

Chr. Berner Tech Trade

Z&I holds back worse performance

- Decline in volumes, but 25% adj. EBITA uptick
- Not to be extrapolated; EBITA down 3% '21e-'22e
- 10x EV/EBITA '22e, 11-9% FCF yields '21-'23e

Q4'20 delivered softer than expected results

CBTT delivered sales of SEK 196m (-10% vs. ABGSCe 217m), a decline of -9.1% y-o-y (ABGSCe +1%), while the gross margin improved to 44.1% (34.4%), primarily driven by revenue recognition of a pre-announced Zander & Ingeström ('Z&I') project in Belarus. Group adj. EBITA came in at SEK 14m (vs. ABGSCe at 16m) for an adj. EBITA margin of 7.0% (5.1% Q4'19, ABGSCe 7.6%). Earnings within the Process & Environment division were primarily driven by high demand for boilers and an improved margin due to the Belarus project, which boosted the margin to 10.1% (8.0%). The Materials Technology division delivered a solid quarter and increased the EBITA margin to 8.3% (vs. softer comps in Q4'19 of 2.6%). EPS came in at SEK 0.37 (0.44) (ABGSCe SEK 0.54), negatively affected by a reconstruction-related extraordinary cost of SEK -4.2m. Management highlights that the pandemic still has affected operations, as it has limited customer interaction and CBTT's on-site services. Finally, the Board proposes a dividend of SEK 0.75 (0.60), corresponding to a pay-out of c. 50%.

Slightly lower volumes, but LT estimates largely unchanged

We leave our overall estimates relatively intact, as we forecast stronger sales work during 2021, with sales and earnings set to be driven by the two added companies in Q4'20 and strong markets for heating projects in Europe and China, which should benefit Z&I's operations. Although we keep our estimates relatively intact, we make slight revisions and lower EBITA by 3% for '21e-'22e; this indicates a sales CAGR of 5% and an EBITA CAGR of 9% in '19-'23e.

Trading at 10x EV/EBITA '22e, 11-9% FCF yields '21e-'23e

On our estimates, the share is trading at c. 10x EV/EBITA '22e, c. 14% below its 5Y historical average and offers ~10% FCF yields '21e-'23e and an EBITA CAGR '20-'23e of c. 15%. Management highlights that growth and M&A are on the agenda for 2021 and combined with a healthy balance sheet, we see room for value-creating M&A ahead.

Analyst(s): ofelia.aspemyr@abgsc.se, +46 8 566 286 31
max.bacco@abgsc.se, +46 762 24 56 50

SEKm	2019	2020	2021e	2022e	2023e
Sales	705	695	732	798	861
EBITDA	71	65	82	90	98
EBITDA margin (%)	10.1	9.3	11.1	11.3	11.4
EBIT adj	51	41	58	65	71
EBIT adj margin (%)	7.2	5.9	7.9	8.1	8.2
Pretax profit	49	41	55	61	67
EPS rep	2.03	1.66	2.27	2.54	2.79
EPS adj	2.02	1.66	2.27	2.54	2.79
Sales growth (%)	14.1	-1.4	5.3	9.1	7.8
EPS growth (%)	0.5	-18.2	36.7	12.0	9.7

Source: ABG Sundal Collier, Company data

Reason: Post-results comment

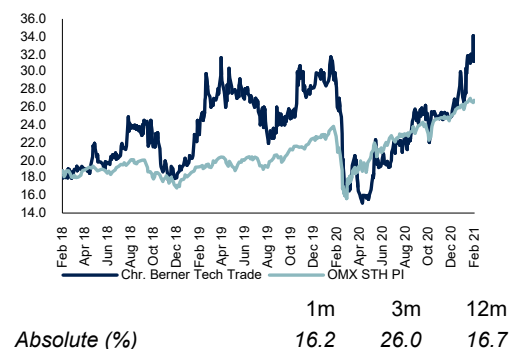
Company sponsored research

Not rated

	Environ.	Social.	Govern.
ABGSC ESG weight	40%	40%	20%
Estimate changes (%)			
	2021e	2022e	2023e
Sales	-2.9%	-2.7%	0.0%
EBIT (rep)	-2.8%	-3.1%	0.0%
EPS (rep)	-2.8%	-3.1%	0.0%
Source: ABG Sundal Collier			
Share price (SEK)	26/02/2021		31.5
Fair value range (per share)			26-42
Capital Goods, Sweden			
CBTTb.ST/CBTTB SS			
MCap (SEKm)			591
MCap (EURm)			59
Net debt (EURm)			12
No. of shares (m)			18.8
Free float (%)			66
Av. daily volume (k)			28

Next event Q1 report: 29 Apr

Performance



Source: FactSet

	2021e	2022e	2023e
P/E (x)	13.9	12.4	11.3
P/E adj (x)	13.9	12.4	11.3
P/BVPS (x)	2.89	2.48	2.14
EV/EBITDA (x)	8.7	7.6	6.7
EV/EBIT adj (x)	12.3	10.7	9.3
EV/sales (x)	0.97	0.86	0.76
ROE adj (%)	22.4	21.5	20.3
Dividend yield (%)	2.4	2.4	2.4
FCF yield (%)	11.3	9.0	11.1
Lease adj. FCF yld (%)	11.3	9.0	11.1
Net IB debt/EBITDA	1.4	1.1	0.7
Lease adj. ND/EBITDA	0.3	0.1	-0.2

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.

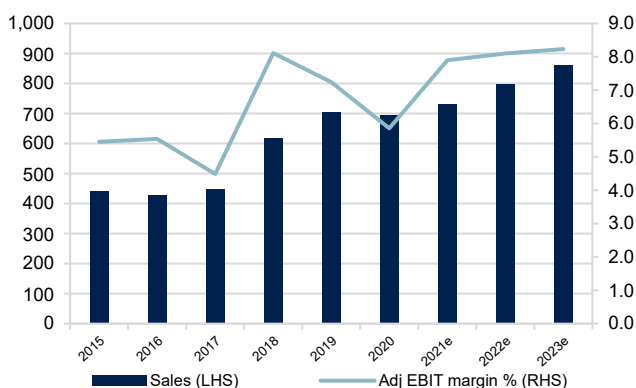
Company description

Christian Berner Tech Trade is a Nordic-based tech trading company founded in 1887. It owns and develops B2B businesses within the processing, construction and engineering industries. CBTT currently holds eleven different companies, acquired since 2007. The group's operations are primarily focusing on filter technology, instrument & analysis, plants, machines & components, technical plastics, filling machines & products and packaging.

