

# wallstreet:online AG

Germany | Media | MCap EUR 234.8m

8 March 2022

UPDATE



## Transition year ahead – BUY confirmed

### What's it all about?

According to the preliminary figures for FY21, wallstreet:online met its operational and financial targets for FY21. Group revenues were up by 82.3% yoy at EUR 51.4m and adjusted EBITDA at EUR 4.4m, still within guidance range. More importantly, the company issued an outlook for FY22. Despite double digit revenue and sales growth, the company declared it to be a transitional year. This stands in the context of the implementation of the company's new platform and its insourcing of operations. From our perspective, wallstreet:online opted for a soft approach. Once all pieces are in place, this should translate directly into a higher growth trajectory. Hence, the company is even more bullish for FY23 onwards. Accordingly, we are adjusting our estimates. We cut our estimate for EBITDA FY22E about a third. In turn, we raise our estimates for FY23E onwards. Ultimately, we confirm our price target of EUR 32.00. Despite the current market environment as a result of the war in Ukraine, we are convinced of the growth prospects in the brokerage market.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 32.00 (32.00)</b>
Current price	EUR 15.55
Up/downside	105.8%



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Germany | Media | MCap EUR 234.8m | EV EUR 228.3m

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## Transition year ahead – BUY confirmed

wallstreet:online (WSO) reported a few preliminary financials for FY21. Group revenues were up by 82.3% yoy at EUR 51.4m. In part, this strong increase was due to the consolidation of wallstreet:online capital (WOC), of which WSO has acquired the majority stake during FY21. Consolidated adjusted EBITDA will reach EUR 4.4m, nearly on prior year's level. As expected, the operating result was impacted by customer acquisition costs (CAC) as well as one-off effects. Thus, adjusted EBITDA before CAC increased by 45% to EUR 17.5m. At the end of FY21, the company had a net cash position of ca. EUR 20m.

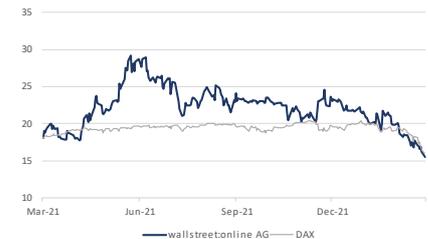
For the company's growth engine, the transaction business, the company reported 246k customer deposits per end of FY21. Thereof ca. 200k were attributable to Smartbroker, the remaining part came from FondsDiscount.de and VW-Bank clients. Consequently, WSO reached its targeted range of 120k new Smartbroker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

Moreover, wallstreet:online issued a guidance for FY22. Accordingly, the company expects a transitional year due to the extensive changeover to its own platform. Thus, WSO is deliberately putting the brakes on growth temporarily. In terms of customer acquisition, the company budgeted ca. EUR 6m, which translates into approx. 55 thousand new customers. This is a significant slowdown compared to the 120k from FY21, but not so far from our estimate (eAR old FY22E: +75k). The company points out that this is the most feasible approach in the context of introducing its own "Smartbroker Cloud Platform" (SCP) and relaunching Smartbroker as "Smartbroker 2.0" in the course. Apparently, wallstreet:online has opted for a "soft" approach to avoid rushing the migration and to avoid possible overloads and downtimes.

- Continued -

wallstreet:online AG	2018	2019	2020	2021P	2022E	2023E
Sales	7.8	8.6	28.2	51.4	66.0	85.8
<i>Growth yoy</i>	49.9%	10.0%	229.9%	82.3%	28.4%	30.0%
EBITDA	3.5	3.7	4.5	4.5	12.1	31.1
EBIT	3.4	3.7	1.9	4.4	12.0	31.0
Net profit	3.2	1.9	3.5	3.3	8.6	21.9
Net debt (net cash)	-9.3	-4.5	-6.6	-11.1	-18.7	-39.1
Net debt/EBITDA	-2.7x	-1.2x	-1.4x	-2.5x	-1.5x	-1.3x
EPS reported	0.24	0.13	0.24	0.22	0.57	1.45
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	86.4%	84.0%	52.3%	72.5%	83.0%	86.0%
EBITDA margin	44.7%	43.3%	16.0%	8.8%	18.3%	36.3%
EBIT margin	43.8%	43.1%	6.9%	8.6%	18.1%	36.1%
ROCE	16.7%	12.8%	4.6%	7.5%	17.9%	35.1%
EV/EBITDA	64.9x	62.2x	50.5x	49.4x	17.9x	6.3x
EV/EBIT	66.3x	62.5x	117.6x	50.7x	18.1x	6.3x
PER	64.2x	117.7x	63.7x	71.1x	27.4x	10.7x
FCF yield	1.5%	4.0%	0.5%	-6.2%	3.4%	8.9%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

