

123fahrschule SE

Germany | Technology | MCap EUR 10.1m

1 March 2024

UPDATE



FY23 in line with expectations, outlook muted; BUY confirmed

BUY (BUY)

Target price	EUR 6.60 (7.20)
Current price	EUR 2.08
Up/downside	217.3%

 **ResearchHub** 



What's it all about?

123fahrschule (123fs) presented its annual report for the past fiscal year. While revenues increased by 23.7% yoy to EUR 20.6m, fully in line with expectations, earnings (EBITDA) were below expectations. Although EBITDA improved significantly from EUR -1.8m in FY22 to EUR -0.9m, adjusted EBITDA was EUR -0.3m, slightly below the expected break-even point. 2023 was characterized by restructuring, and the year 2024 will be characterized by optimization. The focus has been and will continue to be on breaking even, driven by reducing overheads. The number of driving instructors employed is only stable at 150 (previous year: 151), which is why revenue dynamic for 2024 is expected to be somewhat more restrained. Overall, 123fs is slowing growth in 2024 in order to start with a full tank in 2025. We expect lower sales momentum but higher profitability, which brings us to a new price target of EUR 6.60 (old EUR 7.20). The rating remains BUY.

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IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

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123fahrschule SE

Germany | Technology | MCap EUR 10.1m | EV EUR 11.8m

BUY (BUY)

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Current price EUR 2.08
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FY23 in line with expectations, outlook for FY24 muted; BUY

2023 in line with expectations, break-even almost achieved. Yesterday, 123fahrschule (123fs) presented its annual report for the past fiscal year 2023. According to the figures, revenues and earnings increased significantly. While revenues increased by 23.7% yoy to EUR 20.6m, fully in line with expectations, earnings (EBITDA) were below expectations. Although EBITDA improved significantly from EUR -1.8m in FY22 to EUR -0.9m, adjusted EBITDA was EUR -0.3m, slightly below the expected break-even point. However, the EUR 0.6m of one-offs are expected to be finished in 2023, leading to a rebound of earnings in 2024.

Double-digit growth in all divisions. The implementation of the optimization measures decided in December 2022 was completed in 2023 and led to efficiency gains in the operating business, but also to one-off costs. The restructuring of the holding company and the realignment of the organization were essential changes. The activities of Professional Drivers Training (+11.5% to EUR 2.3m) were significantly expanded as a further pillar and thus made a big contribution to revenue growth. The Driving Instructors training grew by 13% to EUR 2.7m and the main pillar, the Driving School business grew by impressive 75% to EUR 15.6m.

Long-term perspective is crucial. A challenging environment is expected to continue in 2024, but the outlook beyond is critical. 123fs assumes that the amended "Fahrschulenausbildungsverordnung" will come into force in 2025 and lead to an acceleration of growth. In 2024, growth dynamic should be lower than in 2023 and will be driven by the training of "Professional Drivers" and "Driving Instructors".

Conclusion. While 2023 was a year of restructuring, the year 2024 will be characterized by optimization. The focus has been and will continue to be on breaking even, driven by reducing overheads. This will be made possible by the further digitalization of processes. The franchise growth topic has been discontinued and the number of driving instructors employed is only stable at 150 (previous year: 151), which is why revenue dynamic for 2024 is expected to be somewhat more restrained. Overall, 123fs is slowing growth in 2024 in order to start with a full tank in 2025. We expect lower sales momentum but higher profitability, which brings us to a new price target of EUR 6.60 (old EUR 7.20). The rating remains Buy.

