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123fahrschule SE

Germany | Software & Services | MCap EUR 15.0m

27 July 2026

UPDATE

Reform remains intact, but political timing risk increased; BUY.

BUY (BUY)

Target price	**EUR 5.20** (5.20)
Current price	EUR 2.52
Up/downside	106.3%

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What's it all about?

The expected departure of Transport Minister Patrick Schnieder increases uncertainty around the timing of Germany's driver education reform. The cabinet approved draft would remain valid, but a new minister could review priorities and delay parliamentary progress. For 123fahrschule, the reform remains strategically important because digital theory instruction, simulator use, and more efficient training could improve scalability and margins. FY26 estimates should remain largely unaffected, while FY27 and later periods are more sensitive to delays. However, for the time being, we maintain our forecasts, BUY rating and EUR 5.20 price target.

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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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Germany | Software & Services | MCap EUR 15.0m | EV EUR 20.6m

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Reform remains intact, but political timing risk increased; BUY.

Cabinet reshuffle raises uncertainty. The planned cabinet reshuffle and the expected departure of Transport Minister Patrick Schnieder increase political uncertainty around the reform of driver education. The draft legislation has already been approved by the cabinet and would not automatically lapse following a change in minister and the legislative process could therefore continue. However, parliamentary consideration could be delayed if the incoming minister were to review individual provisions or assign different priorities within the ministry. As a result, the January 2027 implementation date currently expected appears less certain.

Strategic relevance remains high. The reform remains an important strategic catalyst for 123fahrschule (123fs). Permanent approval of digital theory instruction, broader use of driving simulators and more efficient training processes could improve the scalability of the business model. These changes could reduce the need for physical classrooms, increase utilization and allow more efficient deployment of limited instructors. Subsidiary Foerst could also benefit from stronger simulator demand as driving schools prepare for the new regulatory framework. The reform would therefore support both the driving school operation and the digital platform strategy.

Higher sensitivity from FY27. The direct impact in FY26 estimates should remain limited since the reform was not expected to become effective before 2027. Current estimates are primarily supported by the existing driving school business, an expected H2 recovery at Foerst and the expansion of FahrerWerk. Sensitivity would increase from FY27 onward. A delay of several quarters could postpone expected scalability benefits and margin improvements. The main risk would therefore concern the timing rather than the long-term strategic rationale at 123fs.

Conclusion. Our current approach remains appropriate, as final legislative approval and key implementation details remain on track at this moment. We believe the most likely downside would be a delay, while the reform's core digital provisions should remain intact. A material dilution of digital theory instruction or simulator use would have significantly greater implications for our earnings estimates and valuation. For now, we maintain our estimates, BUY rating and EUR 5.20 price target.

123fahrschule SE	2023	2024	2025	2026E	2027E	2028E
Sales	20.6	22.5	25.0	29.6	34.6	39.1
Growth yoy	23.7%	9.2%	11.1%	18.2%	17.0%	13.0%
EBITDA	-0.9	0.5	-1.5	1.8	3.1	4.7
EBIT	-4.3	-3.2	-6.5	-2.3	-1.1	0.2
Net profit	-3.9	-7.0	-6.5	-2.4	-1.4	-0.2
Net debt (net cash)	1.7	1.3	5.6	3.9	4.2	3.3
Net debt/EBITDA	-1.9x	2.5x	-3.8x	2.2x	1.3x	0.7x
EPS reported	-0.80	-1.26	-1.17	-0.40	-0.23	-0.04
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%	99.3%	98.4%	99.0%	99.0%	99.0%
EBITDA margin	-4.3%	2.4%	-5.9%	6.0%	9.0%	12.0%
EBIT margin	-20.9%	-14.2%	-25.8%	-7.7%	-3.1%	0.5%
ROCE	-21.2%	-23.2%	-56.4%	-22.5%	-12.3%	2.2%
EV/Sales	0.8x	0.7x	0.8x	0.6x	0.6x	0.5x
EV/EBITDA	-18.8x	30.7x	-14.0x	10.7x	6.2x	3.9x
EV/EBIT	-3.9x	-5.1x	-3.2x	-8.3x	-17.7x	96.3x
PER	-3.1x	-2.0x	-2.1x	-6.3x	-11.1x	-66.4x

