

Annual Report 2018



Skellefteå Kraft

Skellefteå Kraftaktiebolag

Company registration number: 556016-2561

This is Skellefteå Kraft

We are striving to become Sweden's best 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 mandate from our owner, Skellefteå Municipality, is to secure the region's supply of energy, while establishing profitable growth which promotes the development and growth of the region.

Our business operations

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

Energy production

We produce electricity from renewable energy sources. The major part of the electricity comes from hydropower and wind power in Norrland. In 2018, a total of 782 GWh of heat and 4,089 GWh of electricity was produced.

Electricity grid

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

District heating

Our largest district heating network is located in Skellefteå. We also have several smaller networks in the region. Our district heating is produced primarily with biofuels.

Fibre optic network

We build and own the fibre optic network in Skellefteå and its environs. Eight out of ten local residents 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.

Focused on the customer

We put our customers and their needs first. The reliability of energy deliveries is given the highest priority, along with good service and fair contracts.



670
employees*



67
motivated
employee index



SEK 680
million
our profit



88%
proportion of renewable
energy production



89%
of households and com-
panies have a fibre optic
broadband connection

*The annualised number of employees in 2018 was 656.

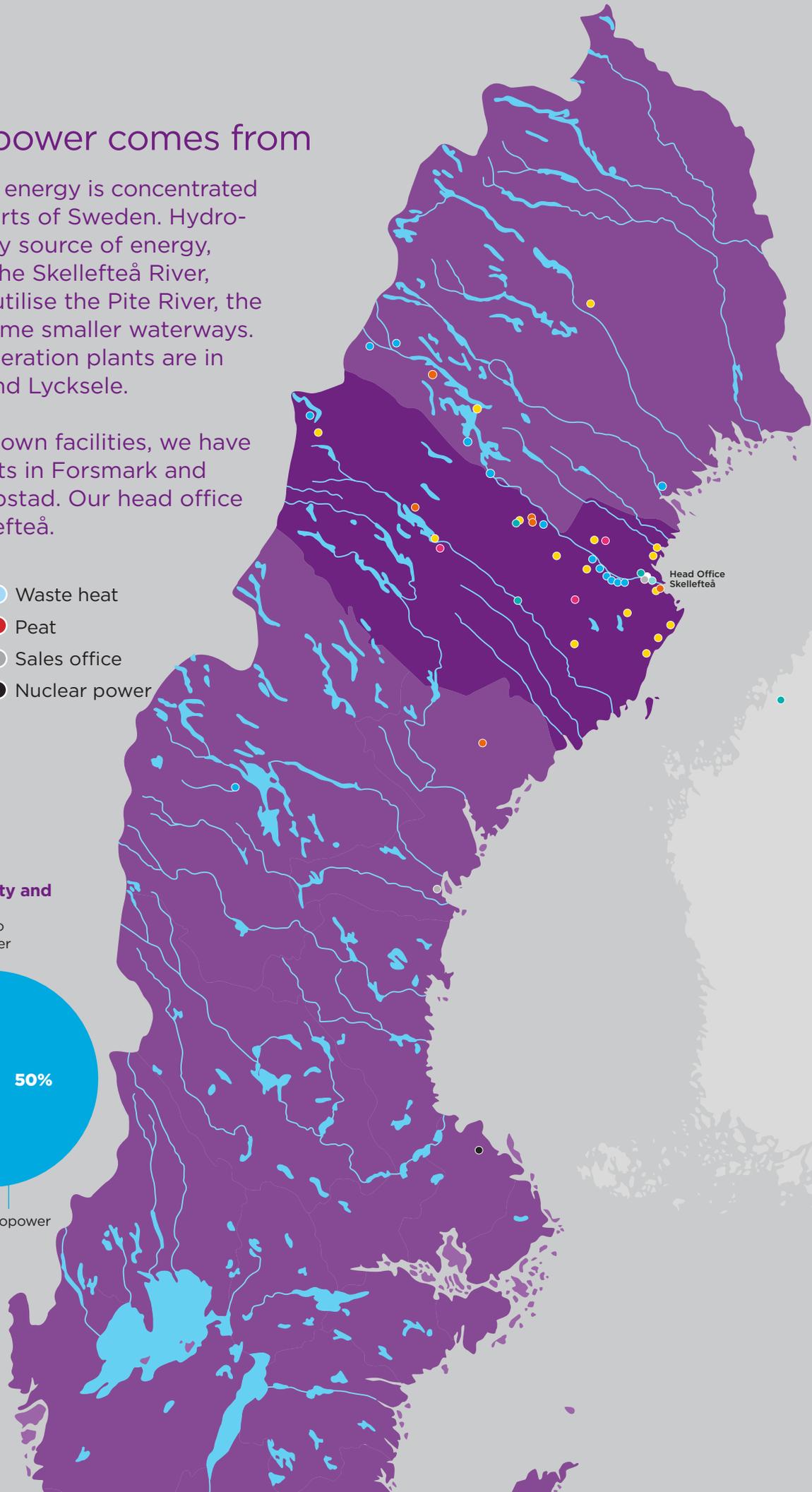
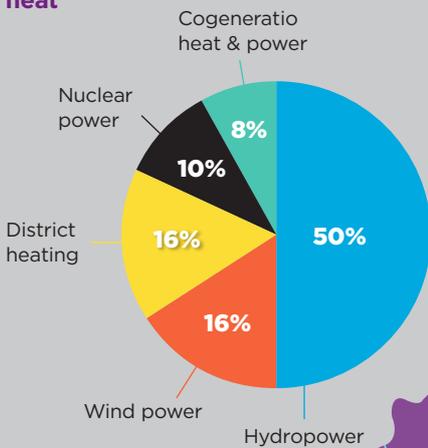
Where the power comes from

