

Wolftank-Adisa Holding AG

Austria | Industrial Goods & Services | MCap EUR 72.1m

2 May 2022

UPDATE



Successful 2021 but the best is yet to come; Reiterate to BUY

What's it all about?

Wolftank reported prelim. FY 21 results on Friday. Despite being slightly below AlsterResearch expectations, sales growth of nearly 34% yoy and significant adj. EBITDA margin expansion of >700bp clearly reflect that Wolftank is looking back at a successful 2021. Wolftank benefits from significant pent-up demand after the pandemic led 2020 results. In addition, hydrogen refueling facilities in particular seem to enjoy significant demand with customer enquiries accumulating to twice the annual group turnover - according to the company. As such, we expect Wolftank to continue experiencing significant growth in the future, which ultimately will also drive earnings and returns. We reiterate our BUY recommendation with unchanged PT of EUR 26.30. Wolftank remains one of our top-picks as we believe that hydrogen and LNG technologies are important parts in Europe's aim to become carbon neutral and likewise independent from Russian oil and gas imports.

BUY (BUY)

Target price	EUR 26.30 (26.30)
Current price	EUR 18.10
Up/downside	45.3%



MAIN AUTHOR

Thomas Wissler

t.wissler@alsterresearch.com

+49 40 309 293-58

Wolftank-Adisa Holding AG

Austria | Industrial Goods & Services | MCap EUR 72.1m | EV EUR 80.8m

BUY (BUY)

Target price EUR 26.30 (26.30)
Current price EUR 18.10
Up/downside 45.3%

MAIN AUTHOR

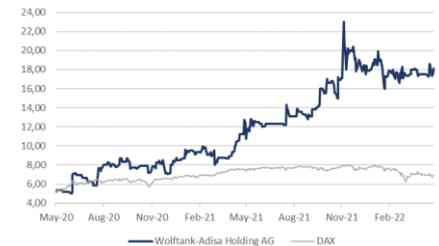
Thomas Wissler
t.wissler@alsterresearch.com
+49 40 309 293-58

Successful 2021 but the best is yet to come; Reiterate to BUY

Prelim. 2021 with strong growth Wolftank reported strong KPI improvements. Sales grew by c. 34% yoy to EUR 47.4m reflecting pent-up demand for all its services after pandemic-led business interruptions but also due to structural growth in particular in the hydrogen refueling space. In our view, this strong growth reflects the quality of Wolftank's business model as customers simply are forced to improve / refurbish its tank infrastructures or to pursue soil remediation works. Hence, in years such as 2020, customers tend to merely postpone orders rather than canceling them completely, leaving Wolftank with significant pent-up demand in the following periods. In addition, Wolftank is acting in the sweet spot of a structurally growing market, namely sustainable energy solutions. In fact, Wolftank reported that customers' enquiries topped twice the annual group sales, leaving Wolftank with ample demand.

EBITDA with strong improvement but not yet showing the full potential According to prelim. figures, adj. EBITDA improved by a massive 700bp and came in at EUR 3m. Adjustments have been made for one-off effects, specifically the costs associated with the 2021 capital measures. Adj. EBITDA margins, hence, arrived at 9.4%. In our view, this improvement is clearly hinting at the future earnings potential of the Group, once the growth and earnings initiative put in place during the last 12 months are starting to unfold its full potential. Nonetheless, on a clean, unadjusted basis, EBITDA arrived at "only" EUR 1.6m and with it falling short of AlsterResearch expectations.

Outlook remains bright Not only since the war in the Ukraine, hydrogen and LNG technologies are important parts in Europe's aim to become carbon neutral and likewise independent from Russian oil and gas imports. Consequently, we see significant growth for Wolftank in the years to come. In fact, Wolftank is the "go-to" place when it comes to hydrogen refueling stations, something which has led to prestigious, and financially rewarding partnerships such as with Kuwait Petroleum Italia, APEX Group or SFC Energy AG. Wolftank therefore remains one of our top-picks in this field as the company has all the necessary products and services on offer in order to facilitate the structural shift towards a fossil free future. We therefore reiterate our BUY recommendation with unchanged PT of EUR 26.30.



Source: Company data, AlsterResearch

High/low 52 weeks 36.60 / 10.53
Price/Book Ratio 7.6x

Ticker / Symbols

ISIN AT0000A25NJ6
WKN A2PBHR
Bloomberg WAH:GR

Changes in estimates

		Sales	EBIT	EPS
2022E	old	79,8	5,4	0,69
	Δ	-1,2%	0,3%	-0,4%
2023E	old	83,8	6,8	0,92
	Δ	3,5%	5,0%	6,5%
2024E	old	92,8	9,4	1,36
	Δ	0,0%	0,0%	0,0%

Key share data

Number of shares: (in m pcs) 3.98
Book value per share: (in EUR) 2.39
Ø trading volume: (12 months) 1,000

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.

