

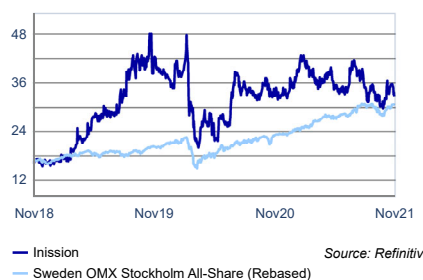
## Inission

Capital Goods  
Sweden

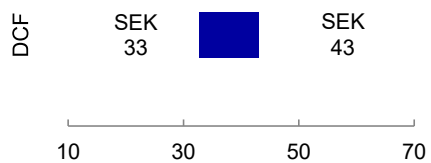
## KEY DATA

Stock country	Sweden
Bloomberg	INISSB.SS
Reuters	INISSB.ST
Share price (close)	SEK 33.00
Free Float	31%
Market cap. (bn)	EUR 0.06/SEK 0.60
Website	www.inission.com
Next report date	24 Feb 2022

## PERFORMANCE



## VALUATION APPROACH



## ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	1%	0%	0%
EBIT (adj)	7%	1%	-2%

Source: Nordea estimates

## Nordea Markets - Analysts

Victor Hansen  
AnalystCarl Ragnerstam  
Analyst

## Underlying momentum in focus

Inission's Q3 report was soft, as expected, with a 10% sales decline y/y and an 11% drop in adjusted EBIT, although the latter was 17% above our expectation. The y/y decline was driven by component shortages and tough comps from last year. That said, underlying momentum remains good with increased order intake and adjusted 18% y/y organic sales growth. We make only minor sales revisions but lift adjusted EBIT by 1-7% for 2021E- 22E. Inission is currently trading at a 2022E FCF yield of 8% with net debt/EBITDA of 0.4x 2022E. This represents a 2022E P/E of 14x and a 2022E adjusted EV/EBIT of 10x, versus 13x and 11x for peers, respectively. We narrow our DCF-based fair value range to SEK 33-43 (33-45); the lower end represents a 10.9% WACC (upper end: 8.9%) and a 0.8 pp drop in the already muted EBIT margin.

## Underlying development better than at first glance

Inission reported Q3 net sales of SEK 226m, 1% above our estimates, and adjusted EBIT of SEK 12m, 17% ahead of our expectations thanks to lower personnel costs, even after adjusting reported EBIT by SEK -3.8m for positive one-offs. Sales were hurt by supply shortages worth at least SEK 13m (representing -5% y/y) and by tough comparables owing to a large contract (SEK +50m in Q3 2020). Adjusting for this, organic sales growth was 18% y/y versus the -10% reported. While adjusted EBIT declined by 11% y/y, it was still up 26% q/q and 54% versus Q1.

## Gradual improvement expected in 2022

Inission's performance is improving compared with H1, in terms of both underlying sales growth (+18% y/y in Q3 versus the -10% reported) and earnings. We expect solid growth in 2022, thanks to the improving order intake and as the component shortages and supply chain turbulence gradually wear off in the year ahead. For 2022, we now forecast 11% y/y sales growth and 36% growth for adjusted EBIT, with an additional 20% growth in 2023. This takes our estimates 13% ahead on sales versus 2019 and 3% on adjusted EBIT, with a 5.7% margin (-0.6 pp versus 2019).

## Minor revisions for 2022 and beyond

We nudge up 2021E-23E sales by 0-1%. We raise adjusted EBIT by 7% for 2021E (albeit from a low base) and by 1% for 2022E. We pencil in a minor loss in H1 2022 for Enedo (SEK -2m for Inission's stake) and adjust EBIT for this.

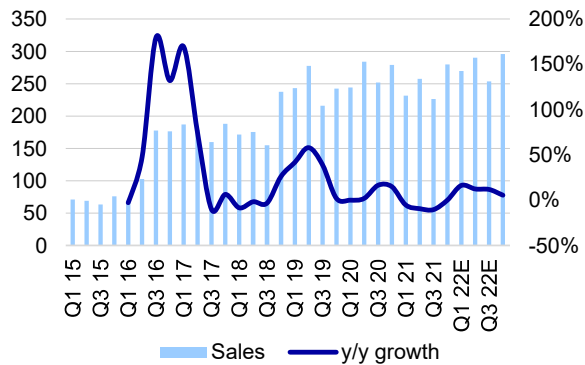
## SUMMARY TABLE - KEY FIGURES

SEKm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	713	740	980	1,059	996	1,110	1,165
EBITDA (adj)	37	49	76	70	70	88	100
EBIT (adj)	30	41	61	51	46	63	76
EBIT (adj) margin	4.2%	5.5%	6.2%	4.8%	4.6%	5.7%	6.5%
EPS (adj, SEK)	5.78	6.09	8.90	5.72	1.86	2.38	2.92
EPS (adj) growth	-62.3%	5.5%	46.0%	-35.7%	-67.5%	27.8%	22.8%
DPS (ord, SEK)	0.00	1.51	0.00	0.00	1.00	1.13	1.46
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	10.1	9.8	8.0
P/E (adj)	2.5	2.7	4.2	6.5	17.7	13.9	11.3
P/BV	0.7	0.7	1.3	0.7	2.2	2.0	1.8
Dividend yield (ord)	0.0%	9.2%	0.0%	0.0%	3.0%	3.4%	4.4%
FCF Yield bef A&D, lease	20.6%	37.8%	42.5%	29.2%	5.1%	8.3%	8.7%
Net debt	187	176	130	31	70	38	7
Net debt/EBITDA	5.1	3.6	1.9	0.5	1.3	0.4	0.1
ROIC after tax	9.7%	10.9%	16.0%	13.0%	10.7%	13.8%	16.7%

