

# LAIQON AG

Germany | Financial Services | MCap EUR 111.2m

2 February 2023

UPDATE



## Strong AuM growth; subdued performance fees; BUY confirmed

### What's it all about?

LAIQON reported preliminary FY22 figures yesterday. On the positive side, AuM increased by 160% to EUR 5.7bn in FY22, within company guidance of EUR 5.5-6.0bn, and more or less matching our expectations. Sales were below estimates, mainly due to a drop of over 90% or EUR 8.5m in performance fees. If markets develop more favourably in FY23, this should reverse. We take a slightly more cautious view and adjust estimates from FY23 onwards. Still, we believe that the target for AuM of EUR 8-10bn by FY25 is achievable. The growth initiatives are working well, as evidenced by the successful rollout of the platform strategy, and the ability to tap additional distribution channels. We reiterate our BUY recommendation with a new PT of EUR 9.00.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 9.00 (10.00)</b>
Current price	EUR 7.44
Up/downside	21.0%



**MAIN AUTHOR**

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Germany | Financial Services | MCap EUR 111.2m | EV EUR 123.9m

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## Strong AuM growth; subdued performance fees; BUY

**AuM up 160% to EUR 5.7bn in FY22** LAIQON increased AuM to EUR 5.7bn in FY22 (comp. guidance: EUR 5.5-6.0bn) in a challenging market environment This includes inorganic growth of EUR 2.7bn and net organic growth of EUR 0.8bn. While AlsterResearch (AR) estimated AuM at EUR 5.9 bn, LAIQON performed relatively well compared to the total open domestic mutual fund flows in Germany, which grew by 2.0% yoy in 2022 (LAIQON +36% organic growth). LAIQON is expected to continue to scale its platform with its GROWTH 25 strategy. AuM are expected to grow to EUR 8-10bn by FY25, which we believe is achievable. The growth initiatives seem to be working well, as evidenced by the successful rollout of the platform strategy and the ability to tap additional distribution channels.

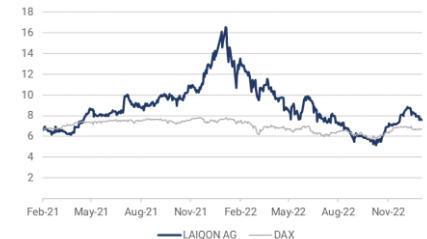
**FY22 sales and EBITDA below AR estimates** LAIQON expects FY22 as-if revenues of EUR 26.3m (eAR FY22: EUR 31.1m), consisting of fixed revenues of EUR 25.5m and performance fees of EUR 0.8m (FY21: fixed revenues of EUR 16.8m; performance fees of EUR 9.3m). We adjust our sales and EBIT expectations (see table of changes). One-off acquisition related costs in FY22 were EUR 2.9m and growney will be consolidated from 31 Dec. 2022. LAIQON expects FY22 EBITDA of EUR -6.6m (FY21: EUR 4.6m) compared to AR's expect. of EUR -5.0m.

**CEO expects significant increase in sales and EBITDA in FY23** The CEO Achim Plate expects a significant increase in sales and EBITDA in FY23 as all new subsidiaries are now consolidated and distribution partnerships with Volks- und Raiffeisenbanken are accelerated.

**Conclusion** We take a slightly more cautious view and adjust estimates from FY23 onwards. Still, the strong organic development and growth initiatives are pointing to significant top- and bottom-line growth ahead. We reiterate our BUY recommendation with a new PT of EUR 9.00.

LAIQON AG	2019	2020	2021	2022E	2023E	2024E
Sales	8.2	27.7	26.1	26.3	34.1	42.7
<i>Growth yoy</i>	3.9%	237.3%	-5.8%	0.5%	30.0%	25.0%
EBITDA	-10.5	6.6	4.3	-6.6	0.2	4.5
EBIT	-11.8	2.8	0.3	-10.7	-4.8	-0.2
Net profit	-0.1	-0.7	5.2	-7.5	-1.7	-0.1
Net debt (net cash)	0.3	10.6	12.7	17.0	16.4	13.0
Net debt/EBITDA	-0.0x	1.6x	3.0x	-2.6x	96.4x	2.9x
EPS reported	-0.01	-0.05	0.39	-0.50	-0.11	-0.00
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	94.8%	96.1%	89.7%	89.6%	90.5%	90.6%
EBITDA margin	-128.2%	23.6%	16.4%	-25.1%	0.5%	10.6%
EBIT margin	-143.5%	10.1%	1.3%	-40.8%	-14.0%	-0.5%
ROCE	-13.0%	3.1%	0.4%	-11.2%	-5.3%	-0.2%
EV/EBITDA	-10.6x	18.6x	28.9x	-19.5x	748.0x	27.5x
EV/EBIT	-9.5x	43.4x	359.2x	-12.0x	-26.7x	-632.3x
PER	-813.8x	-140.4x	19.3x	-14.8x	-69.7x	-2,072.0x
FCF yield	0.6%	-2.7%	18.5%	-8.5%	0.2%	2.5%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

