

# 123fahrschule SE

Germany | Software & Services | MCap EUR 19.1m

2 May 2025

UPDATE



Strong Q1 performance confirms positive FY25 trajectory. BUY confirmed.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 6.20</b> (6.20)
Current price	EUR 3.44
Up/downside	80.2%



## What's it all about?

123fahrschule (123fs) delivered a strong Q1 25, with revenues up 18% yoy to EUR 6.6m and EBITDA at EUR 0.65m, significantly above Q1 24. Growth was driven by increased demand in the Class B segment (car driving licenses) and new branch openings. Registrations surged 41%, highlighting market share gains. Q1 results align with full-year guidance and our estimates. Operational leverage and brand scale are improving, with further upside expected from simulator sales. In Q1, the EBITDA margin rose to 9.8%, indicating sustained profitability improvements. Therefore, we confirm our BUY rating and EUR 6.20 price target, reflecting continued growth potential.

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Germany | Software & Services | MCap EUR 19.1m | EV EUR 20.5m

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**Current price** EUR 3.44  
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## Strong Q1 performance confirms positive FY25 trajectory. BUY

**Strong start to FY25.** 123fahrschule (123fs) reported a strong start to FY25 with preliminary Q1 revenues of EUR 6.6m, (+18% yoy). EBITDA was EUR 0.65m, a significant improvement from the EUR -50k reported in Q1 24. Growth was primarily driven by higher demand in the core driving license segment (Class B: car), supported by recent branch openings and increased local brand awareness. Registrations increased by 41% yoy, underlining successful market share gains in its core regions. The impact of the large simulator order (approx. EUR 1m) announced in January is expected to materialize from Q2 onwards and is not yet reflected in these figures.

**Q1 in line with full year guidance.** The Q1 figures represent c. 24% of the midpoint of the FY25 revenue guidance (EUR 28-30m) and c. 31% of the midpoint of the EBITDA guidance (EUR 1.5-2.5m). This indicates that 123fs is currently well on track to achieve its full year targets. Compared to historical performance, the operating momentum has accelerated significantly, with Q1 alone delivering more EBITDA than the entire FY24 (EUR 0.53m). These results are in line with our FY25 estimates of EUR 27.8m in revenues and EUR 2.1m in EBITDA.

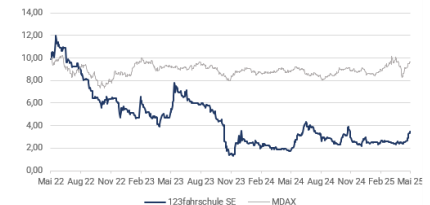
**Operational leverage and market expansion.** The solid Q1 results underpin the strategic direction of 123fs. Increasing enrollment and early contributions from new locations suggest that scalability and brand penetration are gaining traction. 123fs appears to be benefiting from operating leverage and its first-mover advantage with its digital ecosystem. With simulator launches and marketing initiatives in the pipeline, management could further accelerate user acquisition and revenue conversion.

**EBITDA recovery continues.** Q1 EBITDA margin of 9.8% was well above the FY24 margin of 2.4%, reflecting ongoing efficiency gains and benefits from the integration of Foerst GmbH. With EBITDA now firmly positive and growing, the company's risk profile continues to improve. We therefore believe that the figures mark a turning point and that further quarters of improving business performance are to come.

**Conclusion.** 123fs remains on a clear growth path, supported by digital trends, regulatory tailwinds and operational improvements. With a scalable model, rising profitability and compelling market dynamics, we reiterate our BUY rating and price target of EUR 6.20, implying significant upside from current levels.

123fahrschule SE	2022	2023	2024	2025E	2026E	2027E
Sales	16.7	20.6	22.5	27.8	33.1	38.0
Growth yoy	114.8%	23.7%	9.2%	23.7%	18.8%	15.0%
EBITDA	-2.7	-0.9	0.5	2.1	3.3	3.6
EBIT	-5.6	-4.3	-3.2	-1.7	-0.6	-0.3
Net profit	-4.3	-3.9	-7.0	-1.7	-0.7	-0.5
Net debt (net cash)	1.8	1.7	1.3	2.5	1.7	0.8
Net debt/EBITDA	-0.7x	-1.9x	2.5x	1.2x	0.5x	0.2x
EPS reported	-1.39	-0.80	-1.26	-0.31	-0.13	-0.09
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	100.0%	100.0%	99.3%	100.0%	100.0%	100.0%
EBITDA margin	-16.0%	-4.3%	2.4%	7.5%	10.0%	9.5%
EBIT margin	-33.8%	-20.9%	-14.2%	-6.1%	-1.7%	-0.9%
ROCE	-27.6%	-21.2%	-23.2%	-12.5%	-4.3%	-2.7%
EV/Sales	1.3x	1.0x	0.9x	0.8x	0.6x	0.5x
EV/EBITDA	-7.9x	-23.5x	38.4x	10.4x	6.3x	5.5x
EV/EBIT	-3.7x	-4.8x	-6.4x	-12.7x	-37.0x	-59.6x
PER	-2.5x	-4.3x	-2.7x	-11.1x	-26.6x	-36.8x

