

123fahrschule SE

Germany | Technology | MCap EUR 18.5m

23 October 2024

UPDATE



Shaping the digital driving school of tomorrow. BUY confirmed.

What's it all about?

123fahrschule SE (123fs) is the leader in digital driver training in Germany and plans to offer a mix of classroom instruction, online theory, and driving simulators. 123fs aims to make learning faster, cheaper and more flexible, saving students up to EUR 1000. E-learning and simulators are expected to allow learners to complete up to 50% of their practical training digitally, making lessons more efficient and cost-effective. Legislative changes expected to come into effect in 2026 support this digital shift, giving 123fs a strong advantage due to its digital approach. With solid expansion plans, 123fs is positioned for strong growth and increased market share. We reiterate our BUY rating with an unchanged target price of EUR 6.20.

BUY (BUY)

Target price	EUR 6.20 (6.20)
Current price	EUR 3.38
Up/downside	83.4%

 ResearchHub 



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123fahrschule SE

Germany | Technology | MCap EUR 18.5m | EV EUR 20.2m

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Shaping the digital driving school of tomorrow. BUY.

The driving school of the future. 123fahrschule (123fs) is positioning itself as the market leader in the field of digitalized driver training in Germany. With a unique concept of face-to-face lessons, online theory and driving lessons on a driving simulator, traditional driving school training is being revolutionized. The focus is on efficiency, cost reduction and flexibility for learner drivers. The "FIT" project in particular aims to create an integrated training solution that combines theory, practice and modern learning methods. For students, this should lead to a significant reduction in training time and overall costs (approx. 500-1000 euros less than now) by 2026.

Gamechanger e-learning. E-learning is a key component of 123fs' 2027 strategy. With the reintroduction of online courses and the ability to learn many practical skills (e.g. shifting) on a simulator, learner drivers can make their training more flexible. By moving to digital learning formats, students can learn faster and more cost-effectively. 123fs' concept is that up to 50% of the practical training can be replaced by the simulator. This should 1) increase demand at 123fs through price leadership in training costs, 2) lead to more instructor capacity on the road, solving the skills shortage, and 3) reduce vehicle and fleet costs. As a result, all of this is expected to increase 123fs' sales and profits.

Timetable for legislative changes and impact on 123fs. The draft bill is expected to be available in Q1/25, and the Federal Council is expected to pass it in Q3/25. This means that the planned change in the law can come into force in H1 2026. This modification will allow driving schools to make greater use of modern learning methods such as e-learning and simulators. For 123fs, this change comes at the right time, as the company is already investing in the development of its own learning materials and simulators. The legal framework thus creates a clear competitive advantage, as 123fs can react more quickly to new requirements and already meets all technical requirements (e.g. software, simulators, learning materials). The rollout of the new branches and simulators is currently on schedule. The latest financing round of EUR 1.1m will be invested in the expansion of 20 new locations.

- 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	-0.49	-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	2.0x	1.2x	1.0x	0.9x	0.8x	0.6x
EV/EBITDA	-4.1x	-7.6x	-22.7x	42.8x	10.0x	5.9x
EV/EBIT	-2.7x	-3.6x	-4.7x	-6.9x	-13.7x	-51.3x
PER	-1.8x	-2.4x	-4.2x	-6.9x	-13.8x	-55.1x

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 4.42 / 1.26
Price/Book Ratio 1.0x

Ticker / Symbols

ISIN DE000A2P4HL9
WKN A2P4HL
Bloomberg 123F:GR

Changes in estimates

		Sales	EBIT	EPS
2024E	old	24.6	-3.1	-0.50
	Δ	0.0%	na%	na%
2025E	old	27.8	-1.6	-0.25
	Δ	0.0%	na%	na%
2026E	old	33.1	-0.5	-0.06
	Δ	0.0%	na%	na%

Key share data

Number of shares: (in m pcs) 5.47
Book value per share: (in EUR) 3.37
Ø trading vol.: (12 months) 3,731

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. 123fs is in an excellent position to benefit from the upcoming market changes. The use of e-learning and simulators will not only reduce training time but also increase efficiency in 123fs' branches. With the planned legislative changes and the expansion of the branch network, 123fs is well on its way to making a lasting impact on the industry and increasing its market share. The digital revolution in driving school training promises not only increasing revenues but also significant competitive advantages due to the modern and state-of-the-art approach. Our model assumptions largely reflect this form of new regulation. With 123fs' Strategy 2027 and the confirmation of the change in learner driver training by the German Ministry of Transport (BMDV), we believe that the investment case for 123fs has been validated. Uncertainties in the legal framework have been removed and the path for 123fs' digital growth has finally been paved. We confirm our BUY-rating with an unchanged price target.

