

# Aspire Global

Sector: Betting/Entertainment

## Impressive Track Record

Redeye raises Aspire Global's fair value on the back of a strong report and another impressive acquisition. The company's fourth quarter came in significantly stronger than expected on both revenues and profit margins. The acquired company BtoBet was also consolidated from the beginning of the quarter. We believe that BtoBet will add substantial value to the group and is yet another very attractive acquisition. Hence, Aspire Global is building up an impressive M&A track record.

### Integration and synergy execution

The acquisitions of BtoBet and Pariplay are both in different phases of the integration process. BtoBet is still being integrated with Aspire Global, and with that, the company started to report a new operational sub-segment of "B2B Sports – BtoBet" in the B2B segment. Pariplay is instead in harvest mode where synergies have kicked in, and operations are reaching new heights with deals like the one with Rush Street interactive. We are impressed by these two acquisitions and note that Aspire Global is building up an impressive M&A track record.

### Markets conditions

The markets are somewhat two-faced. Tough regulation processes in Germany and Netherlands put pressure on the operations in these markets. We have seen several operators reporting negative impacts on the revenue levels, and we believe Aspire Global has been significantly impacted as well. However, in the long term, we see this as an opportunity for Aspire Global to gain a position in a growing market with higher barriers of entry for new platforms and operators. Meanwhile, the Brazilian market and the US market offer new opportunities for further growth with Aspire Global's strong platform offer.

### A track record that deserves a higher valuation

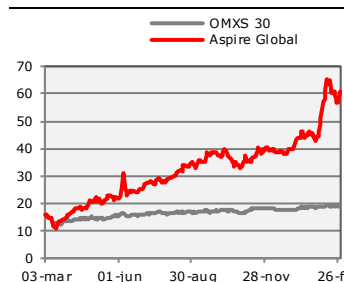
Based on our 2021 estimates, Aspire Global is valued around an EV/EBITDA of **9x**, compared to the median for its peers of 11x. Accordingly, the expectations are low on Aspire Global, and the chance of exceeding the expectations are high. The addition of Pariplay and BtoBet has increased the growth possibilities as well as scalability of the group. We find the current valuation unjustified and see a potential upside of around 15% to our base case valuation of **SEK 71** (55) per share. Our new bear and bull case amounts to SEK 37 (24) and SEK 100 (80).

KEY FINANCIALS (EURm)	2019	2020	2021E	2022E	2023E	2024E
Net sales	131	162	194	226	259	293
EBITDA	22	27	33	39	45	53
EBIT	18	21	24	30	35	41
EPS (adj.)	0.0	0.3	0.4	0.6	0.7	0.8
EV/Sales	1.0	1.1	1.4	1.1	0.8	0.7
EV/EBITDA	6.2	6.3	8.4	6.2	4.8	3.7
EV/EBIT	7.6	8.3	11.3	8.1	6.2	4.8
P/E		13.2	14.9	10.8	8.8	7.9

### FAIR VALUE RANGE

BEAR	BASE	BULL
37	71	100

### ASPIRE.ST VERSUS OMXS30



### REDEYE RATING



### KEY STATS

Ticker	ASPIRE.ST
Market	First North
Share Price (SEK)	62
Market Cap (MSEK)	2880
Net Cash 21E (MESEK)	90
Free Float	40 %
Avg. daily volume ('000)	195

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## Q4: PariPlay and BtoBet Continues to Impress

### Aspire Global: Expected vs. Actual

(EURm)	Q4'19	Q4'20	Q4'20E	Diff
Revenues	32.2	44.4	41.3	7%
EBITDA	4.4	8.3	6.7	23%
EBIT	3.1	6.3	4.9	28%
EPS (EUR)	-0.26	0.07	0.08	-15%
<i>Sales growth Y/Y</i>	-2%	38%	28%	
<i>Sales growth Q/Q</i>	-3%	11%	3%	
<i>EBITDA margin</i>	14%	19%	16%	
<i>EBIT margin</i>	10%	14%	12%	

Source: Aspire Global, Redeye Research

During the fourth quarter, Aspire Global perform above our expectations on all levels except EPS as marketing investments in associated companies affected the bottom line. Revenues came in 7% higher than expected and grew with Y/Y 38% and Q/Q 11%. EBITDA and EBIT came in respectively 23% and 28% above the expectations, both beating our margins respectively by 3 and 2 percentage points.

