Equity Research - 17 January 2023 05:56 CET

Inission

Reason: Initiating coverage

The key to I(g)nission: 21% '23e-'25e EPS CAGR

- M&A-driven EMS company with a solid track record
- '23e-'25e adj. EPS to increase by 45%
- Trading at peer '23e P/E of 15x with margins to increase

Commissioned Research

Not rated

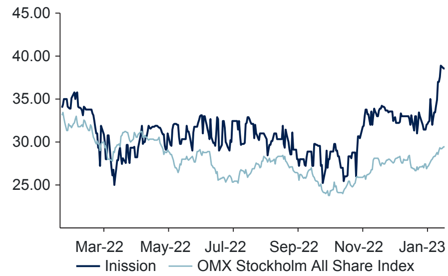
Capital Goods

Share price (SEK)	17/1/2023	38.9
Fair value range		35-55

MCap (SEKm)	775
MCap (EURm)	54
No. of shares (m)	20.0
Free float (%)	31.5
Av. daily volume (k)	11

Next event Q4 Report 1 March 2023

Performance



Growing through M&A in a competitive and fractured market

Inission is a Swedish electronic manufacturing and services (EMS) company with facilities in the Nordics, Estonia, and more recently Italy and Tunisia. The Nordic EMS market has been growing at an annual rate of 4% and is serviced by a few large players that have more than half the total market share, and many smaller companies. The market is highly competitive with companies competing mostly on cost. Since 2011, Inission has grown sales by 19% annually, of which we estimate 2.4% to have been organic; this shows that the bulk of the growth has come from acquisitions, and the fractured market structure should encourage further consolidation. As Inission's R3Y adj. EPS has grown by 6% annually since 2013, even though margins have decreased, we deem the M&A activity to have been value accretive.

Margin expansion ahead

Inission recently acquired the Finnish company Enedo, and is working to turn around its loss-making operations. Before the acquisition, Enedo was plagued by structural inefficiencies, and management plans to amend these by restructuring the Italy-Tunisia branch, cutting costs in Italy, modernising the Tunisia factory, and improving the company's pricing routines and capital structure. We have already seen some improvement, with margins increasing in Q3. Management also has plans to increase profitability in the original Inission segment, but we choose to only incorporate margin expansion in the Enedo segment in our estimates until we see evidence that these measures are having an effect.

'23e-'25e EPS CAGR of 21%, fair value range SEK 35-55

We estimate '23e-'24e organic sales growth of 5% and 2.4%, as well as for the adj. net margin to increase from 2.8% to 3.4%. A peer-multiple valuation and DCF model result in a fair value range of SEK 35-55 per share.

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SEKm	2020	2021	2022e	2023e	2024e
Sales	1,059	1,003	1,589	1,934	1,980
EBITDA	73	35	178	114	133
EBITDA margin (%)	6.9	3.5	11.2	5.9	6.7
EBIT adj.	56	53	85	72	86
EBIT adj. margin (%)	5.3	5.2	5.3	3.7	4.3
Pretax profit	38	0	103	6	24
EPS	1.72	-0.49	4.56	0.24	0.95
EPS adj.	2.10	-15.07	2.93	2.17	2.84
Sales growth (%)	8.1	-5.3	58.3	21.7	2.4
EPS growth (%)	-31.7	-128.7	-1,025.3	-94.7	291.2

Source: ABG Sundal Collier, Company Data

	2022e	2023e	2024e
P/E (x)	8.5	159.8	40.8
P/E adj. (x)	13.3	17.9	13.7
P/BVPS (x)	1.36	1.38	1.34
EV/EBITDA (x)	6.0	10.1	8.2
EV/EBIT adj. (x)	12.6	16.0	12.7
EV/sales (x)	0.67	0.59	0.55
ROE adj. (%)	16.7	11.8	14.0
Dividend yield (%)	1.8	0.2	0.7
FCF yield (%)	0.0	0.0	0.0
Le. adj. FCF yld. (%)	0.0	0.0	0.0
Net IB debt/EBITDA (x)	1.6	3.3	2.4
Le. adj. ND/EBITDA (x)	2.5	3.3	2.4

Disclosures and analyst certifications are located on pages 39-40 of this report.

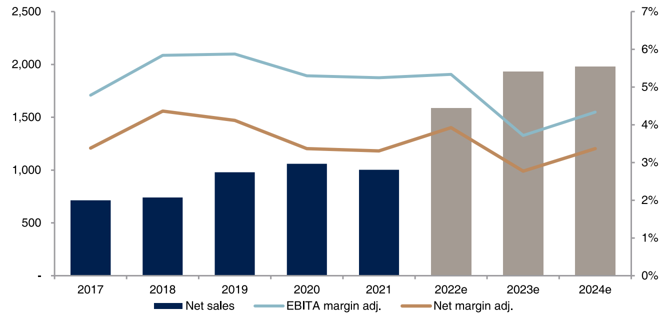
Company description

Inission is an electronic manufacturing and services (EMS) company primarily operational in the Nordics. The company offers contract manufacturing services ranging from initial product design and prototyping to volume and aftermarket production. As part of its growth strategy, Inission focuses on acquiring other EMS companies and improving their efficiency, but maintains a fairly decentralised organisation in order to remain close to customers.

Risks

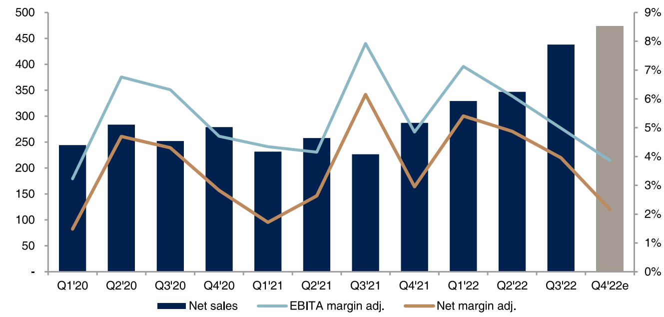
As a contract manufacturer, key risks affecting Inission include key customers leaving the company, as well as cyclical customers' demand decreasing during general economic downturns. Inission has a relatively diversified customer base, but many of its customers are cyclical. The profitability of the company is also sensitive to large swings in material prices and foreign exchange rates.

Annual sales (SEKm) and EBITA margin adj.



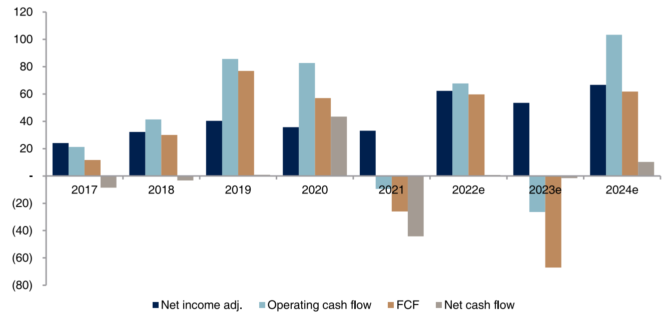
Source: ABG Sundal Collier estimates, company data

Quarterly sales (SEKm) and EBITA margin adj.



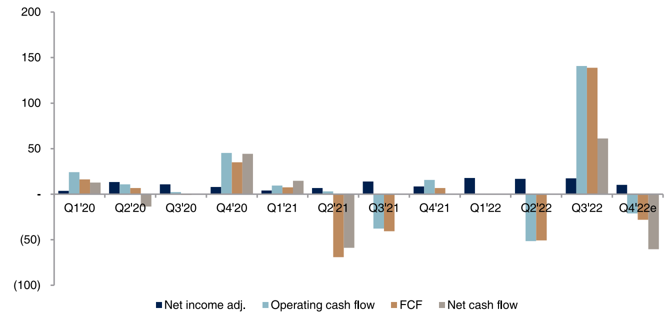
Source: ABG Sundal Collier estimates, company data

Annual cash flows (SEKm)



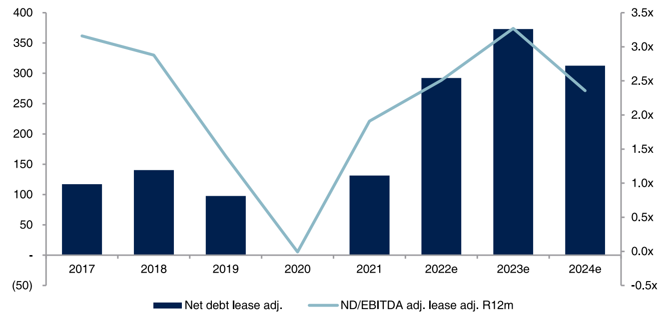
Source: ABG Sundal Collier estimates, company data

Quarterly cash flows (SEKm)



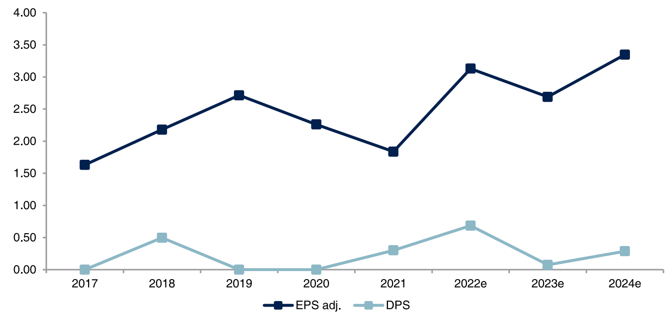
Source: ABG Sundal Collier estimates, company data

Net debt (SEKm) and ND/EBITDA lease adj.



Source: ABG Sundal Collier estimates, company data

EPS adj. and DPS (SEK)



Source: ABG Sundal Collier estimates, company data

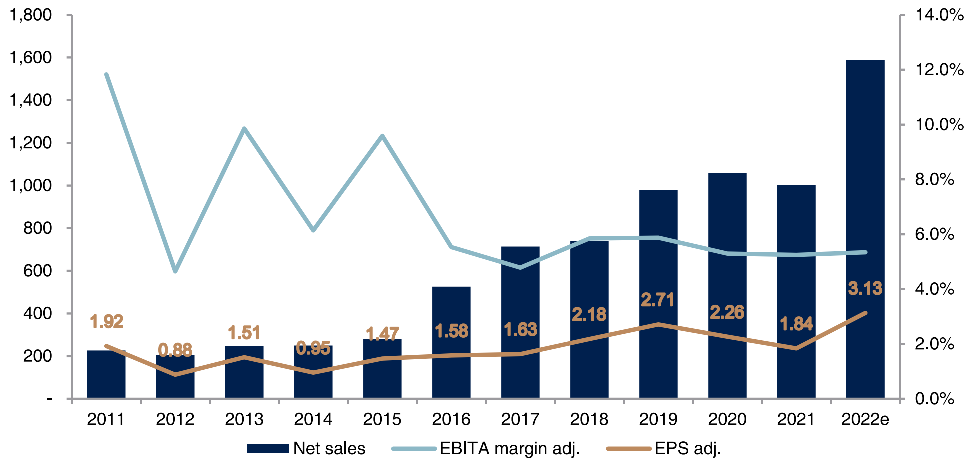
Summary

We estimate a fair value range for Inission of SEK 35-55 per share. The company has a track record of value-accretive acquisitions, and we believe the plan to increase margins in the recently acquired Enedo will result in a 21% '23e-'25e adjusted EPS CAGR. On our estimates, the company is currently trading at the peer '23e adjusted P/E of 15x, with margins to increase in the coming years. Meanwhile, we expect Inission to continue growing organically at a slow but steady pace, supported by the increasing use of electronic devices and new technologies. Once Enedo has been integrated, we also expect Inission to keep growing through acquisitions.

A Nordic EMS company with M&A-driven growth

Inission is a Swedish electronic manufacturing and services (EMS) company primarily operational in the Nordics. The company aims to be a leading turnkey contract manufacturer of electronic products, and offers services ranging from initial development and prototyping to volume and aftermarket production; the vast majority of its revenues, however, comes from volume production. Inission has operations in Sweden, Norway, Finland and Estonia, and has recently acquired the Finnish company Enedo, adding additional sites in Finland, Italy and Tunisia. At the time of acquisition, Enedo was loss-making and in need of a turnaround, towards which some progress is being made. Since 2011, Inission has grown sales at a CAGR of 19.4%, of which we estimate 2.4% to have been organic, meaning the bulk of the growth has been driven by M&A. Meanwhile, the company's R3y adjusted net margin has decreased from 7.6% to 3.6% between 2013 and 2022e, but its R3y adjusted EPS has grown at a CAGR of 5.9%, suggesting the M&A activity has overall been value accretive.

Inission 2011-2022e net sales, EBITA margin adj. and EPS adj.



Source: ABG Sundal Collier estimates, company data

A mature and competitive market

Nordic EMS companies are used by other local and European businesses to outsource the manufacture of both electronic parts and complete products. The market is saturated by a few large companies, collectively accounting for more than half the total market share, and many smaller companies, accounting for the rest. Combined with the fact that EMS companies do not own the intellectual property of the products they manufacture, as they are merely acting as a manufacturing middleman for their customers, which leaves customers with most of the bargaining power, this results in a highly competitive market. This market structure also encourages further consolidation of the market via M&A. The Nordic EMS market grew 4% annually between 2011 and 2020 (compared to 2.7% in Europe), and we expect this average rate to be maintained for the foreseeable future, supported by the increasing use of electronic devices as well as new technologies such as IoT, 5G and sustainable energy solutions.

EMS companies mostly compete on cost, but closeness to customers and best-in-class auxiliary services can provide an edge. Inission's margins have trailed its peer group average over the past five years (EBIT margin 5.0% vs. 7.1%), and we think this is mostly due to Inission's high acquisition tempo and possibly its relatively smaller size. A high acquisition tempo may hurt margins in the short run, but as outlined above, we believe Inission's M&A activity has in general been value accretive, and consider it a competitive advantage. The addition of Enedo's low-cost Tunisian factory to Inission may also contribute to profitability in the long run.

Inission and Nordic competitors, operating statistics

Company name	Sales 5y CAGR, %	EBIT margin 5y avg, %	CAPEX/Sales 5y avg %	ROIC 5y avg, %	Sales/employee SEK m	Acquisitions No. since 2015	WC Cycle 5y avg, days	Low cost manufacturing locations
Inission	**13.8**	**5.0***	**1.3**	**15.4**	**2.0**	**8.0**	**122.0**	**Tunisia, Estonia**
AQ	10.7	6.2	2.2	11.8	0.8	9.0	117.9	Brazil, India, China, Mexico, Lithuania, Estonia, 4 CEE countries
Hanza	14.0	3.1	2.3	4.2	1.4	6.0	46.5	China, Estonia, Czech Republic, Poland
Incap	34.5	13.6	1.9	31.9	0.8	1.0	90.5	India, Slovakia, Estonia
Kitron	12.1	6.4	1.2	15.0	2.1	2.0	99.9	China, Lithuania, Poland, Czech Republic
Note	19.2	7.3	0.9	20.1	2.2	2.0	101.6	China, Estonia
Scanfil	6.5	6.0	1.8	16.1	2.2	2.0	87.0	China, Estonia
Average ex Inission	**16.2**	**7.1**	**1.7**	**16.5**	**1.6**	**3.7**	**90.6**	

*Adjusted for goodwill amortisation

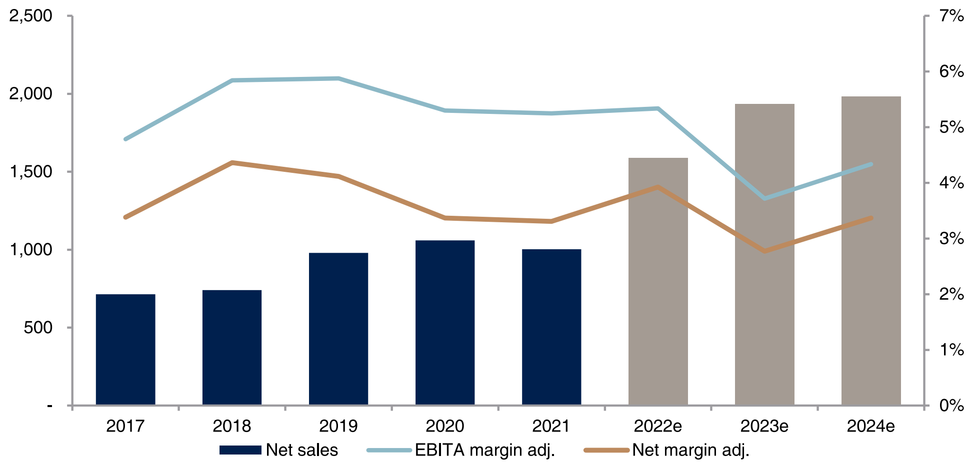
Source: ABG Sundal Collier, company data

Estimates and valuation

Until 2025, management aims to reach SEK 2bn in sales and increase margins significantly, both in the original Inission and the recently acquired Enedo. In order to reach these targets, they intend to continue their move towards slightly larger organisational subsidiaries, and strengthen central sales and supply-chain functions. In Enedo specifically, they will restructure the Italy-Tunisia branch, cutting costs in Italy, while modernising the Tunisian factory, and improve the company's pricing routines and capital structure. They also intend to move some currently outsourced production in the Finnish branch from competitors to Inission.

We estimate that sales will keep growing organically at the historical rate of 2.4% annually for the next ten years, with slightly higher growth of 5% in '23e. This means that we think Inission will reach its target of SEK 2bn in sales in 2025 without additional M&A. We also estimate that the turnaround efforts in Enedo will be successful, and that its margin will over time move towards the Inission segment's current margin. In the interest of being conservative, we choose not to estimate any margin expansion in Inission until we see evidence that the efforts to achieve this are having an effect. These estimates give a 21% '23e-'25e adjusted EPS CAGR. On our estimates, the company is currently trading at the peer '23e adjusted P/E of 15x, with margins to increase in the coming years.

