

INDUSTRIVARDEN AB

INDUSTRIVARDEN AB is currently trading at c.-4.39% discount to NAV whereas average discount to NAV since March 2009 is c.-14.31%

Name	3m ADV in EUR	Shares Out	Price	Mkt Cap in SEK	Total M. Cap %
INDUSTRIVARDEN AB-A SHS	3,388,980	268,184,405	209.10	56,077,359,086	62.75%
INDUSTRIVARDEN AB-C SHS	8,589,093	167,025,472	199.30	33,288,176,570	37.25%

Listed Assets	3m ADV in EUR	Shares Out	Price	Mkt Cap in SEK	# of Shares	% Ownership	Value in SEK	Value Per Share	% of NAV	Trading Ratio
SVENSKA HANDELSBANKEN-A SHS	38,041,100	1,908,922,000	118.50	226,207,257,000	194,923,948	10.21%	23,098,487,838	53.07	24.71%	44.79%
SVENSKA CELLULOSA AB-A SHS	279,166	64,593,590	71.00	4,586,144,890	35,000,000	54.18%	2,485,000,000	5.71	2.66%	8.04%
SVENSKA CELLULOSA AB SCA-B	29,868,653	637,748,900	64.80	41,326,128,720	31,800,000	4.99%	2,060,640,000	4.73	2.20%	7.31%
SANDVIK AB	61,851,327	1,254,386,000	135.70	170,220,180,200	147,584,257	11.77%	20,027,183,675	46.02	21.43%	33.91%
VOLVO AB-A SHS	1,890,227	487,820,000	148.20	72,294,924,000	142,154,571	29.14%	21,067,307,422	48.41	22.54%	32.66%
ICA GRUPPEN AB	11,047,264	201,146,800	321.60	64,688,810,880	20,625,000	10.25%	6,633,000,000	15.24	7.10%	4.74%
SKANSKA AB-B SHS	28,700,806	400,139,100	182.20	72,905,344,020	16,343,995	4.08%	2,977,875,889	6.84	3.19%	3.76%
ERICSSON LM-A SHS	248,144	261,756,000	48.25	12,629,727,000	86,052,615	32.88%	4,152,038,674	9.54	4.44%	19.77%
ERICSSON LM-B SHS	72,421,733	3,072,396,000	46.56	143,050,757,760	1,000,000	0.03%	46,560,000	0.11	0.05%	0.23%
SSAB AB-A SHARES	22,696,838	304,183,300	41.50	12,623,606,950	63,105,972	20.75%	2,618,897,838	6.02	2.80%	14.50%
SSAB AB - B SHARES	14,433,119	725,652,100	34.04	24,701,197,484	54,633,318	7.53%	1,859,718,145	4.27	1.99%	12.55%
ESSITY AKTIEBOLAG-A	N/A	64,593,940	222.30	14,359,232,862	35,000,000	54.18%	7,780,500,000	17.88	8.32%	8.04%
ESSITY AKTIEBOLAG-B	N/A	637,748,600	223.00	142,217,937,800	31,800,000	4.99%	7,091,400,000	16.29	7.59%	7.31%

Total Value of Listed Assets 101,898,609,481 234.14 109.02%

Non Listed Assets & Others	Valuation	# of Shares	% Ownership	Value in SEK	Value Per Share	% of NAV
SKANSKA AB-A-SHS	Based on b-shrs price	12,667,500	63.58%	2,308,018,500	5.30	2.47%
Others				229,000,000	0.53	0.24%

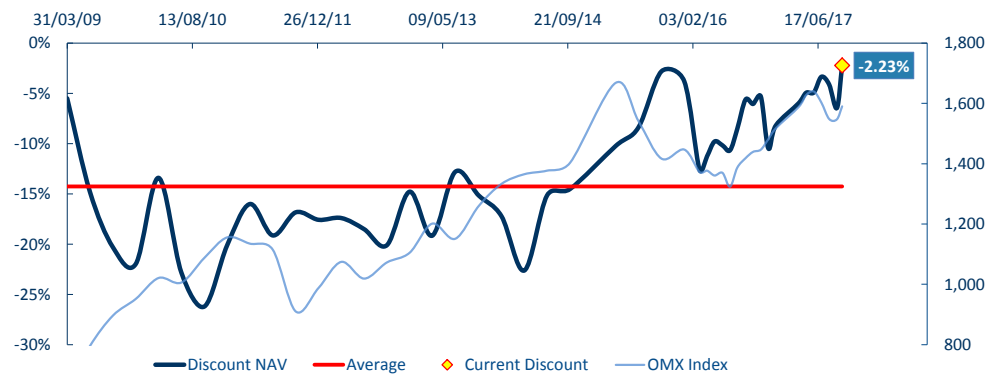
Total Value of Non Listed Assets 2,537,018,500 5.83 2.71%

Other Assets and liabilities -10,964,000,000 -25.19 -11.73%

Net Asset Value 93,471,627,981 214.77 100.00%

Discount to NAV %	-4.39%	Average since 31/03/2009	-14.31%
LTV Ratio	10.50%	Std deviation from mean (z-Score)	1.56

II - Discount to NAV vs OMX Index



Overview

INDUC SS : NAV update following Essity spin-off.

- On Jun 12 SCA Group splits its operations in 2 listed companies:
 - SCA specialised in forest products with mkt cap of ~SEK46b
 - Essity specialised in hygiene and health products with mkt cap of ~SEK172b
- As of Jun 19, Industrivarden is now holding 9.5% stake in both companies:
 - 35m shrs in SCAA SS, 31.8m in SCAB SS for a total amount of ~SEK4.57b
 - 35m shrs in ESSITYA SS, 31.8m in ESSITYB SS for a total amount of ~SEK16.4b
- NAV at ~SEK97.84b or SEK224.81/shr (1.83% discount to NAV)
- No major change in the portfolio have been made during the quarter
- Half year report to be published on Jul 5

Our view: Since Feb 1, the discount to NAV has moved from 14% to 2%. We think a 2% discount to NAV is too tight considering a) 8-year avg at 13.4% discount b) there is no significant unlisted asset. Note that last time the discount tightened below 4% end of 3Q15, it widened back to 12% within 6 months. From a risk reward perspective, we would sell INDUC SS and buy the basket at this level.

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