

Wolftank-Adisa Holding AG

Austria | Industrial Goods & Services | MCap EUR 67.3m

2 November 2021

UPDATE



A game changer due to hydrogen related news flow? Potentially yes!

What's it all about?

A spree of hydrogen-related news flow has been announced in recent days, which we consider clearly positive – potentially even acting as a game changer to Wolftank's future growth and earnings trajectory. A recently signed MoU with Kuwait Petroleum Italia S.p.A. to form a JV for the construction of LNG and hydrogen refueling facilities will provide access to more than 3,000 service stations. In addition, Wolftank has signed a cooperation agreement with Rostock-based APEX Group, an expert in commercial hydrogen plants. We believe that being able to gain such renowned partners in the field of LNG and hydrogen activities shows that Wolftank's product offering in this area is actually valued and perceived by clients. Consequently, it should not take long until the economic impact will be visible in Wolftank's top and bottom line. With an increasing share of renewable energy sales, capital market perception is likely to change, too, bringing Wolftank's valuation closer to other hydrogen peers. We reiterate our BUY rating, PT unchanged at EUR 20.00.

BUY (BUY)

Target price	EUR 20.00 (20.00)
Current price	EUR 16.90
Up/downside	18.3%



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Wolftank-Adisa Holding AG

Austria | Industrial Goods & Services | MCap EUR 67.3m | EV EUR 80.1m

BUY (BUY)

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Current price EUR 16.90
Up/downside 18.3%

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A game changer due to hydrogen related news flow? Potentially yes!

With two major announcements, Wolftank continues to push forward its LNG and hydrogen exposure – with both announcements having the potential to sustainably **change the appearance of the Wolftank-Adisa Group towards a green energy enabling company.**

1. Wolftank announced that it **has signed a MoU with Kuwait Petroleum Italia S.p.A.** to form a JV for the construction of LNG and hydrogen refueling facilities. Kuwait Petroleum Italy manages more than **3,000 service stations** under the brand “Q8”. Whilst Kuwait Petroleum is already a client of Wolftank, the aim is to intensify the partnership in the context of this joint venture. Kuwait Petroleum would benefit from **Wolftank’s long-lasting expertise** in the field of turnkey construction of modular hydrogen and LNG fueling facilities, whereas Wolftank would benefit from **significant sales and earnings potential** as demand from Kuwait Petroleum could also cover Wolftank’s **entire product range** – from the dismantling of traditional fueling stations, soil remediation and the remediation and monitoring of (large-scale) fueling facilities.
2. Further, Wolftank announced that it has signed a **cooperation agreement with Rostock-based APEX Group**, an expert in commercial hydrogen plants. The company focuses on customized hydrogen solutions for decentralized green energy supply and is an active player in the field of hydrogen production. The cooperation agreement aims at an interdisciplinary technology transfer between hydrogen solutions for mobility and solutions for decentralized green energy supply for industrial and neighborhood solutions. The cooperation will focus on hydrogen refueling stations for commercial vehicles, buses and passenger cars as well as integrated solutions for upgrading existing refueling stations.

-continued-

Wolftank-Adisa Holding AG	2018	2019	2020	2021E	2022E	2023E
Sales	44.5	51.8	35.0	51.1	58.8	61.7
<i>Growth yoy</i>	na	16.3%	-32.4%	46.0%	15.0%	5.0%
EBITDA	3.4	4.6	0.3	4.1	6.8	7.8
EBIT	1.7	1.3	-1.8	1.6	4.7	5.9
Net profit	0.7	-0.0	-2.2	0.4	2.4	3.3
Net debt (net cash)	12.1	11.4	12.8	8.2	6.6	6.4
Net debt/EBITDA	3.6x	2.5x	45.4x	2.0x	1.0x	0.8x
EPS recurring	0.21	-0.01	-0.61	0.11	0.61	0.83
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	19.5%	28.2%	28.4%	29.0%	30.0%	31.0%
EBITDA margin	7.6%	8.9%	0.8%	8.1%	11.5%	12.7%
EBIT margin	3.7%	2.5%	-5.1%	3.2%	8.0%	9.5%
ROCE	8.0%	5.3%	-7.2%	5.3%	13.1%	15.7%
EV/EBITDA	23.6x	17.2x	284.6x	18.3x	11.0x	9.4x
EV/EBIT	48.1x	60.0x	-44.5x	46.3x	15.8x	12.6x
PER	80.6x	-1,398.3x	-27.5x	156.5x	27.7x	20.4x
FCF yield	0.5%	-7.5%	-3.2%	-0.6%	1.9%	0.1%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 14.30 / 7.00
Price/Book Ratio 10.6x

