

Future Gaming Group

Welcome to the future

- Headwinds from one-offs and write-downs
- Competition within core markets continues to be fierce
- Low visibility for the future

Q4 results below expectations

Future Gaming Group (FGG) reported Q4 sales of ~SEK 18m (up ~99% y-o-y) and adj. EBITDA of ~SEK 3m, which was ~27% and ~67% below our initial expectations. Earnings were negatively affected by a one-off cost of ~SEK 1.4m and a write-down of SEK 10m pertaining to one of its B2C brands "SverigeKronan". Overall, our assessment is that the Q4 performance was a tad underwhelming and it appears that the positive signs of improvement that we saw during Q3 were only temporary. With that said it is important to remember that growth from the affiliate segment was negatively affected by Phase One's continued shift from CPA to a rev. share model. This is something that will result in near-term headwinds for growth, however, in the long-term we assess this to be a positive as it will result in a more sustainable revenue stream.

Uncertain outlook

In light of the newly regulated Swedish market we are somewhat cautious regarding the outlook for '19 and beyond. For instance, we fear that restrictions on bonuses may hamper growth for the underlying affiliate sector. Additionally, competition is fierce and our assessment is that it will be hard for the B2C segment to gain market share. FGG is currently evaluating various strategies for the B2C segment. Among them, management highlights Pay'N Play solutions, which has proven to be a successful strategy for many actors during the past twelve months. Another alternative it mentioned is to turn the B2C segment into an affiliate segment, thus capitalising on its existing customer base and expertise within lead generation. Lastly, it also mentioned divesting its operator segment as another possible solution.

'19e EV/EBIT of 8.2x but low visibility into the future

FGG is currently trading at a '19e EV/EBIT of 8.2x and a P/E of 9.8x. However, given the dynamic and competitive nature of the iGaming industry, we have low visibility regarding the outlook for '19 and beyond.

Lead analyst: Stefan Knutsson

SEKm	2017	2018	2019e	2020e	2021e
Sales	16	73	80	84	87
EBITDA	-14	24	22	26	27
EBITDA margin (%)	-86.6	33.1	27.7	31.3	30.9
EBIT adj	-23	11	20	24	24
EBIT adj margin (%)	-143.9	15.1	24.4	27.9	27.7
Pretax profit	-18	-5	7	10	11
EPS rep	-0.04	0.00	0.01	0.01	0.01
EPS adj	-0.05	-0.01	0.01	0.01	0.01
Sales growth (%)	150.3	363.9	10.3	4.8	3.8
EPS growth (%)	10.7	106.5	168.7	58.9	6.6

Source: ABG Sundal Collier, Company data

Reason: Post-results comment

Company sponsored research

Not rated

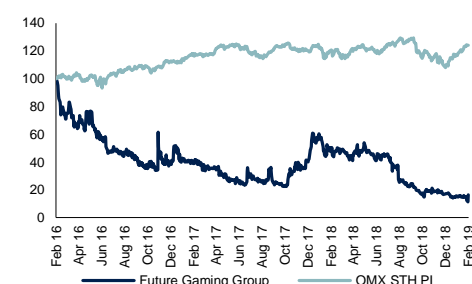
Estimate changes (%)	2019e	2020e	2021e
Sales	-15.8%	-15.8%	0.0%
EBIT (rep)	-36.0%	-27.2%	0.0%
EPS (rep)	-62.8%	-46.0%	0.0%

Source: ABG Sundal Collier

Share price (SEK) 26/02/2019 0.1
Information Technology, Sweden
FGG.ST/FGG SS

MCap (SEKm)	80
MCap (EURm)	7.6
Net debt (EURm)	10
No. of shares (m)	799
Free float (%)	69.0
Av. daily volume (k)	2.8

Performance



	1m	3m	12m
Absolute (%)	4.2	-11.5	-65.6
OMX STH PI (%)	5.7	8.7	3.3

Source: FactSet

	2019e	2020e	2021e
P/E (x)	15.3	9.6	9.0
P/E adj (x)	15.3	9.6	9.0
P/BVPS (x)	1.06	0.96	0.87
EV/EBITDA (x)	8.7	6.9	6.3
EV/EBIT adj (x)	9.8	7.7	7.1
EV/sales (x)	2.41	2.16	1.95
ROE adj (%)	7.2	10.5	10.1
Dividend yield (%)	0	0	0
FCF yield (%)	-8.9	12.7	12.3
Net IB debt/EBITDA	4.6	3.5	3.0

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.