**High/low 52 weeks** 13.79 / 4.98  
**Price/Book Ratio** 2.3x

### Ticker / Symbols

ISIN DE000A12UP29  
WKN A12UP2  
Bloomberg L10A:GR

### Changes in estimates

		Sales	EBIT	EPS
2022E	old	31.1	-9.5	-0.44
	Δ	-15.5%	na%	na%
2023E	old	42.9	-4.8	-0.11
	Δ	-20.4%	na%	na%
2024E	old	57.1	1.3	0.06
	Δ	-25.2%	na%	na%

### Key share data

Number of shares: (in m pcs) 14.95  
Book value per share: (in EUR) 3.25  
Ø trading volume: (12 months) 20,000

### Major shareholders

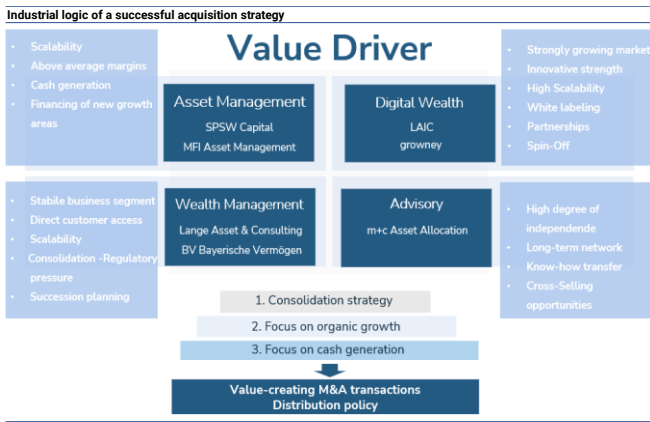
DEWB 21.0%  
SPSW investors 10.0%  
Plate Family Office (CEO) 10.0%  
Free Float 51.0%

### Company description

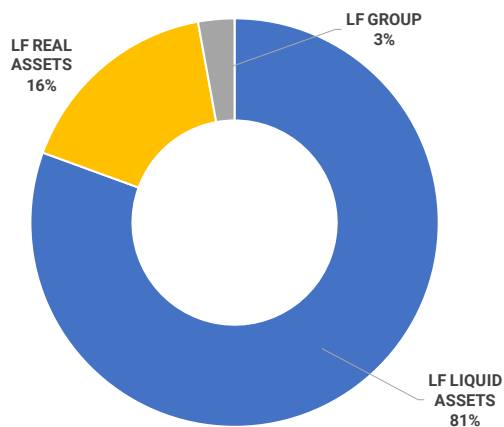
LAIQON (formerly Lloyd Fonds AG) is an independent asset and wealth manager with focus on actively managed non-benchmark funds as well as digitizing wealth management via its LAIC Advisor.

# Investment case in six charts

## Industrial logic of a successful acquisition strategy



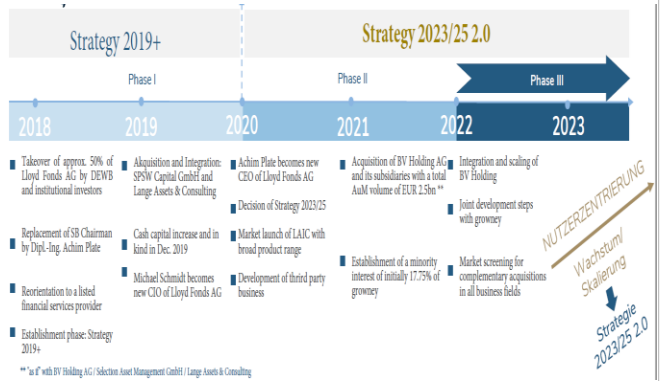
## Sales by segment in %



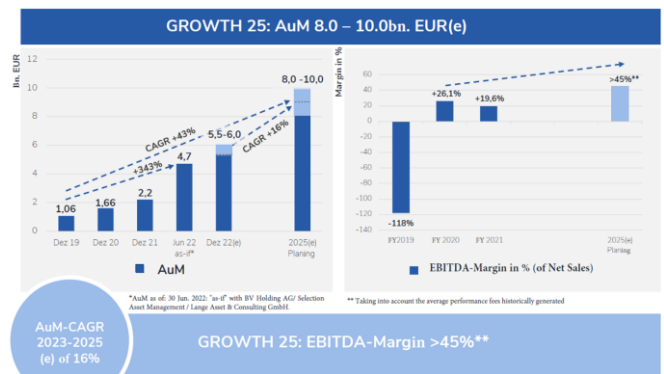
## Platform Strategy - Wealth Experience - UX

