

28 February 2020

Adam Forsyth

adam.forsyth@longspur.com

+44 (0) 131 357 6770

Price (p)	8.3
Shares in issue (m)	85
Mkt Cap (£m)	56
Net debt (£m)	83
EV (£m)	139
BVPS (p)	352.9

Share price performance

1m	-20.4%
3m	-19.2%
12m	-29.2%
12 m high/low	17.8/8
Ave daily vol (3m)	607,491

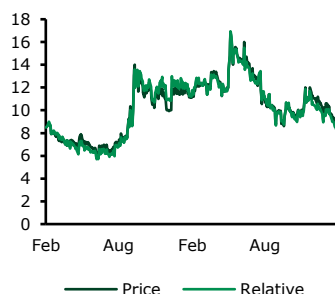
Shareholders

Sahle Sven	33.5%
AC Cleantech	15.9%
East Guardian Asset	12.0%
Miura Holding Ltd	10.0%
Gunnar Larsson	2.4%
Avanza Bank Ab	1.6%
Nordnet Ab	1.6%
Ulf Gundemark	0.6%
Erik Wigertz	0.6%
Patrik Nordenhed	0.5%
Total for top 10	78.6%
Free float	64.4%

Next news Ints Q3

Business description

Waste to energy for the metals industry



SAMACOR PILOT MAKES PROGRESS

Swedish Stirling shows continued progress with the pilot unit for Samancor now shipping putting this project on track for commissioning in Q2. The company now has three customer accounting for 95% of South Africa's ferrochrome production and is making good progress with all of them.

PWR BLOK unit now shipping

Swedish Stirling has announced that it is now shipping the PWR BLOK waste to energy unit to Samancor's TC Smelters facility. This is an initial pilot unit and the first installation with one of South Africa's largest ferrochrome producers. Swedish Stirling has already signed a commercial order with the other major player, Glencore. Today's announcement puts the unit on track for installation and commissioning during Q2.

Site benefits

The site at TC Smelters benefits from existing facilities developed for a failed gas engine project and has the potential to take a total of 40 PWR BLOK units. In addition to the savings this entails it also provides a very vivid illustration of how the company's technology can work where rival technologies have failed. Unlike the PWR BLOK the gas engines were unable to cope with variability in the waste gases. Swedish Stirling's existing deployment with Afarak Mogale has proved that the PWR BLOK technology thrives under these difficult conditions.

More opportunity

The existing facilities at TC Smelters would allow for a deployment of 40 PWR BLOK units on a prepared site with use of the existing balance of plant. The smelter is one of the largest in South Africa and there is a further opportunity to expand at the site with an overall potential for 53 units. Beyond this Samancor has a further four major ferrochrome smelters in South Africa. The company is a major power consumer accounting for c.10% of all South Africa's electricity demand. Swedish Stirling offers it the opportunity to save 15% of its power needs.

SEK,000 Dec	2018a	2019a	2020e	2021e	2022e	2023e
Sales	58,349	45,169	46,664	8,084	37,040	201,140
EBITDA	-13,484	-22,962	-35,089	-53,246	-25,567	-3,111
PBT	-22,262	-36,055	-55,624	-99,119	-79,863	-61,642
EPS	-0.3	-0.5	-0.7	-1.1	-1.0	-0.8
CFPS	-0.9	-1.5	-0.8	-2.0	-0.4	-0.3
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt (Cash)	-5,716	82,721	168,718	243,281	319,748	390,371
Debt/EBITDA	0.4	-3.6	-4.8	-4.6	-12.5	-125.5
P/E	-29.4	-18.1	-12.7	-7.4	-8.3	-10.5
EV/EBITDA	-3.8	-6.1	-4.0	-2.6	-5.4	-44.7
EV/sales	0.9	3.1	3.0	17.2	3.8	0.7
FCF yield	-11.4%	-18.5%	-10.0%	-23.8%	-5.0%	-3.5%
Div yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Equity Research Disclaimers

Non-independent research

This report has been commissioned by the issuer and prepared and issued by Longspur Research, in consideration of a fee payable by the issuer. It is Non-Independent Research and a marketing communication under the FCA's Conduct of Business Rules. It is not Investment Research as defined by the FCA's Rules and has not been prepared in accordance with legal requirements designed to promote Investment Research independence and is also not subject to any legal prohibition on dealing ahead of the dissemination of Investment Research. We do not hold out this research material as an impartial assessment of the values or prospects of the company.

