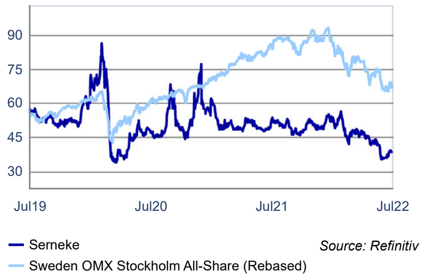
Serneke

Construction and Real Estate
Sweden

KEY DATA

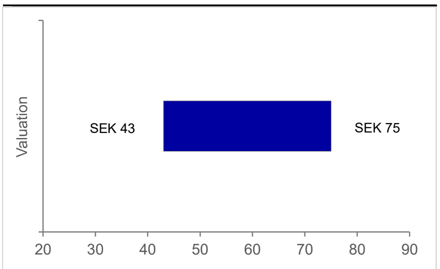
Stock country	Sweden
Bloomberg	SRNKEB SS
Reuters	SRNKEb.ST
Share price (close)	SEK 38.65
Free Float	58%
Market cap. (bn)	EUR 0.10/SEK 1.08
Website	www.serneke.se
Next report date	27 Oct 2022

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH (SEK PER SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	-2%	-9%	-6%
EBIT (adj)	12%	1%	3%

Source: Nordea estimates

Nordea Markets - Analysts
Katja Melnikova
Analyst

Svante Krokfors
Director

Stable performance in uncertain times

Serneke delivered a solid set of numbers with Q2 sales of SEK 2.7bn (up 22% y/y) and an EBIT margin of 2.3%, 90 bp better than we expected. On the negative side, order intake was SEK 1.6bn, 29% below our forecast, suggesting a downward trend in the backlog that will have a negative impact on sales. Due to the Q2 miss on the construction EBIT margin, we lower it by 30-50 bp for 2022E-24E, but the negative impact should be offset by the development business, which showed continuing solid profitability with an EBIT margin of 14.6%.

Q2 outcome

Serneke had yet another quarter with stable performance. Net sales came in at SEK 2.7bn, up 17% y/y and 22% above our forecast. EBIT totalled SEK 61m, down 44% y/y and 101% above us. The underlying EBIT margin of 2.3% was 90 bp better than we expected. The EBIT figures were mainly driven by the development segment, which achieved a 14.6% EBIT margin in the quarter. The construction business showed a somewhat weaker margin of 0.8%, up 30 bp q/q but 20 bp lower than we expected. Order intake of SEK 1.6bn was on the weaker side, 29% below our estimate.

Estimate revisions

Due to the miss versus our estimates, we trim order intake by 1-5% for 2022E-24E, suggesting a decreasing order backlog over time. We forecast a 16% y/y decrease for 2022 and an additional 10% decrease for 2023, which consequently drags down sales figures by 2-9% for 2022E-24E. We cut our construction EBIT margin by 30-50 bp for 2022E-24E due to the miss in the quarter, but the negative impact should be offset by higher profitability within the development business. We thus raise our group EBIT estimates by 12% for 2022 and 1-3% for 2023-24.

We lower our target fair value multiples

Valuation multiples have come down YTD and the peer construction group currently trades at a median of 7x 2023E EV/EBIT and 8x 2023E P/E (8x and 10x, respectively, in Q1). Therefore, in our SOTP-based valuation approach, we lower our target fair value EV/EBIT multiples to reflect current market. In our bear case, we calculate 6x 2023 EV/EBIT for the construction business and 10x for our bull case. We also include potential excess value of SEK 14-28 per share from the Karlastaden building rights. This brings our fair value range to SEK 43-75 (53-93).

