

# Annual Report 2019



Skellefteå Kraft

# This is Skellefteå Kraft

We endeavour to be Sweden's best energy company and see ourselves as the industry's challenger. We put the customer and the customer's needs first and are a driving force in the for a sustainable future by focusing on our own renewable energy production and investing in research and development. The assignment from our owner, Skellefteå Municipality, is to safeguard the region's energy supply while creating profitable growth that promotes the development of the region.

This report summarises the results and position for the municipality's entire energy operation.\*

## Our business

Skellefteå Kraft is one of Sweden's five biggest electricity producers and the biggest of the municipally owned power companies. Our production is concentrated in the north of Sweden and we have our own production facilities for wind power, hydropower, heating and bioenergy.

### Energy production

We produce electricity from renewable energy sources. The major part of the electricity comes from northern hydro and wind power. In 2019, a total of 842 GWh of heat and 3,772 GWh of electricity was produced.

### Electricity grid

Our grid is 12,000 kilometres long and covers nine municipalities. It's 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 biofuel.

### Fibre network

We build and own the fibre network in Skellefteå and the surrounding area. Eight out of ten local residents have access to one of Sweden's fastest and best networks.

### Development for the future

We focus on research and collaboration projects to develop tomorrow's energy supply.

### Focused on the customer

We put our customers and their needs first. The reliability of energy deliveries has first priority, along with good service and great agreements.



**713**  
employees\*\*



**70**  
motivated  
employee index



**SEK 502**  
million  
our profit



**87%**  
proportion of renewable  
energy production



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

\*\*The Annualised number of employees in 2019 was 646.

\*Skellefteå Kraft is a fictitious group consisting of the municipal administration Skellefteå Kraftverk (parent company) and the sub-group Skellefteå Kraftaktiebolag, company registration number 556016-2561. The purpose of this report is to show the results and position of the municipality's total energy operation and is thus a summary of the results and position of the corporate sphere and Skellefteå Kraftverk. The Skellefteå Kraftaktiebolag sub-group has been subject to scrutiny by the company's auditor and the municipal board Skellefteå Kraftverk has been scrutinised by Skellefteå municipality's auditor. On the other hand, the consolidated financial statements of the fictitious group have not been scrutinised, since there is no requirement for such scrutiny.

