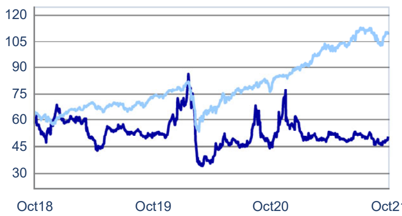
Serneke

Construction and Real Estate
Sweden

KEY DATA

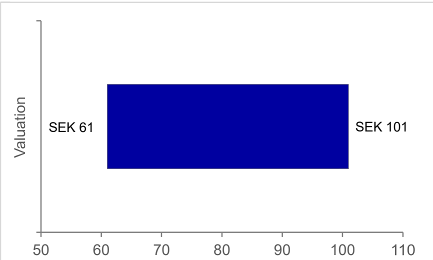
Stock country	Sweden
Bloomberg	SRNKEB SS
Reuters	SRNKEb.ST
Share price (close)	SEK 51.00
Free Float	58%
Market cap. (bn)	EUR 0.14/SEK 1.42
Website	www.serneke.se
Next report date	

PERFORMANCE



Serneke
Sweden OMX Stockholm All-Share (Rebased)
Source: Refinitiv

VALUATION APPROACH (SEK/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	2%	1%	1%
EBIT (adj)	1%	1%	1%

Source: Nordea estimates

Nordea Markets - Analysts
Katja Melnikova
Analyst

Svante Krokfors
Director

Another stable quarter

Serneke continues to show improved stability, which is reflected in a persisting positive EBIT margin in construction and positive operational cash flow. Net sales were SEK 1.97bn, 10% above our estimate. The underlying EBIT margin for the group was 1.3%, in line with our estimate. We make minor estimate changes on the back of the Q3 report and continue to argue that in order to maintain momentum, it is important for Serneke to continue improving construction margins and keep up a stable pace of divestments in Karlastaden. Taking excess value from building rights in Karlastaden into account, we arrive at a fair value range per share of SEK 61-101 (60-100), implying a 2022E EV/EBIT of 6-12x and 2022E P/E of 7-15x.

Q3 results and 2021-23 outlook

Serneke reported solid Q3 numbers, given the historically weak Q3. Net sales came in at SEK 1.97bn, up 31% y/y and 10% above our estimate. EBIT landed at SEK 25m, 12% above us. The underlying EBIT margin of 1.3% was, however, in line with our expectation. The construction business continues to show an improving EBIT margin, +40 bp q/q. The company's ambition is to reach and maintain a 3% EBIT margin within construction in the medium- to long term (4% long-term), which is in line with our estimates, as we expect 2% in 2022 and 3% in 2023. The project development operations (Serneke Invest) also delivered a positive EBIT margin of 2.2%, however, down 35 pp q/q, showing unpredictability in this business area. Hence, we slightly lower our EBIT margin expectation for Serneke Invest from 28% to 22% for 2021. The order intake of SEK 1.2bn was 13% above our expectation, which strengthened the order backlog to SEK 12.6bn. We lower our order intake expectations by ~16% for 2021-23 due to increased selectivity by the company regarding new orders.

Potential upside in Karlastaden remains

We use an SOTP-based valuation approach for Serneke, based on a 2022E EV/EBIT of 7x for the construction business in our bear-case scenario and 11x in our bull case. During the quarter, Serneke did not report any significant asset divestments in Karlastaden; hence, our potential excess value related to building rights in the area remains at SEK 14 per share in our bear case and SEK 28 in our bull-case scenario, which brings our fair value range to SEK 61-101 (60-100).

SUMMARY TABLE - KEY FIGURES

SEKm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	5,605	5,934	6,725	6,871	8,400	9,429	9,608
EBITDA (adj)	438	609	-59	-49	232	267	381
EBIT (adj)	418	657	-84	-79	202	237	351
EBIT (adj) margin	7.5%	11.1%	-1.2%	-1.1%	2.4%	2.5%	3.7%
EPS (adj, SEK)	13.76	29.98	-3.64	-4.27	10.23	6.95	10.24
EPS (adj) growth	-40.6%	117.8%	-112.2%	-17.3%	339.2%	-32.1%	47.4%
DPS (ord, SEK)	4.00	0.00	0.00	0.00	4.09	2.78	4.09
EV/Sales	0.4	0.3	0.4	0.2	0.2	0.2	0.1
EV/EBIT (adj)	5.6	2.9	n.m.	n.m.	6.6	6.0	3.9
P/E (adj)	6.5	2.0	n.m.	n.m.	5.0	7.3	5.0
P/BV	1.1	0.6	0.6	0.7	0.6	0.6	0.5
Dividend yield (ord)	4.5%	0.0%	0.0%	0.0%	8.0%	5.4%	8.0%
FCF Yield bef A&D, lease	-0.7%	13.7%	-31.1%	-26.1%	-4.5%	1.5%	10.0%
Net debt	254	552	1,224	20	-86	7	-58
Net debt/EBITDA	0.6	0.9	n.m.	n.m.	-0.4	0.0	-0.2
ROIC after tax	15.7%	18.0%	-1.8%	-1.7%	4.3%	4.7%	6.7%

