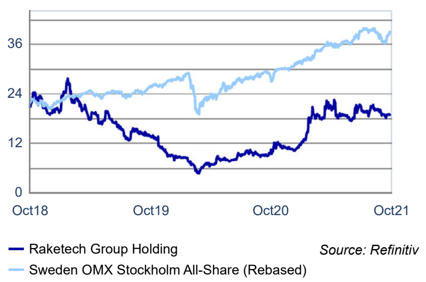
# Raketech Group Holding

**Media**
Sweden

**KEY DATA**

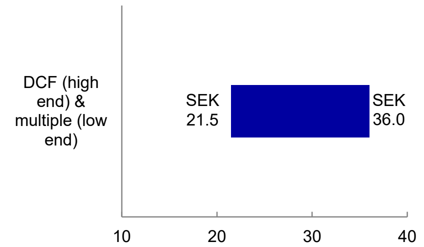
| | |
|---|---|
| Stock country | Sweden |
| Bloomberg | RAKE SS |
| Reuters | RAKE.ST |
| Share price (close) | SEK 19.16 |
| Free Float | 45% |
| Market cap. (bn) | EUR 0.07/SEK 0.72 |
| Website | www.raketech.com |
| Next report date | 10 Nov 2021 |

**PERFORMANCE**




*Source: Refinitiv*

**VALUATION APPROACH (SEK/SHARE)**




*Source: Nordea estimates*

**ESTIMATE CHANGES**

| Year | 2021E | 2022E | 2023E |
|---|---|---|---|
| Sales | 0% | 0% | 0% |
| EBIT (adj) | 0% | 0% | 0% |

*Source: Nordea estimates*

**Nordea Markets - Analysts**
**Klas Danielsson**
Analyst

## Margins to improve from here

We expect Raketech's strong Q2 momentum continued in Q3, leading to organic growth of 17% y/y. Driven by solid traffic in high-margin sites (particularly in CasinoFeber) and thus increased gross margins, we expect the EBITDA margin stabilised at 41%. This would make Q3 2021 the second quarter since Q1 2019 of positive y/y margin development for Raketech. We additionally believe that Raketech's growth profile has strengthened due to its revenue profile becoming more broad-based, with non-Nordic revenue of around 50%, following the recent acquisitions of QM Media and Infinileads. Further, with net debt/EBITDA at 0x for 2021E, we still see room for more M&A in 2022. We adjust our fair value range, based on our DCF and multiples, to SEK 21.5-36.0 (21.5-35.5).

### Inflection point for margins ahead

We expect Raketech's strong momentum and improved organic growth profile continued to pay off in Q3 2021, leading to 17% organic growth while acquisitions added another 8 pp (for a total of 25%). We expect Raketech to break its long-term negative trend on gross and EBIT margins, driven by an increased mix of revenue from affiliation and marketing, with CasinoFeber leading the way. We thus forecast that the gross margin improved q/q from 64% in Q2 to 68% in Q3. With the gross margin trend turning, we see an inflection point for the EBITDA margin, which should improve from 39% to 41% y/y.

### Acquisition pipeline

The acquisitions of QM Media and Infinileads add much-needed diversification and an attractive positioning towards higher-growth markets. We estimate that slow-growing Nordic markets will only account for ~50% of revenue in 2022. We note that net debt/EBITDA is still around 0x, and Raketech's cash conversion at just over 100% gives us confidence that there is considerable room for more M&A.

### Estimate revisions and valuation

We adjust our fair value range to SEK 21.5-36.0 (21.5-35.5), mainly due to slight FX changes (although without any notable estimate revisions). We note that Raketech's valuation of 5.5x 2022E EV/EBIT still represents a discount versus peers Better Collective (16x) and Catena Media (7x).

