

A top-down view of a child with dark hair, wearing a blue shirt, sitting at a wooden desk. The child is using a purple marker to draw on a large, illuminated globe. To the left of the globe is an open black case containing various colored markers and a pencil. The globe is lit from within, casting a warm glow. The child's hands are visible, one holding the marker and the other resting on a piece of paper with some drawings.

Year-End Report 2020

Investor presentation

Johan Lindehag, CEO

Jan Seveborg, Senior Vice President Treasury

Key financials January–December 2020

- Net sales amounted to SEK 6,674 million (6,709)
- Distributed electricity amounted to a total of 26.1 TWh (26.5)
- 4,000 new customers during the year, yielding a total of 966,000 at the end of the period
- EBITDA amounted to SEK 3,614 million (3,848)
- Operating profit amounted to SEK 1,781 million (1,649)
- Free cash flow totalled SEK 651 million (962)
- Capital expenditure, including asset acquisitions, amounted to SEK 3,415 million (4,000)

Covid-19

- Crisis organisation activated in February 2020 to handle covid-19 situation
 - identifying and securing critical processes to ensure continued operations
 - recommended work from home for all employees except the operators in the operations centre
 - worked closely with our subcontractors to maintain field capacity, and ensure good access to resources and equipment
 - no effects from Corona on fault repair
- To this date, limited implications on distributed volume and credit losses
- Ellevio strictly follows own action plan for pandemic and the guidelines and advice provided by national authorities and maintains contact with relevant parties on a regular basis

Strategic highlights during January-December 2020



Regulatory update

- More than 120 companies, including Ellevio appealed the Energy Markets Inspectorate's decision on the allowed revenue for the regulatory period 2020-2023
 - The Energy Markets Inspectorate responded to the network companies' grounds for appeal, admitting to a WACC of 2.35 percent instead of 2.16 percent
 - A verdict in the Administrative Court is expected in Q1, 2021
- Four EU-processes with possible implications for the Swedish regulation
 - Processes against Germany delayed but a verdict is expected in the first half of 2021
 - Ruling against Hungary concerning requirements for the right to a court hearing
 - Ruling against Slovakia concerning requirements for independence
 - Ruling against Belgium concerning requirements for independence
- Legislative changes regarding utilizing regulatory deficits
 - Political process ongoing

A high-angle, top-down photograph of a woman sitting on a dark grey sofa. She is wearing a dark red top and a grey cardigan, and is reading an open book. A white mug of coffee sits on her lap. To her right, a black and white cat is curled up on the sofa. In the foreground, a lamp with two glowing, round, wooden shades is visible. The room is dimly lit, with a blue light source from the right and the warm glow of the lamp. The background shows a floral patterned wall and a patterned blanket on the sofa.

Financials & Financing

Income statement

MSEK	1 Jan 2020 31 Dec 2020	1 Jan 2019 31 Dec 2019
Net sales	6,674	6,709
Capitalised own work	116	101
Other operating income	76	70
	6,867	6,880
Operating expenses		
Costs for purchase and transit of power	-1,462	-1,232
Other external expenses	-1,284	-1,301
Employee benefit expense	-508	-499
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-1,833	-2,200
Operating profit	1,781	1,649
Financial income and expenses		
Interest income and similar items	48	2
Interest expense and similar items	-2,396	-2,633
Profit/loss after net financial income/expense	-568	-982
Appropriations	-11	-115
Profit/loss before tax	-578	-1,097
Income tax expense	-198	-151
PROFIT/LOSS FOR THE PERIOD	-776	-1,248

Balance sheet

MSEK	31 Dec 2020	31 Dec 2019
ASSETS		
Non-current assets		
Intangible assets	43,772	43,886
Property, plant and equipment	35,530	33,892
Non-current financial assets	7,272	5,985
Total non-current assets	86,574	83,763
Current assets		
Current receivables	2,666	2,677
Cash and cash equivalents	14	20
Total current assets	2,679	2,697
TOTAL ASSETS	89,253	86,459

MSEK	31 Dec 2020	31 Dec 2019
EQUITY AND LIABILITIES		
Equity	8,069	7,605
Untaxed reserves	1,323	1,312
Deferred tax liability	13,577	13,387
Other provisions	2	2
Non-current liabilities		
Bond loans	32,309	29,257
Liabilities to credit institutions	6,239	5,327
Liabilities to Group companies	21,908	20,668
Other non-current liabilities	1,567	1,033
Total non-current liabilities	62,023	56,286
Total current liabilities	4,260	7,868
TOTAL EQUITY AND LIABILITIES	89,253	86,459

Cash flow statement

MSEK	1 Jan 2020 31 Dec 2020	1 Jan 2019 31 Dec 2019
Cash flow from operating activities	4,100	4,859
<i>Investing activities</i>		
Capital expenditure in intangible assets	-223	-191
Capital expenditure in property, plant and equipment	-3,226	-3,706
Acquisition of shares	-	-44
Proceeds from sales of property, plant and equipment	6	-
Cash flow from investing activities	-3,443	-3,941
Cash flow before financing activities	657	918
<i>of which free cash flow</i>	651	962
<i>Financing activities</i>		
Borrowings	4,021	162
Repayment of borrowings	-3,596	-
Received interest	1	2
Paid interest	-1,089	-1,123
Received/paid group contributions	0	2
Cash flow from financing activities	-663	-957
CASH FLOW FOR THE PERIOD	-6	-39

