

niiio finance Group AG

Germany | Technology | MCap EUR 17.5m

29 September 2023

UPDATE



Solid H1 in a challenging market; PT down but remains BUY

What's it all about?

niiio finance group ("niiio") announced decent H1 '23 results this morning. In a challenging market environment, niiio was able to maintain the good growth momentum seen in Q1. The company is benefiting from strong underlying trends in the Asset and Wealth Management (AWM) industry, particularly for process automation solutions such as automated order routing. As a result, sales increased by a solid 11% yoy and reached EUR 4.1m in H1. Notably, recurring revenues increased again by 4PP to 89%. In terms of profitability, niiio also made further progress, with EBITDA margins expanding by 240bp yoy to 11%. However, we had expected slightly higher margins in H1 (eAR 15%) and are adjusting our estimates accordingly. With a new PT of EUR 1.20, (old EUR 1.60) we reiterate our BUY rating with an upside of 120%.

BUY (BUY)

Target price	EUR 1.20 (1.60)
Current price	EUR 0.54
Up/downside	124.3%



MAIN AUTHOR

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

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Germany | Technology | MCap EUR 17.5m | EV EUR 21.1m

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Solid H1 in a challenging market; PT down but remains BUY

Sales momentum sustained. After good indications in Q1, niiio was able to maintain comfortable growth rates for the entire first half of the year. Sales increased by 11% yoy to EUR 4.1m. In our view, niiio is benefiting from customers' ongoing need to manage their cost base. As a result, the strong underlying trends within the Asset and Wealth Management (AWM) industry remain intact, as evidenced in particular by the above-average growth of process automation solutions (e.g. order routing). niiio, with its modular SaaS platform strategy, appears to be disproportionately benefiting from this trend, as smaller, fragmented competitors often lack the size and scale to serve larger clients. It is also worth noting that the share of recurring revenues increased by another 4PP yoy and now stands at 89%, which nicely improves the visibility of future revenue streams for niiio.

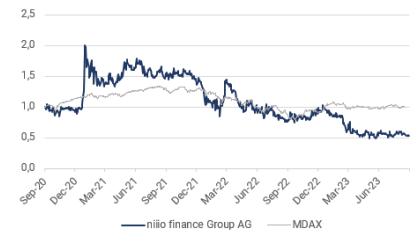
Profitability is on the rise – but lower than expected EBITDA also improved in H1'23 and amounted to EUR 0.43m, resulting in an EBITDA margin of 10.5%. In our view, niiio benefited from economies of scale and the resulting cross- and up-selling opportunities. As a result, EBITDA margins expanded by a decent 240 bps yoy. However, after the already good start in Q1, we had expected slightly higher margins (eAR), which is why we are also lowering our full-year expectations.

Guidance While management does not provide specific guidance beyond 2023E, it expects to outgrow the overall market in the coming years through a mix of organic and inorganic growth. In addition, management continues to believe that Group EBITDA margins of 10-20% are achievable in the medium term.

Conclusion: The wealth tech market is expected to grow rapidly, driven by increasing demand for digital wealth management solutions. As more individuals seek convenient and accessible ways to manage their finances, niiio is well positioned to experience significant growth. niiio's H1 results prove that the company can profitably benefit from this trend. Nevertheless, we lower our estimates to align our margin expectations with the company's mid-term targets. We reiterate our BUY rating, but lower our PT to EUR 1.20 (from EUR 1.60) due to lower overall margin expectations. The new DCF-based PT offers upside of >120%.

niiio finance Group	2020	2021	2022	2023E	2024E	2025E
Sales	2.3	2.4	7.5	8.4	9.4	10.5
<i>Growth yoy</i>	12.3%	3.3%	214.5%	12.0%	12.0%	11.0%
EBITDA	0.0	-0.9	0.8	1.2	1.9	2.1
EBIT	-2.1	-2.8	-2.6	-1.0	0.7	1.8
Net profit	-2.2	-3.2	-3.3	-1.4	0.5	1.5
Net debt (net cash)	-1.1	-2.1	3.6	1.6	0.4	-0.9
Net debt/EBITDA	-26.0x	2.5x	4.4x	1.3x	0.2x	-0.4x
EPS reported	-0.10	-0.12	-0.10	-0.04	0.01	0.05
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	116.9%	108.0%	112.3%	93.0%	94.0%	94.0%
EBITDA margin	1.9%	-35.7%	10.8%	14.0%	20.0%	20.0%
EBIT margin	-92.3%	-118.7%	-34.6%	-12.1%	7.6%	17.2%
ROCE	-16.3%	-11.9%	-11.5%	-5.3%	4.1%	10.1%
EV/EBITDA	377.9x	-18.0x	26.0x	16.1x	9.5x	7.9x
EV/EBIT	-7.6x	-5.4x	-8.1x	-18.7x	25.0x	9.2x
PER	-5.6x	-4.3x	-5.3x	-12.6x	38.7x	11.8x
FCF yield	-2.7%	-5.0%	2.5%	14.0%	8.8%	9.8%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 1.08 / 0.47
Price/Book Ratio 1.2x