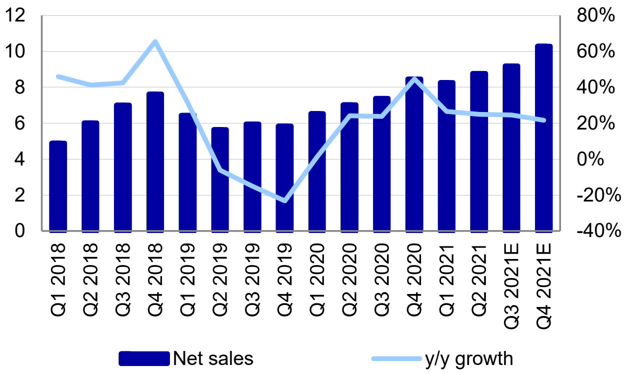
**SUMMARY TABLE - KEY FIGURES**

| EURm | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|
| Total revenue | 17 | 26 | 24 | 29 | 37 | 44 | 49 |
| EBITDA (adj) | 10 | 14 | 11 | 12 | 15 | 20 | 22 |
| EBIT (adj) | 9 | 13 | 7 | 7 | 8 | 13 | 14 |
| EBIT (adj) margin | 52.5% | 49.7% | 29.7% | 23.0% | 21.5% | 28.3% | 28.3% |
| EPS (adj, EUR) | 0.16 | 0.16 | 0.16 | 0.15 | 0.17 | 0.29 | 0.32 |
| EPS (adj) growth | -22.1% | 1.7% | -2.1% | -2.3% | 11.9% | 66.8% | 11.2% |
| DPS (ord, EUR) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.14 | 0.16 |
| EV/Sales | n.a. | 2.8 | 1.4 | 1.3 | 2.2 | 1.6 | 1.2 |
| EV/EBIT (adj) | n.a. | 5.7 | 4.7 | 5.5 | 10.4 | 5.5 | 4.2 |
| P/E (adj) | n.a. | 11.9 | 5.8 | 7.0 | 11.3 | 6.8 | 6.1 |
| P/BV | n.a. | 1.2 | 0.5 | 0.6 | 1.0 | 0.9 | 0.8 |
| Dividend yield (ord) | n.a. | 0.0% | 0.0% | 0.0% | 0.0% | 7.4% | 8.2% |
| FCF Yield bef A&D, lease | n.a. | -6.4% | 33.9% | 31.0% | 17.8% | 23.0% | 27.2% |
| Net debt | 25 | 0 | -1 | -3 | 2 | -10 | -21 |
| Net debt/EBITDA | 2.6 | 0.0 | 0.0 | -0.3 | 0.1 | -0.5 | -0.9 |
| ROIC after tax | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

