

# Eolus Vind

## The first warm wind of spring

- COVID-19 impact and low electricity prices a worry, but...
- ...we expect 21% CAGR in wind power until 2022
- Eolus's project pipeline well-positioned to capture growth

### Massive price drop, but the same potential is there

Eolus's share price has fallen by 44% from its peak levels in mid-February. In this report, we dive into the company's overall project portfolio and assess the impact from the ongoing headwinds of COVID-19 and low electricity prices. We argue that the group is likely well-positioned for future growth. With a near-term project portfolio of 607MW and a net cash position of ~SEK 800m, we expect that Eolus will remain resilient. In the near-term we highlight that the largest project is Öyfjellet (400MW), which is expected to be completed during autumn 2021. Although there may be slight delays in a few projects during 2020, we expect the net impact on our estimates to be largely unchanged, with a few minor additional costs.

### Long-term growth with minor short-term headwinds

The uncertainty surrounding the effects of COVID-19 and the -60% electricity price decline YTD (in Sweden) have made investors cautious about investing in the share. Short-term electricity price pressure should not impact long-term investments, however, which are largely driven by long-term price levels that can be secured through e.g. PPAs, which appear to remain at a satisfactory level (see p. 19). Although the impact of COVID-19 is difficult to predict, we anticipate that ongoing projects should develop according to plan. In the long-term, there is no denying the growth potential of wind power. We expect that wind production will grow at a 21% CAGR until 2022 and 7% until 2040, driven by the dismantling of nuclear power, the Swedish government's target of 100% renewable energy by 2040, a significant increase in energy demand, and lower production costs.

### Value range SEK 100–150, depending on pipeline confidence

We derive a fair value range based on three different rates of probabilities for Eolus's entire 6,000 MW project pipeline. Our low-range uses a total probability of 35%, mid-range 53% and high-range 71%. On average we anticipate an average profit per MW of SEK 1.2m (for both wind and solar). We value the asset management business at SEK 9.0/share, based on a DCF and an increasing MW under management. See valuation on p. 10.

**Lead analyst:** Oskar Vikström

SEKm	2018	2019	2020e	2021e	2022e
Sales	1,367	2,032	1,453	596	2,763
EBITDA	217	123	343	326	221
EBITDA margin (%)	15.9	6.1	23.6	54.7	8.0
EBIT adj	202	118	338	322	217
EBIT adj margin (%)	14.8	5.8	23.2	54.1	7.9
Pretax profit	199	116	321	319	215
EPS rep	7.80	5.33	10.80	10.26	6.90
EPS adj	7.80	5.33	10.80	10.26	6.90
Sales growth (%)	28.3	48.6	-28.5	-59.0	363.9
EPS growth (%)	693.0	-31.7	102.6	-5.0	-32.8

Source: ABG Sundal Collier, Company data

Reason: In-depth research

Company sponsored research

Not rated

Estimate changes (%)	2020e	2021e	2022e
Sales	0.0%	0.0%	-6.4%
EBIT (rep)	-3.8%	-6.9%	-5.3%
EPS (rep)	-4.5%	-6.8%	-5.1%

Source: ABG Sundal Collier

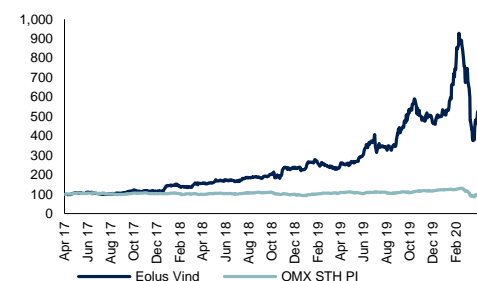
**Share price (SEK)** 02/04/2020 107.8  
Utilities, Sweden  
EOLUb.ST/EOLUB SS

MCap (SEKm) 2,685  
MCap (EURm) 244.8  
Net debt (EURm) -73

No. of shares (m) 24.9  
Free float (%) 100.0  
Av. daily volume (k) 367.8

Next event Q2 report: 23 Apr

### Performance



	1m	3m	12m
Absolute (%)	-24.5	-0.2	112.6
OMX STH PI (%)	-16.6	-22.6	-10.6

Source: FactSet

	2020e	2021e	2022e
P/E (x)	10.0	10.5	15.6
P/E adj (x)	10.0	10.5	15.6
P/BVPS (x)	2.39	2.01	1.78
EV/EBITDA (x)	5.6	5.2	6.9
EV/EBIT adj (x)	5.7	5.3	7.0
EV/sales (x)	1.31	2.84	0.55
ROE adj (%)	26.7	20.8	12.1
Dividend yield (%)	1.7	1.9	1.9
FCF yield (%)	-0.1	9.6	6.5
Lease adj. FCF yld (%)	-0.1	9.6	6.5
Net IB debt/EBITDA	-2.3	-3.0	-5.3
Lease adj. ND/EBITDA	-2.3	-3.0	-5.3

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.

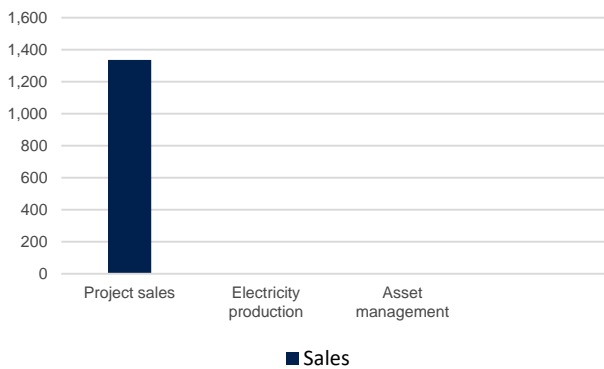
**Opportunities**

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**

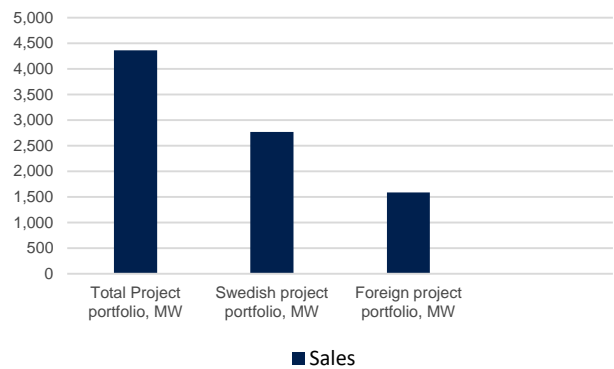
Lower investment activity in wind power facilities. Political risks and dependence on electricity prices. Construction risk.

**Geographical breakdown, sales, SEKm**



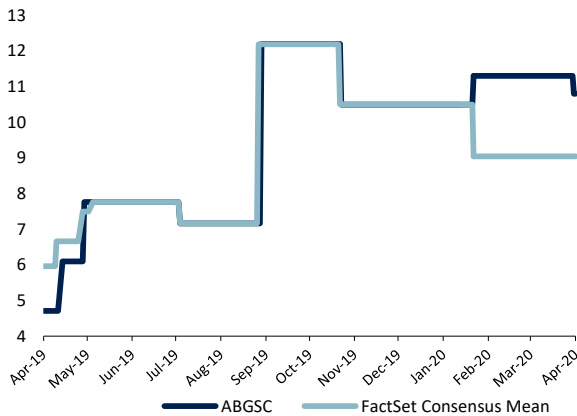
Source: ABG Sundal Collier, Company data

**Business area breakdown, sales, SEKm**



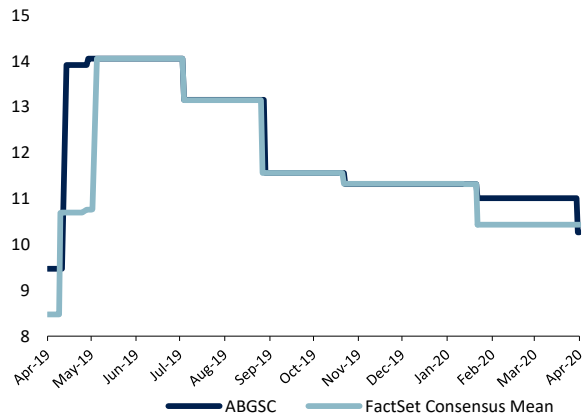
Source: ABG Sundal Collier, Company data

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



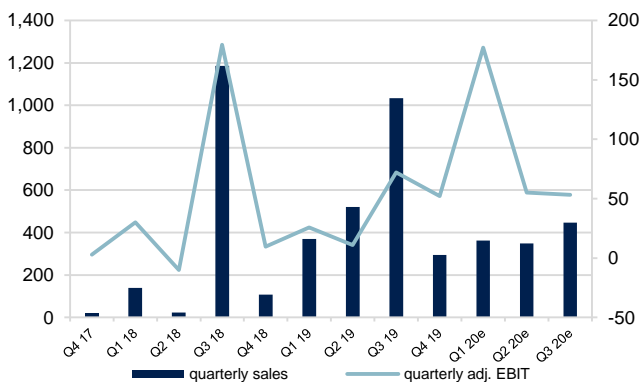
Source: ABG Sundal Collier, FactSet

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



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.

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## Eolus Vind in brief

### Nordic wind power pioneer

Eolus Vind is Sweden's first commercial wind power developer. Founded in 1990, it has gained 30 years of experience, cementing its position as one of the market-leading developers in Sweden. Since it started, Eolus has successfully delivered more than 540 (929 MW) wind turbines, totalling ~13% of Sweden's total capacity. The company operates within three business segments: Project development (95% of EBIT), asset management (2% of EBIT) and own production (a diminishing segment). The company operates in the Nordics, Baltics and the US. The company estimates its market share in Sweden to be 15%. We expect the Swedish market to grow by 7% annually until 2040 - with the global market to grow by 8% annually. The company currently has a near term (2y) pipeline of 607 MW (worth EBIT of SEK 726m) and another 5,400 MW in its project pipeline.

### Eolus development

Eolus's original business idea was to construct its own wind farms in order to own them for own electricity production. The competence that was acquired from those business processes would soon be desirable for external parties, however, and Eolus began constructing wind farms for external customers.

