

Aspire Global

Sector: Betting/Entertainment

Profitable Growth at a Discount

Redeye raises Aspire Global's fair value on the back of a strong report on all levels. The estimated drop from the COVID-19 boosted second quarter was less dramatic than expected. The online gambling levels seem to settle on a new higher "normal" level, thanks to an increased in the online shift. Furthermore, Aspire Global has found an important piece of the puzzle in the acquisition of BtoBet. Now the group can take on any deal, anytime and anywhere. As a result, we continue to see a significant upside in the share.

Any Deal, Anytime, Anywhere

With the Acquisition of BtoBet, a leading B2B sportsbook and technology provider, Aspire Global now can take on any deal. The company is also substantially broadening its market reach thanks to BtoBet's strong position in Latin America and Africa. We believe the strategic acquisition will offer both cost- and sales-synergies. We also find the price very attractive as we estimate that Aspire Global will pay seven times EBIT for an asset that grows 50% annually.

Post-COVID-19

In the third quarter, we got an indication of how online gambling will perform post-COVID-19 pandemic. The revenue levels dropped for online casino compared to the COVID-19 boosted second quarter. However, the numbers have stayed at a considerably higher level than pre-COVID-19. We believe that this new "normal" level is here to stay and driven by an increase in the online shift. Meaning, that there is a significant portion of previous land-based players that will stick to online gambling.

Unjustified Discount

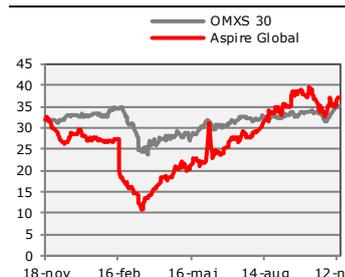
Based on our 2021 estimates, Aspire Global is valued around an EV/EBITDA of **5.5x**, compared to the median for its peers of 10x. Accordingly, the expectations are low on Aspire Global, and the chance of exceeding the expectations are high. The addition of Pariplay and BtoBet has increased the growth possibilities as well as scalability of the group. We find the current valuation unjustified and see a potential upside of over 45% to our base case valuation of **SEK 55** (50) per share. Our new bear and bull case amounts to SEK 24 (20) and SEK 80 (75).

KEY FINANCIALS (EURm)	2018	2019	2020E	2021E	2022E	2023E
Net sales	105	131	159	186	213	241
EBITDA	21	22	26	31	37	43
EBIT	19	18	19	23	28	33
EPS (adj.)	0.4	0.0	0.3	0.4	0.5	0.6
EV/Sales	1.7	1.0	1.1	0.9	0.7	0.5
EV/EBITDA	8.1	6.2	6.8	5.3	4.0	3.0
EV/EBIT	8.9	7.6	8.9	7.0	5.2	3.9
P/E	12.4	336.0	12.5	9.5	7.3	6.2

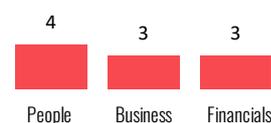
FAIR VALUE RANGE

BEAR	BASE	BULL
24	55	80

ASPIRE.ST VERSUS OMXS30



REDEYE RATING



KEY STATS

Ticker	ASPIRE.ST
Market	First North
Share Price (SEK)	37.3
Market Cap (MSEK)	1730
Net Debt 20E (MSEK)	100
Free Float	40 %
Avg. daily volume ('000)	90

ANALYSTS

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Q3: Stronger than expected

Aspire Global: Expected vs. Actual

(EURm)	Q3'19	Q3'20	Q3'20E	Diff
Revenues	33.2	40.1	38.4	4%
EBITDA	5.2	6.6	5.8	14%
EBIT	4.3	4.9	4.3	14%
EPS (EUR)	0.09	0.08	0.07	13%
<i>Sales growth Y/Y</i>	16%	21%	16%	
<i>Sales growth Q/Q</i>	1%	-8%	-12%	
<i>EBITDA margin</i>	16%	16%	15%	
<i>EBIT margin</i>	13%	12%	11%	

Source: Aspire Global, Redeye Research

The third quarter came in well above our expectations on all levels. Revenues and EBITDA came in 4%, respectively, 14% above our estimates. The revenues grew 21% Y/Y but decreased by 8% sequential as the second quarter was boosted by the COVID-19 pandemic. Nonetheless, Aspire Global shows strong underlying growth and value-adding acquisitions have strengthened this growth further. The company reported that the trading volumes for October, included BtoBet, reached EUR 14.1m, corresponding to a Y/Y increase of 32%.

