

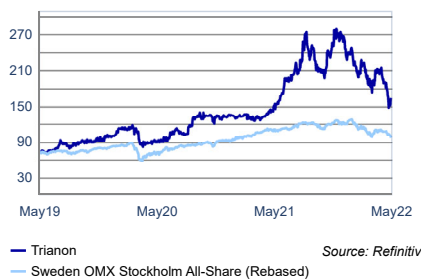
Trianon

Construction and Real Estate
Sweden

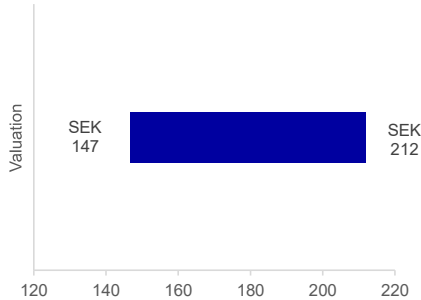
KEY DATA

Stock country	Sweden
Bloomberg	TRIANB.SS
Reuters	TRIANB.ST
Share price (close)	SEK 165.6
Free Float	26%
Market cap. (bn)	EUR 0.59/SEK 6.20
Website	www.trianon.se
Next report date	12 Jul 2022

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	-3%	0%	0%
EBIT (adj)	-6%	-3%	-2%

Source: Nordea estimates

Nordea Markets - Analysts

Katja Melnikova
AnalystStaffan Bülow
Analyst

Favourable development in interest maturity

Trianon reported solid Q1 2022 numbers, with adjusted EPS growth of 42% y/y, EPRA NAV up 35% y/y, earnings capacity up 13% y/y and positive net letting of SEK 3.7m. We expect 11-13% NAV growth in 2022E-24E, mainly driven by its cash earnings yield and project profits. We argue that growth is likely to be boosted by further acquisitions, which are not included in our estimates. While we see good prospects for continued NAV gains, we argue that rising interest rates could hurt adjusted EPS growth due to high leverage and a limited ability to adjust rents in the face of greater inflation.

Q1 outcome

Trianon reported IFPM of SEK 54m (adjusted for SEK 3m in one-offs), up 23% y/y and 16% below our forecast. The deviation was due to a 2% miss on the top line and generally higher costs owing to a larger portfolio under management. Adjusted EPS was SEK 1.2, up 42% y/y and 16% below our estimate, due to a corresponding miss on IFPM. Trianon reported asset revaluations of SEK 93m, or 0.7% of asset value, whereas we expected 0.8%. Value uplifts were mainly driven by value-enhancing investments, new lettings and project profits of SEK 23m. NAV per share was SEK 148, in line with our estimate, and valuation yield was unchanged q/q at 3.9%.

Interest rate scenario

In our recent sector report, we performed an interest rate scenario to show the potential impact on EPS from rising interest rates. Through this exercise, we concluded that Trianon is one of the most interest rate-sensitive companies given its high leverage of 54% and 70% of floating interest as of Q4 2021. In Q1, however, the average interest rate stayed at 1.9% while the share of variable interest decreased to 43%, which we regard as a favourable development. If our scenario fully materialises, we still envisage potential decreases in adjusted EPS of 13% in 2022, 7% in 2023 and 6% in 2024. This in combination with a limited ability to adjust rents after high inflation makes us take a more cautious stance.

Valuation and estimate changes

Following the report, we lift our 2022 EPRA NAV estimates by 1% due to an upcoming project completion at the end of 2022. Meanwhile, we lower our adjusted EPS by 14% due to the miss on our estimates and a ~20bp higher average interest rate from Q2. The share is trading at a 2% premium to 2022E NAV but at 30x earnings, which is above the sector average of 19x. We argue that increasing interest rates could hurt adjusted EPS growth, which is why we trim our multiple-based fair value range to SEK 147-212 (178-259), implying 0.9x-1.3x to 2022E NAV.

