Raketech Group Holding

Media
Sweden

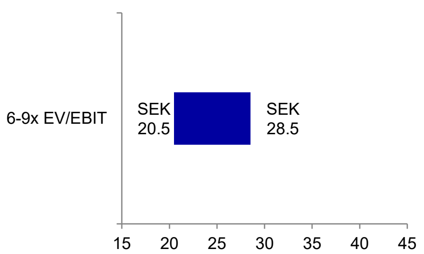
KEY DATA

Stock country	Sweden
Bloomberg	RAKE SS
Reuters	RAKE.ST
Share price (close)	SEK 20.45
Free Float	45%
Market cap. (bn)	EUR 0.08/SEK 0.87
Website	www.raketech.com
Next report date	11 May 2023

PERFORMANCE

Raketech Group Holding
Sweden OMX Stockholm All-Share (Rebased)
Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	6%	6%	6%
EBIT (adj)	-10%	-3%	-3%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Marlon Värnik
Analyst

Klas Danielsson
Analyst

Expected to accelerate organic growth

Raketech reported solid Q4 results, with revenue of EUR 17.7m (6% above our estimate) and organic revenue growth of 23%. The company has made a good start to 2023, with daily average revenue 7% above our estimate for Q1 2023. We lift revenue by 6% for 2023E, driven by the US Tipster business as well as Affiliation Cloud. Following the consolidation of Casinofeber and Infinileads, we lower adjusted EBITDA by 8% for 2023E. Hence, we trim our fair value range to SEK 20.5-28.5, reflecting 6-9x 2023E EV/EBIT.

Gaining organic growth momentum

Raketech reported record-high organic growth of ~23% for Q4 2022 (11% for the full-year), explained by the continuous strong performance of its flagship products and expansion of its sub-affiliation business. The US market has maintained its strong development and now represents 15% of group revenue, as activity increased during Q4. Ahead of the report, Raketech further upgraded its 2023 guidance, including for revenue of EUR 60-65m (our estimate: EUR 61.8m). Following Raketech's takeover of Casinofeber and Infinileads, with 2023 marking the end of the earnout period, the company expects a EUR 2m rise in opex and a EUR 6m impact on cash flows.

A good start to 2023

The trading update at the start of Q1 2023 was strong, with daily average revenue 7% above our estimate for the quarter. However, due to seasonality effects, we expect activity to decline slightly over the following two months. For 2023, we estimate organic growth of an accelerated 19%, boosted by the Affiliation Cloud and US Tipster businesses. We expect a slightly subdued gross margin due to the new product mix, resulting in lower business margins. In the long term, the shift from offline to online gambling is expected to favour Raketech's expansion journey, allowing for continued M&A activity as well as solid growth.

Slightly negative revisions

We now estimate revenue growth of 6% for 2023-25, triggered by higher-than-expected organic growth for 2023 and thereafter. However, we increase 2023E opex by EUR 5.6m, driven by the Tipster and Affiliation Cloud businesses, reflecting an adjusted EBITDA margin of 36.6%. Hence, we raise our 2023E EV/EBIT range to 6-9x, giving a fair value range of SEK 20.5-28.5 (20.1-28.8).

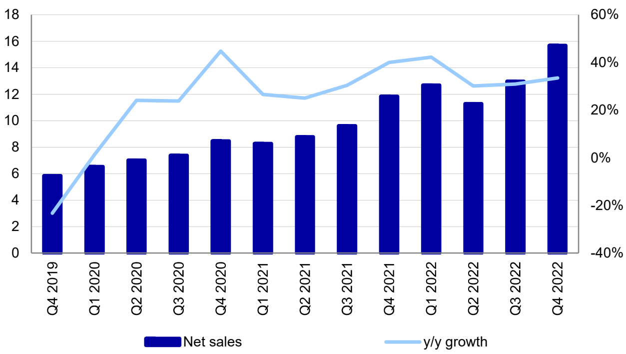
SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	24	29	39	53	62	67	72
EBITDA (adj)	11	12	16	20	23	27	30
EBIT (adj)	7	7	10	12	14	17	19
EBIT (adj) margin	29.7%	23.0%	25.1%	23.5%	23.1%	25.4%	26.5%
EPS (adj, EUR)	0.16	0.15	0.19	0.20	0.25	0.31	0.35
EPS (adj) growth	-2.1%	-2.3%	21.8%	6.2%	24.5%	24.4%	14.3%
DPS (ord, EUR)	0.00	0.00	0.00	0.10	0.12	0.15	0.17
EV/Sales	1.4	1.3	2.9	1.4	1.3	1.1	0.9
EV/EBIT (adj)	4.7	5.5	11.4	6.0	5.8	4.4	3.3
P/E (adj)	5.8	7.0	12.5	8.1	7.5	6.1	5.3
P/BV	0.5	0.6	1.2	0.7	0.8	0.7	0.7
Dividend yield (ord)	0.0%	0.0%	0.0%	6.2%	6.6%	8.3%	9.4%
FCF Yield bef A&D, lease	33.9%	31.0%	14.9%	28.3%	15.3%	19.7%	21.9%
Net debt	-1	-3	12	7	5	-4	-15
Net debt/EBITDA	0.0	-0.3	0.7	0.3	0.2	-0.1	-0.5
ROIC after tax	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company data and Nordea estimates