On the cost side, distribution expenses came in above our expectations, mainly due to higher revenues and higher marketing spend. Meanwhile, the admin expenses were well below our estimates. As a result, the EBIT came in 14% above our estimates at EUR 4.9m (estimated EUR 4.3m).

Aspire Global: Expected vs. Actual - B2B & B2C

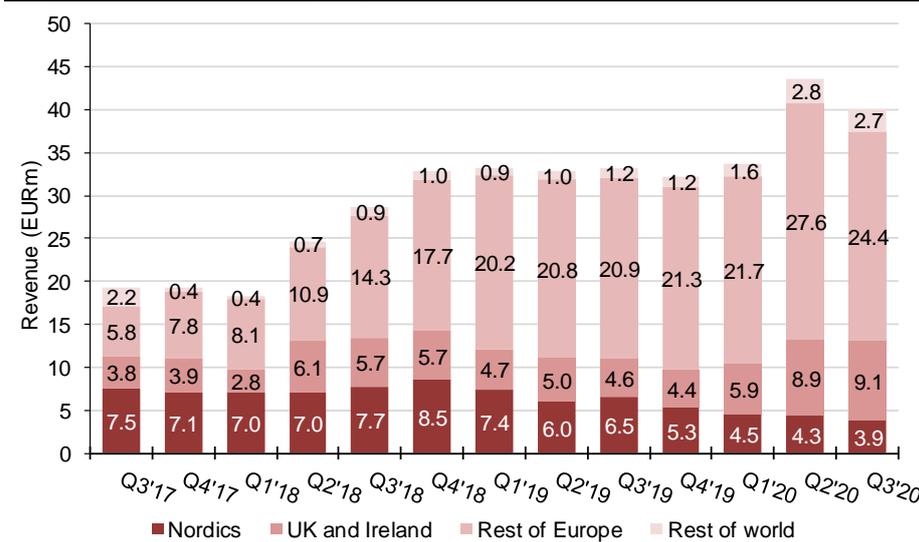
(EURm)	Q3'19	Q3'20	Q3'20E	Diff
B2B revenues (incl. Inter- <i>B2B inter-segment revenues</i>)	22.8	30.3	28.8	5%
B2B EBITDA	4.3	5.5	4.4	23%
B2B EBITDA margin	19%	18%	15%	
B2C revenues	12.3	12.3	11.6	6%
B2C EBITDA	1.0	1.1	1.4	-21%
B2C EBITDA margin	8%	9%	12%	

Source: Aspire Global, Redeye Research

The B2B segment continued to grow and outperformed our estimates with a very strong EBITDA margin. The sub-segment Aspire Core grew by 13% Y/Y and had 86 B2B-brands operating on the platform. Pariplay also reported a strong quarter with close to 70% growth Y/Y and 8% growth Q/Q.

The B2C segment's revenue came in above our estimates, but the bottom line was impacted by higher marketing cost than estimated.

Aspire Global: Revenue by region



Source: Aspire Global, Redeye Research

All regions, except the Nordics, was substantially boosted by the COVID-19 pandemic during the second quarter. Consequently, we have seen a sequential decline in all regions in the third quarter. However, the region "UK and Ireland" continues to show a positive momentum after the increased compliance focus at the start of the year. In the coming quarters, we expect the regions "Rest of world" to become a much more important region in conjunction with the BtoBet and an overall expansion into new markets for the group.

BtoBet



The acquisition of BtoBet, a leading B2B sportsbook, and technology provider, will broaden Aspire Global's B2B offering to the sports betting vertical and enable the group to control the full value chain. Furthermore, BtoBet will extend the group's market reach by adding strong positions in both Latin America and Africa.



BtoBet is growing rapidly. In 2019, BtoBet had revenues of EUR 4.4m and an EBITDA of EUR 1.5m. In the first nine months of 2020, revenues were EUR 5.0m and EBITDA EUR 1.8m. As a result of the strong growth, we believe that it is very likely that the company will generate an EBIT of more than EUR 3m two years after closing. As a result, Aspire Global will pay seven times the EBIT for a rapidly growing and strategic asset, which we view as a great deal.

Q3 in conclusion

The third quarter came in better than predicted as the boosted second quarter's decline was less dramatic than expected. Meanwhile, there is underlying growth momentum of the B2B business, and the group is expanding to new markets. Furthermore, the company's acquisitions of Pariplay and BtoBet have been successful as well as value-adding to the group.

Forecast

Aspire Global's future growth depends much on the underlying growth of the online gambling segment in Europe, as well as the company's ability to sign new agreements. However, Aspire Global has also shown that its business can develop and grow much faster than the general market. How much faster the business can grow, organically, than the underlying market depends much on how Aspire Global can improve its platform and enter new markets. New markets and platform improvements will also attract new B2B partners.