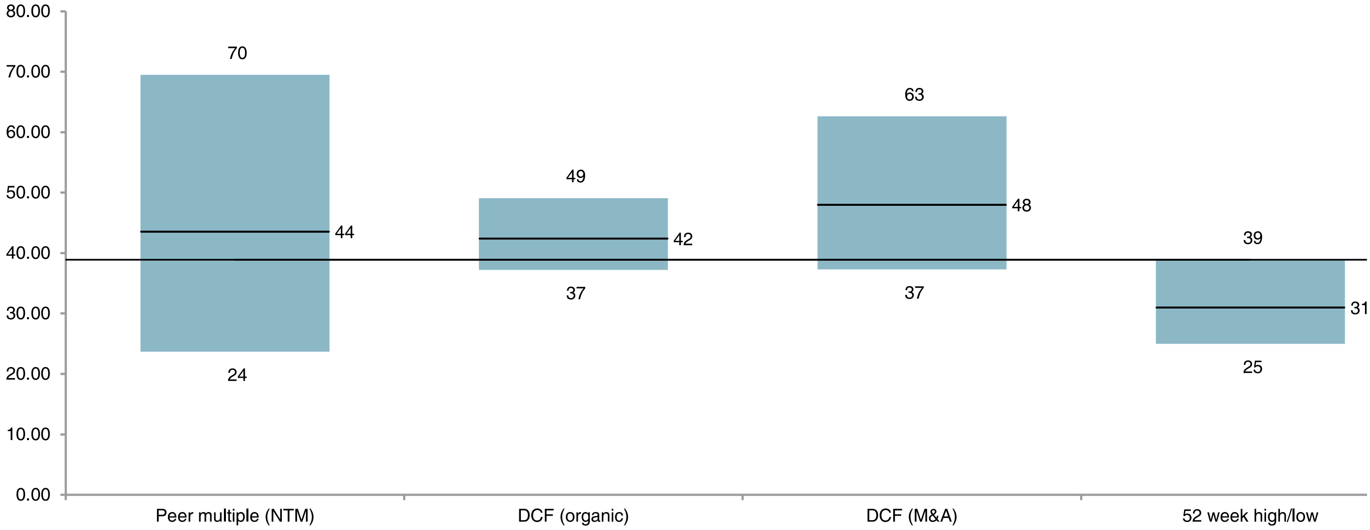
Sales and margin estimates



Source: ABG Sundal Collier estimates, company data

We estimate a fair value range of SEK 35-55 per share, based on both an NTM peer-multiple valuation and a 10-year DCF model.

Valuation summary (SEK per share)



Source: ABG Sundal Collier

Company overview

Inission is a Swedish electronic manufacturing and services (EMS) company primarily operational in the Nordics. The brand name Inission was launched in 2011, consolidating a number of companies which had merged over the years. The company aims to be a leading turnkey contract manufacturer of electronic products in the Nordics, offering services ranging from initial development and prototyping to volume and aftermarket production. While the company has grown organically at an estimated rate of 2.4% annually since 2011 (slightly below the market), the majority of its growth has come from acquisitions, and this continues to be a key growth strategy for the company. The concern operates in a fairly decentralised manner, allowing for direct contact between customers and production units. The two founders, Fredrik Berghel and Olle Hulteberg, own a majority of the shares and have managed the concern from various positions since its inception in 2008. They are currently serving as CEO and chairman of the board.

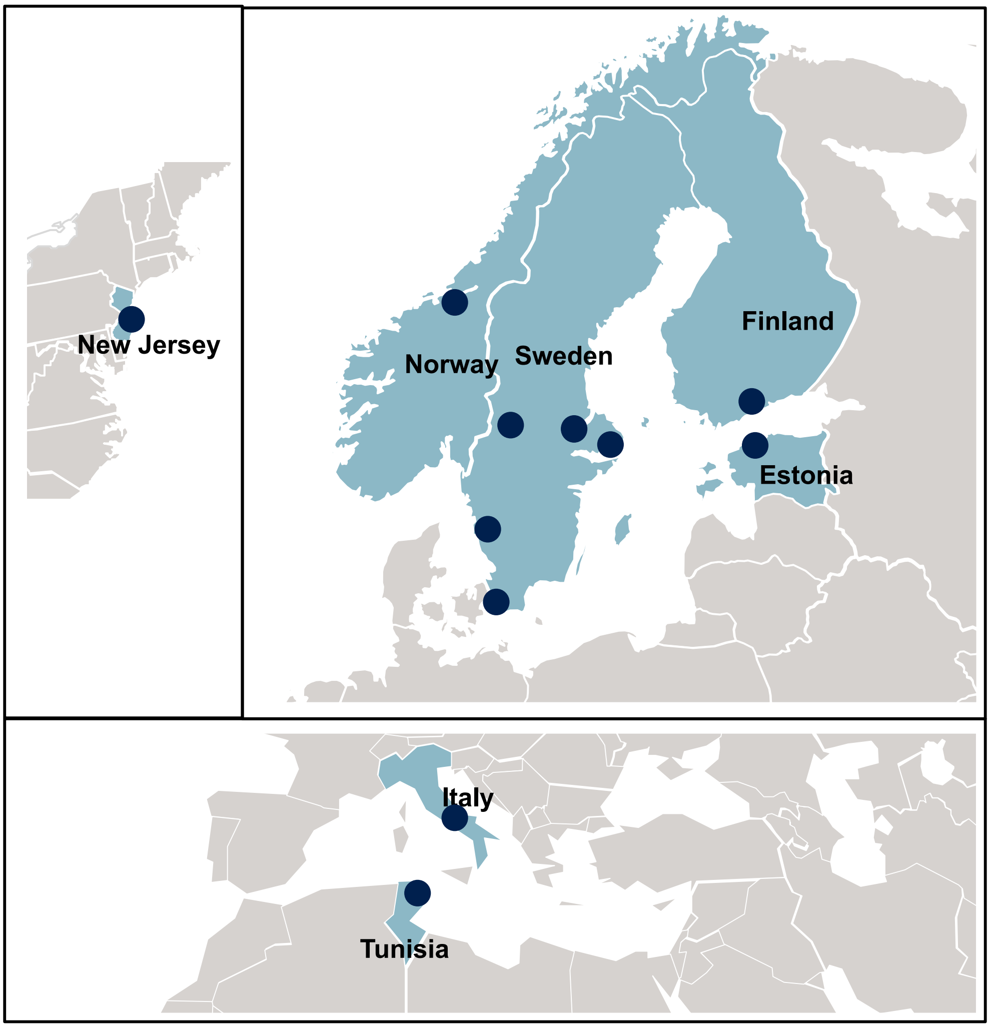
Brief history

Inission was launched in 2011 as the consolidated brand name for a number of companies which had merged over time, with the oldest subsidiary tracing its roots back to 1985. This was done with the aim of becoming a strong competitor in the electronic manufacturing and services (EMS) industry while still maintaining a focus on local production. Since then, the company has been operating with the goal of being a driving force in the consolidation of the Nordic EMS market by growing its market share both organically and through M&A. In 2015, the company went public to improve visibility and be able to fund future M&A using company stock. Between 2011 and 2022e, revenue increased from SEK 230m to 1,600m, and we estimate that ~SEK 70m of this increase was achieved organically while ~SEK 1,300m was achieved via M&A. Through M&A, the company has expanded the originally Swedish operations into Norway, Finland and Estonia. Most recently, Inission acquired the Finnish company Enedo (49.6% in 2021 and an additional 46.3% in 2022) with the aim of turning around its unprofitable operations. The Enedo acquisition expanded Inission's geographical footprint by adding sales and product development offices in the US and Italy, as well as a factory in Tunisia. The two founders, Fredrik Berghel and Olle Hulteberg, own a majority of the shares and have managed the concern from various positions since its inception in 2008. They are currently serving as CEO and chairman of the board.

Timeline (selected events)

Source: ABG Sundal Collier, company data

Map of Inission facilities



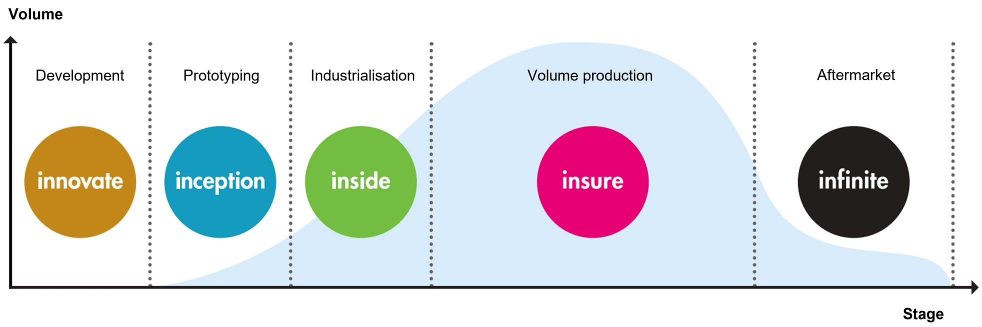
Source: ABG Sundal Collier, company data

Business model

A turnkey contract manufacturer

Inission is an electronic manufacturing and services (EMS) company primarily operational in the Nordics. It aims to be a turnkey contract manufacturer, providing services ranging from design and prototyping to volume and aftermarket production of electronic and mechanical products. Customers are therefore able to outsource to Inission throughout a product's entire lifecycle. The company packages its offering in its services Innovate (development), Inception (prototyping), Inside (industrialisation), Insure (volume production) and Infinite (aftermarket). The vast majority of its revenues come from volume production.

Product lifecycle



Source: Inission

Decentralised organisation

The company operates in a fairly decentralised manner with each subsidiary being given its own financial and operational targets. Decentralisation enables the company to work more closely with its customers, who can interact directly with the subsidiaries. The subsidiaries also specialise in different niches of the market, enabling the company as a whole to offer a more complete and qualitative range of services to its customers. More recently, however, the company has started moving towards a structure with slightly larger production units and supporting central functions focusing on sales and the supply chain. The company has always focused on local production in the Nordics, but with the recent acquisition of Enedo, it now also has a factory in Tunisia.

Growth through acquisitions

While the company has grown organically at an estimated rate of 2.4% annually since 2011 (slightly below the market), the majority of its growth has come from acquisitions, acquiring on average one company a year with ~SEK 100m in sales, paying 0.24x EV/Sales, or 5.4x EV/EBITA for profitable companies. The company's acquisition strategy focuses on finding companies with a customer portfolio that complements its own, while also assessing their financial position and future potential. It also looks at the company culture and tries to determine what potential for improvement exists. Geographically, Inission looks for acquisitions in Northern Europe, but is willing to make exceptions if a customer wants to jointly establish themselves in a new market. After acquiring a company, Inission starts the process of “Inissifying” the new subsidiary, introducing reporting routines, setting financial targets, coordinating sourcing as well as integrating and improving its operations with regard to the IT systems and Inission's LEAN approach to production.

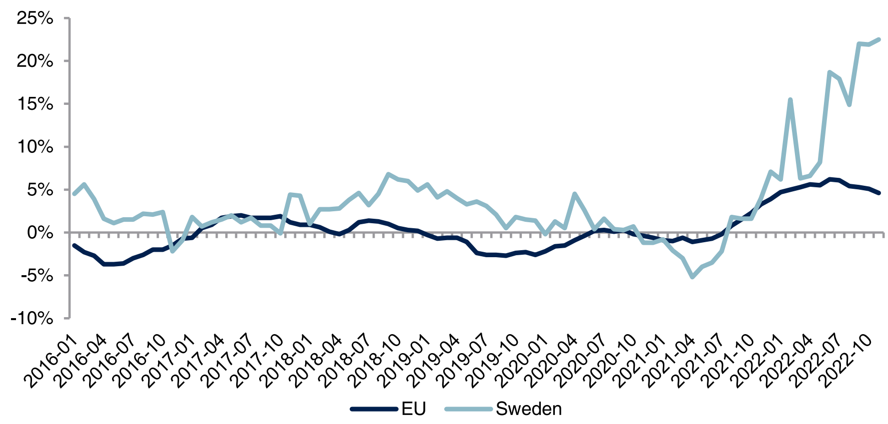
The Nordic EMS market

The Nordic electronic manufacturing and services (EMS) market grew 4% annually between 2011 and 2020, and we expect this average rate to be maintained for the foreseeable future. There are a few large players in the market who together have a majority share, while the rest of the market is saturated by many smaller companies. As the market growth is quite modest, many EMS companies are trying to acquire more customers in structural growth sectors, such as IoT, MedTech, and green energy, as well as grow through acquisitions, to outpace the market. We believe a hybrid approach to manufacturing locations, where development, prototyping and low-volume production is carried out closer to the customer, while high-volume manufacturing is offshored to low-cost regions, suits most companies best. Nordic EMS companies are almost entirely low-volume producers when compared to global EMS companies, hence the re-shoring of manufacturing should work better for Nordic companies than the big global ones. Both the global and Nordic EMS industry is driven by OEM decisions to outsource production, and the outsourcing trend, which has been strong over the past few decades, is expected to continue.

Nordic electronic manufacturing and services (EMS) companies are used by other local and European businesses to outsource the manufacture of both electronic parts and complete products. Most EMS companies offer services covering the entire product lifecycle, such as initial design, prototyping, supply-chain setup, mass production, and aftermarket services. In the Nordics, as well as in broader Europe, there are a few big companies with more than half of the total market share, while the rest of the market is serviced by many small players. This suggests intense competition and potential for further market consolidation. In the EMS industry, companies do not own the intellectual property of the products they design and manufacture as they are acting as a manufacturing middleman. This, along with the intense competition in the industry, contributes to customers having most of the bargaining power.

During the first nine months of 2022, demand for EMS in the Nordics has been very strong, with many companies reporting organic growth rates above 20%. In Sweden, prices of electronic circuit boards grew by 23% y-o-y in September (5% in EU), which suggests companies have been passing on higher costs to customers, and the high demand for EMS has led to lower price sensitivity. EMS companies have also been expanding as many of them have approached their production capacity, meaning the revenue growth is not only due to inflation, but volume increases as well. Component shortages continue to be an issue, resulting in higher inventories and limiting companies' ability to fully satisfy the demand; without component shortages revenues could be growing at a faster pace. Some EMS providers are starting to see an easing in supply chain strains, but nothing game changing yet, and improved component availability is expected to materialise in H2 2023.

Prices of electronic circuit boards, yoy



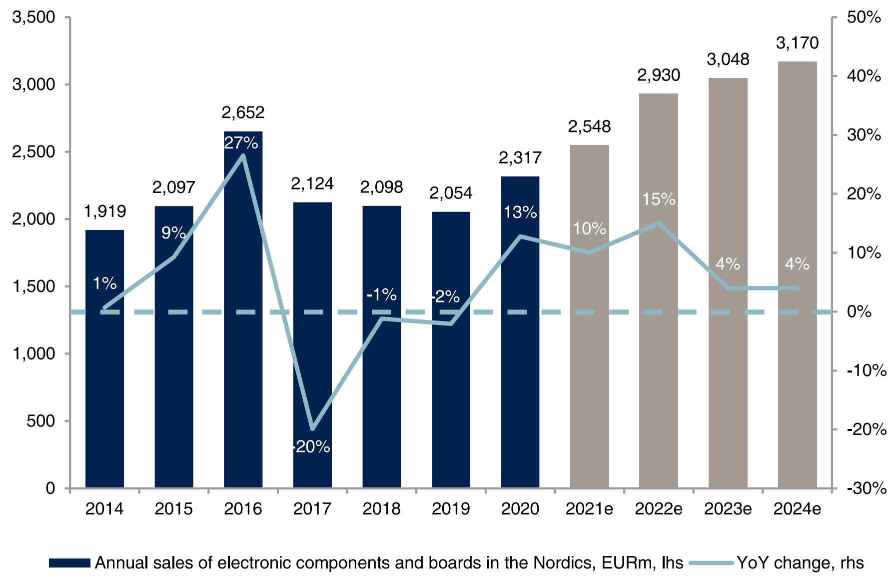
Source: Eurostat Producer Price Indices

A mature industry with growth driven by macro, M&A and new technologies

Market growth and cyclicality

According to Eurostat, the 2020 annual sales of electronic components and circuit boards amounted to EUR 2.3bn in the Nordics, i.e. 3-4% of the total EU market. Even though the use of electronic devices and other products has been increasing due to global digitalisation, the EMS market has only grown at a CAGR of 2.7% since 2011 in Europe and 4% in the Nordics. This can be explained by price competition and the cyclical nature of demand. The Nordic EMS market is expected to grow 4% annually over the next three years, in line with the historical CAGR and mainly driven by the general economic environment, as well as the increasing use of electronic devices and new technology such as IoT, 5G, and sustainable energy solutions. We expect this average growth rate to be maintained for the foreseeable future. The EMS industry is quite cyclical: total revenue from electronic components declined by 19% in 2009 in Europe, suggesting that macro trends are important for EMS companies, and that recessions and economic stagnation adversely affect demand.

