

Concentric (COIC SS) / A.P. Moller Holding

Tender Offer

Since the profit warning announcement, the spread has widened significantly, and due to the short timing, it presents an attractive opportunity.

Background

- On August 29, AP Moller Holding announced a tender offer for Concentric AB. Since then on September 17, the Offeror announced a shorter tendering period due to, good Progress in the regulatory approvals. While on September 18, Concentric came out with a negative earnings update.
- We note that the sales estimation of mSEK 780-820 for Q3 is approximately 5-10% below analysts' estimates for the same period.
- Historically, COIC traded in the range of 8-11x EV/EBITDA.
- We believe that the negative announcement should not be a surprise for AP Moller as the slowdown was already indicated in the Q2 earnings release.
- We note that as a result of the profit warning, the standalone value of COIC decreased significantly to a level of SEK 115-120 from ~SEK 140.
- Assuming a SEK 115 downside and a closing of October 22, 2024 we estimate a market implied closing probability of 87%. While prior to the profit warning, COIC traded at SEK 228-227, which implied a 98% closing probability at a SEK 140 downside at the time.
- We believe the current cut cannot be considered a materially adverse change as it does not affect the main course of business and is likely to be aligned with industry trends.

Shareholder acceptance

- Completion of the Offer is conditional upon, inter alia, the Offer being accepted to such extent that the Offeror becomes the owner of shares representing more than 90 percent of the total number of outstanding shares in Concentric (on a fully diluted basis).
- We note that in Sweden, the squeeze-out threshold is 90%.
- We note that AP Moller secured 16.7 per cent of COIC SS shares to support the bid.
- As COIC SS is trading below the offer and there has not been any public shareholder opposition, we expect shareholders to tender their shares into the offer. We also note that the SEK 230 price represents a more than 60% premium to the undisturbed price.
- The deal multiples appear significantly above traded peers.
- We believe that with the September 18 announcement, the likelihood of the 90% threshold being reached has increased significantly.
- Other than the minimum acceptance threshold, conditions (ii) to (vii) can only lead to the withdrawal of the offer if their non-satisfaction is of material importance to the offeror's ability to complete the acquisition. The offeror would also need to secure approval from the Swedish Securities Council to withdraw based on these conditions.

Regulatory risks and Timing

- We do not expect that regulatory approvals would pose a risk to the takeover.
- We note that a substantial portion of COIC SS sales comes from outside of Sweden, which would imply that further approvals are required. However, considering the announcement made by the Offeror, we expect that the key regulatory approvals have been gained.
- The tender offer will close on October 16, and the settlement can be expected on October 22.

Valuation

- We estimate that COIC SS would trade at SEK 115-120, representing an FY1 EV/EBITDA of 9x as a standalone company. The stock was trading pre-event at an 11x FY1 EV/EBITDA multiple, but due to the profit warning, the valuation is likely to drop to the lower end of the historical range to around ~9.0x.

Deal Terms

1 COIC SS = SEK 230

Target: Concentric AS

Country	Sweden
Bloomberg	COIC SS
Sector	Industrials
Share price (SEK)	216.5
Market cap (SEKm)	8,291
Free float (%)	99

Acquirer: A.P. Moller Holding

Country	Denmark
Bloomberg	n.a.
Sector	Financials
Share price (\$)	n.a.
Market cap (\$m)	n.a.
Free float (%)	n.a.

Target Price Chart



Status

Tender offer to end on Oct. 16

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Key terms of the offer

Transaction Details

Announcement Date	August 29, 2024
Offer terms	1 COIC SS = SEK 230
Deal Size (Market Value)	SEK 9.3 billion
Offer structure	All- Cash Tender offer
Concentric Board Recommendation	Yes
Voting Agreement	The Offeror has secured acceptances from shareholders representing in total 6,249,834 shares, corresponding to approximately 16.7 percent of the outstanding shares and votes in Concentric.
COIC Incorporation	Sweden
AP Moller Incorporation	Denmark
Offer Website	Click here for the offer website
Offer Document	Click here for the offer document
Synergies	■ n.a.

Indicated Closing Date

- October 22, 2024

Dividends

- COIC pays dividends annually. The next forecasted dividend is expected to be SEK 5 to be paid in February, 2025

Financing

- The consideration payable in respect of the Offer is financed in full by funds available to the Offeror by way of an equity commitment letter issued by APMH Invest A/S, a wholly owned subsidiary of A.P. Moller Holding.
- The above-mentioned financing will provide the Offeror with sufficient cash resources to satisfy in full the consideration payable in respect of the Offer and, accordingly, completion of the Offer is not subject to any financing condition.

