

Inission

Capital Goods
Sweden

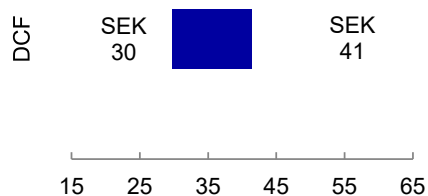
KEY DATA

Stock country	Sweden
Bloomberg	INISSB.SS
Reuters	INISSB.ST
Share price (close)	SEK 31.40
Free Float	31%
Market cap. (bn)	EUR 0.06/SEK 0.63
Website	www.inission.com
Next report date	10 Nov 2022

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	1%	1%	1%
EBIT (adj)	-2%	-4%	-3%

Source: Nordea estimates

Nordea Markets - Analysts

Victor Hansen
AnalystCarl Ragnerstam
Analyst

Solid growth despite component challenges

Inission delivered a decent Q2 report with strong sales and earnings growth, but negative cash flow due to working capital build-up. While the order backlog is strong, component shortages still pose a challenge and management does not expect an improvement until "possibly H2 2023". We lower our expected margin ramp-up slightly for 2022-24 and forecast a 13% net sales CAGR in 2021-24 and a 31% CAGR for adjusted EBIT (excluding Enedo). We update our DCF-based fair value range to SEK 30-41 (31-43). The lower end implies a 11.2% WACC (upper end: 9.6%) and a 1 pp drop in the EBIT margin. It is trading at 2023E EV/EBIT of 10x versus 11x for peers.

Q2 outcome

Net sales totalled SEK 347m, up 35% y/y (21 pp organically), 3% above our estimate. Adjusted EBIT amounted to SEK 17m, up 77%, excluding the loss related to Enedo of SEK 4.3m. Earnings growth was limited by SEK 8m higher other costs y/y (mostly FX-related), with direct material costs equivalent to 58% of sales. Promisingly, we note that LTM adjusted EBIT is up 50% y/y to SEK 63m. Management said the order backlog was strong. Free cash flow was SEK -51m in Q2 due to working capital build-up of SEK 78m, partly due to component shortages.

Expectations ahead

Including Enedo, Inission's current LTM Q2 pro forma sales total is SEK 1.6bn. This leaves meaningful earnings potential if the anticipated sales and cost synergies were to materialise. We see further margin potential from Inission's partnership with a consulting firm aimed at improving efficiency. For the group, we forecast a 13% net sales CAGR in 2021-24 and 31% CAGR for adjusted EBIT (excluding Enedo). We expect the margin to improve to 6.9% in 2024, driven by an earnings recovery, completed M&A and strong megatrends, despite a weak macroeconomic outlook. Due to component shortages and M&A, we expect net debt to reach 3x EBITDA in 2022.

Estimate revisions

We raise our 2022E-24E group sales estimates by 1%, but lower adjusted EBIT by 2-4% as we now expect slightly less margin recovery (we lower our margin estimates by 0.2-0.3 pp) due to higher costs.

