

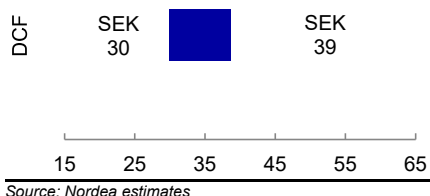
## KEY DATA

Stock country	Sweden
Bloomberg	INISSB.SS
Reuters	INISSB.ST
Share price (close)	SEK 29.60
Free Float	31%
Market cap. (bn)	EUR 0.05/SEK 0.54
Website	www.inission.com
Next report date	05 May 2022

## PERFORMANCE



## VALUATION APPROACH



## ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	2%	2%	2%
EBIT (adj)	-9%	2%	2%

Source: Nordea estimates

## Nordea Markets - Analysts

Victor Hansen  
AnalystCarl Ragnerstam  
Analyst

## Not yet out of the woods

We expect a decent Q1 with sales up 27% y/y, but adjusted EBIT down 20%, from a low base. We forecast a Q1 margin of 2.2%, down 1.3 pp y/y, based on higher costs for input materials and a lag in mitigating price hikes. As a result, we lower 2022E adjusted EBIT by 9% but leave 2023-24 largely intact. Longer term, we see growth potential from the re-shoring trend, operational efficiencies and M&A. We forecast a 10% sales CAGR in 2021-24 with an EBIT margin of 6.8% in 2024, versus 4.9% in 2022, with M&A headroom capable of adding 23% to our 2022 EBITA estimates. We update our DCF-based fair value range to SEK 30-39 (27-39). The lower end represents a 11.7% WACC (upper end: 10.2%), and a 0.5x pp drop in the EBIT margin. Inission is currently trading at a 2023E P/E of 9.4x and a 2023E EV/EBIT of 7.8x, versus 12x and 11x for peers, respectively.

## Q1 expectations

We expect sales of SEK 293m and adjusted EBIT of SEK 6m. We forecast 27% y/y sales growth, of which 21% organic and 5% from M&A, driven by price hikes and easy comparisons versus last year (down 15% organically). We expect costs for input materials continued to rise in Q1, with mitigating price hikes lagging by about one quarter, resulting in a short-term negative impact on the material cost share. For adjusted EBIT, we forecast a 20% y/y decline (from a low base), as we expect the margin to contract by 1.3 pp y/y to 2.2%.

## A potential winner from re-shoring

In FY2022 we expect sales above SEK 1,200m and 20% sales growth y/y, of which 14% organic from pent-up demand and price hikes. Over the longer term, we believe a stronger re-shoring trend could drive solid sales growth and we forecast a 10% sales CAGR until 2024. We forecast a 4.9% adjusted EBIT margin in 2022, up 0.5 pp y/y, but still below the 6.2% margin achieved in 2019. For 2024, we forecast a 6.8% margin, bolstered by initiatives to boost efficiency (e.g. the Tallinn move) and operating leverage. Inission will also likely continue its M&A journey, which could yield 23% upside to our 2022E EBITA (at 2.5x ND/EBITDA 2022E).

## Negative estimate revisions for 2022

We raise our 2022-24 sales estimates by 2%, mainly due to price hikes, but lower 2022 adjusted EBIT by 9%, due to temporary margin impact from continuous cost pressure. For 2023E-24E we raise adjusted EBIT by 2%.

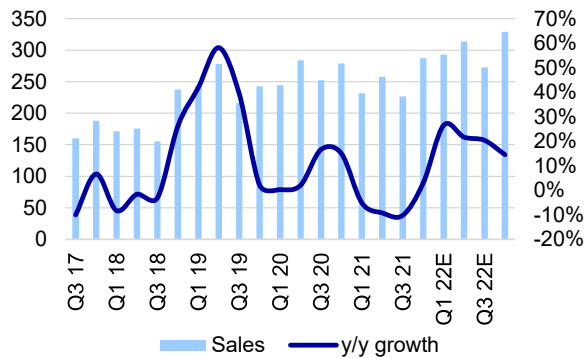
## SUMMARY TABLE - KEY FIGURES

SEKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	740	980	1,059	1,003	1,209	1,281	1,336
EBITDA (adj)	49	76	70	69	85	106	115
EBIT (adj)	41	61	51	44	59	83	91
EBIT (adj) margin	5.5%	6.2%	4.8%	4.4%	4.9%	6.5%	6.8%
EPS (adj, SEK)	6.09	8.90	5.72	1.59	2.27	3.27	3.62
EPS (adj) growth	5.5%	46.0%	-35.7%	-72.2%	43.0%	43.9%	10.7%
DPS (ord, SEK)	1.51	0.00	0.00	0.30	0.58	1.31	1.63
EV/Sales	0.3	0.3	0.2	0.8	0.5	0.5	0.4
EV/EBIT (adj)	6.2	5.1	4.5	9.7	10.1	7.5	6.5
P/E (adj)	2.7	4.2	6.5	21.2	13.0	9.0	8.2
P/BV	0.7	1.3	0.7	2.3	1.8	1.6	1.4
Dividend yield (ord)	9.2%	0.0%	0.0%	0.9%	2.0%	4.4%	5.5%
FCF Yield bef A&D, lease	37.8%	42.5%	29.2%	-4.2%	8.9%	8.2%	10.7%
Net debt	176	130	31	145	120	88	55
Net debt/EBITDA	3.6	1.9	0.5	4.1	1.5	0.8	0.5
ROIC after tax	10.9%	16.0%	13.0%	9.3%	10.7%	14.7%	15.7%