SUMMARY TABLE - KEY FIGURES

SEKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	348	453	556	624	696	752	823
NOI margin	61.1%	63.0%	66.3%	63.5%	63.7%	65.3%	66.1%
EPS (adj, SEK)	2.66	3.70	3.94	4.68	5.55	6.48	7.59
EPS (adj) growth	-5.4%	39.2%	6.4%	18.8%	18.7%	16.7%	17.2%
P/E (adj)	24.0	28.0	34.8	50.8	29.8	25.5	21.8
DPS, SEK	1.15	0.00	1.80	2.00	2.20	2.40	2.40
NAV per share	70	82	100	145	163	180	199
NAV growth	12.8%	17.2%	21.6%	45.3%	12.4%	10.8%	10.5%
NOI/EV (adj)	3.8%	3.4%	3.5%	2.5%	3.3%	3.6%	3.8%
P/NAV	91.4%	126.5%	137.6%	164.5%	101.9%	91.9%	83.2%
P/EPRA NAV	91.4%	126.5%	137.6%	164.5%	101.9%	91.9%	83.2%
Dividend yield	1.8%	0.0%	1.3%	0.8%	1.3%	1.4%	1.4%
Loan-to-value (adj)	56.4%	56.0%	55.9%	52.4%	48.8%	48.5%	47.9%
Net debt/EBITDA(adj)	18.1	18.3	17.1	19.4	16.9	16.3	15.5

Source: Company data and Nordea estimates

Q1 outcome and estimate changes

Trianon reported EPRA NAV of SEK 148 per share, up 2% q/q and 35% y/y, and in line with our estimate. NAV growth was supported by revaluations that were slightly below our estimates, contributing 0.8% q/q to asset values, whereas we expected 0.7%. The revaluations were driven by project profits, value-enhancing investments and new lettings. Income from property management (IFPM) was SEK 54m (excluding a SEK 3m one-off), up ~23% y/y but 16% below our estimate due to higher property costs. Despite its IFPM miss, Trianon's earnings capacity improved 2% q/q due to the acquisitions in Q4 2021, profits from which were fully consolidated in Q1. Following the IFPM miss, we lower our adjusted EPS estimate by 8-14% for 2022-24. Meanwhile, we make minor NAV estimate revisions.

TRIANON: DEVIATION TABLE (SEKm)

SEKm	Actual		NDA estimates		Actual			
	Q1 22A	Q1 22E	vs. actual		Q4 21	q/q	Q1 21	y/y
Rental revenue	173	176	-3	-2%	160	8%	151	15%
Operational costs and maintenance	-73	-72	-1	2%	-58	25%	-63	15%
NOI	100	105	-5	-4%	102	-1%	88	14%
Surplus ratio, %	58%	59%	-	-1%	63%	-6%	58%	0%
Central and admin	-18	-12	-6	52%	-16	15%	-12	55%
Joint ventures (IFPM)	4	5	-1	-13%	4	5%	0	-
Interest costs adj for realised derivative	-34	-32	-2	7%	-35	-2%	-30	13%
Leasing costs	-2	-1	0	7%	-1	7%	-2	-12%
Income from Property Management (IFPM)	51	65	-14	-21%	55	-7%	44	16%
IFPM adjusted for non-recurring	54	65	-11	-16%	55	-1%	44	23%
Changes to property value	93	98	-5	-5%	609	-85%	279	-67%
of which unrealised	93	98	-5	-5%	609	-85%	279	-67%
Changes to property value in JV	-1	0	-1	-	15	-105%	0	-
Changes to derivative value	135	0	135	-	23	487%	50	173%
Pretax profits	279	163	116	71%	701	-60%	373	-25%
Reported tax	-55	-34	-21	63%	-169	-68%	-75	-27%
of which paid tax	0	0	0	-	-3	0%	0	-
Net income	224	129	95	73%	532	-58%	298	-25%
EPRA NAV	148	149	0	0%	145	2%	109	35%

Source: Company data and Nordea estimates

ESTIMATE CHANGES (SEKm)