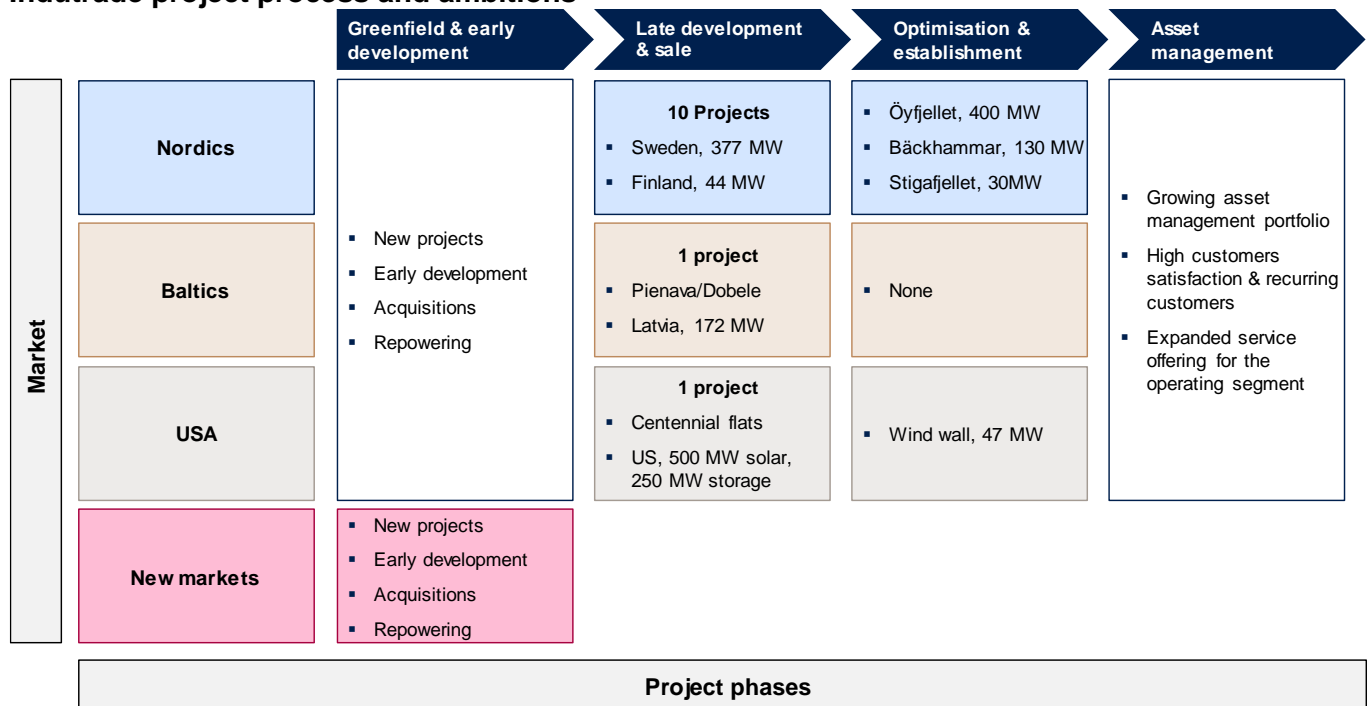
The company no longer constructs wind farms in order to own them. Eolus has successfully phased out almost all of its own wind farms and electricity production, in order to focus solely on project development and asset management. That makes the business model very asset light, more profitable (EBIT margins of around 10-12%), more flexible, and more attractive to customers. It also reduces the risk of impairments and exposure to fluctuations in electricity prices, since Eolus has almost no own-production left. That capacity was strategically reduced from 55 MW in 2012 to 6 MW in 2018, and the company is looking to divest its remaining assets (it does no longer even report the portion of own production separately due to its insignificant size).

Eolus built up competencies during the construction of its own farms in the 1990s, which were subsequently demanded by external parties, leading to the sale of project development and turnkey wind farms to outside customers. The past 30 years have provided the company with valuable knowledge but also with valuable connections to outside investors, with Eolus proving itself to be a reliable partner in terms of cost efficiency and production output. A wind farms expected lifespan is 15-20 years and it is therefore crucial that variables (i.e. wind location, costs, production output) in the investment equation are reliable in order to meet its expected return. This has created a solid international network, reducing transaction costs in both directions.

### The project development process overview

The company characterises its project pipeline in four stages during project development. The project stages are: *Greenfield & early development*; *late development & sale*; *optimisation & establishment* and finally *asset management*. After final commissioning, the construction phase is completed with a handover to the customer. An increasing trend and future focus for Eolus Vind is to manage the completed wind farm on behalf of the customer for a fee. This part of the business was only 2-3% in FY'18/19, but we expect this to become a larger portion over time (~10% of EBIT). The project development operations are mainly financed with construction loans, advance payments from customers, or equity. Eolus has shown great cost control historically, mainly due to fixed-cost contracts but also due to planning and knowledge. Wind turbines generally account for 65–75% of the costs for a turnkey facility. Other costs are attributable to project development, foundations, road construction and grid connection.

### Indutrade project process and ambitions



Source: ABG Sundal Collier, company data

# Understanding the project pipeline

## Long-term project portfolio of ~6,000 MW

In its Q1'19/20 report Eolus Vind disclosed its current long-term project pipeline. In total this amounts to an expected ~6,000 MW (of which ~3,900 or 65% relates to wind power projects, with the remaining 35% roughly evenly split between solar power and storage projects that we expect should provide a lower profit compared to wind). While 6,000 MW is promising, it is worth highlighting that ~2,700 MW (44%) are projects that are Greenfield or early development, and we therefore urge investors to be careful pricing in too much of the long-term portfolio.

### Total project portfolio, MW

Country	Greenfield & early dev.	Late dev. & sale	Optimisation & establishment	Total Wind Power	Solar	Storage	Total renewable
Sweden	1,706	377	130	2,213	0	0	2,213
Norway	0	0	430	430	0	0	430
Finland	21	44	0	65	0	0	65
Latvia	399	172	0	571	0	0	571
Estonia	176	0	0	176	0	0	176
USA	360	0	47	407	1,194	927	2,528
<b>Group</b>	<b>2,662</b>	<b>593</b>	<b>607</b>	<b>3,863</b>	<b>1,194</b>	<b>927</b>	<b>5,984</b>

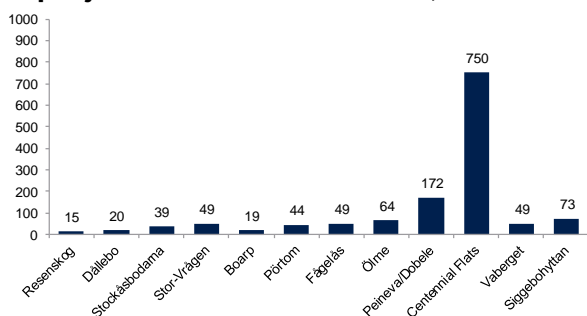
Source: ABG Sundal Collier, company data

## Mid-term ('22e to '24e)

For the long-term portfolio we have good transparency between '22e and '24e. In that time span there is an expected delivery of ~1,300 MW, made up of 56% solar and storage and 44% wind power projects.

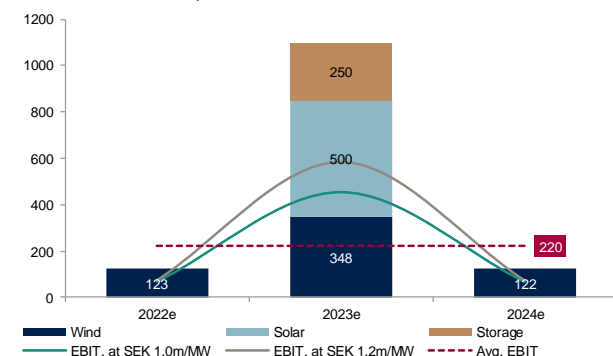
The solar & storage *Centennial Flats* project, located in the US state of Arizona, is expected to have a total capacity of 750MW (500 solar, 250 storage). The project has secured the grid connection and expects remaining approvals over '20e. Of the remaining ~600MW around 59% have secured environmental permits, with the other projects in the process of obtaining permits. The biggest future wind project is *Peineva/Dobele* in Latvia, which has a capacity of 172MW and is expected to be handed over in '23e. The project has been environmentally approved at a state level and is currently awaiting permits at a local level. Overall, we estimate that the '22-'24e portfolio should be able to deliver around 224MW (assuming ~50% success rate) per year on average, at a profit of around SEK 1.0-1.2m per MW (dependent on profitability in solar & storage). These assumptions provide an estimated SEK 590m–730m over the three year period, or a SEK 220m EBIT run-rate.

### 12 projects with an estimated 1,340 MW



Source: ABG Sundal Collier, company data

### '22-'24e EBIT, SEKm vs. MW



Source: ABG Sundal Collier, company data

### Near-term (until '21e)

The near-term portfolio, which spans between now and FY'20/21, is currently made up of four projects: *Wind Wall*, *Bäckhammar*, *Stigafjellet* and *Öyfjellet*, providing a total of 607MW. At this stage we do not expect that the COVID-19 situation will result in major delays or extra costs. While there are several risks (see p. 21), we argue that as it stands now the ongoing projects should be able to develop according to plan, with the risk of some extra costs associated in the near term.

#### Wind Wall

A repowering project of 13 turbines (replacing 400 old turbines and providing 3x the energy production), generating an estimated 155GWh. Tax credits are secured for the project and a PPAs secured with Amazon Web Services. The turbines will be delivered by Vestas, and sale is ongoing. We expect that the project will generate EBIT of SEK 49m between Q2'19/20e – Q4'19/20e.

#### Stigafjellet

Sold to EWZ, estimated to be delivered during H2'20. Seven turbines with an estimated 120 GWh. Our estimates imply a contribution of SEK 41m to EBIT between Q2'19/20e – Q1'20/21e.

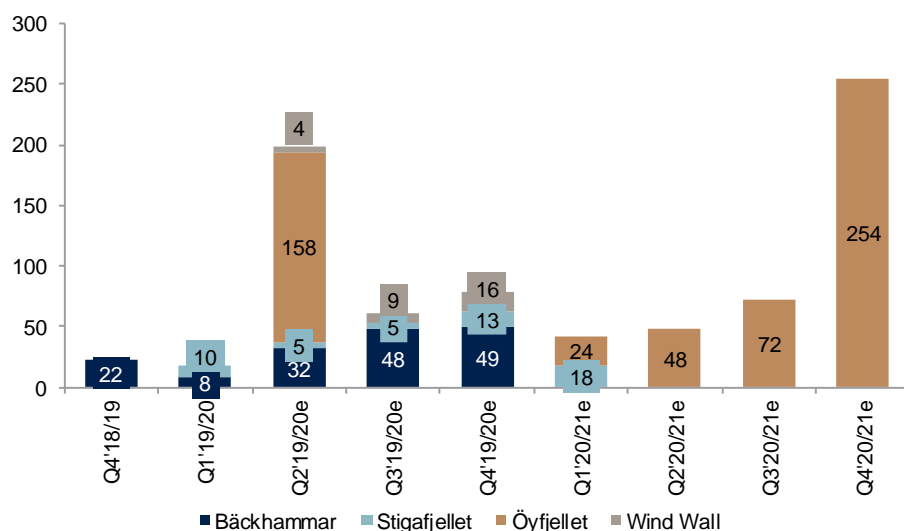
#### Bäckhammar

Sold to KGAL, estimated to be delivered during summer '20. 31 turbines with an estimated 400 GWh. Our estimates imply a contribution of SEK 129m to EBIT between Q2'19/20e – Q1'20/21e.

#### Öyfjellet

On 12 July Eolus announced an agreement with Aquila Capital for the sale of the 400 MW Öyfjellet project. The preliminary purchase price amounted to EUR 30m covering the sale of 100% of the shares of the project company, which holds project rights, a 15-year PPA, etc. The transaction is expected to close in autumn 2021.

### Expected EBIT contribution from near-term portfolio



Source: ABG Sundal Collier estimates

# Estimates and valuation

## Estimate changes

We have slightly lowered our EBIT estimates for '19/20e and '20/21e, driven largely by somewhat lower margins than we expected from ongoing projects (resulting from slight delays; we also expect that costs might be slightly higher than we previously anticipated due to the ongoing COVID-19 situation). We lower our '21/22 sales estimates by 6%, to better reflect what is currently in the pipeline. We expect an EBIT margin of 8% for the same year.