**High/low 52 weeks** 29.70 / 14.30  
**Price/Book Ratio** 7.4x

### Ticker / Symbols

ISIN DE000A2GS609  
WKN A2GS60  
Bloomberg WSO1:GR

### Changes in estimates

		Sales	EBIT	EPS
<b>2021P</b>	old	50,8	5,7	0,28
	Δ	1,3%	-22,9%	-21,8%
<b>2022E</b>	old	66,0	20,9	0,98
	Δ	0,0%	-42,7%	-42,1%
<b>2023E</b>	old	79,2	27,8	1,30
	Δ	8,3%	11,5%	11,3%

### Key share data

Number of shares: (in m pcs) 15.10  
Book value per share: (in EUR) 2.10  
Ø trading volume: (12 months) 30,000

### Major shareholders

AKD/ André Kolbinger 56.6%  
Management 7.5%  
Free Float 35.9%

### Company description

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

As a reminder: the contract with the current partner bank, DAB BNP Paribas, has been terminated. This caused the postponement of the release of a trading app and the revamp of the trading front-end which was originally planned for FY21. In the recent months, WSO has been ramping up its own capacities to handle outsourced functions and processes. This way, the company will be able to overhaul the front-end, integrate its new trading app and expand the product portfolio on its own platform. By internalizing processes, wallstreet:online will reduce costs and lead times, e.g. for onboarding new customers. Further, the company will save costs per trade once it has the capability to execute orders inhouse. This alone will generate a favorable gross-net effect, which will be directly reflected in revenue and earnings and ultimately in higher cashflows.

Overall, the company anticipates FY22 revenues between EUR 62m and EUR 67m, corresponding to a growth of around 25% versus prior year. The adjusted EBITDA after CAC is expected to amount to EUR 10m to EUR 12m.

**Conclusion:** Despite double digit revenue and sales growth for FY22, the company declared it to be a transitional year. This stands in the context of the implementation of the company's new platform and its insourcing of operations. From our perspective, wallstreet:online opted for a soft approach. Once all pieces are in place, this should translate directly into a higher growth trajectory. Hence, the company is even more bullish for FY23 onwards. Accordingly, we are adjusting our estimates. We cut our estimate for EBITDA FY22E about a third. In turn, we raise our estimates for FY23E onwards. Ultimately, we confirm our price target of EUR 32.00. Despite the current market environment as a result of the war in Ukraine, we are convinced of the growth prospects in the brokerage market.

