

123fahrschule SE

Germany | Technology | MCap EUR 12.5m

1 October 2024

UPDATE



H1 figures released and
FY24 guidance confirmed.
Remains a BUY.

What's it all about?

123fahrschule SE (123fs) reported a 9.3% revenue growth in H1 2024, reaching EUR 11.1m, with operational improvements driving an increase in adjusted EBITDA to EUR 0.5m. The company's growth strategy focuses on expanding branches in major German cities and optimizing internal processes, with a goal of reaching 90% of Berlin, Hamburg, and Cologne's population by the opening of 20 additional branches by mid-2025. The acquisition of Foerst GmbH in H1 enhances 123fs's product offering with driving simulators, supporting cost-effective and eco-friendly training. In addition, the company reiterated its FY24 adjusted EBITDA target of EUR 1m. All in all, 123fs performed well in H1, despite the difficult economic environment. Hence, we confirm the BUY rating with an unchanged PT of EUR 6.20.

BUY (BUY)

Target price	EUR 6.20 (6.20)
Current price	EUR 2.32
Up/downside	167.2%

 ResearchHub 



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123fahrschule SE

Germany | Technology | MCap EUR 12.5m | EV EUR 14.2m

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H1 figures released and FY24 guidance confirmed. BUY.

Final H1 figures released 123fahrschule (123fs) has continued its positive financial development with an increase in revenues of 9.3% to EUR 11.1m. Operational improvements, driven by optimization measures, resulted in an EBITDA of EUR 0.13m, while adjusted EBITDA, i.e. excluding one-off write downs on receivables, has reached EUR 0.5m, an increase of 154% compared to the previous year. These adjustments had a significant negative impact on the result, but 123fs was nevertheless able to increase its profitability and also significantly increase the cash flow from operating activities to EUR 0.89m (previous year period: EUR -0.07m).

New growth strategy implemented. The strategic focus of 123fs until 2024 and beyond is the further expansion of the branches in the largest German cities of Berlin, Hamburg and Cologne. By mid-2025, around 90% of the inhabitants of these cities should be able to reach a 123fs branch within 20 minutes. A key element of the growth strategy is to bring the company to a new level of profitability in a capital-efficient manner. In addition, measures have already been introduced to optimize internal processes, particularly in accounting, to further increase efficiency. In order to achieve its growth targets and open 20 new branches, 123fs currently plans to increase its share capital by issuing up to 430,000 new shares at a price of EUR 2.30 per share.

Improved product offering. In addition to expansion and process optimization, 123fs took an important step in H1 with the acquisition of Foerst GmbH, which develops and distributes driving school simulators. Foerst expands 123fs' product range and enables a vertical integration of training technologies. This opens new opportunities for cost-effective and environmentally friendly driver training and better training for students. And this is important, as 123fs already enjoys a high and confirming level of customer satisfaction with a Net Promoter Score (NPS) of 68 (H1 23: 66).

Conclusion. Despite the difficult economic environment, 123fs was able to increase registrations by 4.5%, resulting in good capacity utilization of the c. 150 driving instructors in the 56 branches. The company demonstrated significant progress, which is expected to continue into 2025. 123fs confirmed its adj. EBITDA target of EUR 1m for the FY. Based on the overall good performance, we reiterate our BUY rating with an unchanged price target of EUR 6.20.

