Raketech Group Holding

Media
Sweden

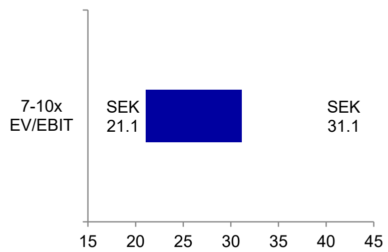
KEY DATA

Stock country	Sweden
Bloomberg	RAKE SS
Reuters	RAKE.ST
Share price (close)	SEK 19.12
Free Float	45%
Market cap. (bn)	EUR 0.08/SEK 0.81
Website	www.raketech.com
Next report date	17 Aug 2022

PERFORMANCE

Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

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

Source: Nordea estimates

Nordea Markets - Analysts
Marlon Värnik
Analyst

Klas Danielsson
Analyst

Negative organic growth in Q2E due to Finland

As sporting activity tends to soften throughout the second quarter with major leagues finishing their seasons, we expect activity levels to drop towards the end of Q2. However, we argue that April saw exceptionally weak sporting results, and hence we view the April trading update as being indicative for the rest of the quarter. We expect Q2 revenue of EUR 11.4m, with revenue down 4% organically y/y due to Casinofeber and headwinds in the Finnish market. We leave our estimates unchanged and lower our fair value range to SEK 21.1-31.1 (SEK 26.1-36.6), reflecting 2022E EV/EBIT of 7-10x.

Q2E: Negative organic growth

We forecast that revenue will be down 4% organically y/y in Q2, mainly explained by tough comps for the Casinofeber brand but also recent regulatory headwinds in the Finnish market. We estimate Q2 revenue of EUR 11.4m, up 30% y/y, mainly due to M&A (34%). As we enter a seasonally weak quarter with lower tipster activity in the US, we expect the adjusted EBITDA margin to come down towards 37.5% for the quarter due to negative scalability effects, as the cost base will remain fairly intact q/q. We forecast adjusted EBITDA of EUR 4.3m in Q2 and continue to expect full-year 2022 numbers to be in line with Raketech's guidance.

Solid underlying momentum

Based on our data, we conclude that casino activity levels have been somewhat stable throughout the quarter, whereas sports betting activity softened towards the latter part of Q2. We expect the Japanese market to continue its strong momentum, whereas the Indian IPL league finished in May, which had some negative effect in June. We argue that the Canadian affiliate market remains tough in Ontario, as bonus offers are not allowed to be shown on affiliate websites.

Organic growth to accelerate during H2

We expect organic growth to accelerate during the second half of 2022 as we enter a seasonally strong period with the World Cup 2022 towards the end of the year, boosted further by Infinileads adding to organic growth from July onwards, as well as increased activity in the US market. We trim our fair price multiple range from EV/EBIT of 8-11x to to 7-10x, reflecting a higher risk premium and a slightly more uncertain outlook as activity might slow down due to recession. We lower our fair value range to SEK 21.1-31.1 (from SEK 26.1-36.6).

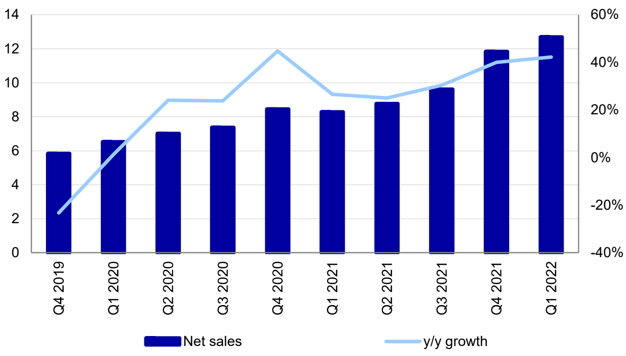
SUMMARY TABLE - KEY FIGURES

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	6.5	4.4	3.0
P/E (adj)	11.9	5.8	7.0	12.5	8.2	6.3	5.5
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%	6.1%	7.9%	9.0%
FCF Yield bef A&D, lease	-6.4%	33.9%	31.0%	14.9%	24.2%	29.1%	31.9%
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

