

123fahrschule SE

none | Technology | MCap EUR 12.4m

27 September 2024

UPDATE



Fresh money for growth.
Remains a BUY.

What's it all about?

123fahrschule SE (123fs) made significant progress in executing its growth strategy, highlighted by the acquisition of Foerst GmbH, which strengthens its driving simulator offering. The company's H1 2024 results showed revenue growth to roughly EUR 11m and improved operational efficiency, reflected in an adjusted EBITDA of EUR 0.5m. In addition, 123fs is raising approximately EUR 1m through a capital increase to fund new branches in Berlin, Hamburg and Cologne. The company's 'Strategy 2027' focuses on expanding to 70 locations (+20 locations) by mid-2025 and generating revenues of EUR 50m by 2026. Despite the dilutive effect of the capital increase, the BUY rating is reiterated with a new PT of EUR 6.20 (old: EUR 6.80).

BUY (BUY)

Target price	EUR 6.20 (6.80)
Current price	EUR 2.30
Up/downside	169.6%

 ResearchHub 



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123fahrschule SE

none | Technology | MCap EUR 12.4m | EV EUR 14.1m

BUY (BUY)

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Fresh money for growth. Remains a BUY.

In 2024, 123fahrschule (123fs) has made significant strides in its growth strategy and market positioning. Key developments include the Foerst-acquisition, solid financial performance in H1, and planned capital increase to support its expansion efforts:

Acquisition of Foerst GmbH. In May 2024, 123fs acquired Foerst GmbH, a German driving simulator manufacturer, to enhance its simulator offerings. This technology, known for its cost-effectiveness and environmental benefits, is increasingly used in driver training. The acquisition is expected to improve both the company's domestic locations and support international expansion in the driving school sector.

Strong H1 2024 performance. In July, 123fs reported preliminary H1 results with revenues increasing to EUR 11m (EUR 10.4m H1 23: +5.7% yoy). Operational efficiency improvements, driven by optimization measures, resulted in an adjusted EBITDA of EUR 0.5m. Despite challenging economic conditions, the company demonstrated significant progress, which is expected to continue into 2024.

Capital Increase. The company is currently executing a capital increase, issuing up to 430,000 new shares at EUR 2.30 per share. This initiative aims to raise ca. EUR 1m, which will be allocated to opening new branches in Berlin, Hamburg, and Cologne, reinforcing the company's market presence and fostering further growth. However, in order to reach the "Strategy 2027" target of EUR 35m in sales by the end of 2025, an additional EUR 1.75m (EUR 2.75m in total) will have to be raised by 123fs. This target is not yet modeled in the estimates, but the first step of Strategy 2027 - the current capital measure - is reflected, which will allow 123fs to open 20 new locations.

Strategy 2027. Additionally, the company's Strategy 2027 outlines ambitious plans to expand to 70 locations by mid-2025, targeting a revenue run rate of EUR 35m by 2025 and EUR 50m by 2026. The strategy includes the use of simulators for driver training, the introduction of a "Driving School as a Service" (DSaaS) model, and the continued use of proprietary software to optimize operations. Legislative changes expected in 2025 are likely to accelerate market consolidation and digitization.

- continued -

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	-15.9x	30.5x	7.1x	4.1x
EV/EBIT	-1.6x	-2.5x	-3.3x	-4.9x	-9.8x	-35.4x
PER	-1.2x	-1.7x	-2.9x	-4.6x	-9.3x	-37.1x

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) 3,908

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.

Conclusion: Recent developments highlight 123fs's commitment to enhance its market position through innovations such as simulators, aimed at reducing training costs and increasing efficiency. While we account for the dilutive effect (c. 8%) of the capital increase, our sales and earnings estimates remain unchanged. We therefore reaffirm our BUY rating with a reduced price target of EUR 6.20 (old: EUR 6.80).

