

# niiio finance Group AG

Germany | Technology | MCap EUR 26.6m

13 September 2022

UPDATE



## niiio and Temenos have agreed to cooperate; BUY confirmed after correction

### What's it all about?

niiio disclosed yesterday the cooperation between its subsidiary PATRONAS and Temenos Multifonds, which is the world's leading open platform for composable banking. The collaboration offers asset managers an integrated "best-of-breed" front to back-office solution by leveraging PATRONAS' cutting-edge front and middle office solution for portfolio, order and trade management and Temenos Multifonds' innovative back-office solutions. This opens up attractive opportunities for organic growth through up- and cross-selling. We keep our BUY call with unchanged PT of EUR 1.60.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 1.60 (none)</b>
Current price	EUR 0.82
Up/downside	95.1%



**MAIN AUTHOR**

**Levent Yilmaz**

[l.yilmaz@alsterresearch.com](mailto:l.yilmaz@alsterresearch.com)  
+49 40 309293-52

# niiio finance Group AG

Germany | Technology | MCap EUR 26.6m | EV EUR 24.5m

**BUY** (BUY)

**Target price** EUR 1.60 (1.60)  
**Current price** EUR 0.82  
**Up/downside** 95.1%

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l.yilmaz@alsterresearch.com  
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## niiio subsidiary PATRONAS and Temenos Multifonds have agreed to cooperate

**'Best-of-breed' solution for capital management companies.** niiio disclosed the cooperation between its subsidiary PATRONAS and Temenos Multifonds, which is the world's leading open platform for composable banking. The collaboration offers asset managers an integrated "best-of-breed" front to back-office solution by leveraging PATRONAS' cutting-edge front and middle office solution for portfolio, order and trade management and Temenos Multifonds' innovative back-office solutions. The solution optimizes back-office processes and improves the accuracy of information for front-office activities.

**Organic growth through up- and cross-selling.** As a one-stop-shop platform, niiio offers banks and financial service providers a holistic ecosystem in which all solutions are modular and easily compatible with each other. This opens up attractive opportunities for organic growth through up- and cross-selling.

**Unique platform model for asset and wealth management.** niiio differentiates itself by being one of the few "one-stop-shops" offering modular end-to-end software solutions along the entire value chain. niiio's platform enables customers to lower costs and focus on their core competencies, i.e. advising clients.

**PT EUR 1.60, BUY.** The fair value of EUR 1.60 per share for niiio finance group is based on our DCF model. Our PT would thus translate into an EV/sales multiple of 5.7x, which is slightly higher than other SaaS businesses with similar growth profiles. Half-year results will be released on September 30. niiio expects revenues to almost triple to between EUR 7.5m and EUR 7.9m in FY 2022 – in-line with AlsterResearch estimates. Furthermore, the SaaS company forecasts a balanced to slightly positive EBITDA this FY, which is also in-line with our estimates. With an upside potential of nearly 90%, we reiterate to BUY.

niiio finance Group	2019	2020	2021	2022E	2023E	2024E
Sales	2.1	2.3	2.4	7.9	9.1	10.5
<i>Growth yoy</i>	358.1%	12.3%	3.3%	230.0%	15.0%	15.0%
EBITDA	-0.6	0.0	-0.9	0.6	1.5	2.4
EBIT	-4.0	-2.1	-2.8	-1.5	-0.6	1.2
Net profit	-4.2	-2.2	-3.2	-1.6	-0.8	1.0
Net debt (net cash)	-0.9	-1.1	-2.1	-0.2	-1.0	-2.8
Net debt/EBITDA	1.5x	-26.0x	2.5x	-0.4x	-0.7x	-1.2x
EPS reported	-0.19	-0.10	-0.12	-0.05	-0.02	0.03
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	129.5%	116.9%	108.0%	90.0%	93.0%	94.0%
EBITDA margin	-28.9%	1.9%	-35.7%	7.0%	17.0%	23.0%
EBIT margin	-195.7%	-92.3%	-118.7%	-19.2%	-6.9%	11.6%
ROCE	-27.4%	-16.3%	-11.9%	-6.8%	-2.9%	6.0%
EV/EBITDA	-43.2x	589.9x	-28.7x	47.8x	16.6x	9.9x
EV/EBIT	-6.4x	-11.9x	-8.6x	-17.4x	-40.9x	19.7x
PER	-4.4x	-8.5x	-6.6x	-16.2x	-33.2x	25.7x
FCF yield	-5.5%	-1.7%	-3.2%	0.4%	4.6%	8.0%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

**High/low 52 weeks** 1.66 / 0.76  
**Price/Book Ratio** 1.9x

**Ticker / Symbols**

ISIN DE000A2G8332  
WKN A2G833  
Bloomberg NIIN:GR

**Changes in estimates**

		Sales	EBIT	EPS
2021	old	00.0	00.0	00.0
	Δ	-	-	-
2022	old	00.0	00.0	00.0
	Δ	-	-	-
2023	old	00.0	00.0	00.0
	Δ	-	-	-

**Key share data**

Number of shares: (in m pcs) 32.49  
Book value per share: (in EUR) 0.44  
Ø trading volume: (12 months) 10,000

