

Capacent Holding

Profitability has reached a new level

- Q4 above ABGSCe on both sales and margins
- Positive revisions as a result, EPS up 6% for '21e
- P/E 7.7x with 8.4% div. yield on revised '21e

Strong end to the year, especially for MC business

Capacent Holding reported Q4 net sales of SEK 53.8m (72.4m); adjusted for the discontinued operations in Iceland, this was a y-o-y increase of 0.5% and 10% above ABGSCe. EBIT was SEK 8.6m (5.4m), corresponding to an EBIT margin of 16% (7.4%) and 35% above ABGSCe. The deviation from our estimates was mainly from Finland, which saw a sharp turnaround q-o-q, and sales grew y-o-y to SEK 9.6m (8.0m) with an impressive EBIT margin of 28.9%, which benefited from new customer agreements. Sweden was also above our forecast but not to the same extent. We note a second consecutive quarter after the restructuring with improved EBIT margins for the management consulting business in Sweden, which we see as further confirmation that profitability is now on a new level in that business area. We also saw a positive EBIT contribution from Capacity and Capasearch despite challenging markets.

Raised profitability for Capacity on the cards

Overall, we think Q4 was another step in the right direction following the restructuring in Q2. We do not think the result in Finland should be extrapolated because of how the business is set up with revenue share projects; however, it shows again what Capacent is able to do in that region over time. Furthermore, the software platform business in Capacity is now a separate business, called Commended. On 26 February, Commended secured external financing for a pre-money valuation of SEK 20m, and Capacent owns 44.6% after the transaction. The change within Capacity should improve the profitability in the segment in 2021.

The new organisation has potential to lift margins more

We saw many positives in the Q4 report and raise our EPS estimates by 6.4% for '21e. We believe Capacent is in a good position to grow profitably in the coming years.

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SEKm	2019	2020	2021e	2022e	2023e
Sales	260	204	217	233	248
EBITDA	20	-8	24	32	36
EBITDA margin (%)	7.6	-4.1	11.2	13.8	14.4
EBIT adj	10	13	22	30	33
EBIT adj margin (%)	3.9	6.5	10.1	12.7	13.4
Pretax profit	3	-16	22	29	33
EPS rep	0.64	-7.05	5.82	7.87	8.74
EPS adj	1.93	3.39	5.82	7.87	8.74
Sales growth (%)	-1.6	-21.3	5.9	7.6	6.3
EPS growth (%)	-84.6	-1,200.3	182.6	35.2	11.1

Source: ABG Sundal Collier, Company data

Reason: Post-results comment

Company sponsored research

Not rated

Estimate changes (%)

	2021e	2022e	2023e
Sales	5.1%	6.0%	0.0%
EBIT (rep)	5.2%	5.2%	0.0%
EPS (rep)	6.4%	5.9%	0.0%

Source: ABG Sundal Collier

Share price (SEK)	01/03/2021	44.9
Fair value range (per share)		45-68

Services, Sweden
CAPAC.ST/CAPAC SS

MCap (SEKm)	122
MCap (EURm)	12
Net debt (EURm)	-2

No. of shares (m)	2.7
Free float (%)	41
Av. daily volume (k)	2

Performance



	1m	3m	12m
Absolute (%)	19.7	15.7	55.4

Source: FactSet

	2021e	2022e	2023e
P/E (x)	7.7	5.7	5.1
P/E adj (x)	7.7	5.7	5.1
P/BVPS (x)	1.46	1.29	1.16
EV/EBITDA (x)	4.3	3.1	2.6
EV/EBIT adj (x)	4.8	3.4	2.8
EV/sales (x)	0.48	0.43	0.38
ROE adj (%)	19.6	23.9	23.8
Dividend yield (%)	8.4	11.4	12.7
FCF yield (%)	9.0	13.8	19.3
Lease adj. FCF yld (%)	8.4	13.2	18.6
Net IB debt/EBITDA	-0.8	-0.8	-1.0
Lease adj. ND/EBITDA	-1.1	-1.0	-1.1

Please refer to important disclosures at the end of this report

This research product is commissioned and paid for by the company covered in this report. As such, this report is deemed to constitute an acceptable minor non-monetary benefit (i.e. not investment research) as defined in MiFID II.

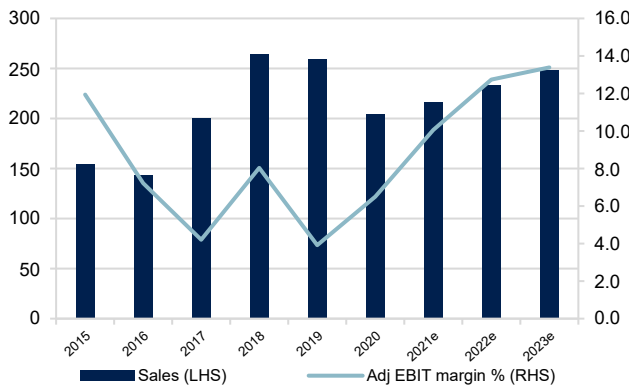
Company description

Capacent is a management consulting company concentrated on corporate consulting, mainly focusing on improving customer profitability and cash flow. The company offers business-oriented consulting aiming, to deliver measurable results, from setting strategies to implementation and follow-ups. Capacent has a Nordic presence and a high level of involvement in customer operations. The customer base is broad in terms of number of customers and sectors represented.

