

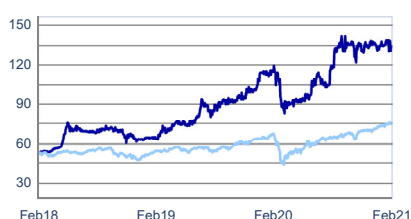
Trianon

Construction and Real Estate
Sweden

KEY DATA

Stock country	Sweden
Bloomberg	TRIANB.SS
Reuters	TRIANB.ST
Share price (close)	SEK 135.0
Free Float	26%
Market cap. (bn)	EUR 0.50/SEK 5.06
Website	www.trianon.se
Next report date	04 May 2021

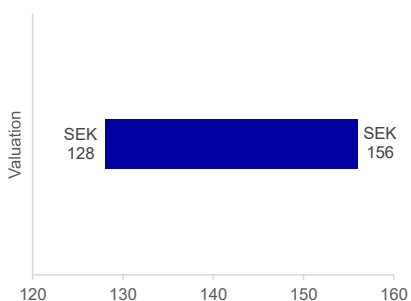
PERFORMANCE



— Trianon
— Sweden OMX Stockholm All-Share (Rebased)

Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	1%	1%	1%
EBIT (adj)	3%	3%	3%

Source: Nordea estimates

Nordea Markets - Analysts

David Flemmich
Senior Analyst, Sector Coordinator

Svante Krokfors
Analyst

Solid growth platform

Trianon reported solid financial and operational performance for Q4 with adjusted EPS growth of 31% y/y, EPRA NAV up 21% y/y, earnings capacity up 28% y/y, a stable occupancy rate of 94% and positive net letting. We argue that the growth story is intact with new production of ~850 apartments due for construction start in 2021-22, M&A opportunities in the residential segment, and potential value growth from its residential properties being valued conservatively, in our view, at a 4.2% yield or SEK ~22,500 per m². We raise our NAV-based fair value range to SEK 128-156 (125-149) per share.

Strong growth outlook for 2021E-23E

We expect NAV (adjusted for dividends) to grow by 9-15% in 2021E-23E and adjusted EPS by 10-43%, due to consolidated acquisitions and projects. We also expect Trianon to cut its cost of debt from 2.3% in 2020 to 1.9% by obtaining a 175 bp lower coupon on the recent unsecured bond issue (from three-month Stibor plus 4.5% to three-month Stibor plus 2.75%).

Additional growth opportunities not reflected in our estimates

We see ample growth opportunities from new production and acquisitions, which are not included in our estimates. Trianon has a new production portfolio of ~550 apartments due for construction start in 2021 and ~300 in 2022. If we were to include the 550 apartments in our 2023 estimates, our rental income estimates would be SEK 47m or 8% higher. Another interesting growth opportunity is the recent acquisition of Burlöv Center (external retail centre) with the joint venture partner Wallfast, which included building rights for potentially 1,500 apartments, of which 500 have legally enforced zoning. Trianon guides for a potential investment of SEK 3-4bn with a ROI of 33%, which could effectively boost NAV by SEK 13-18 per share. In addition, it says it is in negotiations to acquire rental apartments from Svedala municipality. In total, we estimate that Trianon has an investment capacity of SEK ~2.0bn in 2021 if it goes up to its LTV target of 60%. Assuming acquisitions in line with the current residential yield of 4.2%, SEK 2.0bn of acquisitions could add 20% to Q4 earnings capacity in terms of net operating income. However, we do not rule out that Trianon will issue shares to finance investments, which we argue is positive given that the share trades at a NAV premium.

Valuation and estimate changes

We lift 2021E-23E adjusted EPS by 1-2% due to increasing profits from joint ventures following the acquisition of Burlöv Center. We increase our NAV-based fair value range to SEK 128-156 (125-149) per share.

