

Raketech Group Holding

Media
Sweden

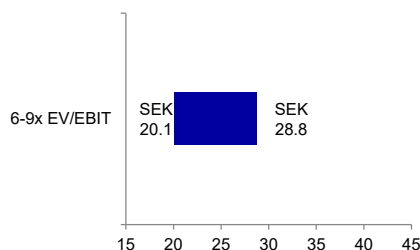
KEY DATA

Stock country	Sweden
Bloomberg	RAKE.SS
Reuters	RAKE.ST
Share price (close)	SEK 18.20
Free Float	45%
Market cap. (bn)	EUR 0.07/SEK 0.77
Website	www.raketech.com
Next report date	22 Feb 2023

PERFORMANCE



VALUATION APPROACH (SEK PER SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

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

Source: Nordea estimates

Nordea IB & Equity - Analysts

Marlon Värnik
AnalystKlas Danielsson
Analyst

Investing in future growth

We forecast a seasonally strong Q4, with organic growth of 14%, supported by the FIFA World Cup, the US Tipster business and other league starts such as the Indian Premier League. With continued ramp-up in the US and Affiliation Cloud, the growth story looks promising; we expect 15% organic growth for 2023. However, we see the EBITDA margin slipping by ~1 pp to 42.2% in 2023, owing to investments in expansion (US Tipster and Affiliation Cloud). We see further ~10% upside potential to our 2024 revenue estimates if the Affiliation Cloud investments succeed, but want to see further supporting data points before pencilling that in. As such, we keep our fair value range almost unchanged at SEK 20.1-28.8 (20-29.5), reflecting 6-9x EV/EBIT discounted on 2023E.

Expecting activity to have picked up during Q4

We expect a solid Q4 report from Raketech on 22 February, with revenues of EUR 14.7m (+24% y/y, of which 14% organic and 10% M&A-driven) and continued momentum from the October trading update (EUR 5m revenues). We expect US Tipster revenues to ramp up following the start of the NFL in mid-September, with full effects in Q4, as well as further support from the FIFA World Cup in the European business. We forecast full-year 2022 revenues of EUR 51.7m, in line with its current guidance of "low end of the EUR 50-55m range". Amid accelerating investments into Affiliation Cloud and the US market, we expect an adjusted EBITDA margin of 38.9% for 2022 (Raketech guidance: slightly below 40%).

Limited downside to unfold in 2023

Heading into 2023, we continue to see no indications of increasing consumer weakness and argue that Raketech is relatively recession-resistant. In the Nordics (~50% of sales), we expect Norway to be somewhat muted with reduced customer marketing spend and Sweden to hold up well despite its tough competitive landscape, while Finland remains on the sidelines awaiting regulatory changes.

Expansion to drive revisions

We raise our revenue estimates by 1% for 2023-24, owing to a minor positive contribution from Affiliation Cloud, and pencil in a 10% organic CAGR for 2022-24. Further, we expect 3-4% higher opex for 2023-24, due to the intensified expansion. As such, we keep our fair value range almost unchanged at SEK 20.1-28.8 (20-29.5), reflecting 6-9x EV/EBIT discounted on 2023E.

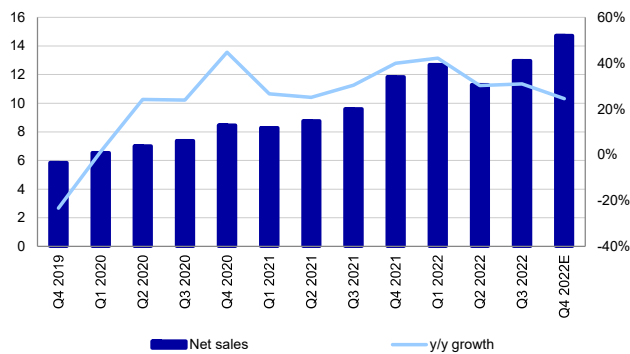
SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	26	24	29	39	52	58	63
EBITDA (adj)	14	11	12	16	20	25	27
EBIT (adj)	13	7	7	10	13	16	18
EBIT (adj) margin	49.7%	29.7%	23.0%	25.1%	24.3%	27.2%	27.8%
EPS (adj, EUR)	0.16	0.16	0.15	0.19	0.21	0.28	0.32
EPS (adj) growth	1.7%	-2.1%	-2.3%	21.8%	14.8%	30.8%	14.2%
DPS (ord, EUR)	0.00	0.00	0.00	0.00	0.11	0.14	0.16
EV/Sales	2.8	1.4	1.3	2.9	1.5	1.1	0.8
EV/EBIT (adj)	5.7	4.7	5.5	11.4	6.1	4.1	2.8
P/E (adj)	11.9	5.8	7.0	12.5	7.6	5.8	5.1
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%	6.5%	8.6%	9.8%
FCF Yield bef A&D, lease	-6.4%	33.9%	31.0%	14.9%	15.8%	30.5%	33.9%
Net debt	0	-1	-3	12	8	-4	-20
Net debt/EBITDA	0.0	0.0	-0.3	0.7	0.4	-0.2	-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

