

123fahrschule SE

Germany | Technology | MCap EUR 25.9m

8 April 2022

UPDATE



Digital market leader rolling up an analogue landscape – BUY

What's it all about?

Due to the almost analogue structure, the German driving school market will face dramatic changes in the next four to five years. And as the first mover and digital market leader, 123fahrschule will play a very active role in this process. After several acquisitions in 2021, the company now operates 52 locations and employs around 100 driving instructors. Following further expected transactions in 22E as well as organic growth, top line is expected to more than double this year. Hence, the management confirmed its vision to achieve at least EUR 100m in sales by 2025, with an EBIT margin of 15 to 20%. 123fahrschule is already the largest driving school, in Germany and we expect a promising year 22E. We confirm our price target of EUR 32.50. Remains a BUY.

BUY (BUY)

Target price	EUR 32.50 (32.50)
Current price	EUR 10.70
Up/downside	203.7%



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123fahrschule SE

Germany | Technology | MCap EUR 25.9m | EV EUR 22.8m

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Digital market leader rolling up an analogue landscape – BUY

Roadshow feedback AlsterResearch hosted a digital conference with, among others, 123fahrschule CEO Boris Polenske, confirming our positive view on the company and its mid-term growth outlook. More than 15 participants underline the strong interest in the young and innovative company. One of the important topics was the M&A strategy and respectively, the future potential for top- and bottom-line growth.

Digital transformation remains a game changer in German driving school market

Around 10,500 driving schools in Germany generated a sales volume of roughly EUR 2.5bn in 2021. Due to the almost analogue structure, the German driving school market will face dramatic changes in the next four to five years. And as the first mover and digital market leader, 123fahrschule will play a very active role in this process. The management confirmed its vision: By 2025 the company wants to achieve at least EUR 100m in sales, with an EBIT margin of 15 to 20%.

Conference take-away The management has given the impression that 2022 will be a very decisive year. The already aggressive acquisition strategy has been readjusted and the short-term focus is now more on buying rather larger driving schools. According to management, the pipeline is well filled. Currently, 123fahrschule targets different driving schools, which together generate around EUR 18m in revenue and c. EUR 4.6m in EBITDA in 2022E. The purchase prices were not discussed, but the total purchase price could be between EUR 20m and 30m (eAR).

Valuation updated Fully in line with preliminary figures, final figures were incorporated in our model. Driven by the acquisition of 25 driving schools in 2021, top line grew to EUR 7.8m (+82% yoy). Considering the roll-up strategy, growth investments as well as set-up, financing and transaction costs led to and EBITDA of minus EUR 3.8m. After mentioned acquisitions in 2021, the company now operates 52 locations and employs c. 100 driving instructors. Following further transactions in 22E as well as organic growth, top line is expected to more than double this year, while the ongoing investment period will lead to negative EBITDA. However, higher-margin as well as improving cost structures offers EBITDA-margins of >20% by 2025E.

Attractive stage to invest 123fahrschule is already the largest driving school, and we expect a promising 22E. We confirm our price target of EUR 32.50. Remains a BUY.

123fahrschule SE	2019	2020	2021	2022E	2023E	2024E
Sales	2.9	4.3	7.8	16.0	30.5	50.4
<i>Growth yoy</i>	108.0%	47.2%	81.8%	106.8%	90.1%	65.2%
EBITDA	-3.1	-2.2	-3.8	-2.2	0.6	4.7
EBIT	-3.3	-2.9	-5.7	-3.8	-1.1	2.8
Net profit	-3.6	-2.0	-4.5	-2.7	-0.9	2.4
Net debt (net cash)	-0.1	-0.0	-3.1	0.4	3.6	4.0
Net debt/EBITDA	0.0x	0.0x	0.8x	-0.2x	5.7x	0.8x
EPS reported	-16.70	-1.57	-1.85	-1.10	-0.39	1.01
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	99.9%	99.8%	100.0%	100.0%	100.0%	100.0%
EBITDA margin	-106.9%	-50.9%	-48.9%	-13.7%	2.1%	9.3%
EBIT margin	-114.7%	-66.9%	-73.9%	-23.6%	-3.5%	5.5%
ROCE	-565.6%	-34.6%	-35.5%	-25.9%	-6.5%	14.4%
EV/EBITDA	-8.3x	-11.9x	-6.0x	-12.0x	46.8x	6.4x
EV/EBIT	-7.8x	-9.1x	-4.0x	-6.9x	-27.5x	10.8x
PER	-0.6x	-6.8x	-5.8x	-9.8x	-27.5x	10.6x
FCF yield	-131.1%	13.4%	-27.5%	0.4%	4.3%	13.0%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 17.40 / 9.30
Price/Book Ratio 1.6x

Ticker / Symbols

ISIN DE000A2P4HL9
WKN A2P4HL
Bloomberg 123F:GR

Changes in estimates

		Sales	EBIT	EPS
2022E	old	-	-	-
	Δ	-	-	-
2023E	old	-	-	-
	Δ	-	-	-
2024E	old	-	-	-
	Δ	-	-	-

Key share data

Number of shares: (in m pcs) 2.42
Book value per share: (in EUR) 6.53
Ø trading volume: (12 months) 1,500