Source: Company data and Nordea estimates

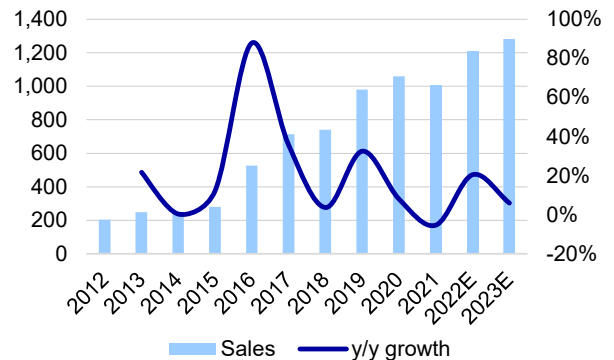
# Group development

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



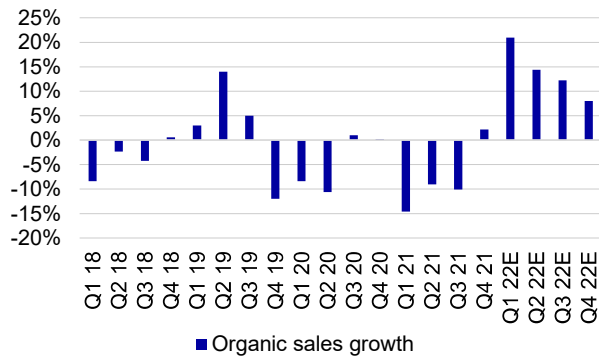
Source: Company data and Nordea estimates

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



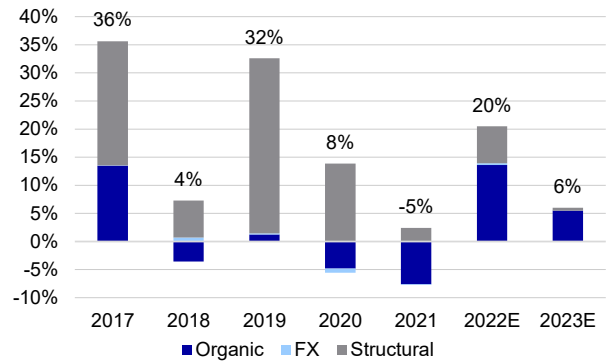
Source: Company data and Nordea estimates

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



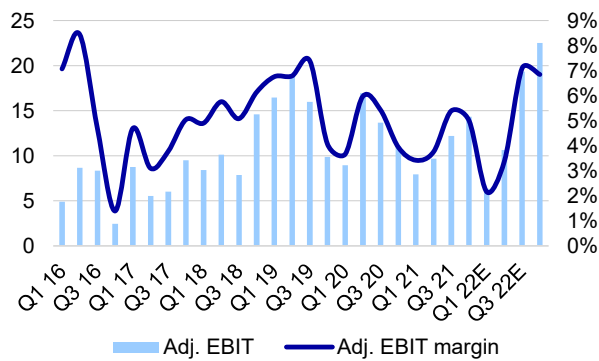
Source: Company data and Nordea estimates

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



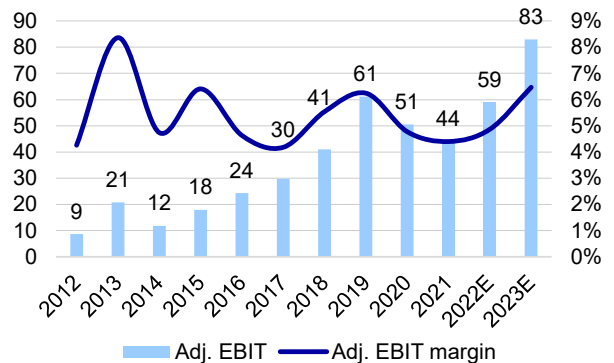
Source: Company data and Nordea estimates

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



Source: Company data and Nordea estimates

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



Source: Company data and Nordea estimates

# Estimate revisions

We raise our 2022-24 sales estimates by 2%, mainly due to price hikes, but lower 2022 adjusted EBIT by 9%, due to a temporary margin impact from continuous cost pressure. For 2023E-24E we raise adjusted EBIT by 2%.

