

Annual Report 2017



Skellefteå Kraft

Skellefteå Kraftaktiebolag

Corporate identity number (C.I.N.) 556016-2561

This is Skellefteå Kraft

We are striving to become Sweden's top energy company and view ourselves as the industry challenger. We put the customer and the customer's needs first and are a driving force in the work to create a sustainable future by investing in our own renewable energy production and in research and development. The mission of our owner, Skellefteå Municipality, is to secure the region's energy supply while creating profitable growth that promotes development of the region.

Our operations

Skellefteå Kraft is one of Sweden's five largest electricity producers and the largest of the municipally-owned power companies. Our production is concentrated in northern Sweden and we have our own production plants for wind power, hydropower, thermal power and bioenergy.

Energy production

We produce electricity from renewable energy sources. The majority of the electricity comes from hydropower and wind power in Norrland. In 2017, a total of 813 GWh of heat and 4,085 GWh of electricity was produced.

Electricity grid

Our electricity grid is 12,000 km long and is available in nine municipalities. It is one of Sweden's regional networks.

District heating

Our largest district heating network is located in Skellefteå, and we also have several smaller networks in the region. Our district heating is produced primarily with the use of biofuels.

Fibre-optic network

We build and own the fibre-optic network in Skellefteå and its environs. Eight out of ten municipal inhabitants have access to one of Sweden's fastest and best networks.

Development for the future

We are investing in research and cooperation projects to develop the energy supply of tomorrow.

Customer focus

We put customers and their needs first. The goal is to be perceived as Sweden's best energy company.



627
Employees*



71
Motivated
Employee Index



SEK 337 million
Our profit



88 %
Share of renewable energy
production



75 %
Of households and
companies have fibre

*The average number of employees in 2017 was 587.

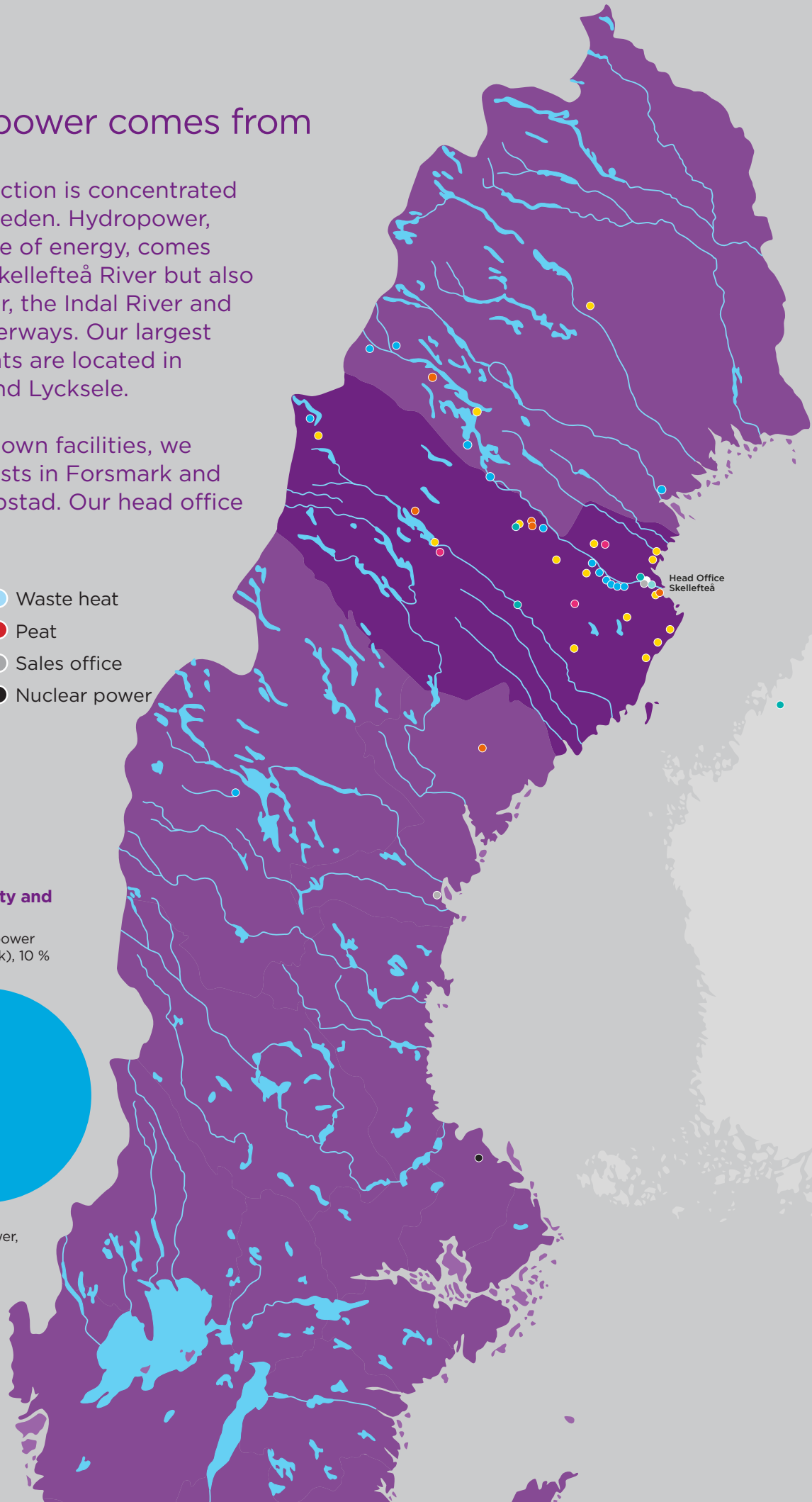
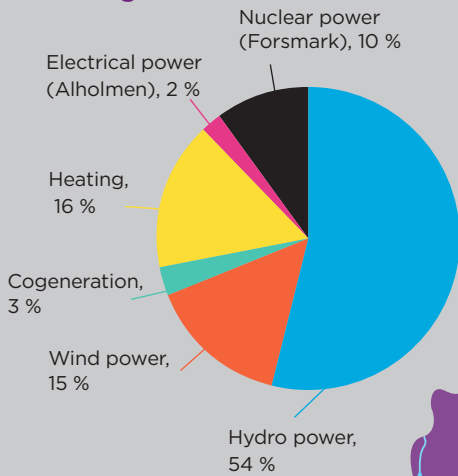
Where the power comes from

