Raketech Group Holding

Media
Sweden

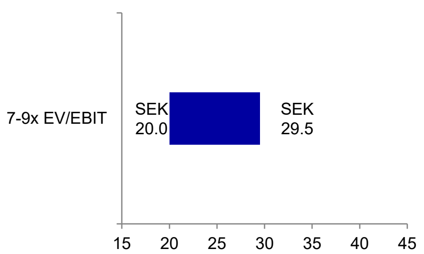
KEY DATA

Stock country	Sweden
Bloomberg	RAKE SS
Reuters	RAKE.ST
Share price (close)	SEK 19.16
Free Float	45%
Market cap. (bn)	EUR 0.07/SEK 0.81
Website	www.raketech.com
Next report date	

PERFORMANCE

Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	0%	0%	0%
EBIT (adj)	1%	-1%	0%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Marlon Värnik
Analyst

Klas Danielsson
Analyst

Heading into the busiest quarter

With activity picking up from mid-September onwards, as expected, we are optimistic about Raketech's Q4, for which we expect organic growth of 9%. Raketech lowered its EBITDA margin outlook, as the Affiliation Cloud business requires a greater initial investment to meet the stronger-than-expected demand at present. However, the new EBITDA margin guidance is in line with our previous forecast. Instead, we leave our revenue and EBIT estimates almost unchanged for 2022-24, arguing that Raketech is well-positioned for further Affiliation Cloud and US growth. Our fair value range is slightly higher but almost unchanged, at SEK 20-29.5 (19.5-29), reflecting EV/EBIT of 7-9x for 2022E.

Affiliation Cloud performing above expectations

Daily average revenues in October were EUR 0.16, in line with our forecast. We thus argue that momentum from Q3 has continued, further boosted by increased demand for Raketech's Affiliation Cloud business. According to the company, it has now onboarded 20 partners, with more to come, as capacity is currently below demand. As a result, we expect Raketech to ramp up investments, which is likely to have some impact on the 2022 full-year margin, which we forecast at 38.9%. Overall, we are surprised by Affiliation Cloud's impressive performance, which could add upside to our 2023 revenue estimates.

Scalability expected with revenues

Heading into Q4 and 2023, we expect the Tipster business to keep driving growth, together with Affiliation and core brands, such as CasinoFeber. However, we argue that Affiliation revenues are likely to be at a lower margin (~8%), so we do not foresee any significant effect for the 2023 EBIT margin. Instead, we expect the margin boost to come from scalability, through core brands and the US market, with Raketech's Tipster business. Raketech stated that it had two million unique Tipster users in September but a lower-than-expected win share. We argue that the win share should normalise in the medium term, further boosting profitability.

Fair value range almost unchanged

We make minor estimate changes after Raketech's Q3 report, despite the lowered 2022 outlook, as it was in line with our estimates. We nudge up our fair value range to SEK 20-29.5 (19.5-29), with EV/EBIT of 7-9x for 2022E.

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	26	24	29	39	51	57	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%	24.2%	28.1%	29.1%
EPS (adj, EUR)	0.16	0.16	0.15	0.19	0.21	0.29	0.34
EPS (adj) growth	1.7%	-2.1%	-2.3%	21.8%	12.5%	38.8%	15.5%
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	2.9	1.4	1.1	0.7
EV/EBIT (adj)	5.7	4.7	5.5	11.4	6.0	3.8	2.4
P/E (adj)	11.9	5.8	7.0	12.5	8.2	5.9	5.1
P/BV	1.2	0.5	0.6	1.2	0.8	0.7	0.7
Dividend yield (ord)	0.0%	0.0%	0.0%	0.0%	6.1%	8.4%	9.7%
FCF Yield bef A&D, lease	-6.4%	33.9%	31.0%	14.9%	24.3%	30.5%	33.8%
Net debt	0	-1	-3	12	1	-12	-29
Net debt/EBITDA	0.0	0.0	-0.3	0.7	0.0	-0.5	-1.0
ROIC after tax	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company data and Nordea estimates

Q3 2022 outcome

Key deviations

Raketech's Q3 numbers beat our expectations by 7% on revenue, driven by stronger-than-expected organic growth of 14% y/y (versus our estimate of 9%). Adjusted EBITDA came in 8% above our estimate (EUR 4.8m versus Nordea at EUR 4.5m), corresponding to an adjusted EBITDA margin of 37.1% (Nordea: 37.0%). We argue that activity has accelerated since mid-September and beyond, likely having positive effects on Q4, which is also set to be further boosted by the World Cup. The Finnish market seems to have troughed, with a stable performance q/q, whereas the Affiliation Cloud business continues to perform well.

