

Xplora Technologies

Grandma clicks, the revenue sticks

- Strong early data point with 25% conversion rate for Doro in D2C
- ... we lift conversion rate to 12% (8%), raising '28e EBITDA +17%
- EV/EBIT of 19x in '25e, but drops to 6.8x in '28e

Solid Q3 with good gross margin

Xplora delivered a solid Q3 report with revenue of NOK 510m (-4% vs ABGSCe) and adj. EBITDA of NOK 76m, 2% above ABGSCe of NOK 75m. The gross margin was particularly strong at 51.6% vs. ABGSCe at 47.5%, driven by new products with lower COGS. But the most interesting news in the report, in our view, was Xplora stating that the subscriber conversion rate for Doro now has increased to 25% in Nordic D2C channels, up from 13% in Q2. This is a very positive data point indicating that Xplora is on track to achieve a solid overall conversion rate.

Higher conversion rate drives higher estimates for '27e-'28e

With ~1.2m Doro phones sold annually, converting Doro customers to recurring subscribers is the key value driver for Xplora. Doro Connect should be live on the web in all markets by end Q1'26 and retail roll-out will follow from H1'16 onwards. In terms of estimate changes, we have increased the amount that we expect Xplora to spend on customer acquisition costs (CAC) in the senior segment (product discounting and kickback to retailers). We calculate a very high LTV/CAC on these investments, which means that these are very beneficial for long-term shareholder value creation. Combined with a strong initial conversion rate, this leads us to lift our expectation for the Doro conversion rate from 8% to 12%. We also lift the gross margin from 50% to 52%. This reduces '26e EBITDA by 3%, but increases '27e by 4% and '28e by 17%.

Fair value range of NOK 40-71/share

On our estimates, Xplora is now trading at 19.4x EV/EBIT in '25e, which drops to 6.8x in '28e. Our DCF scenarios point to NOK 40-71/share.

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NOKm	2023	2024	2025e	2026e	2027e
Sales	689	813	1,851	1,945	2,242
EBITDA	34	72	220	240	321
EBITDA margin (%)	4.9	8.8	11.9	12.3	14.3
EBIT adj.	-23	12	147	171	252
EBIT adj. margin (%)	-3.3	1.5	8.0	8.8	11.2
Pretax profit	-30	-2	-20	86	168
EPS	-0.48	-0.13	-1.16	1.37	2.65
EPS adj.	0.44	0.72	-1.06	1.37	2.65
Sales growth (%)	37.3	18.0	127.6	5.1	15.2

Source: ABG Sundal Collier, Company Data

Reason: Post-results comment

Commissioned research

Not rated

IT

Estimate changes (%)

	2025e	2026e	2027e
Sales	-1.3	-3.1	-1.0
EBIT	-3.6	-11.7	-1.1
EPS	7.9	-23.2	-4.1

Source: ABG Sundal Collier

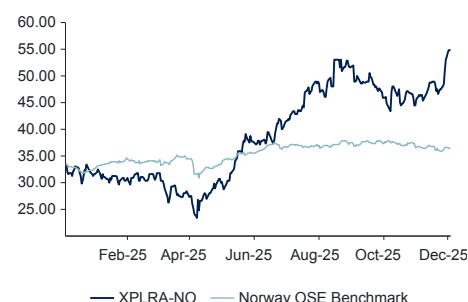
XPLRA-NO/XPLRA NO

Share price (NOK)	2/12/2025	54.80
Fair value range		40.0-71.0

MCap (NOKm)	2,458
MCap (EURm)	209
No. of shares (m)	44.9
Free float (%)	44.0
Av. daily volume (k)	82

Next event Q4 Report 27 February 2026

Performance



	2025e	2026e	2027e
P/E (x)	nm	40.0	20.7
P/E adj. (x)	nm	40.0	20.7
P/BVPS (x)	7.01	6.71	5.55
EV/EBITDA (x)	13.0	11.9	8.6
EV/EBIT adj. (x)	19.4	16.7	11.0
EV/sales (x)	1.54	1.46	1.23
ROE adj. (%)	-13.2	15.2	22.9
Dividend yield (%)	0.0	0.0	0.0
FCF yield (%)	-22.3	0.5	3.5
Le. adj. FCF yld. (%)	-22.3	0.5	3.5
Net IB debt/EBITDA (x)	2.1	1.9	1.1
Le. adj. ND/EBITDA (x)	1.9	1.7	1.0

Disclosures and analyst certifications are located on pages 18-19 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

Xplora is a leading provider of kids' smartwatches and sold 457k watches in 2023. The watches enable parents to contact and track their children and are restricted to only showing child-friendly content. The company bundles their smartwatches with mobile subscriptions and premium services, ensuring recurring service revenues in addition to device sales. As of Q3'24 it had 326k subscriptions, and the service segment accounted for 58% of total LTM gross profit in Q2'24. It has established itself as the leading kid's smartwatch player in Europe, with 20% market penetration in Norway and 8% in the Nordics overall. The company will also start to offer senior watches and youth smartphones, with expected product launches in Q4'24 and H2'25, respectively.

[Sustainability information](#)

Risks

The global market has numerous international competitors. With low barriers to entry, there are few hindrances that shield Xplora's product proposition from being replicated. This could lead to loss in market share, reduced revenues, pressure on margins, loss of personnel, etc. User preferences change over time, and there is a risk that Xplora will not be able to adapt its offering to meet changing preferences. Xplora is constantly seeking to develop new products, and R&D failures may occur. The company's subscription churn is 30-40% annually. If Xplora fails to replace the loss in customers, stability in revenue flow would decrease. Xplora has a large digital platform and could thus be subject to hacking, which could damage the company's reputation.

Q3: Doro conversion rate now 25%

Adj. EBITDA NOK 76m, 2% above ABGSCe

Revenue was NOK 510m, 4% below ABGSCe of NOK 533m. The gross margin was 51.6% vs. ABGSCe of 47.5%. Opex was NOK 191m, 7% higher than ABGSCe of NOK 178m. There was a NOK 4.6m one-off relating to change of CEO in Doro; adjusted for this, opex was 187m. This gave an adj. EBITDA of NOK 76m, 2% above ABGSCe of NOK 75m, corresponding to an EBITDA margin of 14.1% vs. 11.8% in Q3'24. Capex was NOK 13m (ABGSCe NOK 15m), resulting in adj. EBITDA-capex of NOK 64m, 6% above ABGSCe of NOK 60m.

Lower device sales and ARPU

Total device revenue was NOK 420m, 3% below ABGSCe of NOK 435m. Kids & Youth device sales of NOK 158m was 10% below ABGSCe, and Senior device sales (Doro) of NOK 263m was 1% above ABGSCe. Service revenue was NOK 90m, 8% below ABGSCe of NOK 98m, corresponding to growth of 20% y-o-y. The number of Kids subscriptions ended at 443k as pre-announced, of which 291k were Connectivity (ABGSCe 294k), 104k were Premium (ABGSCe 105k), 35k were B2B (ABGSCe 31k), and 12k were Service fee (ABGSCe 12k). This gave a monthly ARPU of NOK 72 vs. ABGSCe of NOK 78, which compares to NOK 83 in Q3'24.

Cons. to lower estimates, but high Doro conversion rate is positive

Xplora now reports that the subscriber conversion rate for Doro has increased to 25% across Nordic direct-to-consumer (D2C) channels. This compares to 13% in Q2. This is very positive, as converting Doro phone sales into subscriptions is crucial for Xplora's future success. Xplora also says that it has signed up 900 retail stores to sell Doro phones with subscriptions, with the rollout starting in Q1–Q2 2026.

