

Raketech Group Holding

Media
Sweden

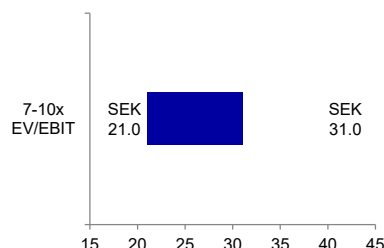
KEY DATA

Stock country	Sweden
Bloomberg	RAKE SS
Reuters	RAKE.ST
Share price (close)	SEK 19.28
Free Float	45%
Market cap. (bn)	EUR 0.08/SEK 0.82
Website	www.raketech.com
Next report date	17 Aug 2022

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	0%	-1%	0%
EBIT (adj)	-8%	-6%	-3%

Source: Nordea estimates

Nordea Markets - Analysts

Marlon Värnik
AnalystKlas Danielsson
Analyst

Soft start to the second quarter

Q1 revenue was in line with our estimate, with a higher cost base than expected and a somewhat soft start to Q2. The average daily revenue in April was EUR 0.127m, 10% below our full Q2 average estimate of EUR 0.141m. As we expect activity to decrease further in June, compared to April, we lower our Q2 revenue estimate by 11%. However, we keep our full-year revenue estimate unchanged, as we expect investments to pay off and revenue to increase in H2. Overall, we lower our multiple-based fair value range to SEK 21-31 (26.1-36.6).

Revenue was in line, opex was higher than expected

Raketech reported Q1 revenue of EUR 12.7m (our estimate: EUR 12.7m), negatively affected by recent regulatory headwinds in the Finnish market, as well as a slightly softer development than expected for the Casinofeber brand. We estimate that the Finnish market accounts for ~10% of group revenue and that activity in that market decreased by ~25% q/q, for a negative impact of EUR 0.3m. Although revenue was as expected, EBITDA of EUR 5.1m was 5% short of our EUR 5.3m forecast, as the cost base increased more rapidly than we expected, owing to growth investments.

US market expected to weigh on group EBITDA margin in Q2

Performance in the US was in line with expectations, contributing 19% of group revenue in Q1, just below the 20% guided for. As we are entering a seasonally weaker period with lower activity and growth investments are set to continue, we expect soft performance in the US in Q2, with a negative impact on the EBITDA margin. We forecast a Q2 EBITDA margin of 37.5%.

Increased estimate risk as revenue is tilted towards Q4

The trading update for the month of April revealed average daily revenue 10% below our estimate for the whole of Q2. As we expect activity to decrease throughout the quarter, we lower our Q2 revenue estimate by 11%. However, this is offset by a higher forecast for H2, leaving our full-year estimate unchanged. In view of future growth investments, we lift our cost base estimate, which has a negative impact of 5% on our 2022 EBITDA forecast, and we now expect an EBITDA margin of 40.6% (previously 42.8%). As the negative revisions for Q2 are offset by raised estimates for Q4, the overall estimate risk has increased. We reduce our fair value range to SEK 21-31 (26.1-36.6), reflecting a 2022E EV/EBIT of 7-10x.

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	21	26	28
EBIT (adj)	13	7	7	10	13	17	19
EBIT (adj) margin	49.7%	29.7%	23.0%	25.1%	25.5%	28.4%	29.1%
EPS (adj, EUR)	0.16	0.16	0.15	0.19	0.22	0.28	0.32
EPS (adj) growth	1.7%	-2.1%	-2.3%	21.8%	16.3%	30.1%	14.3%
DPS (ord, EUR)	0.00	0.00	0.00	0.00	0.11	0.14	0.16
EV/Sales	2.8	1.4	1.3	2.5	1.7	1.3	0.9
EV/EBIT (adj)	5.7	4.7	5.5	10.1	6.7	4.5	3.1
P/E (adj)	11.9	5.8	7.0	12.5	8.4	6.4	5.6
P/BV	1.2	0.5	0.6	1.2	0.8	0.8	0.7
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	6.0%	7.8%	8.9%
FCF Yield bef A&D, lease	-6.4%	33.9%	31.0%	14.9%	23.8%	28.5%	31.3%
Net debt	0	-1	-3	-1	9	-4	-21
Net debt/EBITDA	0.0	0.0	-0.3	-0.1	0.4	-0.1	-0.7
ROIC after tax	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company data and Nordea estimates

Q1 2022 outcome

Key deviations

Q1 revenue amounted to EUR 12.7m, in line with our expectations. However, opex was higher than expected, with increased personnel, direct and other operating expenses due to growth investments. As a result, EBITDA was 5% lower than we anticipated (EUR 5.1m versus our forecast of EUR 5.3m).

