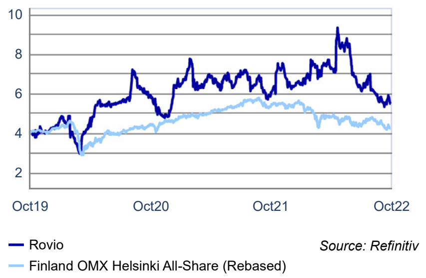
Rovio

Media
Finland

KEY DATA

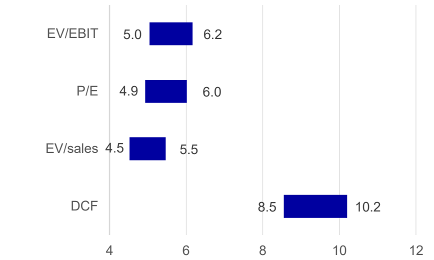
Stock country	Finland
Bloomberg	ROVIO FH
Reuters	ROVIO.HE
Share price (close)	EUR 5.53
Free Float	50%
Market cap. (bn)	EUR 0.41/EUR 0.41
Website	http://www.rovio.com/
Next report date	28 Oct 2022

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	-2%	-7%	-4%
EBIT (adj)	-1%	-4%	-3%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Felix Henriksson
Analyst

Marlon Värnik
Analyst

Firing on half the cylinders

We expect a sequential decline in Rovio's Games revenue for Q3 in the midst of mobile gaming market headwinds (reopening, inflation, Apple's ATT policy). Game-specific growth has been a mixed bag in Q3, with the two largest games AB2 and ABDB performing well, but AB Journey and AB Friends falling short of Q2 levels. We expect Rovio to reiterate its 2022 guidance for strong top-line growth (our estimate: 10%) and declining adjusted EBIT (our estimate: -13%). The UA guidance for Q4 will receive attention as we believe that a sequential uptick in UA could imply the launch of the much-awaited Hunter Assassin 2 in Q4. Rovio currently trades at 2023E EV/EBIT of 6x versus peers at 9x and Rovio's average NTM multiple of 10x since the IPO. We appreciate the recently launched share repurchasing programme (1.0% of total shares), which provides firepower for future M&A, and do not rule out further buybacks after the second tranche of the Ruby Games acquisition has been paid in October 2022.

Game portfolio performance a mixed bag for Q3

We forecast a 3.5% q/q decline in Games revenue for Q3 - a 9% y/y organic decline. According to Sensor Tower, the global mobile gaming market fell 13% y/y in Q3. Based on data.ai and Rovio's mid-quarter commentary, we see good momentum in ABDB while AB2 was stable q/q. However, AB Journey seems to be struggling with player engagement, and AB Friends suffered from technical issues with Facebook in Q3. Ruby Games lacked Q3 releases, but the development of Hunter Assassin 2 seems to be advancing. Rovio expects UA costs at the higher end of its 25-30% guidance of Games revenue in Q3 (Nordea: 29.4%), thanks to more UA on ABDB. We are 2% below Q3 Infront consensus on revenue and in line on adjusted EBIT.

Slightly more conservative view on game release schedule

We cut adjusted EBIT by 1-4% for 2022E-24E. We only fine-tune 2022E, whereas our revisions for 2023E and beyond are mainly owing to altered assumptions on the game release schedule. We expect the global launch of Hunter Assassin 2 for Q4 2022 (unchanged), Moomin: Puzzles and Design for Q2 2023 (Q1 2023) and Bad Piggies 2 for Q4 2023 (Q3 2023).

Fair value range of EUR 6.0-7.2

We derive a fair value range of EUR 6.0-7.2, based on a weighted average of four valuation methods (EV/EBIT, P/E, EV/sales and DCF). This implies 6.7x-8.7x EV/EBIT for 2023E versus our peer group median of 8.7x.

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	281	289	272	286	315	318	337
EBITDA (adj)	48	33	65	57	53	57	61
EBIT (adj)	31	18	47	44	38	45	50
EBIT (adj) margin	11.1%	6.4%	17.3%	15.3%	12.2%	14.2%	14.9%
EPS (adj, EUR)	0.31	0.17	0.48	0.49	0.43	0.48	0.53
EPS (adj) growth	-7.1%	-44.5%	180.7%	4.0%	-12.5%	11.3%	10.6%
DPS (ord, EUR)	0.09	0.09	0.12	0.12	0.13	0.14	0.15
EV/Sales	0.7	0.9	1.2	1.2	0.9	0.8	0.7
EV/EBIT (adj)	5.9	13.5	7.1	8.2	7.8	5.9	4.8
P/E (adj)	12.5	26.1	13.3	13.3	12.8	11.5	10.4
P/BV	1.9	2.1	2.8	2.4	1.9	1.7	1.5
Dividend yield (ord)	2.4%	2.0%	1.9%	1.8%	2.4%	2.5%	2.7%
FCF Yield bef A&D, lease	13.6%	1.8%	12.6%	7.7%	6.1%	10.4%	10.8%
Net debt	-120	-110	-129	-126	-107	-136	-166
Net debt/EBITDA	-2.5	-3.4	-2.2	-2.5	-2.2	-2.4	-2.7
ROIC after tax	53.6%	30.0%	79.7%	55.9%	30.3%	32.4%	36.4%

Source: Company data and Nordea estimates

Marketing material commissioned by Rovio

Estimate revisions

ESTIMATE REVISIONS (EPS AND DPS IN EUR)

	New estimates				Old estimates				Difference %			
EURm	**Q3 22E**	**2022E**	**2023E**	**2024E**	**Q3 22E**	**2022E**	**2023E**	**2024E**	**Q3 22E**	**2022E**	**2023E**	**2024E**
Sales	**75.5**	**315.1**	**318.4**	**336.6**	**77.0**	**320.5**	**343.1**	**352.2**	**-2%**	**-2%**	**-7%**	**-4%**
- growth y/y	5.8%	10.1%	1.0%	5.7%	7.9%	12.0%	7.0%	2.7%	-2.1pp	-1.9pp	-6.0pp	3.1pp
Adj. EBITDA	**14.9**	**52.5**	**57.5**	**61.0**	**16.3**	**52.9**	**59.2**	**62.7**	**-9%**	**-1%**	**-3%**	**-3%**
- margin	19.7%	16.7%	18.1%	18.1%	21.2%	16.5%	17.2%	17.8%	-1.5pp	0.2pp	0.8pp	0.3pp
Adj. EBIT	**11.4**	**38.3**	**45.4**	**50.2**	**12.9**	**38.8**	**47.0**	**51.9**	**-11%**	**-1%**	**-4%**	**-3%**
- margin	15.1%	12.2%	14.2%	14.9%	16.7%	12.1%	13.7%	14.7%	-1.6pp	0.1pp	0.5pp	0.2pp
EBIT	**11.4**	**35.1**	**45.4**	**50.2**	**12.9**	**35.6**	**47.0**	**51.9**	**-11%**	**-1%**	**-4%**	**-3%**
- margin	15.1%	11.2%	14.2%	14.9%	16.7%	11.1%	13.7%	14.7%	-1.6pp	0.1pp	0.5pp	0.2pp
PTP	11.4	37.3	45.4	50.2	12.9	37.8	47.0	51.9	-11%	-1%	-4%	-3%
Net profit	8.9	28.6	35.4	39.1	10.1	28.4	36.5	40.3	-11%	1%	-3%	-3%
EPS	**0.12**	**0.39**	**0.48**	**0.53**	**0.14**	**0.41**	**0.50**	**0.56**	**-11%**	**-7%**	**-6%**	**-5%**
DPS		**0.13**	**0.14**	**0.15**		**0.13**	**0.14**	**0.15**		**0%**	**0%**	**0%**