*Source: Company data and Nordea estimates*

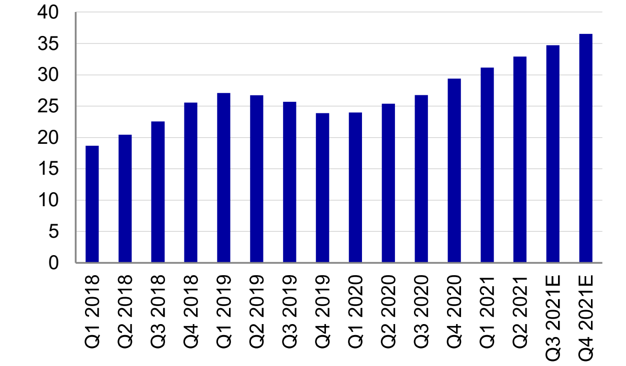
# Key charts

**NET SALES PER QUARTER (EURm) AND Y/Y GROWTH (%)**



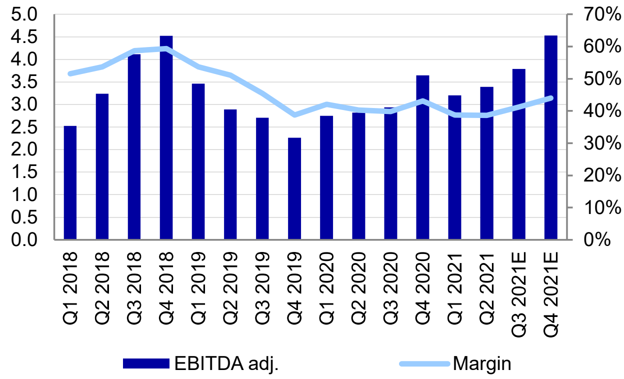

*Source: Company data and Nordea estimates*

**NET SALES (EURm), LAST 12 MONTHS**



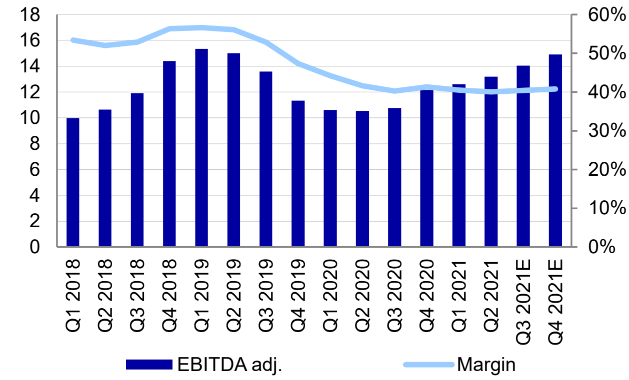

*Source: Company data and Nordea estimates*

**ADJUSTED EBITDA PER QUARTER (EURm) AND MARGIN (%)**



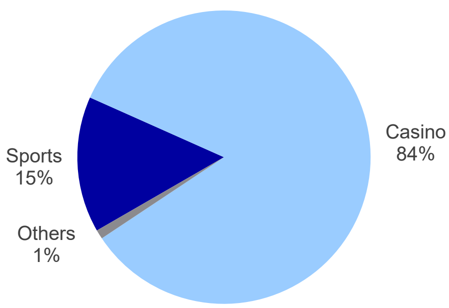

*Source: Company data and Nordea estimates*

**ADJUSTED EBITDA (EURm) & MARGIN (%), LAST 12 MONTHS**



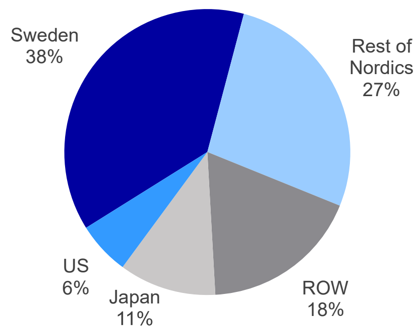

*Source: Company data and Nordea estimates*

**VERTICAL SPLIT, Q2 2021**




*Source: Company data and Nordea*

**DETAILED MARKET OVERVIEW, Q1 2021**




*Source: Company data and Nordea*

# Detailed estimates

**RAKETECH: QUARTERLY ESTIMATES**

| EURm | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021E | Q4 2021E |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | **6.5** | **7.0** | **7.4** | **8.5** | **8.3** | **8.8** | **9.2** | **10.3** |
| Other operating income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total revenue** | **6.5** | **7.0** | **7.4** | **8.5** | **8.3** | **8.8** | **9.2** | **10.3** |
| Direct costs | -1.6 | -1.9 | -1.9 | -2.5 | -2.9 | -3.1 | -2.9 | -3.0 |
| Personnel expenses | -1.3 | -1.4 | -1.4 | -1.2 | -1.2 | -1.1 | -1.3 | -1.5 |
| Depreciation and amortisation | -1.3 | -1.3 | -1.5 | -1.4 | -1.6 | -1.8 | -1.8 | -1.9 |
| Other operating expenses | -0.9 | -0.9 | -1.1 | -1.1 | -1.0 | -1.1 | -1.2 | -1.3 |
| **Adjusted EBIT** | **1.5** | **1.5** | **1.5** | **2.3** | **1.6** | **1.6** | **2.0** | **2.7** |
| Non-recurring items | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Reported EBIT** | **1.4** | **1.5** | **1.5** | **2.3** | **1.6** | **1.6** | **2.0** | **2.7** |
| Net financials | -0.2 | -0.2 | -0.2 | 0.0 | -0.4 | -0.3 | 0.0 | 0.0 |
| **Profit before tax** | **1.1** | **1.3** | **1.3** | **2.3** | **1.2** | **1.3** | **2.0** | **2.6** |
| Income tax | -0.1 | -0.1 | -0.1 | -0.2 | -0.1 | -0.1 | -0.1 | -0.1 |
| **Profit after tax** | **1.1** | **1.2** | **1.2** | **2.1** | **1.1** | **1.2** | **1.9** | **2.5** |
| | | | | | | | | |
| **EPS adj. (EUR)** | **0.03** | **0.03** | **0.03** | **0.06** | **0.03** | **0.03** | **0.05** | **0.06** |
| | | | | | | | | |
| **Key ratios & assumptions** | | | | | | | | |
| Revenue growth, y/y | 1% | 24% | 24% | 45% | 27% | 25% | 25% | 22% |
| | | | | | | | | |
| **EBITDA adj.** | **2.8** | **2.8** | **2.9** | **3.6** | **3.2** | **3.4** | **3.8** | **4.5** |
| | | | | | | | | |
| EBITDA adj. growth | -21% | -2% | 8% | 61% | 17% | 20% | 29% | 24% |
| **EBIT adj. growth** | **-46%** | **-23%** | **-2%** | **161%** | **5%** | **5%** | **37%** | **18%** |
| EPS adj. growth | -77% | -27% | 3% | -707% | 7% | 1% | 44% | 9% |
| | | | | | | | | |
| EBITDA adj. margin | 42.1% | 40.2% | 39.8% | 43.1% | 38.7% | 38.7% | 41.2% | 44.0% |
| **EBIT adj. margin** | **22.8%** | **21.8%** | **19.8%** | **26.7%** | **18.9%** | **18.2%** | **21.8%** | **26.0%** |
