Raketech Group Holding

Media
Sweden

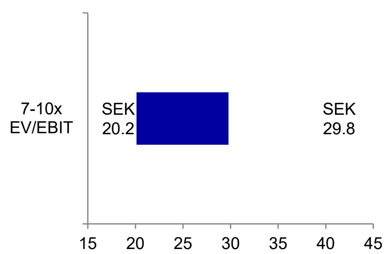
KEY DATA

Stock country	Sweden
Bloomberg	RAKE SS
Reuters	RAKE.ST
Share price (close)	SEK 17.44
Free Float	45%
Market cap. (bn)	EUR 0.07/SEK 0.74
Website	www.raketech.com
Next report date	10 Nov 2022

PERFORMANCE

Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

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

Source: Nordea estimates

Nordea Markets - Analysts
Marlon Värnik
Analyst

Klas Danielsson
Analyst

No drama in Q2; H2 2022 looks promising

As the Q2 report and the trading update for Q3 did not contain any surprises, we leave our 2022-24 estimates almost unchanged. We expect organic growth to return to positive territory (16%) from Q3 onwards as sporting activity is expected to accelerate towards the end of the quarter supported by the NFL season start in mid-September. We forecast organic growth and scalability effects in H2, mainly due to acquisition synergies, a hectic sporting calendar and the FIFA World Cup. We trim our fair value range to SEK 20.2-29.8 (SEK 21.1-31.1), reflecting 2022E EV/EBIT of 7-10x.

We remain optimistic about H2 2022

As expected, the Q2 comparable numbers proved tough in the Finnish, German and Dutch markets, due to recent regulatory changes, resulting in an organic contraction of 4% in the quarter. As we now enter the most hectic sporting period of the year, especially in the US (12% of sales), we forecast organic growth of 16% in Q3 and an even stronger end to 2022. With that said, we are not overly concerned about the trading update of EUR 3.9m for the month of July, which was 9% below our full Q3E daily average revenue. Instead, we expect US activity to increase significantly, but argue that uncertainty is high as it will be Raketech's first full US season since its US acquisitions.

A relative winner in a recession scenario, we argue

We expect gambling volume to drop but activity to remain stable. That said, we argue that the iGaming sector will outperform other sectors, despite weakening consumer spending. In that sense, we believe that casino and sports are relatively recession-proof. We have already taken a slightly softer approach to H2 2022 and 2023, and look for revenue to be at the lower end (EUR 52m) of Raketech's 2022 guidance of EUR 50-55m. We expect the Casinofeber restructuring and growth investments to have a negative impact, limiting the full-year EBITDA margin to 40%, also at the lower end of Raketech's EBITDA margin guidance (40-44%).

We leave our estimates almost unchanged

For 2022, we leave our revenue estimate unchanged and trim our EBIT estimate by 3%, mainly due to the EUR 0.2m non-recurring employee cost. This, together with a slight weakening in the EUR/SEK exchange rate since our last update, reduces our fair value range to SEK 20.2-29.8 (SEK 21.1-31.1), reflecting 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%	24.9%	28.4%	29.1%
EPS (adj, EUR)	0.16	0.16	0.15	0.19	0.22	0.31	0.35
EPS (adj) growth	1.7%	-2.1%	-2.3%	21.8%	19.9%	38.7%	14.3%
DPS (ord, EUR)	0.00	0.00	0.00	0.00	0.11	0.15	0.18
EV/Sales	2.8	1.4	1.3	2.5	1.5	1.1	0.7
EV/EBIT (adj)	5.7	4.7	5.5	10.1	6.0	3.9	2.5
P/E (adj)	11.9	5.8	7.0	12.5	7.4	5.4	4.7
P/BV	1.2	0.5	0.6	1.2	0.7	0.7	0.6
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	6.7%	9.3%	10.7%
FCF Yield bef A&D, lease	-6.4%	33.9%	31.0%	14.9%	27.3%	33.7%	37.0%
Net debt	0	-1	-3	-1	9	-4	-21
Net debt/EBITDA	0.0	0.0	-0.3	-0.1	0.5	-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

Q2 2022 outcome

Key deviations

Overall, the Q2 numbers are in line with our expectations, including revenue of EUR 11.3m (Nordea: EUR 11.4m). Tough y/y comparisons in Finland and for Casinofeber led to an organic decline of 4%, also in line with our estimate. However, adjusted EBITDA of EUR 4.0m was 8% below our estimate (Nordea: EUR 4.3m), corresponding to an adjusted EBITDA margin of 35% (Nordea: 37.5%). The deviation was mainly explained by a non-recurring cost of EUR 0.2m. Excluding this, the adjusted EBITDA miss would have been 3%.

