G5 Entertainment

Reason: Post-results comment

Commissioned research

Not rated

IT

Cost cuts to support earnings growth in H2

- Cost savings to offset sales decline in 2026e...
- ...but we cut 2027e-2028e adj. EBIT by 3-6% on sales trajectory
- Trading at 4x NTM EV/adj. EBIT

Cost savings now offsetting the sales decline

Q2 showed that cost savings can offset the sales decline. Adj. EBIT was in line with us despite an 8% sales miss, due to opex reductions. With full effect of the savings in coming quarters, we expect margins to recover. The larger-than-expected sales drop was partly driven by temporary headwinds for Hidden City, where management hopes to see a recovery. Meanwhile, Sherlock continued to show softness despite efforts to stabilise it - as a result, management withdrew its ambition from Q1 to increase user acquisition costs to stabilise it in the near term. The 'Jewels of' series also remained soft, with sales -30% y-o-y. In accordance with what was said last quarter, G5 is therefore implementing another wave of cost cuts. With the new cost cuts reaching full effect in the coming quarters, we expect that it will better offset the sales decline and help improve margins (5% in Q3 and 9% in Q4 compared to ~0% in the last three quarters).

Estimate changes

Even though we lower sales by 7%/9%/10% for '26e-'28e on a larger sequential drop in Q2, larger cuts to the organisation combined with lower user acquisition costs because of management's communication around Sherlock means that adj. EBIT is less affected. 2026e is unchanged and 2027e cut by 3%. However, the effect of the weaker sales trajectory weighs a bit more on 2028e where we cut adj. EBIT by 6%.

Navigating troubled waters prudently

The sales trajectory is arguably the most important long-term factor supporting earnings and the valuation. However, shorter term and in this situation specifically, acting to restore margins combined with prudent capital allocation is key. We think the decision to downsize the organisation by a third whilst distributing all the FCF as dividends and buybacks this year is evidence of that.

Estimate changes (%)

	2026e	2027e	2028e
Sales	-7.1	-9.1	-10.1
EBIT	8.1	-2.7	-6.3
EPS	28.7	-0.8	-4.1

Source: ABG Sundal Collier

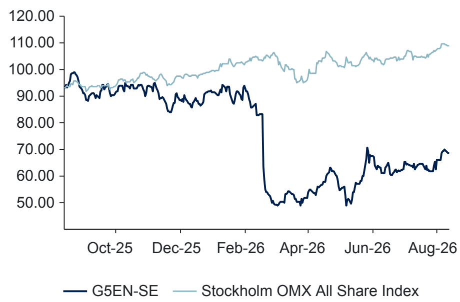
G5EN-SE/G5EN SS

Share price (SEK)	11/8/2026	68.80
Fair value range		50.0-120.0

MCap (SEKm)	577
MCap (EURm)	53
No. of shares (m)	8.4
Free float (%)	66.1
Av. daily volume (k)	143

Next event Q3 report 4 November 2026

Performance



Analyst: simon.jonsson@abgsc.se, +46 8 566 286 89

USDm	2024	2025	2026e	2027e	2028e
Sales	107	96	82	79	76
EBITDA	24	12	14	18	17
EBITDA margin (%)	22.3	12.9	16.5	22.5	22.8
EBIT adj.	10	6	3	7	7
EBIT adj. margin (%)	9.5	5.9	3.3	9.4	9.4
Pretax profit	12	3	5	8	8
EPS	1.44	0.39	0.54	0.97	0.94
EPS adj.	1.33	0.86	0.46	0.97	0.94
Sales growth (%)	-13.8	-10.8	-14.4	-4.1	-3.0
EPS growth (%)	-3.3	-73.2	39.9	78.4	-2.9

Source: ABG Sundal Collier, Company Data

	2026e	2027e	2028e
P/E (x)	13.4	7.5	7.7
P/E adj. (x)	15.6	7.5	7.7
P/BVPS (x)	1.10	1.00	0.93
EV/EBITDA (x)	2.2	1.4	1.1
EV/EBIT adj. (x)	11.1	3.3	2.8
EV/sales (x)	0.36	0.31	0.26
ROE adj. (%)	7.1	14.0	12.5
Dividend yield (%)	4.4	5.8	5.8
FCF yield (%)	4.9	14.4	14.0
Le. adj. FCF yld. (%)	4.8	14.2	13.9
Net IB debt/EBITDA (x)	-1.8	-1.7	-2.0
Le. adj. ND/EBITDA (x)	-1.9	-1.7	-2.0