Risks

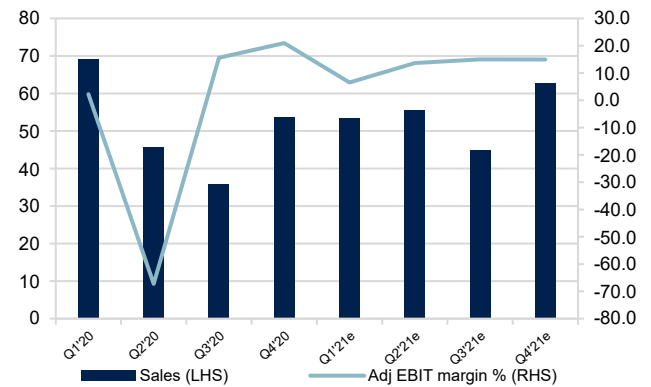
Capacent is dependent on continuing demand for its services from current and new customers. Moreover, a tougher climate for hiring new consultants would affect Capacent's organic growth. Furthermore, the Finnish operations are more volatile than the other divisions due to more performance-based earnings. This means that on a quarterly basis, operations can be significantly more volatile than the rest of the group.

Annual sales and adj. EBIT margin



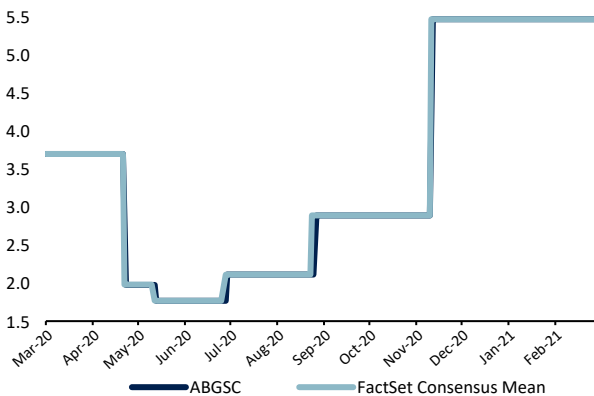
Source: ABG Sundal Collier, Company data

Quarterly sales and adj. EBIT margin



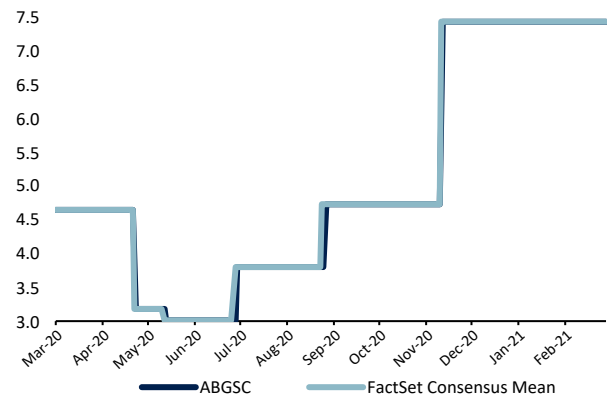
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2021e, SEK



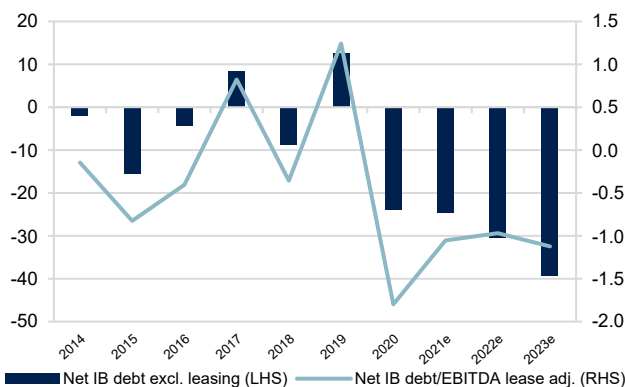
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2022e, SEK



Source: ABG Sundal Collier, FactSet

Lease adj. net debt and ND/EBITDA



Source: ABG Sundal Collier, Company data

Deviations and forecast changes

Q4 deviations

SEKm				
P&L	Q4'19	Q4'20	Q3'20e	Diff vs. ABGSC
Net sales	72.4	53.8	49.1	10%
Other income	0.1	0.6	0.0	
Other external costs	-19.0	-23.5	-17.2	37%
Personnel costs	-44.0	-21.7	-24.9	-13%
Other costs	0.0	0.0	0.0	
-of which non-recurring items	0.0	0.0	0.0	
EBITDA	9.4	9.2	7.1	30%
Adj. EBITDA	9.4	9.2	7.1	30%
Depreciation	-4.1	-0.6	-0.7	
Impairment	0.0	0.0	0.0	
EBIT	5.4	8.6	6.4	35%
Adj. EBIT	5.4	8.6	6.4	35%
Net Financials	-0.8	0.3	-0.2	
Profit before tax	4.6	8.9	6.2	
Tax	-1.1	-1.9	-1.4	
NCI	0.4	0.0	-0.2	
Net profit discontinued	0.0	0.0	0.0	
Net income (to shareholders)	3.0	7.0	4.7	49%
EPS	1.1	2.6	1.7	49%
Growth				
Sales growth y-o-y	-7.1%	-25.7%	-32.2%	6.5pp
Margins				
Adj. EBITDA margin	13.0%	17.0%	14.4%	2.6pp
Adj. EBIT margin	7.4%	16.0%	13.0%	3.0pp
Sales per division				
Sweden	46.0	44.2	42.1	5%
Finland	8.0	9.6	7.0	36%
Total	72.4	53.8	49.1	10%
Adj. EBIT per division				
Sweden	4.0	7.8	6.6	18%
Finland	0.1	2.8	1.3	113%
Adj. EBIT margin				
Sweden	8.7%	17.6%	15.7%	1.9pp
Finland	1.9%	28.9%	18.0%	10.9pp

