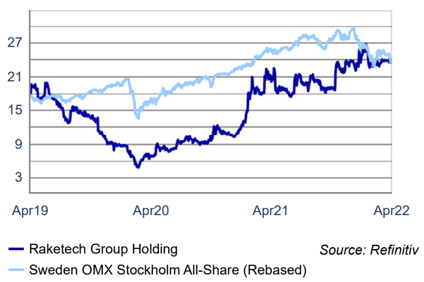
# Raketech Group Holding

**Media**
Sweden

## KEY DATA

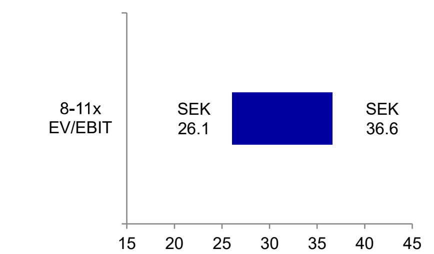
| | |
|---|---|
| Stock country | Sweden |
| Bloomberg | RAKE SS |
| Reuters | RAKE.ST |
| Share price (close) | SEK 23.50 |
| Free Float | 45% |
| Market cap. (bn) | EUR 0.10/SEK 1.00 |
| Website | www.raketech.com |
| Next report date | |

## PERFORMANCE




*Source: Refinitiv*

## VALUATION APPROACH




*Source: Nordea estimates*

## ESTIMATE CHANGES

| Year | 2022E | 2023E | 2024E |
|---|---|---|---|
| Sales | 0% | 0% | 0% |
| EBIT (adj) | 2% | 0% | 0% |

*Source: Nordea estimates*

**Nordea Markets - Analysts**
**Marlon Värnik**
Analyst

**Klas Danielsson**
Analyst

# Some regulatory headwinds in Finland

We trim our Q1 estimates ahead of the report, as we expect activity to drop ~25% q/q in the Finnish market due to new gambling regulations. This should be offset, however, by a strong start in the US, continued solid momentum in Japan and an expected strong performance in India because the Indian Premier League started near the end of Q1. Our revenue estimates are unchanged for 2022-24. We trim our fair value range to SEK 26.1-36.6 (SEK 26.9-37.5), reflecting a 2022E EV/EBIT of 8-11x.

### We do not expect Q1 to be as strong as January

We expect Raketech's Q4 2021 momentum to continue into Q1 2022, as we find that activity remains solid in most markets except Finland. Revenues in January reached an all-time high of EUR 4.5m (EUR 2.7m), boosted by the US market. Because February has fewer days, and softer Q1 activity is expected in Finland, we do not believe the rest of Q1 has been as strong as January. We estimate Q1 revenues of EUR 12.7m, with 18% organic and 35% M&A y/y growth. We forecast that the EBITDA margin will drop q/q, down to 42%, then drop slightly more in Q2 before entering a seasonally strong H2. We expect Q1 EBIT to come in at EUR 3.5m.

### Tough quarter for Finland

As most of the new Finnish gambling reform entered into force at the beginning of 2022, we expect activity levels in the Finnish market to drop by ~25% q/q. We estimate that this market represents around 10% of revenues, via revenue share-based contracts, hence we trim our Q1 sales estimate by 2%. The US market is expected to maintain a strong growth trajectory within its US tipster assets. In total, we expect the US market to represent 20% of group revenues, up from 10% in Q4. As the tipster assets are share-based revenues, we do not expect the US to have front-end-loaded revenue streams that are as strong as affiliate peers with CPA or upfront revenue streams. We also expect Raketech's Q2 to be relatively more stable, as the Indian Premier League will be active during the quarter in the strong and growing Indian market.

### US growth motivates a lower discount towards peers

We make minor estimate revisions ahead of the Q1 report, with almost no changes for 2023-24. As US exposure keeps increasing, we argue that the valuation gap towards peers will narrow. Overall, we trim our fair value range to SEK 26.1-36.6 (26.9-37.5), reflecting a 2022E EV/EBIT of 8-11x.

