

# Capacent Holding

## Challenging end to 2019

- Good cost control, but sales -17% vs ABGSCe
- Lower growth assumptions, margins should recover
- Share trading at EV/EBIT of 9.5x for '20e

### Acquisition integrated, Iceland strengthens profitability

Capacent reported net sales of SEK 72.4m (78.0m), corresponding to a decline of 7% y-o-y and -17% vs ABGSCe. We assess that organic sales were down more than 25% in the quarter, which highlights the challenging market conditions. This was especially evident for the management consulting business in Sweden, where we had higher expectations. On a positive note, reported EBIT was 35% above our estimates on good cost control (especially in Iceland which reported an EBIT margin above 10% in the quarter). The acquisition of RGP also seems to have been integrated well, with a positive contribution in the quarter. In fact, both Capasearch and Capacity contributed positively to EBIT in Q4, which bodes well for margin development going forward.

### Tough market conditions hurts outlook, negative revisions

The growth story has taken a turn of late, with the recent slowdown in the market. In light of that, we make negative adjustments to our sales estimates (by 10-12% for '20e-'21e). Even though Capacent showed good cost control in the quarter, we believe it will be hard to strengthen the margin as much as we previously anticipated in a weaker market. We still see a good possibility to strengthen the EBIT margin y-o-y, however. Our revised estimates see an EBIT margin of 4.8% (3.9%) for FY 2020, which strengthens to 6.2% in FY 2021, which is when we estimate that Finland's EBIT margins will recover.

### Peer valuation indicates significant discount

The stock has underperformed the OMXSTHPI by ~30% in the last 3 months. As the financial targets suggest, we think the market views this as a growth case, and confidence might have been hurt of late. However, investors should not forget the impressive profitability shown by Capacent in the past, with EBIT margins between 8% and 12%. Looking at our peer group, we note a significant discount on EV/EBIT for 2020e.

**Lead analyst:** Stefan Knutsson  
Victor Forssell

SEKm	2018	2019	2020e	2021e	2022e
Sales	264	260	283	293	309
EBITDA	21	20	30	34	38
EBITDA margin (%)	7.9	7.6	10.5	11.7	12.2
EBIT adj	21	10	14	18	22
EBIT adj margin (%)	8.0	3.9	4.8	6.2	7.0
Pretax profit	17	3	10	14	18
EPS rep	4.16	0.64	2.52	3.70	4.65
EPS adj	5.27	1.93	2.52	3.70	4.65
Sales growth (%)	31.7	-1.6	9.1	3.3	5.7
EPS growth (%)	238.0	-84.6	293.6	46.6	25.6

Source: ABG Sundal Collier, Company data

Reason: Post-results comment

## Company sponsored research

Not rated

Estimate changes (%)	2020e	2021e	2022e
Sales	-9.8%	-12.1%	0.0%
EBIT (rep)	-26.4%	-32.2%	0.0%
EPS (rep)	-33.0%	-35.7%	0.0%

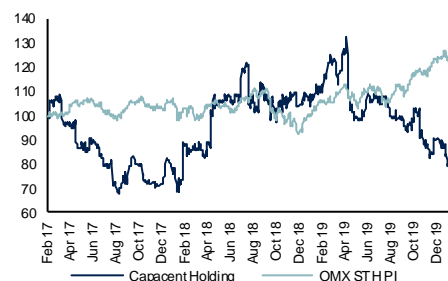
Source: ABG Sundal Collier

**Share price (SEK)** 21/02/2020 33.1  
Professional Services, Sweden  
CAPAC.ST/CAPAC.SS

MCap (SEKm)	90
MCap (EURm)	8.5
Net debt (EURm)	4
No. of shares (m)	2.7
Free float (%)	41.0
Av. daily volume (k)	1.1

Next event Q1 report: 06 May

## Performance



	1m	3m	12m
Absolute (%)	-17.3	-21.2	-34.6
OMX STH PI (%)	3.0	11.5	23.4

Source: FactSet

	2020e	2021e	2022e
P/E (x)	13.1	9.0	7.1
P/E adj (x)	13.1	9.0	7.1
P/BVPS (x)	0.81	0.78	0.75
EV/EBITDA (x)	4.4	3.6	3.1
EV/EBIT adj (x)	9.5	6.7	5.3
EV/sales (x)	0.46	0.41	0.37
ROE adj (%)	6.3	8.9	10.7
Dividend yield (%)	5.7	8.4	10.5
FCF yield (%)	26.4	26.9	26.5
Lease adj. FCF yld (%)	15.2	16.1	16.0
Net IB debt/EBITDA	1.3	0.8	0.6
Lease adj. ND/EBITDA	0.1	-0.3	-0.5

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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.

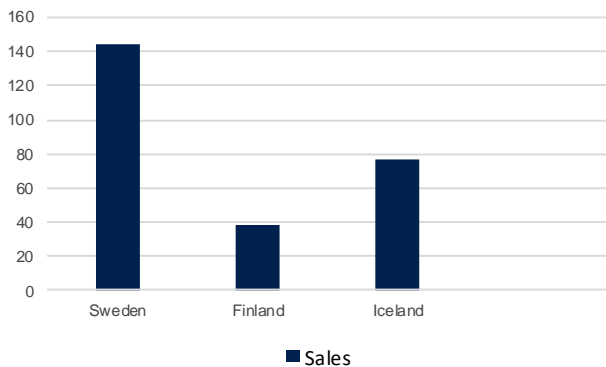
## Opportunities

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

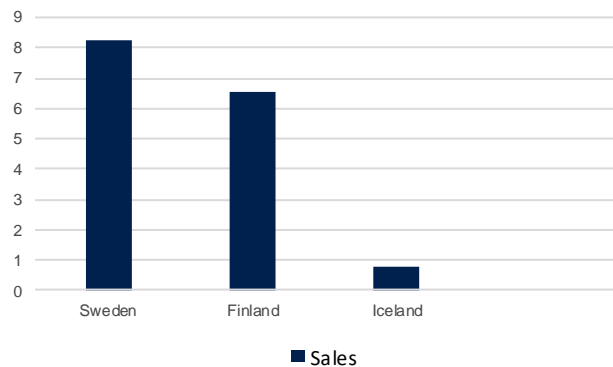
Capacent is dependent on continuing demand for its services from current and new customers. Moreover, a tougher climate for hiring new consultants would affect Capacent's organic growth. Furthermore, the Finnish operations are more volatile than the other divisions due to more performance-based earnings.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