Future Gaming Group

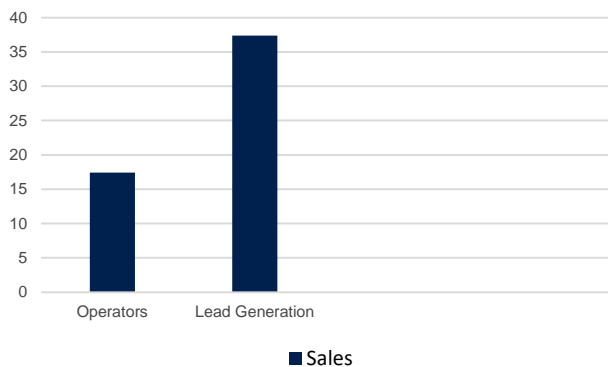
Opportunities

The iGaming market is highly fragmented, which offers attractive M&A opportunities. The market is characterized by high growth, mainly due to a shift from offline to online gambling. This shift is notable in all segments, i.e. sports betting, casino, poker etc. Recently there have been several favorable news articles about FGG in the US, which we see as an attractive market for the company in the near future. Since FGG is mainly active in paid media, we think establishing itself in new markets could be done fairly easily. Also, further expansion into other verticals could be a driver going forward.

Risks

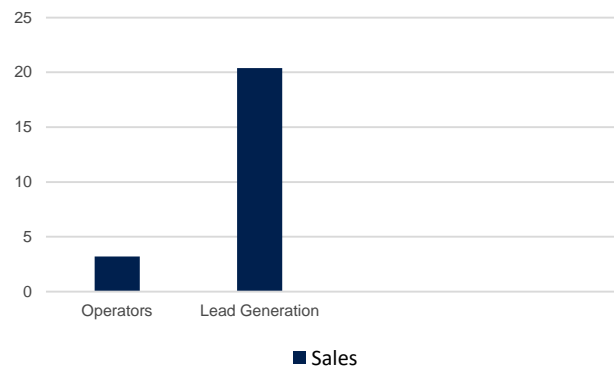
The main risk for Future Gaming Group is that it has recently taken on a lot of debt. Also, several acquisitions have been completed. If these acquisitions perform worse than anticipated, the company could find itself in a distressed financial position. Another risk is that the company's current group structure is relatively immature, due to diversion of the older operations and new appointed management. Furthermore, sales can be volatile q-o-q, and as the market matures, increased competition could affect prices and therefore margins.

Geographical breakdown, sales, SEKm



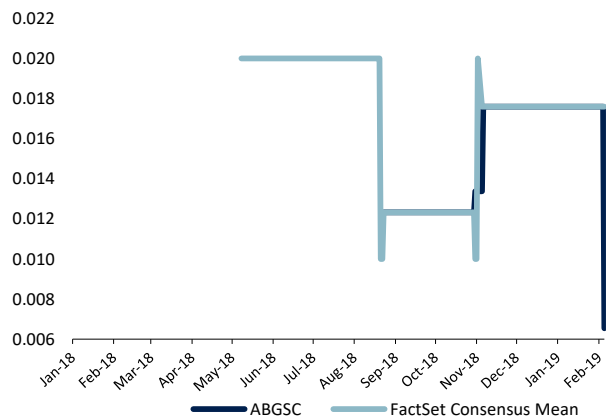
Source: ABG Sundal Collier, Company data

Business area breakdown, sales, SEKm



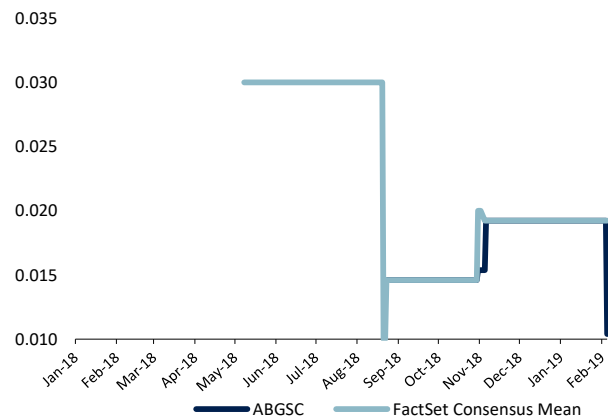
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2019e, SEK



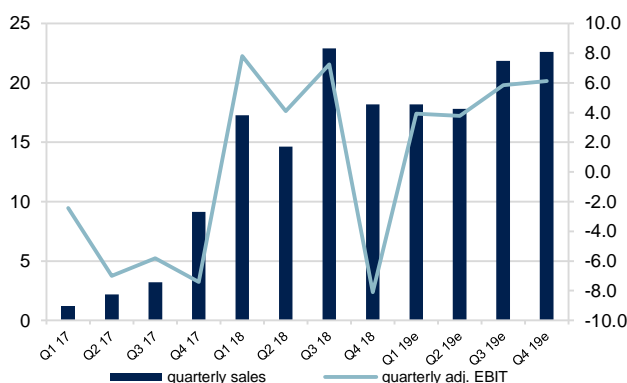
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2020e, SEK



Source: ABG Sundal Collier, FactSet

Quarterly sales and adj. EBIT, SEKm



Source: ABG Sundal Collier, Company data

Company description

Future Gaming Group (FGG) is a fast growing iGaming company. Its main focus is on affiliation, but it also has an operator business in online casino and sports betting. The affiliation is mainly done through paid media (PPC) in regulated markets, which means the company is paying for traffic to its customers, i.e. the operators. Due to a broad customer base with exposure to several different verticals, FGG runs various revenue models depending on the customer's characteristics, e.g. a revenue-share model, CPA (cost per acquisition) or a hybrid of these. FGG has an active M&A agenda and aims to capitalize on the fragmented market.