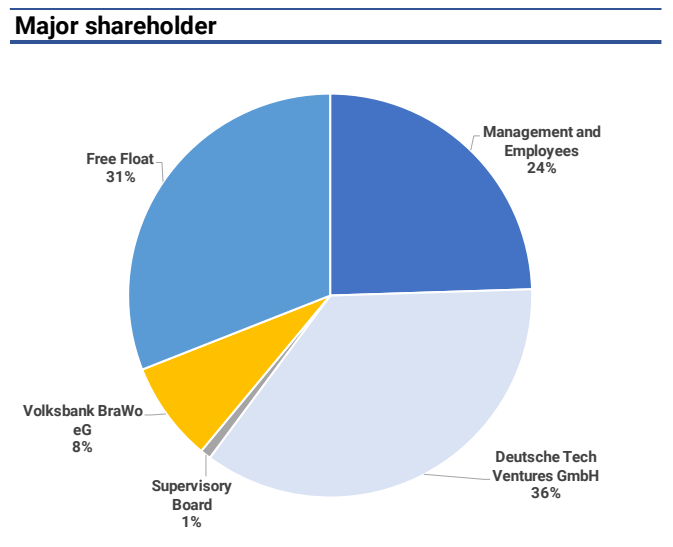
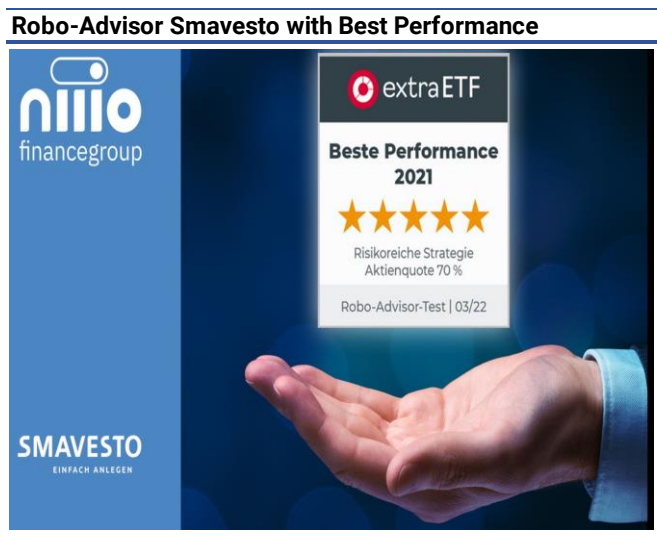
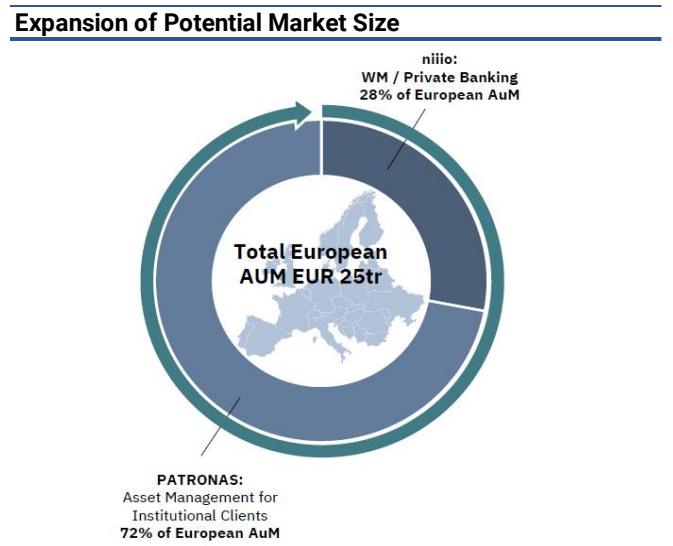
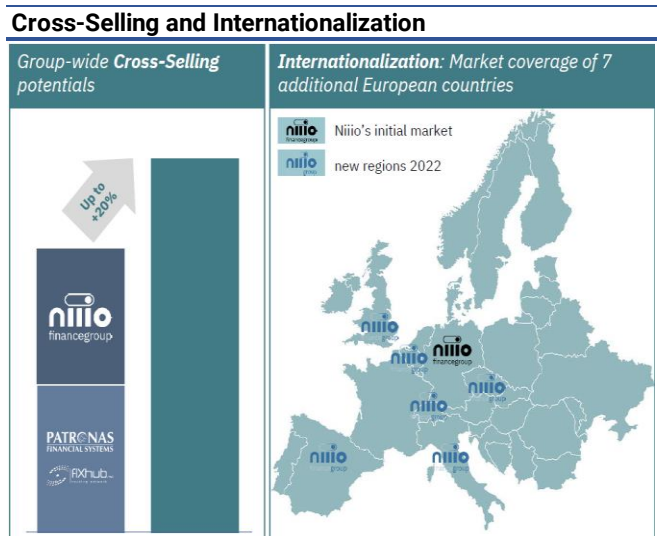
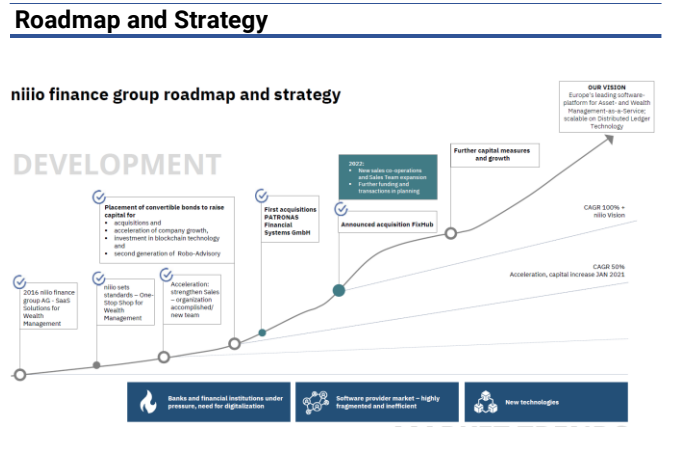
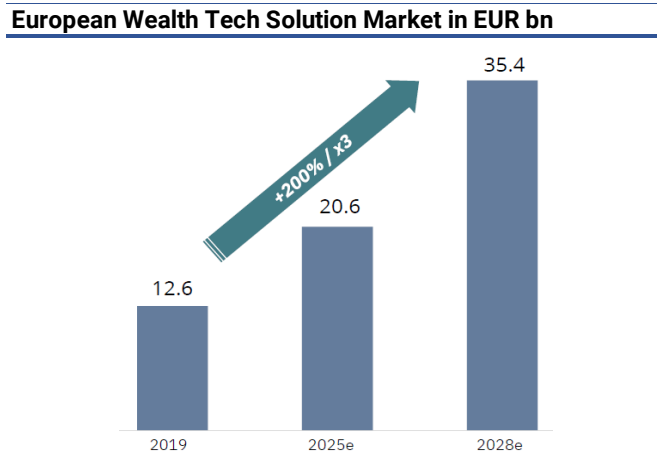
**Major shareholders**