Our energy production is concentrated in the north of Sweden. Hydropower, our primary source of energy, comes mainly from the Skellefteå River but also from the Pite River, the Indal River and some smaller waterways. Our largest cogeneration plants are located in Skellefteå, Malå and Lycksele.

In addition to our own facilities, we have equity interests in Forsmark and Alholmen in Jakobstad. Our head office is in Skellefteå.

- Hydro power
- Wind power
- District heating
- District cooling
- Cogeneration
- Waste heat
- Peat
- Sales office
- Nuclear power

Production mix electricity and heating



Board of Directors' report

Operations

Skellefteå Kraft is a fictitious group consisting of the municipal administration Skellefteå Kraftverk (the parent company) and the sub-group Skellefteå Kraftaktiebolag. The purpose of this report is to present the performance and financial position of the municipality's total energy business. The report is thus a summation of the performance and position of the company sphere and Skellefteå Kraftverk. The sub-group Skellefteå Kraftaktiebolag has been reviewed by the company's auditor and the municipal committee Skellefteå Kraftverk has been reviewed by Skellefteå Municipality's auditor. The fictional consolidated financial statements have not been reviewed, however, as there is no requirement for such a review.

The consolidated financial statements are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice and guidelines, 2012:1 Annual report and consolidated financial statements (K3). For more detailed information, see the section Accounting and valuation principles.

The company sphere encompasses Skellefteå Kraftaktiebolag with its wholly-owned subsidiaries Skellefteå Kraft Elnät AB, Skellefteå Kraft Energihandel AB, Skellefteå Kraft Service AB, Greenwind AB, Skellefteå EnergiUnderhåll HB (under liquidation), Energiservice Skellefteå AB and Skellefteå Kraft Fibernät AB, Skellefteå Kraft Industry Locations AB and Skellefteå Kraft Fastighetsutveckling AB. Skellefteå Kraft Fastighetsutveckling AB in turn has a wholly-owned subsidiary, Skellefteå Kraft Fastighetsförvaltning AB.

The political parties in the municipality nominate candidates for the boards of the municipality-owned companies. The nomination takes into consideration aspects like gender, age and geographical place of residence. The Municipal Council appoints the board prior to each term. Skellefteå Kraft's current Board of Directors consists of nine members (no substitutes), three women and six men. Alf Marklund is the Chair.

Skellefteå Kraft is Sweden's fifth largest power producer, with its own production facilities for wind power, hydro-electric power, heat and bioenergy. Its operations are mainly located in Västerbotten and comprise both technical development and sales and supply. With extensive investments in renewable energy production, the company is driving the development of renewable energy in Sweden. Skellefteå Kraft has its own electricity grids and provides energy and maintenance services. Its operations also extend to real estate leasing and fibre-optic network.

In ownership directives, the owner has stated that the Group shall create profitable growth conducive to the development of the region. In brief, this means the Group will secure the region's energy supply, create a good infrastructure within energy, telecommunications and data communication and provide the region with capital and business expertise.

