

Wolftank-Adisa Holding AG

Austria | Industrial Goods & Services | MCap EUR 80.4m

11 November 2021

UPDATE



Capital increase to finance JV; De-risking leads to higher PT

What's it all about?

Wolftank announced another capital increase – the second cash call this year. In total, Wolftank aims to raise up to EUR 7m fresh capital by issuing c. 400K new shares at a issue price of EUR 17.50 – a 13% discount vs. yesterday's close. Wolftank most likely will use the proceeds in order to finance the recently announced JV with Kuwait Petroleum Italia S.p.A. We welcome yesterday's announcement as we see ample growth opportunities for the company. The cash injection will provide Wolftank the financial means in order to execute on this growth. In addition, a capital increase will help to significantly de-risk an investment, which is why we reduce our beta assumptions, leading to an upgrade in PT from EUR 20.00 to EUR 25.50. Wolftank therefore remains a strong BUY.

BUY (BUY)

Target price	EUR 25.50 (20.00)
Current price	EUR 20.20
Up/downside	26.2%



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Wolftank-Adisa Holding AG

Austria | Industrial Goods & Services | MCap EUR 80.4m | EV EUR 93.2m

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Capital increase to finance JV; De-risking leads to higher PT

Yesterday after the closing bell, Wolftank announced that it plans another **capital increase of up to 10%** of its share capital, by issuing up to **400K new shares at an issue price of EUR 17.50 – a discount of 11% vs. yesterday's closing price**. If fully exercised the share capital would increase to EUR 4,380,934 and the **maximum inflow of cash would be EUR 7m** (gross proceeds). This capital increase marks the second capital injection in 2021, amid the company's ambition to grow in the highly lucrative hydrogen and LNG market. Wolftank makes use of its authorized capital granted by the AGM in June 2021. Given that it is a "only" a 10% increase in share capital, subscription rights for existing shareholders are excluded. According to the company, the newly issued shares are to be placed in a **private placement** with selected qualified and long-term oriented institutional and/or large non-institutional investors.

Our view: We welcome the step by Wolftank to raise fresh money. Just recently, Wolftank has 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". For the financing of the JV, we assume Wolftank to invest a minimum of EUR 3-4m (eAR). Consequently, **the bulk of the current capital raise will most likely be earmarked for the financing of this JV**.

In addition, a positive side effect of this transaction is the significant **increase in free float market cap and overall liquidity in the stock**. In our view, this will make the stock increasingly attractive for larger institutional investors who are seeking exposure to the fast-growing renewable energy segment.

Conclusion: We welcome yesterday's announcement as we see ample growth opportunities for the company. The cash injection will provide Wolftank the financial means in order to execute on this growth. In addition, a capital increase will help to significantly de-risk an investment, which is why we reduce our beta assumptions. Consequently, we raise our **PT from EUR 20.00 to EUR 25.50** now yielding an **upside potential of 45%** vs. the placement price of EUR 17.50. Hence, **we reiterate to BUY**.

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	27.5x	20.0x	331.3x	21.5x	12.9x	11.1x
EV/EBIT	56.0x	70.0x	-51.8x	54.3x	18.6x	14.9x
PER	96.4x	-1,671.3x	-32.9x	187.0x	33.1x	24.4x
FCF yield	0.4%	-6.2%	-2.7%	-0.5%	1.6%	0.1%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 14.30 / 7.00
Price/Book Ratio 12.6x

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.

We note that with an increasing share of sales from the renewable energy segment, Wolfbank'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 Wolfbank's shares. Trading on an attractive valuation (11x EV/EBITDA 2023E) and an ESG compliant rating ([click here for the ESG report](#)), investors should consider Wolfbank for their portfolios.