123fahrschule SE	2021	2022	2023	2024E	2025E	2026E
Sales	7.8	16.7	20.6	24.3	27.3	32.6
<i>Growth yoy</i>	81.8%	114.8%	23.7%	18.0%	12.4%	19.1%
EBITDA	-3.8	-2.7	-0.9	0.5	2.1	3.3
EBIT	-5.7	-5.6	-4.3	-3.1	-1.6	-0.5
Net profit	-4.5	-4.3	-3.9	-2.7	-1.5	-0.5
Net debt (net cash)	-3.1	1.8	1.7	4.2	4.2	2.8
Net debt/EBITDA	0.8x	-0.7x	-1.9x	8.7x	2.0x	0.9x
EPS reported	-1.85	-1.39	-0.80	-0.56	-0.30	-0.11
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%	-12.6%	-5.9%	-1.7%
ROCE	-35.5%	-28.9%	-22.3%	-17.2%	-9.7%	-3.4%
EV/EBITDA	-1.9x	-4.5x	-13.3x	29.5x	7.0x	4.0x
EV/EBIT	-1.2x	-2.1x	-2.7x	-4.7x	-8.8x	-23.6x
PER	-1.1x	-1.5x	-2.6x	-3.7x	-6.9x	-18.9x
FCF yield	-138.4%	-41.4%	3.8%	-15.5%	-1.0%	12.8%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 7.76 / 1.26
Price/Book Ratio 0.6x

Ticker / Symbols

ISIN DE000A2P4HL9
WKN A2P4HL
Bloomberg 123F:GR

Changes in estimates

		Sales	EBIT	EPS
2024E	old	25.8	-2.0	-0.37
	Δ	-5.6%	na%	na%
2025E	old	32.9	-0.9	-0.17
	Δ	-16.8%	na%	na%
2026E	old	39.4	0.1	0.01
	Δ	-17.4%	na%	na%

Key share data

Number of shares: (in m pcs) 4.88
Book value per share: (in EUR) 3.37
Ø trading volume: (12 months) 5,403

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.

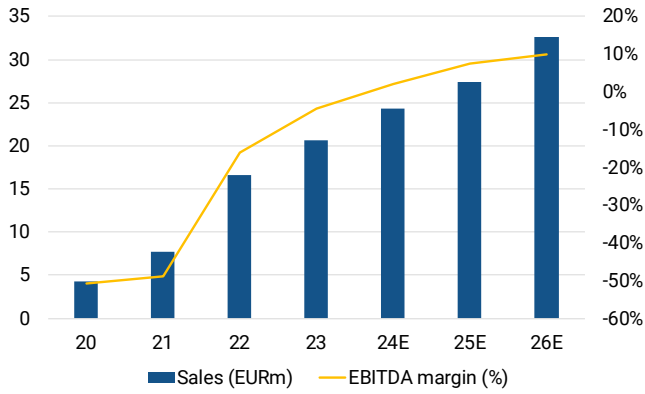
Background information:

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.

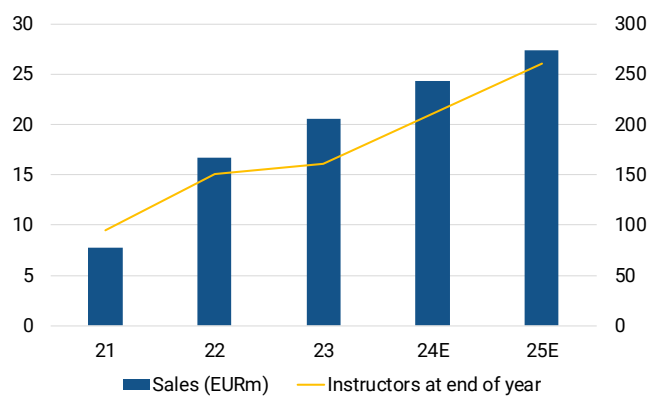
Online theory classes expected from 2025. In Germany, online theory lessons were considered an exception during the pandemic. But, according to the Federal Ministry of Digital Affairs and Transport's, e-learning will be permanently recognized by law in Germany from 01.01.2025. At the moment, driving 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

