

wallstreet:online AG

Germany | Media / Internet | MCap EUR 153m

23 October 2020

LONG NOTE



High growth business on solid foundation; Initiating with BUY

What's it all about?

We are initiating coverage of wallstreet:online with a BUY recommendation and a PT of EUR 14.10, yielding an upside potential of 32%. Investors participate in a high growth story which is based on a strong and profitable core business (finance portals) and a rapidly growing online brokerage platform. Driven by structural and secular growth we expect CAGR 19-22E sales to grow by nearly 53%. wallstreet:online is well positioned to grow market share in online brokerage in the forthcoming years while capitalizing on cross-selling opportunities in connection with its strong portal business. Maintaining dynamic customer growth should spur the group's top-line in the near term.

Buy (NOT RATED)

Target price EUR 14,10 (none)

Current price EUR 10,65

Up/downside 32,4%

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IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

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High growth business on solid foundation; Initiating with BUY

Right place, right time. The leading independent operator of finance portals in Germany wallstreet:online progressed with its strategy to diversify revenues and launched its own full-service brokerage platform Smartbroker in December 2019. The plan was set: wallstreet:online pairs a strong #2 market position with extensive market experience. A large base of affluent users and far-reaching marketing power to fuel Smartbrokers growth.

Acting in a highly competitive environment, Smartbroker offers a more extensive product portfolio than its neo broker competitors at lower prices than branch brokers and traditional brokers. To further grow market penetration wallstreet:online will continue to market the brokerage platform on its portals. For FY20 the company has budgeted marketing expenses and setup costs with EUR 7m and another EUR 6m in FY21 (initially EUR 4m over 2 years). Supported by the integration of Smartbroker into the portal business and planned improvements on usability the company should be able to maintain dynamic customer growth.

So far, in H1 2020 wallstreet:online could rely on its portal business as it showed resilience to Covid-19 impacts. Benefitting from Covid-19 driven market volatility and above normal trading activity Smartbroker repeatedly exceeded initial growth expectations by adding more than 60K customers as of September (initial guidance: 20K in FY20, updated to 60K in May). In the consequence, management revised full-year guidance up to 83K which we think is achievable.

We use DCF and FCF valuation methods which arrive at fair values between EUR 13.80 and EUR 14.10. We believe the company's differentiation from competitors in online brokerage and the combination of its solid and far-reaching finance portal business will drive attractive top-line and bottom line growth. We therefore initiate our coverage with a BUY recommendation and a PT of EUR 14.10.

wallstreet:online AG	2017	2018	2019	2020E	2021E	2022E
Sales	5,2	7,8	8,6	28,5	40,6	47,5
Growth y/y	na	50%	10,0%	233,3%	42,5%	17,0%
EBITDA	2,0	3,5	3,7	6,4	10,9	14,4
EBIT	1,9	3,4	3,7	6,4	10,9	14,4
Net profit	1,8	3,2	1,9	3,8	6,9	9,1
Y/E net debt (net cash)	-3	-9	-4	-12	-19	-28
Net debt/EBITDA	-1,6	-2,7	-1,2	-1,8	-1,7	-1,9
EPS recurring	0,22	0,24	0,13	0,27	0,48	0,63
Dividend yield	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Gross profit margin	86,5%	86,4%	84,0%	74,7%	80,0%	82,0%
EBITDA margin	39,1%	44,7%	43,3%	22,5%	26,9%	30,4%
EBIT margin	36,4%	43,8%	43,1%	22,5%	26,9%	30,4%
ROCE	80,5%	30,0%	15,3%	20,9%	30,1%	32,6%
EV/EBITDA	41,3	38,2	40,1	22,1	12,3	8,7
EV/EBIT	44,4	39,0	40,3	22,1	12,3	8,7
PER	49,1	43,9	80,6	39,9	22,3	16,9
FCF yield	2,3%	2,5%	2,1%	3,6%	6,4%	9,3%

Source: Company data; AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 12.20 / 3.00
Price/Book Ratio 4.8

Ticker / Symbols

ISIN DE000A2GS609
 WKN A2GS60
 Bloomberg WSO1:GR

Changes in estimates

		Sales	EBIT	EPS
2020	old	00.0	00.0	00.0
	Δ	-	-	-
2021	old	00.0	00.0	00.0
	Δ	-	-	-
2022	old	00.0	00.0	00.0
	Δ	-	-	-

Key share data

Number of shares: (in m pcs) 14.38
 Book value per share: (in €) 2.20
 Ø trading volume: (12 months) 25.000

Major shareholders

AKD/ André Kolbinger 60.70 %
 Management 2.02 %
 Free Float 37.28 %

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. Via its stake in wallstreet:online Capital AG (currently 43%, additional 30% waiting for regulatory approval) WO has expanded into the fintech sector namely through the brokerage platform Smartbroker.

Investment case in six charts

Portfolio

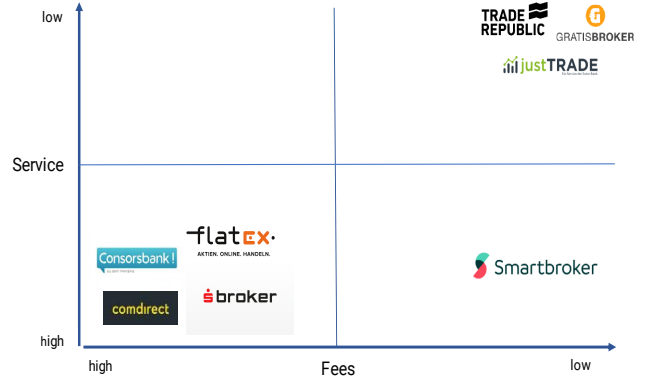
Broker



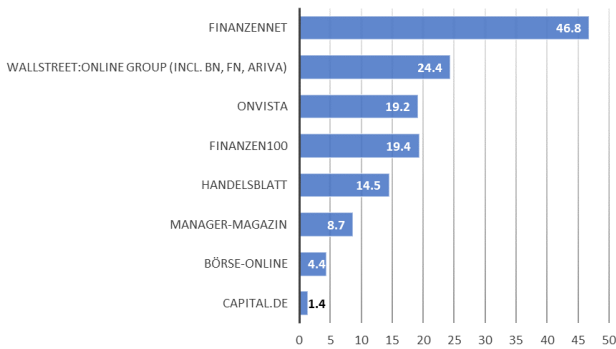
Portal



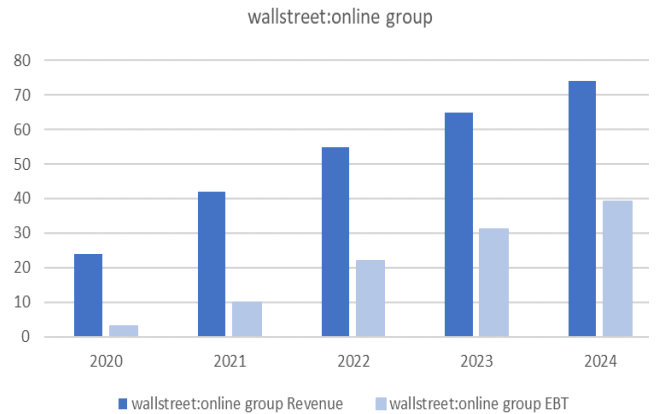
Competitive landscape in Germany



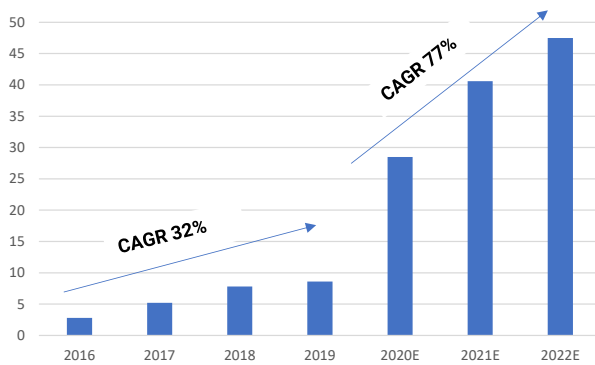
Visits in m



"Vision 2024"



