

# wallstreet:online AG

Germany | Media | MCap EUR 251.0m

18 May 2022

UPDATE



## Preparations for Smartbroker 2.0 in full swing – BUY

### What's it all about?

wallstreet:online (WSO) is working intensively on the launch of the Smartbroker Cloud Platform and the Smartbroker 2.0. This large-scale changeover is just one facet of the ongoing transition which the company kicked off last year. Following the squeeze-out of the minority shareholders of wallstreet:online capital (WOC) at the end of April 2022, the company released its consolidated group report for FY21, confirming preliminary figures from March 2022. Related to the upcoming platform switch, the company expects slower customer growth in FY22, and an acceleration in FY23. We adjust our model to reflect higher ramp-up costs in FY22 and FY23, while we roll our model one year ahead. In essence, we confirm our price target of EUR 32.00. Despite the current market environment as a result of the war in Ukraine, we are convinced of the growth prospects in the brokerage market.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 32.00 (32.00)</b>
<b>Current price</b>	EUR 16.62
<b>Up/downside</b>	92.5%



**MAIN AUTHOR**

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Germany | Media | MCap EUR 251.0m | EV EUR 231.2m

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## Preparations for Smartbroker 2.0 in full swing - BUY

As the first half of the year is already drawing to a close, wallstreet:online (WSO) is already in its transition year. Following the squeeze-out of the minority shareholders of wallstreet:online capital (WOC) at the end of April 2022, the company released its consolidated group report for FY21, confirming preliminary figures from March 2022.

On a pro forma basis, group revenues increased by 82% yoy to EUR 51.4m, which partly reflected the consolidation of WOC since wallstreet:online has acquired the majority stake during FY21. Pro forma operating EBITDA was reported at EUR 4.4m, 2% down yoy. Before customer acquisition costs (CAC) and one-off effects, EBITDA increased by 45% yoy to EUR 17.5m.

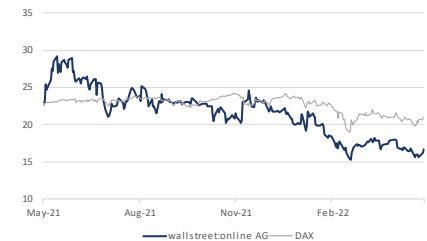
Other than the pro forma figures, the full-year report consolidates WOC fully from August 2021. However, the costs and heavy investments were carried by WSO for the entire year. On a reported basis, group revenues were up by 70% to EUR 48.2m. Operating result was down to EUR 349k after 2.4m a year ago. Net profit was reported at a loss of EUR 535k (FY2020: EUR 3.5m). The cashflow figures, which also reflected the bespoke investments, showed an outflow of EUR 19m from investing activities. Per end of FY22 WSO held a net financial position of ca EUR 20m.

For the company's growth engine, the brokerage business, the company reported 246k customer deposits per end of FY21. Thereof ca. 200k were attributable to Smartbroker, the remaining part came from FondsDiscount.de and VW-Bank clients. For the full year, WSO had targeted a range of 120k new Smartbroker accounts. At the same time, assets under custody (AuC) reached EUR 8.8bn. Due to the current market situation related to the war in Ukraine, interest hikes and macroeconomic uncertainties, this figure has undoubtedly declined since.

- continued -

wallstreet:online AG	2019	2020	2021	2022E	2023E	2024E
Sales	8.6	28.2	48.2	64.1	83.3	95.8
<i>Growth yoy</i>	10.0%	229.9%	70.9%	33.0%	30.0%	15.0%
EBITDA	3.7	4.5	3.6	11.4	27.7	33.8
EBIT	3.7	1.9	0.3	10.2	25.5	30.2
Net profit	1.9	3.5	-0.5	7.0	17.8	21.0
Net debt (net cash)	-4.5	-6.6	-19.8	-17.2	-32.7	-52.8
Net debt/EBITDA	-1.2x	-1.4x	-5.6x	-1.5x	-1.2x	-1.6x
EPS reported	0.13	0.24	-0.04	0.46	1.18	1.39
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<i>Dividend yield</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	84.0%	52.3%	48.2%	73.0%	86.0%	87.0%
EBITDA margin	43.3%	16.0%	7.4%	17.8%	33.3%	35.3%
EBIT margin	43.1%	6.9%	0.7%	15.9%	30.6%	31.5%
ROCE	12.8%	4.6%	0.6%	15.0%	29.6%	28.1%
EV/EBITDA	66.6x	54.0x	65.0x	20.5x	7.9x	5.9x
EV/EBIT	66.8x	125.9x	662.4x	23.0x	8.5x	6.6x
PER	125.8x	68.0x	-467.4x	35.9x	14.1x	11.9x
FCF yield	3.7%	-0.6%	5.0%	-0.3%	7.3%	8.8%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