Ticker / Symbols

ISIN AT0000A25NJ6
WKN A2PBHR
Bloomberg WAH:GR

Changes in estimates

		Sales	EBIT	EPS
2021E	old	51,1	1,6	0,11
	Δ	0,0%	0,0%	0,0%
2022E	old	58,8	4,7	0,61
	Δ	0,0%	0,0%	0,0%
2023E	old	61,7	5,9	0,83
	Δ	0,0%	0,0%	0,0%

Key share data

Number of shares: (in m pcs) 3.98
Book value per share: (in EUR) 1.60
Ø trading volume: (12 months) 1,000

Major shareholders

MuM Beteiligung / GCI 17.0%
Management 14.8%
Eiffel Investment 8.5%
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.

Our take: We believe that, beside the economical implications, being able to gain such **renowned partners** in the field of LNG and hydrogen activities shows that Wolf tank has – over years – built a **competitive edge** in the field of green energy. More importantly, **Wolf tank's product offering is actually valued and perceived by high profile clients**, which should also lead to **reputational gains** and consequently pull effects for further customer wins in this fast-growing industry.

In economic terms, the two agreements should have clearly positive implications for Wolf tank. The company should not only benefit from a significant **utilization of existing capacities**, but also from **increased visibility of its future sales and earnings potential**. In addition, especially within the JV with Kuwait Petroleum, we expect Wolf tank to **provide services along the entire product range**. We therefore see considerable sales and earnings potential secured for the future, which could even exceed current expectations on the basis of newly gained customers.

Model adjustments and valuation: For the time being, we leave our estimates unchanged until the final conclusion of the contract and the financing of the JV. For the latter, we assume Wolf tank to investment approx. EUR 3-4m (eAR). However we note that with an increasing share of sales from the renewable energy segment, Wolf tank's perception at the capital market should also change. Other hydrogen related companies such as Nel (NEL:NO), Hexagon (HEXA-B:SS) or Powercell (PCELL:SS) are trading on elevated 18-19x EV/sales multiples (median 2022E). Even though a comparison to these companies is not fully justified, we see ample upside potential for Wolf tank's shares. Trading on an attractive valuation (9x EV/EBITDA 2023E) and an ESG compliant rating ([click here for the ESG report](#)), investors should consider Wolf tank for their portfolios. **We reiterate our BUY rating with unchanged PT of EUR 20.00** based on our FCF yield model.

