

Performance One AG

Germany | Technology | MCap EUR 3.0m

30 September 2024

UPDATE



PERFORMANCE ONE

Mental health app
harmony launched with
strong sales prospects.

What's it all about?

Performance One (PO1) has launched its new Mental Health Super App harmony on the Apple and Google App Stores, expanding its e-health offerings through its subsidiary E-Health Evolutions GmbH. The app extends beyond psychological counseling to include well-being, prevention, and features like a mental health check-up, nutrition content, and meditations. Already introduced in the B2B market, PO1 is in discussions with companies interested in using the app for employees, while consumers can access subscription plans starting at EUR 29.99. With scalable content and a realistic target of reaching 767,000 users, the e-health subsidiary aims to achieve EUR 58m in revenue and an EBITDA margin of 25% by 2027. Despite the growth potential, PO1's current market valuation does not yet reflect the value of its subsidiary. Therefore, we confirm out BUY rating and maintain a price target of EUR 14.20.

BUY (BUY)

Target price	EUR 14.20 (14.20)
Current price	EUR 2.48
Up/downside	472.6%



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Mental health app harmony launched; Remains a BUY.

'harmony' launched in app stores. Performance One (PO1) is significantly expanding its activities in the e-health sector through its subsidiary E-Health Evolutions GmbH. In addition to the already established AI-supported psychological online platform couch:now, the new 'Mental Health Super App harmony' is now available for download in the Apple and Google App Stores. The harmony app extends the previous focus on psychological counselling to well-being and prevention. Users have access to a range of additional features, including nutrition and exercise content and a score-based mental health check-up. Another key feature is a collection of meditation sessions developed in collaboration with hypnotherapists and meditation experts.

Scalable business model. The app has been launched to the B2B sales market and the company is already in promising discussions with companies interested in offering the app to their employees and harmony is now reaching out to individual consumers via the App Stores. In addition to a free version with limited features, there are currently three subscription options: 3 months for EUR 29.99, 6 months for EUR 49.99 and an annual subscription for EUR 89.99. This is a relatively low cost, especially considering that around 18m adults in Germany seek mental health support from the healthcare system each year. The e-health offerings, including the AI-powered couch:now content, are highly scalable. Most of the content has already been created, and with a successful marketing strategy, the revenue potential is enormous. According to projections, the e-health subsidiary alone could grow to EUR 58m in revenue by 2027, with an EBITDA margin of over 25%. The launch of the app aims to unlock this potential, and with around 767k users (annual subscription; at EUR 75 net per year), this revenue target would be achieved, which we believe is realistic.

Conclusion. E-Health Evolutions and harmony remain an important pillar of PO1's growth strategy and we believe PO1 is well positioned to benefit from the ongoing digitalization in the health sector. However, the current share price does not reflect this potential. In particular, the subsidiary E-Health Evolutions (in which PO1 owns about 70%) is conducting a funding round via fundernation.eu. So far, around EUR 681,000 has been committed by around 230 investors, valuing the company at around EUR 11m. This means that PO1's market capitalization of EUR 3m does not even represent the value of its subsidiary: EV EUR 11m x 70% = EUR 7.7m. Remains a BUY.

Performance One AG	2021	2022	2023	2024E	2025E	2026E
Sales	12.4	11.8	12.5	12.2	14.1	15.8
<i>Growth yoy</i>	19.7%	-5.0%	6.3%	-2.7%	15.6%	12.0%
EBITDA	-1.5	-0.7	0.1	0.3	0.6	1.0
EBIT	-1.8	-1.2	-0.5	-0.2	0.3	0.7
Net profit	-1.6	-1.3	-0.5	-0.2	0.3	0.6
Net debt (net cash)	1.1	1.2	1.0	1.5	1.0	0.4
Net debt/EBITDA	-0.7x	-1.6x	9.8x	6.0x	1.5x	0.4x
EPS reported	-2.29	-1.17	-0.42	-0.15	0.23	0.49
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	65.0%	63.6%	59.7%	63.2%	64.6%	65.6%
EBITDA margin	-12.3%	-6.3%	0.8%	2.1%	4.6%	6.5%
EBIT margin	-14.6%	-10.3%	-3.6%	-1.4%	2.3%	4.2%
ROCE	-94.2%	-44.6%	-18.9%	-7.5%	12.7%	20.4%
EV/Sales	0.3x	0.4x	0.3x	0.4x	0.3x	0.2x
EV/EBITDA	-2.6x	-5.6x	40.4x	17.7x	6.1x	3.3x
EV/EBIT	-2.2x	-3.4x	-8.6x	-26.4x	11.9x	5.0x
PER	-1.1x	-2.1x	-5.9x	-16.8x	10.7x	5.1x