RAKETECH: Q1 2022 DEVIATION TABLE (EPS IN EUR)

EURm	Actual Q1 2022	NDA est. Q1 2022	Deviation vs. actual		Actual Q4 2021	q/q	Actual Q1 2021	y/y
Revenue	12.7	12.7	0.0	0%	9.6	32%	8.5	50%
Other operating income		0.0	-	-	0.0	-	0.0	-
Total revenue	12.7	12.7	0.0	0%	9.6	32%	8.5	50%
Direct costs	-3.6	-3.0	-0.6	19%	-2.7	36%	-2.5	44%
Personnel expenses	-2.1	-1.7	-0.4	27%	-1.2	68%	-1.2	74%
Depreciation and amortisation	-1.9	-1.8	0.0	2%	-1.7	10%	-1.4	36%
Other operating expenses	-1.9	-2.7	0.8	-30%	-1.3	45%	-1.1	73%
Reported EBIT	3.2	3.5	-0.3	-8%	2.7	19%	2.3	42%
Non-recurring items	0.0	0.0	-	-	-0.3	-	0.0	-
Adjusted EBIT	3.2	3.5	-0.3	-8%	3.8	-16%	1.6	106%
Net financials	-0.7	-0.7	-	-	-0.4	-	0.0	-
Profit before tax	2.5	2.8	-0.2	-9%	2.0	25%	2.3	10%
Income tax	-0.3	-0.2	-	-	-0.2	-	-0.2	-
Profit after tax	2.2	2.6	-0.3	-13%	1.9	19%	2.1	8%
EPS adj.	0.06	0.06	0.00	-5%	0.05	21%	0.06	5%
Key ratios								
EBITDA adj.	5.1	5.3	-	-5%	4.4	15%	3.6	39%
Sales growth	50%	53%	-	-3pp	30%	20pp	45%	5pp
EBITDA adj. growth	39%	66%	-	-27pp	50%	-11pp	61%	-21pp
EBIT adj. growth	42%	124%	-	-82pp	84%	-42pp	161%	-119pp
EBITDA adj. margin	40.1%	42.0%	-	-1.9pp	45.8%	-6pp	43.1%	-3pp
EBIT adj. margin	25.3%	27.5%	-	-2pp	28.0%	-3pp	26.7%	-1pp
Tax rate	11.6%	7.4%	-	4pp	7.4%	4pp	10.1%	2pp

Source: Company data and Nordea estimates

Detailed estimates

RAKETECH: QUARTERLY ESTIMATES

EURm	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022E	Q3 2022E	Q4 2022E
Revenue	8.5	8.3	8.8	9.6	11.8	12.7	11.4	12.8	15.2
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	11.4	12.8	15.2
Direct costs	-2.5	-2.9	-3.1	-2.7	-2.8	-3.6	-3.1	-3.4	-4.0
Personnel expenses	-1.2	-1.2	-1.1	-1.2	-1.3	-2.1	-2.1	-2.2	-2.3
Depreciation and amortisation	-1.4	-1.6	-1.8	-1.7	-1.6	-1.9	-1.9	-1.9	-2.1
Other operating expenses	-1.1	-1.0	-1.1	-1.3	-2.3	-1.9	-1.9	-2.0	-2.3
Adjusted EBIT	2.3	1.6	1.6	2.7	3.8	3.2	2.3	3.2	4.6
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	3.2	2.3	3.2	4.6
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	2.5	1.6	2.5	3.9
Income tax	-0.2	-0.1	-0.1	-0.2	-0.2	-0.3	-0.2	-0.3	-0.4
Profit after tax	2.1	1.1	1.2	1.9	2.9	2.2	1.5	2.2	3.4
EPS adj. (EUR)	0.06	0.03	0.03	0.05	0.07	0.05	0.03	0.05	0.08
Key ratios & assumptions									
Revenue growth, y/y	45%	27%	25%	30%	40%	42%	30%	33%	28%
EBITDA adj.	3.6	3.2	3.4	4.4	5.4	5.1	4.3	5.1	6.7
EBITDA adj. growth	61%	17%	20%	50%	49%	59%	26%	16%	23%
EBIT adj. growth	161%	5%	5%	84%	68%	106%	46%	18%	20%
EPS adj. growth	-707%	7%	1%	46%	24%	73%	1%	5%	14%
EBITDA adj. margin	43.1%	38.7%	38.7%	45.8%	46.0%	40.1%	37.5%	40.0%	44.0%
EBIT adj. margin	26.7%	18.9%	18.2%	28.0%	32.1%	25.3%	20.5%	25.0%	30.0%
Tax rate	10.1%	5.1%	5.1%	7.4%	7.4%	11.6%	11.6%	11.6%	11.6%