In the third quarter, we have seen that the revenue levels have returned closer to "normal" levels after the COVID-19 boosted second quarter. However, as expected, the new normal level seems to be higher than the pre-COVID-19 level due to the boost we have seen in the Online Shift. Meaning, that there is a significant portion of previous land-based players that will stick to online gambling.

The current COVID-19 outbreak and the German regulation have made it somewhat difficult to predict the fourth quarter outcome. However, we expect that the long-term trend will continue with strong underlying momentum for the B2B business. The addition of BtoBet will further strengthen this development as it will be fully consolidated in the fourth quarter.

In the long-term, the broader macro trends will continue to play out. On the positive side, only 10% of the global market is online, which ensures strong underlying market growth for many years to come. On the negative side, we continue to expect a challenging regulatory landscape, with increased gaming duties and regulatory restrictions that will lower margins.

Aspire Global: Financial forecasts summary								
(EURm)	2019	Q1'20	Q2'20	Q3'20	Q4'20E	2020E	2021E	2022E
Revenues	131.4	33.7	43.7	40.1	41.3	158.9	186.4	213.2
Net Revenues (after EU VAT)	127.5	32.6	42.2	39.0	40.2	154.0	179.2	204.7
Distribution expenses	-87.1	-22.6	-29.8	-27.4	-27.2	-106.9	-119.2	-134.4
Gaming duties	-4.2	-0.9	-1.0	-1.2	-1.2	-4.3	-6.2	-7.8
Admin expenses	-14.6	-3.9	-4.4	-3.9	-5.1	-17.2	-22.6	-25.8
EBITDA	21.7	5.2	7.1	6.6	6.7	25.6	31.1	36.8
EBIT	17.7	3.9	5.7	4.9	4.9	19.4	23.3	28.5
EPS, EUR	0.01	0.05	0.09	0.08	0.08	0.29	0.39	0.51
Growth Y/Y (%)	26%	1%	33%	21%	28%	21%	17%	14%
Growth Q/Q (%)		5%	30%	-8%	3%			
EBITDA (%)	17%	15%	16%	16%	16%	16%	17%	17%
EBIT (%)	13%	12%	13%	12%	12%	12%	13%	13%

Source: Aspire Global, Redeye Research, *from continuing operations

On the segment level, we expect, as already concluded, that the B2B segment will be the main driver as Aspire Global will continue to focus on B2B expansion. In 2022, we estimate that the B2B segment, excluding acquisitions, will generate well over 70% of the revenues.

Aspire Global: Financial forecasts - B2B vs. B2C								
(EURm)	2019	Q1'20	Q2'20	Q3'20	Q4'20E	2020E	2021E	2022E
B2B revenues (incl. inter-seg. rev.)	88.7	24.4	32.6	30.3	31.8	119.1	144.9	168.3
B2B inter-segment revenues	7.6	1.7	2.3	2.6	2.5	9.0	10.6	11.4
B2B EBITDA	15.9	3.8	5.4	5.5	5.7	20.4	25.6	30.8
B2B EBITDA margin	18%	16%	17%	18%	18%	17%	18%	18%
B2C revenues	50.3	11.0	13.4	12.3	12.0	48.8	52.0	56.4
B2C EBITDA	5.8	1.4	1.6	1.1	1.1	5.3	5.5	5.8
B2C EBITDA margin	11%	13%	12%	9%	10%	11%	10%	10%

Source: Aspire Global, Redeye Research

Growth drivers

- **Underlying market:** The European market is Aspire Global's main market and is expected to grow around 5% annually during the period 2019-23.
- **New partnerships:** Aspire Global continues to sign interesting B2B partnerships and launch new B2B brands.
- **New in-house games:** New games is, besides new aggregator customers, an important growth driver for Pariplay.
- **Larger operators:** Currently, Aspire Global is offering mainly white label solutions to smaller operators. However, the group will also start to offer its platform solution to larger operators to monetize on the group's robust platform's scalability.
- **New regulated markets:** Aspire Global's strategy is to gain and maintain strong positions in regulated markets. Therefore, we expect Aspire Global to continue to enter regulated markets if the conditions are the right. The entry for Pariplay, and potentially Aspire Global, in the huge US market is one example. Furthermore, with the acquisition of BtoBet the group can also address additional markets in Latin America and Africa.
- **Products improvements:** Continuing improving its platform with new features and game verticals will be important to increase the player value and customer intake.
- **Acquisitions:** The company has communicated that it will focus on the integration work of Pariplay and BtoBet, including optimizing synergies, rather than acquisitions. However, Aspire Global has the financial position to take on additional acquisitions, and we expect the company to continue to evaluate acquisition targets.