Financial covenants

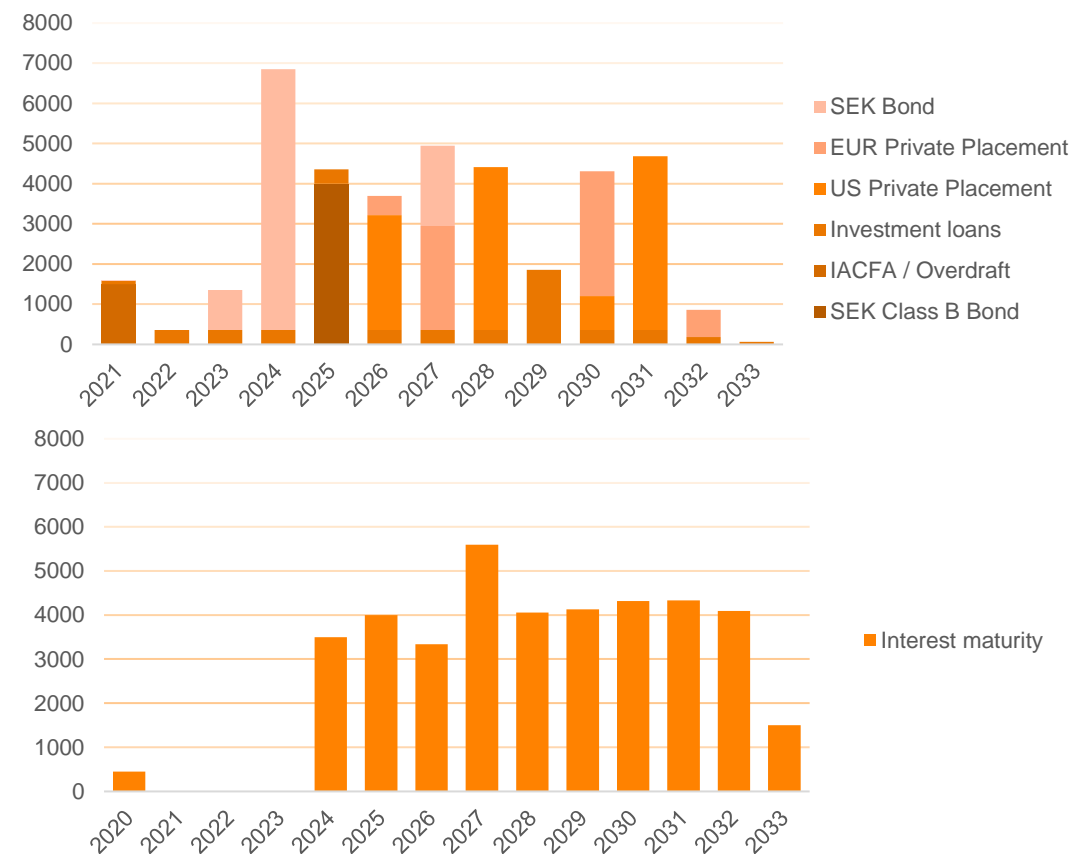
Common Terms Agreement		31 Dec 2020 ACT	31 Dec 2021 FCT	Lock-up
Total Interest Cover Ratio	EBITDA less tax / Total Net Finance Charges	3.3x	3.1x	<1.5x
Total Leverage Ratio	Total Net Debt / Consolidated EBITDA	10.8x	11.2x	>11.9x
Senior Interest Cover Ratio	EBITDA less tax / Senior Class A Net Finance Charges	3.6x	3.4x	<1.7x
Senior Leverage Ratio	Senior Class A Net Debt / Consolidated EBITDA	9.7x	10.1x	>10.75x
Senior Historic Leverage Ratio	FFO / Senior Class A Net Debt	7.4%	N/A	<5%
Senior 3 year Forward Leverage Ratio	FFO / Senior Class A Net Debt	N/A	6.8%	<6%

Financing

- SEK 3,000 million of new long term debt raised during the year, including:
 - SEK 2,000 million of senior (Class A) bonds issued in green format where proceeds earmarked for investments in smart electricity meters and new wind-park connections
 - SEK 1,000 million of subordinated (Class B) bonds issued where proceeds from the bond was used to refinance maturing senior debt (Class A)
- SEK 9,015 million of existing bank loan facilities (RCF and LF facilities) increased and extended to 2025
- In June 2020, S&P confirmed the “BBB” rating for Ellevio’s senior secured (Class A) debt and the “BB+” rating for Ellevio’s sub-ordinated (Class B) debt

Debt and interest maturity 31 December 2020

(MSEK)



Capacity shortage in Stockholm noticeable during January-February

- Challenge: Capacity shortage in the national grid until at least 2027
- Short term solutions
 - Local CHP production
 - New flexibility market ssthlmflex
 - Both have been used in January-February
- Long term solution
 - Network investments



A night scene of a snowy forest. The trees are heavily covered in snow, and the ground is also blanketed in white. In the center-left, a bright light source, possibly a fire or a lamp, illuminates the scene, creating a strong glow and casting long shadows. Power lines and a utility pole are visible in the upper part of the frame. The overall atmosphere is cold and serene.

Q&A

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