Source: Company data and Nordea estimates

Valuation approach

We use a SOTP-based valuation for Serneke, based on a 2022E EV/EBIT multiple of 7x for the construction business (Serneke Sweden) in our bear-case scenario and 11x in our bull-case scenario. We use a mark-to-market scenario for the building rights in Karlastaden. Other building rights are not in our estimates. We derive an excess value of SEK 14-28 per share in Karlastaden. The value depends on if Serneke enters into JVs or carries out projects on its own. We arrive at a fair value range of SEK 61-101 (60-100) per share. Serneke is trading at ~6x 2022E EV/EBIT and ~7x 2022E P/E. Our fair value range implies a 2022E EV/EBIT multiple of 6-12x and a 2022E P/E of 9-15x.

VALUATION APPROACH

	EBIT			EBIT-margin			Bear	Value 22E	Per	Avg.	Value 22E	Per	Bull	Value 22E	Per
	20E	21E	22E	20E	21E	22E		SEKm	share		SEKm	share		SEKm	share
Serneke Sweden	-79	52	186	-2.4%	0.7%	2.0%	7x	1,302	47	9x	1,674	60	11x	2,046	73
Building rights Karlastaden															
Excess value per sqm	5,683														
Total area (sqm)	140,000														
Total excess value (SEKm)	796														
- per share	**28**						*	398	14	**	597	21	***	796	28
	20E	**21E**	**22E**												
Net debt (+)/net cash (-)	**20**	**-86**	**7**					7	0.2		7	0.2		7	0.2
SOTP								**1,693**	$\boxed{\textbf{61}}$		**2,264**	**81**		**2,835**	$\boxed{\textbf{101}}$

* 50% JV, ** 25% JV, *** 0% JV

Source: Company data and Nordea estimates

VALUATION MULTIPLES

	Price (SEK)	Mcap (SEK)	EV/Sales 2021E	EV/Sales 2022E	EV/Sales 2023E	EV/EBITDA 2021E	EV/EBITDA 2022E	EV/EBITDA 2023E	EV/EBIT 2021E	EV/EBIT 2022E	EV/EBIT 2023E	P/E 2021E	P/E 2022E	P/E 2023E
Nordic Construction														
NCC AB	149.4	16,075	0.4	0.4	0.4	5.9	5.7	5.4	10.3	9.8	9.0	10.5	10.3	9.6
Skanska AB	220.8	91,038	0.5	0.5	0.5	7.0	7.6	6.6	8.9	9.5	8.9	12.9	13.9	12.3
Peab AB	107.6	31,738	0.7	0.7	0.7	10.1	9.2	8.6	15.0	13.2	12.1	14.4	12.6	11.3
Wastbygg Gruppen AB (publ)	99.9	3,231	0.7	0.6	0.5	8.4	6.4	5.5	9.0	6.7	5.8	11.5	8.9	7.5
ByggPartner i Dalarna Holding AB (publ)	83.5	1,011	0.5	0.4	n.a	9.2	8.2	n.a	11.4	9.9	n.a	17.0	14.9	n.a
Veidekke ASA	121.5	16,400	0.4	0.3	0.3	6.3	6.0	5.6	10.8	10.3	9.1	17.1	15.9	14.8
Yit Oyj	44.9	9,384	0.5	0.5	0.5	7.6	7.0	6.1	10.1	8.5	7.4	11.8	9.6	7.4
20th percentile		2,343	0.4	0.4	0.3	6.1	5.9	5.4	8.9	7.7	6.5	11.1	9.3	7.4
Median		**16,075**	**0.5**	**0.5**	**0.5**	**7.6**	**7.0**	**5.8**	**10.3**	**9.8**	**9.0**	**12.9**	**12.6**	**10.4**
80th percentile		55,458	0.7	0.6	0.6	9.6	8.6	7.8	12.8	11.4	10.9	17.0	15.3	13.8
Nordic Residential Developers														
Bonava AB (publ)	85.65	9,181	0.9	0.9	0.8	10.2	9.2	7.7	10.3	9.4	7.8	10.6	9.4	7.7
JM AB	362.3	24,966	2.0	1.7	1.6	14.3	13.1	11.6	14.1	13.1	11.7	14.9	14.5	12.8
Besqab AB (publ)	171.5	2,640	2.4	1.9	1.7	45.0	18.7	11.9	17.4	11.5	8.0	21.9	9.9	6.4
Median		**9,181**	**2.0**	**1.7**	**1.6**	**14.3**	**13.1**	**11.6**	**14.1**	**11.5**	**8.0**	**14.9**	**9.9**	**7.7**
SERNEKE Group AB (publ)	**49.2**	**1,375**	**0.2**	**0.1**	**0.1**	**5.5**	**5.2**	**3.5**	**6.4**	**5.8**	**3.7**	**4.8**	**7.1**	**4.8**
SERNEKE Low	61	1,704	0.2	0.2	0.2	7.0	6.4	4.3	7.0	6.4	4.3	6.0	8.8	6.0
SERNEKE High	**101**	**2,822**	**0.3**	**0.3**	**0.3**	**11.8**	**10.6**	**7.3**	**13.5**	**12.0**	**7.9**	**9.9**	**14.5**	**9.9**

