

VERKKOKAUPPA.COM

Internet Retail/Finland, April 23, 2021 Earnings Flash

No surprises with Q1 result

Verkkokauppa.com's Q1 result was in line with expectations. Q1'21 revenue grew by 7% y/y and was EUR 134m vs. Evli EUR 135m and consensus of EUR 134m. Adj. EBIT was EUR 5.2m vs. EUR 5.0m/4.8m Evli/consensus. EPS was EUR 0.09 vs. EUR 0.08 Evli and consensus. Verkkokauppa.com reiterated its guidance.

- Q1 revenue was EUR 134m (7% y/y) vs. EUR 135m Evli view and EUR 134m consensus. Growth was good especially in major domestic appliances, small domestic appliances, office & supplies, gaming & entertainment and sports. Online sales increased by 33%. Also, sales to B2B customers increased by 12%.
- Q1 gross profit was EUR 21.7m (16.2% margin) vs. EUR 21.4m (15.9% margin) Evli view. Gross margin was driven by increased share of product categories with higher profit margins.
- Q1 adj. EBIT was EUR 5.2m (3.9% margin) vs. EUR 5.0m (3.7% margin) Evli view and EUR 4.8m (3.6% margin) consensus.
- Q1 eps was EUR 0.09 vs. EUR 0.08/0.08 Evli/cons.
- The company also decided on a quarterly dividend of EUR 0.057 per share.
- 2021E guidance: revenue of EUR 570-620m and adj. EBIT of EUR 20-26m.

Rating				■ BUY	
Verkkokauppa.com	1				
Q1'21	Actual	Evli	Cons.*	Year ago	
Net Sales	134	135	134	125	
Gross Profit	21.7	21.4	na.	19.4	
Gross -%	16.2 %	15.9 %	na.	15.5 %	
EBIT ex NRIs	5.2	5.0	4.8	3.8	
EBIT-margin	3.9 %	3.7 %	3.6 %	3.0 %	
EPS	0.09	0.08	0.08	0.05	
		*Source:	Factset (5	est. mean)	
Share price, EUR(La closing price)	st trading da	y's		10.00	
Target price, EUR				10.5	
Latest change in rat	ing			24-Apr-20	
Latest report on company				19-Apr-21	
Research paid by iss		YES			
No. of shares outsta		44,712			
No. of shares fully diluted, '000's				44,712	
Market cap, EURm	matca, oo	03	447		
				50.8	
Free float, %					
Exchange rate				1.000	
Reuters code				VERK.HE	
Bloomberg code				VERK FH	
Average daily volum	ne, EURm			na.	
Next interim report				23-Apr-21	
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■ BUY □ HOLD ■ SELL

PRE-REPORT KEY FIGURES										
	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2019	504.1	11.3	2.2%	7.4	0.17	20.4	0.3	12.4	4.6	0.21
2020	553.6	20.4	3.7%	12.7	0.34	20.7	0.5	14.6	4.0	0.45
2021E	594.1	23.6	4.0%	26.2	0.40	25.2	0.7	17.8	5.9	0.25
2022E	632.1	25.0	4.0%	17.2	0.42	23.8	0.7	16.6	3.9	0.26
2023E	673.2	27.9	4.1%	22.5	0.47	21.2	0.6	14.4	5.0	0.28
Market ca	p, EURm		447 B	V per share 20	21E, EUR		-71.4 CAGR	EPS 2020-2	3, %	11.1
Net debt 2	.021E, EURm		-27 P	rice/book 2021	1E		11.7 CAGR	sales 2020-	23, %	6.7
Enterprise	value, EURm		420 D	ividend yield 2	2021E, %		2.5 ROE 2	021E, %		45.1
Total asset	s 2021E, EURn	n	182 T	ax rate 2021E,	%		20.0 ROCE	2021E, %		39.8
Goodwill 2021E, EURm 0 Equity ratio 2021E, %		21.3 PEG, P/E 21/CAGR			2.6					

All the important disclosures can be found on the last pages of this report.

Important Disclosures

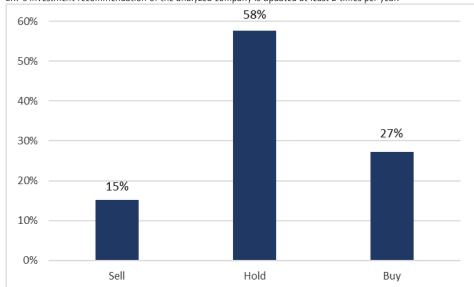
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Target price compared to share price Recommendation

< -10 % SELL -10 - (+10) % HOLD > 10 % BUY

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Name(s) of the analyst(s): Rissanen

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