Source: Company data, mwb research



Source: Company data, mwb research

**High/low 52 weeks** 4.42 / 1.68  
**Price/Book Ratio** 1.7x

**Ticker / Symbols**  
ISIN DE000A2P4HL9  
WKN A2P4HL  
Bloomberg 123F:GR

### Changes in estimates

		Sales	EBIT	EPS
2025E	old	27.8	-1.7	-0.31
	Δ	0.0%	na%	na%
2026E	old	33.1	-0.6	-0.13
	Δ	0.0%	na%	na%
2027E	old	38.0	-0.3	-0.09
	Δ	0.0%	na%	na%

### Key share data

Number of shares: (in m pcs) 5.56  
Book value per share: (in EUR) 2.04  
Ø trading vol.: (12 months) 4,700

### Major shareholders

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

### Company description

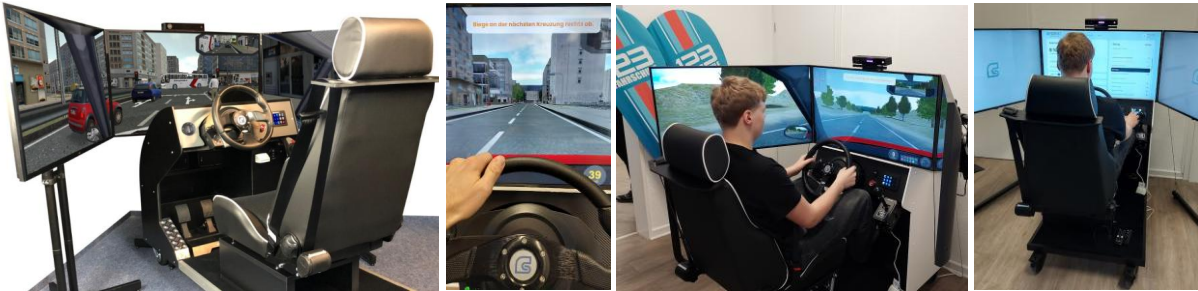
123fahrschule SE is the disruptive player of driving license training and education in Germany. The company's goal is the modernization as well as the digitization of products, services, and processes in order to provide a high-quality training for private and professional customers nationwide. In addition, 123fahrschule is aiming the consolidation of the highly fragmented market.

## Background information:

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### 123fahrschule simulator – product sample and live test in Hamburg

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

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Source: FOERST GmbH, mwb research

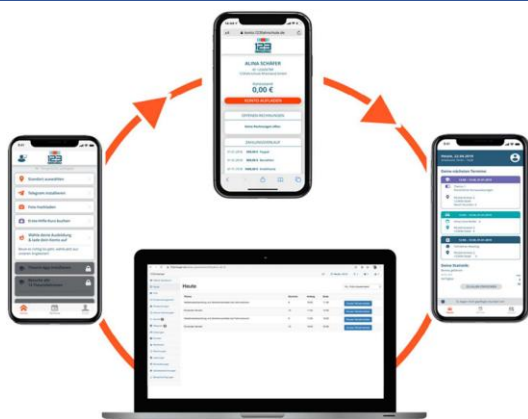
123fahrschule is the disruptive force in the German driving school market. The company's goal is the modernization as well as the digitization of products, services, and processes. 123fs aims to provide high-quality training for private and business customers nationwide. 123fs operates digitally via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

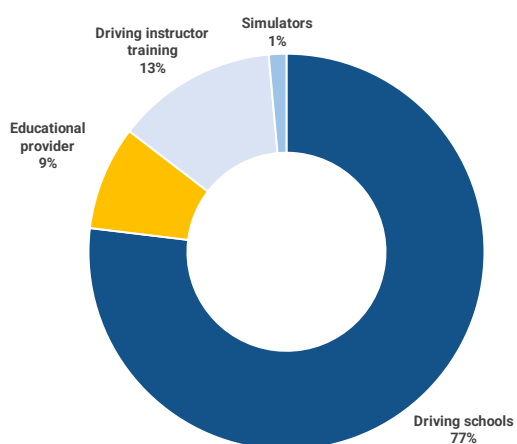
### New-school driving school: 360-digital ecosystem