SUMMARY TABLE - KEY FIGURES

SEKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	5,934	6,725	6,871	8,735	8,649	8,021	8,105
EBITDA (adj)	609	-59	-49	265	221	297	346
EBIT (adj)	657	-84	-79	235	191	267	316
EBIT (adj) margin	11.1%	-1.2%	-1.1%	2.7%	2.2%	3.3%	3.9%
EPS (adj, SEK)	29.98	-3.64	-4.27	12.46	7.10	7.35	8.77
EPS (adj) growth	117.8%	-112.2%	-17.3%	391.4%	-43.0%	3.5%	19.2%
DPS (ord, SEK)	0.00	0.00	0.00	4.98	2.84	2.94	3.51
EV/Sales	0.3	0.4	0.2	0.2	0.1	0.1	0.1
EV/EBIT (adj)	2.9	n.m.	n.m.	6.2	5.2	3.7	2.7
P/E (adj)	2.0	n.m.	n.m.	4.4	5.4	5.3	4.4
P/BV	0.6	0.6	0.7	0.6	0.4	0.4	0.4
Dividend yield (ord)	0.0%	0.0%	0.0%	9.1%	7.3%	7.6%	9.1%
FCF Yield bef A&D, lease	13.7%	-31.1%	-26.1%	-4.7%	-16.0%	8.1%	20.4%
Net debt	552	1,224	20	-78	-94	-102	-240
Net debt/EBITDA	0.9	n.m.	n.m.	-0.3	-0.4	-0.3	-0.7
ROIC after tax	18.0%	-1.8%	-1.7%	5.2%	4.0%	5.2%	6.1%

Source: Company data and Nordea estimates

Valuation approach

We use an SOTP-based valuation for Serneke, with 2023E EV/EBIT multiples of 6x for the construction business (Serneke Sweden) in our bear-case scenario and 10x 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 43-75 (53-93) per share.

VALUATION APPROACH

	EBIT			EBIT-margin			Bear	Value 23E	Per	Avg.	Value 23E	Per	Bull	Value 23E	Per
	21	22E	23E	21	22E	23E		SEKm	share		SEKm	share		SEKm	share
Serneke Sweden	57	71	119	0.7%	0.8%	1.5%	6x	715	26	8x	953	34	10x	1,192	43
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
	21	**22E**	**23E**												
Net debt (+)/net cash (-)	**-78**	**-94**	**-102**					-102	-3.6		-102	-3.6		-102	-3.6
SOTP								**1,214**	$\boxed{\textbf{43}}$		**1,652**	**59**		**2,089**	$\boxed{\textbf{75}}$

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

Source: Company data and Nordea estimates

VALUATION MULTIPLES

	Price (SEK)	Mcap (SEK)	EV/Sales 2022E	EV/Sales 2023E	EV/EBITDA 2022E	EV/EBITDA 2023E	EV/EBIT 2022E	EV/EBIT 2023E	P/E 2022E	P/E 2023E
Nordic Construction										
Ncc AB	167.7	11,631	0.3	0.2	4.4	4.1	7.7	7.0	8.1	7.1
Skanska AB	234.2	63,981	0.3	0.3	4.6	5.0	6.1	6.3	9.8	10.3
Peab AB	114.2	18,774	0.5	0.5	6.6	6.5	9.6	9.4	7.4	7.4
Wastbygg Gruppen AB (publ)	105.8	1,959	0.4	0.4	7.1	5.6	7.4	5.8	6.3	5.4
ByggPartner Gruppen AB (publ)	88	604	0.4	n.a	7.5	n.a	9.1	n.a	8.9	n.a
Veidekke ASA	135.6	12,946	0.2	0.2	4.1	3.8	6.8	6.3	12.5	11.1
YIT Oyj	44.1	7,323	0.4	0.4	7.8	6.8	10.0	8.4	11.1	9.4
20th percentile		1,417	0.3	0.2	4.3	3.9	6.5	6.0	7.0	6.1
Median		**11,631**	**0.4**	**0.3**	**6.6**	**5.3**	**7.7**	**6.7**	**8.9**	**8.4**
80th percentile		36,857	0.4	0.4	7.6	6.7	9.8	9.0	11.6	10.7
Nordic Residential Developers										
Bonava AB (publ)	78.25	3,312	0.6	0.6	7.0	8.7	7.2	9.1	4.2	5.4
JM AB	408.6	11,446	1.1	1.1	9.2	9.3	9.3	9.3	7.8	7.9
Besqab AB (publ)	185	1,689	1.7	1.8	28.2	27.4	22.6	20.5	9.0	8.5
Median		**3,312**	**1.1**	**1.1**	**9.2**	**9.3**	**9.3**	**9.3**	**7.8**	**7.9**
SERNEKE Group AB (publ)	**38.7**	**1,094**	**0.1**	**0.1**	**4.5**	**3.3**	**5.2**	**3.7**	**5.4**	**5.3**
SERNEKE Low	**43**	**1,201**	**0.1**	**0.1**	**5.0**	**3.7**	**5.0**	**3.7**	**6.1**	**5.8**
SERNEKE High	**75**	**2,095**	**0.2**	**0.2**	**9.0**	**6.7**	**10.5**	**7.5**	**10.6**	**10.2**