### Geographical breakdown, sales, SEKm



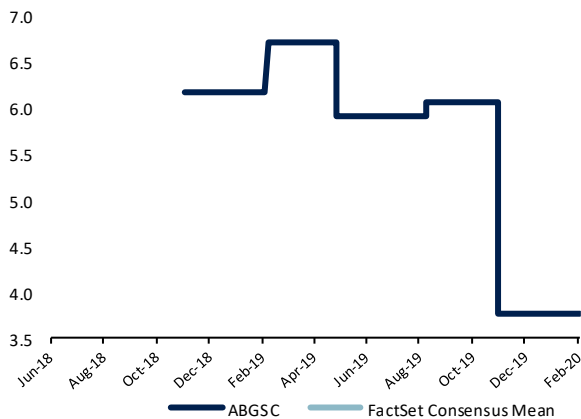
Source: ABG Sundal Collier, Company data

### Geographical breakdown, EBIT 2019, SEKm



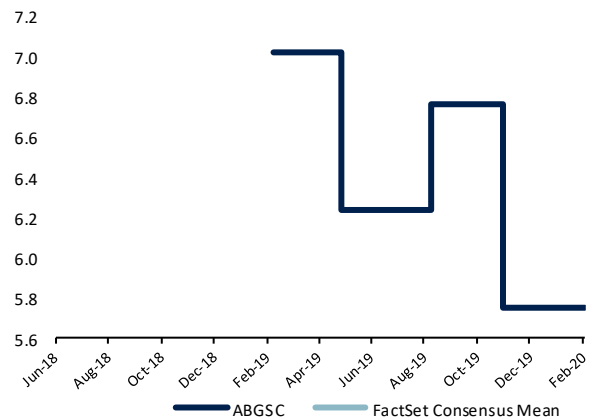
Source: ABG Sundal Collier, Company data

### EPS estimate changes, 2020e, SEK



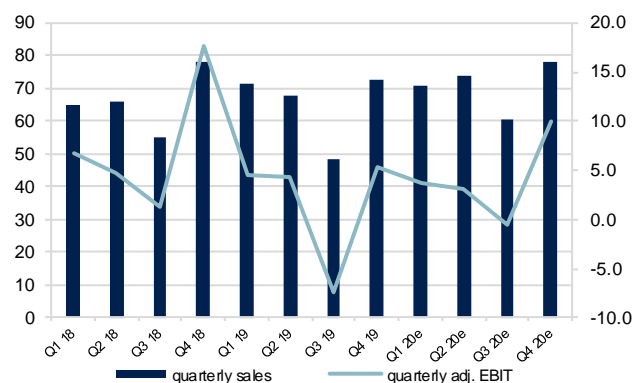
Source: ABG Sundal Collier, FactSet

### EPS estimate changes, 2021e, 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 and estimate changes

### Q4 deviation

SEKm	Q4'18	Q4'19	Q4'19e	Diff vs. ABGSC
<b>P&amp;L</b>				
<b>Net sales</b>	<b>78.0</b>	<b>72.4</b>	<b>86.8</b>	<b>-17%</b>
Other income	9.4	0.1	0.0	
Other external costs	-16.2	-19.0	-13.9	37%
Personnel costs	-52.9	-44.0	-66.1	-33%
Other costs	0.0	0.0	0.0	
-of which non-recurring items	-0.4	0.0	0.0	
<b>EBITDA</b>	<b>18.3</b>	<b>9.4</b>	<b>6.8</b>	<b>38%</b>
<b>Adj. EBITDA</b>	<b>9.3</b>	<b>9.4</b>	<b>6.8</b>	<b>38%</b>
Depreciation	-0.7	-4.1	-2.9	
Impairment	-9.5	0.0	0.0	
<b>EBIT</b>	<b>8.1</b>	<b>5.4</b>	<b>4.0</b>	<b>35%</b>
<b>Adj. EBIT</b>	<b>8.5</b>	<b>5.4</b>	<b>4.0</b>	<b>35%</b>
Net Financials	-0.4	-0.8	-1.0	
Profit before tax	7.7	4.6	3.0	
Tax	-2.2	-1.1	-0.7	
NCI	0.0	0.4	0.0	
<b>Net income (to shareholders)</b>	<b>5.5</b>	<b>3.0</b>	<b>2.4</b>	<b>29%</b>
<b>EPS</b>	<b>1.8</b>	<b>1.1</b>	<b>0.8</b>	<b>42%</b>
<b>Growth</b>				
Sales growth y-o-y	15.9%	-7.1%	11.3%	-18.4pp
Organic growth (est.)	17.2%	-29.5%	-11.1%	-18.4pp
Acquired growth	0.0%	21.3%	21.4%	
FX (est.)	-1.2%	1.2%	1.0%	
<b>Margins</b>				
Adj. EBITDA margin	11.9%	13.0%	7.9%	5.1pp
Adj. EBIT margin	10.9%	7.4%	4.6%	2.8pp

Source: ABG Sundal Collier, company data

### Estimate changes

SEKm	Old forecast			New forecast			Change		
	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e
Net sales	314.1	332.8		283.3	292.5		-9.8%	-12.1%	
Adj. EBITDA	30.1	38.3		29.7	34.2		-1.4%	-10.8%	
<b>Adj. EBIT</b>	<b>18.6</b>	<b>26.8</b>		<b>13.7</b>	<b>18.2</b>		<b>-26.4%</b>	<b>-32.2%</b>	
Adj EBITDA margin	9.6%	11.5%		10.5%	11.7%		0.9pp	0.2pp	
<b>Adj. EBIT margin</b>	<b>5.9%</b>	<b>8.0%</b>		<b>4.8%</b>	<b>6.2%</b>		<b>-1.1pp</b>	<b>-1.8pp</b>	