Concentric capitalization

- **Concentric Equity**
 - As of the date of this offer document, Concentric's registered share capital amounts to SEK 97,275,904, represented by 38,297,600 issued shares with a quota value of approximately SEK 2.54 per share. Concentric has one class of shares. Each share entitles the holder to one (1) vote at the general meeting and all shares carry equal rights to the Company's earnings and assets.
- **Concentric Debt**
 - Total long-term liabilities as of Jun 30, 2024: SEK 980
- **Concentric Net Leverage**
 - 1.0x FY1 Net Debt/EBITDA

Valuation Multiples

- LTM EV/Sales 2.4x
- FY1 EV/Sales 2.5x
- FY2 EV/Sales 2.3x
- LTM P/E 30.3x
- FY1 P/E 23.8x
- FY2 P/E 20.4x
- FY1 EV/EBITDA 17.7
- FY2 EV/EBITDA 12.4x

Timetable

■ Date of the Merger Agreement (T)	August 29, 2024
■ Deal Announcement	August 29, 2024
■ Offer period starts	September 18, 2024
■ Offer period end	October 16, 2024
■ Commencement of settlement	October 22, 2024

Key conditions to the merger

- **Shareholder approvals**
 - Offer being accepted to such extent that the Offeror becomes the owner of shares representing more than 90 percent of the total number of outstanding shares in Concentric (on a fully diluted basis)
- **No superior offer**
 - no other party announcing an offer to acquire shares in Concentric on terms that are more favourable to the shareholders of Concentric than the Offer
- **No legal prohibition**
 - Yes
- **Regulatory Approvals**
 - receipt of all necessary regulatory, governmental or similar clearances, approvals, decisions and other actions from authorities or similar, including from competition authorities, in each case on terms which, in the Offeror's opinion, are acceptable
- **No Company MAC**
 - Yes

Governing Law

- Sweden

Key Concentric shareholders

Shareholder	Number of shares	% of share capital	% of votes
Första AP-Fonden	3,441,964	8.99	8.99
Nordea Funds AB	3,403,056	8.89	8.89
Swedbank Robur Fonder	3,292,817	8.60	8.60
Cliens Kapitalforvalning AB	2,807,870	7.33	7.33
AMF - Försäkring & Pension	1,823,113	4.76	4.76
Fjärde AP-Fonden	1,800,832	4.70	4.70
State Street Bank and Trust Co, W9	1,777,674	4.64	4.64
The Bank of New York Mellon SA/NV, W8IMY	1,635,247	4.27	4.27
Handelsbankens Fonder AB	1,508,899	3.94	3.94
SOCIETE GENERALE SS	804,937	2.10	2.10
Total ten largest shareholders	22,296,409	58.22	58.22
Others	14,826,041	38.71	38.71
Concentric AB (including shares in an Employee Share Ownership Trust ²¹)	1,175,150 ²²	3.07	3.07
Total	38,297,600	100.00	100.00

Source: Bloomberg

Company descriptions & rationale for the merger

CONCENTRIC DESCRIPTION

- Concentric AB is an innovator in flow control and fluid power, supplying proprietary systems and components to the world's construction, truck and bus, agricultural machinery, industrial equipment, and energy system application end-markets. The company has a global manufacturing presence including in North America, Germany, UK, Sweden, India and China. Concentric's focus is to develop world class technology with innovative solutions that meet the sustainability needs of our customers.
- Concentric offers engine products including lubricant, coolant and fuel pumps and hydraulic products encompassing gear pumps and power packs. Concentric also offers a range of electric products developed for the evolving electric and hybrid powertrain market, including electric water and oil pumps, electric fans, thermal management systems, high-voltage components, and electro hydraulic steering. These electric products are also finding uses in new applications in new markets in the energy system sector. In 2023, the Group had a turnover of MSEK 4,205 and circa 1,282 employees.