Source: Company data and Nordea estimates

Deviation table and estimate changes

SERNEKE: DEVIATION TABLE (SEKm; EPS IN SEK)

	Actual	NDA est.			Actual		Actual	
SEKm	**Q2 22A**	**Q2 22E**	**vs. actual**		**Q1 22**	**q/q**	**Q2 21**	**y/y**
Net Sales	**2,658**	**2,170**	**488**	**22%**	**2,052**	**30%**	**2,274**	**17%**
EBIT	61	30	31	101%	36	69%	108	-44%
EBIT-margin	2.3%	1.4%		0.9%	1.8%	54%	4.7%	-2.5%
of which non-recurring		-	-		-		-	-
EBIT adj	**61**	**30**	**31**	**101%**	**36**	**69%**	**108**	**-44%**
EBIT adj - margin	2.3%	1.4%		0.9%	1.8%	54%	4.7%	-2.5%
Pre-tax profit	**65**	**24**	**41**	**171%**	**38**	**71%**	**111**	**-41%**
Net profit	**72**	**19**	**53**	**279%**	**55**	**31%**	**178**	**-60%**
EPS	**2.5**	**0.7**	**1.9**	**282%**	**2.0**	**30%**	**6.4**	**-60%**
Order Intake	1,598	2,243	(645)	-29%	1,837	-13%	2,221	-28%
Order backlog	11,234	12,029	(795)	-7%	11,966	-6.1%	13,372	-16%
	Actual	**NDA est.**			**Actual**		**Actual**	
Segment mix	**Q2 22A**	**Q2 22E**	**vs. actual**		**Q1 22**	**q/q**	**Q2 21**	**y/y**
Sales								
Sweden	2,709	2,181	528	24%	2,026	34%	2,019	34%
Project development	472	100	372	372%	501	-6%	447	6%
Other sales	46	38	8	21%	46	0%	33	39%
Eliminations	(569)	(148)	(421)	284%	(521)	9%	(225)	153%
Total Serneke	**2,658**	**2,171**	**487**	**22%**	**2,052**	**30%**	**2,274**	**16.9%**
EBIT reported ex restructuring								
Sweden	22	22	-	0%	10	120%	14	57%
- margin, %	0.8%	1.0%		-0.2%	0.5%	0.3%	0.7%	0.1%
Project development	69	12	57	475%	60	15%	167	-59%
- margin, %	14.6%	12.0%		2.6%	12.0%	2.6%	37.4%	-23%
Other & Eliminations	(30)	(4)	(26)	nm	(34)	nm	(73)	nm.
- margin, %	-5.7%	-3.6%		-2.1%	-7.2%	1.4%	-38.0%	32%
Total EBIT	**61**	**30**	**31**	**103%**	**36**	**69%**	**108**	**-44%**
- margin, %	2.3%	1.4%		0.9%	1.8%	0.5%	4.7%	-2.5%

Source: Company data and Nordea estimates

ESTIMATE REVISIONS (SEKm; EPS IN SEK)

