

# Wolftank-Adisa Holding AG

Austria | Industrial Goods & Services | MCap EUR 62.8m

13 September 2023

UPDATE



## Increasing stake in Petroltecnica a good strategic fit; BUY

### What's it all about?

Wolftank has announced that it will increase its minority stake in the Italian environmental services firm, Petroltecnica SpA, from previously 10% to 50% plus one share. Petroltecnica generated sales of nearly EUR 29m in '22 and Wolftank will pay EUR 4m for the additional 40% stake. This effectively values Petroltecnica at 0.36x EV/sales, which we considered value accretive for Wolftank. We like the move both from a strategic but also financial perspective. Consequently, we maintain our BUY rating for Wolftank with an unchanged price target of EUR 20.00. Note: For the time being, our model remains unchanged but will be updated upon closing of this transaction.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 20.00 (20.00)</b>
Current price	EUR 13.00
Up/downside	53.8%

 **ResearchHub** 



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# Wolftank-Adisa Holding AG

Austria | Industrial Goods & Services | MCap EUR 62.8m | EV EUR 70.0m

**BUY** (BUY)

**Target price** EUR 20.00 (20.00)  
**Current price** EUR 13.00  
**Up/downside** 53.8%

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## Increasing stake in Petroltecnica a good strategic fit; BUY

**Stepping up shareholding in Petroltecnica.** In yesterday's press release, the Wolftank Group announced that it will further increase its minority stake in the Italian environmental services company Petroltecnica SpA. Wolftank had already acquired a 10% stake in the company in July 2020, with an option to acquire a majority stake at a later stage. With yesterday's decision, Wolftank now increases its stake to 50% + one share, giving it a simple majority of votes in the company. Back in 2022, the current owner of Petroltecnica has been actively seeking a successor, which is why the majority shareholding now appears to be a logical step.

**About the company:** Petroltecnica itself is a direct competitor of Wolftank in the field of waste treatment and management, industrial decontamination, decommissioning or environmental emergency services. It also operates several recycling plants in different Italian regions. The initial 10% shareholding was seen as a first step in combining both products and technologies to provide them to existing customers worldwide. In 2022, the company generated sales of nearly EUR 29m. In our view, the strategic rationale can be found in the following:

- Attractive takeover opportunity of one of the biggest competitors due to succession issues.
- Taking out some competitive pressure by integrating a sizable competitor into the Wolftank Group.
- Complementary customer base and geographic coverage.
- Expected synergy potential of in total EUR 500K from purchasing and costs for disposal.
- Complement and expansion of R&D competence.
- Export of the common advanced technology, thanks to internationalization and access to existing & future customer base.

**Value accretive purchase price:** Wolftank will pay EUR 4m for the 40% stake, effectively valuing the company at 0.36x sales, which clearly is value accretive for Wolftank, particularly taking its own 1x EV/sales valuation into consideration. As such, we welcome yesterday's news as it makes sense, both from a strategic and financial perspective. We therefore reiterate our BUY rating with unchanged PT of EUR 20.00.

Wolftank Group	2020	2021	2022	2023E	2024E	2025E
Sales	35.0	44.6	62.7	72.1	82.9	93.7
<i>Growth yoy</i>	na	27.4%	40.6%	14.9%	15.0%	13.0%
EBITDA	0.3	1.5	3.6	5.8	7.8	9.3
EBIT	-1.8	-1.3	0.0	2.6	4.9	6.5
Net profit	-2.2	-3.0	-1.9	1.1	2.9	3.7
Net debt (net cash)	12.8	11.4	4.9	4.7	2.0	-3.5
Net debt/EBITDA	45.4x	7.6x	1.4x	0.8x	0.3x	-0.4x
EPS recurring	-0.61	-0.67	-0.43	0.23	0.59	0.77
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	28.4%	35.0%	36.4%	36.2%	35.8%	35.3%
EBITDA margin	0.8%	3.4%	5.7%	8.0%	9.4%	9.9%
EBIT margin	-5.1%	-3.0%	0.1%	3.6%	6.0%	7.0%
ROCE	-7.2%	-3.7%	0.1%	7.0%	12.8%	16.3%
EV/EBITDA	268.4x	49.3x	19.5x	11.7x	8.4x	6.4x
EV/EBIT	-42.0x	-55.3x	1,409.8x	25.9x	13.2x	9.1x
PER	-21.2x	-19.3x	-30.5x	56.7x	21.9x	17.0x
FCF yield	-4.6%	3.5%	-5.7%	-1.3%	3.7%	8.9%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