Company description

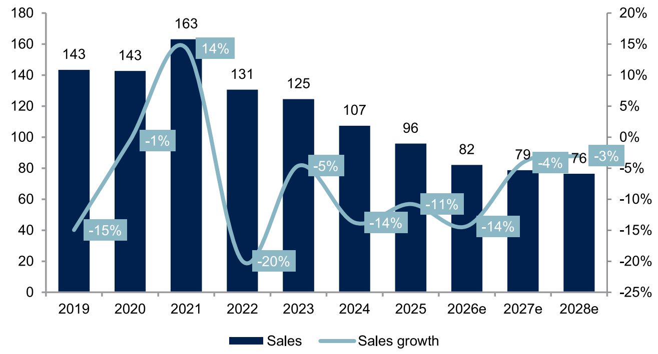
G5 Entertainment develops and publishes free-to-play games for smartphones and tablets. The games are family-friendly, easy to learn and target a wide audience of experienced and inexperienced players. Distribution is achieved digitally through the various app stores of Apple, Google, Amazon and Windows. In addition to its proprietary games, the company is also a publisher of games licensed by other developers, in which case a royalty is paid to the developer based on the game’s sales performance.

[Sustainability information]

Risks

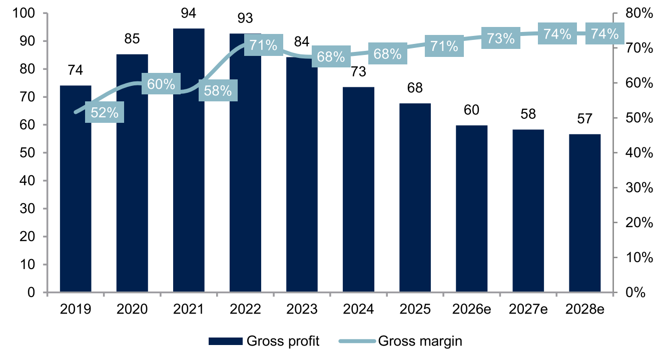
Despite the business model's stickiness, the company faces the risk that users may stop playing certain games. Risks hence arise if the main driver games, which generate most of G5's revenues, start to lose their momentum. The scenario hence requires other games to drive revenue or else a higher amount of UA costs will be necessary. Also, having its distribution through different app stores, G5 is dependent on both the relationship with the distributers as well as their standard terms and conditions.

Sales and sales growth (USDm)



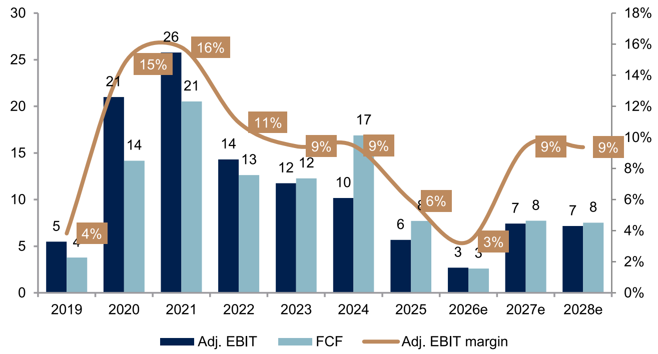
Source: ABG Sundal Collier, company data

Gross profit and gross margin (USDm)



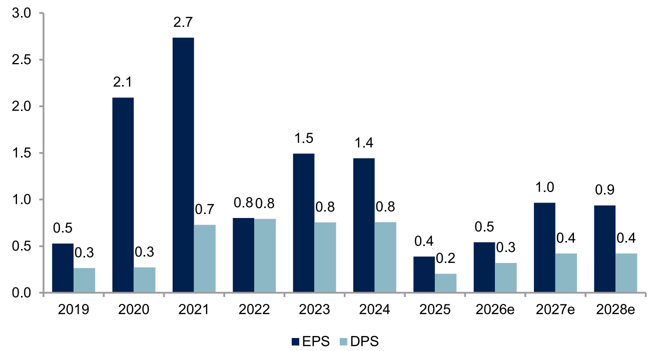
Source: ABG Sundal Collier, company data

Adj. EBIT, adj, EBIT margin and FCF (USDm)



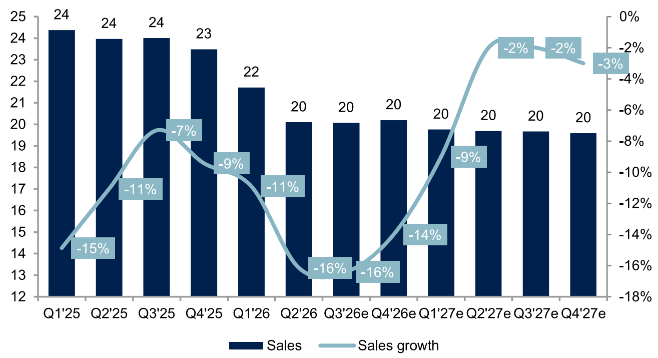
Source: ABG Sundal Collier, company data

EPS and DPS (USD)



