

SGT German Private Equity

Germany | Financial Services | MCap EUR 87.1m

28 September 2022

UPDATE



Dynamic development in H1 22 and increased share buyback volume

What's it all about?

SGT German Private Equity (SGF) reported preliminary H1 2022 results which showed a very dynamic development, with an EPS of EUR 0.34 per share after a loss of EUR 0.02 in the previous year's period. With this, SGF is benefitting from its newly established asset management segment, which contributed EUR 0.11 per share or c. 1/3 of SGF's H1 22 performance. As described in more detailed [here](#), SGF also benefitted from the revaluation of its purchase price liability, which contributed another (one-off) EUR 0.24 to Group's EPS. With these headline figures, we see SGF on a good way to overachieve our FY estimates. On a separate note, SGF announced that it will increase its envisaged share buyback program from EUR 5m to EUR 7m, representing c. 9% of the current Market Cap. We reiterate to BUY, PT unchanged of EUR 4.00.

BUY (BUY)

Target price	EUR 4.00 (4.00)
Current price	EUR 1.75
Up/downside	151.6%

 **ResearchHub** 

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IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

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SGT German Private Equity

Germany | Financial Services | MCap EUR 87.1m | EV EUR 74.5m

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Dynamic development in H1 22 and increased buyback volume

Headline numbers for H1 22 show dynamic development SGT German Private Equity (SGF) reported preliminary H1 2022 results, which basically showed a very dynamic development of earnings in the first six months. According to preliminary estimates, SGF's EPS increased to around EUR 0.34 per share (previous year EUR -0.02). Of this estimated amount, around EUR 0.11 per share result from the ongoing business in the "Asset Management" segment (i.e., the newly acquired SGT Capital Pte. Ltd.), EUR -0.01 per share from the "Investment" segment (i.e., the old German Startups Group), and EUR 0.24 per share from the revaluation of a purchase price liability of SGT Capital.

Envisaged share buyback increased As already announced, SGF plans to make a public share buyback offer to its shareholders in due course. The management has now decided to increase the volume of the share buyback offer by 40% from EUR 5m to EUR 7m. This corresponds to EUR 0.14 per share or just under 9% of its current share price and Market Cap.

Together with the dividend for 2021 of EUR 0.02 per share (previous year: zero) already paid out in August, SGF will thus distribute a total of EUR 8m or EUR 0.16 per share to its shareholders from the 2021 profit. This corresponds to 10% of its current share price and Market Cap.

Reiterate to BUY; PT EUR 4.00 Given the company's expected strong cash generation and solid balance sheet (at the end of H1 22, shareholders' equity accounts for approx. EUR 115m), we welcome the step to further increase the share buyback volume as it returns access capital to SGF's shareholders. In August, SGF already announced the cancellation of its 11.05m treasury shares and which increased the free float from 16.9% to 20.7%. Also, the headlight figures for H1 22 support our BUY rating which we reiterate with unchanged PT of EUR 4.00. Despite the good share price performance recently (since announcing the first close in May, the stock has increased by more than 50%), SGF is offering significant value and upside potential.



Source: Company data, AlsterResearch

High/low 52 weeks 1.75 / 1.10
Price/Book Ratio 1.2x

Ticker / Symbols

ISIN DE000A1MMEV4
WKN A1MMEV
Bloomberg SGF:GR

Changes in estimates

		Sales	EBIT	EPS
2022E	old	17,9	8,4	0,12
	Δ	0,0%	0,0%	0,0%
2023E	old	28,2	14,9	0,21
	Δ	0,0%	0,0%	0,0%
2024E	old	30,6	16,4	0,23
	Δ	0,0%	0,0%	0,0%

Key share data

Number of shares: (in m pcs) 49.80
Book value per share: (in EUR) 1.28
Ø trading volume: (12 months) 5,000

Major shareholders

SGT Capital LLC 79.3%
Free Float 20.7%

Company description

SGT German Private Equity formerly known as "German Startup Group" via its 100% subsidiary SGT Capital Pte. Ltd, Singapore, is a global alternative investment and private equity asset manager generating sustainable and highly predictable asset management fees. The capital commitments are agreed upon on a long-term basis. In addition, its heritage venture capital portfolio consists of minority stakes in startups, which however will be sold over time.

