

Embracer Group

All about Coffee Stain in Q4'20/21e

- ABGSCe: Q4 adj. EBIT SEK 600m, -7.8% vs. consensus
- Estimate revisions on Valheim & Satisfactory
- Raise SOTP fair value range to SEK 215-325 (195-305)

Q4e revenues SEK 2,347m, +75% y-o-y, 81% from Games

For Q4'20/21e we expect another strong quarter from Embracer, largely driven by the Games segment. We forecast total revenues of SEK 2,347m for y-o-y growth of 75.3%. We estimate that the Games segments will generate SEK 1,894m, or 80.7% of total revenues (a new record for Embracer). We think all Games segments except Coffee Stain will be driven by back-catalogue titles, as they feature no major releases. However, Coffee Stain is set to generate revenues of SEK 706m by our estimate, or +761% y-o-y, due to the extremely successful launch of Valheim (we factor in 6.25m copies sold) but a gross profit of SEK 235m for Coffee Stain due to the economics of Valheim (developer royalties accounted for in COGS). On a group level, we forecast a gross margin of 53.7%. Ultimately, we forecast adj. EBIT of SEK 600m, +109.8% y-o-y, for a margin of 25.6%, and adj. EPS of SEK 1.36, +38.8% y-o-y.

Raise Q4 adj. EBIT by 8.7% on Valheim & Satisfactory

Following the success of Valheim, we have raised our Q4'20/21e sales estimate by 25.0% and adj. EBIT by 8.7%. Again, the economics of Valheim, where the developer Iron Gate Studios receives a majority of revenues, (we estimate 70%), impacts the gross margin of Coffee Stain. More on the Valheim calculations below.

Raise SOTP to SEK 215-325, EV/adj. EBIT 23-20x '21e-'22e

In terms of valuation we raise our SOTP fair value range to SEK 215-325 (195-305) per share. Scenario #2 indicates a price per share of SEK 295 by discounting our 21/22e EBITDA estimate by a WACC of 7.0%. In terms of multiples, we find that based on our updated estimates and the current share price, Embracer is trading at an EV/adj. EBIT of 21-18x for 21/22e-22/23e, which is ~20% above the corresponding multiple for Ubisoft according to FactSet consensus (which is now the best peer for Embracer, in our view, given its size).

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SEKm	2018	2019	2020e	2021e	2022e
Sales	5,754	5,249	8,967	15,885	17,513
EBITDA	1,592	1,821	3,668	6,666	7,594
EBITDA margin (%)	27.7	34.7	40.9	42.0	43.4
EBIT adj	881	1,032	2,609	5,172	5,812
EBIT adj margin (%)	15.3	19.7	29.1	32.6	33.2
Pretax profit	546	408	239	-1,292	-591
EPS rep	0	0.91	-0.06	-3.33	-1.52
EPS adj	0	3.11	5.73	9.85	11.54
Sales growth (%)	1,033.7	-8.8	70.8	77.1	10.2
EPS growth (%)	na	high	-107.1	-5,051.6	54.3

Source: ABG Sundal Collier, Company data

Reason: Preview of results

Company sponsored research

Not rated

Estimate changes (%)

	2020e	2021e	2022e
Sales	5.5%	1.2%	1.3%
EBIT (rep)	36.3%	11.5%	0.6%
EPS (rep)	64.1%	11.4%	0.6%

Source: ABG Sundal Collier

Share price (SEK)	20/04/2021	245.0
Fair value range (per share)		215-325

IT, Sweden

EMBRACB.ST/EMBRACB ST

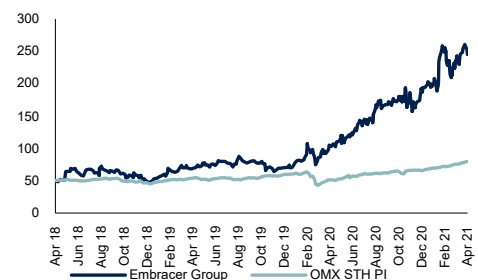
MCap (SEKm)	119,742
MCap (EURm)	11,846
Net debt (EURm)	-1,193

No. of shares (m)	489
Free float (%)	60
Av. daily volume (k)	4,383

Next event

Q4 report: 20 May

Performance



	1m	3m	12m
Absolute (%)	4.7	23.2	131.6

Source: FactSet

	2020e	2021e	2022e
P/E (x)	-3,788.2	-73.5	-160.8
P/E adj (x)	42.8	24.9	21.2
P/BVPS (x)	3.09	3.03	3.03
EV/EBITDA (x)	24.7	16.1	13.8
EV/EBIT adj (x)	34.7	20.8	18.0
EV/sales (x)	10.09	6.77	5.98
ROE adj (%)	11.8	13.3	14.3
Dividend yield (%)	0	0	0
FCF yield (%)	-3.1	0.1	2.4
Lease adj. FCF yld (%)	-3.1	0.1	2.4
Net IB debt/EBITDA	-3.4	-1.9	-2.0
Lease adj. ND/EBITDA	-2.1	-1.0	-1.1

Please refer to important disclosures at the end of this report

This research product is commissioned and paid for by the company covered in this report. As such, this report is deemed to constitute an acceptable minor non-monetary benefit (i.e. not investment research) as defined in MiFID II.

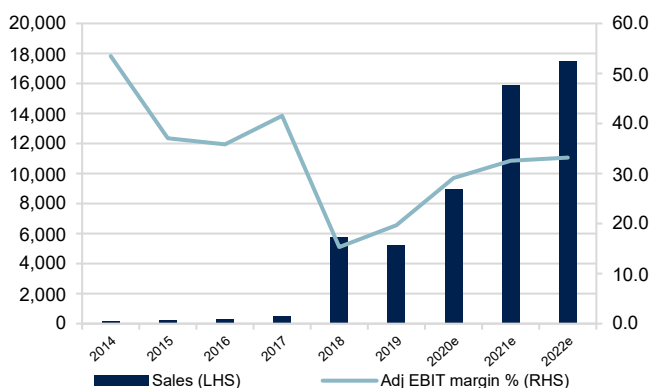
Company description

Embracer Group acquires, develops and publishes PC and console games for the global gaming market. Its core business model consists of acquiring established gaming brands and gradually improving them. Much of Embracer Group's soul stems from entrepreneur, founder and CEO Lars Wingefors, who at the age of 16 founded Nordic Games, which we today associate with Embracer Group. The game changer came in 2013 when most of today's brand portfolio was acquired from THQ Inc's insolvency. At the start of 2018, the company acquired Koch Media, which focuses on game development and gives Embracer Group a larger publishing business.

Risks

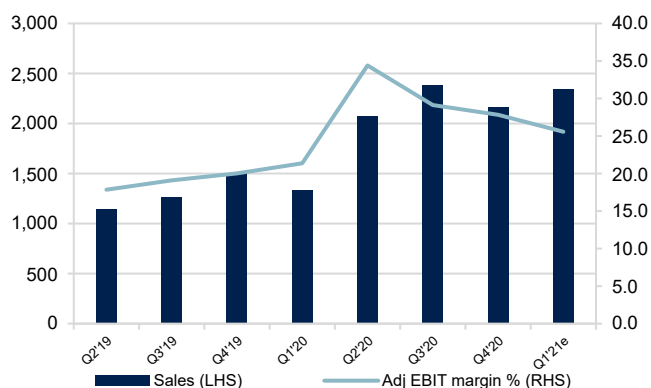
Despite Embracer Group's broad portfolio, there are risks associated with larger title releases as they have a relatively large impact on sales right after launch. Moreover, disappointing releases or reviews could dent end-customer enthusiasm and hurt the company's finances, especially during the launch period. Delays in planned and ongoing gaming projects could adversely affect the group's profitability. Acquiring established but temporarily underperforming gaming brands and gradually improving them increases the potential risk of performing below market expectations.