Source: Company data and Nordea estimates

Estimate revisions

RAKETECH: ESTIMATE REVISIONS

EURm	New estimates			Old Estimates			Difference		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Revenue	52.1	58.8	64.1	52.0	59.3	64.1	0%	-1%	0%
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Total revenue	52.1	58.8	64.1	52.0	59.3	64.1	0%	-1%	0%
Direct costs	-14.1	-14.7	-15.2	-11.9	-12.5	-13.5	18%	18%	13%
Personnel expenses	-8.7	-9.8	-11.0	-6.8	-7.7	-8.3	28%	27%	32%
Depreciation and amortisation	-7.9	-8.8	-9.6	-7.7	-8.9	-9.6	2%	-1%	0%
Other operating expenses	-8.1	-8.8	-9.6	-11.1	-12.5	-13.5	-26%	-29%	-29%
Adjusted EBIT	13.3	16.7	18.7	14.5	17.8	19.2	-8%	-6%	-3%
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Reported EBIT	13.3	16.7	18.7	14.5	17.8	19.2	-8%	-6%	-3%
Interest payable on borrowings	-2.8	-2.8	-2.8	-2.8	-2.8	-2.8	-	-	-
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	10.5	13.9	15.9	11.7	15.0	16.4	-10%	-7%	-3%
Income tax	-1.2	-1.6	-1.8	-0.9	-1.1	-1.2	-	-	-
Profit after tax	9.3	12.3	14.0	10.9	13.9	15.2	-14%	-12%	-8%
EPS adj. (EUR)	0.22	0.28	0.32	0.26	0.33	0.36	-15%	-14%	-10%
Key ratios									
Sales growth	35%	13%	9%	35%	14%	8%	0pp	-1pp	1pp
EBIT adj. growth	38%	25%	12%	51%	22%	8%	-13pp	3pp	4pp
EBITDA adj.	21.2	25.5	28.3	22.3	26.7	28.8	-5%	-4%	-2%
EBITDA adj. margin	40.6%	43.4%	44.1%	42.8%	45.0%	45.0%	-2.2pp	-1.6pp	-0.9pp
EBIT adj. margin	25.5%	28.4%	29.1%	27.9%	30.0%	30.0%	-2.4pp	-1.6pp	-0.9pp
Tax rate	11.6%	11.6%	11.6%	7.4%	7.4%	7.4%	4.2pp	4.2pp	4.2pp

