

Capacent Holding

New strategy is clicking into gear

- Demand increasing in all segments
- We raise both sales and margin assumptions
- Fair value range of SEK 57-84 (45-68)

Q2: Promising development in Capasearch and Capacity

Capacent reported Q2 sales of SEK 59.3m (+30% y-o-y) with both the Swedish and Finnish operations showing a clear improvement over last year. In Sweden, we saw strong sales from Management Consulting (MC) and Capasearch, whereas Capacity posted a third consecutive quarter above SEK 15m in sales, and ended the quarter with a record high order book. Group sales were 11% better than we expected, and the deviation was mainly driven by the Swedish operations. Adj. EBIT was SEK 7.9m (-2.4m), 31% ahead of ABGSCe at SEK 6m and corresponding to an EBIT margin of 13.3%. The deviation was entirely driven by the Swedish operations, where MC showed signs of a sustained improvement in profitability since last year's restructuring, with a Q2 EBIT margin of 21.4%. Capasearch also showed impressive profitability, with an EBIT margin of 35.7% in Q2; we consider this to represent a breakthrough for that part of the business given the sales increase of over 100% y-o-y.

Positive long-term EPS revision of 12%

We raise our long-term sales and margin assumptions following the positive Q2 report. The revisions stem from the Swedish operations, where our confidence has increased, and we also raise our sales forecasts for both MC and Capasearch. In terms of EBIT margins, we raise our assumption for the Swedish MC business to a long-term EBIT margin of 18.9%. This is still a few percentage points below our expectations for the Finnish business, which has a longer track record of healthy EBIT margins. We also raise our assumed EBIT margin for Capasearch after its breakthrough quarter, and now forecast it exceeding 20% for 2023e. In total, we raise our long-term EPS by 12%.

P/E 6.8x with 9.5% div. yield on revised '22e

Our positive revisions and a raised view towards '22e lead us to upgrade our fair value range to SEK 57-84 (45-68). The share is trading at a P/E of 6.8x and a dividend yield of 9.5% on our forecast for 2022.

Analyst(s): stefan.knutsson@abgsc.se, +46 8 566 286 37

SEKm	2019	2020	2021e	2022e	2023e
Sales	260	204	218	240	259
EBITDA	20	-8	21	35	40
EBITDA margin (%)	7.6	-4.1	9.7	14.8	15.4
EBIT adj	10	13	25	33	37
EBIT adj margin (%)	3.9	6.5	11.5	13.7	14.4
Pretax profit	3	-16	18	33	37
EPS rep	0.64	-7.05	5.08	8.85	10.02
EPS adj	1.93	3.39	7.38	8.85	10.02
Sales growth (%)	-1.6	-21.3	6.5	10.2	8.1
EPS growth (%)	-84.6	-1,200.3	172.1	74.1	13.2

Source: ABG Sundal Collier, Company data

Reason: Post-results comment

Company sponsored research

Not rated

Estimate changes (%)

	2021e	2022e	2023e
Sales	5.9%	6.0%	6.5%
EBIT (rep)	-18.6%	9.1%	10.5%
EPS (rep)	-18.6%	10.8%	12.1%

Source: ABG Sundal Collier

Share price (SEK)	23/08/2021	60.0
Fair value range (per share)		57-84

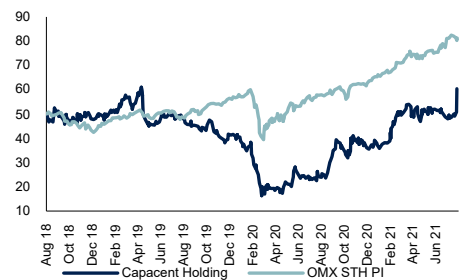
Services, Sweden
CAPAC.ST/CAPAC SS

MCap (SEKm)	163
MCap (EURm)	16
Net debt (EURm)	-2

No. of shares (m)	2.7
Free float (%)	41
Av. daily volume (k)	1

Next event Q3 report: 10 Nov

Performance



	1m	3m	12m
Absolute (%)	24.0	16.3	149.0

Source: FactSet

	2021e	2022e	2023e
P/E (x)	11.8	6.8	6.0
P/E adj (x)	8.1	6.8	6.0
P/BVPS (x)	2.00	1.68	1.50
EV/EBITDA (x)	7.0	4.0	3.3
EV/EBIT adj (x)	5.9	4.3	3.6
EV/sales (x)	0.68	0.59	0.51
ROE adj (%)	25.2	27.0	26.5
Dividend yield (%)	5.4	9.6	10.9
FCF yield (%)	5.1	11.9	16.4
Lease adj. FCF yld (%)	4.1	10.9	15.4
Net IB debt/EBITDA	-0.8	-0.7	-0.9
Lease adj. ND/EBITDA	-0.8	-0.9	-1.0

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.