SGT German Private Equity	2019	2020	2021	2022E	2023E	2024E
Sales	16.4	0.9	12.2	17.9	28.2	30.6
<i>Growth yoy</i>	31.2%	-94.6%	1,279.3%	47.1%	57.8%	8.4%
EBITDA	0.8	-1.2	6.8	10.4	16.9	18.4
EBIT	0.1	-1.3	5.6	8.4	14.9	16.4
Net profit	2.2	-0.6	14.5	16.6	12.3	13.4
Net debt (net cash)	-8.3	-5.9	-4.7	-22.0	-32.8	-49.6
Net debt/EBITDA	-11.1x	4.8x	-0.7x	-2.1x	-1.9x	-2.7x
EPS recurring	0.19	-0.05	0.44	0.33	0.25	0.27
DPS	0.00	0.00	0.02	0.03	0.04	0.04
<i>Dividend yield</i>	0.0%	0.0%	1.3%	2.1%	2.3%	2.5%
Gross profit margin	75.9%	100.0%	80.0%	100.0%	100.0%	100.0%
EBITDA margin	4.6%	-141.4%	55.8%	58.0%	60.0%	60.0%
EBIT margin	0.6%	-142.3%	46.1%	46.8%	52.9%	53.5%
ROCE	0.3%	-4.4%	13.2%	6.3%	10.5%	10.6%
EV/EBITDA	94.5x	-58.8x	11.0x	5.5x	2.7x	1.6x
EV/EBIT	690.3x	-58.4x	13.3x	6.8x	3.1x	1.8x
PER	8.2x	-30.9x	3.6x	4.8x	6.5x	5.9x
FCF yield	-5.6%	-10.3%	-12.7%	22.8%	15.7%	23.5%

Source: Company data, AlsterResearch

Investment case in six charts

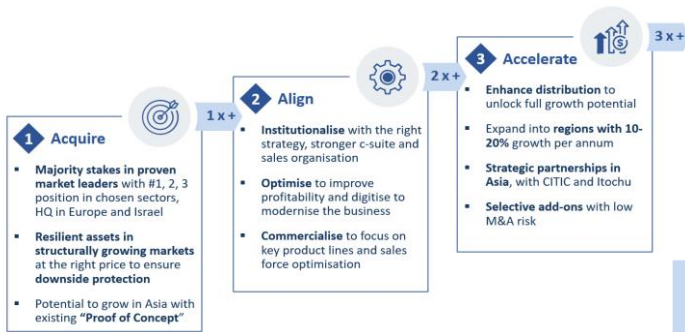
Products & Services



New corporate structure



Strategy - PE fund



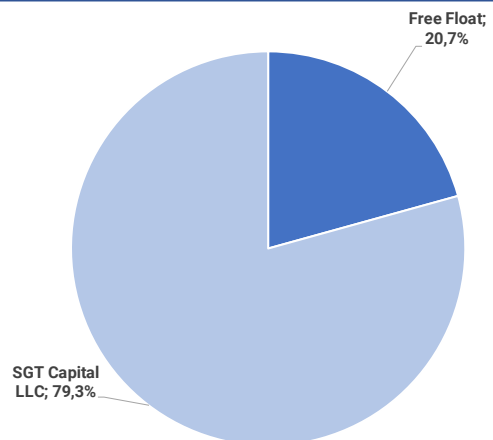
Themes and Sectors



Heritage VC portfolio - core holdings



Major shareholder



Source : Company data; AlsterResearch

SWOT analysis

Strengths

- Experienced and high caliber management team with over 100 years of cumulative investment experience.
- Background of market leading private equity, asset management, investment banking, and consulting firms.
- Access to deal flow.
- Network of financing banks, partnering co-investors, institutional clients, portfolio company managers, investment banks and consulting firms.
- Track record of the predecessor fund with > USD 1bn AuM and a return in excess of 2.2x MoM.
- Highly scalable and profitable business with EBIT margins of ~60%

Weaknesses

- Heritage venture capital value creation highly volatile and therefore less appropriate for a stock market listing
- Complex merger structure that needs capital market education.
- Limited free float.

Opportunities

- Once capital has been raised, highly predictable sales and earnings streams.
- Stock listing offers access to fresh capital and publicity of being the only German listed PE company.
- Presence in Germany and Singapore could offer unique opportunities to grow.

Threats

- Costly and time-consuming regulations could become a burden for market participants.
- Fierce competition among PE investors could drive up acquisition multiples and consequently dilute investors' returns.
- Follow-up investment funds depend on future investment success.