Looking into the details of the costs, we see that distributions expenses stand out as it has decreased with three percentage points since Q4'19, which is driven by lower distribution expenses for the consolidated BtoBet. Meanwhile, all other Operational costs are keeping the same relation (more or less) to the revenue. Taxes also stands out compared to the previous quarters as (2019 Q4 is not comparable because of the accumulated Israeli tax payment) it reached 14.6% of sales, and the previous quarters during 2020, the taxes have ranged from 2.4% to 9.4%.

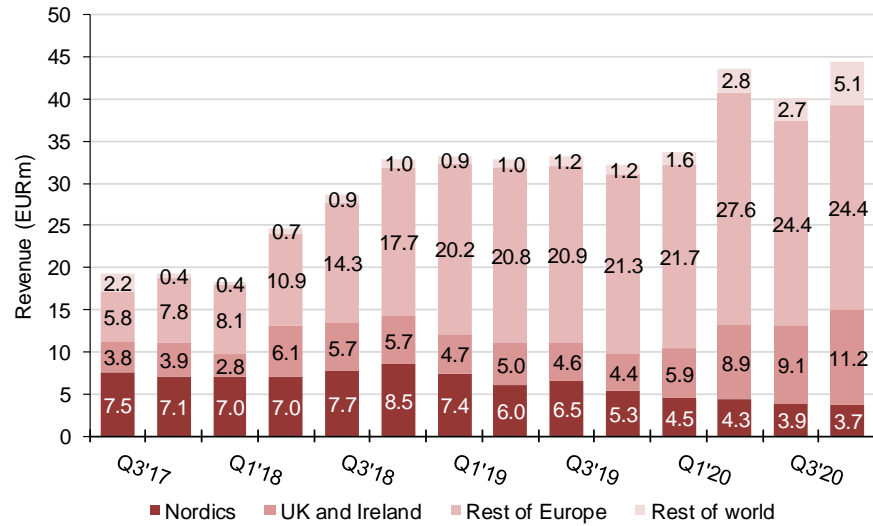
### Aspire Global: Expected vs. Actual - B2B & B2C

(EURm)	Q4'19	Q4'20	Q4'20E	Diff
B2B revenues (incl. Inter-seg. revenues)	22.9	33.1	31.8	4%
<i>B2B inter-segment revenues</i>	1.7	3.0	2.5	
B2B EBITDA	3.4	6.2	5.7	9%
B2B EBITDA margin	15%	19%	18%	
B2C revenues	11.1	14.3	12.0	18%
B2C EBITDA	0.9	2.0	1.1	78%
B2C EBITDA margin	8%	14%	10%	

Source: Aspire Global, Redeye Research

The revenue for both B2B and B2C exceeded our expectations by 4% and 18%, respectively. Also, on EBITDA level, both segments exceeded our estimates (B2B by 9% and B2C by 78%). The EBIT margin did also overperform our expectations with 14% to 10% in B2C and 19% to 18% in B2B.

Aspire Global: Revenue by region



Source: Aspire Global, Redeye Research

The majority of the growth quarter over quarter is found in the Rest of World and UK and Ireland segments, meanwhile has Rest of Europe been steady with the previous quarter. The Nordics is continuing its negative trend. The RoW region was likely boosted by the addition of BtoBet that has a strong presence in South America and Africa. Forward we see the revenue to continue to grow in Rest of Europe and Rest of world as the regulations will be in place, and penetration in both the Brazil and US markets will continue.



