

# Atea ASA

Full Rating Report

## LONG-TERM RATING

**BBB+**

## OUTLOOK

**Stable**

## SHORT-TERM RATING

**N2**

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## RATING RATIONALE

Our 'BBB+' long-term issuer credit rating on Norway-based IT infrastructure provider Atea reflects the company's low financial leverage as a result of strong operating cash flow and modest investment requirements. It also reflects Atea's strong position as the largest provider of IT infrastructure in each of its markets in the Nordic and Baltic regions and the third-largest provider in Europe. We regard the company's focus on the public sector as an additional credit strength due to the sector's relatively low cyclicality.

The rating is constrained by Atea's moderate EBITDA margins, which stem primarily from a focus on reselling IT hardware and software, while the high-margin service business generates less than 20% of revenues. The rating is also constrained by the cyclicality of IT investments, especially in the private sector. While last year's supply chain issues have now been resolved, we see a risk of new global supply chain disruptions, for example due to geopolitical issues.

## STABLE OUTLOOK

The outlook is stable, reflecting our expectation that the market for IT infrastructure will continue to grow at a healthy rate with stable margins in the years ahead. It also factors in our expectations of a normalised supply chain situation, reducing the need for large inventories and higher debt levels. Moreover, the outlook reflects our belief that the company will neither make major debt-financed acquisitions nor significantly increase leverage.

### POTENTIAL POSITIVE RATING DRIVERS

- Revenue growth that continues to outpace market growth.
- A commitment to an NCR-adjusted net debt/EBITDA ratio below 1.5x.
- Increased operating efficiency leading to EBITDA margins above 8%.

### POTENTIAL NEGATIVE RATING DRIVERS

- NCR-adjusted net debt/EBITDA above 2.0x for a protracted period.
- An adverse change in market dynamics.
- Supply chain issues resulting in lower sales and declining EBITDA margins.

Figure 1. Atea key credit metrics, 2019–2025e

NOKm	2019	2020	2021	2022	2023e	2024e	2025e
NCR-adjusted revenues*	26,376	27,400	28,491	32,397	36,285	38,099	40,004
NCR-adjusted EBITDA	1,275	1,440	1,609	1,705	1,966	2,068	2,174
NCR-adjusted EBITDA margin (%)	4.8	5.3	5.6	5.3	5.4	5.4	5.4
NCR-adjusted FFO	1,068	1,202	1,371	1,383	1,520	1,576	1,662
NCR-adjusted net debt	2,432	1,644	2,372	2,940	2,180	2,247	2,315
Total assets	14,957	16,583	16,048	17,858	18,452	19,147	19,867
NCR-adjusted net debt/EBITDA (x)	1.9	1.1	1.5	1.7	1.1	1.1	1.1
NCR-adjusted EBITDA/net interest (x)	15.2	15.7	17.9	12.4	10.8	10.3	10.9
NCR-adjusted FFO/net debt (%)	43.9	73.1	57.8	47.0	69.7	70.1	71.8
NCR-adjusted FOCF/net debt (%)	66.7	68.7	35.2	24.5	92.8	57.4	57.4

Based on NCR estimates and company data. e–estimate. FFO–funds from operations. FOCF–free operating cash flow. All metrics adjusted in line with NCR methodology. \*Revenues on net basis (International Financial Reporting Standards [IFRS] 15).

**ISSUER PROFILE**

Atea was originally founded as Merkantildata in 1968. In its current form, the company was formed through a merger of large Nordic IT infrastructure providers and the subsequent acquisition of 50 IT companies between 2006 and 2015. Atea acts as a reseller of both hardware and software, in addition to providing related IT services. The company operates in Sweden, Norway, Denmark, Finland, and the Baltic countries (Estonia, Latvia and Lithuania). It is the market leader in IT infrastructure and related services within its respective regional markets and the third-largest provider in Europe. Atea works closely with major international IT companies, such as Microsoft, Apple, Cisco, HP Inc., Hewlett Packard Enterprise, IBM, Lenovo, VMware, Citrix, and Dell Technologies. With more than 8,000 employees, the company is headquartered in Oslo and has offices in 87 other cities across the Nordic and Baltic regions.

Atea's stock has been listed on the Oslo Stock Exchange since 1985. Board chairman Ib Kunøe has been the largest single shareholder since 2006, holding 28.3% of the shares and votes through Systemintegration ApS (see Ownership Analysis section below).

