

Wolftank-Adisa Holding AG

Austria | Industrial Goods & Services | MCap EUR 58.3m

8 December 2022

UPDATE



Capital increase to finance further growth initiatives; We maintain our BUY

What's it all about?

Wolftank announced a capital increase, aiming to raise up to EUR 6.2m fresh capital by issuing c. 438K new shares (10%) at an issue price of EUR 14.01. This corresponds with a 10% premium vs. yesterday's close. We welcome the announcement as we see ample growth opportunities for the company. The cash injection will provide Wolftank the financial means in order to execute on this growth, particularly in financing the future expected order intake. In addition, a capital increase will further de-risk an investment given the more solid balance sheet ratios. We reiterate our BUY rating albeit with lower PT of EUR 23.00 (old EUR 24.50) given dilution effects. The rating remains BUY as we believe that Wolftank remains a valuable asset for long-term oriented investors.

BUY (BUY)

Target price	EUR 23.00 (24.50)
Current price	EUR 13.30
Up/downside	72.9%

 **ResearchHub**



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Wolftank-Adisa Holding AG

Austria | Industrial Goods & Services | MCap EUR 58.3m | EV EUR 63.7m

BUY (BUY)

Target price EUR 23.00 (24.50)
Current price EUR 13.30
Up/downside 72.9%

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Capital increase to finance further growth initiatives; BUY

Fresh capital in order to finance future growth Wolftank announced a **capital increase of up to 10%** of its share capital, by issuing up to **438K new shares at an issue price of EUR 14.01 – a premium of 10% vs. yesterday's closing price**. If fully exercised the share capital would increase to EUR 4,819,027 and the **maximum inflow of cash would be c. EUR 6.2m** (gross proceeds). The issue price corresponds with the 60-day VWAP (volume-weighted average price). Wolftank makes use of its authorized capital granted by the AGM in June 2022. Given that it is “only” a 10% increase in share capital, subscription rights for existing shareholders are excluded. According to the company, the newly issued shares are to be placed in a **private placement** with selected qualified and long-term oriented institutional and/or large non-institutional investors.

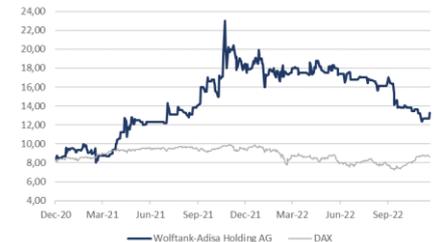
Our view: We welcome the step by Wolftank to raise fresh money for several reasons. According to the announcement (and also visible with its H1 22 results) Wolftank is likely to continue experiencing significant future growth. **Demand for the construction of LNG and hydrogen refueling facilities is unabated**. As such, Wolftank will need to have enough liquidity in order to finance anticipated rising order intakes. In addition, strengthening its balance sheet – and with it **improving overall balance sheet ratios** should help to further de-risk an investment in Wolftank. Finally, given that the capital measure will be done at a premium indicates **undiminished confidence and faith** investors are placing into Wolftank and its management.

Increased stock liquidity In addition, a positive side effect of this transaction is a further **increase in the company's free float and overall liquidity in the stock**. In our view, this will make the stock increasingly attractive for larger institutional investors who are seeking exposure to the fast-growing renewable energy segment.

Conclusion: We welcome yesterday's announcement as we see ample growth opportunities for the company. The cash injection will provide Wolftank the financial means in order to execute on this growth. In addition, a capital increase will help to significantly de-risk an investment. We therefore maintain our BUY rating, however slightly lower our **PT from EUR 24.50 to EUR 23.00** mainly reflecting dilution effects. The stock now yields an **upside potential of 73%**, making Wolftank an attractive value proposition for long-term oriented investors.

