

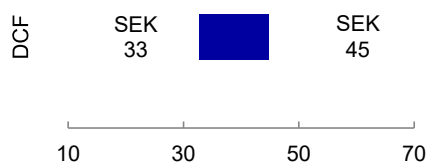
## KEY DATA

Stock country	Sweden
Bloomberg	INISSB.SS
Reuters	INISSB.ST
Share price (close)	SEK 35.00
Free Float	31%
Market cap. (bn)	EUR 0.06/SEK 0.63
Website	www.inission.com
Next report date	11 Nov 2021

## PERFORMANCE



## VALUATION APPROACH



## ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	-3%	-2%	-1%
EBIT (adj)	-18%	-6%	1%

Source: Nordea estimates

## Nordea Markets - Analysts

Victor Hansen  
AnalystCarl Ragnerstam  
Analyst

## A soft Q3, but recovery on the cards for next year

Inission will report its Q3 numbers on 11 November. We expect a soft report with sales down 11% y/y and EBIT down 24%, as operations are still hampered by component shortages, causing delays and turbulence throughout the supply chain. We believe volumes, pricing, and efficiency will improve in early 2022; we forecast 45% EBIT growth y/y for next year. We lower 2021E-23E sales by 1-3%. We lower adjusted EBIT by 18% for 2021E and by 6% for 2022E, but raise 2023E by 1%. Inission is currently trading at a 2022E FCF yield of 7.3% with a net debt/EBITDA of 0.8x 2022E. This represents a 2022E P/E of 15x and a 2022E adjusted EV/EBIT of almost 11x, versus peers at 18x and 13x, respectively. We raise our DCF-based fair value range to SEK 33-45 (32-44); the lower end represents a 10.9% WACC (upper end: 8.9%) and a 1.5% drop to the already muted EBIT margin.

## Q3 expectations

We forecast Q3 sales of SEK 225m (down 11% y/y organically) and adjusted EBIT of SEK 10m, down 24% y/y but up 8% q/q, due to supply chain disruptions and a higher share of direct material costs (58.0% versus the Q2 LTM figure of 57.5%). Q3 is also a seasonally weak quarter owing to summer holidays.

## Supply chain expected to improve in 2022; recovery on the cards

Looking past 2021E to 2022E, we pencil in 13% sales growth and 45% adjusted EBIT growth under the assumptions that: 1) the supply chain will start to normalise in early 2022, enabling a sales volume recovery; 2) price hikes come through; and 3) much of the Borås factory's volumes will move to the lower cost base factory in Tallinn. We expect this to reduce direct material costs as a share of sales down to 56-57% in 2022-23. Regarding the EBIT margin, we estimate 5.8% for 2022 and 6.5% for 2023, versus 4.6% expected for 2021. We recognise that a successful turnaround in Enedo provides meaningful upside to our estimates, and we pencil in a breakeven earnings contribution for Enedo from 2022E. Enedo's Q3 YTD net sales declined 9% y/y to EUR 26m due to component shortages, while the order book increased to above EUR 20m (~12m).

## Substantial estimate revisions for 2021; slightly less beyond

We trim 2021E-23E sales by 1-3%. We lower adjusted EBIT by 18% for 2021E (albeit from a low base) and by 6% for 2022E, but we raise 2023E by 1%.

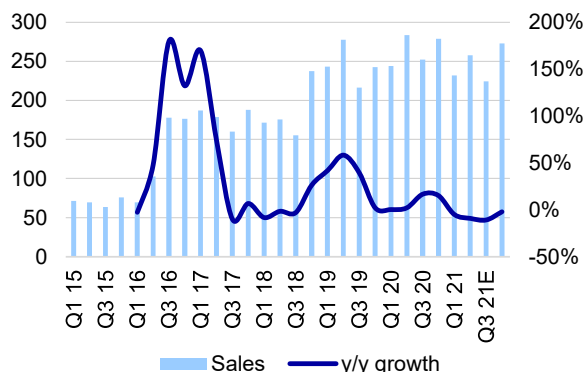
## SUMMARY TABLE - KEY FIGURES

SEKm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	713	740	980	1,059	987	1,115	1,171
EBITDA (adj)	37	49	76	70	70	92	104
EBIT (adj)	30	41	61	51	43	62	77
EBIT (adj) margin	4.2%	5.5%	6.2%	4.8%	4.4%	5.6%	6.6%
EPS (adj, SEK)	5.78	6.09	8.90	5.72	1.75	2.27	2.89
EPS (adj) growth	-62.3%	5.5%	46.0%	-35.7%	-69.4%	29.5%	27.5%
DPS (ord, SEK)	0.00	1.51	0.00	0.00	1.00	1.13	1.45
EV/Sales	0.3	0.3	0.3	0.2	0.7	0.6	0.5
EV/EBIT (adj)	8.2	6.2	5.1	4.5	11.3	10.8	8.3
P/E (adj)	2.5	2.7	4.2	6.5	20.0	15.4	12.1
P/BV	0.7	0.7	1.3	0.7	2.3	2.1	1.9
Dividend yield (ord)	0.0%	9.2%	0.0%	0.0%	2.9%	3.2%	4.1%
FCF Yield bef A&D, lease	20.6%	37.8%	42.5%	29.2%	4.2%	7.3%	8.5%
Net debt	187	176	130	31	74	46	13
Net debt/EBITDA	5.1	3.6	1.9	0.5	1.5	0.5	0.1
ROIC after tax	9.7%	10.9%	16.0%	13.0%	10.0%	13.6%	17.0%

