

# wallstreet:online AG

Germany | Media | MCap EUR 257.5m

23 February 2022

UPDATE



## Underperforming sector – PT down – BUY confirmed

### What's it all about?

In May 2021, the share price of wallstreet:online (WSO) hit an ATH at EUR 27.90. Since then, the share has dropped more than 40%. The main explanation of the underperformance can be traced back to sector related issues, as industry peers have suffered as well. With FY21 results around the corner, we expect support for the stock coming from operational and financial milestones. We remain confident about WSO's ongoing integration of the company's brokerage and media business. We therefore reiterate to BUY albeit with slightly reduced PT of EUR 32.00 (old EUR 34.00). Today's news / rumors that PE firms might consider a bid for competitor flatexDEGIRO could indicate that peer valuations (incl. WSO) might be close or even surpassed the trough. Whilst flatex shares are up ca. 18%, this should also have a positive pull effect for WSO.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 32.00 (34.00)</b>
Current price	EUR 17.05
Up/downside	87.7%



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## Underperforming sector – PT down – BUY confirmed

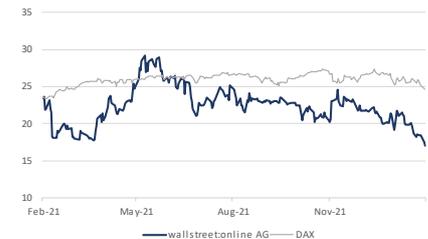
In May 2021, the share price of wallstreet:online (WSO) hit an ATH at EUR 27.90. Since then, the share has dropped more than 40%. The main explanation of the underperformance can be traced back to sector related issues: profits in the industry were normalizing after the exceptional results in 2020, which were boosted by high market volatility and increased trading activity. In addition, the general move out of growth stocks in the wake of interest hikes and escalation in Ukraine have fostered the decline during the past weeks. Industry peers Sino and Tradegate are down from their highs by 17% and 27% respectively, flatexDEGIRO even 47%. Securities trading banks like mwb fairtrade and L&S dropped more than 50%.

WSO already announced in January that it achieved its target of adding 120k Smartbroker customers in 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. We estimate that Smartbroker alone easily surpassed EUR 6bn. This is more than the company initially anticipated when it released its "Vision 2024" (originally: ~EUR 3.5bn AuC in FY21).

**Conclusion:** During the past weeks, WSO signaled that it will meet its operational and financial targets for FY21. With FY21 results around the corner, we expect support for the share. Given the positive development and the planned product roadmap, the "Vision 2024" can be considered as too conservative. The company may provide an update in the next few months. On a more technical note and given recent market turbulences and investor's fear for higher interest rates, we are applying a higher beta in our DCF-model to reflect the stronger movements of share price in the past year. Consequently, the higher cost of capital prompts us to lower our PT to EUR 32.00 (old EUR 34.00). Nonetheless, we remain confident about WSO's ongoing integration of the company's brokerage and media business. This should become more visible when the company rolls out its new platform. We reiterate our BUY. **Note:** Today's news / rumors that PE firms might consider a bid for competitor flatexDEGIRO might indicate that peer valuations (incl. WSO) might be close or even surpassed the trough.

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	71.4x	68.3x	55.5x	42.0x	11.0x	7.6x
EV/EBIT	72.9x	68.6x	129.2x	42.8x	11.1x	7.7x
PER	70.3x	129.1x	69.8x	61.0x	17.4x	13.1x
FCF yield	1.3%	3.6%	0.4%	-5.3%	5.5%	7.5%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

**High/low 52 weeks** 29.70 / 16.30  
**Price/Book Ratio** 8.1x

### 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

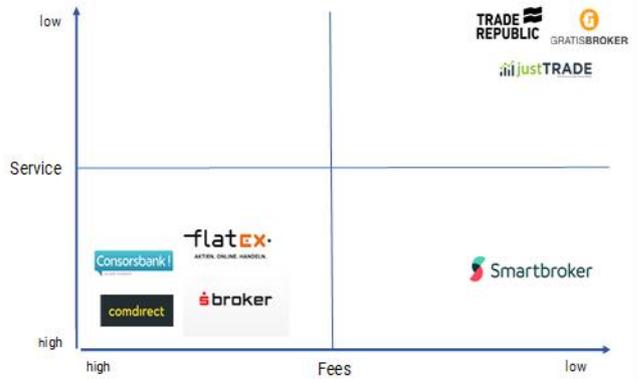
wallstreet:online AG is an operator of online platforms for information and news in the field of stock markets, finance, economics and investments. In addition, the company operates online forums for a large finance-community. After acquiring the majority of wallstreet:online capital AG (Smartbroker)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