Our production of energy is concentrated in the northern parts of Sweden. Hydropower, our primary source of energy, is primarily from the Skellefteå River, however we also utilise the Pite River, the Indal River and some smaller waterways. Our largest cogeneration plants are in Skellefteå, Malå and Lycksele.

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

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

Production mix electricity and heat



Management Report

The organisation and business operations

The Group consists of the parent company Skellefteå Kraftaktiebolag with the wholly owned subsidiaries Skellefteå Kraft Elnät AB, Skellefteå Kraft Energihandel AB, Skellefteå Kraft Service AB, Greenwind AB, Energiservice i Skellefteå AB, Skellefteå Energiunderhåll HB (in the process of being wound up), Skellefteå Kraft Energiförsäljning AB, Skellefteå Kraft Fibernät AB, Skellefteå Kraft Industry Locations AB and Skellefteå Kraft Fastighetsutveckling AB with its subsidiary Skellefteå Kraft Fastighetsförvaltning AB.

Skellefteå Kraft is Sweden's fifth largest power producer, with its own production facilities for wind power, hydro power, heat and bioenergy. The business is mainly in Västerbotten and consists of both technical development and sales and delivery. With extensive investments in renewable energy production, the company is a driving force in the development of renewable energy in Sweden. Skellefteå Kraft has its own electricity grid and offers energy and maintenance services. There are also property leasing and fibre network operations.

The owner has stated in the owner's directive that the Group shall create profitable growth that promotes the development of the region. In brief, this means that the Group shall secure the region's energy supply, create a good infrastructure for energy, telecom and data communications and provide capital and business competence to the region.

The society at large is entirely dependent upon the availability of reliable and competitive energy. For Skellefteå Kraft, sustainable energy production means that the production and delivery of energy is done responsibly and with awareness of the organisation's environment and societal impact. Skellefteå Kraft works for resource-efficient investments and in the long run intends to achieve 100 per cent renewable energy production. Read more about Skellefteå Kraft's responsibility in the Group's sustainability report.

The annual and consolidated financial reports are written in SEK thousands unless otherwise stated. The parent company is located in Skellefteå Municipality, Västerbotten County. The reporting currency is Swedish kronor (SEK).

Significant events during the financial year

Operating profit was SEK 680 million, which is about SEK 340 million more than 2017. Operating activities in all business areas delivered better than the previous year. The efficiency programme initiated in previous years is on schedule and has so far delivered profit improvements of over SEK 200 million per year.

The price of electricity in 2018 has risen sharply compared to 2017 and monthly averages have been in a range of SEK 310 to 540 per MWh during the year. The high price of electricity has led to an increase in average income from electricity production. Earnings during 2018 for electricity sold were therefore higher than the previous year, despite lower production. The price of electricity certificates and guarantees of origin has also been at a higher level than expected, which has contributed to increased income during the year.

The year began with reservoir levels slightly below normal. Inflow seen throughout the year has been close to average.

The rapid melting process in the spring, however, meant that a little more water than normal had to be spilled past the plants in the lower Skellefteå River.

