Raketech Group Holding

Media
Sweden

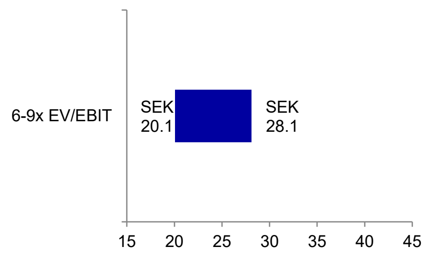
KEY DATA

Stock country	Sweden
Bloomberg	RAKE SS
Reuters	RAKE.ST
Share price (close)	SEK 19.06
Free Float	45%
Market cap. (bn)	EUR 0.07/SEK 0.81
Website	www.raketech.com
Next report date	11 May 2023

PERFORMANCE

Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	0%	0%	0%
EBIT (adj)	-4%	0%	0%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Marlon Värnik
Analyst

Klas Danielsson
Analyst

Seasonality effects stabilising

Partly driven by a strong start to 2023, with January revenue at EUR 5m, we expect another solid quarter, with y/y organic growth of 17% and revenue of EUR 13.8m. Despite softening tipster activity in the US, we expect Q1 seasonality to be somewhat mitigated by activity in the rest of the world, with a further boost expected in Q2 with the Indian cricket season start. For 2023, we expect the Latam expansion, and the Infinileads and Casinofeber investments, to burden the EBITDA margin by 2.3 pp y/y to 35.7%, putting the full-year guidance 0.5 pp above Raketech's mid-point guidance. We thus lower 2023E EBIT by 4%, and trim our fair value range to SEK 20.1-28.1 (20.5-28.5), reflecting 2023E-24E EV/EBIT of 6-9x.

Overall, we expect a stable quarter

With the Finnish market bottoming out and stabilising, we see a weaker marketing spend trend in the Norwegian market, following stricter gambling requirements from the Norwegian regulator. Sweden, the largest Nordic market, has continued to perform strongly, which should support organic growth in Q1. Despite softening activity in the US (with the NFL season ending, likely triggering some Tipster churn), we expect organic growth of 17% for the quarter, with continued momentum in the rest of the world, driven by Latam and Japan.

Affiliation Cloud adding further upside potential to estimates

We expect Q1 and Q2 to be another set of strong expansion quarters for Raketech's Affiliation Cloud business, with revenue accelerating throughout 2023. If investments play out well, we see further upside potential of 5-10% to our 2024-25 revenue estimates, with 2-3% potential for EBIT (~10% EBIT margin).

Conservative outlook for 2024

We raise our short-term opex expectation by 2%, following expansion investment in Latam, among other regions, reducing our full-year 2023 adjusted EBIT estimate by 4%. We forecast conservative organic growth of 9% for 2024, with further upside from Latam (we expect Brazil to regulate in early 2024), the US Tipster business and Affiliation Cloud. We view Raketech's financial position as solid, with net debt/LTM EBITDA of 0.33x, leaving room for additional value-accretive M&A. We trim our fair value range to SEK 20.1-28.1 (20.5-28.5), reflecting EV/EBIT of 6-9x for 2023E-24E.

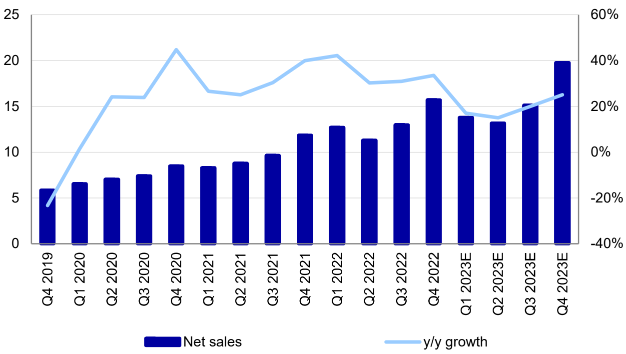
SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	24	29	39	53	62	67	72
EBITDA (adj)	11	12	16	20	22	27	30
EBIT (adj)	7	7	10	12	14	17	19
EBIT (adj) margin	29.7%	23.0%	25.1%	23.5%	22.2%	25.4%	26.5%
EPS (adj, EUR)	0.16	0.15	0.19	0.20	0.23	0.31	0.35
EPS (adj) growth	-2.1%	-2.3%	21.8%	6.2%	18.5%	30.7%	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	1.2	1.0	0.8
EV/EBIT (adj)	4.7	5.5	11.4	6.0	5.6	4.0	3.0
P/E (adj)	5.8	7.0	12.5	8.1	7.2	5.5	4.8
P/BV	0.5	0.6	1.2	0.7	0.7	0.6	0.6
Dividend yield (ord)	0.0%	0.0%	0.0%	6.2%	6.9%	9.0%	10.3%
FCF Yield bef A&D, lease	33.9%	31.0%	14.9%	28.3%	16.0%	21.5%	23.9%
Net debt	-1	-3	12	7	5	-4	-14
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

