

# LAIQON AG

Germany | Financial Services | MCap EUR 141.6m

1 September 2023

UPDATE



## Operational progress in H1 '23; Reiterate to BUY

### What's it all about?

LAIQON (LQAG) released its H1'23 results yesterday, which were reassuring and in line with preliminary results. Sales increased by a massive 81% yoy to EUR 15.9m – in-line with eAR of EUR 15.8m. The company benefits from increased AuM, which grew by 28% yoy to EUR 6bn in H1 '23 as well as mix effects towards higher margin products. Consequently, EBITDA also improved significantly and came in at EUR -2.0m effectively cutting the loss in third from the same period last year (H1 '22: EUR -6.7m). With these results, LQAG looks well positioned to achieve our FY estimates backed by the expansion of own distribution channels and economies of scale of the platform with more than 50 wealth products and solutions. Mid-term, i.e. by 2025, LQAG expects AuM to grow organically to EUR 8-10bn, which we believe is realistic. We therefore reiterate our BUY rating with unchanged PT of EUR 10.75.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 10.75 (10.75)</b>
Current price	EUR 8.10
Up/downside	32.7%



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Germany | Financial Services | MCap EUR 141.6m | EV EUR 178.1m

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## Operational progress in H1 '23; Reiterate to BUY

**H1 '23 results slightly above expectations.** LAIQON AG (LQAG) presented its results for H1 '23 yesterday, which confirmed preliminary results. Sales of EUR 15.9m (eAR: EUR 15.8m) were up a strong 81% y-o-y, consisting entirely of fixed fees, demonstrating the solidity of the business model. While sales in asset management increased by 41.4% yoy in 1H'23, sales in wealth management rose by 182.6% in the same period. This strong sales growth was partly driven by further increases in AuM, which grew by 28% yoy to EUR 6bn in H1 '23 (eAR: EUR 5.9 bn), but also mix-shift effects. LQAG has a reasonable margin mix of high-margin and lower-margin products in asset management. Organically, AuM grew by EUR 0.3bn from EUR 5.7bn at the end of 2022. The integration of the acquired businesses onto the platform and the associated economies of scale, together with the growth initiatives put in place, led to a significant improvement in operating profit. In fact, EBITDA came in at EUR -2.0m (eAR: EUR -2.1m), effectively cutting the loss in third vs. the same period last year. For the full year, we see LQAG on a good way to achieve our EUR -0.7m EBITDA forecast, not least due to the expansion of its distribution channels as well as economies of scale of the platform with more than 50 wealth products and solutions. LQAG's platform strategy will enable it to meet the expected strong demand from both private and institutional investors for quality asset management products and solutions.

**LQAG expects AuM to rise to EUR 8-10bn by 2025.** With its platform growth strategy, LQAG expects AuM to grow organically to EUR 8-10bn by 2025. Guidance calls for a CAGR growth of 17.5% ('23-'25). LQAG expects to achieve this growth by scaling its platform strategy primarily through further organic growth, a focus on sustainable investing and the further development of AI in portfolio management, in particular the expansion of its partnerships.

**Reiterate BUY with unchanged PT.** LQAG continues to make operational progress and is establishing itself as one of the leading digital asset platforms in Germany. We reiterate our BUY rating with an unchanged PT of EUR 10.75, offering decent upside of nearly 40%.

LAIQON AG	2020	2021	2022	2023E	2024E	2025E
Sales	27.7	26.1	21.6	36.7	48.8	60.5
<i>Growth yoy</i>	237.3%	-5.8%	-17.4%	70.0%	33.0%	24.0%
EBITDA	6.6	4.6	-9.9	-0.7	6.3	12.7
EBIT	2.8	0.7	-14.7	-6.7	0.6	7.3
Net profit	-0.7	5.2	-10.2	-3.2	-0.2	5.1
Net debt (net cash)	10.6	12.7	36.5	30.9	22.8	12.7
Net debt/EBITDA	1.6x	2.8x	-3.7x	-42.1x	3.6x	1.0x
EPS reported	-0.05	0.39	-0.67	-0.18	-0.01	0.29
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	96.1%	89.7%	83.0%	88.0%	89.0%	90.0%
EBITDA margin	23.6%	17.6%	-46.1%	-2.0%	13.0%	21.0%
EBIT margin	10.1%	2.6%	-67.9%	-18.3%	1.3%	12.0%
ROCE	3.1%	0.9%	-12.3%	-7.1%	0.7%	7.9%
EV/EBITDA	23.2x	33.5x	-17.9x	-235.2x	25.9x	12.2x
EV/EBIT	54.2x	229.7x	-12.2x	-25.7x	256.0x	21.2x
PER	-152.9x	21.0x	-12.1x	-44.0x	-778.0x	27.7x
FCF yield	-2.5%	17.0%	-3.9%	3.7%	5.4%	7.0%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

