

# LAIQON AG

Germany | Financial Services | MCap EUR 148.8m

31 March 2023

UPDATE



## Better than expected sales and EBITDA in FY22; PT up; BUY

### What's it all about?

Final sales of LAIQON Group in FY22 were EUR 0.5m higher than the preliminary sales of EUR 26.3m. LAIQON achieved an EBITDA of EUR -6.0m in FY22. EBITDA thus surpassed the preliminary EBITDA by EUR 0.6m. The integration of the acquired companies into the platform and the associated further scaling effects as well as the growth initiatives launched with GROWTH 25 led to a significant improvement in the Group's operating result during the year. By 28 Feb. 2023, the AuM increased organically by EUR 300m to almost EUR 6.0bn. AuM increase and better than expected results are convincing. We therefore reiterate our BUY recommendation with an upgraded PT of EUR 9.75 (old: EUR 9.00).

**BUY** (BUY)

<b>Target price</b>	<b>EUR 9.75 (9.00)</b>
Current price	EUR 8.50
Up/downside	14.7%



**MAIN AUTHOR**

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# LAIQON AG

Germany | Financial Services | MCap EUR 148.8m | EV EUR 185.3m

**BUY** (BUY)

**Target price** EUR 9.75 (9.00)  
**Current price** EUR 8.50  
**Up/downside** 14.7%

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## Better than expected sales and EBITDA in FY22; PT up; BUY

**Final FY22 figures.** The LAIQON Group reported final FY22 figures. LAIQON also reported final as-if FY22 figures that fully consolidate the subsidiaries BV Holding AG and Lange Asset & Consulting GmbH since January 1<sup>st</sup>. The following discussion refers to the as-if figures, the reported figures can be found in the tables below.

**Better than expected sales in FY22.** LAIQON generated sales of EUR 26.8m in FY22 (FY21: EUR 26.1m). Final sales thus were EUR 0.5m higher than the preliminary sales. The share of recurring management fees increased by 55% to EUR 26.0m (FY22e: EUR 25.5m, FY21: EUR 16.8m), which is positive as LAIQON is less dependent on performance fees.

**EBITDA improving and better than expected.** The integration of the acquired companies into the platform and the associated further scaling effects as well as the growth initiatives launched with GROWTH 25 led to a significant improvement in the Group's operating result during the year. In 2H22, EBITDA improved to EUR -1.6m after EUR -4.4m in 1H22. Overall, LAIQON thus achieved an EBITDA of EUR -6.0m in FY22, thus surpassing the preliminary EBITDA by EUR 0.6m.

**AuM increased to EUR 6.0bn in Feb. 2023 (end of 2022: EUR 5.7bn).** By 28 Feb. 2023, the AuM in the three business segments Asset Management, Wealth Management and Digital Wealth increased organically (i.e. excluding acquisitions) by EUR 300m to almost EUR 6.0bn. We assume that part of the increase in AuM is due to performance amid a positive stock market and difficult bond market environment in January and February, and another part reflects net inflows. LAIQON expects organic AuM increase to EUR 8-10bn by 2025, which we think is ambitious, but achievable.

**AuM increase and better than expected results are convincing.** Overall, final FY22 figures support the investment case of LAIQON. Rolling the DCF model yields a new upgraded price target of EUR 9.75 (old: EUR 9.00). We therefore reiterate our BUY recommendation.

