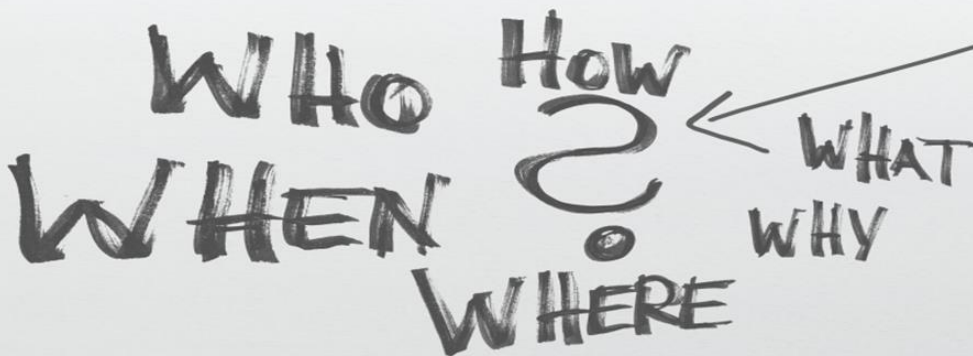


InVision AG

Germany | Technology | MCap EUR 63.5m

9 May 2022

INITIATION



Balancing work, people, and profitability – Initiating with BUY

What's it all about?

InVision is an established player with a track record of nearly 30 years in the growing workforce management (WFM) software market. This market is expected to grow at a CAGR 2021-2026 of 8.5%, driven by increasing employee requirements, higher planning complexity (e.g., working from home), technological development as well digitization and cloud migration. InVision has built deep knowledge of complex workforce management environments, mainly in the field of contact center solutions. By adopting technological innovations and artificial intelligence (AI) to forecast and balance future demand and workforce, InVision is targeting new industries, which is also supported by its e-learning platform and digital education business. To realize its attractive growth potential, InVision plans to further invest into its sales force. Combined with the underlying market growth, this should allow for a sales CAGR of c. 26% until 2025E. According to its growth strategy 2025, InVision targets more than EUR 50m in sales and an attractive 25% EBIT margin. Backed by a DCF-derived price target of EUR 36.50 we initiate coverage with a BUY-recommendation and an upside potential of c. 30%.

BUY (INITIATION)

Target price	EUR 36.50 (na)
Current price	EUR 28.40
Up/downside	28.5%



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Balancing work, people, and profitability - Initiating with BUY

InVision's core competence: balancing work & demand to manage time efficiently
Employee scheduling is often a juggling act between an employers' need to ensure to have the right number and type of employees on the floor with employees' needs and availability. Scheduling software, such as InVision's workforce management software 'injixo', gives both employers and employees visibility and allows for easier and more efficient scheduling processes for both.

Growth Strategy 2025

In early 2021, InVision announced its growth strategy which targets sales of more than EUR 50m and an EBIT margin of 25%. The goals are accompanied by a significant increase in the company's own workforce. By 2025, 350 employees are to be hired, primarily in the areas of sales, service, and marketing. This would bring the total number of employees to c. 500.

Software-as-a-Service provides protected and recurring revenues

Back in 1995, InVision started with an advanced on-premises solution, helping customers to increase efficiency and productivity. InVision was an early mover in 2011 to offer a cloud-based SaaS solution. Today, the company benefits from the transformation and the migration of existing customers into the cloud. According to Gartner, by 2023 over 95 per cent of new workforce management deals will take place in the cloud. Hence, InVision is prepared to benefit from this trend. With an increasing share of recurring revenues, the company will increase the visibility and predictability of its business. After the transition year 22E, the harvest time begins.

Valuation

Even if the intensive market expansion entails uncertainty and risks, InVision's management has presented a credible package of measures to achieve its goals. Based on a four-pillars plan, the company has identified ample potential to scale its cost base and achieve attractive margins. Compared with other SaaS business models, there could even be upside to the company's profitability targets. Building on InVision's growth projections and based on a DCF-model, we initiate coverage with a price target of EUR 36.50 and a BUY-recommendation.

InVision AG	2019	2020	2021	2022E	2023E	2024E
Sales	12.6	12.8	13.7	15.8	20.4	26.5
<i>Growth yoy</i>	-3.4%	1.1%	7.4%	15.1%	29.3%	30.3%
EBITDA	1.7	1.8	-0.0	-4.0	-0.1	4.2
EBIT	1.0	1.1	-0.7	-4.6	-0.7	3.7
Net profit	3.0	0.4	-1.6	-4.7	-0.7	3.1
Net debt (net cash)	0.0	-0.8	-0.0	4.8	5.9	3.3
Net debt/EBITDA	0.0x	-0.4x	0.2x	-1.2x	-39.9x	0.8x
EPS reported	1.34	0.17	-0.73	-2.10	-0.32	1.41
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	100.0%	100.0%	100.0%	98.0%	98.0%	98.0%
EBITDA margin	13.6%	14.1%	-0.3%	-25.3%	-0.7%	15.9%
EBIT margin	7.8%	8.9%	-5.4%	-29.1%	-3.4%	13.9%
ROCE	6.2%	5.6%	-4.1%	-34.8%	-5.6%	23.7%
EV/EBITDA	37.0x	34.9x	-1,773.9x	-17.2x	-472.5x	15.8x
EV/EBIT	64.8x	55.2x	-86.1x	-14.9x	-99.8x	18.1x
PER	21.2x	170.2x	-38.8x	-13.5x	-88.5x	20.2x
FCF yield	0.3%	2.4%	-0.3%	-6.5%	-0.2%	5.9%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 33.40 / 24.00
Price/Book Ratio 5.3x

Ticker / Symbols

ISIN DE0005859698
WKN 585969
Bloomberg IVX:GR

Changes in estimates

		Sales	EBIT	EPS
2022	old	00.0	00.0	00.0
	Δ	-	-	-
2023	old	00.0	00.0	00.0
	Δ	-	-	-
2024	old	00.0	00.0	00.0
	Δ	-	-	-

Key share data

Number of shares: (in m pcs) 2.23
Book value per share: (in EUR) 5.31
Ø trading volume: (12 months) 2,500

Major shareholders

InVision Holding GmbH 18.1%
Peter Bollenbeck 17.0%
Matthias Schroer 11.3%
Free Float 28.6%

Company description

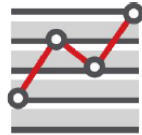
InVision AG (founded in 1995) is a Germany-based IT company and software developer. InVision develops and markets products and services for workforce management (WFM) to ensure business output and working conditions. In addition, an e-learning platform (digital education) is offered. InVision is mainly active in Europe and the US. Its main product is the SaaS solution injixo, which is a cloud-based WFM suite for forecasting, scheduling, intraday management, and reporting, mainly in contact centers.