Wolftank-Adisa Holding AG	2019	2020	2021P	2022E	2023E	2024E
Sales	51.8	35.0	47.4	78.8	86.7	92.8
<i>Growth yoy</i>	na	-32.4%	35.4%	66.3%	10.0%	7.0%
EBITDA	4.6	0.3	3.0	7.4	9.5	11.8
EBIT	1.3	-1.8	0.3	5.4	7.1	9.4
Net profit	-0.0	-2.2	-0.2	2.7	3.9	5.4
Net debt (net cash)	11.4	12.8	8.5	10.8	11.5	7.0
Net debt/EBITDA	2.5x	45.4x	2.9x	1.5x	1.2x	0.6x
EPS recurring	-0.01	-0.61	-0.06	0.69	0.98	1.36
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%	29.0%	29.5%	30.2%	32.0%
EBITDA margin	8.9%	0.8%	6.3%	9.4%	10.9%	12.7%
EBIT margin	2.5%	-5.1%	0.6%	6.9%	8.2%	10.1%
ROCE	5.3%	-7.2%	1.0%	15.0%	18.5%	22.0%
EV/EBITDA	18.2x	301.6x	27.1x	11.2x	8.9x	6.7x
EV/EBIT	63.6x	-47.2x	263.2x	15.4x	11.8x	8.5x
PER	-1,497.6x	-29.5x	-322.0x	26.3x	18.5x	13.3x
FCF yield	-7.0%	-3.0%	-1.4%	1.5%	-0.7%	6.9%

Source: Company data, AlsterResearch

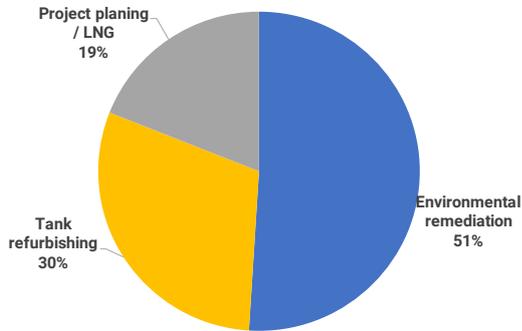
Half year results

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

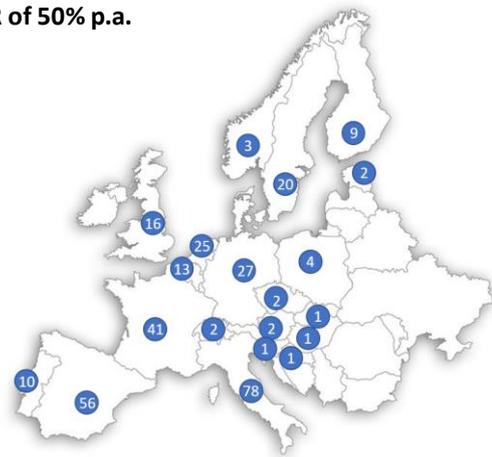


Blue chip clients

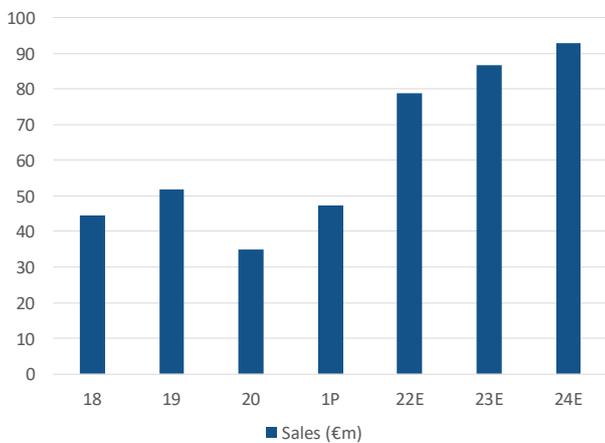


LNG Map Europe

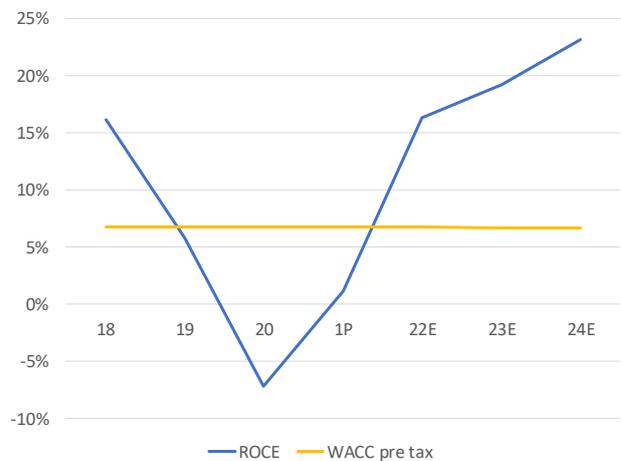
CAGR of 50% p.a.