# Investment case in six charts

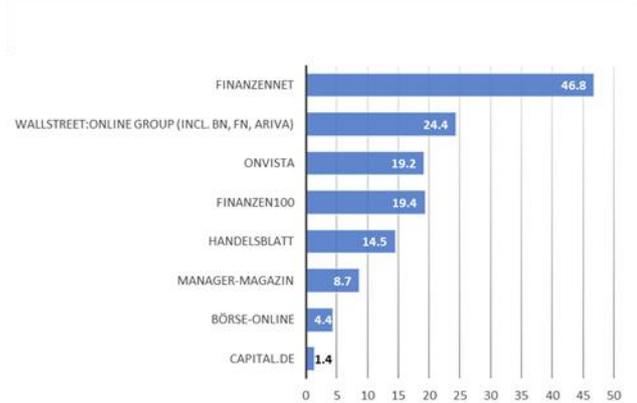
## Portfolio



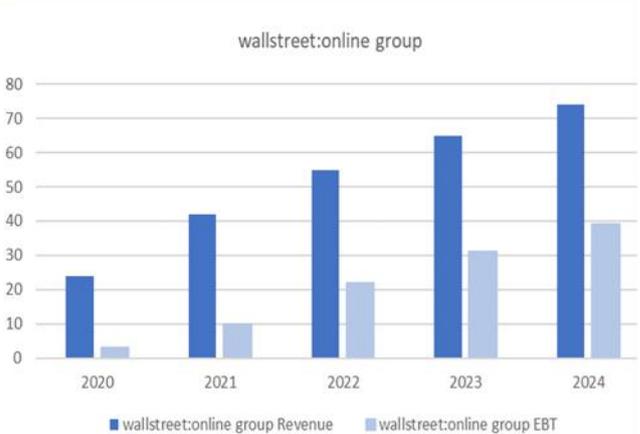
## Competitive landscape in Germany



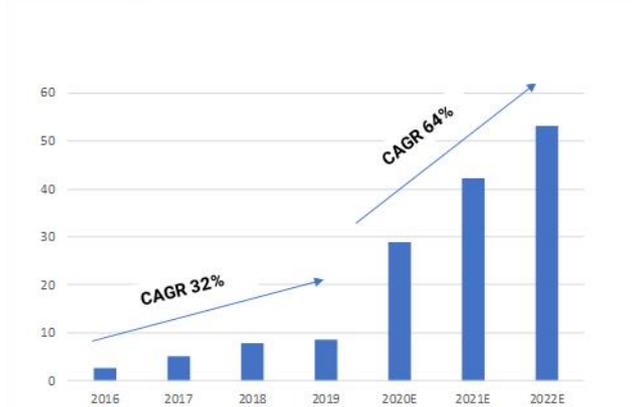
## Visits in m



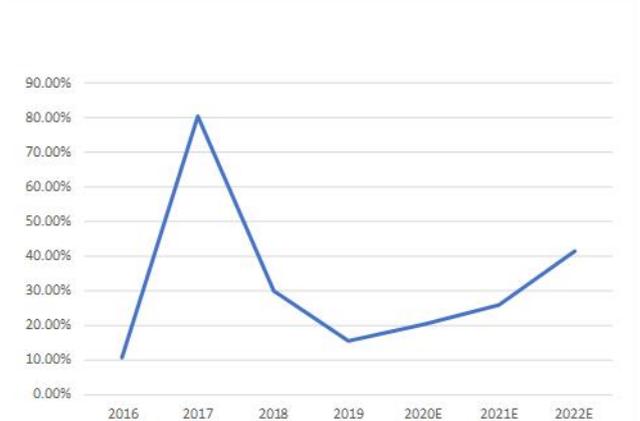
## "Vision 2024"



## Sales development



## ROCE



## Valuation

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

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

DCF (EUR m) (except per share data and beta)	2021P	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Terminal value
NOPAT	3.1	8.4	21.7	25.6	28.2	32.1	37.8	40.1	
Depreciation & amortization	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	
Change in working capital	-2.2	-0.9	-1.4	-0.5	-0.0	0.1	0.2	0.6	
Chg. in long-term provisions	-15.8	0.3	0.4	0.3	0.2	0.2	0.2	0.2	
Capex	-0.4	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	
Cash flow	-15.1	7.3	20.2	25.0	28.0	32.0	37.8	40.5	663.4
Present value	-14.1	6.3	16.0	18.2	18.7	19.6	21.4	21.0	344.3
WACC	8.7%	8.7%	8.7%	8.7%	8.7%	8.8%	8.8%	8.8%	8.8%

DCF per share derived from	
Total present value	451.3
Mid-year adj. total present value	470.6
Net debt / cash at start of year	-6.6
Financial assets	7.9
Provisions and off b/s debt	na
Equity value	485.1
No. of shares outstanding	15.1
<b>Discounted cash flow / share upside/(downside)</b>	<b>32.12 / 106.6%</b>

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2021E - 2028E)	15.3%
Terminal value growth (2028E - infinity)	2.5%
Terminal year ROCE	24.8%
Terminal year WACC	8.8%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	30.0%
Equity beta	1.21
Unlevered beta (industry or company)	1.13
Target debt / equity	na
Relevered beta	1.13
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	8.8%

Share price	15.55
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Sensitivity analysis DCF							
Change in WACC (%-points)	Long term growth					Share of present value	
	1.5%	2.0%	2.5%	3.0%	3.5%		
2.0%	21.6	22.5	23.4	24.5	25.8	2021E - 2024E	5.8%
1.0%	24.7	25.8	27.2	28.7	30.4	2025E - 2028E	17.9%
0.0%	28.6	30.3	32.1	34.3	36.9	terminal value	76.3%
-1.0%	33.9	36.2	39.0	42.4	46.5		
-2.0%	41.2	44.8	49.2	54.7	62.0		

