

Mytaste Group

Sector: Human Interaction

M&A opportunities on top

Successful growth initiatives

The organic development in Mytaste Group continues to accelerate and Q4 highlighted the progress. Shopping was the segment that outperformed to our expectations, driven by the Google CSS status solution. It is evident that the company's strategic shift to focus on performance-based marketing has played out very well. The latest Swedish e-commerce data has just been released and it further supports our investment thesis.

Expanding to attractive verticals

We have a positive view on Mytaste Group's diversification to Finance and iGaming – two highly profitable sectors. Albeit of smaller size, the acquisition of Lånakuten will have a positive effect on the profitability margins. We expect the latter to increase over time as Mytaste Group scales up its business and expands into new verticals such as education and health. New AffiliJet collaborations with large publishers, as well as value-adding acquisitions in different verticals, are in our view possible catalysts for the stock price.

Rising expectations

Mytaste Group shows strong organic growth and has initiated its M&A strategy. The investor expectations have continued to increase as the stock is up 150% since the Q3 report and 290% since Optimizer Invest stepped in. We still have a positive stance on the outlook for the company and want to highlight that our forecasts do not include further acquisitions. Thus, investors get the M&A opportunities on top.

Higher valuation justified

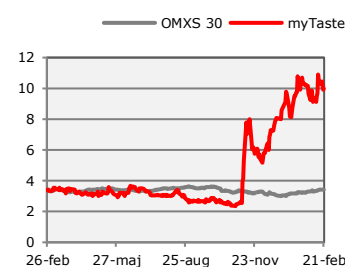
We adjust for dilution from warrants and include the acquisition of Lånakuten. Combined with the strong organic growth and expanded collaboration with Expressen, higher sales estimates are justified. We value the current business at a base case of SEK 10.7 (7.0) per share. Although additional acquisitions are in pipeline, we do not include any purchases in our estimates. In that sense, our base case can be viewed as conservative. For investors willing to price in several future value-adding acquisitions, the assumptions in our bull case could be applicable. Our bear case is SEK 3.9 (2.5), while the bull case is SEK 21.0 (15.0).

KEY FINANCIALS (SEKm)	2017	2018	2019E	2020E	2021E	2022E
Net sales	37	59	87	111	135	160
EBITDA	0	8	20	32	39	48
EBIT	-9	-4	7	22	30	40
EPS (adj.)	-0.5	-0.2	0.1	0.5	0.8	1.0
EV/Sales	1.7	4.2	3.4	2.6	1.9	1.5
EV/EBITDA	633.9	30.9	14.8	9.0	6.7	4.8
EV/EBIT	-7.1	-69.2	40.0	13.0	8.8	5.8
P/E	-6.1	-56.5	67.9	18.8	12.9	9.6

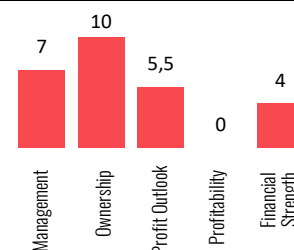
FAIR VALUE RANGE

BEAR	BASE	BULL
3.9	10.7	21.0

TASTE.ST VERSUS OMXS30



REDEYE RATING



KEY STATS

Ticker	TASTE.ST
Market	First North
Share Price (SEK)	9.9
Market Cap (MSEK)	298
Net Debt 19E (MSEK)	-4
Free Float	35%
Avg. daily volume ('000)	130

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Strong finish of transforming year

2018 was the year when Mytaste Group proved its new strategy and ability to turn its business around. The progress accelerated in Q4 - both revenues and EBITDA significantly beat our forecasts. As in Q3'18, organic growth reached an impressive 50%, and the company also showed positive operating cash flow. Mytaste Group had exceptional adjusted costs of SEK 0.4m in Q4, due to recruitment costs and double salaries during its CFO change.

Outcome vs Estimate				
SEKm	2017 Q4	2018 Q4A	2018 Q4E	Diff
Group				
Net sales	13.6	20.8	16.0	30%
EBITDA	1.8	3.6	1.4	161%
<i>Adj. EBITDA</i>		3.9		188%
Net sales growth	34%	53%	17%	
EBITDA margin	13%	17%	9%	
<i>Adj. EBITDA margin</i>		19%		

Source: Redeye Research

Following the strong development, Mytaste Group will revise its financial goals. The current ambition is to, on average, grow by 25% annually and reach an EBITDA margin of at least 20%. In 2018, growth amounted to 61% (organic and acquired), while the unadjusted EBITDA margin was 13%. It will be interesting to view the new financial targets in the coming months. We believe Mytaste Group has good potential to raise its profitability level over time.

In the next section, we take a closer look at the two business segments in Mytaste Group.

