

Trianon

Construction and Real Estate
Sweden

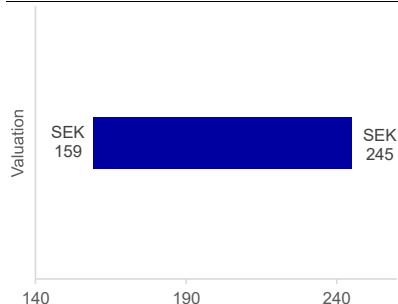
KEY DATA

Stock country	Sweden
Bloomberg	TRIANB.SS
Reuters	TRIANB.ST
Share price (close)	SEK 218.0
Free Float	26%
Market cap. (bn)	EUR 0.80/SEK 8.17
Website	www.trianon.se
Next report date	10 Nov 2021

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	-2%	-3%	-3%
EBIT (adj)	-4%	-3%	-2%

Source: Nordea estimates

Nordea Markets - Analysts

Staffan Bülow
AnalystKatja Melnikova
Analyst

Ability to grow for many years to come

In Q2, Trianon was active in investments, including listed, shares, projects and building rights. The rental income lost by divesting Multihuset exceeds that gained by the investments, however, resulting in 5-7% negative cash earnings revisions for 2021E-23E. We still expect Trianon to outperform the sector in 2021, with 38% adjusted EPS growth and NAV growth of 22%. Trianon repeatedly delivers among the highest growth in the sector, due to its strong cash flows and high reinvestment capacity. We also see significant revaluation potential in the residential portfolio.

Q2 results

Trianon reported Q2 income from property under management (IFPM) of SEK 59m, up 16% y/y but 17% below our estimate due to higher real estate costs, which we view as non-recurring. Asset values were up 2.1% q/q (our estimate was 0.7%) mainly due to a 10 bp yield compression, supporting NAV, up 7% q/q and 35% y/y (adjusted for dividends). Trianon's earnings capacity (IFPM) was up 1% q/q and 15% y/y. Following the report, we make 5-7% negative cash earnings revisions for 2021E-23E due to the recent divestment of Multihuset, while the report itself does not trigger any major revisions. Meanwhile, we increase our NAV estimates by 2% for our forecast years based on the asset revaluation beat in Q2.

Revaluation scenario

In Q2, the yield on Trianon's residentials fell 10 bp q/q to 4.1%. We argue that its residential properties are too conservatively valued, as transactions in Trianon's regions document yields of 2.75-3.5%. Applying a 3% yield gives a potential value uplift of SEK 2.4bn, ie SEK 64 per share, increasing spot NAV from SEK 115 up to SEK 179.

2025 scenario

Trianon's growth stems from the new production of apartments, refurbishments and transactions. We consider these sources of growth and expect Trianon's adjusted EPS to achieve a CAGR of 22% in 2020-25, which renders an adjusted EPS of SEK 11 for 2025E, implying an adjusted P/E of ~21x. We expect a NAV CAGR of 14%, which takes 2025E NAV to SEK 194 per share, implying a P/NAV of 1.1x. Our main assumptions are that Trianon can reinvest 3-6% of its property values at its current yield spread.

SUMMARY TABLE - KEY FIGURES

SEKm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	264	348	453	553	611	643	672
NOI margin	62.0%	61.1%	63.0%	66.6%	66.2%	67.6%	68.7%
EPS (adj, SEK)	2.81	2.66	3.70	3.94	5.44	6.51	7.03
EPS (adj) growth	-37.1%	-5.4%	39.2%	6.4%	38.1%	19.8%	7.9%
P/E (adj)	18.1	24.0	28.0	34.8	40.1	33.5	31.0
DPS, SEK	1.00	1.15	0.00	1.80	1.90	2.20	2.40
NAV per share	62	70	82	100	122	137	153
NAV growth	18.5%	12.8%	17.2%	21.6%	22.2%	12.3%	11.7%
NOI/EV (adj)	3.9%	3.8%	3.4%	3.5%	2.9%	3.0%	3.1%
P/NAV	82.0%	91.4%	126.5%	137.6%	179.2%	159.5%	142.8%
P/EPRA NAV	82.0%	91.4%	126.5%	137.6%	179.2%	159.5%	142.8%
Dividend yield	2.0%	1.8%	0.0%	1.3%	0.9%	1.0%	1.1%
Loan-to-value (adj)	52.0%	56.4%	56.0%	55.9%	51.0%	50.9%	50.6%
Net debt/EBITDA(adj)	16.7	18.1	18.3	17.1	15.4	15.2	15.4

