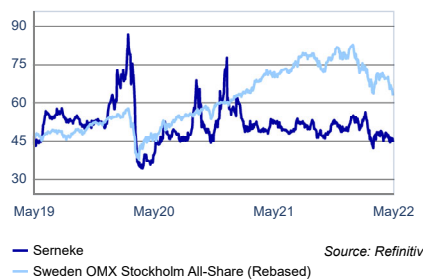


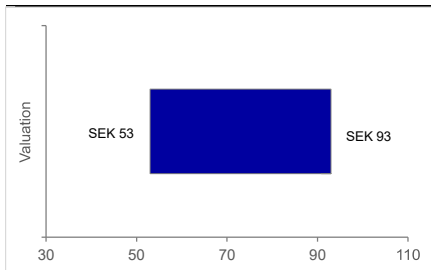
KEY DATA

Stock country	Sweden
Bloomberg	SRNKEB.SS
Reuters	SRNKEB.ST
Share price (close)	SEK 45.05
Free Float	58%
Market cap. (bn)	EUR 0.12/SEK 1.26
Website	www.serneke.se
Next report date	15 Jul 2022

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	-6%	-7%	-16%
EBIT (adj)	-36%	-27%	-18%

Source: Nordea estimates

Nordea Markets - Analysts

Katja Melnikova
AnalystSvante Krokfors
Director

The recovery will likely slow down

Serneke started 2022 on a good note, with Q1 sales of SEK 2bn (up 5% y/y) and an EBIT margin of 1.8% (up 20 bp y/y). Despite the solid report, we make a number of negative estimate revisions, as we believe that market sentiment for the construction industry is set to weaken due to inflation and material shortages. We argue that it will become more difficult for Serneke to maintain a steady margin improvement, as it is still in a recovery phase. Thus, we take down our EBIT margin by 80 bp for 2023E and thus lower our SOTP-based fair value range to SEK 53-93 (63-103).

Q1 outcome

Serneke delivered a solid set of numbers for the seasonally weak Q1. Net sales were SEK 2bn, up 5% y/y and 6% above our estimate. EBIT amounted to SEK 36m, up 16% y/y and 6% below our forecast. The underlying EBIT margin of 1.8%, however, was in line with our estimate. The EBIT figures were mainly driven by the development segment, which achieved a 12% margin in the quarter. The construction business delivered a somewhat lower margin of 0.5%, down 80 bp q/q and 1 pp lower than we expected. Strong order intake of SEK 1.8bn was 42% above our estimate, taking the total order backlog to SEK 12bn (up 4% q/q).

Valuation and estimate changes

Despite solid performance in Q1, we make broad negative estimate changes following the report. We consider Serneke to still be in a recovery phase and we argue that the company will find it more difficult to continue improving margins or to reach its group margin target of 6% due to material inflation, material shortages and a generally less favourable market outlook for the construction industry. We therefore reduce our 2023-24 order intake estimates by 3-4% and lower our margin expectations by 10-90 bp for 2022-24. Consequently, we take down our EBIT estimates by 18-36% and lower our fair valuation range to SEK 53-93 (63-103).

The market miss on the value in Karlstad

Serneke Invest has had a solid performance for the past two quarters with two divestments in Karlstad, generating sales of SEK 1.1bn and project margins of 12-13%. The excess value from these divestments has not been reflected in the share's performance, in our view. As of Q1, the company had ~90,000 m² of building rights in the area yet to be divested. In our valuation approach, we assume 140,000 m² to capture the value in the divested projects. We derive an excess value of SEK 14-28 per share.

