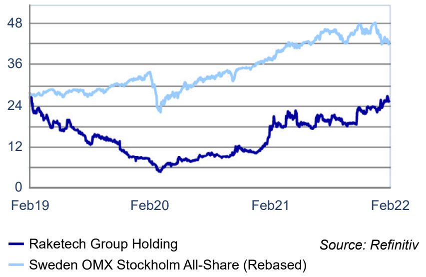
Raketech Group Holding

Media
Sweden

KEY DATA

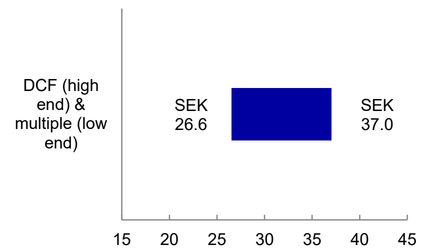
Stock country	Sweden
Bloomberg	RAKE SS
Reuters	RAKE.ST
Share price (close)	SEK 25.30
Free Float	45%
Market cap. (bn)	EUR 0.10/SEK 1.07
Website	www.raketech.com
Next report date	

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	1%	2%	2%
EBIT (adj)	-5%	6%	6%

Source: Nordea estimates

Nordea Markets - Analysts
Marlon Värnik
Analyst

Klas Danielsson
Analyst

Investing in future growth

Raketech reported a solid Q4 overall, with revenues 4% below our expectations, whereas adjusted EBITDA fell 2% short. The start to Q1 2022 has been solid, with daily average revenues at 8% above our estimates for the full quarter. As Raketech enters a heavy investment phase, EBITDA margin guidance for 2022 is in line with the 2021 figure of 43%. We lift revenue by 1% for 2022E but reduce our adjusted EBITDA expectations by 6% due to increased US investments. Following the report, we believe a higher EV/EBIT multiple is warranted; we lift our valuation range to SEK 26.9-37.5 (23.4-39.7), reflecting a 2022E EV/EBIT range of 8-11x.

US growth taking off

Raketech reports organic growth below our expectations, explaining the -4% revenue deviation for Q4. The US market has been developing strongly, representing 10% of group Q4 revenues, and is expected to maintain strong momentum in 2022. Because the US expansion is taking off, with recent acquisitions now fully consolidated, we expect Raketech to enter a US investment phase, thus dampening the EBITDA margin for 2022.

Solid start to Q1

The trading update for the start of Q1 2022 was strong, 8% above our daily average revenue estimate for the full quarter. Underlying activity is expected to come down slightly towards the end of Q1, however, well compensated by the ramp-up of recent acquisitions in the US. We expect growth in the US market to accelerate throughout 2022, further boosted by non-Nordic markets such as Japan, India, South America, and Southern Europe. Overall, we expect organic growth to exceed the company's 10% target in 2022, with further positive investment effects in 2023.

US case leads to higher multiples

Overall, we make minor positive revenue estimate changes, triggered by higher-than-expected organic growth for 2022 and thereafter. We lift our 2022 opex estimates by 8%, driven by the US expansion, giving an adjusted EBITDA margin of 42.5%. As the US market continues its strong momentum, and as its sporting exposure increases, we argue that a lower discount to peers is warranted. We lift our 2022E EV/EBIT multiple range to 8-11x, leading to a fair value range of SEK 26.9-37.5 (23.4-39.7).

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	26	24	29	39	52	60	64
EBITDA (adj)	14	11	12	16	22	27	29
EBIT (adj)	13	7	7	10	14	18	19
EBIT (adj) margin	49.7%	29.7%	23.0%	25.1%	27.1%	30.0%	30.0%
EPS (adj, EUR)	0.16	0.16	0.15	0.19	0.31	0.39	0.42
EPS (adj) growth	1.7%	-2.1%	-2.3%	21.8%	64.1%	26.4%	8.1%
DPS (ord, EUR)	0.00	0.00	0.00	0.00	0.15	0.19	0.21
EV/Sales	2.8	1.4	1.3	2.5	2.1	1.5	1.1
EV/EBIT (adj)	5.7	4.7	5.5	10.1	7.6	5.1	3.8
P/E (adj)	11.9	5.8	7.0	12.5	7.9	6.2	5.8
P/BV	1.2	0.5	0.6	1.2	1.0	0.9	0.9
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	6.4%	8.0%	8.7%
FCF Yield bef A&D, lease	-6.4%	33.9%	31.0%	14.9%	22.4%	26.4%	27.8%
Net debt	0	-1	-3	-1	5	-10	-29
Net debt/EBITDA	0.0	0.0	-0.3	-0.1	0.2	-0.4	-1.0
ROIC after tax	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company data and Nordea estimates

Raketech Group Holding

Nordea ESG Rating: B*

Sweden | Media

Sector average rating: BBB

Raketech Group Holding - ESG profile

Key risks for Raketech relate to responsible gambling and regulation. Raketech is primarily focused on casino games and believes that it helps players make more informed decisions by going through its platforms. Limited disclosure on E and S metrics weighs on our score as does our assessment of industry-wide risks related to its products and services.

