

Capacent Holding

Strong start to the year

- COVID-19 still affecting new customer intake
- Higher margins offset sales revision
- Fair value range of SEK 47-70 (45-68)

Q1: Another quarter with impressive profitability

Capacent reported Q1 sales of SEK 48.1m (51.4m), 10% below our expectations as the second wave of COVID-19 affected new customer intake in Sweden to a greater extent than we anticipated. Finland, on the other hand, saw a sharp recovery y-o-y, with sales of SEK 11.7m (7.7m), 54% above our SEK 7.6m. Group EBIT was SEK 4.3m (1.5m), which was 23% above our forecast despite sales being below estimates. The deviation was caused by the strong results in Finland, which recorded an EBIT margin of 36.3% from a strong performance from existing customers and successful outcomes in certain projects with performance-based compensation. All in all, the headwind in Sweden was stronger than anticipated, but Capacent recorded a third consecutive quarter with clear improvements in the EBIT margin y-o-y. Following the restructuring in Q2'20, the R12 EBIT margin has strengthened every quarter and is now at 8.7%.

Less headwind from lockdowns in Q2

We lower our sales estimates to adjust for the deviation in Q1. However, Capacent mentioned that it was able to recruit new talent towards the end of the quarter, with these employees set to start their tenures in Q2 and Q3. Together with easing lockdown headwinds in Sweden, we think Capacent will be able to bridge the gap somewhat in '22e-'23e. In total, we decrease our sales forecast by 5%-1.7% for '21-'23. This decrease is offset by higher EBIT margin assumptions. This results in positive long-term adjustments on the EBIT level.

P/E 7.9x with 8.3% div. yield on revised '21e

We raise our indicative fair-value range to SEK 47-70 (45-68), which is based on a blend of P/E and EV/EBIT NTM vs. Capacent's historical valuation. In addition, at 7.9x P/E for '21e, Capacent is trading 57% below our peer group of other Swedish consultancy firms. It also holds a 45% stake in Commended, which was valued at SEK 20m in conjunction with a capital raise from external investors in February.

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SEKm	2019	2020	2021e	2022e	2023e
Sales	260	204	206	226	244
EBITDA	20	-8	25	33	36
EBITDA margin (%)	7.6	-4.1	12.4	14.4	15.0
EBIT adj	10	13	23	30	34
EBIT adj margin (%)	3.9	6.5	11.2	13.3	13.9
Pretax profit	3	-16	23	30	34
EPS rep	0.64	-7.05	6.25	7.99	8.94
EPS adj	1.93	3.39	6.25	7.99	8.94
Sales growth (%)	-1.6	-21.3	0.5	10.1	7.7
EPS growth (%)	-84.6	-1,200.3	188.6	27.9	11.9

Source: ABG Sundal Collier, Company data

Reason: Post-results comment

Company sponsored research

Not rated

Estimate changes (%)

	2021e	2022e	2023e
Sales	-5.0%	-2.9%	-1.7%
EBIT (rep)	5.6%	1.6%	2.1%
EPS (rep)	7.3%	1.6%	2.3%

Source: ABG Sundal Collier

Share price (SEK)	17/05/2021	49.1
Fair value range (per share)		47-70

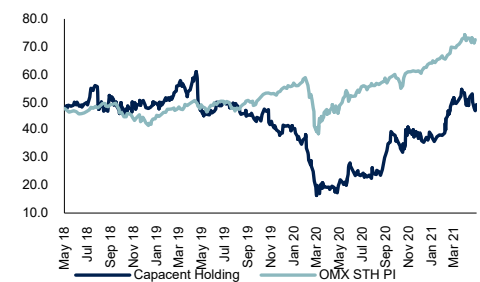
Services, Sweden
CAPAC.ST/CAPAC SS

MCap (SEKm)	133
MCap (EURm)	13
Net debt (EURm)	-2

No. of shares (m)	2.7
Free float (%)	41
Av. daily volume (k)	3

Next event Q2 report: 19 Aug

Performance



Absolute (%)	1m	3m	12m
	-9.1	29.2	146.7

Source: FactSet

	2021e	2022e	2023e
P/E (x)	7.9	6.1	5.5
P/E adj (x)	7.9	6.1	5.5
P/BVPS (x)	1.57	1.39	1.26
EV/EBITDA (x)	4.5	3.4	2.9
EV/EBIT adj (x)	5.0	3.7	3.1
EV/sales (x)	0.56	0.49	0.43
ROE adj (%)	20.9	24.0	24.1
Dividend yield (%)	8.3	10.6	11.8
FCF yield (%)	8.7	13.3	18.2
Lease adj. FCF yld (%)	7.8	12.4	17.2
Net IB debt/EBITDA	-0.8	-0.8	-1.0
Lease adj. ND/EBITDA	-1.0	-1.0	-1.1