Nordic market for electronic components

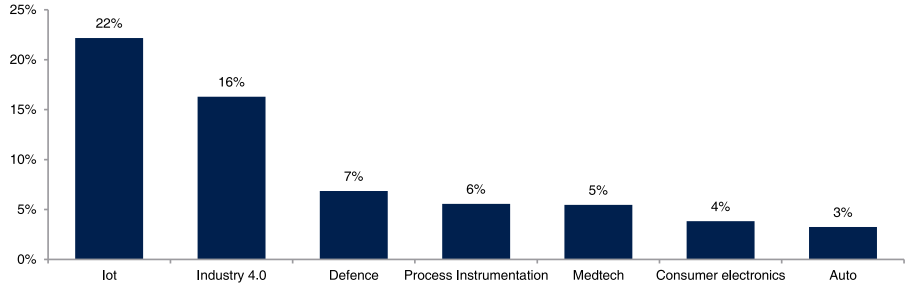


Source: ABG Sundal Collier, Eurostat 2014-2020

Fast-growing niches

While EMS companies service a diverse range of industries, there is a trend to look for customers in structural growth areas, which is one way of achieving above-average growth in the EMS industry. In the Nordics the focus has been on attracting customers within IoT, sustainable energy, EV, and MedTech. The recent increase in defence spending may mean the defence industry will become another one of these growth areas. Growth expectations for the IoT and MedTech markets lie between 20-25% and 5-6%, respectively — higher than for the EMS market as a whole. The structural nature of the growth in these sectors means that their growth should be less sensitive to macroeconomic fluctuations. Therefore, winning new customers whose growth is driven by major trends has been the goal of many Nordic EMS companies.

Average of market growth expectations from various sources, next 5-10 years



Source: Sources: Precedence Research, Allied Market Research, Global Newswire, Fortune business insights, Markets and markets, Statista, McKinsey, Research and markets

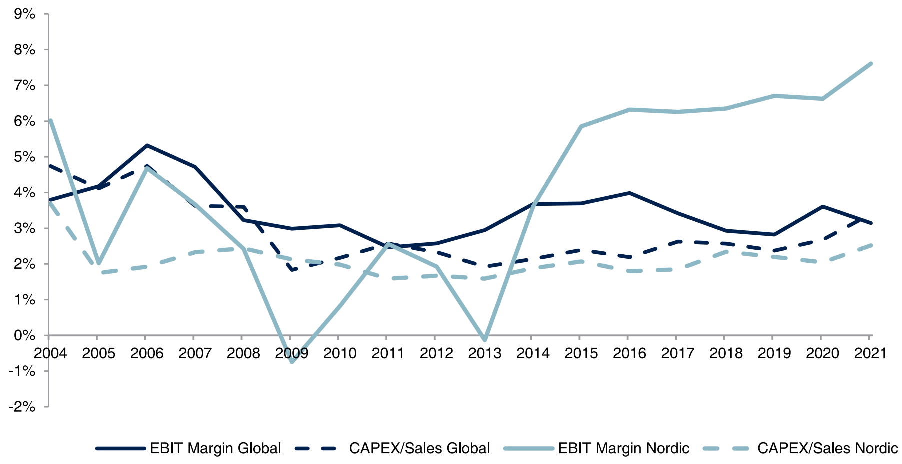
Growth through acquisitions

Another way EMS companies can attain a higher growth rate than the market is through acquisitions. Better cost efficiency can be achieved with more scale, and the industry structure of a few big and many small companies is a good setup for consolidation. Bigger companies have the resources to compete on many fronts at once, while small EMS companies may have to limit their competitive focus to a few key areas. For example, competing on cost, quality and lead times may be mutually exclusive for a small EMS company, while large ones with well-developed supply chains can pull this off. Thus, smaller companies may have a more limited TAM, as they are not able to cater to the same range of clients as larger EMS providers. Hence, we argue that company size, at least to a point, is a competitive advantage, as it provides more flexibility and cost efficiency. This is one of the forces that drive acquisitions in the industry. Also, smaller EMS companies can have a niche with higher margins or growth, making them attractive targets for larger players, who can streamline the production and then extract even more value from such corners of the market. Capex spending, needed to improve margins through technologically advanced production, is also more efficient at a bigger, consolidated EMS company. All these factors contribute to acquisitions being an important source of growth.

A mature industry

EMS is a mature industry — this can be seen in the historical market growth rate, which is fairly in line with GDP growth. The production processes have been well honed by most companies in the industry, and most EMS providers have access to similar production technologies. The maturity of the industry can also be seen in the margins of the largest global players, which have remained relatively stable for the past 10 years. Also, even though capex increased in 2021, which we attribute to pandemic effects, capex to sales for the average large EMS company has been hovering steadily at 2-4%. Therefore, we do not currently see any big drivers on the manufacturing side that could be game changers for profitability and efficiency. In the Nordics, capex spending seems to follow the global trends, but EMS industry has seen higher profitability compared to the global players since 2015 based on average EBIT margins. Higher Nordic margins can be a result of lower-volume and more specialised production compared to the global market.

Average operating ratios for selection of largest EMS companies globally and in Nordics



Source: ABG Sundal Collier, Factset, company data

Footnote: Global companies: Foxconn tech, Pegatron, Wistron, Flex, BYD Electronics, Sanmina, Celestica, Plexus, Shenzhen Kaifa, Benchmark Electronics, Siix, Kaga

Nordic companies: AQ, Hanza, Incap, Kitron, NOTE, Scanfil, Inission

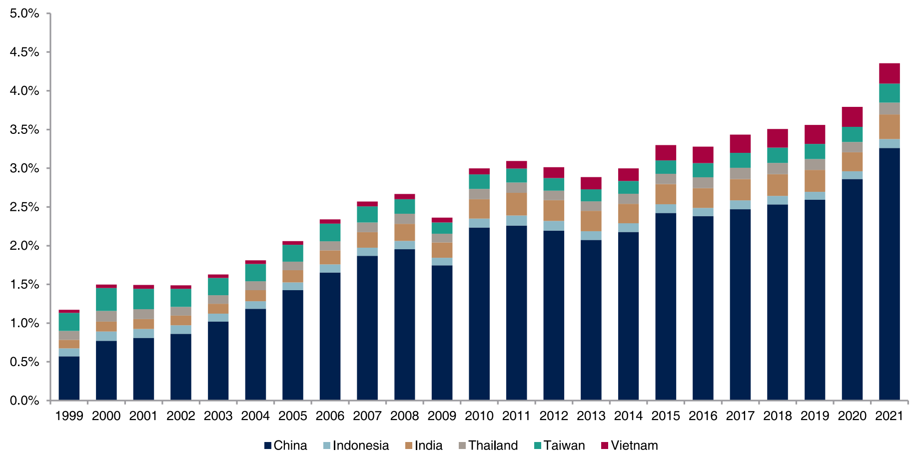
Offshoring vs. reshoring

Even though high demand in 2022 has resulted in clients being less sensitive to price, over the long term, production cost is the key focus for EMS clients. Cost-efficient production usually requires offshoring high-volume production to low-cost regions, such as China, India, and CEE countries. However, offshoring also exposes a company to trade tariffs, quality risks, political risk and potential supply-chain issues, which became particularly evident during COVID-19. Therefore, reshoring, i.e. manufacturing products close to customers, making lead times shorter, supply chains less complex, and quality control easier, has been getting more attention recently, especially in the low-volume manufacturing segment.

Mass production in high-cost regions limits profitability and therefore the opportunity to compete on price. Thus, many EMS companies adopt a hybrid approach, where some high-volume production is offshored, but all design, supply-chain advice, prototyping, and low-volume manufacturing is done onshore. This allows companies to keep costs down and still have some manufacturing capability onshore in case of supply-chain issues with offshore locations. Offshore locations are also frequently chosen to be in proximity to the client's end market. For example, CEE is a popular region for Nordic EMS companies. For these reasons, having the right mix of manufacturing locations, tailored to the product mix of a company, is key for EMS companies and can provide a significant competitive advantage. Looking at EU imports of electronic circuit boards from the most popular offshore locations, we see a clear upward trend with a CAGR of 8%, so there is no indication of a reshoring trend for this market in Europe. These figures are however likely dominated by high-volume consumer electronics, limiting the conclusions which can be drawn about low-volume industrial electronics. Circuit board imports actually jumped significantly in 2021, as companies used all available sources of components and production, due to the widespread component shortages. In our view, these data suggest that a hybrid approach is attractive for the EMS industry, offshoring high-volume production to limit costs, while keeping low-volume production close to customers.

Nordic EMS companies are more focused on industrial products, while the large global EMS players manufacture many consumer products. Thus, the Nordic EMS industry should be viewed as a low-volume industry when compared to the large global companies as even the higher-volume manufacturing in the Nordic industry would be considered as low-volume by large global EMS standards. Consequentially, the optimal geographical mix for manufacturing may be skewed more towards onshore, close to customer production, in the Nordics. Thus while the offshoring trends are holding up globally, for the Nordic EMS companies reshoring has its merits, in our view.

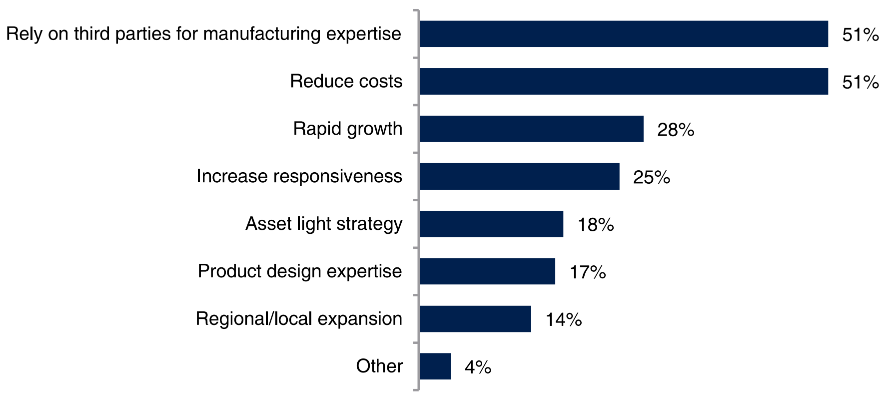
EU circuit board imports from selected countries, share of GDP



Source: ABG Sundal Collier, Eurostat

Outsourcing vs. Insourcing

The decision by OEMs to outsource a part or all of its production to contract manufacturers is a key driver for the EMS industry. The global manufacturing industry is undergoing big changes driven by industry 4.0 trends, which encompass convergence of technologies, rising price competition, industry consolidation, and shorter product life-cycles. OEMs need to focus on customers and innovative products, while managing costs, which explains why outsourcing to EMS companies has been a rising trend over the past decades. Based on a 2016 survey by PRG, 84% of surveyed OEMs outsource their manufacturing to some extent. In general, outsourcing by OEMs can reduce costs, transform cost bases from fixed to variable, reduce supply chain planning efforts, access better technology and talent, and enable focus on key business areas. Specifically, the costs and utilisation of manufacturing expertise are the biggest reasons behind decisions by OEMs to outsource, based on a survey by PRG. A lot of the best-known products worldwide are outsourced; for example, Apple uses Foxconn to produce iPhones. The cons are lower control over quality and risk of exposure to EMS supply chain issues; for example, the current worker unrest at Foxconn's iPhone plant is reducing Apple's expected sales. In some areas, a "manufactured locally" label can add marketing value to OEM products. However, the general trend in electronics manufacturing is the increasing outsourcing to EMS, which makes the business of OEMs more agile.



Competition

Nordic competitors to Inission generally employ a more global approach by having more low-cost manufacturing sites, with China, India, and CEE being the most popular locations; however, the optimal choice of location is unique for each company and depends on its product mix: low-volume products can be manufactured close to customer, while higher-volume production is benefited by offshoring. Therefore, the Enedo acquisition and its Tunisian factory could bring additional benefits in the future through rerouting of higher-volume production. We see most peers as well as Inission offering development, design, and prototyping services as a must-have rather than a differentiator for EMS companies, while innovative design services, marketing and sales can be differentiators. Inission is active in acquisitions, in line with general industry trends, and we see this as an opportunity for the company to increase its competitiveness in relation to its Nordic peers. The company has been trailing the peer average in terms of margins, and we see this as a result of growth through acquisitions, as synergy benefits are realised with time.

Main competitors

AQ Group

Provides production services for electronic cabinets, wiring systems, injection moulding, sheet metal processing, inductive components, system products, and engineering. The company delivers entire projects from the initial idea to engineering, purchasing, production, assembly, and testing. Large customers are found within the development of electric power transmission, commercial and rail vehicles, construction machinery, and telecom equipment industries. One of the company's goals is to be close to customers geographically in order to offer products with the best total cost and low environmental impact. Sales, development, and production are done in Sweden, India, China, Lithuania, Mexico, Poland, USA and Canada.

Hanza

Offers local manufacturing of various parts, final assembly, product development, logistics and advice on how to streamline supply chains. The company operates within sheet metal mechanics, heavy mechanics, machining, electronics manufacturing, wire harnesses, and assembly. Hanza has manufacturing clusters in Finland, the Baltics, Central Europe, Germany and China, which are organised by product and service type. Its primary customer markets are found in Sweden, Finland, Norway, and Germany. A key selling point is that customers need just one contract manufacturer, which has integrated services under one roof. Customers are leading industrials such as ABB, Epiroc, Getinge, Saab, Sandvik, 3M, and Tomra.

Incap

Has prototyping and engineering, box build assembly, cable and wiring harness, magnetic assembly, PCB, customized solutions, and aftersales services. Its core markets are diversified and include aerospace, automotive, customer electronics, data storage, defence, green energy, industrial controls, automation, medical, oil and gas, power, telecom, transport and infrastructure. Incap has factories in Estonia, India, the UK, and Slovakia. It is the strongest public competitor based on margins due to well-developed supply chains, including a good setup in India. The company focuses on high-mix, high-complexity, low-to-medium volume clients in high-growth industries.

Kitron

Has core expertise in electronics, microelectronics, testing, assembly, radio frequency, system integration, repairs, and upgrades. It offers services in manufacturing, development, industrialisation, procurement, maintenance, logistics, and field services. The company focuses on industries with high structural growth drivers, including connectivity, electrification, industrials, medical devices, and defence. Target growth geographies are the Nordics, the US, and China, with sizeable assets also located in Lithuania and Poland. Kitron focuses more on complex manufacturing processes requiring niche experience and less on volume and has an annual organic growth target of 10%.

Note

Provides development, sourcing and logistics, manufacturing, and aftersales services, and is focused on customers in the industrial, MedTech, communication, and green tech markets. Manufacturing includes products such as Surface Mount Technology, Box build, Microelectronics, X-ray, and other technologies. Note has manufacturing units in Sweden, Finland, the UK, Estonia, and China. Its plants in Western Europe are focused on development and prototyping, while its plants in Estonia and China are positioned close to major final markets. The company's offering covers the complete product lifecycle from initial design to aftersales.

Scanfil

Services provided include electronics manufacturing, mechanics assembly and system integration. The company covers the full product lifecycle from prototyping to fully tested and packaged end products. Factory locations are chosen based on proximity to customer R&D: Sweden, Germany, Finland, and proximity to end markets: the US, Estonia, Poland, China. The focus is on consumer applications, automation & safety, connectivity, energy & clean tech, and MedTech customers.

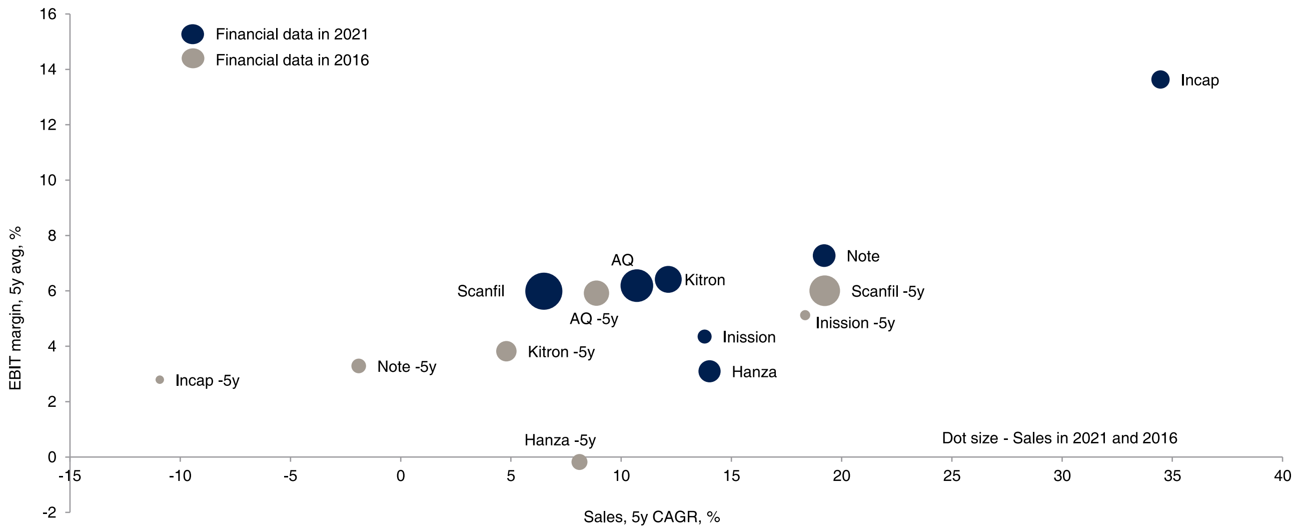
Inission and Nordic competitors, operating statistics (2021)

Company name	Sales 5y CAGR, %	EBIT margin 5y avg, %	CAPEX/Sales 5y avg %	ROIC 5y avg, %	Sales/employee SEK m	Acquisitions No. since 2015	WC Cycle 5y avg, days	Low cost manufacturing locations
Inission	**13.8**	**5.0***	**1.3**	**15.4**	**2.0**	**8.0**	**122.0**	**Tunisia, Estonia**
AQ	10.7	6.2	2.2	11.8	0.8	9.0	117.9	Brazil, India, China, Mexico, Lithuania, Estonia, 4 CEE countries
Hanza	14.0	3.1	2.3	4.2	1.4	6.0	46.5	China, Estonia, Czech Republic, Poland
Incap	34.5	13.6	1.9	31.9	0.8	1.0	90.5	India, Slovakia, Estonia
Kitron	12.1	6.4	1.2	15.0	2.1	2.0	99.9	China, Lithuania, Poland, Czech Republic
Note	19.2	7.3	0.9	20.1	2.2	2.0	101.6	China, Estonia
Scanfil	6.5	6.0	1.8	16.1	2.2	2.0	87.0	China, Estonia
Average ex Inission	**16.2**	**7.1**	**1.7**	**16.5**	**1.6**	**3.7**	**90.6**	

*Adjusted for goodwill amortisation

Source: ABG Sundal Collier, company data

Growth and EBIT margins of Nordic EMS companies



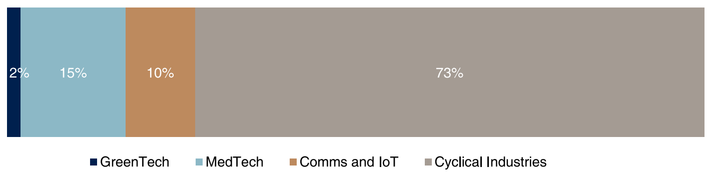
Source: ABG Sundal Collier, company data

Competitive position

Technology and services

Most EMS companies have access to similar technology and produce similar electronic products. The same is true for Nordic EMS providers. Inission and all its Nordic competitors offer design and prototyping services in some form, where the company partners up with clients in the early stages of a new product. A high quality of these services can help win contracts for large scale production. Also, as product design choices can be optimised for the specific EMS company supply chain, partnering up with a client from the design phase results in higher switching costs and a greater chance of a long-term partnership. Among the Nordic peers this offering is not a differentiator, but seems like more of a prerequisite for an EMS provider to be able to attract customers. Even though just having the full product lifecycle offering is not a groundbreaker, the quality and innovation of initial designs and good execution on marketing and sales of this service can be differentiators. Attracting customers in structurally higher growth sectors, such as Greentech, MedTech, and IoT is a way for Nordic EMS to boost topline growth. For Inission, more than a quarter of revenues comes from these high growth sectors.

