

SINTERCAST

SHARE PRICE (SEK): 85,75

NASDAQ OMX Small Cap

Industrials

- Lower deliveries of Sampling Cups
- Several new installations in progress
- No major changes

Lower deliveries of Sampling Cups. In spite of stronger underlying series production of 2,1 (2,0) Engine Equivalents, revenues declined to 16,1 MSEK (18,8) and the operating profit to 4,6 MSEK (5,9). It was lower than our expectations on both revenue and EBIT. The weaker performance was partly due to the lack of new installations (during the corresponding quarter last year revenue of two systems were recognized) but also lower deliveries of Sampling Cups than during Q1 2015. However, it is normal that the amount of deliveries of Sampling Cups varies between the quarters depending on when orders are booked.

Several new installations in progress. According to management, the lack of new installations is not a trend change, but depends on a natural irregularity of deliveries. One example is the installation of a System 3000 Plus to the Teksid partner in Brazil, which were ordered in Q4 2015 but has been delayed. The outlook for new installations and capacity upgrades of existing systems remains positive with several ongoing negotiations. The number of existing installations currently amounts to 24 fully automated systems and 20 mini-systems. We have in our forecast anticipated that revenue of four new systems will be recognized during the year.

No major changes. Despite the deviation in Q1 we make no major changes in our estimates for the remaining part of 2016. Car sales in most countries in the world continue to grow, and with lower fuel prices demand continues to rise. The demand for pickup trucks is currently on a record level which is of specific importance for SinterCast. The company's growth continues to depend heavily on Ford's petrol engine and Nissan Titan's 5.0-liter diesel engine. The latter is sold with SinterCast's diesel engine solely, which means that all increased sales benefit the company.

COMPANY DESCRIPTION

SinterCast is the world leading supplier of on-line process control technology and know-how for the reliable high-volume production of Compacted Graphite Iron (CGI). The company provides CGI solutions to the world foundry and automotive industries. SinterCast is a publicly listed company on the NASDAQ OMX Stockholm Stock Exchange.

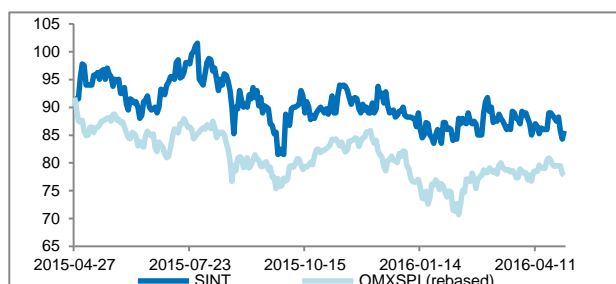
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KEY DATA		SHARE PERFORMANCE	
Market Capitalization (MSEK)	608,8	1 month (%)	-3,7
Net Debt (MSEK)	-50,7	3 month (%)	-1,7
Enterprise Value (MSEK)	558,1	12 months (%)	-12,3
Equity ratio(%)	89,1	YTD (%)	-2,8
No of shares.(mn)	7,1	52-V High	102,5
No of shares (dil.mn)	8,1	52-V Low	77,5
Free Float (%)	77,0	Ticker	SINT

	2014A	2015A	2016E	2017E
Sales (MSEK)	54,5	72,4	77,1	83,2
EBITDA (MSEK)	11,0	21,1	24,4	28,6
EBIT (MSEK)	10,2	20,3	23,5	27,7
EBT (MSEK)	11,5	24,9	24,9	28,1
EPS (just. SEK)	1,7	3,6	3,5	4,0
DPS (SEK)	2,2	3,5	3,5	4,0
Sales growth (%)	5,0	32,8	6,4	8,0
EPS growth (%)	53,1	107,3	-3,1	13,0
EBIT-margin (%)	18,7	28,0	30,6	33,3

	2014A	2015A	2016E	2017E
P/E (x)	43,5	24,3	24,4	21,6
P/BV (x)	6,1	6,7	6,5	6,3
EV/Sales (x)	9,1	8,0	7,2	6,7
EV/EBITDA (x)	44,9	27,3	22,8	19,5
EV/EBIT (x)	48,4	28,4	23,7	20,2
Div. Yield (%)	2,9	4,0	4,1	4,7

STOCK PERFORMANCE



Source: Infront, company reports, Remium Nordic, Holdings

MAJOR SHARHOLDERS	CAPITAL	VOTES
VLTCM Ltd	12,1%	12,1%
Avanza Pension	10,9%	10,9%
Nordnet Pension	8,8%	8,8%
Lars Ahlström	6,1%	6,1%