**High/low 52 weeks** 8.90 / 4.98  
**Price/Book Ratio** 1.9x

### Ticker / Symbols

ISIN DE000A12UP29  
WKN A12UP2  
Bloomberg LQAG:GR

### Changes in estimates

		Sales	EBIT	EPS
2023E	old	36.7	-6.7	-0.18
	Δ	-0.0%	na%	na%
2024E	old	48.8	0.6	-0.01
	Δ	0.0%	0.0%	na%
2025E	old	60.5	7.3	0.29
	Δ	-0.0%	-0.0%	0.1%

### Key share data

Number of shares: (in m pcs) 17.48  
Book value per share: (in EUR) 4.38  
Ø trading volume: (12 months) 20,000

### Major shareholders

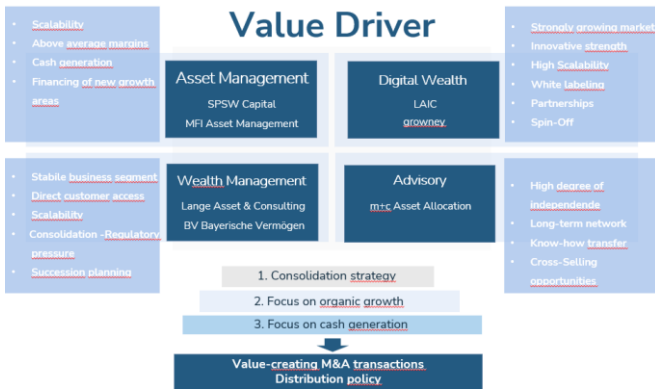
DEWB 19.0%  
SPSW investors 8.0%  
Plate Family Office (CEO) 8.0%  
Free Float 57.0%

### Company description

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

# Investment case in six charts

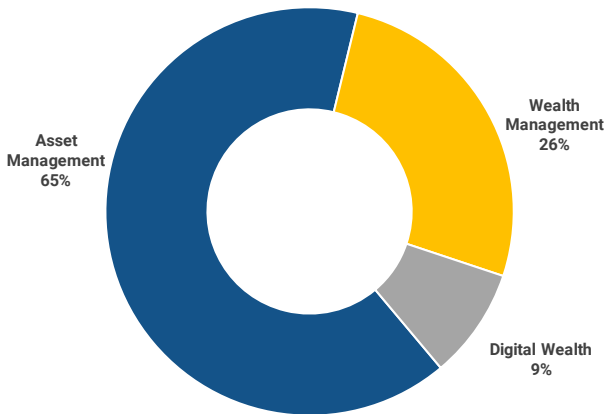
## Industrial logic of a successful acquisition strategy