Sales development



ROCE

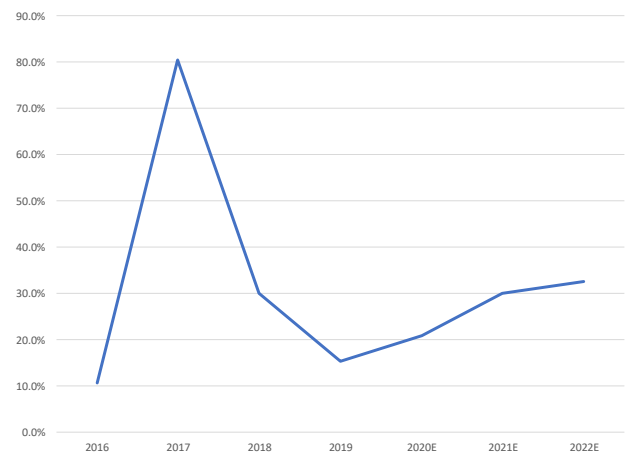


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Competitive quality

Strong market position in core business

wallstreet:online group (WO) holds a strong #2 market position in the niche of finance portals in the German speaking area. After consolidating the market in the past two years with the takeovers of boersennews.de, finanznachrichten.de and ariva.de the group has accumulated a large user base. Generating more visits than the next runner-up and even more page impressions is very attractive for advertisers in relations of ad impressions. The company's target audience mainly consists of retail investors and users with a high affinity for financial and economic topics as well as private pension plans. Additionally, approx. 7% are institutional investors.

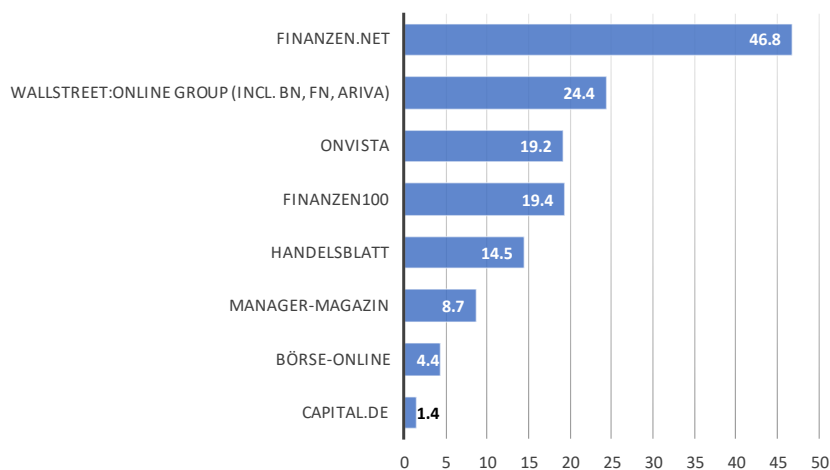
Portfolio



Source: AlsterResearch

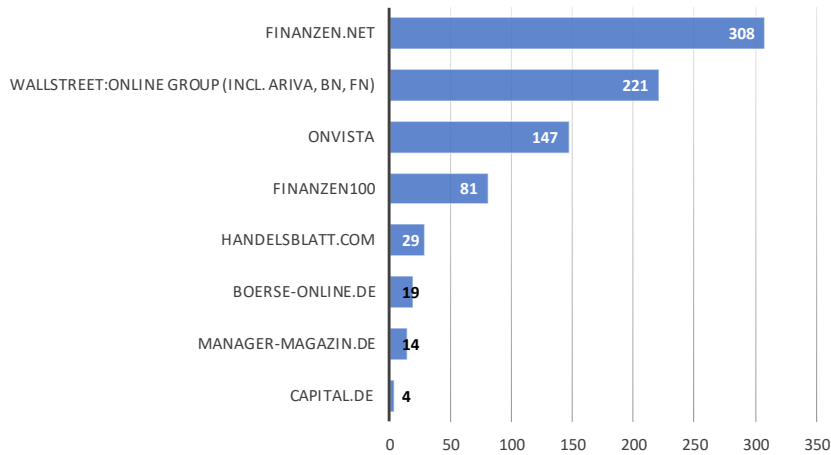
Being a homogenous, affluent group with an above-average income (40%-50% above EUR 3k per month) the users are a highly attractive target group for verticals like financial institutions (e.g. issuers of structured products), automotive, travel & leisure as well as high-priced consumer goods. A multi-brand strategy increases the reach for ad campaigns and thus WO can achieve higher selling prices. The high scalability of the business model enabled WO to realize significantly higher profit margins (EBITDA >40% on group level) and ultimately cash flows.

Visits in m



Source: AlsterResearch, IVW (09/20)

Page impressions in m



Source: AlsterResearch, IVW (09/20)

Portal business dominated by established players

The high earnings power and the access to the capital market brought wallstreet:online the opportunity to acquire several competitors (finanznachrichten.de, ariva.de, boersennews.de) in the German market. The company strengthened the position as the largest independent operator with a loyal user base supported by the established online forums. By preserving the well-known brands WO lowered the probability of cannibalizing the audience and increased the attractiveness for advertising customers. With just a few large competitors backed by publishing houses (finanzen.net/Axel Springer, finanzen100.de/Hubert Burda Media) and financial institutions (onvista.de/ comdirect) we believe the cost of entry should be high, thus defending WO's market position and ultimately cash generating capability.

Partners and Customers



Source: Company data, AlsterResearch




Diversifying revenue streams with online brokerage as future growth driver

In order to diversify revenue streams wallstreet:online is in the process of acquiring a controlling majority of wallstreet:online Capital AG (WOC). WOC has extensive experience in fund brokerage (FondsDISCOUNT.de since 2004). In December 2019 WOC launched its full-service brokerage platform **Smartbroker** for trading in shares, bonds, funds, ETFs, certificates and warrants on all German stock exchanges as well as OTC and foreign markets.

WOC was former subsidiary of WO and was listed in Frankfurt in 2005. In a first step WO acquired a minority stake and currently holds approx. 43% of WOC. An option to acquire additional 30% was exercised in spring 2020 bringing the stake up to ca. 70%. Currently the company is awaiting BaFin approval, a closing is expected in the next months.

Smartbroker operates in a highly competitive market

Smartbroker was launched right on time when the German brokerage market is experiencing an increasing competitive environment with several new brokerage platforms emerging. Known as neo brokers these companies are competing with established players like flatex, but even more with traditional branch banks as well as direct banks. The main characteristics of neo brokers include low to zero fees for clients, but sometimes are limited to certain exchanges, though resulting in a limited product spectrum compared to traditional brokerage. The provision of modern trading apps allows easy access to financial products and attracts especially younger customers to invest.

Competitive landscape in Germany		
Direct and branch banks	online broker	Neo broker
		

Source: AlsterResearch

Smartbroker differentiates from its peers in several aspects. Smartbroker is offering low fees, flat fees and even zero fees for trades on certain exchanges and products. In contrast to branch brokers there are no deposit fees. In addition, Smartbroker offers a broad-based product spectrum including 18K funds without issue commissions. Trading on numerous stock exchanges (e.g. all German stock exchanges) allows clients to take advantages of certain exchanges (volumes, liquidity). Although Smartbroker's front-end is currently limited to webtrading, the company is already developing an all new front-end and a native trading app as well.