SUMMARY TABLE - KEY FIGURES

SEKm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	264	348	453	553	626	664	689
NOI margin	62.0%	61.1%	63.0%	66.6%	67.4%	67.9%	69.1%
EPS (adj, SEK)	2.97	2.71	3.80	3.94	6.09	7.07	7.75
EPS (adj) growth	-33.5%	-8.6%	39.8%	3.8%	54.7%	16.0%	9.6%
P/E (adj)	17.1	23.5	27.3	34.8	22.2	19.1	17.4
DPS, SEK	1.00	1.15	0.00	1.80	1.90	2.20	2.40
NAV per share	56	63	72	92	105	120	133
NAV growth	21.6%	12.5%	15.6%	26.7%	15.0%	14.2%	10.9%
NOI/EV (adj)	3.9%	3.8%	3.4%	3.5%	4.1%	4.4%	4.7%
P/NAV	91.2%	102.0%	143.1%	149.5%	128.1%	112.2%	101.1%
P/EPRA NAV	82.0%	91.4%	126.5%	137.6%	118.4%	104.0%	93.9%
Dividend yield	2.0%	1.8%	0.0%	1.3%	1.4%	1.6%	1.8%
Loan-to-value (adj)	52.0%	56.4%	56.0%	55.9%	52.1%	49.0%	46.5%
Net debt/EBITDA(adj)	16.7	18.1	18.3	17.1	13.7	12.5	11.6

Source: Company data and Nordea estimates

Q4 2020 outcome and estimate changes

Trianon delivered Q4 income from property management of SEK 52.4m, adjusted for realised derivative value changes and one-offs relating to Nasdaq listing costs (compared with the reported SEK 53.9m). This was 2% above our forecast, with higher NOI mainly explaining the beat. We increase our IFPM estimates marginally for 2020-22 owing to higher income from associates/joint ventures after the acquisition of Burlöv Center. EPRA NAV was up 22% y/y at SEK 100.9 per share, 1% above our estimate, supported by a slightly higher contribution from revaluation (1.8% versus our estimate of 1.6% q/q). This was related mainly to a revaluation of Burlöv Center and newly signed leases, while the group yield requirement was up 10 bp to 4.6%. Meanwhile, the yield for rental apartments was down 10 bp to 4.2%. Despite the yield contraction, we argue that the yield is still too high for rental apartments. We find support from the fact that management claims that it cannot find any acquisitions at their book yields. Trianon proposed a dividend per share of SEK 1.8 (0.0), 13% above our estimate of SEK 1.6.

TRIANON: Q4 2020 DEVIATION TABLE (SEKm)

SEKm	Actual	NDA est.	Deviation		Actual	Actual		
	Q4 20A	Q4 20	vs. actual		Q3 20	q/q	Q4 19	y/y
Rental revenue	148.9	147.2	2	1%	142.4	5%	124.8	19%
Operational costs and maintenance	-50.0	-53.1	3	-6%	-40.1	25%	-49.5	1%
NOI	98.9	94.1	5	5%	102.3	-3%	75.3	31%
Surplus ratio, %	66.4%	63.9%			72%		60%	
Central and admin	-20.3	-11.7	-8.6	73%	-11.0	85%	-11.4	78%
Joint ventures	0.2	0.1			-0.4		-0.2	
Interest costs adj for realised derivative	-23.3	-29.6	6.3	-21%	-29.4	-21%	-25.3	-8%
Leasing costs	-1.6	-1.6	0		-1.6	0%	0.0	
Income from Property Management (IFPM)	53.9	51.3	2.6	5%	59.9	-10%	38.4	40%
IFPM adjusted for non-recurring	52.4	51.3	1.1	2.2%	59.9		38.4	36%
Changes to property value	169.4	150.3	19	13%	217.2	-22%	70.6	140%
of which unrealised	169.4	150.3	19	13%	217.2	-22%	70.6	140%
Changes to derivative value	10.1	0.0	10		4.7	115%	58.3	-83%
Pretax profits	233.2	201.4	32	16%	281.9	-17%	167.3	39%
Reported tax	-40.6	-43.1	3	-6%	-51.9	-22%	-43.7	-7%
of which paid tax	0.0	0.0	0	0%	0.0	0%	0.0	0%
Net income	192.6	158.3	34	22%	230.0	-16%	123.6	56%
EPRA NAV	100.9	99.6	1.3	1.3%	94.5	6.8%	82.4	22%