Major shareholders

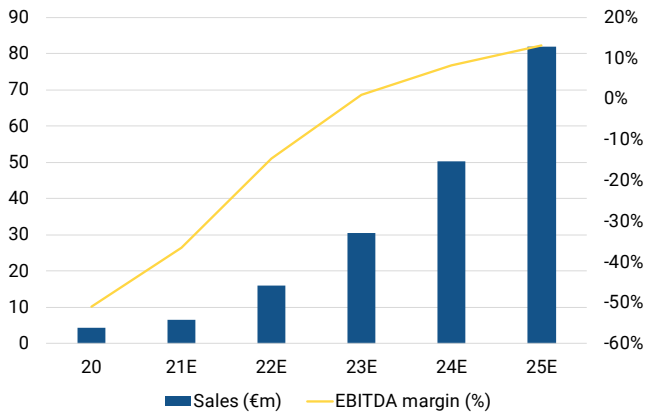
venturecapital.de 15.9%
Delphi 10.2%
KlickVentures 9.8%
Free Float 47.5%

Company description

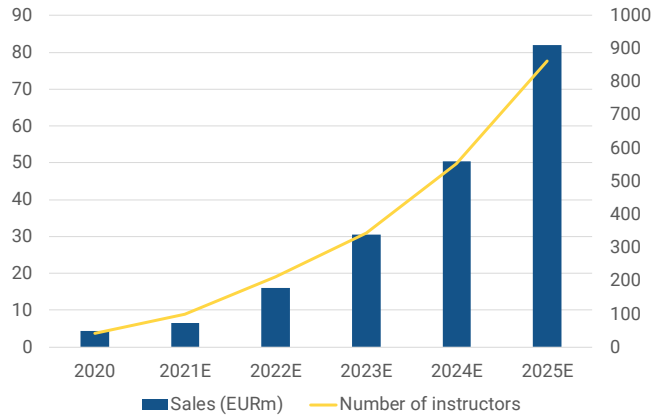
123fahrschule SE is the disruptive player of driving licence training and education in Germany. The company's goal is the modernization as well as the digitization of products, services, and processes in order to provide a high-quality training for private and professional customers nationwide. In addition, 123fahrschule is aiming the consolidation of the highly fragmented market.

Investment case in six charts

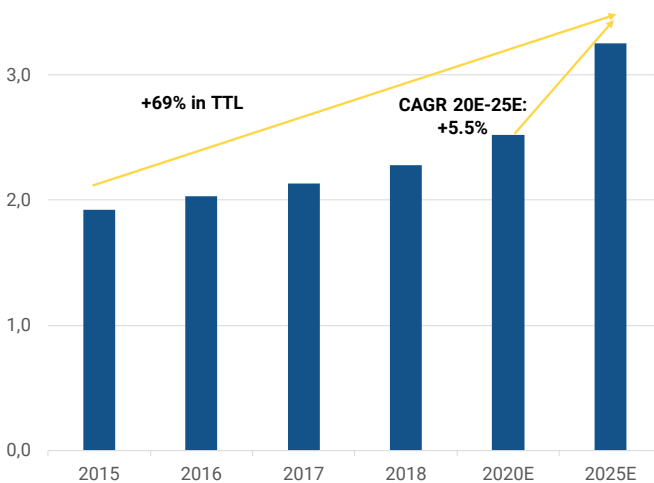
Expected sales growth and EBITDA margin



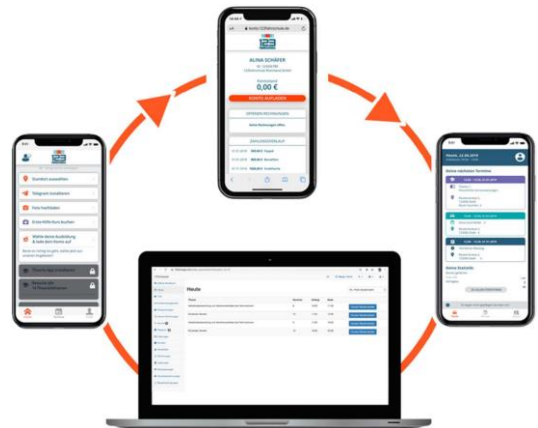
Increasing number of instructors drives top-line



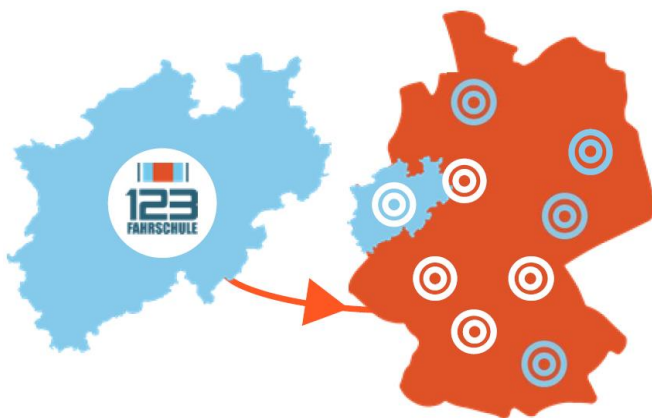
Total market growth 2015-2025E
in EUR bn



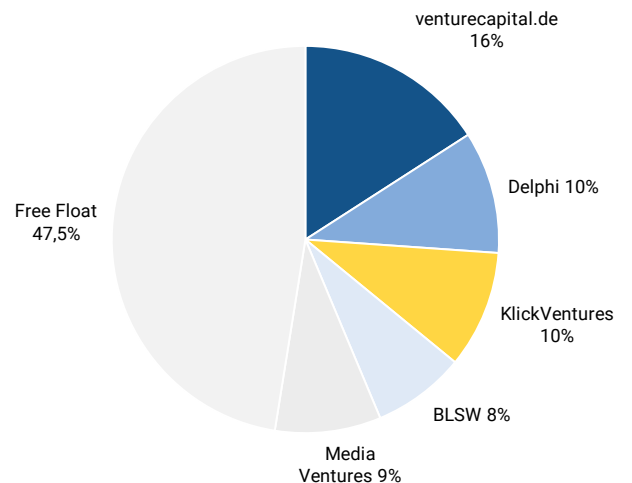
Completely digital interaction via own ecosystem