Source: Company data, mwb research

Source: Company data, mwb research

High/low 52 weeks	3.92 / 2.20
Price/Book Ratio	2.9x

Ticker / Symbols

ISIN	DE000A2P4HL9
WKN	A2P4HL
Bloomberg	123F:GR

Changes in estimates

		Sales	EBIT	EPS
2026E	old	29.6	-2.3	-0.40
	Δ	0.0%	na%	na%
2027E	old	34.6	-1.1	-0.23
	Δ	0.0%	na%	na%
2028E	old	39.1	0.2	-0.04
	Δ	0.0%	0.0%	na%

Key share data

Number of shares: (in m pcs)	5.96
Book value per share: (in EUR)	0.86
Ø trading vol.: (12 months)	3,066

Major shareholders

venturecapital.de	12.1%
Delphi	11.2%
KlickVentures	10.1%
Free Float	55.5%

Company description
123fahreschule 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:

123fahrschule simulator – product sample and live test in Hamburg

Source: FOERST GmbH, mwb research

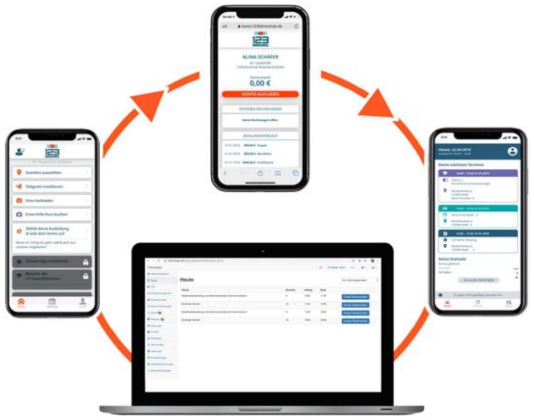
123fahreschule is the disruptive force in the German driving school market. The company's goal is the modernization as well as the digitization of products, services, and processes. 123fs aims to provide high-quality training for private and business customers nationwide. 123fs operates digitally via 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 2027.

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 in 2026, becoming effective in 2027. **(click here: reform video)** 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 2027 onwards.