123fahrschule SE	2021	2022	2023	2024E	2025E	2026E
Sales	7.8	16.7	20.6	24.6	27.8	33.1
<i>Growth yoy</i>	81.8%	114.8%	23.7%	19.2%	13.3%	18.8%
EBITDA	-3.8	-2.7	-0.9	0.5	2.1	3.3
EBIT	-5.7	-5.6	-4.3	-3.1	-1.5	-0.4
Net profit	-4.5	-4.3	-3.9	-2.7	-1.3	-0.3
Net debt (net cash)	-3.1	1.8	1.7	2.6	2.5	1.0
Net debt/EBITDA	0.8x	-0.7x	-1.9x	5.2x	1.2x	0.3x
EPS reported	-1.85	-1.39	-0.80	-0.50	-0.25	-0.06
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	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
EBITDA margin	-48.9%	-16.0%	-4.3%	2.0%	7.5%	10.0%
EBIT margin	-73.9%	-33.8%	-20.9%	-12.4%	-5.5%	-1.2%
ROCE	-35.5%	-27.6%	-21.2%	-15.9%	-8.3%	-2.1%
EV/Sales	1.2x	0.9x	0.7x	0.6x	0.5x	0.4x
EV/EBITDA	-2.5x	-5.4x	-16.0x	30.7x	7.2x	4.1x
EV/EBIT	-1.6x	-2.6x	-3.3x	-4.9x	-9.8x	-35.7x
PER	-1.3x	-1.7x	-2.9x	-4.7x	-9.3x	-37.5x

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 4.55 / 1.26
Price/Book Ratio 0.7x

Ticker / Symbols

ISIN DE000A2P4HL9
WKN A2P4HL
Bloomberg 123F:GR

Changes in estimates

		Sales	EBIT	EPS
2024E	old	24.6	-3.1	-0.56
	Δ	0.0%	na%	na%
2025E	old	27.8	-1.6	-0.30
	Δ	0.0%	na%	na%
2026E	old	33.1	-0.5	-0.10
	Δ	0.0%	na%	na%

Key share data

Number of shares: (in m pcs) 5.41
Book value per share: (in EUR) 3.37
Ø trading vol.: (12 months) 3,912

Major shareholders

venturecapital.de 13.8%
Delphi 12.8%
KlickVentures 7.0%
Free Float 53.7%

Company description

123fahrschule SE is the disruptive player of driving license 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.

Background information:

FOERST simulator – product sample



Find video on research-hub.de: [click here](#)

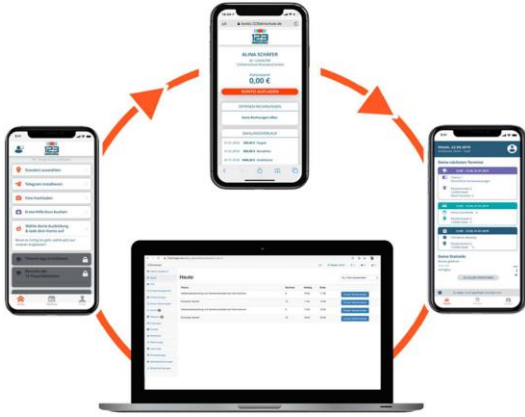
Source: FOERST GmbH, mwb research

123fahreschule 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. 123fahreschule 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.

Online theory classes expected from 2025. In Germany, online theory lessons were considered an exception during the pandemic. But, according to the Federal Ministry of Digital Affairs and Transport's, e-learning will be permanently recognized by law in Germany from 01.01.2025. Currently, driving schools are only allowed to train their students in face-to-face classes. Back in 2016, 123fs set out to revolutionize the German driving school market with digital innovations. This is now expected to take place from 2025 onwards.

Investment case in six charts

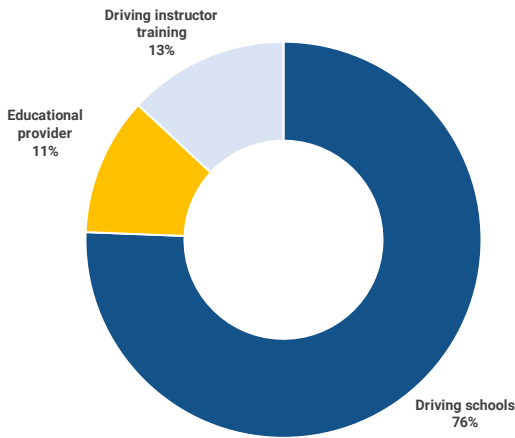
New-school driving school: 360-digital ecosystem