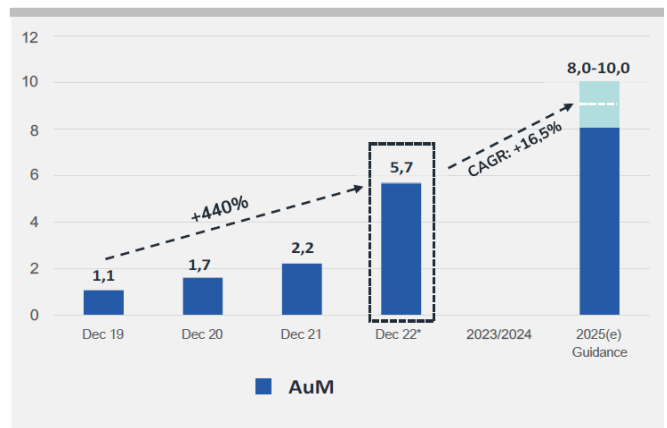
## Group Strategy



## Segments of LAIQON AG after 2023 (% AuM)



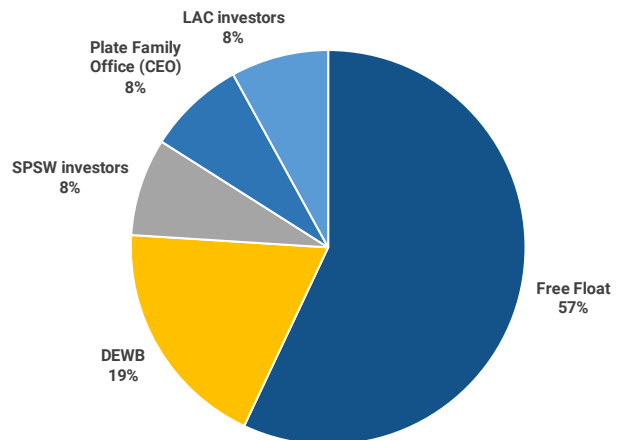
## Medium-term guidance of EUR 8.0bn - 10.0bn



## Platform Strategy - Wealth Experience - UX

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

## Major shareholder



Source: Company data; AlsterResearch

# SWOT analysis

## Strengths

- Among the largest independent asset and wealth management firms in Germany
- Broad product offering due to platform model
- Strategic management with innovative vision
- Proportion of fixed revenues on the rise
- Scalable business model
- AuM Growth above Industry

## Weaknesses

- Some funds have fallen more than market in the 2022 downturn
- High personal costs in a market downturn
- Relative high cost-income ratio
- Premium to peer group

## Opportunities

- Market recovery could lead to fund inflows
- Outperformance of funds could lead to inflows
- Platform model with cross selling opportunities
- Active management could cushion sell-off
- Company should benefit from latest acquisitions

## Threats

- Prolonged bear market could lead to fund outflows
- Underperformance of funds could lead to outflows
- Weak performance would lead to lower performance fees
- Integration of acquired companies could last longer than expected
- Higher interest rates and taxes likely to lead to lower stock returns in the future



## 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 -1.80 per share based on 2023E and EUR 11.30 per share on 2027E estimates.**

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

FCF yield in EURm	2023E	2024E	2025E	2026E	2027E
<b>EBITDA</b>	<b>-0.7</b>	<b>6.3</b>	<b>12.7</b>	<b>14.0</b>	<b>17.5</b>
- Maintenance capex	1.5	1.4	1.3	1.3	1.3
- Minorities	-0.6	-0.0	0.9	1.1	1.4
- tax expenses	-0.4	-0.0	0.7	1.3	3.1
<b>= Adjusted FCF</b>	<b>-1.2</b>	<b>5.0</b>	<b>9.8</b>	<b>10.3</b>	<b>11.7</b>
<b>Actual Market Cap</b>	<b>141.6</b>	<b>141.6</b>	<b>141.6</b>	<b>141.6</b>	<b>141.6</b>
+ Net debt (cash)	30.9	22.8	12.7	-0.0	-13.8
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	16.8	16.8	16.8	16.8	16.8
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	14.2	6.0	-4.0	-16.8	-30.5
<b>= Actual EV'</b>	<b>155.8</b>	<b>147.6</b>	<b>137.6</b>	<b>124.8</b>	<b>111.1</b>
<b>Adjusted FCF yield</b>	<b>-0.8%</b>	<b>3.4%</b>	<b>7.1%</b>	<b>8.2%</b>	<b>10.5%</b>
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
<b>Fair EV</b>	<b>-17.2</b>	<b>71.2</b>	<b>139.8</b>	<b>146.9</b>	<b>167.0</b>
- <i>EV Reconciliations</i>	14.2	6.0	-4.0	-16.8	-30.5
<b>Fair Market Cap</b>	<b>-31.4</b>	<b>65.2</b>	<b>143.8</b>	<b>163.7</b>	<b>197.5</b>
No. of shares (million)	17.5	17.5	17.5	17.5	17.5
<b>Fair value per share in EUR</b>	<b>-1.80</b>	<b>3.73</b>	<b>8.22</b>	<b>9.37</b>	<b>11.30</b>
<b>Premium (-) / discount (+)</b>	<b>-122.2%</b>	<b>-53.9%</b>	<b>1.5%</b>	<b>15.6%</b>	<b>39.5%</b>