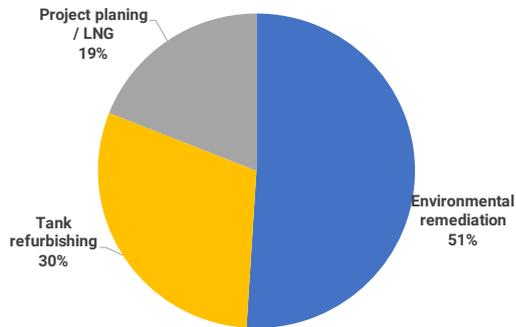
Half year results

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



Wolftank's track record

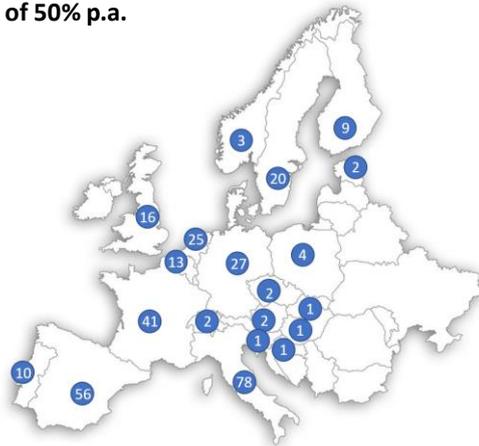


Blue chip clients

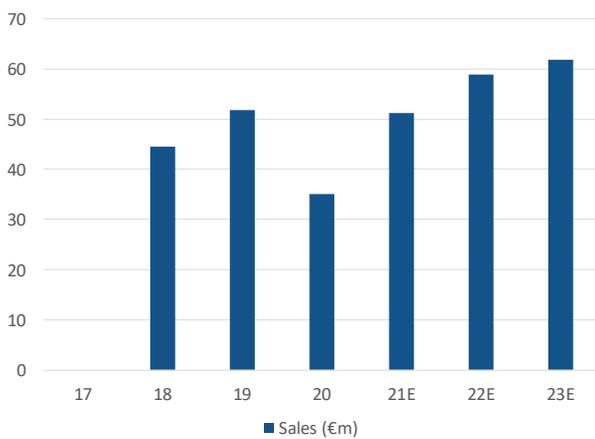


LNG Map Europe

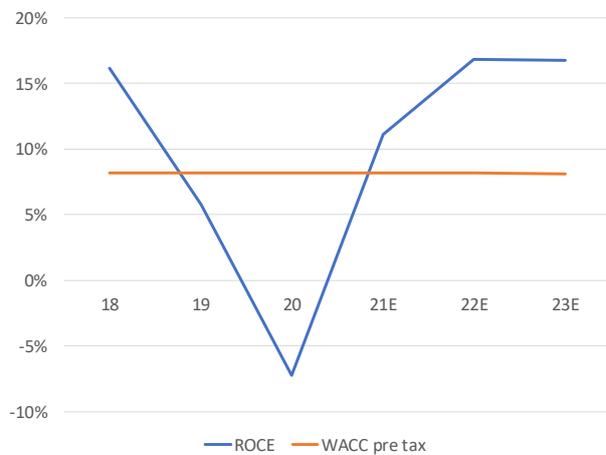
CAGR of 50% p.a.



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 25.44 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 2.0%.

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 0.50. Unlevering and correcting for mean reversion yields an asset beta of 0.62. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.5% this yields cost of equity of 7.5%. 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 6.3%.

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	134.9
Present value	1.3	2.1	0.7	3.5	3.7	3.7	3.7	3.7	87.4
WACC	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.0%	6.3%

DCF per share derived from	
Total present value	109.8
Mid-year adj. total present value	113.1
Net debt / cash at start of year	12.8
Financial assets	1.0
Provisions and off b/s debt	0.1
Equity value	101.3
No. of shares outstanding	4.0
Discounted cash flow / share	25.44
upside/(downside)	25.9%

Share price	20.20
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DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2021E - 2028E)	7.8%
Terminal value growth (2028E - infinity)	2.0%
Terminal year ROCE	18.5%
Terminal year WACC	6.3%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	0.50
Unlevered beta (industry or company)	0.62
Target debt / equity	0.5
Relevered beta	0.85
Risk-free rate	2.0%
Equity risk premium	6.5%
Cost of equity	7.5%

