

# Eolus Vind

## Another quarter in the the bag, no surprises

- Beat on figures, profit recognition above estimates
- SCA partnership de-risking long-term portfolio
- Long-term case intact, value range SEK 100-150

### Beat on estimates but slightly lower margin than expected

The Q3 report came in above our projections. Sales were SEK 380m vs. our estimate of SEK 191m and EBIT was SEK 40m, 93% above our SEK 21m. The beat was driven by higher-than-expected profit realisation from Bäckhammar (54% vs. ABGSCe 31%) and Stigafjellet (57% vs. ABGSCe 31%). Additionally, electricity certificate sales contributed SEK 52m (ABGSCe SEK 43m). The EBIT-margin was slightly lower at 10.0% (ABGSCe 10.2%). For FY'19/20e, we raise our sales estimates by 1%, but lower our EBIT-margin by 60bp to 16.7%, on lower expected project margins, meaning our EBIT estimate for the year is down 2%. EPS is burdened by higher net financial costs and is reduced by 4% for the year.

### Outlook: partnering with SCA & Öyfjellet update

On 7 July, Eolus announced its partnership with SCA. The partnership aims to deliver a total of 1,000MW in the Baltics and Sweden in addition to the already-announced 6,000MW Eolus portfolio. As the agreement remains in its early stages, we have not yet incorporated it into our estimates. In addition, SCA decided to acquire land (600 hectares) from Eolus in Estonia, which we estimate could bring in sales of around SEK 12m. Construction at Öyfjellet is ongoing, and awaits approval from the Oil and Energy Department regarding final approval of the appealed final details of the project (MTA-plan). As far as we can see, no project of this sort has previously failed to gain approval once legal building rights have been received, and as such we still expect the project to follow plan.

### Valuation at the higher end of SEK 100-150 fair value range

Eolus has a total project potential of ~6,000MW, with ~2,000MW to be delivered between '20-'24. We are confident that Eolus will continue to deliver projects and shareholder value over the long term. Our fair value range is SEK 100-150; for more details, see our in-depth report published 3 April 2020.

**Lead analyst:** Oskar Vikström

SEKm	2018	2019	2020e	2021e	2022e
Sales	1,367	2,032	1,352	5,057	2,762
EBITDA	217	123	232	377	229
EBITDA margin (%)	15.9	6.1	17.1	7.5	8.3
EBIT adj	202	118	226	373	225
EBIT adj margin (%)	14.8	5.8	16.7	7.4	8.1
Pretax profit	199	116	190	367	219
EPS rep	7.80	5.33	8.37	11.80	7.04
EPS adj	7.80	5.33	8.37	11.80	7.04
Sales growth (%)	28.3	48.6	-33.5	274.1	-45.4
EPS growth (%)	693.0	-31.7	57.0	40.9	-40.3

Source: ABG Sundal Collier, Company data

Reason: Post-results comment

## Company sponsored research

Not rated

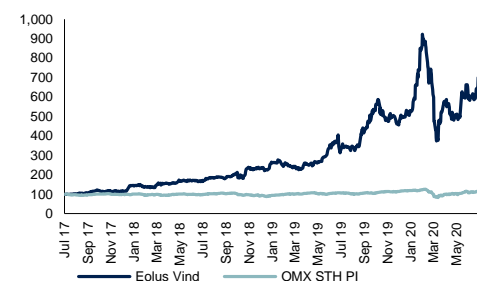
Estimate changes (%)	2020e	2021e	2022e
Sales	1.1%	-0.4%	0.0%
EBIT (rep)	-2.5%	0.0%	2.1%
EPS (rep)	-4.4%	-0.8%	0.7%

Source: ABG Sundal Collier

<b>Share price (SEK)</b>	07/07/2020	144.4
Renewable Energy, Sweden		
EOLUb.ST/EOLUB SS		
MCap (SEKm)		3,597
MCap (EURm)		344.9
Net debt (EURm)		-48
No. of shares (m)		24.9
Free float (%)		100.0
Av. daily volume (k)		199.5

Next event AGM: 27 Aug

## Performance



	1m	3m	12m
Absolute (%)	5.8	23.4	102.8
OMX STH PI (%)	-0.1	17.1	8.1

Source: FactSet

	2020e	2021e	2022e
P/E (x)	17.3	12.2	20.5
P/E adj (x)	17.3	12.2	20.5
P/BVPS (x)	3.41	2.76	2.43
EV/EBITDA (x)	13.3	7.5	11.7
EV/EBIT adj (x)	13.7	7.6	11.9
EV/sales (x)	2.29	0.56	0.97
ROE adj (%)	21.5	24.9	12.6
Dividend yield (%)	1.2	1.4	1.4
FCF yield (%)	7.5	8.2	5.8
Lease adj. FCF yld (%)	7.5	8.2	5.8
Net IB debt/EBITDA	-2.2	-2.0	-4.0
Lease adj. ND/EBITDA	-2.2	-2.0	-4.0

Please refer to important disclosures at the end of this report

This research product is commissioned and paid for by the company covered in this report. As such, this report is deemed to constitute an acceptable minor non-monetary benefit (i.e. not investment research) as defined in MiFID II.