■ Business Segments

■ Engines

- Concentric is a Tier-1 supplier to diesel engine manufacturers and major original equipment manufacturers (“OEM”) within the Engines segment. The Company offers lubricant, coolant and fuel transfer pumps for diesel engines as well as E-products and thermal management solutions for electric drivetrains, diesel engines and new markets such as data centres and energy storage. In addition, Concentric manufactures oil mist separators through Alfdex, a 50/50 joint venture with Alfa Laval.
- The Company's product offering in the Engine business segment primarily include E-coolant pumps, mini hybrid electric cooling systems, coolant pumps, fuel transfer pumps, the LICOS clutch system, E-oil pumps, E-fuel pumps, oil pumps, the Alfdex oil mist separator and the dual cone clutch.
- The Engine business segment accounted for SEK 2,855 million, or approximately 68 percent, of the Company's total net sales of SEK 4,205 million in 2023.

■ Hydraulics

- The Hydraulics segment encompass gear pumps and motors, as well as power packs produced for major OEMs of both on- and off-highway vehicles and machines and for distributors of hydraulic solutions. Concentric also offers electric products including its electrohydraulic steering unit which supports improvements in system efficiency and reduces emission.
- The Company's product offering in the Hydraulics business segment primarily include electrohydraulic steering, controlled power packs CAN, main hydraulic pumps, high power density units, internal gear pump, DC power packs, transmission pumps and low noise pumps.
- The Hydraulics Products business segment accounted for SEK 1,350 million, or approximately 32 percent, of the Company's total net sales of SEK 4,205 million in 2023.

End Markets

- Construction
 - In the construction end market, Concentric provides pumping solutions used in a wide variety of mobile construction equipment, including engine pumps, hydraulic fan drives and ancillary hydraulic pumps.
- Agriculture
 - In the agriculture end market, Concentric sells directly to the OEMs of agricultural machinery, providing products for tractors and other speciality equipment.
- Truck & Bus
 - In the truck & bus end market, Concentric sells products primarily into the medium- and heavy-duty truck and bus markets directly to the Truck OEMs and Tier 1 diesel engine manufacturers.
- Industrial
 - Industrial applications encompass a wide variety of markets, from forklifts for the retail and distribution industries to heavy machines used in mining. The Company supplies directly to OEMs and via its own distribution network.

BIDDER DESCRIPTION

- A.P. Moller Holding is the parent company of the A.P. Moller Group, headquartered in Copenhagen, Denmark. The A.P. Moller Group operates in more than 130 countries with over 125,000 employees. It generated a consolidated revenue of USD 56 billion and held a consolidated asset value of USD 110 billion in 2023. The net asset value of A.P. Moller Holding is approximately USD 32 billion.
- Established in 2013 by the Mærsk family as the investment arm of the A.P. Moller Foundation, A.P. Moller Holding's purpose is to invest in and build businesses with a positive impact on society – 'nyttig virksomhed'.
- A.P. Moller Holding is headquartered in Copenhagen.

STRATEGIC RATIONALE FOR THE MERGER

- Jan Thorsgaard Nielsen, Chief Investment Officer at A.P. Moller Holding, comments:
 - "Concentric is a global leader in pump, fan, and thermal management solutions for the commercial vehicle market, and is uniquely positioned to actively support its customers through the energy transition. Furthermore, Concentric's innovative solutions are well positioned for expansion into new and adjacent markets such as energy storage and datacentres. To pursue these growth opportunities, the Company faces significant investments in the organisation and product development, initiatives that will require both capital and patience from all stakeholders.
 - At A.P. Moller Holding, we are committed to actively supporting transition journeys and bring experience in guiding companies through various business cycles. We believe this combined with our long-term investment horizon makes us good owners of Concentric in the next phase of its journey. To make this possible, we have presented an attractive offer and are pleased to have received the unanimous recommendation of Concentric's Board of Directors, as well as the support from two of Concentric's largest institutional shareholders, representing nearly 17 percent of the outstanding shares."
- The Offeror has been following Concentric closely over the past years and believes that Concentric is a well managed company, consisting of highly competent employees, that has a strong track record and an attractive market position as the leading player in flow control and fluid power technology for the commercial vehicle market.
- The Offeror sees an opportunity to leverage Concentric's historic strengths in its base business to invest in growth opportunities provided by the ongoing advent of electrification in the commercial vehicle sector. Further, the Offeror also believes that Concentric can capture new growth opportunities in adjacent industries, and new geographies. The emergence of new technologies for supplying products to e-mobility will create a new competitive landscape for Concentric to navigate. To that end, executing on these opportunities will require significant investments and considerable endurance among the Company's stakeholders in order for Concentric to assume a leading role in the transition while also capturing the opportunities in adjacent markets and new geographies.
- A.P. Moller Holding has a long-standing commitment and experience in investing in and developing industrial businesses that have a positive impact on society. As the parent company of the Offeror, A.P. Moller Holding can leverage these capabilities and experiences to support Concentric in realising its growth potential in both the primary and the adjacent markets, benefiting from the knowledge and existing footprint of the companies in the A.P. Moller Group. Therefore, it is the Offeror's firm belief that Concentric will be better positioned to take the necessary bold, longer-term strategic decisions needed to capture future growth in a private setting under the long-term ownership of A.P. Moller Holding.
- The Offeror values the skills and talents of Concentric's management and employees and intends to continue to safeguard the excellent relationship that Concentric has with its employees. Given the Offeror's current knowledge of Concentric's business and in light of current market conditions, the Offeror does not intend to implement any material changes to Concentric's employees and management (including their terms of employment), or to the existing organization and operations of Concentric following the implementation of the Offer. There are currently no decisions on any material changes to Concentric's or the Offeror's employees and management (including their terms of employment), or to the existing organization and operations, including the terms of employment and the locations of Concentric's business.

