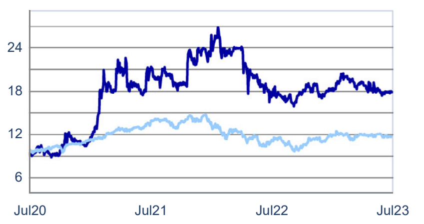
Raketech Group Holding

Media
Sweden

KEY DATA

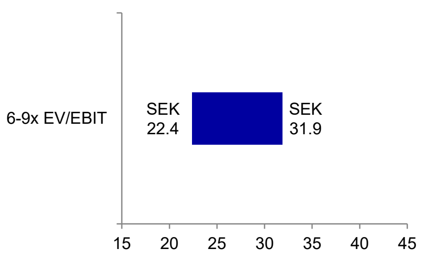
Stock country	Sweden
Bloomberg	RAKE SS
Reuters	RAKE.ST
Share price (close)	SEK 17.82
Free float	45%
Market cap. (bn)	EUR 0.07/SEK 0.76
Website	www.raketech.com
Next report date	17 Aug 2023

PERFORMANCE



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

VALUATION APPROACH (SEK/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	2%	3%	3%
EBIT (adj)	1%	2%	3%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Marlon Värnik
Associate Director

Klas Danielsson
Associate

Dampened seasonality effects

With continued strong momentum in the networks business, we expect the traditional seasonal softness to be less pronounced, and we estimate Q2 revenue of EUR 14.8m for Raketech, representing 29% organic growth y/y. We still expect seasonal softness in the Nordics and the US, but for this to be mitigated by expansion in Japan, India and Latam. As the sub-affiliation business operates with lower margins (we assess 17-18%) and is currently outperforming, we argue there is upside potential to Raketech's 2023 revenue guidance. We pencil in revenue of EUR 65.4m for 2023, which is slightly above Raketech's full-year revenue guidance range of EUR 60-65m. On EBITDA, we estimate EUR 24.6m for 2023, which is at the upper end of Raketech's 2023 guidance (EUR 20-25m). We lift our revenue estimates for 2023-25 by 1-4% and raise our multiples-based fair value range to SEK 22.4-31.9 (21.3-29.8).

Low-margin business is driving growth

With a seasonally softer activity period in the US, with increasing churn, we expect revenue of EUR 14.8m for Raketech in Q2 (29% organic growth y/y), to some extent supported by less seasonal patterns in Latam and Asia. As the lower-margin networks segment continues to drive growth, and with expansion and wage inflation from April onwards, we expect the EBITDA margin to drop 4.1 pp q/q to 34.6% in Q2 2023.

Casumba earnout

As Casumba continues to perform above our expectations, we expect a positive revision of its earnout. Given the deal structure with an uncapped earnout component, based on Casumba's EBIT performance from January 2022 to July 2024, we pencil in a 33% y/y increase in D&A for 2023 (EUR 10.1m versus EUR 7.65m in 2022) and EUR 1.3m higher net financials in 2023, also impacted by the higher interest rate environment. This is the main reason why we lower 2023E-24E EPS by 2-4% despite raising our revenue estimates by 1-4% fuelled by the networks business.

Upside potential to 2023 revenue guidance

Supported by continued strong momentum in Latam, Casinofeber and Asia, we expect organic growth of 24% for 2023 and a, in our view, conservative 10% for 2024. With upside potential to Raketech's 2023 revenue guidance, together with a conservative 2024 outlook and a depressed valuation, we argue that our multiples-based fair value range of SEK 22.4-31.9 (21.3-29.8) is conservative, reflecting 2023E-24E EV/EBIT of 6-9x.