Source: Company data and Nordea estimates

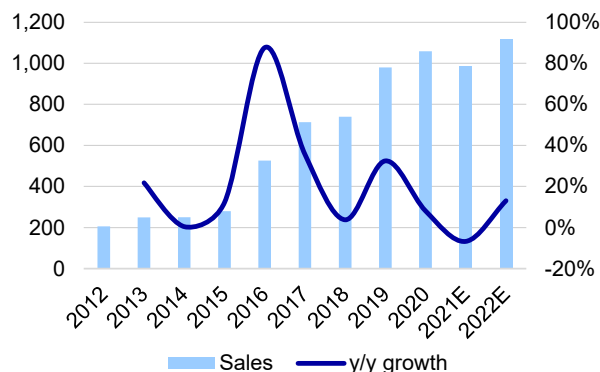
# Group development

**INISSON: NET SALES (SEKm), QUARTERLY**



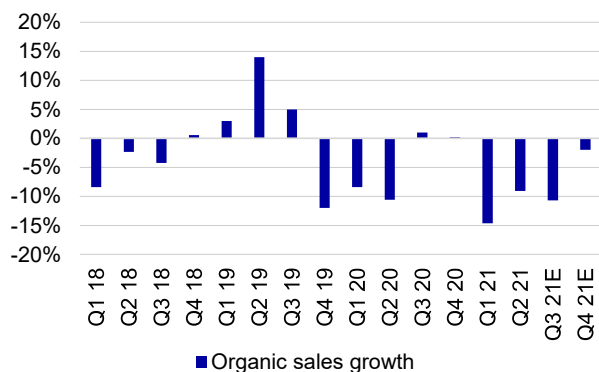
Source: Company data and Nordea estimates

**INISSON: NET SALES (SEKm), ANNUAL**



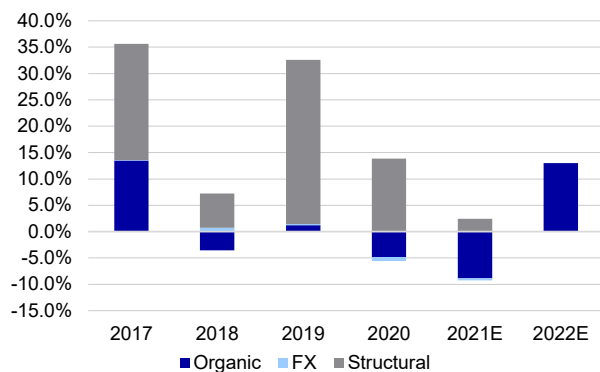
Source: Company data and Nordea estimates

**INISSON: ORGANIC GROWTH (%), QUARTERLY**



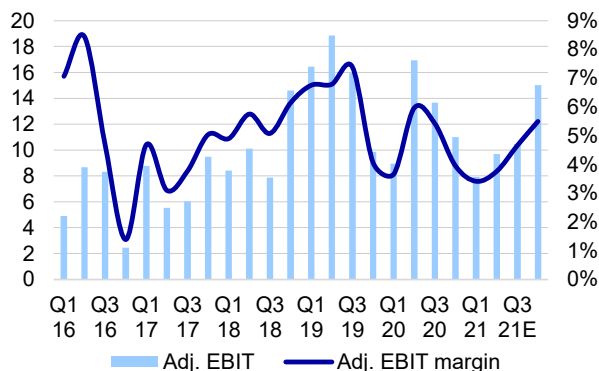
Source: Company data and Nordea estimates

**INISSON: SALES GROWTH BY PARAMETER (%)**



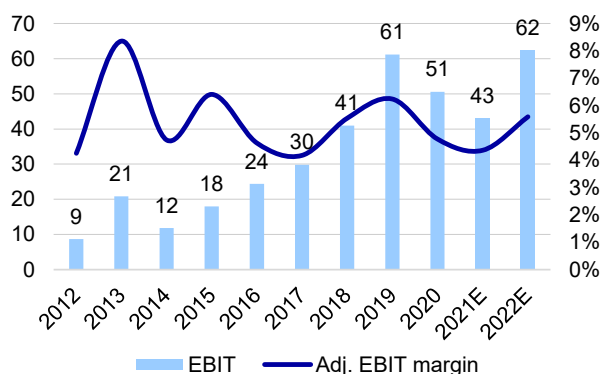
Source: Company data and Nordea estimates