Source: ABG Sundal Collier, company data

Forecast changes

SEKm P&L	Old forecast			New forecast			Change		
	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e
Net sales	205.9	219.9		216.5	233.1	247.9	5.1%	6.0%	
Adj. EBITDA	23.2	30.7		24.2	32.2	35.8	4.2%	4.7%	
Adj. EBIT	20.7	28.2		21.8	29.7	33.2	5.2%	5.2%	
Net income	14.9	20.2		15.8	21.4	23.7	6.4%	5.9%	
Adj EBITDA margin	11.3%	14.0%		11.2%	13.8%	14.4%	-0.1pp	-0.2pp	
Adj. EBIT margin	10.1%	12.8%		10.1%	12.7%	13.4%	0.0pp	-0.1pp	
Net margin	7.2%	9.2%		7.3%	9.2%	9.6%	0.1pp	0.0pp	

Source: ABG Sundal Collier, company data

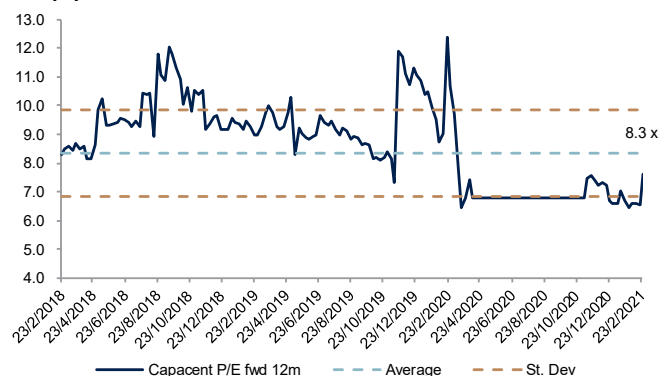
Valuation

Peer group

Company Consulting firms	Market cap (SEKm)	Sales growth (%)			EV/Sales (x)			EV/EBITDA (x)			EV/EBIT (x)			P/E (x)			Dividend yields		
		2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e
Addnode	7,769	11%	0%	4%	2.2	2.1	2.1	17.3	17.3	16.6	31.9	30.7	28.5	40.0	34.2	31.3	1.3%	1.4%	1.5%
Eurocon Consulting	187	-6%	9%	na	1.0	0.9	0.8	8.6	6.8	5.7	17.0	11.0	8.6	22.1	13.5	10.8	4.0%	5.0%	6.0%
eWork Group	1,205	-3%	8%	8%	0.1	0.1	0.1	10.3	13.0	12.0	13.3	16.7	15.1	17.3	20.7	18.5	5.6%	4.6%	4.8%
Knowit	5,227	1%	16%	4%	1.5	1.3	1.2	12.4	10.8	10.5	15.7	13.3	12.9	14.2	12.7	12.5	3.6%	3.9%	4.1%
Rejlers	2,610	-2%	6%	4%	1.2	1.2	1.1	8.7	9.8	9.0	15.1	20.8	17.8	43.2	19.9	17.2	0.8%	2.0%	2.3%
Semcon	1,579	-12%	5%	7%	0.9	0.9	0.8	8.2	6.9	6.5	9.3	8.8	8.1	8.1	8.3	7.5	0.0%	8.3%	6.2%
Tieto	31,058	61%	1%	3%	1.4	1.4	1.4	8.8	8.0	7.5	11.3	10.8	10.1	11.6	10.9	10.1	5.3%	6.0%	6.0%
AF	25,137	-4%	2%	5%	1.7	1.6	1.6	13.7	12.7	11.5	20.6	18.6	16.3	24.6	20.8	18.2	2.0%	2.5%	2.7%
Average		6%	6%	5%	1.2	1.2	1.1	11.0	10.7	9.9	16.8	16.3	14.7	22.6	17.6	15.8	2.8%	4.2%	4.2%
Median		-3%	5%	4%	1.3	1.2	1.2	9.6	10.3	9.8	15.4	15.0	14.0	19.7	16.7	14.9	2.8%	4.2%	4.5%
Capacent (ABGSCe)	119	-21%	6%	8%	0.4	0.5	0.4	4.0	4.2	3.0	5.9	4.6	3.3	10.6	7.6	5.6	9.7%	8.6%	11.6%
Capacent above/below (+/-)		678%	9%	84%	-71%	-62%	-65%	-59%	-59%	-69%	-62%	-69%	-77%	-46%	-55%	-62%	244%	104%	161%

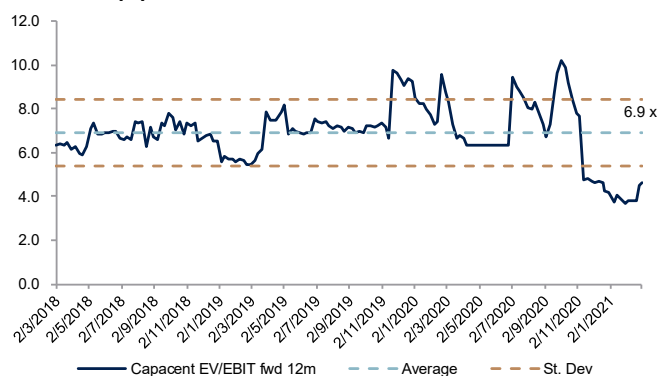
Source: ABG Sundal Collier, company data

P/E (x) NTM



Source: ABG Sundal Collier, company data

EV/EBIT (x) NTM



Source: ABG Sundal Collier, company data

Indicative price range of SEK 45-68

We expect a P/E of 7.7x for '21e, which is slightly below the three-year NTM average of 8.3x. An indicative price range of plus/minus one standard deviation from the average indicates SEK 39-57 per share. Capacent's currently has a strong balance sheet with a net cash position of ~SEK 20m and on our 2021 estimates, it is trading at an EV/EBIT of 4.6x, which is below the three-year NTM average of 6.9x. An indicative price range of plus/minus one standard deviation from the EV/EBIT average indicates SEK 52-80 per share. We arrive at our fair value range by combining the two range equally, which yields a range of SEK 45-68 per share.

