

SinterCast

Auto cloud over strong growth prospects

- 29% growth expected y-o-y
- Auto weakness is a cloud in the sky
- EV/EBIT '19e 14.9x, FCF yield '19e 6%

Q3e: EBIT margin forecast of 35%

We expect SinterCast to reach sales of SEK 21.6m for the quarter, which gives 29% growth y-o-y. We expect EBIT of SEK 7.5m, giving an EBIT margin of 35%. This is an improvement by 7pp y-o-y, but a 6pp decline q-o-q, which is due to lower operating leverage following lower volumes. In terms of production, we expect 45,000 sampling cups and the pace of series production to be 2.65m engine equivalents per year. The Q3 report is due on 14 November.

Revised cost assumptions take 4% off '19e EBIT

We have adjusted our cost assumptions for '19e and '20e, which has a negative effect of 4% and 6%, respectively, on EBIT for those years. FX has a negative effect of 1% on '19e. The weakening sentiment in the automotive sector is a concern for the company. However, SinterCast does not rely so much on sector growth and as long as vehicle production remains at relatively high levels, it is unlikely to affect its numbers materially. We therefore maintain our growth forecast for '19e and '20e.

Pay-out ratio above 100% to be maintained

SinterCast does not look cheap on EV multiples, with EV/EBIT '19e at 14.9x, which is a 15% premium to peers. However, the FCF yield is 5.5% on '19e numbers, compared with an average of 1.7% for our small cap industrial peer group. Furthermore, because we find it likely that the pay-out ratio will remain above 100%, the dividend yield is high at 5-6% for the forecast period compared with 2-3% for the peer group.

Lead analyst: Emmi Ostlund

SEKm	2016	2017	2018e	2019e	2020e
Sales	75	66	87	95	102
EBITDA	27	19	33	37	41
EBITDA margin (%)	36.3	29.3	38.4	38.6	40.4
EBIT adj	26	18	31	34	38
EBIT adj margin (%)	35.0	27.0	35.8	36.0	37.4
Pretax profit	26	18	30	34	38
EPS rep	3.78	2.62	4.34	4.83	5.36
EPS adj	3.78	2.62	4.34	4.83	5.36
Sales growth (%)	4.1	-13.0	32.7	9.3	6.9
EPS growth (%)	4.3	-30.6	65.3	11.4	11.0

Source: ABG Sundal Collier, Company data

Reason: Preview of results

Company-sponsored research

Not rated

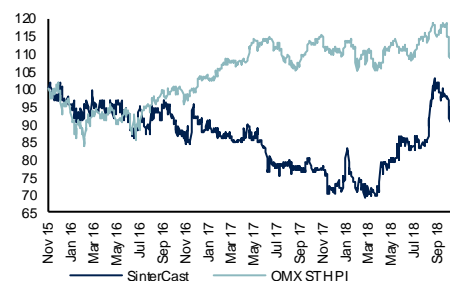
Estimate changes (%)	2018e	2019e	2020e
Sales	0.0%	-0.2%	-0.2%
EBIT (rep)	0.1%	-5.2%	-6.1%
EPS (rep)	0.1%	-5.2%	-6.1%

Source: ABG Sundal Collier

Share price (SEK)	05/11/2018	81.8
Capital Goods, Sweden		
SINT.ST/SINT.SS		
MCap (SEKm)		580
MCap (EURm)		56.1
Net debt (EURm)		-7
No. of shares (m)		7.1
Free float (%)		75.0
Av. daily volume (k)		5.5

Next event Q3 report: 14 Nov

Performance



	1m	3m	12m
Absolute (%)	-8.9	5.1	15.6
OMX STH PI (%)	-5.6	-4.6	-5.2

Source: FactSet

	2018e	2019e	2020e
P/E (x)	18.9	16.9	15.3
P/E adj (x)	18.9	16.9	15.3
P/BVPS (x)	5.96	5.92	6.07
EV/EBITDA (x)	15.2	13.9	12.5
EV/EBIT adj (x)	16.3	14.9	13.5
EV/sales (x)	5.84	5.37	5.06
ROE adj (%)	33.6	35.1	39.3
Dividend yield (%)	5.8	7.0	7.3
FCF yield (%)	5.5	5.7	6.5
Net IB debt/EBITDA	-2.1	-1.9	-1.6

Please refer to important disclosures at the end 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.