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 6.85 / 2.48
Price/Book Ratio 5.1x

Ticker / Symbols

ISIN DE000A12UMB1
WKN A12UMB
Bloomberg PO1:GR

Changes in estimates

		Sales	EBIT	EPS
2024E	old	12.2	-0.2	-0.15
	Δ	0.0%	na%	na%
2025E	old	14.1	0.3	0.23
	Δ	0.0%	0.0%	0.0%
2026E	old	15.8	0.7	0.49
	Δ	0.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs) 1.19
Book value per share: (in EUR) 0.49
Ø trading vol.: (12 months) 589

Major shareholders

Management & Board 55.3%
Free Float 44.7%

Company description

Performance One AG is a digital solutions provider based in Germany. Its products and solutions are driven by data and artificial intelligence (AI) and help to digitalize 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 called couch:now and the mental health super-app 'harmony'.

E-Health Evolutions GmbH – in a nutshell.

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 super app harmony, which is about to be launched in the second half of 2024. PO1 aims to further development the AI-driven services, strengthen the sales activities and boost the internationalization.

E-Health Evolutions GmbH was founded in 2021 by three founders (PO1 holds c. 70%) with a clear vision: Everyone has a basic right to mental health. E-Health Evolutions wants to help people all over the world to reduce their mental stress and strengthen their mental immune system. To this end, the company is developing the first holistic mental health super-app and building the mental health lifestyle brand.

In 2021, the successful launch of PBaaS platform couch:now (Psychological Counseling as a Service) took place. This offering was expanded by two theme worlds in 2022 to provide proof-of-market evaluation. In 2023, the effectiveness of the method in reducing stress was scientifically proven and health insurance companies already offer couch:now to their customers and employees.

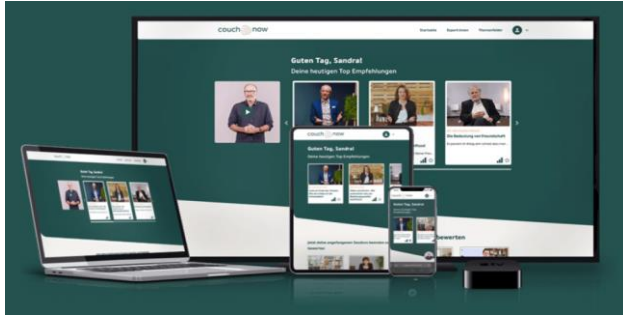
The following table displays the half-year performance of **Performance One AG**:

P&L data	H1 2020	H2 2020	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023	H2 2023
Sales	5.0	5.4	5.3	7.1	5.9	5.9	5.8	6.7
yoy growth in %	na	na	6.2%	32.3%	11.5%	-17.2%	-1.3%	13.9%
Gross profit	3.3	3.6	3.4	4.7	3.7	3.8	3.2	4.1
Gross margin in %	66.1%	67.0%	64.2%	65.6%	61.9%	65.3%	55.1%	61.2%
EBITDA	0.4	0.4	-0.4	-1.0	-0.7	0.3	0.0	0.1
EBITDA margin in %	7.2%	8.0%	-7.8%	-13.8%	-12.6%	5.5%	-0.3%	1.7%
EBIT	0.3	0.3	-0.6	-1.2	-1.2	-0.1	-0.3	-0.2
EBIT margin in %	6.4%	6.0%	-11.5%	-17.5%	-20.4%	-0.9%	-4.3%	-3.7%
EBT	0.3	0.3	-0.6	-1.3	-1.2	0.0	-0.3	-0.2
taxes paid	0.1	0.1	0.1	-0.3	0.0	0.0	0.0	0.0
tax rate in %	35.9%	33.7%	-12.5%	22.4%	-2.0%	-33.5%	-6.0%	21.4%
net profit	0.2	0.2	-0.6	-0.9	-1.1	0.0	-0.3	-0.2
yoy growth in %	na	na	na	na	na	na	na	na
EPS	0.20	0.21	-0.64	-2.25	-1.03	0.01	-0.24	-0.17