FOERST simulator – product sample



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

Source: FOERST GmbH, mwb research

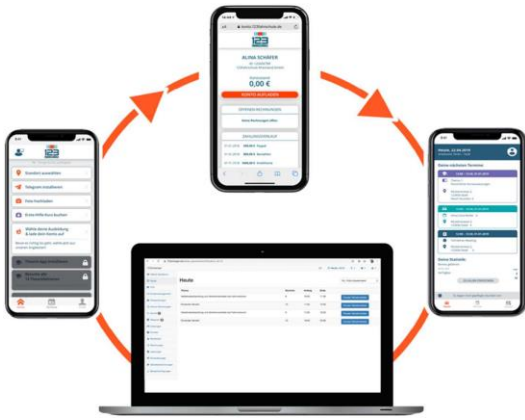
Background information:

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

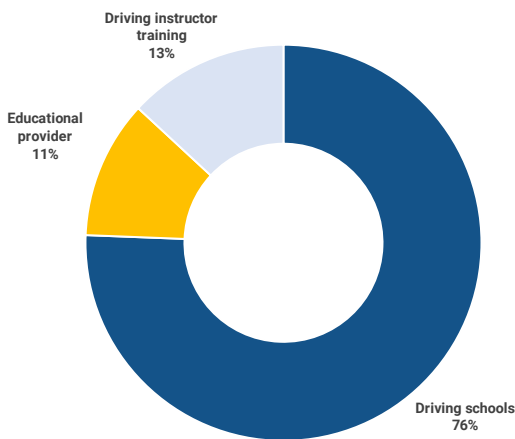
New-school driving school: 360-digital ecosystem



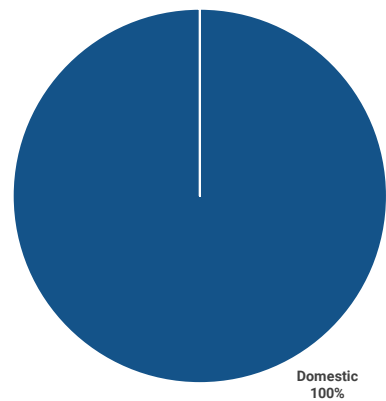
Regional sales split in %



Segmental breakdown in %



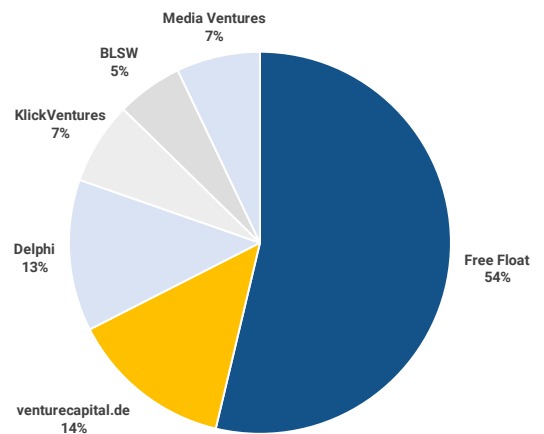
Regional sales split in %



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 6.22 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 1.71. Unlevering and correcting for mean reversion yields an asset beta of 1.28. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 15.0%. 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 9.3%.

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	46.2
Present value	-1.8	0.1	1.2	0.6	1.3	1.9	2.1	1.6	24.3
WACC	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	9.3%

DCF per share derived from	
Total present value	31.3
Mid-year adj. total present value	32.9
Net debt / cash at start of year	1.7
Financial assets	2.5
Provisions and off b/s debt	na
Equity value	33.7
No. of shares outstanding	5.4
Discounted cash flow / share upside/(downside)	6.22 170.6%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2024E-2031E)	10.0%
Terminal value growth (2031E - infinity)	2.0%
Terminal year ROCE	10.5%
Terminal year WACC	9.3%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	30.0%
Equity beta	1.71
Unlevered beta (industry or company)	1.28
Target debt / equity	1.0
Relevered beta	2.17
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	15.0%

