

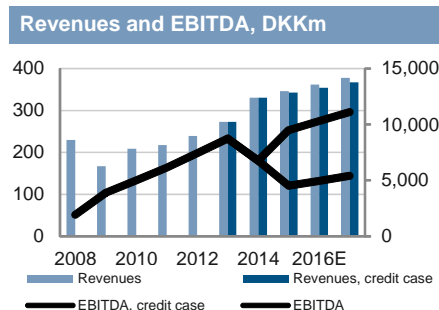
Energi Danmark

Industry (GICS): Electric Utilities
Sector (Nordea): Energy

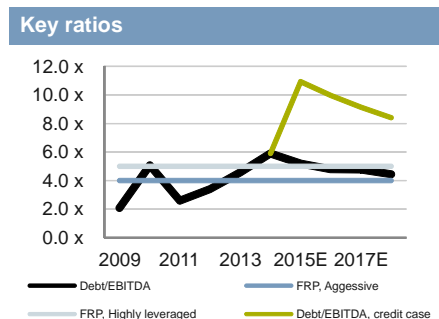
BB-
Stable

Key info	
Country	Denmark
Bloomberg debt	ENRGDK Corp
Bloomberg equity	3986004Z DC
Moody's	NR/---
S&P	NR/---
Market cap. (bn)	n.a.

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Source: Company data and Nordea Markets



Source: Company data and Nordea Markets

Key credit metrics and ratios (adjusted numbers)										
DKKm	2008	2009	2010	2011	2012	2013	2014	2015E	2016E	2017E
EBITDA	52	104	133	163	198	233	181	253	274	296
- margin	1%	2%	2%	2%	2%	2%	1%	2%	2%	2%
EBIT	43	91	114	136	168	196	144	214	234	254
- margin	0%	1%	1%	2%	2%	2%	1%	2%	2%	2%
Shareholders' equity	570	630	722	783	862	963	989	1,091	1,195	1,311
Debt	1	216	675	423	670	1,068	1,066	1,315	1,315	1,315
Debt/(Debt+Equity)	0.0	0.3	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.5
FFO/Debt	n.m.	26.2%	15.2%	28.6%	26.0%	19.6%	11.9%	13.8%	14.8%	16.1%
FOCF/Debt	n.m.	-47.1%	-33.3%	-40.7%	-51.8%	-22.6%	11.8%	-15.3%	-1.5%	-0.9%
DCF/Debt	n.m.	-51.7%	-33.3%	-49.7%	-58.9%	-25.4%	5.9%	-18.4%	-5.3%	-5.0%
EBITDA interest coverage	4.9	14.0	24.2	14.2	12.0	9.1	5.5	6.8	6.5	7.0
Debt/EBITDA	0.0	2.1	5.1	2.6	3.4	4.6	5.9	5.2	4.8	4.4
ROC	15.0%	12.9%	10.1%	10.2%	11.9%	10.7%	6.8%	9.3%	9.3%	9.6%

Source: Company data and Nordea Markets

Ratings lowered on weaker financial risk profile

Despite continued strong revenue growth, Energi Danmark (ED) reported lower earnings in fiscal 2014, mainly due to margin pressure in its core Swedish and Danish electricity retail markets, which was only partly offset by a stable development in the group's other markets. The earnings compression pushed gross debt/EBITDA to 5.9x in 2014, from 4.6x in 2013, which is well above our requirements for ED's financial risk profile. Our slow forecast recovery in metrics has prompted us to lower ED's rating by one notch to BB- (BB). We maintain our Stable outlook.

Strong revenue growth in 2014 – but with lower margins

Revenue growth continued in 2014, and increased by 21% compared with 2013. This development was mainly driven by an increase in new customers, which more than offset the negative effect of lower electricity prices. At the same time, the gross margin weakened to 3.2% (2013: 4.1%), mainly due to intense competition in the Swedish and Danish electricity markets. In addition to growing staff expenses, a DKK 20m derivatives loss as well as a DKK 10m loss of earnings relating to poor data management at the Danish system operator, led to a weakening of the group's EBITDA margin to 1.5% (2013: 2.3%).

More stable margins in Finland and Norway

In contrast, ED noted a more stable trend in the Finnish and Norwegian markets, with largely unchanged operating margins, while the company reported profitable growth in its newly established German business.

Gross debt/EBITDA rising

The earnings compression pushed gross debt/EBITDA to reach 5.9x in 2014, from 4.6x in 2013 – well above our requirements for ED's financial risk profile, which we revise to Aggressive from Significant. Our slow forecast recovery in metrics has prompted us lower ED's rating by one notch to BB- (BB). We maintain our Stable outlook.

Recent developments

Revenue growth continued in 2014, but intense competition in ED's core Swedish and Danish markets put pressure on margins. The earnings compression pushed the gross debt/EBITDA to a high 5.9x in 2014 from 4.6x in 2013, which is well above our requirements for ED's financial risk profile, which we revise to Aggressive from Significant.