Source: Company data and Nordea estimates

Deviation table and estimate changes

SERNEKE: DEVIATION TABLE (SEKm AND SEK PER SHARE)

	Actual	NDA est.			Actual		Actual	
SEKm	**Q3 21**	**Q3 21E**	**vs. actual**		**Q2 21**	**q/q**	**Q3 20**	**y/y**
Net Sales	**1,968**	**1,782**	**186**	**10%**	**2,274**	**-13%**	**1,498**	**31%**
EBIT	25	22	3	12%	108	-77%	(14)	nm.
EBIT-margin	1.3%	1.3%	0.0%	0pp	4.7%	-3pp	-0.9%	2pp
of which non-recurring	-	-	-		-		(65)	nm.
EBIT adj	**25**	**22**	**3**	**12%**	**108**	**-77%**	**(79)**	**nm.**
EBIT adj - margin	1.3%	1.3%	0.0%	0pp	4.7%	-3pp	-5.3%	7pp
Pre-tax profit	**33**	**15**	**18**	**116%**	**111**	**-70%**	**(82)**	**nm.**
Net profit	**37**	**12**	**25**	**206%**	**178**	**-79%**	**(66)**	**nm.**
EPS	**1.3**	**0.4**	**1**	**205%**	**6.4**	**-79%**	**(3)**	**nm.**
Order Intake	1,195	1,057	138	13%	2,221	-46%	961	24%
Order backlog	12,642	12,598	44	0%	13,372	-5.5%	10,623	19%
	Actual	**NDA est.**			**Actual**		**Actual**	
Segment mix	**Q3 21**	**Q3 21E**		**vs. actual**	**Q2 21**	**q/q**	**Q3 20**	**y/y**
Sales								
Sweden	1,925	1,831	94	5%	2,019	-5%	1,592	21%
Project development	322	50	272	544%	447	-28%	28	1050%
Other sales	46	23	23	100%	33	39%	20	130%
Eliminations	(325)	(122)	(203)	166%	(225)	44%	(142)	128.9%
Total Serneke	**1,968**	**1,782**	**186**	**10%**	**2,274**	**-13%**	**1,498**	**31.4%**
EBIT reported ex restructuring								
Sweden	21	18	3	15%	14	50%	3	600%
- margin, %	1.1%	1.0%		0pp	0.7%	0pp	0.2%	1pp
Project development	7	8	(1)	-7%	167	-96%	(10)	nm.
- margin, %	2.2%	15.0%		-13pp	37.4%	-35pp	-35.7%	38pp
Other & Eliminations	(3)	(4)	1	-14%	(73)	-96%	(7)	nm.
- margin, %	-1.1%	3.5%		-5pp	-38.0%	37pp	-5.7%	5pp
Total EBIT	**25**	**22**	**3**	**12%**	**108**	**-77%**	**(14)**	**nm.**
- margin, %	1.3%	1.3%		2.0pp	4.7%	-3pp	-0.9%	2pp

Source: Company data and Nordea estimates

ESTIMATE REVISIONS (SEKm AND SEK PER SHARE)