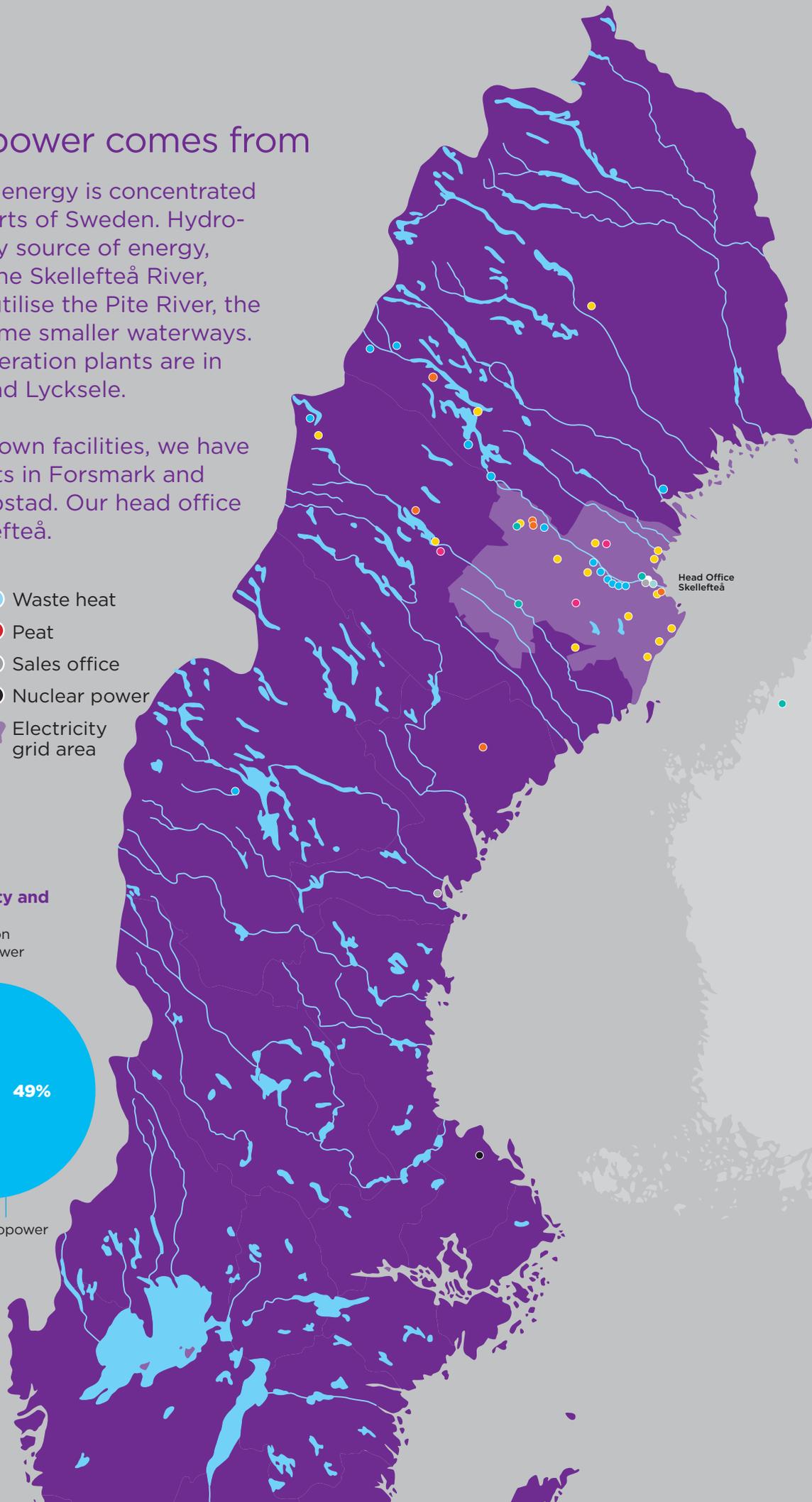
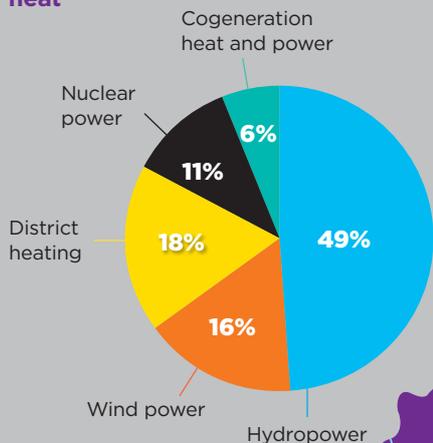
## Where the power comes from

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
- Electricity grid area

### Production mix electricity and heat



# Directors' report

## The organisation

Skellefteå Kraft is a fictitious group consisting of the municipal administration Skellefteå Kraftverk (parent company) and the sub-group Skellefteå Kraftaktiebolag. The purpose of this report is to show the results and position of the municipality's total energy operation. The report is thus a summary of the results and position of the corporate sphere and Skellefteå Kraftverk. The Skellefteå Kraftaktiebolag sub-group has been subject to scrutiny by the company's auditor and the municipal board Skellefteå Kraftverk has been scrutinised by Skellefteå municipality's auditor. The consolidated financial statements of the fictitious group have not been scrutinised, however, since there is no requirement for such scrutiny.

The group's annual report has been prepared in accordance with the Annual Reports Act and also in accordance with the Swedish Accounting Standards Board's general guidelines 2012:1 Annual reports and consolidated reports (K3).

The corporate sphere consists of the parent company Skellefteå Kraftaktiebolag, company registration number 556016-2561, with the wholly owned subsidiaries Skellefteå Kraft Elnät AB, Skellefteå Kraft Service AB, Energiservice i Skellefteå AB, Skellefteå Kraft Fibernät AB, Skellefteå Kraft Industry Locations AB, BlaikenVind AB and Skellefteå Kraft Fastighetsutveckling AB with its subsidiary Skellefteå Kraft Fastighetsförvaltning AB.

The municipality's political parties nominate candidates for the boards of the municipally owned companies. Nominations take into account, for example, gender, age and geographical place of residence. The municipal council appoints the board for each mandate period. Skellefteå Kraft's present board consists of nine members (no deputies): three women and six men. The chair is Alf Marklund.

