

Performance One AG

Germany | Media | MCap EUR 5.5m

8 April 2024

UPDATE



PERFORMANCE ONE

Small capital increase;
subsidiary valued higher
than PO1

What's it all about?

Performance One (PO1) announced a small capital increase of 60,000 shares. The new shares will increase the company's share capital by c. 5.3% to EUR 1.19m and will be offered to interested investors at EUR 5.00 per share. In total, the company will receive c. EUR 300K, which will be invested in the further growth of the company. PO1's subsidiary E-Health Evolutions GmbH, which bundles the group's digital health activities such as couch:now and the mental health app Harmony, is also raising fresh funds. The subsidiary which is majority owned by PO1 (c. 72%) plans to raise up to EUR 1.2m in a public financing round and interested investors who would like to participate in this can find all information at fundernation.eu. The e-health subsidiary alone is targeted to grow to EUR 58m in sales by '27, with an EBITDA margin of over 25%, according to PO1. Taking into account the current valuation, an investment in PO1 appears to be a bargain, as E-Health Evolution alone is currently valued at c. EUR 7.2m, which is higher than PO1's EV of EUR 6.2m. The rating remains BUY with an unchanged PT of EUR 14.20.

BUY (BUY)

Target price	EUR 14.20 (14.20)
Current price	EUR 4.90
Up/downside	189.8%



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

mwb-research.com

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Performance One AG

Germany | Media | MCap EUR 5.5m | EV EUR 6.8m

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Small capital increase; subsidiary valued higher than PO1

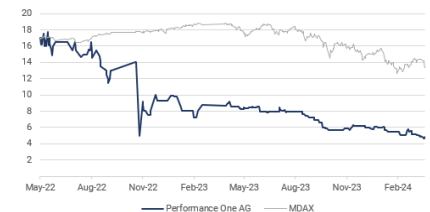
Small capital increase already half subscribed. Performance One (PO1) announced on Friday a smaller capital increase of 60,000 shares. The new shares will increase the company's share capital by c. 5.3% to EUR 1.19m. The shares will be offered to interested investors in a private placement at EUR 5.00 per share. In total, the company will receive approximately EUR 300K, which will be invested in the further growth of the company. Shortly after the announcement of the offering, PO1 received initial subscription commitments of approximately 50% of the maximum issue volume. The capital increase is thus off to a successful start.

Financing of subsidiary E-Health Evolutions continues. A few weeks ago, PO1 reported on a financing round for its subsidiary E-Health Evolutions GmbH, which is majority owned by PO1 (c. 72%). The subsidiary plans to raise up to EUR 1.2m in a public financing round. Currently, more than 130 investors have committed more than EUR 300K (partly subordinated loans, partly equity) and there are more than 70 days left to reach the funding target. Interested investors who would like to participate in this funding can find all information at fundernation.eu. The e-health subsidiary alone is targeted to grow to EUR 58m in sales by 2027, with an EBITDA margin of over 25%, according to PO1.

Conclusion. E-Health Evolutions GmbH bundles the group's digital health activities and primarily markets the up-and-running platform couch:now and the mental health app Harmony, which is about to be launched shortly. The raised capital will be used for further development (also AI-driven), strengthening of sales activities and internationalization. The current financing values the subsidiary at EUR 9.9 to 11m, which is more than the current market capitalization of the parent company PO1. For the time being, we believe it is still too early to fully incorporate expectations for e-health activities into our model, but we remain optimistic about the long-term potential. Taking into account the current valuation, an investment in PO1 appears to be a bargain, as the 72% stake in E-Health Evolution is currently valued at c. EUR 7.2m, which is higher than PO1's EV of c. EUR 6.2m. The rating remains BUY with an unchanged PT of EUR 14.20.

Performance One AG	2020	2021	2022	2023E	2024E	2025E
Sales	10.4	12.4	11.8	12.4	12.6	14.1
Growth yoy	0.7%	19.7%	-5.0%	5.2%	1.6%	11.9%
EBITDA	0.8	-1.5	-0.7	0.0	0.3	0.6
EBIT	0.6	-1.8	-1.2	-0.4	0.0	0.3
Net profit	0.4	-1.5	-1.0	-0.3	0.0	0.3
Net debt (net cash)	-0.7	1.1	1.2	0.7	0.6	0.1
Net debt/EBITDA	-0.9x	-0.7x	-1.6x	23.3x	1.7x	0.2x
EPS reported	7.20	-2.16	-0.96	-0.27	0.00	0.23
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	66.6%	65.0%	63.6%	65.2%	64.8%	65.3%
EBITDA margin	7.6%	-12.3%	-6.3%	0.3%	2.7%	4.5%
EBIT margin	6.2%	-14.6%	-10.3%	-3.0%	0.0%	2.2%
ROCE	25.6%	-94.2%	-44.6%	-15.5%	0.0%	11.5%
EV/Sales	0.5x	0.5x	0.6x	0.5x	0.5x	0.4x
EV/EBITDA	6.1x	-4.3x	-9.0x	202.2x	18.0x	8.9x
EV/EBIT	7.5x	-3.7x	-5.6x	-17.1x	10,841.1x	18.0x
PER	0.7x	-2.3x	-5.1x	-17.9x	11,606.9x	20.9x