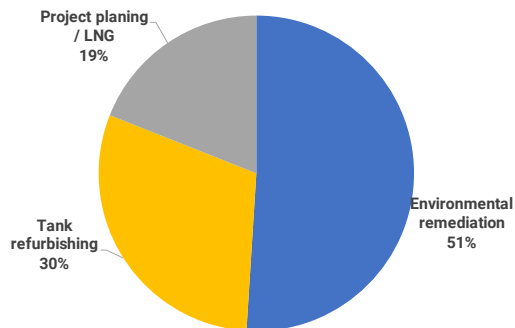
Half year results

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

Source: Company data; AlsterResearch

Investment case in six charts

Sales by segment 2020



Wolf tank's track record

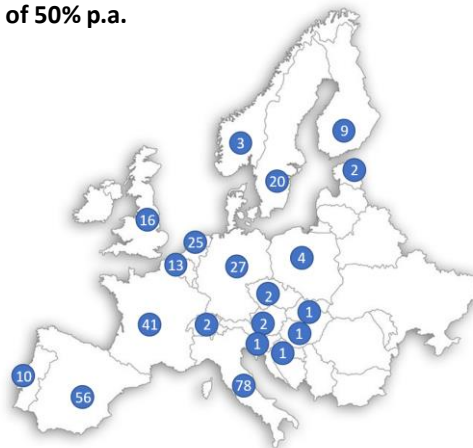


Blue chip clients

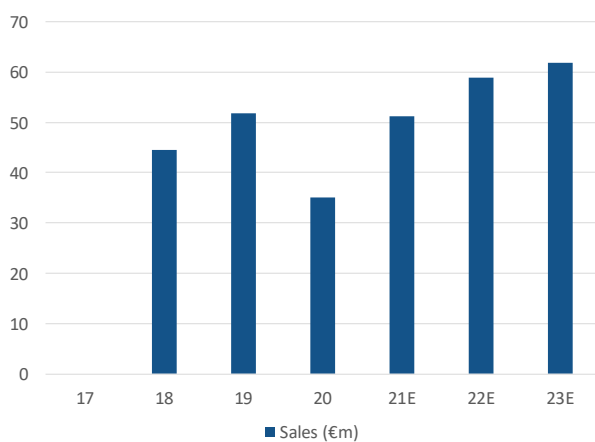


LNG Map Europe

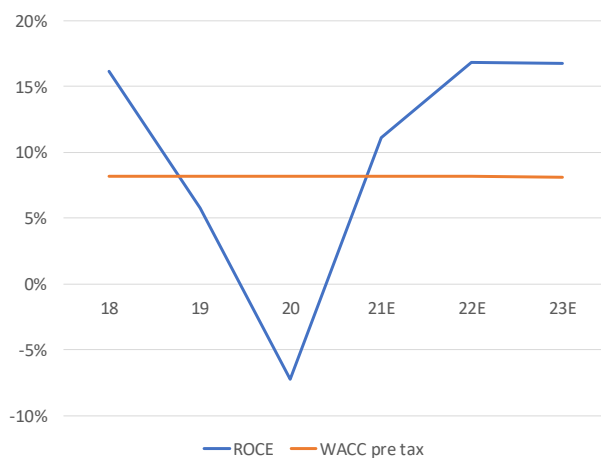
CAGR of 50% p.a.



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

- illiquid stock
- 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 19.78 per share**:

Top-line growth: We expect Woltank-Adisa Holding AG to continue benefitting from structural growth. Hence our growth estimates for 2021-28E is in the range of 7.8% p.a. The long-term growth rate is set at 2.5%.

EBIT margins. The scalable business model should allow for EBIT margins of 14% by 2023E, which look defendable 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 0.90. Unlevering and correcting for mean reversion yields an asset beta of 0.85. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.5% this yields cost of equity of 9.6%. 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)	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Terminal value
NOPAT	1.1	3.2	4.0	4.8	5.3	5.7	6.1	6.6	
Depreciation & Amort.	2.5	2.1	2.0	2.0	2.0	2.0	2.1	2.2	
Change in working capital	-0.5	-1.4	-3.4	-0.7	-0.5	-0.6	-0.6	-0.6	
Chg. in long-term provisions	-0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1	
Capex	-1.5	-1.8	-1.9	-2.0	-2.1	-2.3	-2.4	-2.6	
Cash flow	1.3	2.3	0.8	4.3	4.7	5.0	5.3	5.6	112.4
Present value	1.3	2.1	0.7	3.4	3.5	3.4	3.4	3.4	66.3
WACC	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.6%

DCF per share derived from	
Total present value	87.4
Mid-year adj. total present value	90.6
Net debt / cash at start of year	12.8
Financial assets	1.0
Provisions and off b/s debt	0.1
Equity value	78.8
No. of shares outstanding	4.0
Discounted cash flow / share	19.78
upside/(downside)	17.1%

Share price	16.90
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DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2021E - 2028E)	7.8%
Terminal value growth (2028E - infinity)	2.5%
Terminal year ROCE	18.5%
Terminal year WACC	7.6%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	0.90
Unlevered beta (industry or company)	0.85
Target debt / equity	0.5
Relevered beta	1.17
Risk-free rate	2.0%
Equity risk premium	6.5%
Cost of equity	9.6%

