

Industrials  
Q1 results review

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# NEXAM CHEMICAL

## Hiccup in the trend

Q1 sales missed our forecast by 5%, driven by lower than expected growth in Performance Chemicals. However, this has not changed our view on the company and we have left our 2021–2022e sales fairly unchanged and reiterate our fair value of SEK13–17. We continue to forecast a 35% 2021–2023e sales CAGR and a 2022e EBITDA margin of 14%, corresponding to 2022e multiples of 3.7x and 26x, respectively. The company is well-positioned to execute on its profitable growth journey, in our view.

**Q1 report.** Sales of SEK52.5m, corresponding to 26% YOY growth, were 5% below our estimate, with 38% YOY growth in Performance Chemicals (our estimate: 60%) while Performance Masterbatch continued to exceed our forecast at 15% (our estimate: 8%). Our key conclusions: 1) The miss in Performance Chemicals should not be exaggerated in our view as Q1 2020 was exceptionally strong and management indicated lost volumes in January and February due to supply chain adjustments, which bodes well for pent-up volumes in Q2, in our view; 2) Q1 EBITDA was hurt by additional costs from supply chain adjustments of cSEK1.5m (adjusted EBITDA margin of 6.8%, our estimate: 7.0%) that we believe should not be extrapolated; and 3) the company seems well-capitalised with SEK61m of cash and is FCF positive for first time, benefiting from positive working capital delayed from Q4.

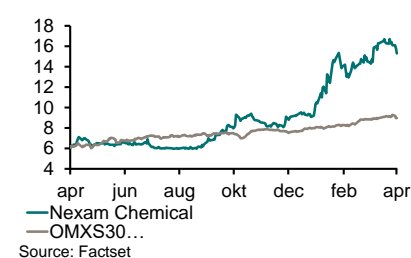
**View on company intact.** The Q1 report does not change our view that the company is well-positioned for a 35% 2021–2023e sales CAGR and a 10% EBIT margin by 2022e. Annualised Q1 sales correspond to SEK212m and we forecast 11% QOQ sales growth in Q2, which would put run-rate sales at SEK236m, only 16% below the company's 2022e lower-range sales target of SEK275m. We thus believe that the target could be within reach near-term. We highlight that: 1) PET fibre could be the next growth leg and offer meaningful volumes in the next 2–3 years, and 2) the Uponor settlement could offer a sizable sales opportunity in the “triple-digit millions” in the long run if successfully commercialised.

**Fair value of SEK13–17 maintained.** The shares have re-rated and are trading at a 2022e EV/sales of 3.7x, in line with our specialty polymer peer group, with the group screening at a lower 2021–2023e sales growth and 10%-points lower gross margins.

Year-end Dec	2017	2018	2019	2020	2021e	2022e	2023e
Revenue (SEKm)	19	110	130	166	234	326	408
EBITDA adj (SEKm)	-21	-9	-9	5	17	46	68
EBIT adj (SEKm)	-24	-19	-19	-5	6	33	52
PTP (SEKm)	-23	-17	-17	-8	3	29	46
EPS rep (SEK)	-0.09	-0.25	-0.25	-0.14	0.04	0.28	0.45
EPS adj (SEK)	-0.11	-0.30	-0.31	-0.11	0.03	0.28	0.45
Revenue growth (%)	126.1	487.5	18.4	27.5	41.2	39.2	25.3
EBIT growth adj (%)	nm	nm	nm	nm	nm	458.0	54.4
EPS growth adj (%)	nm	nm	nm	nm	nm	816.5	58.4
EBIT margin adj (%)	-129.3	-16.9	-14.9	-3.2	2.6	10.2	12.6
EV/Sales adj (x)	31.49	5.58	4.33	4.22	5.07	3.63	2.85
EV/EBITDA adj (x)	nm	nm	nm	nm	68.7	25.5	17.2
EV/EBIT adj (x)	nm	nm	nm	nm	nm	35.4	22.6
P/E adj (x)	nm	nm	nm	nm	nm	54.2	34.2
ROE (%)	nm	nm	nm	nm	1.2	9.5	13.4

Source: Company (historical figures), DNB Markets (estimates)

NEXAM versus OMXS30 (12m)



### SUMMARY

Share price (SEK)	15.3
Tickers	NEXAM SS

### CAPITAL STRUCTURE

No. of shares (m)	78.9
No. of shares fully dil. (m)	78.9
Market cap. (SEKm)	1,207
NIBD adj end-2021e (SEKm)	-21
Enterprise value adj (SEKm)	1,187
Net debt/EBITDA adj (x)	-1.19
Free float (%)	84

Source: Company, DNB Markets (estimates)

Note: Unless otherwise stated, the share prices in this note are the last closing price.

### NEXT EVENT

Q2 2021	14/07/2021
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### ESTIMATE CHANGES (SEK)

Year-end Dec	2021e	2022e	2023e
Sales (old)	232.7	322.3	404.8
Sales (new)	234.1	325.9	408.4
Change (%)	0.6	1.1	0.9
EPS (old)	0.04	0.29	0.46
EPS (new)	0.03	0.28	0.45
Change (%)	-29.0	-2.0	-3.8

Source: DNB Markets,

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### ANALYSTS

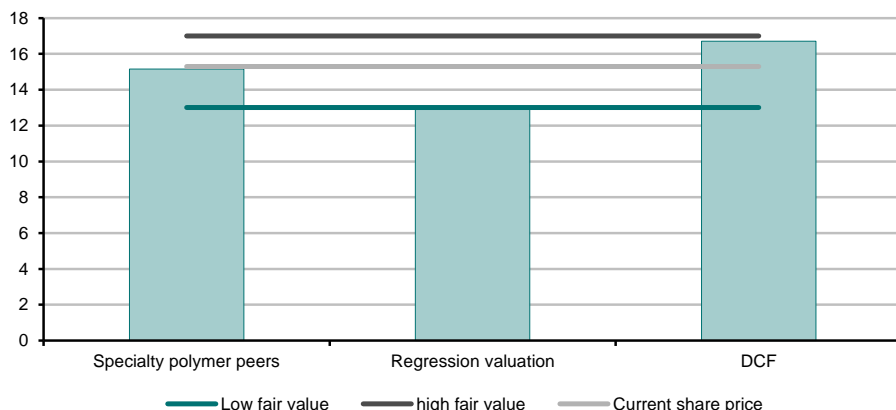
Viktor Trollsten

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# Overview

## Valuation (SEK)



Source: DNB Markets

## Valuation methodology

- Our fair value of SEK13–17 is based on peer’s 2022e EV/sales, a small-cap/ high-growth regression valuation and our DCF.
- The high end of the range is based on our peer group’s 2022e EV/sales applied to our forecasts and our DCF.
- The low end of the range is based on a 10% higher WACC of 14.1% in our base-case DCF.

Source: DNB Markets

## Downside risks to our fair value

- Lack of growth in the Performance Chemicals segment could make the valuation look high.
- A cyclical downturn hitting Performance Masterbatch (currently accounting for 50% of sales), leading to the group missing its sales target.
- Lower than expected margins raising the risk of recapitalisation.
- Long-term, substituting plastic bottles with bottles for life and plastic packaging with paper could be negative for Performance Masterbatch.