Key risks

CONCENTRIC EARNINGS UPDATE

On September 18, Concentric came out with the following earnings update

- “Weak demand in the Company’s end-markets in the sectors of agriculture, construction, truck and industrial applications have resulted in a negative development for the Company’s base business. The slowdown in the Company’s end -markets has resulted in reduced order volumes from key customers, which has negatively impacted the Company’s sales during Q3 2024. In addition, there has also been a slowdown in the Company’s electrification business. Concentric expects this level of demand from our customers to stabilise at these lower levels during Q4 2024 and going into 2025.”
- “During Q3 2024, Concentric estimates sales of approx. MSEK 780-820, underlying operating income of approx. MSEK 55-75 and an underlying operating margin of approx. 7-9 per cent.”
- Action plan
 - “Concentric has adopted an action plan, which includes a capacity cost restructuring initiative. This restructuring comprises 65 employees and is expected to result in savings of approx. MSEK 56 on an annualised basis. A non -recurring restructuring provision of approx. MSEK 20 will also be accrued in Q3 2024. In addition, pricing measures are being taken to achieve better recovery margins. These actions are expected to impact the underlying operating margin positively by 1-2 per cent in Q4 2024.”

CBR View:

- We note that the sales estimation of mSEK 780-820 for Q3 is approximately 5-10% below analysts’ estimates for the same period.
- Historically, COIC traded in the range of 8-11x EV/EBITDA.
- We believe that the negative announcement should not be a surprise for AP Moller as the slowdown was already indicated in the Q2 earnings release.
- We note that as the result of the announcement, the downside decreased significantly to a level of SEK 105-115 from approximately SEK 140.
- Assuming a SEK 110 downside and a closing of October 22, 2024, we estimate a market implied closing probability of 89%. Prior to the profit warning, COIC traded at SEK 228-227, which implied a 98% closing probability at the time.
- We believe that the current cut cannot be considered as a materially adverse change as it does not affect the main course of business and is likely to be an industry trend.

SHAREHOLDER ACCEPTANCES

- Completion of the Offer is conditional upon, inter alia, the Offer being accepted to such extent that the Offeror becomes the owner of shares representing more than 90 percent of the total number of outstanding shares in Concentric (on a fully diluted basis).
- We note that in Sweden, the squeeze-out threshold is 90%
- “The Offeror reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions are not satisfied or cannot be satisfied. However, with regard to conditions (ii) – (vii) above, the Offer may only be withdrawn where the non-satisfaction of such condition is of material importance to the Offeror’s acquisition of Concentric or if otherwise approved by the Swedish Securities Council. **The Offeror reserves the right to waive, in whole or in part, one, several or all of the conditions set out above, including, with respect to condition (i) above, to complete the Offer at a lower level of acceptance.**