Source Nordea estimates

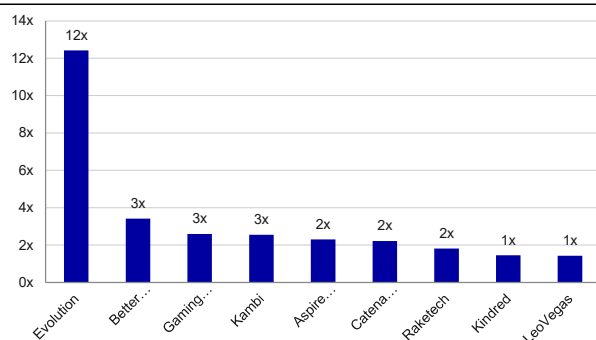
Valuation

ONLINE GAMBLING: PEER VALUATION

	Mcap. SEKm	EV/Sales 2022E 2023E	EV/EBITDA 2022E 2023E	EV/EBIT adj. 2022E 2023E	P/E adj. 2022E 2023E	EPS growth 2022E 2023E	Yield 2022E	ROE 2022E	Sales CAGR 2021-2023	EBIT 2021-2023	EBIT margin 2022E
Nordic											
Supplier/ platform											
Evolution	191,066	12.4x 9.9x	17.6x 13.9x	19.5x 15.4x	22.0x 17.8x	40% 22%	2.3%	25%	19%	21%	64%
Kambi	4,940	2.5x 2.2x	6.5x 5.2x	11.7x 9.9x	17.1x 14.2x	-39% 21%	0.0%	17%	5%	-9%	22%
Aspire Global	5,021	2.3x 2.0x	12.6x 10.4x	17.9x 13.2x	21.7x 18.6x	-6% 15%	2.0%	21%	0%	4%	13%
Operators											
Betsson	7,720	1.1x 1.0x	5.7x 5.5x	8.2x 7.5x	10.6x 9.4x	-18% 13%	4.7%	14%	6%	-2%	14%
Kindred	21,586	1.4x 1.2x	7.9x 6.7x	10.5x 8.5x	12.7x 10.3x	-45% 28%	3.7%	18%	3%	-11%	13%
LeoVegas	6,147	1.4x 1.3x	11.9x 10.0x	17.9x 13.5x	17.7x 14.6x	3% 56%	3.1%	32%	6%	42%	8%
Affiliates											
Catena Media	3,071	2.2x 2.0x	4.8x 4.3x	5.7x 5.1x	7.8x 6.6x	5000% 18%	0.0%	26%	9%	4%	39%
Gaming Innovation Group	1,993	2.6x 2.2x	6.9x 5.1x	14.6x 8.5x	19.3x 9.5x	380% 97%	0.0%	26%	14%	52%	19%
Better Collective	7,551	3.4x 2.9x	10.5x 8.2x	12.2x 9.4x	14.6x 11.2x	44% 30%	3.5%	14%	17%	22%	28%
Raketeck	876	1.8x 1.7x	4.3x 3.9x	6.2x 5.2x	7.9x 6.2x	37% 27%	3.2%	13%	15%	26%	29%
Median	5,584	2.3x 2.0x	7.4x 6.1x	11.9x 8.9x	15.8x 10.7x	20% 25%	2.7%	19%	8%	13%	20%
International											
888	10,307	0.9x 0.8x	5.0x 4.8x	4.1x 3.2x	8.8x 7.4x	-7% 46%	6.7%	37%	3%	31%	23%
Bet-at-home	941	0.6x 0.7x	33.0x 12.4x	N.A. 27.5x	N.A. 58.6x	96% 375%	7.7%	N.A.	16%	39%	17%
Entain (prev. GVC)	90,051	2.1x 2.0x	9.2x 8.1x	13.9x 10.7x	16.0x 11.9x	46% 38%	1.9%	13%	6%	17%	15%
IGT	41,123	2.6x 2.5x	6.6x 6.3x	12.1x 11.5x	16.3x 13.2x	- -	4.0%	12%			
Flutter (PaddyPower)	178,797	2.5x 2.2x	16.3x 11.1x	21.9x 14.0x	26.9x 15.8x	10% 66%	2.2%	5%	4%	2%	21%
Playtech	18,659	1.6x 1.6x	6.6x 6.0x	11.8x 10.7x	19.1x 14.5x	49% 23%	1.4%	9%	2%	18%	18%
Rank Group	5,758	0.9x 0.8x	- 3.6x	- 9.1x	- 6.4x	137% 104%	2.0%	10%	9%	16%	11%
Scientific Games	46,859	5.3x 4.8x	14.1x 12.6x	30.2x 23.8x	42.0x 17.7x	- 87%	N.A.	38%	6%	11%	14%
Tabcorp	78,414	2.3x 2.2x	12.3x 11.2x	18.9x 16.3x	29.4x 23.3x	-4% 21%	2.8%	6%	35%	-191%	5%
XLMedia	969	1.1x 1.0x	3.5x 3.1x	6.4x 4.3x	7.5x 7.1x	- 5%	0.0%	-			
DraftKings Inc	49,978	1.7x 1.3x	- -	- -	- -	-1% 39%	0.0%	-103%	2%	26%	#VALUE!
Gan Ltd	1,466	0.7x 0.6x	6.7x 3.5x	- -	- -	46% 129%	0.0%	-3%	6%	7%	12%
Penn National	51,412	2.4x 2.3x	7.9x 7.7x	13.3x 12.7x	17.0x 12.2x	-32% 41%	0.0%	8%			
Median	41,123	1.7x 1.6x	7.9x 7.0x	13.3x 11.5x	17.0x 13.2x	28% 43%	1.9%	9%	6%	-2%	14%