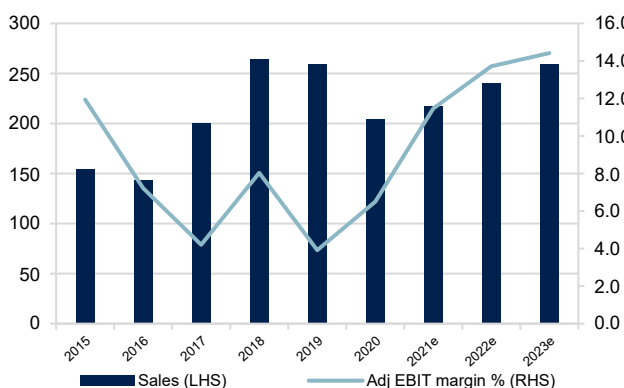
Company description

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

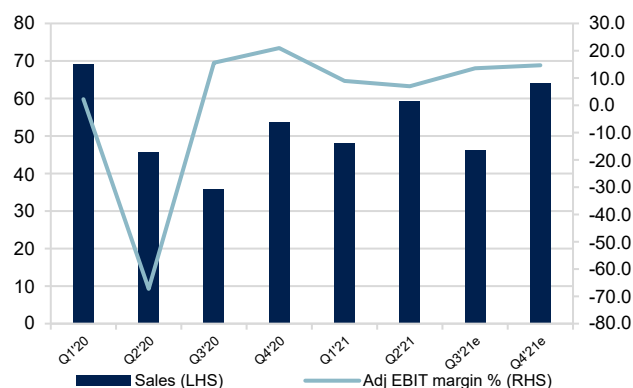
Capacent is dependent on continuing demand for its services from current and new customers. Moreover, a tougher climate for hiring new consultants would affect Capacent's organic growth. Furthermore, the Finnish operations are more volatile than the other divisions due to more performance-based earnings.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



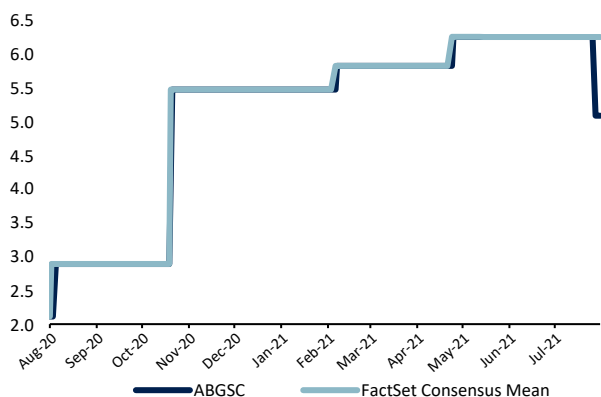
Source: ABG Sundal Collier, Company data

Quarterly sales and adj. EBIT margin



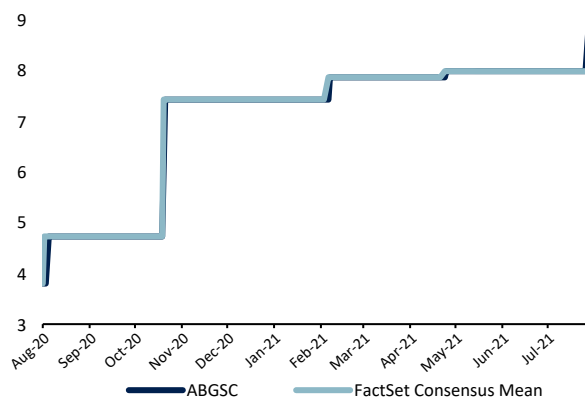
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2021e, SEK



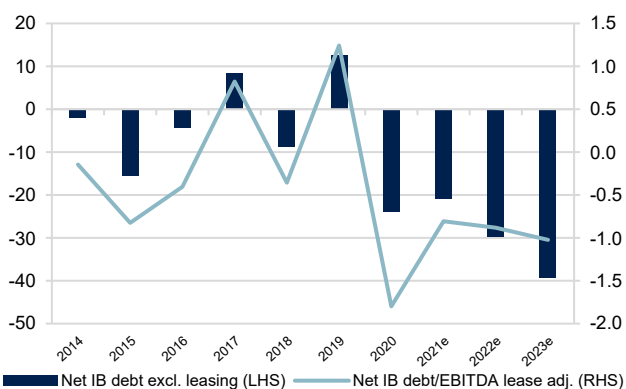
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2022e, SEK



