

Embracer Group

An overreaction and a BUYing opportunity

- Next quarter is the first clean of divestments, plus better momentum
- Much better FCF ahead — we see SEK 3.7bn in Q2-Q4 FY24/25
- Reiterate BUY, TP SEK 30 (32) — 6x adj. EBIT (40% below peers)

Slight softness in a tiny quarter does not change the case

As expected, Q1 was soft without any significant new game release. Consequently, profitability and cash flow were weaker, but in line with our forecast (adj. EBIT 1% vs. ABGSCe, -2% vs. Infront consensus). The FCF improved by SEK 0.6bn y-o-y, to SEK -0.2bn, or SEK 0.0bn excluding restructuring costs (vs. ABGSCe SEK -0.1bn). Even so, the report generated mixed feelings. On the one hand, we think earnings were lower quality (unsustainably high margins in Mobile offsetting weaker PC/Console), leading us to cut adj. EBIT by 4-2% on '24/25e-'26/27e. The big game this year, Kingdom Come Deliverance 2 (KCD2), was also moved from Q3 to Q4, increasing the estimate risk. On the other hand, FCF improved materially despite tough comps from Dead Island 2 last year. This means that the FCF should improve even more in H2, when it has operational tailwinds from Tabletop's peak season as well as all the big releases this year. For reference, we think Tabletop makes ~SEK 1.0bn more FCF in H2 vs. H1, and a game like KCD2 could generate SEK 0.5-1.0bn of incremental FCF in Q4 alone.

Tabletop continues to impress

We think Tabletop is the most valuable and qualitative part of the group, and we think recent quarters support that — earnings grew 20% in both Q1 and LTM. In the coming years, we expect high-single-digit growth, coupled with a resumed roll-up story after the spin-off. As a standalone company, we think Tabletop could be worth ~SEK 15 per share (~12x EV/EBIT), which means the rest of the group is trading at ~4x FY24/25e adj. EBIT, compared to lower quality gaming peers at 10x EBIT.

We see momentum improving, BUY

We reiterate BUY, as we expect better cash flow in Q2, but specifically from Q3, to be a trigger together with the spin-off of Tabletop. Our TP is cut to SEK 30 (32).

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SEKm	2022	2023	2024e	2025e	2026e
Sales	37,665	42,206	38,115	38,983	40,294
EBITDA	6,718	1,218	8,743	10,667	11,365
EBITDA margin (%)	17.8	2.9	22.9	27.4	28.2
EBIT adj.	6,366	7,063	6,508	6,703	7,070
EBIT adj. margin (%)	16.9	16.7	17.1	17.2	17.5
Pretax profit	5,017	-18,734	1,224	3,633	4,532
EPS	3.27	-12.57	0.06	1.93	2.55
EPS adj.	3.89	4.39	3.10	3.68	3.94
Sales growth (%)	121.1	12.1	-9.7	2.3	3.4
EPS growth (%)	-187.6	-484.8	-100.5	nm	32.1

Source: ABG Sundal Collier, Company Data

Reason: Post-results comment

BUY ● HOLD ○ SELL ○

IT

Estimate changes (%)

	2024e	2025e	2026e
Sales	-1.8	-2.4	-2.2
EBIT	-29.5	-5.5	-0.2
EPS	-93.3	-7.1	2.1

Source: ABG Sundal Collier

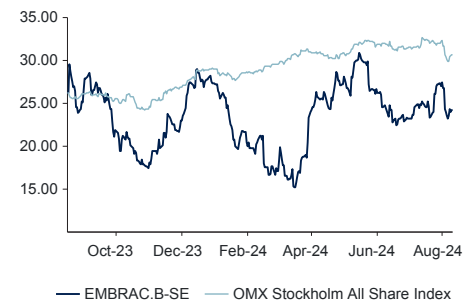
EMBRAC.B-SE/EMBRACB SS

Share price (SEK)	14/8/2024	21.70
Target price	(32.0)	30.0

MCap (SEKm)	32,050
MCap (EURm)	2,647
No. of shares (m)	1,285.5
Free float (%)	57.6
Av. daily volume (k)	4,383

Next event Q2 Report 14 November 2024

Performance



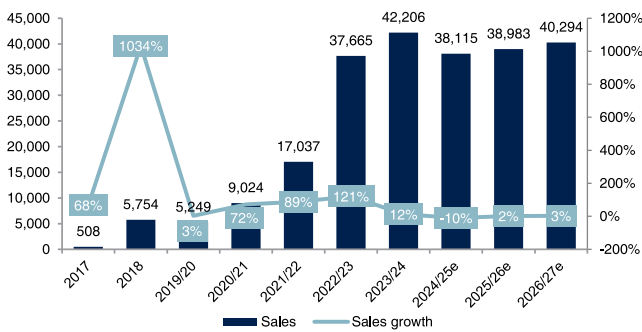
— EMBRAC.B-SE — OMX Stockholm All Share Index

Company description

Embracer Group acquires, develops and publishes PC and console games for the global gaming market. Much of Embracer Group's soul stems from entrepreneur, founder and CEO Lars Wingefors, who at the age of 16 founded Nordic Games, which we today associate with Embracer Group. The group was built on acquiring smaller IPs and improving them, but since 2020, Embracer has focused more on AAA projects through acquisitions of leading AAA developers like Eidos Montreal, now controlling +800 IPs with +100 games under development.

[Sustainability information](#)

Sales and sales growth, SEKm

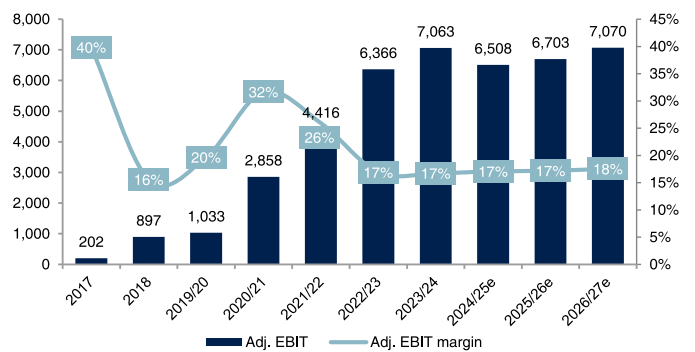


Source: ABG Sundal Collier, Company data

Risks

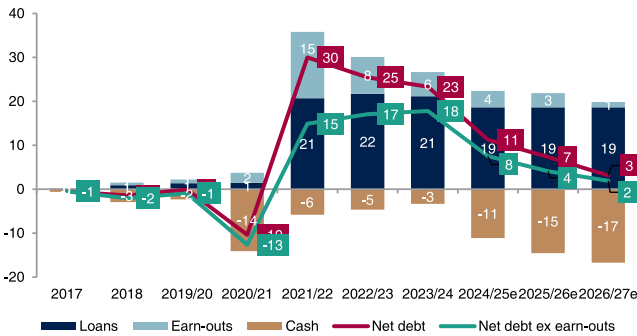
Despite Embracer Group's broad portfolio, there are risks associated with larger title releases as they have a relatively large impact on sales right after launch. Moreover, disappointing releases or reviews could dent end-customer enthusiasm and hurt the company's finances, especially during the launch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

Adj. EBIT & adj. EBIT margin, SEKm



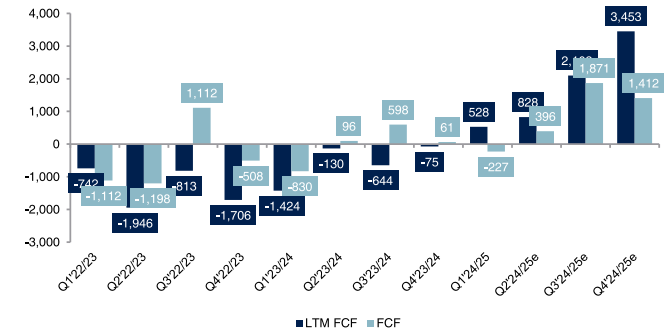
Source: ABG Sundal Collier, Company data

Gearing overview, SEKm



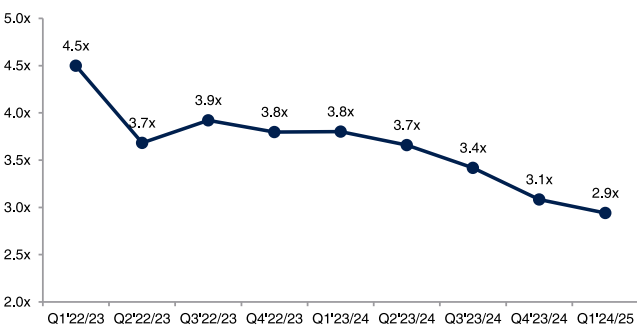
Source: ABG Sundal Collier, Company data

