

LAIQON AG

Germany | Financial Services | MCap EUR 112.2m

7 February 2024

UPDATE



Strong sales growth and record AuMs in a volatile market; BUY

What's it all about?

LAIQON's preliminary FY23 results showcased robust sales growth of 42% amid record-high AuMs of EUR 6.1bn. FY23 sales reached EUR 30.7m, driven by all operating units, notably LAIQON Digital Wealth with nearly 180% yoy revenue growth. However, the company was unable to generate significant performance fees, contributing to a shortfall compared to our expectations. Despite this, we remain optimistic about potential performance fees in FY24, given products nearing hurdle rates. Still, EBITDA improved significantly to EUR -4.75m, attributed to scaling effects and streamlined internal processes, despite ongoing investments in personnel and upfront investments with regards to LAIQON's cooperation agreements with Union Investment. Looking ahead, we anticipate further growth by capitalizing on economies of scale, cost efficiencies, and by executing its sales strategy. Consequently, we maintain our BUY rating, with a slightly adjusted PT of EUR 10.50 (old EUR 10.75), reflecting confidence in the company's long-term prospects.

BUY (BUY)

Target price	EUR 10.50 (10.75)
Current price	EUR 6.42
Up/downside	63.6%



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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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LAIQON AG

Germany | Financial Services | MCap EUR 112.2m | EV EUR 148.7m

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Strong sales growth and record AuMs in a volatile market; BUY

42% sales growth on record high AuMs LAIQON released prelim. results for FY23 results, which - broadly speaking - were a repeat of the first half of FY23. Revenues increased by more than 42% yoy to EUR 30.7m (H1 '23 EUR 15.9m), driven by all three operating units, with LAIQON Digital Wealth standing out with nearly 180% yoy revenue growth. This strong performance was also driven by further organic AuM growth, which added another EUR 400m to end the year at a record EUR 6.1bn. As in the previous year, the LAIQON Group was not able to generate any significant performance fees in FY23, which we believe is the main reason for the shortfall compared to our expectations (eAR EUR 36.7m FY23 sales). However, we are encouraged by the company's announcement that some of the Group's products and strategies are close to their hurdle rates again, suggesting that performance fees will resume in FY24 as long as the capital market remains stable.

Significant improvement in EBITDA but still loss making In FY23, LAIQON halved its operating loss to an EBITDA of EUR -4.75m compared to EUR -9.9m in FY22. The significant improvement was driven by economies of scale and efficiency gains from internal process streamlining. Nevertheless, LAIQON continued to invest, mainly in human resources, to strengthen its IT capabilities, as well as upfront investments of EUR 1.5m related to the recently signed cooperation agreement with Union Investment. However, the absence of performance fees led to a shortfall compared to our estimates, which were eyeing at an EBITDA of c. EUR -1m.

Conclusion Despite strong revenue growth and a notable increase in AuM, LAIQON's performance in FY23 was slightly below expectations due to the absence of performance fees. Nevertheless, the continued AuM growth amidst market volatility signals LAIQON's progress towards establishing itself as an asset management factory. With products approaching hurdle rates, the potential for performance fees in FY24 is promising. In addition, we expect further gradual improvements in all KPIs in FY24 by leveraging economies of scale, cost efficiencies and by executing on its organic sales and cooperation strategy. We therefore reiterate our BUY rating, albeit with a slightly adjusted PT of EUR 10.50 (previously EUR 10.75), reflecting our confidence in the company's long-term potential and strategic direction.



Source: Company data, AlsterResearch

High/low 52 weeks 8.84 / 5.84
Price/Book Ratio 1.5x

Ticker / Symbols

ISIN DE000A12UP29
WKN A12UP2
Bloomberg LQAG:GR

Changes in estimates

		Sales	EBIT	EPS
2023P	old	36.7	-6.7	-0.18
	Δ	-16.4%	na%	na%
2024E	old	48.8	0.6	-0.01
	Δ	-16.4%	na%	na%
2025E	old	60.5	7.3	0.29
	Δ	-16.4%	-28.0%	-30.6%

Key share data

Number of shares: (in m pcs) 17.48
Book value per share: (in EUR) 4.38
Ø trading volume: (12 months) 20,000