Please refer to important disclosures at the end of this report

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

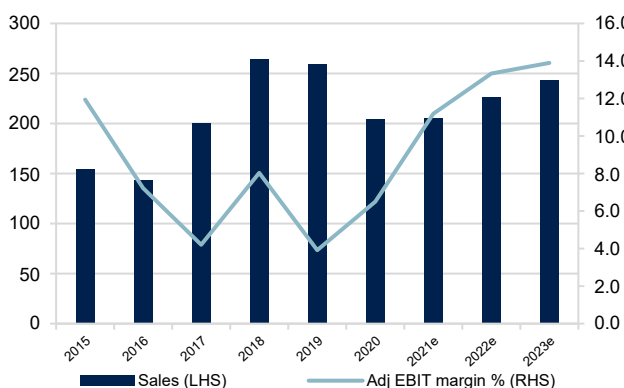
Company description

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

Risks

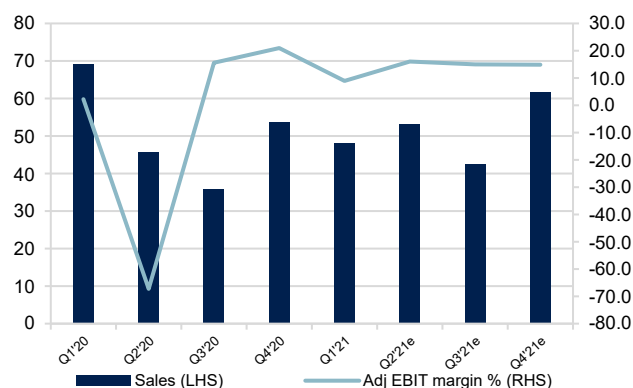
Capacent is dependent on continuing demand for its services from current and new customers. Moreover, a tougher climate for hiring new consultants would affect Capacent's organic growth. Furthermore, the Finnish operations are more volatile than the other divisions due to more performance-based earnings.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

Annual sales and adj. EBIT margin



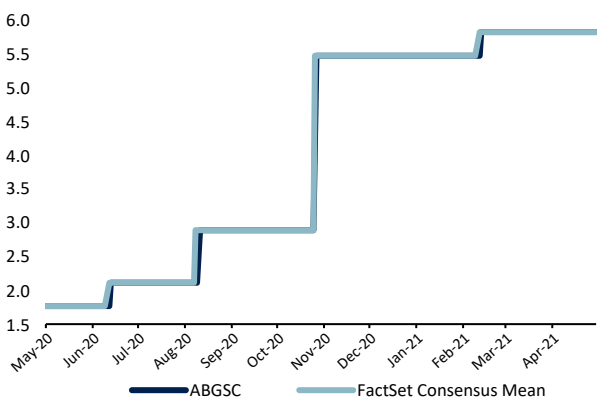
Source: ABG Sundal Collier, Company data

Quarterly sales and adj. EBIT margin



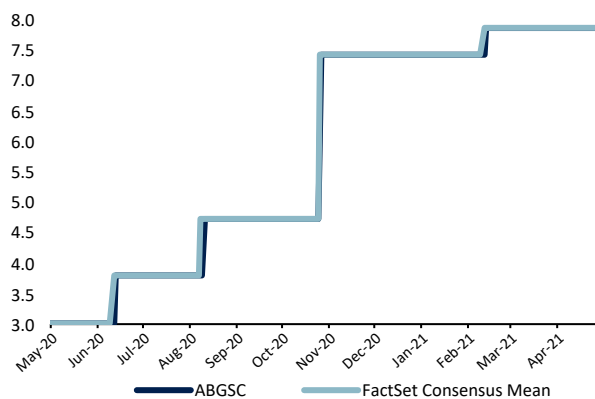
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2021e, SEK



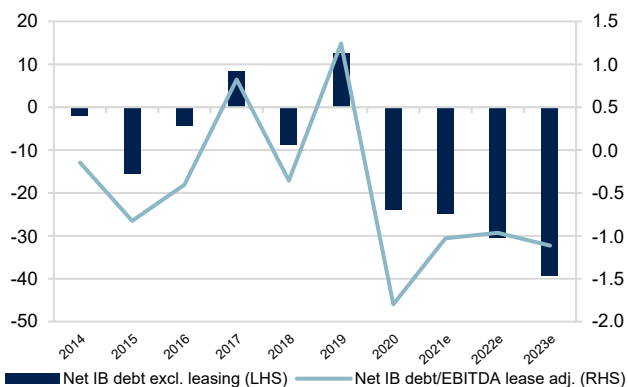
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2022e, SEK



