Raketech Group Holding

Media
Sweden

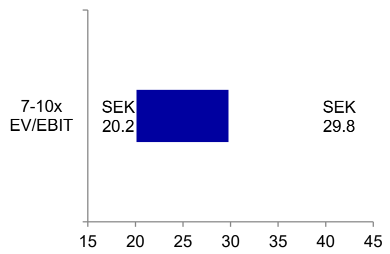
KEY DATA

Stock country	Sweden
Bloomberg	RAKE SS
Reuters	RAKE.ST
Share price (close)	SEK 18.30
Free Float	45%
Market cap. (bn)	EUR 0.07/SEK 0.78
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	-2%	-2%	-2%
EBIT (adj)	-5%	-2%	-2%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Marlon Värnik
Analyst

Klas Danielsson
Analyst

Q4 to play an important role for full-year outlook

We continue to expect activity to pick up significantly starting in mid-September, after a somewhat softer summer, which is seasonally typical. For Q3 2022, we expect organic growth of 9% with revenue of EUR 12.1m, reflecting y/y growth of 26%. We expect some dampening effect on the adjusted EBITDA margin, but it should increase q/q to 37%, as Raketech invests heavily in future growth. Owing to a degree of lag from the US Tipster business, we now expect 2022 revenue to be EUR 50.8m, which is at the lower end of the company's full-year guidance (EUR 50-55m). Due to negative scalability effects, we forecast an EBITDA margin of 39%, below Raketech's guidance of 40-44% for 2022. As such, our fair value range is lowered to SEK 19.5-29.0 (20.2-29.8), reflecting EV/EBIT of 7-10x for 2022E.

Slightly more cautious stance on US Tipster business in Q3

We take a more cautious stance towards the US market, where we expect revenue to lag slightly for the Tipster vertical, as the NFL season kicked off in mid-September. Since Tipster is a subscription-based model where most customers subscribe for three months at a time, we expect stable revenue starting in September, but the positive impact may not appear until the end of Q3. We expect the recently launched Affiliation Cloud to continue to ramp up, with revenues of EUR 0.5m for the quarter, and take a positive stance for this segment going into 2023. We lower our organic growth estimate to 9% (15%) for Q3, and expect total revenue of EUR 12.1m.

Scalability effects could jeopardise EBITDA margin guidance

We forecast a somewhat stable cost base q/q, with some additional costs related to the Casinofeber reorganisation. Scalability effects could dampen adjusted EBITDA to a margin of 37% (still up q/q from 34%), with adjusted EBITDA of EUR 4.47m. As such, the company's full-year EBITDA margin guidance of 40-44% may be at risk, as we now expect 39% for 2022. As EBITDA scales well with revenue, and a busy sporting calendar looms, Q4 (expected to represent 33% of full-year EBITDA) will be critical for meeting full-year revenue (EUR 50-55m) and EBITDA guidance. We now expect revenue of EUR 50.8m for 2022, at the lower end of Raketech's guidance.

Fair value range is trimmed

Our fair value range is lowered to SEK 19.5-29.0 (20.2-29.8), owing to a softer organic growth outlook. This reflects EV/EBIT of 7-10x for 2022E.

