Nordea

Commissioned Equity Research

Flash comment

10 November 2022

Commissioned research: Raketech Group Holding – EBITDA margin cut in line with our expectations

Marketing material commissioned by Raketech Group Holding

Raketech just released a decent Q3 report, and a start of the fourth quarter in-line with our forecast. Revenues came in 7% ahead of our expectations at EUR 13.0m (NDA: EUR 12.1m), with a revenue organic growth of 14% (NDA: 9%). The adj. EBITDA came in 8% above our estimate (EUR 4.8m vs NDA EU 4.5m), corresponding to a adj. EBITDA margin of 37.1% (NDA 37%), with no major deviation on the cost base. The US market now represent 12% of group revenues as activity dropped during Q3, expected to accelerate growth as activity picked up from mid-September, we argue. The management reiterate its 2022 guidance of revenues in the higher interval of EUR 50-55m for (NDA: EUR 50.8m), and now expects 2022 EBITDA margin just below 40% (previous guidance 40-44%). However, we have penciled in a EBITDA margin of 39%, hence the guidance cut is in line with our expectations and should not burden the share today. We expect neutral estimate revisions, with a similar share price reaction warranted.

Trading update

A decent start to the third quarter with daily average revenues in October of EUR 0.16m, in-line with NDA full Q4'22 average revenue estimate of EUR 0.160m. Cc to follow at 09.00 CET

Deviations

- **Revenue:** EUR 13.0m, 7% vs NDA (EUR 12.1m)
- **Organic growth:** 14% vs NDA 9%
- **Adj. EBITDA:** EUR 4.8m, 8% vs NDA EUR (4.5m)
- **EBITDA margin :** 37.1% vs NDA 37.0%
- **Adj. EPS**: EUR 0.05 vs NDA EUR 0.04
- **Trading update :** 0% above daily average NDA Q4'22 expectations
- **Conference call** – 09:00 CET - Link

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022E	2023E	2024E
Total revenue	24	29	39	51	58	63
EBITDA (adj)	11	12	16	20	25	28
EBIT (adj)	7	7	10	12	16	18
EBIT (adj) margin	29.7%	23.0%	25.1%	24.1%	28.4%	29.1%
EPS (adj, EUR)	0.16	0.15	0.19	0.21	0.30	0.34
EPS (adj) growth	-2.1%	-2.3%	21.8%	12.1%	44.3%	14.4%
DPS (ord, EUR)	0.00	0.00	0.00	0.10	0.15	0.17
EV/Sales	1.4	1.3	2.5	1.6	1.1	0.8
EV/EBIT (adj)	4.7	5.5	10.1	6.4	4.0	2.7
P/E (adj)	5.8	7.0	12.5	8.0	5.5	4.8
P/BV	0.5	0.6	1.2	0.7	0.7	0.6
Dividend yield (ord)	0.0%	0.0%	0.0%	6.3%	9.1%	10.4%
FCF Yield bef A&D, lease adj	33.9%	31.0%	14.9%	25.7%	32.8%	36.0%
Net debt	-1	-3	-1	11	-3	-20
Net debt/EBITDA	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.

Source: Company data and Nordea estimates

Completion date: 10 Nov 2022, 08:21 CET

Nordea analyst: Marlon Värnik

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* **Dometic:** *Too much is priced in – upgrade to Buy*

* **Getinge:** *Worth revisiting the Buy case*

* **Swedish banks:** *Rate hikes will boost earnings for a while longer*

* **Swedish Real Estate:** *New reality – all eyes on the winners*

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Link to research: https://research.nordea.com

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