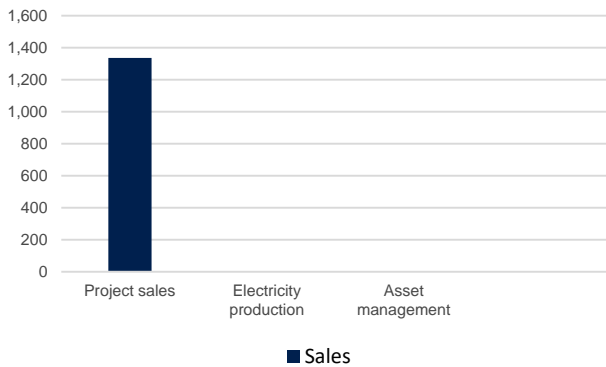
**Opportunities**

Faster realization of priority projects than our assumptions. De-risked operation through release of own windfarms and lower impairment risks. Potential expansion to new areas within sustainable energy.

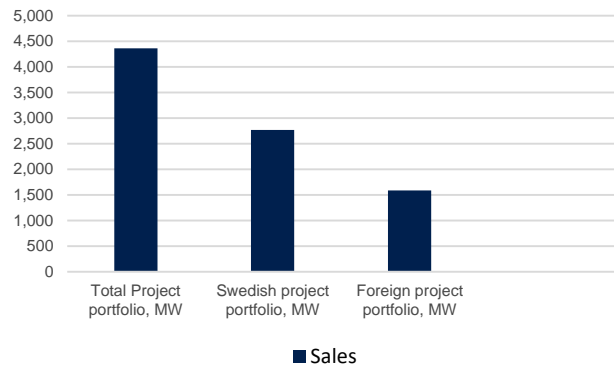
**Risks**

Lower investment activity in wind power facilities. Political risks and dependence on electricity prices. Construction risk.

**Geographical breakdown, sales, SEKm**



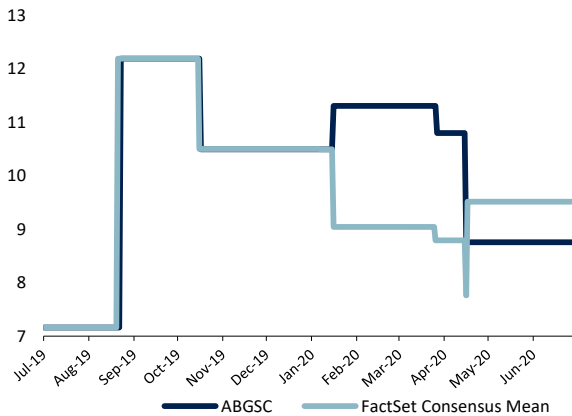
**Business area breakdown, sales, SEKm**



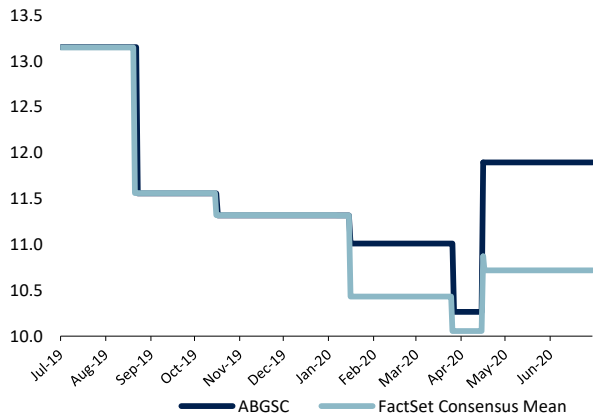
Source: ABG Sundal Collier, Company data

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**EPS estimate changes, 2020e, SEK**



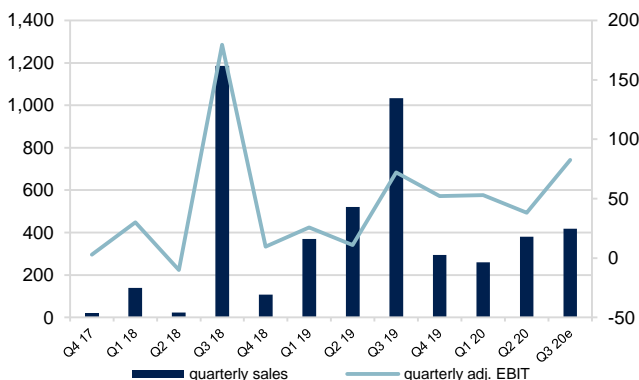
**EPS estimate changes, 2021e, SEK**



Source: ABG Sundal Collier, FactSet

Source: ABG Sundal Collier, FactSet

**Quarterly sales and adj. EBIT, SEKm**



Source: ABG Sundal Collier, Company data

**Company description**

Eolus is a leading Nordic wind power developer listed on Nasdaq Stockholm Small Cap. The core business is to construct wind power facilities in favorable wind locations and transfer them to customers as turnkey solutions. This has been Eolus' mission since its inception in 1990. It has gained extensive experience and expertise in the construction of wind power facilities and a broad network of landowners, authorities, investors, sub-contractors and wind turbine manufacturers. Eolus has established a combined capacity of 900+ MW, which is about 13% of the wind power constructed in Sweden.

