

# TerraNet

New order

New V2V order from leading tier one company

Technology

7 December 2017

**Price** **SEK15.0**

**Market cap** **SEK360m**

Net cash (SEKm) at 30 September 2017 74.4

Shares in issue 24.0m

Free float 41%

Code TERRNT

Primary exchange Nasdaq First North

Secondary exchange N/A

## Share price performance



## Business description

TerraNet is an early commercialisation-stage firm with patented software technology enabling intelligent machine-to-machine communications and data streaming without external networks. Products include chip integration software, IoT, V2V, headsets comms, multimedia streaming and GriDD.

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TerraNet has announced a new order worth SEK950k (\$113k) from a world-leading provider of passive and active safety in the automotive sector. TerraNet is already working with this tier one company to provide sensor-based vehicle communications for offline and non-cellular network services (using TerraNet's know-how in direct device-to-device Wi-Fi based wireless communication). This specific order is for the continued development of LTE (long-term evolution – or 4G wireless technology) for use in autonomous vehicles. This order is a particularly important verification of the group's progress in bringing its direct Wi-Fi communications expertise to the LTE space, which is widely expected to become the communication medium of choice for vehicle-to-vehicle (V2V) communications in the future. On this basis, the development of a software module for sale by a leading tier one provides substantial upside potential for the group.

Year end	Revenue* (SEKm)	EBITDA (SEKm)	EPS** (SEK)	Net operating cash flow (SEKm)	Net debt/ (cash) (SEKm)	EV/revenue (x)
12/15	0.4	(17.2)	(2.4)	(13.3)	(5.2)	1112.2
12/16	2.7	(25.0)	(3.2)	(22.6)	(4.1)	162.5
12/17e	6.5	(58.3)	(3.5)	(54.7)	(54.3)	66.7
12/18e	39.7	(70.7)	(3.2)	(70.1)	22.0	10.9
12/19e	121.2	(24.4)	(1.2)	(29.5)	60.8	2.6

Note: \*External revenues excluding own work capitalised. \*\*EPS are normalised, excluding amortisation of acquired intangibles and share-based payments.

TerraNet is working to quite a tight deadline. TerraNet and its partner intend that the embedded software module will be licensed and serve as an integral system component in new light vehicles by 2020.

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