LAIQON AG	2020	2021	2022	2023E	2024E	2025E
Sales	27.7	26.1	21.6	34.1	45.0	58.5
Growth yoy	237.3%	-5.8%	-17.4%	58.0%	32.0%	30.0%
EBITDA	6.6	4.6	-9.9	-4.6	1.8	4.7
EBIT	2.8	0.7	-14.7	-10.6	-3.9	-0.7
Net profit	-0.7	5.2	-10.5	-6.2	-3.6	-1.0
Net debt (net cash)	10.6	12.7	36.5	30.8	33.5	23.1
Net debt/EBITDA	1.6x	2.8x	-3.7x	-6.7x	18.6x	4.9x
EPS reported	-0.05	0.39	-0.69	-0.35	-0.21	-0.06
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	96.1%	89.7%	83.0%	85.0%	90.0%	88.0%
EBITDA margin	23.6%	17.6%	-46.1%	-13.5%	4.0%	8.0%
EBIT margin	10.1%	2.6%	-67.9%	-31.0%	-8.6%	-1.2%
ROCE	3.1%	0.9%	-12.3%	-11.6%	-4.6%	-0.9%
EV/EBITDA	24.3x	35.0x	-18.6x	-39.0x	101.3x	36.7x
EV/EBIT	56.8x	240.3x	-12.6x	-17.0x	-46.9x	-237.2x
PER	-160.4x	22.0x	-12.3x	-24.1x	-40.8x	-146.8x
FCF yield	-2.4%	16.2%	-3.7%	3.6%	-2.1%	6.9%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

**High/low 52 weeks** 10.55 / 4.98  
**Price/Book Ratio** 1.9x

### Ticker / Symbols

ISIN DE000A12UP29  
WKN A12UP2  
Bloomberg LQAG:GR

### Changes in estimates

		Sales	EBIT	EPS
2023E	old	34.1	-4.8	-0.10
	Δ	-0.0%	na%	na%
2024E	old	42.7	-0.2	-0.10
	Δ	5.4%	na%	na%
2025E	old	58.5	-0.7	-0.06
	Δ	-0.0%	na%	na%

### Key share data

Number of shares: (in m pcs) 17.50  
Book value per share: (in EUR) 4.38  
Ø trading volume: (12 months) 20,000

### Major shareholders

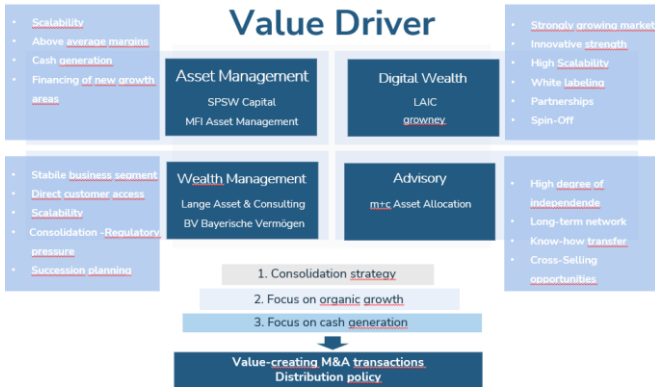
DEWB 21.0%  
SPSW investors 10.0%  
Plate Family Office (CEO) 10.0%  
Free Float 51.0%

### 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

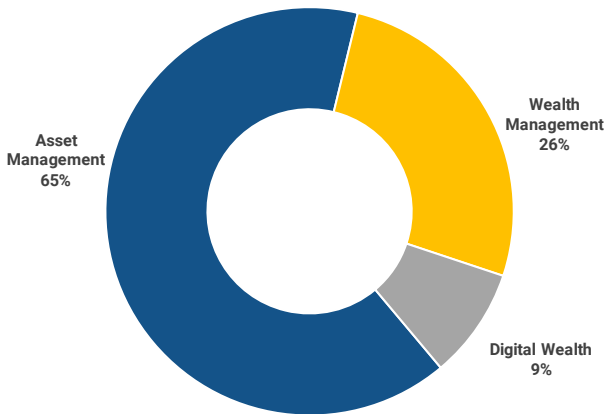
## Industrial logic of a successful acquisition strategy