Skellefteå Kraft is one of Sweden's five largest electricity producers and the largest among the municipally owned power companies, with its own production facilities for wind, hydropower, heat and bioenergy. The business is mainly in Västerbotten and consists of both technical development and sales and delivery. With substantial 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.

Society is entirely dependent on 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, so as to achieve 100 per cent renewable energy production in the

longer term. Read more about Skellefteå Kraft's responsibility in the group's sustainability report.

The annual and consolidated financial statements are written in SEK millions unless otherwise stated.

## Significant events during the financial year

Operating profit was SEK 502 million, which is SEK 178 million less than in 2018.

Current operations have delivered a poorer financial result than in the previous year in all types of production due to lower prices and volumes. Investment in new business has also increased costs somewhat. However, the companies Elnät and Fibernät have generated a better result this year. During the year Skellefteå Kraft started the process of closing its stake in Alholmens Kraft in Finland. A loss provision for this has affected profit for the year, as well as last year's, and is assigned under Items affecting comparability.

In 2019, the price of electricity compared with 2018 has fallen from 455 to 401 SEK per MWh on average over the year (electricity price area SE1). The average price per month during the year was within a range of 260 to 550 SEK per MWh. The lower price of electricity has led to a decrease in average income from electricity production. During the year, the total production volume also decreased. The decrease is due to Krångfors power station being out of operation for several months - the rapid spring flood meant increased wastage and towards the end of the year when prices were low it was decided to produce less. The earnings from electricity sold in 2019 were therefore lower than in the previous year. The price of electricity certificates and original rights has been at a lower level than expected, which has contributed to reduced income during the year. The price of electricity certificates has fallen sharply from 17 öre per kWh to 4.7 öre per kWh, which has a major impact on the wind power business, especially.

Hydropower production for 2019 was 53 GWh lower than budgeted. The year started with reservoir levels below normal and inflow has been below the median level over the year as a whole. At year-end, the reservoirs contained approximately 79 GWh less than the median for the period.

For wind power, the year started positively with normal to good winds during the first quarter. Since then, the year to December has had lower winds with the month of July as the lowest. Production for the full year was 739 GWh, which is 200 GWh lower than budgeted. Availability has been slightly poorer than planned, mainly because of two major breakdowns at the beginning of the year. However, a great deal of the production loss has been compensated through insurance. During the year, ownership in our wind farms was streamlined, which means that Blaiken wind farm is now 100% owned by Skellefteå Kraft AB, while no ownership share remains in Solberg wind farm.

In 2019, the Swedish Energy Agency put forward a proposal for a time-based instead of a volume-based stop rule for electricity certificates. The proposal means that no new

plant would be approved for the allocation of electricity certificates after 2030. No decision has yet been taken on the proposal, but if this proposal becomes a reality, there is a risk that the price of electricity certificates will fall significantly in the future.

During the year, weather and temperature have contributed to increased heat sales. After the shaky biofuel market of 2018, prices have stabilised at a higher level in 2019. Electricity production in the combined heat and power plants has functioned satisfactorily but with some operational problems. A five-day stop of a cogeneration unit in Hedensbyn (H2) during February led to the need to burn oil in Skellefteå's district heating network to ensure delivery. The restart of electricity production after the summer maintenance stoppages was somewhat delayed as more maintenance work was required on the turbines than expected.

The development of Hedensbyn's industrial area continues as part of an ongoing major industrial establishment in Skellefteå. This includes solutions with cooling and process water, as well as heating and waste heat solutions. Work is expected to continue in 2020.

In the private market business, customer growth has continued and profitability has increased. This year's customer satisfaction survey shows that Skellefteå Kraft's private customers are the most satisfied in Sweden. Skellefteå Kraft has also won the award for Sweden's best customer service for the 8th year in a row. The marketing campaign launched in August, which has continued to develop the concept of 100% renewable advertising, has been the group's most successful campaign ever. Sender knowledge of the advertising has been strengthened and the message is perceived in the desired way. The campaign has also contributed to a substantial increase in awareness of Skellefteå Kraft.