Source: Nordea estimates

Detailed estimates

REPORTED ANNUAL NUMBERS AND ESTIMATES (EURm, EUR AND %)

	2017	2018	2019	2020	2021	2022E	2023E	2024E	CAGR 18-21	CAGR 21-24E
Group estimates										
Revenue	**297.1**	**281.2**	**289.1**	**272.2**	**286.2**	**315.1**	**318.4**	**336.6**	**1%**	**6%**
- growth y/y		-5.4%	2.8%	-5.8%	5.1%	10.1%	1.0%	5.7%		
- organic					*5.8%*	*-4.8%*	*-3.4%*	*5.7%*		
- FX					*-2.5%*	*10.2%*	*4.4%*	*0.0%*		
- structure					*1.9%*	*4.7%*	*0.0%*	*0.0%*		
- growth q/q										
Materials and services	-81.8	-79.8	-77.3	-74.6	-74.5	-77.7	-78.7	-83.5	-2%	4%
Employee benefits expense	-52.0	-42.6	-41.7	-48.9	-52.0	-54.1	-56.9	-58.8	7%	4%
Other operating expenses	-104.2	-112.0	-138.4	-89.4	-109.7	-136.2	-126.2	-134.3	-1%	7%
EBITDA	**60.0**	**47.9**	**32.4**	**60.0**	**50.8**	**49.3**	**57.5**	**61.0**	**2%**	**6%**
Adj. EBITDA	**64.5**	**47.5**	**32.7**	**60.1**	**54.8**	**52.5**	**57.5**	**61.0**	**5%**	**4%**
- margin	21.7%	16.9%	11.3%	22.1%	19.2%	16.7%	18.1%	18.1%		
D&A	-28.6	-16.4	-14.3	-17.5	-12.9	-14.2	-12.1	-10.8		
EBIT	**31.4**	**31.5**	**18.1**	**42.5**	**37.9**	**35.1**	**45.4**	**50.2**	**6%**	**10%**
Adj. EBIT	**35.9**	**31.2**	**18.4**	**47.1**	**43.8**	**38.3**	**45.4**	**50.2**	**12%**	**5%**
- margin	12.1%	11.1%	6.4%	17.3%	15.3%	12.2%	14.2%	14.9%		
Net financials	-4.6	0.7	-0.3	-1.8	2.7	2.2	0.0	0.0		
PTP	**26.7**	**32.2**	**17.7**	**40.7**	**40.6**	**37.3**	**45.4**	**50.2**	**8%**	**7%**
Taxes	-6.0	-7.7	-4.5	-8.6	-10.2	-8.8	-10.0	-11.0		
- tax rate	22%	24%	25%	21%	25%	23%	22%	22%		
Net profit	**20.7**	**24.5**	**13.2**	**32.1**	**30.4**	**28.6**	**35.4**	**39.1**	**7%**	**9%**
EPS, diluted	**0.27**	**0.31**	**0.16**	**0.42**	**0.41**	**0.39**	**0.48**	**0.53**	**10%**	**9%**
Segment details										
Games										
Revenue	247.9	250.4	264.8	258.2	276.4	306.6	311.1	330.4	3%	6%
- growth y/y	55.9%	1.0%	5.8%	-2.5%	7.0%	10.9%	1.5%	6.2%		
- growth q/q										
UAC, EURm	69.6	78.6	99.6	58.8	77.3	95.4	85.2	96.6	-1%	8%
- % of revenue	28.1%	31.4%	37.6%	22.8%	28.0%	31.1%	27.4%	29.2%		
Brand licencing										
Revenue	49.1	30.8	24.3	13.9	9.9	8.5	7.2	6.2	-31%	-14%
- growth y/y		-37.3%	-21.1%	-42.8%	-28.8%	-14.3%	-14.7%	-13.8%		
- growth q/q										

Source: Company data and Nordea estimates

REPORTED QUARTERLY NUMBERS AND ESTIMATES (EURm, EUR AND %)