Risks

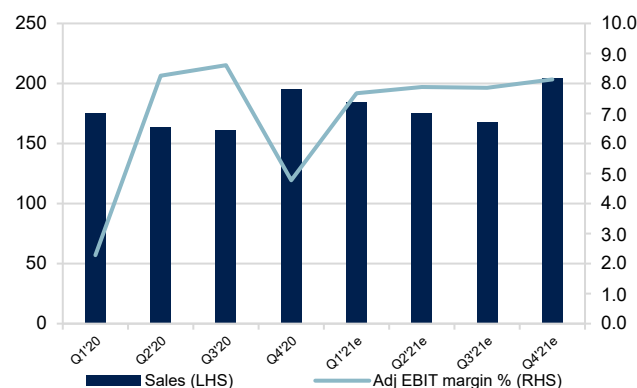
Lower activity in the construction and manufacturer industry, difficulties in improving the Norwegian operation, acquisition integration issues, inflated acquisitions multiples.

Annual sales and adj. EBIT margin



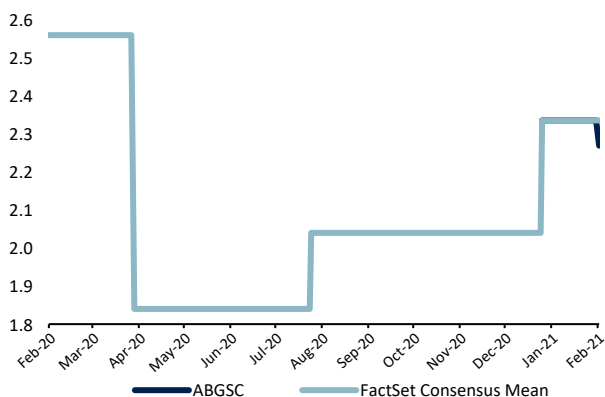
Source: ABG Sundal Collier, Company data

Quarterly sales and adj. EBIT margin



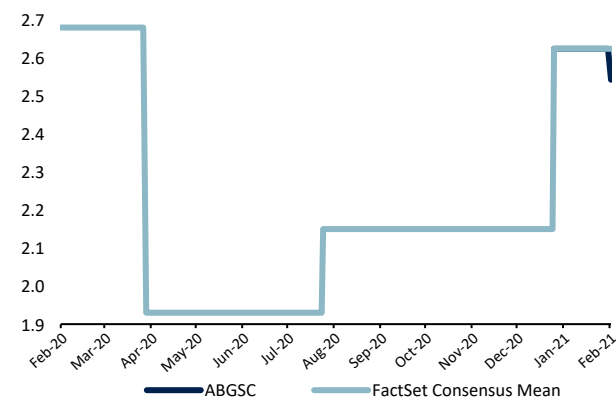
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2021e, SEK



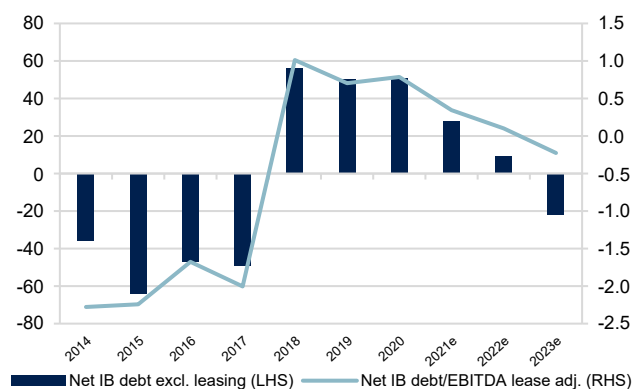
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2022e, SEK



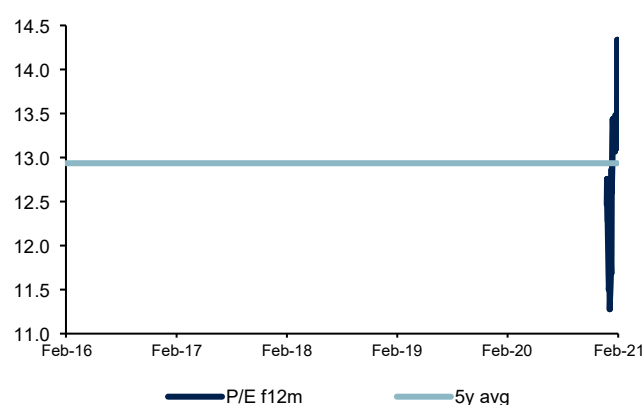
Source: ABG Sundal Collier, FactSet

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

Q4'20 expectations vs. outcome

Deviation table	Q4'19	Q4'20		Q4'20e	
SEKm	Actual	Actual	y-o-y %	ABGSCe	Deviation
Total sales	215	196	-9%	217	-10%
Gross profit	74	86	16%	77	11%
EBITDA	17	16	-4%	22	-28%
D&A	-6	-7	8%	-6	7%
EBITA	11	9	-14%	16	-42%
Adj. EBITA	11	14	25%	16	-17%
EBIT	10	9	-11%	16	-41%
Adj. EBIT	10	14	30%	16	-15%
PTP	10	8	-14%	13	-35%
Net profit	8	8	-9%	10	-17%
EPS	0.44	0.37	-16%	0.54	-31%
Margins	Q4'19	Q4'20	y-o-y %	Q4'20e	Deviation
Gross margin	34.4%	44.0%	9.6%	35.6%	8.4%
EBITA margin	5.1%	4.8%	-0.2%	7.6%	-2.7%
EBIT margin	4.8%	4.8%	-0.1%	7.3%	-2.5%
Sales growth y-o-y	27.2%	-9.1%		1.0%	
Sales by segment	Q4'19	Q4'20	y-o-y %	Q4'20e	Deviation
Process & Environment	154	147	-5%	158	-7%
Materials technology	61	49	-20%	59	-18%
Internal	0	0	n.a.	0	n.a.
Group	215	196	-9%	217	-10%
EBITA by segment	Q4'19	Q4'20	y-o-y %	Q4'20e	Deviation
Process & Environment	12	15	19%	14	5%
Materials technology	2	4	154%	6	-31%
Internal	-3	-9	210%	-3	169%
Group	11	9	-14%	16	-42%
EBITA margin by segment	Q4'19	Q4'20	y-o-y %	Q4'20e	Deviation
Process & Environment	8.0%	10.1%	2.0%	8.9%	1.2%
Materials technology	2.6%	8.3%	5.7%	9.8%	-1.5%
Group	5.1%	4.8%	-0.2%	7.6%	-2.7%