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 9.28 / 4.50
Price/Book Ratio 8.8x

Ticker / Symbols

ISIN DE000A12UMB1
WKN A12UMB
Bloomberg PO1:GR

Changes in estimates

		Sales	EBIT	EPS
2023E	old	12.4	-0.4	-0.27
	Δ	0.0%	na%	na%
2024E	old	12.6	0.0	0.00
	Δ	0.0%	0.0%	0.0%
2025E	old	14.1	0.3	0.23
	Δ	0.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs) 1.13
Book value per share: (in EUR) 0.56
Ø trading vol.: (12 months) 400

Major shareholders

Management 35.0%
Supervisory Board 26.5%
MuM Industrieb. 21.0%
Free Float 10.4%

Company description

Performance One AG is a German-based digital solutions provider. Its products and solutions are data and artificial intelligence (AI) driven, that help in digitalizing marketing and sales strategies. In its new business activities, Performance One offers data analysis services and develops business intelligence software called BIGNITE as well as an online platform for psychological self-therapy named couch:now.

The following table displays the half-year performance of **Performance One AG**:

P&L data	H2 2019	H1 2020	H2 2020	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023
Sales	5.1	5.0	5.4	5.3	7.1	5.9	5.9	5.8
yoy growth in %	na%	-3.1%	4.5%	6.2%	32.3%	11.5%	-17.1%	-1.3%
Gross profit	3.0	3.1	3.4	3.1	4.1	3.2	3.4	3.2
Gross margin in %	57.6%	61.9%	62.6%	58.9%	57.7%	55.1%	58.0%	55.1%
EBITDA	0.4	0.4	0.4	-0.4	-1.1	-0.9	0.2	-0.0
EBITDA margin in %	7.1%	7.2%	7.9%	-8.2%	-15.3%	-15.8%	3.4%	-0.3%
EBIT	0.3	0.3	0.3	-0.6	-1.2	-1.2	-0.0	-0.3
EBIT margin in %	6.7%	6.4%	6.0%	-10.6%	-17.5%	-20.1%	-0.3%	-4.3%
EBT	0.2	0.3	0.3	-0.6	-1.3	-1.2	1.0	-0.3
taxes paid	0.1	0.1	0.1	0.1	-0.3	0.0	0.0	0.0
tax rate in %	48.9%	35.7%	33.2%	-12.4%	22.5%	-2.0%	1.5%	-6.0%
net profit	0.2	0.2	0.2	-0.6	-1.0	-1.2	-0.1	-0.3
yoy growth in %	na%	-10.4%	-6.9%	-6.9%	na%	na%	na%	na%
EPS	0.20	0.20	0.21	-0.64	-2.25	-1.03	0.01	-0.24

Source: Company data; mwb research

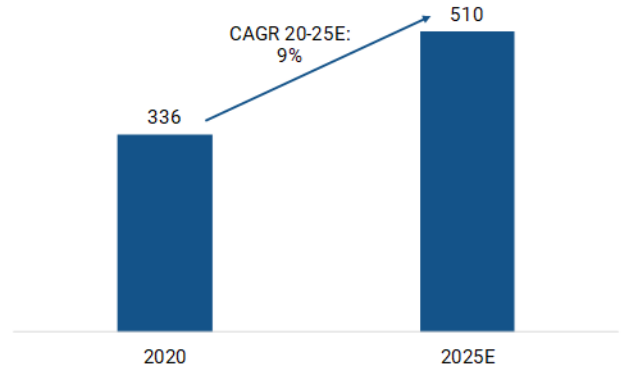
Investment case in six charts

E-mental-health platform: couch:now

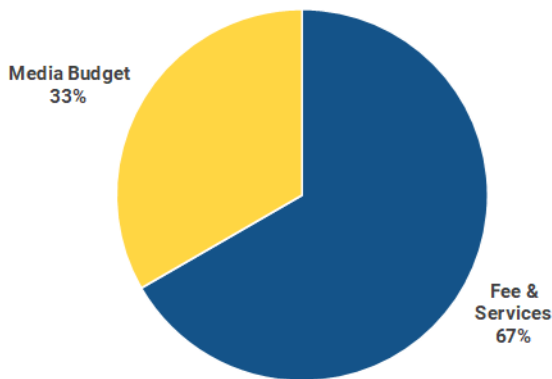


Global digital marketing spending

(in USD bn)



Sales split in % in 2021



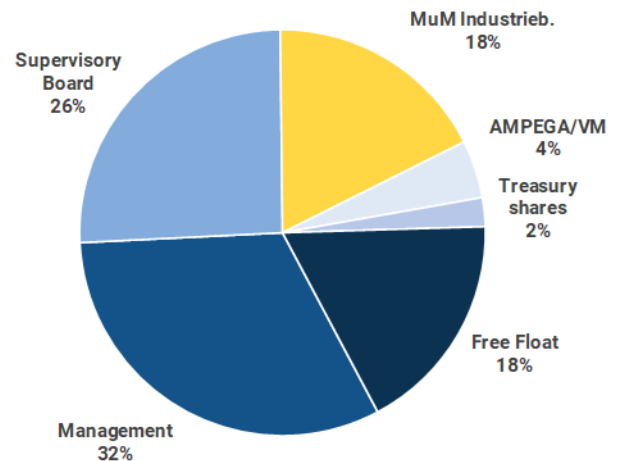
couch:now content created by >40 experts



