

LAIQON AG

Germany | Financial Services | MCap EUR 137.6m

24 August 2023

UPDATE



Further operational progress in H1 '23; Reiterate to BUY

What's it all about?

Alongside its AGM, LAIQON (LQAG) also released prelim. H1 '23 results, which were reassuring. Sales increased by a massive 81% yoy to EUR 15.9m – in-line with eAR of EUR 15.8m. The company benefits from increased AuM, which grew by 28% yoy to EUR 6bn in H1 '23 as well as mix effects towards higher margin products. Consequently, EBITDA also improved significantly and came in at EUR -2.0m effectively cutting the loss in third from the same period last year (H1 '22: EUR -6.7m). With these results, LQAG looks well positioned to achieve our FY estimates backed by the expansion of own distribution channels and economies of scale of the platform with more than 50 wealth products and solutions. Mid-term, i.e. by 2025, LQAG expects AuM to grow organically to EUR 8-10bn, which we believe is realistic. We therefore reiterate our BUY rating with unchanged PT of EUR 10.75.

BUY (BUY)

Target price	EUR 10.75 (10.75)
Current price	EUR 7.86
Up/downside	36.8%



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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 137.6m | EV EUR 174.1m

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Further operational progress in H1 '23; Reiterate to BUY

H1 '23 results in line with expectations. On the occasion of the AGM, LAIQON AG (LQAG) presented its preliminary results for H1 '23. With EUR 15.9m, sales rose by a strong 81% yoy (eAR: EUR 15.8m), consisting exclusively of fixed fees. As in the previous first half, there were no performance fees in H1 '23. This strong sales growth was partly driven by further increases in AuM, which grew by 28% yoy to EUR 6bn in H1 '23 (AR: EUR 5.9 bn), but also mix-shift effects, towards higher margin products. Organically, AuM grew by EUR 0.3bn from EUR 5.7bn at the end of 2022.

Cutting losses in third On the back of the strong sales development, EBITDA also improved significantly. In fact, EBITDA came in at EUR -2.0m (eAR: EUR -2.1m), effectively cutting the loss in third vs. the same period last year. For the full year, we see LQAG on a good way to achieve our EUR -0.7m EBITDA forecast, not least due to the expansion of its distribution channels as well as economies of scale of the platform with more than 50 wealth products and solutions. It goes without saying, that a potentially strong equity market performance in H2 '23 and the end of the ECB rate hike cycle could also act as a catalyst for improved earnings in H2.

LQAG expects AuM to rise to EUR 8-10bn by 2025. With its platform growth strategy, LQAG expects AuM to grow organically to EUR 8-10bn by 2025. In addition to the focus on sustainable investments and the further development of AI in portfolio management, this includes in particular the expansion of the partnerships initiated with the German cooperative banking sector. In addition, with a full range of sustainable wealth products and solutions, LQAG is well positioned to attract both private and institutional clients through its direct distribution network and white label partnerships.

Reiterate BUY with unchanged PT. LQAG continues to make operational progress and is establishing itself as one of the leading digital asset platforms in Germany. We therefore see the equity story being confirmed, which is why we reiterate our BUY rating with an unchanged PT of EUR 10.75, leaving more than 35% upside.

LAIQON AG	2020	2021	2022	2023E	2024E	2025E
Sales	27.7	26.1	21.6	36.7	48.8	60.5
<i>Growth yoy</i>	237.3%	-5.8%	-17.4%	70.0%	33.0%	24.0%
EBITDA	6.6	4.6	-9.9	-0.7	6.3	12.7
EBIT	2.8	0.7	-14.7	-6.7	0.6	7.3
Net profit	-0.7	5.2	-10.2	-3.2	-0.2	5.1
Net debt (net cash)	10.6	12.7	36.5	30.9	22.8	12.7
Net debt/EBITDA	1.6x	2.8x	-3.7x	-42.1x	3.6x	1.0x
EPS reported	-0.05	0.39	-0.67	-0.18	-0.01	0.29
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%	89.7%	83.0%	88.0%	89.0%	90.0%
EBITDA margin	23.6%	17.6%	-46.1%	-2.0%	13.0%	21.0%
EBIT margin	10.1%	2.6%	-67.9%	-18.3%	1.3%	12.0%
ROCE	3.1%	0.9%	-12.3%	-7.1%	0.7%	7.9%
EV/EBITDA	22.6x	32.6x	-17.5x	-229.7x	25.3x	11.8x
EV/EBIT	52.8x	223.6x	-11.9x	-25.1x	249.7x	20.7x
PER	-148.3x	20.3x	-11.8x	-42.7x	-755.8x	26.9x
FCF yield	-2.6%	17.5%	-4.0%	3.8%	5.6%	7.2%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 10.40 / 4.98
Price/Book Ratio 1.8x