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 27.70 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 14.4% 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 0.60. Unlevering and correcting for mean reversion yields an asset beta of 0.67. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.5% this yields cost of equity of 8.0%. 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 6.6%.

DCF (EUR m) (except per share data and beta)	2021P	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Terminal value
NOPAT	0.2	3.5	4.6	6.0	6.5	7.0	7.5	8.0	
Depreciation & Amort.	2.7	2.0	2.3	2.4	2.5	2.6	2.8	2.9	
Change in working capital	-0.4	-2.6	-4.9	-1.1	-0.7	-0.8	-0.9	-0.9	
Chg. in long-term provisions	-0.4	0.7	0.2	0.1	0.1	0.2	0.2	0.2	
Capex	-1.4	-2.4	-2.6	-2.8	-3.0	-3.2	-3.4	-3.6	
Cash flow	0.7	1.2	-0.4	4.7	5.4	5.8	6.1	6.6	146.1
Present value	0.7	1.2	-0.4	4.0	4.3	4.3	4.3	4.3	95.6
WACC	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.6%

DCF per share derived from	
Total present value	118.4
Mid-year adj. total present value	122.1
Net debt / cash at start of year	12.8
Financial assets	1.0
Provisions and off b/s debt	0.1
Equity value	110.3
No. of shares outstanding	4.0
Discounted cash flow / share upside/(downside)	27.70 53.0%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2021E - 2028E)	14.4%
Terminal value growth (2028E - infinity)	2.0%
Terminal year ROCE	20.3%
Terminal year WACC	6.6%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	0.60
Unlevered beta (industry or company)	0.67
Target debt / equity	0.5
Relevered beta	0.92
Risk-free rate	2.0%
Equity risk premium	6.5%
Cost of equity	8.0%

Share price	18.10
--------------------	--------------

Sensitivity analysis DCF								
Change in WACC (%-points)		Long term growth					Share of present value	
		1.0%	1.5%	2.0%	2.5%	3.0%		
1.0%		18.8	20.2	21.9	23.9	26.3	2021E - 2024E	4.6%
0.5%		20.8	22.5	24.5	27.0	30.1	2025E - 2028E	14.6%
0.0%		23.1	25.1	27.7	30.9	34.9	terminal value	80.7%
-0.5%		25.8	28.4	31.7	35.8	41.3		
-1.0%		29.1	32.5	36.7	42.4	50.2		

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 0.14 per share based on 2021P and 33.59 EUR per share on 2021P estimates. **We value Wolfbank-Adisa Holding AG onhalf way 2023/24E adj. FCF yield, which derive at a fair value of EUR 26.02.** 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	2021P	2022E	2023E	2024E	2025E
EBITDA	3.0	7.4	9.5	11.8	12.6
- Maintenance capex	2.7	2.0	2.3	2.4	2.5
- Minorities	-0.0	0.3	0.4	0.5	0.6
- tax expenses	-0.1	1.3	1.8	2.5	2.8
= Adjusted Free Cash Flow	0.4	3.9	4.9	6.3	6.7
Actual Market Cap	72.1	72.1	72.1	72.1	72.1
+ Net debt (cash)	8.5	10.8	11.5	7.0	1.5
+ Pension provisions	0.2	0.3	0.3	0.4	0.4
+ 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>	7.7	10.1	10.9	6.3	0.9
= Actual EV'	79.8	82.2	83.0	78.4	73.0
Adjusted RW_FCF yield	0.5%	4.7%	5.9%	8.0%	9.2%
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	8.3	77.1	98.3	126.3	134.7
- <i>EV Reconciliations</i>	7.7	10.1	10.9	6.3	0.9
Fair Market Cap	0.5	67.0	87.3	119.9	133.8
No. of shares (million)	4.0	4.0	4.0	4.0	4.0
Fair value per share in EUR	0.14	16.82	21.93	30.11	33.59
Premium (-) / discount (+)	-99.3%	-7.1%	21.2%	66.3%	85.6%

Sensitivity analysis fair value

	3.0%	1.5	29.7	38.4	51.2	56.1
Adjusted hurdle rate	4.0%	0.7	21.7	28.1	38.0	42.0
	5.0%	0.1	16.8	21.9	30.1	33.6
	6.0%	-0.2	13.6	17.8	24.8	28.0
	7.0%	-0.5	11.3	14.9	21.1	23.9

Source: Company data; AlsterResearch

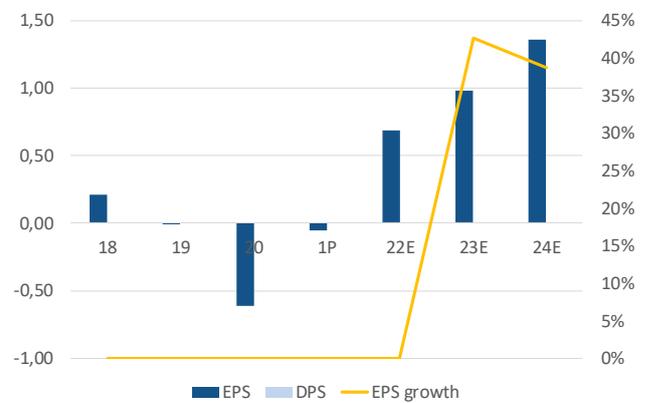
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