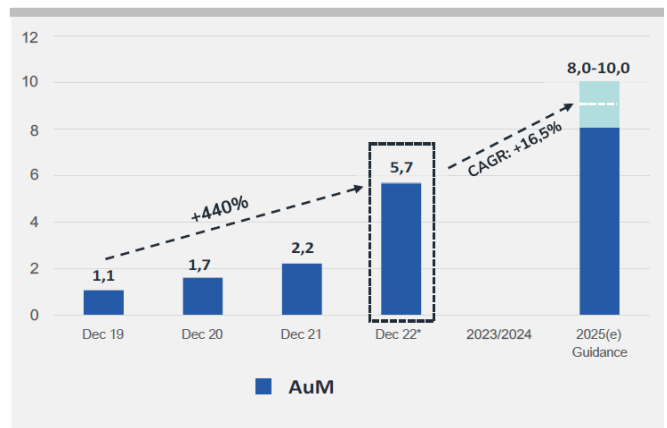
## Group Strategy



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



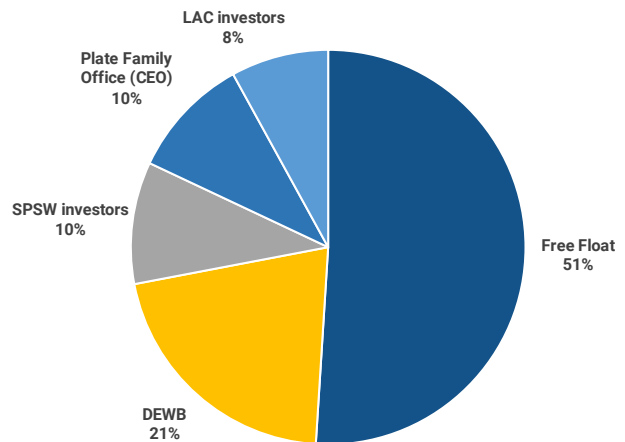
## Medium-term guidance of EUR 8.0bn - 10.0bn



## 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

# Valuation

## DCF Model

The DCF model results in a **fair value of EUR 9.77 per share**:

**Top-line growth:** We expect LAIQON AG to continue benefitting from structural growth. Hence our growth estimates for 2023E-2030E is in the range of 15.6% p.a. The long-term growth rate is set at 2.0%.

**EBIT margins.** We expect an improvement of EBIT margins based on our assumption of higher revenues due to acquisitions and the platform strategy. A market recovery should also lead to higher performance fees. Economies of scale of the One-Stop-Shop-model should boost profitability in expectation of more product sales/additional service offering per client.

**WACC.** The averaged 1-, 3- and 5-year historical equity beta is calculated as 1.10. Unlevering and correcting for mean reversion yields an asset beta of 0.99. Combined with a risk-free rate of 2.0% and an equity risk premium of 5.6% this yields cost of equity of 9.4%. With pre-tax cost of borrowing at 5.0%, a tax rate of 35.0% and target debt/equity of 0.5 this results in a long-term WACC of 7.3%.

DCF (EURm) (except per share data and beta)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	-8.4	-2.9	-0.5	1.4	2.8	4.0	5.5	7.1	
Depreciation & amortization	6.0	5.7	5.4	5.2	5.0	4.8	4.7	4.6	
Change in working capital	6.6	-3.7	6.7	2.7	3.1	2.4	1.3	1.4	
Chg. in long-term provisions	1.4	0.5	0.7	0.4	0.5	0.4	0.2	0.2	
Capex	-1.0	-0.9	-1.2	-1.3	-1.5	-1.7	-1.8	-1.9	
Cash flow	4.6	-1.3	11.1	8.4	9.8	9.9	10.0	11.5	219.0
Present value	4.7	-1.2	9.7	6.9	7.5	7.0	6.6	7.0	135.8
WACC	7.8%	7.8%	7.7%	7.6%	7.6%	7.6%	7.6%	7.6%	7.3%

### DCF per share derived from

Total present value	183.9
Mid-year adj. total present value	190.8
Net debt / cash at start of year	36.5
Financial assets	16.8
Provisions and off b/s debt	na
Equity value	171.0
No. of shares outstanding	17.5

Discounted cash flow / share	9.77
upside/(downside)	15.0%

Share price	8.50
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### DCF avg. growth and earnings assumptions

Planning horizon avg. revenue growth (2023E-2030E)	15.6%
Terminal value growth (2030E - infinity)	2.0%
Terminal year ROCE	13.3%
Terminal year WACC	7.3%