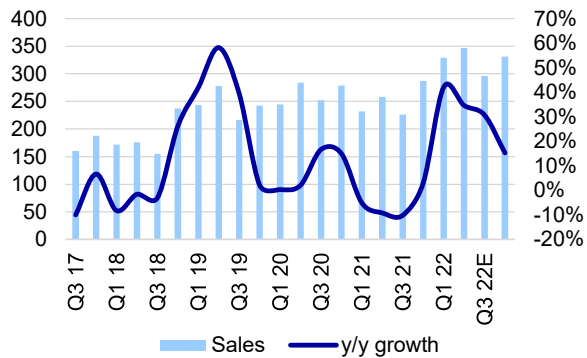
SUMMARY TABLE - KEY FIGURES

SEKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	740	980	1,059	1,003	1,303	1,374	1,434
EBITDA (adj)	49	76	70	69	102	112	126
EBIT (adj)	41	61	51	44	71	86	100
EBIT (adj) margin	5.5%	6.2%	4.8%	4.4%	5.5%	6.3%	6.9%
EPS (adj, SEK)	6.09	8.90	5.72	1.59	2.68	3.12	3.65
EPS (adj) growth	5.5%	46.0%	-35.7%	-72.2%	68.3%	16.5%	17.1%
DPS (ord, SEK)	1.51	0.00	0.00	0.30	0.67	1.24	1.63
EV/Sales	0.3	0.3	0.2	0.8	0.7	0.6	0.6
EV/EBIT (adj)	6.2	5.1	4.5	9.7	10.9	10.3	8.7
P/E (adj)	2.7	4.2	6.5	21.2	11.7	10.1	8.6
P/BV	0.7	1.3	0.7	2.3	2.0	1.8	1.6
Dividend yield (ord)	9.2%	0.0%	0.0%	0.9%	2.1%	3.9%	5.2%
FCF Yield bef A&D, lease	37.8%	42.5%	29.2%	-4.2%	4.0%	9.0%	9.7%
Net debt	176	130	31	145	281	239	203
Net debt/EBITDA	3.6	1.9	0.5	4.1	3.0	2.1	1.6
ROIC after tax	11.1%	16.2%	13.2%	9.4%	12.7%	14.6%	16.5%

Source: Company data and Nordea estimates

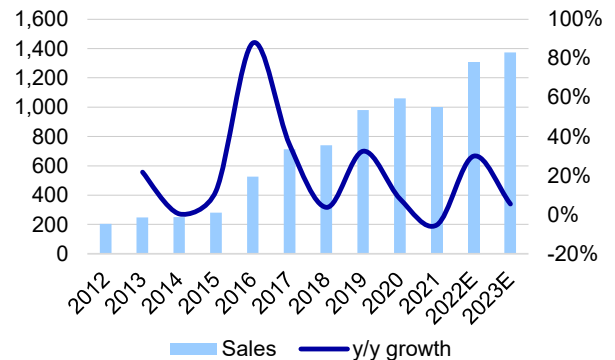
Group development

INISSION: NET SALES (SEKm), QUARTERLY



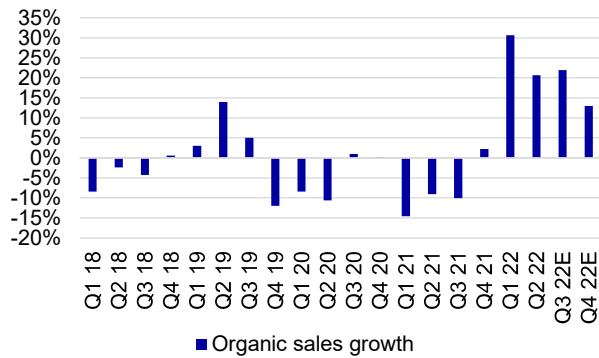
Source: Company data and Nordea estimates

INISSION: NET SALES (SEKm), ANNUAL



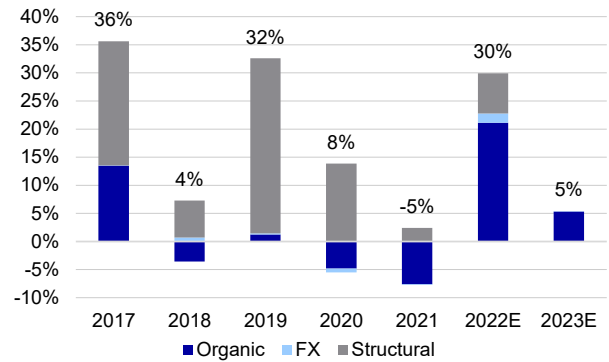
Source: Company data and Nordea estimates

INISSION: ORGANIC GROWTH (%), QUARTERLY



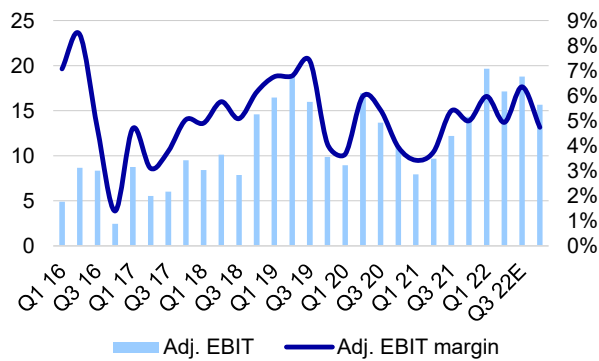
Source: Company data and Nordea estimates