Skellefteå Kraft Elnät continues to invest heavily in weather-proofing the electricity grid. The main investment has been in laying cable, but also in replacing uninsulated overhead lines with coated lines. In 2019, there has also been a focus on preventive work. Among other things, power transmission corridors have been cleared of branches with the aid of helicopters and line switches have been fitted.

Between 2016 and 2019, approximately 31,700 old household meters have been replaced with the new generation of household meters with advanced remote communication. To meet the requirements of the authorities, approximately 30,000 remaining household meters must be replaced. Work on this is scheduled to begin in the first quarter of 2020.

The regional grid that supplies Skellefteå itself with electricity, has seen reinvestment and reinforcement to maintain a high level of delivery reliability and meet Skellefteå municipality's expansion plans. Implementation of regional grid reinforcements started in 2019 and is expected to continue until 2023. With the current interest in the establishment of new businesses in Skellefteå municipality, the utilisation rate of the main grid station at Högnäs is rising, for which reason an investigation into increasing capacity has begun.

Skellefteå Kraft Elnät's role as owner of substantial societal infrastructure is being steadily strengthened. It is clear that the role of electricity grid operator is becoming increasingly important in the current market situation in and around Skellefteå and that any expansion will mainly occur in connection with the present geographical grid area and/or to support existing and new production activities there. Increasing pressure of customer inquiries received, ranging from house connections to larger consumption customers such as datacentre-related companies and major wind power production customers, is ongoing and is expected to continue in the coming years.

Skellefteå Kraft Fibernät 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 per cent of municipal residents to have access to 1,000 megabits per second. During the financial year, the fibre optic network was expanded by 1,700 customer connections. The rate of expansion increased slightly compared to 2018 but almost tripled compared to 2017 (600 customer connections). In total, the fibre network is expected to expand by over 4,000 customer connections over the next three years.

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. During the year, the focus was on streamlining the company and developing the organisation, partly by merging two departments into one. The company has also negotiated new agreements for basic maintenance for hydropower and for 60 wind power turbines (Nordex turbines). In 2019, the focus has also been on safety and protection work, which will continue in 2020. The company has also grown and during the year the workforce has increased from 208 to 215 employees.

During the year, continued investments were made in the development of charging infrastructure for electric vehicles. In Skellefteå, a number of new charging stations have come into operation and two bus charging stations are also in place. Public quick charging has been established in Malå and Arvidsjaur.

Construction of the cultural centre has begun and Skellefteå Kraft, together with ABB, has signed an agreement to build an energy solution at the cutting edge of technology, so as to ensure optimal energy use with modern technology.

Renovation of Skellefteå Kraft's head office at Kanalgatan has been completed during the year.

The renovation consisted of two new floors and a new fan room. This measure secures the future of the office building and meets the company's needs for premises.

The Energy Markets Inspectorate, which monitors and develops energy markets, has decided on changes in the regulatory model for the entire electricity grid industry. The weighted average cost of capital (WACC) has been reduced from 5.85% to 2.16% and Skellefteå Kraft has received a decision on the new revenue framework for the years 2020-2023. The decision of the Swedish Energy Markets Inspectorate has been appealed to the Administrative Court.

The subsidiaries Skellefteå Kraft Energihandel AB, Greenwind AB and Skellefteå Kraft Energiförsäljning AB were merged into Skellefteå Kraft AB as of 2 January 2019 and Skellefteå Energiunderhåll HB was deregistered as of 7 January 2019.

On 1 April Hans Kreisel left his position as President and CEO of Skellefteå Kraft. On 27 June the board decided to appoint Joachim Nordin as the new President and CEO. Joachim Nordin took up the position of President and CEO of Skellefteå Kraft on 1 July 2019.

## Significant events after the end of the financial year

Skellefteå Kraft Fastighetsförvaltning AB was divested at the end of January 2020.

The start of the new year 2020 has been both warmer and wetter than normal. This has led to a strengthened hydrological balance, which has led to increased hydropower production in anticipation of a large spring flood. It has also been very windy, so wind power production has been high. These three factors have pushed down the average spot price for price area SE1 during January to SEK 247 per MWh, compared with January 2019 when it was priced at SEK 549 per MWh. The price of electricity certificates has also fallen, as was expected, but the high wind power production has made the price fall faster than forecast. Electricity futures that price the remainder of 2020 have also seen sharp falls in prices. Skellefteå Kraft's present price forecast for the remainder of 2020 is an average electricity price of approximately SEK 240 per MWh, significantly lower than the average price in the previous year of SEK 401 per MWh. If the current weather trend continues, the price could be even lower, which would have a negative impact on this year's revenue.