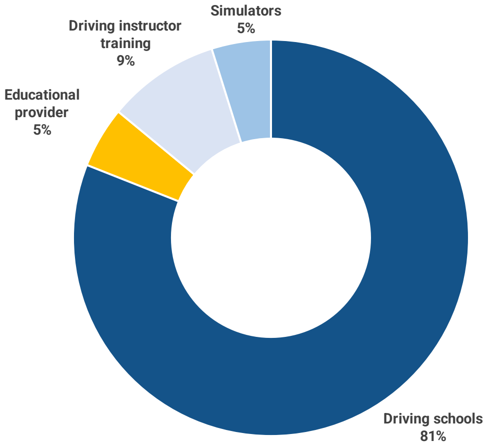
Investment case in six charts

New-school driving school: 360-digital ecosystem

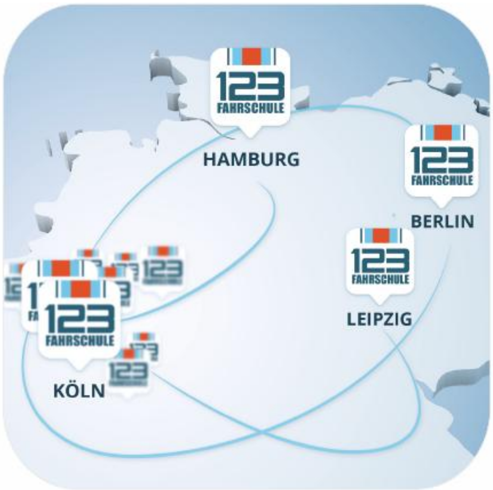


Old school driving school: 100% analog

Segmental breakdown in %

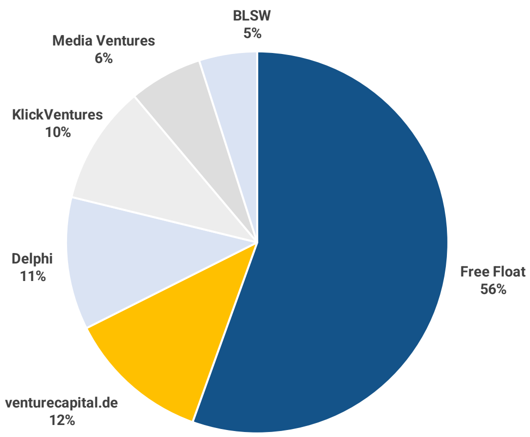


Operations with 60+ locatinos



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
- 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
- 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 5.29 per share**:

Top-line growth: We expect 123fahrschule SE to grow revenues at a CAGR of 6.4% between 2026E and 2033E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from -22.5% in 2026E to 19.9% in 2033E.

WACC. Starting point is a historical equity beta of 1.85. Unlevering and correcting for mean reversion yields an asset beta of 1.30. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 15.2%. 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 9.4%.

DCF (EURm) (except per share data and beta)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Terminal value
NOPAT	-2.0	-1.0	0.2	1.5	2.5	3.1	3.2	3.4	
Depreciation & amortization	4.0	4.2	4.5	4.2	4.0	3.5	3.5	3.5	
Change in working capital	1.2	-0.1	-0.1	0.0	0.2	0.2	0.2	0.2	
Chg. in long-term provisions	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	
Capex	-2.3	-3.0	-3.3	-3.5	-3.5	-3.6	-3.6	-3.7	
Cash flow	1.0	0.1	1.3	2.3	3.3	3.3	3.3	3.4	46.9
Present value	1.0	0.1	1.0	1.7	2.1	1.9	1.8	1.6	24.1
WACC	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	9.4%

DCF per share derived from	
Total present value	35.3
Mid-year adj. total present value	37.1
Net debt / cash at start of year	5.6
Financial assets	0.0
Provisions and off b/s debt	na
Equity value	31.5
No. of shares outstanding	6.0
Discounted cash flow / share	**5.29**
upside/(downside)	**109.9%**
Share price	**2.52**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2026E-2033E)	6.4%
Terminal value growth (2033E - infinity)	2.0%
Terminal year ROCE	19.9%
Terminal year WACC	9.4%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	30.0%
Equity beta	1.85
Unlevered beta (industry or company)	1.30
Target debt / equity	1.0
Relevered beta	2.21
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	15.2%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth 1.0%	1.5%	2.0%	2.5%	3.0%
2.0%	3.5	3.7	3.8	4.0	4.2
1.0%	4.1	4.3	4.5	4.7	5.0
0.0%	4.7	5.0	5.3	5.6	6.0
-1.0%	5.6	6.0	6.4	6.8	7.4
-2.0%	6.7	7.2	7.8	8.5	9.4

Share of present value	
2026E-2029E	10.7%
2030E-2033E	21.1%
terminal value	68.2%

Source: mwb research

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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 -2.81 per share based on 2026E and EUR 9.04 per share on 2030E 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	2026E	2027E	2028E	2029E	2030E
EBITDA	**1.8**	**3.1**	**4.7**	**5.9**	**6.9**
- Maintenance capex	3.0	3.0	3.0	3.0	3.0
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	-0.3	-0.2	-0.0	0.2	0.3
= Adjusted FCF	**-0.9**	**0.3**	**1.7**	**2.8**	**3.6**
Actual Market Cap	**15.0**	**15.0**	**15.0**	**15.0**	**15.0**
+ Net debt (cash)	3.9	4.2	3.3	1.4	-2.5
+ 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
EV Reconciliations	3.9	4.2	3.3	1.4	-2.5
= Actual EV'	**18.9**	**19.2**	**18.3**	**16.4**	**12.5**
Adjusted FCF yield	**-4.8%**	**1.5%**	**9.4%**	**16.8%**	**28.7%**
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	**-12.8**	**4.2**	**24.6**	**39.4**	**51.4**
- EV Reconciliations	3.9	4.2	3.3	1.4	-2.5
Fair Market Cap	**-16.8**	**0.1**	**21.3**	**38.0**	**53.9**
No. of shares (million)	6.0	6.0	6.0	6.0	6.0
Fair value per share in EUR	**-2.81**	**0.01**	**3.57**	**6.38**	**9.04**
Premium (-) / discount (+)	**-211.6%**	**-99.5%**	**41.8%**	**153.3%**	**258.8%**