Expected sales growth and EBITDA margin

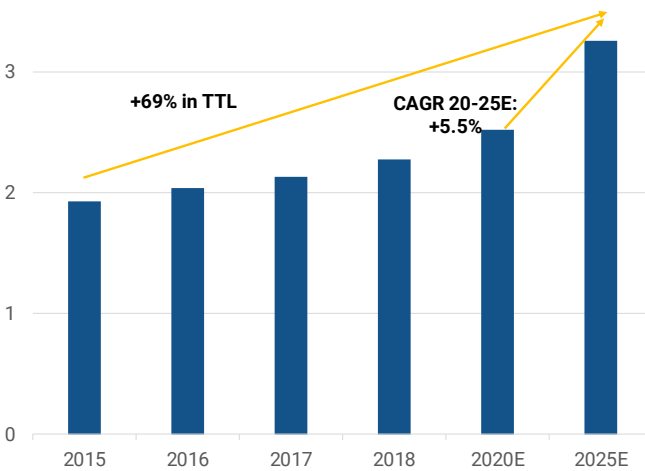


Increasing number of instructors drives top-line

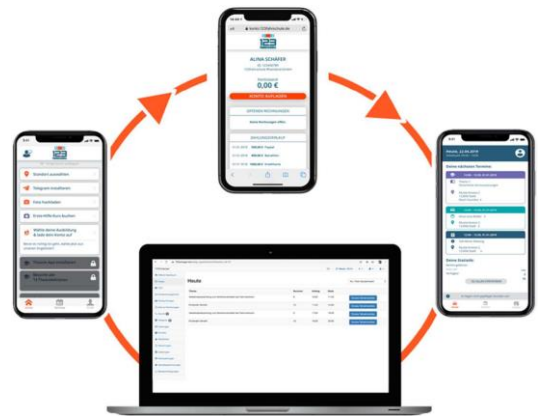


Total market growth 2015-2025E

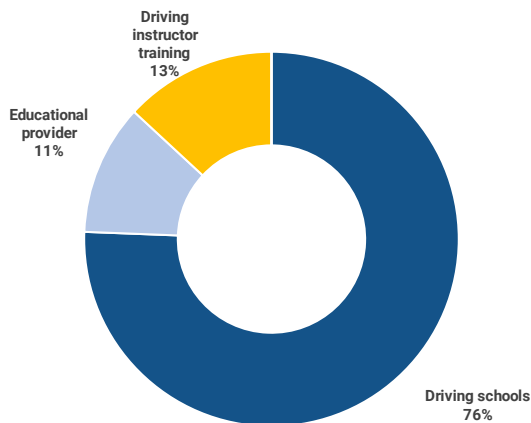
in EUR bn



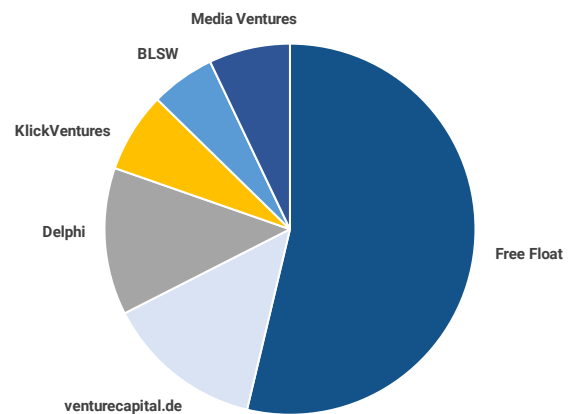
Completely digital interaction via own ecosystem



Sales by segment



Major Shareholders



Source: Company data; AlsterResearch

Company background

















Products & services

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

Covering the complete value chain

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

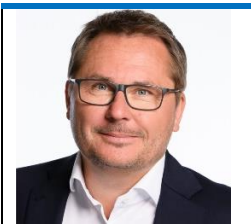
Product portfolio of 123fahrschule covers 99% of demand

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

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

Management

Boris Polenske studied business administration in Bochum, Germany. At the age of 16 he founded his first company "Klicksoft" for software development for the publishing and office industry. A few years later he founded the company "KlickTel", which he also successfully took public. Polenske then achieved a successful exit with the company, which was acquired by Telegate AG (now 11880 Internet Services AG). Polenske has always focused on digitalization. In 2016 he founded 123fahrschule Holding GmbH and is CEO. With this broad base of knowledge and experience, we believe that the company is well on track to transform the driving school market in Germany.



