

Reason: Post-results comment

Empir Group

Eyeing a cleaner '19

- Serve and Apply drove sales growth in Q4
- Another year of double-digit growth ahead
- Anzena acquisition changes earnings composition

Q4: 6% sales growth, but lower adj. EBIT than expected

Empir closed its books for 2018 with total sales growth of 21%. Sales in Q4 of SEK 74.4m were in line with our expectations, implying growth of 6% y-o-y. Sales for Solve continued to decline, as we have highlighted before. However, the margin of 5.2% for the segment was encouraging to see, indicating a solid performance and margins for the majority of the individual units. Furthermore, Serve impressed with growth of 27% y-o-y. The reported margin for the segment was hampered, however, by acquisition-related costs, which amounted to 6.5%. Adjusting for these costs, Q4 EBIT for all three segments was more in line with expectations. Nevertheless, group-related costs were larger than expected, and led to adj. EBIT of SEK 2.1m (SEK 4.0m ABGSCe).

Acquisition lifts group margins in '19e

Earlier in December, Empir acquired Anzena Consulting, which will be incorporated into its Serve segment. We estimate that the acquisition will add roughly SEK 35m in sales in '19, and with margins in line with the segment as a whole. Empir should therefore experience another year with double-digit sales growth. Other than including the acquisition in our revised estimates, we lower Solve sales for the year, as we expect a further decline given restructuring of some units. We leave our underlying margins for the segments unchanged, but given the contribution from Anzena, we lift our group EBIT margin in '19e from 3% to 4.2%.

Serve segment to change earnings composition

2018 was characterised by high sales growth but also by non-recurring costs. We argue that '19 should be a cleaner year for Empir and give it the opportunity to show a more stable underlying development for all segments. We furthermore believe that the acquisition of Anzena will give Empir greater earnings stability, also for making it less reliant on the larger Solve segment.

Lead analyst: Victor Forssell
Stefan Knutsson

SEKm	2017	2018	2019e	2020e	2021e
Sales	219	264	310	318	324
EBITDA	7	4	19	21	24
EBITDA margin (%)	3.4	1.4	6.1	6.7	7.3
EBIT adj	2	6	13	15	18
EBIT adj margin (%)	1.1	2.3	4.2	4.8	5.4
Pretax profit	5	-1	13	15	17
EPS rep	1.38	-0.44	2.53	2.68	2.67
EPS adj	0.60	1.55	2.53	2.68	2.67
Sales growth (%)	39.8	20.7	17.5	2.3	2.1
EPS growth (%)	190.6	-132.0	671.8	5.6	-0.4

Source: ABG Sundal Collier, Company data

Company sponsored research

Not rated

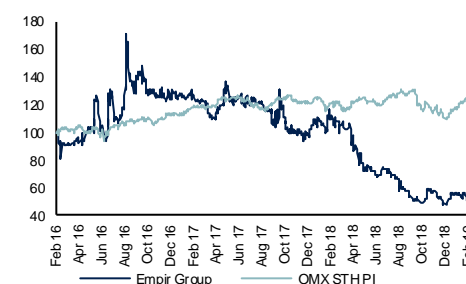
Estimate changes (%)	2019e	2020e	2021e
Sales	11.7%	11.8%	0.0%
EBIT (rep)	55.0%	38.4%	0.0%
EPS (rep)	26.8%	9.8%	0.0%

Source: ABG Sundal Collier

Share price (SEK)	19/02/2019	18.0
Information Technology, Sweden		
EMPIRb.ST/EMPIRB SS		
MCap (SEKm)		75
MCap (EURm)		7.2
Net debt (EURm)		-2
No. of shares (m)		4.2
Free float (%)		86.0
Av. daily volume (k)		0.7

Next event Q1 report: 15 May

Performance



	1m	3m	12m
Absolute (%)	-9.9	-9.8	-56.0
OMX STH PI (%)	4.9	6.2	4.0

Source: FactSet

	2019e	2020e	2021e
P/E (x)	7.1	6.7	6.8
P/E adj (x)	7.1	6.7	6.8
P/BVPS (x)	0.52	0.49	0.47
EV/EBITDA (x)	4.1	3.5	2.9
EV/EBIT adj (x)	6.0	4.8	3.9
EV/sales (x)	0.25	0.23	0.21
ROE adj (%)	8.3	8.2	7.7
Dividend yield (%)	4.6	4.8	4.8
FCF yield (%)	4.7	8.7	12.1
Net IB debt/EBITDA	-1.2	-1.3	-1.4

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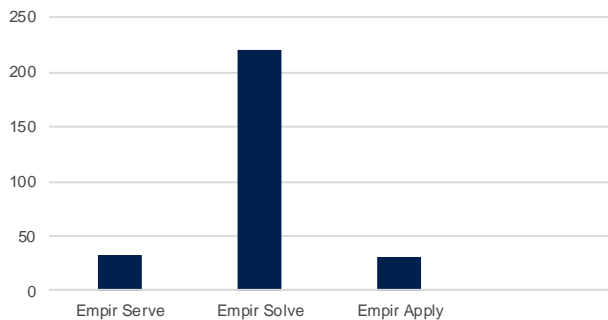
Opportunities

We believe that Empir will continue its acquisition intensive strategy, which will derive further growth. An intensification of acquisitions within the business segments Apply and Serve would give Empir the opportunity to strengthen its operating margins as the proportion of sales from the consultancy segment decreases.

