

niiio finance Group AG

Germany | Technology | MCap EUR 28.5m

17 February 2023

UPDATE



Insightful roundtable presentation from CEO Johann Horch

What's it all about?

Johann Horch, CEO of niiio, gave an insightful presentation at AlsterResearch's roundtable. niiio has outperformed the fintech sector's share performance by 18pp in 2022, driven by strong revenue growth after acquisitions and reaching EBITDA break-even. niiio has a strong proposition in a booming but inefficient wealth tech B2B SaaS market, which puts the company in a great position for (in)organic growth. Our PT of EUR 1.60 per share is based on our DCF model, which equals to an EV/NTM Sales multiple of 5.9x (US peers: 6.1x). We reiterate to BUY, which provides c. 82% upside potential.

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

BUY (BUY)

Target price	EUR 1.60 (1.60)
Current price	EUR 0.88
Up/downside	82.6%



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niiio finance Group AG

Germany | Technology | MCap EUR 28.5m | EV EUR 26.4m

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Insightful roundtable presentation from CEO Johann Horch

Well attended roundtable. We hosted a well-attended roundtable with niiio CEO Johann Horch. A recording is available [here](#). niiio has outperformed the fintech sector's share performance by 18pp in 2022, driven by strong revenue growth after acquisitions and reaching EBITDA break-even.

Highly attractive opportunity in the growing and fragmented European market. niiio has a strong proposition in a booming but inefficient wealth tech B2B SaaS market, which puts the company in a great position for (in)organic growth, supported by a doubling of TAM to EUR 40bn by 2028 and accelerating consolidation in a highly fragmented market.

Superior full service SaaS platform proposition. niiio looks set to scale its platform to the next level of growth and efficiency to achieve much higher margins due to its modular, end-to-end private cloud solutions across the value chain. Given the importance of the strategic decision to move to a digital SaaS platform, it can take years to finalize a purchase agreement. But the supervisory board members have a great network with the senior management of AWM companies. Diversified product offering with faster time-to-market and interoperability are additional benefits.

Active driver of market consolidation with proven M&A and integration track record. niiio is ready to implement its M&A strategy by acquiring the next targets to drive its inorganic growth strategy, subject to funding. The M&A pipeline aims to close existing gaps in the value chain (e.g. wealth planning, computing kernel) and to scale the business. Strong synergies are possible once sales reach EUR 50m p.a. niiio aims to step up its sales initiatives. With currently only 12% of its employees in sales – which compares with c. 44% at SAP - we see ample room for improvement. According to niiio, the aim is to get the ratio up to at least 35% within the next 5-6 years through inorganic and organic growth.

Confirm BUY with PT of EUR 1.60. We welcome yesterday's presentation by CEO Johann Horch. Our PT of EUR 1.60 per share is based on our DCF model, which equals to an EV/NTM Sales multiple of 5.9x (US peers: 6.1x). We reiterate to BUY, which provides c. 82% upside potential.

niiio finance Group	2019	2020	2021	2022E	2023E	2024E
Sales	2.1	2.3	2.4	7.5	8.7	10.0
<i>Growth yoy</i>	358.1%	12.3%	3.3%	215.0%	15.0%	15.0%
EBITDA	-0.6	0.0	-0.9	0.5	1.5	2.3
EBIT	-4.0	-2.1	-2.8	-1.5	-0.7	1.1
Net profit	-4.2	-2.2	-3.2	-1.7	-0.9	0.9
Net debt (net cash)	-0.9	-1.1	-2.1	-0.2	-1.0	-2.6
Net debt/EBITDA	1.5x	-26.0x	2.5x	-0.5x	-0.7x	-1.1x
EPS reported	-0.19	-0.10	-0.12	-0.05	-0.03	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%	-20.4%	-8.0%	11.0%
ROCE	-27.4%	-16.3%	-11.9%	-6.9%	-3.2%	5.5%
EV/EBITDA	-46.2x	632.0x	-30.8x	53.4x	18.6x	11.3x
EV/EBIT	-6.8x	-12.8x	-9.3x	-18.3x	-39.4x	23.5x
PER	-4.7x	-9.1x	-7.0x	-17.0x	-32.7x	30.5x
FCF yield	-5.2%	-1.6%	-3.0%	0.5%	4.1%	7.1%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 1.49 / 0.72
Price/Book Ratio 2.0x