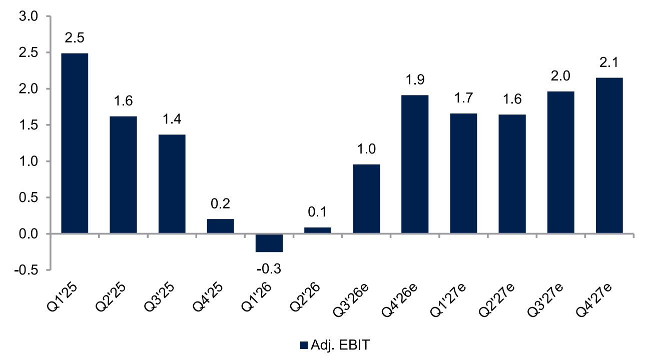
Source: ABG Sundal Collier, company data

Quarterly sales and sales growth



Source: ABG Sundal Collier, company data

Quarterly adj. EBIT



Source: ABG Sundal Collier, company data

ABGSC estimate changes

Estimate changes	Old			New			#			%		
USDm	2026e	2027e	2028e	2026e	2027e	2028e	2026e	2027e	2028e	2026e	2027e	2028e
Sales	88.4	86.6	84.9	82.1	78.7	76.4	-6.3	-7.9	-8.5	-7%	-9%	-10%
Cost of goods sold	-23.6	-22.0	-21.5	-22.3	-20.4	-19.7						
Gross profit	64.8	64.6	63.4	59.8	58.3	56.6	-5.0	-6.3	-6.8	-8%	-10%	-11%
User acquisition cost	-18.6	-18.0	-17.0	-16.2	-15.9	-15.3						
Opex	-43.6	-39.0	-38.8	-40.9	-35.0	-34.2						
Adj. EBIT	2.7	7.6	7.6	2.7	7.4	7.2	0.0	-0.2	-0.5	1%	-3%	-6%
IAC	1.1	0.0	0.0	0.7	0.0	0.0						
EBIT	3.8	7.6	7.6	3.4	7.4	7.2	-0.4	-0.2	-0.5	-12%	-3%	-6%
Net financials	0.6	0.6	0.7	1.3	0.6	0.7						
PTP	4.4	8.3	8.3	4.7	8.1	7.8	0.2	-0.2	-0.5	6%	-3%	-6%
Taxes	-0.6	-0.8	-0.8	-0.6	-0.8	-0.8						
Net profit	3.8	7.4	7.5	4.1	7.3	7.0	0.2	-0.2	-0.4	6%	-3%	-6%
EPS	0.5	1.0	1.0	0.5	1.0	0.9	0.0	0.0	0.0	8%	-1%	-4%
Growth and margins	2026e	2027e	2028e	2026e	2027e	2028e	2026e	2027e	2028e	2026e	2027e	2028e
Sales growth	-8%	-2%	-2%	-14%	-4%	-3%				-6.6%	-2.1%	-1.0%
Gross margin	73%	75%	75%	73%	74%	74%				-0.5%	-0.5%	-0.5%
Gross profit growth	-4%	0%	-2%	-12%	-2%	-3%						
UAC / sales	21%	21%	20%	20%	20%	20%						
Adj. EBIT growth	-53%	184%	0%	-52%	175%	-4%				0.3%	-9.4%	-3.7%
Adj. EBIT margin	3%	9%	9%	3%	9%	9%				0.3%	0.6%	0.4%
EBIT growth	68%	100%	0%	48%	120%	-4%				-19.7%	20.5%	-3.7%
EBIT margin	4%	9%	9%	4%	9%	9%				-0.2%	0.6%	0.4%
EPS growth	30%	94%	1%	40%	78%	-3%						