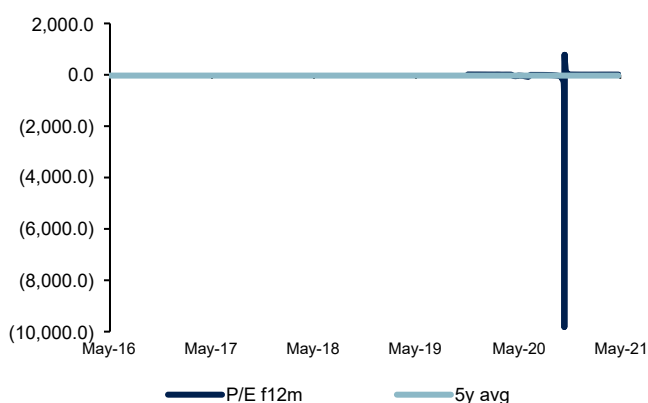
Source: ABG Sundal Collier, FactSet

Lease adj. net debt and ND/EBITDA



Source: ABG Sundal Collier, Company data

12-month forward-looking P/E



Source: ABG Sundal Collier, Company data

Deviation and forecast changes

Q1 deviations

SEKm				
P&L	Q1'20	Q1'21	Q1'21e	Diff vs. ABGSC
Net sales	69.0	48.1	53.4	-10%
Other income	0.0	0.2	0.0	
Other external costs	-20.3	-23.6	-18.7	27%
Personnel costs	-43.6	-19.4	-30.6	-36%
Other costs	0.0	-0.3	0.0	
-of which non-recurring items	0.0	0.0	0.0	
EBITDA	5.2	4.9	4.1	20%
Adj. EBITDA	5.2	4.9	4.1	20%
Depreciation	-3.6	-0.6	-0.6	
Impairment	0.0	0.0	0.0	
EBIT	1.5	4.3	3.5	23%
Adj. EBIT	1.5	4.3	3.5	23%
Net Financials	-1.3	0.1	-0.1	
Profit before tax	0.3	4.3	3.4	
Tax	-0.1	-0.9	-0.7	
NCI	0.1	0.0	-0.1	
Net profit discontinued	0.0	0.0	0.0	
Net income (to shareholders)	0.0	3.4	2.6	31%
EPS	0.0	1.3	1.0	31%
Growth				
Sales growth y-o-y	-3.2%	-30.3%	-22.7%	-7.6pp
Margins				
Adj. EBITDA margin	7.5%	10.2%	7.7%	2.5pp
Adj. EBIT margin	2.2%	8.9%	6.5%	2.4pp
Sales per division				
Sweden	44.0	36.5	45.8	-20%
Finland	7.7	11.7	7.6	54%
Total	69.0	48.1	53.4	-10%
Adj. EBIT per division				
Sweden	1.6	1.4	4.2	-68%
Finland	0.0	4.2	0.8	439%
Adj. EBIT margin				
Sweden	3.7%	3.7%	9.2%	-5.4pp
Finland	0.4%	36.3%	10.0%	26.3pp

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	216.5	233.1	247.9	205.6	226.4	243.7	-5.0%	-2.9%	-1.7%
Adj. EBITDA	24.2	32.2	35.8	25.4	32.7	36.5	5.1%	1.5%	1.9%
Adj. EBIT	21.8	29.7	33.2	23.0	30.2	33.9	5.6%	1.6%	2.1%
Net income	15.8	21.4	23.7	17.0	21.7	24.3	7.7%	1.6%	2.3%
Adj EBITDA margin	11.2%	13.8%	14.4%	12.4%	14.4%	15.0%	1.2pp	0.6pp	0.5pp
Adj. EBIT margin	10.1%	12.7%	13.4%	11.2%	13.3%	13.9%	1.1pp	0.6pp	0.5pp
Net margin	7.3%	9.2%	9.6%	8.3%	9.6%	10.0%	1.0pp	0.4pp	0.4pp

Source: ABG Sundal Collier, company data

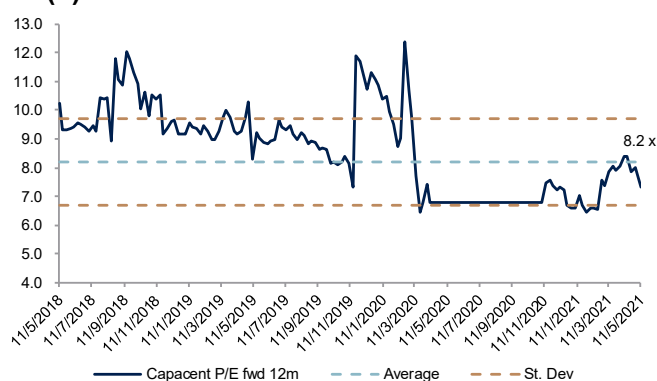
Valuation

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
Adnnode	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	1.0	0.9	8.6	7.5	6.4	17.0	12.3	9.6	22.1	15.1	12.1	4.0%	4.5%	5.4%	3%	70%	58%
eWork Group	1,205	-3%	6%	8%	0.1	0.1	0.1	10.3	10.9	10.7	13.3	13.8	13.5	17.3	17.3	17.3	5.6%	4.5%	4.8%	4%	7%	9%
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	11.5	10.7	17.6	17.1	15.4	25.0	19.3	17.9	2.6%	3.3%	3.4%	5%	19%	20%
Median		-3%	5%	5%	1.3	1.3	1.2	10.2	10.5	10.0	16.1	14.3	13.7	21.9	18.4	18.1	2.1%	3.4%	2.9%	3%	9%	10%
Capacent (ABGSCe)	133	-21%	1%	10%	0.4	0.6	0.5	4.0	4.5	3.4	5.9	5.0	3.7	10.6	7.9	6.1	9.7%	8.3%	10.6%	-4%	65%	132%
Capacent above/below (+/-)		678%	-88%	89%	-71%	-57%	-60%	-61%	-57%	-66%	-63%	-65%	-73%	-52%	-57%	-66%	358%	147%	263%	-236%	609%	1224%