## 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>	<b>1,454</b>	<b>596</b>	<b>2,952</b>	<b>1,453</b>	<b>596</b>	<b>2,763</b>	<b>0%</b>	<b>0%</b>	<b>-6%</b>	<b>-1</b>	<b>0</b>	<b>-189</b>
Other income	39	0	0	39	0	0	n.m.	n.m.	n.m.	0	0	0
COGS	-1,042	-145	-2,612	-1,058	-173	-2,485	2%	19%	-5%	-16	-28	127
Opex	-95	-101	-107	-82	-100	-60	-14%	-1%	-44%	13	1	47
<b>EBITDA</b>	<b>356</b>	<b>350</b>	<b>233</b>	<b>343</b>	<b>326</b>	<b>221</b>	<b>-4%</b>	<b>-7%</b>	<b>-5%</b>	<b>-13</b>	<b>-24</b>	<b>-12</b>
<b>Adj EBITDA</b>	<b>356</b>	<b>350</b>	<b>233</b>	<b>343</b>	<b>326</b>	<b>221</b>	<b>-4%</b>	<b>-7%</b>	<b>-5%</b>	<b>-13</b>	<b>-24</b>	<b>-12</b>
Depreciation	-5	-4	-4	-5	-4	-4	0%	0%	0%	0	0	0
Amortization	0	0	0	0	0	0	n.m.	n.m.	n.m.	0	0	0
EBIT	351	346	229	338	322	217	-4%	-7%	-5%	-13	-24	-12
<b>Adj EBIT</b>	<b>351</b>	<b>346</b>	<b>229</b>	<b>338</b>	<b>322</b>	<b>217</b>	<b>-4%</b>	<b>-7%</b>	<b>-5%</b>	<b>-13</b>	<b>-24</b>	<b>-12</b>
Net financials	-18	-3	-3	-17	-3	-3	-8%	-15%	-15%	1	0	0
EBT	333	343	226	321	319	215	-4%	-7%	-5%	-12	-24	-11
Tax	-55	-69	-45	-52	-64	-43	-5%	-7%	-5%	3	5	2
<b>Net Income</b>	<b>279</b>	<b>274</b>	<b>181</b>	<b>269</b>	<b>256</b>	<b>172</b>	<b>-4%</b>	<b>-7%</b>	<b>-5%</b>	<b>-10</b>	<b>-18</b>	<b>-9</b>
<b>EPS diluted (SEK)</b>	<b>11.19</b>	<b>11.01</b>	<b>7.27</b>	<b>10.80</b>	<b>10.26</b>	<b>6.90</b>	<b>-3%</b>	<b>-7%</b>	<b>-5%</b>	<b>-0.39</b>	<b>-0.75</b>	<b>-0.37</b>
<b>Free cash flow</b>	<b>75</b>	<b>281</b>	<b>183</b>	<b>-2</b>	<b>256</b>	<b>174</b>	<b>-102%</b>	<b>-9%</b>	<b>-5%</b>	<b>-77</b>	<b>-25</b>	<b>-9</b>
Net cash flow	-112	236	133	-189	212	174	69%	-10%	31%	-77	-24	41
<b>Net debt</b>	<b>-832</b>	<b>-1,068</b>	<b>-1,201</b>	<b>-755</b>	<b>-974</b>	<b>-1,148</b>	<b>-9%</b>	<b>-9%</b>	<b>-4%</b>	<b>77</b>	<b>94</b>	<b>53</b>
<b>Breakdown of sales</b>												
Project Development	2,007	1,383	549	1,409	549	2,711	-30%	-60%	394%	-598	-834	2,162
Asset management	20	28	41	22	41	52	10%	47%	27%			
Electricity Production	7	0	0	0	0	0	n.m.	n.m.	n.m.	-7	0	0

Source: ABG Sundal Collier, company data

## Income statement

We expect EBIT for '19/20e of SEK 338m, driven predominantly by the development of *Bäckhammar*, *Stigafjellet* and the sale of *Öyfjellet*. Additionally, although it has not yet been sold, we estimate that *Wind Wall* will be a positive contributor. We anticipate '19/20e EPS of SEK 10.80. While there could be slight delays that would result in estimate changes between periods, we anticipate that the net change in estimates should remain around zero for these four projects.

## Expected profit from near-term projects

	Q4'18/19	Q1'19/20	Q2'19/20e	Q3'19/20e	Q4'19/20e	Q1'20/21e	Q2'20/21e	Q3'20/21e	Q4'20/21e
Bäckhammar	22	8	32	48	49				
Stigafjellet		10	5	5	13	18			
Öyfjellet			158	0	0	24	48	72	254
Wind Wall			4	9	16				

Source: ABG Sundal Collier, company data



We expect that investor interest in wind power will remain strong over the next two years and beyond. Although ongoing fears about low electricity prices could scare some investors, we argue that the deciding factor for investments lies in the long-term electricity prices that investors can secure, through futures or PPAs which appear to remain at a high level (see p. 19). For '20/21e we expect the group to achieve EBIT of SEK 322m and an EPS of SEK 10.26. Eolus Vind has a strong financial position, with '19/20e net cash of SEK 755m. Interest-bearing debt is SEK ~160m.

## Estimates overview

P&L (SEKm)	'09/10	'10/11	'11/12	'12/13	'13/14	'14/15	'15/16	'16/17	'17/18	'18/19	'19/20e	'20/21e	'21/22e
<b>Net sales</b>	<b>1,409</b>	<b>1,630</b>	<b>1,888</b>	<b>1,205</b>	<b>466</b>	<b>1,502</b>	<b>693</b>	<b>1,066</b>	<b>1,367</b>	<b>2,034</b>	<b>1,411</b>	<b>590</b>	<b>2,763</b>
Other income	3	0	2	61	21	21	2	17	23	59	39	0	0
OPEX	-1,223	-1,367	-1,679	-996	-353	-1,262	-641	-965	-1,120	-1,909	-1,140	-273	-2,545
EO	0	0	0	-20	-1	-71	-2	-8	0	0	0	0	0
EBITDA	169	246	115	201	73	185	11	64	217	123	343	326	221
<b>Adj. EBITDA (ex. EO)</b>	<b>169</b>	<b>246</b>	<b>115</b>	<b>221</b>	<b>74</b>	<b>255</b>	<b>13</b>	<b>72</b>	<b>217</b>	<b>123</b>	<b>343</b>	<b>326</b>	<b>221</b>
D&A	-26	-35	-34	-54	-32	-94	-27	-23	-15	-5	-5	-4	-4
ow. impairments of PPE													
EBIT	143	211	81	147	41	90	-16	40	202	118	338	322	217
<b>Adj. EBIT (ex. Impairments)</b>	<b>143</b>	<b>211</b>	<b>81</b>	<b>166</b>	<b>42</b>	<b>161</b>	<b>-13</b>	<b>49</b>	<b>202</b>	<b>118</b>	<b>338</b>	<b>322</b>	<b>217</b>
Net financials	-13	-6	-40	-11	-28	-15	-13	-6	-4	-2	-17	-3	-3
<b>EBT</b>	<b>130</b>	<b>206</b>	<b>41</b>	<b>135</b>	<b>13</b>	<b>75</b>	<b>-29</b>	<b>34</b>	<b>199</b>	<b>116</b>	<b>321</b>	<b>319</b>	<b>215</b>
Income tax	-33	-55	-14	6	-2	5	5	-10	-5	17	-52	-64	-43
<b>Net profit</b>	<b>97</b>	<b>151</b>	<b>28</b>	<b>142</b>	<b>11</b>	<b>80</b>	<b>-24</b>	<b>25</b>	<b>194</b>	<b>133</b>	<b>269</b>	<b>256</b>	<b>172</b>
<b>Adj Net profit</b>													
EPS basic (SEK)	4.27	6.67	1.12	5.68	0.44	3.21	-0.96	1.02	7.80	5.33	10.80	10.26	6.90
EPS diluted (SEK)	4.27	6.67	1.12	5.68	0.44	3.21	-0.96	1.02	7.80	5.33	10.80	10.26	6.90
Sales growth q-o-q													
Sales growth y-o-y		16%	16%	-36%	-61%	222%	-54%	54%	28%	49%	-31%	-58%	368%
<b>Margins</b>	<b>'09/10</b>	<b>'10/11</b>	<b>'11/12</b>	<b>'12/13</b>	<b>'13/14</b>	<b>'14/15</b>	<b>'15/16</b>	<b>'16/17</b>	<b>'17/18</b>	<b>'18/19</b>	<b>'19/20e</b>	<b>'20/21e</b>	<b>'21/22e</b>
EBITDA margin	12.0%	15.1%	6.1%	15.9%	15.1%	12.1%	1.5%	5.9%	15.6%	5.9%	23.0%	54.7%	8.0%
EBITDA margin adj for XO	12.0%	15.1%	6.1%	17.4%	15.2%	16.7%	1.9%	6.7%	15.6%	5.9%	23.6%	54.7%	8.0%
EBIT margin	10.1%	13.0%	4.3%	11.6%	8.5%	5.9%	-2.3%	3.7%	14.6%	5.7%	22.6%	54.1%	7.9%
EBIT margin adj for impairments	10.1%	13.0%	4.3%	13.1%	8.7%	10.5%	-1.9%	4.5%	14.6%	5.7%	22.6%	54.1%	7.9%
<b>Cash flow</b>	<b>'09/10</b>	<b>'10/11</b>	<b>'11/12</b>	<b>'12/13</b>	<b>'13/14</b>	<b>'14/15</b>	<b>'15/16</b>	<b>'16/17</b>	<b>'17/18</b>	<b>'18/19</b>	<b>'19/20e</b>	<b>'20/21e</b>	<b>'21/22e</b>
Cash flow before change in WC	0	0	126	97	47	150	-6	55	210	80	245	260	176
Change in NWC	0	0	-266	351	-534	565	141	36	32	487	-245	-1	0
<b>Operating cash flow</b>	<b>-135</b>	<b>148</b>	<b>-139</b>	<b>428</b>	<b>-488</b>	<b>715</b>	<b>134</b>	<b>91</b>	<b>242</b>	<b>567</b>	<b>0</b>	<b>258</b>	<b>176</b>
Cash flow from Investments	-203	-58	-229	124	10	44	-10	-10	-1	-101	-1	-2	-2
<b>FCFF</b>	<b>-338</b>	<b>90</b>	<b>-368</b>	<b>552</b>	<b>-478</b>	<b>759</b>	<b>124</b>	<b>81</b>	<b>241</b>	<b>466</b>	<b>-2</b>	<b>256</b>	<b>174</b>
Cash flow from financing (total)	281	-6	207	-231	200	-604	-144	-101	297	-103	-187	-45	0
Net cash flow	-57	85	-162	321	-277	155	-20	-20	538	363	-189	212	174
<b>Net debt</b>	<b>'09/10</b>	<b>'10/11</b>	<b>'11/12</b>	<b>'12/13</b>	<b>'13/14</b>	<b>'14/15</b>	<b>'15/16</b>	<b>'16/17</b>	<b>'17/18</b>	<b>'18/19</b>	<b>'19/20e</b>	<b>'20/21e</b>	<b>'21/22e</b>
<b>Net debt</b>	<b>109</b>	<b>29</b>	<b>438</b>	<b>-112</b>	<b>421</b>	<b>-53</b>	<b>-140</b>	<b>-168</b>	<b>-371</b>	<b>-800</b>	<b>-755</b>	<b>-974</b>	<b>-1,148</b>
Change in net debt		-81	410	-550	533	-474	-87	-28	-203	-429	45	-219	-174
<b>Net debt/EBITDA</b>	<b>0.6x</b>	<b>0.1x</b>	<b>3.8x</b>	<b>-0.6x</b>	<b>5.7x</b>	<b>-0.3x</b>	<b>-13.0x</b>	<b>-2.6x</b>	<b>-1.7x</b>	<b>-6.5x</b>	<b>-2.2x</b>	<b>-3.0x</b>	<b>-5.2x</b>

Source: ABG Sundal Collier, company data

## Valuation

We have a fair value range per share for Eolus Vind of SEK 100–150. We base the valuation on a sum-of-the-parts approach, implementing varying portions of the success probability of the total 5,984 MW project pipeline (low-range 35%; mid-range 53%, and high-range 71%). We discount the expected cash flows by a WACC of 10.1%. In our mid-range case scenario we anticipate that 30% of the value is near-term projects (100% success probability), 36% of the value lies between '22-'24e (~85% success probability) and 35% from '25e and beyond (~35% success probability). We anticipate an average profit per MW of SEK 1.2m (avg. of both wind & solar). We value the asset management at SEK 225m or SEK 9 per share.