Society is entirely dependent on access to reliable and competitive energy. For Skellefteå Kraft, sustainable energy production means that the production and supply of energy are managed responsibly and with an awareness of the environmental and social impact. Skellefteå Kraft strives for resource-efficient investments and holdings in renewable energy in order to eventually achieve 100 per cent sustain-

ability. Read more about Skellefteå Kraft's responsibility in the Group's Sustainability Report.

The Annual Report and Consolidated Statements are written in SEK millions, unless otherwise stated.

Significant events during the financial year

Operating profit exceeded the plan but was SEK 100 million lower than in 2016. In all business areas, operating activities have had a higher yield than the preceding year, but consistently very low electricity certificate prices have led to a need for impairment within the wind power business. The efficiency programmes initiated in recent years are running according to plan and have thus far provided profit increases of over SEK 200 million.

The price of electricity in 2017 has increased slightly and has landed in a range of 27 to 30 öre per kilowatt hour. For all of 2017, the electricity prices in Sweden have been higher than in 2016. However, the average revenue from electricity production was lower in total than last year, as the hedging has no longer yielded the same profit reinforcement. 2017 has also been characterised by extremely low electricity certificate prices. During the summer, the Government has made a decision regarding an increased quota obligation curve for electricity certificates, but as of yet this has not had a significant impact on the market price.

The year began with reservoir levels lower than usual, but the runoff in 2017 has been significantly higher than normal. The electricity price level during the autumn has resulted in a high production rate, but despite this the reservoirs are almost filled to a normal level at the turn of the year. Hydropower production was 26 GWh less than in a normal year.

Wind-wise, 2017 has been a weak year despite better average winds than in 2016, and Skellefteå Kraft's facilities have thus produced less than planned. The growing wind business has produced an annual production that is 90 GWh higher compared to the previous year. The continuing low electricity certificate prices entail that at period end, the market valuation of the older and smaller wind farms has resulted in an impairment of SEK 164 million. The construction of the Solberg wind park on the border to Västernorrland County is under way and in its final phase. The farm is expected to be in full production in the spring of 2018. The average temperature has been somewhat warmer than normal but the heating business still continues the trend of recent years with increasing profits. The previous restructuring of the heating business continues to yield increased profit. This year, the profit within the heating operations has increased by SEK 22 million compared with the previous year.

Within the private market business, customer growth and profitability show a continued increase. This year's customer satisfaction survey shows that the company's customers are still more satisfied than the energy sector as a whole. The company also won the prize for Sweden's best customer service for the sixth consecutive year. The power trading business has performed according to plan, despite the challenge with the low electricity certificate prices.

Weatherproofing the grid means continued large investments, with the primary investment being in cable installation as well as the replacement of uninsulated overhead lines with covered lines.

The previously determined project involving the replacement of existing household meters is under way to cope with new requirements such as hourly readings and the management of micro-production.

Skellefteå Kraft Fibernät has continued to show good growth in customer base and profitability. The Swedish Urban Network Association also designated the company as Sweden's network of 2017. A comprehensive investment programme is currently under way for expansion in sparsely populated areas and to enable 90 per cent of municipal citizens to have access to 1,000 megabits per second.

Energiservice Skellefteå AB has continued to develop its operations where new business, such as fibre expansion, has been introduced during the year. Sales have increased compared with the previous year and were higher than planned.

During the year, investments in climate-smart energy systems have been implemented in the form of the construction of the world's northernmost solar-powered house, the Zero Sun project, as well as a solar power plant with the very latest technology in collaboration with Skellefteå Industrihus. The solar power plant was put into operation in the autumn and now supplies climate-neutral electricity, while the "off-grid" house with solar cells, battery storage and hydrogen technology is expected to be completed in spring 2018.

Skellefteå won the battle concerning Northvolt's establishment of Europe's largest battery factory. Skellefteå Kraft contributed greatly to this by offering an attractive site, sustainable energy production and sufficient grid capacity for this type of establishment.

Nine hydropower companies, including Skellefteå Kraft, launched the proposal for a jointly funded environmental fund during the summer. "Vattenkraftens miljöfond" (Environmental Fund for Hydropower) is a voluntary cooperation between the companies to finance environmental measures within Swedish hydropower, so that Sweden complies with EU law and its requirements for water-related operations.

Skellefteå Kraft has also, together with Sweco, produced a report describing two alternative ways for Sweden to achieve 100 % renewable electricity production by 2040. The analysis shows that the alternative where hydropower, land-based wind power and solar power are developed together is the path that creates least imbalances in the energy system and is most advantageous from an investment perspective.

