

# SinterCast

## Record pre-released Q3 figures

- Expect a great Q3e: sales SEK 44m, up 46% y-o-y; 46% EBIT margin
- We raise '23e-'24e EBIT 7-4% on announced financial targets
- Hiring of Operations Director establishes in-house succession path

### Q3e: We expect a great quarter

For Q3 we estimate revenue of SEK 43.5m, up 46% y-o-y (43% org.), as annualised engine equivalents reached a record 4.2m (3.6m), and sampling cup sales increased to 63k (45k), according to pre-released figures. Following the retirement of two employees in H1 and a one-off expense in Q2 we expect profitability to increase, and estimate EBIT of SEK 19.9m (13.0m) for Q3, resulting in a margin of 46% (44%). We believe this will convert into EPS of SEK 2.80 (1.57).

### Financial targets announced, we increase EBIT by 7-4%

SinterCast [announced financial targets](#) including a double-digit CAGR of series production volume and revenue through 2030, the ambition to continuously improve the gross margin beyond the current level of 70%, and an increase of the EBIT margin from the current 30% beyond 40% within the coming five years. This will be driven by inflation-adjusted opex that is forecast by management to be lower in five years than in 2023. The company also aims to extend its current track record of 13 years of increasing dividends to 25 years, and for its technology to contribute to an additional 50m tonnes of CO2 savings within five years. We believe these targets are achievable, and raise our '23e-'25e EBIT by 7-4%, as we incorporate a significant portion of the company's opex reduction forecast into our estimates, predicting a 40% EBIT margin in '25e. Simultaneously, we reduce '24e-'25e sales by 2%, as we incorporate a somewhat greater effect than previously from the programme reaching end-of-life in H2'24.

### Hires Operations Director, succession plan in place

SinterCast also announced the hiring of Dr. Vitor Anjos as Operations Director, establishing an in-house path for the eventual succession of the current CEO. We find it positive that the company is making plans for a smooth transition.

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SEKm	2021	2022	2023e	2024e	2025e
Sales	107	119	141	156	171
EBITDA	35	35	50	63	73
EBITDA margin (%)	32.8	29.5	35.7	40.7	42.6
EBIT adj.	31	36	48	59	68
EBIT adj. margin (%)	29.2	30.0	34.0	37.9	40.0
Pretax profit	29	30	46	59	68
EPS	4.64	4.70	6.48	8.64	9.91
EPS adj.	4.64	5.45	6.69	8.64	9.91
Sales growth (%)	12.6	10.5	18.7	10.8	9.4
EPS growth (%)	48.5	1.2	38.0	33.3	14.6

Source: ABG Sundal Collier, Company Data

Reason: Preview of results

Commissioned research

Not rated

### Capital Goods

Estimate changes (%)

	2023e	2024e	2025e
Sales	2.6	-2.2	-1.9
EBIT	7.3	3.7	6.5
EPS	7.3	1.8	4.7

Source: ABG Sundal Collier

### SINT-SE/SINT SS

Share price (SEK)	18/10/2023	101.50
Fair value range		100.0-160.0

MCap (SEKm)	720
MCap (EURm)	62
No. of shares (m)	7.1
Free float (%)	64.7
Av. daily volume (k)	3

Next event Q3 Report 8 November 2023

### Performance



Disclosures and analyst certifications are located on pages 8-9 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.

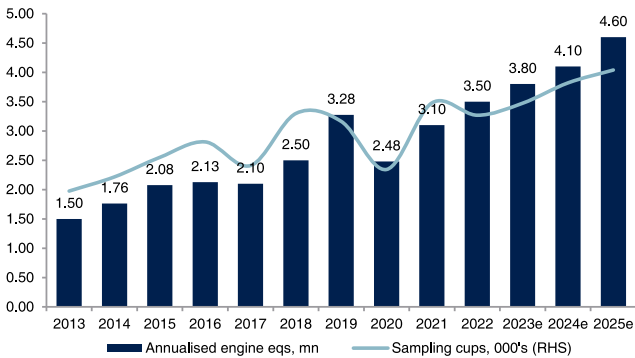
## Company description

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.