Sensitivity analysis FV

Adjusted hurdle rate	5.0%	-3.7	0.3	5.2	9.0	12.5
	6.0%	-3.2	0.1	4.3	7.5	10.5
	7.0%	**-2.8**	**0.0**	**3.6**	**6.4**	**9.0**
	8.0%	-2.5	-0.1	3.1	5.6	8.0
	9.0%	-2.3	-0.1	2.7	4.9	7.1

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.**

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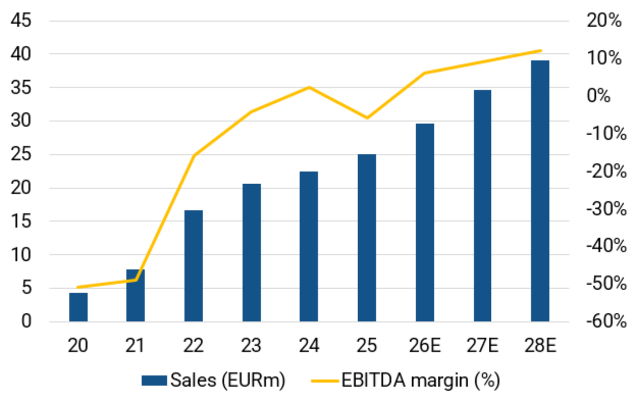
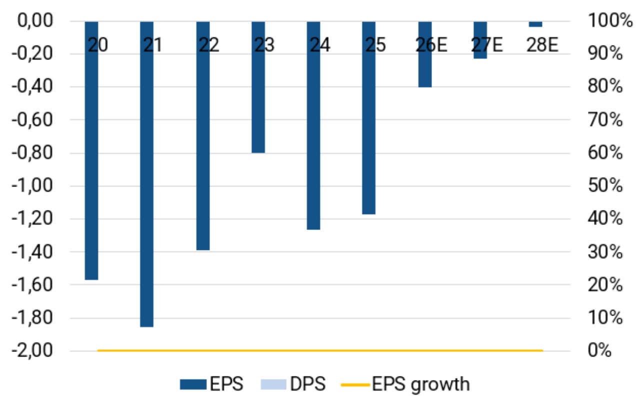
Financials in six charts