Risks

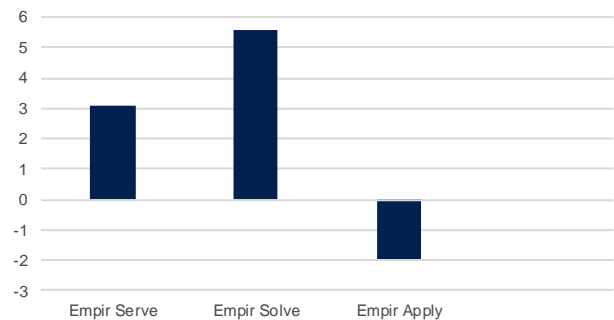
In its strategy to grow by further acquisitions, Empir faces the underlying risk of integration issues, which could potentially delay the company from reaching its financial targets. Restructuring costs from acquisitions will be volatile on a quarterly basis and affect profitability short-term.

Business area breakdown, sales 2018, SEKm



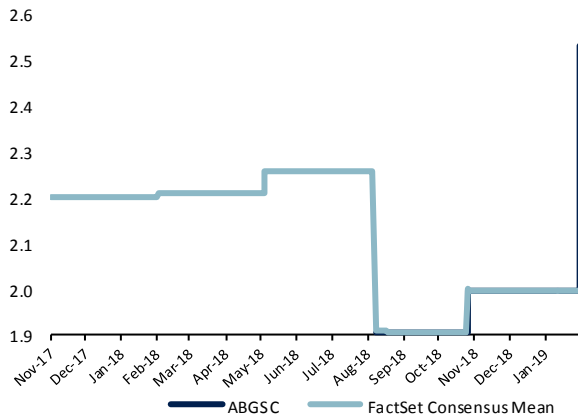
Source: ABG Sundal Collier, Company data

Business area breakdown, EBIT 2018, SEKm



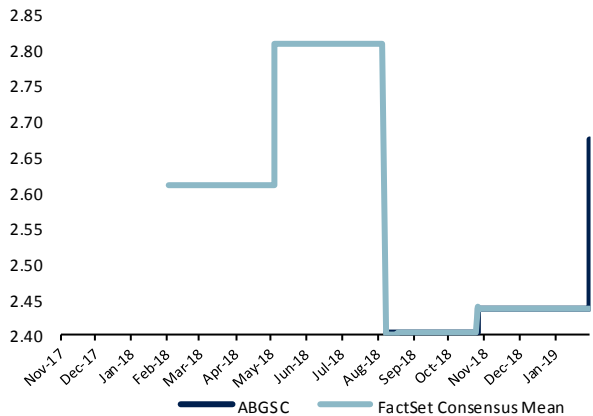
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2019e, SEK



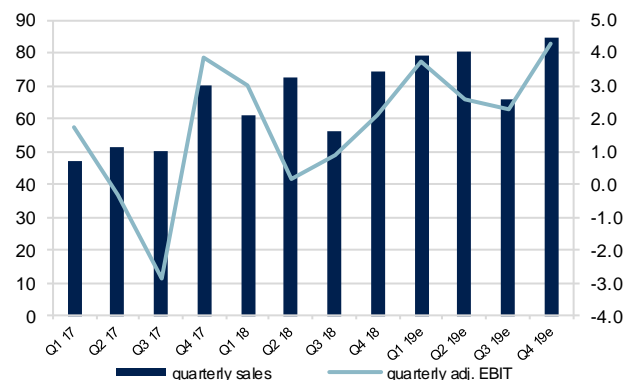
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2020e, SEK



Source: ABG Sundal Collier, FactSet

Quarterly sales and adj. EBIT, SEKm



Source: ABG Sundal Collier, Company data

Company description

Empir Group, formerly MSC Group, is a group of a 20+ independent companies operating within IT. The group has a nationwide organization, strong local presence with independent offices that provide services ranging from system development to IT operations of server environments, workplaces and packaged application offers. Empir operates under three divisions: Apply, Serve and Solve, representing the whole life cycle from consultancy services (Solve), application offering (Apply) and support (Serve).

Sales in line, but lower margins stemming from higher group costs

SEKm	Q4'17	Q4'18	Q4'18e	Diff vs. ABGSC
Net sales	70.2	74.4	74.3	0%
Opex	-62.8	-75.5	-69.6	8%
Capitalized development costs	1.1	2.9	0.7	309%
EO items	4.2	-1.5	0.0	-
Adj EBITDA	4.6	3.6	5.5	-35%
D&A	-0.7	-1.5	-1.5	-3%
Adj EBIT	3.9	2.1	4.0	-47%
Net financials	-0.2	-0.1	0.0	-
PTP	7.9	0.5	4.0	-87%
Taxes	-0.4	-0.6	0.0	-
NCI	0.0	-0.2	-0.1	-
Net profit (to shareholders)	7.6	0.2	4.1	-96%
EPS	0.11	0.04	1.00	-96%
DPS	0.00	0.00	0.00	
Sales growth q-o-q	39.3%	32.9%	32.8%	
Sales growth y-o-y	60.0%	6.0%	5.9%	
Adj EBITDA margin	6.6%	4.8%	7.4%	-2.6pp
Adj EBIT margin	5.5%	2.8%	5.4%	-2.6pp
Division sales				
Solve	65.6	57.8	59.0	-2.1%
Serve	8.1	10.3	8.2	25.8%
Apply	1.3	10.7	10.5	2.2%
Group	4.1	4.3	4.1	4.9%
Division EBIT				
Solve	-2.4	3.0	3.3	-9%
Serve	0.5	0.7	1.2	-46%
Apply	-1.1	-0.2	-0.2	-4%
Group	-0.2	-1.7	-0.5	232%

