

Capacent Holding

Growth focus set to continue

- Sales growth of 26% in Q2
- Expect recruitments to continue in H2
- Stronger margins in '19-'20

Strong growth in all business areas

Capacent once again delivered strong sales growth, amounting in Q2 to 26% y-o-y, and 6% above ABGSCe. Finland and Iceland sustained their strong performances from previous quarters, with high demand from the public sector in Iceland, and with more customers and projects in Finland, leading to higher capacity utilization. Sweden showed strong growth figures on the top line as well, but larger restructuring costs lowered profitability. Adjusting for these costs, the adj. EBIT margin was still 270bp below our expectations. The main deviations stemmed from higher than anticipated other expenses, as newer projects and services are likely to have entailed more costs. In conclusion, Q2 was the first fully clean quarter since the Iceland acquisition, and the business is now showing double-digit organic growth.

Increased cost base in H2

We believe that the sales growth momentum will continue into H2'18, and we raise our organic growth for Q3-Q4 from 4% and 1%, respectively, to 14% and 6%. We furthermore argue that the cost base in the company will increase due to 1) intensified recruitments in Sweden and Finland, and 2) higher other expenses than previously anticipated. The increased cost base will hamper margins for the rest of the year, as sales from the new consultants will not be able to offset the short-term cost increase. We have therefore raised our sales estimate by 5% and lowered our adj. EBIT margin from 7.9% to 5.8% for 2018e.

Stronger margins ahead

We argue that Capacent's focus is primarily on further growth with new services and consultants. Looking into 2019 and beyond, however, operating leverage should be supportive for margins, which our estimates reflect. Moreover, as Capacent has proven itself capable of turning around less profitable businesses, further M&A activity would not be surprising in the not too distant future.

Lead analyst: Johan Nilsson Wall
Victor Forssell

SEKm	2016	2017	2018e	2019e	2020e
Sales	143	200	245	266	276
EBITDA	11	13	15	23	27
EBITDA margin (%)	7.6	6.4	6.2	8.7	9.7
EBIT adj	10	14	14	22	26
EBIT adj margin (%)	7.2	6.8	5.8	8.2	9.3
Pretax profit	11	5	11	21	25
EPS rep	3.10	1.22	2.39	4.92	5.86
EPS adj	3.10	4.09	2.99	4.92	5.86
Sales growth (%)	-7.2	40.2	22.2	8.7	3.9
EPS growth (%)	-24.3	-60.6	95.3	106.2	19.0

Source: ABG Sundal Collier, Company data

Reason: Post-results comment

Company-sponsored research

Not rated

Share price (SEK)	21/08/2018	49.7
Professional Services, Sweden		
CAPAC.ST/CAPAC SS		
MCap (SEKm)		135
MCap (EURm)		12.8
Net debt (EURm)		0
No. of shares (m)		2.7
Free float (%)		30.0
Av. daily volume (k)		1.9
Next event	Q3 report: 14 Nov	

Performance



	1m	3m	12m
Absolute (%)	1.8	3.1	50.2
OMX STH PI (%)	3.1	1.7	10.0

Source: FactSet

	2018e	2019e	2020e
P/E (x)	20.8	10.1	8.5
P/E adj (x)	16.6	10.1	8.5
P/BVPS (x)	1.22	1.23	1.16
EV/EBITDA (x)	9.9	6.2	5.1
EV/EBIT adj (x)	10.6	6.5	5.3
EV/sales (x)	0.61	0.53	0.49
ROE adj (%)	8.3	12.7	14.1
Dividend yield (%)	4.0	7.0	9.1
FCF yield (%)	6.7	8.7	11.1
Net IB debt/EBITDA	0.1	-0.3	-0.5

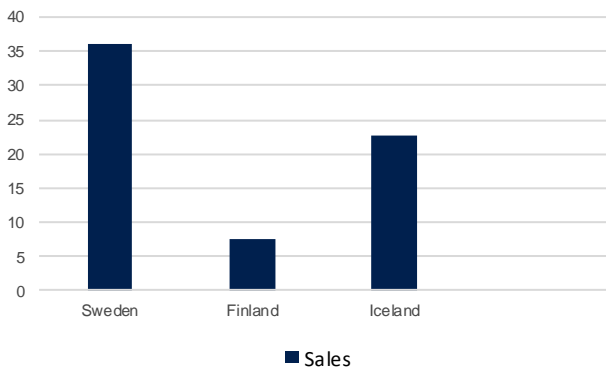
Opportunities

The company has a strong overall offering with a broad service platform. The business model is also very asset-light as staff are the main asset and cost. The operational leverage should thus in the long term be able to strengthen margins as other costs than for personnel should not grow as fast as revenues. Furthermore, Capacent has further room for acquisitions.

Risks

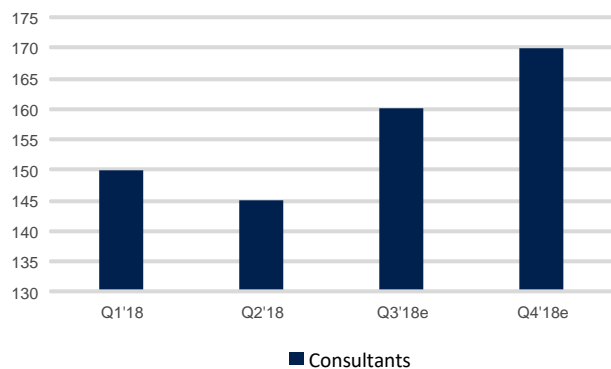
Capacent is dependent on continuing demand for its services from current and new customers. Moreover, a tougher climate for hiring new consultants would affect Capacent's organic growth. Furthermore, the Finnish operations are more volatile than the other divisions due to more performance-based earnings.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

Geographical breakdown, sales, SEKm



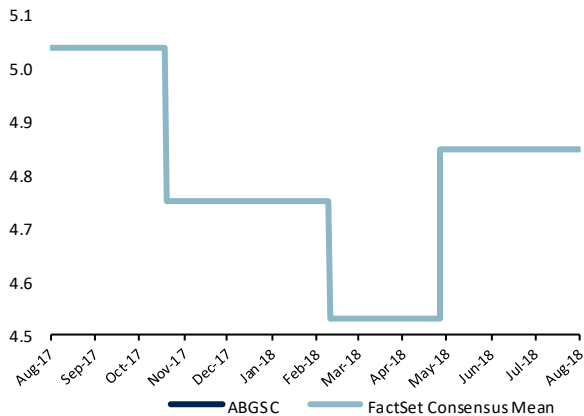
Source: ABG Sundal Collier, Company data