Key ESG risk/opportunity

The main ESG risk for an affiliate site operator like Raketech is in ensuring that it upholds strict standards within responsible gambling. This is particularly the case for casino games, which account for the majority of revenue, and for sportsbetting, which is becoming increasingly important for the company.

Other ESG risks/opportunities

Compliance breaches, data security and unethical business are also potential ESG risks. Although affiliate site operators like Raketech are regulated and licensed in most markets, the affilate sites are seldom licensed, and so the operator needs to impose and ensure compliance with a strict set of rules, and thus carries related risk.

Main takeaways from our ESG rating

Raketech's ESG score is affected by our assessment of industry-wide risks related to product safety, impact on customer welfare and business ethics. It is also weighed down by the very limited disclosure on the E and S metrics. We note an averagely good performance on the 'G' metrics. The opportunity set is weighed down by our low assessment of the company's ESG targets.

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Nordea ESG rating score card

Weight

ESG footprint **BBB*** **40%**

Environment *
CCC AAA

Social*
CCC AAA

Governance
CCC AAA

ESG opportunity set **CCC** **40%**

Momentum*
CCC AAA

Product
CCC AAA

Transformation
CCC AAA

Controversies ***Disclosure*** **20%**

47% Company | 73% Nordic avg.

■ company ■ sector average

For full access to our ESG research offering contact us at *esg.nordeaequities@nordea.com*

CO_2 INTENSITY - SCOPE 2 (T/EURm SALES)

No data available

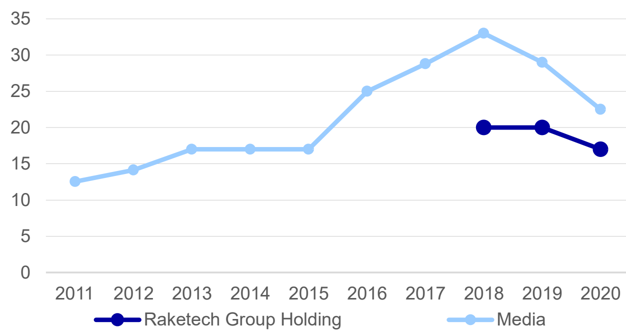
ENERGY INTENSITY (MWh/EURm SALES)

No data available

EMPLOYEE TURNOVER (%)

No data available

FEMALE BOARD MEMBERS (%)



Source all four charts: Company data and Nordea estimates

**Rating is to a large extent based on sector averages due to poor disclosure*

Q4 2021 outcome

Key deviations

- Net sales of EUR 11.8m, 4% below our estimate
- Adjusted EBITDA of EUR 5.4m, 2% below our estimate
- Adjusted EBIT of EUR 3.8m, 14% above our estimate

RAKETECH: Q4 2021 DEVIATION TABLE (EPS IN EUR)

	Actual	NDA est.	Deviation		Consensus	Deviation		Actual		Actual	
EURm	**Q4 2021**	**Q4 2021**	**vs. actual**		**Q4 2021**	**vs. actual**		**Q3 2021**	**q/q**	**Q4 2020**	**y/y**
Revenue	**11.8**	**12.4**	**-0.5**	**-4%**	**-**	**-**	**-**	**9.6**	**23%**	**8.5**	**40%**
Other operating income		0.0	-	-	-	-	-	0.0	-	0.0	-
Total revenue	**11.8**	**12.4**	**-0.5**	**-4%**	**-**	**-**	**-**	**9.6**	**23%**	**8.5**	**40%**
Direct costs	-2.8	-3.5	0.7	-19%	-	-	-	-2.7	4%	-2.5	10%
Personnel expenses	-1.3	-1.7	0.4	-26%	-	-	-	-1.2	4%	-1.2	8%
Depreciation and amortisation	-1.6	-2.2	0.6	-26%	-	-	-	-1.7	-4%	-1.4	19%
Other operating expenses	-2.3	-1.6	-0.7	44%	-	-	-	-1.3	78%	-1.1	112%
Reported EBIT	**3.8**	**3.3**	**0.5**	**14%**	**-**	**-**	**-**	**2.7**	**41%**	**2.3**	**68%**
Non-recurring items	0.0	0.0	-	-	-	-	-	-0.3	-	0.0	-
Adjusted EBIT	**3.8**	**3.3**	**0.5**	**14%**	**-**	**-**	**-**	**2.4**	**59%**	**2.3**	**68%**
Net financials	-0.7	0.0	-	-	-	-	-	-0.4	-	0.0	-
Profit before tax	**3.1**	**3.3**	**-0.2**	**-6%**	**-**	**-**	**-**	**2.0**	**52%**	**2.3**	**35%**
Income tax	-0.2	-0.2	-	-	-	-	-	-0.2	-	-0.2	-
Profit after tax	**2.9**	**3.1**	**-0.2**	**-6%**	**-**	**-**	**-**	**1.9**	**52%**	**2.1**	**39%**
					-	-	-				
EPS adj.	**0.07**	**0.07**	**0.00**	**2%**	**-**	**-**	**-**	**0.05**	**55%**	**0.06**	**34%**
Key ratios											
EBITDA adj.	**5.4**	**5.6**	**-**	**-2%**	**-**	**-**	**-**	**4.4**	**24%**	**3.6**	**49%**
Sales growth	40%	46%	-	-6pp	-	-	-	30%	10pp	45%	-5pp
EBITDA adj. growth	49%	53%	-	-3pp	-	-	-	50%	-1pp	61%	-11pp
EBIT adj. growth	**68%**	**48%**	**-**	**20pp**	**-**	**-**	**-**	**84%**	**-16pp**	**161%**	**-93pp**
EBITDA adj. margin	46.0%	45.0%	-	1.0pp	-	-	-	45.8%	0pp	43.1%	3pp
EBIT adj. margin	**32.1%**	**27.0%**	**-**	**5pp**	**-**	**-**	**-**	**28.0%**	**4pp**	**26.7%**	**5pp**
Tax rate	7.4%	7.4%	-	0pp	-	-	-	7.4%	0pp	10.1%	-3pp

