

# Wolftank-Adisa Holding AG

Austria | Industrial Goods & Services | MCap EUR 57.6m

12 May 2023

UPDATE



## Operational break-even reached... but the best is yet to come! BUY

### What's it all about?

The Wolftank Group has reported FY22 financials which show an excellent performance with sales growth of 40% yoy and a tripling of operating profits. While this per se was a great achievement, it was below our expectations. We remain confident that Wolftank is on track to become a full-service provider of energy and environmental solutions. Wolftank should benefit from the massive growth that lies ahead as Europe's zero emission refueling infrastructure is being built. In our view, this should be accompanied by double-digit top-line growth over the next few years, with earnings likely to grow disproportionately as inflationary pressures subside (in the short term) and the massively invested capacity starts to be utilized. We therefore remain very positive on Wolftank's equity story, despite lowering our estimates and PT. Consequently, we reiterate our BUY rating on the stock.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 20.00 (23.00)</b>
Current price	EUR 13.10
Up/downside	52.7%

 **ResearchHub**



**MAIN AUTHOR**

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Austria | Industrial Goods & Services | MCap EUR 57.6m | EV EUR 61.3m

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## Operational break-even reached... but the best is yet to come!

**40% sales growth** The Wolftank Group (Wolftank) has presented key figures for FY22. Although sales fell short of our expectations of EUR 71m, the impressive growth rate shows that Wolftank is on the right track to becoming a full-service provider of technologies in the field of energy and environmental solutions. According to our estimates, the JV Mares Srl contributed to the Group's figures for the first time in '22 and should therefore explain part of the company's positive sales development.

**Operating profits almost tripled** Group EBITDA developed positively, but also fell short of our expectations. At EUR 3.6m, it almost tripled compared with the previous year. However, Wolftank was also affected by rising raw material prices as a result of the war in Ukraine and start-up costs for the emerging project pipeline. However, Wolftank should be able to pass on the higher input prices to its customers (with a time lag). In addition, we see the capacity expansion (and associated costs) as a good investment to handle the future influx of orders. The bottom line in 2022 was still loss making and came in at EUR 1.6m – effectively halved compared to the same period last year.

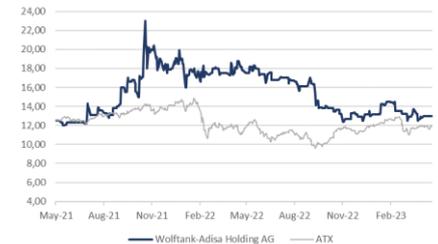
In particular, the **Hydrogen and Renewable Energy** segment grew dynamically in the period under review, contributing around EUR 19.4m or around 1/3 of consolidated sales (previous year approx. 27%, eAR). According to the company, '22 was characterized by the strong build-up of the project pipeline, the processing of which, however, burdened the cost side and thus led to a negative EBITDA margin of 2.2%. However, economies of scale and the establishment of Wolftank as a major player in the rapidly growing hydrogen infrastructure markets should significantly improve the profitability of this segment in the medium term.

The largest segment in terms of sales share, **Environmental Services**, generated sales of approximately EUR 35m in '22, representing approximately 56% of total revenue (previous year 45%. eAR). This segment includes Wolftank's environmental remediation activities. The EBITDA margin stood at 6%, but according to the company it should also reach the 15% mark in the medium term.

-continued-

Wolftank Group	2019	2020	2021	2022P	2023E	2024E
Sales	51.8	35.0	44.6	62.7	72.1	82.9
<i>Growth yoy</i>	na	-32.4%	27.4%	40.5%	15.0%	15.0%
EBITDA	4.6	0.3	1.5	3.6	5.8	7.7
EBIT	1.3	-1.8	-1.3	0.1	2.6	4.9
Net profit	-0.0	-2.2	-3.0	-1.6	1.1	2.9
Net debt (net cash)	11.4	12.8	5.4	3.4	4.7	1.7
Net debt/EBITDA	2.5x	45.4x	3.6x	0.9x	0.8x	0.2x
EPS recurring	-0.01	-0.61	-0.67	-0.37	0.23	0.59
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%	5.7%	8.0%	9.3%
EBIT margin	2.5%	-5.1%	-3.0%	0.1%	3.6%	5.9%
ROCE	5.3%	-7.2%	-4.4%	0.2%	7.0%	12.6%
EV/EBITDA	15.1x	250.3x	42.0x	17.1x	10.9x	7.7x
EV/EBIT	52.6x	-39.2x	-47.0x	878.7x	23.9x	12.3x
PER	-1,083.9x	-21.3x	-19.4x	-35.1x	56.4x	22.1x
FCF yield	-9.6%	-4.5%	3.8%	-4.7%	-3.6%	4.2%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