Ticker / Symbols

ISIN DE000A2G8332
WKN A2G833
Bloomberg NIIN:GR

Changes in estimates

		Sales	EBIT	EPS
2022E	old	7.5	-1.5	-0.05
	Δ	0.0%	na%	na%
2023E	old	8.7	-0.7	-0.03
	Δ	0.0%	na%	na%
2024E	old	10.0	1.1	0.03
	Δ	0.0%	0.0%	0.0%

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

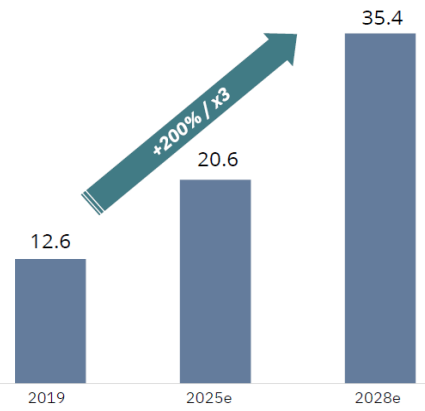
Management and Employees 24.5%
Deutsche Tech Ventures GmbH 35.7%
Supervisory Board 0.9%
Free Float 31.0%

Company description

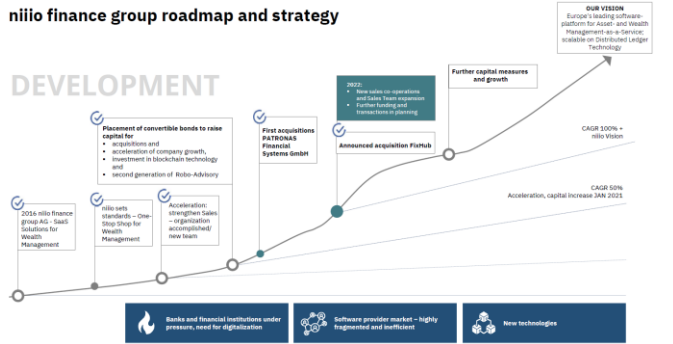
niio finance Group is a FinTech company that develops and distributes software solutions to banks and financial service providers under software as a service (SaaS) or licensed white label models. The company's product portfolio comprises portfolio management systems, robotic advisory tools and application program interface (API). It also develops a blockchain software solution.

Investment case in six charts

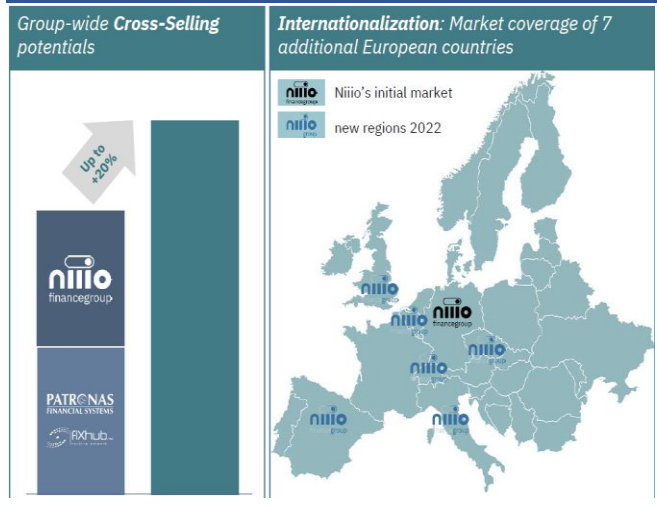
European Wealth Tech Solution Market in EUR bn