Source: Company data and Nordea estimates

Detailed estimates

RAKETECH: QUARTERLY ESTIMATES

EURm	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022E	Q2 2022E	Q3 2022E
Revenue	**8.5**	**8.3**	**8.8**	**9.6**	**11.8**	**12.9**	**12.8**	**12.4**
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**	**11.8**	**12.9**	**12.8**	**12.4**
Direct costs	-2.5	-2.9	-3.1	-2.7	-2.8	-3.1	-3.1	-2.8
Personnel expenses	-1.2	-1.2	-1.1	-1.2	-1.3	-1.9	-1.9	-1.8
Depreciation and amortisation	-1.4	-1.6	-1.8	-1.7	-1.6	-2.0	-2.1	-2.0
Other operating expenses	-1.1	-1.0	-1.1	-1.3	-2.3	-2.6	-2.6	-2.5
Adjusted EBIT	**2.3**	**1.6**	**1.6**	**2.7**	**3.8**	**3.3**	**3.2**	**3.2**
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**	**3.8**	**3.3**	**3.2**	**3.2**
Net financials	0.0	-0.4	-0.3	-0.4	-0.7	0.0	0.0	0.0
Profit before tax	**2.3**	**1.2**	**1.3**	**2.0**	**3.1**	**3.3**	**3.2**	**3.2**
Income tax	-0.2	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2
Profit after tax	**2.1**	**1.1**	**1.2**	**1.9**	**2.9**	**3.0**	**3.0**	**3.0**
EPS adj. (EUR)	**0.06**	**0.03**	**0.03**	**0.05**	**0.07**	**0.07**	**0.07**	**0.07**
Key ratios & assumptions								
Revenue growth, y/y	45%	27%	25%	30%	40%	56%	46%	29%
EBITDA adj.	**3.6**	**3.2**	**3.4**	**4.4**	**5.4**	**5.3**	**5.3**	**5.2**
EBITDA adj. growth	61%	17%	20%	50%	49%	66%	56%	19%
EBIT adj. growth	**161%**	**5%**	**5%**	**84%**	**68%**	**113%**	**102%**	**20%**
EPS adj. growth	-707%	7%	1%	46%	24%	137%	110%	45%
EBITDA adj. margin	43.1%	38.7%	38.7%	45.8%	46.0%	41.2%	41.2%	42.2%
EBIT adj. margin	**26.7%**	**18.9%**	**18.2%**	**28.0%**	**32.1%**	**25.7%**	**25.2%**	**26.2%**
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