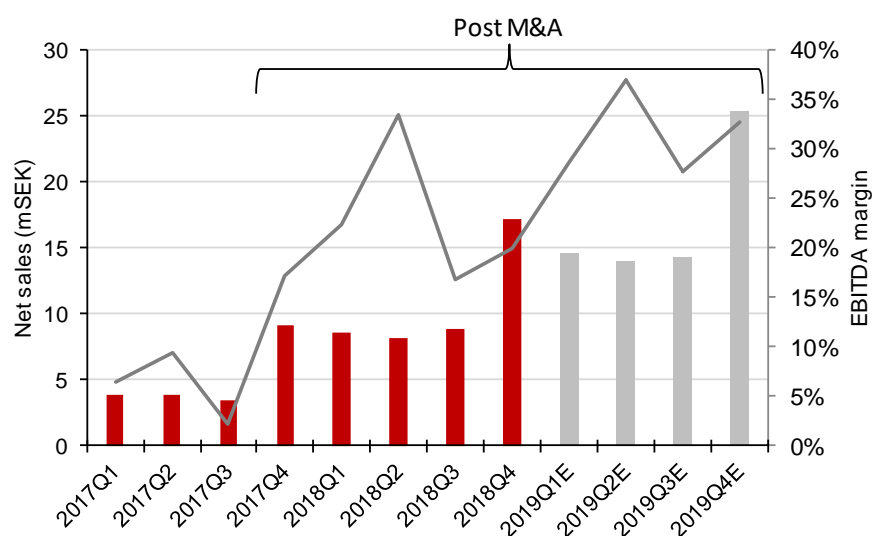
Mytaste Shopping

Shopping significantly outperformed our estimates and grew with an impressive 88% year over year. Net sales reached SEK 17.2m vs. expected SEK 11.0m. In the quarter, Mytaste Group invested for growth but still achieved a decent EBITDA margin of 20% (expected 15%).

CSS status driving growth

During the company's webcast, CEO Andreas Friis highlighted that Shopello's status as a Google Comparison Shopping Services (CSS) Partner in 11 countries is paying off. It enables the company to utilize the world's largest advertisement network at a new level. The number of partners has increased by 10 since our latest update and now amounts to 136. Thus, Shopello is one of relatively few CSS Partners that offer merchants better ways to advertise and increase their profitability through Google Shopping. Shopello's affiliate network has 1000+ connected webstores. The more traffic it can generate to its customers, the higher income. More markets and stores are also in pipeline, further increasing the potential.

Sales and EBITDA margin development of Mytaste Shopping

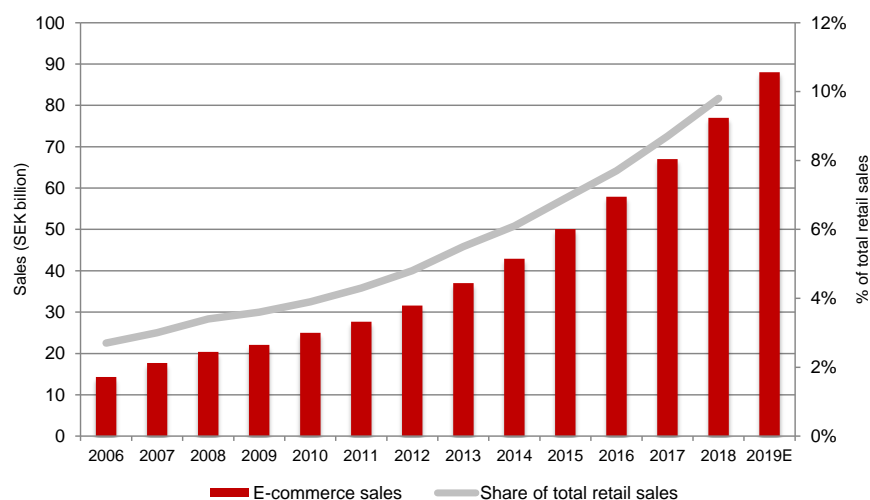


Source: Redeye Research

Positive Swedish e-commerce trend continues

PostNord has just published its annual report of the Swedish e-commerce development, concluding that the strong trend continued in 2018. Growth y/y amounted to 15% and is projected to rise by another 14% in 2019, totaling SEK 88 billion. Sport/Leisure (+21%) and Furniture/Interior (+22%) were two of the fastest growth areas. Fashion (+13%) also had a strong year and remains the most frequently bought items, which means higher traffic. Mytaste Group is active in all these segments and we view the general development as encouraging for the company. This is in line with our investment case.