Annual sales and adj. EBIT margin



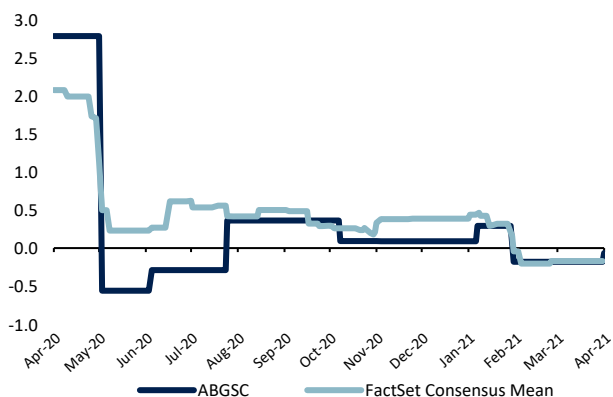
Source: ABG Sundal Collier, Company data

Quarterly sales and adj. EBIT margin



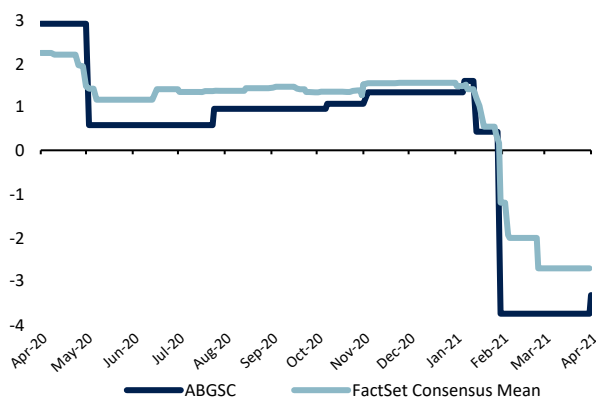
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2020e, SEK



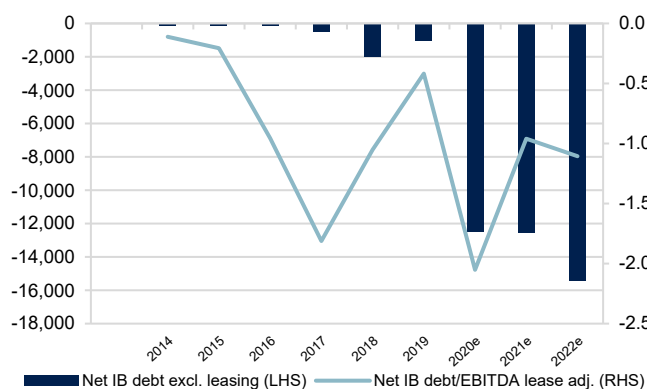
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2021e, SEK



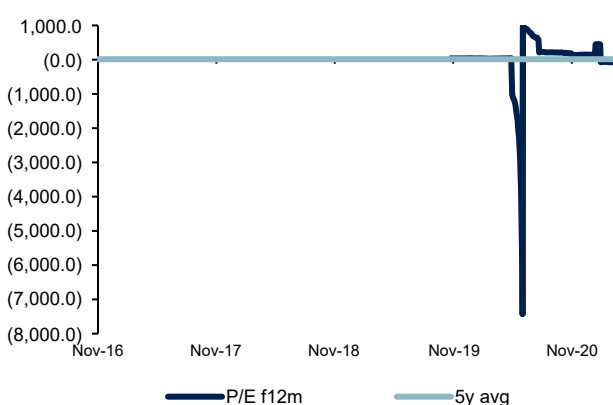
Source: ABG Sundal Collier, FactSet

Lease adj. net debt and ND/EBITDA



Source: ABG Sundal Collier, Company data

12-month forward-looking P/E



Source: ABG Sundal Collier, Company data

Estimate changes

ABGSC estimate changes '20/21e-'22/23e, (SEKm)

Estimate changes (SEKm)	Old forecast			New forecast			Change		
	2020/21e	2021/22e	2022/23e	2020/21e	2021/22e	2022/23e	2020/21e	2021/22e	2022/23e
Net sales									
Games THQ Nordic	1,735	2,375	2,624	1,764	2,375	2,624	1.7%	0.0%	0.0%
Games Deep Silver	2,066	3,701	4,184	2,074	3,701	4,184	0.4%	0.0%	0.0%
Games Coffee Stain	692	842	953	1,108	1,024	1,178	60.2%	21.6%	23.6%
Games Saber Interactive	1,190	1,785	1,881	1,204	1,785	1,881	1.2%	0.0%	0.0%
Games DECA Games	217	643	720	217	643	720	0.0%	0.0%	0.0%
Games Gearbox	1,383	1,645	1,835	1,383	1,645	1,835	0.0%	0.0%	0.0%
Games Easybrain	1,872	1,912	2,141	1,872	1,912	2,141	0.0%	0.0%	0.0%
Games Total	5,900	12,903	14,338	6,367	13,085	14,563	7.9%	1.4%	1.6%
Partner Publishing/Film	2,597	2,800	2,950	2,600	2,800	2,950	0.1%	0.0%	0.0%
Group	8,497	15,703	17,288	8,967	15,885	17,513	5.5%	1.2%	1.3%
COGS	-3,341	-6,255	-6,758	-3,742	-6,507	-7,039	12.0%	4.0%	4.2%
Gross profit	5,156	9,448	10,530	5,225	9,378	10,473	1.3%	-0.7%	-0.5%
Capitalized costs & other income	1,602	2,469	2,939	1,653	2,847	3,074	3.2%	15.3%	4.6%
Operating costs	-3,138	-5,418	-5,878	-3,211	-5,560	-5,954	2.3%	2.6%	1.3%
EBITDA	3,620	6,500	7,591	3,668	6,666	7,594	1.3%	2.6%	0.0%
Depreciation & amortization	-3,486	-7,939	-8,166	-3,486	-7,939	-8,166	0.0%	0.0%	0.0%
Operational	-1,059	-1,495	-1,783	-1,059	-1,495	-1,783	0.0%	0.0%	0.0%
Non-operational	-2,427	-6,444	-6,383	-2,427	-6,444	-6,383	0.0%	0.0%	0.0%
Adj. EBIT	2,561	5,006	5,808	2,609	5,172	5,812	1.9%	3.3%	0.1%
EBIT	134	-1,438	-575	182	-1,272	-571	36.3%	-	-
Net financials	58	-20	-20	58	-20	-20	0.0%	0.0%	0.0%
Taxes	-267	-379	-155	-267	-336	-154	0.0%	-11.4%	-0.6%
Adj. Net profit	2,352	3,962	4,996	2,303	4,708	5,520	-2.1%	18.8%	10.5%
Net profit	-76	-1,838	-749	-27	-1,628	-745	-	-	-
EPS Adj. (SEK)	5.61	8.11	10.22	5.50	9.63	11.29	-2.1%	18.8%	10.5%
EPS Basic (SEK)	-0.18	-3.76	-1.53	-0.06	-3.33	-1.52	-	-	-
Net sales growth y-o-y	2020/21e	2021/22e	2022/23e	2020/21e	2021/22e	2022/23e	2020/21e	2021/22e	2022/23e
Games THQ Nordic	50.2%	36.9%	10.5%	52.7%	34.7%	10.5%	2.5 pp	-2.3 pp	0.0 pp
Games Deep Silver	15.0%	79.1%	13.1%	15.5%	78.4%	13.1%	0.4 pp	-0.7 pp	0.0 pp
Games Coffee Stain	181.4%	21.7%	13.2%	350.6%	-7.5%	15.0%	169.2 pp	-29.3 pp	1.8 pp
Games Saber Interactive	19.0%	50.0%	5.4%	20.4%	48.2%	5.4%	1.4 pp	-1.7 pp	0.0 pp
Games DECA Games	n.a.	192.3%	12.0%	n.a.	192.3%	12.0%	-	0.0 pp	0.0 pp
Games Gearbox	31.5%	18.9%	11.5%	31.5%	18.9%	11.5%	0.0 pp	0.0 pp	0.0 pp
Games Easybrain	87.2%	2.1%	12.0%	87.2%	2.1%	12.0%	0.0 pp	0.0 pp	0.0 pp
Games Total	84.6%	118.7%	11.1%	99.2%	105.5%	11.3%	14.6 pp	-13.2 pp	0.2 pp
Partner Publishing/Film	26.5%	7.8%	5.4%	26.6%	7.7%	5.4%	0.1 pp	-0.1 pp	0.0 pp
Group	61.8%	84.8%	10.1%	70.8%	77.1%	10.2%	9.0 pp	-7.7 pp	0.2 pp
Margins	2020/21e	2021/22e	2022/23e	2020/21e	2021/22e	2022/23e	2020/21e	2021/22e	2022/23e
Gross margin	60.7%	60.2%	60.9%	58.3%	59.0%	59.8%	-2.4 pp	-1.1 pp	-1.1 pp
EBITDA margin	42.6%	41.4%	43.9%	40.9%	42.0%	43.4%	-1.7 pp	0.6 pp	-0.5 pp
Adj. EBIT margin	30.1%	31.9%	33.6%	29.1%	32.6%	33.2%	-1.0 pp	0.7 pp	-0.4 pp
EBIT margin	1.6%	-9.2%	-3.3%	2.0%	-8.0%	-3.3%	0.5 pp	1.2 pp	0.1 pp
Adj. Net margin	27.7%	25.2%	28.9%	25.7%	29.6%	31.5%	-2.0 pp	4.4 pp	2.6 pp
Net margin	-0.9%	-11.7%	-4.3%	-0.3%	-10.3%	-4.3%	0.6 pp	1.5 pp	0.1 pp

