

Wolftank-Adisa Holding AG

Austria | Industrial Goods & Services | MCap EUR 63.2m

30 June 2023

UPDATE



Hydrogen order worth c. EUR 10m just the tip of the iceberg

What's it all about?

The good news for Wolftank keeps coming. Italian public transport operator TPER signed a contract worth c. EUR 10m for the installation of hydrogen refueling systems for buses in Italy. This is the first part of a larger framework contract which runs until 2026 and which totals EUR 30m. In our view, this order once again proves that Wolftank's ambition to become a leading player in the hydrogen market is finally paying off and that the company is perceived as a trustworthy partner. Earlier this week we elaborated on the forthcoming IPO of thyssenkrupp nucera which should help to uncover the stark undervaluation of Wolftank vs. other hydrogen players. We therefore reiterate our BUY recommendation and unchanged PT of EUR 20.00.

BUY (BUY)

Target price	EUR 20.00 (20.00)
Current price	EUR 13.10
Up/downside	52.7%

 **ResearchHub** 



MAIN AUTHOR

Thomas Wissler

t.wissler@alsterresearch.com

+49 40 309 293-58

Wolftank-Adisa Holding AG

Austria | Industrial Goods & Services | MCap EUR 63.2m | EV EUR 70.5m

BUY (BUY)

Target price EUR 20.00 (20.00)
Current price EUR 13.10
Up/downside 52.7%

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

Hydrogen order worth c. EUR 10m just the tip of the iceberg

Record hydrogen order After signing several cooperation agreements with leading hydrogen players in Europe (e.g. Apex Group, ARTHUR BUS, Molgas and SFC Energy AG), Wolftank has now received a major order worth almost EUR 10m from the Italian public transport operator TPER. In a first phase, Wolftank will install hydrogen refueling systems for buses at four locations in the Italian region of Emilia Romagna. The installations are expected to be completed by the end of 2024. More importantly, this contract is part of a larger framework agreement that runs until 2026 and has a total volume of EUR 30m. According to the company, this is the largest hydrogen order ever received by Wolftank and supports earlier comments by CEO Dr. Peter Werth that current customer enquiries exceed several years' annual sales volume. Beyond the financial implications, it shows that Wolftank is increasingly valued and perceived by customers as a strong hydrogen partner.

Increasing investor attention Earlier this week we discussed the upcoming IPO of thyssenkrupp nucera - another player in the hydrogen market. While not a direct competitor, it is clear that hydrogen is becoming an increasing focus for investors. In our view, Wolftank will be able to benefit from this increased attention, as it reveals the true growth prospects of this industry (tk nucera expects demand to increase more than sevenfold by 2050), but also provides valuable price points on how to value companies with exposure to the lucrative hydrogen market.

Stark undervaluation vs. peers Other hydrogen peers such as NEL, Hexagon, Ballard Power or Plug Power Systems are trading on average one year forward EV/sales multiples between 4-6x. tk nucera's indicative pre-money valuation of around 4x EV/sales (assuming annualized sales of EUR 612m, no debt and a midpoint valuation of EUR 2.55bn) seem to be in a similar range, thus supporting current trading multiples. This compares with Wolftank's own EV/sales valuation of below 1x, nicely reflecting the stark undervaluation of the company.

Conclusion: The new order clearly is good news and increasingly puts our forecasts on a conservative footing. Hence, with the potential of upgrades to our numbers and hydrogen remaining in the investment spotlight, we 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	270.2x	49.7x	19.6x	11.8x	8.4x	6.5x
EV/EBIT	-42.3x	-55.7x	1,419.5x	26.1x	13.3x	9.2x
PER	-21.3x	-19.4x	-30.8x	57.1x	22.0x	17.1x
FCF yield	-4.5%	3.5%	-5.7%	-1.3%	3.7%	8.8%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 23.00 / 12.35
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

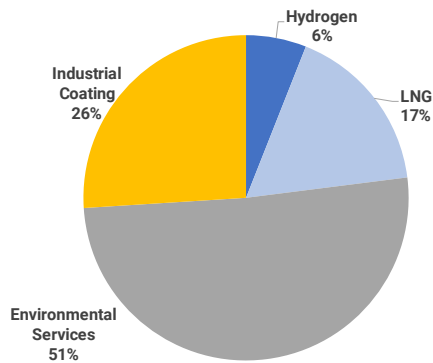
The following table depicts the half year reports of Wolftank (in EURm).