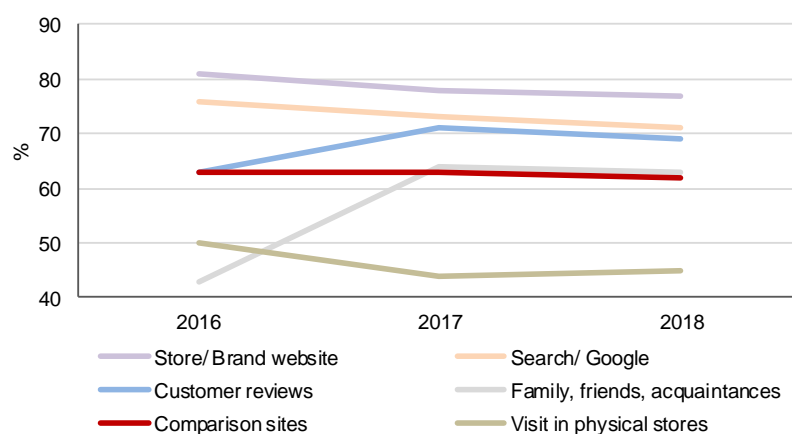
E-commerce sales (SEK billion) and % of Total retail sales



Source: Postnord, Svensk Digital Handel, HUI Research

Consumers use several traffic sources when shopping online. Comparison sites (performance-based marketing) continues to be the 5th most important, with 60%+ of respondents viewing it as one of the most important channels. Online research also plays a role in the physical consumption. In the report for 2018, 40% of customers analyzed products before buying in physical stores. This number is down from 54% in 2017, which in our view could indicate a higher conversion rate in the e-commerce sector.

Swedish e-commerce: Top sources when buying online



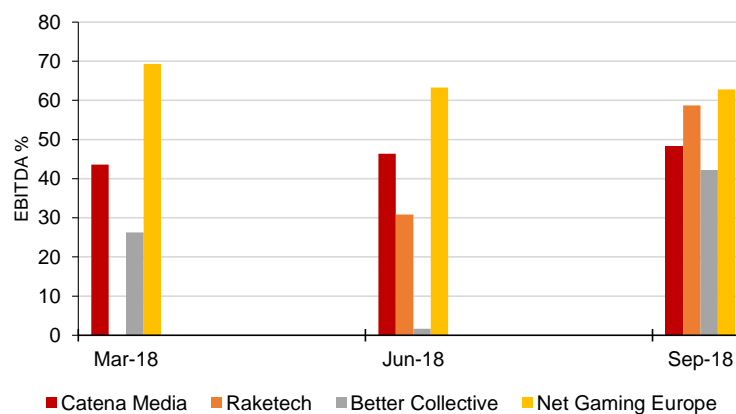
Source: Postnord, Svensk Digital Handel, HUI Research

Despite the high growth for Swedish e-commerce in recent years, only about 10% of the total sales volume has moved online. Thus, there is plenty of room to grow. We also expect the demand for lead generation to rise as retail stores increase their efforts within e-commerce. The development puts Mytaste Group in a very attractive position.

Includes iGaming in the offering

At the end of January, Mytaste Group further expanded the collaboration with Expressen by the launch of a comparison site for iGaming. This includes references to casino and betting players, as well as information of responsible gambling. We find it encouraging that Expressen is satisfied with the performance of the guides for loans and discount coupons.

EBITDA margins in the iGaming sector



Source: Redeye Research, Bloomberg

iGaming is a very profitable vertical with an average EBITDA margin of 53% among the four players in the sector during Q3'18. However, it will take several months to build up SEO power before Mytaste Group can capitalize on its new offering where it shares the profit with Expressen. According to Mytaste Group's management, the discussions with Expressen had been ongoing for a long time and fits well into the offering. It became reality in conjunction with the new Swedish regulation coming into force. Optimizer Invest has substantial knowledge of performance-based marketing in iGaming but has stated that it does not intend to compete with its other investments in the area. We, do not expect any pure iGaming initiatives, while additional co-operations such as with Expressen are in the pipeline.

Mytaste Group's offering, packaged in the name AffiliJet, is a very suitable solution for large publishers. The customers are searching for additional income streams and their domains have high traffic (Expressen has 2.2 million daily visitors). Mytaste Group is currently pitching the product to new customers. With a good reference in Expressen, we view it likely that Mytaste Group will sign additional deals with AffiliJet during 2019. Interestingly, we notice that the company currently wants to hire an innovative product owner to develop the verticals in Finance and iGaming. This further supports the investments in this area.

Projections Mytaste Shopping

Mytaste Shopping continues to grow rapidly, driven by successful optimizations and product launches. We raise our estimates for the segment and expects organic full year growth of 48% (59% including Lånakuten) in 2019. The acquisition of Lånakuten will contribute with two months of earnings already in Q1'19, meaning about SEK 0.75m on EBITDA level. We expect additional acquisitions in different verticals, but do not include any deals in our estimates.