**High/low 52 weeks** 23.00 / 10.80  
**Price/Book Ratio** 3.2x

**Ticker / Symbols**

ISIN AT0000A25NJ6  
WKN A2PBHR  
Bloomberg WAH:GR

**Changes in estimates**

		Sales	EBIT	EPS
2023E	old	72.1	2.6	0.23
	Δ	0.0%	0.0%	0.0%
2024E	old	82.9	4.9	0.59
	Δ	0.0%	0.0%	0.0%
2025E	old	93.7	6.5	0.77
	Δ	0.0%	0.0%	0.0%

**Key share data**

Number of shares: (in m pcs) 4.83  
Book value per share: (in EUR) 4.07  
Ø trading volume: (12 months) 5,000

**Major shareholders**

MuM Beteiligung / GCI 14.0%  
Management 12.0%  
Paladin Asset Management 9.0%  
Free Float 45.0%

**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

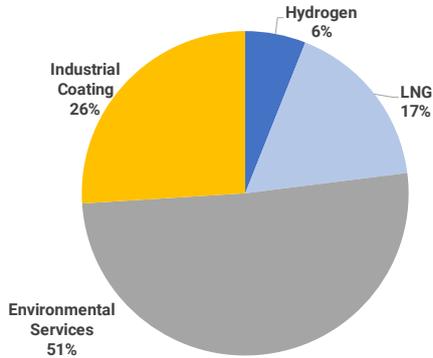
The following table depicts the half year reports of Wofltank (in EURm).

P&L data in EURm	1H2019	2H2019	1H2020	2H2020	1H2021	2H2021	1H2022	2H2022
Sales	26,1	25,8	12,9	22,2	20,3	24,4	29,0	33,7
yoy growth in %	na	na	-50,7%	-14,0%	57,5%	10,0%	43,0%	38,5%
Gross profit	8,1	6,6	3,9	6,0	5,8	9,8	9,2	11,5
Gross margin in %	31,0%	25,4%	30,6%	27,0%	28,9%	40,1%	31,7%	34,2%
EBITDA	2,9	1,7	0,3	-0,1	-0,2	1,7	1,4	2,2
EBITDA margin in %	11,2%	6,5%	2,6%	-0,2%	-1,1%	7,1%	4,8%	6,4%
EBIT	2,1	-0,8	-0,4	-1,4	-1,6	0,2	-0,3	0,3
EBIT margin in %	8,2%	-3,2%	-3,3%	-6,2%	-7,8%	1,0%	-0,9%	1,0%
EBT	2	-1,23	-0,8	-2,1	-2,0	-0,8	-0,6	-0,1
taxes paid	-0,31	-0,13	-0,01	-0,5	-0,1	0,2	-0,5	1,7
tax rate in %	-17,6%	10,3%	1,0%	24,5%	3,0%	-25,1%	81,4%	-1120,8%
net profit	1,44	-1,35	-0,79	-1,5	-1,9	-1,0	-1,0	-0,6
yoy growth in %	na	na	na	na	na	na	na	na
<b>EPS</b>	<b>0,41</b>	<b>-0,42</b>	<b>-0,22</b>	<b>-0,39</b>	<b>-0,48</b>	<b>-0,19</b>	<b>-0,23</b>	<b>-0,14</b>