Source: ABG Sundal Collier, FactSet

Lease adj. net debt and ND/EBITDA



Source: ABG Sundal Collier, Company data

Deviation and forecast changes

Q2 deviations

SEKm				
P&L	Q2'20	Q2'21	Q2'21e	Diff vs. ABGSC
Net sales	45.8	59.3	53.2	11%
Other income	0.8	0.1	0.0	
Other external costs	-21.7	-30.2	-26.6	14%
Personnel costs	-25.5	-20.6	-20.0	3%
Other costs	-28.4	-6.3	0.0	
-of which non-recurring items	-28.3	-6.3	0.0	
EBITDA	-29.0	2.2	6.6	-66%
Adj. EBITDA	-0.6	8.5	6.6	28%
Depreciation	-1.8	-0.6	-0.6	
Impairment	0.0	0.0	0.0	
EBIT	-30.8	1.6	6.0	-73%
Adj. EBIT	-2.4	7.9	6.0	31%
Net Financials	0.3	-0.5	-0.1	
Profit before tax	-30.5	1.1	6.0	
Tax	0.1	-0.3	-1.2	
NCI	-0.1	0.2	-0.3	
Net profit discontinued	-9.2	0.0	0.0	
Net income (to shareholders)	-39.6	0.7	4.5	-85%
EPS	-14.6	0.3	1.6	-85%
Growth				
Sales growth y-o-y	-32.4%	29.5%	16.3%	13.2pp
Margins				
Adj. EBITDA margin	-63.3%	3.8%	12.5%	-8.7pp
Adj. EBIT margin	-5.3%	13.3%	11.3%	2.0pp
Sales per division				
Sweden	39.5	49.7	43.9	13%
Finland	6.2	9.5	9.3	2%
Total	45.8	59.3	53.2	11%
Adj. EBIT per division				
Sweden	-0.9	8.4	5.3	59%
Finland	0.5	2.2	2.2	-1%
Adj. EBIT margin				
Sweden	-2.2%	16.9%	12.1%	4.8pp
Finland	7.3%	23.3%	22.0%	1.3pp

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	205.6	226.4	243.7	217.7	240.0	259.5	5.9%	6.0%	6.5%
Adj. EBITDA	25.4	32.7	36.5	27.4	35.4	40.0	7.8%	8.4%	9.7%
Adj. EBIT	23.0	30.2	33.9	25.0	32.9	37.4	8.6%	9.1%	10.5%
Net income	17.0	21.7	24.3	13.5	24.0	27.2	-20.7%	10.8%	12.1%
Adj EBITDA margin	12.4%	14.4%	15.0%	12.6%	14.8%	15.4%	0.2pp	0.3pp	0.5pp
Adj. EBIT margin	11.2%	13.3%	13.9%	11.5%	13.7%	14.4%	0.3pp	0.4pp	0.5pp
Net margin	8.3%	9.6%	10.0%	6.2%	10.0%	10.5%	-2.1pp	0.4pp	0.5pp