	New			Old			Difference (SEKm)			Difference (%)		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Total Sales	8,649	8,021	8,105	8,792	8,853	8,650	(143)	(832)	(545)	-2%	-9%	-6%
EBIT	**191**	**267**	**316**	**170**	**265**	**307**	**21**	**2**	**9**	**12%**	**1%**	**3%**
non recurring	-	-	-	-	-	-	-	-	-	-	-	-
EBIT adj.	**191**	**267**	**316**	**170**	**265**	**307**	**21**	**2**	**9**	**12%**	**1%**	**3%**
EBIT margin (adj.)	2.2%	3.3%	3.9%	1.9%	3.0%	3.6%				0.3%	0.3%	0.4%
Pre-tax	145	259	308	189	284	326	(44)	(25)	(18)	-23%	-9%	-5%
Net profit	160	205	245	149	225	259	11	(20)	(14)	7%	-9%	-5%
EPS	7	7	9	5	8	9	2	(1)	(1)	33%	-9%	-5%
EPS adj	**7**	**7**	**9**	**5**	**8**	**9**	**2**	**(1)**	**(1)**	**33%**	**-9%**	**-5%**
DPS	3	3	4	2	3	4	1	(0)	(0)	33%	-9%	-5%
Order intake	6,733	6,935	7,074	7,054	6,983	7,123	(321)	(48)	(49)	-5%	-1%	-1%
Segment sales												
Sweden	8,663	7,944	8,024	8,794	8,882	8,704	(131)	(937)	(680)	-1%	-11%	-8%
Invest	1,173	1,314	1,379	801	809	825	372	505	554	46%	62%	67%
International	-	-	-	-	-	-	-	-	-	nm.	nm.	nm.
Group functions	162	165	174	165	168	176	(3)	(3)	(3)	-2%	-2%	-2%
Eliminations	(1,348)	(1,402)	(1,472)	(967)	(1,006)	(1,056)	(381)	(396)	(416)	nm.	nm.	nm.
Total Sales	**8,649**	**8,021**	**8,105**	**8,792**	**8,853**	**8,650**	**(143)**	**(832)**	**(545)**	**-2%**	**-9%**	**-6%**
EBIT adj.												
Sweden	71	119	160	101	178	218	(29)	(58)	(57)	-29%	-33%	-26%
margin %	0.8%	1.5%	2.0%	1.1%	2.0%	2.5%				-0.3%	-0.5%	-0.5%
Invest	153	158	166	96	97	99	57	61	67	59%	62%	67%
margin %	13.0%	12.0%	12.0%	12.0%	12.0%	12.0%				106%	0%	0%
Other and eliminations	(33)	(10)	(10)	(27)	(10)	(9)	(7)	(0)	(0)	nm.	nm.	nm.
Sales growth y/y												
Sweden	-1%	-7%	1%	1%	1%	-2%				-2%	-8%	3%
Invest	-19%	39%	19%	-28%	56%	16%				9%	-16%	3%
Total Sales growth	-1%	-7%	1%	1%	1%	-2%				-2%	-8%	3%

Source: Company data and Nordea estimates

Detailed estimates

QUARTERLY AND ANNUAL ESTIMATES (SEKm; EPS IN SEK)