RAKETECH: ESTIMATE REVISIONS

	New estimates			Old Estimates			Difference		
EURm	**2021E**	**2022E**	**2023E**	**2021E**	**2022E**	**2023E**	**2021E**	**2022E**	**2023E**
Revenue	**38.5**	**52.3**	**59.6**	**39.0**	**51.7**	**58.4**	**-1.4%**	**1.2%**	**2.1%**
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Total revenue	**38.5**	**52.3**	**59.6**	**39.0**	**51.7**	**58.4**	**-1.4%**	**1.2%**	**2.1%**
Direct costs	-11.5	-12.0	-13.1	-12.2	-13.7	-15.5	-5.5%	-12.3%	-15.2%
Personnel expenses	-4.8	-7.5	-7.8	-5.3	-7.6	-8.6	-8.4%	-2.1%	-10.3%
Depreciation and amortisation	-6.8	-8.2	-8.9	-7.4	-8.8	-9.9	-7.9%	-7.1%	-9.9%
Other operating expenses	-5.8	-10.5	-11.9	-5.0	-6.6	-7.4	14.0%	59.4%	60.8%
Adjusted EBIT	**9.7**	**14.2**	**17.9**	**9.2**	**15.0**	**16.9**	**5.0%**	**-5.3%**	**5.7%**
Non-recurring items	-0.3	0.0	0.0	-0.3	0.0	0.0	-	-	-
Reported EBIT	**9.4**	**14.2**	**17.9**	**8.9**	**15.0**	**16.9**	**5.2%**	**-5.3%**	**5.7%**
Interest payable on borrowings	-1.7	-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	**7.6**	**14.0**	**17.7**	**7.8**	**14.8**	**16.7**	**-2.4%**	**-5.4%**	**5.7%**
Income tax	-0.5	-1.0	-1.3	-0.5	-1.1	-1.2	-	-	-
Profit after tax	**7.1**	**13.0**	**16.4**	**7.3**	**13.7**	**15.5**	**-2.4%**	**-5.4%**	**5.7%**
EPS adj. (EUR)	**0.19**	**0.31**	**0.39**	**0.19**	**0.32**	**0.37**	**-2.3%**	**-5.4%**	**5.7%**
Key ratios									
Sales growth	**31%**	**36%**	**14%**	**33%**	**32%**	**13%**	**-2pp**	**3pp**	**1pp**
EBIT adj. growth	43%	47%	26%	36%	63%	13%	7pp	-16pp	13pp
EBITDA adj.	16.5	22.3	26.8	16.6	23.8	26.9	-1%	-6%	0%
EBITDA adj. margin	42.7%	42.7%	45.0%	42.4%	46.0%	46.0%	0.3pp	-3.3pp	-1.0pp
EBIT adj. margin	**25.1%**	**27.1%**	**30.0%**	**23.6%**	**29.0%**	**29.0%**	**1.5pp**	**-1.9pp**	**1.0pp**
Tax rate	6.6%	7.4%	7.4%	6.7%	7.4%	7.4%	0.0pp	0.0pp	0.0pp