Source: ABG Sundal Collier, company data

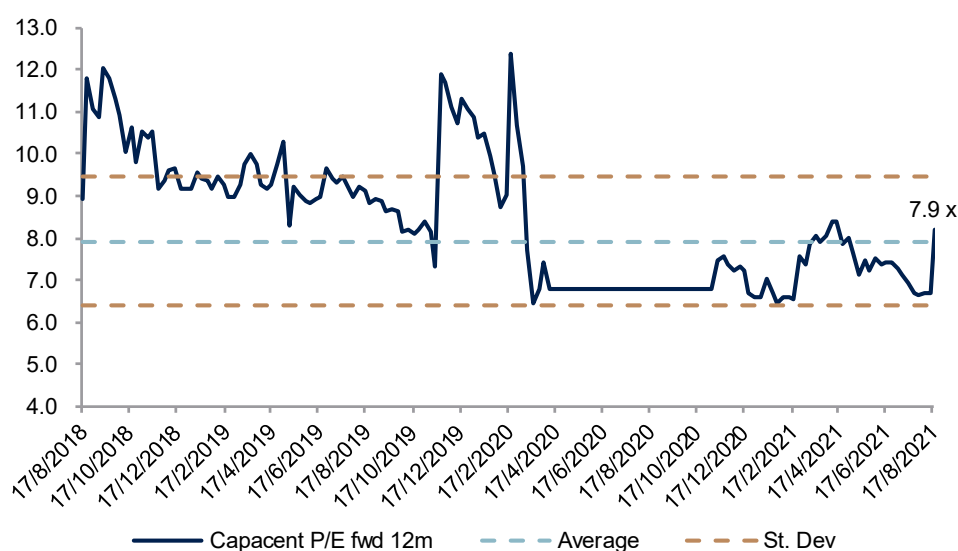
Valuation

Peer group

Company	Market cap (SEKm)	Sales growth (%)			EV/Sales (x)			EV/EBITDA (x)			EV/EBIT (x)			P/E (x)			Dividend yields			3-year CAGR ('19-'22e)			
		2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e	Sales	EBIT	EPS	
Consulting firms																							
Addnode	9,744	11%	-1%	4%	2.6	2.7	2.6	22.0	20.3	19.4	31.4	29.8	27.8	33.1	30.8	29.2	0.8%	0.9%	1.0%	5%	18%	28%	
Eurocon Consulting	187	-6%	9%	na	1.0	0.9	0.8	8.6	6.9	5.8	17.0	11.3	8.8	22.1	13.9	11.1	4.0%	4.9%	5.9%	3%	70%	58%	
eWork Group	1,205	-3%	7%	8%	0.1	0.2	0.1	10.3	12.4	12.3	13.3	15.6	15.4	17.3	20.0	20.1	5.6%	3.8%	4.0%	4%	7%	10%	
Know it	5,780	1%	16%	5%	1.7	1.4	1.4	13.7	11.9	11.4	17.1	14.9	14.0	21.7	19.5	18.8	2.4%	2.3%	2.5%	7%	8%	8%	
Rejlers	2,544	-2%	7%	4%	1.2	1.1	1.1	8.7	10.2	9.3	15.2	22.6	19.0	51.1	22.0	21.6	0.0%	1.7%	1.9%	3%	10%	11%	
Semcon	2,025	-12%	2%	7%	1.1	1.1	1.0	10.1	8.2	7.8	11.5	10.4	9.7	15.5	15.1	13.9	1.5%	4.4%	3.3%	-1%	8%	9%	
Tieto	32,027	61%	1%	3%	1.5	1.5	1.4	9.2	7.9	7.6	11.5	11.4	10.8	12.4	11.7	10.8	4.9%	5.5%	5.5%	18%	25%	13%	
AF	29,512	-4%	3%	5%	1.9	1.9	1.8	15.8	14.7	13.3	23.6	21.5	18.8	26.8	22.9	19.9	1.8%	2.3%	2.5%	1%	7%	3%	
Average		6%	5%	5%	1.4	1.3	1.3	12.3	11.6	10.9	17.6	17.2	15.5	25.0	19.5	18.2	2.6%	3.2%	3.3%	5%	19%	21%	
Median		-3%	5%	5%	1.3	1.3	1.2	10.2	11.0	10.4	16.1	15.3	14.7	21.9	19.8	19.3	2.1%	3.1%	2.9%	3%	9%	10%	
Capacent (ABGSCe)	164	-21%	6%	10%	0.4	0.7	0.6	4.0	5.4	4.0	5.9	6.0	4.3	10.6	8.2	6.8	9.7%	5.4%	9.5%	-3%	70%	140%	
Capacent above/below (+/-)		678%	27%	92%	-71%	-47%	-52%	-61%	-51%	-61%	-63%	-61%	-71%	-52%	-59%	-65%	358%	75%	227%	-177%	662%	1252%	

Source: ABG Sundal Collier, company data, FactSet

P/E (x) NTM



Source: ABG Sundal Collier, company data

Indicative price range of SEK 57-84

We expect a P/E of 6.8x for '22e, which is slightly below the three-year NTM average of 7.9x. An indicative price range of plus/minus one standard deviation from the average indicates SEK 57-84 per share.

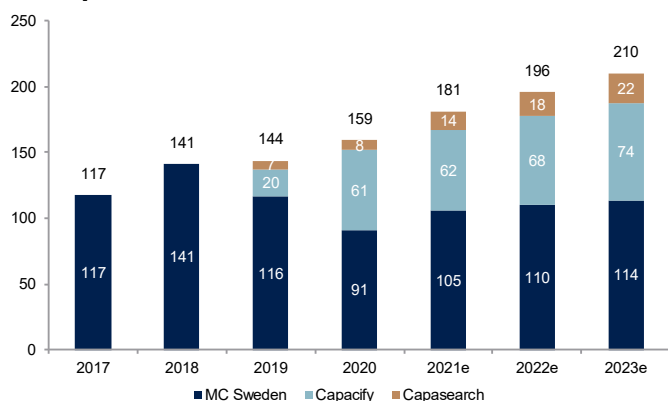
The price range will ultimately be determined by the execution of the ongoing restructuring. One could also argue, however, that a successful restructuring would decrease the valuation gap towards the peer group. Currently, Capacent is trading ~59% below the peer group on 2021e P/E.

