

Inission

Capital Goods
Sweden

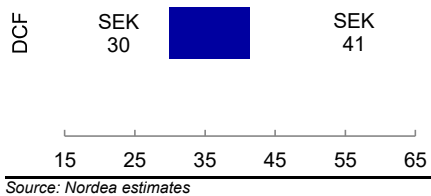
KEY DATA

Stock country	Sweden
Bloomberg	INISSB.SS
Reuters	INISSB.ST
Share price (close)	SEK 32.00
Free Float	31%
Market cap. (bn)	EUR 0.06/SEK 0.58
Website	www.inission.com
Next report date	18 Aug 2022

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	5%	5%	5%
EBIT (adj)	25%	7%	8%

Source: Nordea estimates

Nordea Markets - Analysts

Victor Hansen
AnalystCarl Ragnerstam
Analyst

Surprisingly low opex leads to strong margin

Inission delivered a strong Q1, with sales up 42% y/y and adjusted EBIT growth of ~150%, significantly above our expectations due to lower opex. While Inission lowered its medium-term guidance due to supply issues, we still see long-term potential from structural trends such as electrification and re-shoring. We raise our adjusted EBIT estimates by 7-25% due to the strong margin and now expect a 12% sales CAGR and 31% adjusted EBIT CAGR for 2021-24E. We update our DCF-based fair value range to SEK 30-41 (30-39). The lower end represents a 12% WACC (upper end: 10%) and a 0.5x pp drop in the EBIT margin. Inission is trading at a 2023E P/E of 8.9x and 2023E EV/EBIT of 7.6x, below peers at 11x and 10x, respectively.

Q1 outcome

Inission reported net sales of SEK 329m, representing 42% y/y sales growth (31% organic, including price hikes). Adjusted EBIT reached SEK 19.7m, up ~150% y/y, driven by a strong margin (up 2.6 pp y/y). Adjusted EBIT beat our estimate by 211%, as opex was lower than we had anticipated. We adjust EBIT for Enedo's loss (Inission's share) of SEK 2.5m in Q1 (versus SEK -24m in H2 2021). Its recent acquisition, MLB, is included for two months in Q1 and contributed SEK 19.7m to sales and SEK 2.5m to EBIT. Due to lockdowns in China, the outlook for component shortages is getting worse rather than gradually improving, with no improvement likely for H2. Order intake in early April was up 26% versus early January.

Long-term potential remains

While there are still some medium-term uncertainties lingering, such as component shortages and cost inflation, several long-term growth trends are growing stronger, in our view. These include: 1) reshoring; 2) IoT; and 3) electrification – all set to benefit Inission with production in the Nordics and Baltics. We expect a 12% sales CAGR and a 31% adjusted EBIT CAGR for 2021-24E. This excludes any additional M&A. Given Inission's 2022E net debt/EBITDA of 1.3x, we estimate that M&A could add 34% to 2022E EBIT. Inission currently thinks M&A multiples are too high, however, which has led the company to turn down deals. Enedo is also approaching breakeven and remains both a potential growth and value trigger ahead.

Estimate revisions

Based on the strong Q1, especially the margin, we lift our 2022-24 estimates by 5% for sales, and 7-25% for adjusted EBIT. We raise the materials share slightly to 58.5% but lower opex for 2022E.