Ticker / Symbols

ISIN DE000A12UP29
WKN A12UP2
Bloomberg LQAG:GR

Changes in estimates

		Sales	EBIT	EPS
2023E	old	34.1	-10.6	-0.35
	Δ	7.6%	na%	na%
2024E	old	45.0	-3.9	-0.21
	Δ	8.4%	na%	na%
2025E	old	58.5	-0.7	-0.06
	Δ	3.4%	na%	na%

Key share data

Number of shares: (in m pcs) 17.50
Book value per share: (in EUR) 4.38
Ø trading volume: (12 months) 20,000

Major shareholders

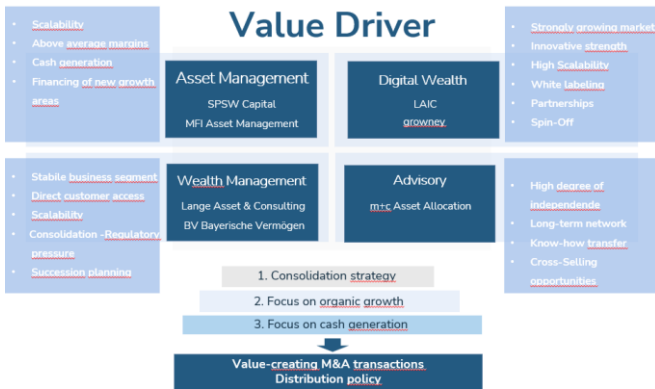
DEWB 19.0%
SPSW investors 8.0%
Plate Family Office (CEO) 8.0%
Free Float 57.0%

Company description

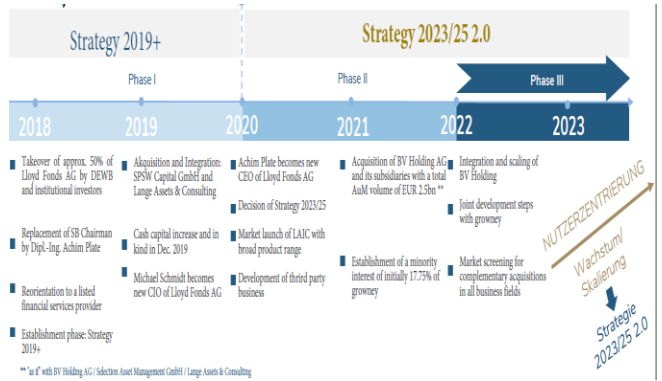
LAIQON (formerly Lloyd Fonds AG) is an independent asset and wealth manager with focus on actively managed non-benchmark funds as well as digitizing wealth management via its LAIC Advisor.

Investment case in six charts

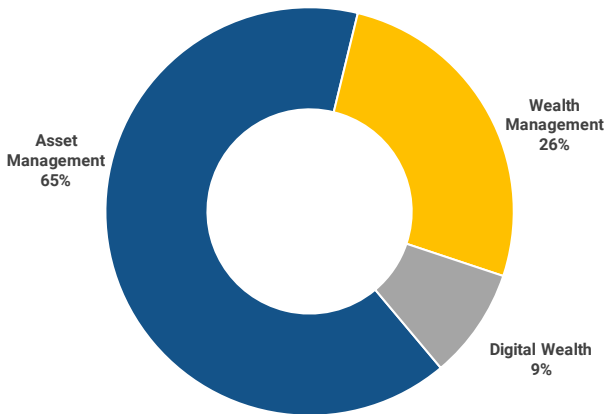
Industrial logic of a successful acquisition strategy