Mytaste Shopping estimates				
Period	2017*	2018	2019E	2020E
Net sales	20	43	68	89
OPEX	-18	-33	-46	-58
EBITDA	2	10	22	31
Net sales growth	0%	110%	59%	30%
EBITDA margin	11%	22%	32%	35%

Source: Redeye Research

*Adjusted EBITDA for non-recurring costs

Food and Beverage

In contrast to our expectations of y-o-y growth of 11%, sales in the Food & Beverage segment declined by 20% during Q4. The important brand Vinklubben is still negatively affected by the changed product offering from Systembolaget. According to Mytaste Group, it will launch new products to compensate. Despite lower sales, earnings tripled on EBITDA level. The margin of 54% was significantly higher than our projection of 20%. Consequently, Food & Beverage contributed to 36% of Q4 EBITDA on Group level, before adjustments. Over time, we expect Shopping (including Finance and iGaming) to become an ever larger part of the firm.

Estimates for Mytaste Food and Beverage

In the first quarter of 2019, we forecast minor improvements resulting in a revenue growth of 10% compared to the same period last year. In total, we lower our expectations slightly to 15% (20%) organic growth in 2019, but increase the EBITDA margin to 30% (25%).

Mytaste Food & Beverage estimates				
Period	2017	2018	2019E	2020E
Total net sale	16	16	19	22
OPEX	-17	-11	-13	-15
EBITDA	0	5	6	8
Net sales growth	-25%	0%	15%	20%
EBITDA margin	-2%	30%	30%	35%

Source: Redeye Research

Group Level

The start of 2019 has been eventful with an acquisition in financial lead generation and an extended collaboration with Expressen to the iGaming vertical. We expect a gradual positive effect on sales and earnings as the Group refines the products and the SEO power increases.

Our view of Mytaste Group's outlook has improved further following the strong Q4 report and the attractive conditions of the first acquisition with Optimizer Invest. Margins are still relatively low compared to other performance-based marketing companies but with benefits of scale and new verticals, we anticipate higher profitability going forward.

In the table below, we display our new forecast. We have raised our long-term growth estimates further and model a CAGR 2019-2028 of 14% (11%). In the short-term, we have lowered our margin assumptions slightly. We expect an average EBIT margin of 23% (24%) between 2019-2028, in our base case scenario.

Mytaste Group - Estimat changes			
SEKm	2019E	2020E	2021E
Revenues			
Old	74	97	116
New	87	111	135
% change	17%	15%	17%
EBITDA			
Old	21	32	40
margin	29%	33%	34%
New	20	32	39
margin	23%	29%	29%
% change	-5%	-1%	-1%

Source: Redeye Research

Next quarter – more growth ahead

The previous quarters have showed about 50% organic growth and we believe Mytaste Group will continue this strong trend another quarter, although Q1 is likely to be less strong than Q4. We also anticipate that the acquisition of Lånakuten will contribute positively to the margins as it will be consolidated from 1st of February.

Besides the numbers, we are curious to hear more about the new financial targets, further acquisitions, and collaborations with AffiliJet. The company will also investigate financing options, which signals that larger acquisitions are on the horizon. To take the next step in the scale up phase, the company has initiated the recruitment of a new CEO. Andreas Friis, founder and major owner, has played a vital role in Mytaste Group's turnaround. Friis will continue to have an active role in the management team and drive innovation in the Group. Optimizer Invest has a broad network and a good reputation. We, therefore, believe a suitable CEO will be appointed to propel the company's growth ambitions. We recommend investors to [watch our video interview about the CEO role](#) (in Swedish).

Next Quarter Estimates		
SEKm	2018	2019
	Q1	Q1E
Group		
Net sales	12.0	18.3
EBITDA	0.7	3.1
Net sales growth	52%	53%
EBITDA margin	6%	17%

Source: Redeye Research

Investment Case

We find that the investment case in Mytaste Group rests on two pillars: Opportunity in the e-commerce affiliate market within the Shopping segment and the evolution of Food and Beverage into a social network for online cooking and recipes. The company has also moved to more performance-based marketing revenue within the segment Mytaste Food and Beverage. We view the myTaste network as a more long-term opportunity, and will focus our case summary on Shopping and performance-based marketing within e-commerce.

A market up for grabs – Mytaste Shopping

The company has identified a vast and fragmented market of e-commerce affiliates. Most of the smaller lead marketing companies today have limited resources when it comes to technical development and has a significant risk exposure to Google; these factors most often lead to a relatively low acquisition price for highly profitable companies. Mytaste Group wants to create a portfolio of these businesses and thus reduce the direct Google risk and leverage their technical know-how. The development capacity within the Group is large, as the company has put significant resources behind the evolution of the myTaste platform, peaking at 36 million monthly users.