### Sensitivity analysis FV

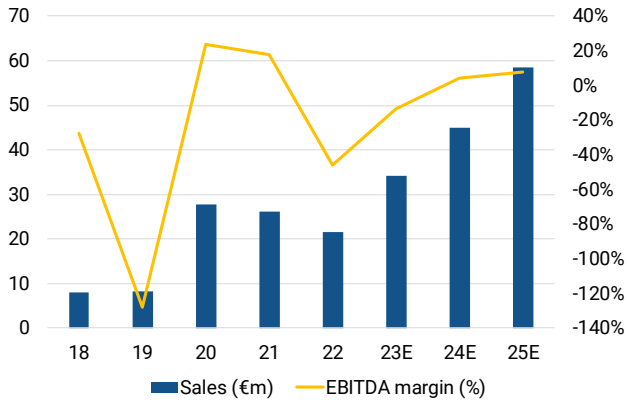
	5.0%	-2.2	5.4	11.4	12.7	15.1
<b>Adjusted hurdle rate</b>	6.0%	-2.0	4.4	9.6	10.8	12.9
	<b>7.0%</b>	<b>-1.8</b>	<b>3.7</b>	<b>8.2</b>	<b>9.4</b>	<b>11.3</b>
	8.0%	-1.7	3.2	7.2	8.3	10.1
	9.0%	-1.6	2.8	6.4	7.5	9.2

Source: Company data; AlsterResearch

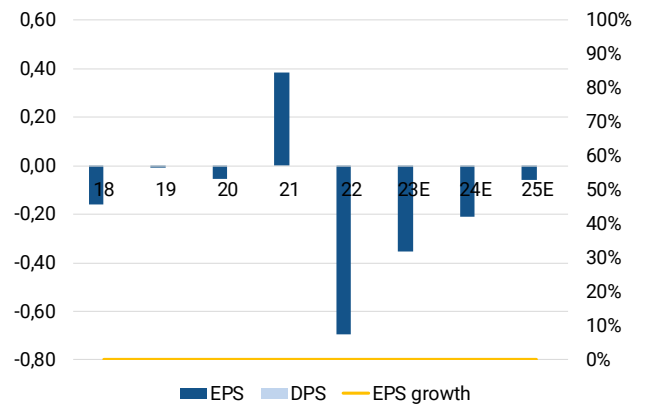
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable, based on the overall Leeway ESG Score. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