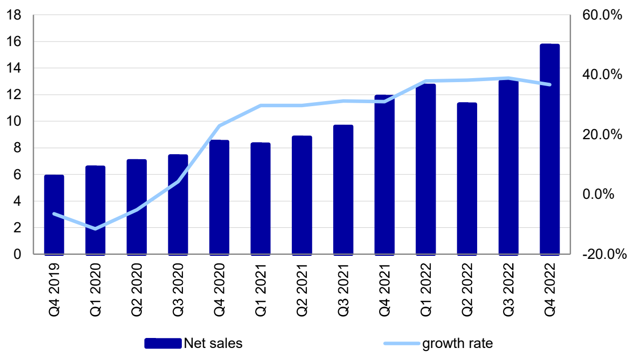
Key charts

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



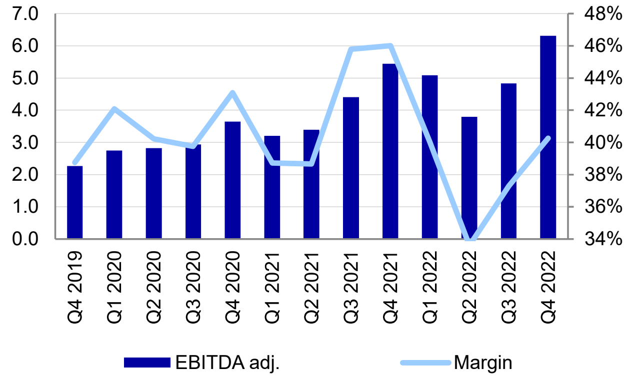
Source: Company data and Nordea estimates

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



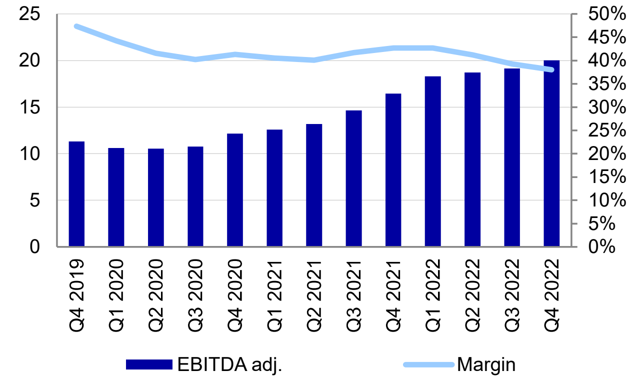
Source: Company data and Nordea estimates

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



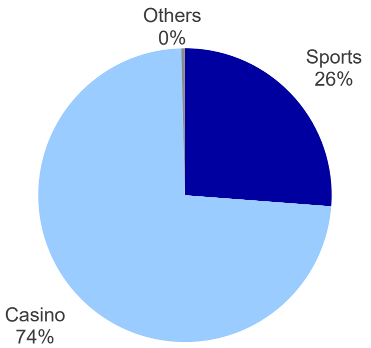
Source: Company data and Nordea estimates