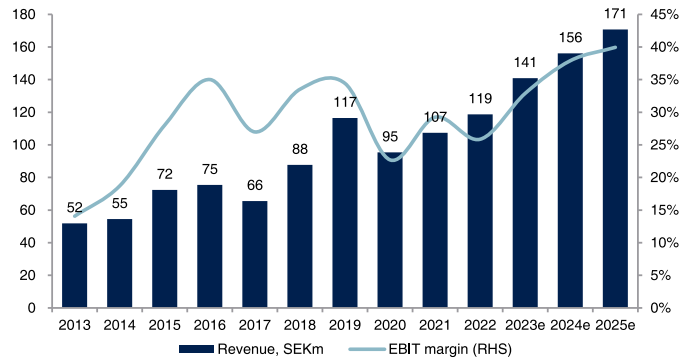
## Risks

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.

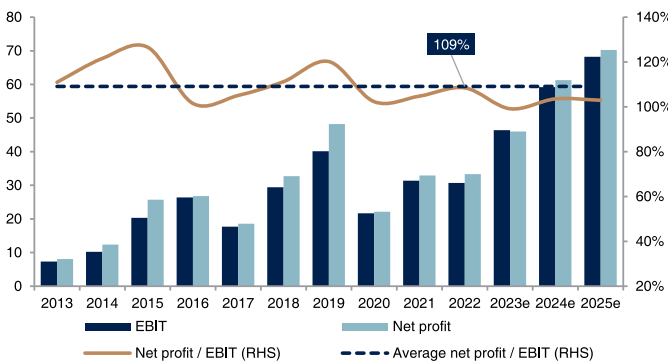
### Annualised engine eqs and sampling cups...



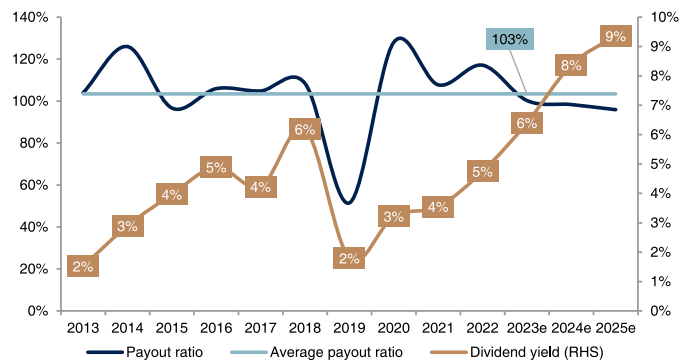
### ...correlate well with sales and EBIT margin