Significant events following the financial year's end

Following the end of the financial year, the acquisition of Elverket in Vallentuna from Ellevio has taken place. The acquisition came into force on 1 February and entails a growth in the electricity trading business corresponding to 21,000 new corporate and private customers.

Multi-year overview

The Group	2017	2016	2015	2014	2013
Net turnover	3,465	3,369	3,459	3,800	4,250
Operating profit/loss (EBIT)	337	437	491	486	327
Balance sheet total	11,256	11,366	11,376	11,069	10,650
Equity	5,720	5,663	5,497	5,085	4,936
Return on equity (before tax), %	5.1	6.9	12.3	8.0	3.2
Equity ratio, %	50.8	49.8	48.3	45.9	46.3
Number of employees	587	578	599	624	637

The comparatively low return in 2013 is due primarily to the impairment of assets, inter alia, linked to the decision to discontinue the production of pellets.

Sustainability Report

Skellefteå Kraft's sustainability report, based on Global Reporting Initiative standards, Core level, is available at skkraft.se.

Staff

Skellefteå Kraft's vision is to become the Best Energy Company for Sweden. To achieve this vision, it is crucial to have happy and motivated employees. Skellefteå Kraft therefore has the goal of becoming the sector's best employer and working actively to become an attractive workplace. By developing a leadership with business acumen and a clearer process-oriented approach, focusing on principle-oriented improvement work, we achieve sustainability in our employees and managers. The Group offers stimulating work assignments as well as good opportunities for skills and career development. Every year, Skellefteå Kraft takes on students working on degree projects, interns and around 70 summer workers.

The results of the employee surveys show that the company has satisfied employees and a good leadership. The company is also actively engaged in various development areas such as equality and diversity, health and safety and corporate culture.

In 2017, the focus has been on developing our working methods, clarifying our vision, strategy and core values, as well as implemented process mapping and various training initiatives.

More detailed information and Skellefteå Kraft's sustainability report, available at skkraft.se.

Subject to permit and notification requirements under the Environmental Code

The Group runs 50 operations subject to a permit requirement and 29 operations subject to a mandatory notification requirement under the Swedish Environmental Code. Of the operations subject to a permit requirement, nine are combustion plants for district heating and electricity, one permit relate to wind farm and ten relate to permits for the interim storage and transportation of hazardous waste. Furthermore, twenty-five permits are for the handling of flammable products, two water-related rulings pertain to district cooling and the use of river water, and three concession permits relate to peat cutting.

Of the 29 operations subject to a mandatory notification requirement, 25 relate to biofuel-based production of district heating, three relate to wind turbines and one relates to the establishment of a fuel plan. All operations have valid permits. In 2017, the Skogsbacka cogeneration plant and the Forsbacka district heating plant both received new permits.

At the plant in Hedensbyn, the flue gas condensation unit has been in full operation throughout the year, which has had a positive effect on raw material consumption and energy efficiency.

The operations that are subject to a permit requirement impact the environment in that cogeneration and heat production involve the burning of wood fuel, peat and oil, which in turn results in airborne emissions. The emissions consist of both fossil carbon dioxide (CO₂ from peat and oil, biogenic CO₂ from wood fuel, NO_x and a certain quantity of sulphur and dust. All of our facilities are equipped with different types of purification systems for flue gases, and at our facility in Hedensbyn there is also equipment for NO_x reduction.

In 2017, Skellefteå Kraft made a decision to improve the fish migration at Hednäs hydropower plant. This means that a so-called fish ladder is being built, a nature-like fishway that ends up in the tailrace channel and fencing as a protection for fish migrating downstream. The decision is based on a comprehensive investigation and a series of economic, social and environmental considerations. Through the planned fish migration measures we can minimise the impact on salmon stocks in Åby River, while maintaining the economic value and the social benefits of renewable electricity production.

In 2017, Skellefteå Kraft has been one of the players behind the proposal to form the Environmental Fund for Hydropower, which will become one of the largest financiers for environmental investment in Sweden.

For more detailed information, see Skellefteå Kraft's sustainability report, which is available at skkraft.se.

Future development

Skellefteå Kraft continues its work with a focus on core business and on the rationalisation of internal processes in order to ensure an operation capable of providing a good return even if electricity prices remain at a low level for some time to come. At the same time, the work with developing new collaborations, products and services in the future digitised energy landscape is intensifying, with focus areas including sun and charging. There is a great deal of interest from the energy-intensive industries to find possible establishments in northern Sweden. Skellefteå Kraft Elnät AB continues to reinvest and develop the grid to enable more electricity production within the electricity sector.

Our work with listening and pursuing a dialogue with the politicians continues to create good conditions for our business looking forward. The reduction in property tax introduced during the year is an acknowledgement that our work is important. Other issues we are engaged in include the role of hydropower in the energy system, mechanisms that promote investment in both renewable energy production and in power, and securing the transmission link from north to south.