Undertakings

- The Offeror has received undertakings to accept the Offer from the following shareholders in Concentric:
- Första AP-fonden, whose total ownership amounts to 3,441,964 shares, corresponding to approximately 9.2 percent of the outstanding5 shares and votes in Concentric; and
 - The undertaking from Första AP-fonden to accept the Offer will terminate (a) on 30 November 2024, with a right for the Offeror, at its sole discretion, to extend this date up until and including 31 January 2025 if the acceptance period in the Offer is extended, or (b) if a third party announces a competing offer to acquire all shares in Concentric at an offer price per share exceeding the price in the Offer, and the Offeror does not within 10 business days from the announcement of such competing offer announce an increase of the price in the Offer, so that the new price per share under the Offer matches or exceeds the offer price per share under the competing offer.
- Cliens Kapitalförvaltning AB, whose total ownership amounts to 2,807,870 shares, corresponding to approximately 7.5 percent of the outstanding6 shares and votes in Concentric.
- The undertaking from Cliens Kapitalförvaltning AB to accept the Offer will terminate (a) on 31 December 2024, with a right for the Offeror, at its sole discretion, to extend this date up until and including 31 March 2025 if the acceptance period in the Offer is extended, or (b) if a third party announces a competing offer to acquire all shares in Concentric at an offer price per share exceeding the price in the Offer by 3.0 percent, and the Offeror does not within 10 business days from the announcement of such competing offer announce an increase of the price in the Offer, so that the new price per share under the Offer matches or exceeds the offer price per share under the competing offer.

- The Offeror has thus, through undertakings by shareholders to accept the Offer, secured acceptances from shareholders representing in total 6,249,834 shares, corresponding to approximately **16.7 percent of the outstanding shares and votes in Concentric**.
- The acceptance period for the Offer commences on 18 September 2024 and expires on 16 October 2024 at 15:00 CEST. Settlement will be made as soon as the Offeror has announced that the conditions for the Offer has been met or that the Offeror has otherwise decided to complete the Offer. Assuming such announcement occurs no later than on or about 18 October 2024, settlement is expected to be initiated on or about 22 October 2024.

Swedish rules

- Most offerors reserve the right to waive the 90 percent condition under the terms and conditions of the offer, this condition has in practice rarely been waived, since squeeze-out of the minority shares, leading to full control of the target company, can only be initiated at an ownership threshold exceeding 90 percent.
- An offer would usually be completed at a lower acceptance level for either of the following reasons.
 - Firstly, and most importantly, the completion of the offer may simply be a first step in the process of aiming at 90+ percent ownership followed by a squeeze-out and delisting: the completion of the offer will be followed by further acquisitions of target shares.
 - Secondly, and more rarely, an offeror may consider a majority stake in the target company – as opposed to full control – as sufficient for its strategic objectives. Usually most resolutions of a general meeting of shareholders may be passed by simple majority or with a majority of two thirds of the votes cast and the shares represented. This means that a shareholder having gained title to shares representing more than two thirds of a company's shares and votes will in practice have control over most corporate matters.
- Several measures may in practice be taken to increase the offeror's ownership after completion of the offer, including further purchases of target shares from the market (so-called sweep-up process), a new takeover offer for the remaining target shares
 - Particular attention will, however, need to be paid to the so-called top-up rules, according to which the offeror will need to pay to shareholders that have accepted the offer any difference between the offer price and any higher price paid by the offeror for the target shares during a time period of nine months from the completion of the offer
- Swedish listing requirements include a free float requirement of at least 25 percent, delisting usually is not permitted where 10+ percent of the shares continue to be held by remaining shareholders, unless special circumstances are at hand. In practice, delisting is after completion of an offer usually permitted where the offeror has reached 90 percent ownership.
- Bidder is not allowed to launch another offer for at least 12 months (Article 2.24 of the Takeover code). Nothing in the rules says that the Bidder cannot buy shares in the secondary market. However, if shares are bought 6 months prior to the offer, then that price has to be reflected in the subsequent bid.

CBR View:

- We note that AP Moller secured 16.7 per cent of COIC SS shares to support the bid.
- As COIC SS is trading below the offer and there has not been any public shareholder opposition, we expect shareholders to tender their shares into the offer. We also note that the SEK 230 price represents a more than 60% premium to the undisturbed price.
- The deal multiples appear significantly above traded peers.
- We believe that with the September 18 announcement, the likelihood of the 90% threshold being reached has increased significantly.
- Other than the minimum acceptance threshold, conditions (ii) to (vii) can only lead to the withdrawal of the offer if their non-satisfaction is of material importance to the offeror's ability to complete the acquisition. The offeror would also need to secure approval from the Swedish Securities Council to withdraw based on these conditions.