Serving more than 150 well-known customers



Major shareholder



Source: Company data, mwb research

SWOT analysis

Strengths

- Proven track-record with well-known Blue-Chip clients (>150 clients)
- Balanced client portfolio across several industries
- Experienced management team
- Management and workforce are incentivized via share program
- Agility and flexibility due to a lean organizational structure and a generally asset light business model
- BIGNITE is the USP-service which is being rolled-out
- couch:now is a strongly scalable B2C business model
- Revenue streams become more diversified and less cyclical due to implemented SaaS business model - increasing share of recurring revenues

Weaknesses

- As of now, fees and service revenues from Digital Services represent almost 100% of sales and are mostly project based which occurs with several risk factors
- Sales of digital services are partly performance and success-dependent
- High fixed cost base due to labor costs
- Steady need of technical innovation / development and hence IT costs

Opportunities

- Offered AI-driven Software-as-a-Service (SaaS) should meet market requirements of steady data analysis to derive fast management decision
- High sales growth opportunities with existing and new customers
- SaaS model is appealing and interesting for smaller customers, due to lower ramp-up costs and reduced integration barriers
- Growing demand for digital solutions in all industries
- Successful approval of couch:now by The Federal Institute for Drugs and Medical Devices enables reimbursement at health insurances

Threats

- Marketing budgets are among the first to be cut in times of economic downturn
- Fight for talents in field of IT and marketing
- Copycats: Digital players could try to adopt the business model
- Overall high market rivalry due to broad competition – fragmented market

Marketing often only works via strong platforms such as google, facebook and amazon, which are known to have a strong market position

Valuation

DCF Model

The DCF model results in a **fair value of EUR 14.28 per share**:

Top-line growth: We expect Performance One AG to grow revenues at a CAGR of 7.9% between 2023E and 2030E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from -15.5% in 2023E to 18.2% in 2030E.

WACC. Starting point is a historical equity beta of 1.50. Unlevering and correcting for mean reversion yields an asset beta of 1.13. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 13.9%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 1.0 this results in a long-term WACC of 8.8%.

DCF (EURm) (except per share data and beta)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	-0.3	0.0	0.3	0.7	1.0	1.2	1.3	1.4	
Depreciation & amortization	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	
Change in working capital	0.4	0.1	0.1	0.1	0.1	0.1	0.0	0.0	
Chg. in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Capex	-0.2	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	
Cash flow	0.3	0.1	0.4	0.7	1.1	1.3	1.3	1.4	21.2
Present value	0.3	0.1	0.3	0.6	0.8	0.8	0.8	0.8	12.0
WACC	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	8.8%

DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	16.4	Planning horizon avg. revenue growth (2023E-2030E)	7.9%
Mid-year adj. total present value	17.2	Terminal value growth (2030E - infinity)	2.0%
Net debt / cash at start of year	1.2	Terminal year ROCE	18.2%
Financial assets	0.2	Terminal year WACC	8.8%
Provisions and off b/s debt	na		
Equity value	16.2	Terminal WACC derived from	
No. of shares outstanding	1.1	Cost of borrowing (before taxes)	5.0%
		Long-term tax rate	25.0%
		Equity beta	1.50
		Unlevered beta (industry or company)	1.13
		Target debt / equity	1.0
		Relevered beta	1.98
		Risk-free rate	2.0%
		Equity risk premium	6.0%
		Cost of equity	13.9%

Discounted cash flow / share	14.28
upside/(downside)	191.4%

Share price	4.90
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Sensitivity analysis DCF							
Change in WACC (%-points)	Long term growth					Share of present value	
	1.0%	1.5%	2.0%	2.5%	3.0%		
2.0%	9.7	10.1	10.6	11.1	11.6	2023E-2026E	8.1%
1.0%	11.1	11.6	12.2	12.9	13.6	2027E-2030E	18.9%
0.0%	12.8	13.5	14.3	15.2	16.3	terminal value	73.0%
-1.0%	15.0	15.9	17.1	18.5	20.1		
-2.0%	17.9	19.4	21.1	23.2	25.9		

Source: mwb research

FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

The adjusted Free Cash Flow Yield results in a fair value between EUR 0.18 per share based on 2023E and EUR 18.46 per share on 2027E 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	2023E	2024E	2025E	2026E	2027E
EBITDA	0.0	0.3	0.6	1.1	1.5
- Maintenance capex	0.0	0.0	0.0	0.0	0.0
- Minorities	-0.1	0.0	0.1	0.1	0.2
- tax expenses	0.0	-0.0	-0.0	-0.0	-0.0
= Adjusted FCF	0.1	0.3	0.6	1.0	1.3
Actual Market Cap	5.5	5.5	5.5	5.5	5.5
+ Net debt (cash)	0.7	0.6	0.1	-0.8	-2.1
+ 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	0.2	0.2	0.2	0.2	0.2
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	0.6	0.4	-0.1	-0.9	-2.2
= Actual EV'	6.1	6.0	5.5	4.6	3.3
Adjusted FCF yield	0.9%	5.7%	10.7%	21.1%	39.5%
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	0.8	4.9	8.4	13.9	18.6
- <i>EV Reconciliations</i>	0.6	0.4	-0.1	-0.9	-2.2
Fair Market Cap	0.2	4.4	8.4	14.8	20.9
No. of shares (million)	1.1	1.1	1.1	1.1	1.1
Fair value per share in EUR	0.18	3.93	7.47	13.08	18.46
Premium (-) / discount (+)	-96.4%	-19.8%	52.4%	167.0%	276.7%

