

Verkkokauppa.com

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Company Comment	Retail	Finland	02 June 2025
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Balance back to net cash after divestment of consumer finance business

Verkkokauppa.com exits its consumer finance business which will release capital from the balance sheet and returns Verkkokauppa.com to net cash position. We believe this will also support future dividends which have been absent the last three years. Verkkokauppa's dividend policy is to pay 60-80% of annual profits as dividend. Verkkokauppa.com will also record EUR 3m as non-recurring gain from disposal.

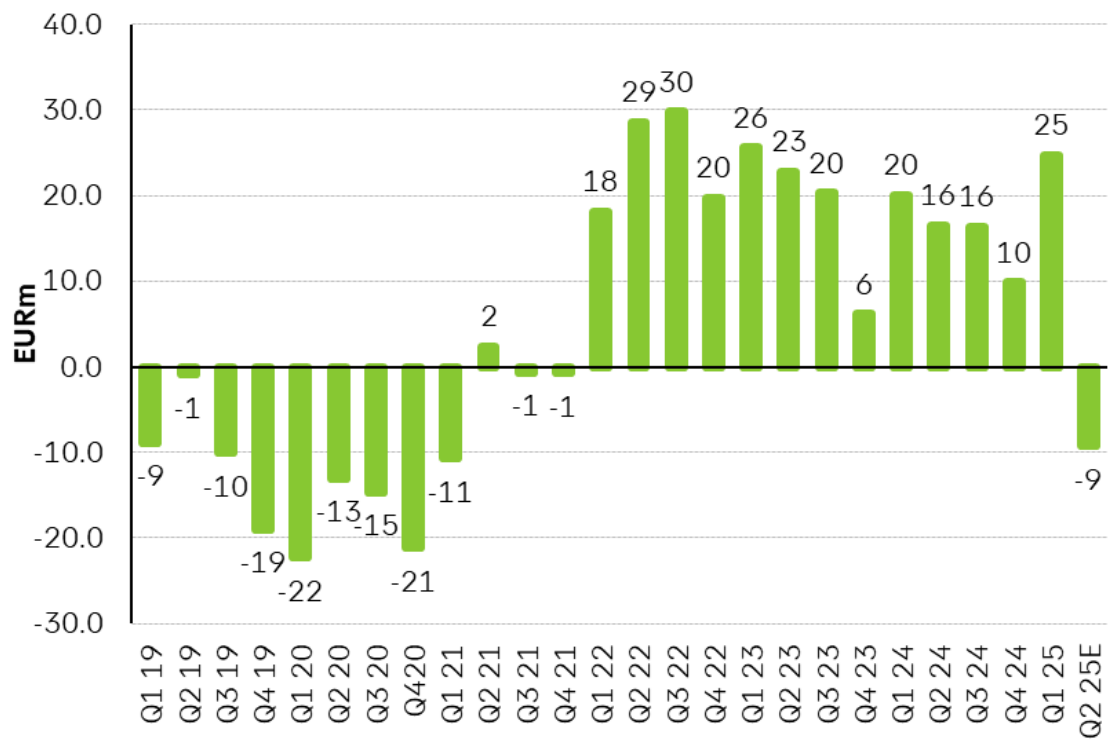
Sells its consumer financing business for EUR 34m (~24% of EV)

Divests its consumer finance business to Norion Bank AB (ticker NORION:ST). The transaction value is EUR 34m vs. Verkkokauppa.com EV of EUR 140m (~24% of EV). Verkkokauppa.com has co-operated with Norion bank since 2018. The motivation of the transaction is to increase financial flexibility for Verkkokauppa.com as well as scale up the consumer finance business. Verkkokauppa.com has been carefully not to grow the balance sheet in consumer finance business too much as the core of Verkkokauppa.com is the retail business. Verkkokauppa.com has signed a co-operation agreement with Norion, so clients should not see any changes initially and if any to get more interesting finance products in the future. The deal is expected to close towards the end of 2025.

This will return Verkkokauppa.com to net cash position. Verkkokauppa.com will report non-recurring gain of EUR 3m. Apart from the non-recurring gain, the transaction is not expected to have a significant impact on Verkkokauppa.com's result but will significantly improve the company's balance sheet structure according to Verkkokauppa.com.

The transaction will return Verkkokauppa.com back to net cash position. Verkkokauppa.com has not paid dividends last three years. We had forecasted a dividend of EUR0.03 (payout 21%) in 2025 or total dividend of EUR 1m. Verkkokauppa's dividend policy of paying 60-80% of annual net profit as dividends.

Verkkokauppa.com's net debt development



Source: SEB estimates

Key figures				
(EURm)	2024	2025E	2026E	2027E
Revenues (m)	468	484	504	524
Adj. EBIT	2	10	13	14
PTP (m)	(1)	8	11	12
EPS	(0.02)	0.14	0.19	0.22
EPS (adjusted)	0.00	0.14	0.19	0.22
DPS	0.00	0.03	0.05	0.07
Revenue growth (%)	(7.0)	3.6	4.0	4.0
EPS growth (%)	(97.9)	9,718.3	34.3	13.4
Operating margin (%)	0.1	2.1	2.6	2.7
Adj. EBIT margin (%)	0.4	2.1	2.6	2.7
ROCE (%)	3.0	13.6	16.4	17.3
Net Debt/EBITDA (x)	1.1	0.2	(0.2)	(0.6)
PER (adjusted)	919.6	18.4	13.7	12.1
Dividend yield (%)	0.0	1.1	1.9	2.7
Free Cash Flow Yield (%)	10.4	3.0	4.7	5.6
P/BV (x)	2.2	3.5	2.9	2.4
EV/EBIT (x)	41.2	12.0	8.9	7.5
EV/Sales (x)	0.15	0.25	0.23	0.20

Source: SEB

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