Source: Company data and Nordea estimates

Q2 2021 outcome and estimate changes

Trianon reported EPRA NAV of SEK 115.3 per share, up 7.0% q/q and 35.2% y/y, and 5.2% above our estimate. The NAV growth was supported by revaluations that were above our expectation, contributing 2.1% q/q to asset values, while we had expected 0.7%. The revaluations were driven by 10 bp yield compression, improved cash flows from investments and leases signed at higher rental levels. Income from property management was SEK 58.7m, up 16% y/y but 17% below our estimate due to weather-related costs and higher central admin costs. However, we view these as temporary effects and do not extrapolate from this to later quarters. Other highlights included positive net letting of SEK 1.8m (SEK 3.8m in Q1 2021, and SEK 1.4m in Q4 2020) and an unchanged occupancy rate of 95%. Following the report, we make 5-7% negative cash earnings revisions for 2021-23E due to the recent divestment of Multihuset while the report itself does not trigger any major revisions. Meanwhile, we increase our NAV estimates by 2% for our forecast years based on the asset revaluation beat in Q2.

TRIANON: Q2 2021 DEVIATION TABLE (SEKm)

SEKm	Actual	NDA est.	Deviation		Actual		Actual	
	Q2 21A	Q2 21E	vs. actual		Q1 21	q/q	Q2 20	y/y
Rental revenue	153.6	156.3	-3	-2%	151.0	2%	134.4	14%
Operational costs and maintenance	-52.6	-47.4	-5	11%	-63.4	-17%	-42.5	24%
NOI	101.0	109.0	-8	-7%	87.6	15%	91.9	10%
Surplus ratio, %	66%	70%			58%		68%	
Central and admin	-13.3	-10.6	-2.7	25%	-11.6	15%	-12.4	7%
Joint ventures	0.2	1.4			-0.2		0.1	
Interest costs adj for realised derivative	-27.5	-27.1	-0.4	1%	-30.2	-9%	-27.4	0%
Leasing costs	-1.7	-1.7	0		-1.7	0%	-1.6	
Income from Property Management (IFPM)	58.7	70.9	-12.2	-17%	43.9	34%	50.6	16%
IFPM adjusted for non-recurring	66.2	70.9	-4.7	-6.7%	43.9		50.6	31%
Changes to property value	208.0	75.0	133	177%	279.4	-26%	50.0	316%
of which unrealised	208.0	75.0	133	177%	279.4	-26%	50.0	316%
Changes to derivative value	-2.2	0.0	-2		49.5	-104%	-14.4	-85%
Pretax profits	272.0	145.9	126	86%	373.3	-27%	86.2	216%
Reported tax	-50.7	-30.1	-21	69%	-75.3	-33%	-13.5	276%
of which paid tax	0.0	0.0	0	0%	0.0	0%	0.0	
Net income	221.3	115.9	105	91%	298.0	-26%	72.7	204%
EPRA NAV	115.3	109.6	5.7	5.2%	109.4	7.0%	86.6	35.2%
Earnings Capacity	268.5				265.3	1%	233.6	15%

Source: Company data and Nordea estimates

TRIANON: ESTIMATE CHANGES (SEKm; PER SHARE FIGURES IN SEK)

SEKm	New estimates			Old estimates			Diff (%)		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Rental revenue	614	647	676	628	668	694	-2%	-3%	-3%
Operational costs and maintenance	-210	-213	-214	-208	-218	-218	1%	-2%	-2%
NOI	405	435	462	420	450	476	-4%	-3%	-3%
Surplus ratio, %	66%	67%	68%	67%	67%	69%			
Central and admin	-47	-48	-49	-45	-46	-46	6%	6%	6%
Other income	5.9	10.6	10.6	4.6	4.3	4.3	28%	147%	147%
Interest costs	-109	-104	-110	-110	-102	-101	-1%	2%	9%
Income from Property Management (IFPM)	247	287	306	263	300	326	-6%	-5%	-6%
Changes to property value	635	317	338	508	314	323	25%	1%	4%
of which unrealised	635	317	338	508	314	323	25%	1%	4%
Changes to derivative value	55	0	0	49.5	0	0	na	0%	0%
Pretax profits	937	604	644	820	614	649	14%	-2%	-1%
Reported tax	-186	-124	-133	-167	-127	-134	11%	-2%	-1%
of which paid tax	0	0	0	0	0	0			
Net income	751	479	511	653	488	516	15%	-2%	-1%
Hybrid dividend	-35	-35	-35	-35	-35	-35	0%	0%	0%
Minority	-8.4	-7.6	-7.6	-8.4	-7.6	-7.6			
NI Ord shareholders	708	437	469	610	445	473	16%	-2%	-1%
NI Ord shareholders ex value changes	18	120	131	53	131	150	-66%	-9%	-13%
Cash earnings to ordinary shareholders	204	244	263	220	258	283	-7%	-5%	-7%
-per share	5.4	6.5	7.0	5.9	6.9	7.6	-7%	-5%	-7%
EPRA NAV	4,559	5,120	5,721	4,457	5,029	5,636	2%	2%	2%
Per share	121.7	136.6	152.7	119.0	134.2	150.4	2%	2%	2%
EPRA NNNAV	4,275	4,805	5,375	4,170	4,711	5,285	3%	2%	2%
Per share	114.1	128.3	143.5	111.3	125.7	141.1	3%	2%	2%