**INISSON: EBIT (SEKm) AND EBIT MARGIN (%), QUARTERLY**



Source: Company data and Nordea estimates

**INISSON: ADJUSTED EBIT (SEKm) AND EBIT MARGIN (%), ANNUAL**



Source: Company data and Nordea estimates

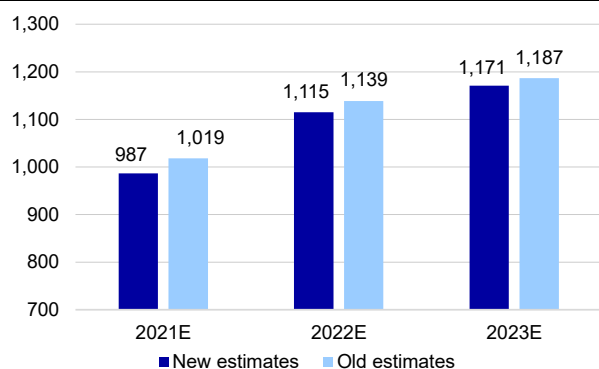
# Estimate revisions

## INISSION: ESTIMATE REVISIONS

SEKm	New estimates			Old estimates			Δ		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Net sales	987	1,115	1,171	1,019	1,139	1,187	-3%	-2%	-1%
Adj. EBIT	<b>43.1</b>	<b>62.3</b>	<b>77.1</b>	<b>52.6</b>	<b>66.1</b>	<b>76.0</b>	<b>-18%</b>	<b>-6%</b>	<b>1%</b>
Adj. EBIT margin	4.4%	5.6%	6.6%	5.2%	5.8%	6.4%	-0.8 pp	-0.2 pp	0.2 pp
EPS, SEK	0.31	2.27	2.89	0.77	2.37	2.78	-60%	-4%	4%
Adjusted EPS, SEK	<b>1.75</b>	<b>2.27</b>	<b>2.89</b>	<b>2.15</b>	<b>2.37</b>	<b>2.78</b>	<b>-19%</b>	<b>-4%</b>	<b>4%</b>
<b>Sales bridge</b>									
Organic	-9%	13%	5%	-6%	12%	4%	-3.0 pp	1.2 pp	0.8 pp
Currency	0%	0%	0%	0%	0%	0%	0.0 pp	0.0 pp	0.0 pp
Structural	2%	0%	0%	2%	0%	0%	0.0 pp	0.0 pp	0.0 pp
<b>Sales growth</b>	<b>-6.8%</b>	<b>13.0%</b>	<b>5.0%</b>	<b>-3.8%</b>	<b>11.8%</b>	<b>4.2%</b>	<b>-3.0 pp</b>	<b>1.2 pp</b>	<b>0.8 pp</b>

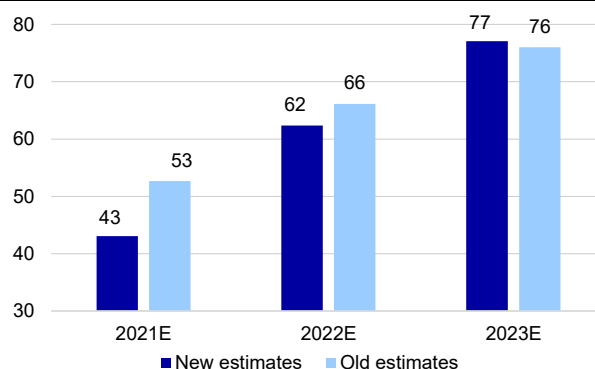
Source: Company data and Nordea estimates

## GROUP SALES: NEW VS OLD ESTIMATES (SEKm)



Source: Nordea estimates

## ADJUSTED EBIT: NEW VS OLD ESTIMATES (SEKm)



Source: Company data and Nordea estimates

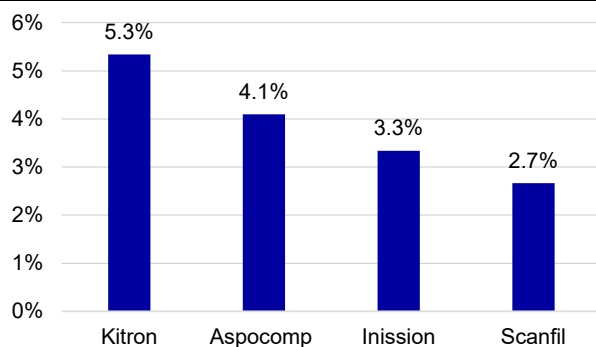
# Valuation

## PEER VALUATION

Company	Rec.	Mcap. SEKm	EV/EBITDA		EV/EBITA		adj. EV/EBIT		adj. P/E		Dividend yield		ND/EBITDA		ROE	
			2021E	2022E	2021E	2022E	2021E	2022E	2021E	2022E	2021E	2022E	2021E	2022E	2021E	2022E
Hanza	-	1,132	6.9x	6.2x	11.1x	9.4x	12.3x	10.3x	12.2x	11.9x	0.7%	2.2%	2.1x	1.7x	13.0%	13.0%
Inission	N.R.	612	10.2x	7.2x	13.8x	9.2x	11.0x	10.6x	19.4x	15.0x	2.9%	3.3%	1.5x	0.5x	2.1%	14.6%
Kitron	-	3,310	10.4x	8.9x	-	-	14.3x	11.4x	18.4x	12.7x	3.9%	5.3%	1.9x	1.2x	22.0%	26.5%
Scanfil	-	4,979	9.5x	8.9x	12.6x	11.2x	12.8x	11.6x	15.9x	13.5x	2.4%	2.7%	0.2x	-	16.0%	17.0%
Aspocomp	-	340	9.2x	6.1x	-	-	18.3x	12.2x	18.2x	10.0x	2.3%	4.1%	-	-	14.1%	19.3%
Enedo	-	254	-	7.5x	-	-	-	15.0x	-	36.6x	0.0%	0.0%	-	1.1x	-70.7%	11.7%
Incap	-	4,303	15.7x	12.9x	-	-	17.6x	13.7x	20.9x	17.1x	1.1%	1.2%	0.1x	-	39.3%	33.7%
Permascand	-	2,103	23.0x	16.1x	28.5x	19.5x	28.5x	19.5x	39.1x	26.3x	0.0%	0.0%	-	0.0x	35.3%	22.0%
<b>Average</b>		<b>2,129</b>	<b>12.1x</b>	<b>9.2x</b>	<b>16.5x</b>	<b>12.3x</b>	<b>16.4x</b>	<b>13.0x</b>	<b>20.6x</b>	<b>17.9x</b>	<b>1.7%</b>	<b>2.4%</b>	<b>1.2x</b>	<b>0.9x</b>	<b>8.9%</b>	<b>19.7%</b>
<b>Median</b>		<b>1,617</b>	<b>10.2x</b>	<b>8.2x</b>	<b>13.2x</b>	<b>10.3x</b>	<b>14.3x</b>	<b>11.9x</b>	<b>18.4x</b>	<b>14.2x</b>	<b>1.7%</b>	<b>2.4%</b>	<b>1.5x</b>	<b>1.1x</b>	<b>15.1%</b>	<b>18.1%</b>
<b>Inission</b>	<b>N.R.</b>	<b>612</b>	<b>10.2x</b>	<b>7.2x</b>	<b>13.8x</b>	<b>9.2x</b>	<b>11.0x</b>	<b>10.6x</b>	<b>19.4x</b>	<b>15.0x</b>	<b>2.9%</b>	<b>3.3%</b>	<b>1.5x</b>	<b>0.5x</b>	<b>2.1%</b>	<b>14.6%</b>
vs. peer average			-16%	-22%	-16%	-26%	-33%	-19%	-6%	-16%	1.3pp	0.9pp	33%	-45%	-6.8pp	-3.6pp
vs. peer median			0%	-12%	5%	-11%	-23%	-11%	6%	5%	1.3pp	0.9pp	0%	-54%	-13.0pp	-3.6pp