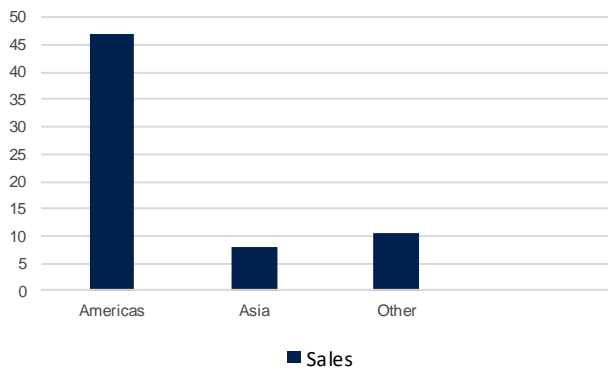
Opportunities

Increased focus on higher energy efficiency and lighter diesel engines. Increasing average vehicle size. Higher penetration of the truck and commercial vehicle segments.

Risks

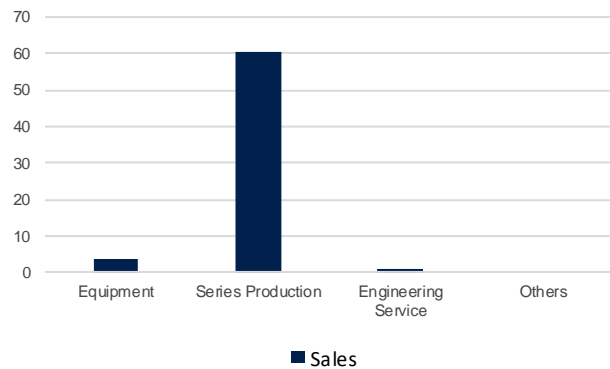
Automotive demand, and more specifically demand for larger passenger vehicles such as SUVs and pick-up trucks with diesel engines. Regulation relating to fossil fuels and diesel in particular poses risks to the business model.

Geographical breakdown, sales, SEKm



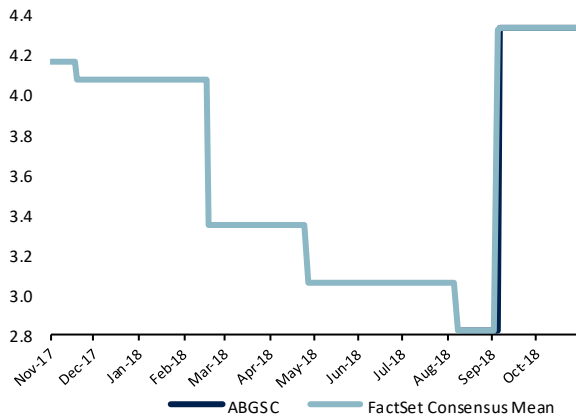
Source: ABG Sundal Collier, Company data

Business area breakdown, sales, SEKm



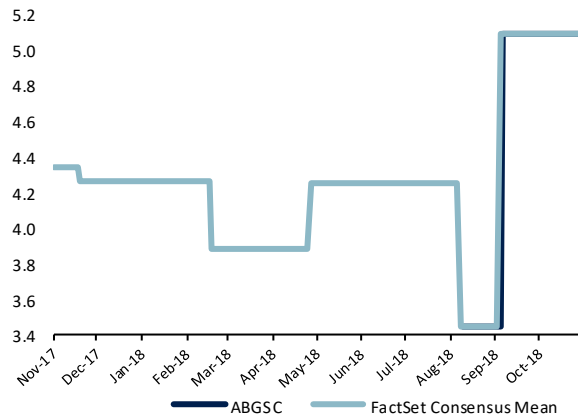
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2018e, SEK