Inission customer industries



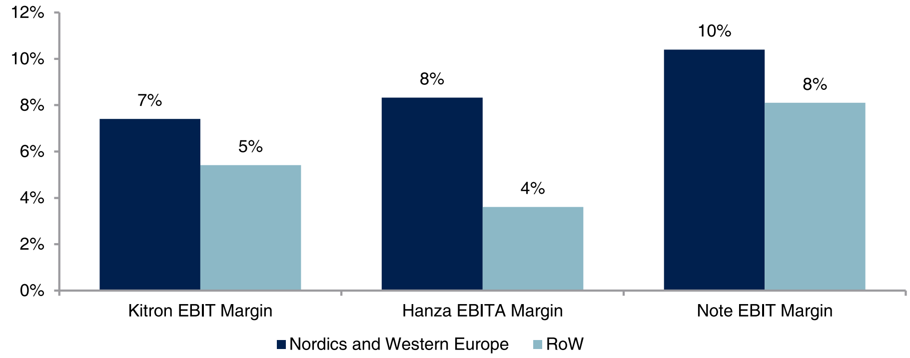
Source: ABG Sundal Collier, company data

Manufacturing locations

Having the right combination of manufacturing and design locations is important for EMS companies. A common approach is to have design and prototyping capability, as well as low-volume production close to the customer, and high-volume production in a low-cost location. For Nordic EMS, the most popular offshore manufacturing locations are China, India, and CEE countries. AQ is the most geographically diversified in this regard, but its manufacturing of metal products combined with its broad geographical distribution does not result in high profitability in this case, as its EBIT margin is below the peer average, while its working capital cycle was also quite high in 2021. Baltic and CEE countries are popular manufacturing locations due to a good combination of geographical proximity and lower costs relative to the Nordics. Looking at Inission, before acquiring Enedo, the company did not have any manufacturing locations outside of Europe. Estonia, the only non-Scandinavian location, can also be considered rather expensive when compared to popular CEE countries such as Poland, the Czech Republic or Slovakia. However, the geographical distribution of manufacturing can be quite nuanced for Nordic EMS. For Note, Kitron, and Hanza, reported margins are higher in the core Nordic and Western Europe markets than in rest of the world segments, suggesting that offshore high-volume production (by Nordic EMS standards) fetches lower profitability than low-volume close to customer operations. In our view, the optimal geographical manufacturing mix depends on the company and its high-/low-volume product mix. Even though offshore locations have lower margins, producing the same (likely high-volume) products in high-cost countries could result in even lower profitability for these product segments. Thus, there is no universally optimal onshore/offshore ratio and locations have to be optimised based on the individual company's client/product mix. The acquisition of Enedo added a manufacturing location in Tunisia, and could provide an opportunity for margin expansion through rerouting some high-volume production, if executed well.

Inission's margins have been trailing the peer average over the past five years. We think that this is mostly explained by Inission's growth through acquisitions, where cost synergies take some time to be realised. As margins also depend on the high-/low-volume product mix and the consequential choice of manufacturing locations, we think that the acquisition of Enedo with the added manufacturing location in Tunisia, could provide an opportunity for margin expansion for Inission through rerouting some high-volume production, if executed well upon. In addition, Inission is engaging in LEAN reorganisation of its onshore manufacturing operations, with the objective of making them more efficient and agile, which could also boost profitability in the future. Another possible reason for Inission's lower margins may be its relatively smaller size when compared to its peer group. Continued growth may allow them to realise more synergies and cut costs.

Profitability in 2021 by geographical segment for selected Nordic EMS companies

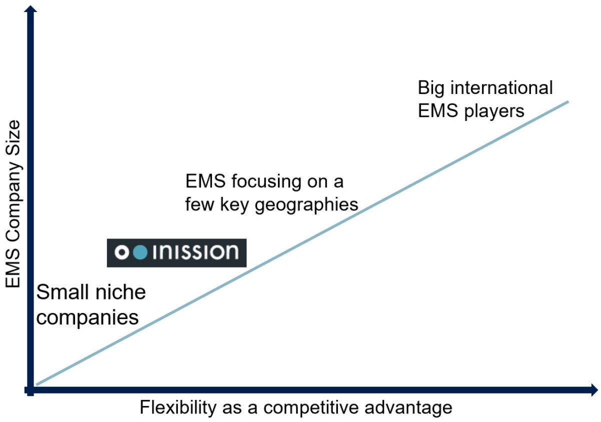


Source: ABG Sundal Collier, company data

Acquisitions and investments

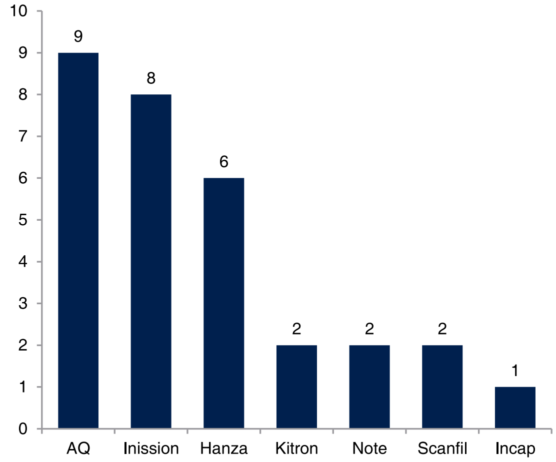
As with the general EMS market, Nordic EMS players have been using acquisitions to add growth, increase economies of scale, have a more flexible offering and gain better access to funding. Inission, AQ, and Hanza have been the most active acquirers for the past five years. We expect this trend to continue, as the industry's structure invites consolidation. However, looking at operating efficiency, the three most active acquirers have below-average EBIT margins, suggesting there may be integration challenges. Nordic EMS companies could also attempt to acquire European peers if the client and manufacturing location mix is attractive. Nordic EMS players have higher EBIT margins than the large global providers (7.1% vs. 3.1% in 2021), so we think there are benefits to being an agile, moderately sized manufacturing company. In terms of 2021 sales, Inission is the smallest player in our peer group (adding SEK 364m of Enedo sales does not change the ranking). Thus, the acquisition road taken by Inission should not only boost growth, but put the company in a better competitive position through more scale benefits, flexibility towards customers, and an efficient geographical setup. Capex is also important, as investment in Industry 4.0 can increase efficiency, reduce labour costs and lead times. Based on capex/ sales, Inission is trailing the competitor group (1.6% vs. 2.3% 5y avg). The lower ratio may partly be a result of Inission leasing a higher proportion of its equipment, resulting in lower reported capex spend, thus it does not indicate that the company is trailing peers technologically. In general, more investments in manufacturing technology could contribute to shaping the future competitive picture, but on the other hand, part of the EMS business model is to keep customer retention high, which results in lower needs for maintenance capex, as the client dedicated machinery continues to be used. The initial investment into developing client specific manufacturing processes is depreciated, and a low amount of maintenance capex is needed, resulting in high returns on capital. Inission's ROIC is below the peer average, suggesting upward potential, but as the company reports a 96% customer satisfaction, it is unclear if customer retention is the culprit.

Acquisition-based growth can give Inission more edge



Source: ABG Sundal Collier

Number of acquisitions since 2015



Source: ABG Sundal Collier, company data

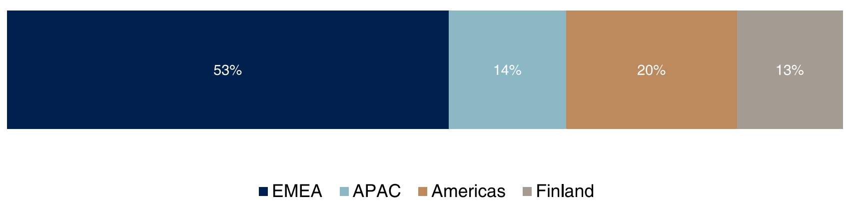
Enedo

Enedo is a manufacturer of power supplies, serving the rail, MedTech, LED lighting, utilities, energy, and industrial markets. Its main market is EMEA, representing 53% of sales, and it has operations in Finland, Italy and Tunisia. The company made a EUR 4.5m loss in 2021, but higher electronics demand and cost-cutting measures implemented by Inission have led to a 23% y-o-y growth in sales and an improving EBIT margin, going from an operating loss to a positive result over the first nine months of 2022. The acquisition of Enedo is a turnaround story, and management plans to achieve profitability by restructuring the way the Italy and Tunisia offices cooperate, improving the company's pricing routines and capital structure, as well as moving the Finnish branch's outsourced production from competitors to Inission. Enedo's factory in Tunisia will require increased capex in 2023 and 2024, but when the overhaul is done and cost efficiency targets are reached, it will have added a low-cost manufacturing location to Inission's portfolio. Inission currently owns 96% of Enedo and is in the process of acquiring the remaining shares and delisting the company, which it is guaranteed to be able to do as it owns more than 90% of the company. In 2023e, we expect Enedo to account for 27% of Inission's sales.

Company overview

Enedo is a manufacturer of power supplies and power systems that are used to convert electricity into the desired form. The company's customers are mainly OEMs, wholesalers, and distributors. The company has three main product segments: Power Supplies, LED Drivers, and Power Systems, contributing 64%, 25%, and 11% of sales in 2021, respectively. The Power Supplies segment comprises AC/DC suppliers, converters and battery chargers. These Enedo products are used in industrial applications, LED displays and transport and healthcare equipment. Power Systems comprises power supply packages that are used in various areas, such as monitoring and control of electricity transmission, oil and gas production, rail, and data communications. The LED drivers segment produces low- and high-power LED drivers; Enedo here possesses a key strength in its Strato product range, which can be programmed according to the needs of the customer. Enedo's Italian branch manufactures its products at the Tunisia factory while its Finnish branch outsources production to other contract manufacturers. The company also offers customized solutions incorporating its products that accommodate customer-specific requirements. The biggest market is EMEA (53% of sales in 2021), followed by the Americas (20%), APAC (14%), and Finland (13%). Enedo serves customers mainly in the rail, MedTech, LED lighting, utilities & energy, and industrial markets.

Enedo 2021 sales split by geography, %

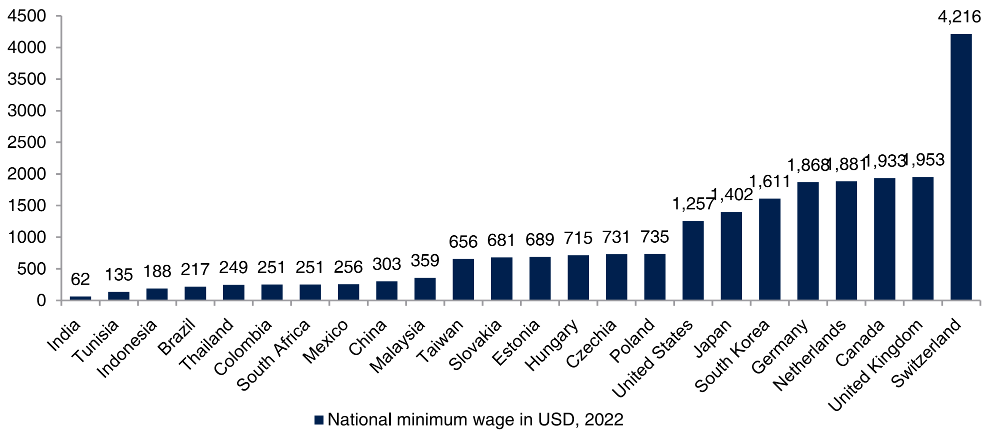


Source: ABG Sundal Collier, company data

Tunisia is Enedo's low-cost manufacturing location. The country has a good combination of geographical proximity to Europe, a core market for Enedo, and low labour costs. Therefore, the Tunisia manufacturing plant could be a real asset to Inission, if managed properly; however, this comes with some political risks. The country is currently undergoing a process to get a loan of USD 1.9bn from the IMF to escape sovereign default and reduce macroeconomic instability. Also, the recent political news flow, including the 2022 referendum giving the president more power, is concerning, but we do not see these political risks currently endangering Enedo's operations in the country. Tunisia's ease of doing business ranking is 78 out of 190 — where popular offshore locations such as China, India and Vietnam are ranked at 30, 63, and 70, respectively (lower value - better rank).

Its corruption index comes in at 44, while in comparison, China is scored at 50 (higher score - lower corruption). Thus, we do not see the overall country risk as significantly higher than in other offshore locations, used by electronic component manufacturers. In terms of cost of labour, it is difficult to find reliable average salary statistics for Tunisia, but the non-agricultural minimum wage for the country for a 40-hour work week is USD 135 per month, compared to USD 303in China, and USD 62 in India. Based on FDI Benchmarks data as of 2020, Tunisia's labour cost score for production engineers is 1.1, compared to 1.6 in Vietnam (lower value - lower cost), while its score for labour availability and quality is higher than in Vietnam, Thailand, Hungary, Poland, among other countries. Looking at GDP per capita, Tunisia stood at USD 3,924 in 2021, compared to USD 12,556 in China and USD 2,277 in India, based on World Bank data, which corroborates the message of minimum wage statistics, reiterating that Tunisia is one of the lowest-cost manufacturing locations.

Minimum wage in selected countries, USD

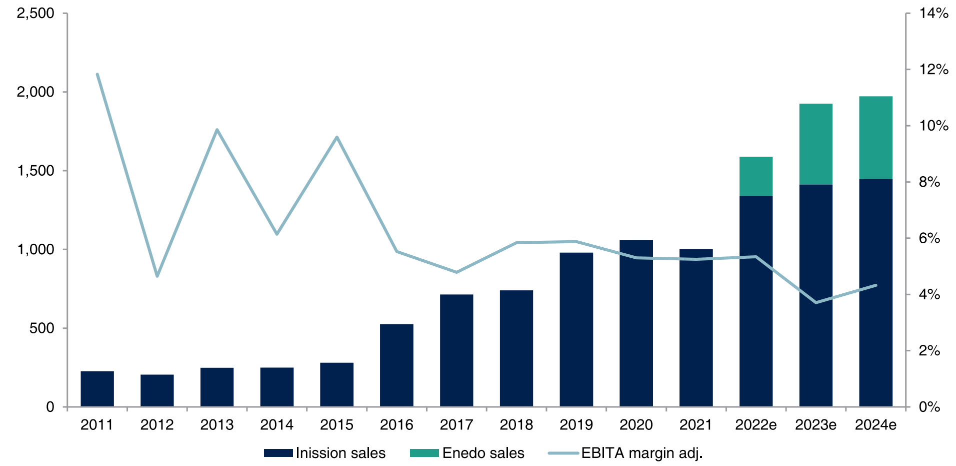


Source: ABG Sundal Collier, Countryeconomy

Acquisition by Inission

Enedo has been on a difficult journey in recent years, as can be seen in its multi-year share price decline. 2021 was a challenging year, as sales declined by 5%, and the company made a net loss of EUR 4.5m. The company's financial difficulty caused it to carry out a rights issue for EUR 12m to repay loans and improve its cash position. Inission's management considered the depressed share price to provide an attractive acquisition opportunity for a company with clear inefficiencies in its operations that could be amended. Inission now owns 96% of Enedo and is in the process of acquiring the remaining stock and delisting the company, which it is guaranteed to be able to do as it owns more than 90% of the company. 2022 has provided us with signs of improvement, as high demand for electronics and cost-cutting measures implemented by the new owners have so far resulted in 23% sales growth and an increased EBIT, going from EUR -4.1m for the first nine months of 2021 to 0.1m for the same period in 2022. We consider it a good sign that the initial cost-cutting measures implemented by Inission, such as significantly reducing the staff in Italy, are already having an effect. Moving forward, management plans to restructure the way the Italy and Tunisia offices cooperate, improve the company's pricing routines and capital structure, as well as move the Finnish branch's outsourced production from competitors to Inission. The Tunisian factory will need to be modernised, resulting in higher expected capital expenditure for approximately the next two years. The costs associated with downsizing the Italian office are expected to be fully expended in mid-2023. In 2023e, we expect Enedo to account for 27% of Inission's sales.

