ANALYSGUIDEN
av Aktiespararna

Second Quarter 2026

First Half Marked the Turning Point

SinterCast's report for the second quarter of 2026 shows a continued recovery in production volumes, albeit from a weak level. Series production amounted to 3.1 million Engine Equivalents, down 9% year-on-year but 15% higher than in H2 2025 – the clearest indication to date that the company has moved beyond the weakest phase of the market. Revenue declined to SEK 27.4 million (31.1), a decrease of 11.7% due to lower heavy-duty vehicle volumes and a weaker USD/SEK exchange rate. However, excluding currency effects and equipment sales, the decline was only 7%, supported by successful price increases implemented by the company this year, with further increases planned for 2027 and 2028. We reduce our volume assumption for the year by 10% to reflect the slow pace of recovery, but at the same time see improved visibility through new orders – globally up 30% and in North America up 140%, driven by fleet renewal and pre-buy effects ahead of EPA 2027 – as well as a new high-volume order from a new OEM, with production scheduled to begin in 2027. This reinforces our view that H1 marked the turning point, and we therefore leave our long-term assumptions unchanged, including the milestones of 6 million and 8 million Engine Equivalents in 2029 and 2031, respectively.

Lower Operating Profit

Operating profit decreased to SEK 7.4 million (11.2), corresponding to an operating margin of 27.1% (36.1), affected by lower volumes, negative currency effects and lower revaluation gains, only partly offset by lower operating expenses. Earnings per share declined to SEK 0.82 (1.24) for the quarter and SEK 1.55 (2.33) for the first half. Cash flow from operations amounted to SEK 7.4 million (9.1) for the quarter and SEK 13.1 million (21.4) for the first half, held back by lower operating profit, delayed customer payments and increased working capital. The balance sheet remains strong, with net cash of approximately SEK 6 million, enabling a high dividend – SEK 3.00 per share for 2026, with no extraordinary dividend (compared with SEK 6.00 plus SEK 1.00 in the previous year), paid in two instalments. The installed base increased marginally to 59 (58) systems, with a strong pipeline of installation decisions expected during the year, providing an important foundation for future recurring revenue.

Significant Upside Based on Management Guidance

At the time of the report, the share was trading at SEK 106, corresponding to a P/E of 24x for 2026e and 15x for 2028e, slightly above the historical median of 22x and 14x, respectively – a premium that we consider justified by improved visibility and

UPPDRAGSANALYS

SinterCast

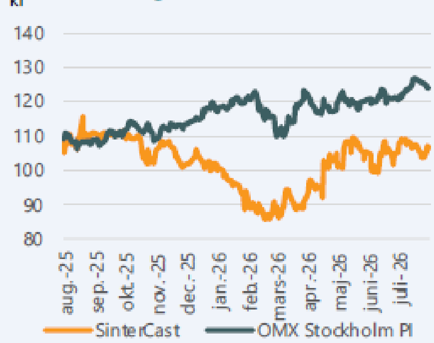
Rapportkommentar – andra kvartalet 2026

Datum	20 augusti 2026
Analytiker	Philip Wendt

Basfakta

Bransch	Industri
Styrelseordförande	Ian Kershaw
VD	Vitor Anjos
Noteringsår	1993
Listning	Nasdaq OMX Small Cap
Ticker	SINT
Aktiekurs	106
Antal aktier, milj.	7,0
Börsvärde, mkr	746
Finansiell nettotillg, mkr	6,4
Företagsvärde (EV), mkr	740
Motiverat värde	122 kronor
Nästa rapport	4 november 2026

Kursutveckling



Källa: Refinitiv

Prognoser & Nyckeltal, MSEK

	2025	2026p	2027p	2028p
Omsättning	108,0	115,5	134,7	168,2
Bruttoresultat	76,0	80,3	93,5	116,2
Rörelseres. (ebit)	32,8	38,4	47,7	60,5
Resultat f. skatt	32,7	38,4	48,0	61,2
Årets resultat	24,6	30,6	38,2	48,7
Vinst per aktie	3,49 kr	4,35 kr	5,43 kr	6,92 kr
Utd. per aktie	3,00 kr	4,06 kr	5,17 kr	6,26 kr
Omsättningstillväxt	-20,0%	6,9%	16,6%	24,8%
Bruttomarginal	70,4%	69,6%	69,4%	69,1%
Rörelsemarginal	30,4%	33,3%	35,4%	36,0%
Kassaflöde, verksamhe	59,6	33,8	46,3	56,1
Kassaflöde per aktie	8,5	4,8	6,6	8,0
P/e-tal	28,6	24,4	19,5	15,3
EV/ebitda	21,4	18,1	14,8	11,8
EV/omsättning	7,1	6,4	5,5	4,4
Direktavkastning	3,0%	3,8%	4,9%	5,9%