	2021				2022E								
	Q1 21	**Q2 21**	**Q3 21**	**Q4 21**	**Q1 22**	**Q2 22**	**Q3 22E**	**Q4 22E**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
SUMMARY INCOME STATEMENT													
Sales													
Sweden	1,770	2,019	1,925	2,389	2,026	2,709	2,022	1,906	6,990	8,103	8,663	7,944	8,024
Invest	337	447	322	580	501	472	100	100	325	1,686	1,173	1,314	1,379
International	-	-	-	-	-	-	-	-	-	-	-	-	-
Group functions	33	33	46	42	46	46	37	33	90	154	162	165	174
Eliminations	-190	-225	-325	-468	-521	-569	-138	-120	-534	-1208	-1348	-1402	-1472
Total Sales	**1,950**	**2,274**	**1,968**	**2,543**	**2,052**	**2,658**	**2,021**	**1,918**	**6,871**	**8,735**	**8,649**	**8,021**	**8,105**
Sales growth y/y													
Sweden	-7%	38%	21%	18%	14%	34%	5%	-20%	4%	16%	7%	-8%	1%
Invest	633%	1496%	1050%	160%	49%	6%	-69%	-83%	-20%	419%	-30%	12%	5%
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%**	**17%**	**3%**	**-25%**	**2%**	**27%**	**-1%**	**-7%**	**1%**
EBIT													
Sweden	-10	14	21	32	10	22	20	19	-171	57	71	119	160
Invest	71	167	7	74	60	69	12	12	84	319	153	158	166
International	-4	-4	-4	-5	-5	-4	0	0	-13	-17	0	0	0
Other and Eliminations	-26	-69	1	-30	-29	-26	-4	-4	21	-124	-33	-10	-10
Total EBIT	**31**	**108**	**25**	**71**	**36**	**61**	**29**	**28**	**-79**	**235**	**191**	**267**	**316**
Non recurring items	0	0	0	0	0	0	0	0	-335	0	0	0	0
Total EBIT adj.	**31**	**108**	**25**	**71**	**36**	**61**	**29**	**28**	**-414**	**235**	**191**	**267**	**316**
EBIT margin													
Sweden	-0.6%	0.7%	1.1%	1.3%	0.5%	0.8%	1.0%	1.0%	-2.4%	0.7%	0.8%	1.5%	2.0%
Invest	21.1%	37.4%	2.2%	12.8%	12.0%	14.6%	12.0%	12.0%	25.8%	18.9%	13.0%	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%**	**2.3%**	**1.4%**	**1.4%**	**-1.1%**	**2.7%**	**2.2%**	**3.3%**	**3.9%**
Financial net	7	3	8	3	2	4	-7	-7	-88	21	-8	-8	-8
Pre-tax	38	111	33	74	38	65	22	21	-502	256	145	259	308
Tax	8	67	4	13	17	7	-5	-4	144	92	15	-53	-64
Net profit	**46**	**178**	**37**	**87**	**55**	**72**	**17**	**16**	**-358**	**348**	**160**	**205**	**245**
EPS	**1.6**	**6.4**	**1.3**	**3.1**	**2.0**	**2.5**	**0.6**	**0.6**	**-15.8**	**12.5**	**7.1**	**7.4**	**8.8**
EPS adj					**2.0**	**2.5**	**0.6**	**0.6**	**-4.3**	**12.5**	**7.1**	**7.4**	**8.8**
Order intake	**1,179**	**2,221**	**1,195**	**1,749**	**1,837**	**1,598**	**1,374**	**1,924**	**10,639**	**6,344**	**6,733**	**6,935**	**7,074**
y/y	-60%	20%	24%	-64%	56%	-28%	15%	10%	24%	-40%	6%	3%	2%
Order backlog	**13,126**	**13,372**	**12,642**	**12,101**	**11,966**	**11,234**	**10,586**	**10,605**	**13,619**	**11,860**	**9,931**	**8,921**	**7,971**
y/y	24%	21%	19%	-11%	-9%	-16%	-16%	-12%	52%	-13%	-16%	-10%	-11%