Deviation table

Xplora Technologies NOKm	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q3'25e	ABGSC Dev %	Dev Δ
Revenue	257	243	339	463	510	533	-4%	-23
COGS	-132	-127	-148	-232	-247	-280	-12%	33
Gross profit	125	116	191	231	263	253	4%	10
Gross margin	48.6%	47.7%	56.3%	50.0%	51.6%	47.5%	4.1pp	
Opex	-95	-93	-173	-178	-187	-178	5%	-9
Adj. EBITDA	30	23	18	53	76	75	2%	1
EBITDA margin	11.8%	9.4%	5.2%	11.4%	15.0%	14.1%	0.9pp	
D&A	-15	-15	-24	-13	-22	-13	67%	-9
EBIT	15	8	-7	39	54	62	-13%	-8
EBIT margin	5.9%	3.2%	-2.0%	8.5%	10.6%	11.6%	-1.0pp	
Key figures								
Capex	-7	-5	-16	-15	-13	-15	-16%	2
EBITDA-capex	23	18	1	38	64	60	6%	4
Sale of devices								
Kids & Youth device revenue	182	166	30	134	158	175	-10%	-18
Senior device revenue				247	263	259	1%	3
Total device revenue	182	166	259	381	420	435	-3%	-14
Sale of services								
Connectivity	243	258	255	271	291	294	-1%	-3
Premium	60	75	77	89	104	105	-1%	-1
Revenue share (B2B)	19	20	20	25	35	31	14%	4
Service fee	4	5	6	8	12	12	0%	0
Total Kids subscriptions ('000)	326	358	358	393	443	442	0%	1
ARPU (NOK/month)	83	75	74	72	72	78	-8%	-6
Service revenue	75	77	80	82	90	98	-8%	-8
Growth y-o-y	36%	28%	27%	25%	20%	30%	-11pp	

Source: ABG Sundal Collier, company data

Building a Doro subscription business

Today, Doro is a pure hardware company that (mostly) sells senior phones, generating no recurring subscription revenue. However, for a consumer electronics company, its gross margin of 45–50% is quite good. Xplora's rationale for acquiring Doro is to replicate the success it has had in building a substantial recurring subscription revenue base related to its sale of children's smartwatches. Xplora now aims to do the same with Doro. A SIM card will be pre-installed in all Doro phones sold outside the telco channel, and Xplora will offer customers who buy a Doro phone the chance to opt for a moderately priced subscription plan with Doro instead of going through a traditional telco. Xplora has stated that it will start pre-installing SIM cards in Doro phones in selected markets in Q2/Q3. Doro subscriptions were successfully launched in Sweden in June, and the company plans to expand to the rest of the Nordics in Q3, followed by the UK, France and Germany in Q4.

We estimate that Xplora's conversion rate for its kids' smartwatches business is 26% (gross new subscriptions per watches sold). Given that elderly people (as opposed to children) already have an existing phone subscription, we think the conversion rate for Doro is likely to be lower. However, there are arguments both for and against a high conversion rate. On the one hand, most seniors already have a subscription with a telco, and it may be convenient to simply keep that plan when buying a new phone. Additionally, seniors tend to be among the most loyal telecoms customers and many have been loyal to their country's incumbent operator (e.g. Telenor in Norway and Telia in Sweden) all their lives. On the other hand, it is not necessarily the seniors themselves who purchase the phones and choose the subscription plan. Often, it is a child or grandchild who buys the phone on behalf of their parent or grandparent. This person may be more willing to choose a new subscription plan if the price is low and/or if the plan comes with a discount on the phone itself. Additionally, the subscriptions will be modestly priced and should be very competitive compared to those of most other telcos in most markets. Our calculations show that a conversion rate of just 5–10% would be sufficient to drive strong double-digit earnings growth. We model a conversion rate of 12% from 2027 (with a gradual ramp-up until then).

Our key assumptions and estimates for Doro are summarised in the following table:

Key estimates - Doro

Key estimates - Doro	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25e	2021	2022	2023	2024	2025e	2026e	2027e	2028e
NOKm																
Units sold ('000)					232	246	326	339					1,143	1,140	1,140	1,140
ASP (NOK/watch)					850	890	805	804					834	803	802	818
Device revenue					229	248	265	273					1,015	915	914	933
Conversion rate					0%	0%	0%	2%					1%	5%	12%	12%
Churn					0%	0%	0%	0%					0%	-10%	-20%	-20%
Gross new adds					0	0	0	8					8	57	137	137
Churn					0	0	0	0					0	-3	-21	-42
Net new adds					0	0	0	8					8	54	116	95
# of subscribers					0	0	0	8					8	62	178	273
ARPU (NOK/month)					0	160	160	159					40	157	154	151
Subscription revenue					0	0	0	4					4	55	218	404
Total revenue	197	208	224	269	229	248	265	277			969	898	1,019	970	1,133	1,337
Gross margin	42%	45%	50%	46%	53%	46%	51%	52%			40%	46%	51%	51%	52%	54%
Gross profit	83	93	112	125	122	115	136	143			388	413	516	495	591	721
# of FTE's	115	112	108	108	108	108	108	108			115	108	108	108	108	108
Cost/FTE	-0.6	-0.6	-0.7	-0.7	-1.0	-0.9	-0.9	-0.8			-2.3	-2.7	-3.5	-3.7	-3.8	-3.9
Personell expenses	-27	-28	-27	-28	-40	-38	-37	-30			-102	-110	-145	-149	-154	-158
Other opex	-44	-45	-44	-46	-65	-61	-60	-52			-166	-179	-238	-248	-255	-263
EBITDA	12	21	42	50	17	16	40	60			120	124	133	98	183	300
EBITDA margin	6%	10%	19%	19%	7%	7%	15%	22%			12%	14%	13%	10%	16%	22%
D&A	-9	-8	-10	-9	-12	-6	-6	-6			-52	-36	-31	-25	-25	-25
EBIT	3	13	31	42	5	10	34	54			68	88	102	74	158	276
Tax	-1	-3	-7	-9	-1	-2	-7	-12			-15	-19	-23	-16	-35	-61
Net profit	2	10	24	32	4	8	26	42			53	69	80	58	123	215
Minority share					10.4%	10.4%	10.4%	10.4%					10.4%	10.4%	10.4%	10.4%
Net profit to minority shareholders					0	1	3	4					8	6	13	22

Source: ABG Sundal Collier, company data

Estimate changes

We make a few estimate changes. We increase the amount that we expect Xplora to spend on customer acquisition costs (CAC) in the senior segment (product discounting and kickback to retailers). We calculate a very high LTV/CAC on these investments which means that these are very beneficial for long-term shareholder value creation. Combined with a strong initial conversion rate leads us to lift our expectation for the Doro conversion rate from 8% to 12%. We also lift the gross margin from 50% to 52%. This reduces '26e EBITDA by 3%, but increases '27e by 4% and '28e by 17%.