Source: ABG Sundal Collier, company data

Estimate changes, 2020a-2022e

Forecast changes	Previous forecast			New forecast			Change, %			Change, SEKm		
	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e
Total sales	719	754	821	697	732	798	-3%	-3%	-3%	-22	-22	-22
Gross profit	263	284	325	272	296	319	3%	4%	-2%	9	12	-6
EBITDA	72	84	94	65	82	90	-10%	-3%	-4%	-7	-3	-3
D&A	-24	-25	-27	-24	-24	-26	2%	-4%	-5%	0	1	1
EBITA	50	61	69	42	59	67	-16%	-3%	-3%	-8	-2	-2
EBIT	49	59	67	41	58	65	-16%	-3%	-3%	-8	-2	-2
PTP	46	56	63	40	55	61	-13%	-3%	-3%	-6	-2	-2
Net profit	35	44	49	32	43	48	-9%	-3%	-3%	-3	-1	-2
EPS	1.88	2.34	2.62	1.66	2.27	2.54	-12%	-3%	-3%			
Margins	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e
Gross margin	36.6%	37.6%	39.6%	39.0%	40.4%	39.9%	2.4%	2.8%	0.3%			
EBITA margin	7.0%	8.1%	8.4%	6.0%	8.1%	8.4%	-1.0%	0.0%	0.0%			
EBIT margin	6.8%	7.9%	8.1%	5.8%	7.9%	8.1%	-0.9%	0.0%	0.0%			
y-o-y growth	1.8%	5.1%	8.8%	-1.4%	5.3%	9.1%	-3.1%	0.2%	0.2%			
Sales by segment	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e
Process & Environment	482	513	564	471	501	551	-2%	-2%	-2%	-12	-12	-14
Materials technology	235	241	256	224	231	248	-4%	-4%	-3%	-10	-10	-9
Internal	2	0	0	2	0	0	19%	n.a.	n.a.	0	0	0
Group	719	754	821	697	732	798	-3%	-3%	-3%	-22	-22	-22
EBITA by segment	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e
Process & Environment	36	47	53	38	46	52	7%	-2%	-2%	3	-1	-1
Materials technology	22	24	26	22	23	25	-4%	-5%	-3%	-1	-1	-1
Internal	-8	-10	-10	-18	-10	-10	133%	0%	0%	-10	0	0
Group	50	61	69	42	59	67	-16%	-3%	-3%	-8	-2	-2
EBITA margin by segment	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e	2020	2021e	2022e
Process & Environment	7.4%	9.2%	9.4%	8.1%	9.3%	9.5%	0.7%	0.1%	0.1%			
Materials technology	9.5%	10.1%	10.2%	9.6%	9.9%	10.2%	0.1%	-0.1%	0.0%			
Group	7.0%	8.1%	8.4%	6.0%	8.1%	8.4%	-1.0%	0.0%	0.0%			

Source: ABG Sundal Collier, company data

Quarterly figures, Q1'17-Q4'21e

Income statement (SEKm)	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21e	Q2'21e	Q3'21e	Q4'21e
Net sales	109	115	109	117	137	161	150	169	166	167	156	215	175	164	161	195	184	175	168	205
Other operating income	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0
Total sales	109	115	109	117	137	161	151	169	166	167	156	215	176	165	161	196	184	175	168	205
COGS	-62	-69	-63	-69	-81	-95	-90	-97	-95	-101	-93	-141	-112	-100	-104	-110	-108	-107	-109	-112
Gross profit	47	46	46	48	56	66	61	73	71	67	63	74	64	65	57	86	76	69	59	92
Other external expenses	-15	-9	-9	-13	-16	-14	-12	-18	-15	-9	-10	-18	-15	-10	-8	-25	-16	-11	-9	-25
Personnel expenses	-28	-28	-28	-31	-32	-37	-33	-39	-38	-41	-34	-40	-39	-35	-29	-45	-42	-38	-31	-44
EBIT	2	8	7	4	7	14	14	14	14	12	15	10	4	14	14	9	14	14	13	17
Net financials	0	0	0	0	0	-1	-1	0	-1	-1	0	-1	-1	-1	2	-1	-2	-1	2	-1
PTP	1	8	7	4	7	13	14	14	14	11	14	10	3	12	16	8	12	13	15	16
Tax	-1	-2	-2	0	-3	-3	-3	-3	-3	-3	-4	-1	-1	-3	-4	-1	-3	-3	-3	-4
Net income	0	6	6	4	5	11	11	11	11	9	11	8	2	10	12	8	9	10	12	12
EPS	0.01	0.34	0.31	0.21	0.25	0.56	0.58	0.63	0.55	0.46	0.57	0.44	0.13	0.51	0.65	0.37	0.48	0.52	0.62	0.65
Amortization	0	0	0	0	0	0	0	0	-1	-1	-1	-1	-1	0	0	0	-1	0	0	0
Depreciation	-1	-1	-1	-1	-1	-1	-1	-1	-4	-4	-4	-6	-5	-5	-6	-6	-4	-6	-6	-7
D&A	-1	-1	-1	-1	-1	-1	-1	-1	-5	-5	-5	-6	-6	-6	-6	-7	-5	-6	-6	-7
EBIT	2	8	7	4	7	14	14	14	14	12	15	10	4	14	14	9	14	14	13	17
EBITA	2	9	8	4	8	14	15	15	15	12	15	11	5	14	14	9	15	14	14	17
EBITDA	3	9	8	5	9	15	16	16	19	17	19	17	10	19	20	16	19	20	19	24
Margin and growth metrics	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21e	Q2'21e	Q3'21e	Q4'21e
Sales growth	12%	-3%	12%	1%	27%	40%	38%	45%	21%	4%	4%	27%	5%	-2%	3%	-9%	5%	7%	5%	5%
Organic	10%	-5%	12%	2%	16%	11%	7%	16%	5%	4%	-2%	22%	-7%	-14%	-8%	-18%	2%	2%	4%	5%
Acquisitions	0%	0%	0%	0%	10%	27%	28%	27%	15%	0%	5%	5%	13%	13%	13%	10%	5%	5%	0%	0%
FX	2%	1%	0%	-1%	0%	2%	3%	2%	1%	1%	0%	0%	0%	-1%	-2%	-1%	-1%	0%	0%	0%
Gross margin	43.0%	40.3%	42.2%	41.4%	41.1%	41.0%	40.3%	42.9%	42.8%	40.0%	40.4%	34.4%	36.5%	39.4%	35.6%	44.1%	41.5%	39.2%	35.1%	45.0%
EBITDA margin	2.4%	8.2%	7.8%	4.1%	6.3%	9.6%	10.4%	9.3%	11.2%	10.0%	12.5%	7.7%	5.6%	11.8%	12.3%	8.1%	10.2%	11.4%	11.5%	11.5%
EBITA margin	1.7%	7.5%	7.1%	3.4%	5.7%	9.0%	9.8%	8.7%	8.8%	7.3%	9.8%	5.1%	2.6%	8.5%	8.8%	4.9%	8.0%	8.2%	8.0%	8.2%
EBIT margin	1.4%	7.2%	6.8%	3.1%	5.5%	8.7%	9.5%	8.5%	8.5%	7.0%	9.4%	4.8%	2.3%	8.3%	8.6%	4.8%	7.7%	7.9%	7.9%	8.1%
% of sales																				
Other external expenses	10.9%	10.5%	10.1%	10.3%	9.9%	10.0%	9.7%	9.7%	9.1%	8.3%	7.9%	7.4%	7.2%	7.4%	7.1%	8.3%	8.4%	8.4%	8.4%	8.3%
Personnel expenses	25.3%	25.6%	25.7%	25.7%	24.8%	24.3%	23.4%	22.7%	22.6%	23.0%	22.9%	21.6%	21.5%	20.8%	20.1%	21.5%	21.5%	21.5%	21.5%	21.0%
Sales per segment (SEKm)	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21e	Q2'21e	Q3'21e	Q4'21e
Process & Environment	66	67	64	71	88	110	102	121	115	110	100	154	113	104	107	147	122	114	111	154
Materials technology	43	48	48	47	49	50	48	48	51	57	55	61	62	60	53	49	63	62	57	51
Central Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Group	109	115	111	118	137	161	150	169	166	167	156	215	175	164	161	195	184	175	168	205
BA EBITA																				
Process & Environment	4	3	4	5	7	15	11	16	13	9	10	12	4	8	10	15	12	10	10	14
Materials technology	4	6	6	2	5	4	5	2	4	6	7	2	5	6	6	4	6	6	6	5
Central Units	-6	0	-2	-3	-5	-1	-1	-3	-3	-2	-2	-3	-4	0	-2	-9	-3	-3	-3	-3
Group	2	8	8	4	8	18	15	15	15	13	15	11	5	14	14	9	15	14	14	17
BA EBITA margin																				
Process & Environment	6.1%	4.2%	6.9%	7.3%	8.5%	13.4%	10.8%	13.0%	11.3%	8.3%	10.1%	8.0%	3.4%	7.5%	9.3%	10.1%	9.5%	9.2%	9.2%	9.2%
Materials technology	10.1%	12.5%	12.1%	4.6%	11.1%	8.5%	9.9%	4.4%	8.7%	9.8%	13.4%	2.6%	7.7%	10.4%	10.3%	8.3%	9.0%	10.3%	10.2%	10.2%
BA % of total sales																				
Process & Environment	60.6%	58.1%	57.1%	60.3%	64.0%	68.7%	68.1%	71.5%	69.4%	65.9%	64.5%	71.8%	64.6%	63.2%	66.8%	75.1%	66.0%	64.8%	66.3%	75.3%
Materials technology	39.4%	41.9%	42.9%	39.7%	36.0%	31.3%	31.9%	28.5%	30.6%	34.1%	35.5%	28.2%	35.4%	36.8%	33.2%	24.9%	34.0%	35.2%	33.7%	24.7%