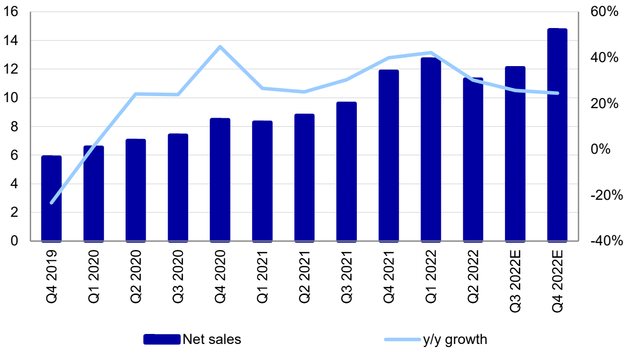
SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	26	24	29	39	51	58	63
EBITDA (adj)	14	11	12	16	20	25	28
EBIT (adj)	13	7	7	10	12	16	18
EBIT (adj) margin	49.7%	29.7%	23.0%	25.1%	24.1%	28.4%	29.1%
EPS (adj, EUR)	0.16	0.16	0.15	0.19	0.21	0.30	0.34
EPS (adj) growth	1.7%	-2.1%	-2.3%	21.8%	12.1%	44.3%	14.4%
DPS (ord, EUR)	0.00	0.00	0.00	0.00	0.10	0.15	0.17
EV/Sales	2.8	1.4	1.3	2.5	1.6	1.2	0.8
EV/EBIT (adj)	5.7	4.7	5.5	10.1	6.5	4.1	2.7
P/E (adj)	11.9	5.8	7.0	12.5	8.0	5.6	4.9
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%	6.2%	9.0%	10.3%
FCF Yield bef A&D, lease	-6.4%	33.9%	31.0%	14.9%	25.5%	32.6%	35.7%
Net debt	0	-1	-3	-1	11	-3	-20
Net debt/EBITDA	0.0	0.0	-0.3	-0.1	0.5	-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

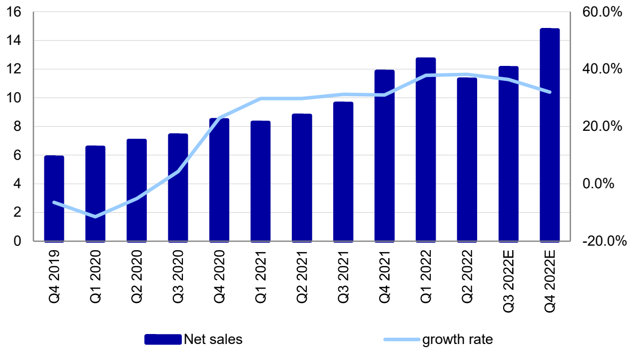
Key charts

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



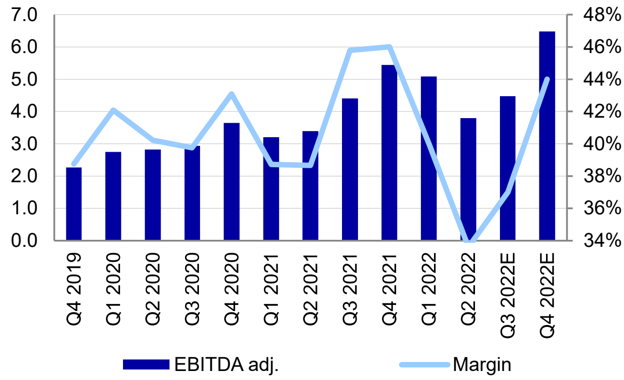
Source: Company data and Nordea estimates

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



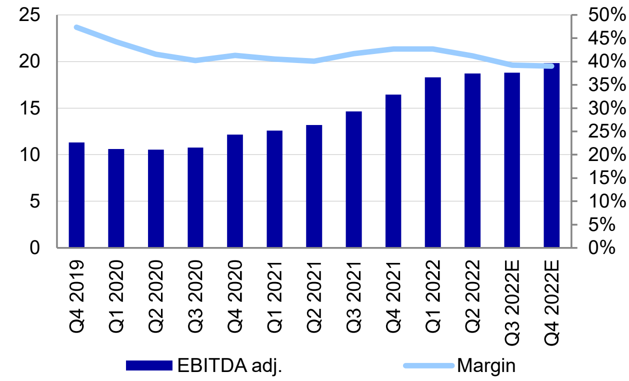
Source: Company data and Nordea estimates