Source: ABG Sundal Collier, company data

Quarterly estimates

Quarterly																
USDm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26e	Q4'26e	Q1'27e	Q2'27e	Q3'27e	Q4'27e
Sales	28.6	26.9	25.9	25.9	24.4	24.0	24.0	23.5	21.7	20.1	20.1	20.2	19.8	19.7	19.7	19.6
Cost of goods sold	-9.1	-8.7	-8.1	-8.0	-7.4	-7.2	-6.9	-6.7	-5.9	-5.4	-5.5	-5.5	-5.1	-5.1	-5.1	-5.1
Gross profit	19.5	18.3	17.8	17.9	17.0	16.8	17.1	16.8	15.8	14.7	14.6	14.7	14.6	14.6	14.6	14.5
User acquisition cost	-4.8	-4.7	-4.9	-4.4	-3.7	-4.4	-5.0	-5.3	-4.2	-3.9	-4.0	-4.0	-4.1	-4.0	-3.9	-3.9
Other opex	-11.8	-11.2	-10.7	-10.8	-10.8	-10.8	-10.8	-11.3	-11.8	-10.7	-9.6	-8.8	-8.9	-8.9	-8.7	-8.5
Adj. EBIT	2.9	2.4	2.2	2.7	2.5	1.6	1.4	0.2	-0.3	0.1	1.0	1.9	1.7	1.6	2.0	2.1
IAC	0.9	-0.3	0.0	0.4	-1.5	-1.0	0.0	-0.8	1.1	-0.3	-0.2	0.0	0.0	0.0	0.0	0.0
EBIT	3.8	2.0	2.2	3.1	1.0	0.6	1.3	-0.6	0.9	-0.2	0.8	1.9	1.7	1.6	2.0	2.1
Net financials	0.2	0.2	0.2	0.2	0.2	0.2	0.2	-0.1	0.1	0.8	0.2	0.2	0.2	0.2	0.2	0.2
PTP	4.0	2.3	2.4	3.3	1.2	0.8	1.5	-0.7	1.0	0.6	1.0	2.1	1.8	1.8	2.1	2.3
Taxes	-0.4	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.5	-0.2	0.0	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2
Net profit	3.6	2.2	2.3	3.1	1.1	0.7	1.4	-0.2	0.8	0.6	0.9	1.9	1.6	1.6	1.9	2.1
EPS	0.46	0.28	0.30	0.40	0.14	0.09	0.18	-0.03	0.10	0.08	0.11	0.25	0.22	0.22	0.25	0.28
Growth and margins	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26e	Q4'26e	Q1'27e	Q2'27e	Q3'27e	Q4'27e
Sales growth	-14%	-14%	-14%	-13%	-15%	-11%	-7%	-9%	-11%	-16%	-16%	-14%	-9%	-2%	-2%	-3%
Gross margin	68%	68%	69%	69%	70%	70%	71%	72%	73%	73%	73%	73%	74%	74%	74%	74%
Gross profit growth	-13%	-14%	-13%	-11%	-13%	-8%	-4%	-6%	-7%	-12%	-15%	-13%	-7%	-1%	0%	-1%
UAC / sales	17%	17%	19%	17%	15%	18%	21%	23%	19%	19%	20%	20%	21%	21%	20%	20%
Adj. EBIT growth	-23%	-21%	-18%	17%	-13%	-31%	-39%	-93%	-110%	-95%	-30%	849%	-754%	1768%	105%	12%
Adj. EBIT margin	10%	9%	9%	10%	10%	7%	6%	1%	-1%	0%	5%	9%	8%	8%	10%	11%
EBIT growth	-1%	-45%	5%	214%	-74%	-71%	-39%	-121%	-12%	-138%	-39%	-398%	90%	-824%	144%	12%
EBIT margin	13%	8%	8%	12%	4%	2%	6%	-3%	4%	-1%	4%	9%	8%	8%	10%	11%
EPS growth	-18%	-40%	-16%	281%	-69%	-68%	-40%	-107%	-28%	-17%	-37%	-925%	110%	185%	122%	12%