RAKETECH: Q2 2022 DEVIATION TABLE (EPS IN EUR)

	Actual	NDA est.	Deviation		Actual		Actual	
EURm	**Q2 2022**	**Q2 2022**	**vs. actual**		**Q1 2022**	**q/q**	**Q2 2021**	**y/y**
Revenue	**11.3**	**11.4**	**-0.1**	**-1%**	**12.7**	**-11%**	**8.5**	**33%**
Other operating income		0.0	-	-	0.0	-	0.0	-
Total revenue	**11.3**	**11.4**	**-0.1**	**-1%**	**12.7**	**-11%**	**8.5**	**33%**
Direct costs	-3.3	-3.1	-0.2	6%	-3.6	-10%	-2.5	29%
Personnel expenses	-2.2	-2.1	-0.1	6%	-2.1	7%	-1.2	87%
Depreciation and amortisation	-1.8	-1.9	0.1	-6%	-1.9	-3%	-1.4	32%
Other operating expenses	-2.0	-1.9	-0.1	3%	-1.9	7%	-1.1	84%
Reported EBIT	**1.97**	**2.3**	**-0.4**	**-16%**	**3.2**	**-39%**	**2.3**	**-13%**
Non-recurring items		0.0	-	-	0.0	-	0.0	-
Adjusted EBIT	**2.0**	**2.3**	**-0.4**	**-16%**	**3.2**	**-39%**	**1.6**	**26%**
Net financials	-0.6	-0.7	-	-	-0.7	-	0.0	-
Profit before tax	**1.33**	**1.6**	**-0.3**	**-19%**	**2.5**	**-48%**	**2.3**	**-42%**
Income tax	-0.1	-0.2	-	-	-0.3	-	-0.2	-
Profit after tax	**1.25**	**1.5**	**-0.2**	**-14%**	**2.2**	**-44%**	**2.1**	**-40%**
EPS adj.	**0.03**	**0.03**	**0.00**	**-1%**	**0.05**	**-37%**	**0.06**	**-40%**
Key ratios								
EBITDA adj.	**4.0**	**4.3**	**-**	**-8%**	**5.1**	**-22%**	**3.6**	**9%**
Sales growth	33%	30%	-	3pp	53%	-20pp	45%	-11pp
EBITDA adj. growth	**9%**	**26%**	**-**	**-18pp**	**59%**	**-50pp**	**61%**	**-52pp**
EBIT adj. growth	-13%	46%	-	-59pp	106%	-119pp	161%	-174pp
EBITDA adj. margin	**35.0%**	**37.5%**	**-**	**-2.5pp**	**40.1%**	**-5pp**	**43.1%**	**-8pp**
EBIT adj. margin	17.4%	20.5%	-	-3pp	25.3%	-8pp	26.7%	-9pp
Tax rate	6.0%	11.6%	-	-6pp	11.6%	-6pp	10.1%	-4pp

