# Marks Electrical Group

## Sales grow 44% in FY2022 with ongoing momentum

11 April 2022

**Marks Electrical Group's (MRK) growth strategy remains on track with a sizable 44% increase in sales revenue in FY2022 and EBITDA margins expected to be a healthy 9.0%. The company also finished the year with £3.9m net cash. Moreover, the final quarter – which lapped a significant 127% gain a year earlier – experienced 19% sales revenue growth. We maintain our FY2023 forecasts and continue to argue that fair value is 150p per share.**

**Marks Electrical released today a pre-close trading update for twelve months to 31st March 2022, which confirmed our expectations of 44% sales growth and 9.0% EBITDA margins.** Moreover, the company's strong end to the year – i.e. over 25% year on year growth in March 2022 - augurs well for FY2023, when we expect sales to expand by a further 20%. The strong £3.9m net cash position, sustained investment in marketing, and expansion to the UK delivery footprint all combine to support an optimistic view going into the new financial year.

**Operational highlights in FY2022 included strong market share gains in Major Domestic Appliances (MDAs) and Televisions, added focus on brand awareness initiatives, an increase in the number of delivery vehicles and warehouse efficiency improvements.** Encouragingly, the company's Trustpilot rating - an objective measure of customer service - improved to 4.8.

**Looking ahead to FY2023, MRK confirms that trading momentum has continued during the start of April, which sets the company up well to match its targets for the new financial year.** Other progress points which we infer are expansion into the southern areas of Scotland (including Edinburgh and Glasgow) as well as a broader English distribution footprint.

**Equity Development initiated coverage of Marks Electrical with a report entitled "Lighting the touch paper" on 16th March 2022.** That research note focused on MRK's core operating model, which benefits from a 5-pillar approach that embraces up-to-date technology, a simple and proven distribution network, a scalable delivery model, premium products, and the importance of a favourable online user experience. Moreover, we highlighted MRK's sizable £5.3bn addressable market in MDAs and scope to gain further share by improving the company's brand recognition.

### Robust financials and upside to ratings

Today's statement confirms that prospects remain exciting. The scalable nature of the business should deliver increased operating margins even after brand promotion costs. Plus, there is scope to sustain growth from relatively low inventory levels, which benefits free cash flow. **At our 150p fair value level the implied ratings are an FY2023 EV/sales ratio of 1.6x and 18.7x EV/EBITDA.**

**Key Financials**

| Year to 31st March | 2019A | 2020A | 2021A | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|
| **Revenue (£m)** | **31.2** | **31.5** | **56.0** | **80.5** | **96.9** | **118.1** |
| Revenue growth (%) | | 0.8 | 77.7 | 43.7 | 20.4 | 21.9 |
| **EBITDA (£m) (adj)** | **1.9** | **1.3** | **7.7** | **7.2** | **8.2** | **10.4** |
| EPS adjusted (p) | 1.1 | 0.7 | 5.0 | 4.7 | 5.3 | 6.3 |
| DPS (p) | | | | 0.8 | 1.1 | 1.3 |
| **EV/sales (x)** | **3.1** | **3.1** | **1.7** | **1.2** | **1.0** | **0.8** |
| EV/EBITDA (x) | 51.3 | 75.5 | 12.6 | 13.4 | 11.7 | 9.3 |
| **P/E ratio (x)** | **86.0** | **144.5** | **19.0** | **20.2** | **17.9** | **15.0** |
| Yield (%) | 0.0 | 0.0 | 0.0 | 0.8 | 1.1 | 1.3 |

*Source: ED estimates, company historic data*

**Company Data**

| | |
|---|---|
| EPIC | MRK |
| Price (last close) | 95p |
| Hi/Lo since IPO | 128p/95p |
| Market cap | £100m |
| ED Fair Value / share | 150p |

**Share Price since IPO, p**


Source: *ADVFN*

**Description**

Marks Electrical Group PLC (MRK) is a fast growing online electrical goods retailer, which was founded by its current CEO Mark Smithson in 1987.