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

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

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

FCF yield in EURm	2021P	2022E	2023E	2024E	2025E
<b>EBITDA</b>	<b>4.5</b>	<b>12.1</b>	<b>31.1</b>	<b>36.8</b>	<b>40.5</b>
- Maintenance capex	0.0	0.0	0.1	0.1	0.1
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	1.4	3.7	9.4	11.1	12.2
<b>= Adjusted Free Cash Flow</b>	<b>3.1</b>	<b>8.4</b>	<b>21.7</b>	<b>25.6</b>	<b>28.2</b>
<b>Actual Market Cap</b>	<b>234.8</b>	<b>234.8</b>	<b>234.8</b>	<b>234.8</b>	<b>234.8</b>
+ Net debt (cash)	-11.1	-18.7	-39.1	-64.3	-92.5
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off balance sheet financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	20.4	20.4	20.4	20.4	20.4
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	-31.6	-39.1	-59.5	-84.7	-112.9
<b>= Actual EV'</b>	<b>203.3</b>	<b>195.7</b>	<b>175.3</b>	<b>150.1</b>	<b>121.9</b>
<b>Adjusted RW_FCF yield</b>	<b>1.5%</b>	<b>4.3%</b>	<b>12.4%</b>	<b>17.1%</b>	<b>23.1%</b>
base hurdle rate	5.0%	5.0%	5.0%	5.0%	5.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Fair EV</b>	<b>61.8</b>	<b>167.4</b>	<b>434.0</b>	<b>512.9</b>	<b>564.2</b>
- <i>EV Reconciliations</i>	-31.6	-39.1	-59.5	-84.7	-112.9
<b>Fair Market Cap</b>	<b>93.4</b>	<b>206.5</b>	<b>493.6</b>	<b>597.7</b>	<b>677.1</b>
No. of shares (million)	15.1	15.1	15.1	15.1	15.1
<b>Fair value per share in EUR</b>	<b>6.18</b>	<b>13.67</b>	<b>32.68</b>	<b>39.58</b>	<b>44.84</b>
<b>Premium (-) / discount (+)</b>	<b>-60.2%</b>	<b>-12.1%</b>	<b>110.2%</b>	<b>154.5%</b>	<b>188.4%</b>

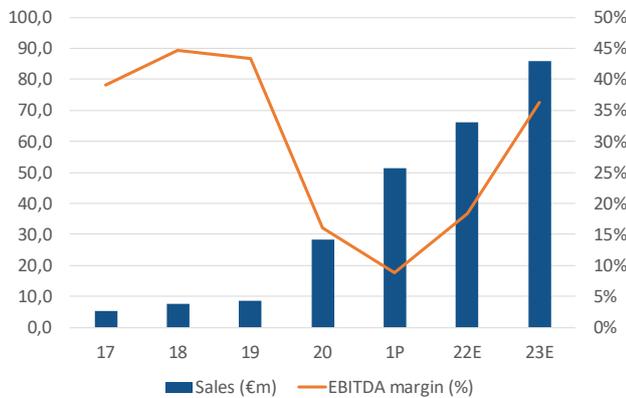
Sensitivity analysis fair value						
	3.0%	8.9	21.1	51.8	62.2	69.7
	4.0%	7.2	16.4	39.9	48.1	54.2
<b>Adjusted hurdle rate</b>	<b>5.0%</b>	<b>6.2</b>	<b>13.7</b>	<b>32.7</b>	<b>39.6</b>	<b>44.8</b>
	6.0%	5.5	11.8	27.9	33.9	38.6
	7.0%	5.0	10.5	24.5	29.9	34.2

Source: Company data; AlsterResearch

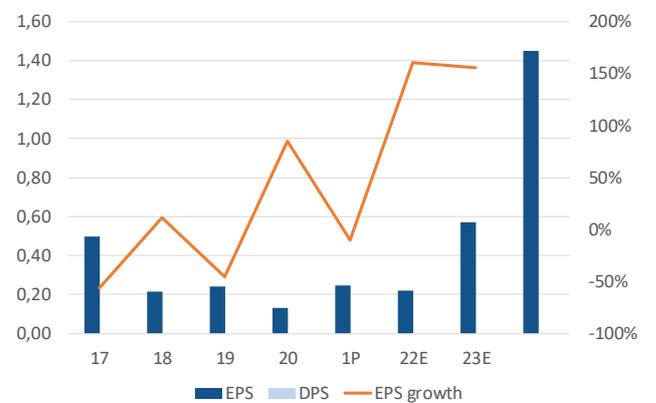
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might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