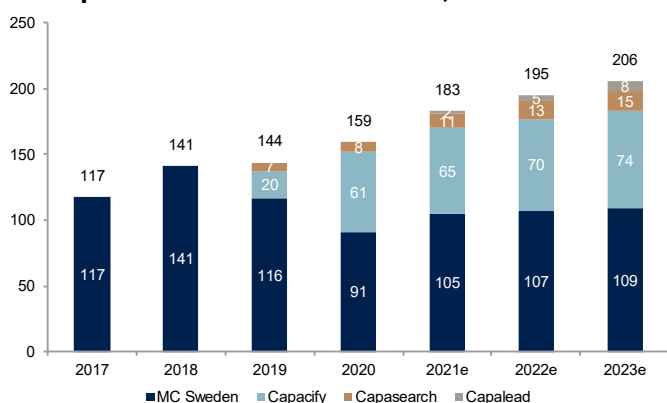
The price range will ultimately be determined by execution of the ongoing restructuring. One could also argue, however, that a successful restructuring would decrease the valuation gap towards the peer group. Currently, Capacent is trading ~55% below the peer group on the 2021e P/E.

Quarterly and yearly overview

SEKm	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21e	Q2'21e	Q3'21e	Q4'21e	2016	2017	2018	2019	2020	2021e	2022e	2023e
P&L																
Net sales	69.0	45.8	35.9	53.8	53.4	55.6	44.8	62.7	142.9	200.4	263.8	259.7	204.5	216.5	233.1	247.9
Other income	0.0	0.8	1.3	0.6	0.0	0.0	0.0	0.0	0.7	6.8	9.6	0.1	2.7	0.0	0.0	0.0
Other external costs	-20.3	-21.7	-15.7	-23.5	-18.7	-19.5	-15.7	-22.0	-20.1	-42.0	-59.3	-55.5	-81.2	-75.8	-79.2	-84.3
Personnel costs	-43.6	-25.5	-15.2	-21.7	-30.6	-30.4	-24.7	-30.8	-115.6	-112.6	-183.7	-184.6	-106.0	-116.6	-121.6	-127.8
Other costs	0.0	-28.4	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-28.4	0.0	0.0	0.0
-of which non-recurring items	0.0	-28.3	0.0	0.0	0.0	0.0	0.0	0.0	0	2.75	-3.3	-3.5	-28.3	0.0	0.0	0.0
EBITDA	5.2	-29.0	6.2	9.2	4.1	5.7	4.4	10.0	10.8	12.9	30.5	19.7	-8.4	24.2	32.2	35.8
Adj. EBITDA	5.2	-0.6	6.2	9.2	4.1	5.7	4.4	10.0	10.8	10.2	24.3	23.2	19.9	24.2	32.2	35.8
Depreciation	-3.6	-1.8	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.5	-1.8	-3.1	-13.0	-6.6	-2.4	-2.5	-2.6
Impairment	0	0.0	0	0	0	0	0	0	0	-5.3	-9.5	0	0.0	0.0	0.0	0.0
EBIT	1.5	-30.8	5.6	8.6	3.5	5.1	3.8	9.4	10.3	5.9	17.9	6.7	-15.1	21.8	29.7	33.2
Adj. EBIT	1.5	-2.4	5.6	8.6	3.5	5.1	3.8	9.4	10.3	8.4	21.2	10.2	13.3	21.8	29.7	33.2
Net Financials	-1.3	0.3	-0.1	0.3	-0.1	-0.1	-0.1	-0.1	0.2	-0.9	-1.2	-3.6	-0.8	-0.2	-0.3	-0.3
Profit before tax	0.3	-30.5	5.4	8.9	3.4	5.0	3.8	9.3	10.6	5.0	16.7	3.1	-15.9	21.6	29.4	32.9
Tax	-0.1	0.1	-1.3	-1.9	-0.7	-1.0	-0.8	-1.9	-2.3	-2.0	-4.7	-0.9	-3.3	-4.4	-6.1	-6.8
NCI	0.1	-0.1	0.0	0.0	-0.1	-0.3	-0.3	-0.6	0.0	0.3	0.5	-0.4	0.0	-1.3	-2.0	-2.4
Net profit discontinued	0.0	-9.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (to shareholders)	0.0	-39.6	4.2	7.0	2.6	3.7	2.7	6.8	8.2	3.3	11.5	2.6	-28.4	15.8	21.4	23.7
EPS diluted	0.0	-14.6	1.5	2.6	1.0	1.4	1.0	2.5	3.1	1.2	4.0	1.1	-10.4	5.8	7.9	8.7
DPS									3.0	1.0	3.0	1.0	3.5	3.8	5.1	5.7
Growth																
Sales growth y-o-y	-3.2%	-32.4%	-25.7%	-25.7%	-22.7%	21.4%	25.0%	16.6%	-7.2%	40.2%	31.7%	-1.6%	-21.3%	5.9%	7.6%	6.3%
Margins																
Adj. EBITDA margin	7.5%	-63.3%	17.3%	17.0%	7.7%	10.2%	9.9%	15.9%	7.6%	5.1%	9.2%	8.9%	9.7%	11.2%	13.8%	14.4%
Adj. EBIT margin	2.2%	-5.3%	15.6%	16.0%	6.5%	9.2%	8.5%	14.9%	7.2%	4.2%	8.0%	3.9%	6.5%	10.1%	12.7%	13.4%
Adj. R12 EBIT margin	2.8%	0.5%	4.5%	6.5%	8.1%	11.5%	10.1%	10.1%								
Sales per division																
Sweden	44.0	39.5	31.5	44.2	45.8	48.0	38.4	50.6	121.7	117.5	141.1	143.9	159.2	182.7	195.2	205.7
Finland	7.7	6.2	4.4	9.6	7.6	7.6	6.5	12.1	21.3	19.9	38.8	38.8	27.7	33.8	37.9	42.2
Total	69.0	45.8	35.9	53.8	53.4	55.6	44.8	62.7	142.9	200.4	263.8	259.7	204.5	216.5	233.1	247.9
Adj. EBIT per division																
Sweden	1.6	-0.9	6.0	7.8	4.2	5.6	3.8	8.3		6.9	10.6	8.3	14.5	21.9	26.3	29.0
Finland	0.0	0.5	1.0	2.8	0.8	1.0	1.0	2.6		2.0	12.2	6.5	4.2	5.4	8.9	10.2
Adj. EBIT margin per division																
Sweden	3.7%	-2.2%	19.1%	17.6%	9.2%	11.7%	9.9%	16.4%	8.0%	6.6%	7.5%	5.7%	9.1%	12.0%	13.5%	14.1%
Finland	0.4%	7.3%	22.2%	28.9%	10.0%	13.0%	16.0%	22.0%	7.8%	9.8%	31.5%	16.8%	15.3%	16.0%	17.5%	19.0%