INISSION: SALES GROWTH BY PARAMETER (%), ANNUAL



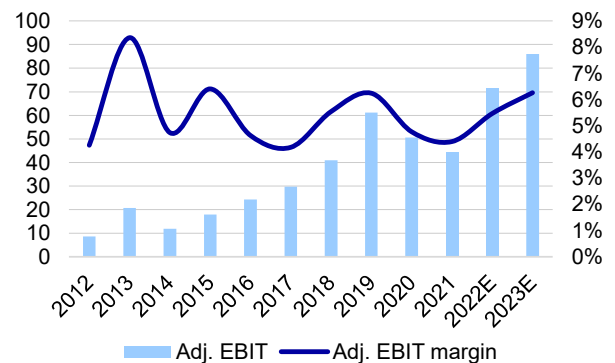
Source: Company data and Nordea estimates

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



Source: Company data and Nordea estimates

INISSION: EBIT (SEKm) AND EBIT MARGIN (%), ANNUAL



Source: Company data and Nordea estimates

Q2 2022 outcome

A decent Q2 report including net sales up 35% y/y (21% organically), 3% above our estimate. EBIT adjusted for Enedo (SEK -4.3m) was 4% below our estimate due to a harsher impact from component shortages than we had expected. Enedo's restructuring is progressing well and the order backlog is strong, according to management. Free cash flow was SEK -51m in Q2 due to a working capital build-up of SEK 78m, partly caused by component shortages.

DEVIATION TABLE

SEKm	Actual	NDA est.	Deviation		Actual	Actual		
	Q2 2022	Q2 22E	vs. actual		Q1 22	q/q	Q2 21	y/y
Net sales	347.1	337	10.2	3.0%	329	5.4%	258	34.7%
EBIT	12.8	16.0	-3.3	-20%	17.2	-26%	(0.9)	-1465%
EBIT margin	3.7%	4.8%	-	-1.1pp	5.2%	-1.5pp	-0.4%	4.0pp
Enedo & NRI	-4.3	-1.8	-2.5	-	-2.5	-	-10.6	-
Adj. EBIT	17.1	17.8	-0.7	-4.0%	19.7	-12.9%	9.7	76.8%
Adj. EBIT margin	4.9%	5.3%	-	-0.4pp	6.0%	-1.0pp	3.8%	1.2pp
PTP	11.7	14.7	-3.0	-21%	16.2	-28%	-2.8	-519%
Tax	-3	-3.2	0.1	-2%	-4.7	-32%	-2.1	55%
Net profit	9	11.5	-3.0	-26%	11.5	-26%	-4.8	-276%
EPS (SEK)	0.47	0.63	-0.16	-26%	0.63	-25%	-0.81	-158%

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	1,303	1,374	1,434	1,287	1,358	1,419	1%	1%	1%
Adj. EBIT	71.3	86.0	99.5	72.7	89.2	102.8	-2%	-4%	-3%
Adj. EBIT margin	5.5%	6.3%	6.9%	5.6%	6.6%	7.2%	-0.2 pp	-0.3 pp	-0.3 pp
EPS, SEK	2.22	3.10	3.61	2.38	3.21	3.72	-7%	-3%	-3%
Adjusted EPS, SEK	2.68	3.12	3.65	2.70	3.23	3.76	-1%	-3%	-3%
Sales bridge									
Organic	21%	5%	4%	20%	6%	5%	1.4 pp	-0.2 pp	-0.1 pp
Currency	2%	0%	0%	1%	0%	0%	0.5 pp	0.1 pp	0.0 pp
Structural	7%	0%	0%	7%	0%	0%	-0.2 pp	0.0 pp	0.0 pp
Sales growth	29.9%	5.4%	4.4%	28.2%	5.5%	4.5%	1.7 pp	-0.1 pp	-0.1 pp