Figure 2. Atea gross sales by line of business, 2022

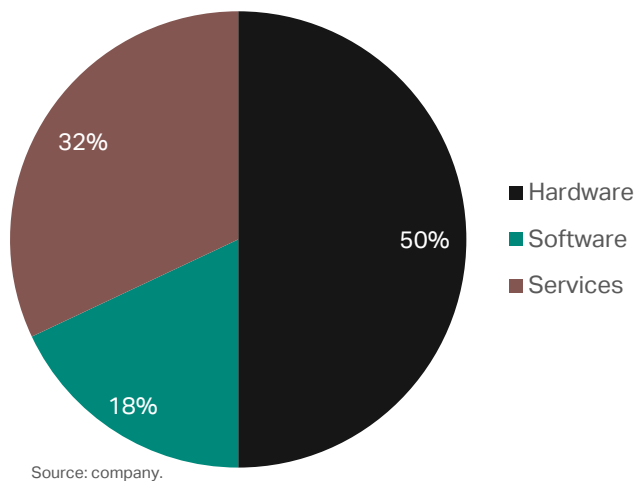
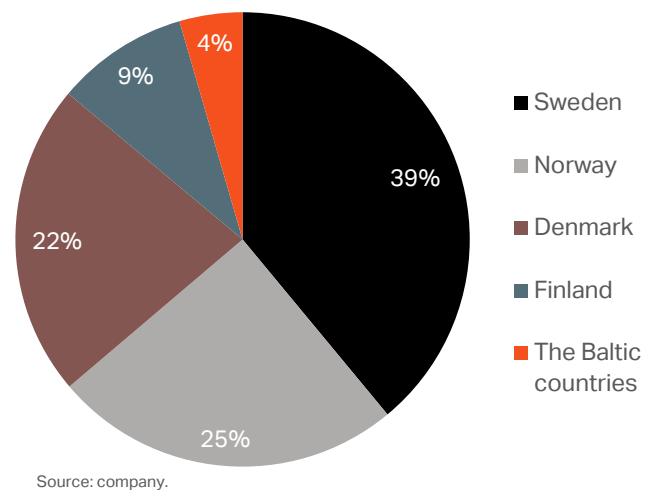


Figure 3. Atea gross sales by country, 2022



**BUSINESS RISK ASSESSMENT**

Business risk assessment 'bbb'

Our business risk assessment reflects Atea's moderate cyclicality, due to long-term growth trends and significant reliance on sales to the public sector. The company has played a pivotal role in consolidating the Nordic IT infrastructure sector and has an exceptionally strong regional market position, particularly in the public sector, due to the scope and breadth of its products and services. Atea has moderate margins due to its focus on reselling.

**Focus on public sector reduces cyclicality**

Operating environment 'bbb'

The Nordic IT infrastructure market has grown at an annual rate of about 6% over the past 10 years, driven by digitalisation trends. While COVID-19 resulted in postponement of workplace investments at many private organisations, it had little impact on IT software and service sales. Accordingly, Atea successfully increased both revenues and margins over the course of the pandemic. Notably, demand for hardware started to pick up in 2021, while growth in software and service revenues has picked up in recent quarters. Our outlook for growth in IT software and services remains positive, reflecting the transition to cloud solutions and increased demand for cybersecurity solutions. Market intelligence provider IDC has forecast that Nordic IT spending will increase by an annual average of about 7% over the next five years.

The pandemic-induced semiconductor supply chain constraints are no longer an issue for Atea, and both working capital and order backlog have normalised. Geopolitics could continue to create supply chain problems, particularly as most global semiconductor production is located in Taiwan.

We believe that Atea has little exposure to changes in demand due to the economic cycle, as illustrated by the stability of revenues and margins (see Figure 7). Digitalisation is relatively advanced in the Nordic countries in comparison with other regions. The public sector represents about 40% of the total enterprise IT infrastructure market in the Nordic and Baltic countries. Around 65% of Atea's gross sales are to the public sector, which has relatively low cyclicality. In addition, an increasing number of contracts, especially in the public sector, are framework agreements lasting 3–5 years.

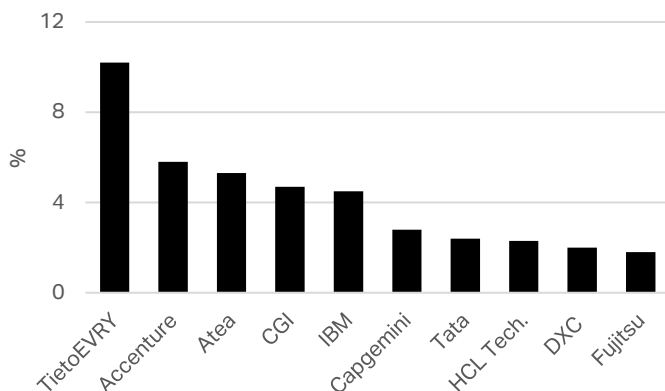
Atea sells only to public and private organisations and not to households. In general, IT infrastructure and related business services are heavily outsourced. This is mainly driven by a requirement for scalability and flexibility, as well as companies' need to focus on their own core businesses. While many players operate globally, few comprehensive IT infrastructure providers operate in the Nordic region. We believe that Atea's position as a comprehensive IT infrastructure partner represents a credit strength as contract complexity increases. It also increases barriers to entry for new and smaller competitors.

**Scale and scope of product offering unrivalled among Nordic peers**

Market position 'a'

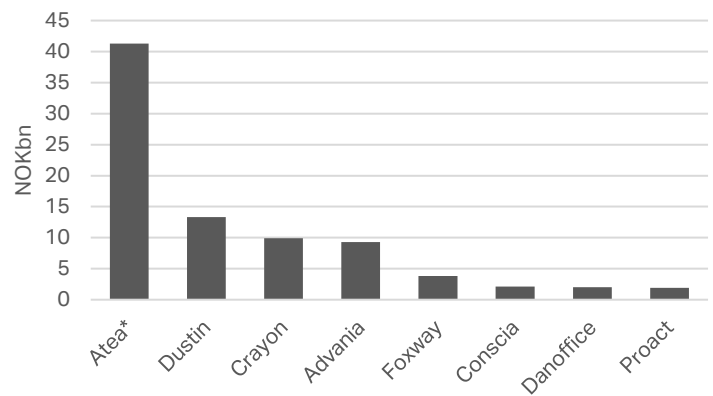
Atea is the largest provider of IT infrastructure in each of its regional markets and the third-largest in Europe. We believe that Atea has gained market share since 2021 (see Figures 4 and 5) due to its full-service proposal. Various competitors are more focused on hardware (for example Dustin), software (Crayon) and services (Advania), but in the infrastructure market (hardware and software), we believe that Atea has a market share that is about 2.5 times the size of that of its closest competitor.