**High/low 52 weeks** 36.60 / 12.35  
**Price/Book Ratio** 4.1x

**Ticker / Symbols**

ISIN AT0000A25NJ6  
WKN A2PBHR  
Bloomberg WAH:GR

**Changes in estimates**

		Sales	EBIT	EPS
<b>2023E</b>	old	77.9	4.8	0.56
	Δ	-7.4%	-45.4%	-58.5%
<b>2024E</b>	old	85.0	7.0	0.93
	Δ	-2.4%	-30.6%	-36.3%
<b>2025E</b>	old	94.3	7.7	0.86
	Δ	-0.6%	-13.9%	-10.2%

**Key share data**

Number of shares: (in m pcs) 4.40  
Book value per share: (in EUR) 3.17  
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.

Finally, the **Industrial Coatings** segment, which provides technologies for the protection and maintenance of tanks and pipelines, achieved sales of EUR 8.5m (13% of total sales) and a strong EBITDA margin of nearly 23%. Wolf tank expects this segment to remain a strong growth driver in the future.

**Outlook and conclusion** Although the key figures for the past financial year fell short of our expectations, a growth rate of around 40% in sales and a tripling of the operating result are per se strong results. We see Wolf tank continuing to grow strongly in the future, not least thanks to the large number of partnerships and cooperation agreements recently signed. We also see Wolf tank's profitability is on the right track and should lead to disproportionate earnings growth, due to economies of scale and utilization of existing capacities. Although we have lowered our estimates for the following years (mainly due to the base effect), we remain fundamentally very optimistic about the group's future development. We therefore reiterate our BUY recommendation, albeit with a slightly lower target price of EUR 20.00 (old: EUR 23.00).

## Half year results

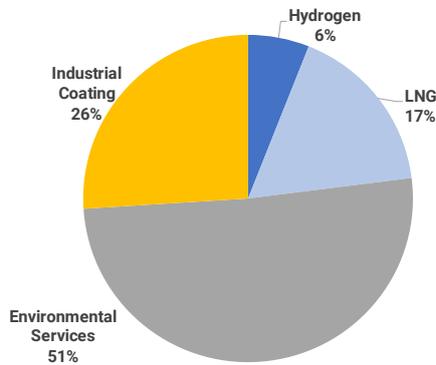
The following table depicts the half year reports of Wolf tank (in EURm).