Peer table

Company	Market cap (EURm)	Sales growth (%)			EV/Sales (x)			EV/EBITDA (x)			EV/EBIT (x)			P/E (x)		
		2018	2019e	2020e	2018	2019e	2020e	2018	2019e	2020e	2018	2019e	2020e	2018	2019e	2020e
Operator Peers																
Betsson	855	15%	6%	8%	2.1	2.0	1.8	7.4	8.3	8.1	9.3	11.0	10.7	9.4	11.1	10.8
LeoVegas	330	77%	14%	17%	1.2	1.0	0.9	9.4	10.8	7.3	14.1	17.8	10.1	8.4	15.4	8.8
Cherry	813	42%	19%	11%	3.2	2.7	2.4	12.3	11.1	9.4	14.5	14.2	11.9	20.5	17.9	14.1
Gaming Innovation Group	195	33%	2%	12%	1.6	1.6	1.4	30.1	10.1	5.8	-25.5	57.1	12.6	-134.3	265.0	24.8
Global Gaming	112	108%	31%	17%	1.0	0.7	0.6	4.8	5.8	4.3	4.8	5.9	4.4	7.2	8.4	6.3
MRG	#N/A	43%	20%	12%	1.3	1.1	0.9	8.8	7.4	6.6	17.2	13.0	11.3	22.6	17.3	15.2
Nordic Leisure	132	46%	26%	23%	4.0	3.2	2.6	12.3	10.3	8.2	15.4	12.3	9.5	17.8	14.2	11.2
Average		52%	17%	14%	2.1	1.8	1.5	12.2	9.1	7.1	7.1	18.7	10.1	(6.9)	49.9	13.0
Median		43%	19%	12%	1.6	1.6	1.4	9.4	10.1	7.3	14.1	13.0	10.7	9.4	15.4	11.2

Source: ABG Sundal Collier, company data

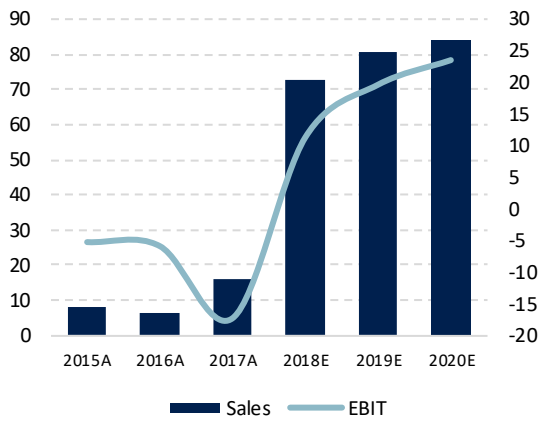
Affiliate Peers																
XLMedia	195	-15%	-8%	19%	0.9	1.0	0.8	2.3	2.4	2.1	2.7	2.7	2.4	7.3	7.6	6.5
Catena Media	373	69%	18%	13%	4.9	4.2	3.7	10.4	8.3	7.0	12.8	9.9	8.3	11.6	10.1	8.0
Better Collective	264	67%	45%	17%	6.1	4.2	3.6	15.3	9.0	7.6	18.8	11.1	9.4	28.3	16.7	13.6
Net Gaming Europé	60	13%	22%	15%	4.8	3.9	3.4	7.2	6.1	5.9	7.4	6.3	5.5	7.6	5.7	5.2
Raketech Group	95	58%	12%	4%	3.7	3.3	3.2	7.1	6.1	5.7	8.5	6.8	6.4	17.6	9.5	8.0
Average		38%	18%	14%	4.1	3.3	2.9	8.5	6.4	5.7	10.1	7.4	6.4	14.5	9.9	8.2
Median		58%	18%	15%	4.8	3.9	3.4	7.2	6.1	5.9	8.5	6.8	6.4	11.6	9.5	8.0