## INISSION: ESTIMATE REVISIONS

We lower our near-term expectations due to cost inflation

	New estimates			Old estimates			Δ		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
<b>SEKm</b>									
Net sales	1,209	1,281	1,336	1,191	1,256	1,310	2%	2%	2%
<b>Adj. EBIT</b>	<b>58.8</b>	<b>82.9</b>	<b>91.0</b>	<b>64.6</b>	<b>80.9</b>	<b>88.9</b>	<b>-9%</b>	<b>2%</b>	<b>2%</b>
Adj. EBIT margin	4.9%	6.5%	6.8%	5.4%	6.4%	6.8%	-0.6 pp	0.0 pp	0.0 pp
EPS, SEK	1.94	3.27	3.62	2.19	3.19	3.53	-11%	3%	3%
<b>Adjusted EPS, SEK</b>	<b>2.27</b>	<b>3.27</b>	<b>3.62</b>	<b>2.52</b>	<b>3.19</b>	<b>3.53</b>	<b>-10%</b>	<b>3%</b>	<b>3%</b>
<b>Sales bridge</b>									
Organic	14%	6%	4%	12%	5%	4%	1.5 pp	0.5 pp	0.0 pp
Currency	0%	0%	0%	0%	0%	0%	0.3 pp	0.0 pp	0.0 pp
Structural	7%	0%	0%	7%	1%	0%	0.0 pp	0.0 pp	0.0 pp
<b>Sales growth</b>	<b>20.5%</b>	<b>6.0%</b>	<b>4.3%</b>	<b>18.7%</b>	<b>5.5%</b>	<b>4.3%</b>	<b>1.8 pp</b>	<b>0.5 pp</b>	<b>0.0 pp</b>

Source: Company data and Nordea estimates

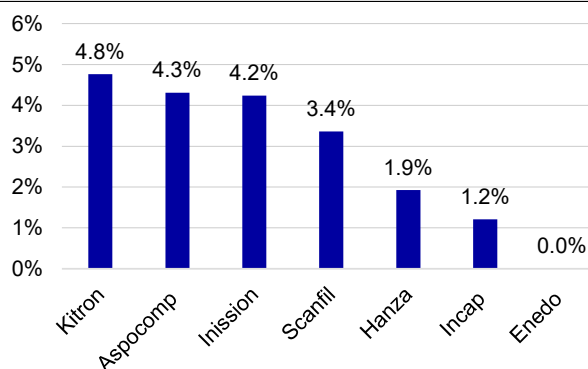
# Valuation

## PEER VALUATION

Company	Rec.	Mcap. SEKm	EV/EBITDA		EV/EBITA		adj. EV/EBIT		adj. P/E		Dividend yield		ND/EBITDA		ROE	
			2022E	2023E	2022E	2023E	2022E	2023E	2022E	2023E	2022E	2023E	2022E	2023E	2022E	2023E
Aspocomp	-	469	6.5x	6.9x	-	-	12.3x	11.6x	10.8x	10.2x	3.7%	4.3%	-	-	22.7%	21.0%
Enedo	-	245	8.0x	6.3x	-	-	30.4x	15.2x	35.0x	17.5x	0.0%	0.0%	1.3x	0.8x	10.7%	13.2%
Hanza	-	1,429	7.0x	6.3x	10.7x	9.7x	11.6x	10.5x	13.2x	11.3x	1.6%	1.9%	1.5x	1.2x	16.3%	12.7%
Incap	-	4,850	12.7x	11.4x	-	-	14.5x	12.5x	17.8x	15.8x	1.1%	1.2%	-	-	35.0%	30.0%
Inission	N.R.	559	7.9x	6.1x	10.2x	7.4x	10.5x	7.8x	13.6x	9.4x	1.9%	4.2%	1.5x	0.8x	12.6%	18.5%
Kitron	-	4,210	8.1x	7.0x	-	-	10.9x	9.0x	13.7x	11.1x	3.6%	4.8%	2.6x	1.8x	23.0%	26.9%
Scanfil	-	4,545	8.5x	7.9x	11.0x	9.8x	11.4x	10.4x	12.3x	11.3x	3.1%	3.4%	0.5x	0.0x	16.0%	15.7%
<b>Average</b>		<b>2,330</b>	<b>8.4x</b>	<b>7.4x</b>	<b>10.6x</b>	<b>9.0x</b>	<b>14.5x</b>	<b>11.0x</b>	<b>16.6x</b>	<b>12.4x</b>	<b>2.1%</b>	<b>2.8%</b>	<b>1.5x</b>	<b>0.9x</b>	<b>19.5%</b>	<b>19.7%</b>
<b>Median</b>		<b>1,429</b>	<b>8.0x</b>	<b>6.9x</b>	<b>10.7x</b>	<b>9.7x</b>	<b>11.6x</b>	<b>10.5x</b>	<b>13.6x</b>	<b>11.3x</b>	<b>1.9%</b>	<b>3.4%</b>	<b>1.5x</b>	<b>0.8x</b>	<b>16.3%</b>	<b>18.5%</b>
<b>Inission</b>	<b>N.R.</b>	<b>559</b>	<b>7.9x</b>	<b>6.1x</b>	<b>10.2x</b>	<b>7.4x</b>	<b>10.5x</b>	<b>7.8x</b>	<b>13.6x</b>	<b>9.4x</b>	<b>1.9%</b>	<b>4.2%</b>	<b>1.5x</b>	<b>0.8x</b>	<b>12.6%</b>	<b>18.5%</b>
vs. peer average		-76%	-5%	-18%	-4%	-17%	-28%	-29%	-18%	-24%	-0.3pp	1.4pp	3%	-9%	-6.9pp	-1.2pp
vs. peer median		-61%	-1%	-11%	-5%	-24%	-9%	-25%	0%	-17%	0.0pp	0.9pp	2%	0%	-3.7pp	0.0pp