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



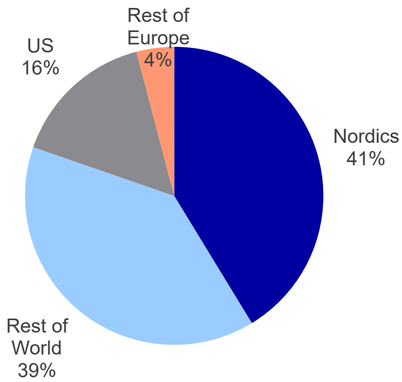
Source: Company data and Nordea estimates

VERTICAL SPLIT, Q4 2022



Source: Company data and Nordea

DETAILED MARKET OVERVIEW, Q4 2022



Source: Company data and Nordea

Detailed estimates

RAKETECH: QUARTERLY ESTIMATES

EURm	Q1 2023E	Q2 2023E	Q3 2023E	Q4 2023E
Revenue	**13.8**	**13.1**	**15.1**	**19.8**
Other operating income	0.0	0.0	0.0	0.0
Total revenue	**13.8**	**13.1**	**15.1**	**19.8**
Direct costs	-4.0	-3.8	-4.2	-5.3
Personnel expenses	-2.5	-2.6	-3.0	-3.2
Depreciation and amortisation	-2.1	-2.0	-2.1	-2.2
Other operating expenses	-2.3	-2.2	-2.6	-3.4
Adjusted EBIT	**2.9**	**2.5**	**3.2**	**5.7**
Non-recurring items	0.0	0.0	0.0	0.0
Reported EBIT	**2.9**	**2.5**	**3.2**	**5.7**
Net financials	-0.8	-0.8	-0.8	-0.8
Profit before tax	**2.1**	**1.7**	**2.4**	**5.0**
Income tax	-0.2	-0.1	-0.2	-0.4
Profit after tax	**2.0**	**1.6**	**2.2**	**4.6**
EPS adj. (EUR)	**0.05**	**0.04**	**0.05**	**0.11**
Key ratios & assumptions				
Revenue growth, y/y	17%	15%	20%	25%
EBITDA adj.	**5.0**	**4.5**	**5.3**	**7.9**
EBITDA adj. growth	-2%	18%	9%	25%
EBIT adj. growth	**-10%**	**27%**	**7%**	**35%**
EPS adj. growth	-10%	30%	2%	71%
EBITDA adj. margin	**36.0%**	**34.0%**	**35.0%**	**40.0%**
EBIT adj. margin	21.0%	19.0%	21.0%	29.0%
Tax rate	8.0%	8.0%	8.0%	8.0%

Source: Company data and Nordea estimates

RAKETECH: YEARLY ESTIMATES

EURm	2022	2023E	2024E	2025E
Revenue	**52.6**	**61.8**	**67.3**	**72.1**
Other operating income	0.0	0.0	0.0	0.0
Total revenue	**52.6**	**61.8**	**67.3**	**72.1**
Direct costs	-15.8	-17.4	-17.5	-18.7
Personnel expenses	-8.7	-11.3	-11.5	-11.5
Depreciation and amortisation	-7.7	-8.3	-10.1	-10.8
Other operating expenses	-8.1	-10.5	-11.1	-11.9
Adjusted EBIT	**12.4**	**14.3**	**17.1**	**19.1**
Non-recurring items	0.0	0.0	0.0	0.0
Reported EBIT	12.4	14.3	17.1	19.1
Net financials	-2.3	-3.0	-3.0	-3.0
Profit before tax	10.0	11.3	14.1	16.1
Income tax	-1.7	-0.9	-1.1	-1.3
Profit after tax	**8.3**	**10.4**	**13.0**	**14.8**
EPS adj. (EUR)	**0.2**	**0.2**	**0.3**	**0.3**
Key ratios & assumptions				
Revenue growth, y/y	1.4	0.8	0.4	0.3
EBITDA adj.	**20.0**	**22.6**	**27.2**	**29.9**
EBITDA adj. growth		13%	20%	10%
EBIT adj. growth		**15%**	**20%**	**12%**
EPS adj. growth		**25%**	**24%**	**14%**
EBITDA adj. margin	**38%**	**36.6%**	**40%**	**42%**
EBIT adj. margin	24%	23%	25%	27%
Tax rate	17%	8%	8%	8%

Source: Company data and Nordea estimates

Estimate revisions

Growth investments prompt revisions

We pencil in a positive contribution from the US Tipster and Affiliation Cloud businesses for 2023-24 and lift our sales estimates by 6%. We raise our opex estimate for 2023 by EUR 5.6m, partly due to higher operating costs related to Casinofeber and Infinileads, resulting in a negative effect on adjusted EBITDA of 8% for 2023E.