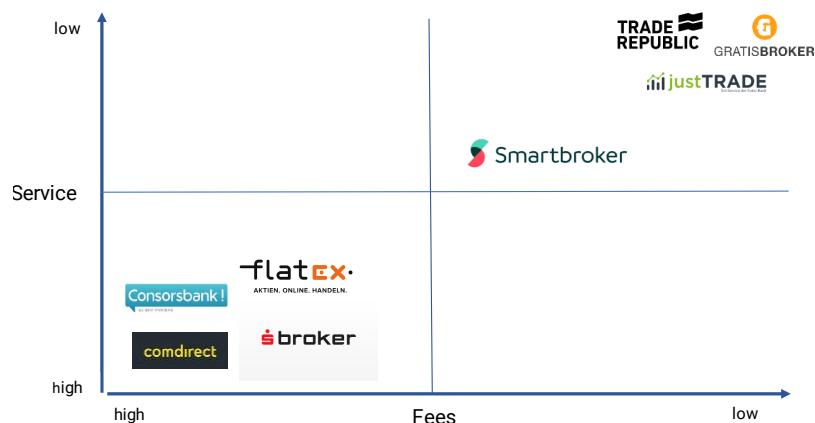
Cost comparison*					
	Xetra	Gettex	L&S	Quotrix	Tradegate
Smartbroker	4.82	0.00	1.00	1.00	4.00
Consorsbank	11.45	12.45	12.45	12.45	9.95
Comdirect	12.40	12.40	12.40	12.40	12.40
S Broker	10.47	-	10.47	10.47	10.47
flatex	8.27	7.90	7.90	7.90	7.90
Trade Republic	-	-	1.00	-	-
GRATISBROKER	-	0.00	-	-	-
justTrade	-	-	0.00	0.00	-

* order size: EUR 1000

Source: AlsterResearch

A crucial element of providing low costs is the partnership with DAB BNP Paribas for providing the whole backend services. Via a multi-year agreement Smartbroker secured attractive terms which allows to compete with direct and branch banks at lower costs.

Competitive landscape in Germany



Source: AlsterResearch

In essence, we believe Smartbroker is well positioned to grow market share in the forthcoming years. Smartbroker offers a comprehensive product portfolio at lower prices than branch brokers and traditional brokers. Online and neo broker competitors have limited offerings in terms of market places, products and services. Smartbroker exceeds this and additionally offers customer care. In our view, an important aspect is Smartbroker's ability to tap the marketing capabilities of wallstreet:online's portal business reaching new clients with limited risk of scatter losses and allowing customer acquisition costs to stay below industry average (we estimate for Smartbroker a range of EUR 80-100 vs. industry EUR 100-150). Neo broker competitors don't have this kind of asset, so this particular channel to the most relevant target group remains closed. Therefore, competitors heavily rely on marketing channels like paid articles, performance marketing, social media marketing and referral programs, thus driving marketing expenses and customer acquisition costs overall.

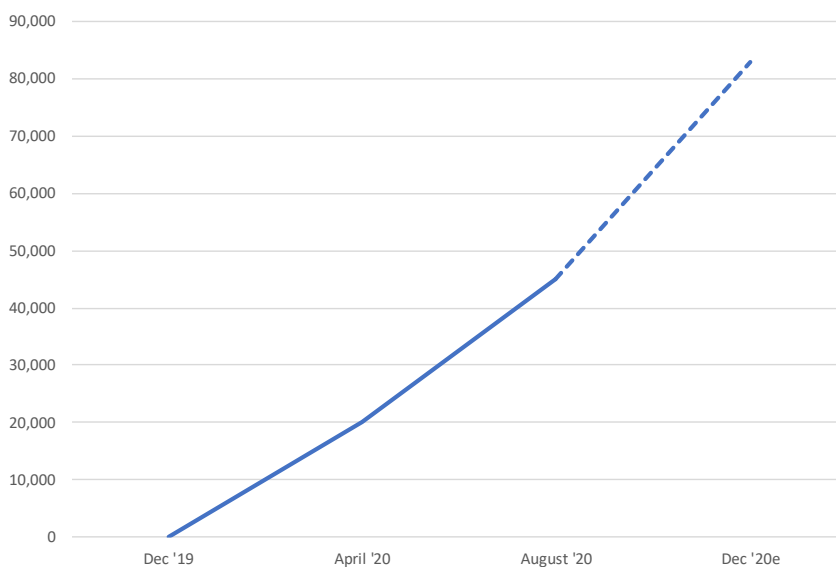
Growth

wallstreet:online's main growth areas are further customer growth at Smartbroker and additional advertising growth at the portal business. For Smartbroker future growth is primarily driven by:

An increasing market penetration

After this year's kickstart the company will further drive Smartbroker's user base in order to expand its market share. Highlighting Smartbroker on its own portals has been fruitful so far, therefore WO will continue to market the brokerage platform on its portals. For FY20E WO has budgeted marketing expenses and setup costs with EUR 7m (initially EUR 4m over 2 years).

Customer growth Smartbroker



Source: Company data, AlsterResearch

Integration into the group's portals

A next step is to integrate Smartbroker further into the portal business. The company plans to embed Smartbroker-functionalities directly into the finance portals. This will allow users to easily access the brokerage platform while reading news reports and other content. Ultimately, this will help to drive conversion of readers into clients in our view. With over 3.8m unique users (via desktop access) on its portals this means enormous growth potential forthcoming periods.

Improving usability

Besides the easy accessibility via integration the company intends to improve usability overall. In essence this includes a new front-end for Smartbroker as currently there is only web trading available via the proven but aged DAB front-end. This will be complemented by deploying a native app.

Expanding the product range and partnerships

Although Smartbroker already offers a wide range of products compared to its neo broker competitors, in FY21 the addition of Eurex exchange is envisaged and should attract an active and risk-oriented customer group. Eurex Exchange is one of the largest global derivatives exchanges, offering trading across a range of products including interest rate derivatives, equity and equity index derivatives, dividend derivatives, volatility index derivatives, exchange-traded product derivatives, inflation derivatives, and commodity, weather and property derivatives.

In this context Smartbroker would gain in attractiveness to further expand partnerships with issuers of derivative products because of the access to a specific group of clients. This should result either in indirect income and more products which can be offered at a discount.

Not directly related to Smartbroker, the recent cooperation with Volkswagen Bank bears potential. In May WOC signed a deal with VW Bank to takeover approx. 34K customer accounts for EUR 5m. WOC will provide brokerage for former and new VW Bank customers at more attractive conditions. Potentially, this serves as a blueprint for similar deals in the future and which comes with the additional benefit of leveraging existing fix-costs.

General market drivers

Besides structural factors, growth is also determined by general market drivers.

- **Ultra-low interest environment**
- **Hightened awareness for personal pension plans**
- **Digitization**
- **Higher price sensitivity of customers**
- **Comparably low shareholder ratio in Germany**

As for the second pillar, the portal business, growth is driven by the company's reach. Driving **usership, visits** and **page impressions** translates into increasing revenues, as these metrics are highly relevant in terms of progressive pricing. The company is supporting growth by:

Improving the technical foundation

The company is continuously improving the technical foundation of its portals. In the first half of 2020 WO began modernization of the platform and apps. Native apps will be released at the end of the year with complete content and functional scope. Usability is improved with regard to navigation. Further the company focused on integration of new data for derivatives and partner integration to improve the marketability.

Cross-selling opportunities

After the takeover in summer 2019 the Smart Investor magazine is complementing the group's editorial capabilities. By integrating Smart Investor WO has access to a highly relevant and affluent audience which includes seasoned private investors, institutional investors, asset managers and family offices. Smart Investor is renowned for high-quality content with regard to market developments and investment opportunities. By highlighting Smart Investor's teasers WO generates clicks which eventually can be converted into subscribers for the Smart Investor magazine. Vice versa, WO has the opportunity to market its services.

In the first half of 2020 Smartbroker showed a positive impact on the advertising business. The company reported increased spending by derivatives issuers, ETF providers and investment companies. The company expects revenues driven by Smartbroker of EUR 1.5m for FY20. Growing Smartbrokers market share and expanding the product offering should result in growing ad spending and marketing activity in this area.