| Tax rate | 6.6% | 6.2% | 5.4% | 10.1% | 5.1% | 5.1% | 5.1% | 5.1% |

*Source: Company data and Nordea estimates*

# Estimate revisions

### We raise 2021E-23E revenue and EBIT

We raise our revenue and EBIT for 2021E-23E by 0.3-0.4% as we now expect Q3 organic growth of 17%, versus 15% previously.

**RAKETECH: ESTIMATE REVISIONS**

| | New estimates | | | Old Estimates | | | Difference | | |
|---|---|---|---|---|---|---|---|---|---|
| **EURm** | **2021E** | **2022E** | **2023E** | **2021E** | **2022E** | **2023E** | **2021E** | **2022E** | **2023E** |
| **Revenue** | **36.5** | **44.5** | **49.4** | **36.4** | **44.3** | **49.2** | **0.4%** | **0.3%** | **0.3%** |
| Other operating income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - |
| **Total revenue** | **36.5** | **44.5** | **49.4** | **36.4** | **44.3** | **49.2** | **0.4%** | **0.3%** | **0.3%** |
| Direct costs | -11.9 | -12.2 | -13.6 | -11.9 | -12.2 | -13.5 | 0.4% | 0.3% | 0.3% |
| Personnel expenses | -5.0 | -6.4 | -7.2 | -5.0 | -6.4 | -7.1 | 0.4% | 0.3% | 0.3% |
| Depreciation and amortisation | -7.1 | -7.6 | -8.4 | -7.0 | -7.5 | -8.4 | 0.4% | 0.3% | 0.3% |
| Other operating expenses | -4.7 | -5.6 | -6.3 | -4.7 | -5.6 | -6.2 | 0.4% | 0.3% | 0.3% |
| **Adjusted EBIT** | **7.8** | **12.6** | **14.0** | **7.8** | **12.5** | **13.9** | **0.4%** | **0.3%** | **0.3%** |
| Non-recurring items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - |
| **Reported EBIT** | **7.8** | **12.6** | **14.0** | **7.8** | **12.5** | **13.9** | **0.4%** | **0.3%** | **0.3%** |
| Interest payable on borrowings | -0.8 | -0.2 | -0.2 | -0.8 | -0.2 | -0.2 | - | - | - |
| Finance costs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - |
| Finance income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - |
| Other non-operating income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - |
| **Profit before tax** | **7.1** | **12.4** | **13.8** | **7.1** | **12.4** | **13.7** | **0.4%** | **0.3%** | **0.3%** |
| Income tax | -0.4 | -0.6 | -0.7 | -0.4 | -0.6 | -0.7 | - | - | - |
| **Profit after tax** | **6.7** | **11.8** | **13.1** | **6.7** | **11.7** | **13.0** | **0.4%** | **0.3%** | **0.3%** |
| | | | | | | | | | |
| **EPS adj. (EUR)** | **0.17** | **0.29** | **0.32** | **0.17** | **0.28** | **0.32** | **0.4%** | **0.3%** | **0.3%** |
| | | | | | | | | | |
| **Key ratios** | | | | | | | | | |
| **Sales growth** | **24%** | **22%** | **11%** | **24%** | **22%** | **11%** | **0pp** | **0pp** | **0pp** |
| EBIT adj. growth | 16% | 60% | 11% | 16% | 61% | 11% | 0pp | 0pp | 0pp |
| | | | | | | | | | |
| EBITDA adj. | 14.9 | 20.1 | 22.4 | 14.9 | 20.1 | 22.3 | 0% | 0% | 0% |
| | | | | | | | | | |
| EBITDA adj. margin | 40.8% | 45.3% | 45.3% | 40.8% | 45.3% | 45.3% | 0.0pp | 0.0pp | 0.0pp |
| **EBIT adj. margin** | **21.5%** | **28.3%** | **28.3%** | **21.5%** | **28.3%** | **28.3%** | **0.0pp** | **0.0pp** | **0.0pp** |
| Tax rate | 5.1% | 5.1% | 5.1% | 5.1% | 5.1% | 5.1% | 0.0pp | 0.0pp | 0.0pp |