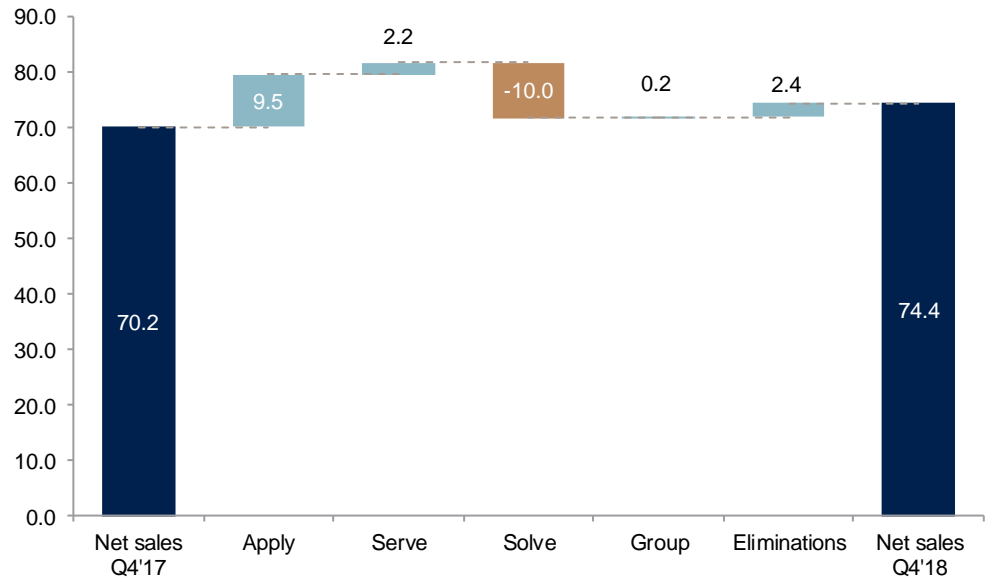
Source: ABG Sundal Collier, company data

Forecast changes

SEKm	Old forecast			New forecast			Change		
	2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e
Net sales	277.7	284.0	290.6	310.3	317.5	324.2	12%	12%	-
Opex	-266.1	-270.5	-300.8	-294.3	-296.5	-300.8	11%	10%	-
Capitalized development costs	0.0	0.0	0.0	3.0	0.0	0.0	<i>nmf</i>	-	-
EO items	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Adj EBITDA	11.9	13.9	23.7	19.0	21.4	23.7	60%	54%	-
D&A	-3.6	-2.8	-6.1	-6.0	-6.1	-6.1	67%	116%	-
Adj EBIT	8.4	11.1	17.6	13.0	15.3	17.6	55%	38%	-
Net financials	0.0	0.0	-0.4	-0.4	-0.4	-0.4	-	-	-
PTP	8.4	11.1	10.8	12.6	14.9	17.2	<i>nmf</i>	34%	-
Taxes	-0.8	-1.1	-1.1	-1.3	-2.2	-3.8	57%	103%	-
NCI	-0.6	0.0	0.0	-0.2	0.5	1.3	-75%	-	-
Net profit to shareholders	8.2	9.9	9.7	11.5	12.1	12.1	41%	22%	-

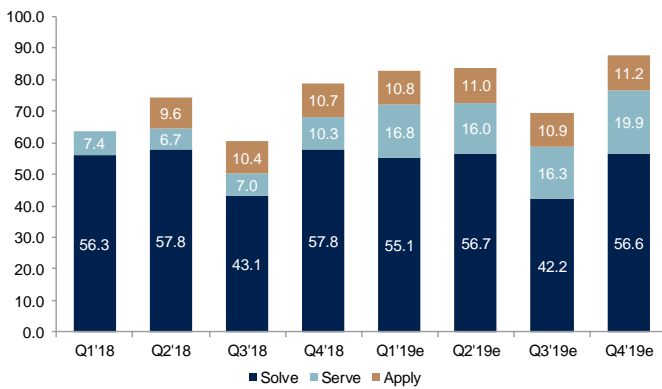
Source: ABG Sundal Collier, company data

Q4 sales bridge



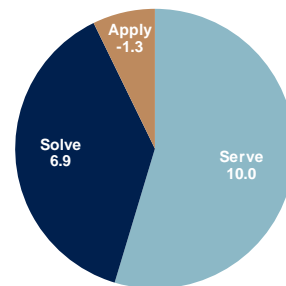
Source: ABG Sundal Collier, company data

Net sales divisional breakdown, SEKm



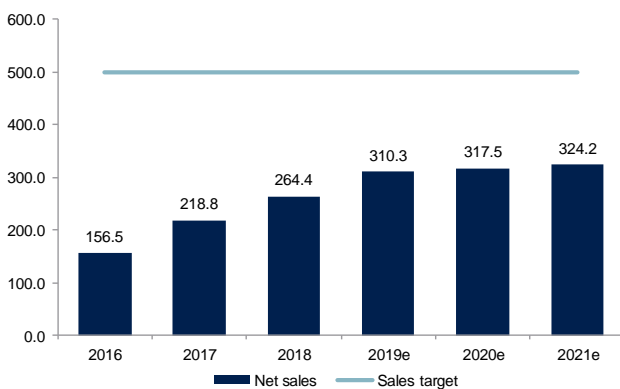
Source: ABG Sundal Collier, company data