Free cash flow (before earn-outs), quarterly and LTM



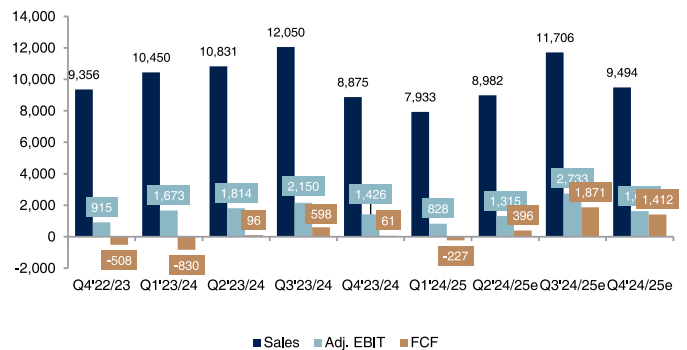
Source: ABG Sundal Collier, Company data

ND/adj. EBIT LTM (including earn-outs)



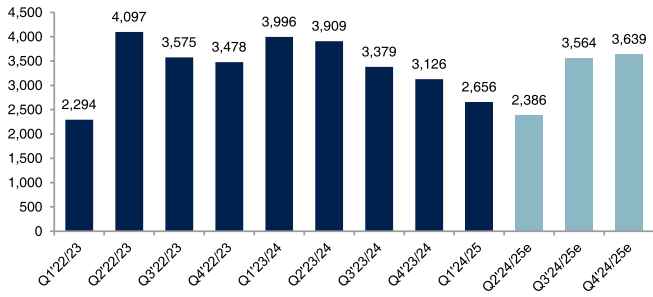
Source: ABG Sundal Collier, Company data

Quarterly sales, adj. EBIT & FCF, SEKm



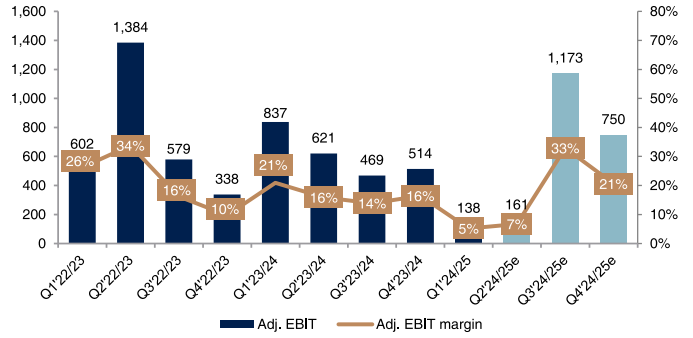
Source: ABG Sundal Collier, Company data

PC/Console sales, SEKm



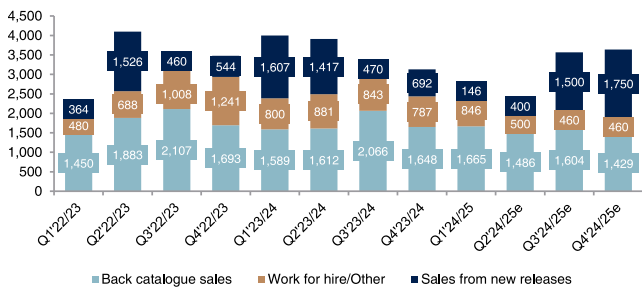
Source: ABG Sundal Collier, Company data

PC/Console adj. EBIT, SEKm



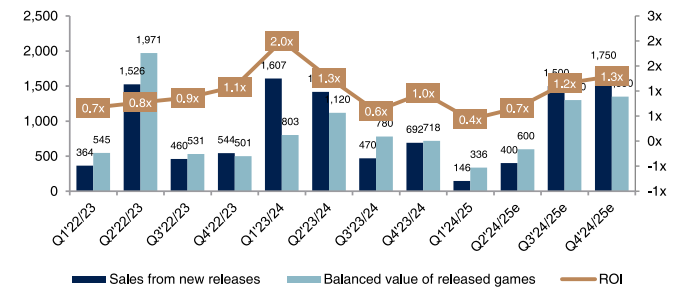
Source: ABG Sundal Collier, Company data

PC/Console sales distribution, SEKm



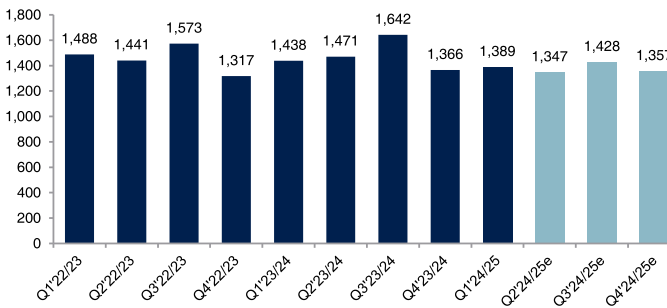
Source: ABG Sundal Collier, Company data

Project ROI, PC/Console



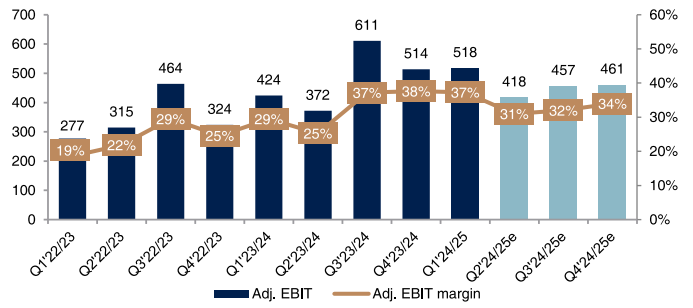
Source: ABG Sundal Collier, Company data

Mobile sales, SEKm



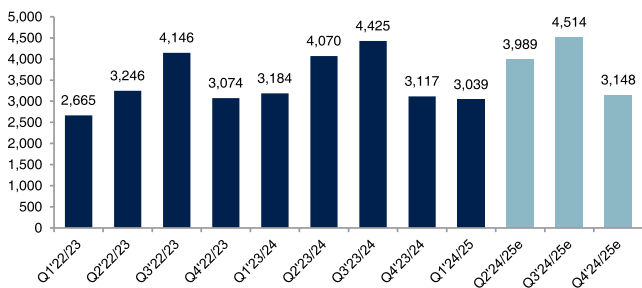
Source: ABG Sundal Collier, Company data

Mobile adj. EBIT, SEKm



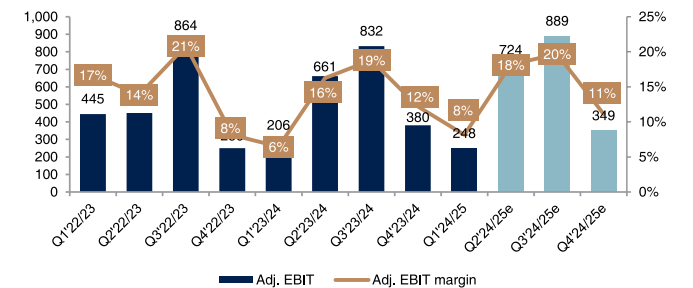
Source: ABG Sundal Collier, Company data

Tabletop sales, SEKm



Source: ABG Sundal Collier, Company data

Tabletop adj. EBIT, SEKm



Source: ABG Sundal Collier, Company data

Deviation table

Deviation table	Last year	Actual		ABGSCe		Consensus	
Net sales	Q1'23/24	Q1'24/25e	y-o-y	Q1'24/25e	Dev	Q1'24/25e	Dev
Net sales	10,450	7,933	-24%	7,765	2%	8,199	-3%
Adj. EBITDA	2,697	1,869	-31%	1,769	6%	1,771	6%
Adj. EBIT	1,673	828	-51%	823	1%	847	-2%
EBIT	421	-1,440	-442%	-756	-	-963	-
Net profit	2,251	-2,183	-197%	-1,255	-	-1,104	-
Growth and margins	Q1'23/24	Q1'24/25e	y-o-y	Q1'24/25e	Dev	Q1'24/25e	Dev
Sales growth	47%	-24%		-26%	1.6 pp	-22%	-2.5 pp
Organic	20%	-23%		-20%	-3.4 pp	-17%	-5.9 pp
Adj. EBIT growth	27%	-51%		-51%	0.3 pp	-49%	-1.1 pp
Adj. EBIT margin	16%	10%	-5.6 pp	11%	-0.2 pp	10%	0.1 pp
Sales per segment	Q1'23/24	Q1'24/25e	y-o-y	Q1'24/25e	Dev	Q1'24/25e	Dev
PC/Console	3,996	2,656	-34%	2,200	21%	2,222	20%
Mobile	1,438	1,389	-3%	1,393	0%	1,424	-2%
Tabletop	3,184	3,039	-5%	2,961	3%	3,188	-5%
Entertainment and Services	1,832	848	-54%	1,210	-30%	1,365	-38%
Adj. EBIT per segment	Q1'23/24	Q1'24/25e	y-o-y	Q1'24/25e	Dev	Q1'24/25e	Dev
PC/Console	837	138	-84%	142	-3%	192	-28%
Mobile	424	518	22%	432	20%	402	29%
Tabletop	206	248	20%	240	3%	263	-6%
Entertainment and Services	284	-21	-107%	54	-	48	-
Central	-77	-55	-29%	-45	-58	-58	-
Margins per segment	Q1'23/24	Q1'24/25e	y-o-y	Q1'24/25e	Dev	Q1'24/25e	Dev
PC/Console	21%	5%	-15.8%	6%	-1.2 pp	9%	-3.4 pp
Mobile	29%	37%	7.8%	31%	6.3 pp	28%	9.1 pp
Tabletop	6%	8%	1.7%	8%	0.1 pp	8%	-0.1 pp
Entertainment and Services	16%	-2%	-18.0%	5%	-7.0 pp	4%	-6.0 pp