Source: Company data and Nordea estimates

Valuation

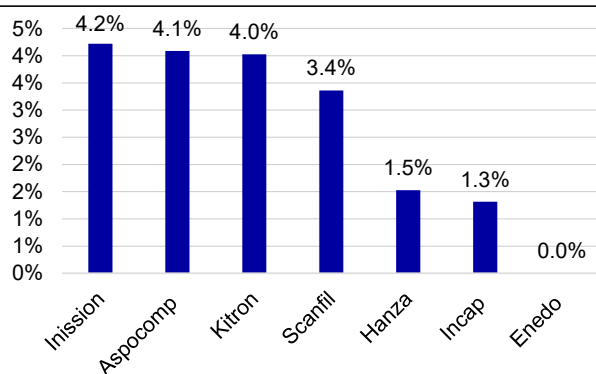
PEER VALUATION

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	-	528	7.4x	7.7x	-	-	10.5x	10.5x	10.2x	10.8x	4.0%	4.1%	-	-	22.7%	21.0%
Enedo	-	189	10.0x	6.1x	-	-	-	14.8x	-	13.5x	0.0%	0.0%	1.7x	0.8x	-23.7%	16.3%
Hanza	-	1,803	8.2x	6.9x	18.8x	16.7x	13.0x	10.5x	16.2x	12.4x	1.0%	1.5%	0.2x	0.1x	-	7.0%
Incap	-	4,475	10.9x	9.9x	-	-	12.1x	10.9x	15.6x	13.4x	1.2%	1.3%	0.2x	-	37.0%	32.0%
Inission	N.R.	586	8.2x	7.5x	10.5x	9.0x	10.5x	9.8x	11.0x	9.4x	2.3%	4.2%	3.0x	2.1x	14.8%	19.0%
Kitron	-	4,288	10.9x	9.4x	-	-	15.6x	12.5x	16.8x	12.6x	2.6%	4.0%	2.9x	1.9x	20.1%	22.7%
Scanfil	-	4,554	8.9x	8.0x	11.7x	10.4x	12.1x	10.6x	12.9x	11.2x	3.1%	3.4%	0.8x	0.0x	15.4%	15.9%
Average		2,346	9.2x	7.9x	13.7x	12.0x	12.3x	11.4x	13.8x	11.9x	2.0%	2.6%	1.5x	1.0x	14.4%	19.1%
Median		1,803	8.9x	7.7x	11.7x	10.4x	12.1x	10.6x	14.2x	12.4x	2.3%	3.4%	1.2x	0.8x	17.7%	19.0%

Inission	N.R.	586	8.2x	7.5x	10.5x	9.0x	10.5x	9.8x	11.0x	9.4x	2.3%	4.2%	3.0x	2.1x	14.8%	19.0%
vs. peer average		-75%	-11%	-5%	-23%	-25%	-15%	-14%	-20%	-21%	0.3pp	1.6pp	107%	113%	0.4pp	-0.1pp
vs. peer median		-68%	-7%	-3%	-10%	-14%	-14%	-7%	-23%	-24%	0.0pp	0.9pp	144%	173%	-2.9pp	0.0pp