RAKETECH: ESTIMATE REVISIONS

	New estimates			Old estimates			Difference		
EURm	**2023E**	**2024E**	**2025E**	**2023E**	**2024E**	**2025E**	**2023E**	**2024E**	**2025E**
Revenue	**61.8**	**67.3**	**72.1**	**58.1**	**63.3**	**67.8**	**6%**	**6%**	**6%**
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Total revenue	**61.8**	**67.3**	**72.1**	**58.1**	**63.3**	**67.8**	**6%**	**6%**	**6%**
Direct costs	-17.4	-17.5	-18.7	-15.8	-16.5	-17.6	10%	6%	6%
Personnel expenses	-11.3	-11.5	-11.5	-9.7	-10.9	-10.8	17%	6%	6%
Depreciation and amortisation	-8.3	-10.1	-10.8	-8.7	-9.5	-10.2	-4%	6%	6%
Other operating expenses	-10.5	-11.1	-11.9	-8.1	-8.9	-9.5	29%	25%	25%
Adjusted EBIT	**14.3**	**17.1**	**19.1**	**15.8**	**17.6**	**19.7**	**-10%**	**-3%**	**-3%**
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Reported EBIT	**14.3**	**17.1**	**19.1**	**15.8**	**17.6**	**19.7**	**-10%**	**-3%**	**-3%**
Interest payable on borrowings	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-	-	-
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	**11.3**	**14.1**	**16.1**	**12.8**	**14.6**	**16.7**	**-12%**	**-4%**	**-3%**
Income tax	-0.9	-1.1	-1.3	-1.0	-1.2	-1.3	-	-	-
Profit after tax	**10.4**	**13.0**	**14.8**	**11.8**	**13.4**	**15.3**	**-12%**	**-4%**	**-3%**
EPS adj. (EUR)	**0.25**	**0.31**	**0.35**	**0.28**	**0.32**	**0.36**	**-12%**	**-4%**	**-4%**
Key ratios									
Sales growth	**17%**	**9%**	**7%**	**12%**	**9%**	**7%**	**5pp**	**0pp**	**0pp**
EBIT adj. growth	15%	20%	12%	26%	12%	12%	-10pp	8pp	0pp
EBITDA adj.	**22.6**	**27.2**	**29.9**	**24.5**	**27.1**	**29.8**	**-8%**	**0%**	**0%**
EBITDA adj. margin	**36.6%**	**40.4%**	**41.5%**	**42.2%**	**42.8%**	**44.0%**	**-5.6pp**	**-2.5pp**	**-2.5pp**
EBIT adj. margin	23.1%	25.4%	26.5%	27.2%	27.8%	29.0%	-4.1pp	-2.5pp	-2.5pp
Tax rate	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	0.0pp	0.0pp	0.0pp