Source: Company data; AlsterResearch

# Investment case in six charts

## Sales by segment 2021



## Wolf tank's track record

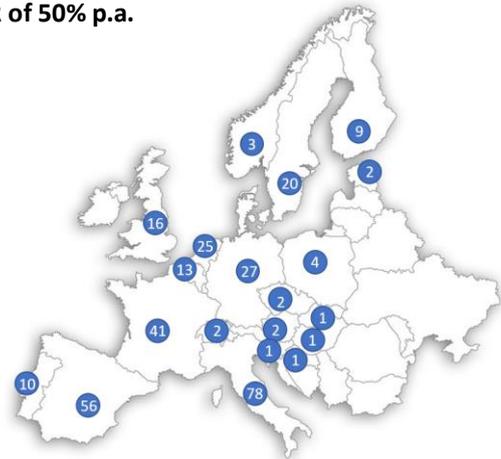


## Blue chip clients

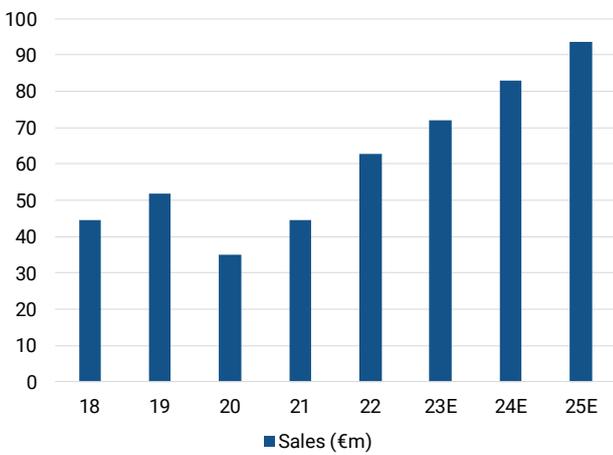


## LNG Map Europe

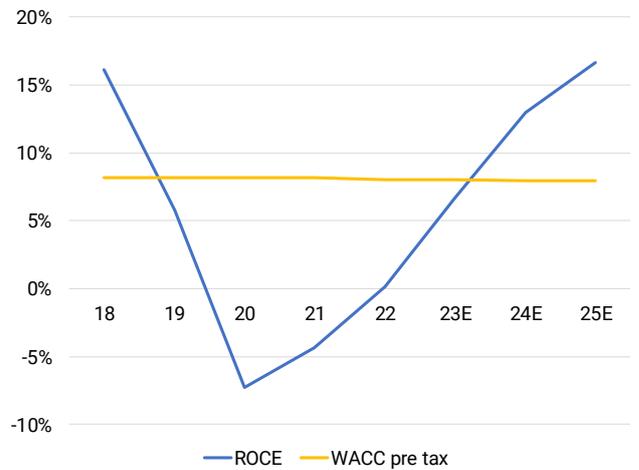
CAGR of 50% p.a.



## 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



## 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 7.32 per share based on 2023E and 24.94 EUR per share on 2023E 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	2023E	2024E	2025E	2026E	2027E
<b>EBITDA</b>	<b>5.8</b>	<b>7.8</b>	<b>9.3</b>	<b>10.5</b>	<b>12.4</b>
- Maintenance capex	3.2	2.9	2.7	2.8	2.9
- Minorities	-0.0	0.2	0.2	0.3	0.4
- tax expenses	0.3	0.8	1.7	2.1	2.7
<b>= Adjusted Free Cash Flow</b>	<b>2.4</b>	<b>4.0</b>	<b>4.6</b>	<b>5.4</b>	<b>6.5</b>
<b>Actual Market Cap</b>	<b>62.8</b>	<b>62.8</b>	<b>62.8</b>	<b>62.8</b>	<b>62.8</b>
+ Net debt (cash)	4.7	2.0	-3.5	-7.4	-12.5
+ Pension provisions	0.3	0.3	0.4	0.4	0.5
+ 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>	4.3	1.7	-3.8	-7.7	-12.7
<b>= Actual EV'</b>	<b>67.1</b>	<b>64.4</b>	<b>58.9</b>	<b>55.1</b>	<b>50.0</b>
<b>Adjusted RW_FCF yield</b>	<b>3.5%</b>	<b>6.2%</b>	<b>7.8%</b>	<b>9.7%</b>	<b>12.9%</b>
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	1.0%	1.0%	1.0%	1.0%	1.0%
adjusted hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
<b>Fair EV</b>	<b>39.7</b>	<b>66.4</b>	<b>76.8</b>	<b>89.3</b>	<b>107.7</b>
- <i>EV Reconciliations</i>	4.3	1.7	-3.8	-7.7	-12.7
<b>Fair Market Cap</b>	<b>35.3</b>	<b>64.8</b>	<b>80.6</b>	<b>97.0</b>	<b>120.4</b>
No. of shares (million)	4.8	4.8	4.8	4.8	4.8
<b>Fair value per share in EUR</b>	<b>7.32</b>	<b>13.42</b>	<b>16.69</b>	<b>20.10</b>	<b>24.94</b>
<b>Premium (-) / discount (+)</b>	<b>-43.7%</b>	<b>3.2%</b>	<b>28.4%</b>	<b>54.6%</b>	<b>91.9%</b>