Source: ABG Sundal Collier, company data

Valheim Q4'20/21e scenario

For Valheim, we factor in 6.25m copies sold during Q4'20/21e. Based on an average selling price of USD 15.5, an average distributor (Steam) fee of 23% and 10% VAT, we reach net sales of SEK 564m. Management has indicated that Iron Gate Studios receives a "healthy majority" of revenues generated by the game through royalties; we factor in 70%. Since Valheim is built with Unity (no rev split), we estimate that it will generate gross profit of SEK 169m for Coffee Stain in Q4'20/21e. We do not factor in Coffee Stain receiving any share of Iron Gate Studios net profits (through its minority ownership in the studio) in Q4'20/21e.

ABGSC vs. FactSet consensus

(SEKm)	Actual	ABGSC	Cons	ABG vs. Cons	ABGSC	Cons	ABG vs. Cons	ABGSC	Cons	ABG vs. Cons
	Q4'19/20	Q4'20/21e	Q4'20/21e	%	21/22e	21/22e	%	22/23e	22/23e	%
Net Sales	1,509	2,347	2,322	1.1%	15,885	15,365	3.4%	17,513	16,679	5.0%
EBITDA	518	855	913	-6.3%	6,666	6,414	3.9%	7,594	7,277	4.4%
Margin	34.4%	36.4%	39.3%		42.0%	41.7%		43.4%	43.6%	
Adj. EBIT	302	600	490	22.5%	5,172	5,354	-3.4%	5,812	5,874	-1.1%
Margin	20.0%	25.6%	21.1%		32.6%	34.8%		33.2%	35.2%	
Adj. EPS (SEK)	0.78	1.36	1.29	5.4%	9.63	9.79	-1.6%	11.29	10.93	3.3%

Source: ABG Sundal Collier, FactSet, company data

ABGSC vs. Infront consensus

(SEKm)	Actual	ABGSC	Cons	ABG vs. Cons	ABGSC	Cons	ABG vs. Cons	ABGSC	Cons	ABG vs. Cons
	Q4'19/20	Q4'20/21e	Q4'20/21e	%	21/22e	21/22e	%	22/23e	22/23e	%
Net Sales	1,509	2,347	2,297	2.2%	15,885	16,007	-0.8%	17,513	17,288	1.3%
EBITDA	518	855	926	-7.7%	6,666	7,179	-7.1%	7,594	7,665	-0.9%
Margin	34.4%	36.4%	39.3%		42.0%	41.7%		43.4%	43.6%	
Adj. EBIT	302	600	651	-7.8%	5,172	5,275	-2.0%	5,812	5,808	0.1%
Margin	20.0%	25.6%	21.1%		32.6%	34.8%		33.2%	35.2%	

Source: ABG Sundal Collier, Infront, company data

Pipeline estimates

The key to understanding financial estimates for Embracer lies in evaluating the company's video game pipeline. This is true for its video game development and publishing segments and for its Partner Publishing division, which in turn is based on its partners' – Square Enix and Capcom, to name two – video game pipelines.

Estimated release dates for select titles

Pipeline estimates - ABGSC						
Games	Segment	Apr-Jun '20	Jul-Sep '20	Oct-Dec '20	Jan-Mar '21	Apr '21-Mar '22
		Q1'20/21	Q2'20/21	Q3'20/21	Q4'20/21e	2021/2022e
Dead Island 2	Deep Silver					X
Saints Row V	Deep Silver					X
Iron Harvest	Deep Silver		X			
MotoGP20	Deep Silver	X				
Saints Row 3 Remastered	Deep Silver	X				
Outward - The Soroboreans (DLC)	Deep Silver	X				
Wasteland 3	Deep Silver		X			
Windbound	Deep Silver		X			
Pathfinder: Kingmaker (Console)	Deep Silver		X			
Chorus	Deep Silver					X
Ride 4	Deep Silver			X		
MXGP 2020	Deep Silver			X		
Shenmue II (Steam)	Deep Silver			X		
After the Fall	Deep Silver					X
Monster Energy Super Cross 4	Deep Silver				X	
Evil West World (Flying Wild Hog)	Deep Silver					X
Hot Wheels Unleashed	Deep Silver					X
SpongeBob SquarePants: Battle for Bikini Bottom (Mobile)	THQ Nordic				X	
SpongeBob SquarePants: Battle for Bikini Bottom	THQ Nordic	X				
Biomutant	THQ Nordic					X
Desperados 3	THQ Nordic	X				
Destroy All Humans!	THQ Nordic		X			
Remnant: From the Ashes - Swamps of Corsus (DLC)	THQ Nordic	X				
Remnant: From the Ashes - Subject 2923 (DLC)	THQ Nordic		X			
Kingdoms of Amalur: Re-Reckoning	THQ Nordic		X			
Aquanox Deep Descent	THQ Nordic			X		
Chronos: Before the Ashes	THQ Nordic			X		
Lets Sing 2021	THQ Nordic			X		
Titan Quest: Legendary Edition	THQ Nordic				X	
Kingdoms of Amalur: Re-Reckoning (Nintendo Switch)	THQ Nordic				X	
Little Nightmares II (published by Bandai)	THQ Nordic				X	X
Titan Quest 2 (Unconfirmed)	THQ Nordic					X
Monster Jam: Steel Titans 2	THQ Nordic					X
Satisfactory (Steam release)	Coffee Stain	X				
Satisfactory (Update 4)	Coffee Stain				X	
HuntDown	Coffee Stain	X				
Deep Rock Galactic (Full release)	Coffee Stain	X				
Valheim (Early Access)	Coffee Stain				X	
Midnight Ghost Hunt	Coffee Stain					X
Songs of Conquest	Coffee Stain					X
World War Z (Game of the Year Edition)	Saber Interactive	X				
Snow Runner	Saber Interactive	X				
WWE Battlegrounds	Saber Interactive		X			
Redout: Space Assault	Saber Interactive				X	
The Evil Dead	Saber Interactive					X
Star Wars Knights of the Old Republic 3 (ABGSC Projection)	Saber Interactive					X
Star Wars Pinball VR	Saber Interactive					X
HomeWorld 3	Gearbox Software					X