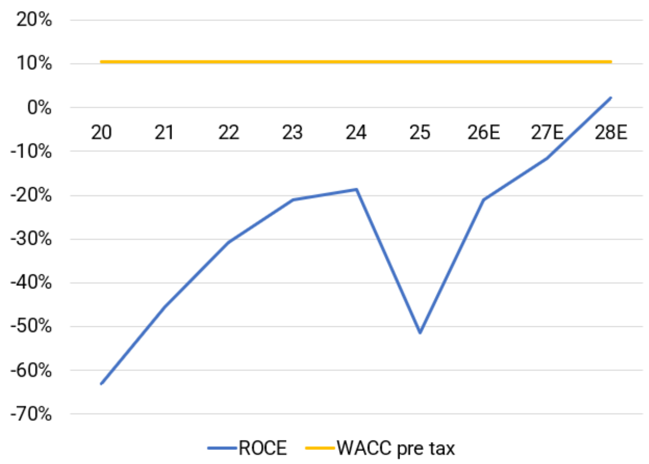
Sales vs. EBITDA margin development



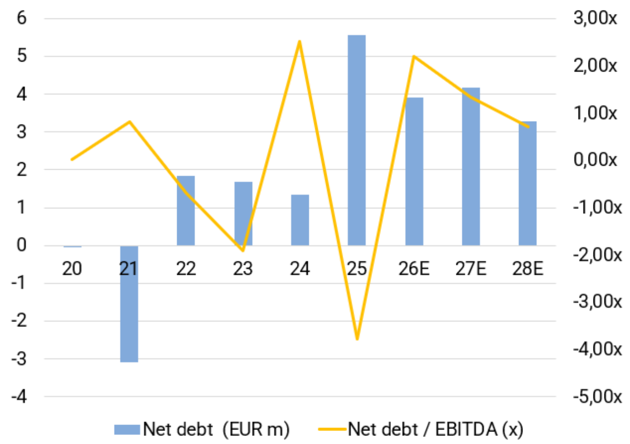
EPS, DPS in EUR & yoy EPS growth



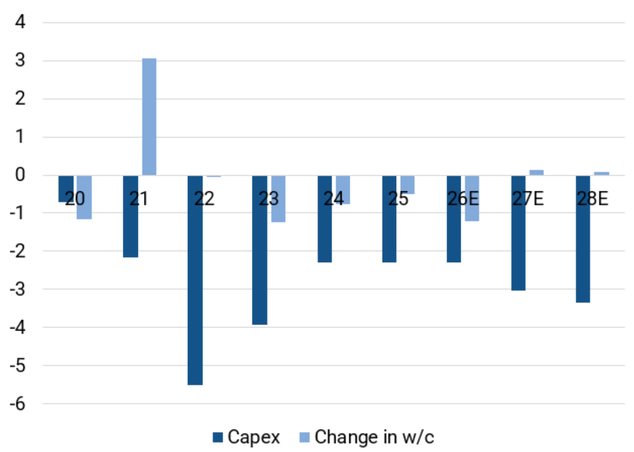
ROCE vs. WACC (pre tax)



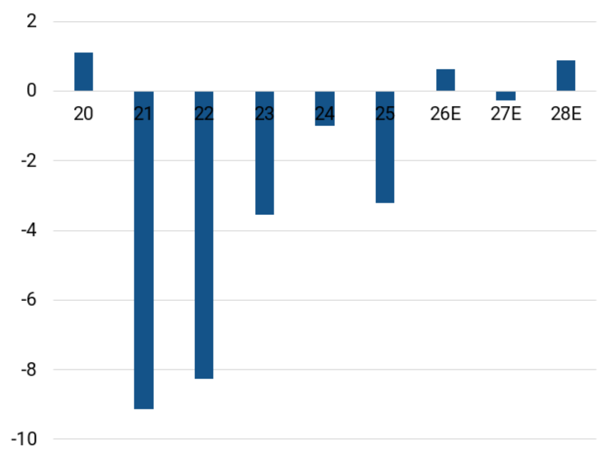
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