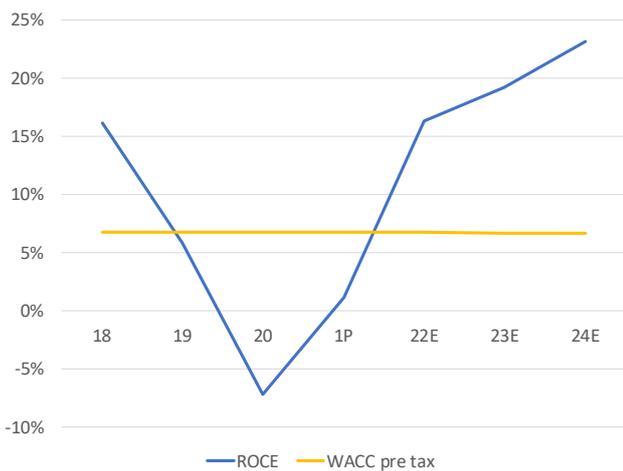
Sales vs. EBITDA margin development



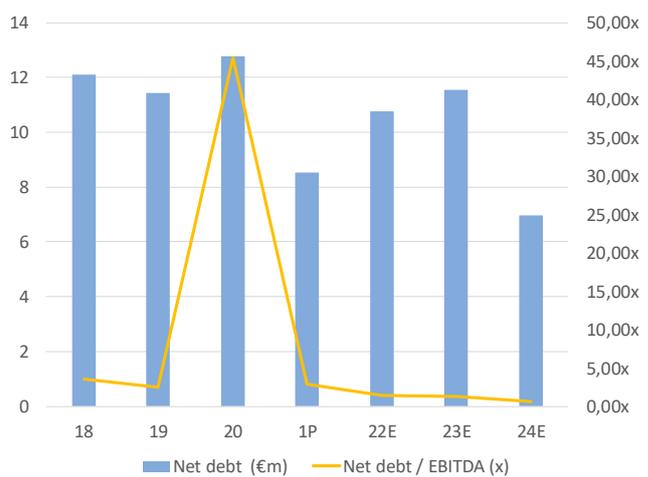
EPS, DPS in EUR & yoy EPS growth



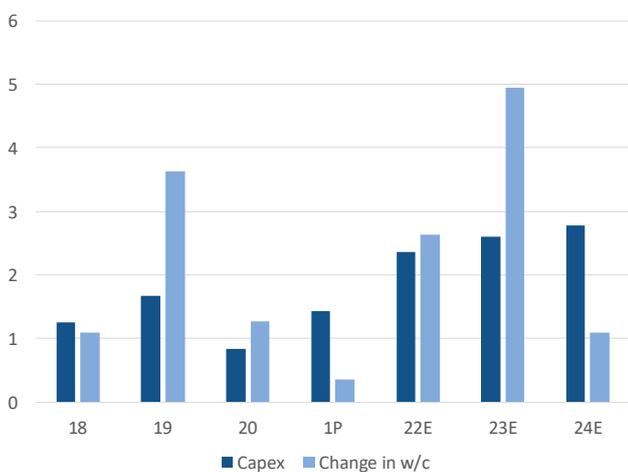
ROCE vs. WACC (pre tax)