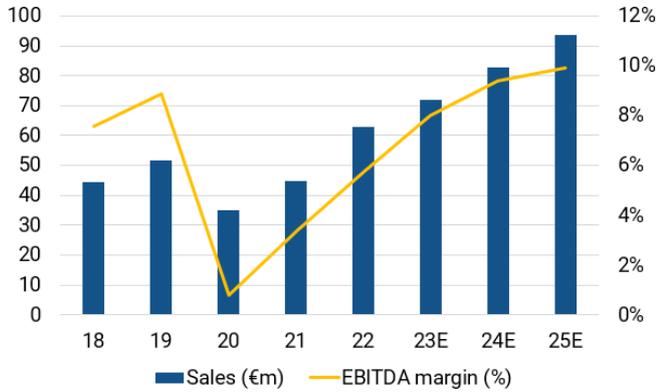
Sensitivity analysis fair value						
Adjusted hurdle rate	4.0%	11.4	20.3	24.6	29.4	36.1
	5.0%	9.0	16.2	19.9	23.8	29.4
	<b>6.0%</b>	<b>7.3</b>	<b>13.4</b>	<b>16.7</b>	<b>20.1</b>	<b>24.9</b>
	7.0%	6.1	11.5	14.4	17.5	21.8
	8.0%	5.3	10.0	12.7	15.5	19.4

Source: Company data; AlsterResearch

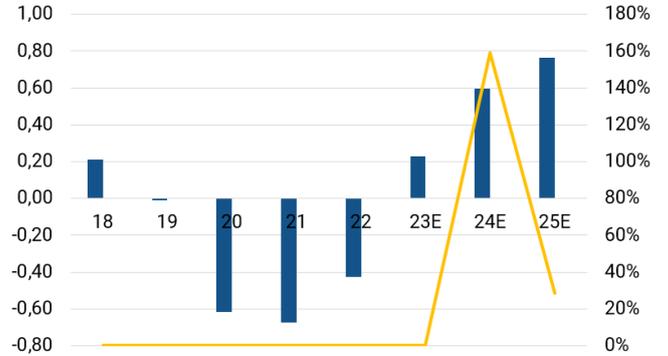
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments 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