# Investment case in six charts

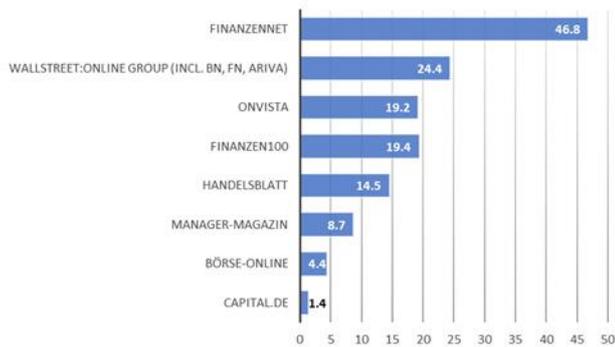
## Portfolio



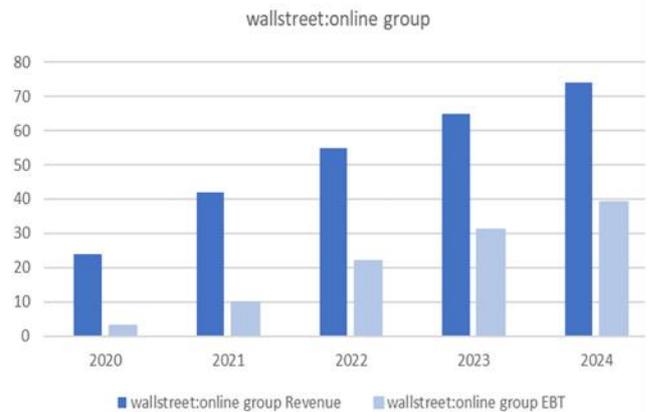
## Competitive landscape in Germany



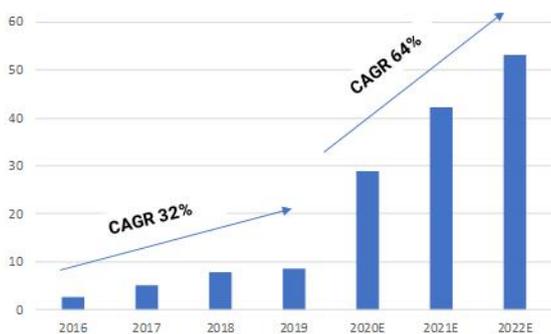
## Visits in m



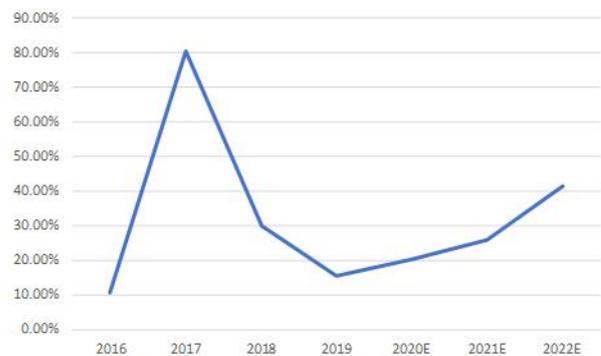
## "Vision 2024"



## Sales development



## ROCE



## Valuation

The DCF model results in a price target of € 33.83 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 2022E, which look defendable given high competitive quality based on scale and expertise. 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)	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Terminal value
NOPAT	4.0	14.6	19.5	26.9	29.5	32.7	36.1	38.3	
Depreciation & amortization	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Change in working capital	-2.1	-1.0	-0.8	-0.4	-0.0	0.1	0.2	0.2	0.6
Chg. in long-term provisions	-15.8	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.1
Capex	-0.4	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6
Cash flow	-14.1	13.5	18.5	26.2	29.3	32.6	36.1	38.7	597.9
Present value	-14.3	12.5	15.8	20.5	20.9	21.3	21.6	21.2	328.6
WACC	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%

