

## HANZA

Reason: Post-results comment

### Company sponsored research

Not rated

### Cluster strategy playing out

- Q2 EBITA 12% better than ABGSCe on high margins
- EBITA estimates up 13-15% for '21e-'23e
- Fair value range raised to SEK 24-39 per share

#### A solid quarter despite shortages

Sales were in line with our estimates at SEK 634m (1% vs. ABGSCe of SEK 625m, 13% y-o-y and up 10% organically). While most of the end-markets have recovered to pre-pandemic levels, sales to its largest customer, active in the textile industry, remained low, and even fell short of the corresponding quarter of FY'20. Hanza exceeded its pre-announced EBITA guidance with adj. EBITA of SEK 40m (12% vs. ABGSCe of 36m), resulting in a record adj. EBITA margin of 6.4% (2.7%) vs. ABGSCe of 5.8%. Both segments contributed to the margin expansion, explained by strong markets driving operational leverage. The mature manufacturing clusters achieved low double-digit operating margins, while the clusters that are in the build-up phase had lower margins, resulting in approximately 70% of HANZA having an operating margin of around 10% in Q2'21 (implies that the other 30% had a margin of about -0.2%). Hanza said that without the current component shortages, both sales and earnings would have been slightly higher.

#### Raised margin assumptions on solid cluster synergies

We leave sales for '21e-'23e relatively unchanged, and expect near-term sales growth to be driven by recovering volumes from its largest customer (textile industry in Germany) and broadly supported by the general industrial recovery seen in Q2'21, which we expect to persist at a high level throughout 2021. We raise '21e-'23e EBITA by 13-15% on higher margin assumptions following the highlighted margin potential in mature clusters. We note some downside risks relating to component shortages in H2'21e.

#### 9x '22e EV/EBITA, 9% FCF yield and 9% '21-'23e EBITA CAGR

The share is trading at 9x '22e EV/EBITA, while offering a 34% '20-'23e adj. EBITA CAGR. In addition, the company says that assessments of acquisition targets are ongoing and will likely lead to more M&A, which would add to our estimates. We increase our fair valuation range to SEK 24-39 (22-34) per share based on higher EBITA assumptions and reduced financial risk from the decreasing ND/EBITDA.

**Analyst(s):** erik.cassel@abgsc.se, +46 8 566 286 25  
max.bacco@abgsc.se, +46 708 448 688

SEKm	2019	2020	2021e	2022e	2023e
Sales	2,068	2,155	2,403	2,645	2,823
EBITDA	149	139	227	250	270
EBITDA margin (%)	7.2	6.4	9.4	9.5	9.6
EBIT adj	76	56	131	145	157
EBIT adj margin (%)	3.7	2.6	5.5	5.5	5.6
Pretax profit	32	9	99	108	118
EPS rep	0.72	-0.04	2.16	2.36	2.58
EPS adj	1.63	1.22	2.73	2.80	3.05
Sales growth (%)	14.2	4.2	11.5	10.1	6.7
EPS growth (%)	-3.2	-106.0	5,157.3	9.0	9.5

Source: ABG Sundal Collier, Company data

Estimate changes (%)	2021e	2022e	2023e
Sales	0.3%	0.3%	0.3%
EBIT (rep)	13.9%	16.0%	15.9%
EPS (rep)	24.9%	27.5%	27.0%

Source: ABG Sundal Collier

Share price (SEK)	27/07/2021	24.5
Fair value range (per share)		24-39

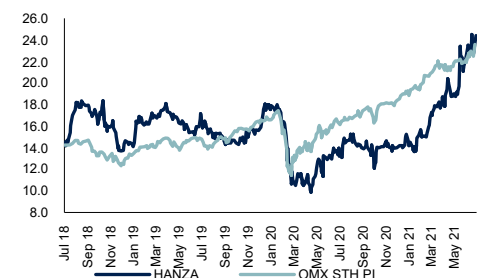
Capital Goods, Sweden  
HANZA.ST/HANZA SS

MCap (SEKm)	877
MCap (EURm)	86
Net debt (EURm)	46

No. of shares (m)	35.8
Free float (%)	70
Av. daily volume (k)	13

Next event Q3 report: 09 Nov

### Performance



	1m	3m	12m
Absolute (%)	13.4	33.9	75.6

Source: FactSet

	2021e	2022e	2023e
P/E (x)	11.3	10.4	9.5
P/E adj (x)	9.0	8.8	8.0
P/BVPS (x)	1.52	1.38	1.25
EV/EBITDA (x)	5.9	5.2	4.6
EV/EBIT adj (x)	10.2	8.9	7.9
EV/sales (x)	0.56	0.49	0.44
ROE adj (%)	18.6	16.5	16.3
Dividend yield (%)	1.0	3.0	3.2
FCF yield (%)	2.9	8.9	8.4
Lease adj. FCF yld (%)	2.9	8.9	8.4
Net IB debt/EBITDA	2.1	1.7	1.4
Lease adj. ND/EBITDA	1.3	1.0	1.2

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.

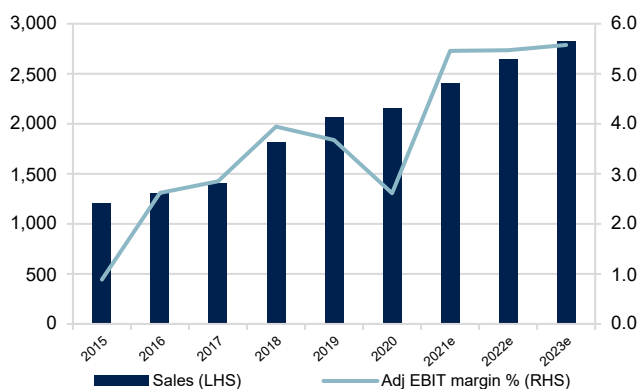
### Company description

HANZA is a manufacturing company founded in 2008 with the vision “all you need is one”. This means that it aims to provide a complete manufacturing solution for its clients. The company’s manufacturing expertise spans over solutions within mechanics, electronics, cabling and assembly. HANZA’s production sites are formed as clusters serving customers at a local level, with operations in the Nordic, Baltics, Asia and Central Europe.