Source: ABG Sundal Collier, company data

Annual figures, 2015-2023e

Income statement (SEKm)	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Net sales	442	429	450	618	705	695	732	798	861
Other operating income	5	1	0	0	0	2	0	0	0
Total sales	447	430	450	618	705	697	732	798	861
Cost of goods sold	-276	-251	-263	-362	-430	-425	-436	-480	-522
Gross profit	171	179	187	256	275	272	296	319	339
Other external expenses	-56	-45	-47	-60	-52	-58	-61	-65	-67
Personnel expenses	-100	-91	-116	-140	-152	-149	-154	-164	-173
EBIT	24	24	20	50	51	41	58	65	71
Net financial items	0	0	0	-1	-2	-1	-3	-3	-3
PTP	24	24	20	49	49	40	55	61	67
Taxes	-2	-5	-4	-11	-11	-9	-12	-14	-15
<i>Tax rate</i>	<i>7%</i>	<i>22%</i>	<i>23%</i>	<i>23%</i>	<i>22%</i>	<i>22%</i>	<i>22%</i>	<i>22%</i>	<i>22%</i>
Net income	22	19	15	38	38	32.1	43	48	52
EPS	1.20	0.99	0.84	2.02	2.03	1.71	2.27	2.54	2.79
Amortization	-1	-1	-1	-2	-2	-1	-2	-3	-3
Depreciation	-3	-3	-3	-4	-18	-23	-22	-23	-24
D&A	-5	-4	-4	-5	-20	-24	-24	-26	-28
EBIT	24	24	20	50	51	41	58	65	71
EBITDA	25	25	21	52	53	42	59	67	74
EBITDA	29	28	25	55	71	65	82	90	98
Margin and growth metrics	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Sales growth	14%	-3%	5%	37%	14%	-1%	5%	9%	8%
<i>Organic</i>	<i>15%</i>	<i>-7%</i>	<i>4%</i>	<i>13%</i>	<i>8%</i>	<i>-12%</i>	<i>3%</i>	<i>9%</i>	<i>8%</i>
<i>Acquisitions</i>	<i>0%</i>	<i>4%</i>	<i>0%</i>	<i>23%</i>	<i>6%</i>	<i>12%</i>	<i>2%</i>	<i>0%</i>	<i>0%</i>
<i>FX</i>	<i>0%</i>	<i>0%</i>	<i>1%</i>	<i>2%</i>	<i>1%</i>	<i>-1%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>
Gross margin	38.2%	41.6%	41.7%	41.4%	39.0%	39.0%	40.4%	39.9%	39.3%
EBITDA margin	6.5%	6.5%	5.5%	9.0%	10.1%	9.3%	11.1%	11.3%	11.4%
EBITA margin	5.7%	5.9%	4.8%	8.4%	7.5%	6.1%	8.1%	8.4%	8.6%
EBIT margin	5.5%	5.5%	4.5%	8.1%	7.2%	5.9%	7.9%	8.1%	8.2%
% of sales									
Other external expenses	12.7%	10.6%	10.4%	9.7%	7.4%	8.3%	8.3%	8.1%	7.8%
Personnel expenses	22.5%	21.1%	25.9%	22.7%	21.6%	21.5%	21.0%	20.5%	20.1%
Sales per segment (SEKm)	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Process & Environment	274	261	267	422	481	471	501	551	606
Materials technology	172	168	183	196	224	224	231	248	255
Central Units	1	0	0	0	0	0	0	0	0
Group	447	429	450	618	705	695	732	798	861
BA EBITA									
Process & Environment	15	18	16	45	45	38	46	52	58
Materials technology	14	18	18	17	19	22	23	25	26
Central Units	-2	-10	-13	-11	-11	-18	-10	-10	-10
Group	26	26	22	52	53	42	59	67	74
BA EBITA margin									
Process & Environment	5.5%	6.9%	6.1%	10.8%	9.3%	8.1%	9.3%	9.5%	9.6%
Materials technology	7.9%	10.7%	10.1%	8.8%	8.5%	9.6%	9.9%	10.2%	10.3%
BA % of total sales									
Process & Environment	61.3%	60.8%	59.4%	68.3%	68.2%	67.7%	68.4%	69.0%	70.4%
Materials technology	38.5%	39.2%	40.6%	31.7%	31.8%	32.3%	31.6%	31.0%	29.6%
Cash Flow Statement (SEKm)	2015	2016	2017	2018	2019	2020	2021e	2022e	2022e
EBITDA	29	28	25	55	71	65	82	90	98
Net financial items	0	0	-0	-1	-2	-4	-3	-3	-3
Paid tax	-2	-4	-8	-10	-7	-17	-12	-14	-15
Non-cash items	0	0	0	0	0	0	0	0	0
Cash flow before change in WC	27	24	16	44	61	44	66	73	80
Change in WC	10	-9	8	-19	8	18	2	-11	-4
Operating cash flow	37	15	24	25	70	63	68	63	76
CAPEX tangible fixed assets	-1	-1	-2	-6	-7	-5	-8	-9	-9
CAPEX intangible fixed assets	0	0	0	-1	-1	-1	-1	-1	-1
Free cash flow	36	15	22	19	62	58	59	53	66
Acquisitions and disposals	0	-18	-1	-110	-15	-34	0	0	0
Dividend paid	-5	-9	-9	-9	-14	-11	-14	-14	-14
Share issues and buybacks	0	0	-7	-2	0	0	0	0	0
Decrease in net IB debt	31	-13	3	-103	32	12	45	39	52