# Financials in six charts

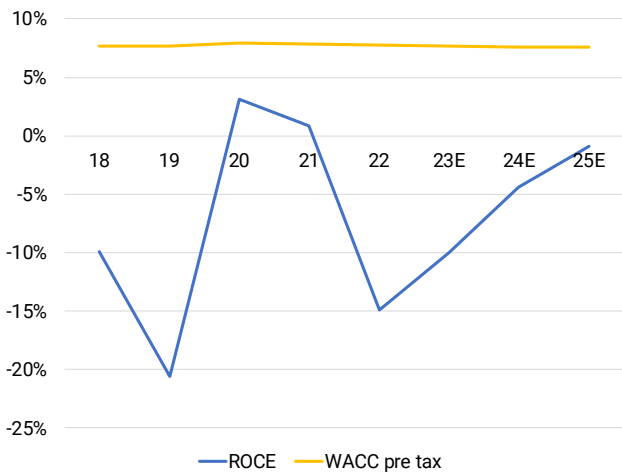
**Sales vs. EBITDA margin development**



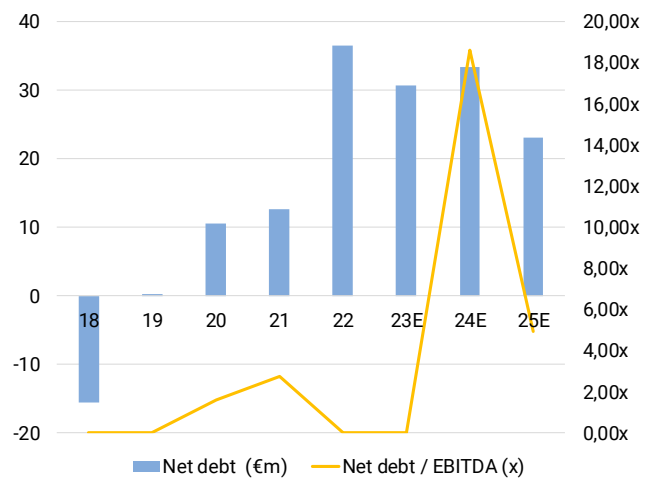
**EPS, DPS in EUR & yoy EPS growth**



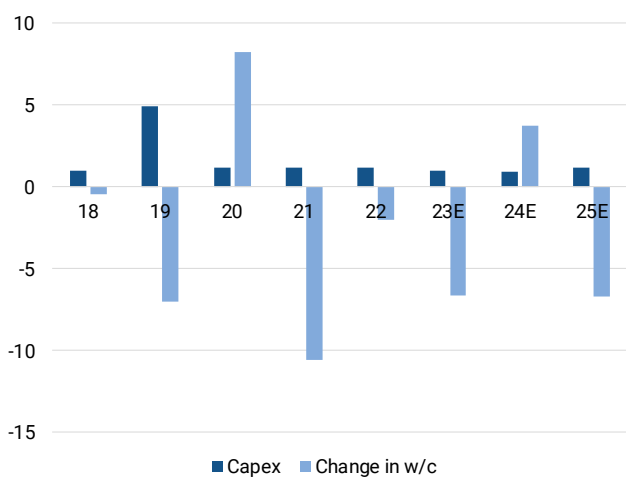
**ROCE vs. WACC (pre tax)**



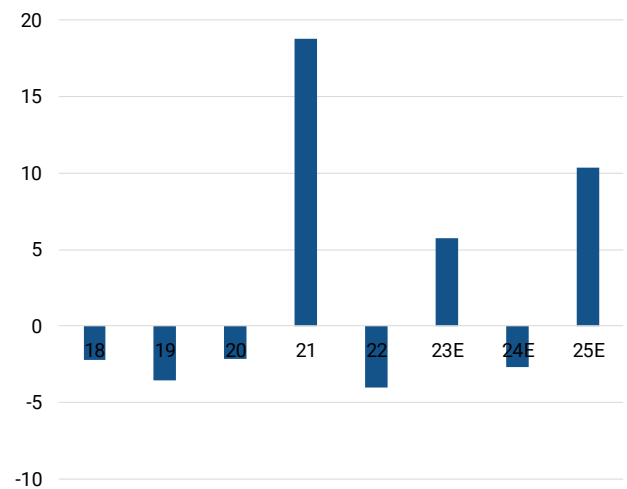
**Net debt and net debt/EBITDA**



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



**Free Cash Flow in EURm**



Source: Company data; AlsterResearch

## Financials

Profit and loss (EURm)	2020	2021	2022	2023E	2024E	2025E
<b>Net sales</b>	<b>27.7</b>	<b>26.1</b>	<b>21.6</b>	<b>36.7</b>	<b>48.8</b>	<b>60.5</b>
Sales growth	237.3%	-5.8%	-17.4%	70.0%	33.0%	24.0%
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>27.7</b>	<b>26.1</b>	<b>21.6</b>	<b>36.7</b>	<b>48.8</b>	<b>60.5</b>
Material expenses	1.1	2.7	3.7	4.4	5.4	6.0
<b>Gross profit</b>	<b>26.7</b>	<b>23.4</b>	<b>17.9</b>	<b>32.3</b>	<b>43.4</b>	<b>54.4</b>
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Personnel expenses	11.7	11.3	17.1	20.9	23.9	25.4
Other operating expenses	8.4	7.5	10.7	12.1	13.2	16.3
<b>EBITDA</b>	<b>6.6</b>	<b>4.6</b>	<b>-9.9</b>	<b>-0.7</b>	<b>6.3</b>	<b>12.7</b>
Depreciation	1.8	1.6	2.0	1.5	1.4	1.3
EBITA	4.8	3.0	-11.9	-2.2	4.9	11.4
Amortisation of goodwill and intangible assets	2.0	2.3	2.7	4.5	4.3	4.1
<b>EBIT</b>	<b>2.8</b>	<b>0.7</b>	<b>-14.7</b>	<b>-6.7</b>	<b>0.6</b>	<b>7.3</b>
Financial result	-5.8	5.7	-1.6	2.5	-0.9	-0.6
Recurring pretax income from continuing operations	-3.0	6.4	-16.3	-4.2	-0.2	6.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-3.0	6.4	-16.3	-4.2	-0.2	6.7
Taxes	-4.0	-0.2	-5.7	-0.4	-0.0	0.7
Net income from continuing operations	1.0	6.6	-10.5	-3.8	-0.2	6.0
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>1.0</b>	<b>6.6</b>	<b>-10.5</b>	<b>-3.8</b>	<b>-0.2</b>	<b>6.0</b>
Minority interest	-1.7	-1.5	0.4	0.6	0.0	-0.9
Net profit (reported)	-0.7	5.2	-10.2	-3.2	-0.2	5.1
Average number of shares	13.27	13.33	15.21	17.48	17.48	17.48
<b>EPS reported</b>	<b>-0.05</b>	<b>0.39</b>	<b>-0.67</b>	<b>-0.18</b>	<b>-0.01</b>	<b>0.29</b>