New EBIT composition in '19e, SEKm



Source: ABG Sundal Collier, company data

Net sales, SEKm



Source: ABG Sundal Collier, company data

EBT, SEKm, and EBT margin



Source: ABG Sundal Collier, company data

Interim breakdown of forecasts

SEKm	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19e	Q2'19e	Q3'19e	Q4'19e	2016	2017	2018	2019e	2020e	2021e
Net sales	61.3	72.8	56.0	74.4	79.2	80.2	66.3	84.5	156.5	218.8	264.4	310.3	317.5	324.2
Opex	-58.3	-77.2	-55.9	-75.5	-74.7	-76.9	-63.2	-79.5	-159.7	-215.3	-266.9	-294.3	-296.5	-300.8
Capitalized development costs	0.0	0.7	0.6	2.9	0.7	0.7	0.7	0.7	0.0	2.7	4.2	3.0	0.0	0.0
EO items	-0.7	-5.1	-0.2	-1.5	0.0	0.0	0.0	0.0	-2.1	2.6	-7.5	0.0	0.0	0.0
Adj EBITDA	3.7	1.7	2.2	3.6	5.3	4.1	3.8	5.8	-0.5	4.7	11.2	19.0	21.4	23.7
D&A	-0.7	-1.6	-1.4	-1.5	-1.5	-1.5	-1.5	-1.5	-1.0	-2.3	-5.1	-6.0	-6.1	-6.1
Adj EBIT	3.0	0.2	0.9	2.1	3.8	2.6	2.3	4.3	-1.5	2.4	6.2	13.0	15.3	17.6
Net financials	0.3	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.8	0.0	0.0	-0.4	-0.4	-0.4
PTP	2.6	-5.0	0.6	0.5	3.7	2.5	2.2	4.2	-6.6	5.0	-1.4	12.6	14.9	17.2
Taxes	0.0	0.0	0.0	-0.6	-0.4	-0.3	-0.2	-0.4	0.7	-0.4	-0.6	-1.3	-2.2	-3.8
NCI	0.0	-0.7	0.1	-0.2	0.0	0.0	0.0	0.0	-0.6	0.0	-0.3	-0.2	0.5	1.3
Net profit (to shareholders)	2.6	-4.4	0.5	0.2	3.3	2.3	2.0	3.8	-3.1	4.6	-1.7	11.5	12.1	12.1
EPS	0.76	-1.25	0.13	0.04	0.73	0.51	0.45	0.84	-0.08	0.07	-0.38	2.53	2.68	2.67
DPS									0.00	0.00	0.00	0.83	0.87	0.87
Sales grow th q-o-q	-12.6%	18.7%	-23.1%	32.9%	6.5%	1.3%	-17.4%	27.6%						
Sales grow th y-o-y	30.4%	41.9%	11.1%	6.0%	29.3%	10.3%	18.4%	13.7%	114.0%	39.8%	20.7%	17.5%	2.3%	2.1%
Adj EBITDA margin	6.0%	2.4%	4.0%	4.8%	6.6%	5.1%	5.7%	6.9%	-0.3%	2.2%	4.2%	6.1%	6.7%	7.3%
Adj EBIT margin	4.9%	0.2%	1.6%	2.8%	4.7%	3.3%	3.5%	5.1%	-1.0%	1.1%	2.3%	4.2%	4.8%	5.4%
Division sales														
Solve	56.3	57.8	43.1	57.8	55.1	56.7	42.2	56.6	144.5	209.7	214.9	210.6	208.5	206.4
Serve	7.4	6.7	7.0	10.3	16.8	16.0	16.3	19.9	1.9	21.7	31.4	68.9	73.7	78.9
Apply	0.0	9.6	10.4	10.7	10.8	11.0	10.9	11.2	20.8	3.7	30.8	43.9	48.3	51.7
Group	4.0	4.1	4.3	4.3	4.0	4.1	4.3	4.4	4.8	15.5	16.7	16.8	17.0	17.2
Division EBIT margins														
Solve	4.4%	1.7%	-1.9%	5.2%	4.0%	2.5%	2.5%	4.0%	-0.9%	1.8%	2.6%	3.3%	3.5%	3.5%
Serve	17.3%	5.9%	11.0%	6.5%	15.0%	13.5%	13.5%	15.5%	44.2%	7.8%	9.9%	14.4%	15.5%	15.5%
Apply	nmf	-14.8%	0.4%	-1.9%	-3.0%	-3.0%	-3.0%	-3.0%	-0.8%	-71.7%	-6.4%	-3.0%	0.0%	3.0%
Group	-25.8%	-28.7%	-11.1%	-39.4%	-20.0%	-20.0%	-20.0%	-20.0%	-63.1%	-14.5%	-26.3%	-20.0%	-20.0%	-20.0%