Ticker / Symbols

ISIN DE000A2G8332
WKN A2G833
Bloomberg NIIN:GR

Changes in estimates

		Sales	EBIT	EPS
2023E	old	8.7	-0.7	-0.03
	Δ	-3.0%	na%	na%
2024E	old	10.0	1.1	0.03
	Δ	-5.6%	-36.5%	-52.8%
2025E	old	11.5	2.3	0.06
	Δ	-8.8%	-23.4%	-27.7%

Key share data

Number of shares: (in m pcs) 32.66
Book value per share: (in EUR) 0.45
Ø trading volume: (12 months) 10,000

Major shareholders

Management and Employees 24.5%
Deutsche Tech Ventures GmbH 35.7%
Supervisory Board 1.4%
Free Float 30.5%

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.

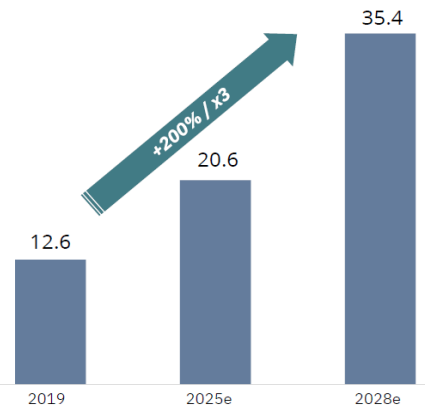
The following table displays the half-year performance of **niiio finance Group AG**:

P&L data	H2 2019	H1 2020	H2 2020	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023
Sales	na	1.1	-0.0	1.1	2.6	3.7	3.9	4.1
yoy growth in %	na%	na%	na%	-1.6%	-14,359.6%	232.7%	50.5%	10.8%
Gross profit	na	1.0	-0.1	1.0	2.4	3.3	5.1	3.8
Gross margin in %	na%	92.0%	422.2%	86.6%	92.2%	90.5%	133.1%	94.6%
EBITDA	na	-0.2	0.0	-0.2	0.5	0.3	0.5	0.4
EBITDA margin in %	na%	-19.0%	-166.7%	-16.6%	18.8%	8.2%	13.2%	10.6%
EBIT	na	-1.3	0.1	-1.2	-0.2	-1.4	-1.2	-1.3
EBIT margin in %	na%	-117.5%	-744.4%	-107.3%	-7.8%	-37.7%	-31.7%	-32.4%
EBT	na	-1.3	-0.2	-1.5	-0.0	-1.5	-1.4	-1.5
taxes paid	na	-0.1	0.1	-0.0	0.2	0.2	0.2	0.2
tax rate in %	na%	6.0%	-24.9%	1.2%	-1,675.0%	-14.3%	-10.5%	-14.0%
net profit	na	-1.3	-0.2	-1.5	-0.2	-1.7	-1.6	-1.8
yoy growth in %	na%	na%	na%	na%	na%	na%	na%	na%
EPS	na	-0.05	-0.01	-0.06	-0.01	-0.05	-0.05	-0.05