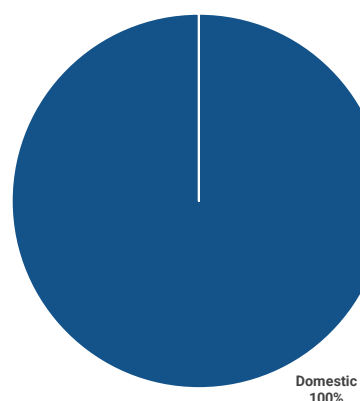
### Old school driving school: 100% analog



### Segmental breakdown in %



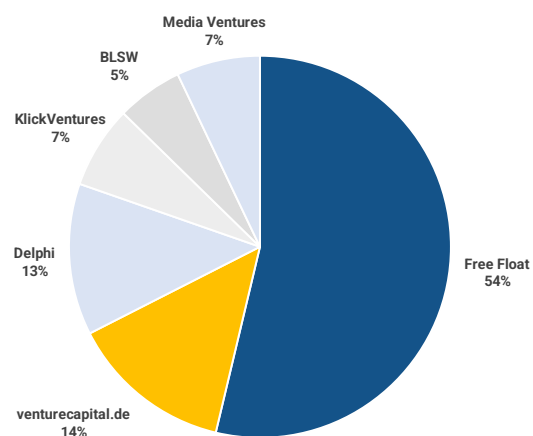
### Regional sales split in %



### 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 8.4% between 2025E and 2032E. The long-term growth rate is set at 2.0%.

**ROCE.** Returns on capital are developing from -12.5% in 2025E to 11.1% in 2032E.

**WACC.** Starting point is a historical equity beta of 1.70. Unlevering and correcting for mean reversion yields an asset beta of 1.34. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 15.7%. 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 9.6%.

DCF (EURm) (except per share data and beta)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Terminal value
NOPAT	-1.5	-0.5	-0.3	0.4	1.1	1.6	1.6	1.7	
Depreciation & amortization	3.8	3.9	3.9	4.2	4.2	4.3	4.4	4.4	
Change in working capital	-0.9	0.1	0.2	0.4	0.6	0.8	0.2	0.2	
Chg. in long-term provisions	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Capex	-2.4	-2.5	-2.8	-2.8	-2.7	-2.7	-2.8	-2.8	
Cash flow	-1.0	1.1	1.1	2.3	3.3	4.0	3.5	3.6	47.7
Present value	-0.9	0.9	0.9	1.6	2.1	2.3	1.8	1.7	23.7
WACC	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	9.6%

DCF per share derived from	
Total present value	34.0
Mid-year adj. total present value	35.7
Net debt / cash at start of year	1.3
Financial assets	0.0
Provisions and off b/s debt	na
Equity value	34.3
No. of shares outstanding	5.6
<b>Discounted cash flow / share</b>	<b>6.18</b>
<b>upside/(downside)</b>	<b>79.6%</b>

<b>Share price</b>	<b>3.44</b>
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DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2025E-2032E)	8.4%
Terminal value growth (2032E - infinity)	2.0%
Terminal year ROCE	11.1%
Terminal year WACC	9.6%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	30.0%
Equity beta	1.70
Unlevered beta (industry or company)	1.34
Target debt / equity	1.0
Relevered beta	2.28
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	15.7%

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	5.0	2025E-2028E	7.1%
	1.0%	4.9	5.1	5.3	5.6	5.9	2029E-2032E	23.2%
	0.0%	5.6	5.9	6.2	6.5	6.9	terminal value	69.6%
	-1.0%	6.5	6.9	7.3	7.8	8.3		
	-2.0%	7.7	8.2	8.8	9.5	10.4		