**High/low 52 weeks** 29.70 / 14.30  
**Price/Book Ratio** 5.1x

### Ticker / Symbols

ISIN DE000A2GS609  
WKN A2GS60  
Bloomberg WSO1:GR

### Changes in estimates

		Sales	EBIT	EPS
<b>2022E</b>	old	66.0	12.0	0.57
	Δ	-2.9%	-10.0%	-13.5%
<b>2023E</b>	old	85.8	31.0	1.45
	Δ	-2.9%	-17.6%	-18.9%
<b>2024E</b>	old	0.0	0.0	0.00
	Δ	0.0%	0.0%	0.0%

### Key share data

Number of shares: (in m pcs) 15.10  
Book value per share: (in EUR) 3.25  
Ø trading volume: (12 months) 30,000

### Major shareholders

AKD/ André Kolbinger 56.5%  
Management 7.5%  
Free Float 36.0%

### Company description

wallstreet:online AG is an operator of online platforms for information and news in the field of stock markets, finance, economics and investments. In addition, the company operates online forums for a large finance-community. After acquiring the majority of wallstreet:online capital AG (Smartbroker) WSO transforms into a financial services provider with an integrated community.

Despite the current events, management confirmed guidance for FY22, which projects a transitional year due to the large-scale changeover to its “Smartbroker Cloud Platform” (SCP) and the relaunch of Smartbroker as “Smartbroker 2.0”. This means, as mentioned in our previous note, WSO is deliberately putting the brakes on growth temporarily. In terms of customer acquisition, the company budgeted ca. EUR 6m, which translates into approx. 55 thousand new customers. This is a significant slowdown compared to the approx. 120k from FY21, but in management’s view a necessary cautious approach in the context of the planned platform switch. This “soft” approach should provide a smooth migration and avoid overloads and downtimes.

In terms of guidance, the company expects revenues in FY22 between EUR 62m and EUR 67m, corresponding to a growth of around 25% versus FY21. The adjusted EBITDA after CAC is expected to amount to EUR 10m to EUR 12m. To reflect its future strategy, the company will propose a rebranding to “Smartbroker Holding AG” on its upcoming AGM in June.

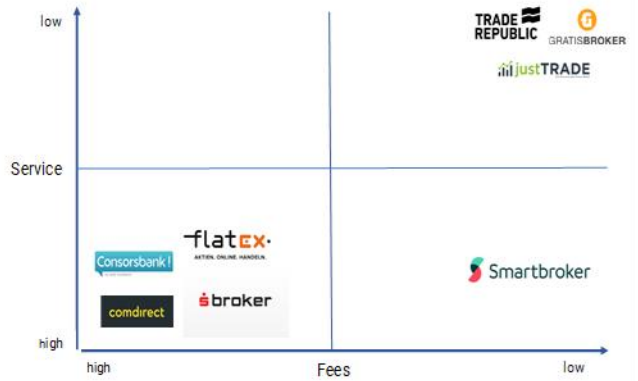
**Conclusion:** wallstreet:online released its first consolidated report, showing the high level of investments to lift the company, and especially the Smartbroker, onto the next level. As the company already announced this in March, FY22 will be considered as a transition year to launch the new Smartbroker Cloud Platform and the Smartbroker 2.0. Related to that, customer growth for Smartbroker will decelerate to ensure a smooth launch and onboarding. The company expects to drive customer growth at a faster pace again in FY23. We adjust our model to reflect higher ramp-up costs in FY22 and FY23, while we roll our model one year ahead. In essence, we confirm our price target of EUR 32.00. Despite the current market environment as a result of the war in Ukraine, we are convinced of the growth prospects in the brokerage market.