Quarterly and yearly overview

SEKm P&L	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21e	Q4'21e	2016	2017	2018	2019	2020	2021e	2022e	2023e
Net sales	69.0	45.8	35.9	53.8	48.1	59.3	46.3	64.0	142.9	200.4	263.8	259.7	204.5	217.7	240.0	259.5
Other income	0.0	0.8	1.3	0.6	0.2	0.1	0.0	0.0	0.7	6.8	9.6	0.1	2.7	0.2	0.0	0.0
Other external costs	-20.3	-21.7	-15.7	-23.5	-23.6	-30.2	-23.2	-32.0	-20.1	-42.0	-59.3	-55.5	-81.2	-109.1	-120.0	-129.7
Personnel costs	-43.6	-25.5	-15.2	-21.7	-19.4	-20.6	-19.2	-22.0	-115.6	-112.6	-183.7	-184.6	-106.0	-81.2	-84.6	-89.7
Other costs	0.0	-28.4	0.0	0.0	-0.3	-6.3	0.0	0.0	-0.1	0.0	0.0	0.0	-28.4	-6.6	0.0	0.0
-of which non-recurring items	0.0	-28.3	0.0	0.0	0.0	-6.3	0.0	0.0	0	2.75	-3.3	-3.5	-28.3	-6.3	0.0	0.0
EBITDA	5.2	-29.0	6.2	9.2	4.9	2.2	4.0	10.0	10.8	12.9	30.5	19.7	-8.4	21.1	35.4	40.0
Adj. EBITDA	5.2	-0.6	6.2	9.2	4.9	8.5	4.0	10.0	10.8	10.2	24.3	23.2	19.9	27.4	35.4	40.0
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	4.3	1.6	3.4	9.4	10.3	5.9	17.9	6.7	-15.1	18.7	32.9	37.4
Adj. EBIT	1.5	-2.4	5.6	8.6	4.3	7.9	3.4	9.4	10.3	8.4	21.2	10.2	13.3	25.0	32.9	37.4
Net Financials	-1.3	0.3	-0.1	0.3	0.1	-0.5	-0.1	-0.1	0.2	-0.9	-1.2	-3.6	-0.8	-0.6	-0.3	-0.3
Profit before tax	0.3	-30.5	5.4	8.9	4.3	1.1	3.3	9.3	10.6	5.0	16.7	3.1	-15.9	18.2	32.6	37.1
Tax	-0.1	0.1	-1.3	-1.9	-0.9	-0.3	-0.7	-1.9	-2.3	-2.0	-4.7	-0.9	-3.3	-3.8	-6.7	-7.6
NCI	0.1	-0.1	0.0	0.0	0.0	0.2	-0.2	-0.4	0.0	0.3	0.5	-0.4	0.0	-0.5	-1.9	-2.3
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	3.4	0.7	2.4	7.0	8.2	3.3	11.5	2.6	-28.4	13.5	24.0	27.2
EPS diluted	0.0	-14.6	1.5	2.6	1.3	0.3	0.9	2.6	3.1	1.2	4.0	1.1	-10.4	5.0	8.9	10.0
DPS									3.0	1.0	3.0	1.0	3.5	3.2	5.8	6.5
Growth																
Sales growth y-o-y	-3.2%	-32.4%	-25.7%	-25.7%	-30.3%	29.5%	29.2%	18.9%	-7.2%	40.2%	31.7%	-1.6%	-21.3%	6.5%	10.2%	8.1%
Margins																
Adj. EBITDA margin	7.5%	-63.3%	17.3%	17.0%	10.2%	3.8%	8.6%	15.6%	7.6%	5.1%	9.2%	8.9%	9.7%	12.6%	14.8%	15.4%
Adj. EBIT margin	2.2%	-5.3%	15.6%	16.0%	8.9%	13.3%	7.3%	14.7%	7.2%	4.2%	8.0%	3.9%	6.5%	11.5%	13.7%	14.4%
Adj. R12 EBIT margin	2.8%	0.5%	4.5%	6.5%	8.7%	13.4%	11.6%	11.5%								
Sales per division																
Sweden	44.0	39.5	31.5	44.2	36.5	49.7	40.2	52.7	121.7	117.5	141.1	143.9	159.2	179.0	195.6	209.9
Finland	7.7	6.2	4.4	9.6	11.7	9.5	6.2	11.3	21.3	19.9	38.8	38.8	27.7	38.7	44.4	49.6
Total	69.0	45.8	35.9	53.8	48.1	59.3	46.3	64.0	142.9	200.4	263.8	259.7	204.5	217.7	240.0	259.5
Adj. EBIT per division																
Sweden	1.6	-0.9	6.0	7.8	1.4	8.4	3.4	8.4		6.9	10.6	8.3	14.5	21.6	29.1	32.5
Finland	0.0	0.5	1.0	2.8	4.2	2.2	1.0	2.5		2.0	12.2	6.5	4.2	9.9	9.3	10.9
Adj. EBIT margin per division																
Sweden	3.7%	-2.2%	19.1%	17.6%	3.7%	16.9%	8.5%	15.9%	8.0%	6.6%	7.5%	5.7%	9.1%	12.0%	14.9%	15.5%
Finland	0.4%	7.3%	22.2%	28.9%	36.3%	23.3%	16.0%	22.0%	7.8%	9.8%	31.5%	16.8%	15.3%	23.9%	21.0%	22.0%

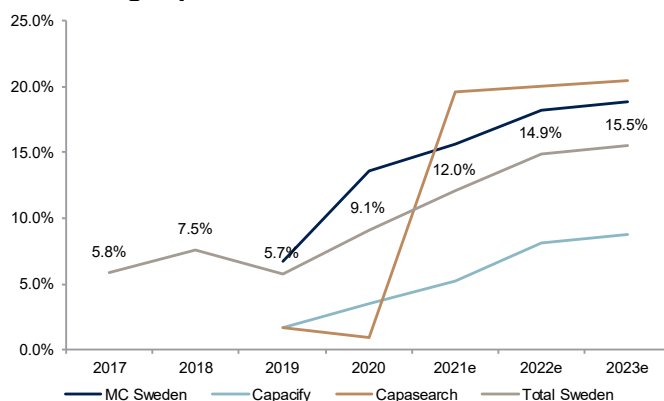
Source: ABG Sundal Collier, company data

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.