Estimate changes

P&L NOKm	2025e			2026e			2027e		
	Old	New	Chg	Old	New	Chg.	Old	New	Chg.
Device revenue	1,516	1,498	-1%	1,526	1,479	-3%	1,600	1,566	-2%
Service revenue	361	353	-2%	482	466	-3%	665	676	2%
Total revenue	1,877	1,851	-1%	2,007	1,945	-3%	2,265	2,242	-1%
COGS	-942	-889	-6%	-1,010	-930	-8%	-1,137	-1,071	-6%
Gross profit	935	963	3%	997	1,015	2%	1,128	1,171	4%
Personnel expenses	-288	-296	3%	-316	-324	2%	-349	-356	2%
Other opex	-430	-446	4%	-434	-452	4%	-471	-493	5%
EBITDA	217	220	1%	247	240	-3%	308	321	4%
Ordinary D&A	-60	-68	14%	-53	-69	30%	-53	-69	30%
EBITA	157	152	-3%	193	171	-12%	255	252	-1%
M&A amortisations	-5	-5	0%	0	0	n.a.	0	0	n.a.
EBIT	153	147	-4%	193	171	-12%	255	252	-1%
Net financials	-179	-167	-7%	-82	-85	3%	-81	-84	4%
Pre-tax profit	-26	-20	-25%	111	86	-22%	174	168	-4%
Taxes	-22	-23	8%	-24	-19	-22%	-38	-37	-4%
Net profit	-56	-52	-8%	80	61	-23%	123	118	-4%
EPS	-1.26	-1.16	-8%	1.78	1.37	-23%	2.76	2.65	-4%

Key figures NOKm	2025e			2026e			2027e		
	Old	New	Chg	Old	New	Chg.	Old	New	Chg.
Device revenue	1,516	1,498	-1%	1,526	1,479	-3%	1,600	1,566	-2%
<i>Growth y-o-y</i>	<i>185%</i>	<i>181%</i>	<i>-3.2pp</i>	<i>1%</i>	<i>-1%</i>	<i>-1.9pp</i>	<i>5%</i>	<i>6%</i>	<i>1.0pp</i>
Subscriptions ('000)	478	477	0%	588	590	0%	724	770	6%
ARPU (NOK/month)	75	73	-2%	78	75	-4%	87	85	-2%
Service revenue	361	353	-2%	482	466	-3%	665	676	2%
<i>Growth y-o-y</i>	<i>29%</i>	<i>26%</i>	<i>-2.9pp</i>	<i>33%</i>	<i>32%</i>	<i>-1.4pp</i>	<i>38%</i>	<i>45%</i>	<i>6.9pp</i>
<i>Revenue growth y-o-y</i>	<i>131%</i>	<i>128%</i>	<i>-3.1pp</i>	<i>7%</i>	<i>5%</i>	<i>-1.9pp</i>	<i>13%</i>	<i>15%</i>	<i>2.4pp</i>
Gross margin	50%	52%	2.2pp	50%	52%	2.5pp	50%	52%	2.4pp
EBITDA margin	11.6%	11.9%	0.3pp	12.3%	12.3%	0.0pp	13.6%	14.3%	0.7pp
EBITA margin	8%	8%	-0.2pp	10%	9%	-0.9pp	11%	11%	0.0pp

Source: ABG Sundal Collier

Estimates

Profit and loss estimates

Profit and loss NOKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25e	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Device revenue	56	129	182	166	259	381	420	438	340	347	479	533	1,498	1,479	1,566	1,752
Recurring service revenues	63	66	75	77	80	82	90	102	92	155	210	281	353	466	676	928
Revenues	119	195	257	243	339	463	510	540	431	502	689	813	1,851	1,945	2,242	2,680
Revenue growth (y-o-y)	24%	2%	35%	15%	185%	138%	98%	122%	115%	16%	37%	18%	128%	5%	15%	20%
Cost of goods sold	-50	-98	-132	-127	-148	-232	-247	-262	-235	-268	-357	-408	-889	-930	-1,071	-1,283
Gross Profit	69	96	125	116	191	231	263	278	196	234	332	406	963	1,015	1,171	1,397
Gross Margin	58%	49%	49%	48%	56%	50%	52%	51%	45%	47%	48%	50%	52%	52%	52%	52%
Personell expenses	-27	-31	-38	-32	-67	-74	-78	-77	-72	-86	-113	-128	-296	-324	-356	-398
Other opex	-40	-48	-56	-61	-106	-104	-114	-123	-104	-185	-185	-206	-446	-452	-493	-547
EBITDA	2	17	30	23	18	53	72	78	19	-37	34	72	220	240	321	452
EBITDA margin	1%	9%	12%	9%	5%	11%	14%	14%	4%	-7%	5%	9%	12%	12%	14%	17%
Ordinary D&A	-5	-5	-6	-6	-20	-13	-18	-17	-6	-10	-16	-22	-68	-69	-69	-69
EBITA	-4	12	25	17	-2	39	54	61	13	-46	17	50	152	171	252	382
EBITA margin	-3%	6%	10%	7%	-1%	9%	11%	11%	3%	-9%	3%	6%	8%	9%	11%	14%
PPA/Goodwill amortizations	-9	-9	-9	-9	-5	0	0	0	-28	-41	-40	-38	-5	0	0	0
EBIT	-13	2	15	8	-7	39	54	61	-15	-88	-23	12	147	171	252	382
EBIT Margin	-11%	1%	6%	3%	-2%	9%	11%	11%	-3%	-17%	-3%	1%	8%	9%	11%	14%
Net Financial Items	-4	-4	-2	-5	-77	-61	-8	-21	0	0	-7	-15	-167	-85	-84	-83
Pre-tax profit	-17	-2	13	3	-83	-21	46	39	-14	-88	-30	-2	-20	86	168	299
Tax	0	0	0	-4	0	-4	-10	-9	0	11	8	-4	-23	-19	-37	-66
Minorities	0	0	0	0	-1	-1	-2	-4	0	0	0	0	-9	-6	-13	-22
Net profit to shareholders	-17	-2	13	0	-85	-26	33	26	-14	-77	-21	-6	-52	61	118	211
EPS reported									-0.36	-1.86	-0.50	-0.13	-1.16	1.37	2.65	4.73
EPS (fully diluted)									-0.36	-1.86	-0.50	-0.13	-1.16	1.37	2.65	4.73
EPS adj for PPA amortizations									0.34	-0.87	0.44	0.72	-1.06	1.37	2.65	4.73

Source: ABG Sundal Collier, company data

Balance sheet estimates

Balance sheet NOKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25e	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Intangible assets	207	197	189	179	819	832	829	826	249	237	218	179	826	816	807	801
Tangible assets	1	1	1	1	26	23	25	25	1	2	1	1	25	25	25	25
Other long-term receivables	5	5	5	6	35	31	27	19	0	4	7	6	19	9	8	8
Non-current assets	214	204	196	185	926	933	930	919	250	243	226	185	919	898	889	883
Inventory	105	104	80	81	242	321	361	324	82	96	108	81	324	366	404	441
Receivables	109	103	106	77	222	282	321	284	104	118	75	77	284	326	364	401
Cash	120	126	177	235	545	530	426	544	140	50	137	235	544	555	642	806
Current assets	333	333	363	393	1,009	1,133	1,108	1,151	326	265	321	393	1,151	1,248	1,409	1,649
Total assets	547	537	558	578	1,935	2,066	2,038	2,070	577	508	547	578	2,070	2,146	2,298	2,531
Equity	328	327	346	349	366	348	380	364	401	351	338	349	364	440	592	826
Long-term debt	103	79	66	90	982	1,037	957	957	30	38	70	90	957	957	957	957
Other non-current liabilities	0	0	0	0	104	106	103	103	0	0	0	0	103	103	103	103
Trade payables	54	63	65	49	0	0	0	0	36	41	47	49	0	0	0	0
Other current liabilities	62	67	82	90	483	574	598	598	110	78	92	90	598	598	598	598
Total equity and liabilities	547	537	558	578	1,935	2,066	2,038	2,070	577	508	547	578	2,070	2,146	2,298	2,531
Net debt (NOKm)	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25e	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Interest bearing debt	103	79	66	90	982	1,037	957	957	30	38	70	90	957	957	957	957
Cash	120	126	177	235	545	530	426	544	140	50	137	235	544	555	642	806
Net debt (net cash)	-16	-47	-111	-146	438	507	531	413	-110	-12	-68	-146	413	401	315	151