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



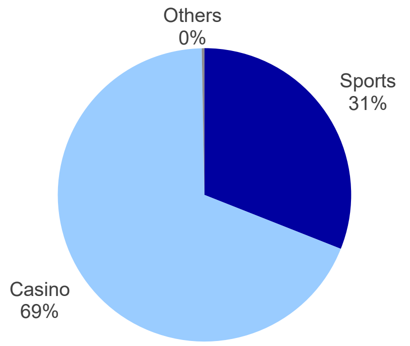
Source: Company data and Nordea estimates

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



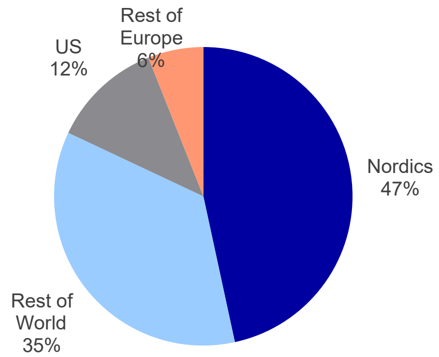
Source: Company data and Nordea estimates

VERTICAL SPLIT, Q2 2022



Source: Company data and Nordea

DETAILED MARKET OVERVIEW, Q2 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 2022	Q3 2022E	Q4 2022E
Revenue	**8.5**	**8.3**	**8.8**	**9.6**	**11.8**	**12.7**	**11.3**	**12.1**	**14.7**
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**	**12.1**	**14.7**
Direct costs	-2.5	-2.9	-3.1	-2.7	-2.8	-3.6	-3.3	-3.3	-3.8
Personnel expenses	-1.2	-1.2	-1.1	-1.2	-1.3	-2.1	-2.2	-2.2	-2.2
Depreciation and amortisation	-1.4	-1.6	-1.8	-1.7	-1.6	-1.9	-1.8	-1.8	-2.0
Other operating expenses	-1.1	-1.0	-1.1	-1.3	-2.3	-1.9	-2.0	-2.2	-2.2
Adjusted EBIT	**2.3**	**1.6**	**1.6**	**2.7**	**3.8**	**3.2**	**2.0**	**2.7**	**4.4**
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**	**2.7**	**4.4**
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**	**2.0**	**3.7**
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**	**1.8**	**3.4**
EPS adj. (EUR)	**0.06**	**0.03**	**0.03**	**0.05**	**0.07**	**0.05**	**0.03**	**0.04**	**0.08**
Key ratios & assumptions									
Revenue growth, y/y	45%	27%	25%	30%	40%	42%	30%	26%	24%
EBITDA adj.	**3.6**	**3.2**	**3.4**	**4.4**	**5.4**	**5.1**	**3.8**	**4.5**	**6.5**
EBITDA adj. growth	61%	17%	20%	50%	49%	59%	12%	2%	19%
EBIT adj. growth	**161%**	**5%**	**5%**	**84%**	**68%**	**106%**	**23%**	**-1%**	**17%**
EPS adj. growth	-707%	7%	1%	46%	24%	73%	-11%	-9%	21%
EBITDA adj. margin	**43.1%**	**38.7%**	**38.7%**	**45.8%**	**46.0%**	**40.1%**	**33.6%**	**37.0%**	**44.0%**
EBIT adj. margin	26.7%	18.9%	18.2%	28.0%	32.1%	25.3%	17.4%	22.0%	30.1%
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

We lower our US expectations for Q3

We lower our expectations for the US in Q3, owing to the Tipster vertical. We continue to expect activity to pick up significantly starting in mid-September, with an extremely hectic sporting calendar in Q4. We expect the cost base to remain stable q/q, with some additional increases in other costs, as a result of the Casinofeber reorganisation.

Due to negative scalability effects, we lower our adjusted EBIT 5% for 2022E, and now expect an adjusted EBITDA margin of 39%, which is below Raketech's full-year guidance of 40-44%. Q4 will be important for Raketech's 2022 revenue forecast (EUR 50-55m) and, by extension, EBITDA margin. We emphasise that we believe that Raketech's UK exposure is less than 1%, and are therefore not overly concerned about the gambling white paper that should be published shortly. In total, our fair value range is lowered to SEK 20.2-29.8 (SEK 20.2-29.8), with an EV/EBIT of 7-10x for 2022E.