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22E	Q4 22E
Group estimates												
Revenue	**66.6**	**69.2**	**67.9**	**68.5**	**67.1**	**68.8**	**71.4**	**78.9**	**85.0**	**78.5**	**75.5**	**76.1**
- growth y/y	-6.1%	-3.6%	-9.2%	-4.3%	0.8%	-0.6%	5.2%	15.2%	26.7%	14.1%	5.8%	-3.6%
- organic	*-8.2%*	*-5.1%*	*-5.8%*	*0.7%*	*6.7%*	*5.5%*	*4.3%*	*6.2%*	*12.4%*	*-1.1%*	*-10.0%*	*-15.9%*
- FX	*2.1%*	*1.4%*	*-3.4%*	*-5.0%*	*-5.9%*	*-6.0%*	*-0.6%*	*3.0%*	*5.2%*	*8.7%*	*12.0%*	*12.4%*
- structure	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*1.5%*	*6.0%*	*9.1%*	*6.5%*	*3.8%*	*0.0%*
- growth q/q	-7.0%	3.9%	-1.9%	0.9%	-2.0%	2.5%	3.8%	10.5%	7.7%	-7.6%	-3.8%	0.8%
Materials and services	-18.1	-19.8	-18.5	-18.2	-18.2	-18.7	-18.3	-19.3	-20.9	-19.3	-18.5	-19.0
Employee benefits expense	-11.2	-12.1	-11.2	-14.4	-12.2	-12.9	-11.3	-15.6	-13.3	-14.6	-11.7	-14.5
Other operating expenses	-21.5	-21.5	-22.4	-24.0	-25.4	-28.6	-24.8	-30.9	-40.8	-31.3	-30.5	-33.6
EBITDA	**15.8**	**16.1**	**15.9**	**12.2**	**11.8**	**8.7**	**16.9**	**13.4**	**11.1**	**14.3**	**14.9**	**9.0**
Adj. EBITDA	**16.1**	**15.9**	**15.9**	**12.2**	**12.4**	**8.7**	**17.2**	**16.5**	**13.6**	**15.0**	**14.9**	**9.0**
- margin	24.2%	23.0%	23.4%	17.8%	18.5%	12.6%	24.1%	20.9%	16.0%	19.2%	19.7%	11.8%
D&A	-3.1	-2.0	-3.1	-9.3	-2.2	-2.5	-2.9	-5.3	-3.6	-3.8	-3.5	-3.3
EBIT	**12.7**	**14.1**	**12.8**	**2.9**	**9.6**	**6.2**	**14.0**	**8.1**	**7.5**	**10.5**	**11.4**	**5.7**
Adj. EBIT	**13.0**	**13.8**	**12.8**	**7.5**	**10.2**	**6.2**	**14.3**	**13.1**	**10.0**	**11.2**	**11.4**	**5.7**
- margin	19.5%	19.9%	18.9%	10.9%	15.2%	9.0%	20.1%	16.6%	11.8%	14.3%	15.1%	7.5%
Net financials	-1.2	0.7	-0.7	-0.6	0.9	0.1	0.6	1.1	0.2	2.0	0.0	0.0
PTP	**11.5**	**14.8**	**12.1**	**2.3**	**10.5**	**6.3**	**14.6**	**9.2**	**7.7**	**12.5**	**11.4**	**5.7**
Taxes	-2.6	-3.7	-2.9	0.6	-3.0	-1.1	-3.1	-3.0	-2.2	-2.8	-2.5	-1.3
- tax rate	23%	25%	24%	-26%	29%	17%	21%	33%	29%	22%	22%	22%
Net profit	**8.9**	**11.1**	**9.2**	**2.9**	**7.5**	**5.2**	**11.5**	**6.2**	**5.5**	**9.7**	**8.9**	**4.4**
EPS, diluted	**0.11**	**0.15**	**0.12**	**0.04**	**0.10**	**0.07**	**0.16**	**0.08**	**0.07**	**0.13**	**0.12**	**0.06**
Segment details												
Games												
Revenue	62.7	66.9	64.2	64.4	64.9	66.4	68.6	76.5	82.3	75.9	73.3	75.2
- growth y/y	-5.4%	2.3%	-3.3%	-3.4%	3.5%	-0.7%	6.9%	18.8%	26.8%	14.3%	6.8%	-1.8%
- growth q/q	-6.0%	6.7%	-4.0%	0.3%	0.8%	2.3%	3.3%	11.5%	7.6%	-7.8%	-3.5%	2.6%
UAC, EURm	13.5	14.0	15.3	16.0	17.3	21.3	18.1	20.6	31.3	20.9	21.5	21.7
- % of revenue	21.5%	20.9%	23.8%	24.8%	26.7%	32.1%	26.4%	26.9%	38.0%	27.5%	29.4%	28.8%
Brand licencing												
Revenue	3.9	2.3	3.7	4.1	2.2	2.4	2.8	2.4	2.7	2.6	2.2	0.9
- growth y/y	-15.2%	-64.1%	-56.0%	-16.3%	-43.6%	4.3%	-24.3%	-41.5%	22.7%	8.3%	-19.8%	-60.8%
- growth q/q	-20.4%	-41.0%	60.9%	10.8%	-46.3%	9.1%	16.7%	-14.3%	12.5%	-3.7%	-13.7%	-58.1%

Source: Company data and Nordea estimates

ESTIMATED KPIs FOR ROVIO'S GAME PORTFOLIO (MILLIONS AND %), ANNUAL

GAME KPIs	2017	2018	2019	2020	2021	2022E	2023E	2024E
Bookings								
Gross bookings - TOP 5	201	213	228	223	229	242	219	202
Gross bookings - All	249	253	263	259	272	302	311	330
Rolling 12M - TOP5	201	213	228	223	229	242	219	202
Rolling 12M - All	249	253	263	259	272	302	311	330
User amount								
DAU - TOP 5	4.6	3.7	3.7	3.5	3.2	3.5	3.3	3.0
DAU - All	10.4	8.1	6.4	4.9	5.0	8.0	8.8	8.1
MAU - TOP 5	23.8	19.6	18.8	18.9	17.4	18.2	16.0	14.5
MAU - All	76.8	58.9	43.2	31.4	32.1	57.9	63.5	56.8
Engagement								
DAU/MAU - TOP 5	19%	19%	20%	18%	18%	19%	21%	20%
DAU/MAU - All	14%	14%	15%	15%	15%	14%	14%	14%
Retention								
MAU retention - TOP5	0%	82%	96%	101%	92%	104%	88%	90%
MAU retention - All	0%	77%	73%	73%	102%	180%	110%	89%
Conversion								
MUP - TOP 5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.3
MUP - All	0.6	0.5	0.5	0.5	0.5	0.6	0.6	0.6
Conversion rate (TOP5)	2.0%	2.3%	2.2%	2.1%	2.3%	2.2%	2.2%	2.2%
Conversion rate (All)	0.7%	0.9%	1.1%	1.5%	1.5%	1.0%	1.0%	1.0%
Monetisation								
ARPDAU - TOP 5	0.12	0.16	0.17	0.18	0.20	0.19	0.18	0.19
ARPDAU - All	0.07	0.09	0.11	0.15	0.15	0.10	0.10	0.11
MARPPU - TOP 5	32.9	36.0	39.2	41.7	41.1	47.1	51.1	52.1
MARPPU - All	32.9	35.7	38.7	41.7	41.2	40.7	41.9	49.5