Boris Polenske

CEO since 2020
Formerly CEO of
klicktel, PKW.de and
BEWERTET.DE

Source: Company data; AlsterResearch

Financing milestones

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

Eye-catching fleet soon throughout Germany

For marketing reasons: The fleet also contains top level cars

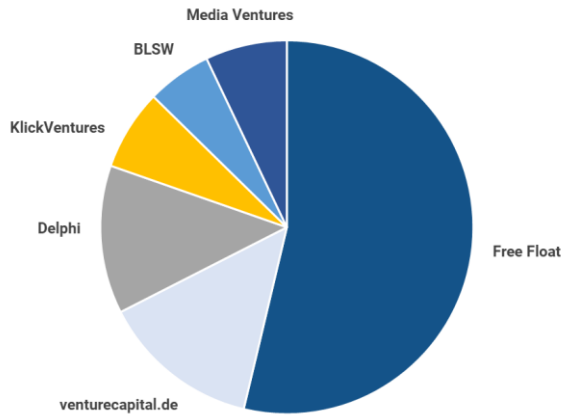


Source: Company data; AlsterResearch

Shareholders structures

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

Shareholder structure



Source: Company data; AlsterResearch

SWOT analysis

Strengths

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

Weaknesses

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

Opportunities

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

Threats

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

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 -2.74 per share based on 2024E and EUR 9.98 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	3.7	5.9
- Maintenance capex	1.5	2.5	2.1	2.2	2.3
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	-0.4	-0.2	-0.1	-0.0	0.2
= Adjusted FCF	-0.6	-0.2	1.2	1.6	3.3
Actual Market Cap	10.1	10.1	10.1	10.1	10.1
+ Net debt (cash)	4.2	4.2	2.8	1.8	-1.3
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off b/s financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	0.0	0.0	0.0	0.0	0.0
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	4.2	4.2	2.8	1.8	-1.3
= Actual EV'	14.4	14.3	12.9	11.9	8.9
Adjusted FCF yield	-4.5%	-1.7%	9.5%	13.2%	37.3%
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	-9.1	-3.5	17.6	22.5	47.4
- <i>EV Reconciliations</i>	4.2	4.2	2.8	1.8	-1.3
Fair Market Cap	-13.4	-7.7	14.8	20.7	48.7
No. of shares (million)	4.9	4.9	4.9	4.9	4.9
Fair value per share in EUR	-2.74	-1.58	3.04	4.24	9.98
Premium (-) / discount (+)	-231.7%	-175.9%	46.0%	103.9%	379.9%

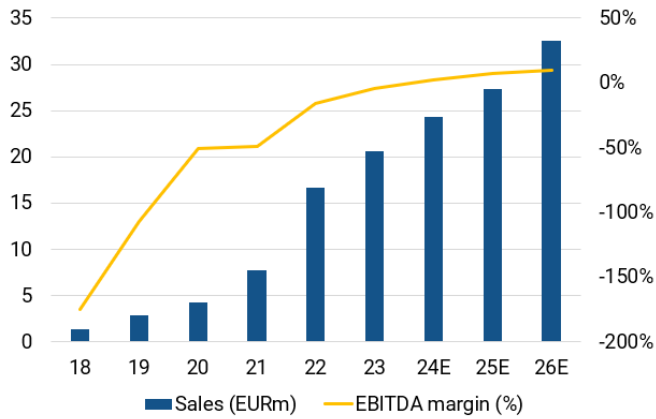
Sensitivity analysis fair value						
Adjusted hurdle rate	5.0%	-3.5	-1.9	4.5	6.1	13.9
	6.0%	-3.1	-1.7	3.6	5.0	11.6
	7.0%	-2.7	-1.6	3.0	4.2	10.0
	8.0%	-2.5	-1.5	2.6	3.7	8.8
	9.0%	-2.3	-1.4	2.2	3.2	7.8