Platform deals	Segment	Q1'20/21	Q2'20/21	Q3'20/21	Q4'20/21e	2021/2022e
Stadia: Spongebob Rehydrated, Destroy All Humans!, Monster Jam	THQ Nordic			X		
Stadia: Outward, El Hijo, Chronos Before the Ashes	THQ Nordic			X		

Sales	Segment	Q1'20/21	Q2'20/21	Q3'20/21	Q4'20/21e	2021/2022e
Steam publisher weekend	Deep Silver		X			
Steam publisher weekend	THQ Nordic		X			
Steam Autumn & Winter sale	Games segments			X		
Xbox Publisher sale (THQ Nordic & Handy Games)	THQ Nordic				X	

Partner Publishing	Segment	Q1'20/21	Q2'20/21	Q3'20/21	Q4'20/21e	2021/2022e
Final Fantasy VII Remake	Partner Publishing	X				
Marvel's Avengers (PS4 & Xbox One)	Partner Publishing		X			
Marvel's Avengers (PS5 & Xbox Series X)	Partner Publishing			X		
Resident Evil 3 Remake	Partner Publishing	X				
F1 2020	Partner Publishing		X			
Persona 5 Strikers	Partner Publishing				X	
Resident Evil Village	Partner Publishing					X
Dying Light 2	Partner Publishing					X

Source: ABG Sundal Collier, company data

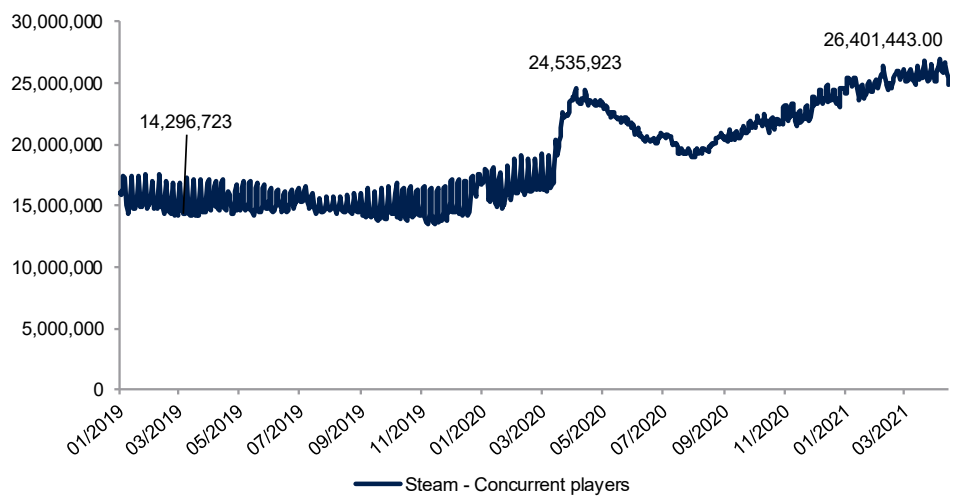
Steam developments

We estimate that ~40% of Embracer’s Games revenues stem from the sale of products for PC, where a majority (we think ~75%) is generated through the digital distribution platform Steam. As such, measuring the progression of Steam, and Embracer’s market share on Steam can reveal useful data regarding Embracer’s performance.

Steam concurrent players

In terms of daily concurrent player peaks on Steam, we find that new records were set in Q2'20 with ~24.5m players due to the initial COVID-19 lockdown. We then saw a slowdown during the summer months, which is normal. However, the recent resurgence speaks to the enlarged long-term userbase of Steam.

Steam concurrent players

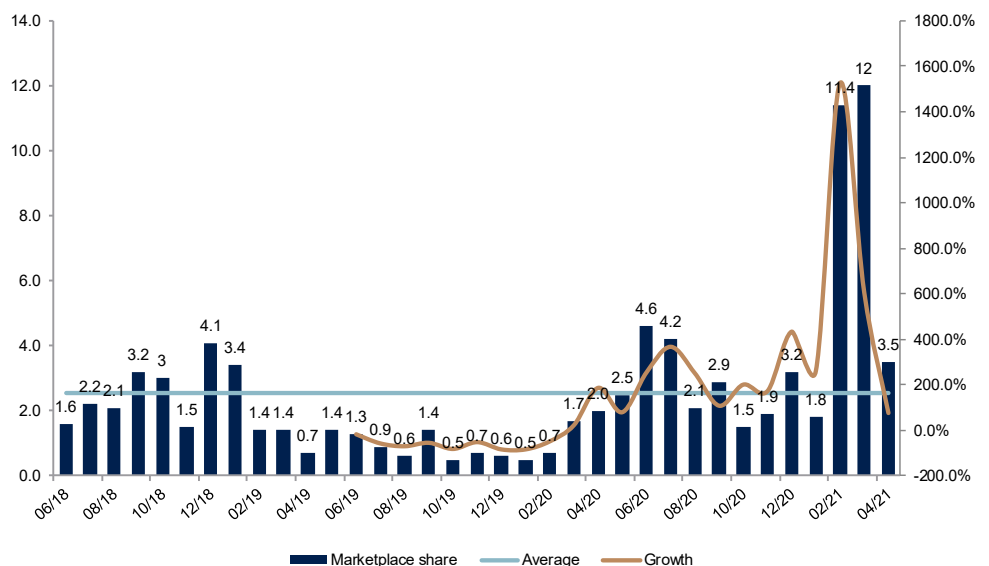


Source: ABG Sundal Collier, SteamDB, company data

Embracer’s market share on Steam

In the graph below we highlight Embracer’s share of revenues generated on Steam. In terms of Q4'20/21e, we find an extreme increase in market share following the successful launch of Valheim (published by Coffee Stain and developed by external studio Iron Gate Studios).

Embracer’s market share on Steam



Source: ABG Sundal Collier, TIN Analytics, company data

Annual overview

Annual overview, 2013-2022/23e (SEKm)