Sensitivity analysis FV						
	5.0%	0.4	5.6	10.4	18.0	25.0
Adjusted hurdle rate	6.0%	0.3	4.6	8.7	15.1	21.2
	7.0%	0.2	3.9	7.5	13.1	18.5
	8.0%	0.1	3.4	6.5	11.6	16.4
	9.0%	0.0	3.0	5.8	10.4	14.8

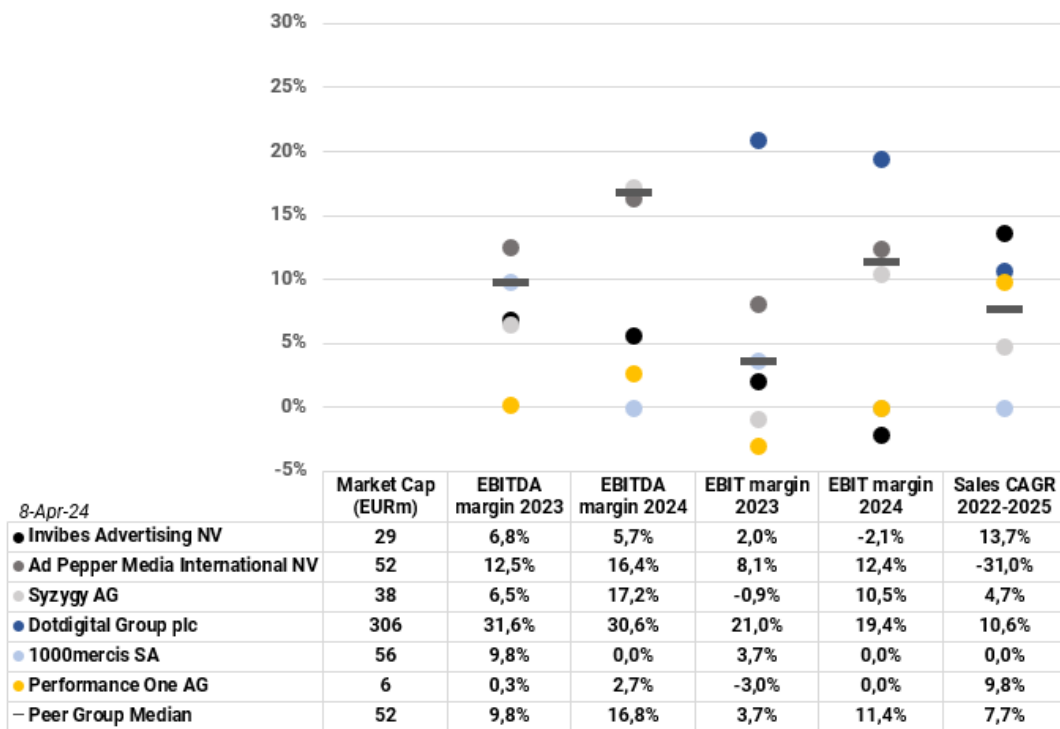
Source: Company data; mwb research

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.**

Peer group analysis

A peer group or comparable company (“comps”) analysis is a methodology that calculates a company’s relative value – how much it should be worth based on how it compares to other similar companies. Given that **Performance One AG** differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a support for other valuation methods. The peer group of Performance One AG consists of the stocks displayed in the chart below. As of 8 April 2024 the median market cap of the peer group was EUR 52.4m, compared to EUR 5.5m for Performance One AG. In the period under review, the peer group was more profitable than Performance One AG. The expectations for sales growth are lower for the peer group than for Performance One AG.

Peer Group – Key data

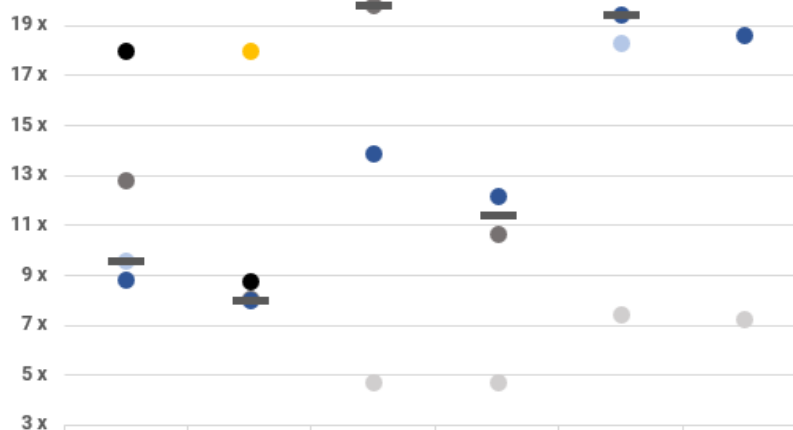


Source: AlphaSense, mwb research

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2023, EV/EBITDA 2024, EV/EBIT 2023, EV/EBIT 2024, P/E 2023 and P/E 2024.