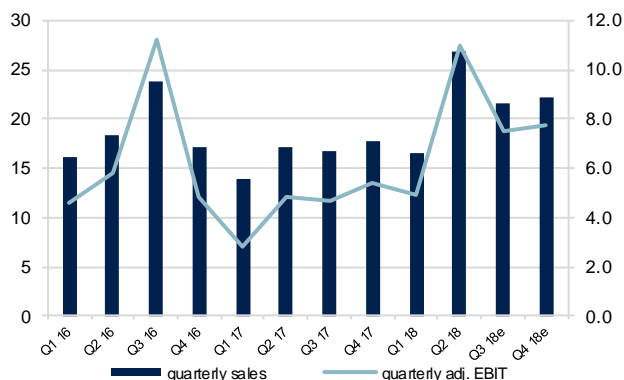
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2019e, SEK



Source: ABG Sundal Collier, FactSet

Quarterly sales and adj. EBIT, SEKm



Source: ABG Sundal Collier, Company data

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.

Forecast changes

	Old forecast		New forecast		Diff	
	2018e	2019e	2018e	2019e	2018e	2019e
Net revenue	87.0	95.4	87.1	95.2	0%	0%
Gross profit	68.5	74.5	68.6	74.3	0%	0%
EBIT	31.1	36.1	31.2	34.3	0%	-5%
PTP	29.7	36.1	29.8	34.3	0%	-5%
Profit for the period	30.7	36.1	30.8	34.3	0%	-5%
EPS	4.3	5.1	4.3	4.8	0%	-5%
Sampling cups	193,300	216,698	193,300	216,500	0%	0%
Engine equivalents (average)	2.65	2.89	2.65	2.89	0%	0%

Source: ABG Sundal Collier

Detailed quarterly income statement Q1'17-Q4'19e

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18e	Q4'18e	Q1'19e	Q2'19e	Q3'19e	Q4'19e
Net revenue	13.9	17.2	16.7	17.8	16.6	26.8	21.6	22.1	23.1	24.3	23.1	24.7
COGS	-3.1	-3.8	-4	-4.1	-3.4	-5.9	-4.6	-4.6	-5.1	-5.3	-5.1	-5.4
Gross profit	10.8	13.4	12.7	13.7	13.2	20.9	17.0	17.5	18.0	19.0	18.0	19.3
Sales cost	-5.0	-5.0	-4.4	-4.3	-4.8	-5.2	-5.1	-5.1	-4.9	-5.4	-5.3	-5.3
Administrative costs	-1.8	-1.4	-1.4	-1.7	-1.7	-2.0	-1.8	-2.0	-2.1	-2.1	-2.2	-2.3
R&D cost	-1.0	-1.9	-2.1	-2.3	-2.3	-3.0	-2.6	-2.6	-2.6	-2.7	-2.7	-2.7
Other income	0.0	0.0	0.0	0.0	0.5	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Other costs	-0.2	-0.3	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	2.8	4.8	4.7	5.4	4.9	11.0	7.5	7.8	8.4	8.8	7.9	9.1
Net financials	0.2	-0.2	0.0	0.0	-0.8	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
PTP	3.0	4.6	4.7	0.0	4.1	10.4	7.5	7.8	8.4	8.8	7.9	9.1
Tax	0.0	0.9	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit for the period	3.0	5.5	4.7	5.4	4.1	11.4	7.5	7.8	8.4	8.8	7.9	9.1
EPS	0.42	0.78	0.66	0.76	0.58	1.61	1.05	1.10	1.19	1.25	1.12	1.28
<i>Gross margin</i>	78%	78%	76%	77%	80%	78%	79%	79%	78%	78%	78%	78%
<i>EBIT margin</i>	20%	28%	28%	30%	30%	41%	35%	35%	36%	36%	34%	37%

Production assumptions

Sampling cups	28,700	32,900	40,600	42,400	32,500	68,800	45,000	47,000	52,500	55,300	52,500	56,200
Engine equivalents/year	2.00	2.20	2.00	2.20	2.50	2.70	2.65	2.75	2.80	2.95	2.80	3.00