### Terminal WACC derived from

Cost of borrowing (before taxes)	5.0%
Long-term tax rate	35.0%
Equity beta	1.10
Unlevered beta (industry or company)	0.99
Target debt / equity	0.5
Relevered beta	1.32
Risk-free rate	2.0%
Equity risk premium	5.6%
Cost of equity	9.4%

### Sensitivity analysis DCF

Change in WACC (%-points)		Long term growth					Share of present value	
		1.0%	1.5%	2.0%	2.5%	3.0%		
2.0%		6.1	6.4	6.8	7.2	7.7	2023E-2026E	10.9%
1.0%		7.1	7.5	8.0	8.6	9.3	2027E-2030E	15.3%
0.0%		8.4	9.0	9.8	10.6	11.7	terminal value	73.8%
-1.0%		10.3	11.2	12.3	13.7	15.6		
-2.0%		12.9	14.4	16.4	19.0	22.8		

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 -4.20 per share based on 2023E and EUR 5.99 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>-4.6</b>	<b>1.8</b>	<b>4.7</b>	<b>7.1</b>	<b>9.3</b>
- Maintenance capex	1.5	1.4	1.3	1.3	1.3
- Minorities	-1.1	-0.6	-0.2	0.2	0.5
- tax expenses	-0.8	-0.5	-0.1	0.2	1.0
<b>= Adjusted FCF</b>	<b>-4.2</b>	<b>1.5</b>	<b>3.7</b>	<b>5.3</b>	<b>6.5</b>
<b>Actual Market Cap</b>	<b>148.8</b>	<b>148.8</b>	<b>148.8</b>	<b>148.8</b>	<b>148.8</b>
+ Net debt (cash)	30.8	33.5	23.1	14.7	4.6
+ 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>	14.0	16.7	6.3	-2.0	-12.2
<b>= Actual EV'</b>	<b>162.8</b>	<b>165.5</b>	<b>155.1</b>	<b>146.7</b>	<b>136.6</b>
<b>Adjusted FCF yield</b>	<b>-2.6%</b>	<b>0.9%</b>	<b>2.4%</b>	<b>3.6%</b>	<b>4.7%</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>-59.5</b>	<b>21.7</b>	<b>52.3</b>	<b>75.9</b>	<b>92.7</b>
- <i>EV Reconciliations</i>	14.0	16.7	6.3	-2.0	-12.2
<b>Fair Market Cap</b>	<b>-73.5</b>	<b>5.0</b>	<b>46.0</b>	<b>77.9</b>	<b>104.9</b>
No. of shares (million)	17.5	17.5	17.5	17.5	17.5
<b>Fair value per share in EUR</b>	<b>-4.20</b>	<b>0.29</b>	<b>2.63</b>	<b>4.45</b>	<b>5.99</b>
<b>Premium (-) / discount (+)</b>	<b>-149.4%</b>	<b>-96.6%</b>	<b>-69.1%</b>	<b>-47.6%</b>	<b>-29.5%</b>

### Sensitivity analysis FV

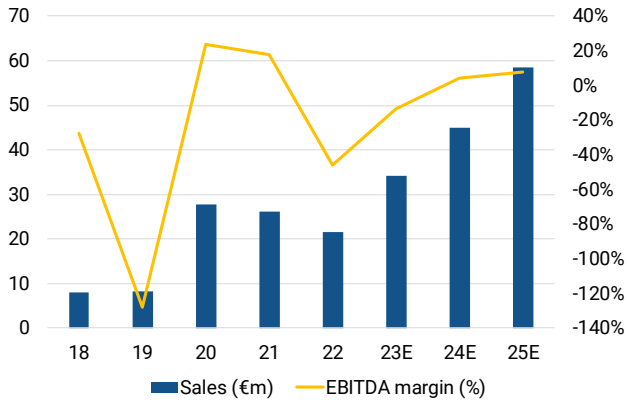
	5.0%	-5.6	0.8	3.8	6.2	8.1
<b>Adjusted hurdle rate</b>	6.0%	-4.8	0.5	3.1	5.2	6.9
	<b>7.0%</b>	<b>-4.2</b>	<b>0.3</b>	<b>2.6</b>	<b>4.5</b>	<b>6.0</b>
	8.0%	-3.8	0.1	2.3	3.9	5.3
	9.0%	-3.4	0.0	2.0	3.5	4.8