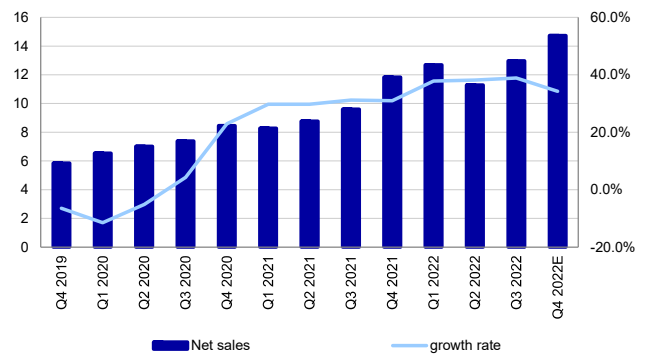
Key charts

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



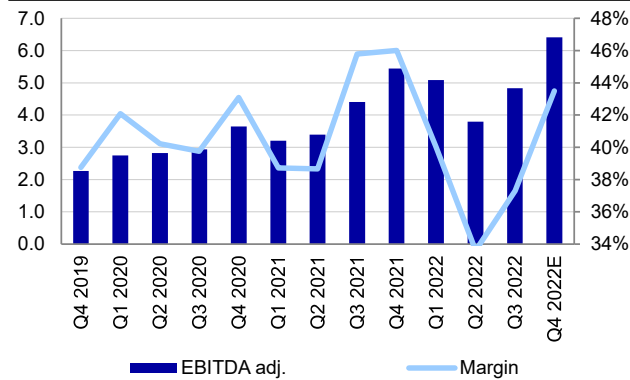
Source: Company data and Nordea estimates

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



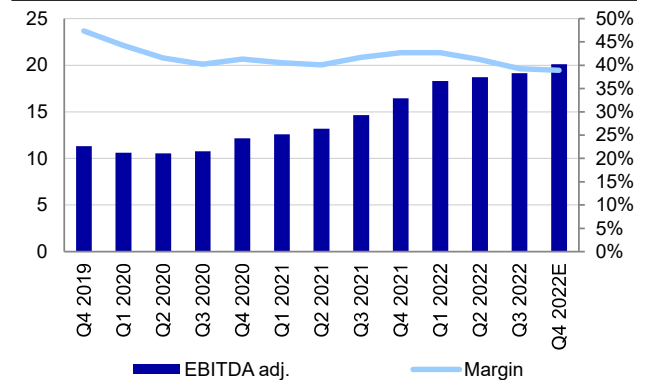
Source: Company data and Nordea estimates

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



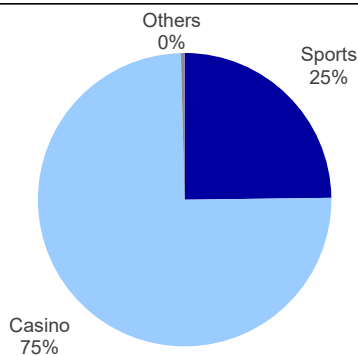
Source: Company data and Nordea estimates

ADJUSTED EBITDA (EURm) AND MARGIN (%), LTM



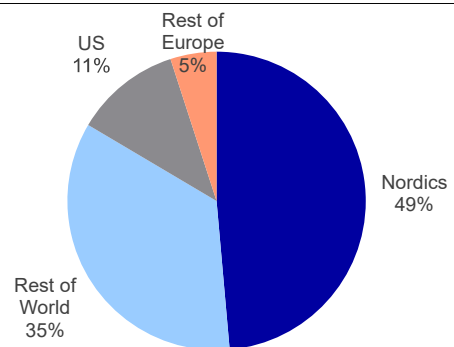
Source: Company data and Nordea estimates