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 -1.01 per share based on 2025E and EUR 7.59 per share on 2029E 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	2025E	2026E	2027E	2028E	2029E
<b>EBITDA</b>	<b>2.1</b>	<b>3.3</b>	<b>3.6</b>	<b>4.7</b>	<b>5.5</b>
- Maintenance capex	2.5	2.6	2.6	2.7	2.7
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	-0.2	-0.1	-0.1	0.0	0.1
<b>= Adjusted FCF</b>	<b>-0.2</b>	<b>0.8</b>	<b>1.0</b>	<b>2.0</b>	<b>2.6</b>
<b>Actual Market Cap</b>	<b>19.1</b>	<b>19.1</b>	<b>19.1</b>	<b>19.1</b>	<b>19.1</b>
+ Net debt (cash)	2.5	1.7	0.8	-1.2	-4.3
+ 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>	2.5	1.7	0.8	-1.2	-4.3
<b>= Actual EV'</b>	<b>21.7</b>	<b>20.8</b>	<b>19.9</b>	<b>17.9</b>	<b>14.8</b>
<b>Adjusted FCF yield</b>	<b>-1.0%</b>	<b>3.9%</b>	<b>5.2%</b>	<b>11.0%</b>	<b>17.9%</b>
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
<b>Fair EV</b>	<b>-3.1</b>	<b>11.6</b>	<b>14.9</b>	<b>28.0</b>	<b>37.8</b>
- <i>EV Reconciliations</i>	2.5	1.7	0.8	-1.2	-4.3
<b>Fair Market Cap</b>	<b>-5.6</b>	<b>9.9</b>	<b>14.1</b>	<b>29.3</b>	<b>42.2</b>
No. of shares (million)	5.6	5.6	5.6	5.6	5.6
<b>Fair value per share in EUR</b>	<b>-1.01</b>	<b>1.79</b>	<b>2.53</b>	<b>5.27</b>	<b>7.59</b>
<b>Premium (-) / discount (+)</b>	<b>-129.4%</b>	<b>-48.0%</b>	<b>-26.5%</b>	<b>53.1%</b>	<b>120.5%</b>

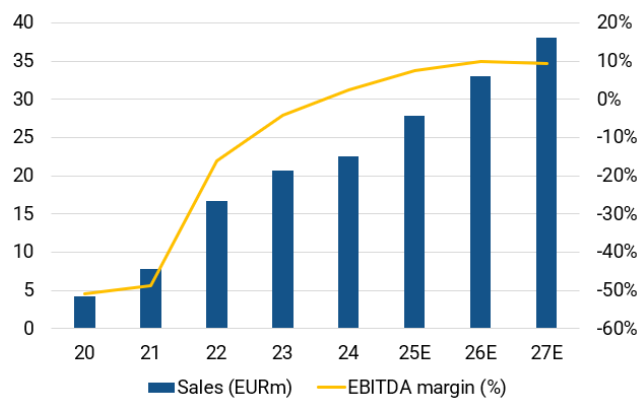
Sensitivity analysis FV						
Adjusted hurdle rate	5.0%	-1.2	2.6	3.6	7.3	10.3
	6.0%	-1.1	2.1	3.0	6.1	8.7
	7.0%	-1.0	1.8	2.5	5.3	7.6
	8.0%	-0.9	1.5	2.2	4.6	6.7
	9.0%	-0.9	1.3	1.9	4.1	6.1

Source: Company data; mwb research

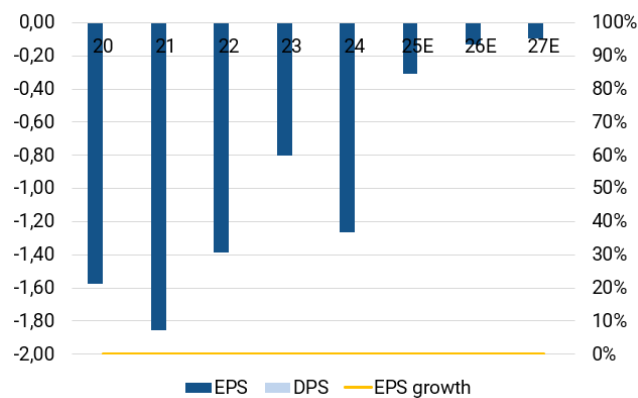
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