Management and Employees 24.5%  
Deutsche Tech Ventures GmbH 35.7%  
Supervisory Board 0.9%  
Free Float 31.0%

**Company description**

niiio finance Group is a FinTech company that develops and distributes software solutions to banks and financial service providers under software as a service (SaaS) or licensed white label models. The company's product portfolio comprises portfolio management systems, robotic advisory tools and application program interface (API). It also develops a blockchain software solution. For all of its products, the company offers support and maintenance, as well as training for its customers.

# Investment case in six charts



Source : Company data; AlsterResearch

# SWOT analysis

## Strengths

- One-stop-shop for software services providing one comprehensive platform for asset and wealth managers
- Highly innovative and agile
- Management with significant “skin in the game”
- Renowned clients base
- Almost 20 years of technical know-how and expertise in AWM
- Operating in native private cloud – to concentrate relevant solutions and microservices on platform

## Weaknesses

- Still loss making in 2022E
- Funding required for inorganic growth

## Opportunities

- With the acquisition of PATRONAS, niiiio’s activity will expand to include institutional asset managers, large private and commercial banks.
- AWM firms need to cut costs and digitize
- More annual recurring revenues, assets under administration, customers and trading volumes
- European WealthTech solution market is expected to grow strongly

## Threats

- Regulatory restrictions in the area of international cloud use exist, which impacts on the widespread use of it
- The cloud wealth management software market remains complex and competitive
- Funding market constraint due to rising interest rates and high inflation

# Valuation

## DCF Model

The DCF model results in a **fair value of EUR 1.63 per share**:

**Top-line growth:** We expect niio finance Group AG to continue benefitting from structural growth. Hence our growth estimates for 2022E-2029E is in the range of 9.9% p.a. The long-term growth rate is set at 2.0%.

**EBIT margins** are expected to be negative till 2023 due to high costs for developers and sales people. Given economies of scale and better take-up of its platform, EBIT is expected to be positive in 2024 and align towards the profitability of its peers in the long-run.

**WACC.** The averaged 1-, 3- and 5-year historical equity beta is calculated as 1.00. Unlevering and correcting for mean reversion yields an asset beta of 0.91. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 8.3%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 0.2 this results in a long-term WACC of 7.5%.

DCF (EURm) (except per share data and beta)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal value
NOPAT	-1.4	-0.6	1.1	2.2	2.9	3.5	3.5	3.5	
Depreciation & amortization	2.1	2.2	1.2	0.3	0.1	0.1	0.1	0.1	
Change in working capital	-0.3	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	
Chg. in long-term provisions	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Capex	-2.0	-0.4	-0.4	-0.4	-0.4	-0.4	0.0	0.0	
Cash flow	-1.7	1.0	1.8	2.0	2.6	3.1	3.6	3.5	64.9
Present value	-1.6	0.9	1.5	1.6	1.9	2.1	2.3	2.1	38.2
WACC	7.9%	7.9%	7.7%	7.6%	7.5%	7.5%	7.5%	7.5%	7.5%

DCF per share derived from	
Total present value	49.0
Mid-year adj. total present value	50.9
Net debt / cash at start of year	-2.1
Financial assets	0.0
Provisions and off b/s debt	0.0
Equity value	53.0
No. of shares outstanding	32.5
<b>Discounted cash flow / share upside/(downside)</b>	<b>1.63 / 98.9%</b>

<b>Share price</b>	<b>0.82</b>
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DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2022E-2029E)	9.9%
Terminal value growth (2029E - infinity)	2.0%
Terminal year ROCE	15.8%
Terminal year WACC	7.5%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	1.00
Unlevered beta (industry or company)	0.91
Target debt / equity	0.2
Relevered beta	1.05
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	8.3%

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%		1.1	1.1	1.2	1.2	1.3	2022E-2025E	5.0%
1.0%		1.2	1.3	1.4	1.5	1.6	2026E-2029E	17.1%
0.0%		1.4	1.5	1.6	1.8	1.9	terminal value	77.9%
-1.0%		1.7	1.8	2.0	2.2	2.5		
-2.0%		2.1	2.3	2.6	3.0	3.5		