In short, the opportunity for Shopping is:

- A market driven by the structural forces that today is only starting out, in Sweden the e-commerce stands for about 10% of the total retail market
- Identify acquisition targets through Shopello's affiliate network and in related verticals such as Finance, Health, Education
- Reduced Google risk through a portfolio, leading to higher valuation of the whole than separately (the casino affiliate market is a prime example)
- Shopello is a Google Comparison Shopping Services (CSS) Partner and is expanding the offering in Europe
- Synergies in the Shopello network, i.e., better rates when they can offer e-merchants larger volumes
- Cross marketing and merging email databases, both existing lists in Shopello and the myTaste platform
- Cost cutting by implementing Shopello's affiliate network when acquiring new sites
- Geographical expansion, the business model is extremely scalable, and new sites in other countries are relatively easy to set up
- Leverage technical know-how to develop apps and browser plugins to improve the customer experience
- Data gathering where e-commerce vendors have a high willingness to pay

Bear points (Counterarguments to our thesis)

- Not overpaying, achieve successful integration and performance of acquisitions is challenging. As Mytaste Group scales up, acquisitions are likely to increase in size. Optimizer Invest and the Chairman of the Board has good track records and are adding crucial competences, which limits the risks.
- Acquisitions in general most often need a healthy financial market, a downturn could lead to less possibilities to acquire more exiting companies within the Shopping segment. With Optimizer Invest on board, the company is more likely to attract capital and convince sellers even in a weaker market.

Valuation

Our new base case amounts to SEK **10.7** (7.0) per share. Bear case is SEK 3.9 (2.5) and bull case SEK 21.0 (15.0). We have adjusted for dilution from the warrants and include the acquisition of Lånakuten. Combined with the strong organic growth and expanded collaboration with Expressen, higher sales estimates are justified. No adjustments are justified in the Redeye Rating at this point - a longer profitability history is required.

Investor expectations have continued to increase in recent months. The stock is up 150% since the Q3 report and 290% since Optimizer Invest stepped in as majority owner. During this short time, Mytaste Group has delivered two strong reports, expanded to new verticals, and initiated its new M&A strategy. The pace is high, and it is notable that the company and Optimizer Invest are eager to accelerate the development. We have a positive stance on the outlook for the company and want to highlight that our forecasts do not include further acquisitions. The share is currently trading around our new base case, essentially providing investors with the M&A opportunities for free.

Mytaste Group: Base case			
Assumptions	2018-20	2021-28	DCF-value
CAGR Sales	37%	10%	WACC 12.0%
EBIT margin (avg)	7%	25%	Net present value FCF 166
ROIC (avg)	18%	103%	Net present value of Terminal 152
Terminal			EV 318
Sales growth	2.0%		Net debt 3
EBIT margin	28%		Minorities -1
Exit EV/EBIT multiple	6x		Dividend correction 0
			DCF-value 320
			Estimated Fair Value 10.7
			Today's share price 9.9

Source: Redeye Research

Bear Case 3.9 SEK

In our bear case scenario, we assume that Shopping grows at a healthy rate but that increased competition leads to single-digit rates and lower margins a few years out. Moreover, we estimate a relatively flat development of sales at Mytaste Food and Beverage. In this scenario, we assume a CAGR 2019-2028 of about 8% with an average EBIT-margin of 14%. We use a terminal growth of 2% and an EBIT-margin for the terminal period of 15%.

Base Case 10.7 SEK

Our base case valuation assumes that the growth within Mytaste Group is driven by an expansion of the lead generation business to new verticals and new market regions. For Shopping, we assume that the company can create sales and cost synergies for the acquired companies and that the business continues to grow at healthy rates due to the expanding market for e-commerce. For 2019-2027, we model a CAGR of 14% and an average EBIT margin of 23%. In our terminal year, we use an assumed 2% growth with an EBIT margin of 28%. We find our margin projections as likely in a maturity phase, given the inherent scalability within performance-based marketing.

Bull Case 21.0 SEK

In our bull case scenario, we assume higher growth rates and margins within Shopping as the company can leverage in-house technology to boost sales and efficiency. We assume that new verticals will be added within e-commerce and that Shopping will be the main driver. The Food and Beverage segment is, however, also expected to contribute with growth from new innovations to monetize on. In this scenario, our assumed CAGR 2019-2027 is 19% with an average EBIT-margin of 30%. In the terminal period, we use a growth rate of 2% with a sustainable EBIT margin in the region of 35%.

Catalysts

AffiliJet expansion

The collaboration with Expressen develops well and has expanded from performance-based marketing of discount coupons to loans and iGaming. Large publishers are searching for new income streams and AffiliJet is a flexible and profitable solution. We believe that new deals are likely within the coming months.