### Risks

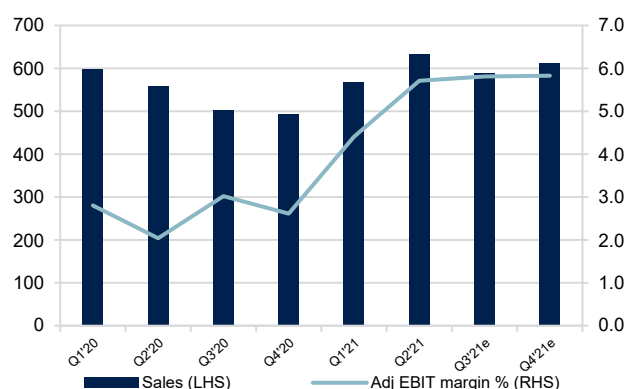
HANZA’s biggest risk is its exposure towards the overall economic cycle. In a recession, we expect that it will be difficult for HANZA to maintain its 10% sales growth target. Increased competition and consequent price pressure might affect the group negatively. Furthermore, it could be difficult for the company to find and hire the right competence during high-growth periods.

#### Annual sales and adj. EBIT margin, SEKm



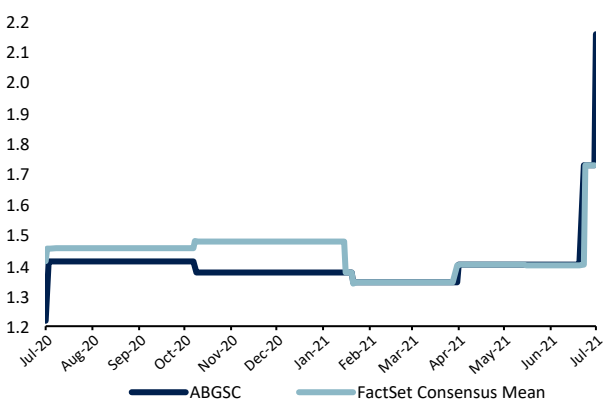
Source: ABG Sundal Collier, Company data

#### Quarterly sales and adj. EBIT margin



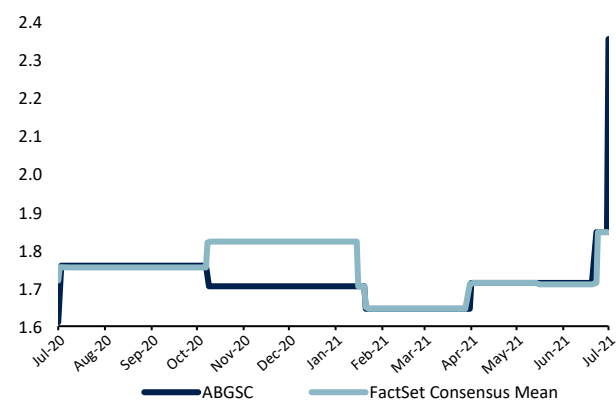
Source: ABG Sundal Collier, Company data

#### EPS estimate changes, 2021e, SEK



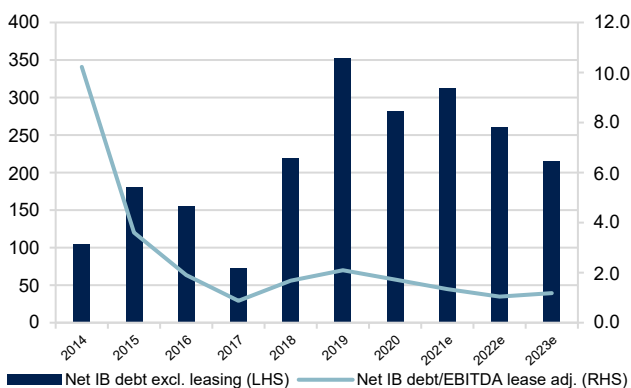
Source: ABG Sundal Collier, FactSet

#### EPS estimate changes, 2022e, SEK



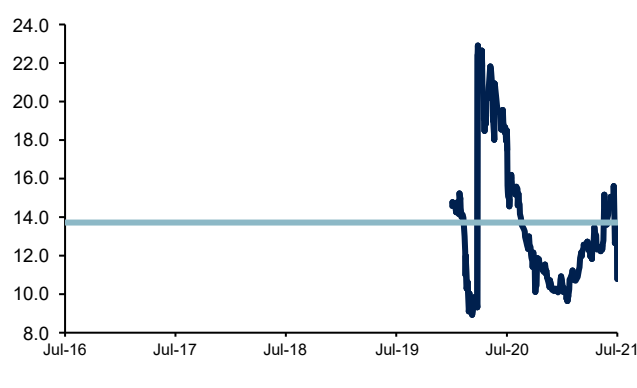
Source: ABG Sundal Collier, FactSet

#### 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 table

(SEKm)	Last year	Actual	ABGSC	Dev (%)
	Q2 20	Q2 21	Q2 21e	
Net sales	559.0	633.8	625.5	1%
EBITA	-12.6	40.4	36.1	12%
<b>Adj EBITA</b>	<b>14.9</b>	<b>40.4</b>	<b>36.1</b>	<b>12%</b>
EBIT	-16.1	36.2	32.7	11%
Adj EBIT	11.4	36.2	32.7	11%
<b>Net profit</b>	<b>-19.6</b>	<b>26.0</b>	<b>19.4</b>	<b>34%</b>
EPS	-0.60	0.73	0.54	35%
<i>EBITA margin</i>	-2.3%	6.4%	5.8%	0.6%
<b>Adj EBITA margin</b>	<b>2.7%</b>	<b>6.4%</b>	<b>5.8%</b>	<b>0.6%</b>
<i>EBIT margin</i>	-2.9%	5.7%		
<b>Adj EBIT margin</b>	<b>2.0%</b>	<b>5.7%</b>		
<b>EO</b>	<b>-27.5</b>	<b>0.0</b>	<b>0.0</b>	
<b>Growth y-o-y</b>	<b>Last year</b>	<b>Actual</b>	<b>ABGSC</b>	<b>Dev (%)</b>
Sales	10%	13%	12%	1%
adj. EBITA	-31%	171%	142%	29%
Net Profit	-342%	-233%		
<b>Per segment</b>	<b>Last year</b>	<b>Actual</b>	<b>ABGSC</b>	<b>Dev (%)</b>
<b>Sales</b>				
Key Markets	306	339	360	-6%
Other Markets	253	295	266	11%
Business Development	0.3	0	0	n.m.
<b>adj. EBITA</b>				
Key Markets	10	27	24	13%
Other Markets	5	15	13	11%
Business Development	0.3	-1.1	-1	22%
<b>EBITA margin</b>				
Key Markets	3.2%	7.9%	6.6%	1.3%
Other Markets	1.9%	5.0%	5.0%	0.0%
Business Development				