Source: ABG Sundal Collier, company data

Breakdown of estimates

Detailed estimates																	
USDm	**Q1'25**	**Q2'25**	**Q3'25**	**Q4'25**	**Q1'26**	**Q2'26**	**Q3'26e**	**Q4'26e**	**Q1'27e**	**Q2'27e**	**Q3'27e**	**Q4'27e**	**2024**	**2025**	**2026e**	**2027e**	**2028e**
Sales	**24.4**	**24.0**	**24.0**	**23.5**	**21.7**	**20.1**	**20.1**	**20.2**	**19.8**	**19.7**	**19.7**	**19.6**	**107.4**	**95.8**	**82.1**	**78.7**	**76.4**
Cost of goods sold	-7.4	-7.2	-6.9	-6.7	-5.9	-5.4	-5.5	-5.5	-5.1	-5.1	-5.1	-5.1	-33.9	-28.1	-22.3	-20.4	-19.7
Gross profit	**17.0**	**16.8**	**17.1**	**16.8**	**15.8**	**14.7**	**14.6**	**14.7**	**14.6**	**14.6**	**14.6**	**14.5**	**73.5**	**67.7**	**59.8**	**58.3**	**56.6**
User acquisition cost	-3.7	-4.4	-5.0	-5.3	-4.2	-3.9	-4.0	-4.0	-4.1	-4.0	-3.9	-3.9	-18.8	-18.3	-16.2	-15.9	-15.3
Opex	-10.8	-10.8	-10.8	-11.3	-11.8	-10.7	-9.6	-8.8	-8.9	-8.9	-8.7	-8.5	-44.5	-43.7	-40.9	-35.0	-34.2
Adj. EBIT	**2.5**	**1.6**	**1.4**	**0.2**	**-0.3**	**0.1**	**1.0**	**1.9**	**1.7**	**1.6**	**2.0**	**2.1**	**10.2**	**5.7**	**2.7**	**7.4**	**7.2**
IAC	-1.5	-1.0	0.0	-0.8	1.1	-0.3	-0.2	0.0	0.0	0.0	0.0	0.0	0.9	-3.4	0.7	0.0	0.0
EBIT	**1.0**	**0.6**	**1.3**	**-0.6**	**0.9**	**-0.2**	**0.8**	**1.9**	**1.7**	**1.6**	**2.0**	**2.1**	**11.1**	**2.3**	**3.4**	**7.4**	**7.2**
Net financials	0.2	0.2	0.2	-0.1	0.1	0.8	0.2	0.2	0.2	0.2	0.2	0.2	0.9	0.5	1.3	0.6	0.7
PTP	**1.2**	**0.8**	**1.5**	**-0.7**	**1.0**	**0.6**	**1.0**	**2.1**	**1.8**	**1.8**	**2.1**	**2.3**	**11.9**	**2.8**	**4.7**	**8.1**	**7.8**
Taxes	-0.1	-0.1	-0.1	0.5	-0.2	0.0	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.7	0.2	-0.6	-0.8	-0.8
Net profit	**1.1**	**0.7**	**1.4**	**-0.2**	**0.8**	**0.6**	**0.9**	**1.9**	**1.6**	**1.6**	**1.9**	**2.1**	**11.3**	**3.0**	**4.1**	**7.3**	**7.0**
EPS	0.1	0.1	0.2	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	1.4	0.4	0.5	1.0	0.9
Growth and margins	**Q1'25**	**Q2'25**	**Q3'25**	**Q4'25**	**Q1'26**	**Q2'26**	**Q3'26e**	**Q4'26e**	**Q1'27e**	**Q2'27e**	**Q3'27e**	**Q4'27e**	**2024**	**2025**	**2026e**	**2027e**	**2028e**
Sales growth	-15%	-11%	-7%	-9%	-11%	-16%	-16%	-14%	-9%	-2%	-2%	-3%	-14%	-11%	-14%	-4%	-3%
Gross margin	70%	70%	71%	72%	73%	73%	73%	73%	74%	74%	74%	74%	68%	71%	73%	74%	74%
Gross profit growth	-13%	-8%	-4%	-6%	-7%	-12%	-15%	-13%	-7%	-1%	0%	-1%	-13%	-8%	-12%	-2%	-3%
UAC / sales	15%	18%	21%	23%	19%	19%	20%	20%	21%	21%	20%	20%	17%	19%	20%	20%	20%
Adj. EBIT growth	**-13%**	**-31%**	**-39%**	**-93%**	**-110%**	**-95%**	**-30%**	**849%**	**-754%**	**1768%**	**105%**	**12%**	**-13%**	**-44%**	**-52%**	**175%**	**-4%**
Adj. EBIT margin	**10%**	**7%**	**6%**	**1%**	**-1%**	**0%**	**5%**	**9%**	**8%**	**8%**	**10%**	**11%**	**9%**	**6%**	**3%**	**9%**	**9%**
EBIT growth	-74%	-71%	-39%	-121%	-12%	-138%	-39%	-398%	90%	-824%	144%	12%	5%	-79%	48%	120%	-4%
EBIT margin	4%	2%	6%	-3%	4%	-1%	4%	9%	8%	8%	10%	11%	10%	2%	4%	9%	9%
EPS growth	-69%	-68%	-40%	-107%	-28%	-17%	-37%	-925%	110%	185%	122%	12%	-3%	-73%	40%	78%	-3%