Source: Company data; mwb research

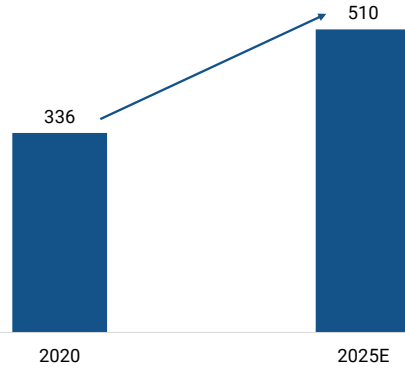
Investment case in six charts

E-mental-health platform: couch:now

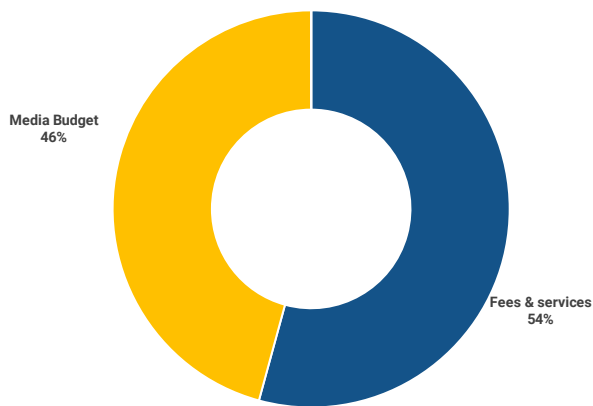


Global digital marketing spending

(in USD bn)



Segmental breakdown in %



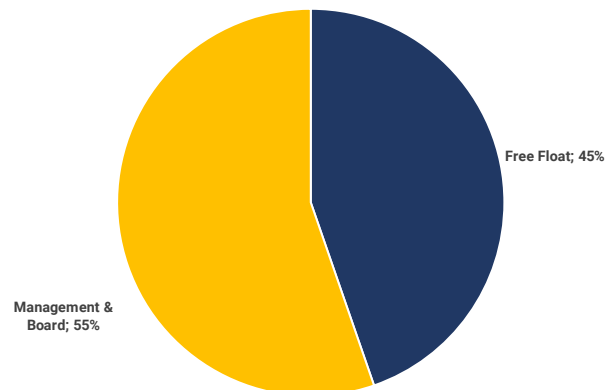
couch:now content created by >40 experts



Serving more than 150 well-known customers



Major Shareholders



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 14.17 per share**:

Top-line growth: We expect Performance One AG to grow revenues at a CAGR of 9.0% between 2024E and 2031E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from -7.5% in 2024E to 18.8% in 2031E.

WACC. Starting point is a historical equity beta of 1.70. 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 11.3%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 0.5 this results in a long-term WACC of 8.8%.

DCF (EURm) (except per share data and beta)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal value
NOPAT	-0.2	0.3	0.6	1.0	1.2	1.4	1.5	1.8	
Depreciation & amortization	0.4	0.3	0.4	0.4	0.4	0.4	0.5	0.5	
Change in working capital	-0.4	0.1	0.1	0.1	0.1	0.0	0.0	-0.0	
Chg. in long-term provisions	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Capex	-0.7	-0.5	-0.5	-0.5	-0.6	-0.6	-0.6	-0.7	
Cash flow	-0.8	0.2	0.6	0.9	1.2	1.3	1.4	1.6	24.4
Present value	-0.8	0.2	0.5	0.7	0.8	0.8	0.8	0.8	13.3
WACC	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	8.8%

DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	17.0	Planning horizon avg. revenue growth (2024E-2031E)	9.0%
Mid-year adj. total present value	17.8	Terminal value growth (2031E - infinity)	2.0%
Net debt / cash at start of year	1.0	Terminal year ROCE	18.8%
Financial assets	0.2	Terminal year WACC	8.8%
Provisions and off b/s debt	na		
Equity value	16.9	Terminal WACC derived from	
No. of shares outstanding	1.2	Cost of borrowing (before taxes)	5.0%
		Long-term tax rate	25.0%
		Equity beta	1.70
		Unlevered beta (industry or company)	1.13
		Target debt / equity	0.5
		Relevered beta	1.55
		Risk-free rate	2.0%
		Equity risk premium	6.0%
		Cost of equity	11.3%

Discounted cash flow / share	14.17
upside/(downside)	471.3%

Share price	2.48
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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%	9.3	9.7	10.2	10.7	11.3	2024E-2027E	3.2%
1.0%	10.7	11.3	11.9	12.6	13.4	2028E-2031E	18.9%
0.0%	12.6	13.3	14.2	15.2	16.3	terminal value	77.9%
-1.0%	15.0	16.0	17.2	18.7	20.4		
-2.0%	18.2	19.7	21.6	23.9	26.8		