SEKm	New estimates			Old estimates			Difference (%)		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Rental revenue	696	752	827	715	754	827	-3%	0%	0%
Operational costs and maintenance	-253	-261	-283	-252	-258	-279	0%	1%	2%
NOI	443	491	544	463	496	548	-4%	-1%	-1%
Surplus ratio, %	64%	65%	66%	65%	66%	66%			
Central and admin	-60	-61	-62	-57	-58	-59	6%	6%	6%
Other income	17.1	16.4	16.4	20.15	20.15	20.15	-15%	-19%	-19%
Interest costs	-141	-151	-159	-126	-128	-136	12%	17%	17%
Income from Property Management (IFPM)	253	289	333	295	324	368	-14%	-11%	-9%
Changes to property value	409	436	442	415	438	444	-1%	0%	0%
of which unrealised	409	436	442	415	438	444	-1%	0%	0%
Changes to derivative value	135	0	0	0	0	0	0%	0%	0%
Changes to property value JV	0	0	0	-	-	-			
Pretax profits	797	726	775	710	762	812	12%	-5%	-4%
Reported tax	-162	-149	-160	-146	-157	-167	11%	-5%	-4%
of which paid tax	0	0	0	0	0	0			
Net income	635	576	616	563	605	644	13%	-5%	-4%
Hybrid dividend	-35	-35	-35	-35	-35	-35	0%	0%	0%
Minority	0.0	0.0	0.0	-8	-8	-8			
NI Ord shareholders	600	541	581	521	562	602	15%	-4%	-4%
NI Ord shareholders ex value changes	56	105	138	106	125	158	-47%	-16%	-13%
Cash earnings to ordinary shareholders	218	254	298	252	282	325	-14%	-10%	-8%
-per share	5.6	6.5	7.6	6.4	7.2	8.3	-14%	-10%	-8%
EPRA NAV	6,382	7,072	7,813	6,345	7,064	7,833	1%	0%	0%
Per share	163	180	199	162	180	200	1%	0%	0%

Source: Company data and Nordea estimates

Detailed estimates

QUARTERLY ESTIMATES (SEKm)

	2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2E	Q3E	Q4E
Rental revenue	151	154	156	163	173	174	176	179
Operational costs and maintenance	-63	-53	-50	-62	-73	-58	-56	-66
NOI	88	101	106	102	100	117	119	113
Surplus ratio, %	58%	66%	68%	62%	58%	67%	68%	63%
Central and admin	-11.6	-13.3	-15.0	-15.6	-15	-14	-15	-16
Other costs	0	0	0	0	0	0	0	0
Other income	0.3	0.3	3.1	5	5	4	4	4
Operating income ex value changes	76	88	94	91	90	107	108	101
Interest costs	-30	-28	-28	-35	-34	-35	-36	-36
Leasing costs	-2	-2	-2	-1	-2	-2	-2	-2
Income from property management (IFP)	44	59	65	55	54	71	71	63
Changes to property value	279	208	215	609	93	99	101	115
of which unrealised	0	0	0	0	0	0	0	0
Changes to derivative value	50	5	19	23	135	0	0	0
Changes to property value JV	0	0	21	15	-1	0	0	0
Pretax profits	373	272	299	686	283	170	172	179
Reported tax	-75	-51	-61	-169	-55	-35	-35	-37
of which paid tax	0.0	0.0	0.0	-3.0	0	0	0	0
Net income	298	221	238	514	228	135	136	142
Hybrid dividend	-9	-9	-9	-9	-9	-9	-9	-9
Minority	-5	-2	-1	-1	0	0	0	0
NI Ord shareholders	284	211	229	505	219	126	128	133
NI Ord shareholders ex value changes	-45	-2	-5	-127	-9	27	27	18
Cash earnings to ordinary shareholders	31	49	55	42	46	62	62	54
-per share	0.8	1.3	1.5	1.1	1.2	1.6	1.6	1.4
EPRA NAV per share	109	115	122	145	148	152	156	161

Source: Company data and Nordea estimates

ANNUAL ESTIMATES (SEKm)

	2017	2018	2019	2020	2021	2022E	2023E	2024E
Rental revenue	262	345	446	556	624	696	752	827
Operational costs and maintenance	-98	-132	-161	-187	-228	-253	-261	-283
NOI	164	213	286	369	396	443	491	544
Surplus ratio, %	63%	62%	64%	66%	64%	64%	65%	66%
Central and admin	-26	-34	-36	-53	-56	-60	-61	-62
Other costs	0	0	0	0	0	0	0	0
Other income	9	6	0	0	9	17	16	16
Operating income ex value changes	146	184	249	316	349	400	446	498
Interest costs	-23	-80	-94	-114	-120	-141	-151	-159
Leasing costs			-6	-6	-6	-6	-6	-6
% of net debt	1%	3%	2%	2%	2%	2%	2%	2%
Income from property management (IFPM)	124	105	150	195	223	253	289	333
Changes to property value	321	212	292	490	1,311	409	436	442
of which unrealised	321	212	292	490	1,311	409	436	442
Changes to derivative value	-12	-17	-62	-34	97	135	0	0
Changes to property value JV	0	0	0	0	36	0	0	0
Pretax profits	432	299	381	651	1,666	797	726	775
Reported tax	-92	-40	-81	-114	-356	-162	-149	-160
of which paid tax	0	0	0	0	-3	0	0	0
Net income	340	259	300	537	1,311	635	576	616
Hybrid dividend			-14	-32	-35	-35	-35	-35
Minority	-3	-4	-8	-18	-8	0	0	0
NI Ord shareholders	318	248	282	488	1,268	600	541	581
NI Ord shareholders ex value changes	10	54	51	32	-176	56	105	138
Cash earnings to ordinary shareholders	121	100	128	146	177	218	254	298
-per share	3.5	2.9	3.7	3.9	4.7	5.6	6.5	7.6