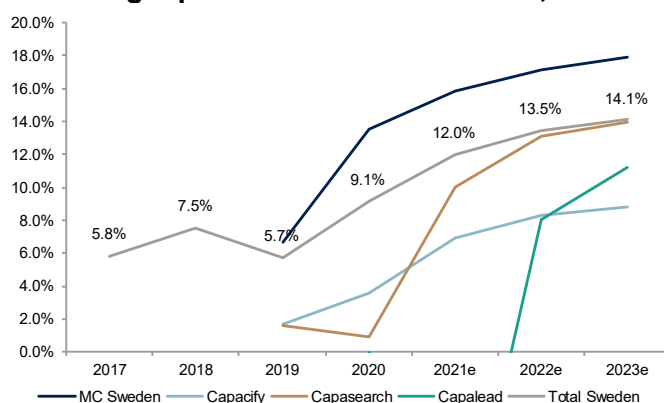
Source: ABG Sundal Collier, company data

Sales per business unit Sweden, SEKm



Source: ABG Sundal Collier, company data

EBIT margin per business unit Sweden, %



Source: ABG Sundal Collier, company data

ESG profile

ESG initiatives

Capacent is a management consultancy firm with a presence in Sweden, Finland and Iceland. The company's core business is to improve its customers' cash flow and profitability, but it also offers other services. In regards to ESG, Capacent has introduced a Gender Equality Roadmap, which is used to help customers improve gender equality and can be used to identify structures related to gender within organisations. Capacent has made gender diversity a priority, with equal representation on the board and with the majority of new recruits being female. The largest service offering is within operational excellence, where Capacent works side by side with its clients, helping them become more efficient and at the same time minimising their environmental footprints. An example is a project that focuses on emissions and the cost efficient supply chain process, by reviewing the optimal way to serve the customer and optimising the transportation routes while decreasing lead times across the chain. In order to attract qualified employees, the company is constantly trying to improve the satisfaction and development of the workforce. Capacent focuses on employee's health and wellbeing through various policies. No previous ESG incidents have been reported.

Risks and opportunities

Capacent currently does not present information on its ESG profile to investors and stakeholders, meaning there is room for improvement in this regard. In addition, Capacent has not stated any targets on ESG metrics and does not provide ESG data to the public. There is therefore an opportunity for the company to improve its ESG profile and by doing so, its reputation as a service provider and employer.

Company sponsored research

Not rated

Key issues*	ABGSC weight
Environment	10%
Climate change	
Carbon emissions	
Pollution and waste	
Social	60%
Human capital	
Labour management	
Health and safety	
Governance	30%
Corporate governance	
Business ethics	
Corporate behaviour	
Previous ESG incidents	
None	
Exposure to ESG Trends	
Gender diversity	

Social and governance data

	2017	2018	2019
Women in workforce %	0.34	0.38	0.42
Women in management %	0	0	0.29
Women in board %	0.2	0.2	0.5
CEO salary, SEKm p.a.	1.9	2	1.7
Employee turnover %	na	na	na
Employee absence %	na	na	na
Person responsible for sustainability:			CEO
Senior management:			Yes

*based on the MSCI framework but not using all the parameters.