## Multi-year Summary

### Consolidated for the Group

(SEK millions)	2019	2018	2017	2016	2015
Net sales	4,436	4,421	3,465	3,369	3,459
Operating profit (EBIT)	502	680	337	437	491
Balance sheet total	12,498	12,294	11,256	11,366	11,376
Shareholder equity	6,202	6,058	5,720	5,663	5,497
Return on equity (before tax), %	7.6	11.0	5.1	6.9	12.3
Equity ratio, %	49.6	49.3	50.8	49.8	48.3
Annualised number of employees	646	607	587	578	599

## Sustainability Report

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

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

The group has 46 operations requiring a permit and 30 with an obligation to notify according to the Environmental Code. Of the operations requiring permits, one is for peat extraction, seven are combustion plants for the production of district heating and electricity, one is for a wind farm and nine refer to permits for intermediate storage/transport of hazardous waste. A further 24 permits are for handling of flammable goods, two water judgments relate to district cooling and the use of river water respectively and two concession permits refer to peat extraction.

Of the 30 notifiable activities, 26 refer to production of district heating based on biofuel, three to wind power plants and one refers to the construction of a fuel plant. All operations have valid permits.

The licensed activities affect the environment. This occurs through transports and because heat & power and heat production burn timber fuel, peat and oil in the production process. This leads in turn to emissions to the atmosphere. The emissions consist of fossil carbon dioxide (CO<sub>2</sub>) from peat and oil and biogenic CO<sub>2</sub> from wood fuels as well as NO<sub>x</sub>, a certain amount of sulphur and dust. All our facilities are equipped with different types of purification of flue gases and in Hedensbyn there is also equipment for NO<sub>x</sub> reduction.

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

## Future development

Skellefteå Kraft continues to work with a focus on the core business as well as the development of new partnerships, products and services in the future digitalised energy landscape with, among other things, solar and charging. The rapid transition in the market is leading to an increased internal focus on working methods and leadership in order to best meet the pace of change that exists in the world around us.

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 to enable more electricity production.

The work of listening to and conducting a dialogue with politicians continues, so as to create good conditions for taking the business forward. Issues being pursued 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 transfer link from north to south.

Skellefteå Kraft has a clear image of the future and a positive view on the transition that is taking place in the energy system.

## Risk management

During 2019, risk management work has started in earnest in the group. All business areas have been tasked with carrying out risk analyses as part of business planning. The risk function has also been very much involved this year in providing support to the operations, with regard to risk management.

### Risks and uncertainty factors

The risks that are currently seen within the group (December 2019) to have the greatest impact at group level are as follows:

#### IT risk

Risk in the form of technical debt.

#### Volume risk

Risk of bottlenecks in the main grid that may cause Skellefteå Kraft to be unable to deliver electricity to the extent desired.

#### Strategic risk

Tough competition, restrictive licensing processes, our investments and differences between fossil-free and renewable are considered to be the main strategic risks.

#### Price risk

The prices of electricity and electricity certificates may change more than we anticipated.

#### Organisational risk

Work on process-oriented activities, following internal regulations and procedures, internal cooperation between units, targeting, planning and prioritising need to be improved.

#### Financial risk management

The financial risks consist of currency, interest rate, credit, refinancing, liquidity and cash flow risks. These are regulated 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 by the internal bank of Skellefteå Stadshus AB guaranteeing Skellefteå Kraft's liquidity, based on established needs forecasts.

The Skellefteå Kraft group's external loan liabilities amounted to SEK 4,054 million (4,160) as of 31 December 2019, with an average fixed interest period of 2.8 years (2.7). 21% (23) of borrowing had a variable interest rate. Interest rate risk is handled by the internal bank of Skellefteå Stadshus AB by spreading interest rates in the debt portfolio over time. Most of the 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 3-4 years with a deviation of 1.0 year in either direction. The market situation affects the fixed interest rate position.