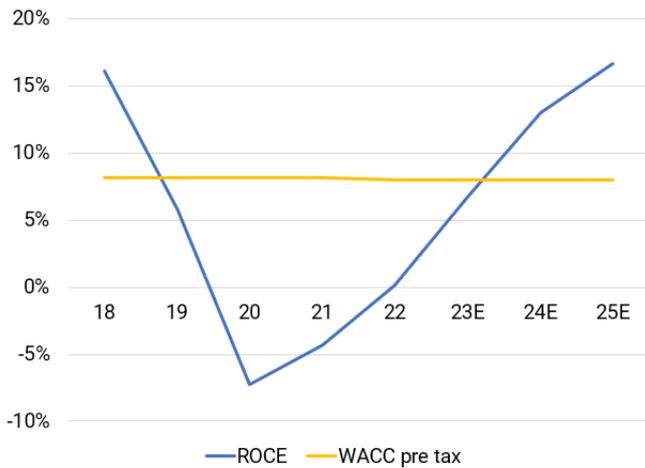
**Sales vs. EBITDA margin development**



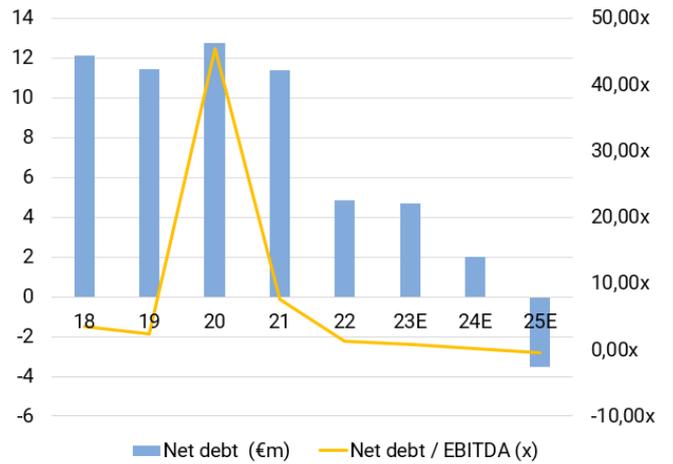
**EPS, DPS in EUR & yoy EPS growth**



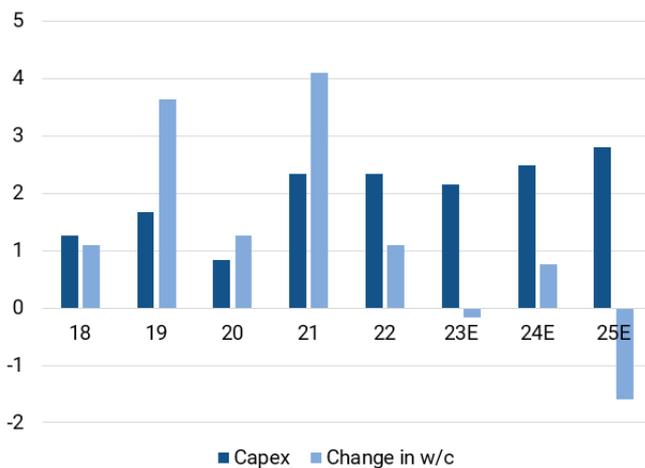
**ROCE vs. WACC (pre tax)**



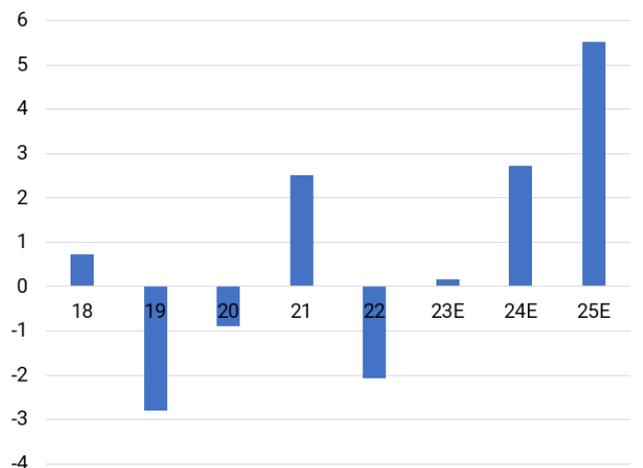
**Net debt and net debt/EBITDA**



**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
<b>Net sales</b>	<b>35.0</b>	<b>44.6</b>	<b>62.7</b>	<b>72.1</b>	<b>82.9</b>	<b>93.7</b>
Sales growth	na	27.4%	40.6%	14.9%	15.0%	13.0%
Change in finished goods and work-in-process	-0.6	1.2	1.2	1.1	0.8	0.5
<b>Total sales</b>	<b>34.4</b>	<b>45.8</b>	<b>63.9</b>	<b>73.2</b>	<b>83.7</b>	<b>94.1</b>
Material expenses	24.5	30.2	41.0	47.1	54.0	61.1
<b>Gross profit</b>	<b>9.9</b>	<b>15.6</b>	<b>22.9</b>	<b>26.1</b>	<b>29.7</b>	<b>33.1</b>
Other operating income	1.1	1.3	1.4	1.7	1.7	2.0
Personnel expenses	7.2	7.9	13.3	13.7	14.9	16.4
Other operating expenses	3.6	7.5	7.4	8.3	8.7	9.4
<b>EBITDA</b>	<b>0.3</b>	<b>1.5</b>	<b>3.6</b>	<b>5.8</b>	<b>7.8</b>	<b>9.3</b>
Depreciation	2.1	2.8	3.5	3.2	2.9	2.7
EBITA	-1.8	-1.3	0.0	2.6	4.9	6.5
Amortisation of goodwill and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>-1.8</b>	<b>-1.3</b>	<b>0.0</b>	<b>2.6</b>	<b>4.9</b>	<b>6.5</b>
Financial result	-1.0	-1.4	-0.7	-1.3	-1.1	-0.9
Recurring pretax income from continuing operations	-2.8	-2.8	-0.7	1.3	3.8	5.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-2.8	-2.8	-0.7	1.3	3.8	5.6
Taxes	-0.5	0.1	0.9	0.3	0.8	1.7
Net income from continuing operations	-2.3	-2.9	-1.6	1.1	3.1	3.9
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-2.3</b>	<b>-2.9</b>	<b>-1.6</b>	<b>1.1</b>	<b>3.1</b>	<b>3.9</b>
Minority interest	0.1	-0.0	-0.3	0.0	-0.2	-0.2
Net profit (reported)	-2.2	-3.0	-1.9	1.1	2.9	3.7
Average number of shares	3.61	4.38	4.39	4.83	4.83	4.83
<b>EPS reported</b>	<b>-0.61</b>	<b>-0.67</b>	<b>-0.43</b>	<b>0.23</b>	<b>0.59</b>	<b>0.77</b>