Annual overview (SEKm)	2013	2014	2015	2016	2017	2018	2019/20	2020/21e	2021/22e	2022/23e
<i>Games - THQ Nordic</i>	102	178	213	302	508	899	1,155	1,764	2,375	2,624
<i>Games - Deep Silver</i>	0	0	0	0	0	1,828	1,796	2,074	3,701	4,184
<i>Games - Coffee Stain</i>	0	0	0	0	0	112	246	1,108	1,024	1,178
<i>Games - Saber Interactive</i>	0	0	0	0	0	0	0	1,204	1,785	1,881
<i>Games - DECA Games</i>	0	0	0	0	0	0	0	217	643	720
<i>Games - Gearbox</i>	0	0	0	0	0	0	0	0	1,645	1,835
<i>Games - Easybrain</i>	0	0	0	0	0	0	0	0	1,912	2,141
<i>Partner Publishing/Film</i>	0	0	0	0	0	2,916	2,054	2,600	2,800	2,950
Net Sales	102	178	213	302	508	5,754	5,249	8,967	15,885	17,513
Capitalized work	0	0	8	36	80	475	753	1,308	2,292	2,462
Other operating income	2	4	5	9	3	333	306	347	556	613
Total operating income	104	182	226	347	590	6,562	6,308	10,621	18,733	20,588
COGS	-32	-58	-70	-119	-148	-3,261	-2,576	-3,742	-6,507	-7,039
Gross profit	71	121	143	183	360	2,493	2,673	5,225	9,378	10,473
Opex	-24	-29	-51	-96	-169	-1,709	-1,911	-3,211	-5,560	-5,954
Of which										
<i>Other external expenses</i>	-13	-15	-29	-43	-75	-868	-784	-1,493	-2,462	-2,627
<i>Personnel expenses</i>	-10	-14	-22	-52	-94	-841	-1,130	-1,771	-3,098	-3,327
<i>Other operating expenses</i>	-1	0	0	0	0	0	3	52	0	0
EBITDA	49	95	105	132	273	1,592	1,821	3,668	6,666	7,594
D&A	0	0	-39	-37	-76	-1,017	-1,476	-3,486	-7,939	-8,166
<i>Operational</i>	0	0	-26	-24	-62	-712	-789	-1,059	-1,495	-1,783
<i>Non-operational</i>	0	0	-12	-13	-14	-305	-687	-2,427	-6,444	-6,383
Adj. EBIT	49	95	79	108	211	881	1,032	2,609	5,172	5,812
EBIT	49	95	67	95	197	575	345	182	-1,272	-571
Non-recurring items	0	0	0	0	0	0	0	0	0	0
Net financials	-2	-1	-1	-2	-6	-29	63	58	-20	-20
PTP	47	94	66	93	191	546	408	239	-1,292	-591
Taxes	0	-15	-14	-21	-43	-149	-126	-267	-336	-154
<i>Tax rate</i>	0.3%	15.9%	21.6%	22.5%	22.5%	27.2%	30.7%	111.3%	-26.0%	-26.0%
Net profit	47	79	52	72	148	398	283	-27	-1,628	-745
Adj. Net profit	47	79	62	83	159	657	890	2,303	4,708	5,520
EPS Basic (SEK)	0.78	1.32	0.86	1.18	2.00	4.23	0.91	-0.06	-3.33	-1.52
Adj. EPS (SEK)	0.78	1.32	1.03	1.35	2.15	6.99	2.85	5.50	9.63	11.29
Growth	2013	2014	2015	2016	2017	2018	2019/20	2020/21e	2021/22e	2022/23e
Sales y-o-y	74.0%	19.6%	41.8%	68.1%	1033.7%	-8.8%	70.8%	77.1%	10.2%	
EBITDA y-o-y	95.3%	10.4%	26.0%	106.0%	484.1%	14.4%	101.4%	81.7%	13.9%	
Adj. EBIT y-o-y	95.3%	-17.2%	37.2%	94.9%	317.7%	17.2%	152.7%	98.2%	12.4%	
EBIT y-o-y	95.3%	-30.1%	43.1%	106.5%	192.5%	-40.0%	-47.3%	-799.5%	-55.1%	
Net profit y-o-y	68.4%	-34.7%	39.6%	104.5%	169.3%	-28.9%	-109.6%	5909.0%	-54.3%	
EPS y-o-y	68.4%	-34.7%	37.0%	69.1%	111.8%	-78.6%	-107.1%	5051.6%	-54.3%	
Adj. EPS y-o-y	68.4%	-22.3%	31.6%	59.3%	225.0%	-59.2%	92.7%	75.2%	17.3%	
Margins	2013	2014	2015	2016	2017	2018	2019/20	2020/21e	2021/22e	2022/23e
Gross margin	69.0%	67.7%	67.1%	60.6%	70.9%	43.3%	50.9%	58.3%	59.0%	59.8%
EBITDA margin	47.7%	53.5%	49.4%	43.8%	53.7%	27.7%	34.7%	40.9%	42.0%	43.4%
Adj. EBIT margin	47.7%	53.5%	37.0%	35.8%	41.5%	15.3%	19.7%	29.1%	32.6%	33.2%
EBIT margin	47.7%	53.5%	31.3%	31.6%	38.8%	10.0%	6.6%	2.0%	-8.0%	-3.3%
Net margin	46.0%	44.5%	24.3%	23.9%	29.1%	6.9%	5.4%	-0.3%	-10.3%	-4.3%
Adj. Net margin	46.0%	44.5%	28.9%	27.3%	31.3%	11.4%	17.0%	25.7%	29.6%	31.5%
Other metrics	2013	2014	2015	2016	2017	2018	2019/20	2020/21e	2021/22e	2022/23e
EV/Sales				2.5x	3.8x	1.4x	6.6x	10.1x	6.7x	6.0x
EV/EBITDA				5.6x	7.1x	5.2x	19.1x	24.6x	16.1x	13.7x
EV/Adj. EBIT				6.9x	9.2x	9.4x	33.7x	34.6x	20.7x	17.9x
EV/EBIT				7.8x	9.8x	14.4x	101.0x	495.6x	-84.2x	-182.6x
Adj. P/E				7.4x	8.9x	9.6x	40.3x	44.6x	25.4x	21.7x
P/E				8.4x	9.6x	15.8x	126.8x	-3,788.2x	-73.5x	-160.8x
ND/EBITDA			-0.2x	-1.0x	-1.9x	-1.3x	-0.6x	-3.4x	-1.9x	-2.0x
ROE adj.			79.5%	36.8%	21.6%	17.5%	12.7%	11.3%	13.0%	14.0%
ROIC adj.			67.7%	49.8%	40.5%	30.9%	16.2%	15.7%	17.5%	18.3%
ROCE adj.			74.1%	34.5%	19.8%	15.1%	11.9%	11.0%	12.2%	13.2%
FCF yield				-9.8%	-9.5%	-1.9%	0.0%	1.0%	1.8%	2.4%

Source: ABG Sundal Collier, company data

Valuation

We look at Embracer in terms of: 1) three sum-of-the-parts valuations based on our '21/22e EBITDA estimates and EV/EBITDA multiples based on relevant peers, 2) a peer group comparison and 3) the historical 12-month forward multiples.

Sum-of-the-parts valuation

We have identified potential valuation multiples for Embracer's segments based on the valuation of relevant peers, which are included in the peer table on the next page.

For example, when valuing Embracer's THQ Nordic, Saber Interactive, Coffee Stain and Gearbox segments, we look at peers such as Paradox Interactive, Frontier Developments and Codemasters. The Deep Silver segment is trickier, as it has historically relied on licensed IPs and its earnings have been volatile, so we think the valuation should be slightly lower. For DECA Games and Easybrain, we look at mobile game developer peers such as Stillfront and Zynga for valuation guidance.

The Partner Publishing segment is considerably different from the rest of the group, as its core business is the physical distribution of video games, thus we look at peers such as Digital Bros, Focus Home Interactive and Thunderful Group.

Below we highlight our EBITDA estimates and growth assumptions for '21/22e, on which we base our SOTP valuation range.

SOTP estimates overview (SEKm)

SOTP (SEKm)	EBITDA 21/22e	Margin estimates	EBITDA y-o-y growth
THQ Nordic	1,354	57%	35%
Deep Silver	1,776	48%	78%
Coffee Stain	598	58%	-8%
Saber Interactive	857	48%	48%
DECA Games	264	41%	n.a.
Gearbox	839	51%	n.a.
Easybrain	650	34%	n.a.
Partner Publishing	280	10%	8%
Number of shares (m)	488.7		

Source: ABG Sundal Collier, company data

Our three SOTP valuations produce a fair value range of SEK 215-325 (195-305) per share based on the following assumptions and our next FY EBITDA estimates.