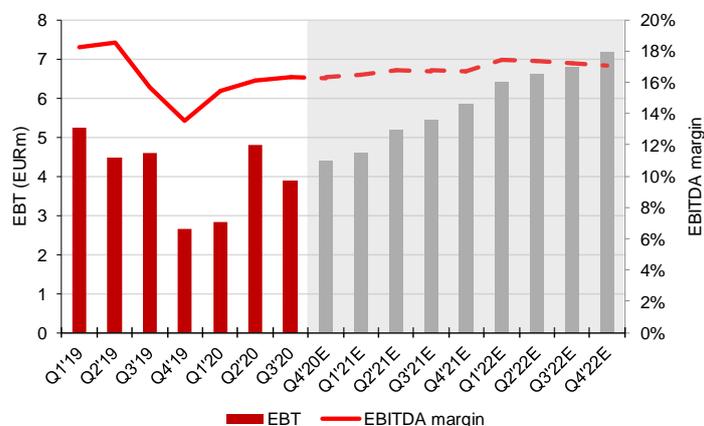
Cost allocation

- **Distribution expenses:** We expect that it will increase as the business grows, but it will decrease in relation to the revenue. The distribution expenses include expenses such as game providers fees, payment providers fees, affiliate commissions, marketing expenses, etc. However, when the B2B partners increase in size, they generally get a high royalty rate, counteracting some of the positive scalability effects. Moreover, the acquired Pariplay has a large portion of distribution expenses within its aggregator operations.
- **Gaming duties:** We expect that it will increase in relation to the revenue as more markets are re-regulated. The Gaming duties and VAT relation to revenue were 6% in Q3. We expect that these will increase to 10% within three years.
- **Administrative expenses:** This item includes expenses for Staff, Rent, Legal, Accounting, Professional Services, and Other. We expect that these expenses will increase over time as the business grows. However, we expect that these expenses will decrease in relation to Aspire Global's revenue, in the long run, due to the scalability of the company's business and more automatic processes.
- **Amortization and depreciation:** The acquisition of BtoBet will increase the intangible assets and the depreciation. Nevertheless, we expect that the platform's scalability, together with increased revenues, will lower the A&D expenses in relation to the revenue in the long run.

Profit margins

We believe that Aspire Global's underlying business is highly scalable, and it becomes even more scalable with the acquisition of BtoBet. However, increased regulations with regulatory requirements, gaming duties, and further need for compliance investments will mitigate a large share of the positive scalability effect. As a result, we expect that the earnings will be primarily driven by top-line growth.

Aspire Global: EBT and EBITDA margin



Source: Aspire Global, Redeye Research

Forecast changes

The new forecast includes some changes in the numbers and the assumptions compared to the last estimate. Mainly we have increased the revenues expectations for the B2B segment as well as lowered the admin expenses in relation to revenues.

Aspire Global									
Estimate revisions (EURm)	2020E			2021E			2022E		
	New	Old	% chg	New	Old	% chg	New	Old	% chg
Revenue	159	157	1%	186	183	2%	213	208	2%
EBITDA	25.6	24.5	4%	31.1	29.6	5%	36.8	35.3	4%
EBITDA margin	16%	16%		17%	16%		17%	17%	
EPS (EUR)	0.29	0.28	4%	0.39	0.37	6%	0.51	0.49	4%

Source: Redeye Research

Investment Thesis

- Strong lock-ins
- Broad growth potential
- Own platform and strong financial position
- Synergies

Strong lock-ins

Aspire Global has demonstrated, over the years, both significant B2B customer loyalty and the ability to attract brands from external platforms. This indicates that it offers an attractive platform that adds value to its customers and creates significant exit barriers through lock-ins. Key elements of this are its wide range of licenses, strong product, exclusive games, and beneficial and transparent business model with a revenue share business model. In our view, existing customers would struggle to find superior alternatives that match these criteria.

Broad growth potential

Aspire Global's model gives it a broad range of options for growth. These include improving the product, adding new gaming verticals, adding new partnership brands, migrating brands from external platforms, marketing campaigns on the B2C brands, adding on new national gambling licenses, expansion in the US, acquisitions, and new in-house games.

Own platform and strong financial position

Aspire Global's proprietary platform, and strong financial position is the perfect combination for future growth. The scalable platform gives it a very strong incentive to grow, and its strong financial position gives it the means of doing so. The platform allows growth to be realized both organically and through acquisitions. Without it, acquisitions would not be a valid option. Owning the platform also gives Aspire Global the freedom to enter any potential market offering the right conditions. Furthermore, Aspire Global's platform is also ready to attract larger operators without their own platform.