MRK focuses on premium branded Major Domestic Appliances, which it can deliver with its in-house wholly owned fleet of vehicles to more than 99% of the English population on a next day basis.

The company operates from a single site in Leicester, which also houses its headquarters.


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# Sales grow 44% in FY2022

## FY2022 trading update – financial highlights

A rapid 44% increase in sales revenue to £80.5m was the key feature of Marks Electrical's pre close trading update for the twelve months ended 31st March 2022. In addition, the company has reported a good start to FY2023, which followed a vibrant end to the previous financial year.

MRK's sound financial footing is also important. Having repaid all of its bank debt during the year of its IPO, the company now has a useful net cash surplus of £3.9m. Expectations of a 9.0% EBITDA margin not only matches both our own forecasts and the 9% target published at the time of interim results on 21st November 2021 - but also puts the company in a strong position to reinvest in brand awareness. The current objective is to spend around 5% of sales revenue on advertising and marketing.

We summarise today's trading update highlights in Figure 1. Sales revenue growth is consistent with our expectations at the time of our 16th March initiation report. While the expected adjusted EBITDA margin at 9.0% should turn out to be beneath the previous year's unusually high level of 13.8%, it improved from 8.1% at the six-month stage of the year. Furthermore, **9.0% compares with 4.1% reported in FY2020**.

**Figure 1 - Trading statement highlights**

| All financial figures in £m | FY2021 | FY2022 | Change |
|---|---|---|---|
| Sales revenue | 56.0 | 80.5 | 44% |
| Net cash position | -0.3 | 3.9 | nmf |
| Trustpilot rating (FY2021 interim) | 4.7 | 4.8 | |

*Source: Company data*

It is worth noting that FY2021 EBITDA margins were higher for some specific reasons which included both unusually high gross margins due to supply constraints and relatively low advertising costs due to high volumes of people online and some competitors suspending pay per click. Moreover, overheads were lower in the last full financial year ahead of IPO.

We believe TrustPilot ratings are important and the ability for MRK to improve on the 4.7 rating at the half-year should be noted. TrustPilot ratings are an independently compiled indication of the company's efficacy when dealing with its end-customers. As we highlighted in our initiation, MRK currently boasts superior TrustPilot ratings to its chief peers in the MDA and TV space. The position is summarised in Figure 2.

**Figure 2 – Competitor websites and Trustpilot ratings**

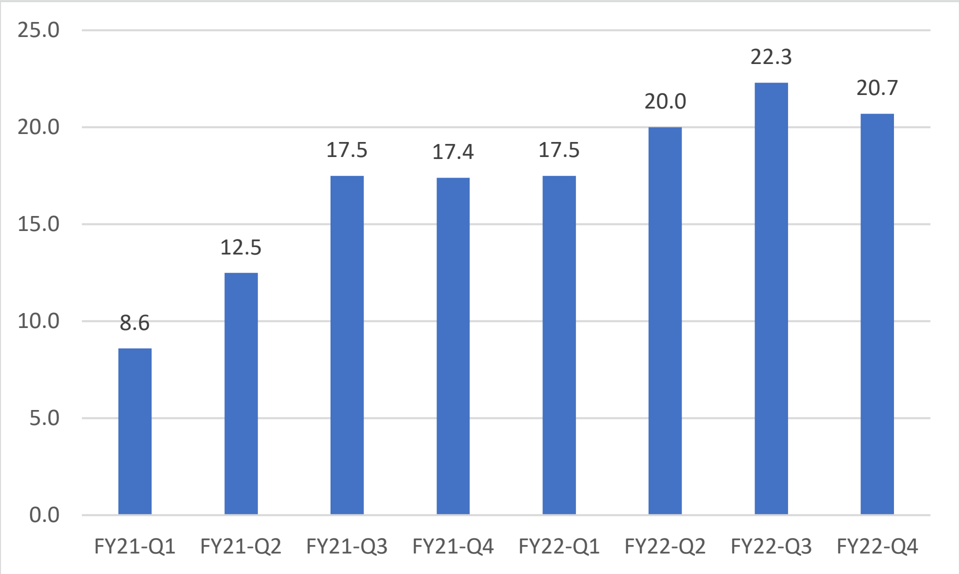
| Company | Website | Trustpilot rating |
|---|---|---|
| **Marks Electrical** | www.markselectrical.co.uk | 4.8 |
| **AO** | www.ao.com | 4.6 |
| **John Lewis** | www.johnlewis.com | 3.9 |
| **Currys** | www.currys.co.uk | 3.6 |