DCF per share derived from	
Total present value	448.1
Mid-year adj. total present value	468.1
Net debt / cash at start of year	-6.6
Financial assets	7.9
Provisions and off b/s debt	na
Equity value	482.6
No. of shares outstanding	15.1
<b>Discounted cash flow / share upside/(downside)</b>	<b>31.96 / 87.4%</b>

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2021E - 2028E)	14.2%
Terminal value growth (2028E - infinity)	2.5%
Terminal year ROCE	23.2%
Terminal year WACC	9.1%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	30.0%
Equity beta	1.30
Unlevered beta (industry or company)	1.19
Target debt / equity	na
Relevered beta	1.19
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	9.1%

Share price	17.05
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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%		22.4	23.3	24.2	25.2	26.4	2021E - 2024E	7.7%
1.0%		25.2	26.3	27.6	29.0	30.6	2025E - 2028E	19.0%
0.0%		28.8	30.3	32.0	33.9	36.3	terminal value	73.3%
-1.0%		33.4	35.5	37.9	40.8	44.4		
-2.0%		39.7	42.8	46.5	51.1	57.0		

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 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>257.5</b>	<b>257.5</b>	<b>257.5</b>	<b>257.5</b>	<b>257.5</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>224.9</b>	<b>211.2</b>	<b>192.5</b>	<b>166.0</b>	<b>136.5</b>
<b>Adjusted RW_FCF yield</b>	<b>1.8%</b>	<b>6.9%</b>	<b>10.1%</b>	<b>16.2%</b>	<b>21.6%</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>-56.2%</b>	<b>31.4%</b>	<b>76.5%</b>	<b>144.1%</b>	<b>176.4%</b>

Sensitivity analysis fair value						
Adjusted hurdle rate	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>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

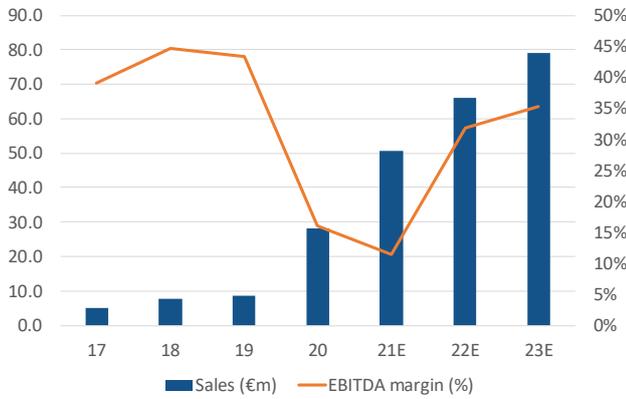
Source: Company data; AlsterResearch

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. 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**

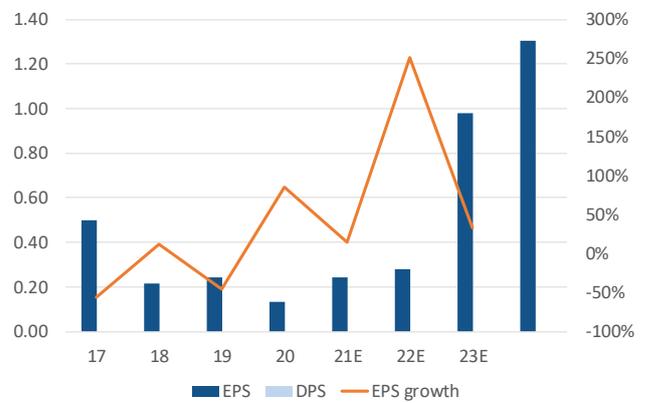
**increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