Source: ABG Sundal Collier, Company data, Infront consensus

ABGSC estimate changes

Estimate changes (SEKm)	Old estimates			New estimates			Changes		
Net sales	2024/25e	2025/26e	2026/27e	2024/25e	2025/26e	2026/27e	2024/25e	2025/26e	2026/27e
PC/Console games	11,707	12,263	12,894	12,245	12,553	13,262	4.6%	2.4%	2.9%
Mobile games	5,654	5,710	5,767	5,521	5,576	5,632	-2.3%	-2.3%	-2.3%
Tabletop	14,863	15,252	15,680	14,689	15,082	15,513	-1.2%	-1.1%	-1.1%
Entertainment & Services	6,580	6,712	6,846	5,658	5,771	5,887	-14.0%	-14.0%	-14.0%
Game sales	17,360	17,973	18,661	17,767	18,129	18,894	2.3%	0.9%	1.2%
% of total	44.7%	45.0%	45.3%	46.6%	46.5%	46.9%	1.9 pp	1.5 pp	1.6 pp
Other segments	21,443	21,964	22,526	20,347	20,853	21,400	-5.1%	-5.1%	-5.0%
Net sales	38,803	39,936	41,187	38,115	38,983	40,294	-1.8%	-2.4%	-2.2%
Gross profit	23,031	23,926	24,922	23,034	23,590	24,631	0.0%	-1.4%	-1.2%
Capitalized costs & other income	3,910	3,912	3,941	3,771	3,816	3,886	-3.6%	-2.4%	-1.4%
Operating costs	-17,556	-17,154	-17,452	-18,062	-16,739	-17,152	2.9%	-2.4%	-1.7%
Adj. EBITDA	10,717	11,064	11,565	10,750	11,033	11,513	0.3%	-0.3%	-0.5%
Depreciation & amortization	-6,093	-6,110	-6,219	-6,422	-6,344	-6,183	5.4%	3.8%	-0.6%
Operational	-3,922	-4,108	-4,319	-4,242	-4,331	-4,443	8.2%	5.4%	2.9%
Non-operational	-2,171	-2,002	-1,900	-2,180	-2,013	-1,740	0.4%	0.5%	-8.4%
Adj. EBIT	6,795	6,957	7,246	6,508	6,703	7,070	-4.2%	-3.6%	-2.4%
PC/Console games	2,405	2,383	2,388	2,221	2,197	2,355	-7.7%	-7.8%	-1.4%
Mobile games	1,796	1,827	1,846	1,854	1,784	1,802	3.2%	-2.3%	-2.3%
Tabletop	2,180	2,258	2,376	2,211	2,339	2,462	1.4%	3.6%	3.6%
Entertainment & Services	594	671	821	428	577	648	-28.1%	-14.0%	-21.2%
Overhead	-180	-183	-185	-205	-195	-197	13.9%	6.6%	6.5%
EBIT	3,292	4,574	5,192	2,321	4,324	5,182	-29.5%	-5.5%	-0.2%
Net interest payments	-1,098	-691	-691	-1,153	-691	-650	5.0%	0.0%	-5.9%
Other financials	0	0	0	56	0	0	nm	nm	nm
Taxes	-900	-1,043	-1,087	-1,138	-1,005	-1,061	26.4%	-3.6%	-2.4%
Adj. Net profit	4,797	5,222	5,468	4,217	5,006	5,360	-12.1%	-4.1%	-2.0%
Net profit	1,294	2,839	3,414	86	2,627	3,472	-93.4%	-7.5%	1.7%
EPS Adj. (SEK)	3.51	3.83	4.01	3.10	3.68	3.94	-11.8%	-3.8%	-1.6%
EPS Basic (SEK)	0.95	2.08	2.50	0.06	1.93	2.55	-93.3%	-7.1%	2.1%
Net sales growth y-o-y	2024/25e	2025/26e	2026/27e	2024/25e	2025/26e	2026/27e	2024/25e	2025/26e	2026/27e
PC/Console	-18.8%	4.7%	5.1%	-15.0%	2.5%	5.6%	3.7 pp	-2.2 pp	0.5 pp
Mobile	-4.4%	1.0%	1.0%	-6.7%	1.0%	1.0%	-2.2 pp	0.0 pp	0.0 pp
Tabletop	0.5%	2.6%	2.8%	-0.7%	2.7%	2.9%	-1.2 pp	0.1 pp	0.1 pp
Entertainment & Services	-7.1%	2.0%	2.0%	-20.1%	2.0%	2.0%	-13.0 pp	0.0 pp	0.0 pp
Group	-8.1%	2.9%	3.1%	-9.7%	2.3%	3.4%	-1.6 pp	-0.6 pp	0.2 pp
Organic	0.5%	2.9%	3.1%	-1.8%	2.3%	3.4%	-2.4 pp	-0.6 pp	0.2 pp
Margins	2024/25e	2025/26e	2026/27e	2024/25e	2025/26e	2026/27e	2024/25e	2025/26e	2026/27e
Gross margin	59.4%	59.9%	60.5%	60.4%	60.5%	61.1%	1.1 pp	0.6 pp	0.6 pp
Adj. EBIT margin	17.5%	17.4%	17.6%	17.1%	17.2%	17.5%	-0.4 pp	-0.2 pp	0.0 pp
EBIT margin	8.5%	11.5%	12.6%	6.1%	11.1%	12.9%	-2.4 pp	-0.4 pp	0.3 pp
Adj. Net margin	12.4%	13.1%	13.3%	11.1%	12.8%	13.3%	-1.3 pp	-0.2 pp	0.0 pp