Source: Company data and Nordea estimates

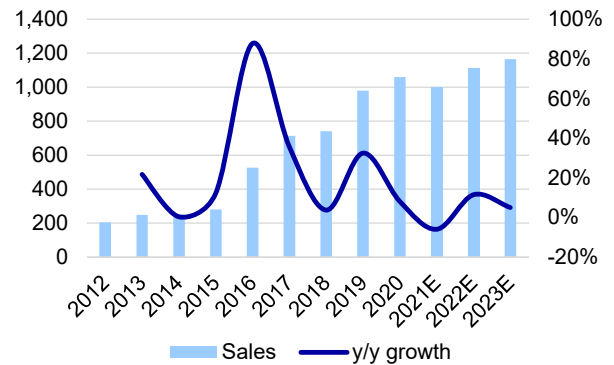
# Group development

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



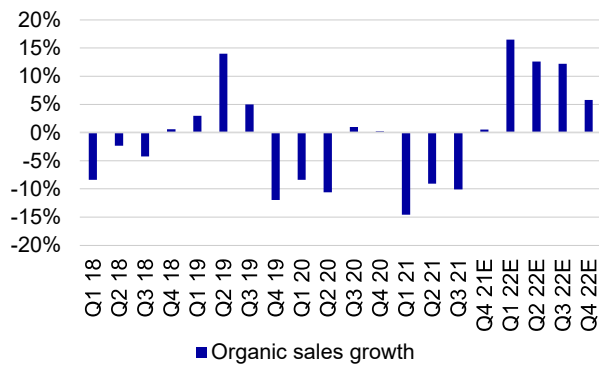
Source: Company data and Nordea estimates

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



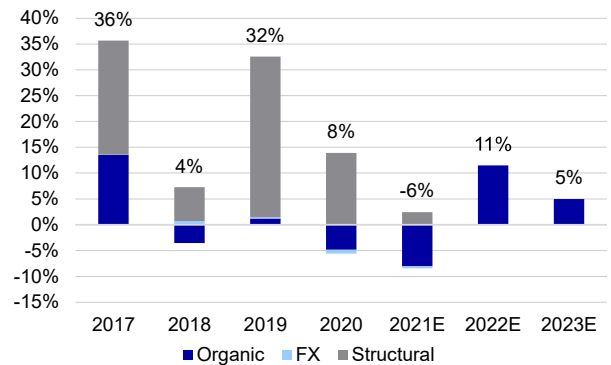
Source: Company data and Nordea estimates

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



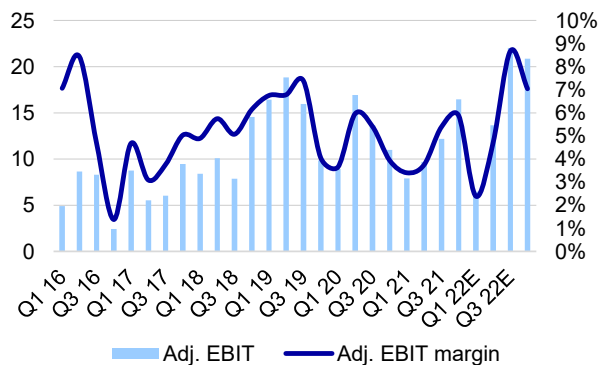
Source: Company data and Nordea estimates

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



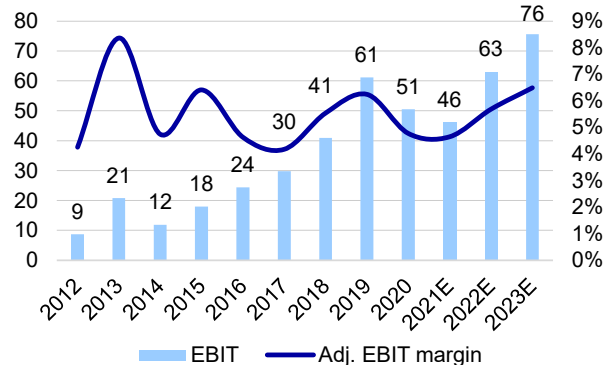
Source: Company data and Nordea estimates

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



Source: Company data and Nordea estimates

**INISSION: EBIT (SEKm) AND EBIT MARGIN (%), ANNUALLY**



Source: Company data and Nordea estimates

# Deviation

Adjusted EBIT in Q3 beating our forecast takes our previous 2021 estimate up by 4%