Profit and loss (common size)	2020	2021	2022	2023E	2024E	2025E
<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	4%	10%	17%	12%	11%	10%
<b>Gross profit</b>	<b>96%</b>	<b>90%</b>	<b>83%</b>	<b>88%</b>	<b>89%</b>	<b>90%</b>
Other operating income	0%	0%	0%	0%	0%	0%
Personnel expenses	42%	43%	79%	57%	49%	42%
Other operating expenses	30%	29%	50%	33%	27%	27%
<b>EBITDA</b>	<b>24%</b>	<b>18%</b>	<b>-46%</b>	<b>-2%</b>	<b>13%</b>	<b>21%</b>
Depreciation	6%	6%	9%	4%	3%	2%
EBITA	17%	11%	-55%	-6%	10%	19%
Amortisation of goodwill and intangible assets	7%	9%	13%	12%	9%	7%
<b>EBIT</b>	<b>10%</b>	<b>3%</b>	<b>-68%</b>	<b>-18%</b>	<b>1%</b>	<b>12%</b>
Financial result	-21%	22%	-8%	7%	-2%	-1%
Recurring pretax income from continuing operations	-11%	25%	-75%	-11%	-0%	11%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-11%	25%	-75%	-11%	-0%	11%
Taxes	-14%	-1%	-27%	-1%	-0%	1%
Net income from continuing operations	4%	25%	-49%	-10%	-0%	10%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>4%</b>	<b>25%</b>	<b>-49%</b>	<b>-10%</b>	<b>-0%</b>	<b>10%</b>
Minority interest	-6%	-6%	2%	2%	0%	-1%
<b>Net profit (reported)</b>	<b>-3%</b>	<b>20%</b>	<b>-47%</b>	<b>-9%</b>	<b>-0%</b>	<b>8%</b>

Source: Company data; AlsterResearch



Balance sheet (EURm)	2020	2021	2022	2023E	2024E	2025E
<b>Intangible assets (exl. Goodwill)</b>	<b>56.2</b>	<b>54.8</b>	<b>90.3</b>	<b>85.8</b>	<b>81.5</b>	<b>77.4</b>
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	11.5	9.9	10.4	10.1	9.6	9.5
Financial assets	16.8	19.3	16.8	16.8	16.8	16.8
<b>FIXED ASSETS</b>	<b>84.5</b>	<b>84.0</b>	<b>117.5</b>	<b>112.6</b>	<b>107.9</b>	<b>103.7</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	18.9	6.2	9.9	8.0	9.4	11.6
Other current assets	1.8	9.9	0.9	0.9	0.9	0.9
Liquid assets	8.4	16.3	10.4	-5.9	-0.8	2.3
Deferred taxes	0.0	0.5	1.1	1.1	1.1	1.1
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>29.1</b>	<b>33.0</b>	<b>22.3</b>	<b>4.1</b>	<b>10.6</b>	<b>15.9</b>
<b>TOTAL ASSETS</b>	<b>113.7</b>	<b>117.0</b>	<b>139.8</b>	<b>116.7</b>	<b>118.5</b>	<b>119.5</b>
<b>SHAREHOLDERS EQUITY</b>	<b>37.9</b>	<b>43.3</b>	<b>66.6</b>	<b>62.8</b>	<b>62.6</b>	<b>68.6</b>
MINORITY INTEREST	4.9	5.1	5.5	5.5	5.5	5.5
Long-term debt	17.7	18.3	44.6	15.0	12.0	10.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	27.8	0.3	0.3	1.8	2.4	3.0
<b>Non-current liabilities</b>	<b>45.5</b>	<b>18.6</b>	<b>44.9</b>	<b>16.8</b>	<b>14.4</b>	<b>13.0</b>
short-term liabilities to banks	1.3	10.7	2.3	10.0	10.0	5.0
Accounts payable	3.7	25.3	16.0	19.3	23.5	24.9
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)	6.9	0.0	2.5	0.0	0.0	0.0
Deferred taxes	12.6	13.9	2.0	2.0	2.0	2.0
Deferred income	0.9	0.0	0.0	0.4	0.5	0.6
<b>Current liabilities</b>	<b>25.5</b>	<b>50.0</b>	<b>22.9</b>	<b>31.6</b>	<b>36.0</b>	<b>32.4</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>113.7</b>	<b>117.0</b>	<b>139.8</b>	<b>116.8</b>	<b>118.5</b>	<b>119.6</b>