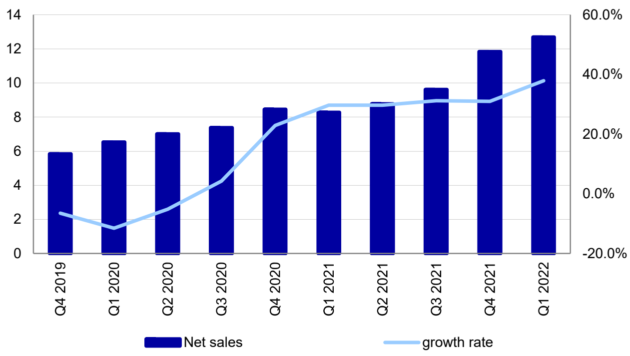
Key charts

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



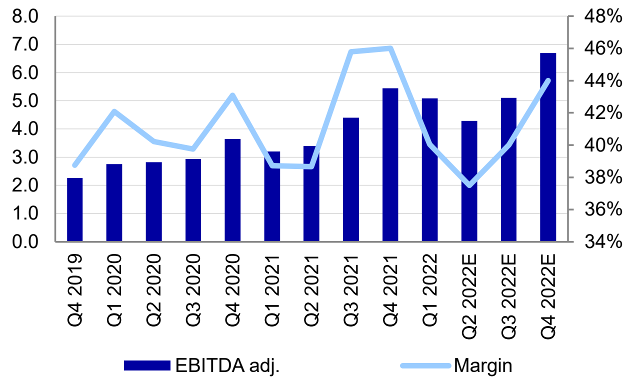
Source: Company data and Nordea estimates

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



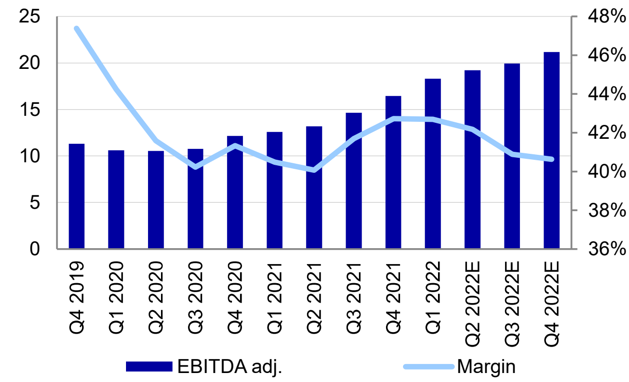
Source: Company data and Nordea estimates

ADJ. EBITDA PER QUARTER (EURm) AND MARGIN (%)



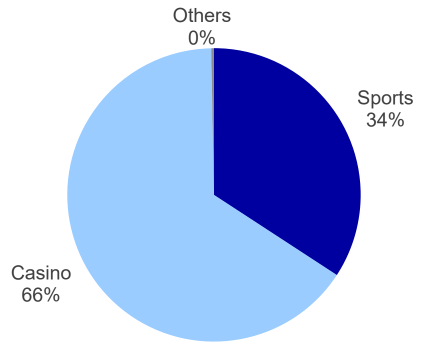
Source: Company data and Nordea estimates

ADJ. EBITDA (EURm) AND MARGIN (%), LAST 12 MONTHS



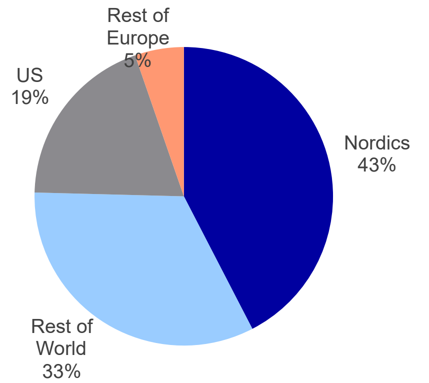
Source: Company data and Nordea estimates