Source: ABG Sundal Collier, Company data

Peer table

Peer group: Global peers															
Large developers & publishers		Mcap	Share price		EV/EBIT (x)*			EV/EBITDA (x)*			EBIT-margin (%)*			CAGR '24e-'26e	
Company	(SEKm)	Ccy	SP	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e	Sales	EBIT	
Electronic Arts	403,358	SEK	1,526.7	15.7	14.0	12.7	14.1	12.9	11.9	31.5	33.0	33.8	6.5	10.0	
Take-Two	264,775	SEK	1,510.6	48.5	20.1	14.0	36.4	16.2	12.1	10.5	18.1	22.2	21.1	81.0	
Ubisoft	25,205	SEK	196.3	8.8	7.1	5.9	3.0	2.6	2.4	15.7	17.6	19.5	5.0	18.3	
Bandai Namco	131,499	SEK	201.0	12.7	11.1	9.8	9.9	8.9	7.8	11.4	12.4	12.9	3.2	6.8	
Nintendo	659,288	SEK	566.3	19.0	17.5	14.2	19.1	18.3	15.3	29.7	27.1	28.5	19.0	19.1	
NCsoft	28,760	SEK	1,439.4	38.0	13.7	6.8	16.6	9.2	6.3	5.2	11.7	12.1	12.4	86.3	
NEXON	169,424	SEK	203.6	11.4	9.4	8.5	11.2	9.3	8.4	32.3	34.4	33.8	5.7	8.1	
Peer average	240,330			22.0	13.3	10.3	15.8	11.1	9.2	19.5	22.0	23.3	10.4	32.8	
Peer median	169,424			15.7	13.7	9.8	14.1	9.3	8.4	15.7	18.1	22.2	6.5	18.3	
Embracer Group (ABGSCe)	33,750	SEK	22	6.3	5.5	4.6	3.8	3.3	2.8	17.1	17.2	17.5	0.6	1.1	
vs peer average				-72%	-59%	-55%	-76%	-70%	-69%	-12%	-22%	-25%	-94%	-97%	
vs peer median				-60%	-60%	-53%	-73%	-64%	-66%	9%	-5%	-21%	-91%	-94%	
Mid-sized developers & publishers		Mcap	Share price		EV/EBIT (x)*			EV/EBITDA (x)*			EBIT-margin (%)*			CAGR '24e-'26e	
Company	(SEKm)	Ccy	SP	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e	Sales	EBIT	
Konami	111,815	SEK	824.9	15.7	13.7	12.1	12.6	11.2	9.9	23.5	24.4	25.3	5.6	9.2	
CD Projekt	46,727	SEK	467.7	68.9	118.2	31.3	47.9	70.8	19.1	30.3	21.9	33.8	40.8	48.6	
Paradox Interactive	14,734	SEK	139.5	22.2	14.4	10.7	9.5	7.3	6.6	27.2	34.2	41.8	11.4	38.2	
Frontier Developments	1,518	SEK	39.3			17.7	374.8	38.0	3.1	-12.4	-2.4	4.8	5.2	na	
Pullup	1,411	SEK	171.9	17.4	9.8	8.2	3.1	2.6	2.3	6.9	10.9	11.8	5.9	17.2	
Team17 Group	5,497	SEK	38.2	10.3	9.1	8.0	8.7	7.8	6.8	21.6	22.2	22.6	3.9	6.3	
Remedy Entertainment	2,682	SEK	197.6		114.8	181.4	122.3	24.6	23.2	-4.8	3.1	1.8	11.8	na	
11 Bit Studios	4,021	SEK	1,663.6	6.2	6.7	6.0	5.3	5.0	4.1	64.7	57.4	52.1	na	-5.3	
Digital Bros	1,560	SEK	109.4	4.6	4.3		2.6	2.8		26.6	25.9		11.5	10.1	
Koei Tecmo	31,390	SEK	99.4	14.9	13.9	13.1	13.8	13.4	12.5	33.9	34.2	33.8	4.7	4.2	
Square Enix	40,947	SEK	341.2	8.8	7.9	7.4	7.2	6.5	5.9	12.6	13.8	13.9	2.2	2.4	
TinyBuild	264	SEK	0.7		119.6	24.9		9.4	4.7	-9.9	0.3	1.4	na	na	
Capcom	88,572	SEK	211.8	22.0	18.8	17.2	20.1	17.1	15.7	39.8	41.7	42.6	6.5	9.5	
Peer average	27,011			19.1	37.6	28.2	52.3	16.7	9.5	20.0	22.1	23.8	10.0	14.1	
Peer median	5,497			15.3	13.8	12.6	11.0	9.4	6.7	23.5	22.2	24.0	5.9	9.4	
Embracer Group (ABGSCe)	33,750	SEK	22	6.3	5.5	4.6	3.8	3.3	2.8	17.1	17.2	17.5	0.6	1.1	
vs peer average				-67%	-85%	-84%	-93%	-80%	-70%	-15%	-22%	-26%	-94%	-92%	
vs peer median				-59%	-60%	-63%	-66%	-65%	-58%	-27%	-23%	-27%	-90%	-88%	
Mobile developers & publishers		Mcap	Share price		EV/EBIT (x)*			EV/EBITDA (x)*			EBIT-margin (%)*			CAGR '24e-'26e	
Company	(SEKm)	Ccy	SP	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e	Sales	EBIT	
Stillfront	3,860	SEK	7.7	5.6	4.5	3.8	3.6	3.1	2.7	22.3	24.7	25.2	3.2	9.5	
MTG	9,283	SEK	76.9	7.4	6.5	5.1	4.7	4.1	3.3	17.7	16.7	17.1	4.3	2.6	
Com2us	3,288	SEK	288.0	37.5	12.6	9.1	12.6	7.7	6.4	1.8	4.9	6.6	na	111.6	
Playtika	25,902	SEK	69.6	8.7	7.7	7.0	5.6	5.0	4.5	18.9	19.1	19.0	2.8	2.9	
G5 Entertainment	766	SEK	97.0	4.7	4.2	3.9	2.1	2.0	1.9	9.7	10.0	10.1	1.4	3.3	
Ten Square Games	1,234	SEK	225.0	5.3	4.7	4.8	4.5	4.1	4.0	21.7	19.4	18.3	0.2	-8.1	
Peer average	7,389			11.5	6.7	5.6	5.5	4.3	3.8	15.4	15.8	16.0	2.4	20.3	
Peer median	3,574			6.5	5.6	5.0	4.6	4.1	3.6	18.3	17.9	17.7	2.8	3.1	
Embracer Group (ABGSCe)	33,750	SEK	22	6.3	5.5	4.6	3.8	3.3	2.8	17.1	17.2	17.5	0.6	1.1	
vs peer average				-46%	-18%	-18%	-31%	-22%	-25%	11%	9%	10%	-75%	-95%	
vs peer median				-3%	-2%	-7%	-18%	-18%	-22%	-7%	-4%	-1%	-79%	-64%	

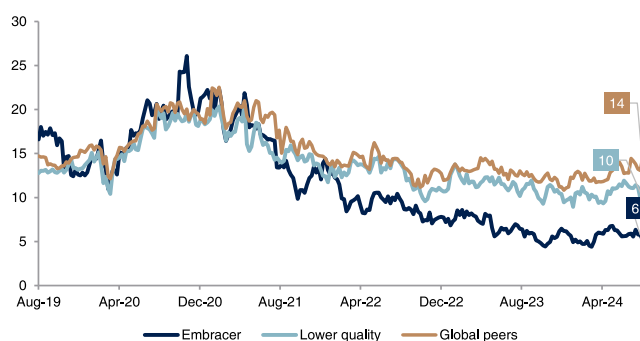
Source: ABG Sundal Collier (for Embracer), FactSet consensus

Embracer Group

Media/Entertainment companies Company	Mcap (SEKm)	Share price		EV/EBIT (x)*			EV/EBITDA (x)*			EBIT-margin (%)*			CAGR '24e-'26e	
		Ccy	SP	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e	Sales	EBIT
Walt Disney	1,631,505	SEK	899.6	12.8	11.9	10.8	11.1	10.0	9.2	16.9	17.2	17.9	4.6	6.7
Hasbro	93,905	SEK	673.6	14.6	13.1	11.8	11.7	10.6	9.9	19.9	21.6	22.7	4.1	11.1
Bandai Namco	131,499	SEK	201.0	12.7	11.1	9.8	9.9	8.9	7.8	11.4	12.4	12.9	3.2	6.8
Comcast	1,574,731	SEK	406.6	10.3	10.2	9.8	6.4	6.3	6.1	19.0	19.4	19.9	1.2	3.4
Paramount	71,072	SEK	106.6		7.6	6.9	6.5	6.4	5.9	-16.4	8.6	8.9	1.0	na
Mattel	67,426	SEK	198.4	11.3	10.3	9.9	7.8	7.4	7.3	13.0	13.6	13.9	3.0	6.4
Netflix	2,960,131	SEK	6897.4	29.0	23.6	19.9	27.4	22.5	19.0	26.0	28.1	29.7	11.3	19.0
Peer average	932,896			15.1	12.6	11.3	11.6	10.3	9.3	12.8	17.3	18.0	4.0	8.9
Peer median	131,499			12.7	11.1	9.9	9.9	8.9	7.8	16.9	17.2	17.9	3.2	6.7
Embracer Group (ABGSCe)	33,750	SEK	22	6.3	5.5	4.6	3.8	3.3	2.8	17.1	17.2	17.5	0.6	1.1
vs peer average				-59%	-56%	-59%	-67%	-68%	-70%	33%	0%	-2%	-85%	-88%
vs peer median				-51%	-51%	-53%	-62%	-63%	-64%	1%	0%	-2%	-81%	-83%

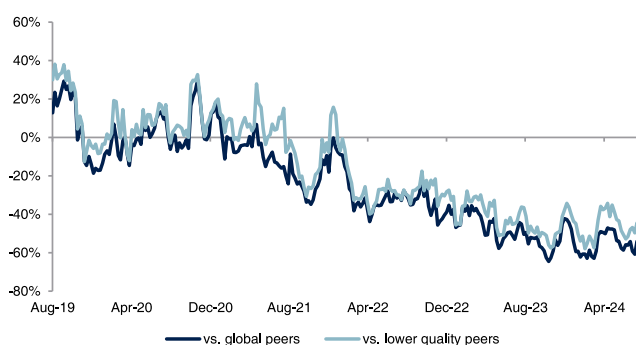
Source: ABG Sundal Collier (for Embracer), FactSet consensus

EV/adj. EBIT vs. peers (total and lower quality)