BtoBet is progressing with both its integration with Aspire Global and with six new deals signed during the fourth quarter. With Betfair in Colombia in October, in November with the Russian National Lottery's Operator Sports Lotteries LLC, and with William Hill also in Colombia. BtoBet is also now a new sub-segment; Sports, and showing impressive profitable growth.



Pariplay is reported in the sub-segment; aggregation and games. During the fourth quarter did Pariplay sign 14 new deals and nine new content vendors, also launched three new content vendors. At the end of the fourth quarter, has Pariplay 42 live vendors and over 3000 games. Pariplay had a very strong sequential growth in the fourth quarter and has entered the US market, which will be a strong growth driver going forward.

## Forecast

Aspire Global has, with the acquisitions of Pariplay and now BtoBet, gained further scalability and growth opportunities. Pariplay has performed very well since the acquisition, and we believe that the games segment will continue to multiply in the years to come. The expansion to the US market will be an important driver, and we believe that the aggregator platform will be an essential competitive advantage.

BtoBet will enable Aspire Global to own the full iGaming value chain and offer its own sportsbook to its B2B customers. The addition of BtoBet will also help Aspire Global expand to new markets, such as South America and Africa.

Aspire Core shows somewhat slower growth and negative sequential growth, which likely is an effect of the German regulation. The regulatory challenges in German will likely continue during 2021, but in the long-run, the regulated German market should offer a substantial growth opportunity. All in all, we believe that the sub-segment has the right condition to continue to show strong growth with good profit margins.

The B2C segment impressed in the fourth quarter with strong growth and high profitability. We believe this segment is boosted by COVID-19 and that we will see slower growth ahead. We also assess that Aspire Global is focusing on its B2B business. Nevertheless, we expect that the B2C business still can grow around 10% annually in the coming years.

The current COVID-19 outbreak and the German regulation have made it somewhat difficult to predict the coming quarters' outcome. However, we expect that the long-term trend will continue with strong underlying momentum for the B2B business. 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	Q4'20	2020	Q1'21E	Q2'21E	Q3'21E	Q4'21E	2021E	2022E	2023E
Revenues	131.4	33.7	43.7	40.1	44.4	161.9	45.0	47.7	49.5	52.3	194.5	225.8	259.1
Net Revenues (after EU VAT)	127.5	32.6	42.2	39.0	43.1	156.8	43.6	46.2	49.0	51.8	190.7	223.6	254.4
Distribution expenses	-87.1	-22.6	-29.8	-27.4	-28.7	-108.4	-29.9	-31.7	-32.9	-34.8	-129.3	-147.7	-166.1
Gaming duties	-4.2	-0.9	-1.0	-1.2	-1.3	-4.3	-1.4	-1.5	-2.6	-2.8	-8.3	-13.4	-16.0
Admin expenses	-14.6	-3.9	-4.4	-3.9	-4.9	-17.0	-4.8	-5.1	-5.2	-5.4	-20.5	-23.5	-26.9
<b>EBITDA</b>	<b>21.7</b>	<b>5.2</b>	<b>7.1</b>	<b>6.6</b>	<b>8.3</b>	<b>27.1</b>	<b>7.6</b>	<b>8.0</b>	<b>8.3</b>	<b>8.7</b>	<b>32.6</b>	<b>38.9</b>	<b>45.3</b>
<b>EBIT</b>	<b>17.7</b>	<b>3.9</b>	<b>5.7</b>	<b>4.9</b>	<b>6.3</b>	<b>20.8</b>	<b>5.5</b>	<b>6.0</b>	<b>6.2</b>	<b>6.6</b>	<b>24.3</b>	<b>29.8</b>	<b>35.2</b>
<b>EPS, EUR</b>	<b>0.01</b>	<b>0.05</b>	<b>0.09</b>	<b>0.08</b>	<b>0.07</b>	<b>0.28</b>	<b>0.08</b>	<b>0.11</b>	<b>0.11</b>	<b>0.12</b>	<b>0.41</b>	<b>0.57</b>	<b>0.69</b>
Growth Y/Y (%)	26%	1%	33%	21%	38%	23%	33%	9%	23%	18%	20%	16%	15%
Growth Q/Q (%)		5%	30%	-8%	11%		1%	6%	4%	6%			
EBITDA (%)	17%	15%	16%	16%	19%	17%	17%	17%	17%	17%	17%	17%	17%
EBIT (%)	13%	12%	13%	12%	14%	13%	12%	13%	12%	13%	12%	13%	14%