Source: ABG Sundal Collier, company data

Peer group explanation

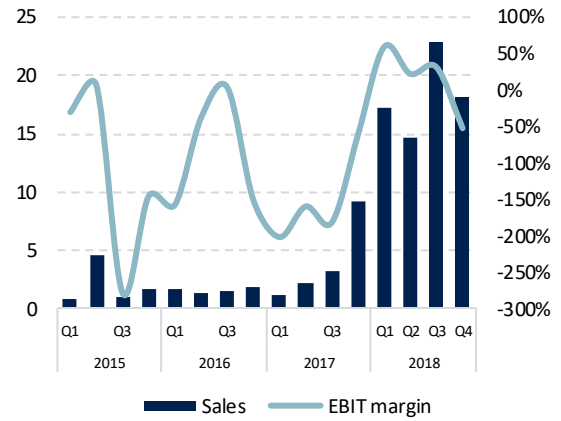
Our affiliate peer group consists of five companies. All of the affiliates are quite new and have a short track record as listed companies. Better Collective and Raketech Group completed IPOs in 2018, for example. That made the peer group more stable. We think that the peer group represents a fair comparison to FGG's business. However, FGG is the smallest company by far.

Sales and EBIT y-o-y (In SEKm)



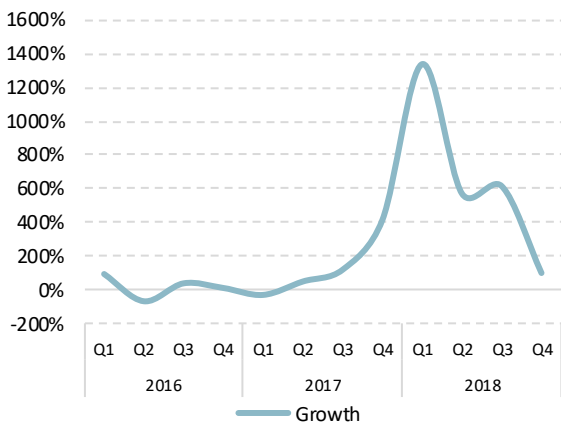
Source: ABG Sundal Collier, company data

Sales and EBIT margin q/q (In SEKm)



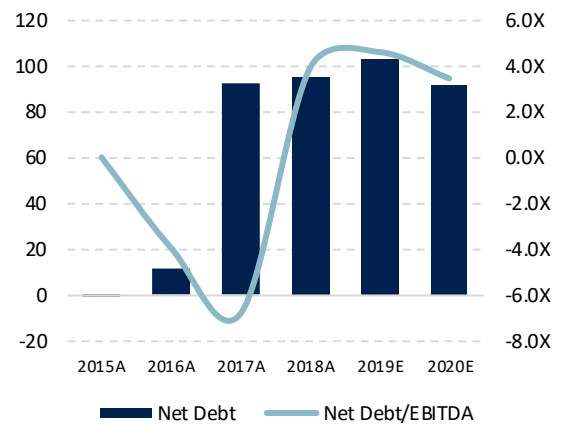
Source: ABG Sundal Collier, company data

Sales growth y-o-y



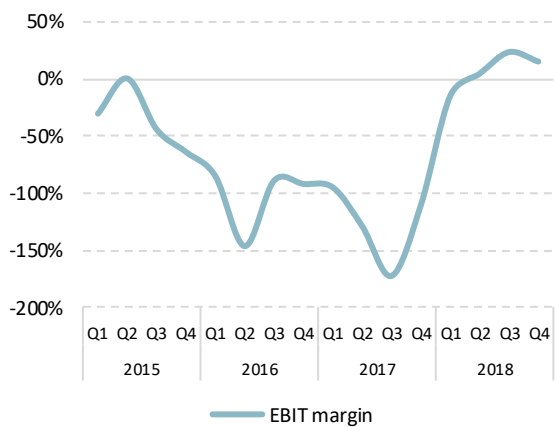
Source: ABG Sundal Collier, company data

Net Debt and Net Debt/EBITDA



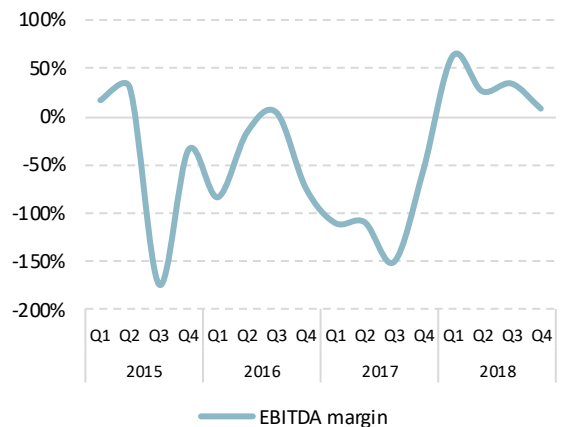
Source: ABG Sundal Collier, company data