Applying these to Performance One AG results in a range of fair values from EUR na to EUR 1.78.

Peer Group – Multiples and valuation



8-Apr-24

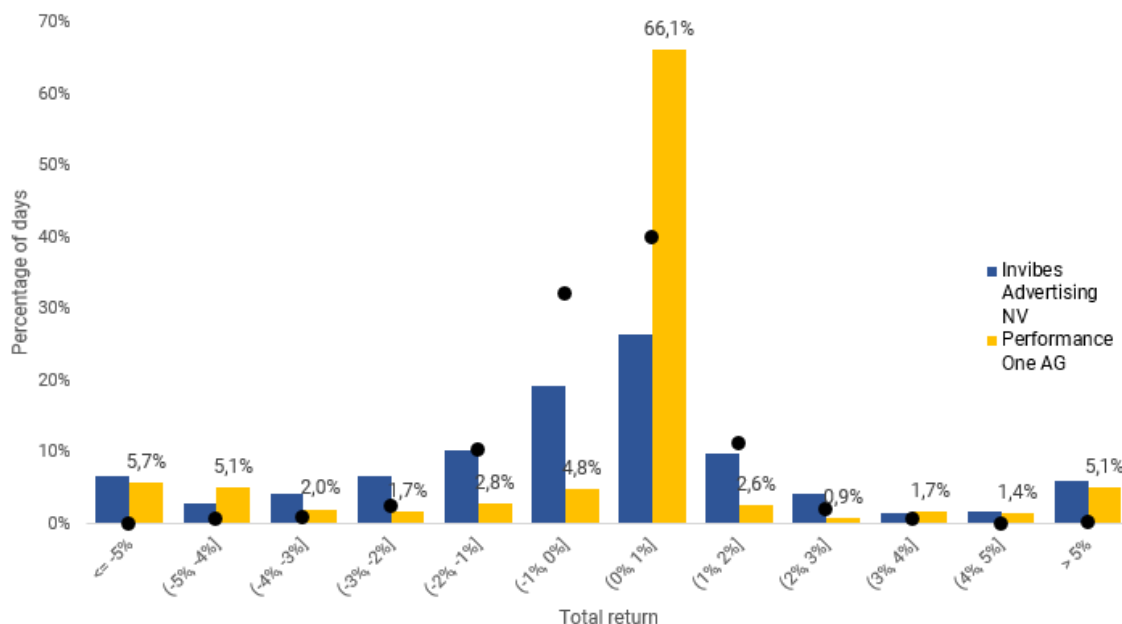
	EV/EBITDA 2023	EV/EBITDA 2024	EV/EBIT 2023	EV/EBIT 2024	P/E 2023	P/E 2024
● Invibes Advertising NV	18,0x	8,8x	9999,0x	42,7x	9999,0x	220,0x
● Ad Pepper Media International NV	12,8x	8,1x	19,8x	10,7x	61,0x	25,1x
● Syzygy AG	2,9x	2,8x	4,7x	4,7x	7,4x	7,2x
● Dotdigital Group plc	8,8x	8,0x	13,9x	12,2x	19,5x	18,6x
● 1000mercis SA	9,6x	0,0x	25,5x	0,0x	18,3x	0,0x
● Performance One AG	202,2x	18,0x	-17,1x	10841,1x	-17,9x	11606,9x
– Peer Group Median	9,6x	8,0x	19,8x	11,4x	19,5x	21,9x
Fair Value (EUR)	-0,37	1,78	-7,05	-0,63	-5,32	0,01

Source: AlphaSense, mwb research

Risk

The chart displays the **distribution of daily returns of Performance One AG** over the last 3 years, compared to the same distribution for Invibes Advertising NV. We have also included the distribution for the index DAX. The distribution gives a better understanding of risk than measures like volatility, which assume that log returns are normally distributed. In reality, they are skewed (down moves are larger) and have fat tails (large moves occur more often than predicted). Also, volatility treats up and down moves the same, while investors are more worried about down moves. For Performance One AG, the worst day during the past 3 years was 11/11/2022 with a share price decline of -64.3%. The best day was 15/11/2022 when the share price increased by 60.0%.

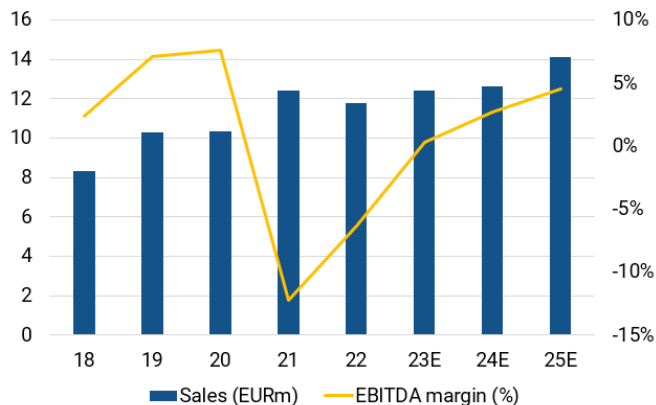
Risk – Daily Returns Distribution (trailing 3 years)