Source: AlsterResearch

## 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 0.34 per share based on 2022E and EUR 1.79 per share on 2026E 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	2022E	2023E	2024E	2025E	2026E
<b>EBITDA</b>	<b>0.6</b>	<b>1.5</b>	<b>2.4</b>	<b>2.8</b>	<b>3.6</b>
- Maintenance capex	0.0	0.0	0.0	0.0	0.0
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	-0.1	-0.0	0.1	0.2	0.5
<b>= Adjusted FCF</b>	<b>0.6</b>	<b>1.6</b>	<b>2.3</b>	<b>2.5</b>	<b>3.1</b>
<b>Actual Market Cap</b>	<b>26.6</b>	<b>26.6</b>	<b>26.6</b>	<b>26.6</b>	<b>26.6</b>
+ Net debt (cash)	-0.2	-1.0	-2.8	-4.7	-7.3
+ 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>	-0.2	-1.1	-2.8	-4.7	-7.3
<b>= Actual EV'</b>	<b>26.4</b>	<b>25.6</b>	<b>23.8</b>	<b>21.9</b>	<b>19.3</b>
<b>Adjusted FCF yield</b>	<b>2.4%</b>	<b>6.2%</b>	<b>9.9%</b>	<b>11.5%</b>	<b>15.8%</b>
base hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
<b>Fair EV</b>	<b>10.7</b>	<b>26.5</b>	<b>39.2</b>	<b>42.1</b>	<b>51.0</b>
- <i>EV Reconciliations</i>	-0.2	-1.1	-2.8	-4.7	-7.3
<b>Fair Market Cap</b>	<b>10.9</b>	<b>27.5</b>	<b>42.0</b>	<b>46.8</b>	<b>58.3</b>
No. of shares (million)	32.5	32.5	32.5	32.5	32.5
<b>Fair value per share in EUR</b>	<b>0.34</b>	<b>0.85</b>	<b>1.29</b>	<b>1.44</b>	<b>1.79</b>
<b>Premium (-) / discount (+)</b>	<b>-59.1%</b>	<b>3.3%</b>	<b>57.5%</b>	<b>75.8%</b>	<b>118.7%</b>

### Sensitivity analysis FV

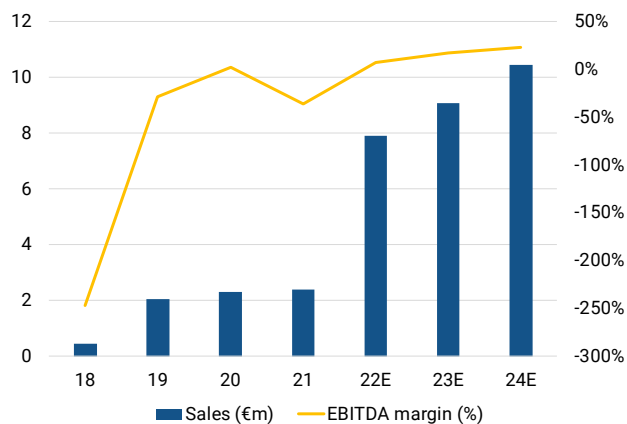
	4.0%	0.5	1.3	1.9	2.1	2.6
<b>Adjusted hurdle rate</b>	5.0%	0.4	1.0	1.5	1.7	2.1
<b>rate</b>	<b>6.0%</b>	<b>0.3</b>	<b>0.8</b>	<b>1.3</b>	<b>1.4</b>	<b>1.8</b>
	7.0%	0.3	0.7	1.1	1.3	1.6
	8.0%	0.3	0.6	1.0	1.1	1.4

Source: Company data; AlsterResearch

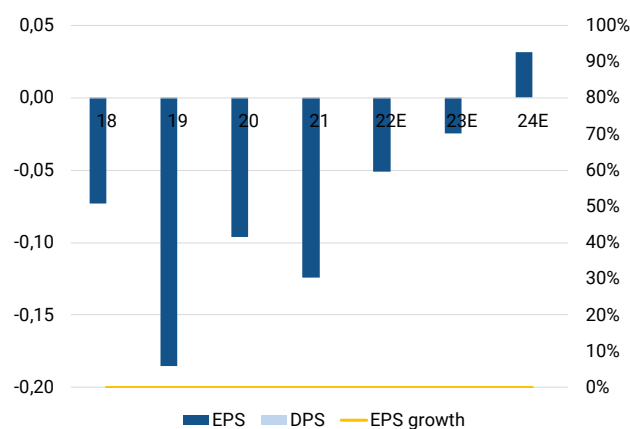
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable, based on the overall Leeway ESG Score. 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