### Valuation range SEK 100-150

Project	Low range			Mid range			Upper range		
	NPV SEKm	SEK / share	MWe	NPV SEKm	SEK / share	MWe	NPV SEKm	SEK / share	MWe
<b>20-'21e</b>									
Bäckhammar	135	5.4	130	135	5.4	130	135	5.4	130
Stigafjellet	43	1.7	30	43	1.7	30	43	1.7	30
Öyfjellet	430	17.2	400	430	17.2	400	430	17.2	400
Wind Wall	24	1.0	47	24	1.0	47	24	1.0	47
<b>Total</b>	<b>632</b>	<b>25.4</b>	<b>607</b>	<b>632</b>	<b>25.4</b>	<b>607</b>	<b>632</b>	<b>25.4</b>	<b>607</b>
<b>'22-'24e</b>									
Stockåsbodarna	20	0.8	20	34	1.4	33	36	1.4	35
Rosenskog	8	0.3	8	13	0.5	13	14	0.6	14
Dällebo	10	0.4	10	17	0.7	17	18	0.7	18
Boarp	9	0.4	10	15	0.6	16	16	0.6	17
Ölme	30	1.2	32	50	2.0	54	53	2.1	58
Stor-Vrängen	25	1.0	25	43	1.7	42	45	1.8	44
Fågelås	23	0.9	25	39	1.6	42	41	1.6	44
Vaberget	21	0.8	25	35	1.4	42	37	1.5	44
Siggebohyttan	31	1.2	37	52	2.1	62	55	2.2	66
Pörtom	20	0.8	22	35	1.4	37	37	1.5	40
Peineva/Dobele	80	3.2	86	136	5.4	146	144	5.8	155
Centennial Flats	176	7.1	375	299	12.0	638	316	12.7	675
<b>Total</b>	<b>451</b>	<b>18.1</b>	<b>672</b>	<b>767</b>	<b>30.8</b>	<b>1,142</b>	<b>812</b>	<b>32.6</b>	<b>1,209</b>
<b>'25-</b>									
Sweden	179	7.2	341	314	12.6	597	538	21.6	1,024
Norway	0	0.0	0	0	0.0	0	0	0.0	0
Finland	2	0.1	4	4	0.2	7	7	0.3	13
Latvia	42	1.7	80	73	2.9	140	126	5.1	240
Estonia	18	0.7	35	32	1.3	62	55	2.2	106
USA	182	7.3	346	318	12.8	606	546	21.9	1,039
<b>Total</b>	<b>424</b>	<b>17.0</b>	<b>807</b>	<b>742</b>	<b>29.8</b>	<b>1,412</b>	<b>1,272</b>	<b>51.1</b>	<b>2,420</b>
<b>Sum projects</b>	<b>1,507</b>	<b>60.5</b>	<b>2,085</b>	<b>2,141</b>	<b>86.0</b>	<b>3,160</b>	<b>2,716</b>	<b>109.0</b>	<b>4,236</b>
'20-'21e	42%			30%			23%		
'22-'24e	30%			36%			30%		
'25e-	28%			35%			47%		
<b>Asset management</b>	<b>225</b>	<b>9.0</b>		<b>225</b>	<b>9.0</b>		<b>225</b>	<b>9.0</b>	
<b>Enterprise value</b>	<b>1,732</b>	<b>69.5</b>		<b>2,366</b>	<b>95.0</b>		<b>2,941</b>	<b>118.1</b>	
Net Debt / (Net Cash)	-755	-30.3		-755	-30.3		-755	-30.3	
<b>Equity value</b>	<b>2,487</b>	<b>99.9</b>		<b>3,121</b>	<b>125.3</b>		<b>3,696</b>	<b>148.4</b>	
Price diff		-5%			19%			41%	

Source: ABG Sundal Collier, company data

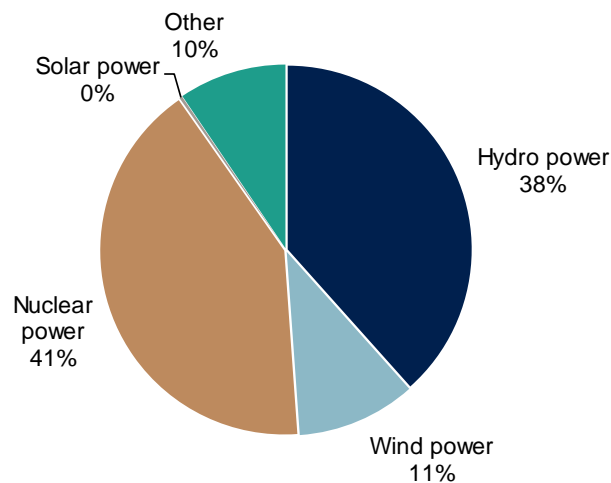
# Wind power 101

## Background

The first wind turbine for electricity generation can be traced back to 1887, when the Scottish professor James Blyth built it to charge accumulators and provide lighting in his summer cottage. Just over 20 years later, there were 72 wind-powered electric generators in Denmark; the pioneer of wind power. It was not until the 1970s that interest in wind power gained a significant boost, mainly driven by the oil crisis in the West. Attention in Sweden did not accelerate until the early 1990s. At that time, Eolus Vind was the first commercial wind power provider in the country.<sup>1</sup> Since then the granting of permits has become easier, electricity certificates have become more advantageous, and the climate debate has escalated. Interest in wind power in Sweden has thus increased significantly since 2005.<sup>2</sup>

In 2006, wind power in Sweden produced just under 1 TWh, less than 0.5% of total electricity generation. Thirteen years later, in 2019, 20 TWh of wind power was produced in Sweden, corresponding to 12% of total electricity generation. The lion's share of the total electricity generation derives from nuclear and hydropower. There are approximately 3,500 wind turbines installed in Sweden today and the average turbine produces 4.7 TWh per year. It is estimated by Svensk Vindenergi that investments of SEK 80bn related to the development of wind power have been announced since 2016<sup>3</sup>.

## Electricity production mix in Sweden (2018)



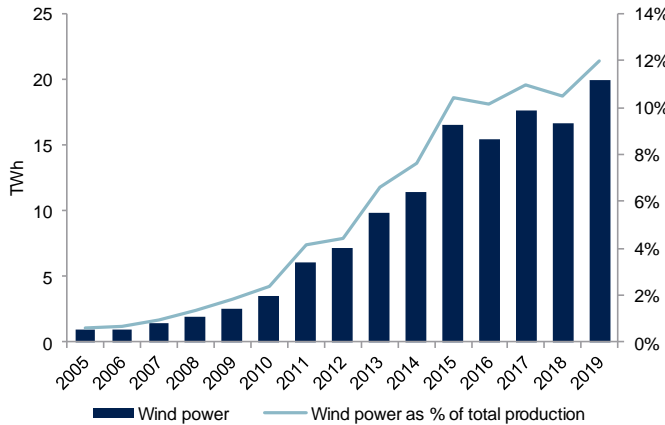
Source: ABG Sundal Collier, SCB

<sup>1</sup> <https://www.eolusvind.com/om-eolus/historik/>

<sup>2</sup> <http://vindkraften.se/>

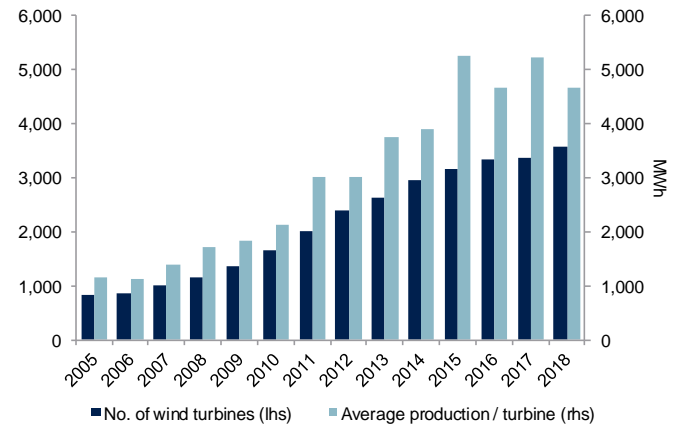
<sup>3</sup> <https://svenskvindenergi.org/pressmeddelanden/investeringar-pa-80-miljarder-sedan-energioverenskommelsen-slots>

### Electricity production Sweden



Source: ABG Sundal Collier, SCB

### Wind turbines Sweden



Source: ABG Sundal Collier, Swedish Energy Association

The benefits of wind power are many. First and foremost, it is an abundant and inexhaustible source of energy. The winds are the strongest during the winter season – when we consume the most electricity. From a climate perspective, its impact is minimal compared with hydroelectric plants that disturb ecosystems in waterways. Above all, declining production costs make wind turbines a competitive electricity producer.<sup>4</sup>

## Opportunities

### Underlying megatrends

Two underlying megatrends drive the wind power market –increased climate awareness and increasing energy demand worldwide. Increasing our dependence on renewable energy is vital to reaching the UN climate goals. According to the UN, focusing on the increased use of renewable energy through new economic and job opportunities is crucial to creating more sustainable and inclusive communities and resilience to environmental issues like climate change. Also, there needs to be more focus on regulatory frameworks and innovative business models to transform the world’s energy systems.<sup>5</sup>

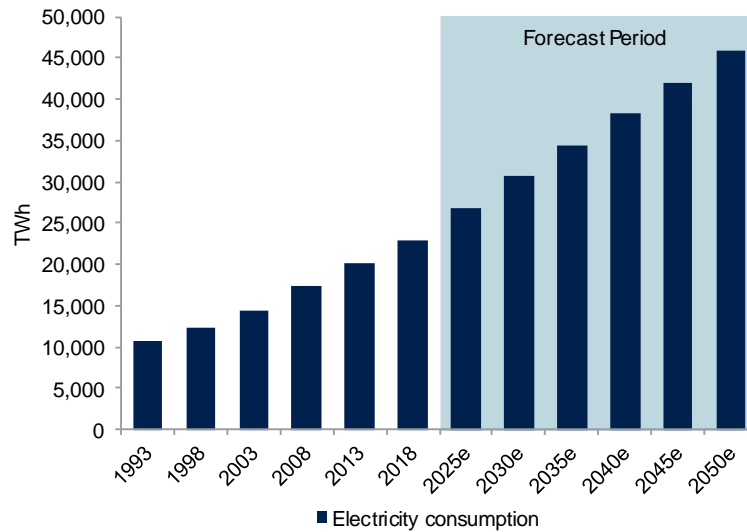
Moreover, McKinsey estimates that global electricity consumption will double until 2050, with the growth fueled by: i) electrification in transport, with rapid improvements in electric vehicles, ii) at-scale electrification of industry, which will require low electricity prices, and iii) higher living standards in non-OECD countries. McKinsey also projects that renewable energy sources, mainly wind and solar, will account for 50% of the electricity generation by 2035 (26% in 2018).<sup>6</sup>

<sup>4</sup> <https://svenskvindenergi.org/wp-content/uploads/2019/04/Nätverket-Vindkraftens-klimatnytta-2019-04-16.pdf> --- <https://svenskvindenergi.org/vindkraft>

<sup>5</sup> <https://renews.biz/56752/renewables-key-to-un-climate-goals/>

<sup>6</sup> [https://www.mckinsey.com/~/media/McKinsey/Industries/Oil%20and%20Gas/Our%20Insights/Global%20Energy%20Perspective%202019/McKinsey-Energy-Insights-Global-Energy-Perspective-2019\\_Reference-Case-Summary.ash](https://www.mckinsey.com/~/media/McKinsey/Industries/Oil%20and%20Gas/Our%20Insights/Global%20Energy%20Perspective%202019/McKinsey-Energy-Insights-Global-Energy-Perspective-2019_Reference-Case-Summary.ash)