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

## Group Strategy

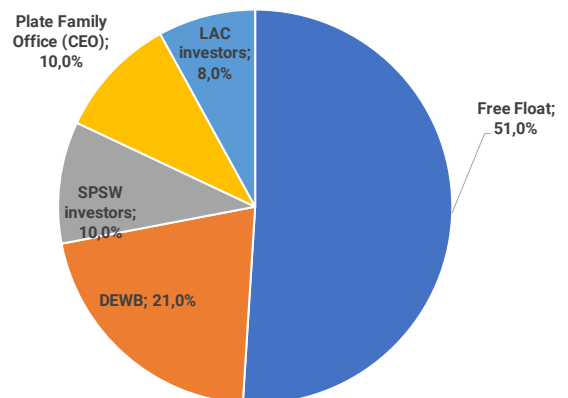


## AuMs in EURm



Source: Company data; AlsterResearch

## Major shareholder



# 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 9.01 per share**:

**Top-line growth:** We expect LAIQON AG to continue benefitting from structural growth. Hence our growth estimates for 2022E-2029E is in the range of 16.9% 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 1.20. Unlevering and correcting for mean reversion yields an asset beta of 1.00. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 10.2%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% 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)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal value
NOPAT	-8.3	-4.0	-0.2	1.9	2.5	3.7	5.5	6.8	
Depreciation & amortization	4.1	4.9	4.7	4.5	4.3	4.1	4.0	3.9	
Change in working capital	-5.2	-1.7	-0.8	0.6	1.6	1.8	-2.6	1.2	
Chg. in long-term provisions	1.9	0.4	0.4	0.4	0.4	0.4	0.3	0.2	
Capex	-1.1	-1.0	-0.9	-1.0	-1.2	-1.4	-1.5	-1.6	
Cash flow	-8.5	-1.4	3.3	6.4	7.6	8.7	5.7	10.6	177.4
Present value	-8.6	-1.3	2.9	5.1	5.6	6.0	3.6	6.2	103.7
WACC	8.4%	8.4%	8.3%	8.2%	8.1%	8.0%	8.0%	8.0%	8.1%

DCF per share derived from	
Total present value	123.2
Mid-year adj. total present value	128.1
Net debt / cash at start of year	12.7
Financial assets	19.3
Provisions and off b/s debt	na
Equity value	134.7
No. of shares outstanding	14.9
<b>Discounted cash flow / share upside/(downside)</b>	<b>9.01 / 21.1%</b>

<b>Share price</b>	<b>6.94</b>
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DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2022E-2029E)	16.9%
Terminal value growth (2029E - infinity)	2.0%
Terminal year ROCE	12.4%
Terminal year WACC	8.1%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	1.20
Unlevered beta (industry or company)	1.00
Target debt / equity	0.5
Relevered beta	1.37
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	10.2%

Sensitivity analysis DCF							Share of present value		
Change in WACC (%-points)		Long term growth							
		1.0%	1.5%	2.0%	2.5%	3.0%			
2.0%		5.9	6.2	6.5	6.8	7.2	2022E-2025E	-1.6%	
1.0%		6.8	7.1	7.6	8.0	8.6	2026E-2029E	17.4%	
0.0%		7.9	8.4	9.0	9.7	10.5	terminal value	84.2%	
-1.0%		9.5	10.2	11.0	12.1	13.4			
-2.0%		11.6	12.7	14.1	15.9	18.2			