Source: Company data; AlsterResearch

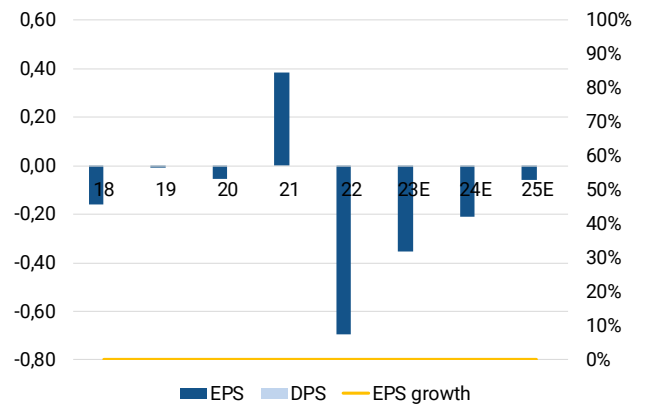
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments 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

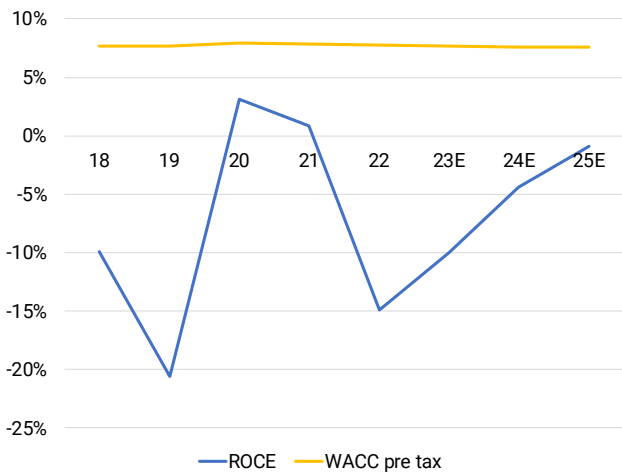
**Sales vs. EBITDA margin development**



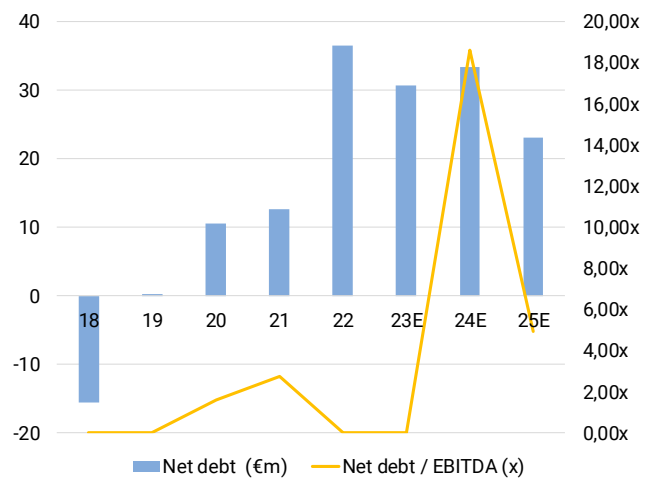
**EPS, DPS in EUR & yoy EPS growth**



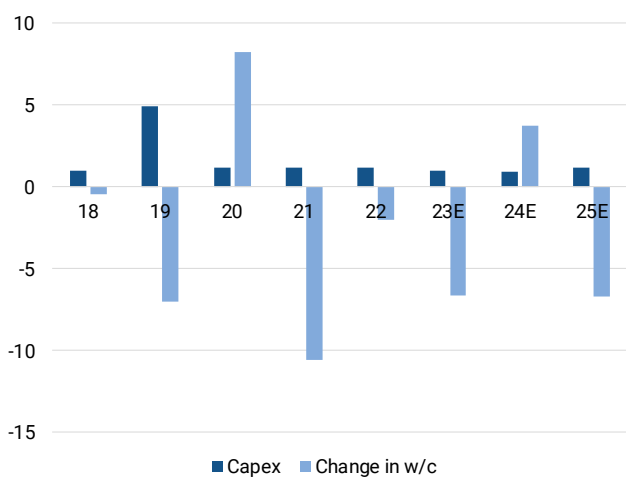
**ROCE vs. WACC (pre tax)**



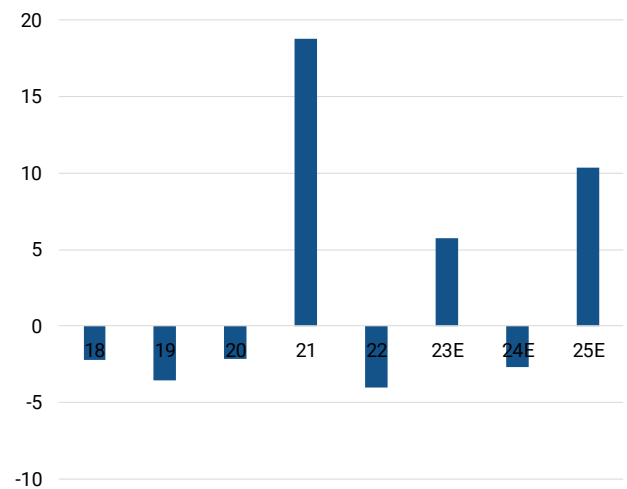
**Net debt and net debt/EBITDA**



**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>34.1</b>	<b>45.0</b>	<b>58.5</b>
Sales growth	237.3%	-5.8%	-17.4%	58.0%	32.0%	30.0%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>27.7</b>	<b>26.1</b>	<b>21.6</b>	<b>34.1</b>	<b>45.0</b>	<b>58.5</b>
Material expenses	1.1	2.7	3.7	5.1	4.5	7.0
<b>Gross profit</b>	<b>26.7</b>	<b>23.4</b>	<b>17.9</b>	<b>29.0</b>	<b>40.5</b>	<b>51.5</b>
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Personnel expenses	11.7	11.3	17.1	21.6	22.9	29.2
Other operating expenses	8.4	7.5	10.7	11.9	15.7	17.5
<b>EBITDA</b>	<b>6.6</b>	<b>4.6</b>	<b>-9.9</b>	<b>-4.6</b>	<b>1.8</b>	<b>4.7</b>
Depreciation	1.8	1.6	2.0	1.5	1.4	1.3
EBITA	4.8	3.0	-11.9	-6.1	0.4	3.3
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>-10.6</b>	<b>-3.9</b>	<b>-0.7</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	-8.1	-4.8	-1.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-3.0	6.4	-16.3	-8.1	-4.8	-1.3
Taxes	-4.0	-0.2	-5.7	-0.8	-0.5	-0.1
Net income from continuing operations	1.0	6.6	-10.5	-7.3	-4.3	-1.2
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>-7.3</b>	<b>-4.3</b>	<b>-1.2</b>
Minority interest	-1.7	-1.5	0.0	1.1	0.6	0.2
Net profit (reported)	-0.7	5.2	-10.5	-6.2	-3.6	-1.0
Average number of shares	13.27	13.33	15.21	17.50	17.50	17.50
<b>EPS reported</b>	<b>-0.05</b>	<b>0.39</b>	<b>-0.69</b>	<b>-0.35</b>	<b>-0.21</b>	<b>-0.06</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%	15%	10%	12%