Valuation

DCF Model

The DCF model results in a **fair value of EUR 4.09 per share**:

Top-line growth: We expect SGT German Private Equity to continue benefitting from structural growth. Hence our growth estimates for 2022E-2029E is in the range of 8.7% p.a. The long-term growth rate is set at 1.0%.

EBIT margins. In accordance with other PE firms, we are modelling EBIT margin in the 50% range. Given the asset light business model, we keep EBIT margins constant at these levels.

WACC. The averaged 1-, 3- and 5-year historical equity beta is calculated as 1.40. Unlevering and correcting for mean reversion yields an asset beta of 1.12. Combined with a risk free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 11.2%. 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 8.7%.

DCF (EUR m) (except per share data and beta)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal value
NOPAT	6.9	12.3	13.4	12.9	12.2	12.1	12.0	13.3	
Depreciation & amortization	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0	
Change in working capital	-0.5	-1.8	3.2	-0.1	-0.1	-0.1	-0.1	-0.1	
Chg. in long-term provisions	-0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Capex	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Cash flow	8.3	12.4	18.6	14.8	14.1	14.0	13.9	13.2	172.3
Present value	8.2	11.2	15.4	11.3	9.9	9.0	8.2	7.2	93.8
WACC	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%

DCF per share derived from	
Total present value	174.2
Mid-year adj. total present value	181.6
Net debt / cash at start of year	-4.7
Financial assets	17.6
Provisions and off b/s debt	0.0
Equity value	203.9
No. of shares outstanding	49.8
Discounted cash flow / share upside/(downside)	4.09 / 155.4%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2022E-2029E)	8.7%
Terminal value growth (2029E - infinity)	1.0%
Terminal year ROCE	8.5%
Terminal year WACC	8.7%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	1.40
Unlevered beta (industry or company)	1.12
Target debt / equity	0.5
Relevered beta	1.54
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	11.2%

Share price	1.75
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Sensitivity analysis DCF									
Change in WACC (%-points)		Long term growth					Share of present value		
		1.0%	0.5%	1.0%	1.5%	2.0%	2022E-2025E	2026E-2029E	terminal value
		2.0%	3.3	3.3	3.4	3.5	3.6	26.4%	19.7%
1.0%	3.5	3.6	3.7	3.8	3.9				
0.0%	3.9	4.0	4.1	4.2	4.4				
-1.0%	4.2	4.4	4.6	4.8	5.0				
-2.0%	4.8	5.0	5.2	5.5	5.9				

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 2.74 per share based on 2022E and EUR 6.09 per share on 2026E estimates. **We value SGT German Private Equity halfway 2022E/2023E, 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	2022E	2023E	2024E	2025E	2026E
EBITDA	10.4	16.9	18.4	18.1	17.6
- Maintenance capex	0.0	0.0	0.0	0.0	0.0
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	3.6	2.7	2.9	3.2	3.4
= Adjusted FCF	6.7	14.3	15.4	14.9	14.2
Actual Market Cap	58.0	58.0	58.0	58.0	58.0
+ Net debt (cash)	-22.0	-32.8	-49.6	-62.3	-74.5
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	17.6	17.6	17.6	17.6	17.6
- Acc. dividend payments	0.7	2.3	4.2	6.2	8.1
<i>EV Reconciliations</i>	-40.2	-52.7	-71.3	-86.1	-100.2
= Actual EV'	17.7	5.3	-13.3	-28.1	-42.2
Adjusted FCF yield	37.9%	268.9%	-115.6%	-52.9%	-33.6%
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
Fair EV	96.1	203.6	220.2	212.4	202.8
- <i>EV Reconciliations</i>	-40.2	-52.7	-71.3	-86.1	-100.2
Fair Market Cap	136.3	256.3	291.6	298.5	303.0
No. of shares (million)	49.8	49.8	49.8	49.8	49.8
Fair value per share in EUR	2.74	5.15	5.85	5.99	6.09
Premium (-) / discount (+)	72.2%	223.7%	268.2%	277.0%	282.7%