The level of electricity prices has led to a high production rate and at the end of the year reservoirs contained approximately 329 GWh less than normal. Hydropower production, however, was 227 GWh less than a normal year.

2018 began with low winds, which improved in the autumn. In total, however, wind energy has been lower than a normal year. The availability of facilities has largely been according to plan, but more major mechanical breakdowns than previous forecasts occurred during the year. Production was 812 GWh, which is 115 GWh less than the production plan. Prices have generally been higher than budgeted. The Solberg wind farm has been completed and is now producing according to plan.

Work is underway to establish a site for wind power in cold climates at the Uljabuouda site.

A cold start to the year resulted in increased sales of heat. The biofuel market was really shaken in the first half, with shortages still influencing the supply of biofuels. Several causes are considered to have affected the biofuel market, including wet ground conditions in the Baltics and southern Sweden and record-high pulp prices. Average temperature was close to normal in the second half of the year. The biofuel shortage pushed up prices and weakened the financial results of the heat business. However, high electricity prices have dampened the effect as our cogeneration plants have been running at full capacity.

In the private market business, customer growth has continued and profitability has increased. This year's customer satisfaction survey shows that the company's customers are still more satisfied than for the energy industry in general. For the 7th year in a row, the company has also won the award for Sweden's best customer service. The power trading business has managed to deliver well in financial trading, linked to large movements of both the futures and electricity certificate prices. In terms of the brand, the goal is to be the fourth best-known company in the industry and the campaign launched in September with reclaimed advertising is so popular that it ranks among the 5 per cent most favoured campaigns that Nepa ever measured. The acquisition of Elverket in Vallentuna from Ellevio has also been carried out during the year. The acquisition came into force on 1 February and means that the electricity trading business has grown by 21,000 new company and private customers.

The weather-securing of the grid means continued large investments, with the largest investment in laying cable, but also the replacement of uninsulated overhead cables with coated cables.

The previously decided project for the replacement of existing household meters is underway to cope with the new requirements on, for example, hourly reading and handling of micro-production.

The regional grid that supplies Skellefteå itself with electricity, has seen reinvestment and reinforcement to maintain a high delivery reliability and meet Skellefteå municipality's

expansion plans. In 2018, the regional grid operations signed a connection agreement for wind power with Högnäs main grid station and additional wind farms are expected to sign connection agreements during 2019.

The Skellefteå Kraft Elnät's role as owner of substantial societal infrastructure is being steadily strengthened. Customer enquiries in our electricity grids have increased for everything from connections of homes to large consumption customers mainly in the form of data centre related companies and major production customers in wind power.

Business customers connected to the Skellefteå Kraft electrical grid are among those most satisfied in the entire country. Private individuals who are grid customers rank the company as Sweden's second best, which is a fantastic feat since the electricity grid sector has the lowest customer satisfaction in the entire energy industry. The trend is towards greater demands and expectations from customers, partly in terms of the social responsibility of the operators but also as regards transparency in the work on sustainable development.

Skellefteå Kraft's Fibre Network continues to show good growth in customers and profitability. A major investment programme is currently underway, both for development in sparsely populated areas and for enabling 98% of municipal residents to have access to 1,000 megabits per second. During the financial year 2018, the fibre optic network was extended by 1,600 customer connections and at the end of 2018 there were 27,800 customer connections in the network.

During the year, Energiservice Skellefteå AB has worked on developing the business with the aim of increasing the market share within the field of operation. A fibre unit has been established during the year. The company has taken greater responsibility in connection with breakdowns in hydro power generation and delivers to a greater extent than before. In 2018, a great deal of work and focus has been invested in streamlining the company and developing the organisation, work that will continue in 2019.

During the year, investments in climate-smart energy systems have been made in the form of starting operation of the world's northernmost solar-powered house, Zero Sun, and a solar power plant with the very latest technology. The solar power plant has a unique energy system where solar cells, batteries, electrolysis, geothermal, hydrogen and fuel cell operation interact to ensure that the house is able to cope using its own energy supplies in the tough Nordic climate with long dark winters and short, bright summers. Zero Sun acts as a real-time experiment to make solar technology accessible to more people and thus a piece of the jigsaw in society's transition to 100 per cent renewable.

Skellefteå won the battle for Northvolt's establishment of Europe's largest battery factory. Skellefteå Kraft made a great contribution to this by offering an attractive site, renewable energy production and adequate electricity grid capacity for this type of establishment.