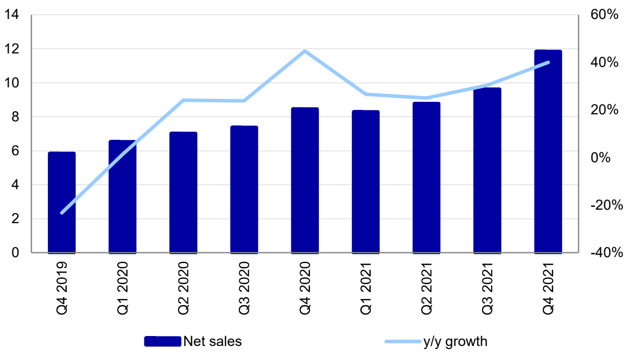
## SUMMARY TABLE - KEY FIGURES

| EURm | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|---|
| Total revenue | 26 | 24 | 29 | 39 | 52 | 59 | 64 |
| EBITDA (adj) | 14 | 11 | 12 | 16 | 22 | 27 | 29 |
| EBIT (adj) | 13 | 7 | 7 | 10 | 15 | 18 | 19 |
| EBIT (adj) margin | 49.7% | 29.7% | 23.0% | 25.1% | 27.9% | 30.0% | 30.0% |
| EPS (adj, EUR) | 0.16 | 0.16 | 0.15 | 0.19 | 0.26 | 0.33 | 0.36 |
| EPS (adj) growth | 1.7% | -2.1% | -2.3% | 21.8% | 37.5% | 27.8% | 9.5% |
| DPS (ord, EUR) | 0.00 | 0.00 | 0.00 | 0.00 | 0.13 | 0.16 | 0.18 |
| EV/Sales | 2.8 | 1.4 | 1.3 | 2.5 | 2.0 | 1.5 | 1.1 |
| EV/EBIT (adj) | 5.7 | 4.7 | 5.5 | 10.1 | 7.2 | 5.1 | 3.8 |
| P/E (adj) | 11.9 | 5.8 | 7.0 | 12.5 | 8.9 | 6.9 | 6.3 |
| 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% | 5.6% | 7.2% | 7.9% |
| FCF Yield bef A&D, lease | -6.4% | 33.9% | 31.0% | 14.9% | 21.0% | 25.3% | 26.7% |
| Net debt | 0 | -1 | -3 | -1 | 8 | -6 | -23 |
| Net debt/EBITDA | 0.0 | 0.0 | -0.3 | -0.1 | 0.4 | -0.2 | -0.8 |
| ROIC after tax | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

