

# wallstreet:online AG

Germany | Media | MCap EUR 303.5m

19 January 2022

UPDATE



## Smartbroker meets guidance – PT unchanged – BUY confirmed

### What's it all about?

Newest metrics released by wallstreet:online (WSO) confirmed the company's projected growth path for FY21. With a total number of 200K Smartbroker customers, the company met its target of 120K additional customers in the past year. Additionally, WSO announced to add a paid content section on its portals, which particularly aims at brokerage customers. The company expects this new revenue stream to be earnings accretive in FY23. In our view, this reflects the ongoing integration of the company's brokerage and media business. We confirm our BUY recommendation with unchanged PT of EUR 34.00.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 34.00 (34.00)</b>
Current price	EUR 20.10
Up/downside	69.2%

 **ResearchHub** 

**MAIN AUTHOR**

**Alexander Zienkowicz**

a.zienkowicz@alsterresearch.com  
+49 40 309 293-56

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

[alsterresearch.com](https://alsterresearch.com)

This research is the product of AlsterResearch, which is authorized and regulated by the BaFin in Germany.

# wallstreet:online AG

Germany | Media | MCap EUR 303.5m | EV EUR 297.0m

**BUY** (BUY)

**Target price** EUR 34.00 (34.00)  
**Current price** EUR 20.10  
**Up/downside** 69.2%

**MAIN AUTHOR**

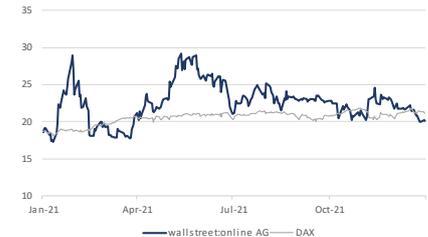
**Alexander Zienkowicz**  
a.zienkowicz@alsterresearch.com  
+49 40 309 293-56

## Smartbroker meets guidance – PT unchanged – BUY confirmed

Recently, wallstreet:online AG (WSO) issued brief updates on its brokerage and its portal business. Regarding the brokerage business, WSO announced that it achieved its target of 200k Smartbroker customers per end of FY21. As of December 31, 2021, the company reported a total of around 240k deposits, including Smartbroker, FondsDiscount.de as well as the former VW-Bank clients. In terms of assets under custody (AuC, former terminology Assets under management, AuM), the company reached EUR 8.8bn at the end of the year. The average deposit volume stood at ca. EUR 37,000, which is considerably above 1<sup>st</sup>-generation brokers like flatexDEGIRO (EUR 23,100) or neobroker competitors like TradeRepublic (ca. EUR 6,000). In line with previous statements, the company expects to reach EUR 10bn in January/February.

A few days earlier, WSO shared some metrics regarding the portal business. The number of annual page impressions increased to approx. 4bn page impressions in 2021 (+15% yoy). At the same time, the number of registered users in WSO's forums rose to more than 836k users. In terms of business development, the company announced that it plans to enhance its Social & Media business by adding a premium section, which is tailored to brokerage customers. Specifically, WSO will extend its offering by journalistic and trading-specific content, as well as self-produced video formats. To this end, WSO expands its in-house editorial team. This means a new revenue stream, which the company expects to be earnings accretive in FY23.

**Conclusion:** wallstreet:online has met the target of adding 120k Smartbroker customers in FY21. In terms of AuC and average deposit volumes, WSO outshines its neobroker competitors and underpins the ability to compete with 1<sup>st</sup>-generation brokers for affluent customers. On the portal side, the planned paid content section will open a new revenue stream, which particularly aims at brokerage customers. This reflects the ongoing integration of the company's brokerage and media business and should become more visible when the company releases its new apps and site updates. Based on our valuation models, we confirm our BUY recommendation with unchanged PT of EUR 34.00.