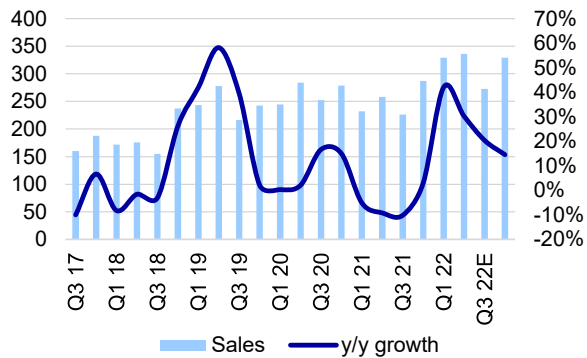
SUMMARY TABLE - KEY FIGURES

SEKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	740	980	1,059	1,003	1,267	1,343	1,397
EBITDA (adj)	49	76	70	69	103	112	123
EBIT (adj)	41	61	51	44	74	88	99
EBIT (adj) margin	5.5%	6.2%	4.8%	4.4%	5.8%	6.6%	7.1%
EPS (adj, SEK)	6.09	8.90	5.72	1.59	2.95	3.61	4.06
EPS (adj) growth	5.5%	46.0%	-35.7%	-72.2%	85.8%	22.1%	12.5%
DPS (ord, SEK)	1.51	0.00	0.00	0.30	0.78	1.44	1.83
EV/Sales	0.3	0.3	0.2	0.8	0.6	0.5	0.4
EV/EBIT (adj)	6.2	5.1	4.5	9.7	8.7	7.6	6.4
P/E (adj)	2.7	4.2	6.5	21.2	10.8	8.9	7.9
P/BV	0.7	1.3	0.7	2.3	1.9	1.6	1.4
Dividend yield (ord)	9.2%	0.0%	0.0%	0.9%	2.4%	4.5%	5.7%
FCF Yield bef A&D, lease	37.8%	42.5%	29.2%	-4.2%	8.1%	8.5%	11.3%
Net debt	176	130	31	145	121	88	48
Net debt/EBITDA	3.6	1.9	0.5	4.1	1.3	0.8	0.4
ROIC after tax	10.9%	16.0%	13.0%	9.3%	13.2%	15.2%	16.5%

Source: Company data and Nordea estimates

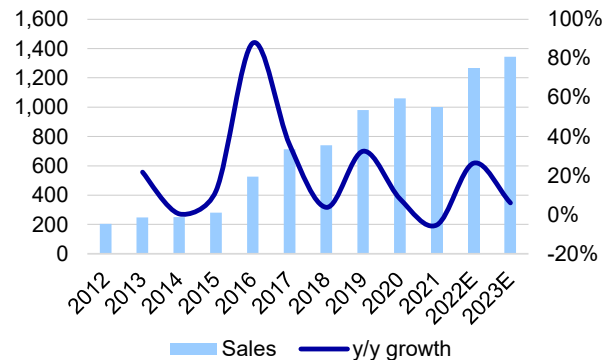
Group development

INISSION: NET SALES (SEKm), QUARTERLY



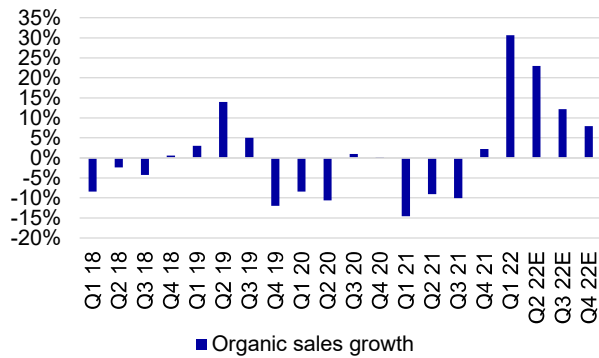
Source: Company data and Nordea estimates

INISSION: NET SALES (SEKm), ANNUAL



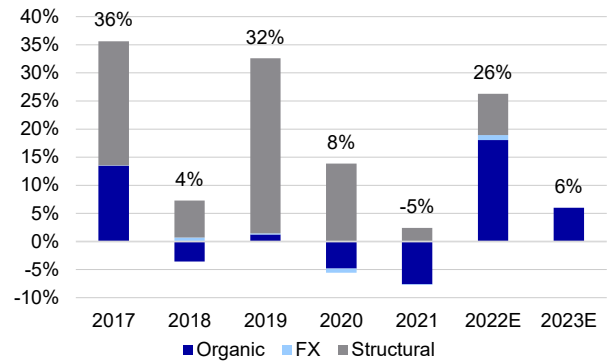
Source: Company data and Nordea estimates

INISSION: ORGANIC GROWTH (%), QUARTERLY



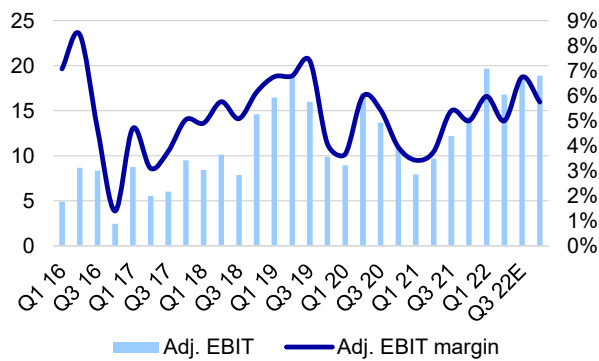
Source: Company data and Nordea estimates

INISSION: SALES GROWTH BY PARAMETER (%)