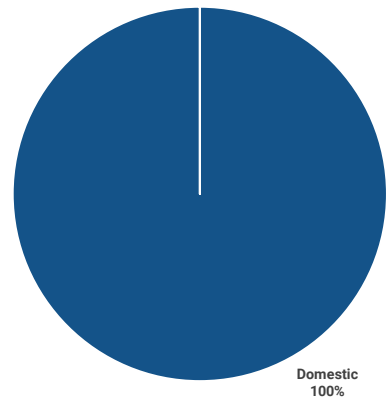
Regional sales split in %



Segmental breakdown in %



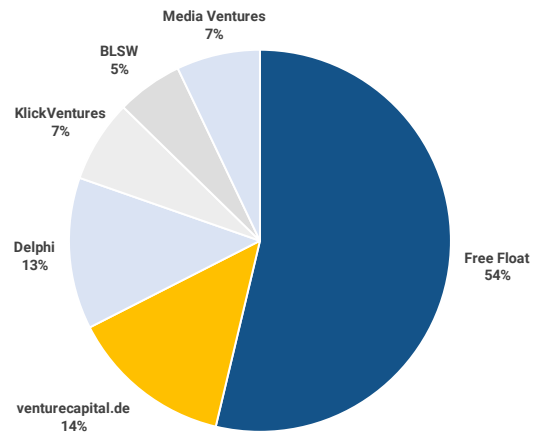
Regional sales split in %



Driving simulator are expected to replace driving lessons



Major Shareholders



Source: Company data, mwb research

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
- Further capital / fresh money needed to finance growth

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

Valuation

DCF Model

The DCF model results in a **fair value of EUR 6.34 per share**:

Top-line growth: We expect 123fahrschule SE to grow revenues at a CAGR of 10.0% between 2024E and 2031E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from -15.9% in 2024E to 10.5% in 2031E.

WACC. Starting point is a historical equity beta of 1.67. Unlevering and correcting for mean reversion yields an asset beta of 1.26. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 14.8%. With pre-tax cost of borrowing at 5.0%, a tax rate of 30.0% and target debt/equity of 1.0 this results in a long-term WACC of 9.2%.

DCF (EURm) (except per share data and beta)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal value
NOPAT	-2.7	-1.3	-0.3	-0.1	1.0	1.7	2.2	2.2	
Depreciation & amortization	3.5	3.6	3.7	3.8	3.6	3.6	3.6	3.7	
Change in working capital	0.6	0.2	0.1	0.2	0.4	0.6	0.8	0.2	
Chg. in long-term provisions	-0.9	0.0	0.1	0.1	0.1	0.1	0.1	0.1	
Capex	-2.5	-2.4	-2.1	-3.0	-3.0	-2.8	-2.8	-2.9	
Cash flow	-1.9	0.1	1.4	0.9	2.0	3.1	3.8	3.3	46.9
Present value	-1.8	0.1	1.2	0.7	1.3	1.9	2.1	1.7	24.8
WACC	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.2%

DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	31.9	Planning horizon avg. revenue growth (2024E-2031E)	10.0%
Mid-year adj. total present value	33.5	Terminal value growth (2031E - infinity)	2.0%
Net debt / cash at start of year	1.7	Terminal year ROCE	10.5%
Financial assets	2.5	Terminal year WACC	9.2%
Provisions and off b/s debt	na		
Equity value	34.3	Terminal WACC derived from	
No. of shares outstanding	5.4	Cost of borrowing (before taxes)	5.0%
		Long-term tax rate	30.0%
		Equity beta	1.67
		Unlevered beta (industry or company)	1.26
		Target debt / equity	1.0
		Relevered beta	2.14
		Risk-free rate	2.0%
		Equity risk premium	6.0%
		Cost of equity	14.8%

Discounted cash flow / share	6.34
upside/(downside)	173.2%

Share price	2.32
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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%	4.4	4.5	4.7	4.9	5.2	2024E-2027E	0.2%
1.0%	5.0	5.2	5.4	5.7	6.0	2028E-2031E	22.0%
0.0%	5.7	6.0	6.3	6.7	7.2	terminal value	77.8%
-1.0%	6.7	7.1	7.6	8.1	8.8		
-2.0%	8.0	8.5	9.2	10.1	11.2		

