



Analyst Group

GREATER THAN

STRONG CASH BALANCE AND READY TO RACE FORWARD

2019-11-04

BULL & BEAR-ANALYSIS

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ept. Oct. July June Aug. 5



GREATER THAN AB (GREAT)

STRONG CASH BALANCE AND READY TO RACE FORWARD



Greater Than price risk in real-time individually per car with the help of in-depth knowledge of driver data, helping auto insurance carriers and OEM's to reduce claims cost and enable new business models and meet the new market trends for transportation. Greater Than's AI platform generates sales today, with one of the biggest insurance companies in the world as a current customer, where revenues LTM amounts to approximately SEK16 M. Greater Than are forecasted to reach sales above SEK135 M in the year of 2022. By applying a discount rate of 8% and a target sales multiple derived from a relative valuation, this yields a present value per share of SEK 73 in a Base scenario.

Third Quarter – Continued Revenue Growth

During Q3, sales amounted to SEK 4.2 M (3.5), corresponding to a growth of 20% compared to Q3-18, and 5% higher sales compared to the previous quarter. In line with our estimates, growth and revenues were primarily attributable to sales of services on the insurance platform Enerfy. This is something we see as very positive, since that is what is needed to continue to drive the valuation of the Company.

45% Increase In Paying Insurance Agreements

Greater Than is building a strong foundation of customers, where the number of paying insurance contracts using the Company's technology grew by 45% during Q3-19 compared to Q2-19. This part of the business model is what enables a gradually increase in sales Q-Q.

Greater Than Has Signed a Big Contract in Asia

In early September, Greater Than partnered with MS First Capital Insurance and ComfortDelGro Insurance Brokers in Singapore to offer the region's first AI-based car insurance. The insurance is fully digital and based on Greater Than's technology platform. MS First Capital Insurance holds the first place as the region's highest ranked and best non-life insurance company.

The Direct Rights Issue Has Strengthened the Balance Sheet

Based on Greater Than's historical burn rate and reported cash at the end of June, we forecasted in our previous equity analysis (4th of September 2019) that the Company would have sufficient funds until October 2019. The forecast was proven correct, given the rights issue of SEK 27 M which Greater Than finalized on October 9th. Greater Than has thus significantly strengthened their balance sheet, which reduces the financial risk in the short term. With current cash levels, together with our updated forecast for Greater Than's burn rate in the coming quarters, we estimate that the Company is funded until about October / November 2020.

SHARE PRICE | 70 SEK

VALUATION RANGE, PRESENT VALUE 2022Y FORECAST

BEAR	BASE	BULL
45 SEK	73 SEK	90 SEK

The valuation is derived as a present value of sales forecasted in the year 2022. The potential valuation increase is expected to be gradual, given that assumed events occur.

GREATER THAN	
Share Price (2019-11-01)	70.0
Number of Shares Outstanding	10,520,771
Market Cap (MSEK)	736.5
Net Cash (-)/Debt(+) (MSEK)	-16.2
Enterprise Value (EV) (MSEK)	720.3
W.52 Price Interval (SEK)	28.0 – 90.0
Stock Exchange	Stockholm First North Growth Market

SHARE PRICE	
1 Month	-1.4%
3 Months	+32.1%
1 Year	+120.8%
YTD	+73.3%

TOP SHAREHOLDERS (SOURCE: MODULAR FINANCE PER 2019-09-30)	
Sten Forseke	37.3%
Keel Capital	11.2%
Handelsbanken Fonder	6.6%
Karin Forseke	4.9%
Roger Karlsson	3.6%

MANAGEMENT & BOARD	
CEO	Liselott Johansson
Chairman of the Board	Lars M. Berg

FINANCIAL CALENDAR	
Quarterly Report Q4-19	2020-02-20

FORECAST (BASE), MSEK	2017	2018	2019E	2020E
Revenues	8.1	13.9	17.0	31.0
<i>Revenue Growth</i>	132%	72%	22%	82%
Gross Profit	10.1	10.7	12.8	25.7
<i>Gross Margin</i>	66%	46%	52%	83%
EBIT	-14.8	-18.9	-21.3	-13.5
<i>EBIT-margin</i>	-242%	-167%	-149%	-44%
P/S	91.0	53.0	43.3	23.8
EV/S	89.0	51.8	42.4	23.3
EV/EBIT	neg.	neg.	neg.	neg.

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Bull and bear

The recommendations in the form of bull alternatively Bear aims to provide a comprehensive picture of Analyst Group's opinion. The recommendations are developed through rigorous processes consisting of qualitative research and the weighing and discussion with other qualified analysts.

Definition Bull

Bull is a metaphor for an optimistic view of the future. It indicates a belief in improvement.

Definition Bear

Bear is a metaphor for a pessimistic view set on the future. It indicates a belief deterioration.

Other

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The parts that the company has been able to influence are the parts that are purely factual and objective. The analysis is planned to be updated within three months.

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