*Sources: Company websites (www.markselectrical.co.uk, www.ao.com, www.currys.co.uk www.johnlewis.com) and uk.trustpilot.com*

## Well positioned for FY2023

Analysis of MRK's quarterly sales bodes well for FY2023. In the final quarter of FY2022 sales advanced by 19%. This growth is arguably all the more impressive for having lapped a period in FY2021 when growth was an unusually rapid 127%, which was the fastest quarterly growth rate recorded by the company in the past two years. Recent quarters' sales progression is summarised in Figure 3.

**Figure 3 – Marks Electrical Group – quarterly sales revenue (£m)**




*Source: Company data*

Furthermore, the exit rate in March 2022 was significantly faster than for FY2022's Q4 as a whole. Sales advanced at a 25% pace in March 2022 compared with the same month a year earlier. The company also stated that trading momentum continued into April 2022, which bodes well for its FY2023 targets.

At this early stage in the year we leave our forecasts - including an expectation of 20.4% sales revenue growth - unchanged.

## FY2022 trading update - operational highlights

Operational highlights in today's update include confirmation of market share gains in both the company's MDA and TV markets.

**The ability to gain market share from a 1% to 1.5% position and the substantial share headroom available to MRK in a £5.3bn UK MDA market are important components of the investment case for the company's shares, which we discuss in more detail below.**

Market share gains should be assisted by the company's sustained focus on brand awareness initiatives which can help drive sequential improvements in organic and direct website traffic.

MRK added further delivery vehicles to its fleet during the FY2022 and strengthened its free next day delivery capability across the UK. We note that MRK now delivers to the Lake District and Cumbria as well as Cornwall within England, as well as adding the key Scottish populations of Edinburgh and Glasgow.

The company also announced further improvements to its warehouse efficiency and an ongoing aim to maximise utilisation rates within its facility, which is located at its Leicester headquarters. The ability to function from a single site remains an important component of MRK's operating model, in our view.

## Investment case

**The central investment case for Marks Electrical is the company's ability to gain market share by raising awareness of its delivery of premium, branded Major Domestic Appliances (MDAs) and televisions (TVs) to retail customers on a next day basis via its online platform. The simplicity of that message is supported by a clearly articulated, focused approach to doing business.**

The MRK premium branded offering primarily serves the Major Domestic Appliance market which is currently estimated to be worth around £5.3bn and in the past seven years grew at a 3.4% compound rate (*source: Marks Electrical analysis of GfK data*). In recent years MRK has consistently gained share of this sizable addressable market, and we see those share gains as proving more important to its growth than that of the overall market. The company is also expanding in Televisions.

MRK's market share gains to date are significantly a function of the company's ability to operate at best practice levels in both customer online experience and speed of delivery. In addition, there is a major service element to the MRK customer proposition given its ability promptly to respond to customer enquiries on a person-to-person basis. Overall service quality is a critical element of the investment case too. Target KPIs are summarised in Figure 4.