RAKETECH: Q3 2022 DEVIATION TABLE (EPS IN EUR)

EURm	Actual Q3 2022	NDA est. Q3 2022	Deviation vs. actual		Actual Q2 2022	q/q	Actual Q3 2021	y/y
Revenue	**13.0**	**12.1**	**0.9**	**7%**	**11.3**	**15%**	**9.6**	**35%**
Other operating income		0.0	-	-	0.0	-	0.0	-
Total revenue	**13.0**	**12.1**	**0.9**	**7%**	**11.3**	**15%**	**9.6**	**35%**
Direct costs	-4.2	-3.3	-1.0	29%	-3.3	30%	-2.7	58%
Personnel expenses	-2.1	-2.2	0.1	-4%	-2.2	-7%	-1.2	67%
Depreciation and amortisation	-1.9	-1.8	-0.1	4%	-1.8	3%	-1.7	10%
Other operating expenses	-1.9	-2.2	0.3	-15%	-2.0	-7%	-1.3	43%
Reported EBIT	**2.930**	**2.7**	**0.3**	**10%**	**2.0**	**49%**	**2.7**	**9%**
Non-recurring items		0.0	-	-	0.0	-	-0.3	-
Adjusted EBIT	**2.9**	**2.7**	**0.3**	**10%**	**2.0**	**49%**	**2.4**	**22%**
Net financials	-0.4	-0.7	-	-	-0.6	-	-0.4	-
Profit before tax	**2.51**	**2.0**	**0.6**	**28%**	**1.3**	**89%**	**2.0**	**23%**
Income tax	-0.3	-0.2	-	-	-0.1	-	-0.2	-
Profit after tax	**2.17**	**1.8**	**0.4**	**20%**	**1.2**	**73%**	**1.9**	**15%**
EPS adj.	**0.05**	**0.04**	**0.00**	**3%**	**0.03**	**53%**	**0.05**	**-6%**
Key ratios								
EBITDA adj.	**4.8**	**4.5**	**-**	**8%**	**3.8**	**27%**	**4.4**	**9%**
Sales growth	35%	26%	-	9pp	29%	6pp	30%	5pp
EBITDA adj. growth	**9%**	**2%**	**-**	**8pp**	**12%**	**-2pp**	**50%**	**-41pp**
EBIT adj. growth	9%	-1%	-	10pp	23%	-14pp	84%	-75pp
EBITDA adj. margin	**37.1%**	**37.0%**	**-**	**0.1pp**	**33.6%**	**4pp**	**45.8%**	**-9pp**
EBIT adj. margin	22.6%	22.0%	-	1pp	17.4%	5pp	28.0%	-5pp
Tax rate	13.8%	8.0%	-	6pp	6.0%	8pp	7.4%	6pp