Wolftank Group	2019	2020	2021	2022E	2023E	2024E
Sales	51.8	35.0	44.6	70.8	77.9	85.7
<i>Growth yoy</i>	na	-32.4%	27.4%	58.6%	10.0%	10.0%
EBITDA	4.6	0.3	1.5	5.7	7.8	9.9
EBIT	1.3	-1.8	-1.3	2.8	4.9	7.2
Net profit	-0.0	-2.2	-3.0	1.1	2.8	4.6
Net debt (net cash)	11.4	12.8	5.4	1.7	2.0	-2.8
Net debt/EBITDA	2.5x	45.4x	3.6x	0.3x	0.3x	-0.3x
EPS recurring	-0.01	-0.61	-0.67	0.26	0.58	0.95
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	28.2%	28.4%	35.0%	33.0%	33.5%	34.0%
EBITDA margin	8.9%	0.8%	3.4%	8.0%	10.0%	11.6%
EBIT margin	2.5%	-5.1%	-3.0%	3.9%	6.3%	8.4%
ROCE	5.3%	-7.2%	-4.4%	6.9%	11.9%	16.1%
EV/EBITDA	15.2x	252.5x	42.4x	10.6x	7.8x	5.6x
EV/EBIT	53.1x	-39.5x	-47.5x	21.6x	12.3x	7.7x
PER	-1,100.4x	-21.6x	-19.7x	51.3x	22.8x	14.0x
FCF yield	-9.5%	-4.5%	3.7%	-0.3%	-1.2%	7.2%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 36.60 / 12.00
Price/Book Ratio 4.2x

Ticker / Symbols

ISIN AT0000A25NJ6
WKN A2PBHR
Bloomberg WAH:GR

Changes in estimates

		Sales	EBIT	EPS
2022E	old	70,8	2,8	0,26
	Δ	0,0%	0,0%	0,0%
2023E	old	77,9	4,9	0,64
	Δ	0,0%	0,0%	-9,1%
2024E	old	85,7	7,2	1,05
	Δ	0,0%	0,0%	-9,1%

Key share data

Number of shares: (in m pcs) 4.38
Book value per share: (in EUR) 3.17
Ø trading volume: (12 months) 2,500

Major shareholders

MuM Beteiligung / GCI 15.0%
Management 13.0%
Eiffel Investment 8.0%
Free Float 49.1%

Company description

Wolftank is an Austria-based company that operates as an environmental technology company for tank systems and soil remediation. The company focuses on the remediation and monitoring of tank farms and environmental protection services for contaminated soils and facilities, as well as groundwater purification. In addition, Wolftank is active in the commissioning of LNG and hydrogen petrol stations.

Half year results

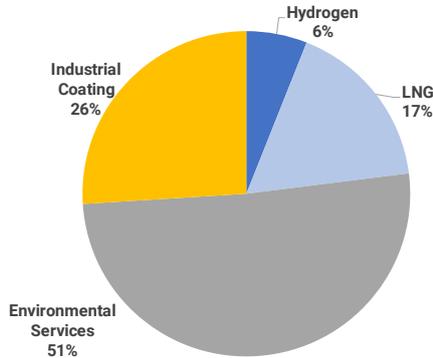
The following table depicts the half year reports of Wolfbank (in EURm).

P&L data in EURm	1H2019	2H2019	1H2020	2H2020	1H2021	2H2021	1H2022
Sales	26,1	25,8	12,9	22,2	20,3	24,4	29,0
yoy growth in %	na	na	-50,7%	-14,0%	57,5%	10,0%	43,0%
Gross profit	8,1	6,6	3,9	6,0	5,8	9,8	9,2
Gross margin in %	31,0%	25,4%	30,6%	27,0%	28,9%	40,1%	31,7%
EBITDA	2,9	1,7	0,3	-0,1	-0,2	1,7	1,4
EBITDA margin in %	11,2%	6,5%	2,6%	-0,2%	-1,1%	7,1%	4,8%
EBIT	2,1	-0,8	-0,4	-1,4	-1,6	0,2	-0,3
EBIT margin in %	8,2%	-3,2%	-3,3%	-6,2%	-7,8%	1,0%	-0,9%
EBT	2	-1,23	-0,8	-2,1	-2,0	-0,8	-0,6
taxes paid	-0,31	-0,13	-0,01	-0,5	-0,1	0,2	-0,5
tax rate in %	-17,6%	10,3%	1,0%	24,5%	3,0%	-25,1%	81,4%
net profit	1,44	-1,35	-0,79	-1,5	-1,9	-1,0	-1,0
yoy growth in %	na	na	na	na	na	na	na
EPS	0,41	-0,42	-0,22	-0,39	-0,48	-0,19	-0,23