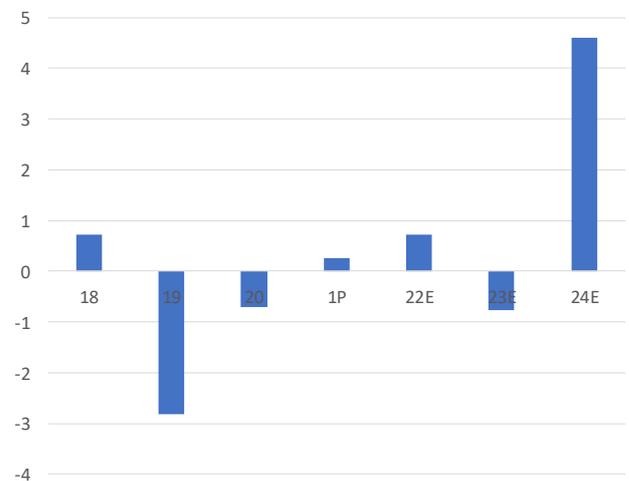
Net debt and net debt/EBITDA



Capex & chg in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EUR m)	2019	2020	2021P	2022E	2023E	2024E
Net sales	51.8	35.0	47.4	78.8	86.7	92.8
Sales growth	na	-32.4%	35.4%	66.3%	10.0%	7.0%
Change in finished goods and work-in-process	-1.9	-0.6	0.0	0.0	0.0	0.0
Total sales	49.9	34.4	47.4	78.8	86.7	92.8
Material expenses	35.3	24.5	33.7	55.6	60.5	63.1
Gross profit	14.6	9.9	13.7	23.3	26.2	29.7
Other operating income	0.7	1.1	0.3	0.5	0.5	0.6
Personnel expenses	6.5	7.2	7.3	10.9	11.3	12.1
Other operating expenses	4.2	3.6	3.7	5.4	6.0	6.4
EBITDA	4.6	0.3	3.0	7.4	9.5	11.8
Depreciation	3.3	2.1	2.7	2.0	2.3	2.4
EBITA	1.3	-1.8	0.3	5.4	7.1	9.4
Amortisation of goodwill and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	1.3	-1.8	0.3	5.4	7.1	9.4
Financial result	-0.8	-1.0	-0.6	-1.1	-1.0	-0.9
Recurring pretax income from continuing operations	0.5	-2.8	-0.3	4.3	6.1	8.5
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	0.5	-2.8	-0.3	4.3	6.1	8.5
Taxes	0.4	-0.5	-0.1	1.3	1.8	2.5
Net income from continuing operations	0.1	-2.3	-0.2	3.0	4.3	5.9
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	-0.2	3.0	4.3	5.9
Minority interest	-0.1	0.1	0.0	-0.3	-0.4	-0.5
Net profit (reported)	-0.0	-2.2	-0.2	2.7	3.9	5.4
Average number of shares	3.51	3.61	3.98	3.98	3.98	3.98
EPS reported	-0.01	-0.61	-0.06	0.69	0.98	1.36

Profit and loss (common size)	2019	2020	2021P	2022E	2023E	2024E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	-4%	-2%	0%	0%	0%	0%
Total sales	96%	98%	100%	100%	100%	100%
Material expenses	68%	70%	71%	71%	70%	68%
Gross profit	28%	28%	29%	30%	30%	32%
Other operating income	1%	3%	1%	1%	1%	1%
Personnel expenses	13%	20%	16%	14%	13%	13%
Other operating expenses	8%	10%	8%	7%	7%	7%
EBITDA	9%	1%	6%	9%	11%	13%
Depreciation	6%	6%	6%	3%	3%	3%
EBITA	3%	-5%	1%	7%	8%	10%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
EBIT	3%	-5%	1%	7%	8%	10%
Financial result	-2%	-3%	-1%	-1%	-1%	-1%
Recurring pretax income from continuing operations	1%	-8%	-1%	5%	7%	9%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	1%	-8%	-1%	5%	7%	9%
Taxes	1%	-1%	-0%	2%	2%	3%
Net income from continuing operations	0%	-7%	-0%	4%	5%	6%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	0%	-7%	-0%	4%	5%	6%
Minority interest	-0%	0%	0%	-0%	-0%	-1%
Net profit (reported)	-0%	-6%	-0%	3%	5%	6%

Source: Company data; AlsterResearch

Balance sheet (EUR m)	2019	2020	2021P	2022E	2023E	2024E
Intangible assets (exl. Goodwill)	1.5	1.8	1.8	1.8	1.8	1.8
Goodwill	3.1	5.4	5.4	6.9	6.9	6.9
Property, plant and equipment	6.3	8.6	7.4	9.3	9.5	9.9
Financial assets	0.7	1.0	1.0	1.0	1.0	1.0
FIXED ASSETS	11.6	16.9	15.6	19.0	19.3	19.7
Inventories	6.1	5.4	5.5	9.1	9.9	10.4
Accounts receivable	22.0	22.0	20.8	34.6	38.0	40.7
Other current assets	0.0	1.9	1.9	1.9	1.9	1.9
Liquid assets	4.2	3.1	9.5	9.2	6.5	9.0
Deferred taxes	0.4	1.4	1.4	1.4	1.4	1.4
Deferred charges and prepaid expenses	0.1	0.3	0.1	0.2	0.3	0.3
CURRENT ASSETS	32.7	34.2	39.2	56.4	58.0	63.7
TOTAL ASSETS	44.3	51.0	54.9	75.4	77.2	83.3
SHAREHOLDERS EQUITY	8.0	5.8	9.5	12.5	16.8	22.8
MINORITY INTEREST	0.2	1.7	1.7	1.7	1.7	1.7
Long-term debt	15.6	15.9	18.0	20.0	18.0	16.0
Provisions for pensions and similar obligations	0.2	0.0	0.2	0.3	0.3	0.4
Other provisions	0.9	1.5	0.9	1.5	1.6	1.8
Non-current liabilities	16.7	17.4	19.1	21.8	20.0	18.1
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	14.3	13.3	14.6	23.6	25.7	26.8
Advance payments received on orders	0.7	1.1	0.5	0.8	0.9	0.9
Other liabilities (incl. from lease and rental contracts)	4.6	10.8	9.5	11.8	8.7	9.3
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	-0.2	0.9	0.0	3.2	3.5	3.7
Current liabilities	19.4	26.2	24.5	39.4	38.7	40.7
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	44.3	51.0	54.9	75.4	77.2	83.3