*Source: Company data and Nordea estimates*

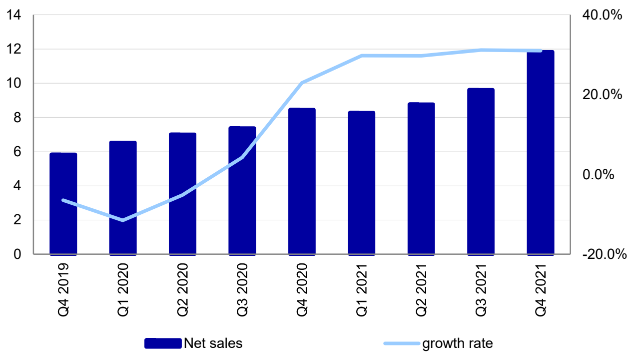
# Key charts

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



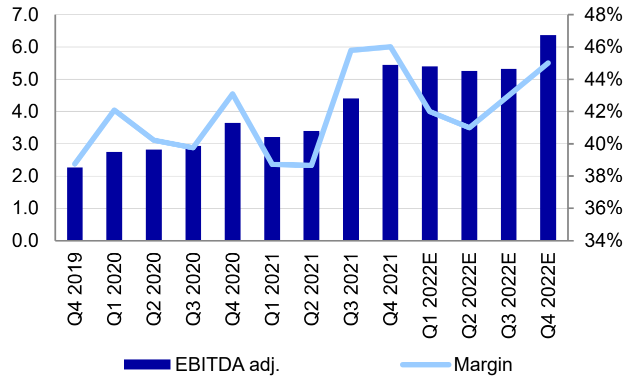

*Source: Company data and Nordea estimates*

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



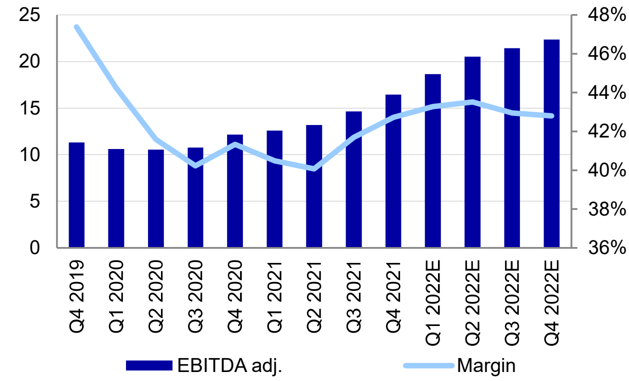

*Source: Company data and Nordea estimates*

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



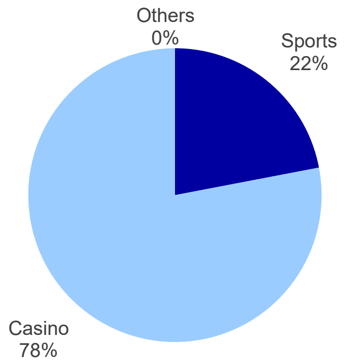

*Source: Company data and Nordea estimates*

**ADJUSTED EBITDA (EURm) AND MARGIN (%), LAST 12M**



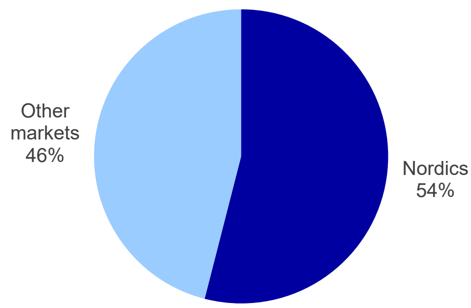

*Source: Company data and Nordea estimates*

**VERTICAL SPLIT, Q4 2021**




*Source: Company data and Nordea*

**DETAILED MARKET OVERVIEW, Q4 2021**




*Source: Company data and Nordea*

# Detailed estimates

**RAKETECH: QUARTERLY ESTIMATES**

| EURm | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022E | Q2 2022E | Q3 2022E | Q4 2022E |
|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **8.5** | **8.3** | **8.8** | **9.6** | **11.8** | **12.7** | **12.8** | **12.4** | **14.1** |
| Other operating income | 0.0 | 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** | **12.7** | **12.8** | **12.4** | **14.1** |
| Direct costs | -2.5 | -2.9 | -3.1 | -2.7 | -2.8 | -3.0 | -3.1 | -2.8 | -3.0 |
| Personnel expenses | -1.2 | -1.2 | -1.1 | -1.2 | -1.3 | -1.7 | -1.7 | -1.6 | -1.8 |
| Depreciation and amortisation | -1.4 | -1.6 | -1.8 | -1.7 | -1.6 | -1.8 | -1.9 | -1.9 | -2.1 |
| Other operating expenses | -1.1 | -1.0 | -1.1 | -1.3 | -2.3 | -2.7 | -2.8 | -2.6 | -3.0 |
| **Adjusted EBIT** | **2.3** | **1.6** | **1.6** | **2.7** | **3.8** | **3.5** | **3.3** | **3.5** | **4.2** |
| Non-recurring items | 0.0 | 0.0 | 0.0 | -0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Reported EBIT** | **2.3** | **1.6** | **1.6** | **2.4** | **3.8** | **3.5** | **3.3** | **3.5** | **4.2** |
| Net financials | 0.0 | -0.4 | -0.3 | -0.4 | -0.7 | -0.7 | -0.7 | -0.7 | -0.7 |
| **Profit before tax** | **2.3** | **1.2** | **1.3** | **2.0** | **3.1** | **2.8** | **2.6** | **2.8** | **3.5** |
| Income tax | -0.2 | -0.1 | -0.1 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 | -0.3 |
| **Profit after tax** | **2.1** | **1.1** | **1.2** | **1.9** | **2.9** | **2.6** | **2.4** | **2.6** | **3.3** |
| | | | | | | | | | |
| **EPS adj. (EUR)** | **0.06** | **0.03** | **0.03** | **0.05** | **0.07** | **0.06** | **0.06** | **0.06** | **0.08** |
| | | | | | | | | | |
| **Key ratios & assumptions** | | | | | | | | | |
| Revenue growth, y/y | 45% | 27% | 25% | 30% | 40% | 53% | 46% | 29% | 19% |
| | | | | | | | | | |
| **EBITDA adj.** | **3.6** | **3.2** | **3.4** | **4.4** | **5.4** | **5.3** | **5.3** | **5.3** | **6.4** |
| | | | | | | | | | |
| EBITDA adj. growth | 61% | 17% | 20% | 50% | 49% | 66% | 55% | 21% | 17% |
| **EBIT adj. growth** | **161%** | **5%** | **5%** | **84%** | **68%** | **124%** | **108%** | **29%** | **12%** |
| EPS adj. growth | -707% | 7% | 1% | 46% | 24% | 101% | 74% | 26% | 13% |
| | | | | | | | | | |
| EBITDA adj. margin | 43.1% | 38.7% | 38.7% | 45.8% | 46.0% | 42.0% | 41.0% | 43.0% | 45.0% |
| **EBIT adj. margin** | **26.7%** | **18.9%** | **18.2%** | **28.0%** | **32.1%** | **27.5%** | **26.0%** | **28.0%** | **30.0%** |
| Tax rate | 10.1% | 5.1% | 5.1% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% |