Source: Aspire Global, Redeye Research

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 2023, we estimate that the B2B segment, excluding acquisitions, will generate well over 70% of the revenues.

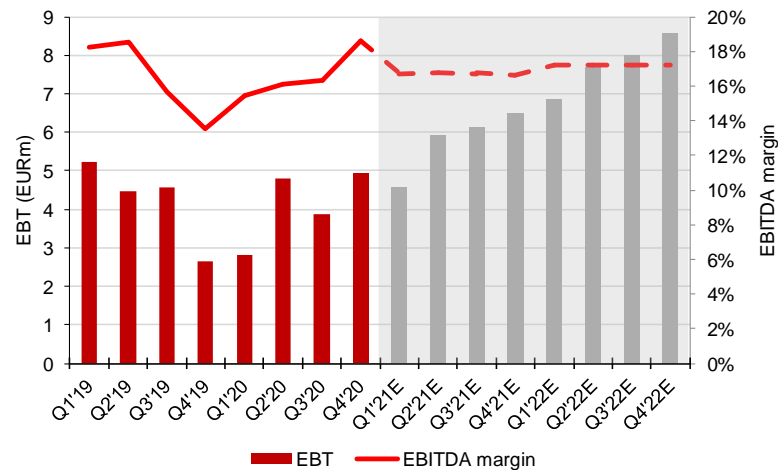
Aspire Global: Financial forecasts - B2B vs. B2C													
(EURm)	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21E	Q2'21E	Q3'21E	Q4'21E	2021E	2022E	2023E
B2B revenues (incl. inter-seg. rev.)	88.7	24.4	32.6	30.3	33.1	120.4	33.6	35.8	37.3	39.7	146.4	173.5	201.6
B2B inter-segment revenues	7.6	1.7	2.3	2.6	3.0	9.5	3.0	3.1	3.1	3.2	12.4	13.5	14.8
B2B EBITDA	15.9	3.8	5.4	5.5	6.2	20.9	5.9	6.3	6.6	7.0	25.9	32.0	37.7
B2B EBITDA margin	18%	16%	17%	18%	19%	17%	18%	18%	18%	18%	18%	18%	19%
B2C revenues	50.3	11.0	13.4	12.3	14.3	51.0	14.4	15.0	15.3	15.7	60.4	65.8	72.2
B2C EBITDA	5.8	1.4	1.6	1.1	2.0	6.2	1.6	1.7	1.7	1.7	6.6	6.9	7.6
B2C EBITDA margin	11%	13%	12%	9%	14%	12%	11%	11%	11%	11%	11%	11%	11%

Source: Aspire Global, Redeye Research

### 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 revenue expectations for both the B2B segment and the B2C segment.

Aspire Global									
Estimate revisions (EURm)	2020			2021E			2022E		
	New	Old	% chg	New	Old	% chg	New	Old	% chg
Revenue	162	159	2%	194	186	4%	226	213	6%
EBITDA	27.1	25.6	6%	32.6	31.1	5%	38.9	35.3	10%
EBITDA margin	17%	16%		17%	17%		17%	17%	
EPS (EUR)	0.28	0.29	-4%	0.41	0.39	5%	0.57	0.51	13%

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.