Strong revenue growth in 2014 – but at lower margins

ED has released its annual report for 2014. Key developments for the year include:

- Revenue growth continued in the year and was up by 21% compared to 2013. This development was mainly driven by an increase in new customers, which more than offset the negative effect of lower electricity prices.
- At the same time, the gross margin weakened to 3.2% (2013: 4.1%) mainly due to intense competition in the Swedish and Danish electricity markets. According to management, ED's growth ambitions on these two markets are likely to moderate should the margin development not improve in the near term.
- Y/y growth in staff expenses led to a weakening of the group's EBITDA margin to 1.5% (2013: 2.3%). This includes a DKK 20m derivatives loss as well as a DKK 10m loss of earnings related to poor data management at the Danish system operator.
- In contrast, ED noted a more stable development in the Finnish and Norwegian markets with largely unchanged operating margins, while the company reported profitable growth in its German business.

ED's management forecasts 4-5% revenue growth and a pre-tax profit of DKK 150m in 2015. At the same time, management expects a marginal recovery in gross and operating margins. Management estimates capex to roughly DKK 300m, mainly consisting of investments in windmills, which are financed by a DKK 125m ear-market secured facility in one of ED's subsidiaries, EnergiDanmark Vind.

Weaker earnings pushed gross debt/EBITDA well above our requirements for ED's current rating

Free operating cash flow improved in 2014 due to an inflow in working capital, mainly as a result of lower value of customer receivables, which were affected by the lower power price in 2014. This development more than offset weakening earnings and higher capex. Dividends paid in 2015 amounted to DKK 40m, corresponding to a 45% pay-out ratio, roughly on par with 2014.

The earnings compression pushed the gross debt/EBITDA to 5.9x in 2014 from 4.6x in 2013, which is well above our requirements for ED's financial risk profile, which we have revised to Aggressive from Significant. We calculate debt/EBITDA on a gross basis, based on our assumption that most of ED's cash balances are tied up in collateral needed for trading on the energy exchanges.

Despite our modelled increase in debt levels to fund wind power capex, we expect debt leverage to gradually decline owing to growing EBITDA (in turn based on a high single-digit sales growth and a slight margin improvement). Still, the recovery in metrics looks to be somewhat slow, which prompts us to lower ED's rating to BB-, from BB, with a stable outlook.

Business description

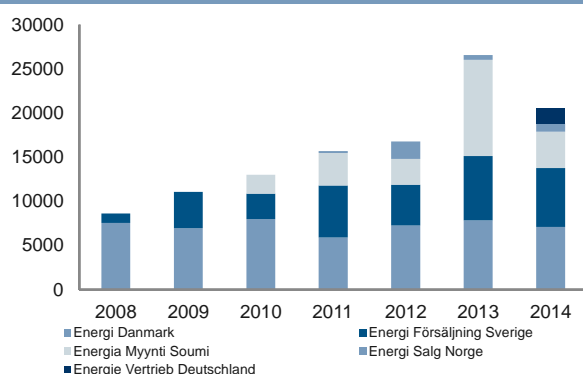
Our BB- rating on Aarhus-based energy trading company Energi Danmark A/S reflects its strong domestic market share, a meaningful share of public sector revenues and its competitive IT platform. This is partly offset by the company's modest share of the competitive Nordic electricity retail market and its small size and scale compared with much larger, integrated utility peers.

Growing fast in a competitive market

Aarhus-based Energi Danmark A/S is an electricity and gas retailer, offering physical sales of electricity, gas and CO₂ emission allowances to corporate clients across the Nordic region. The company also offers its larger customers portfolio management and strategic advice including hedging of electricity, gas, CO₂ and currency exposure. Other services include balancing system responsibility for larger electricity generators (including windmills and independent combined heat-and power (CHP) plants) in Denmark as well as invoicing services. The company also owns and operates windmills through its wholly-owned subsidiary Energi Danmark Vind as a way to offer renewable energy to its customers.

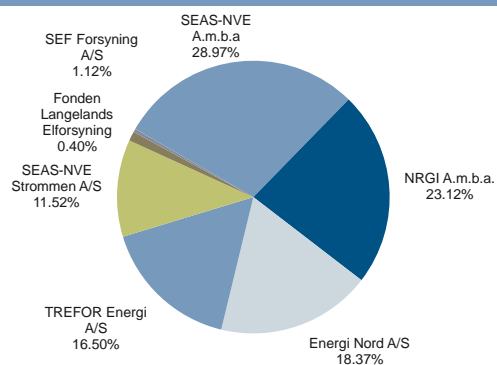
Energi Danmark's customer base consists of corporate and public clients across the Nordic region. Represented by operating subsidiaries in the four Nordic countries, and lately also adding Germany, Energi Danmark's revenue growth has averaged 15% over the past five-year period.

Electricity sales by segment, GWh



Source: Company data and Nordea Markets

Shareholder structure, full-year 2014



Source: Company data and Nordea Markets

Energi Danmark was founded in 1993. Its main shareholders comprise regional and local Danish co-operative-owned utilities, including the SEAS-NVE group (with a total holding of ~40.5%), which became a shareholder in 2005, NRGI a.m.b.a. (23.1%), EnergiNord A/S (18.4%), and TREFOR A/S (16.5%).

Energi Danmark's product offering is geared towards corporate customers, typically medium to larger enterprises, with operations in one or several Nordic countries, and which are seeking to take on a centralised approach in purchasing and hedging of electricity and gas needs. Energi Danmark's vision is to offer a "one-stop shop" for the Nordic region – also serving Nordic business clients with operations in Germany. Management's business proposition is to compete through a more tailor-made product and portfolio management offering compared with the (in some cases) more standardised offering by the Nordic utility majors which, in addition, have partly scaled down retail operations in the recent years.