Source: Company data; AlsterResearch

Investment case in six charts

Sales by segment 2021



Wolf tank's track record

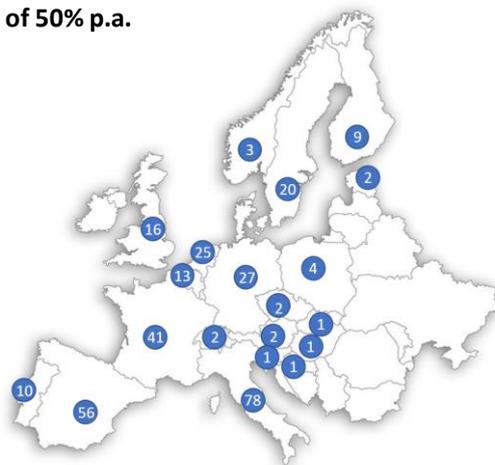


Blue chip clients

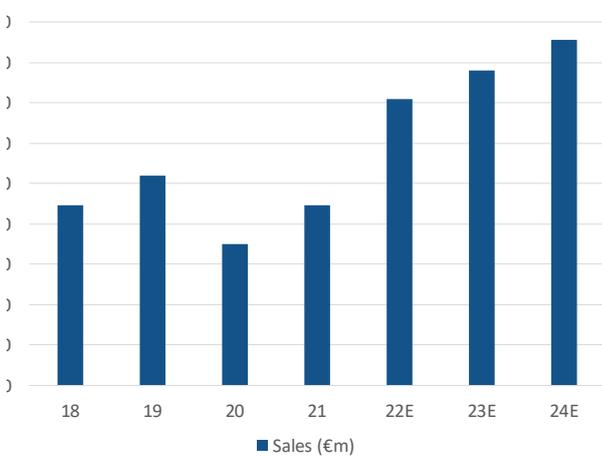


LNG Map Europe

CAGR of 50% p.a.



Sales development



ROCE vs. WACC



Source. Company data; AlsterResearch

SWOT Analysis

Strengths

- structural growth due to rising environmental awareness
- strong product know-how and expertise, patents
- long track record
- long lasting customer loyalty
- cost-efficiency of refurbishment (50% less than new tanks)
- blue chip client base
- During recessions customers tend to postpone orders rather than cancelling them

Weaknesses

- Customers face lengthy approval and financing processes
- pricing pressure and potentially low bargaining power
- regional cluster risk (Italy)

Opportunities

- Growing market renovation/remodelling LNG stations
- Expansion towards China and USA
- Acquisition of smaller competitors

Threats

- Niche market
- Increasing customer concentration

Valuation

DCF Model

The DCF model results in a **fair value of EUR 23.01 per share**:

Top-line growth: We expect Woltank-Adisa Holding AG to continue benefitting from structural growth. Hence our growth estimates for 2022E-2029E is in the range of 10.0% p.a. The long-term growth rate is set at 2.0%.

EBIT margins. The scalable business model should allow for EBIT margins of 14% by 2023E, which look defensible given high competitive quality based on scale geography and expertise. Accordingly, we model approx. 14% EBIT margins in the long-term.

WACC. The averaged 1-, 3- and 5-year historical equity beta is calculated as 0.86. Unlevering and correcting for mean reversion yields an asset beta of 0.83. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.5% this yields cost of equity of 9.5%. 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 7.6%.

DCF (EUR m) (except per share data and beta)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal value
NOPAT	2.1	3.7	5.3	5.8	6.5	7.3	8.1	9.0	
Depreciation & amortization	2.9	2.8	2.7	2.7	2.7	2.8	3.0	3.2	
Change in working capital	-1.4	-4.1	-0.6	-0.5	-0.5	-0.6	-0.6	-0.7	
Chg. in long-term provisions	-0.0	0.2	0.2	0.2	0.2	0.2	0.3	0.3	
Capex	-2.1	-2.3	-2.6	-2.8	-3.1	-3.4	-3.8	-4.1	
Cash flow	1.4	0.3	5.1	5.4	5.8	6.3	6.9	7.6	139.3
Present value	1.4	0.3	4.4	4.3	4.4	4.4	4.5	4.6	83.3
WACC	7.6%	7.6%	7.6%	7.4%	7.4%	7.4%	7.4%	7.4%	7.6%

DCF per share derived from	
Total present value	111.5
Mid-year adj. total present value	115.6
Net debt / cash at start of year	5.4
Financial assets	0.7
Provisions and off b/s debt	0.1
Equity value	110.9
No. of shares outstanding	4.8
Discounted cash flow / share upside/(downside)	23.01 / 73.0%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2022E-2029E)	10.0%
Terminal value growth (2029E - infinity)	2.0%
Terminal year ROCE	20.3%
Terminal year WACC	7.6%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	0.90
Unlevered beta (industry or company)	0.83
Target debt / equity	0.5
Relevered beta	1.15
Risk-free rate	2.0%
Equity risk premium	6.5%
Cost of equity	9.5%