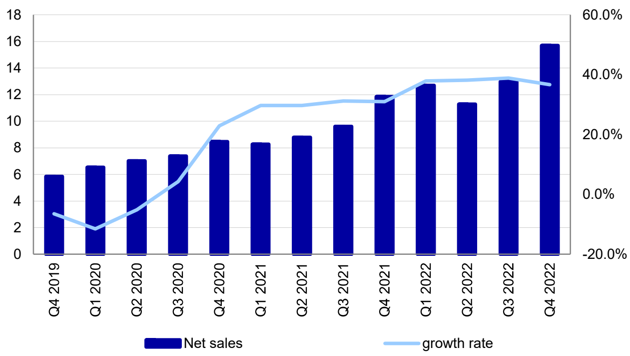
Key charts

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



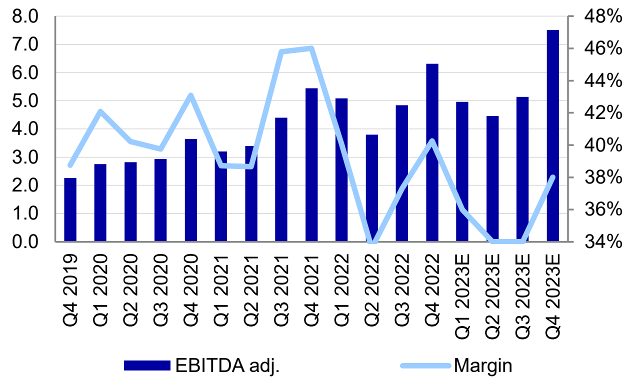
Source: Company data and Nordea estimates

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



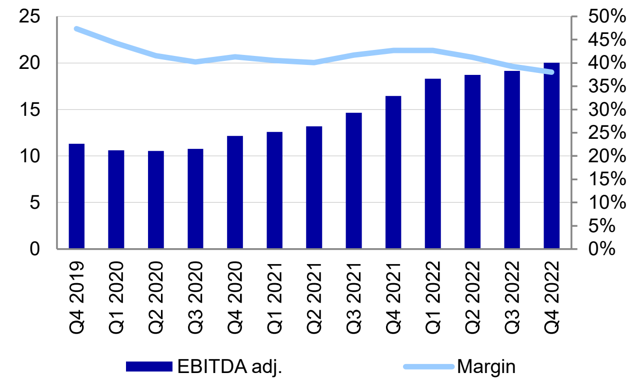
Source: Company data and Nordea estimates

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



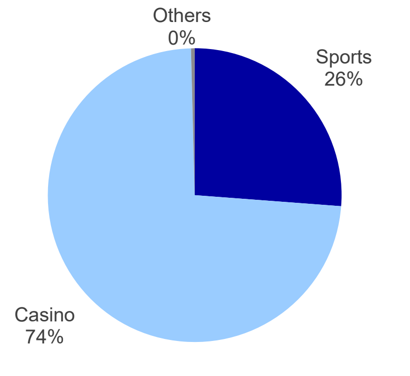
Source: Company data and Nordea estimates

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



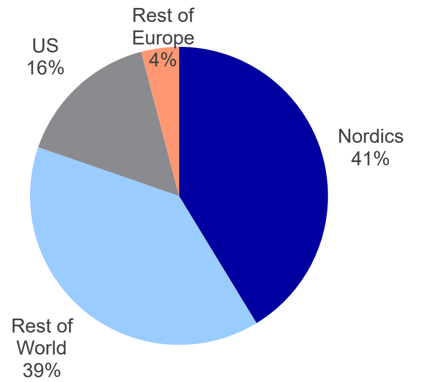
Source: Company data and Nordea estimates