# Financials in six charts

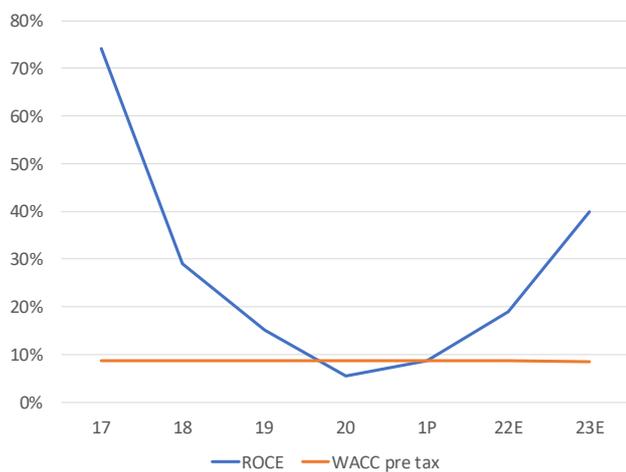
**Sales vs. EBITDA margin development**



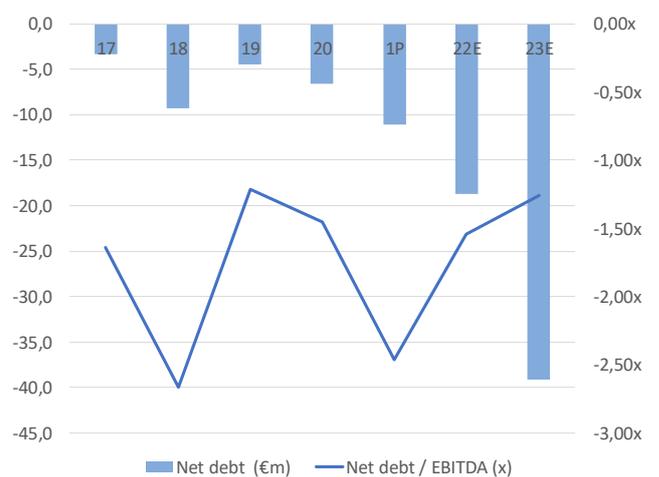
**EPS, DPS in EUR & yoy EPS growth**



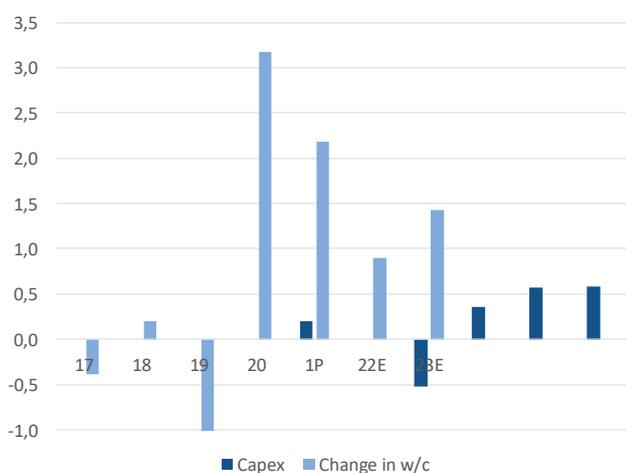
**ROCE vs. WACC (pre tax)**



**Net debt and net debt/EBITDA**



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



**Free Cash Flow in EURm**



Source: Company data; AlsterResearch

## Financials

Profit and loss (EUR m)	2018	2019	2020	2021P	2022E	2023E
<b>Net sales</b>	<b>7.8</b>	<b>8.6</b>	<b>28.2</b>	<b>51.4</b>	<b>66.0</b>	<b>85.8</b>
Sales growth	49.9%	10.0%	229.9%	82.3%	28.4%	30.0%
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>7.8</b>	<b>8.6</b>	<b>28.2</b>	<b>51.4</b>	<b>66.0</b>	<b>85.8</b>
Material expenses	1.1	1.4	13.5	14.1	11.2	12.0
<b>Gross profit</b>	<b>6.7</b>	<b>7.2</b>	<b>14.8</b>	<b>37.3</b>	<b>54.8</b>	<b>73.8</b>
Other operating income	0.4	0.2	0.3	-0.5	0.2	0.3
Personnel expenses	2.0	2.4	8.0	15.4	23.1	25.7
Other operating expenses	1.7	1.2	2.5	16.8	19.8	17.2
<b>EBITDA</b>	<b>3.5</b>	<b>3.7</b>	<b>4.5</b>	<b>4.5</b>	<b>12.1</b>	<b>31.1</b>
Depreciation	0.0	0.0	2.5	0.0	0.0	0.1
EBITA	3.5	3.7	2.0	4.5	12.0	31.1
Amortisation of goodwill and intangible assets	0.1	0.0	0.1	0.1	0.1	0.1
<b>EBIT</b>	<b>3.4</b>	<b>3.7</b>	<b>1.9</b>	<b>4.4</b>	<b>12.0</b>	<b>31.0</b>
Financial result	0.3	-0.7	2.5	0.3	0.3	0.3
Recurring pretax income from continuing operations	3.7	3.0	4.5	4.7	12.3	31.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	3.7	3.0	4.5	4.7	12.3	31.3
Taxes	0.4	1.1	1.0	1.4	3.7	9.4
Net income from continuing operations	3.2	1.9	3.5	3.3	8.6	21.9
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>3.2</b>	<b>1.9</b>	<b>3.5</b>	<b>3.3</b>	<b>8.6</b>	<b>21.9</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	3.2	1.9	3.5	3.3	8.6	21.9
Average number of shares	13.33	14.38	14.38	15.10	15.10	15.10
<b>EPS reported</b>	<b>0.24</b>	<b>0.13</b>	<b>0.24</b>	<b>0.22</b>	<b>0.57</b>	<b>1.45</b>

Profit and loss (common size)	2018	2019	2020	2021P	2022E	2023E
<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	14%	16%	48%	28%	17%	14%
<b>Gross profit</b>	<b>86%</b>	<b>84%</b>	<b>52%</b>	<b>73%</b>	<b>83%</b>	<b>86%</b>
Other operating income	6%	2%	1%	-1%	0%	0%
Personnel expenses	26%	28%	28%	30%	35%	30%
Other operating expenses	21%	14%	9%	33%	30%	20%
<b>EBITDA</b>	<b>45%</b>	<b>43%</b>	<b>16%</b>	<b>9%</b>	<b>18%</b>	<b>36%</b>
