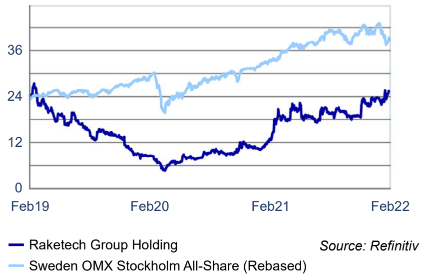
Raketech Group Holding

Media
Sweden

KEY DATA

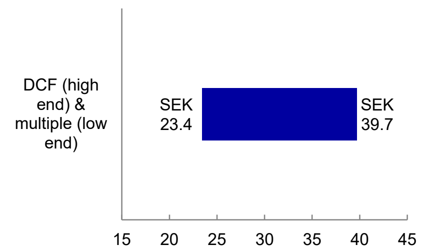
Stock country	Sweden
Bloomberg	RAKE SS
Reuters	RAKE.ST
Share price (close)	SEK 25.40
Free Float	45%
Market cap. (bn)	EUR 0.10/SEK 1.08
Website	www.raketech.com
Next report date	11 Feb 2022

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	1%	1%	1%
EBIT (adj)	1%	1%	1%

Source: Nordea estimates

Nordea Markets - Analysts
Marlon Värnik
Analyst

Klas Danielsson
Analyst

Seasonally strong quarter boosted by M&A

We expect Raketech to deliver yet another record quarter with revenue of EUR 12.2m, driven by solid organic growth of 24% and a compelling M&A contribution of 20%. We expect momentum, which was robust in Q3, increased further in Q4, with further positive effects from Casumba and the lifting of gambling restrictions in Sweden, and an intense calendar in the US. We expect another quarter of solid underlying profitability, as high-margin acquired assets continue to be added to the portfolio. We leave our estimates largely unchanged and make only minor positive changes to our fair value range. The Q4 report is due on 16 February.

COVID-19 gambling restrictions lifted in Sweden

As Sweden is still Raketech's largest revenue contributor, we expect especially positive effects towards the latter part of Q4 after gambling restrictions in that market were lifted on 14 November. This will increase the appetite for investing in marketing, boosting Raketech affiliate sites such as Casinofeber and Casinoguide and significantly increasing returns on investment, we argue. In total, we expect Raketech to report 44% y/y growth in Q4, with an organic growth contribution of 24%.

Substantial growth expected in the US from Q4 onwards

As Raketech continued to add and integrate its recent high-margin US assets, we expect its margin profile to remain solid, with US growth taking off from Q4 to contribute 20% of group revenues by Q1 2021. Moreover, Q4 is seasonally the strongest quarter for Raketech, owing to the intense calendar then, especially in the US and India.

Positively adjusting our fair value range

Given impressive activity data for the US and Swedish markets, we raise our Q4 revenue and adjusted EBIT estimates by 3-4%, triggering a slight positive fair range adjustment to SEK 23.4-39.7 (22.5-38.3). This implies 6x-11x 2022E EV/EBIT. Raketech is trading at a discount to peers of 35%, which we expect to narrow as the US case has been proven. The M&A story remains compelling; we estimate Raketech has firepower of EUR 60m, given a maximum net debt/adjusted EBITDA of 2.5x (2022E).