The affiliation cloud adds an upside option for 2023

Raketech launched its latest product innovation at the end of Q2 2022, adding EUR 169,000 to revenues. Our analysis indicates the Affiliation cloud has continued its promising growth from Q2, where we expect roughly EUR 500,000 of revenues in Q3. We argue that the Affiliation cloud could add upside potential to our revenue estimates for 2023; however, we want to see further data supporting this. We therefore choose to take a cautious stance on the Affiliation cloud for the second half of 2022 and also 2023.

RAKETECH: ESTIMATE REVISIONS

	New estimates			Old Estimates			Difference		
EURm	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**
Revenue	**50.8**	**57.5**	**62.7**	**52.0**	**58.8**	**64.1**	**-2%**	**-2%**	**-2%**
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Total revenue	**50.8**	**57.5**	**62.7**	**52.0**	**58.8**	**64.1**	**-2%**	**-2%**	**-2%**
Direct costs	-14.0	-14.4	-14.9	-14.3	-14.7	-15.2	-2%	-2%	-2%
Personnel expenses	-8.7	-9.6	-10.8	-8.8	-9.8	-11.0	-1%	-2%	-2%
Depreciation and amortisation	-7.6	-8.6	-9.4	-7.7	-8.8	-9.6	-2%	-2%	-2%
Other operating expenses	-8.3	-8.6	-9.4	-8.2	-8.8	-9.6	1%	-2%	-2%
Adjusted EBIT	**12.3**	**16.3**	**18.3**	**12.9**	**16.7**	**18.7**	**-5%**	**-2%**	**-2%**
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Reported EBIT	**12.3**	**16.3**	**18.3**	**12.9**	**16.7**	**18.7**	**-5%**	**-2%**	**-2%**
Interest payable on borrowings	-2.7	-2.8	-2.8	-2.7	-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	**9.6**	**13.5**	**15.5**	**10.2**	**13.9**	**15.9**	**-6%**	**-3%**	**-3%**
Income tax	-0.8	-1.1	-1.2	-0.9	-1.1	-1.3	-	-	-
Profit after tax	**8.7**	**12.4**	**14.2**	**9.3**	**12.8**	**14.6**	**-6%**	**-3%**	**-3%**
EPS adj. (EUR)	**0.21**	**0.30**	**0.34**	**0.22**	**0.31**	**0.35**	**-6%**	**-3%**	**-3%**
Key ratios									
Sales growth	**32%**	**13%**	**9%**	**35%**	**13%**	**9%**	**-3pp**	**0pp**	**0pp**
EBIT adj. growth	27%	33%	12%	34%	29%	12%	-7pp	4pp	0pp
EBITDA adj.	**19.8**	**24.9**	**27.7**	**20.7**	**25.5**	**28.3**	**-4%**	**-2%**	**-2%**
EBITDA adj. margin	**39.0%**	**43.4%**	**44.1%**	**39.8%**	**43.4%**	**44.1%**	**-0.8pp**	**0.0pp**	**0.0pp**
EBIT adj. margin	24.1%	28.4%	29.1%	24.9%	28.4%	29.1%	-0.7pp	0.0pp	0.0pp
Tax rate	8.7%	8.0%	8.0%	8.6%	8.0%	8.0%	0.0pp	0.0pp	0.0pp