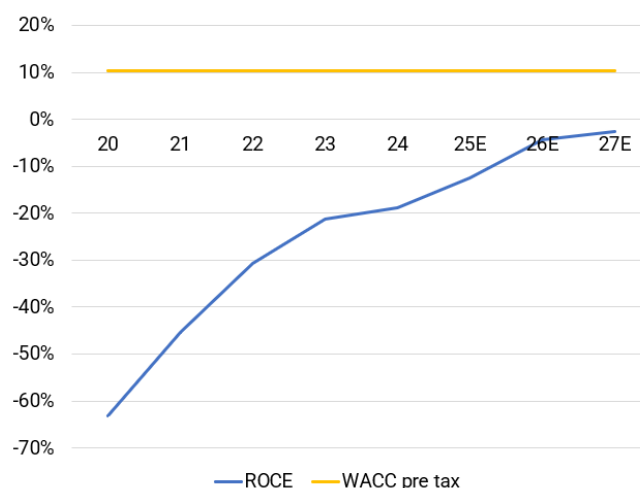
**Sales vs. EBITDA margin development**



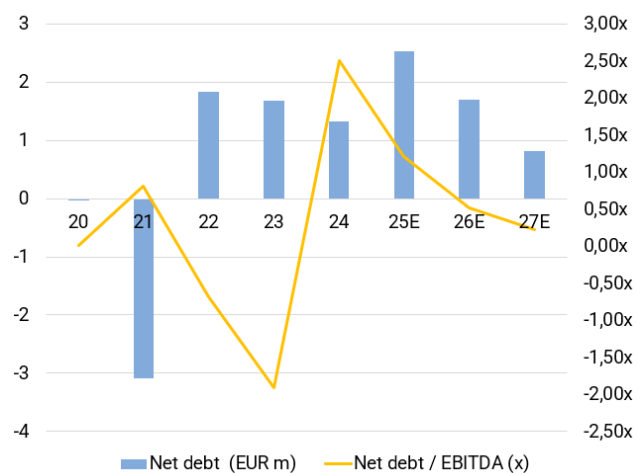
**EPS, DPS in EUR & yoy EPS growth**



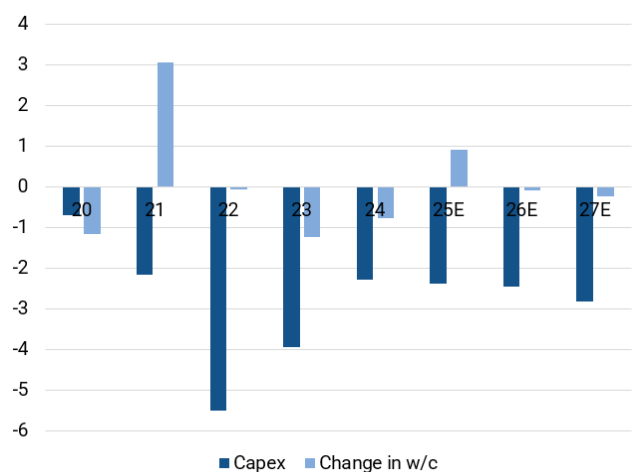
**ROCE vs. WACC (pre tax)**



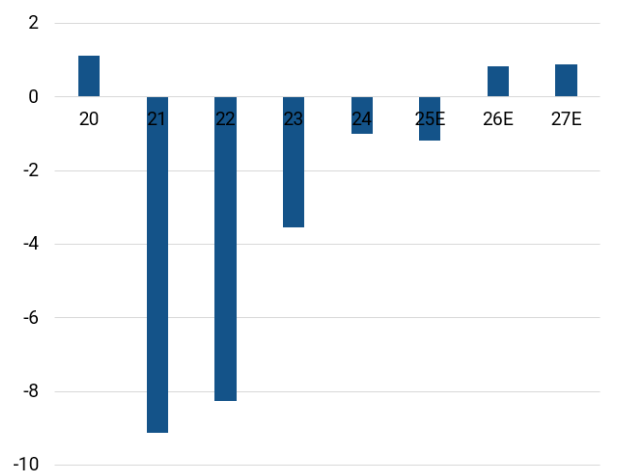
**Net debt and net debt/EBITDA**



**Capex & chgn in w/c requirements in EURm**



**Free Cash Flow in EURm**



Source: Company data; mwb research



# Financials

Profit and loss (EURm)	2022	2023	2024	2025E	2026E	2027E
<b>Net sales</b>	<b>16.7</b>	<b>20.6</b>	<b>22.5</b>	<b>27.8</b>	<b>33.1</b>	<b>38.0</b>
Sales growth	114.8%	23.7%	9.2%	23.7%	18.8%	15.0%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>16.7</b>	<b>20.6</b>	<b>22.5</b>	<b>27.8</b>	<b>33.1</b>	<b>38.0</b>
Material expenses	0.0	0.0	0.2	0.0	0.0	0.0
<b>Gross profit</b>	<b>16.7</b>	<b>20.6</b>	<b>22.4</b>	<b>27.8</b>	<b>33.1</b>	<b>38.0</b>
Other operating income	1.1	1.2	2.4	0.0	0.0	0.0
Personnel expenses	12.0	13.7	13.6	17.4	20.5	24.0
Other operating expenses	8.4	9.0	10.6	8.4	9.3	10.5
<b>EBITDA</b>	<b>-2.7</b>	<b>-0.9</b>	<b>0.5</b>	<b>2.1</b>	<b>3.3</b>	<b>3.6</b>
Depreciation	1.0	1.8	2.5	2.5	2.6	2.6
EBITA	-3.6	-2.7	-2.0	-0.5	0.7	1.0
Amortisation of goodwill and intangible assets	2.0	1.6	1.2	1.3	1.3	1.3
<b>EBIT</b>	<b>-5.6</b>	<b>-4.3</b>	<b>-3.2</b>	<b>-1.7</b>	<b>-0.6</b>	<b>-0.3</b>
Financial result	-0.0	-0.0	-0.0	-0.3	-0.3	-0.3
Recurring pretax income from continuing operations	-5.7	-4.4	-3.2	-2.0	-0.8	-0.6
Extraordinary income/loss	0.0	0.0	-3.7	0.0	0.0	0.0
Earnings before taxes	-5.7	-4.4	-6.9	-2.0	-0.8	-0.6
Taxes	-1.4	-0.4	0.1	-0.2	-0.1	-0.1
Net income from continuing operations	-4.3	-3.9	-7.0	-1.7	-0.7	-0.5
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-4.3</b>	<b>-3.9</b>	<b>-7.0</b>	<b>-1.7</b>	<b>-0.7</b>	<b>-0.5</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-4.3	-3.9	-7.0	-1.7	-0.7	-0.5
Average number of shares	3.11	4.88	5.56	5.56	5.56	5.56
<b>EPS reported</b>	<b>-1.39</b>	<b>-0.80</b>	<b>-1.26</b>	<b>-0.31</b>	<b>-0.13</b>	<b>-0.09</b>

