

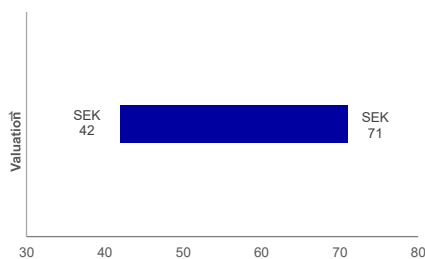
## KEY DATA

Stock country	Sweden
Bloomberg	SRNKEB.SS
Reuters	SRNKEB.ST
Share price (close)	SEK 30.30
Free Float	58%
Market cap. (bn)	EUR 0.08/SEK 0.85
Website	www.serneke.se
Next report date	08 Feb 2023

## PERFORMANCE



## VALUATION APPROACH



## ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	3%	11%	10%
EBIT (adj)	-56%	-3%	-3%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

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Analyst

## Good order intake despite challenging times

Serneke delivered a mixed set of numbers, with Q3 sales of SEK 2.1bn (up 4% y/y and 2% better than we had expected) and an EBIT margin of -1.9% compared with our 1.2% forecast. The margin fell short of our estimate partly due to the construction segment, which came in below our expectations. On a positive note, order intake was SEK 2.6bn, above our forecast, suggesting an upward trend in the backlog that will boost sales. In total, we raise our sales estimates owing to better order intake than expected but lower our margin assumptions, leading to EBIT revisions of -3% for 2023E-24E. The share trades at low single-digit earnings multiples.

## Q3 outcome

Serneke's results were mixed. Net sales came in at SEK 2.1bn, up 4% y/y and 22% above our forecast. EBIT totalled SEK -39m, down from SEK 25m a year ago and below our SEK 25m estimate. The EBIT margin of -1.9% was below our 1.2% forecast as the construction business showed a somewhat weaker margin of -1.3% and project development came in short of our forecast. Order intake of SEK 2.6bn was on the better side versus our estimate of SEK 1.4bn.

## Estimate revisions

Due to the order intake beat versus our forecast, we increase our sales estimates by 3-11%. However, as profitability was weaker than we had expected, we cut construction business EBIT margins by 20-50 bp for 2022E-24E and reduce profitability in the development business to 8-9% (12-13%). We lower our group EBIT estimates by 3% for 2023 and 2024.

## Valuation

Valuation multiples have come down YTD and the construction peer group currently trades at a median of 9x 2023E EV/EBIT and 9x 2023E P/E (8x and 10x, respectively, in Q1). In our SOTP-based valuation approach, we lower our target fair value EV/EBIT multiples to reflect the current market. In our bear case, we calculate 5x 2023E EV/EBIT for the construction business and 9x for our bull case. We also include potential excess value of SEK 10-21 per share from the Karlastaden building rights. This takes our fair value range to SEK 42-71 (43-75).

## SUMMARY TABLE - KEY FIGURES

SEKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	5,934	6,725	6,871	8,735	8,926	8,912	8,935
EBITDA (adj)	609	-59	-49	265	114	289	337
EBIT (adj)	657	-84	-79	235	84	259	307
EBIT (adj) margin	11.1%	-1.2%	-1.1%	2.7%	0.9%	2.9%	3.4%
EPS (adj, SEK)	29.98	-3.64	-4.27	12.39	1.78	7.28	8.60
EPS (adj) growth	117.8%	-112.2%	-17.3%	389.9%	-85.7%	309.7%	18.2%
DPS (ord, SEK)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	0.3	0.4	0.2	0.1	0.1	0.1	0.0
EV/EBIT (adj)	2.9	n.m.	n.m.	2.8	6.9	2.5	1.4
P/E (adj)	2.0	n.m.	n.m.	4.4	17.1	4.2	3.5
P/BV	0.6	0.6	0.7	0.6	0.3	0.3	0.3
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease	13.7%	-31.1%	-26.1%	-4.7%	-69.6%	-7.9%	26.7%
Net debt	552	1,224	20	-873	-276	-208	-437
Net debt/EBITDA	0.9	n.m.	n.m.	-3.3	-2.4	-0.7	-1.3
ROIC after tax	18.0%	-1.8%	-1.7%	5.1%	1.6%	4.5%	5.2%