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			
	2018	2019	2020
Women in workforce %	34	39	35
Women in management %	0	0	0
Women in board %	20	50	50
CEO salary, SEKm p.a.	1.576	1.456	1.491
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 2021	Q2 2021	Q3 2021e	Q4 2021e
Sales	69	46	36	54	48	59	46	64
COGS	0	0	0	0	0	0	0	0
Gross profit	69	46	36	54	48	59	46	64
Other operating items	-64	-75	-30	-45	-43	-57	-42	-54
EBITDA	5	-29	6	9	5	2	4	10
Depreciation and amortisation	-4	-2	-1	-1	-1	-1	-1	-1
EBITA	2	-31	6	9	4	2	3	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	4	2	3	9
Net financial items	-1	0	-0	0	0	-1	-0	-0
Pretax profit	0	-31	5	9	4	1	3	9
Tax	-0	0	-1	-2	-1	-0	-1	-2
Net profit	0	-30	4	7	3	1	3	7
Minority interest	0	-0	-0	-0	-0	0	-0	-0
Net profit discontinued	0	-9	0	0	0	0	0	0
Net profit to shareholders	0	-40	4	7	3	1	2	7
EPS	0.09	-13.30	1.38	2.33	1.13	0.35	0.81	2.33
EPS Adj	0.09	-10.21	1.38	2.33	1.13	0.35	0.81	2.33
Total extraordinary items after tax	0	0	0	-3	0	-3	-3	0
Tax rate (%)	48.5	0.3	23.5	21.8	21.5	24.7	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	10.2	3.8	8.6	15.6
EBITA margin (%)	2.2	-67.2	15.6	16.0	8.9	2.8	7.3	14.7
EBIT margin (%)	2.2	-67.2	15.6	16.0	8.9	2.8	7.3	14.7
Pretax margin (%)	0.4	-66.7	15.2	16.6	9.0	1.9	7.2	14.6
Net margin (%)	0.2	-66.5	11.6	13.0	7.1	1.4	5.7	11.6
Growth rates Y/Y	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021e	Q4 2021e
Sales growth (%)	-3.2	-32.4	-25.7	-25.7	-30.3	29.5	29.2	18.9
EBITDA growth (%)	-29.5	-chg	+chg	-2.7	-5.2	+chg	-35.7	8.9
EBIT growth (%)	-65.5	-chg	+chg	60.3	178.6	+chg	-39.5	9.4
Net profit growth (%)	-95.0	-chg	+chg	100.8	2,375.4	+chg	-36.4	6.3
EPS growth (%)	-95.0	-chg	+chg	100.8	2,375.4	+chg	-36.4	6.3
Adj earnings numbers	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021e	Q4 2021e
EBITDA Adj	5	-29	6	12	5	5	7	10
EBITDA Adj margin (%)	7.5	-63.3	17.3	22.1	10.2	8.0	14.9	15.6
EBITA Adj	2	-31	6	11	4	4	6	9
EBITA Adj margin (%)	2.2	-67.2	15.6	21.0	8.9	7.0	13.6	14.7
EBIT Adj	2	-31	6	11	4	4	6	9
EBIT Adj margin (%)	2.2	-67.2	15.6	21.0	8.9	7.0	13.6	14.7
Pretax profit Adj	0	-31	5	12	4	4	6	9
Net profit Adj	0	-30	4	10	3	3	6	7
Net profit to shareholders Adj	0	-31	4	10	3	4	5	7
Net Adj margin (%)	0.2	-66.5	11.6	18.0	7.1	5.7	12.0	11.6