Source: ABG Sundal Collier estimates, company data

## Estimate changes

	Old			New			Change (%)			Change (SEKm)		
	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e
<b>Net sales</b>	<b>2,394</b>	<b>2,636</b>	<b>2,813</b>	<b>2,403</b>	<b>2,645</b>	<b>2,823</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>8</b>	<b>9</b>	<b>9</b>
COGS	-1,278	-1,424	-1,514	-1,271	-1,428	-1,519	0%	0%	0%	6	-5	-5
<b>Gross Profit</b>	<b>1,117</b>	<b>1,213</b>	<b>1,300</b>	<b>1,131</b>	<b>1,217</b>	<b>1,304</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>	<b>14</b>	<b>4</b>	<b>4</b>
Opex	-1,007	-1,088	-1,164	-1,006	-1,072	-1,147	0%	-1%	-1%	1	16	17
<b>EBIT</b>	<b>110</b>	<b>125</b>	<b>136</b>	<b>125</b>	<b>145</b>	<b>157</b>	<b>14%</b>	<b>16%</b>	<b>16%</b>	<b>15</b>	<b>20</b>	<b>22</b>
Adj EBIT	116	125	136	131	145	157	13%	16%	16%	15	20	22
<b>D&amp;A</b>	<b>-102</b>	<b>-105</b>	<b>-113</b>	<b>-102</b>	<b>-106</b>	<b>-113</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>ow depreciation</i>	-89	-91	-97	-88	-90	-96	-1%	-1%	-1%	1	0	1
<i>ow amortization</i>	-14	-15	-16	-14	-16	-17	6%	6%	6%	-1	-1	-1
EBITDA	212	230	248	227	250	270	7%	9%	9%	15	20	22
<b>EBITA</b>	<b>123</b>	<b>140</b>	<b>152</b>	<b>139</b>	<b>160</b>	<b>174</b>	<b>13%</b>	<b>15%</b>	<b>15%</b>	<b>16</b>	<b>21</b>	<b>22</b>
<b>Adj EBITA</b>	<b>129</b>	<b>140</b>	<b>152</b>	<b>145</b>	<b>160</b>	<b>174</b>	<b>12%</b>	<b>15%</b>	<b>15%</b>	<b>16</b>	<b>21</b>	<b>22</b>
Net financials	-28	-37	-39	-26	-37	-40	-5%	0%	0%	1	0	0
Tax	-20	-22	-24	-21	-23	-26	6%	8%	8%	-1	-2	-2
EO	-6	0	0	-6	0	0						
<b>Net profit</b>	<b>62</b>	<b>66</b>	<b>73</b>	<b>77</b>	<b>84</b>	<b>92</b>	<b>25%</b>	<b>27%</b>	<b>27%</b>	<b>15</b>	<b>18</b>	<b>20</b>
EPS diluted (SEK)	1.74	1.85	2.03	2.17	2.36	2.58	25%	27%	27%	0.43	0.51	0.55
<b>Gross margin</b>	<b>46.6%</b>	<b>46.0%</b>	<b>46.2%</b>	<b>47.1%</b>	<b>46.0%</b>	<b>46.2%</b>	<b>0.4%</b>	<b>0.0%</b>	<b>0.0%</b>			
<b>EBITA margin</b>	<b>5.2%</b>	<b>5.3%</b>	<b>5.4%</b>	<b>5.8%</b>	<b>6.1%</b>	<b>6.2%</b>	<b>0.6%</b>	<b>0.8%</b>	<b>0.8%</b>			
Adj EBITA margin	5.4%	5.3%	5.4%	6.1%	6.1%	6.2%	0.6%	0.8%	0.8%			
<b>EBITDA</b>	<b>8.9%</b>	<b>8.7%</b>	<b>8.8%</b>	<b>9.4%</b>	<b>9.5%</b>	<b>9.6%</b>	<b>0.6%</b>	<b>0.7%</b>	<b>0.7%</b>			