Skellefteå Kraft has a clear picture of the future and is positive towards the conversion of the energy system taking place. Together with Boston Consulting Group, we have produced a report on the overall effects of a shift to 100 per cent renewable production. The conclusion of the study indicates that the conversion is both possible and more socio-economically beneficial than if we maintain today's energy mix. We want to be involved and contribute to the development of society.

Risk management

During 2017, Skellefteå Kraft has introduced a new position, Risk Manager, and a Risk Management Policy has replaced the previous Risk Policy. In the Risk Management Policy, the Board has determined which level of risk tolerance the Group as a whole will have, and what this entails.

This is also work being done to incorporate several perspectives in the risk management by highlighting risks from different areas besides economic risks, such as the environment, work environment, safety, law and strategy, with the goal of obtaining a better overall picture of the risk level across the entire Group. The risk work is not being expanded to reduce risk, but rather to make us better at reaching our goals by being aware of the risks.

The risk work is increasing in scope and is based on ISO 31000-2009.

Operational risks

The information risk is limited, inter alia, through compliance with and upgrading and annual audits of our communication plan and the company's guidelines for information security that exist to improve the information flows within the company and prevent interruptions and intrusions.

Facility risks are covered by property insurance, third party liability insurance and business interruption insurance. The risk-taking is regulated with deductibles.

Liability insurance covers compensation claims by third parties. The coverage level has been assessed based on the operation's maximum needs. Exceptions exist for compensation claims which may arise as a result of dam failures. There is strict liability regarding dam failure.

A great deal of work has been put into improving dam safety, for example with the help of the quality system RIDAS (Guidelines for Dam Safety), which includes all factors such as the technical design of dams, measurement, monitoring, supervision, inspection and information. There are special external auditors designated to verify compliance with the guidelines. The risk of dam failure must be considered negligible. All dams in the country have been classified on the basis of the consequences that may arise in the event of dam failure. Dams, where failure is expected to lead to extensive personal injury and property damage, have been placed in the highest class – Class 1. Class 3 relates to low-fallout dams, where lower demands are imposed on the design. Skellefteå Kraft has six dams belonging to Class 1, two belonging to Class 2 and some thirty dams belonging to Class 3. Skellefteå Kraft has, in group form together with Sweden's largest dam owner, taken out liability insurance directly with companies on the international reinsurance market. The insurance covers personal injury and property damage as well as economic loss caused by dam failure. The insured amount is a maximum of SEK 10,000 million with a limit of SEK 8,950 million for economic loss. For Skellefteå Kraft's part, the amount should be sufficient unless several major dam failures occur in the same year.

Financial risk management

The financial risks include currency risks, interest rate risks, credit risks, refinancing risks, liquidity risks and cash flow risks. These are regulated at a comprehensive level in the policy documents "Finanspolicy Skellefteå kommunkoncern" (Finance Policy Skellefteå Municipal Group) and "Regler för finansverksamheten i Skellefteå kommun" (Rules for Financial Activities in Skellefteå Municipality).

Interest rate and liquidity risk

The liquidity risk is reduced by Skellefteå Stadshus AB's internal bank guaranteeing Skellefteå Kraft's liquidity based on established forecasts of needs.

As of 31 December 2017, Skellefteå Kraft Group's external loan debt amounted to SEK 3.748 billion (3.875) with an average fixed-interest term of 3.3 years (2.9). Of the loan stock, 18 % (25) had a variable rate. The interest rate risk is managed by Skellefteå Stadshus AB's internal bank by means of the interest due on the debt portfolio being spread out over time. Most of the fixed-interest term is distributed relatively evenly within a 6-year period. A benchmark is that the fixed-interest term should on average be between 3-4 years with a deviation of 1.0 year in either direction. The market situation affects the current fixed-interest term.

Credit risk

Credit risks attributable to accounts receivable are managed in the operative organisation. Credit risks associated with bilateral electricity trading are treated as counterparty risk and regulated in guidelines for power trading. The highest individual loan loss which may occur is in the order of SEK 50-80 million.

Price risks

This refers primarily to the risks associated with price movements on electricity. To manage these risks, there are guidelines that describe how risk management works, clarify responsibilities and roles, and establish trade mandates.

Our trading activities are divided in a structure comprising several portfolios that represent different parts within production and sales. The portfolios are filled with forecasts regarding future contracts which are thus hedged internally via SkePool. The production and sales operations are responsible for these forecasts. The forecasts are processed according to an established hedging strategy. The volumes from the portfolios are subsequently hedged on the Nasdaq Stock Market.