Källa: Bolaget, Analysguiden

Motiverat värde är en uppfattning om vad bolaget borde vara värt givet Analysguidens huvudscenario. Det är inte samma sak som att aktiekursen ska spegla detta värde.

the new model programmes that underpin volume growth towards the end of the decade. Following reductions to our near-term estimates, partly due to the delayed volume recovery and partly due to currency effects, we marginally adjust our fair value range to SEK 99–146 (103–143). The US dollar exchange rate is a key risk factor given the large proportion of USD-denominated revenue, and we assume a continued gradual weakening of the dollar against the Swedish krona, reflected in our estimates for 2027–2028. Overall, we see SinterCast as being in a clear but uneven recovery phase, with near-term uncertainty balanced by improved long-term visibility and an attractive dividend profile.

Investment Thesis

SinterCast is an attractive niche company whose investment case is based on an unusually scalable business model, a high proportion of recurring revenue and the potential for significant earnings growth as heavy-duty vehicle volumes recover.

The company does not sell cast components, but rather process control technology, software, know-how and support to foundries producing Compacted Graphite Iron, with revenue largely generated through production fees charged per unit produced.

This results in a capital-light model, with low capital requirements and very high operating leverage as customer volumes increase. The fact that recurring revenue accounts for more than 90% of revenue, and 93.5% in the second quarter of 2026, also provides high earnings quality, even though individual quarters can be volatile.

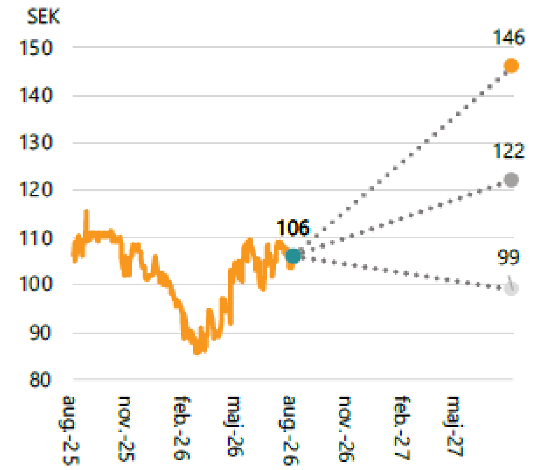
New Model Programmes Driving Growth

Historically, SinterCast has demonstrated a level of profitability matched by few small-cap companies on the Stockholm Stock Exchange. The company itself states that its operating margin has historically been around 30%, with an ambition to exceed 40% by 2028 at the latest. In 2025, revenue amounted to SEK 108.0 million and operating profit to SEK 32.8 million, corresponding to an operating margin of 30.4%, despite weaker volumes and currency headwinds.

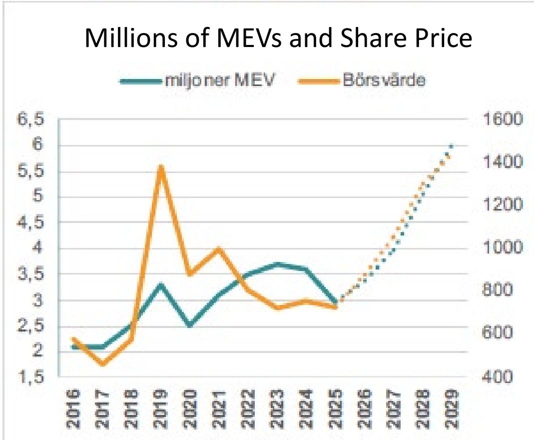
Over the longer term, the company has also delivered annual series production volume growth of 5.3% over the past ten years and 11.0% over fifteen years, demonstrating that profitability is underpinned by structural growth in CGI applications rather than solely by the short-term cycle. If the new model programmes at major customers develop as planned, they should support both higher revenue and gradual margin expansion. This year, the focus will be on sales to Traton to increase the use of the common engine programme at MAN and, in the US, International.

The Stock is Worth Buying...

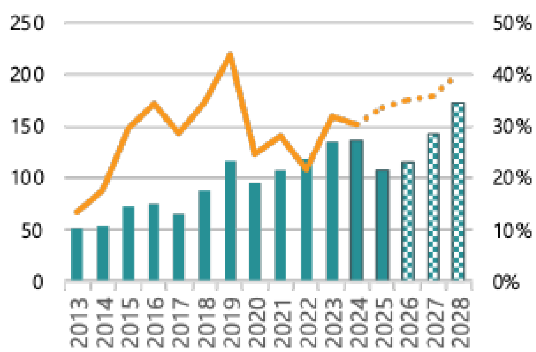
The stock's upside/downside in three different scenarios



Source: Analysis Guide's bullish, base, and bearish scenarios



Revenue and Operating Margin



A Quality Company with Cyclical Exposure

From a valuation perspective, the shares appear reasonably valued rather than expensive. Assuming operating profit of SEK 50 million next year and SEK 63 million in 2028, a combination of these figures implies a fair value of SEK 146 per share based on a discounted cash flow valuation. A valuation of 16 times operating profit implies SEK 122 per share, while a more cautious multiple of 13 times implies SEK 99 per share.