Source: ABG Sundal Collier, FactSet consensus

Premium/discount vs. peers



Source: ABG Sundal Collier, FactSet consensus

Detailed estimates

Quarterly estimates

Quarterly overview (SEKm)	Q1'23/24	Q2'23/24	Q3'23/24	Q4'23/24	Q1'24/25	Q2'24/25e	Q3'24/25e	Q4'24/25e
Net Sales	10,450	10,831	12,050	8,875	7,933	8,982	11,706	9,494
Capitalized work	1,458	1,437	1,303	1,153	774	847	882	788
Other operating income	90	131	143	211	117	108	140	114
Total operating income	11,998	12,399	13,496	10,239	8,824	9,937	12,729	10,396
COGS	-3,915	-4,049	-5,134	-3,675	-2,874	-3,761	-4,884	-3,562
Gross profit	6,535	6,782	6,916	5,200	5,059	5,221	6,822	5,932
Opex	-5,881	-6,135	-5,764	-12,365	-5,782	-4,036	-4,142	-4,102
Of which								
Other external expenses	-2,391	-2,420	-2,306	-1,881	-1,645	-1,864	-1,936	-1,913
Personnel expenses	-3,440	-3,644	-3,410	-3,743	-3,537	-2,172	-2,206	-2,190
Whereof earnout expenses	-412	-435	-377	-793	-1,105	-106	-99	-101
Other operating expenses	-50	-71	-48	-6,741	-600	0	0	0
Adj. EBITDA	2,697	2,923	3,269	2,488	1,869	2,246	3,802	2,833
D&A	-1,781	-3,049	-2,329	-14,578	-1,607	-1,491	-1,596	-1,728
Operational	-1,024	-1,122	-1,131	-1,062	0	0	0	-26
Non-operational	-757	-1,927	-1,198	-13,516	0	0	0	-12
Adj. EBIT	1,673	1,814	2,150	1,426	828	1,315	2,733	1,632
EBIT	421	-836	273	-20,378	-1,440	649	2,107	1,004
Non-recurring items	-495	-708	-671	-8,289	-1,701	-106	-99	-101
Net financials	2,171	161	-2,057	1,510	-347	-280	-250	-220
PTP	2,592	-675	-1,784	-18,868	-1,787	369	1,857	784
Taxes	-341	113	42	744	-410	-184	-312	-232
Tax rate	13.2%	16.7%	2.4%	3.9%	-22.9%	49.8%	16.8%	29.6%
Net profit	2,251	-562	-1,741	-18,125	-2,183	185	1,545	552
Adj. Net profit	1,096	1,613	1,830	1,810	28	851	2,171	1,180
EPS Basic (SEK)	1.65	-0.40	-1.20	-12.53	-1.61	0.14	1.14	0.41
Adj. EPS (SEK)	0.80	1.16	1.27	1.25	0.02	0.63	1.60	0.87
Growth	Q1'23/24	Q2'23/24	Q3'23/24	Q4'23/24	Q1'24/25	Q2'24/25e	Q3'24/25e	Q4'24/25e
Sales y-o-y	46.8%	13.2%	3.7%	-5.1%	-24.1%	-17.1%	-2.9%	7.0%
Organic growth	20.0%	-2.0%	-4.0%	-10.0%	-23.0%	-7.2%	5.3%	15.7%
Adj. EBITDA y-o-y	43.8%	-4.3%	8.8%	29.0%	-30.7%	-23.2%	16.3%	13.9%
Adj. EBIT y-o-y	26.6%	-14.5%	7.0%	55.8%	-50.5%	-27.5%	27.1%	14.4%
EBIT y-o-y	-206.0%	-281.7%	21.3%	21578.7%	-442.0%	-177.7%	671.7%	-104.9%
Margins	Q1'23/24	Q2'23/24	Q3'23/24	Q4'23/24	Q1'24/25	Q2'24/25e	Q3'24/25e	Q4'24/25e
Gross margin	62.5%	62.6%	57.4%	58.6%	63.8%	58.1%	58.3%	62.5%
EBITDA margin	25.8%	27.0%	27.1%	28.0%	23.6%	25.0%	32.5%	29.8%
Adj. EBIT margin	16.0%	16.7%	17.8%	16.1%	10.4%	14.6%	23.3%	17.2%
EBIT margin	4.0%	-7.7%	2.3%	-229.6%	-18.2%	7.2%	18.0%	10.6%
Net margin	21.5%	-5.2%	-14.4%	-204.2%	-27.5%	2.1%	13.2%	5.8%
Adj. Net margin	10.5%	14.9%	15.2%	20.4%	0.4%	9.5%	18.5%	12.4%

Source: ABG Sundal Collier, Company data

Segments

Segments	Q1'23/24	Q2'23/24	Q3'23/24	Q4'23/24	Q1'24/25	Q2'24/25e	Q3'24/25e	Q4'24/25e
Sales								
PC/Console	3,996	3,909	3,379	3,126	2,656	2,386	3,564	3,639
Mobile	1,438	1,471	1,642	1,366	1,389	1,347	1,428	1,357
Tabletop	3,184	4,070	4,425	3,117	3,039	3,989	4,514	3,148
Entertainment & Services	1,832	1,381	2,604	1,265	848	1,260	2,200	1,350
Adj. EBIT								
PC/Console	837	621	469	514	138	161	1,173	750
Mobile	424	372	611	514	518	418	457	461
Tabletop	206	661	832	380	248	724	889	349
Entertainment & Services	284	216	305	48	-21	63	264	122
Overhead	-77	-56	-68	-30	-55	-50	-50	-50
Adj. EBIT margin								
PC/Console	21%	16%	14%	16%	5%	7%	33%	21%
Mobile	29%	25%	37%	38%	37%	31%	32%	34%
Tabletop	6%	16%	19%	12%	8%	18%	20%	11%
Entertainment & Services	16%	16%	12%	4%	-2%	5%	12%	9%

Source: ABG Sundal Collier, Company data

Annual estimates

Annual overview (SEKm)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Net Sales	5,249	9,024	17,037	37,665	42,206	38,115	38,983	40,294
Capitalized work	753	1,292	2,294	4,788	5,351	3,292	3,427	3,483
Other operating income	306	288	333	409	575	479	390	403
Total operating income	6,308	10,604	19,663	42,862	48,132	41,886	42,799	44,180
COGS	-2,576	-3,618	-4,697	-14,768	-16,773	-15,081	-15,393	-15,663
Gross profit	2,673	5,406	12,340	22,897	25,433	23,034	23,590	24,631
Opex	-1,911	-3,000	-8,831	-21,376	-30,139	-18,062	-16,739	-17,152
Of which								
Other external expenses	-784	-1,319	-4,938	-8,704	-8,998	-7,357	-7,952	-8,220
Personnel expenses	-1,130	-1,842	-4,356	-12,449	-14,237	-10,105	-8,786	-8,932
Whereof earmout expenses	0	0	0	-2,631	-2,017	-1,411	-366	-148
Other operating expenses	3	160	463	-223	-6,904	-600	0	0
Adj. EBITDA	1,821	4,016	5,942	9,866	11,377	10,750	11,033	11,513
D&A	-1,476	-3,508	-9,851	-6,524	-21,737	-6,422	-6,344	-6,183
Operational	-788	-1,073	-1,317	-3,552	-4,339	-4,242	-4,331	-4,443
Non-operational	-688	-2,435	-8,534	-2,972	-17,398	-2,180	-2,013	-1,740
Adj. EBIT	1,033	2,858	4,416	6,366	7,063	6,508	6,703	7,070
EBIT	345	477	-3,716	194	-20,519	2,321	4,324	5,182
Non-recurring items	0	0	428	-3,207	-10,157	-2,007	-366	-148
Net financials	63	203	-105	4,823	1,785	-1,097	-691	-650
PTP	409	680	-3,821	5,017	-18,734	1,224	3,633	4,532
Taxes	-126	-393	-470	-553	558	-1138	-1005	-1061
Tax rate	30.7%	57.8%	-12.3%	11.0%	3.0%	93.0%	27.7%	23.4%
Net profit	283	287	-4,291	4,462	-18,177	86	2,627	3,472
Adj. Net profit	861	2,431	3,430	5,319	6,343	4,217	5,006	5,360
EPS Basic (SEK)	0.45	0.31	-3.73	3.27	-12.57	0.06	1.93	2.55
Adj. EPS (SEK)	1.38	2.64	2.98	3.89	4.39	3.10	3.68	3.94
Growth	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Sales y-o-y	2.5%	71.9%	88.8%	121.1%	12.1%	-9.7%	2.3%	3.4%
Organic growth	-12.6%	48.3%	8.2%	2.4%	-1.1%	-1.8%	2.3%	3.4%
Adj. EBITDA y-o-y	14.4%	120.5%	48.0%	66.0%	15.3%	-5.5%	2.6%	4.3%
Adj. EBIT y-o-y	15.1%	176.7%	54.5%	44.2%	10.9%	-7.9%	3.0%	5.5%
EBIT y-o-y	-40.0%	38.1%	-879.4%	-105.2%	-10676.8%	-111.3%	86.3%	19.9%
Margins	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Gross margin	50.9%	59.9%	72.4%	60.8%	60.3%	60.4%	60.5%	61.1%
Adj. EBITDA margin	34.7%	44.5%	34.9%	26.2%	27.0%	28.2%	28.3%	28.6%
Adj. EBIT margin	19.7%	31.7%	25.9%	16.7%	16.7%	17.1%	17.2%	17.5%
EBIT margin	6.6%	5.3%	-21.8%	0.5%	-48.6%	6.1%	11.1%	12.9%
Net margin	5.4%	3.2%	-25.2%	11.8%	-43.1%	0.2%	6.7%	8.6%
Adj. Net margin	16.4%	26.9%	20.1%	14.1%	15.0%	11.1%	12.8%	13.3%