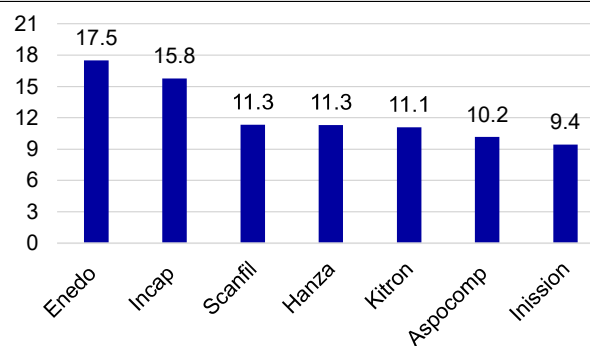
Source: Refinitiv and Nordea estimates

## DIVIDEND YIELD (%), 2023E



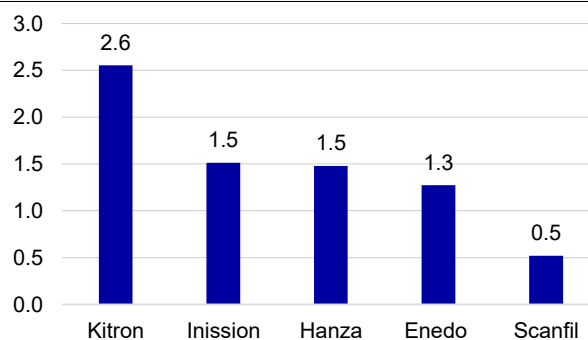
Source: Refinitiv and Nordea estimates

## ADJUSTED P/E (x), 2023E



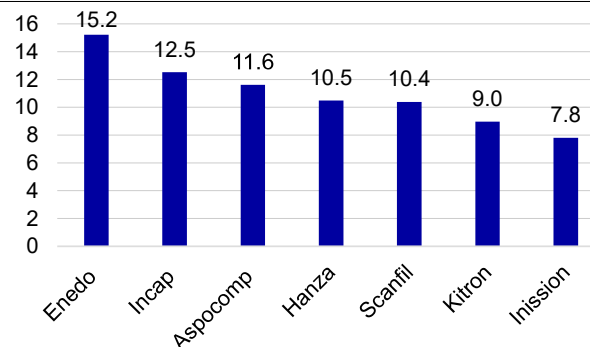
Source: Refinitiv and Nordea estimates

## NET DEBT/EBITDA (x), 2022E



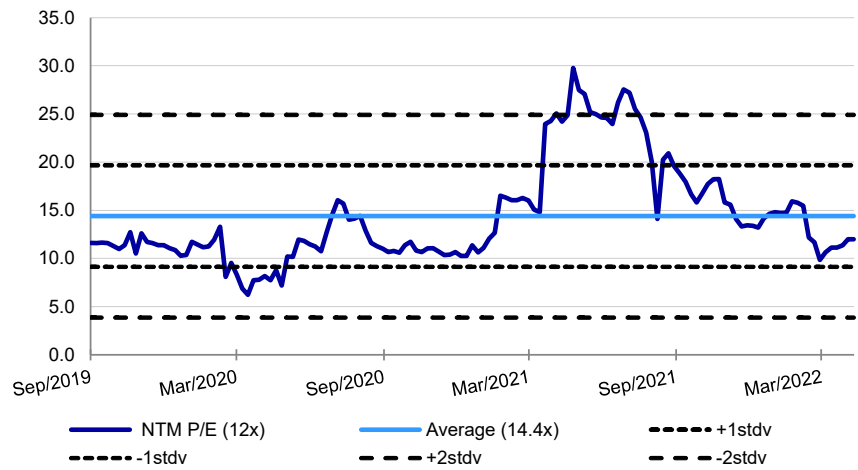
Source: Refinitiv and Nordea estimates

## ADJUSTED EV/EBIT (x), 2023E



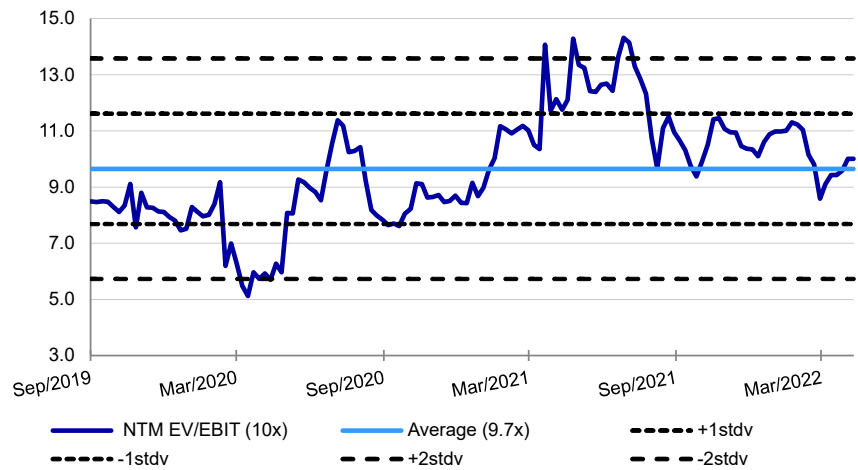
Source: Refinitiv and Nordea estimates

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



Source: Refinitiv

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



Source: Refinitiv

# Detailed estimates

## INISSION: INTERIM ESTIMATES (SEKm)

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	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>287</b>	<b>293</b>	<b>314</b>	<b>273</b>	<b>329</b>
Cost of goods sold	-154	-174	-149	-157	-130	-150	-132	-166	-173	-185	-158	-188
Other external costs	-20	-33	-28	-29	-27	-28	-26	-31	-34	-33	-30	-33
Personnel costs	-68	-67	-57	-69	-66	-70	-49	-72	-76	-80	-61	-79
Other operating costs	0	0	0	-2	0	0	0	-1	0	0	0	-1
<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>18</b>	<b>13</b>	<b>17</b>	<b>26</b>	<b>29</b>
Depreciation	-4	-7	-4	-4	-4	-4	-4	-4	-4	-5	-5	-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>-10</b>	<b>8</b>	<b>13</b>	<b>21</b>	<b>24</b>
Amortisation	0	0	-2	-3	-2	-2	-2	-2	-2	-2	-2	-2