Counterparty risks

Counterparty risk in financial trading via Nasdaq is eliminated since Nasdaq acts as counterparty in its clearing system. Clearing means that the actors on the Nasdaq Stock Market provide security for their obligations.

Volume risk

In the production portfolio, there is a volume risk as a result of rainfall variations. This risk is minimised through a mandate for production optimisation (OPT) which can be initiated depending on hydrological balance and prices on the futures market. The consumption portfolio contains a volume risk that is temperature sensitive. This risk is reduced through continuous updates of current volumes in the consumption portfolio.

Currency risks

Currency exposure, mainly in EUR, arises in connection with the procurement of goods and fuels from foreign suppliers and in conjunction with physical or financial power transactions with Nord Pool, Nasdaq or a foreign counterpart.

Power trading risks

Power trading risks refer primarily to the risks associated with trading for Elspot and electricity futures and forward contracts (elterminer). For the management of these risks, there are guidelines for electricity trading that describe how the risk management works and which clarify roles and responsibilities and establish trade mandate.

Power trading risks include currency risks, counterparty risks and market risks on electricity. Counterparty risk when trading via Nasdaq is eliminated since Nasdaq acts as counterparty in its clearing system. Clearing means that the actors on the Nasdaq Stock Market provide security for their obligations.

Our trading activities are divided in a structure comprising several portfolios that represent different parts within production and sales. The portfolios are filled with forecasts regarding future contracts which are thus hedged internally via Skepool. The production and sales operations are responsible for these forecasts. The forecasts are processed according to an established hedging strategy. The volumes from the portfolios are subsequently hedged on the Nasdaq Stock Market. In the production portfolio, there is a volume risk as a result of rainfall variations. This risk is limited via a mandate for the optimisation of production (OPT) that can be initiated depending on the hydrological balance and price level on the futures market.

Sensitivity analysis

In the short term, earnings are not affected by an electricity price fluctuation in the end-user market due to fixed margins and the hedging described above. On the other hand, a lasting change of SEK .01 with regard to Nord Pool's futures prices has an impact of around SEK 40m per year on earnings under normal production conditions and depending on the time horizon. A change in the selling price of district heating of SEK .01 affects earnings by nearly SEK 7 million.

During a “dry year”, i.e., low rainfall, a loss of production in the realm of 800 GWh is possible. The loss of production can be offset with a multi-year storage of around 150 GWh and external purchases of 650 GWh. These external purchases can increase costs for the Group by SEK 200m.

In a year of extremely high rainfall, a production increase of almost 500 GWh can be achieved, representing a revenue increase of SEK 100-150 typically.

Of the loan stock, 82 % has a fixed interest rate. An interest rate change of +/- 1% would have a short-term impact on the net interest income of +/- SEK 6.7m (9.7), if no actions were taken. A long-term change in interest rate would have an impact on the net interest income of +/- SEK 37m (39), with the same assumption.

Appropriation of profits

Skellefteå Kraft's profit was SEK 84,000,000 after balance-sheet appropriations.

According to a decision of the Municipal Council, the contribution has been paid to the municipality as compensation for capital invested in power plant operations.

The Group's Profit and Loss Statement, SEK (million)

	2017	2016
OPERATING INCOME		
Net turnover	3,464.9	3,369.3
Capitalised production costs	30.1	21.7
Other operating revenues	8.3	10.5
	3,503.3	3,401.5
OPERATING COSTS		
Energy and production costs	-1,607.6	-1,600.2
Other external costs	-560.0	-534.2
Staff costs	-454.0	-428.0
Depreciation and amortisation	-545.4	-402.6
Other operating costs	-5.6	-2.5
Share in associated company profits	6.5	2.6
	-3,166.1	-2,964.9
OPERATING PROFIT/LOSS	337.2	436.6
PROFIT/LOSS FROM FINANCIAL ITEMS		
Profit/loss from other securities and receivables which are fixed assets	252	26.2
Other interest income and similar profit/loss items	4.7	9.8
Interest charges and similar profit/loss items	-78.1	-87.6
	-48.2	-51.6
PROFIT/LOSS AFTER FINANCIAL ITEMS	289.0	385.0
Balance-sheet appropriations	-6.4	0.0
Tax on profit/loss for the year	-42.8	-71.9
PROFIT/LOSS FOR THE YEAR	239.8	313.1

The Group's Balance Sheet, SEK (million)