Balance sheet (common size)	2019	2020	2021P	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	3%	4%	3%	2%	2%	2%
Goodwill	7%	11%	10%	9%	9%	8%
Property, plant and equipment	14%	17%	13%	12%	12%	12%
Financial assets	2%	2%	2%	1%	1%	1%
FIXED ASSETS	26%	33%	28%	25%	25%	24%
Inventories	14%	11%	10%	12%	13%	12%
Accounts receivable	50%	43%	38%	46%	49%	49%
Other current assets	0%	4%	3%	2%	2%	2%
Liquid assets	9%	6%	17%	12%	8%	11%
Deferred taxes	1%	3%	3%	2%	2%	2%
Deferred charges and prepaid expenses	0%	1%	0%	0%	0%	0%
CURRENT ASSETS	74%	67%	72%	75%	75%	76%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	18%	11%	17%	17%	22%	27%
MINORITY INTEREST	0%	3%	3%	2%	2%	2%
Long-term debt	35%	31%	33%	27%	23%	19%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	2%	3%	2%	2%	2%	2%
Non-current liabilities	38%	34%	35%	29%	26%	22%
short-term liabilities to banks	0%	0%	0%	0%	0%	0%
Accounts payable	32%	26%	27%	31%	33%	32%
Advance payments received on orders	2%	2%	1%	1%	1%	1%
Other liabilities (incl. from lease and rental contracts)	10%	21%	17%	16%	11%	11%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	-0%	2%	0%	4%	4%	4%
Current liabilities	44%	51%	45%	52%	50%	49%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2019	2020	2021P	2022E	2023E	2024E
Net profit/loss	0.1	-2.3	-0.2	3.0	4.3	5.9
Depreciation of fixed assets (incl. leases)	3.3	2.1	2.7	2.0	2.3	2.4
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	1.6	-0.4	0.7	0.2	0.1
Cash flow from operations before changes in w/c	2.5	1.4	2.0	5.7	6.8	8.5
Increase/decrease in inventory	-0.6	0.7	-0.1	-3.6	-0.8	-0.4
Increase/decrease in accounts receivable	-1.9	-0.0	1.2	-13.8	-3.5	-2.7
Increase/decrease in accounts payable	-1.2	-1.0	1.3	9.0	2.1	1.1
Increase/decrease in other w/c positions	0.0	-0.9	-2.7	5.7	-2.8	0.9
Increase/decrease in working capital	-3.6	-1.3	-0.4	-2.6	-4.9	-1.1
Cash flow from operating activities	-1.1	0.1	1.7	3.1	1.8	7.4
CAPEX	-1.7	-0.8	-1.4	-2.4	-2.6	-2.8
Payments for acquisitions	0.0	-3.3	0.0	-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	-1.4	-5.4	-2.6	-2.8
Cash flow before financing	-3.1	-4.6	0.3	-2.3	-0.8	4.6
Increase/decrease in debt position	-1.8	0.3	2.1	2.0	-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	4.0	0.0	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	6.1	2.0	-2.0	-2.0
Increase/decrease in liquid assets	-1.2	-1.1	6.3	-0.3	-2.8	2.6
Liquid assets at end of period	-4.1	-5.1	1.2	0.9	-1.8	0.8

Source: Company data; AlsterResearch

Regional sales split (EURm)	2019	2020	2021P	2022E	2023E	2024E
Domestic	38.9	29.1	37.9	59.1	65.0	69.6
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	10.4	4.2	7.1	17.3	19.1	20.4
Rest of World	2.6	1.8	2.4	2.4	2.6	2.8
Total sales	51.8	35.0	47.4	78.8	86.7	92.8

Regional sales split (common size)	2019	2020	2021P	2022E	2023E	2024E
Domestic	75.0%	83.0%	80.0%	75.0%	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	20.0%	12.0%	15.0%	22.0%	22.0%	22.0%
Rest of World	5.0%	5.0%	5.0%	3.0%	3.0%	3.0%
Total sales	100%	100%	100%	100%	100%	100%