Number of consultants, end of period



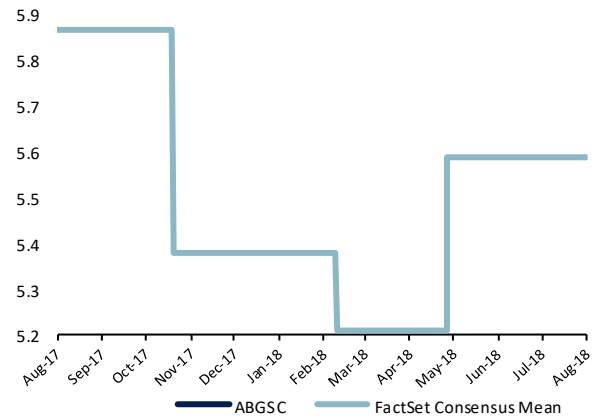
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2018e, SEK



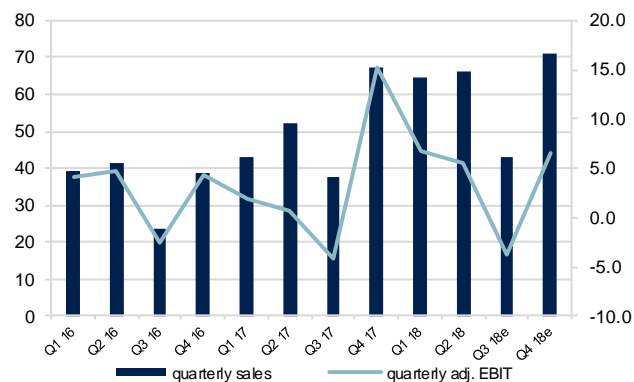
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2019e, SEK



Source: ABG Sundal Collier, FactSet

Quarterly sales and adj. EBIT, SEKm



Source: ABG Sundal Collier, Company data

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.

Deviations stemmed mostly from higher other expenses

SEKm P/L	Q2'17	Q2'18	Q2'18	Deviation	
	Actual	Actual	ABGSCe	SEKm	%
Net sales	52.4	66.2	62.5	3.7	6.0%
Adj EBITDA	1.2	5.2	6.6	-1.4	-20.9%
Adj EBIT	0.7	4.7	6.1	-1.4	-23.5%
D&A	-0.5	-1.3	-0.5	-0.9	174.7%
Adj EBITDA margin	2.2%	7.9%	10.6%		
Adj EBIT margin	1.3%	7.1%	9.8%		
EO items	0.0	-1.0	0.0	-1.0	
Impairments	0.0	-0.8	0.0	-0.8	
Sales growth y-o-y	27%	26%	19%		
Organic growth	-20%	26%	19%		
M&A	47%	0%	0%		
Net sales ex. Iceland	33.0	43.5	42.5	1.1	2.5%
Adj EBIT ex. Iceland	0.6	2.8	4.9	-2.2	-44.1%
Adj EBIT margin ex. Iceland	1.8%	6.3%	11.6%		-45.5%

Source: ABG Sundal Collier, company data

Estimate changes

SEKm	Old forecast			New forecast			Change		
	2018e	2019e	2020e	2018e	2019e	2020e	2018e	2019e	2020e
Sales	234	244	253	245	266	276	5%	9%	9%
Adj. EBITDA	20	23	25	16	23	27	-21%	0%	6%
Adj. EBIT	18	22	24	14	22	26	-23%	0%	7%
Net profit	13	15	17	7	15	17	-46%	-3%	4%
Adj EBITDA margin	8.7%	9.4%	9.9%	6.6%	8.7%	9.7%			
Adj. EBIT margin	7.9%	8.9%	9.5%	5.8%	8.2%	9.3%			

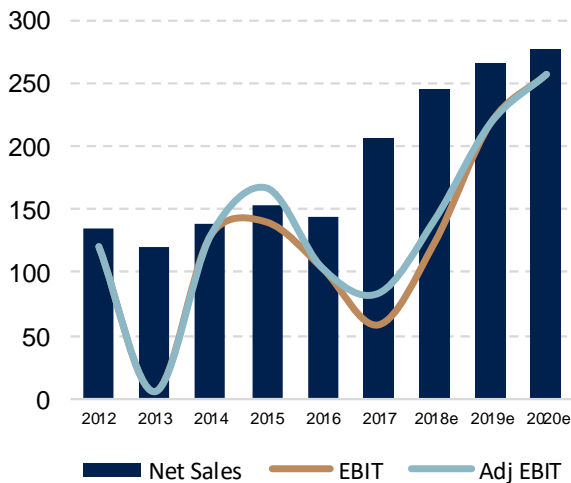
Source: ABG Sundal Collier, company data