Source: DNB Markets

## DNB Markets estimates

- We expect a 2021–2023 sales CAGR of 35%, and the company to meet its 2022 sales target.
- We expect margins to improve as early as 2022, reflected in our forecast of an EBIT margin of 10%.
- We believe the balance sheet is well capitalised for now, but would not rule out further capital injections during the coming years.

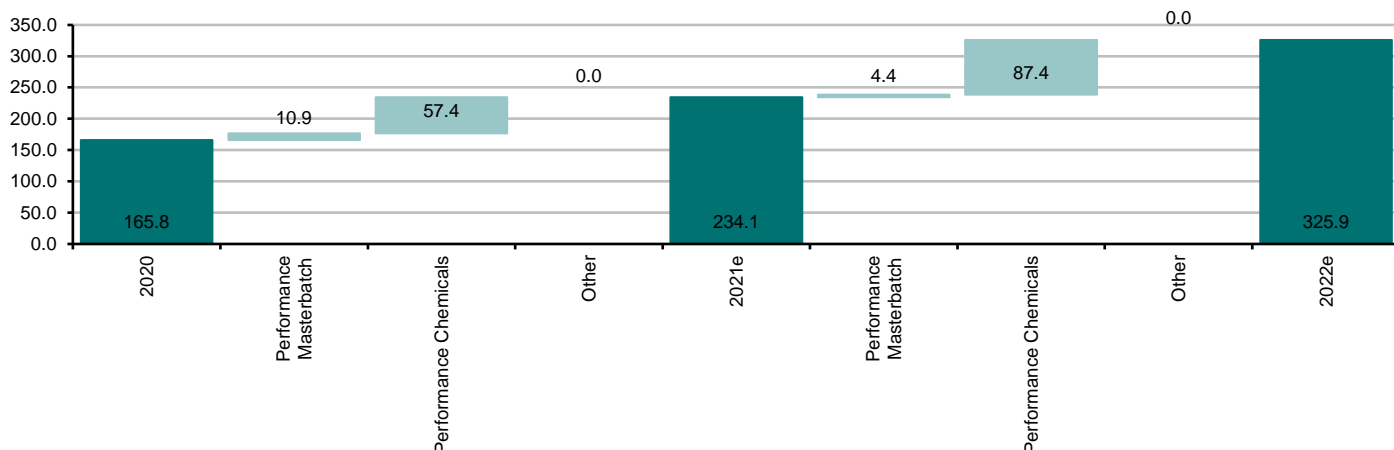
Source: DNB Markets

## Upside risks to our fair value

- Higher than expected order intake in High Performance segment.
- In our view, the PE pipes market offers the largest potential, and any proof of gaining market share could be a swing factor in the valuation.
- Better cost control could improve the margin profile and in a mature state we note that EBIT margins average 18% at specialty polymer peers.

Source: DNB Markets

## Sales bridge 2020–2022e (SEKm)



Source: DNB Markets (forecasts), company (historical data)

## ESG overview

### Sustainability assessment

#### Positive

- Conclusions ■ Nexam Chemical's products are designed to improve resource efficiency and recyclability, restoring features of used polymers, which is both cost- and climate-effective. For example, wind turbines can be built out of PET foam (from recycled PET), improving sustainability.
- Nexam Chemical's products allow clients to substitute heavier materials with polymers, reducing energy-consumption/aiding the environment.
  - Nexam Chemical's products are a crucial part of the wind energy market in our view, enhancing the performance of core materials, allowing for taller and larger rotor blades, and in turn improving efficiency and lowering the LCOE.

#### Negative

- We believe the Performance Masterbatch segment could face structural headwinds from increasing penetration of paper versus plastic in several applications such as bottles, packaging, etc. which could reduce the need for colour and additive masterbatches.
- Despite contributing to higher plastic recyclability and resource efficiency, there is a risk of negative ESG perception, as Nexam Chemical's technology is designed to be used with plastics.
- Regulatory frameworks and directives could work against the use of plastics, and competing solutions could erode the scope for market share gains and opportunities for Nexam Chemical.

#### Key ESG drivers

- Short-term ■ Lightweighting in industries like aerospace and automotive is a key topic, and complex settings such as engines are one of the few areas where development has not moved forward over the past few years. For instance, incorporating Nexam Chemical's additives in the production of jet engines can result in a c30% weight saving versus titanium.
- According to BNEF, installed wind capacity is set to increase significantly over the coming years. Given the move towards longer and larger rotor blades, we also expect demand for stronger core materials, and thus Nexam Chemical's products.
- Long-term ■ Hybrid and electric vehicles contain more polymers and composite technologies than ICE+, and could offer a sizeable market for Nexam Chemical's products.

- Changing consumer behaviour could affect the market drivers for the more mature Performance Masterbatch segment, e.g. slumping demand if the use of certain plastics (like single-use) is banned, and finding alternative products for substitution could limit growth.
- Significant changes to regulations could render Nexam Chemical's technology and business model outdated/obsolete.

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## Summary of positives

### Sustainability the core of business case

Nexam Chemical's products enhance the properties and performance of polymer materials, including improving strength, recyclability, ductility, and temperature resistance. This allows manufacturers to substitute more expensive and heavier materials with polymers, resulting in lower opex while increasing resource efficiency by using recycled polymers, and reducing energy consumption by lightweighting. This is a key topic in several industries such as wind power (Nexam Chemical's products make it possible to build taller and larger rotor blades, increasing efficiency and lowering the levelised cost of energy (LCOE) of wind energy) and aerospace (where lightweighting can dramatically cut fuel consumption).

Multiple uses and multiple benefits

### Proof-of-concept in each focus area and evidence of customer demand

Orders from manufacturers have validated Nexam Chemical's decade-long R&D programme in all three of its focus areas, exemplified by the renewal of the delivery agreement with DIAB, one of the world's largest PET foam manufacturers, in 2019, which we believe is worth cSEK60m annually to Nexam Chemical (corresponding to 46% of 2019 group sales). Nexam Chemical has announced orders in all three of its focus areas, with high performance chemicals and PET foam in particular showing steady growth in volumes, demonstrating healthy demand.

Healthy demand evidenced in announced orders

### Long-standing customer relationships and patented know-how

It takes several years to develop a product and reach commercial sales. Proof of its success, Nexam Chemical has built long-standing relationships with large international polymer producers, converters and recyclers. It is collaborating with some of the industry leaders in its focus areas, three of the four largest PET foam manufacturers and other well-established brands in the sector, such as DIAB and Armacell; we also believe it is in discussion with Rolls-Royce and Safran (related to jet engines). In addition, the company has 54 patents, in our view raising the barriers to entry and reinforcing its standing as first-mover in its niches.

Client relationships, collaborations and patents form the foundations to Nexam Chemical's strategy

### Vast market potential

Given the broad applications for Nexam Chemical's products, quantifying the addressable market is challenging; however, we believe the potential is vast. We estimate a total PET foam opportunity of cSEK500m based on the four largest PET foam manufacturers, of which Nexam Chemical is already collaborating with three. We estimate a total High Performance opportunity of SEK100m just looking at the jet engine market. In our view, Nexam Chemical has yet to prove its entry in the Polyethylene (PE) pipe market, which we believe is the largest swing factor, offering the most potential at SEK1bn. Overall, we estimate the total market opportunity amounts to SEK1.7bn in 2020, meaning the company has an implicit market share of 5%, indicating solid growth prospects if it can exploit its addressable market.

