

## NEWS FLASH

14 February 2025  
Sweden  
Energy & Utility

## Research analysts:

Örjan Rödén

# Arise

Share price: SEK36.7

Fair value range: SEK65.0–86.0

## Strong numbers across the board – Q4(24) initial comment

### Sales and profits clearly above our expectations

Arise reported a solid set of numbers for Q4(24). Sales of SEK164m were well ahead of our SEK75m forecast, although there were some unusual items in the reported figure, e.g. pass-through costs in project Fasikan for grid connection and construction-related costs in project Pajkölén together with FX items. BA Development reported a good performance in the quarter with EBIT of SEK23m (Q4(23): SEK56m) despite tough comparisons, as Arise divested project Fasikan in Q4(23). Wind production of 97 GWh was also stronger than we expected in BA Production, while the sales price of SEK525/MWh was in line with our forecast. Consolidated EBIT of SEK24m was well above our forecast of SEK-5m, while still lower Y/Y (SEK65m) due to the Fasikan transaction. After the quarter ended, Arise renegotiated its debt structure, which should lower financing costs by up to EUR2.5m/year according to the company. Cash flow was comforting, at SEK30m in FCF in the quarter and SEK51m in 2024. With project Lebo now fully commissioned, we expect cash flow to improve.

### Continued growth in the project portfolio and upbeat comments

The project portfolio amounted to 8,850 MW, up from 8,120 MW after Q3(24). Arise is therefore on a good path to reach the important 2025 target of 10,000 MW. The company is upbeat on international markets such as Finland and the UK, where a more constructive view on permitting (Finland) and significantly higher electricity prices (UK) offer a more fruitful environment relative to the muted Swedish market, where both permitting and electricity prices are significant headwinds.

### Positive revisions likely

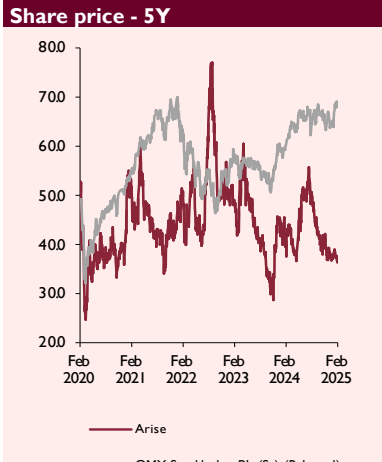
We believe the report will put upward pressure on consensus estimates.

### Webcast 11:00 CET

#### Q4 Report 2024

### Upcoming events

- Q4 Report: 14 Feb 2025
- Q1 Report: 29 Apr 2025

Key facts		Key figures (SEK)				Share price - 5Y	
No. shares (m)	41.6	2023	2024e	2025e	2026e		
Market cap. (USDm)	141	Sales (m)	507	397	683		
Market cap. (SEKm)	1,525	EBITDA (m)	287	197	348		
Net IB Debt. (SEKm)	338	EBIT (m)	223	117	268		
Adjustments (SEKm)	0	EPS	4.63	3.37	6.01		
EV (2024e) (SEKm)	1,864	EPS adj.	4.63	3.37	6.01		
Free float	54.0%	DPS	1.20	1.35	1.50		
Avg. daily vol. ('000)	31	Sales growth Y/Y	-57%	-22%	72%		
Risk	Medium Risk	EPS adj. growth Y/Y	-73%	-27%	79%		
Fiscal year end	December	EBIT margin	44.0%	29.4%	39.2%		
Share price as of (CET)	13 Feb 2025 17:29	P/E adj.	7.9	10.9	6.1		
		EV/EBIT	10.3	16.0	6.8		
		EV/EBITA	10.3	16.0	6.8		
		EV/EBITDA	8.0	9.5	5.2		
		P/BV	0.8	0.8	0.7		
		Dividend yield	3.3%	3.7%	4.1%		
		FCF yield	-8.3%	6.5%	6.3%		
		Equity/Total Assets	57.9%	57.9%	58.4%		
		ROCE	7.4%	3.5%	7.8%		
		ROE adj.	11.8%	7.7%	12.7%		
		Net IB debt/EBITDA	1.0	1.7	1.0		
						High/Low (12M)	SEK55.7/36.4
						Perf.	3M 6M 12M YTD
						Abs.	-11.0 -26.7 -7.7 -0.3
						Rel.	-18.2 -34.4 -23.4 -8.2

Source: Carnegie Research, FactSet, Millstream &amp; company data

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## Deviation table

SEKm	2023				2024				Carnegie		
	Q1	Q2	Q3	Q4	Q1e	Q2e	Q3e	Q4a		Dev	
Sales	107	111	96	195	113	103	105	164	75	118%	
Growth	22%	109%	-90%	84%	6%	-7%	9%	-16%	-61%	46pp	
<b>Adj EBIT</b>	<b>60</b>	<b>53</b>	<b>43</b>	<b>65</b>	<b>54</b>	<b>33</b>	<b>34</b>	<b>24</b>	<b>-5</b>	n.m.	
<b>Adj EBIT margin</b>	<b>56.2%</b>	<b>47.7%</b>	<b>44.9%</b>	<b>33.3%</b>	<b>47.9%</b>	<b>32.2%</b>	<b>32.4%</b>	<b>14.6%</b>	<b>-6.3%</b>	n.m.	
EO	0	0	0	0	0	0	0	0	0		
EBIT	60	53	43	65	54	33	34	24	-5	n.m.	
EBIT margin	56.2%	47.7%	44.9%	33.3%	47.9%	32.2%	32.4%	14.6%	-6.3%	n.m.	
Net financials	-9	-17	-8	12	-7	-3	-9	10	-1	n.m.	
Pre-tax Profit	51	36	35	77	47	30	25	34	-6	n.m.	
Tax	0	0	0	0	0	0	38	-1	0	n.m.	
Tax rate	0%	0%	0%	0%	0%	0%	n.m.	3%	0%	n.m.	
Net profit	51	36	35	77	50	32	64	33	-2	n.m.	
EPS (SEK)	1.1	0.9	0.8	1.8	1.2	0.8	1.5	0.9	-0.1	-1054%	
<b>EPS Adj (SEK)</b>	<b>1.1</b>	<b>0.8</b>	<b>0.8</b>	<b>1.7</b>	<b>1.1</b>	<b>0.7</b>	<b>1.5</b>	<b>0.9</b>	<b>-0.1</b>	<b>-721%</b>	

Source: Carnegie Research, Company data

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