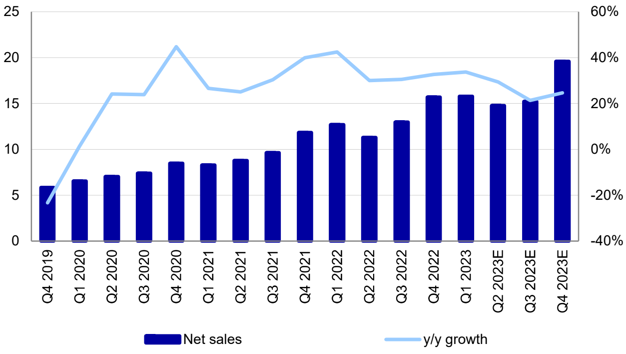
SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	24	29	39	53	66	71	76
EBITDA (adj)	11	12	16	20	25	29	32
EBIT (adj)	7	7	10	12	15	18	20
EBIT (adj) margin	29.7%	23.0%	25.1%	23.5%	22.2%	25.2%	26.5%
EPS (adj, EUR)	0.16	0.15	0.19	0.20	0.24	0.30	0.35
EPS (adj) growth	-2.1%	-2.3%	21.8%	6.2%	20.1%	26.7%	16.6%
DPS (ord, EUR)	0.00	0.00	0.00	0.10	0.12	0.15	0.18
EV/Sales	1.4	1.3	2.9	1.4	1.1	0.9	0.7
EV/EBIT (adj)	4.7	5.5	11.4	6.0	4.8	3.8	2.7
P/E (adj)	5.8	7.0	12.5	8.1	6.6	5.2	4.4
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%	7.6%	9.7%	11.3%
FCF Yield bef A&D, lease	33.9%	31.0%	14.9%	28.3%	20.5%	24.6%	27.1%
Net debt	-1	-3	12	7	3	0	-12
Net debt/EBITDA	0.0	-0.3	0.7	0.3	0.1	0.0	-0.4
ROIC after tax	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company data and Nordea estimates

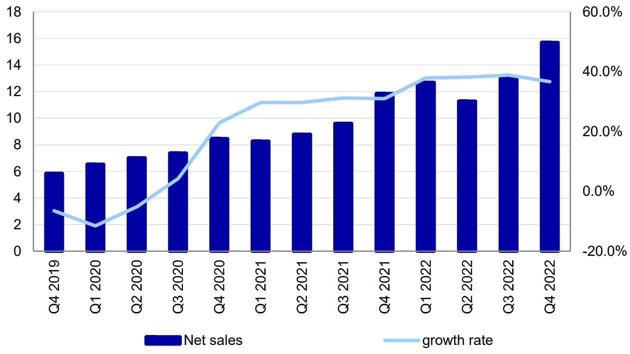
Key charts

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



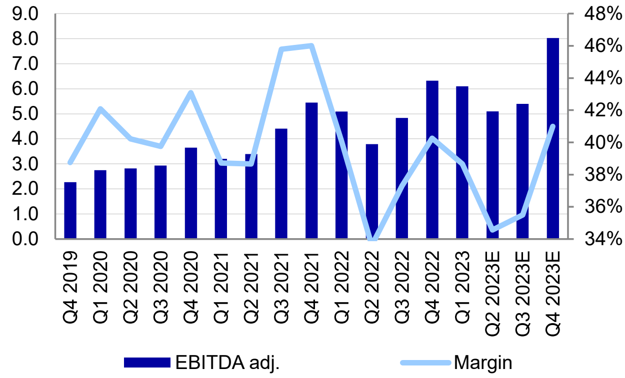
Source: Company data and Nordea estimates

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



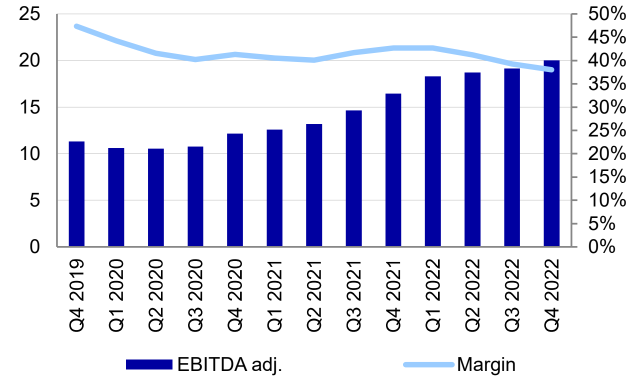
Source: Company data and Nordea estimates