Source: Company data and Nordea estimates

# Valuation approach

We use an SOTP-based valuation for Serneke, with 2023E EV/EBIT multiples of 5x for the construction business (Serneke Sweden) in our bear case and 9x in our bull case. 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 10-21 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 42-71 (43-75) 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									
<b>Serneke Sweden</b>	57	29	133	0.7%	0.3%	1.5%	5x	665	24	8x	1,063	38	9x	1,196	43
<b>Building rights Karlastaden</b>															
Excess value per sqm	4,700														
Total area (sqm)	125,000														
Total excess value (SEKm)	588														
<b>- per share</b>	<b>21</b>	<b>22E</b>	<b>23E</b>				*	294	10	**	441	16	***	588	21
<b>Net debt (+)/net cash (-)</b>	<b>-873</b>	<b>-276</b>	<b>-208</b>					-208	-7.4		-208	-7.4		-208	-7.4
<b>SOTP</b>								<b>1,167</b>	<b>42</b>		<b>1,712</b>	<b>61</b>		<b>1,992</b>	<b>71</b>

Source: Company data and Nordea estimates

## VALUATION MULTIPLES

	Price (SEK)	Mcap (SEK)	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
			2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
<b>Nordic Construction</b>														
Ncc AB	167.7	9,637	0.3	0.3	0.3	5.9	5.1	5.1	13.0	9.7	9.7	11.1	7.9	7.9
Skanska AB	234.2	68,916	0.4	0.4	0.4	5.7	6.8	6.8	7.5	8.9	8.9	11.5	13.4	13.4
Peab AB	114.2	16,857	0.5	0.5	0.5	7.7	7.7	7.7	11.6	11.6	11.6	7.5	7.5	7.5
Wastbygg Gruppen AB (publ)	105.8	1,510	0.4	0.4	0.4	9.0	7.3	7.3	9.4	7.6	7.6	5.4	4.8	4.8
ByggPartner Gruppen AB (publ)	88	345	0.2	n.a	n.a	4.3	n.a	n.a	5.3	n.a	n.a	5.1	n.a	n.a
Veidekke ASA	135.6	11,824	0.2	0.2	0.2	4.2	3.9	3.9	7.1	6.3	6.3	12.5	10.1	10.1
YIT Oyj	44.1	6,210	0.4	0.4	0.4	8.3	7.4	7.4	10.2	9.2	9.2	9.2	9.7	9.7
20th percentile		1,044	0.2	0.2	0.2	4.3	4.3	4.3	6.4	6.8	6.8	5.3	5.9	5.9
<b>Median</b>		<b>9,637</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>5.9</b>	<b>7.1</b>	<b>7.1</b>	<b>9.4</b>	<b>9.1</b>	<b>9.1</b>	<b>9.2</b>	<b>8.8</b>	<b>8.8</b>
80th percentile		37,681	0.5	0.5	0.5	8.5	7.6	7.6	12.2	10.8	10.8	11.9	12.1	12.1
<b>Nordic Residential Developers</b>														
Bonava AB (publ)	78.25	3,057	0.6	0.7	0.7	7.2	10.2	10.2	7.2	10.4	10.4	3.8	5.8	5.8
JM AB	408.6	10,813	1.1	1.3	1.3	9.7	12.0	12.0	9.7	12.0	12.0	8.1	10.1	10.1
Besqab AB (publ)	185	1,419	1.8	1.9	1.9	30.1	29.5	29.5	23.6	21.5	21.5	7.5	7.1	7.1
<b>Median</b>		<b>3,057</b>	<b>1.1</b>	<b>1.3</b>	<b>1.3</b>	<b>9.7</b>	<b>12.0</b>	<b>12.0</b>	<b>9.7</b>	<b>12.0</b>	<b>12.0</b>	<b>7.5</b>	<b>7.1</b>	<b>7.1</b>
<b>SERNEKE Group AB (publ)</b>	<b>31.1</b>	<b>880</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>5.3</b>	<b>2.3</b>	<b>5.3</b>	<b>7.2</b>	<b>2.6</b>	<b>7.2</b>	<b>17.5</b>	<b>4.3</b>	<b>17.5</b>