Source: Company data and Nordea estimates

Estimate changes

We increase our IFPM estimates for 2020-22 owing to higher income from associates/joint ventures after the acquisition of Burlöv Center. Specifically, we increase income from associates/joint ventures from an annual contribution of SEK 0.4m to SEK 4.3m, as indicated by the earnings capacity.

TRIANON: ESTIMATE CHANGES (SEKm)

SEKm	New estimates			Old estimates			Diff (%)		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Rental revenue	629	666	692	621	659	684	1%	1%	1%
Operational costs and maintenance	-207	-215	-216	-208	-217	-217	-1%	-1%	-1%
NOI	422	451	476	413	442	467	2%	2%	2%
Surplus ratio, %	67%	68%	69%	66%	67%	68%			
Central and admin	-42	-43	-44	-40	-41	-42	6%	6%	6%
Other income	0	0	0	0	0	0			
Interest costs	-108	-99	-98	-104	-96	-95	4%	3%	3%
Income from Property Management (IFPM)	265	302	327	262	298	323	1%	1%	1%
Changes to property value	315	329	230	319	333	233	-1%	-1%	-1%
of which unrealised	315	329	230	319	333	233	-1%	-1%	-1%
Changes to derivative value	0	0	0	0	0	0		0%	0%
Pretax profits	580	630	558	581	631	556	0%	0%	0%
Reported tax	-120	-131	-116	-120	-130	-115	0%	1%	1%
of which paid tax	0	0	0	0	0	0			
Net income	459	500	442	461	501	442	0%	0%	0%
Hybrid dividend	-35	-35	-35	-35	-35	-35	0%	0%	0%
Minority	-17.7	-6.3	-6	-7.4	-6.3	-6.3			
NI Ord shareholders	418	458	400	420	459	400	0%	0%	0%
NI Ord shareholders ex value changes	104	130	170	101	126	167	2%	3%	2%
Cash earnings to ordinary shareholders	224	260	286	221	256	282	1%	2%	2%
-per share	6.0	7.0	7.6	5.9	6.8	7.5	1%	2%	2%
EPRA NAV	4,272	4,865	5,386	4,272	4,862	5,377	0%	0%	0%
Per share	114.0	129.9	143.8	114.0	129.8	143.5	0%	0%	0%

Source: Company data and Nordea estimates

Detailed estimates and NAV calculations

QUARTERLY ESTIMATES (SEKm)

	2020				2021			
	Q1	Q2	Q3	Q4	Q1E	Q2E	Q3E	Q4E
Rental revenue	130	134	142	149	154	156	158	161
Operational costs and maintenance	-55	-43	-40	-50	-63	-47	-44	-52
NOI	75	92	102	99	91	109	114	109
Surplus ratio, %	58%	68%	72%	66%	59%	70%	72%	68%
Central and admin	-9.2	-12.4	-11.0	-20.3	-9.4	-10.6	-9.2	-13.2
Other costs	0	0	0	0	0	0	0	0
Other income	0.1	0	0.1	0	0	0	0	0
Operating income ex value changes	66	80	91	79	82	98	104	96
Interest costs	-26	-27	-29	-31	-30	-26	-26	-26
Leasing costs	-2	-2	-2	-2	-2	-2	-2	-2
Income from property management (IFPM)	39	51	60	46	50	70	77	68
Changes to property value	54	50	217	169	64	57	77	117
of which unrealised	0	0	0	0	0	0	0	0
Changes to derivative value	-42	-14	5	18	0	0	0	0
Pretax profits	50	86	282	233	114	127	154	185
Reported tax	-8	-14	-52	-41	-24	-26	-32	-38
of which paid tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	42	73	230	192	90	100	122	147
Hybrid dividend	-7.1	-7	-9	-9	-9	-9	-9	-9
Minority	-2	-2	-2	-12	-2	-2	-2	-2
NI Ord shareholders	33	63	220	172	80	90	112	136
NI Ord shareholders ex value changes	22	28	-2	-16	16	33	35	20
Cash earnings to ordinary shareholders	30	41	50	25	40	60	67	58
-per share	0.8	1.1	1.3	0.7	1.1	1.6	1.8	1.5
EPRA NAV per share	85	87	94	100	102	104	108	112
Dividend per share		0.00				1.80		