Source: Company data; AlsterResearch

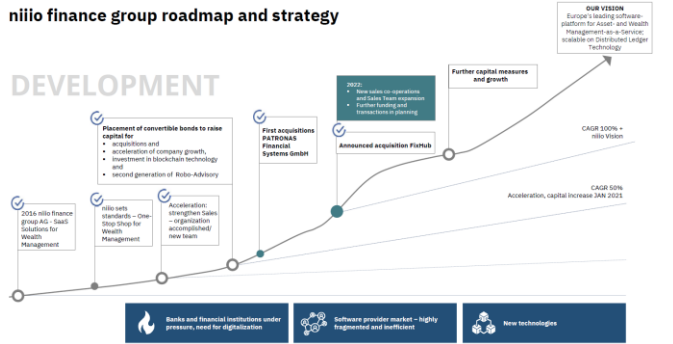
Investment case in six charts

European Wealth Tech Solution Market in EUR bn

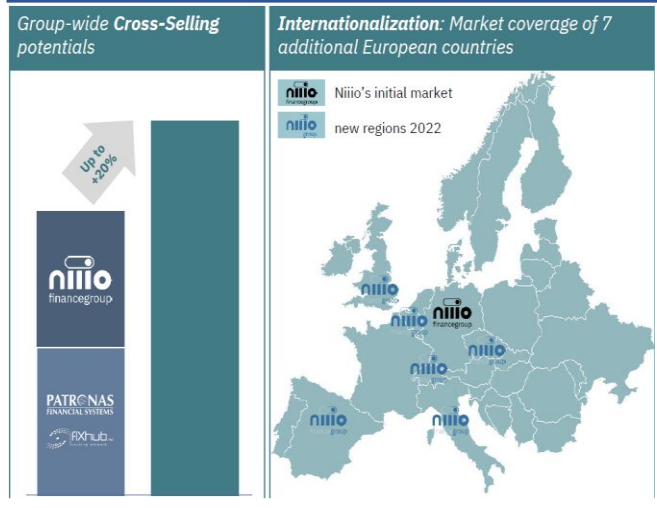


Roadmap and Strategy

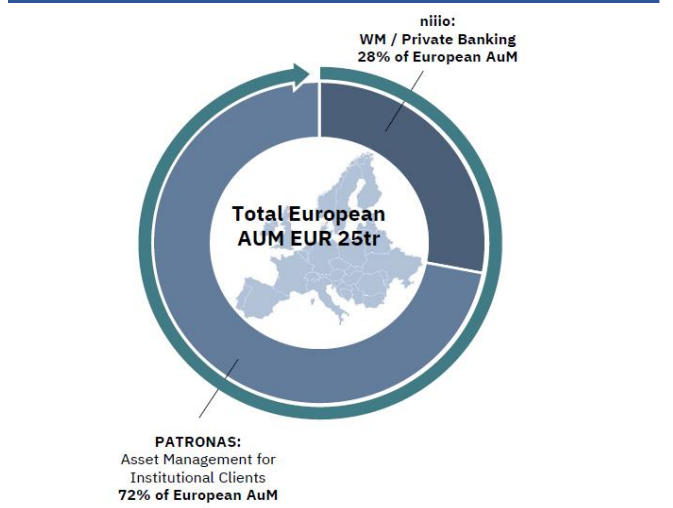
niio finance group roadmap and strategy



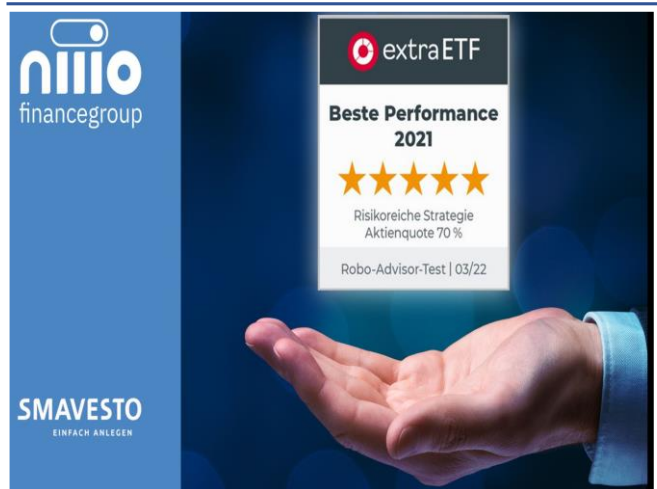
Cross-Selling and Internationalization



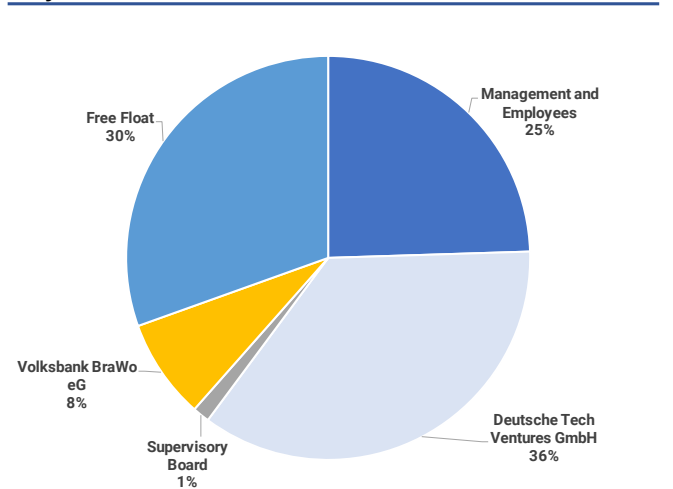
Expansion of Potential Market Size



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

- Loss making in 2022
- 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 1.22 per share**:

Top-line growth: We expect niio finance Group AG to continue benefitting from structural growth. Hence our growth estimates for 2023E-2030E is in the range of 7.2% 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 1.00. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 10.3%. 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 8.1%.

DCF (EURm) (except per share data and beta)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	-1.0	0.7	1.6	2.4	2.9	2.9	2.6	2.7	
Depreciation & amortization	2.2	1.2	0.3	0.2	0.3	0.3	0.2	0.2	
Change in working capital	1.7	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.0	
Chg. in long-term provisions	-0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.0	
Capex	-0.4	-0.4	-0.4	-0.4	-0.4	0.0	0.0	0.0	
Cash flow	2.5	1.4	1.5	2.2	2.7	3.2	2.8	2.9	48.5
Present value	2.4	1.2	1.2	1.7	2.0	2.1	1.8	1.7	27.6
WACC	8.6%	8.4%	8.2%	8.1%	8.0%	8.0%	8.0%	8.0%	8.1%

DCF per share derived from	
Total present value	41.7
Mid-year adj. total present value	43.4
Net debt / cash at start of year	3.6