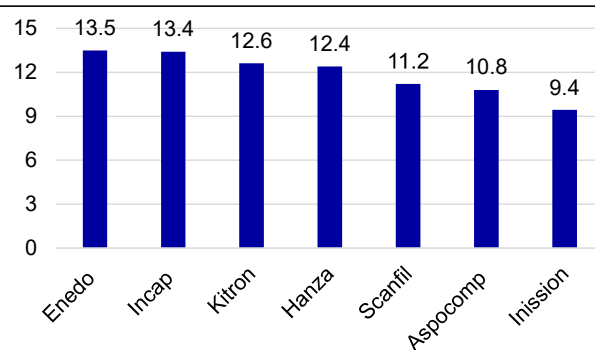
Source: Refinitiv and Nordea estimates

DIVIDEND YIELD (%), 2023E



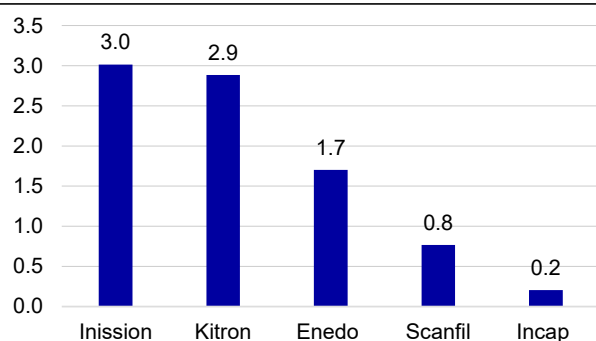
Source: Refinitiv and Nordea estimates

ADJUSTED P/E (x), 2023E



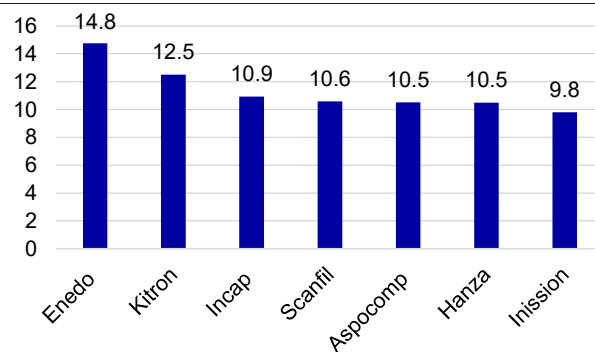
Source: Refinitiv and Nordea estimates

NET DEBT/EBITDA (x), 2022E



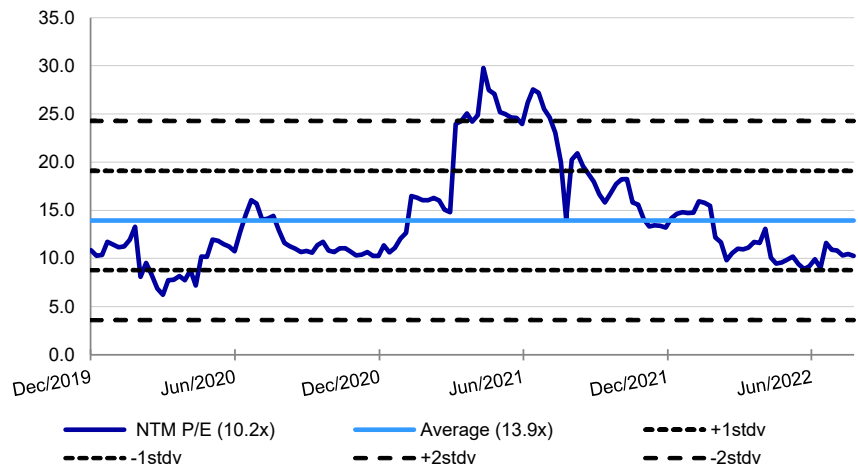
Source: Refinitiv and Nordea estimates

ADJUSTED EV/EBIT (x), 2023E



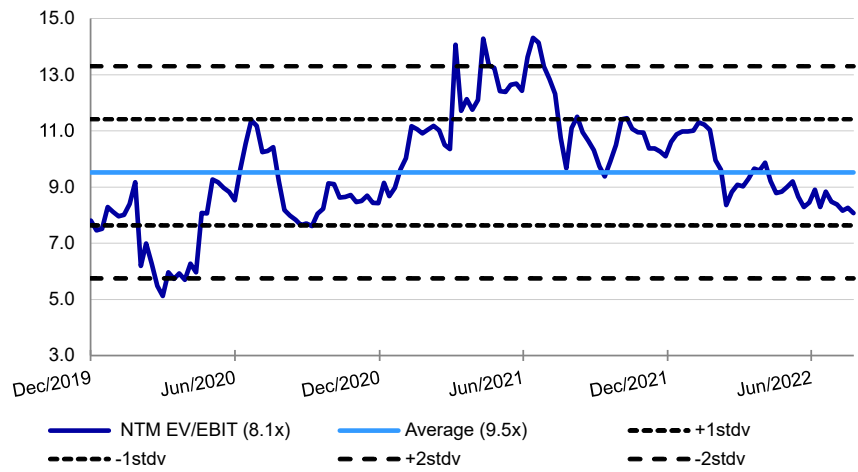
Source: Refinitiv and Nordea estimates

P/E (x), NTM



Source: Refinitiv

EV/EBIT (x), NTM



Source: Refinitiv

Detailed estimates

INISSION: INTERIM ESTIMATES (SEKm)