Income from associates	0	0	0	0	0	-10	0	-24	0	-6	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>-12</b>	<b>6</b>	<b>5</b>	<b>19</b>	<b>23</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>14</b>	<b>6</b>	<b>11</b>	<b>19</b>	<b>23</b>
Net financial items	-2.7	-2.1	-2.4	-2.3	-4.2	-1.9	-1.7	-2.6	-2.1	-2.0	-1.9	-1.8
PTP	4	15	11	8	4	-3	14	-15	4	3	17	21
Tax	-2	-4	-3	-3	-2	-2	-2	-3	-1	-1	-4	-5
<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>-18</b>	<b>3</b>	<b>2</b>	<b>14</b>	<b>16</b>
Basic EPS, SEK	0.44	2.23	1.70	0.89	0.31	-0.81	0.66	-0.99	0.18	0.12	0.75	0.89
Diluted EPS, SEK	0.44	2.23	1.68	0.89	0.31	-0.80	0.66	-0.99	0.18	0.12	0.75	0.89
NOSH pre dilution	4.90	4.98	5.06	6.00	6.00	6.00	18.09	18.11	18.11	18.11	18.11	18.11
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%	6.3%	4.4%	5.5%	9.5%	8.9%
EBITA margin	2.6%	6.0%	6.3%	4.8%	4.5%	0.5%	7.9%	-3.6%	2.9%	4.0%	7.8%	7.4%
EBIT margin	2.6%	6.0%	5.4%	3.8%	3.4%	-0.4%	7.1%	-4.3%	2.2%	1.5%	7.1%	6.8%
Adj. EBIT margin	3.7%	6.0%	5.4%	3.9%	3.4%	3.8%	5.4%	5.0%	2.2%	3.4%	7.1%	6.8%
EBITDA growth	-45%	4%	27%	52%	31%	-37%	7%	1%	-9%	18%	19%	61%
EBITA growth	-61%	-10%	32%	85%	63%	-92%	12%	-177%	-18%	858%	20%	-336%
EBIT growth	-61%	-10%	13%	46%	25%	-106%	17%	-217%	-20%	-596%	21%	-282%
<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>30%</b>	<b>-20%</b>	<b>10%</b>	<b>58%</b>	<b>57%</b>
Organic	-8.4%	-10.6%	1.0%	0.2%	-14.6%	-9.1%	-10.1%	2.2%	21.0%	14.4%	12.2%	8.0%
Currency	0.2%	0.0%	-1.7%	-1.7%	-1.1%	-0.1%	-0.1%	0.8%	0.4%	0.3%	0.3%	0.3%
Structural	8.6%	13.5%	17.3%	16.5%	10.6%	0.0%	0.0%	0.0%	5.2%	7.0%	7.9%	6.2%
<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>3.0%</b>	<b>26.5%</b>	<b>21.7%</b>	<b>20.4%</b>	<b>14.5%</b>