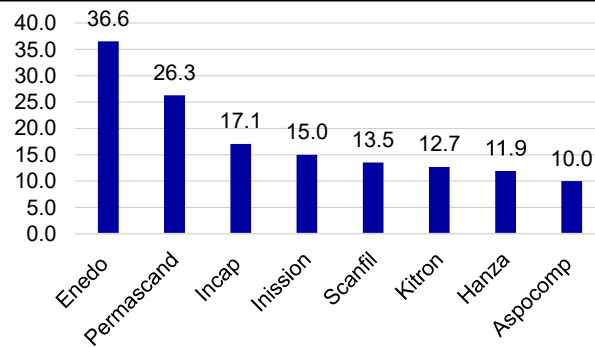
Source: Refinitiv and Nordea estimates

## DIVIDEND YIELD (%), 2022E



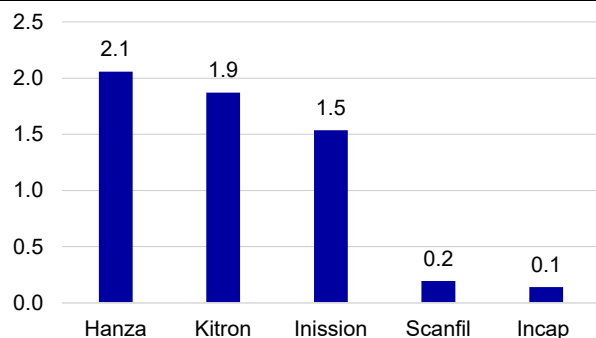
Source: Refinitiv and Nordea estimates

## ADJUSTED P/E (x), 2022E



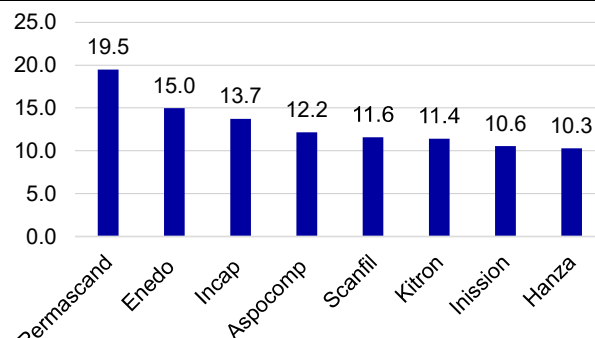
Source: Refinitiv and Nordea estimates

## NET DEBT/EBITDA (x), 2021E



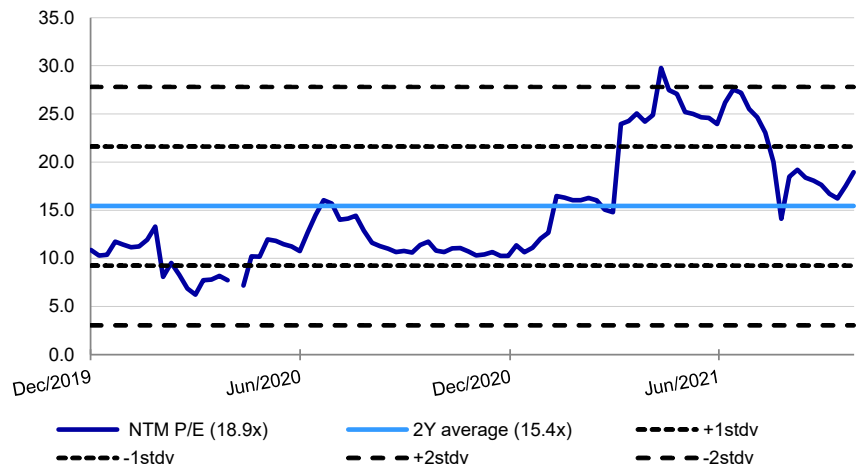
Source: Refinitiv and Nordea estimates

## ADJUSTED EV/EBIT (x), 2022E



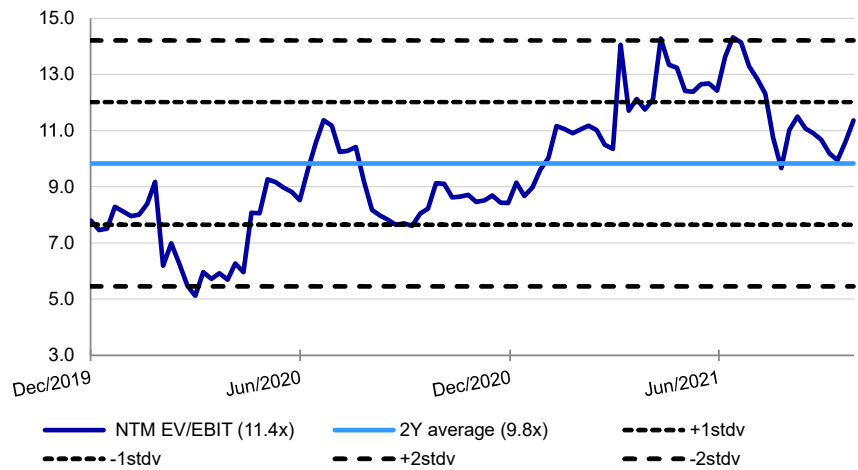
Source: Refinitiv and Nordea estimates

**P/E (x), NTM**



Source: Refinitiv

**EV/EBIT (x), NTM**



Source: Refinitiv

# Detailed estimates

## INISSION: QUARTERLY ESTIMATES (SEKm)

Group	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21E	Q4 21E
<b>Net sales</b>	<b>244</b>	<b>284</b>	<b>252</b>	<b>279</b>	<b>232</b>	<b>258</b>	<b>225</b>	<b>273</b>
Cost of goods sold	-154	-174	-149	-157	-130	-150	-130	-157
Other external costs	-20	-33	-28	-29	-27	-28	-25	-29
Personnel costs	-68	-67	-57	-69	-66	-70	-56	-66
Other operating costs	0	0	0	-2	0	0	0	0
<b>EBITDA</b>	<b>11</b>	<b>23</b>	<b>20</b>	<b>18</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>23</b>
Depreciation	-4	-7	-4	-4	-4	-4	-4	-5
<b>EBITA</b>	<b>6</b>	<b>17</b>	<b>16</b>	<b>13</b>	<b>10</b>	<b>1</b>	<b>11</b>	<b>17</b>
Amortisation	0	0	-2	-3	-2	-2	-2	-2
Income from associates	0	0	0	0	0	-10	0	-10