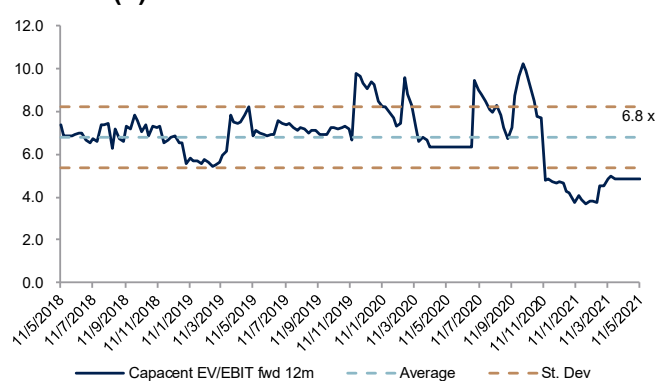
Source: ABG Sundal Collier, company data

P/E (x) NTM



Source: ABG Sundal Collier, company data

EV/EBIT (x) NTM



Source: ABG Sundal Collier, company data

Indicative price range SEK 47-70

We expect a P/E of 7,9x for '21e, which is slightly below the three-year NTM average of 8.2x. An indicative price range of plus/minus one standard deviation from the average indicates SEK 41-60 per share.

Capacent currently has a strong balance sheet with a net cash position of ~SEK 24m and on our 2021 estimates, it is trading at an EV/EBIT of 5.0x, which is below the three-year NTM average of 6.8x. An indicative price range of plus/minus one standard deviation from the EV/EBIT average indicates SEK 53-80 per share. We arrive at our fair value range by combining the two ranges equally, which yields SEK 47-70 per share.

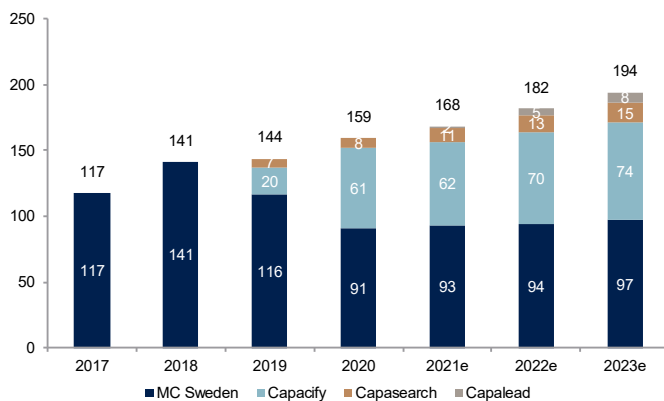
The price range will ultimately be determined by execution of the ongoing restructuring. One could also argue, however, that a successful restructuring would decrease the valuation gap towards the peer group. Currently, Capacent is trading ~57% below the peer group on 2021e P/E.