Source: Company data and Nordea estimates

# Deviation table and estimate changes

## SERNEKE: DEVIATION TABLE (SEKm; EPS IN SEK)

SEKm	Actual		NDA est.		Actual		Actual	
	Q3 22A	Q3 22E	vs. actual		Q2 22	q/q	Q3 21	y/y
<b>Net Sales</b>	<b>2,055</b>	<b>2,021</b>	<b>34</b>	<b>2%</b>	<b>2,658</b>	<b>-23%</b>	<b>1,968</b>	<b>4%</b>
EBIT	(39)	25	(64)	-258%	61	-164%	25	-256%
EBIT-margin	-1.9%	1.2%		-3.1%	2.3%	-419%	1.3%	-3.2%
of which non-recurring		-	-		-		-	
<b>EBIT adj</b>	<b>(39)</b>	<b>25</b>	<b>(64)</b>	<b>-258%</b>	<b>61</b>	<b>-164%</b>	<b>25</b>	<b>-256%</b>
EBIT adj - margin	-1.9%	1.2%		-3.1%	2.3%	-419%	1.3%	-3.2%
<b>Pre-tax profit</b>	<b>(87)</b>	<b>18</b>	<b>(105)</b>	<b>-591%</b>	<b>65</b>	<b>-234%</b>	<b>33</b>	<b>-364%</b>
<b>Net profit</b>	<b>(92)</b>	<b>14</b>	<b>(106)</b>	<b>-757%</b>	<b>72</b>	<b>-228%</b>	<b>37</b>	<b>-349%</b>
<b>EPS</b>	<b>(3.3)</b>	<b>0.5</b>	<b>(3.7)</b>	<b>-757%</b>	<b>2.5</b>	<b>-228%</b>	<b>1.3</b>	<b>-345%</b>
Order Intake	2,684	1,374	1,310	95%	1,598	68%	1,195	125%
Order backlog	11,994	10,586	1,408	13%	11,234	6.8%	12,642	-5%
Segment mix	Actual		NDA est.		Actual		Actual	
	Q3 22A	Q3 22E	vs. actual		Q2 22	q/q	Q3 21	y/y
<b>Sales</b>								
Sweden	1,932	2,022	(90)	-4%	2,709	-29%	1,925	0%
Project development	607	100	507	507%	472	29%	322	89%
Other sales	-	37	(37)	-100%	46	-100%	46	-100%
Eliminations	(484)	(138)	(346)	251%	(569)	-15%	(325)	49%
<b>Total Serneke</b>	<b>2,055</b>	<b>2,021</b>	<b>34</b>	<b>2%</b>	<b>2,658</b>	<b>-23%</b>	<b>1,968</b>	<b>4.4%</b>
<b>EBIT reported ex restructuring</b>								
Sweden	(25)	20	(45)	-224%	22	-214%	21	-219%
- margin, %	-1.3%	1.0%		-2.3%	0.8%	-2.1%	1.1%	-2.4%
Project development	(8)	12	(20)	-167%	69	-112%	7	-214%
- margin, %	-1.3%	12.0%		-13.3%	14.6%	-15.9%	2.2%	-3%
Other & Eliminations	(6)	(8)	2	nm	(30)	nm	(3)	nm.
- margin, %	-1.2%	-7.4%		6.2%	-5.7%	4.5%	-1.1%	0%
<b>Total EBIT</b>	<b>(39)</b>	<b>25</b>	<b>(64)</b>	<b>-258%</b>	<b>61</b>	<b>-164%</b>	<b>25</b>	<b>-256%</b>
- margin, %	-1.9%	1.2%		-3.1%	2.3%	-4.2%	1.3%	-3.2%