<b>EBIT</b>	<b>6</b>	<b>17</b>	<b>14</b>	<b>11</b>	<b>8</b>	<b>-1</b>	<b>9</b>	<b>5</b>
<b>Adj. EBIT</b>	<b>9</b>	<b>17</b>	<b>14</b>	<b>11</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>15</b>
Net financial items	-2.7	-2.1	-2.4	-2.3	-4.2	-1.9	-1.5	-1.5
PTP	4	15	11	8	4	-3	7	4
Tax	-2	-4	-3	-3	-2	-2	-2	-1
<b>Net profit</b>	<b>2</b>	<b>11</b>	<b>9</b>	<b>5</b>	<b>2</b>	<b>-5</b>	<b>6</b>	<b>3</b>
Basic EPS, SEK	0.44	2.23	1.70	0.89	0.31	-0.81	0.32	0.15
Diluted EPS, SEK	0.44	2.23	1.68	0.89	0.31	-0.80	0.32	0.15
# shares outstanding pre dilution	4.90	4.98	5.06	6.00	6.00	6.00	18.01	18.01
# shares outstanding post dilution	4.93	4.97	5.10	6.04	6.04	6.04	18.12	18.12
EBITDA margin	4.4%	8.3%	8.0%	6.4%	6.1%	5.7%	7.0%	8.4%
EBITA margin	2.6%	6.0%	6.3%	4.8%	4.5%	0.5%	5.0%	6.4%
EBIT margin	2.6%	6.0%	5.4%	3.8%	3.4%	-0.4%	4.0%	1.9%
Adj. EBIT margin	3.7%	6.0%	5.4%	3.9%	3.4%	3.8%	4.7%	5.5%
EBITDA growth	-45%	4%	27%	52%	31%	-37%	-22%	28%
EBITA growth	-61%	-10%	32%	85%	63%	-92%	-29%	29%
EBIT growth	-61%	-10%	13%	46%	25%	-106%	-34%	-52%
<b>Adj. EBIT growth</b>	<b>-46%</b>	<b>-10%</b>	<b>-14%</b>	<b>12%</b>	<b>-11%</b>	<b>-43%</b>	<b>-24%</b>	<b>36%</b>
Organic	-8.4%	-10.6%	1.0%	0.2%	-14.6%	-9.1%	-10.7%	-2.0%
Currency	0.2%	0.0%	-1.7%	-1.7%	-1.1%	-0.1%	-0.2%	-0.1%
Structural	8.6%	13.5%	17.3%	16.5%	10.6%	0.0%	0.0%	0.0%
<b>Sales growth</b>	<b>0.3%</b>	<b>2.1%</b>	<b>16.6%</b>	<b>15.0%</b>	<b>-5.1%</b>	<b>-9.2%</b>	<b>-10.9%</b>	<b>-2.1%</b>