Figure 4. IT service companies' Nordic market share, 2021



Source: IDC, Digital Resiliency Benchmark Survey, June 2022.

Figure 5. IT infrastructure competitors, Nordic and Baltic revenues, 2021



Source: company. \*Revenues on gross basis.

Atea faces fierce competition from both IT resellers and leading global IT consultancies. However, its role as a comprehensive provider gives it a critical competitive advantage in maintaining its regional market position, while its significant operational scale gives it a critical advantage over smaller competitors. This competitive advantage is based on greater purchasing power, local market presence, breadth of product and service offering, system integration competence, and cost-efficient support and logistics functions. In addition, Atea has broader vendor certification from key technology partners than regional competitors. We view the company as one of the three leading channel partners in Europe; its partners regard the Nordic region as a critical market for early adoption of new technologies, which we view as a key factor in Atea maintaining its leading position in IT infrastructure.

Atea's acquisition strategy focuses on small regional targets with strong cross-selling opportunities and the potential to achieve economies of scale through integration and synergies. In 2022, Atea announced three acquisitions in Denmark, Finland and Sweden, but no acquisitions have been announced so far in 2023.

**Significant regional player**

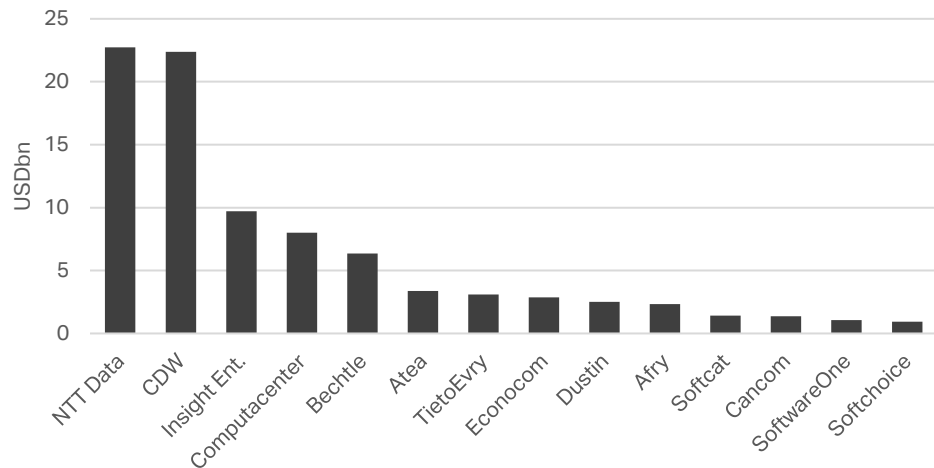
Size and diversification 'bbb'

In terms of size and operational scale, Atea dominates its regional competitors. However, some large-scale providers dwarf Atea globally (see Figure 6). In our view, Atea lacks the geographic diversity of its global peers.

While about two-thirds of the company's revenues are generated by the public sector, they come from a large number of organisations. About 30% of the company's private-sector customers are SMEs. No single customer (public or private) accounted for more than 2% of total revenues in 2022. We see the composition and diversity of the customer base as a strength.

Atea provides a broad range of IT infrastructure and services and has a broad product range with more than 250,000 stock-keeping units of hardware and 70,000 of software, giving it the largest portfolio in the Nordic region. In addition, the company provides internal expertise to design, implement, support, and operate highly complex and integrated IT solutions.

Figure 6. Atea and peers' revenues\*, 2022



Source: company data. \*Revenues on net basis.

**Operating efficiency in line with peers'**

Historically, Atea's EBITDA has been relatively stable (up by 0.3pp last five years), despite growth of the software business, which has lower margins than the other business lines. Recently, software margins have been declining due to competitive pressure and changes in IT vendors' incentive programmes with channel partners. This margin pressure is driving market consolidation, which is reducing the number of resellers. Nevertheless, Atea has been able to increase market share. While the company's reputational problems in Denmark have weighed on margins in recent years, Atea has been relatively unscathed by COVID-19. We believe that margins will increase over the next few years due to improved economies of scale and the continuing turnaround in Denmark.

As a reseller competing with other resellers, Atea can be viewed as a price taker in terms of its product offering. It is consequently exposed to pricing and performance risk through its IT vendors. However, due to its strong market position, the company has significant negotiating power. When possible, Atea works with multiple vendors in each product category to increase its bargaining power and reduce vendor-related risk.

Peer comparison is difficult due to differences in product mix and business models. Among Atea's peers, we see Bechtle and Computacenter as the closest on the basis of their business models. Generally, Atea's margins appear to be in line with those of pure resellers for products and IT consultancies for services.