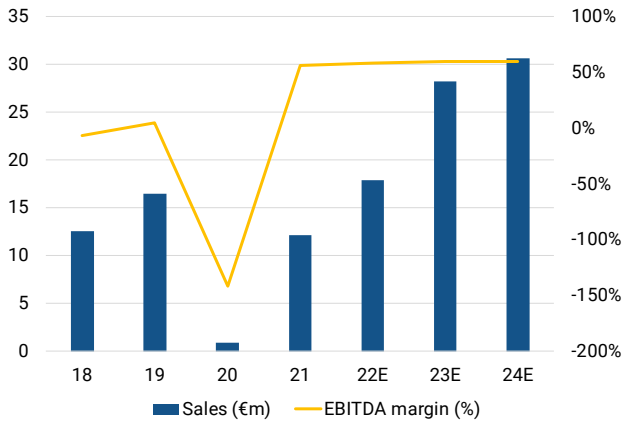
Sensitivity analysis FV					
	5.0%	3.5	6.8	7.6	7.7
Adjusted hurdle rate	6.0%	3.1	5.8	6.6	6.7
	7.0%	2.7	5.1	5.9	6.0
	8.0%	2.5	4.6	5.3	5.5
	9.0%	2.3	4.2	4.9	5.0

Source: Company data; AlsterResearch

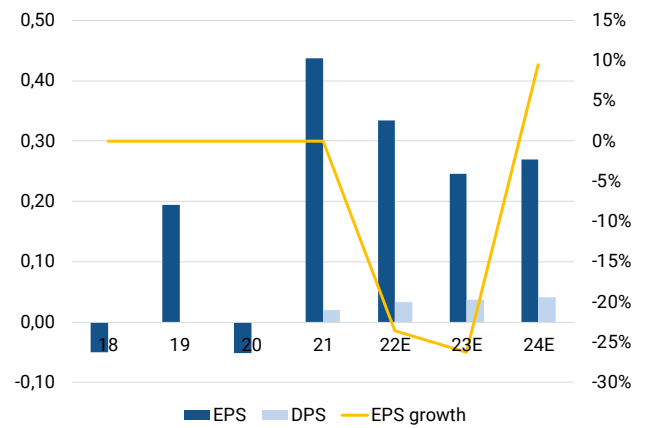
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