#### Credit risk

Credit risks related to accounts receivable are handled 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 risk

This refers primarily 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 that can be initiated depending on the hydrological balance and the price situation on the futures market. In the consumption portfolio, there is a volume risk that is temperature sensitive. This risk is reduced by continuous updates of current volumes in the consumption portfolio.

#### Sensitivity analysis

In the short term, the result of an electricity price change on the end user market is not affected 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 250 million. An extremely wet year can give a production increase of close to 500 GWh, which means an increase in income of SEK 150 – 200 million in the normal case.

79% of borrowing is at fixed rate. With an interest rate change of +/- 1%, net financial items would be affected by +/- SEK 8.5 million (9.6) 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 41 million (42) with the same assumption.

## Consolidated Income Statement, SEK million

	2019	2018
<b>OPERATING INCOME</b>		
Net sales	4,436.0	4,420.8
Capitalised work on own account	30.7	26.1
Other operating income	26.1	18.8
	4,492.8	4,465.7
<b>OPERATING EXPENSES</b>		
Energy and production expenses	-2,440.4	-2,309.4
Other external expenses	-491.7	-531.1
Personnel expenses	-539.9	-493.2
Depreciation and impairment	-406.2	-373.1
Other operating expenses	-5.0	-3.0
Share of associated company profit	-107.3	-76.2
	-3,990.5	-3,786.0
<b>OPERATING PROFIT</b>	<b>502.3</b>	<b>679.7</b>
<b>PROFIT FROM FINANCIAL ITEMS</b>		
Profit from other securities and receivables that are fixed assets	12.4	22.9
Other interest and similar income items	6.8	9.8
Interest and similar income items	-56.6	-61.9
	-37.4	-29.2
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>464.9</b>	<b>650.5</b>
Appropriations	21.6	-6.5
Tax on profit for the year	-61.3	-54.2
<b>PROFIT FOR THE YEAR</b>	<b>425.2</b>	<b>589.8</b>

## Consolidated Balance Sheet, SEK million

	31/12/2019	31/12/2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
<i>Intangible fixed assets</i>		
Capitalised development costs	10.2	12.8
Concessions and similar rights	2.6	2.6
Acquired customer values	26.6	35.0
Goodwill	33.4	-
	72.8	50.4
<i>Tangible fixed assets</i>		
Buildings	1,037.5	989.9
Land and other immovable property	2,080.6	1,970.5
Machinery and other technical facilities	5,966.3	5,908.9
Equipment, tools and installations	164.0	158.4
Construction in progress	1,137.3	543.2
	10,385.7	9,570.9
<i>Financial assets</i>		
Shares in associated companies	31.8	94.3
Receivables from associated companies	116.8	404.4
Other securities held as non-current assets	154.8	128.5
Other non-current receivables	458.9	503.4
	762.3	1,130.6
<b>TOTAL NON-CURRENT ASSETS</b>	<b>11,220.8</b>	<b>10,751.9</b>
<b>Current assets</b>		
<i>Goods in stock etc</i>		
Raw materials and consumables	139.6	126.0
<i>Current receivables</i>		
Accounts receivable	242.1	258.0
Receivables from group companies	53.8	52.0
Receivables from associated companies	3.9	48.2
Other receivables	105.8	116.9
Prepaid expenses and accrued income	546.4	704.4
	952.0	1,179.5
<b>Cash and bank deposits</b>	<b>185.1</b>	<b>236.6</b>
<b>TOTAL CURRENT ASSETS</b>	<b>1,276.7</b>	<b>1,542.1</b>
<b>TOTAL ASSETS</b>	<b>12,497.5</b>	<b>12,294.0</b>