MANAGEMENT		FINANCIAL CALENDER	
Chairman	Hans-Eric Andersson	2Q-report	2016-08-24
CEO	Steve Dawson	3Q-report	2016-11-09
CFO	Daphner Uhmeier	4Q-Report	2017-02-22

INCOME STATEMENT

MSEK	1Q15A	2Q15A	3Q15A	4Q15A	1Q16A	2Q16E	3Q16E	4Q16E	2013A	2014A	2015A	2016E	2017E	2018E
Sales	18,8	15,8	20,6	17,2	16,1	19,9	19,6	21,5	51,9	54,5	72,4	77,1	83,2	87,4
COGS	-4,6	-3,4	-5,5	-3,5	-3,2	-4,6	-4,5	-4,9	-14,6	-18,2	-17,0	-17,2	-18,7	-19,7
Gross revenue	14,2	12,4	15,1	13,7	12,9	15,3	15,1	16,6	37,3	40,8	55,4	59,8	64,5	67,7
Operating costs	-8,1	-9,3	-7,9	-9,0	-8,0	-9,1	-8,7	-9,6	-29,2	-29,8	-34,3	-35,4	-35,9	-35,0
EO-costs	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
EBITDA	6,1	3,1	7,2	4,7	4,9	6,2	6,4	7,0	8,1	11,0	21,1	24,4	28,6	32,8
Depreciation	-0,2	-0,2	-0,1	-0,3	-0,3	-0,2	-0,2	-0,2	-0,8	-0,8	-0,8	-0,9	-0,9	-0,9
EBIT	5,9	2,9	7,1	4,4	4,6	6,0	6,2	6,8	7,3	10,2	20,3	23,5	27,7	31,8
Net financials	-0,1	-0,4	0,0	4,7	0,1	0,5	0,3	0,4	0,2	1,3	4,6	1,4	0,5	0,5
EBT	5,8	2,5	7,1	9,1	4,7	6,5	6,5	7,2	7,5	11,5	24,9	24,9	28,1	32,3
Tax & minorities	0,0	1,0	-0,1	-0,1	0,0	0,0	0,0	0,0	0,6	0,9	0,8	0,0	0,0	0,0
Net result	5,8	3,5	7,0	9,0	4,7	6,5	6,5	7,2	8,1	12,4	25,7	24,9	28,1	32,3
EPS bef. dil. (SEK)	0,82	0,49	0,99	1,27	0,66	0,92	0,92	1,01	1,14	1,75	3,62	3,51	3,96	4,55
EPS aft. dil. (SEK)	0,82	0,49	0,99	1,27	0,58	0,92	0,92	1,01	1,14	1,75	3,62	3,43	3,97	4,56
Sales Growth Q/Q	21%	-16%	30%	-17%	-6%	24%	-2%	10%	N/A	N/A	N/A	N/A	N/A	N/A
Sales Growth Y/Y	29%	45%	54%	10%	-14%	26%	-5%	25%	13%	5%	33%	6%	8%	5%
Adj. EBITDA margin	32%	20%	35%	27%	30%	31%	33%	32%	16%	20%	29%	32%	34%	37%
Adj. EBIT margin	31%	18%	34%	26%	29%	30%	32%	31%	14%	19%	28%	31%	33%	36%
Adj. EBT margin	31%	16%	34%	53%	29%	33%	33%	33%	14%	21%	34%	32%	34%	37%

CASH FLOW

MSEK	2013A	2014A	2015A	2016E	2017E	2018E
Cash flow b.f. ch. in work.cap.	8	11	21	26	29	33
Change in working capital	6	-4	-1	-2	1	-1
Cash flow from operating activities	14	7	20	24	30	33
Cash flow from investments	-1	-1	-2	-2	-2	-2
Free Cash Flow	14	5	19	23	28	31
Cash flow from financing	-1	-9	-16	-25	-25	-28
Net Cash Flow	12	-3	3	-2	3	3

PER SHARE DATA & RETURN ON CAPITAL

SEK	2013A	2014A	2015A	2016E	2017E	2018E
EPS	1,14	1,75	3,62	3,51	3,97	4,56
Adj. EPS	1,14	1,75	3,62	3,51	3,97	4,56
BVPS	11,95	12,47	13,15	13,18	13,64	14,20
CEPS	2,03	0,94	2,88	3,41	4,18	4,61
DPS	1,20	2,20	3,50	3,50	4,00	4,00
ROE	10%	14%	28%	27%	29%	32%
Adj. ROE	10%	14%	28%	27%	29%	32%
Solidity	89%	91%	88%	85%	85%	85%