**Figure 4 - Target KPIs**

| Target criterion | Medium-term targets |
|---|---|
| Revenue growth | Double-digit |
| Marketing spend / sales | ~5.0% |
| Adj. EBITDA margin | ~8.0%-9.0% |
| Capex / revenue | <3.0% |
| Working capital / sales | <7.5% |
| Dividend | ~20% pay-out ratio |

*Source: Company presentation data*

A 1.2% Major Domestic Appliances market share in FY2021 allows substantial headroom for sales expansion, so long as MRK continues to execute on a superior basis to its identifiable competition. In particular, the company has relatively high 11% recognition in its home East Midlands region versus 6% across all of England and an unusually low 3% in London (which is currently Marks Electrical's largest customer market in the country for deliveries on a daily basis). As awareness outside its "home turf" improves, so should both brand recognition and sales volume.

**The unique nature of Marks Electrical's core online offering** is a vital component of the company's investment case. The company should not, in our view, be seen as a replica version of its key competitors (e.g. AO or Currys) in terms of service offering, which in turn should be reflected when benchmarking relative valuation. MRK delivers on a next day basis from a single site and is oriented towards premium, established brands. We discussed the "*Marks Electrical Difference*" and the company's best-in-class Trustpilot ratings in more detail in our previous report.

MRK's valuation appears undemanding relative to a peer group of other online homeware distributors and electrical goods retailers. Consequently, there is good scope for the rating of the company's shares to increase.

**This report argues that on improved ratings a fair value for the shares is 150p**.

# Financials & valuation

## Relative valuation

Relative valuation tables for Marks Electrical Group are included in Figures 5 and 6. We draw together two groups. Figure 5 shows MRK relative to its two primary online competitors in the MDA space. Figure 6 draws valuation comparisons with a broader group of web-based consumer goods companies.

Importantly, in the case of Figure 5 we highlight the potential for MRK to trade at a premium valuation to both AO and Currys based on the superior objective feedback received for its offering as evidenced by its higher Trustpilot rankings, and the unique service qualities which we identified at initiation.

In our view, MRK's single site operating model, its location and following day service offer give the company superior traction while reducing risk. MRK is also both profitable and capable of generating substantial cash, which is reflected in a stated 20% pay-out dividend policy.

**Figure 5 - Relative valuation - online MDA providers**

| | Share price (p) | Mkt cap £m | Net Debt £m | EV £m | Sales 2022 £m | EV/ Sales x | EBITDA 2022 £m | EV/ EBITDA x | EPS 2022 p | EPS 2023 p | P/E 2022 x | P/E 2023 x | DPS 2022 p | Yld (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AO World (AO) | 88 | 478 | -11 | 409 | 1,599 | 0.3 | 11.8 | 34.6 | -4.0 | -2.0 | n/a | n/a | n/a | n/a |
| Currys (CURY) | 95 | 1,114 | 863 | 1,925 | 9,876 | 0.2 | 580.0 | 3.3 | 11.0 | 13.0 | 8.6 | 7.3 | 3.0 | 3.2 |
| **Marks Electrical (MRK)** | **95** | **100** | **-4** | **96** | **80** | **1.2** | **7.2** | **13.3** | **4.7** | **5.3** | **20.2** | **17.9** | **0.8** | **0.9** |
| **Average** | | | | | | **0.5** | | **17.1** | | | **14.4** | **12.6** | | **2.0** |

*Source: ADVFN, Market Screener, ED*

Relative to the broader group of web-based consumer goods companies shown in Figure 6, MRK trades beneath the average of this peer group on EV/sales and P/E grounds. While EV/EBITDA represents a premium and the dividend yield is lower, we note the scope for operational gearing to substantially boost profitability at MRK going forward and the ample cash headroom to raise the dividend pay-out ratio.

MRK's combination of market share gains, track record, and sizable headroom to add market share, places the company in a strong position when valued against a number of online companies. It can be argued that the scope for superior sales revenue growth merits significantly higher multiples in terms of EV/sales and EV/EBITDA as well as P/E. (Ocado is stripped out from the profitability measures due ongoing expectations of losses at EBITDA and EPS level).

In our opinion, MRK is an ambitious company at the relatively early stage of its achievable market share gains journey. As a result, what might normally be considered "punchy" multiples seem appropriate.