Source: Company data, AlsterResearch

**High/low 52 weeks** 29.70 / 16.10  
**Price/Book Ratio** 9.6x

### Ticker / Symbols

**ISIN** DE000A2GS609  
**WKN** A2GS60  
**Bloomberg** WSO1:GR

### Changes in estimates

		Sales	EBIT	EPS
2021	old	0.00	0.00	0.00
	Δ	-	-	-
2022	old	0.00	0.00	0.00
	Δ	-	-	-
2023	old	0.00	0.00	0.00
	Δ	-	-	-

### 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.

wallstreet:online AG	2018	2019	2020	2021E	2022E	2023E
Sales	7.8	8.6	28.2	50.8	66.0	79.2
<i>Growth yoy</i>	49.9%	10.0%	229.9%	80.0%	30.0%	20.0%
EBITDA	3.5	3.7	4.5	5.8	21.0	28.0
EBIT	3.4	3.7	1.9	5.7	20.9	27.8
Net profit	3.2	1.9	3.5	4.2	14.8	19.7
Net debt (net cash)	-9.3	-4.5	-6.6	-12.1	-25.8	-44.6
Net debt/EBITDA	-2.7x	-1.2x	-1.4x	-2.1x	-1.2x	-1.6x
EPS reported	0.24	0.13	0.24	0.28	0.98	1.30
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%	85.0%
EBITDA margin	44.7%	43.3%	16.0%	11.5%	31.8%	35.3%
EBIT margin	43.8%	43.1%	6.9%	11.3%	31.6%	35.1%
ROCE	16.7%	12.8%	4.6%	9.6%	28.2%	29.9%
EV/EBITDA	84.7x	80.7x	65.6x	49.9x	13.2x	9.3x
EV/EBIT	86.5x	81.1x	152.9x	50.9x	13.3x	9.3x
PER	82.9x	152.1x	82.3x	71.9x	20.5x	15.4x
FCF yield	1.1%	3.1%	0.4%	-4.5%	4.7%	6.3%

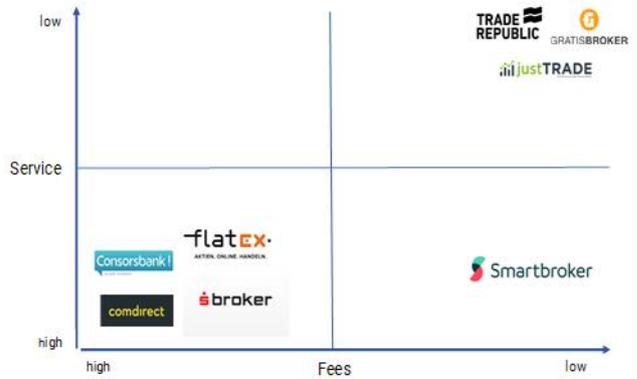
Source: Company data, AlsterResearch

# Investment case in six charts

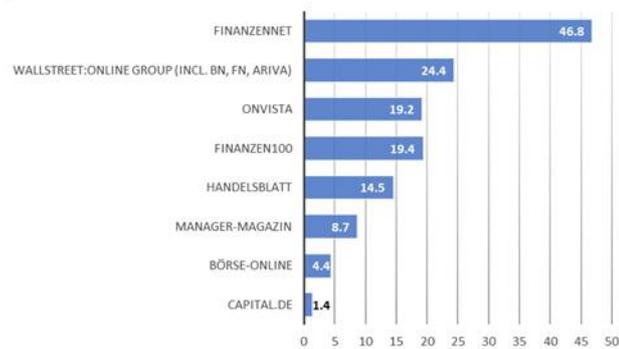
## Portfolio



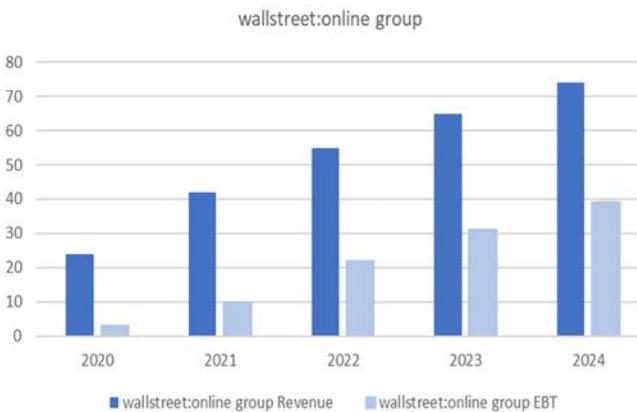
## Competitive landscape in Germany



## Visits in m



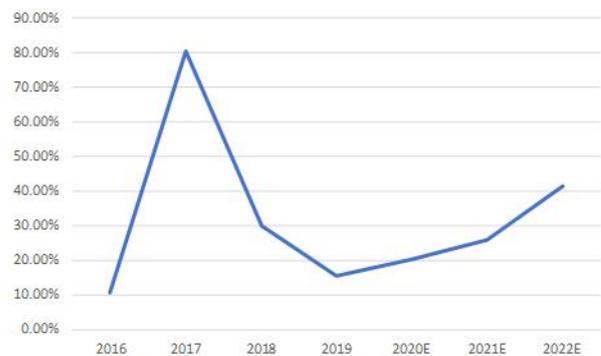
## "Vision 2024"