Source: ABG Sundal Collier, company data

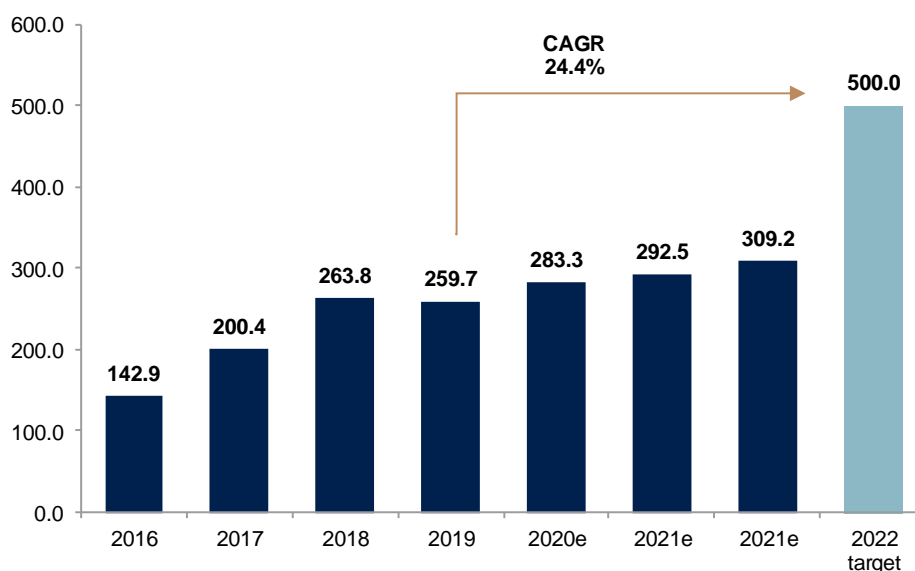
## Financial targets

*After listing in 2015, Capacent set its sights on doubling sales, from ~SEK 150m at the time to SEK 300m. With the company now closing in on that target, it is aiming for a higher target in 2022.*

### Financial goal – sales of SEK 500m in 2022

Management is steering Capacent towards a new and clear growth path. The company has reset its goal from the time of its listing and is now aiming to double sales by 2022. To attain this goal, we argue that the company must continue to: 1) grow its core Management Consulting business, and 2) add complementary services to its platform of competencies. In our view, this would enhance the company's capability to support customers' needs. Based on full-year sales for 2019, this would imply a sales CAGR of ~24% to reach the target, which we deem challenging.

#### Net sales, SEKm



Source: ABG Sundal Collier, company data

### Geographical expansion – which country is next?

During the same period, Capacent will expand its geographical presence into at least one new country. The latest expansion was in 2017, when Capacent Island was acquired. We believe that this expansion is a key factor in reaching the company's new sales target.

#### Current targets will also remain:

- To grow faster than the underlying market
- The dividend shall correspond to the net income for the year adjusted for changes in working capital and investments.