*Source: Company data and Nordea estimates*

# Estimate revisions

### Minor estimate changes on revenue and EBIT

We trim our estimates ahead of the Q1 report, lowering our revenue expectations by 2%. This was triggered by the Finnish market, which implemented new gambling reform on 1 January this year that negatively affected Finnish market activity levels. We estimate that Finnish market activity is down 20-30% q/q due to the reform, and we believe that Finland is Raketech's second-largest market in the Nordic region, together with Norway. The negative Finnish effects have been offset by strong performance in Japan, the US and India, with the latter expected to have a solid Q2 given the start of the Indian Premier League's season on 26 March. We also are not overly concerned about the white paper in the UK that is expected to be published in May, likely proposing strict gambling reform, since we estimate that Raketech's UK exposure is less than 1% of total revenue. Our 2022E-24E revenue estimates are unchanged, we slightly trim our personnel expenses for 2022 and lift our interest rate expense forecast. We reduce our fair value range to SEK 26.1-36.6 (SEK 26.9-37.5), reflecting a 2022E EV/EBIT multiple of 8-11x.

**RAKETECH: ESTIMATE REVISIONS**

| | New estimates | | | Old Estimates | | | Difference | | |
|---|---|---|---|---|---|---|---|---|---|
| EURm | 2022E | 2023E | 2024E | 2022E | 2023E | 2024E | 2022E | 2023E | 2024E |
| **Revenue** | **52.0** | **59.3** | **64.1** | **52.3** | **59.6** | **64.4** | **0%** | **0%** | **0%** |
| Other operating income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - |
| **Total revenue** | **52.0** | **59.3** | **64.1** | **52.3** | **59.6** | **64.4** | **0%** | **0%** | **0%** |
| Direct costs | -11.9 | -12.5 | -13.5 | -12.0 | -13.1 | -14.2 | 0% | -5% | -5% |
| Personnel expenses | -6.8 | -7.7 | -8.3 | -7.5 | -7.8 | -8.4 | -10% | 0% | 0% |
| Depreciation and amortisation | -7.7 | -8.9 | -9.6 | -8.2 | -8.9 | -9.7 | -5% | 0% | 0% |
| Other operating expenses | -11.1 | -12.5 | -13.5 | -10.5 | -11.9 | -12.9 | 6% | 5% | 5% |
| **Adjusted EBIT** | **14.5** | **17.8** | **19.2** | **14.2** | **17.9** | **19.3** | **2%** | **0%** | **0%** |
| Non-recurring items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - |
| **Reported EBIT** | **14.5** | **17.8** | **19.2** | **14.2** | **17.9** | **19.3** | **2%** | **0%** | **0%** |
| Interest payable on borrowings | -2.8 | -2.8 | -2.8 | -0.2 | -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** | **11.7** | **15.0** | **16.4** | **14.0** | **17.7** | **19.1** | **-16%** | **-15%** | **-14%** |
| Income tax | -0.9 | -1.1 | -1.2 | -1.0 | -1.3 | -1.4 | - | - | - |
| **Profit after tax** | **10.9** | **13.9** | **15.2** | **13.0** | **16.4** | **17.7** | **-16%** | **-15%** | **-14%** |
| | | | | | | | | | |
| **EPS adj. (EUR)** | **0.26** | **0.33** | **0.36** | **0.31** | **0.39** | **0.42** | **-16%** | **-15%** | **-14%** |
| | | | | | | | | | |
| **Key ratios** | | | | | | | | | |
| **Sales growth** | **35%** | **14%** | **8%** | **36%** | **14%** | **8%** | **-1pp** | **0pp** | **0pp** |
| EBIT adj. growth | 51% | 22% | 8% | 47% | 26% | 8% | 4pp | -4pp | 0pp |
| | | | | | | | | | |
| EBITDA adj. | 22.3 | 26.7 | 28.8 | 22.3 | 26.8 | 29.0 | 0% | 0% | 0% |
| | | | | | | | | | |
| EBITDA adj. margin | 42.8% | 45.0% | 45.0% | 42.7% | 45.0% | 45.0% | 0.1pp | 0.0pp | 0.0pp |
| **EBIT adj. margin** | **27.9%** | **30.0%** | **30.0%** | **27.1%** | **30.0%** | **30.0%** | **0.8pp** | **0.0pp** | **0.0pp** |
| Tax rate | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 0.0pp | 0.0pp | 0.0pp |