The sheer number of applications for Nexam Chemical's products indicates real scope for growth

### Well positioned for 2021–2023e sales CAGR of >35%, and 10% EBIT margin by 2022e

We believe the company is well positioned to meet its 2022 sales target of SEK275m–325m, implying a 2020–2022e sales CAGR of >40% as:

- we expect continued solid growth in sales in our forecast horizon;
- following the DIAB delivery agreement, we believe SEK110m in sales growth is needed to reach the mid-point (implying fewer than two additional DIAB deals); and
- Nexam Chemical is already collaborating with three of the four largest PET foam manufacturers; it would be on course to meet its sales target if it could capture 40% of the value of the other two compared with currently capturing 60% of DIAB, we estimate.

We still believe our 2022 sales estimate of cSEK326m will be within the company's reach, even if growth slows from the 2020 level. Nexam Chemical is already approaching net profit breakeven, and we expect higher purchasing power versus suppliers and volume growth to boost gross margins. Taken together with higher fixed-cost absorption, we forecast an EBIT margin just shy of 10% in 2022.

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## Summary of negatives

The key risks that could affect our fair value are failure to capitalise on the underlying growth prospects, such as: 1) slower composite uptake in select focus areas than expected; 2) entry of large and well-resourced companies offering composite solutions in select applications, and 3) slower regulatory approvals than expected significantly delaying volume growth.

### Competitive landscape

While Nexam Chemical has 54 patents and has built long-standing customer relationships within its focus areas, the polymer industry is still highly competitive, driven by technological advances and shifting market trends; any further intensifying of competition could threaten Nexam Chemical's value offering. The entry of any large and well-resourced companies could hit the company's market share trajectory hard. Nexam Chemical's products also face indirect competition from other materials, such as metals, while falling metal and oil prices could reduce the economic appeal of substituting metals with composite materials.

Technology advances and shifting demand trends can influence the competitive landscape

### Consolidated end-markets could limit customer base

The PET foam market and jet engine industry are both highly consolidated. Nexam Chemical has built close relationships with key participants; however, other market leaders could look for alternative solutions to prevent any information-sharing with competitors. While we believe Nexam Chemical's products are the most attractive in the market, failure to expand its customer base could limit the total market potential and/or delay growth.

Potential clients may be reluctant to work with a company that is already working with many of the sector leaders

### Financing and future capital requirements and dilution risk

We estimate the company will have cash of cSEK37m at end-2021 following the directed rights issue during Q1 2021, and a quarterly burn-rate of cSEK3m, indicating a well-capitalised balance sheet for now. However, given the growth potential, we do not expect the company to be cash-flow positive during our forecast horizon, and have not ruled out that it could need additional funding, resulting in dilution risk for investors.

Balance sheet well-capitalised, for now at least

### Valuation could look high if performance chemicals fail to take off

We believe the narrative on the stock centres on the Performance Chemicals growth case. In the event sales do not materialise, we believe the entire organic growth case would be far less appealing, and a 2022e EV/sales of 3.0x would be unwarranted (Plasticolor, now Masterbatch, was acquired at an EV/sales of 1.35x). Assuming market share gains to just 9% in PET foam by 2025 and an unsuccessful launch in high performance chemicals and PE pipes would warrant a low-case fair value of SEK5–7 in our view.

Low-case fair value of SEK3–5 based on Performance Chemicals failing to take off

### Worsening economic conditions

Demand in Performance Masterbatch (accounting for 52% of 2020 group sales) generally tracks overall economic activity, so is susceptible to weakening economic fundamentals. Our base case assumes Performance Chemicals offsets any deterioration in key indicators, given structural growth drivers in its end-markets and market share gains. However, we see a risk to the group reaching its 2022 sales target in the event a global recession slows organic growth in the Performance Masterbatch segment.

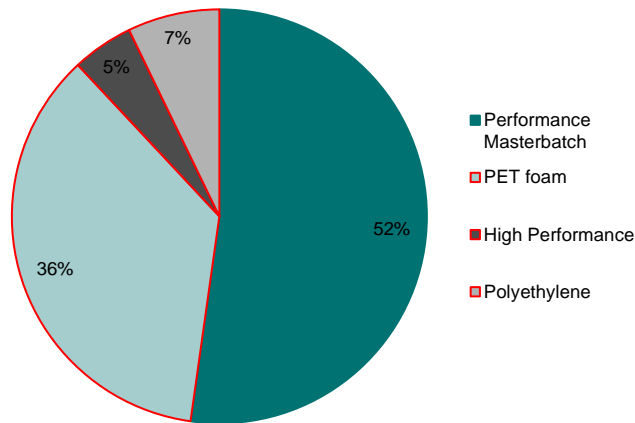
Time will tell if Performance Chemicals makes Nexam Chemical immune to recession

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## Company overview

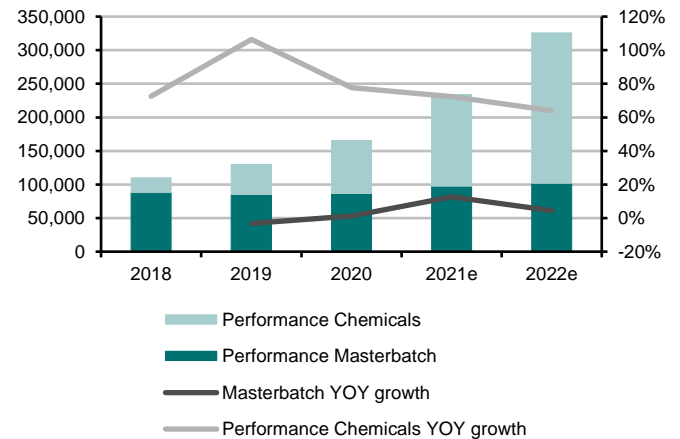
Nexam Chemical is a specialty chemical company with a world-leading, unique technology to enhance the properties and performance of plastics and polymers based on a decade-long R&D programme. It has deep roots in the scientific community, such as NASA's space programme.

**Figure 1: Estimated sales by segment (2020)**



Source: Company, DNB Markets (Performance Chemicals split)

**Figure 2: Sales (LHS, SEKk) and growth (RHS, %)**



Source: Company (historical data), DNB Markets (estimates)

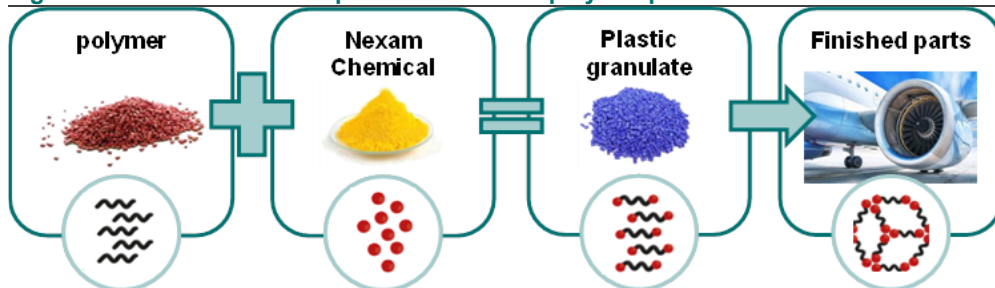
The company is structured into two divisions:

- **Performance Chemicals.** Includes the company's enhancing products for PET foam, high performance and polyethylene applications. The segment increased its top line by 78% in 2020, and we believe will be the growth driver at Nexam Chemical.
- **Performance Masterbatch.** Includes the former Plasticolor and mainly targets the plastics industry in the Nordics and eastern Europe. We view the masterbatch business as more mature than performance chemicals.