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



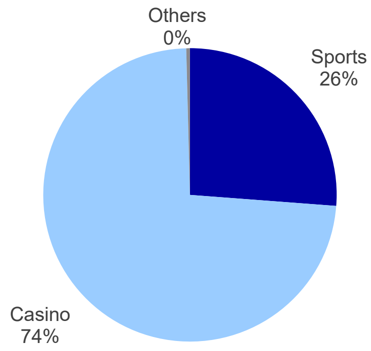
Source: Company data and Nordea estimates

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



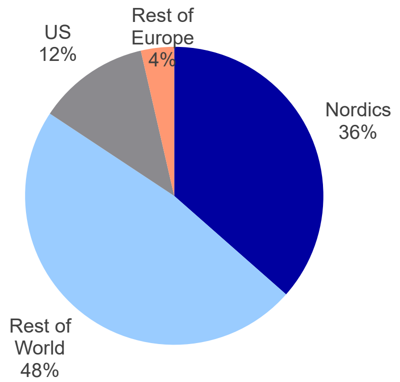
Source: Company data and Nordea estimates

VERTICAL SPLIT, Q1 2023



Source: Company data and Nordea

DETAILED MARKET OVERVIEW, Q1 2023



Source: Company data and Nordea

Detailed estimates

RAKETECH: QUARTERLY ESTIMATES

EURm	Q1 2023	Q2 2023E	Q3 2023E	Q4 2023E
Revenue	**15.8**	**14.8**	**15.2**	**19.6**
Other operating income	0.0	0.0	0.0	0.0
Total revenue	**15.8**	**14.8**	**15.2**	**19.6**
Direct costs	-4.3	-4.0	-4.3	-5.5
Personnel expenses	-2.3	-2.7	-2.7	-2.9
Depreciation and amortisation	-2.3	-2.5	-2.6	-2.7
Other operating expenses	-3.1	-3.0	-2.8	-3.1
Adjusted EBIT	**3.8**	**2.6**	**2.8**	**5.3**
Non-recurring items	0.0	0.0	0.0	0.0
Reported EBIT	**3.8**	**2.6**	**2.8**	**5.3**
Net financials	-0.8	-1.0	-1.0	-1.0
Profit before tax	**3.0**	**1.6**	**1.9**	**4.3**
Income tax	-0.2	-0.1	-0.1	-0.3
Profit after tax	**2.8**	**1.5**	**1.7**	**4.0**
EPS adj. (EUR)	**0.07**	**0.03**	**0.04**	**0.09**
Key ratios & assumptions				
Revenue growth, y/y	34%	29%	21%	25%
EBITDA adj.	**6.1**	**5.1**	**5.4**	**8.0**
EBITDA adj. growth	20%	34%	12%	27%
EBIT adj. growth	**20%**	**32%**	**-5%**	**24%**
EPS adj. growth	24%	15%	-26%	43%
EBITDA adj. margin	**38.7%**	**34.6%**	**35.5%**	**41.0%**
EBIT adj. margin	24.3%	17.6%	18.5%	27.0%
Tax rate	6.8%	8.0%	8.0%	8.0%

Source: Company data and Nordea estimates

RAKETECH: ANNUAL ESTIMATES

EURm	2022	2023E	2024E	2025E
Revenue	**52.6**	**65.4**	**71.8**	**77.2**
Other operating income	0.0	0.0	0.0	0.0
Total revenue	**52.6**	**65.4**	**71.8**	**77.2**
Direct costs	-15.8	-18.1	-18.7	-20.1
Personnel expenses	-8.7	-10.6	-11.7	-11.9
Depreciation and amortisation	-7.7	-10.1	-11.3	-11.7
Other operating expenses	-8.1	-12.0	-12.0	-13.1
Adjusted EBIT	**12.4**	**14.5**	**18.1**	**20.4**
Non-recurring items	0.0	0.0	0.0	0.0
Reported EBIT	12.4	14.5	18.1	20.4
Net financials	-2.3	-3.7	-3.8	-3.8
Profit before tax	10.0	10.9	14.3	16.6
Income tax	-1.7	-0.8	-1.1	-1.3
Profit after tax	**8.3**	**10.0**	**13.1**	**15.3**
EPS adj. (EUR)	**0.2**	**0.2**	**0.3**	**0.4**
Key ratios & assumptions				
Revenue growth, y/y	35%	24%	10%	7%
EBITDA adj.	**20.0**	**24.6**	**29.4**	**32.1**
EBITDA adj. growth		23%	19%	9%
EBIT adj. growth		**17%**	**24%**	**13%**
EPS adj. growth		**16%**	**33%**	**17%**
EBITDA adj. margin	**38.0%**	**37.7%**	**41%**	**42%**
EBIT adj. margin	24%	22%	25%	26%
Tax rate	17%	8%	8%	8%