Source: ABG Sundal Collier, Company data

Capacent Holding

Income Statement (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Sales	138	154	143	200	264	260	204	218	240	259
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	138	154	143	200	264	260	204	218	240	259
Other operating items	-125	-137	-132	-187	-243	-240	-213	-197	-205	-219
EBITDA	14	17	11	13	21	20	-8	21	35	40
Depreciation and amortisation	-1	-1	-0	-2	-3	-13	-7	-2	-3	-3
Of which leasing depreciation	0	0	0	0	0	-13	-7	-2	-2	-2
EBITA	13	17	10	11	18	7	-15	19	33	37
EO items	0	-2	0	3	-3	-4	-28	-6	0	0
Impairment and PPA amortisation	0	0	0	-5	0	0	0	0	0	0
EBIT	13	17	10	6	18	7	-15	19	33	37
Net financial items	-1	-0	0	-1	-1	-4	-1	-1	-0	-0
Pretax profit	12	16	11	5	17	3	-16	18	33	37
Tax	-2	-3	-2	-2	-5	-1	-3	-4	-7	-8
Net profit	10	14	8	3	12	2	-19	14	26	29
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	14	24	27
EPS	3.71	5.12	3.11	1.23	4.16	0.64	-7.05	5.08	8.85	10.02
EPS Adj	3.71	5.76	3.11	2.17	5.27	1.93	3.39	7.38	8.85	10.02
Total extraordinary items after tax	0	-2	0	3	-3	-4	-28	-6	0	0
Leasing payments	0	0	0	0	0	-13	-7	-2	-2	-2
Tax rate (%)	17.9	17.6	22.2	39.5	28.2	29.9	20.5	21.1	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	9.7	14.8	15.4
EBITA margin (%)	9.4	10.8	7.2	5.6	6.8	2.6	-7.4	8.6	13.7	14.4
EBIT margin (%)	9.4	10.8	7.2	2.9	6.8	2.6	-7.4	8.6	13.7	14.4
Pretax margin (%)	8.6	10.7	7.4	2.5	6.3	1.2	-7.8	8.3	13.6	14.3
Net margin (%)	7.1	8.8	5.7	1.5	4.5	0.8	-9.4	6.6	10.8	11.4
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	6.5	10.2	8.1
EBITDA growth (%)	938.4	27.1	-37.2	19.7	61.9	-6.1	-142.9	350.0	67.7	13.0
EBIT growth (%)	2,212.0	28.9	-38.2	-43.0	204.5	-62.7	-325.7	224.4	75.9	13.6
Net profit growth (%)	6,072.6	38.2	-39.3	-63.3	297.7	-82.0	-985.6	174.9	80.6	13.8
EPS growth (%)	6,072.5	38.2	-39.3	-60.3	238.0	-84.6	-1,200.3	172.1	74.1	13.2
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	17.4	27.0	26.5
ROE Adj (%)	10.2	14.5	7.7	5.6	14.5	4.8	10.0	25.2	27.0	26.5
ROCE (%)	12.1	15.3	9.4	5.2	15.0	4.7	-12.4	22.1	34.5	33.7
ROCE Adj(%)	12.1	16.9	9.4	7.5	17.7	7.2	10.9	29.5	34.5	33.7
ROIC (%)	10.3	14.3	8.3	3.2	11.2	3.6	-16.9	23.7	37.2	38.8
ROIC Adj (%)	10.3	15.8	8.3	4.6	13.3	5.4	14.9	31.6	37.2	38.8
Adj earnings numbers	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA Adj	14	19	11	10	24	23	20	27	35	40
EBITDA Adj margin (%)	9.8	12.3	7.6	5.1	9.2	8.9	9.7	12.6	14.8	15.4
EBITDA lease Adj	14	19	11	10	24	10	13	26	34	38
EBITDA lease Adj margin (%)	9.8	12.3	7.6	5.1	9.2	3.9	6.5	11.8	14.1	14.8
EBITA Adj	13	18	10	8	21	10	13	25	33	37
EBITA Adj margin (%)	9.4	11.9	7.2	4.2	8.0	3.9	6.5	11.5	13.7	14.4
EBIT Adj	13	18	10	8	21	10	13	25	33	37
EBIT Adj margin (%)	9.4	11.9	7.2	4.2	8.0	3.9	6.5	11.5	13.7	14.4
Pretax profit Adj	12	18	11	8	20	7	12	24	33	37
Net profit Adj	10	15	8	6	15	6	9	21	26	29
Net profit to shareholders Adj	10	15	8	6	16	5	9	20	24	27
Net Adj margin (%)	7.1	9.9	5.7	2.8	5.8	2.2	4.5	9.5	10.8	11.4

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	21	35	40
Net financial items	-1	-0	0	-1	-1	-4	-1	-1	-0	-0
Paid tax	-2	-3	-2	-2	-5	-3	-3	-4	-7	-8
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	17	28	32
Change in WC	7	3	-7	4	6	-10	15	-6	-6	-2
Operating cash flow	17	20	2	10	21	3	3	11	22	30
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	8	19	27
Dividend paid	0	-6	-13	-8	-3	-8	0	-10	-9	-16
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Lease liability amortisation	0	0	0	0	0	-13	-7	-2	-2	-2
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	4	7
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	77	79	81
Inventories	0	0	0	0	0	0	0	0	0	0
Receivables	29	38	37	56	61	62	33	39	48	52
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	6	20	6	6	15	5	24	21	30	39
Total assets	134	152	139	184	187	217	132	137	157	172
Shareholders equity	102	108	105	104	113	106	77	81	97	108
Minority	0	0	0	1	1	1	0	1	3	5
Total equity	102	108	105	105	114	107	78	82	100	113
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	53	54
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	134	152	139	184	187	217	132	137	157	172
Net IB debt	-2	-16	-4	8	-9	49	-19	-16	-25	-35
Net IB debt excl. pension debt	-2	-16	-4	8	-9	49	-19	-16	-25	-35
Net IB debt excl. leasing	-2	-16	-4	8	-9	13	-24	-21	-30	-39
Capital invested	100	93	100	123	107	156	58	66	74	79
Working capital	1	-3	5	1	-5	6	-17	-11	-5	-3
EV breakdown	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Market cap. diluted (m)	na	106	119	93	144	113	98	163	163	163
Net IB debt Adj	-2	-16	-4	8	-9	49	-19	-16	-25	-35
Market value of minority	0	0	0	0	1	1	0	1	3	5
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	148	140	133
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	162.1	163.4	157.6
Working capital/sales (%)	3.2	-0.4	0.8	1.4	-0.8	0.1	-2.7	-6.3	-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	-0.20	-0.25	-0.31
Net debt/market cap	na	-0.16	-0.03	0.08	-0.07	0.38	-0.25	-0.10	-0.16	-0.21
Equity ratio (%)	75.8	71.0	75.2	57.1	61.0	49.3	59.2	60.2	63.5	65.8
Net IB debt adj./equity	-0.02	-0.14	-0.04	0.08	-0.08	0.46	-0.25	-0.20	-0.25	-0.31
Current ratio	1.26	1.43	1.26	0.93	1.05	0.79	1.10	1.15	1.42	1.61
EBITDA/net interest	13.42	70.02	-44.14	14.38	17.32	5.48	-10.23	38.33	118.08	133.37
Net IB debt/EBITDA	-0.15	-0.91	-0.40	0.65	-0.41	2.51	2.30	-0.77	-0.71	-0.87
Net IB debt/EBITDA lease Adj	-0.15	-0.83	-0.40	0.82	-0.36	1.24	-1.80	-0.81	-0.88	-1.02
Interest cover	12.82	67.82	-42.11	12.42	14.79	1.86	-18.22	33.97	109.74	124.70