## 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 -5.32 per share based on 2022E and EUR 6.12 per share on 2026E 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	2022E	2023E	2024E	2025E	2026E
<b>EBITDA</b>	<b>-6.6</b>	<b>0.2</b>	<b>4.5</b>	<b>6.9</b>	<b>7.7</b>
- Maintenance capex	1.4	1.3	1.3	1.2	1.2
- Minorities	-1.3	-0.3	-0.0	0.2	0.4
- tax expenses	-1.0	-0.2	-0.0	0.2	0.5
<b>= Adjusted FCF</b>	<b>-5.7</b>	<b>-0.6</b>	<b>3.2</b>	<b>5.2</b>	<b>5.6</b>
<b>Actual Market Cap</b>	<b>103.7</b>	<b>103.7</b>	<b>103.7</b>	<b>103.7</b>	<b>103.7</b>
+ Net debt (cash)	17.0	16.4	13.0	6.9	-0.8
+ 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	18.4	18.4	18.4	18.4	18.4
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	-1.4	-1.9	-5.3	-11.5	-19.2
<b>= Actual EV'</b>	<b>102.3</b>	<b>101.8</b>	<b>98.4</b>	<b>92.2</b>	<b>84.5</b>
<b>Adjusted FCF yield</b>	<b>-5.5%</b>	<b>-0.6%</b>	<b>3.3%</b>	<b>5.6%</b>	<b>6.7%</b>
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%
<b>Fair EV</b>	<b>-81.0</b>	<b>-9.1</b>	<b>46.3</b>	<b>74.4</b>	<b>80.5</b>
- <i>EV Reconciliations</i>	-1.4	-1.9	-5.3	-11.5	-19.2
<b>Fair Market Cap</b>	<b>-79.6</b>	<b>-7.2</b>	<b>51.7</b>	<b>85.9</b>	<b>99.7</b>
No. of shares (million)	14.9	16.3	16.3	16.3	16.3
<b>Fair value per share in EUR</b>	<b>-5.32</b>	<b>-0.44</b>	<b>3.17</b>	<b>5.27</b>	<b>6.12</b>
<b>Premium (-) / discount (+)</b>	<b>-171.6%</b>	<b>-105.9%</b>	<b>-57.4%</b>	<b>-29.2%</b>	<b>-17.7%</b>

### Sensitivity analysis FV

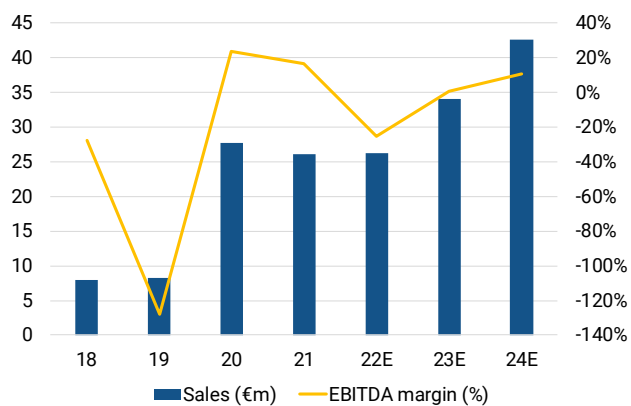
	5.0%	-7.5	-0.7	4.3	7.1	8.1
<b>Adjusted hurdle rate</b>	6.0%	-6.2	-0.5	3.6	6.0	6.9
	<b>7.0%</b>	<b>-5.3</b>	<b>-0.4</b>	<b>3.2</b>	<b>5.3</b>	<b>6.1</b>
	8.0%	-4.6	-0.4	2.8	4.7	5.5
	9.0%	-4.1	-0.3	2.5	4.3	5.0

Source: Company data; AlsterResearch

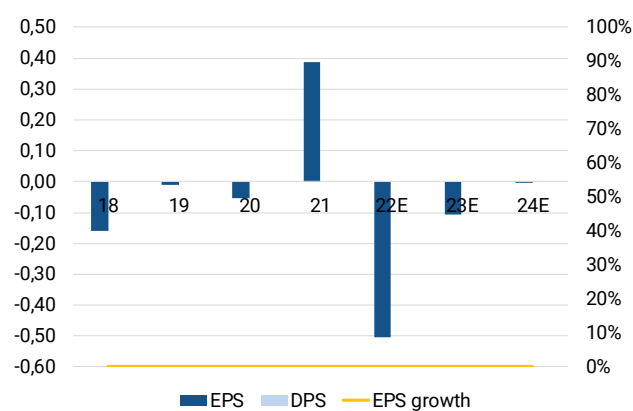
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

