G5 Entertainment

Savings drove strong EBIT increase

- EBIT of USD 1.9m, 169% above consensus 0.7m
- De-risks estimates for 2027, but not enough to drive positive revisions
- Share is trading at 6x P/E on 2027e with USD 24m net cash position

Q3 results

G5 delivered a Q3 report with stronger than expected profitability, although the sales trend remains negative. Sales declined 20% y-o-y (in USD) but was in line with consensus expectations. EBIT surprised positively at USD 1.9m, increasing 46% y-o-y driven by the cost savings which had a larger-than-expected effect and was therefore 169% higher than consensus 0.7m. Adjusted for one-time costs related to the cost savings programme and FX effects, EBIT was 2.0m, a 10% margin (6%) and 109% better than our forecast of 1.0m. FCF was -1m driven by working capital. Excluding WC, FCF was 1.5m. Net cash remained at 24m

Outlook estimate changes

Growth outlook remains somewhat muted, with sales continuing to decline on a sequential basis despite good momentum for G5 Store (+16% y-o-y, and third-party revenues growing 41% q-o-q). This limited revisions despite the stronger earnings print. However, we think the cost savings de-risks 2027 estimates. We do not expect any material consensus revisions for 2027 based on the report. On the earnings call, said it will continue with initiates to stabilise sales and were positive on G5 Store to support this. It needs a net cash position to support initiatives to reverse the sales trend, but also indicated that it aims to continue buying back shares and if profitability remains at good levels, potentially increase the dividend again. With a net cash position of USD 24m, the enterprise value is ~USD 26m.

Final thoughts

The share has traded down into numbers (-6% L1M vs OMXSGI +2%) and is down -2% L3M vs OMXSGI +1%. It is currently trading at 6x P/E on our unrevised 2027e.

Fast comment

Commissioned research

Not rated

IT

G5EN-SE/G5EN SS

Share price (SEK)	3/11/2026	65.30
MCap (SEKm)		485
MCap (EURm)		44
No. of shares (m)		7.0
Free float (%)		73.0
Av. daily volume (k)		143

Next event Q3 report 4 November 2026

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Deviations

Deviations	LY	Actual		ABGSCe		Cons	
USDm	Q3'25	Q3'26	y-o-y	Q3'26e	Dev	Q3'26e	Dev
Sales	**24.0**	**19.3**	**-20%**	**20.1**	**-4%**	**19.3**	**0%**
Cost of goods sold	-6.9	-5.0		-5.5			
Gross profit	**17.1**	**14.3**	**-16%**	**14.6**	**-2%**	**14.1**	**1%**
User acquisition cost	-5.0	-3.4		-4.0			
Opex	-10.8	-8.8		-9.6			
Adj. EBIT	**1.4**	**2.0**	**46%**	**1.0**	**109%**		
IAC	0.0	-0.1		-0.2			
EBIT	**1.3**	**1.9**	**42%**	**0.8**	**134%**	**0.7**	**169%**
Net financials	0.2	0.5		0.2			
PTP	**1.5**	**2.4**	**60%**	**1.0**	**151%**		
Taxes	-0.1	-0.1		-0.1			
Net profit	**1.4**	**2.3**	**63%**	**0.9**	**165%**	**0.7**	**226%**
EPS	0.2	0.3		0.1			
Growth and margins	**Q3'25**	**Q3'26**	**y-o-y**	**Q3'26e**	**Dev**	**Q3'26e**	**Dev**
Sales growth	**-7%**	**-20%**		**-16%**		**-20%**	
Gross margin	71%	74%		73%		73%	
Gross profit growth	-4%	-16%		-15%		-18%	
UAC / sales	21%	18%		20%			
Adj. EBIT growth	**-39%**	**46%**		**-30%**		**-100%**	
Adj. EBIT margin	**6%**	**10%**		**5%**		**0%**	
EBIT growth	-39%	42%		-39%		-47%	
EBIT margin	6%	10%		4%		4%	
EPS growth	-40%	71%		-37%			

Source: ABG Sundal Collier, company data, FactSet

USDm	2024	2025	2026e	2027e	2028e
Sales	107	96	82	79	76
Sales growth (%)	*-13.8*	*-10.8*	*-14.4*	*-4.1*	*-3.0*
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 growth (%)	*-3.3*	*-73.2*	*39.9*	*78.4*	*-2.9*
EPS adj.	1.33	0.86	0.46	0.97	0.94
DPS	0.76	0.20	0.32	0.42	0.42
EV/EBITDA (x)	1.1	2.2	1.9	1.1	0.9
EV/EBIT adj. (x)	2.7	4.8	9.5	2.7	2.2
P/E (x)	4.6	17.2	12.3	6.9	7.1
P/E adj. (x)	5.0	7.8	14.4	6.9	7.1
EV/sales (x)	0.25	0.29	0.31	0.26	0.21
FCF yield (%)	32.7	15.0	5.3	15.6	15.2
Le. adj. FCF yld. (%)	32.4	14.9	5.2	15.4	15.0
Dividend yield (%)	11.3	3.1	4.8	6.3	6.3
Net IB debt/EBITDA (x)	-1.0	-2.0	-1.8	-1.7	-2.0
Le. adj. ND/EBITDA (x)	-1.1	-1.6	-1.9	-1.7	-2.0

Source: ABG Sundal Collier, Company Data

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