Source: Company data and Nordea estimates

NAV CALCULATIONS (SEKm)

	2017	2018	2019	2020	2021	2022E	2023E	2024E
Equity total	1,757	1,978	2,831	3,532	5,217	5,739	6,193	6,680
- of which pref/hybrid equity	0	0	400	500	413	413	413	413
Acc. Dividend added back				0	0	79	165	259
Goodwill	0	0	0	0	0	0	0	0
Derivatives	67	79	134	167	71	17	17	17
Deferred tax	302	341	420	529	802	960	1,109	1,269
EPRA NAV	2,126	2,399	2,984	3,729	5,678	6,382	7,072	7,813
Per share	62	70	82	100	145	163	180	199

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	114	138	176	264	348	453	556	624	696	752	823
Revenue growth	7.4%	20.9%	27.4%	50.4%	31.8%	30.2%	22.7%	12.2%	11.6%	8.0%	9.6%
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	64	87	138	146	184	249	316	347	399	446	498
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	64	87	138	146	184	249	316	347	399	446	498
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	64	87	138	146	184	249	316	347	399	446	498
of which associates	6	14	46	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	-15	-15	-13	-47	-89	-100	-120	-124	-146	-157	-165
of which lease interest	0	0	0	0	0	0	-6	-6	-6	-6	-6
Changes in value, net	14	129	378	332	211	238	456	1,443	544	436	442
Pre-tax profit	63	200	503	432	306	387	651	1,666	797	726	775
Reported taxes	-6	-40	-101	-92	-40	-81	-114	-356	-162	-149	-160
Net profit from continued operations	56	160	402	340	267	307	537	1,311	635	576	616
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	-3	-4	-8	-18	-8	0	0	0
Net profit to equity	57	160	402	337	262	285	488	1,268	600	541	581
EPS, SEK	2.21	5.71	14.30	9.81	7.63	8.26	13.20	33.58	15.28	13.79	14.79
DPS, SEK	0.00	0.00	0.00	1.00	1.15	0.00	1.80	2.00	2.20	2.40	2.40
of which ordinary	0.00	0.00	0.00	1.00	1.15	0.00	1.80	2.00	2.20	2.40	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	55.7%	62.8%	78.7%	55.3%	53.0%	55.0%	56.8%	55.6%	57.4%	59.3%	60.5%
EBITA	55.7%	62.8%	78.7%	55.3%	53.0%	55.0%	56.8%	55.6%	57.4%	59.3%	60.5%
EBIT	55.7%	62.8%	78.7%	55.3%	53.0%	55.0%	56.8%	55.6%	57.4%	59.3%	60.5%

Adjusted earnings

EBITDA (adj)	64	87	138	146	184	249	316	347	399	446	498
EBITA (adj)	64	87	138	146	184	249	316	347	399	446	498
EBIT (adj)	64	87	138	146	184	249	316	347	399	446	498
EPS (adj, SEK)	1.91	2.56	4.47	2.81	2.66	3.70	3.94	4.68	5.55	6.48	7.59