### Global electricity consumption

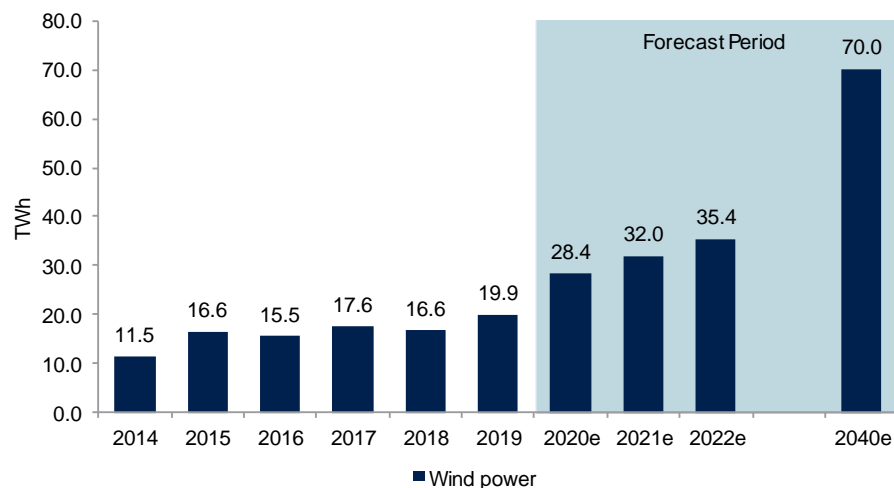


Source: ABG Sundal Collier, Global Energy Statistical Yearbook 2019 and McKinsey Energy Insights Global Energy Perspective 2019

### Rapid growth in wind power production expected

For Swedish wind power, the Swedish Wind Energy Association expects rapid growth in electricity generation. It estimates that production will reach 35 TWh by 2022, corresponding to an increase almost double the size of the combined production from the nuclear reactors Ringhals 2 and 1 (dismantled in 2019 and 2020, respectively) and a 21% CAGR between 2019 and 2022. The dismantling of the reactors, as well as the expansion of wind power, is a result of the Swedish energy agreement in 2016 to have 100% renewable electricity generation by 2040. According to the estimates, wind power production would reach at least 70 TWh by 2040 (corresponding to a CAGR of 7% over the forecast period, compared with a CAGR of 10% over the last decade. That compares with the generation from hydropower plants at 65 TWh (not projected to increase significantly), and Swedish electricity consumption that has been approximately at 140 TWh in recent years (estimated to increase to 154 TWh in 2030). If assuming growth in solar power as well, there is room for increased energy demand and still relying solely on renewables. Thus, the goal to have 100% renewable electricity production by 2040 seems achievable.

### Electricity production in Sweden



Source: ABG Sundal Collier, Swedish Wind Energy Association

## **Declining production costs making wind investments more attractive**

The rapid expansion of wind power in Sweden can mostly be attributed to declining production costs. Technical developments in recent years include ever-larger rotor blades, taller towers and more efficient turbines. More effective construction methods have also lowered production costs. According to the Swedish Energy Agency, the production cost for onshore wind was SEK 780/MWh in 2008 and SEK 430/MWh in 2016. For turbines put into operation in 2020, the production cost is expected to be at SEK 360/MWh.<sup>7</sup> Translating that production cost to the production potential outlined above, SEK 5bn and SEK 18bn will be invested in wind turbines until 2022 and 2030, respectively. However, one can assume that technical advancements and production cost declines will continue in coming years.

## **Why invest in Swedish wind power?**

### **Favourable conditions**

The circumstances for wind power are good in Sweden. First, there is a fair amount of hydropower working as a regulator during low wind conditions. Generally, hybrid systems give fewer load peaks and less time without production and water reserves can be filled using excess energy from wind power during peak hours. The synergies leads to a more efficient use of the network infrastructure. Also, the cost of the network connection is reduced due to synergy effects between different types of energy sources. That will reduce the cost of producing renewable electricity.

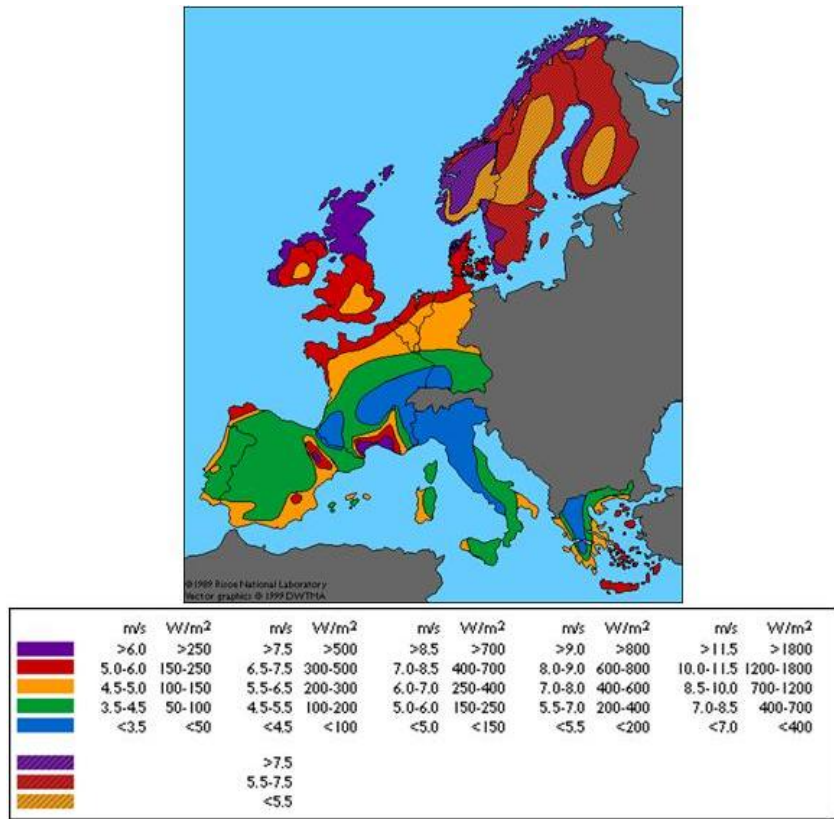
Secondly, to keep the electricity system in balance, temporary deficits and surpluses in electricity production can be compensated by imports and exports. Sweden has good export opportunities to neighbouring countries in Europe and is currently a net exporter. In 2019 exports reached record levels, ~25 TWh was exported, mainly to Norway and Finland. In recent years the increase in exports has been correlated with the expansion of wind power. Furthermore, electricity exports, which can replace the use of fossil electricity production in neighbouring countries, has a direct climate benefit. Thus, there are significant socio-economic savings to be made. In recent years, Swedish electricity exports are estimated to have contributed to reduced emissions of 5-10 million tons per year.

Last but certainly not least, Sweden has good wind conditions from a geographical perspective. Long coastal stretches and a sparsely populated country is beneficial. Most wind turbines are located along the coast where the winds are the strongest.

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<sup>7</sup> <https://svenskvindenergi.org/wp-content/uploads/2019/04/N%C3%A4tverket-Vindkraftens-klimatnytta-2019-04-16.pdf>

European wind map



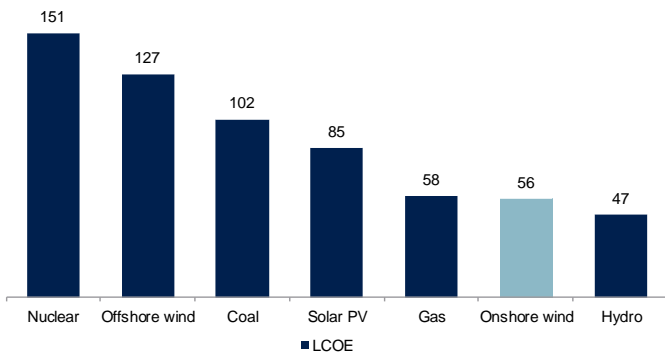
Source: ABG Sundal Collier, company data

Improved unit economics

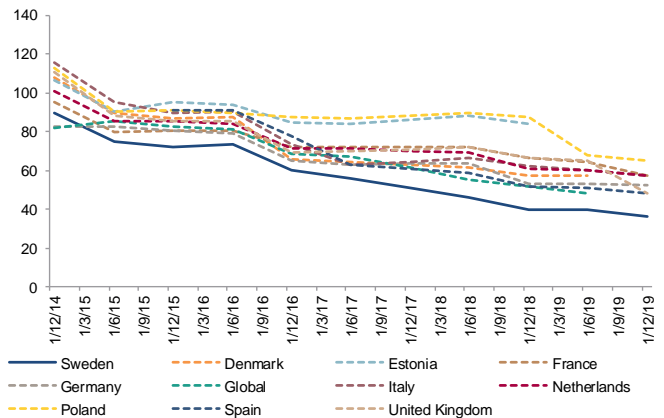
As mentioned previously, the cost of production has declined substantially and has therefore improved the unit economics of wind turbines. The levelized cost of energy (LCOE) for onshore wind, on a global basis, is USD 56/MWh, compared with USD 47/MWh for hydropower, USD 58/MWh for gas, USD 85/MWh for solar PV, USD 102/MWh for coal, and USD 151/MWh for nuclear power. The lower LCOE for onshore wind is mainly due to the low variable costs when the turbine is installed and ready to generate electricity. For offshore wind (wind turbines based on water) the LCOE is USD 127/MWh.<sup>8</sup>

Levelized cost of energy (LCOE) declining.

LCOE for different energy sources (USD/MWh, 2018)



European wind power LCOE



Source: ABG Sundal Collier, Bloomberg

Source: ABG Sundal Collier, IRENA, Lazard Levelized Cost of Energy Analysis

<sup>8</sup> <https://www.lazard.com/media/450784/lazards-levelized-cost-of-energy-version-120-vfinal.pdf>



According to the Swedish Energy Agency, Sweden has the lowest production costs for wind power in Europe. Furthermore, electricity prices are expected to rise in the longer term. With lower costs and higher electricity prices, Sweden is well suited for the expansion of wind power.

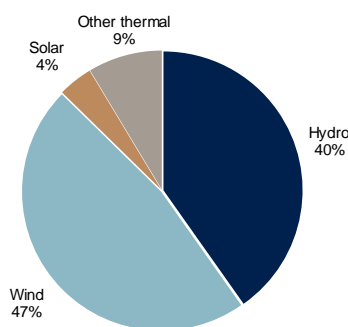
**Low penetration**

Despite the favourable conditions, Sweden’s electricity generation from wind turbines is small compared with other EU countries. Calculated per square kilometre, the EU has twice as much wind power despite the population density being five times greater. Lengthy permit processes for the expansion of wind turbines have contributed to slow development in Sweden. For a project developer to establish wind power today, two separate permit processes must be completed, one to build the park (environmental permit) and one to connect it to the grid (concession). Few businesses are tested as thoroughly as wind power. What also makes the wind power testing procedure unique is that municipalities must approve wind power projects. The total testing period often exceeds ten years from consultation on environmental permits. An easing of the regulations by the Swedish authorities, which may be needed to achieve 100% renewable energy by 2040, could pave the way for an accelerating growth in the expansion of wind power. However, it is a low base as a starting point and there is a long runway for growth.<sup>9</sup>

**Energy mix**

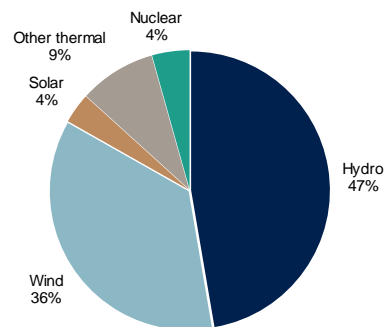
Projections by Svenska kraftnät, a Swedish government authority, foresee a shift in the country’s electricity production mix, mainly from nuclear power towards wind power. By 2040 wind power is estimated to represent around half of electricity production, with hydropower to maintain its current position at 40%. The remaining production will derive from solar power and other thermal energy sources. Looking at the Nordics as a whole, nuclear power is expected to keep a small share of production while hydropower will represent the majority.<sup>10</sup>

**Production mix in Sweden (2040e)**



Source: ABG Sundal Collier, Svenska Kraftnät

**Production mix Nordics (2040e)**



Source: ABG Sundal Collier, Svenska Kraftnät

<sup>9</sup> <https://svenskvindenergi.org/wp-content/uploads/2019/04/Nätverket-Vindkraftens-klimatnytta-2019-04-16.pdf>

<sup>10</sup> [https://www.svk.se/siteassets/om-oss/rapporter/2019/langsiktig-marknadsanalys-2018\\_sammanfattning.pdf](https://www.svk.se/siteassets/om-oss/rapporter/2019/langsiktig-marknadsanalys-2018_sammanfattning.pdf)