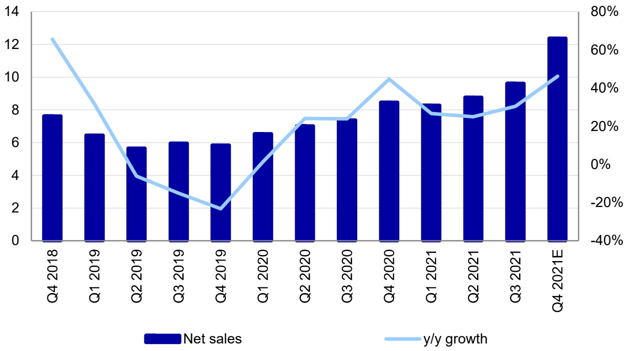
SUMMARY TABLE - KEY FIGURES

EURm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	17	26	24	29	39	52	58
EBITDA (adj)	10	14	11	12	17	24	27
EBIT (adj)	9	13	7	7	9	15	17
EBIT (adj) margin	52.5%	49.7%	29.7%	23.0%	23.6%	29.0%	29.0%
EPS (adj, EUR)	0.16	0.16	0.16	0.15	0.19	0.32	0.37
EPS (adj) growth	-22.1%	1.7%	-2.1%	-2.3%	24.7%	69.4%	13.2%
DPS (ord, EUR)	0.00	0.00	0.00	0.00	0.00	0.16	0.18
EV/Sales	n.a.	2.8	1.4	1.3	2.9	1.9	1.5
EV/EBIT (adj)	n.a.	5.7	4.7	5.5	12.5	6.7	5.1
P/E (adj)	n.a.	11.9	5.8	7.0	12.8	7.6	6.7
P/BV	n.a.	1.2	0.5	0.6	1.2	1.0	0.9
Dividend yield (ord)	n.a.	0.0%	0.0%	0.0%	0.0%	6.6%	7.5%
FCF Yield bef A&D, lease	n.a.	-6.4%	33.9%	31.0%	14.7%	20.8%	24.8%
Net debt	25	0	-1	-3	11	-4	-17
Net debt/EBITDA	2.6	0.0	0.0	-0.3	0.7	-0.2	-0.6
ROIC after tax	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company data and Nordea estimates

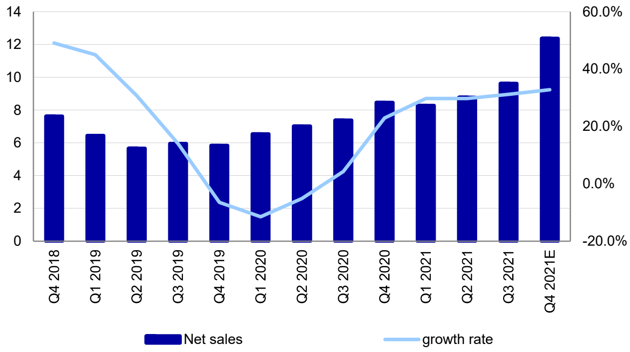
Key charts

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



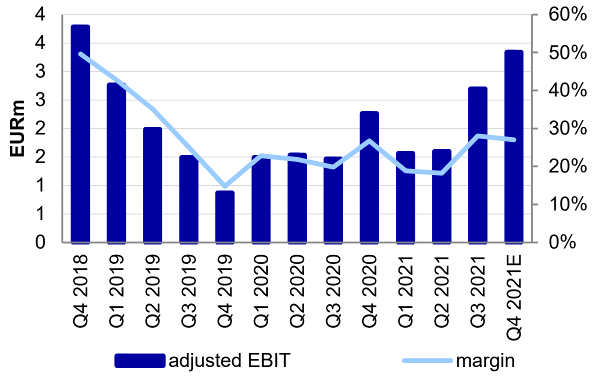
Source: Company data and Nordea estimates

NET SALES (EURm) AND Y/Y GROWTH (%), LAST 12 MONTHS



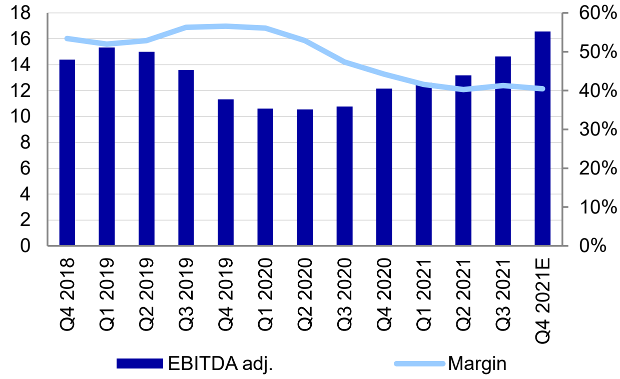
Source: Company data and Nordea estimates

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



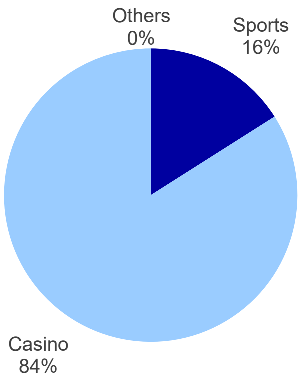
Source: Company data and Nordea estimates