Synergies

We believe the acquisition of Pariplay and BtoBet will lead to strong synergies. The synergies include monetizing Aspire Global's existing game portfolio of 200 games, cross-selling, lower cost of existing game aggregators, and sharing admin expenses.

Counter-Thesis – Bear Points

Regulatory uncertainty

Aspire Global focuses on regulated markets as these offer better scope for attractive B2B partners and are less risky. Even so, regulated markets are not risk-free, as illustrated in UK and Sweden. Moreover, we also expect that increased gaming taxes and stricter regulatory restrictions will pressure profit margins in the coming years.

New markets/M&A risk

Entering new markets and making acquisitions carry significant risks and require careful selection. In new markets, in-depth knowledge of customer behavior will lack, as well as insight into the most effective marketing channels and partners. Moreover, what works in one market may not work in another due to cultural or/and regulatory differences. Market entries could also require significantly more resources than initially estimated.

For acquisitions, the integration process is a delicate process that requires resources and focus from the existing business. The outcome of the integration and the performance of the acquired company can also become a disappointment. Consequently, the supposed value-adding acquisition could hurt the overall group performance if not managed correctly.

Valuation

Aspire Global has reverted the negative momentum that the company was in during 2019. The increased focus on the B2B operations and geographical expansion are paying off. Furthermore, the acquisition of BtoBet is strengthening the group and adding value.

In the third quarter, the revenues declined compared to the COVID-19 boosted revenues in the second quarter. However, we believe that the revenues will settle on a new higher "normal" level, driven by an increase in the online shift due to the COVID-19 pandemic. Meanwhile, the short-term, the German regulation has added some uncertainty to the case as the extent of the regulatory impact is unclear.

The long-term trend for the online gambling industry is mixed, with tremendous growth potential as only 10% of the global gambling is online but substantial regulatory challenges with increased taxation pressure. We believe that Aspire Global can continue to show double-digit organic growth for many years to come and mitigate some of the regulatory margin pressure with increased automation. In addition to organic growth, the company can also continue to make value-adding acquisitions. However, we have not included acquisitions in our estimates. Nonetheless, we believe that Aspire Global's current valuation is unjustified, and we see a substantial upside in the share.

Our Base case yields a fair value of SEK 55 (50) per share.

Aspire Global					
Assumptions:	2019-28	2019-22	2022-28	DCF-value	
CAGR Sales	11.2%	17.5%	8.1%	WACC	11.6%
EBIT-margin (avg.)	12.9%	12.7%	13.0%	PV of FCF	165
ROE (avg.)	29%	35%	25%	PV of Terminal Value	89
Terminal				EV	253
Growth of FCF	2%			Net cash (Start of year)	0
EBIT margin	11.0%			Dividend correction	-6
EV/S Exit multiple	0.7x			Associated companies	2
EV/EBIT Exit multi	6x			Minorities	0
				DCF-value (EUR)	249
				Fair value per share (SEK)	55
				Today's price	37
				Potential/Risk	47%

Source: Redeye Research

Bear Case SEK 24

Sales CAGR of about 8% between 2019-28.

An average EBIT margin of approximately 8% during the same period.

Terminal growth of 2% and terminal EBIT margin of 6%.

Our Bear case assumes few new markets and few new B2B partnerships in existing markets. The B2C operation will not grow faster than the market at the same time as increased gaming tax will lower the margins.

Base Case SEK 55

Sales CAGR of about 11% between 2019-28.

An average EBIT margin of approximately 13% during the same period.

Terminal growth of 2% and terminal EBIT margin of 11%.

Our base case assumes that Aspire Global will continue to enter regulated markets and enter new B2B partnerships in these markets. It the long-run Aspire Global will be able to grow faster than the online gambling market due to the B2B solution and new regulated markets.

Bull Case SEK 80

Sales CAGR of about 14% between 2019-28.

An average EBIT margin of approximately 16% during the same period.

Terminal growth of 2% and terminal EBIT margin of 14%.

Our Bull case assumes improved retention rates, successful geographical expansions, and value-creating acquisitions.

Relative Valuation

Looking at 2021 and 2022, we argue Aspire Global is valued at a considerable discount compared to its peers. We believe that the market is still somewhat unsure about Aspire Global's long-term growth of the earnings per share. Moreover, we recognize that there most likely will be a margin pressure due to more regulated and taxed markets in the coming years. However, we expect Aspire Global to continue to grow fast and maintain a double-digit EBIT margin.