Positive market trends

In 2019 the German market for digital display advertising grew by 10.3% to EUR 3.6bn. While the overall advertising market is expected to decline in 2020, OVK/BVDW suggest a market growth for digital advertising of about 8.6% to EUR 3.9bn. Following negative impacts by Covid-19 in Q2 2020 a recovery in June should continue in the second half of the year. Due to seasonality Q4 should show stronger growth rates of about 11%. The positive development is driven by a secular trend toward mobile advertising on the one side, and continued positive spending of verticals like e-commerce and financial services on the other side. According to

recent reports by eMarketer the finance industry has consistently increased ad spending annually, and that trend should continue this year despite the pandemic. On the one hand the Covid19-pandemic has further increased the distribution and use of digital media, the economic uncertainty accelerated digital banking adoption and placing greater emphasis on personal finance. As for WO's other relevant verticals which got heavily impacted by the pandemic, eMarketer expects a healthy rebound on spending for 2021.

Digital ad spending growth in Germany, by industry

	2017	2018	2019	2020E	2021E
Financial services	11.5%	11.6%	14.1%	16.7%	15.0%
Retail	15.3%	12.1%	10.6%	6.9%	10.2%
Consumer packaged goods & consumer products	17.2%	4.1%	9.4%	5.0%	11.7%
Automotive	15.1%	11.4%	10.3%	-25.7%	30.3%
Travel	16.1%	12.2%	9.0%	-38.7%	32.4%

Source: eMarketer, Inc., as of August 2020, AlsterResearch

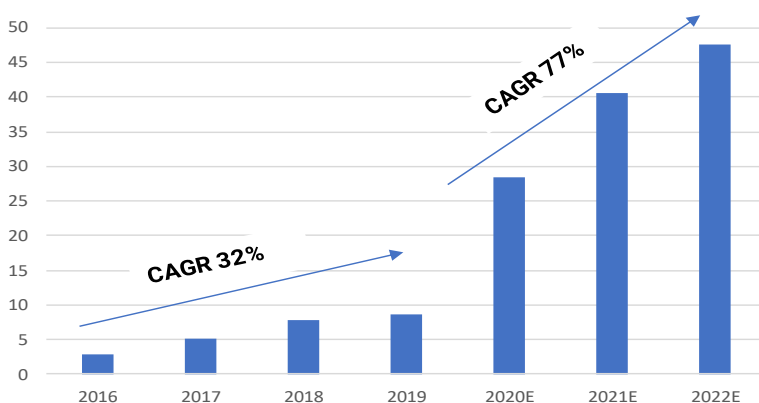
In essence, all these growth drivers should positively affect wallstreet:online's top-line. The main focus rests on growing the customer base of Smartbroker. Given a highly competitive environment in online brokerage while trading activity and market volatility are returning to more or less normal levels, we estimate a more conservative user growth than the management set in a recent investor presentation. However, we believe that the company's continued marketing efforts and envisaged improvements (integration into portal business, revamping the front-end, release of a native app) should give wallstreet:online the ability to maintain dynamic user growth almost tripling by end of FY22E. In combination with a growing share of wallet with partners (issuers, exchanges) this should spur the group's top-line growth already by FY21E.

Smartbroker

	2020E	2021E	2022E	2023E	2024E
Customers	83	163	240	315	385
growth yoy		96.4%	47.2%	31.3%	22.2%
additions		80	77	75	70
# trades / customer p.a.	30	30	30	30	30
TTL # of trades p.a.	1.2	2.5	4.9	7.2	9.5
Revenues / trade in EUR	2.5	3.0	3.5	4.0	4.0
Revenues in EUR m	3.1	7.6	17.2	29.0	37.9
CAC (per customer)	85	85	85	95	95
Opex	2	2.5	3.5	5.00	6.00
Opex / sales in %	64.3%	32.9%	20.3%	17.3%	15.8%
EBIT in EUR m	-7.69	-5.25	0.30	6.69	12.01
EBIT margin in %	-247%	-69%	2%	23%	32%

Source: AlsterResearch

Sales development in EUR m



Source: Company data, AlsterResearch

On the bottom line we expect slightly slower growth than on wallstreet:online's top-line. This is mainly due to consolidation effects like the lower margin business of FondsDISCOUNT.de which will be consolidated from 2021 onwards, as well as start-up costs related to Smartbroker. We are expecting EBITDA margins starting to recover by 2022E when marketing and setup costs, workforce expansion and product investments lessen, and the real beauty of a scalable business is setting in.

in EURm	2018	2019	2020E	2021E	2022E	CAGR 19-22E
Net Sales	7.8	8.6	28.5	40.6	47.5	77.1%
yoy growth		10.0%	233.3%	42.5%	17.0%	
EBITDA	3.5	3.7	6.4	10.9	14.4	57.4%
EBITDA margin	44.7%	43.3%	22.5%	26.9%	30.4%	
EPS	0.24	0.13	0.27	0.48	0.63	68.4%
ROCE	30.0%	15.3%	20.9%	30.1%	32.6%	
yoy chg. ln pp		-14.73pp	5.66pp	9.20pp	2.53pp	

Source: Company data, AlsterResearch

Theme

H1 2020 results: Covid-19 had a net positive impact – portal business resilient

The reported H1 2020 results show strong top-line growth. Sales increased yoy by 42% to EUR 6.29m. The core business showed to be resilient to Covid-19 impacts, which turned out to be net positive overall. In the portal business the company reported stable sales. Although advertising prices were industry-wide under pressure, especially by impacted verticals (e.g. automotive, travel & leisure), that has been offset by a strong increase in page impressions. Especially advertising by derivatives issuers, online brokers and CFD brokers has developed positive. Investor relations sales showed a slight decrease of 4%. As expected, profitability was heavily impacted by marketing activities for Smartbroker. This resulted in material expenses more than quadrupling from EUR 0.7m in H1 2019 to EUR 4.2m. Personnel expenses increased by 49% to EUR 1.5m. In sum, net profit soared by 47% to EUR 2.1m, helped by the disposal of the company's strategic holding in competitor Trade Republic (3.3%, EUR 3m) and taxes.

wallstreet:online AG (as reported)				
P&L data in EURm	H1 2019	H1 2020	2019	2020E
Total sales	4,42	6,29	8,55	28,50
yoy growth in %		42,2%		233,3%
EBITDA	2,10	2,44	3,70	6,40
EBITDA margin in %	47,5%	38,8%	43,3%	22,5%
EBT	2,10	2,11	3,02	6,10
EBT margin in %	47,5%	33,5%	35,4%	21,4%
Net Income	1,44	2,11	1,90	3,83
EPS in EUR	0,86	1,17	0,13	0,27

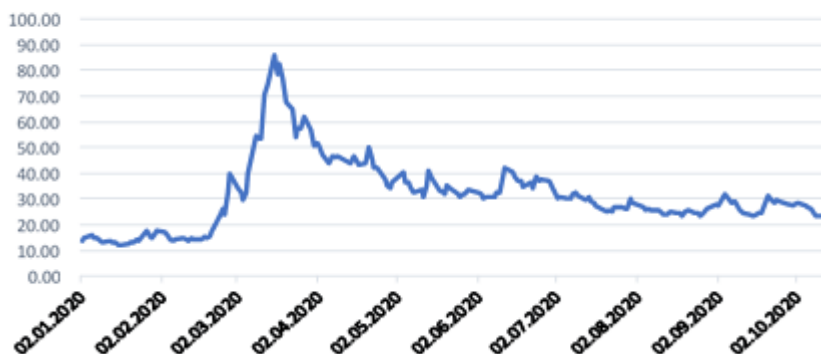
Source: Company data, AlsterResearch

Option for controlling majority of WOC exercised - Disposal of Trade Republic

As part of the strategy to diversify revenue in 2018 wallstreet:online acquired 30% in WOC plus an option for another 30%. This option was exercised in March 2020. The transaction is still pending until BaFin approval. In April wallstreet:online announced the sale its stake in Trade Republic, a direct competitor in online brokerage in Germany. The background of this transaction was a financing round involving allowing existing shareholders to exit. WO took this opportunity and sold for EUR 3m. With the proceeds the company planned on further fueling growth of its own platform Smartbroker. In May the group announced an attractive deal with Volkswagen Bank. WOC will takeover approx. 34K customer accounts for EUR 5m and provide brokerage for former and new VW Bank customers at more attractive conditions. For this purpose wallstreet:online took a bank loan of EUR 4.4m.