Eight hydropower companies, including Skellefteå Kraft, have formed Vattenkraftens Miljöfond AB. This is a voluntary collaboration between the companies with an investment of SEK 10 billion over a 20-year period to finance

environmental measures so that Sweden's hydro power plants shall live up to modern environmental conditions.

Skellefteå Kraft has joined as a partner in the company Charge Amps AB, a Swedish green tech company that develops products for charging electric cars. The acquisition is one of the initiatives to involve the Group in the growing electricity market that is created when more and more people choose electric transport.

The Swedish Energy agency has put forward a proposal for a time-based instead of a volume-based stop rule for electricity certificates, which means that no new installations will be approved for the allocation of electricity certificates after 2030. If this proposal becomes reality, the price of electricity certificates risks to drop markedly when a large surplus of electricity certificates is expected to arise at the beginning of the 2020s.

Skellefteå Kraft has, through a partnership investment of EUR 10 million, entered into a collaboration with Northvolt. The collaboration involves opportunities for a number of different strategic projects, including with other companies with which Northvolt collaborates. The collaboration also brings with it a favourable solution for the waste heat generated by battery production.

On 16 August, the government decided on the new provisions to regulate the revenue framework for electricity grid companies. The new provisions apply from the next supervisory period starting in 2020. The new rules include, among other things, detailed provisions on how to determine the calculation rate and extended depreciation periods for fixed assets. The aim of the new regulation is that the end consumers will have lower electricity grid charges, which consequently is expected to lead to a slightly reduced profitability over time for the grid business.

Significant events after the end of the financial year

Skellefteå Kraft Energihandel AB, Greenwind AB, and Skellefteå Kraft Energiförsäljning AB have merged into Skellefteå Kraft AB as of 2 of January 2019 and Skellefteå Energiunderhåll HB is deregistered as of 7 January 2019.

At the beginning of the year, Group CEO Hans Kreisel announced that he will be withdrawing from his position on 31 March. The recruitment process for a new CEO of for the Group has begun.

Multi-year Summary

Consolidated for the Group

(SEK millions)	2018	2017	2016	2015	2014
Net sales	4,421	3,465	3,369	3,459	3,800
Operating profit (EBIT)	680	337	437	491	486
Balance sheet total	12,294	11,256	11,366	11,376	11,069
Shareholder equity	6,058	5,720	5,663	5,497	5,085
Return on equity (before tax), %	11.0	5.1	6.9	12.3	8.0
Equity ratio, %	49.3	50.8	49.8	48.3	45.9
Number of employees	656	587	578	599	624

For further key figures see page 30.

Sustainability Report

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

Compulsory permits and obligation to notify according to the Swedish Environmental Code

The Group has 45 business operations requiring a permit and an additional 30 subject to mandatory notification requirements according to the Swedish Environmental Code. Of the operations requiring permits, seven are combustion plants for the production of district heating and electricity, one is a wind farm and 9 refer to permits for intermediate storage/transport of hazardous waste. A further 24 permits are for handling of flammable goods, two Land and Environment Court water-related rulings (one relating to district cooling and the other the use of river water), and two concession permits refer to peat extraction.

Of the 30 activities subject to a mandatory notification requirement, 26 relate to biofuel-based production of district heating, three to wind power plants and one relates to the construction of a fuel plant. All operations have valid permits.

The activities that are subject to a permit or licence requirement have an impact on the environment. This occurs via transports and due to that cogeneration and heat production involve the burning of wood fuel peat and oil in the production process. This in turn leads emissions to the atmosphere. The emissions consist of fossil carbon dioxide (CO₂) from peat and oil and biogenic CO₂ from wood fuels, as well as NO_x and a certain volume of sulphur and dust/particles. All of our facilities are equipped with various types of purification systems for flue gases, and in Hedensbyn there is also equipment for reduction of NO_x.

For more detailed information see the Skellefteå Kraft Group's sustainability report.

Future development

Skellefteå Kraft continues to work with a focus on its core business as well as the development of new partnerships, products and services in the future digitalised energy

landscape energy landscape with, among other things, solar energy and charging. The rapid changes in the market leads to an increased internal focus on working methods and leadership in order to respond to the pace of change that exists in the world around us in the best possible manner.

There is a great deal of interest from electricity-intensive industries in finding possible establishments in northern Sweden. Skellefteå Kraft Elnät AB continues to reinvest in and develop the electricity grid in order to facilitate increased production of electricity.