ADJUSTED EBITDA (EURm) AND MARGIN (%), LAST 12 MONTHS



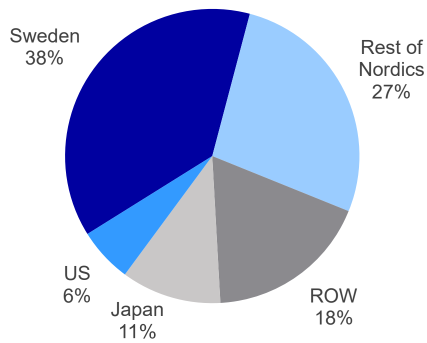
Source: Company data and Nordea estimates

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	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021E	Q1 2022E	Q2 2022E	Q3 2022E
Revenue	**8.5**	**8.3**	**8.8**	**9.6**	**12.4**	**12.0**	**12.7**	**12.2**
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total revenue	**8.5**	**8.3**	**8.8**	**9.6**	**12.4**	**12.0**	**12.7**	**12.2**
Direct costs	-2.5	-2.9	-3.1	-2.7	-3.5	-3.2	-3.4	-3.2
Personnel expenses	-1.2	-1.2	-1.1	-1.2	-1.7	-1.8	-1.9	-1.8
Depreciation and amortisation	-1.4	-1.6	-1.8	-1.7	-2.2	-2.0	-2.2	-2.1
Other operating expenses	-1.1	-1.0	-1.1	-1.3	-1.6	-1.5	-1.6	-1.5
Adjusted EBIT	**2.3**	**1.6**	**1.6**	**2.7**	**3.3**	**3.5**	**3.7**	**3.5**
Non-recurring items	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	0.0
Reported EBIT	**2.3**	**1.6**	**1.6**	**2.4**	**3.3**	**3.5**	**3.7**	**3.5**
Net financials	0.0	-0.4	-0.3	-0.4	0.0	0.0	0.0	0.0
Profit before tax	**2.3**	**1.2**	**1.3**	**2.0**	**3.3**	**3.4**	**3.6**	**3.5**
Income tax	-0.2	-0.1	-0.1	-0.2	-0.2	-0.3	-0.3	-0.3
Profit after tax	**2.1**	**1.1**	**1.2**	**1.9**	**3.1**	**3.2**	**3.4**	**3.2**
EPS adj. (EUR)	**0.06**	**0.03**	**0.03**	**0.05**	**0.07**	**0.08**	**0.08**	**0.08**
Key ratios & assumptions								
Revenue growth, y/y	45%	27%	25%	30%	46%	45%	44%	27%
EBITDA adj.	**3.6**	**3.2**	**3.4**	**4.4**	**5.6**	**5.5**	**5.8**	**5.6**
EBITDA adj. growth	61%	17%	20%	50%	53%	73%	72%	27%
EBIT adj. growth	**161%**	**5%**	**5%**	**84%**	**48%**	**124%**	**129%**	**31%**
EPS adj. growth	-707%	7%	1%	46%	31%	148%	139%	59%
EBITDA adj. margin	43.1%	38.7%	38.7%	45.8%	45.0%	46.0%	46.0%	46.0%
EBIT adj. margin	**26.7%**	**18.9%**	**18.2%**	**28.0%**	**27.0%**	**29.0%**	**29.0%**	**29.0%**
Tax rate	10.1%	5.1%	5.1%	7.4%	7.4%	7.4%	7.4%	7.4%

Source: Company data and Nordea estimates

Estimate revisions

We raise 2021E-23E revenue and EBIT

We raise our 2021E-23E revenue and EBIT by 1% as we now expect Q4 organic growth of 26% (22), with a slightly stronger growth trajectory from 2022 onwards.