# Investment case in six charts

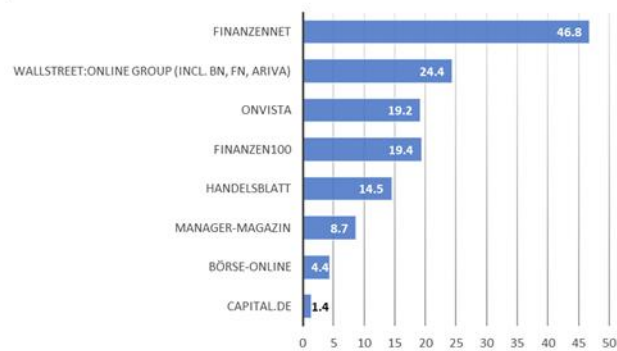
## Portfolio



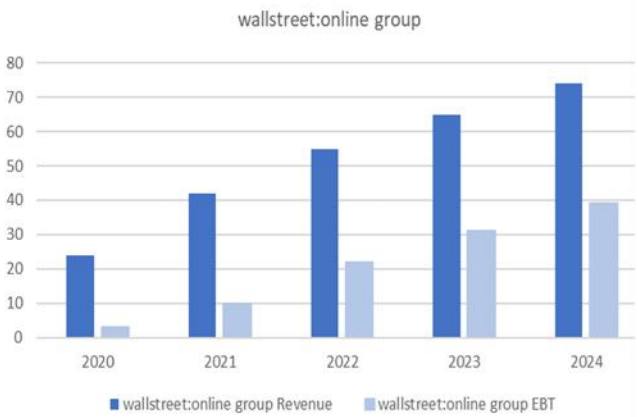
## Competitive landscape in Germany



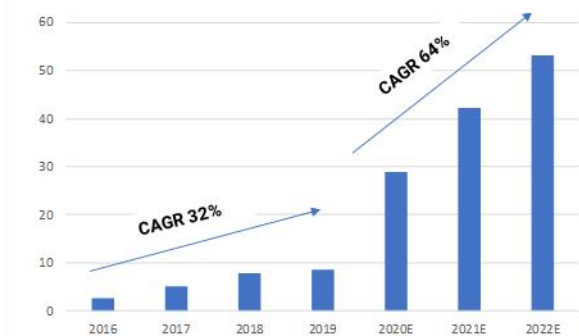
## Visits in m



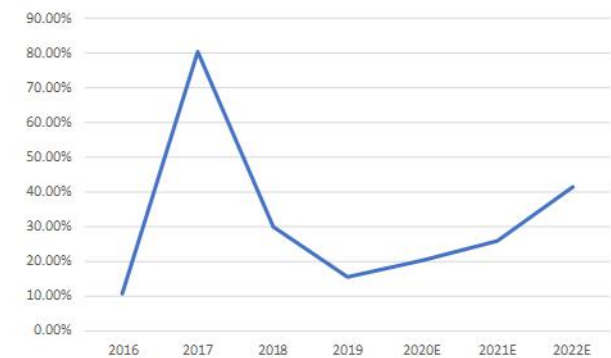
## "Vision 2024"



## Sales development



## ROCE



## Valuation

The DCF model results in a price target of € 32.12 per share. Key model assumptions:

- Top-line growth: We expect wallstreet:online to continue benefitting from structural growth and the first time consolidation of WOC as of 2021E. Our growth estimates for 2021E-28E is in the range of 14% p.a.
- The long-term (terminal value) growth rate is set at 2.5%.
- EBIT margins: The scalable business model should allow for EBIT margins of 35% by 2023E, which look achievable given the high competitive quality. Accordingly, we model approx. 35% EBIT margins in the long-term.
- WACC: We use a 6.0% risk premium, a beta of 1.06x and 2.0% risk free rate, leading to a weighted average cost of capital of 8.2% to reflect the all equity financing structure.

DCF (EUR m) (except per share data and beta)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal value
NOPAT	7.1	17.9	21.1	22.8	26.8	30.2	33.0	35.1	
Depreciation & amortization	1.2	2.2	3.6	4.6	5.3	5.9	6.3	6.6	
Change in working capital	-8.8	-2.1	-0.9	-0.4	-0.3	0.3	0.4	0.5	
Chg. in long-term provisions	0.3	1.9	1.3	1.0	1.1	0.6	0.6	0.6	
Capex	-2.4	-4.3	-4.9	-5.4	-5.9	-6.2	-6.5	-6.8	
Cash flow	-2.5	15.6	20.2	22.6	26.9	30.8	33.8	36.0	584.6
Present value	-2.4	13.7	16.4	17.0	18.6	19.7	20.0	19.6	318.7
WACC	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%

DCF per share derived from	
Total present value	441.3
Mid-year adj. total present value	459.2
Net debt / cash at start of year	-19.8
Financial assets	2.2
Provisions and off b/s debt	na
Equity value	481.3
No. of shares outstanding	15.1
<b>Discounted cash flow / share upside/(downside)</b>	<b>31.87 / 91.8%</b>

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2021E - 2028E)	11.1%
Terminal value growth (2028E - infinity)	2.0%
Terminal year ROCE	21.0%
Terminal year WACC	8.3%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	30.0%
Equity beta	1.08
Unlevered beta (industry or company)	1.05
Target debt / equity	na
Relevered beta	1.05
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	8.3%

Share price	16.62
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### Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth					Share of present value	
	1.0%	1.5%	2.0%	2.5%	3.0%	2021E - 2024E	2025E - 2028E
2.0%	22.2	23.0	23.9	24.9	26.1	10.1%	17.7%
1.0%	25.0	26.1	27.3	28.7	30.3		
0.0%	28.7	30.1	31.9	33.9	36.3		
-1.0%	33.5	35.6	38.2	41.2	45.0		
-2.0%	40.2	43.4	47.4	52.5	59.1		72.2%

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

The adjusted Free Cash Flow Yield results in a fair value between **EUR 13.67 per share based on 2022E and EUR 44.84 per share on 2025E estimates**. At the midpoint, it thus supports the DCF based fair value calculations. In order to capture the favorable growth outlook of wallstreet:online, it seems justified to have a five year valuation horizon.