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 2022	Q3 2022E	Q4 2022E
Revenue	**8.5**	**8.3**	**8.8**	**9.6**	**11.8**	**12.7**	**11.3**	**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**	**11.3**	**12.8**	**15.2**
Direct costs	-2.5	-2.9	-3.1	-2.7	-2.8	-3.6	-3.3	-3.4	-4.0
Personnel expenses	-1.2	-1.2	-1.1	-1.2	-1.3	-2.1	-2.2	-2.2	-2.3
Depreciation and amortisation	-1.4	-1.6	-1.8	-1.7	-1.6	-1.9	-1.8	-1.9	-2.1
Other operating expenses	-1.1	-1.0	-1.1	-1.3	-2.3	-1.9	-2.0	-2.0	-2.3
Adjusted EBIT	**2.3**	**1.6**	**1.6**	**2.7**	**3.8**	**3.2**	**2.0**	**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**	**2.0**	**3.2**	**4.6**
Net financials	0.0	-0.4	-0.3	-0.4	-0.7	-0.7	-0.6	-0.7	-0.7
Profit before tax	**2.3**	**1.2**	**1.3**	**2.0**	**3.1**	**2.5**	**1.3**	**2.5**	**3.9**
Income tax	-0.2	-0.1	-0.1	-0.2	-0.2	-0.3	-0.1	-0.2	-0.3
Profit after tax	**2.1**	**1.1**	**1.2**	**1.9**	**2.9**	**2.2**	**1.2**	**2.3**	**3.6**
EPS adj. (EUR)	**0.06**	**0.03**	**0.03**	**0.05**	**0.07**	**0.05**	**0.03**	**0.06**	**0.09**
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**	**3.8**	**5.1**	**6.7**
EBITDA adj. growth	61%	17%	20%	50%	49%	59%	12%	16%	23%
EBIT adj. growth	**161%**	**5%**	**5%**	**84%**	**68%**	**106%**	**23%**	**18%**	**20%**
EPS adj. growth	-707%	7%	1%	46%	24%	73%	-11%	16%	25%
EBITDA adj. margin	**43.1%**	**38.7%**	**38.7%**	**45.8%**	**46.0%**	**40.1%**	**33.6%**	**40.0%**	**44.0%**
EBIT adj. margin	26.7%	18.9%	18.2%	28.0%	32.1%	25.3%	17.4%	25.0%	30.0%
Tax rate	10.1%	5.1%	5.1%	7.4%	7.4%	11.6%	6.0%	8.0%	8.0%

Source: Company data and Nordea estimates

Estimate revisions

Minor estimate revisions triggered on back of slightly soft Q2

Overall, the Q2 report was in line with our expectations and triggered no major estimate revisions. We argue that the July trading update was decent, despite being 9% below our full-quarter daily average revenue. We expect underlying sporting activity to increase significantly towards the end of Q3. In total, we lower our 2022E full-year EBIT by 3%, triggered by higher-than-expected opex in Q2.

RAKETECH: ESTIMATE REVISIONS

	New estimates			Old Estimates			Difference		
EURm	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**
Revenue	**52.0**	**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	**52.0**	**58.8**	**64.1**	**52.1**	**58.8**	**64.1**	**0%**	**0%**	**0%**
Direct costs	-14.3	-14.7	-15.2	-14.1	-14.7	-15.2	1%	0%	0%
Personnel expenses	-8.8	-9.8	-11.0	-8.7	-9.8	-11.0	1%	0%	0%
Depreciation and amortisation	-7.7	-8.8	-9.6	-7.9	-8.8	-9.6	-1%	0%	0%
Other operating expenses	-8.2	-8.8	-9.6	-8.1	-8.8	-9.6	1%	0%	0%
Adjusted EBIT	**12.9**	**16.7**	**18.7**	**13.3**	**16.7**	**18.7**	**-3%**	**0%**	**0%**
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Reported EBIT	**12.9**	**16.7**	**18.7**	**13.3**	**16.7**	**18.7**	**-3%**	**0%**	**0%**
Interest payable on borrowings	-2.7	-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	**10.2**	**13.9**	**15.9**	**10.5**	**13.9**	**15.9**	**-3%**	**0%**	**0%**
Income tax	-0.9	-1.1	-1.3	-1.2	-1.6	-1.8	-	-	-
Profit after tax	**9.3**	**12.8**	**14.6**	**9.3**	**12.3**	**14.0**	**0%**	**4%**	**4%**
EPS adj. (EUR)	**0.22**	**0.31**	**0.35**	**0.22**	**0.28**	**0.32**	**3%**	**10%**	**10%**
Key ratios									
Sales growth	**35%**	**13%**	**9%**	**35%**	**13%**	**9%**	**0pp**	**0pp**	**0pp**
EBIT adj. growth	34%	29%	12%	38%	25%	12%	-4pp	4pp	0pp
EBITDA adj.	**20.7**	**25.5**	**28.3**	**21.2**	**25.5**	**28.3**	**-2%**	**0%**	**0%**
EBITDA adj. margin	**39.8%**	**43.4%**	**44.1%**	**40.6%**	**43.4%**	**44.1%**	**-0.8pp**	**0.0pp**	**0.0pp**
EBIT adj. margin	24.9%	28.4%	29.1%	25.5%	28.4%	29.1%	-0.7pp	0.0pp	0.0pp
Tax rate	8.6%	8.0%	8.0%	11.6%	11.6%	11.6%	-3.0pp	-3.6pp	-3.6pp