Share price	13.30
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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%	2022E-2025E	2026E-2029E	terminal value
1.0%		17.2	18.1	19.2	20.4	21.9			
0.5%		18.5	19.6	20.9	22.4	24.3	9.3%	16.0%	
0.0%		20.1	21.4	23.0	24.9	27.2			74.7%
-0.5%		22.0	23.6	25.5	27.8	30.8			
-1.0%		24.2	26.1	28.5	31.5	35.4			

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 10.53 per share based on 2022E and 30.43 EUR per share on 2026E estimates. **We value Wolfbank-Adisa Holding AG on 2024E adj. FCF yield, which supports the DCF based fair value calculations.**

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	5.7	7.8	9.9	11.8	13.0
- Maintenance capex	2.9	2.8	2.7	2.7	2.7
- Minorities	0.1	0.3	0.5	0.5	0.6
- tax expenses	0.3	0.8	1.3	2.5	3.0
= Adjusted Free Cash Flow	2.4	3.9	5.5	6.1	6.6
Actual Market Cap	58.3	58.3	58.3	58.3	58.3
+ Net debt (cash)	1.7	2.0	-2.8	-8.2	-14.5
+ Pension provisions	0.3	0.3	0.3	0.4	0.4
+ Off balance sheet financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	0.7	0.7	0.7	0.7	0.7
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	1.3	1.6	-3.1	-8.5	-14.8
= Actual EV'	59.6	59.9	55.1	49.8	43.5
Adjusted RW_FCF yield	4.0%	6.5%	10.0%	12.2%	15.2%
base hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
ESG adjustment	1.0%	1.0%	1.0%	1.0%	1.0%
adjusted hurdle rate	5.0%	5.0%	5.0%	5.0%	5.0%
Fair EV	47.4	77.8	110.1	121.4	131.8
- <i>EV Reconciliations</i>	1.3	1.6	-3.1	-8.5	-14.8
Fair Market Cap	46.1	76.2	113.3	129.9	146.6
No. of shares (million)	4.4	4.8	4.8	4.8	4.8
Fair value per share in EUR	10.53	15.81	23.50	26.97	30.43
Premium (-) / discount (+)	-20.8%	18.9%	76.7%	102.7%	128.8%

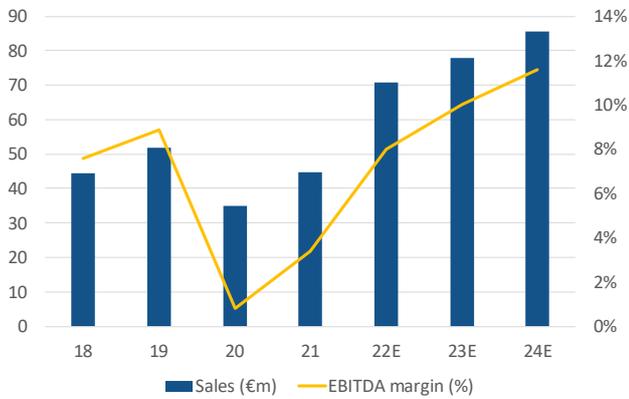
Sensitivity analysis fair value						
Adjusted hurdle rate	3.0%	17.7	26.6	38.7	43.8	48.7
	4.0%	13.2	19.9	29.2	33.3	37.3
	5.0%	10.5	15.8	23.5	27.0	30.4
	6.0%	8.7	13.1	19.7	22.8	25.9
	7.0%	7.4	11.2	17.0	19.8	22.6

Source: Company data; AlsterResearch

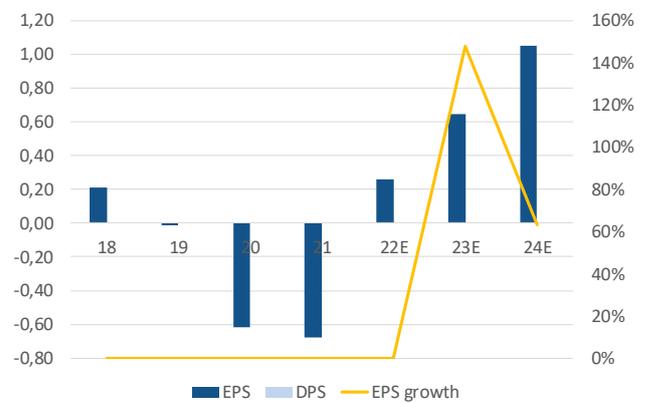
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