**Q3 review and estimate changes**

The reported figures beat our estimates. EBIT of SEK 40m was SEK 19m above our estimate of SEK 21m. This can be explained by a few factors.

**Q3 Deviations**

P/L SEKm	Last year Q3'18/19	Actual Q3'19/20e	ABGSCe Q3'19/20e	Dev %	Dev SEKm
<b>Net sales</b>	<b>521</b>	<b>380</b>	<b>191</b>	<b>98%</b>	<b>189</b>
growth Y/Y	2299%	-27%	-63%		
EBITDA	12	40	21	93%	19
<b>Adj EBITDA</b>	<b>12</b>	<b>40</b>	<b>21</b>	<b>93%</b>	<b>19</b>
D&A	-1	-2	-1	57%	-1
EBIT	11	38	20	95%	19
Adj EBIT	11	38	20	95%	19
<b>Net income</b>	<b>12</b>	<b>18</b>	<b>15</b>	<b>16%</b>	<b>2</b>
Net financials	-1	-25	-1		
EPS diluted (SEK)	0.49	0.71	0.61	17%	0
EO costs	0	0	0		
Adj EBITDA margin	2.3%	10.4%	10.7%		
Adj EBIT margin	2.1%	10.0%	10.2%		
Reported profit margin	2.3%	4.6%	7.9%		
<b>Division sales</b>					
Project development	513	374	142	164%	233
Asset management	2	6	7	-9%	-1
Own production	6		0	n.a.	0

Source: ABG Sundal Collier, company data

While we highlight that the company's accounting methods complicate direct comparison with our estimates (particularly EBIT), the main drivers of the deviation were:

- Higher-than-expected profit realisation. Bäckhammar saw total completions of 54% (ABGSCe 31%), Stigafjellet posted 57% (ABGSCe 31%) and Wind Wall had 0% (ABGSCe 15%). But, the higher margin from projects was somewhat lower than our estimates; in total these differences would attribute to around SEK 10m boost to EBIT.
- The sales of electricity certificates provided a boost of SEK 52m, which was SEK 9m above our estimated 43m.

To sum up, it is difficult to project just how much profit will be realised in any given quarter, with the structure of the Öyfjellet deal proving a particular challenge. Still, the net effect on estimates is not overly large.

### Estimate changes

For Bäckhammar, Stigafjeellet and Windwall, we make slight adjustments to the timing of revenue recognition given the outcome of Q3 figures. In addition, we fine-tune our EBIT-margin estimates to 16.7% from 17.3%, bringing FY'19/20 EBIT down by 2%. Our remaining project assumptions are largely unchanged with the expectation of later profit realisation and somewhat higher costs.