Source: ABG Sundal Collier, company data

Income Statement (USDm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Sales	-	-	-	-	125	107	96	82	79	76
COGS	-	-	-	-	-40	-34	-28	-22	-20	-20
Gross profit	0	0	0	0	84	73	68	60	58	57
Other operating items	0	0	0	0	-59	-50	-55	-46	-41	-39
EBITDA	**0**	**0**	**0**	**0**	**25**	**24**	**12**	**14**	**18**	**17**
Depreciation and amortisation	0	0	0	0	-15	-13	-10	-10	-10	-10
of which leasing depreciation	-	-	-	-	0	0	0	0	0	0
EBITA	**0**	**0**	**0**	**0**	**11**	**11**	**2**	**3**	**7**	**7**
EO Items	-	-	-	-	-1	1	-3	1	0	0
Impairment and PPA amortisation	0	0	0	0	0	-0	-0	0	0	0
EBIT	**-**	**-**	**-**	**-**	**11**	**11**	**2**	**3**	**7**	**7**
Net financial items	0	0	0	0	2	1	1	1	1	1
Pretax profit	**0**	**0**	**0**	**0**	**13**	**12**	**3**	**5**	**8**	**8**
Tax	-	-	-	-	-1	-1	0	-1	-1	-1
Net profit	**0**	**0**	**0**	**0**	**12**	**11**	**3**	**4**	**7**	**7**
Minority interest	-	-	-	-	0	0	0	0	0	0
Net profit discontinued	-	-	-	-	0	0	0	0	0	0
Net profit to shareholders	**0**	**0**	**0**	**0**	**12**	**11**	**3**	**4**	**7**	**7**
EPS	-	-	-	-	1.49	1.44	0.39	0.54	0.97	0.94
EPS adj.	-	-	-	-	1.63	1.33	0.86	0.46	0.97	0.94
Total extraordinary items after tax	0	0	0	0	-1	1	-4	1	0	0
Leasing payments	0	0	0	0	0	0	0	0	0	0
Tax rate (%)	--	--	--	--	*6.8*	*5.6*	*-6.9*	*12.4*	*10.0*	*10.0*
Gross margin (%)	--	--	--	--	*67.6*	*68.4*	*70.6*	*72.8*	*74.1*	*74.2*
EBITDA margin (%)	--	--	--	--	*20.4*	*22.3*	*12.9*	*16.5*	*22.5*	*22.8*
EBITA margin (%)	--	--	--	--	*8.5*	*10.5*	*2.5*	*4.1*	*9.4*	*9.4*
EBIT margin (%)	--	--	--	--	*8.5*	*10.3*	*2.4*	*4.1*	*9.4*	*9.4*
Pre-tax margin (%)	--	--	--	--	*10.4*	*11.1*	*2.9*	*5.7*	*10.2*	*10.2*
Net margin (%)	--	--	--	--	*9.7*	*10.5*	*3.1*	*5.0*	*9.2*	*9.2*
Growth Rates y-o-y	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sales growth (%)	--	--	--	--	--	*-13.8*	*-10.8*	*-14.4*	*-4.1*	*-3.0*
EBITDA growth (%)	--	--	--	--	--	*-5.7*	*-48.3*	*9.7*	*30.3*	*-1.5*
EBITA growth (%)	--	--	--	--	--	*6.5*	*-78.8*	*40.5*	*120.4*	*-3.5*
EBIT growth (%)	--	--	--	--	--	*4.6*	*-79.5*	*48.1*	*nm*	*-3.5*
Net profit growth (%)	--	--	--	--	--	*-6.7*	*-73.3*	*35.6*	*77.8*	*-2.9*
EPS growth (%)	--	--	--	--	--	*-3.3*	*-73.2*	*39.9*	*78.4*	*-2.9*
Profitability	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
ROE (%)	--	--	--	--	*49.4*	*22.7*	*6.0*	*8.2*	*14.0*	*12.5*
ROE adj. (%)	--	--	--	--	*53.8*	*21.0*	*13.3*	*7.1*	*14.0*	*12.5*
ROCE (%)	--	--	--	--	*53.6*	*24.1*	*6.1*	*9.4*	*15.6*	*14.0*
ROCE adj. (%)	--	--	--	--	*58.3*	*22.3*	*12.9*	*8.1*	*15.6*	*14.0*
ROIC (%)	--	--	--	--	*63.8*	*37.8*	*10.1*	*11.8*	*27.2*	*26.7*
ROIC adj. (%)	--	--	--	--	*70.7*	*34.1*	*23.9*	*9.4*	*27.2*	*26.7*
Adj. earnings numbers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
EBITDA adj.	0	0	0	0	27	23	16	13	18	17
EBITDA adj. margin (%)	--	--	--	--	*21.3*	*21.3*	*16.3*	*15.7*	*22.5*	*22.8*
EBITDA lease adj.	0	0	0	0	27	23	16	13	18	17
EBITDA lease adj. margin (%)	--	--	--	--	*21.3*	*21.3*	*16.3*	*15.7*	*22.5*	*22.8*
EBITA adj.	0	0	0	0	12	10	6	3	7	7
EBITA adj. margin (%)	--	--	--	--	*9.4*	*9.5*	*5.9*	*3.3*	*9.4*	*9.4*
EBIT adj.	0	0	0	0	12	10	6	3	7	7
EBIT adj. margin (%)	--	--	--	--	*9.4*	*9.5*	*5.9*	*3.3*	*9.4*	*9.4*
Pretax profit Adj.	0	0	0	0	14	11	6	4	8	8
Net profit Adj.	0	0	0	0	13	10	7	3	7	7
Net profit to shareholders adj.	0	0	0	0	13	10	7	3	7	7
Net adj. margin (%)	--	--	--	--	*10.6*	*9.7*	*6.9*	*4.3*	*9.2*	*9.2*

Source: ABG Sundal Collier, Company Data

Cash Flow (USDm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
EBITDA	0	0	0	0	25	24	12	14	18	17
Net financial items	0	0	0	0	2	1	1	1	1	1
Paid tax	0	0	0	0	-1	-1	0	-1	-1	-1
Non-cash items	0	0	0	0	0	0	6	-2	0	0
Cash flow before change in WC	0	0	0	0	27	25	19	12	18	17
Change in working capital	0	0	0	0	-4	2	-2	0	0	0

Cash Flow (USDm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Operating cash flow	**-**	**-**	**-**	**-**	**23**	**27**	**17**	**13**	**18**	**17**
Capex tangible fixed assets	-	-	-	-	0	0	0	0	0	0
Capex intangible fixed assets	-	-	-	-	-10	-10	-10	-10	-10	-10
Acquisitions and Disposals	0	0	0	0	0	0	0	0	0	0
Free cash flow	**0**	**0**	**0**	**0**	**12**	**17**	**8**	**3**	**8**	**8**
Dividend paid	-	-	-	-	-6	-6	-7	-2	-2	-3
Share issues and buybacks	0	0	0	0	-5	-1	-2	-1	0	0
Leasing liability amortisation	-	-	-	-	-0	-0	-0	-0	-0	-0
Other non-cash items	0	0	0	0	17	-3	-1	1	0	-0