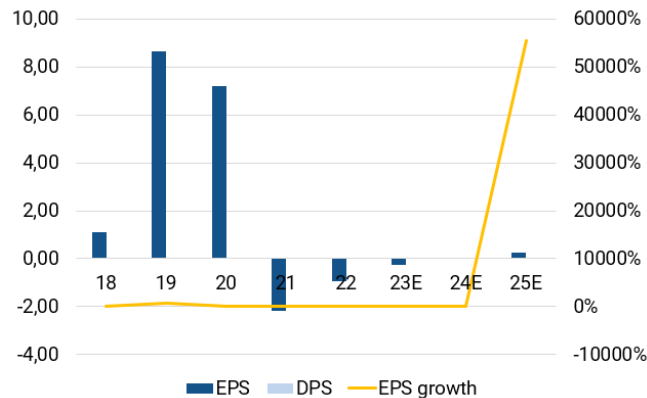
Source: AlphaSense, mwb research

Financials in six charts

Sales vs. EBITDA margin development



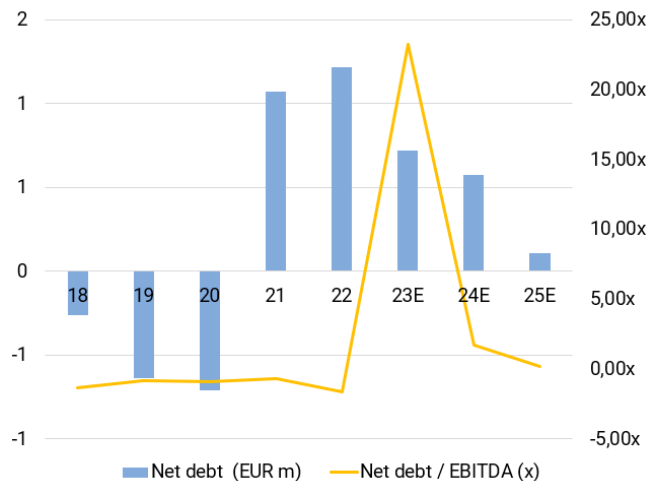
EPS, DPS in EUR & yoy EPS growth



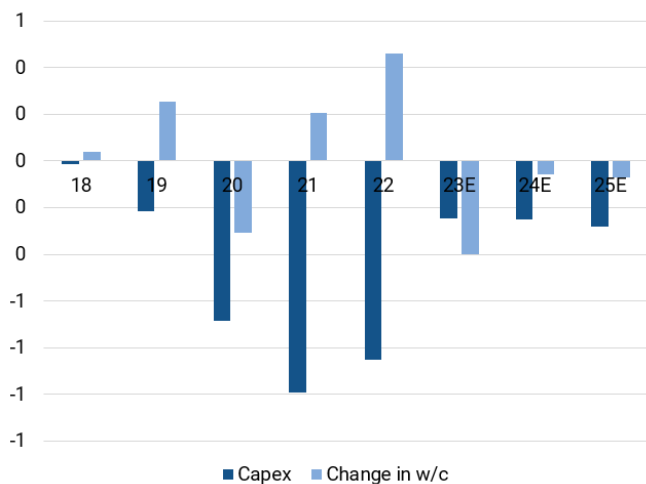
ROCE vs. WACC (pre tax)



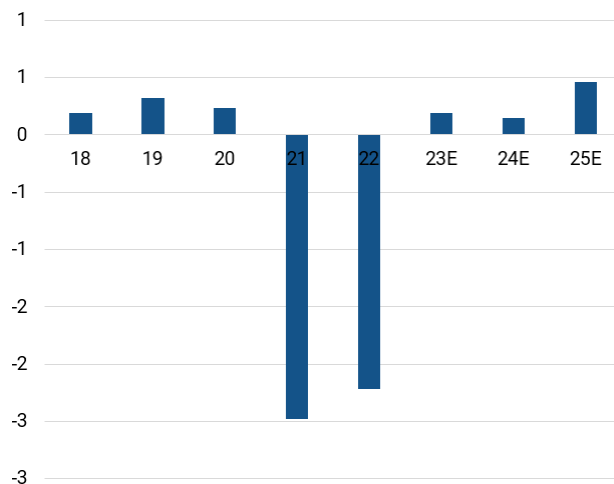
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