Volatility in the financial markets supported Smartbrokers launch

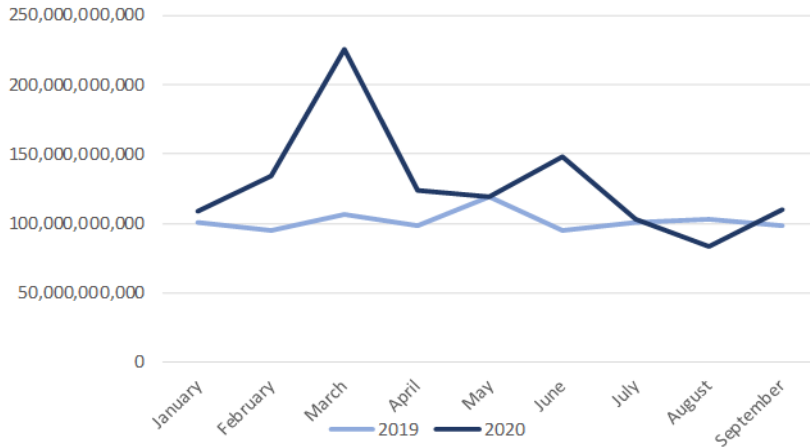
VDAX



Source: Deutsche Börse AG

The outbreak of the Covid-19 pandemic in March 2020 raised economic uncertainties and caused higher volatility in the stock markets. This is reflected in a significant increase in volumes.

Equities - Order Book Turnover (Xetra)



Source: Deutsche Börse AG

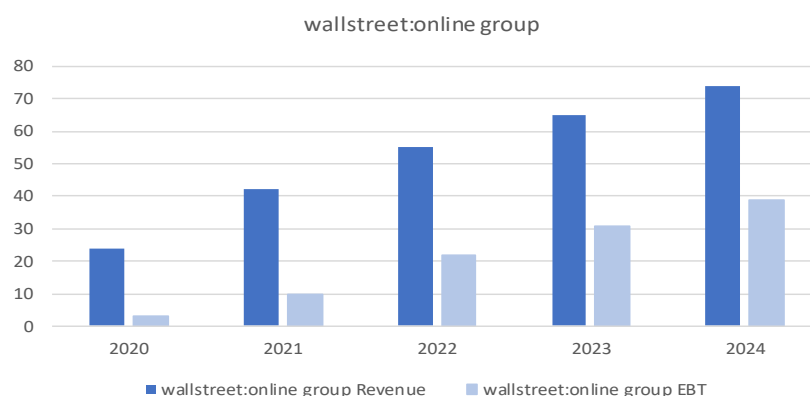
The prospect of participating in a recovery of the global economy and the stock markets raised higher awareness for financial portals, issuers of financial instruments and online brokers. As established brokerage players have shown accelerated client growth these market conditions boded well for Smartbroker as well as for other new entrants to grow at a high pace. This is reflected as WO repeatedly lifted guidance for client growth of Smartbroker for 2020 and beyond. Initially the company expected 20K customers by end of FY20. That figure was revised to 60K in May 2020, and most recently to 83K in September 2020. Accordingly, the management took advantage of the market situation and expanded the initial budgeted marketing and setup costs of EUR 4m for 2 years up to EUR 7m for FY20 alone to support the accelerated customer uptake.

Guidance 2020

The management reiterated guidance for 2020 which has been already raised in mid of September. Following an increase in user metrics and revenues for the group's core business management now expects consolidated revenues of EUR 24.5-29.9m (prior expectation: EUR 22-26m) and an operating result (EBITDA, excl. exceptional items) of EUR 4.1-5.0m for the full year (prior expectation: EUR 3.0-3.6m). Not included are the results of wallstreet:online capital AG as consolidation is expected from 2021 onwards.

"Vision 2024": Smartbroker as center piece for midterm targets

"Vision 2024"



Source: Company data

The midterm targets (“Vision 2024”) are based on dynamic revenue- and earnings-growth of Smartbroker. Management expects a continuously high customer uptake of about 90k customers per year until FY22. The growth path FY22-24 is only slightly flattening with an estimated addition of 86k and 81k customers for FY23 and FY24 respectively. Based on planning assumptions of an average deposit volume of EUR 25k the assets under management are expected to rise to EUR 9.7bn. After start-up losses in 2020 and 2021 due to marketing expenses (management assumptions: customer acquisition costs <EUR 100 per client) WO is targeting Smartbroker to be highly profitable already in FY22 (ca. 50% on pre-tax-margin).

On group level this translates into a growing revenue share of Smartbroker. In that course the revenue share should rise from 20% in FY21 to ab. 51% in FY24. On a pre-tax-basis the profit share is expected to rise disproportionately from 45% in FY22 to 69% in FY24.

Company background

wallstreet:online is a leading operator of financial portals in Germany and surrounding German speaking countries with over 160 employees based in Berlin, Kiel, Leipzig, Munich and Zurich. The company's portals include ariva.de, boersenNews.de, finanzNachrichten.de and wallstreet-online.de. In addition to the portal business WO holds 90% in publishing company Smart Investor Media GmbH. Via its stake in wallstreet:online Capital AG (currently 43%, additional 30% waiting for regulatory approval) WO has expanded into the fintech sector namely through the neo broker Smartbroker.

Wallstreet:online group	
<p>Broker</p>   	<p>Portal</p>     

Source: Company Data

The WO group's portals publish approx. 12,000 reader opinions and news on economic, financial and stock market developments on a daily basis. Combined with the 2018/2019's acquisitions of boersenNews.de, finanznachrichten.de and ariva.de w:o closed on to the leading portal finanzen.net (operated by Axel Springer) and surpassed Onvista (comdirect) and finanzen100 (Hubert Burda Media).

Until the acquisitions in 2018/19 the financial portal wallstreet-online.de has been the main product. Its offering includes news and information on products and markets. Besides that, wallstreet-online.de provides one of the largest German-speaking financial forums with a community of over 500,000 members. According to recent company data the portal reached an average of 2.6m unique users with 9.4m visits on a monthly basis and 74.1m page impressions.

Operated by ABC New Media AG (acquired in 2019), **finanznachrichten.de** provides approx. 12,000 news from over 600 media outlets on a daily basis and quotes on equities, funds, bonds, commodities, foreign exchange and derivatives. In Summer 2019 the underlying platform has been revamped and features a responsive design for improved user experience and more efficient marketing capabilities.

Ariva.de AG was founded in 1998 and operates one of the top five portals for financial information (**ariva.de**) and related forums. Furthermore ariva.de provides financial data and software solutions for financial institutions. Also, Ariva is a specialist for regulatory requirements around topics like PIB, PRIIP or MiFID. The company serves customers like UBS AG, Deutsche Boerse Group and Swiss Six Financial information. With about 1.0m unique users on average per month ariva.de is one of largest bank-independent financial portal in Germany.

Markets Inside Media GmbH, which was acquired by wallstreet:online AG in 2018, operates the financial portal **boersenNews.de**. The portal is primarily oriented towards private investors. It offers price and performance data as well as news on equities, investment funds, bonds, foreign exchange and derivatives. In addition, there are reports on general political and economic events, which are supplemented with exclusive background reports. Further the management has advanced know-how on a technical level. On this basis, wallstreet:online has upgraded its other portals on. The app of boersenNews.de has reached more than 1m installations on Android and iOS.

User metrics - per month

	unique users (m)	visits (m)	page impressions (m)
wallstreet-online.de	2.6	9.4	74.1
finanznachrichten.de	2.0	7.4	65.1
ariva.de	1.4	8.6	83.9
boersennews.de	0.7	6.9	87.4

Source: company data, AlsterResearch

Smart Investor Media GmbH publishes the established print Magazine **Smart Investor** on a monthly basis and reaches with 5k subscribers a highly relevant group for wallstreet:online services and content. WO is planning to leverage smart investor via digitization, as this had not been executed adequately in the past. The reach of the finance portals is key to increase Smart Investor's revenues from subscription and advertising significantly already by 2020. Smart Investor is to be established as the foundation for the group's economic and stock market editorial department.