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**	**8,649**	**8,021**	**8,105**
Revenue growth	57.5%	72.6%	28.0%	40.9%	5.9%	13.3%	2.2%	27.1%	-1.0%	-7.3%	1.0%
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	221	297	346
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	191	267	316
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	115	143	447	418	587	-84	-414	235	191	267	316
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	-8	-8	-8
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**	**183**	**259**	**308**
Reported taxes	-2	25	0	-78	46	29	144	92	15	-53	-64
Net profit from continued operations	98	152	430	322	596	-82	-358	348	198	205	245
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	198	205	245
EPS, SEK	**6.29**	**9.00**	**23.16**	**13.76**	**26.59**	**-3.64**	**-15.82**	**12.46**	**7.10**	**7.35**	**8.77**
DPS, SEK	0.00	0.00	0.00	4.00	0.00	0.00	0.00	4.98	2.84	2.94	3.51
of which ordinary	0.00	0.00	0.00	4.00	0.00	0.00	0.00	4.98	2.84	2.94	3.51
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%	2.6%	3.7%	4.3%
EBITA	6.4%	4.6%	11.2%	7.5%	9.9%	-1.2%	-6.0%	2.7%	2.2%	3.3%	3.9%
EBIT	6.4%	4.6%	11.2%	7.5%	9.9%	-1.2%	-6.0%	2.7%	2.2%	3.3%	3.9%
Adjusted earnings											
EBITDA (adj)	115	143	515	438	609	-59	-49	265	221	297	346
EBITA (adj)	115	143	447	418	587	-84	-79	235	191	267	316
EBIT (adj)	115	143	447	418	657	-84	-79	235	191	267	316
EPS (adj, SEK)	6.29	9.00	23.16	13.76	29.98	-3.64	-4.27	12.46	7.10	7.35	8.77
Adjusted profit margins in percent											
EBITDA (adj)	6.4%	4.6%	12.9%	7.8%	10.3%	-0.9%	-0.7%	3.0%	2.6%	3.7%	4.3%
EBITA (adj)	6.4%	4.6%	11.2%	7.5%	9.9%	-1.2%	-1.1%	2.7%	2.2%	3.3%	3.9%
EBIT (adj)	6.4%	4.6%	11.2%	7.5%	11.1%	-1.2%	-1.1%	2.7%	2.2%	3.3%	3.9%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	34.8%	40.8%	39.0%	30.2%	17.2%	17.0%	9.1%	6.2%	3.8%
EBITDA	n.m.	n.m.	114.5%	356.9%	107.1%	n.m.	n.m.	-12.4%	-12.8%	-13.4%	n.m.
EBIT	n.a.	n.a.	193.0%	n.m.	105.5%	n.m.	n.m.	-12.1%	-14.5%	-14.6%	n.m.
EPS	n.a.	n.a.	n.m.	n.m.	102.8%	n.m.	n.m.	-11.7%	-12.4%	-22.7%	n.m.
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-6.6%	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%	1.4%	0.5%	1.5%
Average EBITDA margin	n.a.	3.6%	7.1%	7.8%	8.9%	6.5%	3.8%	2.6%	1.8%	0.9%	1.8%

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	5.4	5.3	4.4
EV/EBITDA (adj)	n.a.	n.a.	3.7	5.3	3.1	n.m.	n.m.	5.5	4.5	3.3	2.4
EV/EBITA (adj)	n.a.	n.a.	4.3	5.6	3.2	n.m.	n.m.	6.2	5.2	3.7	2.7
EV/EBIT (adj)	n.a.	n.a.	4.3	5.6	2.9	n.m.	n.m.	6.2	5.2	3.7	2.7