Energi Danmark has also a role as balancing power provider in the four Nordic markets, which means that Energi Danmark is directly involved, in

co-operation with the national transmission system operators (TSOs) in the respective country, in keeping power supply and demand in the national grids in balance.

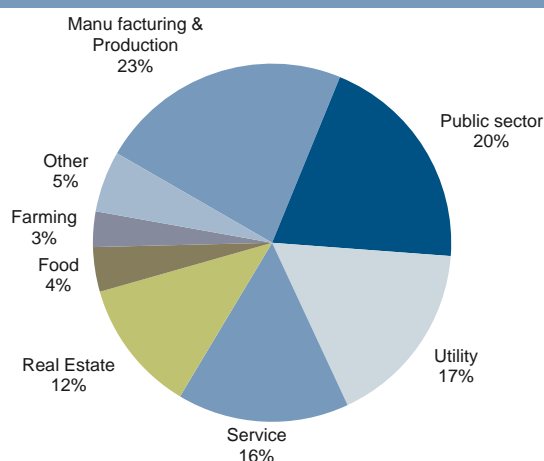
Business risk profile

ED's Fair business risk profile reflects its strong domestic market share, a meaningful share of public sector revenue, and a competitive IT platform. It also reflects the company's relatively modest, albeit growing, share on the fragmented, and highly competitive, Nordic electricity retail market; and its small size and scale compared with much larger, integrated utility peers.

Fair business risk profile

Energi Danmark has a strong position in Denmark, with about 45% of the market, while its position in neighbouring countries is more modest. The company benefits from a significant share of public sector revenue in Sweden, Finland and Denmark. It has practically no public revenue in Norway, reflecting the strong focus in Norway from the public sector clients in sourcing power from local suppliers.

Customer by segments, full-year 2014



Source: Company data and Nordea Markets

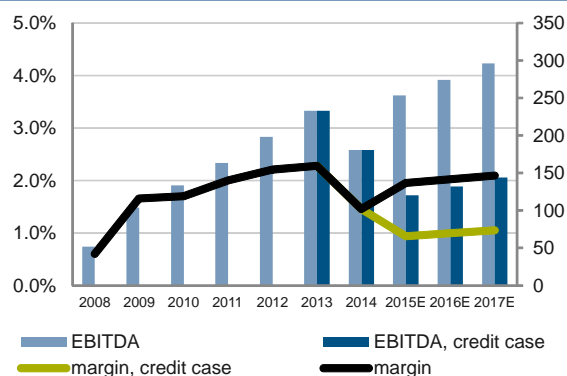
Energi Danmark's organic revenue growth has averaged around 15% over the past five years and the group has ambitious plans to further expand its market share in the Nordic region. Energi Danmark's Finnish subsidiary, Energia Myynti Soumi, significantly expanded its business during 2013 following the signing of a 7.6TWh contract with Hansel Oy, the procurement company for the Finnish government. In 2014, ED noted a strong start to its newly established German subsidiary, mainly through an delivery agreement with the German Bundeswehr.

Profitability, cost structure and cash flow

Reflecting its operations as an electricity retailer, Energi Danmark's operating margins are thin by nature with an average EBITDA margin over the past five years at 2%. At the same time, Energi Danmark's operations are rather fixed-assets light, with the bulk of capital tied up as short-term receivables, reflecting a snap-shot valuation of its physical trading and derivatives positions at the closing balance sheet date.

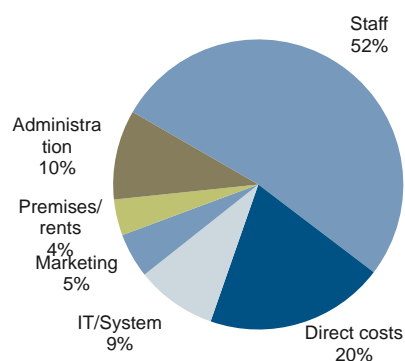
Energi Danmark's cost structure mainly comprises staff costs, representing just about half of opex. This includes also staff that develop Energi Danmark's IT infrastructure platform, aside of the direct costs for IT which represent about 10% of opex. IT development costs are typically capitalised on the balance sheet, while all other IT costs are expensed in the income statement. Direct costs mainly includes charges to power exchanges and fees to cover for guarantees.

EBITDA, EBITDA margin



Source: Company data and Nordea Markets

Cost structure



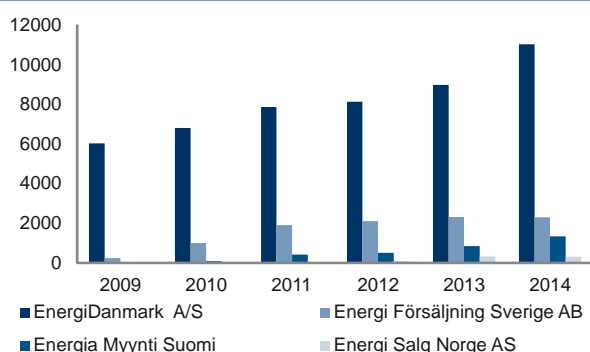
Source: Company data and Nordea Markets

The electricity retail markets in all four Nordic countries are generally highly competitive, albeit to varying degrees, with pressure on already slim operating margins. This poses a challenge for energy trading companies that need adequate margins to cover for credit charges, balancing power costs, fees to NordPool and a contribution margin. In the aftermath of the financial crisis in 2008-09, an increasing share of customer signed short or spot-based contracts, which has put pressure on Energi Danmark's sales contribution margins.