Operating efficiency  
'bb+'

Figure 7. Atea revenues and EBITDA margins (IFRS), 2008–2022

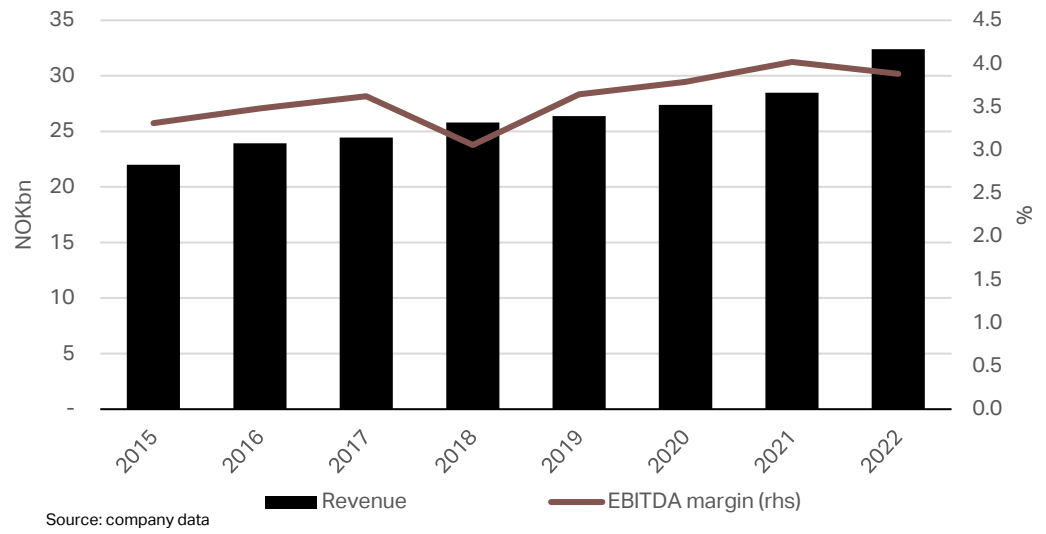


Figure 8. Atea revenues and EBITDA margin (IFRS) by country, 2022

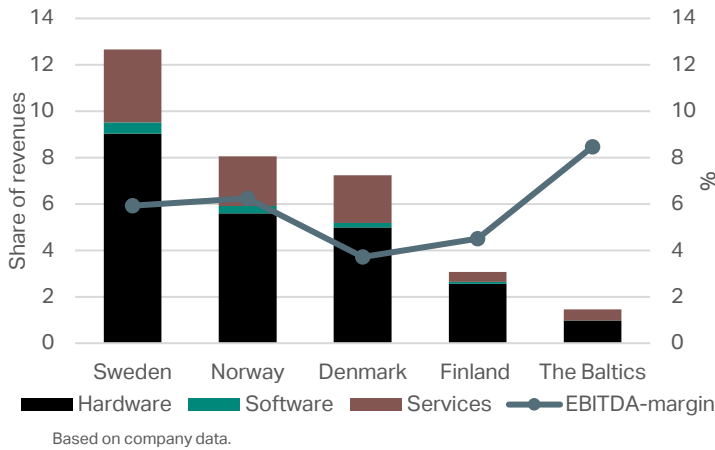


Figure 9. Atea gross sales margin by product type, 2015–2022

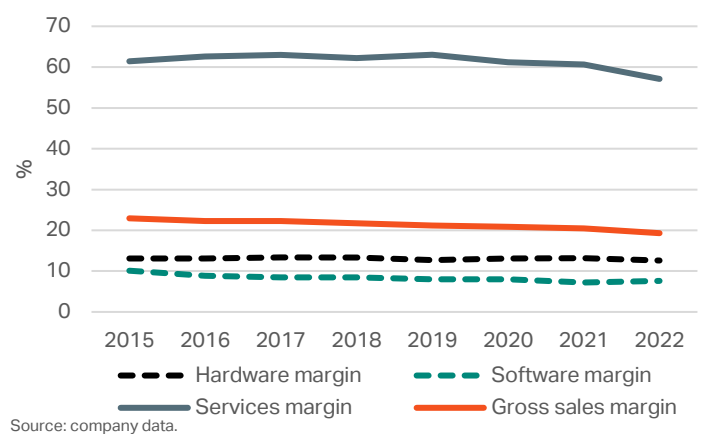
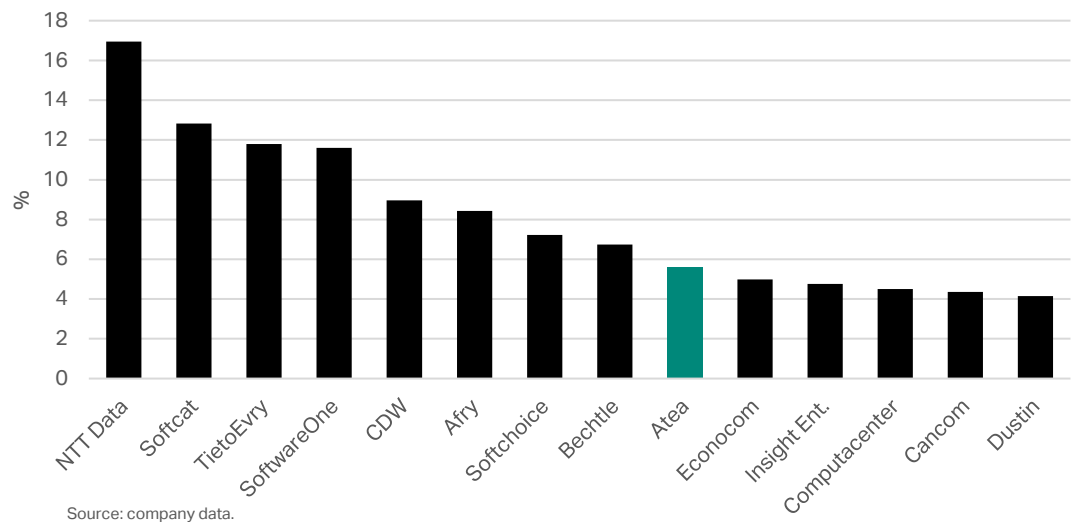


Figure 10. Atea and peers' NCR-adjusted EBITDA margins, 2022



**FINANCIAL RISK ASSESSMENT**

Financial risk assessment 'a'

Our financial risk assessment reflects Atea's strong operational cash flow and modest capital spending requirements, which lead to relatively low financial leverage. We expect Atea to increase merger and acquisition activity from the current low level. For this reason, we believe that the company's risk appetite is somewhat greater than warranted by our credit metric forecasts.