Source: mwb research

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 -2.77 per share based on 2024E and EUR 7.38 per share on 2028E 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	2024E	2025E	2026E	2027E	2028E
EBITDA	0.5	2.1	3.3	3.6	4.7
- Maintenance capex	1.9	1.9	2.0	2.0	2.1
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	-0.4	-0.2	-0.0	-0.0	0.1
= Adjusted FCF	-1.0	0.3	1.4	1.6	2.5
Actual Market Cap	11.8	11.8	11.8	11.8	11.8
+ Net debt (cash)	2.6	2.5	1.0	0.2	-1.8
+ 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	2.5	2.5	2.5	2.5	2.5
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	0.1	-0.0	-1.5	-2.3	-4.4
= Actual EV'	11.8	11.7	10.3	9.4	7.4
Adjusted FCF yield	-8.8%	2.8%	13.3%	17.1%	33.6%
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%
Fair EV	-14.9	4.7	19.6	23.0	35.6
- <i>EV Reconciliations</i>	0.1	-0.0	-1.5	-2.3	-4.4
Fair Market Cap	-15.0	4.7	21.1	25.4	39.9
No. of shares (million)	5.4	5.4	5.4	5.4	5.4
Fair value per share in EUR	-2.77	0.88	3.90	4.69	7.38
Premium (-) / discount (+)	-219.4%	-62.2%	67.9%	102.1%	218.1%

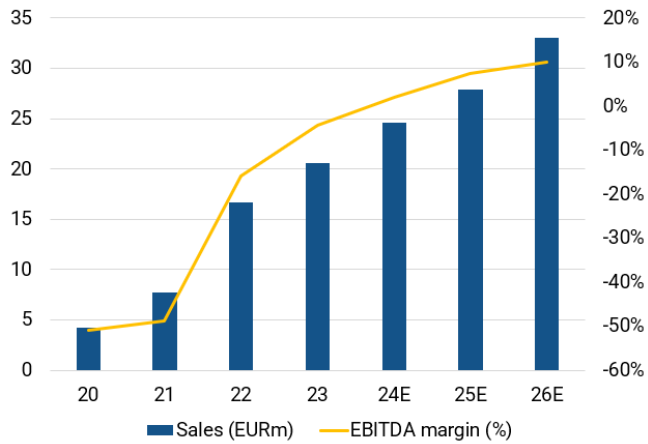
Sensitivity analysis FV						
Adjusted hurdle rate	5.0%	-3.9	1.2	5.3	6.4	10.0
	6.0%	-3.2	1.0	4.5	5.4	8.5
	7.0%	-2.8	0.9	3.9	4.7	7.4
	8.0%	-2.4	0.8	3.4	4.2	6.6
	9.0%	-2.2	0.7	3.1	3.7	5.9

Source: Company data; mwb research

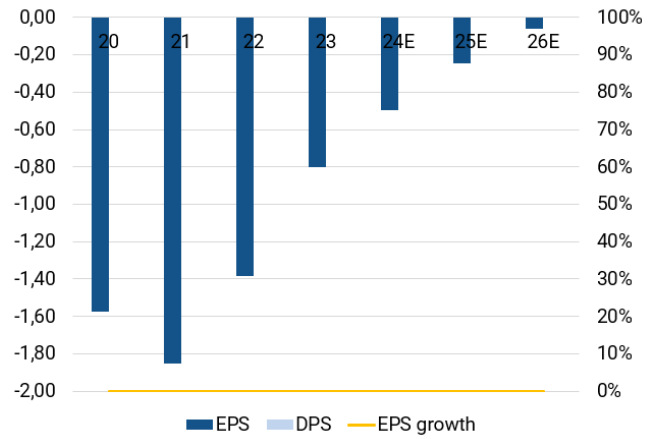
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