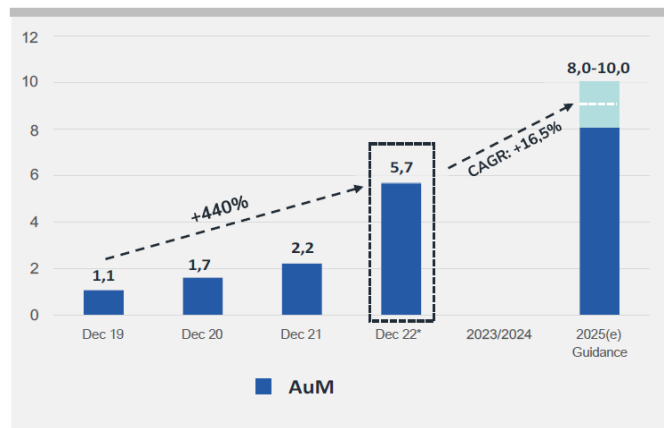
Group Strategy



Segments of LAIQON AG after 2023 (% AuM)



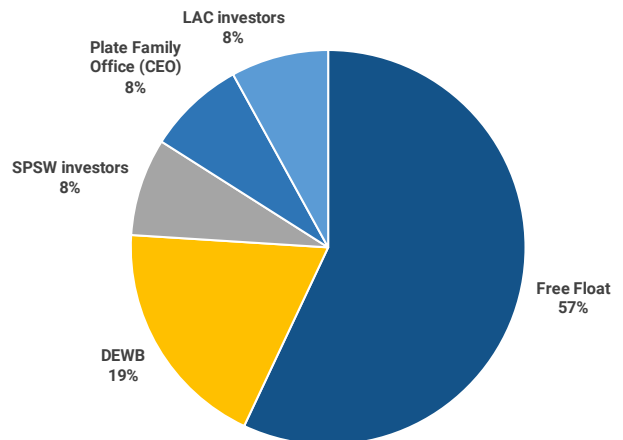
Medium-term guidance of EUR 8.0bn - 10.0bn



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 10.76 per share**:

Top-line growth: We expect LAIQON AG to continue benefitting from structural growth. Hence our growth estimates for 2023E-2030E is in the range of 12.0% 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 1.11. Combined with a risk-free rate of 2.5% and an equity risk premium of 6.0% this yields cost of equity of 11.3%. 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 8.6%.

DCF (EURm) (except per share data and beta)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	-5.5	0.6	5.6	6.4	8.0	9.6	10.3	11.0	
Depreciation & amortization	6.0	5.7	5.4	5.2	5.0	4.8	4.7	4.5	
Change in working capital	3.0	3.0	-0.8	1.4	0.8	0.8	0.8	0.9	
Chg. in long-term provisions	1.5	0.6	0.6	0.3	0.2	0.2	0.2	0.2	
Capex	-1.1	-1.0	-1.2	-1.3	-1.4	-1.5	-1.5	-1.6	
Cash flow	3.9	9.0	9.7	11.9	12.5	13.9	14.4	15.0	231.3
Present value	4.0	8.5	8.3	9.4	9.1	9.2	8.8	8.4	133.3
WACC	9.4%	9.3%	9.3%	9.2%	9.1%	9.1%	9.2%	9.2%	8.6%

DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	199.1	Planning horizon avg. revenue growth (2023E-2030E)	12.0%
Mid-year adj. total present value	208.0	Terminal value growth (2030E - infinity)	2.0%
Net debt / cash at start of year	36.5	Terminal year ROCE	13.9%
Financial assets	16.8	Terminal year WACC	8.6%
Provisions and off b/s debt	na		
Equity value	188.2		
No. of shares outstanding	17.5		
Discounted cash flow / share upside/(downside)	10.76 / 36.8%		
		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)	1.11
		Target debt / equity	0.5
		Relevered beta	1.47
		Risk-free rate	2.5%
		Equity risk premium	6.0%
		Cost of equity	11.3%
Share price	7.86		

Sensitivity analysis DCF							Share of present value		
Change in WACC (%-points)		Long term growth					2023E-2026E	2027E-2030E	terminal value
		1.0%	1.5%	2.0%	2.5%	3.0%			
2.0%		7.4	7.7	8.1	8.4	8.8		15.2%	
1.0%		8.4	8.8	9.2	9.7	10.3		17.8%	
0.0%		9.6	10.2	10.8	11.4	12.3		67.0%	
-1.0%		11.2	12.0	12.8	13.8	15.1			
-2.0%		13.4	14.5	15.8	17.4	19.5			