**We base our fair value of 150p on the expected outcome for FY2023 which begins in April 2022. At 150p the relevant FY2023 EV/sales multiple would be 1.9x, EV/EBITDA 18.7x and a 28.2x P/E. (Note that in our relative valuation tables, comparative EV/EBITDA ratios are based on FY2022).**

## Figure 6 - Relative valuation - online consumer goods providers

| | Share price (pence) | Shares (m) | Mkt cap (£m) | Net debt (£m) | EV (£m) | Sales 2022 (£m) | EV/ sales (x) | EBITDA 2022 (£m) | EV/ EBITDA (x) | EPS 2022 (p) | EPS 2023 (p) | P/E 2022 (x) | P/E 2023 (x) | DPS 2022 (p) | Yld (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ASOS (ASC) | 1588 | 100 | 1583 | -118 | 1465 | 4303 | 0.3 | 273 | 5.4 | 75.0 | 112.0 | 21.2 | 14.2 | n/a | n/a |
| B&M (BME) | 544 | 1001 | 5451 | 1999 | 7450 | 4758 | 1.6 | 821 | 9.1 | 40.0 | 39.0 | 13.6 | 14.0 | 20.0 | 3.7 |
| Boohoo (BOO) | 90 | 1239 | 1112 | -75 | 1037 | 1979 | 0.5 | 126 | 8.2 | 2.0 | 4.0 | 44.9 | 22.4 | n/a | n/a |
| Dunelm (DNLM) | 1038 | 202 | 2100 | 120 | 2220 | 1509 | 1.5 | 287 | 7.7 | 80.0 | 81.0 | 13.0 | 12.8 | 42.0 | 4.0 |
| **Marks Electrical (MRK)** | **95** | **105** | **100** | **-4** | **96** | **80** | **1.2** | **7.2** | **13.3** | **4.7** | **5.3** | **20.2** | **17.9** | **0.8** | **0.9** |
| Next (NXT) | 6034 | 127 | 7642 | 1774 | 9416 | 4792 | 2.0 | 1161 | 8.1 | 525 | 554.0 | 11.5 | 10.9 | 241 | 4.0 |
| Ocado (OCDO) | 1244 | 741 | 9221 | 901 | 10122 | 2875 | 3.5 | 52 | nmf | -42 | -33 | nmf | nmf | n/a | n/a |
| Pets at Home (PETS) | 328 | 500 | 1642 | 364 | 2006 | 1296 | 1.5 | 269 | 7.5 | 25.0 | 27.0 | 13.1 | 12.2 | 11.0 | 3.3 |
| **Average** | | | | | | | **1.6** | | **9.6** | | | **21.3** | **16.4** | | **3.1** |

*Source: ADVFN, Market Screener, ED*

## Financial forecasts

**Rapid sales growth for three consecutive years is a standout feature of our financial forecasts. The 44% revenue increase in FY2022 is in line with previous expectations.**

Our revenue projections are based on assumed growth for MRK's core MDA, and more recently TV markets. To these we apply a market share assumption which is expected to grow from its relatively low bases in both categories.

Going forward, we forecast 19.5% gross margins, which is in line with company guidance. MRK expects to reinvest 5% in its brand marketing on a sustainable basis. However, there is scope for this percentage to be increased in the event of scale benefits from sales growth exceeding expectations. Stated dividend policy going forward is a 20% pay-out ratio.

**The strength of MRK's balance sheet** should be noted. The company paid down all of its bank debt with a £1,538k repayment that was reported in its interim results statement, released on 18th November 2021. The FY2022 balance sheet will be published on 7th June 2022 at which time we expect to initiate forecasts that reflect the finalised post-IPO financial structure of the group. Net cash was £3.9m at end-FY2022.

Free cash flow is expected to be positive and become increasingly so as revenue and profits increase. Capital expenditure of 1.5-2% of sales revenue is expected to be a sustainable underlying outcome.