## INISSION: DEVIATION TABLE

SEKm	Actual	NDA est.	Deviation		Actual	Actual		
	Q3 2021	Q3 21E	vs. actual		Q2 21	q/q	Q3 20	y/y
<b>Net sales</b>	<b>226.4</b>	<b>224.5</b>	<b>1.9</b>	<b>0.9%</b>	<b>258</b>	<b>-12.1%</b>	<b>252</b>	<b>-10.2%</b>
EBIT	16.0	9.0	7.0	79%	(0.9)	-1808%	13.7	17%
EBIT margin	7.1%	4.0%	-	3.1pp	-0.4%	7.4pp	5.4%	1.6pp
EO	3.783	-1.5	5.3	-	-10.6	-	0.0	-
<b>Adj. EBIT</b>	<b>12.2</b>	<b>10.5</b>	<b>1.8</b>	<b>16.8%</b>	<b>9.7</b>	<b>26.0%</b>	<b>13.7</b>	<b>-10.7%</b>
<b>Adj. EBIT margin</b>	<b>5.4%</b>	<b>4.7%</b>	<b>-</b>	<b>0.7pp</b>	<b>3.8%</b>	<b>1.6pp</b>	<b>5.4%</b>	<b>0.0pp</b>
PTP	14	7	6.8	91%	-2.8	nm	11.3	26%
Tax	-2	-2	-0.7	40%	-2.1	12%	-2.7	-15%
Net profit	12	6	6.2	106%	-4.8	nm	8.6	39%
EPS (SEK)	0.66	0.32	0.34	104%	-0.81	nm	1.70	-61%

Source: Company data and Nordea estimates

# Estimate revisions

## INISSION: ESTIMATE REVISIONS

	New estimates			Old estimates			Δ		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
<b>SEKm</b>									
Net sales	996	1,110	1,165	987	1,115	1,171	1%	0%	0%
<b>Adj. EBIT</b>	<b>46.3</b>	<b>63.1</b>	<b>75.6</b>	<b>43.1</b>	<b>62.3</b>	<b>77.1</b>	<b>7.4%</b>	<b>1.1%</b>	<b>-2.0%</b>
Adj. EBIT margin	4.6%	5.7%	6.5%	4.4%	5.6%	6.6%	0.3 pp	0.1 pp	-0.1 pp
EPS, SEK	0.68	2.27	2.92	0.31	2.27	2.89	119%	0%	1%
<b>Adjusted EPS, SEK</b>	<b>1.86</b>	<b>2.38</b>	<b>2.92</b>	<b>1.75</b>	<b>2.27</b>	<b>2.89</b>	<b>6.2%</b>	<b>4.8%</b>	<b>1.0%</b>
<b>Sales bridge</b>									
Organic	-8%	12%	5%	-9%	13%	5%	0.8 pp	-1.5 pp	0.0 pp
Currency	0%	0%	0%	0%	0%	0%	0.0 pp	-0.1 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>-6.0%</b>	<b>11.5%</b>	<b>5.0%</b>	<b>-6.8%</b>	<b>13.0%</b>	<b>5.0%</b>	<b>0.8 pp</b>	<b>-1.5 pp</b>	<b>0.0 pp</b>

Source: Nordea estimates

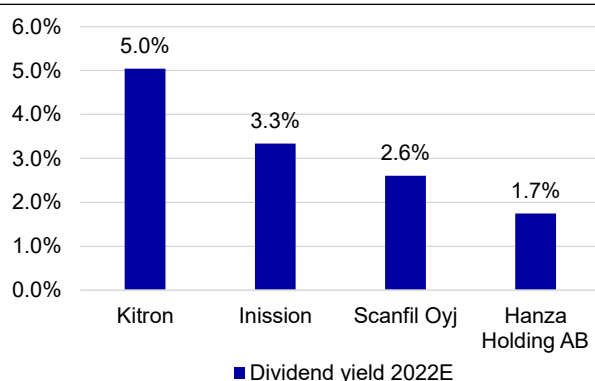
# Valuation

## PEER VALUATION

Stock	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 Holding AB	-	1,383	7.6x	6.4x	12.4x	10.1x	14.1x	11.1x	14.3x	11.6x	0.7%	1.7%	2.2x	1.6x	13.3%	17.2%
Inission	N.R.	615	9.4x	7.4x	12.0x	9.2x	10.3x	10.0x	18.3x	14.3x	2.9%	3.3%	1.3x	0.4x	4.5%	14.2%
Kitron	-	3,447	11.0x	9.2x	-	-	15.1x	11.9x	19.6x	13.3x	3.7%	5.0%	2.0x	1.3x	20.6%	27.3%
Scanfil Oyj	-	5,148	9.7x	9.0x	12.8x	11.4x	13.2x	11.8x	16.2x	13.8x	2.4%	2.6%	0.2x	-	16.0%	17.0%
<b>Average</b>		<b>2,648</b>	<b>9.4x</b>	<b>8.0x</b>	<b>12.4x</b>	<b>10.2x</b>	<b>13.2x</b>	<b>11.2x</b>	<b>17.1x</b>	<b>13.2x</b>	<b>2.4%</b>	<b>3.2%</b>	<b>1.4x</b>	<b>1.1x</b>	<b>13.6%</b>	<b>18.9%</b>
<b>Median</b>		<b>2,415</b>	<b>9.5x</b>	<b>8.2x</b>	<b>12.4x</b>	<b>10.1x</b>	<b>13.6x</b>	<b>11.4x</b>	<b>17.3x</b>	<b>13.6x</b>	<b>2.7%</b>	<b>3.0%</b>	<b>1.7x</b>	<b>1.3x</b>	<b>14.7%</b>	<b>17.1%</b>
<b>Inission</b>	<b>N.R.</b>	<b>615</b>	<b>9.4x</b>	<b>7.4x</b>	<b>12.0x</b>	<b>9.2x</b>	<b>10.3x</b>	<b>10.0x</b>	<b>18.3x</b>	<b>14.3x</b>	<b>2.9%</b>	<b>3.3%</b>	<b>1.3x</b>	<b>0.4x</b>	<b>4.5%</b>	<b>14.2%</b>
vs. peer average			0%	-7%	-3%	-10%	-22%	-10%	7%	8%	0.5pp	0.4pp	-8%	-60%	-9.1pp	-2.9pp
vs. peer median			-2%	-9%	-4%	-8%	-24%	-12%	6%	5%	0.3pp	0.4pp	-22%	-66%	-10.2pp	-2.9pp