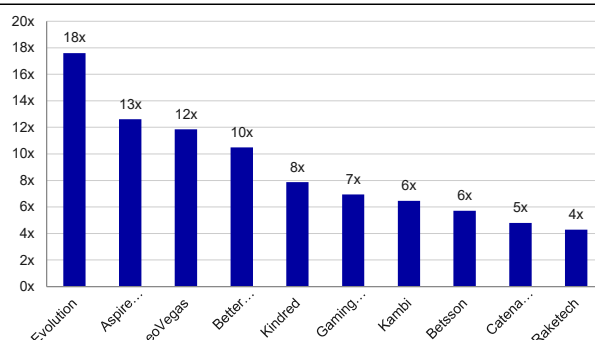
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/SALES, 2022E



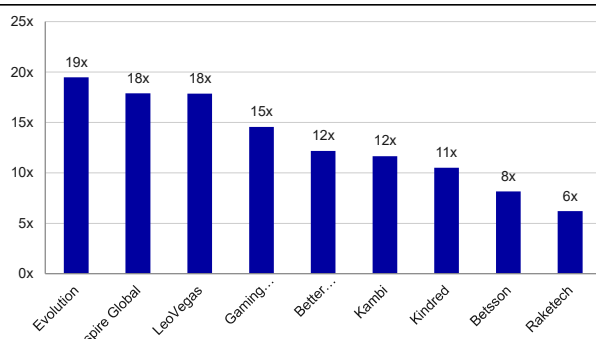
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBITDA, 2022E



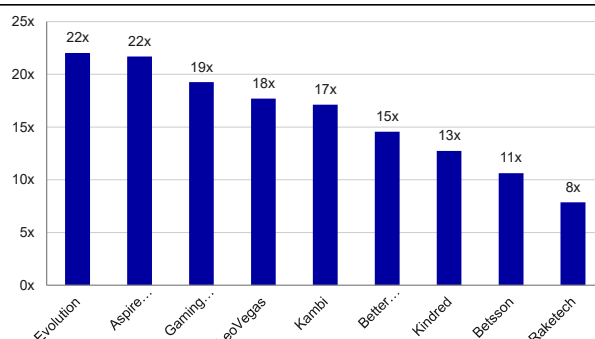
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBIT, 2022E



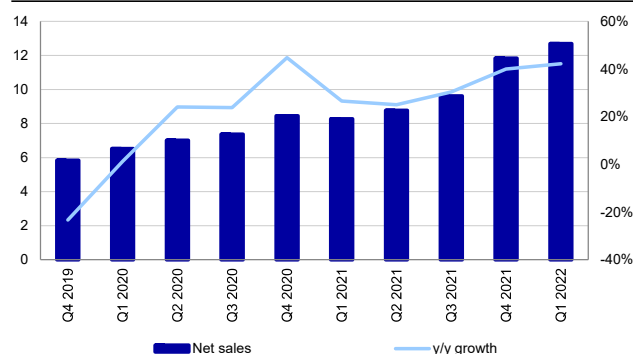
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: P/E, 2022E