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



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



Estimate changes Income statement	Old forecast			New forecast			SEKm change			% change		
	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
<b>Revenue</b>	<b>137</b>	<b>160</b>	<b>174</b>	<b>141</b>	<b>156</b>	<b>171</b>	<b>3.5</b>	<b>-3.5</b>	<b>-3.3</b>	<b>2.6%</b>	<b>-2.2%</b>	<b>-1.9%</b>
Gross profit	100	117	127	103	114	125	2.6	-2.6	-2.4	2.6%	-2.2%	-1.9%
Opex	-57	-60	-63	-56	-55	-56	0.5	4.7	6.6	-0.9%	-7.9%	-10.4%
<b>EBIT</b>	<b>43</b>	<b>57</b>	<b>64</b>	<b>46</b>	<b>59</b>	<b>68</b>	<b>3.1</b>	<b>2.1</b>	<b>4.2</b>	<b>7.3%</b>	<b>3.7%</b>	<b>6.5%</b>
Non-recurring items	-2	0	0	-2	0	0	0.0	0.0	0.0	0.0%	n.a.	n.a.
<b>Adj. EBIT</b>	<b>45</b>	<b>57</b>	<b>64</b>	<b>48</b>	<b>59</b>	<b>68</b>	<b>3.1</b>	<b>2.1</b>	<b>4.2</b>	<b>7.0%</b>	<b>3.7%</b>	<b>6.5%</b>
PTP	43	57	64	46	59	68	3.1	2.1	4.2	7.3%	3.7%	6.6%
<b>Net profit</b>	<b>43</b>	<b>60</b>	<b>67</b>	<b>46</b>	<b>61</b>	<b>70</b>	<b>3.1</b>	<b>1.1</b>	<b>3.2</b>	<b>7.3%</b>	<b>1.8%</b>	<b>4.7%</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	16%	16%	9%	19%	11%	9%				3.0pp	-5.4pp	0.4pp
EBIT growth	41%	32%	12%	51%	28%	15%				10.2pp	-4.4pp	3.1pp
Gross margin	73%	73%	73%	73%	73%	73%				0.0pp	0.0pp	0.0pp
EBIT margin	31%	36%	37%	33%	38%	40%				1.4pp	2.2pp	3.1pp
Adj. EBIT margin	33%	36%	37%	34%	38%	40%				1.4pp	2.2pp	3.1pp
<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	7	8	8	6	8	8	-1.0	0.0	0.0	-14%	0%	0%
Series Production	129	149	163	133	146	160	4.5	-3.0	-2.8	4%	-2%	-2%
Engineering Service	2	3	3	2	2	2	0.0	-0.6	-0.5	0%	-21%	-18%
<b>Total revenue</b>	<b>137</b>	<b>160</b>	<b>174</b>	<b>141</b>	<b>156</b>	<b>171</b>	<b>3.5</b>	<b>-3.5</b>	<b>-3.3</b>	<b>3%</b>	<b>-2%</b>	<b>-2%</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	233,320	246,045	208,400	229,209	242,374	13,500	-4,111	-3,671	7%	-2%	-1%
Annualised engine eq. (mn)	3.78	4.25	4.75	3.80	4.10	4.60	0.02	-0.15	-0.15	1%	-4%	-3%

Source: ABG Sundal Collier estimates

### 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>140.9</b>	<b>156.1</b>	<b>170.8</b>
Gross profit	40.8	55.4	58.8	50.6	68.9	89.0	68.4	76.1	86.8	102.8	114.0	124.7
SG&A	-24.7	-26.4	-25.0	-25.0	-28.8	-36.2	-33.5	-36.2	-41.6	-44.4	-44.4	-45.7
R&D	-6.5	-7.6	-7.9	-7.3	-10.3	-12.0	-11.6	-11.8	-10.7	-10.4	-10.4	-10.7
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>46.4</b>	<b>59.2</b>	<b>68.2</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	46.1	58.8	67.7
Taxes	0.9	0.8	1.0	0.9	3.3	8.3	-0.1	3.9	2.9	-0.1	2.5	2.5
<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>46.0</b>	<b>61.3</b>	<b>70.2</b>
EPS	1.7	3.6	3.8	2.6	4.6	6.8	3.1	4.6	4.7	6.5	8.6	9.9
<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>100%</i>	<i>98%</i>	<i>96%</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>92%</i>	<i>99%</i>	<i>102%</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>6.4%</i>	<i>8.4%</i>	<i>9.4%</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%	19%	11%	9%
EBIT growth	40%	99%	30%	-33%	66%	36%	-46%	45%	-2%	51%	28%	15%
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%	33%	38%	40%
<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	6.0	8.0	8.0
Series Production	47.8	63.6	66.4	60.7	81.3	102.3	77.0	97.3	113.4	133.1	146.1	160.5
Engineering Service	1.8	1.1	1.8	1.2	1.8	2.3	1.8	1.5	1.9	1.9	2.1	2.3
<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>141.0</b>	<b>156.1</b>	<b>170.8</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>208,400</b>	<b>229,209</b>	<b>242,374</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>6%</i>	<i>10%</i>	<i>6%</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>3.80</b>	<b>4.10</b>	<b>4.60</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>9%</i>	<i>8%</i>	<i>12%</i>
Working capital / sales	18%	13%	16%	21%	24%	22%	25%	23%	32%	24%	21%	21%
Net debt/cash	-45	-48	-45	-30	-33	-30	-22	-23	-11	-21	-34	-38
ND/EBITDA	-4.1	-2.3	-1.7	-1.7	-1.0	-0.7	-0.9	-0.7	-0.3	-0.4	-0.5	-0.5
Equity ratio	91%	88%	89%	91%	90%	88%	85%	86%	86%	85%	85%	85%
FCF conversion (lease adj.)	44%	73%	82%	71%	68%	74%	107%	90%	66%	106%	97%	92%
ROCE	12%	22%	28%	19%	32%	38%	19%	27%	26%	39%	46%	49%