Sensitivity analysis DCF								
Change in WACC (%-points)		Long term growth					Share of present value	
		1.5%	2.0%	2.5%	3.0%	3.5%		
1.0%		18.3	19.8	21.7	24.1	27.0	2021E - 2024E	6.9%
0.5%		20.4	22.3	24.7	27.8	31.8	2025E - 2028E	13.4%
0.0%		23.0	25.4	28.6	32.6	38.2	terminal value	79.6%
-0.5%		26.1	29.4	33.5	39.3	47.5		
-1.0%		30.2	34.5	40.3	48.8	62.0		

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	80.4	80.4	80.4	80.4	80.4
+ 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'	87.9	86.3	86.1	82.4	78.1
Adjusted RW_FCF yield	1.6%	4.1%	5.0%	6.2%	7.0%
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 (+)	-73.6%	-19.2%	-0.3%	24.5%	39.5%

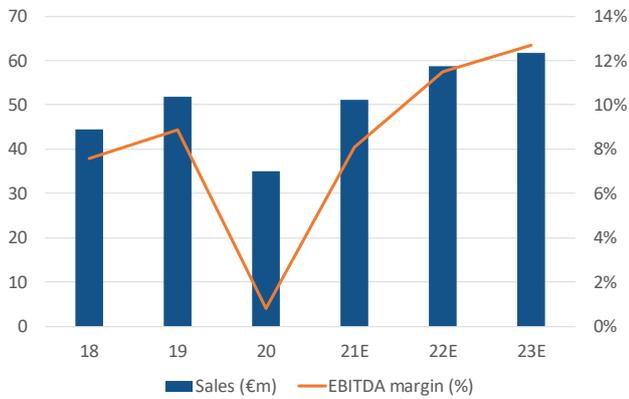
Sensitivity analysis fair value						
	3.0%	10.1	28.2	34.5	42.3	46.6
Adjusted hurdle rate	4.0%	7.1	20.8	25.5	31.6	35.1
	5.0%	5.3	16.3	20.1	25.2	28.2
	6.0%	4.1	13.4	16.5	20.9	23.6
	7.0%	3.3	11.2	14.0	17.8	20.3

Source: Company data; AlsterResearch

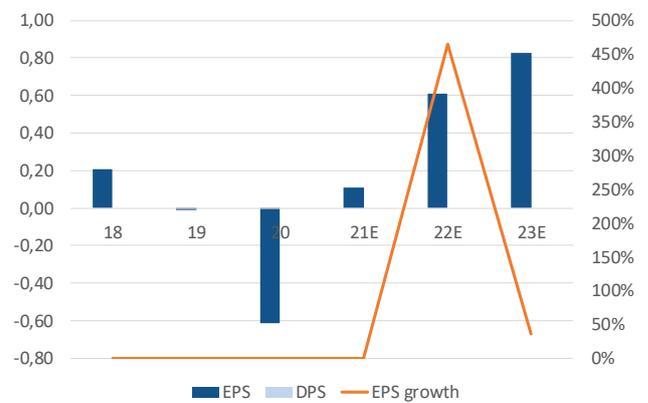
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