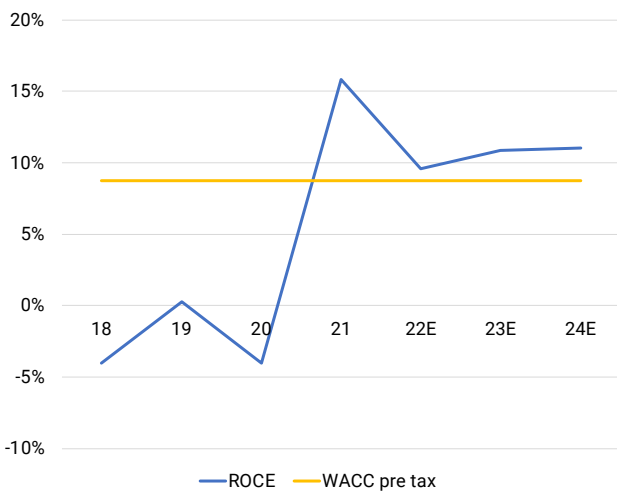
Sales vs. EBITDA margin development



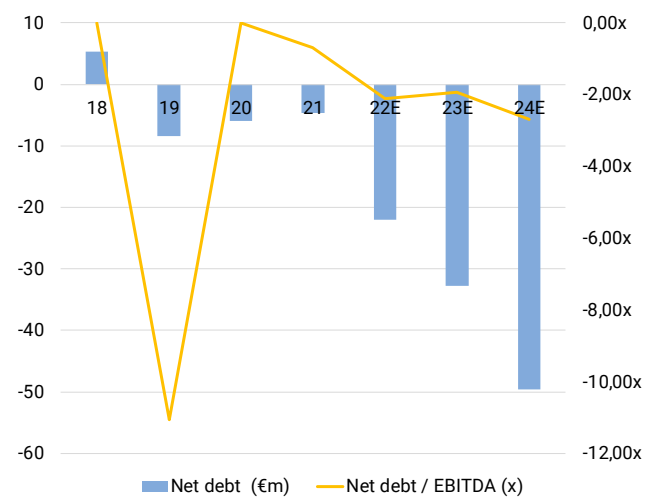
EPS, DPS in EUR & yoy EPS growth



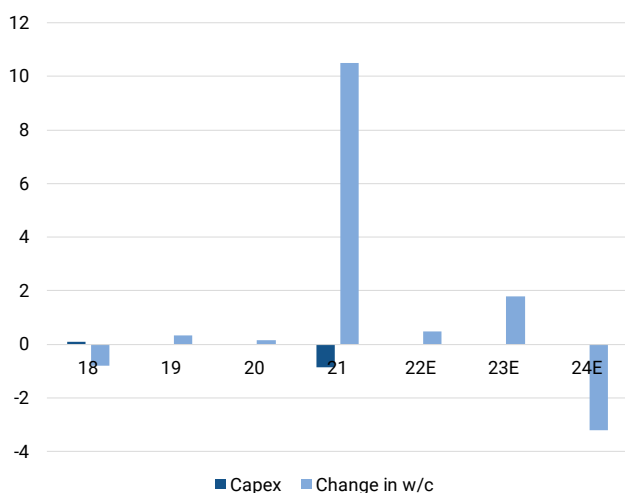
ROCE vs. WACC (pre tax)



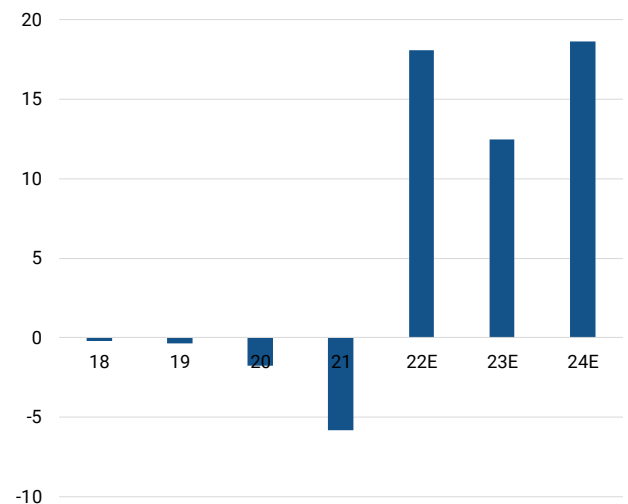
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EURm)	2019	2020	2021	2022E	2023E	2024E
Net sales	16.4	0.9	12.2	17.9	28.2	30.6
Sales growth	31.2%	-94.6%	1,279.3%	47.1%	57.8%	8.4%
Change in finished goods and work-in-process	0.3	0.0	0.0	0.0	0.0	0.0
Total sales	16.8	0.9	12.2	17.9	28.2	30.6
Material expenses	4.3	0.0	2.4	0.0	0.0	0.0
Gross profit	12.5	0.9	9.7	17.9	28.2	30.6
Other operating income	1.1	0.1	0.1	0.0	0.0	0.0
Personnel expenses	9.7	0.1	0.4	4.3	6.5	7.0
Other operating expenses	3.2	2.1	2.7	3.2	4.8	5.2
EBITDA	0.8	-1.2	6.8	10.4	16.9	18.4
Depreciation	0.7	0.0	0.0	0.0	0.0	0.0
EBITA	0.1	-1.3	6.8	10.4	16.9	18.4
Amortisation of goodwill and intangible assets	0.0	0.0	1.2	2.0	2.0	2.0
EBIT	0.1	-1.3	5.6	8.4	14.9	16.4
Financial result	3.6	0.4	10.4	11.9	0.0	0.0
Recurring pretax income from continuing operations	3.7	-0.8	16.0	20.3	14.9	16.4
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	3.7	-0.8	16.0	20.3	14.9	16.4
Taxes	0.2	-0.1	2.0	3.6	2.7	2.9
Net income from continuing operations	3.4	-0.7	14.1	16.6	12.3	13.4
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	3.4	-0.7	14.1	16.6	12.3	13.4
Minority interest	-1.2	0.2	0.4	0.0	0.0	0.0
Net profit (reported)	2.2	-0.6	14.5	16.6	12.3	13.4
Average number of shares	11.33	10.74	33.13	49.80	49.80	49.80
EPS reported	0.19	-0.05	0.44	0.33	0.25	0.27