Balance Sheet (USDm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Goodwill	-	-	-	-	0	0	0	0	0	0
Other intangible assets	0	0	0	0	22	19	19	19	19	18
Tangible fixed assets	-	-	-	-	1	1	1	1	1	0
Right-of-use asset	-	-	-	-	0	0	0	0	0	0
Total other fixed assets	0	0	0	0	3	3	3	3	3	3
Fixed assets	0	0	0	0	27	24	23	22	22	22
Inventories	-	-	-	-	0	0	0	0	0	0
Receivables	-	-	-	-	3	2	2	2	2	2
Other current assets	-	-	-	-	13	10	10	9	9	8
Cash and liquid assets	-	-	-	-	18	25	24	25	30	34
Total assets	**0**	**0**	**0**	**0**	**61**	**60**	**59**	**58**	**62**	**66**
Shareholders equity	0	0	0	0	49	50	50	49	54	58
Minority	-	-	-	-	-	-	-	-	-	-
Total equity	**0**	**0**	**0**	**0**	**49**	**50**	**50**	**49**	**54**	**58**
Long-term debt	-	-	-	-	0	0	0	0	0	0
Pension debt	-	-	-	-	0	0	0	0	0	0
Convertible debt	-	-	-	-	0	0	0	0	0	0
Leasing liability	0	0	0	0	0	0	0	0	0	0
Total other long-term liabilities	0	0	0	0	0	0	1	1	1	1
Short-term debt	-	-	-	-	0	0	0	0	0	0
Accounts payable	-	-	-	-	4	4	4	3	3	3
Other current liabilities	0	0	0	0	7	6	5	4	4	4
Total liabilities and equity	**0**	**0**	**0**	**0**	**61**	**60**	**59**	**58**	**62**	**66**
Net IB debt	0	0	0	0	-18	-25	-24	-25	-30	-34
Net IB debt excl. pension debt	0	0	0	0	-18	-25	-24	-25	-30	-34
Net IB debt excl. leasing	0	0	0	0	-18	-25	-24	-25	-30	-34
Capital employed	0	0	0	0	49	50	50	50	54	58
Capital invested	0	0	0	0	31	25	25	25	24	24
Working capital	0	0	0	0	4	2	4	3	3	3
EV breakdown	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Market cap. diluted (m)	0	0	0	0	58	57	56	55	54	54
Net IB debt adj.	0	0	0	0	-18	-25	-24	-25	-30	-34
Market value of minority	0	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	-	-	-	-	-	-	-	-	-	-
EV	**0**	**0**	**0**	**0**	**40**	**32**	**32**	**30**	**24**	**20**
Total assets turnover (%)	--	--	--	--	410.0	177.2	160.4	140.5	131.0	118.9
Working capital/sales (%)	--	--	--	--	1.8	3.0	2.9	4.2	4.2	4.3
Financial risk and debt service	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net debt/equity (%)	--	--	--	--	-36.7	-49.4	-48.9	-49.8	-55.2	-59.0
Net debt / market cap (%)	--	--	--	--	-30.8	-43.9	-43.2	-45.1	-55.1	-63.2
Equity ratio (%)	--	--	--	--	80.5	83.1	84.0	85.5	87.0	88.1
Net IB debt adj. / equity (%)	--	--	--	--	-36.7	-49.4	-48.9	-49.8	-55.2	-59.0
Current ratio	--	--	--	--	3.00	3.73	4.35	4.86	5.77	6.55
EBITDA/net interest	--	--	--	--	10.6	27.5	22.9	10.5	27.6	26.0
Net IB debt/EBITDA (x)	--	--	--	--	-0.7	-1.0	-2.0	-1.8	-1.7	-2.0
Net IB debt/EBITDA lease adj. (x)	--	--	--	--	-0.7	-1.1	-1.6	-1.9	-1.7	-2.0
Interest coverage	--	--	--	--	72.6	366.1	13.2	162.2	202.4	196.6

Source: ABG Sundal Collier, Company Data

Share Data (USDm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Actual shares outstanding	-	-	-	-	8	8	8	8	8	8
Actual shares outstanding (avg)	0	0	0	0	8	8	8	8	8	8