# Financials in six charts

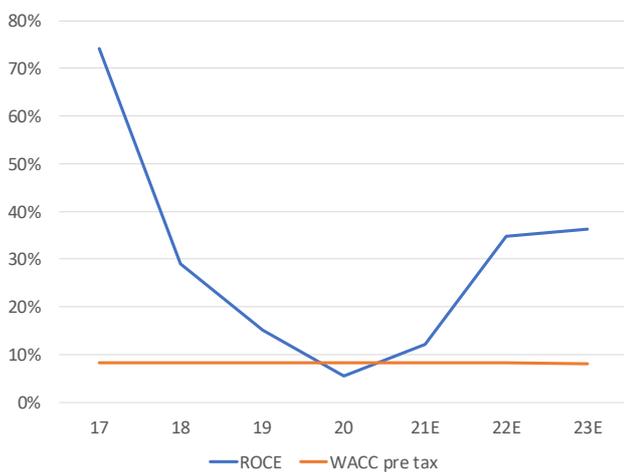
**Sales vs. EBITDA margin development**



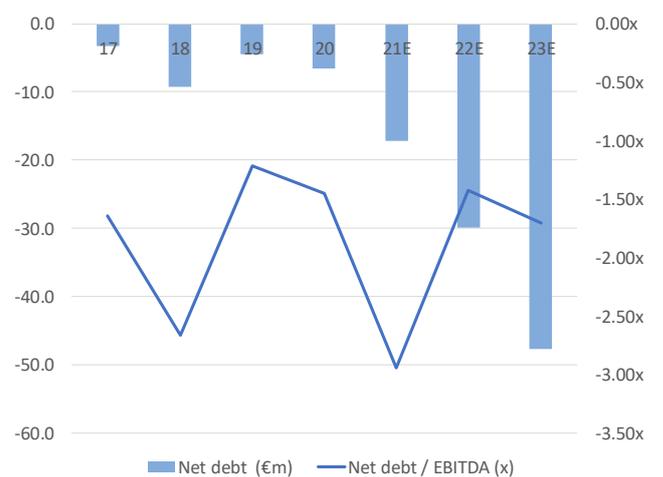
**EPS, DPS in EUR & yoy EPS growth**



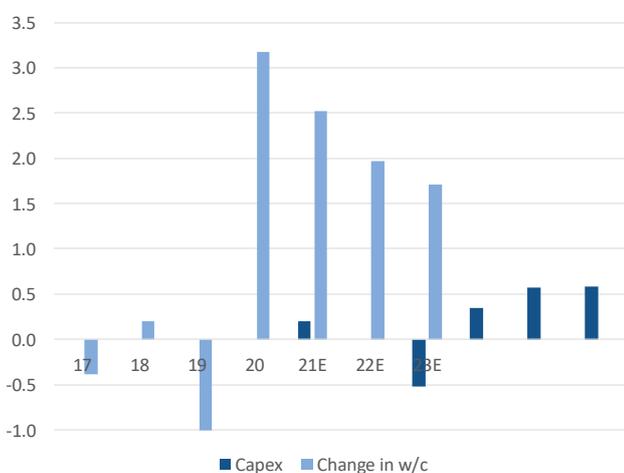
**ROCE vs. WACC (pre tax)**



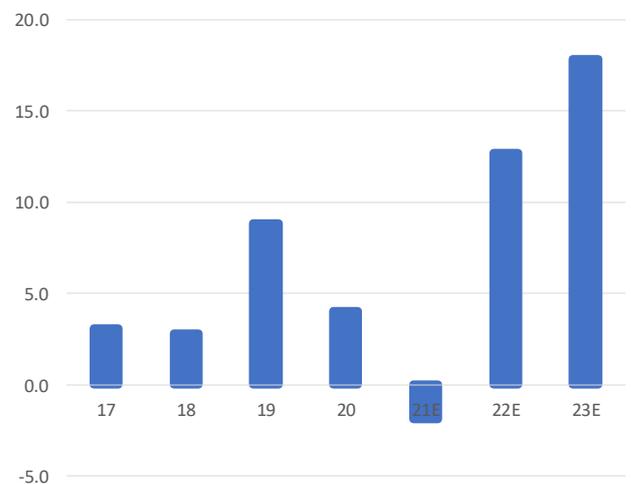
**Net debt and net debt/EBITDA**



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



**Free Cash Flow in EURm**



## 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
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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	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	3.1	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>16.7</b>	<b>29.4</b>	<b>47.1</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	70.3x	129.1x	69.8x	61.0x	17.4x	13.1x
P/CF	75.2x	27.7x	233.6x	-18.9x	18.1x	13.4x
P/BV	11.8x	9.0x	8.1x	4.8x	3.7x	2.9x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	1.3%	3.6%	0.4%	-5.3%	5.5%	7.5%
EV/Sales	31.9x	29.6x	8.9x	4.8x	3.5x	2.7x
EV/EBITDA	71.4x	68.3x	55.5x	42.0x	11.0x	7.6x
EV/EBIT	72.9x	68.6x	129.2x	42.8x	11.1x	7.7x
<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

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