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

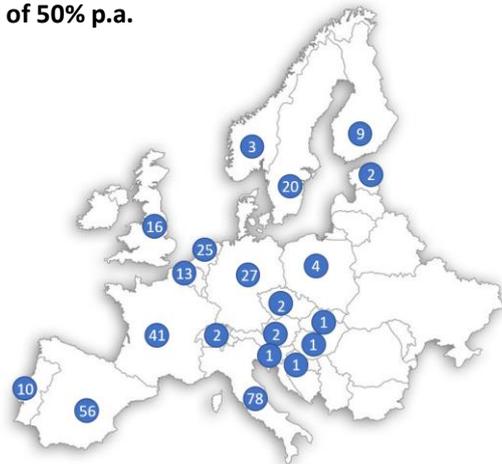


## Blue chip clients

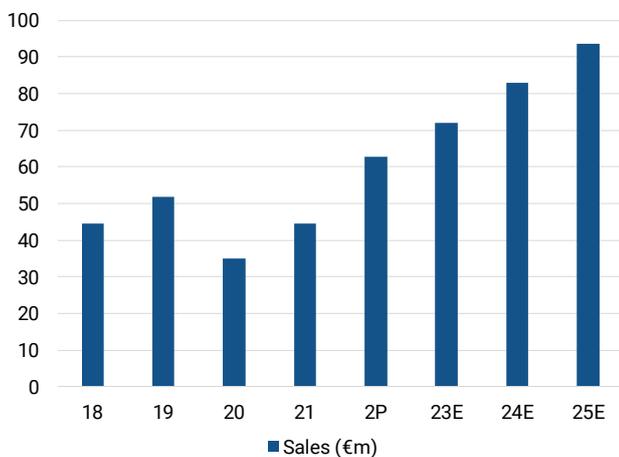


## LNG Map Europe

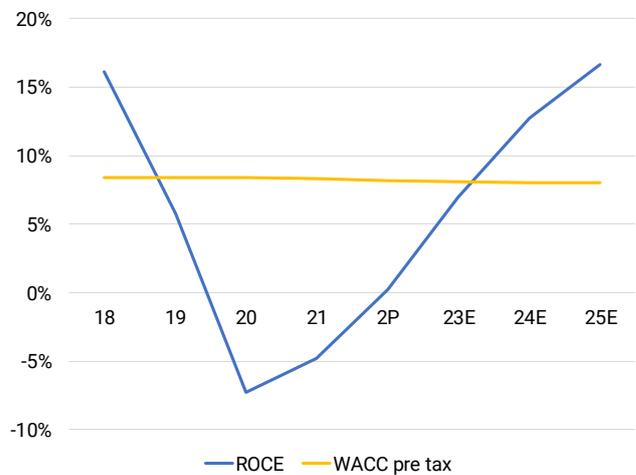
CAGR of 50% p.a.



## 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

# Valuation

## DCF Model

The DCF model results in a **fair value of EUR 20.02 per share**:

**Top-line growth:** We expect Woltank-Adisa Holding AG to continue benefitting from structural growth. Hence our growth estimates for 2023E-2030E is in the range of 13.3% 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 1.05. Unlevering and correcting for mean reversion yields an asset beta of 0.93. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.5% this yields cost of equity of 10.3%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 0.5 this results in a long-term WACC of 8.1%.

DCF (EUR m) (except per share data and beta)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	2.0	3.6	4.3	5.3	6.2	7.1	8.1	9.2	
Depreciation & amortization	3.1	2.9	2.7	2.8	2.9	3.1	3.4	3.7	
Change in working capital	-3.8	-0.7	-0.6	-0.7	-0.8	-0.9	-1.0	-1.1	
Chg. in long-term provisions	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.5	
Capex	-2.2	-2.5	-2.8	-3.2	-3.6	-4.1	-4.6	-5.2	
Cash flow	-0.6	3.5	3.8	4.5	5.0	5.6	6.3	7.1	117.8
Present value	-0.6	3.3	3.4	3.7	3.8	3.9	4.1	4.2	70.2
WACC	8.2%	8.2%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.1%

DCF per share derived from	
Total present value	96.0
Mid-year adj. total present value	99.7
Net debt / cash at start of year	3.4
Financial assets	0.7
Provisions and off b/s debt	0.3
Equity value	96.8
No. of shares outstanding	4.8
<b>Discounted cash flow / share upside/(downside)</b>	<b>20.02 / 52.8%</b>

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2023E-2030E)	13.3%
Terminal value growth (2030E - infinity)	2.0%
Terminal year ROCE	21.3%
Terminal year WACC	8.1%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	1.05
Unlevered beta (industry or company)	0.93
Target debt / equity	0.5
Relevered beta	1.28
Risk-free rate	2.0%
Equity risk premium	6.5%
Cost of equity	10.3%

<b>Share price</b>	<b>13.10</b>
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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%	2023E-2026E	2027E-2030E	terminal value	
1.0%	15.4	16.2	17.0	18.0	19.2				10.2%
0.5%	16.5	17.4	18.4	19.6	21.0				16.7%
0.0%	17.8	18.8	20.0	21.4	23.1				73.1%
-0.5%	19.2	20.5	21.9	23.7	25.8				
-1.0%	20.9	22.4	24.2	26.4	29.1				

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 6.70 per share based on 2023E and 23.90 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>7.7</b>	<b>9.4</b>	<b>11.1</b>	<b>12.6</b>
- Maintenance capex	3.1	2.9	2.7	2.8	2.9
- Minorities	0.1	0.3	0.4	0.5	0.6
- tax expenses	0.3	0.8	1.8	2.4	2.9
<b>= Adjusted Free Cash Flow</b>	<b>2.2</b>	<b>3.8</b>	<b>4.5</b>	<b>5.4</b>	<b>6.2</b>
<b>Actual Market Cap</b>	<b>57.6</b>	<b>57.6</b>	<b>57.6</b>	<b>57.6</b>	<b>57.6</b>
+ Net debt (cash)	4.7	1.7	-2.0	-6.9	-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	1.3	-2.4	-7.2	-12.7
<b>= Actual EV'</b>	<b>61.9</b>	<b>58.9</b>	<b>55.3</b>	<b>50.4</b>	<b>44.9</b>
<b>Adjusted RW_FCF yield</b>	<b>3.6%</b>	<b>6.4%</b>	<b>8.1%</b>	<b>10.7%</b>	<b>13.7%</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>36.7</b>	<b>63.1</b>	<b>75.0</b>	<b>89.9</b>	<b>102.9</b>
- <i>EV Reconciliations</i>	4.3	1.3	-2.4	-7.2	-12.7
<b>Fair Market Cap</b>	<b>32.4</b>	<b>61.8</b>	<b>77.3</b>	<b>97.1</b>	<b>115.6</b>
No. of shares (million)	4.8	4.8	4.8	4.8	4.8
<b>Fair value per share in EUR</b>	<b>6.70</b>	<b>12.78</b>	<b>15.98</b>	<b>20.06</b>	<b>23.90</b>
<b>Premium (-) / discount (+)</b>	<b>-48.9%</b>	<b>-2.4%</b>	<b>22.0%</b>	<b>53.2%</b>	<b>82.4%</b>