Profit and loss (common size)	2020	2021	2022	2023E	2024E	2025E
<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	-2%	3%	2%	2%	1%	1%
<b>Total sales</b>	<b>98%</b>	<b>103%</b>	<b>102%</b>	<b>101%</b>	<b>101%</b>	<b>100%</b>
Material expenses	70%	68%	65%	65%	65%	65%
<b>Gross profit</b>	<b>28%</b>	<b>35%</b>	<b>36%</b>	<b>36%</b>	<b>36%</b>	<b>35%</b>
Other operating income	3%	3%	2%	2%	2%	2%
Personnel expenses	20%	18%	21%	19%	18%	17%
Other operating expenses	10%	17%	12%	12%	11%	10%
<b>EBITDA</b>	<b>1%</b>	<b>3%</b>	<b>6%</b>	<b>8%</b>	<b>9%</b>	<b>10%</b>
Depreciation	6%	6%	6%	4%	3%	3%
EBITA	-5%	-3%	0%	4%	6%	7%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
<b>EBIT</b>	<b>-5%</b>	<b>-3%</b>	<b>0%</b>	<b>4%</b>	<b>6%</b>	<b>7%</b>
Financial result	-3%	-3%	-1%	-2%	-1%	-1%
Recurring pretax income from continuing operations	-8%	-6%	-1%	2%	5%	6%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-8%	-6%	-1%	2%	5%	6%
Taxes	-1%	0%	1%	0%	1%	2%
Net income from continuing operations	-7%	-7%	-2%	1%	4%	4%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>-7%</b>	<b>-7%</b>	<b>-2%</b>	<b>1%</b>	<b>4%</b>	<b>4%</b>
Minority interest	0%	-0%	-0%	0%	-0%	-0%
<b>Net profit (reported)</b>	<b>-6%</b>	<b>-7%</b>	<b>-3%</b>	<b>2%</b>	<b>3%</b>	<b>4%</b>

Source: Company data; AlsterResearch

Balance sheet (EURm)	2020	2021	2022	2023E	2024E	2025E
<b>Intangible assets (exl. Goodwill)</b>	<b>1.8</b>	<b>1.8</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>
Goodwill	5.4	7.1	6.2	6.2	6.2	6.2
Property, plant and equipment	8.6	10.6	10.5	9.5	9.2	9.2
Financial assets	1.0	0.7	0.7	0.7	0.7	0.7
<b>FIXED ASSETS</b>	<b>16.9</b>	<b>20.3</b>	<b>19.0</b>	<b>18.0</b>	<b>17.7</b>	<b>17.7</b>
Inventories	5.4	5.7	6.4	7.1	8.1	9.2
Accounts receivable	22.0	23.9	20.5	23.7	27.3	30.8
Other current assets	1.9	2.8	2.7	2.7	2.7	2.7
Liquid assets	3.1	7.5	12.7	10.9	11.6	14.5
Deferred taxes	1.4	1.4	0.9	0.9	0.9	0.9
Deferred charges and prepaid expenses	0.3	0.3	0.5	0.4	0.4	0.5
<b>CURRENT ASSETS</b>	<b>34.2</b>	<b>41.5</b>	<b>43.8</b>	<b>45.6</b>	<b>51.0</b>	<b>58.6</b>
<b>TOTAL ASSETS</b>	<b>51.0</b>	<b>61.8</b>	<b>62.8</b>	<b>63.7</b>	<b>68.7</b>	<b>76.3</b>
<b>SHAREHOLDERS EQUITY</b>	<b>5.8</b>	<b>13.9</b>	<b>17.8</b>	<b>18.9</b>	<b>22.0</b>	<b>25.9</b>
MINORITY INTEREST	1.7	2.3	2.7	2.7	2.7	2.7
Long-term debt	15.9	7.7	6.1	4.1	2.1	0.0
Provisions for pensions and similar obligations	0.0	0.0	2.4	0.3	0.3	0.4
Other provisions	1.5	1.6	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>17.4</b>	<b>9.4</b>	<b>8.4</b>	<b>4.4</b>	<b>2.4</b>	<b>0.4</b>
short-term liabilities to banks	0.0	11.1	11.5	11.5	11.5	11.0
Accounts payable	13.3	18.2	13.9	16.1	18.5	20.9
Advance payments received on orders	1.1	1.6	1.7	1.8	2.1	2.3
Other liabilities (incl. from lease and rental contracts)	10.8	4.5	6.0	7.2	8.3	9.4
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.9	0.7	0.8	1.1	1.2	3.7
<b>Current liabilities</b>	<b>26.2</b>	<b>36.2</b>	<b>33.9</b>	<b>37.7</b>	<b>41.6</b>	<b>47.4</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>51.0</b>	<b>61.8</b>	<b>62.8</b>	<b>63.7</b>	<b>68.7</b>	<b>76.3</b>