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	-4.4	-5.7
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**	**3.0**	**5.3**
Non-recurring items	0.0	0.0	0.0	0.0
Reported EBIT	**2.9**	**2.5**	**3.0**	**5.3**
Net financials	-0.8	-0.8	-0.8	-0.8
Profit before tax	**2.1**	**1.7**	**2.3**	**4.6**
Income tax	-0.2	-0.1	-0.2	-0.4
Profit after tax	**2.0**	**1.6**	**2.1**	**4.2**
EPS adj. (EUR)	**0.05**	**0.04**	**0.05**	**0.10**
Key ratios & assumptions				
Revenue growth, y/y	17%	15%	20%	25%
EBITDA adj.	**5.0**	**4.5**	**5.1**	**7.5**
EBITDA adj. growth	-2%	18%	6%	19%
EBIT adj. growth	**-10%**	**27%**	**2%**	**26%**
EPS adj. growth	-10%	30%	-4%	58%
EBITDA adj. margin	**36.0%**	**34.0%**	**34.0%**	**38.0%**
EBIT adj. margin	21.0%	19.0%	20.0%	27.0%
Tax rate	8.0%	8.0%	8.0%	8.0%

Source: Company data and Nordea estimates

RAKETECH: ANNUAL 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	-17.9	-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**	**13.7**	**17.1**	**19.1**
Non-recurring items	0.0	0.0	0.0	0.0
Reported EBIT	12.4	13.7	17.1	19.1
Net financials	-2.3	-3.0	-3.0	-3.0
Profit before tax	10.0	10.7	14.1	16.1
Income tax	-1.7	-0.9	-1.1	-1.3
Profit after tax	**8.3**	**9.9**	**13.0**	**14.8**
EPS adj. (EUR)	**0.2**	**0.2**	**0.3**	**0.3**
Key ratios & assumptions				
Revenue growth, y/y	35%	17%	9%	7%
EBITDA adj.	**20.0**	**22.1**	**27.2**	**29.9**
EBITDA adj. growth		10%	23%	10%
EBIT adj. growth		**11%**	**24%**	**12%**
EPS adj. growth		**19%**	**31%**	**14%**
EBITDA adj. margin	**38.0%**	**35.7%**	**40%**	**42%**
EBIT adj. margin	24%	22%	25%	27%
Tax rate	17%	8%	8%	8%

Source: Company data and Nordea estimates

Estimate revisions

Growth investments drive revisions

We expect a 2% increase in 2023 opex due to the further Latam expansion, resulting in a negative effect on adjusted EBIT of 2% for 2023. Due to this, we lower our adjusted EBIT estimate by 4% for 2023, putting our EBITDA margin at 35.7% (Raketech's mid-point guidance is 35.2%).

Affiliation Cloud adds upside optionality for 2023-24

Raketech launched its latest product innovation at the end of Q2 2022. Our analysis indicates that Affiliation Cloud's promising growth has continued since Q2; we expect Q1 revenue of roughly EUR 500,000. We argue that Affiliation Cloud could add upside potential to our revenue estimates for 2023-24; however, we want to see further data supporting this. We therefore choose to take a cautious stance towards Affiliation Cloud for 2023-24.