SUMMARY TABLE - KEY FIGURES

SEKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	5,934	6,725	6,871	8,735	8,792	8,853	8,650
EBITDA (adj)	609	-59	-49	265	200	295	337
EBIT (adj)	657	-84	-79	235	170	265	307
EBIT (adj) margin	11.1%	-1.2%	-1.1%	2.7%	1.9%	3.0%	3.6%
EPS (adj, SEK)	29.98	-3.64	-4.27	12.46	5.35	8.07	9.27
EPS (adj) growth	117.8%	-112.2%	-17.3%	391.4%	-57.1%	50.8%	14.9%
DPS (ord, SEK)	0.00	0.00	0.00	4.98	2.14	3.23	3.71
EV/Sales	0.3	0.4	0.2	0.2	0.2	0.2	0.1
EV/EBIT (adj)	2.9	n.m.	n.m.	6.2	8.6	5.3	3.8
P/E (adj)	2.0	n.m.	n.m.	4.4	8.4	5.6	4.9
P/BV	0.6	0.6	0.7	0.6	0.5	0.5	0.4
Dividend yield (ord)	0.0%	0.0%	0.0%	9.1%	4.7%	7.2%	8.2%
FCF Yield bef A&D, lease	13.7%	-31.1%	-26.1%	-4.7%	-37.5%	9.0%	27.1%
Net debt	552	1,224	20	-78	206	152	-100
Net debt/EBITDA	0.9	n.m.	n.m.	-0.3	1.0	0.5	-0.3
ROIC after tax	18.0%	-1.8%	-1.7%	5.2%	3.4%	4.9%	5.6%

Source: Company data and Nordea estimates

Valuation approach

We use an SOTP-based valuation for Serneke, using 2023E EV/EBIT multiples 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 included in our estimates. We derive an excess value of SEK 14-28 per share for Karlastaden. The value depends on whether Serneke enters into JVs or carries out projects on its own. We arrive at a fair value range of SEK 53-93 (63-103) per share.

VALUATION APPROACH

	EBIT			EBIT-margin			Bear	Value 23E	Per	Avg.	Value 23E	Per	Bull	Value 23E	Per
	21E	22E	23E	21E	22E	23E									
Serneke Sweden	57	101	178	0.7%	1.1%	2.0%	7x	1,243	45	9x	1,599	57	11x	1,954	70
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
	21E	22E	23E												
Net debt (+)/net cash (-)	-78	206	152					152	5.4		152	5.4		152	5.4
SOTP								1,490	53		2,044	73		2,598	93

Source: Company data and Nordea estimates

VALUATION MULTIPLES

	Price (SEK)	Mcap (SEK)	EV/Sales		EV/EBITDA		EV/EBIT		P/E	
			2022E	2023E	2022E	2023E	2022E	2023E	2022E	2023E
Nordic Construction										
Ncc AB	167.7	13,180	0.3	0.3	4.8	4.5	8.3	7.4	9.0	7.7
Skanska AB	234.2	71,816	0.4	0.3	5.1	5.3	6.7	6.5	10.5	10.0
Peab AB	114.2	23,774	0.5	0.5	7.6	7.3	10.9	10.3	9.4	8.8
Wastbygg Gruppen AB (publ)	105.8	2,713	0.5	0.5	8.9	7.0	9.3	7.3	8.3	7.2
ByggPartner i Dalarna Holding AB (publ)	88	1,084	0.5	n.a	8.8	n.a	10.7	n.a	16.0	n.a
Veidekke ASA	135.6	16,812	0.3	0.3	5.4	5.1	9.0	8.4	14.6	13.4
YIT Oyj	44.1	8,488	0.5	0.5	8.9	7.4	11.4	9.1	13.7	10.4
20th percentile		2,061	0.3	0.3	5.0	4.7	7.7	6.8	8.7	7.4
Median		13,180	0.5	0.4	7.6	6.2	9.3	7.9	10.5	9.4
80th percentile		42,991	0.5	0.5	8.9	7.4	11.1	9.8	15.2	12.2
Nordic Residential Developers										
Bonava AB (publ)	78.25	4,721	0.6	0.7	8.0	8.2	8.2	9.8	5.4	6.0
JM AB	408.6	14,202	1.1	1.1	9.1	9.1	9.1	9.1	8.6	8.4
Besqab AB (publ)	185	2,147	1.7	1.7	23.6	19.4	17.2	12.8	8.5	6.8
Median		4,721	1.1	1.1	9.1	9.1	9.1	9.8	8.5	6.8
SERNEKE Group AB (publ)	46	1,292	0.2	0.2	7.5	4.9	8.8	5.5	8.6	5.7
SERNEKE Low	53	1,481	0.2	0.2	8.4	5.5	8.4	5.5	9.9	6.6
SERNEKE High	93	2,598	0.3	0.3	14.0	9.3	16.5	10.4	17.4	11.5

Source: Refinitiv, company data and Nordea estimates

Deviation table and estimate changes

SERNEKE: DEVIATION TABLE (SEKm; EPS IN SEK)