Source: ABG Sundal Collier, Company data

Segments

Segments	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Sales								
PC/Console			8,498	13,444	14,410	12,245	12,553	13,262
Mobile			4,896	5,819	5,917	5,521	5,576	5,632
Tabletop			571	13,131	14,796	14,689	15,082	15,513
Entertainment & Services			3,102	5,270	7,082	5,658	5,771	5,887
Adj. EBIT								
PC/Console			2,926	2,903	2,441	2,221	2,197	2,355
Mobile			1,389	1,381	1,921	1,854	1,784	1,802
Tabletop			74	2,010	2,079	2,211	2,339	2,462
Entertainment & Services			0	281	853	428	577	648
Overhead			-171	-208	-231	-205	-195	-197
Adj. EBIT margin								
PC/Console			34.4%	21.6%	16.9%	18.1%	17.5%	17.8%
Mobile			28.4%	23.7%	32.5%	33.6%	32.0%	32.0%
Tabletop			13.0%	15.3%	14.1%	15.0%	15.5%	15.9%
Entertainment & Services			8.0%	5.3%	12.0%	7.6%	10.0%	11.0%

Source: ABG Sundal Collier, Company data

Income Statement (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Sales	508	5,754	5,249	9,024	17,037	37,665	42,206	38,115	38,983	40,294
COGS	-148	-3,261	-2,576	-3,618	-4,697	-14,768	-16,773	-15,081	-15,393	-15,663
Gross profit	360	2,493	2,673	5,406	12,340	22,897	25,433	23,034	23,590	24,631
Other operating items	-87	-901	-852	-1,421	-6,205	-16,179	-24,215	-14,291	-12,922	-13,266
EBITDA	273	1,592	1,821	3,985	6,135	6,718	1,218	8,743	10,667	11,365
Depreciation and amortisation	-76	-1,017	-1,476	-3,509	-9,851	-6,524	-21,737	-6,422	-6,344	-6,183
of which leasing depreciation	0	0	0	0	0	0	0	0	0	0
EBITA	197	575	345	477	-3,716	194	-20,519	2,321	4,324	5,182
EO Items	-6	-322	-688	-2,381	-8,132	-6,172	-27,582	-4,187	-2,379	-1,888
Impairment and PPA amortisation	0	0	0	0	0	0	0	0	0	0
EBIT	197	575	345	477	-3,716	194	-20,519	2,321	4,324	5,182
Net financial items	-6	-29	63	203	-105	4,823	1,785	-1,097	-691	-650
Pretax profit	191	546	409	680	-3,821	5,017	-18,734	1,224	3,633	4,532
Tax	-43	-149	-126	-393	-470	-553	558	-1,138	-1,005	-1,061
Net profit	148	398	283	287	-4,291	4,464	-18,176	86	2,627	3,472
Minority interest	0	0	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
Net profit to shareholders	148	398	283	287	-4,291	4,464	-18,176	86	2,627	3,472
EPS	0.31	0.65	0.45	0.31	-3.73	3.27	-12.57	0.06	1.93	2.55
EPS adj.	0.34	1.14	1.38	2.64	2.98	3.89	4.39	3.10	3.68	3.94
Total extraordinary items after tax	-4	-234	-477	-1,006	-9,133	-5,492	-26,760	-294	-1,721	-1,446
Leasing payments	0	0	0	0	0	0	0	0	0	0
<i>Tax rate (%)</i>	<i>22.5</i>	<i>27.2</i>	<i>30.7</i>	<i>57.8</i>	<i>-12.3</i>	<i>11.0</i>	<i>3.0</i>	<i>93.0</i>	<i>27.7</i>	<i>23.4</i>
<i>Gross margin (%)</i>	<i>70.9</i>	<i>43.3</i>	<i>50.9</i>	<i>59.9</i>	<i>72.4</i>	<i>60.8</i>	<i>60.3</i>	<i>60.4</i>	<i>60.5</i>	<i>61.1</i>
<i>EBITDA margin (%)</i>	<i>53.7</i>	<i>27.7</i>	<i>34.7</i>	<i>44.2</i>	<i>36.0</i>	<i>17.8</i>	<i>2.9</i>	<i>22.9</i>	<i>27.4</i>	<i>28.2</i>
<i>EBITA margin (%)</i>	<i>38.8</i>	<i>10.0</i>	<i>6.6</i>	<i>5.3</i>	<i>-21.8</i>	<i>0.5</i>	<i>-48.6</i>	<i>6.1</i>	<i>11.1</i>	<i>12.9</i>
<i>EBIT margin (%)</i>	<i>38.8</i>	<i>10.0</i>	<i>6.6</i>	<i>5.3</i>	<i>-21.8</i>	<i>0.5</i>	<i>-48.6</i>	<i>6.1</i>	<i>11.1</i>	<i>12.9</i>
<i>Pre-tax margin (%)</i>	<i>37.5</i>	<i>9.5</i>	<i>7.8</i>	<i>7.5</i>	<i>-22.4</i>	<i>13.3</i>	<i>-44.4</i>	<i>3.2</i>	<i>9.3</i>	<i>11.2</i>
<i>Net margin (%)</i>	<i>29.1</i>	<i>6.9</i>	<i>5.4</i>	<i>3.2</i>	<i>-25.2</i>	<i>11.9</i>	<i>-43.1</i>	<i>0.2</i>	<i>6.7</i>	<i>8.6</i>
Growth Rates y-o-y	-	-	-	-	-	-	-	-	-	-
<i>Sales growth (%)</i>	<i>68.1</i>	<i>1,033.7</i>	<i>-8.8</i>	<i>71.9</i>	<i>88.8</i>	<i>121.1</i>	<i>12.1</i>	<i>-9.7</i>	<i>2.3</i>	<i>3.4</i>
<i>EBITDA growth (%)</i>	<i>106.0</i>	<i>484.1</i>	<i>14.4</i>	<i>118.8</i>	<i>53.9</i>	<i>9.5</i>	<i>-81.9</i>	<i>617.8</i>	<i>22.0</i>	<i>6.5</i>
<i>EBITA growth (%)</i>	<i>106.5</i>	<i>192.5</i>	<i>-40.0</i>	<i>38.1</i>	<i>-879.4</i>	<i>-105.2</i>	<i>-10,676.8</i>	<i>-111.3</i>	<i>86.3</i>	<i>19.9</i>
<i>EBIT growth (%)</i>	<i>NM</i>	<i>NM</i>	<i>-40.0</i>	<i>38.1</i>	<i>-879.4</i>	<i>-105.2</i>	<i>-10,676.8</i>	<i>-111.3</i>	<i>86.3</i>	<i>19.9</i>
<i>Net profit growth (%)</i>	<i>104.5</i>	<i>169.3</i>	<i>-28.8</i>	<i>1.5</i>	<i>-1,593.6</i>	<i>-204.0</i>	<i>-507.2</i>	<i>-100.5</i>	<i>2,962.1</i>	<i>32.1</i>
<i>EPS growth (%)</i>	<i>86.0</i>	<i>nm</i>	<i>-29.8</i>	<i>-31.3</i>	<i>-1,296.4</i>	<i>-187.6</i>	<i>-484.8</i>	<i>-100.5</i>	<i>nm</i>	<i>32.1</i>
Profitability	-	-	-	-	-	-	-	-	-	-
<i>ROE (%)</i>	<i>20.8</i>	<i>11.7</i>	<i>4.7</i>	<i>1.7</i>	<i>-11.9</i>	<i>8.2</i>	<i>-31.0</i>	<i>0.2</i>	<i>5.6</i>	<i>7.1</i>
<i>ROE adj. (%)</i>	<i>21.4</i>	<i>18.6</i>	<i>12.5</i>	<i>7.7</i>	<i>13.5</i>	<i>18.2</i>	<i>14.6</i>	<i>0.8</i>	<i>9.3</i>	<i>10.1</i>
<i>ROCE (%)</i>	<i>25.3</i>	<i>13.8</i>	<i>5.8</i>	<i>3.9</i>	<i>-6.0</i>	<i>6.3</i>	<i>-20.1</i>	<i>3.2</i>	<i>6.3</i>	<i>7.4</i>
<i>ROCE adj. (%)</i>	<i>26.0</i>	<i>21.5</i>	<i>14.4</i>	<i>15.9</i>	<i>8.6</i>	<i>13.3</i>	<i>11.6</i>	<i>8.9</i>	<i>9.7</i>	<i>10.1</i>
<i>ROIC (%)</i>	<i>40.1</i>	<i>18.1</i>	<i>4.8</i>	<i>1.8</i>	<i>-9.4</i>	<i>0.2</i>	<i>-24.3</i>	<i>0.2</i>	<i>5.6</i>	<i>7.3</i>
<i>ROIC adj. (%)</i>	<i>41.3</i>	<i>28.2</i>	<i>14.4</i>	<i>11.0</i>	<i>11.1</i>	<i>7.0</i>	<i>8.4</i>	<i>0.7</i>	<i>8.7</i>	<i>10.0</i>
Adj. earnings numbers	-	-	-	-	-	-	-	-	-	-
<i>EBITDA adj.</i>	<i>278</i>	<i>1,914</i>	<i>2,509</i>	<i>6,367</i>	<i>14,267</i>	<i>12,890</i>	<i>28,800</i>	<i>12,930</i>	<i>13,046</i>	<i>13,253</i>
<i>EBITDA adj. margin (%)</i>	<i>54.8</i>	<i>33.3</i>	<i>47.8</i>	<i>70.5</i>	<i>83.7</i>	<i>34.2</i>	<i>68.2</i>	<i>33.9</i>	<i>33.5</i>	<i>32.9</i>
<i>EBITDA lease adj.</i>	<i>273</i>	<i>1,592</i>	<i>1,821</i>	<i>4,016</i>	<i>5,942</i>	<i>9,866</i>	<i>11,377</i>	<i>10,750</i>	<i>11,033</i>	<i>11,513</i>
<i>EBITDA lease adj. margin (%)</i>	<i>53.7</i>	<i>27.7</i>	<i>34.7</i>	<i>44.5</i>	<i>34.9</i>	<i>26.2</i>	<i>27.0</i>	<i>28.2</i>	<i>28.3</i>	<i>28.6</i>
<i>EBITA adj.</i>	<i>202</i>	<i>897</i>	<i>1,033</i>	<i>2,858</i>	<i>4,416</i>	<i>6,366</i>	<i>7,063</i>	<i>6,508</i>	<i>6,703</i>	<i>7,070</i>
<i>EBITA adj. margin (%)</i>	<i>39.9</i>	<i>15.6</i>	<i>19.7</i>	<i>31.7</i>	<i>25.9</i>	<i>16.9</i>	<i>16.7</i>	<i>17.1</i>	<i>17.2</i>	<i>17.5</i>
<i>EBIT adj.</i>	<i>202</i>	<i>897</i>	<i>1,033</i>	<i>2,858</i>	<i>4,416</i>	<i>6,366</i>	<i>7,063</i>	<i>6,508</i>	<i>6,703</i>	<i>7,070</i>
<i>EBIT adj. margin (%)</i>	<i>39.9</i>	<i>15.6</i>	<i>19.7</i>	<i>31.7</i>	<i>25.9</i>	<i>16.9</i>	<i>16.7</i>	<i>17.1</i>	<i>17.2</i>	<i>17.5</i>
<i>Pretax profit Adj.</i>	<i>196</i>	<i>868</i>	<i>1,096</i>	<i>3,061</i>	<i>4,311</i>	<i>11,189</i>	<i>8,848</i>	<i>5,411</i>	<i>6,012</i>	<i>6,420</i>
<i>Net profit Adj.</i>	<i>152</i>	<i>632</i>	<i>760</i>	<i>1,293</i>	<i>4,842</i>	<i>9,956</i>	<i>8,584</i>	<i>379</i>	<i>4,348</i>	<i>4,918</i>
<i>Net profit to shareholders adj.</i>	<i>152</i>	<i>632</i>	<i>760</i>	<i>1,293</i>	<i>4,842</i>	<i>9,956</i>	<i>8,584</i>	<i>379</i>	<i>4,348</i>	<i>4,918</i>
<i>Net adj. margin (%)</i>	<i>30.0</i>	<i>11.0</i>	<i>14.5</i>	<i>14.3</i>	<i>28.4</i>	<i>26.4</i>	<i>20.3</i>	<i>1.0</i>	<i>11.2</i>	<i>12.2</i>