It is furthermore anticipated that the introduction of the so-called Engros model in Denmark, whereby network tariffs will be charged by the energy trading company from which a specific customer purchases electricity (and thus not via the distribution company) will add to the administrative burden and lead to an overall increase in customer credit risk exposure for energy trading companies. On a positive note, however, this also means increased interaction with the customers in terms of contracts, billing services, etc.

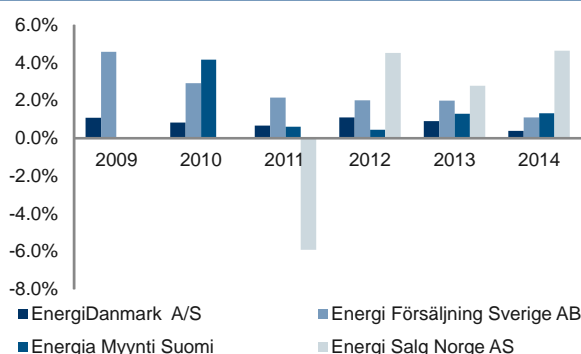
We assume an EBITDA margin of 2% on a group level in our base case forecast up to 2018, reflecting low power prices and our anticipation of a continuous flat electricity forward curve. A downside scenario to this assumption could arise from intensified price competition and subsequent pressure on sales margins – such as those seen in the Swedish and Danish markets in 2014 – where Energi Danmark is aggressively looking to gain market share among corporate and public customers

Sales by division, DKKm



Source: Company data and Nordea Markets

EBIT margin by segment



Source: Company data and Nordea Markets

We note that a meaningful share of Energi Danmark's sales, or 11.3% in 2014, originated from shareholders that buy electricity to supply their networks. We understand that these purchases are made at a discount to current market prices, although in turn the shareholders post guarantees on behalf of Energi Danmark to facilitate its trading on the energy exchanges.

Risk management

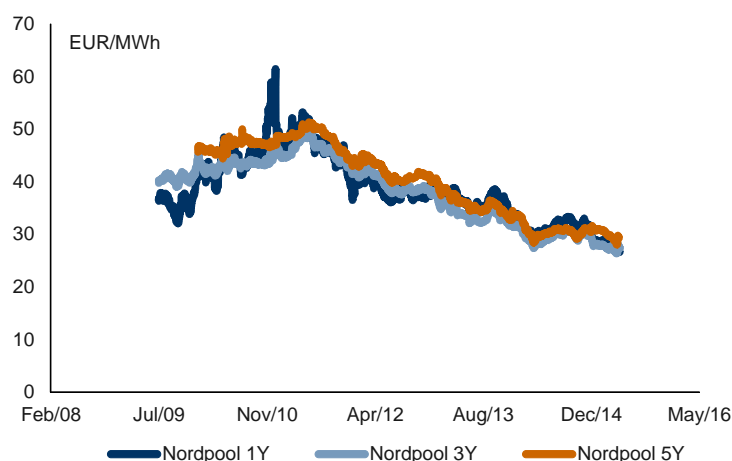
Energi Danmark's customer-derived commodity exposures includes electricity, gas, CO₂ and to a lesser extent, oil. As part of its offering, Energi Danmark also manages currency exposures related to these commodities. Energi Danmark's key electricity trading platforms include the NordPool spot exchange (for physical power trading) and Nasdaq OMX (for the electricity derivatives trading). Following its recent establishment on the German market, Energi Danmark has become increasingly active on EEX (the German power exchange).

Energi Danmark operates its trading business within defined risk limits, which includes maximum loss limits calculated on a daily basis as well as on a year-to-date basis. The risk is measured through a Value-At-Risk model, of which the monitoring and (daily) calculations are outsourced to an external provider.

The board of directors has the ultimate responsibility for Energi Danmark's risk management and has signed off on a group-wide risk document. Should any of the maximum loss levels be breached, the board needs to be informed immediately while the dealers will have to close all open exposures in order to minimise the derivatives exposure.

We note that Energi Danmark's collateral requirements against NasdaqOMX for trading electricity derivatives have gradually increased in line with falling electricity prices. The gradual decline in power prices has also resulted in unrealised valuation gains on Energi Danmark's derivatives contracts. Apart from using on-balance cash as collateral, Energi Danmark has a guaranteed facility with Nordea that allows the company to draw on in order to cover for swings in collateral requirements, which Energi Danmark needs to post to back-up its trading positions on exchanges including NordPool and EEX.

NordPool's electricity forward prices, EUR/MWh



Source: Company data and Nordea Markets

Highly competitive Nordic electricity markets with inherently slim retail margins

Following full deregulation in the early 1990s, the Nordic retail market for electricity remains highly competitive. National/regional differences exist, however, and the Swedish market ranks as the most competitive market in terms of market transparency and number of competitors within retail supply. The Norwegian market is regarded as being less transparent with a higher focus on local power supply, albeit with thinner retail margins.

In terms of the competitive landscape, we note that several of the large integrated Nordic utilities have redefined their sales strategies over the

recent years and subsequently withdrawn from neighbouring markets. This includes Vattenfall, which exited the Danish end-user market in 2012. Typically, the large utilities have periodically implemented aggressive marketing campaigns, running their retail business at an operating loss in order to gain market shares. The revised strategies of the utility majors have led to a somewhat less aggressive competitive environment, albeit that competitive pressure in the Nordic power market generally remains high in comparison with other European retail markets.