	31/12/2017	31/12/2016
ASSETS		
Fixed assets		
<i>Intangible fixed assets</i>		
Concessioner and similar rights	2.4	-
Goodwill	-	24.7
	2.4	24.7
Tangible fixed assets		
Buildings	972.8	992.0
Land and other immovable property	1,955.2	1,953.3
Plant and machinery	5,562.8	5,741.4
Equipment, tools, fixtures and fittings	150.2	135.1
Construction in progress	654.1	411.0
	9,295.1	9,232.8
<i>Financial fixed assets</i>		
Shares in associated companies	84.7	53.0
Receivables from associated companies	455.6	490.1
Other long-term securities holdings	8.4	8.4
Other long-term receivables	373.8	362.7
	922.5	914.2
TOTAL FIXED ASSETS	10,220.0	10,171.7
Current assets		
Inventories etc.		
Raw materials and consumables	78.3	103.1
<i>Current receivables</i>		
Accounts receivable	220.7	190.4
Receivables from associated companies	51.0	50.4
Other receivables	78.3	123.4
Prepaid expenses and accrued income	377.8	372.1
	727.8	736.3
Cash and cash equivalents	230.3	355.0
TOTAL CURRENT ASSETS	1,036.4	1,194.4
TOTAL ASSETS	11,256.4	11,366.1

The Group's Balance Sheet, SEK (million)

	31/12/2017	31/12/2016
EQUITY AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Basic capital	204.0	204.0
	204.0	204.0
<i>Unrestricted equity</i>		
Unrestricted reserves	5,276.7	5,145.5
Profit/loss for the year	239.8	313.1
	5,516.5	5,458.6
TOTAL EQUITY	5,720.5	5,662.6
Provisions		
Provisions for pensions and similar commitments	29.4	33.2
Deferred tax liability	929.3	886.5
Other provisions	28.0	26.5
TOTAL PROVISIONS	986.7	946.2
Non-current liabilities		
Other liabilities to credit institutions	3,748.5	3,875.4
Other liabilities	114.9	103.1
TOTAL LONG-TERM LIABILITIES	3,863.4	3,978.5
Current liabilities		
Advances from customers	4.6	5.7
Accounts payable	240.9	322.5
Current tax arrears	12.4	11.1
Other liabilities	155.0	122.9
Accrued expenses and deferred income	272.9	316.6
TOTAL SHORT-TERM LIABILITIES	685.8	778.8
TOTAL EQUITY AND LIABILITIES	11,256.4	11,366.1

The Group's Cash Flow Statement, SEK (million)

	2017	2016
OPERATING ACTIVITIES		
Profit/loss after financial items	289.0	385.0
Adjustments for items not included in the cash flow		
Depreciation and impairment	545.4	402.6
Profit/loss on the sale etc. of fixed assets	5.4	8.4
Profit share in associated companies	-6.5	-2.6
Cash flow from operating activities before working capital changes	833.3	793.4
Cash flow from changes in working capital		
increase(-)/decrease in inventories, etc.	24.8	7.9
increase(-)/decrease in operating receivables	8.5	24.7
increase/decrease(-) in provisions	-2.3	-10.6
increase/decrease(-) in operating liabilities	-93.0	-247.9
Cash flow from operating activities	771.3	567.5
INVESTMENT ACTIVITIES		
Acquisition of intangible fixed assets	-2.4	-24.7
Acquisition of tangible fixed assets	-621.0	-410.1
Sale of tangible fixed assets	7.9	4.3
Acquisition of associated companies	-0.5	-16.7
Increase(-)/decrease in other long-term receivables	23.4	-46.6
Cash flow from investment activities	-592.6	-493.8
FINANCING ACTIVITIES		
Increase in utilised credit	-126.9	-0.6
Repayments and redeemed loans etc.	11.8	12.2
Dividends from associated companies		
Provided/received shareholder contributions	-	0.5
Provided/received group contributions	-6.4	-
Paid dividends	-97.9	-25.9
Contributions to the municipality's other operations	-84.0	-122.0
Cash flow from financing activities	-303.4	-135.8
Cash flow for the year	-124.7	-62.1
Cash and cash equivalents at beginning of year	355.0	417.1
CASH AND CASH EQUIVALENTS AT END OF YEAR	230.3	355.0