Source: Nordea estimates

Detailed estimates and NAV calculations

QUARTERLY ESTIMATES (SEKm; PER SHARE FIGURES IN SEK)

	2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3E	Q4E
Rental revenue	130	134	142	149	151	154	153	156
Operational costs and maintenance	-55	-43	-40	-50	-63	-53	-43	-51
NOI	75	92	102	99	88	101	110	106
Surplus ratio, %	58%	68%	72%	66%	58%	66%	72%	68%
Central and admin	-9.2	-12.4	-11.0	-20.3	-11.6	-13.3	-9.2	-13.2
Other costs	0	0	0	0	0	0	0	0
Other income	0.1	0	0.1	0	0.5	0.1	0	0
Operating income ex value changes	66	80	91	79	77	88	101	93
Interest costs	-26	-27	-29	-31	-30	-28	-26	-26
Leasing costs	-2	-2	-2	-2	-2	-2	-2	-2
Income from property management (IFPM)	39	51	60	46	45	59	74	65
Changes to property value	54	50	217	169	279	208	74	74
of which unrealised	0	0	0	0	0	0	0	0
Changes to derivative value	-42	-14	5	18	50	5	0	0
Pretax profits	50	86	282	233	374	272	147	139
Reported tax	-8	-14	-52	-41	-75	-51	-31	-29
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	298	221	116	110
Hybrid dividend	-7.1	-7	-9	-9	-9	-9	-9	-9
Minority	-2	-2	-2	-12	-5	-2	-1	-1
NI Ord shareholders	33	63	220	172	285	211	107	100
NI Ord shareholders ex value changes	22	28	-2	-16	-44	-2	33	26
Cash earnings to ordinary shareholders	30	41	50	25	31	48	64	55
-per share	0.8	1.1	1.3	0.7	0.8	1.3	1.7	1.5
EPRA NAV per share	85	87	94	100	109	115	117	121

Source: Company data and Nordea estimates

ANNUAL ESTIMATES (SEKm; PER SHARE FIGURES IN SEK)

Earnings capacity									
	Q2 2021	2016	2017	2018	2019	2020	2021E	2022E	2023E
Rental revenue	618.8	174	262	345	446	556	614	647	676
Operational costs and maintenance	-206	-62	-98	-132	-161	-187	-210	-213	-214
NOI	412.8	112	164	213	286	369	405	435	462
Surplus ratio, %	67%	64%	63%	62%	64%	66%	66%	67%	68%
Central and admin	-44	-19	-26	-34	-36	-53	-47	-48	-49
Other costs		-0.1	0	0	0	0	0	0	0
Other income	10.6	46	8.7	5.9	-0.4	0.1	5.9	10.6	10.6
Operating income ex value changes	379	138	146	184	249	316	363	397	423
Interest costs	-104.2	-12.6	-22.8	-79.9	-93.7	-114.1	-109.4	-103.6	-110.4
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%	1.8%	1.8%
Income from property management (IFPM)	268	125.7	123.5	104.5	149.8	195.2	247.2	286.6	306.0
Changes to property value		421	321	212	292	490	635	317	338
of which unrealised		421	321	212	292	490	635	317	338
Changes to derivative value		-44	-12	-17	-62	-34	55	0	0
Pretax profits		503	432	299	381	651	937	604	644
Reported tax		-101	-92	-40	-81	-114	-186	-124	-133
of which paid tax		0	0	0	0	0	0	0	0
Net income		402	340	259	300	537	751	479	511
Hybrid dividend	-35				-14	-32	-35	-35	-35
Minority	-8	0	-3	-4	-8	-18	-8	-8	-8
NI Ord shareholders		402	318	248	282	488	708	437	469
NI Ord shareholders ex value changes		24	10	54	51	32	18	120	131
Cash earnings to ordinary shareholders	225	126	121	100	128	146	204	244	263
-per share	6.00	4.47	3.51	2.92	3.71	3.94	5.44	6.51	7.03
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; PER SHARE FIGURES IN SEK)