VERTICAL SPLIT, Q3 2022



Source: Company data and Nordea

DETAILED MARKET OVERVIEW, Q3 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 2022	Q4 2022E
Revenue	8.5	8.3	8.8	9.6	11.8	12.7	11.3	13.0	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	13.0	14.7
Direct costs	-2.5	-2.9	-3.1	-2.7	-2.8	-3.6	-3.3	-4.2	-4.1
Personnel expenses	-1.2	-1.2	-1.1	-1.2	-1.3	-2.1	-2.2	-2.1	-2.2
Depreciation and amortisation	-1.4	-1.6	-1.8	-1.7	-1.6	-1.9	-1.8	-1.9	-2.0
Other operating expenses	-1.1	-1.0	-1.1	-1.3	-2.3	-1.9	-2.0	-1.8	-2.1
Adjusted EBIT	2.3	1.6	1.6	2.7	3.8	3.2	2.0	3.0	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	2.9	4.4
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	3.7
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	3.3
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%	24%
EBITDA adj.	3.6	3.2	3.4	4.4	5.4	5.1	3.8	4.8	6.4
EBITDA adj. growth	61%	17%	20%	50%	49%	59%	12%	10%	18%
EBIT adj. growth	161%	5%	5%	84%	68%	106%	23%	10%	16%
EPS adj. growth	-707%	7%	1%	46%	24%	73%	-11%	8%	16%
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

Growth investments drive revisions

We pencil in some positive contribution from the Affiliation Cloud business for 2023-24, lifting our sales estimates by 1%. We expect a 3-4% increase in 2023-24 opex due to the US Tipster business, but also from Affiliation Cloud marketing investments, resulting in a negative effect on adjusted EBIT of 2-3% for 2023-24. Lastly, we lift our interest rate expectation from 5% to 8%, hitting profit before tax by some 1-2 pp.

Affiliation Cloud adds an upside option for 2023

Raketeck launched its latest product innovation at the end of Q2 2022, adding EUR 169,000 to revenues. Our analysis indicates that Affiliation Cloud has continued its promising growth from Q2; we expect Q4 revenue of roughly EUR 500,000. We argue that 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 Affiliation Cloud for 2023.

RAKETECK: ESTIMATE REVISIONS

EURm	New estimates			Old Estimates			Difference		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Revenue	51.7	58.1	63.3	51.0	57.4	62.5	1%	1%	1%
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Total revenue	51.7	58.1	63.3	51.0	57.4	62.5	1%	1%	1%
Direct costs	-15.2	-15.8	-16.5	-15.0	-15.2	-15.5	1%	4%	7%
Personnel expenses	-8.6	-9.7	-10.9	-8.5	-9.4	-10.8	1%	3%	1%
Depreciation and amortisation	-7.6	-8.7	-9.5	-7.5	-8.6	-9.4	1%	1%	1%
Other operating expenses	-7.8	-8.1	-8.9	-7.7	-8.0	-8.8	1%	1%	1%
Adjusted EBIT	12.5	15.8	17.6	12.4	16.1	18.2	2%	-2%	-3%
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Reported EBIT	12.5	15.8	17.6	12.3	16.1	18.2	2%	-2%	-3%
Interest payable on borrowings	-2.4	-3.0	-3.0	-2.4	-2.8	-2.8	-	-	-
Finance costs	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Finance income	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Other non-operating income	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Profit before tax	10.1	12.8	14.6	9.9	13.3	15.4	2%	-4%	-5%
Income tax	-1.1	-1.0	-1.2	-1.1	-1.1	-1.2	-	-	-
Profit after tax	9.0	11.8	13.4	8.8	12.3	14.2	2%	-4%	-5%
EPS adj. (EUR)	0.21	0.28	0.32	0.21	0.29	0.34	2%	-4%	-5%
Key ratios									
Sales growth	34%	12%	9%	33%	12%	9%	2pp	0pp	0pp
EBIT adj. growth	30%	26%	12%	28%	30%	13%	2pp	-5pp	-1pp
EBITDA adj.	20.1	24.5	27.1	19.8	24.7	27.6	1%	-1%	-2%
EBITDA adj. margin	38.9%	42.2%	42.8%	38.9%	43.1%	44.1%	0.1pp	-0.9pp	-1.3pp
EBIT adj. margin	24.3%	27.2%	27.8%	24.2%	28.1%	29.1%	0.1pp	-0.9pp	-1.3pp
Tax rate	10.8%	8.0%	8.0%	10.8%	8.0%	8.0%	0.0pp	0.0pp	0.0pp