Background information:

123fahrschule simulator – product sample



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

Source: FOERST GmbH, mwb research

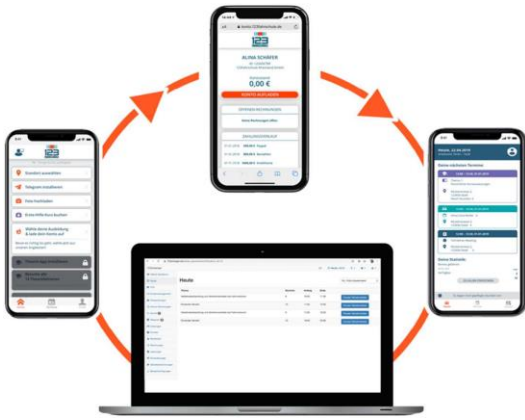
123fahrschule is the disruptive force in the German driving school market. The company's goal is the modernization as well as the digitization of products, services, and processes. 123fs aims to provide high-quality training for private and business customers nationwide. 123fs operates digitally via 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 2026.

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 01.01.2026. 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 2026 onwards.

Investment case in six charts

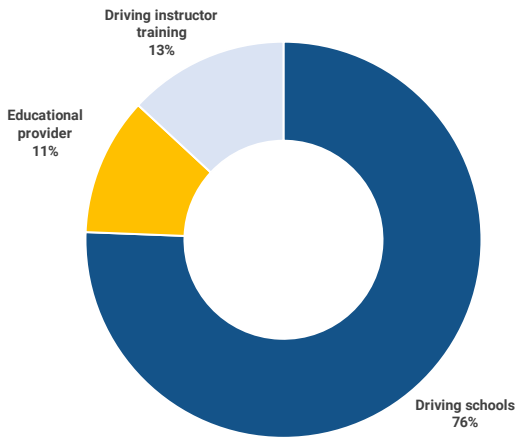
New-school driving school: 360-digital ecosystem



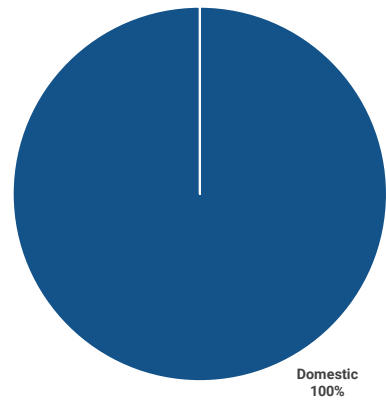
Regional sales split in %



Segmental breakdown in %



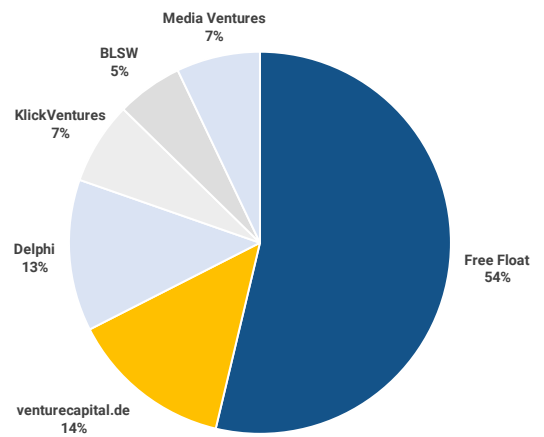
Regional sales split in %



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 6.18 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 1.60. 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 14.5%. With pre-tax cost of borrowing at 5.0%, a tax rate of 30.0% and target debt/equity of 0.9 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	46.1
Present value	-1.8	0.1	1.2	0.7	1.3	1.9	2.1	1.7	24.3
WACC	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.3%

DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	31.5	Planning horizon avg. revenue growth (2024E-2031E)	10.0%
Mid-year adj. total present value	33.0	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	9.3%
Provisions and off b/s debt	na		
Equity value	33.8	Terminal WACC derived from	
No. of shares outstanding	5.5	Cost of borrowing (before taxes)	5.0%
		Long-term tax rate	30.0%
		Equity beta	1.60
		Unlevered beta (industry or company)	1.28
		Target debt / equity	0.9
		Relevered beta	2.08
		Risk-free rate	2.0%
		Equity risk premium	6.0%
		Cost of equity	14.5%