Depreciation	0%	0%	9%	0%	0%	0%
EBITA	45%	43%	7%	9%	18%	36%
Amortisation of goodwill and intangible assets	1%	0%	0%	0%	0%	0%
<b>EBIT</b>	<b>44%</b>	<b>43%</b>	<b>7%</b>	<b>9%</b>	<b>18%</b>	<b>36%</b>
Financial result	3%	-8%	9%	1%	0%	0%
Recurring pretax income from continuing operations	47%	35%	16%	9%	19%	36%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	47%	35%	16%	9%	19%	36%
Taxes	5%	13%	4%	3%	6%	11%
Net income from continuing operations	42%	22%	12%	6%	13%	26%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>42%</b>	<b>22%</b>	<b>12%</b>	<b>6%</b>	<b>13%</b>	<b>26%</b>
Minority interest	0%	0%	0%	0%	0%	0%
<b>Net profit (reported)</b>	<b>42%</b>	<b>22%</b>	<b>12%</b>	<b>6%</b>	<b>13%</b>	<b>26%</b>

Source: Company data; AlsterResearch

Balance sheet (EUR m)	2018	2019	2020	2021P	2022E	2023E
<b>Intangible assets (excl. Goodwill)</b>	<b>0.2</b>	<b>0.2</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>
Goodwill	0.0	0.0	11.4	11.4	11.4	11.4
Property, plant and equipment	0.0	0.0	0.4	0.7	1.1	1.6
Financial assets	10.0	28.0	7.9	20.4	20.4	20.4
<b>FIXED ASSETS</b>	<b>10.2</b>	<b>28.3</b>	<b>28.8</b>	<b>41.5</b>	<b>42.0</b>	<b>42.4</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.5	0.5	2.8	4.7	5.5	6.4
Other current assets	0.7	1.7	5.1	5.1	5.1	5.1
Liquid assets	9.3	4.5	14.1	16.1	22.7	42.1
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.1	1.0	0.3	1.5	1.7	2.1
<b>CURRENT ASSETS</b>	<b>10.6</b>	<b>7.8</b>	<b>22.4</b>	<b>27.5</b>	<b>34.9</b>	<b>55.8</b>
<b>TOTAL ASSETS</b>	<b>20.8</b>	<b>36.0</b>	<b>51.2</b>	<b>69.0</b>	<b>76.9</b>	<b>98.2</b>
<b>SHAREHOLDERS EQUITY</b>	<b>19.3</b>	<b>27.1</b>	<b>30.2</b>	<b>53.0</b>	<b>61.6</b>	<b>83.5</b>
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	5.4	5.0	4.0	3.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	1.0	1.6	4.3	1.0	1.3	1.7
<b>Non-current liabilities</b>	<b>1.0</b>	<b>1.6</b>	<b>9.7</b>	<b>6.0</b>	<b>5.3</b>	<b>4.7</b>
short-term liabilities to banks	0.0	0.0	2.1	0.0	0.0	0.0
Accounts payable	0.2	0.2	0.0	0.0	0.0	0.0
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)	0.2	7.0	6.4	9.0	9.0	9.0
Deferred taxes	0.0	0.0	1.0	1.0	1.0	1.0
Deferred income	0.0	0.0	1.7	0.0	0.0	0.0
<b>Current liabilities</b>	<b>0.4</b>	<b>7.2</b>	<b>11.2</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>20.8</b>	<b>36.0</b>	<b>51.2</b>	<b>69.0</b>	<b>76.9</b>	<b>98.2</b>