*Source: Nordea estimates*

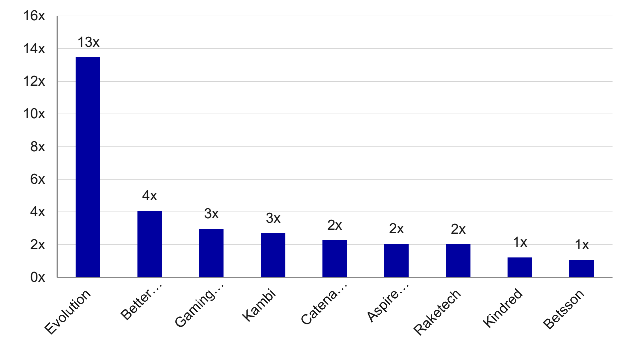
# Valuation

### 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 | 202,966 | 13.5x | 10.9x | 19.2x | 15.5x | 21.3x | 17.1x | 23.7x | 19.3x | 34% | 23% | 2.1% | 25% | 18% | 19% | 64% |
| Kambi | 5,288 | 2.7x | 2.4x | 6.2x | 5.5x | 11.6x | 10.1x | 16.4x | 14.3x | -31% | 15% | 0.0% | 17% | 4% | -7% | 23% |
| Aspire Global | 5,164 | 2.0x | 2.1x | 11.3x | 10.7x | 18.4x | 13.6x | 17.7x | 18.8x | 16% | -7% | 2.5% | 21% | 0% | 4% | 11% |
| **Operators** | | | | | | | | | | | | | | | | |
| Betsson | 7,164 | 1.1x | 0.9x | 5.6x | 5.1x | 7.9x | 7.1x | 9.7x | 8.9x | -20% | 14% | 5.2% | 14% | 5% | -2% | 14% |
| Kindred | 20,081 | 1.2x | 1.0x | 6.9x | 5.4x | 9.4x | 6.7x | 11.5x | 8.2x | -44% | 41% | 4.8% | 23% | 4% | -8% | 13% |
| LeoVegas | 4,082 | 1.0x | 0.9x | 7.8x | 6.4x | 11.8x | 8.7x | 11.3x | 8.7x | 31% | 31% | 4.8% | 32% | 6% | 41% | 8% |
| **Affilates** | | | | | | | | | | | | | | | | |
| Catena Media | 3,200 | 2.3x | 2.1x | 4.9x | 4.4x | 5.8x | 5.3x | 8.1x | 6.9x | 4900% | 17% | 0.0% | 26% | 9% | 4% | 39% |
| Gaming Innovation Group | 2,293 | 3.0x | 2.5x | 8.1x | 6.0x | 16.1x | 9.9x | 19.7x | 11.8x | 400% | 100% | 0.0% | 27% | 12% | 52% | 20% |
| Better Collective | 9,277 | 4.1x | 3.4x | 12.5x | 9.8x | 14.6x | 11.2x | 17.5x | 13.4x | 44% | 30% | 2.9% | 14% | 17% | 22% | 28% |
| Raketech | 1,004 | 2.0x | 1.8x | 4.8x | 4.4x | 7.0x | 5.8x | 7.4x | 5.9x | 63% | 26% | 3.3% | 14% | 16% | 26% | 29% |
| **Median** | **5,226** | **2.2x** | **2.1x** | **7.4x** | **5.7x** | **11.7x** | **9.3x** | **14.0x** | **10.3x** | **33%** | **24%** | **2.7%** | **22%** | **8%** | **12%** | **21%** |
| **International** | | | | | | | | | | | | | | | | |