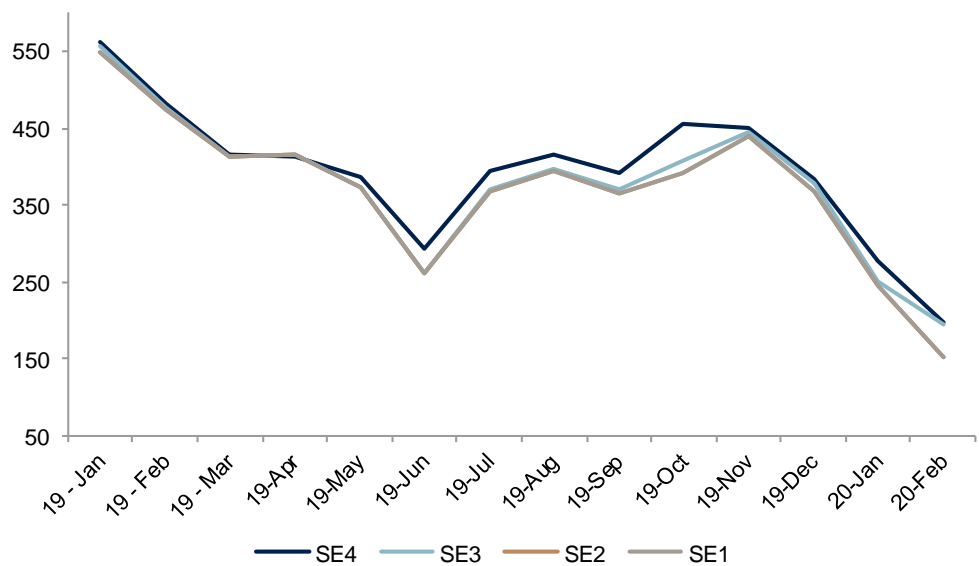


## Challenges

### Electricity price drop – a short-term worry

Since January 2019 the average electricity price in Sweden has decreased by 69%. YTD in 2020 the price is down 54%. The Swedish electricity market has seen somewhat of a 'perfect storm' in the last three months, mainly impacted by three factors: 1) wind conditions have been favourable; 2) hydropower water reserves in the north of Sweden have been full as a result of the warm winter; and 3) the mild winter resulted in weaker demand. Furthermore, the ongoing slowdown resulting from the preventive measures taken with regards to the COVID-19 outbreak is sure to put a significant dent in short-term demand.

### Swedish electricity prices down ~69% since January 2019

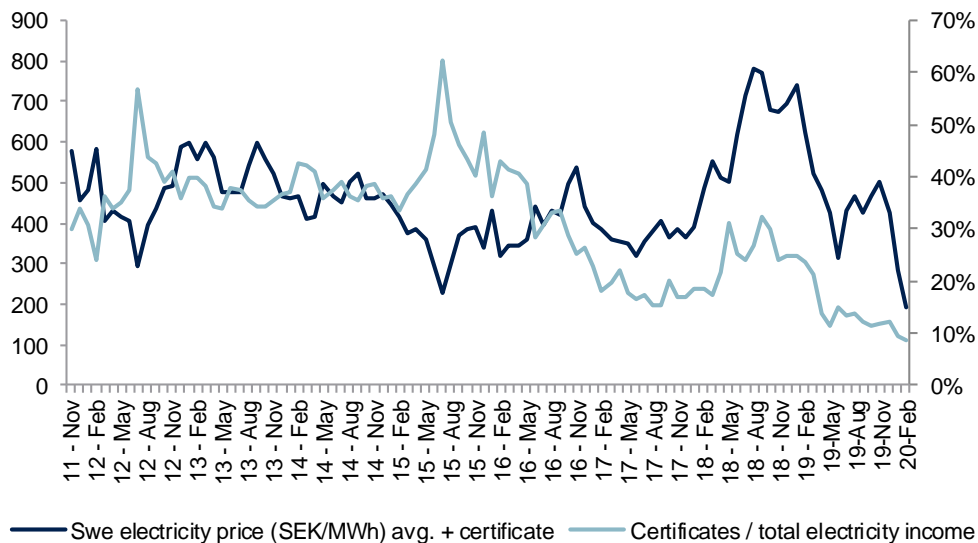


Source: ABG Sundal Collier, Nordpool Group data

### Diminishing profitability from electricity certificates

In Sweden and Norway the market for renewable energy has been supported by electricity certificates, which the electricity producer can earn for every MWh produced. These certificates are later sold to electricity suppliers, who are obligated to buy a certain amount of certificates for every MWh sold. These certificates are later sold to end customers and can be tracked on electricity bills. The reasoning behind the support is to make investments in renewable energy more attractive/profitable in order to reach climate goals, both on a domestic and global level. As wind power turbines and parks have grown bigger and more effective, older parks which are more reliant on the subsidy suffer, since prices fall because of the supply shock from increased production (due to bigger and more efficient turbines). As stated earlier, electricity suppliers are obliged to buy a certain amount of electricity certificates every year in order to sell their electricity, and the demand for electricity has not accelerated at the same pace as supply in electricity certificates. Since LCOE has decreased, new projects do not need electricity certificates in order to be profitable, Eolus and investors therefore don't take them into their calculations. However, for smaller wind farm operators with older turbines the certificates still play an important role.

### Swedish electricity price and certificates as percentage of total income

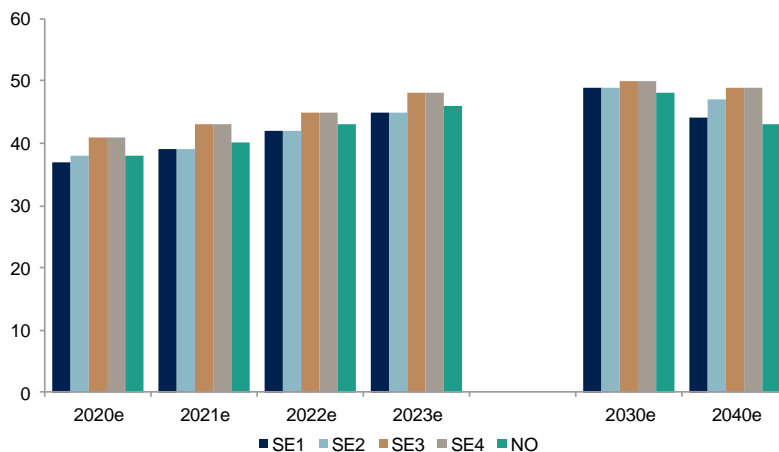


Source: ABG Sundal Collier, Nordpool, Pexapark & Bloomberg

### Long-term electricity price – the key factor

While short-term weakness in the electricity price does have an impact on the profitability of wind farms, it is really the long-term price potential that is important in the investment decision making process. The electricity trading company Bixia expects that prices will appreciate starting in 2021, mainly driven by a less stable energy base as nuclear power is discontinued.<sup>11</sup> Bixia predicts that the price will be ~EUR 41,5/MWh by 2025 and ~EUR 45/MWh by 2030. Increased electricity demand due to more data centres being built, more electric cars, increased needs from industry and a growing population will drive the trend, according to Bixia’s forecast. Additionally, as electricity prices are higher in the rest of Europe, a more open trading system (which we expect to see) should push the prices towards an equilibrium and thus contribute to rising prices in Sweden. As wind power becomes a larger portion of our energy mix, there will be times where we do have an oversupply of energy, which is then likely to be traded with other countries. It is the long-term electricity price that lies as the basis for pricing of PPAs and futures, which ultimately is the deciding factor if investing in a project is feasible.

### Estimated electricity prices in Sweden EUR/MWh



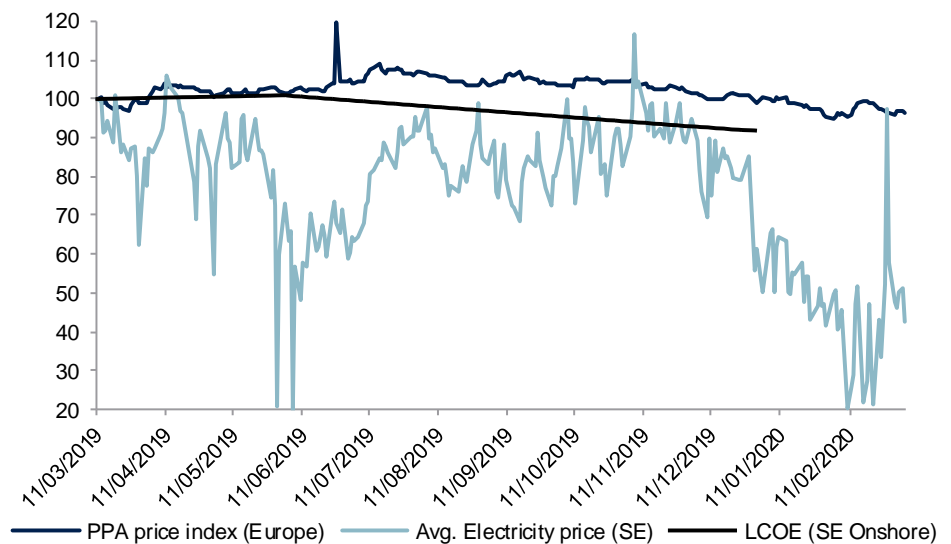
Source: ABG Sundal Collier, Svenska Kraftnät

<sup>11</sup> <https://www.bixia.se/press/nyheter/2019/vi-far-rakna-med-stigande-elpriser-fran-2021>

### Power Purchase Agreements driving wind investments

An increasingly common way to secure prices over the long-term is Power Purchase Agreements (PPAs), where an energy producer enters into an agreement with a buyer (a user or distributor of energy) at a pre-determined price outside of the spot market. For power distributors, PPAs allow for an efficient way to increase the renewable energy mix. Energy producers, meanwhile, can secure cash flows and reduce the power market risk. For example, Vattenfall entered into an agreement with Aquila Capital to purchase energy from the Eolus Vind-developed wind farm Kråktorpet. PPAs are not a new phenomenon and have been particularly common in the Nordics. What is quite new, however, is the trend among global companies to buy renewable energy directly from producers using corporate PPAs. For example Google has contracted ~450MW of wind PPAs in Sweden since 2012. While the most common markets today are Norway and Sweden, PPAs are expected to become more common for all types of renewable energy sources in Europe. According to S&P Global, as subsidies are being withdrawn from renewable energy development, PPAs are becoming the main driver for investments in renewable energy sources.