	New			Old			Diff (SEKm)			Diff (%)		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Total Sales	8,400	9,429	9,608	8,214	9,324	9,502	186	104	106	2%	1%	1%
EBIT	**202**	**237**	**351**	**200**	**234**	**348**	**3**	**2**	**3**	**1%**	**1%**	**1%**
non recurring	-	-	-	-	-	-	-	-	-	-	-	-
EBIT adj.	**202**	**237**	**351**	**200**	**234**	**348**	**3**	**2**	**3**	**1%**	**1%**	**1%**
EBIT margin (adj.)	2.4%	2.5%	3.7%	2.4%	2.5%	3.7%				0pp	0pp	0pp
Pre-tax	213	246	360	196	228	342	18	17	18	9%	8%	5%
Net profit	286	194	286	261	180	271	25	14	15	10%	8%	5%
EPS	10	7	10	9	6	10	1	0	1	10%	8%	5%
EPS adj	**10**	**7**	**10**	**9**	**6**	**10**	**1**	**0**	**1**	**10%**	**8%**	**5%**
DPS	4	3	4	4	3	4	0	0	0	10%	8%	5%
Order intake	7,021	7,723	7,955	8,339	9,173	9,448	(1,318)	(1,449)	(1,493)	-16%	-16%	-16%
Segment sales												
Sweden	7,942	9,292	9,477	7,847	9,181	9,365	94	110	112	1%	1%	1%
Invest	1,206	646	659	934	646	659	272	-	-	29%	0%	0%
International	-	-	-	-	-	-	-	-	-	nm.	nm.	nm.
Group functions	140	123	130	117	122	128	23	1	1	20%	1%	1%
Eliminations	(888)	(632)	(657)	(685)	(625)	(650)	(203)	(7)	(7)	nm.	nm.	nm.
Total Sales	**8,400**	**9,429**	**9,608**	**8,214**	**9,324**	**9,502**	**186**	**104**	**106**	**2%**	**1%**	**1%**
EBIT adj.												
Sweden	52	186	284	49	184	281	3	2	3	5%	1%	1%
margin %	0.7%	2.0%	3.0%	0.6%	2.0%	3.0%				0pp	0pp	0pp
Invest	260	65	79	261	65	79	(1)	-	-	0%	0%	0%
margin %	21.6%	10.0%	12.0%	27.9%	10.0%	12.0%				-6pp	0pp	0pp
Other and eliminations	(110)	(14)	(12)	(110)	(14)	(12)	1	-	0	nm.	nm.	nm.
Sales growth y/y												
Sweden	14%	12%	2%	12%	14%	2%				1pp	-1pp	0pp
Invest	271%	17%	48%	187%	17%	48%				84pp	0pp	0pp
Total Sales growth	22%	12%	2%	20%	14%	2%				3pp	-1pp	0pp

Source: Company data and Nordea estimates

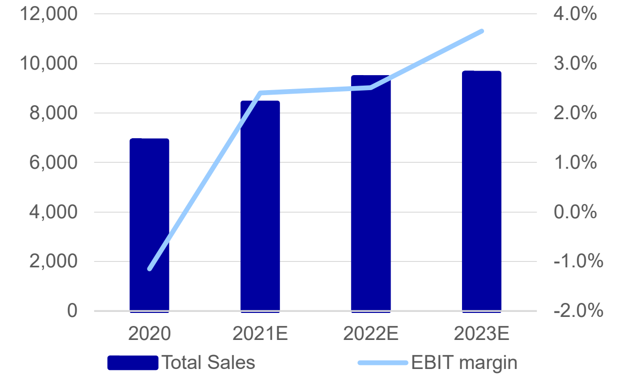
Detailed estimates and key charts

QUARTERLY AND ANNUAL ESTIMATES (SEKm, SEK PER SHARE)

