



# Half Year Report 2021

Investor presentation

Johan Lindehag, CEO

Jan Seveborg, Senior Vice President Treasury



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## Key financials January–June 2021

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- Net sales amounted to SEK 3,675 million (3,455)
- Distributed electricity amounted to a total of 14.3 TWh (13.7)
- EBITDA amounted to SEK 2,073 million (1,958)
- Operating profit amounted to SEK 1,229 million (859)
- Free cash flow totalled SEK 1,110 million (531)
- Capital expenditure amounted to SEK 1,477 million (1,391)

# Covid-19

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- To this date, we see limited implications on our business, distributed volume and credit losses
- Ellevio's crisis organisation was activated in February 2020 to handle the covid-19 situation
  - identified and secured 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
- Ellevio still follows own action plan for pandemic and the guidelines and advice provided by national authorities, including the recommended work from home, and maintains contact with relevant parties on a regular basis

# Strategic highlights during January-June 2021



# Regulatory update

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- **Legislative change regarding utilizing regulatory deficits**
  - In April, the decision to allow the utilization of regulatory deficits from previous regulatory periods was made by the Swedish Parliament
  - The new legislation is effective from 1 June
- **The ongoing legal process regarding the allowed revenue for the current regulatory period**
  - More than 120 companies, including Ellevio appealed the Energy Markets Inspectorate's (Ei) decision on the allowed revenue for the regulatory period 2020-2023
  - In end-February 2021, the Administrative Court ruled in favor of the DSOs, stating that the WACC should be calculated on similar principles as in previous periods
  - Ei appealed the decision and will provide their pleading for leave of Appeal in mid September
  - Several EU-processes have stated the independence of the authority which supports our pleadings in the WACC-process. The Ministry and the Ei have set focus on the ruling vs Germany, which will be published on 2 September



# Financials & Financing



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# Income statement

MSEK	1 Jan 2021 30 Jun 2021	1 Jan 2020 30 Jun 2020	1 Jan 2020 31 Dec 2020
Net sales	3,675	3,455	6,674
Capitalised own work	54	60	116
Other operating income	38	36	76
	<b>3,766</b>	<b>3,551</b>	<b>6,867</b>
<b>OPERATING EXPENSES</b>			
Costs for purchase and transit of power	-847	-736	-1,462
Other external expenses	-562	-595	-1,284
Employee benefit expense	-284	-263	-508
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-844	-1,099	-1,833
<b>Operating profit</b>	<b>1,229</b>	<b>859</b>	<b>1,781</b>
<b>FINANCIAL INCOME AND EXPENSES</b>			
Interest income and similar items	30	1	48
Interest expense and similar items	-1,240	-1,187	-2,396
<b>Profit/loss after net financial income/expense</b>	<b>19</b>	<b>-328</b>	<b>-568</b>
Appropriations	-	-	-11
<b>Profit/loss before tax</b>	<b>19</b>	<b>-328</b>	<b>-578</b>
Income tax expense	-160	-52	-198
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-141</b>	<b>-380</b>	<b>-776</b>

# Balance sheet

MSEK	30 June 2021	30 June 2020
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	43,652	43,599
Property, plant and equipment	36,266	34,471
Non-current financial assets	7,272	5,985
<b>Total non-current assets</b>	<b>87,191</b>	<b>84,055</b>
<b>CURRENT ASSETS</b>		
Current receivables	2,059	2,032
Cash and cash equivalents	13	14
<b>Total current assets</b>	<b>2,072</b>	<b>2,047</b>
<b>TOTAL ASSETS</b>	<b>89,263</b>	<b>86,101</b>

MSEK	30 June 2021	30 June 2020
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>7,928</b>	<b>7,225</b>
<b>Untaxed reserves</b>	<b>1,323</b>	<b>1,312</b>
<b>Deferred tax liability</b>	<b>13,714</b>	<b>13,439</b>
<b>NON-CURRENT LIABILITIES</b>		
Bond loans	32,319	30,914
Liabilities to credit institutions	6,061	5,294
Liabilities to Group companies	21,937	20,668
Other non-current liabilities	2,037	1,295
<b>Total non-current liabilities</b>	<b>62,354</b>	<b>58,171</b>
<b>Total current liabilities</b>	<b>3,942</b>	<b>5,952</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>89,263</b>	<b>86,101</b>



# Cash flow statement

MSEK	1 Jan 2021 30 Jun 2021	1 Jan 2020 30 Jun 2020	1 Jan 2020 31 Dec 2020
<b>Cash flow from operating activities</b>	<b>2,859</b>	<b>2,303</b>	<b>4,100</b>
<b>INVESTING ACTIVITIES</b>			
Capital expenditure in intangible assets	-56	-86	-223
Capital expenditure in property, plant and equipment	-1,693	-1,686	-3,226
Acquisition of shares	-	-	-
Proceeds from sales of property, plant and equipment	-	1	6
<b>Cash flow from investing activities</b>	<b>-1,749</b>	<b>-1,771</b>	<b>-3,443</b>
<b>Cash flow before financing activities</b>	<b>1,110</b>	<b>532</b>	<b>657</b>
<i>of which free cash flow</i>	<i>1,110</i>	<i>531</i>	<i>651</i>
<b>FINANCING ACTIVITIES</b>			
Borrowings	22	3,608	4,021
Repayment of borrowings	-449	-3,500	-3,596
Received interest	1	1	1
Paid interest	-684	-645	-1,089
Received/paid group contributions	0	0	0
<b>Cash flow from financing activities</b>	<b>-1,111</b>	<b>-537</b>	<b>-663</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>0</b>	<b>-6</b>	<b>-6</b>