Source: Company data; AlsterResearch

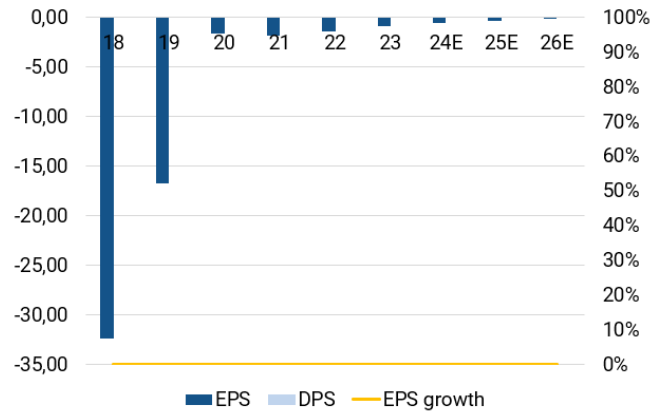
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

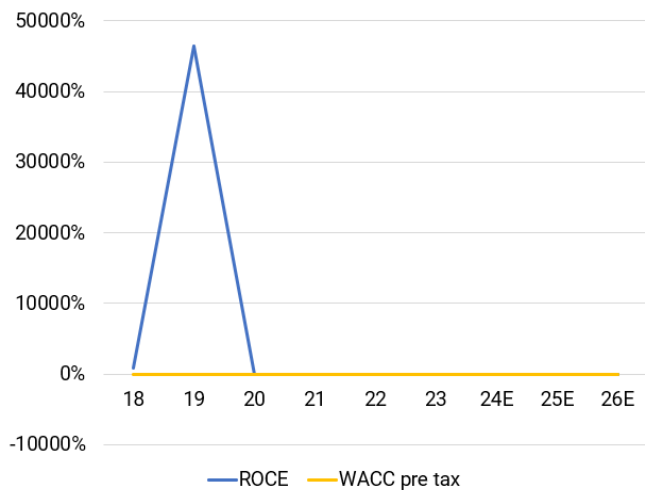
Sales vs. EBITDA margin development



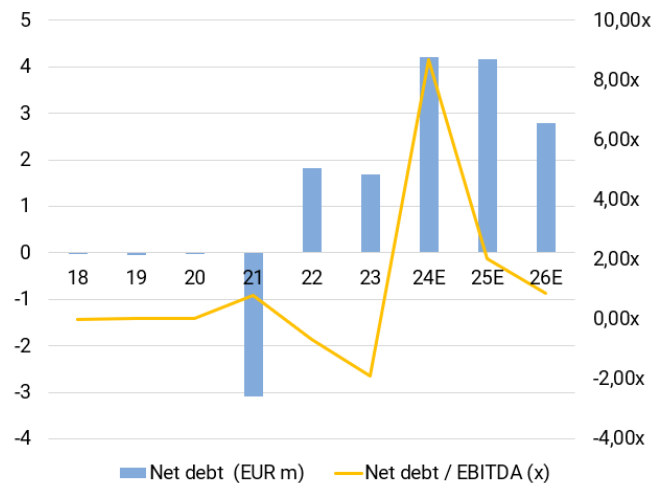
EPS, DPS in EUR & yoy EPS growth



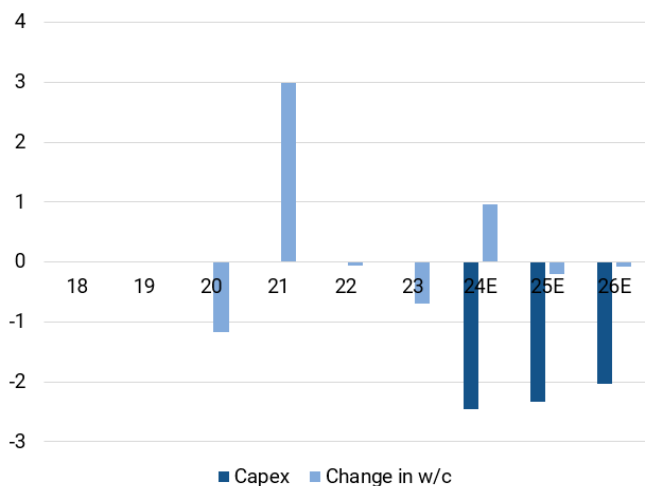
ROCE vs. WACC (pre tax)



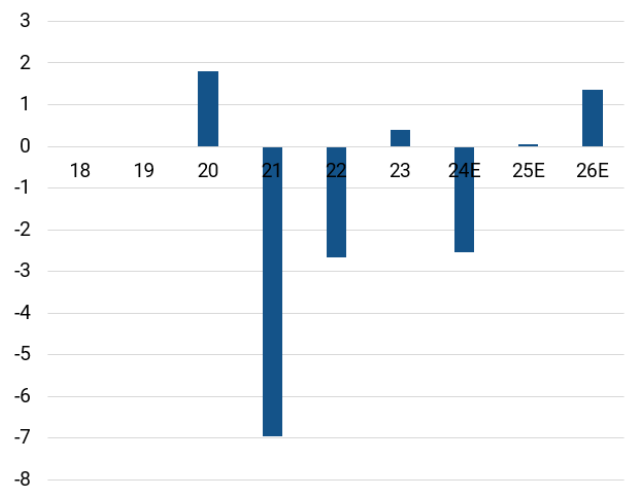
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

Profit and loss (EUR m)	2021	2022	2023	2024E	2025E	2026E
Net sales	7.8	16.7	20.6	24.3	27.3	32.6
Sales growth	81.8%	114.8%	23.7%	18.0%	12.4%	19.1%
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	24.3	27.3	32.6
Material expenses	0.0	0.0	0.0	0.0	0.0	0.0
Gross profit	7.8	16.7	20.6	24.3	27.3	32.6
Other operating income	0.3	1.1	1.2	0.0	0.0	0.0
Personnel expenses	6.2	12.0	13.7	15.3	17.1	20.2
Other operating expenses	5.6	8.4	9.0	8.5	8.2	9.1
EBITDA	-3.8	-2.7	-0.9	0.5	2.1	3.3
Depreciation	0.1	1.0	1.8	1.9	2.0	2.1
EBITA	-3.9	-3.6	-2.7	-1.4	0.1	1.2
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	-1.6	-0.5
Financial result	-0.0	-0.0	-0.0	-0.1	-0.1	-0.1
Recurring pretax income from continuing operations	-5.7	-5.7	-4.4	-3.1	-1.7	-0.6
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	-1.7	-0.6
Taxes	-1.3	-1.4	-0.4	-0.4	-0.2	-0.1
Net income from continuing operations	-4.5	-4.3	-3.9	-2.7	-1.5	-0.5
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	-1.5	-0.5
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	-1.5	-0.5
Average number of shares	2.42	3.11	4.88	4.88	4.88	4.88
EPS reported	-1.85	-1.39	-0.80	-0.56	-0.30	-0.11

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%	0%	4%
Amortisation of goodwill and intangible assets	23%	12%	8%	7%	6%	5%
EBIT	-74%	-34%	-21%	-13%	-6%	-2%
Financial result	-0%	-0%	-0%	-0%	-0%	-0%
Recurring pretax income from continuing operations	-74%	-34%	-21%	-13%	-6%	-2%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-74%	-34%	-21%	-13%	-6%	-2%
Taxes	-16%	-8%	-2%	-2%	-1%	-0%
Net income from continuing operations	-58%	-26%	-19%	-11%	-5%	-2%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-58%	-26%	-19%	-11%	-5%	-2%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	-58%	-26%	-19%	-11%	-5%	-2%