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 2022	Q4 2022E
Revenue	**8.5**	**8.3**	**8.8**	**9.6**	**11.8**	**12.7**	**11.3**	**13.0**	**14.1**
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**	**13.0**	**14.1**
Direct costs	-2.5	-2.9	-3.1	-2.7	-2.8	-3.6	-3.3	-4.2	-3.9
Personnel expenses	-1.2	-1.2	-1.1	-1.2	-1.3	-2.1	-2.2	-2.1	-2.1
Depreciation and amortisation	-1.4	-1.6	-1.8	-1.7	-1.6	-1.9	-1.8	-1.9	-1.9
Other operating expenses	-1.1	-1.0	-1.1	-1.3	-2.3	-1.9	-2.0	-1.8	-2.0
Adjusted EBIT	**2.3**	**1.6**	**1.6**	**2.7**	**3.8**	**3.2**	**2.0**	**3.0**	**4.2**
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**	**2.9**	**4.2**
Net financials	0.0	-0.4	-0.3	-0.4	-0.7	-0.7	-0.6	-0.4	-0.7
Profit before tax	**2.3**	**1.2**	**1.3**	**2.0**	**3.1**	**2.5**	**1.3**	**2.5**	**3.5**
Income tax	-0.2	-0.1	-0.1	-0.2	-0.2	-0.3	-0.1	-0.3	-0.4
Profit after tax	**2.1**	**1.1**	**1.2**	**1.9**	**2.9**	**2.2**	**1.2**	**2.2**	**3.2**
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%	31%	19%
EBITDA adj.	**3.6**	**3.2**	**3.4**	**4.4**	**5.4**	**5.1**	**3.8**	**4.8**	**6.1**
EBITDA adj. growth	61%	17%	20%	50%	49%	59%	12%	10%	12%
EBIT adj. growth	**161%**	**5%**	**5%**	**84%**	**68%**	**106%**	**23%**	**10%**	**11%**
EPS adj. growth	-707%	7%	1%	46%	24%	73%	-11%	8%	10%
EBITDA adj. margin	**43.1%**	**38.7%**	**38.7%**	**45.8%**	**46.0%**	**40.1%**	**33.6%**	**37.3%**	**43.5%**
EBIT adj. margin	26.7%	18.9%	18.2%	28.0%	32.1%	25.3%	17.4%	22.8%	30.0%
Tax rate	10.1%	5.1%	5.1%	7.4%	7.4%	11.6%	6.0%	13.8%	10.0%

Source: Company data and Nordea estimates

Estimate revisions

EBITDA margin forecast for 2022 unchanged

Minor estimate revisions owing to third quarter results

We make minor estimate revisions after the Q3 results, with the trading update for the month of October being in line with our forecast. Raketech continues to invest in future growth, which means the cost base is expected to ramp-up. However, due to scalability effects, we expect the EBITDA margin to increase towards 43% in 2023. In total, we leave our EBITDA margin forecast for 2022 unchanged, at 38.9%, which is in line with Raketech's new guidance of "slightly under 40%" (previously 40-44%). We continue to expect EUR 51m in revenues for 2022, which is also in line with Raketech's new guidance of "towards the low end of the EUR 50-55m range".

RAKETECH: ESTIMATE REVISIONS

	New estimates			Old Estimates			Difference		
EURm	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**
Revenue	**51.0**	**57.4**	**62.5**	**50.8**	**57.5**	**62.7**	**0%**	**0%**	**0%**
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Total revenue	**51.0**	**57.4**	**62.5**	**50.8**	**57.5**	**62.7**	**0%**	**0%**	**0%**
Direct costs	-15.0	-15.2	-15.5	-14.0	-14.4	-14.9	7%	6%	4%
Personnel expenses	-8.5	-9.4	-10.8	-8.7	-9.6	-10.8	-2%	-2%	0%
Depreciation and amortisation	-7.5	-8.6	-9.4	-7.6	-8.6	-9.4	-1%	0%	0%
Other operating expenses	-7.7	-8.0	-8.8	-8.3	-8.6	-9.4	-7%	-7%	-7%
Adjusted EBIT	**12.4**	**16.1**	**18.2**	**12.3**	**16.3**	**18.3**	**1%**	**-1%**	**0%**
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Reported EBIT	**12.3**	**16.1**	**18.2**	**12.3**	**16.3**	**18.3**	**0%**	**-1%**	**0%**
Interest payable on borrowings	-2.4	-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	**9.9**	**13.3**	**15.4**	**9.6**	**13.5**	**15.5**	**4%**	**-1%**	**-1%**
Income tax	-1.1	-1.1	-1.2	-0.8	-1.1	-1.2	-	-	-
Profit after tax	**8.8**	**12.3**	**14.2**	**8.7**	**12.4**	**14.2**	**1%**	**-1%**	**-1%**
EPS adj. (EUR)	**0.21**	**0.29**	**0.34**	**0.21**	**0.30**	**0.34**	**0%**	**-3%**	**-2%**
Key ratios									
Sales growth	**33%**	**12%**	**9%**	**32%**	**13%**	**9%**	**1pp**	**-1pp**	**0pp**
EBIT adj. growth	28%	30%	13%	27%	33%	12%	1pp	-2pp	1pp
EBITDA adj.	**19.8**	**24.7**	**27.6**	**19.8**	**24.9**	**27.7**	**0%**	**-1%**	**0%**
EBITDA adj. margin	**38.9%**	**43.1%**	**44.1%**	**39.0%**	**43.4%**	**44.1%**	**-0.2pp**	**-0.3pp**	**0.0pp**
EBIT adj. margin	24.2%	28.1%	29.1%	24.1%	28.4%	29.1%	0.1pp	-0.3pp	0.0pp
Tax rate	10.8%	8.0%	8.0%	8.7%	8.0%	8.0%	2.2pp	0.0pp	0.0pp