Source: Nordea estimates

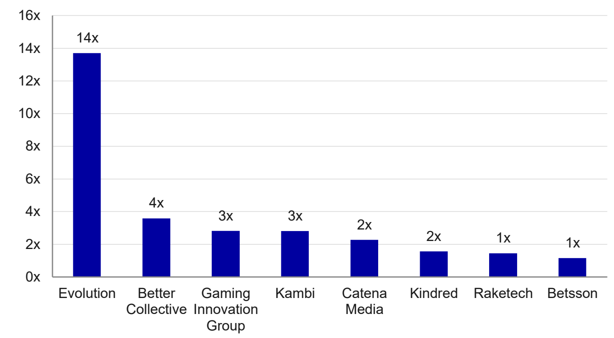
Valuation

ONLINE GAMBLING: PEER VALUATION

Nordic	Mcap. SEKm	EV/Sales 2023E	EV/Sales 2024E	EV/EBITDA 2023E	EV/EBITDA 2024E	EV/EBIT adj. 2023E	EV/EBIT adj. 2024E	P/E adj. 2023E	P/E adj. 2024E	EPS growth 2023E	EPS growth 2024E	Yield 2023E	ROE 2023E	Sales CAGR 2021-2023	EBIT CAGR 2021-2023	EBIT margin 2023E
Supplier/ platform																
Evolution	286,334	13.7x	11.4x	19.9x	16.4x	22.1x	18.0x	24.8x	21.5x	22%	15%	2.0%	28%	15%	15%	64%
Kambi	6,070	2.8x	2.7x	7.6x	7.4x	12.3x	12.9x	16.2x	17.2x	32%	-6%	0.0%	18%	5%	6%	21%
Operators																
Betsson	11,780	1.2x	1.1x	5.2x	4.8x	6.8x	6.0x	10.1x	9.4x	6%	7%	5.1%	18%	7%	8%	18%
Kindred	25,685	1.6x	1.4x	9.6x	7.8x	13.4x	9.6x	15.5x	11.4x	87%	34%	4.0%	20%	8%	35%	15%
Affilates																
Catena Media	2,578	2.3x	2.1x	5.8x	5.1x	7.9x	6.6x	11.8x	9.3x	-26%	27%	0.0%	13%	-1%	-2%	32%
Gaming Innovation Group	3,578	2.8x	2.5x	6.9x	5.1x	11.6x	8.2x	15.5x	9.6x	139%	66%	0.0%	25%	17%	51%	31%
Better Collective	10,079	3.6x	3.1x	10.7x	9.3x	12.9x	10.4x	15.0x	11.7x	18%	29%	3.3%	15%	9%	15%	30%
Raketech	840	1.4x	1.4x	3.6x	3.1x	5.2x	4.5x	5.9x	5.7x	45%	5%	17.0%	13%	5%	33%	30%
Median	**8,074**	**2.5x**	**2.3x**	**7.2x**	**6.2x**	**12.0x**	**8.9x**	**15.2x**	**10.5x**	**27%**	**21%**	**2.7%**	**18%**	**8%**	**15%**	**30%**
International																
888	4,027	0.0x	0.0x	0.1x	0.1x	0.2x	0.2x	6.4x	3.3x	9%	97%	0.0%	29%	2%	12%	14%
Bet-at-home	538	0.3x	0.3x	17.2x	N.A.	N.A.	3.8x	N.A.	14.0x	N.A.	N.A.	0.0%	N.A.	13%	34%	36%
Entain (prev. GVC)	101,338	2.2x	2.1x	9.9x	8.9x	13.7x	11.0x	20.2x	13.6x	15%	48%	1.3%	12%	5%	15%	19%
IGT	54,170	2.6x	2.6x	6.4x	6.5x	11.5x	11.5x	16.8x	15.4x	-	-	3.1%	19%			
Flutter (PaddyPower)	304,636	3.2x	2.8x	17.7x	14.2x	23.2x	17.7x	35.4x	24.5x	74%	43%	0.0%	6%	-1%	1%	23%
Playtech	22,513	1.5x	1.4x	6.0x	5.7x	9.0x	8.7x	12.2x	11.3x	7%	10%	0.0%	9%	3%	26%	21%
Rank Group	5,197	0.8x	0.8x	-	5.0x	-	13.0x	-	16.7x	-95%	1719%	0.0%	0%	10%	28%	16%
Scientific Games	60,899	3.2x	3.1x	8.6x	8.2x	17.1x	14.5x	37.3x	22.2x	-	68%	N.A.	16%	3%	3%	17%
Tabcorp	16,134	1.1x	1.1x	7.0x	6.4x	20.2x	16.8x	28.4x	24.9x	74%	14%	2.1%	3%	5%	-2%	6%
XLMedia	574	0.5x	0.5x	2.1x	2.0x	3.7x	3.3x	5.3x	5.5x	-	3%	0.0%	-			
DraftKings Inc	93,588	2.8x	2.3x	-	-	-	-	-	-	34%	48%	0.0%	-105%	3%		
Gan Ltd	955	0.5x	0.5x	5.2x	3.5x	-	-	-	-	64%	42%	0.0%	-13%	2%	26%	6%
Penn National	51,036	1.7x	1.7x	5.8x	5.5x	9.7x	9.0x	20.1x	17.0x	-3%	21%	0.0%	7%			
Median	**22,513**	**1.5x**	**1.4x**	**6.4x**	**5.7x**	**11.5x**	**11.0x**	**20.1x**	**15.4x**	**15%**	**43%**	**0.0%**	**7%**	**7%**	**8%**	**18%**