	2016	2017	2018	2019	2020	2021E	2022E	2023E
Equity total	1,181	1,757	1,978	2,831	3,532	4,173	4,538	4,924
- 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	113	113	113
Deferred tax	210	302	341	420	529	706	830	963
EPRA NAV	1,468	2,126	2,399	2,984	3,729	4,559	5,120	5,721
Per share	52	62	70	82	100	122	137	153

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	611	643	672
Revenue growth	n.a.	7.4%	20.9%	27.4%	50.4%	31.8%	30.2%	22.1%	10.5%	5.3%	4.4%
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	363	397	423
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	363	397	423
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	28	64	87	138	146	184	249	316	363	397	423
of which associates	2	6	14	46	0	0	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	-47	-89	-100	-120	-116	-110	-117
of which lease interest	0	0	0	0	0	0	0	-6	-7	-7	-7
Changes in value, net	62	14	129	378	332	211	238	456	690	317	338
Pre-tax profit	70	63	200	503	432	306	387	651	937	604	644
Reported taxes	-20	-6	-40	-101	-92	-40	-81	-114	-186	-124	-133
Net profit from continued operations	50	56	160	402	340	267	307	537	751	479	511
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	-3	-4	-8	-18	-8	-8	-8
Net profit to equity	50	57	160	402	337	262	285	488	708	437	469
EPS, SEK	1.94	2.21	5.71	14.30	9.81	7.63	8.26	13.20	18.89	11.65	12.51
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%	55.3%	53.0%	55.0%	57.0%	59.4%	61.7%	63.0%
EBITA	26.0%	55.7%	62.8%	78.7%	55.3%	53.0%	55.0%	57.0%	59.4%	61.7%	63.0%
EBIT	26.0%	55.7%	62.8%	78.7%	55.3%	53.0%	55.0%	57.0%	59.4%	61.7%	63.0%

Adjusted earnings

EBITDA (adj)	28	64	87	138	146	184	249	316	363	397	423
EBITA (adj)	28	64	87	138	146	184	249	316	363	397	423
EBIT (adj)	28	64	87	138	146	184	249	316	363	397	423
EPS (adj, SEK)	0.32	1.91	2.56	4.47	2.81	2.66	3.70	3.94	5.44	6.51	7.03

Adjusted profit margins in percent

EBITDA (adj)	26.0%	55.7%	62.8%	78.7%	55.3%	53.0%	55.0%	57.0%	59.4%	61.7%	63.0%
EBITA (adj)	26.0%	55.7%	62.8%	78.7%	55.3%	53.0%	55.0%	57.0%	59.4%	61.7%	63.0%
EBIT (adj)	26.0%	55.7%	62.8%	78.7%	55.3%	53.0%	55.0%	57.0%	59.4%	61.7%	63.0%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	26.8%	31.8%	32.0%	28.3%	19.5%	14.1%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	46.1%	31.4%	29.5%	21.3%	22.1%	18.1%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	46.1%	31.4%	29.5%	21.3%	22.1%	18.1%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	31.5%	30.1%	18.3%	5.7%	3.5%	10.4%
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%	56.4%	57.8%	59.6%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	57.9%	59.5%	58.4%	57.6%	56.4%	57.8%	59.6%

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.	18.1	24.0	28.0	34.8	40.1	33.5	31.0
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	29.0	30.4	33.8	33.7	38.2	36.1	35.0
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	29.0	30.4	33.8	33.7	38.2	36.1	35.0
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	29.0	30.4	33.8	33.7	38.2	36.2	35.1

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.	5.2	8.4	12.5	10.4	11.5	18.7	17.4
EV/Sales	n.a.	n.a.	n.a.	n.a.	16.05	16.12	18.59	19.22	22.66	22.29	22.06
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	29.0	30.4	33.8	33.7	38.2	36.2	35.1
EV/EBITA	n.a.	n.a.	n.a.	n.a.	29.0	30.4	33.8	33.7	38.2	36.2	35.1
EV/EBIT	n.a.	n.a.	n.a.	n.a.	29.0	30.4	33.8	33.7	38.2	36.2	35.1
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	2.0%	1.8%	0.0%	1.3%	0.9%	1.0%	1.1%
FCF yield	n.a.	n.a.	n.a.	n.a.	-48.1%	-25.8%	-25.1%	-35.1%	-1.6%	-4.6%	-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%	-1.6%	-4.6%	-4.4%
Payout ratio	0.0%	0.0%	0.0%	0.0%	10.2%	15.1%	0.0%	13.6%	10.1%	18.9%	19.2%