Balance sheet (common size)	2018	2019	2020	2021P	2022E	2023E
<b>Intangible assets (excl. Goodwill)</b>	<b>1%</b>	<b>1%</b>	<b>18%</b>	<b>13%</b>	<b>12%</b>	<b>9%</b>
Goodwill	0%	0%	22%	17%	15%	12%
Property, plant and equipment	0%	0%	1%	1%	1%	2%
Financial assets	48%	78%	15%	30%	27%	21%
<b>FIXED ASSETS</b>	<b>49%</b>	<b>78%</b>	<b>56%</b>	<b>60%</b>	<b>55%</b>	<b>43%</b>
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	2%	1%	5%	7%	7%	7%
Other current assets	4%	5%	10%	7%	7%	5%
Liquid assets	45%	12%	28%	23%	29%	43%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	3%	1%	2%	2%	2%
<b>CURRENT ASSETS</b>	<b>51%</b>	<b>22%</b>	<b>44%</b>	<b>40%</b>	<b>45%</b>	<b>57%</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>93%</b>	<b>75%</b>	<b>59%</b>	<b>77%</b>	<b>80%</b>	<b>85%</b>
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	0%	11%	7%	5%	3%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	5%	5%	8%	1%	2%	2%
<b>Non-current liabilities</b>	<b>5%</b>	<b>5%</b>	<b>19%</b>	<b>9%</b>	<b>7%</b>	<b>5%</b>
short-term liabilities to banks	0%	0%	4%	0%	0%	0%
Accounts payable	1%	1%	0%	0%	0%	0%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	1%	20%	13%	13%	12%	9%
Deferred taxes	0%	0%	2%	1%	1%	1%
Deferred income	0%	0%	3%	0%	0%	0%
<b>Current liabilities</b>	<b>2%</b>	<b>20%</b>	<b>22%</b>	<b>14%</b>	<b>13%</b>	<b>10%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2018	2019	2020	2021P	2022E	2023E
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Net profit/loss	3.2	1.9	3.5	3.3	8.6	21.9
Depreciation of fixed assets (incl. leases)	0.0	0.0	2.9	0.0	0.0	0.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.1	0.1	0.1	0.1
Others	0.0	0.0	0.2	-15.8	0.3	0.4
Cash flow from operations before changes in w/c	3.2	1.9	6.7	-12.4	9.0	22.5
Increase/decrease in inventory	0.0	0.0	-0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.0	0.1	-2.3	-1.9	-0.8	-0.9
Increase/decrease in accounts payable	-0.2	0.0	-0.2	0.0	0.0	0.0
Increase/decrease in other w/c positions	0.0	6.9	-0.7	-0.3	-0.1	-0.5
Increase/decrease in working capital	-0.2	7.0	-3.2	-2.2	-0.9	-1.4
<b>Cash flow from operating activities</b>	<b>3.0</b>	<b>8.9</b>	<b>3.5</b>	<b>-14.6</b>	<b>8.1</b>	<b>21.0</b>
CAPEX	-0.2	0.0	0.5	-0.4	-0.6	-0.6
Payments for acquisitions	0.0	-15.0	0.0	0.0	0.0	0.0
Financial investments	-10.4	-4.7	-2.6	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	3.5	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-10.6</b>	<b>-19.7</b>	<b>1.4</b>	<b>-0.4</b>	<b>-0.6</b>	<b>-0.6</b>
Cash flow before financing	-7.6	-10.8	4.9	-14.9	7.5	20.4
Increase/decrease in debt position	0.0	0.0	4.7	-2.5	-1.0	-1.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	13.4	5.8	0.0	19.5	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	-0.2	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
<b>Cash flow from financing activities</b>	<b>13.4</b>	<b>5.8</b>	<b>4.5</b>	<b>17.0</b>	<b>-1.0</b>	<b>-1.0</b>
Increase/decrease in liquid assets	5.8	-5.0	9.5	2.1	6.5	19.4
<b>Liquid assets at end of period</b>	<b>9.2</b>	<b>4.2</b>	<b>13.6</b>	<b>15.7</b>	<b>22.2</b>	<b>41.7</b>