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**	**61.8**	**67.3**	**72.1**	**0%**	**0%**	**0%**
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Total revenue	**61.8**	**67.3**	**72.1**	**61.8**	**67.3**	**72.1**	**0%**	**0%**	**0%**
Direct costs	-17.9	-17.5	-18.7	-17.4	-17.5	-18.7	3%	0%	0%
Personnel expenses	-11.3	-11.5	-11.5	-11.3	-11.5	-11.5	0%	0%	0%
Depreciation and amortisation	-8.3	-10.1	-10.8	-8.3	-10.1	-10.8	0%	0%	0%
Other operating expenses	-10.5	-11.1	-11.9	-10.5	-11.1	-11.9	0%	0%	0%
Adjusted EBIT	**13.7**	**17.1**	**19.1**	**14.3**	**17.1**	**19.1**	**-4%**	**0%**	**0%**
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Reported EBIT	**13.7**	**17.1**	**19.1**	**14.3**	**17.1**	**19.1**	**-4%**	**0%**	**0%**
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	**10.7**	**14.1**	**16.1**	**11.3**	**14.1**	**16.1**	**-5%**	**0%**	**0%**
Income tax	-0.9	-1.1	-1.3	-0.9	-1.1	-1.3	-	-	-
Profit after tax	**9.9**	**13.0**	**14.8**	**10.4**	**13.0**	**14.8**	**-5%**	**0%**	**0%**
EPS adj. (EUR)	**0.23**	**0.31**	**0.35**	**0.25**	**0.31**	**0.35**	**-5%**	**0%**	**0%**
Key ratios									
Sales growth	**17%**	**9%**	**7%**	**17%**	**9%**	**7%**	**0pp**	**0pp**	**0pp**
EBIT adj. growth	11%	24%	12%	15%	20%	12%	-4pp	5pp	0pp
EBITDA adj.	**22.1**	**27.2**	**29.9**	**22.6**	**27.2**	**29.9**	**-2%**	**0%**	**0%**
EBITDA adj. margin	**35.7%**	**40.4%**	**41.5%**	**36.6%**	**40.4%**	**41.5%**	**-0.9pp**	**0.0pp**	**0.0pp**
EBIT adj. margin	22.2%	25.4%	26.5%	23.1%	25.4%	26.5%	-0.9pp	0.0pp	0.0pp
Tax rate	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	0.0pp	0.0pp	0.0pp