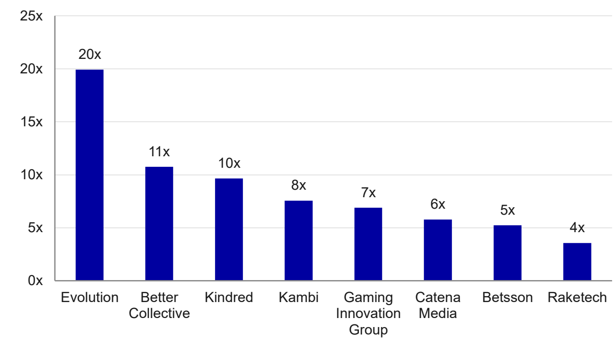
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/SALES, 2023E



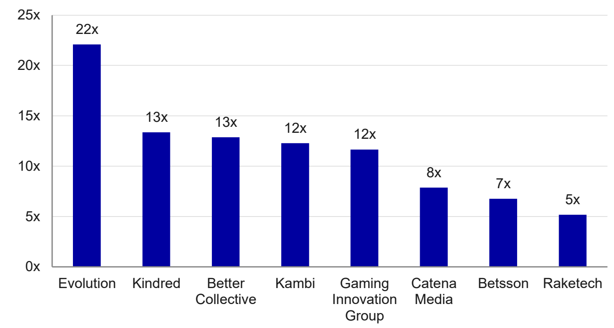
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBITDA, 2023E



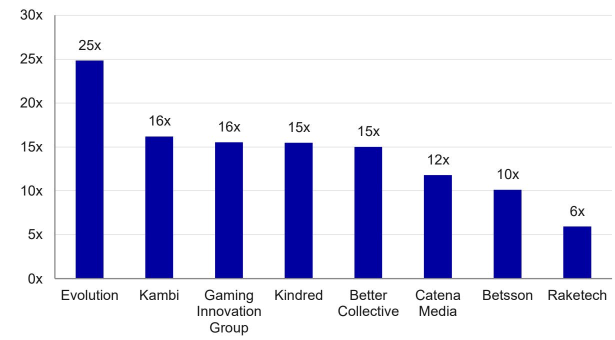
Source: Company data, Refinitiv and Nordea estimates

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	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	**2**	**10**	**17**	**26**	**24**	**29**	**39**	**53**	**62**	**67**	**72**
Revenue growth	n.a.	399.0%	64.3%	49.1%	-6.5%	23.0%	31.0%	36.7%	17.4%	9.0%	7.0%
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	8	9	13	13	12	16	20	23	27	30
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	8	9	13	12	12	16	20	23	27	30
Amortisation and impairments	0	0	-1	-2	-4	-5	-7	-8	-8	-10	-11
EBIT	0	8	9	11	8	7	9	12	14	17	19
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net financials	0	0	-3	-6	-1	-1	-2	-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**	**8**	**6**	**5**	**7**	**6**	**8**	**10**	**11**	**14**	**16**
Reported taxes	0	0	0	0	0	0	-1	-2	-1	-1	-1
Net profit from continued operations	0	8	6	5	7	6	7	8	10	13	15
Discontinued operations	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Minority interests	n.a.	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	8	6	5	7	6	7	8	10	13	15
EPS, EUR	**n.a.**	**0.20**	**0.15**	**0.12**	**0.19**	**0.15**	**0.18**	**0.20**	**0.25**	**0.31**	**0.35**
DPS, EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.12	0.15	0.17
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.12	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	3.6%	77.3%	55.3%	50.4%	52.7%	40.9%	41.9%	38.0%	36.6%	40.4%	41.5%
EBITA	3.6%	77.3%	55.1%	50.0%	51.9%	40.0%	41.8%	37.9%	36.5%	40.2%	41.4%
EBIT	3.6%	76.9%	51.4%	43.7%	35.1%	22.5%	24.3%	23.5%	23.1%	25.4%	26.5%
Adjusted earnings											
EBITDA (adj)	0	8	10	14	11	12	16	20	23	27	30
EBITA (adj)	0	8	10	14	11	12	16	20	23	27	30
EBIT (adj)	0	8	9	13	7	7	10	12	14	17	19
EPS (adj, EUR)	n.a.	0.20	0.16	0.16	0.16	0.15	0.19	0.20	0.25	0.31	0.35
Adjusted profit margins in percent											
EBITDA (adj)	3.6%	77.3%	56.4%	56.3%	47.4%	41.3%	42.7%	38.0%	36.6%	40.4%	41.5%
EBITA (adj)	3.6%	77.3%	56.2%	56.0%	46.5%	40.4%	42.5%	37.9%	36.5%	40.2%	41.4%
EBIT (adj)	3.6%	76.9%	52.5%	49.7%	29.7%	23.0%	25.1%	23.5%	23.1%	25.4%	26.5%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	69.6%	29.8%	25.2%	19.3%	23.0%	19.6%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	176.2%	14.9%	16.1%	11.9%	16.6%	20.0%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	145.1%	3.1%	7.0%	5.1%	15.3%	23.6%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2.4%	5.3%	15.5%	10.0%	18.5%
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.	46.1%	40.4%	33.0%	28.2%	24.7%	23.9%	24.7%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	54.5%	51.7%	46.9%	43.3%	40.4%	39.2%	39.6%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E (adj)	n.a.	n.a.	n.a.	11.9	5.8	7.0	12.5	8.1	7.5	6.1	5.3
EV/EBITDA (adj)	n.a.	n.a.	n.a.	5.0	2.9	3.0	6.7	3.7	3.7	2.7	2.1
EV/EBITA (adj)	n.a.	n.a.	n.a.	5.1	3.0	3.1	6.7	3.7	3.7	2.8	2.1
EV/EBIT (adj)	n.a.	n.a.	n.a.	5.7	4.7	5.5	11.4	6.0	5.8	4.4	3.3