Source: ABG Sundal Collier, company data

ESG profile

Risk and opportunities

CBTT is a trading group comprised mostly of distribution companies. As such, the company is dependent on suppliers fulfilling their obligations. To mitigate this supply-chain risk, CBTT has long-term relationships with leading suppliers, where quality is of the utmost importance. CBTT has ongoing dialogues with suppliers to address potential supplier issues and subsequent activities. Requirements concerning reduced environmental impact are growing. Within these areas, CBTT's products and systems have the opportunity, directly or indirectly, to improve environments that affect people. As well as the environmental benefits, the company's technical solutions also create economic benefits for customers, e.g. through greater efficiency and lower raw material costs.

ESG activities

In its operations, CBTT promotes environmentally sustainable development with environmental awareness throughout the transaction chain, from supplier to customer. The company takes a holistic view centred on business ethics, the environment, human rights and the company's future. CBTT complies with the UN Global Compact, ILO and OECD guidelines for multinational enterprises and the international conventions relevant to the company. The company has created a framework for its sustainability work, consisting of three parts: partners for sustainable value creation (Environment), attractive workplace (Social) and a credible partner (Governance). Each part of the framework includes a diverse set of specific targets where the level of fulfilment is presented each year.

Key issues*	ABGSC weight
Environment	40%
Carbon emissions	
Water treatment	
Electrification	
Social	40%
Urbanisation	
Noise and vibration-isolation	
Human capital	
Governance	20%
Corporate behaviour	
Business ethics	
Corporate governance	
Previous ESG incidents	
None	
Exposure to ESG Trends	
Urbanisation, water treatment and electrification of society	

Social and governance data				ESG Data			
	2017	2018	2019		2017	2018	2019
Women in workforce %	28	29	26	Energy consumption turnover (SEK/kWh)	n.a.	440	636
Women in management %	20	18	18	Percentage of renewable energy of total energy consumption	n.a.	63	42
Women in board %	38	38	38				
CEO salary, SEKm p.a.	2	2	2				
Employee turnover %	n.a.	n.a.	n.a.				
Employee absence %	n.a.	n.a.	n.a.				
Person responsible for sustainability:	CEO, Bo Söderqvist						
Senior management:	Yes						
ESG quantified targets							
				Today	Target		By
(%) of total purchase volume at suppliers that signed the CoC				95	80		n.a.
(%) of total purchase volume that assessed suppliers represent				75.4	80		n.a.

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

Chr. Berner Tech Trade

Income Statement (SEKm)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021e	Q2 2021e	Q3 2021e	Q4 2021e
Sales	175	164	161	195	184	175	168	205
COGS	-112	-100	-104	-110	-107	-107	-109	-112
Gross profit	63	64	57	86	77	68	59	92
Other operating items	-54	-44	-37	-70	-58	-49	-40	-69
EBITDA	10	19	20	16	19	19	19	24
Depreciation and amortisation	-6	-6	-6	-7	-5	-5	-6	-7
EBITA	5	14	14	9	15	14	14	17
EO items	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0
EBIT	4	14	14	9	14	14	13	17
Net financial items	-1	-1	2	0	-2	-1	2	-1
Pretax profit	3	12	16	10	12	13	15	16
Tax	-1	-3	-4	-1	-3	-3	-3	-4
Net profit	2	10	12	8	9	10	12	12
Minority interest	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0
Net profit to shareholders	2	10	12	8	9	10	12	12
EPS	0.13	0.51	0.65	0.37	0.48	0.52	0.62	0.65
EPS Adj	0.13	0.51	0.65	0.37	0.48	0.52	0.62	0.65
Total extraordinary items after tax	0	0	0	0	0	0	0	0
Tax rate (%)	32.9	22.0	22.6	15.0	22.4	22.4	22.4	22.4
Gross margin (%)	36.1	38.8	35.5	43.9	41.9	38.7	35.1	45.0
EBITDA margin (%)	5.6	11.8	12.3	8.1	10.6	11.0	11.5	11.5
EBITA margin (%)	2.6	8.5	8.8	4.9	8.0	8.2	8.0	8.2
EBIT margin (%)	2.3	8.3	8.6	4.8	7.7	7.9	7.9	8.1
Pretax margin (%)	1.7	7.5	9.8	5.0	6.3	7.2	8.9	7.7
Net margin (%)	1.1	5.9	7.6	4.3	4.9	5.6	6.9	5.9
Growth rates Y/Y	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021e	Q2 2021e	Q3 2021e	Q4 2021e
Sales growth (%)	5.4	-2.1	3.2	-9.3	5.2	6.8	4.5	4.8
EBITDA growth (%)	-47.7	15.8	1.3	-3.7	99.7	-0.8	-2.1	47.9
EBIT growth (%)	-71.6	14.7	-5.9	-10.7	253.9	1.9	-4.6	78.5
Net profit growth (%)	-81.2	9.0	13.0	9.4	354.4	1.0	-4.4	45.9
EPS growth (%)	-81.2	9.0	13.0	9.4	354.4	1.0	-4.4	45.9
Adj earnings numbers	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021e	Q2 2021e	Q3 2021e	Q4 2021e
EBITDA Adj	10	19	20	16	19	19	19	24
EBITDA Adj margin (%)	5.6	11.8	12.3	8.1	10.6	11.0	11.5	11.5
EBITA Adj	5	14	14	9	15	14	14	17
EBITA Adj margin (%)	2.6	8.5	8.8	4.9	8.0	8.2	8.0	8.2
EBIT Adj	4	14	14	9	14	14	13	17
EBIT Adj margin (%)	2.3	8.3	8.6	4.8	7.7	7.9	7.9	8.1
Pretax profit Adj	3	12	16	10	12	13	15	16
Net profit Adj	2	10	12	8	9	10	12	12
Net profit to shareholders Adj	2	10	12	8	9	10	12	12
Net Adj margin (%)	1.1	5.9	7.6	4.3	4.9	5.6	6.9	5.9