Roll-out and coverage plan



Major shareholder



Source: Company data; AlsterResearch

Company background

















Products & services

123fahrschule SE is the disruptive force in the German driving school market. The company's goal is the modernization as well as the digitization of products, services, and processes. 123fahrschule aims to provide high-quality training for private and business customers nationwide. 123fahrschule operates digitally via its proprietary software and e-learning solutions, while many competitors still rely on premise theory lessons in a classroom. However, it is due to the regulatory framework that despite the digital approach physical sites (classrooms) must be operated regionally – at least one site per operating area (e.g., Berlin, Hamburg etc). Therefore, the company runs almost 50 schools at different locations in urban areas across Germany. The company currently employs 160 people, of which 97 are driving instructors (end of December 2021).

Covering the complete value chain

The 123fahrschule application (app) sets new standards by combining all necessary functions: students attend online classes, schedule driving lessons, learn for their theoretical exam, pay bills, and organize all the documents needed for a driving license. This app is a major USP in comparison to other driving schools in Germany. Furthermore, 123fahrschule owns a growing number of physical locations (e.g., Rhine and Ruhr Area, Hamburg, Berlin, Munich, Dresden, Leipzig). In total, a network of almost 50 driving schools was built up already (December 2021). 123fahrschule covers the full customer journey from the acquisition process to customer conversion, followed by the start of theory and practical lessons, as well as the passing of all exams needed, until the driving license is obtained. With the most recent acquisition of a driving school in Leipzig and in the Niederrhine region, 123fahrschule augments its portfolio by the B2B sector (e.g., truck and bus driver) activities. The product portfolio covers nearly all driving licenses in Germany.



Product portfolio of 123fahrschule covers 99% of demand

✓ M		✓ BE	
✓ A		✓ C1E	
B1		✓ CE	
✓ B		✓ D1E	
✓ C1		✓ DE	
✓ C		T	
✓ D1		T	
✓ D		✓ F	

Class B1 not provided, as EU regulation not implemented in Germany.
Source: Company data; AlsterResearch

Management

The management team of 123fahrschule has a broad and very deep know-how, gained nationally and internationally. Overall, the team combines numerous stations in small- to large-sized players, in disruptive pioneers (e.g., klicktel, pkw.de, weg.de) and market leaders (e.g., HRS). With this broad base of knowledge and experience, we believe that the company is well on track to transform the driving school market in Germany.

	
Boris Polenske	Timo Beyer
CEO since 2020 Formerly CEO of klicktel, PKW.de and BEWERTET.DE	COO since 2021 Formerly Senior Vice President at HRS and CEO at Comvel and responsible for weg.de.

Source: Company data; AlsterResearch

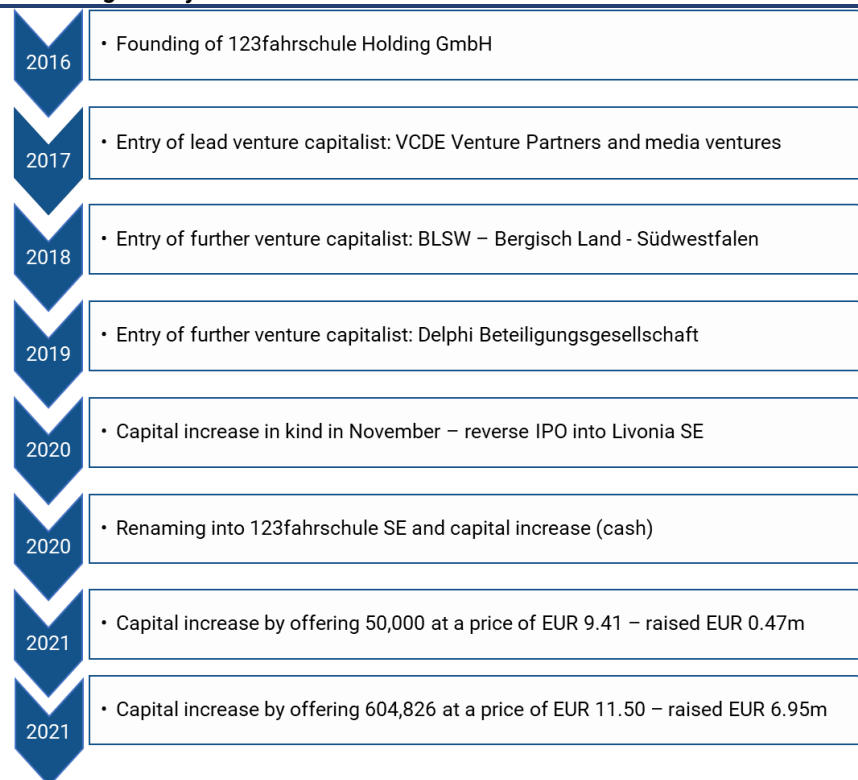
The management is incentivized via a stock option plan covering 181,448 shares, thus aligning management and shareholder objectives. This stock option programme is linked to the following targets, of which one goal must be achieved successfully:

- Market capitalization above EUR 100m
- Annual sales above EUR 100m
- EBIT above EUR 10m.

Financing milestones

After the founding in 2016, several venture capital firms invested in 123fahrschule, both prior to the reverse IPO and in following capital increases. Additional capital requirements could probably be covered by existing shareholders. However, with raised funds, the company is perceived to be financed for the time being.

