



Full-Year Report 2019

Key financials January–December 2019

- Net sales amounted to SEK 6,709 million (6,974)
- Distributed electricity amounted to a total of 26.5 TWh (27.3)
- 5,000 new customers during the year, yielding a total of 962,000 at the end of the period
- Operating profit amounted to SEK 1,649 million (2,067)
- Free cash flow totalled SEK 962 million (2,065)
- Capital expenditure, including asset acquisitions, amounted to SEK 4,000 million (2,870)

Strategic highlights during January-December 2019



Regulatory update

- Third regulatory period began 1 January 2020
 - Revised depreciation periods effecting RAV positively
 - Capital compensation based on a WACC of 2.16% for RP3 (5.85% RP2)
- Decision from Ei regarding allowed revenue served during autumn 2019
 - 120 companies have appealed
 - Grounds for the appeal will be delivered to the Administrative Court in Linköping on February 28th, 2020
- Currently a pause in the European Commission process against Sweden
 - Awaits ruling in the case against Germany, expected during 2020
- Swedish Government has proposed a new law regarding regulatory deficits from the period of 2012-2015
 - Allowing distribution companies to utilize regulatory deficits for investments under certain conditions
 - Expected decision during the autumn 2020



Financials & Financing

Income statement

MSEK	1 Jan 2019 31 Dec 2019	1 Jan 2018 31 Dec 2018	1 Jul 2019 31 Dec 2019	1 Jul 2018 31 Dec 2018
Net sales	6,709	6,974	3,047	3,432
Capitalised own work	101	84	51	40
Other operating income	70	93	36	59
	6,880	7,151	3,134	3,532
Operating expenses				
Costs for purchase and transit of power	-1,232	-1,151	-608	-575
Other external expenses	-1,301	-1,337	-682	-776
Employee benefits expense	-499	-474	-245	-244
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-2,200	-2,121	-1,111	-1,086
Operating profit	1,649	2,067	488	851
Financial income and expenses				
Interest income and similar items	2	58	1	58
Interest expense and similar items	-2,633	-3,019	-1,250	-1,445
Profit/loss after net financial income/expense	-982	-893	-761	-537
Appropriations	-115	1,463	-115	1,463
Profit/loss before tax	-1,097	569	-875	926
Income tax expense	-151	711	-58	-84
PROFIT/LOSS FOR THE PERIOD	-1,248	1,280	-934	842

Balance sheet

MSEK	31 Dec 2019	31 Dec 2018
ASSETS		
Non-current assets		
Intangible assets	43,886	44,436
Property, plant and equipment	33,892	31,546
Non-current financial assets	5,985	2,981
Total non-current assets	83,763	78,963
Current assets		
Current receivables	2,667	4,524
Cash and cash equivalents	20	56
Total current assets	2,697	4,580
TOTAL ASSETS	86,459	83,543

MSEK	31 Dec 2019	31 Dec 2018
EQUITY AND LIABILITIES		
Total equity	7,605	7,361
Untaxed reserves	1,312	1,198
Deferred tax liability	13,387	13,311
Non-current liabilities		
Bond loans	29,257	32,732
Liabilities to credit institutions	5,327	5,356
Liabilities to Group companies	20,668	19,176
Derivative instruments	–	13
Other non-current liabilities	1,033	540
Total non-current liabilities	56,286	57,817
Total current liabilities	7,868	3,854
TOTAL EQUITY AND LIABILITIES	86,459	83,543

Cash flow statement

MSEK	1 Jan 2019 31 Dec 2019	1 Jan 2018 31 Dec 2018	1 Jul 2019 31 Dec 2019	1 Jul 2018 31 Dec 2018
Cash flow from operating activities	4,859	4,676	1,921	1,598
Investing activities				
Capital expenditure in intangible assets	-191	-102	-119	-55
Capital expenditure in property, plant and equipment	-3,706	-2,508	-2,185	-1,390
Acquisition of shares	-44	-627	-	-
Proceeds from sales of property, plant and equipment	-	7	-	7
Proceeds from sales of shares in Group companies	-	46	-	46
Cash flow from investing activities	-3,941	-3,185	-2,304	-1,392
Cash flow before financing activities	918	1,491	-384	206
<i>of which free cash flow</i>	962	2,065	-384	153
Financing activities				
Borrowings	162	6,200	554	895
Repayment of borrowings	-	-6,080	-	-271
Repayment of loan receivables	-	650	-	26
Received dividend	-	21	-	21
Received interest	2	2	1	2
Paid interest	-1,123	-2,238	-420	-968
Received/paid group contributions	2	0	2	0
Cash flow from financing activities	-957	-1,445	137	-296
CASH FLOW FOR THE PERIOD	-39	46	-247	-90