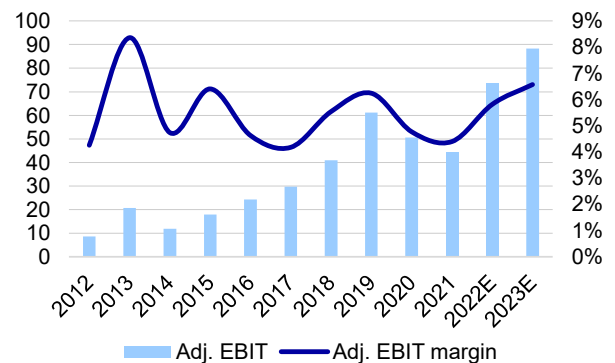
Source: Company data and Nordea estimates

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

Q1 2022 outcome

Inission reported 42% sales growth y/y (31% organic) and 150% y/y growth in adjusted EBIT due to a very strong margin. Adjusted EBIT beat our estimate by 211%. Inission is seeking M&A candidates but thinks that the M&A multiples are still too high, similar to what the company has said for a long time. The outlook is that due to lockdowns in China, the component shortage is getting worse rather than gradually improving with no improvement likely in H2. The order intake in early April was up 26% versus early January.

DEVIATION TABLE

SEKm	Actual	NDA est.	Deviation		Actual		Actual	
	Q1 2022	Q1 22E	vs. actual		Q4 21	q/q	Q1 21	y/y
Net sales	329.3	293	36.1	12.3%	287	14.6%	232	42.1%
EBIT	17.2	6.3	10.8	171%	(12.4)	-239%	7.9	117%
EBIT margin	5.2%	2.2%	-	3.1pp	-4.3%	9.5pp	3.4%	1.8pp
Enedo & NRI	-2.5	0.0	-2.5	-	-26.7	-	0.0	-
Adj. EBIT	19.7	6.3	13.3	210.9%	14.3	37.0%	7.9	148.5%
Adj. EBIT margin	6.0%	2.2%	-	3.8pp	5.0%	1.0pp	3.4%	2.6pp
PTP	16.2	4.2	12.0	283%	-15.0	-208%	3.7	333%
Tax	-5	-0.9	-3.7	403%	-2.9	62%	-1.9	146%
Net profit	12	3.3	8.2	249%	-17.8	-164%	1.8	528%
EPS (SEK)	0.64	0.18	0.46	252%	-0.99	-165%	0.31	104%

Source: Company data and Nordea estimates

Estimate revisions

INISSION: ESTIMATE REVISIONS									
SEKm	New estimates			Old estimates			Δ		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Net sales	1,267	1,343	1,397	1,209	1,281	1,336	4.8%	4.8%	4.5%
Adj. EBIT	73.7	88.3	98.7	58.8	82.9	91.0	25%	7%	8%
Adj. EBIT margin	5.8%	6.6%	7.1%	4.9%	6.5%	6.8%	1.0 pp	0.1 pp	0.3 pp
EPS, SEK	2.60	3.61	4.06	1.94	3.27	3.62	34%	10%	12%
Adjusted EPS, SEK	2.95	3.61	4.06	2.27	3.27	3.62	30%	10%	12%
Sales bridge									
Organic	18%	6%	4%	14%	6%	4%	4.4 pp	0.5 pp	-0.3 pp
Currency	1%	0%	0%	0%	0%	0%	0.6 pp	0.0 pp	0.0 pp
Structural	7%	0%	0%	7%	0%	0%	0.8 pp	-0.5 pp	0.0 pp
Sales growth	26.3%	6.0%	4.0%	20.5%	6.0%	4.3%	5.8 pp	0.0 pp	-0.3 pp