Quarterly and yearly overview

SEKm														
P/L	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18e	Q4'18e	2015	2016	2017	2018e	2019e	2020e
Net sales	43.1	52.4	37.6	67.3	64.6	66.2	42.9	71.1	154.0	142.9	200.4	244.8	266.0	276.4
Opex	-44.8	-51.3	-41.3	-56.9	-57.6	-62.1	-46.1	-64.2	-136.7	-132.8	-194.3	-229.9	-243.0	-249.7
EO-items	-3.0	0.0	0.0	0.5	0.0	-1.0	0.0	0.0	-2.7	0.0	-2.5	-1.0	0.0	0.0
Adj EBITDA	2.3	1.2	-3.7	10.3	7.1	5.2	-3.2	6.9	17.2	10.8	10.1	16.1	23.0	26.7
D&A	-0.3	-0.5	-0.5	-5.8	-0.5	-1.3	-0.5	-0.5	-0.5	-0.5	-7.1	-2.8	-1.2	-1.0
<i>where of impairment</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-5.3</i>	<i>0.0</i>	<i>-0.8</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-5.3</i>	<i>-0.8</i>	<i>0.0</i>	<i>0.0</i>
Adj EBIT	2.0	0.7	-4.1	9.8	6.6	4.7	-3.7	6.5	16.7	10.3	8.4	14.2	21.8	25.7
Net financials	-0.1	-0.1	-0.5	-0.2	-0.3	-0.5	-0.4	-0.3	-0.2	0.2	-0.9	-1.5	-1.0	-1.0
Tax	0.3	-0.3	0.9	-2.8	-1.3	-1.1	0.9	-1.4	-2.9	-2.3	-2.0	-2.9	-4.6	-5.4
NCI	0.0	0.0	0.8	-0.4	-0.1	-0.6	0.3	-0.5	0.0	0.0	0.3	-0.8	-1.5	-1.8
Net result	-0.9	0.3	-3.0	6.9	5.0	0.7	-2.8	4.3	10.8	8.2	3.3	7.1	14.7	17.5
EPS basic (SEK)	-0.33	0.10	-1.10	2.55	1.83	0.27	-1.04	1.57	4.10	3.10	1.22	2.63	4.92	5.86
EPS diluted (SEK)	-0.33	0.10	-1.10	2.55	1.83	0.24	-0.95	1.43	4.10	3.10	1.22	2.39	4.92	5.86
Sales growth q-o-q	11.6%	21.5%	-28.2%	78.9%	-3.9%	2.4%	-35.2%	65.9%	N/A	N/A	N/A	N/A	N/A	N/A
Sales growth y-o-y	9.2%	27.2%	59.3%	74.1%	49.9%	26.3%	14.0%	5.7%	11%	-7%	40%	22%	8.7%	3.9%
Organic sales growth y-o-y	-16.7%	-19.8%	11.6%	16.8%	29.0%	26.3%	14.0%	5.7%	0.0%	-7.2%	-3.9%	17.7%	8.7%	3.9%
Adj. EBITDA margin	5.4%	2.2%	-9.7%	15.3%	11.0%	7.9%	-7.5%	9.7%	11.2%	7.6%	5.0%	6.6%	8.7%	9.7%
Adj. EBIT margin	4.6%	1.3%	-11.0%	14.6%	10.3%	7.1%	-8.6%	9.1%	11%	7.2%	4.2%	5.8%	8.2%	9.3%
Adj. EBIT margin ex. Iceland	9.4%	5.5%	-6.2%	17.8%	14.0%	6.3%	-8.0%	9.7%	N/A	N/A	6.1%	5.6%	8.7%	9.8%

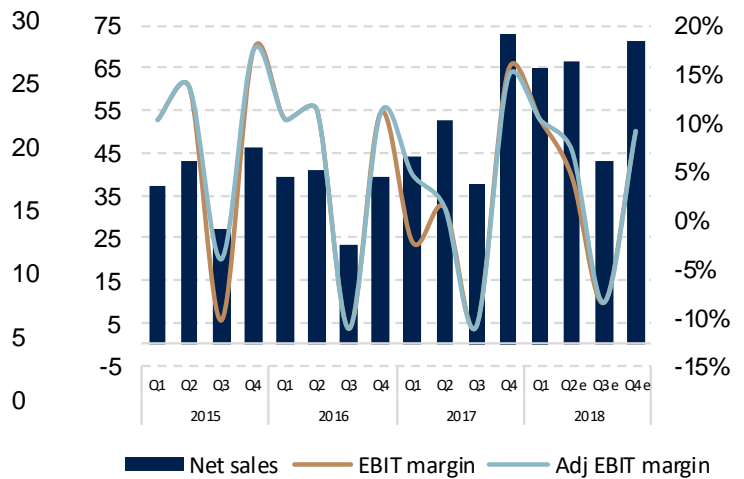
Source: ABG Sundal Collier, company data

Sales & EBIT y-o-y, SEKm



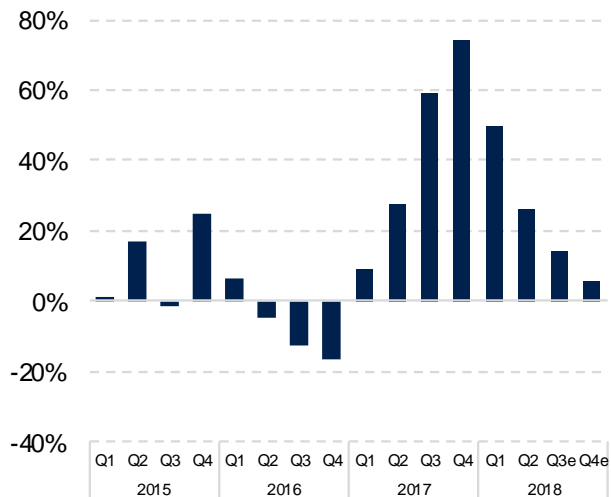
Source: ABG Sundal Collier, company data

Sales & EBIT margin q-o-q, SEKm



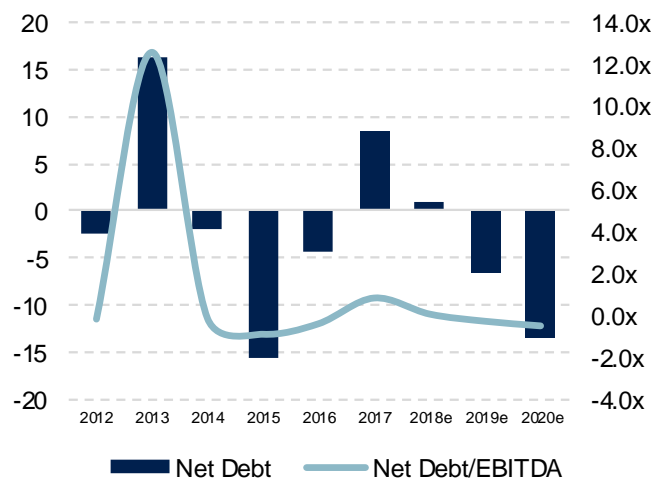
Source: ABG Sundal Collier, company data

