-22	-30	-30
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	-	-	-	-	-	-	-	-	-	-
<b>EV</b>	<b>664</b>	<b>679</b>	<b>676</b>	<b>679</b>	<b>681</b>	<b>681</b>	<b>697</b>	<b>687</b>	<b>679</b>	<b>679</b>
Total assets turnover (%)	70.5	64.9	85.6	98.0	74.7	82.9	90.6	102.8	110.0	110.0
Working capital/sales (%)	14.1	19.3	19.6	20.0	26.0	22.7	26.7	25.5	20.4	20.1
<b>Financial risk and debt service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net debt/equity (%)	-47.3	-35.5	-33.5	-27.3	-25.6	-24.6	-10.6	-19.1	-23.2	-21.6
Net debt / market cap (%)	-6.4	-4.3	-4.7	-4.3	-3.9	-3.9	-1.7	-3.1	-4.2	-4.2
Equity ratio (%)	89.1	90.6	90.0	87.5	85.2	86.2	85.7	84.7	84.4	84.0
Net IB debt adj. / equity (%)	-47.3	-35.5	-33.5	-27.3	-25.6	-24.6	-10.6	-19.1	-23.2	-21.6
Current ratio	5.87	5.91	5.86	5.48	4.42	4.68	4.38	3.84	3.89	3.75
EBITDA/net interest	45.7	--	--	216.5	42.3	14.7	116.7	157.4	153.7	137.3
Net IB debt/EBITDA (x)	-1.7	-1.7	-1.1	-0.7	-1.1	-0.8	-0.3	-0.5	-0.5	-0.4
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	-0.5
Interest coverage	44.0	--	--	200.5	36.1	13.1	102.3	144.1	142.7	128.1

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	6.50	8.50	9.50
Reported earnings per share	3.78	2.62	4.61	6.80	3.12	4.64	4.70	6.04	8.49	9.46

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	6.04	8.49	9.46
Dividend per share	4.00	2.75	5.00	3.50	4.00	5.00	5.50	6.50	8.50	9.50
EPS adj.	3.78	2.62	4.61	7.63	3.04	4.64	5.45	6.25	8.49	9.46
BVPS	13.50	12.10	13.99	15.75	15.35	15.97	15.78	16.32	18.31	19.27
BVPS adj.	12.77	11.02	12.92	14.81	14.47	15.13	15.12	15.95	18.03	19.07
Net IB debt/share	-6.38	-4.30	-4.68	-4.30	-3.94	-3.93	-1.68	-3.12	-4.25	-4.17
Share price	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Market cap. (m)	710	709	709	709	709	709	709	709	709	709
<b>Valuation</b>	-	-	-	-	-	-	-	-	-	-
P/E (x)	26.5	38.1	21.7	14.7	32.0	21.6	21.3	16.6	11.8	10.6
EV/sales (x)	8.81	10.34	7.71	5.82	7.14	6.34	5.87	5.00	4.25	3.90
EV/EBITDA (x)	24.3	38.3	21.4	15.7	26.9	19.4	19.9	14.5	11.0	9.9
EV/EBITA (x)	25.2	38.3	23.0	16.9	31.5	21.7	22.7	15.9	11.9	10.6
EV/EBIT (x)	25.2	38.3	23.0	16.9	31.5	21.7	22.7	15.9	11.9	10.6
Dividend yield (%)	4.0	2.8	5.0	3.5	4.0	5.0	5.5	6.5	8.5	9.5
FCF yield (%)	3.1	1.9	3.1	5.2	3.5	4.3	3.3	7.1	7.8	8.6
Le. adj. FCF yld. (%)	3.1	1.9	3.1	5.0	3.3	4.2	3.1	7.0	7.6	8.4
P/BVPS (x)	7.41	8.26	7.15	6.35	6.52	6.26	6.34	6.13	5.46	5.19
P/BVPS adj. (x)	7.83	9.08	7.74	6.75	6.91	6.61	6.61	6.27	5.55	5.24
P/E adj. (x)	26.5	38.1	21.7	13.1	32.9	21.6	18.3	16.0	11.8	10.6
EV/EBITDA adj. (x)	24.3	38.3	21.4	14.1	27.5	19.4	17.5	14.1	11.0	9.9
EV/EBITA adj. (x)	25.2	38.3	23.0	15.1	32.4	21.7	19.6	15.4	11.9	10.6
EV/EBIT adj. (x)	25.2	38.3	23.0	15.1	32.4	21.7	19.6	15.4	11.9	10.6
EV/CE (x)	6.9	7.9	6.8	5.9	6.0	5.8	6.1	5.9	5.2	4.9
<b>Investment ratios</b>	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	4.4	5.6	3.0	1.0	2.9	3.0	1.4	2.5	2.3	2.3
Capex/depreciation	3.3	--	1.2	0.5	0.9	1.0	0.4	0.9	0.9	1.0
Capex tangibles / tangible fixed assets	52.6	23.5	42.9	31.6	57.1	27.6	35.5	59.1	29.9	29.8
Capex intangibles / definite intangibles	44.2	42.9	22.4	9.0	19.3	40.5	12.8	18.9	104.3	163.5
Depreciation on intang / def. intang	13	0	20	25	34	39	57	97	137	207
Depreciation on tangibles / tangibles	15.79	0.00	31.43	37.89	32.14	34.14	36.77	22.32	21.94	21.05