Source: Company data and Nordea estimates

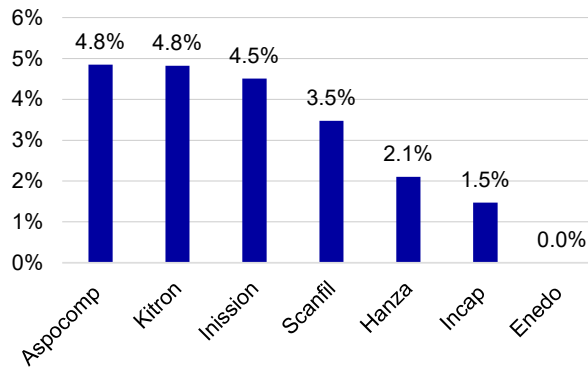
Valuation

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	-	410	5.8x	6.1x	-	-	10.8x	10.3x	9.6x	9.0x	4.2%	4.8%	-	-	22.7%	21.0%
Enedo	-	240	7.9x	6.2x	-	-	30.0x	15.0x	34.5x	17.3x	0.0%	0.0%	1.3x	0.8x	6.4%	13.6%
Hanza	-	1,291	6.6x	5.8x	10.1x	9.0x	10.9x	9.8x	12.1x	10.7x	1.7%	2.1%	1.5x	1.2x	15.7%	13.1%
Incap	-	3,945	10.4x	9.3x	-	-	11.9x	10.3x	14.5x	12.8x	1.3%	1.5%	-	-	35.0%	31.0%
Inission	N.R.	579	6.8x	5.9x	8.6x	7.2x	8.7x	7.6x	10.8x	8.9x	2.4%	4.5%	1.3x	0.8x	16.5%	19.6%
Kitron	-	3,747	7.6x	6.6x	-	-	10.4x	8.6x	13.6x	10.5x	3.7%	4.8%	2.5x	1.6x	21.3%	24.8%
Scanfil	-	4,367	8.1x	7.5x	10.7x	9.5x	11.0x	9.8x	11.9x	10.7x	3.2%	3.5%	0.5x	0.0x	16.0%	15.8%
Average		2,083	7.6x	6.8x	9.8x	8.6x	13.4x	10.2x	15.3x	11.4x	2.4%	3.0%	1.4x	0.9x	19.1%	19.8%
Median		1,291	7.6x	6.2x	10.1x	9.0x	10.9x	9.8x	12.1x	10.7x	2.4%	3.5%	1.3x	0.8x	16.5%	19.6%
Inission	N.R.	579	6.8x	5.9x	8.6x	7.2x	8.7x	7.6x	10.8x	8.9x	2.4%	4.5%	1.3x	0.8x	16.5%	19.6%
vs. peer average		-72%	-10%	-12%	-12%	-16%	-35%	-26%	-29%	-22%	0.1pp	1.5pp	-10%	-12%	-2.6pp	-0.2pp
vs. peer median		-55%	-10%	-5%	-15%	-20%	-20%	-23%	-10%	-17%	0.0pp	1.0pp	-1%	0%	0.0pp	0.0pp