Source: ABG Sundal Collier, Company data

Capacent Holding

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	5.08	8.85	10.02
Dividend per share Adj	2.3	5.0	3.0	1.0	3.0	0	3.5	3.2	5.8	6.5
EPS Adj	3.71	5.76	3.11	2.17	5.27	1.93	3.39	7.38	8.85	10.02
BVPS	38.46	40.89	39.58	38.41	41.61	39.11	28.52	30.00	35.62	39.88
BVPS Adj	3.42	6.27	4.49	-4.39	2.70	-1.10	2.97	4.44	10.06	14.32
Net IB debt / share	-0.7	-5.9	-1.7	3.1	-3.2	18.2	-7.1	-6.0	-9.3	-12.8
Share price	na	40.00	45.10	34.30	48.10	41.60	36.00	60.00	60.00	60.00
Market cap. (m)	na	106	119	93	131	113	98	163	163	163
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	11.8	6.8	6.0
EV/sales	na	0.59	0.80	0.51	0.52	0.63	0.39	0.68	0.59	0.51
EV/EBITDA	na	5.2	10.6	7.8	6.5	8.3	-9.3	7.0	4.0	3.3
EV/EBITA	na	5.4	11.1	9.1	7.6	24.4	-5.2	7.9	4.3	3.6
EV/EBIT	na	5.4	11.1	17.3	7.6	24.4	-5.2	7.9	4.3	3.6
Dividend yield (%)	na	12.5	6.7	2.9	6.2	0	9.7	5.4	9.6	10.9
FCF yield (%)	na	18.7	1.6	-0.8	12.8	-2.6	1.2	5.1	11.9	16.4
Lease adj. FCF yield (%)	na	18.7	1.6	-0.8	12.8	-14.1	-5.5	4.1	10.9	15.4
P/BVPS	na	0.98	1.14	0.89	1.16	1.06	1.26	2.00	1.68	1.50
P/BVPS Adj	na	6.38	10.05	-7.82	17.80	-37.95	12.14	13.51	5.96	4.19
P/E Adj	na	6.9	14.5	15.8	9.1	21.6	10.6	8.1	6.8	6.0
EV/EBITDA Adj	na	4.8	10.6	10.0	5.6	7.0	4.0	5.4	4.0	3.3
EV/EBITA Adj	na	4.9	11.1	12.0	6.4	16.0	5.9	5.9	4.3	3.6
EV/EBIT Adj	na	4.9	11.1	12.0	6.4	16.0	5.9	5.9	4.3	3.6
EV/cap. employed	na	0.8	1.1	0.9	1.1	1.0	1.0	1.7	1.4	1.1
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	326.6	342.9	353.0
Capex tangibles/tangible fixed assets	-96.9	27.7	52.6	435.6	66.3	135.8	266.1	109.6	65.1	46.8
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	30.2	31.7	33.3
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, 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: 24/08/2021 14:53 CET.

All prices are as of market close on 23 August, 2021 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 investors who are able 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, investors with no or limited experience and knowledge from investments in financial instruments. 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

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 2021 ABG Sundal Collier ASA

Norway	Sweden	Denmark	United Kingdom	USA	Germany	Singapore
Pb. 1444 Vika NO-0115 OSLO Norway	Regeringsgatan 25, 8 th floor SE-111 53 STOCKHOLM Sweden	Forbindelsesvej 12, DK-2100 COPENHAGEN Denmark	10 Paternoster Row, 5th fl LONDON EC4M 7EJ UK	850 Third Avenue, Suite 9-C NEW YORK, NY 10022 USA	Schillerstrasse 2, 5. OG DE-60313 FRANKFURT Germany	10 Collyer Quay Ocean Financial Center #40-07, Singapore 049315 Tel +65 6808 6082
Tel: +47 22 01 60 00 Fax: +47 22 01 60 60	Tel: +46 8 566 286 00 Fax: +46 8 566 286 01	Tel: +45 35 46 61 00 Fax: +45 35 46 61 10	Tel: +44 20 7905 5600 Fax: +44 20 7905 5601	Tel: +1 212 605 3800 Fax: +1 212 605 3801	Tel +49 69 96 86 96 0 Fax +49 69 96 86 96 99	