## Consolidated Balance Sheet, SEK million

	31/12/2019	31/12/2018
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<i>Restricted equity</i>		
Share capital	204.0	204.0
	204.0	204.0
<i>Unrestricted equity</i>		
Unrestricted reserves	5,573.0	5,264.0
Profit for the year	425.2	589.8
	5,998.2	5,853.8
<b>TOTAL EQUITY</b>	<b>6,202.2</b>	<b>6,057.8</b>
<b>Provisions</b>		
Provisions for pensions and similar obligations	19.9	24.6
Deferred tax liability	1,041.4	976.6
Other provisions	236.9	103.1
<b>TOTAL PROVISIONS</b>	<b>1,298.2</b>	<b>1,104.3</b>
<b>Non-current liabilities</b>		
Other liabilities to credit institutions	4,053.0	4,159.4
Other liabilities	81.2	103.7
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>4,134.2</b>	<b>4,263.1</b>
<b>Current liabilities</b>		
Advance payments from customers	91.1	12.9
Trade accounts payable	256.7	316.9
Liabilities to Group companies	3.7	13.7
Liabilities to associated companies	9.0	19.4
Current tax liability	10.8	21.1
Other liabilities	175.2	115.7
Accrued expenses and deferred income	316.4	369.1
<b>TOTAL CURRENT LIABILITIES</b>	<b>862.9</b>	<b>868.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,497.5</b>	<b>12,294.0</b>

## Consolidated Cash Flow statement, SEK million

	2019	2018
<b>CURRENT OPERATIONS</b>		
Profit after financial items	464.9	650.5
Adjustment for items excluded from the cash flow		
Depreciation and impairment	406.2	373.1
Profit/loss on the sale of fixed assets	-7.8	4.2
Share of associated company profit	-5.5	1.2
	<b>857.8</b>	<b>1,029.0</b>
Income tax paid	-0.7	-6.9
<b>Cash flow from current operations before changes in working capital</b>	<b>857.1</b>	<b>1,022.1</b>
Cash flow from changes in working capital		
Increase (-)/decrease in goods in stock etc.	-13.6	-47.7
increase(-)/decrease in operating receivables	300.0	-404.3
increase/decrease(-) in provisions	111.7	68.5
increase/decrease(-) in operating liabilities	-91.5	142.8
<b>Cash flow from current operations</b>	<b>1,163.7</b>	<b>781.4</b>
<b>INVESTMENT ACTIVITIES</b>		
Acquisition of subsidiaries excluding cash and cash equivalents	-35.1	47.4
Acquisition of intangible assets	-	-13.2
Acquisition of tangible fixed assets	-1,216.2	-672.9
Sale of tangible fixed assets	326.0	27.0
Acquisition of associated companies	-	-10.8
Sale of associated companies	47.0	-
Acquisition of other non-current securities holdings	-26.2	-120.1
Increase(-)/decrease in other non-current receivables	349.4	-78.4
Provided (-) and repaid shareholder contributions	8.0	-
<b>Cash flow from investment activities</b>	<b>-547.1</b>	<b>-915.8</b>
<b>FINANCING ACTIVITIES</b>		
Increase/decrease (-) in utilised credit	-106.4	410.9
Increase/decrease(-) in other non-current liabilities	-302.5	-11.2
Group contributions given (-)/received	21.6	-6.5
Dividends paid	-118.8	-142.5
Contributions to other activities of the municipality	-162.0	-110.0
<b>Cash flow from financing activities</b>	<b>-668.1</b>	<b>140.7</b>
Cash flow for the year	-51.5	6.3
Cash and cash equivalents at start of year	236.6	230.3
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>185.1</b>	<b>236.6</b>