RAKETECH: ESTIMATE REVISIONS

	New estimates			Old Estimates			Difference		
EURm	**2021E**	**2022E**	**2023E**	**2021E**	**2022E**	**2023E**	**2021E**	**2022E**	**2023E**
Revenue	**39.0**	**51.7**	**58.4**	**38.7**	**51.3**	**58.0**	**0.9%**	**0.7%**	**0.7%**
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Total revenue	**39.0**	**51.7**	**58.4**	**38.7**	**51.3**	**58.0**	**0.9%**	**0.7%**	**0.7%**
Direct costs	-12.2	-13.7	-15.5	-12.1	-13.6	-15.4	0.8%	0.7%	0.7%
Personnel expenses	-5.3	-7.6	-8.6	-5.2	-7.6	-8.6	0.9%	0.7%	0.7%
Depreciation and amortisation	-7.4	-8.8	-9.9	-7.3	-8.7	-9.9	0.8%	0.7%	0.7%
Other operating expenses	-5.0	-6.6	-7.4	-5.0	-6.5	-7.4	0.9%	0.7%	0.7%
Adjusted EBIT	**9.2**	**15.0**	**16.9**	**9.1**	**14.9**	**16.8**	**1.0%**	**0.7%**	**0.7%**
Non-recurring items	-0.3	0.0	0.0	-0.3	0.0	0.0	-	-	-
Reported EBIT	**8.9**	**15.0**	**16.9**	**8.8**	**14.9**	**16.8**	**1.0%**	**0.7%**	**0.7%**
Interest payable on borrowings	-1.1	-0.2	-0.2	-1.1	-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	**7.8**	**14.8**	**16.7**	**7.7**	**14.7**	**16.6**	**1.2%**	**0.7%**	**0.7%**
Income tax	-0.5	-1.1	-1.2	-0.5	-1.1	-1.2	-	-	-
Profit after tax	**7.3**	**13.7**	**15.5**	**7.2**	**13.6**	**15.4**	**1.2%**	**0.7%**	**0.7%**
EPS adj. (EUR)	**0.19**	**0.32**	**0.37**	**0.19**	**0.32**	**0.36**	**1.1%**	**0.7%**	**0.7%**
Key ratios									
Sales growth	**33%**	**32%**	**13%**	**32%**	**33%**	**13%**	**1pp**	**0pp**	**0pp**
EBIT adj. growth	36%	63%	13%	35%	63%	13%	1pp	0pp	0pp
EBITDA adj.	16.6	23.8	26.9	16.4	23.6	26.7	1%	1%	1%
EBITDA adj. margin	42.4%	46.0%	46.0%	42.4%	46.0%	46.0%	0.0pp	0.0pp	0.0pp
EBIT adj. margin	**23.6%**	**29.0%**	**29.0%**	**23.5%**	**29.0%**	**29.0%**	**0.0pp**	**0.0pp**	**0.0pp**
Tax rate	6.7%	7.4%	7.4%	6.7%	7.4%	7.4%	0.0pp	0.0pp	0.0pp