Inission and Enedo consolidated sales and EBITA margin adj.



Source: ABG Sundal Collier, company data

Enedo share price, EUR

Source: ABG Sundal Collier, FactSet

Financials

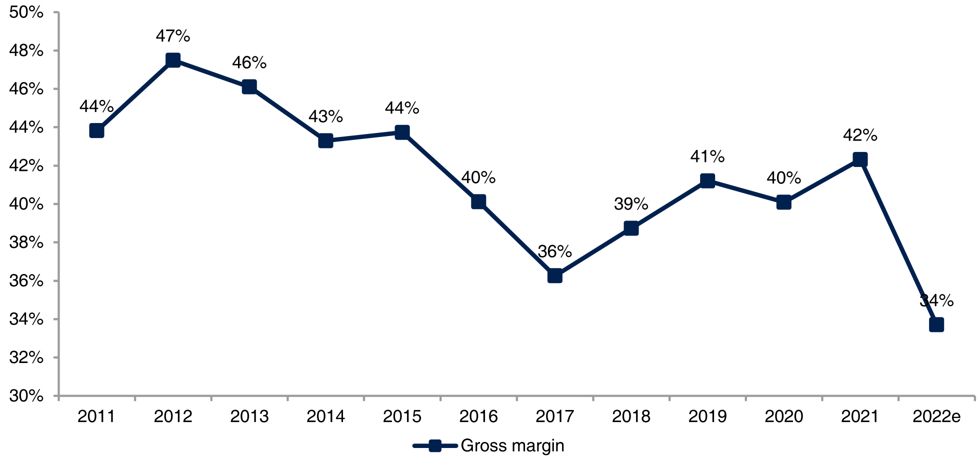
Since its launch in 2011, Inission has grown sales at a CAGR of 19%, of which we estimate 2.4% to have been organic. The main driver of growth has therefore been M&A. For 2022e, we estimate 58% sales growth thanks to the Enedo acquisition and unusually strong organic growth of 22%. In 2023e, we expect growth of 19%, in large part due to the Enedo acquisition, but also to the fact that the company's order books are almost full already. From 2024e, we expect organic growth of 2.4% annually, in line with the company's historical growth rate. Historically, Inission has averaged a gross margin of 41%, an adjusted EBITA margin of 6.7% and an adjusted net profit margin of 5.1%. In 2022e, we estimate EBITA and net profit margins of 9.2% and 5.7%, respectively, supported by the Enedo-related, share-revaluation one-off in Q3. This was an accounting profit due to the revaluation of the 49.6% of Enedo's shares that Inission already owned when it bought an additional 46.3% at a higher price. For 2023e, we take a more conservative view, taking into account the margin-dilutive nature of the Enedo acquisition, and thus estimate margins of 3.7% and 0.3%. After this, we expect margins to successively improve over time as the Enedo turnaround progresses, eventually stabilising around 6% and 4%; until we see evidence that margins can be improved in the Inission segment, we only estimate margin improvements in Enedo as it moves towards Inission levels, not that both Enedo and Inission will improve margins. Inission has a solid history of converting earnings into cash. During the period 2011-2022e, Inission had a FCF/Net income ratio of 92% although this ratio has been very volatile over the years.The company's current adjusted ND/EBITDA is 2.2x, and we judge the company to be in a stable financial position.

Financial history

Since Inission launched in 2011, its revenue has grown from SEK 227m to an estimated 1,589m in 2022e. This corresponds to a CAGR of 19%. The company did not start reporting organic growth until 2020, but based on the acquisitions the company has made over the years, we estimate the company to have grown organically at a CAGR of 2.4%. M&A has therefore clearly been the main driver of growth. Since 2013, R3y adjusted EPS has grown at a CAGR of 5.9%, suggesting that the company's M&A activity has in general been value accretive.

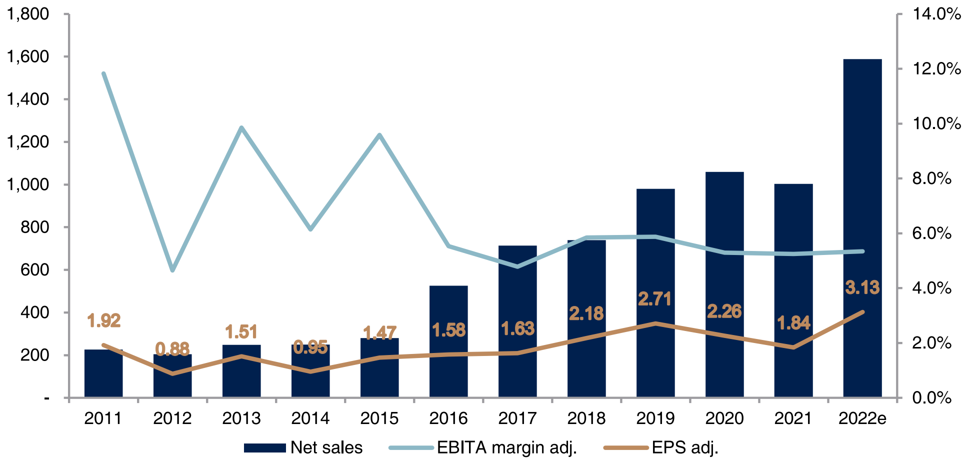
Inission's gross margins have historically moved between 36% and 47%, trending down during the period 2012-2017, but trending up during 2017-2021. In 2022, the gross margin has taken a hit due to the component shortage situation as well as the Enedo acquisition, and we expect it to come in at 34%. The company's adjusted EBITA margin has averaged 6.7% since 2011, but in the last five years it has only averaged 5.5%. Adjusted net margins have averaged 5.1% and 3.8% since 2011 and over the last five years, respectively. For adjusted ROCE, the averages are 22% and 19%. Note that the company amortises all goodwill over five years, putting a dampener on non-adjusted margins and boosting ROCE.

Inission 2011-2022e gross margin



Source: ABG Sundal Collier estimates, company data

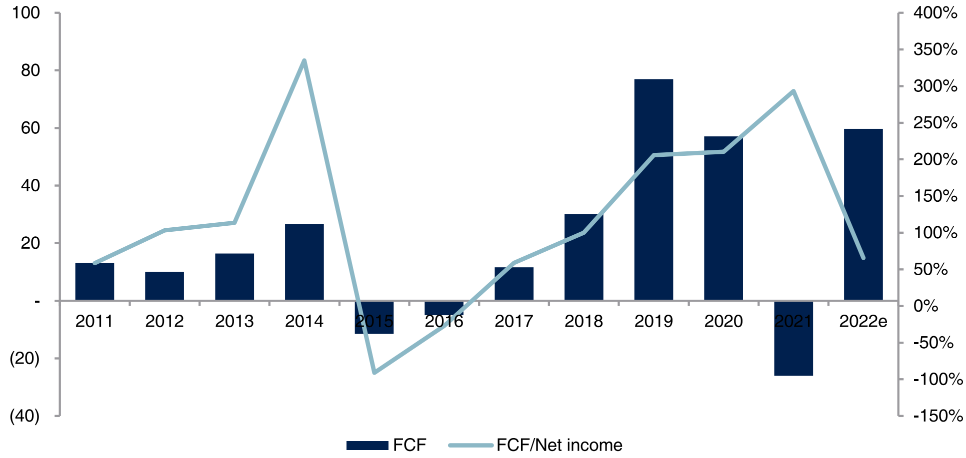
Inission 2011-2022e net sales, net margin adj. and EPS adj.



Source: ABG Sundal Collier estimates, company data

The company has a solid history of converting earnings into cash. During the period 2011-2022e, Inission has generated SEK 282m in earnings and SEK 259m in free cash flow for a FCF/Net income ratio of 92%. The median FCF/Net income ratio was 102% during the period and the median FCF/EBITA ratio was 58%. While the total cash flow conversion has been good, it has also been quite volatile, with the FCF/Net income ratio moving between -91% and +335%.

Inission 2011-2022e free cash flow conversion

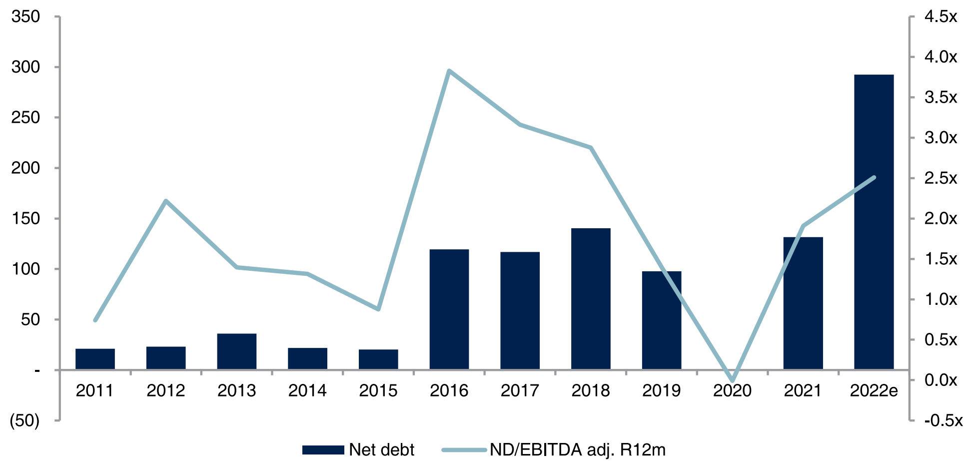


Source: ABG Sundal Collier estimates, company data

Since going public, the company has had a policy of paying a dividend corresponding to 30% of profit, but it refrained from doing so during the COVID-19 pandemic. Assuming the company sticks to this rule, at the current share price, our 2022e net profit estimate would give a 2.1% dividend yield.

Historically, the company has averaged an adjusted ND/EBITDA level of 1.9x. For 2022e, we estimate 2.5x. We judge the company to be in a stable financial position as it could sustain a drop in EBITDA without reaching untenable debt levels.

Inission 2011-2022e net debt and ND/EBITDA adj.



Source: ABG Sundal Collier estimates, company data

Financial estimates

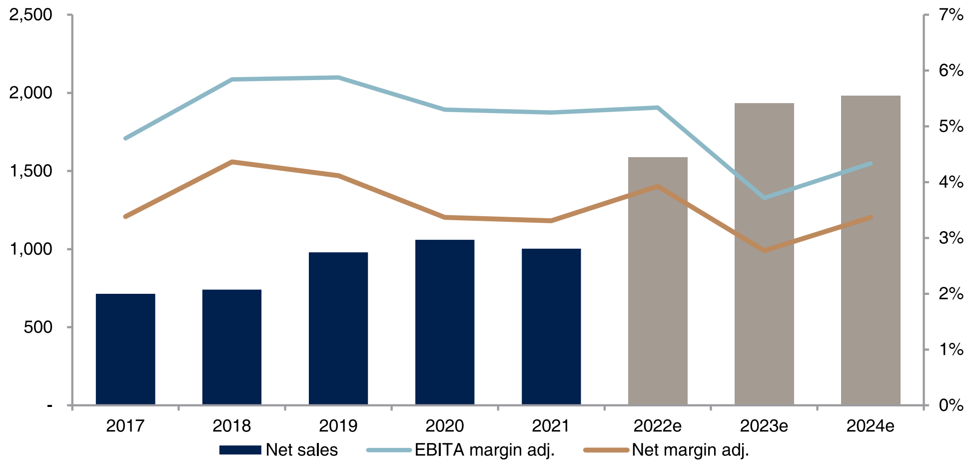
Management's aims

In its 2021 annual report, Inission outlined some goals for 2025, at which point the company aims to have doubled its sales and profitability. Management expects to achieve this goal through a series of structural changes, namely, moving to somewhat larger organisational subsidiaries, strengthening the central functions of sales and purchasing, and gathering development resources under one business area. Given Inission's acquisition-driven growth, its sales target appears to be in line with our expectations (SEK 2,019m net sales in 2025e vs. 1,003m in 2021). The profitability target seems to us quite the challenge, however, as doubling its 5% adjusted EBIT margin would put the company above the peer average (10% vs. 6%). While we do think margins could be improved significantly over time, a doubling would require some extraordinary measures.

Sales estimates

For 2022e, we expect sales of SEK 1,589m, up 58% y-o-y, of which 22% organic. The strong growth is supported by the Enedo acquisition, as well as the strong organic growth seen during the first three quarters of the year, partly thanks to strong demand and inflation enabling price increases, and partly thanks to easy comps. Looking into 2023e, we estimate sales of SEK 1,934m, up 21% y-o-y, of which 5% organic. We estimate continued above average organic growth as the company's order books for 2023 are almost full already, according to management. The remaining growth will come from the acquisition of Enedo. From 2024e, we estimate organic growth of 2.4% a year, in line with the company's historical growth rate.

Annual sales (SEKm)

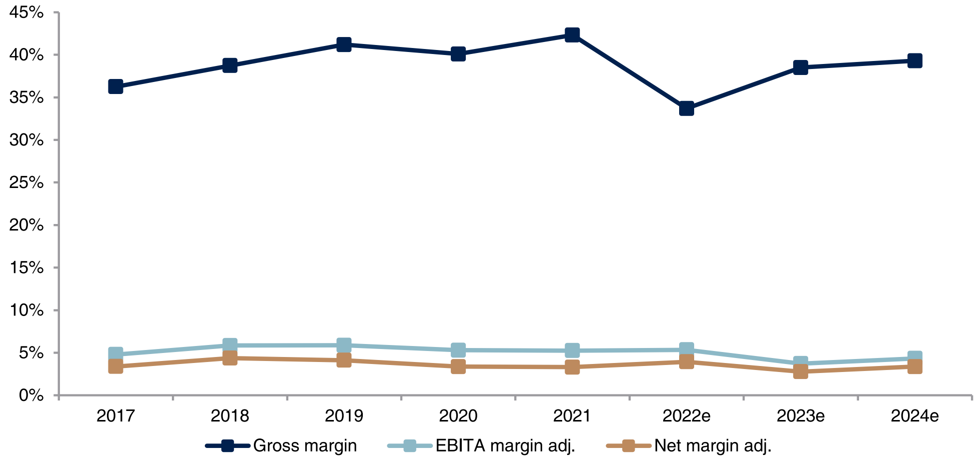


Source: ABG Sundal Collier estimates, company data

Margin estimates

For 2022e, we forecast an EBITA margin of 9.2% (adj. 5.3%) and a net profit margin of 5.7% (adj. 3.9%), supported by the Enedo-related, share-revaluation one-off in Q3. This was an accounting profit due to the revaluation of the 49.6% of Enedo's shares that Inission already owned when it bought an additional 46.3% at a higher price. In 2023e, we take a more conservative view on margins, as the Enedo acquisition was margin-dilutive, and we estimate an EBITA margin of 3.7% (adj. 3.7%), as well as a net margin of 0.3% (adj. 2.8%). From 2024e, we expect margins to successively improve as the Enedo turnaround progresses. In the interest of being conservative in our estimates, until we see evidence to the contrary, we only estimate margin improvements in Enedo as it moves towards Inission levels, not that both Enedo and Inission will improve margins. The net margin will remain low for the coming five years as the goodwill from the Enedo acquisition is written off. We estimate margins to stabilise around EBITA of 6% and net profit of 4% once Enedo's turnaround is complete and the associated goodwill is written off.

Margins

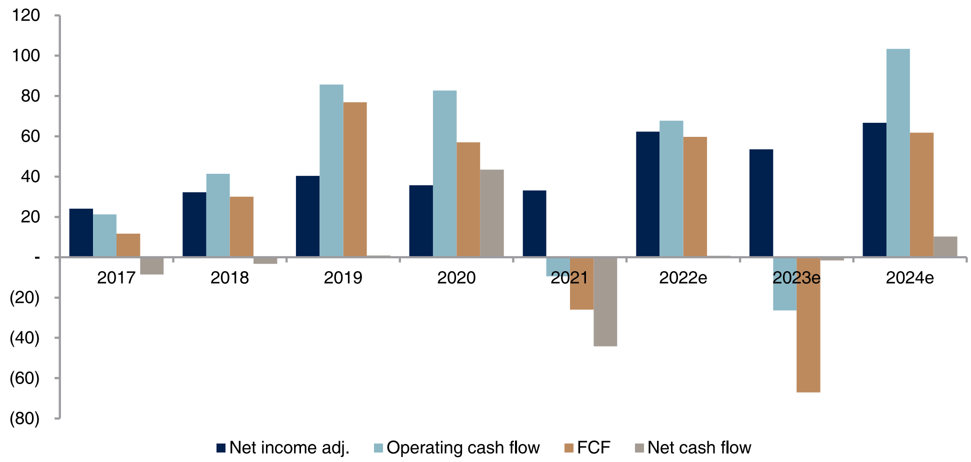


Source: ABG Sundal Collier estimates, company data

Cash flow estimates

In the estimate years 2022e-2024e, we expect operating cash flows of SEK 68m, -26m and 103m, limited in 2023e due to our conservative view on profitability that year, as well as a decrease in accounts payable, which we estimate will return to historical levels. We expect net cash flows of SEK 1m, 0m and 10m, with 2022e net cash flow being affected by the Enedo acquisition. Our FCF estimates are SEK 60m, -67m and 62m, with adjusted FCF/ EBITA conversion rates of 70%, -93% and 72%.