### Estimate changes

	Old			New			Change (%)			Change (SEKm)		
	'19/20e	'20/21e	'21/22e	'19/20e	'20/21e	'21/22e	'19/20e	'20/21e	'21/22e	'19/20e	'20/21e	'21/22e
<b>Net sales</b>	1,337	5,078	2,763	1,352	5,057	2,762	1%	0%	0%	15	-21	0
Other income	36	0	0	86	0	0	n.m.	n.m.	n.m.	50	0	0
COGS	-1,038	-4,608	-2,485	-1,070	-4,587	-2,481	3%	0%	0%	-32	20	4
Opex	-87	-98	-57	-107	-97	-57	22%	0%	-1%	-19	0	0
EBITDA	237	377	224	232	377	229	-2%	0%	2%	-5	0	5
<b>Adj EBITDA</b>	<b>237</b>	<b>377</b>	<b>224</b>	<b>232</b>	<b>377</b>	<b>229</b>	<b>-2%</b>	<b>0%</b>	<b>2%</b>	<b>-5</b>	<b>0</b>	<b>5</b>
Depreciation	-5	-4	-4	-6	-4	-4	11%	0%	0%	-1	0	0
Amortization	0	0	0	0	0	0	n.m.	n.m.	n.m.	0	0	0
EBIT	232	373	220	226	373	225	-2%	0%	2%	-6	0	5
<b>Adj EBIT</b>	<b>232</b>	<b>373</b>	<b>220</b>	<b>226</b>	<b>373</b>	<b>225</b>	<b>-2%</b>	<b>0%</b>	<b>2%</b>	<b>-6</b>	<b>0</b>	<b>5</b>
Net financials	-11	-3	-3	-36	-6	-6	219%	126%	126%	-25	-3	-3
EBT	220	370	218	190	367	219	-14%	-1%	1%	-31	-3	1
Tax	-2	-74	-44	19	-73	-44	-877%	-1%	1%	21	1	0
<b>Net Income</b>	<b>218</b>	<b>296</b>	<b>174</b>	<b>208</b>	<b>294</b>	<b>175</b>	<b>-4%</b>	<b>-1%</b>	<b>1%</b>	<b>-10</b>	<b>-2</b>	<b>1</b>
<b>EPS diluted (SEK)</b>	<b>8.75</b>	<b>11.89</b>	<b>6.99</b>	<b>8.37</b>	<b>11.80</b>	<b>7.04</b>	<b>-4%</b>	<b>-1%</b>	<b>1%</b>	<b>-0.38</b>	<b>-0.10</b>	<b>0.05</b>
<b>Free cash flow</b>	<b>-255</b>	<b>305</b>	<b>208</b>	<b>271</b>	<b>296</b>	<b>207</b>	<b>n.m.</b>	<b>-3%</b>	<b>0%</b>	<b>526</b>	<b>-9</b>	<b>-1</b>
Net cash flow	-445	260	208	281	252	207	n.m.	-3%	0%	727	-9	-1
<b>Net debt</b>	<b>-499</b>	<b>-764</b>	<b>-909</b>	<b>-490</b>	<b>-748</b>	<b>-896</b>	<b>-2%</b>	<b>-2%</b>	<b>-1%</b>	<b>9</b>	<b>16</b>	<b>13</b>
<b>Breakdown of sales</b>												
Project Development	1,289	5,032	2,711	1,395	5,010	2,711	8%	0%	0%	106	-22	0
Asset management	23	41	52	24	41	52	4%	0%	0%	1	0	0
Electricity Production	0	0	0	0	0	0	n.m.	n.m.	n.m.	0	0	0

Source: ABG Sundal Collier, company data

## Estimated construction schedule, gross profit contribution on a quarterly basis

Project	Q4'19/20e	Q1'20/21e	Q2'20/21e	Q3'20/21e	Q4'20/21e
Bäckhammar	73				
Stigafjellet	14	10			
Öyfjellet	0	39	79	118	186
Wind Wall	6	29			

### Project stages

Expected project handover
Ongoing construction, Eolus financing
Ongoing construction, investor financing
Ongoing construction, financier to be decided
Expected construction, sale ongoing
Expected construction, not permitted

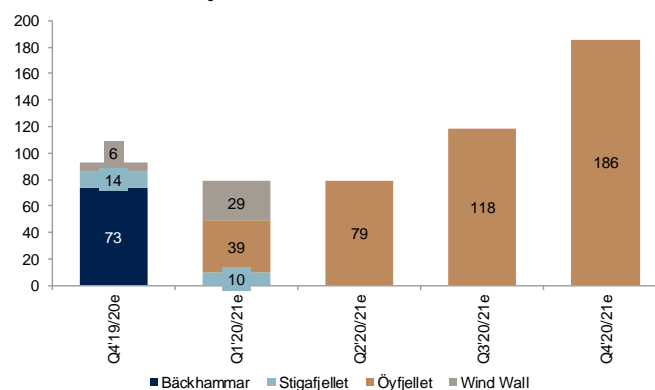
Source: ABG Sundal Collier, company data

### Project details

Projects under construction	Capacity (MW)	Total output (GWh)	Operation start
Bäckhammar	130	400	2020
Stigafjellet	30	120	2020
Öyfjellet	400	1,400	2021
Wind Wall	47	155	2020
<b>Total</b>	<b>607</b>	<b>2,075</b>	