Financial risk profile

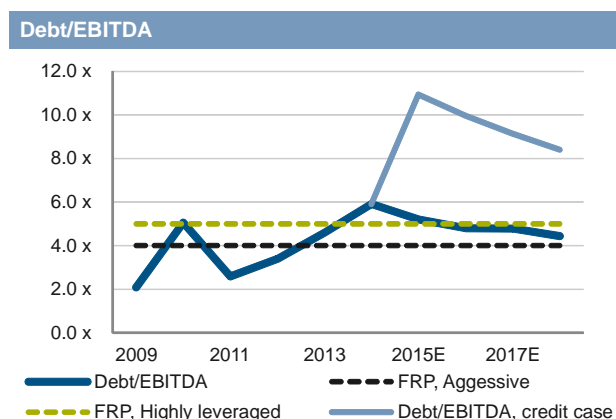
ED's Aggressive financial risk profile reflects recent years' weakness in funds from operations (FFO) and EBITDA coverage of debt, which currently border (or even exceed) Highly leveraged threshold levels.

Aggressive financial risk profile

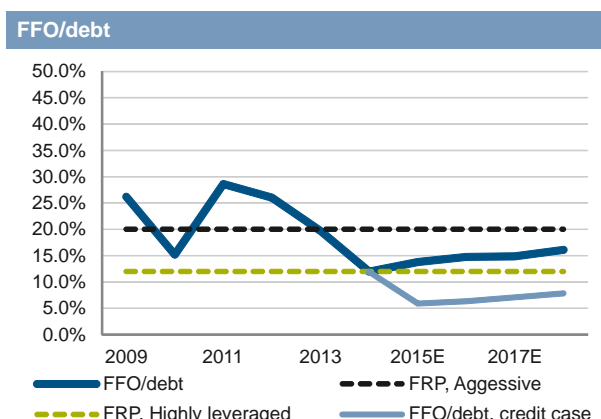
We assess Energi Danmark's financial risk profile as being Aggressive, reflecting recent years' weakness in funds from operations (FFO) and EBITDA coverage of debt, which currently border (or even exceed) Highly leveraged threshold levels.

We furthermore note large working capital outflow in recent years, following ED's rapid revenue growth, as well as capital spending (mainly on windmills), which has periodically resulted in negative free operating cash flow.

We calculate debt/EBITDA on a gross basis, based on our assumption that most of ED's cash balances are tied up in collateral needed for trading on the energy exchanges. Furthermore, we do not include drawn amounts under Energi Danmark's credit facility, which are used for posting guarantees (although charges for these amounts are included in ED's interest expenses) and which tend to fluctuate over time.



Source: Company data and Nordea Markets



Source: Company data and Nordea Markets

Base Case versus Credit case

In our base case, we forecast the following:

- Revenue growth slowing to mid-single digits in 2015 and onwards. In our view, management appears to be prepared to scale down its growth ambitions should recent price competition prevail, or even increase, in ED's core Nordic markets.
- Slightly improved gross margin, at 3.6% in 2015 and beyond, according to company guidance
- EBITDA margin at about 2%, reflecting an unchanged opex.

These assumptions should result in debt/EBITDA of 5.2x in 2015 and trending down to the 4x level in 2018. At the same time, FFO/debt will likely trend towards the 18% level in 2017 from a low 12% in 2014, enabling ED to maintain its Aggressive financial risk profile.

In our credit case, we assume that:

- A 1 pp lower revenue growth (3.5%) over the forecast period
- A 1 pp haircut to gross margin (2.6%) over the forecast period
- Capex reduction from 2016 and onwards (0.5% of sales)
- Suspension of cash dividends in 2016 and 2017 to bolster discretionary cash flow.

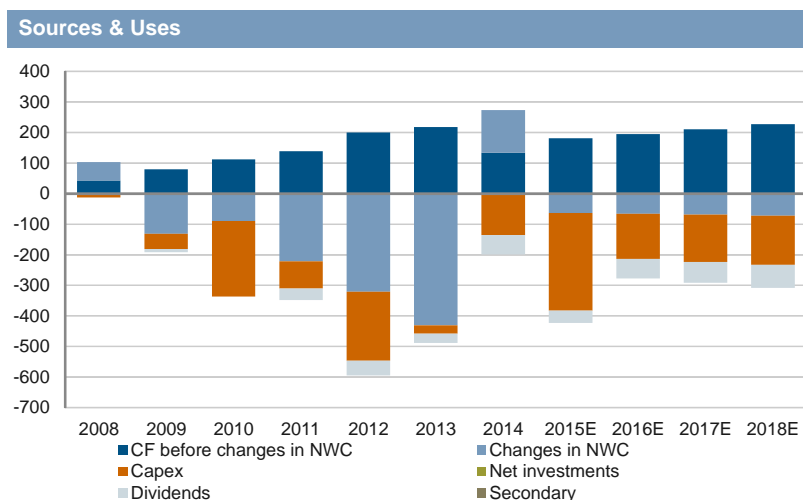
In our credit case, leverage would soar to between 8-10x mainly owing to weaker EBITDA generation. On a similar note, FFO/debt would decline to mid- or high single digits, corresponding to a Highly leveraged financial risk profile.