Source: Nordea estimates

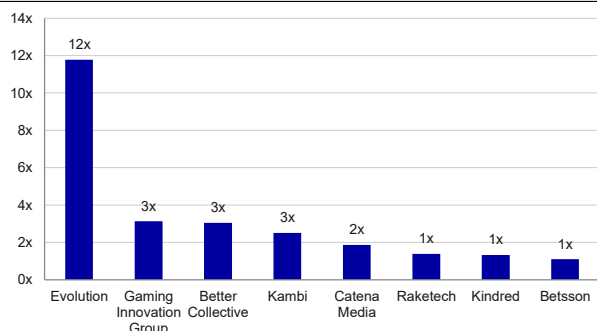
Valuation

ONLINE GAMBLING: PEER VALUATION

	Mcap. SEKm	EV/Sales		EV/EBITDA		EV/EBIT adj.		P/E adj.		EPS growth		Yield	ROE	Sales CAGR	EBIT 2021-2023	EBIT margin 2023E
		2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2023E			
Nordic																
Supplier/ platform																
Evolution	242,683	11.8x	9.8x	17.0x	14.1x	18.8x	15.6x	21.1x	18.0x	21%	17%	2.4%	27%	15%	15%	64%
Kambi	5,525	2.5x	2.4x	6.7x	6.7x	10.8x	12.0x	14.6x	16.2x	42%	-10%	0.0%	18%	6%	8%	20%
Operators																
Betsson	10,386	1.1x	1.0x	5.2x	4.9x	7.0x	6.6x	9.5x	9.1x	3%	7%	5.6%	17%	6%	6%	17%
Kindred	22,498	1.3x	1.2x	7.7x	6.3x	10.5x	8.0x	11.6x	9.5x	104%	29%	5.0%	22%	10%	36%	15%
Affiliates																
Catena Media	2,020	1.9x	1.7x	4.8x	4.2x	6.5x	5.4x	9.3x	7.3x	-26%	27%	0.0%	13%	-1%	-2%	32%
Gaming Innovation Group	3,592	3.1x	2.7x	6.9x	5.4x	12.2x	8.5x	16.5x	9.1x	236%	60%	0.0%	26%	16%	48%	31%
Better Collective	8,087	3.0x	2.7x	9.0x	7.8x	10.7x	9.0x	11.9x	9.7x	24%	23%	4.4%	17%	9%	16%	30%
Raketech	751	1.4x	1.2x	3.2x	2.9x	4.7x	4.1x	5.5x	4.5x	48%	19%	18.9%	13%	7%	17%	30%
Median	6,806	2.2x	2.1x	6.8x	5.9x	10.6x	8.3x	11.7x	9.3x	33%	21%	3.4%	17%	8%	15%	30%
International																
888	5,066	0.1x	0.1x	0.3x	0.3x	0.5x	0.4x	6.2x	3.7x	41%	59%	0.0%	32%	3%	15%	14%
Bet-at-home	602	0.4x	0.4x	22.5x	N.A.	N.A.	5.0x	N.A.	15.7x	N.A.	N.A.	0.0%	N.A.	13%	42%	33%
Entain (prev. GVC)	108,586	2.3x	2.2x	10.3x	9.3x	14.1x	11.5x	19.8x	13.2x	35%	42%	1.3%	12%	4%	17%	19%
IGT	51,212	2.5x	2.5x	6.3x	6.1x	11.5x	10.8x	18.2x	14.8x	-	-	3.3%	19%	-	-	-
Flutter (PaddyPower)	279,259	2.9x	2.6x	16.1x	12.9x	21.4x	16.5x	31.2x	21.8x	73%	42%	0.0%	6%	1%	2%	23%
Playtech	20,513	1.4x	1.4x	5.7x	5.5x	8.6x	8.8x	11.8x	11.9x	9%	8%	0.0%	9%	4%	27%	22%
Rank Group	5,242	0.8x	0.8x	-	5.0x	-	13.0x	-	15.3x	-64%	229%	0.6%	6%	10%	27%	16%
Scientific Games	60,461	3.2x	3.1x	8.8x	7.9x	17.4x	14.2x	37.6x	21.8x	-	68%	N.A.	17%	3%	3%	18%
Tabcorp	18,360	1.1x	1.1x	6.6x	6.3x	18.5x	16.4x	29.3x	27.2x	93%	11%	2.1%	3%	5%	4%	7%
XLMedia	572	0.5x	0.5x	2.1x	1.9x	3.4x	2.9x	5.3x	5.0x	-	5%	0.0%	-	-	-	-
DraftKings Inc	65,878	1.9x	1.6x	-	-	-	-	-	-	25%	46%	0.0%	-117%	1%	-	-
Gan Ltd	859	0.4x	0.4x	4.6x	2.7x	-	-	-	-	63%	44%	0.0%	-14%	2%	26%	6%
Penn National	52,876	1.7x	1.7x	5.8x	5.6x	9.4x	8.6x	17.1x	16.0x	19%	17%	0.0%	9%	-	-	-
Median	20,513	1.4x	1.4x	6.3x	5.6x	11.5x	10.8x	18.2x	15.3x	35%	42%	0.0%	9%	6%	6%	17%