Source: ABG Sundal Collier, company data

### Distribution of profit realisation



Source: ABG Sundal Collier, company data

Income Statement (SEKm)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020e
Sales	108	370	520	1,034	294	259	381	418
COGS	-82	-302	-463	-947	-244	-173	-330	-323
Gross profit	26	69	58	87	51	86	51	94
Other operating items	-15	-41	-45	-14	4	-32	-11	-10
<b>EBITDA</b>	<b>11</b>	<b>27</b>	<b>12</b>	<b>73</b>	<b>54</b>	<b>54</b>	<b>40</b>	<b>84</b>
Depreciation and amortisation	-1	-1	-1	-1	-2	-1	-2	-1
<b>EBITA</b>	<b>10</b>	<b>26</b>	<b>11</b>	<b>72</b>	<b>52</b>	<b>53</b>	<b>38</b>	<b>83</b>
EO items	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>10</b>	<b>26</b>	<b>11</b>	<b>72</b>	<b>52</b>	<b>53</b>	<b>38</b>	<b>83</b>
Net financial items	-8	5	-1	1	-15	5	-25	-1
<b>Pretax profit</b>	<b>2</b>	<b>31</b>	<b>10</b>	<b>73</b>	<b>38</b>	<b>58</b>	<b>13</b>	<b>81</b>
Tax	-1	7	2	8	5	18	4	-8
<b>Net profit</b>	<b>1</b>	<b>39</b>	<b>12</b>	<b>81</b>	<b>42</b>	<b>76</b>	<b>18</b>	<b>73</b>
Minority interest	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0
<b>Net profit to shareholders</b>	<b>1</b>	<b>39</b>	<b>12</b>	<b>81</b>	<b>42</b>	<b>76</b>	<b>18</b>	<b>73</b>
EPS	0.04	1.55	0.49	3.25	1.69	3.04	0.71	2.93
EPS Adj	0.04	1.55	0.49	3.25	1.69	3.04	0.71	2.93
Total extraordinary items after tax	0	0	0	0	0	0	0	0
Tax rate (%)	53.2	23.9	21.6	11.5	12.3	31.3	30.3	10.0
Gross margin (%)	24.0	18.5	11.1	8.4	17.2	33.3	13.3	22.5
EBITDA margin (%)	10.0	7.4	2.3	7.1	18.4	20.9	10.4	20.0
EBITA margin (%)	9.0	7.0	2.1	7.0	17.7	20.4	10.0	19.8
EBIT margin (%)	9.0	7.0	2.1	7.0	17.7	20.4	10.0	19.8
Pretax margin (%)	2.0	8.4	1.9	7.0	12.7	22.2	3.5	19.4
Net margin (%)	0.9	10.5	2.3	7.8	14.3	29.2	4.6	17.5
<b>Growth rates Y/Y</b>	<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020e</b>
Sales growth (%)	494.2	165.6	2,199.1	-12.8	173.1	-29.9	-26.8	-59.6
EBITDA growth (%)	108.1	-21.0	+chg	-60.6	401.9	98.6	226.1	14.5
EBIT growth (%)	223.2	-13.7	+chg	-59.9	441.0	105.1	250.8	14.8
Net profit growth (%)	-86.6	7.8	+chg	-48.0	4,140.8	95.8	44.4	-9.8
EPS growth (%)	-86.6	7.8	+chg	-48.0	4,140.8	95.8	44.4	-9.8
<b>Adj earnings numbers</b>	<b>Q1 2019</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020e</b>
EBITDA Adj	11	27	12	73	54	54	40	84
EBITDA Adj margin (%)	10.0	7.4	2.3	7.1	18.4	20.9	10.4	20.0
EBITA Adj	10	26	11	72	52	53	38	83
EBITA Adj margin (%)	9.0	7.0	2.1	7.0	17.7	20.4	10.0	19.8
EBIT Adj	10	26	11	72	52	53	38	83
EBIT Adj margin (%)	9.0	7.0	2.1	7.0	17.7	20.4	10.0	19.8
Pretax profit Adj	2	31	10	73	38	58	13	81
Net profit Adj	1	39	12	81	42	76	18	73
Net profit to shareholders Adj	1	39	12	81	42	76	18	73
Net Adj margin (%)	0.9	10.5	2.3	7.8	14.3	29.2	4.6	17.5