Credit adjusted metrics: Base case vs credit case															
Credit adjusted figures						Base case					Credit case				
DKK(m)	2009	2010	2011	2012	2013	2014	2015E	2016E	2017E	2018E	2014	2015E	2016E	2017E	2018E
Revenues	6,268	7,845	8,164	8,983	10,239	12,410	12,968	13,552	14,162	14,799	12,410	12,844	13,294	13,759	14,241
EBITDA	104	133	163	198	233	181	253	274	296	319	181	120	132	144	157
- margin	2%	2%	2%	2%	2%	1%	2%	2%	2%	2%	1%	1%	1%	1%	1%
Debt	216	675	423	670	1,068	1,066	1,315	1,315	1,315	1,315	1,066	1,315	1,315	1,315	1,315
Equity	630	722	783	862	963	989	1,091	1,195	1,311	1,437	989	988	1,031	1,083	1,126
FFO	56	102	121	174	210	127	181	194	212	230	127	78	83	93	103
Change in NWC	-132	-90	-222	-321	-431	140	-63	-66	-69	-72	140	-49	-51	-52	-54
OCF	-52	23	-83	-121	-214	273	118	129	143	158	273	29	33	41	49
Capex	-50	-247	-89	-226	-28	-148	-320	-148	-155	-162	-148	-317	-66	-69	-71
FOCF	-102	-225	-172	-347	-241	126	-202	-19	-12	-3	126	-288	-34	-28	-22
Net acquisitions	1	32	151	45	21	6	0	0	0	0	6	0	0	0	0
Dividends	-10	0	-38	-48	-30	-63	-40	-50	-54	-59	-63	-40	0	0	-18
FFO/debt	26.2%	15.2%	28.6%	26.0%	19.6%	11.9%	13.8%	14.8%	16.1%	17.5%	11.9%	5.9%	6.3%	7.1%	7.8%
FOCF/debt	-47.1%	-33.3%	-40.7%	-51.8%	-22.6%	11.8%	-15.3%	-1.5%	-0.9%	-0.2%	11.8%	-21.9%	-2.6%	-2.1%	-1.7%
DCF/debt	-42.4%	-33.3%	-31.7%	-44.6%	-19.8%	17.7%	-12.3%	2.3%	3.2%	4.3%	17.7%	-18.9%	-2.6%	-2.1%	-0.3%
Debt/EBITDA	2.1x	5.1x	2.6x	3.4x	4.6x	5.9x	5.2x	4.8x	4.4x	4.1x	5.9x	10.9x	10.0x	9.1x	8.4x
EBITDA/interest	14.0x	24.2x	14.2x	12.0x	9.1x	5.5x	6.8x	6.5x	7.0x	7.6x	5.5x	3.1x	2.9x	3.2x	3.5x

Source: Company data and Nordea Markets

Energi Danmark's swings in working capital are attributable to the movement in cash collateral, as a result of the company trading in commodity derivatives. Over the forecast period up to 2018, we expect free operating cash flow to remain negative, reflecting continuous working capital outflow due to sales growth and as well as annual capex requirements averaging DKK 125m, including investments in wind power. In this respect, we understand that the investments in wind power are highly flexible and could be materially reduced to bolster cash flow, if needed.

Discretionary cash flow is expected to remain in negative territory given continued distribution of dividends to shareholders over the forecast period.



Source: Company data and Nordea Markets

Energi Danmark has not stated any formal financial policy targets with regards to gearing/debt leverage, although the company has implemented an internal quantitative model that established a maximum dividend level in a given year. There is no explicit dividend target, although we note that the company's DPS has averaged about 45% of net profit over the past two years (2013 and 2014), a level that we expect will continue over the forecast period.

To our understanding, the only existing collateral for bank debt on a consolidated basis consists of a portfolio of windmills within Energi Danmark Vind A/S, a wholly owned subsidiary within the Energi Danmark group. The maximum allowed collateral under the secured facility is DKK 125m, of which DKK 86m was drawn at year-end 2014. Assuming maximum drawing, the secured facility would correspond to less than 4% of consolidated assets based on 2014 figures.

Rating assessment

Our BB- shadow rating on Energi Danmark is based on our assessment of the company's Fair business risk profile and Aggressive financial risk profile. The outlook is Stable, but the rating could come under pressure should the company's operating environment deteriorate further, including intensified pressure on sales margins following fierce competition and if its gross debt leverage climbs above 5x for a longer period of time.

Rating lowered to BB-

We assess Energi Danmark's business risk according to S&P's criteria for rating global unregulated utilities. The assessment focuses specifically on the following factors:

- **Competitive advantage:** In our view Adequate, reflecting Energi Danmark's presence in the highly fragmented, and competitive, Nordic electricity retail market. Following deregulation of the Nordic power market, all customer segments are free to choose its supplier of electricity. Large incumbents, including Vattenfall, Fortum, Statkraft and DONG, have a larger scale in its retail business and have periodically allowed a lower profitability in its retail operations in order to aggressively gain market share. This negative feature is partly mitigated by Energi Danmark's bespoke product offering, which may help to lower churn levels and attract and retain customers.
- **Scale, scope and diversity:** Adequate/Weak, reflecting Energi Danmark's small size in relation to the market, and much-larger peers and modest positions on the Nordic markets outside Denmark. These constraints are partly offset by the geographic reach of some of Energi Danmark's Nordic client base and limited procurement/customer concentration risk.
- **Operating efficiency:** Adequate, reflecting Energi Danmark's historical ability to grow its customer base while remaining largely profitable in a highly competitive market.
- **Profitability assessment:** Average level of profitability and earnings volatility; reflecting normalised EBITDA margins at about 2% and return on capital (ROC) at about 11%, which is in line, or slightly below, some of Energi Danmark's main peers such as Fortum and Vattenfall where we have been able to find available data.