As a former subsidiary of WO wallstreet:online Capital AG was listed in Frankfurt in 2005. In 2018 WO acquired a minority stake and after a capital increase currently holds approx. 43% of WOC. An option to acquire additional 30% was exercised in spring 2020 bringing the stake up to ca. 70%. Currently the company is awaiting BaFin approval, a closing is expected in the next months. Until the launch of Smartbroker the main asset has been **FondsDISCOUNT.de**, a fund broker with over 25K customers and EUR 1.3bn assets under management (AUM). FondsDISCOUNT.de is a leading fund broker in Germany. FondsDISCOUNT provides investment products to retail investors at attractive terms (e.g. free of initial charges).

In December 2019 WOC and WO jointly launched **Smartbroker**, an online broker for a full-service spectrum of financial instruments like equities, fixed income and funds and derivative instruments. Smartbroker enters the market at discount prices with low transaction fees. wallstreet:online covers the marketing and setup costs during the start-up phase in exchange for a revenue share. Revenues are generated with transaction fees, kickbacks and payments from stock exchanges, ETF providers as well as marketing cost subsidies from derivative issuers in a premium partner model. Combined with FondsDiscount the brokerage business of WOC has EUR 2.1 AUM as of September 2020.

In May WOC signed a deal with VW Bank to takeover approx. 34k customer accounts for EUR 5m. WOC will provide brokerage for former and new VW Bank customers at more attractive conditions.

History

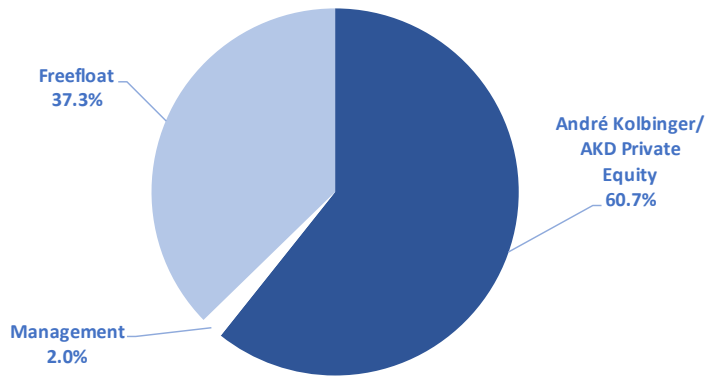
1998	Today's wallstreet:online AG emerged from GIS Wirtschaftsdaten GmbH, which was founded in 1998.
2000	After GIS changed its name to wallstreet:online AG in 2000, the company was transformed to a public limited company in the same year. The company was able to place two capital increases and won the venture capital companies 3i and T-Venture as shareholders.
2003	The Kolbinger family took over all shares previously held by financial investors. From 2003 to the end of 2004, the company was restructured and repositioned under the leadership of Mr. André Kolbinger.
2006	In February 2006, the shares of wallstreet:online AG were included in the Open Standard segment of the Frankfurt Stock Exchange. In May 2007, the majority of shares in wallstreet:online AG were acquired by Axel Springer Finanzen Verlag GmbH. This was followed by a move to the Entry Standard in the same year.
2010	In May 2010 André Kolbinger repurchased 75% of the shares in wallstreet:online AG from Axel Springer Finanzen Verlag GmbH.
2018	In February 2018, wallstreet:online AG merged with Markets Inside Media GmbH, which operates the portal www.boersenNews.de and the app of the same name.
2019	In February, wallstreet:online AG acquired ABC New Media AG with its financial information portal www.finanzNachrichten.de . The acquisition of Ariva.de (April) and Smart Investor (October) were also completed. In April, Bafin approved the investment in wallstreet:online AG (operator of FondsDISCOUNT.de).

Source: Company data

MAJOR SHAREHOLDER

The majority of the shares (60.7%) are held by AKD/André Kolbinger, founder of wallstreet:online AG. 37.3% are in free float and 2.0% are held by the management.

Shareholder Structure



Source: Company data

MANAGEMENT

The Management Board currently consists of three Board Members (from left to right), **Stefan Zmojda (CEO)**, **Michael Bulgrin** and **Oliver Haugk**.

Management



Stefan Zmojda
CEO



Michael Bulgrin



Oliver Haugk

Source: Company data

Mr. Stefan Zmojda is part of the wallstreet:online AG team since 2013 and Chief Executive Officer since January 2016. Before he successfully completed his degree in business administration, he worked first as a product manager, later as a senior product manager for various companies. Mr. Zmojda is also a member of the Supervisory Board of crumbl AG.

Mr. Michael Bulgrin has been a member of the Board of Management of wallstreet:online AG since November 2017. Since July 2019 he has also been a member of the Supervisory Board of ARIVA AG.

After his diploma degree in economics, **Mr. Oliver Haugk** was employed by the Unister GmbH for more than three years as a product and portal manager. Later he worked as managing director of Markets Inside Media GmbH until he finally became a member of the executive board of wallstreet:online AG in 2017. As well as Mr. Zmojda he is a member of the Supervisory Board of crumbl AG.

SUPERVISORY BOARD

The Supervisory Board consists of the following persons: **André Kolbinger** (Chairman), **Roland Nicklaus**, **René Krüger** and **Marcus Seidel**.

Supervisory Board



André Kolbinger
Chairman

Roland Nicklaus

René Krüger

Marcus Seidel

Source: Company Data

André Kolbinger, founder of wallstreet:online AG worked for almost 20 years as the CEO until he was appointed chairman of the Supervisory Board in August 2017. He is also a member of the Supervisory Board of crumble AG as well as of Ariva AG.

Mr. Roland Nicklaus has been a member of the Supervisory Board of the wallstreet:online AG since 2007. After his Bachelor of Arts in Italian Language and Literatur and Business Studies, he first worked as an analyst, and since 2000 he has held management and director positions with well-known companies and banks. Roland Nicklaus is also a member of the Supervisory Board of the Lamda Hellix Data Centres S.A. in Greece and of the wallstreet:online capital AG in Berlin.

René Krüger worked as a securities advisor for the Landesbank Berlin since 1995. In 2000, he became co-founder of wallstreet:online trading GmbH, and managing director of the company in 2001. After the transformation of the company into a stock corporation René Krüger took over the position of the executive board in 2005 and led the wallstreet:online capital AG in November 2005 to the stock exchange. In the period from 2009 to 2013 René Krüger was Chairman of the board of wallstreet:online capital AG. Since 2010 is a member of the Supervisory Board of the wallstreet:online AG.

Marcus Seidel completed his Bachelor degree in Business Communication Management in 2005 in Berlin. After his studies he took up executive positions in various companies from 2009. He has been a member of the Supervisory Board of the wallstreet:online AG since August 2020.

Valuation

The DCF model results in a price target of € 14.10 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. Hence our growth estimates for 2020-22E is in the range of 77% p.a. In the mid-term, we conservatively model approx. 5%
- The long-term growth rate is set at 2.5%.
- EBIT margins: The scalable business model should allow for EBIT margins of 30% by 2022E, which look defendable given high competitive quality based on scale and expertise. Accordingly, we model approx. 30% EBIT margins in the long-term.
- WACC: We model a weighted average cost of capital of 8.0-8.5% to reflect the mature stage of the business model, consisting of a 5.0% risk premium beta of 1.0x and 3.5% risk free rate.