Source: ABG Sundal Collier, Company data

Income Statement (SEK m)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Sales	1,205	466	1,502	693	1,066	1,367	2,032	1,352	5,057	2,762
COGS	-969	-330	-1,239	-608	-923	-1,077	-1,793	-1,070	-4,587	-2,481
Gross profit	236	136	263	86	143	290	239	282	470	281
Other operating items	-16	-62	-8	-73	-71	-73	-115	-50	-93	-53
<b>EBITDA</b>	<b>221</b>	<b>74</b>	<b>255</b>	<b>13</b>	<b>72</b>	<b>217</b>	<b>123</b>	<b>232</b>	<b>377</b>	<b>229</b>
Depreciation and amortisation	-54	-32	-94	-27	-23	-15	-5	-6	-4	-4
Of which leasing depreciation	0	0	0	0	0	0	0	0	0	0
<b>EBITA</b>	<b>166</b>	<b>42</b>	<b>161</b>	<b>-13</b>	<b>49</b>	<b>202</b>	<b>118</b>	<b>226</b>	<b>373</b>	<b>225</b>
EO items	0	0	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	-20	-1	-71	-2	-8	0	0	0	0	0
<b>EBIT</b>	<b>147</b>	<b>41</b>	<b>90</b>	<b>-16</b>	<b>40</b>	<b>202</b>	<b>118</b>	<b>226</b>	<b>373</b>	<b>225</b>
Net financial items	-11	-28	-15	-13	-6	-4	-2	-36	-6	-6
<b>Pretax profit</b>	<b>135</b>	<b>13</b>	<b>75</b>	<b>-29</b>	<b>34</b>	<b>199</b>	<b>116</b>	<b>190</b>	<b>367</b>	<b>219</b>
Tax	6	-2	5	5	-10	-5	17	19	-73	-44
<b>Net profit</b>	<b>142</b>	<b>11</b>	<b>80</b>	<b>-24</b>	<b>25</b>	<b>194</b>	<b>133</b>	<b>208</b>	<b>294</b>	<b>175</b>
Minority interest	0	0	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
<b>Net profit to shareholders</b>	<b>142</b>	<b>11</b>	<b>80</b>	<b>-24</b>	<b>25</b>	<b>194</b>	<b>133</b>	<b>208</b>	<b>294</b>	<b>175</b>
EPS	5.68	0.44	3.21	-0.96	0.98	7.80	5.33	8.37	11.80	7.04
EPS Adj	6.47	0.47	6.04	-0.86	1.32	7.80	5.33	8.37	11.80	7.04
Total extraordinary items after tax	0	0	0	0	0	0	0	0	0	0
Leasing payments	0	0	0	0	0	0	0	0	0	0
Tax rate (%)	4.6	16.8	6.3	17.7	28.4	2.3	14.5	9.8	20.0	20.0
Gross margin (%)	19.6	29.1	17.5	12.4	13.4	21.2	11.7	20.8	9.3	10.2
EBITDA margin (%)	18.3	15.9	17.0	1.9	6.8	15.9	6.1	17.1	7.5	8.3
EBITA margin (%)	13.8	9.1	10.7	-1.9	4.6	14.8	5.8	16.7	7.4	8.1
EBIT margin (%)	12.2	8.9	6.0	-2.3	3.8	14.8	5.8	16.7	7.4	8.1
Pretax margin (%)	11.2	2.8	5.0	-4.2	3.2	14.5	5.7	14.0	7.3	7.9
Net margin (%)	11.7	2.3	5.3	-3.4	2.3	14.2	6.5	15.4	5.8	6.3
<b>Growth rates Y/Y</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Sales growth (%)	-36.2	-61.3	222.5	-53.8	53.7	28.3	48.6	-33.5	274.1	-45.4
EBITDA growth (%)	92.1	-66.4	243.7	-94.8	443.8	201.0	-43.2	87.9	62.7	-39.3
EBIT growth (%)	80.6	-71.7	117.1	-117.7	352.3	403.1	-41.5	91.0	65.0	-39.7
Net profit growth (%)	408.5	-92.3	631.9	-129.9	202.5	693.0	-31.7	57.0	40.9	-40.3
EPS growth (%)	408.5	-92.3	631.9	-129.9	202.5	693.0	-31.7	57.0	40.9	-40.3
<b>Profitability</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
ROE (%)	15.7	1.2	9.6	-3.4	3.7	26.3	15.6	21.5	24.9	12.6
ROE Adj (%)	17.9	1.2	18.1	-3.1	5.0	26.3	15.6	21.5	24.9	12.6
ROCE (%)	11.5	3.1	7.6	-1.9	5.6	21.6	10.0	17.4	24.3	12.9
ROCE Adj (%)	13.0	3.2	13.6	-1.6	6.7	21.6	10.0	17.4	24.3	12.9
ROIC (%)	12.7	2.8	8.5	-1.9	5.2	40.2	50.4	76.2	52.3	31.0
ROIC Adj (%)	12.7	2.8	8.5	-1.9	5.2	40.2	50.4	76.2	52.3	31.0
<b>Adj earnings numbers</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
EBITDA Adj	221	74	255	13	72	217	123	232	377	229
EBITDA Adj margin (%)	18.3	15.9	17.0	1.9	6.8	15.9	6.1	17.1	7.5	8.3
EBITDA lease Adj	221	74	255	13	72	217	123	232	377	229
EBITDA lease Adj margin (%)	18.3	15.9	17.0	1.9	6.8	15.9	6.1	17.1	7.5	8.3
EBITA Adj	166	42	161	-13	49	202	118	226	373	225
EBITA Adj margin (%)	13.8	9.1	10.7	-1.9	4.6	14.8	5.8	16.7	7.4	8.1
EBIT Adj	147	41	90	-16	40	202	118	226	373	225
EBIT Adj margin (%)	12.2	8.9	6.0	-2.3	3.8	14.8	5.8	16.7	7.4	8.1
Pretax profit Adj	155	14	146	-27	43	199	116	190	367	219
Net profit Adj	161	12	151	-21	33	194	133	208	294	175
Net profit to shareholders Adj	161	12	151	-21	33	194	133	208	294	175
Net Adj margin (%)	13.4	2.5	10.0	-3.1	3.1	14.2	6.5	15.4	5.8	6.3