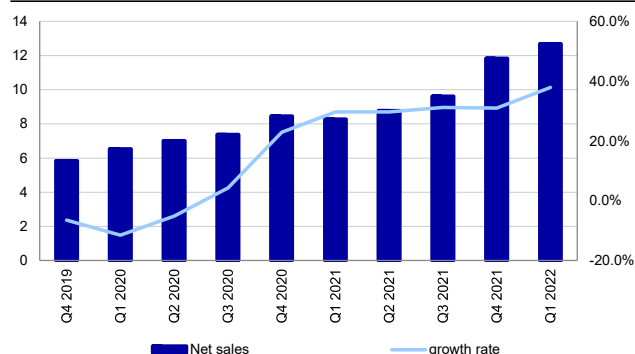


Source: Company data, Refinitiv and Nordea estimates

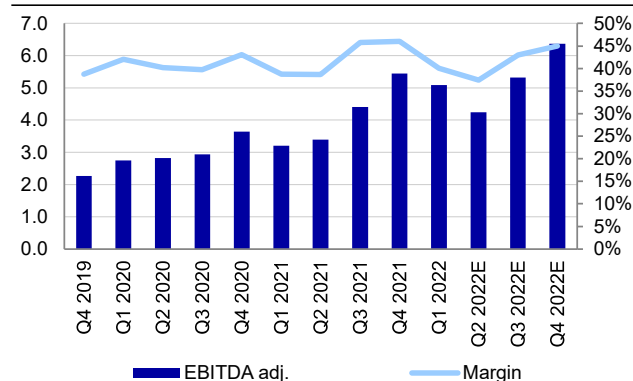
Key charts

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


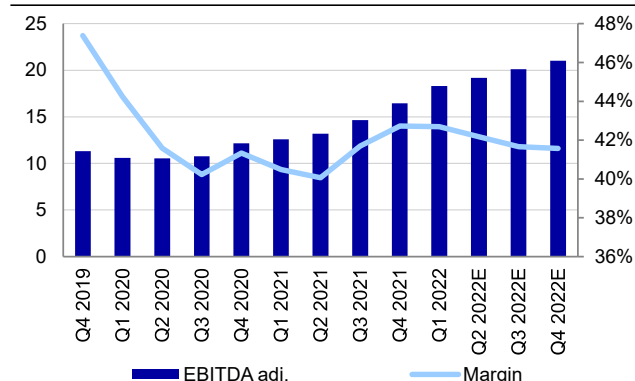
Source: Company data and Nordea estimates

NET SALES (EURm), LAST 12 MONTHS


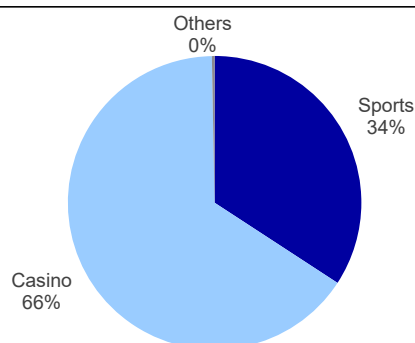
Source: Company data and Nordea estimates

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


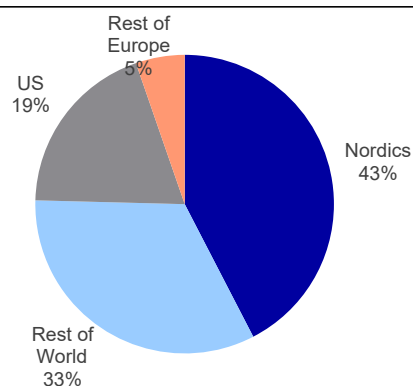
Source: Company data and Nordea estimates

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


Source: Company data and Nordea estimates

VERTICAL SPLIT, Q1 2022


Source: Company data and Nordea

DETAILED MARKET OVERVIEW AS OF Q1 2022


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	59	64
Revenue growth	n.a.	n.a.	399.0%	64.3%	49.1%	-6.5%	23.0%	31.0%	35.3%	13.0%	9.0%
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	21	26	28
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	21	25	28
Amortisation and impairments	0	0	0	-1	-2	-4	-5	-7	-8	-9	-10
EBIT	n.a.	0	8	9	11	8	7	9	13	17	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	11	14	16
Reported taxes	0	0	0	0	0	0	0	-1	-1	-2	-2
Net profit from continued operations	0	0	8	6	5	7	6	7	9	12	14
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	9	12	14
EPS, EUR	n.a.	n.a.	0.20	0.15	0.12	0.19	0.15	0.18	0.22	0.28	0.32
DPS, EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.14	0.16
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11	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.	3.6%	77.3%	55.3%	50.4%	52.7%	40.9%	41.9%	40.6%	43.4%	44.1%
EBITA	n.a.	3.6%	77.3%	55.1%	50.0%	51.9%	40.0%	41.8%	40.5%	43.2%	44.0%
EBIT	n.a.	3.6%	76.9%	51.4%	43.7%	35.1%	22.5%	24.3%	25.5%	28.4%	29.1%