Source: ABG Sundal Collier, company data

Detailed annual income statement 2010-2020e

	2010	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Net revenue	39.4	49.0	45.9	51.9	54.5	72.4	75.4	65.6	87.1	95.2	101.8
COGS	-10.2	-14.2	-13.7	-14.6	-18.2	-17.0	-16.6	-15	-18.5	-20.9	-22.2
Gross profit	29.2	34.8	32.2	37.3	40.8	55.4	58.8	50.6	68.6	74.3	79.6
Sales cost	-11.3	-14.4	-19.7	-18.2	-18.2	-20.1	-19	-18.7	-20.2	-20.8	-21.9
Administrative costs	-5.5	-6.6	-6.5	-6.4	-6.5	-6.3	-6	-6.3	-7.5	-8.6	-8.9
R&D cost	-4.5	-4.4	-5.5	-5.8	-6.5	-7.6	-7.9	-7.3	-10.5	-10.7	-10.8
Other income	0.0	2.2	0.5	0.4	0.6	0.0	0.5	0.0	0.8	0.0	0.0
Other costs	-0.7	0.0	0.0	0.0	0.0	-1.1	0.0	-0.6	0.0	0.0	0.0
EBIT	7.2	11.6	1.0	7.3	10.2	20.3	26.4	17.7	31.2	34.3	38.0
Net financials	1.4	-0.5	1.0	0.2	1.3	4.6	-0.6	0	-1.4	0.0	0.0
PTP	8.6	11.1	2	7.5	11.5	24.9	25.8	17.7	29.8	34.3	38.0
Tax	8.0	3.4	-5.7	0.6	0.9	0.8	1.0	0.9	1.0	0.0	0.0
Profit for the period	16.5	14.5	-3.7	8.1	12.3	25.2	26.8	18.6	30.8	34.3	38.0
EPS	2.37	2.08	-0.53	1.14	1.73	3.55	3.78	2.62	4.34	4.83	5.36
<i>Sales growth</i>		24%	-6%	13%	5%	33%	4%	-13%	33%	9%	7%
<i>EPS growth</i>		-12%	-125%	-316%	52%	105%	6%	-31%	65%	11%	11%
<i>Gross margin</i>	74%	71%	70%	72%	75%	77%	78%	77%	79%	78%	78%
<i>EBIT margin</i>	18%	24%	2%	14%	19%	28%	35%	27%	36%	36%	37%

Production assumptions

Sampling cups	102,650	138,200	102,400	118,500	133,000	153,000	168,800	144,600	193,300	216,500	232,600
Engine equivalents/year	1.04	1.41	1.35	1.50	1.76	2.08	2.13	2.10	2.65	2.89	3.10