Financial assets	0.0
Provisions and off b/s debt	0.0
Equity value	39.8
No. of shares outstanding	32.7
Discounted cash flow / share upside/(downside)	1.22 / 127.7%

Share price	0.54
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DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2023E-2030E)	7.2%
Terminal value growth (2030E - infinity)	2.0%
Terminal year ROCE	13.6%
Terminal year WACC	8.1%

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)	1.00
Target debt / equity	0.5
Relevered beta	1.38
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	10.3%

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%	0.8	0.9	0.9	0.9	1.0	2023E-2026E	15.8%	
1.0%	0.9	1.0	1.0	1.1	1.2	2027E-2030E	18.0%	
0.0%	1.1	1.1	1.2	1.3	1.4	terminal value	66.2%	
-1.0%	1.3	1.4	1.5	1.6	1.8			
-2.0%	1.5	1.7	1.9	2.1	2.4			

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 0.59 per share based on 2023E and EUR 1.79 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	1.2	1.9	2.1	3.1	3.9
- 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	0.2	0.4	0.7
= Adjusted FCF	1.3	1.9	1.9	2.7	3.2
Actual Market Cap	17.5	17.5	17.5	17.5	17.5
+ Net debt (cash)	1.6	0.4	-0.9	-3.1	-5.8
+ 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>	1.6	0.4	-0.9	-3.1	-5.8
= Actual EV'	19.0	17.9	16.6	14.4	11.6
Adjusted FCF yield	6.6%	10.4%	11.7%	18.8%	27.2%
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	20.9	31.1	32.2	45.1	52.7
- <i>EV Reconciliations</i>	1.6	0.4	-0.9	-3.1	-5.8
Fair Market Cap	19.3	30.7	33.1	48.2	58.5
No. of shares (million)	32.7	32.7	32.7	32.7	32.7
Fair value per share in EUR	0.59	0.94	1.01	1.48	1.79
Premium (-) / discount (+)	10.7%	75.6%	89.6%	175.8%	235.1%