Major shareholders

DEWB 19.0%
SPSW investors 8.0%
Plate Family Office (CEO) 8.0%
Free Float 57.0%

Company description

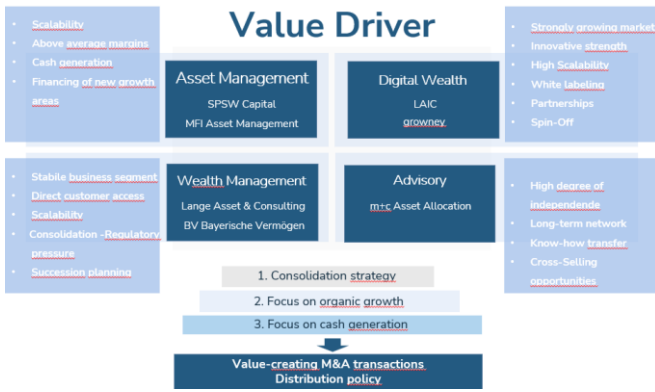
LAIQON (formerly Lloyd Fonds AG) is an independent asset and wealth manager with focus on actively managed non-benchmark funds as well as digitizing wealth management via its LAIC Advisor.

LAIQON AG	2020	2021	2022	2023P	2024E	2025E
Sales	27.7	26.1	21.6	30.7	40.8	50.6
<i>Growth yoy</i>	237.3%	-5.8%	-17.4%	42.1%	33.0%	24.0%
EBITDA	6.6	18.3	-9.9	-4.7	5.3	10.6
EBIT	2.8	14.3	-14.7	-10.7	-0.4	5.2
Net profit	-0.7	18.8	-10.2	-6.3	-1.0	3.5
Net debt (net cash)	10.6	12.7	36.5	32.5	29.8	21.4
Net debt/EBITDA	1.6x	0.7x	-3.7x	-6.9x	5.6x	2.0x
EPS reported	-0.05	1.41	-0.67	-0.36	-0.05	0.20
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	96.1%	100.0%	83.0%	85.0%	89.0%	90.0%
EBITDA margin	23.6%	70.0%	-46.1%	-15.4%	13.0%	21.0%
EBIT margin	10.1%	54.9%	-67.9%	-34.9%	-0.9%	10.4%
ROCE	3.1%	18.5%	-12.3%	-11.7%	-0.4%	6.1%
EV/EBITDA	18.7x	6.8x	-15.0x	-30.7x	26.8x	12.6x
EV/EBIT	43.8x	8.7x	-10.1x	-13.5x	-380.3x	25.5x
PER	-121.1x	4.5x	-9.6x	-17.9x	-117.1x	31.6x
FCF yield	-3.2%	21.5%	-4.9%	3.1%	1.9%	7.2%

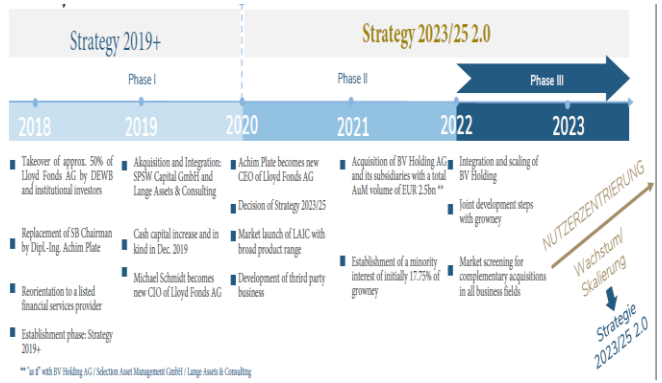
Source: Company data, AlsterResearch

Investment case in six charts

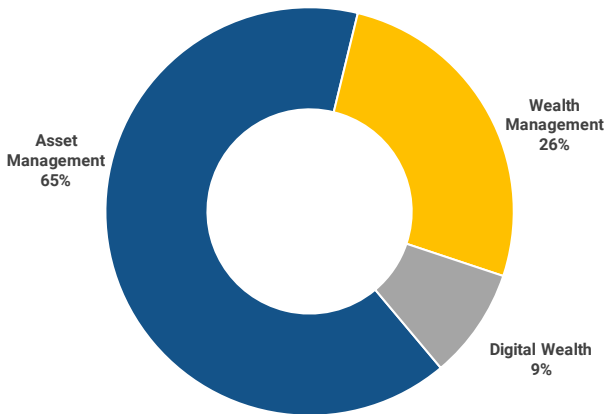
Industrial logic of a successful acquisition strategy