Our work of listening to and conducting a dialogue with politicians continues to create good conditions for our business in the future. Issues that we pursue include the role of hydropower in the energy system, mechanisms that create the conditions for investments in both renewable energy production and in output and securing the transmission from north to south.

Skellefteå Kraft has a clear picture of the future and takes a positive view in regards to the transition of the energy system that is taking place.

Risk management

Risk management work that commenced in 2017 has continued at an escalated pace during 2018. The risk function has been involved to a very great extent since this year has had the character of a restarting period for many units in terms of risk management.

Tools for structuring risk management have been developed to facilitate risk work. These largely follow ISO 31000 - Risk management. A good number of risk analyses have been performed at a wide variety of levels within the company, such as by business area, unit and working group.

In order to obtain a good overall picture of the risk levels throughout the Group, the work relating to risk management has been visualised so that all employees become aware of it. Overall, it can be noted that awareness of risks and risk management and its benefits has been thoroughly disseminated throughout the Group.

Risks and uncertainty factors

The risks that are currently seen within the business operations (December 2018) to have the greatest potential impact at Group level are as follows:

Organisational risk

Work is underway to readjust from line business to process orientation, and it is believed that difficulties can arise from this.

Legal risk

Shortages of resources and staff are seen as a major legal risk.

Production risk

Heightened safety and security requirements have been established for our properties. The risk of fire, electrical power interruptions and cooling failure in server halls can be mentioned here.

Financial risk

Decreasing income from hydropower is seen as the greatest risk (price risk). Not being able to withdraw from our ownership in Alholmen when we desire to is also considered a risk. Significant price volatility for all financial products makes it difficult to hedge with margins.

Information security risk

Low security relating to IT and information is generally seen as a major risk factor.

Brand risk

That there may be a risk of building a position around the message of 100% renewable while at the same time we have shares in nuclear power and coal. There is also the risk that work on responsible supplier connections is under development.

System risk

The provision of competence is defined as a significant risk for future growth and development.

Social responsibility risks

Risks of occupational injuries and ill health due to deficiencies in the physical or mental work environment are a risk in a rapidly growing business. The perception of increasing stress can eventually lead to increased sick leave and affect the supply of resources. There is also a risk in the absence of a complete definition of, and hence goals for, the company's social responsibility.

Environmental-related risks

The environmental-related primarily concern the risks of permit infringements in terms of emissions to air, ground and water and their impact on biodiversity.

Operational risks

Information risk is limited via, among other measures, compliance monitoring, upgrading and annual revision of our communications plan and the company's information security guidelines, which exist to improve information flows within the company and prevent interruptions and hacking.

Installation risks are covered by insurance coverage on property and liability to third parties. Plus business interruption insurances. Risk taking is regulated with insurance excesses.

Liability insurance covers claims for compensation from third parties. The level of coverage has been assessed on the basis of the organisation's maximum needs. Exceptions apply to claims for compensations that may arise as a result of dam bursts. Strict liability applies to dam bursts.

Skellefteå Kraft is actively working to maintain and continually improve the dam safety of the dam facilities it manages. Support for this work comes from the industry-wide guidelines which, together with current legislation in the area, set the framework for dam safety work. An important basis for this framework is that all dam installations are classified according to the consequences of a disaster

from the perspective of society. Based on the classification, requirements are set for systematic work on detecting and reducing risks that could affect dam safety. The industry-wide guidelines cover, among other things, the design of the dam installations and associated systems. Skellefteå Kraft is responsible for the maintenance of dams in several different dam safety classes, of which six dam installations belong to the highest or second highest class. Such dam installations could cause disturbance to important societal functions or affect people. Skellefteå Kraft also manages about 30 dam installations that have little impact on society in general. Skellefteå Kraft, together with the majority of Sweden's largest dam owners, has signed liability insurance covering both personal injury and property damage as well as purely monetary claims caused by dam failure.

Financial risk management

The financial risks consist of currency, interest rate, credit, refinancing, liquidity and cash flow risks. These are governed at an overall level by the governing documents: Finance Policy Skellefteå, Municipality Group and Rules for Financial Operations in Skellefteå Municipality.

Interest and liquidity risk

The liquidity risk is reduced via that Skellefteå Stadshus AB's internal bank guarantees Skellefteå Kraft's liquidity, based on established needs forecasts.