Value-adding acquisitions

The company is open with its high acquisition ambitions and thus, it should not come as a surprise for the stock market. We still believe new M&A deals could be positive catalysts as it would validate the strategy. We also have confidence in Optimizer Invest's ability to negotiate attractive terms and thereby, create shareholder value.

Summary Redeye Rating

The rating consists of five valuation keys, each constituting an overall assessment of several factors that are rated on a scale of 0 to 2 points. The maximum score for a valuation key is 10 points.

No rating changes in this report

Management: 7.0

Mytaste Group's CEO and other senior executives have a long experience from the digital media industry. Management has shifted gears along the journey and is now focusing on performance-based marketing. So far it has delivered in accordance with the new strategy. The acquisitions and new growth initiatives within Mytaste Shopping are promising and the board has considerable M&A experience through Patrik Christiansen and Fredrik Burvall (former CEO of Cherry). Andre Lavold is Partner and represents the majority owner Optimizer Invest. Lavold is also a Board Member in Catena Media and adds valuable competence to the board. A key input in our rating is also the compensation packages to the CEO and the board. We find the compensation levels moderate, and we identify a clear focus on share ownership rather than high remuneration and bonuses.

Ownership: 10.0

The shareholder structure is one of the key strengths of Mytaste Group. Venture Capital player Optimizer Invest is the majority owner, in the first step controlling 23.8% of Mytaste Group, with warrants to acquire another 15%. Optimizer Invest has financial muscles, expertise in the lead generation industry, and an impressive track record of creating successful growth stories. Additionally, the COO Jonas Söderqvist and the CEO Andreas Friis are the founders and own close to 28%* of the company. Third largest shareholder is Henrik Kvick with a stake of 14%*. Also the Hamberg and Kling families have shares in the Group. With an active institution as the principal shareholder, and high insider and board ownership, conditions are ideal for a strong shareholder focus.

** Prior to possible dilution from Optimizer's warrants.*

Profit Outlook: 5.5

The strategic shift to performance-based marketing has proved fruitful and in Q4'18, Mytaste Group turned profitable also on the bottom line. There is still more to prove, but we view the profit outlook as promising. Within Mytaste Shopping, additional acquisitions and new partners are creating scalability and more bargain power against e-commerce shops. Mytaste Group is also expanding to new verticals such as Finance. The sales potential in the market is significant and there is plenty of room for the company to expand. To fend off competition, Mytaste Group is constantly refining its offering to generate organic growth. Mytaste Food and Beverage's business model is also scalable and to launch into new geographical markets do not come at any higher incremental costs.

Profitability: 0.0

Our profitability rating is based on historically reported numbers such as average ROE, net margin, and cash flow. As Mytaste Group has had negative margins in the most recent years, the rating of the company's profitability is low. On the other hand, the recent fundamental progress clearly shows that Mytaste Group is improving in the right direction with a positive cashflow and net result in Q4'18. Organic development has been strong and earlier acquisitions are delivering. Hence, the company is at the inflection point of profitable growth.

Financial Strength: 4.0

Mytaste Group has had low historical profitability and some debt outstanding, including a convertible of about SEK 12 million. The financial situation has improved significantly following the directed share issue to Optimizer Invest and the additional capital from warrants. Mytaste Group is still a small company, but with high growth and a scalable business model. Stable profitability seems to be within reach and that would have a positive impact on our retrospective rating.

INCOME STATEMENT	2017	2018	2019E	2020E	2021E
Net sales	37	59	87	111	135
Total operating costs	-37	-51	-67	-79	-96
EBITDA	0	8	20	32	39
Depreciation	0	0	0	0	0
Amortization	-8	-11	-12	-9	-9
Impairment charges	0	0	0	0	0
EBIT	-9	-4	7	22	30
Share in profits	0	0	0	0	0
Net financial items	-2	-2	-2	-2	0
Exchange rate dif.	0	0	0	0	0
Pre-tax profit	-11	-5	6	20	30
Tax	0	1	-1	-4	-6
Net earnings	-10	-4	4	16	23

BALANCE SHEET	2017	2018	2019E	2020E	2021E
Assets					
<i>Current assets</i>					
Cash in banks	5	21	26	14	39
Receivables	12	17	26	33	41
Inventories	0	0	0	0	0
Other current assets	0	0	0	0	0
Current assets	18	38	52	48	80
<i>Fixed assets</i>					
Tangible assets	2	3	3	3	4
Associated comp.	0	0	0	0	0
Investments	0	0	0	0	0
Goodwill	28	28	43	43	43
Cap. exp. for dev.	0	0	1	1	1
Intangible rights	40	33	26	25	26
Non-current assets	0	0	0	0	0
Total fixed assets	70	65	74	73	74
Deferred tax assets	0	0	0	0	0
Total (assets)	88	103	126	120	155
Liabilities					
<i>Current liabilities</i>					
Short-term debt	1	4	4	0	0
Accounts payable	38	26	39	50	61
Other current liabilities	0	0	0	0	0
Current liabilities	39	30	43	50	61
Long-term debt	4	16	18	0	0
Other long-term liabilities	11	11	11	0	0
Convertibles	0	0	0	0	0
Total Liabilities	54	56	71	50	61
Deferred tax liab	5	4	4	4	4
Provisions	0	0	0	0	0
Shareholders' equity	29	42	50	66	89
Minority interest (BS)	0	0	0	0	0
Minority & equity	29	42	50	66	89
Total liab & SE	88	103	126	120	155