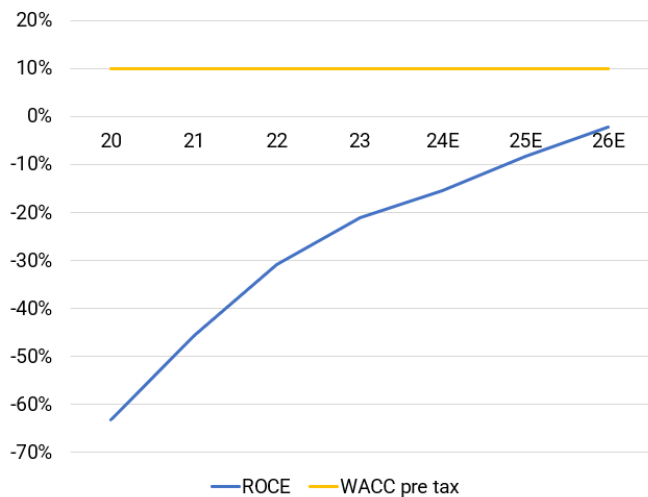
Sales vs. EBITDA margin development



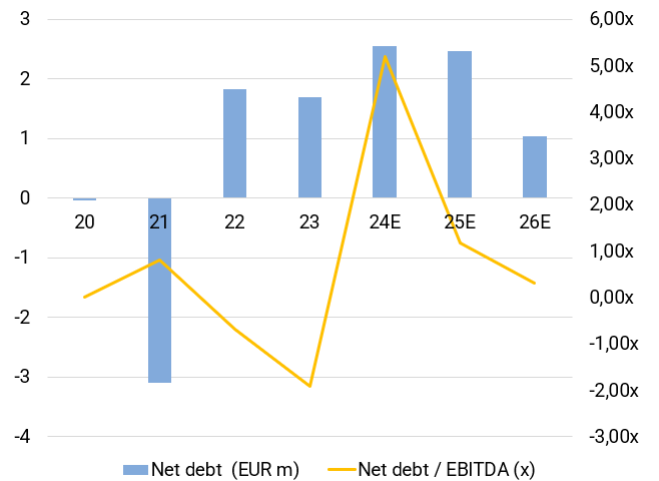
EPS, DPS in EUR & yoy EPS growth



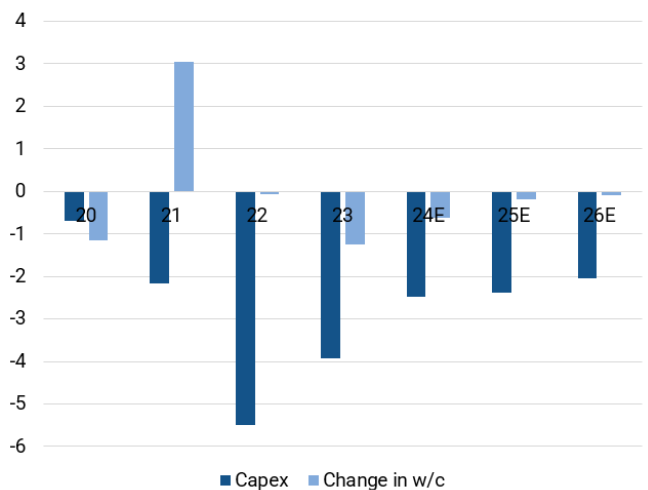
ROCE vs. WACC (pre tax)



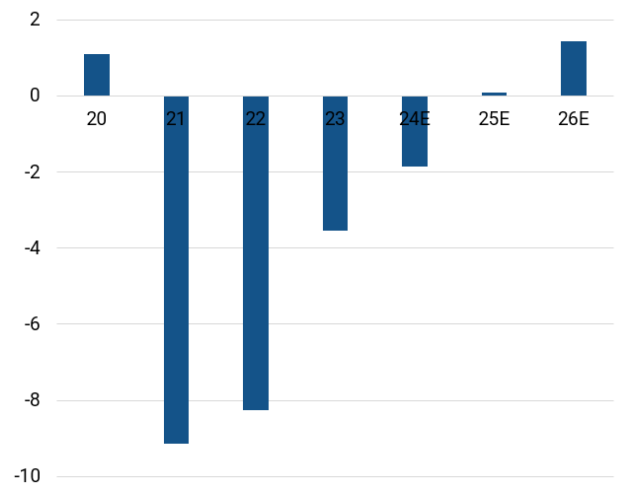
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