Discounted cash flow / share	
Discounted cash flow / share	6.18
upside/(downside)	82.9%

Share price	
Share price	3.38

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	4.4	4.6	4.8	5.0	2024E-2027E	0.2%
1.0%	4.9	5.1	5.3	5.6	5.9	2028E-2031E	22.5%
0.0%	5.6	5.9	6.2	6.5	7.0	terminal value	77.3%
-1.0%	6.5	6.9	7.3	7.9	8.5		
-2.0%	7.7	8.3	8.9	9.7	10.7		

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 -2.74 per share based on 2024E and EUR 7.30 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	18.8	18.8	18.8	18.8	18.8
+ 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'	18.8	18.8	17.3	16.4	14.4
Adjusted FCF yield	-5.5%	1.8%	7.9%	9.8%	17.2%
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)	5.5	5.5	5.5	5.5	5.5
Fair value per share in EUR	-2.74	0.87	3.85	4.64	7.30
Premium (-) / discount (+)	-181.1%	-74.3%	14.0%	37.3%	116.1%

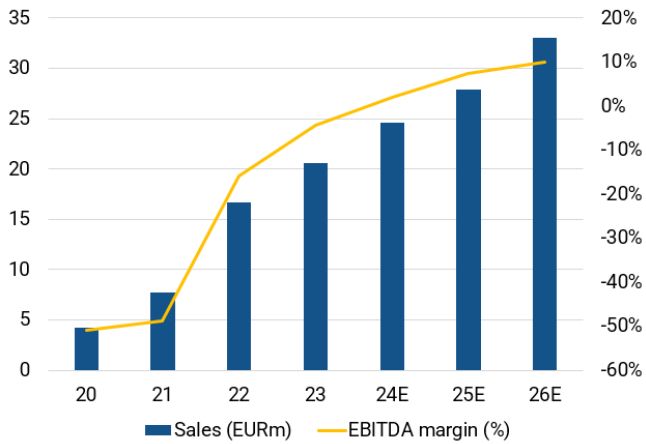
Sensitivity analysis FV						
	5.0%	-3.8	1.2	5.3	6.3	9.9
Adjusted hurdle rate	6.0%	-3.2	1.0	4.5	5.3	8.4
	7.0%	-2.7	0.9	3.9	4.6	7.3
	8.0%	-2.4	0.8	3.4	4.1	6.5
	9.0%	-2.1	0.7	3.1	3.7	5.9

Source: Company data; mwb research

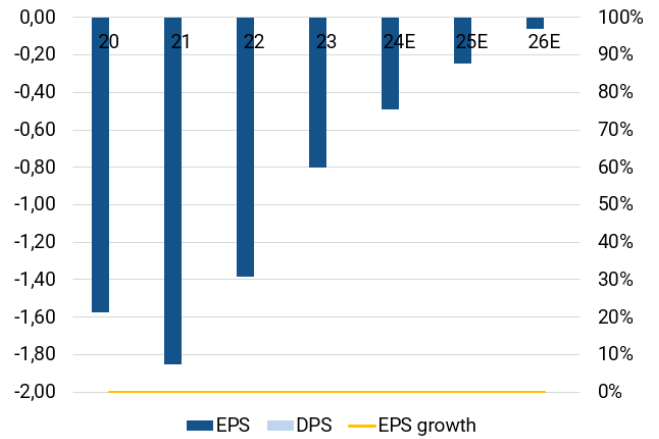
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