Source: Company data; AlsterResearch

Regional sales split (EURm)	2018	2019	2020	2021P	2022E	2023E
Domestic	7.8	8.6	28.2	51.4	66.0	85.8
Europe (ex domestic)	0.0	0.0	0.0	0.0	0.0	0.0
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>7.8</b>	<b>8.6</b>	<b>28.2</b>	<b>51.4</b>	<b>66.0</b>	<b>85.8</b>

Regional sales split (common size)	2018	2019	2020	2021P	2022E	2023E
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	2018	2019	2020	2021P	2022E	2023E
<b>Per share data</b>						
Earnings per share reported	0.24	0.13	0.24	0.22	0.57	1.45
Cash flow per share	0.23	0.61	0.07	-0.97	0.53	1.39
Book value per share	1.45	1.89	2.10	3.51	4.08	5.53
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	64.2x	117.7x	63.7x	71.1x	27.4x	10.7x
P/CF	68.6x	25.3x	213.1x	-16.1x	29.1x	11.2x
P/BV	10.7x	8.2x	7.4x	4.4x	3.8x	2.8x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	1.5%	4.0%	0.5%	-6.2%	3.4%	8.9%
EV/Sales	29.0x	26.9x	8.1x	4.3x	3.3x	2.3x
EV/EBITDA	64.9x	62.2x	50.5x	49.4x	17.9x	6.3x
EV/EBIT	66.3x	62.5x	117.6x	50.7x	18.1x	6.3x
<b>Income statement (EURm)</b>						
Sales	7.8	8.6	28.2	51.4	66.0	85.8
yoy chg in %	49.9%	10.0%	229.9%	82.3%	28.4%	30.0%
Gross profit	6.7	7.2	14.8	37.3	54.8	73.8
Gross margin in %	86.4%	84.0%	52.3%	72.5%	83.0%	86.0%
EBITDA	3.5	3.7	4.5	4.5	12.1	31.1
EBITDA margin in %	44.7%	43.3%	16.0%	8.8%	18.3%	36.3%
EBIT	3.4	3.7	1.9	4.4	12.0	31.0
EBIT margin in %	43.8%	43.1%	6.9%	8.6%	18.1%	36.1%
Net profit	3.2	1.9	3.5	3.3	8.6	21.9
<b>Cash flow statement (EURm)</b>						
CF from operations	3.0	8.9	3.5	-14.6	8.1	21.0
Capex	-0.2	0.0	0.5	-0.4	-0.6	-0.6
Maintenance Capex	0.0	0.0	2.5	0.0	0.0	0.1
Free cash flow	2.8	8.9	4.1	-14.9	7.5	20.4
<b>Balance sheet (EURm)</b>						
Intangible assets	0.2	0.2	20.5	20.4	20.4	20.4
Tangible assets	0.0	0.0	0.4	0.7	1.1	1.6
Shareholders' equity	19.3	27.1	30.2	53.0	61.6	83.5
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	1.0	1.6	11.8	6.0	5.3	4.7
Net financial debt	-9.3	-4.5	-6.6	-11.1	-18.7	-39.1
w/c requirements	0.3	0.3	2.8	4.7	5.5	6.4
<b>Ratios</b>						
ROE	16.7%	7.0%	11.5%	6.2%	13.9%	26.2%
ROCE	16.7%	12.8%	4.6%	7.5%	17.9%	35.1%
Net gearing	-48.0%	-16.6%	-21.7%	-21.0%	-30.3%	-46.8%
Net debt / EBITDA	-2.7x	-1.2x	-1.4x	-2.5x	-1.5x	-1.3x

Source: Company data; AlsterResearch

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