Source: Company data and Nordea estimates

ANNUAL ESTIMATES (SEKm)

	Earnings capacity								
	Q4 2020	2016	2017	2018	2019	2020	2021E	2022E	2023E
Rental revenue	617.2	174	262	345	446	556	629	666	692
Operational costs and maintenance	-201.6	-62	-98	-132	-161	-187	-207	-215	-216
NOI	415.6	112	164	213	286	369	422	451	476
Surplus ratio, %	67%	64%	63%	62%	64%	66%	67%	68%	69%
Central and admin	-41.6	-19	-26	-34	-36	-53	-42	-43	-44
Other costs		-0.1	0	0	0	0	0	0	0
Other income	4.3	46	8.7	5.9	-0.4	0.1	0.0	0.0	0.0
Operating income ex value changes	378	138	146	184	249	316	380	408	432
Interest costs	-120.6	-12.6	-22.8	-79.9	-93.7	-114.1	-107.7	-99.1	-98.1
Leasing costs	-7				-5.8	-6.4	-6.8	-6.8	-6.8
% of net debt	-	0.9%	1.1%	2.8%	2.4%	2.3%	2.0%	1.9%	1.9%
Income from property management (IFPM)	250.7	125.7	123.5	104.5	149.8	195.2	265.2	301.8	327.3
Changes to property value		421	321	212	292	490	315	329	230
of which unrealised		421	321	212	292	490	315	329	230
Changes to derivative value		-44	-12	-17	-62	-34	0	0	0
Pretax profits		503	432	299	381	651	580	630	558
Reported tax		-101	-92	-40	-81	-114	-120	-131	-116
of which paid tax		0	0	0	0	0	0	0	0
Net income		402	340	259	300	537	459	500	442
Hybrid dividend		-35			-21	-32	-35	-35	-35
Minority		-6	0	-21	-11	3	-6	-6	-6
NI Ord shareholders		402	318	248	282	488	418	458	400
NI Ord shareholders ex value changes		24	10	54	51	32	104	130	170
Cash earnings to ordinary shareholders	209	126	102	93	131	146	224	260	286
-per share	5.59	4.47	2.97	2.71	3.80	3.94	5.98	6.95	7.63
Dividend per share		0.00	1.00	1.15	0.00	1.80	1.90	2.20	2.40

Source: Company data and Nordea estimates

NAV CALCULATIONS (SEKm)

	2016	2017	2018	2019	2020	2021E	2022E	2023E
Equity total	1,181	1,757	1,978	2,831	3,532	3,887	4,279	4,601
- of which pref/hybrid equity	0	0	0	400	500	500	500	500
Acc. Dividend added back					0	67	139	221
Goodwill	0	0	0	0	0	0	0	0
Derivatives	77	67	79	134	167	167	167	167
Deferred tax	210	302	341	420	529	650	780	896
EPRA NAV	1,468	2,126	2,399	2,984	3,729	4,272	4,865	5,386
Per share	52	62	70	82	100	114	130	144
EPRA NAV	1,468	2,126	2,399	2,984	3,729	4,272	4,865	5,386
Derivatives	- 77	- 67	- 79	- 134	- 167	- 167	- 167	- 167
Deferred tax 5%	- 105	- 148	- 170	- 212	- 128	- 158	- 189	- 218
EPRA NNNAV	1,286	1,911	2,150	2,638	3,433	3,947	4,509	5,001
Per share	45.7	55.6	62.6	72.3	91.6	105.3	120.3	133.5