Source: ABG Sundal Collier, company data

Cash flow estimates

Cash flow NOKm	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25e	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Result before taxes	-17	-2	13	3	-83	-21	46	39	-18	-93	-25	-2	-20	86	168	299
Paid tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-15	-66
D&A	15	15	15	15	24	13	18	17	35	51	57	60	73	69	69	69
Other	0	0	0	0	0	50	5	0	0	0	0	0	55	0	0	0
Change in Working Capital	-45	22	42	21	-16	-43	-70	74	-45	-15	30	41	-55	-85	-75	-75
Cash Flow From Operations	-48	36	70	40	-75	-1	-2	131	-28	-57	62	98	53	70	147	228
Acquisitions	0	0	0	0	-484	0	0	0	-77	-20	0	0	-484	0	0	0
Capitalized assets	-3	-5	-7	-5	-16	-15	-13	-15	-12	-38	-24	-20	-59	-59	-61	-63
Cash Flow Investing Activities	-3	-5	-7	-5	-500	-15	-13	-15	-89	-58	-24	-20	-543	-59	-61	-63
Free cash flow	-51	31	64	34	-576	-15	-14	116	-117	-115	38	78	-490	12	86	164
Free cash flow excl. M&A	-51	31	64	34	-91	-15	-14	116	-40	-95	38	78	-5	12	86	164
Change in debt	33	-24	-13	24	882	2	-92	0	-9	9	32	20	792	0	0	0
New shares issued	0	0	0	0	3	-2	3	0	147	16	18	0	3	0	0	0
Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow Financing Activities	33	-24	-13	24	885	0	-90	0	139	25	50	20	795	0	0	0
Cash at beginning of period	137	120	126	177	235	545	529	425	118	140	50	137	235	541	552	639
Net change in cash	-18	7	50	58	310	-16	-104	116	22	-89	87	98	306	12	86	164
FX effect on cash	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash at end of period	120	126	177	235	545	529	425	541	140	50	137	235	541	552	639	803

Source: ABG Sundal Collier, company data

Key assumptions

Key assumptions - Device sales

Key assumptions	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25e	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Device revenue (NOKm)	54	117	163	167	30	122	144	159	395	417	467	501	455	480	500	520
Kids	54	117	163	167	30	122	144	159	395	417	467	501	455	480	500	520
Youth	0	0	0	0	269	278	326	339	0	0	0	0	1,213	1,140	1,140	1,140
Doro	0	0	0	0	269	278	326	339	0	0	0	0	1,213	1,140	1,140	1,140
Devices sold ('000)	54	117	163	167	299	399	470	500	395	417	467	501	1,669	1,648	1,701	1,794
Growth, y-o-y	-23%	-8%	30%	15%	454%	241%	189%	199%	83%	6%	12%	7%	233%	-1%	3%	5%
ASP																
Kids	1,039	1,102	1,116	993	1,000	1,102	1,095	1,013	860	831	1,021	1,063	1,062	1,059	1,059	1,059
Youth	0	0	0	0	850	890	805	804	0	0	0	0	2,000	2,000	2,000	2,000
Doro	0	0	0	0	850	890	805	804	0	0	0	0	834	803	802	818
ASP (NOK/watch)	1,039	1,102	1,116	993	865	955	894	875	860	831	1,021	1,063	898	898	921	977
ASP change, y-o-y	45%	-1%	4%	-5%	-17%	-13%	-20%	-12%	0%	0%	23%	4%	-16%	0%	3%	6%
Device revenue																
Kids	56	129	182	166	30	134	158	161	340	347	477	533	483	509	529	550
Youth	0	0	0	0	229	247	263	273	0	0	0	0	4	56	122	269
Doro	0	0	0	0	229	247	263	273	0	0	0	0	1,012	915	914	933
Device revenue	56	129	182	166	259	381	420	438	340	347	477	533	1,498	1,479	1,566	1,752
Device revenue growth (y-o-y)	12%	-8%	36%	10%	362%	196%	131%	164%	78%	2%	37%	12%	181%	-1%	6%	12%

Source: ABG Sundal Collier, company data

Key assumptions - Subscribers

Key assumptions																
Subscribers ('000)	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25e	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Subscriber conversion rate																
Kids connectivity	28%	34%	24%	22%	68%	29%	30%	22%	19%	18%	23%	26%	29%	25%	25%	25%
Kids premium	4%	8%	11%	12%	29%	15%	16%	11%			10%	10%	15%	11%	11%	11%
Kids rev. share (B2B)	2%	2%	5%	2%	6%	5%	8%	4%			2%	3%	6%	6%	6%	6%
Service fee	1%	1%	1%	1%	5%	2%	3%	3%			1%	1%	3%	1%	1%	1%
Total kids	35%	45%	40%	37%	108%	51%	57%	40%	19%	18%	34%	40%	53%	44%	44%	44%
Youth							51%	43%					43%	47%	47%	47%
Doro			0%	0%	0%	0%	0%	2%	0%	0%	0%	0%	1%	5%	12%	12%
Subscriber conversion rate	35%	44%	40%	37%	11%	16%	18%	15%	19%	18%	34%	40%	15%	17%	23%	24%
Gross subscriber growth																
Kids Connectivity	15	39	38	37	21	35	43	35	74	77	106	129	134	122	127	132
Kids Premium	2	9	18	20	9	18	22	17			45	50	67	54	57	59
Kids rev. share (B2B)	1	3	8	3	2	7	12	6			7	14	27	28	29	31
Service fee	1	1	2	1	1	2	5	5			1	5	14	5	6	6
Total Kids	19	52	66	61	33	62	82	64	74	77	159	198	241	210	219	228
Youth							0	1					1	13	29	64
Doro	0	0	0	0	0	0	0	8				0	8	57	137	137
External				0	0	0	0	0				0	0	0	0	0
Gross subscriber growth	19	52	66	61	33	62	83	73	74	76	159	198	251	281	385	428
Churn																
Kids	-8%	-10%	-7%	-9%	-9%	-8%	-8%	-9%	-31%	-32%	-33%	-35%	-34%	-34%	-34%	-34%
Youth					0%	0%	0%	-8%					-8%	-32%	-32%	-32%
Doro					0%	0%	0%	0%					0%	-10%	-20%	-20%
External					0%	0%	0%	-7%					-7%	-28%	-28%	-28%
Total churn	-21	-26	-21	-29	-33	-27	-33	-38	-28	-48	-61	-97	-131	-164	-184	-207
Churn (%)	-8%	-10%	-7%	-9%	-9%	-8%	-8%	-9%	-31%	-32%	-38%	-35%	-34%	-33%	-29%	-25%
Net subscriber growth																
Kids connectivity	-2	19	22	15	-3	16	20	10	46	34	48	53	43	19	18	17
Kids premium	-2	5	15	15	2	12	15	9			42	33	38	15	12	11
Kids rev. share (B2B)	1	2	7	1	0	5	10	3			7	11	18	14	11	9
Service fee	1	1	1	1	1	2	4	4			1	4	11	0	0	0
Total kids	-2	27	45	32	0	35	49	26	46	34	98	101	110	48	41	36
Youth							0	1					1	12	23	48
Senior				0	0	0	0	0				0	0	0	0	0
Doro				0	0	0	0	8				0	8	54	116	95
External				0	0	0	0	0				0	0	0	0	0
Net subscriber growth	-2	27	45	32	0	35	49	35	46	34	98	101	119	114	180	179
Number of subscribers																
Kids connectivity	203	221	243	258	255	271	291	301	123	157	205	258	301	320	337	354
Kids premium	40	45	60	75	77	89	104	113			42	75	113	128	140	151
Kids rev. share (B2B)	10	12	19	20	20	25	35	38			9	20	38	52	63	72
Service fee	1	3	4	5	6	8	12	16			1	5	16	16	16	16
Total kids	255	281	326	358	358	393	442	468	123	157	257	358	468	516	557	593
Youth							0	1					1	13	36	83
Doro				0	0	0	0	8				0	8	62	178	273
External				0	0	0	0	0				0	0	0	0	0
Total number of subscribers	255	281	326	358	358	393	443	477	123	157	257	358	477	590	770	949
Growth, y-o-y	59%	50%	44%	39%	40%	40%	36%	33%	60%	28%	64%	39%	33%	24%	30%	23%