Figures 8, 9 and 10 include our forecasts for the group's revenue model, income statement, balance sheet and free cash flow respectively. The company will release full year FY2022 results on 7th June 2022. **We summarise this year's financial calendar below.**

**Figure 7 - Financial calendar FY2023**

| | |
|---|---|
| 7 June | Full year results announcement FY2022 (12 months to 31st March 2022) |
| 11 August | Annual General Meeting |
| 18 November | Half year results announcement FY2023 (12 months to 30th September 2022) |

*Source: Company*

## Figure 8 - Income statement

| 31 March y/e, £000s | 2019A | 2020A | 2021A | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|
| Revenue | 31,247 | 31,500 | 55,984 | 80,470 | 96,896 | 118,092 |
| Change | 0.0% | 0.8% | 77.7% | 43.7% | 20.4% | 21.9% |
| Cost of sales | -25,411 | -26,381 | -44,064 | -64,778 | -78,001 | -95,064 |
| Gross profit | 5,836 | 5,119 | 11,920 | 15,692 | 18,895 | 23,028 |
| Gross margin (%) | 18.7% | 16.3% | 21.3% | 19.5% | 19.5% | 19.5% |
| Other operating income | 26 | 159 | 165 | 173 | 182 | 191 |
| Advertising & marketing | -2,296 | -1,772 | -1,711 | -4,050 | -4,845 | -5,905 |
| Other operating expenses | -2,133 | -2,637 | -3,550 | -5,560 | -7,190 | -8,385 |
| **Total operating expenses** | **-4,429** | **-4,409** | **-5,261** | **-9,610** | **-12,035** | **-14,289** |
| As % sales revenue | | | | | | |
| Advertising & marketing | -7.3% | -5.6% | -3.1% | -5.0% | -5.0% | -5.0% |
| Other operating expenses | -6.8% | -8.4% | -6.3% | -6.9% | -7.4% | -7.1% |
| Total operating expenses | -14.2% | -14.0% | -9.4% | -11.9% | -12.4% | -12.1% |
| **EBITDA (adjusted)** | **1,882** | **1,280** | **7,699** | **7,155** | **8,242** | **10,392** |
| EBITDA margin adj. | 6.0% | 4.1% | 13.8% | 8.9% | 8.5% | 8.8% |
| Depreciation | -420 | -506 | -827 | -900 | -1,200 | -1,463 |
| Operating profit (adjusted) | 1,404 | 964 | 6,776 | 6,255 | 7,042 | 8,930 |
| Operating margin adj | 4.5% | 3.1% | 12.1% | 7.8% | 7.3% | 7.6% |
| Finance expense | -96 | -116 | -70 | -100 | -70 | -70 |
| Pre-tax profit (adjusted) | 1,308 | 848 | 6,706 | 6,155 | 6,972 | 8,860 |
| Taxation (adjusted) | -149 | -158 | -1,458 | -1,262 | -1,394 | -2,215 |
| Tax rate (adjusted) (%) | -11.4% | -18.6% | -21.7% | -20.5% | -20.0% | -25.0% |
| Net income (adjusted) | 1,159 | 690 | 5,248 | 4,893 | 5,577 | 6,645 |
| EPS (adjusted) (pence) | 1.1 | 0.7 | 5.0 | 4.7 | 5.3 | 6.3 |
| DPS (pence) | | | | 0.8 | 1.1 | 1.3 |