Quarterly and yearly overview

SEKm P&L	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21e	Q3'21e	Q4'21e	2016	2017	2018	2019	2020	2021e	2022e	2023e
Net sales	69.0	45.8	35.9	53.8	48.1	53.2	42.5	61.7	142.9	200.4	263.8	259.7	204.5	205.6	226.4	243.7
Other income	0.0	0.8	1.3	0.6	0.2	0.0	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	-26.6	-21.3	-30.9	-20.1	-42.0	-59.3	-55.5	-81.2	-102.4	-113.2	-121.9
Personnel costs	-43.6	-25.5	-15.2	-21.7	-19.4	-20.0	-17.2	-21.1	-115.6	-112.6	-183.7	-184.6	-106.0	-77.7	-80.5	-85.4
Other costs	0.0	-28.4	0.0	0.0	-0.3	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-28.4	-0.3	0.0	0.0
-of which non-recurring items	0.0	-28.3	0.0	0.0	0.0	0.0	0.0	0.0	0	2.75	-3.3	-3.5	-28.3	0.0	0.0	0.0
EBITDA	5.2	-29.0	6.2	9.2	4.9	6.6	4.1	9.8	10.8	12.9	30.5	19.7	-8.4	25.4	32.7	36.5
Adj. EBITDA	5.2	-0.6	6.2	9.2	4.9	6.6	4.1	9.8	10.8	10.2	24.3	23.2	19.9	25.4	32.7	36.5
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	6.0	3.5	9.2	10.3	5.9	17.9	6.7	-15.1	23.0	30.2	33.9
Adj. EBIT	1.5	-2.4	5.6	8.6	4.3	6.0	3.5	9.2	10.3	8.4	21.2	10.2	13.3	23.0	30.2	33.9
Net Financials	-1.3	0.3	-0.1	0.3	0.1	-0.1	-0.1	-0.1	0.2	-0.9	-1.2	-3.6	-0.8	-0.1	-0.3	-0.3
Profit before tax	0.3	-30.5	5.4	8.9	4.3	6.0	3.4	9.1	10.6	5.0	16.7	3.1	-15.9	22.9	29.9	33.6
Tax	-0.1	0.1	-1.3	-1.9	-0.9	-1.2	-0.7	-1.9	-2.3	-2.0	-4.7	-0.9	-3.3	-4.8	-6.2	-6.9
NCI	0.1	-0.1	0.0	0.0	0.0	-0.3	-0.3	-0.6	0.0	0.3	0.5	-0.4	0.0	-1.2	-2.0	-2.4
Net profit discontinued	0.0	-9.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (to shareholders)	0.0	-39.6	4.2	7.0	3.4	4.5	2.4	6.7	8.2	3.3	11.5	2.6	-28.4	17.0	21.7	24.3
EPS diluted	0.0	-14.6	1.5	2.6	1.3	1.6	0.9	2.5	3.1	1.2	4.0	1.1	-10.4	6.3	8.0	8.9
DPS									3.0	1.0	3.0	1.0	3.5	4.1	5.2	5.8
Growth																
Sales growth y-o-y	-3.2%	-32.4%	-25.7%	-25.7%	-30.3%	16.3%	18.5%	14.7%	-7.2%	40.2%	31.7%	-1.6%	-21.3%	0.5%	10.1%	7.7%
Margins																
Adj. EBITDA margin	7.5%	-63.3%	17.3%	17.0%	10.2%	12.5%	9.6%	15.9%	7.6%	5.1%	9.2%	8.9%	9.7%	12.4%	14.4%	15.0%
Adj. EBIT margin	2.2%	-5.3%	15.6%	16.0%	8.9%	11.3%	8.2%	14.9%	7.2%	4.2%	8.0%	3.9%	6.5%	11.2%	13.3%	13.9%
Adj. R12 EBIT margin	2.8%	0.5%	4.5%	6.5%	8.7%	12.8%	11.3%	11.2%								
Sales per division																
Sweden	44.0	39.5	31.5	44.2	36.5	43.9	36.0	49.8	121.7	117.5	141.1	143.9	159.2	166.2	181.6	193.9
Finland	7.7	6.2	4.4	9.6	11.7	9.3	6.5	11.9	21.3	19.9	38.8	38.8	27.7	39.4	44.8	49.8
Total	69.0	45.8	35.9	53.8	48.1	53.2	42.5	61.7	142.9	200.4	263.8	259.7	204.5	205.6	226.4	243.7
Adj. EBIT per division																
Sweden	1.6	-0.9	6.0	7.8	1.4	5.3	3.4	8.3		6.9	10.6	8.3	14.5	18.4	23.6	26.5
Finland	0.0	0.5	1.0	2.8	4.2	2.2	1.1	2.4		2.0	12.2	6.5	4.2	9.9	12.1	13.4
Adj. EBIT margin per division																
Sweden	3.7%	-2.2%	19.1%	17.6%	3.7%	12.1%	9.4%	16.7%	8.0%	6.6%	7.5%	5.7%	9.1%	11.0%	13.0%	13.7%
Finland	0.4%	7.3%	22.2%	28.9%	36.3%	22.0%	16.0%	20.0%	7.8%	9.8%	31.5%	16.8%	15.3%	24.5%	19.0%	20.0%

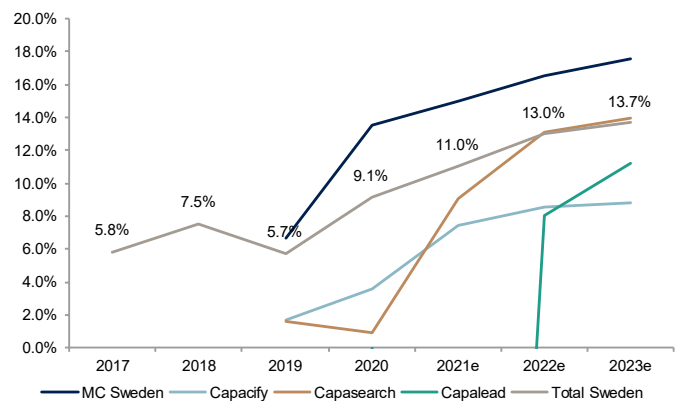
Source: ABG Sundal Collier, company data