<b>Gross profit</b>	<b>96%</b>	<b>90%</b>	<b>83%</b>	<b>85%</b>	<b>90%</b>	<b>88%</b>
Other operating income	0%	0%	0%	0%	0%	0%
Personnel expenses	42%	43%	79%	63%	51%	50%
Other operating expenses	30%	29%	50%	35%	35%	30%
<b>EBITDA</b>	<b>24%</b>	<b>18%</b>	<b>-46%</b>	<b>-13%</b>	<b>4%</b>	<b>8%</b>
Depreciation	6%	6%	9%	4%	3%	2%
EBITA	17%	11%	-55%	-18%	1%	6%
Amortisation of goodwill and intangible assets	7%	9%	13%	13%	10%	7%
<b>EBIT</b>	<b>10%</b>	<b>3%</b>	<b>-68%</b>	<b>-31%</b>	<b>-9%</b>	<b>-1%</b>
Financial result	-21%	22%	-8%	7%	-2%	-1%
Recurring pretax income from continuing operations	-11%	25%	-75%	-24%	-11%	-2%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-11%	25%	-75%	-24%	-11%	-2%
Taxes	-14%	-1%	-27%	-2%	-1%	-0%
Net income from continuing operations	4%	25%	-49%	-21%	-10%	-2%
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>-21%</b>	<b>-10%</b>	<b>-2%</b>
Minority interest	-6%	-6%	0%	3%	1%	0%
<b>Net profit (reported)</b>	<b>-3%</b>	<b>20%</b>	<b>-49%</b>	<b>-18%</b>	<b>-8%</b>	<b>-2%</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	10.0	9.5	9.3
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>112.5</b>	<b>107.7</b>	<b>103.5</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	18.9	6.2	9.9	7.5	8.6	11.2
Other current assets	1.8	9.9	0.9	0.9	0.9	0.9
Liquid assets	8.4	16.3	10.4	-5.8	-11.5	-8.1
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>3.7</b>	<b>-0.8</b>	<b>5.1</b>
<b>TOTAL ASSETS</b>	<b>113.7</b>	<b>117.0</b>	<b>139.8</b>	<b>116.2</b>	<b>106.9</b>	<b>108.6</b>
<b>SHAREHOLDERS EQUITY</b>	<b>37.9</b>	<b>43.3</b>	<b>66.6</b>	<b>59.3</b>	<b>55.1</b>	<b>53.9</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	1.7	2.2	2.9
<b>Non-current liabilities</b>	<b>45.5</b>	<b>18.6</b>	<b>44.9</b>	<b>16.7</b>	<b>14.2</b>	<b>12.9</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	22.4	19.7	28.8
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	0.3	0.4	0.6