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 -1.79 per share based on 2023E and EUR 11.29 per share on 2027E 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	2023E	2024E	2025E	2026E	2027E
EBITDA	-0.7	6.3	12.7	14.0	17.5
- Maintenance capex	1.5	1.4	1.3	1.3	1.3
- Minorities	-0.6	-0.0	0.9	1.1	1.4
- tax expenses	-0.4	-0.0	0.7	1.3	3.1
= Adjusted FCF	-1.2	5.0	9.8	10.3	11.7
Actual Market Cap	137.6	137.6	137.6	137.6	137.6
+ Net debt (cash)	30.9	22.8	12.7	-0.0	-13.8
+ 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>	14.2	6.0	-4.0	-16.8	-30.5
= Actual EV'	151.7	143.6	133.6	120.8	107.0
Adjusted FCF yield	-0.8%	3.5%	7.3%	8.5%	10.9%
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	-17.2	71.2	139.8	146.9	167.0
- <i>EV Reconciliations</i>	14.2	6.0	-4.0	-16.8	-30.5
Fair Market Cap	-31.4	65.2	143.8	163.7	197.5
No. of shares (million)	17.5	17.5	17.5	17.5	17.5
Fair value per share in EUR	-1.79	3.73	8.21	9.35	11.29
Premium (-) / discount (+)	-122.8%	-52.6%	4.5%	19.0%	43.6%

Sensitivity analysis FV

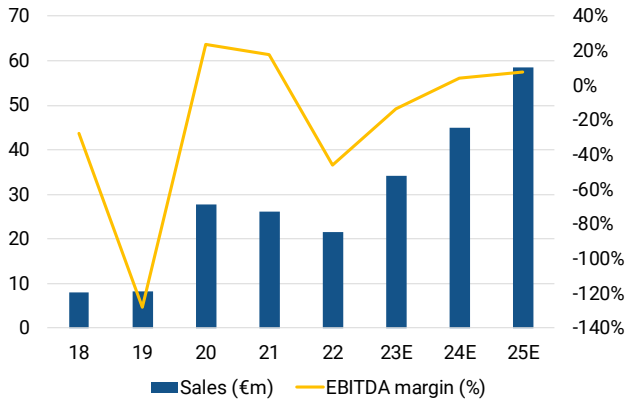
	5.0%	-2.2	5.4	11.4	12.7	15.1
Adjusted hurdle rate	6.0%	-2.0	4.4	9.5	10.8	12.9
	7.0%	-1.8	3.7	8.2	9.4	11.3
	8.0%	-1.7	3.2	7.2	8.3	10.1
	9.0%	-1.6	2.8	6.4	7.5	9.2

Source: Company data; AlsterResearch

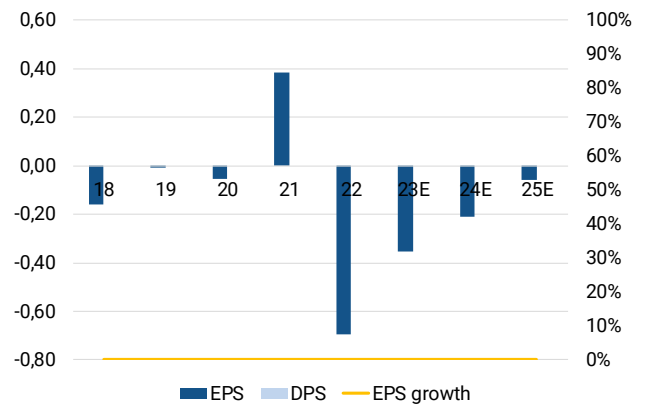
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