Sales growth y-o-y



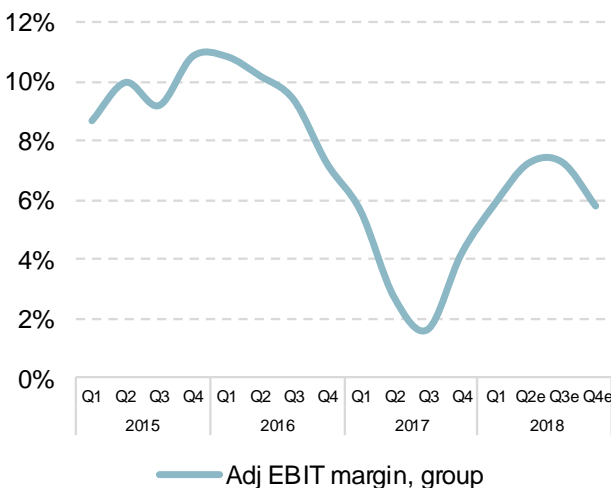
Source: ABG Sundal Collier, company data

Net Debt & Net Debt/EBITDA



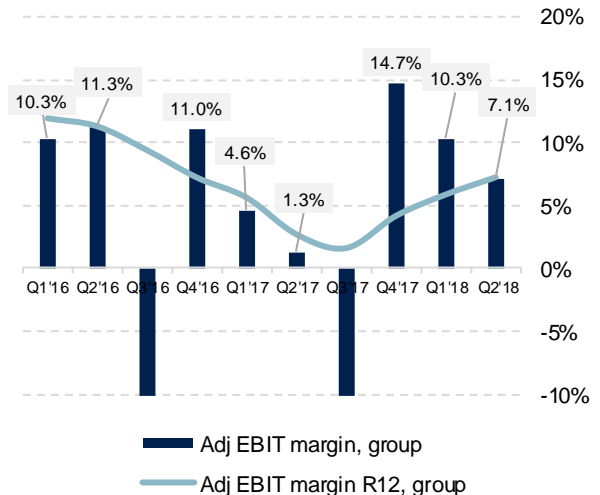
Source: ABG Sundal Collier, company data

Adj EBIT margin (R12)



Source: ABG Sundal Collier, company data

Adj EBIT margin per quarter & R12m



Source: ABG Sundal Collier, company data

Capacent Holding

Income Statement (SEKm)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018e	Q4 2018e
Sales	43	52	38	67	65	66	43	71
COGS	0	0	0	0	0	0	0	0
Gross profit	43	52	38	67	65	66	43	71
Other operating items	-44	-51	-41	-51	-57	-61	-46	-64
EBITDA	-1	1	-4	16	7	5	-3	7
Depreciation on tangibles	0	0	0	0	0	0	0	0
Depreciation on intangibles	-0	-0	-0	-0	-0	-1	-0	-0
EBITA	-1	1	-4	16	7	4	-4	6
Goodwill impairment charges	0	0	0	-5	0	-1	0	0
Other impairment and amortisation	0	0	0	0	0	0	0	0
EBIT	-1	1	-4	10	7	3	-4	6
Interest Net	-0	-0	-1	-0	-0	-1	-0	-0
Other financial items	0	0	0	0	0	0	0	0
Associated income	0	0	0	0	0	0	0	0
Other EO items	0	0	0	0	0	0	0	0
Pretax profit	-1	1	-5	10	6	2	-4	6
Tax	0	-0	1	-3	-1	-1	1	-1
Net profit	-1	0	-4	7	5	1	-3	5
Minority interest	-0	0	1	-0	-0	-1	0	-1
Net profit discontinued	0	0	0	0	0	0	0	0
Net profit to shareholders	-1	0	-3	7	5	1	-3	4
EPS	-0.33	0.10	-1.10	2.55	1.83	0.27	-1.04	1.57
EPS Adj	-0.33	0.10	-1.10	4.50	1.83	0.56	-1.04	1.57
Total extraordinary items after tax	-3	0	0	1	0	-2	0	0
Tax rate (%)	23.3	55.4	19.2	27.6	21.0	45.1	22.0	22.0
Gross margin (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EBITDA margin (%)	-1.6	2.2	-9.7	24.0	11.0	7.6	-7.5	9.7
EBITA margin (%)	-2.3	1.3	-11.0	23.2	10.3	5.6	-8.6	9.1
EBIT margin (%)	-2.3	1.3	-11.0	15.4	10.3	4.4	-8.6	9.1
Pretax margin (%)	-2.6	1.1	-12.4	15.1	9.9	3.6	-9.5	8.6
Net margin (%)	-2.0	0.5	-10.0	10.9	7.8	2.0	-7.4	6.7
Growth rates Y/Y	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018e	Q4 2018e
Sales growth (%)	9.2	27.2	59.3	74.1	49.9	26.3	14.0	5.7
EBITDA growth (%)	-chg	-75.7	-chg	266.4	+chg	337.1	+chg	-57.0
EBIT growth (%)	-chg	-85.6	-chg	142.7	+chg	333.8	+chg	-37.3
Net profit growth (%)	-chg	-92.4	-chg	155.3	+chg	407.8	+chg	-34.9
EPS growth (%)	-chg	-92.4	-chg	155.3	+chg	407.8	+chg	-34.9
Adj earnings numbers	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018e	Q4 2018e
EBITDA Adj	2	1	-4	16	7	7	-3	7
EBITDA Adj margin (%)	5.4	2.2	-9.7	23.2	11.0	10.3	-7.5	9.7
EBITA Adj	2	1	-4	15	7	5	-4	6
EBITA Adj margin (%)	4.6	1.3	-11.0	22.5	10.3	8.3	-8.6	9.1
EBIT Adj	2	1	-4	15	7	5	-4	6
EBIT Adj margin (%)	4.6	1.3	-11.0	22.5	10.3	8.3	-8.6	9.1
Pretax profit Adj	2	1	-5	15	6	5	-4	6
Net profit Adj	2	0	-4	12	5	4	-3	5
Net profit to shareholders Adj	2	0	-3	12	5	3	-3	4
Net Adj margin (%)	5.0	0.5	-10.0	18.1	7.8	5.9	-7.4	6.7