### **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.

### **M&A track record and 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. The acquisitions will also, overall, enhance the group's product offering and make it more competitive. We are impressed by these two acquisitions and note that Aspire Global is building up an impressive M&A track record.

## 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 proven that it can make M&As that add substantial value to the group. PariPlay delivers the most impressive numbers and commercial progress with new deals almost every week. BtoBet is in a more early phase, but the potential is maybe even greater. We believe that these two units will be essential growth drivers and add significant scalability to the group. The core business also performs well, but the largest surprise in the fourth quarter was that strong numbers from the B2C segment. Aspire Global also communicated that it is looking over its strategy for the B2C segment, and we view this as a hint that the company might divest or separate the B2C segment from the rest of the group. We believe that such a decision would make sense as it would make it easier for investors to value the different segments and help the company focus on the B2B business as well we minimize the risk of conflict of interest.

The revenues are likely still somewhat boosted by the COVID-19 pandemic. 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.

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 as well as scaling the business. 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 71** (55) per share.

### Bear Case 37 SEK

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 8%.

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 71 SEK

Sales CAGR of about 11% between 2019-28.

An average EBIT margin of approximately 14% during the same period.

Terminal growth of 2% and terminal EBIT margin of 13%.

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 100 SEK

Sales CAGR of about 14% between 2019-28.

An average EBIT margin of approximately 15% during the same period.

Terminal growth of 2% and terminal EBIT margin of 15%.

Our Bull case assumes improved retention rates, successful geographical expansions, strong growth from Pariplay and BtoBet, as well as additional 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
<b>Operators</b>												
Flutter Entertainment	333 657	5.4x	4.8x	4.2x	26.6x	21.8x	18.9x	45%	89%	15%	17%	16%
GVC	124 526	3.0x	2.8x	2.6x	12.7x	12.7x	10.8x	4%	-260%	15%	14%	17%
William Hill	37 811	2.5x	2.1x	1.9x	22.0x	12.9x	11.2x	1%	119%	2%	9%	10%
Kindred	30 769	2.3x	1.9x	1.8x	9.5x	8.1x	10.2x	16%	39%	18%	19%	13%
888	12 700	1.8x	1.9x	1.8x	9.9x	11.5x	10.8x	9%	22%	14%	12%	13%
Betsson	10 818	1.7x	1.6x	1.5x	7.3x	7.2x	7.5x	12%	6%	18%	17%	14%
Leovegas	4 543	1.3x	1.1x	1.0x	12.9x	7.9x	7.2x	12%	52%	7%	10%	10%
Enlabs	3 547	6.7x	3.9x	3.2x	30.3x	13.8x	11.3x	38%	40%	16%	24%	25%
Bet-at-home	2 293	1.9x	2.2x	2.0x	8.6x	12.5x	9.6x	-3%	-14%	23%	18%	19%
<b>Median</b>	<b>12 700</b>	<b>2.3x</b>	<b>2.1x</b>	<b>1.9x</b>	<b>12.7x</b>	<b>12.5x</b>	<b>10.8x</b>	<b>12%</b>	<b>39%</b>	<b>15%</b>	<b>17%</b>	<b>14%</b>
<b>B2B</b>												
Evolution Gaming	231 410	39.3x	23.8x	19.4x	66.4x	36.4x	29.2x	46%	60%	53%	57%	58%
Scientific Games	110 075	4.2x	3.7x	3.7x	11.3x	9.5x	9.1x	-2%	4%	18%	20%	20%
IGT	101 222	3.1x	3.0x	2.9x	8.7x	7.7x	7.4x	-3%	22%	20%	19%	23%
PlayTech	20 244	1.6x	1.4x	1.3x	6.9x	6.2x	5.7x	-1%	84%	11%	11%	12%
Kambi	14 664	11.9x	9.2x	8.6x	28.1x	19.1x	19.0x	20%	52%	27%	35%	32%
GAN	9 691	30.6x	11.8x	8.9x	261.9x	88.9x	46.4x	56%	70%	-36%	0%	10%
Gaming Innovation	2 027	3.1x	2.5x	2.3x	56.3x	9.3x	7.9x	-12%	n.m.	-14%	9%	14%
<b>Median</b>	<b>60 733</b>	<b>4.2x</b>	<b>3.7x</b>	<b>3.7x</b>	<b>28.1x</b>	<b>9.5x</b>	<b>9.1x</b>	<b>10%</b>	<b>56%</b>	<b>19%</b>	<b>20%</b>	<b>21%</b>
<b>Aspire Global</b>	<b>2 870</b>	<b>1.8x</b>	<b>1.5x</b>	<b>1.3x</b>	<b>10.6x</b>	<b>8.8x</b>	<b>7.4x</b>	<b>20%</b>	<b>19%</b>	<b>13%</b>	<b>12%</b>	<b>13%</b>
<b>At Base case</b>	<b>3 288</b>	<b>2.0x</b>	<b>1.7x</b>	<b>1.5x</b>	<b>12.1x</b>	<b>10.1x</b>	<b>8.5x</b>					