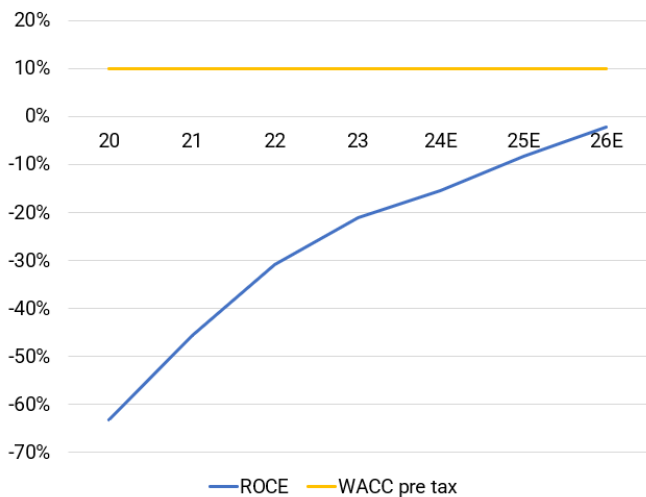
Sales vs. EBITDA margin development



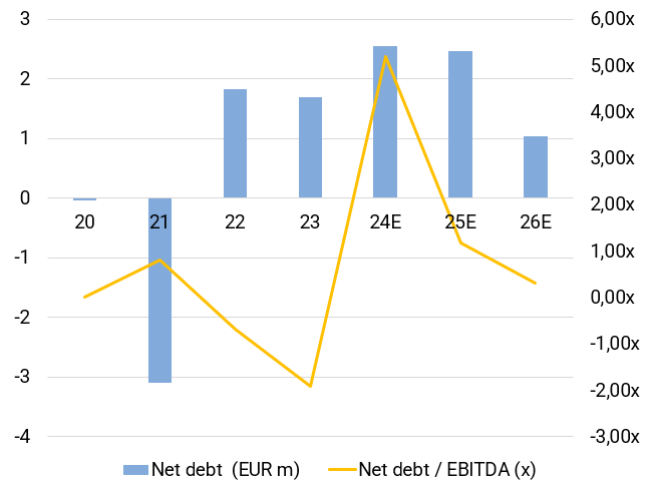
EPS, DPS in EUR & yoy EPS growth



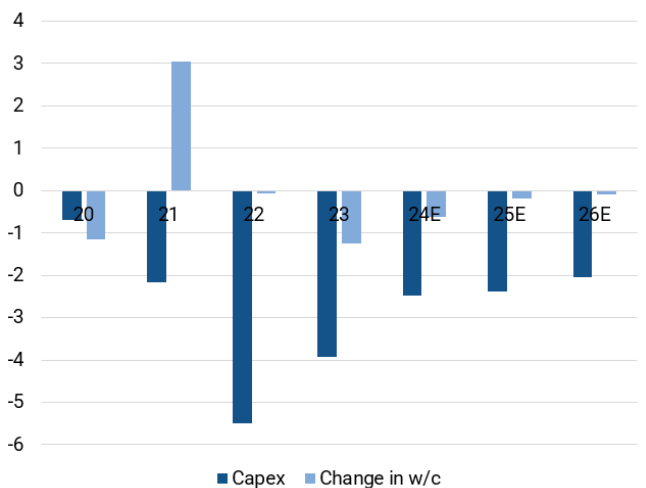
ROCE vs. WACC (pre tax)



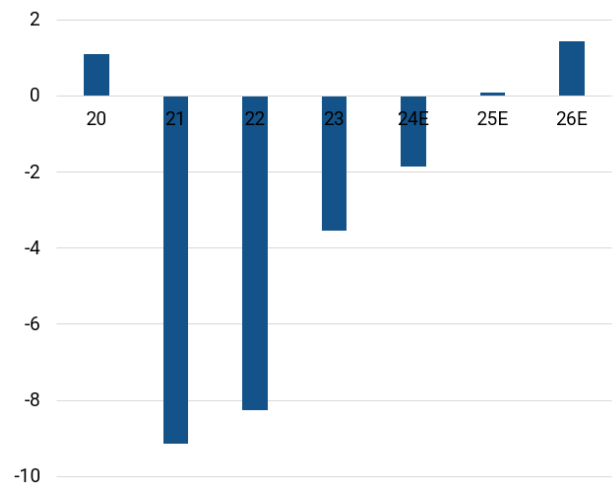
Net debt and net debt/EBITDA



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	5.47	5.47	5.47
EPS reported	-1.85	-1.39	-0.80	-0.49	-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	-0.49	-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	2.76	2.52	2.46
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-1.8x	-2.4x	-4.2x	-6.9x	-13.8x	-55.1x
P/CF	-1.2x	-3.8x	42.6x	-14.3x	36.3x	12.2x
P/BV	0.5x	0.6x	1.0x	1.2x	1.3x	1.4x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-85.2%	-26.4%	2.3%	-7.0%	2.8%	8.2%
EV/Sales	2.0x	1.2x	1.0x	0.9x	0.8x	0.6x
EV/EBITDA	-4.1x	-7.6x	-22.7x	42.8x	10.0x	5.9x
EV/EBIT	-2.7x	-3.6x	-4.7x	-6.9x	-13.7x	-51.3x
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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