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	106	114	138	176	264	348	453	553	626	664	689
Revenue growth	n.a.	7.4%	20.9%	27.4%	50.4%	31.8%	30.2%	22.1%	13.2%	6.0%	3.9%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	28	64	87	138	146	184	249	316	384	412	437
Depreciation and impairments PPE	0	0	0	0	0	0	0	0	0	0	0
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	28	64	87	138	146	184	249	316	384	412	437
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	28	64	87	138	146	184	249	316	384	412	437
of which associates	2	6	14	46	9	6	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-19	-15	-15	-13	-23	-80	-100	-120	-114	-106	-105
of which lease interest	0	0	0	0	0	0	-6	-6	-7	-7	-7
Changes in value, net	62	14	129	378	308	195	231	456	315	329	230
Pre-tax profit	70	63	200	503	432	299	380	651	584	635	562
Reported taxes	-20	-6	-40	-101	-92	-40	-81	-114	-120	-131	-116
Net profit from continued operations	50	56	160	402	340	259	300	537	464	504	446
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	-21	-11	3	-18	-6	-6	-6
Net profit to equity	50	57	160	402	318	248	281	488	422	463	405
EPS, SEK	1.94	2.21	5.71	14.30	9.27	7.22	8.15	13.20	11.28	12.35	10.80
DPS, SEK	0.00	0.00	0.00	0.00	1.00	1.15	0.00	1.80	1.90	2.20	2.40
of which ordinary	0.00	0.00	0.00	0.00	1.00	1.15	0.00	1.80	1.90	2.20	2.40
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profit margin in percent

EBITDA	26.0%	55.7%	62.8%	78.7%	55.4%	53.0%	55.0%	57.0%	61.3%	62.1%	63.3%
EBITA	26.0%	55.7%	62.8%	78.7%	55.4%	53.0%	55.0%	57.0%	61.3%	62.1%	63.3%
EBIT	26.0%	55.7%	62.8%	78.7%	55.4%	53.0%	55.0%	57.0%	61.3%	62.1%	63.3%

Adjusted earnings

EBITDA (adj)	28	64	87	138	146	184	249	316	384	412	437
EBITA (adj)	28	64	87	138	146	184	249	316	384	412	437
EBIT (adj)	28	64	87	138	146	184	249	316	384	412	437
EPS (adj, SEK)	0.32	1.91	2.56	4.47	2.97	2.71	3.80	3.94	6.09	7.07	7.75

Adjusted profit margins in percent

EBITDA (adj)	26.0%	55.7%	62.8%	78.7%	55.4%	53.0%	55.0%	57.0%	61.3%	62.1%	63.3%
EBITA (adj)	26.0%	55.7%	62.8%	78.7%	55.4%	53.0%	55.0%	57.0%	61.3%	62.1%	63.3%
EBIT (adj)	26.0%	55.7%	62.8%	78.7%	55.4%	53.0%	55.0%	57.0%	61.3%	62.1%	63.3%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	26.8%	31.8%	32.0%	28.9%	20.2%	14.6%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	46.1%	31.4%	29.5%	22.7%	23.0%	18.8%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	46.1%	31.4%	29.5%	22.7%	23.0%	18.8%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	30.1%	29.8%	18.3%	-4.6%	5.9%	8.4%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	17.1%	15.9%
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	57.9%	59.5%	58.4%	57.6%	57.0%	58.4%	60.2%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	57.9%	59.5%	58.4%	57.6%	57.0%	58.4%	60.2%

VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	17.1	23.5	27.3	34.8	22.2	19.1	17.4
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	29.0	30.4	33.8	33.7	27.1	25.1	23.4
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	29.0	30.4	33.8	33.7	27.1	25.1	23.4
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	30.8	31.4	33.8	33.7	27.2	25.1	23.5

VALUATION RATIOS - REPORTED EARNINGS

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E	n.a.	n.a.	n.a.	n.a.	5.5	8.8	12.7	10.4	12.0	10.9	12.5
EV/Sales	n.a.	n.a.	n.a.	n.a.	16.05	16.12	18.59	19.22	16.63	15.56	14.84
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	30.8	31.4	33.8	33.7	27.2	25.1	23.5
EV/EBITA	n.a.	n.a.	n.a.	n.a.	30.8	31.4	33.8	33.7	27.2	25.1	23.5
EV/EBIT	n.a.	n.a.	n.a.	n.a.	30.8	31.4	33.8	33.7	27.2	25.1	23.5
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	2.0%	1.8%	0.0%	1.3%	1.4%	1.6%	1.8%
FCF yield	n.a.	n.a.	n.a.	n.a.	-48.1%	-25.8%	-25.1%	-35.1%	4.9%	4.0%	4.4%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	-7.2%	-4.2%	-1.6%	-17.8%	4.9%	4.0%	4.4%
Payout ratio	0.0%	0.0%	0.0%	0.0%	10.8%	15.9%	0.0%	13.6%	16.8%	17.8%	22.2%