Source: ABG Sundal Collier, Company Data

Cash Flow (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	273	1,592	1,821	3,985	6,135	6,718	1,218	8,743	10,667	11,365
Net financial items	-6	-29	63	203	-105	4,823	1,785	-1,097	-691	-650
Paid tax	-43	-149	-126	-393	-470	-902	-977	-811	-1,005	-1,061
Non-cash items	26	29	-45	262	181	2,228	8,512	1,652	116	-102
Cash flow before change in WC	250	1,443	1,714	4,058	5,741	12,867	10,538	8,487	9,087	9,553
Change in working capital	-70	-87	14	-159	-1,460	-7,484	-2,650	24	-147	-159

Cash Flow (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Operating cash flow	179	1,356	1,728	3,899	4,281	5,383	7,888	8,511	8,940	9,394
Capex tangible fixed assets	-2	-140	-42	-70	-341	-497	-311	-272	-253	-258
Capex intangible fixed assets	-312	-1,336	-1,653	-2,135	-3,712	-5,995	-7,009	-4,208	-4,171	-4,352
Acquisitions and Disposals	-62	-1,071	-906	-4,591	-33,770	-8,935	-2,261	4,232	-500	-2,034
Free cash flow	-196	-1,190	-873	-2,897	-33,542	-10,044	-1,693	8,264	4,016	2,750
Dividend paid	-	-	-	-	-	-	-	-	-	-
Share issues and buybacks	0	3,450	-1	14,695	6,181	10,326	1,958	0	0	0
Leasing liability amortisation	0	0	0	0	-156	-502	-643	-579	-590	-592
Other non-cash items	547	-1,326	-422	-1,309	-17,139	-876	6,080	4,622	500	2,034
Balance Sheet (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Goodwill	0	830	1,412	10,804	46,069	48,524	31,210	23,410	23,410	23,410
Other intangible assets	571	2,877	4,459	5,586	30,004	45,579	37,036	28,822	26,649	24,819
Tangible fixed assets	8	156	185	238	727	1,148	881	853	806	764
Right-of-use asset	0	0	0	0	0	1,423	1,349	1,349	1,349	1,349
Total other fixed assets	3	196	251	572	1,741	2,399	2,531	2,531	2,531	2,531
Fixed assets	582	4,059	6,307	17,199	78,540	99,073	73,007	56,965	54,745	52,872
Inventories	30	323	353	243	3,162	4,081	3,218	3,459	3,545	3,638
Receivables	90	1,297	1,468	2,010	5,942	5,963	5,417	4,680	4,796	4,922
Other current assets	0	0	0	0	0	2,274	10,712	0	0	0
Cash and liquid assets	627	2,929	2,510	14,300	5,810	4,680	3,341	11,125	14,551	16,709
Total assets	1,329	8,608	10,637	33,752	93,454	116,071	95,695	76,229	77,638	78,142
Shareholders equity	1,073	5,713	6,395	27,165	44,812	64,721	52,482	45,728	47,581	50,059
Minority	-	-	-	-	-	-	-	-	-	-
Total equity	1,073	5,713	6,395	27,165	44,812	64,721	52,482	45,728	47,581	50,059
Long-term debt	0	641	1,023	2,513	21,252	24,057	15,191	19,832	19,332	17,298
Pension debt	-	-	-	-	-	-	-	-	-	-
Convertible debt	-	-	-	-	-	-	-	-	-	-
Leasing liability	0	19	25	17	534	1,488	1,405	1,424	1,424	1,424
Total other long-term liabilities	41	218	415	532	5,796	12,099	6,121	5,885	5,885	5,885
Short-term debt	110	835	1,183	1,203	14,018	4,581	10,068	1,122	1,122	1,122
Accounts payable	0	5	37	809	3,671	9,125	8,258	2,238	2,294	2,354
Other current liabilities	105	1,177	1,559	1,512	3,371	0	2,170	0	0	0
Total liabilities and equity	1,329	8,608	10,637	33,752	93,454	116,071	95,695	76,229	77,638	78,142
Net IB debt	-520	-1,630	-530	-11,138	28,254	23,047	23,323	11,253	7,327	3,135
Net IB debt excl. pension debt	-520	-1,630	-530	-11,138	28,254	23,047	23,323	11,253	7,327	3,135
Net IB debt excl. leasing	-520	-1,649	-555	-11,155	27,720	21,559	21,918	9,829	5,903	1,711
Capital employed	1,183	7,208	8,626	30,899	80,617	94,847	79,146	68,106	69,459	69,903
Capital invested	554	4,083	5,865	16,027	73,066	87,768	75,805	56,980	54,908	53,193
Working capital	15	438	224	-68	2,063	3,193	8,919	5,901	6,047	6,206
EV breakdown	-	-	-	-	-	-	-	-	-	-
Market cap. diluted (m)	10,308	13,346	13,541	20,007	24,977	29,653	31,378	29,512	29,512	29,512
Net IB debt adj.	-520	-1,630	-530	-11,138	28,254	23,047	23,323	11,253	7,327	3,135
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	9,788	11,716	13,010	8,869	53,230	52,700	54,701	40,765	36,839	32,647
Total assets turnover (%)	56.6	115.8	54.6	40.7	26.8	36.0	39.9	44.3	50.7	51.7
Working capital/sales (%)	0.1	3.9	6.3	0.9	5.9	7.0	14.3	19.4	15.3	15.2
Financial risk and debt service	-	-	-	-	-	-	-	-	-	-
Net debt/equity (%)	-48.4	-28.5	-8.3	-41.0	63.0	35.6	44.4	24.6	15.4	6.3
Net debt / market cap (%)	-5.0	-12.2	-3.9	-55.7	113.1	77.7	74.3	38.1	24.8	10.6
Equity ratio (%)	80.8	66.4	60.1	80.5	48.0	55.8	54.8	60.0	61.3	64.1
Net IB debt adj. / equity (%)	-48.4	-28.5	-8.3	-41.0	63.0	35.6	44.4	24.6	15.4	6.3
Current ratio	3.48	2.25	1.56	4.70	0.71	1.24	1.11	5.73	6.70	7.27
EBITDA/net interest	44.0	54.5	28.7	19.6	58.6	1.4	0.7	8.0	15.4	17.5
Net IB debt/EBITDA (x)	-1.9	-1.0	-0.3	-2.8	4.6	3.4	19.1	1.3	0.7	0.3
Net IB debt/EBITDA lease adj. (x)	-1.9	-1.0	-0.3	-2.8	4.7	2.2	1.9	0.9	0.5	0.1
Interest coverage	31.7	17.8	9.7	8.7	6.8	11.1	14.0	2.1	6.3	8.0