## Sales development



## ROCE





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 22.41 per share based on 2022E and EUR 47.13 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	2021E	2022E	2023E	2024E	2025E
<b>EBITDA</b>	<b>5.8</b>	<b>21.0</b>	<b>28.0</b>	<b>38.5</b>	<b>42.4</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	1.8	6.3	8.4	11.6	12.7
<b>= Adjusted Free Cash Flow</b>	<b>4.0</b>	<b>14.6</b>	<b>19.5</b>	<b>26.9</b>	<b>29.5</b>
<b>Actual Market Cap</b>	<b>303.5</b>	<b>303.5</b>	<b>303.5</b>	<b>303.5</b>	<b>303.5</b>
+ Net debt (cash)	-12.1	-25.8	-44.6	-71.0	-100.5
+ 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>	-32.5	-46.2	-65.0	-91.4	-120.9
<b>= Actual EV'</b>	<b>271.0</b>	<b>257.3</b>	<b>238.5</b>	<b>212.1</b>	<b>182.6</b>
<b>Adjusted RW_FCF yield</b>	<b>1.5%</b>	<b>5.7%</b>	<b>8.2%</b>	<b>12.7%</b>	<b>16.2%</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>80.2</b>	<b>292.1</b>	<b>389.4</b>	<b>537.1</b>	<b>590.7</b>
- <i>EV Reconciliations</i>	-32.5	-46.2	-65.0	-91.4	-120.9
<b>Fair Market Cap</b>	<b>112.8</b>	<b>338.4</b>	<b>454.4</b>	<b>628.5</b>	<b>711.7</b>
No. of shares (million)	15.1	15.1	15.1	15.1	15.1
<b>Fair value per share in EUR</b>	<b>7.47</b>	<b>22.41</b>	<b>30.09</b>	<b>41.62</b>	<b>47.13</b>
<b>Premium (-) / discount (+)</b>	<b>-62.9%</b>	<b>11.5%</b>	<b>49.7%</b>	<b>107.1%</b>	<b>134.5%</b>

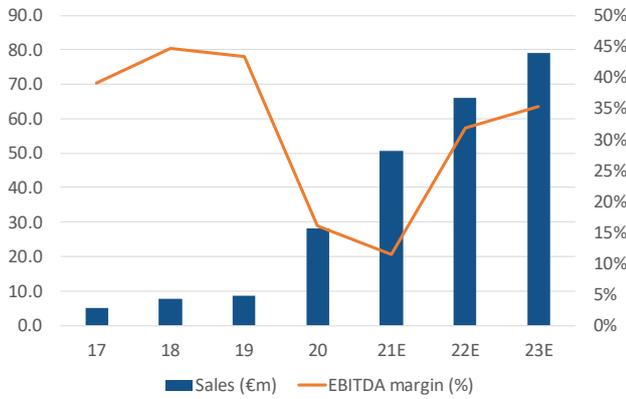
Sensitivity analysis fair value						
	3.0%	11.0	35.3	47.3	65.3	73.2
	4.0%	8.8	27.2	36.5	50.5	56.9
<b>Adjusted hurdle rate</b>	<b>5.0%</b>	<b>7.5</b>	<b>22.4</b>	<b>30.1</b>	<b>41.6</b>	<b>47.1</b>
	6.0%	6.6	19.2	25.8	35.7	40.6
	7.0%	5.9	16.9	22.7	31.5	35.9

Source: Company data; AlsterResearch

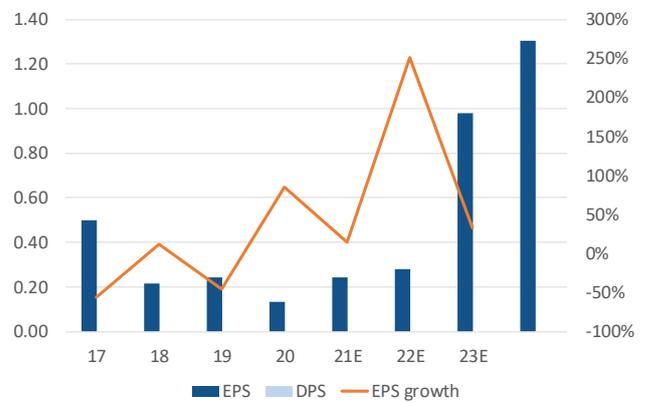
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments 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