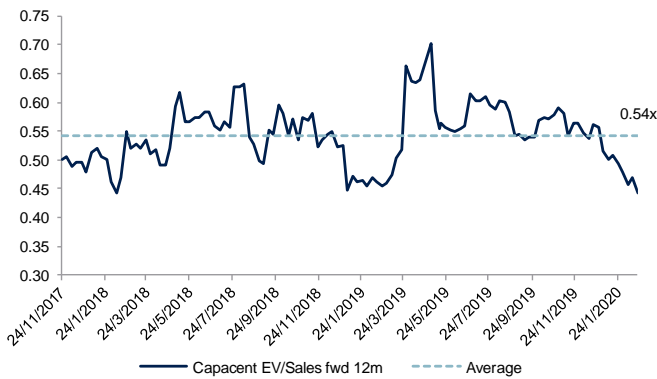
# Valuation

## Peer table

Company	Market cap (SEKm)	Sales growth (%)			EV/Sales (x)			EV/EBITDA (x)			EV/EBIT (x)			P/E (x)			Dividend yields			3-year CAGR ('19e-'21e)		
		2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	Sales	EBIT	EPS
Addnode	6,472	21%	6%	5%	1.7	1.6	1.5	14.7	13.7	12.6	26.7	23.5	18.5	29.4	25.9	25.6	1.5%	1.7%	2.0%	10%	20%	17%
BTS Group	5,179	14%	10%	8%	2.5	2.3	2.1	15.0	13.4	11.9	20.2	17.7	15.8	28.3	24.8	21.3	1.7%	2.0%	2.2%	33%	13%	14%
Data Respons	3,803	15%	5%	na	1.7	1.6	na	12.4	11.8	na	16.7	15.9	na	22.9	20.9	na	2.1%	1.7%	na	na	na	na
Eurocon Consulting	214	6%	6%	na	0.8	0.7	FALSE	6.9	5.8	FALSE	11.2	8.6	FALSE	13.4	10.5	FALSE	6.1%	7.1%	FALSE	-100%	####	-100%
eWork Group	1,443	11%	8%	6%	0.1	0.1	0.1	10.7	9.5	9.0	13.1	11.4	10.6	14.9	12.7	11.7	6.0%	6.6%	7.2%	8%	17%	18%
HIQ	2,809	2%	5%	4%	1.4	1.3	1.3	9.5	9.0	8.3	11.4	10.7	9.7	15.9	14.9	13.6	7.0%	7.2%	7.4%	4%	9%	7%
Knowit	3,643	7%	6%	1%	1.0	1.0	1.0	8.4	7.8	7.9	10.3	9.5	9.5	13.8	12.6	12.6	3.8%	4.1%	4.2%	5%	7%	7%
Rejlers	2,341	14%	4%	na	1.0	1.0	na	8.6	7.8	na	15.8	13.5	na	18.1	15.4	na	2.4%	3.1%	na	na	na	na
Semcon	1,349	6%	4%	2%	0.7	0.7	0.7	6.5	5.8	5.5	8.6	7.5	6.9	11.3	9.7	8.8	4.4%	4.6%	4.6%	4%	10%	11%
Sweco	42,953	9%	5%	3%	2.1	2.0	1.9	16.4	15.6	15.1	22.0	20.7	19.9	26.2	24.5	23.2	2.0%	2.1%	2.3%	5%	9%	8%
Tieto	33,327	73%	2%	2%	1.1	1.0	1.0	6.7	6.2	6.2	8.8	8.2	7.8	12.1	11.2	10.3	4.8%	5.3%	5.7%	22%	28%	14%
ÅF	26,885	9%	4%	3%	1.5	1.5	1.4	12.2	11.3	10.8	16.9	15.4	14.6	18.5	16.9	15.1	2.5%	2.8%	0.0%	6%	14%	10%
<b>Average</b>		<b>16%</b>	<b>5%</b>	<b>4%</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>10.7</b>	<b>9.8</b>	<b>9.7</b>	<b>15.2</b>	<b>13.5</b>	<b>12.6</b>	<b>18.7</b>	<b>16.7</b>	<b>15.8</b>	<b>3.7%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>0%</b>	<b>3%</b>	<b>-2%</b>
<b>Median</b>		<b>10%</b>	<b>5%</b>	<b>3%</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>	<b>10.1</b>	<b>9.3</b>	<b>9.0</b>	<b>14.5</b>	<b>12.5</b>	<b>10.6</b>	<b>17.0</b>	<b>15.2</b>	<b>13.6</b>	<b>3.1%</b>	<b>3.6%</b>	<b>4.2%</b>	<b>5%</b>	<b>11%</b>	<b>10%</b>
<b>Capacent (ABGSCe)</b>	90	9%	3%	6%	0.5	0.4	0.4	4.4	3.6	3.1	9.5	6.7	5.3	13.1	9.0	7.1	5.7%	8.4%	10.5%	6%	48%	94%
<b>Capacent premium/discount (+/-)</b>		<b>-12%</b>	<b>-38%</b>	<b>70%</b>	<b>-62%</b>	<b>-65%</b>	<b>-70%</b>	<b>-57%</b>	<b>-62%</b>	<b>-66%</b>	<b>-35%</b>	<b>-46%</b>	<b>-50%</b>	<b>-23%</b>	<b>-41%</b>	<b>-48%</b>	<b>82%</b>	<b>135%</b>	<b>152%</b>	<b>9%</b>	<b>327%</b>	<b>805%</b>

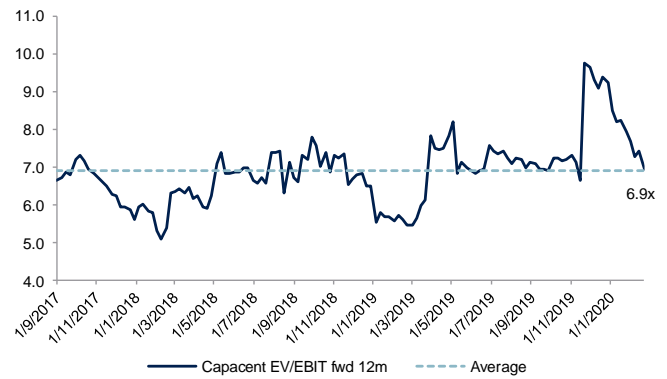
Source: ABG Sundal Collier, company data