Peer valuation												
Company	EV (MSEK)	EV/Sales			EV/EBITDA			SALES CAGR	EBIT CAGR	EBIT margin		
		2020E	2021E	2022E	2020E	2021E	2022E	19-22E	19-22E	2020E	2021E	2022E
Operators												
Flutter Entertainment	262 726	5.1x	4.5x	4.1x	22.4x	20.5x	17.3x	35%	90%	18%	17%	19%
GVC	90 014	2.2x	2.1x	2.0x	10.3x	9.3x	8.4x	2%	-256%	14%	15%	17%
William Hill	36 443	2.5x	2.0x	1.9x	21.5x	12.5x	11.0x	1%	118%	2%	8%	10%
Kindred	16 170	1.3x	1.2x	1.1x	6.2x	6.6x	7.3x	11%	21%	16%	13%	10%
Betsson	10 575	1.7x	1.5x	1.4x	7.1x	6.9x	7.3x	14%	5%	18%	16%	13%
888	10 174	1.6x	1.6x	1.5x	8.9x	9.4x	8.8x	8%	19%	12%	12%	12%
Leovegas	3 651	0.9x	0.9x	0.8x	6.4x	6.1x	5.5x	13%	52%	9%	9%	10%
Enlabs	2 607	5.0x	2.8x	2.3x	22.0x	11.8x	9.2x	39%	31%	16%	18%	20%
Bet-at-home	1 771	1.5x	1.7x	1.6x	6.3x	10.1x	7.9x	-4%	-16%	23%	17%	19%
Median	10 575	1.7x	1.7x	1.6x	8.9x	9.4x	8.4x	11%	21%	16%	15%	13%
B2B												
Scientific Games	105 497	4.6x	3.9x	3.6x	15.0x	10.1x	8.9x	-3%	1%	6%	18%	18%
IGT	87 769	2.9x	2.4x	2.2x	9.1x	6.9x	6.4x	-5%	6%	12%	18%	18%
NetEnt	23 260	10.6x	9.6x	8.9x	19.8x	16.3x	14.9x	14%	28%	34%	41%	42%
PlayTech	15 195	1.1x	1.0x	0.9x	5.1x	4.4x	4.0x	0%	81%	10%	10%	11%
Kambi	9 169	8.5x	6.3x	6.0x	23.3x	15.5x	15.6x	16%	33%	20%	27%	24%
GAN	4 462	13.6x	8.8x	6.3x	72.8x	52.6x	25.8x	36%	n.m.	-36%	-4%	17%
Gaming Innovation	1 363	1.8x	1.8x	1.7x	10.5x	6.3x	5.8x	-14%	n.m.	-9%	7%	10%
Median	19 227	4.6x	3.9x	3.6x	15.0x	10.1x	8.9x	7%	28%	11%	18%	18%
Aspire Global	1 835	1.1x	1.0x	0.8x	7.0x	5.7x	4.8x	17%	17%	12%	13%	13%
At Base case	2 657	1.6x	1.4x	1.2x	10.1x	8.3x	7.0x					

Source: Bloomberg & Redeye Research

SOTP valuation

To add additional support to our DCF valuation, we have done a sum-of-the-parts valuation. It will also help bring clarity on how to value Aspire Global's different business areas.

For the more significant B2B segment, we believe that an EBITDA multiple of 10x is fair as it is in line with peers for 2021E. The value for the B2B segment in our SOTP valuation is estimated to around EUR 226m, which is far above the existing EV for the whole group.

For the smaller B2C segment, we use a Sales multiple as the profit margin for the segments seem to be quite volatile. We believe a sales multiple of 0.8x is fair for a segment that is clearly not the group's focus. This is also slightly above the multiple that Betsson paid for GiG's B2C operations.

SOTP valuation							
Segment	(EURm)	Sales 2021	EBITDA 2021	Sales Multiple	EBITDA Multiple	Value	Disc. Value
B2B: Platform, gaming development			25.6		10.0x	256	226
B2C: Online gambling		52.0		0.8x		39	35
Sum (EURm)						295	261
EV	261						
Net Debt	-10						
Value minorities	0						
Value assoc. comp.	0						
SOTP value	251						
Per share (SEK)	55						

Source: Redeye Research

Summary Redeye Rating

The rating consists of three valuation keys, each constituting an overall assessment of several factors that are rated on a scale of 0 to 1 points. The maximum score for a valuation key is 5 points.