Source: ABG Sundal Collier, company data

Key assumptions - Recurring service revenue

Key assumptions																
Recurring service revenue	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25e	2021	2022	2023	2024	2025e	2026e	2027e	2028e
ARPU																
Kids connectivity	96	96	99	92	92	91	92	93	79	95	97	96	92	92	91	90
Kids premium	24	24	24	24	24	24	24	24			18	24	24	24	24	24
Kids B2B (rev. share)	35	35	35	35	35	35	35	35			18	35	35	35	35	35
Service fee	79	79	79	79	79	79	79	79			20	79	79	79	79	79
Youth				0	110	110	110	110					28	110	110	110
Doro				0	0	160	160	159					40	157	154	151
External																
ARPU (NOK/month)	82	82	83	75	74	72	72	74	93	95	91	80	73	75	85	92
Recurring revenue																
Kids connectivity	58	61	69	69	71	72	78	83	91	155	203	257	303	336	352	367
Kids premium	3	3	4	5	5	6	7	8			5	15	26	33	37	41
Kids B2B (rev. share)	1	1	2	2	2	2	3	4			1	6	11	18	23	27
Service fee	0	0	1	1	1	2	2	3				3	9	15	15	15
Youth							0	0					0	8	30	74
Doro					0	0	0	4					4	55	218	404
External					0	0	0	0					0	0	0	0
Recurring revenues	63	66	75	77	80	82	90	102	91	155	210	281	353	466	676	928
Recurring revenue growth y-o-y	39%	33%	36%	28%	27%	25%	19%	32%	1668%	71%	36%	33%	26%	32%	45%	37%
Recurring revenue share	53%	34%	29%	32%	24%	18%	18%	19%	21%	31%	31%	35%	19%	24%	30%	35%

Source: ABG Sundal Collier, company data

Key assumptions - Profitability

Key assumptions																
Profitability	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25e	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Gross margin hardware	29%	32%	34%	31%	32%	35%	33%	33%	37%	31%	32%	32%	33%	33%	33%	33%
Gross margin Doro hardware	42%	45%	50%	46%	53%	46%	51%	51%					51%	50%	49%	49%
Gross margin services	84%	83%	83%	83%	83%	83%	80%	82%	58%	83%	83%	83%	82%	80%	75%	72%
Gross margin Doro services						0%	65%	65%					65%	65%	65%	65%
Gross margin	58%	49%	49%	48%	56%	50%	52%	51%	45%	47%	48%	50%	52%	52%	52%	52%
Number of employees																
Average # of employees	107	108	100	100	206	216	226	230	90	139	111	100	230	244	258	274
	109	108	104	100	153	211	221	228	71	121	121	105	203	236	249	266
Cost per employees	-0.28	-0.33	-0.43	-0.37	-0.40	-0.38	-0.38	-0.40	-1.20	-0.84	-1.14	-1.41	-1.69	-1.62	-1.67	-1.73
Change in cost/employee	17%	35%	23%	19%	44%	17%	-12%	8%		-30%	36%	23%	20%	-4%	4%	3%
Marketing/sales	-11%	-10%	-9%	-10%	-10%	-8%	-8%	-8%	-9%	-16%	-10%	-10%	-9%	-8%	-8%	-8%

Source: ABG Sundal Collier, company data

Valuation

Valuation on ABGSC estimates

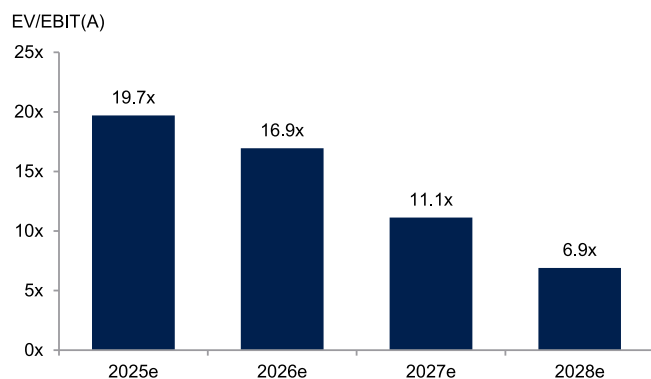
Valuation on ABGSCe

Valuation				
Valuation multiples (ABGSCe)	2025e	2026e	2027e	2028e
EV/Sales	1.6x	1.5x	1.3x	1.0x
EV/Gross profit	3.0x	2.8x	2.4x	1.9x
EV/EBITDA	13.2x	12.0x	8.7x	5.8x
EV/EBIT(A)	19.7x	16.9x	11.1x	6.9x
EV/EBITDA-capex	18.0x	15.9x	10.8x	6.8x
P/E	n/a	40.8x	21.1x	11.8x
P/E adjusted*	n/a	40.8x	21.1x	11.8x
FCF yield	-2%	0%	3%	6%
Market cap	2,489	2,489	2,489	2,489
Net debt	413	401	315	151
EV	2,902	2,891	2,805	2,640
ABGSC estimates (NOKm)	2025e	2026e	2027e	2028e
Sales	1,851	1,945	2,242	2,680
Sales growth	128%	5%	15%	20%
Gross profit	963	1,015	1,171	1,397
Gross margin	52%	52%	52%	52%
EBITDA	220	240	321	452
EBITDA margin	12%	12%	14%	17%
EBITA	152	171	252	382
EBIT	147	171	252	382
EPS	-1.16	1.37	2.65	4.73
EPS adjusted*	-1.06	1.37	2.65	4.73
Capex	-59	-59	-61	-63
FCF	-61	12	86	164

Source: ABG Sundal Collier

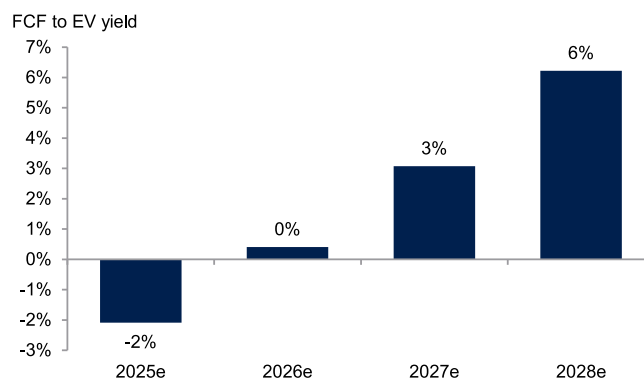
Footnote: *Adjusted for PPA amortisations.

Xplora EV/EBIT(A) multiples on ABGSCe



Source: ABG Sundal Collier

Xplora FCF to EV yields on ABGSCe



Source: ABG Sundal Collier

Our DCF valuation points to NOK 40-71/share

Our key assumptions in the DCF model are as follows:

- ABGSC estimates for 2025e-2028e
- Annual growth of 2%, 5%, or 8% for 2029e-2032e
- Long-term EBITDA margin of 12%, 14%, or 16% post-2028e
- Weighted average tax rate of 22%
- Capex grows with sales after 2028e
- Long-term terminal sales growth of 2.0%
- A weighted average cost of capital (WACC) of 10%