Source: ABG Sundal Collier estimates, company data

## Detailed financials, quarterly

Quarterly overview, SEKm	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21e	Q4'21e
<b>Sales</b>	<b>498</b>	<b>507</b>	<b>516</b>	<b>548</b>	<b>599</b>	<b>559</b>	<b>503</b>	<b>494</b>	<b>567</b>	<b>634</b>	<b>590</b>	<b>612</b>
COGS	-272	-280	-280	-288	-321	-322	-292	-265	-307	-336	-311	-318
<b>Gross Profit</b>	<b>225</b>	<b>226</b>	<b>236</b>	<b>260</b>	<b>278</b>	<b>237</b>	<b>211</b>	<b>229</b>	<b>260</b>	<b>298</b>	<b>279</b>	<b>294</b>
SG&A	-208	-209	-221	-252	-262	-254	-196	-213	-241	-262	-245	-258
<b>EBIT</b>	<b>17</b>	<b>17</b>	<b>14</b>	<b>8</b>	<b>17</b>	<b>-16</b>	<b>15</b>	<b>15</b>	<b>19</b>	<b>36</b>	<b>34</b>	<b>36</b>
Non-recurring items	-6	-2	-7	-5	0	-28	0	3	-6	0	0	0
<b>Adj. EBIT</b>	<b>23</b>	<b>19</b>	<b>21</b>	<b>13</b>	<b>17</b>	<b>11</b>	<b>15</b>	<b>13</b>	<b>25</b>	<b>36</b>	<b>34</b>	<b>36</b>
Amortisation	-2	-2	-3	-4	-4	-4	-6	-3	-4	-4	-3	-3
<b>Adj. EBITA</b>	<b>25</b>	<b>22</b>	<b>24</b>	<b>17</b>	<b>20</b>	<b>15</b>	<b>21</b>	<b>16</b>	<b>29</b>	<b>40</b>	<b>38</b>	<b>39</b>
Net financial expenses	-6	-5	-8	-5	-7	-4	-6	-5	-7	-6	-7	-7
PTP	11	12	6	3	10	-20	9	11	12	31	28	29
Taxes	-2	-4	-5	3	-3	1	-3	-5	-3	-5	-7	-7
NCI	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Profit</b>	<b>9</b>	<b>8</b>	<b>1</b>	<b>5</b>	<b>6</b>	<b>-20</b>	<b>7</b>	<b>5</b>	<b>9</b>	<b>26</b>	<b>21</b>	<b>21</b>
Margin and growth metrics	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21e	Q4'21e
<b>Sales growth</b>	<b>13%</b>	<b>0%</b>	<b>20%</b>	<b>27%</b>	<b>20%</b>	<b>10%</b>	<b>-2%</b>	<b>-10%</b>	<b>-5%</b>	<b>13%</b>	<b>17%</b>	<b>24%</b>
Gross margin	45.3%	44.7%	45.7%	47.4%	46.5%	42.5%	41.9%	46.3%	45.9%	47.0%	47.3%	48.0%
<b>EBIT margin</b>	<b>3.5%</b>	<b>3.4%</b>	<b>2.8%</b>	<b>1.5%</b>	<b>2.8%</b>	<b>-2.9%</b>	<b>3.0%</b>	<b>3.1%</b>	<b>3.3%</b>	<b>5.7%</b>	<b>5.8%</b>	<b>5.8%</b>
Adj. EBIT margin	4.6%	3.8%	4.1%	2.4%	2.8%	2.0%	3.0%	2.6%	4.4%	5.7%	5.8%	5.8%
<b>Adj. EBITA margin</b>	<b>5.0%</b>	<b>4.2%</b>	<b>4.7%</b>	<b>3.0%</b>	<b>3.4%</b>	<b>2.7%</b>	<b>4.3%</b>	<b>3.3%</b>	<b>5.0%</b>	<b>6.4%</b>	<b>6.4%</b>	<b>6.4%</b>
Tax rate	20.2%	31.4%	85.2%	-83.3%	32.6%	3.4%	27.5%	50.9%	22.9%	15.3%	25.0%	25.0%
EBIT y-o-y	-6.0%	-21.2%	-16.4%	n.m	-2.9%	n.m	n.m	n.m	n.m	n.m	125.4%	131.6%
Sales per segment, SEKm	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21e	Q4'21e
Key markets	249	268	287	308	338	306	266	255	301	339	334	349
Other markets	248	239	229	239	261	253	239	238	267	295	255	263
<b>Group</b>	<b>498</b>	<b>507</b>	<b>516</b>	<b>547</b>	<b>599</b>	<b>559</b>	<b>505</b>	<b>494</b>	<b>567</b>	<b>634</b>	<b>590</b>	<b>612</b>
Segment adj. EBITA SEKm	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21e	Q4'21e
Key markets	17	19	28	8	19	10	11	11	19	27	26	28
Other markets	8	2	-1	9	2	5	10	10	10	15	12	12
Business Development	0	0	-3	-1	-1	0	0	-3	-1	-1	-1	-1
<b>Group</b>	<b>25</b>	<b>21</b>	<b>24</b>	<b>16</b>	<b>20</b>	<b>15</b>	<b>21</b>	<b>19</b>	<b>29</b>	<b>40</b>	<b>38</b>	<b>39</b>
NRI	-6	-2	-7	-5	0	-28	0	3	-6	0	0	0
adj. EBITA-margin	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21e	Q4'21e
Key markets	6.7%	7.1%	9.7%	2.7%	5.6%	3.2%	4.3%	4.3%	6.3%	7.9%	7.9%	7.9%
Other markets	3.3%	0.8%	-0.5%	3.8%	0.8%	1.9%	4.3%	4.4%	3.9%	5.0%	4.7%	4.7%
<b>Group</b>	<b>5.0%</b>	<b>4.0%</b>	<b>4.7%</b>	<b>3.0%</b>	<b>3.4%</b>	<b>2.7%</b>	<b>4.2%</b>	<b>3.8%</b>	<b>5.0%</b>	<b>6.4%</b>	<b>6.4%</b>	<b>6.4%</b>
Other metrics R12m	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21e	Q4'21e
FCF conversion	-141%	552%	-5100%	-25%	719%	n.m	74%	1144%	304%	-83%	-434%	35%
ND/EBITDA	3.0	2.7	4.5	3.6	3.4	3.7	3.7	3.2	3.6	2.9	2.3	2.0
NWC / Sales	9%	8%	15%	14%	13%	12%	12%	9%	10%	12%	16%	16%
ROE	5%	4%	2%	5%	4%	-1%	0%	0%	0%	9%	11%	13%
ROIC	5%	5%	3%	4%	4%	2%	2%	3%	3%	7%	8%	9%