### Sensitivity analysis fair value

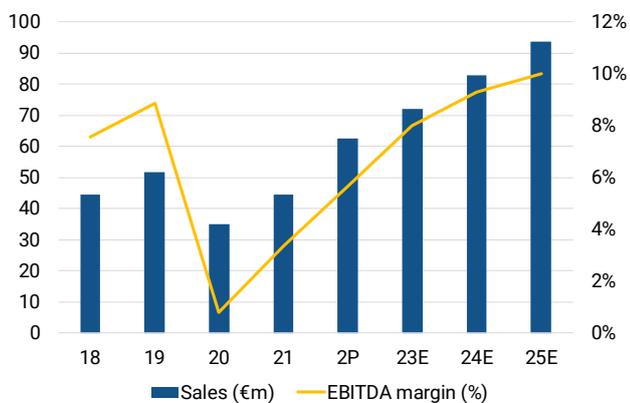
	4.0%	10.5	19.3	23.7	29.4	34.5
<b>Adjusted hurdle rate</b>	5.0%	8.2	15.4	19.1	23.8	28.2
	<b>6.0%</b>	<b>6.7</b>	<b>12.8</b>	<b>16.0</b>	<b>20.1</b>	<b>23.9</b>
	7.0%	5.6	10.9	13.8	17.4	20.9
	8.0%	4.8	9.5	12.1	15.4	18.6

Source: Company data; AlsterResearch

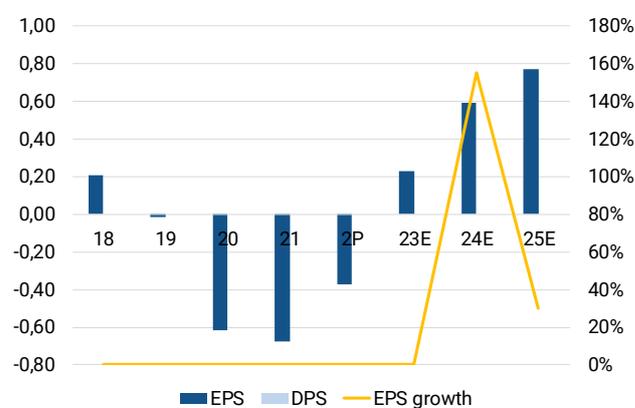
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