REGULATORY RISKS

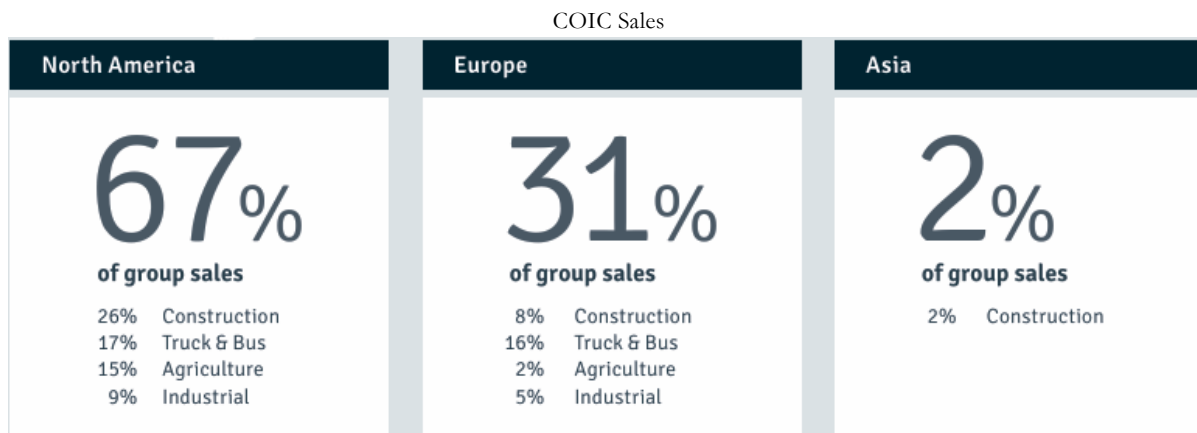
- The completion of the Offer is conditional upon, inter alia, with respect to the Offer and completion of the acquisition of Concentric, receipt of all necessary regulatory, governmental or similar clearances, approvals, decisions and other actions from authorities or similar, including from competition authorities, in each case on terms which, in the Offeror's opinion, are acceptable. Such clearances, approvals, decisions and other actions are expected to have been received by the end of the acceptance period for the Offer.
- Concentric has a global presence with centres of manufacturing, applications and product engineering located in Birmingham (UK), Rockford (Illinois USA), Muncie and Greenfield (Indiana USA), Escanaba (Michigan USA), Hof and Markdorf (Germany), Landskrona (Sweden), Pune (India) and Suzhou (China). In addition, a multi-national development team develop products aimed at the specific needs of the mobile equipment and industrial vehicle markets. In 2023, Concentric had net sales of SEK 4,205 million. The average number of employees amounted to 1,282 in 2023.
- As per an announcement made on September 17: As the **processes with the regulatory authorities have been progressing faster than anticipated**, the Offeror has decided to revise the timetable and shorten the acceptance period.

Swedish antitrust

- Under the Swedish Competition Act, the SCA has 25 working days (Phase I) from the date of receipt of a complete notification in which to decide whether to clear the acquisition of Shares in the Offer or initiate a special in-depth investigation (Phase II).
- The SCA can suspend the time limit at any time if Parent and the Company do not provide any additionally requested information by the SCA.

- If Parent or the Company offers certain remedy commitments during the Phase I period to SCA, the time limit is increased to 35 working days. If the SCA decides to carry out a special in-depth investigation, the SCA has a further three months to decide if the purchase of Shares in the Offer shall be prohibited. The three-month limit may be extended by the SCA provided the notifying parties give their consent or if the SCA deems that there are special reasons for doing so.