DCF model

DCF model												
	ABGSC estimates				Extrapolated				Terminal value			
NOKm	2025	2026	2027	2028	2029	2030	2031	2032	NOKm	2032	2033	
Revenues	1,851	1,945	2,242	2,680	2,814	2,954	3,102	3,257	Revenues	3,257	3,322	
Sales growth	128%	5%	15%	20%	5%	5%	5%	5%	Sales growth	5.0%	2.0%	
EBITDA	220	240	321	452	394	414	434	456	EBITDA	456	465	
EBITDA margin	12%	12%	14%	17%	14%	14%	14%	14%	EBITDA margin	14%	14%	
D&A	-73	-69	-69	-69	-67	-70	-73	-77	D&A	-77	-79	
EBIT	147	171	252	382	327	344	361	379	EBIT	379	387	
Taxes paid	-23	-19	-37	-66	-72	-76	-79	-83	Taxes paid	-83	-85	
D&A	73	69	69	69	67	70	73	77	D&A	77	79	
Ch. in working capital	-55	-85	-75	-75	-23	-24	-25	-27	Ch. in working capital	-27	-11	
Operating cash flow	142	136	209	311	299	314	330	346	Operating cash flow	346	369	
Capex	-59	-59	-61	-63	-67	-70	-73	-77	Capex	-77	-79	
Free cash flow	83	77	148	247	232	244	256	269	Free cash flow	269	291	
Discounted free cash flow		70	122	184	158	150	144	137	Terminal value		3,636	
Valuation scenarios		1	2	3	Key figures				Key assumptions			
Sales growth rate ('29-'32e)		2%	5%	8%	Net debt YE'25e (NOKm)				416	Tax rate		22%
EBITDA margin post '28e		12%	14%	16%	Number of shares (m)				45	Terminal growth		2.0%
Implied value per share		40	54	71						WACC		10%

Source: ABG Sundal Collier

Peer valuation

Trading below hardware peers on EV/EBITDA-capex

It is difficult to find good direct peers for Xplora. A focus on pure hardware companies could arguably undervalue Xplora's business model, which not only includes device sales but also offers a highly scalable and recurring service segment. Nevertheless, by looking at a set of Nordic hardware companies, we can at least get a sense of how Nordic investors value hardware-based businesses. We have also included two well-known international hardware peers: Garmin and Logitech.

Peer valuation - hardware companies

Company	EV / sales			EV / gross profit			EV / EBITDA			EV / EBITDA - capex			FCF yield			Sales growth			EBITDA margin		
	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e
Hardware companies																					
Electrolux	0.3x	0.3x	0.3x	2.1x	1.9x	1.7x	5x	4x	4x	9x	7x	6x	n/a	6%	8%	1%	1%	3%	7%	8%	8%
Fractal Gaming	1.1x	1.0x	0.9x	2.8x	2.5x	2.2x	10x	8x	7x	12x	9x	7x	5%	5%	7%	22%	8%	8%	11%	12%	13%
Garmin	5.1x	4.7x	4.1x	8.6x	8.0x	7.1x	18x	17x	15x	21x	20x	17x	4%	4%	5%	3%	7%	8%	28%	28%	28%
GN Store Nord	1.5x	1.4x	1.3x	2.7x	2.5x	2.3x	10x	9x	7x	22x	17x	14x	4%	4%	5%	-4%	5%	5%	15%	16%	17%
Husqvarna	0.7x	0.6x	0.6x	2.3x	2.1x	1.9x	5x	5x	4x	9x	7x	7x	11%	8%	9%	1%	1%	3%	13%	14%	14%
Logitech	3.5x	3.3x	3.1x	8.2x	7.7x	7.1x	19x	18x	17x	21x	20x	18x	5%	5%	5%	3%	5%	5%	18%	19%	19%
QleanAir	1.0x	0.8x	0.7x	1.5x	1.2x	1.0x	7x	5x	3x	n/a	n/a	n/a	n/a	n/a	n/a	5%	10%	11%	15%	19%	21%
Smartoptics	3.6x	2.8x	2.2x	7.4x	5.7x	4.5x	27x	16x	12x	31x	17x	13x	1%	2%	4%	20%	29%	26%	13%	18%	19%
Tobii	0.9x	1.1x	1.0x	1.1x	1.4x	1.3x	3x	5x	3x	5x	9x	4x	n/a	n/a	n/a	5%	-7%	14%	28%	22%	30%
Zaptec	0.6x	0.3x	0.1x	1.6x	0.8x	0.2x	8x	3x	0x	18x	4x	1x	25%	18%	113%	18%	20%	13%	8%	11%	13%
Xplora (ABGSCe)	1.2x	1.1x	0.9x	2.4x	2.1x	1.7x	10x	9x	6x	15x	12x	8x	2%	6%	9%	131%	7%	13%	12%	12%	14%
Above/below (median)	16%	2%	-7%	-3%	-7%	-16%	14%	33%	17%	-21%	24%	7%	-3pp	1pp	3pp	127pp	1pp	5pp	-3pp	-5pp	-4pp

Source: ABG Sundal Collier, FactSet

Most relevant peers: Fractal Gaming, GN Store Nord, and Zaptec

To narrow down a more relevant peer group, we have compared our selected peers across several metrics in the table below. Based on this comparison, we deem Fractal Gaming, GN Store Nord, and Zaptec to be the most relevant peers. A key advantage of this peer group is that GN Store Nord, and Zaptec also include some recurring service revenues in their product portfolios. However, both the current share of, and future prospects for, recurring revenues in Xplora's business model should, all else equal, point to a higher valuation for Xplora.

Comparison and ranking of Xplora peers on key metrics

	M.cap NOKm	EV NOKm	Gross margin 2024	Sales growth '21-'24	EBITDA margin 2024	Rule of 40 '21-'24	Country Stock listed	Customer group B2C vs. B2B	Relevance Low/Med/High
Hardware companies									
Electrolux	18,235	48,353	15%	5%	6%	11%	Sweden	B2C	Low
Fractal Gaming	1,005	956	40%	16%	12%	28%	Sweden	B2C	Med
Garmin	383,029	366,414	59%	17%	28%	45%	US	B2C	Low
GN Store Nord	25,767	40,060	53%	10%	16%	25%	Denmark	B2C & B2B	Med
Husqvarna	22,759	34,301	30%	3%	12%	16%	Sweden	B2C	Low
Logitech	186,982	171,603	44%	-3%	17%	14%	Switzerland & US	B2B	Low
QleanAir	330	484	65%	2%	10%	12%	Sweden	B2B	Low
Smartoptics	2,706	2,696	48%	15%	11%	25%	Norway	B2B	Low
Tobii	394	846	80%	0%	12%	12%	Sweden	B2B	Low
Zaptec	2,083	958	39%	37%	4%	42%	Norway	B2C & B2B	Med
Xplora	1,954	2,267	50%	24%	9%	32%	Norway	B2C	

Source: ABG Sundal Collier, FactSet

Trading below key peers on EV/EBITDA-capex

Peer valuation - most relevant peers

Company	EV / sales			EV / gross profit			EV / EBITDA			EV / EBITDA - capex			FCF yield			Sales growth			EBITDA margin		
	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e
Most relevant peers																					
Fractal Gaming	1.1x	1.0x	0.9x	2.8x	2.5x	2.2x	10x	8x	7x	12x	9x	7x	5%	5%	7%	22%	8%	8%	11%	12%	13%
GN Store Nord	1.5x	1.4x	1.3x	2.7x	2.5x	2.3x	10x	9x	7x	22x	17x	14x	4%	4%	5%	-4%	5%	5%	15%	16%	17%
Zaptec	0.6x	0.3x	0.1x	1.6x	0.8x	0.2x	8x	3x	0x	18x	4x	1x	25%	18%	113%	18%	20%	13%	8%	11%	13%
Average	1.1x	0.9x	0.7x	2.4x	2.0x	1.6x	10x	7x	5x	17x	10x	7x	11%	9%	42%	12%	11%	9%	11%	13%	14%
Median	1.1x	1.0x	0.9x	2.7x	2.5x	2.2x	10x	8x	7x	18x	9x	7x	5%	5%	7%	18%	8%	8%	11%	12%	13%
Xplora (ABGSCe)	1.2x	1.1x	0.9x	2.4x	2.1x	1.7x	10x	9x	6x	15x	12x	8x	2%	6%	9%	131%	7%	13%	12%	12%	14%
Above/below (median)	11%	8%	-2%	-11%	-14%	-22%	3%	8%	-4%	-21%	24%	7%	-3pp	1pp	2pp	112pp	-1pp	5pp	1pp	0pp	0pp