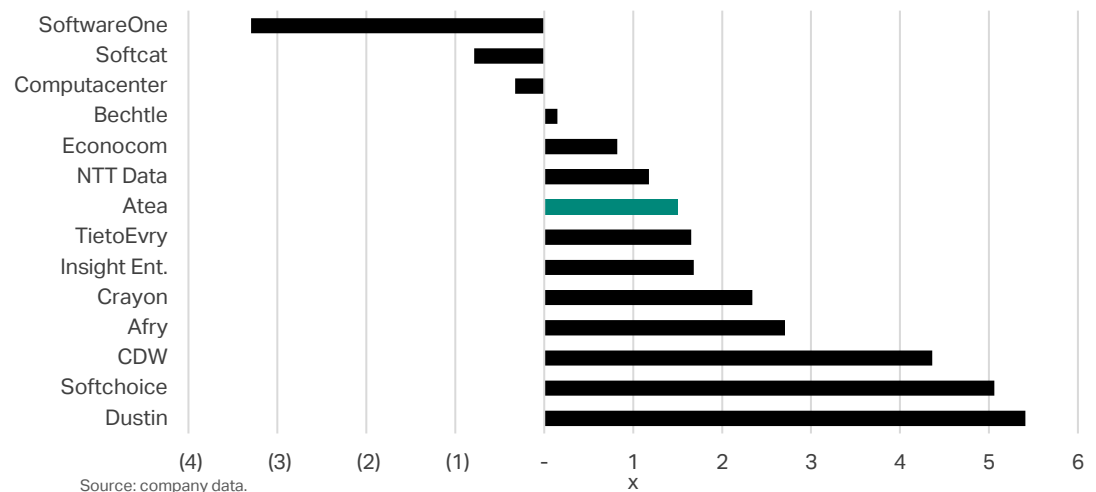
**Credit metrics temporarily weakened by increased working capital**

Ratio analysis 'a+'

In 2022, Atea's adjusted net debt/EBITDA was average for its peer group (see Figure 11). The company's credit metrics have been negatively affected by inventory build-up in response to supply constraints, but this problem is now behind it. Atea has also returned to a shorter procurement cycle, which has led to normalisation of working capital levels and lower leverage than in 2022. We acknowledge that the company's leverage is generally higher in the course of a given year than reflected in our forecasts due to late-year cash flows from public sector contracts.

In line with similar companies, Atea changed its accounting policy in 2022 to recognise revenue from software and vendor services on a net basis (based on a new interpretation of IFRS 15). This reduces revenues and cost of goods sold by the same amounts. We have adjusted historical figures to reflect this (see Figure 12).

**Figure 11. Atea and peers' NCR-adjusted net debt/EBITDA, 2022**



Our calculation of net debt includes the company's off-balance-sheet securitisation of receivables and its long-term leasing liabilities (see Figure 12).

Our base case forecast assumes:

- annual average revenue growth of 7% in 2023–2025;
- an adjusted EBITDA margin of 5.4% over the next three years;
- a rise in interest rates on debt of 1.0pp through 2024, stabilising thereafter;
- capital spending equal to 1.1% of revenues through 2025;
- NOK 0.7bn–NOK 0.8bn annually in dividends in 2023–2025.

We estimate the following credit metrics for 2023–2025:

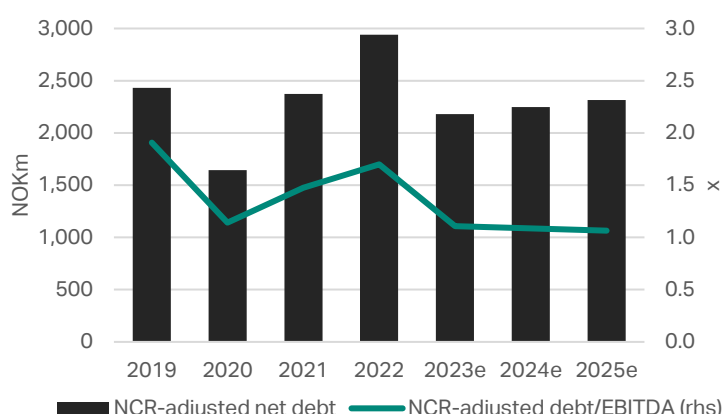
- NCR-adjusted net debt/EBITDA of 1.1x;
- NCR-adjusted EBITDA/net interest of 10.3–10.9x; and
- NCR-adjusted FFO/net debt of 70–72%.