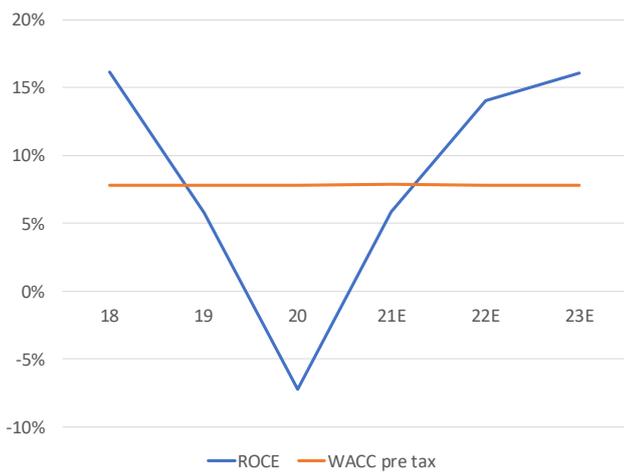
Sales vs. EBITDA margin development



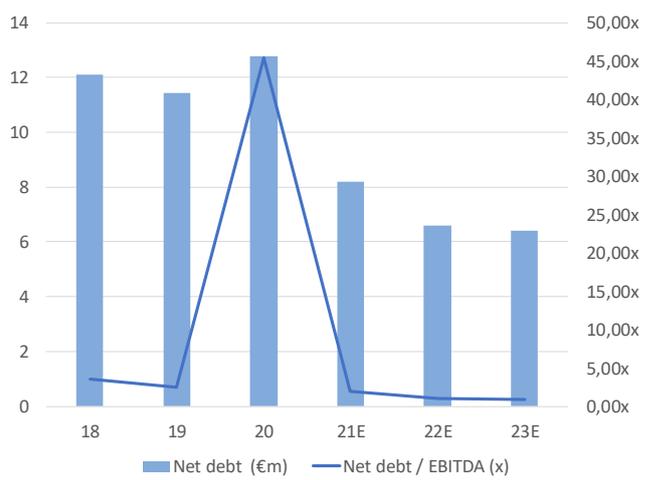
EPS, DPS in EUR & yoy EPS growth



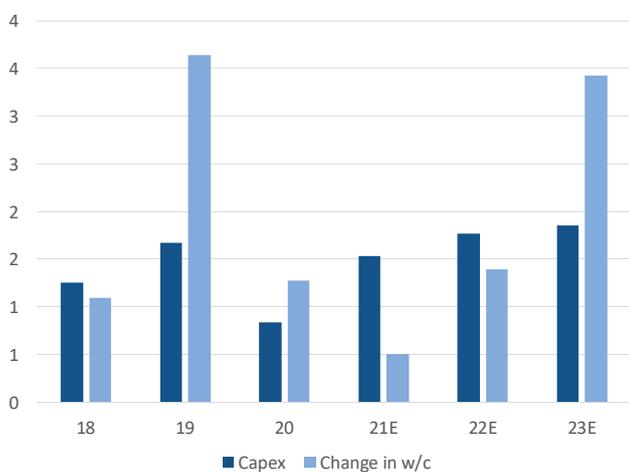
ROCE vs. WACC (pre tax)



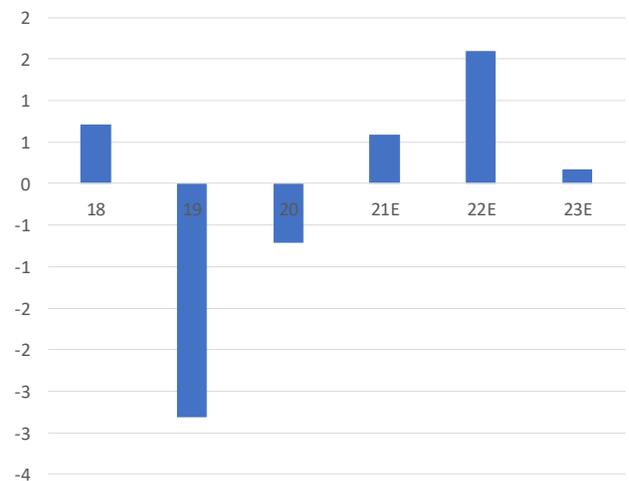
Net debt and net debt/EBITDA



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	96.4x	-1,671.3x	-32.9x	187.0x	33.1x	24.4x
P/CF	247.3x	-16.0x	-37.3x	-208.2x	62.6x	1,994.9x
P/BV	19.5x	8.9x	12.6x	7.9x	6.3x	5.0x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	0.4%	-6.2%	-2.7%	-0.5%	1.6%	0.1%
EV/Sales	2.1x	1.8x	2.7x	1.7x	1.5x	1.4x
EV/EBITDA	27.5x	20.0x	331.3x	21.5x	12.9x	11.1x
EV/EBIT	56.0x	70.0x	-51.8x	54.3x	18.6x	14.9x
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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