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	10,912	11,899	12,906
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	258	258	258
Deferred tax assets	2	20	19	22	23	32	48	57	44	44	44
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	210	210	210
Total non-current assets	1,381	1,608	2,278	3,435	4,746	5,951	8,207	9,947	11,424	12,411	13,419
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	27	34	20	21	71	60	36	76	84	89	93
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	176	142	166
Total current assets	46	62	22	44	115	90	213	356	260	231	258
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	11,685	12,642	13,678
Shareholders equity	538	580	799	1,181	1,757	1,978	2,831	3,532	4,173	4,538	4,924
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	111	119	127
Total Equity	538	580	799	1,181	1,811	2,064	2,917	3,635	4,284	4,657	5,051
Deferred tax	67	89	129	232	325	373	467	587	773	897	1,030
Long term interest bearing debt	727	807	1,228	1,795	2,473	3,284	4,442	4,060	5,693	6,143	6,643
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	461	461	461
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	7,122	7,696	8,328
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	193	203	212
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	279	289	298
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	11,685	12,642	13,678
Balance sheet and debt metrics											
Net debt	702	776	1,180	1,698	2,443	3,333	4,561	5,395	5,570	6,054	6,530
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	-108	-114	-119
Invested capital	1,333	1,610	2,239	3,349	4,716	5,854	8,096	9,849	11,316	12,297	13,300
Capital employed	1,277	1,402	2,042	3,008	4,327	5,411	7,634	9,376	10,258	11,081	11,975
ROE	18.4%	10.1%	23.3%	40.6%	22.9%	14.0%	11.9%	15.3%	18.4%	10.0%	9.9%
ROIC	3.3%	3.4%	3.6%	3.9%	2.9%	2.8%	2.8%	2.8%	2.7%	2.7%	2.6%
ROCE	4.7%	4.8%	5.1%	5.5%	4.0%	3.8%	3.8%	3.7%	3.7%	3.7%	3.7%
Net debt/EBITDA	25.4	12.2	13.6	12.3	16.7	18.1	18.3	17.1	15.4	15.2	15.4
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%	35.7%	35.9%	36.0%
Net gearing	130.5%	133.8%	147.7%	143.8%	134.9%	161.5%	156.4%	148.4%	130.0%	130.0%	129.3%

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	146	184	249	316	362	397	423
Paid taxes	0	0	0	0	0	0	0	0	0	0	0
Net financials	-19	-15	-15	-13	-23	-49	-99	-120	-116	-110	-117
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	236	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	-9	-17	-54	142	n.a.	n.a.	n.a.
Funds from operations (FFO)	31	38	42	59	93	101	151	187	483	286	306
Change in NWC	19	-22	26	13	-7	51	-2	-2	10	6	5
Cash flow from operations (CFO)	50	16	68	73	86	152	149	184	493	292	311
Capital expenditure	0	0	0	-250	-211	-244	-208	-1,099	-621	-670	-670
Free cash flow before A&D	50	16	68	-177	-125	-93	-59	-914	-127	-378	-359
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	-127	-378	-359
Free cash flow bef A&D, lease adj	50	16	68	-177	-125	-93	-59	-914	-127	-378	-359
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	234	450	500
Other financing adjustments	0	0	0	0	0	187	0	424	492	282	303
Other non-cash adjustments	18	-3	0	250	210	398	-95	639	-635	-317	-338
Change in cash	20	8	-26	22	21	-14	148	102	-104	-34	24
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.	n.m.	n.m.	99.7%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	51	64	104	137	218	218	218
Market cap.	n.a.	n.a.	n.a.	n.a.	1,744	2,193	3,774	5,133	8,167	8,167	8,167
Enterprise value	n.a.	n.a.	n.a.	n.a.	4,240	5,612	8,421	10,631	13,849	14,340	14,824
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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Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
Nordea Markets Division, Research Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland Tel: +358 9 1651 Fax: +358 9 165 59710 Reg.no. 2858394-9 Satamaradankatu 5 Helsinki	Nordea Markets Division, Research Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Nordea Markets Division, Research Visiting address: Grønjørdsvej 10 DK-2300 Copenhagen S Denmark Tel: +45 3333 3333 Fax: +45 3333 1520	Nordea Markets Division, Research Visiting address: Essendropsgate 7 N-0107 Oslo Norway Tel: +47 2248 5000 Fax: +47 2256 8650