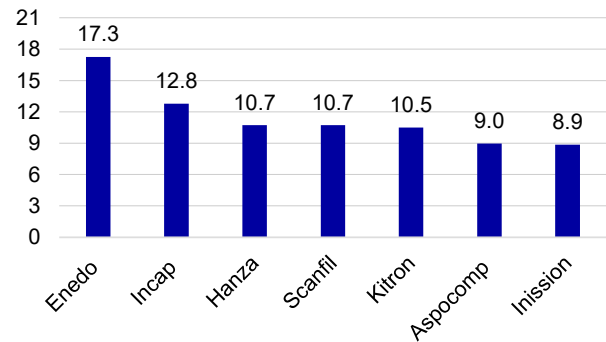
Source: Refinitiv and Nordea estimates

DIVIDEND YIELD (%), 2023E



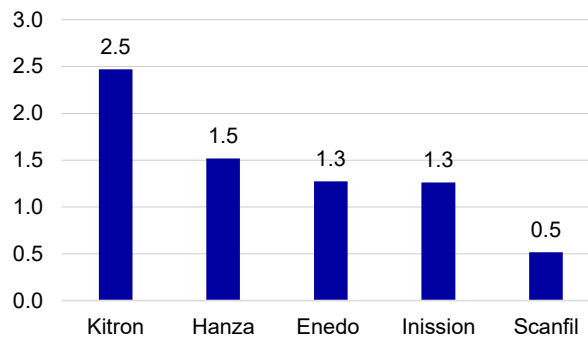
Source: Refinitiv and Nordea estimates

ADJUSTED P/E (x), 2023E



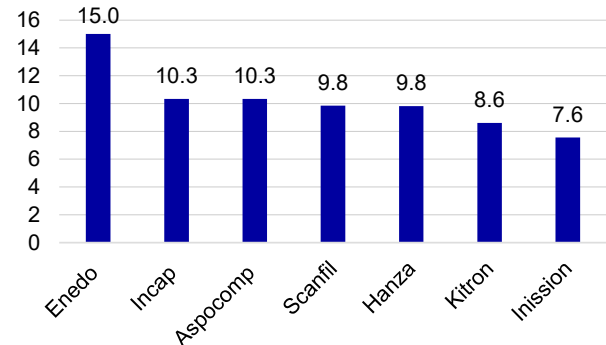
Source: Refinitiv and Nordea estimates

NET DEBT/EBITDA (x), 2022E



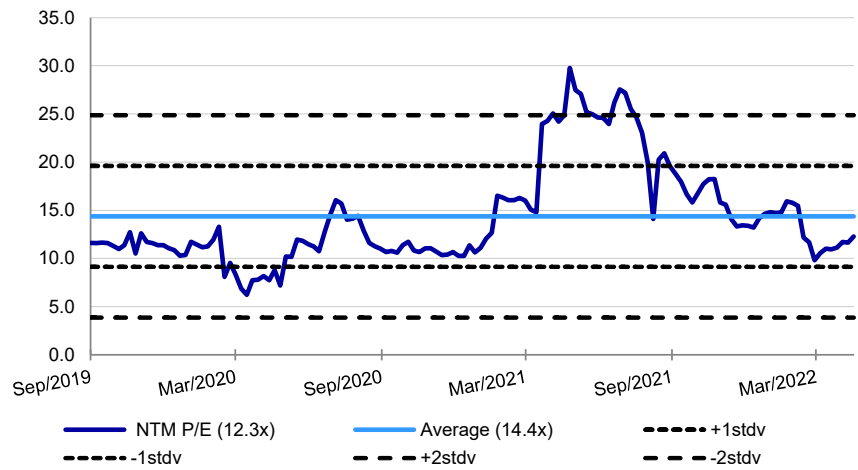
Source: Refinitiv and Nordea estimates

ADJUSTED EV/EBIT (x), 2023E



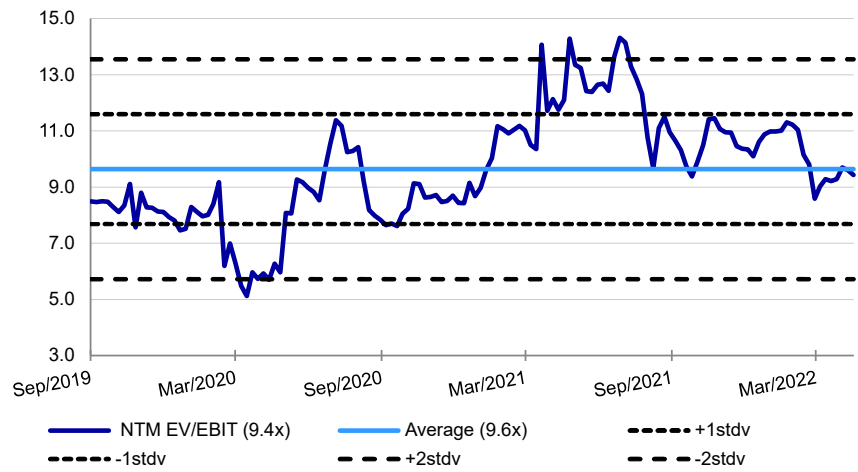
Source: Refinitiv and Nordea estimates

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 22	Q2 22E	Q3 22E	Q4 22E
Net sales	244	284	252	279	232	258	226	287	329	336	273	329
Cost of goods sold	-154	-174	-149	-157	-130	-150	-132	-166	-209	-199	-158	-189
Other external costs	-20	-33	-28	-29	-27	-28	-26	-31	-32	-32	-29	-34
Personnel costs	-68	-67	-57	-69	-66	-70	-49	-72	-74	-82	-61	-81
Other operating costs	0	0	0	-2	0	0	0	-1	-1	0	0	0
EBITDA	11	23	20	18	14	15	22	18	27	24	26	26
Depreciation	-4	-7	-4	-4	-4	-4	-4	-4	-5	-5	-5	-5
EBITA	6	17	16	13	10	1	18	-10	19	19	20	21
Amortisation	0	0	-2	-3	-2	-2	-2	-2	-2	-2	-2	-2
Income from associates	0	0	0	0	0	-10	0	-24	-2	-2	-1	-1
EBIT	6	17	14	11	8	-1	16	-12	17	15	17	18
Adj. EBIT	9	17	14	11	8	10	12	14	20	17	18	19
Net financial items	-2.7	-2.1	-2.4	-2.3	-4.2	-1.9	-1.7	-2.6	-1.0	-1.3	-1.5	-1.7
PTP	4	15	11	8	4	-3	14	-15	16	14	16	16
Tax	-2	-4	-3	-3	-2	-2	-2	-3	-5	-3	-3	-4
Net profit	2	11	9	5	2	-5	12	-18	12	11	12	13
Basic EPS, SEK	0.44	2.23	1.70	0.89	0.31	-0.81	0.66	-0.99	0.63	0.59	0.68	0.70
Diluted EPS, SEK	0.44	2.23	1.68	0.89	0.31	-0.80	0.66	-0.99	0.63	0.59	0.68	0.70
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%	8.2%	7.1%	9.4%	7.9%
EBITA margin	2.6%	6.0%	6.3%	4.8%	4.5%	0.5%	7.9%	-3.6%	5.9%	5.6%	7.5%	6.3%
EBIT margin	2.6%	6.0%	5.4%	3.8%	3.4%	-0.4%	7.1%	-4.3%	5.2%	4.5%	6.3%	5.4%
Adj. EBIT margin	3.7%	6.0%	5.4%	3.9%	3.4%	3.8%	5.4%	5.0%	6.0%	5.0%	6.7%	5.7%
EBITDA growth	-45%	4%	27%	52%	31%	-37%	7%	1%	91%	62%	17%	43%
EBITA growth	-61%	-10%	32%	85%	63%	-92%	12%	-177%	87%	1322%	14%	-301%
EBIT growth	-61%	-10%	13%	46%	25%	-106%	17%	-217%	117%	-1699%	8%	-245%