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

FCF yield in EURm	2022E	2023E	2024E	2025E	2026E
<b>EBITDA</b>	<b>11.4</b>	<b>27.7</b>	<b>33.8</b>	<b>37.2</b>	<b>43.6</b>
- Maintenance capex	0.5	1.5	3.0	4.0	4.7
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	3.0	7.6	9.0	9.7	11.4
<b>= Adjusted Free Cash Flow</b>	<b>7.9</b>	<b>18.6</b>	<b>21.9</b>	<b>23.5</b>	<b>27.5</b>
<b>Actual Market Cap</b>	<b>251.0</b>	<b>251.0</b>	<b>251.0</b>	<b>251.0</b>	<b>251.0</b>
+ Net debt (cash)	-17.2	-32.7	-52.8	-75.3	-102.1
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off balance sheet financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	2.2	2.2	2.2	2.2	2.2
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	-19.4	-34.9	-55.0	-77.5	-104.3
<b>= Actual EV'</b>	<b>231.6</b>	<b>216.1</b>	<b>196.0</b>	<b>173.5</b>	<b>146.7</b>
<b>Adjusted RW_FCF yield</b>	<b>3.4%</b>	<b>8.6%</b>	<b>11.2%</b>	<b>13.6%</b>	<b>18.7%</b>
base hurdle rate	5.0%	5.0%	5.0%	5.0%	5.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Fair EV</b>	<b>158.1</b>	<b>372.8</b>	<b>437.1</b>	<b>470.2</b>	<b>549.4</b>
- <i>EV Reconciliations</i>	-19.4	-34.9	-55.0	-77.5	-104.3
<b>Fair Market Cap</b>	<b>177.5</b>	<b>407.7</b>	<b>492.1</b>	<b>547.7</b>	<b>653.7</b>
No. of shares (million)	15.1	15.1	15.1	15.1	15.1
<b>Fair value per share in EUR</b>	<b>11.76</b>	<b>27.00</b>	<b>32.59</b>	<b>36.27</b>	<b>43.29</b>
<b>Premium (-) / discount (+)</b>	<b>-29.3%</b>	<b>62.5%</b>	<b>96.1%</b>	<b>118.2%</b>	<b>160.5%</b>

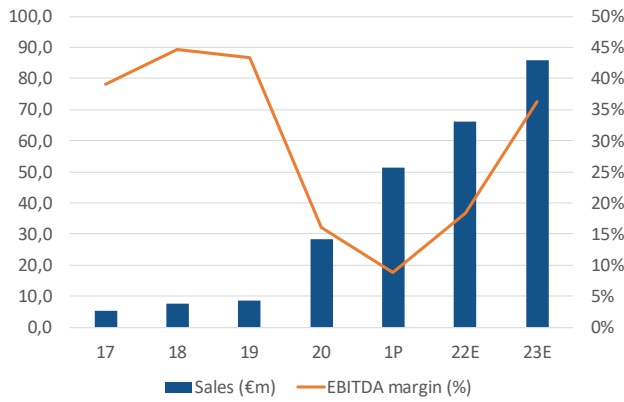
Sensitivity analysis fair value						
	3.0%	18.7	43.5	51.9	57.0	67.5
	4.0%	14.4	33.2	39.8	44.1	52.4
<b>Adjusted hurdle rate</b>	<b>5.0%</b>	<b>11.8</b>	<b>27.0</b>	<b>32.6</b>	<b>36.3</b>	<b>43.3</b>
	6.0%	10.0	22.9	27.8	31.1	37.2
	7.0%	8.8	19.9	24.3	27.4	32.9

Source: Company data; AlsterResearch

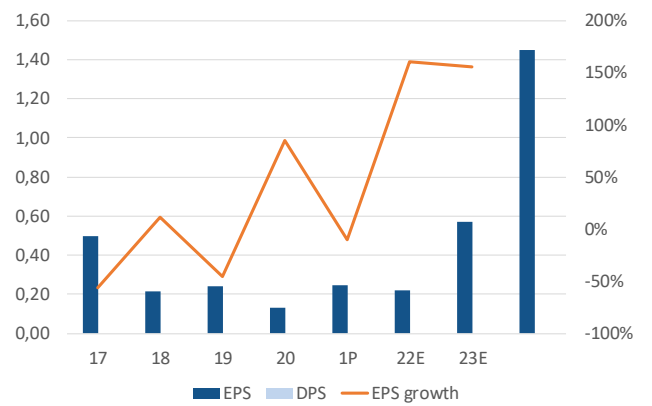
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable, based on the overall Leeway ESG Score. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