#### PPA prices vs. electricity prices (indexed to 100)

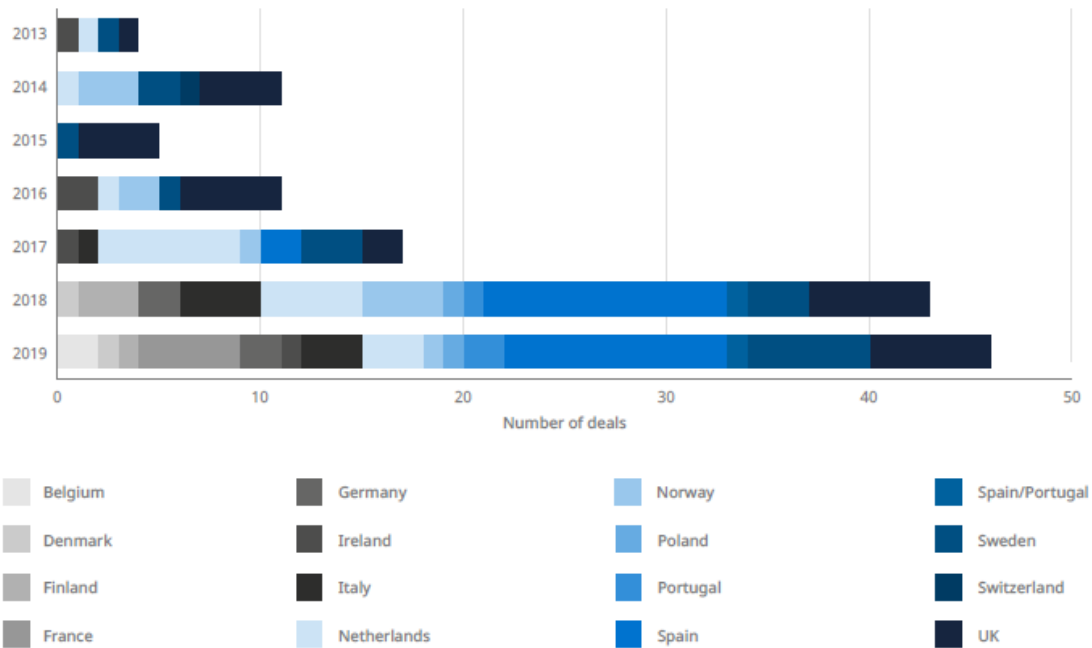


Source: ABG Sundal Collier, company data

#### PPAs in the Nordics

Led by Norway and Sweden, the Nordics is the largest market for PPAs in Europe, and has many corporate players with significant energy needs and environmental objectives. Historically the market was largely fragmented and power producers started to deal with PPAs early on to ensure long-term prices and cash flows. In addition, the trading of electricity between countries both in the Nordics as well as the Baltics is possible through interconnected power grids.

European PPA deal flow



Source: DLA Piper, Inspiratia

Future of PPAs in Europe

Although a substantial increase in PPA agreements has occurred over the last couple of years, some stakeholders claim that PPAs alone will not be sufficient to facilitate the renewable energy needed to meet Europe’s climate goals, and argue that governments are better positioned to manage this transition.

We note also the increasing interest from the public sector. Although private sector PPAs have largely been driven by ESG initiatives, the public sector sees the potential for cost savings (in addition to help in reaching climate targets). The public PPA trend is positive for many reasons, as the counterparties tend to be long-term oriented and dependable, with cheap access to capital. However, bureaucracy and sensitivity to election cycles could be factors limiting the success of such solutions.

Private PPAs are currently done mainly by large companies (Google, Facebook, etc). This is largely due to the need for a buyer to have sufficient creditworthiness. The limited number of possible buyers has resulted in an imbalance between sellers and buyers of PPAs. In future, we expect a potential for SMEs to enter into aggregate PPAs to develop. Currently such deals are constructed by one lead buyer (a large company) that allows smaller firms to be included in the PPA, effectively lowering the credit risk for sellers as well as sharing transaction costs among buyers.

Renewables coupled with storage PPAs is another new trend likely to increase in the future. As PPAs are becoming more focused on baseload, an addition of storage could provide a lower risk to buyers, which would enable plants to provide additional supply during peak price hours. However, currently these solutions are largely limited to solar power.

## Risks related to COVID-19

Since it is difficult to assess the length of the COVID-19 outbreak in the West, it is too soon to judge its impact on the wind energy sector. The majority of Europe's wind turbine and component factories continue to operate: only eight sites are currently closed, and all of them located in Spain and Italy. However, amid factory shutdowns, travel restrictions, lockdowns and a forecasted downturn in the economy, the wind power market could face some challenges. Namely, i) delayed turbine construction due to logistical delays of raw materials and key components and authorities postponing decision-making, ii) limited O&M staff if larger technical work is needed, iii) lower power demand and thus declining electricity prices, and iv) credit risk from supplier and customers.

### **Delayed turbine construction**

Logistical delays in the supply chains of wind power and construction companies could occur. European wind power companies rely on both domestic and global suppliers of key components and raw materials. Still, takeaways from Vestas and Ørsted seem to imply that for now turbine deliveries are largely delivered as expected. Due to factory shutdowns, travel restrictions and quarantined employees, the global forecast wind addition for 2020 is now expected to be 73 GW, down with 4.9 GW, according to the research group Wood Mackenzie. Keep in mind that the COVID-19 crisis is dynamic and there are still many uncertainties regarding its impact.

Delays in new projects could also be caused by authorities postponing permissions for new projects. All new wind turbine projects in Sweden require approval from municipalities. Due to working from home policies and other current challenges there is a risk that some projects may not be prioritised. For Eolus Vind we expect that there may be slight delays over quarters, but as it currently stands we do not expect any major delays or extra costs.

### **Limited O&M staff**

Travel restrictions and quarantine policies might impact the ability to keep site and service operations fully manned. Many countries have enough domestic service engineers to handle routine operations and maintenance issues, but larger O&M problems often require overseas-based specialists. As of 16 March, restrictions on non-essential travel from third countries into the EU were established, which apply for 30 days. However, major technical works are rare in wind O&M, with a maximum of 5% of turbines being hit by such issues in any given year.

## Other challenges

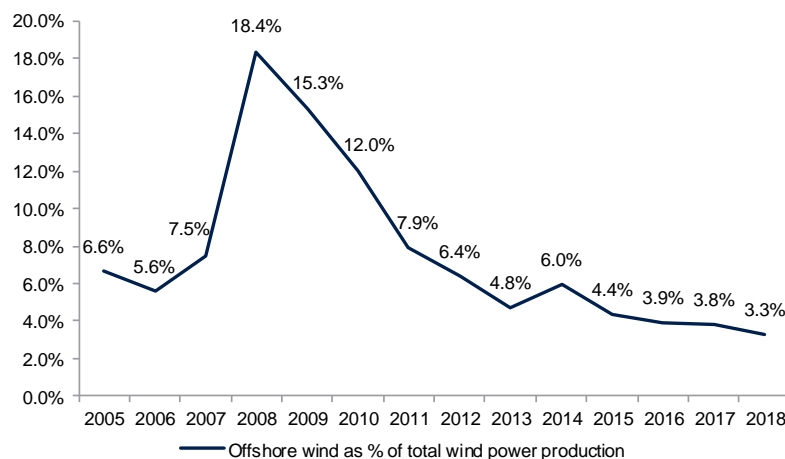
### Credit risk

The wind power market is, as with many other markets, exposed to credit risk from suppliers and customers if there is a prolonged slowdown in the economy. Insurance companies, pension funds, infrastructure funds and energy companies are among the largest customers in the sector.

### Noise

Although wind power plants have relatively little impact on the environment compared with conventional power plants, concerns exist over the noise produced by the turbine blades and the visual impact on the landscape. People living near large wind turbines state that they harm their living environment. A solution is to shift production towards offshore wind turbines, which currently only represents 3% of wind power production (despite stronger winds out at sea). Even though the LCOE for offshore wind has declined significantly in the last years, it is still higher than onshore wind. The main obstacle, although it is improving, is the complexity in construction and maintenance (e.g. to connect cables safely to the land-based electricity grid).

### Offshore wind power production in Sweden



Source: ABG Sundal Collier, Swedish Energy Association

### Energy storage

The main limitation to expanding wind power is the unreliability of wind. It shows great variation, not only between day and night but also between several days depending on cloudiness. Trading from other countries when production dips is a solution (most likely in the near term), which promotes the need to have an open trading system within the EU. Another solution is to store the energy to be able to use it when needed. Today, such solutions are not widely found, but research on the topic is progressing.

### Batteries

The most common way to store energy is through batteries, ranging from ordinary AA batteries in controllers to car batteries in electric vehicles. The major obstacle to storing energy with batteries in wind turbines is the cost issue. However, at Chalmers University, aluminium batteries that provide twice as high energy density compared with state-of-the-art batteries are being developed. In addition, the material cost is said to be considerably lower. Such batteries may allow for large-scale applications, such as storing energy in wind turbines.<sup>12</sup>

<sup>12</sup> <https://www.forskning.se/2019/09/30/miljovanligare-batterier-av-aluminium-kan-lagra-sol-och-vindkraft/>

## **Pumped hydro**

Similar to the technique used in hydropower plants, a wind turbine in Germany has been installed to use water for energy storage. When it is windy, the power plant uses its surplus to pump water from a nearby lake into the tower. When the wind stops, the water is released and can thus produce electricity even in the absence of wind.<sup>13</sup>

## **Hydrogen gas**

Traditional energy storage methods are highly efficient, but there is little opportunity to meet the storage needs required for a transition to renewable electricity. The focus has therefore shifted from efficiency to storage potential when intermittent energy has been introduced to a greater extent in the electricity grids. Hydrogen has a vital role to play here as the energy density is high and storage can take place over longer periods.<sup>14</sup>

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<sup>13</sup> <https://www.svd.se/vindkraftverk-pa-246-meter--men-hojden-ar-inte-grejen>

<sup>14</sup> <http://www.vatgas.se/faktabank/>

Income Statement (SEKm)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020e	Q3 2020e	Q4 2020e
Sales	108	370	520	1,034	294	363	348	448
COGS	-82	-302	-463	-947	-244	-163	-282	-369
Gross profit	26	69	58	87	51	199	66	79
Other operating items	-15	-41	-45	-14	4	-21	-10	-24
<b>EBITDA</b>	<b>11</b>	<b>27</b>	<b>12</b>	<b>73</b>	<b>54</b>	<b>178</b>	<b>56</b>	<b>54</b>
Depreciation and amortisation	-1	-1	-1	-1	-2	-1	-1	-1
<b>EBITA</b>	<b>10</b>	<b>26</b>	<b>11</b>	<b>72</b>	<b>52</b>	<b>177</b>	<b>55</b>	<b>53</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>177</b>	<b>55</b>	<b>53</b>
Net financial items	-8	5	-1	1	-15	-1	-1	-1
<b>Pretax profit</b>	<b>2</b>	<b>31</b>	<b>10</b>	<b>73</b>	<b>38</b>	<b>176</b>	<b>54</b>	<b>53</b>
Tax	-1	7	2	8	5	-35	-11	-11
<b>Net profit</b>	<b>1</b>	<b>39</b>	<b>12</b>	<b>81</b>	<b>42</b>	<b>141</b>	<b>44</b>	<b>42</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>141</b>	<b>44</b>	<b>42</b>
EPS	0.04	1.55	0.49	3.25	1.69	5.67	1.75	1.69
EPS Adj	0.04	1.55	0.49	3.25	1.69	5.67	1.75	1.69
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	20.0	20.0	20.0
Gross margin (%)	24.0	18.5	11.1	8.4	17.2	55.0	19.1	17.6
EBITDA margin (%)	10.0	7.4	2.3	7.1	18.4	49.1	16.1	12.1
EBITA margin (%)	9.0	7.0	2.1	7.0	17.7	48.8	15.8	11.9
EBIT margin (%)	9.0	7.0	2.1	7.0	17.7	48.8	15.8	11.9
Pretax margin (%)	2.0	8.4	1.9	7.0	12.7	48.6	15.6	11.8
Net margin (%)	0.9	10.5	2.3	7.8	14.3	38.9	12.5	9.4
<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 2020e</b>	<b>Q3 2020e</b>	<b>Q4 2020e</b>
Sales growth (%)	494.2	165.6	2,199.1	-12.8	173.1	-2.0	-33.0	-56.7
EBITDA growth (%)	108.1	-21.0	+chg	-60.6	401.9	552.7	361.0	-25.6
EBIT growth (%)	223.2	-13.7	+chg	-59.9	441.0	585.0	407.2	-25.9
Net profit growth (%)	-86.6	7.8	+chg	-48.0	4,140.8	264.9	258.2	-47.9
EPS growth (%)	-86.6	7.8	+chg	-48.0	4,140.8	264.9	258.2	-47.9
<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 2020e</b>	<b>Q3 2020e</b>	<b>Q4 2020e</b>
EBITDA Adj	11	27	12	73	54	178	56	54
EBITDA Adj margin (%)	10.0	7.4	2.3	7.1	18.4	49.1	16.1	12.1
EBITA Adj	10	26	11	72	52	177	55	53
EBITA Adj margin (%)	9.0	7.0	2.1	7.0	17.7	48.8	15.8	11.9
EBIT Adj	10	26	11	72	52	177	55	53
EBIT Adj margin (%)	9.0	7.0	2.1	7.0	17.7	48.8	15.8	11.9
Pretax profit Adj	2	31	10	73	38	176	54	53
Net profit Adj	1	39	12	81	42	141	44	42
Net profit to shareholders Adj	1	39	12	81	42	141	44	42
Net Adj margin (%)	0.9	10.5	2.3	7.8	14.3	38.9	12.5	9.4