EBIT margin R12



Source: ABG Sundal Collier, company data

EBITDA margin R12



Source: ABG Sundal Collier, company data

Future Gaming Group

Income Statement (SEKm)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019e	Q2 2019e	Q3 2019e	Q4 2019e
Sales	17	15	23	18	18	18	22	23
COGS	0	0	0	0	0	0	0	0
Gross profit	17	15	23	18	18	18	22	23
Other operating items	-6	-11	-15	-17	-14	-13	-15	-16
EBITDA	11	4	8	2	5	4	6	7
Depreciation on tangibles	0	0	0	0	0	0	0	0
Depreciation on intangibles	-1	-1	-1	-11	-1	-1	-1	-1
EBITA	10	3	7	-10	4	4	6	6
Goodwill impairment charges	0	0	0	0	0	0	0	0
Other impairment and amortisation	0	0	0	0	0	0	0	0
EBIT	10	3	7	-10	4	4	6	6
Interest Net	-4	-5	-5	-3	-3	-3	-3	-3
Other financial items	0	0	0	0	0	0	0	0
Associated income	0	0	0	0	0	0	0	0
Other EO items	0	0	0	0	0	0	0	0
Pretax profit	6	-1	3	-12	1	1	3	3
Tax	-1	1	-0	1	-0	-0	-0	-0
Net profit	5	-0	2	-12	1	0	2	3
Minority interest	0	0	0	0	0	0	0	0
Net profit discontinued	10	0	0	-4	0	0	0	0
Net profit to shareholders	15	-0	2	-16	1	0	2	3
EPS	0.02	-0.00	0.00	-0.02	0.00	0.00	0.00	0.00
EPS Adj	0.01	-0.00	0.00	-0.02	0.00	0.00	0.00	0.00
Total extraordinary items after tax	3	-1	0	-1	0	0	0	0
Tax rate (%)	14.6	76.2	3.2	7.5	10.0	10.0	10.0	10.0
Gross margin (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EBITDA margin (%)	63.0	26.4	34.3	8.3	25.1	24.9	29.7	30.0
EBITA margin (%)	59.6	22.5	31.7	-52.3	21.5	21.2	26.8	27.1
EBIT margin (%)	59.6	22.5	31.7	-52.3	21.5	21.2	26.8	27.1
Pretax margin (%)	35.1	-9.4	11.1	-68.4	3.5	2.9	11.8	12.6
Net margin (%)	30.0	-2.2	10.7	-63.3	3.2	2.6	10.6	11.3
Growth rates Y/Y	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019e	Q2 2019e	Q3 2019e	Q4 2019e
Sales growth (%)	1,338.8	570.2	614.5	98.8	5.4	21.7	-4.6	24.3
EBITDA growth (%)	+chg	+chg	+chg	+chg	-58.0	14.6	-17.4	347.1
EBIT growth (%)	+chg	+chg	+chg	-chg	-61.9	15.0	-19.3	+chg
Net profit growth (%)	+chg	+chg	+chg	-chg	-88.8	+chg	-5.7	+chg
EPS growth (%)	+chg	+chg	+chg	-chg	-88.8	+chg	-5.7	+chg
Adj earnings numbers	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019e	Q2 2019e	Q3 2019e	Q4 2019e
EBITDA Adj	8	5	8	3	5	4	6	7
EBITDA Adj margin (%)	48.5	31.9	34.3	16.0	25.1	24.9	29.7	30.0
EBITA Adj	8	4	7	-8	4	4	6	6
EBITA Adj margin (%)	45.2	27.9	31.7	-44.6	21.5	21.2	26.8	27.1
EBIT Adj	8	4	7	-8	4	4	6	6
EBIT Adj margin (%)	45.2	27.9	31.7	-44.6	21.5	21.2	26.8	27.1
Pretax profit Adj	4	-1	3	-11	1	1	3	3
Net profit Adj	3	0	2	-10	1	0	2	3
Net profit to shareholders Adj	3	0	2	-10	1	0	2	3
Net Adj margin (%)	15.5	3.2	10.7	-55.6	3.2	2.6	10.6	11.3