Source Nordea estimates

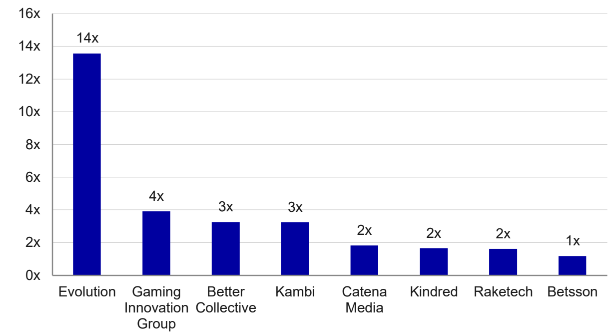
Valuation

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	218,400	13.6x	10.9x	19.6x	15.7x	21.7x	17.4x	23.4x	19.4x	41%	22%	2.1%	25%	21%	22%	63%
Kambi	5,763	3.2x	2.8x	8.8x	6.9x	17.8x	11.1x	24.5x	14.6x	-50%	44%	0.0%	14%	5%	-9%	19%
Operators																
Betsson	10,287	1.2x	1.1x	5.3x	5.1x	7.2x	6.9x	9.3x	9.2x	11%	4%	5.4%	19%	11%	8%	16%
Kindred	23,899	1.7x	1.4x	13.2x	7.9x	21.7x	10.8x	25.3x	12.1x	-71%	105%	2.2%	13%	2%	-16%	8%
Affilates																
Catena Media	2,124	1.8x	1.7x	4.4x	3.8x	5.8x	4.8x	7.6x	6.0x	3500%	26%	0.0%	18%	5%	-4%	31%
Gaming Innovation Group	3,414	3.9x	3.2x	10.4x	7.1x	26.1x	12.5x	36.6x	16.0x	305%	163%	0.0%	18%	19%	57%	16%
Better Collective	7,686	3.3x	2.8x	10.3x	8.4x	12.1x	9.2x	12.8x	9.9x	52%	29%	3.9%	15%	23%	27%	27%
Raketech	783	1.6x	1.4x	4.1x	3.3x	6.6x	5.0x	7.6x	5.3x	18%	42%	5.8%	10%	17%	24%	24%
Median	**6,725**	**2.5x**	**2.2x**	**9.6x**	**7.0x**	**15.0x**	**10.0x**	**18.1x**	**11.0x**	**29%**	**36%**	**2.2%**	**16%**	**14%**	**15%**	**21%**
International																
888	5,585	0.1x	0.1x	0.7x	0.5x	1.1x	0.8x	7.5x	5.7x	-51%	42%	0.0%	28%	36%	37%	10%
Bet-at-home	331	0.0x	0.0x	N.A.	N.A.	N.A.	N.A.	143.1x	26.8x	101%	433%	0.0%	20%	16%	39%	17%
Entain (prev. GVC)	96,416	2.3x	2.2x	10.6x	9.5x	18.5x	13.1x	23.0x	16.1x	8%	41%	1.3%	9%	5%	12%	13%
IGT	49,100	2.4x	2.4x	6.2x	6.1x	11.4x	11.1x	16.0x	15.4x	-	-	3.7%	24%			
Flutter (PaddyPower)	253,157	3.2x	2.7x	22.2x	15.0x	31.5x	20.1x	50.6x	27.9x	-15%	76%	0.0%	4%	5%	3%	21%
Playtech	20,822	1.5x	1.4x	6.0x	5.7x	8.7x	8.8x	13.7x	12.2x	103%	10%	0.0%	9%	4%	21%	14%
Rank Group	3,522	0.7x	0.6x	-	3.7x	-	9.4x	-	10.2x	129%	-2%	0.8%	N.A.	12%	15%	10%
Scientific Games	54,879	3.3x	3.1x	9.1x	8.2x	26.2x	15.6x	1.4x	30.8x	-	-95%	N.A.	-280%	11%	20%	17%
Tabcorp	15,947	1.0x	1.0x	6.3x	5.9x	30.4x	16.2x	48.2x	26.1x	-89%	97%	9.6%	2%	31%	-187%	7%
XLMedia	560	0.5x	0.5x	2.1x	2.0x	4.4x	3.2x	6.5x	5.1x	-	28%	0.0%	-			
DraftKings Inc	56,943	2.1x	1.6x	-	-	-	-	-	-	12%	29%	0.0%	-96%	2%		
Gan Ltd	673	0.3x	0.2x	3.3x	1.7x	-	-	-	-	-197%	70%	0.0%	-29%	-21%	-39%	3%
Penn National	54,430	1.8x	1.8x	5.8x	5.8x	11.2x	9.6x	21.1x	16.9x	-44%	24%	0.0%	7%			
Median	**20,822**	**1.5x**	**1.4x**	**6.1x**	**5.8x**	**11.4x**	**10.3x**	**18.6x**	**16.1x**	**-4%**	**35%**	**0.0%**	**7%**	**11%**	**8%**	**16%**

