

Game project discontinued

Next Games Q4 revenue and EBIT amounted to EUR 11.3m and EUR -1.6m respectively (pre-announced). Next Games announced the termination of collaboration on the game project with Universal Games and Digital Platforms. The company concluded consultation proceedings.

- Next Games' revenue during H2 amounted to EUR 24.8m (pre-announced). Revenue growth y/y on was 90%. Revenue in Q4 amounted to EUR 11.3m
- EBIT in H2 amounted to EUR -12.0m. Next Games pre-announced H2 figures (FAS). Next Games has adopted IFRS reporting in its 2018 financial statements bulletin. EBIT in Q4 amounted to EUR -1.6m.
- **TWD: No man's land:** DAU during Q4 was 253k (Q3/18: 275k). MAU during Q4 was 728k (Q3/18: 800k). ARPDAU was EUR 0.25 during Q4 (Q3/18: 0.24).
- **TWD: Our world:** DAU during Q4 was 223k (Q3/18: 386k). MAU during Q4 was 759k (Q3/18: 2.1m). ARPDAU was EUR 0.28 during Q4 (Q3/18: 0.25).
- Next Games and Universal Games and Digital Platforms have agreed to terminating their collaboration on the game project that had proceeded to production.
- The company concluded consultation proceedings and the company's headcount will decline to 117 from 143.
- The company initiated a new project that does not have an external IP attached to it at the moment.

Rating

 HOLD

H2/18	Act.	Evli	H2/17
Net sales	24.8	24.7	13.4
EBIT	-12.0	-12.6	-4.2

Deviation	Act.	Evli	H2/17
Net sales		0%	85%
EBIT		5%	-185%

Share price, EUR (Last trading day's closing price) 1.65

Target price, EUR 2.0

Latest change in recommendation 11-Jan-19

Latest report on company 11-Jan-19

Research paid by issuer: YES

No. of shares outstanding, '000's 18,459

No. of shares fully diluted, '000's 18,459

Market cap, EURm 30

Free float, % 48.6

Exchange rate 0.000

Reuters code NXTGMS.HE

Bloomberg code NXTGMS FH

Average daily volume, EURm 0.0

Next interim report 15-Feb-19

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 BUY  HOLD  SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2016	31	-2	-5.1%	-2	-0.49	0.0	-0.1	0.0	1.8	0.00
2017	32	-6	-19.6%	-7	-0.35	-28.8	4.4	-25.2	-22.3	0.00
2018E	35	-21	-58.6%	-22	-1.04	-1.6	0.6	-1.8	-1.1	0.00
2019E	67	-6	-8.5%	-6	-0.25	-6.5	0.4	-9.3	-4.6	0.00
2020E	87	3	3.7%	3	0.12	13.3	0.3	9.4	7.9	0.00
Market cap, EURm		30	BV per share 2018E, EUR			0.9	CAGR EPS 2017-20, %			0.0
Net debt 2018E, EURm		-8	Price/book 2018E			1.7	CAGR sales 2017-20, %			39.0
Enterprise value, EURm		23	Dividend yield 2018E, %			0.0	ROE 2018E, %			-70.8
Total assets 2018E, EURm		22	Tax rate 2018E, %			12.0	ROCE 2018E, %			-75.2
Goodwill 2018E, EURm		1	Equity ratio 2018E, %			80.2	PEG, P/E 18/CAGR			0.0

All the important disclosures can be found on the last pages of this report.

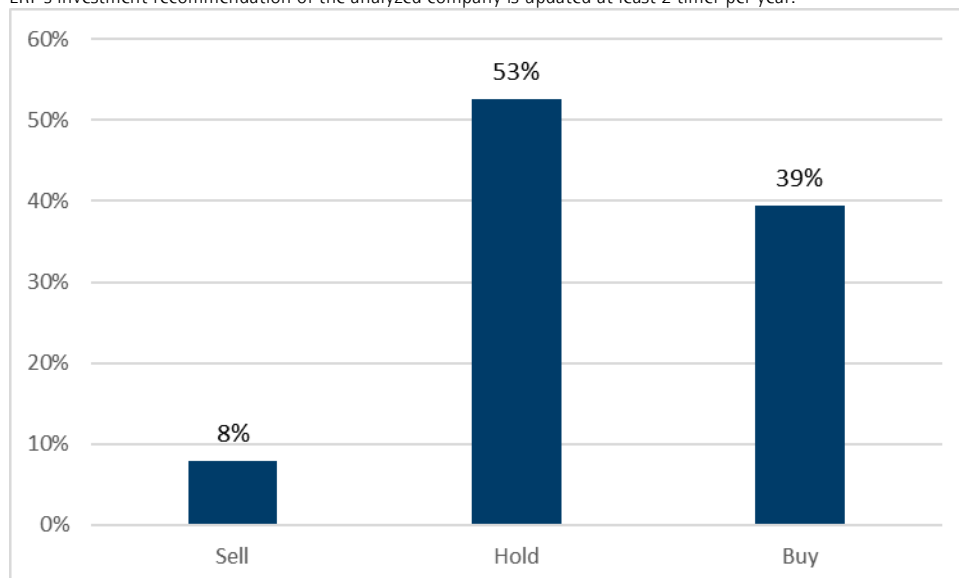
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - (+10) %	HOLD
> 10 %	BUY

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