VERTICAL SPLIT, Q1 2022



Source: Company data and Nordea

DETAILED MARKET OVERVIEW, Q1 2022



Source: Company data and Nordea

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

We leave our estimates unchanged

We leave our estimates unchanged ahead of Q2 results as we continue to expect activity levels to drop towards the end of the quarter. However, as April was abnormally weak in the sports vertical, we argue that the April trading update is indicative of the rest of the quarter. We expect the cost base to be in line q/q but slightly down on direct costs as activity is expected to drop q/q. We expect continuing headwinds in the Finnish market due to the new regulatory framework. Together with tough y/y comps for Casinofeber, we argue that this will trigger negative organic growth of 4% in Q2. It is important to emphasise that we assess Raketech's UK exposure to be less than 1%, and hence are not overly concerned about the white paper that is expected to be published shortly. In total, we lower our fair value range to SEK 21.1-31.1 (SEK 26.1-36.6), reflecting an EV/EBIT range of 7-10x. We reduce our EV/EBIT multiple slightly due to increased risk premium and a more uncertain outlook as activity might slow down due to recession.

RAKETECH: ESTIMATE REVISIONS

	New estimates			Old Estimates			Difference		
EURm	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**
Revenue	**52.1**	**58.8**	**64.1**	**52.1**	**58.8**	**64.1**	**0%**	**0%**	**0%**
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Total revenue	**52.1**	**58.8**	**64.1**	**52.1**	**58.8**	**64.1**	**0%**	**0%**	**0%**
Direct costs	-14.1	-14.7	-15.2	-14.1	-14.7	-15.2	0%	0%	0%
Personnel expenses	-8.7	-9.8	-11.0	-8.7	-9.8	-11.0	0%	0%	0%
Depreciation and amortisation	-7.9	-8.8	-9.6	-7.9	-8.8	-9.6	0%	0%	0%
Other operating expenses	-8.1	-8.8	-9.6	-8.1	-8.8	-9.6	0%	0%	0%
Adjusted EBIT	**13.3**	**16.7**	**18.7**	**13.3**	**16.7**	**18.7**	**0%**	**0%**	**0%**
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Reported EBIT	**13.3**	**16.7**	**18.7**	**13.3**	**16.7**	**18.7**	**0%**	**0%**	**0%**
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**	**10.5**	**13.9**	**15.9**	**0%**	**0%**	**0%**
Income tax	-1.2	-1.6	-1.8	-1.2	-1.6	-1.8	-	-	-
Profit after tax	**9.3**	**12.3**	**14.0**	**9.3**	**12.3**	**14.0**	**0%**	**0%**	**0%**
EPS adj. (EUR)	**0.22**	**0.28**	**0.32**	**0.22**	**0.28**	**0.32**	**0%**	**0%**	**0%**
Key ratios									
Sales growth	**35%**	**13%**	**9%**	**35%**	**13%**	**9%**	**0pp**	**0pp**	**0pp**
EBIT adj. growth	38%	25%	12%	38%	25%	12%	0pp	0pp	0pp
EBITDA adj.	**21.2**	**25.5**	**28.3**	**21.2**	**25.5**	**28.3**	**0%**	**0%**	**0%**
EBITDA adj. margin	**40.6%**	**43.4%**	**44.1%**	**40.6%**	**43.4%**	**44.1%**	**0.0pp**	**0.0pp**	**0.0pp**
EBIT adj. margin	25.5%	28.4%	29.1%	25.5%	28.4%	29.1%	0.0pp	0.0pp	0.0pp
Tax rate	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	0.0pp	0.0pp	0.0pp