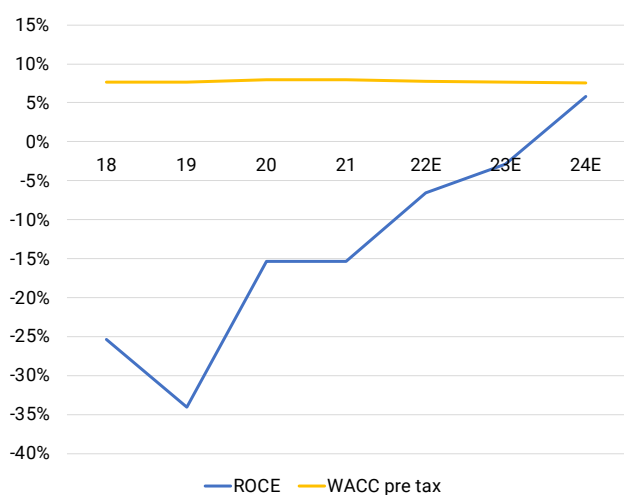
**Sales vs. EBITDA margin development**



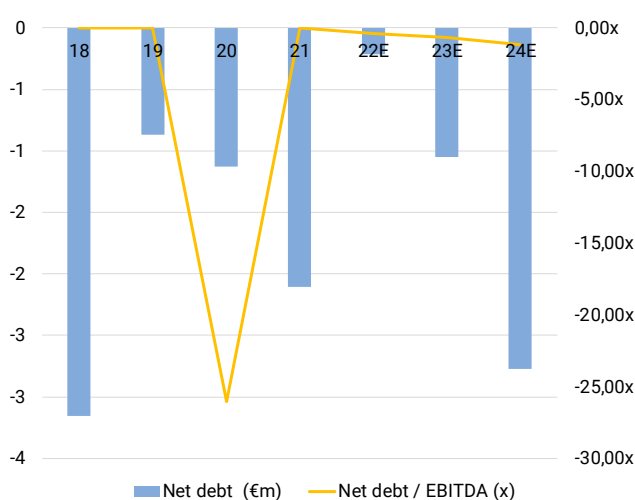
**EPS, DPS in EUR & yoy EPS growth**



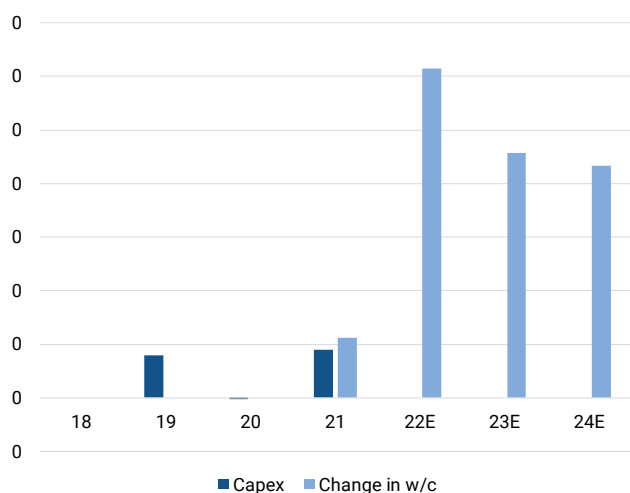
**ROCE vs. WACC (pre tax)**



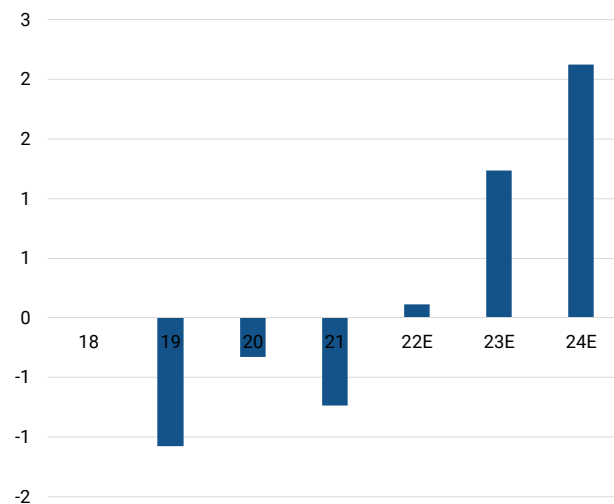
**Net debt and net debt/EBITDA**



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



**Free Cash Flow in EURm**



Source: Company data; AlsterResearch



## Financials

Profit and loss (EURm)	2019	2020	2021	2022E	2023E	2024E
<b>Net sales</b>	<b>2.1</b>	<b>2.3</b>	<b>2.4</b>	<b>7.9</b>	<b>9.1</b>	<b>10.5</b>
Sales growth	358.1%	12.3%	3.3%	230.0%	15.0%	15.0%
Change in finished goods and work-in-process	1.1	0.5	0.6	0.0	0.0	0.0
<b>Total sales</b>	<b>3.2</b>	<b>2.8</b>	<b>3.0</b>	<b>7.9</b>	<b>9.1</b>	<b>10.5</b>
Material expenses	0.5	0.1	0.4	0.8	0.6	0.6
<b>Gross profit</b>	<b>2.7</b>	<b>2.7</b>	<b>2.6</b>	<b>7.1</b>	<b>8.5</b>	<b>9.8</b>
Other operating income	0.1	0.1	0.0	0.1	0.1	0.1
Personnel expenses	2.4	1.9	2.3	5.5	5.6	6.2
Other operating expenses	1.0	0.8	1.2	1.2	1.4	1.4
<b>EBITDA</b>	<b>-0.6</b>	<b>0.0</b>	<b>-0.9</b>	<b>0.6</b>	<b>1.5</b>	<b>2.4</b>
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	-0.6	0.0	-0.9	0.6	1.5	2.4
Amortisation of goodwill and intangible assets	3.4	2.2	2.0	2.1	2.2	1.2
<b>EBIT</b>	<b>-4.0</b>	<b>-2.1</b>	<b>-2.8</b>	<b>-1.5</b>	<b>-0.6</b>	<b>1.2</b>
Financial result	-0.0	-0.1	-0.4	-0.2	-0.2	-0.1
Recurring pretax income from continuing operations	-4.1	-2.2	-3.2	-1.7	-0.8	1.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-4.1	-2.2	-3.2	-1.7	-0.8	1.1
Taxes	0.2	-0.0	0.0	-0.1	-0.0	0.1
Net income from continuing operations	-4.2	-2.2	-3.2	-1.6	-0.8	1.0
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-4.2</b>	<b>-2.2</b>	<b>-3.2</b>	<b>-1.6</b>	<b>-0.8</b>	<b>1.0</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-4.2	-2.2	-3.2	-1.6	-0.8	1.0
Average number of shares	22.83	22.83	25.99	32.49	32.49	32.49
<b>EPS reported</b>	<b>-0.19</b>	<b>-0.10</b>	<b>-0.12</b>	<b>-0.05</b>	<b>-0.02</b>	<b>0.03</b>