Source: Company data and Nordea estimates

ESTIMATED KPIs FOR ROVIO'S GAME PORTFOLIO (MILLIONS AND %), QUARTERLY

GAME KPIs	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22E	Q4 22E
Bookings												
Gross bookings - TOP 5	54	59	55	56	55	57	56	61	67	61	57	57
Gross bookings - All	62	68	65	65	64	67	67	74	81	72	73	75
Rolling 12M - TOP5	225	227	225	223	224	223	224	229	241	245	246	242
Rolling 12M - All	259	262	261	259	261	260	262	272	288	294	300	302
User amount												
DAU - TOP 5	3.7	3.7	3.2	3.2	3.1	3.1	3.2	3.2	3.6	3.3	3.5	3.5
DAU - All	5.4	5.1	4.5	4.4	4.2	4.2	4.9	6.5	7.3	6.7	8.8	9.3
MAU - TOP 5	19.7	20.1	18.1	17.6	16.6	17.1	17.9	18.1	20.8	18.1	17.0	16.9
MAU - All	36.5	32.5	29.4	27.3	25.6	26.0	32.0	44.8	53.3	45.8	63.6	68.8
Engagement												
DAU/MAU - TOP 5	19%	18%	18%	18%	19%	18%	18%	18%	17%	18%	20%	21%
DAU/MAU - All	15%	16%	15%	16%	16%	16%	15%	15%	14%	15%	14%	14%
Retention												
MAU retention - TOP5	94%	102%	90%	97%	94%	103%	105%	101%	115%	87%	94%	99%
MAU retention - All	98%	89%	90%	93%	94%	102%	123%	140%	119%	86%	139%	108%
Conversion												
MUP - TOP 5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4
MUP - All	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.6	0.7
Conversion rate (TOP5)	2.0%	1.9%	2.1%	2.3%	2.4%	2.3%	2.2%	2.3%	2.2%	2.2%	2.2%	2.2%
Conversion rate (All)	1.2%	1.4%	1.5%	1.7%	1.8%	1.8%	1.5%	1.1%	1.0%	1.0%	1.0%	1.0%
Monetisation												
ARPDAU - TOP 5	0.16	0.17	0.19	0.19	0.20	0.20	0.19	0.21	0.21	0.20	0.18	0.18
ARPDAU - All	0.13	0.15	0.16	0.16	0.17	0.17	0.15	0.12	0.12	0.12	0.09	0.09
MARPPU - TOP 5	39.6	44.9	42.6	39.8	40.7	41.7	40.6	41.4	41.9	45.4	50.4	50.8
MARPPU - All	39.6	44.7	42.5	39.9	41.1	42.5	40.2	40.9	41.5	44.7	39.2	37.2

Source: Company data and Nordea estimates

GAMES ESTIMATES BY TITLE, ANNUAL (EURm)

	2017	2018	2019	2020	2021	2022E	2023E	2024E
AB2								
Gross bookings	78.7	117.3	108.4	106.5	107.9	116.4	111.9	103.7
- % of total	*32%*	*46%*	*41%*	*41%*	*40%*	*39%*	*36%*	*31%*
UAC	31.5	39.9	16.3	17.7	19.7	22.6	17.3	12.0
AB Dream Blast								
Gross bookings	0.0	0.5	57.5	63.2	61.6	61.4	61.1	56.5
- % of total	*0%*	*0%*	*22%*	*24%*	*23%*	*20%*	*20%*	*17%*
UAC	0.0	11.5	60.8	28.0	28.3	27.8	18.4	14.1
AB Match								
Gross bookings	10.1	26.2	24.4	13.4	8.8	7.4	5.2	3.4
- % of total	*4%*	*10%*	*9%*	*5%*	*3%*	*2%*	*2%*	*1%*
UAC	5.3	6.9	4.0	0.4	0.0	0.0	0.0	0.0
AB Friends								
Gross bookings	32.7	31.3	25.9	28.1	34.2	36.1	34.7	33.4
- % of total	*13%*	*12%*	*10%*	*11%*	*13%*	*12%*	*11%*	*10%*
UAC	7.4	8.3	3.3	0.6	0.0	0.0	0.0	0.0
Small Town Murders								
Gross bookings	0.0	0.0	0.0	7.8	15.5	7.3	5.8	4.5
- % of total	*0%*	*0%*	*0%*	*3%*	*6%*	*2%*	*2%*	*1%*
UAC	0.0	0.0	0.0	8.7	14.3	1.7	0.0	0.0
Sugar Blast								
Gross bookings	0.0	0.0	2.7	9.9	9.2	6.7	5.7	5.1
- % of total	*0%*	*0%*	*1%*	*4%*	*3%*	*2%*	*2%*	*2%*
UAC	0.0	0.0	6.2	3.5	2.1	0.0	0.0	0.0
Darkfire Heroes								
Gross bookings	0.0	0.0	0.0	0.0	2.0	0.9	0.8	0.7
- % of total	*0%*	*0%*	*0%*	*0%*	*1%*	*0%*	*0%*	*0%*
UAC	0.0	0.0	0.0	0.0	5.5	0.0	0.0	0.0
AB Journey								
Gross bookings	0.0	0.0	0.0	0.0	3.1	30.8	27.6	21.7
- % of total	*0%*	*0%*	*0%*	*0%*	*1%*	*10%*	*9%*	*7%*
UAC	0.0	0.0	0.0	0.0	3.2	24.4	13.8	7.9
Moomin: Puzzle and Design								
Gross bookings	0.0	0.0	0.0	0.0	0.0	0.0	22.8	38.1
- % of total	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*7%*	*12%*
UAC	0.0	0.0	0.0	0.0	0.0	0.0	19.7	22.8
Hypercasual (Ruby Games)								
Gross bookings	0.0	0.0	0.0	0.0	5.1	21.0	21.2	17.2
- % of total	*0%*	*0%*	*0%*	*0%*	*2%*	*7%*	*7%*	*5%*
UAC	0.0	0.0	0.0	0.0	0.0	18.6	11.9	8.6
Other								
Gross bookings	127.1	78.0	44.2	30.3	24.1	13.7	14.3	46.2
- % of total	*51%*	*31%*	*17%*	*12%*	*9%*	*5%*	*5%*	*14%*
UAC	25.4	12.1	9.0	0.0	4.2	0.2	4.0	31.3

Source: Company data and Nordea estimates

GAMES ESTIMATES BY TITLE, QUARTERLY (EURm)