Source: Company data and Nordea estimates

**INISSION: ANNUAL ESTIMATES (SEKm)**

Group	2016	2017	2018	2019	2020	2021E	2022E	2023E
<b>Net sales</b>	<b>526</b>	<b>713</b>	<b>740</b>	<b>980</b>	<b>1,059</b>	<b>987</b>	<b>1,115</b>	<b>1,171</b>
Cost of goods sold	-317	-460	-453	-576	-634	-567	-631	-658
Other external costs	-53	-50	-55	-73	-110	-109	-120	-125
Personnel costs	-133	-177	-185	-251	-261	-258	-282	-294
Other operating costs	8	-3	-4	-1	-2	0	0	0
<b>EBITDA</b>	<b>31</b>	<b>37</b>	<b>49</b>	<b>70</b>	<b>67</b>	<b>68</b>	<b>92</b>	<b>104</b>
Depreciation	-7	-7	-8	-15	-20	-18	-20	-17
<b>EBITA</b>	<b>24</b>	<b>30</b>	<b>41</b>	<b>55</b>	<b>53</b>	<b>50</b>	<b>72</b>	<b>87</b>
Amortisation	0	0	0	0	-5	-9	-9	-10
Income from associates	0	0	0	0	0	-19	0	0
<b>EBIT</b>	<b>24</b>	<b>30</b>	<b>41</b>	<b>55</b>	<b>48</b>	<b>21</b>	<b>62</b>	<b>77</b>
<b>Adj. EBIT</b>	<b>24</b>	<b>30</b>	<b>41</b>	<b>61</b>	<b>51</b>	<b>43</b>	<b>62</b>	<b>77</b>
Net financial items	-2	-3	-4	-7	-9	-9	-10	-10
PTP	23	26	37	48	38	12	53	67
Tax	-4	-3	-7	-11	-11	-6	-12	-15
<b>Net profit</b>	<b>19</b>	<b>23</b>	<b>30</b>	<b>37</b>	<b>27</b>	<b>6</b>	<b>41</b>	<b>52</b>
Basic EPS, SEK	15.43	5.90	6.19	7.60	5.19	0.31	2.28	2.91
Diluted EPS, SEK	15.34	5.78	6.09	7.55	5.17	0.31	2.27	2.89
<b>Adjusted EPS, SEK</b>	<b>15.34</b>	<b>5.78</b>	<b>6.09</b>	<b>8.90</b>	<b>5.72</b>	<b>1.75</b>	<b>2.27</b>	<b>2.89</b>
# shares outstanding pre dilution	1.20	3.90	4.85	4.90	5.24	18.01	18.01	18.01
# shares outstanding post dilution	1.21	3.99	4.93	4.93	5.26	18.12	18.12	18.12
EBITDA margin	5.9%	5.2%	6.6%	7.1%	6.8%	6.8%	8.2%	8.8%
EBITA margin	4.6%	4.2%	5.5%	5.6%	5.0%	5.0%	6.4%	7.4%
EBIT margin	4.6%	4.2%	5.5%	5.6%	4.5%	2.1%	5.6%	6.6%
Adj. EBIT margin	4.6%	4.2%	5.5%	6.2%	4.8%	4.4%	5.6%	6.6%
EBITDA growth	35%	19%	32%	43%	-4%	0%	36%	13%
EBITA growth	36%	22%	38%	33%	-4%	-5%	44%	21%
EBIT growth	36%	22%	38%	33%	-13%	-56%	197%	24%
<b>Adj. EBIT growth</b>	<b>36%</b>	<b>22%</b>	<b>38%</b>	<b>49%</b>	<b>-17%</b>	<b>-15%</b>	<b>45%</b>	<b>24%</b>
Organic	5.0%	13.5%	-3.6%	1.2%	-4.8%	-8.9%	13.0%	5.0%
Currency	0.0%	0.1%	0.7%	0.2%	-0.7%	-0.4%	0.0%	0.0%
Structural	82.8%	22.1%	6.6%	31.2%	13.9%	2.4%	0.0%	0.0%
<b>Sales growth</b>	<b>87.7%</b>	<b>35.6%</b>	<b>3.7%</b>	<b>32.5%</b>	<b>8.1%</b>	<b>-6.8%</b>	<b>13.0%</b>	<b>5.0%</b>

Source: Company data and Nordea estimates

# Reported numbers and forecasts

## INCOME STATEMENT

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
<b>Total revenue</b>	<b>249</b>	<b>250</b>	<b>280</b>	<b>526</b>	<b>713</b>	<b>740</b>	<b>980</b>	<b>1,059</b>	<b>987</b>	<b>1,115</b>	<b>1,171</b>
Revenue growth	21.7%	0.3%	12.2%	87.7%	35.6%	3.7%	32.5%	8.1%	-6.8%	13.0%	5.0%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	26	17	23	31	37	49	70	67	48	92	104
Depreciation and impairments PPE	-5	-5	-5	-7	-7	-8	-15	-20	-18	-20	-17
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	21	12	18	24	30	41	55	48	30	72	87
Amortisation and impairments	0	0	0	0	0	0	0	0	-9	-9	-10
EBIT	21	12	18	24	30	41	55	48	21	62	77
of which associates	0	0	0	0	0	0	0	0	-19	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-1	-1	-1	-2	-3	-4	-7	-9	-9	-10	-10
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>20</b>	<b>11</b>	<b>17</b>	<b>23</b>	<b>26</b>	<b>37</b>	<b>48</b>	<b>38</b>	<b>12</b>	<b>53</b>	<b>67</b>
Reported taxes	-6	-3	-5	-4	-3	-7	-11	-11	-6	-12	-15
Net profit from continued operations	14	8	13	19	23	30	37	27	6	41	52
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	14	8	13	19	23	30	37	27	6	41	52
<b>EPS, SEK</b>	<b>n.a.</b>	<b>n.a.</b>	<b>11.01</b>	<b>15.34</b>	<b>5.78</b>	<b>6.09</b>	<b>7.58</b>	<b>5.15</b>	<b>0.31</b>	<b>2.27</b>	<b>2.89</b>
DPS, SEK	0.00	0.00	0.00	3.00	0.00	1.51	0.00	0.00	1.00	1.13	1.45
of which ordinary	0.00	0.00	0.00	3.00	0.00	1.51	0.00	0.00	1.00	1.13	1.45
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## Profit margin in percent