Profit and loss (common size)	2019	2020	2021	2022E	2023E	2024E
<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	53%	22%	25%	0%	0%	0%
<b>Total sales</b>	<b>153%</b>	<b>122%</b>	<b>125%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Material expenses	24%	5%	17%	10%	7%	6%
<b>Gross profit</b>	<b>129%</b>	<b>117%</b>	<b>108%</b>	<b>90%</b>	<b>93%</b>	<b>94%</b>
Other operating income	4%	4%	2%	1%	1%	1%
Personnel expenses	114%	83%	95%	69%	62%	59%
Other operating expenses	48%	36%	50%	15%	15%	13%
<b>EBITDA</b>	<b>-29%</b>	<b>2%</b>	<b>-36%</b>	<b>7%</b>	<b>17%</b>	<b>23%</b>
Depreciation	0%	0%	0%	0%	0%	0%
EBITA	-29%	2%	-36%	7%	17%	23%
Amortisation of goodwill and intangible assets	167%	94%	83%	26%	24%	11%
<b>EBIT</b>	<b>-196%</b>	<b>-92%</b>	<b>-119%</b>	<b>-19%</b>	<b>-7%</b>	<b>12%</b>
Financial result	-1%	-3%	-15%	-3%	-2%	-1%
Recurring pretax income from continuing operations	-197%	-96%	-134%	-22%	-9%	10%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-197%	-96%	-134%	-22%	-9%	10%
Taxes	8%	-1%	1%	-1%	-0%	1%
Net income from continuing operations	-205%	-95%	-135%	-21%	-9%	10%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>-205%</b>	<b>-95%</b>	<b>-135%</b>	<b>-21%</b>	<b>-9%</b>	<b>10%</b>
Minority interest	0%	0%	0%	0%	0%	0%
<b>Net profit (reported)</b>	<b>-205%</b>	<b>-95%</b>	<b>-135%</b>	<b>-21%</b>	<b>-9%</b>	<b>10%</b>

Source: Company data; AlsterResearch



Balance sheet (EURm)	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets (exl. Goodwill)</b>	<b>2.3</b>	<b>2.1</b>	<b>6.9</b>	<b>4.8</b>	<b>2.7</b>	<b>1.5</b>
Goodwill	10.6	9.4	10.7	14.8	14.8	14.8
Property, plant and equipment	0.1	0.1	0.4	0.4	0.4	0.4
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
<b>FIXED ASSETS</b>	<b>13.0</b>	<b>11.5</b>	<b>18.0</b>	<b>20.0</b>	<b>17.8</b>	<b>16.6</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.4	0.2	0.8	1.1	1.2	1.4
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets	2.0	2.2	7.5	5.7	6.5	5.8
Deferred taxes	0.1	0.1	0.1	0.1	0.1	0.1
Deferred charges and prepaid expenses	0.1	0.0	0.0	0.2	0.2	0.2
<b>CURRENT ASSETS</b>	<b>2.5</b>	<b>2.5</b>	<b>8.4</b>	<b>7.1</b>	<b>8.1</b>	<b>7.5</b>
<b>TOTAL ASSETS</b>	<b>15.6</b>	<b>14.1</b>	<b>26.5</b>	<b>27.1</b>	<b>25.9</b>	<b>24.2</b>
<b>SHAREHOLDERS EQUITY</b>	<b>13.2</b>	<b>11.0</b>	<b>11.3</b>	<b>16.2</b>	<b>15.4</b>	<b>16.4</b>
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	5.2	5.0	5.0	3.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.4	1.1	7.1	0.6	0.7	0.8
<b>Non-current liabilities</b>	<b>0.4</b>	<b>1.1</b>	<b>12.3</b>	<b>5.6</b>	<b>5.7</b>	<b>3.8</b>
short-term liabilities to banks	1.2	1.0	0.2	0.5	0.5	0.0
Accounts payable	0.1	0.3	0.4	0.2	0.2	0.2
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.1	0.1	0.2	2.5	2.1	1.7
Deferred taxes	0.6	0.6	2.0	2.0	2.0	2.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>2.0</b>	<b>2.0</b>	<b>2.8</b>	<b>5.3</b>	<b>4.8</b>	<b>3.9</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>15.6</b>	<b>14.1</b>	<b>26.5</b>	<b>27.1</b>	<b>25.9</b>	<b>24.2</b>