Man-made polymers are found in everything, from clothing to packaging, household goods and coatings. Durability, flexibility and low costs are key characteristics. Nexam Chemical has created additives that are incorporated in the production process to improve the end-products, making them more resource-efficient in terms of lightweighting, temperature resistance, strength, durability and recyclability. This allows customers to substitute heavier and often more expensive inputs, in turn reducing opex. They also enhance environmental credentials, allowing manufacturers to use recycled plastics by restoring and improving the plastic's original properties.

Polymers are (pretty much) everywhere and in (pretty much) everything

**Figure 3: Nexam Chemical's products enhance polymer performance**



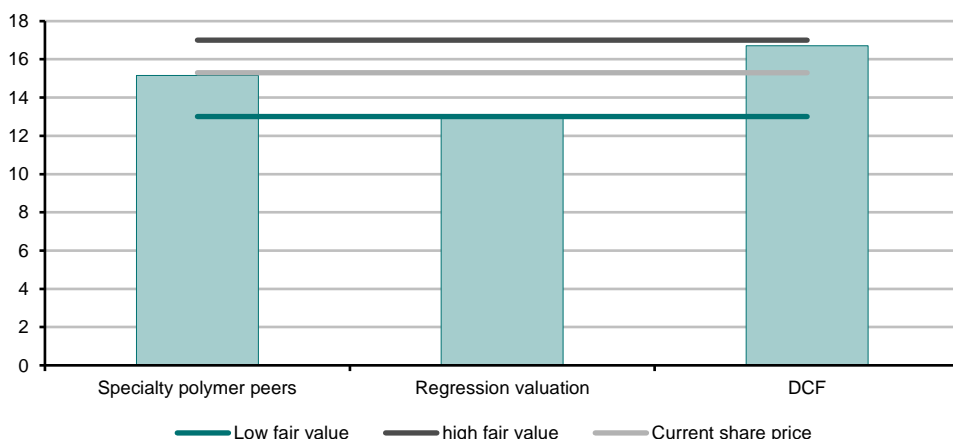
Source: Company

## Valuation

We have calculated a fair value of SEK13–17 for Nexam Chemical, based on an equally weighted average of the 2022e EV/sales for our specialty polymer peer group, a small-cap/high-growth regression valuation, and our DCF. Our fair value corresponds to 2022e EV/sales of 3.7x, an EV/EBITDA of 26.0x, and a P/E of 52.5x.

- **The low end of the range assumes:** a 10% higher WACC of 14.1% in our base-case DCF.
- **The high end of the range assumes:** Peer group’s 2022e EV/sales applied to our forecasts and our DCF.

Figure 4: Valuation summary (SEK/share)



Source: DNB Markets

## Peer group valuation

Being in a growth phase, we believe the best way to arrive at a valuation estimate for Nexam Chemical is EV/sales, even though we expect Nexam Chemical’s bottom line to move into the black in 2021. We have identified relevant specialty polymer peers in their value proposition, end-market exposure, and business models. Nexam Chemical is trading in line with our peer group on 2022e EV/sales, with a 10%-point higher gross margin but a 7%-point lower EBIT margin versus peers. This indicates a fair value of SEK13–17 for Nexam Chemical.

Figure 5: Valuations – Nexam Chemical versus listed peers

	Mkt. Cap. (SEKm)	P/E (x)			EV/EBITDA (x)			EV/Sales (x)			Gross margin			EBIT margin		
		2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e
<b>Nexam Chemical (DNBe)</b>	<b>1,207</b>	<b>513.3</b>	<b>56.0</b>	<b>35.4</b>	<b>71.0</b>	<b>26.3</b>	<b>17.8</b>	<b>5.2</b>	<b>3.7</b>	<b>3.0</b>	<b>42%</b>	<b>45%</b>	<b>45%</b>	<b>3%</b>	<b>10%</b>	<b>13%</b>
<i>Premium(+)/discount(-)*</i>		892%	132%	68%	346%	95%	39%	33%	4%	-19%	23%	27%	34%	-84%	-41%	-31%
<b>Specialty polymer peers</b>																
Solvay SA	111,662	15.1	12.7	11.8	6.7	6.2	5.8	1.5	1.4	1.3				14%	15%	15%
Ashland Global Holdings, Inc.	46,512	17.7	15.6	14.1	11.8	10.6	10.1	2.9	2.7	2.5	35%	35%	36%	15%	16%	
Croda International Plc	110,893	33.4	30.9	28.9	20.3	18.6	17.4	5.7	5.4	5.1	45%	45%	45%	23%	23%	22%
Hexcel Corporation	40,847	271.9	41.9	29.1	28.1	16.8	14.1	4.0	3.3	2.9	19%	23%	26%	4%	11%	15%
Umicore	118,891	26.5	25.9	24.2	13.7	13.3	12.8	3.5	3.2	3.1				12%	17%	15%
Victrex plc	23,632	28.0	24.4	22.5	18.8	16.6	15.0	6.9	6.5	6.0	55%	57%	59%	29%	32%	34%
Johnson Matthey Plc	72,328	14.4	12.8	11.3	9.1	8.5	6.6	1.7	1.6	1.3	27%	27%	28%	14%	14%	14%
Toray Industries, Inc.	85,190	14.9	12.7	13.6	7.7	7.3		0.9	0.8		20%	19%	21%	5%	6%	6%
Lonza Group AG	380,843	44.0	39.9	34.0	27.1	23.3	20.3	8.3	7.5	6.7	42%	42%	42%	24%	25%	25%
<b>Average</b>	<b>110,089</b>	<b>51.8</b>	<b>24.1</b>	<b>21.1</b>	<b>15.9</b>	<b>13.5</b>	<b>12.8</b>	<b>3.9</b>	<b>3.6</b>	<b>3.6</b>	<b>34%</b>	<b>35%</b>	<b>34%</b>	<b>16%</b>	<b>17%</b>	<b>18%</b>
<b>Median</b>	<b>85,190</b>	<b>26.5</b>	<b>24.4</b>	<b>22.5</b>	<b>13.7</b>	<b>13.3</b>	<b>13.5</b>	<b>3.5</b>	<b>3.2</b>	<b>3.0</b>	<b>35%</b>	<b>35%</b>	<b>32%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>

Source: Bloomberg (underlying data), DNB Markets (Nexam Chemical estimates)



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# DCF

Figure 6: DCF model – detailed base-case assumptions (SEkk)