Investment case in six charts

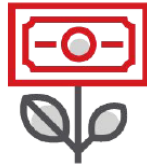
Equity story in a nutshell: Growth targets for 2025



500+
People

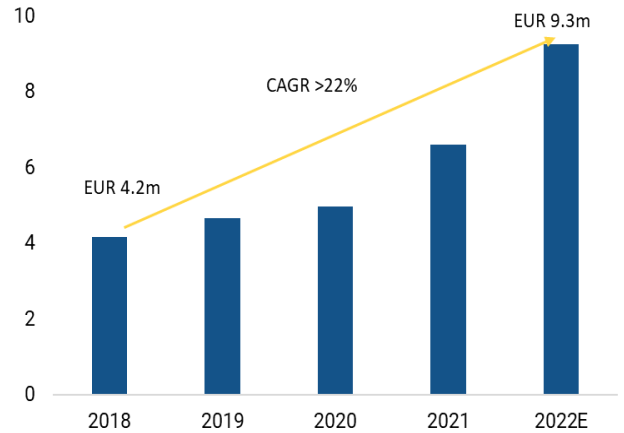


50m€+
Revenues

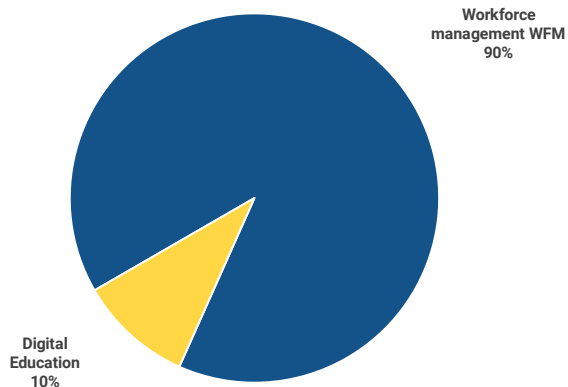


25%
EBIT Margin

Growing share of recurring revenues in % of total sales



Sales by product group in %



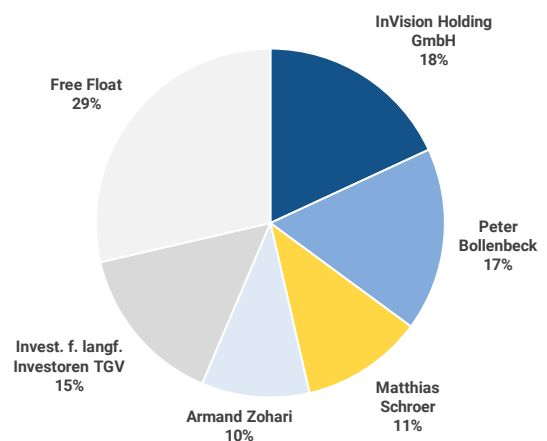
Serving customers in all industries



Active around the globe in six languages



Major shareholder



Source: Company data, AlsterResearch

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Company background

InVision in a nutshell

InVision AG is a Germany-based information technology (IT) company and software developer. The company develops and markets products and services for workforce management (WFM) to ensure business output and working conditions. InVision is mainly active in Europe and the United States. Its core products and services are injixo (WFM software) and The Call Center School (Digital Education). injixo is a cloud-based workforce management suite for forecasting, scheduling, intraday management, and reporting, mainly in contact centers. In addition, The Call Center School offers an e-learning platform and training programs for contact centers. InVision was founded in 1995 and operates offices in Leipzig, Paris, London, Utrecht, Chicago, and Zurich. The headquarters are in Düsseldorf, Germany.

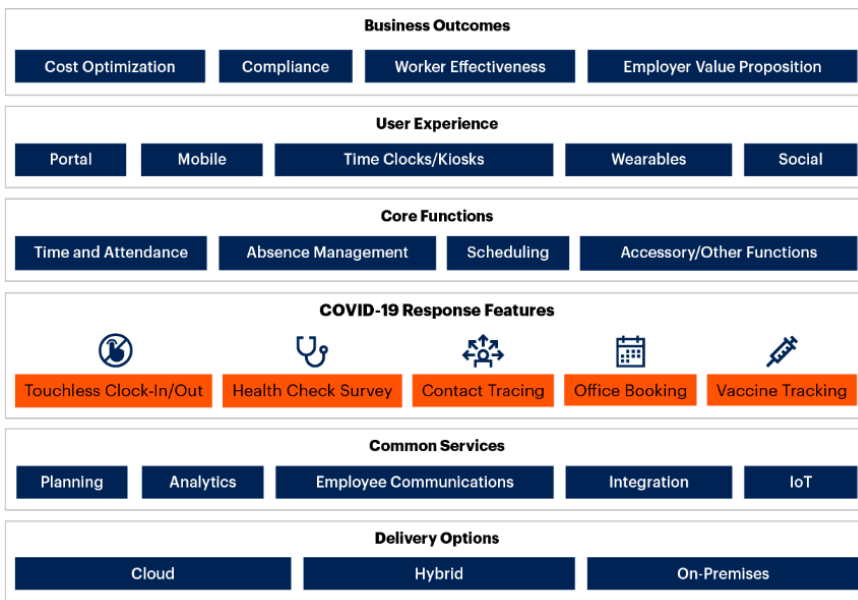
Products & services

InVision's core product 'injixo' is a workforce management solution. This WFM software can be explained in one sentence: **Ensure to have the right number of employees with the right skills in the right place at the right time!**

injixo – a workforce management software

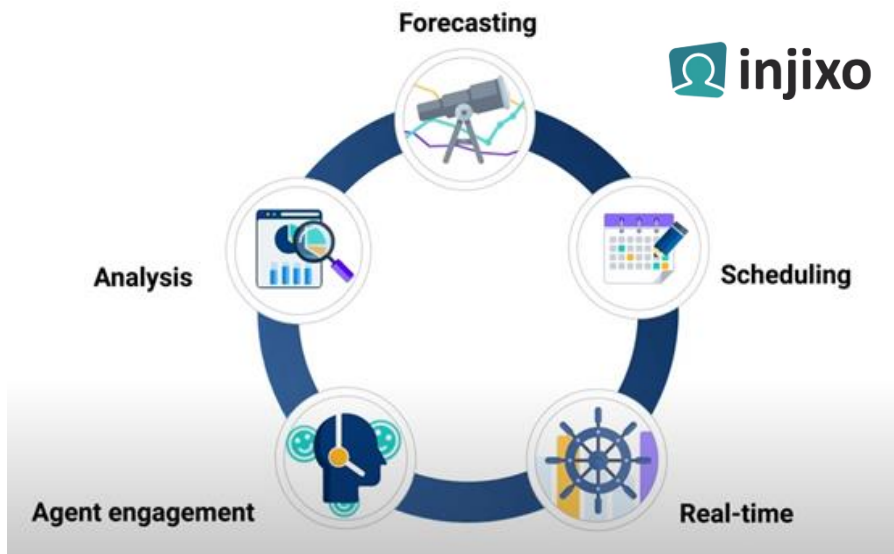
A quick and effective scheduling process is key to making the right business decisions, optimizing staff, and increasing efficiencies across teams. injixo is a workforce management software to schedule work hours for employees, and to give workers and managers a real-time visibility onto the schedule. This makes scheduling and organizing more efficient, fairer, and less personal for both parties. Managers can post and plan shifts far in advance and schedule employees based on their preferences.

WFM helps organizations to manage the operational deployment of their workers – overview of key features



Source: Gartner, AlsterResearch

injixo's core competence



Source: Company data, AlsterResearch

Some key functions of workforce management are....

- Workload Forecasting
- Schedule Optimization
- Intraday Management
- Employee Analytics
- Employee Empowerment

....which are leading to...

- Improved productivity
- Reduced time consumption
- Increased efficiency
- Stable and consistent workflows
- Reduced risks as costly errors are eliminated
- Increased employee engagement

...in customer's organizations.