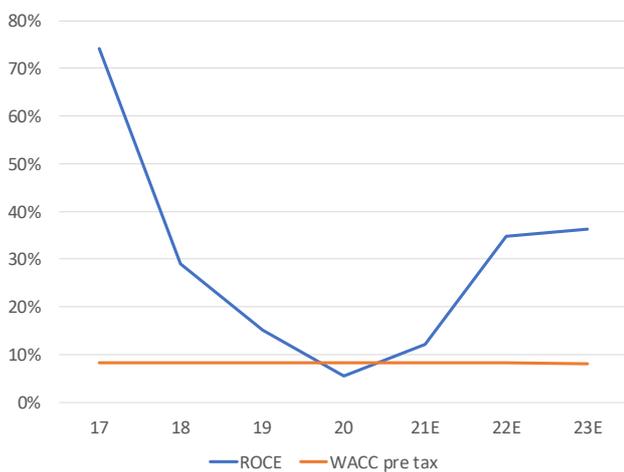
**Sales vs. EBITDA margin development**



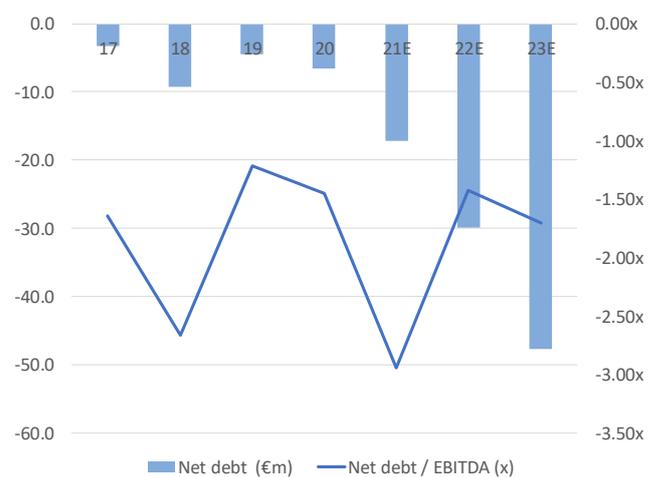
**EPS, DPS in EUR & yoy EPS growth**



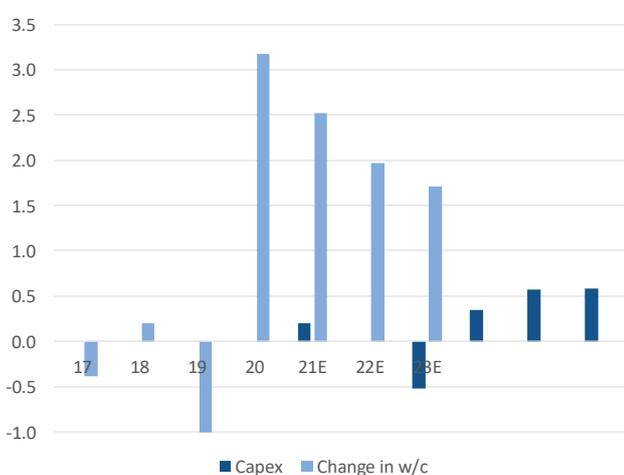
**ROCE vs. WACC (pre tax)**



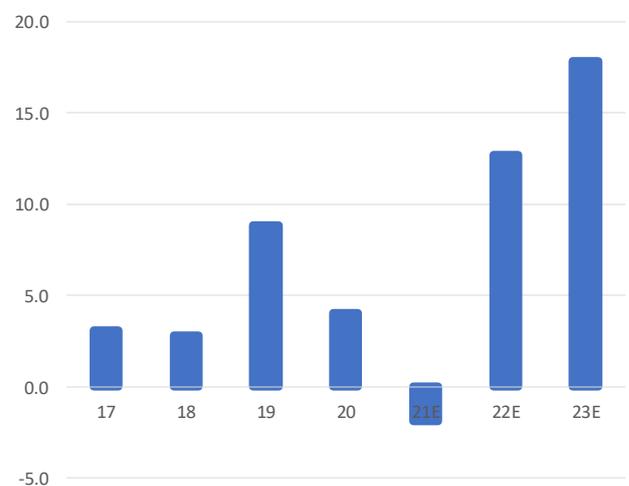
**Net debt and net debt/EBITDA**



**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	2021E	2022E	2023E
<b>Net sales</b>	<b>7.8</b>	<b>8.6</b>	<b>28.2</b>	<b>50.8</b>	<b>66.0</b>	<b>79.2</b>
Sales growth	49.9%	10.0%	229.9%	80.0%	30.0%	20.0%
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>50.8</b>	<b>66.0</b>	<b>79.2</b>
Material expenses	1.1	1.4	13.5	14.0	11.2	11.9
<b>Gross profit</b>	<b>6.7</b>	<b>7.2</b>	<b>14.8</b>	<b>36.8</b>	<b>54.8</b>	<b>67.3</b>
Other operating income	0.4	0.2	0.3	-0.5	0.2	0.2
Personnel expenses	2.0	2.4	8.0	15.2	17.5	19.8
Other operating expenses	1.7	1.2	2.5	15.2	16.5	19.8
<b>EBITDA</b>	<b>3.5</b>	<b>3.7</b>	<b>4.5</b>	<b>5.8</b>	<b>21.0</b>	<b>28.0</b>
Depreciation	0.0	0.0	2.5	0.0	0.0	0.1
EBITA	3.5	3.7	2.0	5.8	21.0	27.9
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>5.7</b>	<b>20.9</b>	<b>27.8</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	6.0	21.2	28.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	3.7	3.0	4.5	6.0	21.2	28.1
Taxes	0.4	1.1	1.0	1.8	6.3	8.4
Net income from continuing operations	3.2	1.9	3.5	4.2	14.8	19.7
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>4.2</b>	<b>14.8</b>	<b>19.7</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	3.2	1.9	3.5	4.2	14.8	19.7
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>0.28</b>	<b>0.98</b>	<b>1.30</b>

Profit and loss (common size)	2018	2019	2020	2021E	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%	27%	17%	15%