Rating changes in the report

People: 4

We have confidence in the management team and CEO Tsachi Maimon, who has been CEO of the company since 2013. We claim that his extensive experience and his long history in the company contribute to stability. Also, Tsachi has a good understanding of the market and has the ability to find and evaluate new business opportunities. Aspire Global benefits from a stable ownership structure where the founder and member of the board, Barak Matalon, is the largest shareholder. Also, there is institutional ownership among the biggest shareholders, which we see as a strength. A majority of the management team owns stock options and stocks.

Business: 3

Aspire Global has a historically proven business model and is operating in an industry that is expected to show healthy growth and profitability in the coming years. Further, we see growth opportunities with the prevailing regulation trend and the online gambling industry is rather recession-resilient. On the negative side, there are general and political risks associated with the industry itself. Forward-looking, we expect revenues from regulated markets to increase which will affect margins negatively.

Financials: 3

Aspire Global has a strong cash position with EUR 35m in cash at the end of Q3 20. In 2018, the company issued an EUR 27.5m secured bond under an EUR 80m framework to be prepared for M&A opportunities. We expect that the company will continue to have strong margins and cash flows as well as maintain a high return on invested capital.

INCOME STATEMENT	2018	2019	2020E	2021E	2022E
Net sales	105	131	159	186	213
Total operating costs	-83	-110	-133	-155	-176
EBITDA	21	22	26	31	37
Depreciation	-2	-4	-6	0	0
Amortization	0	0	0	-7	-8
Impairment charges	0	0	0	0	0
EBIT	19	18	19	23	28
Share in profits	0	0	0	0	0
Net financial items	-2	-3	-5	-4	-3
Exchange rate dif.	0	0	0	1	0
Pre-tax profit	17	14	14	19	25
Tax	-1	-15	-1	-2	-3
Net earnings	16	0	14	18	24

BALANCE SHEET	2018	2019	2020E	2021E	2022E
Assets					
<i>Current assets</i>					
Cash in banks	54	29	35	41	47
Receivables	22	25	30	36	43
Inventories	0	0	0	0	0
Other current assets	1	0	0	0	0
Current assets	76	54	66	78	90
<i>Fixed assets</i>					
Tangible assets	1	2	2	2	3
Associated comp.	2	4	5	5	6
Investments	0	0	0	0	0
Goodwill	0	7	12	12	12
Cap. exp. for dev.	0	0	0	0	0
O intangible rights	7	19	39	49	49
O non-current assets	11	13	13	13	13
Total fixed assets	21	47	75	86	88
Deferred tax assets	0	0	0	0	0
Total (assets)	97	101	140	164	178
Liabilities					
<i>Current liabilities</i>					
Short-term debt	0	0	1	0	0
Accounts payable	31	22	40	46	51
O current liabilities	0	15	18	21	24
Current liabilities	31	38	58	67	76
Long-term debt	27	27	35	31	20
O long-term liabilities	1	1	1	1	1
Convertibles	0	0	0	0	0
Total Liabilities	59	65	94	99	96
Deferred tax liab	0	0	0	0	0
Provisions	0	0	0	0	0
Shareholders' equity	39	34	43	61	77
Minority interest (BS)	0	0	0	0	0
Minority & equity	38	34	42	60	77
Total liab & SE	97	101	140	164	178

FREE CASH FLOW	2018	2019	2020E	2021E	2022E
Net sales	105	131	159	186	213
Total operating costs	-83	-110	-133	-155	-176
Depreciations total	-2	-4	-6	-8	-8
EBIT	19	18	19	23	28
Taxes on EBIT	-1	-1	-2	-2	-2
NOPLAT	18	17	18	22	27
Depreciation	2	4	6	8	8
Gross cash flow	20	21	24	30	35
Change in WC	4	3	15	3	2
Gross CAPEX	-6	-25	-32	-18	-9
Free cash flow	18	-1	8	15	28

CAPITAL STRUCTURE	2018	2019	2020E	2021E	2022E
Equity ratio	39%	34%	30%	37%	43%
Debt/equity ratio	69%	85%	93%	59%	33%
Net debt	-27	0	4	-5	-22
Capital employed	10	29	38	45	44
Capital turnover rate	1.1	1.3	1.1	1.1	1.2

GROWTH	2018	2019	2020E	2021E	2022E
Sales growth	45%	26%	21%	17%	14%
EPS growth (adj)	58%	-98%	3,216%	31%	30%

DCF VALUATION	
WACC (%)	11.6 %

PROFITABILITY	2018	2019	2020E	2021E	2022E
ROE	50%	1%	35%	35%	34%
ROCE	39%	25%	26%	26%	28%
ROIC	198%	167%	62%	57%	59%
EBITDA margin	20%	17%	16%	17%	17%
EBIT margin	18%	14%	12%	13%	13%
Net margin	15%	0%	9%	10%	11%