Profit and loss (EURm)	2023	2024	2025	2026E	2027E	2028E
Net sales	**20.6**	**22.5**	**25.0**	**29.6**	**34.6**	**39.1**
Sales growth	23.7%	9.2%	11.1%	18.2%	17.0%	13.0%
Change in finished goods and work-in-process	0.0	0.0	-0.1	0.0	0.0	0.0
Total sales	**20.6**	**22.5**	**24.9**	**29.6**	**34.6**	**39.1**
Material expenses	0.0	0.2	0.3	0.3	0.3	0.4
Gross profit	**20.6**	**22.4**	**24.6**	**29.3**	**34.2**	**38.7**
Other operating income	1.2	2.4	1.9	1.5	2.1	2.7
Personnel expenses	13.7	13.6	15.8	18.9	22.1	25.0
Other operating expenses	9.0	10.6	12.1	10.1	11.1	11.7
EBITDA	**-0.9**	**0.5**	**-1.5**	**1.8**	**3.1**	**4.7**
Depreciation	1.8	2.5	3.1	3.0	3.0	3.0
EBITA	-2.7	-2.0	-4.6	-1.2	0.1	1.7
Amortisation of goodwill and intangible assets	1.6	1.2	1.9	1.1	1.2	1.5
EBIT	**-4.3**	**-3.2**	**-6.5**	**-2.3**	**-1.1**	**0.2**
Financial result	-0.0	-0.0	-0.3	-0.4	-0.4	-0.4
Recurring pretax income from continuing operations	-4.4	-3.2	-6.7	-2.7	-1.5	-0.3
Extraordinary income/loss	0.0	-3.7	0.0	0.0	0.0	0.0
Earnings before taxes	-4.4	-6.9	-6.7	-2.7	-1.5	-0.3
Taxes	-0.4	0.1	-0.2	-0.3	-0.2	-0.0
Net income from continuing operations	-3.9	-7.0	-6.5	-2.4	-1.4	-0.2
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**-3.9**	**-7.0**	**-6.5**	**-2.4**	**-1.4**	**-0.2**
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-3.9	-7.0	-6.5	-2.4	-1.4	-0.2
Average number of shares	4.88	5.56	5.56	5.96	5.96	5.96
EPS reported	**-0.80**	**-1.26**	**-1.17**	**-0.40**	**-0.23**	**-0.04**

Profit and loss (common size)	2023	2024	2025	2026E	2027E	2028E
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%	1%	1%	1%	1%	1%
Gross profit	**100%**	**99%**	**98%**	**99%**	**99%**	**99%**
Other operating income	6%	10%	7%	5%	6%	7%
Personnel expenses	66%	60%	63%	64%	64%	64%
Other operating expenses	44%	47%	48%	34%	32%	30%
EBITDA	**-4%**	**2%**	**-6%**	**6%**	**9%**	**12%**
Depreciation	9%	11%	12%	10%	9%	8%
EBITA	-13%	-9%	-18%	-4%	0%	4%
Amortisation of goodwill and intangible assets	8%	5%	7%	4%	3%	4%
EBIT	**-21%**	**-14%**	**-26%**	**-8%**	**-3%**	**0%**
Financial result	-0%	-0%	-1%	-2%	-1%	-1%
Recurring pretax income from continuing operations	-21%	-14%	-27%	-9%	-4%	-1%
Extraordinary income/loss	0%	-17%	0%	0%	0%	0%
Earnings before taxes	-21%	-31%	-27%	-9%	-4%	-1%
Taxes	-2%	0%	-1%	-1%	-1%	-0%
Net income from continuing operations	-19%	-31%	-26%	-8%	-4%	-1%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	**-19%**	**-31%**	**-26%**	**-8%**	**-4%**	**-1%**
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	**-19%**	**-31%**	**-26%**	**-8%**	**-4%**	**-1%**

Source: Company data; mwb research

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Balance sheet (EURm)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (exl. Goodwill)	**2.6**	**3.4**	**3.4**	**3.1**	**3.2**	**2.7**
Goodwill	8.7	7.1	5.4	5.4	5.4	5.4
Property, plant and equipment	4.3	3.7	3.7	2.1	0.9	0.2
Financial assets	2.5	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	**18.1**	**14.2**	**12.5**	**10.7**	**9.5**	**8.4**
Inventories	0.0	0.3	0.2	0.2	0.3	0.3
Accounts receivable	3.0	2.8	3.2	3.2	3.8	4.3
Other current assets	0.9	2.3	0.9	0.9	0.9	0.9
Liquid assets	0.7	0.4	0.4	2.0	1.8	2.7
Deferred taxes	3.5	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.3	0.6	0.3	0.3	0.4
CURRENT ASSETS	**8.2**	**6.1**	**5.4**	**6.7**	**7.1**	**8.5**
TOTAL ASSETS	**26.3**	**20.3**	**17.8**	**17.4**	**16.6**	**16.9**
SHAREHOLDERS EQUITY	**16.4**	**11.4**	**4.8**	**3.4**	**2.1**	**1.8**
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	2.3	1.8	6.0	6.0	6.0	6.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	1.4	0.6	0.7	0.8	0.8	0.9
Non-current liabilities	**3.8**	**2.4**	**6.7**	**6.7**	**6.8**	**6.8**
short-term liabilities to banks	0.1	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.6	1.0	0.8	0.9	1.0	1.1
Advance payments received on orders	2.1	3.0	3.3	3.3	3.4	3.4
Other liabilities (incl. from lease and rental contracts)	2.2	1.6	1.5	1.6	1.7	1.8
Deferred taxes	0.2	0.2	0.0	0.0	0.0	0.0
Deferred income	0.8	0.7	0.8	1.5	1.7	2.0
Current liabilities	**6.1**	**6.6**	**6.4**	**7.3**	**7.8**	**8.3**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**26.3**	**20.3**	**17.8**	**17.4**	**16.6**	**16.9**