Sensitivity analysis DCF									
		Long term growth					Share of present value		
		1.5%	2.0%	2.5%	3.0%	3.5%			
Change in WACC (%-points)	1.0%	13.9	14.8	15.9	17.2	18.7	2021E - 2024E	8.5%	
	0.5%	15.3	16.4	17.7	19.2	21.1	2025E - 2028E	15.6%	
	0.0%	16.8	18.2	19.8	21.7	24.1	terminal value	75.9%	
	-0.5%	18.7	20.3	22.3	24.8	28.0			
	-1.0%	20.9	23.0	25.5	28.8	33.0			

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 5.33 per share based on 2021E and 28.18 EUR per share on 2025E estimates. **We value Wolfbank-Adisa Holding AG on 2023E adj. FCF yield, which derive at a fair value of EUR 16.50.** It thus 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	2021E	2022E	2023E	2024E	2025E
EBITDA	4.1	6.8	7.8	9.0	9.7
- Maintenance capex	2.5	2.1	2.0	2.0	2.0
- Minorities	0.0	0.1	0.1	0.1	0.1
- tax expenses	0.2	1.1	1.5	1.9	2.1
= Adjusted Free Cash Flow	1.4	3.5	4.3	5.1	5.5
Actual Market Cap	67.3	67.3	67.3	67.3	67.3
+ Net debt (cash)	8.2	6.6	6.4	2.7	-1.6
+ Pension provisions	0.2	0.2	0.2	0.3	0.3
+ Off balance sheet financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	1.0	1.0	1.0	1.0	1.0
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	7.4	5.8	5.7	1.9	-2.3
= Actual EV'	74.7	73.2	73.0	69.3	65.0
Adjusted RW_FCF yield	1.9%	4.8%	5.9%	7.4%	8.5%
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	28.6	70.8	85.9	102.1	109.9
- <i>EV Reconciliations</i>	7.4	5.8	5.7	1.9	-2.3
Fair Market Cap	21.2	65.0	80.2	100.2	112.2
No. of shares (million)	4.0	4.0	4.0	4.0	4.0
Fair value per share in EUR	5.33	16.32	20.15	25.16	28.18
Premium (-) / discount (+)	-68.5%	-3.4%	19.2%	48.9%	66.8%

Sensitivity analysis fair value

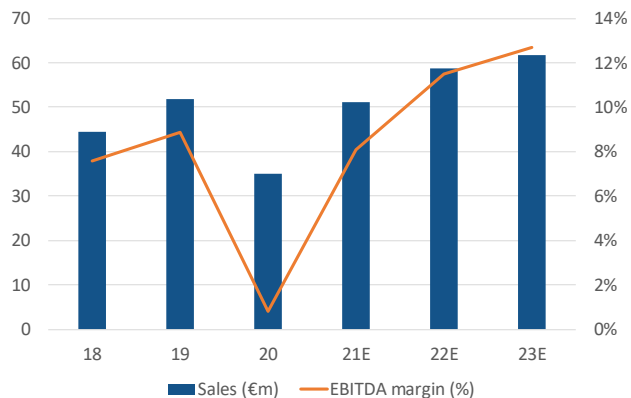
	3.0%	10.1	28.2	34.5	42.3	46.6
Adjusted hurdle rate	4.0%	7.1	20.8	25.5	31.6	35.1
	5.0%	5.3	16.3	20.1	25.2	28.2
	6.0%	4.1	13.4	16.5	20.9	23.6
	7.0%	3.3	11.2	14.0	17.8	20.3

Source: Company data; AlsterResearch

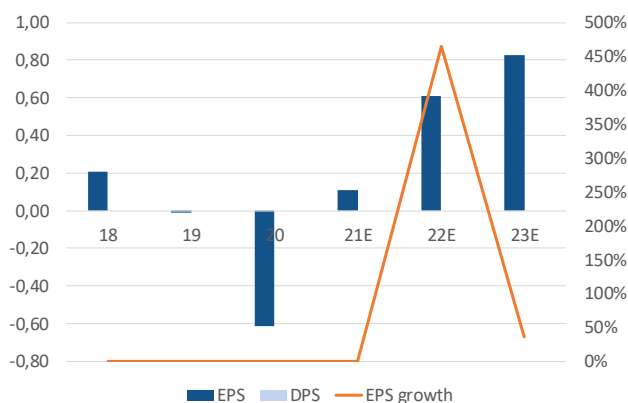
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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