Source: Company data and Nordea estimates

Estimate revisions

RAKETECH: ESTIMATE REVISIONS

	New estimates			Old estimates			Difference		
EURm	**2023E**	**2024E**	**2025E**	**2023E**	**2024E**	**2025E**	**2023E**	**2024E**	**2025E**
Revenue	**65.4**	**71.8**	**77.2**	**64.6**	**69.2**	**74.0**	**1%**	**4%**	**4%**
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Total revenue	**65.4**	**71.8**	**77.2**	**64.6**	**69.2**	**74.0**	**1%**	**4%**	**4%**
Direct costs	-18.1	-18.7	-20.1	-18.3	-18.0	-19.2	-1%	4%	4%
Personnel expenses	-10.6	-11.7	-11.9	-11.3	-11.9	-11.8	-6%	-1%	0%
Depreciation and amortisation	-10.1	-11.3	-11.7	-9.3	-10.4	-11.1	9%	9%	5%
Other operating expenses	-12.0	-12.0	-13.1	-11.4	-11.4	-12.2	5%	5%	7%
Adjusted EBIT	**14.5**	**18.1**	**20.4**	**14.4**	**17.5**	**19.6**	**1%**	**3%**	**4%**
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-
Reported EBIT	**14.5**	**18.1**	**20.4**	**14.4**	**17.5**	**19.6**	**1%**	**3%**	**4%**
Interest payable on borrowings	-3.7	-3.8	-3.8	-3.1	-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	**10.9**	**14.3**	**16.6**	**11.4**	**14.5**	**16.6**	**-4%**	**-2%**	**0%**
Income tax	-0.8	-1.1	-1.3	-0.9	-1.2	-1.3	-	-	-
Profit after tax	**10.0**	**13.1**	**15.3**	**10.5**	**13.4**	**15.3**	**-4%**	**-2%**	**0%**
EPS adj. (EUR)	**0.24**	**0.30**	**0.35**	**0.25**	**0.31**	**0.35**	**-4%**	**-2%**	**0%**
Key ratios									
Sales growth	**24%**	**10%**	**7%**	**23%**	**7%**	**7%**	**1pp**	**3pp**	**0pp**
EBIT adj. growth	17%	24%	13%	17%	22%	12%	1pp	3pp	1pp
EBITDA adj.	**24.6**	**29.4**	**32.1**	**23.7**	**27.9**	**30.7**	**4%**	**5%**	**4%**
EBITDA adj. margin	**37.7%**	**41.0%**	**41.6%**	**36.7%**	**40.4%**	**41.5%**	**1.0pp**	**0.6pp**	**0.1pp**
EBIT adj. margin	22.2%	25.2%	26.5%	22.3%	25.4%	26.5%	-0.1pp	-0.2pp	0.0pp
Tax rate	7.7%	8.0%	8.0%	7.7%	8.0%	8.0%	0.0pp	0.0pp	0.0pp