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22E	Q4 22E
AB2												
Gross bookings	25.0	28.8	26.5	26.2	25.2	26.6	26.6	29.5	30.3	28.4	28.9	28.8
- % of total	*40%*	*43%*	*41%*	*40%*	*39%*	*40%*	*40%*	*40%*	*38%*	*39%*	*39%*	*38%*
UAC	3.5	6.0	3.9	4.2	4.5	4.8	4.8	5.6	5.9	5.7	5.8	5.2
AB Dream Blast												
Gross bookings	16.1	16.4	15.5	15.2	15.4	15.0	15.0	16.2	14.9	14.1	16.2	16.2
- % of total	*26%*	*24%*	*24%*	*23%*	*24%*	*23%*	*22%*	*22%*	*18%*	*19%*	*22%*	*22%*
UAC	8.0	6.0	7.0	7.0	7.0	7.0	6.8	7.5	6.7	5.9	8.3	7.0
AB Match												
Gross bookings	4.4	3.6	2.9	2.5	2.4	2.2	2.1	2.1	2.0	1.9	1.8	1.7
- % of total	*7%*	*5%*	*4%*	*4%*	*4%*	*3%*	*3%*	*3%*	*2%*	*3%*	*2%*	*2%*
UAC	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AB Friends												
Gross bookings	5.6	7.3	7.2	8.0	8.1	8.3	8.5	9.3	9.3	9.1	8.7	9.0
- % of total	*9%*	*11%*	*11%*	*12%*	*13%*	*12%*	*13%*	*13%*	*12%*	*13%*	*12%*	*12%*
UAC	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Small Town Murders												
Gross bookings	0.0	1.0	3.0	3.8	3.9	4.7	4.1	2.8	2.2	1.8	1.7	1.6
- % of total	*0%*	*1%*	*5%*	*6%*	*6%*	*7%*	*6%*	*4%*	*3%*	*2%*	*2%*	*2%*
UAC	0.0	1.5	3.4	3.8	3.7	5.0	4.2	1.4	1.1	0.4	0.2	0.2
Sugar Blast												
Gross bookings	2.3	2.6	2.5	2.5	2.5	2.5	2.2	2.0	1.8	1.7	1.6	1.6
- % of total	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*	*3%*	*3%*	*2%*	*2%*	*2%*	*2%*
UAC	1.0	0.5	1.0	1.0	1.0	0.9	0.2	0.0	0.0	0.0	0.0	0.0
Darkfire Heroes												
Gross bookings	0.0	0.0	0.0	0.0	0.0	1.1	0.6	0.3	0.2	0.2	0.2	0.2
- % of total	*0%*	*0%*	*0%*	*0%*	*0%*	*2%*	*1%*	*0%*	*0%*	*0%*	*0%*	*0%*
UAC	0.0	0.0	0.0	0.0	1.0	3.0	1.5	0.0	0.0	0.0	0.0	0.0
AB Journey												
Gross bookings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.1	10.1	7.3	6.7	6.7
- % of total	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*4%*	*13%*	*10%*	*9%*	*9%*
UAC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.2	11.3	5.1	4.0	4.0
Moomin: Puzzle and Design												
Gross bookings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- % of total	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
UAC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hypercasual (Ruby Games)												
Gross bookings	0.0	0.0	0.0	0.0	0.0	0.0	1.0	4.1	6.1	4.5	4.1	6.3
- % of total	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*1%*	*6%*	*8%*	*6%*	*6%*	*8%*
UAC	0.0	0.0	0.0	0.0	0.0	0.0	0.6	2.9	6.1	3.8	3.3	5.3
Other												
Gross bookings	8.7	8.0	6.9	6.7	6.7	6.2	6.6	4.6	3.9	3.4	3.3	3.1
- % of total	*14%*	*12%*	*11%*	*10%*	*10%*	*9%*	*10%*	*6%*	*5%*	*5%*	*4%*	*4%*
UAC	0.1	0.0	0.0	0.0	0.1	0.6	0.0	0.0	0.2	0.0	0.0	0.0

Source: Company data and Nordea estimates

Valuation

DCF valuation range of EUR 8.4-10.2

DCF valuation

We base our DCF valuation on a bottom-up approach, through which we forecast current and upcoming quarterly revenues for 2022-24 on a game-by-game basis. We model user acquisition and marketing costs using the same approach for the corresponding period. When valuing the Brand Licensing business, we take a similar bottom-up approach, forecasting quarterly revenue, profitability and capex for the business unit. We apply a 7.8-9.8% WACC to our DCF valuation.

DCF VALUATION (EURm AND EUR PER SHARE)

DCF value	Value	Per share
NPV FCFF	446-582	6.1-7.9
(Net debt)	126	1.7
Market value of associates	0	0.0
(Market value of minorities)	0	0.0
Surplus values	0	0.0
(Market value preference shares)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
Time value	43	0.6
DCF Value	**615-751**	**8.4-10.2**

Source: Company data and Nordea estimates

WACC COMPONENTS

WACC components	
Risk-free interest rate	3.0%
Market risk premium	4.0%
Forward looking asset beta	nm
Beta debt	0.2
Forward looking equity beta	1.2-1.7
Cost of equity	7.8-9.8%
Cost of debt	3.0%
Tax-rate used in WACC	20%
Equity weight	100%
WACC	**7.8-9.8%**

Source: Company data and Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	2022-27	2028-32	2033-37	2038-42	2043-47	2048-52	Sust.
Sales growth, CAGR	4.13%	4.0%	3.5%	3.0%	2.5%	2.0%	
EBIT-margin, ex. associates	14.8%	14.0%	12.0%	12.0%	12.0%	0.5%	
Capex/depreciation, x	0.6	0.8	0.8	0.8	0.8	0.8	
Capex/sales	2.0%	1.5%	1.5%	1.5%	1.5%	1.5%	
NWC/sales	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	
FCFF, CAGR	-233.2%	1.1%	0.6%	3.1%	2.6%	-43.0%	2.5%

Source: Company data and Nordea estimates

Relative valuation complements our DCF model

Our peer group for relative valuation consists of Western mobile gaming companies. In terms of benchmarking, we regard EV-based multiples, such as EV/EBIT, EV/EBITDA and EV/sales, as the most relevant multiples for the gaming sector. EV/sales is especially interesting thanks to its stability – from time to time, other multiples can be inflated as a result of timing effects in revenue recognition and game releases.

EV/sales, although also volatile, varies far less. EV multiples are also preferable because many companies in the mobile gaming business have net cash positions, and EV multiples are neutral to a company's financial gearing, thus giving a better comparison point.

Lastly, we add the traditional P/E multiple and FCF yield to complement our EV-based relative valuation framework.