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 11x 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 285m, which is in line with the existing value for the whole group.

For the smaller B2C segment, we use a Sales multiple as the profit margin for the segments seems to be quite volatile. We believe a sales multiple of 0.9x is fair for a segment that is not the group's focus. This is also not far from the multiple for LeoVegas. All in all, we could argue for an even higher value based on a SOTP valuation.

SOTP valuation							
Segment	(EURm)	Sales 2021	EBITDA 2021	Sales Multiple	EBITDA Multiple	Value	Disc. Value
B2B: Platform, gaming development			25.9		11.0x	285	260
B2C: Online gambling		60.4		0.9x		51	47
<b>Sum (EURm)</b>						<b>337</b>	<b>307</b>
<b>EV</b>	<b>337</b>						
Net Debt	-1						
Value minorities	0						
Value assoc. comp.	0						
<b>SOTP value</b>	<b>336</b>						
<b>Per share (SEK)</b>	<b>74</b>						

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. 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	2019	2020	2021E	2022E	2023E
Net sales	131	162	194	226	259
Total operating costs	-110	-135	-162	-187	-214
EBITDA	22	27	33	39	45
Depreciation	-4	-6	-8	0	-1
Amortization	0	0	0	-9	-10
Impairment charges	0	0	0	0	0
EBIT	18	21	24	30	35
Share in profits	0	0	0	0	0
Net financial items	-3	-6	-3	-1	-1
Exchange rate dif.	0	0	1	1	-1
Pre-tax profit	14	15	22	29	34
Tax	-15	-1	-2	-3	-3
Net earnings	0	13	19	27	32

BALANCE SHEET	2019	2020	2021E	2022E	2023E
<b>Assets</b>					
<i>Current assets</i>					
Cash in banks	29	29	43	50	67
Receivables	25	26	38	45	53
Inventories	0	0	0	0	0
Other current assets	0	0	0	0	0
Current assets	54	55	81	95	121
<i>Fixed assets</i>					
Tangible assets	2	1	2	3	4
Associated comp.	4	3	4	5	5
Investments	0	0	0	0	0
Goodwill	7	29	29	29	29
Cap. exp. for dev.	0	0	0	0	0
Intangible rights	19	39	56	52	52
Non-current assets	13	15	15	15	15
Total fixed assets	47	89	108	106	108
Deferred tax assets	0	0	0	0	0
Total (assets)	101	144	189	202	229
<b>Liabilities</b>					
<i>Current liabilities</i>					
Short-term debt	0	28	31	6	0
Accounts payable	22	30	48	54	61
Other current liabilities	15	19	23	27	31
Current liabilities	38	77	101	86	91
Long-term debt	27	0	0	0	0
Other long-term liabilities	1	18	18	18	18
Convertible	0	0	0	0	0
Total Liabilities	65	95	119	105	110
Deferred tax liab	0	0	0	0	0
Provisions	0	0	0	0	0
Shareholders' equity	34	48	67	93	115
Minority interest (BS)	0	0	0	0	0
Minority & equity	34	48	67	94	115
Total liab & SE	101	144	189	202	229