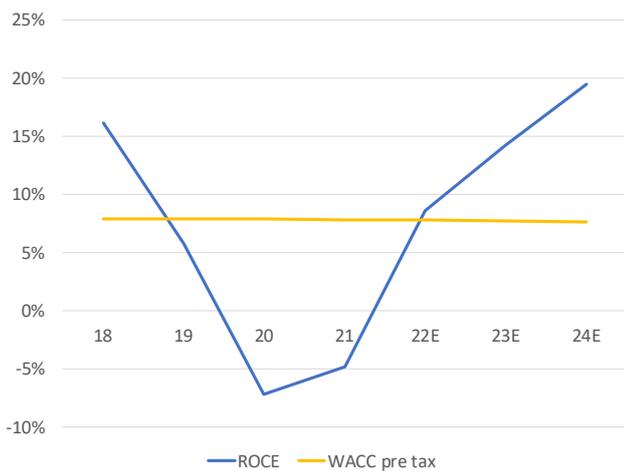
Sales vs. EBITDA margin development



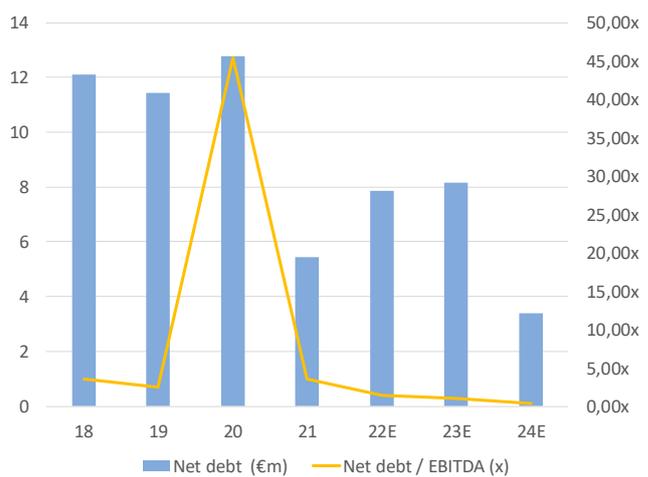
EPS, DPS in EUR & yoy EPS growth



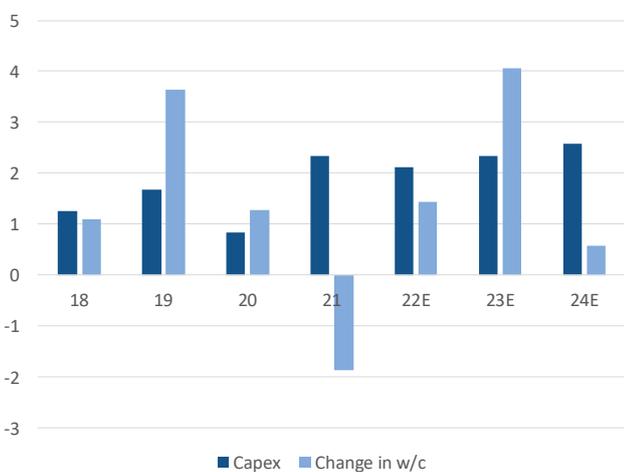
ROCE vs. WACC (pre tax)