	2020				2021E							
	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21E	2020	2021E	2022E	2023E
SUMMARY INCOME STATEMENT												
Sales												
Sweden	1,912	1,461	1,592	2,025	1,770	2,019	1,925	2,228	6,990	7,942	9,292	9,477
Invest	46	28	28	223	337	447	322	100	325	1,206	646	659
International	-	-	-	-	-	-	-	-	-	-	-	-
Group functions	39	14	20	17	33	33	46	28	90	140	123	130
Eliminations	-183.00	-110	-142	-99	-190	-225	-325	-148	-534	-888	-632	-657
Total Sales	**1,814**	**1,393**	**1,498**	**2,166**	**1,950**	**2,274**	**1,968**	**2,208**	**6,871**	**8,400**	**9,429**	**9,608**
Sales growth y/y												
Sweden	26%	-12%	12%	-3%	-7%	38%	21%	10%	4%	14%	17%	2%
Invest	na	-56%	-30%	-11%	633%	1496%	1050%	-55%	-20%	271%	-46%	2%
International	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Sales growth	**23%**	**-14%**	**9%**	**-4%**	**7%**	**63%**	**31%**	**2%**	**2%**	**22%**	**12%**	**2%**
EBIT												
Sweden	-35	-74	3	-65	-10	14	21	27	-171	52	186	284
Invest	27	71	-10	-4	71	167	7	15	84	260	65	79
International	-4	-3	-3	-3	-4	-4	-4	0	-13	-12	0	0
Other and Eliminations	-2	2	-4	25	-26	-69	1	-4	21	-98	-14	-12
Total EBIT	**-14**	**-4**	**-14**	**-47**	**31**	**108**	**25**	**38**	**-79**	**202**	**237**	**351**
Non recurring items	-135	-135	-65	0	0	0	0	0	-335	0	0	0
Total EBIT adj.	**-149**	**-139**	**-79**	**-47**	**31**	**108**	**25**	**38**	**-414**	**202**	**237**	**351**
EBIT margin												
Sweden	-1.8%	-5.1%	0.2%	-3.2%	-0.6%	0.7%	1.1%	1.2%	-2.4%	0.7%	2.0%	3.0%
Invest	58.7%	253.6%	-35.7%	-1.8%	21.1%	37.4%	2.2%	10.0%	25.8%	21.6%	10.0%	12.0%
International	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total EBIT margin	**-0.8%**	**-0.3%**	**-0.9%**	**-2.2%**	**1.6%**	**4.7%**	**1.3%**	**1.7%**	**-1.1%**	**2.4%**	**2.5%**	**3.7%**
Financial net	-5	-8	-3	-72	7	3	8	-7	-88	11	9	9
Pre-tax	-154	-147	-82	-119	38	111	33	31	-502	213	246	360
Tax	48	33	16	47	8	67	4	-7	144	72	-52	-74
Net profit	**-106**	**-114**	**-66**	**-72**	**46**	**178**	**37**	**25**	**-358**	**286**	**194**	**286**
EPS	**-4.7**	**-5.1**	**-2.9**	**-3.1**	**1.6**	**6.4**	**1.3**	**0.9**	**-15.8**	**10.2**	**6.9**	**10.2**
EPS adj									**-4.3**	**10.2**	**6.9**	**10.2**
Order intake	**2,975**	**1,851**	**961**	**4,852**	**1,179**	**2,221**	**1,195**	**2,426**	**10,639**	**7,021**	**7,723**	**7,955**
y/y	153%	-30%	-46%	63%	-60%	20%	24%	-50%	24%	-34%	10%	3%
Order backlog	**10,576**	**11,072**	**10,623**	**13,619**	**13,126**	**13,372**	**12,642**	**12,841**	**13,619**	**12,699**	**11,130**	**9,607**
y/y	77%	55%	39%	52%	24%	21%	19%	-6%	52%	-7%	-12%	-14%

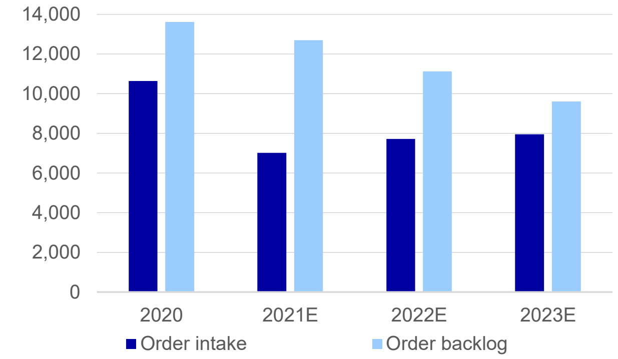
Source: Company data and Nordea estimates

GROUP SALES (SEKm) AND EBIT MARGIN (%)



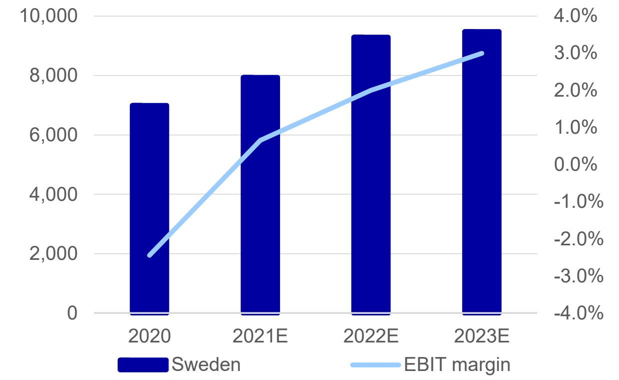
Source: Company data and Nordea estimates