DCF (EUR m) (except per share data and beta)	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	Terminal value
NOPAT	4,0	6,9	9,1	10,0	10,0	10,5	11,0	11,6	12,0
Depreciation	0,0	0,0	0,0	0,0	0,0	0,1	0,1	0,1	0,1
Change in working capital	0,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Change in long-term prov. & accruals	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Capex	-0,1	-0,1	-0,1	-0,1	-0,1	-0,1	-0,1	-0,1	-0,1
Acquisitions	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Capital increase	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Cash flow	4,3	6,8	9,0	9,9	9,9	10,5	11,0	11,6	12,0
Present value	4,2	6,2	7,5	7,7	7,1	6,9	6,7	6,4	119,1
WACC	8,5%	8,5%	8,5%	8,5%	8,5%	8,5%	8,5%	8,5%	8,0%

DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	172	Short term growth 2019 - 2022	77,1%
thereof terminal value	69%	Medium term growth 2022 - 2027	5,0%
Net debt (net cash) at start of year	-4	Terminal value growth 2027 - infinity	2,5%
Financial assets	28	Terminal year EBIT margin	30,0%
Provisions and off balance sheet debt	1		
Equity value	203		
No. of shares outstanding	14,4		
Discounted cash flow per share upside/(downside)	14,1 32%		
		WACC derived from	
		Cost of borrowings before taxes	6,0%
		Tax rate	37,1%
		Cost of borrowings after taxes	3,8%
		Required return on invested capital	8,5%
		Risk premium	5,0%
		Risk-free rate	3,5%
Share price	10,65	Beta	1,0

Sensitivity analysis DCF							Sensitivity analysis DCF						
WACC		Long term growth					WACC		EBIT margin terminal year				
		1%	1,5%	2,5%	3,0%	3,5%			28,0%	29,0%	30,0%	31,0%	32,0%
10,0%	10,1	10,4	11,0	11,4	11,9	10,0%	10,7	10,9	11,0	11,2	11,4		
9,0%	11,0	11,4	12,3	12,9	13,6	9,0%	11,9	12,1	12,3	12,5	12,7		
8,0%	12,2	12,8	14,1	15,0	16,0	8,0%	13,5	13,8	14,1	14,4	14,6		
7,0%	13,9	14,7	16,7	18,2	20,0	7,0%	16,0	16,4	16,7	17,1	17,5		
6,0%	16,3	17,5	21,0	23,6	27,3	6,0%	20,0	20,5	21,0	21,5	22,0		

Source: AlsterResearch

The adjusted Free Cash Flow Yield results in a fair value of € 12.30 per share based on 2022E and € 13.8. per share on 2023E. It thus supports the DCF based price target. Looking beyond 2021E. i.e. half way 2022 and 2023 estimates seems justified considering that the full impact of the existing customers and highly likely customer wins will only be felt from 2023E onward.

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 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).

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 of 7.5%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap.

FCF yield in EURm	2019	2020	2021E	2022E	2023E	
EBITDA	3,7	6,4	10,9	14,4	15,9	
- Maintenance capex	0,0	0,0	0,0	0,0	0,0	
- Minorities	0,0	0,0	0,0	0,0	0,0	
- tax expenses	1,1	2,3	4,1	5,4	5,9	
= Adjusted Free Cash Flow	2,6	4,1	6,9	9,1	10,0	
Actual Market Cap	153,2	153,2	153,2	153,2	153,2	
+ Net debt (cash)	-4,5	-11,8	-18,6	-27,7	-37,1	
+ 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	
+ Adjustments prepayments	0,0	0,0	0,0	0,0	0,0	
- Financial assets	-28,0	-27,7	-27,7	-27,7	-27,7	
- Accumulated dividend payments	0,0	0,0	0,0	0,0	0,0	
<i>EV Reconciliations</i>	-32,5	-39,6	-46,4	-55,4	-64,8	
= Actual EV'	120,7	113,6	106,8	97,8	88,3	
Adjusted Free Cash Flow yield	2,1%	3,6%	6,4%	9,3%	11,3%	
Sales	8,6	28,5	40,6	47,5	49,9	
Actual EV/sales	14,1x	4,0x	2,6x	2,1x	1,8x	
Hurdle rate	7,5%	7,5%	7,5%	7,5%	7,5%	
FCF margin	30,1%	14,5%	16,9%	19,1%	20,1%	
Fair EV/sales	4,0x	1,9x	2,3x	2,5x	2,7x	
Fair EV	34,3	55,1	91,5	121,0	133,3	
- <i>EV Reconciliations</i>	-32,5	-39,6	-46,4	-55,4	-64,8	
Fair Market Cap	66,8	94,7	137,9	176,4	198,2	
No. of shares (million)	14,4	14,4	14,4	14,4	14,4	
Fair value per share	4,6	6,6	9,6	12,3	13,8	
Premium (-) / discount (+) in %	-56,4%	-38,2%	-10,0%	15,2%	29,4%	
Sensitivity analysis fair value						
	5,0%	5,8	8,5	12,8	16,5	18,4
Hurdle rate	7,5%	4,6	6,6	9,6	12,3	13,8
	10,0%	4,0	5,6	8,0	10,2	11,5
	12,5%	3,7	5,1	7,0	8,9	10,1

Source: AlsterResearch

Financials

Profit and loss (EUR m)	2018	2019	2020E	2021E	2022E
Net sales	7,8	8,6	28,5	40,6	47,5
Sales growth	na	10%	233%	42%	17%
Increase/decrease in finished goods and work wip	0,0	0,0	0,0	0,0	0,0
Total sales	7,8	8,6	28,5	40,6	47,5
Other operating income	0,4	0,2	3,5	0,8	0,9
Material expenses	1,1	1,4	7,2	8,1	8,6
Personnel expenses	2,0	2,4	9,0	12,2	14,3
Other operating expenses	1,7	1,2	9,4	10,2	11,2
Total operating expenses	4,3	4,8	22,1	29,7	33,1
EBITDA	3,5	3,7	6,4	10,9	14,4
Depreciation	0,1	0,0	0,0	0,0	0,0
EBITA	3,4	3,7	6,4	10,9	14,4
Amortisation of goodwill and intangible assets	0,0	0,0	0,0	0,0	0,0
Impairment charges	0,0	0,0	0,0	0,0	0,0
EBIT	3,4	3,7	6,4	10,9	14,4
Financial result	0,3	-0,7	-0,3	0,0	0,0
Recurring pretax income from continuing operations	3,7	3,0	6,1	10,9	14,4
Extraordinary income/loss	0,0	0,0	0,0	0,0	0,0
Earnings before taxes	3,7	3,0	6,1	10,9	14,4
Taxes	0,4	1,1	2,3	4,1	5,4
Net income from continuing operations	3,2	1,9	3,8	6,9	9,1
Result from discontinued operations (net of tax)	0,0	0,0	0,0	0,0	0,0
Net income	3,2	1,9	3,8	6,9	9,1
Minority interest	0,0	0,0	0,0	0,0	0,0
Net profit (reported)	3,2	1,9	3,8	6,9	9,1
Average number of shares	13,3	14,4	14,4	14,4	14,4
EPS reported	0,24	0,13	0,27	0,48	0,63

Profit and loss (common size)	2018	2019	2020E	2021E	2022E
Net sales	100%	100%	100%	100%	100%
Increase/decrease in finished goods and work wip	0%	0%	0%	0%	0%
Total sales	100%	100%	100%	100%	100%
Other operating income	6%	2%	12%	2%	2%
Material expenses	14%	16%	25%	20%	18%
Personnel expenses	26%	28%	32%	30%	30%
Other operating expenses	21%	14%	33%	25%	24%
Total operating expenses	55%	57%	78%	73%	70%
EBITDA	45%	43%	22%	27%	30%
Depreciation	1%	0%	0%	0%	0%
EBITA	44%	43%	22%	27%	30%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%
Impairment charges	0%	0%	0%	0%	0%
EBIT	44%	43%	22%	27%	30%
Financial result	3%	-8%	-1%	0%	0%
Recurring pretax income from continuing operations	47%	35%	21%	27%	30%
Extraordinary income/loss	0%	0%	0%	0%	0%
Earnings before taxes	47%	35%	21%	27%	30%
Taxes	5%	13%	8%	10%	11%
Net income from continuing operations	42%	22%	13%	17%	19%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%
Net income	42%	22%	13%	17%	19%
Minority interest	0%	0%	0%	0%	0%
Net profit (reported)	42%	22%	13%	17%	19%