Source: ABG Sundal Collier, Company data

Capacent Holding

Income Statement (SEKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Sales	0	135	121	138	154	143	200	245	266	276
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	0	135	121	138	154	143	200	245	266	276
Other operating items	0	-122	-119	-125	-139	-132	-187	-230	-243	-250
EBITDA	0	13	1	14	15	11	13	15	23	27
Depreciation on tangibles	0	0	0	0	0	0	0	0	0	0
Depreciation on intangibles	0	-1	-1	-1	-1	-0	-2	-2	-1	-1
EBITA	0	12	1	13	14	10	11	13	22	26
Goodwill impairment charges	0	0	0	0	0	0	-5	-1	0	0
Other impairment and amortisation	0	0	0	0	0	0	0	0	0	0
EBIT	0	12	1	13	14	10	6	12	22	26
Interest Net	0	-0	-1	-1	-0	0	-1	-2	-1	-1
Other financial items	0	0	0	0	0	0	0	0	0	0
Associated income	0	0	0	0	0	0	0	0	0	0
Other EO items	0	0	0	0	0	0	0	0	0	0
Pretax profit	0	12	-1	12	14	11	5	11	21	25
Tax	0	-1	1	-2	-3	-2	-2	-3	-5	-5
Net profit	0	11	-0	10	11	8	3	8	16	19
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	0	11	-0	10	11	8	3	7	15	17
EPS	0	0	-0.06	3.71	4.10	3.10	1.22	2.39	4.92	5.86
EPS Adj	0	0	-0.06	3.71	5.12	3.10	4.09	2.99	4.92	5.86
Total extraordinary items after tax	0	0	0	0	-3	0	-3	-1	0	0
Tax rate (%)	ns	10.4	76.3	17.9	21.1	22.2	39.7	26.5	22.0	22.0
Gross margin (%)	nm	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EBITDA margin (%)	nm	9.3	1.1	9.8	9.4	7.6	6.4	6.2	8.7	9.7
EBITA margin (%)	nm	8.9	0.5	9.4	9.1	7.2	5.6	5.4	8.2	9.3
EBIT margin (%)	nm	8.9	0.5	9.4	9.1	7.2	2.9	5.0	8.2	9.3
Pretax margin (%)	nm	8.8	-0.6	8.6	8.9	7.4	2.5	4.4	7.8	8.9
Net margin (%)	nm	7.9	-0.1	7.1	7.0	5.7	1.5	3.3	6.1	7.0
Growth rates Y/Y	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Sales growth (%)	na	na	-10.6	14.7	11.3	-7.2	40.2	22.2	8.7	3.9
EBITDA growth (%)	na	high	-89.7	938.4	7.2	-25.5	19.4	17.0	52.3	16.0
EBIT growth (%)	na	high	-95.4	2,212.0	8.0	-26.2	-43.3	111.2	76.5	17.8
Net profit growth (%)	na	high	-101.5	6,072.6	10.7	-24.2	-63.7	166.7	104.2	18.6
EPS growth (%)	na	na	high	6,072.5	10.7	-24.3	-60.6	95.3	106.2	19.0
Profitability	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
ROE (%)	nm	24.0	-0.2	10.2	10.3	7.7	3.2	6.6	12.7	14.1
ROE Adj (%)	nm	24.0	-0.2	10.2	12.9	7.7	10.6	8.3	12.7	14.1
ROCE (%)	nm	27.8	0.6	12.6	14.5	10.7	5.5	10.9	19.0	21.7
ROCE Adj(%)	nm	27.8	0.6	12.6	17.4	10.7	12.8	12.5	19.0	21.7
ROIC (%)	na	25.2	0.1	10.9	11.9	8.5	3.2	7.5	13.8	15.9
ROIC Adj (%)	na	25.2	0.1	10.9	14.2	8.5	7.5	8.6	13.8	15.9
Adj earnings numbers	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
EBITDA Adj	0	13	1	14	17	11	15	16	23	27
EBITDA Adj margin (%)	nm	9.3	1.1	9.8	11.2	7.6	7.7	6.6	8.7	9.7
EBITA Adj	0	12	1	13	17	10	14	14	22	26
EBITA Adj margin (%)	nm	8.9	0.5	9.4	10.8	7.2	6.8	5.8	8.2	9.3
EBIT Adj	0	12	1	13	17	10	14	14	22	26
EBIT Adj margin (%)	nm	8.9	0.5	9.4	10.8	7.2	6.8	5.8	8.2	9.3
Pretax profit Adj	0	12	-1	12	16	11	13	13	21	25
Net profit Adj	0	11	-0	10	14	8	11	10	16	19
Net profit to shareholders Adj	0	11	-0	10	14	8	11	9	15	17
Net Adj margin (%)	nm	7.9	-0.1	7.1	8.8	5.7	5.4	4.0	6.1	7.0