Profit and loss (EURm)	2021	2022	2023	2024E	2025E	2026E
Net sales	7.8	16.7	20.6	24.6	27.8	33.1
Sales growth	81.8%	114.8%	23.7%	19.2%	13.3%	18.8%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	7.8	16.7	20.6	24.6	27.8	33.1
Material expenses	0.0	0.0	0.0	0.0	0.0	0.0
Gross profit	7.8	16.7	20.6	24.6	27.8	33.1
Other operating income	0.3	1.1	1.2	0.0	0.0	0.0
Personnel expenses	6.2	12.0	13.7	15.5	17.4	20.5
Other operating expenses	5.6	8.4	9.0	8.6	8.4	9.3
EBITDA	-3.8	-2.7	-0.9	0.5	2.1	3.3
Depreciation	0.1	1.0	1.8	1.9	1.9	2.0
EBITA	-3.9	-3.6	-2.7	-1.4	0.1	1.3
Amortisation of goodwill and intangible assets	1.8	2.0	1.6	1.6	1.7	1.7
EBIT	-5.7	-5.6	-4.3	-3.1	-1.5	-0.4
Financial result	-0.0	-0.0	-0.0	0.0	0.0	0.0
Recurring pretax income from continuing operations	-5.7	-5.7	-4.4	-3.1	-1.5	-0.4
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-5.7	-5.7	-4.4	-3.1	-1.5	-0.4
Taxes	-1.3	-1.4	-0.4	-0.4	-0.2	-0.0
Net income from continuing operations	-4.5	-4.3	-3.9	-2.7	-1.3	-0.3
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-4.5	-4.3	-3.9	-2.7	-1.3	-0.3
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-4.5	-4.3	-3.9	-2.7	-1.3	-0.3
Average number of shares	2.42	3.11	4.88	5.41	5.41	5.41
EPS reported	-1.85	-1.39	-0.80	-0.50	-0.25	-0.06

Profit and loss (common size)	2021	2022	2023	2024E	2025E	2026E
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	4%	6%	6%	0%	0%	0%
Personnel expenses	80%	72%	66%	63%	63%	62%
Other operating expenses	73%	50%	44%	35%	30%	28%
EBITDA	-49%	-16%	-4%	2%	8%	10%
Depreciation	2%	6%	9%	8%	7%	6%
EBITA	-51%	-22%	-13%	-6%	1%	4%
Amortisation of goodwill and intangible assets	23%	12%	8%	7%	6%	5%
EBIT	-74%	-34%	-21%	-12%	-5%	-1%
Financial result	-0%	-0%	-0%	0%	0%	0%
Recurring pretax income from continuing operations	-74%	-34%	-21%	-12%	-5%	-1%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-74%	-34%	-21%	-12%	-5%	-1%
Taxes	-16%	-8%	-2%	-1%	-1%	-0%
Net income from continuing operations	-58%	-26%	-19%	-11%	-5%	-1%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-58%	-26%	-19%	-11%	-5%	-1%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	-58%	-26%	-19%	-11%	-5%	-1%