Source: ABG Sundal Collier estimates, company data

## 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>43.5</b>	<b>39.3</b>
Gross profit	17.1	19.7	19.0	20.3	20.2	20.8	23.2	22.6	18.4	23.8	33.0	27.5
SG&A	-8.7	-8.9	-8.8	-9.9	-9.2	-10.1	-10.0	-12.4	-9.6	-13.1	-10.5	-11.2
R&D	-2.6	-2.8	-3.3	-3.1	-2.6	-2.9	-2.5	-2.6	-2.6	-2.6	-2.6	-2.6
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>19.9</b>	<b>13.7</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	19.8	13.6
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>19.8</b>	<b>13.6</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%	46%	20%
EBIT growth	8%	800%	121%	-17%	-11%	-24%	63%	4%	-14%	13%	53%	69%
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%	46%	35%
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	3.0	2.0
Series Production	22.4	27.8	22.1	25.0	26.9	27.1	29.2	30.2	25.6	30.9	39.9	36.7
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>43.5</b>	<b>39.3</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	63,000	63,000
<i>y-o-y</i>	-1%	285%	8%	22%	9%	-36%	27%	3%	-33%	2%	40%	17%
Annualised engine eq. (mn)	2.90	3.20	3.20	3.10	3.20	3.60	3.60	3.50	3.30	3.70	4.20	4.00
<i>y-o-y</i>	0%	100%	14%	19%	10%	13%	13%	13%	3%	3%	17%	14%
Working capital / sales R12m	27%	24%	19%	23%	32%	36%	36%	32%	31%	9%		
Net debt/cash	-28	-21	-34	-23	-21	-7	-17	-11	-17	-11		
ND/EBITDA	-1.1	-0.6	-0.9	-0.7	-0.6	-0.2	-0.4	-0.3	-0.5	-0.3		
Equity ratio	86%	84%	87%	86%	89%	85%	87%	86%	88%	69%		
FCF conversion (lease adj.)	90%	64%	103%	89%	62%	58%	44%	66%	98%	129%		
ROCE	18%	24%	26%	27%	25%	25%	27%	29%	27%	34%		