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 1.78 per share based on 2024E and EUR 19.00 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	0.3	0.6	1.0	1.4	1.8
- Maintenance capex	0.0	0.1	0.1	0.2	0.2
- Minorities	-0.0	0.0	0.1	0.1	0.1
- tax expenses	0.0	0.0	0.0	0.0	0.0
= Adjusted FCF	0.3	0.5	0.8	1.2	1.4
Actual Market Cap	2.9	2.9	2.9	2.9	2.9
+ Net debt (cash)	1.5	1.0	0.4	-0.6	-1.9
+ 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>	1.5	1.0	0.4	-0.6	-1.9
= Actual EV'	4.4	3.9	3.3	2.3	1.0
Adjusted FCF yield	5.7%	12.8%	24.8%	51.0%	150.1%
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	3.6	7.1	11.6	16.6	20.7
- <i>EV Reconciliations</i>	1.5	1.0	0.4	-0.6	-1.9
Fair Market Cap	2.1	6.1	11.3	17.3	22.6
No. of shares (million)	1.2	1.2	1.2	1.2	1.2
Fair value per share in EUR	1.78	5.16	9.46	14.50	19.00
Premium (-) / discount (+)	-28.1%	108.1%	281.4%	484.5%	666.3%

Sensitivity analysis FV						
	5.0%	3.0	7.6	13.4	20.1	26.0
Adjusted hurdle rate	6.0%	2.3	6.2	11.1	16.8	21.9
	7.0%	1.8	5.2	9.5	14.5	19.0
	8.0%	1.4	4.4	8.2	12.8	16.8
	9.0%	1.1	3.8	7.3	11.4	15.1

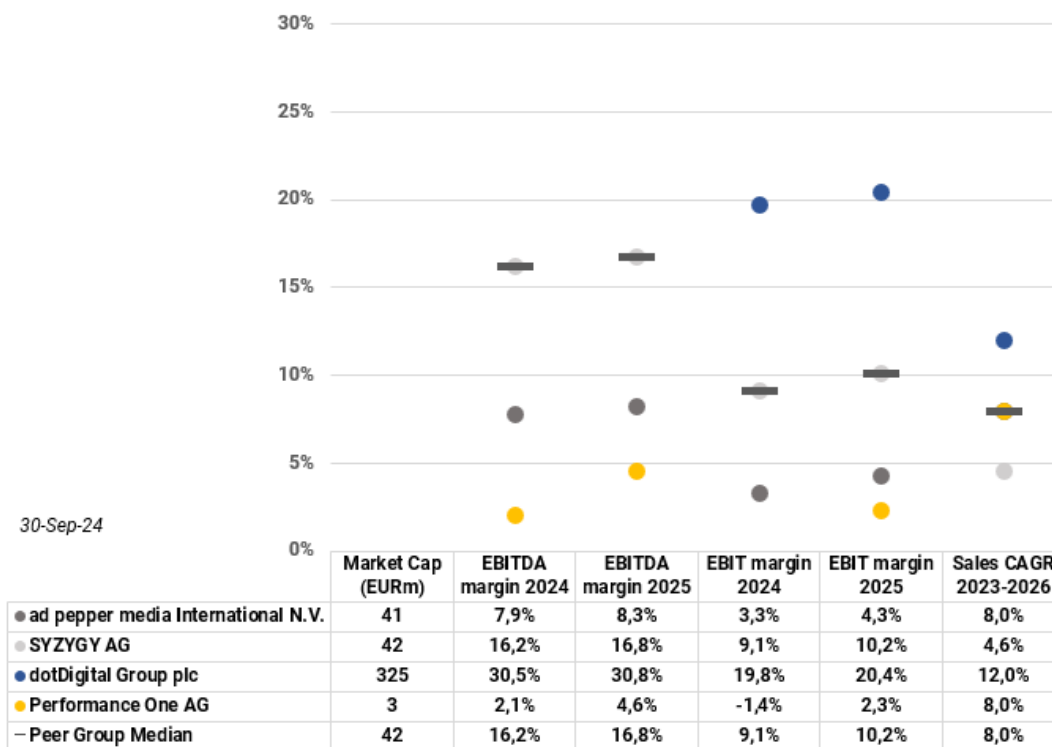
Source: Company data; mwb research

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.**

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 30 September 2024 the median market cap of the peer group was EUR 41.6m, compared to EUR 3.0m 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

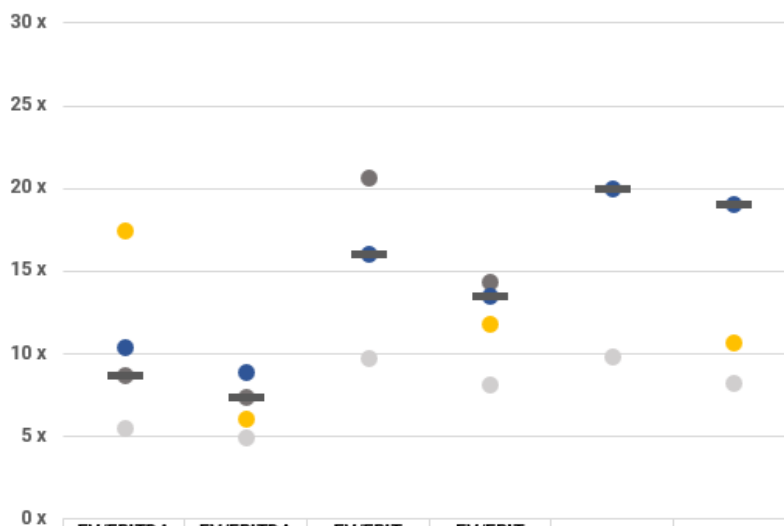


Source: FactSet, mwb research

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2024, EV/EBITDA 2025, EV/EBIT 2024, EV/EBIT 2025, P/E 2024 and P/E 2025.