WFM – experience for almost 30 years

The first InVision WFM solution was launched in 1995 as an on-premises solution, but InVision started early in migrating to a cloud-based version. Since 2011, the WFM software is available as software-as-a-service and can be utilized in 6 languages: German, English, French, Italian, Spanish and Dutch. This enables an almost global usage.

SaaS – migration into the cloud

In 2018, the company modified its sales structures. For several years now, InVision has been offering its core product injixo as a SaaS with monthly fees. The three pricing plans start with an entry-level product for 19 euros per user and month. The enterprise version can be adapted and integrated by individual factors to meet customer-specific needs. The majority of customers opt for the Advanced WFM version.

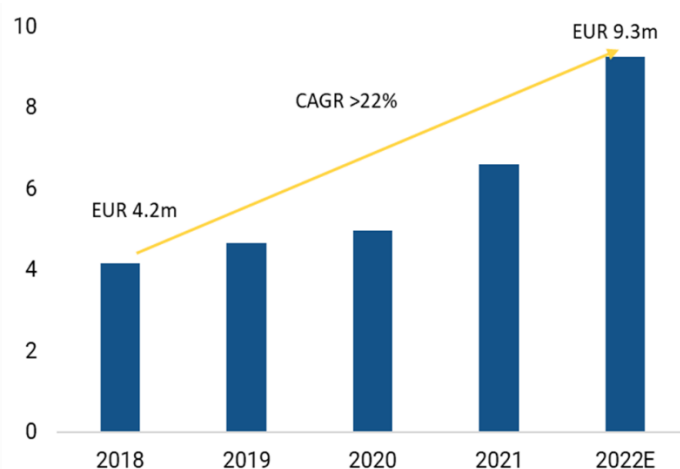
injixo is available in three versions

ESSENTIAL WFM	ADVANCED WFM	ENTERPRISE WFM
Start automating your WFM process	Maximize your WFM performance	Adapt WFM to meet any requirement
€299⁰ /month	€699⁰ /month	Let's talk
Book your demo	Book your demo	Contact Us
<ul style="list-style-type: none"> ✦ Onboarding package: from €2,000 ⓘ 👤 15 users included + Additional users: €9 per user/month ⓘ 	<ul style="list-style-type: none"> ✦ Onboarding package: from €5,000 ⓘ 👤 25 users included + Additional users: €19 per user/month ⓘ 	<ul style="list-style-type: none"> ✦ Tailored onboarding package 👤 Custom pricing
<p>Includes</p> <ul style="list-style-type: none"> ✓ Standard integrations for call data ⓘ ✓ Basic Forecast (automated) ⓘ ✓ Automated scheduling ⓘ ✓ Employee portal ✓ Dashboards ✓ Standard reports ✓ Email support ✓ Knowledge base ✓ Two-factor authentication 	<p>Includes</p> <ul style="list-style-type: none"> + Everything Essential WFM ✓ Standard integrations for agent status ⓘ ✓ Smart Forecast (AI-based) ⓘ ✓ Extended scheduling functionality ✓ Real-time adherence monitoring ✓ Real-time dashboards ✓ Reporting API ✓ Advanced user rights management ✓ Smart meeting planning ✓ Single Sign-On (SSO) ✓ Priority email support 	<p>Includes</p> <ul style="list-style-type: none"> + Everything Essential WFM + Everything Advanced WFM ✓ Time management ✓ Full API access ⓘ ✓ Data residency ✓ Custom DPA ✓ Custom IT compliance agreement ✓ Customization options available ⓘ ✓ Sandbox environment ✓ Phone & priority email support ✓ Dedicated consultant

Source: Company data, AlsterResearch

The migration of customers to the cloud has increased in recent years and today presents almost 50% of sales. The share of injixo's ARR (annual recurring revenue) is expected to grow further. This is a result of the SaaS business model, which is becoming increasingly visible in sales. Over the last quarters, the share of recurring revenues has increased significantly, while the 'historical' revenues of an on-premises software (licenses, maintenance, and service sales), are becoming smaller in the future. In the long term, no more significant turnover is expected from the historical on-premises business. In 2022E, the injixo ARR is expected to further grow by 40% yoy, which would lead to c. EUR 9.3m (eAR).

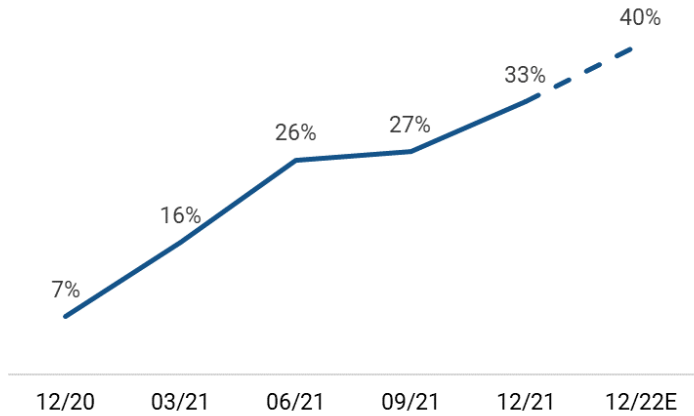
Increasing share of injixo ARR (annual recurring revenues; in EURm)



Source: Company data, AlsterResearch

After a changeover process from 2018 to 2020, a solid starting point has now been created to achieve sustainable growth and successively expand profitability in the future. It is noteworthy to highlight the continuous increase in the growth rate of the injixo's annualized revenue during the year 2021. The growth strategy was introduced in early 2021 and is already showing a sharp increase in the growth rate of the most important KPI: Annual Recurring Revenue (ARR).

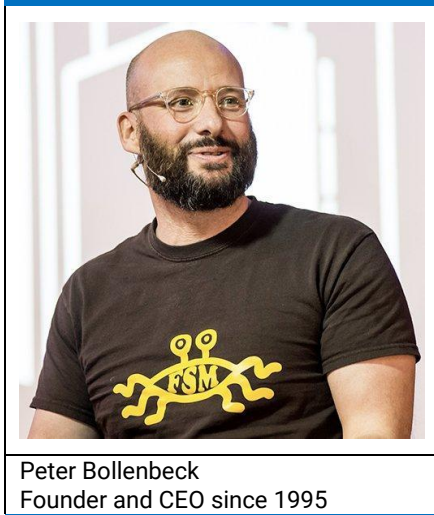
Impressive growth rates of injixo's ARR in 2021 (in %)



Source: Company data, AlsterResearch

Management

Mr. Bollenbeck is CEO and since 2018 sole board member of InVision. As one of the founding members, he has been the CEO of InVision since its beginnings in 1995. InVision's achievements can be attributed to Mr. Bollenbeck's entrepreneurial and leadership skills.

