

SinterCast

Preliminary results for 2021

- Solid preliminary '21 results announced
- SEK 29.6m Q4 sales (+3% vs. ABGSCe SEK 28.7m)
- 3.1m Q4 annualised engine eqs. (ABGSCe 3.1m)

Sales SEK 107.4m for '21, implies Q4 sales of SEK 29.6m

According to a company press release, '21 sales finished at SEK 107.4m (+13% y-o-y), which implies Q4 sales of SEK 29.6m (+3% vs. ABGSCe SEK 28.7m). Series production saw a strong finish in '21 due to customers bypassing the normal December shutdowns in order to meet the strong market demand. This led to Q4 annualised engine equivalents of 3.1m (in line with ABGSCe at 3.1m) and up 19% y-o-y. Equipment sales were also strong in Q4 at SEK 4.3m (+13% vs. ABGSCe SEK 3.8m), however down from a very strong Q4'20 at SEK 9.8m. During the quarter, SinterCast installed a new System 4,000 process control system at the Impro Industries foundry in Mexico as well as a Ladle Tracker system at Hyundai's foundry in Korea.

'21 volumes affected by 10% according to management

In the press release, management states that industry analysts believe semiconductor shortages affected global vehicle production by 10% in 2021. They add to this that SinterCast's 2021 volumes were likely also affected by roughly 10% (implying engine equivalents would have been ~3.4m without semiconductor shortages). They finish by saying that double-digit volume growth is expected going forward.

Trading at 20x '22e EV/EBIT, 6-7% '22e-'23e div. yield

On our current estimates (not adjusted for the figures in the latest press release), the share is trading at 20x '22e EV/EBIT, offering 6-7% dividend yield for '22e-'23e.

Fast comment

Company-sponsored research: Not rated

Share price (SEK) 14/01/2022 141.4
Capital Goods, Sweden
SINT.ST/SINT SS

MCap (SEKm) 1,003
MCap (EURm) 97
Net debt (EURm) -3

No. of shares (m) 7.1
Free float (%) 99
Av. daily volume (k) 11

Next event Q4 report: 08 Feb

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Analyst(s): adrian.gilani@abgsc.se, +46 8 566 286 92
max.bacco@abgsc.se, +46 708 448 688

SEKm	2019	2020	2021e	2022e	2023e
Sales	117	95	106	141	164
<i>Sales growth (%)</i>	32.8	-18.1	11.6	32.8	16.1
EBITDA	43	25	35	56	72
<i>EBITDA margin (%)</i>	37.2	26.6	33.3	39.9	43.8
EBIT adj	45	21	32	52	68
<i>EBIT adj margin (%)</i>	38.6	22.1	29.6	37.0	41.3
Pretax profit	40	22	30	52	68
EPS rep	6.80	3.12	4.90	8.67	10.87
<i>EPS growth (%)</i>	47.4	-54.0	56.8	77.0	25.4
EPS adj	7.49	3.04	4.90	8.67	10.87
DPS	3.50	4.00	4.90	8.67	10.87
EV/EBITDA (x)	31.2	33.6	27.5	17.2	13.5
EV/EBIT adj (x)	30.0	40.5	31.0	18.5	14.3
P/E (x)	28.7	39.8	28.9	16.3	13.0
P/E adj (x)	26.0	40.9	28.9	16.3	13.0
EV/sales (x)	11.6	8.9	9.2	6.8	5.9
<i>FCF yield (%)</i>	2.6	2.8	2.8	4.4	6.2
<i>Dividend yield (%)</i>	1.8	3.2	3.5	6.1	7.7
Net IB debt/EBITDA	-0.7	-1.1	-0.8	-0.6	-0.5
<i>Lease adj. FCF yld (%)</i>	2.6	2.7	2.7	4.2	6.0
Lease adj. ND/EBITDA	-0.7	-1.4	-0.9	-0.7	-0.5

Analyst certification

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All prices are as of market close on 16 January, 2022 unless otherwise noted.

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Norway Pb. 1444 Vikta NO-0115 OSLO Norway Tel: +47 22 01 60 00 Fax: +47 22 01 60 60	Sweden Box 7269 SE-103 89 STOCKHOLM Sweden Tel: +46 8 566 286 00 Fax: +46 8 566 286 01	Denmark Forbindelsesvej 12, DK-2100 COPENHAGEN Denmark Tel: +45 35 46 61 00 Fax: +45 35 46 61 10	United Kingdom 10 Paternoster Row, 5th fl LONDON EC4M 7EJ UK Tel: +44 20 7905 5600 Fax: +44 20 7905 5601	USA 850 Third Avenue, Suite 9-C NEW YORK, NY 10022 USA Tel. +1 212 605 3800 Fax. +1 212 605 3801	Germany Schillerstrasse 2, 5. OG DE-60313 FRANKFURT Germany Tel +49 69 96 86 96 0 Fax +49 69 96 86 96 99	Singapore 10 Collyer Quay Ocean Financial Center #40-07, Singapore 049315 Tel +65 6808 6082
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