| 888 | 10,572 | 0.9x | 0.8x | 5.2x | 5.0x | 4.3x | 3.3x | 9.0x | 7.6x | -7% | 32% | 6.6% | 37% | 3% | 31% | 23% |
| Bet-at-home | 1,115 | 0.8x | 0.9x | 44.6x | 16.7x | N.A. | 37.2x | N.A. | 69.5x | 96% | 375% | 9.7% | N.A. | 16% | 39% | 17% |
| Entain (prev. GVC) | 107,682 | 2.4x | 2.3x | 10.6x | 9.3x | 15.9x | 12.2x | 19.0x | 14.1x | 46% | 38% | 1.6% | 13% | 6% | 17% | 15% |
| IGT | 45,574 | 2.7x | 2.7x | 7.0x | 6.5x | 12.9x | 11.2x | 17.1x | 14.7x | - | - | 3.5% | 12% | | | |
| Flutter (PaddyPower) | 178,717 | 2.5x | 2.2x | 15.9x | 11.0x | 21.5x | 13.8x | 26.2x | 15.7x | 11% | 66% | 2.3% | 6% | 3% | 4% | 23% |
| Playtech | 21,034 | 1.9x | 1.8x | 7.4x | 6.6x | 12.5x | 11.7x | 20.3x | 16.5x | 46% | 24% | 1.2% | 9% | 0% | 20% | 19% |
| Rank Group | 6,409 | 1.0x | 0.8x | - | 3.7x | - | 6.7x | - | 7.4x | 135% | 109% | 0.9% | 10% | 9% | 16% | 11% |
| Scientific Games | 57,235 | 5.8x | 5.3x | 15.4x | 13.8x | 30.9x | 25.7x | 76.2x | 23.9x | - | 115% | N.A. | 38% | 5% | 11% | 16% |
| Tabcorp | 83,269 | 2.4x | 2.3x | 12.7x | 11.6x | 19.6x | 17.0x | 30.8x | 24.7x | -3% | 20% | 2.6% | 6% | 35% | -203% | 8% |
| XLMedia | 1,104 | 1.4x | 1.2x | 4.2x | 3.7x | 7.7x | 5.2x | 8.5x | 8.1x | - | 5% | 0.0% | - | | | |
| DraftKings Inc | 58,236 | 2.3x | 1.8x | - | - | - | - | - | - | 1% | 38% | 0.0% | -90% | 2% | 26% | -9% |
| Gan Ltd | 1,641 | 0.8x | 0.7x | 7.9x | 4.1x | - | - | - | - | 46% | 129% | 0.0% | -3% | 6% | 8% | 12% |
| Penn National | 62,660 | 1.9x | 1.8x | 6.3x | 6.2x | 11.8x | 10.7x | 19.5x | 15.5x | -26% | 26% | 0.0% | 10% | | | |
| **Median** | **45,574** | **1.9x** | **1.8x** | **7.9x** | **6.6x** | **12.9x** | **11.7x** | **19.5x** | **15.5x** | **28%** | **38%** | **1.4%** | **10%** | **5%** | **-2%** | **14%** |

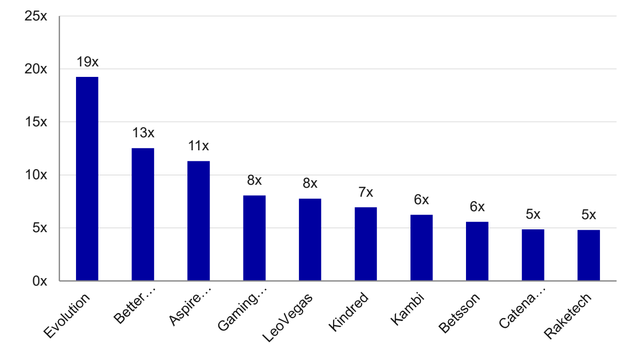
*Source: Company data, Refinitiv and Nordea estimates*