WESTERN MOBILE GAMING PEERS: VALUATION MULTIPLES

	EV/Sales			EV/EBITDA			EV/EBIT			P/E			FCF yield		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Western mobile gaming peers															
G5 Entertainment Ab (Publ)	1.0	1.0	0.9	4.7	3.6	3.2	8.4	5.7	5.1	11.5	7.2	6.4	6.5%	8.9%	10.8%
Mag Interactive Ab (Publ)	1.2	1.0		5.0	4.7		14.5	12.2					9.2%	11.3%	
Modern Times Group Mtg Ab	0.4	0.4	0.3	1.6	1.5	1.4	3.2	2.7	2.4	19.3	15.5	12.6	5.6%	7.0%	7.8%
Playtika Holding Corp	2.1	2.0	1.8	5.9	5.5	5.3	11.6	9.7	8.6	16.0	13.2	11.1	9.4%	12.8%	13.6%
Stillfront Group Ab (Publ)	2.4	2.2	2.0	6.6	5.8	5.4	10.2	8.7	7.9	9.5	8.3	7.4	4.8%	10.4%	11.4%
Peer average	1.4	1.3	1.3	4.8	4.2	3.8	9.6	7.8	6.0	14.1	11.0	9.4	7.1%	10.1%	10.9%
Peer median	**1.2**	**1.0**	**1.4**	**5.0**	**4.7**	**4.3**	**10.2**	**8.7**	**6.5**	**13.7**	**10.7**	**9.3**	**6.5%**	**10.4%**	**11.1%**
Rovio Entertainment Oyj (NDA)	**0.9**	**0.8**	**0.7**	**5.7**	**4.7**	**3.9**	**7.8**	**5.9**	**4.8**	**12.8**	**11.5**	**10.4**	**6.1%**	**10.4%**	**10.8%**
difference	**-18%**	**-18%**	**-49%**	**13%**	**1%**	**-8%**	**-24%**	**-31%**	**-26%**	**-7%**	**7%**	**12%**	**-0.1pp**	**0.0pp**	**0.0pp**
Rovio Entertainment Oyj (consensus)	1.0	1.0	1.0	6.4	5.8	5.7	9.0	7.7	7.1	13.6	12.2	11.4	4.4%	8.6%	8.4%
difference	-9%	-1%	-28%	27%	25%	33%	-12%	-11%	10%	-1%	14%	23%	-0.3pp	-0.2pp	-0.2pp

Source: Refinitiv and Nordea estimates

WESTERN MOBILE GAMING PEERS: KEY FINANCIALS AND KPIs*

	Country	Price Local	Mcap EURm	EV EURm	Sales CAGR 19-21	Sales CAGR 21-24E	EBITDA margin 2022E	EBITDA margin 2023E	EBITDA margin 2024E	DAU (mln)	MAU (mln)	DAU/ MAU	ARPDAU USD
Western mobile gaming peers													
G5 Entertainment Ab (Publ)	Sweden	190	153	131	5.4%	2.5%	22.1%	27.6%	29.2%	1.8	6.4	28%	
Mag Interactive Ab (Publ)	Sweden	20	49	40	29.0%		23.0%	22.3%		1.5	4.3	35%	
Modern Times Group Mtg Ab	Sweden	75	879	201	13.5%	5.3%	23.8%	23.5%	23.8%	0.2	0.6	31%	0.38
Playtika Holding Corp	Israel	10	4,301	5,435	14.6%	10.1%	35.0%	35.5%	34.6%	9.8	35.3	28%	0.74
Stillfront Group Ab (Publ)	Sweden	26	1,239	1,546	70.2%	12.7%	35.6%	37.1%	37.7%	12.7	66.0	19%	0.13
Peer average					26.5%	7.6%	27.9%	29.2%	31.4%	5.2	22.5	28%	0.42
Peer median					**14.6%**	**7.7%**	**23.8%**	**27.6%**	**31.9%**	**1.8**	**6.4**	**28%**	**0.38**
Rovio Entertainment Oyj (NDA)	**Finland**	**5.5**	**461**	**332**	**-0.5%**	**5.6%**	**16.7%**	**18.1%**	**18.1%**	**7.3**	**53.3**	**14%**	**0.12**
difference					**-15pp**	**-2pp**	**-7.1pp**	**-10pp**	**-14pp**	**306%**	**733%**	**-14pp**	**-26pp**
Rovio Entertainment Oyj (consensus)	Finland	5.5	461	332	-0.5%	5.1%	16.4%	17.6%	17.6%	n.a.	n.a.	n.a.	n.a.
difference					-15pp	-3pp	-7pp	-10pp	-14pp	n.a.	n.a.	n.a.	n.a.

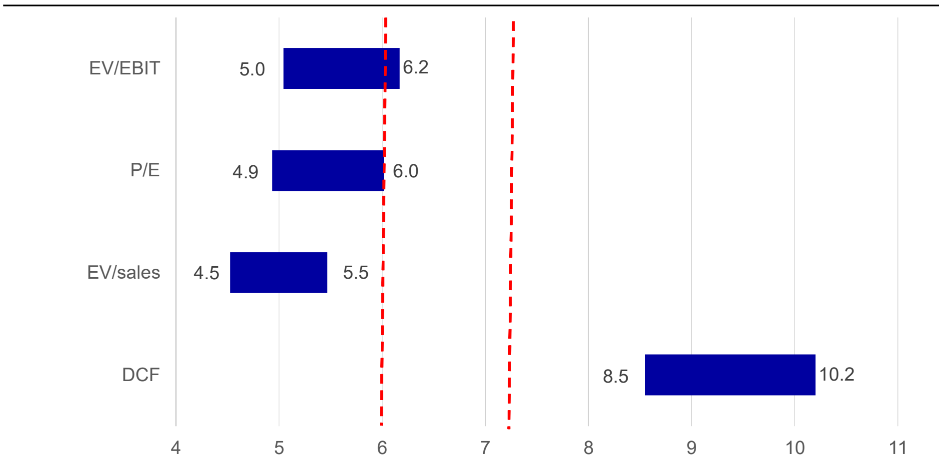
*KPI figures (DAU, MAU, ARPDAU) are based on the latest fiscal quarter

Source: Company data, Refinitiv and Nordea estimates

Nordea valuation range of EUR 6.0-7.2 (6.0-7.8)

We derive a DCF-based fair value range of EUR 8.4-10.2 per share by applying a WACC range of 7.8-9.8%. We also include a relative valuation by applying a 15% range to the median EV/EBIT, P/E and EV/sales multiples of Western mobile gaming peers. We apply a 30% discount to the median multiples, as Rovio's growth profile is weaker than that of the peer group. We note that peer multiples have been subject to derating in recent past. We calculate a weighted average of the above-mentioned valuation approaches, which yields a fair value range of EUR 6.0-7.2 per share. The share could be set for a rerating if the company can achieve top-line growth and game portfolio diversification through a successful game launch or via M&A.

VALUATION APPROACHES (EUR PER SHARE)



Source: Company data and Nordea estimates

Risk factors

Below, we list the main risk factors that we find relevant for Rovio. The purpose of this is not to provide a comprehensive list of all the risks that the company may face but instead to highlight those that we find most relevant. In our view, the relevant short-term risks mainly come from external sources.