### EV/Sales (x) fwd 12m



Source: ABG Sundal Collier, company data

### EV/EBIT (x) fwd 12m



Source: ABG Sundal Collier, company data

## Quarterly and yearly overview

### Interim breakdown of forecast

SEKm P&L	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20e	Q2'20e	Q3'20e	Q4'20e	2016	2017	2018	2019	2020e	2021e	2022e
<b>Net sales</b>	<b>71.3</b>	<b>67.7</b>	<b>48.2</b>	<b>72.4</b>	<b>71.0</b>	<b>74.0</b>	<b>60.4</b>	<b>77.8</b>	<b>142.9</b>	<b>200.4</b>	<b>263.8</b>	<b>259.7</b>	<b>283.3</b>	<b>292.5</b>	<b>309.2</b>
Other income	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.7	6.8	9.6	0.1	0.0	0.0	0.0
Other external costs	-11.1	-10.2	-15.2	-19.0	-11.4	-11.8	-9.7	-12.4	-20.1	-42.0	-59.3	-55.5	-45.3	-46.8	-49.5
Personnel costs	-52.9	-50.2	-37.4	-44.0	-52.0	-55.1	-47.2	-54.0	-115.6	-112.6	-183.7	-184.6	-208.3	-211.6	-222.0
Other costs	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	-0.3	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
-of which non-recurring items	0.0	0.6	-4.1	0.0	0.0	0.0	0.0	0.0	0	2.75	-3.3	-3.5	0.0	0.0	0.0
<b>EBITDA</b>	<b>7.3</b>	<b>7.3</b>	<b>-4.4</b>	<b>9.4</b>	<b>7.7</b>	<b>7.1</b>	<b>3.5</b>	<b>11.3</b>	<b>10.8</b>	<b>12.9</b>	<b>30.5</b>	<b>19.7</b>	<b>29.7</b>	<b>34.2</b>	<b>37.7</b>
<b>Adj. EBITDA</b>	<b>7.3</b>	<b>6.7</b>	<b>-0.3</b>	<b>9.4</b>	<b>7.7</b>	<b>7.1</b>	<b>3.5</b>	<b>11.3</b>	<b>10.8</b>	<b>10.2</b>	<b>24.3</b>	<b>23.2</b>	<b>29.7</b>	<b>34.2</b>	<b>37.7</b>
Depreciation	-2.9	-3.0	-3.1	-4.1	-4.0	-4.0	-4.0	-4.0	-0.5	-1.8	-3.1	-13.0	-16.0	-16.0	-16.0
Impairment	0	0	0	0	0	0	0	0	0	-5.3	-9.5	0	0.0	0.0	0.0
<b>EBIT</b>	<b>4.5</b>	<b>4.3</b>	<b>-7.5</b>	<b>5.4</b>	<b>3.7</b>	<b>3.1</b>	<b>-0.5</b>	<b>7.3</b>	<b>10.3</b>	<b>5.9</b>	<b>17.9</b>	<b>6.7</b>	<b>13.7</b>	<b>18.2</b>	<b>21.7</b>
<b>Adj. EBIT</b>	<b>4.5</b>	<b>3.7</b>	<b>-3.4</b>	<b>5.4</b>	<b>3.7</b>	<b>3.1</b>	<b>-0.5</b>	<b>7.3</b>	<b>10.3</b>	<b>8.4</b>	<b>21.2</b>	<b>10.2</b>	<b>13.7</b>	<b>18.2</b>	<b>21.7</b>
Net Financials	-1.0	-0.7	-1.1	-0.8	-1.0	-1.0	-1.0	-1.0	0.2	-0.9	-1.2	-3.6	-3.8	-3.9	-4.0
Profit before tax	3.5	3.7	-8.6	4.6	2.7	2.2	-1.4	6.4	10.6	5.0	16.7	3.1	9.9	14.3	17.7
Tax	-0.7	-0.8	1.7	-1.1	-0.6	-0.5	0.3	-1.4	-2.3	-2.0	-4.7	-0.9	-2.2	-3.1	-3.9
NCI	-0.5	0.1	-0.5	0.4	-0.2	-0.4	0.1	-0.4	0.0	0.3	0.5	-0.4	-0.9	-1.1	-1.2
<b>Net income (to shareholders)</b>	<b>3.2</b>	<b>2.8</b>	<b>-6.4</b>	<b>3.0</b>	<b>1.9</b>	<b>1.3</b>	<b>-1.0</b>	<b>4.6</b>	<b>8.2</b>	<b>3.3</b>	<b>11.5</b>	<b>2.6</b>	<b>6.8</b>	<b>10.0</b>	<b>12.6</b>
<b>EPS diluted</b>	<b>1.1</b>	<b>1.0</b>	<b>-2.2</b>	<b>1.1</b>	<b>0.7</b>	<b>0.5</b>	<b>-0.4</b>	<b>1.7</b>	<b>3.1</b>	<b>1.2</b>	<b>4.0</b>	<b>1.1</b>	<b>2.5</b>	<b>3.7</b>	<b>4.6</b>
<b>DPS</b>									<b>3.0</b>	<b>1.0</b>	<b>3.0</b>	<b>1.0</b>	<b>1.9</b>	<b>2.8</b>	<b>3.5</b>
<b>Growth</b>															
Sales growth y-o-y	10.4%	2.3%	-12.4%	-7.1%	-0.5%	9.4%	25.3%	7.4%	-7.2%	40.2%	31.7%	-1.6%	9.1%	3.3%	5.7%
Organic growth (est.)	11.2%	3.9%	-20.0%	-29.5%	-18.9%	-10.3%	1.9%	7.5%	-7.2%	-4.1%	26.9%	-9.2%	-5.4%	3.3%	5.7%
Acquired growth	0.0%	0.0%	9.6%	21.3%	18.0%	20.0%	23.3%	0.0%	0.0%	44.1%	4.5%	8.3%	14.5%	0.0%	0.0%
FX (est.)	-0.9%	-2.3%	-1.8%	1.2%	0.4%	-0.4%	0.0%	0.0%	0.0%	0.3%	0.5%	-0.8%	0.0%	0.0%	0.0%
<b>Margins</b>															
Adj. EBITDA margin	10.3%	10.8%	-9.1%	13.0%	10.8%	9.6%	5.9%	14.6%	7.6%	5.1%	9.2%	8.9%	10.5%	11.7%	12.2%
EBIT margin	6.3%	6.4%	-15.5%	7.4%	5.2%	4.2%	-0.8%	9.4%	7.2%	2.9%	6.8%	2.6%	4.8%	6.2%	7.0%
Adj. EBIT margin	6.3%	5.5%	-7.0%	7.4%	5.2%	4.2%	-0.8%	9.4%	7.2%	4.2%	8.0%	3.9%	4.8%	6.2%	7.0%
Adj. R12 EBIT margin	7.0%	6.6%	5.0%	3.9%	3.6%	3.3%	4.2%	4.8%							