# Financials in six charts

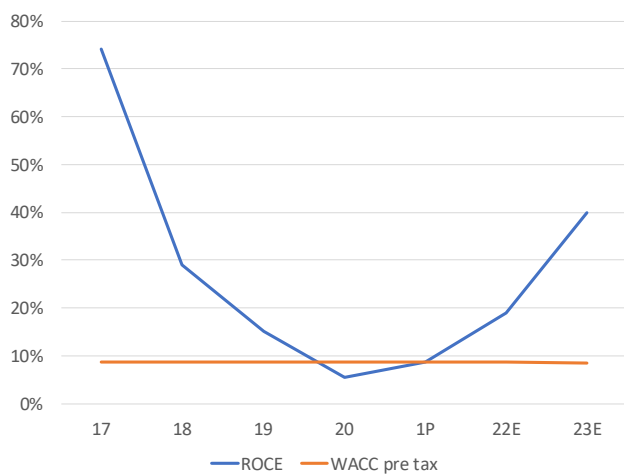
**Sales vs. EBITDA margin development**



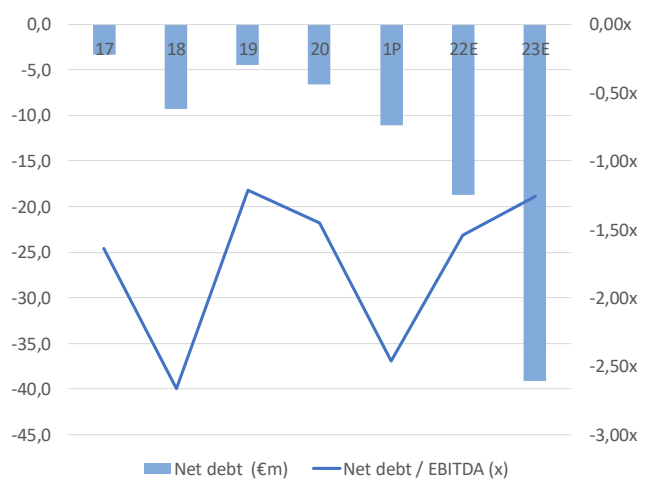
**EPS, DPS in EUR & yoy EPS growth**



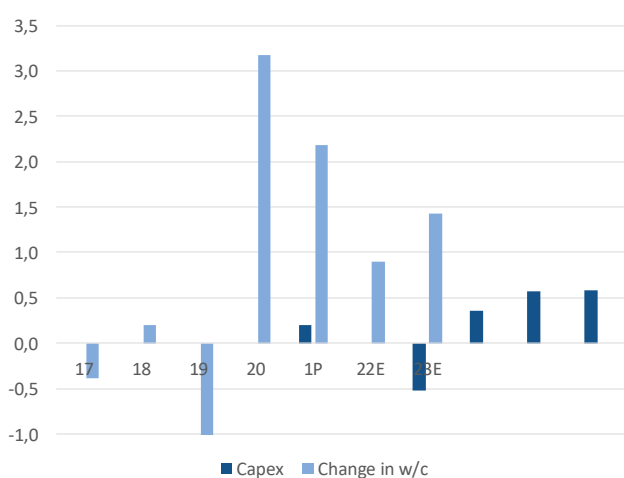
**ROCE vs. WACC (pre tax)**



**Net debt and net debt/EBITDA**



**Capex & chg in w/c requirements in EURm**



**Free Cash Flow in EURm**



Source: Company data; AlsterResearch

## Financials

Profit and loss (EUR m)	2019	2020	2021	2022E	2023E	2024E
<b>Net sales</b>	<b>8.6</b>	<b>28.2</b>	<b>48.2</b>	<b>64.1</b>	<b>83.3</b>	<b>95.8</b>
Sales growth	10.0%	229.9%	70.9%	33.0%	30.0%	15.0%
Change in finished goods and work-in-process	0.0	0.0	-0.0	-0.0	-0.0	-0.0
<b>Total sales</b>	<b>8.6</b>	<b>28.2</b>	<b>49.1</b>	<b>64.1</b>	<b>83.3</b>	<b>95.8</b>
Material expenses	1.4	13.5	25.9	17.3	11.7	12.5
<b>Gross profit</b>	<b>7.2</b>	<b>14.8</b>	<b>23.2</b>	<b>46.8</b>	<b>71.7</b>	<b>83.4</b>
Other operating income	0.2	0.3	0.6	0.2	0.3	0.3
Personnel expenses	2.4	8.0	12.6	21.2	26.7	30.7
Other operating expenses	1.2	2.5	7.7	14.4	17.5	19.2
<b>EBITDA</b>	<b>3.7</b>	<b>4.5</b>	<b>3.6</b>	<b>11.4</b>	<b>27.7</b>	<b>33.8</b>
Depreciation	0.0	2.5	1.4	0.5	1.5	3.0
EBITA	3.7	2.0	2.1	10.9	26.3	30.9
Amortisation of goodwill and intangible assets	0.0	0.1	1.8	0.7	0.7	0.7
<b>EBIT</b>	<b>3.7</b>	<b>1.9</b>	<b>0.3</b>	<b>10.2</b>	<b>25.5</b>	<b>30.2</b>
Financial result	-0.7	2.5	-0.3	-0.2	-0.2	-0.2
Recurring pretax income from continuing operations	3.0	4.5	0.0	10.0	25.4	30.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	3.0	4.5	0.0	10.0	25.4	30.0
Taxes	1.1	1.0	0.6	3.0	7.6	9.0
Net income from continuing operations	1.9	3.5	-0.5	7.0	17.8	21.0