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

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

Capacent Holding

Income Statement (SEKm)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021e	Q3 2021e	Q4 2021e
Sales	69	46	36	54	48	53	43	62
COGS	0	0	0	0	0	0	0	0
Gross profit	69	46	36	54	48	53	43	62
Other operating items	-64	-75	-30	-45	-43	-47	-38	-52
EBITDA	5	-29	6	9	5	7	4	10
Depreciation and amortisation	-4	-2	-1	-1	-1	-1	-1	-1
EBITA	2	-31	6	9	4	6	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	6	3	9
Net financial items	-1	0	-0	0	0	-0	-0	-0
Pretax profit	0	-31	5	9	4	6	3	9
Tax	-0	0	-1	-2	-1	-1	-1	-2
Net profit	0	-30	4	7	3	5	3	7
Minority interest	0	-0	-0	-0	-0	-0	-0	-1
Net profit discontinued	0	-9	0	0	0	0	0	0
Net profit to shareholders	0	-40	4	7	3	4	2	7
EPS	0.09	-13.30	1.38	2.33	1.13	1.50	0.81	2.24
EPS Adj	0.09	-10.21	1.38	2.33	1.13	1.50	0.81	2.24
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	20.6	20.6	20.6
Gross margin (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EBITDA margin (%)	7.5	-63.3	17.3	17.0	10.2	12.5	9.6	15.9
EBITA margin (%)	2.2	-67.2	15.6	16.0	8.9	11.3	8.2	14.9
EBIT margin (%)	2.2	-67.2	15.6	16.0	8.9	11.3	8.2	14.9
Pretax margin (%)	0.4	-66.7	15.2	16.6	9.0	11.3	8.1	14.8
Net margin (%)	0.2	-66.5	11.6	13.0	7.1	8.9	6.4	11.7
Growth rates Y/Y	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021e	Q3 2021e	Q4 2021e
Sales growth (%)	-3.2	-32.4	-25.7	-25.7	-30.3	16.3	18.5	14.7
EBITDA growth (%)	-29.5	-chg	+chg	-2.7	-5.2	+chg	-34.3	6.7
EBIT growth (%)	-65.5	-chg	+chg	60.3	178.6	+chg	-37.9	6.9
Net profit growth (%)	-95.0	-chg	+chg	100.8	2,375.4	+chg	-34.7	3.9
EPS growth (%)	-95.0	-chg	+chg	100.8	2,375.4	+chg	-34.7	3.9
Adj earnings numbers	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021e	Q3 2021e	Q4 2021e
EBITDA Adj	5	-29	6	12	5	9	7	10
EBITDA Adj margin (%)	7.5	-63.3	17.3	22.1	10.2	17.2	16.4	15.9
EBITA Adj	2	-31	6	11	4	9	6	9
EBITA Adj margin (%)	2.2	-67.2	15.6	21.0	8.9	16.0	15.0	14.9
EBIT Adj	2	-31	6	11	4	9	6	9
EBIT Adj margin (%)	2.2	-67.2	15.6	21.0	8.9	16.0	15.0	14.9
Pretax profit Adj	0	-31	5	12	4	8	6	9
Net profit Adj	0	-30	4	10	3	7	6	7
Net profit to shareholders Adj	0	-31	4	10	3	7	5	7
Net Adj margin (%)	0.2	-66.5	11.6	18.0	7.1	13.6	13.2	11.7