*Source: Nordea estimates*

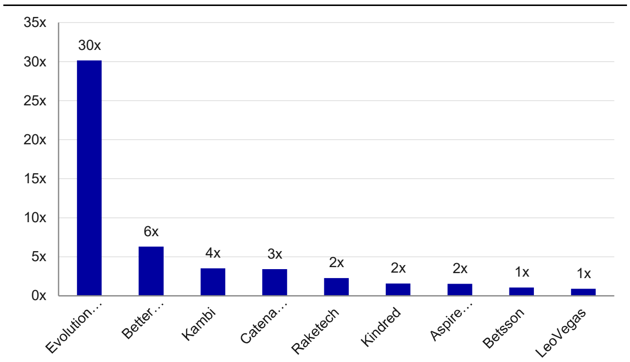
# Valuation

### ONLINE GAMBLING: PEER VALUATION

| | | Mcap. | EV/Sales | | EV/EBITDA | | EV/EBIT adj. | | P/E adj. | | FCF yield | | EPS growth | | Yield | ROE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Nordic** | **Rec.** | **SEKm** | **2021E** | **2022E** | **2021E** | **2022E** | **2021E** | **2022E** | **2021E** | **2022E** | **2021E** | **2022E** | **2021E** | **2022E** | **2021E** | **2021E** |
| Aspire Global | - | 3,515 | 1.5x | 1.4x | 8.9x | 7.7x | 11.4x | 9.7x | 13.7x | 12.0x | - | - | 76% | 20% | 3.1% | 42% |
| Betsson | - | 6,909 | 1.1x | 1.0x | 4.5x | 5.2x | 5.8x | 7.0x | 7.3x | 8.8x | N.A. | N.A. | 10% | -12% | 6.8% | 20% |
| **Better Collective** | **-** | **10,789** | **6.3x** | **4.6x** | **20.3x** | **14.6x** | **23.7x** | **16.0x** | **32.6x** | **19.6x** | **N.A.** | **N.A.** | **33%** | **67%** | **N.A.** | **11%** |
| **Catena Media** | **-** | **4,295** | **3.4x** | **3.2x** | **6.3x** | **5.9x** | **7.3x** | **6.7x** | **11.7x** | **10.2x** | **N.A.** | **N.A.** | **133%** | **14%** | **3.7%** | **26%** |
| Evolution Gaming | - | 328,561 | 30.2x | 22.8x | 43.9x | 32.8x | 49.6x | 36.5x | 54.0x | 40.0x | N.A. | N.A. | 87% | 36% | 0.9% | 21% |
| Kambi | - | 6,550 | 3.5x | 3.3x | - | - | 10.3x | 10.5x | 14.0x | 14.2x | N.A. | N.A. | 116% | -2% | 0.0% | 38% |
| Kindred | - | 27,995 | 1.6x | 1.6x | 5.9x | 8.6x | 6.7x | 11.4x | 8.5x | 15.0x | N.A. | N.A. | 46% | -36% | 5.1% | 54% |
| LeoVegas | - | 3,308 | 0.9x | 0.8x | 7.9x | 6.4x | 18.3x | 9.0x | 10.8x | 8.6x | 8.9% | 13.4% | 4% | 26% | 3.8% | 30% |
| Raketech | NR | 747 | 2.3x | 1.6x | 5.6x | 3.5x | 10.7x | 5.7x | 11.6x | 6.9x | -6.2% | 15.1% | 11% | 67% | 0.0% | 9% |
| **Median** | **-** | **6,550** | **2.3x** | **1.6x** | **7.1x** | **7.1x** | **10.7x** | **9.7x** | **11.7x** | **12.0x** | **1.3%** | **14.3%** | **46%** | **20%** | **3.4%** | **26%** |
| **International** | **Origin** | | | | | | | | | | | | | | | |
| 888 | UK | 16,987 | 1.8x | 1.8x | 11.0x | 10.9x | 14.2x | 14.0x | 18.1x | 18.3x | 5.8% | 6.0% | 5% | 16% | 2.9% | 51% |
| Bet-at-home | DE | 1,268 | 0.8x | 0.7x | 9.8x | 4.2x | 12.7x | 4.7x | 24.1x | 9.2x | 64.1% | 102% | -78% | 163% | 8.9% | 8% |
| Entain (prev. GVC) | UK | 146,720 | 3.8x | 3.3x | 16.4x | 13.4x | 28.8x | 19.3x | 39.2x | 23.3x | 2.9% | 5.2% | -15% | 62% | 1.1% | 10% |
| IGT | US | 51,517 | 3.2x | 3.1x | 8.1x | 8.1x | 15.9x | 16.1x | 27.6x | 22.4x | 8.1% | 8.8% | - | - | 0.0% | 21% |
| Flutter (PaddyPower) | UK | 297,592 | 4.5x | 4.1x | 25.6x | 21.4x | 33.6x | 27.2x | 46.3x | 33.3x | - | - | -25% | 37% | 0.0% | 5% |
| Playtech | UK | 24,276 | 2.6x | 2.1x | 10.5x | 9.0x | 21.2x | 16.9x | 37.0x | 27.9x | 1.1% | 3.5% | 19% | 38% | 0.2% | 5% |
| Rank Group | UK | 8,773 | 2.9x | 1.4x | - | 8.4x | - | 16.2x | - | 19.5x | - | 4.1% | -347% | 140% | 0.0% | -27% |
| Scientific Games | US | 70,560 | 5.0x | 4.6x | 12.7x | 11.3x | 28.0x | 22.7x | 53.2x | 40.3x | 4.2% | 7.0% | - | 48% | 0.0% | -5% |
| Tabcorp | AU | 71,552 | 2.4x | 2.4x | 12.2x | 12.5x | 18.7x | 19.3x | 28.2x | 27.8x | n.a | n.a | 33% | -5% | 2.8% | 6% |
| XLMedia | UK | 1,159 | 1.5x | 1.3x | 7.9x | 4.1x | 41.6x | 6.4x | 20.5x | 8.2x | - | - | - | 150% | 0.0% | - |
| DraftKings Inc | US | 315,479 | 27.2x | 20.5x | - | - | - | - | - | - | - | - | -36% | 23% | 0.0% | -58% |
| Gan Ltd | UK | 5,537 | 4.5x | 3.4x | 56.6x | 23.1x | - | - | - | - | - | - | 16% | 88% | 0.0% | -8% |
| Penn National | US | 108,064 | 2.9x | 2.8x | 8.2x | 8.4x | 14.2x | 13.6x | 23.5x | 26.8x | - | - | 164% | -9% | 0.0% | 20% |
| **Median** | **-** | **51,517** | **2.9x** | **2.8x** | **11.0x** | **9.9x** | **19.9x** | **16.2x** | **27.9x** | **23.3x** | **5.0%** | **6.0%** | **-5%** | **43%** | **0.0%** | **6%** |

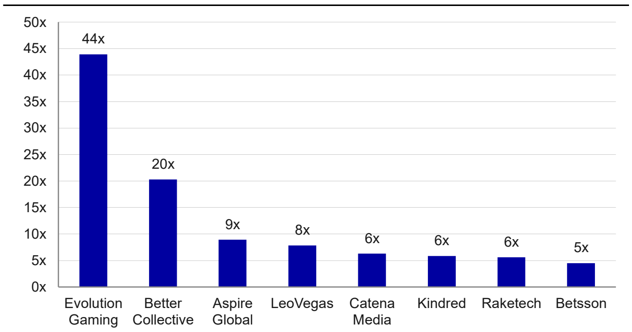
*Source: Company data, Refinitiv and Nordea estimates*