Source: ABG Sundal Collier, Company data

Future Gaming Group

Income Statement (SEKm)	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Sales	na	na	na	8	6	16	73	80	84	87
COGS	na	na	na	0	0	0	0	0	0	0
Gross profit	na	na	na	8	6	16	73	80	84	87
Other operating items	na	na	na	-9	-9	-29	-49	-58	-58	-60
EBITDA	na	na	na	-1	-3	-14	24	22	26	27
Depreciation on tangibles	na	na	na	0	0	0	0	0	0	0
Depreciation on intangibles	na	na	na	-4	-3	-4	-13	-3	-3	-3
EBITA	na	na	na	-5	-6	-17	11	20	24	24
Goodwill impairment charges	na	na	na	0	0	0	0	0	0	0
Other impairment and amortisation	na	na	na	0	0	0	0	0	0	0
EBIT	na	na	na	-5	-6	-17	11	20	24	24
Interest Net	na	na	na	-0	-0	-1	-17	-13	-13	-13
Other financial items	na	na	na	0	0	0	0	0	0	0
Associated income	na	na	na	0	0	0	0	0	0	0
Other EO items	na	na	na	0	0	0	0	0	0	0
Pretax profit	na	na	na	-5	-6	-18	-5	7	10	11
Tax	na	na	na	-0	0	-1	1	-1	-1	-1
Net profit	na	na	na	-5	-6	-19	-4	6	9	10
Minority interest	na	na	na	0	0	0	0	0	0	0
Net profit discontinued	na	na	na	0	0	0	6	0	0	0
Net profit to shareholders	na	na	na	-5	-6	-19	2	6	9	10
EPS	na	na	na	-0.05	-0.04	-0.04	0.00	0.01	0.01	0.01
<i>EPS Adj</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-0.05</i>	<i>-0.04</i>	<i>-0.05</i>	<i>-0.01</i>	<i>0.01</i>	<i>0.01</i>	<i>0.01</i>
Total extraordinary items after tax	na	na	na	0	0	5	0	0	0	0
<i>Tax rate (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>0.7</i>	<i>0</i>	<i>5.5</i>	<i>19.5</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>
<i>Gross margin (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>
<i>EBITDA margin (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-10.5</i>	<i>-46.9</i>	<i>-86.6</i>	<i>33.1</i>	<i>27.7</i>	<i>31.3</i>	<i>30.9</i>
<i>EBITA margin (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-65.5</i>	<i>-94.2</i>	<i>-110.2</i>	<i>15.5</i>	<i>24.4</i>	<i>27.9</i>	<i>27.7</i>
<i>EBIT margin (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-65.5</i>	<i>-94.2</i>	<i>-110.2</i>	<i>15.5</i>	<i>24.4</i>	<i>27.9</i>	<i>27.7</i>
<i>Pretax margin (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-65.6</i>	<i>-95.6</i>	<i>-115.3</i>	<i>-7.2</i>	<i>8.2</i>	<i>12.4</i>	<i>12.7</i>
<i>Net margin (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-66.1</i>	<i>-95.6</i>	<i>-121.6</i>	<i>-5.8</i>	<i>7.4</i>	<i>11.2</i>	<i>11.5</i>
Growth rates Y/Y	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
<i>Sales growth (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-22.0</i>	<i>150.3</i>	<i>363.9</i>	<i>10.3</i>	<i>4.8</i>	<i>3.8</i>
<i>EBITDA growth (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-250.1</i>	<i>-361.4</i>	<i>277.2</i>	<i>-7.7</i>	<i>18.4</i>	<i>2.6</i>
<i>EBIT growth (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-12.1</i>	<i>-192.7</i>	<i>165.3</i>	<i>73.6</i>	<i>19.8</i>	<i>2.9</i>
<i>Net profit growth (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-12.9</i>	<i>-218.3</i>	<i>78.1</i>	<i>241.0</i>	<i>58.9</i>	<i>6.6</i>
<i>EPS growth (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>16.5</i>	<i>10.7</i>	<i>106.5</i>	<i>168.7</i>	<i>58.9</i>	<i>6.6</i>
Profitability	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
<i>ROE (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-35.1</i>	<i>-63.9</i>	<i>2.8</i>	<i>7.2</i>	<i>10.5</i>	<i>10.1</i>
<i>ROE Adj (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-35.1</i>	<i>-81.6</i>	<i>-6.9</i>	<i>7.2</i>	<i>10.5</i>	<i>10.1</i>
<i>ROCE (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-25.8</i>	<i>-21.1</i>	<i>7.1</i>	<i>10.9</i>	<i>12.6</i>	<i>13.1</i>
<i>ROCE Adj(%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-25.8</i>	<i>-27.5</i>	<i>6.9</i>	<i>10.9</i>	<i>12.6</i>	<i>13.1</i>
<i>ROIC (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-25.8</i>	<i>-16.0</i>	<i>4.8</i>	<i>9.9</i>	<i>11.6</i>	<i>12.1</i>
<i>ROIC Adj (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-25.8</i>	<i>-20.9</i>	<i>4.6</i>	<i>9.9</i>	<i>11.6</i>	<i>12.1</i>
Adj earnings numbers	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
EBITDA Adj	na	na	na	-1	-3	-19	24	22	26	27
<i>EBITDA Adj margin (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-10.5</i>	<i>-46.9</i>	<i>-120.2</i>	<i>32.6</i>	<i>27.7</i>	<i>31.3</i>	<i>30.9</i>
EBITA Adj	na	na	na	-5	-6	-23	11	20	24	24
<i>EBITA Adj margin (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-65.5</i>	<i>-94.2</i>	<i>-143.9</i>	<i>15.1</i>	<i>24.4</i>	<i>27.9</i>	<i>27.7</i>
EBIT Adj	na	na	na	-5	-6	-23	11	20	24	24
<i>EBIT Adj margin (%)</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>-65.5</i>	<i>-94.2</i>	<i>-143.9</i>	<i>15.1</i>	<i>24.4</i>	<i>27.9</i>	<i>27.7</i>
Pretax profit Adj	na	na	na	-5	-6	-23	-6	7	10	11
Net profit Adj	na	na	na	-5	-6	-24	-4	6	9	10
Net profit to shareholders Adj	na	na	na	-5	-6	-24	-4	6	9	10
Net Adj margin (%)	na	na	na	-66.1	-95.6	-155.3	-6.2	7.4	11.2	11.5