Source: ABG Sundal Collier, company data

Income Statement (SEKm)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019e	Q2 2019e	Q3 2019e	Q4 2019e
Sales	61	73	56	74	79	80	66	85
COGS	-14	-21	-16	-22	-19	-19	-16	-21
Gross profit	48	51	40	53	60	61	50	64
Other operating items	-44	-55	-38	-51	-55	-57	-46	-58
EBITDA	3	-3	2	2	5	4	4	6
Depreciation on tangibles	-1	-2	-1	-1	-2	-2	-2	-2
Depreciation on intangibles	0	0	0	0	0	0	0	0
EBITA	2	-5	1	1	4	3	2	4
Goodwill impairment charges	0	0	0	0	0	0	0	0
Other impairment and amortisation	0	0	0	0	0	0	0	0
EBIT	2	-5	1	1	4	3	2	4
Interest Net	0	-0	-0	-0	-0	-0	-0	-0
Other financial items	0	0	0	0	0	0	0	0
Associated income	0	0	0	0	0	0	0	0
Other EO items	0	0	0	0	0	0	0	0
Pretax profit	3	-5	1	1	4	3	2	4
Tax	-0	0	0	-1	-0	-0	-0	-0
Net profit	3	-5	1	-0	3	2	2	4
Minority interest	0	1	-0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	0
Net profit to shareholders	3	-4	1	0	3	2	2	4
EPS	0.76	-1.25	0.13	0.04	0.73	0.51	0.45	0.84
EPS Adj	0.76	-1.25	0.13	0.04	0.73	0.51	0.45	0.84
Total extraordinary items after tax	-1	-5	-0	-2	0	0	0	0
Tax rate (%)	0.1	0	0	118.1	10.0	10.0	10.0	10.0
Gross margin (%)	77.5	70.5	70.9	70.8	75.6	76.0	75.3	75.3
EBITDA margin (%)	4.9	-4.7	3.6	2.8	6.6	5.1	5.7	6.9
EBITA margin (%)	3.8	-6.8	1.2	0.8	4.7	3.3	3.5	5.1
EBIT margin (%)	3.8	-6.8	1.2	0.8	4.7	3.3	3.5	5.1
Pretax margin (%)	4.2	-6.9	1.1	0.7	4.6	3.1	3.3	5.0
Net margin (%)	4.2	-6.9	1.1	-0.1	4.2	2.8	3.0	4.5
Growth rates Y/Y	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019e	Q2 2019e	Q3 2019e	Q4 2019e
Sales growth (%)	30.4	41.9	11.1	6.0	29.3	10.3	18.4	13.7
EBITDA growth (%)	139.3	-chg	+chg	-76.6	75.2	+chg	86.8	181.5
EBIT growth (%)	138.3	-chg	+chg	-92.4	62.9	+chg	240.2	601.0
Net profit growth (%)	190.6	-chg	+chg	-chg	28.8	+chg	228.9	+chg
EPS growth (%)	190.6	-chg	+chg	-chg	28.8	+chg	228.9	+chg
Adj earnings numbers	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019e	Q2 2019e	Q3 2019e	Q4 2019e
EBITDA Adj	4	2	2	4	5	4	4	6
EBITDA Adj margin (%)	6.0	2.4	4.0	4.8	6.6	5.1	5.7	6.9
EBITA Adj	3	0	1	2	4	3	2	4
EBITA Adj margin (%)	4.9	0.2	1.6	2.8	4.7	3.3	3.5	5.1
EBIT Adj	3	0	1	2	4	3	2	4
EBIT Adj margin (%)	4.9	0.2	1.6	2.8	4.7	3.3	3.5	5.1
Pretax profit Adj	3	0	1	2	4	3	2	4
Net profit Adj	3	0	1	1	3	2	2	4
Net profit to shareholders Adj	3	1	1	2	3	2	2	4
Net Adj margin (%)	5.3	0.1	1.4	1.9	4.2	2.8	3.0	4.5

Source: ABG Sundal Collier, Company data

Income Statement (SEKm)	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Sales	0	0	52	73	156	219	264	310	318	324
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	52	73	156	219	264	310	318	324
Other operating items	0	0	-53	-76	-159	-211	-260	-291	-296	-300
EBITDA	0	0	-1	-3	-3	7	4	19	21	24
Depreciation on tangibles	0	0	-0	-0	-1	-2	-5	-6	-6	-6
Depreciation on intangibles	0	0	0	0	0	0	0	0	0	0
EBITA	0	0	-1	-3	-4	5	-1	13	15	18
Goodwill impairment charges	0	0	0	0	0	0	0	0	0	0
Other impairment and amortisation	0	0	0	0	0	0	0	0	0	0
EBIT	0	0	-1	-3	-4	5	-1	13	15	18
Interest Net	0	0	0	-0	-1	0	0	-0	-0	-0
Other financial items	0	0	0	0	0	0	0	0	0	0
Associated income	0	0	0	0	0	0	0	0	0	0
Other EO items	0	0	0	0	0	0	0	0	0	0
Pretax profit	0	0	-1	-3	-4	5	-1	13	15	17
Tax	0	0	0	-0	1	-0	-1	-1	-2	-4
Net profit	0	0	-1	-3	-4	5	-2	11	13	13
Minority interest	0	0	0	1	1	0	0	0	-1	-1
Net profit discontinued	0	0	0	0	0	0	0	0	0	0
Net profit to shareholders	0	0	-1	-3	-3	5	-2	11	12	12
EPS	0	0	-3.50	-4.64	-1.53	1.38	-0.44	2.53	2.68	2.67
EPS Adj	0	0	-3.50	-1.52	-0.48	0.60	1.55	2.53	2.68	2.67
Total extraordinary items after tax	0	0	0	-2	-2	3	-8	0	0	0
Tax rate (%)	ns	ns	4.2	2.0	16.8	8.3	44.0	10.0	15.0	22.0
Gross margin (%)	nm	nm	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EBITDA margin (%)	nm	nm	-2.1	-3.8	-1.7	3.4	1.4	6.1	6.7	7.3
EBITA margin (%)	nm	nm	-2.9	-4.2	-2.3	2.3	-0.5	4.2	4.8	5.4
EBIT margin (%)	nm	nm	-2.9	-4.2	-2.3	2.3	-0.5	4.2	4.8	5.4
Pretax margin (%)	nm	nm	-2.9	-4.3	-2.8	2.3	-0.5	4.1	4.7	5.3
Net margin (%)	nm	nm	-2.7	-4.4	-2.4	2.1	-0.7	3.7	4.0	4.1
Growth rates Y/Y	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Sales growth (%)	na	na	na	42.0	114.0	39.8	20.7	17.5	2.3	2.1
EBITDA growth (%)	na	na	high	-156.5	3.7	375.1	-49.4	411.6	12.5	10.9
EBIT growth (%)	na	na	high	-104.2	-19.0	239.3	-126.8	1,061.2	17.8	14.8
Net profit growth (%)	na	na	high	-129.8	-14.0	225.7	-142.0	682.1	11.8	5.7
EPS growth (%)	na	na	high	-32.5	67.1	190.6	-132.0	671.8	5.6	-0.4
Profitability	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
ROE (%)	nm	nm	-20.0	-12.5	-7.1	5.5	-1.4	8.3	8.2	7.7
ROE Adj (%)	nm	nm	-20.0	-4.1	-2.3	2.4	4.8	8.3	8.2	7.7
ROCE (%)	nm	nm	-47.5	-16.2	-10.0	7.4	-1.2	9.5	10.8	12.0
ROCE Adj(%)	nm	nm	-47.5	-6.9	-4.1	3.6	5.3	9.5	10.8	12.0
ROIC (%)	na	na	-45.7	-16.6	-9.0	7.7	-1.9	9.0	9.5	9.7
ROIC Adj (%)	na	na	-45.7	-7.1	-3.7	3.7	8.4	9.0	9.5	9.7
Adj earnings numbers	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
EBITDA Adj	0	0	-1	-1	-1	5	11	19	21	24
EBITDA Adj margin (%)	nm	nm	-2.1	-1.4	-0.3	2.2	4.2	6.1	6.7	7.3
EBITA Adj	0	0	-1	-1	-1	2	6	13	15	18
EBITA Adj margin (%)	nm	nm	-2.9	-1.8	-1.0	1.1	2.3	4.2	4.8	5.4
EBIT Adj	0	0	-1	-1	-1	2	6	13	15	18
EBIT Adj margin (%)	nm	nm	-2.9	-1.8	-1.0	1.1	2.3	4.2	4.8	5.4
Pretax profit Adj	0	0	-1	-1	-2	2	6	13	15	17
Net profit Adj	0	0	-1	-1	-2	2	6	11	13	13
Net profit to shareholders Adj	0	0	-1	-1	-1	2	6	11	12	12
Net Adj margin (%)	nm	nm	-2.7	-2.0	-1.0	0.9	2.1	3.7	4.0	4.1