Profit and loss (common size)	2019	2020	2021	2022E	2023E	2024E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	2%	0%	0%	0%	0%	0%
Total sales	102%	100%	100%	100%	100%	100%
Material expenses	26%	0%	20%	0%	0%	0%
Gross profit	76%	100%	80%	100%	100%	100%
Other operating income	7%	12%	1%	0%	0%	0%
Personnel expenses	59%	15%	3%	24%	23%	23%
Other operating expenses	19%	239%	22%	18%	17%	17%
EBITDA	5%	-141%	56%	58%	60%	60%
Depreciation	4%	1%	0%	0%	0%	0%
EBITA	1%	-142%	56%	58%	60%	60%
Amortisation of goodwill and intangible assets	0%	0%	10%	11%	7%	7%
EBIT	1%	-142%	46%	47%	53%	53%
Financial result	22%	48%	86%	67%	0%	0%
Recurring pretax income from continuing operations	22%	-94%	132%	113%	53%	53%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	22%	-94%	132%	113%	53%	53%
Taxes	1%	-10%	16%	20%	10%	10%
Net income from continuing operations	21%	-84%	116%	93%	43%	44%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	21%	-84%	116%	93%	43%	44%
Minority interest	-7%	21%	3%	0%	0%	0%
Net profit (reported)	13%	-63%	119%	93%	43%	44%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	0.1	0.1	10.4	12.0	10.0	8.0
Goodwill	0.0	0.0	72.2	72.2	72.2	72.2
Property, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	22.4	22.2	17.6	17.6	17.6	17.6
FIXED ASSETS	22.5	22.3	100.2	101.8	99.8	97.8
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.0	0.0	11.0	9.8	11.6	8.4
Other current assets	0.0	0.4	0.1	0.1	0.1	0.1
Liquid assets	11.5	5.9	4.8	22.0	32.8	49.6
Deferred taxes	0.0	0.0	0.1	0.1	0.1	0.1
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	11.5	6.3	16.1	32.0	44.6	58.2
TOTAL ASSETS	34.0	28.6	116.3	133.8	144.4	156.0
SHAREHOLDERS EQUITY	30.1	28.2	42.3	132.0	142.5	154.1
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	2.9	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.5	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	3.4	0.0	0.0	0.0	0.0	0.0
short-term liabilities to banks	0.2	0.0	0.2	0.0	0.0	0.0
Accounts payable	0.2	0.2	0.7	0.0	0.0	0.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.0	0.0	70.2	0.0	0.0	0.0
Deferred taxes	0.2	0.1	1.9	1.9	1.9	1.9
Deferred income	0.0	0.0	1.0	0.0	0.0	0.0
Current liabilities	0.6	0.3	73.9	1.9	1.9	1.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	34.0	28.6	116.3	133.8	144.4	156.0

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	0%	0%	9%	9%	7%	5%
Goodwill	0%	0%	62%	54%	50%	46%
Property, plant and equipment	0%	0%	0%	0%	0%	0%
Financial assets	66%	78%	15%	13%	12%	11%
FIXED ASSETS	66%	78%	86%	76%	69%	63%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	0%	0%	9%	7%	8%	5%
Other current assets	0%	1%	0%	0%	0%	0%
Liquid assets	34%	21%	4%	16%	23%	32%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	34%	22%	14%	24%	31%	37%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	88%	99%	36%	99%	99%	99%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	9%	0%	0%	0%	0%	0%
Provisions for pensions and similar obligations	1%	0%	0%	0%	0%	0%
Other provisions	0%	0%	0%	0%	0%	0%
Non-current liabilities	10%	0%	0%	0%	0%	0%
short-term liabilities to banks	1%	0%	0%	0%	0%	0%
Accounts payable	0%	1%	1%	0%	0%	0%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	0%	0%	60%	0%	0%	0%
Deferred taxes	1%	0%	2%	1%	1%	1%
Deferred income	0%	0%	1%	0%	0%	0%
Current liabilities	2%	1%	64%	1%	1%	1%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	3.4	-0.7	14.1	16.6	12.3	13.4
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.7	0.0	1.2	2.0	2.0	2.0
Others	-4.1	-0.9	-11.4	-0.0	0.0	0.0
Cash flow from operations before changes in w/c	-0.0	-1.6	3.8	18.6	14.3	15.4
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-3.8	-0.0	-11.0	1.2	-1.8	3.2
Increase/decrease in accounts payable	3.6	0.0	0.5	-0.7	0.0	0.0
Increase/decrease in other w/c positions	-0.1	-0.1	0.0	-1.0	0.0	0.0
Increase/decrease in working capital	-0.3	-0.2	-10.5	-0.5	-1.8	3.2
Cash flow from operating activities	-0.4	-1.8	-6.7	18.1	12.4	18.6
CAPEX	0.0	0.0	0.8	0.0	0.0	0.0
Payments for acquisitions	0.0	-0.0	0.0	-117.3	0.0	0.0
Financial investments	8.3	-9.2	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	11.3	4.8	0.0	0.0	0.0
Cash flow from investing activities	8.3	2.1	5.6	-117.3	0.0	0.0
Cash flow before financing	7.9	0.3	-1.1	-99.2	12.4	18.6
Increase/decrease in debt position	-2.1	-3.3	0.0	-0.2	0.0	0.0
Purchase of own shares	-1.4	-1.1	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	117.2	0.0	0.0
Dividends paid	0.0	0.0	0.0	-0.7	-1.7	-1.8
Others	0.0	-0.3	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	-3.4	-4.6	0.0	116.3	-1.7	-1.8
Increase/decrease in liquid assets	4.5	-4.3	-1.1	17.1	10.8	16.8
Liquid assets at end of period	4.9	0.5	0.4	17.5	28.3	45.1