Applying these to Performance One AG results in a range of fair values from EUR na to EUR 4.43.

Peer Group – Multiples and valuation



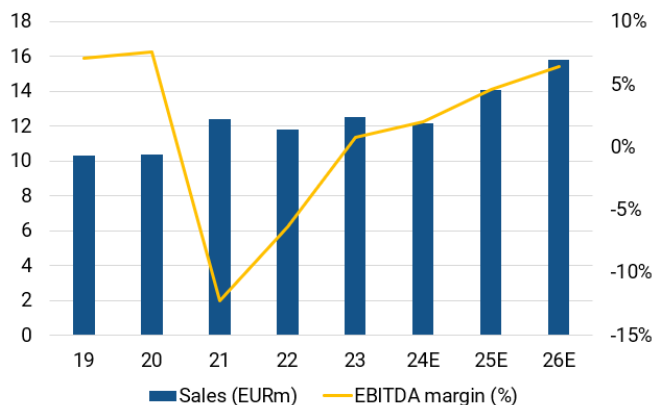
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	EV/EBITDA 2024	EV/EBITDA 2025	EV/EBIT 2024	EV/EBIT 2025	P/E 2024	P/E 2025
● ad pepper media International N.V.	8,7x	7,4x	20,6x	14,3x	175,0x	175,0x
● SYZGY AG	5,5x	4,9x	9,8x	8,2x	9,9x	8,2x
● dotDigital Group plc	10,4x	8,9x	16,0x	13,5x	20,0x	19,1x
● Performance One AG	17,5x	6,1x	-26,1x	11,8x	-16,8x	10,7x
— Peer Group Median	8,7x	7,4x	16,0x	13,5x	20,0x	19,1x
Fair Value (EUR)	0,57	2,73	-3,54	2,48	-2,95	4,43