Profit and loss (common size)	2022	2023	2024	2025E	2026E	2027E
<b>Net sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Material expenses	0%	0%	1%	0%	0%	0%
<b>Gross profit</b>	<b>100%</b>	<b>100%</b>	<b>99%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Other operating income	6%	6%	10%	0%	0%	0%
Personnel expenses	72%	66%	60%	63%	62%	63%
Other operating expenses	50%	44%	47%	30%	28%	27%
<b>EBITDA</b>	<b>-16%</b>	<b>-4%</b>	<b>2%</b>	<b>8%</b>	<b>10%</b>	<b>10%</b>
Depreciation	6%	9%	11%	9%	8%	7%
EBITA	-22%	-13%	-9%	-2%	2%	3%
Amortisation of goodwill and intangible assets	12%	8%	5%	5%	4%	3%
<b>EBIT</b>	<b>-34%</b>	<b>-21%</b>	<b>-14%</b>	<b>-6%</b>	<b>-2%</b>	<b>-1%</b>
Financial result	-0%	-0%	-0%	-1%	-1%	-1%
Recurring pretax income from continuing operations	-34%	-21%	-14%	-7%	-2%	-2%
Extraordinary income/loss	0%	0%	-17%	0%	0%	0%
Earnings before taxes	-34%	-21%	-31%	-7%	-2%	-2%
Taxes	-8%	-2%	0%	-1%	-0%	-0%
Net income from continuing operations	-26%	-19%	-31%	-6%	-2%	-1%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>-26%</b>	<b>-19%</b>	<b>-31%</b>	<b>-6%</b>	<b>-2%</b>	<b>-1%</b>
Minority interest	0%	0%	0%	0%	0%	0%
<b>Net profit (reported)</b>	<b>-26%</b>	<b>-19%</b>	<b>-31%</b>	<b>-6%</b>	<b>-2%</b>	<b>-1%</b>

Source: Company data; mwb research

Balance sheet (EURm)	2022	2023	2024	2025E	2026E	2027E
<b>Intangible assets (exl. Goodwill)</b>	<b>1.7</b>	<b>2.6</b>	<b>3.4</b>	<b>2.9</b>	<b>2.4</b>	<b>2.4</b>
Goodwill	9.2	8.7	7.1	7.1	7.1	7.1
Property, plant and equipment	4.5	4.3	3.7	2.8	1.9	0.7
Financial assets	2.2	2.5	0.0	0.0	0.0	0.0
<b>FIXED ASSETS</b>	<b>17.6</b>	<b>18.1</b>	<b>14.2</b>	<b>12.8</b>	<b>11.3</b>	<b>10.2</b>
Inventories	0.0	0.0	0.3	0.0	0.0	0.0
Accounts receivable	3.5	3.0	2.8	4.6	5.0	5.2
Other current assets	0.3	0.9	2.6	2.6	2.6	2.6
Liquid assets	0.3	0.7	0.4	0.9	1.7	2.6
Deferred taxes	3.0	3.5	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.3	0.3	0.3
<b>CURRENT ASSETS</b>	<b>7.1</b>	<b>8.2</b>	<b>6.1</b>	<b>8.3</b>	<b>9.6</b>	<b>10.8</b>
<b>TOTAL ASSETS</b>	<b>24.8</b>	<b>26.3</b>	<b>20.3</b>	<b>21.1</b>	<b>20.9</b>	<b>21.0</b>
<b>SHAREHOLDERS EQUITY</b>	<b>16.8</b>	<b>16.4</b>	<b>11.4</b>	<b>9.6</b>	<b>8.9</b>	<b>8.4</b>
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.3	2.3	1.8	3.4	3.4	3.4
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	1.5	1.4	0.6	0.6	0.6	0.7
<b>Non-current liabilities</b>	<b>1.7</b>	<b>3.8</b>	<b>2.4</b>	<b>4.0</b>	<b>4.0</b>	<b>4.1</b>
short-term liabilities to banks	1.9	0.1	0.0	0.0	0.0	0.0
Accounts payable	1.1	0.6	1.0	1.1	1.2	1.3
Advance payments received on orders	0.0	2.1	3.0	3.0	3.1	3.1
Other liabilities (incl. from lease and rental contracts)	2.6	2.2	1.6	1.7	1.8	1.9
Deferred taxes	0.6	0.2	0.2	0.2	0.2	0.2
Deferred income	0.0	0.8	0.7	1.4	1.7	1.9
<b>Current liabilities</b>	<b>6.2</b>	<b>6.1</b>	<b>6.6</b>	<b>7.5</b>	<b>8.0</b>	<b>8.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>24.8</b>	<b>26.3</b>	<b>20.3</b>	<b>21.1</b>	<b>20.9</b>	<b>21.0</b>