VALUATION RATIOS - REPORTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E	n.a.	n.a.	n.a.	15.9	4.7	7.2	13.1	8.1	7.5	6.1	5.3
EV/Sales	n.a.	n.a.	n.a.	2.83	1.39	1.26	2.87	1.40	1.35	1.11	0.89
EV/EBITDA	n.a.	n.a.	n.a.	5.6	2.6	3.1	6.8	3.7	3.7	2.7	2.1
EV/EBITA	n.a.	n.a.	n.a.	5.7	2.7	3.1	6.9	3.7	3.7	2.8	2.1
EV/EBIT	n.a.	n.a.	n.a.	6.5	4.0	5.6	11.8	6.0	5.8	4.4	3.3
Dividend yield (ord.)	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	6.2%	6.6%	8.3%	9.4%
FCF yield	n.a.	n.a.	n.a.	-7.4%	8.1%	6.6%	-24.2%	18.0%	7.7%	17.8%	21.9%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	-6.4%	33.9%	31.0%	14.9%	28.3%	15.3%	19.7%	21.9%
Payout ratio	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%	50.0%	50.0%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	0	18	46	66	74	81	128	132	137	136	134
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	18	46	66	74	81	124	131	136	135	133
of which goodwill	n.a.	n.a.	n.a.	0	n.a.	0	4	1	1	1	1
Tangible assets	0	0	0	0	0	0	0	0	0	1	1
of which leased assets	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0
Shares associates	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Interest bearing assets	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	n.a.	0	0	0	0	0	0
Other non-IB non-current assets	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Other non-current assets	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Total non-current assets	0	18	47	66	74	81	128	132	137	137	135
Inventory	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Accounts receivable	1	1	3	4	4	5	6	8	9	10	11
Short-term leased assets	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Other current assets	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Cash and bank	0	0	3	8	4	5	3	8	10	19	29
Total current assets	1	1	6	12	8	10	9	16	19	29	40
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**1**	**19**	**53**	**78**	**82**	**91**	**137**	**148**	**156**	**165**	**174**
Shareholders equity	0	9	16	59	65	71	85	97	103	111	119
Of which preferred stocks	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Of which equity part of hybrid debt	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Minority interest	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Total Equity	n.a.	n.a.	n.a.	n.a.	n.a.	71	85	97	103	111	119
Deferred tax	0	0	0	1	1	2	2	3	3	3	3
Long term interest bearing debt	0	0	28	8	3	0	0	0	0	0	0
Pension provisions	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Other long-term provisions	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Other long-term liabilities	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Non-current lease debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Convertible debt	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Shareholder debt	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Hybrid debt	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Total non-current liabilities	0	1	29	13	10	10	20	26	26	26	26
Short-term provisions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Accounts payable	1	9	6	4	2	2	3	4	5	5	6
Current lease debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Other current liabilities	0	0	2	3	5	6	15	6	7	8	9