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	8,926	8,912	8,935	8,649	8,021	8,105	276	890	830	3%	11%	10%
<b>EBIT</b>	<b>84</b>	<b>259</b>	<b>307</b>	<b>191</b>	<b>267</b>	<b>316</b>	<b>(107)</b>	<b>(7)</b>	<b>(10)</b>	<b>-56%</b>	<b>-3%</b>	<b>-3%</b>
non recurring	-	-	-	-	-	-	-	-	-	-	-	-
<b>EBIT adj.</b>	<b>84</b>	<b>259</b>	<b>307</b>	<b>191</b>	<b>267</b>	<b>316</b>	<b>(107)</b>	<b>(7)</b>	<b>(10)</b>	<b>-56%</b>	<b>-3%</b>	<b>-3%</b>
EBIT margin (adj.)	0.9%	2.9%	3.4%	2.2%	3.3%	3.9%				-1.3%	-0.4%	-0.5%
Pre-tax	35	259	307	145	259	308	(110)	1	(2)	-76%	0%	-1%
Net profit	50	206	244	160	205	245	(110)	1	(1)	-69%	0%	-1%
EPS	2	7	9	7	7	9	(5)	(0)	(0)	-75%	-1%	-2%
<b>EPS adj</b>	<b>2</b>	<b>7</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>9</b>	<b>(5)</b>	<b>(0)</b>	<b>(0)</b>	<b>-75%</b>	<b>-1%</b>	<b>-2%</b>
DPS	-	-	-	3	3	4	(3)	(3)	(4)	-100%	-100%	-100%
Order intake	8,043	8,284	8,450	6,733	6,935	7,074	1,310	1,349	1,376	19%	19%	19%
<b>Segment sales</b>												
Sweden	8,826	8,862	8,950	8,663	7,944	8,024	163	917	926	2%	12%	12%
Invest	1,680	1,697	1,714	1,173	1,314	1,379	507	383	334	43%	29%	24%
International	-	-	-	-	-	-	-	-	-	nm.	nm.	nm.
Group functions	176	180	189	162	165	174	14	15	15	9%	9%	9%
Eliminations	(1,757)	(1,827)	(1,918)	(1,348)	(1,402)	(1,472)	(408)	(425)	(446)	nm.	nm.	nm.
<b>Total Sales</b>	<b>8,926</b>	<b>8,912</b>	<b>8,935</b>	<b>8,649</b>	<b>8,021</b>	<b>8,105</b>	<b>276</b>	<b>890</b>	<b>830</b>	<b>3%</b>	<b>11%</b>	<b>10%</b>
<b>EBIT adj.</b>												
Sweden	29	133	161	71	119	160	(43)	14	1	-60%	12%	0%
margin %	0.3%	1.5%	1.8%	0.8%	1.5%	2.0%				-0.5%	0.0%	-0.2%
Invest	133	136	154	153	158	166	(20)	(22)	(11)	-13%	-14%	-7%
margin %	7.9%	8.0%	9.0%	13.0%	12.0%	12.0%				-513%	-400%	-3%
Other and eliminations	(78)	(9)	(9)	(33)	(10)	(10)	(45)	1	1	nm.	nm.	nm.