<b>Gross profit</b>	<b>86%</b>	<b>84%</b>	<b>52%</b>	<b>73%</b>	<b>83%</b>	<b>85%</b>
Other operating income	6%	2%	1%	-1%	0%	0%
Personnel expenses	26%	28%	28%	30%	27%	25%
Other operating expenses	21%	14%	9%	30%	25%	25%
<b>EBITDA</b>	<b>45%</b>	<b>43%</b>	<b>16%</b>	<b>12%</b>	<b>32%</b>	<b>35%</b>
Depreciation	0%	0%	9%	0%	0%	0%
EBITA	45%	43%	7%	11%	32%	35%
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>11%</b>	<b>32%</b>	<b>35%</b>
Financial result	3%	-8%	9%	1%	0%	0%
Recurring pretax income from continuing operations	47%	35%	16%	12%	32%	35%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	47%	35%	16%	12%	32%	35%
Taxes	5%	13%	4%	4%	10%	11%
Net income from continuing operations	42%	22%	12%	8%	22%	25%
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>8%</b>	<b>22%</b>	<b>25%</b>
Minority interest	0%	0%	0%	0%	0%	0%
<b>Net profit (reported)</b>	<b>42%</b>	<b>22%</b>	<b>12%</b>	<b>8%</b>	<b>22%</b>	<b>25%</b>

Source: Company data; AlsterResearch

Balance sheet (EUR m)	2018	2019	2020	2021E	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	4.6	5.5	5.9
Other current assets	0.7	1.7	5.1	5.1	5.1	5.1
Liquid assets	9.3	4.5	14.1	17.1	29.8	47.6
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	2.0
<b>CURRENT ASSETS</b>	<b>10.6</b>	<b>7.8</b>	<b>22.4</b>	<b>28.4</b>	<b>42.1</b>	<b>60.6</b>
<b>TOTAL ASSETS</b>	<b>20.8</b>	<b>36.0</b>	<b>51.2</b>	<b>69.9</b>	<b>84.1</b>	<b>103.0</b>
<b>SHAREHOLDERS EQUITY</b>	<b>19.3</b>	<b>27.1</b>	<b>30.2</b>	<b>53.9</b>	<b>68.7</b>	<b>88.4</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	1.6
<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>4.6</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>69.9</b>	<b>84.1</b>	<b>103.0</b>