### SWEDISH ONLINE GAMBLING: EV/SALES, 2022E



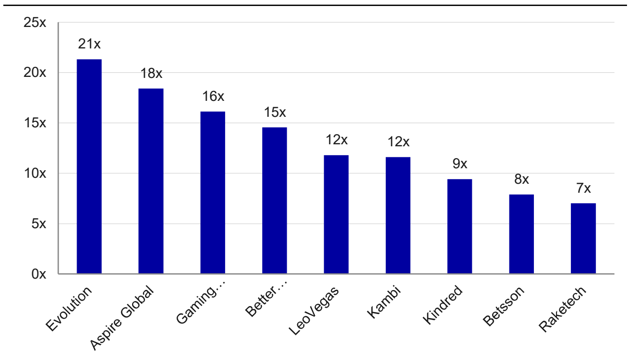

*Source: Company data, Refinitiv and Nordea estimates*

### SWEDISH ONLINE GAMBLING: EV/EBITDA, 2022E



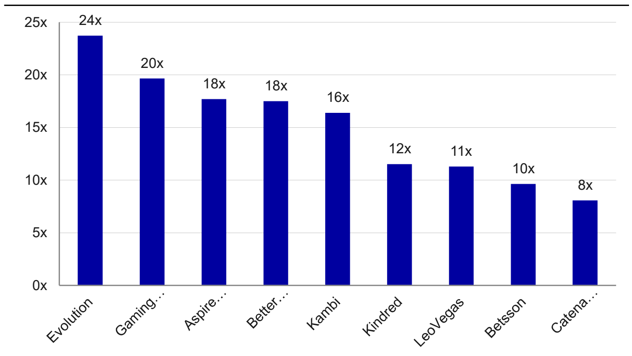

*Source: Company data, Refinitiv and Nordea estimates*

### 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 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total revenue** | **n.a.** | **2** | **10** | **17** | **26** | **24** | **29** | **39** | **52** | **59** | **64** |
| Revenue growth | n.a. | n.a. | 399.0% | 64.3% | 49.1% | -6.5% | 23.0% | 31.0% | 35.2% | 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 | 15 | 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 | -3 | -3 | -3 |
| 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** | **12** | **15** | **16** |
| 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 | 11 | 14 | 15 |
| 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 | 11 | 14 | 15 |
| **EPS, EUR** | **n.a.** | **n.a.** | **0.20** | **0.15** | **0.12** | **0.19** | **0.15** | **0.18** | **0.26** | **0.33** | **0.36** |
| DPS, EUR | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.13 | 0.16 | 0.18 |
| of which ordinary | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.13 | 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. | 3.6% | 77.3% | 55.3% | 50.4% | 52.7% | 40.9% | 41.9% | 42.8% | 45.0% | 45.0% |
| EBITA | n.a. | 3.6% | 77.3% | 55.1% | 50.0% | 51.9% | 40.0% | 41.8% | 42.7% | 44.9% | 44.8% |
| EBIT | n.a. | 3.6% | 76.9% | 51.4% | 43.7% | 35.1% | 22.5% | 24.3% | 27.9% | 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 | 15 | 18 | 19 |
| EPS (adj, EUR) | n.a. | n.a. | 0.20 | 0.16 | 0.16 | 0.16 | 0.15 | 0.19 | 0.26 | 0.33 | 0.36 |
| | | | | | | | | | | | |
| **Adjusted profit margins in percent** | | | | | | | | | | | |
| EBITDA (adj) | n.a. | 3.6% | 77.3% | 56.4% | 56.3% | 47.4% | 41.3% | 42.7% | 42.8% | 45.0% | 45.0% |
| EBITA (adj) | n.a. | 3.6% | 77.3% | 56.2% | 56.0% | 46.5% | 40.4% | 42.5% | 42.7% | 44.9% | 44.8% |
| EBIT (adj) | n.a. | 3.6% | 76.9% | 52.5% | 49.7% | 29.7% | 23.0% | 25.1% | 27.9% | 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% | 24.9% | 18.3% | 21.8% |
| EBITDA | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | 176.2% | 14.9% | 18.6% | 15.7% | 18.0% |
| EBIT | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 145.1% | 3.1% | 10.5% | 9.8% | 18.0% |
| EPS | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | -2.4% | 11.0% | 22.3% | 13.5% |
| 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. | 46.1% | 40.4% | 33.0% | 29.6% | 27.9% | 27.8% |
| Average EBITDA margin | n.a. | n.a. | n.a. | n.a. | n.a. | 54.5% | 51.7% | 46.9% | 44.8% | 44.2% | 43.6% |