Adjusted profit margins in percent

EBITDA (adj)	55.7%	62.8%	78.7%	55.3%	53.0%	55.0%	56.8%	55.6%	57.4%	59.3%	60.5%
EBITA (adj)	55.7%	62.8%	78.7%	55.3%	53.0%	55.0%	56.8%	55.6%	57.4%	59.3%	60.5%
EBIT (adj)	55.7%	62.8%	78.7%	55.3%	53.0%	55.0%	56.8%	55.6%	57.4%	59.3%	60.5%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	26.8%	31.8%	32.1%	28.8%	21.4%	16.6%	12.7%
EBITDA	n.m.	n.m.	n.m.	n.m.	46.1%	31.4%	29.5%	20.2%	22.3%	19.3%	14.9%
EBIT	n.a.	n.a.	n.a.	n.a.	46.1%	31.4%	29.5%	20.2%	22.3%	19.3%	14.9%
EPS	n.a.	n.a.	n.a.	n.a.	31.5%	30.1%	18.3%	18.6%	9.3%	12.6%	12.4%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	17.1%	15.9%	n.m.
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	57.9%	59.5%	58.4%	57.5%	55.3%	55.9%	57.0%	58.1%
Average EBITDA margin	n.a.	n.a.	n.a.	57.9%	59.5%	58.4%	57.5%	55.3%	55.9%	57.0%	58.1%

VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E (adj)	n.a.	n.a.	n.a.	18.1	24.0	28.0	34.8	50.8	29.8	25.5	21.8
EV/EBITDA (adj)	n.a.	n.a.	n.a.	29.0	30.4	33.8	33.7	46.5	33.3	30.9	28.5
EV/EBITA (adj)	n.a.	n.a.	n.a.	29.0	30.4	33.8	33.7	46.5	33.3	30.9	28.5
EV/EBIT (adj)	n.a.	n.a.	n.a.	29.0	30.4	33.8	33.7	46.5	33.3	30.9	28.6

VALUATION RATIOS - REPORTED EARNINGS

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	n.a.	n.a.	n.a.	5.2	8.4	12.5	10.4	7.1	10.8	12.0	11.2
EV/Sales	n.a.	n.a.	n.a.	16.05	16.12	18.59	19.13	25.81	19.10	18.33	17.28
EV/EBITDA	n.a.	n.a.	n.a.	29.0	30.4	33.8	33.7	46.5	33.3	30.9	28.6
EV/EBITA	n.a.	n.a.	n.a.	29.0	30.4	33.8	33.7	46.5	33.3	30.9	28.6
EV/EBIT	n.a.	n.a.	n.a.	29.0	30.4	33.8	33.7	46.5	33.3	30.9	28.6
Dividend yield (ord.)	n.a.	n.a.	n.a.	2.0%	1.8%	0.0%	1.3%	0.8%	1.3%	1.4%	1.4%
FCF yield	n.a.	n.a.	n.a.	-48.1%	-25.8%	-25.1%	-35.1%	-20.9%	-0.8%	-5.7%	-4.9%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	-7.2%	-4.2%	-1.6%	-17.8%	-11.4%	-0.8%	-5.7%	-4.9%
Payout ratio	0.0%	0.0%	0.0%	35.6%	43.3%	0.0%	45.7%	42.7%	39.6%	37.0%	31.6%