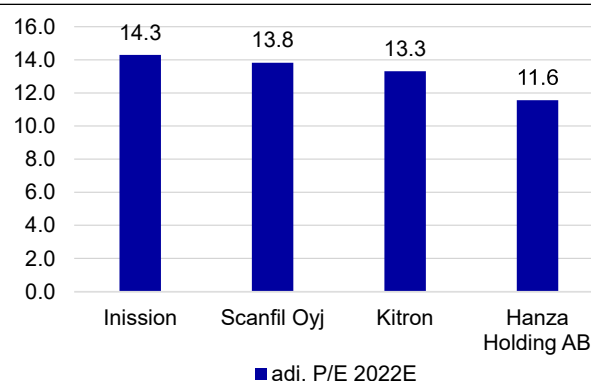
Source: Refinitiv and Nordea estimates

### DIVIDEND YIELD (%), 2022E



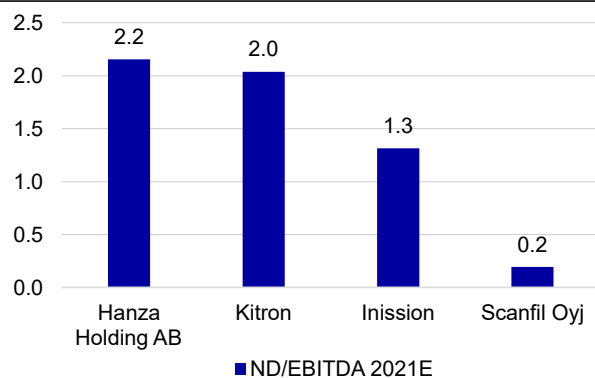
Source: Refinitiv and Nordea estimates

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



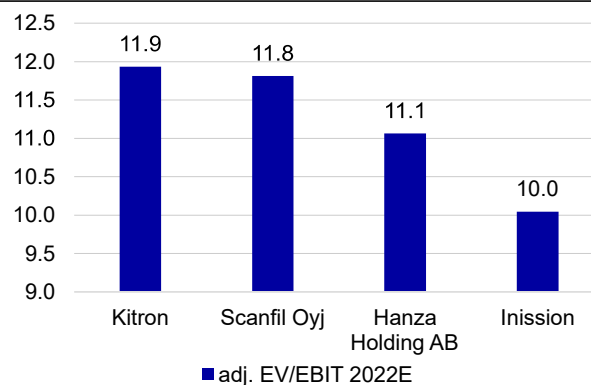
Source: Refinitiv and Nordea estimates

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



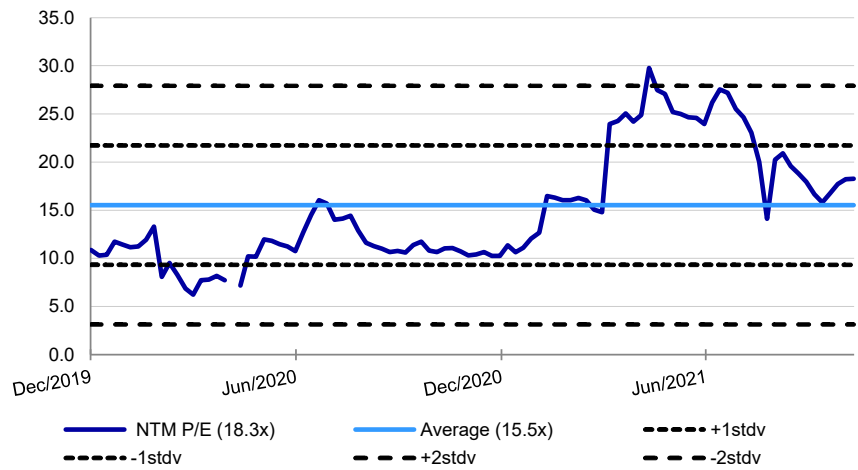
Source: Refinitiv and Nordea estimates

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



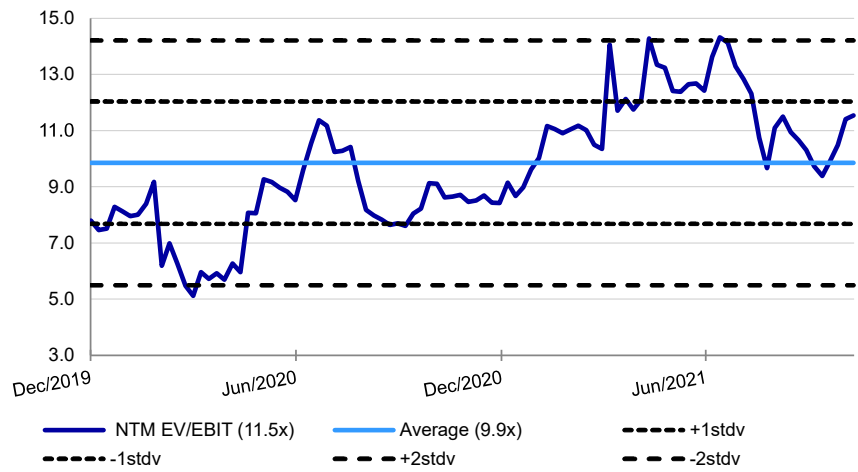
Source: Refinitiv and Nordea estimates

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



Source: Refinitiv

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



Source: Refinitiv

# Detailed estimates

## INISSION: INTERIM ESTIMATES (SEKm)

Group	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21E	Q1 22E	Q2 22E	Q3 22E	Q4 22E
<b>Net sales</b>	<b>244</b>	<b>284</b>	<b>252</b>	<b>279</b>	<b>232</b>	<b>258</b>	<b>226</b>	<b>280</b>	<b>270</b>	<b>290</b>	<b>254</b>	<b>296</b>
Cost of goods sold	-154	-174	-149	-157	-130	-150	-132	-161	-154	-166	-145	-168
Other external costs	-20	-33	-28	-29	-27	-28	-26	-30	-30	-32	-28	-32
Personnel costs	-68	-67	-57	-69	-66	-70	-49	-68	-75	-74	-55	-69
Other operating costs	0	0	0	-2	0	0	0	0	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>22</b>	<b>22</b>	<b>13</b>	<b>20</b>	<b>28</b>	<b>27</b>
Depreciation	-4	-7	-4	-4	-4	-4	-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>18</b>	<b>18</b>	<b>9</b>	<b>16</b>	<b>24</b>	<b>23</b>
Amortisation	0	0	-2	-3	-2	-2	-2	-2	-2	-2	-2	-2
Income from associates	0	0	0	0	0	-10	0	-10	0	-2	0	0
<b>EBIT</b>	<b>6</b>	<b>17</b>	<b>14</b>	<b>11</b>	<b>8</b>	<b>-1</b>	<b>16</b>	<b>6</b>	<b>6</b>	<b>12</b>	<b>22</b>	<b>21</b>