FREE CASH FLOW	2017	2018	2019E	2020E	2021E
Net sales	37	59	87	111	135
Total operating costs	-37	-51	-67	-79	-96
Depreciations total	-9	-12	-13	-10	-9
EBIT	-9	-4	7	22	30
Taxes on EBIT	0	0	0	0	0
NOPLAT	-9	-4	7	22	30
Depreciation	9	12	13	10	9
Gross cash flow	0	8	20	32	39
Change in WC	26	-17	4	4	4
Gross CAPEX	-41	-6	-22	-8	-11
Free cash flow	-15	-14	2	27	32

CAPITAL STRUCTURE	2017	2018	2019E	2020E	2021E
Equity ratio	33%	41%	40%	55%	58%
Debt/equity ratio	17%	47%	44%	0%	0%
Net debt	0	-1	-4	-14	-39
Capital employed	29	40	46	52	50
Capital turnover rate	0.4	0.6	0.7	0.9	0.9

GROWTH	2017	2018	2019E	2020E	2021E
Sales growth	-16%	60%	47%	28%	22%
EPS growth (adj)	568%	-67%	-198%	260%	46%

DCF VALUATION		CASH FLOW, MSEK	
WACC (%)	12.0 %	NPV FCF (2018-2020)	29
		NPV FCF (2021-2027)	137
		NPV FCF (2028-)	152
		Non-operating assets	20
		Interest-bearing debt	-19
		Fair value estimate MSEK	320
Assumptions 2017-2023 (%)			
Average sales growth	17.3 %	Fair value e. per share, SEK	10.7
EBIT margin	21.5 %	Share price, SEK	9.9

PROFITABILITY	2017	2018	2019E	2020E	2021E
ROE	-40%	-12%	10%	28%	30%
ROCE	-23%	-8%	11%	32%	38%
ROIC	-24%	-13%	18%	48%	58%
EBITDA margin	0%	14%	23%	29%	29%
EBIT margin	-24%	-6%	9%	20%	22%
Net margin	-28%	-7%	5%	14%	17%

DATA PER SHARE	2017	2018	2019E	2020E	2021E
EPS	-0.47	-0.15	0.15	0.53	0.78
EPS adj	-0.47	-0.15	0.15	0.53	0.78
Dividend	0.00	0.00	0.00	0.00	0.00
Net debt	-0.02	-0.05	-0.13	-0.48	-1.32
Total shares	22.02	28.88	29.96	29.96	29.96

VALUATION	2017	2018	2019E	2020E	2021E
EV	62.1	247.2	298.1	287.5	262.1
P/E	-6.1	-56.5	67.9	18.8	12.9
P/E diluted	-6.1	-56.5	67.9	18.8	12.9
P/Sales	1.7	4.2	3.5	2.7	2.2
EV/Sales	1.7	4.2	3.4	2.6	1.9
EV/EBITDA	633.9	30.9	14.8	9.0	6.7
EV/EBIT	-7.1	-69.2	40.0	13.0	8.8
P/BV	2.2	5.9	6.0	4.6	3.4

SHARE PERFORMANCE		GROWTH/YEAR	16/18E
1 month	-3.4 %	Net sales	53.3 %
3 month	75.1 %	Operating profit adj	-
12 month	188.0 %	EPS, just	-
Since start of the year	17.1 %	Equity	31.4 %

SHAREHOLDER STRUCTURE %	CAPITAL	VOTES
Optimizer Invest Ltd	23.8 %	23.8 %
Jonas Söderqvist	14.6 %	14.6 %
Henrik Kvick	13.9 %	13.9 %
Andreas Friis	13.1 %	13.1 %
Avanza Pension	2.0 %	2.0 %
Hamburg Förvaltning AB	1.7 %	1.7 %
Per Hamburg	1.7 %	1.7 %
Nordnet Pension	1.4 %	1.4 %
Fredrik Burvall	0.6 %	0.6 %
Swedbank Försäkring	0.5 %	0.5 %

SHARE INFORMATION	
Reuters code	TASTE.ST
List	First North
Share price	9.9
Total shares, million	30.0
Market Cap, MSEK	298

MANAGEMENT & BOARD	
CEO	Andreas Friis
CFO	Ulrika Jones
IR	
Chairman	Fredrik Burvall

FINANCIAL INFORMATION	
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Redeye Rating and Background Definitions

The aim of a Redeye Rating is to help investors identify high-quality companies with attractive valuation.