Source: Company data; AlsterResearch

Balance sheet (EUR m)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	1.0	1.7	2.6	2.0	1.0	-0.3
Goodwill	8.2	9.2	8.7	8.7	8.7	8.7
Property, plant and equipment	1.5	4.5	4.3	3.9	3.5	3.0
Financial assets	0.1	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	10.9	15.4	15.6	14.5	13.2	11.4
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.4	3.5	3.0	4.3	4.5	4.9
Other current assets	1.8	2.3	3.0	3.0	3.0	3.0
Liquid assets	3.2	0.3	0.7	-0.7	-0.2	1.2
Deferred taxes	1.6	3.0	3.5	3.5	3.5	3.5
Deferred charges and prepaid expenses	0.0	0.2	0.4	0.2	0.3	0.3
CURRENT ASSETS	7.0	9.3	10.7	10.4	11.1	12.9
TOTAL ASSETS	17.9	24.8	26.3	24.9	24.3	24.4
SHAREHOLDERS EQUITY	15.8	16.8	16.4	13.7	12.2	11.7
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	0.0	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	0.5	0.5	0.6	0.6	0.6
Non-current liabilities	0.3	0.5	0.5	2.1	2.6	2.6
short-term liabilities to banks	0.1	2.2	2.4	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	1.0	1.3	2.1	3.5	3.5	3.6
Other liabilities (incl. from lease and rental contracts)	0.6	2.0	3.3	1.7	1.8	1.9
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.9	0.8	1.2	1.4	1.6
Current liabilities	1.8	7.5	9.4	9.1	9.5	10.1
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	17.9	24.8	26.3	24.9	24.3	24.4

Balance sheet (common size)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	6%	7%	10%	8%	4%	-1%
Goodwill	46%	37%	33%	35%	36%	36%
Property, plant and equipment	9%	18%	16%	15%	14%	12%
Financial assets	1%	0%	0%	0%	0%	0%
FIXED ASSETS	61%	62%	59%	58%	54%	47%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	2%	14%	11%	17%	18%	20%
Other current assets	10%	9%	11%	12%	12%	12%
Liquid assets	18%	1%	3%	-3%	-1%	5%
Deferred taxes	9%	12%	13%	14%	14%	14%
Deferred charges and prepaid expenses	0%	1%	2%	1%	1%	1%
CURRENT ASSETS	39%	38%	41%	42%	46%	53%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	88%	68%	62%	55%	50%	48%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	0%	0%	6%	8%	8%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	2%	2%	2%	2%	2%	3%
Non-current liabilities	2%	2%	2%	8%	11%	11%
short-term liabilities to banks	0%	9%	9%	8%	8%	8%
Accounts payable	1%	5%	2%	3%	3%	4%
Advance payments received on orders	5%	5%	8%	14%	15%	15%
Other liabilities (incl. from lease and rental contracts)	3%	8%	13%	7%	7%	8%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	4%	3%	5%	6%	7%
Current liabilities	10%	30%	36%	37%	39%	41%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2021	2022	2023	2024E	2025E	2026E
Net profit/loss	-4.5	-4.3	-3.9	-2.7	-1.5	-0.5
Depreciation of fixed assets (incl. leases)	0.0	0.9	1.8	1.9	2.0	2.1
Amortisation of goodwill	1.8	2.1	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	1.6	1.6	1.7	1.7
Others	-1.3	-1.4	0.2	0.1	0.0	0.1
Cash flow from operations before changes in w/c	-4.0	-2.7	-0.3	0.9	2.2	3.3
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	0.5	-1.3	-0.2	-0.4
Increase/decrease in accounts payable	-1.8	3.6	-0.5	0.1	0.1	0.1
Increase/decrease in other w/c positions	0.1	0.2	0.6	0.3	0.3	0.4
Increase/decrease in working capital	-3.0	0.1	0.7	-1.0	0.2	0.1
Cash flow from operating activities	-7.0	-2.7	0.4	-0.1	2.4	3.4
CAPEX	0.0	0.0	0.0	-2.5	-2.3	-2.0
Payments for acquisitions	-2.2	-5.5	-3.9	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	-2.1	0.2	0.0	0.0	0.0
Cash flow from investing activities	-2.2	-7.6	-3.7	-2.5	-2.3	-2.0
Cash flow before financing	-9.1	-10.2	-3.3	-2.5	0.1	1.4
Increase/decrease in debt position	0.1	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	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.2	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	12.3	7.5	3.8	1.1	0.5	0.0
Increase/decrease in liquid assets	3.1	-2.7	0.4	-1.5	0.6	1.4
Liquid assets at end of period	3.2	0.3	0.7	-0.7	-0.2	1.2