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	5.4	5.3	4.4
EV/Sales	n.a.	n.a.	0.48	0.42	0.32	0.39	0.21	0.17	0.11	0.12	0.10
EV/EBITDA	n.a.	n.a.	3.7	5.3	3.1	n.m.	n.m.	5.5	4.5	3.3	2.4
EV/EBITA	n.a.	n.a.	4.3	5.6	3.2	n.m.	n.m.	6.2	5.2	3.7	2.7
EV/EBIT	n.a.	n.a.	4.3	5.6	3.2	n.m.	n.m.	6.2	5.2	3.7	2.7
Dividend yield (ord.)	n.a.	n.a.	0.0%	4.5%	0.0%	0.0%	0.0%	9.1%	7.3%	7.6%	9.1%
FCF yield	n.a.	n.a.	-7.2%	-13.0%	-15.7%	-31.1%	-26.1%	-4.7%	-16.0%	8.1%	20.4%
FCF Yield bef A&D, lease adj	n.a.	n.a.	-6.7%	-0.7%	13.7%	-31.1%	-26.1%	-4.7%	-16.0%	8.1%	20.4%
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	530	580	631
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	2,255	2,305	2,356
Inventory	5	4	2	1	1	1	1	1	1	1	1
Accounts receivable	566	588	589	845	972	825	1,012	1,354	1,254	1,203	1,216
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	2,984	2,928	2,918
Cash and bank	84	11	571	431	389	162	234	467	583	591	729
Total current assets	1,156	1,244	2,277	2,722	4,461	5,073	3,836	4,411	4,822	4,723	4,863
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**	**7,077**	**7,028**	**7,219**
Shareholders equity	280	453	1,469	1,821	2,272	2,179	1,946	2,464	2,523	2,649	2,812
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	2,523	2,649	2,812
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	1,075	1,075	1,075
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	1,303	1,308	1,313
Short-term provisions	3	13	10	8	13	12	2	3	3	2	2
Accounts payable	273	349	541	799	991	958	1,058	1,345	1,332	1,235	1,248
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	1,149	1,065	1,076
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	3,251	3,071	3,095
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**	**7,077**	**7,028**	**7,219**
Balance sheet and debt metrics											
Net debt	333	243	-37	254	552	1,224	20	-78	-94	-102	-240
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	1,759	1,832	1,810
Invested capital	678	1,000	1,800	2,432	3,351	3,925	3,540	3,638	4,014	4,137	4,166
Capital employed	697	707	2,033	2,516	3,264	3,602	3,554	4,207	4,366	4,492	4,655
ROE	42.9%	41.5%	44.7%	19.6%	29.1%	-3.7%	-17.4%	15.8%	8.0%	7.9%	9.0%
ROIC	17.9%	13.5%	25.4%	15.7%	18.0%	-1.8%	-1.7%	5.2%	4.0%	5.2%	6.1%
ROCE	21.8%	20.7%	33.4%	n.a.	22.7%	-2.4%	-2.2%	6.1%	4.5%	6.0%	6.9%
Net debt/EBITDA	2.9	1.7	-0.1	0.6	0.9	n.m.	n.m.	-0.3	-0.4	-0.3	-0.7
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%	35.7%	37.7%	38.9%
Net gearing	118.9%	53.6%	-2.5%	13.9%	24.3%	56.2%	1.0%	-3.1%	-3.7%	-3.8%	-8.5%

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**	**221**	**297**	**346**
Paid taxes	9	0	-6	-2	46	28	54	92	15	-53	-64
Net financials	0	0	-17	-30	-37	-26	-88	21	-8	-8	-8
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**	**233**	**240**	**280**
Change in NWC	31	111	56	-145	337	-593	7	-383	-320	-73	22
Cash flow from operations (CFO)	**56**	**36**	**45**	**47**	**265**	**-645**	**-352**	**15**	**-86**	**167**	**301**
Capital expenditure	-18	-10	-175	-62	-81	211	-20	-87	-86	-80	-81
Free cash flow before A&D	**38**	**26**	**-130**	**-15**	**184**	**-434**	**-372**	**-72**	**-173**	**87**	**220**
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	-173	87	220
Free cash flow bef A&D, lease adj	38	26	-130	-15	184	-434	-372	-72	-173	87	220
Dividends paid	0	0	0	0	-93	0	0	0	-139	-79	-82
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	100	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	116	8	138
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	39	39	39
Market cap.	n.a.	n.a.	1,950	2,088	1,347	1,394	1,423	1,528	1,080	1,080	1,080
Enterprise value	n.a.	n.a.	1,913	2,342	1,899	2,618	1,443	1,451	986	978	840
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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Nordea Bank Abp

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 Bank Abp, filial i Sverige

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 Danmark, Filial af Nordea Bank Abp, Finland

Nordea Markets Division, Research
Visiting address:
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Tel: +45 3333 3333
Fax: +45 3333 1520

Nordea Bank Abp, filial i Norge

Nordea Markets Division, Research
Visiting address:
Essendropsgate 7
N-0107 Oslo
Norway

Tel: +47 2248 5000
Fax: +47 2256 8650