<b>Adj. EBIT</b>	<b>9</b>	<b>17</b>	<b>14</b>	<b>11</b>	<b>8</b>	<b>10</b>	<b>12</b>	<b>16</b>	<b>6</b>	<b>14</b>	<b>22</b>	<b>21</b>
Net financial items	-2.7	-2.1	-2.4	-2.3	-4.2	-1.9	-1.7	-1.8	-2.1	-2.1	-2.1	-2.1
PTP	4	15	11	8	4	-3	14	4	4	10	20	19
Tax	-2	-4	-3	-3	-2	-2	-2	-1	-1	-2	-4	-4
<b>Net profit</b>	<b>2</b>	<b>11</b>	<b>9</b>	<b>5</b>	<b>2</b>	<b>-5</b>	<b>12</b>	<b>3</b>	<b>3</b>	<b>7</b>	<b>16</b>	<b>15</b>
Basic EPS, SEK	0.44	2.23	1.70	0.89	0.31	-0.81	0.66	0.18	0.19	0.41	0.86	0.81
Diluted EPS, SEK	0.44	2.23	1.68	0.89	0.31	-0.80	0.66	0.18	0.19	0.41	0.86	0.81
NOSH pre dilution	4.90	4.98	5.06	6.00	6.00	6.00	18.09	18.09	18.09	18.09	18.09	18.09
NOSH post dilution	4.93	4.97	5.10	6.04	6.04	6.04	18.09	18.11	18.11	18.11	18.11	18.11
EBITDA margin	4.4%	8.3%	8.0%	6.4%	6.1%	5.7%	9.6%	8.0%	4.7%	6.9%	11.0%	9.2%
EBITA margin	2.6%	6.0%	6.3%	4.8%	4.5%	0.5%	7.9%	6.5%	3.2%	5.4%	9.4%	7.6%
EBIT margin	2.6%	6.0%	5.4%	3.8%	3.4%	-0.4%	7.1%	2.1%	2.4%	4.0%	8.7%	7.1%
Adj. EBIT margin	3.7%	6.0%	5.4%	3.9%	3.4%	3.8%	5.4%	5.9%	2.4%	4.7%	8.7%	7.1%
EBITDA growth	-45%	4%	27%	52%	31%	-37%	7%	25%	-11%	35%	29%	22%
EBITA growth	-61%	-10%	32%	85%	63%	-92%	12%	36%	-17%	1081%	34%	24%
EBIT growth	-61%	-10%	13%	46%	25%	-106%	17%	-43%	-18%	-1346%	38%	247%
<b>Adj. EBIT growth</b>	<b>-46%</b>	<b>-10%</b>	<b>-14%</b>	<b>12%</b>	<b>-11%</b>	<b>-43%</b>	<b>-11%</b>	<b>50%</b>	<b>-18%</b>	<b>41%</b>	<b>80%</b>	<b>27%</b>
Organic	-8.4%	-10.6%	1.0%	0.2%	-14.6%	-9.1%	-10.1%	0.5%	16.5%	12.6%	12.2%	5.8%
Currency	0.2%	0.0%	-1.7%	-1.7%	-1.1%	-0.1%	-0.1%	-0.2%	0.0%	-0.1%	-0.1%	0.0%
Structural	8.6%	13.5%	17.3%	16.5%	10.6%	0.0%	0.0%	0.0%	0.0%	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>-10.2%</b>	<b>0.3%</b>	<b>16.5%</b>	<b>12.5%</b>	<b>12.1%</b>	<b>5.8%</b>