### SWEDISH ONLINE GAMBLING: EV/SALES, 2021E



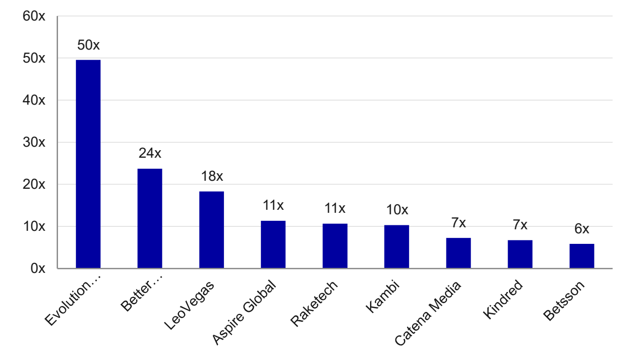

*Source: Company data, Refinitiv and Nordea estimates*

### SWEDISH ONLINE GAMBLING: EV/EBITDA, 2021E



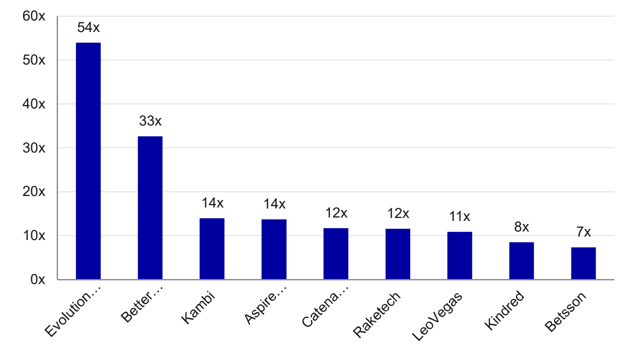

*Source: Company data, Refinitiv and Nordea estimates*

### SWEDISH ONLINE GAMBLING: EV/EBIT, 2021E




*Source: Company data, Refinitiv and Nordea estimates*

### SWEDISH ONLINE GAMBLING: P/E, 2021E




*Source: Company data, Refinitiv and Nordea estimates*

# Reported numbers and forecasts

**INCOME STATEMENT**

| EURm | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total revenue** | **n.a.** | **n.a.** | **2** | **10** | **17** | **26** | **24** | **29** | **37** | **44** | **49** |
| Revenue growth | n.a. | n.a. | n.a. | 399.0% | 64.3% | 49.1% | -6.5% | 23.0% | 24.3% | 21.7% | 11.0% |
| of which organic | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| of which FX | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| EBITDA | 0 | 0 | 0 | 8 | 9 | 13 | 13 | 12 | 15 | 20 | 22 |
| Depreciation and impairments PPE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| of which leased assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBITA | 0 | 0 | 0 | 8 | 9 | 13 | 12 | 12 | 15 | 20 | 22 |
| Amortisation and impairments | 0 | 0 | 0 | 0 | -1 | -2 | -4 | -5 | -7 | -7 | -8 |
| EBIT | n.a. | n.a. | 0 | 8 | 9 | 11 | 8 | 7 | 8 | 13 | 14 |
| of which associates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Associates excluded from EBIT | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Net financials | 0 | 0 | 0 | 0 | -3 | -6 | -1 | -1 | -1 | 0 | 0 |
| of which lease interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Changes in value, net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Pre-tax profit** | **0** | **0** | **0** | **8** | **6** | **5** | **7** | **6** | **7** | **12** | **14** |
| Reported taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -1 | -1 |
| Net profit from continued operations | 0 | 0 | 0 | 8 | 6 | 5 | 7 | 6 | 7 | 12 | 13 |
| Discontinued operations | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Minority interests | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Net profit to equity | 0 | 0 | 0 | 8 | 6 | 5 | 7 | 6 | 7 | 12 | 13 |
| **EPS, EUR** | **n.a.** | **n.a.** | **n.a.** | **0.20** | **0.15** | **0.12** | **0.19** | **0.15** | **0.17** | **0.29** | **0.32** |
| DPS, EUR | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.14 | 0.16 |
| of which ordinary | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.14 | 0.16 |
| of which extraordinary | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | | | |
| **Profit margin in percent** | | | | | | | | | | | |
| EBITDA | n.a. | n.a. | 3.6% | 77.3% | 55.3% | 50.4% | 52.7% | 40.9% | 40.8% | 45.3% | 45.3% |
| EBITA | n.a. | n.a. | 3.6% | 77.3% | 55.1% | 50.0% | 51.9% | 40.0% | 40.6% | 45.1% | 45.1% |
| EBIT | n.a. | n.a. | 3.6% | 76.9% | 51.4% | 43.7% | 35.1% | 22.5% | 21.5% | 28.3% | 28.3% |
| | | | | | | | | | | | |
| **Adjusted earnings** | | | | | | | | | | | |
| EBITDA (adj) | 0 | 0 | 0 | 8 | 10 | 14 | 11 | 12 | 15 | 20 | 22 |
| EBITA (adj) | 0 | 0 | 0 | 8 | 10 | 14 | 11 | 12 | 15 | 20 | 22 |
| EBIT (adj) | 0 | 0 | 0 | 8 | 9 | 13 | 7 | 7 | 8 | 13 | 14 |
| EPS (adj, EUR) | n.a. | n.a. | n.a. | 0.20 | 0.16 | 0.16 | 0.16 | 0.15 | 0.17 | 0.29 | 0.32 |
| | | | | | | | | | | | |
| **Adjusted profit margins in percent** | | | | | | | | | | | |
| EBITDA (adj) | n.a. | n.a. | 3.6% | 77.3% | 56.4% | 56.3% | 47.4% | 41.3% | 40.8% | 45.3% | 45.3% |
| EBITA (adj) | n.a. | n.a. | 3.6% | 77.3% | 56.2% | 56.0% | 46.5% | 40.4% | 40.6% | 45.1% | 45.1% |
| EBIT (adj) | n.a. | n.a. | 3.6% | 76.9% | 52.5% | 49.7% | 29.7% | 23.0% | 21.5% | 28.3% | 28.3% |
| | | | | | | | | | | | |
| **Performance metrics** | | | | | | | | | | | |
| CAGR last 5 years | | | | | | | | | | | |
| Net revenue | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 69.6% | 28.5% | 21.0% | 14.1% |
| EBITDA | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | 176.2% | 13.1% | 16.3% | 11.7% |
| EBIT | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 145.1% | -0.5% | 7.4% | 4.6% |
| EPS | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | -3.3% | 13.4% | 21.5% |
| DPS | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| Average last 5 years | | | | | | | | | | | |
| Average EBIT margin | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 46.1% | 40.4% | 32.3% | 29.2% | 26.9% |
| Average EBITDA margin | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 54.5% | 51.7% | 46.7% | 45.4% | 44.7% |