Source: ABG Sundal Collier, Company Data

Share Data (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Actual shares outstanding	475	615	624	922	1,151	1,366	1,446	1,360	1,360	1,360
Actual shares outstanding (avg)	475	615	624	922	1,151	1,366	1,446	1,360	1,360	1,360

Embracer Group

Share Data (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
All additional shares	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (SEKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Shares outstanding adj.	475	615	624	922	1,151	1,366	1,446	1,360	1,360	1,360
Diluted shares adj.	475	615	624	922	1,151	1,366	1,446	1,360	1,360	1,360
EPS	0.31	0.65	0.45	0.31	-3.73	3.27	-12.57	0.06	1.93	2.55
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.	0.34	1.14	1.38	2.64	2.98	3.89	4.39	3.10	3.68	3.94
BVPS	2.26	9.29	10.25	29.46	38.93	47.36	36.29	33.62	34.99	36.81
BVPS adj.	1.06	3.26	0.84	11.69	-27.16	-21.50	-10.90	-4.78	-1.82	1.35
Net IB debt/share	-1.09	-2.65	-0.85	-12.08	24.55	16.87	16.13	8.27	5.39	2.30
Share price	21.70	21.70	21.70	21.70	21.70	21.70	21.70	21.70	21.70	21.70
Market cap. (m)	10,308	13,346	13,541	20,007	24,977	29,653	31,378	29,512	29,512	29,512
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	69.8	33.6	47.8	69.6	-5.8	6.6	-1.7	344.0	11.2	8.5
EV/sales (x)	19.29	2.04	2.48	0.98	3.12	1.40	1.30	1.07	0.95	0.81
EV/EBITDA (x)	35.9	7.4	7.1	2.2	8.7	7.8	44.9	4.7	3.5	2.9
EV/EBITA (x)	49.8	20.4	37.7	18.6	-14.3	271.6	-2.7	17.6	8.5	6.3
EV/EBIT (x)	49.8	20.4	37.7	18.6	-14.3	271.6	-2.7	17.6	8.5	6.3
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF yield (%)	-1.9	-8.9	-6.4	-14.5	-134.3	-33.9	-5.4	28.0	13.6	9.3
Le. adj. FCF yld. (%)	-1.9	-8.9	-6.4	-14.5	-134.9	-35.6	-7.4	26.0	11.6	7.3
P/BVPS (x)	9.60	2.34	2.12	0.74	0.56	0.46	0.60	0.65	0.62	0.59
P/BVPS adj. (x)	20.53	6.65	25.82	1.86	-0.80	-1.01	-1.99	-4.54	-11.91	16.12
P/E adj. (x)	63.7	19.1	15.7	8.2	7.3	5.6	4.9	7.0	5.9	5.5
EV/EBITDA adj. (x)	35.2	6.1	5.2	1.4	3.7	4.1	1.9	3.2	2.8	2.5
EV/EBITA adj. (x)	48.4	13.1	12.6	3.1	12.1	8.3	7.7	6.3	5.5	4.6
EV/EBIT adj. (x)	48.4	13.1	12.6	3.1	12.1	8.3	7.7	6.3	5.5	4.6
EV/CE (x)	8.3	1.6	1.5	0.3	0.7	0.6	0.7	0.6	0.5	0.5
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	61.7	25.7	32.3	24.4	23.8	17.2	17.3	11.8	11.4	11.4
Capex/depreciation	4.1	1.5	1.1	0.6	0.4	1.0	0.3	0.7	0.7	0.7
Capex tangibles / tangible fixed assets	19.7	90.2	23.0	29.3	46.9	43.3	35.3	31.9	31.4	33.8
Capex intangibles / definite intangibles	54.5	46.4	37.1	38.2	12.4	13.2	18.9	14.6	15.7	17.5
Depreciation on intang / def. intang	13	35	32	62	32	14	59	21	23	24
Depreciation on tangibles / tangibles	0.00	14.46	15.93	17.33	14.04	0.00	0.00	35.19	37.22	39.28

Source: ABG Sundal Collier, Company Data

Analyst Certification

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Analyst stock ratings definitions

BUY = We expect this stock’s total return to exceed the market’s expected total return by 5% or more over the next six months.

HOLD = We expect this stock’s total return to be in line with the market’s expected total return within a range of 4% over the next six months.

SELL = We expect this stock’s total return to underperform the market’s expected total return by 5% or more over the next six months.

Analyst valuation methods

When setting the individual ratings for investment research (“independent research”), ABG Sundal Collier assumes that a normal total absolute return (including dividends) for the market is 8% per annum, or 4% on a 6-month basis. Therefore, when we rate a stock a BUY, we expect an absolute return of 9% or better over six months. Volatility and low trading volumes mean that we have a wider range for expected returns on small cap stocks than for large caps.

ABG Sundal Collier’s analysts publish price targets for independent research and may publish valuation ranges for commissioned research. These price targets or valuation ranges rely on various valuation methods. One of the most frequently used methods is the valuation of a company by calculation of that company’s discounted cash flow (DCF). Another valuation method is the analysis of a company’s return on capital employed relative to its cost of capital. Finally, the analysts may analyse various valuation multiples (e.g., the P/E multiples and the EV/EBITDA multiples) relative to global industry peers. In special cases, particularly for property companies and investment companies, the ratio of price to net asset value is considered. Price targets and valuation ranges are changed when earnings and cash flow forecasts are changed. They may also be changed when the underlying value of a company’s assets changes (in the cases of investment companies, real estate companies or insurance companies) or when factors impacting the required rate of return change.

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Stock price, company ratings and target price history

Company: Embracer Group

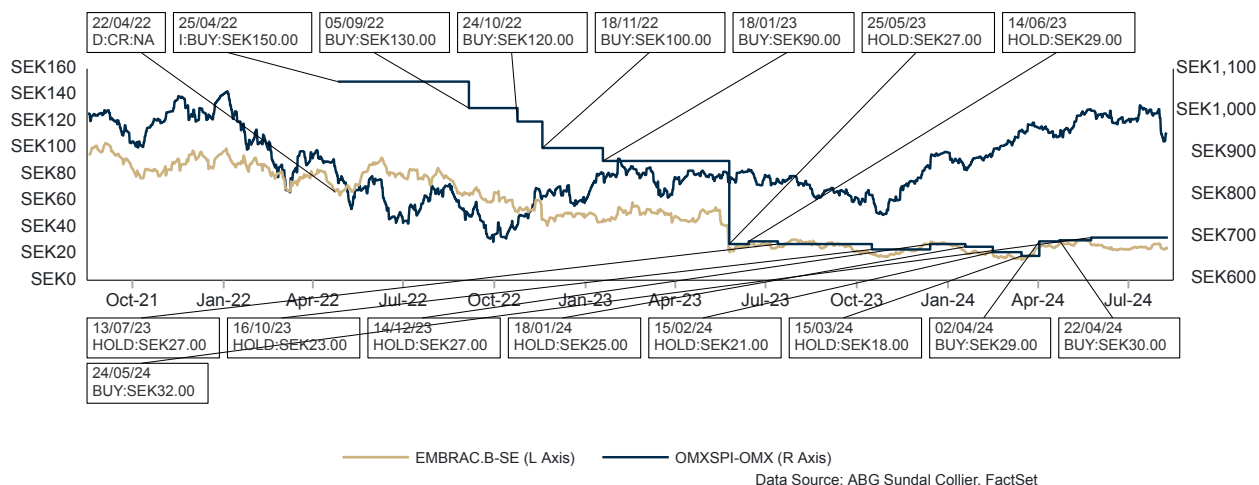
Currency: SEK

Current Recommendation: BUY

Date: 14/8/2024

Current Target price: 30.0

Current Share price: 21.70



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Production of recommendation: 8/15/2024 20:49.

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