BALANCE SHEET

MSEK	2013A	2014A	2015A	2016E	2017E	2018E
Intangible Assets	2	2	4	4	4	4
Cash and cash equivalent	48	45	48	46	49	52
Total Assets	95	97	106	110	113	118
Equity	85	88	93	93	97	101
Net Debt	-48	-45	-48	-46	-49	-52
Net Working Capital	57	60	72	81	81	84

SHARE STRUCTURE

No. of A-shares (m)	-	Box 10203
No. of B-shares (m)	7,1	100 55 Stockholm
Total no. of shares (m)	7,1	+46 (0)8 660 77 50 www.sintercast.com

COMPANY CONTACT

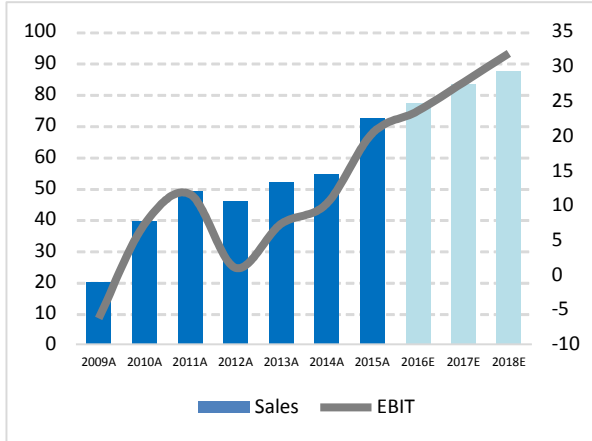
Sources: Infront, Company reports, Remium Nordic

ESTIMATE CHANGES

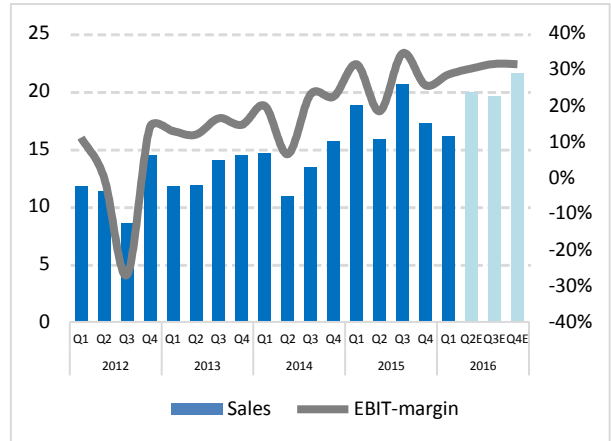
MSEK	1Q 2016A			2016E			2017E		
	Estimate	Actual	Diff (%)	Before	Now	Diff (%)	Before	Now	Diff (%)
Sales	21,2	17,2	-19%	81,4	77,1	-5%	90,4	83,2	-8%
EBIT	6,9	4,4	-36%	25,8	23,5	-9%	30,7	27,7	-10%
Adj. EPS (SEK)	1,0	1,3	27%	3,9	3,5	-10%	4,4	4,0	-9%

INCOME STATEMENT

SALES & EBIT, Y/Y (MSEK)

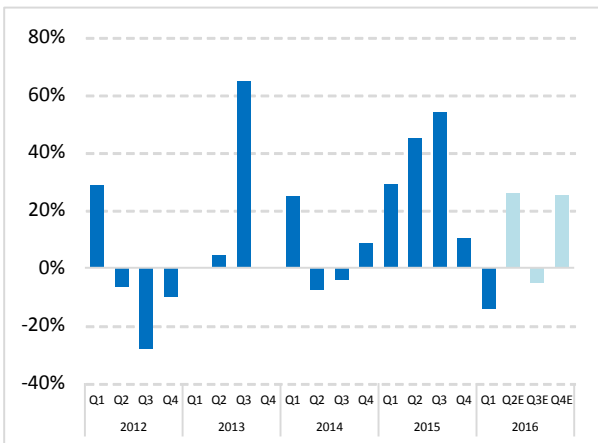


SALES & EBIT-MARGIN, Q/Q (MSEK)