Capacent Holding

Income Statement (SEKm)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021e	Q2 2021e	Q3 2021e	Q4 2021e
Sales	69	46	36	54	53	56	45	63
COGS	0	0	0	0	0	0	0	0
Gross profit	69	46	36	54	53	56	45	63
Other operating items	-64	-75	-30	-45	-49	-50	-40	-53
EBITDA	5	-29	6	9	4	6	4	10
Depreciation and amortisation	-4	-2	-1	-1	-1	-1	-1	-1
EBITA	2	-31	6	9	3	5	4	9
EO items	0	0	0	-3	0	-3	-3	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0
EBIT	2	-31	6	9	3	5	4	9
Net financial items	-1	0	-0	0	-0	-0	-0	-0
Pretax profit	0	-31	5	9	3	5	4	9
Tax	-0	0	-1	-2	-1	-1	-1	-2
Net profit	0	-30	4	7	3	4	3	7
Minority interest	0	-0	-0	-0	-0	-0	-0	-1
Net profit discontinued	0	-9	0	0	0	0	0	0
Net profit to shareholders	0	-40	4	7	3	4	3	7
EPS	0.09	-13.30	1.38	2.33	0.88	1.23	0.89	2.29
EPS Adj	0.09	-10.21	1.38	2.33	0.88	1.23	0.89	2.29
Total extraordinary items after tax	0	0	0	-3	0	-3	-3	0
Tax rate (%)	48.5	0.3	23.5	21.8	20.6	20.6	20.6	20.6
Gross margin (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EBITDA margin (%)	7.5	-63.3	17.3	17.0	7.7	10.2	9.9	15.9
EBITA margin (%)	2.2	-67.2	15.6	16.0	6.5	9.2	8.5	14.9
EBIT margin (%)	2.2	-67.2	15.6	16.0	6.5	9.2	8.5	14.9
Pretax margin (%)	0.4	-66.7	15.2	16.6	6.4	9.1	8.4	14.9
Net margin (%)	0.2	-66.5	11.6	13.0	5.1	7.2	6.7	11.8
Growth rates Y/Y	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021e	Q2 2021e	Q3 2021e	Q4 2021e
Sales growth (%)	-3.2	-32.4	-25.7	-25.7	-22.7	21.4	25.0	16.6
EBITDA growth (%)	-29.5	-chg	+chg	-2.7	-21.0	+chg	-28.6	8.8
EBIT growth (%)	-65.5	-chg	+chg	60.3	125.9	+chg	-31.6	9.2
Net profit growth (%)	-95.0	-chg	+chg	100.8	1,876.9	+chg	-28.0	6.1
EPS growth (%)	-95.0	-chg	+chg	100.8	1,876.9	+chg	-28.0	6.1
Adj earnings numbers	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021e	Q2 2021e	Q3 2021e	Q4 2021e
EBITDA Adj	5	-29	6	12	4	8	7	10
EBITDA Adj margin (%)	7.5	-63.3	17.3	22.1	7.7	14.7	16.3	15.9
EBITA Adj	2	-31	6	11	3	8	7	9
EBITA Adj margin (%)	2.2	-67.2	15.6	21.0	6.5	13.7	15.0	14.9
EBIT Adj	2	-31	6	11	3	8	7	9
EBIT Adj margin (%)	2.2	-67.2	15.6	21.0	6.5	13.7	15.0	14.9
Pretax profit Adj	0	-31	5	12	3	8	7	9
Net profit Adj	0	-30	4	10	3	6	6	7
Net profit to shareholders Adj	0	-31	4	10	3	6	6	7
Net Adj margin (%)	0.2	-66.5	11.6	18.0	5.1	11.7	13.2	11.8

Source: ABG Sundal Collier, Company data

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Income Statement (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Sales	138	154	143	200	264	260	204	217	233	248
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	138	154	143	200	264	260	204	217	233	248
Other operating items	-125	-137	-132	-187	-243	-240	-213	-192	-201	-212
EBITDA	14	17	11	13	21	20	-8	24	32	36
Depreciation and amortisation	-1	-1	-0	-2	-3	-13	-7	-2	-3	-3
Of which leasing depreciation	0	0	0	0	0	-13	-7	-1	-1	-1
EBITA	13	17	10	11	18	7	-15	22	30	33
EO items	0	-2	0	3	-3	-4	-28	0	0	0
Impairment and PPA amortisation	0	0	0	-5	0	0	0	0	0	0
EBIT	13	17	10	6	18	7	-15	22	30	33
Net financial items	-1	-0	0	-1	-1	-4	-1	-0	-0	-0
Pretax profit	12	16	11	5	17	3	-16	22	29	33
Tax	-2	-3	-2	-2	-5	-1	-3	-4	-6	-7
Net profit	10	14	8	3	12	2	-19	17	23	26
Minority interest	0	0	0	0	0	-0	-0	-1	-2	-2
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
Net profit to shareholders	10	14	8	3	12	2	-19	16	21	24
EPS	3.71	5.12	3.11	1.23	4.16	0.64	-7.05	5.82	7.87	8.74
EPS Adj	3.71	5.76	3.11	2.17	5.27	1.93	3.39	5.82	7.87	8.74
Total extraordinary items after tax	0	-2	0	3	-3	-4	-28	0	0	0
Leasing payments	0	0	0	0	0	-13	-7	-1	-1	-1
Tax rate (%)	17.9	17.6	22.2	39.5	28.2	29.9	20.5	20.6	20.6	20.6
Gross margin (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EBITDA margin (%)	9.8	11.2	7.6	6.5	7.9	7.6	-4.1	11.2	13.8	14.4
EBITA margin (%)	9.4	10.8	7.2	5.6	6.8	2.6	-7.4	10.1	12.7	13.4
EBIT margin (%)	9.4	10.8	7.2	2.9	6.8	2.6	-7.4	10.1	12.7	13.4
Pretax margin (%)	8.6	10.7	7.4	2.5	6.3	1.2	-7.8	10.0	12.6	13.3
Net margin (%)	7.1	8.8	5.7	1.5	4.5	0.8	-9.4	7.9	10.0	10.5
Growth rates Y/Y	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Sales growth (%)	14.7	11.3	-7.2	40.2	31.7	-1.6	-21.3	5.9	7.6	6.3
EBITDA growth (%)	938.4	27.1	-37.2	19.7	61.9	-6.1	-142.9	386.2	33.2	11.2
EBIT growth (%)	2,212.0	28.9	-38.2	-43.0	204.5	-62.7	-325.7	244.7	36.4	11.8
Net profit growth (%)	6,072.6	38.2	-39.3	-63.3	297.7	-82.0	-985.6	189.5	36.2	11.9
EPS growth (%)	6,072.5	38.2	-39.3	-60.3	238.0	-84.6	-1,200.3	182.6	35.2	11.1
Profitability	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
ROE (%)	10.2	12.9	7.7	3.2	11.4	1.6	-20.8	19.6	23.9	23.8
ROE Adj (%)	10.2	14.5	7.7	5.6	14.5	4.8	10.0	19.6	23.9	23.8
ROCE (%)	12.1	15.3	9.4	5.2	15.0	4.7	-12.4	25.3	30.8	30.4
ROCE Adj(%)	12.1	16.9	9.4	7.5	17.7	7.2	10.9	25.3	30.8	30.4
ROIC (%)	10.3	14.3	8.3	3.2	11.2	3.6	-16.9	27.9	34.2	35.4
ROIC Adj (%)	10.3	15.8	8.3	4.6	13.3	5.4	14.9	27.9	34.2	35.4
Adj earnings numbers	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA Adj	14	19	11	10	24	23	20	24	32	36
EBITDA Adj margin (%)	9.8	12.3	7.6	5.1	9.2	8.9	9.7	11.2	13.8	14.4
EBITDA lease Adj	14	19	11	10	24	10	13	23	31	35
EBITDA lease Adj margin (%)	9.8	12.3	7.6	5.1	9.2	3.9	6.5	10.8	13.5	14.1
EBITA Adj	13	18	10	8	21	10	13	22	30	33
EBITA Adj margin (%)	9.4	11.9	7.2	4.2	8.0	3.9	6.5	10.1	12.7	13.4
EBIT Adj	13	18	10	8	21	10	13	22	30	33
EBIT Adj margin (%)	9.4	11.9	7.2	4.2	8.0	3.9	6.5	10.1	12.7	13.4
Pretax profit Adj	12	18	11	8	20	7	12	22	29	33
Net profit Adj	10	15	8	6	15	6	9	17	23	26
Net profit to shareholders Adj	10	15	8	6	16	5	9	16	21	24
Net Adj margin (%)	7.1	9.9	5.7	2.8	5.8	2.2	4.5	7.9	10.0	10.5