Sensitivity analysis FV

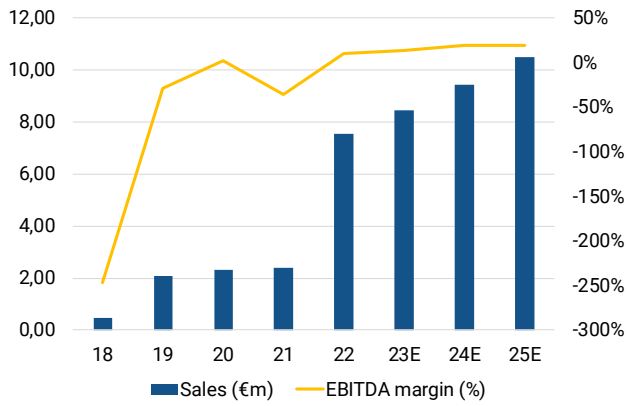
	4.0%	0.9	1.4	1.5	2.2	2.6
Adjusted hurdle rate	5.0%	0.7	1.1	1.2	1.8	2.1
	6.0%	0.6	0.9	1.0	1.5	1.8
	7.0%	0.5	0.8	0.9	1.3	1.6
	8.0%	0.4	0.7	0.8	1.1	1.4

Source: Company data; AlsterResearch

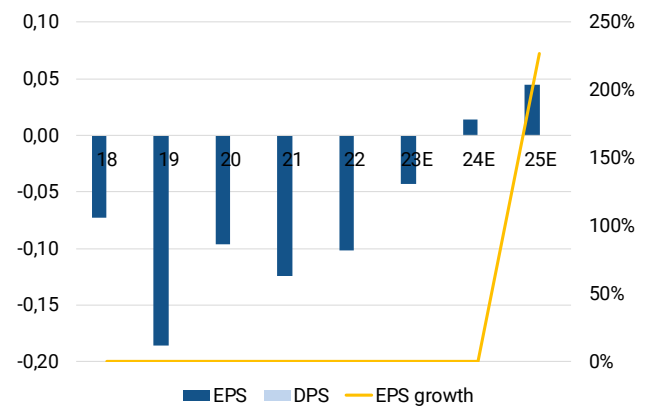
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