Source: ABG Sundal Collier, Company data

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Cash Flow Statement (SEKm)	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
EBITDA	na	na	na	-1	-3	-14	24	22	26	27
Net financial items	na	na	na	-0	-0	-1	-17	-13	-13	-13
Paid tax	na	na	na	-0	0	-1	1	-1	-1	-1
Non-cash items	na	na	na	-1	0	0	0	0	0	0
Cash flow before change in WC	na	na	na	-2	-3	-15	9	9	12	13
Change in WC	na	na	na	na	4	0	-8	-11	0	-0
Operating cash flow	na	na	na	-1	2	-7	2	-2	13	12
CAPEX tangible fixed assets	na	na	na	0	0	0	0	0	0	0
CAPEX intangible fixed assets	na	na	na	0	4	-134	-2	-6	-1	-1
Acquisitions and disposals	na	na	na	0	0	0	0	0	0	0
Free cash flow	na	na	na	-1	6	-140	-1	-8	11	11
Dividend paid	na	na	na	0	0	0	0	0	0	0
Share issues and buybacks	na	na	na	0	0	0	0	0	0	0
Other non cash items	na	na	na	na	-18	59	-1	-0	0	0
Decrease in net IB debt	na	na	na	na	-12	-81	-2	-8	11	11
Balance Sheet (SEKm)	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Goodwill	na	na	na	26	25	212	159	158	158	158
Indefinite intangible assets	na	na	na	0	0	2	12	12	11	9
Definite intangible assets	na	na	na	0	0	0	0	0	0	0
Tangible fixed assets	na	na	na	0	0	0	1	1	1	1
Other fixed assets	na	na	na	0	0	3	0	0	0	0
Fixed assets	na	na	na	26	26	217	172	171	169	167
Inventories	na	na	na	0	0	0	0	0	0	0
Receivables	na	na	na	2	1	11	17	16	15	16
Other current assets	na	na	na	0	0	0	0	0	0	0
Cash and liquid assets	na	na	na	0	3	41	39	31	43	54
Total assets	na	na	na	28	30	268	229	218	227	237
Shareholders equity	na	na	na	26	9	51	79	85	95	105
Minority	na	na	na	0	0	0	0	0	0	0
Total equity	na	na	na	26	9	51	79	85	95	105
Long-term debt	na	na	na	0	14	134	134	134	134	134
Pension debt	na	na	na	0	0	0	0	0	0	0
Convertible debt	na	na	na	0	0	0	0	0	0	0
Deferred tax	na	na	na	0	0	0	0	0	0	0
Other long-term liabilities	na	na	na	0	0	0	0	0	0	0
Short-term debt	na	na	na	0	0	0	0	0	0	0
Accounts payable	na	na	na	2	7	17	15	3	3	3
Other current liabilities	na	na	na	0	0	67	0	-5	-5	-5
Total liabilities and equity	na	na	na	28	30	268	229	218	227	237
Net IB debt	na	na	na	-0	12	93	95	103	92	80
Net IB debt excl. pension debt	na	na	na	-0	12	93	95	103	92	80
Capital invested	na	na	na	26	20	208	174	184	182	181
Working capital	na	na	na	-1	-5	-6	2	13	13	13
EV breakdown	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Market cap. diluted (m)	na	na	na	109	46	202	96	91	91	91
Net IB debt Adj	na	na	na	-0	12	93	95	103	92	80
Market value of minority	na	na	na	0	0	0	0	0	0	0
Reversal of shares and participations	na	na	na	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	na	na	na	0	0	0	0	0	0	0
EV	na	na	na	109	58	295	191	194	182	171
Capital efficiency (%)	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Total assets turnover (%)	na	na	na	na	21.8	10.6	29.4	36.1	37.9	37.7
Capital invested turnover (%)	na	na	na	na	27.4	13.8	38.2	45.0	46.1	48.3
Capital employed turnover (%)	na	na	na	na	27.4	19.1	45.8	44.4	45.0	47.1
Inventories/sales (%)	na	na	na	na	0	0	0	0	0	0
Customer advances/sales (%)	na	na	na	na	0.9	0	0	0	0	0
Payables/sales (%)	na	na	na	na	70.5	73.7	21.6	10.9	3.1	2.9
Working capital/sales (%)	na	na	na	na	-49.6	-34.6	-2.3	9.5	15.3	14.7
Financial risk and debt service	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Net debt/equity (%)	na	na	na	-0.1	134.4	181.4	120.0	121.1	96.9	77.0
Net debt/market cap (%)	na	na	na	-0.0	16.0	78.2	51.7	113.9	101.2	88.9
Equity ratio (%)	na	na	na	91.4	29.4	19.1	34.7	39.1	41.6	44.1
Net IB debt adj./equity (%)	na	na	na	-0.1	134.4	181.4	120.0	121.1	96.9	77.0
Current ratio (%)	na	na	na	64.6	58.7	62.1	379.7	-2,571.7	-2,942.8	-3,717.9
EBITDA/net interest (%)	na	na	na	-14,050.0	-3,353.4	-1,712.8	145.8	170.1	201.1	206.4
Net IB debt/EBITDA (%)	na	na	na	1.7	-394.8	-682.8	393.9	462.9	347.6	297.5
Interest cover (%)	na	na	na	-88,050.0	-6,730.7	-2,180.9	68.5	150.2	179.7	185.0