Source: Nordea estimates

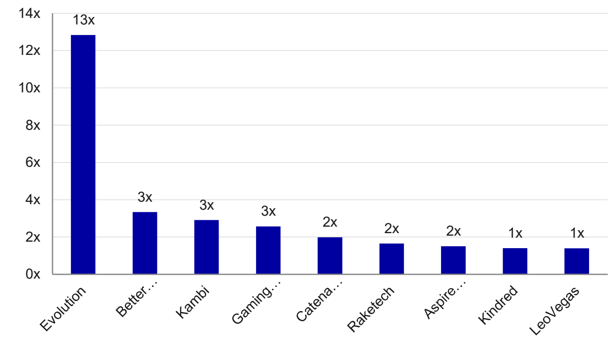
Valuation

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	202,213	12.8x	10.2x	18.1x	14.4x	20.1x	15.7x	22.2x	18.2x	40%	23%	2.3%	26%	20%	22%	64%
Kambi	5,567	2.9x	2.6x	8.0x	6.2x	14.3x	11.6x	20.5x	16.3x	-44%	25%	0.0%	17%	5%	-10%	20%
Aspire Global	3,750	1.5x	1.3x	8.0x	7.0x	10.8x	8.8x	16.8x	13.8x	-12%	22%	2.7%	21%	0%	4%	14%
Operators																
Betsson	7,746	1.0x	0.9x	5.5x	5.2x	7.7x	7.1x	9.8x	9.0x	-16%	10%	5.2%	14%	7%	-2%	13%
Kindred	20,579	1.4x	1.2x	10.3x	6.7x	15.3x	8.6x	17.9x	10.4x	-61%	75%	3.3%	18%	2%	-13%	10%
LeoVegas	6,195	1.4x	1.3x	12.0x	10.0x	18.7x	13.5x	17.7x	14.6x	3%	56%	3.1%	32%	6%	42%	8%
Affiliates																
Catena Media	2,604	2.0x	1.8x	4.3x	3.9x	5.4x	4.9x	7.0x	6.2x	4700%	13%	0.0%	24%	8%	0%	37%
Gaming Innovation Group	2,065	2.6x	2.2x	7.0x	5.2x	14.4x	8.2x	18.2x	9.1x	380%	100%	0.0%	27%	16%	54%	18%
Better Collective	7,854	3.3x	2.8x	10.0x	8.0x	11.5x	8.9x	13.3x	10.3x	59%	29%	3.9%	15%	20%	26%	29%
Raketech	783	1.6x	1.5x	4.0x	3.3x	6.2x	4.9x	8.1x	6.4x	16%	27%	3.1%	12%	16%	25%	27%
Median	**5,881**	**1.8x**	**1.6x**	**8.0x**	**6.4x**	**12.9x**	**8.7x**	**17.3x**	**10.3x**	**9%**	**26%**	**2.9%**	**19%**	**7%**	**13%**	**19%**
International																
888	9,236	0.3x	0.3x	1.6x	1.3x	3.2x	2.4x	9.2x	6.1x	-14%	37%	0.0%	43%	40%	34%	9%
Bet-at-home	877	0.8x	0.8x	23.6x	16.3x	212.2x	32.6x	395.8x	74.2x	101%	433%	0.0%	N.A.	16%	39%	17%
Entain (prev. GVC)	95,588	2.2x	2.1x	9.7x	8.4x	15.2x	11.2x	17.2x	12.6x	43%	40%	1.6%	13%	6%	17%	15%
IGT	41,444	2.5x	2.5x	6.4x	6.1x	11.5x	11.1x	17.2x	12.6x	-	-	4.0%	14%			
Flutter (PaddyPower)	186,185	2.6x	2.2x	15.8x	10.9x	22.3x	14.1x	28.6x	16.3x	9%	68%	2.4%	5%	4%	3%	22%
Playtech	20,997	1.8x	1.7x	7.0x	6.4x	12.2x	10.9x	17.2x	16.1x	58%	16%	1.1%	9%	1%	20%	17%
Rank Group	4,841	0.8x	0.7x	-	3.2x	-	8.0x	-	6.2x	132%	109%	0.6%	10%	10%	17%	12%
Scientific Games	47,548	5.5x	5.0x	14.7x	13.2x	33.2x	23.5x	42.5x	18.2x	-	93%	N.A.	38%	7%	15%	14%
Tabcorp	16,853	1.9x	1.8x	12.2x	10.5x	61.4x	31.5x	54.0x	31.8x	-89%	95%	8.5%	3%	34%	-191%	5%
XLMedia	973	1.1x	1.0x	3.5x	3.1x	6.4x	4.4x	7.4x	7.1x	-	5%	0.0%	-			
DraftKings Inc	56,652	2.3x	1.7x	-	-	-	-	-	-	4%	38%	0.0%	-111%	2%		
Gan Ltd	1,365	0.6x	0.5x	6.4x	3.5x	-	-	-	-	21%	76%	0.0%	-6%	-21%	-40%	3%
Penn National	53,831	2.4x	2.4x	8.0x	7.8x	13.5x	12.8x	18.1x	12.9x	-33%	41%	0.0%	8%			
Median	**20,997**	**1.9x**	**1.7x**	**8.0x**	**7.1x**	**14.3x**	**11.2x**	**17.7x**	**12.9x**	**15%**	**54%**	**0.3%**	**9%**	**7%**	**-2%**	**13%**