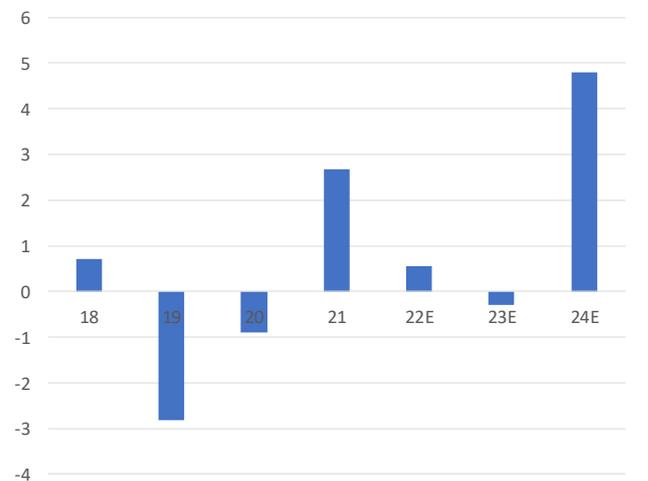
Net debt and net debt/EBITDA



Capex & chg 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	51.8	35.0	44.6	70.8	77.9	85.7
Sales growth	na	-32.4%	27.4%	58.6%	10.0%	10.0%
Change in finished goods and work-in-process	-1.9	-0.6	1.2	0.0	0.0	0.0
Total sales	49.9	34.4	45.8	70.8	77.9	85.7
Material expenses	35.3	24.5	30.2	47.4	51.8	56.5
Gross profit	14.6	9.9	15.6	23.4	26.1	29.1
Other operating income	0.7	1.1	1.3	2.1	2.3	2.6
Personnel expenses	6.5	7.2	7.9	11.3	12.1	12.8
Other operating expenses	4.2	3.6	7.5	8.5	8.6	9.0
EBITDA	4.6	0.3	1.5	5.7	7.8	9.9
Depreciation	3.3	2.1	2.8	2.9	2.8	2.7
EBITA	1.3	-1.8	-1.3	2.8	4.9	7.2
Amortisation of goodwill and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	1.3	-1.8	-1.3	2.8	4.9	7.2
Financial result	-0.8	-1.0	-1.4	-1.2	-1.1	-0.9
Recurring pretax income from continuing operations	0.5	-2.8	-2.8	1.6	3.9	6.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	0.5	-2.8	-2.8	1.6	3.9	6.3
Taxes	0.4	-0.5	0.1	0.3	0.8	1.3
Net income from continuing operations	0.1	-2.3	-2.9	1.2	3.1	5.0
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.1	-2.3	-2.9	1.2	3.1	5.0
Minority interest	-0.1	0.1	-0.0	-0.1	-0.3	-0.5
Net profit (reported)	-0.0	-2.2	-3.0	1.1	2.8	4.6
Average number of shares	3.51	3.61	4.38	4.38	4.82	4.82
EPS reported	-0.01	-0.61	-0.67	0.26	0.58	0.95

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	-4%	-2%	3%	0%	0%	0%
Total sales	96%	98%	103%	100%	100%	100%
Material expenses	68%	70%	68%	67%	67%	66%
Gross profit	28%	28%	35%	33%	34%	34%
Other operating income	1%	3%	3%	3%	3%	3%
Personnel expenses	13%	20%	18%	16%	16%	15%
Other operating expenses	8%	10%	17%	12%	11%	10%
EBITDA	9%	1%	3%	8%	10%	12%
Depreciation	6%	6%	6%	4%	4%	3%
EBITA	3%	-5%	-3%	4%	6%	8%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
EBIT	3%	-5%	-3%	4%	6%	8%
Financial result	-2%	-3%	-3%	-2%	-1%	-1%
Recurring pretax income from continuing operations	1%	-8%	-6%	2%	5%	7%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	1%	-8%	-6%	2%	5%	7%
Taxes	1%	-1%	0%	0%	1%	1%
Net income from continuing operations	0%	-7%	-7%	2%	4%	6%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	0%	-7%	-7%	2%	4%	6%
Minority interest	-0%	0%	-0%	-0%	-0%	-1%
Net profit (reported)	-0%	-6%	-7%	2%	4%	5%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (exl. Goodwill)	1.5	1.8	1.8	1.8	1.8	1.8
Goodwill	3.1	5.4	7.1	8.6	8.6	8.6
Property, plant and equipment	6.3	8.6	10.6	11.4	10.9	10.7
Financial assets	0.7	1.0	0.7	0.7	0.7	0.7
FIXED ASSETS	11.6	16.9	20.3	22.5	22.0	21.9
Inventories	6.1	5.4	5.7	7.8	8.5	9.3
Accounts receivable	22.0	22.0	23.9	31.0	34.1	37.5
Other current assets	0.0	1.9	2.8	2.8	2.8	2.8
Liquid assets	4.2	3.1	7.5	13.4	11.1	13.9
Deferred taxes	0.4	1.4	1.4	1.4	1.4	1.4
Deferred charges and prepaid expenses	0.1	0.3	0.3	0.2	0.2	0.3
CURRENT ASSETS	32.7	34.2	41.5	56.7	58.3	65.3
TOTAL ASSETS	44.3	51.0	61.8	79.2	80.3	87.1
SHAREHOLDERS EQUITY	8.0	5.8	13.9	21.3	24.4	29.4
MINORITY INTEREST	0.2	1.7	2.3	2.3	2.3	2.3
Long-term debt	15.6	15.9	7.7	10.0	8.0	6.0
Provisions for pensions and similar obligations	0.2	0.0	0.0	0.3	0.3	0.3
Other provisions	0.9	1.5	1.6	1.3	1.5	1.6
Non-current liabilities	16.7	17.4	9.4	11.6	9.8	8.0
short-term liabilities to banks	0.0	0.0	5.2	5.2	5.2	5.2
Accounts payable	14.3	13.3	18.2	24.7	27.0	29.4
Advance payments received on orders	0.7	1.1	1.6	0.7	0.8	0.9
Other liabilities (incl. from lease and rental contracts)	4.6	10.8	10.5	10.6	7.8	8.6
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	-0.2	0.9	0.7	2.8	3.1	3.4
Current liabilities	19.4	26.2	36.2	44.0	43.8	47.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	44.3	51.0	61.8	79.2	80.3	87.1