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
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	1,567	2,197	3,306	4,693	5,905	8,149	9,657	12,829	13,849	14,955	16,066
of which leased assets	0	0	0	0	0	191	194	164	164	164	164
Shares associates	0	0	0	0	0	0	0	0	0	1	1
Interest bearing assets	18	62	106	29	13	8	95	244	244	244	244
Deferred tax assets	20	19	22	23	32	48	57	56	56	56	56
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	2	0	1	1	1	2	138	169	169	169	169
Total non-current assets	1,608	2,278	3,435	4,746	5,951	8,207	9,947	13,298	14,318	15,424	16,536
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	34	20	21	71	60	36	76	179	200	216	236
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	17	19	21	23
Cash and bank	28	1	23	44	30	178	280	87	446	456	306
Total current assets	62	22	44	115	90	213	356	284	665	693	564
Assets held for sale	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	1,669	2,300	3,479	4,861	6,041	8,420	10,303	13,581	14,983	16,117	17,101
Shareholders equity	580	799	1,181	1,757	1,978	2,831	3,532	5,217	5,739	6,193	6,680
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	400	500	413	413	413	413
Minority interest	0	0	0	53	86	86	103	27	27	27	27
Total Equity	580	799	1,181	1,811	2,064	2,917	3,635	5,244	5,765	6,220	6,706
Deferred tax	89	129	232	325	373	467	587	857	1,019	1,169	1,328
Long term interest bearing debt	807	1,228	1,795	2,473	3,284	4,442	4,060	3,466	7,170	7,670	7,970
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	71	56	77	67	79	134	167	119	409	409	409
Non-current lease debt	0	0	0	0	0	191	194	164	164	164	164
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	1,043	1,426	2,157	2,906	3,757	5,272	5,007	4,605	8,762	9,411	9,871
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	31	60	107	101	157	147	174	331	369	399	437
Short term interest bearing debt	15	15	32	43	63	85	1,487	3,401	87	87	87
Total current liabilities	46	75	139	144	219	231	1,661	3,732	456	485	524
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	1,669	2,300	3,477	4,861	6,041	8,420	10,303	13,581	14,983	16,117	17,101
Balance sheet and debt metrics											
Net debt	776	1,180	1,698	2,443	3,333	4,561	5,395	6,729	6,760	7,250	7,701
of which lease debt	0	0	0	0	0	191	194	164	164	164	164
Working capital	3	-39	-86	-30	-97	-111	-98	-135	-150	-162	-178
Invested capital	1,610	2,239	3,349	4,716	5,854	8,096	9,849	13,163	14,168	15,262	16,358
Capital employed	1,402	2,042	3,008	4,327	5,411	7,634	9,376	12,274	13,186	14,141	14,927
ROE	10.1%	23.3%	40.6%	22.9%	14.0%	11.9%	15.3%	29.0%	10.9%	9.1%	9.0%
ROIC	3.4%	3.6%	3.9%	2.9%	2.8%	2.8%	2.8%	2.4%	2.3%	2.4%	2.5%
ROCE	4.8%	5.1%	5.5%	4.0%	3.8%	3.8%	3.7%	3.2%	3.1%	3.3%	3.4%
Net debt/EBITDA	12.2	13.6	12.3	16.7	18.1	18.3	17.1	19.4	16.9	16.3	15.5
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	34.7%	34.7%	34.0%	36.1%	32.8%	33.6%	34.3%	38.4%	38.3%	38.4%	39.1%
Net gearing	133.8%	147.7%	143.8%	134.9%	161.5%	156.4%	148.4%	128.3%	117.3%	116.6%	114.8%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
EBITDA (adj) for associates	58	73	93	146	184	249	316	346	399	446	498
Paid taxes	0	0	0	0	0	0	0	0	0	0	0
Net financials	-15	-15	-13	-23	-49	-99	-120	-109	-146	-157	-165
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	119	-75	57	-22	-18	55	-151	-77	290	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	-124	59	-78	-9	-17	-54	142	320	n.a.	n.a.	n.a.
Funds from operations (FFO)	38	42	59	93	101	151	187	480	542	289	333
Change in NWC	-22	26	13	-7	51	-2	-2	-2	16	12	16
Cash flow from operations (CFO)	16	68	73	86	152	149	184	477	558	301	348
Capital expenditure	0	0	-250	-211	-244	-208	-1,099	-1,543	-611	-670	-670
Free cash flow before A&D	16	68	-177	-125	-93	-59	-914	-1,066	-53	-369	-321
Proceeds from sale of assets	4	-31	6	0	0	0	0	0	0	0	0
Acquisitions	-22	-384	-479	-715	-472	-889	-889	-889	0	0	0
Free cash flow	-2	-347	-651	-840	-565	-947	-1,803	-1,954	-53	-369	-321
Free cash flow bef A&D, lease adj	16	68	-177	-125	-93	-59	-914	-1,066	-53	-369	-321
Dividends paid	-14	-16	-19	-21	-34	-42	0	-67	-79	-86	-94
Equity issues / buybacks	0	75	0	278	0	204	115	0	0	0	0
Net change in debt	27	261	442	393	0	627	627	627	391	500	300
Other financing adjustments	0	0	0	0	187	0	424	1,202	509	401	407
Other non-cash adjustments	-3	0	250	210	398	-95	639	88	-409	-436	-442
Change in cash	8	-26	22	21	-14	148	102	-193	359	10	-151
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%	n.m.	79.8%	70.2%	45.8%	n.m.	n.m.	87.8%	89.1%	81.3%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	51	64	104	137	238	166	166	166
Market cap.	n.a.	n.a.	n.a.	1,744	2,193	3,774	5,133	9,342	6,500	6,500	6,500
Enterprise value	n.a.	n.a.	n.a.	4,240	5,612	8,421	10,631	16,097	13,287	13,777	14,227
Diluted no. of shares, year-end (m)	25.6	28.1	28.1	34.4	34.4	36.5	37.5	39.3	39.3	39.3	39.3

Source: Company data and Nordea estimates

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