Source: ABG Sundal Collier, company data

Income Statement (SEKm)	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018e	Q4 2018e	Q1 2019e	Q2 2019e
Sales	17	18	17	27	22	22	23	24
COGS	-4	-4	-3	-6	-5	-5	-5	-5
Gross profit	13	14	13	21	17	17	18	19
Other operating items	-8	-8	-8	-9	-9	-9	-9	-10
EBITDA	5	6	6	12	8	8	9	9
Depreciation on tangibles	-1	-0	-1	-1	-1	-1	-1	-1
Depreciation on intangibles	0	0	0	0	0	0	0	0
EBITA	5	5	5	11	7	8	8	9
Goodwill impairment charges	0	0	0	0	0	0	0	0
Other impairment and amortisation	0	0	0	0	0	0	0	0
EBIT	5	5	5	11	7	8	8	9
Interest Net	0	0	-1	-1	0	0	0	0
Other financial items	0	0	0	0	0	0	0	0
Associated income	0	0	0	0	0	0	0	0
Other EO items	0	0	0	0	0	0	0	0
Pretax profit	5	5	4	10	7	8	8	9
Tax	0	0	0	1	0	0	0	0
Net profit	5	5	4	11	7	8	8	9
Minority interest	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0
Net profit to shareholders	5	5	4	11	7	8	8	9
EPS	0.66	0.76	0.58	1.61	1.05	1.10	1.19	1.25
EPS Adj	0.66	0.76	0.58	1.61	1.05	1.10	1.05	0.97
Total extraordinary items after tax	0	0	0	0	0	0	1	2
Tax rate (%)	0	0	0	9.6	0	0	0	0
Gross margin (%)	76.0	77.0	79.5	78.0	78.7	79.1	78.0	78.1
EBITDA margin (%)	31.1	32.6	33.1	42.9	37.3	37.8	39.1	38.9
EBITA margin (%)	28.1	30.3	29.5	41.0	34.6	35.2	36.4	36.4
EBIT margin (%)	28.1	30.3	29.5	41.0	34.6	35.2	36.4	36.4
Pretax margin (%)	28.1	30.3	24.7	38.8	34.6	35.2	36.4	36.4
Net margin (%)	28.1	30.3	24.7	42.5	34.6	35.2	36.4	36.4
Growth rates Y/Y	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018e	Q4 2018e	Q1 2019e	Q2 2019e
Sales growth (%)	-29.8	3.5	19.4	55.8	29.1	24.2	39.3	-9.4
EBITDA growth (%)	-54.4	16.0	77.4	125.5	54.7	44.1	64.3	-17.9
EBIT growth (%)	-58.0	12.5	75.0	129.2	58.9	44.1	71.8	-19.6
Net profit growth (%)	-57.3	5.9	36.7	107.3	58.9	44.1	105.3	-22.4
EPS growth (%)	-57.3	5.9	36.7	107.3	58.9	44.1	105.3	-22.4
Adj earnings numbers	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018e	Q4 2018e	Q1 2019e	Q2 2019e
EBITDA Adj	5	6	6	12	8	8	9	9
EBITDA Adj margin (%)	31.1	32.6	33.1	42.9	37.3	37.8	39.1	38.9
EBITA Adj	5	5	5	11	7	8	8	9
EBITA Adj margin (%)	28.1	30.3	29.5	41.0	34.6	35.2	36.4	36.4
EBIT Adj	5	5	5	11	7	8	8	9
EBIT Adj margin (%)	28.1	30.3	29.5	41.0	34.6	35.2	36.4	36.4
Pretax profit Adj	5	5	4	10	7	8	8	9
Net profit Adj	5	5	4	11	7	8	7	7
Net profit to shareholders Adj	5	5	4	11	7	8	7	7
Net Adj margin (%)	28.1	30.3	24.7	42.5	34.6	35.2	32.1	28.2