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	141	156	171
COGS	-17	-15	-19	-28	-27	-31	-32	-38	-42	-46
Gross profit	59	51	69	89	68	76	87	103	114	125
Other operating items	-31	-33	-37	-46	-43	-41	-52	-52	-50	-52
<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>50</b>	<b>63</b>	<b>73</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>46</b>	<b>59</b>	<b>68</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>46</b>	<b>59</b>	<b>68</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>46</b>	<b>59</b>	<b>68</b>
Tax	1	1	3	8	-0	4	3	-0	3	3
<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>46</b>	<b>61</b>	<b>70</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>46</b>	<b>61</b>	<b>70</b>
EPS	3.78	2.62	4.61	6.80	3.12	4.64	4.70	6.48	8.64	9.91
EPS adj.	3.78	2.62	4.61	7.63	3.04	4.64	5.45	6.69	8.64	9.91
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>-4.3</i>	<i>-3.7</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>35.7</i>	<i>40.7</i>	<i>42.6</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>32.9</i>	<i>37.9</i>	<i>40.0</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>32.9</i>	<i>37.9</i>	<i>40.0</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>32.7</i>	<i>37.6</i>	<i>39.7</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>32.6</i>	<i>39.2</i>	<i>41.1</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>18.7</i>	<i>10.8</i>	<i>9.4</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>43.9</i>	<i>26.0</i>	<i>14.6</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>51.0</i>	<i>27.6</i>	<i>15.3</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>51.0</i>	<i>27.6</i>	<i>15.3</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>38.0</i>	<i>33.3</i>	<i>14.6</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>38.0</i>	<i>33.3</i>	<i>14.6</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>39.8</i>	<i>48.5</i>	<i>50.5</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>41.1</i>	<i>48.5</i>	<i>50.5</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>39.4</i>	<i>46.2</i>	<i>48.5</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>40.7</i>	<i>46.2</i>	<i>48.5</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>46.9</i>	<i>62.8</i>	<i>69.4</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>48.4</i>	<i>62.8</i>	<i>69.4</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>52</i>	<i>63</i>	<i>73</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>36.8</i>	<i>40.7</i>	<i>42.6</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>51</i>	<i>62</i>	<i>71</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>36.0</i>	<i>39.8</i>	<i>41.8</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>48</i>	<i>59</i>	<i>68</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>34.0</i>	<i>37.9</i>	<i>40.0</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>48</i>	<i>59</i>	<i>68</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>34.0</i>	<i>37.9</i>	<i>40.0</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>48</i>	<i>59</i>	<i>68</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>47</i>	<i>61</i>	<i>70</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>47</i>	<i>61</i>	<i>70</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>33.7</i>	<i>39.2</i>	<i>41.1</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	50	63	73
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	50	63	72
Change in working capital	-1	-2	-7	-5	1	3	-10	5	1	-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>55</b>	<b>64</b>	<b>69</b>
Capex tangible fixed assets	-1	-0	-1	-1	-2	-1	-1	-4	-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>61</b>	<b>66</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	0
Tangible fixed assets	2	2	2	2	3	3	3	6	7	7
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	54	57
Fixed assets	39	42	46	56	63	65	62	64	67	70
Inventories	4	4	7	8	9	10	17	18	16	17
Receivables	19	18	25	31	29	29	37	35	39	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	22	36	40
<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>140</b>	<b>158</b>	<b>170</b>
Shareholders equity	96	86	99	112	109	113	112	119	134	144
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>119</b>	<b>134</b>	<b>144</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	20	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>140</b>	<b>158</b>	<b>170</b>
Net IB debt	-45	-31	-33	-31	-28	-28	-12	-22	-35	-39
Net IB debt excl. pension debt	-45	-31	-33	-31	-28	-28	-12	-22	-35	-39
Net IB debt excl. leasing	-45	-31	-33	-33	-32	-32	-15	-23	-37	-41
Capital employed	96	86	99	115	113	117	115	120	136	146
Capital invested	51	55	66	81	81	85	100	97	99	105
Working capital	12	14	21	26	24	25	39	34	33	36
<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)	720	720	720	720	720	720	720	720	720	720
Net IB debt adj.	-45	-31	-33	-31	-28	-28	-12	-22	-35	-39
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>675</b>	<b>689</b>	<b>686</b>	<b>689</b>	<b>692</b>	<b>692</b>	<b>708</b>	<b>698</b>	<b>685</b>	<b>681</b>
Total assets turnover (%)	70.5	64.9	85.6	98.0	74.7	82.9	90.6	104.1	104.9	104.4
Working capital/sales (%)	14.1	19.3	19.6	20.0	26.0	22.7	26.7	25.7	21.3	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	-18.1	-26.1	-27.2
Net debt / market cap (%)	-6.3	-4.2	-4.6	-4.2	-3.9	-3.9	-1.7	-3.0	-4.9	-5.4
Equity ratio (%)	89.1	90.6	90.0	87.5	85.2	86.2	85.7	84.8	85.1	85.0
Net IB debt adj. / equity (%)	-47.3	-35.5	-33.5	-27.3	-25.6	-24.6	-10.6	-18.1	-26.1	-27.2
Current ratio	5.87	5.91	5.86	5.48	4.42	4.68	4.38	3.85	4.14	4.17
EBITDA/net interest	45.7	--	--	216.5	42.3	14.7	116.7	167.9	158.7	145.5
Net IB debt/EBITDA (x)	-1.7	-1.7	-1.1	-0.7	-1.1	-0.8	-0.3	-0.4	-0.6	-0.5
Net IB debt/EBITDA lease adj. (x)	-1.7	-1.7	-1.1	-0.7	-1.4	-0.9	-0.4	-0.5	-0.6	-0.6
Interest coverage	44.0	--	--	200.5	36.1	13.1	102.3	154.5	147.9	136.5