Figure 12. NCR's adjustments to Atea's reported credit metrics, 2019–2025e

NOKm	2019	2020	2021	2022	2023e	2024e	2025e
EBITDA	1,335	1,498	1,661	1,811	2,032	2,134	2,240
Restructuring costs		37					
Sales gains		-32		-40			
Capitalised development expenses	-60	-63	-52	-66	-66	-66	-66
NCR-adj. EBITDA	1,275	1,440	1,609	1,705	1,966	2,068	2,174
Net interest	-38	-30	-32	-75	-105	-115	-115
Financial costs from leases	-46	-62	-58	-62	-78	-85	-85
NCR-adj. net interest	-84	-92	-90	-137	-183	-200	-200
NCR-adj. EBITDA	1,275	1,440	1,609	1,705	1,966	2,068	2,174
NCR-adj. net interest	-84	-92	-90	-137	-183	-200	-200
Current taxes	-123	-146	-148	-185	-263	-291	-312
NCR-adj. FFO	1,068	1,202	1,371	1,383	1,520	1,576	1,662
Changes in working capital	747	185	-316	-409	837	68	43
Capital expenditure	-252	-321	-272	-321	-400	-420	-441
Capitalised development expenses	60	63	52	66	66	66	66
NCR-adj. FOCF	1,623	1,129	835	719	2,023	1,291	1,330
Gross debt	1,047	482	483	586	588	588	588
Long-term leases liabilities	870	1,122	1,039	1,054	1,203	1,352	1,501
Short-term lease liabilities	422	436	355	363	363	363	363
Securitisation	1,862	1,209	1,848	1,859	1,900	1,900	1,900
NCR-adj. total debt	4,201	3,249	3,725	3,862	4,054	4,203	4,352
NCR-adj. cash and equivalents	-1,769	-1,605	-1,353	-922	-1,874	-1,956	-2,037
NCR-adj. net debt	2,432	1,644	2,372	2,940	2,180	2,247	2,315

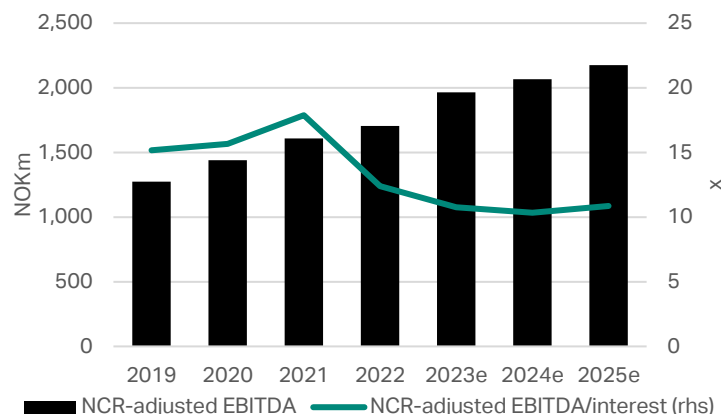
Based on company data.

Figure 13. Atea NCR-adj. net debt and net debt/EBITDA, 2019–2025e



Based on company data. e—estimate. All metrics adjusted in line with NCR methodology.

Figure 14. Atea NCR-adj. EBITDA and EBITDA/net interest, 2019–2025e



Based on company data. e—estimate. All metrics adjusted in line with NCR.

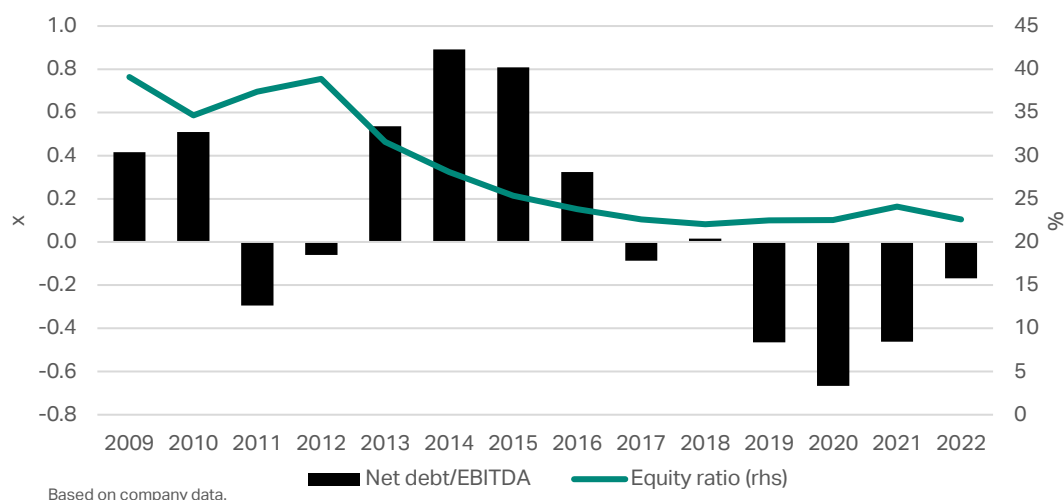
**Risk appetite greater than warranted by forecast metrics**

Risk appetite 'a-'

We believe that Atea's risk appetite is somewhat greater than warranted by our credit metric forecasts. Atea is not currently prioritising looking for acquisition targets, but the company wants to continue to play a role in consolidating the Nordic IT infrastructure industry. Although it is focusing on small targets, Atea has the financial flexibility to make relatively significant acquisitions. The company is targeting 1.0x debt/EBITDA (excluding securitisation), while its maximum debt/EBITDA covenant is

2.5x. Atea also seeks to maintain an equity ratio in excess of 20% (on a non-IFRS 16 basis). The ratio was 22.6% at end-2022.

Figure 15. Atea's reported equity and net debt/EBITDA ratios (excluding leasing and securitisation), 2009–2022



We believe that Atea has strong relationships with its major banking partners. The company has several credit facilities with Nordea Bank, totalling NOK 2.0bn, of which 1.75bn is uncommitted. In addition, Atea has an unsecured NOK 588m loan from the European Investment Bank that matures in May 2029. The company also has a securitisation programme with Nordea Bank to sell receivables up to a maximum of NOK 1.9bn. The securitisation programme was close to being fully utilised as of 30 Jun. 2023.