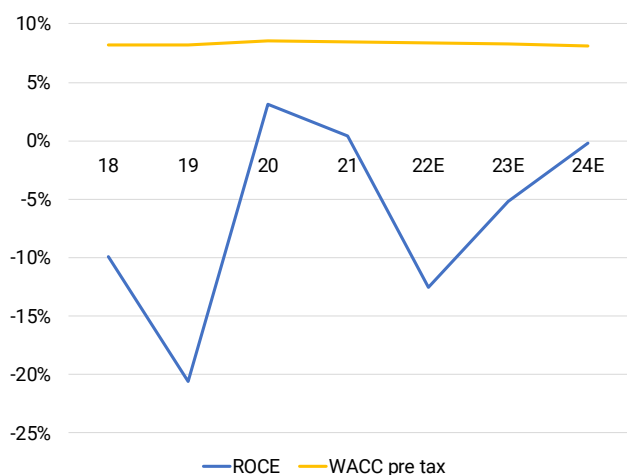
**Sales vs. EBITDA margin development**



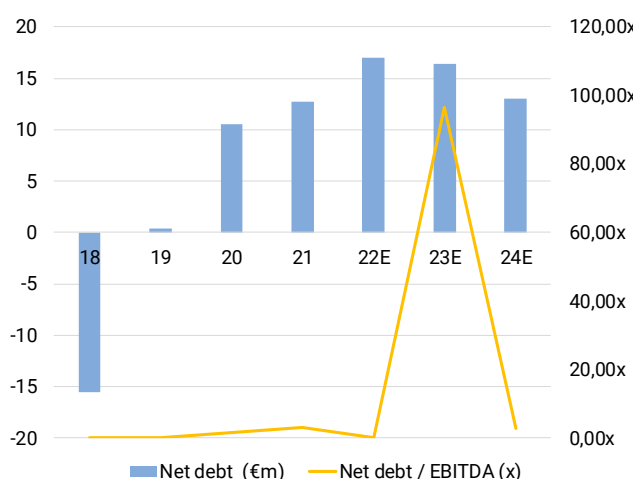
**EPS, DPS in EUR & yoy EPS growth**



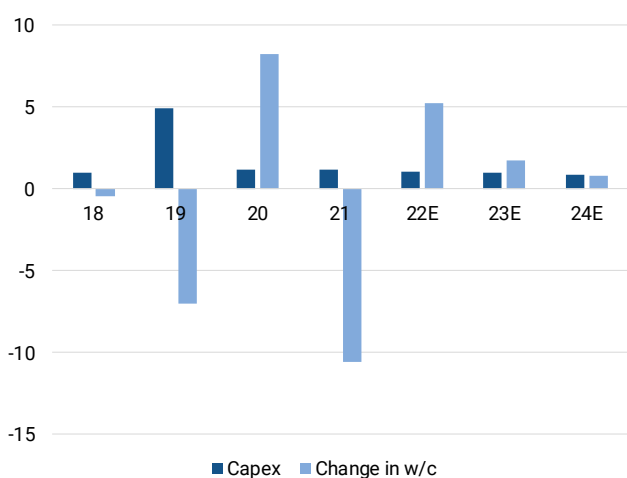
**ROCE vs. WACC (pre tax)**



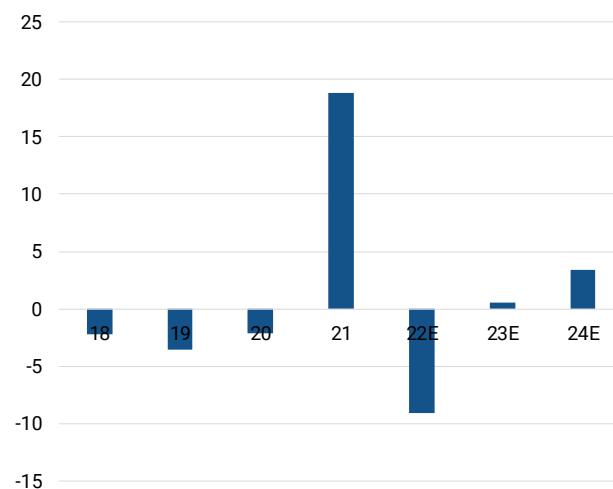
**Net debt and net debt/EBITDA**



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



**Free Cash Flow in EURm**



Source: Company data; AlsterResearch

## Financials

Profit and loss (EURm)	2019	2020	2021	2022E	2023E	2024E
<b>Net sales</b>	<b>8.2</b>	<b>27.7</b>	<b>26.1</b>	<b>26.3</b>	<b>34.1</b>	<b>42.7</b>
Sales growth	3.9%	237.3%	-5.8%	0.5%	30.0%	25.0%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>8.2</b>	<b>27.7</b>	<b>26.1</b>	<b>26.3</b>	<b>34.1</b>	<b>42.7</b>
Material expenses	0.4	1.1	2.7	2.7	3.2	4.0
<b>Gross profit</b>	<b>7.8</b>	<b>26.7</b>	<b>23.4</b>	<b>23.5</b>	<b>30.9</b>	<b>38.7</b>
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Personnel expenses	8.7	11.7	11.3	19.1	18.8	21.3
Other operating expenses	9.6	8.4	7.8	11.0	11.9	12.8
<b>EBITDA</b>	<b>-10.5</b>	<b>6.6</b>	<b>4.3</b>	<b>-6.6</b>	<b>0.2</b>	<b>4.5</b>
Depreciation	0.9	1.8	1.6	1.4	1.3	1.3
EBITA	-11.4	4.8	2.7	-8.0	-1.2	3.2
Amortisation of goodwill and intangible assets	0.3	2.0	2.3	2.7	3.6	3.4
<b>EBIT</b>	<b>-11.8</b>	<b>2.8</b>	<b>0.3</b>	<b>-10.7</b>	<b>-4.8</b>	<b>-0.2</b>
Financial result	6.7	-5.8	6.1	0.9	2.5	0.1
Recurring pretax income from continuing operations	-5.1	-3.0	6.4	-9.8	-2.3	-0.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-5.1	-3.0	6.4	-9.8	-2.3	-0.1
Taxes	-5.0	-4.0	-0.2	-1.0	-0.2	-0.0
Net income from continuing operations	-0.1	1.0	6.6	-8.9	-2.0	-0.1