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
<b>Intangible assets (excl. Goodwill)</b>	<b>49%</b>	<b>47%</b>	<b>65%</b>	<b>73%</b>	<b>69%</b>	<b>65%</b>
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	10%	8%	7%	9%	8%	8%
Financial assets	15%	16%	12%	14%	14%	14%
<b>FIXED ASSETS</b>	<b>74%</b>	<b>72%</b>	<b>84%</b>	<b>96%</b>	<b>91%</b>	<b>87%</b>
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	17%	5%	7%	7%	8%	10%
Other current assets	2%	8%	1%	1%	1%	1%
Liquid assets	7%	14%	7%	-5%	-1%	2%
Deferred taxes	0%	0%	1%	1%	1%	1%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
<b>CURRENT ASSETS</b>	<b>26%</b>	<b>28%</b>	<b>16%</b>	<b>4%</b>	<b>9%</b>	<b>13%</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>33%</b>	<b>37%</b>	<b>48%</b>	<b>54%</b>	<b>53%</b>	<b>57%</b>
MINORITY INTEREST	4%	4%	4%	5%	5%	5%
Long-term debt	16%	16%	32%	13%	10%	8%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	24%	0%	0%	2%	2%	3%
<b>Non-current liabilities</b>	<b>40%</b>	<b>16%</b>	<b>32%</b>	<b>14%</b>	<b>12%</b>	<b>11%</b>
short-term liabilities to banks	1%	9%	2%	9%	8%	4%
Accounts payable	3%	22%	11%	17%	20%	21%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	6%	0%	2%	0%	0%	0%
Deferred taxes	11%	12%	1%	2%	2%	2%
Deferred income	1%	0%	0%	0%	0%	1%
<b>Current liabilities</b>	<b>22%</b>	<b>43%</b>	<b>16%</b>	<b>27%</b>	<b>30%</b>	<b>27%</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 (EURm)	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	1.9	6.6	-10.5	-3.8	-0.2	6.0
Depreciation of fixed assets (incl. leases)	3.7	3.9	4.7	1.5	1.4	1.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	4.5	4.3	4.1
Others	1.8	-1.1	1.0	1.5	0.6	0.6
Cash flow from operations before changes in w/c	7.3	9.4	-4.8	3.7	6.1	12.0
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-14.2	2.4	-5.3	1.9	-1.3	-2.2
Increase/decrease in accounts payable	1.9	1.8	1.4	3.3	4.2	1.3
Increase/decrease in other w/c positions	4.1	6.3	5.9	-2.2	0.1	0.1
Increase/decrease in working capital	-8.3	10.6	2.0	3.0	3.0	-0.8
<b>Cash flow from operating activities</b>	<b>-0.9</b>	<b>20.0</b>	<b>-2.8</b>	<b>6.7</b>	<b>9.1</b>	<b>11.2</b>
CAPEX	-1.2	-1.2	-1.2	-1.1	-1.0	-1.2
Payments for acquisitions	0.0	0.0	-13.6	0.0	0.0	0.0
Financial investments	0.0	-0.1	-2.2	0.0	0.0	0.0
Income from asset disposals	0.3	0.1	8.6	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-8.4</b>	<b>-1.1</b>	<b>-1.0</b>	<b>-1.2</b>
Cash flow before financing	-1.9	18.9	-11.2	5.6	8.1	10.0
Increase/decrease in debt position	-0.8	-14.0	4.5	-21.9	-3.0	-7.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	12.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.1	5.0	-11.3	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>-0.7</b>	<b>-9.0</b>	<b>5.3</b>	<b>-21.9</b>	<b>-3.0</b>	<b>-7.0</b>
Increase/decrease in liquid assets	-2.6	9.8	-5.9	-16.3	5.1	3.0
<b>Liquid assets at end of period</b>	<b>6.5</b>	<b>16.3</b>	<b>10.4</b>	<b>-5.9</b>	<b>-0.8</b>	<b>2.3</b>