Source: Nordea estimates

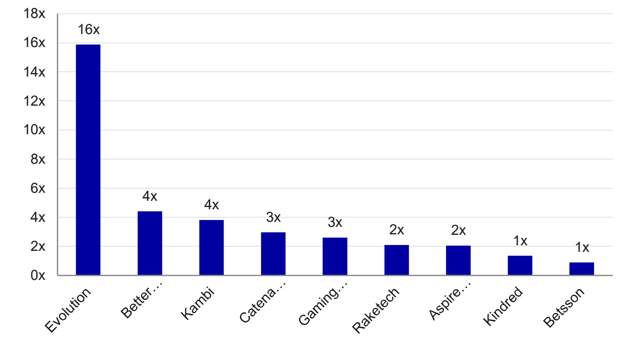
Valuation

ONLINE GAMBLING: PEER VALUATION

Nordic	Mcap. SEKm	EV/Sales 2022E	EV/Sales 2023E	EV/EBITDA 2022E	EV/EBITDA 2023E	EV/EBIT adj. 2022E	EV/EBIT adj. 2023E	P/E adj. 2022E	P/E adj. 2023E	FCF yield 2022E	FCF yield 2023E	EPS growth 2022E	EPS growth 2023E	Yield 2022E	ROE 2022E	Sales CAGR 2021-2023	EBIT CAGR 2021-2023	EBIT margi 2022E
Supplieras/ platform																		
Evolution	242,276	15.9x	12.7x	22.6x	18.0x	25.2x	20.1x	28.1x	23.0x	3.2%	4.1%	37%	25%	1.8%	25%	19%	20%	64%
Kambi	7,035	3.8x	3.1x	8.5x	7.5x	12.0x	7.8x	16.2x	10.4x	7.3%	8.7%	-4%	55%	0.0%	28%	8%	14%	32%
Aspire Global	5,037	2.1x	2.0x	11.8x	11.0x	15.1x	13.8x	16.8x	17.1x	N.A.	N.A.	15%	4%	2.5%	31%	2%	6%	14%
Operators																		
Betsson	6,149	0.9x	0.8x	4.7x	4.5x	6.6x	6.2x	8.5x	8.0x	12.1%	12.7%	-18%	-1%	5.9%	13%	3%	-6%	14%
Kindred	24,299	1.3x	1.1x	7.2x	5.8x	9.1x	7.2x	12.6x	9.3x	12.6%	14.0%	-36%	25%	5.0%	28%	5%	-8%	15%
LeoVegas	3,375	0.8x	0.7x	6.9x	5.9x	10.3x	8.2x	10.3x	7.8x	11.8%	12.3%	33%	21%	5.0%	32%	6%	41%	8%
Affilates																		
Catena Media	3,886	3.0x	2.7x	5.7x	5.1x	6.4x	5.7x	9.1x	7.7x	N.A.	N.A.	12%	18%	0.0%	28%	6%	7%	46%
Gaming Innovation Group	1,860	2.6x	2.3x	7.6x	6.3x	14.1x	9.6x	19.6x	12.6x	N.A.	N.A.	440%	78%	0.0%	51%	8%	46%	20%
Better Collective	10,411	4.4x	3.7x	13.1x	10.2x	15.6x	11.7x	19.9x	14.4x	N.A.	N.A.	44%	38%	N.A.	14%	19%	24%	28%
Raketech	1,026	2.1x	1.9x	4.7x	4.2x	6.9x	6.3x	8.6x	7.6x	N.A.	N.A.	53%	12%	3.2%	14%	12%	21%	30%
Median	**5,593**	**2.3x**	**2.2x**	**7.4x**	**6.1x**	**11.2x**	**8.0x**	**14.4x**	**9.9x**	**11.8%**	**12.3%**	**24%**	**23%**	**2.5%**	**28%**	**7%**	**17%**	**24%**
International																		
888	11,906	1.2x	1.1x	7.0x	6.5x	9.1x	8.3x	12.5x	11.6x	8.8%	9.6%	0%	11%	4.3%	39%	3%	4%	16%
Bet-at-home	1,140	0.7x	0.7x	7.7x	4.8x	9.4x	5.5x	13.8x	10.6x	-15%	39%	156%	23%	9.5%	23%	16%	44%	22%
Entain (prev. GVC)	116,569	2.6x	2.5x	11.1x	9.9x	16.3x	12.8x	19.5x	14.4x	5.4%	7.5%	48%	39%	2.3%	15%	6%	18%	16%
IGT	50,661	2.9x	2.8x	7.4x	6.9x	14.5x	12.5x	18.8x	15.5x	9.3%	11.7%	-	-	2.9%	18%			
Flutter (PaddyPower)	242,901	3.2x	2.9x	18.5x	13.8x	24.3x	17.0x	31.4x	19.7x	-	-	34%	55%	1.8%	6%	3%	2%	21%
Playtech	23,800	2.1x	2.0x	8.9x	8.3x	16.3x	15.4x	26.7x	24.7x	3.6%	4.4%	38%	17%	0.8%	9%	-1%	20%	21%
Rank Group	9,095	1.2x	1.1x	-	4.7x	-	8.2x	-	9.2x	-	9.4%	140%	97%	0.6%	10%	9%	19%	13%
Scientific Games	49,910	5.6x	5.2x	14.7x	13.1x	25.7x	22.1x	32.9x	22.8x	4.5%	8.4%	-	48%	0.0%	2%	7%	9%	14%
Tabcorp	72,155	2.3x	2.2x	12.3x	11.1x	19.5x	16.1x	28.9x	23.2x	n.a	n.a	-5%	25%	2.7%	6%	36%	-207%	9%
XLMedia	1,251	1.4x	1.3x	4.4x	3.9x	6.9x	5.1x	8.9x	8.1x	-	-	-	10%	0.0%	-			
DraftKings Inc	155,632	8.0x	5.9x	-	-	-	-	-	-	-	-	31%	31%	0.0%	-51%	-2%	26%	-3%
Gan Ltd	2,603	1.4x	1.0x	10.1x	5.6x	-	-	-	-	-	-	84%	455%	0.0%	-4%	3%	5%	12%
Penn National	70,667	2.0x	1.9x	6.3x	5.9x	12.2x	10.9x	21.5x	17.2x	-	-	-19%	24%	0.0%	15%			
Median	**49,910**	**2.1x**	**2.0x**	**8.9x**	**6.7x**	**15.4x**	**12.5x**	**20.5x**	**15.5x**	**4.9%**	**9.4%**	**36%**	**28%**	**0.8%**	**9%**	**3%**	**-6%**	**14%**