Source: Company data and Nordea estimates

**INISSION: ANNUAL ESTIMATES (SEKm)**

	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
<b>Net sales</b>	<b>526</b>	<b>713</b>	<b>740</b>	<b>980</b>	<b>1,059</b>	<b>1,003</b>	<b>1,209</b>	<b>1,281</b>	<b>1,336</b>
Cost of goods sold	-317	-460	-453	-576	-634	-579	-703	-737	-766
Other external costs	-53	-50	-55	-73	-110	-112	-130	-135	-140
Personnel costs	-133	-177	-185	-251	-261	-257	-295	-309	-321
Other operating costs	8	-3	-4	-1	-2	-1	-1	-1	-1
<b>EBITDA</b>	<b>31</b>	<b>37</b>	<b>49</b>	<b>70</b>	<b>67</b>	<b>69</b>	<b>85</b>	<b>106</b>	<b>115</b>
Depreciation	-7	-7	-8	-15	-20	-16	-19	-19	-19
<b>EBITA</b>	<b>24</b>	<b>30</b>	<b>41</b>	<b>55</b>	<b>53</b>	<b>53</b>	<b>67</b>	<b>87</b>	<b>96</b>
Amortisation	0	0	0	0	-5	-9	-8	-5	-5
Income from associates	0	0	0	0	0	-34	-6	0	0
<b>EBIT</b>	<b>24</b>	<b>30</b>	<b>41</b>	<b>55</b>	<b>48</b>	<b>11</b>	<b>53</b>	<b>83</b>	<b>91</b>
<b>Adj. EBIT</b>	<b>24</b>	<b>30</b>	<b>41</b>	<b>61</b>	<b>51</b>	<b>44</b>	<b>59</b>	<b>83</b>	<b>91</b>
Net financial items	-2	-3	-4	-7	-9	-10	-8	-8	-8
PTP	23	26	37	48	38	0	45	75	83
Tax	-4	-3	-7	-11	-11	-9	-10	-16	-17
<b>Net profit</b>	<b>19</b>	<b>23</b>	<b>30</b>	<b>37</b>	<b>27</b>	<b>-9</b>	<b>35</b>	<b>59</b>	<b>66</b>
Basic EPS, SEK	15.43	5.90	6.19	7.60	5.19	-0.49	1.94	3.27	3.62
Diluted EPS, SEK	15.34	5.78	6.09	7.55	5.17	-0.49	1.94	3.27	3.62
<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>1.59</b>	<b>2.27</b>	<b>3.27</b>	<b>3.62</b>
NOSH pre dilution	1.20	3.90	4.85	4.90	5.24	18.11	18.11	18.11	18.11
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%	6.9%	7.1%	8.3%	8.6%
EBITA margin	4.6%	4.2%	5.5%	5.6%	5.0%	5.3%	5.5%	6.8%	7.2%
EBIT margin	4.6%	4.2%	5.5%	5.6%	4.5%	1.1%	4.4%	6.5%	6.8%
Adj. EBIT margin	4.6%	4.2%	5.5%	6.2%	4.8%	4.4%	4.9%	6.5%	6.8%
EBITDA growth	35%	19%	32%	43%	-4%	2%	24%	24%	8%
EBITA growth	36%	22%	38%	33%	-4%	0%	27%	31%	9%
EBIT growth	36%	22%	38%	33%	-13%	-78%	399%	57%	10%
<b>Adj. EBIT growth</b>	<b>36%</b>	<b>22%</b>	<b>38%</b>	<b>49%</b>	<b>-17%</b>	<b>-13%</b>	<b>33%</b>	<b>41%</b>	<b>10%</b>
Organic	5.0%	13.5%	-3.6%	1.2%	-4.8%	-7.6%	13.6%	5.5%	4.3%
Currency	0.0%	0.1%	0.7%	0.2%	-0.7%	-0.1%	0.3%	0.0%	0.0%
Structural	82.8%	22.1%	6.6%	31.2%	13.9%	2.4%	6.6%	0.5%	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>-5.3%</b>	<b>20.5%</b>	<b>6.0%</b>	<b>4.3%</b>

Source: Company data and Nordea estimates

# Reported numbers and forecasts

## INCOME STATEMENT

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
<b>Total revenue</b>	<b>250</b>	<b>280</b>	<b>526</b>	<b>713</b>	<b>740</b>	<b>980</b>	<b>1,059</b>	<b>1,003</b>	<b>1,209</b>	<b>1,281</b>	<b>1,336</b>
Revenue growth	0.3%	12.2%	87.7%	35.6%	3.7%	32.5%	8.1%	-5.3%	20.5%	6.0%	4.3%
of which organic	n.a.	n.a.	5.0%	13.5%	-3.6%	1.2%	-4.8%	-7.6%	13.6%	5.5%	4.3%
of which FX	n.a.	n.a.	0.0%	0.1%	0.7%	0.2%	-0.7%	-0.1%	0.3%	0.0%	0.0%
EBITDA	17	23	31	37	49	70	67	35	79	106	115
Depreciation and impairments PPE	-5	-5	-7	-7	-8	-15	-20	-16	-19	-19	-19
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	12	18	24	30	41	55	48	19	61	87	96
Amortisation and impairments	0	0	0	0	0	0	0	-9	-8	-5	-5
EBIT	12	18	24	30	41	55	48	11	53	83	91
of which associates	0	0	0	0	0	0	0	-34	-6	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-1	-1	-2	-3	-4	-7	-9	-10	-8	-8	-8
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>11</b>	<b>17</b>	<b>23</b>	<b>26</b>	<b>37</b>	<b>48</b>	<b>38</b>	<b>0</b>	<b>45</b>	<b>75</b>	<b>83</b>
Reported taxes	-3	-5	-4	-3	-7	-11	-11	-9	-10	-16	-17
Net profit from continued operations	8	13	19	23	30	37	27	-9	35	59	66
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	8	13	19	23	30	37	27	-9	35	59	66
<b>EPS, SEK</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>-0.49</b>	<b>1.94</b>	<b>3.27</b>	<b>3.62</b>
DPS, SEK	0.00	0.00	3.00	0.00	1.51	0.00	0.00	0.30	0.58	1.31	1.63
of which ordinary	0.00	0.00	3.00	0.00	1.51	0.00	0.00	0.30	0.58	1.31	1.63
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	6.7%	8.2%	5.9%	5.2%	6.6%	7.1%	6.4%	3.5%	6.6%	8.3%	8.6%
EBITA	4.7%	6.4%	4.6%	4.2%	5.5%	5.6%	4.5%	1.9%	5.0%	6.8%	7.2%
EBIT	4.7%	6.4%	4.6%	4.2%	5.5%	5.6%	4.5%	1.1%	4.4%	6.5%	6.8%