	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22E	Q4 22E
Net sales	232	258	226	287	329	347	296	331
Cost of goods sold	-130	-150	-132	-166	-209	-204	-172	-192
Other external costs	-27	-28	-26	-31	-32	-39	-32	-35
Personnel costs	-66	-70	-49	-72	-74	-80	-66	-81
Other operating costs	0	0	0	-1	-1	-8	0	0
EBITDA	14	15	22	18	27	25	27	23
Depreciation	-4	-4	-4	-4	-5	-6	-6	-5
EBITA	10	1	18	-10	19	15	21	18
Amortisation	-2	-2	-2	-2	-2	-2	-2	-2
Income from associates	0	-10	0	-24	-2	-4	-1	-1
EBIT	8	-1	16	-12	17	13	18	15
Adj. EBIT	8	10	12	14	20	17	19	16
Net financial items	-4.2	-1.9	-1.7	-2.6	-1.0	-1.1	-1.9	-2.3
PTP	4	-3	14	-15	16	12	16	12
Tax	-2	-2	-2	-3	-5	-3	-3	-3
Net profit	2	-5	12	-18	12	9	12	10
Basic EPS, SEK	0.31	-0.81	0.66	-0.99	0.63	0.47	0.63	0.49
Diluted EPS, SEK	0.31	-0.80	0.66	-0.99	0.63	0.47	0.63	0.49
NOSH pre dilution	6.00	6.00	18.09	18.11	18.11	18.11	19.92	19.92
NOSH post dilution	6.04	6.04	18.09	18.11	18.11	18.11	19.92	19.92
EBITDA margin	6.1%	5.7%	9.6%	6.3%	8.2%	7.2%	9.0%	7.0%
EBITA margin	4.5%	0.5%	7.9%	-3.6%	5.9%	4.4%	7.1%	5.4%
EBIT margin	3.4%	-0.4%	7.1%	-4.3%	5.2%	3.7%	6.0%	4.4%
Adj. EBIT margin	3.4%	3.8%	5.4%	5.0%	6.0%	4.9%	6.3%	4.7%
EBITDA growth	31%	-37%	7%	1%	91%	70%	23%	28%
EBITA growth	63%	-92%	12%	-177%	87%	1047%	19%	-273%
EBIT growth	25%	-106%	17%	-217%	117%	-1465%	11%	-219%
Adj. EBIT growth	-11%	-43%	-11%	30%	148%	77%	54%	9%
Organic	-14.6%	-9.1%	-10.1%	2.2%	30.7%	20.7%	22.0%	13.0%
Currency	-1.1%	-0.1%	-0.1%	0.8%	2.9%	2.3%	0.8%	0.9%
Structural	10.6%	0.0%	0.0%	0.0%	8.5%	11.7%	7.9%	1.4%
Sales growth	-5.1%	-9.2%	-10.2%	3.0%	42.1%	34.7%	30.7%	15.2%

Source: Company data and Nordea estimates

INISSION: ANNUAL ESTIMATES (SEKm)

	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22E	Q4 22E
Net sales	232	258	226	287	329	347	296	331
Cost of goods sold	-130	-150	-132	-166	-209	-204	-172	-192
Other external costs	-27	-28	-26	-31	-32	-39	-32	-35
Personnel costs	-66	-70	-49	-72	-74	-80	-66	-81
Other operating costs	0	0	0	-1	-1	-8	0	0
EBITDA	14	15	22	18	27	25	27	23
Depreciation	-4	-4	-4	-4	-5	-6	-6	-5
EBITA	10	1	18	-10	19	15	21	18
Amortisation	-2	-2	-2	-2	-2	-2	-2	-2
Income from associates	0	-10	0	-24	-2	-4	-1	-1
EBIT	8	-1	16	-12	17	13	18	15
Adj. EBIT	8	10	12	14	20	17	19	16
Net financial items	-4.2	-1.9	-1.7	-2.6	-1.0	-1.1	-1.9	-2.3
PTP	4	-3	14	-15	16	12	16	12
Tax	-2	-2	-2	-3	-5	-3	-3	-3
Net profit	2	-5	12	-18	12	9	12	10
Basic EPS, SEK	0.31	-0.81	0.66	-0.99	0.63	0.47	0.63	0.49
Diluted EPS, SEK	0.31	-0.80	0.66	-0.99	0.63	0.47	0.63	0.49
NOSH pre dilution	6.00	6.00	18.09	18.11	18.11	18.11	19.92	19.92
NOSH post dilution	6.04	6.04	18.09	18.11	18.11	18.11	19.92	19.92
EBITDA margin	6.1%	5.7%	9.6%	6.3%	8.2%	7.2%	9.0%	7.0%
EBITA margin	4.5%	0.5%	7.9%	-3.6%	5.9%	4.4%	7.1%	5.4%
EBIT margin	3.4%	-0.4%	7.1%	-4.3%	5.2%	3.7%	6.0%	4.4%
Adj. EBIT margin	3.4%	3.8%	5.4%	5.0%	6.0%	4.9%	6.3%	4.7%
EBITDA growth	31%	-37%	7%	1%	91%	70%	23%	28%
EBITA growth	63%	-92%	12%	-177%	87%	1047%	19%	-273%
EBIT growth	25%	-106%	17%	-217%	117%	-1465%	11%	-219%
Adj. EBIT growth	-11%	-43%	-11%	30%	148%	77%	54%	9%
Organic	-14.6%	-9.1%	-10.1%	2.2%	30.7%	20.7%	22.0%	13.0%
Currency	-1.1%	-0.1%	-0.1%	0.8%	2.9%	2.3%	0.8%	0.9%
Structural	10.6%	0.0%	0.0%	0.0%	8.5%	11.7%	7.9%	1.4%
Sales growth	-5.1%	-9.2%	-10.2%	3.0%	42.1%	34.7%	30.7%	15.2%

