

Aimer Bonds Daily

ABGSC Daily Report - Bonds

Advanzia: Bang in line with estimates

Advanzia delivered its Q2 '19 report yesterday. The net profit came in at EUR 16.7m vs. ABGSCe at EUR 16.6m, i.e. ≈1% deviation. The loan book was EUR 1,507 vs. ABGSCe at EUR 1,486m, i.e. ≈1% deviation.

The loan losses 4.5% vs. ABGSCe at 4.6%, i.e. 0.1p.p. deviation. Total capital adequacy ratio was at 17% (incl. interim profit) and with the new NOK 225m AT1 issue (July settle) Advanzia is now well capitalised for further growth. In general, the report was in line with expectations and we view it as non-event to the AT1 notes.

Gaming Innovation Group: Below expectations

Revenues came in at EUR 31m, 9% below ABGSCe at EUR 34m. EBITDA came in at EUR 2.5m, 24% below our EUR 3.1m estimate.

The B2C segment delivers 2% better than expected revenues and an EBITDA slightly better at 400k, vs. our 200k estimate. The B2B segment delivers an EBITDA spot on our estimate of EUR 4.7m. Sports Betting delivers an EBITDA of -1.5m, which in fact is slightly better than our EUR -2m estimate. Key reason for deviation to our estimates is the Platform segment that delivers an EBITDA of -1.1m vs. our 0.3m estimate. In general a weaker than expected report, although with promising development in several segments. Conference call is held at 10:00 today.

Stock market	Today	1D	1M	3M	YTD
OSE	776	1.1%	-4%	-5%	5%
OMX	1,539	0.4%	-6%	-5%	9%
SBX	1,056	0.3%	-5%	-4%	14%
OSX	65	0.0%	-17%	-26%	-21%
VIX	18	-0.2%	36%	15%	-25%

High Yield Indices (Spread)	Today	1D	1M	3M	YTD
Itraxx Xover 5Y	274	-14bp	29bp	-17bp	-87bp
HYG US	475	-24bp	44bp	48bp	-55bp
BUHYEN	411	-15bp	38bp	18bp	-120bp

Interest Rates Basis points	Today	1D	1M	3M	YTD
NIBOR 3M	165	1.0bp	8.0bp	19.0bp	40.0bp
NIBOR 3Y SWAP	163	-1.3bp	-20.7bp	-21.5bp	2.5bp
NIBOR 5Y SWAP	154	-1.7bp	-28.9bp	-34.7bp	-19.2bp
STBOR 3M	-3	0.5bp	2.4bp	0.1bp	9.9bp
STBOR 3Y SWAP	-14	-0.2bp	-16.7bp	-24.5bp	-30.8bp
STBOR 5Y SWAP	-7	0.5bp	-23.3bp	-34.9bp	-50.8bp
US L3M	218	0.0bp	-12.4bp	-34.4bp	-61.9bp
US LIBOR 3Y SWAP	157	9.6bp	-25.9bp	-61.4bp	-99.2bp
US LIBOR 5Y SWAP	153	9.7bp	-32.5bp	-66.0bp	-100.8bp

Currencies	Today	1D	1M	3M	YTD
USD/NOK	8.88	0%	4%	2%	2%
EUR/NOK	9.92	-1%	3%	1%	0%
SEK/NOK	0.93	0%	2%	2%	-4%

Commodities	Today	1D	1M	3M	YTD
Oil - Brent (USD/bbl)	61.3	5%	-5%	-16%	12%

Shipping Rates	Today	1D	1M	3M	YTD
Baltic Dry Bulk	1,864	5%	-7%	81%	45%
Baltic Tank (Dirty)	627	0%	1%	-39%	-38%
Baltic Tank (Clean)	474	-2%	-8%	-54%	-29%

Source: Bloomberg

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Pioneer Public Properties: No updates on strategic alternatives

Revenues came in at NOK 77.2m, 2% above our NOK 75.6m estimate. EBITDA came in at NOK 70.7m, which was a 5% beat vs. our expectations as the opex was lower than expected. Net LTV is now at 55% and if including the preference shares as debt it is 68%. The most interesting in the report would be any news regarding the BoD's evaluation of the strategic alternatives for the company (initiated earlier in 2019). No new updates are provided in today's report.

Hexagon Composites Q2: Underlying EBITDA up 15% y-o-y, but 36% below consensus

Hexagon Composites reported Q2 revenues of NOK 882m, 2% above Bloomberg consensus at NOK 868m. EBITDA of NOK 62m was 36% below consensus at NOK 98m. EBITDA was up from an underlying EBITDA of NOK 54m in Q2'18 (pro forma adjusted for the Agility acquisition and adjusted for reduction of earn-out obligation). Operating cash flow was NOK -55m due to working capital increase and cash ending Q2 was NOK 123m. Available liquidity including unused credit facility is NOK 915m. NIBD/EBITDA (12m rolling) was 2.7x (pro forma, including Agility). Hexagon guides for weak profitability in Q3, while it expects a strong Q4 and highlights that underlying drivers remain strong. As comparison, consensus expects an EBITDA of NOK 97m in Q3 and NOK 112m in Q4. Based on this, it seems as consensus' EBITDA estimates for 2019 will be significantly reduced.

Komplett Bank. Beat driven by higher than expected margins

Net interest income of NOK 275m (231m) was 5% better than ABGSCe. PTP came in at NOK 88.5m (116m), 17% vs. ABGSCe. The main deviation vs. ABGSCe was due to a higher NII, driven by a NIM 70bp higher than we expected, indicating lower margin pressure in Q2 than anticipated. Net lending grew by 2% in the quarter and by 19% y-o-y to NOK 8.01n. This was NOK 50m below our conservative estimate. CET1 came in at 22% vs. ABGSCe at 21%, due to higher earnings and slightly lower net lending. The company targets a CET1 ratio of 19.1% (long-term). We will likely revise our estimates for '19e-'21e up by 1-5%, depending on volume and margin revisions. [Please read the full report here.](#)

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