Source: Company data; AlsterResearch

Regional sales split (EURm)	2021	2022	2023	2024E	2025E	2026E
Domestic	7.8	16.7	20.6	24.3	27.3	32.6
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	24.3	27.3	32.6

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; AlsterResearch

Ratios	2021	2022	2023	2024E	2025E	2026E
Per share data						
Earnings per share reported	-1.85	-1.39	-0.80	-0.56	-0.30	-0.11
Cash flow per share	-2.88	-0.86	0.08	-0.32	-0.02	0.27
Book value per share	6.53	5.42	3.37	2.80	2.50	2.39
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-1.1x	-1.5x	-2.6x	-3.7x	-6.9x	-18.9x
P/CF	-0.7x	-2.4x	26.5x	-6.5x	-100.4x	7.8x
P/BV	0.3x	0.4x	0.6x	0.7x	0.8x	0.9x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-138.4%	-41.4%	3.8%	-15.5%	-1.0%	12.8%
EV/Sales	0.9x	0.7x	0.6x	0.6x	0.5x	0.4x
EV/EBITDA	-1.9x	-4.5x	-13.3x	29.5x	7.0x	4.0x
EV/EBIT	-1.2x	-2.1x	-2.7x	-4.7x	-8.8x	-23.6x
Income statement (EURm)						
Sales	7.8	16.7	20.6	24.3	27.3	32.6
yoy chg in %	81.8%	114.8%	23.7%	18.0%	12.4%	19.1%
Gross profit	7.8	16.7	20.6	24.3	27.3	32.6
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	-1.6	-0.5
EBIT margin in %	-73.9%	-33.8%	-20.9%	-12.6%	-5.9%	-1.7%
Net profit	-4.5	-4.3	-3.9	-2.7	-1.5	-0.5
Cash flow statement (EURm)						
CF from operations	-7.0	-2.7	0.4	-0.1	2.4	3.4
Capex	0.0	0.0	0.0	-2.5	-2.3	-2.0
Maintenance Capex	0.0	0.0	0.0	1.5	2.5	2.1
Free cash flow	-7.0	-2.7	0.4	-2.5	0.1	1.4
Balance sheet (EURm)						
Intangible assets	9.2	10.9	11.3	10.7	9.7	8.4
Tangible assets	1.5	4.5	4.3	3.9	3.5	3.0
Shareholders' equity	15.8	16.8	16.4	13.7	12.2	11.7
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	0.4	2.6	2.9	4.1	4.6	4.6
Net financial debt	-3.1	1.8	1.7	4.2	4.2	2.8
w/c requirements	-0.7	1.1	0.2	0.1	0.1	0.4
Ratios						
ROE	-28.4%	-25.6%	-23.8%	-20.1%	-12.1%	-4.6%
ROCE	-35.5%	-28.9%	-22.3%	-17.2%	-9.7%	-3.4%
Net gearing	-19.6%	10.9%	10.3%	30.9%	34.1%	24.0%
Net debt / EBITDA	0.8x	-0.7x	-1.9x	8.7x	2.0x	0.9x

Source: Company data; AlsterResearch

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