Source: ABG Sundal Collier, Company data

Cash Flow Statement (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA	14	17	11	13	21	20	-8	24	32	36
Net financial items	-1	-0	0	-1	-1	-4	-1	-0	-0	-0
Paid tax	-2	-3	-2	-2	-5	-3	-3	-4	-6	-7
Non-cash items	0	3	1	-4	0	0	0	0	0	0
Cash flow before change in WC	10	17	10	6	15	13	-12	20	26	29
Change in WC	7	3	-7	4	6	-10	15	-6	-6	-2
Operating cash flow	17	20	2	10	21	3	3	14	20	27
CAPEX tangible fixed assets	1	-0	-1	-10	-3	-6	-2	-3	-3	-3
CAPEX intangible fixed assets	0	0	0	0	0	0	0	0	0	0
Acquisitions and disposals	0	0	0	0	0	0	0	0	0	0
Free cash flow	18	20	2	-1	18	-3	1	11	17	24
Dividend paid	0	-6	-13	-8	-3	-8	0	-10	-10	-14
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Lease liability amortisation	0	0	0	0	0	-13	-7	-1	-1	-1
Other non cash items	-0	-0	0	-14	10	-33	74	0	0	0
Balance Sheet (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Goodwill	92	92	92	111	102	102	67	67	67	67
Other intangible assets	0	0	0	5	4	8	3	3	3	3
Tangible fixed assets	1	1	1	2	4	4	1	2	3	4
Right-of-use asset	0	0	0	0	0	35	4	4	4	4
Total other fixed assets	5	2	2	3	2	2	1	1	1	1
Fixed assets	99	95	96	122	112	150	75	76	77	79
Inventories	0	0	0	0	0	0	0	0	0	0
Receivables	29	38	37	56	61	62	33	39	47	50
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	6	20	6	6	15	5	24	25	30	39
Total assets	134	152	139	184	187	217	132	140	154	167
Shareholders equity	102	108	105	104	113	106	77	84	95	105
Minority	0	0	0	1	1	1	0	2	4	6
Total equity	102	108	105	105	114	107	78	86	99	111
Long-term debt	4	4	0	3	0	0	0	0	0	0
Pension debt	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0
Leasing liability	0	0	0	0	0	37	4	4	4	4
Total other long-term liabilities	0	0	0	10	1	0	0	0	0	0
Short-term debt	0	0	2	11	6	17	0	0	0	0
Accounts payable	28	40	33	55	66	56	49	50	51	52
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	134	152	139	184	187	217	132	140	154	167
Net IB debt	-2	-16	-4	8	-9	49	-19	-20	-26	-35
Net IB debt excl. pension debt	-2	-16	-4	8	-9	49	-19	-20	-26	-35
Net IB debt excl. leasing	-2	-16	-4	8	-9	13	-24	-25	-30	-39
Capital invested	100	93	100	123	107	156	58	65	73	76
Working capital	1	-3	5	1	-5	6	-17	-11	-5	-2
EV breakdown	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Market cap. diluted (m)	na	106	119	93	144	113	98	122	122	122
Net IB debt Adj	-2	-16	-4	8	-9	49	-19	-20	-26	-35
Market value of minority	0	0	0	0	1	1	0	2	4	6
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	0	0	0	0	0	0	0	0	0	0
EV	na	90	115	102	136	163	79	104	100	93
Capital efficiency	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Total assets turnover (%)	100.9	107.5	98.1	124.1	142.3	128.5	117.4	159.5	158.5	154.1
Working capital/sales (%)	3.2	-0.4	0.8	1.4	-0.8	0.1	-2.7	-6.4	-3.3	-1.4
Financial risk and debt service	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Net debt/equity	-0.02	-0.14	-0.04	0.08	-0.08	0.46	-0.25	-0.24	-0.26	-0.31
Net debt/market cap	na	-0.16	-0.03	0.08	-0.07	0.38	-0.25	-0.17	-0.21	-0.28
Equity ratio (%)	75.8	71.0	75.2	57.1	61.0	49.3	59.2	61.2	63.9	66.2
Net IB debt adj./equity	-0.02	-0.14	-0.04	0.08	-0.08	0.46	-0.25	-0.24	-0.26	-0.31
Current ratio	1.26	1.43	1.26	0.93	1.05	0.79	1.10	1.23	1.45	1.64
EBITDA/net interest	13.42	70.02	-44.14	14.38	17.32	5.48	-10.23	120.88	107.31	119.28
Net IB debt/EBITDA	-0.15	-0.91	-0.40	0.65	-0.41	2.51	2.30	-0.83	-0.80	-0.97
Net IB debt/EBITDA lease Adj	-0.15	-0.83	-0.40	0.82	-0.36	1.24	-1.80	-1.05	-0.97	-1.12
Interest cover	12.82	67.82	-42.11	12.42	14.79	1.86	-18.22	108.88	98.98	110.62