Financing history

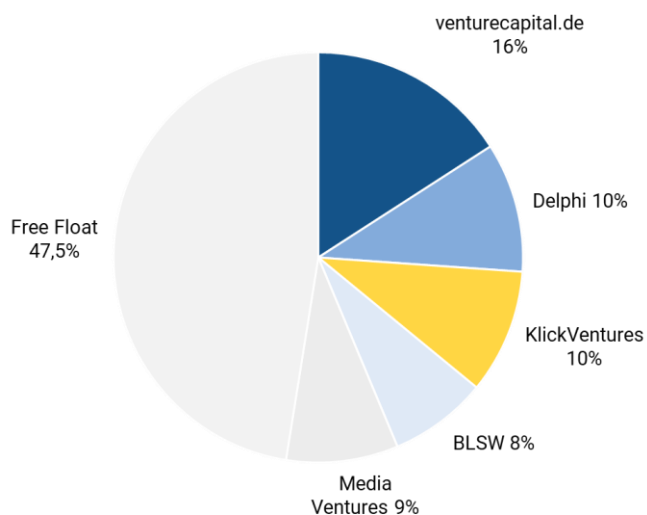


Source: Company data; AlsterResearch

Shareholders structures

The current shareholder structure reflects the early investments of VC firms. KlickVentures is the investment vehicle of CEO Boris Polenske.

Shareholder structure



Source: Company data; AlsterResearch

M&A track record

Consolidating old school driving schools

Main competitors are classic, analogue driving schools. Most of them suffered from declining sales volumes due to steadily increasing regulatory requirements and imposed pandemic restrictions, while personal costs were just slightly covered by governmental programs during the pandemic. Competitors, who generally are also M&A targets for 123fahrschule, are currently in a weak spot. However, this is enabling 123fahrschule to acquire competitors at relatively cheap multiples (e.g., 0.1-0.5x sales). 123fahrschule acquired and consolidated more than 20 schools in the past already. In 2021 alone, the company acquired 17 driving schools with 25 locations all over Germany.

M&A track record since 2021

	Locations	Sites
March	Berlin	1
April	Berlin	1
	Krefeld	1
May	Cologne	1
July	Hamburg	1
August	Niederrhine	5
	Ruhr Area	3
September	Mönchengladbach	1
October	Bergisch Gladbach	1
	Dresden	1
	Berlin-Spandau	2
	Berlin-Spandau	1
November	Munich	1
	Berlin-Buch	1
December	Berlin-Centre	1
January 2022	Cologne -Dellbrück	1
	Leipzig	2
Total	17	25

Source: Company data; AlsterResearch

Eye-catching fleet soon throughout Germany

For marketing reasons: The fleet also contains top level cars



Source: Company data; AlsterResearch

SWOT analysis

Strengths

- Scalable B2C business model
- First mover advantage in a roll-up business model
- Experienced management team
- Knowledge and learnings of customer behaviour can be adopted & scaled
- Diversified revenue streams (B2C business) across Germany
- Agility and flexibility due to a lean organisational structure
- Favourable purchase multiples visible in low goodwill despite several M&A transactions (HGB)
- Own education of driving instructors solves skilled worker bottleneck

Weaknesses

- Steady need of technical innovation / development and hence IT costs
- Constant implementation of changed regulations regarding software and continued education of instructors necessary
- International expansion unlikely due to the heterogenous regulatory environment across Europe

Opportunities

- German driving school market in transition: consolidation & digitization
- Highly fragmented market offers attractive M&A opportunities
- Covid-19 could serve as catalyst for increasing online penetration
- Roll-up model provides above-average growth opportunities in a stable growing market

Threats

- Overall high market rivalry due to broad competitions – fragmented market
- Copycats: Digital players could adopt the business model
- Easing of regulatory framework needed for faster expansion
- Return of pandemic related barriers e.g., no driving exams or bottleneck of exam dates

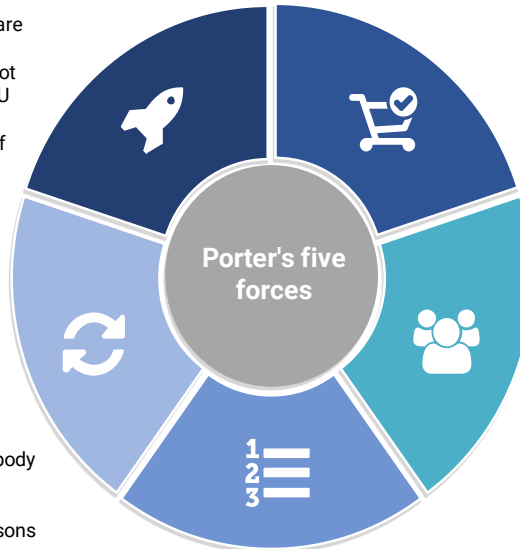
Porter's Five Forces

Threat of **new entrants**

- Barrier to entry are rather low, however, in-depth IT know-how, reputation and financial resources are needed
- Entry of international competition not expected. Legal situation in other EU countries is absolutely not comparable. International scaling of the business model hardly possible
- Nevertheless, digitization is at an early stage, therefore enough room for copycats to enter the market

Threat of **substitutes**

- There are **no substitutes** as everybody who wants to drive a vehicle in Germany needs an official driving license – after passing driving lessons



Bargaining power of **suppliers**

- The company is not dependent on any specific supplier. Therefore, no supplier has any bargaining power over 123fahrtschule

Bargaining power of **customers**

- B2C market – therefore students have clearly no bargaining power

Competitive **rivalry**

- Strong rivalry among existing driving schools, but mainly locally. There are no nationwide available offerings by single schools
- Highly fragmented market with plenty of really small (one-man-show) and several smaller players, however, this environment offers huge potential for the aimed M&A strategy

Source: AlsterResearch

Valuation

DCF Model

The DCF model results in a **fair value of EUR 34.43 per share**:

Top-line growth: We expect 123fahrschule SE to continue benefitting from structural growth. Hence our growth estimates for 2021-28E is in the range of 36.2% p.a. The long-term growth rate is set at 1.5%.