Source Nordea estimates

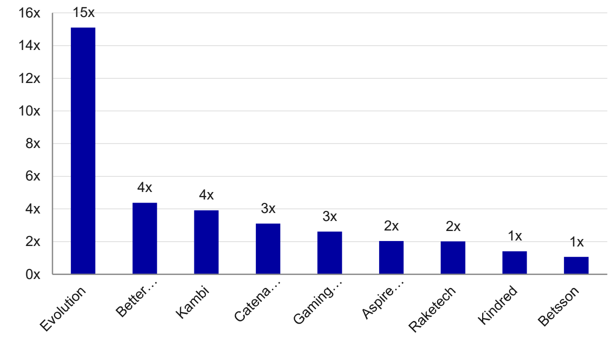
Valuation

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	EPS growth 2022E	EPS growth 2023E	Yield 2022E	ROE 2022E	Sales CAGR 2021-2023	EBIT CAGR 2021-2023	EBIT margin 2022E
Supplier/ platform																
Evolution	230,013	15.1x	12.2x	21.6x	17.5x	24.0x	19.3x	27.2x	22.2x	36%	24%	1.8%	25%	20%	21%	63%
Kambi	7,669	3.9x	3.2x	9.5x	8.4x	13.9x	8.8x	18.7x	11.8x	-13%	58%	0.0%	25%	10%	12%	28%
Aspire Global	4,992	2.0x	2.0x	11.7x	10.9x	15.0x	13.7x	16.9x	17.2x	15%	4%	2.5%	31%	2%	6%	14%
Operators																
Betsson	6,933	1.1x	1.0x	5.5x	5.2x	7.8x	7.2x	9.8x	9.1x	-23%	9%	5.1%	13%	4%	-5%	13%
Kindred	23,764	1.4x	1.2x	7.8x	6.1x	10.2x	7.4x	12.8x	9.9x	-38%	28%	4.1%	23%	6%	-7%	14%
LeoVegas	3,547	0.8x	0.7x	6.9x	5.8x	10.8x	8.6x	10.9x	8.3x	33%	23%	4.7%	32%	7%	42%	8%
Affiliates																
Catena Media	4,086	3.1x	2.9x	5.9x	5.4x	6.7x	6.0x	9.6x	8.1x	12%	18%	0.0%	28%	6%	7%	46%
Gaming Innovation Group	1,879	2.6x	2.3x	7.7x	6.3x	14.2x	9.7x	19.0x	12.3x	440%	78%	0.0%	51%	8%	46%	20%
Better Collective	10,272	4.4x	3.6x	13.0x	10.1x	15.5x	11.6x	19.9x	14.4x	44%	38%	N.A.	14%	19%	24%	28%
Raketech	1,047	2.0x	1.9x	4.7x	4.3x	7.0x	6.4x	8.9x	7.4x	53%	14%	3.1%	14%	12%	21%	29%
Median	**5,962**	**2.3x**	**2.2x**	**7.7x**	**6.2x**	**12.3x**	**8.7x**	**14.9x**	**10.9x**	**24%**	**24%**	**2.5%**	**25%**	**7%**	**16%**	**24%**
International																
888	12,648	1.2x	1.2x	7.5x	7.0x	9.8x	8.9x	13.3x	12.3x	0%	11%	4.0%	39%	3%	3%	16%
Bet-at-home	1,178	0.7x	0.8x	8.0x	5.1x	9.9x	5.7x	14.2x	11.0x	156%	23%	9.2%	23%	16%	44%	22%
Entain (prev. GVC)	125,510	2.7x	2.6x	11.7x	10.4x	17.7x	13.8x	21.4x	15.4x	47%	41%	2.1%	15%	7%	18%	16%
IGT	56,558	3.1x	2.9x	7.8x	7.2x	15.0x	12.9x	21.0x	17.2x	-	-	2.6%	18%			
Flutter (PaddyPower)	243,842	3.2x	2.8x	18.4x	13.5x	24.5x	17.3x	31.5x	19.7x	29%	57%	1.8%	6%	3%	1%	21%
Playtech	25,121	2.1x	2.0x	9.0x	8.4x	16.6x	15.7x	28.2x	25.3x	37%	17%	0.7%	9%	-1%	20%	21%
Rank Group	9,600	1.3x	1.1x	-	4.9x	-	8.6x	-	9.7x	140%	97%	0.6%	10%	10%	19%	12%
Scientific Games	58,017	5.8x	5.4x	15.5x	13.8x	28.1x	23.5x	37.5x	26.6x	-	50%	0.0%	2%	7%	8%	14%
Tabcorp	76,101	2.4x	2.3x	12.9x	11.6x	20.4x	16.9x	30.4x	24.5x	-5%	24%	2.6%	6%	36%	-207%	9%
XLMedia	1,154	1.3x	1.2x	4.1x	3.7x	7.4x	5.2x	8.5x	8.2x	-	4%	0.0%	-			
DraftKings Inc	176,130	9.5x	7.0x	-	-	-	-	-	-	31%	31%	0.0%	-51%	2%	26%	-3%
Gan Ltd	2,715	1.5x	1.1x	10.7x	5.9x	-	-	-	-	84%	455%	0.0%	-4%	3%	5%	12%
Penn National	78,563	2.1x	2.0x	6.9x	6.9x	13.0x	11.8x	26.7x	20.8x	-29%	32%	0.0%	12%			
Median	**56,558**	**2.1x**	**2.0x**	**9.0x**	**7.1x**	**15.8x**	**12.9x**	**24.1x**	**17.2x**	**34%**	**31%**	**0.7%**	**9%**	**4%**	**-5%**	**13%**

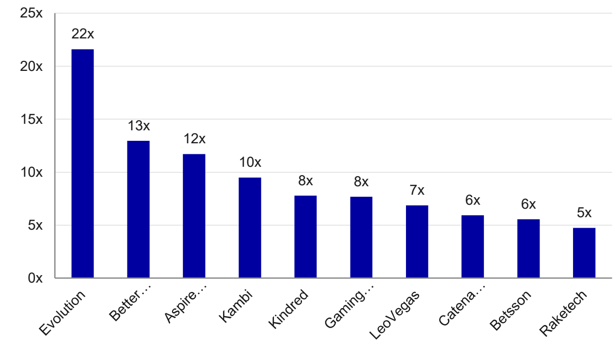
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/SALES, 2022E



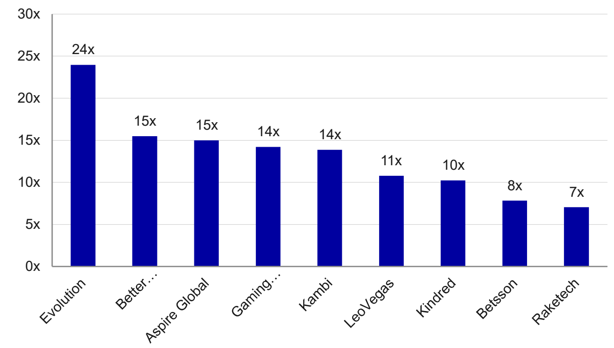
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBITDA, 2022E



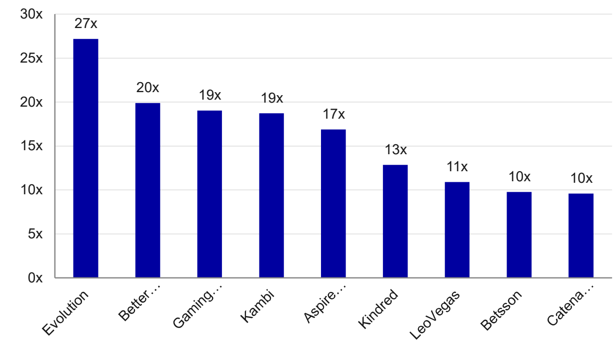
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBIT, 2022E