Source: ABG Sundal Collier, company data

# Capacent Holding

Income Statement (SEKm)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020e	Q2 2020e	Q3 2020e	Q4 2020e
Sales	71	68	48	72	71	74	60	78
COGS	0	0	0	0	0	0	0	0
Gross profit	71	68	48	72	71	74	60	78
Other operating items	-64	-60	-53	-63	-63	-67	-57	-66
<b>EBITDA</b>	<b>7</b>	<b>7</b>	<b>-4</b>	<b>9</b>	<b>8</b>	<b>7</b>	<b>4</b>	<b>11</b>
Depreciation and amortisation	-3	-3	-3	-4	-4	-4	-4	-4
<b>EBITA</b>	<b>4</b>	<b>4</b>	<b>-7</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>-0</b>	<b>7</b>
EO items	0	0	0	0	0	0	0	-3
Impairment and PPA amortisation	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>4</b>	<b>4</b>	<b>-7</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>-0</b>	<b>7</b>
Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
<b>Pretax profit</b>	<b>3</b>	<b>4</b>	<b>-9</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>-1</b>	<b>6</b>
Tax	-1	-1	2	-1	-1	-0	0	-1
<b>Net profit</b>	<b>3</b>	<b>3</b>	<b>-7</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>-1</b>	<b>5</b>
Minority interest	-0	0	-0	0	-0	-0	0	-0
Net profit discontinued	0	0	0	0	0	0	0	0
<b>Net profit to shareholders</b>	<b>2</b>	<b>3</b>	<b>-7</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>-1</b>	<b>5</b>
EPS	0.76	0.99	-2.48	1.31	0.65	0.45	-0.33	1.53
EPS Adj	0.76	0.99	-2.48	1.31	0.65	0.45	-0.33	1.53
Total extraordinary items after tax	0	0	0	0	0	0	0	-3
Tax rate (%)	20.9	21.7	19.7	24.1	22.0	22.0	22.0	22.0
Gross margin (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EBITDA margin (%)	10.3	10.8	-9.1	13.0	10.8	9.6	5.9	14.6
EBITA margin (%)	6.3	6.4	-15.5	7.4	5.2	4.2	-0.8	9.4
EBIT margin (%)	6.3	6.4	-15.5	7.4	5.2	4.2	-0.8	9.4
Pretax margin (%)	4.9	5.4	-17.9	6.3	3.9	2.9	-2.3	8.2
Net margin (%)	3.8	4.2	-14.3	4.8	3.0	2.3	-1.8	6.4
<b>Growth rates Y/Y</b>	<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>Q1 2020e</b>	<b>Q2 2020e</b>	<b>Q3 2020e</b>	<b>Q4 2020e</b>
Sales growth (%)	10.4	2.3	-12.4	-7.1	-0.5	9.4	25.3	7.4
EBITDA growth (%)	2.8	71.9	-chg	-48.6	4.8	-2.5	+chg	20.4
EBIT growth (%)	-32.8	49.8	-chg	-34.1	-17.4	-28.4	+chg	37.1
Net profit growth (%)	-45.6	119.3	-chg	-36.8	-22.0	-41.2	+chg	43.4
EPS growth (%)	-45.6	119.3	-chg	-36.8	-22.0	-41.2	+chg	43.4
<b>Adj earnings numbers</b>	<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>Q1 2020e</b>	<b>Q2 2020e</b>	<b>Q3 2020e</b>	<b>Q4 2020e</b>
EBITDA Adj	7	7	-4	9	8	7	4	14
EBITDA Adj margin (%)	10.3	10.8	-9.1	13.0	10.8	9.6	5.9	18.1
EBITA Adj	4	4	-7	5	4	3	-0	10
EBITA Adj margin (%)	6.3	6.4	-15.5	7.4	5.2	4.2	-0.8	12.9
EBIT Adj	4	4	-7	5	4	3	-0	10
EBIT Adj margin (%)	6.3	6.4	-15.5	7.4	5.2	4.2	-0.8	12.9
Pretax profit Adj	3	4	-9	5	3	2	-1	9
Net profit Adj	3	3	-7	3	2	2	-1	8
Net profit to shareholders Adj	2	3	-7	4	2	1	-1	7
Net Adj margin (%)	3.8	4.2	-14.3	4.8	3.0	2.3	-1.8	9.9

Source: ABG Sundal Collier, Company data

# Capacent Holding

Income Statement (SEKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Sales	121	138	154	143	200	264	260	283	293	309
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	121	138	154	143	200	264	260	283	293	309
Other operating items	-119	-125	-137	-132	-187	-243	-240	-254	-258	-272
<b>EBITDA</b>	<b>1</b>	<b>14</b>	<b>17</b>	<b>11</b>	<b>13</b>	<b>21</b>	<b>20</b>	<b>30</b>	<b>34</b>	<b>38</b>
Depreciation and amortisation	-1	-1	-1	-0	-2	-3	-13	-16	-16	-16
Of which leasing depreciation	0	0	0	0	0	0	-13	-10	-10	-9
<b>EBITA</b>	<b>1</b>	<b>13</b>	<b>17</b>	<b>10</b>	<b>11</b>	<b>18</b>	<b>7</b>	<b>14</b>	<b>18</b>	<b>22</b>
EO items	0	0	-2	0	3	-3	-4	0	0	0
Impairment and PPA amortisation	0	0	0	0	-5	0	0	0	0	0
<b>EBIT</b>	<b>1</b>	<b>13</b>	<b>17</b>	<b>10</b>	<b>6</b>	<b>18</b>	<b>7</b>	<b>14</b>	<b>18</b>	<b>22</b>
Net financial items	-1	-1	-0	0	-1	-1	-4	-4	-4	-4
<b>Pretax profit</b>	<b>-1</b>	<b>12</b>	<b>16</b>	<b>11</b>	<b>5</b>	<b>17</b>	<b>3</b>	<b>10</b>	<b>14</b>	<b>18</b>
Tax	1	-2	-3	-2	-2	-5	-1	-2	-3	-4
<b>Net profit</b>	<b>-0</b>	<b>10</b>	<b>14</b>	<b>8</b>	<b>3</b>	<b>12</b>	<b>2</b>	<b>8</b>	<b>11</b>	<b>14</b>
Minority interest	0	0	0	0	0	0	-0	-1	-1	-1
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
<b>Net profit to shareholders</b>	<b>-0</b>	<b>10</b>	<b>14</b>	<b>8</b>	<b>3</b>	<b>12</b>	<b>2</b>	<b>7</b>	<b>10</b>	<b>13</b>
EPS	-0.06	3.71	5.12	3.11	1.23	4.16	0.64	2.52	3.70	4.65
EPS Adj	-0.06	3.71	5.76	3.11	2.17	5.27	1.93	2.52	3.70	4.65
Total extraordinary items after tax	0	0	-2	0	3	-3	-4	0	0	0
Leasing payments	0	0	0	0	0	0	-13	-10	-10	-9
Tax rate (%)	76.3	17.9	17.6	22.2	39.5	28.2	29.9	22.0	22.0	22.0
Gross margin (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EBITDA margin (%)	1.1	9.8	11.2	7.6	6.5	7.9	7.6	10.5	11.7	12.2
EBITA margin (%)	0.5	9.4	10.8	7.2	5.6	6.8	2.6	4.8	6.2	7.0
EBIT margin (%)	0.5	9.4	10.8	7.2	2.9	6.8	2.6	4.8	6.2	7.0
Pretax margin (%)	-0.6	8.6	10.7	7.4	2.5	6.3	1.2	3.5	4.9	5.7
Net margin (%)	-0.1	7.1	8.8	5.7	1.5	4.5	0.8	2.7	3.8	4.5
<b>Growth rates Y/Y</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Sales growth (%)	-10.6	14.7	11.3	-7.2	40.2	31.7	-1.6	9.1	3.3	5.7
EBITDA growth (%)	-89.7	938.4	27.1	-37.2	19.7	61.9	-6.1	50.9	15.0	10.4
EBIT growth (%)	-95.4	2,212.0	28.9	-38.2	-43.0	204.5	-62.7	105.2	32.6	19.6
Net profit growth (%)	-101.5	6,072.6	38.2	-39.3	-63.3	297.7	-82.0	256.9	44.1	24.2
EPS growth (%)	high	6,072.5	38.2	-39.3	-60.3	238.0	-84.6	293.6	46.6	25.6
<b>Profitability</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
ROE (%)	-0.2	10.2	12.9	7.7	3.2	11.4	1.6	6.3	8.9	10.7
ROE Adj (%)	-0.2	10.2	14.5	7.7	5.6	14.5	4.8	6.3	8.9	10.7
ROCE (%)	0.5	12.1	15.3	9.4	5.2	15.0	4.7	8.4	10.8	12.4
ROCE Adj (%)	0.5	12.1	16.9	9.4	7.5	17.7	7.2	8.4	10.8	12.4
ROIC (%)	0.1	10.3	14.3	8.3	3.2	11.2	3.6	7.0	9.5	11.6
ROIC Adj (%)	0.1	10.3	15.8	8.3	4.6	13.3	5.4	7.0	9.5	11.6
<b>Adj earnings numbers</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
EBITDA Adj	1	14	19	11	10	24	23	30	34	38
EBITDA Adj margin (%)	1.1	9.8	12.3	7.6	5.1	9.2	8.9	10.5	11.7	12.2
EBITDA lease Adj	1	14	19	11	10	24	10	20	24	28
EBITDA lease Adj margin (%)	1.1	9.8	12.3	7.6	5.1	9.2	3.9	7.0	8.4	9.2
EBITA Adj	1	13	18	10	8	21	10	14	18	22
EBITA Adj margin (%)	0.5	9.4	11.9	7.2	4.2	8.0	3.9	4.8	6.2	7.0
EBIT Adj	1	13	18	10	8	21	10	14	18	22
EBIT Adj margin (%)	0.5	9.4	11.9	7.2	4.2	8.0	3.9	4.8	6.2	7.0
Pretax profit Adj	-1	12	18	11	8	20	7	10	14	18
Net profit Adj	-0	10	15	8	6	15	6	8	11	14
Net profit to shareholders Adj	-0	10	15	8	6	16	5	7	10	13
Net Adj margin (%)	-0.1	7.1	9.9	5.7	2.8	5.8	2.2	2.7	3.8	4.5