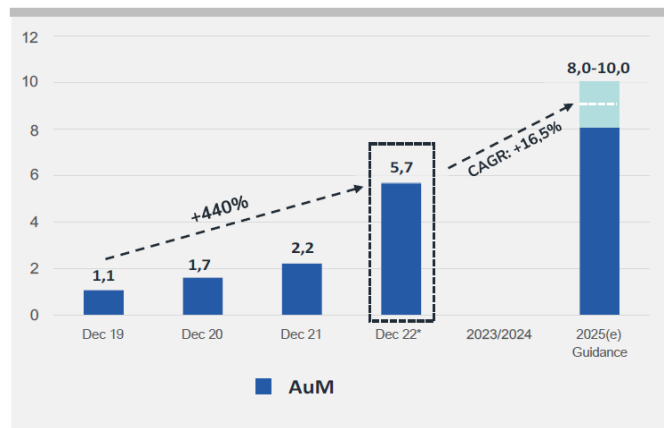
Group Strategy



Segments of LAIQON AG after 2023 (% AuM)



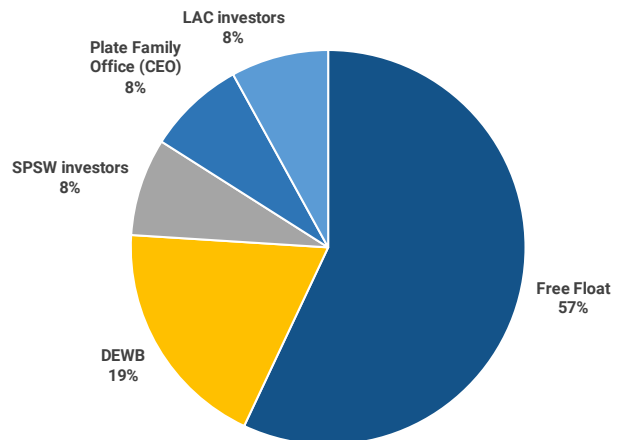
Medium-term guidance of EUR 8.0bn - 10.0bn



Platform Strategy - Wealth Experience - UX

Clients	<ul style="list-style-type: none"> Focus on Evolving Customer Needs Focus is on the Client's Wealth Goals Dynamic Customer Segmentation Without Standards Permanent Availability of Modern Reporting Structures Service Excellence Centre and Contact Management
Wealth Solutions	<ul style="list-style-type: none"> Maximum Transparency in Asset Management Client-Specific Risk-Reward Profiles Product Portfolio Individualised in Article 8/9 Focus on Personal Sustainability Preferences Fully Individualised Risk Management
Wealth Products	<ul style="list-style-type: none"> Positioning as a Full-Service Provider Clear Defined and Scalable Strategies Product Portfolio consisting of Article 8/9 Solutions Optimised Investment Decisions Through Data and AI Forward-Looking Digital Solutions
Platform Strategy	<ul style="list-style-type: none"> DAP 4.0 Supports All Functions and Areas Digitally Supported Touch Points Data and KPI-Driven Marketing Digital Optimisation and Automation Potential

Major shareholder



Source: Company data; AlsterResearch

SWOT analysis

Strengths

- Among the largest independent asset and wealth management firms in Germany
- Broad product offering due to platform model
- Strategic management with innovative vision
- Proportion of fixed revenues on the rise
- Scalable business model
- AuM Growth above Industry

Weaknesses

- Some funds have fallen more than market in the 2022 downturn
- High personal costs in a market downturn
- Relative high cost-income ratio
- Premium to peer group

Opportunities

- Market recovery could lead to fund inflows
- Outperformance of funds could lead to inflows
- Platform model with cross selling opportunities
- Active management could cushion sell-off
- Company should benefit from latest acquisitions

Threats

- Prolonged bear market could lead to fund outflows
- Underperformance of funds could lead to outflows
- Weak performance would lead to lower performance fees
- Integration of acquired companies could last longer than expected
- Higher interest rates and taxes likely to lead to lower stock returns in the future

Valuation

DCF Model

The DCF model results in a **fair value of EUR 10.56 per share**:

Top-line growth: We expect LAIQON AG to continue benefitting from structural growth. Hence our growth estimates for 2024E-2031E is in the range of 8.2% p.a. The long-term growth rate is set at 2.0%.

EBIT margins. We expect an improvement of EBIT margins based on our assumption of higher revenues due to acquisitions and the platform strategy. A market recovery should also lead to higher performance fees. Economies of scale of the One-Stop-Shop-model should boost profitability in expectation of more product sales/additional service offering per client.