Source Nordea estimates

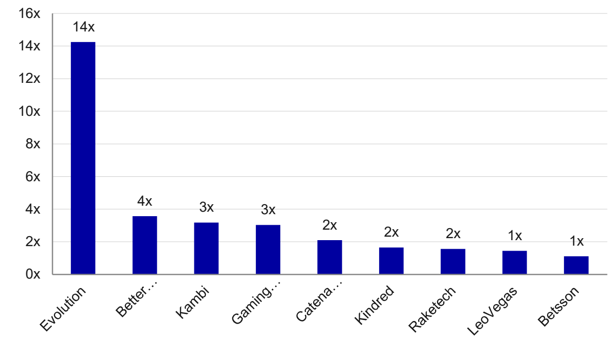
Valuation

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	215,940	14.2x	11.4x	20.4x	16.2x	22.6x	17.9x	24.5x	19.7x	40%	22%	2.0%	25%	19%	20%	63%
Kambi	5,831	3.2x	2.7x	8.3x	6.4x	16.0x	12.9x	24.0x	18.3x	-49%	31%	0.0%	14%	4%	-12%	20%
Operators																
Betsson	8,668	1.1x	1.0x	5.8x	5.6x	8.1x	7.7x	10.2x	9.6x	-10%	6%	5.0%	15%	8%	0%	14%
Kindred	22,300	1.7x	1.4x	13.6x	7.7x	20.0x	10.2x	23.2x	11.8x	-64%	82%	2.9%	12%	1%	-15%	9%
LeoVegas	6,270	1.4x	1.3x	12.0x	10.2x	18.1x	13.8x	41.9x	16.3x	-25%	107%	3.1%	32%	6%	42%	8%
Affilates																
Catena Media	2,564	2.1x	1.9x	4.9x	4.1x	6.4x	5.2x	8.3x	6.9x	3900%	21%	0.0%	20%	6%	-3%	33%
Gaming Innovation Group	2,446	3.0x	2.5x	8.0x	5.8x	16.7x	9.6x	20.9x	10.2x	470%	87%	0.0%	26%	16%	53%	18%
Better Collective	8,752	3.6x	3.0x	10.7x	8.5x	12.2x	9.5x	14.3x	11.1x	61%	29%	3.6%	15%	21%	27%	29%
Raketech	740	1.6x	1.4x	3.8x	3.2x	5.9x	4.7x	7.6x	6.0x	16%	27%	3.3%	12%	16%	25%	27%
Median	**6,270**	**2.1x**	**1.9x**	**8.3x**	**6.4x**	**16.0x**	**9.6x**	**20.9x**	**11.1x**	**16%**	**29%**	**2.9%**	**15%**	**8%**	**20%**	**20%**
International																
888	8,759	0.3x	0.2x	1.6x	1.3x	2.8x	2.1x	10.1x	6.6x	-31%	46%	0.0%	38%	36%	34%	10%
Bet-at-home	631	0.4x	0.4x	11.0x	7.6x	98.7x	15.2x	284.7x	53.4x	101%	433%	0.0%	N.A.	16%	39%	17%
Entain (prev. GVC)	104,736	2.5x	2.3x	11.3x	9.9x	18.0x	13.3x	22.4x	15.1x	22%	46%	1.2%	11%	5%	14%	14%
IGT	45,810	2.7x	2.7x	6.8x	6.8x	12.7x	12.0x	23.7x	15.2x	-	-	3.6%	18%			
Flutter (PaddyPower)	235,439	3.1x	2.7x	20.7x	14.1x	28.8x	18.2x	40.3x	21.8x	2%	73%	1.8%	5%	3%	2%	22%
Playtech	18,159	1.5x	1.5x	6.0x	5.8x	10.8x	9.6x	14.4x	11.9x	74%	15%	0.5%	7%	1%	18%	15%
Rank Group	5,166	0.8x	0.7x	-	3.7x	-	6.0x	-	7.6x	129%	98%	0.6%	N.A.	11%	17%	11%
Scientific Games	56,113	3.6x	3.3x	9.7x	8.9x	25.7x	16.1x	1.7x	23.2x	-	-93%	N.A.	-198%	8%	13%	15%
Tabcorp	15,582	1.8x	1.7x	11.6x	10.0x	53.5x	29.2x	48.3x	25.4x	-89%	90%	9.5%	3%	33%	-201%	7%
XLMedia	1,316	1.4x	1.3x	5.1x	4.0x	9.6x	5.7x	10.1x	8.5x	-	8%	0.0%	-			
DraftKings Inc	96,386	4.1x	3.1x	-	-	-	-	-	-	13%	30%	0.0%	-86%	2%		
Gan Ltd	1,896	1.0x	0.8x	9.0x	4.9x	-	-	-	-	22%	76%	0.0%	-5%	-21%	-39%	3%
Penn National	61,347	2.6x	2.5x	8.5x	8.3x	14.5x	14.0x	29.8x	20.1x	-53%	65%	0.0%	6%			
Median	**18,159**	**1.8x**	**1.7x**	**9.0x**	**7.2x**	**16.2x**	**13.3x**	**23.0x**	**15.2x**	**17%**	**55%**	**0.3%**	**6%**	**8%**	**0%**	**14%**