## Adjusted earnings

EBITDA (adj)	17	23	31	37	49	76	70	69	85	106	115
EBITA (adj)	12	18	24	30	41	61	51	53	67	87	96
EBIT (adj)	12	18	24	30	41	61	51	44	59	83	91
EPS (adj, SEK)	n.a.	11.01	15.34	5.78	6.09	8.90	5.72	1.59	2.27	3.27	3.62

## Adjusted profit margins in percent

EBITDA (adj)	6.7%	8.2%	5.9%	5.2%	6.6%	7.8%	6.6%	6.9%	7.1%	8.3%	8.6%
EBITA (adj)	4.7%	6.4%	4.6%	4.2%	5.5%	6.2%	4.8%	5.2%	5.5%	6.8%	7.2%
EBIT (adj)	4.7%	6.4%	4.6%	4.2%	5.5%	6.2%	4.8%	4.4%	4.9%	6.5%	6.8%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	28.4%	24.3%	31.4%	30.5%	13.8%	11.1%	11.6%	6.4%
EBITDA	n.m.	n.m.	n.m.	28.7%	13.5%	33.2%	23.9%	2.4%	16.5%	16.8%	10.4%
EBIT	n.a.	n.a.	n.a.	27.9%	14.5%	35.8%	21.5%	-15.4%	12.1%	15.1%	10.7%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-14.1%	n.m.	-19.6%	-11.7%	-13.7%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-36.9%	n.m.	-2.9%	n.m.
Average last 5 years											
Average EBIT margin	n.a.	n.a.	5.5%	5.2%	5.0%	5.2%	4.9%	4.1%	4.1%	4.5%	4.8%
Average EBITDA margin	n.a.	n.a.	7.1%	6.6%	6.2%	6.5%	6.3%	5.7%	6.0%	6.5%	6.8%

## VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E (adj)	n.a.	0.5	0.9	2.5	2.7	4.2	6.5	21.2	13.0	9.0	8.2
EV/EBITDA (adj)	n.a.	1.3	4.8	6.6	5.2	4.1	3.2	11.0	7.7	5.9	5.2
EV/EBITA (adj)	n.a.	1.6	6.2	8.2	6.2	5.1	4.5	14.3	9.8	7.1	6.2
EV/EBIT (adj)	n.a.	1.6	6.2	8.2	6.2	5.1	4.5	9.7	10.1	7.5	6.5

## VALUATION RATIOS - REPORTED EARNINGS

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	n.a.	0.5	0.9	2.5	2.7	4.9	7.2	n.m.	15.2	9.0	8.2
EV/Sales	n.a.	0.11	0.29	0.34	0.35	0.32	0.21	0.75	0.54	0.49	0.44
EV/EBITDA	n.a.	1.3	4.8	6.6	5.2	4.4	3.4	11.0	7.7	5.9	5.2
EV/EBITA	n.a.	1.6	6.2	8.2	6.2	5.7	4.8	14.3	9.8	7.1	6.2
EV/EBIT	n.a.	1.6	6.2	8.2	6.2	5.7	4.8	17.1	11.2	7.5	6.5
Dividend yield (ord.)	n.a.	0.0%	21.3%	0.0%	9.2%	0.0%	0.0%	0.9%	2.0%	4.4%	5.5%
FCF yield	n.a.	-283.2%	-392.6%	-85.3%	47.6%	32.2%	8.9%	-4.2%	5.6%	7.9%	10.7%
FCF Yield bef A&D, lease adj	n.a.	-237.9%	-122.7%	20.6%	37.8%	42.5%	29.2%	-4.2%	8.9%	8.2%	10.7%
Payout ratio	n.a.	0.0%	19.6%	0.0%	24.9%	0.0%	0.0%	18.9%	25.6%	40.0%	45.0%