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets (excl. Goodwill)</b>	<b>15%</b>	<b>15%</b>	<b>26%</b>	<b>18%</b>	<b>10%</b>	<b>6%</b>
Goodwill	68%	67%	41%	55%	57%	61%
Property, plant and equipment	1%	0%	1%	1%	1%	2%
Financial assets	0%	0%	0%	0%	0%	0%
<b>FIXED ASSETS</b>	<b>84%</b>	<b>82%</b>	<b>68%</b>	<b>74%</b>	<b>69%</b>	<b>69%</b>
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	2%	1%	3%	4%	5%	6%
Other current assets	0%	0%	0%	0%	0%	0%
Liquid assets	13%	15%	28%	21%	25%	24%
Deferred taxes	1%	1%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	1%	1%	1%
<b>CURRENT ASSETS</b>	<b>16%</b>	<b>18%</b>	<b>32%</b>	<b>26%</b>	<b>31%</b>	<b>31%</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>85%</b>	<b>78%</b>	<b>43%</b>	<b>60%</b>	<b>59%</b>	<b>68%</b>
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	0%	20%	18%	19%	12%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	3%	8%	27%	2%	3%	3%
<b>Non-current liabilities</b>	<b>3%</b>	<b>8%</b>	<b>47%</b>	<b>21%</b>	<b>22%</b>	<b>16%</b>
short-term liabilities to banks	7%	7%	1%	2%	2%	0%
Accounts payable	1%	2%	1%	1%	1%	1%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	1%	1%	1%	9%	8%	7%
Deferred taxes	4%	4%	8%	8%	8%	8%
Deferred income	0%	0%	0%	0%	0%	0%
<b>Current liabilities</b>	<b>13%</b>	<b>14%</b>	<b>11%</b>	<b>19%</b>	<b>19%</b>	<b>16%</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; AlsterResearch

Cash flow statement (EURm)	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	-4.2	-2.2	-3.2	-1.6	-0.8	1.0
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	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	3.4	2.2	2.0	2.1	2.2	1.2
Others	-0.2	-0.3	0.6	0.0	0.1	0.1
Cash flow from operations before changes in w/c	-1.0	-0.3	-0.6	0.4	1.5	2.3
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.0	0.0	-0.1	-0.3	-0.2	-0.2
Increase/decrease in accounts payable	0.0	0.0	0.0	-0.2	-0.0	-0.0
Increase/decrease in other w/c positions	0.0	0.0	0.0	0.2	-0.0	-0.0
Increase/decrease in working capital	0.0	0.0	-0.1	-0.3	-0.2	-0.2
<b>Cash flow from operating activities</b>	<b>-1.0</b>	<b>-0.3</b>	<b>-0.7</b>	<b>0.1</b>	<b>1.2</b>	<b>2.1</b>
CAPEX	-0.0	0.0	-0.0	0.0	0.0	0.0
Payments for acquisitions	-1.1	-0.2	-0.7	-2.0	-0.4	-0.4
Financial investments	0.0	0.0	-6.6	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-1.2</b>	<b>-0.2</b>	<b>-0.8</b>	<b>-2.0</b>	<b>-0.4</b>	<b>-0.4</b>
Cash flow before financing	-2.2	-0.5	-1.5	-1.9	0.8	1.7
Increase/decrease in debt position	1.3	0.0	5.0	0.1	0.0	-2.5
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.8	9.3	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.5	-0.2	-8.3	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>0.8</b>	<b>0.6</b>	<b>6.0</b>	<b>0.1</b>	<b>0.0</b>	<b>-2.5</b>
Increase/decrease in liquid assets	-1.4	0.1	5.3	-1.8	0.8	-0.8
<b>Liquid assets at end of period</b>	<b>2.0</b>	<b>2.2</b>	<b>7.5</b>	<b>5.7</b>	<b>6.5</b>	<b>5.8</b>

Source: Company data; AlsterResearch

Regional sales split (EURm)	2019	2020	2021	2022E	2023E	2024E
Domestic	0.0	0.0	2.1	4.0	4.5	5.3
Europe (ex domestic)	0.0	0.0	0.0	3.9	4.5	5.3
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>2.1</b>	<b>2.3</b>	<b>2.4</b>	<b>7.9</b>	<b>9.1</b>	<b>10.5</b>

Regional sales split (common size)	2019	2020	2021	2022E	2023E	2024E
Domestic	0.0%	0.0%	87.7%	50.6%	50.1%	50.2%
Europe (ex domestic)	0.0%	0.0%	0.0%	49.3%	50.1%	50.2%
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; AlsterResearch