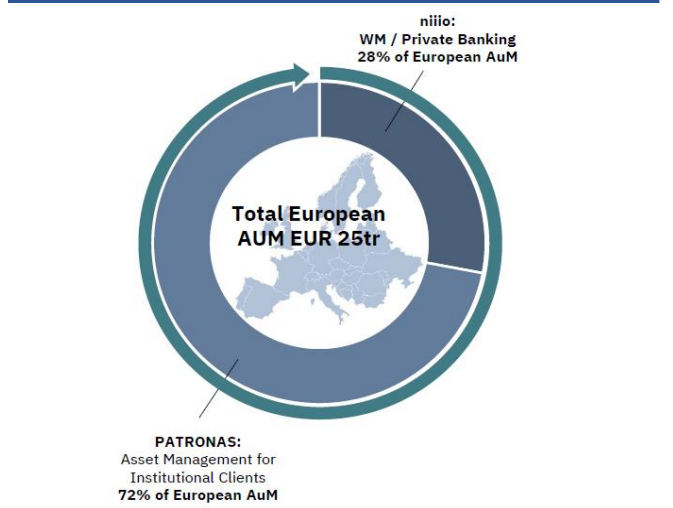
Roadmap and Strategy



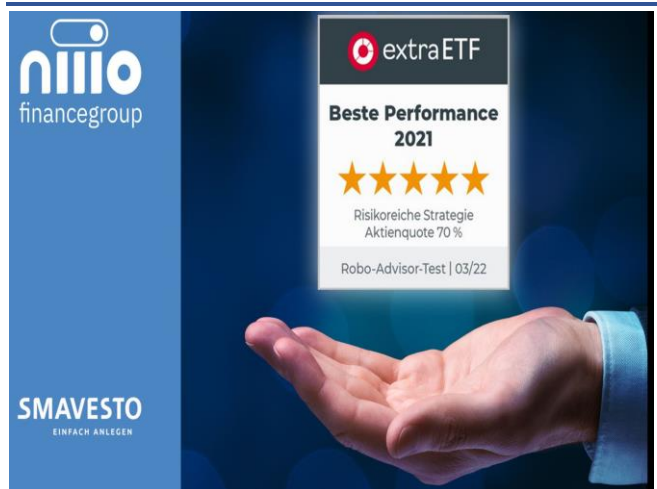
Cross-Selling and Internationalization



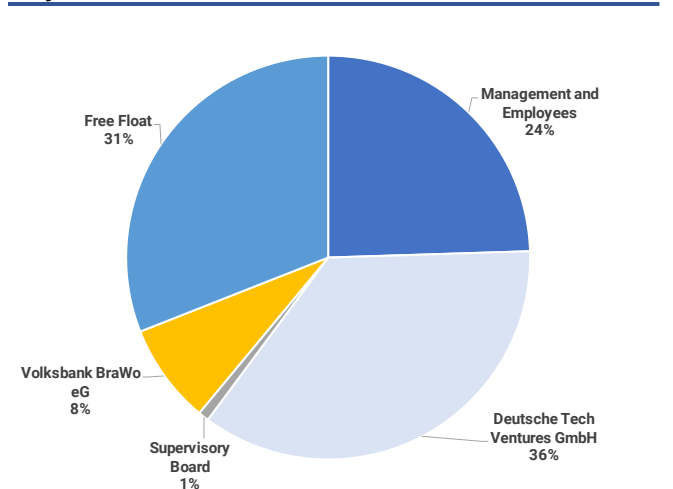
Expansion of Potential Market Size



Robo-Advisor Smavesto with Best Performance



Major shareholder



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 1.60 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 0.92. 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 7.6%.

DCF (EURm) (except per share data and beta)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal value
NOPAT	-1.5	-0.7	1.0	2.1	2.8	3.3	3.4	3.3	
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	1.7	1.9	2.4	3.0	3.4	3.4	61.7
Present value	-1.7	0.9	1.5	1.6	1.8	2.1	2.2	2.0	37.4
WACC	7.9%	7.9%	7.7%	7.6%	7.6%	7.5%	7.5%	7.5%	7.6%

DCF per share derived from	
Total present value	47.9
Mid-year adj. total present value	49.7
Net debt / cash at start of year	-2.1
Financial assets	0.0
Provisions and off b/s debt	0.0
Equity value	51.8
No. of shares outstanding	32.5
Discounted cash flow / share upside/(downside)	1.60 / 82.1%