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-0.1</b>	<b>1.0</b>	<b>6.6</b>	<b>-8.9</b>	<b>-2.0</b>	<b>-0.1</b>
Minority interest	0.0	-1.7	-1.5	1.3	0.3	0.0
Net profit (reported)	-0.1	-0.7	5.2	-7.5	-1.7	-0.1
Average number of shares	10.17	13.27	13.33	14.95	16.29	16.29
<b>EPS reported</b>	<b>-0.01</b>	<b>-0.05</b>	<b>0.39</b>	<b>-0.50</b>	<b>-0.11</b>	<b>-0.00</b>

Profit and loss (common size)	2019	2020	2021	2022E	2023E	2024E
<b>Net sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Material expenses	5%	4%	10%	10%	10%	9%
<b>Gross profit</b>	<b>95%</b>	<b>96%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>91%</b>
Other operating income	0%	0%	0%	0%	0%	0%
Personnel expenses	106%	42%	43%	73%	55%	50%
Other operating expenses	117%	30%	30%	42%	35%	30%
<b>EBITDA</b>	<b>-128%</b>	<b>24%</b>	<b>16%</b>	<b>-25%</b>	<b>1%</b>	<b>11%</b>
Depreciation	11%	6%	6%	5%	4%	3%
EBITA	-139%	17%	10%	-30%	-3%	8%
Amortisation of goodwill and intangible assets	4%	7%	9%	10%	11%	8%
<b>EBIT</b>	<b>-143%</b>	<b>10%</b>	<b>1%</b>	<b>-41%</b>	<b>-14%</b>	<b>-0%</b>
Financial result	82%	-21%	23%	3%	7%	0%
Recurring pretax income from continuing operations	-62%	-11%	25%	-37%	-7%	-0%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-62%	-11%	25%	-37%	-7%	-0%
Taxes	-61%	-14%	-1%	-4%	-1%	-0%
Net income from continuing operations	-1%	4%	25%	-34%	-6%	-0%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>-1%</b>	<b>4%</b>	<b>25%</b>	<b>-34%</b>	<b>-6%</b>	<b>-0%</b>
Minority interest	0%	-6%	-6%	5%	1%	0%
<b>Net profit (reported)</b>	<b>-1%</b>	<b>-3%</b>	<b>20%</b>	<b>-29%</b>	<b>-5%</b>	<b>-0%</b>