Source: ABG Sundal Collier, Company data



# Capacent Holding

Cash Flow Statement (SEKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
EBITDA	1	14	17	11	13	21	20	30	34	38
Net financial items	-1	-1	-0	0	-1	-1	-4	-4	-4	-4
Paid tax	1	-2	-3	-2	-2	-5	-3	-2	-3	-4
Non-cash items	-3	0	3	1	-4	0	0	0	0	0
Cash flow before change in WC	-3	10	17	10	6	15	13	24	27	30
Change in WC	-8	7	4	-7	4	6	-11	6	3	0
<b>Operating cash flow</b>	<b>-10</b>	<b>17</b>	<b>20</b>	<b>2</b>	<b>10</b>	<b>21</b>	<b>3</b>	<b>29</b>	<b>30</b>	<b>30</b>
CAPEX tangible fixed assets	-1	1	-0	-1	-10	-3	-6	-6	-6	-6
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
<b>Free cash flow</b>	<b>-11</b>	<b>18</b>	<b>20</b>	<b>2</b>	<b>-1</b>	<b>18</b>	<b>-3</b>	<b>24</b>	<b>24</b>	<b>24</b>
Dividend paid	0	0	-6	-13	-8	-3	-8	-3	-5	-8
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Lease liability amortisation	0	0	0	0	0	0	-13	-10	-10	-9
Other non cash items	-7	-0	-0	0	-14	10	-33	0	0	0
<b>Decrease in net IB debt</b>	<b>-19</b>	<b>18</b>	<b>14</b>	<b>-11</b>	<b>-13</b>	<b>17</b>	<b>-58</b>	<b>11</b>	<b>9</b>	<b>7</b>
Balance Sheet (SEKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Goodwill	90	92	92	92	111	102	102	102	102	102
Other intangible assets	0	0	0	0	5	4	8	8	8	8
Tangible fixed assets	2	1	1	1	2	4	4	4	3	3
Right-of-use asset	0	0	0	0	0	0	35	35	35	35
Total other fixed assets	7	5	2	2	3	2	2	2	2	2
Fixed assets	99	99	95	96	122	112	150	150	150	149
Inventories	0	0	0	0	0	0	0	0	0	0
Receivables	40	29	38	37	56	61	62	68	70	74
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	2	6	20	6	6	15	5	16	25	32
<b>Total assets</b>	<b>140</b>	<b>134</b>	<b>152</b>	<b>139</b>	<b>184</b>	<b>187</b>	<b>217</b>	<b>234</b>	<b>245</b>	<b>255</b>
Shareholders equity	90	102	108	105	104	113	106	110	115	120
Minority	0	0	0	0	1	1	1	1	3	4
<b>Total equity</b>	<b>90</b>	<b>102</b>	<b>108</b>	<b>105</b>	<b>105</b>	<b>114</b>	<b>107</b>	<b>112</b>	<b>118</b>	<b>124</b>
Long-term debt	18	4	4	0	3	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	0	37	37	37	37
Total other long-term liabilities	0	0	0	0	10	1	0	0	0	0
Short-term debt	0	0	0	2	11	6	17	17	17	17
Accounts payable	32	28	40	33	55	66	56	68	73	77
Other current liabilities	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>140</b>	<b>134</b>	<b>152</b>	<b>139</b>	<b>184</b>	<b>187</b>	<b>217</b>	<b>234</b>	<b>245</b>	<b>255</b>
Net IB debt	16	-2	-16	-4	8	-9	49	38	29	22
Net IB debt excl. pension debt	16	-2	-16	-4	8	-9	49	38	29	22
Net IB debt excl. leasing	16	-2	-16	-4	8	-9	13	2	-8	-15
Capital invested	106	100	93	100	123	107	156	150	147	146
Working capital	8	1	-3	5	1	-5	6	0	-3	-3
EV breakdown	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Market cap. diluted (m)	na	na	106	119	93	144	113	90	90	90
Net IB debt Adj	16	-2	-16	-4	8	-9	49	38	29	22
Market value of minority	0	0	0	0	0	1	1	1	3	4
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
<b>EV</b>	<b>na</b>	<b>na</b>	<b>90</b>	<b>115</b>	<b>102</b>	<b>136</b>	<b>163</b>	<b>130</b>	<b>121</b>	<b>116</b>
Capital efficiency	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Total assets turnover (%)	90.6	100.9	107.5	98.1	124.1	142.3	128.5	125.8	122.2	123.6
Working capital/sales (%)	3.1	3.2	-0.4	0.8	1.4	-0.8	0.1	1.0	-0.5	-1.0
Financial risk and debt service	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Net debt/equity	0.18	-0.02	-0.14	-0.04	0.08	-0.08	0.46	0.34	0.25	0.18
Net debt/market cap	na	na	-0.16	-0.03	0.08	-0.07	0.38	0.43	0.32	0.25
Equity ratio (%)	64.2	75.8	71.0	75.2	57.1	61.0	49.3	47.8	48.1	48.6
Net IB debt adj./equity	0.18	-0.02	-0.14	-0.04	0.08	-0.08	0.46	0.34	0.25	0.18
Current ratio	1.29	1.26	1.43	1.26	0.93	1.05	0.79	0.87	0.94	1.01
EBITDA/net interest	1.04	13.42	70.02	-44.14	14.38	17.32	5.48	7.81	8.76	9.43
Net IB debt/EBITDA	12.59	-0.15	-0.91	-0.40	0.65	-0.41	2.51	1.29	0.85	0.59
Net IB debt/EBITDA lease Adj	12.59	-0.15	-0.83	-0.40	0.82	-0.36	1.24	0.08	-0.32	-0.51
Interest cover	0.45	12.82	67.82	-42.11	12.42	14.79	1.86	3.60	4.65	5.43