IDFA depreciation
Apple announced changes to its iOS privacy settings in 2020. New versions of iOS ask permission for an app to track the user across other apps and websites. The answer to this question determines whether the app has access to the device identifier for advertisers (IDFA). If users deny permission, targeted user acquisition could become more difficult for gaming companies. As the change in access to IDFA came into force in 2021, it remains uncertain how this will affect mobile gaming companies' user-acquisition methodologies. This consequently puts the efficiency of mobile gaming companies' user acquisition at risk.

Decline of the appeal of the Angry Birds brand
Although Rovio has launched non-Angry Birds games, the company's revenue effectively comes from Angry Birds-related games and licensing. Thus, a decline in the appeal of the brand would have consequences, especially for the licensing business.

Ability to release games according to expected schedule
Consensus estimates are fairly sensitive to changes in the game launch schedule. If Rovio cannot launch new games according to the expected schedule, this could trigger large estimate revisions.

Ability to attract and retain top talent
Given the global and highly competitive nature of the mobile gaming market, Rovio's success depends on attracting and retaining top international specialists and executives.

Ability to develop games with lucrative feature sets
According to a study by GameRefinery, 50% of a game's success is explained by its feature set. Mobile gaming is still a nascent industry, which means that "a winning feature set" is a constantly moving target, making success extremely hard to replicate in subsequent games.

Failure to create new IP and enter new genres
Rovio's current game portfolio is dependent on Angry Birds-themed casual games, such as slingshot, match-3 and bubble-popping games. In the future, Rovio aims diversify its game portfolio to IPs other than Angry Birds. This may prove a costly task, eroding Rovio's profitability and cash position.

Regulation
The mobile gaming industry is facing increasing regulation, especially in China. The trend towards tighter regulation of mobile game monetisation could hamper Rovio's financial performance in the long run.

Macroeconomic factors
A slowdown in global GDP growth or rising inflation could impact consumers' willingness to spend money on mobile games.

Reported numbers and forecasts

INCOME STATEMENT											
EURm	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
Total revenue	**158**	**142**	**192**	**297**	**281**	**289**	**272**	**286**	**315**	**318**	**337**
Revenue growth	n.a.	-10.3%	34.9%	55.0%	-5.4%	2.8%	-5.8%	5.1%	10.1%	1.0%	5.7%
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	17	-6	35	60	48	32	60	51	49	57	61
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	17	-6	35	60	48	32	60	51	49	57	61
Amortisation and impairments	-7	-15	-18	-29	-16	-14	-18	-13	-14	-12	-11
EBIT	10	-22	17	31	32	18	43	38	35	45	50
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	1	1	-1	-5	1	0	-2	3	2	0	0
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	**11**	**-21**	**16**	**27**	**32**	**18**	**41**	**41**	**37**	**45**	**50**
Reported taxes	-3	3	-5	-6	-8	-5	-9	-10	-9	-10	-11
Net profit from continued operations	8	-18	11	21	25	13	32	30	29	35	39
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	8	-18	11	21	25	13	32	30	29	35	39
EPS, EUR	**0.11**	**-0.24**	**0.14**	**0.27**	**0.31**	**0.17**	**0.42**	**0.41**	**0.39**	**0.48**	**0.53**
DPS, EUR	0.04	0.00	0.06	0.06	0.09	0.09	0.12	0.12	0.13	0.14	0.15
of which ordinary	0.04	0.00	0.06	0.06	0.09	0.09	0.12	0.12	0.13	0.14	0.15
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	10.8%	-4.5%	18.5%	20.2%	17.0%	11.2%	22.0%	17.8%	15.7%	18.1%	18.1%
EBITA	10.8%	-4.5%	18.5%	20.2%	17.0%	11.2%	22.0%	17.8%	15.7%	18.1%	18.1%
EBIT	6.3%	-15.2%	8.8%	10.6%	11.2%	6.3%	15.6%	13.2%	11.2%	14.2%	14.9%
Adjusted earnings											
EBITDA (adj)	17	-6	35	65	48	33	65	57	53	57	61
EBITA (adj)	17	-6	35	65	48	33	65	57	53	57	61
EBIT (adj)	10	-22	17	36	31	18	47	44	38	45	50
EPS (adj, EUR)	0.11	-0.24	0.14	0.33	0.31	0.17	0.48	0.49	0.43	0.48	0.53
Adjusted profit margins in percent											
EBITDA (adj)	10.8%	-4.5%	18.5%	21.7%	16.9%	11.3%	23.8%	19.8%	16.7%	18.1%	18.1%
EBITA (adj)	10.8%	-4.5%	18.5%	21.7%	16.9%	11.3%	23.8%	19.8%	16.7%	18.1%	18.1%
EBIT (adj)	6.3%	-15.2%	8.8%	12.1%	11.1%	6.4%	17.3%	15.3%	12.2%	14.2%	14.9%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	12.8%	13.9%	8.3%	1.2%	2.5%	3.1%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	13.7%	n.m.	7.5%	-3.8%	3.7%	13.5%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	12.7%	n.m.	17.6%	2.3%	7.6%	22.6%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	9.0%	n.m.	23.7%	7.6%	9.3%	26.3%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	17.6%	n.m.	14.9%	16.7%	9.2%	10.8%
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	6.4%	6.4%	10.5%	11.3%	11.4%	12.1%	13.8%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	14.4%	14.1%	17.7%	17.6%	16.7%	16.9%	18.2%

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.	27.5	12.5	26.1	13.3	13.3	12.8	11.5	10.4
EV/EBITDA (adj)	n.a.	n.a.	n.a.	9.7	3.9	7.6	5.2	6.3	5.7	4.7	3.9
EV/EBITA (adj)	n.a.	n.a.	n.a.	9.7	3.9	7.6	5.2	6.3	5.7	4.7	3.9
EV/EBIT (adj)	n.a.	n.a.	n.a.	17.5	5.9	13.5	7.1	8.2	7.8	5.9	4.8