Share price	0.88
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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	15.5%
Terminal year WACC	7.6%

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)	0.92
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	1.2	2022E-2025E	4.8%
1.0%		1.2	1.3	1.3	1.4	1.5	2026E-2029E	17.2%
0.0%		1.4	1.5	1.6	1.7	1.9	terminal value	78.0%
-1.0%		1.7	1.8	2.0	2.2	2.4		
-2.0%		2.1	2.3	2.5	2.8	3.3		

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 0.32 per share based on 2022E and EUR 1.71 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
EBITDA	0.5	1.5	2.3	2.6	3.4
- 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	0.0	0.2	0.5
= Adjusted FCF	0.6	1.5	2.2	2.4	2.9
Actual Market Cap	28.5	28.5	28.5	28.5	28.5
+ Net debt (cash)	-0.2	-1.0	-2.6	-4.5	-6.9
+ 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>	-0.3	-1.0	-2.7	-4.5	-6.9
= Actual EV'	28.2	27.4	25.8	24.0	21.5
Adjusted FCF yield	2.2%	5.5%	8.7%	10.1%	13.6%
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%
Fair EV	10.3	25.3	37.4	40.2	48.7
- <i>EV Reconciliations</i>	-0.3	-1.0	-2.7	-4.5	-6.9
Fair Market Cap	10.5	26.4	40.1	44.7	55.6
No. of shares (million)	32.5	32.5	32.5	32.5	32.5
Fair value per share in EUR	0.32	0.81	1.23	1.38	1.71
Premium (-) / discount (+)	-63.0%	-7.3%	40.9%	57.1%	95.3%

Sensitivity analysis FV

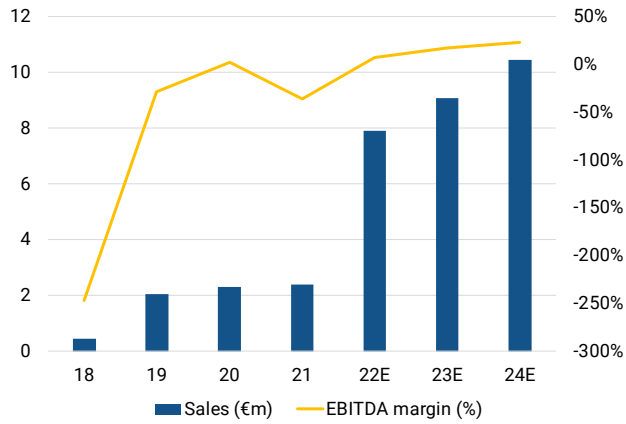
	4.0%	0.5	1.2	1.8	2.0	2.5
Adjusted hurdle rate	5.0%	0.4	1.0	1.5	1.6	2.0
	6.0%	0.3	0.8	1.2	1.4	1.7
	7.0%	0.3	0.7	1.1	1.2	1.5
	8.0%	0.2	0.6	0.9	1.1	1.3

Source: Company data; AlsterResearch

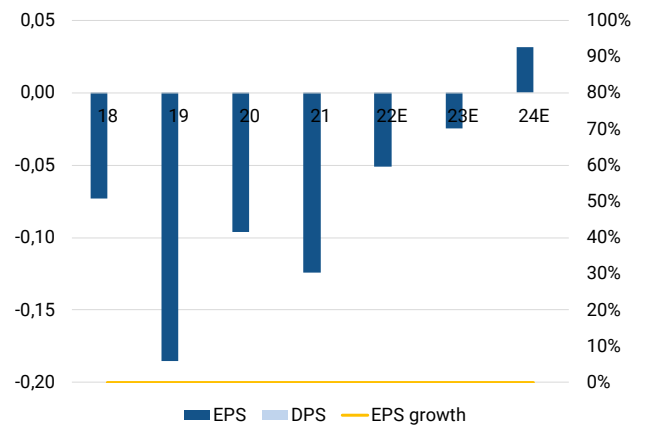
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