Source: ABG Sundal Collier, Company data

Cash Flow Statement (SEKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
EBITDA	221	74	255	13	72	217	123	232	377	229
Net financial items	-11	-28	-15	-13	-6	-4	-2	-36	-6	-6
Paid tax	6	-2	5	5	-10	-5	17	19	-73	-44
Non-cash items	0	0	0	0	0	81	203	-179	0	59
Cash flow before change in WC	215	44	245	5	56	290	341	35	298	238
Change in WC	265	-523	626	101	-80	96	324	-504	1	-30
<b>Operating cash flow</b>	<b>428</b>	<b>-488</b>	<b>715</b>	<b>134</b>	<b>91</b>	<b>242</b>	<b>567</b>	<b>-244</b>	<b>298</b>	<b>209</b>
CAPEX tangible fixed assets	124	10	44	-10	-10	-1	-101	515	-2	-2
CAPEX intangible fixed assets	0	0	0	0	0	0	-96	0	0	0
Acquisitions and disposals	0	0	0	0	0	0	0	0	0	0
<b>Free cash flow</b>	<b>552</b>	<b>-478</b>	<b>759</b>	<b>124</b>	<b>81</b>	<b>241</b>	<b>370</b>	<b>271</b>	<b>296</b>	<b>207</b>
Dividend paid	-25	-37	0	-286	-37	-37	-37	-37	-45	-50
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Lease liability amortisation	0	0	0	0	0	0	0	0	0	0
Other non cash items	186	-3	-240	263	31	-127	0	-413	6	-9
<b>Decrease in net IB debt</b>	<b>550</b>	<b>-533</b>	<b>474</b>	<b>108</b>	<b>34</b>	<b>199</b>	<b>424</b>	<b>-314</b>	<b>258</b>	<b>148</b>
Balance Sheet (SEKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Goodwill	0	0	0	0	0	96	54	30	24	24
Other intangible assets	0	0	0	0	0	0	0	0	0	0
Tangible fixed assets	459	415	339	259	111	52	32	43	41	39
Right-of-use asset	0	0	0	0	0	0	0	0	0	0
Total other fixed assets	3	12	13	32	37	29	25	28	28	28
Fixed assets	462	426	352	292	148	177	111	101	93	91
Inventories	653	1,349	585	667	499	882	749	1,008	1,007	1,037
Receivables	20	27	53	29	44	90	61	75	75	75
Other current assets	45	41	28	61	8	6	34	104	104	104
Cash and liquid assets	383	86	242	222	202	740	1,103	847	1,104	1,252
<b>Total assets</b>	<b>1,563</b>	<b>1,930</b>	<b>1,259</b>	<b>1,270</b>	<b>901</b>	<b>1,895</b>	<b>2,058</b>	<b>2,135</b>	<b>2,384</b>	<b>2,559</b>
Shareholders equity	961	937	731	671	660	816	890	1,053	1,302	1,478
Minority	0	0	0	0	0	0	0	0	0	0
<b>Total equity</b>	<b>961</b>	<b>937</b>	<b>731</b>	<b>671</b>	<b>660</b>	<b>816</b>	<b>890</b>	<b>1,053</b>	<b>1,302</b>	<b>1,478</b>
Long-term debt	134	178	149	50	13	82	152	153	153	153
Pension debt	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0
Leasing liability	0	0	0	0	0	0	0	0	0	0
Total other long-term liabilities	142	121	99	86	62	42	7	28	28	28
Short-term debt	138	330	40	32	21	287	151	204	204	204
Accounts payable	25	109	5	110	28	141	229	261	261	261
Other current liabilities	163	255	234	320	117	527	628	436	436	436
<b>Total liabilities and equity</b>	<b>1,563</b>	<b>1,930</b>	<b>1,259</b>	<b>1,270</b>	<b>901</b>	<b>1,895</b>	<b>2,058</b>	<b>2,135</b>	<b>2,384</b>	<b>2,559</b>
Net IB debt	-115	418	-56	-164	-198	-397	-821	-507	-765	-912
Net IB debt excl. pension debt	-115	418	-56	-164	-198	-397	-821	-507	-765	-912
Net IB debt excl. leasing	-115	418	-56	-164	-198	-397	-821	-507	-765	-912
Capital invested	988	1,475	775	593	523	461	77	574	566	593
Working capital	529	1,052	426	326	406	310	-14	490	490	519
EV breakdown	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Market cap. diluted (m)	542	557	610	493	538	956	1,960	3,597	3,597	3,597
Net IB debt Adj	-115	418	-56	-164	-198	-397	-821	-507	-765	-912
Market value of minority	0	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	-0	-9	-9	-8	-4	-0	0	0	0	0
Reversal of conv. debt assumed equity	0	0	0	0	0	0	0	0	0	0
<b>EV</b>	<b>427</b>	<b>966</b>	<b>546</b>	<b>321</b>	<b>336</b>	<b>559</b>	<b>1,140</b>	<b>3,090</b>	<b>2,832</b>	<b>2,684</b>
Capital efficiency	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Total assets turnover (%)	68.5	26.7	94.2	54.8	98.2	97.8	102.8	64.5	223.9	111.8
Working capital/sales (%)	54.9	169.7	49.2	54.2	34.3	26.2	7.3	17.6	9.7	18.3
Financial risk and debt service	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Net debt/equity	-0.12	0.45	-0.08	-0.24	-0.30	-0.49	-0.92	-0.48	-0.59	-0.62
Net debt/market cap	-0.22	0.70	-0.09	-0.31	-0.36	-0.53	-0.61	-0.14	-0.21	-0.25
Equity ratio (%)	61.5	48.5	58.1	52.9	73.2	43.1	43.2	49.3	54.6	57.7
Net IB debt adj./equity	-0.12	0.45	-0.08	-0.24	-0.30	-0.49	-0.92	-0.48	-0.59	-0.62
Current ratio	3.37	2.16	3.25	2.12	4.52	1.80	1.93	2.26	2.54	2.74
EBITDA/net interest	19.35	2.62	17.24	1.01	12.01	61.47	52.46	6.42	66.09	40.12
Net IB debt/EBITDA	-0.52	5.64	-0.22	-12.37	-2.75	-1.83	-6.66	-2.19	-2.03	-3.99
Net IB debt/EBITDA lease Adj	-0.52	5.64	-0.22	-12.37	-2.75	-1.83	-6.66	-2.19	-2.03	-3.99
Interest cover	14.59	1.49	10.85	-1.03	8.11	57.29	50.35	6.26	65.39	39.42