Source: Company data and Nordea estimates

**INISSION: ANNUAL ESTIMATES (SEKm)**

Group	2016	2017	2018	2019	2020	2021E	2022E	2023E	2024E
<b>Net sales</b>	<b>526</b>	<b>713</b>	<b>740</b>	<b>980</b>	<b>1,059</b>	<b>996</b>	<b>1,110</b>	<b>1,165</b>	<b>1,216</b>
Cost of goods sold	-317	-460	-453	-576	-634	-573	-633	-659	-686
Other external costs	-53	-50	-55	-73	-110	-111	-122	-127	-132
Personnel costs	-133	-177	-185	-251	-261	-253	-273	-285	-297
Other operating costs	8	-3	-4	-1	-2	0	0	-1	-1
<b>EBITDA</b>	<b>31</b>	<b>37</b>	<b>49</b>	<b>70</b>	<b>67</b>	<b>73</b>	<b>88</b>	<b>100</b>	<b>108</b>
Depreciation	-7	-7	-8	-15	-20	-16	-17	-17	-17
<b>EBITA</b>	<b>24</b>	<b>30</b>	<b>41</b>	<b>55</b>	<b>53</b>	<b>57</b>	<b>71</b>	<b>83</b>	<b>90</b>
Amortisation	0	0	0	0	-5	-8	-8	-8	-8
Income from associates	0	0	0	0	0	-20	-2	0	0
<b>EBIT</b>	<b>24</b>	<b>30</b>	<b>41</b>	<b>55</b>	<b>48</b>	<b>29</b>	<b>61</b>	<b>76</b>	<b>83</b>
<b>Adj. EBIT</b>	<b>24</b>	<b>30</b>	<b>41</b>	<b>61</b>	<b>51</b>	<b>46</b>	<b>63</b>	<b>76</b>	<b>83</b>
Net financial items	-2	-3	-4	-7	-9	-10	-8	-9	-9
PTP	23	26	37	48	38	19	53	67	74
Tax	-4	-3	-7	-11	-11	-7	-12	-14	-16
<b>Net profit</b>	<b>19</b>	<b>23</b>	<b>30</b>	<b>37</b>	<b>27</b>	<b>12</b>	<b>41</b>	<b>53</b>	<b>58</b>
Basic EPS, SEK	15.43	5.90	6.19	7.60	5.19	0.68	2.27	2.93	3.22
Diluted EPS, SEK	15.34	5.78	6.09	7.55	5.17	0.68	2.27	2.92	3.22
<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>1.86</b>	<b>2.38</b>	<b>2.92</b>	<b>3.22</b>
NOSH pre dilution	1.20	3.90	4.85	4.90	5.24	18.09	18.09	18.09	18.09
NOSH post dilution	1.21	3.99	4.93	4.93	5.26	18.11	18.11	18.11	18.11
EBITDA margin	5.9%	5.2%	6.6%	7.1%	6.8%	7.3%	7.9%	8.6%	8.9%
EBITA margin	4.6%	4.2%	5.5%	5.6%	5.0%	5.7%	6.4%	7.1%	7.4%
EBIT margin	4.6%	4.2%	5.5%	5.6%	4.5%	2.9%	5.5%	6.5%	6.8%
Adj. EBIT margin	4.6%	4.2%	5.5%	6.2%	4.8%	4.6%	5.7%	6.5%	6.8%
EBITDA growth	35%	19%	32%	43%	-4%	8%	20%	14%	7%
EBITA growth	36%	22%	38%	33%	-4%	9%	24%	18%	9%
EBIT growth	36%	22%	38%	33%	-13%	-39%	111%	24%	9%
<b>Adj. EBIT growth</b>	<b>36%</b>	<b>22%</b>	<b>38%</b>	<b>49%</b>	<b>-17%</b>	<b>-8%</b>	<b>36%</b>	<b>20%</b>	<b>9%</b>
Organic	5.0%	13.5%	-3.6%	1.2%	-4.8%	-8.1%	11.5%	5.0%	4.3%
Currency	0.0%	0.1%	0.7%	0.2%	-0.7%	-0.4%	-0.1%	0.0%	0.0%
Structural	82.8%	22.1%	6.6%	31.2%	13.9%	2.4%	0.0%	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>-6.0%</b>	<b>11.5%</b>	<b>5.0%</b>	<b>4.3%</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>996</b>	<b>1,110</b>	<b>1,165</b>
Revenue growth	21.7%	0.3%	12.2%	87.7%	35.6%	3.7%	32.5%	8.1%	-6.0%	11.5%	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	53	86	100
Depreciation and impairments PPE	-5	-5	-5	-7	-7	-8	-15	-20	-16	-17	-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	37	69	83
Amortisation and impairments	0	0	0	0	0	0	0	0	-8	-8	-8
EBIT	21	12	18	24	30	41	55	48	29	61	76
of which associates	0	0	0	0	0	0	0	0	-20	-2	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	-10	-8	-9
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>19</b>	<b>53</b>	<b>67</b>
Reported taxes	-6	-3	-5	-4	-3	-7	-11	-11	-7	-12	-14
Net profit from continued operations	14	8	13	19	23	30	37	27	12	41	53
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	12	41	53
<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>0.68</b>	<b>2.27</b>	<b>2.92</b>
DPS, SEK	0.00	0.00	0.00	3.00	0.00	1.51	0.00	0.00	1.00	1.13	1.46
of which ordinary	0.00	0.00	0.00	3.00	0.00	1.51	0.00	0.00	1.00	1.13	1.46
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%	5.3%	7.7%	8.6%
EBITA	8.4%	4.7%	6.4%	4.6%	4.2%	5.5%	5.6%	4.5%	3.7%	6.2%	7.1%
EBIT	8.4%	4.7%	6.4%	4.6%	4.2%	5.5%	5.6%	4.5%	2.9%	5.5%	6.5%