EBIT margins. By getting rid of the need to physically visit a driving school, a game-changer was established. Therefore, higher margins can be achieved by a digital approach compared to traditional peers. In the long-term, 15% margin are assumed.

WACC. The averaged 1-, 3- and 5-year historical equity beta is calculated as 1.35. Unlevering and correcting for mean reversion yields an asset beta of 1.21. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 17.4%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 1.5 this results in a long-term WACC of 9.2%.

DCF (EUR m) (except per share data and beta)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal value
NOPAT	-2.7	-0.9	2.4	8.5	9.1	9.1	9.0	9.7	
Depreciation & amortization	1.6	1.7	1.9	2.0	2.5	2.9	3.4	3.5	
Change in working capital	1.4	0.8	0.5	-0.6	-0.7	-0.1	-0.1	-0.2	
Chg. in long-term provisions	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Capex	-4.0	-4.8	-5.3	-5.6	-4.1	-4.3	-4.5	-4.8	
Cash flow	-3.5	-3.2	-0.4	4.3	6.8	7.6	7.8	8.4	110.2
Present value	-3.6	-3.0	-0.3	3.4	4.9	5.0	4.7	4.6	60.9
WACC	9.2%	9.4%	9.5%	9.5%	9.2%	9.2%	9.2%	9.2%	9.2%

DCF per share derived from	
Total present value	76.6
Mid-year adj. total present value	80.1
Net debt / cash at start of year	-3.1
Financial assets	0.1
Provisions and off b/s debt	na
Equity value	83.3
No. of shares outstanding	2.4

Discounted cash flow / share upside/(downside)	34.43 221.7%
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Share price	10.70
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DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2021E - 2028E)	36.2%
Terminal value growth (2028E - infinity)	1.5%
Terminal year ROCE	29.8%
Terminal year WACC	9.2%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	1.35
Unlevered beta (industry or company)	1.21
Target debt / equity	1.5
Relevered beta	2.57
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	17.4%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth					Share of present value	
	0.5%	1.0%	1.5%	2.0%	2.5%	2021E - 2024E	2025E - 2028E terminal value
2.0%	24.1	25.0	26.0	27.1	28.4	-4.6%	
1.0%	27.3	28.4	29.7	31.2	32.8		25.0%
0.0%	31.2	32.7	34.4	36.4	38.6		79.5%
-1.0%	36.1	38.2	40.5	43.3	46.5		
-2.0%	42.5	45.4	48.8	52.9	57.8		

Source: AlsterResearch

FCF Yield Model

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

The adjusted Free Cash Flow Yield results in a fair value between EUR -10.14 per share based on 2022E and EUR 76.08 per share on 2026E estimates. **We value 123fahrschule SE by DCF-approach, due to the early stage of the business model.** It thus supports the DCF based fair value calculations.

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
EBITDA	-2.2	0.6	4.7	11.6	13.8
- Maintenance capex	0.4	0.5	1.5	2.5	0.9
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	-1.1	-0.1	0.3	1.2	2.3
= Adjusted FCF	-1.5	0.3	2.8	8.0	10.6
Actual Market Cap	25.9	25.9	25.9	25.9	25.9
+ Net debt (cash)	0.4	3.6	4.0	-0.4	-4.7
+ 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	0.1	0.1	0.1	0.1	0.1
- Acc. dividend payments	0.0	0.0	0.0	0.0	2.5
<i>EV Reconciliations</i>	0.3	3.5	3.9	-0.5	-7.3
= Actual EV'	26.2	29.4	29.8	25.4	18.6
Adjusted FCF yield	-5.6%	0.9%	9.5%	31.4%	57.1%
base hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
Fair EV	-24.2	4.3	47.3	133.0	176.8
- <i>EV Reconciliations</i>	0.3	3.5	3.9	-0.5	-7.3
Fair Market Cap	-24.5	0.8	43.5	133.5	184.1
No. of shares (million)	2.4	2.4	2.4	2.4	2.4
Fair value per share in EUR	-10.14	0.34	17.97	55.16	76.08
Premium (-) / discount (+)	-194.8%	-96.8%	68.0%	415.5%	611.1%

Sensitivity analysis FV

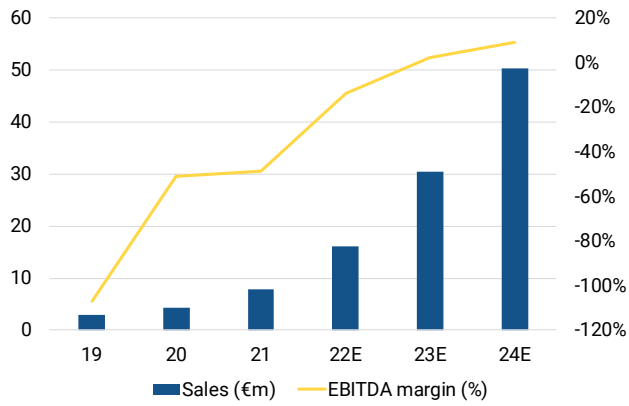
Adjusted hurdle rate	4.0%	-15.2	1.2	27.8	82.6	112.6
	5.0%	-12.1	0.7	21.9	66.2	90.7
	6.0%	-10.1	0.3	18.0	55.2	76.1
	7.0%	-8.7	0.1	15.2	47.3	65.6
	8.0%	-7.6	-0.1	13.1	41.4	57.8