We arrive at a Fair business risk profile, based on our combined assessment of Energi Danmark's competitive position and country/industry risk (CICRA) score. Using S&P's methodology, and in combination with ED's Aggressive financial risk profile, we arrive at a bb- anchor, which translates into a BB- shadow rating.

Business and financial risk profile matrix

Business risk profile	Financial risk profile					
	Minimal	Modest	Intermediate	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Source: Company data and Nordea Markets

Rating outlook

The outlook on our Nordea shadow rating on Energi Danmark is Stable. Downward pressure on Energi Danmark's rating could occur should the company's operating environment further deteriorate, including intensified pressure on sales margins following intense competition.

Energi Danmark's rating could also come under pressure should gross debt leverage climb above 5x for a longer period, which would prompt us to revise the company's financial risk profile assessment.

Reported numbers and forecasts

Income statement										
DKKkm	2008	2009	2010	2011	2012	2013	2014	2015E	2016E	2017E
Total revenue	8,614	6,268	7,845	8,164	8,983	10,239	12,410	12,968	13,552	14,162
- growth	n.a.	-27.2%	25.2%	4.1%	10.0%	14.0%	21.2%	4.5%	4.5%	4.5%
Gross profit	128	196	247	307	356	417	394	467	488	510
- margin	1.5%	3.1%	3.2%	3.8%	4.0%	4.1%	3.2%	3.6%	3.6%	3.6%
EBITDA	52	104	133	163	198	233	181	253	274	296
- margin	0.6%	1.7%	1.7%	2.0%	2.2%	2.3%	1.5%	2.0%	2.0%	2.1%
EBITA	52	104	129	156	189	218	144	214	234	254
- margin	0.6%	1.7%	1.6%	1.9%	2.1%	2.1%	1.2%	1.7%	1.7%	1.8%
EBIT	43	91	114	136	168	196	144	214	234	254
- margin	0.5%	1.5%	1.5%	1.7%	1.9%	1.9%	1.2%	1.7%	1.7%	1.8%
Net finance	3	-1	-2	-4	-11	-18	-27	-32	-37	-37
Pre-tax profit	46	91	113	131	157	177	116	183	197	217
Taxes	-12	-23	-29	-33	-37	-38	-27	-40	-43	-48
Net profit, continuing operations	34	67	84	98	120	140	90	142	154	169
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Net profit to equity	34	67	84	98	120	140	90	142	154	169
EBITDA (credit adj)	52	104	133	163	198	233	181	253	274	296
EBIT (credit adj)	43	91	114	136	168	196	144	214	234	254
Interest expense (credit adj)	-11	-7	-6	-12	-17	-26	-33	-37	-42	-42

Source: Company data and Nordea Markets

Balance Sheet										
DKKkm	2008	2009	2010	2011	2012	2013	2014	2015E	2016E	2017E
Goodwill	0	0	0	0	0	0	0	0	0	0
Other intangibles	11	14	21	23	23	24	25	25	25	25
Tangible assets	2	35	227	146	301	271	364	645	753	865
Shares associates	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	7	7	7	7
Deferred tax assets	0	0	0	0	0	0	0	0	0	0
Other non-interest bearing non-current assets	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Non-current assets	13	50	248	169	323	295	396	677	785	897
Inventory	0	0	0	0	0	0	0	0	0	0
Accounts receivable	646	498	743	747	872	819	970	1,014	1,059	1,107
Other current assets	473	702	1,094	1,051	1,310	1,885	1,877	1,962	2,050	2,142
Cash and cash equivalents	216	322	597	215	156	222	281	340	270	205
Current assets	1,335	1,522	2,434	2,013	2,338	2,925	3,129	3,315	3,380	3,455
Assets held for sale	0	0	0	0	0	0	0	0	0	0
Total assets	1,348	1,572	2,682	2,182	2,661	3,220	3,525	3,993	4,165	4,352
Shareholders equity	570	630	722	783	862	963	989	1,091	1,195	1,311
Minority interest	0	0	0	0	0	0	0	0	0	0
Deferred tax	1	4	23	33	51	58	68	68	68	68
Convertible debt	0	0	0	0	0	0	0	0	0	0
Long term interest bearing debt	1	216	675	423	670	0	499	799	799	799
Non-current liabilities	0	0	0	0	0	0	0	0	0	0
Pension provisions	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	727	453	747	656	807	0	0	0	0	0
Non-current liabilities	728	672	1,445	1,112	1,528	58	566	866	866	866
Short-term provisions	0	0	0	0	0	0	0	0	0	0
Accounts payable	49	269	515	288	272	62	149	156	163	170
Other current liabilities	0	0	0	0	0	1,107	1,304	1,362	1,424	1,488
Short term interest bearing debt	0	0	0	0	0	1,029	517	517	517	517
Current liabilities	49	269	515	288	272	2,198	1,970	2,035	2,104	2,175
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	1,348	1,571	2,682	2,182	2,661	3,220	3,525	3,993	4,165	4,352
Cash and cash eq (credit adj)	216	322	597	215	156	222	281	340	270	205
Total assets (credit adj)	1,348	1,572	2,682	2,182	2,661	3,258	3,576	3,993	4,165	4,352
Shareholders equity (credit adj)	570	630	722	783	862	963	989	1,091	1,195	1,311
Debt (credit adj)	1	216	675	423	670	1,068	1,066	1,315	1,315	1,315