Balance sheet (common size)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (excl. Goodwill)	**10%**	**17%**	**19%**	**18%**	**20%**	**16%**
Goodwill	33%	35%	30%	31%	33%	32%
Property, plant and equipment	16%	18%	21%	12%	5%	1%
Financial assets	10%	0%	0%	0%	0%	0%
FIXED ASSETS	**69%**	**70%**	**70%**	**61%**	**57%**	**49%**
Inventories	0%	1%	1%	1%	2%	2%
Accounts receivable	11%	14%	18%	19%	23%	25%
Other current assets	4%	12%	5%	5%	6%	6%
Liquid assets	3%	2%	2%	12%	11%	16%
Deferred taxes	13%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	1%	3%	2%	2%	2%
CURRENT ASSETS	**31%**	**30%**	**30%**	**39%**	**43%**	**51%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**62%**	**56%**	**27%**	**20%**	**12%**	**11%**
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	9%	9%	33%	34%	36%	35%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	6%	3%	4%	4%	5%	5%
Non-current liabilities	**14%**	**12%**	**37%**	**39%**	**41%**	**40%**
short-term liabilities to banks	0%	0%	0%	0%	0%	0%
Accounts payable	2%	5%	5%	5%	6%	7%
Advance payments received on orders	8%	15%	18%	19%	20%	20%
Other liabilities (incl. from lease and rental contracts)	8%	8%	8%	9%	10%	10%
Deferred taxes	1%	1%	0%	0%	0%	0%
Deferred income	3%	4%	5%	8%	10%	12%
Current liabilities	**23%**	**32%**	**36%**	**42%**	**47%**	**49%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

Cash flow statement (EURm)	2023	2024	2025	2026E	2027E	2028E
Net profit/loss	-3.9	-7.0	-6.5	-2.4	-1.4	-0.2
Depreciation of fixed assets (incl. leases)	1.2	1.2	1.9	3.0	3.0	3.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.2	2.5	3.1	1.1	1.2	1.5
Others	-0.4	3.8	0.1	0.1	0.1	0.1
Cash flow from operations before changes in w/c	-0.9	0.5	-1.4	1.7	2.9	4.3
Increase/decrease in inventory	0.0	0.0	0.0	0.0	-0.0	-0.0
Increase/decrease in accounts receivable	-0.4	0.8	-0.4	-0.1	-0.6	-0.5
Increase/decrease in accounts payable	1.6	-0.1	-0.2	0.1	0.1	0.1
Increase/decrease in other w/c positions	0.0	0.1	1.1	1.1	0.4	0.3
Increase/decrease in working capital	1.2	0.8	0.5	1.2	-0.1	-0.1
Cash flow from operating activities	**0.4**	**1.3**	**-0.9**	**2.9**	**2.8**	**4.2**
CAPEX	-3.9	-2.3	-2.3	-2.3	-3.0	-3.3
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.2	0.1	0.2	0.0	0.0	0.0
Cash flow from investing activities	**-3.7**	**-2.2**	**-2.1**	**-2.3**	**-3.0**	**-3.3**
Cash flow before financing	-3.3	-0.9	-3.0	0.6	-0.3	0.9
Increase/decrease in debt position	0.3	-0.7	3.4	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	3.5	1.1	0.0	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	-0.2	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	**3.8**	**0.5**	**3.2**	**1.0**	**0.0**	**0.0**
Increase/decrease in liquid assets	0.4	-0.3	0.2	1.6	-0.3	0.9
Liquid assets at end of period	**0.7**	**0.4**	**0.7**	**2.3**	**2.0**	**2.9**