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	0	0	0	0	0	0	0	0	0	0	0
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	0	0	0	0	0	0	0	0	0	0
of which goodwill	0	0	0	0	0	0	0	0	0	0	0
Tangible assets	1,361	1,567	2,197	3,306	4,693	5,905	8,149	9,657	10,083	10,523	10,864
of which leased assets	0	0	0	0	0	0	191	194	194	194	194
Shares associates	0	0	0	0	0	0	0	0	1	1	2
Interest bearing assets	17	18	62	106	29	13	8	95	9	9	9
Deferred tax assets	2	20	19	22	23	32	48	57	57	57	57
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	1	2	0	1	1	1	2	138	2	2	2
Total non-current assets	1,381	1,608	2,278	3,435	4,746	5,951	8,207	9,947	10,150	10,591	10,933
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	27	34	20	21	71	60	36	76	86	91	95
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0	0
Cash and bank	20	28	1	23	44	30	178	280	511	605	712
Total current assets	46	62	22	44	115	90	213	356	597	697	807
Assets held for sale	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	1,427	1,669	2,300	3,479	4,861	6,041	8,420	10,303	10,747	11,288	11,740
Shareholders equity	538	580	799	1,181	1,757	1,978	2,831	3,532	3,887	4,279	4,601
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	400	500	500	500	500
Minority interest	0	0	0	0	53	86	86	103	109	116	122
Total Equity	538	580	799	1,181	1,811	2,064	2,917	3,635	3,997	4,394	4,723
Deferred tax	67	89	129	232	325	373	467	587	707	838	954
Long term interest bearing debt	727	807	1,228	1,795	2,473	3,284	4,442	4,060	5,459	5,459	5,459
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	9	71	56	77	67	79	134	167	106	106	106
Non-current lease debt	0	0	0	0	0	0	191	194	194	194	194
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	803	1,043	1,426	2,157	2,906	3,757	5,272	5,007	6,467	6,597	6,713
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	0	0	0	0	0	0	0	0	0	0	0
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	74	31	60	107	101	157	147	174	197	209	217
Short term interest bearing debt	12	15	15	32	43	63	85	1,487	87	87	87
Total current liabilities	86	46	75	139	144	219	231	1,661	284	296	304
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	1,427	1,669	2,300	3,477	4,861	6,041	8,420	10,303	10,747	11,288	11,740
Balance sheet and debt metrics											
Net debt	702	776	1,180	1,698	2,443	3,333	4,561	5,395	5,251	5,156	5,050
of which lease debt	0	0	0	0	0	0	191	194	194	194	194
Working capital	-48	3	-39	-86	-30	-97	-111	-98	-111	-118	-122
Invested capital	1,333	1,610	2,239	3,349	4,716	5,854	8,096	9,849	10,039	10,473	10,811
Capital employed	1,277	1,402	2,042	3,008	4,327	5,411	7,634	9,376	9,737	10,135	10,463
ROE	18.4%	10.1%	23.3%	40.6%	21.7%	13.3%	11.7%	15.3%	11.4%	11.3%	9.1%
ROIC	3.3%	3.4%	3.6%	3.9%	2.9%	2.8%	2.8%	2.8%	3.1%	3.2%	3.3%
ROCE	4.7%	4.8%	5.1%	5.5%	4.0%	3.8%	3.8%	3.7%	4.0%	4.1%	4.2%
Net debt/EBITDA	25.4	12.2	13.6	12.3	16.7	18.1	18.3	17.1	13.7	12.5	11.6
Interest coverage	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	37.7%	34.7%	34.7%	34.0%	36.1%	32.8%	33.6%	34.3%	36.2%	37.9%	39.2%
Net gearing	130.5%	133.8%	147.7%	143.8%	134.9%	161.5%	156.4%	148.4%	131.4%	117.3%	106.9%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA (adj) for associates	26	58	73	93	138	179	250	315	384	412	436
Paid taxes	0	0	0	0	0	0	0	0	0	0	0
Net financials	-19	-15	-15	-13	-23	-49	-99	-120	-114	-106	-105
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	6	119	-75	57	-22	-18	55	-151	76	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	18	-124	59	-78	0	-11	-54	143	n.a.	n.a.	n.a.
Funds from operations (FFO)	31	38	42	59	93	101	151	187	345	306	331
Change in NWC	19	-22	26	13	-7	51	-2	-2	13	7	5
Cash flow from operations (CFO)	50	16	68	73	86	152	149	184	358	312	336
Capital expenditure	0	0	0	-250	-211	-244	-208	-1,099	-111	-111	-111
Free cash flow before A&D	50	16	68	-177	-125	-93	-59	-914	247	201	224
Proceeds from sale of assets	2	4	-31	6	0	0	0	0	0	0	0
Acquisitions	-43	-22	-384	-479	-715	-472	-889	-889	0	0	0
Free cash flow	8	-2	-347	-651	-840	-565	-947	-1,803	247	201	224
Free cash flow bef A&D, lease adj	50	16	68	-177	-125	-93	-59	-914	247	201	224
Dividends paid	-13	-14	-16	-19	-21	-34	-42	0	-67	-71	-82
Equity issues / buybacks	0	0	75	0	278	0	204	115	0	0	0
Net change in debt	5	27	261	442	393	0	627	627	0	0	0
Other financing adjustments	0	0	0	0	0	187	0	424	366	294	195
Other non-cash adjustments	18	-3	0	250	210	398	-95	639	-315	-329	-230
Change in cash	20	8	-26	22	21	-14	148	102	231	95	107
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/Sales	0.0%	0.0%	0.0%	n.m.	79.8%	70.2%	45.8%	n.m.	17.8%	16.8%	16.2%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	51	64	104	137	135	135	135
Market cap.	n.a.	n.a.	n.a.	n.a.	1,744	2,193	3,774	5,133	5,058	5,058	5,058
Enterprise value	n.a.	n.a.	n.a.	n.a.	4,240	5,612	8,421	10,631	10,418	10,330	10,229
Diluted no. of shares, year-end (m)	25.6	25.6	28.1	28.1	34.4	34.4	36.5	37.5	37.5	37.5	37.5

Source: Company data and Nordea estimates

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