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>1.9</b>	<b>3.5</b>	<b>-0.5</b>	<b>7.0</b>	<b>17.8</b>	<b>21.0</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	1.9	3.5	-0.5	7.0	17.8	21.0
Average number of shares	14.38	14.38	15.10	15.10	15.10	15.10
<b>EPS reported</b>	<b>0.13</b>	<b>0.24</b>	<b>-0.04</b>	<b>0.46</b>	<b>1.18</b>	<b>1.39</b>

Profit and loss (common size)	2019	2020	2021	2022E	2023E	2024E
<b>Net sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Change in finished goods and work-in-process	0%	0%	-0%	-0%	-0%	-0%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>102%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Material expenses	16%	48%	54%	27%	14%	13%
<b>Gross profit</b>	<b>84%</b>	<b>52%</b>	<b>48%</b>	<b>73%</b>	<b>86%</b>	<b>87%</b>
Other operating income	2%	1%	1%	0%	0%	0%
Personnel expenses	28%	28%	26%	33%	32%	32%
Other operating expenses	14%	9%	16%	22%	21%	20%
<b>EBITDA</b>	<b>43%</b>	<b>16%</b>	<b>7%</b>	<b>18%</b>	<b>33%</b>	<b>35%</b>
Depreciation	0%	9%	3%	1%	2%	3%
EBITA	43%	7%	4%	17%	32%	32%
Amortisation of goodwill and intangible assets	0%	0%	4%	1%	1%	1%
<b>EBIT</b>	<b>43%</b>	<b>7%</b>	<b>1%</b>	<b>16%</b>	<b>31%</b>	<b>31%</b>
Financial result	-8%	9%	-1%	-0%	-0%	-0%
Recurring pretax income from continuing operations	35%	16%	0%	16%	30%	31%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	35%	16%	0%	16%	30%	31%
Taxes	13%	4%	1%	5%	9%	9%
Net income from continuing operations	22%	12%	-1%	11%	21%	22%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>22%</b>	<b>12%</b>	<b>-1%</b>	<b>11%</b>	<b>21%</b>	<b>22%</b>
Minority interest	0%	0%	0%	0%	0%	0%
<b>Net profit (reported)</b>	<b>22%</b>	<b>12%</b>	<b>-1%</b>	<b>11%</b>	<b>21%</b>	<b>22%</b>