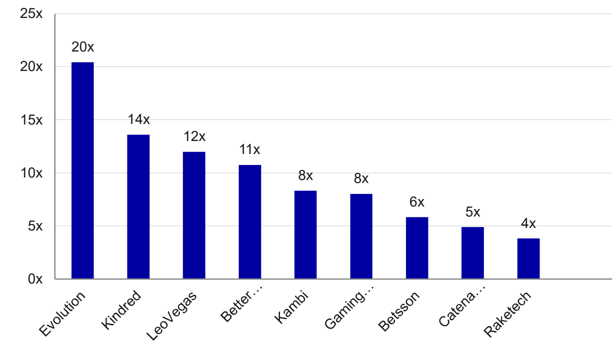
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/SALES, 2022E



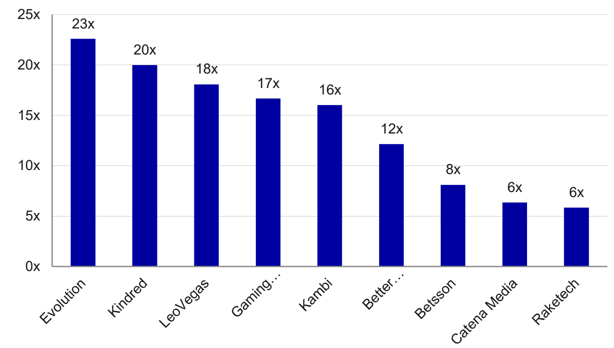
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBITDA, 2022E



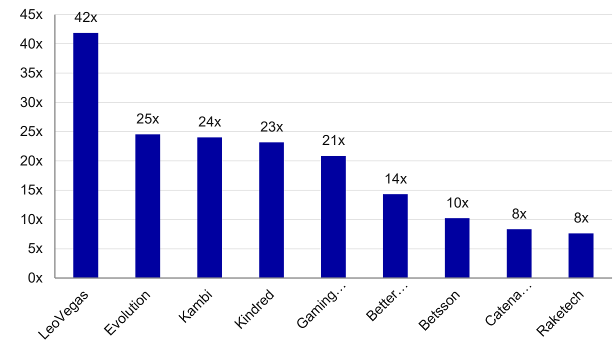
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBIT, 2022E