Source: Nordea estimates

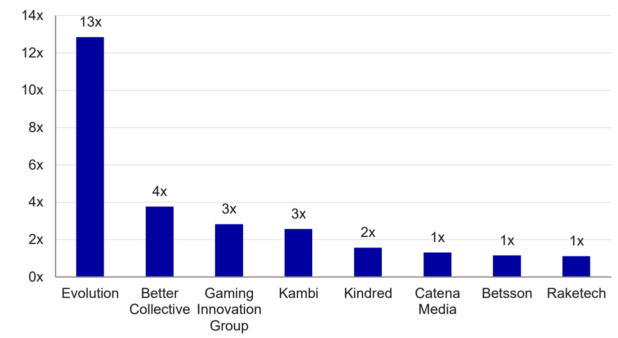
Valuation

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	288,436	12.8x	10.8x	18.5x	15.4x	20.4x	16.9x	23.1x	20.4x	24%	14%	2.2%	28%	17%	18%	64%
Kambi	6,006	2.6x	2.4x	6.9x	6.6x	14.0x	13.1x	20.5x	18.2x	3%	13%	0.0%	14%	7%	3%	19%
Operators																
Betsson	13,771	1.1x	1.0x	4.6x	4.2x	5.8x	5.1x	8.6x	7.5x	28%	7%	5.5%	21%	12%	17%	19%
Kindred	26,557	1.6x	1.4x	9.8x	7.8x	13.0x	9.2x	16.2x	11.6x	83%	36%	3.9%	19%	9%	38%	15%
Affilates																
Catena Media	1,520	1.3x	1.2x	3.3x	2.9x	4.5x	3.8x	6.8x	5.3x	-26%	27%	0.0%	13%	-1%	-2%	32%
Gaming Innovation Group	3,213	2.8x	2.5x	6.7x	5.0x	11.8x	7.6x	13.9x	8.9x	124%	73%	0.0%	26%	17%	53%	32%
Better Collective	12,029	3.8x	3.3x	11.5x	9.5x	14.0x	11.1x	17.2x	13.3x	19%	29%	2.9%	14%	12%	18%	30%
Raketech	740	1.1x	1.0x	3.0x	2.6x	4.8x	3.7x	5.8x	4.5x	31%	29%	6.9%	11%	11%	16%	28%
Median	**9,017**	**2.1x**	**1.9x**	**6.8x**	**5.8x**	**12.4x**	**8.4x**	**15.0x**	**10.3x**	**26%**	**28%**	**2.5%**	**17%**	**11%**	**18%**	**29%**
International																
888	6,104	1.1x	1.0x	5.5x	5.0x	8.5x	7.1x	8.7x	4.8x	9%	83%	0.0%	38%	3%	15%	14%
Bet-at-home	317	-0.1x	n.a.	n.a.	n.a.	n.a.	n.a.	N.A.	n.a.	n.a.	n.a.	0.0%	n.a.	15%	34%	33%
Entain (prev. GVC)	111,135	2.3x	2.2x	10.8x	9.7x	15.5x	12.3x	22.0x	14.5x	-2%	51%	1.5%	10%	9%	17%	18%
IGT	68,907	2.8x	2.7x	6.9x	6.6x	13.4x	12.6x	24.5x	21.5x	-	-	2.4%	22%			
Flutter (PaddyPower)	377,490	3.4x	3.1x	19.9x	15.9x	29.0x	21.4x	39.5x	26.2x	71%	49%	0.0%	7%	3%	4%	22%
Playtech	25,020	1.4x	1.3x	5.5x	5.1x	8.1x	7.4x	12.1x	11.1x	10%	12%	0.0%	10%	7%	31%	22%
Rank Group	5,801	0.9x	0.8x	-	5.5x	-	14.0x	-	17.9x	-82%	414%	0.0%	0%	16%	30%	14%
Scientific Games	68,088	3.4x	3.2x	9.2x	8.2x	19.3x	15.0x	48.2x	24.5x	-	90%	0.0%	11%	6%	8%	18%
Tabcorp	18,543	1.2x	1.2x	7.9x	7.3x	23.2x	18.6x	33.0x	28.1x	73%	15%	1.8%	3%	5%	0%	6%
XLMedia	297	0.3x	n.a.	1.1x	n.a.	1.9x	n.a.	3.4x	n.a.	-	n.a.	0.0%				
DraftKings Inc	131,317	3.7x	3.0x	-	-	-	-	-	-	43%	56%	0.0%	-85%	1%		
Gan Ltd	842	0.5x	0.4x	21.5x	5.6x	-	-	-	-	51%	50%	0.0%	-110%	2%	27%	6%
Penn National	40,513	1.5x	1.4x	5.0x	4.9x	11.7x	10.9x	5.5x	12.7x	178%	-55%	0.0%	16%			
Median	**25,020**	**1.4x**	**1.4x**	**7.4x**	**6.1x**	**13.4x**	**12.6x**	**22.0x**	**17.9x**	**43%**	**51%**	**0.0%**	**10%**	**12%**	**17%**	**19%**