Scenario analysis is therefore central. In a bear-case scenario involving a weak North American truck cycle, a slow ramp-up and continued currency headwinds, approximately SEK 99 appears reasonable. In a base-case scenario, SEK 122 is more justified, while in a bull-case scenario – in which the Class 8 replacement cycle accelerates and new programmes drive faster margin expansion – SEK 146 appears entirely achievable.

For a long-term investor, the thesis is therefore straightforward: SinterCast is a high-margin company with recurring revenue, strong cash generation and asymmetric upside as volume growth returns.

Bullish scenario: SEK 146 per share.

Base scenario: SEK 122 per share.

Bearish scenario: SEK 99 per share.

Weighted scenario: SEK 122 per share.

Income Statement (SEK million)

	2020	2021	2022	2023	2024	2025	2026p	2027p	2028p
Revenue	116.5	95.4	107.4	118.7	134.4	108.0	115.5	134.7	168.2
adjustment	*33%*	*-18%*	*13%*	*11%*	*13%*	*-20%*	*7%*	*17%*	*25%*
Gross Result	**89.3**	**63.9**	**74.5**	**82.8**	**97.1**	**76.0**	**80.3**	**93.5**	**116.2**
gross margin	*77%*	*67%*	*69%*	*70%*	*72%*	*70%*	*70%*	*69%*	*69%*
Operating Result (ebit)	**23.5**	**30.1**	**25.7**	**42.7**	**43.2**	**32.8**	**38.4**	**47.7**	**60.5**
operating margin	*20%*	*32%*	*24%*	*36%*	*32%*	*30%*	*33%*	*35%*	*36%*
Financial Net	0.0	-0.2	0.6	-0.4	-0.3	-2.0	0.0	1.0	1.0
Result Before Income Tax	**22.3**	**29.0**	**30.3**	**42.5**	**43.2**	**32.7**	**38.4**	**48.0**	**61.2**
Income tax	3.3	8.3	-0.1	3.9	2.9	-8.1	-7.8	-9.8	-12.5
Result for the Year	**25.6**	**37.3**	**30.2**	**46.4**	**46.0**	**24.6**	**30.6**	**38.2**	**48.7**

Balance Sheet (SEK million)

	2020	2021	2022	2023	2024	2025	2026p	2027p	2028p
ASSETS									
Cash and Cash Equivalents	32.8	32.9	26.3	27.5	14.2	5.2	21.8	35.7	52.0
Current Assets	31.7	38.9	38.6	39.1	54.1	57.7	42.6	48.7	59.9
Non-Current Assets	45.7	55.8	62.8	64.9	62.2	61.6	32.2	22.0	8.9
TOTAL ASSETS	**110.2**	**127.6**	**127.7**	**131.5**	**130.5**	**124.5**	**96.6**	**106.4**	**120.8**

Equity & Liabilities

	2020	2021	2022	2023	2024	2025	2026p	2027p	2028p
Equity	99.2	111.7	108.8	113.8	111.9	76.1	85.3	94.8	106.9
Short Term Liabilities	11.0	14.0	15.7	15.3	17.1	9.6	10.8	11.2	13.5
Long Term Liabilities	0.0	1.9	3.2	2.4	1.5	0.4	0.5	0.4	0.4
Total Liabilities	11.0	15.9	18.9	17.7	18.6	10.0	11.3	11.6	13.9
TOTAL EQUITY & LIABILITIES	**110.2**	**127.6**	**127.7**	**131.5**	**130.5**	**86.1**	**96.6**	**106.4**	**120.8**

Cash Flows (SEK million)

	2020	2021	2022	2023	2024	2025	2026p	2027p	2028p
Operating Cash Flow	43.0	25.4	32.1	35.6	48.7	48.0	41.0	49.8	62.7
Change in Working Capital	-5.2	-3.3	0.9	-10.2	-3.2	11.6	-7.1	-3.6	-6.6
Cash Flow from Operations	37.8	22.1	33.0	25.4	45.5	59.6	33.8	46.3	56.1
Financing	-36.5	-25.9	-29.1	-37.1	-41.8	-47.0	-31.4	-44.1	-54.0
Investments	-1.2	-2.8	-2.7	-1.7	-5.6	-1.8	-2.5	-2.1	-2.1
TOTAL CASH FLOW	0.1	-6.6	1.2	-13.3	-1.9	10.8	11.1	14.6	17.7
Number of Employees at the End of the Year	23	28	30	32	28	25	24	23	23

Source: The company and Analysguiden

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The analyst Philip Wendt does not own and is not allowed to own shares in the analysed company.

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