Source: ABG Sundal Collier estimates, company data

## Detailed financials, yearly

Annual overview, SEKm	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
<b>Sales</b>	<b>985</b>	<b>1,206</b>	<b>1,306</b>	<b>1,400</b>	<b>1,811</b>	<b>2,068</b>	<b>2,155</b>	<b>2,403</b>	<b>2,645</b>	<b>2,823</b>
COGS	-596	-711	-718	-807	-1,006	-1,121	-1,200	-1,271	-1,428	-1,519
<b>Gross Profit</b>	<b>389</b>	<b>495</b>	<b>588</b>	<b>593</b>	<b>805</b>	<b>947</b>	<b>955</b>	<b>1,131</b>	<b>1,217</b>	<b>1,304</b>
SG&A	-412	-444	-562	-557	-751	-890	-924	-1,006	-1,072	-1,147
<b>EBIT</b>	<b>-23</b>	<b>51</b>	<b>25</b>	<b>36</b>	<b>54</b>	<b>57</b>	<b>31</b>	<b>125</b>	<b>145</b>	<b>157</b>
Non-recurring items	0	40	-9	-4	-17	-19	-25	-6	0	0
<b>Adj. EBIT</b>	<b>-23</b>	<b>11</b>	<b>34</b>	<b>40</b>	<b>71</b>	<b>76</b>	<b>56</b>	<b>131</b>	<b>145</b>	<b>157</b>
Amortisation	-1	-1	0	0	-7	-11	-16	-14	-16	-17
<b>Adj. EBITA</b>	<b>-22</b>	<b>11</b>	<b>34</b>	<b>40</b>	<b>79</b>	<b>87</b>	<b>73</b>	<b>145</b>	<b>160</b>	<b>174</b>
Net financial expenses	-14	-17	-22	-16	-25	-25	-22	-26	-37	-40
PTP	-37	34	4	19	29	32	9	99	108	118
Taxes	3	4	-2	-3	-8	-9	-10	-21	-23	-26
NCI	0	0	0	0	0	0	0	0	0	0
<b>Net Profit</b>	<b>-34</b>	<b>37</b>	<b>2</b>	<b>16</b>	<b>21</b>	<b>24</b>	<b>-1</b>	<b>77</b>	<b>84</b>	<b>92</b>
Margin and growth metrics	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
<b>Sales growth</b>	<b>-5%</b>	<b>23%</b>	<b>8%</b>	<b>7%</b>	<b>29%</b>	<b>14%</b>	<b>4%</b>	<b>12%</b>	<b>10%</b>	<b>7%</b>
Gross margin	39.5%	41.0%	45.0%	42.3%	44.5%	45.8%	44.3%	47.1%	46.0%	46.2%
<b>EBIT margin</b>	<b>-2.4%</b>	<b>4.2%</b>	<b>1.9%</b>	<b>2.6%</b>	<b>3.0%</b>	<b>2.7%</b>	<b>1.5%</b>	<b>5.2%</b>	<b>5.5%</b>	<b>5.6%</b>
Adj. EBIT margin	-2.4%	0.9%	2.6%	2.9%	3.9%	3.7%	2.6%	5.5%	5.5%	5.6%
EBITA margin	-2.3%	4.3%	1.9%	2.6%	3.4%	3.3%	2.2%	5.8%	6.1%	6.2%
<b>Adj. EBITA margin</b>	<b>-2.3%</b>	<b>0.9%</b>	<b>2.6%</b>	<b>2.9%</b>	<b>4.3%</b>	<b>4.2%</b>	<b>3.4%</b>	<b>6.1%</b>	<b>6.1%</b>	<b>6.2%</b>
Tax rate	8.9%	-10.3%	45.7%	15.5%	28.8%	26.9%	115.7%	21.7%	21.7%	21.7%
EBIT y-o-y	366%	-319%	-51%	42%	52%	5%	-45%	300%	16%	9%
Sales per segment, SEKm	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Key markets				553	910	1,112	1,165	1,323	1,468	1,564
Other markets				846	901	955	992	1,079	1,177	1,259
<b>Group</b>				<b>1,400</b>	<b>1,811</b>	<b>2,067</b>	<b>2,157</b>	<b>2,403</b>	<b>2,645</b>	<b>2,823</b>
adj. EBITA per segment, SEI	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Key markets				18	67	62	51	100	110	117
Other markets				24	15	28	28	49	54	58
Business Development				-2	-4	-4	-3	-4	-4	-1
<b>Group</b>				<b>40</b>	<b>79</b>	<b>86</b>	<b>75</b>	<b>145</b>	<b>160</b>	<b>174</b>
adj. EBITA-margin per segr	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Key markets				3.2%	7.4%	5.5%	4.4%	7.5%	7.5%	7.5%
Other markets				2.8%	1.6%	3.0%	2.8%	4.6%	4.6%	4.6%
<b>Group</b>				<b>2.9%</b>	<b>4.3%</b>	<b>4.2%</b>	<b>3.5%</b>	<b>6.1%</b>	<b>6.1%</b>	<b>6.2%</b>
Other metrics	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
FCF conversion	50%	-110%	2205%	492%	-363%	-65%	High	33%	93%	80%
ND/EBITDA	18.2x	2.7x	3.1x	1.8x	2.3x	3.6x	3.2x	1.6x	1.1x	0.8x
NWC / Sales	9%	11%	10%	9%	8%	14%	9%	12%	11%	12%
ROE	-22%	15%	1%	5%	5%	5%	0%	13%	13%	13%
ROIC	-7%	14%	4%	7%	6%	4%	-1%	10%	11%	11%