Source: ABG Sundal Collier, Company Data



## Analyst Certification

We, ABGSC Capital Goods Research, Henric Hintze and Adrian Gilani, analyst(s) with ABG Sundal Collier ASA, ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge, ABG Sundal Collier AB and/or ABG Sundal Collier Limited (hereinafter collectively referred to as "ABG Sundal Collier"), and the author(s) of this report, certify that notwithstanding 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. I/We further certify that I/We has/have not been, nor am/are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

This report is produced by ABG Sundal Collier, which may cover companies either in accordance with legal requirements designed to promote the independence of investment research ("independent research") or as commissioned research. Commissioned research is paid for by the subject company. As such, commissioned research is deemed to constitute an acceptable minor non-monetary benefit (i.e., not investment research) as defined in MiFID II.

## 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 ASA 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: 8/16/2023 11:57.

All prices are as of market close on 15 August, 2023 unless otherwise noted.

## Disclaimer

This report has been prepared by ABG Sundal Collier ASA, ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge, ABG Sundal Collier AB and/or ABG Sundal Collier Limited and any of their directors, officers, representatives and employees (hereinafter collectively referred to as "ABG Sundal Collier"). This report is not a product of any other affiliated or associated companies of any of the above entities.

This report is provided solely for the information and use of professional investors, who are expected 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, retail clients. 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. The recommendation(s) in this report is (are) has/have no regard to specific investment objectives and the financial situation or needs of any specific recipient. ABG Sundal Collier and/or its affiliates 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 and/or its affiliates make 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.

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 ASA, ABG Sundal Collier Denmark, filial af ABG Sundal

Collier ASA, Norge and/or ABG Sundal Collier AB 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/or 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 and/or its affiliates rely 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)

Denmark: ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge, is regulated by the Financial Supervisory Authority of Norway (Finanstilsynet) and the Danish Financial Supervisory Authority (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 (U.S.) in accordance with FINRA Rule 1220 by ABG Sundal Collier Inc., an SEC registered broker-dealer and a FINRA/SIPC member which accepts responsibility for its content and its compliance with FINRA Rule 2241. Research reports distributed in the U.S. are intended solely for "major U.S. institutional investors," and "U.S. institutional investors" as defined under Rule 15a-6 of the Securities Exchange Act of 1934 and any related interpretive guidance and no-action letters issued by the Staff of the U.S. Securities and Exchange Commission ("SEC") collectively ("SEC Rule 15a-6"). Each major U.S. institutional investor and U.S. institutional investor that receives a copy of this research report, by its acceptance of such report, represents that it agrees that it will not distribute this research report to any other person. This communication is only intended for major U.S. institutional investors and U.S. institutional investors. Any person which is not a major U.S. institutional investor, or a U.S. institutional investor as covered by SEC Rule 15a-6 must not rely on this communication. The delivery of this research report to any person in the U.S. is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. Any major U.S. institutional investor or U.S. institutional investor receiving this report which 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 Advisors 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.

Canada: This report is being distributed by ABG Sundal Collier ASA in Canada pursuant to section 8.25 of National Instrument 31-103 or an equivalent provision and has not been tailored to the needs of any specific investor in Canada. The information contained in this report is not, and under no circumstances is to be construed as, a prospectus, an advertisement, a public offering or an offer to sell the securities described herein, in Canada or any province or territory thereof. No securities commission or similar regulatory authority in Canada has reviewed or considered this report, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. Under no circumstances is this report to be construed as an offer to sell such securities or as a solicitation of an offer to buy such securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada may only be made in accordance with applicable securities laws and only by a dealer properly registered under such securities laws, or alternatively, pursuant to an applicable dealer registration exemption, in the Canadian jurisdiction in which such offer or sale is made.

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 2023 ABG Sundal Collier ASA

Norway	Sweden	Denmark	United Kingdom	USA	Germany	Singapore
Ruseløkkveien 26, 8th floor 0251 Oslo	Regeringsgatan 25, 8th floor 111 53 Stockholm	Forbindelsesvej 12, 2100 Copenhagen	10 Paternoster Row, 5th floor London EC4M 7EJ	140 Broadway, Suite 4604 New York, NY 10005	Schillerstrasse 2, 5. OG 60313 Frankfurt	10 Collyer Quay Ocean Financial Center
Norway Tel: +47 22 01 60 00 Fax: +47 22 01 60 60	Sweden Tel: +46 8 566 286 00 Fax: +46 8 566 286 01	Denmark Tel: +45 35 46 61 00 Fax: +45 35 46 61 10	UK Tel: +44 20 7905 5600 Fax: +44 20 7905 5601	USA Tel: +1 212 605 3800 Fax: +1 212 605 3801	Germany Tel: +49 69 96 86 96 0 Fax: +49 69 96 86 96 99	#40-07, Singapore 049315 Tel +65 6808 6082