Source: Nordea estimates

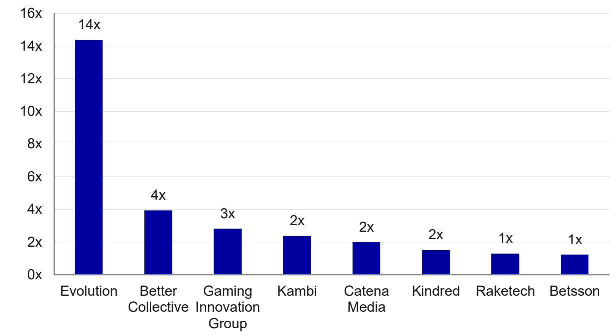
Valuation

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 2022-2024	EBIT CAGR 2022-2024	EBIT margin 2023E
Supplier/ platform																
Evolution	302,670	14.4x	12.0x	20.9x	17.3x	23.3x	18.8x	26.0x	22.7x	23%	15%	1.9%	28%	15%	16%	64%
Kambi	5,659	2.4x	2.3x	6.6x	6.6x	13.1x	13.9x	18.1x	19.4x	10%	-7%	0.0%	15%	7%	-1%	17%
Operators																
Betsson	12,738	1.2x	1.1x	5.5x	4.9x	7.1x	6.0x	10.9x	9.6x	8%	9%	4.6%	18%	8%	10%	18%
Kindred	25,521	1.5x	1.4x	9.3x	7.6x	12.9x	9.4x	15.1x	11.1x	86%	33%	3.9%	20%	9%	36%	14%
Affilates																
Catena Media	2,120	2.0x	1.8x	5.1x	4.4x	6.9x	5.8x	10.4x	8.2x	-26%	27%	0.0%	13%	-1%	-2%	32%
Gaming Innovation Group	3,384	2.8x	2.5x	6.4x	5.2x	12.0x	8.2x	15.0x	8.5x	130%	74%	0.0%	26%	18%	51%	30%
Better Collective	11,662	3.9x	3.5x	12.1x	10.1x	14.6x	11.9x	17.9x	14.1x	14%	27%	2.9%	14%	10%	15%	29%
Raketech	793	1.3x	1.2x	3.5x	2.9x	5.5x	4.4x	6.6x	5.1x	26%	30%	6.6%	11%	9%	12%	26%
Median	**8,661**	**2.2x**	**2.1x**	**6.5x**	**5.9x**	**12.4x**	**8.8x**	**15.0x**	**10.4x**	**18%**	**27%**	**2.4%**	**17%**	**9%**	**14%**	**28%**
International																
888	4,280	1.0x	1.0x	5.1x	4.5x	7.8x	6.7x	5.6x	3.2x	18%	79%	0.0%	29%	1%	13%	14%
Bet-at-home	388	0.0x	0.0x	0.9x	N.A.	N.A.	0.2x	N.A.	10.1x	N.A.	N.A.	0.0%	N.A.	13%	34%	35%
Entain (prev. GVC)	105,800	2.4x	2.3x	11.0x	10.0x	15.7x	12.6x	23.6x	15.7x	0%	54%	1.3%	11%	5%	14%	18%
IGT	58,062	2.7x	2.6x	6.7x	6.5x	12.4x	11.7x	18.1x	16.6x	-	-	2.9%	21%			
Flutter (PaddyPower)	354,471	3.6x	3.2x	20.6x	16.2x	29.0x	21.6x	40.8x	27.2x	67%	49%	0.0%	7%	0%	2%	23%
Playtech	22,099	1.3x	1.2x	5.3x	4.9x	7.8x	7.0x	11.8x	10.4x	5%	14%	0.0%	9%	4%	28%	22%
Rank Group	4,637	0.8x	0.7x	-	4.7x	-	11.6x	-	14.5x	-87%	571%	0.0%	0%	12%	28%	15%
Scientific Games	55,866	3.2x	3.0x	8.6x	7.8x	17.4x	13.8x	40.6x	21.8x	-	72%	0.0%	14%	4%	6%	18%
Tabcorp	16,578	1.1x	1.1x	7.3x	6.7x	21.2x	17.8x	29.0x	26.1x	74%	14%	2.0%	3%	5%	0%	6%
XLMedia	434	0.5x	0.4x	2.0x	1.8x	3.3x	3.1x	5.2x	5.1x	-	3%	0.0%	-			
DraftKings Inc	101,194	3.1x	2.5x	-	-	-	-	-	-	38%	51%	0.0%	-89%	1%		
Gan Ltd	702	0.3x	0.3x	5.2x	2.5x	-	-	-	-	46%	36%	0.0%	-19%	1%	25%	6%
Penn National	47,728	2.3x	2.2x	7.7x	7.4x	13.1x	12.2x	19.4x	16.7x	-2%	18%	0.0%	7%			
Median	**22,099**	**1.3x**	**1.2x**	**6.7x**	**6.5x**	**13.1x**	**11.7x**	**19.4x**	**15.7x**	**18%**	**49%**	**0.0%**	**7%**	**8%**	**10%**	**18%**

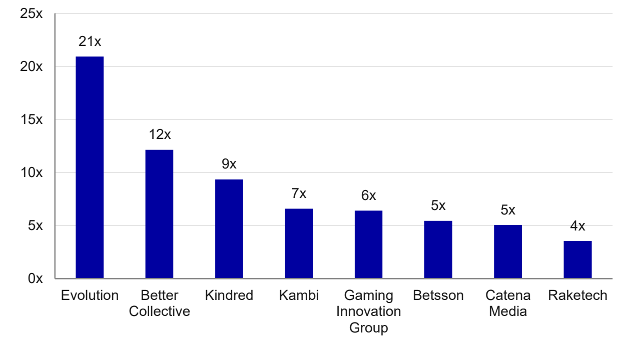
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/SALES, 2023E



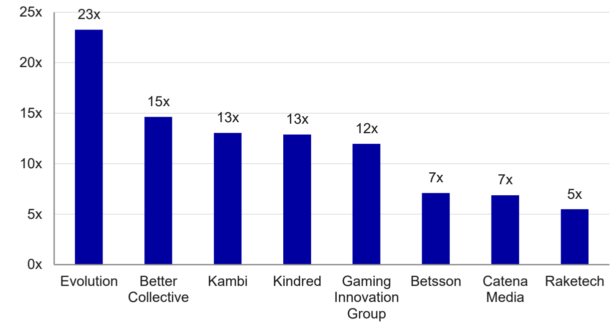
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: EV/EBITDA, 2023E