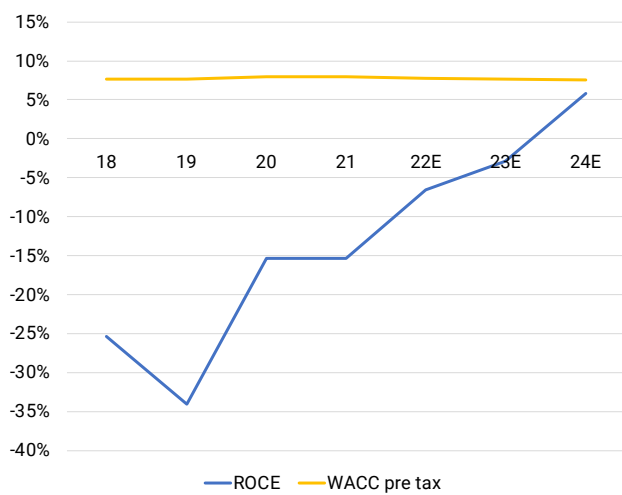
Sales vs. EBITDA margin development



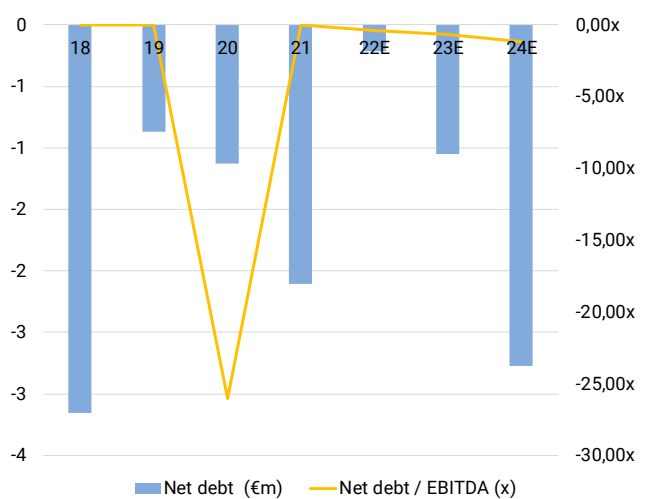
EPS, DPS in EUR & yoy EPS growth



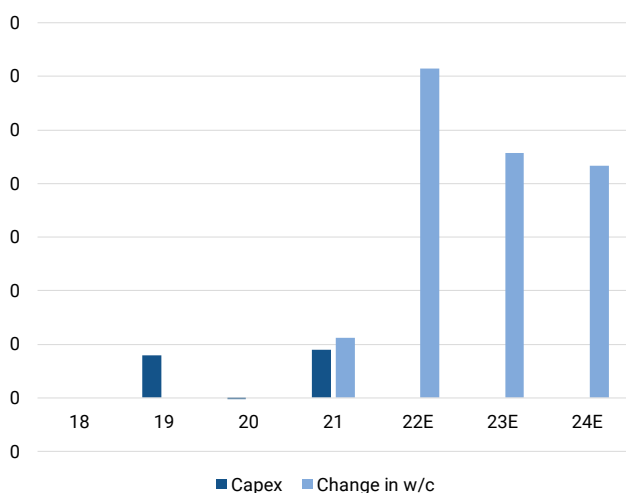
ROCE vs. WACC (pre tax)