**VALUATION RATIOS - ADJUSTED EARNINGS**

| EURm | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| P/E (adj) | n.a. | n.a. | n.a. | n.a. | n.a. | 11.9 | 5.8 | 7.0 | 11.3 | 6.8 | 6.1 |
| EV/EBITDA (adj) | n.a. | n.a. | n.a. | n.a. | n.a. | 5.0 | 2.9 | 3.0 | 5.5 | 3.4 | 2.6 |
| EV/EBITA (adj) | n.a. | n.a. | n.a. | n.a. | n.a. | 5.1 | 3.0 | 3.1 | 5.5 | 3.4 | 2.6 |
| EV/EBIT (adj) | n.a. | n.a. | n.a. | n.a. | n.a. | 5.7 | 4.7 | 5.5 | 10.4 | 5.5 | 4.2 |

**VALUATION RATIOS - REPORTED EARNINGS**

| EURm | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| P/E | n.a. | n.a. | n.a. | n.a. | n.a. | 15.9 | 4.7 | 7.2 | 11.3 | 6.8 | 6.1 |
| EV/Sales | n.a. | n.a. | n.a. | n.a. | n.a. | 2.83 | 1.39 | 1.26 | 2.23 | 1.56 | 1.18 |
| EV/EBITDA | n.a. | n.a. | n.a. | n.a. | n.a. | 5.6 | 2.6 | 3.1 | 5.5 | 3.4 | 2.6 |
| EV/EBITA | n.a. | n.a. | n.a. | n.a. | n.a. | 5.7 | 2.7 | 3.1 | 5.5 | 3.4 | 2.6 |
| EV/EBIT | n.a. | n.a. | n.a. | n.a. | n.a. | 6.5 | 4.0 | 5.6 | 10.4 | 5.5 | 4.2 |
| Dividend yield (ord.) | n.a. | n.a. | n.a. | n.a. | n.a. | 0.0% | 0.0% | 0.0% | 0.0% | 7.4% | 8.2% |
| FCF yield | n.a. | n.a. | n.a. | n.a. | n.a. | -7.4% | 8.1% | 6.6% | -6.3% | 15.5% | 20.9% |
| FCF Yield bef A&D, lease adj | n.a. | n.a. | n.a. | n.a. | n.a. | -6.4% | 33.9% | 31.0% | 17.8% | 23.0% | 27.2% |
| Payout ratio | n.a. | n.a. | n.a. | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 50.0% | 50.0% |

*Source: Company data and Nordea estimates*

**BALANCE SHEET**

| EURm | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Intangible assets | 0 | 0 | 0 | 18 | 46 | 66 | 74 | 81 | 93 | 92 | 88 |
| of which R&D | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| of which other intangibles | 0 | 0 | 0 | 18 | 46 | 66 | 74 | 81 | 82 | 78 | 75 |
| of which goodwill | 0 | 0 | n.a. | n.a. | n.a. | 0 | n.a. | 0 | 12 | 14 | 14 |
| Tangible assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| of which leased assets | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 |
| Shares associates | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Interest bearing assets | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Deferred tax assets | 0 | 0 | 0 | 0 | 0 | 0 | n.a. | 0 | 0 | 0 | 0 |
| Other non-IB non-current assets | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Other non-current assets | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Total non-current assets | 0 | 0 | 0 | 18 | 47 | 66 | 74 | 81 | 94 | 92 | 89 |
| Inventory | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Accounts receivable | 0 | 0 | 1 | 1 | 3 | 4 | 4 | 5 | 6 | 7 | 8 |
| Short-term leased assets | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Other current assets | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Cash and bank | 0 | 0 | 0 | 0 | 3 | 8 | 4 | 5 | 0 | 12 | 23 |
| Total current assets | 0 | 0 | 1 | 1 | 6 | 12 | 8 | 10 | 6 | 20 | 31 |
| Assets held for sale | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| **Total assets** | **0** | **0** | **1** | **19** | **53** | **78** | **82** | **91** | **100** | **112** | **120** |
| | | | | | | | | | | | |
| Shareholders equity | 0 | 0 | 0 | 9 | 16 | 59 | 65 | 71 | 78 | 89 | 97 |
| Of which preferred stocks | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Of which equity part of hybrid debt | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Minority interest | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Total Equity | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 71 | 78 | 89 | 97 |
| Deferred tax | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 2 | 2 | 2 | 2 |
| Long term interest bearing debt | 0 | 0 | 0 | 0 | 28 | 8 | 3 | 0 | 0 | 0 | 0 |
| Pension provisions | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Other long-term provisions | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Other long-term liabilities | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Non-current lease debt | 0 | 0 | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 | 0 |
| Convertible debt | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Shareholder debt | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Hybrid debt | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Total non-current liabilities | 0 | 0 | 0 | 1 | 29 | 13 | 10 | 10 | 10 | 10 | 10 |
| Short-term provisions | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Accounts payable | 0 | 0 | 1 | 9 | 6 | 4 | 2 | 2 | 3 | 4 | 4 |
| Current lease debt | 0 | 0 | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 | 0 |
| Other current liabilities | 0 | 0 | 0 | 0 | 2 | 3 | 5 | 6 | 7 | 7 | 7 |
| Short term interest bearing debt | 0 | 0 | 0 | 0 | 0 | 0 | n.a. | 2 | 2 | 2 | 2 |
| Total current liabilities | 0 | 0 | 1 | 9 | 8 | 7 | 7 | 10 | 12 | 12 | 13 |
| Liabilities for assets held for sale | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| **Total liabilities and equity** | **0** | **0** | **1** | **19** | **53** | **78** | **82** | **91** | **100** | **112** | **120** |
| | | | | | | | | | | | |
| **Balance sheet and debt metrics** | | | | | | | | | | | |
| Net debt | 0 | 0 | 0 | 0 | 25 | 0 | -1 | -3 | 2 | -10 | -21 |
| of which lease debt | 0 | 0 | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 | 0 |
| Working capital | 0 | 0 | 0 | -8 | -6 | -2 | -3 | -3 | -4 | -3 | -3 |
| Invested capital | 0 | 0 | 0 | 10 | 41 | 64 | 71 | 78 | 90 | 89 | 86 |
| Capital employed | 0 | 0 | 0 | 9 | 44 | 67 | 69 | 73 | 79 | 91 | 98 |
| ROE | n.m. | n.m. | 38.1% | n.m. | 47.0% | 12.2% | 11.6% | 8.2% | 9.1% | 14.1% | 14.1% |
| ROIC | n.m. | n.m. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| ROCE | n.m. | n.m. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| | | | | | | | | | | | |
| Net debt/EBITDA | n.m. | n.m. | -0.3 | 0.0 | 2.6 | 0.0 | 0.0 | -0.3 | 0.1 | -0.5 | -0.9 |
| Interest coverage | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Equity ratio | n.m. | n.m. | 24.3% | 46.9% | 29.8% | 75.2% | 79.1% | 77.6% | 77.8% | 79.8% | 80.3% |
| Net gearing | n.m. | n.m. | n.a. | n.a. | n.a. | n.a. | n.a. | -4.3% | 2.5% | -11.6% | -21.9% |