Share Data (USDm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
All additional shares	0	0	0	0	0	0	0	0	0	0
Issue month	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assumed dil. of shares from conv.	0	0	0	0	0	0	0	0	0	0
As. dil. of shares from conv. (avg)	0	0	0	0	0	0	0	0	0	0
Conv. debt not assumed as equity	0	0	0	0	0	0	0	0	0	0
No. of warrants	0	0	0	0	0	0	0	0	0	0
Market value per warrant	0	0	0	0	0	0	0	0	0	0
Dilution from warrants	0	0	0	0	0	0	0	0	0	0
Issue factor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual dividend per share	-	-	-	-	0.75	0.76	0.20	0.32	0.42	0.42
Reported earnings per share	-	-	-	-	-	-	-	-	-	-

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (USDm)	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
Shares outstanding adj.	0	0	0	0	8	8	8	8	8	8
Diluted shares adj.	0	0	0	0	8	8	8	8	8	8
EPS	-	-	-	-	1.49	1.44	0.39	0.54	0.97	0.94
Dividend per share	-	-	-	-	0.75	0.76	0.20	0.32	0.42	0.42
EPS adj.	-	-	-	-	1.63	1.33	0.86	0.46	0.97	0.94
BVPS	-	-	-	-	6.07	6.43	6.39	6.55	7.23	7.74
BVPS adj.	-	-	-	-	3.31	3.96	3.92	4.04	4.75	5.32
Net IB debt/share	-	-	-	-	-2.23	-3.18	-3.12	-3.27	-3.99	-4.57
Share price	68.80	68.80	68.80	68.80	68.80	68.80	68.80	68.80	68.80	68.80
Market cap. (m)	0	0	0	0	58	57	56	55	54	54
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	--	--	--	--	4.9	5.0	18.7	13.4	7.5	7.7
EV/sales (x)	--	--	--	--	0.3	0.3	0.3	0.4	0.3	0.3
EV/EBITDA (x)	--	--	--	--	1.6	1.3	2.6	2.2	1.4	1.1
EV/EBITA (x)	--	--	--	--	3.8	2.8	13.3	8.9	3.3	2.8
EV/EBIT (x)	--	--	--	--	3.8	2.9	14.1	8.9	3.3	2.8
Dividend yield (%)	0.0	0.0	0.0	0.0	10.4	10.5	2.8	4.4	5.8	5.8
FCF yield (%)	0.0	0.0	0.0	0.0	21.2	30.1	13.9	4.9	14.4	14.0
Le. adj. FCF yld. (%)	0.0	0.0	0.0	0.0	21.0	29.9	13.7	4.8	14.2	13.9
P/BVPS (x)	--	--	--	--	1.19	1.12	1.13	1.10	1.00	0.93
P/BVPS adj. (x)	7.23	7.23	7.23	7.23	2.18	1.83	1.84	1.79	1.52	1.36
P/E adj. (x)	--	--	--	--	4.4	5.4	8.5	15.6	7.5	7.7
EV/EBITDA adj. (x)	--	--	--	--	1.5	1.4	2.0	2.3	1.4	1.1
EV/EBITA adj. (x)	--	--	--	--	3.4	3.1	5.6	11.1	3.3	2.8
EV/EBIT adj. (x)	--	--	--	--	3.4	3.1	5.6	11.1	3.3	2.8
EV/CE (x)	--	--	--	--	0.8	0.6	0.6	0.6	0.4	0.3
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	--	--	--	--	8.3	9.3	10.0	12.0	12.4	12.7
Capex/depreciation	--	--	--	--	0.7	0.8	1.0	1.0	0.9	0.9
Capex tangibles / tangible fixed assets	--	--	--	--	0.0	0.0	0.0	0.0	0.0	0.0
Capex intangibles / definite intangibles	--	--	--	--	46.8	51.5	50.2	52.0	52.3	53.3
Depreciation on intang / def. intang	--	--	--	--	63.7	63.7	50.8	52.2	53.5	54.7
Depreciation on tangibles / tangibles	--	--	--	--	48.7	42.8	34.0	46.2	53.0	61.3

Source: ABG Sundal Collier, Company Data

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Norway
Ruseløkkveien 26, 8th floor
0251 Oslo
Norway
Tel: +47 22 01 60 00

Sweden
Regeringsgatan 25, 8th floor
111 53 Stockholm
Sweden
Tel: +46 8 566 286 00

USA
ABG Sundal Collier Inc
112 West 34th Street
Suite 18027
New York, NY 10120
USA
Tel. +1 212 605 3822

Germany
Schillerstrasse 2, 5. OG
60313 Frankfurt
Germany
Tel +49 69 96 86 96 0

Denmark
ABG Sundal Collier ASA
Copenhagen Branch
Göteborgs Plads 1
8th floor
2150 Copenhagen
Denmark
Tel: + 45 3546 3000

United Kingdom
5th Floor
Queen's House
65 St James's Street
London, SW1A 1NF
Tel: +44 (0) 20 7905 5600

Singapore
10 Collyer Quay
Ocean Financial Center
#40-07, Singapore 049315
Tel +65 6808 6082

Switzerland
ABG Sundal Collier AG
Representative Office
Schwanenplatz 4
6004 Lucerne
Switzerland
Tel +41 79 502 33 39