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	1,453	596	2,763
COGS	-969	-330	-1,239	-608	-923	-1,077	-1,793	-1,058	-173	-2,485
Gross profit	236	136	263	86	143	290	239	395	422	277
Other operating items	-16	-62	-8	-73	-71	-73	-115	-53	-96	-56
<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>343</b>	<b>326</b>	<b>221</b>
Depreciation and amortisation	-54	-32	-94	-27	-23	-15	-5	-5	-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>338</b>	<b>322</b>	<b>217</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>338</b>	<b>322</b>	<b>217</b>
Net financial items	-11	-28	-15	-13	-6	-4	-2	-17	-3	-3
<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>321</b>	<b>319</b>	<b>215</b>
Tax	6	-2	5	5	-10	-5	17	-52	-64	-43
<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>269</b>	<b>256</b>	<b>172</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>269</b>	<b>256</b>	<b>172</b>
EPS	5.68	0.44	3.21	-0.96	0.98	7.80	5.33	10.80	10.26	6.90
EPS Adj	6.47	0.47	6.04	-0.86	1.32	7.80	5.33	10.80	10.26	6.90
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	16.2	20.0	20.0
Gross margin (%)	19.6	29.1	17.5	12.4	13.4	21.2	11.7	27.2	70.9	10.0
EBITDA margin (%)	18.3	15.9	17.0	1.9	6.8	15.9	6.1	23.6	54.7	8.0
EBITA margin (%)	13.8	9.1	10.7	-1.9	4.6	14.8	5.8	23.2	54.1	7.9
EBIT margin (%)	12.2	8.9	6.0	-2.3	3.8	14.8	5.8	23.2	54.1	7.9
Pretax margin (%)	11.2	2.8	5.0	-4.2	3.2	14.5	5.7	22.1	53.6	7.8
Net margin (%)	11.7	2.3	5.3	-3.4	2.3	14.2	6.5	18.5	42.9	6.2
<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	-28.5	-59.0	363.9
EBITDA growth (%)	92.1	-66.4	243.7	-94.8	443.8	201.0	-43.2	178.0	-4.9	-32.1
EBIT growth (%)	80.6	-71.7	117.1	-117.7	352.3	403.1	-41.5	185.4	-4.6	-32.5
Net profit growth (%)	408.5	-92.3	631.9	-129.9	202.5	693.0	-31.7	102.6	-5.0	-32.8
EPS growth (%)	408.5	-92.3	631.9	-129.9	202.5	693.0	-31.7	102.6	-5.0	-32.8
<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	26.7	20.8	12.1
ROE Adj (%)	17.9	1.2	18.1	-3.1	5.0	26.3	15.6	26.7	20.8	12.1
ROCE (%)	11.5	3.1	7.6	-1.9	5.6	21.6	10.0	27.3	23.2	13.8
ROCE Adj (%)	13.0	3.2	13.6	-1.6	6.7	21.6	10.0	27.3	23.2	13.8
ROIC (%)	12.7	2.8	8.5	-1.9	5.2	40.2	50.4	125.8	69.8	47.7
ROIC Adj (%)	12.7	2.8	8.5	-1.9	5.2	40.2	50.4	125.8	69.8	47.7
<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	343	326	221
EBITDA Adj margin (%)	18.3	15.9	17.0	1.9	6.8	15.9	6.1	23.6	54.7	8.0
EBITDA lease Adj	221	74	255	13	72	217	123	343	326	221
EBITDA lease Adj margin (%)	18.3	15.9	17.0	1.9	6.8	15.9	6.1	23.6	54.7	8.0
EBITA Adj	166	42	161	-13	49	202	118	338	322	217
EBITA Adj margin (%)	13.8	9.1	10.7	-1.9	4.6	14.8	5.8	23.2	54.1	7.9
EBIT Adj	147	41	90	-16	40	202	118	338	322	217
EBIT Adj margin (%)	12.2	8.9	6.0	-2.3	3.8	14.8	5.8	23.2	54.1	7.9
Pretax profit Adj	155	14	146	-27	43	199	116	321	319	215
Net profit Adj	161	12	151	-21	33	194	133	269	256	172
Net profit to shareholders Adj	161	12	151	-21	33	194	133	269	256	172
Net Adj margin (%)	13.4	2.5	10.0	-3.1	3.1	14.2	6.5	18.5	42.9	6.2

Source: ABG Sundal Collier, Company data

<b>Cash Flow Statement (SEKm)</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	221	74	255	13	72	217	123	343	326	221
Net financial items	-11	-28	-15	-13	-6	-4	-2	-17	-3	-3
Paid tax	6	-2	5	5	-10	-5	17	-52	-64	-43
Non-cash items	0	0	0	0	0	81	203	-130	-2	0
Cash flow before change in WC	215	44	245	5	56	290	341	144	257	176
Change in WC	265	-523	626	101	-80	96	324	-324	1	0
<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>-0</b>	<b>258</b>	<b>176</b>
CAPEX tangible fixed assets	124	10	44	-10	-10	-1	-101	-1	-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>-2</b>	<b>256</b>	<b>174</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	55	7	50
<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>-46</b>	<b>219</b>	<b>174</b>
<b>Balance Sheet (SEKm)</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>
Goodwill	0	0	0	0	0	96	54	27	22	22
Other intangible assets	0	0	0	0	0	0	0	0	0	0
Tangible fixed assets	459	415	339	259	111	52	32	34	32	30
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	22	22	22
Fixed assets	462	426	352	292	148	177	111	83	76	74
Inventories	653	1,349	585	667	499	882	749	684	683	683
Receivables	20	27	53	29	44	90	61	206	206	206
Other current assets	45	41	28	61	8	6	34	132	132	132
Cash and liquid assets	383	86	242	222	202	740	1,103	914	1,132	1,306
<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>2,019</b>	<b>2,230</b>	<b>2,402</b>
Shareholders equity	961	937	731	671	660	816	890	1,122	1,333	1,504
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>1,122</b>	<b>1,333</b>	<b>1,504</b>
Long-term debt	134	178	149	50	13	82	152	156	156	156
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	26	26	26
Short-term debt	138	330	40	32	21	287	151	3	3	3
Accounts payable	25	109	5	110	28	141	229	216	216	216
Other current liabilities	163	255	234	320	117	527	628	497	497	497
<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>2,019</b>	<b>2,230</b>	<b>2,402</b>
Net IB debt	-115	418	-56	-164	-198	-397	-821	-775	-993	-1,167
Net IB debt excl. pension debt	-115	418	-56	-164	-198	-397	-821	-775	-993	-1,167
Net IB debt excl. leasing	-115	418	-56	-164	-198	-397	-821	-775	-993	-1,167
Capital invested	988	1,475	775	593	523	461	77	373	365	363
Working capital	529	1,052	426	326	406	310	-14	310	309	309
<b>EV breakdown</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>
Market cap. diluted (m)	542	557	610	493	538	956	1,960	2,685	2,685	2,685
Net IB debt Adj	-115	418	-56	-164	-198	-397	-821	-775	-993	-1,167
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>1,910</b>	<b>1,692</b>	<b>1,518</b>
<b>Capital efficiency</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>
Total assets turnover (%)	68.5	26.7	94.2	54.8	98.2	97.8	102.8	71.3	28.0	119.3
Working capital/sales (%)	54.9	169.7	49.2	54.2	34.3	26.2	7.3	10.2	51.9	11.2
<b>Financial risk and debt service</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>
Net debt/equity	-0.12	0.45	-0.08	-0.24	-0.30	-0.49	-0.92	-0.69	-0.75	-0.78
Net debt/market cap	-0.22	0.70	-0.09	-0.31	-0.36	-0.53	-0.61	-0.29	-0.37	-0.43
Equity ratio (%)	61.5	48.5	58.1	52.9	73.2	43.1	43.2	55.6	59.8	62.6
Net IB debt adj./equity	-0.12	0.45	-0.08	-0.24	-0.30	-0.49	-0.92	-0.69	-0.75	-0.78
Current ratio	3.37	2.16	3.25	2.12	4.52	1.80	1.93	2.71	3.01	3.25
EBITDA/net interest	19.35	2.62	17.24	1.01	12.01	61.47	52.46	20.61	128.61	87.30
Net IB debt/EBITDA	-0.52	5.64	-0.22	-12.37	-2.75	-1.83	-6.66	-2.26	-3.05	-5.27
Net IB debt/EBITDA lease Adj	-0.52	5.64	-0.22	-12.37	-2.75	-1.83	-6.66	-2.26	-3.05	-5.27
Interest cover	14.59	1.49	10.85	-1.03	8.11	57.29	50.35	20.31	127.03	85.72

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	10.80	10.26	6.90
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	10.80	10.26	6.90
BVPS	38.58	37.61	29.36	26.95	26.48	32.76	35.73	45.04	53.50	60.40
BVPS Adj	38.58	37.61	29.36	26.95	26.48	28.90	33.56	43.97	52.62	59.52
Net IB debt / share	-4.6	16.8	-2.2	-6.6	-8.0	-15.9	-32.9	-31.1	-39.9	-46.9
Share price	21.75	22.35	24.50	19.80	21.60	38.40	78.70	107.80	107.80	107.80
Market cap. (m)	542	557	610	493	538	956	1,960	2,685	2,685	2,685
<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	10.0	10.5	15.6
EV/sales	0.35	2.07	0.36	0.46	0.32	0.41	0.56	1.31	2.84	0.55
EV/EBITDA	1.9	13.0	2.1	24.2	4.7	2.6	9.2	5.6	5.2	6.9
EV/EBITA	2.6	22.9	3.4	-23.9	6.9	2.8	9.6	5.7	5.3	7.0
EV/EBIT	2.9	23.3	6.1	-20.1	8.4	2.8	9.6	5.7	5.3	7.0
Dividend yield (%)	6.9	6.7	46.9	7.6	6.9	3.9	1.9	1.7	1.9	1.9
FCF yield (%)	101.9	-85.8	124.4	25.1	15.1	25.2	18.9	-0.1	9.6	6.5
Lease adj. FCF yield (%)	101.9	-85.8	124.4	25.1	15.1	25.2	18.9	-0.1	9.6	6.5
P/BVPS	0.56	0.59	0.83	0.73	0.82	1.17	2.20	2.39	2.01	1.78
P/BVPS Adj	0.56	0.59	0.83	0.73	0.82	1.33	2.35	2.45	2.05	1.81
P/E Adj	3.4	47.8	4.1	-23.0	16.3	4.9	14.8	10.0	10.5	15.6
EV/EBITDA Adj	1.9	13.0	2.1	24.2	4.7	2.6	9.2	5.6	5.2	6.9
EV/EBITA Adj	2.6	22.9	3.4	-23.9	6.9	2.8	9.6	5.7	5.3	7.0
EV/EBIT Adj	2.9	23.3	6.1	-20.1	8.4	2.8	9.6	5.7	5.3	7.0
EV/cap. employed	0.3	0.7	0.6	0.4	0.5	0.5	1.0	1.5	1.1	0.9
<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	0.1	0.3	0.1
Capex/depreciation	-229.0	-32.0	-46.8	38.9	41.5	6.4	3,964.3	24.2	50.0	50.0
Capex tangibles/tangible fixed assets	-27.1	-2.5	-13.0	4.0	8.7	1.8	316.8	3.6	6.2	6.6
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	14.7	12.4	13.2

Source: ABG Sundal Collier, Company data

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