Source: Company data, Refinitiv and Nordea estimates

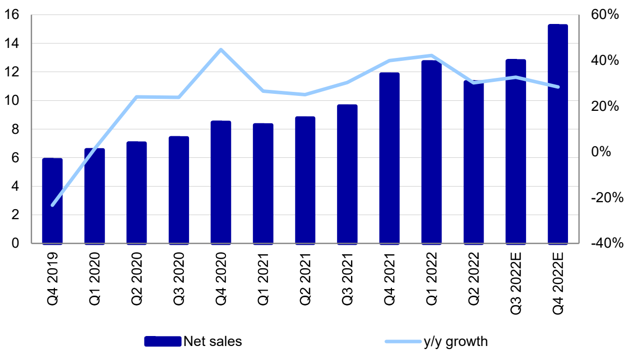
SWEDISH ONLINE GAMBLING: P/E, 2022E



Source: Company data, Refinitiv and Nordea estimates

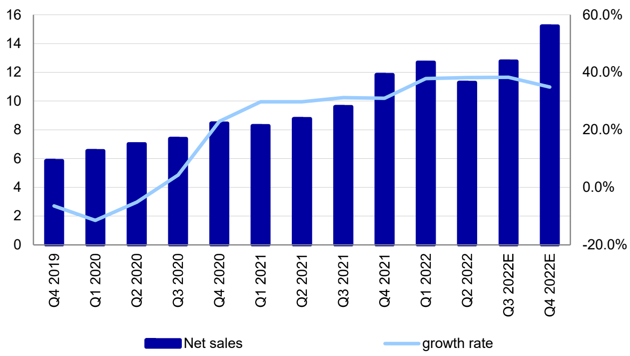
Key charts

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



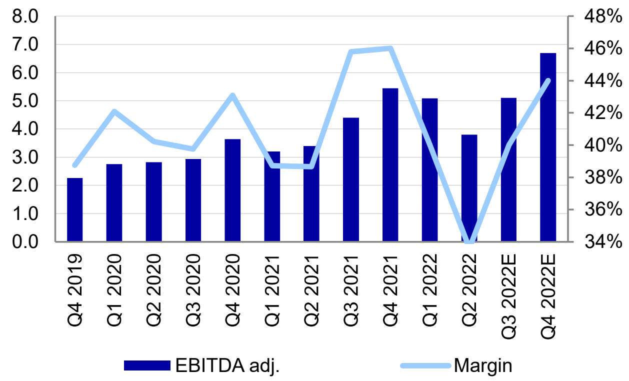
Source: Company data and Nordea estimates

NET SALES (EURm), LAST 12 MONTHS



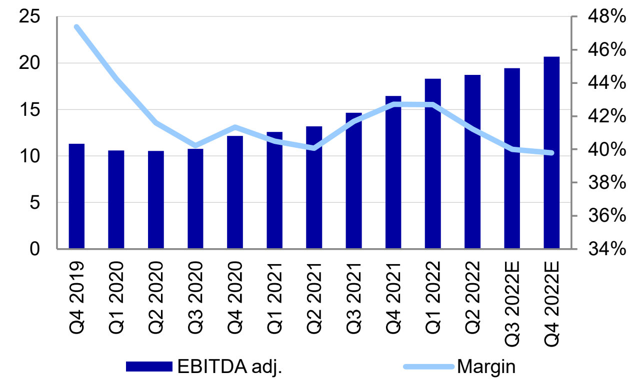
Source: Company data and Nordea estimates

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



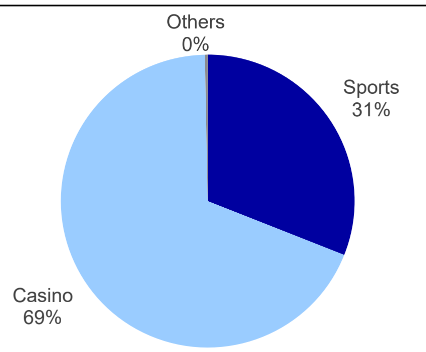
Source: Company data and Nordea estimates