Source: ABG Sundal Collier, Company data

Chr. Berner Tech Trade

Income Statement (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Sales	387	442	429	450	618	705	695	732	798	861
COGS	-236	-276	-251	-263	-362	-430	-425	-436	-480	-522
Gross profit	151	166	178	187	255	275	270	296	319	339
Other operating items	-135	-137	-150	-162	-200	-204	-205	-214	-228	-240
EBITDA	16	29	28	25	55	71	65	82	90	98
Depreciation and amortisation	-5	-5	-4	-4	-5	-20	-24	-24	-26	-28
Of which leasing depreciation	0	0	0	0	0	-16	-19	-19	-20	-21
EBITA	12	25	25	21	52	53	42	59	67	74
EO items	0	0	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0	0	0
EBIT	11	24	24	20	50	51	41	58	65	71
Net financial items	0	-0	1	-1	-1	-2	0	-3	-3	-3
Pretax profit	11	24	25	20	49	49	41	55	61	67
Tax	-3	-2	-5	-4	-11	-11	-9	-12	-14	-15
Net profit	9	22	19	15	38	38	32	43	48	52
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
Net profit to shareholders	9	22	19	15	38	38	32	43	48	52
EPS	0.92	1.20	0.99	0.84	2.02	2.03	1.66	2.27	2.54	2.79
EPS Adj	0.46	1.20	0.99	0.82	2.01	2.02	1.66	2.27	2.54	2.79
Total extraordinary items after tax	0	0	0	0	0	0	0	0	0	0
Leasing payments	0	0	0	0	0	0	0	0	0	0
Tax rate (%)	22.6	6.9	21.1	22.9	22.7	22.4	21.4	22.4	22.4	22.4
Gross margin (%)	39.0	37.5	41.5	41.6	41.3	39.0	38.8	40.4	39.9	39.3
EBITDA margin (%)	4.1	6.5	6.5	5.5	9.0	10.1	9.3	11.1	11.3	11.4
EBITA margin (%)	3.2	5.7	5.9	4.8	8.4	7.5	6.1	8.1	8.4	8.6
EBIT margin (%)	2.9	5.5	5.5	4.5	8.1	7.2	5.9	7.9	8.1	8.2
Pretax margin (%)	2.9	5.4	5.7	4.4	7.9	6.9	5.9	7.5	7.7	7.8
Net margin (%)	2.2	5.1	4.5	3.4	6.1	5.4	4.6	5.8	6.0	6.1
Growth rates Y/Y	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Sales growth (%)	-1.8	14.4	-2.9	4.8	37.4	14.1	-1.4	5.3	9.1	7.8
EBITDA growth (%)	-15.2	80.3	-2.1	-12.1	124.9	28.6	-9.3	25.9	10.9	8.8
EBIT growth (%)	-19.8	117.3	-1.4	-15.1	148.3	1.9	-20.2	42.0	11.9	9.6
Net profit growth (%)	-10.0	159.0	-13.2	-22.2	151.0	-0.2	-15.1	32.6	12.0	9.7
EPS growth (%)	-97.2	30.4	-17.5	-15.2	140.5	0.5	-18.2	36.7	12.0	9.7
Profitability	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
ROE (%)	19.7	28.8	21.3	15.8	33.7	26.7	19.5	22.4	21.5	20.3
ROE Adj (%)	19.7	28.8	21.3	15.8	33.7	26.7	19.5	22.4	21.5	20.3
ROCE (%)	18.3	27.5	23.7	17.5	29.7	19.2	12.4	14.1	14.5	14.7
ROCE Adj(%)	18.3	27.5	23.7	17.5	29.7	19.2	12.4	14.1	14.5	14.7
ROIC (%)	24.3	82.1	55.1	33.5	32.4	17.1	10.5	13.4	14.8	15.7
ROIC Adj (%)	24.3	82.1	55.1	33.5	32.4	17.1	10.5	13.4	14.8	15.7
Adj earnings numbers	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA Adj	16	29	28	25	55	71	65	82	90	98
EBITDA Adj margin (%)	4.1	6.5	6.5	5.5	9.0	10.1	9.3	11.1	11.3	11.4
EBITDA lease Adj	16	29	28	25	55	71	65	82	90	98
EBITDA lease Adj margin (%)	4.1	6.5	6.5	5.5	9.0	10.1	9.3	11.1	11.3	11.4
EBITA Adj	12	25	25	21	52	53	42	59	67	74
EBITA Adj margin (%)	3.2	5.7	5.9	4.8	8.4	7.5	6.1	8.1	8.4	8.6
EBIT Adj	11	24	24	20	50	51	41	58	65	71
EBIT Adj margin (%)	2.9	5.5	5.5	4.5	8.1	7.2	5.9	7.9	8.1	8.2
Pretax profit Adj	11	24	25	20	49	49	41	55	61	67
Net profit Adj	9	22	19	15	38	38	32	43	48	52
Net profit to shareholders Adj	9	22	19	15	38	38	32	43	48	52
Net Adj margin (%)	2.2	5.1	4.5	3.4	6.1	5.4	4.6	5.8	6.0	6.1