Geographies



Source: Annual Report

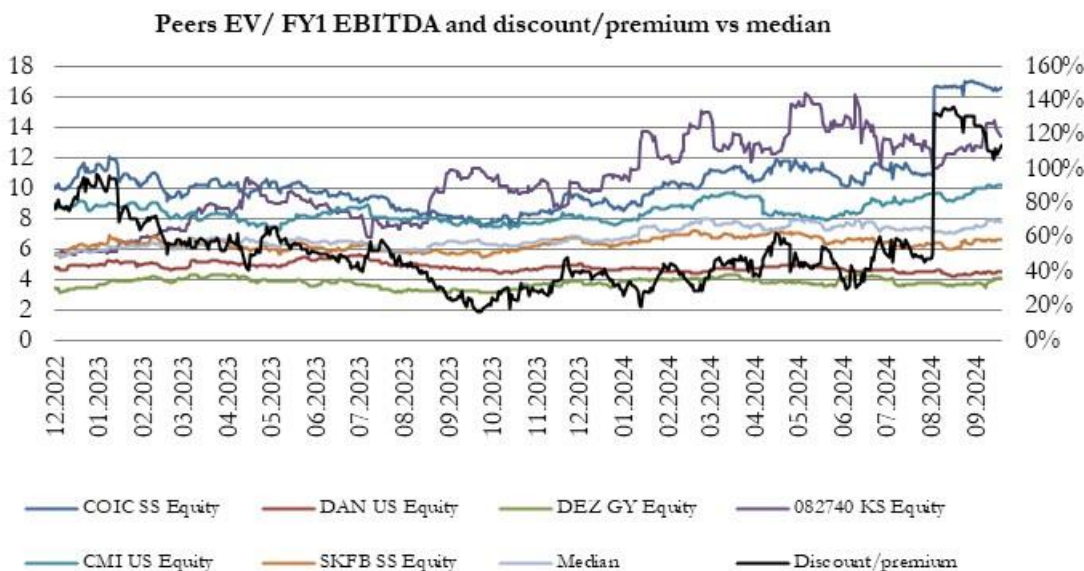
CBR View:

- We do not expect that regulatory approvals would pose a risk to the takeover.
- We note that a large portion of CIOC SS sales comes from outside of Sweden, which would imply that further approvals to be required. However, in light of the announcement made by the Offeror, we expect that the key regulatory approvals are gained.

Valuation

STANDALONE VALUE

- We estimate that COIC SS would trade at SEK 115-120, representing an FY1 EV/EBITDA of 9.6x as a standalone company. The stock was trading pre-event at an 11x FY1 EV/EBITDA multiple, but due to the profit warning, the valuation is likely to drop to the lower end of the historical range to around ~9.6x.



PREMIUM

- The Offer represents a premium of:
 - approximately 61.5 percent compared to the closing share price of SEK 142.4 on Nasdaq Stockholm on 28 August 2024, which was the last trading day prior to the announcement of the Offer;
 - approximately 48.7 percent compared to the volume weighted average trading price of SEK 154.7 for the shares on Nasdaq Stockholm during the last 30 trading days prior to the announcement of the Offer;
 - approximately 27.8 percent compared to the volume weighted average trading price of SEK 179.9 for the shares on Nasdaq Stockholm during the last 90 trading days prior to the announcement of the Offer; and
 - approximately 29.7 percent compared to the volume weighted average trading price of SEK 177.3 for the shares on Nasdaq Stockholm during the last 180 trading days prior to the announcement of the Offer.

COMPARABLE PEERS

Company	Ticker	Price	Market cap(m)	LTM EV/EBITDA	FY1 EV/EBITDA	FY2 EV/EBITDA	FY1 P/E	FY2 P/E	EV/FY1 Sales	FY2 EV/Sales	FY1 EBITDA margin
Deal multiples				14.1x	17.7x	12.4x	25.4x	20.4x	2.52x	2.36x	
Concentric (market price)	COIC SS	215.50 SEK	8,253.13 SEK	13.2x	16.6x	11.7x	23.8x	19.1x	2.37x	2.37x	14.3%
Dana Incorporated	DAN US	\$ 10.67	\$ 1,546.91	6.1x	4.8x	4.6x	11.4x	7.4x	0.41x	0.41x	8.5%
Deutz AG	DEZ GY	4.17 €	578.64 €	3.4x	4.1x	3.2x	9.8x	5.9x	0.42x	0.42x	10.2%
Hanhwa Engine	082740 KS	14,800.00 KRW	1,235,017.67 KRW	22.6x	13.6x	10.2x	22.5x	16.6x	1.06x	1.06x	7.8%
Cummins	CMI US	\$ 336.48	\$ 46,113.81	19.2x	10.3x	9.9x	17.0x	15.4x	1.57x	1.57x	15.3%
SKF AB	SKFB SS	196.65 SEK	89,544.79 SEK	7.1x	6.6x	6.0x	11.9x	10.6x	1.05x	1.05x	16.0%
PEER AVERAGE				11.7x	7.9x	6.8x	14.5x	11.2x	0.9x	0.9x	11.5%

Source: Bloomberg and CBR estimates

ANALYST TARGET PRICES

- Fundamental analysts' target prices for COIC SS ranged between SEK196 and SEK 255 before the merger announcement.

Disclosures:

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