Source: ABG Sundal Collier, Company data

Income Statement (SEKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Sales	49	46	52	55	72	75	66	87	95	102
COGS	-14	-14	-15	-18	-17	-17	-15	-19	-21	-22
Gross profit	35	32	37	36	55	59	51	69	74	80
Other operating items	-22	-30	-29	-25	-34	-31	-31	-35	-38	-39
EBITDA	13	2	8	11	21	27	19	33	37	41
Depreciation on tangibles	-1	-1	-1	-1	-1	-1	-2	-2	-2	-3
Depreciation on intangibles	0	0	0	0	0	0	0	0	0	0
EBITA	12	1	7	10	20	26	18	31	34	38
Goodwill impairment charges	0	0	0	0	0	0	0	0	0	0
Other impairment and amortisation	0	0	0	0	0	0	0	0	0	0
EBIT	12	1	7	10	20	26	18	31	34	38
Interest Net	-1	1	0	1	5	-1	0	-1	0	0
Other financial items	0	0	0	0	0	0	0	0	0	0
Associated income	0	0	0	0	0	0	0	0	0	0
Other EO items	0	0	0	0	0	0	0	0	0	0
Pretax profit	11	2	8	12	25	26	18	30	34	38
Tax	3	-6	1	1	1	1	1	1	0	0
Net profit	15	-4	8	12	26	27	19	31	34	38
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
Net profit to shareholders	15	-4	8	12	26	27	19	31	34	38
EPS	2.08	-0.53	1.14	1.75	3.62	3.78	2.62	4.34	4.83	5.36
EPS Adj	2.08	-0.53	1.14	1.75	3.62	3.78	2.62	4.34	4.83	5.36
Total extraordinary items after tax	0	0	0	0	0	0	0	0	0	0
Tax rate (%)	30.6	285.0	8.0	7.8	3.2	3.9	5.1	3.4	0	0
Gross margin (%)	71.0	70.2	71.9	66.6	76.5	78.0	77.1	78.7	78.1	78.2
EBITDA margin (%)	25.9	4.4	15.6	20.2	29.1	36.3	29.3	38.4	38.6	40.4
EBITA margin (%)	23.7	2.2	14.1	18.7	28.0	35.0	27.0	35.8	36.0	37.4
EBIT margin (%)	23.7	2.2	14.1	18.7	28.0	35.0	27.0	35.8	36.0	37.4
Pretax margin (%)	22.7	4.4	14.5	21.1	34.4	34.2	27.0	34.2	36.0	37.4
Net margin (%)	29.6	-8.1	15.6	22.8	35.5	35.5	28.4	35.3	36.0	37.4
Growth rates Y/Y	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Sales growth (%)	24.4	-6.3	13.1	5.0	32.8	4.1	-13.0	32.7	9.3	6.9
EBITDA growth (%)	58.8	-84.3	305.0	35.8	91.8	29.9	-29.9	74.0	9.9	11.9
EBIT growth (%)	61.1	-91.4	630.0	39.7	99.0	30.0	-33.0	76.0	10.0	11.0
Net profit growth (%)	-12.7	-125.5	318.9	53.1	107.3	4.3	-30.6	65.3	11.4	11.0
EPS growth (%)	-12.7	-125.4	316.1	53.1	107.3	4.3	-30.6	65.3	11.4	11.0
Profitability	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
ROE (%)	16.6	-4.3	10.0	14.3	28.3	28.4	20.5	33.6	35.1	39.3
ROE Adj (%)	16.6	-4.3	10.0	14.3	28.3	28.4	20.5	33.6	35.1	39.3
ROCE (%)	84.7	7.3	63.8	92.7	141.5	156.7	84.7	126.7	124.3	128.1
ROCE Adj(%)	84.7	7.3	63.8	92.7	141.5	156.7	84.7	126.7	124.3	128.1
ROIC (%)	110.6	-13.5	68.9	100.0	146.0	162.7	89.0	131.0	124.3	128.1
ROIC Adj (%)	110.6	-13.5	68.9	100.0	146.0	162.7	89.0	131.0	124.3	128.1
Adj earnings numbers	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
EBITDA Adj	13	2	8	11	21	27	19	33	37	41
EBITDA Adj margin (%)	25.9	4.4	15.6	20.2	29.1	36.3	29.3	38.4	38.6	40.4
EBITA Adj	12	1	7	10	20	26	18	31	34	38
EBITA Adj margin (%)	23.7	2.2	14.1	18.7	28.0	35.0	27.0	35.8	36.0	37.4
EBIT Adj	12	1	7	10	20	26	18	31	34	38
EBIT Adj margin (%)	23.7	2.2	14.1	18.7	28.0	35.0	27.0	35.8	36.0	37.4
Pretax profit Adj	11	2	8	12	25	26	18	30	34	38
Net profit Adj	15	-4	8	12	26	27	19	31	34	38
Net profit to shareholders Adj	15	-4	8	12	26	27	19	31	34	38
Net Adj margin (%)	29.6	-8.1	15.6	22.8	35.5	35.5	28.4	35.3	36.0	37.4