Source: Company data; AlsterResearch

Balance sheet (EUR m)	2018	2019	2020E	2021E	2022E
Intangible assets	0,2	0,2	0,2	0,2	0,2
Property, plant and equipment	0,0	0,0	0,1	0,1	0,2
Financial assets	10,0	28,0	27,7	27,7	27,7
FIXED ASSETS	10,2	28,3	28,0	28,1	28,1
Inventories	0,0	0,0	0,0	0,0	0,0
Accounts receivable	0,5	0,5	0,0	0,0	0,0
Other current assets	0,8	2,6	0,0	0,0	0,0
Liquid assets	9,3	4,5	11,8	18,6	27,7
Deferred taxes	0,0	0,0	0,0	0,0	0,0
Deferred charges and prepaid expenses	0,0	0,1	0,0	0,0	0,0
CURRENT ASSETS	10,6	7,8	11,8	18,6	27,7
TOTAL ASSETS	20,8	36,0	39,9	46,7	55,8
SHAREHOLDERS EQUITY	19,3	27,1	31,6	38,5	47,6
MINORITY INTEREST	0,0	0,0	0,0	0,0	0,0
Long-term debt	0,0	0,0	0,0	0,0	0,0
Provisions for pensions and similar obligations	0,0	0,0	0,0	0,0	0,0
Other provisions	0,7	1,2	1,2	1,2	1,2
Non-current liabilities	0,7	1,2	1,2	1,2	1,2
short-term liabilities to banks	0,0	0,0	0,0	0,0	0,0
Accounts payable	0,2	0,2	0,0	0,0	0,0
Advance payments received on orders	0,0	0,0	0,0	0,0	0,0
Other liabilities (incl. from lease and rental contracts)	0,2	7,0	7,0	7,0	7,0
Deferred taxes	0,0	0,0	0,0	0,0	0,0
Deferred income	0,4	0,4	0,0	0,0	0,0
Current liabilities	0,4	7,2	7,0	7,0	7,0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	20,8	36,0	39,9	46,7	55,8

Balance sheet (common size)	2018	2019	2020E	2021E	2022E
Intangible assets	1%	1%	1%	0%	0%
Property, plant and equipment	0%	0%	0%	0%	0%
Financial assets	48%	78%	70%	59%	50%
FIXED ASSETS	49%	78%	70%	60%	50%
Inventories	0%	0%	0%	0%	0%
Accounts receivable	2%	1%	0%	0%	0%
Other current assets	4%	7%	0%	0%	0%
Liquid assets	45%	12%	30%	40%	50%
Deferred taxes	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%
CURRENT ASSETS	51%	22%	30%	40%	50%
TOTAL ASSETS	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	93%	75%	79%	82%	85%
MINORITY INTEREST	0%	0%	0%	0%	0%
Long-term debt	0%	0%	0%	0%	0%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%
Other provisions	3%	3%	3%	3%	2%
Non-current liabilities	3%	3%	3%	3%	2%
short-term liabilities to banks	0%	0%	0%	0%	0%
Accounts payable	1%	1%	0%	0%	0%
Advance payments received on orders	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	1%	20%	18%	15%	13%
Deferred taxes	0%	0%	0%	0%	0%
Deferred income	2%	1%	0%	0%	0%
Current liabilities	2%	20%	18%	15%	13%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2018	2019	2020E	2021E	2022E
Net profit/loss	3,2	1,9	3,8	6,9	9,1
Depreciation of fixed assets (incl. leases)	0,0	0,0	0,0	0,0	0,0
Amortisation of goodwill	0,0	0,0	0,0	0,0	0,0
Amortisation of intangible assets	0,1	0,0	0,0	0,0	0,0
Others	0,0	0,0	0,0	0,0	0,0
Cash flow from operations before changes in w/c	3,3	1,9	3,8	6,9	9,1
Increase/decrease in inventory	0,0	0,0	0,0	0,0	0,0
Increase/decrease in accounts receivable	-0,3	0,1	0,5	0,0	0,0
Increase/decrease in accounts payable	0,0	0,0	-0,2	0,0	0,0
Increase/decrease in other w/c positions	0,0	6,9	0,0	0,0	0,0
Increase/decrease in working capital	-0,3	6,9	0,4	0,0	0,0
Cash flow from operating activities	3,0	8,9	4,2	6,9	9,1
CAPEX	-0,2	0,0	0,1	0,1	0,1
Payments for acquisitions	0,0	-15,0	0,0	0,0	0,0
Financial investments	-10,4	-4,7	0,0	0,0	0,0
Income from asset disposals	0,0	0,0	3,5	0,0	0,0
Cash flow from investing activities	-10,6	-19,7	3,4	-0,1	-0,1
Cash flow before financing	-7,5	-10,9	7,6	6,8	9,0
Increase/decrease in debt position	0,0	0,0	0,0	0,0	0,0
Purchase of own shares	0,0	0,0	0,0	0,0	0,0
Capital measures	13,4	5,8	0,0	0,0	0,0
Dividends paid	0,0	0,0	0,0	0,0	0,0
Others	0,0	0,0	0,0	0,0	0,0
Effects of exchange rate changes on cash	0,0	0,0	0,0	0,0	0,0
Cash flow from financing activities	13,4	5,8	0,0	0,0	0,0
Increase/decrease in liquid assets	5,8	-5,1	7,6	6,8	9,0
Liquid assets at end of period	9,2	4,2	11,8	18,6	27,7

Source: Company data; AlsterResearch

Ratios	2018	2019	2020E	2021E	2022E
Per share data					
Earnings per share reported	0,24	0,13	0,27	0,48	0,63
Cash flow per share	0,23	0,61	0,29	0,48	0,63
Book value per share	1,45	1,89	2,20	2,68	3,31
Dividend per share	0,00	0,00	0,00	0,00	0,00
Valuation					
P/E	43,9x	80,6x	39,9x	22,3x	16,9x
P/CF	46,9x	17,3x	36,6x	22,3x	16,9x
P/BV	7,4x	5,6x	4,8x	4,0x	3,2x
Dividend yield (%)	0,0%	0,0%	0,0%	0,0%	0,0%
FCF yield (%)	2,5%	2,1%	3,6%	6,4%	9,3%
EV/Sales	17,1	17,4	5,0	3,3	2,6
EV/EBITDA	38,2	40,1	22,1	12,3	8,7
EV/EBIT	39,0	40,3	22,1	12,3	8,7
Income statement (EURm)					
Sales	7,8	8,6	28,5	40,6	47,5
yoy chg in %	na	10,0%	233,3%	42,5%	17,0%
Gross profit	0,0	0,0	0,0	0,0	0,0
Gross margin in %	0,0%	0,0%	0,0%	0,0%	0,0%
EBITDA	3,5	3,7	6,4	10,9	14,4
EBITDA margin in %	44,7%	43,3%	22,5%	26,9%	30,4%
EBIT	3,4	3,7	6,4	10,9	14,4
EBIT margin in %	43,8%	43,1%	22,5%	26,9%	30,4%
Net profit	3,2	1,9	3,8	6,9	9,1
Cash flow statement (EURm)					
CF from operations	3,0	8,9	4,2	6,9	9,1
Capex	-0,2	0,0	0,1	0,1	0,1
Maintenance Capex	0,0	0,0	0,0	0,0	0,0
Free cash flow	3,2	8,9	4,1	6,8	9,0
Balance sheet (EURm)					
Intangible assets	0,2	0,2	0,2	0,2	0,2
Tangible assets	0,0	0,0	0,1	0,1	0,2
Shareholders' equity	19,3	27,1	31,6	38,5	47,6
Pension provisions	0,0	0,0	0,0	0,0	0,0
Liabilities and provisions	0,7	1,2	1,2	1,2	1,2
Net financial debt	-9,3	-4,5	-11,8	-18,6	-27,7
w/c requirements	0,8	1,0	0,5	0,0	0,0
Ratios					
ROE	17%	7%	12%	18%	19%
ROCE	30%	15%	21%	30%	33%
Net gearing	-48%	-17%	-37%	-48%	-58%
Net debt / EBITDA	-2,67	-1,21	-1,85	-1,71	-1,92

Source: Company data; AlsterResearch

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