Source: Company data; AlsterResearch

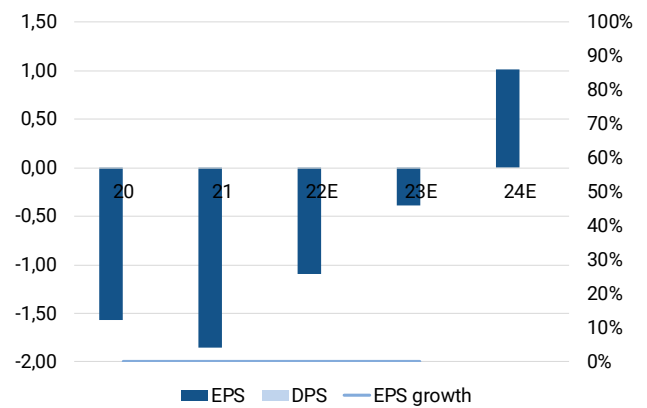
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments 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

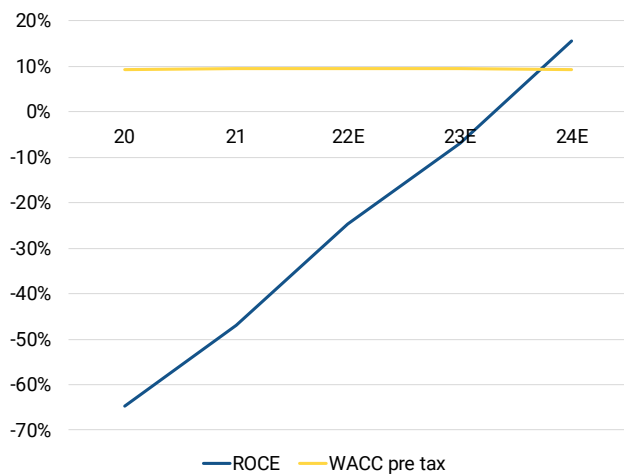
Sales vs. EBITDA margin development



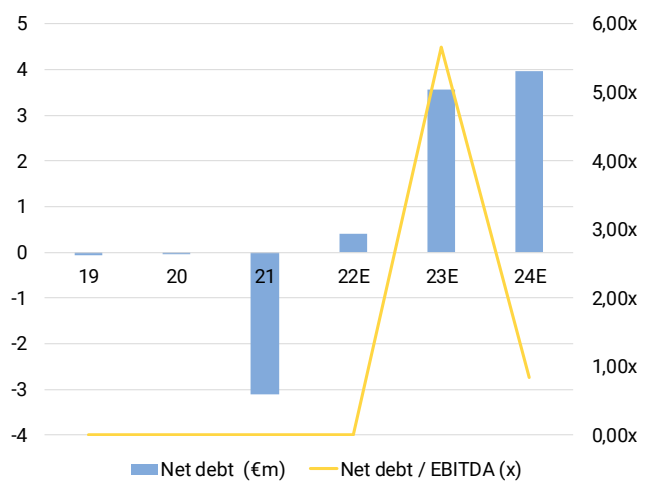
EPS, DPS in EUR & yoy EPS growth



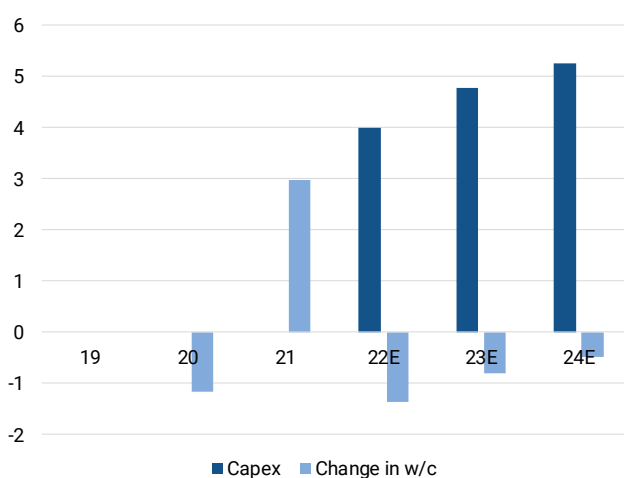
ROCE vs. WACC (pre tax)