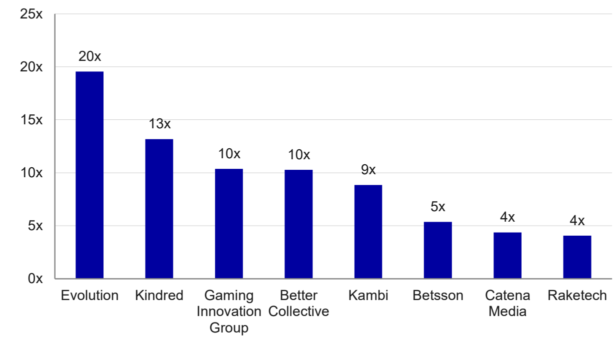
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/SALES, 2022E (x)



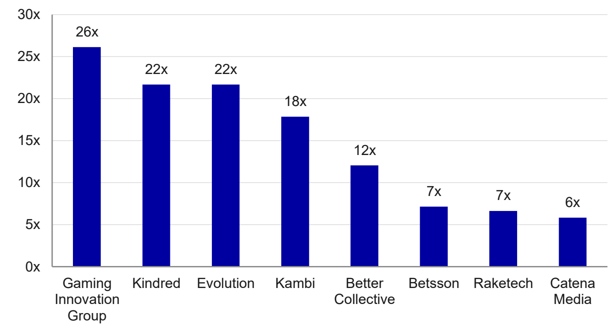
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBITDA, 2022E (x)



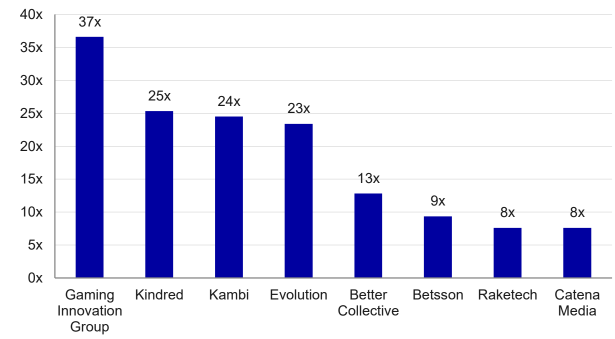
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBIT, 2022E (x)



Source: Company data, Refinitiv and Nordea estimates

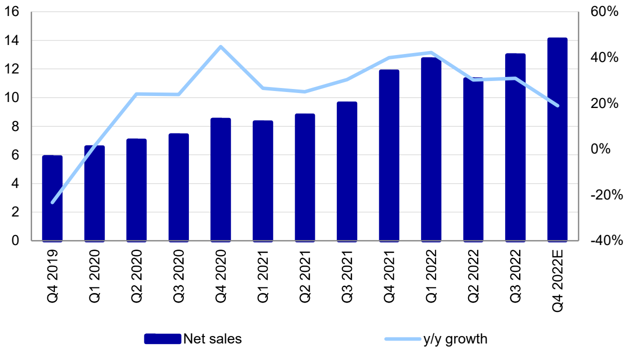
SWEDISH ONLINE GAMBLING: P/E, 2022E (x)