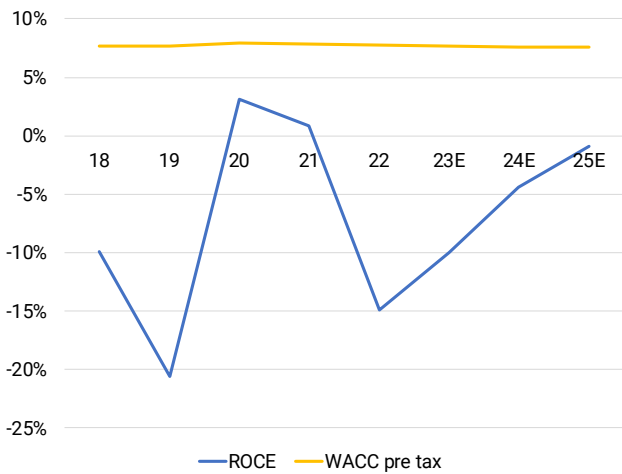
Sales vs. EBITDA margin development



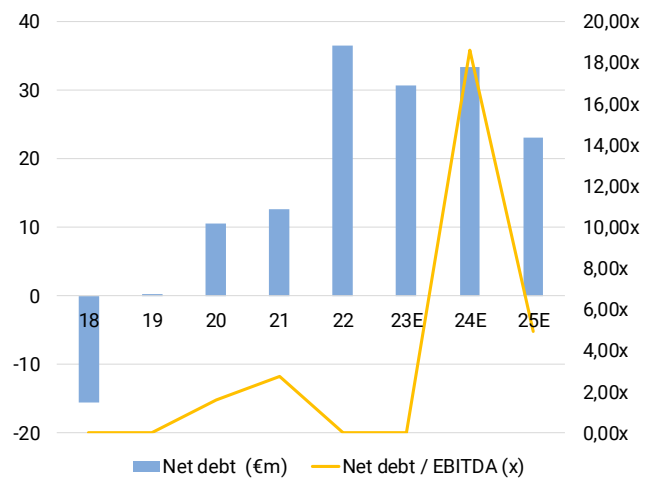
EPS, DPS in EUR & yoy EPS growth



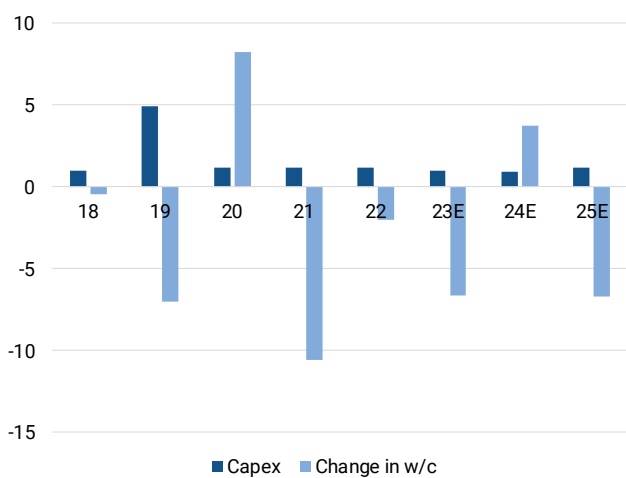
ROCE vs. WACC (pre tax)