SOTP valuation overview, (SEKm)

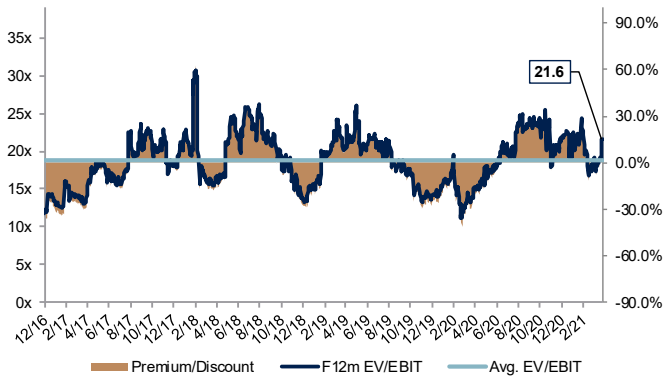
SOTP (SEKm)	Multiple	Valuation	Value per share	Multiple	Valuation	Value per share	Multiple	Valuation	Value per share			
THQ Nordic	17x	EV/EBITDA	23,014	47	23x	EV/EBITDA	31,136	64	26x	EV/EBITDA	35,739	73
Deep Silver	17x	EV/EBITDA	29,312	60	23x	EV/EBITDA	41,214	84	24x	EV/EBITDA	42,991	88
Coffee Stain	16x	EV/EBITDA	9,568	20	23x	EV/EBITDA	13,994	29	26x	EV/EBITDA	15,788	32
Saber Interactive	14x	EV/EBITDA	12,338	25	23x	EV/EBITDA	19,706	40	25x	EV/EBITDA	21,763	45
DECA Games	10x	EV/EBITDA	2,636	5	14x	EV/EBITDA	3,691	8	16x	EV/EBITDA	4,324	9
Gearbox	17x	EV/EBITDA	14,262	29	24x	EV/EBITDA	20,135	41	27x	EV/EBITDA	22,987	47
Easybrain	10x	EV/EBITDA	6,501	13	14x	EV/EBITDA	9,101	19	16x	EV/EBITDA	10,661	22
Partner Publishing	8x	EV/EBITDA	2,240	5	9x	EV/EBITDA	2,520	5	10x	EV/EBITDA	2,912	6
		Enterprise value	99,871	204		Enterprise value	141,497	290		Enterprise value	157,164	322
		Net debt (21/22e)	-12,587	-26		Net debt (21/22e)	-12,587	-26		Net debt (21/22e)	-12,587	-26
		Market cap	112,458	230		Market cap	154,084	315		Market cap	169,751	347
		WACC	7.0%			WACC	7.0%			WACC	7.0%	
		Discounted MCAP	105,101	215		Discounted MCAP	144,004	295		Discounted MCAP	158,646	325

Source: ABG Sundal Collier, company data

Forward multiples

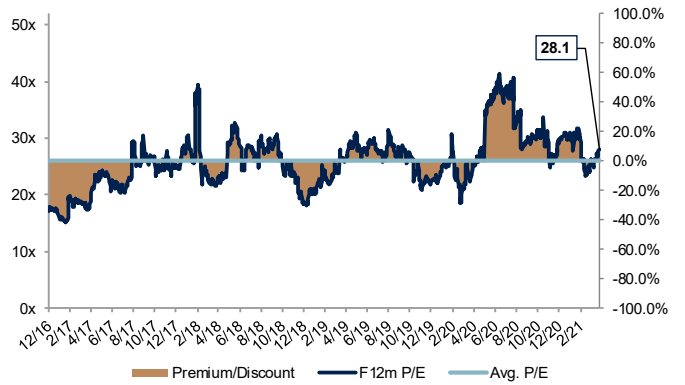
Based on FactSet consensus, Embracer is currently trading at a f12m EV/adj. EBIT of approximately 21.6x, which is approximately 14.8% above the five-year historical average of 18.9x. Looking at the f12m adjusted P/E, we find that Embracer is trading at around 28.1x, which is 8.0% above the five-year historical average of 26.0x.

F12m EV/adj. EBIT



Source: ABG Sundal Collier, FactSet, company data

F12m adj. P/E



Source: ABG Sundal Collier, FactSet, company data

ESG profile

Sustainability framework rollout initiated...

In conjunction with Embracer's 2018/2019 annual report, the company announced that it had launched a sustainability framework to promote what it termed "Smarter business". The framework seeks to create further long-term value for the company's shareholders through four pillars: Business Sense, Solid Work, Great People and Greener Planet. Embracer, like the gaming industry as a whole, is growing rapidly, adding revenues and employees at a rapid rate, which increases Embracer's responsibility and accountability.

...with Karin Edner assuming responsibility

The framework is structured in such a way that the Swedish parent company is responsible for the smarter business framework at group level, and will produce a yearly sustainability report that highlights the group's progress. However, it is up to each subsidiary to appoint a sustainability ambassador to lead and coordinate the work through suitable activities and initiatives at subsidiary level. In brief, the Business Sense pillar seeks to increase transparency, combat corruption and enhance consumer data protection. The Solid Work pillar promotes responsible gaming content and marketing, working against gaming addiction and to increasing the accessibility of Embracer's games. The third pillar, Great People, will promote diversity, different perspectives and skillsets, while nurturing creative independence and work-life balance. Lastly, the Greener Planet pillar will seek to minimize the environmental footprint from Embracer's operations and further investment in partnerships that focus on preventing and mitigating the company's climate impact.

Key issues*	ABGSC weight
Environment	25%
Financing environmental impact	
Packaging material and waste	
Climate change	
Social	50%
Human capital	
Health and safety	
Labour management	
Governance	25%
Corporate behaviour	
Business ethics	
Corporate governance	
Previous ESG incidents	
None	
Exposure to ESG Trends	
Building energy efficiency, Recycling, Plastic waste, Renewable materials	

Social and governance data

	2017	2018/19
Women in workforce %	13	22
Women in management %	25	0
Women in board %	60	20
CEO salary, SEKm p.a.	1.1	1
Employee turnover %		
Employee absence %		
Person responsible for sustainability:	Karin Edner	
Senior management:	No	

*based on the MSCI framework but not using all the parameters.

Embracer Group

Income Statement (SEKm)	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021e
Sales	1,142	1,260	1,509	1,339	2,069	2,383	2,168	2,347
COGS	-528	-635	-747	666	760	1,034	861	1,087
Gross profit	614	625	762	2,005	2,829	3,417	3,029	3,434
Other operating items	-225	-207	-244	-1,510	-1,864	-2,448	-2,151	-2,578
EBITDA	389	418	518	495	965	969	879	855
Depreciation and amortisation	-308	-342	-427	-399	-746	-796	-940	-1,005
EBITA	81	76	91	97	219	174	-61	-150
EO items	-123	-164	-211	-189	-493	-521	-664	-750
Impairment and PPA amortisation	0	0	0	0	0	0	0	0
EBIT	81	76	91	97	219	174	-61	-150
Net financial items	2	3	-15	73	-36	90	9	-6
Pretax profit	83	80	76	170	184	264	-52	-156
Tax	-31	-15	-43	-37	-93	-36	-138	0
Net profit	53	65	34	132	91	228	-189	-156
Minority interest	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0
Net profit to shareholders	53	65	34	132	91	228	-189	-156
EPS	0	0.21	0.11	0.42	0.29	0.73	-0.61	-0.50
EPS Adj	0	0.73	0.78	1.03	0.29	0.73	-0.61	-0.50
Total extraordinary items after tax	-123	-164	-211	-189	-493	-521	-664	-750
Tax rate (%)	36.7	19.0	56.0	21.9	50.7	13.6	266.3	0
Gross margin (%)	53.8	49.6	50.5	149.7	136.7	143.4	139.7	146.3
EBITDA margin (%)	34.1	33.2	34.4	37.0	46.7	40.7	40.5	36.4
EBITA margin (%)	7.1	6.1	6.0	7.2	10.6	7.3	-2.8	-6.4
EBIT margin (%)	7.1	6.1	6.0	7.2	10.6	7.3	-2.8	-6.4
Pretax margin (%)	7.3	6.3	5.1	12.7	8.9	11.1	-2.4	-6.7
Net margin (%)	4.6	5.1	2.2	9.9	4.4	9.6	-8.7	-6.7
Growth rates Y/Y	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021e
Sales growth (%)	36.4	-1.0	9.3	-17.9	81.1	89.2	43.7	75.3
EBITDA growth (%)	88.2	94.7	58.8	-19.9	147.8	131.8	69.6	72.6
EBIT growth (%)	52.2	-16.0	-40.1	-43.8	170.5	127.4	-chg	-chg
Net profit growth (%)	53.7	-0.8	-70.5	28.2	72.4	253.3	-chg	-chg
EPS growth (%)	53.7	-0.8	-70.5	28.2	72.4	253.3	-chg	-chg
Adj earnings numbers	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021e
EBITDA Adj	512	582	729	685	1,458	1,490	1,543	1,605
EBITDA Adj margin (%)	44.9	46.2	48.4	51.1	70.5	62.5	71.2	68.4
EBITA Adj	204	241	302	286	712	694	603	600
EBITA Adj margin (%)	17.8	19.1	20.0	21.4	34.4	29.1	27.8	25.6
EBIT Adj	204	241	302	286	712	694	603	600
EBIT Adj margin (%)	17.8	19.1	20.0	21.4	34.4	29.1	27.8	25.6
Pretax profit Adj	206	244	287	359	676	784	612	594
Net profit Adj	175	229	245	322	583	749	475	594
Net profit to shareholders Adj	175	229	245	322	583	749	475	594
Net Adj margin (%)	15.4	18.2	16.2	24.0	28.2	31.4	21.9	25.3