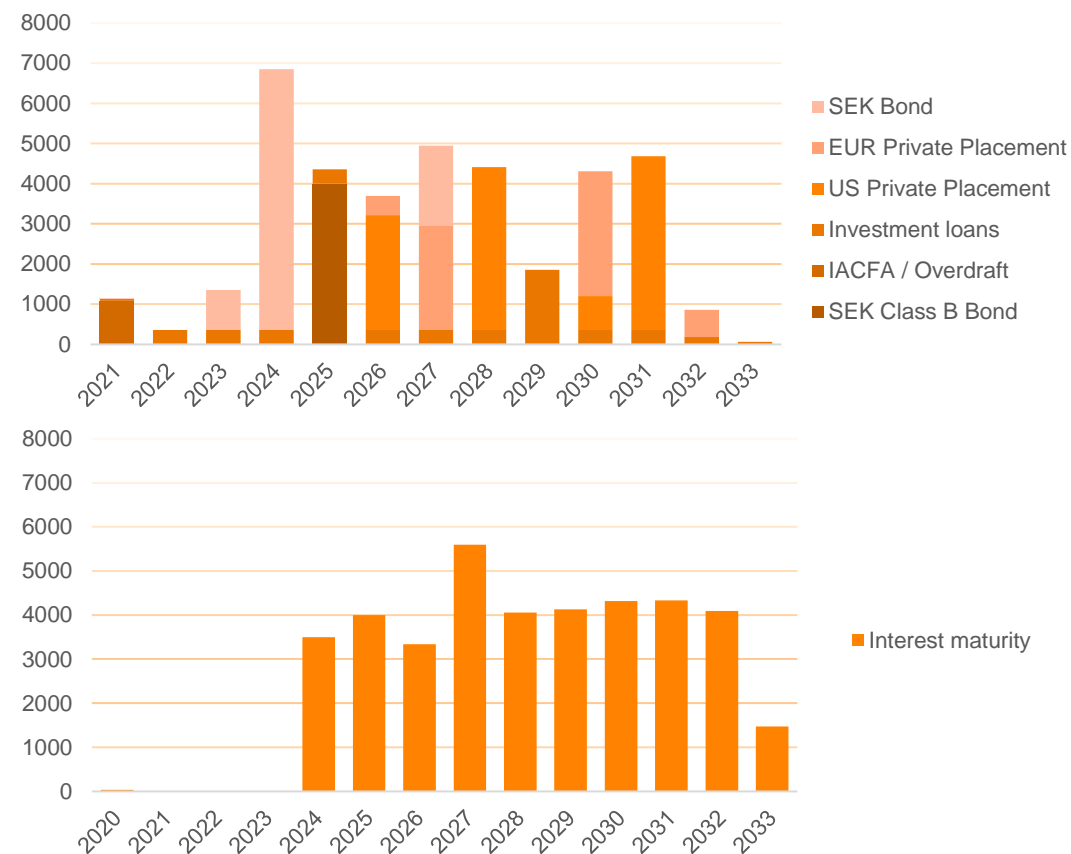
# Financial covenants

Common Terms Agreement		30 June 2021 ACT	30 June 2022 FCT	Lock-up
Total Interest Cover Ratio	EBITDA less tax / Total Net Finance Charges	3.3x	3.3x	<1.5x
Total Leverage Ratio	Total Net Debt / Consolidated EBITDA	10.3x	10,9x	>11.9x
Senior Interest Cover Ratio	EBITDA less tax / Senior Class A Net Finance Charges	3.7x	3.6x	<1.7x
Senior Leverage Ratio	Senior Class A Net Debt / Consolidated EBITDA	9,2x	9,9x	>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	7,3%	<6%

# Financing

- Total external net debt SEK 38.891 million (39.023)
- No new long term debt raised during 2021
- Hedging ratio 100%
- SEK 9,015 million of existing bank loan facilities (RCF and LF facilities) increased and extended to 2026
- In July 2021, 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 and at the same time the outlook for the rating was changed from “negative” to “stable”

## Debt and interest maturity 30 June 2021 (MSEK)



# Summary

- A stable core business
- The development of society to meet the climate transition requires huge investments in the electricity infrastructure
- During the first half of 2021, the Swedish regulation has improved
- Based on this, Ellevio has started ramping-up its network investments
- In parallel, Ellevio and the entire industry continue to push for a long-term stable and predictable regulation in RP4





# Q&A

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