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 22	Q3 22	Q4 22E					
<b>SUMMARY INCOME STATEMENT</b>													
<b>Sales</b>													
Sweden	1,770	2,019	1,925	2,389	2,026	2,709	1,932	2,159	6,990	8,103	8,826	8,862	8,950
Invest	337	447	322	580	501	472	607	100	325	1,686	1,680	1,697	1,714
International	-	-	-	-	-	-	-	-	-	-	-	-	-
Group functions	33	33	46	42	46	46	47	37	90	154	176	180	189
Eliminations	-190	-225	-325	-468	-521	-569	-531	-136	-534	-1208	-1757	-1827	-1918
<b>Total Sales</b>	<b>1,950</b>	<b>2,274</b>	<b>1,968</b>	<b>2,543</b>	<b>2,052</b>	<b>2,658</b>	<b>2,055</b>	<b>2,161</b>	<b>6,871</b>	<b>8,735</b>	<b>8,926</b>	<b>8,912</b>	<b>8,935</b>
<b>Sales growth y/y</b>													
Sweden	-7%	38%	21%	18%	14%	34%	0%	-10%	4%	16%	9%	0%	1%
Invest	633%	1496%	1050%	160%	49%	6%	89%	-83%	-20%	419%	0%	1%	1%
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
<b>Total Sales growth</b>	<b>7%</b>	<b>63%</b>	<b>31%</b>	<b>17%</b>	<b>5%</b>	<b>17%</b>	<b>4%</b>	<b>-15%</b>	<b>2%</b>	<b>27%</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>
<b>EBIT</b>													
Sweden	-10	14	21	32	10	22	-25	22	-171	57	29	133	161
Invest	71	167	7	74	60	69	-8	12	84	319	133	136	154
International	-4	-4	-4	-5	-5	-4	9	-4	-13	-17	-4	0	0
Other and Eliminations	-26	-69	1	-30	-29	-26	-15	-4	21	-124	-74	-9	-9
<b>Total EBIT</b>	<b>31</b>	<b>108</b>	<b>25</b>	<b>71</b>	<b>36</b>	<b>61</b>	<b>-39</b>	<b>26</b>	<b>-79</b>	<b>235</b>	<b>84</b>	<b>259</b>	<b>307</b>
Non recurring items	0	0	0	0	0	0	0	0	-335	0	0	0	0
<b>Total EBIT adj.</b>	<b>31</b>	<b>108</b>	<b>25</b>	<b>71</b>	<b>36</b>	<b>61</b>	<b>-39</b>	<b>26</b>	<b>-414</b>	<b>235</b>	<b>84</b>	<b>259</b>	<b>307</b>
<b>EBIT margin</b>													
Sweden	-0.6%	0.7%	1.1%	1.3%	0.5%	0.8%	-1.3%	1.0%	-2.4%	0.7%	0.3%	1.5%	1.8%
Invest	21.1%	37.4%	2.2%	12.8%	12.0%	14.6%	-1.3%	12.0%	25.8%	18.9%	7.9%	8.0%	9.0%
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
<b>Total EBIT margin</b>	<b>1.6%</b>	<b>4.7%</b>	<b>1.3%</b>	<b>2.8%</b>	<b>1.8%</b>	<b>2.3%</b>	<b>-1.9%</b>	<b>1.2%</b>	<b>-1.1%</b>	<b>2.7%</b>	<b>0.9%</b>	<b>2.9%</b>	<b>3.4%</b>
<b>Financial net</b>													
Financial net	7	3	8	3	2	4	-48	-7	-88	21	-49	0	0
<b>Pre-tax</b>													
Pre-tax	38	111	33	74	38	65	-87	19	-502	256	35	259	307
<b>Tax</b>													
Tax	8	67	4	13	17	7	-5	-4	144	92	15	-53	-63
<b>Net profit</b>													
Net profit	46	178	37	87	55	72	-92	15	-358	348	50	206	244
<b>EPS</b>													
EPS	1.6	6.4	1.3	3.1	2.0	2.5	-3.3	0.5	-15.8	12.4	1.8	7.3	8.6
<b>EPS adj</b>													
EPS adj					2.0	2.5	-3.3	0.5	-4.3	12.4	1.8	7.3	8.6