## Multi-year Summary, SEK million

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>FROM INCOME STATEMENT, SEK MILLIONS</b>										
Net sales	4,436.0	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
Expenses incl. other operating items	-3,527.5	-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
Depreciation	-406.2	-373.1	-545.4	-402.6	-372.8	-364.6	-555.6	-451.7	-514.2	-326.2
<b>OPERATING PROFIT (EBIT)</b>	<b>502.3</b>	<b>679.7</b>	<b>337.2</b>	<b>436.6</b>	<b>491.1</b>	<b>485.7</b>	<b>326.6</b>	<b>662.6</b>	<b>515.3</b>	<b>704.8</b>
Financial income etc.	19.2	32.7	29.9	36.0	255.2	26.4	-54.0	48.5	30.9	-62.0
Financial expenses	-56.6	-61.9	-78.1	-87.6	-97.5	-112.7	-116.0	-112.3	-117.3	-113.7
<b>PROFIT AFTER NET FINANCIAL ITEMS</b>	<b>464.9</b>	<b>650.5</b>	<b>289.0</b>	<b>385.0</b>	<b>648.8</b>	<b>399.4</b>	<b>156.6</b>	<b>598.8</b>	<b>428.9</b>	<b>529.1</b>
Group contributions	21.6	-6.5	-6.4	-	-	-	-7.3	-	-	-
Taxes	-61.3	-54.2	-42.8	-71.9	-42.8	-39.1	-16.3	63.2	-19.3	-82.2
<b>PROFIT FOR THE YEAR</b>	<b>425.2</b>	<b>589.8</b>	<b>239.8</b>	<b>313.1</b>	<b>606.0</b>	<b>360.3</b>	<b>133.0</b>	<b>662.0</b>	<b>409.6</b>	<b>446.9</b>
<b>FROM THE BALANCE SHEET, SEK MILLIONS</b>										
Intangible fixed assets	72.8	50.4	2.4	24.6	0.0	3.5	8.0	148.6	159.9	168.7
Tangible fixed assets	10,385.7	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
Financial assets	762.3	1,130.6	922.5	914.3	848.9	827.6	750.2	851.5	616.5	523.0
Current receivables and stocks	1,091.6	1,305.5	806.1	839.4	872.0	939.7	880.8	1,071.5	1,043.6	1,312.7
Cash/cash equivalents and investments	185.1	236.6	230.3	355.0	417.1	426.7	483.9	379.0	132.1	51.8
<b>TOTAL ASSETS</b>	<b>12,497.5</b>	<b>12,294.0</b>	<b>11,256.4</b>	<b>11,366.1</b>	<b>11,375.9</b>	<b>11,069.4</b>	<b>10,650.4</b>	<b>10,504.7</b>	<b>9,721.8</b>	<b>9,413.7</b>
Equity	6,202.2	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
Interest-bearing non-current liabilities and provisions	4,072.9	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
Non-interest-bearing non-current liabilities and provisions	1,359.5	1,183.4	1,072.3	1,016.1	932.3	905.9	850.8	842.0	875.7	800.6
Interest-bearing current liabilities	0.0	0.0	0.0	0.0	6.1	0.0	5.4	0.0	5.0	643.1
Non-interest-bearing current liabilities	862.9	868.8	685.8	778.8	1,026.7	774.9	847.9	852.7	844.7	867.1
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,497.5</b>	<b>12,294.0</b>	<b>11,256.4</b>	<b>11,366.1</b>	<b>11,375.9</b>	<b>11,069.4</b>	<b>10,650.4</b>	<b>10,504.7</b>	<b>9,721.8</b>	<b>9,413.7</b>
<b>KEY FIGURES</b>										
Return on equity (before tax), %	7.6	11.0	5.1	6.9	12.3	8.0	3.2	12.6	9.7	12.5
Return on capital employed, %	5.1	7.2	3.9	5.0	7.9	5.6	3.1	8.5	6.9	8.4
Return on total capital, %	4.2	6.1	3.2	4.2	6.6	4.7	2.6	7.0	5.7	7.0
Operating margin, %	11.3	15.4	9.7	13.0	14.2	12.8	7.7	14.4	10.0	15.5
Net margin, %	10.5	14.7	8.3	11.4	18.8	10.5	3.7	13.0	8.3	11.7
Equity ratio, %	49.6	49.3	50.8	49.8	48.3	45.9	46.3	47.5	46.7	46.0
Self-financing rate, %	59.2	92.7	96.4	125.2	88.7	76.5	69.7	112.7	81.9	106.1
Interest coverage ratio, multiple	9.2	11.5	4.7	5.4	7.7	4.5	2.4	6.3	4.7	5.7
Debt to equity ratio, multiple	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8
Capital turnover rate, multiple	0.43	0.45	0.36	0.35	0.37	0.41	0.48	0.55	0.65	0.59
<b>OTHER INFORMATION (SEK MILLIONS)</b>										
Capital employed	10,275.2	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
Net investment in plant	1,216.2	728.2	623.4	410.1	900.3	721.2	898.3	726.4	921.6	681.4
Net investment in shares	26.2	130.9	0.5	41.3	0.0	0.0	0.0	1.8	4.0	49.7
Contribution to other activities of the municipality	242.3	228.8	226.5	220.0	220.0	211.0	215.0	205.0	196.0	180.0

Note: The years 2010 to 2012 above have not been recalculated according to K3.



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