Source: Company data; AlsterResearch



Balance sheet (EUR m)	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets (excl. Goodwill)</b>	<b>0.2</b>	<b>9.0</b>	<b>14.9</b>	<b>14.2</b>	<b>13.6</b>	<b>13.0</b>
Goodwill	0.0	11.4	22.6	22.6	22.6	22.6
Property, plant and equipment	0.0	0.4	0.9	2.7	5.4	7.2
Financial assets	28.0	7.9	2.2	2.2	2.2	2.2
<b>FIXED ASSETS</b>	<b>28.3</b>	<b>28.8</b>	<b>40.6</b>	<b>41.7</b>	<b>43.8</b>	<b>45.0</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.5	2.8	7.0	8.7	10.7	11.5
Other current assets	1.7	5.1	1.9	1.9	1.9	1.9
Liquid assets	4.5	14.1	25.5	21.9	36.4	55.5
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	1.0	0.3	0.4	0.6	0.8	1.0
<b>CURRENT ASSETS</b>	<b>7.8</b>	<b>22.4</b>	<b>34.8</b>	<b>33.1</b>	<b>49.8</b>	<b>69.8</b>
<b>TOTAL ASSETS</b>	<b>36.0</b>	<b>51.2</b>	<b>75.4</b>	<b>74.9</b>	<b>93.6</b>	<b>114.8</b>
<b>SHAREHOLDERS EQUITY</b>	<b>27.1</b>	<b>30.2</b>	<b>49.1</b>	<b>56.1</b>	<b>73.8</b>	<b>94.8</b>
MINORITY INTEREST	0.0	0.0	0.4	0.4	0.4	0.4
Long-term debt	0.0	5.4	5.3	4.3	3.3	2.3
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	1.6	4.3	6.2	6.4	8.3	9.6
<b>Non-current liabilities</b>	<b>1.6</b>	<b>9.7</b>	<b>11.5</b>	<b>10.7</b>	<b>11.6</b>	<b>11.9</b>
short-term liabilities to banks	0.0	2.1	0.4	0.4	0.4	0.4
Accounts payable	0.2	0.0	8.9	0.0	0.0	0.0
Advance payments received on orders	0.0	0.0	0.1	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	7.0	6.4	1.9	6.4	6.4	6.4
Deferred taxes	0.0	1.0	0.9	0.9	0.9	0.9
Deferred income	0.0	1.7	2.3	0.0	0.0	0.0
<b>Current liabilities</b>	<b>7.2</b>	<b>11.2</b>	<b>14.4</b>	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>36.0</b>	<b>51.2</b>	<b>75.4</b>	<b>74.9</b>	<b>93.6</b>	<b>114.8</b>

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets (excl. Goodwill)</b>	<b>1%</b>	<b>18%</b>	<b>20%</b>	<b>19%</b>	<b>15%</b>	<b>11%</b>
Goodwill	0%	22%	30%	30%	24%	20%
Property, plant and equipment	0%	1%	1%	4%	6%	6%
Financial assets	78%	15%	3%	3%	2%	2%
<b>FIXED ASSETS</b>	<b>78%</b>	<b>56%</b>	<b>54%</b>	<b>56%</b>	<b>47%</b>	<b>39%</b>
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	1%	5%	9%	12%	11%	10%
Other current assets	5%	10%	2%	2%	2%	2%
Liquid assets	12%	28%	34%	29%	39%	48%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	3%	1%	1%	1%	1%	1%
<b>CURRENT ASSETS</b>	<b>22%</b>	<b>44%</b>	<b>46%</b>	<b>44%</b>	<b>53%</b>	<b>61%</b>
<b>TOTAL ASSETS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>75%</b>	<b>59%</b>	<b>65%</b>	<b>75%</b>	<b>79%</b>	<b>83%</b>
MINORITY INTEREST	0%	0%	1%	1%	0%	0%
Long-term debt	0%	11%	7%	6%	4%	2%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	5%	8%	8%	9%	9%	8%
<b>Non-current liabilities</b>	<b>5%</b>	<b>19%</b>	<b>15%</b>	<b>14%</b>	<b>12%</b>	<b>10%</b>
short-term liabilities to banks	0%	4%	1%	1%	0%	0%
Accounts payable	1%	0%	12%	0%	0%	0%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	20%	13%	3%	9%	7%	6%
Deferred taxes	0%	2%	1%	1%	1%	1%
Deferred income	0%	3%	3%	0%	0%	0%
<b>Current liabilities</b>	<b>20%</b>	<b>22%</b>	<b>19%</b>	<b>10%</b>	<b>8%</b>	<b>7%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2019	2020	2021	2022E	2023E	2024E
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Net profit/loss	1.9	3.5	-0.5	7.0	17.8	21.0
Depreciation of fixed assets (incl. leases)	0.0	2.9	3.8	0.5	1.5	3.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.7	0.7	0.7
Others	0.0	-1.8	3.9	0.3	1.9	1.3
Cash flow from operations before changes in w/c	1.9	4.6	7.2	8.5	21.9	25.9
Increase/decrease in inventory	0.0	-0.0	0.0	-0.0	0.0	-0.0
Increase/decrease in accounts receivable	0.1	-5.7	-2.3	-1.8	-1.9	-0.8
Increase/decrease in accounts payable	0.0	2.3	9.0	-8.9	0.0	0.0
Increase/decrease in other w/c positions	6.9	0.0	0.0	1.9	-0.2	-0.1
Increase/decrease in working capital	7.0	-3.5	6.8	-8.8	-2.1	-0.9
<b>Cash flow from operating activities</b>	<b>8.9</b>	<b>1.1</b>	<b>13.9</b>	<b>-0.3</b>	<b>19.8</b>	<b>25.0</b>
CAPEX	0.0	0.5	-12.5	-2.4	-4.3	-4.9
Payments for acquisitions	-15.0	0.0	-9.1	0.0	0.0	0.0
Financial investments	-4.7	-2.6	-0.5	0.0	0.0	0.0
Income from asset disposals	0.0	3.5	2.4	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-19.7</b>	<b>1.4</b>	<b>-19.8</b>	<b>-2.4</b>	<b>-4.3</b>	<b>-4.9</b>
Cash flow before financing	-10.8	2.5	-5.9	-2.6	15.5	20.1
Increase/decrease in debt position	0.0	4.7	-1.8	-1.0	-1.0	-1.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	5.8	0.0	19.1	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	-0.2	-0.2	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.2	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>5.8</b>	<b>4.5</b>	<b>17.3</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-1.0</b>
Increase/decrease in liquid assets	-5.0	7.0	11.5	-3.6	14.5	19.1
<b>Liquid assets at end of period</b>	<b>4.2</b>	<b>14.1</b>	<b>25.5</b>	<b>21.9</b>	<b>36.4</b>	<b>55.5</b>