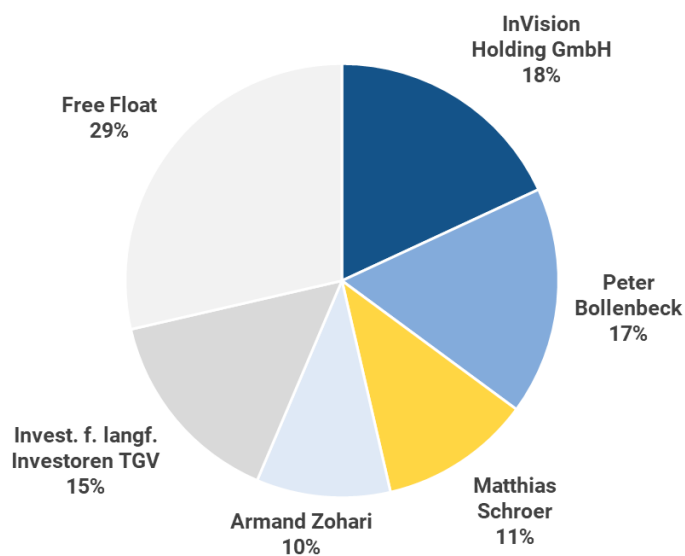


Source: Company data, AlsterResearch

Shareholders

Main shareholders in InVision are its founders Peter Bollenbeck, Matthias Schroer and Armand Zohari through their private ownership. InVision Holding GmbH which is owned and controlled by Mr. Bollenbeck holds 18% of shares outstanding, hence Mr. Bollenbeck holds in sum 35% of shares outstanding. In total, some 56% of shares (InVision Holding, Bollenbeck, Schroer, Zohari) are pooled by an agreement. Taking a further larger investor (c. 15% of shares outstanding) into account, a free float of 29% is held by the remaining investors.

Shareholder structure



Source: Company data, AlsterResearch

Company history



Source: Company data, AlsterResearch

Quality

Customers

The application of InVision can be used in all industries, regions, and companies. Because of rising volumes of workforce data, the demand for workforce planning, optimization, and management in almost all organizations grows. With the advancement of technology, there has been increased complexity and automation at workplaces, followed by the overall need for workforce management solutions. The included data analysis can be a valuable source for maintaining and tracking the workforce and increasing the workforce's productivity, workforce effectiveness, and employee engagement. Thus, these solutions are being widely adopted in different industry sectors, as InVision's user base proves:

Selected customers are in all industries



Source: Company data, AlsterResearch

With a historic footprint in call center-applications, InVision has built a cluster in this business area. Today's call centers no longer have anything in common with open-plan offices where hundreds of people sit in cubicles with headsets. Today, reaching a company takes many paths, which are primarily digital: mail, chats, and automated bots, which is why 'call centers' became 'contact centers'. InVision's core competencies are the prediction of future workloads, mathematical schedule optimization, and real-time exception management, which sets the company ahead from competitors. In addition, injixo can be easily integrated in almost any contact center software landscape around the globe.

Switching cost and bargaining power

The SaaS solution is relatively cheap per user per month and has low installation costs. Customers remain loyal to the solution, as there can be high costs of switching to other providers. This is mainly attributable to the deep integration of application-specific workforce management processes into the customers' organizations. This is the main reason why customers' bargaining power remains relatively low.

Regional sales split

InVision generates sales on almost all continents. This applies directly or indirectly when customers use the software globally in the countries of their own presence/production. A detailed presentation of the regional distribution is not available, but main regions in the order of current revenue distribution are United Kingdom and Ireland, the DACH region, United States, followed by France/Italy and Spain, and Benelux. But due to the granularity, there is generally no cluster risk in terms of regions or countries.

No specific customer-cluster-risk

As mentioned above, InVision generates its revenues in several different industries with a high number of customers. The top10-customers are expected to represent 15-25% of total sales volumes. The loss of a single customer therefore does not mark a significant risk.

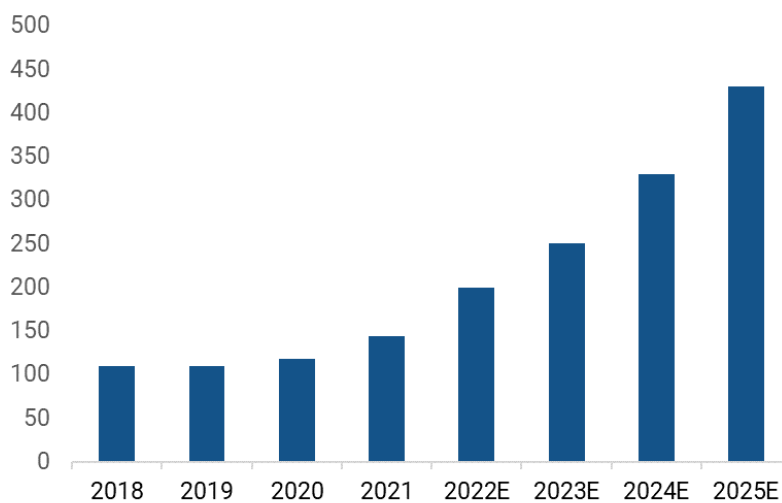
Suppliers

InVision relies on an in-house solution for the development of the software. Therefore, suppliers are less crucial, but the access to competent developers is. In addition to the developers, employees in marketing and sales are crucial for the implementation of InVision's growth strategy.

Targeting 500 employees by 2025E

Attracting, recruiting, and retaining highly qualified employees is crucial to the success of InVision and the entire software sector. Especially for certain IT skills and qualifications, the job market in Germany is (still) very tight and this is not expected to change in the short-term. A potential shortage of skilled workers could restrain the company's organic growth.

Development of own workforce – InVision is hiring: targeting 500 employees



Source: Company data, AlsterResearch

injixo's cloud is powered by AWS

AWS (Amazon Web Services) is a comprehensive cloud computing platform provided by Amazon. The first AWS offerings were launched back in 2006 to provide online services for websites and customer-facing applications. The service is now available in c. 200 countries worldwide. Numerous popular services such as Dropbox, Netflix, Foursquare or Reddit rely on this service. AWS is no longer just a port of call for start-ups and small-sized companies that choose AWS instead of having their own data center for cost reasons. Renowned companies such as Bayer, Philips, Airbnb and Zalando also use AWS. In Germany, 80% of DAX companies are customers of this service. Amazon as a first mover is the leader in cloud technology and can be considered reliable. As a result, Amazon has bargaining power, as InVision's switching from AWS to another cloud involves switching risks and costs.

Competition

Once a customer is won, switching costs are high. Especially the risk of data loss during a switching process could discourage the customer from changing to a competitor. Therefore, customers are 'locked in'. However, this also holds for other WFM providers. But the market still leaves ample room for growth, as customers who previously did not use WFM software are now demanding a solution due to decreasing costs as SaaS is rolled out.

Market clustered by size

On one end of the market, there are large-scale companies and global software giants like IBM, Oracle, and SAP with already integrated workforce management applications in the ERP (Enterprise Resource Planning software) or HCM (Human Capital Management software).

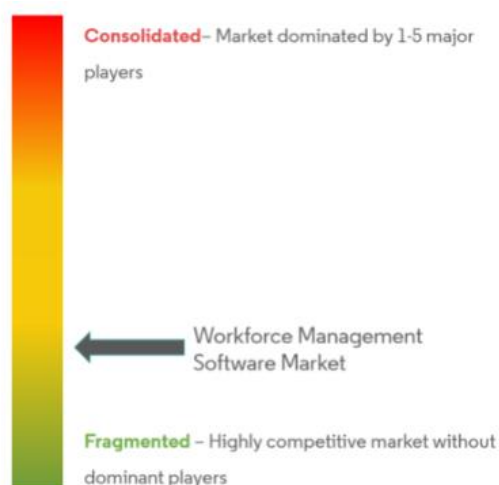
Then there are medium-sized companies like Infor, Blue Yonder (Panasonic), UKG Software, and Sage, who provide a range of combined software solutions with a comparable or related focus, e.g., human resource management, billing, etc.