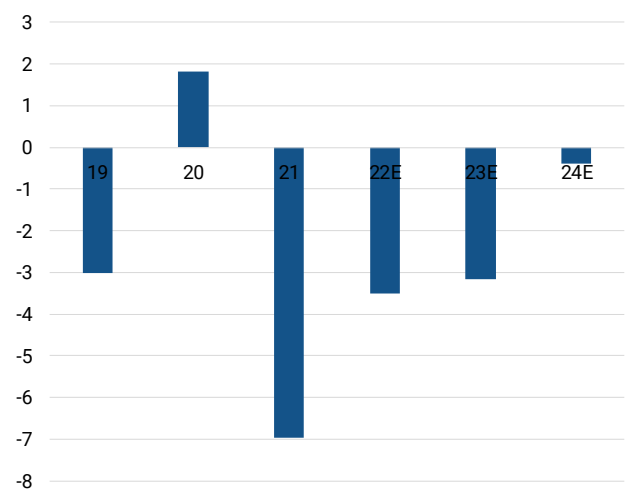
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EUR m)	2019	2020	2021	2022E	2023E	2024E
Net sales	2.9	4.3	7.8	16.0	30.5	50.4
Sales growth	108.0%	47.2%	81.8%	106.8%	90.1%	65.2%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	2.9	4.3	7.8	16.0	30.5	50.4
Material expenses	0.0	0.0	0.0	0.0	0.0	0.0
Gross profit	2.9	4.3	7.8	16.0	30.5	50.4
Other operating income	0.2	0.2	0.3	0.0	0.0	0.0
Personnel expenses	3.0	3.6	6.2	13.4	22.6	35.3
Other operating expenses	3.2	3.1	5.6	4.8	7.2	10.4
EBITDA	-3.1	-2.2	-3.8	-2.2	0.6	4.7
Depreciation	0.0	0.0	0.1	0.4	0.5	0.6
EBITA	-3.1	-2.2	-3.9	-2.6	0.1	4.1
Amortisation of goodwill and intangible assets	0.2	0.7	1.8	1.2	1.2	1.3
EBIT	-3.3	-2.9	-5.7	-3.8	-1.1	2.8
Financial result	-0.3	-0.0	-0.0	0.0	0.0	0.0
Recurring pretax income from continuing operations	-3.6	-2.9	-5.7	-3.8	-1.1	2.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-3.6	-2.9	-5.7	-3.8	-1.1	2.8
Taxes	0.0	-0.9	-1.3	-1.1	-0.1	0.3
Net income from continuing operations	-3.6	-2.0	-4.5	-2.7	-0.9	2.4
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-3.6	-2.0	-4.5	-2.7	-0.9	2.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-3.6	-2.0	-4.5	-2.7	-0.9	2.4
Average number of shares	0.22	1.26	2.42	2.42	2.42	2.42
EPS reported	-16.70	-1.57	-1.85	-1.10	-0.39	1.01

Profit and loss (common size)	2019	2020	2021	2022E	2023E	2024E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
Total sales	100%	100%	100%	100%	100%	100%
Material expenses	0%	0%	0%	0%	0%	0%
Gross profit	100%	100%	100%	100%	100%	100%
Other operating income	8%	6%	4%	0%	0%	0%
Personnel expenses	104%	84%	80%	84%	74%	70%
Other operating expenses	110%	72%	73%	30%	24%	21%
EBITDA	-107%	-51%	-49%	-14%	2%	9%
Depreciation	0%	0%	2%	2%	2%	1%
EBITA	-107%	-51%	-51%	-16%	0%	8%
Amortisation of goodwill and intangible assets	8%	16%	23%	7%	4%	3%
EBIT	-115%	-67%	-74%	-24%	-4%	6%
Financial result	-9%	-1%	-0%	0%	0%	0%
Recurring pretax income from continuing operations	-124%	-68%	-74%	-24%	-4%	6%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-124%	-68%	-74%	-24%	-4%	6%
Taxes	0%	-21%	-16%	-7%	-0%	1%
Net income from continuing operations	-124%	-47%	-58%	-17%	-3%	5%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-124%	-47%	-58%	-17%	-3%	5%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	-124%	-47%	-58%	-17%	-3%	5%

Source: Company data; AlsterResearch

Balance sheet (EUR m)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	0.3	0.8	1.0	0.8	0.6	0.3
Goodwill	0.1	8.7	8.2	8.2	8.2	8.2
Property, plant and equipment	0.6	0.9	1.5	4.1	7.4	11.1
Financial assets	0.2	0.0	0.1	0.1	0.1	0.1
FIXED ASSETS	1.3	10.3	10.9	13.3	16.3	19.7
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.1	0.4	0.4	1.1	1.3	1.4
Other current assets	1.1	0.6	1.8	1.8	1.8	1.8
Liquid assets	0.1	0.0	3.2	0.6	0.1	0.0
Deferred taxes	0.0	0.3	1.6	1.6	1.6	1.6
Deferred charges and prepaid expenses	0.0	0.1	0.0	0.2	0.3	0.5
CURRENT ASSETS	1.4	1.4	7.0	5.3	5.1	5.3
TOTAL ASSETS	2.7	11.8	17.9	18.5	21.4	25.0
SHAREHOLDERS EQUITY	0.6	7.9	15.8	13.1	12.2	14.6
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	0.0	0.0	1.5	2.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.4	0.3	0.5	0.5	0.6
Non-current liabilities	0.0	0.4	0.3	0.5	2.0	2.6
short-term liabilities to banks	0.0	0.0	0.1	1.0	2.2	2.0
Accounts payable	0.0	0.0	0.1	0.0	0.0	0.0
Advance payments received on orders	1.1	1.2	1.0	2.4	3.4	4.1
Other liabilities (incl. from lease and rental contracts)	1.0	1.3	0.6	1.5	1.6	1.7
Deferred taxes	0.0	1.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	2.1	3.5	1.8	4.9	7.2	7.8
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	2.7	11.8	17.9	18.5	21.4	25.0