SEKm	Actual	NDA est.			Actual		Actual	
	Q1 22A	Q1 22E	vs. actual		Q4 21	q/q	Q1 21	y/y
Net Sales	2,052	1,939	113	6%	2,543	-19%	1,950	5%
EBIT	36	38	(2)	-5%	71	-49%	31	16%
EBIT-margin	1.8%	1.9%		-0.2%	2.8%	-1.0pp	1.6%	0.2%
of which non-recurring	-	-	-		-		-	-
EBIT adj	36	38	(2)	-5%	71	-49%	31	16%
EBIT adj - margin	1.8%	1.9%		-0.2%	2.8%	-1.0pp	1.6%	0.2%
Pre-tax profit	38	31	7	24%	74	-49%	38	0%
Net profit	55	24	31	127%	87	-37%	46	20%
EPS	2.0	0.9	1	126%	3.1	-37%	1.6	18%
Order Intake	1,837	1,297	540	42%	1,749	5%	1,179	56%
Order backlog	11,966	11,451	515	4%	12,101	-1.1%	13,126	-9%
Segment mix	Actual	NDA est.			Actual		Actual	
	Q1 22A	Q1 22E	vs. actual		Q4 21	q/q	Q1 21	y/y
Sales								
Sweden	2,026	1,947	79	4%	2,389	-15%	1,770	14%
Project development	501	100	401	401%	580	-14%	337	49%
Other sales	46	25	21	81%	42	10%	33	39%
Eliminations	(521)	(133)	(388)	292%	(468)	11%	(190)	174.2%
Total Serneke	2,052	1,939	113	6%	2,543	-19%	1,950	5.2%
EBIT reported ex restructuring								
Sweden	10	29	(19)	-66%	32	-69%	(10)	-200%
- margin, %	0.5%	1.5%		-1.0%	1.3%	-0.8%	-0.6%	1.1%
Project development	60	12	48	400%	74	-19%	71	nm.
- margin, %	12.0%	12.0%		0.0%	12.8%	-0.8%	21.1%	-9.1%
Other & Eliminations	(35)	(4)	(32)	900%	(35)	0%	(30)	nm.
- margin, %	-7.4%	-3.3%		-4.1%	-8.2%	0.8%	-19.1%	11.7%
Total EBIT	36	38	(2)	-5%	71	-49%	31	16.1%
- margin, %	1.8%	1.9%		-0.2%	2.8%	-1.0%	1.6%	0.2%

Source: Company data and Nordea estimates

ESTIMATE REVISIONS (SEKm; EPS AND DPS IN SEK)

	New			Old			Difference (SEKm)			Difference (%)		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Total Sales	8,792	8,853	8,650	9,350	9,529	10,289	(558)	(676)	(1,640)	-6%	-7%	-16%
EBIT	170	265	307	264	363	374	(94)	(98)	(67)	-36%	-27%	-18%
non recurring	-	-	-	-	-	-	-	-	-	-	-	-
EBIT adj.	170	265	307	264	363	374	(94)	(98)	(67)	-36%	-27%	-18%
EBIT margin (adj.)	1.9%	3.0%	3.6%	2.8%	3.8%	3.6%				-0.9%	-0.8%	-0.1%
Pre-tax	189	284	326	283	382	393	(94)	(98)	(67)	-33%	-26%	-17%
Net profit	149	225	259	224	303	312	(74)	(78)	(53)	-33%	-26%	-17%
EPS	5	8	9	8	11	11	(3)	(3)	(2)	-33%	-26%	-17%
EPS adj	5	8	9	8	11	11	(3)	(3)	(2)	-33%	-26%	-17%
DPS	2	3	4	3	4	4	(1)	(1)	(1)	-33%	-26%	-17%
Order intake	7,054	6,983	7,123	6,978	7,188	7,403	75	(205)	(281)	1%	-3%	-4%
Segment sales												
Sweden	8,794	8,882	8,704	9,033	9,213	9,950	(239)	(331)	(1,246)	-3%	-4%	-13%
Invest	801	809	825	800	816	857	1	(7)	(32)	0%	-1%	-4%
International	-	-	-	-	-	-	-	-	-	nm.	nm.	nm.
Group functions	165	168	176	141	149	163	23	19	13	16%	13%	8%
Eliminations	(967)	(1,006)	(1,056)	(624)	(649)	(681)	(343)	(357)	(375)	nm.	nm.	nm.
Total Sales	8,792	8,853	8,650	9,350	9,529	10,289	(558)	(676)	(1,640)	-6%	-7%	-16%
EBIT adj.												
Sweden	101	178	218	182	276	299	(82)	(99)	(81)	-45%	-36%	-27%
margin %	1.1%	2.0%	2.5%	2.0%	3.0%	3.0%				-1%	-1%	-1%
Invest	96	97	99	96	98	86	-	(1)	13	0%	-1%	16%
margin %	12.0%	12.0%	12.0%	12.0%	12.0%	10.0%				-1%	0%	2%
Other and eliminations	(27)	(10)	(9)	(14)	(11)	(10)	(13)	1	1	nm.	nm.	nm.
Sales growth y/y												
Sweden	1%	1%	-2%	7%	2%	8%				-6%	-1%	-10%
Invest	-28%	56%	16%	12%	37%	3%				-40%	18%	13%
Total Sales growth	1%	1%	-2%	7%	2%	8%				-6%	-1%	-10%