Source: ABG Sundal Collier, Company data



Valuation and Ratios (SEKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Shares outstanding adj.	25	25	25	25	25	25	25	25	25	25
Fully diluted shares Adj	25	25	25	25	25	25	25	25	25	25
EPS	5.68	0.44	3.21	-0.96	0.98	7.80	5.33	8.37	11.80	7.04
Dividend per share Adj	1.5	1.5	11.5	1.5	1.5	1.5	1.5	1.8	2.0	2.0
EPS Adj	6.47	0.47	6.04	-0.86	1.32	7.80	5.33	8.37	11.80	7.04
BVPS	38.58	37.61	29.36	26.95	26.48	32.76	35.73	42.29	52.29	59.32
BVPS Adj	38.58	37.61	29.36	26.95	26.48	28.90	33.56	41.08	51.32	58.35
Net IB debt / share	-4.6	16.8	-2.2	-6.6	-8.0	-15.9	-32.9	-20.4	-30.7	-36.6
Share price	21.75	22.35	24.50	19.80	21.60	38.40	78.70	144.40	144.40	144.40
Market cap. (m)	542	557	610	493	538	956	1,960	3,597	3,597	3,597
<b>Valuation</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
P/E	3.8	50.9	7.6	-20.6	22.0	4.9	14.8	17.3	12.2	20.5
EV/sales	0.35	2.07	0.36	0.46	0.32	0.41	0.56	2.29	0.56	0.97
EV/EBITDA	1.9	13.0	2.1	24.2	4.7	2.6	9.2	13.3	7.5	11.7
EV/EBITA	2.6	22.9	3.4	-23.9	6.9	2.8	9.6	13.7	7.6	11.9
EV/EBIT	2.9	23.3	6.1	-20.1	8.4	2.8	9.6	13.7	7.6	11.9
Dividend yield (%)	6.9	6.7	46.9	7.6	6.9	3.9	1.9	1.2	1.4	1.4
FCF yield (%)	101.9	-85.8	124.4	25.1	15.1	25.2	18.9	7.5	8.2	5.8
Lease adj. FCF yield (%)	101.9	-85.8	124.4	25.1	15.1	25.2	18.9	7.5	8.2	5.8
P/BVPS	0.56	0.59	0.83	0.73	0.82	1.17	2.20	3.41	2.76	2.43
P/BVPS Adj	0.56	0.59	0.83	0.73	0.82	1.33	2.35	3.52	2.81	2.47
P/E Adj	3.4	47.8	4.1	-23.0	16.3	4.9	14.8	17.3	12.2	20.5
EV/EBITDA Adj	1.9	13.0	2.1	24.2	4.7	2.6	9.2	13.3	7.5	11.7
EV/EBITA Adj	2.6	22.9	3.4	-23.9	6.9	2.8	9.6	13.7	7.6	11.9
EV/EBIT Adj	2.9	23.3	6.1	-20.1	8.4	2.8	9.6	13.7	7.6	11.9
EV/cap. employed	0.3	0.7	0.6	0.4	0.5	0.5	1.0	2.2	1.7	1.5
<b>Investment ratios</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Capex/sales	-10.3	-2.2	-2.9	1.5	0.9	0.1	9.7	-38.1	0.0	0.1
Capex/depreciation	-229.0	-32.0	-46.8	38.9	41.5	6.4	3,964.3	-8,945.8	50.0	50.0
Capex tangibles/tangible fixed assets	-27.1	-2.5	-13.0	4.0	8.7	1.8	316.8	-1,198.1	4.9	5.1
Capex intangibles/definite intangibles	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Depreciation on intangibles/definite inta	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Depreciation on tangibles/tangibles	11.8	7.7	27.9	10.3	21.0	28.4	15.6	13.4	9.8	10.3

Source: ABG Sundal Collier, Company data

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