Source: ABG Sundal Collier, Company data

Cash Flow Statement (SEKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
EBITDA	0	13	1	14	15	11	13	15	23	27
Net financial items	0	-0	-1	-1	-0	0	-1	-2	-1	-1
Paid tax	0	-1	1	-2	-3	-2	-2	-3	-5	-5
Non-cash items	0	-3	-3	0	5	1	-4	0	0	0
Cash flow before change in WC	0	8	-3	11	16	10	6	11	17	20
Change in WC	0	0	-8	7	4	-7	4	1	-3	-2
Operating cash flow	0	9	-10	17	20	2	10	13	15	18
CAPEX tangible fixed assets	0	-1	-1	1	-0	-1	-10	-3	-2	-2
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	0	8	-11	18	20	2	-1	10	13	16
Dividend paid	0	0	0	0	6	13	8	3	5	10
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Other non cash items	0	-5	-7	-0	-12	-26	-20	-5	-11	-19
Decrease in net IB debt	0	2	-19	18	14	-11	-13	7	7	7
Balance Sheet (SEKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Goodwill	0	83	90	92	92	92	111	113	113	113
Indefinite intangible assets	0	0	0	0	0	0	0	0	0	0
Definite intangible assets	0	1	0	0	0	0	5	5	5	5
Tangible fixed assets	0	2	2	1	1	1	4	4	4	4
Other fixed assets	0	1	7	5	2	2	2	1	1	1
Fixed assets	0	87	99	99	95	96	122	123	124	124
Inventories	0	0	0	0	0	0	0	0	0	0
Receivables	0	30	40	29	38	37	56	62	64	69
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	0	10	2	6	20	6	6	6	14	20
Total assets	0	126	140	134	152	139	184	191	201	213
Shareholders equity	0	89	90	102	108	105	104	111	120	128
Minority	0	0	0	0	0	0	1	1	3	5
Total equity	0	89	90	102	108	105	105	112	123	133
Long-term debt	0	7	18	4	4	2	14	7	7	7
Pension debt	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0
Deferred tax	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	10	10	10	10
Short-term debt	0	0	0	0	0	0	0	0	0	0
Accounts payable	0	30	32	28	40	33	55	62	61	64
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	0	126	140	134	152	139	184	191	201	213
Net IB debt	0	-2	16	-2	-16	-4	8	1	-7	-13
Net IB debt excl. pension debt	0	-2	16	-2	-16	-4	8	1	-7	-13
Capital invested	0	86	100	95	90	99	121	122	125	128
Working capital	0	-0	8	1	-3	5	1	0	3	5
EV breakdown	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Market cap. diluted (m)	na	na	na	na	106	119	93	148	148	148
Net IB debt Adj	0	-2	16	-2	-16	-4	8	1	-7	-13
Market value of minority	0	0	0	0	0	0	0	0	0	0
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	na	na	na	90	115	102	149	142	135
Capital efficiency (%)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Total assets turnover (%)	nm	213.7	90.6	100.9	107.5	98.1	124.1	130.8	135.8	133.5
Capital invested turnover (%)	nm	315.7	130.4	142.2	166.3	151.3	182.7	202.1	215.8	218.7
Capital employed turnover (%)	nm	312.2	125.1	134.3	160.2	148.2	187.6	216.0	231.3	234.0
Inventories/sales (%)	nm	0	0	0	0	0	0	0	0	0
Customer advances/sales (%)	nm	0	0	0	0	0	0	0	0	0
Payables/sales (%)	nm	11.2	25.9	21.8	22.2	25.4	21.9	23.9	23.1	22.6
Working capital/sales (%)	nm	-0.1	3.1	3.2	-0.4	0.8	1.4	0.2	0.5	1.4
Financial risk and debt service	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Net debt/equity (%)	nm	-2.6	18.3	-1.9	-14.4	-4.2	8.0	0.8	-5.3	-10.1
Net debt/market cap (%)	na	na	na	na	-16.3	-3.2	7.7	0.7	-4.4	-9.1
Equity ratio (%)	nm	70.3	64.2	75.8	71.0	75.2	57.1	58.9	61.3	62.4
Net IB debt adj./equity (%)	nm	-2.6	18.3	-1.9	-14.4	-4.2	8.0	0.8	-5.3	-10.1
Current ratio (%)	nm	130.9	128.7	126.5	142.6	134.1	111.6	109.7	126.5	140.0
EBITDA/net interest (%)	na	7,741.7	104.2	1,341.7	5,904.1	-4,414.3	1,435.3	983.5	2,354.0	2,768.0
Net IB debt/EBITDA (%)	nm	-18.2	1,259.5	-14.5	-107.5	-40.4	64.9	6.3	-28.4	-50.5
Interest cover (%)	nm	7,388.3	44.7	1,281.9	5,684.6	-4,211.4	1,239.0	856.3	2,231.3	2,664.2

Source: ABG Sundal Collier, Company data

Capacent Holding

Valuation and Ratios (SEKm)	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Shares outstanding adj.	0	0	3	3	3	3	3	3	3	3
Fully diluted shares Adj	0	0	3	3	3	3	3	3	3	3
EPS	0	0	-0.06	3.71	4.10	3.10	1.22	2.39	4.92	5.86
Dividend per share Adj	0	0	0	2.3	5.0	3.0	1.0	2.0	3.5	4.5
EPS Adj	0	0	-0.06	3.71	5.12	3.10	4.09	2.99	4.92	5.86
BVPS	0	0	34.00	38.46	40.89	39.58	38.41	40.86	40.25	42.93
BVPS Adj	0	0	-0.14	3.42	6.27	4.49	-4.39	-2.44	0.71	3.25
Net IB debt / share	na	na	6.2	-0.7	-5.9	-1.7	3.1	0.4	-2.2	-4.5
Share price	na	na	na	na	40.00	45.10	34.30	49.70	49.70	49.70
Market cap. (m)	na	na	na	na	106	119	93	135	148	148
Valuation	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
P/E	na	na	na	na	9.8	14.5	28.1	20.8	10.1	8.5
EV/sales	na	na	na	na	0.59	0.80	0.51	0.61	0.53	0.49
EV/EBITDA	na	na	na	na	6.2	10.6	7.9	9.9	6.2	5.1
EV/EBITA	na	na	na	na	6.4	11.1	9.1	11.4	6.5	5.3
EV/EBIT	na	na	na	na	6.4	11.1	17.4	12.1	6.5	5.3
Dividend yield (%)	na	na	na	na	12.5	6.7	2.9	4.0	7.0	9.1
FCF yield (%)	na	na	na	na	18.7	1.6	-0.8	6.7	8.7	11.1
P/BVPS	na	na	na	na	0.98	1.14	0.89	1.22	1.23	1.16
P/BVPS Adj	na	na	na	na	6.38	10.05	-7.82	-20.39	69.79	15.30
P/E Adj	na	na	na	na	7.8	14.5	8.4	16.6	10.1	8.5
EV/EBITDA Adj	na	na	na	na	5.2	10.6	6.6	9.3	6.2	5.1
EV/EBITA Adj	na	na	na	na	5.4	11.1	7.4	10.6	6.5	5.3
EV/EBIT Adj	na	na	na	na	5.4	11.1	7.4	10.6	6.5	5.3
EV/cap. employed	na	na	na	na	1.0	1.1	0.9	1.3	1.2	1.1
Investment ratios	2011	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e
Capex/sales	nm	0.7	0.8	-0.8	0.2	0.4	5.2	1.2	0.7	0.6
Capex/depreciation	nm	175.0	136.9	-189.9	58.7	105.4	585.7	148.6	155.2	152.0
Capex tangibles/tangible fixed assets	nm	65.5	66.2	-96.9	27.7	41.4	287.1	72.3	44.8	35.7
Capex intangibles/definite intangibles	nm	0	0	0	0	0	0	0	0	0
Depreciation on intangibles/definite inta	nm	80.9	149.9	222.9	2,076.9	136.5	34.0	43.0	23.6	18.2
Depreciation on tangibles/tangibles	nm	0	0	0	0	0	0	0	0	0

Source: ABG Sundal Collier, Company data

Analyst certification

I/We, Johan Nilsson Wall, 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.