Share price	2.30
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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%	4.3	4.5	4.6	4.8	5.1	2024E-2027E	0.2%
1.0%	4.9	5.1	5.3	5.6	5.9	2028E-2031E	22.3%
0.0%	5.6	5.9	6.2	6.6	7.0	terminal value	77.5%
-1.0%	6.6	6.9	7.4	7.9	8.6		
-2.0%	7.8	8.4	9.0	9.8	10.9		

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	11.7	11.7	11.7	11.7	11.7
+ 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'	11.7	11.6	10.2	9.3	7.3
Adjusted FCF yield	-8.9%	2.8%	13.5%	17.3%	34.1%
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 (+)	-220.4%	-61.8%	69.3%	103.8%	220.9%

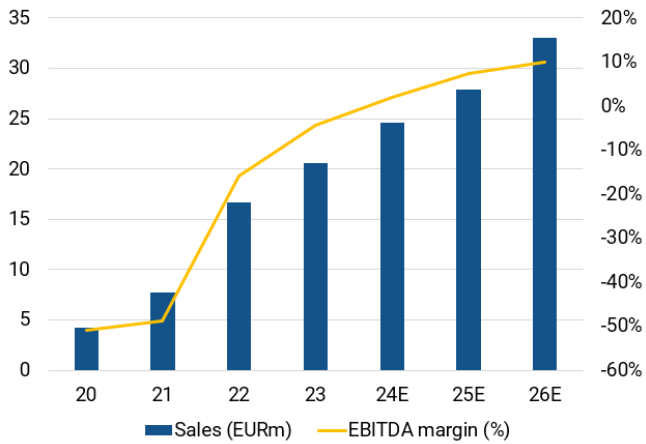
Sensitivity analysis FV						
	5.0%	-3.9	1.2	5.3	6.4	10.0
Adjusted hurdle rate	6.0%	-3.2	1.0	4.5	5.4	8.5
	7.0%	-2.8	0.9	3.9	4.7	7.4
	8.0%	-2.4	0.8	3.4	4.2	6.6
	9.0%	-2.2	0.7	3.1	3.7	5.9

Source: Company data; mwb research

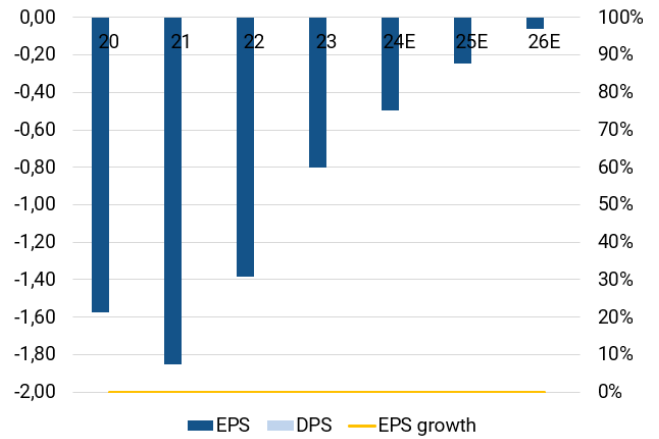
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