Profit and loss (EURm)	2020	2021	2022	2023E	2024E	2025E
Net sales	10.4	12.4	11.8	12.4	12.6	14.1
Sales growth	0.7%	19.7%	-5.0%	5.2%	1.6%	11.9%
Change in finished goods and work-in-process	0.4	0.8	0.8	0.8	0.9	1.0
Total sales	10.8	13.2	12.6	13.2	13.5	15.1
Material expenses	3.9	5.2	5.1	5.2	5.3	5.9
Gross profit	6.9	8.1	7.5	8.1	8.2	9.2
Other operating income	0.1	0.1	0.2	0.0	-0.1	0.0
Personnel expenses	4.4	6.0	5.9	5.5	5.5	5.9
Other operating expenses	1.8	3.7	2.5	2.6	2.2	2.7
EBITDA	0.8	-1.5	-0.7	0.0	0.3	0.6
Depreciation	0.1	0.1	0.2	0.0	0.0	0.0
EBITA	0.7	-1.7	-1.0	-0.0	0.3	0.6
Amortisation of goodwill and intangible assets	0.1	0.1	0.2	0.4	0.3	0.3
EBIT	0.6	-1.8	-1.2	-0.4	0.0	0.3
Financial result	-0.0	-0.0	-0.0	0.0	0.0	0.0
Recurring pretax income from continuing operations	0.6	-1.8	-1.2	-0.4	0.0	0.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	0.6	-1.8	-1.2	-0.4	0.0	0.3
Taxes	0.2	-0.2	0.0	0.0	-0.0	-0.0
Net income from continuing operations	0.4	-1.6	-1.3	-0.4	0.0	0.3
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.4	-1.6	-1.3	-0.4	0.0	0.3
Minority interest	-0.0	0.1	0.2	0.1	-0.0	-0.1
Net profit (reported)	0.4	-1.5	-1.0	-0.3	0.0	0.3
Average number of shares	0.05	0.71	1.09	1.13	1.13	1.13
EPS reported	7.20	-2.16	-0.96	-0.27	0.00	0.23

Profit and loss (common size)	2020	2021	2022	2023E	2024E	2025E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	4%	7%	7%	7%	7%	7%
Total sales	104%	107%	107%	107%	107%	107%
Material expenses	38%	42%	43%	42%	42%	42%
Gross profit	67%	65%	64%	65%	65%	65%
Other operating income	1%	1%	2%	0%	-1%	0%
Personnel expenses	43%	48%	50%	44%	44%	42%
Other operating expenses	17%	30%	22%	21%	18%	19%
EBITDA	8%	-12%	-6%	0%	3%	5%
Depreciation	1%	1%	2%	0%	0%	0%
EBITA	7%	-13%	-8%	-0%	3%	5%
Amortisation of goodwill and intangible assets	1%	1%	2%	3%	3%	2%
EBIT	6%	-15%	-10%	-3%	0%	2%
Financial result	-0%	-0%	-0%	0%	0%	0%
Recurring pretax income from continuing operations	6%	-15%	-11%	-3%	0%	2%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	6%	-15%	-11%	-3%	0%	2%
Taxes	2%	-2%	0%	0%	-0%	-0%
Net income from continuing operations	4%	-13%	-11%	-3%	0%	2%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	4%	-13%	-11%	-3%	0%	2%
Minority interest	-0%	1%	2%	1%	-0%	-0%
Net profit (reported)	4%	-12%	-9%	-2%	0%	2%

Source: Company data; mwb research

Balance sheet (EURm)	2020	2021	2022	2023E
Intangible assets (excl. Goodwill)	0.7	1.4	1.8	1.7
Goodwill	0.1	0.1	0.1	0.1
Property, plant and equipment	0.0	0.1	0.0	0.0
Financial assets	0.0	0.2	0.2	0.2
FIXED ASSETS	0.8	1.7	2.1	1.9
Inventories	0.0	0.0	0.0	0.0
Accounts receivable	1.3	1.8	1.7	1.5
Other current assets	0.0	0.1	0.2	0.2
Liquid assets	1.4	0.6	0.7	1.1
Deferred taxes	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.1	0.1	0.1
CURRENT ASSETS	2.8	2.6	2.6	2.9
TOTAL ASSETS	3.6	4.3	4.7	4.9
SHAREHOLDERS EQUITY	1.5	-0.1	0.6	0.2
MINORITY INTEREST	0.0	0.0	0.0	0.0
Long-term debt	0.6	1.5	1.9	1.9
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0
Other provisions	0.3	0.3	0.2	0.2
Non-current liabilities	0.9	1.8	2.1	2.1
short-term liabilities to banks	0.1	0.1	0.0	0.0
Accounts payable	0.6	1.5	1.2	1.5
Advance payments received on orders	0.0	0.3	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.3	0.5	0.5	0.5
Deferred taxes	0.2	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0
Current liabilities	1.3	2.4	1.8	2.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	3.6	4.2	4.5	4.3

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	20%	32%	38%	35%	33%	29%
Goodwill	2%	2%	2%	2%	2%	1%
Property, plant and equipment	1%	1%	1%	0%	0%	0%
Financial assets	1%	4%	3%	3%	3%	3%
FIXED ASSETS	23%	39%	44%	40%	38%	33%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	36%	42%	36%	31%	30%	29%
Other current assets	1%	3%	4%	4%	4%	4%
Liquid assets	39%	13%	14%	23%	26%	32%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	1%	2%	2%	2%	2%	2%
CURRENT ASSETS	77%	61%	56%	60%	62%	67%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	41%	-2%	13%	5%	5%	10%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	16%	34%	40%	38%	38%	34%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	8%	8%	5%	5%	5%	5%
Non-current liabilities	24%	42%	44%	43%	43%	39%
short-term liabilities to banks	3%	3%	0%	0%	0%	0%
Accounts payable	18%	34%	25%	30%	31%	30%
Advance payments received on orders	0%	7%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	9%	12%	11%	10%	10%	10%
Deferred taxes	5%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	35%	56%	37%	40%	41%	41%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	101%	97%	95%	89%	89%	90%