Source: Company data, Refinitiv and Nordea estimates

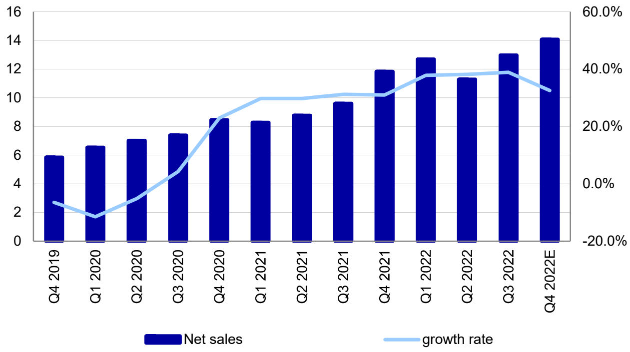
Key charts

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



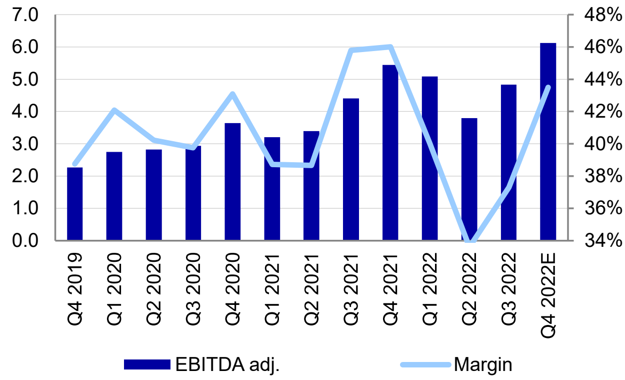
Source: Company data and Nordea estimates

NET SALES (EURm), LAST 12 MONTHS



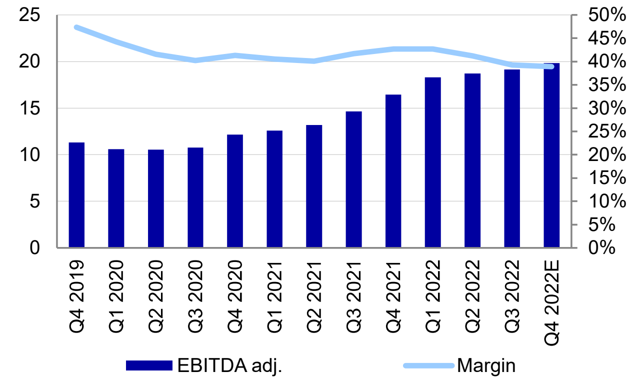
Source: Company data and Nordea estimates

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



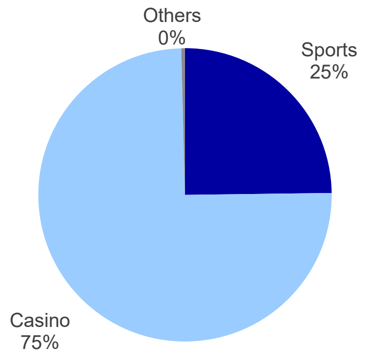
Source: Company data and Nordea estimates

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



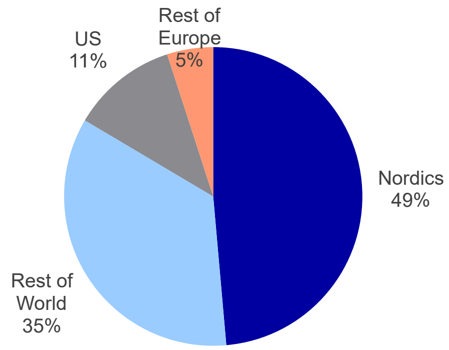
Source: Company data and Nordea estimates