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	206	226	244
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	138	154	143	200	264	260	204	206	226	244
Other operating items	-125	-137	-132	-187	-243	-240	-213	-180	-194	-207
EBITDA	14	17	11	13	21	20	-8	25	33	36
Depreciation and amortisation	-1	-1	-0	-2	-3	-13	-7	-2	-3	-3
Of which leasing depreciation	0	0	0	0	0	-13	-7	-1	-1	-1
EBITA	13	17	10	11	18	7	-15	23	30	34
EO items	0	-2	0	3	-3	-4	-28	0	0	0
Impairment and PPA amortisation	0	0	0	-5	0	0	0	0	0	0
EBIT	13	17	10	6	18	7	-15	23	30	34
Net financial items	-1	-0	0	-1	-1	-4	-1	-0	-0	-0
Pretax profit	12	16	11	5	17	3	-16	23	30	34
Tax	-2	-3	-2	-2	-5	-1	-3	-5	-6	-7
Net profit	10	14	8	3	12	2	-19	18	24	27
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	17	22	24
EPS	3.71	5.12	3.11	1.23	4.16	0.64	-7.05	6.25	7.99	8.94
EPS Adj	3.71	5.76	3.11	2.17	5.27	1.93	3.39	6.25	7.99	8.94
Total extraordinary items after tax	0	-2	0	3	-3	-4	-28	0	0	0
Leasing payments	0	0	0	0	0	-13	-7	-1	-1	-1
Tax rate (%)	17.9	17.6	22.2	39.5	28.2	29.9	20.5	20.8	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	12.4	14.4	15.0
EBITA margin (%)	9.4	10.8	7.2	5.6	6.8	2.6	-7.4	11.2	13.3	13.9
EBIT margin (%)	9.4	10.8	7.2	2.9	6.8	2.6	-7.4	11.2	13.3	13.9
Pretax margin (%)	8.6	10.7	7.4	2.5	6.3	1.2	-7.8	11.1	13.2	13.8
Net margin (%)	7.1	8.8	5.7	1.5	4.5	0.8	-9.4	8.8	10.5	10.9
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	0.5	10.1	7.7
EBITDA growth (%)	938.4	27.1	-37.2	19.7	61.9	-6.1	-142.9	400.7	28.6	11.6
EBIT growth (%)	2,212.0	28.9	-38.2	-43.0	204.5	-62.7	-325.7	252.8	31.2	12.2
Net profit growth (%)	6,072.6	38.2	-39.3	-63.3	297.7	-82.0	-985.6	194.8	30.7	12.4
EPS growth (%)	6,072.5	38.2	-39.3	-60.3	238.0	-84.6	-1,200.3	188.6	27.9	11.9
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	20.9	24.0	24.1
ROE Adj (%)	10.2	14.5	7.7	5.6	14.5	4.8	10.0	20.9	24.0	24.1
ROCE (%)	12.1	15.3	9.4	5.2	15.0	4.7	-12.4	26.5	31.0	30.8
ROCE Adj(%)	12.1	16.9	9.4	7.5	17.7	7.2	10.9	26.5	31.0	30.8
ROIC (%)	10.3	14.3	8.3	3.2	11.2	3.6	-16.9	29.2	34.3	35.7
ROIC Adj (%)	10.3	15.8	8.3	4.6	13.3	5.4	14.9	29.2	34.3	35.7
Adj earnings numbers	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA Adj	14	19	11	10	24	23	20	25	33	36
EBITDA Adj margin (%)	9.8	12.3	7.6	5.1	9.2	8.9	9.7	12.4	14.4	15.0
EBITDA lease Adj	14	19	11	10	24	10	13	24	31	35
EBITDA lease Adj margin (%)	9.8	12.3	7.6	5.1	9.2	3.9	6.5	11.8	13.9	14.4
EBITA Adj	13	18	10	8	21	10	13	23	30	34
EBITA Adj margin (%)	9.4	11.9	7.2	4.2	8.0	3.9	6.5	11.2	13.3	13.9
EBIT Adj	13	18	10	8	21	10	13	23	30	34
EBIT Adj margin (%)	9.4	11.9	7.2	4.2	8.0	3.9	6.5	11.2	13.3	13.9
Pretax profit Adj	12	18	11	8	20	7	12	23	30	34
Net profit Adj	10	15	8	6	15	6	9	18	24	27
Net profit to shareholders Adj	10	15	8	6	16	5	9	17	22	24
Net Adj margin (%)	7.1	9.9	5.7	2.8	5.8	2.2	4.5	8.8	10.5	10.9

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	25	33	36
Net financial items	-1	-0	0	-1	-1	-4	-1	-0	-0	-0
Paid tax	-2	-3	-2	-2	-5	-3	-3	-5	-6	-7
Non-cash items	0	3	1	-4	0	0	0	0	0	0
Cash flow before change in WC	10	17	10	6	15	13	-12	21	26	29
Change in WC	7	3	-7	4	6	-10	15	-6	-6	-2
Operating cash flow	17	20	2	10	21	3	3	14	20	27
CAPEX tangible fixed assets	1	-0	-1	-10	-3	-6	-2	-2	-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	12	18	24
Dividend paid	0	-6	-13	-8	-3	-8	0	-10	-11	-14
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Lease liability amortisation	0	0	0	0	0	-13	-7	-1	-1	-1
Other non cash items	-0	-0	0	-14	10	-33	74	0	0	0
Balance Sheet (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Goodwill	92	92	92	111	102	102	67	67	67	67
Other intangible assets	0	0	0	5	4	8	3	3	3	3
Tangible fixed assets	1	1	1	2	4	4	1	2	3	5
Right-of-use asset	0	0	0	0	0	35	4	4	4	4
Total other fixed assets	5	2	2	3	2	2	1	1	1	1
Fixed assets	99	95	96	122	112	150	75	76	78	80
Inventories	0	0	0	0	0	0	0	0	0	0
Receivables	29	38	37	56	61	62	33	37	45	49
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	6	20	6	6	15	5	24	25	30	39
Total assets	134	152	139	184	187	217	132	138	154	167
Shareholders equity	102	108	105	104	113	106	77	85	96	106
Minority	0	0	0	1	1	1	0	2	4	6
Total equity	102	108	105	105	114	107	78	87	99	112
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	47	50	51
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	134	152	139	184	187	217	132	138	154	167
Net IB debt	-2	-16	-4	8	-9	49	-19	-20	-26	-35
Net IB debt excl. pension debt	-2	-16	-4	8	-9	49	-19	-20	-26	-35
Net IB debt excl. leasing	-2	-16	-4	8	-9	13	-24	-25	-30	-39
Capital invested	100	93	100	123	107	156	58	66	73	77
Working capital	1	-3	5	1	-5	6	-17	-10	-5	-2
EV breakdown	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Market cap. diluted (m)	na	106	119	93	144	113	98	133	133	133
Net IB debt Adj	-2	-16	-4	8	-9	49	-19	-20	-26	-35
Market value of minority	0	0	0	0	1	1	0	2	4	6
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	0	0	0	0	0	0	0	0	0	0
EV	na	90	115	102	136	163	79	115	111	105
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	152.3	155.1	151.9
Working capital/sales (%)	3.2	-0.4	0.8	1.4	-0.8	0.1	-2.7	-6.6	-3.3	-1.4
Financial risk and debt service	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Net debt/equity	-0.02	-0.14	-0.04	0.08	-0.08	0.46	-0.25	-0.24	-0.26	-0.31
Net debt/market cap	na	-0.16	-0.03	0.08	-0.07	0.38	-0.25	-0.15	-0.19	-0.26
Equity ratio (%)	75.8	71.0	75.2	57.1	61.0	49.3	59.2	62.6	64.6	66.8
Net IB debt adj./equity	-0.02	-0.14	-0.04	0.08	-0.08	0.46	-0.25	-0.24	-0.26	-0.31
Current ratio	1.26	1.43	1.26	0.93	1.05	0.79	1.10	1.26	1.46	1.66
EBITDA/net interest	13.42	70.02	-44.14	14.38	17.32	5.48	-10.23	254.00	108.92	121.55
Net IB debt/EBITDA	-0.15	-0.91	-0.40	0.65	-0.41	2.51	2.30	-0.80	-0.79	-0.95
Net IB debt/EBITDA lease Adj	-0.15	-0.83	-0.40	0.82	-0.36	1.24	-1.80	-1.03	-0.96	-1.11
Interest cover	12.82	67.82	-42.11	12.42	14.79	1.86	-18.22	229.99	100.58	112.89