Source: ABG Sundal Collier, Company data

Cash Flow Statement (SEKm)	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
EBITDA	0	0	-1	-3	-3	7	4	19	21	24
Net financial items	0	0	0	-0	-1	0	0	-0	-0	-0
Paid tax	0	0	0	-0	1	-0	1	-1	-2	-4
Non-cash items	0	0	-6	8	0	0	-5	0	0	0
Cash flow before change in WC	0	0	-7	5	-3	7	-1	17	19	19
Change in WC	0	0	5	-5	-5	-6	12	-7	-5	-3
Operating cash flow	0	0	-1	0	-6	6	11	10	13	16
CAPEX tangible fixed assets	0	0	-0	1	-1	-30	-5	-6	-6	-6
CAPEX intangible fixed assets	0	0	0	0	0	0	-1	0	0	0
Acquisitions and disposals	0	0	0	0	0	0	-7	0	0	0
Free cash flow	0	0	-2	1	-7	-25	-2	4	7	10
Dividend paid	0	0	0	0	0	0	0	0	-3	-4
Share issues and buybacks	0	0	0	0	0	0	11	0	0	0
Other non cash items	0	0	10	-12	28	20	-6	3	0	0
Decrease in net IB debt	0	0	8	-11	21	-4	3	7	4	6
Balance Sheet (SEKm)	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Goodwill	0	0	0	0	29	66	111	111	111	111
Indefinite intangible assets	0	0	0	0	0	0	0	0	0	0
Definite intangible assets	0	0	11	31	2	3	13	13	13	13
Tangible fixed assets	0	0	1	1	1	4	3	3	4	4
Other fixed assets	0	0	0	0	6	11	9	9	9	9
Fixed assets	0	0	11	32	37	84	136	136	137	137
Inventories	0	0	0	0	0	0	0	0	0	0
Receivables	0	0	11	48	45	75	54	68	79	81
Other current assets	0	0	0	0	0	0	20	0	0	0
Cash and liquid assets	0	0	8	13	28	29	41	48	52	58
Total assets	0	0	30	93	110	189	251	253	268	276
Shareholders equity	0	0	14	28	59	109	132	144	153	161
Minority	0	0	0	0	0	0	19	19	19	21
Total equity	0	0	14	28	59	109	151	163	172	182
Long-term debt	0	0	0	16	10	16	21	21	21	21
Pension debt	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0
Deferred tax	0	0	0	0	0	0	1	1	1	1
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0
Short-term debt	0	0	0	0	0	0	4	4	4	4
Accounts payable	0	0	16	49	41	65	28	50	55	53
Other current liabilities	0	0	0	0	0	0	47	15	15	15
Total liabilities and equity	0	0	30	93	110	189	251	253	268	276
Net IB debt	0	0	-8	3	-18	-13	-16	-23	-27	-33
Net IB debt excl. pension debt	0	0	-8	3	-18	-13	-16	-23	-27	-33
Capital invested	0	0	6	31	36	84	126	134	139	143
Working capital	0	0	-5	-1	5	11	-1	6	11	15
EV breakdown	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Market cap. diluted (m)	na	0	11	24	91	121	66	82	82	82
Net IB debt Adj	0	0	-8	3	-18	-13	-16	-23	-27	-33
Market value of minority	0	0	0	0	0	0	19	19	19	21
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	0	0	0	0	0	0	0	0	0	0
EV	na	0	4	27	73	107	68	77	74	69
Capital efficiency (%)	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Total assets turnover (%)	nm	nm	338.1	118.8	154.7	146.5	120.0	123.2	122.0	119.2
Capital invested turnover (%)	nm	nm	1,647.5	390.8	468.8	365.6	251.2	238.8	232.8	230.0
Capital employed turnover (%)	nm	nm	1,638.3	389.9	431.1	320.6	229.4	226.0	223.3	220.9
Inventories/sales (%)	nm	nm	0	0	0	0	0	0	0	0
Customer advances/sales (%)	nm	nm	0	0	0	0	5.1	6.4	4.0	4.0
Payables/sales (%)	nm	nm	15.9	44.5	28.6	24.0	17.4	12.5	16.5	16.8
Working capital/sales (%)	nm	nm	-5.0	-3.9	1.3	3.5	1.8	0.8	2.8	4.0
Financial risk and debt service	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Net debt/equity (%)	nm	nm	-55.3	12.3	-29.9	-12.3	-10.7	-14.3	-15.6	-18.2
Net debt/market cap (%)	na	nm	-58.5	19.2	-21.2	-9.7	-15.9	-30.9	-35.8	-44.1
Equity ratio (%)	nm	nm	46.1	30.0	53.8	57.4	60.3	64.4	64.2	65.8
Net IB debt adj./equity (%)	nm	nm	-55.3	12.3	-29.9	-12.3	-10.7	-14.3	-15.6	-18.2
Current ratio (%)	nm	nm	116.2	125.0	179.2	162.3	146.6	169.4	175.9	190.3
EBITDA/net interest (%)	na	na	-4,695.7	-2,237.5	-332.3	high	high	4,746.5	5,338.1	5,918.0
Net IB debt/EBITDA (%)	nm	nm	719.1	-123.8	660.0	-182.3	-437.4	-122.1	-125.9	-139.9
Interest cover (%)	nm	nm	6,487.0	-2,460.4	-451.3	nm	nm	3,246.5	3,825.6	4,393.0