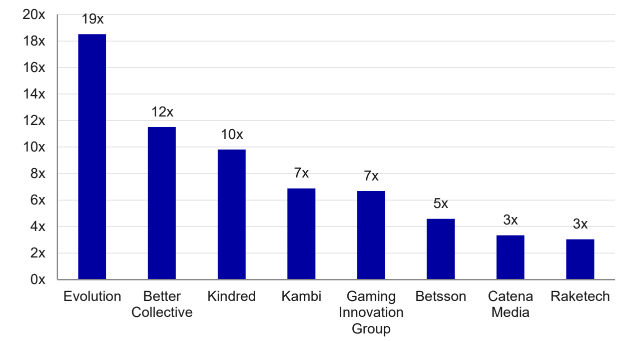
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: 2023E EV/SALES



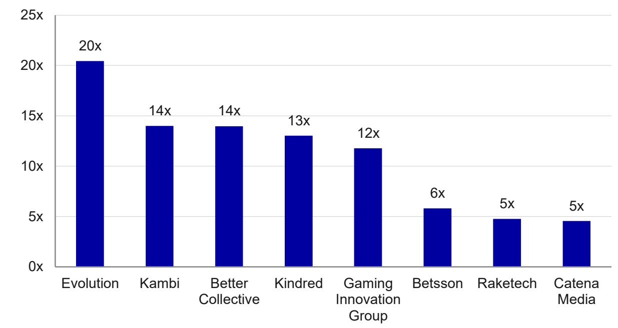
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: 2023E EV/EBITDA



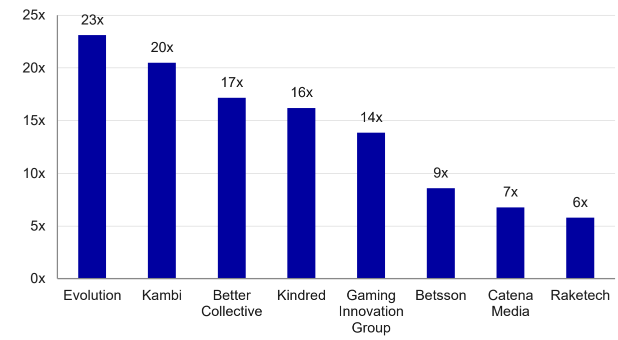
Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: 2023E EV/EBIT



Source: Company data, Refinitiv and Nordea estimates

SWEDISH ONLINE GAMBLING: 2023E P/E



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**	**66**	**71**	**76**
Revenue growth	n.a.	399.0%	64.3%	49.1%	-6.5%	23.0%	31.0%	36.7%	24.9%	8.1%	7.5%
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	25	29	32
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	25	29	32
Amortisation and impairments	0	0	-1	-2	-4	-5	-7	-8	-10	-11	-11
EBIT	0	8	9	11	8	7	9	12	15	18	20
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	-4	-4	-4
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**	**0.24**	**0.30**	**0.35**
DPS, EUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.12	0.15	0.18
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.12	0.15	0.18
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%	37.7%	41.0%	41.6%
EBITA	3.6%	77.3%	55.1%	50.0%	51.9%	40.0%	41.8%	37.9%	37.5%	40.8%	41.5%
EBIT	3.6%	76.9%	51.4%	43.7%	35.1%	22.5%	24.3%	23.5%	22.2%	25.2%	26.5%
Adjusted earnings											
EBITDA (adj)	0	8	10	14	11	12	16	20	25	29	32
EBITA (adj)	0	8	10	14	11	12	16	20	25	29	32
EBIT (adj)	0	8	9	13	7	7	10	12	15	18	20
EPS (adj, EUR)	n.a.	0.20	0.16	0.16	0.16	0.15	0.19	0.20	0.24	0.30	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%	37.7%	41.0%	41.6%
EBITA (adj)	3.6%	77.3%	56.2%	56.0%	46.5%	40.4%	42.5%	37.9%	37.5%	40.8%	41.5%
EBIT (adj)	3.6%	76.9%	52.5%	49.7%	29.7%	23.0%	25.1%	23.5%	22.2%	25.2%	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%	20.8%	24.4%	21.0%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	176.2%	14.9%	16.1%	14.0%	18.2%	21.4%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	145.1%	3.1%	7.0%	5.5%	16.4%	25.1%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-2.4%	5.3%	14.7%	9.6%	18.6%
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%	24.4%	23.7%	24.5%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	54.5%	51.7%	46.9%	43.3%	40.7%	39.7%	40.0%