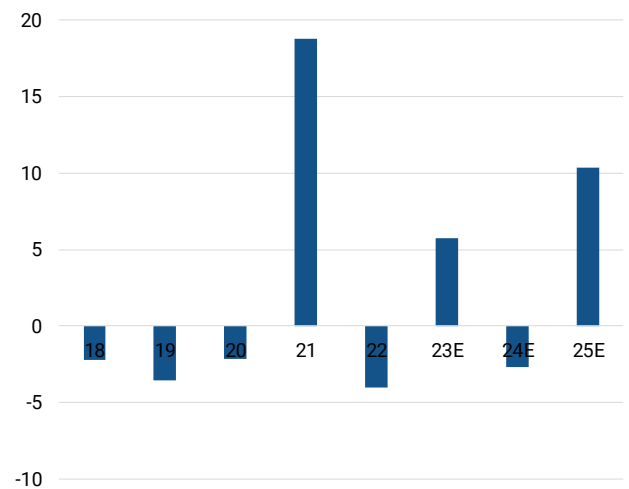
Net debt and net debt/EBITDA



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	2023E	2024E	2025E
Net sales	27.7	26.1	21.6	36.7	48.8	60.5
Sales growth	237.3%	-5.8%	-17.4%	70.0%	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	36.7	48.8	60.5
Material expenses	1.1	2.7	3.7	4.4	5.4	6.0
Gross profit	26.7	23.4	17.9	32.3	43.4	54.4
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Personnel expenses	11.7	11.3	17.1	20.9	23.9	25.4
Other operating expenses	8.4	7.5	10.7	12.1	13.2	16.3
EBITDA	6.6	4.6	-9.9	-0.7	6.3	12.7
Depreciation	1.8	1.6	2.0	1.5	1.4	1.3
EBITA	4.8	3.0	-11.9	-2.2	4.9	11.4
Amortisation of goodwill and intangible assets	2.0	2.3	2.7	4.5	4.3	4.1
EBIT	2.8	0.7	-14.7	-6.7	0.6	7.3
Financial result	-5.8	5.7	-1.6	2.5	-0.9	-0.6
Recurring pretax income from continuing operations	-3.0	6.4	-16.3	-4.2	-0.2	6.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-3.0	6.4	-16.3	-4.2	-0.2	6.7
Taxes	-4.0	-0.2	-5.7	-0.4	-0.0	0.7
Net income from continuing operations	1.0	6.6	-10.5	-3.8	-0.2	6.0
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	1.0	6.6	-10.5	-3.8	-0.2	6.0
Minority interest	-1.7	-1.5	0.4	0.6	0.0	-0.9
Net profit (reported)	-0.7	5.2	-10.2	-3.2	-0.2	5.1
Average number of shares	13.27	13.33	15.21	17.50	17.50	17.50
EPS reported	-0.05	0.39	-0.67	-0.18	-0.01	0.29

Profit and loss (common size)	2020	2021	2022	2023E	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%	10%	17%	12%	11%	10%
Gross profit	96%	90%	83%	88%	89%	90%
Other operating income	0%	0%	0%	0%	0%	0%
Personnel expenses	42%	43%	79%	57%	49%	42%
Other operating expenses	30%	29%	50%	33%	27%	27%
EBITDA	24%	18%	-46%	-2%	13%	21%
Depreciation	6%	6%	9%	4%	3%	2%
EBITA	17%	11%	-55%	-6%	10%	19%
Amortisation of goodwill and intangible assets	7%	9%	13%	12%	9%	7%
EBIT	10%	3%	-68%	-18%	1%	12%
Financial result	-21%	22%	-8%	7%	-2%	-1%
Recurring pretax income from continuing operations	-11%	25%	-75%	-11%	-0%	11%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-11%	25%	-75%	-11%	-0%	11%
Taxes	-14%	-1%	-27%	-1%	-0%	1%
Net income from continuing operations	4%	25%	-49%	-10%	-0%	10%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	4%	25%	-49%	-10%	-0%	10%
Minority interest	-6%	-6%	2%	2%	0%	-1%
Net profit (reported)	-3%	20%	-47%	-9%	-0%	8%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2020	2021	2022	2023E	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	10.1	9.6	9.5
Financial assets	16.8	19.3	16.8	16.8	16.8	16.8
FIXED ASSETS	84.5	84.0	117.5	112.6	107.9	103.7
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	18.9	6.2	9.9	8.0	9.4	11.6
Other current assets	1.8	9.9	0.9	0.9	0.9	0.9
Liquid assets	8.4	16.3	10.4	-5.9	-0.8	2.3
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	4.1	10.6	15.9
TOTAL ASSETS	113.7	117.0	139.8	116.7	118.5	119.5
SHAREHOLDERS EQUITY	37.9	43.3	66.6	62.8	62.6	68.6
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	1.8	2.4	3.0
Non-current liabilities	45.5	18.6	44.9	16.8	14.4	13.0
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	19.3	23.5	24.9
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	0.4	0.5	0.6
Current liabilities	25.5	50.0	22.9	31.6	36.0	32.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	113.7	117.0	139.8	116.8	118.5	119.6