The Skellefteå Kraft Group's external loan liabilities amounted to SEK 4,160 million (3,748) as of 31 December 2018, with an average fixed interest period of 2.7 years (3.3). Of borrowings, 23% (18) had a variable interest rate.

Interest rate risk is dealt with by Skellefteå Stadshus AB's internal bank by spreading interest rates in the debt portfolio over time. Most of fixed-rate interest is distributed relatively evenly over a six-year period. A benchmark is that the average fixed interest rate shall be for between 3 and 4 years with a deviation of 1.0 years in either direction. The market situation affects the fixed interest rate position.

Credit risk

Credit risks related to accounts receivable are dealt with in the operational organisation. Credit risks related to bilateral trade in electricity are treated as counterparty risk and are regulated in the guidelines for power trading. The highest single credit loss that could occur is of the order of SEK 50 – 80 million.

Price risks

This primarily refers to the risks associated with price fluctuations for electricity. For the management of these risks there are guidelines that describe how risk management should be handled, clarify responsibilities and roles and establish a trading mandate.

Our trading activities have divided all flows into a structure built up of several portfolios that represent different parts of production and sales. The portfolios are filled with forecasts of future deliveries of electricity. The production and sales operations are responsible for these forecasts. The

forecasts are processed according to the established price hedging strategy, and prices are hedged based on guidelines and price hedging strategies. Price hedging occurs on the Nasdaq Exchange.

Volume risk

In the production portfolio, there is a volume risk depending on variations in precipitation. This risk is limited via a mandate for optimisation of production (OPT) that can be initiated depending on the hydrological balance and the price situation on the futures market. In the consumption portfolio, there is a temperature-sensitive volume risk. This risk is reduced by continuous updates of current volumes in the consumption portfolio.

Sensitivity Analysis

In the short term, earnings are not affected by a fluctuation in the price for electricity in the end-user market, due to fixed margins and the hedging described above. On the other hand, a lasting change of SEK 0.01 in the Nord Pool forward prices means approximately SEK 40 million per year in changes in earnings during normal production conditions and depending on the time horizon. A change in the sales price of district heating of SEK 0.01 affects earnings by nearly SEK 7 million.

In the event of a dry year, i.e. low precipitation, there could be a production loss of approximately 800 GWh. The loss of production can be offset with multi-year reservoirs of approximately 150 GWh and external purchases of 650 GWh. The external purchases can increase costs for the Group by SEK 200 million.

An extremely wet year can give a production increase of close to 500 GWh, which means an increase in income of SEK 100 – 150 in the normal case.

77% of borrowings are at fixed rate. With an interest rate change of +/-1%, net financial items would be affected by +/- SEK 9.6 million (6.7) in the short term if no measures were taken. With a long-term change in interest rates, net financial items would be affected by SEK +/- 42 million (37) with the same assumption.

Allocation of profits

Skellefteå Kraftverk's profit was SEK 110,000,000 for the year (after year-end appropriations to untaxed reserves).

According to present decisions by the Municipal Council, the amount has been received by the municipality as compensation for the capital invested in the power plant operations.

Consolidated Profit & Loss Statement (SEK millions)

	2018	2017
OPERATING INCOME		
Net sales	4,420.8	3,464.9
Capitalised work on own account	26.1	30.1
Other operating income	18.8	8.3
	4,465.7	3,503.3
OPERATING EXPENSES		
Energy and production expenses	-2,309.4	-1,607.6
Other external expenses	-606.1	-560.0
Personnel costs	-493.2	-454.0
Depreciation and impairment	-373.1	-545.4
Other operating expenses	-3.0	-5.6
Share of associated company profit	-1.2	6.5
	-3,786.0	-3,166.1
OPERATING PROFIT	679.7	337.2
GAINS/LOSSES FROM FINANCIAL ITEMS		
Gains from financial securities and receivables that are non-current assets	22.9	25.2
Interest received and similar income items	9.8	4.7
Interest paid and similar expense items	-61.9	-78.1
	-48.2	-51.6
PROFIT AFTER GAINS/LOSSES FROM FINANCIAL ITEMS	650.5	289.0
Year-end appropriations	-6.5	-6.4
Tax on profit for the year	-54.2	-42.8
PROFIT FOR THE YEAR	589.8	239.8

Consolidated Balance Sheet (SEK millions)