Source: Company data; AlsterResearch

Regional sales split (EURm)	2019	2020	2021	2022E	2023E	2024E
Domestic	16.4	0.9	12.2	17.9	28.2	30.6
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	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	16.4	0.9	12.2	17.9	28.2	30.6

Regional sales split (common size)	2019	2020	2021	2022E	2023E	2024E
Domestic	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
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	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Ratios	2019	2020	2021	2022E	2023E	2024E
Per share data						
Earnings per share reported	0.19	-0.05	0.44	0.33	0.25	0.27
Cash flow per share	-0.09	-0.16	-0.20	0.36	0.25	0.37
Book value per share	2.65	2.63	1.28	2.65	2.86	3.09
Dividend per share	0.00	0.00	0.02	0.03	0.04	0.04
Valuation						
P/E	8.2x	-30.9x	3.6x	4.8x	6.5x	5.9x
P/CF	-17.9x	-9.7x	-7.9x	4.4x	6.4x	4.2x
P/BV	0.6x	0.6x	1.2x	0.6x	0.6x	0.5x
Dividend yield (%)	0.0%	0.0%	1.3%	2.1%	2.3%	2.5%
FCF yield (%)	-5.6%	-10.3%	-12.7%	22.8%	15.7%	23.5%
EV/Sales	4.3x	83.1x	6.1x	3.2x	1.6x	1.0x
EV/EBITDA	94.5x	-58.8x	11.0x	5.5x	2.7x	1.6x
EV/EBIT	690.3x	-58.4x	13.3x	6.8x	3.1x	1.8x
Income statement (EURm)						
Sales	16.4	0.9	12.2	17.9	28.2	30.6
yoy chg in %	31.2%	-94.6%	1,279.3%	47.1%	57.8%	8.4%
Gross profit	12.5	0.9	9.7	17.9	28.2	30.6
Gross margin in %	75.9%	100.0%	80.0%	100.0%	100.0%	100.0%
EBITDA	0.8	-1.2	6.8	10.4	16.9	18.4
EBITDA margin in %	4.6%	-141.4%	55.8%	58.0%	60.0%	60.0%
EBIT	0.1	-1.3	5.6	8.4	14.9	16.4
EBIT margin in %	0.6%	-142.3%	46.1%	46.8%	52.9%	53.5%
Net profit	2.2	-0.6	14.5	16.6	12.3	13.4
Cash flow statement (EURm)						
CF from operations	-0.4	-1.8	-6.7	18.1	12.4	18.6
Capex	0.0	0.0	0.8	0.0	0.0	0.0
Maintenance Capex	0.7	0.0	0.0	0.0	0.0	0.0
Free cash flow	-0.4	-1.8	-5.8	18.1	12.4	18.6
Balance sheet (EURm)						
Intangible assets	0.1	0.1	82.6	84.2	82.2	80.2
Tangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	30.1	28.2	42.3	132.0	142.5	154.1
Pension provisions	0.5	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	3.6	0.0	0.2	0.0	0.0	0.0
Net financial debt	-8.3	-5.9	-4.7	-22.0	-32.8	-49.6
w/c requirements	-0.1	-0.2	10.3	9.8	11.6	8.4
Ratios						
ROE	11.4%	-2.6%	33.3%	12.6%	8.6%	8.7%
ROCE	0.3%	-4.4%	13.2%	6.3%	10.5%	10.6%
Net gearing	-27.7%	-21.0%	-11.0%	-16.7%	-23.0%	-32.2%
Net debt / EBITDA	-11.1x	4.8x	-0.7x	-2.1x	-1.9x	-2.7x

Source: Company data; AlsterResearch

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