Source: ABG Sundal Collier estimates, company data

Income Statement (SEKm)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021e	Q4 2021e
Sales	599	559	503	494	567	634	590	612
COGS	-321	-322	-292	-265	-307	-336	-311	-318
Gross profit	278	237	211	229	260	298	279	294
Other operating items	-237	-218	-173	-189	-218	-235	-219	-232
<b>EBITDA</b>	<b>42</b>	<b>19</b>	<b>38</b>	<b>40</b>	<b>43</b>	<b>63</b>	<b>60</b>	<b>62</b>
Depreciation and amortisation	-21	-32	-17	-21	-20	-22	-22	-23
<b>EBITA</b>	<b>20</b>	<b>-13</b>	<b>21</b>	<b>19</b>	<b>23</b>	<b>40</b>	<b>38</b>	<b>39</b>
EO items	0	-28	0	3	-6	0	0	0
Impairment and PPA amortisation	-4	-4	-6	-3	-4	-4	-3	-3
<b>EBIT</b>	<b>17</b>	<b>-16</b>	<b>15</b>	<b>15</b>	<b>19</b>	<b>36</b>	<b>34</b>	<b>36</b>
Net financial items	-7	-4	-6	-5	-7	-6	-7	-7
<b>Pretax profit</b>	<b>10</b>	<b>-20</b>	<b>9</b>	<b>11</b>	<b>12</b>	<b>31</b>	<b>28</b>	<b>29</b>
Tax	-3	1	-3	-5	-3	-5	-7	-7
<b>Net profit</b>	<b>6</b>	<b>-20</b>	<b>7</b>	<b>5</b>	<b>9</b>	<b>26</b>	<b>21</b>	<b>21</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>6</b>	<b>-20</b>	<b>7</b>	<b>5</b>	<b>9</b>	<b>26</b>	<b>21</b>	<b>21</b>
EPS	0.20	-0.60	0.20	0.16	0.27	0.73	0.58	0.60
EPS Adj	0.31	-0.49	0.39	0.26	0.37	0.84	0.67	0.69
Total extraordinary items after tax	0	-28	0	3	-6	0	0	0
Tax rate (%)	32.6	3.4	27.5	50.9	22.9	15.3	25.0	25.0
Gross margin (%)	46.5	42.5	41.9	46.3	45.9	47.0	47.3	48.0
EBITDA margin (%)	6.9	3.4	7.6	8.1	7.5	9.9	10.1	10.1
EBITA margin (%)	3.4	-2.3	4.3	3.8	4.0	6.4	6.4	6.4
EBIT margin (%)	2.8	-2.9	3.0	3.1	3.3	5.7	5.8	5.8
Pretax margin (%)	1.6	-3.6	1.8	2.1	2.1	4.8	4.7	4.7
Net margin (%)	1.1	-3.5	1.3	1.1	1.6	4.1	3.5	3.5
<b>Growth rates Y/Y</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021e</b>	<b>Q4 2021e</b>
Sales growth (%)	20.4	10.3	-2.4	-9.9	-5.3	13.4	17.2	23.9
EBITDA growth (%)	6.7	-49.7	5.8	10.6	2.9	228.3	56.1	55.7
EBIT growth (%)	-2.9	-chg	6.3	90.1	13.1	+chg	125.4	131.6
Net profit growth (%)	-29.7	-chg	633.3	-5.5	42.2	+chg	214.4	312.1
EPS growth (%)	-29.7	-chg	633.3	-5.5	42.2	+chg	214.4	312.1
<b>Adj earnings numbers</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021e</b>	<b>Q4 2021e</b>
EBITDA Adj	42	47	38	37	49	63	60	62
EBITDA Adj margin (%)	6.9	8.3	7.6	7.6	8.6	9.9	10.1	10.1
EBITA Adj	20	15	21	16	29	40	38	39
EBITA Adj margin (%)	3.4	2.7	4.3	3.3	5.0	6.4	6.4	6.4
EBIT Adj	17	11	15	13	25	36	34	36
EBIT Adj margin (%)	2.8	2.0	3.0	2.6	4.4	5.7	5.8	5.8
Pretax profit Adj	13	11	15	11	21	35	31	32
Net profit Adj	10	11	13	6	19	30	24	25
Net profit to shareholders Adj	10	11	13	6	19	30	24	25
Net Adj margin (%)	1.7	2.0	2.5	1.2	3.3	4.8	4.1	4.1

Source: ABG Sundal Collier, Company data

Income Statement (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Sales	985	1,206	1,306	1,400	1,811	2,068	2,155	2,403	2,645	2,823
COGS	-596	-711	-718	-807	-1,006	-1,121	-1,200	-1,271	-1,428	-1,519
Gross profit	389	495	588	593	805	947	955	1,131	1,217	1,304
Other operating items	-379	-404	-515	-514	-692	-798	-816	-904	-966	-1,034
<b>EBITDA</b>	<b>10</b>	<b>91</b>	<b>73</b>	<b>79</b>	<b>113</b>	<b>149</b>	<b>139</b>	<b>227</b>	<b>250</b>	<b>270</b>
Depreciation and amortisation	-32	-39	-48	-43	-52	-81	-91	-88	-90	-96
Of which leasing depreciation	0	0	0	0	0	0	0	0	0	0
<b>EBITA</b>	<b>-22</b>	<b>52</b>	<b>25</b>	<b>36</b>	<b>61</b>	<b>68</b>	<b>48</b>	<b>139</b>	<b>160</b>	<b>174</b>
EO items	0	40	-9	-4	-17	-19	-25	-6	0	0
Impairment and PPA amortisation	-1	-1	0	-0	-7	-11	-17	-14	-16	-17
<b>EBIT</b>	<b>-23</b>	<b>51</b>	<b>25</b>	<b>36</b>	<b>54</b>	<b>57</b>	<b>31</b>	<b>125</b>	<b>145</b>	<b>157</b>
Net financial items	-14	-17	-22	-16	-25	-25	-22	-26	-37	-40
<b>Pretax profit</b>	<b>-37</b>	<b>34</b>	<b>4</b>	<b>19</b>	<b>29</b>	<b>32</b>	<b>9</b>	<b>99</b>	<b>108</b>	<b>118</b>
Tax	3	4	-2	-3	-8	-9	-10	-21	-23	-26
<b>Net profit</b>	<b>-34</b>	<b>38</b>	<b>2</b>	<b>16</b>	<b>21</b>	<b>24</b>	<b>-1</b>	<b>77</b>	<b>84</b>	<b>92</b>
Minority interest	0	0	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
<b>Net profit to shareholders</b>	<b>-34</b>	<b>38</b>	<b>2</b>	<b>16</b>	<b>21</b>	<b>24</b>	<b>-1</b>	<b>77</b>	<b>84</b>	<b>92</b>
EPS	-5.08	3.17	0.09	0.68	0.74	0.72	-0.04	2.16	2.36	2.58
EPS Adj	-4.92	-0.20	0.49	0.87	1.61	1.63	1.22	2.73	2.80	3.05
Total extraordinary items after tax	0	40	-9	-4	-17	-19	-25	-6	0	0
Leasing payments	0	0	0	0	0	0	0	0	0	-88
Tax rate (%)	8.9	10.3	45.7	15.5	28.8	26.9	115.7	21.7	21.7	21.7
Gross margin (%)	39.5	41.0	45.0	42.3	44.5	45.8	44.3	47.1	46.0	46.2
EBITDA margin (%)	1.0	7.5	5.6	5.7	6.3	7.2	6.4	9.4	9.5	9.6
EBITA margin (%)	-2.3	4.3	1.9	2.6	3.4	3.3	2.2	5.8	6.1	6.2
EBIT margin (%)	-2.4	4.2	1.9	2.6	3.0	2.7	1.5	5.2	5.5	5.6
Pretax margin (%)	-3.7	2.8	0.3	1.4	1.6	1.6	0.4	4.1	4.1	4.2
Net margin (%)	-3.4	3.1	0.1	1.2	1.1	1.1	-0.1	3.2	3.2	3.3
<b>Growth rates Y/Y</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Sales growth (%)	-4.9	22.5	8.2	7.2	29.4	14.2	4.2	11.5	10.1	6.7
EBITDA growth (%)	304.0	788.2	-19.8	8.8	43.1	31.6	-7.0	63.8	10.3	7.9
EBIT growth (%)	-366.0	319.3	-50.7	41.7	51.5	5.0	-44.9	299.8	15.6	8.8
Net profit growth (%)	-43.0	211.6	-94.9	763.2	26.8	13.5	-105.9	5,620.1	9.0	9.5
EPS growth (%)	-19.9	162.3	-97.3	693.0	8.9	-3.2	-106.0	5,157.3	9.0	9.5
<b>Profitability</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
ROE (%)	-22.5	18.7	0.7	5.7	5.8	5.2	-0.3	14.7	13.9	13.8
ROE Adj (%)	-21.8	-1.2	4.2	7.2	12.6	11.9	8.2	18.6	16.5	16.3
ROCE (%)	-8.1	13.1	5.4	8.0	9.4	6.4	3.0	11.6	12.2	12.7
ROCE Adj(%)	-7.7	2.9	7.3	9.1	13.7	9.9	7.1	13.5	13.6	14.0
ROIC (%)	-8.3	16.3	3.2	7.4	7.4	4.9	-0.5	9.8	10.5	11.3
ROIC Adj (%)	-8.3	3.4	4.3	8.3	9.7	6.6	-0.9	10.2	10.5	11.3
<b>Adj earnings numbers</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
EBITDA Adj	10	50	82	83	131	168	164	233	250	270
EBITDA Adj margin (%)	1.0	4.2	6.3	6.0	7.2	8.1	7.6	9.7	9.5	9.6
EBITDA lease Adj	10	50	82	83	131	168	164	233	250	182
EBITDA lease Adj margin (%)	1.0	4.2	6.3	6.0	7.2	8.1	7.6	9.7	9.5	6.5
EBITA Adj	-22	11	34	40	79	87	73	145	160	174
EBITA Adj margin (%)	-2.3	0.9	2.6	2.9	4.3	4.2	3.4	6.1	6.1	6.2
EBIT Adj	-23	11	34	40	71	76	56	131	145	157
EBIT Adj margin (%)	-2.4	0.9	2.6	2.9	3.9	3.7	2.6	5.5	5.5	5.6
Pretax profit Adj	-36	-6	13	24	54	63	50	119	123	135
Net profit Adj	-33	-2	11	21	45	54	40	98	100	109
Net profit to shareholders Adj	-33	-2	11	21	45	54	40	98	100	109
Net Adj margin (%)	-3.3	-0.2	0.8	1.5	2.5	2.6	1.9	4.1	3.8	3.9