Cash flows (SEKm)



Source: ABG Sundal Collier estimates, company data

Detailed estimates, annual

Income statement (SEKm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Net sales	**713**	**740**	**980**	**1,059**	**1,003**	**1,589**	**1,934**	**1,980**
COGS	(455)	(453)	(576)	(634)	(579)	(1,053)	(1,189)	(1,202)
Other operating income	8	6	(9)	20	13	79	23	24
SG&A	(227)	(240)	(323)	(371)	(369)	(485)	(638)	(653)
Other operating expenses	(3)	(4)	(1)	(2)	(34)	48	(15)	(16)
EBITDA	**37**	**49**	**70**	**72**	**35**	**178**	**114**	**133**
EBITDA adj.	**37**	**49**	**70**	**72**	**69**	**117**	**114**	**133**
Depreciation	(3)	(6)	(12)	(16)	(16)	(32)	(42)	(47)
EBITA	**34**	**43**	**58**	**56**	**19**	**146**	**72**	**86**
EBITA adj.	**34**	**43**	**58**	**56**	**53**	**85**	**72**	**86**
Amortisation	(4)	(2)	(3)	(9)	(8)	(33)	(49)	(48)
EBIT	**30**	**41**	**55**	**48**	**11**	**113**	**23**	**38**
EBIT adj.	**34**	**43**	**58**	**56**	**53**	**85**	**72**	**86**
Financial items	-	-	-	-	(5)	-	-	-
EBT	**25**	**37**	**48**	**38**	**0**	**103**	**6**	**24**
Taxes	(6)	(7)	(11)	(11)	(9)	(12)	(1)	(5)
Net income	**20**	**30**	**37**	**27**	**(9)**	**91**	**5**	**19**
Net income adj.	**24**	**32**	**40**	**36**	**33**	**62**	**54**	**67**
Minority interest	-	0	0	(0)	0	-	-	-
EPS	**1.34**	**2.03**	**2.52**	**1.72**	**-0.49**	**4.56**	**0.24**	**0.95**
EPS adj.	**1.63**	**2.18**	**2.71**	**2.26**	**1.84**	**3.13**	**2.69**	**3.34**
DPS	0.00	0.50	0.00	0.00	0.30	0.68	0.07	0.29
Dividend yield R12m	0%	3%	0%	0%	1%	2%	0%	1%
Growth and margins	**2017**	**2018**	**2019**	**2020**	**2021**	**2022e**	**2023e**	**2024e**
Net sales growth (y-o-y)	36%	4%	32%	8%	-5%	58%	22%	2%
EBITDA growth (y-o-y)	19%	32%	43%	4%	-51%	405%	-36%	16%
EBITA growth adj. (y-o-y)	17%	27%	33%	-3%	-6%	61%	-15%	19%
EBIT growth adj. (y-o-y)	17%	27%	33%	-3%	-6%	61%	-15%	19%
Net income growth adj. (y-o-y)	4%	34%	25%	-12%	-7%	88%	-14%	24%
Gross margin	36%	39%	41%	40%	42%	34%	39%	39%
EBITDA margin	5%	7%	7%	7%	4%	11%	6%	7%
EBITA margin adj.	5%	6%	6%	5%	5%	5%	4%	4%
EBIT margin adj.	5%	6%	6%	5%	5%	5%	4%	4%
Net margin adj.	3%	4%	4%	3%	3%	4%	3%	3%
Valuation multiples	**2017**	**2018**	**2019**	**2020**	**2021**	**2022e**	**2023e**	**2024e**
EV/EBITA adj. R12m	9.7x	8.9x	11.2x	10.5x	14.1x	11.0x	16.0x	12.7x
EV/EBIT adj. R12m	9.7x	8.9x	11.2x	10.5x	14.1x	11.0x	16.0x	12.7x
P/E adj. R12m	8.9x	7.5x	13.6x	16.5x	18.4x	10.2x	14.5x	11.6x
Cash flow statement (SEKm)	**2017**	**2018**	**2019**	**2020**	**2021**	**2022e**	**2023e**	**2024e**
Operating cash flow	**21**	**41**	**86**	**83**	**(9)**	**68**	**(26)**	**103**
Investing cash flow	(69)	(3)	(27)	(65)	(86)	(104)	(41)	(42)
Financing cash flow	40	(41)	(58)	26	51	37	66	(51)
Net cash flow	(9)	(3)	1	43	(44)	1	(1)	10
FCF	**12**	**30**	**77**	**57**	**(26)**	**60**	**(67)**	**62**
Closing cash balance	3	0	1	44	-	1	0	10
Balance sheet (SEKm)	**2017**	**2018**	**2019**	**2020**	**2021**	**2022e**	**2023e**	**2024e**
Net debt	117	140	98	(1)	131	292	373	313
Net debt lease adj.	117	140	98	(1)	131	292	373	313
ND/EBITDA R12m	3.2x	2.9x	1.4x	0.0x	3.7x	1.6x	3.3x	2.4x
ND/EBITDA adj. R12m	3.2x	2.9x	1.4x	0.0x	1.9x	2.5x	3.3x	2.4x
ND/EBITDA lease adj. R12m	3.2x	2.9x	1.4x	0.0x	3.7x	1.6x	3.3x	2.4x
ND/EBITDA adj. lease adj. R12m	3.2x	2.9x	1.4x	0.0x	1.9x	2.5x	3.3x	2.4x

Source: ABG Sundal Collier estimates, company data

Detailed estimates, quarterly

Income statement (SEKm)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22e
Net sales	**244**	**284**	**252**	**279**	**232**	**258**	**226**	**287**	**329**	**347**	**438**	**474**
COGS	(154)	(174)	(149)	(157)	(130)	(150)	(132)	(166)	(209)	(204)	(314)	(326)
Other operating income	8	13	3	(4)	6	4	2	1	14	10	36	19
SG&A	(88)	(99)	(85)	(98)	(93)	(98)	(75)	(103)	(107)	(120)	(121)	(137)
Other operating expenses	(0)	(0)	(0)	(2)	-	(10)	(0)	(25)	(4)	(13)	64	(1)
EBITDA	**11**	**23**	**20**	**18**	**14**	**5**	**22**	**(6)**	**25**	**21**	**103**	**30**
EBITDA adj.	**11**	**23**	**20**	**18**	**14**	**15**	**22**	**18**	**27**	**25**	**35**	**30**
Depreciation	(3)	(4)	(4)	(5)	(4)	(4)	(4)	(4)	(4)	(4)	(13)	(11)
EBITA	**8**	**19**	**16**	**13**	**10**	**1**	**18**	**(10)**	**21**	**17**	**90**	**18**
EBITA adj.	**8**	**19**	**16**	**13**	**10**	**11**	**18**	**14**	**23**	**21**	**22**	**18**
Amortisation	(2)	(2)	(2)	(3)	(2)	(2)	(2)	(2)	(4)	(4)	(13)	(12)
EBIT	**6**	**17**	**14**	**11**	**8**	**(1)**	**16**	**(12)**	**17**	**13**	**77**	**7**
EBIT adj.	**8**	**19**	**16**	**13**	**10**	**11**	**18**	**14**	**23**	**21**	**22**	**18**
Financial items	-	-	-	-	(4)	(0)	0	(1)	-	-	-	-
EBT	**4**	**15**	**11**	**8**	**4**	**(3)**	**14**	**(15)**	**16**	**12**	**75**	**0**
Taxes	(2)	(4)	(3)	(3)	(2)	(2)	(2)	(3)	(5)	(3)	(3)	(2)
Net income	**2**	**11**	**9**	**5**	**2**	**(5)**	**12**	**(18)**	**12**	**9**	**72**	**(1)**
Net income adj.	**4**	**13**	**11**	**8**	**4**	**7**	**14**	**8**	**18**	**17**	**17**	**10**
Minority interest	(0)	(0)	0	0	(0)	0	0	0	0	(0)	1	-
EPS	**0.15**	**0.74**	**0.56**	**0.30**	**0.10**	**-0.27**	**0.66**	**-0.99**	**0.63**	**0.47**	**3.59**	**-0.07**
EPS adj.	**0.25**	**0.90**	**0.71**	**0.43**	**0.22**	**0.37**	**0.77**	**0.47**	**0.98**	**0.93**	**0.84**	**0.52**
DPS	0.00	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.75	0.00	0.00
Dividend yield R12m	11%	2%	1%	1%	1%	2%	2%	2%	3%	4%	5%	2%
Growth and margins	**Q1'20**	**Q2'20**	**Q3'20**	**Q4'20**	**Q1'21**	**Q2'21**	**Q3'21**	**Q4'21**	**Q1'22**	**Q2'22**	**Q3'22**	**Q4'22e**
Net sales growth (y-o-y)	0%	2%	17%	15%	-5%	-9%	-10%	3%	42%	35%	93%	65%
EBITDA growth (y-o-y)	-45%	4%	27%	52%	31%	-78%	7%	-133%	74%	296%	374%	596%
EBITA growth adj. (y-o-y)	-54%	-2%	24%	62%	28%	-44%	13%	6%	133%	98%	22%	32%
EBIT growth adj. (y-o-y)	-54%	-2%	24%	62%	28%	-44%	13%	6%	133%	98%	22%	32%
Net income growth adj. (y-o-y)	-69%	-2%	21%	29%	10%	-49%	28%	8%	347%	149%	24%	21%
Gross margin	37%	39%	41%	44%	44%	42%	42%	42%	37%	41%	28%	31%
EBITDA margin	4%	8%	8%	6%	6%	2%	10%	-2%	7%	6%	23%	6%
EBITA margin adj.	3%	7%	6%	5%	4%	4%	8%	5%	7%	6%	5%	4%
EBIT margin adj.	3%	7%	6%	5%	4%	4%	8%	5%	7%	6%	5%	4%
Net margin adj.	1%	5%	4%	3%	2%	3%	6%	3%	5%	5%	4%	2%
Valuation multiples	**Q1'20**	**Q2'20**	**Q3'20**	**Q4'20**	**Q1'21**	**Q2'21**	**Q3'21**	**Q4'21**	**Q1'22**	**Q2'22**	**Q3'22**	**Q4'22e**
EV/EBITA adj. R12m	0.8x	1.0x	3.1x	3.1x	2.9x	3.4x	2.9x	3.0x	2.7x	3.0x	3.0x	11.0x
EV/EBIT adj. R12m	0.8x	1.0x	3.1x	3.1x	2.9x	3.4x	2.9x	3.0x	2.7x	3.0x	3.0x	11.0x
P/E adj. R12m	0.8x	1.1x	3.5x	4.3x	4.1x	4.5x	3.5x	3.7x	2.9x	3.1x	2.9x	10.4x
Cash flow statement (SEKm)	**Q1'20**	**Q2'20**	**Q3'20**	**Q4'20**	**Q1'21**	**Q2'21**	**Q3'21**	**Q4'21**	**Q1'22**	**Q2'22**	**Q3'22**	**Q4'22e**
Operating cash flow	**24**	**11**	**2**	**45**	**10**	**3**	**(38)**	**16**	**(0)**	**(52)**	**141**	**(21)**
Investing cash flow	(48)	(4)	(3)	(10)	(2)	(72)	(3)	(9)	(19)	1	(47)	(39)
Financing cash flow	36	(20)	1	9	7	10	41	(7)	19	51	(33)	-
Net cash flow	13	(14)	0	44	15	(59)	0	-	(0)	-	61	(61)
FCF	**16**	**7**	**(1)**	**35**	**7**	**(69)**	**(41)**	**7**	**(0)**	**(51)**	**139**	**(28)**
Closing cash balance	14	0	0	44	59	-	0	0	0	0	61	1
Balance sheet (SEKm)	**Q1'20**	**Q2'20**	**Q3'20**	**Q4'20**	**Q1'21**	**Q2'21**	**Q3'21**	**Q4'21**	**Q1'22**	**Q2'22**	**Q3'22**	**Q4'22e**
Net debt	141	118	119	(1)	10	77	119	131	179	239	232	292
Net debt lease adj.	141	118	119	(1)	10	77	119	131	179	239	232	292
ND/EBITDA R12m	2.3x	1.9x	1.8x	0.0x	0.1x	1.3x	2.0x	3.7x	3.9x	3.9x	1.6x	1.6x
ND/EBITDA adj. R12m	2.3x	1.9x	1.8x	0.0x	0.1x	1.1x	1.7x	1.9x	2.2x	2.6x	2.2x	2.5x
ND/EBITDA lease adj. R12m	2.3x	1.9x	1.8x	0.0x	0.1x	1.3x	2.0x	3.7x	3.9x	3.9x	1.6x	1.6x
ND/EBITDA adj. lease adj. R12m	2.3x	1.9x	1.8x	0.0x	0.1x	1.1x	1.7x	1.9x	2.2x	2.6x	2.2x	2.5x

Source: ABG Sundal Collier estimates, company data

Valuation

We estimate a fair value range for Inission of SEK 35-55 per share. This range is based on an aggregate arrived upon by performing a peer multiple valuation and two DCFs, one organic and one including M&A. The peer multiple valuation looked at the median consensus NTM EV/Sales, EV/EBITA and P/E multiples of six peers, and resulted in a fair value range of SEK 24-70 per share. The DCF models looked at our estimates for the next ten years, after which a terminal value was calculated using a terminal growth rate. The M&A DCF model assumed continued acquisitions in line with Inission's historical M&A activity. By varying the discount rate and perpetual growth rate by +-1pp, these models yielded fair value ranges of SEK 37-49 and 37-63, respectively.

Peer multiple valuation

We performed a peer multiple valuation using our peer group consisting of Hanza, Incap, Kitron, and Scanfil. AQ Group and Note were excluded as no consensus estimates were available. The multiples used were FactSet consensus estimates for NTM EV/Sales, EV/EBITA and P/E. All multiples were not available for all companies, and we used the median of the available ones to perform the valuation. See the table below for details. Using our estimates for Inission's NTM sales, adjusted EBITA and adjusted net income to shareholders, as well as the NTM median peer multiples of EV/Sales = 0.9x, EV/EBITA = 11.7x and P/E = 14.7x, we calculated implied share prices of SEK 70, SEK 24 and SEK 38. On our estimates, Inission is currently trading at NTM EV/Sales = 0.6x, EV/EBITA = 16.0x and P/E = 15.1x.

Peer group	Valuation multiples (NTM)		
Company name	EV/Sales	EV/EBITA	P/E
	x	x	x
Hanza AB	0.9x	12.3x	14.9x
Incap Oyj	1.8x	n.a.	15.5x
Kitron ASA	1.0x	n.a.	14.4x
Scanfil Oyj	0.7x	11.2x	12.2x
Average	1.1x	11.7x	14.2x
Median	0.9x	11.7x	14.7x
0 0	0	0	0

Source: ABG Sundal Collier, company data, FactSet

Peer multiple valuation (NTM)							
Metric	Peer median	NTM est.	EV	ND + MI	Market cap	Shares	Share price
EV/Sales	0.9x	1,908	1,751	362	1,388	20	70
EV/EBITA	11.7x	71	835	362	473	20	24
P/E	14.7x	51	1,112	362	750	20	38

Source: ABG Sundal Collier

Peer group estimates

Company	Mcap	L3M	Sales growth			EBITA margin			Net margin			FCF/Net income		
	SEKm		2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e
Inission AB Class B	775	47%	58%	22%	2%	5.3%	3.7%	4.3%	3.9%	2.8%	3.4%	96%	-125%	93%
Hanza AB	2,459	42%	34%	2%	6%	6.0%	6.9%	8.6%	3.1%	4.2%	4.6%	1%	94%	72%
Incap Oyj	6,016	35%	58%	10%	9%	n.a.	n.a.	n.a.	11.0%	11.6%	11.6%	-20%	89%	n.a.
Kitron ASA	5,557	39%	74%	10%	7%	n.a.	n.a.	n.a.	4.5%	5.1%	5.2%	-19%	119%	124%
Scanfil Oyj	5,296	44%	21%	-4%	4%	5.5%	6.3%	6.6%	4.0%	4.7%	4.9%	71%	140%	80%
Average	**4,615**	**41%**	**49%**	**8%**	**6%**	**5.6%**	**5.6%**	**6.5%**	**5.3%**	**5.7%**	**5.9%**	**26%**	**64%**	**92%**
Median	**5,557**	**39%**	**58%**	**10%**	**6%**	**5.5%**	**6.3%**	**6.6%**	**4.0%**	**4.7%**	**4.9%**	**1%**	**94%**	**86%**

Company	Mcap	L3M	EV/Sales			EV/EBITA			P/E			ND/EBITDA		
	SEKm		2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e
Inission AB Class B	775	47%	0.6x	0.6x	0.5x	11.0x	16.0x	12.7x	10.2x	14.5x	11.6x	2.5x	3.3x	2.4x
Hanza AB	2,459	42%	0.7x	0.9x	0.8x	12.5x	12.5x	9.4x	19.8x	15.1x	13.2x	-2.4x	-1.9x	-1.5x
Incap Oyj	6,016	35%	2.0x	1.8x	1.7x	n.a.	n.a.	n.a.	17.8x	15.5x	14.3x	0.3x	-0.2x	n.a.
Kitron ASA	5,557	39%	1.1x	1.0x	0.9x	n.a.	n.a.	n.a.	15.7x	14.1x	13.5x	2.5x	1.8x	1.3x
Scanfil Oyj	5,296	44%	0.6x	0.7x	0.7x	11.5x	11.1x	10.3x	13.7x	12.3x	11.3x	0.8x	0.0x	-0.3x
Average	**4,615**	**41%**	**1.0x**	**1.0x**	**0.9x**	**11.6x**	**13.2x**	**10.8x**	**15.5x**	**14.3x**	**12.8x**	**0.7x**	**0.6x**	**0.5x**
Median	**5,557**	**39%**	**0.7x**	**0.9x**	**0.8x**	**11.5x**	**12.5x**	**10.3x**	**15.7x**	**14.5x**	**13.2x**	**0.8x**	**0.0x**	**0.5x**

Source: ABG Sundal Collier estimates, FactSet

Footnote: Values for Inission are adjusted ABGSC values, values for peers are FactSet consensus values

DCF model

We also constructed two DCF models, one assuming purely organic growth and one assuming continued M&A. Both models looked at estimates for the next ten years, after which a terminal value was calculated using a perpetual growth rate of 2%. The discount rate used was 10%. Sensitivity analysis with respect to a number of assumptions was also performed.