ORDER INTAKE AND BACKLOG (SEKm)



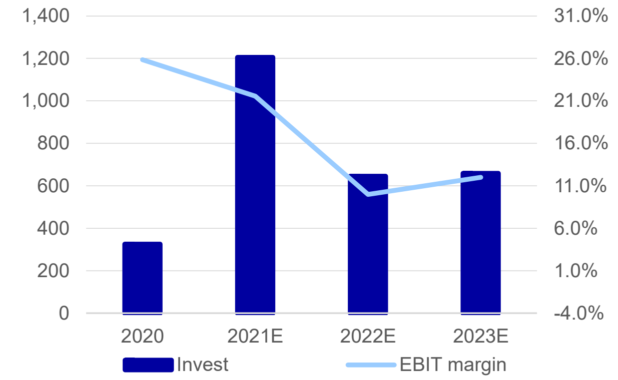
Source: Company data and Nordea estimates

SERNEKE SWEDEN: SALES (SEKm) AND EBIT MARGIN (%)



Source: Company data and Nordea estimates

SERNEKE INVEST: SALES (SEKm) AND EBIT MARGIN (%)



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	**1,143**	**1,800**	**3,107**	**3,978**	**5,605**	**5,934**	**6,725**	**6,871**	**8,400**	**9,429**	**9,608**
Revenue growth	12.9%	57.5%	72.6%	28.0%	40.9%	5.9%	13.3%	2.2%	22.3%	12.2%	1.9%
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	16	115	143	515	438	609	-59	-384	232	267	381
Depreciation and impairments PPE	0	0	0	-68	-20	-22	-25	-30	-30	-30	-30
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	16	115	143	447	418	587	-84	-414	202	237	351
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	16	115	143	447	418	587	-84	-414	202	237	351
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-14	-15	-16	-17	-18	-37	-27	-88	11	9	9
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	**2**	**100**	**127**	**430**	**400**	**550**	**-111**	**-502**	**213**	**246**	**360**
Reported taxes	9	-2	25	0	-78	46	29	144	72	-52	-74
Net profit from continued operations	11	98	152	430	322	596	-82	-358	286	194	286
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	11	98	152	430	322	596	-82	-358	286	194	286
EPS, SEK	**0.77**	**6.29**	**9.00**	**23.16**	**13.76**	**26.59**	**-3.64**	**-15.82**	**10.23**	**6.95**	**10.24**
DPS, SEK	0.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00	4.09	2.78	4.09
of which ordinary	0.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00	4.09	2.78	4.09
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	1.4%	6.4%	4.6%	12.9%	7.8%	10.3%	-0.9%	-5.6%	2.8%	2.8%	4.0%
EBITA	1.4%	6.4%	4.6%	11.2%	7.5%	9.9%	-1.2%	-6.0%	2.4%	2.5%	3.7%
EBIT	1.4%	6.4%	4.6%	11.2%	7.5%	9.9%	-1.2%	-6.0%	2.4%	2.5%	3.7%
Adjusted earnings											
EBITDA (adj)	16	115	143	515	438	609	-59	-49	232	267	381
EBITA (adj)	16	115	143	447	418	587	-84	-79	202	237	351
EBIT (adj)	16	115	143	447	418	657	-84	-79	202	237	351
EPS (adj, SEK)	0.77	6.29	9.00	23.16	13.76	29.98	-3.64	-4.27	10.23	6.95	10.24
Adjusted profit margins in percent											
EBITDA (adj)	1.4%	6.4%	4.6%	12.9%	7.8%	10.3%	-0.9%	-0.7%	2.8%	2.8%	4.0%
EBITA (adj)	1.4%	6.4%	4.6%	11.2%	7.5%	9.9%	-1.2%	-1.1%	2.4%	2.5%	3.7%
EBIT (adj)	1.4%	6.4%	4.6%	11.2%	7.5%	11.1%	-1.2%	-1.1%	2.4%	2.5%	3.7%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	34.8%	40.8%	39.0%	30.2%	17.2%	16.1%	11.0%	10.1%
EBITDA	n.m.	n.m.	n.m.	114.5%	356.9%	107.1%	n.m.	n.m.	-14.7%	-9.4%	-8.9%
EBIT	n.a.	n.a.	n.a.	193.0%	n.m.	105.5%	n.m.	n.m.	-14.7%	-10.8%	-9.8%
EPS	n.a.	n.a.	n.a.	n.m.	n.m.	102.8%	n.m.	n.m.	-15.1%	-12.8%	-17.4%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-7.0%	n.m.
Average last 5 years											
Average EBIT margin	n.a.	n.a.	3.4%	6.5%	7.3%	8.4%	6.0%	3.3%	2.1%	1.4%	0.7%
Average EBITDA margin	n.a.	n.a.	3.6%	7.1%	7.8%	8.9%	6.5%	3.8%	2.5%	1.8%	1.1%