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	1,303	1,374	1,434
Revenue growth	0.3%	12.2%	87.7%	35.6%	3.7%	32.5%	8.1%	-5.3%	29.9%	5.4%	4.4%
of which organic	n.a.	n.a.	5.0%	13.5%	-3.6%	1.2%	-4.8%	-7.6%	21.1%	5.3%	4.4%
of which FX	n.a.	n.a.	0.0%	0.1%	0.7%	0.2%	-0.7%	-0.1%	1.7%	0.1%	0.0%
EBITDA	17	23	31	37	49	70	67	35	93	112	126
Depreciation and impairments PPE	-5	-5	-7	-7	-8	-15	-20	-16	-22	-20	-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	71	92	106
Amortisation and impairments	0	0	0	0	0	0	0	-9	-9	-6	-6
EBIT	12	18	24	30	41	55	48	11	62	86	100
of which associates	0	0	0	0	0	0	0	-34	-9	2	4
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	-6	-7	-7
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	56	79	92
Reported taxes	-3	-5	-4	-3	-7	-11	-11	-9	-14	-17	-19
Net profit from continued operations	8	13	19	23	30	37	27	-9	42	62	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	42	62	73
EPS, SEK	n.a.	11.01	15.34	5.78	6.09	7.58	5.15	-0.49	2.21	3.12	3.65
DPS, SEK	0.00	0.00	3.00	0.00	1.51	0.00	0.00	0.30	0.67	1.24	1.63
of which ordinary	0.00	0.00	3.00	0.00	1.51	0.00	0.00	0.30	0.67	1.24	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%	7.2%	8.1%	8.8%
EBITA	4.7%	6.4%	4.6%	4.2%	5.5%	5.6%	4.5%	1.9%	5.5%	6.7%	7.4%
EBIT	4.7%	6.4%	4.6%	4.2%	5.5%	5.6%	4.5%	1.1%	4.8%	6.3%	6.9%

Adjusted earnings

EBITDA (adj)	17	23	31	37	49	76	70	69	102	112	126
EBITA (adj)	12	18	24	30	41	61	51	53	80	92	106
EBIT (adj)	12	18	24	30	41	61	51	44	71	86	100
EPS (adj, SEK)	n.a.	11.01	15.34	5.78	6.09	8.90	5.72	1.59	2.68	3.12	3.65

Adjusted profit margins in percent

EBITDA (adj)	6.7%	8.2%	5.9%	5.2%	6.6%	7.8%	6.6%	6.9%	7.8%	8.1%	8.8%
EBITA (adj)	4.7%	6.4%	4.6%	4.2%	5.5%	6.2%	4.8%	5.2%	6.2%	6.7%	7.4%
EBIT (adj)	4.7%	6.4%	4.6%	4.2%	5.5%	6.2%	4.8%	4.4%	5.5%	6.3%	6.9%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	28.4%	24.3%	31.4%	30.5%	13.8%	12.8%	13.2%	7.9%
EBITDA	n.m.	n.m.	n.m.	28.7%	13.5%	33.2%	23.9%	2.4%	20.3%	18.1%	12.5%
EBIT	n.a.	n.a.	n.a.	27.9%	14.5%	35.8%	21.5%	-15.4%	15.9%	16.0%	12.7%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-14.1%	n.m.	-17.5%	-12.5%	-13.6%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-36.9%	n.m.	-3.9%	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%	4.2%	4.6%	5.0%
Average EBITDA margin	n.a.	n.a.	7.1%	6.6%	6.2%	6.5%	6.3%	5.7%	6.2%	6.6%	7.0%

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	11.7	10.1	8.6
EV/EBITDA (adj)	n.a.	1.3	4.8	6.6	5.2	4.1	3.2	11.0	8.6	7.7	6.6
EV/EBITA (adj)	n.a.	1.6	6.2	8.2	6.2	5.1	4.5	14.3	10.9	9.4	7.8
EV/EBIT (adj)	n.a.	1.6	6.2	8.2	6.2	5.1	4.5	9.7	10.9	10.3	8.7

