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Carnegie Investment Bank AB

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Ratings and risk assessment structure

Current rating system as of October 2011

Buy (B), upside of at least 10% to the target price and with an attractive risk/reward profile

Hold (H), the stock is trading close to its target price and is fairly valued

Sell (S), unattractive risk/reward ratio as the stock is trading above its target price

Not rated (NR), Under review (UR), Under bid (UB). The investment rating, if any, has been suspended temporarily.

Risk assessment

The risk assessment is based on the analyst's evaluation of the company's equity beta based on the business risk (asset beta) and financial risk (gearing).

Low risk estimated equity beta <0.75

Medium risk estimated equity beta 0.75 to 1.25

High risk estimated equity beta >1.25

Valuation, methodology, and assumptions

Target price

Carnegie publishes a target price for most of the stocks in our Research Universe. The target price is the analyst's assessment of expected total return over the coming six to 12 months based on various fundamental valuation methods. A commonly used method is DCF valuation, where future cash flows are discounted to today. Analysts may also use different valuation multiples, e.g. P/E ratio and EV/EBIT multiples, relative to industry peers to obtain a target price. For companies where it is appropriate, a target price can also be based on the analyst's assessment of a fair ratio relative to the net asset value of the company. Target prices are revised when earnings and cash flow forecasts are changed. Thus, changes to estimates are a key risk to the target price. Other reasons for revising target prices include changes in the underlying value of a company's assets and when factors affecting the required rate of return change, which can also be seen as risk factors to the target price.

Information

You will find detailed information about the valuation or methodology and the underlying assumptions on Carnegie Edge (www.carnegie-edge.com). The complete history of research reports and previous recommendations can also be found on Carnegie Edge.

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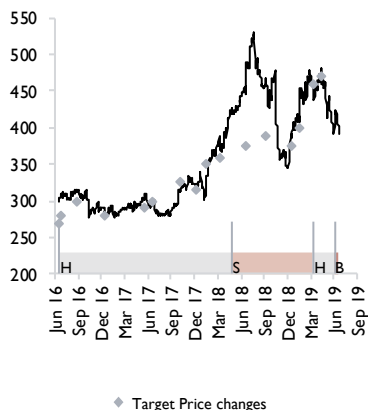
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Swedish Match price, rating and target price history (SWMA.ST)



Date	Analyst	Ccy	Target Price	Market price when disseminated	Rating
02 Jul 2019 16:32	Niklas Ekman	SEK	470.00	414.50	Buy
10 May 2019 06:11	Niklas Ekman	SEK	470.00	482.20	Hold
10 Apr 2019 07:46	Niklas Ekman	SEK	460.00	453.00	Hold
13 Feb 2019 16:17	Niklas Ekman	SEK	400.00	446.50	Sell
15 Jan 2019 17:12	Niklas Ekman	SEK	375.00	392.80	Sell
03 Oct 2018 16:44	Niklas Ekman	SEK	390.00	466.50	Sell
20 Jul 2018 06:10	Niklas Ekman	SEK	375.00	470.20	Sell
25 May 2018 06:15	Niklas Ekman	SEK	360.00	427.60	Sell
05 Apr 2018 17:40	Niklas Ekman	SEK	360.00	388.60	Hold
16 Feb 2018 14:50	Niklas Ekman	SEK	350.00	333.10	Hold
09 Jan 2018 12:06	Niklas Ekman	SEK	315.00	323.30	Hold
02 Nov 2017 16:52	Niklas Ekman	SEK	325.00	313.90	Hold
21 Jul 2017 16:17	Niklas Ekman	SEK	300.00	302.00	Hold
16 Jun 2017 13:55	Niklas Ekman	SEK	290.00	306.70	Hold
10 Jan 2017 15:44	Niklas Ekman	SEK	280.00	282.70	Hold
27 Sep 2016 17:17	Niklas Ekman	SEK	300.00	315.20	Hold
22 Jul 2016 17:16	Niklas Ekman	SEK	280.00	304.30	Hold

Our Target Price Horizon is 6–12 months

Source: Carnegie Research, Factset

Company specific disclosures

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Stock rating distribution in the previous 12 months

Ratings	Carnegie coverage universe % of total	Investment banking services* % of total
Buy	51	70
Hold	41	30
Sell	8	0

*Investment banking services provided by Carnegie in the previous 12 months

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