DATA PER SHARE	2018	2019	2020E	2021E	2022E
EPS	0.36	0.01	0.29	0.38	0.50
EPS adj	0.36	0.01	0.29	0.38	0.50
Dividend	0.10	0.12	0.00	0.15	0.20
Net debt	-0.60	0.01	0.10	-0.11	-0.46
Total shares	44.48	46.00	46.80	47.30	47.66

VALUATION	2018	2019	2020E	2021E	2022E
EV	172.8	134.6	173.2	163.4	147.1
P/E	12.4	336.0	12.5	9.5	7.3
P/E diluted	12.4	336.0	12.5	9.5	7.3
P/Sales	1.9	1.0	1.1	0.9	0.8
EV/Sales	1.7	1.0	1.1	0.9	0.7
EV/EBITDA	8.1	6.2	6.8	5.3	4.0
EV/EBIT	8.9	7.6	8.9	7.0	5.2
P/BV	5.2	4.0	4.0	2.8	2.2

SHARE PERFORMANCE	GROWTH/YEAR	18/20E
1 month	Net sales	23.3 %
3 month	Operating profit adj	0.3 %
12 month	EPS, just	-10.4 %
Since start of the year	Equity	5.0 %

SHAREHOLDER STRUCTURE %	CAPITAL	VOTES
Barak Matalon	26.0 %	26.0 %
Pini Zahavi	16.3 %	16.3 %
Eli Azur	16.2 %	16.2 %
Aharon Aran	6.5 %	6.5 %
BNY MELLON NA	3.2 %	3.2 %
Avanza Pension	3.2 %	3.2 %
Pakarinen, Janne Heikki Petteri	2.3 %	2.3 %
Maimon Isaac	1.7 %	1.7 %
Nordnet Pension	1.6 %	1.6 %
Zeroman OY	1.1 %	1.1 %

SHARE INFORMATION	
Reuters code	ASPIRE.ST
List	First North Premier
Share price	37.3
Total shares, million	46.4
Market Cap, MSEK	1730

MANAGEMENT & BOARD	
CEO	Tsachi (Isaac) Maimon
CFO	Motti Gil
IR	
Chairman	Carl Klingberg

FINANCIAL INFORMATION	

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Redeye Rating and Background Definitions

Company Quality

Company Quality is based on a set of quality checks across three categories; PEOPLE, BUSINESS, FINANCE. These are the building blocks that enable a company to deliver sustained operational outperformance and attractive long-term earnings growth.

Each category is grouped into multiple sub-categories assessed by five checks. These are based on widely accepted and tested investment criteria and used by demonstrably successful investors and investment firms. Each sub-category may also include a complementary check that provides additional information to assist with investment decision-making.

If a check is successful, it is assigned a score of one point; the total successful checks are added to give a score for each sub-category. The overall score for a category is the average of all sub-category scores, based on a scale that ranges from 0 to 5 rounded up to the nearest whole number. The overall score for each category is then used to generate the size of the bar in the Company Quality graphic.

People

At the end of the day, people drive profits. Not numbers. Understanding the motivations of people behind a business is a significant part of understanding the long-term drive of the company. It all comes down to doing business with people you trust, or at least avoiding dealing with people of questionable character.

The People rating is based on quantitative scores in seven categories:

- Passion, Execution, Capital Allocation, Communication, Compensation, Ownership, and Board.

Business

If you don't understand the competitive environment and don't have a clear sense of how the business will engage customers, create value and consistently deliver that value at a profit, you won't succeed as an investor. Knowing the business model inside out will provide you some level of certainty and reduce the risk when you buy a stock.

The Business rating is based on quantitative scores grouped into five sub-categories:

- Business Scalability, Market Structure, Value Proposition, Economic Moat, and Operational Risks.

Financials

Investing is part art, part science. Financial ratios make up most of the science. Ratios are used to evaluate the financial soundness of a business. Also, these ratios are key factors that will impact a company's financial performance and valuation. However, you only need a few to determine whether a company is financially strong or weak.

The Financial rating is based on quantitative scores that are grouped into five separate categories:

- Earnings Power, Profit Margin, Growth Rate, Financial Health, and Earnings Quality.

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Disclaimer

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Redeye Rating (2020-11-18)

Rating	People	Business	Financials
5p	21	16	3
3p - 4p	105	87	40
0p - 2p	5	28	88
Company N	131	131	131

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Jonas Amnsten owns shares in the company : No

Tomas Otterbeck owns shares in the company : No

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