Source: Nordea estimates

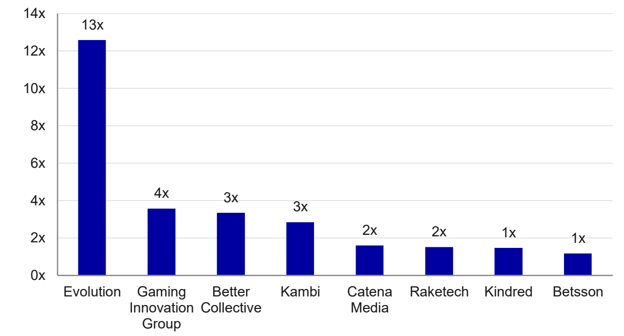
Valuation

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	199,991	12.6x	10.1x	18.1x	14.3x	20.1x	15.9x	21.8x	17.8x	39%	21%	2.3%	25%	20%	22%	63%
Kambi	5,489	2.8x	2.5x	7.8x	6.0x	15.7x	9.7x	23.3x	13.9x	-50%	44%	0.0%	14%	5%	-9%	19%
Operators																
Betsson	9,326	1.2x	1.1x	5.9x	5.7x	8.2x	7.9x	10.5x	10.1x	-7%	6%	4.8%	15%	9%	1%	14%
Kindred	20,247	1.5x	1.2x	11.9x	7.2x	20.0x	9.4x	22.5x	10.9x	-70%	103%	3.2%	12%	1%	-16%	8%
Affilates																
Catena Media	1,783	1.6x	1.5x	3.8x	3.3x	5.1x	4.2x	6.4x	5.0x	3500%	26%	0.0%	18%	5%	-4%	31%
Gaming Innovation Group	3,032	3.6x	2.9x	9.6x	6.5x	21.5x	11.3x	31.1x	14.1x	365%	103%	0.0%	21%	18%	55%	17%
Better Collective	7,661	3.3x	2.8x	10.6x	8.3x	12.3x	9.4x	13.1x	10.2x	53%	29%	3.9%	15%	22%	26%	27%
Raketech	714	1.5x	1.4x	3.8x	3.1x	6.1x	4.6x	7.0x	4.9x	21%	41%	3.4%	12%	16%	24%	25%
Median	**6,575**	**2.2x**	**2.0x**	**8.7x**	**6.3x**	**14.0x**	**9.4x**	**17.5x**	**10.5x**	**30%**	**35%**	**2.7%**	**15%**	**13%**	**12%**	**22%**
International																
888	5,500	0.1x	0.1x	0.7x	0.5x	1.0x	0.8x	6.8x	4.6x	-35%	39%	0.0%	28%	38%	38%	10%
Bet-at-home	338	0.0x	0.0x	N.A.	N.A.	N.A.	N.A.	152.4x	28.6x	101%	433%	0.0%	N.A.	16%	39%	17%
Entain (prev. GVC)	84,943	2.1x	2.0x	9.5x	8.3x	16.2x	11.7x	20.0x	13.3x	11%	51%	1.5%	10%	5%	13%	14%
IGT	39,586	2.4x	2.4x	6.1x	6.0x	11.4x	11.2x	17.4x	12.4x	-	-	4.5%	24%			
Flutter (PaddyPower)	232,108	2.9x	2.5x	20.2x	13.8x	28.7x	18.6x	43.8x	24.3x	-12%	80%	0.0%	4%	6%	3%	21%
Playtech	18,240	1.4x	1.3x	5.5x	5.2x	9.1x	8.7x	12.5x	11.2x	82%	12%	0.0%	9%	4%	22%	15%
Rank Group	4,088	0.7x	0.7x	-	4.0x	-	9.1x	-	9.8x	129%	14%	0.7%	N.A.	12%	16%	10%
Scientific Games	49,756	3.1x	2.9x	8.5x	7.8x	22.5x	14.1x	1.3x	18.8x	-	-93%	N.A.	-198%	10%	18%	16%
Tabcorp	15,495	1.0x	0.9x	6.2x	5.7x	29.6x	15.5x	46.8x	24.8x	-89%	95%	9.9%	2%	32%	-187%	7%
XLMedia	703	0.7x	0.6x	2.9x	2.7x	6.0x	4.4x	8.2x	6.4x	-	28%	0.0%	-			
DraftKings Inc	79,995	3.1x	2.3x	-	-	-	-	-	-	12%	30%	0.0%	-90%	2%		
Gan Ltd	1,090	0.5x	0.4x	6.4x	3.3x	-	-	-	-	-197%	70%	0.0%	-29%	-21%	-39%	3%
Penn National	56,239	2.4x	2.4x	7.9x	7.8x	13.3x	12.7x	25.6x	16.0x	-53%	68%	0.0%	6%			
Median	**18,240**	**1.4x**	**1.3x**	**6.3x**	**5.7x**	**13.3x**	**11.5x**	**18.7x**	**13.3x**	**0%**	**45%**	**0.0%**	**5%**	**9%**	**1%**	**14%**