EBITDA	10.4%	6.7%	8.2%	5.9%	5.2%	6.6%	7.1%	6.4%	4.9%	8.2%	8.8%
EBITA	8.4%	4.7%	6.4%	4.6%	4.2%	5.5%	5.6%	4.5%	3.1%	6.4%	7.4%
EBIT	8.4%	4.7%	6.4%	4.6%	4.2%	5.5%	5.6%	4.5%	2.1%	5.6%	6.6%

## Adjusted earnings

EBITDA (adj)	26	17	23	31	37	49	76	70	70	92	104
EBITA (adj)	21	12	18	24	30	41	61	51	52	72	87
EBIT (adj)	21	12	18	24	30	41	61	51	43	62	77
EPS (adj, SEK)	n.a.	n.a.	11.01	15.34	5.78	6.09	8.90	5.72	1.75	2.27	2.89

## Adjusted profit margins in percent

EBITDA (adj)	10.4%	6.7%	8.2%	5.9%	5.2%	6.6%	7.8%	6.6%	7.1%	8.2%	8.8%
EBITA (adj)	8.4%	4.7%	6.4%	4.6%	4.2%	5.5%	6.2%	4.8%	5.3%	6.4%	7.4%
EBIT (adj)	8.4%	4.7%	6.4%	4.6%	4.2%	5.5%	6.2%	4.8%	4.4%	5.6%	6.6%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	28.4%	24.3%	31.4%	30.5%	13.4%	9.4%	9.6%
EBITDA	n.m.	n.m.	n.m.	n.m.	28.7%	13.5%	33.2%	23.9%	9.0%	19.9%	16.3%
EBIT	n.a.	n.a.	n.a.	n.a.	27.9%	14.5%	35.8%	21.5%	-2.9%	15.9%	13.5%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-14.1%	-54.2%	-17.0%	-13.8%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-19.7%	n.m.	-0.9%
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	5.5%	5.2%	5.0%	5.2%	4.9%	4.3%	4.6%	4.9%
Average EBITDA margin	n.a.	n.a.	n.a.	7.1%	6.6%	6.2%	6.5%	6.3%	6.1%	6.7%	7.2%

## VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E (adj)	n.a.	n.a.	0.5	0.9	2.5	2.7	4.2	6.5	20.0	15.4	12.1
EV/EBITDA (adj)	n.a.	n.a.	1.3	4.8	6.6	5.2	4.1	3.2	10.0	7.4	6.2
EV/EBITA (adj)	n.a.	n.a.	1.6	6.2	8.2	6.2	5.1	4.5	13.4	9.4	7.4
EV/EBIT (adj)	n.a.	n.a.	1.6	6.2	8.2	6.2	5.1	4.5	11.3	10.8	8.3

## VALUATION RATIOS - REPORTED EARNINGS

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E	n.a.	n.a.	0.5	0.9	2.5	2.7	4.9	7.2	n.m.	15.4	12.1
EV/Sales	n.a.	n.a.	0.11	0.29	0.34	0.35	0.32	0.21	0.71	0.61	0.55
EV/EBITDA	n.a.	n.a.	1.3	4.8	6.6	5.2	4.4	3.4	10.4	7.4	6.2
EV/EBITA	n.a.	n.a.	1.6	6.2	8.2	6.2	5.7	4.8	14.1	9.4	7.4
EV/EBIT	n.a.	n.a.	1.6	6.2	8.2	6.2	5.7	4.8	17.4	10.8	8.3
Dividend yield (ord.)	n.a.	n.a.	0.0%	21.3%	0.0%	9.2%	0.0%	0.0%	2.9%	3.2%	4.1%
FCF yield	n.a.	n.a.	-283.2%	-392.6%	-85.3%	47.6%	32.2%	8.9%	-6.8%	7.3%	8.5%
FCF Yield bef A&D, lease adj	n.a.	n.a.	-237.9%	-122.7%	20.6%	37.8%	42.5%	29.2%	4.2%	7.3%	8.5%
Payout ratio	n.a.	n.a.	0.0%	19.6%	0.0%	24.9%	0.0%	0.0%	324.5%	50.0%	50.0%