Source: Company data and Nordea estimates

Detailed estimates

QUARTERLY AND ANNUAL ESTIMATES (SEKm; EPS IN SEK)

	2021				2022E				2020	2021	2022E	2023E	2024E
	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22E	Q3 22E	Q4 22E					
SUMMARY INCOME STATEMENT													
Sales													
Sweden	1,770	2,019	1,925	2,389	2,026	2,181	2,079	2,508	6,990	8,103	8,794	8,882	8,704
Invest	337	447	322	580	501	100	100	100	325	1,686	801	809	825
International	-	-	-	-	-	-	-	-	-	-	-	-	-
Group functions	33	33	46	42	46	38	38	43	90	154	165	168	176
Eliminations	-190	-225	-325	-468	-521	-148	-142	-157	-534	-1208	-967	-1006	-1056
Total Sales	1,950	2,274	1,968	2,543	2,052	2,170	2,075	2,495	6,871	8,735	8,792	8,853	8,650
Sales growth y/y													
Sweden	-7%	38%	21%	18%	14%	8%	8%	5%	4%	16%	9%	1%	-2%
Invest	633%	1496%	1050%	160%	49%	-78%	-69%	-83%	-20%	419%	-52%	1%	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	n/a
Total Sales growth	7%	63%	31%	17%	5%	-5%	5%	-2%	2%	27%	1%	1%	-2%
EBIT													
Sweden	-10	14	21	32	10	22	31	38	-171	57	101	178	218
Invest	71	167	7	74	60	12	12	12	84	319	96	97	99
International	-4	-4	-4	-5	-5	0	0	0	-13	-17	0	0	0
Other and Eliminations	-26	-69	1	-30	-29	-4	-4	-4	21	-124	-27	-10	-9
Total EBIT	31	108	25	71	36	30	40	46	-79	235	170	265	307
Non recurring items	0	0	0	0	0	0	0	0	-335	0	0	0	0
Total EBIT adj.	31	108	25	71	36	30	40	46	-414	235	170	265	307
EBIT margin													
Sweden	-0.6%	0.7%	1.1%	1.3%	0.5%	1.0%	1.5%	1.5%	-2.4%	0.7%	1.1%	2.0%	2.5%
Invest	21.1%	37.4%	2.2%	12.8%	12.0%	12.0%	12.0%	12.0%	25.8%	18.9%	12.0%	12.0%	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	n/a
Total EBIT margin	1.6%	4.7%	1.3%	2.8%	1.8%	1.4%	1.9%	1.8%	-1.1%	2.7%	1.9%	3.0%	3.6%
Financial net													
Sweden	7	3	8	3	2	-7	-7	-7	-88	21	19	19	19
Invest	38	111	33	74	38	23	33	39	-502	256	189	284	326
International	8	67	4	13	17	-5	-7	-8	144	92	-40	-58	-67
Net profit	46	178	37	87	55	18	26	31	-358	348	149	225	259
EPS	1.6	6.4	1.3	3.1	2.0	0.7	0.9	1.1	-15.8	12.5	5.3	8.1	9.3
EPS adj					2.0	0.7	0.9	1.1	-4.3	12.5	5.3	8.1	9.3
Order intake													
Sweden	1,179	2,221	1,195	1,749	1,837	2,243	1,207	1,766	10,639	6,344	7,054	6,983	7,123
y/y	-60%	20%	24%	-64%	56%	1%	1%	1%	24%	-40%	11%	-1%	2%
Order backlog	13,126	13,372	12,642	12,101	11,966	12,029	11,157	10,415	13,619	11,860	10,120	8,221	6,639
y/y	24%	21%	19%	-11%	-9%	-10%	-12%	-14%	52%	-13%	-15%	-19%	-19%