*Source: Company data and Nordea estimates*

**CASH FLOW STATEMENT**

| EURm | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **EBITDA (adj) for associates** | **0** | **0** | **0** | **8** | **9** | **13** | **13** | **12** | **15** | **20** | **22** |
| Paid taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -1 | -1 |
| Net financials | 0 | 0 | 0 | 0 | -3 | -6 | -1 | -1 | -1 | 0 | 0 |
| Change in provisions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in other LT non-IB | 0 | 0 | 0 | 0 | 0 | 4 | 1 | 3 | 0 | 0 | 0 |
| Cash flow to/from associates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends paid to minorities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other adj to reconcile to cash flow | 0 | 0 | 0 | -1 | 1 | 5 | -2 | -2 | 0 | 0 | 0 |
| **Funds from operations (FFO)** | **0** | **0** | **0** | **7** | **8** | **14** | **11** | **12** | **14** | **19** | **21** |
| Change in NWC | 0 | 0 | 0 | 9 | -3 | -3 | 0 | 0 | 0 | -1 | 0 |
| **Cash flow from operations (CFO)** | **0** | **0** | **0** | **16** | **5** | **11** | **11** | **12** | **14** | **18** | **22** |
| Capital expenditure | 0 | 0 | 0 | -16 | -28 | -16 | 0 | 0 | 0 | 0 | 0 |
| **Free cash flow before A&D** | **0** | **0** | **0** | **0** | **-23** | **-5** | **11** | **12** | **14** | **18** | **22** |
| Proceeds from sale of assets | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Acquisitions | 0 | 0 | 0 | 0 | 0 | -1 | -9 | -10 | -19 | -6 | -5 |
| Free cash flow | 0 | 0 | 0 | 0 | -23 | -5 | 3 | 3 | -5 | 12 | 17 |
| Free cash flow bef A&D, lease adj | 0 | 0 | 0 | 0 | -23 | -5 | 11 | 12 | 14 | 18 | 22 |
| | | | | | | | | | | | |
| Dividends paid | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | -6 |
| Equity issues / buybacks | 0 | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | 0 |
| Net change in debt | 0 | 0 | 0 | 0 | 28 | -23 | -4 | -2 | 0 | 0 | 0 |
| Other financing adjustments | 0 | 0 | n.a. | n.a. | -2 | -4 | -1 | 0 | 0 | 0 | 0 |
| Other non-cash adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in cash | 0 | 0 | 0 | 0 | 3 | 4 | -3 | 1 | -5 | 12 | 11 |
| | | | | | | | | | | | |
| **Cash flow metrics** | | | | | | | | | | | |
| Capex/D&A | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | 0.6% | -0.4% | 1.5% | 1.8% | 1.8% |
| Capex/Sales | n.a. | n.a. | 1.1% | n.m. | n.m. | 61.8% | 0.1% | -0.1% | 0.3% | 0.3% | 0.3% |
| | | | | | | | | | | | |
| **Key information** | | | | | | | | | | | |
| Share price year end (/current) | n.a. | n.a. | n.a. | n.a. | n.a. | 2 | 1 | 1 | 2 | 2 | 2 |
| Market cap. | n.a. | n.a. | n.a. | n.a. | n.a. | 72 | 34 | 40 | 80 | 80 | 80 |
| Enterprise value | n.a. | n.a. | n.a. | n.a. | n.a. | 72 | 33 | 37 | 82 | 69 | 58 |
| Diluted no. of shares, year-end (m) | 0.0 | 0.0 | 37.9 | 37.9 | 37.9 | 37.9 | 37.4 | 37.4 | 41.3 | 41.3 | 41.3 |

*Source: Company data and Nordea estimates*

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*This report has not been reviewed by the Issuer prior to publication.*

**Completion Date**

*26 Oct 2021, 01:24 CET*


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