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
EPS	0,41	-0,42	-0,22	-0,39	-0,48	-0,19	-0,23	-0,14

Source: Company data; AlsterResearch

Investment case in six charts

Sales by segment 2021



Wolf tank's track record

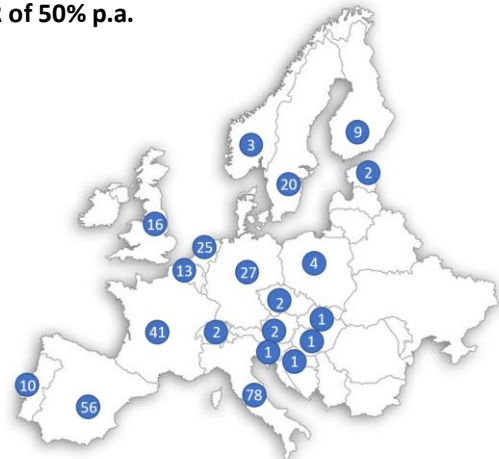


Blue chip clients

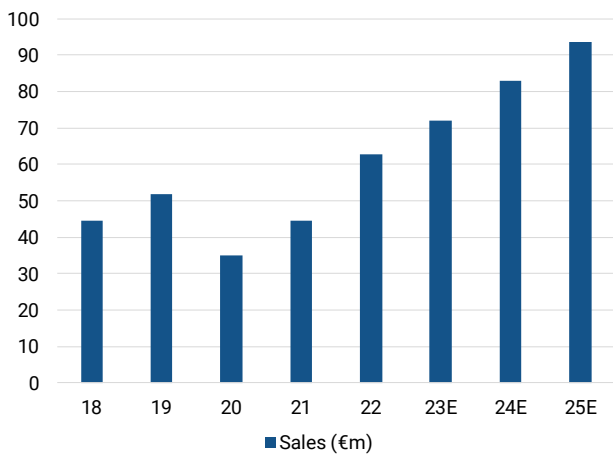


LNG Map Europe

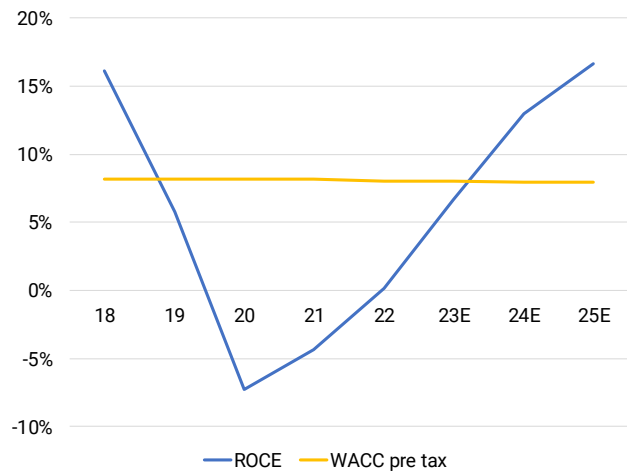
CAGR of 50% p.a.



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 20.37 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 1.00. Unlevering and correcting for mean reversion yields an asset beta of 0.89. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.5% this yields cost of equity of 10.0%. 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 7.9%.

DCF (EUR m) (except per share data and beta)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	2.1	3.8	4.3	5.1	6.3	7.6	8.5	9.7	
Depreciation & amortization	3.2	2.9	2.7	2.8	2.9	3.1	3.4	3.7	
Change in working capital	0.2	-0.8	1.6	-0.5	-0.6	-0.7	-0.8	-0.9	
Chg. in long-term provisions	-2.1	0.0	0.0	0.0	0.1	0.1	0.1	0.1	
Capex	-2.2	-2.5	-2.8	-3.2	-3.6	-4.1	-4.6	-5.2	
Cash flow	1.2	3.4	5.9	4.2	5.1	6.0	6.6	7.5	128.8
Present value	1.2	3.0	4.9	3.2	3.6	4.0	4.1	4.2	72.8
WACC	8.0%	8.0%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.9%

DCF per share derived from	
Total present value	101.0
Mid-year adj. total present value	104.9
Net debt / cash at start of year	4.9
Financial assets	0.7
Provisions and off b/s debt	2.4
Equity value	98.3
No. of shares outstanding	4.8
Discounted cash flow / share upside/(downside)	20.37 / 55.5%