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	1,800	3,107	3,978	5,605	5,934	6,725	6,871	8,735	8,792	8,853	8,650
Revenue growth	57.5%	72.6%	28.0%	40.9%	5.9%	13.3%	2.2%	27.1%	0.7%	0.7%	-2.3%
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	115	143	515	438	609	-59	-384	265	200	295	337
Depreciation and impairments PPE	0	0	-68	-20	-22	-25	-30	-30	-30	-30	-30
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	115	143	447	418	587	-84	-414	235	170	265	307
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	115	143	447	418	587	-84	-414	235	170	265	307
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	-15	-16	-17	-18	-37	-27	-88	21	19	19	19
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	100	127	430	400	550	-111	-502	256	189	284	326
Reported taxes	-2	25	0	-78	46	29	144	92	-40	-58	-67
Net profit from continued operations	98	152	430	322	596	-82	-358	348	149	225	259
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	98	152	430	322	596	-82	-358	348	149	225	259
EPS, SEK	6.29	9.00	23.16	13.76	26.59	-3.64	-15.82	12.46	5.35	8.07	9.27
DPS, SEK	0.00	0.00	0.00	4.00	0.00	0.00	0.00	4.98	2.14	3.23	3.71
of which ordinary	0.00	0.00	0.00	4.00	0.00	0.00	0.00	4.98	2.14	3.23	3.71
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	6.4%	4.6%	12.9%	7.8%	10.3%	-0.9%	-5.6%	3.0%	2.3%	3.3%	3.9%
EBITA	6.4%	4.6%	11.2%	7.5%	9.9%	-1.2%	-6.0%	2.7%	1.9%	3.0%	3.6%
EBIT	6.4%	4.6%	11.2%	7.5%	9.9%	-1.2%	-6.0%	2.7%	1.9%	3.0%	3.6%

Adjusted earnings

EBITDA (adj)	115	143	515	438	609	-59	-49	265	200	295	337
EBITA (adj)	115	143	447	418	587	-84	-79	235	170	265	307
EBIT (adj)	115	143	447	418	657	-84	-79	235	170	265	307
EPS (adj, SEK)	6.29	9.00	23.16	13.76	29.98	-3.64	-4.27	12.46	5.35	8.07	9.27

Adjusted profit margins in percent

EBITDA (adj)	6.4%	4.6%	12.9%	7.8%	10.3%	-0.9%	-0.7%	3.0%	2.3%	3.3%	3.9%
EBITA (adj)	6.4%	4.6%	11.2%	7.5%	9.9%	-1.2%	-1.1%	2.7%	1.9%	3.0%	3.6%
EBIT (adj)	6.4%	4.6%	11.2%	7.5%	11.1%	-1.2%	-1.1%	2.7%	1.9%	3.0%	3.6%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	34.8%	40.8%	39.0%	30.2%	17.2%	17.0%	9.4%	8.3%	5.2%
EBITDA	n.m.	n.m.	114.5%	356.9%	107.1%	n.m.	n.m.	-12.4%	-14.5%	-13.5%	n.m.
EBIT	n.a.	n.a.	193.0%	n.m.	105.5%	n.m.	n.m.	-12.1%	-16.5%	-14.7%	n.m.
EPS	n.a.	n.a.	n.m.	n.m.	102.8%	n.m.	n.m.	-11.7%	-17.2%	-21.2%	n.m.
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-11.8%	n.m.	n.m.
Average last 5 years											
Average EBIT margin	n.a.	3.4%	6.5%	7.3%	8.4%	6.0%	3.3%	2.2%	1.3%	0.4%	1.3%
Average EBITDA margin	n.a.	3.6%	7.1%	7.8%	8.9%	6.5%	3.8%	2.6%	1.7%	0.8%	1.7%

VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E (adj)	n.a.	n.a.	4.5	6.5	2.0	n.m.	n.m.	4.4	8.4	5.6	4.9
EV/EBITDA (adj)	n.a.	n.a.	3.7	5.3	3.1	n.m.	n.m.	5.5	7.3	4.8	3.4
EV/EBITA (adj)	n.a.	n.a.	4.3	5.6	3.2	n.m.	n.m.	6.2	8.6	5.3	3.8
EV/EBIT (adj)	n.a.	n.a.	4.3	5.6	2.9	n.m.	n.m.	6.2	8.6	5.3	3.8

VALUATION RATIOS - REPORTED EARNINGS

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	n.a.	n.a.	4.5	6.5	2.3	n.m.	n.m.	4.4	8.4	5.6	4.9
EV/Sales	n.a.	n.a.	0.48	0.42	0.32	0.39	0.21	0.17	0.17	0.16	0.13
EV/EBITDA	n.a.	n.a.	3.7	5.3	3.1	n.m.	n.m.	5.5	7.3	4.8	3.4
EV/EBITA	n.a.	n.a.	4.3	5.6	3.2	n.m.	n.m.	6.2	8.6	5.3	3.8
EV/EBIT	n.a.	n.a.	4.3	5.6	3.2	n.m.	n.m.	6.2	8.6	5.3	3.8
Dividend yield (ord.)	n.a.	n.a.	0.0%	4.5%	0.0%	0.0%	0.0%	9.1%	4.7%	7.2%	8.2%
FCF yield	n.a.	n.a.	-7.2%	-13.0%	-15.7%	-31.1%	-26.1%	-4.7%	-37.5%	9.0%	27.1%
FCF Yield bef A&D, lease adj	n.a.	n.a.	-6.7%	-0.7%	13.7%	-31.1%	-26.1%	-4.7%	-37.5%	9.0%	27.1%
Payout ratio	0.0%	0.0%	0.0%	29.1%	0.0%	0.0%	0.0%	40.0%	40.0%	40.0%	40.0%

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	23	23	23	23	23	23	24	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	23	23	23	23	23	23	24	24	24	24	24
Tangible assets	74	74	404	990	335	298	416	473	531	590	646
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	0	0	424	446	122	145	148	148	148	148	148
Interest bearing assets	0	0	30	10	51	37	1,354	1,354	1,354	1,354	1,354
Deferred tax assets	2	37	48	0	0	0	15	0	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	105	274	231	213	563	158	199	199	199	199	199
Total non-current assets	204	408	1,160	1,682	1,094	661	2,156	2,198	2,256	2,315	2,371
Inventory	5	4	2	1	1	1	1	1	1	1	1
Accounts receivable	566	588	589	845	972	825	1,012	1,354	1,275	1,328	1,297
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	501	641	1,115	1,445	3,099	4,085	2,589	2,589	3,253	3,276	3,114
Cash and bank	84	11	571	431	389	162	234	467	183	237	489
Total current assets	1,156	1,244	2,277	2,722	4,461	5,073	3,836	4,411	4,713	4,842	4,901
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	1,360	1,652	3,437	4,404	5,555	5,734	5,992	6,609	6,969	7,157	7,273
Shareholders equity	280	453	1,469	1,821	2,272	2,179	1,946	2,464	2,474	2,640	2,809
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	280	453	1,469	1,821	2,272	2,179	1,946	2,464	2,474	2,640	2,809
Deferred tax	0	0	0	29	157	128	0	0	0	0	0
Long term interest bearing debt	134	107	436	641	826	1,246	840	975	975	975	975
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	120	158	223	183	187	192	197	202	207
Other long-term liabilities	62	291	208	152	83	162	31	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	196	398	764	980	1,289	1,719	1,058	1,198	1,203	1,208	1,213
Short-term provisions	3	13	10	8	13	12	2	3	3	3	3
Accounts payable	273	349	541	799	991	958	1,058	1,345	1,354	1,363	1,332
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	325	292	525	742	824	689	1,160	1,160	1,168	1,176	1,149
Short term interest bearing debt	283	147	128	54	166	177	768	768	768	768	768
Total current liabilities	884	801	1,204	1,603	1,994	1,836	2,988	3,276	3,292	3,309	3,251
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	1,360	1,652	3,437	4,404	5,555	5,734	5,992	6,937	6,969	7,157	7,273
Balance sheet and debt metrics											
Net debt	333	243	-37	254	552	1,224	20	-78	206	152	-100
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	474	592	640	750	2,257	3,264	1,384	1,439	2,008	2,066	1,932
Invested capital	678	1,000	1,800	2,432	3,351	3,925	3,540	3,638	4,264	4,381	4,303
Capital employed	697	707	2,033	2,516	3,264	3,602	3,554	4,207	4,217	4,383	4,552
ROE	42.9%	41.5%	44.7%	19.6%	29.1%	-3.7%	-17.4%	15.8%	6.1%	8.8%	9.5%
ROIC	17.9%	13.5%	25.4%	15.7%	18.0%	-1.8%	-1.7%	5.2%	3.4%	4.9%	5.6%
ROCE	21.8%	20.7%	33.4%	n.a.	22.7%	-2.4%	-2.2%	6.1%	4.0%	6.2%	6.9%
Net debt/EBITDA	2.9	1.7	-0.1	0.6	0.9	n.m.	n.m.	-0.3	1.0	0.5	-0.3
Interest coverage	n.m.	n.m.	n.m.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	20.6%	27.4%	42.7%	41.3%	40.9%	38.0%	32.5%	35.5%	35.5%	36.9%	38.6%
Net gearing	118.9%	53.6%	-2.5%	13.9%	24.3%	56.2%	1.0%	-3.1%	8.3%	5.7%	-3.6%