Adj. EBIT growth	-46%	-10%	-14%	12%	-11%	-43%	-11%	30%	148%	73%	51%	32%
Organic	-8.4%	-10.6%	1.0%	0.2%	-14.6%	-9.1%	-10.1%	2.2%	30.7%	23.0%	12.2%	8.0%
Currency	0.2%	0.0%	-1.7%	-1.7%	-1.1%	-0.1%	-0.1%	0.8%	2.9%	0.3%	0.3%	0.3%
Structural	8.6%	13.5%	17.3%	16.5%	10.6%	0.0%	0.0%	0.0%	8.5%	7.0%	7.9%	6.2%
Sales growth	0.3%	2.1%	16.6%	15.0%	-5.1%	-9.2%	-10.2%	3.0%	42.1%	30.3%	20.4%	14.5%

Source: Company data and Nordea estimates

INISSION: ANNUAL ESTIMATES (SEKm)

	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net sales	526	713	740	980	1,059	1,003	1,267	1,343	1,397
Cost of goods sold	-317	-460	-453	-576	-634	-579	-755	-787	-814
Other external costs	-53	-50	-55	-73	-110	-112	-128	-134	-138
Personnel costs	-133	-177	-185	-251	-261	-257	-298	-312	-323
Other operating costs	8	-3	-4	-1	-2	-1	-1	-1	-1
EBITDA	31	37	49	70	67	69	103	112	123
Depreciation	-7	-7	-8	-15	-20	-16	-21	-19	-20
EBITA	24	30	41	55	53	53	79	93	103
Amortisation	0	0	0	0	-5	-9	-8	-5	-5
Income from associates	0	0	0	0	0	-34	-6	0	0
EBIT	24	30	41	55	48	11	67	88	99
Adj. EBIT	24	30	41	61	51	44	74	88	99
Net financial items	-2	-3	-4	-7	-9	-10	-5	-6	-6
PTP	23	26	37	48	38	0	62	83	93
Tax	-4	-3	-7	-11	-11	-9	-15	-17	-20
Net profit	19	23	30	37	27	-9	47	65	73
Basic EPS, SEK	15.43	5.90	6.19	7.60	5.19	-0.49	2.60	3.61	4.06
Diluted EPS, SEK	15.34	5.78	6.09	7.55	5.17	-0.49	2.60	3.61	4.06
Adjusted EPS, SEK	15.34	5.78	6.09	8.90	5.72	1.59	2.95	3.61	4.06
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%	8.1%	8.4%	8.8%
EBITA margin	4.6%	4.2%	5.5%	5.6%	5.0%	5.3%	6.3%	6.9%	7.4%
EBIT margin	4.6%	4.2%	5.5%	5.6%	4.5%	1.1%	5.3%	6.6%	7.1%
Adj. EBIT margin	4.6%	4.2%	5.5%	6.2%	4.8%	4.4%	5.8%	6.6%	7.1%
EBITDA growth	35%	19%	32%	43%	-4%	2%	49%	10%	10%
EBITA growth	36%	22%	38%	33%	-4%	0%	50%	17%	11%
EBIT growth	36%	22%	38%	33%	-13%	-78%	536%	31%	12%
Adj. EBIT growth	36%	22%	38%	49%	-17%	-13%	67%	20%	12%
Organic	5.0%	13.5%	-3.6%	1.2%	-4.8%	-7.6%	18.0%	6.0%	4.0%
Currency	0.0%	0.1%	0.7%	0.2%	-0.7%	-0.1%	0.9%	0.0%	0.0%
Structural	82.8%	22.1%	6.6%	31.2%	13.9%	2.4%	7.3%	0.0%	0.0%
Sales growth	87.7%	35.6%	3.7%	32.5%	8.1%	-5.3%	26.3%	6.0%	4.0%