Source: Company data; AlsterResearch

Regional sales split (EURm)	2019	2020	2021	2022E	2023E	2024E
Domestic	8.6	28.2	48.2	64.1	83.3	95.8
Europe (ex domestic)	0.0	0.0	0.0	0.0	0.0	0.0
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>8.6</b>	<b>28.2</b>	<b>48.2</b>	<b>64.1</b>	<b>83.3</b>	<b>95.8</b>

Regional sales split (common size)	2019	2020	2021	2022E	2023E	2024E
Domestic	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Europe (ex domestic)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; AlsterResearch

Ratios	2019	2020	2021	2022E	2023E	2024E
<b>Per share data</b>						
Earnings per share reported	0.13	0.24	-0.04	0.46	1.18	1.39
Cash flow per share	0.61	-0.10	0.83	-0.05	1.21	1.46
Book value per share	1.89	2.10	3.25	3.71	4.89	6.28
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	125.8x	68.0x	-467.4x	35.9x	14.1x	11.9x
P/CF	27.0x	-170.1x	20.0x	-322.4x	13.7x	11.4x
P/BV	8.8x	7.9x	5.1x	4.5x	3.4x	2.6x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	3.7%	-0.6%	5.0%	-0.3%	7.3%	8.8%
EV/Sales	28.8x	8.7x	4.8x	3.6x	2.6x	2.1x
EV/EBITDA	66.6x	54.0x	65.0x	20.5x	7.9x	5.9x
EV/EBIT	66.8x	125.9x	662.4x	23.0x	8.5x	6.6x
<b>Income statement (EURm)</b>						
Sales	8.6	28.2	48.2	64.1	83.3	95.8
yoy chg in %	10.0%	229.9%	70.9%	33.0%	30.0%	15.0%
Gross profit	7.2	14.8	23.2	46.8	71.7	83.4
Gross margin in %	84.0%	52.3%	48.2%	73.0%	86.0%	87.0%
EBITDA	3.7	4.5	3.6	11.4	27.7	33.8
EBITDA margin in %	43.3%	16.0%	7.4%	17.8%	33.3%	35.3%
EBIT	3.7	1.9	0.3	10.2	25.5	30.2
EBIT margin in %	43.1%	6.9%	0.7%	15.9%	30.6%	31.5%
Net profit	1.9	3.5	-0.5	7.0	17.8	21.0
<b>Cash flow statement (EURm)</b>						
CF from operations	8.9	1.1	13.9	-0.3	19.8	25.0
Capex	0.0	0.5	-12.5	-2.4	-4.3	-4.9
Maintenance Capex	0.0	2.5	1.4	0.5	1.5	3.0
Free cash flow	8.9	1.6	1.5	-2.6	15.5	20.1
<b>Balance sheet (EURm)</b>						
Intangible assets	0.2	20.5	37.5	36.8	36.2	35.6
Tangible assets	0.0	0.4	0.9	2.7	5.4	7.2
Shareholders' equity	27.1	30.2	49.1	56.1	73.8	94.8
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	1.6	11.8	11.9	11.1	12.0	12.3
Net financial debt	-4.5	-6.6	-19.8	-17.2	-32.7	-52.8
w/c requirements	0.3	2.8	-2.0	8.7	10.7	11.5
<b>Ratios</b>						
ROE	7.0%	11.5%	-1.1%	12.5%	24.1%	22.2%
ROCE	12.8%	4.6%	0.6%	15.0%	29.6%	28.1%
Net gearing	-16.6%	-21.7%	-40.4%	-30.6%	-44.3%	-55.6%
Net debt / EBITDA	-1.2x	-1.4x	-5.6x	-1.5x	-1.2x	-1.6x

Source: Company data; AlsterResearch

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