	Explicit forecasts				Growth state						Maturing state					Terminal
	2020	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	Value
Sales	165,637	234,022	325,985	408,417	510,521	638,151	797,689	997,112	1,246,390	1,557,987	1,791,685	2,060,438	2,369,504	2,724,929	3,133,668	3,212,010
Growth		41%	39%	25%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	15.0%	15.0%	15.0%	15.0%	15.0%	2.5%
EBITDA	4,908	17,278	46,409	67,865	81,683	102,104	127,630	159,538	199,422	249,278	322,503	370,879	426,511	490,487	564,060	578,162
Margin	3%	7%	14%	17%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18%
D&A	-10,193	-11,297	-13,038	-16,337	-14,339	-16,740	-19,047	-23,809	-27,005	-33,756	-46,502	-53,236	-59,759	-65,737	-70,896	-81,531
% of sales	6%	5%	4%	4%	3%	3%	2%	2%	2%	2%	3%	3%	3%	2%	2%	3%
EBIT	-5,285	5,981	33,371	51,529	67,344	85,364	108,583	135,729	172,418	215,522	276,001	317,643	366,751	424,750	493,164	496,631
Margin	-3%	3%	10%	13%	13%	13%	14%	14%	14%	14%	15%	15%	15%	16%	16%	15%
Net financial items	-2,312	-2,647	-4,465	-5,730	-7,163	-8,953	-11,192	-13,990	-17,487	-21,859	-25,137	-28,908	-33,244	-38,231	-43,966	-45,065
Pre tax profit	-7,598	3,334	28,906	45,798	60,182	76,411	97,391	121,739	154,931	193,663	250,864	288,735	333,507	386,519	449,198	451,566
Taxes	-496	-905	-6,648	-10,534	-15,489	-19,634	-24,974	-31,218	-39,656	-49,570	-63,480	-73,058	-84,353	-97,693	-113,428	-114,225
Tax rate	-7%	27%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%
Net income	-8,094	2,429	22,257	35,265	44,692	56,777	72,417	90,522	115,275	144,093	187,384	215,677	249,154	288,827	335,771	337,341
<b>FCF calculation</b>																
EBIT	-5,285	5,981	33,371	51,529	67,344	85,364	108,583	135,729	172,418	215,522	276,001	317,643	366,751	424,750	493,164	496,631
D&A (-)	10,193	11,297	13,038	16,337	14,339	16,740	19,047	23,809	27,005	33,756	46,502	53,236	59,759	65,737	70,896	81,531
Taxes (+)	-496	-905	-6,648	-10,534	-15,489	-19,634	-24,974	-31,218	-39,656	-49,570	-63,480	-73,058	-84,353	-97,693	-113,428	-114,225
Capex (+)	-6,307	-11,532	-16,498	-14,988	-18,735	-23,419	-29,273	-36,592	-45,740	-57,175	-66,792	-75,108	-86,374	-99,330	-101,813	-101,813
% sales	3.8%	4.9%	5.1%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
Acquisitions (-)/divestments (+)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in NWC (-)	-18,481	-17,069	-13,843	-20,958	-24,939	-31,174	-38,967	-48,709	-60,886	-76,107	-94,743	-112,955	-132,398	-153,258	-175,747	-183,351
% of sales growth		25%	15%	25%	24%	24%	24%	24%	24%	24%	23%	23%	23%	23%	23%	23%
<b>Free cash flow</b>	<b>-12,227</b>	<b>9,419</b>	<b>21,385</b>	<b>22,520</b>	<b>27,878</b>	<b>34,416</b>	<b>43,020</b>	<b>53,141</b>	<b>66,426</b>	<b>147,487</b>	<b>169,555</b>	<b>194,652</b>	<b>223,163</b>	<b>255,556</b>	<b>343,772</b>	

Source: DNB Markets

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## Forecast changes – P&amp;L

(SEKm)	New			Old			Change		
	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e
Revenues	234	326	408	233	322	405	1	4	4
Cost of sales	-135	-179	-225	-133	-177	-223	-2	-2	-2
Gross profit	99	147	184	99	145	182	1	2	2
Operating expenses	-82	-100	-116	-80	-99	-115	-3	-2	-1
EBITDA	17	46	68	19	46	67	-2	0	0
EBITDA adj	17	46	68	19	46	67	-2	0	0
EBITDA margin (%)	7.4	14.2	16.6	8.2	14.4	16.7	-0.8	-0.1	0.0
Depreciation	-11	-13	-16	-11	-13	-16	0	0	0
EBIT	6	33	52	8	33	51	-2	0	0
EBIT adj	6	33	52	8	33	51	-2	0	0
Net interest	-3	-4	-6	-4	-5	-6	1	1	0
Net financial items	-3	-4	-6	-4	-5	-6	1	1	0
PBT	3	29	46	4	28	46	-1	1	0
Taxes	-1	-7	-11	-1	-7	-11	0	0	0
Net profit	2	22	35	3	22	35	-1	0	0
Adjustments to net profit	0	0	0	0	0	0	0	0	0
Net profit adj	2	22	35	3	22	35	-1	0	0
<i>Per share data (SEK)</i>									
EPS	0.04	0.28	0.45	0.04	0.29	0.46	-0.01	-0.01	-0.02
EPS adj	0.03	0.28	0.45	0.04	0.29	0.46	-0.01	-0.01	-0.02
<i>Other key metrics (%)</i>									
Revenue growth	41.2	39.2	25.3	40.3	38.5	25.6	0.9	0.7	-0.3
EBIT adj growth	nm	458.0	54.4	-248.7	324.7	53.5	nm	133.3	0.9
EPS adj growth	nm	816.5	58.4	-140.6	563.8	61.4	nm	252.7	-3.0
Avg. number of shares (m)	79	79	79	76	76	76	3	3	3
Capex	-12	-16	-15	-13	-16	-15	2	0	0
OpFCF	6	30	53	6	30	53	0	0	0
NIBD adj	-21	-26	-41	14	6	-11	-34	-31	-30

Source: DNB Markets

## Forecast changes – By segment and assumptions

(SEKm)	New			Old			Change		
	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e
<b>Revenue</b>									
Performance Masterbatch	98	102	106	94	98	102	3	4	4
Performance Chemicals	137	224	302	139	224	303	-2	0	-1
<b>Assumptions</b>									
Revenue org. % YOY	41.93	39.20	25.30	41.18	38.53	25.58	0.74	0.67	-0.28
Structure impact % YOY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Currency impact % YOY	-0.75	0.02	0.00	-0.89	0.00	0.00	0.14	0.02	0.00