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



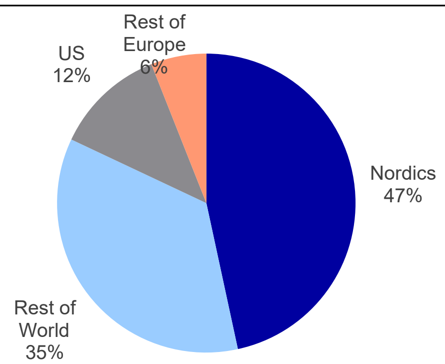
Source: Company data and Nordea estimates

VERTICAL SPLIT, Q2 2022



Source: Company data and Nordea

DETAILED MARKET OVERVIEW AS OF Q2 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%	34.9%	13.3%	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**	**10**	**14**	**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	9	13	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	9	13	15
EPS, EUR	**n.a.**	**n.a.**	**0.20**	**0.15**	**0.12**	**0.19**	**0.15**	**0.18**	**0.22**	**0.31**	**0.35**
DPS, EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.15	0.18
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.15	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%	39.8%	43.4%	44.1%
EBITA	n.a.	3.6%	77.3%	55.1%	50.0%	51.9%	40.0%	41.8%	39.6%	43.2%	44.0%
EBIT	n.a.	3.6%	76.9%	51.4%	43.7%	35.1%	22.5%	24.3%	24.9%	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	0.31	0.35
Adjusted profit margins in percent											
EBITDA (adj)	n.a.	3.6%	77.3%	56.4%	56.3%	47.4%	41.3%	42.7%	39.8%	43.4%	44.1%
EBITA (adj)	n.a.	3.6%	77.3%	56.2%	56.0%	46.5%	40.4%	42.5%	39.6%	43.2%	44.0%
EBIT (adj)	n.a.	3.6%	76.9%	52.5%	49.7%	29.7%	23.0%	25.1%	24.9%	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%	24.8%	18.2%	21.8%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	176.2%	14.9%	16.9%	14.7%	17.6%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	145.1%	3.1%	8.0%	8.4%	17.4%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2.4%	8.0%	21.0%	13.2%
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%	28.6%	26.6%	26.5%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	54.5%	51.7%	46.9%	43.9%	42.9%	42.3%

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	7.4	5.4	4.7
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	5.0	2.9	3.0	5.9	3.8	2.5	1.7
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	5.1	3.0	3.1	6.0	3.8	2.5	1.7
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	5.7	4.7	5.5	10.1	6.0	3.9	2.5

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	7.4	5.4	4.7
EV/Sales	n.a.	n.a.	n.a.	n.a.	2.83	1.39	1.26	2.54	1.50	1.10	0.73
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	5.6	2.6	3.1	6.1	3.8	2.5	1.7
EV/EBITA	n.a.	n.a.	n.a.	n.a.	5.7	2.7	3.1	6.1	3.8	2.5	1.7
EV/EBIT	n.a.	n.a.	n.a.	n.a.	6.5	4.0	5.6	10.4	6.0	3.9	2.5
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	6.7%	9.3%	10.7%
FCF yield	n.a.	n.a.	n.a.	n.a.	-7.4%	8.1%	6.6%	-24.2%	17.2%	26.4%	34.8%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	-6.4%	33.9%	31.0%	14.9%	27.3%	33.7%	37.0%
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	-8	6	23
Total current assets	0	1	1	6	12	8	10	9	1	16	34
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**	**150**
Shareholders equity	0	0	9	16	59	65	71	85	94	103	111
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	103	111
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**	**150**
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	105	113
ROE	n.m.	38.1%	n.m.	47.0%	12.2%	11.6%	8.2%	9.2%	10.4%	13.0%	13.7%
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	0.5	-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%	73.6%	73.7%	74.1%
Net gearing	n.m.	n.a.	n.a.	n.a.	n.a.	n.a.	-4.3%	-1.5%	10.0%	-3.9%	-19.4%

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	-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**	**17**	**22**	**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**	**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**	**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	24
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	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	69	69	69
Enterprise value	n.a.	n.a.	n.a.	n.a.	72	33	37	98	78	64	47
Diluted no. of shares, year-end (m)	0.0	37.9	37.9	37.9	37.9	37.4	37.4	42.4	41.3	41.3	41.3

Source: Company data and Nordea estimates

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