And finally, at the other end of the market, there are small-sized and niche-playing companies, which are often specialized companies like Workday, ServiceMax, Nice, Ceridian and Verint. These players are more likely to serve niche markets, requiring highly specific applications and tools in terms of functionality or industry. These characteristics set vendors apart from competitors, due to customized functions and individual USPs.

To get a feeling for the breadth of offerings, it is instructive to do a search on Capterra, a resource helping businesses to find suitable software:

- Search for "Workforce Management Software": 814 products (185 available in Germany).
- Search for "Talent Management Software": 567 products (130 available in Germany)
- Search for "Human Resource Software": 1377 products (223 available in Germany)

Fragmented market leaves ample room for specialized niche players



Source: Mordor Intelligence, AlsterResearch

Dominating Blue Chip and market leaders like SAP, IBM or Oracle are offering the full product portfolio (one-stop-shop-strategy) and a wide range of management software with advanced capabilities and features, which address traditional needs of customers. However, these comprehensive solutions offered by large-scale companies need large-scale customers with several thousand employees, since they are expensive to install and run.

In addition, the bigger competitors only offer products for the mass market, but these products often only work with simple and rudimentary functions that do not meet individual and very specific user requirements. This is also the background for the high degree of heterogeneity. Many customers have special needs that cannot be met by standard solutions.

Selected competitors – mostly privately owned

InVision is clearly differentiated from most of its competitors. The biggest players offer a multitude of different software solutions for various industries and applications. InVision, on the other hand, is a focused and concentrated niche provider. Its roots lie in call and contact center's workforce scheduling. There are a few players, who were identified to be closest peers, mostly privately owned.

Alvaria – The contact center peer

Alvaria was founded through the merger of Aspect Software and Noble Systems, technology leaders in Customer Experience (CX) and Workforce Engagement solutions. Aspect Software was a software and IT services company that provided solutions for communication processes in contact centers as well as in enterprise. This included software and services for the technical management and control of customer communication, for staff scheduling and for workforce optimization in the area of customer contacts. Noble Systems Corporation developed call center technology, including outbound dialing systems for collections and inbound call management systems for customer relationship management (CRM).

Ultimate Kronos Group – Self-proclaimed market leader

Ultimate Kronos Group (UKG) is an American multinational technology company with dual headquarters in Lowell, Massachusetts, and Weston, Florida. The company provides workforce management and human resource management services. The company is owned by private equity firms Hellman & Friedman as well as The Blackstone Group. The company was founded in April 2020 as a result of the merger of Ultimate Software and Kronos Incorporated. The combined group employs more than 12,000 people and claims to be the market leader.

Infor Group – The one-stop-shop

Infor provides enterprise software and services in the licensing, maintenance, and consulting industry. The company also offers industry suites, which provides integrated applications to manage various business processes for customers in specific industries, enterprise resource planning products, and enterprise asset management products. Infor is a multinational enterprise software company, headquartered in New York City, United States. Infor focuses on business applications for organizations delivered via cloud computing as a service. Originally focused on software ranging from financial systems and enterprise resource planning (ERP) to supply chain and customer relationship management, in 2010 Infor began to focus on software for industry niches, as well as user-friendly software design. Infor deploys its cloud applications through Amazon Web Services and various open-source software platforms.

ATOSS Software AG – The incumbent

ATOSS Software AG is a provider of technology and consulting solutions for professional workforce management and demand optimized personnel deployment. The company is active in 46 countries, thereof 30 in Europe. ATOSS is a specialist in its core fields, offering a comprehensive range of integrated solutions from working time management, workforce forecasting, workforce scheduling or strategic capacity and demand scheduling. However, the company developed a strong position in the sectors healthcare, manufacturing, and logistics in particular.

Active Operations – Best peer in size and revenue generation: EUR 21m in 2021

ActiveOps plc, formerly ActiveOps Limited, is a United Kingdom-based management process automation (MPA) software company. The Company provides a software

as a service (SaaS) platform to enterprises with global back-offices. Its software and embedded back-office operations management methodology enables enterprises to adopt a data-driven approach to organizing work and managing capacity. Its cloud based ControlIQ employee performance management solution enables managers to simplify running operations. Its solution, WorkiQ, captures workforce analytics from desktop activity for employee engagement. The Company's OpsIndex Score & Benchmarking tool involves measuring the performance of the operational business on an enterprise level, department by department and against community level.

Differentiation from the competition

Overall, InVision distinguishes itself from its direct competitors. In its environment, InVision offers an advanced WFM solution, which targets small- and medium sized companies. However, InVision is also able to handle several thousands of employees of its largest customers in terms of users. To be more specific, InVision has several large customers with 10k+ users that have been using InVision's WFM software for many years.

Rolling out 30 years of experience

Another USP is the historical focus on call centers, today contact centers. With knowledge and experience of almost 30 years now, injixo can predict the workforce demand from one week up to two years in advance. In addition, the planning can be broken down into precise 15-minutes slots.

















































Early Mover: Cloud-based SaaS since 2011

Cloud-based solutions are gaining popularity with the development of intelligent software in all industry sectors. These advanced solutions offer several growth opportunities for vendors and users, as integrated cloud-based features increase access to the WFM solutions and efficiency respectively. Besides, many start-ups prefer cloud-enabled workforce management services as they are comparatively low priced to on-premises workforce management solutions.

Hassle-free integration into existing system landscape

In addition, injixo as a lean solution comes along with a wide range of interfaces (API) to be integrated in existing systems at customers. injixo offers smart direct integration options for different cloud-based and on-premises Automatic Call Distribution systems (ACDs) as well as other systems. Backed by user-friendly interface and a lean setup process, individual data can be transferred to the injixo WFM platform.