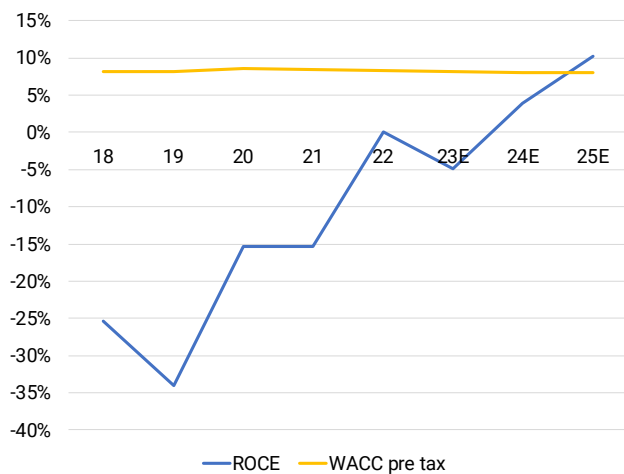
Sales vs. EBITDA margin development



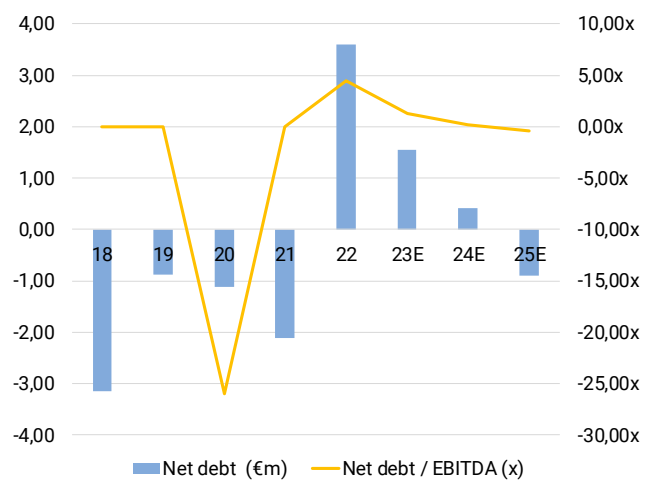
EPS, DPS in EUR & yoy EPS growth



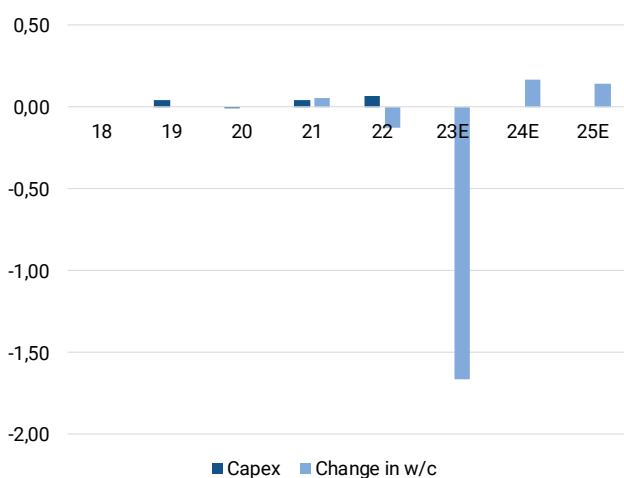
ROCE vs. WACC (pre tax)



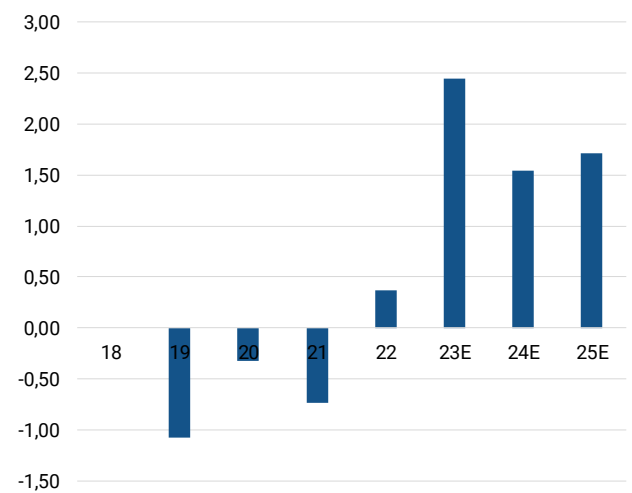
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EURm)	2020	2021	2022	2023E	2024E	2025E
Net sales	2.3	2.4	7.5	8.4	9.4	10.5
Sales growth	12.3%	3.3%	214.5%	12.0%	12.0%	11.0%
Change in finished goods and work-in-process	0.5	0.6	1.5	0.0	0.0	0.0
Total sales	2.8	3.0	9.1	8.4	9.4	10.5
Material expenses	0.1	0.4	0.6	0.6	0.6	0.6
Gross profit	2.7	2.6	8.5	7.8	8.9	9.9
Other operating income	0.1	0.0	0.3	0.1	0.1	0.1
Personnel expenses	1.9	2.3	5.6	5.5	5.9	6.5
Other operating expenses	0.8	1.2	2.3	1.3	1.2	1.4
EBITDA	0.0	-0.9	0.8	1.2	1.9	2.1
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	0.0	-0.9	0.8	1.2	1.9	2.1
Amortisation of goodwill and intangible assets	2.2	2.0	3.4	2.2	1.2	0.3
EBIT	-2.1	-2.8	-2.6	-1.0	0.7	1.8
Financial result	-0.1	-0.4	-0.3	-0.4	-0.2	-0.2
Recurring pretax income from continuing operations	-2.2	-3.2	-2.9	-1.5	0.5	1.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-2.2	-3.2	-2.9	-1.5	0.5	1.6
Taxes	-0.0	0.0	0.4	-0.1	0.0	0.2
Net income from continuing operations	-2.2	-3.2	-3.3	-1.4	0.5	1.5
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-2.2	-3.2	-3.3	-1.4	0.5	1.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-2.2	-3.2	-3.3	-1.4	0.5	1.5
Average number of shares	22.83	25.99	32.49	32.66	32.66	32.66
EPS reported	-0.10	-0.12	-0.10	-0.04	0.01	0.05