## Adjusted earnings

EBITDA (adj)	26	17	23	31	37	49	76	70	70	88	100
EBITA (adj)	21	12	18	24	30	41	61	51	55	71	83
EBIT (adj)	21	12	18	24	30	41	61	51	46	63	76
EPS (adj, SEK)	n.a.	n.a.	11.01	15.34	5.78	6.09	8.90	5.72	1.86	2.38	2.92

## 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%	7.9%	8.6%
EBITA (adj)	8.4%	4.7%	6.4%	4.6%	4.2%	5.5%	6.2%	4.8%	5.5%	6.4%	7.1%
EBIT (adj)	8.4%	4.7%	6.4%	4.6%	4.2%	5.5%	6.2%	4.8%	4.6%	5.7%	6.5%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	28.4%	24.3%	31.4%	30.5%	13.6%	9.2%	9.5%
EBITDA	n.m.	n.m.	n.m.	n.m.	28.7%	13.5%	33.2%	23.9%	11.2%	18.3%	15.5%
EBIT	n.a.	n.a.	n.a.	n.a.	27.9%	14.5%	35.8%	21.5%	3.5%	15.4%	13.0%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-14.1%	-46.4%	-17.1%	-13.7%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-19.7%	n.m.	-0.7%
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	5.5%	5.2%	5.0%	5.2%	4.9%	4.5%	4.8%	5.0%
Average EBITDA margin	n.a.	n.a.	n.a.	7.1%	6.6%	6.2%	6.5%	6.3%	6.2%	6.7%	7.1%

## 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	17.7	13.9	11.3
EV/EBITDA (adj)	n.a.	n.a.	1.3	4.8	6.6	5.2	4.1	3.2	9.5	7.2	6.0
EV/EBITA (adj)	n.a.	n.a.	1.6	6.2	8.2	6.2	5.1	4.5	12.2	9.0	7.2
EV/EBIT (adj)	n.a.	n.a.	1.6	6.2	8.2	6.2	5.1	4.5	10.1	9.8	8.0