Source: ABG Sundal Collier, Company data

Embracer Group

Income Statement (SEKm)	na	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Sales	na	178	213	302	508	5,754	5,249	8,967	15,885	17,513
COGS	na	-58	-70	-119	-148	-3,261	-2,576	-3,742	6,507	7,039
Gross profit	na	121	143	183	360	2,493	2,673	5,225	22,392	24,552
Other operating items	na	-25	-38	-51	-87	-901	-852	-1,557	-15,726	-16,957
EBITDA	na	95	105	132	273	1,592	1,821	3,668	6,666	7,594
Depreciation and amortisation	na	0	-39	-37	-76	-1,017	-1,476	-3,486	-7,939	-8,166
Of which leasing depreciation	na	0	0	0	0	0	0	0	0	0
EBITA	na	95	67	95	197	575	345	182	-1,272	-571
EO items	na	0	-12	-13	-14	-305	-687	-2,427	-6,444	-6,383
Impairment and PPA amortisation	na	0	0	0	0	0	0	0	0	0
EBIT	na	95	67	95	197	575	345	182	-1,272	-571
Net financial items	na	-1	-1	-2	-6	-29	63	58	-20	-20
Pretax profit	na	94	66	93	191	546	408	239	-1,292	-591
Tax	na	-15	-14	-21	-43	-149	-126	-267	-336	-154
Net profit	na	79	52	72	148	398	283	-27	-1,628	-745
Minority interest	na	0	0	0	0	0	0	0	0	0
Net profit discontinued	na	0	0	0	0	0	0	0	0	0
Net profit to shareholders	na	79	52	72	148	398	283	-27	-1,628	-745
EPS	na	0	0	0	0	0	0.91	-0.06	-3.33	-1.52
EPS Adj	na	0	0	0	0	0	3.11	5.73	9.85	11.54
Total extraordinary items after tax	na	0	-12	-13	-14	-305	-687	-2,427	-6,444	-6,383
Leasing payments	na	0	0	0	0	0	0	0	0	0
Tax rate (%)	na	15.9	21.6	22.5	22.5	27.2	30.7	111.3	26.0	26.0
Gross margin (%)	na	67.7	67.1	60.6	70.9	43.3	50.9	58.3	141.0	140.2
EBITDA margin (%)	na	53.5	49.4	43.8	53.7	27.7	34.7	40.9	42.0	43.4
EBITA margin (%)	na	53.5	31.3	31.6	38.8	10.0	6.6	2.0	-8.0	-3.3
EBIT margin (%)	na	53.5	31.3	31.6	38.8	10.0	6.6	2.0	-8.0	-3.3
Pretax margin (%)	na	52.9	31.0	30.9	37.5	9.5	7.8	2.7	-8.1	-3.4
Net margin (%)	na	44.5	24.3	23.9	29.1	6.9	5.4	-0.3	-10.3	-4.3
Growth rates Y/Y	na	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Sales growth (%)	na	na	19.6	41.8	68.1	1,033.7	-8.8	70.8	77.1	10.2
EBITDA growth (%)	na	na	10.4	26.0	106.0	484.1	14.4	101.4	81.7	13.9
EBIT growth (%)	na	na	-30.1	43.1	106.5	192.5	-40.0	-47.3	-799.5	55.1
Net profit growth (%)	na	na	-34.7	39.6	104.5	169.3	-28.9	-109.6	-5,909.0	54.3
EPS growth (%)	na	na	na	na	na	na	high	-107.1	-5,051.6	54.3
Profitability	na	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
ROE (%)	na	na	66.8	32.2	20.1	10.6	4.0	-0.1	-4.5	-1.9
ROE Adj (%)	na	na	82.7	38.0	22.0	18.8	13.8	11.8	13.3	14.3
ROCE (%)	na	na	80.1	39.8	24.5	13.3	5.4	1.5	-3.3	-1.4
ROCE Adj (%)	na	na	94.9	45.2	26.2	20.2	13.6	12.4	13.4	13.9
ROIC (%)	na	na	87.0	51.8	37.6	16.8	4.4	-0.2	-6.7	-2.8
ROIC Adj (%)	na	na	103.1	58.8	40.2	25.8	13.0	-2.2	27.4	28.7
Adj earnings numbers	na	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
EBITDA Adj	na	95	117	145	287	1,898	2,509	6,095	13,110	13,977
EBITDA Adj margin (%)	na	53.5	55.1	48.1	56.5	33.0	47.8	68.0	82.5	79.8
EBITDA lease Adj	na	95	117	145	287	1,898	2,509	6,095	13,110	13,977
EBITDA lease Adj margin (%)	na	53.5	55.1	48.1	56.5	33.0	47.8	68.0	82.5	79.8
EBITA Adj	na	95	79	108	211	881	1,032	2,609	5,172	5,812
EBITA Adj margin (%)	na	53.5	37.0	35.8	41.5	15.3	19.7	29.1	32.6	33.2
EBIT Adj	na	95	79	108	211	881	1,032	2,609	5,172	5,812
EBIT Adj margin (%)	na	53.5	37.0	35.8	41.5	15.3	19.7	29.1	32.6	33.2
Pretax profit Adj	na	94	78	106	205	851	1,096	2,667	5,152	5,792
Net profit Adj	na	79	64	85	162	703	970	2,400	4,816	5,638
Net profit to shareholders Adj	na	79	64	85	162	703	970	2,400	4,816	5,638
Net Adj margin (%)	na	44.5	30.1	28.2	31.9	12.2	18.5	26.8	30.3	32.2