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	22%	25%	20%	0%	0%	0%
Total sales	122%	125%	120%	100%	100%	100%
Material expenses	5%	17%	8%	7%	6%	6%
Gross profit	117%	108%	112%	93%	94%	94%
Other operating income	4%	2%	4%	1%	1%	1%
Personnel expenses	83%	95%	75%	65%	62%	62%
Other operating expenses	36%	50%	31%	15%	13%	13%
EBITDA	2%	-36%	11%	14%	20%	20%
Depreciation	0%	0%	0%	0%	0%	0%
EBITA	2%	-36%	11%	14%	20%	20%
Amortisation of goodwill and intangible assets	94%	83%	45%	26%	12%	3%
EBIT	-92%	-119%	-35%	-12%	8%	17%
Financial result	-3%	-15%	-4%	-5%	-3%	-2%
Recurring pretax income from continuing operations	-96%	-134%	-39%	-17%	5%	16%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-96%	-134%	-39%	-17%	5%	16%
Taxes	-1%	1%	5%	-1%	0%	2%
Net income from continuing operations	-95%	-135%	-44%	-16%	5%	14%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-95%	-135%	-44%	-16%	5%	14%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	-95%	-135%	-44%	-16%	5%	14%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (exl. Goodwill)	2.1	6.9	7.1	4.9	3.7	3.4
Goodwill	9.4	10.7	12.9	12.9	12.9	12.9
Property, plant and equipment	0.1	0.4	0.4	0.4	0.4	0.4
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	11.5	18.0	20.3	18.1	17.0	16.7
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.2	0.4	0.5	1.2	1.3	1.4
Other current assets	0.0	0.4	0.3	0.3	0.3	0.3
Liquid assets	2.2	7.5	3.8	3.9	2.6	2.9
Deferred taxes	0.1	0.1	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.1	0.2	0.2	0.2
CURRENT ASSETS	2.5	8.4	4.7	5.5	4.3	4.8
TOTAL ASSETS	14.1	26.5	25.0	23.7	21.3	21.5
SHAREHOLDERS EQUITY	11.0	11.3	14.5	13.1	13.6	15.1
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	5.2	6.5	5.0	3.0	2.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	1.1	7.1	0.7	0.7	0.8	0.8
Non-current liabilities	1.1	12.3	7.3	5.7	3.8	2.8
short-term liabilities to banks	1.0	0.2	0.9	0.5	0.0	0.0
Accounts payable	0.3	0.4	0.3	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	0.2	0.0	2.1	1.7	1.3
Deferred taxes	0.6	2.0	2.1	2.1	2.1	2.1
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	2.0	2.8	3.3	4.9	4.0	3.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	14.1	26.5	25.0	23.7	21.3	21.5

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	15%	26%	28%	21%	17%	16%
Goodwill	67%	41%	52%	54%	61%	60%
Property, plant and equipment	0%	1%	1%	1%	2%	2%
Financial assets	0%	0%	0%	0%	0%	0%
FIXED ASSETS	82%	68%	81%	77%	80%	78%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	1%	1%	2%	5%	6%	7%
Other current assets	0%	1%	1%	1%	1%	1%
Liquid assets	15%	28%	15%	17%	12%	13%
Deferred taxes	1%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	1%	1%	1%
CURRENT ASSETS	18%	32%	19%	23%	20%	22%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	78%	43%	58%	55%	64%	70%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	20%	26%	21%	14%	9%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	8%	27%	3%	3%	4%	4%
Non-current liabilities	8%	46%	29%	24%	18%	13%
short-term liabilities to banks	7%	1%	3%	2%	0%	0%
Accounts payable	2%	1%	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%	0%	9%	8%	6%
Deferred taxes	4%	8%	8%	9%	10%	10%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	14%	11%	13%	21%	19%	17%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	-2.2	-3.2	-3.3	-1.4	0.5	1.5
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	2.2	2.0	3.4	2.2	1.2	0.3
Others	-0.3	0.6	0.2	-0.0	0.1	0.1
Cash flow from operations before changes in w/c	-0.3	-0.6	0.3	0.8	1.7	1.9
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.0	-0.1	0.0	-0.6	-0.1	-0.1
Increase/decrease in accounts payable	0.0	0.0	0.1	-0.1	-0.0	0.0
Increase/decrease in other w/c positions	0.0	0.0	0.0	2.4	-0.0	-0.0
Increase/decrease in working capital	0.0	-0.1	0.1	1.7	-0.2	-0.1
Cash flow from operating activities	-0.3	-0.7	0.4	2.4	1.5	1.7
CAPEX	0.0	-0.0	-0.1	0.0	0.0	0.0
Payments for acquisitions	-0.2	-0.7	-5.7	-0.4	-0.4	-0.4
Financial investments	0.0	-6.6	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	-0.2	-0.8	-5.8	-0.4	-0.4	-0.4
Cash flow before financing	-0.5	-1.5	-5.3	2.0	1.1	1.3
Increase/decrease in debt position	0.0	5.0	1.7	-1.9	-2.5	-1.0
Purchase of own shares	0.0	0.0	-0.0	0.0	0.0	0.0
Capital measures	0.8	9.3	0.1	0.0	0.0	0.0
Dividends paid	0.0	0.0	-0.4	0.0	0.0	0.0
Others	-0.2	-8.3	-0.3	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	0.6	6.0	1.2	-1.9	-2.5	-1.0
Increase/decrease in liquid assets	0.1	5.3	-3.7	0.1	-1.4	0.3
Liquid assets at end of period	2.2	7.5	3.8	3.9	2.6	2.9