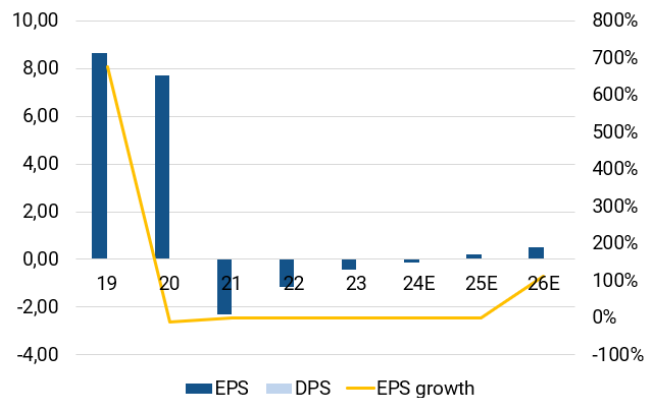
Source: FactSet, mwb research

Financials in six charts

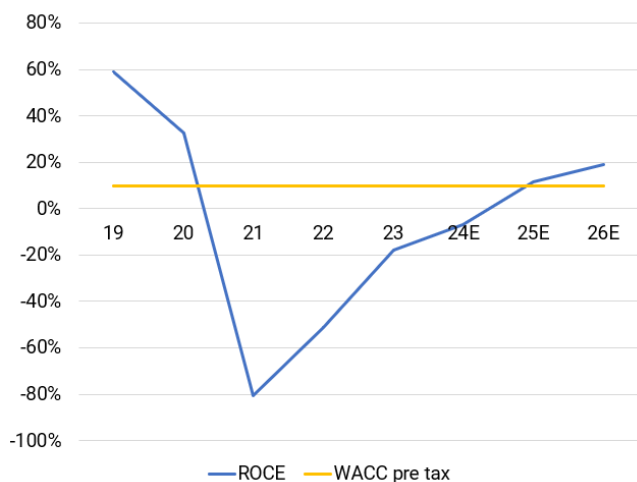
Sales vs. EBITDA margin development



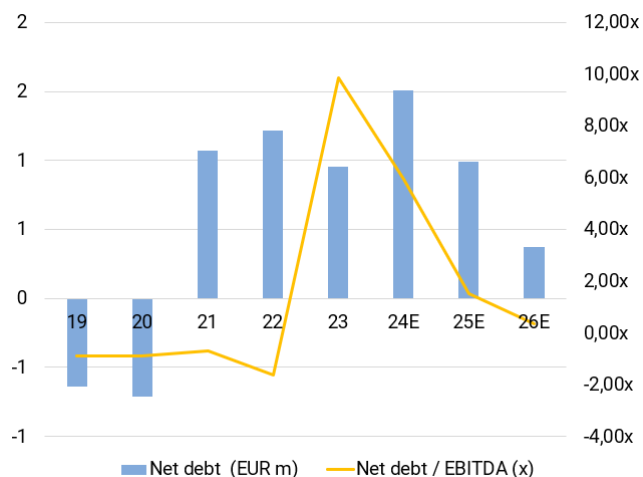
EPS, DPS in EUR & yoy EPS growth



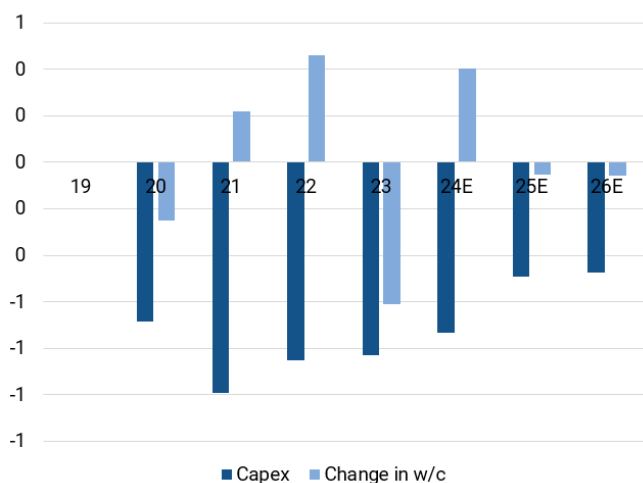
ROCE vs. WACC (pre tax)



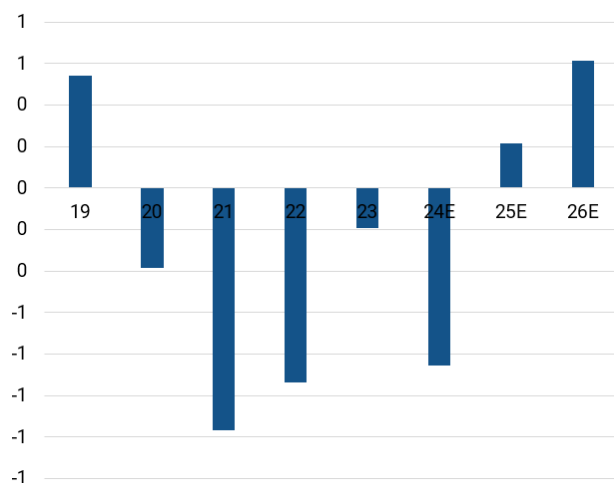
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

Profit and loss (EURm)	2021	2022	2023	2024E	2025E	2026E
Net sales	12.4	11.8	12.5	12.2	14.1	15.8
Sales growth	19.7%	-5.0%	6.3%	-2.7%	15.6%	12.0%
Change in finished goods and work-in-process	0.8	0.8	0.8	0.7	0.9	1.0
Total sales	13.2	12.6	13.3	12.9	15.0	16.8
Material expenses	5.2	5.1	5.8	5.2	5.9	6.4
Gross profit	8.1	7.5	7.5	7.7	9.1	10.4
Other operating income	0.1	0.2	0.4	0.0	0.1	0.1
Personnel expenses	6.0	5.9	5.4	5.3	5.9	6.5
Other operating expenses	3.7	2.5	2.4	2.1	2.7	2.9
EBITDA	-1.5	-0.7	0.1	0.3	0.6	1.0
Depreciation	0.1	0.2	0.3	0.0	0.1	0.1
EBITA	-1.7	-1.0	-0.2	0.2	0.5	0.9
Amortisation of goodwill and intangible assets	0.1	0.2	0.3	0.4	0.2	0.2
EBIT	-1.8	-1.2	-0.5	-0.2	0.3	0.7
Financial result	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
Recurring pretax income from continuing operations	-1.8	-1.2	-0.5	-0.2	0.3	0.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-1.8	-1.2	-0.5	-0.2	0.3	0.6
Taxes	-0.2	0.0	0.1	0.0	0.0	0.0
Net income from continuing operations	-1.6	-1.3	-0.5	-0.2	0.3	0.6
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-1.6	-1.3	-0.5	-0.2	0.3	0.6
Minority interest	0.0	0.0	0.1	0.0	-0.0	-0.1
Net profit (reported)	-1.6	-1.3	-0.5	-0.2	0.3	0.6
Average number of shares	0.71	1.09	1.13	1.19	1.19	1.19
EPS reported	-2.29	-1.17	-0.42	-0.15	0.23	0.49