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	115	143	515	438	609	-59	-384	265	200	295	337
Paid taxes	9	0	-6	-2	46	28	54	92	-40	-58	-67
Net financials	0	0	-17	-30	-37	-26	-88	21	19	19	19
Change in provisions	3	10	117	36	70	-41	-6	6	5	5	5
Change in other LT non-IB	56	25	-51	10	-419	484	-187	15	0	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	-158	-253	-569	-260	-341	-438	252	0	0	0	0
Funds from operations (FFO)	25	-75	-11	192	-72	-52	-359	399	184	260	294
Change in NWC	31	111	56	-145	337	-593	7	-383	-569	-58	134
Cash flow from operations (CFO)	56	36	45	47	265	-645	-352	15	-384	202	428
Capital expenditure	-18	-10	-175	-62	-81	211	-20	-87	-88	-89	-86
Free cash flow before A&D	38	26	-130	-15	184	-434	-372	-72	-472	114	341
Proceeds from sale of assets	8	4	0	0	222	0	0	0	0	0	0
Acquisitions	-45	0	-10	-257	-618	0	0	0	0	0	0
Free cash flow	1	30	-140	-272	-212	-434	-372	-72	-472	114	341
Free cash flow bef A&D, lease adj	38	26	-130	-15	184	-434	-372	-72	-472	114	341
Dividends paid	0	0	0	0	-93	0	0	0	-139	-60	-90
Equity issues / buybacks	0	36	598	0	-65	0	122	170	0	0	0
Net change in debt	0	0	0	139	-338	200	150	135	0	0	0
Other financing adjustments	0	n.a.	n.a.	-15	122	0	-1,500	0	328	0	0
Other non-cash adjustments	70	-139	102	0	544	7	1,672	0	0	0	0
Change in cash	71	-73	560	-140	-42	-227	72	233	-283	54	251
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	66.7%	n.m.	n.m.	n.m.	n.m.
Capex/Sales	1.0%	0.3%	4.4%	1.1%	1.4%	-3.1%	0.3%	1.0%	1.0%	1.0%	1.0%
Key information											
Share price year end (/current)	n.a.	n.a.	105	89	60	62	58	55	45	45	45
Market cap.	n.a.	n.a.	1,950	2,088	1,347	1,394	1,423	1,528	1,259	1,259	1,259
Enterprise value	n.a.	n.a.	1,913	2,342	1,899	2,618	1,443	1,451	1,464	1,410	1,159
Diluted no. of shares, year-end (m)	15.6	16.9	18.6	23.4	22.4	22.6	24.7	27.9	27.9	27.9	27.9

Source: Company data and Nordea estimates

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