Source: ABG Sundal Collier, Company data



Cash Flow Statement (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA	10	91	73	79	113	149	139	227	250	270
Net financial items	-14	-17	-22	-16	-25	-25	-22	-26	-37	-40
Paid tax	3	4	-2	-3	-8	-9	-10	-21	-23	-26
Non-cash items	3	-19	0	0	0	0	0	0	0	0
Cash flow before change in WC	3	59	49	60	80	116	106	179	190	205
Change in WC	20	-54	-8	12	34	6	76	-37	-9	-22
<b>Operating cash flow</b>	<b>23</b>	<b>5</b>	<b>42</b>	<b>72</b>	<b>114</b>	<b>122</b>	<b>182</b>	<b>143</b>	<b>181</b>	<b>183</b>
CAPEX tangible fixed assets	-24	-17	0	-14	-47	-51	-60	-99	-103	-109
CAPEX intangible fixed assets	0	0	0	0	0	0	0	0	0	0
Acquisitions and disposals	-16	-30	0	23	-143	-87	-0	-19	0	0
<b>Free cash flow</b>	<b>-17</b>	<b>-41</b>	<b>42</b>	<b>81</b>	<b>-76</b>	<b>-15</b>	<b>122</b>	<b>25</b>	<b>78</b>	<b>74</b>
Dividend paid	0	0	0	0	0	-8	0	-9	-26	-28
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Lease liability amortisation	0	0	0	0	0	0	0	0	0	0
Other non cash items	6	-42	-15	-16	-100	-308	-21	-150	-15	-18
Balance Sheet (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Goodwill	146	141	145	148	265	299	298	337	337	337
Other intangible assets	0	0	1	4	66	113	98	109	109	109
Tangible fixed assets	129	253	244	206	270	279	270	335	347	361
Right-of-use asset	0	0	0	0	0	144	138	166	166	166
Total other fixed assets	14	17	18	17	17	32	27	19	19	19
Fixed assets	288	412	407	374	617	866	830	966	978	992
Inventories	202	239	244	270	290	423	342	506	557	595
Receivables	46	67	72	63	102	150	101	163	166	177
Other current assets	10	9	10	6	10	17	19	17	17	17
Cash and liquid assets	32	49	24	56	78	67	121	109	161	206
<b>Total assets</b>	<b>578</b>	<b>776</b>	<b>756</b>	<b>770</b>	<b>1,096</b>	<b>1,523</b>	<b>1,414</b>	<b>1,761</b>	<b>1,879</b>	<b>1,987</b>
Shareholders equity	146	254	269	309	411	498	475	577	635	699
Minority	0	0	0	0	0	0	0	0	0	0
<b>Total equity</b>	<b>146</b>	<b>254</b>	<b>269</b>	<b>309</b>	<b>411</b>	<b>498</b>	<b>475</b>	<b>577</b>	<b>635</b>	<b>699</b>
Long-term debt	54	133	69	87	207	210	175	183	183	183
Pension debt	3	3	4	0	5	109	110	109	109	109
Convertible debt	0	0	0	0	0	0	0	0	0	0
Leasing liability	0	0	0	0	0	138	124	154	154	154
Total other long-term liabilities	4	4	3	7	29	46	43	35	29	32
Short-term debt	92	94	107	42	85	101	119	130	130	130
Accounts payable	139	147	155	167	219	232	200	318	357	380
Other current liabilities	139	141	148	156	140	190	169	254	281	300
<b>Total liabilities and equity</b>	<b>578</b>	<b>776</b>	<b>756</b>	<b>770</b>	<b>1,096</b>	<b>1,523</b>	<b>1,414</b>	<b>1,761</b>	<b>1,879</b>	<b>1,987</b>
Net IB debt	104	181	156	73	219	491	406	467	415	370
Net IB debt excl. pension debt	101	178	152	73	215	382	296	358	306	261
Net IB debt excl. leasing	104	181	156	73	219	353	282	313	261	215
Capital invested	255	439	428	390	659	1,034	924	1,079	1,080	1,101
Working capital	-20	27	22	16	42	169	94	114	102	110
EV breakdown	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Market cap. diluted (m)	94	91	228	259	390	516	457	877	877	877
Net IB debt Adj	104	181	156	73	219	491	406	467	415	370
Market value of minority	0	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	0	0	0	0	0	0	0	0	0	0
<b>EV</b>	<b>198</b>	<b>272</b>	<b>383</b>	<b>332</b>	<b>609</b>	<b>1,007</b>	<b>863</b>	<b>1,344</b>	<b>1,292</b>	<b>1,246</b>
Capital efficiency	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Total assets turnover (%)	179.7	178.2	170.5	183.5	194.1	157.9	146.7	151.3	145.3	146.0
Working capital/sales (%)	-0.9	0.3	1.8	1.3	1.6	5.1	6.1	4.3	4.1	3.7
Financial risk and debt service	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Net debt/equity	0.71	0.71	0.58	0.24	0.53	0.99	0.85	0.81	0.65	0.53
Net debt/market cap	0.89	1.81	0.78	0.30	0.53	0.95	0.89	0.53	0.47	0.42
Equity ratio (%)	25.3	32.7	35.6	40.2	37.5	32.7	33.6	32.8	33.8	35.2
Net IB debt adj./equity	0.71	0.71	0.58	0.24	0.53	0.99	0.85	0.81	0.65	0.53
Current ratio	0.78	0.95	0.85	1.08	1.08	1.16	1.10	1.07	1.12	1.17
EBITDA/net interest	0.75	5.30	3.35	4.85	4.55	6.08	6.19	8.60	6.76	6.84
Net IB debt/EBITDA	10.23	2.00	2.14	0.92	1.94	3.29	2.93	2.06	1.66	1.37
Net IB debt/EBITDA lease Adj	10.23	3.60	1.90	0.88	1.68	2.10	1.72	1.34	1.04	1.18
Interest cover	-1.63	3.02	1.16	2.21	2.46	2.77	2.13	5.28	4.33	4.41