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	3%	4%	3%	2%	2%	2%
Goodwill	7%	11%	12%	11%	11%	10%
Property, plant and equipment	14%	17%	17%	14%	14%	12%
Financial assets	2%	2%	1%	1%	1%	1%
FIXED ASSETS	26%	33%	33%	28%	27%	25%
Inventories	14%	11%	9%	10%	11%	11%
Accounts receivable	50%	43%	39%	39%	43%	43%
Other current assets	0%	4%	5%	4%	3%	3%
Liquid assets	9%	6%	12%	17%	14%	16%
Deferred taxes	1%	3%	2%	2%	2%	2%
Deferred charges and prepaid expenses	0%	1%	0%	0%	0%	0%
CURRENT ASSETS	74%	67%	67%	72%	73%	75%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	18%	11%	22%	27%	30%	34%
MINORITY INTEREST	0%	3%	4%	3%	3%	3%
Long-term debt	35%	31%	13%	13%	10%	7%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	2%	3%	3%	2%	2%	2%
Non-current liabilities	38%	34%	15%	15%	12%	9%
short-term liabilities to banks	0%	0%	8%	7%	6%	6%
Accounts payable	32%	26%	29%	31%	34%	34%
Advance payments received on orders	2%	2%	3%	1%	1%	1%
Other liabilities (incl. from lease and rental contracts)	10%	21%	17%	13%	10%	10%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	-0%	2%	1%	4%	4%	4%
Current liabilities	44%	51%	59%	56%	55%	54%
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	0.1	-2.3	-2.9	1.2	3.1	5.0
Depreciation of fixed assets (incl. leases)	3.3	2.1	2.8	2.9	2.8	2.7
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	0.0	0.0	0.0
Others	-0.9	1.5	3.2	-0.0	0.2	0.2
Cash flow from operations before changes in w/c	2.5	1.2	3.1	4.1	6.1	7.9
Increase/decrease in inventory	-0.6	0.7	-0.2	-2.1	-0.7	-0.8
Increase/decrease in accounts receivable	-1.9	-0.0	-1.9	-7.1	-3.1	-3.4
Increase/decrease in accounts payable	-1.2	-1.0	4.9	6.5	2.3	2.5
Increase/decrease in other w/c positions	0.0	-0.9	-0.9	1.4	-2.5	1.1
Increase/decrease in working capital	-3.6	-1.3	1.9	-1.4	-4.1	-0.6
Cash flow from operating activities	-1.1	-0.1	5.0	2.7	2.0	7.4
CAPEX	-1.7	-0.8	-2.3	-2.1	-2.3	-2.6
Payments for acquisitions	0.0	-3.3	-3.0	-3.0	0.0	0.0
Financial investments	0.0	-0.6	0.0	0.0	0.0	0.0
Income from asset disposals	-0.3	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-2.0	-4.7	-5.3	-5.1	-2.3	-2.6
Cash flow before financing	-3.1	-4.8	-0.3	-2.5	-0.3	4.8
Increase/decrease in debt position	-1.8	0.3	-3.0	2.3	-2.0	-2.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	4.8	0.0	11.0	6.1	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-1.0	3.2	0.0	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	1.9	3.5	8.0	8.4	-2.0	-2.0
Increase/decrease in liquid assets	-1.2	-1.2	7.7	6.0	-2.3	2.8
Liquid assets at end of period	-4.1	-5.3	2.3	8.3	6.0	8.8