	31/12/2018	31/12/2017
ASSETS		
Non-current assets		
<i>Intangible fixed assets</i>		
Capitalised development costs	12.8	-
Concessioner and similar rights	2.6	2.4
Acquired customer values	35.0	-
Goodwill	-	-
	50.4	2.4
<i>Tangible fixed assets</i>		
Buildings	989.9	972.8
Land and other real property	1,970.5	1,955.2
Plant and machinery	5,908.9	5,562.8
Equipment, tools, fixtures and fittings	158.4	150.2
Construction in progress	543.2	654.1
	9,570.9	9,295.1
<i>Financial fixed assets</i>		
Shares in associated companies	94.3	84.7
Receivables from associated companies	404.4	455.6
Other securities held as non-current assets	128.5	8.4
Other non-current receivables	503.4	373.8
	1,130.6	922.5
FIXED ASSETS	10,751.9	10,220.0
Current assets		
Inventories		
Raw materials and consumables	126.0	78.3
<i>Current receivables</i>		
Accounts receivable	258.0	213.3
Receivables from Group companies	52.0	14.0
Receivables from associated companies	48.2	51.0
Other receivables	116.9	71.7
Prepaid expenses and accrued income	704.4	377.8
	1,179.5	727.8
Cash and cash equivalents	230.3	230.3
TOTAL CURRENT ASSETS	1,542.1	1,036.4
TOTAL ASSETS	12,294.0	11,256.4

Consolidated Balance Sheet (SEK millions)

	31/12/2018	31/12/2017
SHAREHOLDER EQUITY AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Basic capital	204.0	204.0
	204.0	204.0
<i>Unrestricted equity</i>		
Unrestricted reserves	5,264.0	5,276.7
Profit for the year	589.8	239.8
	5,853.8	5,516.5
TOTAL SHAREHOLDER EQUITY	6,057.8	5,720.5
Provisions		
Provisions for pensions and similar obligations	24.6	29.4
Deferred tax liability	976.6	929.3
Other provisions	103.1	28.0
TOTAL PROVISIONS	1,104.3	986.7
Non-current liabilities		
Other liabilities to credit institutions	4,159.4	3,748.5
Other liabilities	103.7	114.9
TOTAL NON-CURRENT LIABILITIES	4,263.1	3,863.4
Current liabilities		
Advance payments from customers	12.9	4.6
Accounts payable	316.9	240.9
Liabilities to Group companies	13.7	7.4
Liabilities to associated companies	19.4	0.0
Current tax liability	21.1	12.4
Other liabilities	115.7	148.6
Accrued expenses and deferred income	369.1	271.9
TOTAL CURRENT LIABILITIES	868.8	685.8
TOTAL SHAREHOLDER EQUITY AND LIABILITIES	12,294.0	11,256.4

Consolidated Statement of Cash Flows (SEK millions)

	2018	2017
CURRENT OPERATIONS		
Profit after financial items	650.5	289.0
Adjustment for items excluded from the cash flow		
Depreciation and impairment	373.1	545.4
Profit/loss on the sale of fixed assets	4.2	5.4
Profit share in associated companies	1.2	-6.5
	1,029.0	833.3
Income tax paid	-6.9	-
Cash flow from current operations before changes in working capital	1,022.1	833.3
Cash flow from changes in working capital		
Increase (-)/decrease in goods in stock etc.	-47.7	24.8
increase(-)/decrease in operating receivables	-451.7	8.5
increase/decrease(-) in provisions	70.3	-2.3
increase/decrease(-) in operating liabilities	183.0	-93.0
Cash flow from current operations	776.0	771.3
INVESTMENT ACTIVITIES		
Acquisition of intangible assets	-55.2	-2.4
Acquisition of tangible fixed assets	-672.9	-621.0
Sale of tangible fixed assets	27.0	7.9
Acquisition of associated companies	-10.8	-0.5
Acquisition of other non-current securities holdings	-120.1	-
Increase(-)/decrease in other non-current receivables	-78.4	23.4
Cash flow from investment activities	-910.4	-592.6
FINANCING ACTIVITIES		
Increase/decrease (-) in utilised credit	410.9	-126.9
Increase/decrease(-) in other non-current liabilities	-11.2	11.8
Group contributions paid/received	-6.5	-6.4
Dividends paid	-142.5	-97.9
Contributions to other activities of the municipality	-110.0	-84.0
Cash flow from financing activities	140.7	-303.4
Cash flow for the year	6.3	-124.7
Cash and cash equivalents at start of year	230.3	355.0
CASH AND CASH EQUIVALENTS AT END OF YEAR	236.6	230.3