VALUATION RATIOS - REPORTED EARNINGS											
EURm	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
P/E	n.a.	n.a.	n.a.	33.5	12.4	26.6	15.2	15.9	14.2	11.5	10.4
EV/Sales	n.a.	n.a.	n.a.	2.11	0.65	0.86	1.23	1.25	0.95	0.85	0.71
EV/EBITDA	n.a.	n.a.	n.a.	10.4	3.8	7.7	5.6	7.0	6.1	4.7	3.9
EV/EBITA	n.a.	n.a.	n.a.	10.4	3.8	7.7	5.6	7.0	6.1	4.7	3.9
EV/EBIT	n.a.	n.a.	n.a.	20.0	5.8	13.7	7.9	9.4	8.5	5.9	4.8
Dividend yield (ord.)	n.a.	n.a.	n.a.	0.7%	2.4%	2.0%	1.9%	1.8%	2.4%	2.5%	2.7%
FCF yield	n.a.	n.a.	n.a.	7.2%	13.6%	1.8%	12.7%	6.1%	-2.3%	9.5%	9.8%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	8.3%	13.6%	1.8%	12.6%	7.7%	6.1%	10.4%	10.8%
Payout ratio	37.1%	0.0%	42.0%	18.3%	29.5%	53.1%	25.2%	24.3%	30.0%	29.0%	28.1%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	39	69	74	53	39	29	19	62	87	84	83
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	39	69	74	53	39	29	19	25	16	9	4
of which goodwill	0	0	0	0	0	0	0	38	72	75	79
Tangible assets	2	1	1	1	1	9	10	8	8	8	8
of which leased assets	0	0	0	0	0	8	8	7	7	7	7
Shares associates	0	0	0	0	0	1	2	8	8	8	8
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	6	1	3	5	6	8	8	8	8	8
Other non-IB non-current assets	1	2	1	1	1	1	1	3	3	3	3
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	42	77	77	57	45	45	39	90	115	112	111
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	25	19	28	29	23	33	21	28	30	31	32
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	17	13	16	13	11	15	10	9	9	9	10
Cash and bank	54	34	29	91	124	125	139	161	142	171	201
Total current assets	95	66	73	133	158	172	170	197	182	211	243
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	**138**	**143**	**150**	**190**	**203**	**217**	**208**	**287**	**297**	**324**	**355**
Shareholders equity	94	74	87	140	160	168	165	198	217	243	272
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	94	74	87	140	160	168	165	198	217	243	272
Deferred tax	0	0	0	0	0	0	0	3	3	3	3
Long term interest bearing debt	0	16	3	3	3	2	1	0	28	28	28
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0	13	0	0	0
Non-current lease debt	0	0	0	0	0	6	6	4	7	7	7
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	0	17	3	3	4	8	7	21	38	38	38
Short-term provisions	1	3	1	1	1	0	1	0	0	0	0
Accounts payable	6	8	8	9	11	15	7	9	10	10	10
Current lease debt	0	0	0	0	0	2	3	3	0	0	0
Other current liabilities	37	33	35	37	29	20	25	29	32	32	34
Short term interest bearing debt	0	8	17	0	0	4	0	28	0	0	0
Total current liabilities	44	53	60	47	40	42	36	69	42	42	44
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**138**	**143**	**150**	**190**	**203**	**217**	**208**	**287**	**297**	**324**	**355**
Balance sheet and debt metrics											
Net debt	-54	-10	-10	-88	-120	-110	-129	-126	-107	-136	-166
of which lease debt	0	0	0	0	0	8	9	7	7	7	7
Working capital	-1	-10	1	-4	-5	13	-2	-1	-2	-2	-2
Invested capital	41	68	78	53	40	58	37	89	114	111	110
Capital employed	94	99	106	143	163	182	175	233	252	278	307
ROE	17.3%	-21.5%	13.3%	18.3%	16.3%	8.1%	19.3%	16.8%	13.8%	15.4%	15.2%
ROIC	n.a.	-31.6%	18.5%	43.9%	53.6%	30.0%	79.7%	55.9%	30.3%	32.4%	36.4%
ROCE	24.4%	-21.5%	16.5%	28.9%	21.1%	11.1%	26.1%	22.8%	16.7%	17.1%	17.1%
Net debt/EBITDA	-3.1	n.m.	-0.3	-1.5	-2.5	-3.4	-2.2	-2.5	-2.2	-2.4	-2.7
Interest coverage	n.m.	n.m.	12.3	6.8	81.5	17.2	34.9	n.m.	n.m.	n.m.	n.m.
Equity ratio	68.0%	51.8%	58.0%	73.8%	78.5%	77.3%	79.4%	68.8%	73.1%	75.1%	76.6%
Net gearing	-57.4%	-13.3%	-11.4%	-62.9%	-75.3%	-65.7%	-78.2%	-63.6%	-49.4%	-56.0%	-61.0%

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	**17**	**-6**	**35**	**60**	**48**	**32**	**60**	**51**	**49**	**57**	**61**
Paid taxes	-9	1	0	-1	-11	-10	-6	-10	-9	-10	-11
Net financials	0	-1	-2	-1	0	-1	-1	3	2	0	0
Change in provisions	1	2	-2	0	0	0	1	0	0	0	0
Change in other LT non-IB	n.a.	-6	5	-1	-2	-1	-2	10	-13	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	n.a.	5	-1	4	4	3	10	0	0	0	0
Funds from operations (FFO)	**7**	**-5**	**35**	**60**	**39**	**24**	**62**	**53**	**30**	**48**	**50**
Change in NWC	10	6	-13	-1	3	-13	1	-9	0	0	0
Cash flow from operations (CFO)	**17**	**1**	**23**	**60**	**43**	**11**	**64**	**44**	**30**	**48**	**50**
Capital expenditure	0	0	0	0	-1	-4	-5	-7	-5	-5	-6
Free cash flow before A&D	**17**	**1**	**23**	**60**	**41**	**7**	**59**	**37**	**25**	**42**	**44**
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	-38	-44	-23	-9	0	0	0	-8	-34	-4	-4
Free cash flow	-21	-42	0	51	41	7	59	29	-9	38	40
Free cash flow bef A&D, lease adj	17	1	23	60	41	7	59	37	25	42	44
Dividends paid	-3	0	-5	-5	-7	-7	-7	-9	-9	-10	-10
Equity issues / buybacks	0	0	0	36	1	0	-31	0	0	0	0
Net change in debt	0	25	-6	-17	0	3	-4	0	0	0	0
Other financing adjustments	0	0	0	-1	-3	0	0	0	0	0	0
Other non-cash adjustments	78	-2	5	-3	1	-1	-3	1	0	0	0
Change in cash	54	-19	-6	62	33	1	14	22	-18	29	30
Cash flow metrics											
Capex/D&A	0.0%	0.0%	0.0%	0.0%	7.9%	27.3%	29.1%	52.7%	34.6%	44.5%	59.2%
Capex/Sales	0.0%	0.0%	0.0%	0.0%	0.5%	1.3%	1.9%	2.4%	1.6%	1.7%	1.9%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	9	4	4	6	7	6	6	6
Market cap.	n.a.	n.a.	n.a.	715	303	359	463	483	406	406	406
Enterprise value	n.a.	n.a.	n.a.	627	183	248	334	357	299	270	240
Diluted no. of shares, year-end (m)	74.9	74.9	74.9	79.2	79.4	81.3	73.4	73.4	73.4	73.4	73.4

Source: Company data and Nordea estimates

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