

Appendix:

Appendix 1 - Cash Flows:

Free Cash Flow													Terminal	
NOK in millions	2014 A	2015 A	2016 A	2017 A	2018 A	2019 A	2020 A	2021F	2022F	2023F	2024F	2025F	2026F	2027F
NOPAT	783	739	937	1 536	636	1 151	1 958	554	615	664	695	735	760	779
Depreciation	7	8	7	4	5	4	2	0,04	0,04	0,04	0,04	0,04	0,04	0,04
Fair Value Adjustments	(355)	(387)	(475)	(1 047)	(161)	(787)	(1 828)	-	-	-	-	-	-	-
Changes in NOWC	35	2	(18)	(1 825)	1 300	517	23	7	5	4	4	4	3	2
Changes in NONCA (including depreciation)	(225)	2 353	(1 187)	698	(1 621)	(7 504)	302	(166)	(179)	(193)	(197)	(207)	(207)	(218)
FCFF	169	2 824	(712)	(647)	47	(6 854)	879	455	491	505	542	557	557	564
Changes in NIBD (excluding cash)		(270)	(3 082)	78	809	243	4 041	345	88	96	105	106	113	119
Financial income		1	1	3	4	5	4	-	-	-	-	-	-	-
Financial expenses		(429)	(403)	(292)	(263)	(259)	(265)	-	-	-	-	-	-	-
Changes in market value financial instruments		73	171	44	71	70	(102)	-	-	-	-	-	-	-
Net financial expenses								(290)	(275)	(270)	(264)	(258)	(250)	(243)
Tax-shield from NFE		96	58	59	43	41	80	64	60	59	58	57	55	53
FCFE		(361)	(431)	(821)	17	146	(3 095)	997	329	377	404	448	474	493
- Dividends		7	(53)	(183)	(143)	(775)	1 651	(33)	(40)	(45)	(49)	(53)	(57)	(59)
Cash surplus		(353)	(485)	(1 004)	(126)	(629)	(1 444)	965	289	331	355	395	418	434
Cash at beginning of period		22	56	46	89	125	282	666	1 630	1 919	2 250	2 606	3 000	3 418
+ Cash surplus		(353)	(485)	(1 004)	(126)	(629)	(1 444)	965	289	331	355	395	418	434
= Cash at end of period		(332)	(429)	(958)	(37)	(505)	(1 162)	1 630	1 919	2 250	2 606	3 000	3 418	3 852

Appendix 2 - Target Price:

	DCF	P/B	P/E	P/EPRA NAV	P/EPRA NRV
Price	15,23	19,11	11,26	18,56	17,07



Appendix 3 - Relative Valuation:

Nordic	Mcap USDm	P/E (x)			P/B (x)			P/EPRA NRV	P/EPRA NAV
		2021e	2022e	2023e	2021e	2022e	2023e	2020	2020
ENTRA-OSL	4 284	25,2	23,4	21,1	1,3	1,3	1,2	1,0	1,0
OLT-OSL	2 200	11,5	11,3	9,8	0,6	0,6	0,6	Not reporting	0,5
KLED-OME	2 734	16,6	16,8	15,7	1,1	1,0	1,0	1,0	1,2
FABG-OME	5 252	29,7	27,6	25,6	1,0	1,0	0,9	0,9	1,1
HUFV.A-OME	3 439	28,8	26,7	26,3	1,0	0,9	0,9	0,8	1,0
CAST-OME	7 122	19,4	19,2	17,8	1,1	1,1	1,0	1,0	1,2
Average peers	3 738	21,9	20,8	19,4	1,0	1,0	0,9	0,9	1,0
Median peers	3 439	22,3	21,3	19,5	1,0	1,0	0,9	1,0	1,1
NPRO - Consensus estimates	1 137	24,7	24,4	22,0	0,8	0,8	0,8		
Premium/dicount to median		11 %	15 %	13 %	-24 %	-21 %	-16 %		
NPRO - Own estimates		22,9	21,2	20,0	0,8	0,8	0,7	0,7	0,8
Premium/dicount to median		2 %	-1 %	3 %	-24 %	-23 %	-20 %	-27 %	-23 %
Adjusted									
Share price		11,3			19,1			17,1	18,6
Average share price	16								
DCF share price	15								
<i>Diff</i>	(1,3)								