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	250	280	526	713	740	980	1,059	1,003	1,267	1,343	1,397
Revenue growth	0.3%	12.2%	87.7%	35.6%	3.7%	32.5%	8.1%	-5.3%	26.3%	6.0%	4.0%
of which organic	n.a.	n.a.	5.0%	13.5%	-3.6%	1.2%	-4.8%	-7.6%	18.0%	6.0%	4.0%
of which FX	n.a.	n.a.	0.0%	0.1%	0.7%	0.2%	-0.7%	-0.1%	0.9%	0.0%	0.0%
EBITDA	17	23	31	37	49	70	67	35	96	112	123
Depreciation and impairments PPE	-5	-5	-7	-7	-8	-15	-20	-16	-21	-19	-20
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	12	18	24	30	41	55	48	19	75	93	103
Amortisation and impairments	0	0	0	0	0	0	0	-9	-8	-5	-5
EBIT	12	18	24	30	41	55	48	11	67	88	99
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	-5	-6	-6
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
Pre-tax profit	11	17	23	26	37	48	38	0	62	83	93
Reported taxes	-3	-5	-4	-3	-7	-11	-11	-9	-15	-17	-20
Net profit from continued operations	8	13	19	23	30	37	27	-9	47	65	73
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	47	65	73
EPS, SEK	n.a.	11.01	15.34	5.78	6.09	7.58	5.15	-0.49	2.60	3.61	4.06
DPS, SEK	0.00	0.00	3.00	0.00	1.51	0.00	0.00	0.30	0.78	1.44	1.83
of which ordinary	0.00	0.00	3.00	0.00	1.51	0.00	0.00	0.30	0.78	1.44	1.83
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%	7.6%	8.4%	8.8%
EBITA	4.7%	6.4%	4.6%	4.2%	5.5%	5.6%	4.5%	1.9%	5.9%	6.9%	7.4%
EBIT	4.7%	6.4%	4.6%	4.2%	5.5%	5.6%	4.5%	1.1%	5.3%	6.6%	7.1%

Adjusted earnings

EBITDA (adj)	17	23	31	37	49	76	70	69	103	112	123
EBITA (adj)	12	18	24	30	41	61	51	53	82	93	103
EBIT (adj)	12	18	24	30	41	61	51	44	74	88	99
EPS (adj, SEK)	n.a.	11.01	15.34	5.78	6.09	8.90	5.72	1.59	2.95	3.61	4.06

Adjusted profit margins in percent

EBITDA (adj)	6.7%	8.2%	5.9%	5.2%	6.6%	7.8%	6.6%	6.9%	8.1%	8.4%	8.8%
EBITA (adj)	4.7%	6.4%	4.6%	4.2%	5.5%	6.2%	4.8%	5.2%	6.4%	6.9%	7.4%
EBIT (adj)	4.7%	6.4%	4.6%	4.2%	5.5%	6.2%	4.8%	4.4%	5.8%	6.6%	7.1%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	28.4%	24.3%	31.4%	30.5%	13.8%	12.2%	12.7%	7.3%
EBITDA	n.m.	n.m.	n.m.	28.7%	13.5%	33.2%	23.9%	2.4%	21.0%	18.1%	12.0%
EBIT	n.a.	n.a.	n.a.	27.9%	14.5%	35.8%	21.5%	-15.4%	17.7%	16.6%	12.5%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-14.1%	n.m.	-14.7%	-10.0%	-11.7%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-36.9%	n.m.	-1.0%	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%	4.4%	4.7%	5.1%
Average EBITDA margin	n.a.	n.a.	7.1%	6.6%	6.2%	6.5%	6.3%	5.7%	6.3%	6.7%	7.2%

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	10.8	8.9	7.9
EV/EBITDA (adj)	n.a.	1.3	4.8	6.6	5.2	4.1	3.2	11.0	6.8	5.9	5.1
EV/EBITA (adj)	n.a.	1.6	6.2	8.2	6.2	5.1	4.5	14.3	8.6	7.2	6.1
EV/EBIT (adj)	n.a.	1.6	6.2	8.2	6.2	5.1	4.5	9.7	8.7	7.6	6.4