Source: Company data; mwb research

Balance sheet (EURm)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	1.1	1.7	2.6	2.0	1.0	-0.3
Goodwill	8.2	9.2	8.7	9.1	9.1	9.1
Property, plant and equipment	1.5	4.5	4.3	3.9	3.6	3.3
Financial assets	1.0	2.2	2.5	2.5	2.5	2.5
FIXED ASSETS	11.7	17.6	18.1	17.4	16.2	14.5
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.5	3.5	3.0	4.4	4.6	5.0
Other current assets	0.9	0.3	0.9	0.9	0.9	0.9
Liquid assets	3.2	0.3	0.7	0.9	1.5	3.0
Deferred taxes	1.6	3.0	3.5	3.5	3.5	3.5
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.2	0.3	0.3
CURRENT ASSETS	6.2	7.1	8.2	10.0	10.8	12.7
TOTAL ASSETS	17.9	24.8	26.3	27.5	27.0	27.2
SHAREHOLDERS EQUITY	15.8	16.8	16.4	15.1	13.8	13.4
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.3	2.3	1.5	2.0	2.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.3	1.5	1.4	0.6	0.6	0.6
Non-current liabilities	0.3	1.7	3.8	2.1	2.6	2.6
short-term liabilities to banks	0.1	1.9	0.1	2.0	2.0	2.0
Accounts payable	0.1	1.1	0.6	0.7	0.8	0.9
Advance payments received on orders	0.0	0.0	0.0	3.5	3.5	3.6
Other liabilities (incl. from lease and rental contracts)	1.1	2.6	4.3	1.7	1.8	1.9
Deferred taxes	0.5	0.6	1.1	1.1	1.1	1.1
Deferred income	0.0	0.0	0.0	1.2	1.4	1.7
Current liabilities	1.8	6.2	6.1	10.2	10.7	11.2
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	17.9	24.8	26.3	27.5	27.0	27.2

Balance sheet (common size)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	6%	7%	10%	7%	4%	-1%
Goodwill	46%	37%	33%	33%	34%	33%
Property, plant and equipment	9%	18%	16%	14%	13%	12%
Financial assets	5%	9%	10%	9%	9%	9%
FIXED ASSETS	66%	71%	69%	63%	60%	53%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	3%	14%	11%	16%	17%	18%
Other current assets	5%	1%	4%	3%	3%	3%
Liquid assets	18%	1%	3%	3%	6%	11%
Deferred taxes	9%	12%	13%	13%	13%	13%
Deferred charges and prepaid expenses	0%	0%	0%	1%	1%	1%
CURRENT ASSETS	34%	29%	31%	37%	40%	47%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	88%	68%	62%	55%	51%	49%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	1%	9%	5%	7%	7%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	2%	6%	6%	2%	2%	2%
Non-current liabilities	2%	7%	14%	8%	10%	10%
short-term liabilities to banks	0%	8%	0%	7%	7%	7%
Accounts payable	1%	5%	2%	3%	3%	3%
Advance payments received on orders	0%	0%	0%	13%	13%	13%
Other liabilities (incl. from lease and rental contracts)	6%	10%	16%	6%	7%	7%
Deferred taxes	3%	3%	4%	4%	4%	4%
Deferred income	0%	0%	0%	4%	5%	6%
Current liabilities	10%	25%	23%	37%	39%	41%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Cash flow statement (EURm)	2021	2022	2023	2024E	2025E	2026E
Net profit/loss	-4.5	-4.4	-3.9	-2.7	-1.3	-0.3
Depreciation of fixed assets (incl. leases)	0.3	1.0	1.2	1.9	1.9	2.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.5	2.0	2.2	1.6	1.7	1.7
Others	-1.2	-1.4	-0.4	-0.9	0.0	0.1
Cash flow from operations before changes in w/c	-3.9	-2.8	-0.9	-0.0	2.3	3.4
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-1.3	-3.7	-0.4	-1.4	-0.2	-0.4
Increase/decrease in accounts payable	-1.8	3.6	1.6	0.1	0.1	0.1
Increase/decrease in other w/c positions	0.0	0.2	0.0	1.9	0.3	0.4
Increase/decrease in working capital	-3.1	0.1	1.2	0.6	0.2	0.1
Cash flow from operating activities	-7.0	-2.8	0.4	0.6	2.5	3.5
CAPEX	-2.2	-5.5	-3.9	-2.5	-2.4	-2.1
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	-0.2	-2.1	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.2	0.0	0.0	0.0
Cash flow from investing activities	-2.3	-7.6	-3.7	-2.5	-2.4	-2.1
Cash flow before financing	-9.3	-10.3	-3.3	-1.9	0.1	1.4
Increase/decrease in debt position	0.0	2.1	0.3	1.1	0.5	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	12.4	5.4	3.5	1.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	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	12.4	7.5	3.8	2.1	0.5	0.0
Increase/decrease in liquid assets	3.1	-2.8	0.4	0.2	0.6	1.4
Liquid assets at end of period	3.2	0.3	0.7	0.9	1.5	3.0