Notwithstanding this, Longspur Research has procedures in place to manage conflicts of interest which may arise in the production of Research, which include measures designed to prevent dealing ahead of Research.

Minor non-monetary benefit

This Research is a minor non-monetary benefit as set out in Article 12 (3) of the Commission Delegated Directive (EU) 2017/593. The Research is paid for by a corporate client of Longspur Research) and can be distributed free of charge.

Copyright

Copyright 2019 Longspur Capital. This Communication is being supplied to you solely for your information and may not be reproduced, redistributed or passed to any other person or published in whole or in part for any purpose without the prior consent of Longspur Research. Additional information is available upon request.

Regulated by FCA

Longspur Research is a trading name of Longspur Capital Limited, an appointed representative of Mirabella Advisers LLP, a limited liability partnership registered in England & Wales number OC384100 Authorised and Regulated by the Financial Conduct Authority, FCA FRN 606792. Longspur Capital is registered in England, company number 11011596.

No warranty as to accuracy or completeness

All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified.

Opinions contained in this report represent those of the Longspur Research analyst at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. No representation or warranty is made as to the accuracy or completeness of the information included in this Research and opinions expressed may be subject to change without notice. Longspur Research does not undertake any obligation to revise such forward-looking statements to reflect the occurrence of unanticipated events or changed circumstances.

This report is solely for informational purposes and is not intended to be used as the primary basis of investment decisions. Longspur Research has not assessed the suitability of the subject company for any person. Because of individual client requirements, it is not, and it should not be construed as, advice designed to meet the particular investment needs of any investor. This report is not an offer or the solicitation of an offer to sell or buy any security.

Longspur Research has no authority whatsoever to make any representation or warranty on behalf of any of its corporate finance clients, their shareholders or any other persons similarly connected.

Information purposes only

This Research is designed for information purposes only. Neither the information included herein, nor any opinion expressed, are deemed to constitute an offer or invitation to make an offer, to buy or sell any financial instrument or any option, futures or other related derivatives. Investors should consider this Research as only a single factor in making any investment decision. This Research is published on the basis that Longspur Research is not acting in a fiduciary capacity. It is also published without regard to the recipient's specific investment objectives of recipients and is not a personal recommendation. The value of any financial instrument, or the income derived from it, may fluctuate.

Take own advice

The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Longspur Research's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Longspur Research may have a position

At any time Longspur Research or its employees may have a position in the securities and derivatives (including options or warrants) of the companies researched and this may impair the objectivity of this report. Longspur Research may act as principal in transactions in any relevant securities, or provide advisory or other services to any issuer of relevant securities or any company connected therewith.

Only for eligible counterparties and professional clients. Not for retail

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document (nor will such persons be able to purchase shares in the placing).

MAR Formal disclosure of conflicts

This report has been commissioned by the issuer and prepared and issued by Longspur Research in consideration of a fee payable by the issuer. Fees are paid upfront in cash without recourse. A draft has been sent to the issuer for comment and it has been appropriately amended.

Neither Longspur Research nor the analyst have any holdings in the issuer. Longspur Research may from time to time provide the issuer with of consultancy advice.

See webpage for additional MAR disclosures

GDPR

For further information about the way we use your personal data please see our Third Party Privacy Notice www.longspurresearch.com/privacy/ or at such other place as we may provide notice of from time to time. We may contact you about industry news, offers and information relating to our products and services which we think would be of interest to you. You can tell us you do not wish to receive such communications by emailing michelle.elsmore@longspur.com.

Severability Applicable law

Exclusion of Liability: To the fullest extent allowed by law, Longspur Research shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

Longspure Research
10 Castle Street,
Edinburgh. EH2 3AT
UK

Longspur Capital
20 North Audley Street,
London. W1K 6WE
UK

Longspur Developments
110-640 8th Avenue SW,
Calgary, Alberta,
Canada. T2P 1\$