WACC. The averaged 1-, 3- and 5-year historical equity beta is calculated as 1.30. Unlevering and correcting for mean reversion yields an asset beta of 1.00. Combined with a risk-free rate of 2.5% and an equity risk premium of 6.0% this yields cost of equity of 10.4%. With pre-tax cost of borrowing at 5.0%, a tax rate of 35.0% and target debt/equity of 0.5 this results in a long-term WACC of 8.1%.

DCF (EURm) (except per share data and beta)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal value
NOPAT	-0.2	4.1	4.4	6.2	7.9	9.4	10.3	10.9	
Depreciation & amortization	5.7	5.4	5.1	4.9	4.7	4.6	4.4	4.3	
Change in working capital	-1.5	-0.7	1.2	0.6	0.7	0.7	0.7	0.8	
Chg. in long-term provisions	0.5	0.5	0.3	0.1	0.1	0.2	0.2	0.2	
Capex	-0.8	-1.0	-1.1	-1.2	-1.2	-1.3	-1.4	-1.4	
Cash flow	3.7	8.3	9.8	10.7	12.3	13.5	14.3	14.6	246.8
Present value	3.4	7.1	7.7	7.8	8.2	8.4	8.1	7.7	133.9
WACC	8.7%	8.7%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.1%

DCF per share derived from	
Total present value	192.4
Mid-year adj. total present value	200.4
Net debt / cash at start of year	32.5
Financial assets	16.8
Provisions and off b/s debt	na
Equity value	184.6
No. of shares outstanding	17.5
Discounted cash flow / share upside/(downside)	10.56 / 64.5%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2024E-2031E)	8.2%
Terminal value growth (2031E - infinity)	2.0%
Terminal year ROCE	14.0%
Terminal year WACC	8.1%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	35.0%
Equity beta	1.30
Unlevered beta (industry or company)	1.00
Target debt / equity	0.5
Relevered beta	1.32
Risk-free rate	2.5%
Equity risk premium	6.0%
Cost of equity	10.4%

Share price	6.42
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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%		
2.0%		6.9	7.2	7.6	7.9	8.4	2024E-2027E	13.5%
1.0%		8.0	8.4	8.8	9.4	10.0	2028E-2031E	16.8%
0.0%		9.4	9.9	10.6	11.3	12.2	terminal value	69.6%
-1.0%		11.2	12.0	13.0	14.1	15.6		
-2.0%		13.7	15.0	16.6	18.6	21.2		

Source: AlsterResearch

FCF Yield Model

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 2.70 per share based on 2024E and EUR 11.14 per share on 2028E estimates.

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	2024E	2025E	2026E	2027E	2028E
EBITDA	5.3	10.6	11.1	14.6	17.2
- Maintenance capex	1.4	1.3	1.3	1.2	1.2
- Minorities	-0.2	0.6	0.7	1.1	1.4
- tax expenses	-0.1	0.5	0.9	2.4	3.1
= Adjusted FCF	4.2	8.2	8.3	9.9	11.5
Actual Market Cap	112.2	112.2	112.2	112.2	112.2
+ Net debt (cash)	29.8	21.4	11.1	-0.5	-14.1
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	16.8	16.8	16.8	16.8	16.8
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	13.0	4.6	-5.6	-17.3	-30.8
= Actual EV'	125.2	116.9	106.6	95.0	81.4
Adjusted FCF yield	3.4%	7.0%	7.8%	10.4%	14.1%
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
Fair EV	60.1	117.5	118.2	141.7	163.8
- <i>EV Reconciliations</i>	13.0	4.6	-5.6	-17.3	-30.8
Fair Market Cap	47.1	112.8	123.9	159.0	194.7
No. of shares (million)	17.5	17.5	17.5	17.5	17.5
Fair value per share in EUR	2.70	6.45	7.09	9.10	11.14
Premium (-) / discount (+)	-58.0%	0.5%	10.4%	41.7%	73.5%