Source: ABG Sundal Collier, FactSet

Income Statement (NOKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	0	61	200	431	502	689	813	1,851	1,945	2,242
COGS	0	-57	-141	-235	-268	-357	-408	-889	-930	-1,071
Gross profit	0	4	60	196	234	332	406	963	1,015	1,171
Other operating items	0	-49	-71	-177	-271	-299	-334	-743	-775	-849
EBITDA	0	-45	-11	19	-37	34	72	220	240	321
Depreciation and amortisation	0	-1	-2	-6	-10	-16	-22	-68	-69	-69
of which leasing depreciation	0	0	0	0	0	0	0	0	0	0
EBITA	0	-46	-13	13	-46	17	50	152	171	252
EO Items	0	0	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	0	0	0	-28	-41	-40	-38	-5	0	0
EBIT	0	-46	-13	-15	-88	-23	12	147	171	252
Net financial items	0	-5	5	0	-0	-7	-15	-167	-85	-84
Pretax profit	0	-51	-9	-14	-88	-30	-2	-20	86	168
Tax	0	0	0	0	11	8	-4	-23	-19	-37
Net profit	0	-51	-9	-14	-77	-21	-6	-43	67	131
Minority interest	0	0	0	0	0	0	0	-9	-6	-13
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
Net profit to shareholders	0	-51	-9	-14	-77	-21	-6	-52	61	118
EPS	0.00	0.00	0.00	-0.36	-1.86	-0.48	-0.13	-1.16	1.37	2.65
EPS adj.	0.00	0.00	0.00	0.34	-0.87	0.44	0.72	-1.06	1.37	2.65
Total extraordinary items after tax	0	0	0	0	0	0	0	0	0	0
Leasing payments	0	0	0	0	0	0	0	0	0	0
<i>Tax rate (%)</i>	--	0.0	0.0	0.0	12.0	27.9	-151.8	-118.0	22.0	22.0
<i>Gross margin (%)</i>	--	6.0	29.9	45.4	46.6	48.2	49.9	52.0	52.2	52.2
<i>EBITDA margin (%)</i>	--	-73.5	-5.5	4.4	-7.3	4.9	8.8	11.9	12.3	14.3
<i>EBITA margin (%)</i>	--	-75.9	-6.6	3.0	-9.2	2.5	6.1	8.2	8.8	11.2
<i>EBIT margin (%)</i>	--	-75.9	-6.6	-3.4	-17.5	-3.3	1.5	8.0	8.8	11.2
<i>Pre-tax margin (%)</i>	--	-83.7	-4.3	-3.3	-17.5	-4.3	-0.3	-1.1	4.4	7.5
<i>Net margin (%)</i>	--	-83.7	-4.3	-3.3	-15.4	-3.1	-0.7	-2.3	3.4	5.8
Growth Rates y-o-y	-	-	-	-	-	-	-	-	-	-
<i>Sales growth (%)</i>	--	--	228.1	115.2	16.4	37.3	18.0	127.6	5.1	15.2
<i>EBITDA growth (%)</i>	--	--	-75.6	-275.1	-290.8	-192.1	113.4	206.3	9.0	34.0
<i>EBITA growth (%)</i>	--	--	-71.6	-199.4	-454.5	-137.5	185.9	205.6	12.3	47.8
<i>EBIT growth (%)</i>	--	--	-71.6	10.5	nm	-73.9	-153.3	nm	15.8	47.8
<i>Net profit growth (%)</i>	--	--	-83.2	64.8	445.5	-72.4	-72.4	628.9	-255.8	95.2
<i>EPS growth (%)</i>	--	--	--	--	nm	-73.9	-72.4	nm	nm	93.3
Profitability	-	-	-	-	-	-	-	-	-	-
<i>ROE (%)</i>	--	--	-13.5	-5.4	-20.6	-6.2	-1.7	-14.5	15.2	22.9
<i>ROE adj. (%)</i>	--	--	-13.5	5.1	-9.6	5.5	9.2	-13.2	15.2	22.9
<i>ROCE (%)</i>	--	--	-11.3	-4.9	-21.5	-7.4	-0.6	-2.2	6.1	11.0
<i>ROCE adj. (%)</i>	--	--	-11.3	4.6	-11.4	2.7	8.3	-1.7	6.1	11.0
<i>ROIC (%)</i>	--	--	-75.5	8.0	-13.0	4.1	52.9	64.4	15.5	21.3
<i>ROIC adj. (%)</i>	--	--	-75.5	8.0	-13.0	4.1	52.9	64.4	15.5	21.3
Adj. earnings numbers	-	-	-	-	-	-	-	-	-	-
EBITDA adj.	0	-45	-11	19	-37	34	72	220	240	321
<i>EBITDA adj. margin (%)</i>	--	-73.5	-5.5	4.4	-7.3	4.9	8.8	11.9	12.3	14.3
EBITDA lease adj.	0	-45	-11	19	-37	34	72	220	240	321
<i>EBITDA lease adj. margin (%)</i>	--	-73.5	-5.5	4.4	-7.3	4.9	8.8	11.9	12.3	14.3
EBITA adj.	0	-46	-13	13	-46	17	50	152	171	252
<i>EBITA adj. margin (%)</i>	--	-75.9	-6.6	3.0	-9.2	2.5	6.1	8.2	8.8	11.2
EBIT adj.	0	-46	-13	-15	-88	-23	12	147	171	252
<i>EBIT adj. margin (%)</i>	--	-75.9	-6.6	-3.4	-17.5	-3.3	1.5	8.0	8.8	11.2
Pretax profit Adj.	0	-51	-9	13	-47	11	35	-15	86	168
Net profit Adj.	0	-51	-9	13	-36	19	32	-38	67	131
Net profit to shareholders adj.	0	-51	-9	13	-36	19	32	-47	61	118
<i>Net adj. margin (%)</i>	--	-83.7	-4.3	3.1	-7.2	2.7	3.9	-2.1	3.4	5.8

Source: ABG Sundal Collier, Company Data

Cash Flow (NOKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	0	-45	-11	19	-37	34	72	220	240	321
Net financial items	0	-5	5	0	-0	-7	-15	-167	-85	-84
Paid tax	0	0	0	0	0	0	0	0	0	0
Non-cash items	0	0	-18	-2	-5	4	0	0	0	-15
Cash flow before change in WC	0	-50	-24	17	-42	31	57	53	155	222
Change in working capital	0	50	-7	-45	-15	30	41	-55	-85	-75