Balance sheet (common size)	2022	2023	2024	2025E	2026E	2027E
<b>Intangible assets (excl. Goodwill)</b>	<b>7%</b>	<b>10%</b>	<b>17%</b>	<b>14%</b>	<b>11%</b>	<b>11%</b>
Goodwill	37%	33%	35%	34%	34%	34%
Property, plant and equipment	18%	16%	18%	13%	9%	4%
Financial assets	9%	10%	0%	0%	0%	0%
<b>FIXED ASSETS</b>	<b>71%</b>	<b>69%</b>	<b>70%</b>	<b>60%</b>	<b>54%</b>	<b>49%</b>
Inventories	0%	0%	1%	0%	0%	0%
Accounts receivable	14%	11%	14%	22%	24%	25%
Other current assets	1%	4%	13%	12%	13%	13%
Liquid assets	1%	3%	2%	4%	8%	12%
Deferred taxes	12%	13%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	1%	1%	2%
<b>CURRENT ASSETS</b>	<b>29%</b>	<b>31%</b>	<b>30%</b>	<b>40%</b>	<b>46%</b>	<b>51%</b>
<b>TOTAL ASSETS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>68%</b>	<b>62%</b>	<b>56%</b>	<b>46%</b>	<b>43%</b>	<b>40%</b>
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	1%	9%	9%	16%	16%	16%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	6%	6%	3%	3%	3%	3%
<b>Non-current liabilities</b>	<b>7%</b>	<b>14%</b>	<b>12%</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>
short-term liabilities to banks	8%	0%	0%	0%	0%	0%
Accounts payable	5%	2%	5%	5%	6%	6%
Advance payments received on orders	0%	8%	15%	14%	15%	15%
Other liabilities (incl. from lease and rental contracts)	10%	8%	8%	8%	9%	9%
Deferred taxes	3%	1%	1%	1%	1%	1%
Deferred income	0%	3%	4%	7%	8%	9%
<b>Current liabilities</b>	<b>25%</b>	<b>23%</b>	<b>32%</b>	<b>35%</b>	<b>38%</b>	<b>41%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; mwb research

Cash flow statement (EURm)	2022	2023	2024	2025E	2026E	2027E
Net profit/loss	-4.4	-3.9	-7.0	-1.7	-0.7	-0.5
Depreciation of fixed assets (incl. leases)	1.0	1.2	1.2	2.5	2.6	2.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.0	2.2	2.5	1.3	1.3	1.3
Others	-1.4	-0.4	3.8	0.0	0.1	0.1
Cash flow from operations before changes in w/c	-2.8	-0.9	0.5	2.1	3.2	3.5
Increase/decrease in inventory	0.0	0.0	0.0	0.3	0.0	0.0
Increase/decrease in accounts receivable	-3.7	-0.4	0.8	-1.8	-0.4	-0.2
Increase/decrease in accounts payable	3.6	1.6	-0.1	0.1	0.1	0.1
Increase/decrease in other w/c positions	0.2	0.0	0.1	0.5	0.4	0.4
Increase/decrease in working capital	0.1	1.2	0.8	-0.9	0.1	0.2
<b>Cash flow from operating activities</b>	<b>-2.8</b>	<b>0.4</b>	<b>1.3</b>	<b>1.2</b>	<b>3.3</b>	<b>3.7</b>
CAPEX	-5.5	-3.9	-2.3	-2.4	-2.5	-2.8
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	-2.1	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.2	0.1	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-7.6</b>	<b>-3.7</b>	<b>-2.2</b>	<b>-2.4</b>	<b>-2.5</b>	<b>-2.8</b>
Cash flow before financing	-10.3	-3.3	-0.9	-1.2	0.8	0.9
Increase/decrease in debt position	2.1	0.3	-0.7	1.6	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	5.4	3.5	1.1	0.0	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
<b>Cash flow from financing activities</b>	<b>7.5</b>	<b>3.8</b>	<b>0.5</b>	<b>1.6</b>	<b>0.0</b>	<b>0.0</b>
Increase/decrease in liquid assets	-2.8	0.4	-0.3	0.4	0.8	0.9
<b>Liquid assets at end of period</b>	<b>0.3</b>	<b>0.7</b>	<b>0.4</b>	<b>0.9</b>	<b>1.7</b>	<b>2.6</b>