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.	14.2	10.1	8.6
EV/Sales	n.a.	0.11	0.29	0.34	0.35	0.32	0.21	0.75	0.67	0.63	0.58
EV/EBITDA	n.a.	1.3	4.8	6.6	5.2	4.4	3.4	11.0	8.6	7.9	6.8
EV/EBITA	n.a.	1.6	6.2	8.2	6.2	5.7	4.8	14.3	10.9	9.6	8.2
EV/EBIT	n.a.	1.6	6.2	8.2	6.2	5.7	4.8	17.1	12.3	10.3	8.7
Dividend yield (ord.)	n.a.	0.0%	21.3%	0.0%	9.2%	0.0%	0.0%	0.9%	2.1%	3.9%	5.2%
FCF yield	n.a.	-283.2%	-392.6%	-85.3%	47.6%	32.2%	8.9%	-4.2%	1.0%	8.8%	9.7%
FCF Yield bef A&D, lease adj	n.a.	-237.9%	-122.7%	20.6%	37.8%	42.5%	29.2%	-4.2%	4.0%	9.0%	9.7%
Payout ratio	n.a.	0.0%	19.6%	0.0%	24.9%	0.0%	0.0%	18.9%	24.9%	39.7%	44.5%

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	32	29	24
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	22	17	11
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	27	29	33
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	143	141	139
Inventory	47	62	164	165	241	251	211	326	404	375	391
Accounts receivable	44	53	131	124	174	156	148	191	222	227	237
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	20	19	20
Cash and bank	7	17	12	3	0	1	44	0	-13	29	65
Total current assets	102	137	319	303	431	419	415	536	632	650	713
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	776	791	852
Shareholders equity	60	89	59	79	111	142	270	265	302	351	400
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	302	351	400
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	209	174	182
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	124	124	129
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	332	298	311
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	776	791	852
Balance sheet and debt metrics											
Net debt	22	23	134	187	176	130	31	145	281	239	203
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	313	323	337
Invested capital	88	117	200	273	303	286	311	420	456	464	476
Capital employed	89	129	205	269	287	273	345	410	433	483	531
ROE	13.7%	17.0%	25.1%	33.4%	31.6%	29.5%	13.2%	-3.3%	14.8%	19.0%	19.4%
ROIC	9.9%	13.7%	12.0%	9.8%	11.1%	16.2%	13.2%	9.4%	12.7%	14.6%	16.5%
ROCE	13.2%	17.1%	15.2%	12.6%	14.8%	22.0%	16.6%	12.3%	17.5%	19.4%	20.2%
Net debt/EBITDA	1.3	1.0	4.3	5.1	3.6	1.9	0.5	4.1	3.0	2.1	1.6
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%	38.9%	44.5%	46.9%
Net gearing	36.3%	26.0%	228.1%	237.0%	158.8%	91.3%	11.6%	54.6%	93.0%	67.9%	50.8%

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	102	110	122
Paid taxes	-2	-3	-5	-1	-4	-9	-11	-11	-14	-17	-19
Net financials	0	0	0	0	0	-7	-9	-10	-6	-7	-7
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	86	95
Change in NWC	13	-29	-35	-10	1	33	35	-71	-38	-10	-14
Cash flow from operations (CFO)	27	-10	-19	21	41	86	83	-9	46	76	81
Capital expenditure	-26	-5	-1	-10	-11	-9	-26	-16	-22	-20	-20
Free cash flow before A&D	1	-16	-21	12	30	77	57	-26	24	56	61
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	6	55	61
Free cash flow bef A&D, lease adj	1	-16	-21	12	30	77	57	-26	24	56	61
Dividends paid	-3	-3	-50	0	0	-7	0	0	-5	-13	-25
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	-13	42	36
Cash flow metrics											
Capex/D&A	n.m.	n.m.	19.6%	n.m.	n.m.	57.1%	n.m.	65.5%	70.7%	76.9%	77.1%
Capex/Sales	10.4%	1.9%	0.3%	1.3%	1.5%	0.9%	2.4%	1.6%	1.7%	1.4%	1.4%
Key information											
Share price year end (/current)	n.a.	6	14	15	16	37	37	34	31	31	31
Market cap.	n.a.	7	17	57	80	181	195	610	597	625	625
Enterprise value	n.a.	30	151	244	256	311	227	755	878	864	828
Diluted no. of shares, year-end (m)	0.0	1.2	1.2	3.9	4.8	4.9	5.2	18.1	19.0	19.9	19.9

Source: Company data and Nordea estimates

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