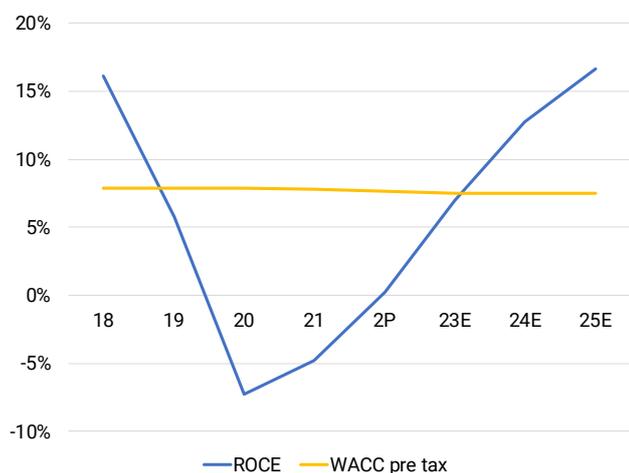
**Sales vs. EBITDA margin development**



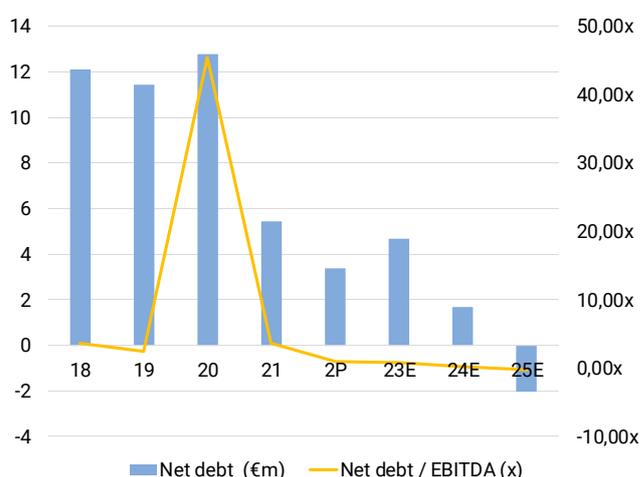
**EPS, DPS in EUR & yoy EPS growth**



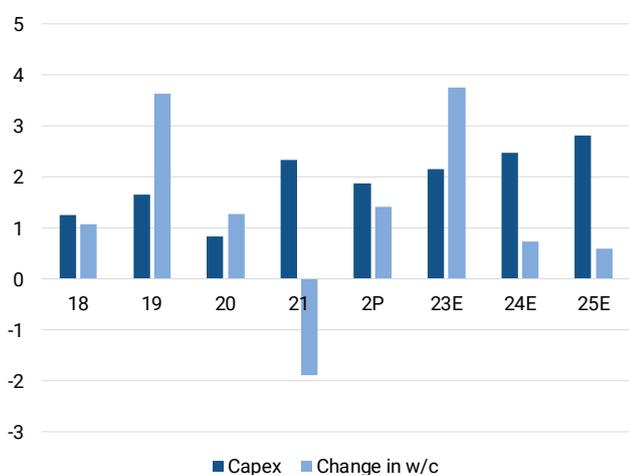
**ROCE vs. WACC (pre tax)**



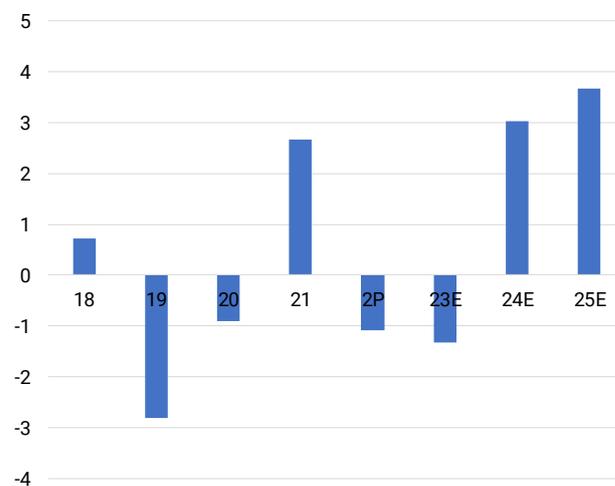
**Net debt and net debt/EBITDA**



**Capex & chg in w/c requirements in EURm**



**Free Cash Flow in EURm**



Source: Company data; AlsterResearch

# Financials

Profit and loss (EURm)	2019	2020	2021	2022P	2023E	2024E
<b>Net sales</b>	<b>51.8</b>	<b>35.0</b>	<b>44.6</b>	<b>62.7</b>	<b>72.1</b>	<b>82.9</b>
Sales growth	na	-32.4%	27.4%	40.5%	15.0%	15.0%
Change in finished goods and work-in-process	-1.9	-0.6	1.2	0.0	0.0	0.0
<b>Total sales</b>	<b>49.9</b>	<b>34.4</b>	<b>45.8</b>	<b>62.7</b>	<b>72.1</b>	<b>82.9</b>
Material expenses	35.3	24.5	30.2	42.0	47.9	54.7
<b>Gross profit</b>	<b>14.6</b>	<b>9.9</b>	<b>15.6</b>	<b>20.7</b>	<b>24.2</b>	<b>28.2</b>
Other operating income	0.7	1.1	1.3	1.6	1.8	1.9
Personnel expenses	6.5	7.2	7.9	10.5	11.5	12.9
Other operating expenses	4.2	3.6	7.5	8.2	8.7	9.5
<b>EBITDA</b>	<b>4.6</b>	<b>0.3</b>	<b>1.5</b>	<b>3.6</b>	<b>5.8</b>	<b>7.7</b>
Depreciation	3.3	2.1	2.8	3.5	3.1	2.9
EBITA	1.3	-1.8	-1.3	0.1	2.6	4.9
Amortisation of goodwill and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>1.3</b>	<b>-1.8</b>	<b>-1.3</b>	<b>0.1</b>	<b>2.6</b>	<b>4.9</b>
Financial result	-0.8	-1.0	-1.4	-0.8	-1.1	-0.9
Recurring pretax income from continuing operations	0.5	-2.8	-2.8	-0.7	1.5	3.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	0.5	-2.8	-2.8	-0.7	1.5	3.9
Taxes	0.4	-0.5	0.1	0.4	0.3	0.8
Net income from continuing operations	0.1	-2.3	-2.9	-1.1	1.2	3.2
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>0.1</b>	<b>-2.3</b>	<b>-2.9</b>	<b>-1.1</b>	<b>1.2</b>	<b>3.2</b>
Minority interest	-0.1	0.1	-0.0	-0.5	-0.1	-0.3
Net profit (reported)	-0.0	-2.2	-3.0	-1.6	1.1	2.9
Average number of shares	3.51	3.61	4.38	4.40	4.84	4.84
<b>EPS reported</b>	<b>-0.01</b>	<b>-0.61</b>	<b>-0.67</b>	<b>-0.37</b>	<b>0.23</b>	<b>0.59</b>