Balance sheet (common size)	2018	2019	2020	2021E	2022E	2023E
<b>Intangible assets (excl. Goodwill)</b>	<b>1%</b>	<b>1%</b>	<b>18%</b>	<b>13%</b>	<b>11%</b>	<b>9%</b>
Goodwill	0%	0%	22%	16%	14%	11%
Property, plant and equipment	0%	0%	1%	1%	1%	2%
Financial assets	48%	78%	15%	29%	24%	20%
<b>FIXED ASSETS</b>	<b>49%</b>	<b>78%</b>	<b>56%</b>	<b>59%</b>	<b>50%</b>	<b>41%</b>
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	2%	1%	5%	7%	7%	6%
Other current assets	4%	5%	10%	7%	6%	5%
Liquid assets	45%	12%	28%	24%	35%	46%
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>41%</b>	<b>50%</b>	<b>59%</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>82%</b>	<b>86%</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>6%</b>	<b>4%</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%	11%	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>12%</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	2021E	2022E	2023E
-----------------------------	------	------	------	-------	-------	-------

Net profit/loss	3.2	1.9	3.5	4.2	14.8	19.7
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	0.3
Cash flow from operations before changes in w/c	3.2	1.9	6.7	-11.5	15.2	20.1
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	-1.8	-0.8	-0.4
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	-0.3
Increase/decrease in working capital	-0.2	7.0	-3.2	-2.1	-1.0	-0.8
<b>Cash flow from operating activities</b>	<b>3.0</b>	<b>8.9</b>	<b>3.5</b>	<b>-13.6</b>	<b>14.3</b>	<b>19.3</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	-13.9	13.7	18.7
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	0.0	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>-2.5</b>	<b>-1.0</b>	<b>-1.0</b>
Increase/decrease in liquid assets	5.8	-5.0	9.5	-16.4	12.7	17.7
<b>Liquid assets at end of period</b>	<b>9.2</b>	<b>4.2</b>	<b>13.6</b>	<b>-2.8</b>	<b>9.9</b>	<b>27.6</b>

Source: Company data; AlsterResearch

Regional sales split (EURm)	2018	2019	2020	2021E	2022E	2023E
Domestic	7.8	8.6	28.2	50.8	66.0	79.2
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>50.8</b>	<b>66.0</b>	<b>79.2</b>

Regional sales split (common size)	2018	2019	2020	2021E	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	2021E	2022E	2023E
<b>Per share data</b>						
Earnings per share reported	0.24	0.13	0.24	0.28	0.98	1.30
Cash flow per share	0.23	0.61	0.07	-0.90	0.94	1.28
Book value per share	1.45	1.89	2.10	3.57	4.55	5.86
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	82.9x	152.1x	82.3x	71.9x	20.5x	15.4x
P/CF	88.7x	32.7x	275.4x	-22.3x	21.3x	15.8x
P/BV	13.9x	10.6x	9.6x	5.6x	4.4x	3.4x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	1.1%	3.1%	0.4%	-4.5%	4.7%	6.3%
EV/Sales	37.9x	35.0x	10.5x	5.7x	4.2x	3.3x
EV/EBITDA	84.7x	80.7x	65.6x	49.9x	13.2x	9.3x
EV/EBIT	86.5x	81.1x	152.9x	50.9x	13.3x	9.3x
<b>Income statement (EURm)</b>						
Sales	7.8	8.6	28.2	50.8	66.0	79.2
yoy chg in %	49.9%	10.0%	229.9%	80.0%	30.0%	20.0%
Gross profit	6.7	7.2	14.8	36.8	54.8	67.3
Gross margin in %	86.4%	84.0%	52.3%	72.5%	83.0%	85.0%
EBITDA	3.5	3.7	4.5	5.8	21.0	28.0
EBITDA margin in %	44.7%	43.3%	16.0%	11.5%	31.8%	35.3%
EBIT	3.4	3.7	1.9	5.7	20.9	27.8
EBIT margin in %	43.8%	43.1%	6.9%	11.3%	31.6%	35.1%
Net profit	3.2	1.9	3.5	4.2	14.8	19.7
<b>Cash flow statement (EURm)</b>						
CF from operations	3.0	8.9	3.5	-13.6	14.3	19.3
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	-13.9	13.7	18.7
<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	53.9	68.7	88.4
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	4.6
Net financial debt	-9.3	-4.5	-6.6	-12.1	-25.8	-44.6
w/c requirements	0.3	0.3	2.8	4.6	5.5	5.9
<b>Ratios</b>						
ROE	16.7%	7.0%	11.5%	7.8%	21.6%	22.3%
ROCE	16.7%	12.8%	4.6%	9.6%	28.2%	29.9%
Net gearing	-48.0%	-16.6%	-21.7%	-22.5%	-37.6%	-50.4%
Net debt / EBITDA	-2.7x	-1.2x	-1.4x	-2.1x	-1.2x	-1.6x