Source: Company data, Refinitiv and Nordea estimates

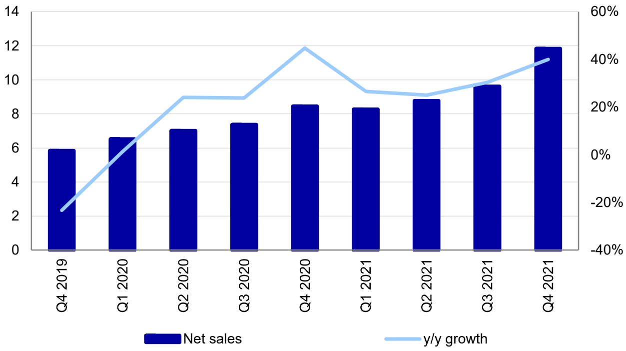
SWEDISH ONLINE GAMBLING: P/E, 2022E



Source: Company data, Refinitiv and Nordea estimates

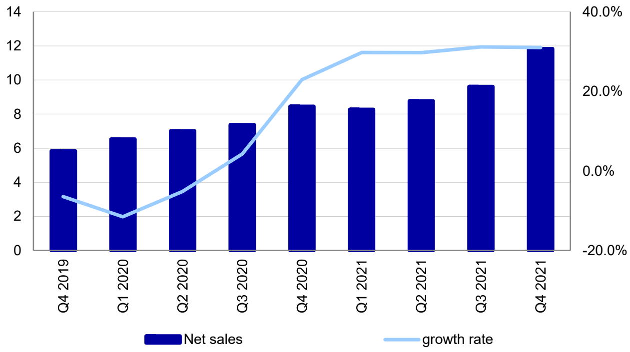
Key charts

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



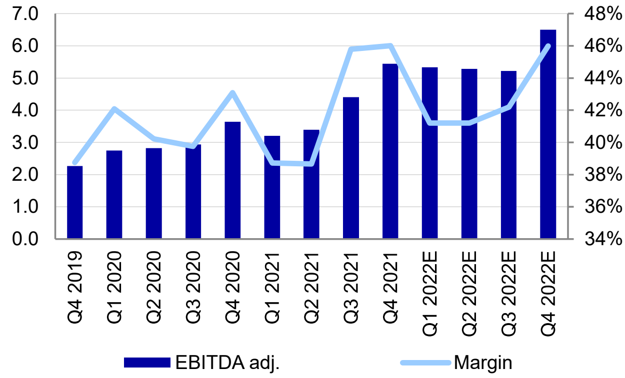
Source: Company data and Nordea estimates

NET SALES (EURm), LAST 12 MONTHS



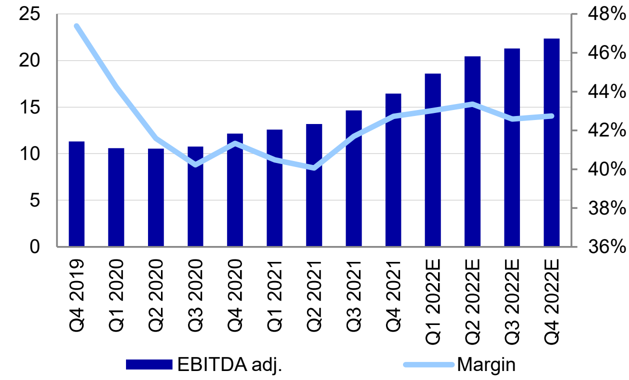
Source: Company data and Nordea estimates

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



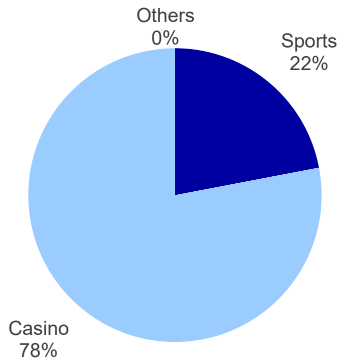
Source: Company data and Nordea estimates

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



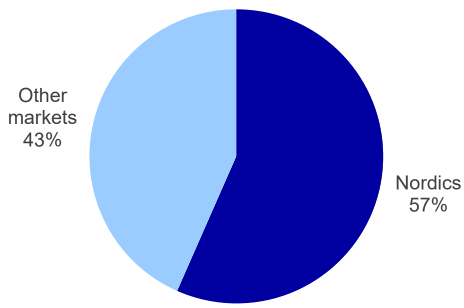
Source: Company data and Nordea estimates