Profit and loss (common size)	2019	2020	2021	2022P	2023E	2024E
<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	-4%	-2%	3%	0%	0%	0%
<b>Total sales</b>	<b>96%</b>	<b>98%</b>	<b>103%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Material expenses	68%	70%	68%	67%	66%	66%
<b>Gross profit</b>	<b>28%</b>	<b>28%</b>	<b>35%</b>	<b>33%</b>	<b>34%</b>	<b>34%</b>
Other operating income	1%	3%	3%	3%	3%	2%
Personnel expenses	13%	20%	18%	17%	16%	16%
Other operating expenses	8%	10%	17%	13%	12%	12%
<b>EBITDA</b>	<b>9%</b>	<b>1%</b>	<b>3%</b>	<b>6%</b>	<b>8%</b>	<b>9%</b>
Depreciation	6%	6%	6%	6%	4%	3%
EBITA	3%	-5%	-3%	0%	4%	6%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
<b>EBIT</b>	<b>3%</b>	<b>-5%</b>	<b>-3%</b>	<b>0%</b>	<b>4%</b>	<b>6%</b>
Financial result	-2%	-3%	-3%	-1%	-1%	-1%
Recurring pretax income from continuing operations	1%	-8%	-6%	-1%	2%	5%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	1%	-8%	-6%	-1%	2%	5%
Taxes	1%	-1%	0%	1%	0%	1%
Net income from continuing operations	0%	-7%	-7%	-2%	2%	4%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>0%</b>	<b>-7%</b>	<b>-7%</b>	<b>-2%</b>	<b>2%</b>	<b>4%</b>
Minority interest	-0%	0%	-0%	-1%	-0%	-0%
<b>Net profit (reported)</b>	<b>-0%</b>	<b>-6%</b>	<b>-7%</b>	<b>-3%</b>	<b>2%</b>	<b>3%</b>

Source: Company data; AlsterResearch

Balance sheet (EURm)	2019	2020	2021	2022P	2023E	2024E
<b>Intangible assets (exl. Goodwill)</b>	<b>1.5</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>
Goodwill	3.1	5.4	7.1	8.6	8.6	8.6
Property, plant and equipment	6.3	8.6	10.6	10.5	9.5	9.1
Financial assets	0.7	1.0	0.7	0.7	0.7	0.7
<b>FIXED ASSETS</b>	<b>11.6</b>	<b>16.9</b>	<b>20.3</b>	<b>21.6</b>	<b>20.7</b>	<b>20.3</b>
Inventories	6.1	5.4	5.7	6.9	7.9	9.0
Accounts receivable	22.0	22.0	23.9	27.5	31.6	36.3
Other current assets	0.0	1.9	2.8	2.8	2.8	2.8
Liquid assets	4.2	3.1	7.5	11.8	8.5	9.5
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	0.2
<b>CURRENT ASSETS</b>	<b>32.7</b>	<b>34.2</b>	<b>41.5</b>	<b>50.6</b>	<b>52.4</b>	<b>59.3</b>
<b>TOTAL ASSETS</b>	<b>44.3</b>	<b>51.0</b>	<b>61.8</b>	<b>72.3</b>	<b>73.1</b>	<b>79.6</b>
<b>SHAREHOLDERS EQUITY</b>	<b>8.0</b>	<b>5.8</b>	<b>13.9</b>	<b>18.9</b>	<b>20.2</b>	<b>23.3</b>
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	1.2	1.4	1.6
<b>Non-current liabilities</b>	<b>16.7</b>	<b>17.4</b>	<b>9.4</b>	<b>11.4</b>	<b>9.7</b>	<b>7.9</b>
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	21.9	25.0	28.5
Advance payments received on orders	0.7	1.1	1.6	0.6	0.7	0.8
Other liabilities (incl. from lease and rental contracts)	4.6	10.8	10.5	9.4	7.2	8.3
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	-0.2	0.9	0.7	2.5	2.9	3.3
<b>Current liabilities</b>	<b>19.4</b>	<b>26.2</b>	<b>36.2</b>	<b>39.6</b>	<b>40.9</b>	<b>46.1</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>44.3</b>	<b>51.0</b>	<b>61.8</b>	<b>72.3</b>	<b>73.1</b>	<b>79.6</b>