<b>Current liabilities</b>	<b>25.5</b>	<b>50.0</b>	<b>22.9</b>	<b>34.7</b>	<b>32.2</b>	<b>36.4</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>113.7</b>	<b>117.0</b>	<b>139.8</b>	<b>116.3</b>	<b>106.9</b>	<b>108.7</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>74%</b>	<b>76%</b>	<b>71%</b>
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	10%	8%	7%	9%	9%	9%
Financial assets	15%	16%	12%	14%	16%	15%
<b>FIXED ASSETS</b>	<b>74%</b>	<b>72%</b>	<b>84%</b>	<b>97%</b>	<b>101%</b>	<b>95%</b>
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	17%	5%	7%	6%	8%	10%
Other current assets	2%	8%	1%	1%	1%	1%
Liquid assets	7%	14%	7%	-5%	-11%	-7%
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>3%</b>	<b>-1%</b>	<b>5%</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>51%</b>	<b>52%</b>	<b>50%</b>
MINORITY INTEREST	4%	4%	4%	5%	5%	5%
Long-term debt	16%	16%	32%	13%	11%	9%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	24%	0%	0%	1%	2%	3%
<b>Non-current liabilities</b>	<b>40%</b>	<b>16%</b>	<b>32%</b>	<b>14%</b>	<b>13%</b>	<b>12%</b>
short-term liabilities to banks	1%	9%	2%	9%	9%	5%
Accounts payable	3%	22%	11%	19%	18%	27%
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>30%</b>	<b>30%</b>	<b>34%</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	-7.3	-4.3	-1.2
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	1.4	0.5	0.7
Cash flow from operations before changes in w/c	7.3	9.4	-4.8	0.1	1.9	4.9
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	2.5	-1.2	-2.6
Increase/decrease in accounts payable	1.9	1.8	1.4	6.4	-2.7	9.1
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	6.6	-3.7	6.7
<b>Cash flow from operating activities</b>	<b>-0.9</b>	<b>20.0</b>	<b>-2.8</b>	<b>6.7</b>	<b>-1.8</b>	<b>11.6</b>
CAPEX	-1.2	-1.2	-1.2	-1.0	-0.9	-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>-1.0</b>	<b>-0.9</b>	<b>-1.2</b>
Cash flow before financing	-1.9	18.9	-11.2	5.7	-2.7	10.4
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	-16.2	-5.7	3.4
<b>Liquid assets at end of period</b>	<b>6.5</b>	<b>16.3</b>	<b>10.4</b>	<b>-5.8</b>	<b>-11.5</b>	<b>-8.1</b>