Source: ABG Sundal Collier, Company data

# Capacent Holding

Valuation and Ratios (SEKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
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	-0.06	3.71	5.12	3.11	1.23	4.16	0.64	2.52	3.70	4.65
Dividend per share Adj	0	2.3	5.0	3.0	1.0	3.0	1.0	1.9	2.8	3.5
EPS Adj	-0.06	3.71	5.76	3.11	2.17	5.27	1.93	2.52	3.70	4.65
BVPS	34.00	38.46	40.89	39.58	38.41	41.61	39.11	40.63	42.44	44.31
BVPS Adj	-0.14	3.42	6.27	4.49	-4.39	2.70	-1.10	0.43	2.23	4.10
Net IB debt / share	6.2	-0.7	-5.9	-1.7	3.1	-3.2	18.2	14.1	10.7	8.1
Share price	na	na	40.00	45.10	34.30	48.10	41.60	33.10	33.10	33.10
Market cap. (m)	na	na	106	119	93	131	113	90	90	90
<b>Valuation</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
P/E	na	na	7.8	14.5	27.8	11.6	64.9	13.1	9.0	7.1
EV/sales	na	na	0.59	0.80	0.51	0.52	0.63	0.46	0.41	0.37
EV/EBITDA	na	na	5.2	10.6	7.8	6.5	8.3	4.4	3.6	3.1
EV/EBITA	na	na	5.4	11.1	9.1	7.6	24.4	9.5	6.7	5.3
EV/EBIT	na	na	5.4	11.1	17.3	7.6	24.4	9.5	6.7	5.3
Dividend yield (%)	na	na	12.5	6.7	2.9	6.2	2.4	5.7	8.4	10.5
FCF yield (%)	na	na	18.7	1.6	-0.8	12.8	-2.6	26.4	26.9	26.5
Lease adj. FCF yield (%)	na	na	18.7	1.6	-0.8	12.8	-14.1	15.2	16.1	16.0
P/BVPS	na	na	0.98	1.14	0.89	1.16	1.06	0.81	0.78	0.75
P/BVPS Adj	na	na	6.38	10.05	-7.82	17.80	-37.95	77.74	14.83	8.07
P/E Adj	na	na	6.9	14.5	15.8	9.1	21.6	13.1	9.0	7.1
EV/EBITDA Adj	na	na	4.8	10.6	10.0	5.6	7.0	4.4	3.6	3.1
EV/EBITA Adj	na	na	4.9	11.1	12.0	6.4	16.0	9.5	6.7	5.3
EV/EBIT Adj	na	na	4.9	11.1	12.0	6.4	16.0	9.5	6.7	5.3
EV/cap. employed	na	na	0.8	1.1	0.9	1.1	1.0	0.8	0.7	0.6
<b>Investment ratios</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Capex/sales	0.8	-0.8	0.2	0.4	5.2	1.0	2.2	2.0	2.0	2.0
Capex/depreciation	136.9	-189.9	58.7	105.4	585.7	84.9	nm	94.4	92.9	93.5
Capex tangibles/tangible fixed assets	66.2	-96.9	27.7	52.6	435.6	66.3	135.8	147.7	172.8	209.2
Capex intangibles/definite intangibles	0	0	0	0	0	0	0	0	0	0
Depreciation on intangibles/definite inta	149.9	222.9	2,076.9	136.5	34.0	73.9	0	78.3	82.2	86.3
Depreciation on tangibles/tangibles	0	0	0	0	0	0	0	0	0	0

Source: ABG Sundal Collier, Company data

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