Balance sheet (common size)	2019	2020	2021	2022P	2023E	2024E
<b>Intangible assets (excl. Goodwill)</b>	<b>3%</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>2%</b>	<b>2%</b>
Goodwill	7%	11%	12%	12%	12%	11%
Property, plant and equipment	14%	17%	17%	15%	13%	11%
Financial assets	2%	2%	1%	1%	1%	1%
<b>FIXED ASSETS</b>	<b>26%</b>	<b>33%</b>	<b>33%</b>	<b>30%</b>	<b>28%</b>	<b>25%</b>
Inventories	14%	11%	9%	10%	11%	11%
Accounts receivable	50%	43%	39%	38%	43%	46%
Other current assets	0%	4%	5%	4%	4%	4%
Liquid assets	9%	6%	12%	16%	12%	12%
Deferred taxes	1%	3%	2%	2%	2%	2%
Deferred charges and prepaid expenses	0%	1%	0%	0%	0%	0%
<b>CURRENT ASSETS</b>	<b>74%</b>	<b>67%</b>	<b>67%</b>	<b>70%</b>	<b>72%</b>	<b>75%</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>18%</b>	<b>11%</b>	<b>22%</b>	<b>26%</b>	<b>28%</b>	<b>29%</b>
MINORITY INTEREST	0%	3%	4%	3%	3%	3%
Long-term debt	35%	31%	13%	14%	11%	8%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	2%	3%	3%	2%	2%	2%
<b>Non-current liabilities</b>	<b>38%</b>	<b>34%</b>	<b>15%</b>	<b>16%</b>	<b>13%</b>	<b>10%</b>
short-term liabilities to banks	0%	0%	8%	7%	7%	6%
Accounts payable	32%	26%	29%	30%	34%	36%
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%	3%	4%	4%
<b>Current liabilities</b>	<b>44%</b>	<b>51%</b>	<b>59%</b>	<b>55%</b>	<b>56%</b>	<b>58%</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)	2019	2020	2021	2022P	2023E	2024E
Net profit/loss	0.1	-2.3	-2.9	-1.1	1.2	3.2
Depreciation of fixed assets (incl. leases)	3.3	2.1	2.8	3.5	3.1	2.9
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	-0.2	0.2	0.2
Cash flow from operations before changes in w/c	2.5	1.2	3.1	2.2	4.6	6.3
Increase/decrease in inventory	-0.6	0.7	-0.2	-1.3	-1.0	-1.1
Increase/decrease in accounts receivable	-1.9	-0.0	-1.9	-3.6	-4.1	-4.7
Increase/decrease in accounts payable	-1.2	-1.0	4.9	3.6	3.1	3.5
Increase/decrease in other w/c positions	0.0	-0.9	-0.9	-0.2	-1.8	1.6
Increase/decrease in working capital	-3.6	-1.3	1.9	-1.4	-3.8	-0.7
<b>Cash flow from operating activities</b>	<b>-1.1</b>	<b>-0.1</b>	<b>5.0</b>	<b>0.8</b>	<b>0.8</b>	<b>5.5</b>
CAPEX	-1.7	-0.8	-2.3	-1.9	-2.2	-2.5
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
<b>Cash flow from investing activities</b>	<b>-2.0</b>	<b>-4.7</b>	<b>-5.3</b>	<b>-4.9</b>	<b>-2.2</b>	<b>-2.5</b>
Cash flow before financing	-3.1	-4.8	-0.3	-4.1	-1.3	3.0
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
<b>Cash flow from financing activities</b>	<b>1.9</b>	<b>3.5</b>	<b>8.0</b>	<b>8.4</b>	<b>-2.0</b>	<b>-2.0</b>
Increase/decrease in liquid assets	-1.2	-1.2	7.7	4.3	-3.3	1.0
<b>Liquid assets at end of period</b>	<b>-4.1</b>	<b>-5.3</b>	<b>2.3</b>	<b>6.6</b>	<b>3.3</b>	<b>4.3</b>