## 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	48.6	14.5	11.3
EV/Sales	n.a.	n.a.	0.11	0.29	0.34	0.35	0.32	0.21	0.67	0.57	0.52
EV/EBITDA	n.a.	n.a.	1.3	4.8	6.6	5.2	4.4	3.4	9.1	7.2	6.0
EV/EBITA	n.a.	n.a.	1.6	6.2	8.2	6.2	5.7	4.8	11.7	9.0	7.2
EV/EBIT	n.a.	n.a.	1.6	6.2	8.2	6.2	5.7	4.8	13.6	10.1	8.0
Dividend yield (ord.)	n.a.	n.a.	0.0%	21.3%	0.0%	9.2%	0.0%	0.0%	3.0%	3.4%	4.4%
FCF yield	n.a.	n.a.	-283.2%	-392.6%	-85.3%	47.6%	32.2%	8.9%	-6.5%	8.3%	8.7%
FCF Yield bef A&D, lease adj	n.a.	n.a.	-237.9%	-122.7%	20.6%	37.8%	42.5%	29.2%	5.1%	8.3%	8.7%
Payout ratio	n.a.	n.a.	0.0%	19.6%	0.0%	24.9%	0.0%	0.0%	147.2%	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	28	21	13
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	25	17	10
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	50	48	48
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	142	132	125
Inventory	51	47	62	164	165	241	251	211	231	239	248
Accounts receivable	49	44	53	131	124	174	156	148	149	164	172
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	17
Cash and bank	8	7	17	12	3	0	1	44	21	37	69
Total current assets	112	102	137	319	303	431	419	415	418	457	507
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>560</b>	<b>589</b>	<b>632</b>
Shareholders equity	55	60	89	59	79	111	142	270	277	300	333
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	277	300	333
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	101	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	92	102	107
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	90	101	106
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	181	203	213
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>560</b>	<b>589</b>	<b>632</b>
<b>Balance sheet and debt metrics</b>											
Net debt	39	22	23	134	187	176	130	31	70	38	7
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	215	216	225
Invested capital	99	88	117	200	273	303	286	311	357	349	350
Capital employed	102	89	129	205	269	287	273	345	369	376	408
ROE	52.2%	13.7%	17.0%	25.1%	33.4%	31.6%	29.5%	13.2%	4.5%	14.2%	16.7%
ROIC	32.2%	9.8%	13.5%	11.8%	9.7%	10.9%	16.0%	13.0%	10.7%	13.8%	16.7%
ROCE	42.1%	13.2%	17.1%	15.2%	12.6%	14.8%	22.0%	16.6%	13.4%	17.2%	19.5%
Net debt/EBITDA	1.5	1.3	1.0	4.3	5.1	3.6	1.9	0.5	1.3	0.4	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%	49.5%	51.0%	52.7%
Net gearing	69.8%	36.3%	26.0%	228.1%	237.0%	158.8%	91.3%	11.6%	25.1%	12.8%	2.0%

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>73</b>	<b>88</b>	<b>100</b>
Paid taxes	-4	-2	-3	-5	-1	-4	-9	-11	-7	-12	-14
Net financials	0	0	0	0	0	0	-7	-9	-10	-8	-9
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>58</b>	<b>68</b>	<b>78</b>
Change in NWC	-4	13	-29	-35	-10	1	33	35	-12	-1	-8
<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>46</b>	<b>67</b>	<b>69</b>
Capital expenditure	-1	-26	-5	-1	-10	-11	-9	-26	-16	-17	-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>31</b>	<b>49</b>	<b>52</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	-39	49	52
Free cash flow bef A&D, lease adj	16	1	-16	-21	12	30	77	57	31	49	52
Dividends paid	-2	-3	-3	-50	0	0	-7	0	0	-18	-21
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	-23	16	32
<b>Cash flow metrics</b>											
Capex/D&A	22.3%	n.m.	n.m.	19.6%	n.m.	n.m.	57.1%	n.m.	65.7%	69.2%	68.7%
Capex/Sales	0.5%	10.4%	1.9%	0.3%	1.3%	1.5%	0.9%	2.4%	1.6%	1.5%	1.5%
<b>Key information</b>											
Share price year end (/current)	n.a.	n.a.	6	14	15	16	37	37	33	33	33
Market cap.	n.a.	n.a.	7	17	57	80	181	195	597	597	597
Enterprise value	n.a.	n.a.	30	151	244	256	311	227	667	635	604
Diluted no. of shares, year-end (m)	0.0	0.0	1.2	1.2	3.9	4.8	4.9	5.2	18.1	18.1	18.1

Source: Company data and Nordea estimates

# Disclaimer and legal disclosures

## Origin of the report

This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

## Content of report

This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision.

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

## Validity of the report

All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

## No individual investment or tax advice

The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

## Sources

This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

## Limitation of liability

Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

## Risk information

The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

## Conflicts of interest

Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report.

Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at [www.nordea.com/mifid](http://www.nordea.com/mifid).

## Distribution restrictions

The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.

Nordea Bank Abp ("Nordea") research is not "globally branded" research. Nordea research reports are intended for distribution in the United States solely to "major U.S. institutional investors," as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC ("Nordea Securities"), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

This report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws.

**Analyst Shareholding**

Nordea analysts do not hold shares in the companies that they cover. No holdings or other affiliations by analysts or associates.

**Fair value and sensitivity**

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive. It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

**Marketing Material**

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

**Market-making obligations and other significant financial interest**

Nordea has no market-making obligations in Inission.

**Investment banking transactions**

Nordea has been lead or co-lead manager in a public disclosed offer of financial instruments issued by Inission over the previous 12 months.

**Issuer Review**

*This report has not been reviewed by the Issuer prior to publication.*

**Completion Date**

12 Nov 2021, 02:07 CET

Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
<b>Nordea Markets Division, Research</b> Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland  Tel: +358 9 1651 Fax: +358 9 165 59710  Reg.no. 2858394-9 Satamaradankatu 5 Helsinki	<b>Nordea Markets Division, Research</b> Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden  Tel: +46 8 614 7000 Fax: +46 8 534 911 60	<b>Nordea Markets Division, Research</b> Visiting address: Grønjørdsvej 10 DK-2300 Copenhagen S Denmark  Tel: +45 3333 3333 Fax: +45 3333 1520	<b>Nordea Markets Division, Research</b> Visiting address: Essendropsgate 7 N-0107 Oslo Norway  Tel: +47 2248 5000 Fax: +47 2256 8650