Source: Company data; AlsterResearch



Balance sheet (EURm)	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets (exl. Goodwill)</b>	<b>57.6</b>	<b>56.2</b>	<b>54.8</b>	<b>72.0</b>	<b>68.4</b>	<b>65.0</b>
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	12.8	11.5	9.9	9.6	9.3	8.8
Financial assets	13.2	16.8	19.3	18.4	18.4	18.4
<b>FIXED ASSETS</b>	<b>83.7</b>	<b>84.5</b>	<b>84.0</b>	<b>100.0</b>	<b>96.1</b>	<b>92.2</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	4.1	18.9	6.2	6.5	7.5	8.2
Other current assets	2.6	1.8	9.9	9.9	9.9	9.9
Liquid assets	14.5	8.4	16.3	11.0	8.6	9.0
Deferred taxes	0.0	0.0	0.5	0.5	0.5	0.5
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>21.2</b>	<b>29.1</b>	<b>33.0</b>	<b>28.0</b>	<b>26.5</b>	<b>27.6</b>
<b>TOTAL ASSETS</b>	<b>104.8</b>	<b>113.7</b>	<b>117.0</b>	<b>127.9</b>	<b>122.6</b>	<b>119.8</b>
<b>SHAREHOLDERS EQUITY</b>	<b>38.1</b>	<b>37.9</b>	<b>43.3</b>	<b>61.0</b>	<b>59.0</b>	<b>58.9</b>
MINORITY INTEREST	3.1	4.9	5.1	5.1	5.1	5.1
Long-term debt	14.1	17.7	18.3	15.0	15.0	12.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	34.7	27.8	0.3	1.3	1.7	2.1
<b>Non-current liabilities</b>	<b>48.8</b>	<b>45.5</b>	<b>18.6</b>	<b>16.3</b>	<b>16.7</b>	<b>14.1</b>
short-term liabilities to banks	0.7	1.3	10.7	13.0	10.0	10.0
Accounts payable	4.1	3.7	25.3	18.7	17.8	17.6
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)	-3.2	6.9	0.0	0.0	0.0	0.0
Deferred taxes	13.2	12.6	13.9	15.5	15.5	15.5
Deferred income	0.1	0.9	0.0	0.1	0.3	0.4
<b>Current liabilities</b>	<b>14.8</b>	<b>25.5</b>	<b>50.0</b>	<b>47.3</b>	<b>43.6</b>	<b>43.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>104.8</b>	<b>113.7</b>	<b>117.0</b>	<b>129.8</b>	<b>124.4</b>	<b>121.6</b>

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets (excl. Goodwill)</b>	<b>55%</b>	<b>49%</b>	<b>47%</b>	<b>56%</b>	<b>56%</b>	<b>54%</b>
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	12%	10%	8%	7%	8%	7%
Financial assets	13%	15%	16%	14%	15%	15%
<b>FIXED ASSETS</b>	<b>80%</b>	<b>74%</b>	<b>72%</b>	<b>78%</b>	<b>78%</b>	<b>77%</b>
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	4%	17%	5%	5%	6%	7%
Other current assets	3%	2%	8%	8%	8%	8%
Liquid assets	14%	7%	14%	9%	7%	7%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
<b>CURRENT ASSETS</b>	<b>20%</b>	<b>26%</b>	<b>28%</b>	<b>22%</b>	<b>22%</b>	<b>23%</b>
<b>TOTAL ASSETS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>36%</b>	<b>33%</b>	<b>37%</b>	<b>48%</b>	<b>48%</b>	<b>49%</b>
MINORITY INTEREST	3%	4%	4%	4%	4%	4%
Long-term debt	13%	16%	16%	12%	12%	10%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	33%	24%	0%	1%	1%	2%
<b>Non-current liabilities</b>	<b>47%</b>	<b>40%</b>	<b>16%</b>	<b>13%</b>	<b>14%</b>	<b>12%</b>
short-term liabilities to banks	1%	1%	9%	10%	8%	8%
Accounts payable	4%	3%	22%	15%	14%	15%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	-3%	6%	0%	0%	0%	0%
Deferred taxes	13%	11%	12%	12%	13%	13%
Deferred income	0%	1%	0%	0%	0%	0%
<b>Current liabilities</b>	<b>14%</b>	<b>22%</b>	<b>43%</b>	<b>37%</b>	<b>36%</b>	<b>36%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>101%</b>	<b>101%</b>	<b>102%</b>

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	-11.8	1.9	6.6	-8.9	-2.0	-0.1
Depreciation of fixed assets (incl. leases)	1.3	3.7	3.9	1.4	1.3	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	2.7	3.6	3.4
Others	4.9	1.8	-1.1	1.9	0.4	0.4
Cash flow from operations before changes in w/c	-5.6	7.3	9.4	-2.8	3.3	5.1
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.9	-14.2	2.4	-0.3	-1.0	-0.7
Increase/decrease in accounts payable	3.4	1.9	1.8	-6.6	-0.9	-0.2
Increase/decrease in other w/c positions	2.7	4.1	6.3	1.7	0.2	0.1
Increase/decrease in working capital	7.0	-8.3	10.6	-5.2	-1.7	-0.8
<b>Cash flow from operating activities</b>	<b>1.4</b>	<b>-0.9</b>	<b>20.0</b>	<b>-8.0</b>	<b>1.6</b>	<b>4.3</b>
CAPEX	-4.9	-1.2	-1.2	-1.1	-1.0	-0.9
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	-46.7	0.0	-0.1	-0.9	0.0	0.0
Income from asset disposals	-4.6	0.3	0.1	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-56.2</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-1.9</b>	<b>-1.0</b>	<b>-0.9</b>
Cash flow before financing	-54.8	-1.9	18.9	-10.0	0.5	3.4
Increase/decrease in debt position	4.6	-0.8	-14.0	-1.1	-3.0	-3.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	18.0	0.0	0.0	12.6	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	20.7	0.1	5.0	-6.9	0.0	0.0
Effects of exchange rate changes on cash	3.4	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>46.6</b>	<b>-0.7</b>	<b>-9.0</b>	<b>4.6</b>	<b>-3.0</b>	<b>-3.0</b>
Increase/decrease in liquid assets	-8.2	-2.6	9.8	-5.3	-2.5	0.4
<b>Liquid assets at end of period</b>	<b>9.1</b>	<b>6.5</b>	<b>16.3</b>	<b>11.0</b>	<b>8.6</b>	<b>9.0</b>