Atea's average dividend payout ratio has been about 122% of net profit over the past seven years. However, in recent years Atea's dividends have been in line with its dividend policy to distribute approximately 70–100 percent of the Group's net profit. We believe, however, that the company will pay out excess cash if suitable investment opportunities do not materialise.

Atea repurchased 1.8 million shares for NOK 230m in 2022 and the 2023 AGM renewed a buyback authorisation for up to 10 million shares. Repurchased shares are not cancelled but are used to finance employee stock options when exercised.

Historically, Atea has had very few losses on receivables. However, the company has some exposure to foreign exchange risk. According to the company, fluctuations of plus or minus 10% in currencies to which the company has exposure point to a possible effect on equity of up to NOK 79m.

**ADJUSTMENT FACTORS**

Adjustment factors are assessed as neutral and have no effect on our standalone credit assessment.

**Liquidity**

Our 12-month liquidity analysis is based on a stressed scenario in which the company cannot access the capital markets or extend bank loans, and therefore has to rely on internal or committed external funding sources to cover its liquidity needs. We typically expect a company with an investment grade rating ('BBB-' and above) to cover its liquidity needs, with limited need for external funding over the coming 12 months.

We assess Atea's liquidity position as strong, as committed sources are more than double the liquidity commitments for the 12 months ending 30 Jun. 2024. Atea has strong banking relationships that could prove supportive in the event of a short-term liquidity shortfall. In general, we note that dividend payments can be deferred in conditions of constrained liquidity and we therefore exclude uncommitted dividend payments from our liquidity analysis. In addition, we exclude acquisitions and other commitments not yet identified from our calculations.

We estimate the following primary liquidity sources for the period, totalling NOK 4.5bn:

Adjustment factors  
neutral

Liquidity adequate



- NOK 1.2bn, reflecting 75% of FFO;
- NOK 1.6bn in cash; and
- NOK 1.7bn through undrawn revolving credit facilities.

This compares with the following uses of liquidity, totalling NOK 1.7bn.

- NOK 0.3bn in committed dividend payments;
- NOK 0.4bn in committed capital investments; and
- NOK 1.0bn for the repayment of loans and lease instalments.

### Environmental, social and governance factors

ESG factors adequate

We believe Atea's environmental, social and governance (ESG) efforts are supportive of the company's overall competitive position. The main ESG issues that could affect the rating are factors that could contribute to loss of revenue, increased operating costs, increased capital spending, a decline in the value of assets, decreased access to funding, or loss of operating rights. In this context, we believe that the company's main ESG-related credit risks relate to greenhouse gas emissions, cyber and IT security, resource utilisation, corruption and fraud.

Atea suffered reputational and economic damage in Denmark as a result of corruption involving former employees between 2008 and 2013. Legal proceedings led to a court conviction in June 2018, under which the company was suspended from transactions with the Danish public sector. However, the suspension was lifted in September 2018 after regulatory approval of a self-monitoring programme to prevent future corruption. Atea replaced its CEO in 2014 and subsequently replaced its management team in Denmark. We believe that the company has taken satisfactory measures to avoid a recurrence of similar incidents.

Figure 16. Atea ESG considerations

Issue	Risk	Mitigating efforts	Result and targets
Corruption and fraud	Reputational risk, risk of loss of business and bribery fines.	Has implemented an anti-bribery and corruption programme. Mandatory anti-corruption training for all employees.	The company has reported no incidents since 2013.
CO <sub>2</sub> and other greenhouse gases	New regulations and increased taxation could reduce operating efficiency. Regulatory requirements could increase capital spending.	In 2020, Atea launched a 10-year sustainability plan. This includes phasing out fossil fuels, reducing air travel, halving transport emissions, and using 100% renewable energy.	46% reduction in Scope 1 and 2 emissions since 2019. Targeting a minimum 50% reduction in greenhouse gas emissions every decade to reach net zero by 2050.
Cyber and IT security	A breach could cause reputational damage and loss of business contracts in addition to increased costs and risk of blackmail.	Has adopted security risk management of IT services provided internally and to customers. Provides mandatory training on data protection and security awareness to all employees.	All company-managed services have obtained certification. No identified leaks of customer data or private data in 2022.
Resource utilisation	Increased demand for environmentally friendly products and services. Risk of loss of customers.	Has introduced GoITloop, a reuse-and-recycle programme for IT units.	62% of recovered units had their lifecycle prolonged in 2022. Targeting a 1:1 ratio of IT units sold/ recovered by 2030.

Source: company.

Since 2010, Atea has been a reporting member of the UN's Global Compact Initiative. The company is ranked as the world's most sustainable company in the IT Services Division (Corporate Knights, Global 100 Index). Atea is a member of the Responsible Business Alliance. In addition, the company has a code of conduct that requires partners and suppliers to work and deliver goods manufactured within the

alliance's code of conduct. In particular, we believe Atea to be an active player in the circular economy in terms of recycling IT units. The company operates the largest electronic recycling-and-reuse operation in the Nordic and Baltic regions.

### OWNERSHIP ANALYSIS

Ownership neutral

Ib Kunøe and associates control 29.4% of the shares, including shares held by Systemintegration ApS. Other shareholders are mostly institutional investors. The company's shares are listed on the Oslo Stock Exchange. There is only one class of share, with each share carrying a single vote. We expect Atea to have good access to the equity market under normal circumstances.