Cash Flow (NOKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Operating cash flow	0	0	-31	-28	-57	62	98	-2	70	147
Capex tangible fixed assets	0	0	0	0	0	0	0	0	0	0
Capex intangible fixed assets	0	0	-3	-12	-38	-24	-20	-59	-59	-61
Acquisitions and Disposals	0	0	0	-77	-20	0	0	-484	0	0
Free cash flow	0	0	-34	-117	-115	38	78	-545	12	86
Dividend paid	0	0	0	0	0	0	0	0	0	0
Share issues and buybacks	0	0	95	147	16	18	0	-7	0	0
Leasing liability amortisation	0	0	0	0	0	0	0	0	0	0
Other non-cash items	0	0	33	-14	0	0	0	-158	0	0
Balance Sheet (NOKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Goodwill	0	0	0	170	155	138	119	454	454	454
Other intangible assets	0	0	7	79	82	80	59	373	362	354
Tangible fixed assets	0	0	0	1	2	1	1	25	25	25
Right-of-use asset	0	0	0	0	0	0	0	49	49	49
Total other fixed assets	0	0	0	0	4	7	6	19	9	8
Fixed assets	0	0	7	250	243	226	185	919	898	889
Inventories	0	0	24	82	96	108	81	324	366	404
Receivables	0	0	43	104	118	75	77	284	326	364
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	0	0	118	140	50	137	235	544	555	642
Total assets	0	0	192	577	508	547	578	2,070	2,146	2,298
Shareholders equity	0	0	128	401	351	338	349	364	440	592
Minority	0	0	0	0	0	0	0	0	0	0
Total equity	0	0	128	401	351	338	349	364	440	592
Long-term debt	0	0	25	30	38	70	90	957	957	957
Pension debt	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0
Leasing liability	0	0	0	0	0	0	0	49	49	49
Total other long-term liabilities	0	0	0	0	0	0	0	103	103	103
Short-term debt	0	0	0	0	0	0	0	0	0	0
Accounts payable	0	0	20	36	41	47	49	0	0	0
Other current liabilities	0	0	20	110	78	92	90	598	598	598
Total liabilities and equity	0	0	192	577	508	547	578	2,070	2,146	2,298
Net IB debt	0	0	-93	-110	-12	-68	-146	462	450	364
Net IB debt excl. pension debt	0	0	-93	-110	-12	-68	-146	462	450	364
Net IB debt excl. leasing	0	0	-93	-110	-12	-68	-146	413	401	315
Capital employed	0	0	153	431	389	408	438	1,370	1,446	1,598
Capital invested	0	0	35	291	338	270	203	826	890	956
Working capital	0	0	28	40	95	44	18	10	95	170
EV breakdown	-	-	-	-	-	-	-	-	-	-
Market cap. diluted (m)	0	0	0	2,180	2,283	2,420	2,420	2,445	2,445	2,445
Net IB debt adj.	0	0	-93	-110	-12	-68	-146	413	401	315
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	-93	2,070	2,271	2,352	2,274	2,858	2,846	2,760
Total assets turnover (%)	--	--	208.3	112.2	92.6	130.7	144.6	139.8	92.3	100.9
Working capital/sales (%)	--	0.0	6.9	7.9	13.5	10.1	3.8	0.7	2.7	5.9
Financial risk and debt service	-	-	-	-	-	-	-	-	-	-
Net debt/equity (%)	--	--	-72.8	-27.4	-3.4	-20.0	-41.7	126.6	102.2	61.4
Net debt / market cap (%)	--	--	--	-5.0	-0.5	-2.8	-6.0	18.9	18.4	14.9
Equity ratio (%)	--	--	66.5	69.6	69.0	61.8	60.3	17.6	20.5	25.8
Net IB debt adj. / equity (%)	--	--	-72.8	-27.4	-3.4	-20.0	-41.7	113.3	91.1	53.2
Current ratio	--	--	4.70	2.23	2.22	2.30	2.81	1.93	2.09	2.36
EBITDA/net interest	--	--	--	--	--	--	--	--	--	--
Net IB debt/EBITDA (x)	--	0.0	8.5	-5.7	0.3	-2.0	-2.0	2.1	1.9	1.1
Net IB debt/EBITDA lease adj. (x)	--	0.0	8.5	-5.7	0.3	-2.0	-2.0	1.9	1.7	1.0
Interest coverage	--	--	--	--	--	--	--	--	--	--

Source: ABG Sundal Collier, Company Data

Share Data (NOKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Actual shares outstanding	0	0	0	40	42	44	44	45	45	45
Actual shares outstanding (avg)	0	0	0	40	42	44	44	45	45	45

Share Data (NOKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
All additional shares	0	0	0	40	2	3	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	0.00	0.00	0.00	0.00	0.00	-0.00	0.00	0.00	0.00	0.00
Reported earnings per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (NOKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Shares outstanding adj.	0	0	0	40	42	44	44	45	45	45
Diluted shares adj.	0	0	0	40	42	44	44	45	45	45
EPS	0.00	0.00	0.00	-0.36	-1.86	-0.48	-0.13	-1.16	1.37	2.65
Dividend per share	0.00	0.00	0.00	0.00	0.00	-0.00	0.00	0.00	0.00	0.00
EPS adj.	0.00	0.00	0.00	0.34	-0.87	0.44	0.72	-1.06	1.37	2.65
BVPS	0.00	0.00	0.00	3.22	9.63	7.94	7.65	7.81	8.17	9.87
BVPS adj.	0.00	0.00	0.00	3.82	2.72	2.71	3.85	-10.36	-8.41	-4.82
Net IB debt/share	0.00	0.00	0.00	-2.76	-0.29	-1.53	-3.30	9.26	9.00	7.06
Share price	54.80	54.80	54.80	54.80	54.80	54.80	54.80	54.80	54.80	54.80
Market cap. (m)	0	0	0	2,180	2,283	2,420	2,420	2,445	2,445	2,445
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	--	--	--	nm	nm	nm	nm	nm	40.0	20.7
EV/sales (x)	--	0.0	-0.5	4.8	4.5	3.4	2.8	1.5	1.5	1.2
EV/EBITDA (x)	--	0.0	8.5	108.0	-62.1	69.9	31.6	13.0	11.9	8.6
EV/EBITA (x)	--	0.0	7.1	158.2	-49.0	135.3	45.7	18.8	16.7	11.0
EV/EBIT (x)	--	0.0	7.1	-142.4	-25.9	-102.8	186.5	19.4	16.7	11.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	0.0	0.0
FCF yield (%)	0.0	0.0	0.0	-5.4	-5.0	1.5	3.2	-22.3	0.5	3.5
Le. adj. FCF yld. (%)	0.0	0.0	0.0	-5.4	-5.0	1.5	3.2	-22.3	0.5	3.5
P/BVPS (x)	--	--	--	17.04	5.69	6.90	7.16	7.01	6.71	5.55
P/BVPS adj. (x)	54.80	54.80	54.80	9.44	11.65	12.12	10.54	-27.43	-184.28	17.64
P/E adj. (x)	--	--	--	nm	nm	nm	76.5	nm	40.0	20.7
EV/EBITDA adj. (x)	--	0.0	8.5	108.0	-62.1	69.9	31.6	13.0	11.9	8.6
EV/EBITA adj. (x)	--	0.0	7.1	158.2	-49.0	135.3	45.7	18.8	16.7	11.0
EV/EBIT adj. (x)	--	0.0	7.1	-142.4	-25.9	-102.8	186.5	19.4	16.7	11.0
EV/CE (x)	--	--	-0.6	4.8	5.8	5.8	5.2	2.1	2.0	1.7
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	--	0.0	1.7	2.8	7.6	3.5	2.5	3.2	3.0	2.7
Capex/depreciation	--	0.0	1.6	2.0	3.9	1.5	0.9	0.9	0.8	0.9
Capex tangibles / tangible fixed assets	--	--	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capex intangibles / definite intangibles	--	--	--	--	--	--	--	--	--	--
Depreciation on intang / def. intang	--	--	--	--	--	--	--	--	--	--
Depreciation on tangibles / tangibles	--	--	531.5	548.9	496.6	1,118.1	2,328.7	269.7	274.4	274.4

Source: ABG Sundal Collier, Company Data

Analyst Certification

We, ABGSC IT Research, Øystein Elton Lodgaard and Åsne Holsen, analyst(s) with ABG Sundal Collier ASA, ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge, ABG Sundal Collier AB and/or ABG Sundal Collier Limited (hereinafter collectively referred to as "ABG Sundal Collier"), and the author(s) of this report, certify that notwithstanding the existence of any such potential conflicts of interests referred to below, the views expressed in this report accurately reflect my/our personal view about the companies and securities covered in this report. I/We further certify that I/We has/have not been, nor am/are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

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