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
<b>Intangible assets (excl. Goodwill)</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>2%</b>	<b>2%</b>
Goodwill	11%	12%	10%	10%	9%	8%
Property, plant and equipment	17%	17%	17%	15%	13%	12%
Financial assets	2%	1%	1%	1%	1%	1%
<b>FIXED ASSETS</b>	<b>33%</b>	<b>33%</b>	<b>30%</b>	<b>28%</b>	<b>26%</b>	<b>23%</b>
Inventories	11%	9%	10%	11%	12%	12%
Accounts receivable	43%	39%	33%	37%	40%	40%
Other current assets	4%	5%	4%	4%	4%	4%
Liquid assets	6%	12%	20%	17%	17%	19%
Deferred taxes	3%	2%	1%	1%	1%	1%
Deferred charges and prepaid expenses	1%	0%	1%	1%	1%	1%
<b>CURRENT ASSETS</b>	<b>67%</b>	<b>67%</b>	<b>70%</b>	<b>72%</b>	<b>74%</b>	<b>77%</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>11%</b>	<b>22%</b>	<b>28%</b>	<b>30%</b>	<b>32%</b>	<b>34%</b>
MINORITY INTEREST	3%	4%	4%	4%	4%	3%
Long-term debt	31%	13%	10%	6%	3%	0%
Provisions for pensions and similar obligations	0%	0%	4%	0%	0%	0%
Other provisions	3%	3%	0%	0%	0%	0%
<b>Non-current liabilities</b>	<b>34%</b>	<b>15%</b>	<b>13%</b>	<b>7%</b>	<b>4%</b>	<b>0%</b>
short-term liabilities to banks	0%	18%	18%	18%	17%	14%
Accounts payable	26%	29%	22%	25%	27%	27%
Advance payments received on orders	2%	3%	3%	3%	3%	3%
Other liabilities (incl. from lease and rental contracts)	21%	7%	10%	11%	12%	12%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	2%	1%	1%	2%	2%	5%
<b>Current liabilities</b>	<b>51%</b>	<b>59%</b>	<b>54%</b>	<b>59%</b>	<b>61%</b>	<b>62%</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)	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	-2.3	-2.9	-1.6	1.1	3.1	3.9
Depreciation of fixed assets (incl. leases)	2.1	2.8	3.5	3.2	2.9	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	1.5	3.0	-0.6	-2.1	0.0	0.0
Cash flow from operations before changes in w/c	1.2	3.0	1.4	2.2	6.0	6.7
Increase/decrease in inventory	0.7	-0.2	0.0	-0.7	-1.1	-1.1
Increase/decrease in accounts receivable	-0.0	-1.9	-2.4	-3.2	-3.6	-3.5
Increase/decrease in accounts payable	-1.0	4.9	1.0	2.2	2.4	2.4
Increase/decrease in other w/c positions	-0.9	-6.9	0.3	1.8	1.5	3.8
Increase/decrease in working capital	-1.3	-4.1	-1.1	0.2	-0.8	1.6
<b>Cash flow from operating activities</b>	<b>-0.1</b>	<b>4.8</b>	<b>0.3</b>	<b>2.3</b>	<b>5.2</b>	<b>8.3</b>
CAPEX	-0.8	-2.3	-2.3	-2.2	-2.5	-2.8
Payments for acquisitions	-3.3	-3.0	-0.1	0.0	0.0	0.0
Financial investments	-0.6	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	-0.1	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-4.7</b>	<b>-5.3</b>	<b>-2.5</b>	<b>-2.2</b>	<b>-2.5</b>	<b>-2.8</b>
Cash flow before financing	-4.8	-0.5	-2.2	0.2	2.7	5.5
Increase/decrease in debt position	0.3	3.0	-1.3	-2.0	-2.0	-2.6
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	11.0	5.9	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	3.2	0.0	0.9	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>3.5</b>	<b>8.0</b>	<b>6.3</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-2.6</b>
Increase/decrease in liquid assets	-1.2	7.5	4.1	-1.8	0.7	2.9
<b>Liquid assets at end of period</b>	<b>-5.3</b>	<b>2.3</b>	<b>6.4</b>	<b>4.5</b>	<b>5.2</b>	<b>8.1</b>