Source: Company data; mwb research

Cash flow statement (EURm)	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	0.4	-1.6	-1.3	-0.4	0.0	0.3
Depreciation of fixed assets (incl. leases)	0.1	0.3	0.4	0.0	0.0	0.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.4	0.3	0.3
Others	0.0	0.0	-0.1	0.0	0.0	0.0
Cash flow from operations before changes in w/c	0.6	-1.3	-0.9	0.0	0.3	0.7
Increase/decrease in inventory	0.2	-0.7	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.0	-0.7	0.2	0.2	0.0	-0.1
Increase/decrease in accounts payable	0.0	1.2	-0.3	0.3	0.0	0.2
Increase/decrease in other w/c positions	0.0	0.0	-0.3	-0.0	0.0	0.0
Increase/decrease in working capital	0.3	-0.2	-0.5	0.4	0.1	0.1
Cash flow from operating activities	0.9	-1.5	-1.4	0.4	0.4	0.7
CAPEX	-0.7	-1.0	-0.9	-0.2	-0.3	-0.3
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	-0.1	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-0.7	-1.0	-0.9	-0.2	-0.3	-0.3
Cash flow before financing	-0.3	-2.5	-2.2	0.2	0.1	0.5
Increase/decrease in debt position	0.5	1.0	1.5	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	2.0	0.3	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	-1.2	0.0	0.0	0.0
Cash flow from financing activities	0.4	1.0	2.3	0.3	0.0	0.0
Increase/decrease in liquid assets	0.7	-1.5	0.1	0.5	0.1	0.5
Liquid assets at end of period	1.5	-0.1	0.0	0.5	0.7	1.1

Source: Company data; mwb research

Regional sales split (EURm)	2020	2021	2022	2023E	2024E	2025E
Domestic	10.4	12.4	11.8	12.4	12.6	14.1
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	10.4	12.4	11.8	12.4	12.6	14.1

Regional sales split (common size)	2020	2021	2022	2023E	2024E	2025E
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	2020	2021	2022	2023E	2024E	2025E
Per share data						
Earnings per share reported	7.20	-2.16	-0.96	-0.27	0.00	0.23
Cash flow per share	16.94	-2.11	-1.25	0.36	0.35	0.66
Book value per share	27.47	-0.10	0.56	0.20	0.20	0.49
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	0.7x	-2.3x	-5.1x	-17.9x	11,606.9x	20.9x
P/CF	0.3x	-2.3x	-3.9x	13.8x	13.9x	7.4x
P/BV	0.2x	-49.2x	8.8x	24.0x	24.0x	10.0x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	345.7%	-43.1%	-25.4%	7.3%	7.2%	13.4%
EV/Sales	0.5x	0.5x	0.6x	0.5x	0.5x	0.4x
EV/EBITDA	6.1x	-4.3x	-9.0x	202.2x	18.0x	8.9x
EV/EBIT	7.5x	-3.7x	-5.6x	-17.1x	10,841.1x	18.0x
Income statement (EURm)						
Sales	10.4	12.4	11.8	12.4	12.6	14.1
yoy chg in %	0.7%	19.7%	-5.0%	5.2%	1.6%	11.9%
Gross profit	6.9	8.1	7.5	8.1	8.2	9.2
Gross margin in %	66.6%	65.0%	63.6%	65.2%	64.8%	65.3%
EBITDA	0.8	-1.5	-0.7	0.0	0.3	0.6
EBITDA margin in %	7.6%	-12.3%	-6.3%	0.3%	2.7%	4.5%
EBIT	0.6	-1.8	-1.2	-0.4	0.0	0.3
EBIT margin in %	6.2%	-14.6%	-10.3%	-3.0%	0.0%	2.2%
Net profit	0.4	-1.5	-1.0	-0.3	0.0	0.3
Cash flow statement (EURm)						
CF from operations	0.9	-1.5	-1.4	0.4	0.4	0.7
Capex	-0.7	-1.0	-0.9	-0.2	-0.3	-0.3
Maintenance Capex	0.0	0.0	0.0	0.0	0.0	0.0
Free cash flow	0.2	-2.5	-2.2	0.2	0.1	0.5
Balance sheet (EURm)						
Intangible assets	0.8	1.5	1.9	1.8	1.7	1.7
Tangible assets	0.0	0.1	0.0	0.0	0.0	0.0
Shareholders' equity	1.5	-0.1	0.6	0.2	0.2	0.6
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	1.0	2.0	2.1	2.1	2.1	2.1
Net financial debt	-0.7	1.1	1.2	0.7	0.6	0.1
w/c requirements	0.7	0.1	0.5	0.0	-0.0	-0.0
Ratios						
ROE	28.1%	2,297.6%	-210.2%	-163.4%	0.3%	58.3%
ROCE	25.6%	-94.2%	-44.6%	-15.5%	0.0%	11.5%
Net gearing	-47.5%	-1,524.4%	200.1%	312.5%	248.2%	20.0%
Net debt / EBITDA	-0.9x	-0.7x	-1.6x	23.3x	1.7x	0.2x

Source: Company data; mwb research

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