Source: Company data and Nordea estimates

# Reported numbers and forecasts

## INCOME STATEMENT

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
<b>Total revenue</b>	<b>1,800</b>	<b>3,107</b>	<b>3,978</b>	<b>5,605</b>	<b>5,934</b>	<b>6,725</b>	<b>6,871</b>	<b>8,735</b>	<b>8,926</b>	<b>8,912</b>	<b>8,935</b>
Revenue growth	57.5%	72.6%	28.0%	40.9%	5.9%	13.3%	2.2%	27.1%	2.2%	-0.2%	0.3%
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	114	289	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	84	259	307
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	115	143	447	418	587	-84	-414	235	84	259	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	-49	0	0
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
<b>Pre-tax profit</b>	<b>100</b>	<b>127</b>	<b>430</b>	<b>400</b>	<b>550</b>	<b>-111</b>	<b>-502</b>	<b>256</b>	<b>35</b>	<b>259</b>	<b>307</b>
Reported taxes	-2	25	0	-78	46	29	144	92	15	-53	-63
Net profit from continued operations	98	152	430	322	596	-82	-358	348	50	206	244
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	50	206	244
<b>EPS, SEK</b>	<b>6.29</b>	<b>9.00</b>	<b>23.16</b>	<b>13.76</b>	<b>26.59</b>	<b>-3.64</b>	<b>-15.82</b>	<b>12.39</b>	<b>1.78</b>	<b>7.28</b>	<b>8.60</b>
DPS, SEK	0.00	0.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which ordinary	0.00	0.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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%	1.3%	3.2%	3.8%
EBITA	6.4%	4.6%	11.2%	7.5%	9.9%	-1.2%	-6.0%	2.7%	0.9%	2.9%	3.4%
EBIT	6.4%	4.6%	11.2%	7.5%	9.9%	-1.2%	-6.0%	2.7%	0.9%	2.9%	3.4%

## Adjusted earnings

EBITDA (adj)	115	143	515	438	609	-59	-49	265	114	289	337
EBITA (adj)	115	143	447	418	587	-84	-79	235	84	259	307
EBIT (adj)	115	143	447	418	657	-84	-79	235	84	259	307
EPS (adj, SEK)	6.29	9.00	23.16	13.76	29.98	-3.64	-4.27	12.39	1.78	7.28	8.60

## Adjusted profit margins in percent

EBITDA (adj)	6.4%	4.6%	12.9%	7.8%	10.3%	-0.9%	-0.7%	3.0%	1.3%	3.2%	3.8%
EBITA (adj)	6.4%	4.6%	11.2%	7.5%	9.9%	-1.2%	-1.1%	2.7%	0.9%	2.9%	3.4%
EBIT (adj)	6.4%	4.6%	11.2%	7.5%	11.1%	-1.2%	-1.1%	2.7%	0.9%	2.9%	3.4%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	34.8%	40.8%	39.0%	30.2%	17.2%	17.0%	9.8%	8.5%	5.8%
EBITDA	n.m.	n.m.	114.5%	356.9%	107.1%	n.m.	n.m.	-12.4%	-23.6%	-13.8%	n.m.
EBIT	n.a.	n.a.	193.0%	n.m.	105.5%	n.m.	n.m.	-12.1%	-27.4%	-15.1%	n.m.
EPS	n.a.	n.a.	n.m.	n.m.	102.8%	n.m.	n.m.	-11.8%	-33.6%	-22.8%	n.m.
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	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%	1.1%	0.2%	1.1%
Average EBITDA margin	n.a.	3.6%	7.1%	7.8%	8.9%	6.5%	3.8%	2.6%	1.5%	0.6%	1.5%

## 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	17.1	4.2	3.5
EV/EBITDA (adj)	n.a.	n.a.	3.7	5.3	3.1	n.m.	n.m.	2.5	5.1	2.2	1.2
EV/EBITA (adj)	n.a.	n.a.	4.3	5.6	3.2	n.m.	n.m.	2.8	6.9	2.5	1.4
EV/EBIT (adj)	n.a.	n.a.	4.3	5.6	2.9	n.m.	n.m.	2.8	6.9	2.5	1.4