Source: DNB Markets

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## Quarterly numbers

(SEKm)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021e	Q3 2021e	Q4 2021e	Q1 2022e	Q2 2022e
<b>Revenues</b>	<b>32</b>	<b>42</b>	<b>36</b>	<b>41</b>	<b>47</b>	<b>53</b>	<b>59</b>	<b>59</b>	<b>64</b>	<b>71</b>	<b>82</b>
Cost of sales	-17	-24	-21	-23	-27	-31	-34	-33	-36	-39	-45
<b>Gross profit</b>	<b>14</b>	<b>19</b>	<b>14</b>	<b>18</b>	<b>20</b>	<b>22</b>	<b>25</b>	<b>25</b>	<b>27</b>	<b>32</b>	<b>37</b>
Operating expenses	-17	-16	-14	-16	-19	-20	-21	-20	-21	-23	-25
<b>EBITDA</b>	<b>-3</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>9</b>	<b>12</b>
Depreciation	-2	-3	-3	-2	-3	-3	-3	-3	-3	-3	-3
<b>EBIT</b>	<b>-5</b>	<b>0</b>	<b>-2</b>	<b>-1</b>	<b>-2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>9</b>
Net interest	-1	0	-1	0	-1	0	-1	-1	-1	-1	-1
Net financial items	-1	0	-1	0	-1	0	-1	-1	-1	-1	-1
<b>PBT</b>	<b>-6</b>	<b>0</b>	<b>-3</b>	<b>-1</b>	<b>-3</b>	<b>-1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>7</b>
Taxes	0	0	0	0	0	0	0	0	0	-1	-2
<b>Net profit</b>	<b>-6</b>	<b>-1</b>	<b>-4</b>	<b>-1</b>	<b>-3</b>	<b>-1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>6</b>
Adjustments to net profit	1	0	0	0	0	0	0	0	0	0	0
Net profit adj	-5	-1	-4	-1	-3	-1	1	1	1	4	6
Avg. number of shares (m)	68	68	76	76	76	79	79	79	79	79	79
<i>Per share data (SEK)</i>											
EPS	-0.09	-0.01	-0.05	-0.03	-0.05	0.00	0.01	0.01	0.02	0.05	0.07
<b>EPS adj</b>	<b>-0.07</b>	<b>-0.01</b>	<b>-0.05</b>	<b>-0.02</b>	<b>-0.04</b>	<b>-0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.02</b>	<b>0.05</b>	<b>0.07</b>
<i>Growth and margins (%)</i>											
Revenues, QOQ growth	3.0	30.2	-12.8	12.9	13.7	12.4	13.2	-1.5	8.6	12.0	15.6
Revenues, YOY growth	8.4	31.3	3.4	32.1	45.8	25.9	63.4	42.7	36.2	35.7	38.6
EPS adj, YOY growth	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	698.4
Gross margin	45.6	42.8	41.8	43.2	42.6	40.7	43.0	43.0	43.0	45.0	45.0
EBITDA adj margin	nm	5.5	0.5	4.3	1.4	4.0	7.8	7.9	9.3	12.7	14.4
Depreciation/revenues	-6.8	-6.0	-7.3	-5.8	-5.7	-4.9	-4.8	-4.8	-4.8	-4.0	-4.0
EBIT adj margin	-13.6	-0.5	-6.8	-1.5	-4.2	-0.9	3.0	3.1	4.5	8.7	10.4
Net profit margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

Source: Company (historical figures), DNB Markets (estimates)

## Adjustments to quarterly numbers

(SEKm)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021e	Q3 2021e	Q4 2021e	Q1 2022e	Q2 2022e
<b>EBITDA</b>	<b>-3</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>9</b>	<b>12</b>
Gains and losses	0	0	0	0	0	0	0	0	0	0	0
EBITDA adj	-2	2	0	2	1	2	5	5	6	9	12
Gains and losses	0	0	0	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>-5</b>	<b>0</b>	<b>-2</b>	<b>-1</b>	<b>-2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>9</b>
Gains and losses	0	0	0	0	0	0	0	0	0	0	0
EBIT adj	-4	0	-2	-1	-2	0	2	2	3	6	9
<b>Net profit</b>	<b>-6</b>	<b>-1</b>	<b>-4</b>	<b>-1</b>	<b>-3</b>	<b>-1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>6</b>
Gains and losses	0	0	0	0	0	0	0	0	0	0	0
Net profit adj	-5	-1	-4	-1	-3	-1	1	1	1	4	6

Source: Company (historical figures), DNB Markets (estimates)

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Quarterly numbers by segment and assumptions

(SEKm)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021e	Q3 2021e	Q4 2021e	Q1 2022e	Q2 2022e
<b>Revenue</b>											
Performance Masterbatch	18	22	21	21	22	25	26	23	24	26	27
Performance Chemicals	14	20	15	20	24	27	34	36	40	45	55
<b>Assumptions</b>											
Revenue org. % YOY	7.46	30.89	3.70	33.29	47.50	27.35	64.61	43.06	36.28	35.60	38.58
Structure impact % YOY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Currency impact % YOY	0.92	0.45	-0.34	-1.21	-1.70	-1.45	-1.19	-0.41	-0.08	0.09	-0.01

Source: Company (historical figures), DNB Markets (estimates)

Annual P&L

(SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
<b>Revenues</b>	<b>2</b>	<b>8</b>	<b>8</b>	<b>19</b>	<b>110</b>	<b>130</b>	<b>166</b>	<b>234</b>	<b>326</b>	<b>408</b>
Cost of sales	-4	-5	-5	-12	-68	-82	-95	-135	-179	-225
<b>Gross profit</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>9</b>	<b>47</b>	<b>54</b>	<b>71</b>	<b>99</b>	<b>147</b>	<b>184</b>
Operating expenses	-32	-25	-24	-29	-53	-59	-66	-82	-100	-116
<b>EBITDA</b>	<b>-31</b>	<b>-19</b>	<b>-19</b>	<b>-20</b>	<b>-6</b>	<b>-6</b>	<b>5</b>	<b>17</b>	<b>46</b>	<b>68</b>
Depreciation	-4	-3	-2	-3	-10	-10	-10	-11	-13	-16
<b>EBIT</b>	<b>-35</b>	<b>-22</b>	<b>-22</b>	<b>-23</b>	<b>-16</b>	<b>-15</b>	<b>-5</b>	<b>6</b>	<b>33</b>	<b>52</b>
Net interest	0	0	0	0	-1	-2	-2	-3	-4	-6
Net financial items	0	0	0	0	-1	-2	-2	-3	-4	-6
<b>PBT</b>	<b>-35</b>	<b>-22</b>	<b>-22</b>	<b>-23</b>	<b>-17</b>	<b>-17</b>	<b>-8</b>	<b>3</b>	<b>29</b>	<b>46</b>
Taxes	0	0	0	17	0	0	0	-1	-7	-11
Effective tax rate (%)	0	0	0	75	-1	0	-7	27	23	23
<b>Net profit</b>	<b>-35</b>	<b>-22</b>	<b>-22</b>	<b>-6</b>	<b>-17</b>	<b>-17</b>	<b>-8</b>	<b>2</b>	<b>22</b>	<b>35</b>
Adjustments to net profit	-2	-1	0	-1	-3	-4	0	0	0	0
Net profit adj	-37	-23	-22	-7	-20	-21	-8	2	22	35
Avg. number of shares	52	52	62	65	68	68	76	79	79	79
<i>Per share data (SEK)</i>										
EPS	-0.58	-0.42	-0.36	-0.09	-0.25	-0.25	-0.14	0.04	0.28	0.45
<b>EPS adj</b>	<b>-0.71</b>	<b>-0.44</b>	<b>-0.36</b>	<b>-0.11</b>	<b>-0.30</b>	<b>-0.31</b>	<b>-0.11</b>	<b>0.03</b>	<b>0.28</b>	<b>0.45</b>
<i>Growth and margins (%)</i>										
Revenue growth	-37.1	389.5	5.4	126.1	487.5	18.4	27.5	41.2	39.2	25.3
EPS adj growth	nm	nm	nm	nm	nm	nm	nm	nm	816.5	58.4
Gross margin	nm	30.8	43.4	37.4	38.1	36.7	42.6	42.5	45.0	45.0
EBITDA margin	nm	nm	nm	nm	nm	nm	3.0	7.4	14.2	16.6
EBITDA adj margin	nm	nm	nm	nm	nm	nm	3.0	7.4	14.2	16.6
Depreciation/revenues	-259.4	-35.7	-29.5	-15.9	-9.0	-7.6	-6.1	-4.8	-4.0	-4.0
EBIT margin	nm	nm	nm	nm	nm	nm	nm	2.6	10.2	12.6
EBIT adj margin	-2328.9	-295.6	-268.0	-129.3	-16.9	-14.9	-3.2	2.6	10.2	12.6
PBT margin	nm	nm	nm	nm	nm	nm	nm	1.4	8.9	11.2
Net profit margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