VERTICAL SPLIT, Q3 2022



Source: Company data and Nordea

DETAILED MARKET OVERVIEW AS OF Q3 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**	**51**	**57**	**63**
Revenue growth	n.a.	n.a.	399.0%	64.3%	49.1%	-6.5%	23.0%	31.0%	32.5%	12.4%	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	27
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	-2	-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**	**13**	**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**	**0.29**	**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%	38.8%	43.1%	44.1%
EBITA	n.a.	3.6%	77.3%	55.1%	50.0%	51.9%	40.0%	41.8%	38.7%	42.9%	43.9%
EBIT	n.a.	3.6%	76.9%	51.4%	43.7%	35.1%	22.5%	24.3%	24.2%	28.1%	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	27
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	0.29	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%	38.9%	43.1%	44.1%
EBITA (adj)	n.a.	3.6%	77.3%	56.2%	56.0%	46.5%	40.4%	42.5%	38.7%	42.9%	43.9%
EBIT (adj)	n.a.	3.6%	76.9%	52.5%	49.7%	29.7%	23.0%	25.1%	24.2%	28.1%	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%	24.4%	17.5%	21.2%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	176.2%	14.9%	15.9%	13.9%	16.9%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	145.1%	3.1%	6.9%	7.6%	16.7%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2.4%	6.5%	19.5%	12.0%
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%	26.4%	26.2%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	54.5%	51.7%	46.9%	43.6%	42.6%	42.0%

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	5.9	5.1
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	5.0	2.9	3.0	6.7	3.7	2.5	1.6
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	5.1	3.0	3.1	6.7	3.7	2.5	1.6
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	5.7	4.7	5.5	11.4	6.0	3.8	2.4

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	8.3	5.9	5.1
EV/Sales	n.a.	n.a.	n.a.	n.a.	2.83	1.39	1.26	2.87	1.44	1.06	0.70
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	5.6	2.6	3.1	6.8	3.7	2.5	1.6
EV/EBITA	n.a.	n.a.	n.a.	n.a.	5.7	2.7	3.1	6.9	3.7	2.5	1.6
EV/EBIT	n.a.	n.a.	n.a.	n.a.	6.5	4.0	5.6	11.8	6.0	3.8	2.4
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	6.1%	8.4%	9.7%
FCF yield	n.a.	n.a.	n.a.	n.a.	-7.4%	8.1%	6.6%	-24.2%	14.8%	23.7%	31.7%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	-6.4%	33.9%	31.0%	14.9%	24.3%	30.5%	33.8%
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	124	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	118	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	14	27	44
Total current assets	0	1	1	6	12	8	10	9	22	36	54
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**	**150**	**160**	**170**
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	20	20	20	20
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	15	15	15	15
Total current liabilities	0	1	9	8	7	7	10	32	35	38	40
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**	**137**	**150**	**160**	**170**
Balance sheet and debt metrics											
Net debt	0	0	0	25	0	-1	-3	12	1	-12	-29
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	100	109	116	125
ROE	n.m.	38.1%	n.m.	47.0%	12.2%	11.6%	8.2%	9.2%	9.9%	12.5%	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	0.7	0.0	-0.5	-1.0
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%	61.9%	62.7%	63.5%	64.5%
Net gearing	n.m.	n.a.	n.a.	n.a.	n.a.	n.a.	-4.3%	13.6%	0.9%	-11.7%	-26.3%

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	-2	-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	10	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	-7	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	2	2	1
Cash flow from operations (CFO)	**0**	**0**	**16**	**5**	**11**	**11**	**12**	**15**	**18**	**22**	**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**	**22**	**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	17	23
Free cash flow bef A&D, lease adj	0	0	0	-23	-5	11	12	15	18	22	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	0	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	73	73	73
Enterprise value	n.a.	n.a.	n.a.	n.a.	72	33	37	111	74	61	44
Diluted no. of shares, year-end (m)	0.0	37.9	37.9	37.9	37.9	37.4	37.4	42.4	42.1	42.1	42.1

Source: Company data and Nordea estimates

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Nordea Bank Abp

Nordea IB & Equity Division, Equity Research
Visiting address:
Aleksis Kiven katu 7, Helsinki
FI-00020 Nordea
Finland

Tel: +358 9 1651
Fax: +358 9 165 59710

Reg.no. 2858394-9
Satamaradankatu 5
Helsinki

Nordea Bank Abp, filial i Sverige

Nordea IB & Equity Division, Equity Research
Visiting address:
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Tel: +46 8 614 7000
Fax: +46 8 534 911 60

Nordea Danmark, Filial af Nordea Bank Abp, Finland

Nordea IB & Equity Division, EquityResearch
Visiting address:
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Tel: +45 3333 3333
Fax: +45 3333 1520

Nordea Bank Abp, filial i Norge

Nordea IB & Equity Division, Equity Research
Visiting address:
Essendropsgate 7
N-0107 Oslo
Norway

Tel: +47 2248 5000
Fax: +47 2256 8650