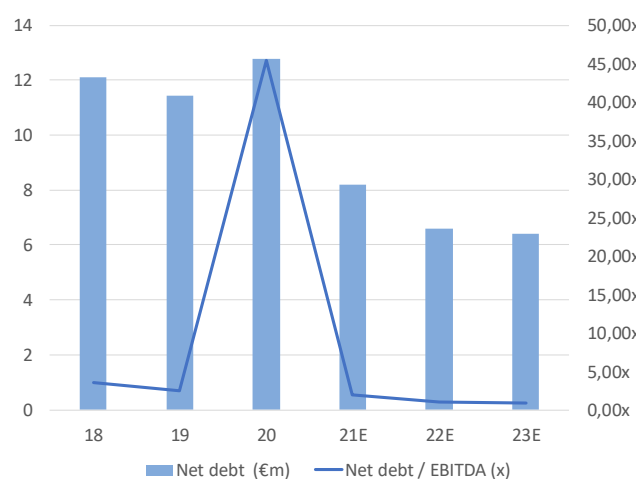
EPS, DPS in EUR & yoy EPS growth



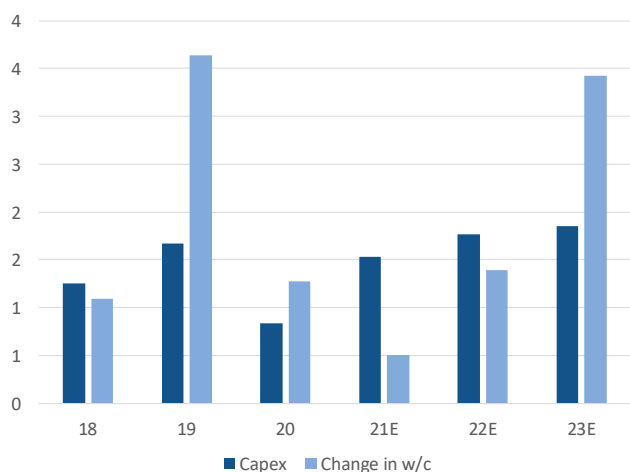
ROCE vs. WACC (pre tax)