Source: ABG Sundal Collier, Company data

Valuation and Ratios (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Shares outstanding adj.	7	12	22	24	28	33	33	36	36	36
Fully diluted shares Adj	7	12	22	24	28	33	33	36	36	36
EPS	-5.08	3.17	0.09	0.68	0.74	0.72	-0.04	2.16	2.36	2.58
Dividend per share Adj	0	0	0	0	0	0.2	0.3	0.3	0.7	0.8
EPS Adj	-4.92	-0.20	0.49	0.87	1.61	1.63	1.22	2.73	2.80	3.05
BVPS	22.13	21.46	12.11	12.81	14.59	15.09	14.49	16.13	17.75	19.54
BVPS Adj	0.12	9.49	5.55	6.54	2.85	2.59	2.42	3.68	5.30	7.09
Net IB debt / share	15.8	15.3	7.0	3.0	7.8	14.9	12.4	13.1	11.6	10.3
Share price	14.21	7.71	10.25	10.71	13.85	15.65	13.95	24.50	24.50	24.50
Market cap. (m)	94	91	228	259	390	516	457	877	877	877
<b>Valuation</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
P/E	-2.8	2.4	119.7	15.8	18.7	21.9	-326.6	11.3	10.4	9.5
EV/sales	0.20	0.23	0.29	0.24	0.34	0.49	0.40	0.56	0.49	0.44
EV/EBITDA	19.4	3.0	5.3	4.2	5.4	6.8	6.2	5.9	5.2	4.6
EV/EBITA	-8.9	5.3	15.2	9.2	9.9	14.8	18.1	9.6	8.1	7.2
EV/EBIT	-8.5	5.3	15.2	9.3	11.3	17.7	27.6	10.7	8.9	7.9
Dividend yield (%)	0	0	0	0	0	1.6	1.8	1.0	3.0	3.2
FCF yield (%)	-17.8	-45.0	18.4	31.2	-19.4	-3.0	26.6	2.9	8.9	8.4
Lease adj. FCF yield (%)	-17.8	-45.0	18.4	31.2	-19.4	-3.0	26.6	2.9	8.9	8.4
P/BVPS	0.64	0.36	0.85	0.84	0.95	1.04	0.96	1.52	1.38	1.25
P/BVPS Adj	117.44	0.81	1.85	1.64	4.86	6.04	5.77	6.66	4.62	3.46
P/E Adj	-2.9	-38.0	20.9	12.4	8.6	9.6	11.4	9.0	8.8	8.0
EV/EBITDA Adj	19.4	5.4	4.7	4.0	4.7	6.0	5.3	5.8	5.2	4.6
EV/EBITA Adj	-8.9	24.3	11.2	8.3	7.7	11.6	11.9	9.2	8.1	7.2
EV/EBIT Adj	-8.5	25.4	11.2	8.3	8.5	13.3	15.3	10.2	8.9	7.9
EV/cap. employed	0.7	0.6	0.9	0.8	0.9	1.0	0.9	1.2	1.1	1.0
<b>Investment ratios</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Capex/sales	2.4	1.4	0	1.0	2.6	2.4	2.8	4.1	3.9	3.9
Capex/depreciation	74.1	42.3	0	33.2	89.6	62.3	66.0	112.8	113.9	113.9
Capex tangibles/tangible fixed assets	18.6	6.5	0	6.9	17.2	18.1	22.2	29.5	29.5	30.3
Capex intangibles/definite intangibles	nm	0	0	0	0	0	0	0	0	0
Depreciation on intangibles/definite intai	nm	0	0	0	0	0	0	0	0	0
Depreciation on tangibles/tangibles	25.1	15.4	19.5	20.9	19.3	29.1	33.7	26.1	25.9	26.6

Source: ABG Sundal Collier, Company data

## Analyst certification

I/We, Erik Cassel, Max Bacco, the author(s) of this report, certify that not withstanding 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 engaged in providing liquidity in HANZA's securities at the time of this report's publication.

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: 28/07/2021 12:07 CET.

All prices are as of market close on 27 July, 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 HANZA.

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](http://www.abgsc.com).**

© Copyright 2021 ABG Sundal Collier ASA

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