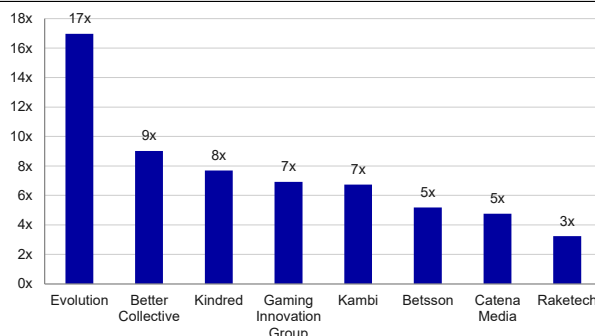
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/SALES, 2023E



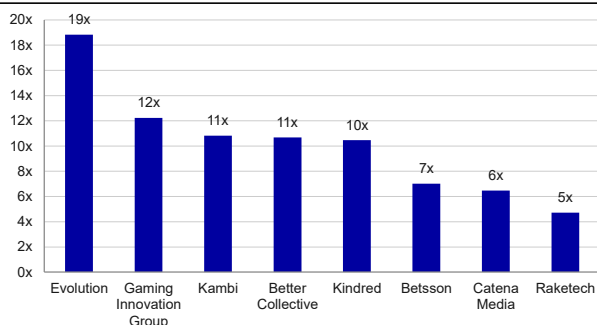
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBITDA, 2023E



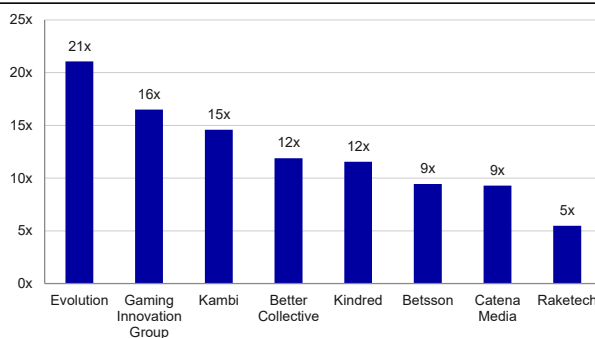
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBIT, 2023E



Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: P/E, 2023E



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	52	58	63
Revenue growth	n.a.	n.a.	399.0%	64.3%	49.1%	-6.5%	23.0%	31.0%	34.2%	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	27
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	24	27
Amortisation and impairments	0	0	0	-1	-2	-4	-5	-7	-8	-9	-9
EBIT	n.a.	0	8	9	11	8	7	9	13	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	13
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	13
EPS, EUR	n.a.	n.a.	0.20	0.15	0.12	0.19	0.15	0.18	0.21	0.28	0.32
DPS, EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.14	0.16
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.14	0.16
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%	38.9%	42.2%	42.8%
EBITA	n.a.	3.6%	77.3%	55.1%	50.0%	51.9%	40.0%	41.8%	38.7%	42.0%	42.7%
EBIT	n.a.	3.6%	76.9%	51.4%	43.7%	35.1%	22.5%	24.3%	24.2%	27.2%	27.8%