Integration in existing system landscape possible

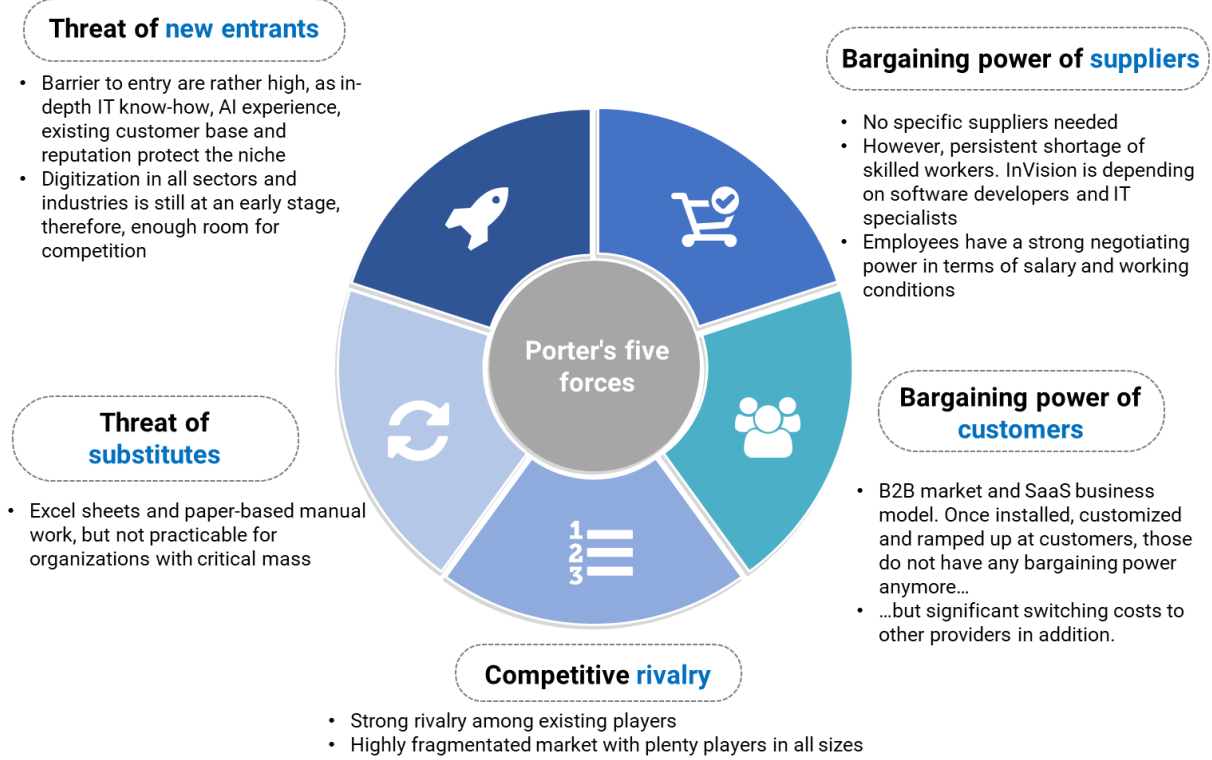
							
							
							
							
							
							

Source: Company data, AlsterResearch

Porter's five forces

To summarize the competitive landscape and InVision's positioning herein, a Porter's Five Forces has been conducted. The result is displayed below:

Fragmented market leaves ample room for specialized niche players



Source: AlsterResearch

SWOT analysis

Strengths

- Internationally experienced since 1995 and First Mover
- Offering AI-driven Software-as-a-Service (SaaS) since 2011
- Increasing share of recurring revenues (ARR)
- Platform business model at tipping point and ready to scale
- Proven track-record with well-known Blue-Chip clients

Weaknesses

- While customers come from all industries, the solution is still depending on workforce management in contact centers
- High cash-burn until break-even
- Single product company
- Modest sales performance in the recent years due to realignment process

Opportunities

- High sales growth opportunities at existing and new customers
- Launching injixo in new industries
- SaaS model is particularly interesting for smaller users, due to lower ramp-up costs and reduced barriers (greenfield market)
- Expanding the partner network provides access to a larger customer base; Plug-In solution enables distribution by partner network (e.g., Freshdesk)

Threats

- Available liquid funds for strategic progress may not be sufficient
- Intense competition
- Larger players offer the broader portfolio (one-stop-shops)
- New players could enter the market despite significant costs of development
- Decreasing number of call centers globally

Growth

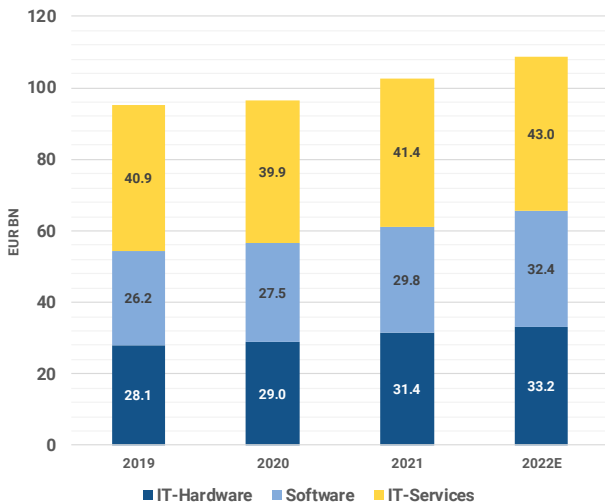
The overall characteristics of the global IT market can be exemplified by the German market development. In addition, the DACH region is one of the most important sales markets for InVision and the domestic market of the company.

German Market growth

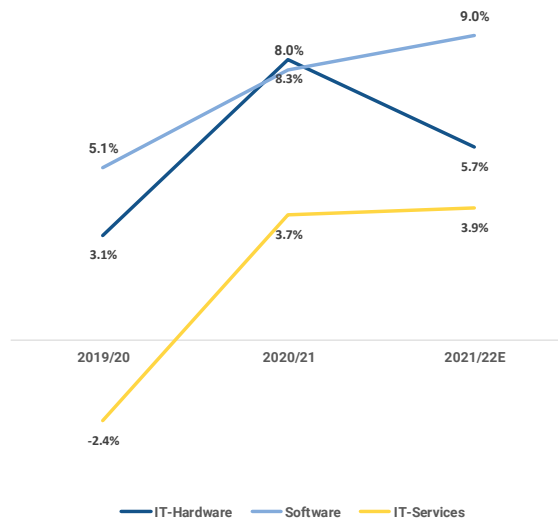
German IT market to grow in the high single digits in 2022

Bitkom forecasts that the German IT market will generate sales of EUR 108.6bn in 2022, a growth of 5.9% compared to 2021. Spending in the market segment software, which is relevant for InVision, is expected to show the fastest growth rate in 2022, rising by 9.0% to EUR 32.4bn. Spending on IT hardware will increase by 5.7% to EUR 33.2bn in the current year. With a volume of EUR 43.0bn, IT services will still account for the largest share of the IT market in 2022 (+3.9%), ahead of IT hardware, but will also see the lowest growth. Spending on IT hardware will rise by 5.7% to EUR 33.2bn in the current year.

IT market Germany



Growth trends IT market Germany in %

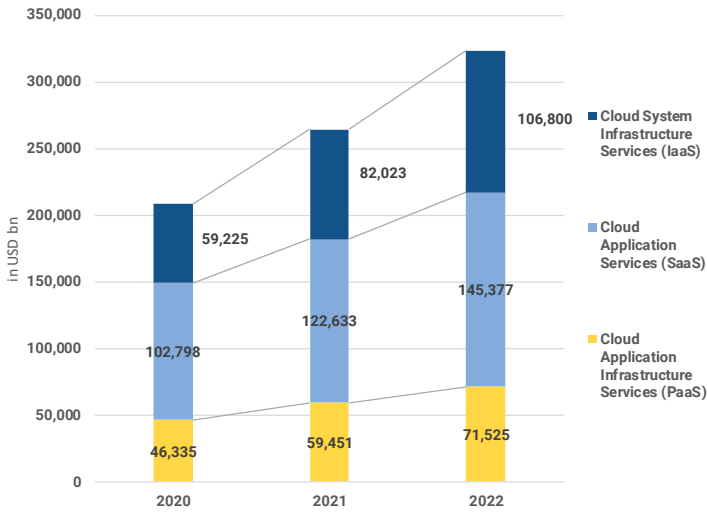


Source: Bitkom; AlsterResearch

Cloud services continue to be a strong growth market

The ongoing shift to cloud deployment and SaaS continues to be a major market driver. According to Gartner, software as a service will remain the largest market segment, driven by offerings that support or deliver public cloud services, especially for composable applications. Market growth for SaaS is forecasted with 19% for 2022. Further, more than 85% of organizations will embrace a cloud-first principle by 2025, declaring the use of cloud-native architectures essential to their digital strategies. Moreover, adopting cloud-native platforms should unlock distinct advantages of the inherent capabilities within the cloud environment. By 2025, Gartner estimates that over 95% of new digital workloads will be deployed on cloud-native platforms, that means tripling up from 30% in 2021.