Ratios	2019	2020	2021	2022E	2023E	2024E
<b>Per share data</b>						
Earnings per share reported	-0.19	-0.10	-0.12	-0.05	-0.02	0.03
Cash flow per share	-0.05	-0.01	-0.03	0.00	0.04	0.07
Book value per share	0.58	0.48	0.44	0.50	0.47	0.51
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	-4.4x	-8.5x	-6.6x	-16.2x	-33.2x	25.7x
P/CF	-18.1x	-57.2x	-30.9x	236.2x	21.6x	12.6x
P/BV	1.4x	1.7x	1.9x	1.6x	1.7x	1.6x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-5.5%	-1.7%	-3.2%	0.4%	4.6%	8.0%
EV/Sales	12.5x	11.0x	10.2x	3.3x	2.8x	2.3x
EV/EBITDA	-43.2x	589.9x	-28.7x	47.8x	16.6x	9.9x
EV/EBIT	-6.4x	-11.9x	-8.6x	-17.4x	-40.9x	19.7x
<b>Income statement (EURm)</b>						
Sales	2.1	2.3	2.4	7.9	9.1	10.5
yoy chg in %	358.1%	12.3%	3.3%	230.0%	15.0%	15.0%
Gross profit	2.7	2.7	2.6	7.1	8.5	9.8
Gross margin in %	129.5%	116.9%	108.0%	90.0%	93.0%	94.0%
EBITDA	-0.6	0.0	-0.9	0.6	1.5	2.4
EBITDA margin in %	-28.9%	1.9%	-35.7%	7.0%	17.0%	23.0%
EBIT	-4.0	-2.1	-2.8	-1.5	-0.6	1.2
EBIT margin in %	-195.7%	-92.3%	-118.7%	-19.2%	-6.9%	11.6%
Net profit	-4.2	-2.2	-3.2	-1.6	-0.8	1.0
<b>Cash flow statement (EURm)</b>						
CF from operations	-1.0	-0.3	-0.7	0.1	1.2	2.1
Capex	-0.0	0.0	-0.0	0.0	0.0	0.0
Maintenance Capex	0.0	0.0	0.0	0.0	0.0	0.0
Free cash flow	-1.1	-0.3	-0.7	0.1	1.2	2.1
<b>Balance sheet (EURm)</b>						
Intangible assets	12.9	11.5	17.6	19.6	17.4	16.2
Tangible assets	0.1	0.1	0.4	0.4	0.4	0.4
Shareholders' equity	13.2	11.0	11.3	16.2	15.4	16.4
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	1.6	2.2	12.5	6.1	6.2	3.8
Net financial debt	-0.9	-1.1	-2.1	-0.2	-1.0	-2.8
w/c requirements	0.2	-0.1	0.4	0.9	1.1	1.3
<b>Ratios</b>						
ROE	-32.2%	-20.0%	-28.5%	-10.2%	-5.2%	6.3%
ROCE	-27.4%	-16.3%	-11.9%	-6.8%	-2.9%	6.0%
Net gearing	-6.6%	-10.3%	-18.5%	-1.3%	-6.8%	-16.9%
Net debt / EBITDA	1.5x	-26.0x	2.5x	-0.4x	-0.7x	-1.2x

Source: Company data; AlsterResearch

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## Contacts

**SRH AlsterResearch AG**  
Himmelstr. 9  
22299 Hamburg

Tel: +49 40 309 293-52  
E-Mail: [info@alsterresearch.com](mailto:info@alsterresearch.com)

### Team Assistant

**HANNAH GABERT**  
Team Assistant  
Tel: +49 40 309 293-53  
E-Mail: [h.gabert@alsterresearch.com](mailto:h.gabert@alsterresearch.com)

### Sales

**MARKUS KÖNIG-WEISS**  
Head of Sales  
Tel: +49 40 309 293-52  
E-Mail: [mkw@alsterresearch.com](mailto:mkw@alsterresearch.com)

### Research

**HARALD HOF**  
Senior Analyst  
Tel: +49 40 309 293-52  
E-Mail: [h.hof@alsterresearch.com](mailto:h.hof@alsterresearch.com)

**LEVENT YILMAZ**  
Senior Analyst  
Tel: +49 40 309 293-52  
E-Mail: [l.yilmaz@alsterresearch.com](mailto:l.yilmaz@alsterresearch.com)

**KATHARINA SCHLÖTER**  
Analyst  
Tel: +49 40 309 293-52  
E-Mail: [k.schloeter@alsterresearch.com](mailto:k.schloeter@alsterresearch.com)

**THOMAS WISSLER**  
Senior Analyst  
Tel: +49 40 309 293-58  
E-Mail: [t.wissler@alsterresearch.com](mailto:t.wissler@alsterresearch.com)

**DR. OLIVER WOJAHN, CFA**  
Senior Analyst  
Tel: +49 40 309 293-55  
E-Mail: [o.wojahn@alsterresearch.com](mailto:o.wojahn@alsterresearch.com)

**ALEXANDER ZIENKOWICZ**  
Senior Analyst  
Tel: +49 40 309 293-56  
E-Mail: [a.zienkowicz@alsterresearch.com](mailto:a.zienkowicz@alsterresearch.com)

**mwb fairtrade Wertpapierhandelsbank AG**  
Rottenbucher Straße 28  
82166 Gräfelfing

Tel: +49 89 85852-0  
Fax: +49 89 85852-505  
E-Mail: [info@mwbfairtrade.com](mailto:info@mwbfairtrade.com)

### Equity Capital Markets / Trading

**KAI JORDAN**  
Member of the Board  
Tel: +49 40 36 0995-22  
E-Mail: [kjordan@mwbfairtrade.com](mailto:kjordan@mwbfairtrade.com)

**ALEXANDER DEUSS**  
Head of Institutional Sales  
Tel: +49 40 36 0995-22  
E-Mail: [adeuss@mwbfairtrade.com](mailto:adeuss@mwbfairtrade.com)

**SASCHA GUENON**  
Head of Designated Sponsoring  
Tel: +49 40 360 995 - 23  
E-Mail: [sguenon@mwbfairtrade.com](mailto:sguenon@mwbfairtrade.com)

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