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	49%	47%	65%	73%	69%	65%
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	10%	8%	7%	9%	8%	8%
Financial assets	15%	16%	12%	14%	14%	14%
FIXED ASSETS	74%	72%	84%	96%	91%	87%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	17%	5%	7%	7%	8%	10%
Other current assets	2%	8%	1%	1%	1%	1%
Liquid assets	7%	14%	7%	-5%	-1%	2%
Deferred taxes	0%	0%	1%	1%	1%	1%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	26%	28%	16%	4%	9%	13%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	33%	37%	48%	54%	53%	57%
MINORITY INTEREST	4%	4%	4%	5%	5%	5%
Long-term debt	16%	16%	32%	13%	10%	8%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	24%	0%	0%	2%	2%	3%
Non-current liabilities	40%	16%	32%	14%	12%	11%
short-term liabilities to banks	1%	9%	2%	9%	8%	4%
Accounts payable	3%	22%	11%	17%	20%	21%
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%	1%
Current liabilities	22%	43%	16%	27%	30%	27%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	1.9	6.6	-10.5	-3.8	-0.2	6.0
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	1.5	0.6	0.6
Cash flow from operations before changes in w/c	7.3	9.4	-4.8	3.7	6.1	12.0
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	1.9	-1.3	-2.2
Increase/decrease in accounts payable	1.9	1.8	1.4	3.3	4.2	1.3
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	3.0	3.0	-0.8
Cash flow from operating activities	-0.9	20.0	-2.8	6.7	9.1	11.2
CAPEX	-1.2	-1.2	-1.2	-1.1	-1.0	-1.2
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	-1.1	-1.0	-1.2
Cash flow before financing	-1.9	18.9	-11.2	5.6	8.1	10.0
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	-16.3	5.1	3.0
Liquid assets at end of period	6.5	16.3	10.4	-5.9	-0.8	2.3

Source: Company data; AlsterResearch

Regional sales split (EURm)	2020	2021	2022	2023E	2024E	2025E
Domestic	27.7	26.1	21.6	36.7	48.8	60.5
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	36.7	48.8	60.5

Regional sales split (common size)	2020	2021	2022	2023E	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	2023E	2024E	2025E
Per share data						
Earnings per share reported	-0.05	0.39	-0.67	-0.18	-0.01	0.29
Cash flow per share	-0.20	1.38	-0.32	0.30	0.44	0.56
Book value per share	2.85	3.25	4.38	3.59	3.58	3.92
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-148.3x	20.3x	-11.8x	-42.7x	-755.8x	26.9x
P/CF	-38.7x	5.7x	-24.9x	26.3x	17.8x	13.9x
P/BV	2.8x	2.4x	1.8x	2.2x	2.2x	2.0x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-2.6%	17.5%	-4.0%	3.8%	5.6%	7.2%
EV/Sales	5.3x	5.8x	8.1x	4.6x	3.3x	2.5x
EV/EBITDA	22.6x	32.6x	-17.5x	-229.7x	25.3x	11.8x
EV/EBIT	52.8x	223.6x	-11.9x	-25.1x	249.7x	20.7x
Income statement (EURm)						
Sales	27.7	26.1	21.6	36.7	48.8	60.5
yoy chg in %	237.3%	-5.8%	-17.4%	70.0%	33.0%	24.0%
Gross profit	26.7	23.4	17.9	32.3	43.4	54.4
Gross margin in %	96.1%	89.7%	83.0%	88.0%	89.0%	90.0%
EBITDA	6.6	4.6	-9.9	-0.7	6.3	12.7
EBITDA margin in %	23.6%	17.6%	-46.1%	-2.0%	13.0%	21.0%
EBIT	2.8	0.7	-14.7	-6.7	0.6	7.3
EBIT margin in %	10.1%	2.6%	-67.9%	-18.3%	1.3%	12.0%
Net profit	-0.7	5.2	-10.2	-3.2	-0.2	5.1
Cash flow statement (EURm)						
CF from operations	-0.9	20.0	-2.8	6.7	9.1	11.2
Capex	-1.2	-1.2	-1.2	-1.1	-1.0	-1.2
Maintenance Capex	1.8	1.6	2.0	1.5	1.4	1.3
Free cash flow	-2.1	18.8	-4.0	5.6	8.1	10.0
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	10.1	9.6	9.5
Shareholders' equity	37.9	43.3	66.6	62.8	62.6	68.6
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	46.8	29.3	47.2	26.8	24.4	18.0
Net financial debt	10.6	12.7	36.5	30.9	22.8	12.7
w/c requirements	15.2	-19.1	-6.1	-11.3	-14.2	-13.3
Ratios						
ROE	2.7%	15.3%	-15.8%	-6.0%	-0.3%	8.8%
ROCE	3.1%	0.9%	-12.3%	-7.1%	0.7%	7.9%
Net gearing	27.9%	29.4%	54.8%	49.2%	36.4%	18.6%
Net debt / EBITDA	1.6x	2.8x	-3.7x	-42.1x	3.6x	1.0x

Source: Company data; AlsterResearch

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