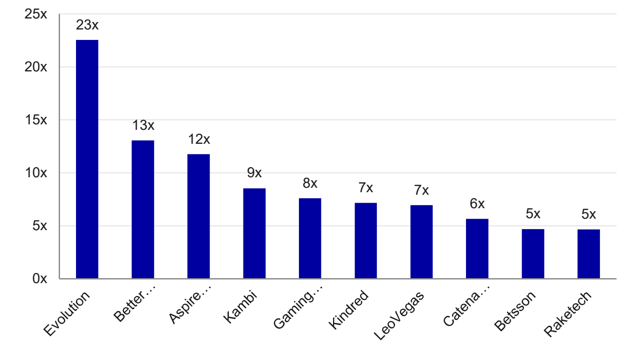
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/SALES, 2022E



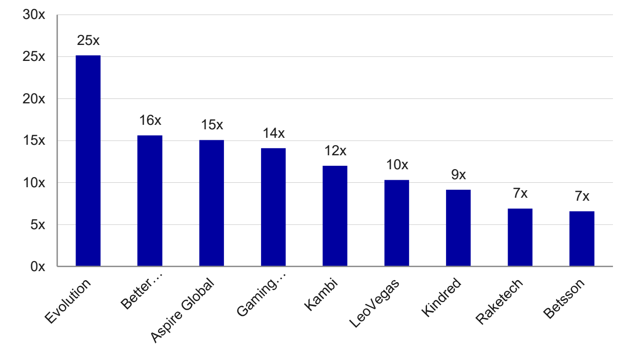
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBITDA, 2022E



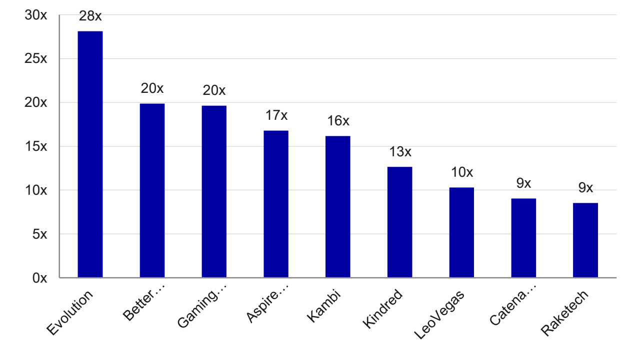
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBIT, 2022E



Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: P/E, 2022E



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**	**39**	**52**	**58**
Revenue growth	n.a.	n.a.	n.a.	399.0%	64.3%	49.1%	-6.5%	23.0%	32.8%	32.3%	13.0%
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	16	24	27
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	16	24	27
Amortisation and impairments	0	0	0	0	-1	-2	-4	-5	-7	-9	-10
EBIT	n.a.	n.a.	0	8	9	11	8	7	9	15	17
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**	**8**	**15**	**17**
Reported taxes	0	0	0	0	0	0	0	0	-1	-1	-1
Net profit from continued operations	0	0	0	8	6	5	7	6	7	14	16
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	14	16
EPS, EUR	**n.a.**	**n.a.**	**n.a.**	**0.20**	**0.15**	**0.12**	**0.19**	**0.15**	**0.18**	**0.32**	**0.37**
DPS, EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.18
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.18
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%	41.7%	46.0%	46.0%
EBITA	n.a.	n.a.	3.6%	77.3%	55.1%	50.0%	51.9%	40.0%	41.5%	45.8%	45.8%
EBIT	n.a.	n.a.	3.6%	76.9%	51.4%	43.7%	35.1%	22.5%	22.8%	29.0%	29.0%
Adjusted earnings											
EBITDA (adj)	0	0	0	8	10	14	11	12	17	24	27
EBITA (adj)	0	0	0	8	10	14	11	12	16	24	27
EBIT (adj)	0	0	0	8	9	13	7	7	9	15	17
EPS (adj, EUR)	n.a.	n.a.	n.a.	0.20	0.16	0.16	0.16	0.15	0.19	0.32	0.37
Adjusted profit margins in percent											
EBITDA (adj)	n.a.	n.a.	3.6%	77.3%	56.4%	56.3%	47.4%	41.3%	42.4%	46.0%	46.0%
EBITA (adj)	n.a.	n.a.	3.6%	77.3%	56.2%	56.0%	46.5%	40.4%	42.3%	45.8%	45.8%
EBIT (adj)	n.a.	n.a.	3.6%	76.9%	52.5%	49.7%	29.7%	23.0%	23.6%	29.0%	29.0%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	69.6%	30.2%	24.7%	18.0%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	176.2%	15.1%	20.2%	15.8%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	145.1%	2.1%	11.2%	8.7%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-1.9%	16.2%	25.0%
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%	32.5%	29.5%	27.6%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	54.5%	51.7%	46.8%	45.7%	45.2%

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	12.8	7.6	6.7
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	5.0	2.9	3.0	6.9	4.2	3.2
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	5.1	3.0	3.1	7.0	4.2	3.2
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	5.7	4.7	5.5	12.5	6.7	5.1

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	13.4	7.6	6.7
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	2.83	1.39	1.26	2.94	1.94	1.48
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	5.6	2.6	3.1	7.1	4.2	3.2
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	5.7	2.7	3.1	7.1	4.2	3.2
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	6.5	4.0	5.6	12.9	6.7	5.1
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	6.6%	7.5%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	-7.4%	8.1%	6.6%	-22.5%	14.2%	19.9%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	-6.4%	33.9%	31.0%	14.7%	20.8%	24.8%
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	113	111	106
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	92	88	83
of which goodwill	0	0	n.a.	n.a.	n.a.	0	n.a.	0	21	23	23
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	113	111	106
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	7	9	10
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	6	20	34
Total current assets	0	0	1	1	6	12	8	10	12	29	44
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**	**125**	**140**	**150**
Shareholders equity	0	0	0	9	16	59	65	71	87	101	110
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	87	101	110
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	15	15	15
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	25	25	25
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	5
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	8	9
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	13	14	16
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**	**125**	**140**	**150**
Balance sheet and debt metrics											
Net debt	0	0	0	0	25	0	-1	-3	11	-4	-17
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	-4
Invested capital	0	0	0	10	41	64	71	78	109	108	103
Capital employed	0	0	0	9	44	67	69	73	104	118	127
ROE	n.m.	n.m.	38.1%	n.m.	47.0%	12.2%	11.6%	8.2%	9.2%	14.5%	14.7%
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	0.7	-0.2	-0.6
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%	69.8%	72.0%	72.9%
Net gearing	n.m.	n.m.	n.a.	n.a.	n.a.	n.a.	n.a.	-4.3%	12.8%	-3.5%	-15.9%

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**	**16**	**24**	**27**
Paid taxes	0	0	0	0	0	0	0	0	-1	-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**	**15**	**22**	**25**
Change in NWC	0	0	0	9	-3	-3	0	0	1	-1	0
Cash flow from operations (CFO)	**0**	**0**	**0**	**16**	**5**	**11**	**11**	**12**	**15**	**22**	**26**
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**	**15**	**22**	**26**
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	-39	-7	-5
Free cash flow	0	0	0	0	-23	-5	3	3	-23	15	21
Free cash flow bef A&D, lease adj	0	0	0	0	-23	-5	11	12	15	22	26
Dividends paid	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	-7
Equity issues / buybacks	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	9	0	0
Net change in debt	0	0	0	0	28	-23	-4	-2	15	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	1	15	14
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.6%	-0.4%	1.6%	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	104	104	104
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	72	33	37	115	100	86
Diluted no. of shares, year-end (m)	0.0	0.0	37.9	37.9	37.9	37.9	37.4	37.4	42.4	42.4	42.4

Source: Company data and Nordea estimates

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It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

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Issuer Review

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