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
FROM THE PROFIT AND LOSS STATEMENT, SEK (MILLION)										
Net turnover	3,464.9	3,369.3	3,458.5	3,800.1	4,249.8	4,606.5	5,139.5	4,541.3	3,618.8	3,626.5
Costs incl. other operating items	-2,582.3	-2,530.1	-2,594.6	-2,949.8	-3,367.6	-3,492.2	-4,110.0	-3,510.3	-2,684.4	-2,544.0
Depreciations	-545.4	-402.6	-372.8	-364.6	-555.6	-451.7	-514.2	-326.2	-407.6	-350.2
OPERATING PROFIT/LOSS (EBIT)	337.2	436.6	491.1	485.7	326.6	662.6	515.3	704.8	526.8	732.3
Financial income etc.	29.9	36.0	255.2	26.4	-54.0	48.5	30.9	-62.0	23.4	40.7
Financial costs	-78.1	-87.6	-97.5	-112.7	-116.0	-112.3	-117.3	-113.7	-115.4	-151.2
PROFIT/LOSS AFTER NET INTEREST INCOME	289.0	385.0	648.8	399.4	156.6	598.8	428.9	529.1	434.8	621.8
Group contributions	-6.4	-	-	-	-7.3	-	-	-	-	-
Taxes	-42.8	-71.9	-42.8	-39.1	-16.3	63.2	-19.3	-82.2	-75.5	-8.0
PROFIT/LOSS FOR THE YEAR	239.8	313.1	606.0	360.3	133.0	662.0	409.6	446.9	359.3	613.8
FROM THE BALANCE SHEET, SEK (MILLION)										
Intangible fixed assets	2.4	24.6	0.0	3.5	8.0	148.6	159.9	168.7	156.4	161.7
Tangible fixed assets	9,295.1	9,232.8	9,237.9	8,871.9	8,527.5	8,054.1	7,769.7	7,357.5	7,071.8	6,858.7
Financial fixed assets	922.5	914.3	848.9	827.6	750.2	851.5	616.5	523.0	768.7	678.3
Current receivables and bearings	806.1	839.4	872.0	939.7	880.8	1,071.5	1,043.6	1,312.7	985.2	1,070.9
Cash and placements	230.3	355.0	417.1	426.7	483.9	379.0	132.1	51.8	17.4	23.6
TOTAL ASSETS	11,256.4	11,366.1	11,375.9	11,069.4	10,650.4	10,504.7	9,721.8	9,413.7	8,999.5	8,793.2
EQUITY AND LIABILITIES, SEK (MILLION)										
Equity	5,720.5	5,662.6	5,497.4	5,085.4	4,936.1	4,993.6	4,539.8	4,326.7	4,123.3	3,939.7
Interest-bearing long-term liabilities and provisions	3,777.8	3,908.6	3,913.4	4,303.2	4,010.2	3,816.4	3,456.6	2,776.2	2,916.8	2,640.2
Non-interest-bearing long-term liabilities and provisions	1,072.3	1,016.1	932.3	905.9	850.8	842.0	875.7	800.6	726.7	656.9
Interest-bearing short-term liabilities	0.0	0.0	6.1	0.0	5.4	0.0	5.0	643.1	573.1	833.1
Non-interest-bearing short-term liabilities	685.8	778.8	1,026.7	774.9	847.9	852.7	844.7	867.1	659.6	726.0
TOTAL EQUITY AND LIABILITIES	11,256.4	11,366.1	11,375.9	11,069.4	10,650.4	10,504.7	9,721.8	9,413.7	8,999.5	8,795.9
KEY FIGURES										
Return on equity (before tax), %	5.1	6.9	12.3	8.0	3.2	12.6	9.7	12.5	10.8	16.8
Return on capital employed, %	3.9	5.0	7.9	5.6	3.1	8.5	6.9	8.4	7.3	10.7
Return on total capital, %	3.2	4.2	6.6	4.7	2.6	7.0	5.7	7.0	6.2	9.0
Operating margin, %	9.7	13.0	14.2	12.8	7.7	14.4	10.0	15.5	14.6	20.2
Net margin, %	8.3	11.4	18.8	10.5	3.7	13.0	8.3	11.7	12.0	17.1
Equity ratio, %	50.8	49.8	48.3	45.9	46.3	47.5	46.7	46.0	45.8	44.8
Self-financing ratio, %	96.4	125.2	88.7	76.5	69.7	112.7	81.9	106.1	124.6	88.2
Interest coverage ratio, times	4.7	5.4	7.7	4.5	2.4	6.3	4.7	5.7	4.8	5.1
Debt ratio, times	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.9
Rate of capital turnover, times	0.36	0.35	0.37	0.41	0.48	0.55	0.65	0.59	0.48	0.50
OTHER INFORMATION, SEK (MILLION)										
Capital employed	9,498.3	9,571.2	9,416.9	9,388.6	8,951.7	8,810.0	8,001.4	7,746.0	7,613.2	7,413.0
Net investments in assets	623.4	410.1	900.3	721.2	898.3	726.4	921.6	681.4	614.4	815.6
Net investments in shares	0.5	41.3	0.0	0.0	0.0	1.8	4.0	49.7	3.3	112.1
Contributions to the municipality's other operations	226.5	220.0	220.0	211.0	215.0	205.0	196.0	180.0	170.0	153.0

Notes: The years 2008 to 2012 above have not been recalculated according to K3.



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