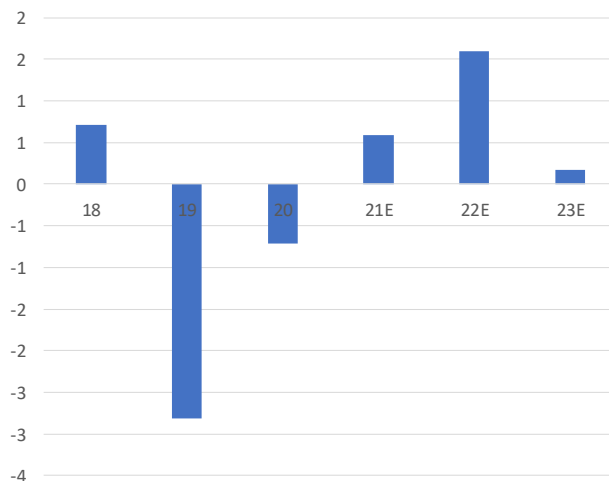
Net debt and net debt/EBITDA



Capex & chg in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EUR m)	2018	2019	2020	2021E	2022E	2023E
Net sales	44.5	51.8	35.0	51.1	58.8	61.7
Sales growth	na	16.3%	-32.4%	46.0%	15.0%	5.0%
Change in finished goods and work-in-process	-0.2	-1.9	-0.6	0.0	0.0	0.0
Total sales	44.4	49.9	34.4	51.1	58.8	61.7
Material expenses	35.7	35.3	24.5	36.3	41.2	42.6
Gross profit	8.7	14.6	9.9	14.8	17.6	19.1
Other operating income	1.4	0.7	1.1	0.3	0.4	0.4
Personnel expenses	4.7	6.5	7.2	7.4	7.2	7.4
Other operating expenses	2.0	4.2	3.6	3.6	4.1	4.3
EBITDA	3.4	4.6	0.3	4.1	6.8	7.8
Depreciation	1.7	3.3	2.1	2.5	2.1	2.0
EBITA	1.7	1.3	-1.8	1.6	4.7	5.9
Amortisation of goodwill and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	1.7	1.3	-1.8	1.6	4.7	5.9
Financial result	-0.8	-0.8	-1.0	-1.0	-1.1	-1.0
Recurring pretax income from continuing operations	0.9	0.5	-2.8	0.6	3.6	4.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	0.9	0.5	-2.8	0.6	3.6	4.8
Taxes	0.4	0.4	-0.5	0.2	1.1	1.5
Net income from continuing operations	0.4	0.1	-2.3	0.4	2.5	3.4
Result from discontinued operations (net of tax)	0.2	0.0	0.0	0.0	0.0	0.0
Net income	0.7	0.1	-2.3	0.4	2.5	3.4
Minority interest	0.0	-0.1	0.1	-0.0	-0.1	-0.1
Net profit (reported)	0.7	-0.0	-2.2	0.4	2.4	3.3
Average number of shares	3.10	3.51	3.61	3.98	3.98	3.98
EPS reported	0.21	-0.01	-0.61	0.11	0.61	0.83

Profit and loss (common size)	2018	2019	2020	2021E	2022E	2023E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	-0%	-4%	-2%	0%	0%	0%
Total sales	100%	96%	98%	100%	100%	100%
Material expenses	80%	68%	70%	71%	70%	69%
Gross profit	20%	28%	28%	29%	30%	31%
Other operating income	3%	1%	3%	1%	1%	1%
Personnel expenses	11%	13%	20%	14%	12%	12%
Other operating expenses	4%	8%	10%	7%	7%	7%
EBITDA	8%	9%	1%	8%	12%	13%
Depreciation	4%	6%	6%	5%	4%	3%
EBITA	4%	3%	-5%	3%	8%	9%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
EBIT	4%	3%	-5%	3%	8%	9%
Financial result	-2%	-2%	-3%	-2%	-2%	-2%
Recurring pretax income from continuing operations	2%	1%	-8%	1%	6%	8%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	2%	1%	-8%	1%	6%	8%
Taxes	1%	1%	-1%	0%	2%	2%
Net income from continuing operations	1%	0%	-7%	1%	4%	5%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	1%	0%	-7%	1%	4%	5%
Minority interest	0%	-0%	0%	-0%	-0%	-0%
Net profit (reported)	1%	-0%	-6%	1%	4%	5%

Source: Company data; AlsterResearch

Balance sheet (EUR m)	2018	2019	2020	2021E	2022E	2023E
Intangible assets (exl. Goodwill)	1.8	1.5	1.8	1.8	1.8	1.8
Goodwill	3.0	3.1	5.4	5.4	5.4	5.4
Property, plant and equipment	6.3	6.3	8.6	7.7	7.4	7.2
Financial assets	0.3	0.7	1.0	1.0	1.0	1.0
FIXED ASSETS	11.5	11.6	16.9	15.9	15.6	15.5
Inventories	5.5	6.1	5.4	6.0	6.8	7.0
Accounts receivable	20.1	22.0	22.0	22.4	25.8	27.1
Other current assets	0.0	0.0	1.9	1.9	1.9	1.9
Liquid assets	3.4	4.2	3.1	9.8	13.4	11.6
Deferred taxes	0.3	0.4	1.4	1.4	1.4	1.4
Deferred charges and prepaid expenses	0.3	0.1	0.3	0.2	0.2	0.2
CURRENT ASSETS	29.6	32.7	34.2	41.6	49.4	49.1
TOTAL ASSETS	41.1	44.3	51.0	57.5	65.0	64.6
SHAREHOLDERS EQUITY	3.2	8.0	5.8	10.2	12.7	16.1
MINORITY INTEREST	0.1	0.2	1.7	1.7	1.7	1.7
Long-term debt	15.5	15.6	15.9	18.0	20.0	18.0
Provisions for pensions and similar obligations	0.2	0.2	0.0	0.2	0.2	0.2
Other provisions	1.6	0.9	1.5	1.0	1.1	1.2
Non-current liabilities	17.2	16.7	17.4	19.2	21.4	19.4
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	15.5	14.3	13.3	15.7	17.5	18.1
Advance payments received on orders	1.2	0.7	1.1	0.5	0.6	0.6
Other liabilities (incl. from lease and rental contracts)	3.8	4.6	10.8	10.2	8.8	6.2
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	-0.2	0.9	0.0	2.4	2.5
Current liabilities	20.5	19.4	26.2	26.4	29.2	27.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	41.1	44.3	51.0	57.5	65.0	64.6