Worldwide Public Cloud Services End-User Spending Forecast



Source: Gartner 2021, AlsterResearch

Global market for WFM

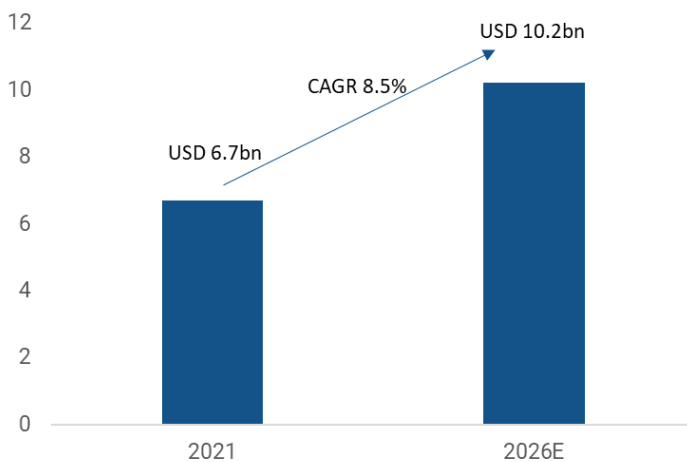
Overview

The software market for Workforce Management Solutions has grown steadily over the past few years and is expected to further grow at a healthy pace in the future. Driven by digitization and migration from on-premises solutions towards cloud- and web-based solutions, the global Workforce Management Software market is expected to register a CAGR 20-26E of 8.5% and reach USD 10,2bn by 2026E. Different trends were identified, which should drive a sustained demand for products and market growth respectively. Moreover, superior properties over other substitutes as well as the migration towards web-based 'Software-as-a-service' solutions are expected to further drive the demand for workforce management software in the coming years.

Different studies but the same trend

The Global Workforce Management Market is estimated to be USD 6.7bn in 2021 and is expected to reach USD 10.2bn by 2026, growing at a CAGR of 8.5% (source: researchandmarkets). According to a research note of Morder Intelligence, the Global Workforce Management Software Market was valued at USD 7.0 bn in 2020, and it is expected to reach USD 9.9 bn by 2026, registering a CAGR of 6.4% during the period of 2021-2026.

Market expected to grow by 8.5% per year



Source: researchandmarkets, AlsterResearch

Apart from slight deviations, the market research institutes arrive at the same result: A strong growth trend can be identified. In the following, the main drivers for the overall market growth are depicted.

Growth factors for WFM

Digitization changes job conditions

Driven by digitization, more and more jobs are reorganized and relocated to 'working from home' or remote. In addition, since the start of the Covid pandemic, an increasing number of jobs were created that are partly or fully organized on a remote basis. This overall development drove the need for planning and organizational communication as well as the need for workforce management solutions. Hence, the workforce management software has become essential for companies, as this software can help in managing the remote workforce efficiently.

Employees make new demands on their work environment

A few decades ago, almost all workforces consisted of full-time employees; today, more than 40 per cent of employees already work in part-time, temporary, or freelance models. Today, employees are no longer expected to work within a conventional 9 AM – 5 PM schedule due to diversification in work practices. The new forms of work and working models provide companies with much-needed flexibility, but at the same time these new work conditions lead to significantly more complexity in terms of control and compliance. Respectively, this demand is covered by workforce management solutions.

Transformation drives Workforce Management demand

It is due to the ongoing transformation from the industrial sector, where workforce needs are linked to production plans, towards the service sector, that the importance of workforce management is steadily increasing. In addition, the rising number of large-scale organizations and companies leads to an overall increasing number of workforce members and teams to be organized. All this comes along with an increase in volume of personnel data and required job qualifications. Finally, the combination of volume and complexity of processes and requirements has led to an increasing demand for human resource optimization in various organizations.

InVision's growth

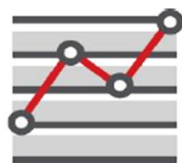
InVision is expected to outpace market growth

With its strategic goals for 2025, InVision has presented a strategic plan to generate strong organic growth on the top and bottom line in the next 4 to 5 years. The overall market provides a strong underlying trend which should offer InVision different opportunities to outpace market growth. In the medium-term following goals are provided by InVision:

Growth targets for 2025



500+
People



50m€+
Revenues



25%
EBIT Margin

Source: Company data, AlsterResearch

These targets in combination with the different market trends provide the backdrop for InVision's growth strategy on four pillars. These are, in chronological order starting with low-hanging fruits:

1. Cloud migration at existing customers
2. Growing with new customers
3. Expanding into new markets along the value chain
4. Expanding product portfolio and launching new applications

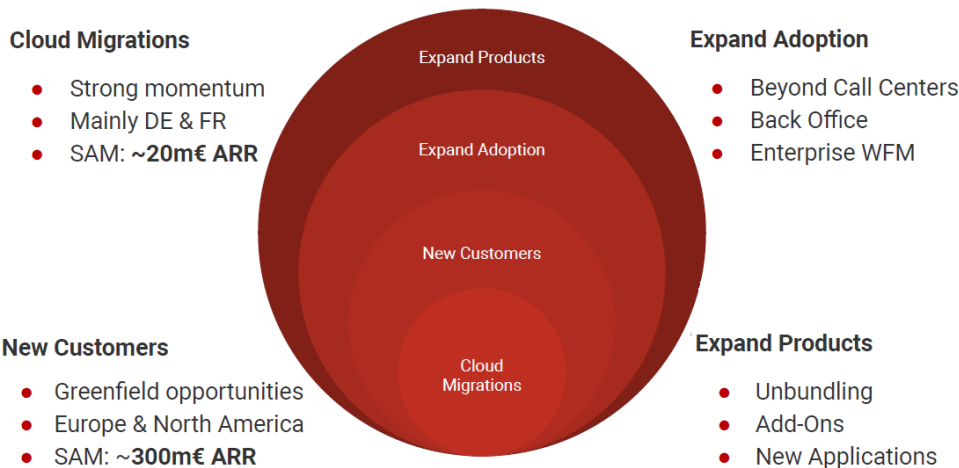
InVision plans to address the pillars according to their relevance. The first step is to push the migration of existing customers into the cloud. This **Cloud Migration** can be seen as a secure process that will enable a further revenue potential of EUR 20m annual recurring revenues.

The next step is to attract **New Customers**. There is a lot of potential in the so-called greenfield, as WFM solutions have not yet found its way into all business areas or industries. Potential customers are small and medium-sized enterprises that have so far managed their schedules and workforce planning on paper or Excel. Due to the low cost of SaaS, InVision's management has identified a large number of companies and an additional serviceable addressable (SAM) market of about EUR 300m.

Furthermore, there are the two fields of Expansion. **Expand Adoption** refers to the expansion of the scope of application. Historically, the focus for InVision has been the call center or contact center. With additional salespeople, this is about to be broadened to other functions and departments, for example the back office or the entire company. The first efforts to implement this growth initiative are planned for 2023 (eAR).

Expand Products includes the expansion of the product portfolio with unbundling, add-ons and further applications and new services. Already in 2022E (eAR), first steps of this strategic component could kick in.