Source: ABG Sundal Collier, Company data

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Valuation and Ratios (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Shares outstanding adj.	3	3	3	3	3	3	3	3	3	3
Fully diluted shares Adj	3	3	3	3	3	3	3	3	3	3
EPS	3.71	5.12	3.11	1.23	4.16	0.64	-7.05	5.82	7.87	8.74
Dividend per share Adj	2.3	5.0	3.0	1.0	3.0	0	3.5	3.8	5.1	5.7
EPS Adj	3.71	5.76	3.11	2.17	5.27	1.93	3.39	5.82	7.87	8.74
BVPS	38.46	40.89	39.58	38.41	41.61	39.11	28.52	30.85	34.93	38.56
BVPS Adj	3.42	6.27	4.49	-4.39	2.70	-1.10	2.97	5.29	9.37	13.00
Net IB debt / share	-0.7	-5.9	-1.7	3.1	-3.2	18.2	-7.1	-7.4	-9.5	-12.8
Share price	na	40.00	45.10	34.30	48.10	41.60	36.00	44.90	44.90	44.90
Market cap. (m)	na	106	119	93	131	113	98	122	122	122
Valuation	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
P/E	na	7.8	14.5	27.8	11.6	64.9	-5.1	7.7	5.7	5.1
EV/sales	na	0.59	0.80	0.51	0.52	0.63	0.39	0.48	0.43	0.38
EV/EBITDA	na	5.2	10.6	7.8	6.5	8.3	-9.3	4.3	3.1	2.6
EV/EBITA	na	5.4	11.1	9.1	7.6	24.4	-5.2	4.8	3.4	2.8
EV/EBIT	na	5.4	11.1	17.3	7.6	24.4	-5.2	4.8	3.4	2.8
Dividend yield (%)	na	12.5	6.7	2.9	6.2	0	9.7	8.4	11.4	12.7
FCF yield (%)	na	18.7	1.6	-0.8	12.8	-2.6	1.2	9.0	13.8	19.3
Lease adj. FCF yield (%)	na	18.7	1.6	-0.8	12.8	-14.1	-5.5	8.4	13.2	18.6
P/BVPS	na	0.98	1.14	0.89	1.16	1.06	1.26	1.46	1.29	1.16
P/BVPS Adj	na	6.38	10.05	-7.82	17.80	-37.95	12.14	8.49	4.79	3.45
P/E Adj	na	6.9	14.5	15.8	9.1	21.6	10.6	7.7	5.7	5.1
EV/EBITDA Adj	na	4.8	10.6	10.0	5.6	7.0	4.0	4.3	3.1	2.6
EV/EBITA Adj	na	4.9	11.1	12.0	6.4	16.0	5.9	4.8	3.4	2.8
EV/EBIT Adj	na	4.9	11.1	12.0	6.4	16.0	5.9	4.8	3.4	2.8
EV/cap. employed	na	0.8	1.1	0.9	1.1	1.0	1.0	1.2	1.0	0.8
Investment ratios	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Capex/sales	-0.8	0.2	0.4	5.2	1.0	2.2	0.7	1.2	1.2	1.2
Capex/depreciation	-189.9	58.7	105.4	585.7	84.9	nm	nm	162.4	166.5	168.6
Capex tangibles/tangible fixed assets	-96.9	27.7	52.6	435.6	66.3	135.8	266.1	165.5	104.1	76.3
Capex intangibles/definite intangibles	0	0	0	0	0	0	0	0	0	0
Depreciation on intangibles/definite intai	222.9	2,076.9	136.5	34.0	73.9	0	0	60.4	63.5	66.6
Depreciation on tangibles/tangibles	0	0	0	0	0	0	0	0	0	0

Source: ABG Sundal Collier, Company data

Analyst certification

I/We, Stefan Knutsson, Victor Forssell, the author(s) of this report, certify that notwithstanding the existence of any such potential conflicts of interests referred to below, the views expressed in this report accurately reflect my/our personal view about the companies and securities covered in this report.

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