Inputs	2020	2021	2022	2023
Price per share		1,42	1,53	1,62
Book value per share		18	19	19
Earnings per share	3,13	0,50	0,62	0,70

Input	
Current share price (NOK)	14,55
Shares outstanding	650
Market value of equity	9 455
Book value of equity	11 561
Market value of debt	11 608

Nordic Peers	NRV	NAV	Current share price (24.05.2021)
	2020	2020	
ENTRA-OSL	189	186	194,00
OLT-OSL		344	181,20
KLED-OME	99,5	85	103,90
FABG-OME	155	126	133,30
HUFV.A-OME	184	135	138,45
CAST-OME	214	174	212,90
NPRO	20,04	17,96	14,55

Appendix 4 – Cost of Capital:

Weighted Average Cost of Capital (WACC)	
E/E+NIBD	44,89 %
NIBD/E+NIBD	55,11 %
Cost of Equity	6,88 %
Cost of Debt	2,29 %
Tax Rate	22 %
WACC	4,07 %

Inputs	
# shares	649 825 596
Market price	14,55 As of 24. May
Market value of Equity	9 454,96
NIBD	11 608,3
NIBD/EV	55,11 %
Cost of Equity	6,88 %
Cost of Debt	2,29 %
Tax Rate	22 %

WACC

10 year Norwegian Treasury Bond	0,82 %
Risk-Free Rate	0,82 %

Damodaran	4,72 %
PWC	5,00 %
Market Risk Premium	4,86 %

Risk-Free Rate	0,82 %
Industry Beta	0,58
Historical Beta	0,68
Adjusted Beta	0,63
Liquidity Premium	3,00 %
Market Risk Premium	4,86 %
Cost of Equity	6,88 %

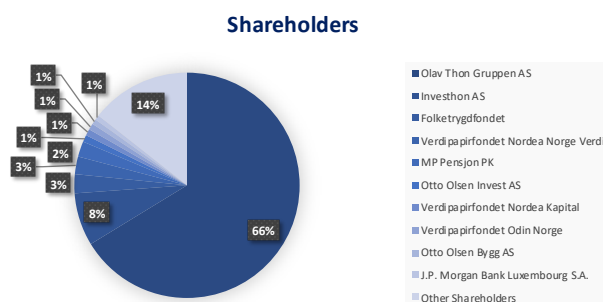
Average interest rate	2,94 %
Tax rate	22 %
Risk premium	2,12 %
Risk-Free Rate	0,82 %
Cost of Debt	2,29 %

WACC

Cost of Equity	6,88 %	
Cost of Debt	2,29 %	
Debt-to-EV	55,03 %	
Equity-to-EV	44,97 %	
Value of Debt (NIBD)	11 608,30	31.12.2020
Value of Equity	9 487	
Current share price NOK	14,6	13.05.2021
Shares outstanding	649 825 596	31.12.2020
WACC	4,36 %	

Appendix 6 – Shareholder Peers

Olav Thon Gruppen AS	66,27 %
Investhon AS	7,58 %
Folketrygdfondet	2,73 %
Verdipapirfondet Nordea Norge Verdi	2,53 %
MP Pensjon PK	2,22 %
Otto Olsen Invest AS	1,00 %
Verdipapirfondet Nordea Kapital	0,94 %
Verdipapirfondet Odin Norge	0,90 %
Otto Olsen Bygg AS	0,75 %
J.P. Morgan Bank Luxembourg S.A.	0,70 %
Other Shareholders	14,38 %



Source: Proff Forvalt (Modified by author)

Folketrygdfondet	11,76 %
Skandinaviska Enskilda Banken AB	10,46 %
State Street Bank and Trust Comp	9,21 %
Carnegie Investment Bank AB	8,24 %
The Bank of New York Mellon Sa/Nv	5,82 %
Danske Bank AS	4,48 %
Jpmorgan Chase Bank, N.A., London	4,38 %
Credit Suisse Ltd.	4,08 %
J.P. Morgan Bank Luxembourg S.A.	4,07 %
Bnp Paribas Securities Services	2,68 %
Other Shareholders	34,82 %