Source: ABG Sundal Collier, Company data

Valuation and Ratios (SEKm)	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Shares outstanding adj.	0	0	0	1	2	3	4	4	4	4
Fully diluted shares Adj	0	0	0	1	2	3	4	5	5	5
EPS	0	0	-3.50	-4.64	-1.53	1.38	-0.44	2.53	2.68	2.67
Dividend per share Adj	0	0	0	0	0	0	0	0.8	0.9	0.9
EPS Adj	0	0	-3.50	-1.52	-0.48	0.60	1.55	2.53	2.68	2.67
BVPS	0	0	34.95	49.46	29.03	32.33	35.08	34.51	36.60	38.62
BVPS Adj	0	0	7.99	-5.64	14.08	11.66	2.20	4.75	6.83	8.86
Net IB debt / share	na	na	-19.3	6.1	-8.7	-4.0	-4.3	-5.6	-6.5	-7.9
Share price	na	37.62	28.25	42.53	44.80	36.00	17.42	18.03	18.03	18.03
Market cap. (m)	na	0	11	24	91	121	66	75	75	75
Valuation	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
P/E	na	nm	-8.1	-9.2	-29.3	26.0	-39.3	7.1	6.7	6.8
EV/sales	na	nm	0.07	0.37	0.47	0.49	0.26	0.25	0.23	0.21
EV/EBITDA	na	nm	-3.3	-9.9	-27.5	14.6	18.4	4.1	3.5	2.9
EV/EBITA	na	nm	-2.4	-9.0	-20.3	21.3	-50.7	6.0	4.8	3.9
EV/EBIT	na	nm	-2.4	-9.0	-20.3	21.3	-50.7	6.0	4.8	3.9
Dividend yield (%)	na	0	0	0	0	0	0	4.6	4.8	4.8
FCF yield (%)	na	0	-16.1	3.3	-8.1	-20.3	-3.0	4.7	8.7	12.1
P/BVPS	na	nm	0.81	0.86	1.54	1.11	0.50	0.52	0.49	0.47
P/BVPS Adj	na	nm	3.53	-7.54	3.18	3.09	7.90	3.80	2.64	2.04
P/E Adj	na	nm	-8.1	-27.9	-93.1	59.7	11.3	7.1	6.7	6.8
EV/EBITDA Adj	na	nm	-3.3	-26.8	-135.2	22.8	6.1	4.1	3.5	2.9
EV/EBITA Adj	na	nm	-2.4	-21.1	-49.0	44.3	11.1	6.0	4.8	3.9
EV/EBIT Adj	na	nm	-2.4	-21.1	-49.0	44.3	11.1	6.0	4.8	3.9
EV/cap. employed	na	nm	0.6	0.9	1.8	1.1	0.5	0.6	0.5	0.5
Investment ratios	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Capex/sales	nm	nm	0.6	-1.0	0.7	13.8	2.2	2.0	2.0	2.0
Capex/depreciation	nm	nm	80.8	-272.8	113.8	1,317.5	113.3	103.4	105.0	106.3
Capex tangibles/tangible fixed assets	nm	nm	63.3	-94.8	190.9	765.8	161.6	184.1	173.0	159.9
Capex intangibles/definite intangibles	nm	nm	0	0	0	0	4.7	0	0	0
Depreciation on intangibles/definite inta	nm	nm	0	0	0	0	0	0	0	0
Depreciation on tangibles/tangibles	nm	nm	78.3	34.8	167.7	58.1	159.9	178.0	164.8	150.4