Source: Company data; AlsterResearch

Regional sales split (EURm)	2020	2021	2022	2023E	2024E	2025E
Domestic	27.7	26.1	21.6	34.1	45.0	58.5
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>34.1</b>	<b>45.0</b>	<b>58.5</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	-0.69	-0.35	-0.21	-0.06
Cash flow per share	-0.20	1.38	-0.32	0.30	-0.18	0.58
Book value per share	2.85	3.25	4.38	3.39	3.15	3.08
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	-160.4x	22.0x	-12.3x	-24.1x	-40.8x	-146.8x
P/CF	-41.9x	6.2x	-26.9x	28.1x	-46.5x	14.5x
P/BV	3.0x	2.6x	1.9x	2.5x	2.7x	2.8x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-2.4%	16.2%	-3.7%	3.6%	-2.1%	6.9%
EV/Sales	5.7x	6.2x	8.6x	5.3x	4.1x	2.9x
EV/EBITDA	24.3x	35.0x	-18.6x	-39.0x	101.3x	36.7x
EV/EBIT	56.8x	240.3x	-12.6x	-17.0x	-46.9x	-237.2x
<b>Income statement (EURm)</b>						
Sales	27.7	26.1	21.6	34.1	45.0	58.5
yoy chg in %	237.3%	-5.8%	-17.4%	58.0%	32.0%	30.0%
Gross profit	26.7	23.4	17.9	29.0	40.5	51.5
Gross margin in %	96.1%	89.7%	83.0%	85.0%	90.0%	88.0%
EBITDA	6.6	4.6	-9.9	-4.6	1.8	4.7
EBITDA margin in %	23.6%	17.6%	-46.1%	-13.5%	4.0%	8.0%
EBIT	2.8	0.7	-14.7	-10.6	-3.9	-0.7
EBIT margin in %	10.1%	2.6%	-67.9%	-31.0%	-8.6%	-1.2%
Net profit	-0.7	5.2	-10.5	-6.2	-3.6	-1.0
<b>Cash flow statement (EURm)</b>						
CF from operations	-0.9	20.0	-2.8	6.7	-1.8	11.6
Capex	-1.2	-1.2	-1.2	-1.0	-0.9	-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	5.7	-2.7	10.4
<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	10.0	9.5	9.3
Shareholders' equity	37.9	43.3	66.6	59.3	55.1	53.9
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	46.8	29.3	47.2	26.7	24.2	17.9
Net financial debt	10.6	12.7	36.5	30.8	33.5	23.1
w/c requirements	15.2	-19.1	-6.1	-14.9	-11.1	-17.6
<b>Ratios</b>						
ROE	2.7%	15.3%	-15.8%	-12.2%	-7.8%	-2.2%
ROCE	3.1%	0.9%	-12.3%	-11.6%	-4.6%	-0.9%
Net gearing	27.9%	29.4%	54.8%	51.9%	60.8%	42.9%
Net debt / EBITDA	1.6x	2.8x	-3.7x	-6.7x	18.6x	4.9x

Source: Company data; AlsterResearch

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