Company Qualities

The aim of Company Qualities is to provide a well-structured and clear profile of a company's qualities (or operating risk) – its chances of surviving and its potential for achieving long-term stable profit growth.

We categorize a company's qualities on a ten-point scale based on five valuation keys; 1 – Management, 2 – Ownership, 3 – Profit Outlook, 4 – Profitability and 5 – Financial Strength.

Each valuation key is assessed based a number of quantitative and qualitative key factors that are weighted differently according to how important they are deemed to be. Each key factor is allocated a number of points based on its rating. The assessment of each valuation key is based on the total number of points for these individual factors. The rating scale ranges from 0 to +10 points.

The overall rating for each valuation key is indicated by the size of the bar shown in the chart. The relative size of the bars therefore reflects the rating distribution between the different valuation keys.

Management

Our Management rating represents an assessment of the ability of the board of directors and management to manage the company in the best interests of the shareholders. A good board and management can make a mediocre business concept profitable, while a poor board and management can even lead a strong company into crisis. The factors used to assess a company's management are: 1 – Execution, 2 – Capital allocation, 3 – Communication, 4 – Experience, 5 – Leadership and 6 – Integrity.

Ownership

Our Ownership rating represents an assessment of the ownership exercised for longer-term value creation. Owner commitment and expertise are key to a company's stability and the board's ability to take action. Companies with a dispersed ownership structure without a clear controlling shareholder have historically performed worse than the market index over time. The factors used to assess Ownership are: 1 – Ownership structure, 2 – Owner commitment, 3 – Institutional ownership, 4 – Abuse of power, 5 – Reputation, and 6 – Financial sustainability.

Profit Outlook

Our Profit Outlook rating represents an assessment of a company's potential to achieve long-term stable profit growth. Over the long-term, the share price roughly mirrors the company's earnings trend. A company that does not grow may be a good short-term investment, but is usually unwise in the long term. The factors used to assess Profit Outlook are: 1 – Business model, 2 – Sale potential, 3 – Market growth, 4 – Market position, and 5 – Competitiveness.

Profitability

Our Profitability rating represents an assessment of how effective a company has historically utilised its capital to generate profit. Companies cannot survive if they are not profitable. The assessment of how profitable a company has been is based on a number of key ratios and criteria over a period of up to the past five years: 1 – Return on total assets (ROA), 2 – Return on equity (ROE), 3 – Net profit margin, 4 – Free cash flow, and 5 – Operating profit margin or EBIT.

Financial Strength

Our Financial Strength rating represents an assessment of a company's ability to pay in the short and long term. The core of a company's financial strength is its balance sheet and cash flow. Even the greatest potential is of no benefit unless the balance sheet can cope with funding growth. The assessment of a company's financial strength is based on a number of key ratios and criteria: 1 – Times-interest-coverage ratio, 2 – Debt-to-equity ratio, 3 – Quick ratio, 4 – Current ratio, 5 – Sales turnover, 6 – Capital needs, 7 – Cyclicity, and 8 – Forthcoming binary events.

Redeye Equity Research team

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Disclaimer

Important information

Redeye AB ("Redeye" or "the Company") is a specialist financial advisory boutique that focuses on small and mid-cap growth companies in the Nordic region. We focus on the technology and life science sectors. We provide services within Corporate Broking, Corporate Finance, equity research and investor relations. Our strengths are our award-winning research department, experienced advisers, a unique investor network, and the powerful distribution channel redeye.se. Redeye was founded in 1999 and since 2007 has been subject to the supervision of the Swedish Financial Supervisory Authority.

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Redeye does not issue any investment recommendations for fundamental analysis. However, Redeye has developed a proprietary analysis and rating model, Redeye Rating, in which each company is analyzed and evaluated. This analysis aims to provide an independent assessment of the company in question, its opportunities, risks, etc. The purpose is to provide an objective and professional set of data for owners and investors to use in their decision-making.

Redeye Rating (2019-02-25)

Rating	Management	Ownership	Profit outlook	Profitability	Financial Strength
7,5p - 10,0p	47	47	18	10	20
3,5p - 7,0p	88	83	118	40	53
0,0p - 3,0p	13	18	12	98	75
Company N	148	148	148	148	148

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CONFLICT OF INTERESTS

Eddie Palmgren owns shares in the company : No

Kristoffer Lindström owns shares in the company : Yes

Redeye performs/have performed services for the Company and receives/have received compensation from the Company in connection with this.