Source: ABG Sundal Collier, Company data

Chr. Berner Tech Trade

Cash Flow Statement (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA	16	29	28	25	55	71	65	82	90	98
Net financial items	0	-0	1	-1	-1	-2	0	-3	-3	-3
Paid tax	-0	-2	-4	-8	-10	-7	-17	-12	-14	-15
Non-cash items	0	0	0	0	0	0	0	0	0	0
Cash flow before change in WC	16	27	25	16	44	62	48	66	73	80
Change in WC	-3	10	-10	8	-19	8	15	9	-11	-4
Operating cash flow	13	37	15	24	25	70	63	76	63	76
CAPEX tangible fixed assets	-2	-1	-1	-2	-6	-7	-5	-8	-9	-9
CAPEX intangible fixed assets	0	0	0	0	-1	-1	-1	-1	-1	-1
Acquisitions and disposals	0	0	-18	-1	-110	-15	-34	0	0	0
Free cash flow	11	36	-4	20	-91	46	23	67	53	66
Dividend paid	0	-5	-9	-9	-9	-14	-11	-14	-14	-14
Share issues and buybacks	0	0	0	-7	-2	0	0	0	0	0
Lease liability amortisation	-2	-6	0	0	-15	-20	0	0	0	0
Other non cash items	52	-7	-27	3	-126	-66	-97	-26	-24	-23
Balance Sheet (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Goodwill	0	0	16	15	133	146	180	180	180	180
Other intangible assets	9	7	9	8	23	21	20	19	18	15
Tangible fixed assets	11	10	11	12	18	14	18	23	29	35
Right-of-use asset	0	0	0	0	0	58	93	93	94	93
Total other fixed assets	0	4	3	3	2	1	1	3	3	3
Fixed assets	20	22	39	38	175	240	311	318	322	325
Inventories	22	21	20	23	50	65	62	67	80	86
Receivables	52	56	61	57	84	80	78	81	88	95
Other current assets	3	5	7	5	10	12	12	11	12	12
Cash and liquid assets	48	72	65	65	34	27	49	82	101	133
Total assets	145	175	191	187	352	425	513	560	603	651
Shareholders equity	69	86	96	95	130	153	176	205	238	277
Minority	0	0	0	0	0	0	0	0	0	0
Total equity	69	86	96	95	130	153	176	205	238	277
Long-term debt	7	5	12	11	49	33	0	22	22	22
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	58	94	92	92	92
Total other long-term liabilities	2	2	2	2	10	9	16	9	9	9
Short-term debt	5	2	6	4	41	44	100	89	89	89
Accounts payable	28	34	28	30	36	42	46	45	49	53
Other current liabilities	34	45	47	45	88	85	81	98	104	110
Total liabilities and equity	145	175	191	187	352	425	513	560	603	651
Net IB debt	-36	-68	-50	-52	54	108	145	118	99	67
Net IB debt excl. pension debt	-36	-68	-50	-52	54	108	145	118	99	67
Net IB debt excl. leasing	-36	-64	-47	-49	56	50	51	28	9	-22
Capital invested	35	20	48	45	194	271	336	332	346	353
Working capital	15	2	12	10	21	31	25	16	27	31
EV breakdown	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Market cap. diluted (m)	176	293	364	310	346	537	484	591	591	591
Net IB debt Adj	-36	-68	-50	-52	54	108	145	118	99	67
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
EV	140	225	314	258	400	644	629	709	690	658
Capital efficiency	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Total assets turnover (%)	300.1	276.8	234.5	237.8	229.0	181.4	148.2	136.5	137.3	137.3
Working capital/sales (%)	3.7	1.9	1.7	2.5	2.5	3.7	4.0	2.8	2.7	3.3
Financial risk and debt service	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Net debt/equity	-0.52	-0.79	-0.52	-0.55	0.42	0.70	0.82	0.58	0.41	0.24
Net debt/market cap	-0.19	-0.33	-0.15	-0.15	0.14	0.22	0.34	0.20	0.17	0.11
Equity ratio (%)	47.8	49.3	50.2	50.8	36.8	36.1	34.3	36.6	39.5	42.5
Net IB debt adj./equity	-0.52	-0.79	-0.52	-0.55	0.42	0.70	0.82	0.58	0.41	0.24
Current ratio	1.86	1.87	1.89	1.88	1.08	0.98	0.81	0.99	1.11	1.24
EBITDA/net interest	high	high	high	high	high	high	high	high	high	high
Net IB debt/EBITDA	-2.28	-2.37	-1.79	-2.10	0.98	1.51	2.23	1.44	1.09	0.69
Net IB debt/EBITDA lease Adj	-2.28	-2.24	-1.68	-2.00	1.01	0.70	0.79	0.34	0.10	-0.23
Interest cover	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

Source: ABG Sundal Collier, Company data

Chr. Berner Tech Trade

Valuation and Ratios (SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Shares outstanding adj.	19	19	19	19	19	19	19	19	19	19
Fully diluted shares Adj	19	19	19	19	19	19	19	19	19	19
EPS	0.92	1.20	0.99	0.84	2.02	2.03	1.66	2.27	2.54	2.79
Dividend per share Adj	0.3	0.5	0.5	0.5	0.8	0.6	0.8	0.8	0.8	0.8
EPS Adj	0.46	1.20	0.99	0.82	2.01	2.02	1.66	2.27	2.54	2.79
BVPS	3.69	4.59	5.11	5.06	6.91	8.18	9.39	10.91	12.70	14.74
BVPS Adj	3.21	4.19	3.80	3.85	-1.35	-0.74	-1.26	0.30	2.19	4.37
Net IB debt / share	-1.9	-3.4	-2.5	-2.6	3.0	5.8	7.7	6.4	5.4	3.7
Share price	9.40	15.60	19.40	16.50	18.45	28.60	25.80	31.50	31.50	31.50
Market cap. (m)	176	293	364	310	346	537	484	591	591	591
Valuation	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
P/E	10.2	13.0	19.6	19.6	9.1	14.1	15.5	13.9	12.4	11.3
EV/sales	0.36	0.51	0.73	0.57	0.65	0.91	0.90	0.97	0.86	0.76
EV/EBITDA	8.8	7.8	11.2	10.4	7.2	9.0	9.7	8.7	7.6	6.7
EV/EBITA	11.3	8.9	12.5	12.0	7.7	12.1	14.9	11.9	10.2	8.9
EV/EBIT	12.6	9.3	13.2	12.8	8.0	12.6	15.4	12.3	10.7	9.3
Dividend yield (%)	2.7	3.2	2.6	3.0	4.1	2.1	2.9	2.4	2.4	2.4
FCF yield (%)	6.4	12.2	4.0	7.0	5.3	11.5	11.9	11.3	9.0	11.1
Lease adj. FCF yield (%)	5.1	10.1	-1.0	6.5	-30.7	5.0	4.8	11.3	9.0	11.1
P/BVPS	2.55	3.40	3.79	3.26	2.67	3.50	2.75	2.89	2.48	2.14
P/BVPS Adj	2.93	3.73	5.11	4.28	-13.62	-38.61	-20.48	104.04	14.36	7.21
P/E Adj	20.4	13.0	19.5	20.1	9.2	14.2	15.6	13.9	12.4	11.3
EV/EBITDA Adj	8.8	7.8	11.2	10.4	7.2	9.0	9.7	8.7	7.6	6.7
EV/EBITA Adj	11.3	8.9	12.5	12.0	7.7	12.1	14.9	11.9	10.2	8.9
EV/EBIT Adj	12.6	9.3	13.2	12.8	8.0	12.6	15.4	12.3	10.7	9.3
EV/cap. employed	1.7	2.4	2.8	2.3	1.8	2.2	1.7	1.7	1.6	1.4
Investment ratios	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Capex/sales	0.4	0.2	0.2	0.5	1.1	1.1	0.8	1.2	1.2	1.2
Capex/depreciation	32.3	16.7	15.8	45.6	124.8	180.2	112.0	183.7	164.4	150.0
Capex tangibles/tangible fixed assets	14.5	7.2	6.4	16.6	31.6	51.6	26.7	35.0	30.7	27.3
Capex intangibles/definite intangibles	0	0	0	0	5.3	3.2	2.9	3.8	4.5	5.7
Depreciation on intangibles/definite intai	14.8	17.4	14.7	16.5	7.5	9.7	7.2	7.9	15.0	22.9
Depreciation on tangibles/tangibles	32.8	31.2	27.8	26.0	21.1	16.9	18.6	14.1	11.2	9.9

