

SinterCast

Better than feared, strong installation outlook

- 14% EBIT beat on strong SC sales despite EE volume decrease
- Near-term headwinds from programme shut down and weak market
- Great installation outlook, Q3 orders SEK 9m, stronger growth in '25

Q3 results

Sales came in at SEK 33m (+8.9% vs. ABGSCe 30m), -19% y-o-y. Annualised EEs produced were 3.5m (0% vs. ABGSCe 3.5m), -17% y-o-y. Sampling cups sold were 51,825 (+22% vs. ABGSCe 42,500), -18% y-o-y. The sales beat was driven by higher sampling cup sales than expected, which we expected to come down more ahead of low Q4 production volumes. EBIT adj. was SEK 13m (+14% vs. ABGSCe 12m), for a margin of +40% (ABGSCe +39%).

Estimates and outlook

On the Q3 numbers alone, '24e-'26e sales change by +2.0%, and EBIT adj. changes by +3.9%. The rising USD will also contribute positively. There is near-term weakness from the previously announced 0.5m EE programme shutdown which started in September and 10-20% volume reductions from most EU and NA OEMs within commercial vehicles, as end-customer demand has softened. The installation outlook is however very strong, with SEK 9m of system orders in Q3 alone, compared to the historical annual average of 8m. This combined with the other ramping programmes makes us confident in stronger '25 growth.

Valuation

The share has returned 0% L3M (vs. peer median +2.1% and OMXSALLS +6.1%), and is currently trading at 23x-15x '24e-'26e P/E on our pre-report estimates vs. the historical median of 26x-15x.

Fast comment

Commissioned research

Not rated

Capital Goods

SINT-SE/SINT SS

Share price (SEK)	5/11/2024	116.00
MCap (SEKm)		822
MCap (EURm)		71
No. of shares (m)		7.1
Free float (%)		64.9
Av. daily volume (k)		4

Next event Q4 Report 19 February 2025

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Deviation table

	Reported			ABGSCe	
	Q3'23	Q3'24	y-o-y	Q3'24e	Deviation
Sales	40	33	-19%	30	9%
Gross profit	31	24	-21%	23	7%
margin	76%	75%	-1.9%pt	76%	-1.5%pt
Extraordinary operating items	(0.40)	-		-	
Impairment part of depreciation	(2.0)	-		-	
EBIT	14	13	-8%	12	14%
margin	36%	40%	+4.8%pt	39%	+1.7%pt
Impairment part of amortisation	-	-		-	
EBIT adj.	17	13	-21%	12	14%
margin	42%	40%	-1.1%pt	39%	+1.7%pt
Extraordinary financial items	-	-		-	
Net income	14	10	-28%	9.3	11%
margin	35%	32%	-3.8%pt	31%	+0.7%pt
Net income from disc. ops.	-	-		-	
Extraordinary tax items	-	-		-	
Net income adj.	17	10	-38%	9.3	11%
margin	41%	32%	-9.7%pt	31%	+0.7%pt
EPS	2.0	1.5	-28%	1.3	11%
EPS adj.	2.4	1.5	-38%	1.3	11%
FCF lease adj.	9.6	14	47%	8.5	65%
Segments					
Series Production					
Annualised EEs	4.2	3.5	-17%	3.5	0%
Sampling cups	63,000	51,825	-18%	42,500	22%
Sales	37	30	-20%	28	6%
Equipment					
Sales	2.9	2.2	-24%	1.3	74%
Engineering Service					
Sales	0.20	0.30	50%	0.35	-14%

Source: ABG Sundal Collier Estimates, Company Data

SEKm	2022	2023	2024e	2025e	2026e
Sales	119	135	134	154	165
<i>Sales growth (%)</i>	<i>10.5</i>	<i>13.3</i>	<i>-0.4</i>	<i>14.6</i>	<i>7.7</i>
EBITDA	35	49	43	61	68
<i>EBITDA margin (%)</i>	<i>29.7</i>	<i>36.4</i>	<i>32.0</i>	<i>39.4</i>	<i>41.2</i>
EBIT adj.	36	47	41	57	65
<i>EBIT adj. margin (%)</i>	<i>30.0</i>	<i>34.6</i>	<i>30.3</i>	<i>37.4</i>	<i>39.5</i>
Pretax profit	30	42	41	58	66
EPS	4.68	5.94	4.60	6.46	7.36
<i>EPS growth (%)</i>	<i>0.6</i>	<i>26.9</i>	<i>-22.5</i>	<i>40.3</i>	<i>14.0</i>
EPS adj.	5.39	6.49	4.60	6.46	7.36
DPS	5.50	6.10	5.08	7.11	8.10
EV/EBITDA (x)	23.0	16.6	18.7	13.0	11.3
EV/EBIT adj. (x)	22.8	17.4	19.8	13.7	11.8
P/E (x)	24.8	19.5	25.2	18.0	15.8
P/E adj. (x)	21.5	17.9	25.2	18.0	15.8
EV/sales (x)	6.83	6.03	5.99	5.12	4.67
FCF yield (%)	2.9	4.9	6.3	6.6	7.8
Le. adj. FCF yld. (%)	2.7	4.7	6.1	6.5	7.7
Dividend yield (%)	4.7	5.3	4.4	6.1	7.0
Net IB debt/EBITDA (x)	-0.3	-0.2	-0.4	-0.6	-0.7
Le. adj. ND/EBITDA (x)	-0.4	-0.2	-0.4	-0.6	-0.7

Source: ABG Sundal Collier, Company Data

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