Source: ABG Sundal Collier, Company data

Cash Flow Statement (SEKm)	na	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
EBITDA	na	95	105	132	273	1,592	1,821	3,668	6,666	7,594
Net financial items	na	-1	-1	-2	-6	-29	63	58	-20	-20
Paid tax	na	-9	-12	-11	-22	-17	-123	-277	-308	-336
Non-cash items	na	0	0	0	0	0	0	0	0	0
Cash flow before change in WC	na	85	93	119	244	1,546	1,761	3,448	6,338	7,238
Change in WC	na	-25	17	-20	-65	-190	-30	-222	-28	182
Operating cash flow	na	60	110	99	179	1,356	1,731	3,227	6,310	7,421
CAPEX tangible fixed assets	na	0	-0	2	2	140	-42	-88	-159	-175
CAPEX intangible fixed assets	na	36	69	157	312	1,335	-1,653	-2,120	-3,971	-4,378
Acquisitions and disposals	na	0	0	0	-62	-1,071	-911	-4,186	-2,100	0
Free cash flow	na	96	178	258	430	1,761	-876	-3,167	80	2,867
Dividend paid	na	0	0	0	0	0	0	0	0	0
Share issues and buybacks	na	-10	-34	202	655	3,488	474	15,158	0	0
Lease liability amortisation	na	0	0	0	0	0	0	0	0	0
Other non cash items	na	-76	-131	-346	-704	-3,772	-545	-533	0	0
Balance Sheet (SEKm)	na	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Goodwill	na	0	0	0	0	830	1,412	14,569	18,817	13,807
Other intangible assets	na	75	104	229	571	2,877	4,459	5,045	7,002	9,028
Tangible fixed assets	na	1	2	4	8	156	185	285	323	440
Right-of-use asset	na	0	0	0	0	0	0	0	0	0
Total other fixed assets	na	3	0	0	3	196	251	367	367	367
Fixed assets	na	78	106	232	582	4,059	6,307	20,266	26,509	23,641
Inventories	na	8	13	18	30	323	353	279	279	279
Receivables	na	26	31	47	90	1,297	1,468	1,878	1,878	1,878
Other current assets	na	0	0	0	0	0	0	0	0	0
Cash and liquid assets	na	18	26	167	627	2,929	2,510	14,449	14,529	17,396
Total assets	na	131	175	465	1,329	8,608	10,637	36,872	43,195	43,195
Shareholders equity	na	63	92	357	1,114	6,379	7,636	33,169	39,492	39,492
Minority	na	0	0	0	0	0	0	0	0	0
Total equity	na	63	92	357	1,114	6,379	7,636	33,169	39,492	39,492
Long-term debt	na	10	1	0	0	211	222	267	267	267
Pension debt	na	0	0	0	0	0	0	0	0	0
Convertible debt	na	0	0	0	0	0	0	0	0	0
Leasing liability	na	0	0	0	0	0	0	0	0	0
Total other long-term liabilities	na	0	0	0	0	0	0	0	0	0
Short-term debt	na	0	0	29	110	918	1,491	2,041	2,041	2,041
Accounts payable	na	58	82	80	105	1,100	1,288	1,394	1,394	1,394
Other current liabilities	na	0	0	0	0	0	0	0	0	0
Total liabilities and equity	na	131	175	465	1,329	8,608	10,637	36,872	43,195	43,195
Net IB debt	na	-11	-24	-139	-520	-1,996	-1,049	-12,507	-12,587	-15,454
Net IB debt excl. pension debt	na	-11	-24	-139	-520	-1,996	-1,049	-12,507	-12,587	-15,454
Net IB debt excl. leasing	na	-11	-24	-139	-520	-1,996	-1,049	-12,507	-12,587	-15,454
Capital invested	na	52	68	218	594	4,383	6,588	20,662	26,905	24,038
Working capital	na	-23	-39	-15	15	521	532	763	763	763
EV breakdown	na	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Market cap. diluted (m)	na	na	na	676	1,953	4,525	22,083	102,655	119,742	119,742
Net IB debt Adj	na	-8	-24	-139	-517	-1,800	-798	-12,140	-12,220	-15,088
Market value of minority	na	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	na	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	na	0	0	0	0	0	0	0	0	0
EV	na	na	na	538	1,436	2,725	21,286	90,515	107,522	104,654
Capital efficiency	na	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Total assets turnover (%)	na	na	139.0	94.3	56.6	115.8	54.6	37.7	39.7	40.5
Working capital/sales (%)	na	na	-14.5	-8.8	0.1	4.7	10.0	7.2	4.8	4.4
Financial risk and debt service	na	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Net debt/equity	na	-0.17	-0.26	-0.39	-0.47	-0.31	-0.14	-0.38	-0.32	-0.39
Net debt/market cap	na	na	na	-0.23	-0.37	-0.39	-0.05	-0.23	-0.11	-0.13
Equity ratio (%)	na	48.2	52.3	76.7	83.8	74.1	71.8	90.0	91.4	91.4
Net IB debt adj./equity	na	-0.12	-0.26	-0.39	-0.46	-0.28	-0.10	-0.37	-0.31	-0.38
Current ratio	na	0.91	0.84	2.14	3.48	2.25	1.56	4.83	4.86	5.69
EBITDA/net interest	na	98.25	177.17	62.47	44.05	54.54	-28.72	-63.79	333.31	379.72
Net IB debt/EBITDA	na	-0.11	-0.23	-1.05	-1.91	-1.25	-0.58	-3.41	-1.89	-2.03
Net IB debt/EBITDA lease Adj	na	-0.11	-0.21	-0.96	-1.81	-1.05	-0.42	-2.05	-0.96	-1.11
Interest cover	na	73.93	106.55	44.94	31.73	17.76	9.75	3.33	-50.69	-22.64

Source: ABG Sundal Collier, Company data

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Valuation and Ratios (SEKm)	na	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Shares outstanding adj.	na	60	60	61	74	94	312	419	489	489
Fully diluted shares Adj	na	60	60	61	74	94	312	419	489	489
EPS	na	0	0	0	0	0	0.91	-0.06	-3.33	-1.52
Dividend per share Adj	na	0	0	0	0	0	0	0	0	0
EPS Adj	na	0	0	0	0	0	3.11	5.73	9.85	11.54
BVPS	na	1.05	1.53	5.83	15.07	67.86	24.48	79.16	80.80	80.80
BVPS Adj	na	-0.19	-0.21	2.09	7.34	28.43	5.66	32.35	27.98	34.08
Net IB debt / share	na	-0.2	-0.4	-2.3	-7.0	-21.2	-3.4	-29.8	-25.8	-31.6
Share price	na	na	na	11.07	26.42	48.13	70.78	245.00	245.00	245.00
Market cap. (m)	na	na	na	676	1,953	4,525	22,083	102,655	119,742	119,742
Valuation	na	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
P/E	na	na	na	nm	nm	nm	78.1	-3,788.2	-73.5	-160.8
EV/sales	na	na	na	1.78	2.83	0.47	4.05	10.09	6.77	5.98
EV/EBITDA	na	na	na	4.1	5.3	1.7	11.7	24.7	16.1	13.8
EV/EBITA	na	na	na	5.6	7.3	4.7	61.7	497.6	-84.5	-183.3
EV/EBIT	na	na	na	5.6	7.3	4.7	61.7	497.6	-84.5	-183.3
Dividend yield (%)	na	na	na	0	0	0	0	0	0	0
FCF yield (%)	na	na	na	0	0	0	-4.0	-3.1	0.1	2.4
Lease adj. FCF yield (%)	na	na	na	38.2	22.0	38.9	-4.0	-3.1	0.1	2.4
P/BVPS	na	na	na	1.90	1.75	0.71	2.89	3.09	3.03	3.03
P/BVPS Adj	na	na	na	5.29	3.60	1.69	12.51	7.57	8.76	7.19
P/E Adj	na	na	na	nm	nm	nm	22.8	42.8	24.9	21.2
EV/EBITDA Adj	na	na	na	3.7	5.0	1.4	8.5	14.8	8.2	7.5
EV/EBITA Adj	na	na	na	5.0	6.8	3.1	20.6	34.7	20.8	18.0
EV/EBIT Adj	na	na	na	5.0	6.8	3.1	20.6	34.7	20.8	18.0
EV/cap. employed	na	na	na	1.4	1.2	0.4	2.3	2.6	2.6	2.5
Investment ratios	na	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Capex/sales	na	-20.2	-32.0	-52.7	-61.7	-25.6	32.3	24.6	26.0	26.0
Capex/depreciation	na	nm	-177.1	-428.8	-412.5	-145.1	114.9	63.3	52.0	55.8
Capex tangibles/tangible fixed assets	na	0	16.7	-55.7	-19.7	-90.2	23.0	30.8	49.1	39.8
Capex intangibles/definite intangibles	na	-48.1	-65.6	-68.7	-54.5	-46.4	37.1	42.0	56.7	48.5
Depreciation on intangibles/definite intai	na	0	36.8	16.2	13.3	35.4	33.1	69.1	113.4	90.5
Depreciation on tangibles/tangibles	na	0	0	0	0	0	0	0	0	0

Source: ABG Sundal Collier, Company data

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