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	7%	7%	6%	6%	6%	6%
Total sales	107%	107%	106%	106%	106%	106%
Material expenses	42%	43%	46%	43%	42%	41%
Gross profit	65%	64%	60%	63%	65%	66%
Other operating income	1%	2%	3%	0%	0%	1%
Personnel expenses	48%	50%	43%	44%	42%	41%
Other operating expenses	30%	22%	19%	18%	19%	19%
EBITDA	-12%	-6%	1%	2%	5%	6%
Depreciation	1%	2%	2%	0%	1%	1%
EBITA	-13%	-8%	-1%	2%	4%	6%
Amortisation of goodwill and intangible assets	1%	2%	2%	3%	1%	1%
EBIT	-15%	-10%	-4%	-1%	2%	4%
Financial result	-0%	-0%	-0%	-0%	-0%	-0%
Recurring pretax income from continuing operations	-15%	-11%	-4%	-2%	2%	4%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-15%	-11%	-4%	-2%	2%	4%
Taxes	-2%	0%	0%	0%	0%	0%
Net income from continuing operations	-13%	-11%	-4%	-2%	2%	4%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-13%	-11%	-4%	-2%	2%	4%
Minority interest	0%	0%	0%	0%	-0%	-0%
Net profit (reported)	-13%	-11%	-4%	-1%	2%	4%

Source: Company data; mwb research

Balance sheet (EURm)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	1.4	1.7	2.0	2.0	2.1	2.1
Goodwill	0.1	0.1	0.1	0.1	0.1	0.1
Property, plant and equipment	0.1	0.0	0.0	0.4	0.5	0.6
Financial assets	0.2	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	1.7	1.8	2.1	2.4	2.6	2.7
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	1.8	1.7	1.2	1.4	1.6	1.8
Other current assets	0.1	0.2	0.4	0.4	0.4	0.4
Liquid assets	0.6	0.7	0.7	0.1	0.7	1.3
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.1	0.1	0.0	0.1	0.1	0.1
CURRENT ASSETS	2.6	2.6	2.4	2.1	2.8	3.6
TOTAL ASSETS	4.3	4.5	4.5	4.6	5.4	6.3
SHAREHOLDERS EQUITY	-0.1	0.6	0.6	0.4	0.7	1.3
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	1.5	1.9	1.7	1.7	1.7	1.7
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.3	0.2	0.2	0.2	0.3	0.3
Non-current liabilities	1.8	2.1	1.8	1.9	1.9	2.0
short-term liabilities to banks	0.1	0.0	0.0	0.0	0.0	0.0
Accounts payable	1.5	1.2	1.4	1.5	1.7	1.8
Advance payments received on orders	0.3	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.5	0.5	0.7	0.5	0.6	0.6
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	2.4	1.8	2.1	2.0	2.2	2.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	4.2	4.5	4.5	4.3	4.8	5.7

Balance sheet (common size)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	32%	39%	45%	44%	38%	33%
Goodwill	2%	2%	1%	1%	1%	1%
Property, plant and equipment	1%	1%	1%	8%	9%	9%
Financial assets	4%	0%	0%	0%	0%	0%
FIXED ASSETS	39%	41%	47%	53%	48%	43%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	42%	37%	27%	32%	30%	28%
Other current assets	3%	4%	10%	10%	8%	7%
Liquid assets	13%	15%	15%	3%	12%	20%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	2%	2%	1%	2%	2%	2%
CURRENT ASSETS	61%	59%	53%	47%	52%	57%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	-2%	14%	12%	8%	12%	21%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	34%	42%	37%	36%	30%	26%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	8%	5%	4%	5%	5%	5%
Non-current liabilities	42%	47%	41%	42%	36%	31%
short-term liabilities to banks	3%	0%	0%	0%	0%	0%
Accounts payable	34%	27%	31%	33%	31%	29%
Advance payments received on orders	7%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	12%	12%	15%	11%	10%	10%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	56%	39%	47%	43%	41%	39%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	97%	100%	100%	93%	89%	91%