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.	4.5	6.5	2.0	n.m.	n.m.	5.0	7.3	5.0
EV/EBITDA (adj)	n.a.	n.a.	n.a.	3.7	5.3	3.1	n.m.	n.m.	5.8	5.4	3.6
EV/EBITA (adj)	n.a.	n.a.	n.a.	4.3	5.6	3.2	n.m.	n.m.	6.6	6.0	3.9
EV/EBIT (adj)	n.a.	n.a.	n.a.	4.3	5.6	2.9	n.m.	n.m.	6.6	6.0	3.9

VALUATION RATIOS - REPORTED EARNINGS

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E	n.a.	n.a.	n.a.	4.5	6.5	2.3	n.m.	n.m.	5.0	7.3	5.0
EV/Sales	n.a.	n.a.	n.a.	0.48	0.42	0.32	0.39	0.21	0.16	0.15	0.14
EV/EBITDA	n.a.	n.a.	n.a.	3.7	5.3	3.1	n.m.	n.m.	5.8	5.4	3.6
EV/EBITA	n.a.	n.a.	n.a.	4.3	5.6	3.2	n.m.	n.m.	6.6	6.0	3.9
EV/EBIT	n.a.	n.a.	n.a.	4.3	5.6	3.2	n.m.	n.m.	6.6	6.0	3.9
Dividend yield (ord.)	n.a.	n.a.	n.a.	0.0%	4.5%	0.0%	0.0%	0.0%	8.0%	5.4%	8.0%
FCF yield	n.a.	n.a.	n.a.	-7.2%	-13.0%	-15.7%	-31.1%	-26.1%	-4.5%	1.5%	10.0%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	-6.7%	-0.7%	13.7%	-31.1%	-26.1%	-4.5%	1.5%	10.0%
Payout ratio	0.0%	0.0%	0.0%	0.0%	29.1%	0.0%	0.0%	0.0%	40.0%	40.0%	40.0%

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	0	23	23	23	23	23	23	24	24	24	24
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	23	23	23	23	23	23	24	24	24	24
Tangible assets	47	74	74	404	990	335	298	416	470	534	600
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	0	0	0	424	446	122	145	148	148	148	148
Interest bearing assets	0	0	0	30	10	51	37	1,354	1,354	1,354	1,354
Deferred tax assets	4	2	37	48	0	0	0	15	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	97	105	274	231	213	563	158	199	199	199	199
Total non-current assets	148	204	408	1,160	1,682	1,094	661	2,156	2,195	2,259	2,325
Inventory	5	5	4	2	1	1	1	1	1	1	1
Accounts receivable	444	566	588	589	845	972	825	1,012	1,302	1,367	1,441
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	26	501	641	1,115	1,445	3,099	4,085	2,589	3,108	3,489	3,555
Cash and bank	13	84	11	571	431	389	162	234	475	382	447
Total current assets	488	1,156	1,244	2,277	2,722	4,461	5,073	3,836	4,887	5,239	5,445
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	**636**	**1,360**	**1,652**	**3,437**	**4,404**	**5,555**	**5,734**	**5,992**	**7,082**	**7,499**	**7,770**
Shareholders equity	177	280	453	1,469	1,821	2,272	2,179	1,946	2,402	2,481	2,690
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	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	177	280	453	1,469	1,821	2,272	2,179	1,946	2,402	2,481	2,690
Deferred tax	0	0	0	0	29	157	128	0	0	0	0
Long term interest bearing debt	60	134	107	436	641	826	1,246	840	975	975	975
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	120	158	223	183	187	192	197	202
Other long-term liabilities	0	62	291	208	152	83	162	31	31	31	31
Non-current lease debt	0	0	0	0	0	0	0	0	0	0	0
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	60	196	398	764	980	1,289	1,719	1,058	1,198	1,203	1,208
Short-term provisions	0	3	13	10	8	13	12	2	2	3	3
Accounts payable	153	273	349	541	799	991	958	1,058	1,293	1,452	1,480
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	125	325	292	525	742	824	689	1,160	1,418	1,592	1,622
Short term interest bearing debt	121	283	147	128	54	166	177	768	768	768	768
Total current liabilities	399	884	801	1,204	1,603	1,994	1,836	2,988	3,482	3,814	3,872
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**636**	**1,360**	**1,652**	**3,437**	**4,404**	**5,555**	**5,734**	**5,992**	**7,082**	**7,499**	**7,770**
Balance sheet and debt metrics											
Net debt	168	333	243	-37	254	552	1,224	20	-86	7	-58
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	197	474	592	640	750	2,257	3,264	1,384	1,700	1,814	1,896
Invested capital	345	678	1,000	1,800	2,432	3,351	3,925	3,540	3,895	4,073	4,222
Capital employed	358	697	707	2,033	2,516	3,264	3,602	3,554	4,145	4,224	4,433
ROE	6.9%	42.9%	41.5%	44.7%	19.6%	29.1%	-3.7%	-17.4%	13.1%	7.9%	11.1%
ROIC	4.0%	17.9%	13.5%	25.4%	15.7%	18.0%	-1.8%	-1.7%	4.3%	4.7%	6.7%
ROCE	6.4%	21.8%	20.7%	33.4%	n.a.	22.7%	-2.4%	-2.2%	5.3%	5.7%	8.1%
Net debt/EBITDA	10.5	2.9	1.7	-0.1	0.6	0.9	n.m.	n.m.	-0.4	0.0	-0.2
Interest coverage	n.m.	n.m.	n.m.	n.m.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	27.8%	20.6%	27.4%	42.7%	41.3%	40.9%	38.0%	32.5%	33.9%	33.1%	34.6%
Net gearing	94.9%	118.9%	53.6%	-2.5%	13.9%	24.3%	56.2%	1.0%	-3.6%	0.3%	-2.2%