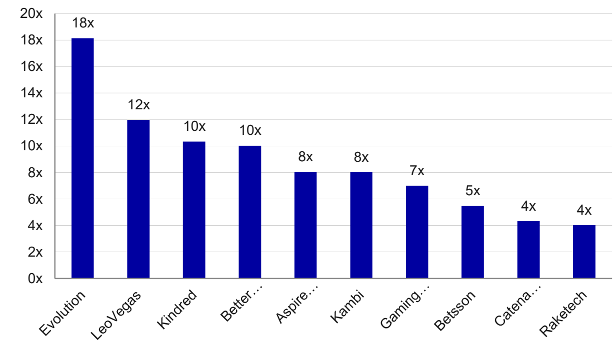
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: 2022E EV/SALES



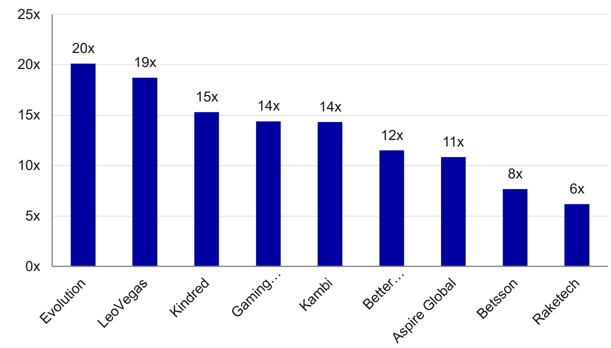
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: 2022E EV/EBITDA



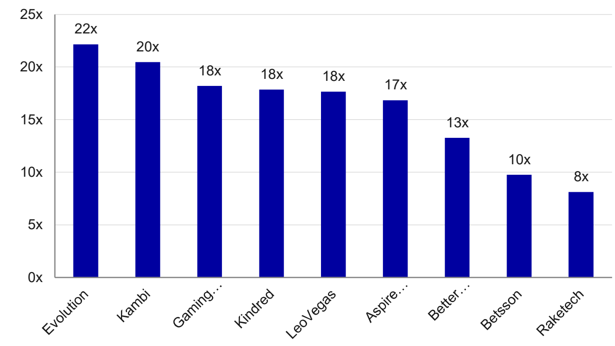
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: 2022E EV/EBIT



Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: 2022E P/E



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%	35.3%	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	8.2	6.3	5.5
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	5.0	2.9	3.0	5.9	4.1	2.9	2.0
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	5.1	3.0	3.1	6.0	4.1	2.9	2.0
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	5.7	4.7	5.5	10.1	6.5	4.4	3.0

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	8.2	6.3	5.5
EV/Sales	n.a.	n.a.	n.a.	n.a.	2.83	1.39	1.26	2.54	1.67	1.26	0.89
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	5.6	2.6	3.1	6.1	4.1	2.9	2.0
EV/EBITA	n.a.	n.a.	n.a.	n.a.	5.7	2.7	3.1	6.1	4.1	2.9	2.0
EV/EBIT	n.a.	n.a.	n.a.	n.a.	6.5	4.0	5.6	10.4	6.5	4.4	3.0
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	6.1%	7.9%	9.0%
FCF yield	n.a.	n.a.	n.a.	n.a.	-7.4%	8.1%	6.6%	-24.2%	15.3%	22.7%	30.0%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	-6.4%	33.9%	31.0%	14.9%	24.2%	29.1%	31.9%
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.	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**	**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	78	78	78
Enterprise value	n.a.	n.a.	n.a.	n.a.	72	33	37	98	87	74	57
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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This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Market-making obligations and other significant financial interest

Nordea has no market-making obligations in Raketech Group Holding shares.

As of 04/07/2022, Nordea Abp holds no positions of 0.5% or more of shares issued by Raketech Group Holding.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

Investment banking transactions

In view of Nordea's position in its markets readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking services to the company/companies

Issuer Review

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

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