Analyst valuation methods

ABG Sundal Collier analysts may publish valuation ranges for stocks covered under Company Sponsored Research. These valuation ranges rely on various valuation methods. One of the most frequently used methods is the valuation of a company by calculation of that company's discounted cash flow (DCF). Another valuation method is the analysis of a company's return on capital employed relative to its cost of capital. Finally, the analysts may analyse various valuation multiples (e.g. the P/E multiples and the EV/EBITDA multiples) relative to global industry peers. In special cases, particularly for property companies and investment companies, the ratio of price to net asset value is considered. Valuation ranges may be changed when earnings and cash flow forecasts are changed. They may also be changed when the underlying value of a company's assets changes (in the cases of investment companies, property companies or insurance companies) or when factors impacting the required rate of return change.

Important Company Specific Disclosure

The following disclosures relate to the relationship between ABG Sundal Collier and its affiliates and the companies covered by ABG Sundal Collier referred to in this research report.

Unless disclosed in this section, ABG Sundal Collier has no required regulatory disclosures to make in relation to an ownership position for the analyst(s) and members of the analyst's household, ownership by ABG Sundal Collier, ownership in ABG Sundal Collier by the company(ies) to whom the report(s) refer(s) to, market making, managed or co-managed public offerings, compensation for provision of certain services, directorship of the analyst, or a member of the analyst's household, or in relation to any contractual obligations to the issuance of this research report.

ABG Sundal Collier has undertaken a contractual obligation to issue this report and receives predetermined compensation from the company covered in this report.

ABG Sundal Collier is not aware of any other actual, material conflicts of interest of the analyst or ABG Sundal Collier of which the analyst knows or has reason to know at the time of the publication of this report.

Production of report: 22/08/2018 16:35 CET.

All prices are as of market close on 21 August, 2018 unless otherwise noted.

Disclaimer

This document has been prepared by ABG Sundal Collier which is the marketing name referring to all or any of ABG Sundal Collier ASA, ABG Sundal Collier AB or ABG Sundal Collier Partners LLP and any of their affiliated or associated companies and their directors, officers, representatives and employees.

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.

This research product has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination.

This report is provided solely for the information and use of professional investors, who are expected to make their own investment decisions without undue reliance on this report. The information contained herein does not apply to, and should not be relied upon by, retail clients. This report is for distribution only under such circumstances as may be permitted by applicable law. Research reports prepared by ABG Sundal Collier are for information purposes only. ABG Sundal Collier accepts no liability whatsoever for any losses arising from any use of this report or its contents. This report is not to be used or considered as an offer to sell, or a solicitation of an offer to buy. The information herein has been obtained from, and any opinions herein are based upon, sources believed reliable, but ABG Sundal Collier makes no representation as to its accuracy or completeness and it should not be relied upon as such. All opinions and estimates herein reflect the judgment of ABG Sundal Collier on the date of this report and are subject to change without notice. Past performance is not indicative of future results.

This research report does not, and does not attempt to contain everything material that there is to be said about Capacent Holding.

The compensation of our research analysts is determined exclusively by research management and senior management, but not including investment banking management. Compensation is not based on specific investment banking revenues, however, it is determined from the profitability of the ABG Sundal Collier Group, which includes earnings from investment banking operations and other business. Investors should assume that ABG Sundal Collier is seeking or will seek investment banking or other business relationships with the companies in this report. The research analyst(s) responsible for the preparation of this report may interact with trading desk and sales personnel and other departments for the purpose of gathering, synthesizing and interpreting market information. From time to time, ABG Sundal Collier and its affiliates and any shareholders, directors, officers or employees thereof may (I) have a position in, or otherwise be interested in, any securities directly or indirectly connected to the subject of this report, or (II) perform investment banking or other services for, or solicit investment banking or other services from, a company mentioned in this report. ABG Sundal Collier relies on information barriers to control the flow of information contained in one or more areas of ABG Sundal Collier, into other areas, units, groups or affiliates of ABG Sundal Collier.

Norway: ABG Sundal Collier ASA is regulated by the Financial Supervisory Authority of Norway (Finanstilsynet); Sweden: ABG Sundal Collier AB is regulated by the Swedish Financial Supervisory Authority (Finansinspektionen); UK: This report is a communication made, or approved for communication in the UK, by ABG Sundal Collier Partners LLP, authorised and regulated by the Financial Conduct Authority in the conduct of its business. US: This report is being distributed in the United States in accordance with FINRA Rule 1050(f)(3)(B) by ABG Sundal Collier Inc., a FINRA member which accepts responsibility for its content. Research analysts are not registered/qualified as research analysts with FINRA or the NYSE, and are not associated persons of ABG Sundal Collier Inc. and therefore not subject to FINRA Rule 2241, the research analyst conflict rules. Research reports distributed in the U.S are intended solely for "major institutional investors", as defined under Rule 15a-6 of the Securities Exchange Act of 1934. Each U.S major institutional investor that receives a copy of this research report by its acceptance represents that it agrees it will not distribute this research report to any other person. Any U.S. major institutional investor receiving this report who wishes to effect

Capacent Holding

transactions in any securities referred to herein should contact ABG Sundal Collier Inc., not its affiliates. Further information on the securities referred to herein may be obtained from ABG Sundal Collier Inc., on request.

Singapore: This report is distributed in Singapore by ABG Sundal Collier Pte Ltd, which is not licensed under the Financial Advisers Act (Chapter 110 of Singapore). In Singapore, this report may only be distributed to institutional investors as defined in Section 4A(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) ("SFA"), and should not be circulated to any other person in Singapore.

This report may not be reproduced, distributed or published by any recipient for any purpose whatsoever without the prior written express permission of ABG Sundal Collier.