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	6.25	7.99	8.94
Dividend per share Adj	2.3	5.0	3.0	1.0	3.0	0	3.5	4.1	5.2	5.8
EPS Adj	3.71	5.76	3.11	2.17	5.27	1.93	3.39	6.25	7.99	8.94
BVPS	38.46	40.89	39.58	38.41	41.61	39.11	28.52	31.29	35.21	38.95
BVPS Adj	3.42	6.27	4.49	-4.39	2.70	-1.10	2.97	5.73	9.65	13.40
Net IB debt / share	-0.7	-5.9	-1.7	3.1	-3.2	18.2	-7.1	-7.5	-9.5	-12.8
Share price	na	40.00	45.10	34.30	48.10	41.60	36.00	49.10	49.10	49.10
Market cap. (m)	na	106	119	93	131	113	98	133	133	133
Valuation	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
P/E	na	7.8	14.5	27.8	11.6	64.9	-5.1	7.9	6.1	5.5
EV/sales	na	0.59	0.80	0.51	0.52	0.63	0.39	0.56	0.49	0.43
EV/EBITDA	na	5.2	10.6	7.8	6.5	8.3	-9.3	4.5	3.4	2.9
EV/EBITA	na	5.4	11.1	9.1	7.6	24.4	-5.2	5.0	3.7	3.1
EV/EBIT	na	5.4	11.1	17.3	7.6	24.4	-5.2	5.0	3.7	3.1
Dividend yield (%)	na	12.5	6.7	2.9	6.2	0	9.7	8.3	10.6	11.8
FCF yield (%)	na	18.7	1.6	-0.8	12.8	-2.6	1.2	8.7	13.3	18.2
Lease adj. FCF yield (%)	na	18.7	1.6	-0.8	12.8	-14.1	-5.5	7.8	12.4	17.2
P/BVPS	na	0.98	1.14	0.89	1.16	1.06	1.26	1.57	1.39	1.26
P/BVPS Adj	na	6.38	10.05	-7.82	17.80	-37.95	12.14	8.56	5.09	3.67
P/E Adj	na	6.9	14.5	15.8	9.1	21.6	10.6	7.9	6.1	5.5
EV/EBITDA Adj	na	4.8	10.6	10.0	5.6	7.0	4.0	4.5	3.4	2.9
EV/EBITA Adj	na	4.9	11.1	12.0	6.4	16.0	5.9	5.0	3.7	3.1
EV/EBIT Adj	na	4.9	11.1	12.0	6.4	16.0	5.9	5.0	3.7	3.1
EV/cap. employed	na	0.8	1.1	0.9	1.1	1.0	1.0	1.3	1.1	0.9
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	205.6	215.6	221.1
Capex tangibles/tangible fixed assets	-96.9	27.7	52.6	435.6	66.3	135.8	266.1	134.1	82.4	59.7
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	45.3	47.6	50.0
Depreciation on tangibles/tangibles	0	0	0	0	0	0	0	0	0	0

Source: ABG Sundal Collier, Company data

Analyst certification

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

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