VERTICAL SPLIT, Q4 2021



Source: Company data and Nordea

DETAILED MARKET OVERVIEW AS OF Q4 2021



Source: Company data and Nordea

Reported numbers and forecasts

INCOME STATEMENT

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	**n.a.**	**2**	**10**	**17**	**26**	**24**	**29**	**39**	**52**	**60**	**64**
Revenue growth	n.a.	n.a.	399.0%	64.3%	49.1%	-6.5%	23.0%	31.0%	35.8%	14.0%	8.0%
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	8	9	13	13	12	16	22	27	29
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	8	9	13	12	12	16	22	27	29
Amortisation and impairments	0	0	0	-1	-2	-4	-5	-7	-8	-9	-10
EBIT	n.a.	0	8	9	11	8	7	9	14	18	19
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net financials	0	0	0	-3	-6	-1	-1	-2	0	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**	**8**	**6**	**5**	**7**	**6**	**8**	**14**	**18**	**19**
Reported taxes	0	0	0	0	0	0	0	-1	-1	-1	-1
Net profit from continued operations	0	0	8	6	5	7	6	7	13	16	18
Discontinued operations	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Minority interests	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net profit to equity	0	0	8	6	5	7	6	7	13	16	18
EPS, EUR	**n.a.**	**n.a.**	**0.20**	**0.15**	**0.12**	**0.19**	**0.15**	**0.18**	**0.31**	**0.39**	**0.42**
DPS, EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.19	0.21
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.19	0.21
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.	3.6%	77.3%	55.3%	50.4%	52.7%	40.9%	41.9%	42.7%	45.0%	45.0%
EBITA	n.a.	3.6%	77.3%	55.1%	50.0%	51.9%	40.0%	41.8%	42.6%	44.9%	44.8%
EBIT	n.a.	3.6%	76.9%	51.4%	43.7%	35.1%	22.5%	24.3%	27.1%	30.0%	30.0%
Adjusted earnings											
EBITDA (adj)	0	0	8	10	14	11	12	16	22	27	29
EBITA (adj)	0	0	8	10	14	11	12	16	22	27	29
EBIT (adj)	0	0	8	9	13	7	7	10	14	18	19
EPS (adj, EUR)	n.a.	n.a.	0.20	0.16	0.16	0.16	0.15	0.19	0.31	0.39	0.42
Adjusted profit margins in percent											
EBITDA (adj)	n.a.	3.6%	77.3%	56.4%	56.3%	47.4%	41.3%	42.7%	42.7%	45.0%	45.0%
EBITA (adj)	n.a.	3.6%	77.3%	56.2%	56.0%	46.5%	40.4%	42.5%	42.6%	44.9%	44.8%
EBIT (adj)	n.a.	3.6%	76.9%	52.5%	49.7%	29.7%	23.0%	25.1%	27.1%	30.0%	30.0%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	69.6%	29.8%	25.0%	18.5%	21.9%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	176.2%	14.9%	18.7%	15.8%	18.1%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	145.1%	3.1%	10.0%	9.9%	18.2%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2.4%	15.0%	26.4%	17.0%
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.	46.1%	40.4%	33.0%	29.3%	27.7%	27.6%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	54.5%	51.7%	46.9%	44.8%	44.2%	43.5%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	11.9	5.8	7.0	12.5	7.9	6.2	5.8
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	5.0	2.9	3.0	5.9	4.8	3.4	2.5
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	5.1	3.0	3.1	6.0	4.8	3.4	2.5
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	5.7	4.7	5.5	10.1	7.6	5.1	3.8