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	**16**	**115**	**143**	**515**	**438**	**609**	**-59**	**-384**	**232**	**267**	**381**
Paid taxes	-6	9	0	-6	-2	46	28	54	72	-52	-74
Net financials	0	0	0	-17	-30	-37	-26	-88	11	9	9
Change in provisions	0	3	10	117	36	70	-41	-6	5	5	5
Change in other LT non-IB	-65	56	25	-51	10	-419	484	-187	15	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	86	-158	-253	-569	-260	-341	-438	252	0	0	0
Funds from operations (FFO)	**31**	**25**	**-75**	**-11**	**192**	**-72**	**-52**	**-359**	**336**	**229**	**321**
Change in NWC	-8	31	111	56	-145	337	-593	7	-316	-114	-83
Cash flow from operations (CFO)	**23**	**56**	**36**	**45**	**47**	**265**	**-645**	**-352**	**20**	**116**	**238**
Capital expenditure	-15	-18	-10	-175	-62	-81	211	-20	-84	-94	-96
Free cash flow before A&D	**8**	**38**	**26**	**-130**	**-15**	**184**	**-434**	**-372**	**-64**	**21**	**142**
Proceeds from sale of assets	1	8	4	0	0	222	0	0	0	0	0
Acquisitions	-1	-45	0	-10	-257	-618	0	0	0	0	0
Free cash flow	8	1	30	-140	-272	-212	-434	-372	-64	21	142
Free cash flow bef A&D, lease adj	8	38	26	-130	-15	184	-434	-372	-64	21	142
Dividends paid	0	0	0	0	0	-93	0	0	0	-114	-78
Equity issues / buybacks	50	0	36	598	0	-65	0	122	170	0	0
Net change in debt	0	0	0	0	139	-338	200	150	135	0	0
Other financing adjustments	0	0	n.a.	n.a.	-15	122	0	-1,500	0	0	0
Other non-cash adjustments	-50	70	-139	102	0	544	7	1,672	0	0	0
Change in cash	8	71	-73	560	-140	-42	-227	72	241	-93	65
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	66.7%	n.m.	n.m.	n.m.
Capex/Sales	1.3%	1.0%	0.3%	4.4%	1.1%	1.4%	-3.1%	0.3%	1.0%	1.0%	1.0%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	105	89	60	62	58	51	51	51
Market cap.	n.a.	n.a.	n.a.	1,950	2,088	1,347	1,394	1,423	1,425	1,425	1,425
Enterprise value	n.a.	n.a.	n.a.	1,913	2,342	1,899	2,618	1,443	1,339	1,432	1,367
Diluted no. of shares, year-end (m)	14.2	15.6	16.9	18.6	23.4	22.4	22.6	24.7	27.9	27.9	27.9

Source: Company data and Nordea estimates

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