Source: Company data; AlsterResearch

Regional sales split (EURm)	2020	2021	2022	2023E	2024E	2025E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0
Europe (ex domestic)	31.2	41.1	57.1	65.6	75.4	85.2
The Americas	0.7	0.9	1.3	1.4	1.7	1.9
Asia	2.5	1.8	3.1	3.6	4.1	4.7
Rest of World	0.7	0.9	1.3	1.4	1.7	1.9
<b>Total sales</b>	<b>35.0</b>	<b>44.6</b>	<b>62.7</b>	<b>72.1</b>	<b>82.9</b>	<b>93.7</b>

Regional sales split (common size)	2020	2021	2022	2023E	2024E	2025E
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe (ex domestic)	89.0%	92.0%	91.0%	91.0%	91.0%	91.0%
The Americas	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Asia	7.0%	4.0%	5.0%	5.0%	5.0%	5.0%
Rest of World	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Ratios	2020	2021	2022	2023E	2024E	2025E
<b>Per share data</b>						
Earnings per share reported	-0.61	-0.67	-0.43	0.23	0.59	0.77
Cash flow per share	-0.59	0.46	-0.75	-0.17	0.48	1.15
Book value per share	1.60	3.17	4.07	3.92	4.55	5.37
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	-21.2x	-19.3x	-30.5x	56.7x	21.9x	17.0x
P/CF	-21.9x	28.4x	-17.4x	-74.4x	26.8x	11.3x
P/BV	8.1x	4.1x	3.2x	3.3x	2.9x	2.4x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-4.6%	3.5%	-5.7%	-1.3%	3.7%	8.9%
EV/Sales	2.2x	1.7x	1.1x	0.9x	0.8x	0.6x
EV/EBITDA	268.4x	49.3x	19.5x	11.7x	8.4x	6.4x
EV/EBIT	-42.0x	-55.3x	1,409.8x	25.9x	13.2x	9.1x
<b>Income statement (EURm)</b>						
Sales	35.0	44.6	62.7	72.1	82.9	93.7
yoy chg in %	-32.4%	27.4%	40.6%	14.9%	15.0%	13.0%
Gross profit	9.9	15.6	22.9	26.1	29.7	33.1
Gross margin in %	28.4%	35.0%	36.4%	36.2%	35.8%	35.3%
EBITDA	0.3	1.5	3.6	5.8	7.8	9.3
EBITDA margin in %	0.8%	3.4%	5.7%	8.0%	9.4%	9.9%
EBIT	-1.8	-1.3	0.0	2.6	4.9	6.5
EBIT margin in %	-5.1%	-3.0%	0.1%	3.6%	6.0%	7.0%
Net profit	-2.2	-3.0	-1.9	1.1	2.9	3.7
<b>Cash flow statement (EURm)</b>						
CF from operations	-0.1	4.8	0.3	2.3	5.2	8.3
Capex	-0.8	-2.3	-2.3	-2.2	-2.5	-2.8
Maintenance Capex	2.1	2.8	3.5	3.2	2.9	2.7
Free cash flow	-0.9	2.5	-2.1	0.2	2.7	5.5
<b>Balance sheet (EURm)</b>						
Intangible assets	7.2	8.9	7.8	7.8	7.8	7.8
Tangible assets	8.6	10.6	10.5	9.5	9.2	9.2
Shareholders' equity	5.8	13.9	17.8	18.9	22.0	25.9
Pension provisions	0.0	0.0	2.4	0.3	0.3	0.4
Liabilities and provisions	17.4	20.5	20.0	15.9	13.9	11.4
Net financial debt	12.8	11.4	4.9	4.7	2.0	-3.5
w/c requirements	12.9	9.7	11.3	12.9	14.8	16.7
<b>Ratios</b>						
ROE	-40.5%	-20.9%	-8.7%	5.7%	13.9%	15.2%
ROCE	-7.2%	-3.7%	0.1%	7.0%	12.8%	16.3%
Net gearing	221.7%	82.2%	27.3%	24.9%	9.1%	-13.6%
Net debt / EBITDA	45.4x	7.6x	1.4x	0.8x	0.3x	-0.4x

Source: Company data; AlsterResearch

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