Source: Company data and Nordea estimates



**BALANCE SHEET**

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	12	9	29	9	7	9	11	37	27	18	8
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	0	0	0	2	2	1	3	3	3	3
of which goodwill	12	9	29	9	5	7	10	33	24	14	5
Tangible assets	4	3	3	6	15	36	39	64	64	64	64
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	0	0	0	0	60	0	0	5	51	51	51
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	3	1	0	0	0	5	6	1	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	25	30	21	0	0	1	1	1	0	0	0
Total non-current assets	44	43	53	16	82	51	57	107	141	132	122
Inventory	51	47	62	164	165	241	251	211	229	240	249
Accounts receivable	49	44	53	131	124	174	156	148	148	165	173
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	3	3	4	12	11	16	12	11	16	17	18
Cash and bank	8	7	17	12	3	0	1	44	18	30	63
Total current assets	112	102	137	319	303	431	419	415	411	452	503
Assets held for sale	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total assets</b>	<b>156</b>	<b>145</b>	<b>190</b>	<b>334</b>	<b>386</b>	<b>482</b>	<b>477</b>	<b>523</b>	<b>552</b>	<b>583</b>	<b>626</b>
Shareholders equity	55	60	89	59	79	111	142	270	271	294	326
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	55	60	89	59	79	111	142	270	271	294	326
Deferred tax	0	0	0	0	0	0	0	0	0	0	0
Long term interest bearing debt	13	3	1	32	26	33	32	26	76	76	76
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	5	5	6	7	7	16	14	10	10	10	10
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	24	15	38	107	70	36	32	32	16	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	43	22	44	146	104	85	79	68	102	86	86
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	17	22	30	75	60	107	97	86	91	103	108
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	32	29	25	47	49	72	92	81	89	101	107
Short term interest bearing debt	9	12	2	7	94	107	66	17	0	0	0
Total current liabilities	58	62	57	130	203	286	256	185	180	204	214
Liabilities for assets held for sale	n.a.	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>156</b>	<b>145</b>	<b>190</b>	<b>334</b>	<b>386</b>	<b>482</b>	<b>477</b>	<b>523</b>	<b>552</b>	<b>583</b>	<b>626</b>
<b>Balance sheet and debt metrics</b>											
Net debt	39	22	23	134	187	176	130	31	74	46	13
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	55	45	64	185	191	252	229	203	213	217	226
Invested capital	99	88	117	200	273	303	286	311	355	349	348
Capital employed	102	89	129	205	269	287	273	345	363	369	401
ROE	52.2%	13.7%	17.0%	25.1%	33.4%	31.6%	29.5%	13.2%	2.1%	14.6%	16.9%
ROIC	32.2%	9.8%	13.5%	11.8%	9.7%	10.9%	16.0%	13.0%	10.0%	13.6%	17.0%
ROCE	42.1%	13.2%	17.1%	15.2%	12.6%	14.8%	22.0%	16.6%	12.8%	17.6%	20.6%
Net debt/EBITDA	1.5	1.3	1.0	4.3	5.1	3.6	1.9	0.5	1.5	0.5	0.1
Interest coverage	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	35.4%	41.8%	46.7%	17.6%	20.5%	23.1%	29.8%	51.6%	49.0%	50.3%	52.1%
Net gearing	69.8%	36.3%	26.0%	228.1%	237.0%	158.8%	91.3%	11.6%	27.3%	15.5%	3.9%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
<b>EBITDA (adj) for associates</b>	<b>26</b>	<b>17</b>	<b>23</b>	<b>31</b>	<b>37</b>	<b>49</b>	<b>70</b>	<b>67</b>	<b>68</b>	<b>92</b>	<b>104</b>
Paid taxes	-4	-2	-3	-5	-1	-4	-9	-11	-6	-12	-15
Net financials	0	0	0	0	0	0	-7	-9	-9	-10	-10
Change in provisions	5	0	1	1	0	9	-2	-4	0	0	0
Change in other LT non-IB	-29	-3	10	21	0	-6	-1	5	2	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	23	3	-11	-34	-5	-7	1	1	0	0	0
<b>Funds from operations (FFO)</b>	<b>21</b>	<b>14</b>	<b>19</b>	<b>15</b>	<b>31</b>	<b>41</b>	<b>52</b>	<b>48</b>	<b>54</b>	<b>71</b>	<b>79</b>
Change in NWC	-4	13	-29	-35	-10	1	33	35	-10	-4	-9
<b>Cash flow from operations (CFO)</b>	<b>17</b>	<b>27</b>	<b>-10</b>	<b>-19</b>	<b>21</b>	<b>41</b>	<b>86</b>	<b>83</b>	<b>44</b>	<b>66</b>	<b>70</b>
Capital expenditure	-1	-26	-5	-1	-10	-11	-9	-26	-18	-20	-17
<b>Free cash flow before A&amp;D</b>	<b>16</b>	<b>1</b>	<b>-16</b>	<b>-21</b>	<b>12</b>	<b>30</b>	<b>77</b>	<b>57</b>	<b>26</b>	<b>46</b>	<b>53</b>
Proceeds from sale of assets	-25	-5	0	16	-60	60	0	-5	0	0	0
Acquisitions	-3	0	-3	-61	0	-52	-19	-35	-69	0	0
Free cash flow	-12	-3	-18	-66	-48	38	58	17	-43	46	53
Free cash flow bef A&D, lease adj	16	1	-16	-21	12	30	77	57	26	46	53
Dividends paid	-2	-3	-3	-50	0	0	-7	0	0	-18	-20
Equity issues / buybacks	0	0	19	0	0	2	0	103	0	0	0
Net change in debt	9	-20	31	67	63	-57	-25	-39	32	0	0
Other financing adjustments	0	0	-10	5	-23	13	-25	-38	0	0	0
Other non-cash adjustments	12	25	-8	38	0	1	0	0	0	0	0
Change in cash	8	-1	10	-6	-9	-3	1	43	-26	12	33
<b>Cash flow metrics</b>											
Capex/D&A	22.3%	n.m.	n.m.	19.6%	n.m.	n.m.	57.1%	n.m.	65.5%	68.0%	64.0%
Capex/Sales	0.5%	10.4%	1.9%	0.3%	1.3%	1.5%	0.9%	2.4%	1.8%	1.8%	1.4%
<b>Key information</b>											
Share price year end (/current)	n.a.	n.a.	6	14	15	16	37	37	35	35	35
Market cap.	n.a.	n.a.	7	17	57	80	181	195	630	630	630
Enterprise value	n.a.	n.a.	30	151	244	256	311	227	704	676	643
Diluted no. of shares, year-end (m)	0.0	0.0	1.2	1.2	3.9	4.8	4.9	5.2	18.0	18.0	18.0

Source: Company data and Nordea estimates

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