Short term interest bearing debt	0	0	0	0	n.a.	2	15	15	15	15	15
Total current liabilities	1	9	8	7	7	10	32	25	27	28	29
Liabilities for assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Total liabilities and equity	**1**	**19**	**53**	**78**	**82**	**91**	**137**	**148**	**156**	**165**	**174**
Balance sheet and debt metrics											
Net debt	0	0	25	0	-1	-3	12	7	5	-4	-15
of which lease debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Working capital	0	-8	-6	-2	-3	-3	-11	-3	-3	-4	-4
Invested capital	0	10	41	64	71	78	117	130	134	133	131
Capital employed	0	9	44	67	69	73	100	111	118	125	134
ROE	38.1%	n.m.	47.0%	12.2%	11.6%	8.2%	9.2%	9.2%	10.4%	12.1%	12.9%
ROIC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ROCE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net debt/EBITDA	-0.3	0.0	2.6	0.0	0.0	-0.3	0.7	0.3	0.2	-0.1	-0.5
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	24.3%	46.9%	29.8%	75.2%	79.1%	77.6%	61.9%	65.2%	65.8%	67.0%	68.2%
Net gearing	n.a.	n.a.	n.a.	n.a.	n.a.	-4.3%	13.6%	6.9%	4.7%	-3.5%	-12.2%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
EBITDA (adj) for associates	**0**	**8**	**9**	**13**	**13**	**12**	**16**	**20**	**23**	**27**	**30**
Paid taxes	0	0	0	0	0	0	-1	-2	-1	-1	-1
Net financials	0	0	-3	-6	-1	-1	-2	-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	4	1	3	10	5	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	-1	1	5	-2	-2	-7	0	0	0	0
Funds from operations (FFO)	**0**	**7**	**8**	**14**	**11**	**12**	**16**	**20**	**19**	**23**	**26**
Change in NWC	0	9	-3	-3	0	0	-2	-2	0	0	0
Cash flow from operations (CFO)	**0**	**16**	**5**	**11**	**11**	**12**	**15**	**19**	**19**	**23**	**26**
Capital expenditure	0	-16	-28	-16	0	0	0	0	-7	-8	-9
Free cash flow before A&D	**0**	**0**	**-23**	**-5**	**11**	**12**	**15**	**19**	**12**	**15**	**17**
Proceeds from sale of assets	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0
Acquisitions	0	0	0	-1	-9	-10	-39	-7	-6	-2	0
Free cash flow	0	0	-23	-5	3	3	-24	12	6	14	17
Free cash flow bef A&D, lease adj	0	0	-23	-5	11	12	15	19	12	15	17
Dividends paid	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	0	-4	-5	-6
Equity issues / buybacks	n.a.	n.a.	n.a.	n.a.	n.a.	0	9	0	0	0	0
Net change in debt	0	0	28	-23	-4	-2	15	0	0	0	0
Other financing adjustments	n.a.	n.a.	-2	-4	-1	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	0	0	0	-2	-7	0	0	0
Change in cash	0	0	3	4	-3	1	-2	5	2	9	11
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	0.6%	-0.4%	-1.7%	-2.1%	86.3%	78.2%	80.4%
Capex/Sales	1.1%	n.m.	n.m.	61.8%	0.1%	-0.1%	-0.3%	-0.3%	11.6%	11.7%	12.1%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	2	1	1	2	2	2	2	2
Market cap.	n.a.	n.a.	n.a.	72	34	40	99	67	78	78	78
Enterprise value	n.a.	n.a.	n.a.	72	33	37	111	74	83	75	64
Diluted no. of shares, year-end (m)	37.9	37.9	37.9	37.9	37.4	37.4	42.4	42.1	42.3	42.3	42.3

Source: Company data and Nordea estimates

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Issuer Review
This report has not been reviewed by the Issuer prior to publication.

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