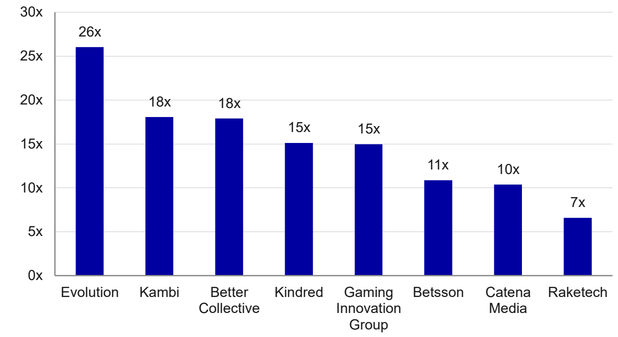
Source: Company data, Refinitiv and Nordea estimates

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	22	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	22	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**	**0.23**	**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%	35.7%	40.4%	41.5%
EBITA	3.6%	77.3%	55.1%	50.0%	51.9%	40.0%	41.8%	37.9%	35.6%	40.2%	41.4%
EBIT	3.6%	76.9%	51.4%	43.7%	35.1%	22.5%	24.3%	23.5%	22.2%	25.4%	26.5%
Adjusted earnings											
EBITDA (adj)	0	8	10	14	11	12	16	20	22	27	30
EBITA (adj)	0	8	10	14	11	12	16	20	22	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	0.23	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%	35.7%	40.4%	41.5%
EBITA (adj)	3.6%	77.3%	56.2%	56.0%	46.5%	40.4%	42.5%	37.9%	35.6%	40.2%	41.4%
EBIT (adj)	3.6%	76.9%	52.5%	49.7%	29.7%	23.0%	25.1%	23.5%	22.2%	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%	11.4%	16.6%	20.0%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	145.1%	3.1%	7.0%	4.2%	15.3%	23.6%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2.4%	5.3%	14.4%	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%	24.5%	23.7%	24.5%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	54.5%	51.7%	46.9%	43.3%	40.2%	39.0%	39.4%

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	7.2	5.5	4.8
EV/EBITDA (adj)	n.a.	n.a.	n.a.	5.0	2.9	3.0	6.7	3.7	3.5	2.5	1.9
EV/EBITA (adj)	n.a.	n.a.	n.a.	5.1	3.0	3.1	6.7	3.7	3.5	2.5	1.9
EV/EBIT (adj)	n.a.	n.a.	n.a.	5.7	4.7	5.5	11.4	6.0	5.6	4.0	3.0

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	7.2	5.5	4.8
EV/Sales	n.a.	n.a.	n.a.	2.83	1.39	1.26	2.87	1.40	1.25	1.01	0.80
EV/EBITDA	n.a.	n.a.	n.a.	5.6	2.6	3.1	6.8	3.7	3.5	2.5	1.9
EV/EBITA	n.a.	n.a.	n.a.	5.7	2.7	3.1	6.9	3.7	3.5	2.5	1.9
EV/EBIT	n.a.	n.a.	n.a.	6.5	4.0	5.6	11.8	6.0	5.6	4.0	3.0
Dividend yield (ord.)	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	6.2%	6.9%	9.0%	10.3%
FCF yield	n.a.	n.a.	n.a.	-7.4%	8.1%	6.6%	-24.2%	18.0%	7.7%	19.4%	23.9%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	-6.4%	33.9%	31.0%	14.9%	28.3%	16.0%	21.5%	23.9%
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	9	18	29
Total current assets	1	1	6	12	8	10	9	16	18	28	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	102	110	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	102	110	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	-14
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	117	125	133
ROE	38.1%	n.m.	47.0%	12.2%	11.6%	8.2%	9.2%	9.2%	9.9%	12.2%	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%	65.7%	66.9%	68.1%
Net gearing	n.a.	n.a.	n.a.	n.a.	n.a.	-4.3%	13.6%	6.9%	5.3%	-3.3%	-12.1%

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**	**22**	**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**	**18**	**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	1	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	72	72	72
Enterprise value	n.a.	n.a.	n.a.	72	33	37	111	74	77	68	57
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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Market-making obligations and other significant financial interest

Nordea has no market-making obligations in Raketech Group Holding shares.

As of 25/04/2023, 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.

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