Sensitivity analysis FV

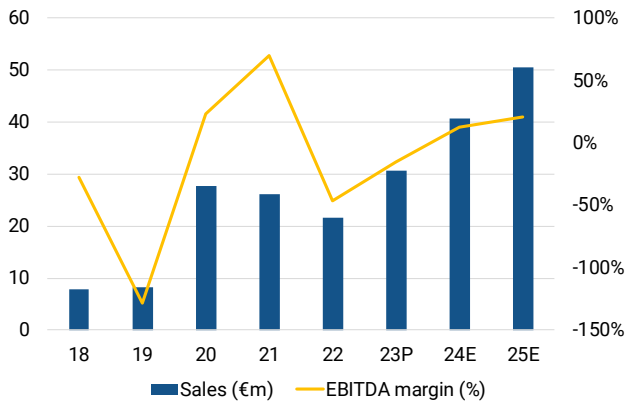
	5.0%	4.1	9.1	9.8	12.3	14.9
Adjusted hurdle rate	6.0%	3.3	7.6	8.2	10.4	12.7
	7.0%	2.7	6.5	7.1	9.1	11.1
	8.0%	2.3	5.6	6.2	8.1	10.0
	9.0%	1.9	5.0	5.6	7.3	9.1

Source: Company data; AlsterResearch

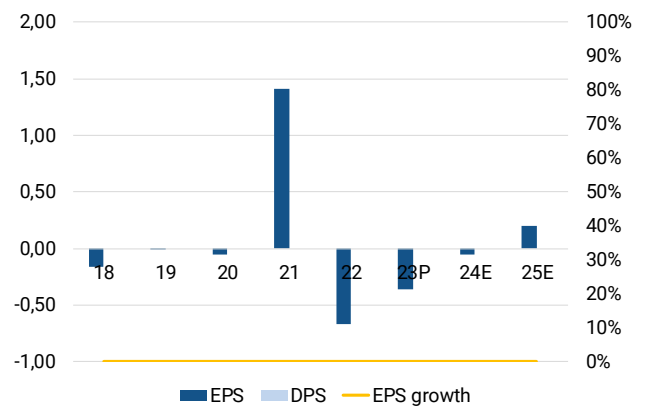
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments 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

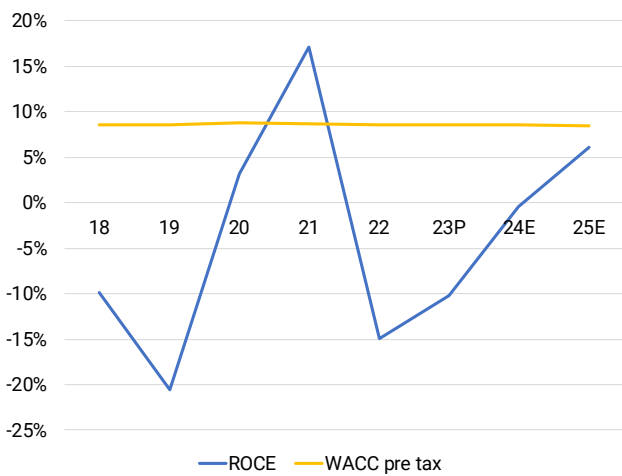
Sales vs. EBITDA margin development



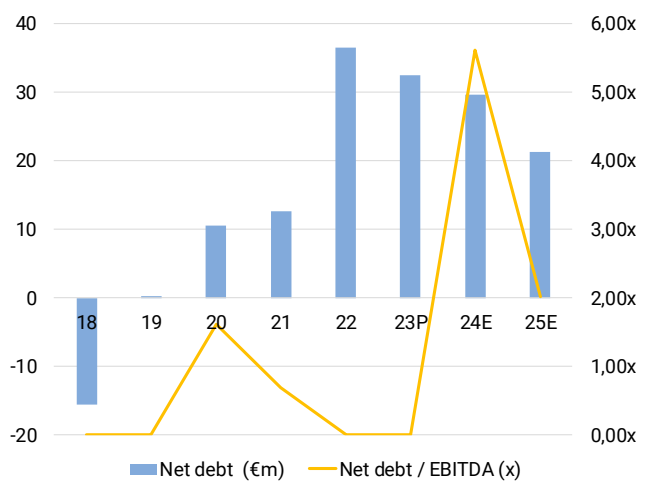
EPS, DPS in EUR & yoy EPS growth



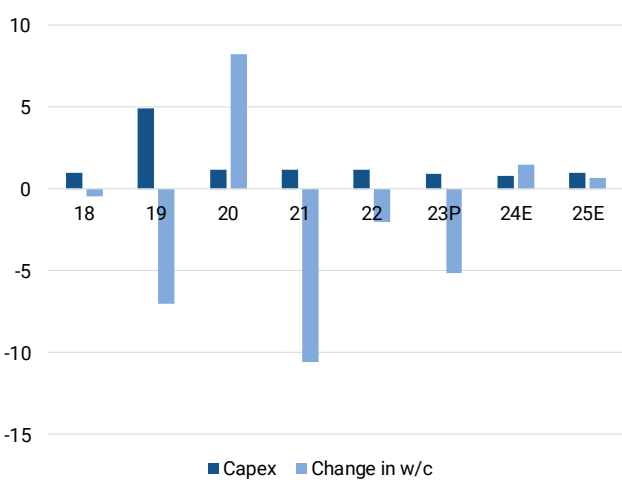
ROCE vs. WACC (pre tax)