Source: Company data; AlsterResearch

Regional sales split (EURm)	2019	2020	2021	2022P	2023E	2024E
Domestic	38.9	0.0	0.0	0.0	0.0	0.0
Europe (ex domestic)	0.0	31.2	41.1	57.1	65.6	75.5
The Americas	0.0	0.7	0.9	1.3	1.4	1.7
Asia	10.4	2.5	1.8	3.1	3.6	4.1
Rest of World	2.6	0.7	0.9	1.3	1.4	1.7
<b>Total sales</b>	<b>51.8</b>	<b>35.0</b>	<b>44.6</b>	<b>62.7</b>	<b>72.1</b>	<b>82.9</b>

Regional sales split (common size)	2019	2020	2021	2022P	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%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Ratios	2019	2020	2021	2022P	2023E	2024E
<b>Per share data</b>						
Earnings per share reported	-0.01	-0.61	-0.67	-0.37	0.23	0.59
Cash flow per share	-1.26	-0.59	0.50	-0.61	-0.48	0.55
Book value per share	2.27	1.60	3.17	4.30	4.17	4.82
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	-1,083.9x	-21.3x	-19.4x	-35.1x	56.4x	22.1x
P/CF	-10.4x	-22.1x	26.4x	-21.3x	-27.5x	23.8x
P/BV	5.8x	8.2x	4.1x	3.0x	3.1x	2.7x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-9.6%	-4.5%	3.8%	-4.7%	-3.6%	4.2%
EV/Sales	1.3x	2.0x	1.4x	1.0x	0.9x	0.7x
EV/EBITDA	15.1x	250.3x	42.0x	17.1x	10.9x	7.7x
EV/EBIT	52.6x	-39.2x	-47.0x	878.7x	23.9x	12.3x
<b>Income statement (EURm)</b>						
Sales	51.8	35.0	44.6	62.7	72.1	82.9
yoy chg in %	16.3%	-32.4%	27.4%	40.5%	15.0%	15.0%
Gross profit	14.6	9.9	15.6	20.7	24.2	28.2
Gross margin in %	28.2%	28.4%	35.0%	33.0%	33.5%	34.0%
EBITDA	4.6	0.3	1.5	3.6	5.8	7.7
EBITDA margin in %	8.9%	0.8%	3.4%	5.7%	8.0%	9.3%
EBIT	1.3	-1.8	-1.3	0.1	2.6	4.9
EBIT margin in %	2.5%	-5.1%	-3.0%	0.1%	3.6%	5.9%
Net profit	-0.0	-2.2	-3.0	-1.6	1.1	2.9
<b>Cash flow statement (EURm)</b>						
CF from operations	-1.1	-0.1	5.0	0.8	0.8	5.5
Capex	-1.7	-0.8	-2.3	-1.9	-2.2	-2.5
Maintenance Capex	3.3	2.1	2.8	3.5	3.1	2.9
Free cash flow	-2.8	-0.9	2.7	-1.1	-1.3	3.0
<b>Balance sheet (EURm)</b>						
Intangible assets	4.6	7.2	8.9	10.4	10.4	10.4
Tangible assets	6.3	8.6	10.6	10.5	9.5	9.1
Shareholders' equity	8.0	5.8	13.9	18.9	20.2	23.3
Pension provisions	0.2	0.0	0.0	0.3	0.3	0.3
Liabilities and provisions	16.7	17.4	14.5	16.6	14.8	13.1
Net financial debt	11.4	12.8	5.4	3.4	4.7	1.7
w/c requirements	13.1	12.9	9.7	11.9	13.8	16.0
<b>Ratios</b>						
ROE	1.1%	-40.5%	-20.9%	-5.8%	6.1%	13.5%
ROCE	5.3%	-7.2%	-4.4%	0.2%	7.0%	12.6%
Net gearing	143.5%	221.7%	39.1%	17.8%	23.3%	7.1%
Net debt / EBITDA	2.5x	45.4x	3.6x	0.9x	0.8x	0.2x

Source: Company data; AlsterResearch

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Company	Disclosure
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