Source: Company data; mwb research

Regional sales split (EURm)	2022	2023	2024	2025E	2026E	2027E
Domestic	16.7	20.6	22.5	27.8	33.1	38.0
Europe (ex domestic)	0.0	0.0	0.0	0.0	0.0	0.0
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>16.7</b>	<b>20.6</b>	<b>22.5</b>	<b>27.8</b>	<b>33.1</b>	<b>38.0</b>

Regional sales split (common size)	2022	2023	2024	2025E	2026E	2027E
Domestic	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Europe (ex domestic)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; mwb research

Ratios	2022	2023	2024	2025E	2026E	2027E
<b>Per share data</b>						
Earnings per share reported	-1.39	-0.80	-1.26	-0.31	-0.13	-0.09
Cash flow per share	-1.20	-0.29	-0.22	-0.25	0.13	0.19
Book value per share	5.42	3.37	2.04	1.73	1.60	1.51
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	-2.5x	-4.3x	-2.7x	-11.1x	-26.6x	-36.8x
P/CF	-2.9x	-11.8x	-15.9x	-14.0x	27.5x	18.0x
P/BV	0.6x	1.0x	1.7x	2.0x	2.1x	2.3x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-34.9%	-8.5%	-6.3%	-7.1%	3.6%	5.6%
EV/Sales	1.3x	1.0x	0.9x	0.8x	0.6x	0.5x
EV/EBITDA	-7.9x	-23.5x	38.4x	10.4x	6.3x	5.5x
EV/EBIT	-3.7x	-4.8x	-6.4x	-12.7x	-37.0x	-59.6x
<b>Income statement (EURm)</b>						
Sales	16.7	20.6	22.5	27.8	33.1	38.0
yoy chg in %	114.8%	23.7%	9.2%	23.7%	18.8%	15.0%
Gross profit	16.7	20.6	22.4	27.8	33.1	38.0
Gross margin in %	100.0%	100.0%	99.3%	100.0%	100.0%	100.0%
EBITDA	-2.7	-0.9	0.5	2.1	3.3	3.6
EBITDA margin in %	-16.0%	-4.3%	2.4%	7.5%	10.0%	9.5%
EBIT	-5.6	-4.3	-3.2	-1.7	-0.6	-0.3
EBIT margin in %	-33.8%	-20.9%	-14.2%	-6.1%	-1.7%	-0.9%
Net profit	-4.3	-3.9	-7.0	-1.7	-0.7	-0.5
<b>Cash flow statement (EURm)</b>						
CF from operations	-2.8	0.4	1.3	1.2	3.3	3.7
Capex	-5.5	-3.9	-2.3	-2.4	-2.5	-2.8
Maintenance Capex	1.0	1.8	2.5	2.5	2.6	2.6
Free cash flow	-8.3	-3.5	-1.0	-1.2	0.8	0.9
<b>Balance sheet (EURm)</b>						
Intangible assets	10.9	11.3	10.5	10.0	9.5	9.5
Tangible assets	4.5	4.3	3.7	2.8	1.9	0.7
Shareholders' equity	16.8	16.4	11.4	9.6	8.9	8.4
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	3.6	3.9	2.4	4.0	4.0	4.1
Net financial debt	1.8	1.7	1.3	2.5	1.7	0.8
w/c requirements	2.4	0.2	-1.0	0.4	0.7	0.7
<b>Ratios</b>						
ROE	-25.6%	-23.8%	-61.9%	-17.9%	-8.1%	-6.2%
ROCE	-27.6%	-21.2%	-23.2%	-12.5%	-4.3%	-2.7%
Net gearing	10.9%	10.3%	11.8%	26.3%	19.1%	9.7%
Net debt / EBITDA	-0.7x	-1.9x	2.5x	1.2x	0.5x	0.2x

Source: Company data; mwb research

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