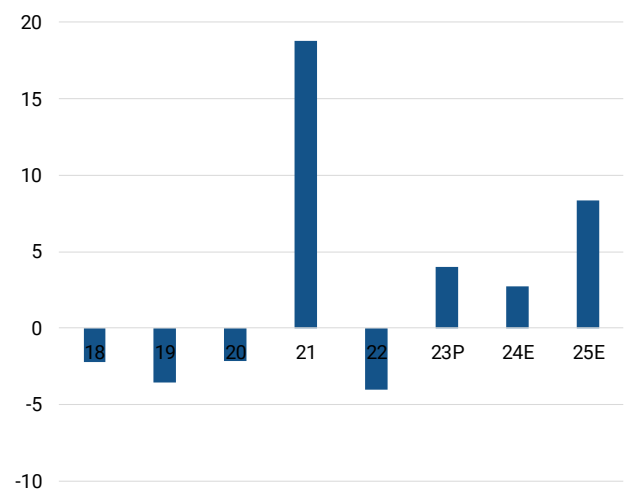
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EURm)	2020	2021	2022	2023P	2024E	2025E
Net sales	27.7	26.1	21.6	30.7	40.8	50.6
Sales growth	237.3%	-5.8%	-17.4%	42.1%	33.0%	24.0%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	27.7	26.1	21.6	30.7	40.8	50.6
Material expenses	1.1	0.0	3.7	4.6	4.5	5.1
Gross profit	26.7	26.1	17.9	26.1	36.3	45.5
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Personnel expenses	11.7	0.4	17.1	19.9	20.0	21.2
Other operating expenses	8.4	7.5	10.7	10.9	11.0	13.7
EBITDA	6.6	18.3	-9.9	-4.7	5.3	10.6
Depreciation	1.8	1.6	2.0	1.5	1.4	1.3
EBITA	4.8	16.7	-11.9	-6.2	3.9	9.3
Amortisation of goodwill and intangible assets	2.0	2.3	2.7	4.5	4.3	4.1
EBIT	2.8	14.3	-14.7	-10.7	-0.4	5.2
Financial result	-5.8	5.7	-1.6	2.5	-0.9	-0.6
Recurring pretax income from continuing operations	-3.0	20.1	-16.3	-8.2	-1.3	4.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-3.0	20.1	-16.3	-8.2	-1.3	4.6
Taxes	-4.0	-0.2	-5.7	-0.8	-0.1	0.5
Net income from continuing operations	1.0	20.3	-10.5	-7.4	-1.1	4.2
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	1.0	20.3	-10.5	-7.4	-1.1	4.2
Minority interest	-1.7	-1.5	0.4	1.1	0.2	-0.6
Net profit (reported)	-0.7	18.8	-10.2	-6.3	-1.0	3.5
Average number of shares	13.27	13.33	15.21	17.48	17.48	17.48
EPS reported	-0.05	1.41	-0.67	-0.36	-0.05	0.20