Ratios	2019	2020	2021P	2022E	2023E	2024E
Per share data						
Earnings per share reported	-0.01	-0.61	-0.06	0.69	0.98	1.36
Cash flow per share	-1.26	-0.54	-0.25	0.28	-0.12	1.25
Book value per share	2.27	1.60	2.39	3.15	4.23	5.72
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-1,497.6x	-29.5x	-322.0x	26.3x	18.5x	13.3x
P/CF	-14.4x	-33.4x	-72.5x	65.5x	-150.7x	14.5x
P/BV	8.0x	11.3x	7.6x	5.7x	4.3x	3.2x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-7.0%	-3.0%	-1.4%	1.5%	-0.7%	6.9%
EV/Sales	1.6x	2.4x	1.7x	1.1x	1.0x	0.9x
EV/EBITDA	18.2x	301.6x	27.1x	11.2x	8.9x	6.7x
EV/EBIT	63.6x	-47.2x	263.2x	15.4x	11.8x	8.5x
Income statement (EURm)						
Sales	51.8	35.0	47.4	78.8	86.7	92.8
yoy chg in %	16.3%	-32.4%	35.4%	66.3%	10.0%	7.0%
Gross profit	14.6	9.9	13.7	23.3	26.2	29.7
Gross margin in %	28.2%	28.4%	29.0%	29.5%	30.2%	32.0%
EBITDA	4.6	0.3	3.0	7.4	9.5	11.8
EBITDA margin in %	8.9%	0.8%	6.3%	9.4%	10.9%	12.7%
EBIT	1.3	-1.8	0.3	5.4	7.1	9.4
EBIT margin in %	2.5%	-5.1%	0.6%	6.9%	8.2%	10.1%
Net profit	-0.0	-2.2	-0.2	2.7	3.9	5.4
Cash flow statement (EURm)						
CF from operations	-1.1	0.1	1.7	3.1	1.8	7.4
Capex	-1.7	-0.8	-1.4	-2.4	-2.6	-2.8
Maintenance Capex	3.3	2.1	2.7	2.0	2.3	2.4
Free cash flow	-2.8	-0.7	0.3	0.7	-0.8	4.6
Balance sheet (EURm)						
Intangible assets	4.6	7.2	7.2	8.7	8.7	8.7
Tangible assets	6.3	8.6	7.4	9.3	9.5	9.9
Shareholders' equity	8.0	5.8	9.5	12.5	16.8	22.8
Pension provisions	0.2	0.0	0.2	0.3	0.3	0.4
Liabilities and provisions	16.7	17.4	19.1	21.8	20.0	18.1
Net financial debt	11.4	12.8	8.5	10.8	11.5	7.0
w/c requirements	13.1	12.9	11.3	19.3	21.4	23.3
Ratios						
ROE	1.1%	-40.5%	-2.4%	24.0%	25.5%	26.1%
ROCE	5.3%	-7.2%	1.0%	15.0%	18.5%	22.0%
Net gearing	143.5%	221.7%	89.3%	86.0%	68.6%	30.5%
Net debt / EBITDA	2.5x	45.4x	2.9x	1.5x	1.2x	0.6x

Source: Company data; AlsterResearch

Conflict of interests

Disclosures regarding research publications of SRH AlsterResearch AG pursuant to section 85 of the German Securities Trading Act (WpHG) and distributed in the UK under an EEA branch passport, subject to the FCA requirements on research recommendation disclosures. It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analyzed company. Further to this, under the FCA's rules on research recommendations, any conflicts of interest in connection with the recommendation must be disclosed. A conflict of interest is presumed to exist in particular if SRH AlsterResearch AG

- (1) or its affiliate(s) (either in its own right or as part of a consortium) within the past twelve months, acquired the financial instruments of the analyzed company,
- (2) has entered into an agreement on the production of the research report with the analyzed company,
- (3) or its affiliate(s) has, within the past twelve months, been party to an agreement on the provision of investment banking services with the analyzed company or have received services or a promise of services under the term of such an agreement,
- (4) or its affiliate(s) holds a) 5% or more of the share capital of the analyzed company, or b) the analyzed company holds 5% or more of the share capital of SRH AlsterResearch AG or its affiliate(s),
- (5) or its affiliate(s) holds a net long (a) or a net short (b) position of 0.5% of the outstanding share capital of the analyzed company or derivatives thereof,
- (6) or its affiliate(s) is a market maker or liquidity provider in the financial instruments of the issuer,
- (7) or the analyst has any other significant financial interests relating to the analyzed company such as, for example, exercising mandates in the interest of the analyzed company or a significant conflict of interest with respect to the issuer,
- (8) The research report has been made available to the company prior to its publication. Thereafter, only factual changes have been made to the report.

Conflicts of interest that existed at the time when this research report was published:

Company	Disclosure
Wolftank-Adisa Holding AG	2

Important disclosures

1. General Information/Liabilities This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by SRH AlsterResearch AG, exclusively to selected recipients [in DE, GB, FR, CH, US, UK, Scandinavia, and Benelux or, in individual cases, also in other countries]. A distribution to private investors in the sense of the German Securities Trading Act (WpHG) is excluded. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of SRH AlsterResearch AG. Reproduction of this document, in whole or in part, is not permitted without prior permission SRH AlsterResearch AG. All rights reserved. Under no circumstances shall SRH AlsterResearch AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

2. Responsibilities This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analyzed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

3. Organizational Requirements SRH AlsterResearch AG took internal organizational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of AlsterResearch AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

4. Information Concerning the Methods of Valuation/Update The determination of the fair value per share, i.e. the price target, and the resultant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made. The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate. The operating cash flow is calculated as EBITDA less maintenance capex and taxes. Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value. Detailed information on the valuation principles and methods used and the underlying assumptions can be found at <https://www.alsterresearch.com>.