*Source: ED estimates, Company historic data*

**Figure 9 - Balance sheet**

| 31 March y/e, £000s | 2019A | 2020A | 2021A |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Investments | 665 | 746 | 1,146 |
| Property, plant & equipment | 5,268 | 5,091 | 5,623 |
| Right-of-use assets | 445 | 418 | 779 |
| Total non-current assets | 6,378 | 6,255 | 7,548 |
| | | | |
| **Current assets** | | | |
| Inventories | 4,772 | 4,322 | 11,432 |
| Trade and other receivables | 1,968 | 1,642 | 2,839 |
| Cash and cash equivalents | 670 | 179 | 1,493 |
| Total current assets | 7,410 | 6,143 | 15,764 |
| | | | |
| **Total assets** | **13,788** | **12,398** | **23,312** |
| | | | |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 5,155 | 4,592 | 8,303 |
| Corporation tax liabilities | 265 | 244 | 1,557 |
| Borrowings | 1,592 | 961 | 233 |
| Lease liabilities | 332 | 137 | 330 |
| Total current liabilities | 7,344 | 5,934 | 10,423 |
| | | | |
| **Non-current liabilities** | | | |
| Other payables | 512 | 197 | 17 |
| Borrowings | 1,743 | 1,529 | 1,304 |
| Lease liabilities | 54 | 185 | 422 |
| Deferred tax liabilities | 368 | 383 | 618 |
| Provisions for liabilities | 155 | 155 | 155 |
| Total non-current liabilities | 2,832 | 2,449 | 2,516 |
| | | | |
| **Total liabilities** | **10,176** | **8,383** | **12,939** |
| | | | |
| **Issued capital and reserves** | | | |
| Share capital | 6 | 6 | 6 |
| Revaluation surplus | 573 | 573 | 1,235 |
| Retained earnings | 3,033 | 3,436 | 9,132 |
| Total equity | 3,612 | 4,015 | 10,373 |
| | | | |
| **Total liabilities and equity** | **13,788** | **12,398** | **23,312** |

*Source: Company historic data and Equity Development estimates*

**Figure 10 - Free cash flow**

| **31st March year-end** | **2019A** | **2020A** | **2021A** | **2022E** | **2023E** | **2024E** |
|---|---|---|---|---|---|---|
| All figures in £'000s | | | | | | |
| | | | | | | |
| **Cash from operating activities** | **1,042** | **268** | **6,045** | **5,457** | **5,772** | **7,397** |
| | | | | | | |
| **Changes in operating assets and liabilities** | | | | | | |
| Inventories | -381 | 450 | -7,110 | -2,568 | -3,000 | -2,500 |
| Receivables | -78 | 326 | -1,197 | 839 | -408 | -527 |
| Payables | 369 | -759 | 3,513 | 4,399 | 2,590 | 3,341 |
| | | | | | | |
| Cash from operations | 952 | 285 | 1,251 | 8,128 | 4,953 | 7,712 |
| | | | | | | |
| Corporation tax paid | -82 | -297 | -66 | -2,042 | -1,394 | -2,215 |
| | | | | | | |
| **Net cash from operating activities** | **870** | **-12** | **1,185** | **6,086** | **3,559** | **5,497** |
| | | | | | | |
| **Cash flows from investing activities** | | | | | | |
| Property, plant & equipment - purchases | -218 | -57 | -216 | -1,408 | -1,696 | -2,067 |
| Property, plant & equipment - disposals | 48 | 156 | 26 | | | |
| **Net cash from investing activities** | **-170** | **99** | **-190** | **-1,408** | **-1,696** | **-2,067** |
| | | | | | | |
| Dividends received | | 42 | | | | |
| IPO proceeds | | | | 4,481 | | |
| IPO costs | | | | -2,500 | | |
| Interest paid | -75 | -105 | -42 | -100 | -70 | -70 |
| **Net cash from finance activities** | **-75** | **-63** | **-42** | **1,881** | **-70** | **-70** |
| | | | | | | |
| **Free cash flow before dividends** | **550** | **-81** | **911** | **6,458** | **1,723** | **3,290** |
| | | | | | | |
| **Dividends paid** | **-352** | **-315** | | **-3,883** | **-1,231** | **-1,186** |
| | | | | | | |
| **Free cash flow after dividends** | **198** | **-396** | **911** | **2,575** | **492** | **2,104** |
| | | | | | | |
| Note item: | | | | | | |
| Repayment of borrowings | | | | -1,537 | | |

*Source: Company historic data and Equity Development estimates*

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