Profit and loss (common size)	2020	2021	2022	2023P	2024E	2025E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
Total sales	100%	100%	100%	100%	100%	100%
Material expenses	4%	0%	17%	15%	11%	10%
Gross profit	96%	100%	83%	85%	89%	90%
Other operating income	0%	0%	0%	0%	0%	0%
Personnel expenses	42%	1%	79%	65%	49%	42%
Other operating expenses	30%	29%	50%	35%	27%	27%
EBITDA	24%	70%	-46%	-15%	13%	21%
Depreciation	6%	6%	9%	5%	3%	3%
EBITA	17%	64%	-55%	-20%	10%	18%
Amortisation of goodwill and intangible assets	7%	9%	13%	15%	11%	8%
EBIT	10%	55%	-68%	-35%	-1%	10%
Financial result	-21%	22%	-8%	8%	-2%	-1%
Recurring pretax income from continuing operations	-11%	77%	-75%	-27%	-3%	9%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-11%	77%	-75%	-27%	-3%	9%
Taxes	-14%	-1%	-27%	-3%	-0%	1%
Net income from continuing operations	4%	78%	-49%	-24%	-3%	8%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	4%	78%	-49%	-24%	-3%	8%
Minority interest	-6%	-6%	2%	4%	0%	-1%
Net profit (reported)	-3%	72%	-47%	-20%	-2%	7%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2020	2021	2022	2023P	2024E	2025E
Intangible assets (exl. Goodwill)	56.2	54.8	90.3	85.8	81.5	77.4
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	11.5	9.9	10.4	9.9	9.3	9.0
Financial assets	16.8	19.3	16.8	16.8	16.8	16.8
FIXED ASSETS	84.5	84.0	117.5	112.4	107.6	103.2
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	18.9	6.2	9.9	6.7	7.8	9.7
Other current assets	1.8	9.9	0.9	0.9	0.9	0.9
Liquid assets	8.4	16.3	10.4	-7.5	-7.8	-6.4
Deferred taxes	0.0	0.5	1.1	1.1	1.1	1.1
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	29.1	33.0	22.3	1.2	2.1	5.3
TOTAL ASSETS	113.7	117.0	139.8	113.6	109.6	108.5
SHAREHOLDERS EQUITY	37.9	43.3	66.6	59.2	58.1	62.2
MINORITY INTEREST	4.9	5.1	5.5	5.5	5.5	5.5
Long-term debt	17.7	18.3	44.6	15.0	12.0	10.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	27.8	0.3	0.3	1.5	2.0	2.5
Non-current liabilities	45.5	18.6	44.9	16.5	14.0	12.5
short-term liabilities to banks	1.3	10.7	2.3	10.0	10.0	5.0
Accounts payable	3.7	25.3	16.0	20.2	19.7	20.8
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	6.9	0.0	2.5	0.0	0.0	0.0
Deferred taxes	12.6	13.9	2.0	2.0	2.0	2.0
Deferred income	0.9	0.0	0.0	0.3	0.4	0.5
Current liabilities	25.5	50.0	22.9	32.4	32.0	28.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	113.7	117.0	139.8	113.6	109.6	108.5

Balance sheet (common size)	2020	2021	2022	2023P	2024E	2025E
Intangible assets (excl. Goodwill)	49%	47%	65%	75%	74%	71%
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	10%	8%	7%	9%	9%	8%
Financial assets	15%	16%	12%	15%	15%	15%
FIXED ASSETS	74%	72%	84%	99%	98%	95%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	17%	5%	7%	6%	7%	9%
Other current assets	2%	8%	1%	1%	1%	1%
Liquid assets	7%	14%	7%	-7%	-7%	-6%
Deferred taxes	0%	0%	1%	1%	1%	1%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	26%	28%	16%	1%	2%	5%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	33%	37%	48%	52%	53%	57%
MINORITY INTEREST	4%	4%	4%	5%	5%	5%
Long-term debt	16%	16%	32%	13%	11%	9%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	24%	0%	0%	1%	2%	2%
Non-current liabilities	40%	16%	32%	15%	13%	12%
short-term liabilities to banks	1%	9%	2%	9%	9%	5%
Accounts payable	3%	22%	11%	18%	18%	19%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	6%	0%	2%	0%	0%	0%
Deferred taxes	11%	12%	1%	2%	2%	2%
Deferred income	1%	0%	0%	0%	0%	0%
Current liabilities	22%	43%	16%	29%	29%	26%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2020	2021	2022	2023P	2024E	2025E
Net profit/loss	1.9	6.6	-10.5	-7.4	-1.1	4.2
Depreciation of fixed assets (incl. leases)	3.7	3.9	4.7	1.5	1.4	1.3
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	4.5	4.3	4.1
Others	1.8	-1.1	1.0	1.2	0.5	0.5
Cash flow from operations before changes in w/c	7.3	9.4	-4.8	-0.2	5.1	10.0
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-14.2	2.4	-5.3	3.2	-1.1	-1.9
Increase/decrease in accounts payable	1.9	1.8	1.4	4.1	-0.5	1.1
Increase/decrease in other w/c positions	4.1	6.3	5.9	-2.2	0.1	0.1
Increase/decrease in working capital	-8.3	10.6	2.0	5.1	-1.5	-0.7
Cash flow from operating activities	-0.9	20.0	-2.8	4.9	3.6	9.4
CAPEX	-1.2	-1.2	-1.2	-0.9	-0.8	-1.0
Payments for acquisitions	0.0	0.0	-13.6	0.0	0.0	0.0
Financial investments	0.0	-0.1	-2.2	0.0	0.0	0.0
Income from asset disposals	0.3	0.1	8.6	0.0	0.0	0.0
Cash flow from investing activities	-0.9	-1.1	-8.4	-0.9	-0.8	-1.0
Cash flow before financing	-1.9	18.9	-11.2	4.0	2.7	8.4
Increase/decrease in debt position	-0.8	-14.0	4.5	-21.9	-3.0	-7.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	12.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.1	5.0	-11.3	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	-0.7	-9.0	5.3	-21.9	-3.0	-7.0
Increase/decrease in liquid assets	-2.6	9.8	-5.9	-17.9	-0.3	1.4
Liquid assets at end of period	6.5	16.3	10.4	-7.5	-7.8	-6.4