FREE CASH FLOW	2019	2020	2021E	2022E	2023E
Net sales	131	162	194	226	259
Total operating costs	-110	-135	-162	-187	-214
Depreciations total	-4	-6	-8	-9	-10
EBIT	18	21	24	30	35
Taxes on EBIT	-1	-2	-2	-2	-3
NOPLAT	17	19	22	28	32
Depreciation	4	6	8	9	10
Gross cash flow	21	25	30	37	42
Change in WC	3	11	10	3	3
Gross CAPEX	-25	-49	-26	-6	-11
Free cash flow	-1	-13	14	34	34

CAPITAL STRUCTURE	2019	2020	2021E	2022E	2023E
Equity ratio	34%	33%	35%	46%	50%
Debt/equity ratio	85%	61%	50%	10%	3%
Net debt	0	0	-9	-41	-63
Capital employed	29	44	51	45	43
Capital turnover rate	1.3	1.1	1.0	1.1	1.1

GROWTH	2019	2020	2021E	2022E	2023E
Sales growth	26%	23%	20%	16%	15%
EPS growth (adj)	-98%	3,108%	45%	39%	22%

DCF VALUATION	
WACC (%)	11.6 %

PROFITABILITY	2019	2020	2021E	2022E	2023E
ROE	1%	32%	33%	33%	31%
ROCE	25%	28%	27%	30%	31%
ROIC	167%	65%	50%	55%	71%
EBITDA margin	17%	17%	17%	17%	18%
EBIT margin	14%	13%	12%	13%	14%
Net margin	0%	8%	10%	12%	13%

DATA PER SHARE	2019	2020	2021E	2022E	2023E
EPS	0.01	0.28	0.41	0.57	0.69
EPS adj	0.01	0.28	0.41	0.57	0.69
Dividend	0.12	0.00	0.00	0.23	0.28
Net debt	0.01	0.01	-0.20	-0.87	-1.35
Total shares	46.00	46.44	46.45	46.81	46.81

VALUATION	2019	2020	2021E	2022E	2023E
EV	134.6	171.8	273.5	242.0	219.4
P/E	336.0	13.2	14.9	10.8	8.8
P/E diluted	336.0	13.2	14.9	10.8	8.8
P/Sales	1.0	1.1	1.5	1.3	1.1
EV/Sales	1.0	1.1	1.4	1.1	0.8
EV/EBITDA	6.2	6.3	8.4	6.2	4.8
EV/EBIT	7.6	8.3	11.3	8.1	6.2
P/BV	4.0	3.6	4.3	3.0	2.5

SHARE PERFORMANCE		GROWTH/YEAR	18/20E
1 month	34.2 %	Net sales	21.6 %
3 month	55.6 %	Operating profit adj	16.9 %
12 month	286.5 %	EPS, just	582.5 %
Since start of the year	55.6 %	Equity	39.9 %

SHAREHOLDER STRUCTURE %	CAPITAL	VOTES
Barak Matalon	26.0 %	26.0 %
Pini Zahavi	16.3 %	16.3 %
Eli Azur	16.1 %	16.1 %
Aharon Aran	6.5 %	6.5 %
Avanza Pension	3.4 %	3.4 %
BNY MELLON NA	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	62
Total shares, million	46.4
Market Cap, MSEK	2 880

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

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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 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 Rating (2021-03-04)

Rating	People	Business	Financials
5p	22	17	3
3p - 4p	97	80	39
0p - 2p	6	28	83
Company N	125	125	125

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### CONFLICT OF INTERESTS

Jonas Amnesten owns shares in the company : No

Douglas Forsling 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.