Source: Company (historical figures), DNB Markets (estimates)

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### Adjustments to annual P&L

(SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
<b>EBITDA</b>	<b>-31</b>	<b>-19</b>	<b>-19</b>	<b>-20</b>	<b>-6</b>	<b>-6</b>	<b>5</b>	<b>17</b>	<b>46</b>	<b>68</b>
Gains and losses	-3	-3	-1	-2	-5	-6	0	0	0	0
EBITDA adj	-33	-20	-20	-21	-9	-9	5	17	46	68
Gains and losses	-3	-3	-1	-2	-5	-6	0	0	0	0
<b>EBIT</b>	<b>-35</b>	<b>-22</b>	<b>-22</b>	<b>-23</b>	<b>-16</b>	<b>-15</b>	<b>-5</b>	<b>6</b>	<b>33</b>	<b>52</b>
Gains and losses	-3	-3	-1	-2	-5	-6	0	0	0	0
EBIT adj	-37	-23	-22	-24	-19	-19	-5	6	33	52
<b>Net profit</b>	<b>-35</b>	<b>-22</b>	<b>-22</b>	<b>-6</b>	<b>-17</b>	<b>-17</b>	<b>-8</b>	<b>2</b>	<b>22</b>	<b>35</b>
Gains and losses	-3	-3	-1	-2	-5	-6	0	0	0	0
Net profit adj	-37	-23	-22	-7	-20	-21	-8	2	22	35
<i>Per share data (SEK)</i>										
EPS	-0.58	-0.42	-0.36	-0.09	-0.25	-0.25	-0.14	0.04	0.28	0.45
Recommended adjustment	-0.13	-0.02	0.00	-0.02	-0.05	-0.06	0.03	0.00	0.00	0.00
EPS adj	-0.71	-0.44	-0.36	-0.11	-0.30	-0.31	-0.11	0.03	0.28	0.45

Source: Company (historical figures), DNB Markets (estimates)

### Cash flow

(SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Net profit	-35	-22	-22	-6	-17	-17	-8	2	22	35
Other non-cash adjustments	0	0	0	0	-1	-2	0	-4	-11	-16
Change in net working capital	0	-4	2	1	-6	-14	-18	-17	-14	-21
<b>Cash flow from operations (CFO)</b>	<b>-31</b>	<b>-23</b>	<b>-18</b>	<b>-18</b>	<b>-13</b>	<b>-21</b>	<b>-17</b>	<b>-3</b>	<b>21</b>	<b>31</b>
Capital expenditure	-2	-2	-2	-84	-6	-11	-6	-12	-16	-15
<b>Cash flow from investing (CFI)</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-84</b>	<b>-6</b>	<b>-11</b>	<b>-6</b>	<b>-12</b>	<b>-16</b>	<b>-15</b>
<b>Free cash flow (FCF)</b>	<b>-33</b>	<b>-26</b>	<b>-20</b>	<b>-102</b>	<b>-18</b>	<b>-32</b>	<b>-23</b>	<b>-15</b>	<b>5</b>	<b>16</b>
Net change in debt	63	-1	117	55	-14	1	30	23	-9	-4
<b>Cash flow from financing (CFF)</b>	<b>63</b>	<b>-1</b>	<b>117</b>	<b>55</b>	<b>-14</b>	<b>1</b>	<b>30</b>	<b>23</b>	<b>-9</b>	<b>-4</b>
<b>Total cash flow (CFO+CFI+CFF)</b>	<b>30</b>	<b>-26</b>	<b>97</b>	<b>-47</b>	<b>-33</b>	<b>-31</b>	<b>7</b>	<b>8</b>	<b>-4</b>	<b>12</b>
<i>FCFF calculation</i>										
Free cash flow	-33	-26	-20	-102	-18	-32	-23	-15	5	16
Less: net interest	0	0	0	0	1	2	2	3	4	6
Less: tax shields/other	0	0	0	0	0	0	0	0	0	0
<b>Growth (%)</b>										
CFO	-27.1	26.4	24.1	-5.0	30.2	-65.1	19.7	80.0	727.5	42.8
CFI	39.3	-40.0	16.6	-3923.3	93.4	-89.7	40.0	-82.8	-43.1	9.2
FCF	-20.1	22.8	23.4	-418.9	81.9	-72.5	26.4	36.1	133.1	216.0
CFF	19.3	-100.9	19874.1	-52.6	-125.9	105.6	3658.8	-24.1	-137.3	52.9
FCFF	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

Source: Company (historical figures), DNB Markets (estimates)

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## Balance sheet

(SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
<b>Assets</b>	<b>85</b>	<b>74</b>	<b>174</b>	<b>282</b>	<b>248</b>	<b>228</b>	<b>250</b>	<b>289</b>	<b>308</b>	<b>347</b>
Inventories	5	6	6	15	19	25	32	49	68	86
Trade receivables	0	2	2	15	16	19	32	45	46	57
Other receivables	3	2	3	5	3	5	6	6	6	6
Cash and cash equivalents	63	36	133	86	54	23	30	37	34	45
<b>Current assets</b>	<b>70</b>	<b>46</b>	<b>143</b>	<b>121</b>	<b>92</b>	<b>72</b>	<b>100</b>	<b>138</b>	<b>153</b>	<b>194</b>
Property, plant and equipment	13	11	9	50	48	49	45	47	50	48
Goodwill	2	18	19	111	108	106	105	104	105	105
Non-current financial assets	0	0	3	0	0	0	0	0	0	0
<b>Non-current assets</b>	<b>15</b>	<b>28</b>	<b>30</b>	<b>161</b>	<b>156</b>	<b>156</b>	<b>150</b>	<b>151</b>	<b>155</b>	<b>153</b>
<b>Total assets</b>	<b>85</b>	<b>74</b>	<b>174</b>	<b>282</b>	<b>248</b>	<b>228</b>	<b>250</b>	<b>289</b>	<b>308</b>	<b>347</b>
<b>Equity and liabilities</b>	<b>85</b>	<b>74</b>	<b>174</b>	<b>282</b>	<b>248</b>	<b>228</b>	<b>250</b>	<b>289</b>	<b>308</b>	<b>347</b>
<b>Total equity</b>	<b>74</b>	<b>66</b>	<b>164</b>	<b>188</b>	<b>171</b>	<b>155</b>	<b>187</b>	<b>223</b>	<b>246</b>	<b>281</b>
Trade payables	2	1	1	14	14	12	14	27	33	41
Other payables and accruals	4	3	5	11	11	7	8	8	8	8
Short-term debt	2	1	1	13	13	14	13	13	13	13
<b>Total current liabilities</b>	<b>7</b>	<b>5</b>	<b>7</b>	<b>38</b>	<b>39</b>	<b>33</b>	<b>36</b>	<b>48</b>	<b>54</b>	<b>62</b>
Long-term debt	2	2	1	50	37	35	24	13	4	0
Pension liabilities	0	0	0	0	0	0	0	0	0	0
Other non-current liabilities	2	1	1	5	1	4	3	4	4	4
<b>Total non-current liabilities</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>56</b>	<b>39</b>	<b>40</b>	<b>27</b>	<b>17</b>	<b>8</b>	<b>4</b>
<b>Total liabilities</b>	<b>11</b>	<b>8</b>	<b>10</b>	<b>94</b>	<b>77</b>	<b>73</b>	<b>63</b>	<b>65</b>	<b>62</b>	<b>66</b>
<b>Total equity and liabilities</b>	<b>85</b>	<b>74</b>	<b>174</b>	<b>282</b>	<b>248</b>	<b>228</b>	<b>250</b>	<b>289</b>	<b>308</b>	<b>347</b>
<i>Key metrics</i>										
Net interest bearing debt	-59	-33	-131	-31	-15	17	-3	-21	-26	-41