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
FROM THE PROFIT & LOSS STATEMENT (SEK MILLIONS)										
Net sales	4,420.8	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
Expenses incl. other operating items	-3,368.0	-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
Depreciation	-373.1	-545.4	-402.6	-372.8	-364.6	-555.6	-451.7	-514.2	-326.2	-407.6
OPERATING PROFIT (EBIT)	679.7	337.2	436.6	491.1	485.7	326.6	662.6	515.3	704.8	526.8
Financial income	32.7	29.9	36.0	255.2	26.4	-54.0	48.5	30.9	-62.0	23.4
Financial expenses	-61.9	-78.1	-87.6	-97.5	-112.7	-116.0	-112.3	-117.3	-113.7	-115.4
PROFIT AFTER NET FINANCIAL ITEMS	650.5	289.0	385.0	648.8	399.4	156.6	598.8	428.9	529.1	434.8
Group contributions	-6.5	-6.4	-	-	-	-7.3	-	-	-	-
Taxes	-54.2	-42.8	-71.9	-42.8	-39.1	-16.3	63.2	-19.3	-82.2	-75.5
PROFIT FOR THE YEAR	589.8	239.8	313.1	606.0	360.3	133.0	662.0	409.6	446.9	359.3
FROM THE BALANCE SHEET (SEK MILLIONS)										
Intangible fixed assets	50.4	2.4	24.6	0.0	3.5	8.0	148.6	159.9	168.7	156.4
Tangible fixed assets	9,570.9	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
Financial assets	1,130.6	922.5	914.3	848.9	827.6	750.2	851.5	616.5	523.0	768.7
Current receivables and stock-on-hand	1,305.5	806.1	839.4	872.0	939.7	880.8	1,071.5	1,043.6	1,312.7	985.2
Cash/cash equivalents and investments	236.6	230.3	355.0	417.1	426.7	483.9	379.0	132.1	51.8	17.4
TOTAL ASSETS	12,294.0	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
Shareholder Equity	6,057.8	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
Interest-bearing non-current liabilities and provisions	4,184.0	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
Non-interest-bearing non-current liabilities and provisions	1,183.4	1,072.3	1,016.1	932.3	905.9	850.8	842.0	875.7	800.6	726.7
Interest-bearing current liabilities	0.0	0.0	0.0	6.1	0.0	5.4	0.0	5.0	643.1	573.1
Non-interest-bearing current liabilities	868.8	685.8	778.8	1,026.7	774.9	847.9	852.7	844.7	867.1	659.6
TOTAL SHAREHOLDER EQUITY AND LIABILITIES	12,294.0	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
KEY FIGURES										
Return on equity (before tax), %	11.0	5.1	6.9	12.3	8.0	3.2	12.6	9.7	12.5	10.8
Return on capital employed, %	7.2	3.9	5.0	7.9	5.6	3.1	8.5	6.9	8.4	7.3
Return on total capital, %	6.1	3.2	4.2	6.6	4.7	2.6	7.0	5.7	7.0	6.2
Operating margin, %	15.4	9.7	13.0	14.2	12.8	7.7	14.4	10.0	15.5	14.6
Net margin, %	14.7	8.3	11.4	18.8	10.5	3.7	13.0	8.3	11.7	12.0
Equity ratio, %	49.3	50.8	49.8	48.3	45.9	46.3	47.5	46.7	46.0	45.8
Self-financing rate, %	92.7	96.4	125.2	88.7	76.5	69.7	112.7	81.9	106.1	124.6
Interest coverage ratio, multiple	11.5	4.7	5.4	7.7	4.5	2.4	6.3	4.7	5.7	4.8
Debt to equity ratio, multiple	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8
Capital turnover rate, multiple	0.45	0.36	0.35	0.37	0.41	0.48	0.55	0.65	0.59	0.48
OTHER INFORMATION (SEK MILLIONS)										
Capital employed	10,241.8	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
Net investment in plant	728.2	623.4	410.1	900.3	721.2	898.3	726.4	921.6	681.4	614.4
Net investment in shares	130.9	0.5	41.3	0.0	0.0	0.0	1.8	4.0	49.7	3.3
Contribution to other activities of the municipality	228.8	226.5	220.0	220.0	211.0	215.0	205.0	196.0	180.0	170.0

Note: The years 2009 to 2012 above have not been recalculated according to K3.



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