Source: ABG Sundal Collier, Company data

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ABGSC Research Department

Joint Global Head of Research

John Olaisen +47 22 01 61 87
 Christer Linde +46 8 566 286 90

Strategy

Christer Linde, Quant/Technical +46 8 566 286 90
 Derek Laliberte +46 8 566 286 78
 Bengt Jonassen +47 22 01 60 98

Capital Goods

Anders Idborg +46 8 566 286 74
 Olof Cederholm +46 8 566 286 22
 Karl Bokvist +46 8 566 286 33

Chemicals

Martin Melbye +47 22 01 61 37
 Bengt Jonassen +47 22 01 60 98
 Petter Nyström +47 22 01 61 35
 Glenn Kringhaug +47 22 01 61 62

Construction & Real Estate

Tobias Kaj +46 8 566 286 21
 Bengt Jonassen +47 22 01 60 98
 Philip Hallberg +46 8 566 286 95
 Glenn Kringhaug +47 22 01 61 62
 Laurits Louis Kjaergaard +45 35 46 30 12

Consumer Goods

Andreas Lundberg +46 8 566 286 51
 Petter Nyström +47 22 01 61 35
 Michael Vitfell-Rasmussen +45 35 46 30 16
 Ludvig Kapanen +46 8 566 286 91

Credit Research

Alexander Jost +47 22 01 60 88
 Rikard Magnus Braaten +47 22 01 60 86
 Andreas Johannessen +47 22 01 60 31
 Haakon Amundsen +47 22 01 60 25
 Eric Wahlström +46 8 566 286 25

Financials

Magnus Andersson +46 8 566 294 69
 Mads Thinggaard +45 35 46 30 18
 Patrik Brattelius +46 8 566 286 64
 Jan Erik Gjerland +47 22 01 61 16
 Jonas Bru Lien +47 22 01 61 71

Food & Beverages

Michael Vitfell-Rasmussen +45 35 46 30 16

Healthcare

Sten Gustafsson +46 8 566 286 93
 Christopher W. Uhde +46 8 566 286 39
 Daniel Thorsson +46 8 566 286 82
 Glenn Kringhaug +47 22 01 61 62
 Ole Henrik Bang-Andreasen +45 35 46 30 11

Investment Companies

Derek Laliberte +46 8 566 286 78

IT

Aksel Øverland Engebakken +47 22 01 61 11
 Daniel Thorsson +46 8 566 286 82
 André Thormann +45 35 46 30 19
 Simon Granath +46 8 566 286 32

Media

Aksel Øverland Engebakken +47 22 01 61 11
 Derek Laliberte +46 8 566 286 78
 Andreas Lundberg +46 8 566 286 51

Metals & Mining

Martin Melbye +47 22 01 61 37
 Bengt Jonassen +47 22 01 60 98
 Petter Nyström +47 22 01 61 35

Oil & Gas

John Olaisen +47 22 01 61 87
 Karl Fredrik Schjøtt-Pedersen +47 22 01 61 65

Oil Service

John Olaisen +47 22 01 61 87
 Haakon Amundsen +47 22 01 60 25
 Lukas Daal +47 22 01 61 39
 Karl Fredrik Schjøtt-Pedersen +47 22 01 61 65

Online Gaming

Aksel Øverland Engebakken +47 22 01 61 11
 Erik Moberg +46 8 566 286 87
 Stefan Knutsson +46 8 566 286 37

Pulp & Paper

Martin Melbye +47 22 01 61 37
 Glenn Kringhaug +47 22 01 61 62
 Øystein Elton Lodgaard +47 22 01 60 26

Renewable Energy

Casper Blom +45 35 46 30 15
 Petter Nyström +47 22 01 61 35

Retail

Andreas Lundberg +46 8 566 286 51
 Ludvig Kapanen +46 8 566 286 91

Seafood

Martin Kaland +47 22 01 60 67

Services

Andreas Lundberg +46 8 566 286 51
 Michael Vitfell-Rasmussen +45 35 46 30 16
 Victor Forssell +46 8 566 286 92

Shipping & Transport

Dennis Anghelopoulos +47 22 01 60 37
 Casper Blom +45 35 46 30 15
 Lukas Daal +47 22 01 61 39

Telecom Operators

Peter Kurt Nielsen +44 207 905 5631

Utilities

Martin Melbye +47 22 01 61 37
 Petter Nyström +47 22 01 61 35

Small Caps

Daniel Thorsson +46 8 566 286 82
 Johan Nilsson Wall +46 8 566 286 41
 Laurits Louis Kjaergaard +45 35 46 30 12

Norway

Pb. 1444 Vika
 NO-0115 OSLO
 Norway
 Tel: +47 22 01 60 00
 Fax: +47 22 01 60 60

Sweden

Box 7269
 SE-103 89 STOCKHOLM
 Sweden
 Tel: +46 8 566 286 00
 Fax: +46 8 566 286 01

Denmark

Forbindelsesvej 12,
 DK-2100 COPENHAGEN
 Denmark
 Tel: +45 35 46 61 00
 Fax: +45 35 46 61 10

United Kingdom

10 Paternoster Row, 5th fl
 LONDON EC4M 7EJ
 UK
 Tel: +44 20 7905 5600
 Fax: +44 20 7905 5601

USA

850 Third Avenue, Suite 9-C
 NEW YORK, NY 10022
 USA
 Tel: +1 212 605 3800
 Fax: +1 212 605 3801

Germany

Schillerstrasse 2, 5. OG
 DE-60313 FRANKFURT
 Germany
 Tel +49 69 96 86 96 0
 Fax +49 69 96 86 96 99

Singapore

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