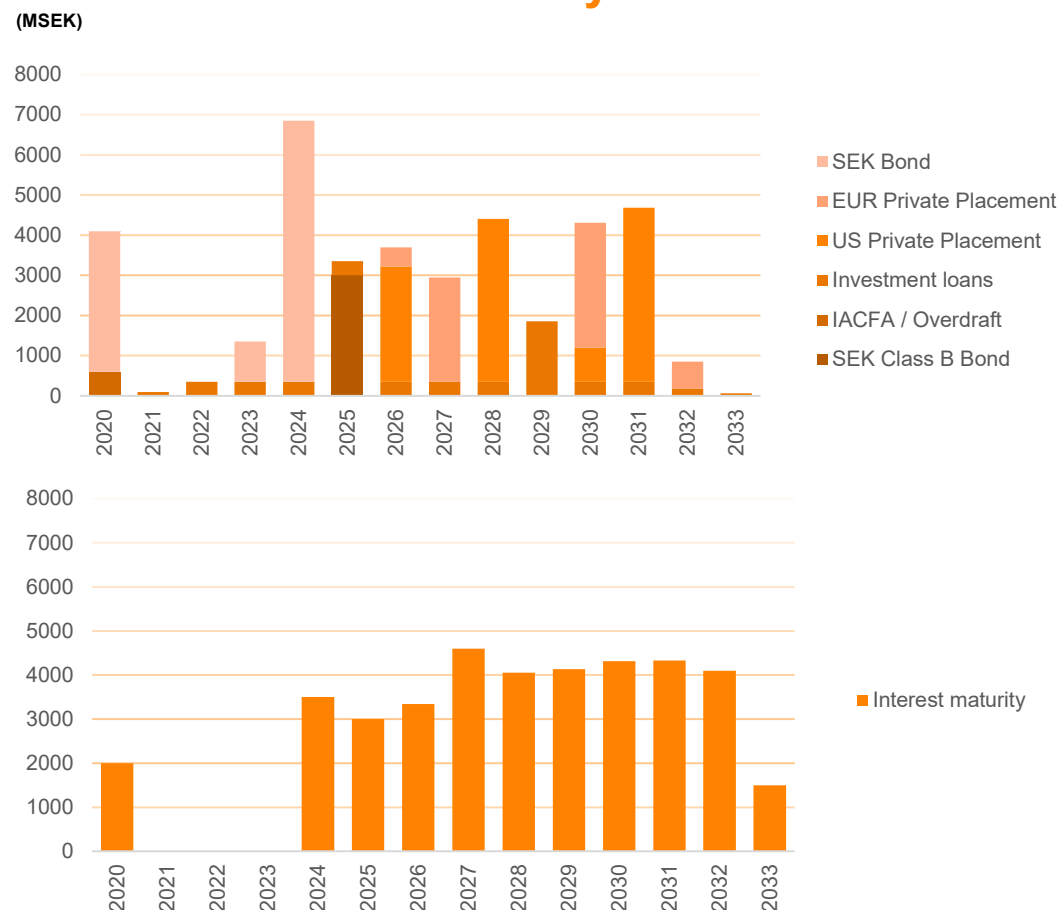
Head-room under financial covenants

Financial covenants (Common Terms Agreement)		31 Dec 2019 ACT	31 Dec 2020 FCT	Lock-up
Total Interest Cover Ratio	EBITDA less tax / Total Net Finance Charges	3.4x	3.2x	<1.5x
Total Leverage Ratio	Total Net Debt / Consolidated EBITDA	10.0x	11.1x	>11.9x
Senior Interest Cover Ratio	EBITDA less tax / Senior Class A Net Finance Charges	3.7x	3.4x	<1.7x
Senior Leverage Ratio	Senior Class A Net Debt / Consolidated EBITDA	9.2x	10.3x	>10.75x
Senior Historic Leverage Ratio	FFO / Senior Class A Net Debt	7.8%	N/A	<5%
Senior 3 year Forward Leverage Ratio	FFO / Senior Class A Net Debt	N/A	6.7%	<6%

Financing

- In January the remaining facility amount was refinanced (SEK 8,200 million) under the Acquisition Debt Facility, originally raised in March 2015
 - The Acquisition Debt Facility due 2020 was cancelled and replaced with a new senior secured (Class A) Revolving Credit Facility (“RCF”) of SEK 7,500 million maturing in 2024
 - As a part of the restructuring of the RCF, Ellevio also refinanced and extended the existing senior secured (Class A) and contractually subordinated (Class B) Liquidity Facilities (“LF”) of SEK 1,400 million and SEK 100 million respectively
- During the period February to April, SEK 8,421 million of existing interest hedging agreements were restructured
 - The hedging agreements where Ellevio pays fixed interest rate and receives 3 months Stibor rate until 2025 were extended and divided into four new maturity dates, 2027, 2029, 2030 and 2032
- S&P confirmed the “BBB” rating for Ellevio’s senior secured (Class A) debt and the “BB+” rating for Ellevio’s subordinated (Class B) debt
 - The outlook for the ratings were changed from “stable” to “negative”

Debt and interest maturity 31 December 2019



ELLEVIO

We Bring Electricity to You.

Smart grid development will secure reliability in a renewable energy system

Balanced investment programme focusing on reliability and digitalization

Stable financials with headroom under covenants.
Diversified financing platform established

Experienced and committed owners with a long-term horizon on the investment

Ellevio is well positioned for growth both via business development and via acquisitions



We Bring
Electricity to You