Source: Company data; AlsterResearch

## Conflict of interests

Disclosures regarding research publications of SRH AlsterResearch AG pursuant to section 85 of the German Securities Trading Act (WpHG) and distributed in the UK under an EEA branch passport, subject to the FCA requirements on research recommendation disclosures. It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analyzed company. Further to this, under the FCA's rules on research recommendations, any conflicts of interest in connection with the recommendation must be disclosed. A conflict of interest is presumed to exist in particular if SRH AlsterResearch AG

- (1) or its affiliate(s) (either in its own right or as part of a consortium) within the past twelve months, acquired the financial instruments of the analyzed company,
- (2) has entered into an agreement on the production of the research report with the analyzed company,
- (3) or its affiliate(s) has, within the past twelve months, been party to an agreement on the provision of investment banking services with the analyzed company or have received services or a promise of services under the term of such an agreement,
- (4) or its affiliate(s) holds a) 5% or more of the share capital of the analyzed company, or b) the analyzed company holds 5% or more of the share capital of SRH AlsterResearch AG or its affiliate(s),
- (5) or its affiliate(s) holds a net long (a) or a net short (b) position of 0.5% of the outstanding share capital of the analyzed company or derivatives thereof,
- (6) or its affiliate(s) is a market maker or liquidity provider in the financial instruments of the issuer,
- (7) or the analyst has any other significant financial interests relating to the analyzed company such as, for example, exercising mandates in the interest of the analyzed company or a significant conflict of interest with respect to the issuer,
- (8) The research report has been made available to the company prior to its publication. Thereafter, only factual changes have been made to the report.

Conflicts of interest that existed at the time when this research report was published:

Company	Disclosure
wallstreet:online AG	2, 8

# Important disclosures

**1. General Information/Liabilities** This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by SRH AlsterResearch AG, exclusively to selected recipients [in DE, GB, FR, CH, US, UK, Scandinavia, and Benelux or, in individual cases, also in other countries]. A distribution to private investors in the sense of the German Securities Trading Act (WpHG) is excluded. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of SRH AlsterResearch AG. Reproduction of this document, in whole or in part, is not permitted without prior permission SRH AlsterResearch AG. All rights reserved. Under no circumstances shall SRH AlsterResearch AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

**2. Responsibilities** This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analyzed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

**3. Organizational Requirements** SRH AlsterResearch AG took internal organizational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of AlsterResearch AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

**4. Information Concerning the Methods of Valuation/Update** The determination of the fair value per share, i.e. the price target, and the resultant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made. The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate. The operating cash flow is calculated as EBITDA less maintenance capex and taxes. Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value. Detailed information on the valuation principles and methods used and the underlying assumptions can be found at <https://www.alsterresearch.com>.

SRH AlsterResearch AG uses the following three-step rating system for the analyzed companies:

- **Buy:** Sustainable upside potential of more than 10% within 12 months
- **Sell:** Sustainable downside potential of more than 10% within 12 months.
- **Hold:** Upside/downside potential is limited. No immediate catalyst visible.

NB: The ratings of SRH AlsterResearch AG are not based on a performance that is expected to be "relative" to the market.

The decision on the choice of the financial instruments analyzed in this document was solely made by SRH AlsterResearch AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of SRH AlsterResearch AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

**5. Date and time of first publication of this financial analysis**  
19-Jan-22 10:57:28

## 6. Risk information

- Stock exchange investments and investments in companies (shares) are always speculative and involve the risk of total loss.
- This is particularly true in respect of investments in companies which are not established and/or small and have no established business or corporate assets.
- Share prices may fluctuate significantly. This is particularly true for shares with low liquidity (market breadth). Even small orders can have a significant impact on the share price.
- In the case of shares in narrow markets, it may also happen that there is no or very little actual trading there and that published prices are not based on actual trading but have only been provided by a stockbroker.
- In such markets a shareholder cannot expect to find a buyer for his shares at all and/or at reasonable prices. In such narrow markets there is a very high possibility of manipulating prices and in such markets there are often considerable price fluctuations.
- An investment in shares with low liquidity and low market capitalization is therefore highly speculative and represents a very high risk.
- There is no regulated market for unlisted shares and securities and a sale is not possible or only possible on an individual basis.