Source: ABG Sundal Collier, Company data

Cash Flow Statement (SEKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
EBITDA	13	2	8	11	21	27	19	33	37	41
Net financial items	-1	1	0	1	5	-1	0	-1	0	0
Paid tax	0	0	0	0	0	0	0	1	0	0
Non-cash items	-0	2	-7	4	-5	2	2	0	0	0
Cash flow before change in WC	12	5	2	16	21	29	21	33	37	41
Change in WC	2	-1	6	-5	0	-2	-2	-2	-2	-1
Operating cash flow	13	4	8	11	21	27	19	35	37	41
CAPEX tangible fixed assets	-0	-2	-1	-1	-2	-3	-4	-3	-3	-4
CAPEX intangible fixed assets	0	0	0	0	0	0	0	0	0	0
Acquisitions and disposals	0	0	0	0	0	0	0	0	0	0
Free cash flow	13	2	8	10	20	24	15	32	33	38
Dividend paid	-7	-7	-9	-16	-25	-28	-19	-20	-34	-40
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Other non cash items	8	-12	14	4	9	3	-10	-4	-2	-1
Decrease in net IB debt	14	-17	13	-2	4	-1	-14	8	-2	-4
Balance Sheet (SEKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Goodwill	0	0	0	0	0	0	0	0	0	0
Indefinite intangible assets	2	2	2	2	4	5	8	7	7	7
Definite intangible assets	0	0	0	0	0	0	0	0	0	0
Tangible fixed assets	0	2	2	2	2	2	2	3	4	4
Other fixed assets	33	28	29	30	30	32	33	34	34	34
Fixed assets	36	32	32	34	36	39	42	44	45	45
Inventories	4	4	4	4	4	4	4	6	6	7
Receivables	12	12	11	15	18	19	18	22	25	26
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	48	35	48	45	48	45	30	37	35	31
Total assets	100	83	95	97	106	108	95	109	111	110
Shareholders equity	93	78	85	88	93	96	86	97	98	96
Minority	0	0	0	0	0	0	0	0	0	0
Total equity	93	78	85	88	93	96	86	97	98	96
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
Deferred tax	0	0	0	0	0	0	0	0	0	0
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	7	5	10	8	13	12	9	12	13	14
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	100	83	95	97	106	108	95	109	111	110
Net IB debt	-81	-63	-77	-75	-78	-77	-63	-71	-69	-65
Net IB debt excl. pension debt	-81	-63	-77	-75	-78	-77	-63	-71	-69	-65
Capital invested	13	15	8	14	15	19	23	26	29	30
Working capital	10	11	5	10	10	12	14	16	18	19
EV breakdown	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Market cap. diluted (m)	na	na	560	539	626	580	461	580	580	580
Net IB debt Adj	-81	-63	-77	-75	-78	-77	-63	-71	-69	-65
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	0	0	0	0	0	0	0	0	0	0
EV	na	na	484	464	547	503	398	509	511	515
Capital efficiency (%)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Total assets turnover (%)	51.1	50.2	58.4	56.9	71.3	70.5	64.9	85.4	86.6	92.3
Capital invested turnover (%)	357.7	335.0	453.3	495.5	504.5	447.5	313.9	354.2	345.4	342.9
Capital employed turnover (%)	357.7	335.0	453.3	495.5	504.5	447.5	313.9	354.2	345.4	342.9
Inventories/sales (%)	7.6	9.2	7.6	6.8	5.5	5.8	6.5	5.7	6.2	6.3
Customer advances/sales (%)	0	0	0	0	0	0	0	0	0	0
Payables/sales (%)	14.4	12.9	14.6	17.0	14.9	16.5	15.7	11.9	13.0	13.4
Working capital/sales (%)	22.0	22.9	15.1	13.3	13.4	14.1	19.3	17.0	17.9	18.1
Financial risk and debt service	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Net debt/equity (%)	-86.4	-81.1	-90.3	-84.4	-84.0	-80.4	-73.2	-73.1	-70.4	-68.2
Net debt/market cap (%)	na	na	-16.5	-12.9	-12.5	-12.8	-11.9	-12.3	-11.9	-11.2
Equity ratio (%)	93.3	93.9	89.3	91.3	87.6	89.1	90.6	89.2	88.3	87.0
Net IB debt adj./equity (%)	-86.4	-81.1	-90.3	-84.4	-84.0	-80.4	-73.2	-73.1	-70.4	-68.2
Current ratio (%)	959.7	1,009.8	619.8	751.2	536.4	587.2	591.0	555.7	511.6	453.2
EBITDA/net interest (%)	2,540.0	-200.0	-4,050.0	-846.2	-458.7	4,566.7	high	2,386.1	high	high
Net IB debt/EBITDA (%)	-633.9	-3,160.0	-944.4	-678.2	-371.1	-281.0	-327.1	-213.1	-187.8	-158.6
Interest cover (%)	2,320.0	-100.0	-3,650.0	-784.6	-441.3	4,400.0	nm	2,225.2	nm	nm

