SinterCast

Daimler Truck set to invest, pending EGM approval

- Direct share issue to Daimler Truck pending approval by EGM
- Would raise ~SEK 80m for a 10% equity stake
- Atlantis Foundries CGI licence, start-up early 2027

Direct share issue of SEK 80m pending approval

This Tuesday, SinterCast announced that it expects a strategic investment by Daimler Truck alongside a planned commercial agreement. During an analyst call today, management expressed strong confidence that shareholders will approve the proposed directed share issue to its new commercial partner, at SinterCast's EGM on 18 December. We note that all aspects of the agreement between SinterCast and Daimler Truck have already been discussed, negotiated and mutually agreed upon, and we would find it surprising if it was not approved at the EGM. The proposed share issue would comprise 785,300 new shares, increasing the total number of shares outstanding to 7,852,832, an 11% increase. At a subscription price of SEK 101.53 per share, the issue would raise approximately SEK 80m in proceeds. Daimler would own 10% of the company after the issue, enough to prevent a bidder from reaching the 90% needed to take full ownership of the company. For current shareholders, the issue would represent a 10% dilution. Furthermore, Daimler would also recieve 461,912 warrants exercisable over a two-year period beginning in approximately three years. If fully exercised, these would increase the current share count by 18%, bringing Daimler's ownership to 15% and implying 15% dilution for existing shareholders. The company would also also receive a seat at the board.

Novel commercial partnership

The commercial partnership entails series production at Daimler Truck's Atlantis Foundries, located in South Africa. Atlantis is the main supplier of cylinder blocks for the Daimler Group, and would be a new licensee to SinterCast. Management explained that Issues with previous CGI suppliers led to the switch. A first SinterCast System 4000 Plus is planned to be installed in early '27. Importantly, management provided reassurance regarding the potential impact on SinterCast's relationships with other major OEM customers, including Traton and Volvo. During the call, CEO Vitor Anjos also reiterated that the partnership is central in reaching the goal of 8m EEs in 2031. We expect the deal to materialise. If it does, it should add modest upside to our 2027e estimates through higher equipment sales, with larger upside sitting beyond 2028e. We also see the Daimler partnership presents an opportunity of growing with more foundries in the Group, such as its Mannheim foundry.

Adds financial muscle to acquisition ambitions

The proceeds from the directed share issue is earmarked for further growth, both organically and through M&A, and cannot be used for dividends or buy-backs. To our understanding, the capital raise is intended to position the company for a larger acquisition, signalling increased ambition in terms of scope and scale. The communicated strategy targets businesses with strong recurring revenue and attractive margins, which

Fast comment

Commissioned research

Not rated

Capital Goods

SINT-SE/SINT SS

Share price (SEK)	26/11/2026	127.50
MCap (SEKm)		898
MCap (EURm)		79
Net debt (SEKm)		-19.70
No. of shares (m)		7.1
Free float (%)		64.1
Av. daily volume (k)		16

Next event EGM 18 December 2026

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also complements the core CGI business. We consider an acquisition likely to be closed during the first half of 2027.

SEKm	2024	2025	2026e	2027e	2028e
Sales	136	108	124	140	163
Sales growth (%)	*0.8*	*-20.3*	*14.6*	*12.7*	*16.5*
EBITDA	47	37	45	62	76
EBITDA margin (%)	*34.9*	*33.8*	*36.2*	*44.3*	*46.5*
EBIT adj.	43	33	44	57	73
EBIT adj. margin (%)	*31.8*	*30.5*	*35.8*	*41.1*	*44.6*
Pretax profit	43	33	44	57	73
EPS	4.85	3.49	5.00	6.45	8.20
EPS growth (%)	*-18.4*	*-28.0*	*43.2*	*29.1*	*27.1*
EPS adj.	4.82	3.52	5.00	6.45	8.20
DPS	7.00	3.00	5.50	7.09	9.01
EV/EBITDA (x)	18.6	24.6	19.5	13.9	11.1
EV/EBIT adj. (x)	20.4	27.2	19.7	14.9	11.6
P/E (x)	26.3	36.5	25.5	19.8	15.6
P/E adj. (x)	26.4	36.2	25.5	19.8	15.6
EV/sales (x)	6.48	8.30	7.06	6.15	5.18
FCF yield (%)	6.4	3.9	5.4	6.3	7.4
Le. adj. FCF yld. (%)	6.2	3.7	5.3	6.0	7.3
Dividend yield (%)	5.5	2.4	4.3	5.6	7.1
Net IB debt/EBITDA (x)	-0.5	-0.1	-0.6	-0.7	-0.8
Le. adj. ND/EBITDA (x)	-0.5	-0.2	-0.7	-0.8	-0.8

Source: ABG Sundal Collier, Company Data

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