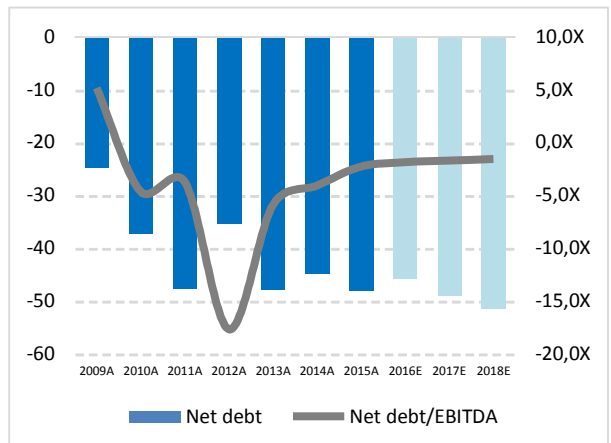


GROWTH & BALANCE SHEET

SALES GROWTH Y/Y

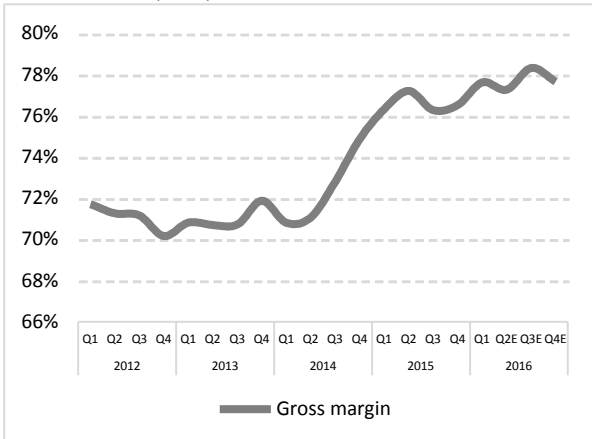


NET DEBT & NET DEBT/EBITDA

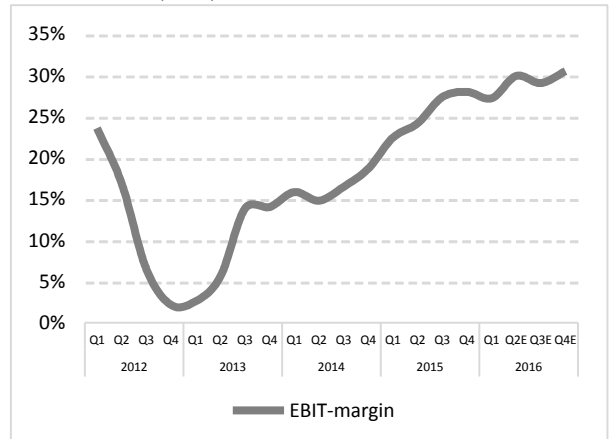


MARGINS, ROLLING 12m

GROSS MARGIN (R12m)

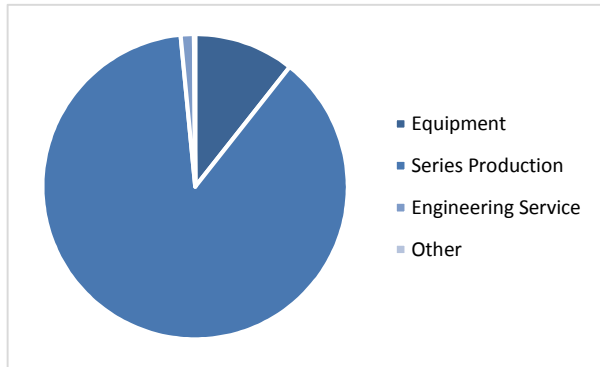


EBIT-MARGIN (R12m)



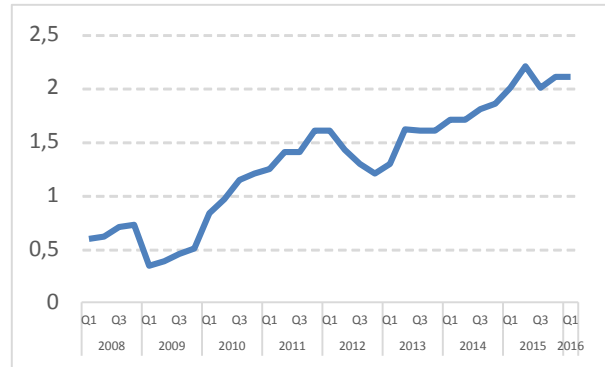
COMPANY SPECIFICS

SALES BREAKDOWN*



* Per 2015, ** Per quarterly reports

SERIAL PRODUCTION, MOTOR EQUIVALENTS/YR (MILLION)**



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