Balance sheet (common size)	2018	2019	2020	2021E	2022E	2023E
Intangible assets (excl. Goodwill)	4%	3%	4%	3%	3%	3%
Goodwill	7%	7%	11%	9%	8%	8%
Property, plant and equipment	15%	14%	17%	13%	11%	11%
Financial assets	1%	2%	2%	2%	2%	2%
FIXED ASSETS	28%	26%	33%	28%	24%	24%
Inventories	13%	14%	11%	10%	10%	11%
Accounts receivable	49%	50%	43%	39%	40%	42%
Other current assets	0%	0%	4%	3%	3%	3%
Liquid assets	8%	9%	6%	17%	21%	18%
Deferred taxes	1%	1%	3%	3%	2%	2%
Deferred charges and prepaid expenses	1%	0%	1%	0%	0%	0%
CURRENT ASSETS	72%	74%	67%	72%	76%	76%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	8%	18%	11%	18%	20%	25%
MINORITY INTEREST	0%	0%	3%	3%	3%	3%
Long-term debt	38%	35%	31%	31%	31%	28%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	4%	2%	3%	2%	2%	2%
Non-current liabilities	42%	38%	34%	33%	33%	30%
short-term liabilities to banks	0%	0%	0%	0%	0%	0%
Accounts payable	38%	32%	26%	27%	27%	28%
Advance payments received on orders	3%	2%	2%	1%	1%	1%
Other liabilities (incl. from lease and rental contracts)	9%	10%	21%	18%	14%	10%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	-0%	2%	0%	4%	4%
Current liabilities	50%	44%	51%	46%	45%	42%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2018	2019	2020	2021E	2022E	2023E
Net profit/loss	0.7	0.1	-2.3	0.4	2.5	3.4
Depreciation of fixed assets (incl. leases)	1.7	3.3	2.1	2.5	2.1	2.0
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	0.7	-0.9	1.6	-0.3	0.2	0.1
Cash flow from operations before changes in w/c	3.1	2.5	1.4	2.6	4.8	5.4
Increase/decrease in inventory	0.0	-0.6	0.7	-0.5	-0.8	-0.2
Increase/decrease in accounts receivable	-2.4	-1.9	-0.0	-0.5	-3.4	-1.3
Increase/decrease in accounts payable	1.0	-1.2	-1.0	2.4	1.8	0.6
Increase/decrease in other w/c positions	0.3	0.0	-0.9	-1.9	1.0	-2.5
Increase/decrease in working capital	-1.1	-3.6	-1.3	-0.5	-1.4	-3.4
Cash flow from operating activities	2.0	-1.1	0.1	2.1	3.4	2.0
CAPEX	-1.3	-1.7	-0.8	-1.5	-1.8	-1.9
Payments for acquisitions	0.0	0.0	-3.3	0.0	0.0	0.0
Financial investments	0.0	0.0	-0.6	0.0	0.0	0.0
Income from asset disposals	0.4	-0.3	0.0	0.0	0.0	0.0
Cash flow from investing activities	-0.9	-2.0	-4.7	-1.5	-1.8	-1.9
Cash flow before financing	1.1	-3.1	-4.6	0.6	1.6	0.2
Increase/decrease in debt position	-1.8	-1.8	0.3	2.1	2.0	-2.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	4.8	0.0	4.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.1	-1.0	3.2	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	-1.7	1.9	3.5	6.1	2.0	-2.0
Increase/decrease in liquid assets	-0.7	-1.2	-1.1	6.7	3.6	-1.8
Liquid assets at end of period	-2.9	-4.1	-5.1	1.5	5.1	3.3