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	6.6	5.2	4.4
EV/EBITDA (adj)	n.a.	n.a.	n.a.	5.0	2.9	3.0	6.7	3.7	2.8	2.3	1.8
EV/EBITA (adj)	n.a.	n.a.	n.a.	5.1	3.0	3.1	6.7	3.7	2.8	2.3	1.8
EV/EBIT (adj)	n.a.	n.a.	n.a.	5.7	4.7	5.5	11.4	6.0	4.8	3.8	2.7

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	6.6	5.2	4.4
EV/Sales	n.a.	n.a.	n.a.	2.83	1.39	1.26	2.87	1.40	1.07	0.95	0.73
EV/EBITDA	n.a.	n.a.	n.a.	5.6	2.6	3.1	6.8	3.7	2.8	2.3	1.8
EV/EBITA	n.a.	n.a.	n.a.	5.7	2.7	3.1	6.9	3.7	2.8	2.3	1.8
EV/EBIT	n.a.	n.a.	n.a.	6.5	4.0	5.6	11.8	6.0	4.8	3.8	2.7
Dividend yield (ord.)	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	6.2%	7.6%	9.7%	11.3%
FCF yield	n.a.	n.a.	n.a.	-7.4%	8.1%	6.6%	-24.2%	18.0%	11.6%	12.0%	27.1%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	-6.4%	33.9%	31.0%	14.9%	28.3%	20.5%	24.6%	27.1%
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	135	140	137
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	134	139	136
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	136	141	138
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	10	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	12	15	26
Total current assets	1	1	6	12	8	10	9	16	21	25	38
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**	**157**	**166**	**175**
Shareholders equity	0	9	16	59	65	71	85	97	103	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	103	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	6	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	8	9	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	28	29	30
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**	**157**	**166**	**175**
Balance sheet and debt metrics											
Net debt	0	0	25	0	-1	-3	12	7	3	0	-12
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	132	137	134
Capital employed	0	9	44	67	69	73	100	111	117	125	134
ROE	38.1%	n.m.	47.0%	12.2%	11.6%	8.2%	9.2%	9.2%	10.2%	12.2%	13.2%
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	0.1	0.0	-0.4
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%	65.4%	66.6%	67.9%
Net gearing	n.a.	n.a.	n.a.	n.a.	n.a.	-4.3%	13.6%	6.9%	3.0%	0.1%	-9.7%

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**	**25**	**29**	**32**
Paid taxes	0	0	0	0	0	0	-1	-2	-1	-1	-1
Net financials	0	0	-3	-6	-1	-1	-2	-2	-4	-4	-4
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**	**20**	**24**	**27**
Change in NWC	0	9	-3	-3	0	0	-2	-2	1	0	0
Cash flow from operations (CFO)	**0**	**16**	**5**	**11**	**11**	**12**	**15**	**19**	**21**	**24**	**27**
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**	**14**	**17**	**18**
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	-9	0
Free cash flow	0	0	-23	-5	3	3	-24	12	8	8	18
Free cash flow bef A&D, lease adj	0	0	-23	-5	11	12	15	19	14	17	18
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	4	3	12
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	0.6%	-0.4%	-1.7%	-2.1%	70.8%	70.6%	75.5%
Capex/Sales	1.1%	n.m.	n.m.	61.8%	0.1%	-0.1%	-0.3%	-0.3%	10.9%	11.1%	11.4%
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	67	67	67
Enterprise value	n.a.	n.a.	n.a.	72	33	37	111	74	70	67	56
Diluted no. of shares, year-end (m)	37.9	37.9	37.9	37.9	37.4	37.4	42.4	42.1	43.2	43.2	43.2

Source: Company data and Nordea estimates

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This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Market-making obligations and other significant financial interest

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

As of 20/07/2023, 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 and/or services

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 and/or ancillary services to the company/ companies.

Issuer Review

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

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