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.	12.3	8.9	7.9
EV/Sales	n.a.	0.11	0.29	0.34	0.35	0.32	0.21	0.75	0.55	0.50	0.45
EV/EBITDA	n.a.	1.3	4.8	6.6	5.2	4.4	3.4	11.0	6.8	5.9	5.1
EV/EBITA	n.a.	1.6	6.2	8.2	6.2	5.7	4.8	14.3	8.6	7.2	6.1
EV/EBIT	n.a.	1.6	6.2	8.2	6.2	5.7	4.8	17.1	9.5	7.6	6.4
Dividend yield (ord.)	n.a.	0.0%	21.3%	0.0%	9.2%	0.0%	0.0%	0.9%	2.4%	4.5%	5.7%
FCF yield	n.a.	-283.2%	-392.6%	-85.3%	47.6%	32.2%	8.9%	-4.2%	5.0%	8.2%	11.3%
FCF Yield bef A&D, lease adj	n.a.	-237.9%	-122.7%	20.6%	37.8%	42.5%	29.2%	-4.2%	8.1%	8.5%	11.3%
Payout ratio	n.a.	0.0%	19.6%	0.0%	24.9%	0.0%	0.0%	18.9%	26.4%	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	139
Inventory	47	62	164	165	241	251	211	326	380	363	377
Accounts receivable	44	53	131	124	174	156	148	191	215	221	230
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	19	19	20
Cash and bank	7	17	12	3	0	1	44	0	10	44	83
Total current assets	102	137	319	303	431	419	415	536	625	647	710
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.
Total assets	145	190	334	386	482	477	523	681	772	791	850
Shareholders equity	60	89	59	79	111	142	270	265	307	358	406
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	307	358	406
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	203	170	177
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	120	121	126
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	323	291	303
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	145	190	334	386	482	477	523	681	772	791	850
Balance sheet and debt metrics											
Net debt	22	23	134	187	176	130	31	145	121	88	48
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	291	312	325
Invested capital	88	117	200	273	303	286	311	420	438	456	464
Capital employed	89	129	205	269	287	273	345	410	439	490	537
ROE	13.7%	17.0%	25.1%	33.4%	31.6%	29.5%	13.2%	-3.3%	16.5%	19.6%	19.2%
ROIC	9.8%	13.5%	11.8%	9.7%	10.9%	16.0%	13.0%	9.3%	13.2%	15.2%	16.5%
ROCE	13.2%	17.1%	15.2%	12.6%	14.8%	22.0%	16.6%	12.3%	17.9%	19.5%	19.6%
Net debt/EBITDA	1.3	1.0	4.3	5.1	3.6	1.9	0.5	4.1	1.3	0.8	0.4
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%	39.8%	45.3%	47.7%
Net gearing	36.3%	26.0%	228.1%	237.0%	158.8%	91.3%	11.6%	54.6%	39.5%	24.5%	11.9%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
EBITDA (adj) for associates	17	23	31	37	49	70	67	69	103	112	123
Paid taxes	-2	-3	-5	-1	-4	-9	-11	-11	-15	-17	-20
Net financials	0	0	0	0	0	-7	-9	-10	-5	-6	-6
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
Funds from operations (FFO)	14	19	15	31	41	52	48	61	84	89	98
Change in NWC	13	-29	-35	-10	1	33	35	-71	-17	-21	-12
Cash flow from operations (CFO)	27	-10	-19	21	41	86	83	-9	68	69	85
Capital expenditure	-26	-5	-1	-10	-11	-9	-26	-16	-21	-19	-20
Free cash flow before A&D	1	-16	-21	12	30	77	57	-26	47	49	66
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	29	48	66
Free cash flow bef A&D, lease adj	1	-16	-21	12	30	77	57	-26	47	49	66
Dividends paid	-3	-3	-50	0	0	-7	0	0	-5	-14	-26
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	10	34	39
Cash flow metrics											
Capex/D&A	n.m.	n.m.	19.6%	n.m.	n.m.	57.1%	n.m.	65.5%	72.3%	81.2%	81.4%
Capex/Sales	10.4%	1.9%	0.3%	1.3%	1.5%	0.9%	2.4%	1.6%	1.6%	1.5%	1.4%
Key information											
Share price year end (/current)	n.a.	6	14	15	16	37	37	34	32	32	32
Market cap.	n.a.	7	17	57	80	181	195	610	579	579	579
Enterprise value	n.a.	30	151	244	256	311	227	755	701	667	628
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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Completion Date

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