Source: Company data; AlsterResearch

Regional sales split (EURm)	2020	2021	2022	2023P	2024E	2025E
Domestic	27.7	26.1	21.6	30.7	40.8	50.6
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
Total sales	27.7	26.1	21.6	30.7	40.8	50.6

Regional sales split (common size)	2020	2021	2022	2023P	2024E	2025E
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%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Ratios	2020	2021	2022	2023P	2024E	2025E
Per share data						
Earnings per share reported	-0.05	1.41	-0.67	-0.36	-0.05	0.20
Cash flow per share	-0.20	1.38	-0.32	0.20	0.12	0.46
Book value per share	2.85	3.25	4.38	3.39	3.32	3.56
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-121.1x	4.5x	-9.6x	-17.9x	-117.1x	31.6x
P/CF	-31.6x	4.7x	-20.3x	32.4x	51.7x	13.9x
P/BV	2.2x	2.0x	1.5x	1.9x	1.9x	1.8x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-3.2%	21.5%	-4.9%	3.1%	1.9%	7.2%
EV/Sales	4.4x	4.8x	6.9x	4.7x	3.5x	2.6x
EV/EBITDA	18.7x	6.8x	-15.0x	-30.7x	26.8x	12.6x
EV/EBIT	43.8x	8.7x	-10.1x	-13.5x	-380.3x	25.5x
Income statement (EURm)						
Sales	27.7	26.1	21.6	30.7	40.8	50.6
yoy chg in %	237.3%	-5.8%	-17.4%	42.1%	33.0%	24.0%
Gross profit	26.7	26.1	17.9	26.1	36.3	45.5
Gross margin in %	96.1%	100.0%	83.0%	85.0%	89.0%	90.0%
EBITDA	6.6	18.3	-9.9	-4.7	5.3	10.6
EBITDA margin in %	23.6%	70.0%	-46.1%	-15.4%	13.0%	21.0%
EBIT	2.8	14.3	-14.7	-10.7	-0.4	5.2
EBIT margin in %	10.1%	54.9%	-67.9%	-34.9%	-0.9%	10.4%
Net profit	-0.7	18.8	-10.2	-6.3	-1.0	3.5
Cash flow statement (EURm)						
CF from operations	-0.9	20.0	-2.8	4.9	3.6	9.4
Capex	-1.2	-1.2	-1.2	-0.9	-0.8	-1.0
Maintenance Capex	1.8	1.6	2.0	1.5	1.4	1.3
Free cash flow	-2.1	18.8	-4.0	4.0	2.7	8.4
Balance sheet (EURm)						
Intangible assets	56.2	54.8	90.3	85.8	81.5	77.4
Tangible assets	11.5	9.9	10.4	9.9	9.3	9.0
Shareholders' equity	37.9	43.3	66.6	59.2	58.1	62.2
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	46.8	29.3	47.2	26.5	24.0	17.5
Net financial debt	10.6	12.7	36.5	32.5	29.8	21.4
w/c requirements	15.2	-19.1	-6.1	-13.4	-11.8	-11.1
Ratios						
ROE	2.7%	46.9%	-15.8%	-12.5%	-1.9%	6.7%
ROCE	3.1%	18.5%	-12.3%	-11.7%	-0.4%	6.1%
Net gearing	27.9%	29.4%	54.8%	54.9%	51.2%	34.4%
Net debt / EBITDA	1.6x	0.7x	-3.7x	-6.9x	5.6x	2.0x

Source: Company data; AlsterResearch

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