Source: ABG Sundal Collier, Company data

Analyst certification

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

Analyst valuation methods

ABG Sundal Collier analysts may publish valuation ranges for stocks covered under Company Sponsored Research. These valuation ranges rely on various valuation methods. One of the most frequently used methods is the valuation of a company by calculation of that company's discounted cash flow (DCF). Another valuation method is the analysis of a company's return on capital employed relative to its cost of capital. Finally, the analysts may analyse various valuation multiples (e.g. the P/E multiples and the EV/EBITDA multiples) relative to global industry peers. In special cases, particularly for property companies and investment companies, the ratio of price to net asset value is considered. Valuation ranges may be changed when earnings and cash flow forecasts are changed. They may also be changed when the underlying value of a company's assets changes (in the cases of investment companies, property companies or insurance companies) or when factors impacting the required rate of return change.

Important Company Specific Disclosure

The following disclosures relate to the relationship between ABG Sundal Collier and its affiliates and the companies covered by ABG Sundal Collier referred to in this research report.

Unless disclosed in this section, ABG Sundal Collier has no required regulatory disclosures to make in relation to an ownership position for the analyst(s) and members of the analyst's household, ownership by ABG Sundal Collier, ownership in ABG Sundal Collier by the company(ies) to whom the report(s) refer(s) to, market making, managed or co-managed public offerings, compensation for provision of certain services, directorship of the analyst, or a member of the analyst's household, or in relation to any contractual obligations to the issuance of this research report.

ABG Sundal Collier has undertaken a contractual obligation to issue this report and receives predetermined compensation from the company covered in this report.

ABG Sundal Collier is not aware of any other actual, material conflicts of interest of the analyst or ABG Sundal Collier of which the analyst knows or has reason to know at the time of the publication of this report.

Production of report: 26/02/2021 15:29 CET.

All prices are as of market close on 25 February, 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 professional investors, who are expected 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, retail clients. 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 Christian Berner Tech.

The compensation of our research analysts is determined exclusively by research management and senior management, but not including investment banking management. Compensation is not based on specific investment banking revenues, however, it is determined from the profitability of the ABG Sundal Collier Group, which includes earnings from investment banking operations and other business. Investors should assume that ABG Sundal Collier is seeking or will seek investment banking or other business relationships with the companies in this report. The research analyst(s) responsible for the preparation of this report may interact with trading desk and sales personnel and other departments for the purpose of gathering, synthesizing and interpreting market information. From time to time, ABG Sundal Collier and its affiliates and any shareholders, directors, officers or employees thereof may (I) have a position in, or otherwise be interested in, any securities directly or indirectly connected to the subject of this report, or (II) perform investment banking or other services for, or solicit investment banking or other services from, a company mentioned in this report. ABG Sundal Collier relies on information barriers to control the flow of information contained in one or more areas of ABG Sundal Collier, into other areas, units, groups or affiliates of ABG Sundal Collier.

Norway: ABG Sundal Collier ASA is regulated by the Financial Supervisory Authority of Norway (Finanstilsynet); Sweden: ABG Sundal Collier AB is regulated by the Swedish Financial Supervisory Authority (Finansinspektionen); UK: This report is a communication made, or approved for communication in the UK, by ABG Sundal Collier Partners LLP, authorised and regulated by the Financial Conduct Authority in the conduct of its business. US: This report is being distributed in the United States in accordance with FINRA Rule 1050(f)(3)(B) by ABG Sundal Collier Inc., a FINRA member which accepts responsibility for its content. Research analysts are not registered/qualified as research analysts with FINRA or the NYSE, and are not associated persons of ABG Sundal Collier Inc. and therefore not subject to FINRA Rule 2241, the research analyst conflict rules. Research reports distributed in the U.S are intended solely for "major institutional investors", as defined under Rule 15a-6 of the Securities Exchange Act of 1934. Each U.S major institutional investor that receives a copy of this research report by its acceptance represents that it agrees it will not distribute this research report to any other person. Any U.S. major institutional investor receiving this report who wishes to effect

transactions in any securities referred to herein should contact ABG Sundal Collier Inc., not its affiliates. Further information on the securities referred to herein may be obtained from ABG Sundal Collier Inc., on request.

Singapore: This report is distributed in Singapore by ABG Sundal Collier Pte Ltd, which is not licensed under the Financial Advisers Act (Chapter 110 of Singapore). In Singapore, this report may only be distributed to institutional investors as defined in Section 4A(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) ("SFA"), and should not be circulated to any other person in Singapore.

This report may not be reproduced, distributed or published by any recipient for any purpose whatsoever without the prior written express permission of ABG Sundal Collier.

Additional information available upon request. If reference is made in this report to other companies and ABG Sundal Collier provides research coverage for those companies details regarding disclosures may be found on our website www.abgsc.com.

© Copyright 2021 ABG Sundal Collier ASA

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