Source: Company data and Nordea estimates



**BALANCE SHEET**

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	9	29	9	7	9	11	37	28	33	31	28
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	0	0	2	2	1	3	4	10	11	12
of which goodwill	9	29	9	5	7	10	33	25	23	20	15
Tangible assets	3	3	6	15	36	39	64	79	84	83	82
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	0	0	0	60	0	0	5	36	30	30	30
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	1	0	0	0	5	6	1	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	30	21	0	0	1	1	1	1	0	0	0
Total non-current assets	43	53	16	82	51	57	107	145	147	144	140
Inventory	47	62	164	165	241	251	211	326	363	346	361
Accounts receivable	44	53	131	124	174	156	148	191	205	211	220
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	3	4	12	11	16	12	11	18	18	18	19
Cash and bank	7	17	12	3	0	1	44	0	11	43	77
Total current assets	102	137	319	303	431	419	415	536	597	619	677
Assets held for sale	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total assets</b>	<b>145</b>	<b>190</b>	<b>334</b>	<b>386</b>	<b>482</b>	<b>477</b>	<b>523</b>	<b>681</b>	<b>745</b>	<b>763</b>	<b>817</b>
Shareholders equity	60	89	59	79	111	142	270	265	295	344	386
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	60	89	59	79	111	142	270	265	295	344	386
Deferred tax	0	0	0	0	0	0	0	0	0	0	0
Long term interest bearing debt	3	1	32	26	33	32	26	47	131	131	131
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	5	6	7	7	16	14	10	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	15	38	107	70	36	32	32	14	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	22	44	146	104	85	79	68	71	141	141	141
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	22	30	75	60	107	97	86	166	193	162	169
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	29	25	47	49	72	92	81	94	115	115	120
Short term interest bearing debt	12	2	7	94	107	66	17	84	0	0	0
Total current liabilities	62	57	130	203	286	256	185	345	308	278	290
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>145</b>	<b>190</b>	<b>334</b>	<b>386</b>	<b>482</b>	<b>477</b>	<b>523</b>	<b>681</b>	<b>745</b>	<b>763</b>	<b>817</b>
<b>Balance sheet and debt metrics</b>											
Net debt	22	23	134	187	176	130	31	145	120	88	55
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	45	64	185	191	252	229	203	275	278	298	310
Invested capital	88	117	200	273	303	286	311	420	425	442	450
Capital employed	89	129	205	269	287	273	345	410	427	475	517
ROE	13.7%	17.0%	25.1%	33.4%	31.6%	29.5%	13.2%	-3.3%	12.6%	18.5%	18.0%
ROIC	9.8%	13.5%	11.8%	9.7%	10.9%	16.0%	13.0%	9.3%	10.7%	14.7%	15.7%
ROCE	13.2%	17.1%	15.2%	12.6%	14.8%	22.0%	16.6%	12.3%	14.5%	18.8%	18.7%
Net debt/EBITDA	1.3	1.0	4.3	5.1	3.6	1.9	0.5	4.1	1.5	0.8	0.5
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	41.8%	46.7%	17.6%	20.5%	23.1%	29.8%	51.6%	39.0%	39.6%	45.1%	47.2%
Net gearing	36.3%	26.0%	228.1%	237.0%	158.8%	91.3%	11.6%	54.6%	40.7%	25.6%	14.1%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
<b>EBITDA (adj) for associates</b>	<b>17</b>	<b>23</b>	<b>31</b>	<b>37</b>	<b>49</b>	<b>70</b>	<b>67</b>	<b>69</b>	<b>85</b>	<b>106</b>	<b>115</b>
Paid taxes	-2	-3	-5	-1	-4	-9	-11	-11	-10	-16	-17
Net financials	0	0	0	0	0	-7	-9	-10	-8	-8	-8
Change in provisions	0	1	1	0	9	-2	-4	0	0	0	0
Change in other LT non-IB	-3	10	21	0	-6	-1	5	0	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	3	-11	-34	-5	-7	1	1	14	0	0	0
<b>Funds from operations (FFO)</b>	<b>14</b>	<b>19</b>	<b>15</b>	<b>31</b>	<b>41</b>	<b>52</b>	<b>48</b>	<b>61</b>	<b>70</b>	<b>82</b>	<b>89</b>
Change in NWC	13	-29	-35	-10	1	33	35	-71	-3	-20	-13
<b>Cash flow from operations (CFO)</b>	<b>27</b>	<b>-10</b>	<b>-19</b>	<b>21</b>	<b>41</b>	<b>86</b>	<b>83</b>	<b>-9</b>	<b>66</b>	<b>63</b>	<b>76</b>
Capital expenditure	-26	-5	-1	-10	-11	-9	-26	-16	-19	-19	-19
<b>Free cash flow before A&amp;D</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>48</b>	<b>44</b>	<b>57</b>
Proceeds from sale of assets	-5	0	16	-60	60	0	-5	0	0	0	0
Acquisitions	0	-3	-61	0	-52	-19	-35	0	-18	-2	0
Free cash flow	-3	-18	-66	-48	38	58	17	-26	30	43	57
Free cash flow bef A&D, lease adj	1	-16	-21	12	30	77	57	-26	48	44	57
Dividends paid	-3	-3	-50	0	0	-7	0	0	-5	-11	-24
Equity issues / buybacks	0	19	0	0	2	0	103	0	0	0	0
Net change in debt	-20	31	67	63	-57	-25	-39	-13	0	0	0
Other financing adjustments	0	-10	5	-23	13	-25	-38	64	0	0	0
Other non-cash adjustments	25	-8	38	0	1	0	0	-57	0	0	0
Change in cash	-1	10	-6	-9	-3	1	43	-44	11	32	34
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	n.m.	19.6%	n.m.	n.m.	57.1%	n.m.	65.5%	70.4%	80.5%	80.7%
Capex/Sales	10.4%	1.9%	0.3%	1.3%	1.5%	0.9%	2.4%	1.6%	1.6%	1.4%	1.4%
<b>Key information</b>											
Share price year end (/current)	n.a.	6	14	15	16	37	37	34	30	30	30
Market cap.	n.a.	7	17	57	80	181	195	610	536	536	536
Enterprise value	n.a.	30	151	244	256	311	227	755	656	624	590
Diluted no. of shares, year-end (m)	0.0	1.2	1.2	3.9	4.8	4.9	5.2	18.1	18.1	18.1	18.1

Source: Company data and Nordea estimates

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