SRH AlsterResearch AG uses the following three-step rating system for the analyzed companies:

- **Buy:** Sustainable upside potential of more than 10% within 12 months
- **Sell:** Sustainable downside potential of more than 10% within 12 months.
- **Hold:** Upside/downside potential is limited. No immediate catalyst visible.

NB: The ratings of SRH AlsterResearch AG are not based on a performance that is expected to be "relative" to the market.

The decision on the choice of the financial instruments analyzed in this document was solely made by SRH AlsterResearch AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of SRH AlsterResearch AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

5. Date and time of first publication of this financial analysis
2-May-22 09:08:34

6. Risk information

- Stock exchange investments and investments in companies (shares) are always speculative and involve the risk of total loss.
- This is particularly true in respect of investments in companies which are not established and/or small and have no established business or corporate assets.
- Share prices may fluctuate significantly. This is particularly true for shares with low liquidity (market breadth). Even small orders can have a significant impact on the share price.
- In the case of shares in narrow markets, it may also happen that there is no or very little actual trading there and that published prices are not based on actual trading but have only been provided by a stockbroker.
- In such markets a shareholder cannot expect to find a buyer for his shares at all and/or at reasonable prices. In such narrow markets there is a very high possibility of manipulating prices and in such markets there are often considerable price fluctuations.
- An investment in shares with low liquidity and low market capitalization is therefore highly speculative and represents a very high risk.
- There is no regulated market for unlisted shares and securities and a sale is not possible or only possible on an individual basis.

7. Major Sources of Information Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. SRH AlsterResearch AG has checked the information for plausibility but not for accuracy or completeness.

8. Competent Supervisory Authority SRH AlsterResearch AG are under supervision of the BaFin – German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M. This document is distributed in the UK under a MiFID EEA branch passport and in compliance with the applicable FCA requirements.

9. Specific Comments for Recipients Outside of Germany This research report is subject to the law of the Federal Republic of Germany. The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state.

10. Miscellaneous According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published free of charge under <https://www.alsterresearch.com>.

Contacts

SRH AlsterResearch AG
Himmelstr. 9
22299 Hamburg

Tel: +49 40 309 293-52
Fax: +49 40 556 330-54
E-Mail: info@alsterresearch.com

mwb fairtrade Wertpapierhandelsbank AG
Rottenbacher Straße 28
82166 Gräfelfing

Tel: +49 89 85852-0
Fax: +49 89 85852-505
E-Mail: info@mwbfairtrade.com

Our research can be found under

Research

HANNAH GABERT
Team Assistant
Tel: +49 40 309 293-53
E-Mail: h.gabert@alsterresearch.com

HARALD HOF
Senior Analyst
Tel: +49 40 309 293-52
E-Mail: h.hof@alsterresearch.com

NIKOLAI RENKEN
Analyst
Tel: +49 40 309 293-54
E-Mail: n.renken@alsterresearch.com

KATHARINA SCHLÖTER
Analyst
Tel: +49 40 309 293-52
E-Mail: k.schloeter@alsterresearch.com

THOMAS WISSLER
Senior Analyst
Tel: +49 40 309 293-58
E-Mail: t.wissler@alsterresearch.com

DR. OLIVER WOJAHN, CFA
Senior Analyst
Tel: +49 40 309 293-58
E-Mail: o.wojahn@alsterresearch.com

ALEXANDER ZIENKOWICZ
Senior Analyst
Tel: +49 40 309 293-56
E-Mail: a.zienkowicz@alsterresearch.com

Sales

MARKUS KÖNIG-WEISS
Head of Sales
Tel: +49 40 309 293-52
E-Mail: mkw@alsterresearch.com

Equity Capital Markets / Trading

KAI JORDAN
Member of the Board
Tel: +49 40 36 0995-22
E-Mail: kjordan@mwbfairtrade.com

ALEXANDER DEUSS
Head of Institutional Sales
Tel: +49 40 36 0995- 22
E-Mail: adeuss@mwbfairtrade.com

SASCHA GUENON
Head of Designated Sponsoring
Tel: +49 40 360 995 - 23
E-Mail: sguenon@mwbfairtrade.com

RESEARCH HUB www.research-hub.de

BLOOMBERG www.bloomberg.com

FACTSET www.factset.com

THOMSON REUTERS / REFINITIV www.refinitiv.com

CAPITALIQ www.capitaliq.com