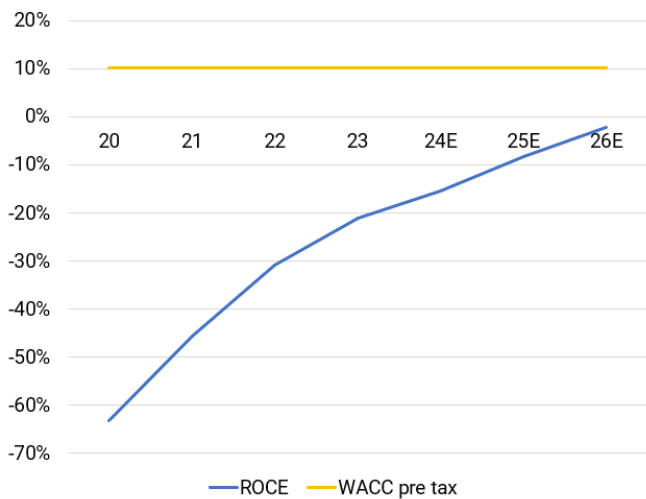
Sales vs. EBITDA margin development



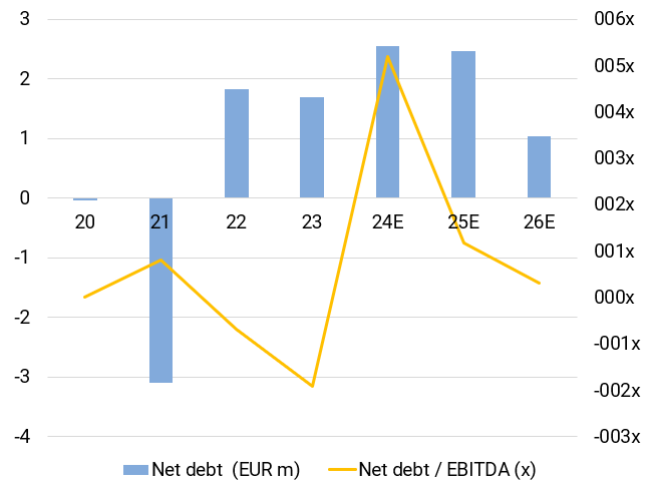
EPS, DPS in EUR & yoy EPS growth



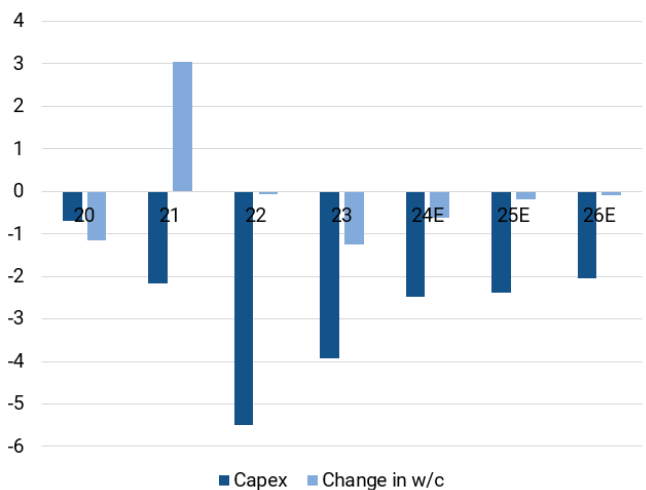
ROCE vs. WACC (pre tax)



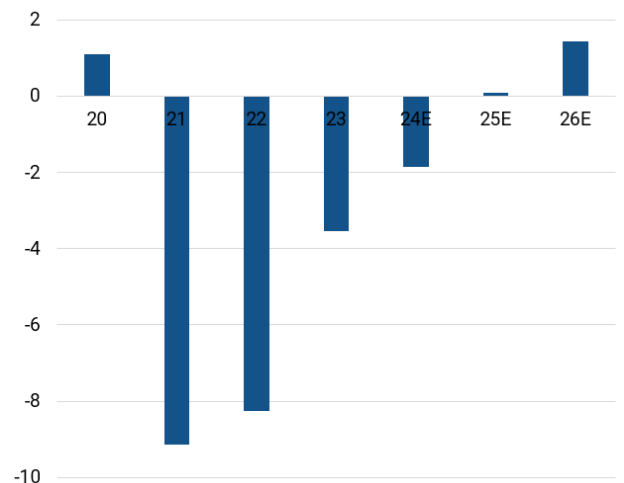
Net debt and net debt/EBITDA



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	-1.2x	-1.7x	-2.9x	-4.6x	-9.3x	-37.1x
P/CF	-0.8x	-2.6x	29.0x	-9.6x	24.4x	8.2x
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 (%)	-125.2%	-38.8%	3.5%	-10.4%	4.1%	12.1%
EV/Sales	1.2x	0.9x	0.7x	0.6x	0.5x	0.4x
EV/EBITDA	-2.5x	-5.4x	-15.9x	30.5x	7.1x	4.1x
EV/EBIT	-1.6x	-2.5x	-3.3x	-4.9x	-9.8x	-35.4x
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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