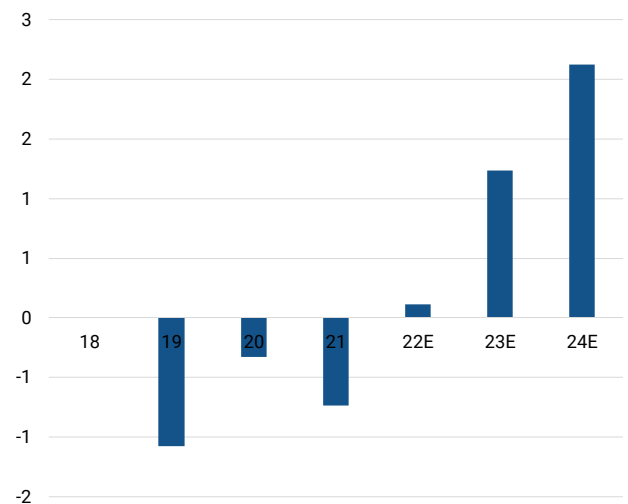
Net debt and net debt/EBITDA



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
Net sales	2.1	2.3	2.4	7.5	8.7	10.0
Sales growth	358.1%	12.3%	3.3%	215.0%	15.0%	15.0%
Change in finished goods and work-in-process	1.1	0.5	0.6	0.0	0.0	0.0
Total sales	3.2	2.8	3.0	7.5	8.7	10.0
Material expenses	0.5	0.1	0.4	0.8	0.6	0.6
Gross profit	2.7	2.7	2.6	6.8	8.1	9.4
Other operating income	0.1	0.1	0.0	0.1	0.1	0.1
Personnel expenses	2.4	1.9	2.3	5.2	5.4	5.9
Other operating expenses	1.0	0.8	1.2	1.1	1.3	1.3
EBITDA	-0.6	0.0	-0.9	0.5	1.5	2.3
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	-0.6	0.0	-0.9	0.5	1.5	2.3
Amortisation of goodwill and intangible assets	3.4	2.2	2.0	2.1	2.2	1.2
EBIT	-4.0	-2.1	-2.8	-1.5	-0.7	1.1
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	-1.8	-0.9	1.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-4.1	-2.2	-3.2	-1.8	-0.9	1.0
Taxes	0.2	-0.0	0.0	-0.1	-0.0	0.0
Net income from continuing operations	-4.2	-2.2	-3.2	-1.7	-0.9	0.9
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-4.2	-2.2	-3.2	-1.7	-0.9	0.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-4.2	-2.2	-3.2	-1.7	-0.9	0.9
Average number of shares	22.83	22.83	25.99	32.49	32.49	32.49
EPS reported	-0.19	-0.10	-0.12	-0.05	-0.03	0.03

Profit and loss (common size)	2019	2020	2021	2022E	2023E	2024E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	53%	22%	25%	0%	0%	0%
Total sales	153%	122%	125%	100%	100%	100%
Material expenses	24%	5%	17%	10%	7%	6%
Gross profit	129%	117%	108%	90%	93%	94%
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%
EBITDA	-29%	2%	-36%	7%	17%	23%
Depreciation	0%	0%	0%	0%	0%	0%
EBITA	-29%	2%	-36%	7%	17%	23%
Amortisation of goodwill and intangible assets	167%	94%	83%	27%	25%	12%
EBIT	-196%	-92%	-119%	-20%	-8%	11%
Financial result	-1%	-3%	-15%	-3%	-3%	-1%
Recurring pretax income from continuing operations	-197%	-96%	-134%	-23%	-11%	10%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-197%	-96%	-134%	-23%	-11%	10%
Taxes	8%	-1%	1%	-1%	-1%	0%
Net income from continuing operations	-205%	-95%	-135%	-22%	-10%	9%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-205%	-95%	-135%	-22%	-10%	9%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	-205%	-95%	-135%	-22%	-10%	9%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (exl. Goodwill)	2.3	2.1	6.9	4.8	2.7	1.5
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
FIXED ASSETS	13.0	11.5	18.0	20.0	17.8	16.6
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.4	0.2	0.8	1.0	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	5.6
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
CURRENT ASSETS	2.5	2.5	8.4	7.0	8.0	7.3
TOTAL ASSETS	15.6	14.1	26.5	27.0	25.8	24.0
SHAREHOLDERS EQUITY	13.2	11.0	11.3	16.2	15.3	16.2
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
Non-current liabilities	0.4	1.1	12.3	5.6	5.7	3.8
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
Current liabilities	2.0	2.0	2.8	5.2	4.8	3.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	15.6	14.1	26.5	27.0	25.8	23.9