Source: Company data; mwb research

Regional sales split (EURm)	2021	2022	2023	2024E	2025E	2026E
Domestic	7.8	16.7	20.6	24.6	27.8	33.1
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	7.8	16.7	20.6	24.6	27.8	33.1

Regional sales split (common size)	2021	2022	2023	2024E	2025E	2026E
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; mwb research

Ratios	2021	2022	2023	2024E	2025E	2026E
Per share data						
Earnings per share reported	-1.85	-1.39	-0.80	-0.50	-0.25	-0.06
Cash flow per share	-2.88	-0.89	0.08	-0.24	0.09	0.28
Book value per share	6.53	5.42	3.37	2.79	2.55	2.48
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-1.3x	-1.7x	-2.9x	-4.7x	-9.3x	-37.5x
P/CF	-0.8x	-2.6x	29.2x	-9.7x	24.6x	8.3x
P/BV	0.4x	0.4x	0.7x	0.8x	0.9x	0.9x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-124.1%	-38.4%	3.4%	-10.3%	4.1%	12.0%
EV/Sales	1.2x	0.9x	0.7x	0.6x	0.5x	0.4x
EV/EBITDA	-2.5x	-5.4x	-16.0x	30.7x	7.2x	4.1x
EV/EBIT	-1.6x	-2.6x	-3.3x	-4.9x	-9.8x	-35.7x
Income statement (EURm)						
Sales	7.8	16.7	20.6	24.6	27.8	33.1
yoy chg in %	81.8%	114.8%	23.7%	19.2%	13.3%	18.8%
Gross profit	7.8	16.7	20.6	24.6	27.8	33.1
Gross margin in %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
EBITDA	-3.8	-2.7	-0.9	0.5	2.1	3.3
EBITDA margin in %	-48.9%	-16.0%	-4.3%	2.0%	7.5%	10.0%
EBIT	-5.7	-5.6	-4.3	-3.1	-1.5	-0.4
EBIT margin in %	-73.9%	-33.8%	-20.9%	-12.4%	-5.5%	-1.2%
Net profit	-4.5	-4.3	-3.9	-2.7	-1.3	-0.3
Cash flow statement (EURm)						
CF from operations	-7.0	-2.8	0.4	0.6	2.5	3.5
Capex	-2.2	-5.5	-3.9	-2.5	-2.4	-2.1
Maintenance Capex	0.0	0.0	0.0	1.9	1.9	2.0
Free cash flow	-9.1	-8.3	-3.5	-1.9	0.1	1.4
Balance sheet (EURm)						
Intangible assets	9.2	10.9	11.3	11.0	10.1	8.8
Tangible assets	1.5	4.5	4.3	3.9	3.6	3.3
Shareholders' equity	15.8	16.8	16.4	15.1	13.8	13.4
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	0.4	3.6	3.9	4.1	4.6	4.6
Net financial debt	-3.1	1.8	1.7	2.6	2.5	1.0
w/c requirements	0.4	2.4	2.3	0.1	0.2	0.4
Ratios						
ROE	-28.4%	-25.6%	-23.8%	-17.8%	-9.8%	-2.5%
ROCE	-35.5%	-27.6%	-21.2%	-15.9%	-8.3%	-2.1%
Net gearing	-19.6%	10.9%	10.3%	16.9%	18.0%	7.7%
Net debt / EBITDA	0.8x	-0.7x	-1.9x	5.2x	1.2x	0.3x

Source: Company data; mwb research

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