Source: Company data; AlsterResearch

Regional sales split (EURm)	2020	2021	2022	2023E	2024E	2025E
Domestic	27.7	26.1	21.6	36.7	48.8	60.5
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>27.7</b>	<b>26.1</b>	<b>21.6</b>	<b>36.7</b>	<b>48.8</b>	<b>60.5</b>

Regional sales split (common size)	2020	2021	2022	2023E	2024E	2025E
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	2020	2021	2022	2023E	2024E	2025E
<b>Per share data</b>						
Earnings per share reported	-0.05	0.39	-0.67	-0.18	-0.01	0.29
Cash flow per share	-0.20	1.38	-0.32	0.30	0.44	0.57
Book value per share	2.85	3.25	4.38	3.59	3.58	3.93
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	-152.9x	21.0x	-12.1x	-44.0x	-778.0x	27.7x
P/CF	-39.9x	5.9x	-25.7x	27.1x	18.4x	14.3x
P/BV	2.8x	2.5x	1.9x	2.3x	2.3x	2.1x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-2.5%	17.0%	-3.9%	3.7%	5.4%	7.0%
EV/Sales	5.5x	5.9x	8.3x	4.7x	3.4x	2.6x
EV/EBITDA	23.2x	33.5x	-17.9x	-235.2x	25.9x	12.2x
EV/EBIT	54.2x	229.7x	-12.2x	-25.7x	256.0x	21.2x
<b>Income statement (EURm)</b>						
Sales	27.7	26.1	21.6	36.7	48.8	60.5
yoy chg in %	237.3%	-5.8%	-17.4%	70.0%	33.0%	24.0%
Gross profit	26.7	23.4	17.9	32.3	43.4	54.4
Gross margin in %	96.1%	89.7%	83.0%	88.0%	89.0%	90.0%
EBITDA	6.6	4.6	-9.9	-0.7	6.3	12.7
EBITDA margin in %	23.6%	17.6%	-46.1%	-2.0%	13.0%	21.0%
EBIT	2.8	0.7	-14.7	-6.7	0.6	7.3
EBIT margin in %	10.1%	2.6%	-67.9%	-18.3%	1.3%	12.0%
Net profit	-0.7	5.2	-10.2	-3.2	-0.2	5.1
<b>Cash flow statement (EURm)</b>						
CF from operations	-0.9	20.0	-2.8	6.7	9.1	11.2
Capex	-1.2	-1.2	-1.2	-1.1	-1.0	-1.2
Maintenance Capex	1.8	1.6	2.0	1.5	1.4	1.3
Free cash flow	-2.1	18.8	-4.0	5.6	8.1	10.0
<b>Balance sheet (EURm)</b>						
Intangible assets	56.2	54.8	90.3	85.8	81.5	77.4
Tangible assets	11.5	9.9	10.4	10.1	9.6	9.5
Shareholders' equity	37.9	43.3	66.6	62.8	62.6	68.6
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	46.8	29.3	47.2	26.8	24.4	18.0
Net financial debt	10.6	12.7	36.5	30.9	22.8	12.7
w/c requirements	15.2	-19.1	-6.1	-11.3	-14.2	-13.3
<b>Ratios</b>						
ROE	2.7%	15.3%	-15.8%	-6.0%	-0.3%	8.8%
ROCE	3.1%	0.9%	-12.3%	-7.1%	0.7%	7.9%
Net gearing	27.9%	29.4%	54.8%	49.2%	36.4%	18.6%
Net debt / EBITDA	1.6x	2.8x	-3.7x	-42.1x	3.6x	1.0x

Source: Company data; AlsterResearch

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