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	15%	15%	26%	18%	10%	6%
Goodwill	68%	67%	41%	55%	57%	62%
Property, plant and equipment	1%	0%	1%	1%	1%	2%
Financial assets	0%	0%	0%	0%	0%	0%
FIXED ASSETS	84%	82%	68%	74%	69%	69%
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%
CURRENT ASSETS	16%	18%	32%	26%	31%	31%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	85%	78%	43%	60%	59%	68%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	0%	20%	18%	19%	13%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	3%	8%	27%	2%	3%	3%
Non-current liabilities	3%	8%	47%	21%	22%	16%
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%
Current liabilities	13%	14%	11%	19%	19%	16%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	-4.2	-2.2	-3.2	-1.7	-0.9	0.9
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	1.4	2.2
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
Cash flow from operating activities	-1.0	-0.3	-0.7	0.1	1.2	2.0
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
Cash flow from investing activities	-1.2	-0.2	-0.8	-2.0	-0.4	-0.4
Cash flow before financing	-2.2	-0.5	-1.5	-1.9	0.8	1.6
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
Cash flow from financing activities	0.8	0.6	6.0	0.1	0.0	-2.5
Increase/decrease in liquid assets	-1.4	0.1	5.3	-1.8	0.8	-0.9
Liquid assets at end of period	2.0	2.2	7.5	5.7	6.5	5.6

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
Total sales	2.1	2.3	2.4	7.5	8.7	10.0

Regional sales split (common size)	2019	2020	2021	2022E	2023E	2024E
Domestic	0.0%	0.0%	87.7%	53.0%	52.4%	52.6%
Europe (ex domestic)	0.0%	0.0%	0.0%	51.7%	52.4%	52.6%
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; AlsterResearch

Ratios	2019	2020	2021	2022E	2023E	2024E
Per share data						
Earnings per share reported	-0.19	-0.10	-0.12	-0.05	-0.03	0.03
Cash flow per share	-0.05	-0.01	-0.03	0.00	0.04	0.06
Book value per share	0.58	0.48	0.44	0.50	0.47	0.50
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-4.7x	-9.1x	-7.0x	-17.0x	-32.7x	30.5x
P/CF	-19.3x	-61.1x	-33.0x	210.1x	24.3x	14.1x
P/BV	1.5x	1.8x	2.0x	1.8x	1.9x	1.8x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-5.2%	-1.6%	-3.0%	0.5%	4.1%	7.1%
EV/Sales	13.4x	11.8x	11.0x	3.7x	3.2x	2.6x
EV/EBITDA	-46.2x	632.0x	-30.8x	53.4x	18.6x	11.3x
EV/EBIT	-6.8x	-12.8x	-9.3x	-18.3x	-39.4x	23.5x
Income statement (EURm)						
Sales	2.1	2.3	2.4	7.5	8.7	10.0
yoy chg in %	358.1%	12.3%	3.3%	215.0%	15.0%	15.0%
Gross profit	2.7	2.7	2.6	6.8	8.1	9.4
Gross margin in %	129.5%	116.9%	108.0%	90.0%	93.0%	94.0%
EBITDA	-0.6	0.0	-0.9	0.5	1.5	2.3
EBITDA margin in %	-28.9%	1.9%	-35.7%	7.0%	17.0%	23.0%
EBIT	-4.0	-2.1	-2.8	-1.5	-0.7	1.1
EBIT margin in %	-195.7%	-92.3%	-118.7%	-20.4%	-8.0%	11.0%
Net profit	-4.2	-2.2	-3.2	-1.7	-0.9	0.9
Cash flow statement (EURm)						
CF from operations	-1.0	-0.3	-0.7	0.1	1.2	2.0
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	2.0
Balance sheet (EURm)						
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	15.3	16.2
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	-2.6
w/c requirements	0.2	-0.1	0.4	0.8	1.0	1.2
Ratios						
ROE	-32.2%	-20.0%	-28.5%	-10.3%	-5.7%	5.7%
ROCE	-27.4%	-16.3%	-11.9%	-6.9%	-3.2%	5.5%
Net gearing	-6.6%	-10.3%	-18.5%	-1.5%	-6.6%	-16.2%
Net debt / EBITDA	1.5x	-26.0x	2.5x	-0.5x	-0.7x	-1.1x

Source: Company data; AlsterResearch

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