**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 | 8.9 | 6.9 | 6.3 |
| EV/EBITDA (adj) | n.a. | n.a. | n.a. | n.a. | 5.0 | 2.9 | 3.0 | 5.9 | 4.7 | 3.4 | 2.5 |
| EV/EBITA (adj) | n.a. | n.a. | n.a. | n.a. | 5.1 | 3.0 | 3.1 | 6.0 | 4.7 | 3.4 | 2.5 |
| EV/EBIT (adj) | n.a. | n.a. | n.a. | n.a. | 5.7 | 4.7 | 5.5 | 10.1 | 7.2 | 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 | 8.9 | 6.9 | 6.3 |
| EV/Sales | n.a. | n.a. | n.a. | n.a. | 2.83 | 1.39 | 1.26 | 2.54 | 2.00 | 1.52 | 1.14 |
| EV/EBITDA | n.a. | n.a. | n.a. | n.a. | 5.6 | 2.6 | 3.1 | 6.1 | 4.7 | 3.4 | 2.5 |
| EV/EBITA | n.a. | n.a. | n.a. | n.a. | 5.7 | 2.7 | 3.1 | 6.1 | 4.7 | 3.4 | 2.5 |
| EV/EBIT | n.a. | n.a. | n.a. | n.a. | 6.5 | 4.0 | 5.6 | 10.4 | 7.2 | 5.1 | 3.8 |
| Dividend yield (ord.) | n.a. | n.a. | n.a. | n.a. | 0.0% | 0.0% | 0.0% | 0.0% | 5.6% | 7.2% | 7.9% |
| FCF yield | n.a. | n.a. | n.a. | n.a. | -7.4% | 8.1% | 6.6% | -24.2% | 13.8% | 20.1% | 25.2% |
| FCF Yield bef A&D, lease adj | n.a. | n.a. | n.a. | n.a. | -6.4% | 33.9% | 31.0% | 14.9% | 21.0% | 25.3% | 26.7% |
| 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 | 127 | 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 | 121 | 117 | 109 |
| 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 | 124 | 116 |
| 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 | -6 | 8 | 25 |
| Total current assets | 0 | 1 | 1 | 6 | 12 | 8 | 10 | 9 | 2 | 18 | 36 |
| 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** | **130** | **141** | **151** |
| | | | | | | | | | | | |
| Shareholders equity | 0 | 0 | 9 | 16 | 59 | 65 | 71 | 85 | 96 | 104 | 113 |
| 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 | 96 | 104 | 113 |
| 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** | **130** | **141** | **151** |
| | | | | | | | | | | | |
| **Balance sheet and debt metrics** | | | | | | | | | | | |
| Net debt | 0 | 0 | 0 | 25 | 0 | -1 | -3 | -1 | 8 | -6 | -23 |
| 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 | 115 | 109 | 100 |
| Capital employed | 0 | 0 | 9 | 44 | 67 | 69 | 73 | 87 | 98 | 106 | 115 |
| ROE | n.m. | 38.1% | n.m. | 47.0% | 12.2% | 11.6% | 8.2% | 9.2% | 12.0% | 13.9% | 14.0% |
| 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 | 0.4 | -0.2 | -0.8 |
| 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% | 73.9% | 73.9% | 74.4% |
| Net gearing | n.m. | n.a. | n.a. | n.a. | n.a. | n.a. | -4.3% | -1.5% | 8.3% | -5.8% | -20.8% |

*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 | -3 | -3 | -3 |
| 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** | **19** | **23** | **25** |
| 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** | **20** | **25** | **26** |
| 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** | **20** | **24** | **26** |
| 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 | 13 | 19 | 24 |
| Free cash flow bef A&D, lease adj | 0 | 0 | 0 | -23 | -5 | 11 | 12 | 15 | 20 | 24 | 26 |
| | | | | | | | | | | | |
| Dividends paid | 0 | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 | -5 | -7 |
| 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 | -9 | 14 | 17 |
| | | | | | | | | | | | |
| **Cash flow metrics** | | | | | | | | | | | |
| Capex/D&A | n.m. | n.m. | n.m. | n.m. | n.m. | 0.6% | -0.4% | -1.7% | 2.0% | 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 | 96 | 96 | 96 |
| Enterprise value | n.a. | n.a. | n.a. | n.a. | 72 | 33 | 37 | 98 | 104 | 90 | 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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### Completion Date

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