Source: Company data; AlsterResearch

Regional sales split (EURm)	2020	2021	2022	2023E	2024E	2025E
Domestic	0.0	2.1	4.0	4.5	5.3	6.0
Europe (ex domestic)	0.0	0.3	3.5	4.2	4.7	5.5
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	2.3	2.4	7.5	8.4	9.4	10.5

Regional sales split (common size)	2020	2021	2022	2023E	2024E	2025E
Domestic	0.0%	87.7%	53.1%	53.3%	56.1%	57.2%
Europe (ex domestic)	0.0%	12.5%	46.5%	49.8%	49.7%	52.4%
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	2020	2021	2022	2023E	2024E	2025E
Per share data						
Earnings per share reported	-0.10	-0.12	-0.10	-0.04	0.01	0.05
Cash flow per share	-0.01	-0.03	0.01	0.07	0.05	0.05
Book value per share	0.48	0.44	0.45	0.40	0.42	0.46
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-5.6x	-4.3x	-5.3x	-12.6x	38.7x	11.8x
P/CF	-37.3x	-20.2x	39.7x	7.1x	11.3x	10.2x
P/BV	1.1x	1.2x	1.2x	1.3x	1.3x	1.2x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-2.7%	-5.0%	2.5%	14.0%	8.8%	9.8%
EV/Sales	7.0x	6.4x	2.8x	2.3x	1.9x	1.6x
EV/EBITDA	377.9x	-18.0x	26.0x	16.1x	9.5x	7.9x
EV/EBIT	-7.6x	-5.4x	-8.1x	-18.7x	25.0x	9.2x
Income statement (EURm)						
Sales	2.3	2.4	7.5	8.4	9.4	10.5
yoy chg in %	12.3%	3.3%	214.5%	12.0%	12.0%	11.0%
Gross profit	2.7	2.6	8.5	7.8	8.9	9.9
Gross margin in %	116.9%	108.0%	112.3%	93.0%	94.0%	94.0%
EBITDA	0.0	-0.9	0.8	1.2	1.9	2.1
EBITDA margin in %	1.9%	-35.7%	10.8%	14.0%	20.0%	20.0%
EBIT	-2.1	-2.8	-2.6	-1.0	0.7	1.8
EBIT margin in %	-92.3%	-118.7%	-34.6%	-12.1%	7.6%	17.2%
Net profit	-2.2	-3.2	-3.3	-1.4	0.5	1.5
Cash flow statement (EURm)						
CF from operations	-0.3	-0.7	0.4	2.4	1.5	1.7
Capex	0.0	-0.0	-0.1	0.0	0.0	0.0
Maintenance Capex	0.0	0.0	0.0	0.0	0.0	0.0
Free cash flow	-0.3	-0.7	0.4	2.4	1.5	1.7
Balance sheet (EURm)						
Intangible assets	11.5	17.6	20.0	17.8	16.6	16.3
Tangible assets	0.1	0.4	0.4	0.4	0.4	0.4
Shareholders' equity	11.0	11.3	14.5	13.1	13.6	15.1
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	2.2	12.5	8.1	6.2	3.8	2.8
Net financial debt	-1.1	-2.1	3.6	1.6	0.4	-0.9
w/c requirements	-0.1	0.0	0.3	1.0	1.1	1.3
Ratios						
ROE	-20.0%	-28.5%	-22.8%	-10.5%	3.3%	9.8%
ROCE	-16.3%	-11.9%	-11.5%	-5.3%	4.1%	10.1%
Net gearing	-10.3%	-18.5%	24.8%	11.8%	3.0%	-6.0%
Net debt / EBITDA	-26.0x	2.5x	4.4x	1.3x	0.2x	-0.4x

Source: Company data; AlsterResearch

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