Source: ABG Sundal Collier, Company data

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Valuation and Ratios (SEKm)	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Shares outstanding adj.	na	na	na	129	189	595	799	905	905	905
Fully diluted shares Adj	na	na	na	129	189	786	905	905	905	905
EPS	na	na	na	-0.05	-0.04	-0.04	0.00	0.01	0.01	0.01
Dividend per share Adj	na	na	na	0	0	0	0	0	0	0
EPS Adj	na	na	na	-0.05	-0.04	-0.05	-0.01	0.01	0.01	0.01
BVPS	na	na	na	0.20	0.05	0.09	0.10	0.09	0.10	0.12
BVPS Adj	na	na	na	-0.01	-0.09	-0.27	-0.10	-0.08	-0.07	-0.06
Net IB debt / share	na	na	na	-0.0	0.1	0.2	0.1	0.1	0.1	0.1
Share price	na	0.49	0.32	0.84	0.24	0.26	0.11	0.10	0.10	0.10
Market cap. (m)	na	na	na	109	46	153	85	91	91	91
Valuation	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
P/E	na	na	na	-16.9	-5.8	-6.9	43.5	15.3	9.6	9.0
EV/sales	na	na	na	13.50	9.19	18.78	2.62	2.41	2.16	1.95
EV/EBITDA	na	na	na	-129.1	-19.6	-21.7	7.9	8.7	6.9	6.3
EV/EBITA	na	na	na	-20.6	-9.7	-17.0	16.9	9.8	7.7	7.1
EV/EBIT	na	na	na	-20.6	-9.7	-17.0	16.9	9.8	7.7	7.1
Dividend yield (%)	na	na	na	0	0	0	0	0	0	0
FCF yield (%)	na	na	na	-1.3	17.3	-106.0	-0.7	-8.9	12.7	12.3
P/BVPS	na	na	na	4.25	5.32	2.99	1.07	1.06	0.96	0.87
P/BVPS Adj	na	na	na	-126.58	-2.79	-0.96	-1.06	-1.25	-1.44	-1.71
P/E Adj	na	na	na	-16.9	-5.8	-5.4	-17.7	15.3	9.6	9.0
EV/EBITDA Adj	na	na	na	-129.1	-19.6	-15.6	8.0	8.7	6.9	6.3
EV/EBITA Adj	na	na	na	-20.6	-9.7	-13.0	17.3	9.8	7.7	7.1
EV/EBIT Adj	na	na	na	-20.6	-9.7	-13.0	17.3	9.8	7.7	7.1
EV/cap. employed	na	na	na	4.3	2.8	2.0	1.1	1.0	1.0	0.9
Investment ratios	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Capex/sales	na	na	na	0	-65.4	848.7	3.1	7.1	1.4	1.4
Capex/depreciation	na	na	na	0	-138.4	3,588.3	17.7	219.2	42.9	42.9
Capex tangibles/tangible fixed assets	na	na	na	nm	nm	nm	0	0	0	0
Capex intangibles/definite intangibles	na	na	na	nm	nm	nm	nm	nm	nm	nm
Depreciation on intangibles/definite intan	na	na	na	nm	nm	nm	nm	nm	nm	nm
Depreciation on tangibles/tangibles	na	na	na	nm	nm	nm	0	0	0	0

Source: ABG Sundal Collier, Company data

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