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	6.48	8.64	9.91

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	6.48	8.64	9.91
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	6.69	8.64	9.91
BVPS	13.50	12.10	13.99	15.75	15.35	15.97	15.78	16.77	18.91	20.31
BVPS adj.	12.77	11.02	12.92	14.81	14.47	15.13	15.12	16.39	18.69	20.25
Net IB debt/share	-6.38	-4.30	-4.68	-4.30	-3.94	-3.93	-1.68	-3.04	-4.94	-5.52
Share price	101.50	101.50	101.50	101.50	101.50	101.50	101.50	101.50	101.50	101.50
Market cap. (m)	720	720	720	720	720	720	720	720	720	720
<b>Valuation</b>	-	-	-	-	-	-	-	-	-	-
P/E (x)	26.9	38.7	22.0	14.9	32.5	21.9	21.6	15.7	11.7	10.2
EV/sales (x)	8.95	10.51	7.83	5.92	7.25	6.44	5.96	4.95	4.38	3.98
EV/EBITDA (x)	24.6	38.9	21.7	15.9	27.3	19.7	20.2	13.9	10.8	9.4
EV/EBITA (x)	25.6	38.9	23.3	17.2	32.0	22.0	23.1	15.1	11.6	10.0
EV/EBIT (x)	25.6	38.9	23.3	17.2	32.0	22.0	23.1	15.1	11.6	10.0
Dividend yield (%)	3.9	2.7	4.9	3.4	3.9	4.9	5.4	6.4	8.4	9.4
FCF yield (%)	3.1	1.8	3.1	5.1	3.4	4.2	3.3	6.9	8.5	9.1
Le. adj. FCF yld. (%)	3.1	1.8	3.1	4.9	3.3	4.1	3.1	6.8	8.3	8.9
P/BVPS (x)	7.52	8.39	7.25	6.44	6.61	6.36	6.43	6.05	5.37	5.00
P/BVPS adj. (x)	7.95	9.21	7.86	6.85	7.01	6.71	6.71	6.19	5.43	5.01
P/E adj. (x)	26.9	38.7	22.0	13.3	33.4	21.9	18.6	15.2	11.7	10.2
EV/EBITDA adj. (x)	24.6	38.9	21.7	14.3	27.9	19.7	17.7	13.5	10.8	9.4
EV/EBITA adj. (x)	25.6	38.9	23.3	15.3	32.9	22.0	19.9	14.6	11.6	10.0
EV/EBIT adj. (x)	25.6	38.9	23.3	15.3	32.9	22.0	19.9	14.6	11.6	10.0
EV/CE (x)	7.0	8.0	6.9	6.0	6.1	5.9	6.2	5.8	5.0	4.7
<b>Investment ratios</b>	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	4.4	5.6	3.0	1.0	2.9	3.0	1.4	3.5	2.0	2.0
Capex/depreciation	3.3	--	1.2	0.5	0.9	1.0	0.4	1.3	0.8	0.9
Capex tangibles / tangible fixed assets	52.6	23.5	42.9	31.6	57.1	27.6	35.5	68.7	22.9	23.3
Capex intangibles / definite intangibles	44.2	42.9	22.4	9.0	19.3	40.5	12.8	18.9	101.0	376.0
Depreciation on intang / def. intang	13	0	20	25	34	39	57	97	172	616
Depreciation on tangibles / tangibles	15.79	0.00	31.43	37.89	32.14	34.14	36.77	17.10	16.70	16.36

Source: ABG Sundal Collier, Company Data

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