Additional information available upon request. If reference is made in this report to other companies and ABG Sundal Collier provides research coverage for those companies details regarding disclosures may be found on our website www.abgsc.com.

© Copyright 2018 ABG Sundal Collier ASA

ABGSC Research Department

Joint Global Head of Research

John Olaisen +47 22 01 61 87
 Christer Linde +46 8 566 286 90

Head of Introduce /Company-sponsored research

Arash Hakimi Fard +46 8 566 286 35

Strategy

Christer Linde, Quant/Technical +46 8 566 286 90
 Derek Laliberte +46 8 566 286 78
 Bengt Jonassen +47 22 01 60 98

Capital Goods

Anders Idborg +46 8 566 286 74
 Olof Cederholm +46 8 566 286 22
 Karl Bokvist +46 8 566 286 33

Chemicals

Martin Melbye +47 22 01 61 37
 Bengt Jonassen +47 22 01 60 98
 Petter Nyström +47 22 01 61 35
 Glenn Kringhaug +47 22 01 61 62

Construction & Real Estate

Tobias Kaj +46 8 566 286 21
 Bengt Jonassen +47 22 01 60 98
 Philip Hallberg +46 8 566 286 95
 Glenn Kringhaug +47 22 01 61 62
 Laurits Louis Kjaergaard +45 35 46 30 12

Consumer Goods

Andreas Lundberg +46 8 566 286 51
 Petter Nyström +47 22 01 61 35
 Michael Vitfell-Rasmussen +45 35 46 30 16
 Ludvig Kapanen +46 8 566 286 91

Credit Research

Alexander Jost +47 22 01 60 88
 Rikard Magnus Braaten +47 22 01 60 86
 Andreas Johannessen +47 22 01 60 31
 Haakon Amundsen +47 22 01 60 25
 Eric Wahlström +46 8 566 286 25

Financials

Magnus Andersson +46 8 566 294 69
 Mads Thinggaard +45 35 46 30 18
 Patrik Brattelius +46 8 566 286 64
 Jan Erik Gjerland +47 22 01 61 16
 Jonas Bru Lien +47 22 01 61 71

Food & Beverages

Michael Vitfell-Rasmussen +45 35 46 30 16

Healthcare

Morten Larsen +45 35 46 30 19
 Sten Gustafsson +46 8 566 286 93
 Christopher W. Uhde +46 8 566 286 39
 Daniel Thorsson +46 8 566 286 82
 Andrew Carlsen +45 35 46 30 13
 Glenn Kringhaug +47 22 01 61 62

Investment Companies

Derek Laliberte +46 8 566 286 78

IT

Aksel Øverland Engebakken +47 22 01 61 11
 Daniel Thorsson +46 8 566 286 82
 Andrew Carlsen +45 35 46 30 13
 Simon Granath +46 8 566 286 32

Media

Aksel Øverland Engebakken +47 22 01 61 11
 Derek Laliberte +46 8 566 286 78
 Andreas Lundberg +46 8 566 286 51

Metals & Mining

Martin Melbye +47 22 01 61 37
 Bengt Jonassen +47 22 01 60 98
 Petter Nyström +47 22 01 61 35

Oil & Gas

John Olaisen +47 22 01 61 87
 Karl Fredrik Schjøtt-Pedersen +47 22 01 61 65

Oil Service

John Olaisen +47 22 01 61 87
 Haakon Amundsen +47 22 01 60 25
 Lukas Daul +47 22 01 61 39
 Karl Fredrik Schjøtt-Pedersen +47 22 01 61 65

Online Gaming

Aksel Øverland Engebakken +47 22 01 61 11
 Erik Moberg +46 8 566 286 87
 Stefan Knutsson +46 8 566 286 37

Pulp & Paper

Martin Melbye +47 22 01 61 37
 Glenn Kringhaug +47 22 01 61 62
 Øystein Elton Lodgaard +47 22 01 60 26

Renewable Energy

Casper Blom +45 35 46 30 15
 Petter Nyström +47 22 01 61 35

Retail

Andreas Lundberg +46 8 566 286 51
 Ludvig Kapanen +46 8 566 286 91

Seafood

Vidar Strat +47 22 01 61 60

Services

Andreas Lundberg +46 8 566 286 51
 Michael Vitfell-Rasmussen +45 35 46 30 16
 Victor Forssell +46 8 566 286 92

Shipping & Transport

Dennis Anghelopoulos +47 22 01 60 37
 Casper Blom +45 35 46 30 15
 Lukas Daul +47 22 01 61 39

Telecom Operators

Peter Kurt Nielsen +44 207 905 5631

Utilities

Martin Melbye +47 22 01 61 37
 Petter Nyström +47 22 01 61 35

Small Caps

Andrew Carlsen +45 35 46 30 13
 Arash Hakimi Fard +46 8 566 286 35
 Emmi Östlund +46 8 566 286 73
 Daniel Thorsson +46 8 566 286 82
 Johan Nilsson Wall +46 8 566 286 41
 Laurits Louis Kjaergaard +45 35 46 30 12

Norway

Pb. 1444 Vika
 NO-0115 OSLO
 Norway
 Tel: +47 22 01 60 00
 Fax: +47 22 01 60 60

Sweden

Box 7269
 SE-103 89 STOCKHOLM
 Sweden
 Tel: +46 8 566 286 00
 Fax: +46 8 566 286 01

Denmark

Forbindelsesvej 12,
 DK-2100 COPENHAGEN
 Denmark
 Tel: +45 35 46 61 00
 Fax: +45 35 46 61 10

United Kingdom

10 Paternoster Row, 5th fl
 LONDON EC4M 7EJ
 UK
 Tel: +44 20 7905 5600
 Fax: +44 20 7905 5601

USA

850 Third Avenue, Suite 9-C
 NEW YORK, NY 10022
 USA
 Tel: +1 212 605 3800
 Fax: +1 212 605 3801

Germany

Schillerstrasse 2, 5. OG
 DE-60313 FRANKFURT
 Germany
 Tel +49 69 96 86 96 0
 Fax +49 69 96 86 96 99

Singapore

10 Collyer Quay
 Ocean Financial Center
 #40-07, Singapore 049315
 Tel +65 6808 6082