Source: Company data; AlsterResearch

Regional sales split (EURm)	2019	2020	2021	2022E	2023E	2024E
Domestic	8.2	27.7	26.1	26.3	34.1	42.7
Europe (ex domestic)	0.0	0.0	0.0	0.0	0.0	0.0
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>8.2</b>	<b>27.7</b>	<b>26.1</b>	<b>26.3</b>	<b>34.1</b>	<b>42.7</b>

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

Source: Company data; AlsterResearch

Ratios	2019	2020	2021	2022E	2023E	2024E
<b>Per share data</b>						
Earnings per share reported	-0.01	-0.05	0.39	-0.50	-0.11	-0.00
Cash flow per share	0.05	-0.20	1.38	-0.63	0.01	0.18
Book value per share	3.75	2.85	3.25	4.08	3.62	3.62
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	-813.8x	-140.4x	19.3x	-14.8x	-69.7x	-2,072.0x
P/CF	162.8x	-36.7x	5.4x	-11.8x	559.7x	40.7x
P/BV	2.0x	2.6x	2.3x	1.8x	2.1x	2.1x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	0.6%	-2.7%	18.5%	-8.5%	0.2%	2.5%
EV/Sales	13.6x	4.4x	4.7x	4.9x	3.7x	2.9x
EV/EBITDA	-10.6x	18.6x	28.9x	-19.5x	748.0x	27.5x
EV/EBIT	-9.5x	43.4x	359.2x	-12.0x	-26.7x	-632.3x
<b>Income statement (EURm)</b>						
Sales	8.2	27.7	26.1	26.3	34.1	42.7
yoy chg in %	3.9%	237.3%	-5.8%	0.5%	30.0%	25.0%
Gross profit	7.8	26.7	23.4	23.5	30.9	38.7
Gross margin in %	94.8%	96.1%	89.7%	89.6%	90.5%	90.6%
EBITDA	-10.5	6.6	4.3	-6.6	0.2	4.5
EBITDA margin in %	-128.2%	23.6%	16.4%	-25.1%	0.5%	10.6%
EBIT	-11.8	2.8	0.3	-10.7	-4.8	-0.2
EBIT margin in %	-143.5%	10.1%	1.3%	-40.8%	-14.0%	-0.5%
Net profit	-0.1	-0.7	5.2	-7.5	-1.7	-0.1
<b>Cash flow statement (EURm)</b>						
CF from operations	1.4	-0.9	20.0	-8.0	1.6	4.3
Capex	-4.9	-1.2	-1.2	-1.1	-1.0	-0.9
Maintenance Capex	0.9	1.8	1.6	1.4	1.3	1.3
Free cash flow	-3.5	-2.1	18.8	-9.1	0.5	3.4
<b>Balance sheet (EURm)</b>						
Intangible assets	57.6	56.2	54.8	72.0	68.4	65.0
Tangible assets	12.8	11.5	9.9	9.6	9.3	8.8
Shareholders' equity	38.1	37.9	43.3	61.0	59.0	58.9
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	49.4	46.8	29.3	29.3	26.7	24.1
Net financial debt	0.3	10.6	12.7	17.0	16.4	13.0
w/c requirements	-0.1	15.2	-19.1	-12.2	-10.3	-9.4
<b>Ratios</b>						
ROE	-0.2%	2.7%	15.3%	-14.5%	-3.5%	-0.1%
ROCE	-13.0%	3.1%	0.4%	-11.2%	-5.3%	-0.2%
Net gearing	0.9%	27.9%	29.4%	27.8%	27.9%	22.1%
Net debt / EBITDA	-0.0x	1.6x	3.0x	-2.6x	96.4x	2.9x

Source: Company data; AlsterResearch

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