Figure 17. Atea ownership structure, 7 Sep. 2023

OWNER	SHARE OF VOTES AND CAPITAL (%)
Systemintegration ApS	28.3
Folketrygdfondet	7.4
State Street Bank and Trust Co.*	5.4
State Street Bank and Trust Co.*	3.3
Verdipapirfond Odin Norden	3.3
State Street Bank and Trust Co.*	2.5
RBC Investor Services	2.4
State Street Bank and Trust Co.*	2.2
Verdipapirfond Odin Norge	2.0
Danske Invest	1.6
<b>Top 10 owners</b>	<b>58.3</b>
Other	41.8

\*Different nominee accounts. Source: company.

### ISSUE RATINGS

Atea has a flat debt hierarchy and the company is only financed through senior unsecured debt. We expect that Atea will maintain only unsecured debt, ensuring that gross secured debt to NCR-adjusted EBITDA will remain well below 2.0x. In this respect, we regard the securitisation program as nonrecourse financing rather than secured debt. As of 30 Jun. 2023, the company had no outstanding unsecured debt instruments. We would likely rate such instruments in line with the 'BBB+' issuer rating.

### METHODOLOGIES USED

- (i) [Corporate Rating Methodology](#), 8 May 2023.
- (ii) [Rating Principles](#), 24 May 2022.
- (iii) [Group and Government Support Rating Methodology](#), 18 Feb. 2022.

**Figure 18. Atea key financial data, 2019–2022**

NOKm	2019	2020	2021	2022	LTM/ Q2
<b>INCOME STATEMENT</b>					
Total revenue	36,655	39,503	41,316	32,397	35,464
Gross profit	7,758	8,237	8,447	9,002	9,864
EBITDA	1,335	1,498	1,661	1,811	1,934
EBIT	746	855	1,047	1,196	1,275
Net financial items	-90	-105	-104	-113	-162
Pre-tax profit	656	750	943	1,083	1,113
<b>Net profit</b>	<b>528</b>	<b>592</b>	<b>763</b>	<b>848</b>	<b>869</b>
<b>BALANCE SHEET</b>					
Property, plant and equipment	498	538	493	541	549
Goodwill	3,881	4,088	3,942	4,132	4,417
Intangible assets other than goodwill	237	289	328	452	538
Interests in associates	15	17			
Other non-current assets	1,477	1,694	1,558	1,595	1,679
<b>Non-current assets</b>	<b>6,108</b>	<b>6,626</b>	<b>6,321</b>	<b>6,720</b>	<b>7,183</b>
Cash and cash equivalents	1,769	1,605	1,353	922	1,161
Other current assets	7,080	8,352	8,374	10,216	9,954
<b>Total current assets</b>	<b>8,849</b>	<b>9,957</b>	<b>9,727</b>	<b>11,138</b>	<b>11,115</b>
<b>Total assets</b>	<b>14,957</b>	<b>16,583</b>	<b>16,048</b>	<b>17,858</b>	<b>18,298</b>
Total equity	3,075	3,384	3,530	3,729	4,142
Long-term borrowings	472	475	475		588
Long-term lease liabilities	870	1,122	1,039	1,054	1,100
Deferred tax liabilities	185	165	141	145	154
Other long-term liabilities	7	8	189	116	177
<b>Non-current liabilities</b>	<b>1,534</b>	<b>1,770</b>	<b>1,844</b>	<b>1,315</b>	<b>2,019</b>
Current liabilities	10,348	11,430	10,674	12,814	12,137
<b>Total equity and liabilities</b>	<b>14,957</b>	<b>16,584</b>	<b>16,048</b>	<b>17,858</b>	<b>18,298</b>
<b>CASH FLOW STATEMENT</b>					
Pre-tax profit	656	750	943	1,083	1,113
Adjustment for items not in cash flow	494	453	469	356	508
Cash flow before changes in working capital	1,150	1,203	1,412	1,439	1,621
Changes in working capital	747	185	-316	-409	1,229
Operating cash flow	1,897	1,388	1,096	1,030	2,850
Cash flow from investing activities	-274	-330	-273	-440	-462
Cash flow from financing activities	-615	-1,534	-870	-989	-2,303
Cash and cash equivalents start of year	764	1,769	1,605	1,352	905
<b>Cash flow for the year</b>	<b>1,005</b>	<b>-164</b>	<b>-252</b>	<b>-430</b>	<b>256</b>
Cash and cash equivalents at the end of the year	1,769	1,605	1,353	922	1,161

\*Includes old revenue recognition principle prior to net recognition of software sales according to IFRS 15. Source: company.

**Figure 19. Atea rating scorecard**

<b>Subfactors</b>	<b>Impact</b>	<b>Score</b>
Operating environment	20.0%	bbb
Market position	10.0%	a-
Size and diversification	10.0%	bbb-
Operating efficiency	10.0%	bb+
<b>Business risk assessment</b>	<b>50.0%</b>	<b>bbb</b>
Ratio analysis		a+
Risk appetite		a-
<b>Financial risk assessment</b>	<b>50.0%</b>	<b>a</b>
<b>Indicative credit assessment</b>		<b>bbb+</b>
Liquidity		Adequate
ESG		Adequate
Peer calibration		Neutral
<b>Stand-alone credit assessment</b>		<b>bbb+</b>
Support analysis		Neutral
<b>Issuer rating</b>		<b>BBB+</b>
Outlook		Stable
<b>Short-term rating</b>		<b>N2</b>

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