**7. Major Sources of Information** Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. SRH AlsterResearch AG has checked the information for plausibility but not for accuracy or completeness.

**8. Competent Supervisory Authority** SRH AlsterResearch AG are under supervision of the BaFin – German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M. This document is distributed in the UK under a MiFID EEA branch passport and in compliance with the applicable FCA requirements.

**9. Specific Comments for Recipients Outside of Germany** This research report is subject to the law of the Federal Republic of Germany. The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state.

**10. Miscellaneous** According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published free of charge under <https://www.alsterresearch.com>.

## Contacts

SRH AlsterResearch AG  
Himmelstr. 9  
22299 Hamburg

Tel: +49 40 309 293-52  
Fax: +49 40 556 330-54  
E-Mail: [info@alsterresearch.com](mailto:info@alsterresearch.com)

mwb fairtrade Wertpapierhandelsbank AG  
Rottenbacher Straße 28  
82166 Gräfelfing

Tel: +49 89 85852-0  
Fax: +49 89 85852-505  
E-Mail: [info@mwbfairtrade.com](mailto:info@mwbfairtrade.com)

Our research can be found under

## Research

**HANNAH GABERT**  
Team Assistant  
Tel: +49 40 309 293-53  
E-Mail: [h.gabert@alsterresearch.com](mailto:h.gabert@alsterresearch.com)

**HARALD HOF**  
Senior Analyst  
Tel: +49 40 309 293-52  
E-Mail: [h.hof@alsterresearch.com](mailto:h.hof@alsterresearch.com)

**NIKOLAI RENKEN**  
Analyst  
Tel: +49 40 309 293-54  
E-Mail: [n.renken@alsterresearch.com](mailto:n.renken@alsterresearch.com)

**KATHARINA SCHLÖTER**  
Analyst  
Tel: +49 40 309 293-52  
E-Mail: [k.schloeter@alsterresearch.com](mailto:k.schloeter@alsterresearch.com)

**THOMAS WISSLER**  
Senior Analyst  
Tel: +49 40 309 293-58  
E-Mail: [t.wissler@alsterresearch.com](mailto:t.wissler@alsterresearch.com)

**DR. OLIVER WOJAHN, CFA**  
Senior Analyst  
Tel: +49 40 309 293-58  
E-Mail: [o.wojahn@alsterresearch.com](mailto:o.wojahn@alsterresearch.com)

**ALEXANDER ZIENKOWICZ**  
Senior Analyst  
Tel: +49 40 309 293-56  
E-Mail: [a.zienkowitz@alsterresearch.com](mailto:a.zienkowitz@alsterresearch.com)

## Sales

**MARKUS KÖNIG-WEISS**  
Head of Sales  
Tel: +49 40 309 293-52  
E-Mail: [mkw@alsterresearch.com](mailto:mkw@alsterresearch.com)

## Equity Capital Markets / Trading

**KAI JORDAN**  
Member of the Board  
Tel: +49 40 36 0995-22  
E-Mail: [kjordan@mwbfairtrade.com](mailto:kjordan@mwbfairtrade.com)

**ALEXANDER DEUSS**  
Head of Institutional Sales  
Tel: +49 40 36 0995- 22  
E-Mail: [adeuss@mwbfairtrade.com](mailto:adeuss@mwbfairtrade.com)

**SASCHA GUENON**  
Head of Designated Sponsoring  
Tel: +49 40 360 995 - 23  
E-Mail: [sguenon@mwbfairtrade.com](mailto:sguenon@mwbfairtrade.com)

<b>RESEARCH HUB</b>	<a href="http://www.research-hub.de">www.research-hub.de</a>
<b>BLOOMBERG</b>	<a href="http://www.bloomberg.com">www.bloomberg.com</a>
<b>FACTSET</b>	<a href="http://www.factset.com">www.factset.com</a>
<b>THOMSON REUTERS / REFINITIV</b>	<a href="http://www.refinitiv.com">www.refinitiv.com</a>
<b>CAPITALIQ</b>	<a href="http://www.capitaliq.com">www.capitaliq.com</a>