VALUATION RATIOS - REPORTED EARNINGS

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	n.a.	n.a.	n.a.	n.a.	15.9	4.7	7.2	13.1	7.9	6.2	5.8
EV/Sales	n.a.	n.a.	n.a.	n.a.	2.83	1.39	1.26	2.54	2.05	1.54	1.14
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	5.6	2.6	3.1	6.1	4.8	3.4	2.5
EV/EBITA	n.a.	n.a.	n.a.	n.a.	5.7	2.7	3.1	6.1	4.8	3.4	2.5
EV/EBIT	n.a.	n.a.	n.a.	n.a.	6.5	4.0	5.6	10.4	7.6	5.1	3.8
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	6.4%	8.0%	8.7%
FCF yield	n.a.	n.a.	n.a.	n.a.	-7.4%	8.1%	6.6%	-24.2%	15.6%	21.5%	26.4%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	-6.4%	33.9%	31.0%	14.9%	22.4%	26.4%	27.8%
Payout ratio	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%	50.0%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	0	0	18	46	66	74	81	128	126	123	115
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	18	46	66	74	81	124	120	117	108
of which goodwill	0	n.a.	n.a.	n.a.	0	n.a.	0	4	6	6	6
Tangible assets	0	0	0	0	0	0	0	0	1	1	1
of which leased assets	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0
Shares associates	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Interest bearing assets	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	n.a.	0	0	0	0	0
Other non-IB non-current assets	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Other non-current assets	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Total non-current assets	0	0	18	47	66	74	81	128	127	123	115
Inventory	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Accounts receivable	0	1	1	3	4	4	5	6	8	10	10
Short-term leased assets	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Other current assets	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Cash and bank	0	0	0	3	8	4	5	3	-3	12	31
Total current assets	0	1	1	6	12	8	10	9	5	22	41
Assets held for sale	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**0**	**1**	**19**	**53**	**78**	**82**	**91**	**137**	**132**	**145**	**156**
Shareholders equity	0	0	9	16	59	65	71	85	98	108	117
Of which preferred stocks	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Of which equity part of hybrid debt	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Minority interest	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Total Equity	0	n.a.	n.a.	n.a.	n.a.	n.a.	71	85	98	108	117
Deferred tax	0	0	0	0	1	1	2	2	2	2	2
Long term interest bearing debt	0	0	0	28	8	3	0	0	0	0	0
Pension provisions	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Other long-term provisions	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Other long-term liabilities	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Non-current lease debt	0	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Convertible debt	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Shareholder debt	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Hybrid debt	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Total non-current liabilities	0	0	1	29	13	10	10	11	11	11	11
Short-term provisions	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Accounts payable	0	1	9	6	4	2	2	3	3	4	4
Current lease debt	0	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Other current liabilities	0	0	0	2	3	5	6	15	18	20	22
Short term interest bearing debt	0	0	0	0	0	n.a.	2	2	2	2	2
Total current liabilities	0	1	9	8	7	7	10	19	23	26	28
Liabilities for assets held for sale	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Total liabilities and equity	**0**	**1**	**19**	**53**	**78**	**82**	**91**	**115**	**132**	**145**	**156**
Balance sheet and debt metrics											
Net debt	0	0	0	25	0	-1	-3	-1	5	-10	-29
of which lease debt	0	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Working capital	0	0	-8	-6	-2	-3	-3	-11	-13	-15	-16
Invested capital	0	0	10	41	64	71	78	117	114	109	99
Capital employed	0	0	9	44	67	69	73	87	100	110	119
ROE	n.m.	38.1%	n.m.	47.0%	12.2%	11.6%	8.2%	9.2%	14.2%	15.9%	15.7%
ROIC	n.m.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ROCE	n.m.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net debt/EBITDA	n.m.	-0.3	0.0	2.6	0.0	0.0	-0.3	-0.1	0.2	-0.4	-1.0
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.	24.3%	46.9%	29.8%	75.2%	79.1%	77.6%	74.0%	74.3%	74.5%	75.1%
Net gearing	n.m.	n.a.	n.a.	n.a.	n.a.	n.a.	-4.3%	-1.5%	5.4%	-9.4%	-24.5%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
EURm	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
EBITDA (adj) for associates	**0**	**0**	**8**	**9**	**13**	**13**	**12**	**16**	**22**	**27**	**29**
Paid taxes	0	0	0	0	0	0	0	-1	-1	-1	-1
Net financials	0	0	0	-3	-6	-1	-1	-2	0	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	4	1	3	0	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	-1	1	5	-2	-2	2	0	0	0
Funds from operations (FFO)	**0**	**0**	**7**	**8**	**14**	**11**	**12**	**16**	**21**	**25**	**27**
Change in NWC	0	0	9	-3	-3	0	0	-2	2	2	1
Cash flow from operations (CFO)	**0**	**0**	**16**	**5**	**11**	**11**	**12**	**15**	**23**	**27**	**29**
Capital expenditure	0	0	-16	-28	-16	0	0	0	0	0	0
Free cash flow before A&D	**0**	**0**	**0**	**-23**	**-5**	**11**	**12**	**15**	**23**	**27**	**28**
Proceeds from sale of assets	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Acquisitions	0	0	0	0	-1	-9	-10	-39	-7	-5	-2
Free cash flow	0	0	0	-23	-5	3	3	-24	16	22	27
Free cash flow bef A&D, lease adj	0	0	0	-23	-5	11	12	15	23	27	28
Dividends paid	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	-6	-8
Equity issues / buybacks	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	9	0	0	0
Net change in debt	0	0	0	28	-23	-4	-2	15	0	0	0
Other financing adjustments	0	n.a.	n.a.	-2	-4	-1	0	0	-23	0	0
Other non-cash adjustments	0	0	0	0	0	0	0	-2	0	0	0
Change in cash	0	0	0	3	4	-3	1	-2	-7	15	19
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	n.m.	0.6%	-0.4%	-1.7%	1.9%	2.0%	2.0%
Capex/Sales	n.a.	1.1%	n.m.	n.m.	61.8%	0.1%	-0.1%	-0.3%	0.3%	0.3%	0.3%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	2	1	1	2	2	2	2
Market cap.	n.a.	n.a.	n.a.	n.a.	72	34	40	99	102	102	102
Enterprise value	n.a.	n.a.	n.a.	n.a.	72	33	37	98	107	92	73
Diluted no. of shares, year-end (m)	0.0	37.9	37.9	37.9	37.9	37.4	37.4	42.4	42.4	42.4	42.4

Source: Company data and Nordea estimates

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