Organic scenario

Using the financial estimates presented in the financial estimates section, and varying the discount rate and perpetual growth rate assumptions presented above by +-1pp, we arrive at a fair value range of SEK 37-49 per share.

Discounted cash flow	Entry	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Exit
Sales		1,934	1,980	2,028	2,076	2,126	2,177	2,229	2,283	2,338	2,394	
EBITA margin		4%	4%	5%	5%	6%	6%	6%	6%	6%	6%	
FCF/EBITA		-93%	72%	83%	83%	72%	65%	63%	62%	62%	61%	
Cash from operations		(26)	103	117	122	118	117	119	122	125	128	
Cap. ex.		(41)	(42)	(32)	(33)	(34)	(35)	(36)	(37)	(37)	(38)	
FCF		**(67)**	**62**	**84**	**89**	**84**	**82**	**84**	**86**	**88**	**90**	
Acquisition of subsidiaries		-	-	-	-	-	-	-	-	-	-	
Other investing cash flow		-	-	-	-	-	-	-	-	-	-	
Share issues (buybacks)		-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in IB debt		80	(50)	-	-	-	-	-	-	-	-	
Other financial activities		-	-	-	-	-	-	-	-	-	-	
Net cash flow excl. dividends		**13**	**12**	**84**	**89**	**84**	**82**	**84**	**86**	**88**	**90**	**1,147**
Shares outstanding	20	20	20	20	20	20	20	20	20	20	20	20
Minority interest	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Diluted net cash flow excl. dividends		**13**	**12**	**84**	**89**	**84**	**82**	**84**	**86**	**88**	**90**	**1,148**
Future diluted net cash flow excl. dividends	**1**	**12**	**12**	**84**	**89**	**84**	**82**	**84**	**86**	**88**	**90**	**1,148**

Source: ABG Sundal Collier

		Yearly sales estimate change				
		-10.0%	-5.0%	0.0%	5.0%	10.0%
Terminal EBIT margin	4.0%	26	29	32	34	37
	5.0%	31	34	37	40	42
	6.0%	36	39	42	45	48
	7.0%	40	43	47	50	53
	8.0%	45	48	52	55	59

		Discount rate				
		12.0%	11.0%	10.0%	9.0%	8.0%
Perpetual growth rate	0.0%	30	34	38	42	49
	1.0%	32	35	40	45	53
	2.0%	33	37	42	49	58
	3.0%	35	40	46	54	66
	4.0%	37	43	50	61	77

Source: ABG Sundal Collier

M&A scenario

In the M&A scenario, we use the organic scenario as a base, and then add cash flows attributable to continued M&A. We assume the company keeps making acquisitions at a similar rate as it has historically, meaning that we assume the company aims to maintain a ND/EBITDA level of 2.0x, and acquires companies at an average EV/EBITA multiple of 8x. The cash flow conversion ratios of the acquired companies are assumed to be in line with Inission's own ratios. This results in a fair value range of SEK 37-63 per share.

		Acquisition EBITA multiple				
		10.0x	9.0x	8.0x	7.0x	6.0x
ND/EBITDA target	1.0x	41	42	44	48	54
	1.5x	40	42	46	52	64
	2.0x	39	42	48	60	91
	2.5x	37	42	52	77	179
	3.0x	34	42	60	127	850

		Discount rate				
		12.0%	11.0%	10.0%	9.0%	8.0%
Perpetual growth rate	0.0%	26	34	43	56	74
	1.0%	28	35	45	59	78
	2.0%	29	37	48	63	83
	3.0%	31	40	51	68	91
	4.0%	33	43	56	75	102

Source: ABG Sundal Collier

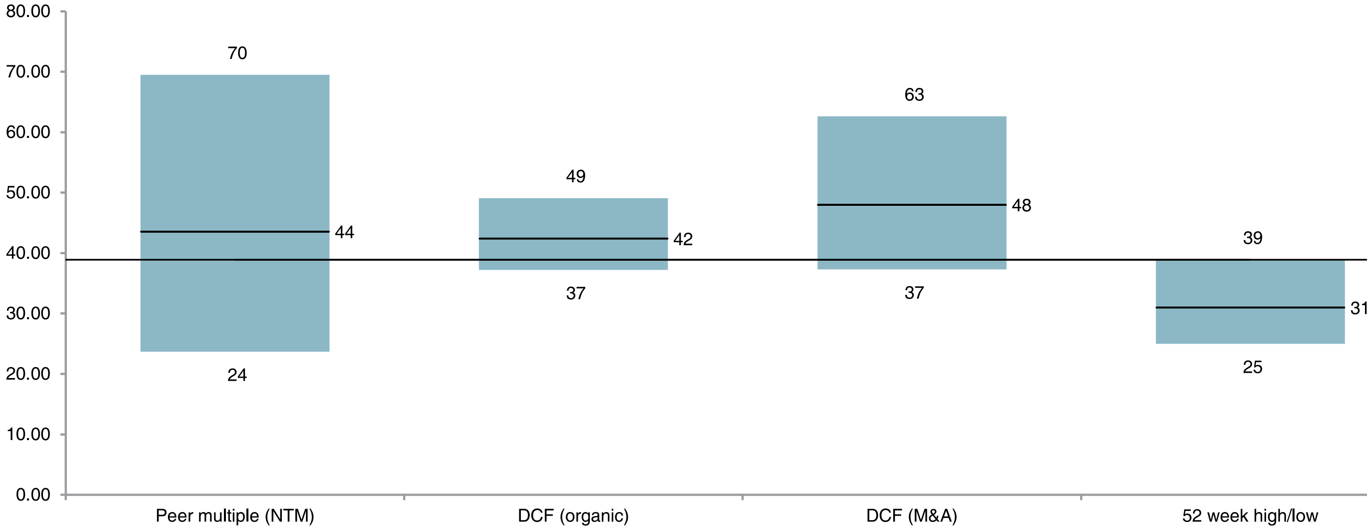
Valuation summary

We estimate a fair value range for Inission of SEK 35-55 per share. This range is based on an aggregate of our peer multiple analysis and DCF models. The peer multiple valuation yields a very large range with the value depending on the valuation multiple used. In this case, we believe the P/E multiple comparison gives the most relevant result as EV/Sales is too optimistic, as Inission's margins are lower than the peer average, and EV/EBITA estimates were only available for two of the peers. EV/Sales, however, shows that there is a lot of upside potential if Inission starts improving its margins, which as mentioned above we do think to an extent it will. The M&A DCF is very sensitive to lower acquisition multiples, showing that acquisitions made at attractive multiples can add significant value to the company.

Implied fair valuation multiples	EV/Sales (NTM)	EV/EBITA (NTM)	P/E (NTM)
Peer multiple (NTM)	0.6x	17.3x	17.0x
DCF (organic)	0.6x	17.0x	16.5x
DCF (M&A)	0.7x	18.5x	18.7x
52 week average	0.5x	13.8x	12.1x
Median	**0.6x**	**17.3x**	**17.0x**

Source: ABG Sundal Collier

Valuation summary (SEK per share)



Source: ABG Sundal Collier

Key risks

The main risks affecting the company are general economic downturns, large fluctuations in material prices and foreign exchange rates, as well as key customers leaving the company.

Key customers

Inission would be negatively affected by major customers leaving the company. Today, Inission serves around 140 customers, the largest of which represents 10% of the company's sales. 37 key accounts represent 73% of Inission's sales.

Cyclical customers

The contract manufacturing industry is sensitive to economic downturns, and Inission is sensitive to its customers' demand. This circumstance is ameliorated by the fact that Inission has a fairly diverse customer base with customers operating in industries with somewhat differing economic cycles.

Customer claims

In the event of manufacturing deficiencies, Inission may be subject to customer claims for damages. These damages would be of a magnitude typical for the industry. Historically, Inission has had very limited such costs.

Market trends

Inission could be negatively affected by certain trends in the EMS market. Such trends would include, but not be limited to, a return to more offshore production or a switch to more in-house manufacturing.

Logistics

Inission depends on the efficient use of its advanced production facilities, as well as a constant supply of materials and components for these facilities. Should there be an interruption in production in one or more of its facilities, or should there be a shortage in materials and components, this would affect Inission negatively. Inission has the ability to move production between facilities.

Cost of materials

Inission's customer contracts often span long periods of time, which makes it sensitive to changes in material prices. To partially protect against this, Inission employs price and currency clauses in its contracts. The company also partially hedges against currency fluctuations. Nevertheless, Inission may still be affected by large price and currency fluctuations. Historically, Inission has been most sensitive to currency fluctuations.

Key personnel

The company operates in a decentralised manner, with subsidiaries being led by their own executives. These executives cooperate with central resources to develop Inission strategically. Were some of these key personnel to suddenly leave the company, it may affect Inission negatively in the short term.

Appendix

Ownership and insider transactions

The tables below summarise the top holders' holdings and insiders' transactions. Insiders own 56% of the capital and 60% of the votes, while the top 15 holders own 92% of the capital and 96% of the votes. The holdings of the two founders, Olle Hulteberg and Fredrik Berghel, who are currently serving as chairman of the board and CEO, respectively, account for almost all the insider ownership. Net insider buying for the last 12 months amounts to 7k shares bought for a total of SEK 195k.

Ownership overview

Date	Insider ownership	Insider buying YoY (k)	Insider selling YoY (k)	Institutional ownership	Short interest
13/01/2023	56%	8	(1)	7%	0%

Source: Holdings, FactSet

Top 15 holders

Name	Insider	Shares	Value (SEKm)	Ownership	Verified
Olle Hulteberg	Chairman, other	5,282,988	206	29.2%	28/09/2022
Fredrik Berghel	CEO, board	4,863,012	189	26.9%	28/09/2022
Avanza Pension	-	1,736,119	68	9.6%	28/09/2022
Lars Wingefors AB	-	1,714,140	67	9.5%	28/09/2022
Handelsbanken Fonder	-	925,000	36	4.6%	31/12/2022
Björn Eriksson	-	508,500	20	2.8%	28/09/2022
Alma Bareisyte	-	420,000	16	2.3%	28/09/2022
JCE Group	-	326,085	13	1.8%	28/09/2022
HC Capital Advisors GmbH	-	201,159	8	1.1%	30/06/2022
Nordnet Pensionsförsäkring	-	166,439	6	0.9%	28/09/2022
eQ Asset Management Oy	-	150,602	6	0.8%	31/12/2022
Antti Manninen	-	132,000	5	0.7%	28/09/2022
Aki Pyysing	-	107,344	4	0.6%	28/09/2022
Thomas Uhl	-	99,000	4	0.5%	28/09/2022
Håkan Blomdahl	-	61,032	2	0.3%	28/09/2022
		16,693,420	649	92%	

Source: Holdings

Insider transactions

Date	Name	Position	Type	Shares	Price (SEK)	Value (SEK)	Change	Holdings
05/09/2022	Mikael Flodell	CFO	Buy	4,086	28.00	114,408	24%	21,206
05/09/2022	Mikael Flodell	CFO	Buy	914	27.90	25,501	6%	17,120
05/04/2022	Mikael Flodell	CFO	Buy	1,340	29.40	39,396	9%	16,206
04/04/2022	Mikael Flodell	CFO	Buy	1,657	29.40	48,716	13%	14,866
01/04/2022	Mikael Flodell	CFO	Buy	3	28.50	86	0%	13,209
24/02/2022	Mikael Flodell	CFO	Buy	400	26.50	10,600	3%	13,206
14/01/2022	Peter Lindegren	Other	Sell	(1,209)	36.00	(43,524)	-17%	6,108
05/10/2021	Mikael Flodell	CFO	Buy	2,000	31.03	62,060	19%	12,806
24/09/2021	Björn Lifvergren	CEO	Sell	(60,000)	34.00	(2,040,000)	-80%	15,108
24/09/2021	Olle Hulteberg	Chairman	Buy	30,000	34.00	1,020,000	1%	4,322,988
24/09/2021	Fredrik Berghel	Board	Buy	30,000	34.00	1,020,000	1%	4,323,000
20/08/2021	Mikael Flodell	CFO	Buy	6,000	31.90	191,400	125%	10,806
12/01/2021	Stefan Westberg	Other	Buy	471	107.00	50,397	22%	2,590
24/06/2021	Peter Lindegren	Other	Buy	2,036	50.59	103,001	505%	2,439
02/06/2021	Mikael Flodell	CFO	Buy	235	100.00	23,500	17%	1,602
27/05/2021	Mikael Flodell	CFO	Buy	400	100.00	40,000	41%	1,367
25/05/2021	Peter Lindegren	Other	Buy	69	102.50	7,073	21%	403
25/05/2021	Mikael Flodell	CFO	Buy	360	101.00	36,360	59%	967
24/05/2021	Mikael Flodell	CFO	Buy	31	102.50	3,178	5%	607
14/05/2021	Margareta Alestig	Board	Buy	442	110.00	48,620		442
10/05/2021	Peter Lindegren	Other	Buy	63	109.00	6,867	23%	334
07/05/2021	Peter Lindegren	Other	Buy	95	115.00	10,925	54%	271
06/05/2021	Peter Lindegren	Other	Buy	176	110.00	19,360		176
16/03/2021	Mikael Flodell	CFO	Buy	200	108.00	21,600	53%	576
16/03/2021	Mikael Flodell	CFO	Buy	200	110.00	22,000	114%	376
15/03/2021	Mikael Flodell	CFO	Buy	10	110.00	1,100	6%	176
08/03/2021	Mikael Flodell	CFO	Buy	69	112.00	7,728	71%	166
01/03/2021	Mikael Flodell	CFO	Buy	97	110.00	10,670		97
13/09/2019	Lars Atterfors	Other	Sell	(563)	119.00	(66,997)	-5%	11,000
12/09/2019	Lars Atterfors	Other	Sell	(18)	130.00	(2,340)	0%	11,563
11/09/2019	Lars Atterfors	Other	Sell	(19)	130.00	(2,470)	0%	11,581
23/08/2019	Peter Lindegren	Other	Sell	(3,671)	113.90	(418,127)		-
18/07/2019	Stefan Westberg	Other	Buy	259	84.00	21,756	14%	2,119
13/06/2019	Stefan Westberg	Other	Buy	53	84.00	4,452	3%	1,860
13/06/2019	Stefan Westberg	Other	Buy	75	83.50	6,263	4%	1,807
13/06/2019	Stefan Westberg	Other	Buy	301	81.50	24,532	21%	1,732
13/06/2019	Stefan Westberg	Other	Sell	(70)	82.00	(5,740)	-5%	1,431
10/06/2019	Stefan Westberg	Other	Buy	1	82.00	82	0%	1,501
24/01/2019	Stefan Westberg	Other	Buy	500	50.80	25,400	50%	1,500
24/05/2019	Peter Lindegren	Other	Buy	1,171	81.00	94,851	47%	3,671
10/05/2019	Peter Lindegren	Other	Buy	2,500	82.00	205,000		2,500
06/03/2019	Björn Lifvergren	CEO	Buy	18,000	54.00	972,000	360%	23,000
25/01/2019	Hans Linnarson	Board	Buy	630	46.70	29,421		630
18/01/2018	Björn Lifvergren	CEO	Buy	5,000	46.84	234,200		5,000
18/01/2018	Björn Lifvergren	CEO	Buy	5,000	46.84	234,200		
27/02/2017	Lars Rune Atterfors	Other	Buy	2,500	185.00	462,500		
				51,794	78.51	2,680,002		

Source: Holdings

Management and board

Executive management

Fredrik Berghel
CEO

CEO since 2021. Also serves as board member. M.Sc. in Mechanical Engineering from Chalmers Institute of Technology. Board member of Enedo Oyi, CEO and board member of FBM Consulting AB.

Håkan Rååd
Vice CEO,
Head of Supply Chain Management

Vice CEO since 2020, Head of Supply Chain Management since 2022. M.Sc. in Mechanical Engineering from The Institute of Technology at Linköping University. CEO and Chairman of Go Infinite, logistik- och verksamhetsutveckling AB.

Olle Hulteberg
Marketing Manager

Marketing Manager since 2008. Also serves as Chairman. M.Sc. in Mechanical Engineering from Chalmers Institute of Technology. Chairman and owner of IFF Konsult AB.

Fredric Grahn
Sales Manager

Sales Manager since 2021. Upper secondary school of technology. Broad competency within marketing and sales. Previously worked at Inission Stockholm.

Mikael Flodell
CFO, HR Manager

CFO and HR Manager since 2021. M.Sc. in Business and Economics from Karlstad University and MBA from Heriott-Watt University. CEO and owner of Flodell Management & Consulting AB.

Stefan Larsson
Head of Production Development

Head of Production Development since 2022. Vocational education and University of Gävle. Extensive experience of LEAN, manufacturing systems engineering and quality from multiple companies and industries. Previously worked as quality manager at Saab Dynamics.

Source: Inission, ABG Sundal Collier, company data

Board of directors

Olle Hulteberg
Chairman

Chairman since 2008. Also serves as Marketing Manager. M.Sc. in Mechanical Engineering from Chalmers Institute of Technology. Chairman and owner of IFF Konsult AB.

Fredrik Berghel
Board member

Board member since 2008. Also serves as CEO. M.Sc. in Mechanical Engineering from Chalmers Institute of Technology. Board member of Enedo Oyi, CEO and board member of FBM Consulting AB.