## 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	17.1	4.2	3.5
EV/Sales	n.a.	n.a.	0.48	0.42	0.32	0.39	0.21	0.08	0.07	0.07	0.05
EV/EBITDA	n.a.	n.a.	3.7	5.3	3.1	n.m.	n.m.	2.5	5.1	2.2	1.2
EV/EBITA	n.a.	n.a.	4.3	5.6	3.2	n.m.	n.m.	2.8	6.9	2.5	1.4
EV/EBIT	n.a.	n.a.	4.3	5.6	3.2	n.m.	n.m.	2.8	6.9	2.5	1.4
Dividend yield (ord.)	n.a.	n.a.	0.0%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	n.a.	n.a.	-7.2%	-13.0%	-15.7%	-31.1%	-26.1%	-4.7%	-69.6%	-7.9%	26.7%
FCF Yield bef A&D, lease adj	n.a.	n.a.	-6.7%	-0.7%	13.7%	-31.1%	-26.1%	-4.7%	-69.6%	-7.9%	26.7%
Payout ratio	0.0%	0.0%	0.0%	29.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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	25	25	25	25
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	25	25	25	25
Tangible assets	74	74	404	990	335	298	416	351	406	465	525
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	0	0	424	446	122	145	148	160	160	160	160
Interest bearing assets	0	0	30	10	51	37	1,354	1,900	1,900	1,900	1,900
Deferred tax assets	2	37	48	0	0	0	15	108	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	181	181	181	181
Total non-current assets	204	408	1,160	1,682	1,094	661	2,156	2,725	2,672	2,731	2,791
Inventory	5	4	2	1	1	1	1	1	1	1	1
Accounts receivable	566	588	589	845	972	825	1,012	966	1,294	1,337	1,340
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	2,647	3,079	3,253	3,217
Cash and bank	84	11	571	431	389	162	234	575	78	10	239
Total current assets	1,156	1,244	2,277	2,722	4,461	5,073	3,836	4,189	4,453	4,601	4,797
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.
<b>Total assets</b>	<b>1,360</b>	<b>1,652</b>	<b>3,437</b>	<b>4,404</b>	<b>5,555</b>	<b>5,734</b>	<b>5,992</b>	<b>6,914</b>	<b>7,125</b>	<b>7,332</b>	<b>7,587</b>
Shareholders equity	280	453	1,469	1,821	2,272	2,179	1,946	2,467	2,517	2,723	2,967
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	2,467	2,517	2,723	2,967
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	467	567	567	567
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	120	158	223	183	187	202	207	212	217
Other long-term liabilities	62	291	208	152	83	162	31	71	71	71	71
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	740	845	850	855
Short-term provisions	3	13	10	8	13	12	2	0	0	0	0
Accounts payable	273	349	541	799	991	958	1,058	1,344	1,373	1,371	1,375
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	1,228	1,255	1,253	1,256
Short term interest bearing debt	283	147	128	54	166	177	768	1,135	1,135	1,135	1,135
Total current liabilities	884	801	1,204	1,603	1,994	1,836	2,988	3,707	3,763	3,759	3,766
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>1,360</b>	<b>1,652</b>	<b>3,437</b>	<b>4,404</b>	<b>5,555</b>	<b>5,734</b>	<b>5,992</b>	<b>6,914</b>	<b>7,125</b>	<b>7,332</b>	<b>7,587</b>
<b>Balance sheet and debt metrics</b>											
Net debt	333	243	-37	254	552	1,224	20	-873	-276	-208	-437
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	1,042	1,746	1,966	1,927
Invested capital	678	1,000	1,800	2,432	3,351	3,925	3,540	3,767	4,419	4,698	4,718
Capital employed	697	707	2,033	2,516	3,264	3,602	3,554	4,069	4,219	4,425	4,669
ROE	42.9%	41.5%	44.7%	19.6%	29.1%	-3.7%	-17.4%	15.8%	2.0%	7.9%	8.6%
ROIC	17.9%	13.5%	25.4%	15.7%	18.0%	-1.8%	-1.7%	5.1%	1.6%	4.5%	5.2%
ROCE	21.8%	20.7%	33.4%	n.a.	22.7%	-2.4%	-2.2%	6.2%	2.0%	6.0%	6.7%
Net debt/EBITDA	2.9	1.7	-0.1	0.6	0.9	n.m.	n.m.	-3.3	-2.4	-0.7	-1.3
Interest coverage	7.7	8.1	16.4	n.a.	15.9	-3.1	-4.7	-11.2	1.7	n.m.	n.m.
Equity ratio	20.6%	27.4%	42.7%	41.3%	40.9%	38.0%	32.5%	35.7%	35.3%	37.1%	39.1%
Net gearing	118.9%	53.6%	-2.5%	13.9%	24.3%	56.2%	1.0%	-35.4%	-11.0%	-7.6%	-14.7%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

SEKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
<b>EBITDA (adj) for associates</b>	<b>115</b>	<b>143</b>	<b>515</b>	<b>438</b>	<b>609</b>	<b>-59</b>	<b>-384</b>	<b>265</b>	<b>114</b>	<b>289</b>	<b>337</b>
Paid taxes	9	0	-6	-2	46	28	54	92	15	-53	-63
Net financials	0	0	-17	-30	-37	-26	-88	21	-49	0	0
Change in provisions	3	10	117	36	70	-41	-6	13	5	5	5
Change in other LT non-IB	56	25	-51	10	-419	484	-187	-35	108	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	43	4	0	0
<b>Funds from operations (FFO)</b>	<b>25</b>	<b>-75</b>	<b>-11</b>	<b>192</b>	<b>-72</b>	<b>-52</b>	<b>-359</b>	<b>399</b>	<b>197</b>	<b>241</b>	<b>279</b>
Change in NWC	31	111	56	-145	337	-593	7	-383	-704	-220	40
<b>Cash flow from operations (CFO)</b>	<b>56</b>	<b>36</b>	<b>45</b>	<b>47</b>	<b>265</b>	<b>-645</b>	<b>-352</b>	<b>15</b>	<b>-507</b>	<b>21</b>	<b>318</b>
Capital expenditure	-18	-10	-175	-62	-81	211	-20	-87	-89	-89	-89
<b>Free cash flow before A&amp;D</b>	<b>38</b>	<b>26</b>	<b>-130</b>	<b>-15</b>	<b>184</b>	<b>-434</b>	<b>-372</b>	<b>-72</b>	<b>-597</b>	<b>-68</b>	<b>229</b>
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	-597	-68	229
Free cash flow bef A&D, lease adj	38	26	-130	-15	184	-434	-372	-72	-597	-68	229
Dividends paid	0	0	0	0	-93	0	0	0	0	0	0
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	0	0	0
Other non-cash adjustments	70	-139	102	0	544	7	1,672	108	0	0	0
Change in cash	71	-73	560	-140	-42	-227	72	341	-497	-68	229
<b>Cash flow metrics</b>											
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%
<b>Key information</b>											
Share price year end (/current)	n.a.	n.a.	105	89	60	62	58	55	30	30	30
Market cap.	n.a.	n.a.	1,950	2,088	1,347	1,394	1,423	1,536	858	858	858
Enterprise value	n.a.	n.a.	1,913	2,342	1,899	2,618	1,443	663	581	649	421
Diluted no. of shares, year-end (m)	15.6	16.9	18.6	23.4	22.4	22.6	24.7	28.1	28.3	28.3	28.3

Source: Company data and Nordea estimates

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