Adjusted earnings

EBITDA (adj)	0	0	8	10	14	11	12	16	20	25	27
EBITA (adj)	0	0	8	10	14	11	12	16	20	24	27
EBIT (adj)	0	0	8	9	13	7	7	10	13	16	18
EPS (adj, EUR)	n.a.	n.a.	0.20	0.16	0.16	0.16	0.15	0.19	0.21	0.28	0.32

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%	42.2%	42.8%
EBITA (adj)	n.a.	3.6%	77.3%	56.2%	56.0%	46.5%	40.4%	42.5%	38.8%	42.0%	42.7%
EBIT (adj)	n.a.	3.6%	76.9%	52.5%	49.7%	29.7%	23.0%	25.1%	24.3%	27.2%	27.8%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	69.6%	29.8%	24.7%	17.9%	21.5%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	176.2%	14.9%	16.2%	13.8%	16.6%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	145.1%	3.1%	7.3%	7.2%	16.0%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2.4%	7.0%	18.5%	10.9%
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.	n.a.	46.1%	40.4%	33.0%	28.4%	25.7%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	54.5%	51.7%	46.9%	43.6%	41.5%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	11.9	5.8	7.0	12.5	7.6	5.8	5.1
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	5.0	2.9	3.0	6.7	3.8	2.7	1.8
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	5.1	3.0	3.1	6.7	3.8	2.7	1.8
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	5.7	4.7	5.5	11.4	6.1	4.1	2.8

VALUATION RATIOS - REPORTED EARNINGS

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	n.a.	n.a.	n.a.	n.a.	15.9	4.7	7.2	13.1	7.7	5.8	5.1
EV/Sales	n.a.	n.a.	n.a.	n.a.	2.83	1.39	1.26	2.87	1.48	1.12	0.77
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	5.6	2.6	3.1	6.8	3.8	2.7	1.8
EV/EBITA	n.a.	n.a.	n.a.	n.a.	5.7	2.7	3.1	6.9	3.8	2.7	1.8
EV/EBIT	n.a.	n.a.	n.a.	n.a.	6.5	4.0	5.6	11.8	6.1	4.1	2.8
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	6.5%	8.6%	9.8%
FCF yield	n.a.	n.a.	n.a.	n.a.	-7.4%	8.1%	6.6%	-24.2%	5.7%	23.2%	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%	15.8%	30.5%	33.9%
Payout ratio	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%	50.0%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	0	0	18	46	66	74	81	128	127	123	115
of which R&D	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which other intangibles	0	0	18	46	66	74	81	124	121	117	109
of which goodwill	0	n.a.	n.a.	n.a.	0	n.a.	0	4	6	6	6
Tangible assets	0	0	0	0	0	0	0	0	1	1	1
of which leased assets	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0
Shares associates	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Interest bearing assets	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	n.a.	0	0	0	0	0
Other non-IB non-current assets	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Other non-current assets	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Total non-current assets	0	0	18	47	66	74	81	128	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	7	18	34
Total current assets	0	1	1	6	12	8	10	9	15	28	45
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	143	152	161
Shareholders equity	0	0	9	16	59	65	71	85	94	101	109
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	101	109
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.	n.a.	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	10	12	13
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	28	30	32
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	143	152	161
Balance sheet and debt metrics											
Net debt	0	0	0	25	0	-1	-3	12	8	-4	-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	-5	-6	-7
Invested capital	0	0	10	41	64	71	78	117	122	118	110
Capital employed	0	0	9	44	67	69	73	100	109	116	124
ROE	n.m.	38.1%	n.m.	47.0%	12.2%	11.6%	8.2%	9.2%	10.1%	12.0%	12.8%
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	0.4	-0.2	-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%	61.9%	65.8%	66.7%	67.7%
Net gearing	n.m.	n.a.	n.a.	n.a.	n.a.	n.a.	-4.3%	13.6%	8.2%	-3.7%	-18.1%

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	27
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	17	20	23
Change in NWC	0	0	9	-3	-3	0	0	-2	-6	1	1
Cash flow from operations (CFO)	0	0	16	5	11	11	12	15	11	21	23
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	11	21	23
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	4	16	22
Free cash flow bef A&D, lease adj	0	0	0	-23	-5	11	12	15	11	21	23
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	4	11	16
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	111	76	65	49
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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