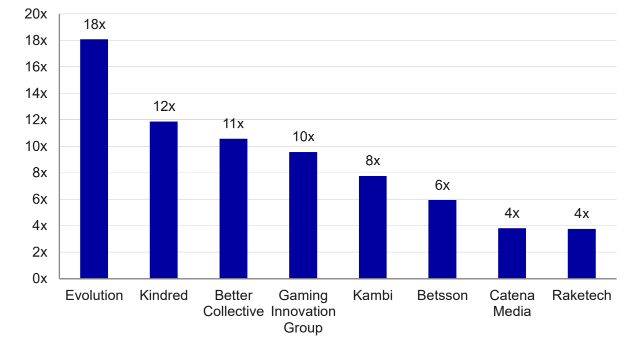
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/SALES, 2022E



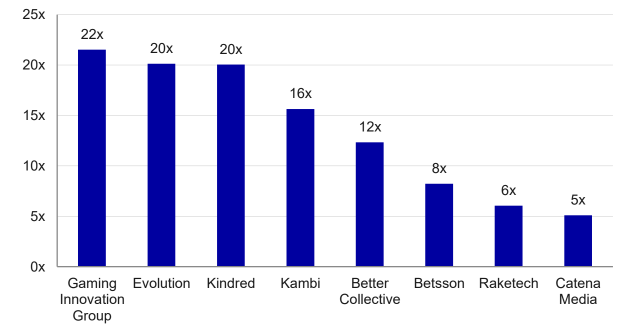
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBITDA, 2022E



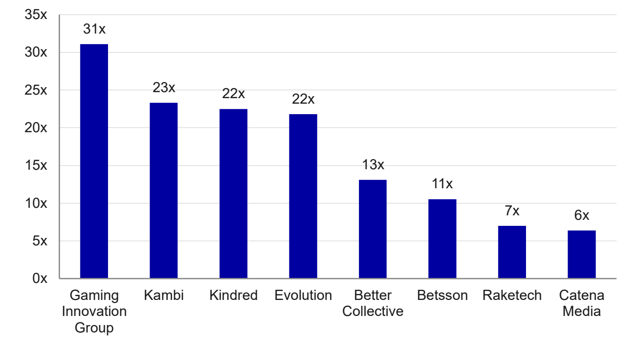
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBIT, 2022E



Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: P/E, 2022E



Source: Company data, Refinitiv and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	**n.a.**	**2**	**10**	**17**	**26**	**24**	**29**	**39**	**51**	**58**	**63**
Revenue growth	n.a.	n.a.	399.0%	64.3%	49.1%	-6.5%	23.0%	31.0%	31.9%	13.2%	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	20	25	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	20	25	28
Amortisation and impairments	0	0	0	-1	-2	-4	-5	-7	-7	-9	-9
EBIT	n.a.	0	8	9	11	8	7	9	12	16	18
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**	**15**
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	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**	**0.21**	**0.30**	**0.34**
DPS, EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.15	0.17
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.15	0.17
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%	39.0%	43.4%	44.1%
EBITA	n.a.	3.6%	77.3%	55.1%	50.0%	51.9%	40.0%	41.8%	38.9%	43.2%	44.0%
EBIT	n.a.	3.6%	76.9%	51.4%	43.7%	35.1%	22.5%	24.3%	24.1%	28.4%	29.1%
Adjusted earnings											
EBITDA (adj)	0	0	8	10	14	11	12	16	20	25	28
EBITA (adj)	0	0	8	10	14	11	12	16	20	25	28
EBIT (adj)	0	0	8	9	13	7	7	10	12	16	18
EPS (adj, EUR)	n.a.	n.a.	0.20	0.16	0.16	0.16	0.15	0.19	0.21	0.30	0.34
Adjusted profit margins in percent											
EBITDA (adj)	n.a.	3.6%	77.3%	56.4%	56.3%	47.4%	41.3%	42.7%	39.0%	43.4%	44.1%
EBITA (adj)	n.a.	3.6%	77.3%	56.2%	56.0%	46.5%	40.4%	42.5%	38.9%	43.2%	44.0%
EBIT (adj)	n.a.	3.6%	76.9%	52.5%	49.7%	29.7%	23.0%	25.1%	24.1%	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%	24.3%	17.6%	21.3%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	176.2%	14.9%	15.9%	14.1%	17.0%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	145.1%	3.1%	6.8%	7.9%	16.8%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2.4%	6.5%	20.3%	12.6%
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%	28.4%	26.5%	26.3%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	54.5%	51.7%	46.9%	43.7%	42.8%	42.1%

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	8.0	5.6	4.9
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	5.0	2.9	3.0	5.9	4.0	2.7	1.8
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	5.1	3.0	3.1	6.0	4.0	2.7	1.8
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	5.7	4.7	5.5	10.1	6.5	4.1	2.7

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	8.0	5.6	4.9
EV/Sales	n.a.	n.a.	n.a.	n.a.	2.83	1.39	1.26	2.54	1.57	1.16	0.79
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	5.6	2.6	3.1	6.1	4.0	2.7	1.8
EV/EBITA	n.a.	n.a.	n.a.	n.a.	5.7	2.7	3.1	6.1	4.0	2.7	1.8
EV/EBIT	n.a.	n.a.	n.a.	n.a.	6.5	4.0	5.6	10.4	6.5	4.1	2.7
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	6.2%	9.0%	10.3%
FCF yield	n.a.	n.a.	n.a.	n.a.	-7.4%	8.1%	6.6%	-24.2%	15.5%	25.4%	33.6%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	-6.4%	33.9%	31.0%	14.9%	25.5%	32.6%	35.7%
Payout ratio	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%	50.0%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	0	0	18	46	66	74	81	128	127	123	116
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	110
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	128	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	9	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	-9	5	22
Total current assets	0	1	1	6	12	8	10	9	0	14	32
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**	**127**	**138**	**148**
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	17	20	21
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	25	27
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**	**127**	**138**	**148**
Balance sheet and debt metrics											
Net debt	0	0	0	25	0	-1	-3	-1	11	-3	-20
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	-12	-14	-15
Invested capital	0	0	10	41	64	71	78	117	115	110	101
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%	9.8%	12.7%	13.4%
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	-0.1	-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%	73.8%	73.8%	74.2%
Net gearing	n.m.	n.a.	n.a.	n.a.	n.a.	n.a.	-4.3%	-1.5%	11.2%	-2.6%	-17.9%

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**	**20**	**25**	**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**	**16**	**21**	**24**
Change in NWC	0	0	9	-3	-3	0	0	-2	1	2	1
Cash flow from operations (CFO)	**0**	**0**	**16**	**5**	**11**	**11**	**12**	**15**	**18**	**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**	**18**	**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	11	18	23
Free cash flow bef A&D, lease adj	0	0	0	-23	-5	11	12	15	18	23	25
Dividends paid	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	-4	-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	-12	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	69	69	69
Enterprise value	n.a.	n.a.	n.a.	n.a.	72	33	37	98	80	66	49
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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It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing Material

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 25/10/2022, 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.

Completion Date

26 Oct 2022, 03:10 CET

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