Source: Company data; AlsterResearch

Regional sales split (EURm)	2018	2019	2020	2021E	2022E	2023E
Domestic	37.9	38.9	29.1	40.9	44.1	46.3
Europe (ex domestic)	0.0	0.0	0.0	0.0	0.0	0.0
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	4.5	10.4	4.2	7.7	12.9	13.6
Rest of World	2.2	2.6	1.8	2.6	1.8	1.9
Total sales	44.5	51.8	35.0	51.1	58.8	61.7

Regional sales split (common size)	2018	2019	2020	2021E	2022E	2023E
Domestic	85.0%	75.0%	83.0%	80.0%	75.0%	75.0%
Europe (ex domestic)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	10.0%	20.0%	12.0%	15.0%	22.0%	22.0%
Rest of World	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
Total sales	100%	100%	100%	100%	100%	100%

Ratios	2018	2019	2020	2021E	2022E	2023E
Per share data						
Earnings per share reported	0.21	-0.01	-0.61	0.11	0.61	0.83
Cash flow per share	0.08	-1.26	-0.54	-0.10	0.32	0.01
Book value per share	1.04	2.27	1.60	2.56	3.19	4.04
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	80.6x	-1,398.3x	-27.5x	156.5x	27.7x	20.4x
P/CF	206.9x	-13.4x	-31.2x	-174.2x	52.4x	1,669.0x
P/BV	16.3x	7.5x	10.6x	6.6x	5.3x	4.2x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	0.5%	-7.5%	-3.2%	-0.6%	1.9%	0.1%
EV/Sales	1.8x	1.5x	2.3x	1.5x	1.3x	1.2x
EV/EBITDA	23.6x	17.2x	284.6x	18.3x	11.0x	9.4x
EV/EBIT	48.1x	60.0x	-44.5x	46.3x	15.8x	12.6x
Income statement (EURm)						
Sales	44.5	51.8	35.0	51.1	58.8	61.7
yoy chg in %	Infinity%	16.3%	-32.4%	46.0%	15.0%	5.0%
Gross profit	8.7	14.6	9.9	14.8	17.6	19.1
Gross margin in %	19.5%	28.2%	28.4%	29.0%	30.0%	31.0%
EBITDA	3.4	4.6	0.3	4.1	6.8	7.8
EBITDA margin in %	7.6%	8.9%	0.8%	8.1%	11.5%	12.7%
EBIT	1.7	1.3	-1.8	1.6	4.7	5.9
EBIT margin in %	3.7%	2.5%	-5.1%	3.2%	8.0%	9.5%
Net profit	0.7	-0.0	-2.2	0.4	2.4	3.3
Cash flow statement (EURm)						
CF from operations	2.0	-1.1	0.1	2.1	3.4	2.0
Capex	-1.3	-1.7	-0.8	-1.5	-1.8	-1.9
Maintenance Capex	1.7	3.3	2.1	2.5	2.1	2.0
Free cash flow	0.7	-2.8	-0.7	0.6	1.6	0.2
Balance sheet (EURm)						
Intangible assets	4.8	4.6	7.2	7.2	7.2	7.2
Tangible assets	6.3	6.3	8.6	7.7	7.4	7.2
Shareholders' equity	3.2	8.0	5.8	10.2	12.7	16.1
Pension provisions	0.2	0.2	0.0	0.2	0.2	0.2
Liabilities and provisions	17.2	16.7	17.4	19.2	21.4	19.4
Net financial debt	12.1	11.4	12.8	8.2	6.6	6.4
w/c requirements	8.9	13.1	12.9	12.2	14.5	15.4
Ratios						
ROE	20.2%	1.1%	-40.5%	4.3%	19.7%	21.1%
ROCE	8.0%	5.3%	-7.2%	5.3%	13.1%	15.7%
Net gearing	375.8%	143.5%	221.7%	80.2%	51.9%	39.9%
Net debt / EBITDA	3.6x	2.5x	45.4x	2.0x	1.0x	0.8x

Source: Company data; AlsterResearch

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