Source: ABG Sundal Collier, Company data

Valuation and Ratios (SEKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Shares outstanding adj.	7	7	7	7	7	7	7	7	7	7
Fully diluted shares Adj	7	7	7	7	7	7	7	7	7	7
EPS	2.08	-0.53	1.14	1.75	3.62	3.78	2.62	4.34	4.83	5.36
Dividend per share Adj	1.0	1.0	1.2	2.2	3.5	4.0	2.8	4.8	5.7	6.0
EPS Adj	2.08	-0.53	1.14	1.75	3.62	3.78	2.62	4.34	4.83	5.36
BVPS	13.36	11.13	11.95	12.47	13.15	13.51	12.10	13.73	13.81	13.48
BVPS Adj	13.36	11.13	11.95	12.47	13.15	13.51	12.10	13.73	13.81	13.48
Net IB debt / share	-11.5	-9.0	-10.8	-10.5	-11.0	-10.9	-8.9	-10.0	-9.7	-9.2
Share price	na	na	79.00	76.00	88.25	81.75	65.00	81.80	81.80	81.80
Market cap. (m)	na	na	560	539	626	580	461	580	580	580
Valuation	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
P/E	na	na	69.1	43.5	24.3	21.6	24.8	18.9	16.9	15.3
EV/sales	na	na	9.32	8.52	7.56	6.67	6.07	5.84	5.37	5.06
EV/EBITDA	na	na	59.7	42.2	25.9	18.3	20.7	15.2	13.9	12.5
EV/EBITA	na	na	66.2	45.5	27.0	19.0	22.5	16.3	14.9	13.5
EV/EBIT	na	na	66.2	45.5	27.0	19.0	22.5	16.3	14.9	13.5
Dividend yield (%)	na	na	1.5	2.9	4.0	4.9	4.2	5.8	7.0	7.3
FCF yield (%)	na	na	1.3	1.8	3.1	4.1	3.3	5.5	5.7	6.5
P/BVPS	na	na	6.61	6.10	6.71	6.05	5.37	5.96	5.92	6.07
P/BVPS Adj	na	na	6.61	6.10	6.71	6.05	5.37	5.96	5.92	6.07
P/E Adj	na	na	69.1	43.5	24.3	21.6	24.8	18.9	16.9	15.3
EV/EBITDA Adj	na	na	59.7	42.2	25.9	18.3	20.7	15.2	13.9	12.5
EV/EBITA Adj	na	na	66.2	45.5	27.0	19.0	22.5	16.3	14.9	13.5
EV/EBIT Adj	na	na	66.2	45.5	27.0	19.0	22.5	16.3	14.9	13.5
EV/cap. employed	na	na	59.0	33.6	36.7	26.7	17.3	19.5	17.6	16.9
Investment ratios	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Capex/sales	0.8	3.5	1.2	2.4	2.3	4.4	5.6	3.5	3.6	3.5
Capex/depreciation	36.4	160.0	75.0	162.5	212.5	330.0	246.7	134.6	137.5	116.7
Capex tangibles/tangible fixed assets	100.0	80.0	31.6	81.3	100.0	173.7	217.6	109.1	91.4	84.6
Capex intangibles/definite intangibles	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Depreciation on intangibles/definite inta	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Depreciation on tangibles/tangibles	275.0	50.0	42.1	50.0	47.1	52.6	88.2	81.1	66.5	72.5

Source: ABG Sundal Collier, Company data

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