Source: Company data and Nordea Markets

Cash flow statement

DKKmn	2008	2009	2010	2011	2012	2013	2014	2015E	2016E	2017E
EBITDA	52	104	133	163	198	233	181	253	274	296
Adj due to change in group structure	0	0	0	0	0	0	0	0	0	0
Change in Provisions	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	0	0	0	0	0	0	0
Net financials	3	-1	-2	-4	-11	-18	-29	-32	-37	-37
Dividends received	0	0	0	0	0	0	0	0	0	0
Paid taxes	0	0	-19	-16	-12	-30	-18	-40	-43	-48
Other	-11	-23	0	-5	24	33	0	0	0	0
Operating cash flow before NWC	43	80	112	138	199	217	133	181	194	212
Change in NWC	60	-132	-90	-222	-321	-431	140	-63	-66	-69
Operating cash flow	104	-52	23	-83	-121	-214	273	118	129	143
CAPEX	-13	-50	-247	-89	-226	-28	-136	-320	-148	-155
Free operating cash flow	91	-102	-225	-172	-347	-241	138	-202	-19	-12
Dividends paid	0	-10	0	-38	-48	-30	-63	-40	-50	-54
Share issues / buybacks	-7	3	8	1	7	-8	0	0	0	0
Discretionary cash flow	84	-109	-217	-209	-388	-280	75	-242	-69	-65
Other investments / divestments	0	0	0	0	0	0	0	0	0	0
Other	-1	0	-1	-7	3	2	-4	0	0	0
Proceeds from sale of assets	1	1	32	151	45	21	6	0	0	0
Net change to group borrowing/repayments	0	0	0	0	0	0	500	300	0	0
Other	0	0	0	0	0	0	0	0	0	0
Change in cash	84	-108	-186	-65	-340	-256	577	58	-69	-65
Adjusted metrics										
Funds from operations (FFO) (adj)	32	56	102	121	174	210	127	181	194	212
Operating cash flow (OCF) (adj)	104	-52	23	-83	-121	-214	273	118	129	143
Free operating cash flow (FOCF) (adj)	91	-102	-225	-172	-347	-241	126	-202	-19	-12
Discretionary cash flow (DCF) (adj)	91	-112	-225	-210	-395	-271	63	-242	-69	-65

Source: Company data and Nordea Markets

Key ratios

	2008	2009	2010	2011	2012	2013	2014	2015E	2016E	2017E
Profitability										
ROC	15.0%	12.9%	10.1%	10.2%	11.9%	10.7%	6.8%	9.3%	9.3%	9.6%
ROIC after tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ROE after tax	12.0%	11.2%	12.4%	13.0%	14.6%	15.3%	9.2%	13.7%	13.4%	13.5%
Debt & Interest coverage										
FFO/Debt	n.m.	26.2%	15.2%	28.6%	26.0%	19.6%	11.9%	13.8%	14.8%	16.1%
FOCF/Debt	n.m.	-47.1%	-33.3%	-40.7%	-51.8%	-22.6%	11.8%	-15.3%	-1.5%	-0.9%
DCF/Debt	n.m.	-51.7%	-33.3%	-49.7%	-58.9%	-25.4%	5.9%	-18.4%	-5.3%	-5.0%
EBITDA interest coverage	4.9	14.0	24.2	14.2	12.0	9.1	5.5	6.8	6.5	7.0
FFO cash interest coverage	-3.0	-7.6	n.m.	n.m.	n.m.	-8.2	-3.9	-4.9	-4.6	-5.0
Leverage										
Debt/EBITDA	0.0	2.1	5.1	2.6	3.4	4.6	5.9	5.2	4.8	4.4
Equity ratio	42.3%	40.1%	26.9%	35.9%	32.4%	29.9%	28.1%	27.3%	28.7%	30.1%
Debt/(Debt+Equity)	0.0	0.3	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.5
Capital expenditure										
CAPEX/Depreciation and amortisation	1.47	4.02	13.05	3.19	7.43	0.74	3.66	8.26	3.66	3.66
CAPEX/Sales	0.00	0.01	0.03	0.01	0.03	0.00	0.01	0.02	0.01	0.01
Working capital ratios										
Inventory turnover (days)	0	0	0	0	0	0	0	0	0	0
Receivables turnover (days)	27	29	35	33	35	29	29	29	29	29
Days sales outstanding (days)	2	16	24	13	11	2	4	4	4	4
Per share data										
EPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EPS (adj.)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BVPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity valuation and yield										
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P/BV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Payout ratio	0.0%	14.9%	0.0%	38.9%	40.0%	21.5%	69.6%	28.1%	32.4%	31.8%

Source: Company data and Nordea Markets

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Over the next three months, the fixed income instrument's total return is expected to exceed the total return of the relevant

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Over the next three months, the fixed income instrument's total return is expected to be in line with the total return of the relevant

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Total	512	100%

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