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	23.7%
Terminal year WACC	7.9%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	1.00
Unlevered beta (industry or company)	0.89
Target debt / equity	0.5
Relevered beta	1.23
Risk-free rate	2.0%
Equity risk premium	6.5%
Cost of equity	10.0%

Share price	13.10
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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	16.1	17.1	18.1	19.3				12.2%
0.5%	16.6	17.5	18.6	19.8	21.3				15.7%
0.0%	18.0	19.1	20.4	21.9	23.7				72.0%
-0.5%	19.6	20.9	22.5	24.4	26.7				
-1.0%	21.5	23.1	25.1	27.4	30.4				

Source: AlsterResearch

FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

The adjusted Free Cash Flow Yield results in a fair value between EUR 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
EBITDA	5.8	7.8	9.3	10.5	12.4
- 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
= Adjusted Free Cash Flow	2.4	4.0	4.6	5.4	6.5
Actual Market Cap	63.2	63.2	63.2	63.2	63.2
+ 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
= Actual EV'	67.6	64.9	59.4	55.5	50.5
Adjusted RW_FCF yield	3.5%	6.1%	7.7%	9.6%	12.8%
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%
Fair EV	39.7	66.4	76.8	89.3	107.7
- <i>EV Reconciliations</i>	4.3	1.7	-3.8	-7.7	-12.7
Fair Market Cap	35.3	64.8	80.6	97.0	120.4
No. of shares (million)	4.8	4.8	4.8	4.8	4.8
Fair value per share in EUR	7.32	13.42	16.69	20.10	24.94
Premium (-) / discount (+)	-44.1%	2.4%	27.4%	53.4%	90.4%

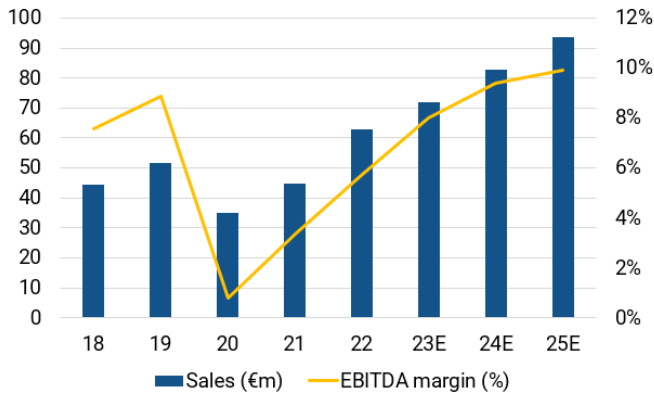
Sensitivity analysis fair value						
Adjusted hurdle rate	4.0%	11.4	20.3	24.6	29.4	36.1
	5.0%	9.0	16.2	19.9	23.8	29.4
	6.0%	7.3	13.4	16.7	20.1	24.9
	7.0%	6.1	11.5	14.4	17.5	21.8
	8.0%	5.3	10.0	12.7	15.5	19.4

Source: Company data; AlsterResearch

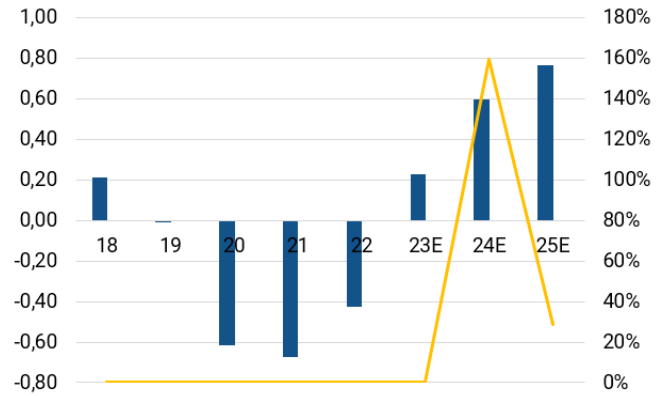
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