Source: Company data; mwb research

Cash flow statement (EURm)	2021	2022	2023	2024E	2025E	2026E
Net profit/loss	0.0	0.0	-0.5	-0.2	0.3	0.6
Depreciation of fixed assets (incl. leases)	0.0	0.4	0.6	0.0	0.1	0.1
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	0.2	0.2
Others	0.0	-0.1	0.0	0.1	0.0	0.0
Cash flow from operations before changes in w/c	0.0	0.4	0.0	0.3	0.7	1.0
Increase/decrease in inventory	-0.7	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-0.7	0.2	0.0	-0.2	-0.2	-0.2
Increase/decrease in accounts payable	1.2	-0.3	0.0	0.1	0.2	0.2
Increase/decrease in other w/c positions	0.0	-0.3	0.6	-0.3	0.1	0.1
Increase/decrease in working capital	-0.2	-0.5	0.6	-0.4	0.1	0.1
Cash flow from operating activities	-0.2	-0.1	0.6	-0.1	0.7	1.1
CAPEX	-1.0	-0.9	-0.8	-0.7	-0.5	-0.5
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	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-1.0	-0.9	-0.8	-0.7	-0.5	-0.5
Cash flow before financing	-1.2	-0.9	-0.2	-0.9	0.2	0.6
Increase/decrease in debt position	1.0	1.5	-0.2	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	2.0	0.3	0.3	0.3	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	-1.2	-0.0	0.0	0.0	0.0
Cash flow from financing activities	1.0	2.3	0.2	0.3	0.3	0.0
Increase/decrease in liquid assets	-0.2	1.4	0.0	-0.6	0.5	0.6
Liquid assets at end of period	0.6	1.9	2.0	1.4	1.9	2.6

Source: Company data; mwb research

Regional sales split (EURm)	2021	2022	2023	2024E	2025E	2026E
Domestic	12.4	11.8	0.8	0.7	0.9	1.0
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	12.4	11.8	12.5	12.2	14.1	15.8

Regional sales split (common size)	2021	2022	2023	2024E	2025E	2026E
Domestic	100.0%	100.0%	6.1%	6.1%	6.1%	6.1%
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	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	-2.29	-1.17	-0.42	-0.15	0.23	0.49
Cash flow per share	-0.25	-0.08	0.56	-0.12	0.50	0.79
Book value per share	-0.10	0.56	0.49	0.30	0.56	1.10
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-1.1x	-2.1x	-5.9x	-16.8x	10.7x	5.1x
P/CF	-10.0x	-32.3x	4.4x	-21.5x	5.0x	3.1x
P/BV	-24.9x	4.5x	5.1x	8.2x	4.4x	2.3x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-10.0%	-3.1%	22.7%	-4.7%	20.1%	32.0%
EV/Sales	0.3x	0.4x	0.3x	0.4x	0.3x	0.2x
EV/EBITDA	-2.6x	-5.6x	40.4x	17.7x	6.1x	3.3x
EV/EBIT	-2.2x	-3.4x	-8.6x	-26.4x	11.9x	5.0x
Income statement (EURm)						
Sales	12.4	11.8	12.5	12.2	14.1	15.8
yoy chg in %	19.7%	-5.0%	6.3%	-2.7%	15.6%	12.0%
Gross profit	8.1	7.5	7.5	7.7	9.1	10.4
Gross margin in %	65.0%	63.6%	59.7%	63.2%	64.6%	65.6%
EBITDA	-1.5	-0.7	0.1	0.3	0.6	1.0
EBITDA margin in %	-12.3%	-6.3%	0.8%	2.1%	4.6%	6.5%
EBIT	-1.8	-1.2	-0.5	-0.2	0.3	0.7
EBIT margin in %	-14.6%	-10.3%	-3.6%	-1.4%	2.3%	4.2%
Net profit	-1.6	-1.3	-0.5	-0.2	0.3	0.6
Cash flow statement (EURm)						
CF from operations	-0.2	-0.1	0.6	-0.1	0.7	1.1
Capex	-1.0	-0.9	-0.8	-0.7	-0.5	-0.5
Maintenance Capex	0.0	0.0	0.0	0.0	0.1	0.1
Free cash flow	-1.2	-0.9	-0.2	-0.9	0.2	0.6
Balance sheet (EURm)						
Intangible assets	1.5	1.8	2.1	2.0	2.1	2.2
Tangible assets	0.1	0.0	0.0	0.4	0.5	0.6
Shareholders' equity	-0.1	0.6	0.6	0.4	0.7	1.3
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	2.0	2.1	1.8	1.9	1.9	2.0
Net financial debt	1.1	1.2	1.0	1.5	1.0	0.4
w/c requirements	0.1	0.5	-0.2	-0.1	-0.0	-0.0
Ratios						
ROE	2,297.6%	-210.2%	-94.4%	-53.8%	45.9%	49.2%
ROCE	-94.2%	-44.6%	-18.9%	-7.5%	12.7%	20.4%
Net gearing	-1,524.4%	200.1%	171.6%	416.8%	148.6%	28.6%
Net debt / EBITDA	-0.7x	-1.6x	9.8x	6.0x	1.5x	0.4x

Source: Company data; mwb research

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