Source: Company data; mwb research

Regional sales split (EURm)	2023	2024	2025	2026E	2027E	2028E
Domestic	20.6	22.5	24.7	29.6	34.6	39.1
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	**20.6**	**22.5**	**25.0**	**29.6**	**34.6**	**39.1**

Regional sales split (common size)	2023	2024	2025	2026E	2027E	2028E
Domestic	100.0%	100.0%	98.8%	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

mwb research

Ratios	2023	2024	2025	2026E	2027E	2028E
Per share data						
Earnings per share reported	-0.80	-1.26	-1.17	-0.40	-0.23	-0.04
Cash flow per share	-0.29	-0.22	-0.73	-0.01	-0.04	0.21
Book value per share	3.37	2.04	0.86	0.57	0.35	0.31
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-3.1x	-2.0x	-2.1x	-6.3x	-11.1x	-66.4x
P/CF	-8.6x	-11.6x	-3.5x	-184.2x	-64.6x	12.2x
P/BV	0.7x	1.2x	2.9x	4.4x	7.3x	8.2x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-11.6%	-8.6%	-28.9%	-0.5%	-1.5%	8.2%
EV/Sales	0.8x	0.7x	0.8x	0.6x	0.6x	0.5x
EV/EBITDA	-18.8x	30.7x	-14.0x	10.7x	6.2x	3.9x
EV/EBIT	-3.9x	-5.1x	-3.2x	-8.3x	-17.7x	96.3x
Income statement (EURm)						
Sales	20.6	22.5	25.0	29.6	34.6	39.1
yoy chg in %	23.7%	9.2%	11.1%	18.2%	17.0%	13.0%
Gross profit	20.6	22.4	24.6	29.3	34.2	38.7
Gross margin in %	100.0%	99.3%	98.4%	99.0%	99.0%	99.0%
EBITDA	-0.9	0.5	-1.5	1.8	3.1	4.7
EBITDA margin in %	-4.3%	2.4%	-5.9%	6.0%	9.0%	12.0%
EBIT	-4.3	-3.2	-6.5	-2.3	-1.1	0.2
EBIT margin in %	-20.9%	-14.2%	-25.8%	-7.7%	-3.1%	0.5%
Net profit	-3.9	-7.0	-6.5	-2.4	-1.4	-0.2
Cash flow statement (EURm)						
CF from operations	0.4	1.3	-0.9	2.9	2.8	4.2
Capex	-3.9	-2.3	-2.3	-2.3	-3.0	-3.3
Maintenance Capex	1.8	2.5	3.1	3.0	3.0	3.0
Free cash flow	-3.5	-1.0	-3.2	0.6	-0.3	0.9
Balance sheet (EURm)						
Intangible assets	11.3	10.5	8.8	8.6	8.7	8.2
Tangible assets	4.3	3.7	3.7	2.1	0.9	0.2
Shareholders' equity	16.4	11.4	4.8	3.4	2.1	1.8
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	3.9	2.4	6.7	6.7	6.8	6.8
Net financial debt	1.7	1.3	5.6	3.9	4.2	3.3
w/c requirements	0.2	-1.0	-0.7	-0.8	-0.3	0.0
Ratios						
ROE	-23.8%	-61.9%	-135.8%	-70.3%	-65.6%	-12.4%
ROCE	-21.2%	-23.2%	-56.4%	-22.5%	-12.3%	2.2%
Net gearing	10.3%	11.8%	115.6%	114.8%	202.9%	179.5%
Net debt / EBITDA	-1.9x	2.5x	-3.8x	2.2x	1.3x	0.7x

Source: Company data; mwb research

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