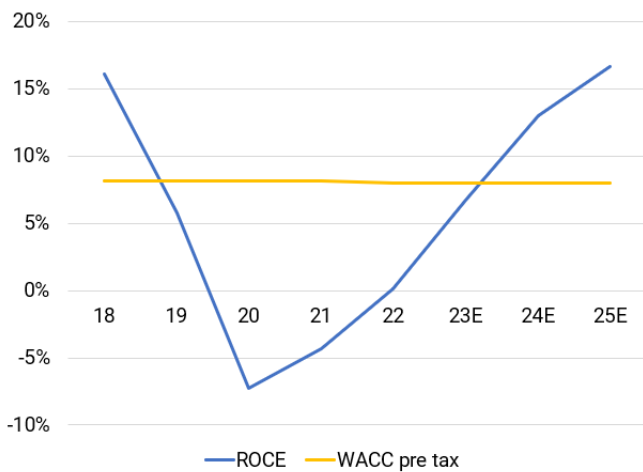
Sales vs. EBITDA margin development



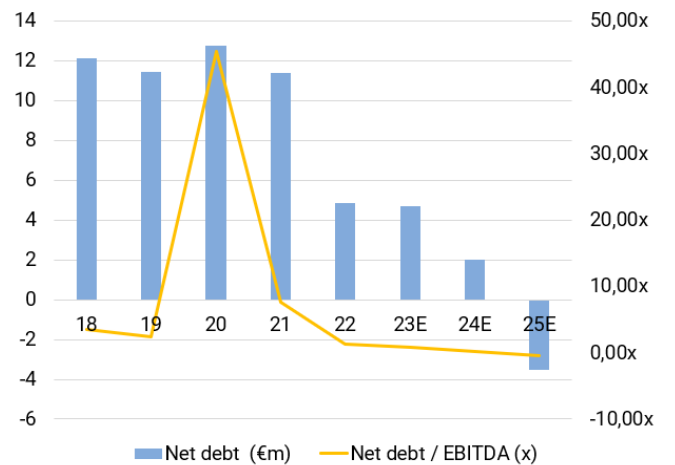
EPS, DPS in EUR & yoy EPS growth



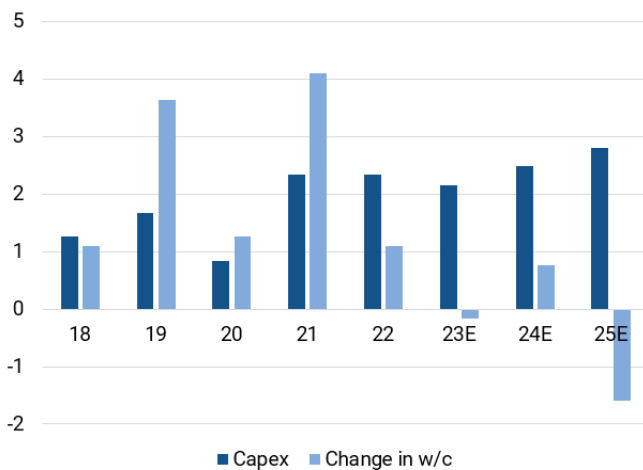
ROCE vs. WACC (pre tax)



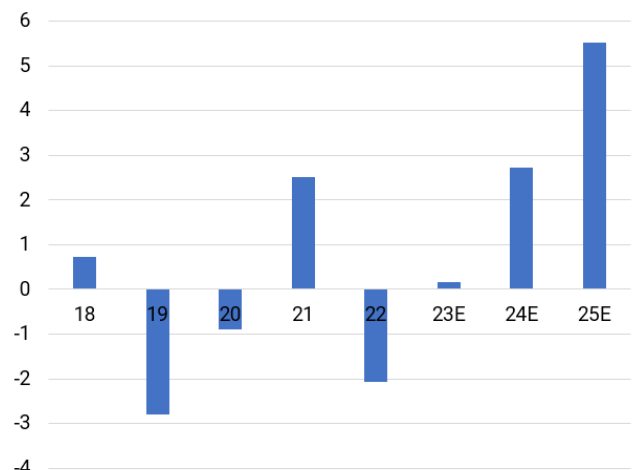
Net debt and net debt/EBITDA



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
Net sales	35.0	44.6	62.7	72.1	82.9	93.7
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
Total sales	34.4	45.8	63.9	73.2	83.7	94.1
Material expenses	24.5	30.2	41.0	47.1	54.0	61.1
Gross profit	9.9	15.6	22.9	26.1	29.7	33.1
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
EBITDA	0.3	1.5	3.6	5.8	7.8	9.3
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
EBIT	-1.8	-1.3	0.0	2.6	4.9	6.5
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
Net income	-2.3	-2.9	-1.6	1.1	3.1	3.9
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
EPS reported	-0.61	-0.67	-0.43	0.23	0.59	0.77