Hans Linnarson
Board member

Board member since 2017. Electrical engineer and B.A. Experience as CEO of multiple Swedish international industrial companies, e.g. Husqvarna AB, for over 30 years. Board seats at several other companies.

Karin Skoglund
Board member

Board member since 2015. M.Sc. in Business and Economics from Karlstad University. Board member of Boo Egendom AB and StyrelseAkademien Värmland.

Margareta Alestig Johnson
Board member

Board member since 2021. M.Sc. in Business and Economics from Örebro University. Board seats at several other companies.

Mia Bökmark
Board member

Board member since 2022. M.Sc. in Engineering from KTH Royal Institute of Technology and MBA from the Gothenburg School of Business. Board advisory at Hellberg's doors in Mellerud AB.

Source: Inission, ABG Sundal Collier, company data

Income Statement (SEKm)	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
Sales	280	526	713	740	980	1,059	1,003	1,589	1,934	1,980
COGS	-158	-315	-455	-453	-576	-634	-579	-1,053	-1,189	-1,202
Gross profit	123	211	259	287	404	425	425	535	744	778
Other operating items	-94	-180	-222	-238	-335	-352	-390	-357	-630	-646
EBITDA	**28**	**31**	**37**	**49**	**69**	**73**	**35**	**178**	**114**	**133**
Depreciation and amortisation	-1	-2	-3	-5	-11	-17	-16	-32	-42	-47
of which leasing depreciation	0	0	0	0	0	0	0	0	0	0
EBITA	**27**	**29**	**34**	**43**	**58**	**56**	**19**	**146**	**72**	**86**
EO Items	0	0	0	0	0	0	-34	61	0	0
Impairment and PPA amortisation	-9	-5	-5	-3	-4	-9	-9	-40	-62	-61
EBIT	**18**	**24**	**30**	**41**	**55**	**48**	**11**	**113**	**23**	**38**
Net financial items	-1	-2	-4	-4	-7	-9	-10	-10	-17	-14
Pretax profit	**17**	**23**	**25**	**37**	**48**	**38**	**0**	**103**	**6**	**24**
Tax	-5	-4	-6	-7	-11	-11	-9	-12	-1	-5
Net profit	**13**	**19**	**20**	**30**	**37**	**27**	**-9**	**91**	**5**	**19**
Minority interest	0	0	0	-0	-0	0	-0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
Net profit to shareholders	**13**	**19**	**20**	**30**	**37**	**27**	**-9**	**91**	**5**	**19**
EPS	0.86	1.26	1.34	2.03	2.52	1.72	-0.49	4.56	0.24	0.95
EPS adj.	1.30	1.52	1.57	2.15	2.67	2.10	-15.07	2.93	2.17	2.84
Total extraordinary items after tax	0	0	0	0	0	0	-34	61	0	0
Leasing payments	0	0	0	0	0	0	0	0	0	0
Tax rate (%)	*27.3*	*18.7*	*22.0*	*18.9*	*22.0*	*28.7*	*3,634.7*	*12.0*	*21.0*	*21.0*
Gross margin (%)	*43.7*	*40.1*	*36.3*	*38.7*	*41.2*	*40.1*	*42.3*	*33.7*	*38.5*	*39.3*
EBITDA margin (%)	*10.1*	*5.9*	*5.2*	*6.6*	*7.0*	*6.9*	*3.5*	*11.2*	*5.9*	*6.7*
EBITA margin (%)	*9.6*	*5.5*	*4.8*	*5.8*	*5.9*	*5.3*	*1.9*	*9.2*	*3.7*	*4.3*
EBIT margin (%)	*6.4*	*4.6*	*4.2*	*5.5*	*5.6*	*4.5*	*1.1*	*7.1*	*1.2*	*1.9*
Pre-tax margin (%)	*6.2*	*4.3*	*3.6*	*5.0*	*4.9*	*3.6*	*0.0*	*6.5*	*0.3*	*1.2*
Net margin (%)	*4.5*	*3.5*	*2.8*	*4.1*	*3.8*	*2.6*	*-0.9*	*5.7*	*0.3*	*1.0*
Growth Rates y-o-y	-	-	-	-	-	-	-	-	-	-
Sales growth (%)	*12.2*	*87.7*	*35.6*	*3.7*	*32.5*	*8.1*	*-5.3*	*58.3*	*21.7*	*2.4*
EBITDA growth (%)	*69.8*	*10.1*	*18.8*	*31.6*	*41.7*	*5.4*	*-52.3*	*413.4*	*-35.9*	*16.3*
EBITA growth (%)	*75.2*	*8.2*	*17.4*	*26.6*	*33.2*	*-2.5*	*-66.2*	*670.0*	*-50.8*	*19.4*
EBIT growth (%)	*51.6*	*35.7*	*22.4*	*37.5*	*33.4*	*-13.0*	*-77.7*	*NM*	*-79.6*	*64.7*
Net profit growth (%)	*59.5*	*46.2*	*7.0*	*51.7*	*24.5*	*-27.5*	*-132.7*	*-1,124.2*	*-94.7*	*291.2*
EPS growth (%)	*30.0*	*46.2*	*6.5*	*51.5*	*24.1*	*-31.7*	*-128.7*	*-1,025.3*	*-94.7*	*291.2*
Profitability	-	-	-	-	-	-	-	-	-	-
ROE (%)	*17.0*	*25.1*	*28.7*	*31.7*	*29.6*	*13.3*	*-3.3*	*21.8*	*0.9*	*3.3*
ROE adj. (%)	*28.9*	*31.5*	*35.4*	*34.6*	*32.6*	*17.7*	*12.7*	*16.7*	*11.8*	*14.0*
ROCE (%)	*17.4*	*16.1*	*15.5*	*18.3*	*22.4*	*17.4*	*2.1*	*19.0*	*3.0*	*4.6*
ROCE adj. (%)	*25.6*	*19.0*	*17.8*	*19.5*	*23.9*	*20.7*	*14.2*	*15.6*	*9.9*	*11.2*
ROIC (%)	*23.9*	*20.1*	*19.4*	*21.8*	*27.1*	*24.1*	*118.7*	*20.2*	*3.1*	*5.1*
ROIC adj. (%)	*35.8*	*24.0*	*22.3*	*23.0*	*28.6*	*28.4*	*590.4*	*15.1*	*9.7*	*11.4*
Adj. earnings numbers	-	-	-	-	-	-	-	-	-	-
EBITDA adj.	*28*	*31*	*37*	*49*	*69*	*73*	*68*	*117*	*114*	*133*
EBITDA adj. margin (%)	*10.1*	*5.9*	*5.2*	*6.6*	*7.0*	*6.9*	*6.8*	*7.3*	*5.9*	*6.7*
EBITDA lease adj.	28	31	37	49	69	73	68	117	114	133
EBITDA lease adj. margin (%)	*10.1*	*5.9*	*5.2*	*6.6*	*7.0*	*6.9*	*6.8*	*7.3*	*5.9*	*6.7*
EBITA adj.	27	29	34	43	58	56	53	85	72	86
EBITA adj. margin (%)	*9.6*	*5.5*	*4.8*	*5.8*	*5.9*	*5.3*	*5.2*	*5.3*	*3.7*	*4.3*
EBIT adj.	27	29	34	43	58	56	53	85	72	86
EBIT adj. margin (%)	*9.6*	*5.5*	*4.8*	*5.8*	*5.9*	*5.3*	*5.2*	*5.3*	*3.7*	*4.3*
Pretax profit Adj.	26	28	30	40	52	47	43	82	68	85
Net profit Adj.	22	23	24	33	41	36	34	69	66	80
Net profit to shareholders adj.	22	23	24	33	41	36	34	69	66	80
Net adj. margin (%)	*7.7*	*4.4*	*3.4*	*4.4*	*4.2*	*3.4*	*3.4*	*4.4*	*3.4*	*4.0*

Source: ABG Sundal Collier, Company Data

Cash Flow (SEKm)	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
EBITDA	28	31	37	49	69	73	35	178	114	133
Net financial items	-1	-2	-4	-4	-7	-9	-10	-10	-17	-14
Paid tax	-3	-5	-1	-4	-9	-11	-11	-12	-1	-5
Non-cash items	-15	76	-4	62	9	5	50	-60	0	0
Cash flow before change in WC	10	101	28	103	63	57	63	95	96	113
Change in working capital	-20	-120	-6	-61	23	26	-72	-27	-122	-10

Cash Flow (SEKm)	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
Operating cash flow	**-10**	**-19**	**21**	**41**	**86**	**83**	**-9**	**68**	**-26**	**103**
Capex tangible fixed assets	-1	-1	-10	-11	-9	-26	-17	-8	-41	-42
Capex intangible fixed assets	0	16	0	0	0	0	0	0	0	0
Acquisitions and Disposals	-3	-61	0	-52	-19	-35	0	-96	0	0
Free cash flow	**-14**	**-66**	**12**	**-22**	**58**	**22**	**-26**	**-36**	**-67**	**62**
Dividend paid	-3	-50	0	0	-7	0	0	-5	-14	-1
Share issues and buybacks	19	0	0	2	0	103	0	59	0	0
Leasing liability amortisation	0	0	0	0	0	0	0	0	0	0
Other non-cash items	-3	4	-65	22	-3	-22	-89	-178	-0	-0
Balance Sheet (SEKm)	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022e**	**2023e**	**2024e**
Goodwill	29	9	5	7	10	33	25	196	147	99
Other intangible assets	0	0	2	2	1	3	4	56	43	30
Tangible fixed assets	3	6	15	36	39	64	79	116	127	134
Right-of-use asset	0	0	0	0	0	0	0	0	0	0
Total other fixed assets	22	0	60	6	7	7	38	216	216	216
Fixed assets	53	16	82	51	57	107	145	583	533	480
Inventories	62	164	165	241	251	211	326	657	561	515
Receivables	53	131	124	174	156	148	191	237	290	297
Other current assets	4	12	11	16	12	11	18	33	39	40
Cash and liquid assets	17	12	3	0	1	44	0	1	0	10
Total assets	**190**	**334**	**386**	**482**	**477**	**523**	**681**	**1,511**	**1,422**	**1,342**
Shareholders equity	89	59	79	110	141	269	265	569	560	578
Minority	0	0	0	1	1	1	1	1	1	1
Total equity	**89**	**59**	**79**	**111**	**142**	**270**	**265**	**570**	**561**	**578**
Long-term debt	1	32	26	33	30	26	47	88	112	97
Pension debt	0	0	0	0	0	0	0	0	0	0
Convertible debt	-	-	-	-	-	-	-	-	-	-
Leasing liability	0	0	0	0	0	0	0	0	0	0
Total other long-term liabilities	9	22	77	52	46	42	24	24	24	24
Short-term debt	37	100	94	107	69	17	84	205	261	226
Accounts payable	30	75	60	107	97	86	166	356	290	238
Other current liabilities	25	47	49	72	92	81	93	268	174	178
Total liabilities and equity	**190**	**334**	**386**	**482**	**477**	**523**	**681**	**1,511**	**1,422**	**1,342**
Net IB debt	20	119	117	140	98	-1	131	292	373	313
Net IB debt excl. pension debt	20	119	117	140	98	-1	131	292	373	313
Net IB debt excl. leasing	20	119	117	140	98	-1	131	292	373	313
Capital employed	126	190	199	251	241	313	397	863	934	902
Capital invested	109	178	196	251	240	269	397	862	934	891
Working capital	64	185	191	252	229	203	276	303	425	436
EV breakdown	-	-	-	-	-	-	-	-	-	-
Market cap. diluted (m)	573	573	575	576	576	616	702	775	775	775
Net IB debt adj.	20	119	117	140	98	-1	131	292	373	313
Market value of minority	0	0	0	1	1	1	1	1	1	1
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	-	-	-	-	-	-	-	-	-	-
EV	**593**	**692**	**692**	**717**	**674**	**616**	**835**	**1,068**	**1,149**	**1,089**
Total assets turnover (%)	167.5	200.7	198.2	170.6	204.5	212.0	166.7	144.9	131.8	143.3
Working capital/sales (%)	19.4	23.7	26.3	29.9	24.5	20.4	23.9	18.2	18.8	21.7
Financial risk and debt service	-	-	-	-	-	-	-	-	-	-
Net debt/equity (%)	22.8	203.1	148.2	126.4	68.7	-0.2	49.5	51.3	66.5	54.1
Net debt / market cap (%)	3.5	20.9	20.3	24.4	17.0	-0.1	18.7	37.7	48.1	40.4
Equity ratio (%)	46.7	17.6	20.5	23.1	29.8	51.6	39.0	37.7	39.4	43.1
Net IB debt adj. / equity (%)	22.8	203.1	148.2	126.4	68.7	-0.2	49.5	51.3	66.5	54.1
Current ratio	1.49	1.44	1.49	1.51	1.62	2.24	1.56	1.12	1.23	1.34
EBITDA/net interest	53.3	19.8	8.4	12.3	10.3	7.7	6.9	17.7	6.7	9.4
Net IB debt/EBITDA (x)	0.7	3.8	3.2	2.9	1.4	-0.0	3.8	1.6	3.3	2.4
Net IB debt/EBITDA lease adj. (x)	0.7	3.8	3.2	2.9	1.4	-0.0	1.9	2.5	3.3	2.4
Interest coverage	21.6	11.5	7.3	10.3	8.2	5.6	2.9	9.3	3.6	5.0

Source: ABG Sundal Collier, Company Data

Share Data (SEKm)	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
Actual shares outstanding	15	15	15	15	15	16	18	20	20	20
Actual shares outstanding (avg)	-	0	-	-	-	-	-	-	-	-

Share Data (SEKm)	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
All additional shares	3	0	0	0	-0	1	2	2	0	0
Issue month	-	-	-	-	-	-	-	-	-	-
Assumed dil. of shares from conv.	-	-	-	-	-	-	-	-	-	-
As. dil. of shares from conv. (avg)	-	-	-	-	-	-	-	-	-	-
Conv. debt not assumed as equity	-	-	-	-	-	-	-	-	-	-
No. of warrants	-	-	-	-	-	-	-	-	-	-
Market value per warrant	-	-	-	-	-	-	-	-	-	-
Dilution from warrants	-	-	-	-	-	-	-	-	-	-
Issue factor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual dividend per share	3.39	0.00	0.00	0.50	0.00	0.00	0.30	0.68	0.07	0.29
Reported earnings per share	0.86	1.26	1.35	2.03	2.52	1.72	-0.49	-	-	-

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (SEKm)	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
Shares outstanding adj.	15	15	15	15	15	16	18	20	20	20
Diluted shares adj.	15	15	15	15	15	16	18	20	20	20
EPS	0.86	1.26	1.34	2.03	2.52	1.72	-0.49	4.56	0.24	0.95
Dividend per share	3.39	0.00	0.00	0.50	0.00	0.00	0.30	0.68	0.07	0.29
EPS adj.	1.30	1.52	1.57	2.15	2.67	2.10	-15.07	2.93	2.17	2.84
BVPS	6.03	4.00	5.33	7.45	9.55	16.98	14.66	28.56	28.12	29.00
BVPS adj.	4.08	3.36	4.87	6.86	8.80	14.67	13.09	15.94	18.59	22.51
Net IB debt/share	1.37	8.11	7.91	9.49	6.60	-0.04	7.28	14.68	18.73	15.70
Share price	38.9	38.9	38.9	38.9	38.9	38.9	38.9	38.9	38.9	38.9
Market cap. (m)	573	573	575	576	576	616	702	775	775	775
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	45.2	30.9	29.1	19.2	15.5	22.6	-78.9	8.5	159.8	40.8
EV/sales (x)	2.12	1.32	0.97	0.97	0.69	0.58	0.83	0.67	0.59	0.55
EV/EBITDA (x)	20.9	22.2	18.7	14.7	9.8	8.5	24.1	6.0	10.1	8.2
EV/EBITA (x)	22.1	23.8	20.3	16.6	11.7	11.0	44.0	7.3	16.0	12.7
EV/EBIT (x)	33.0	28.4	23.2	17.5	12.3	13.0	78.9	9.4	49.6	28.5
Dividend yield (%)	8.7	0.0	0.0	1.3	0.0	0.0	0.8	1.8	0.2	0.7
FCF yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Le. adj. FCF yld. (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/BVPS (x)	6.46	9.74	7.29	5.22	4.07	2.29	2.65	1.36	1.38	1.34
P/BVPS adj. (x)	9.53	11.58	7.99	5.67	4.42	2.65	2.97	2.44	2.09	1.73
P/E adj. (x)	29.9	25.6	24.8	18.1	14.6	18.5	-2.6	13.3	17.9	13.7
EV/EBITDA adj. (x)	20.9	22.2	18.7	14.7	9.8	8.5	12.2	9.2	10.1	8.2
EV/EBITA adj. (x)	22.1	23.8	20.3	16.6	11.7	11.0	15.9	12.6	16.0	12.7
EV/EBIT adj. (x)	22.1	23.8	20.3	16.6	11.7	11.0	15.9	12.6	16.0	12.7
EV/CE (x)	4.7	3.6	3.5	2.9	2.8	2.0	2.1	1.2	1.2	1.2
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	0.5	2.7	1.3	1.5	0.9	2.4	1.7	0.5	2.1	2.1
Capex/depreciation	0.9	-6.9	3.3	2.1	0.8	1.5	1.1	0.2	1.0	0.9
Capex tangibles / tangible fixed assets	46.0	23.0	62.9	31.2	22.1	40.4	21.0	6.9	32.0	30.9
Capex intangibles / definite intangibles	--	--	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation on intang / def. intang	--	--	14	33	108	14	22	15	30	43
Depreciation on tangibles / tangibles	49.20	35.50	17.28	13.73	26.93	25.38	18.86	20.29	23.11	25.27

Source: ABG Sundal Collier, Company Data

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