Source: Company data; AlsterResearch

Regional sales split (EURm)	2019	2020	2021	2022E	2023E	2024E
Domestic	38.9	0.0	0.0	0.0	0.0	0.0
Europe (ex domestic)	0.0	31.2	41.1	64.4	70.9	77.9
The Americas	0.0	0.7	0.9	1.4	1.6	1.7
Asia	10.4	2.5	1.8	3.5	3.9	4.3
Rest of World	2.6	0.7	0.9	1.4	1.6	1.7
Total sales	51.8	35.0	44.6	70.8	77.9	85.7

Regional sales split (common size)	2019	2020	2021	2022E	2023E	2024E
Domestic	75.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe (ex domestic)	0.0%	89.0%	92.0%	91.0%	91.0%	91.0%
The Americas	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Asia	20.0%	7.0%	4.0%	5.0%	5.0%	5.0%
Rest of World	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Total sales	100%	100%	100%	100%	100%	100%

Ratios	2019	2020	2021	2022E	2023E	2024E
Per share data						
Earnings per share reported	-0.01	-0.61	-0.67	0.26	0.58	0.95
Cash flow per share	-1.26	-0.59	0.50	-0.05	-0.17	0.96
Book value per share	2.27	1.60	3.17	4.85	5.05	6.10
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-1,100.4x	-21.6x	-19.7x	51.3x	22.8x	14.0x
P/CF	-10.6x	-22.4x	26.8x	-295.0x	-80.4x	13.8x
P/BV	5.9x	8.3x	4.2x	2.7x	2.6x	2.2x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-9.5%	-4.5%	3.7%	-0.3%	-1.2%	7.2%
EV/Sales	1.3x	2.0x	1.4x	0.9x	0.8x	0.7x
EV/EBITDA	15.2x	252.5x	42.4x	10.6x	7.8x	5.6x
EV/EBIT	53.1x	-39.5x	-47.5x	21.6x	12.3x	7.7x
Income statement (EURm)						
Sales	51.8	35.0	44.6	70.8	77.9	85.7
yoy chg in %	16.3%	-32.4%	27.4%	58.6%	10.0%	10.0%
Gross profit	14.6	9.9	15.6	23.4	26.1	29.1
Gross margin in %	28.2%	28.4%	35.0%	33.0%	33.5%	34.0%
EBITDA	4.6	0.3	1.5	5.7	7.8	9.9
EBITDA margin in %	8.9%	0.8%	3.4%	8.0%	10.0%	11.6%
EBIT	1.3	-1.8	-1.3	2.8	4.9	7.2
EBIT margin in %	2.5%	-5.1%	-3.0%	3.9%	6.3%	8.4%
Net profit	-0.0	-2.2	-3.0	1.1	2.8	4.6
Cash flow statement (EURm)						
CF from operations	-1.1	-0.1	5.0	2.7	2.0	7.4
Capex	-1.7	-0.8	-2.3	-2.1	-2.3	-2.6
Maintenance Capex	3.3	2.1	2.8	2.9	2.8	2.7
Free cash flow	-2.8	-0.9	2.7	0.5	-0.3	4.8
Balance sheet (EURm)						
Intangible assets	4.6	7.2	8.9	10.4	10.4	10.4
Tangible assets	6.3	8.6	10.6	11.4	10.9	10.7
Shareholders' equity	8.0	5.8	13.9	21.3	24.4	29.4
Pension provisions	0.2	0.0	0.0	0.3	0.3	0.3
Liabilities and provisions	16.7	17.4	14.5	16.8	15.0	13.1
Net financial debt	11.4	12.8	5.4	1.7	2.0	-2.8
w/c requirements	13.1	12.9	9.7	13.4	14.9	16.6
Ratios						
ROE	1.1%	-40.5%	-20.9%	5.9%	12.7%	17.1%
ROCE	5.3%	-7.2%	-4.4%	6.9%	11.9%	16.1%
Net gearing	143.5%	221.7%	39.1%	8.2%	8.3%	-9.4%
Net debt / EBITDA	2.5x	45.4x	3.6x	0.3x	0.3x	-0.3x

Source: Company data; AlsterResearch

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