Profit and loss (common size)	2020	2021	2022	2023E	2024E	2025E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	-2%	3%	2%	2%	1%	1%
Total sales	98%	103%	102%	101%	101%	100%
Material expenses	70%	68%	65%	65%	65%	65%
Gross profit	28%	35%	36%	36%	36%	35%
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%
EBITDA	1%	3%	6%	8%	9%	10%
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%
EBIT	-5%	-3%	0%	4%	6%	7%
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%
Net income	-7%	-7%	-2%	1%	4%	4%
Minority interest	0%	-0%	-0%	0%	-0%	-0%
Net profit (reported)	-6%	-7%	-3%	2%	3%	4%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (exl. Goodwill)	1.8	1.8	1.7	1.7	1.7	1.7
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
FIXED ASSETS	16.9	20.3	19.0	18.0	17.7	17.7
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
CURRENT ASSETS	34.2	41.5	43.8	45.6	51.0	58.6
TOTAL ASSETS	51.0	61.8	62.8	63.7	68.7	76.3
SHAREHOLDERS EQUITY	5.8	13.9	17.8	18.9	22.0	25.9
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
Non-current liabilities	17.4	9.4	8.4	4.4	2.4	0.4
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
Current liabilities	26.2	36.2	33.9	37.7	41.6	47.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	51.0	61.8	62.8	63.7	68.7	76.3

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	4%	3%	3%	3%	2%	2%
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%
FIXED ASSETS	33%	33%	30%	28%	26%	23%
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%
CURRENT ASSETS	67%	67%	70%	72%	74%	77%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	11%	22%	28%	30%	32%	34%
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%
Non-current liabilities	34%	15%	13%	7%	4%	0%
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%
Current liabilities	51%	59%	54%	59%	61%	62%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

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
Cash flow from operating activities	-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
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
Cash flow from investing activities	-4.7	-5.3	-2.5	-2.2	-2.5	-2.8
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
Cash flow from financing activities	3.5	8.0	6.3	-2.0	-2.0	-2.6
Increase/decrease in liquid assets	-1.2	7.5	4.1	-1.8	0.7	2.9
Liquid assets at end of period	-5.3	2.3	6.4	4.5	5.2	8.1

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
Total sales	35.0	44.6	62.7	72.1	82.9	93.7

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%
Total sales	100%	100%	100%	100%	100%	100%

Ratios	2020	2021	2022	2023E	2024E	2025E
Per share data						
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
Valuation						
P/E	-21.3x	-19.4x	-30.8x	57.1x	22.0x	17.1x
P/CF	-22.1x	28.6x	-17.6x	-75.0x	27.0x	11.3x
P/BV	8.2x	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 (%)	-4.5%	3.5%	-5.7%	-1.3%	3.7%	8.8%
EV/Sales	2.2x	1.7x	1.1x	0.9x	0.8x	0.6x
EV/EBITDA	270.2x	49.7x	19.6x	11.8x	8.4x	6.5x
EV/EBIT	-42.3x	-55.7x	1,419.5x	26.1x	13.3x	9.2x
Income statement (EURm)						
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
Cash flow statement (EURm)						
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
Balance sheet (EURm)						
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
Ratios						
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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Contacts

SRH AlsterResearch AG
Mittelweg 142
20148 Hamburg

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

Sales

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

Team Assistant

HANNAH GABERT
Team Assistant
Tel: +49 40 309 293-52
E-Mail: h.gabert@alsterresearch.com

mwb fairtrade Wertpapierhandelsbank AG
Rottenbucher 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

HARALD HOF
Senior Analyst
Tel: +49 40 309 293-53
E-Mail: h.hof@alsterresearch.com

LEON MÜHLENBRUCH
Analyst
Tel: +49 40 309 293-57
E-Mail: l.muehlenbruch@alsterresearch.com

LEVENT YILMAZ
Senior Analyst
Tel: +49 40 309 293-155
E-Mail: l.yilmaz@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 40 309 293-55
E-Mail: o.wojahn@alsterresearch.com

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



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