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	13%	6%	6%	5%	3%	1%
Goodwill	6%	74%	46%	44%	38%	33%
Property, plant and equipment	24%	7%	9%	22%	35%	44%
Financial assets	7%	0%	1%	1%	0%	0%
FIXED ASSETS	50%	88%	61%	72%	76%	79%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	5%	4%	2%	6%	6%	6%
Other current assets	41%	5%	10%	10%	8%	7%
Liquid assets	2%	0%	18%	3%	1%	0%
Deferred taxes	0%	3%	9%	9%	8%	7%
Deferred charges and prepaid expenses	2%	1%	0%	1%	1%	2%
CURRENT ASSETS	50%	12%	39%	28%	24%	21%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	22%	67%	88%	71%	57%	59%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	0%	0%	0%	7%	8%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	0%	3%	2%	3%	3%	2%
Non-current liabilities	0%	3%	2%	3%	10%	10%
short-term liabilities to banks	0%	0%	0%	5%	10%	8%
Accounts payable	0%	0%	1%	0%	0%	0%
Advance payments received on orders	40%	10%	5%	13%	16%	16%
Other liabilities (incl. from lease and rental contracts)	38%	11%	3%	8%	7%	7%
Deferred taxes	0%	8%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	78%	30%	10%	26%	34%	31%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	0.0	-1.2	-4.5	-2.7	-0.9	2.4
Depreciation of fixed assets (incl. leases)	0.0	0.5	0.0	0.4	0.5	0.6
Amortisation of goodwill	0.0	0.0	1.8	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	1.2	1.2	1.3
Others	0.0	1.3	-1.3	0.2	0.1	0.1
Cash flow from operations before changes in w/c	0.0	0.7	-4.0	-0.9	0.8	4.4
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.0	0.6	-1.3	-0.7	-0.2	-0.1
Increase/decrease in accounts payable	0.0	0.6	-1.8	-0.1	0.0	0.0
Increase/decrease in other w/c positions	0.0	0.0	0.1	2.2	1.0	0.6
Increase/decrease in working capital	0.0	1.2	-3.0	1.4	0.8	0.5
Cash flow from operating activities	-3.0	1.8	-7.0	0.5	1.6	4.9
CAPEX	0.0	0.0	0.0	-4.0	-4.8	-5.3
Payments for acquisitions	0.0	-10.8	-2.2	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-0.4	-10.8	-2.2	-4.0	-4.8	-5.3
Cash flow before financing	-3.4	-9.0	-9.1	-3.5	-3.2	-0.4
Increase/decrease in debt position	0.0	0.0	0.1	0.9	2.7	0.3
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	8.8	12.4	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
Cash flow from financing activities	3.4	8.8	12.3	0.9	2.7	0.3
Increase/decrease in liquid assets	0.0	-0.2	3.1	-2.6	-0.5	-0.1
Liquid assets at end of period	0.1	0.0	3.2	0.6	0.1	0.0

Source: Company data; AlsterResearch

Regional sales split (EURm)	2019	2020	2021	2022E	2023E	2024E
Domestic	2.9	4.3	7.8	16.0	30.5	50.4
Europe (ex domestic)	0.0	0.0	0.0	0.0	0.0	0.0
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	2.9	4.3	7.8	16.0	30.5	50.4

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%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Ratios	2019	2020	2021	2022E	2023E	2024E
Per share data						
Earnings per share reported	-16.70	-1.57	-1.85	-1.10	-0.39	1.01
Cash flow per share	-14.03	1.43	-2.94	0.04	0.46	1.39
Book value per share	2.72	6.21	6.53	5.43	5.05	6.05
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-0.6x	-6.8x	-5.8x	-9.8x	-27.5x	10.6x
P/CF	-0.8x	7.5x	-3.6x	242.0x	23.3x	7.7x
P/BV	3.9x	1.7x	1.6x	2.0x	2.1x	1.8x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-131.1%	13.4%	-27.5%	0.4%	4.3%	13.0%
EV/Sales	8.9x	6.1x	2.9x	1.6x	1.0x	0.6x
EV/EBITDA	-8.3x	-11.9x	-6.0x	-12.0x	46.8x	6.4x
EV/EBIT	-7.8x	-9.1x	-4.0x	-6.9x	-27.5x	10.8x
Income statement (EURm)						
Sales	2.9	4.3	7.8	16.0	30.5	50.4
yoy chg in %	108.0%	47.2%	81.8%	106.8%	90.1%	65.2%
Gross profit	2.9	4.3	7.8	16.0	30.5	50.4
Gross margin in %	99.9%	99.8%	100.0%	100.0%	100.0%	100.0%
EBITDA	-3.1	-2.2	-3.8	-2.2	0.6	4.7
EBITDA margin in %	-106.9%	-50.9%	-48.9%	-13.7%	2.1%	9.3%
EBIT	-3.3	-2.9	-5.7	-3.8	-1.1	2.8
EBIT margin in %	-114.7%	-66.9%	-73.9%	-23.6%	-3.5%	5.5%
Net profit	-3.6	-2.0	-4.5	-2.7	-0.9	2.4
Cash flow statement (EURm)						
CF from operations	-3.0	1.8	-7.0	0.5	1.6	4.9
Capex	0.0	0.0	0.0	-4.0	-4.8	-5.3
Maintenance Capex	0.0	0.0	0.1	0.4	0.5	1.5
Free cash flow	-3.0	1.8	-7.0	-3.5	-3.2	-0.4
Balance sheet (EURm)						
Intangible assets	0.5	9.5	9.2	9.0	8.8	8.5
Tangible assets	0.6	0.9	1.5	4.1	7.4	11.1
Shareholders' equity	0.6	7.9	15.8	13.1	12.2	14.6
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	0.0	0.4	0.4	1.5	4.2	4.6
Net financial debt	-0.1	-0.0	-3.1	0.4	3.6	4.0
w/c requirements	-0.9	-0.8	-0.7	-1.3	-2.1	-2.7
Ratios						
ROE	-614.8%	-25.3%	-28.4%	-20.2%	-7.7%	16.7%
ROCE	-565.6%	-34.6%	-35.5%	-25.9%	-6.5%	14.4%
Net gearing	-9.8%	-0.4%	-19.6%	3.0%	29.2%	27.1%
Net debt / EBITDA	0.0x	0.0x	0.8x	-0.2x	5.7x	0.8x

Source: Company data; AlsterResearch

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