Source: Company (historical figures), DNB Markets (estimates)

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## Valuation ratios

(SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
<i>Enterprise value</i>										
Share price (SEK)	11.55	12.50	12.25	9.55	9.30	8.10	9.26	15.30	15.30	15.30
Number of shares (m)	51.14	51.78	62.11	64.85	67.52	67.52	75.80	78.90	78.90	78.90
Market capitalisation	591	647	761	619	628	547	702	1,207	1,207	1,207
Net interest bearing debt	-59	-33	-131	-31	-15	17	-3	-21	-26	-41
Adjustments to NIBD	0	0	0	0	0	0	0	0	0	0
Net interest bearing debt adj	-59	-33	-131	-31	-15	17	-3	-21	-26	-41
EV	532	614	630	589	613	563	699	1,187	1,182	1,166
EV adj	532	614	630	589	613	563	699	1,187	1,182	1,166
<i>Valuation</i>										
EPS	-0.58	-0.42	-0.36	-0.09	-0.25	-0.25	-0.14	0.04	0.28	0.45
<b>EPS adj</b>	<b>-0.71</b>	<b>-0.44</b>	<b>-0.36</b>	<b>-0.11</b>	<b>-0.30</b>	<b>-0.31</b>	<b>-0.11</b>	<b>0.03</b>	<b>0.28</b>	<b>0.45</b>
P/E	-19.9	-29.8	-34.0	-106.1	-37.2	-32.4	-66.5	436.0	54.2	34.2
P/E adj	-16.3	-28.2	-34.1	-88.5	-31.4	-26.1	-86.7	497.1	54.2	34.2
Average ROE	-59.8%	-31.4%	-19.2%	-3.3%	-9.6%	-10.5%	-4.7%	1.2%	9.5%	13.4%
Earnings yield adj	-5.0%	-3.4%	-2.9%	-0.9%	-2.7%	-3.1%	-1.5%	0.2%	1.8%	2.9%
EV/SALES	332.05	78.28	76.19	31.49	5.58	4.33	4.22	5.07	3.63	2.85
EV/SALES adj	332.05	78.28	76.19	31.49	5.58	4.33	4.22	5.07	3.63	2.85
EV/EBITDA	-17.0	-31.8	-32.3	-29.5	-106.4	-101.1	142.5	68.7	25.5	17.2
EV/EBITDA adj	-16.0	-30.1	-31.9	-27.8	-71.2	-59.4	142.5	68.7	25.5	17.2
EV/EBIT	-15.0	-27.8	-28.7	-25.7	-39.1	-36.6	-132.3	198.4	35.4	22.6
EV/EBIT adj	-14.3	-26.5	-28.4	-24.4	-33.1	-29.2	-132.3	198.4	35.4	22.6
EV/capital employed	6.9	8.9	3.8	2.4	2.9	2.9	3.3	4.9	4.7	4.1
EV/OpFCF (taxed)	-19.8	-34.9	-37.5	-7.3	-56.3	-36.6	-649.1	268.2	51.3	28.6

Source: Company (historical figures), DNB Markets (estimates)

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**Key accounting ratios**

	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
<i>Profitability (%)</i>										
ROA	-50.3	-27.7	-17.8	-2.5	-6.5	-7.2	-3.4	0.9	7.5	10.8
ROCE	-59.1	-31.6	-18.8	-11.8	-8.2	-9.6	-2.6	2.6	13.5	19.1
<i>Return on invested capital (%)</i>										
Net PPE/revenues	784.3	135.8	105.3	268.4	43.5	37.8	27.1	19.9	15.3	11.9
<i>Cash flow ratios (%)</i>										
FCF/revenues	-2076.8	-327.4	-237.8	-545.8	-16.8	-24.4	-14.1	-6.4	1.5	3.8
FCF yield (%)	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
CFO/revenues	-1965.7	-295.6	-212.7	-98.8	-11.7	-16.4	-10.3	-1.5	6.6	7.5
CFO/market capitalisation	-5.3	-3.6	-2.3	-3.0	-2.1	-3.9	-2.4	-0.3	1.8	2.5
CFO/capex	-1770.2	-931.0	-846.7	-22.1	-232.7	-202.5	-270.9	-29.6	130.0	204.5
CFO/current liabilities	-428.9	-490.5	-237.5	-48.0	-33.4	-63.6	-47.9	-7.1	39.9	49.4
Cash conversion ratio	94.9	116.8	89.0	1775.1	107.2	186.2	289.0	-615.6	22.3	44.4
Capex/revenues	111.0	31.8	25.1	447.0	5.0	8.1	3.8	4.9	5.1	3.7
Capex/depreciation	42.8	89.0	85.2	2817.4	55.8	106.8	61.9	102.1	126.5	91.7
OpFCF margin	-2180.5	-291.7	-263.7	-560.4	-12.9	-15.4	-0.8	2.5	9.2	12.9
<i>Leverage and solvency (x)</i>										
Interest cover	nm	nm	nm	nm	-11.49	-9.43	-2.07	2.27	7.98	9.63
EBIT/interest payable	nm	nm	nm	nm	nm	nm	nm	2.29	8.06	9.71
Cash coverage	70.59	192.85	-120.28	-179.78	-4.29	-3.47	2.12	6.53	10.39	11.84
Net debt/EBITDA	1.87	1.73	6.72	1.53	2.62	-2.96	-0.54	-1.19	-0.55	-0.61
Total debt/total capital (BV)	0.04	0.04	0.01	0.23	0.20	0.22	0.15	0.09	0.06	0.04
LTD / (LTD + equity (MV))	0.00	0.00	0.00	0.08	0.06	0.06	0.03	0.01	0.00	0.00
<i>Cash conversion cycle</i>										
Inventory turnover days	454.6	385.7	465.8	460.9	104.4	110.4	124.5	133.5	138.9	139.6
Receivables turnover days	689.2	174.3	193.3	384.6	62.6	68.2	83.9	79.5	57.6	56.3
Credit period	179.0	52.5	98.4	448.8	77.8	53.6	54.3	73.2	66.4	66.4
Cash conversion cycle	964.8	507.6	560.7	396.8	89.1	124.9	154.1	139.8	130.2	129.5

Source: Company (historical figures), DNB Markets (estimates)



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## Important Information

Company: Nexam Chemical  
 Coverage by Analyst: Viktor Trollsten  
 Date: 21/04/2021

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