Adjusted earnings

EBITDA (adj)	0	0	8	10	14	11	12	16	21	26	28
EBITA (adj)	0	0	8	10	14	11	12	16	21	25	28
EBIT (adj)	0	0	8	9	13	7	7	10	13	17	19
EPS (adj, EUR)	n.a.	n.a.	0.20	0.16	0.16	0.16	0.15	0.19	0.22	0.28	0.32

Adjusted profit margins in percent

EBITDA (adj)	n.a.	3.6%	77.3%	56.4%	56.3%	47.4%	41.3%	42.7%	40.6%	43.4%	44.1%
EBITA (adj)	n.a.	3.6%	77.3%	56.2%	56.0%	46.5%	40.4%	42.5%	40.5%	43.2%	44.0%
EBIT (adj)	n.a.	3.6%	76.9%	52.5%	49.7%	29.7%	23.0%	25.1%	25.5%	28.4%	29.1%

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%	18.2%	21.8%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	176.2%	14.9%	17.4%	14.7%	17.6%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	145.1%	3.1%	8.6%	8.4%	17.4%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2.4%	7.3%	18.7%	11.1%
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%	28.8%	26.8%	26.6%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	54.5%	51.7%	46.9%	44.2%	43.1%	42.5%

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	8.4	6.4	5.6
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	5.0	2.9	3.0	5.9	4.2	3.0	2.1
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	5.1	3.0	3.1	6.0	4.2	3.0	2.1
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	5.7	4.7	5.5	10.1	6.7	4.5	3.1

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	8.4	6.4	5.6
EV/Sales	n.a.	n.a.	n.a.	n.a.	2.83	1.39	1.26	2.54	1.70	1.28	0.91
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	5.6	2.6	3.1	6.1	4.2	3.0	2.1
EV/EBITA	n.a.	n.a.	n.a.	n.a.	5.7	2.7	3.1	6.1	4.2	3.0	2.1
EV/EBIT	n.a.	n.a.	n.a.	n.a.	6.5	4.0	5.6	10.4	6.7	4.5	3.1
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	6.0%	7.8%	8.9%
FCF yield	n.a.	n.a.	n.a.	n.a.	-7.4%	8.1%	6.6%	-24.2%	15.0%	22.2%	29.4%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	-6.4%	33.9%	31.0%	14.9%	23.8%	28.5%	31.3%
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	-7	5	23
Total current assets	0	1	1	6	12	8	10	9	1	15	33
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	128	139	149
Shareholders equity	0	0	9	16	59	65	71	85	94	102	110
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	94	102	110
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.	n.a.	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	128	139	149
Balance sheet and debt metrics											
Net debt	0	0	0	25	0	-1	-3	-1	9	-4	-21
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	-14	-16
Invested capital	0	0	10	41	64	71	78	117	115	109	100
Capital employed	0	0	9	44	67	69	73	87	96	104	112
ROE	n.m.	38.1%	n.m.	47.0%	12.2%	11.6%	8.2%	9.2%	10.4%	12.5%	13.3%
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	-0.1	-0.7
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%	73.6%	73.6%	73.9%
Net gearing	n.m.	n.a.	n.a.	n.a.	n.a.	n.a.	-4.3%	-1.5%	9.9%	-3.5%	-18.8%

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	21	26	28
Paid taxes	0	0	0	0	0	0	0	-1	-1	-2	-2
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	17	21	24
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	19	23	25
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	19	23	25
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	12	18	23
Free cash flow bef A&D, lease adj	0	0	0	-23	-5	11	12	15	19	23	25
Dividends paid	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	-5	-6
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	-11	13	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	79	79	79
Enterprise value	n.a.	n.a.	n.a.	n.a.	72	33	37	98	88	76	58
Diluted no. of shares, year-end (m)	0.0	37.9	37.9	37.9	37.9	37.4	37.4	42.4	43.6	43.6	43.6

Source: Company data and Nordea estimates

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