Growth strategy in billion EUR market



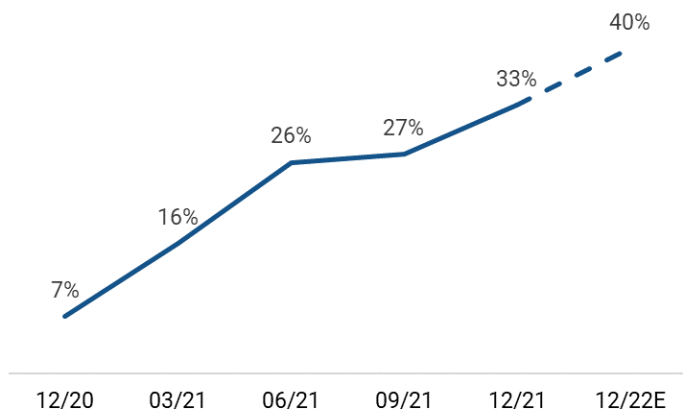
Source: Company data, AlsterResearch

InVision's growth in figures

InVision's top-line growth

InVision's top-line growth is driven by product innovation, increased sales activities as well as strong demand for workforce management solutions. The shift from up-front payments in the old on-premises solutions model to the SaaS model explains the stable revenues development from 2019 to 2020. Revenues grew by 7% in 2021, as InVision has seen a significant increase in cloud-native injixo annual recurring revenues (injixo ARR) since the beginning of 2021:

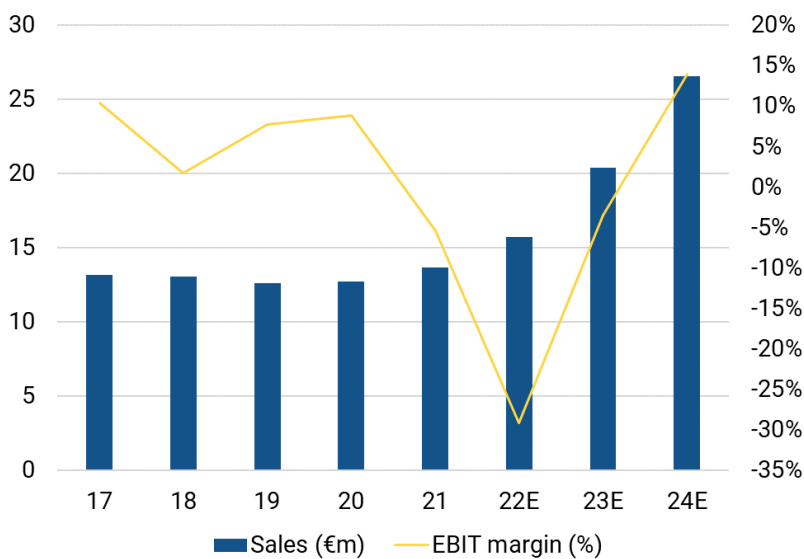
Impressive growth rates of injixo's ARR (in %)



Source: Company data, AlsterResearch

In 2022E, ARR is expected to further grow by 40% yoy. This would bring the ARR to EUR 9.3m (eAR). In total, EUR 15.8m (eAR) are predicted for fiscal year 2022E. In the medium-term (2025E), the majority of the top-line will be recurring revenues under the SaaS model, supplemented by revenues from the Digital Education activities.

Sales vs. EBIT margin development



Source: Company data, AlsterResearch

InVision's bottom-line growth

The planned expansion of products and markets will require significant investments in the short-term, especially for 2022 and possibly also for 2023.

According to management, the company's structure allows for savings of development time and economies of scale once the SaaS business model is fully adopted. Expenses should therefore develop slower than sales or even decrease because of standardization, which will reduce implementation and customizing times. The full margin potential should become visible in 2025.

The model assumptions are conservative, reflecting an EBIT-margin of c. 20% in the long-term. Due to the growing share of recurring revenues, these assumptions are highly feasible, with the prospect of more.

Growth table (EURm)	2019	2020	2021	2022E	2023E	2024E
Sales	12.6	12.8	13.7	15.8	20.4	26.5
Sales growth	-3.4%	1.1%	7.4%	15.1%	29.3%	30.3%
EBIT	1.0	1.1	-0.7	-4.6	-0.7	3.7
EBIT margin	7.8%	8.9%	-5.4%	-29.1%	-3.4%	13.9%
Net profit	3.0	0.4	-1.6	-4.7	-0.7	3.1

Source: Company data; AlsterResearch

Quarterly development

P&L data	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Sales	3.1	3.1	3.3	3.3	3.3	3.4	3.3	3.6
yoy growth in %	-3.5%	-1.4%	6.7%	2.8%	7.5%	9.6%	2.2%	10.3%
Gross profit	3.1	3.1	3.3	3.3	3.3	3.4	3.3	3.6
Gross margin in %	100.0%	100.0%	100.0%	100.0%	99.9%	100.0%	100.0%	100.0%
EBITDA	0.4	0.4	0.6	0.4	0.3	0.1	-0.2	-0.2
EBITDA margin in %	13.1%	12.1%	17.7%	13.4%	10.1%	1.5%	-6.5%	-5.8%
EBIT	0.2	0.2	0.4	0.3	0.2	-0.1	-0.4	-0.4
EBIT margin in %	7.7%	6.9%	12.7%	8.2%	5.2%	-4.1%	-11.7%	-10.6%
EBT	0.2	0.2	0.4	0.2	0.1	-0.2	-0.4	-0.4
taxes paid	0.2	0.3	0.2	-0.1	0.2	0.2	0.5	-0.0
tax rate in %	84.3%	144.2%	60.2%	-28.5%	120.3%	-105.4%	-116.7%	5.3%
net profit	0.0	-0.1	0.2	0.3	-0.0	-0.3	-0.9	-0.4
yoy growth in %	-63.9%	na%	-57.7%	-89.1%	na%	na%	na%	na%
EPS	0.01	-0.04	0.07	0.12	-0.01	-0.15	-0.40	-0.17

Source: Company data; AlsterResearch

Theme

The driving factor for InVision's share price is the growth strategy, which the company initiated in early 2021. The goal is to achieve a turnover of over EUR 50m and an EBIT margin of 25%. This is targeted by 2025E. The key component to this strategy is the growing workforce in marketing, sales, service as well as in software development. Therefore, the company plans to hire up to 350 additional employees to reach a total volume of 500 employees. Almost all growth expenditure is in human resources.

In an environment of a shortage of skilled workers, the number of employees seems to be a critical key performance figure. Therefore, the growth ambitions have to be financed. Nevertheless, the company is sufficiently financed for the moment, carrying some EUR 6.3m of cash at the end of 2021.

According to current planning, the financial resources are also sufficient to lead the company to break-even. This is expected for 2023E. That said, unexpected components and higher costs could arise along this way. In this case, an additional credit line is in place. This asset in any case strengthens the balance sheet. Overall, InVision has an exceptionally strong balance sheet (equity ratio of almost 60% at the end of 2021). Main tangible asset, with EUR 6.9m (35% of total assets), is the office building in Düsseldorf's city center (at the Medienhafen), which is likely to far exceed the purchase price (back in 2013) and the current book value due to a significant increase in real estate prices.

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 -30.91 per share based on 2022E and EUR 58.81 per share on 2026E estimates. **We value InVision AG halfway 2024E/2025E, which yields an average price target of EUR 34.00.** 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	2022E	2023E	2024E	2025E	2026E
EBITDA	-4.0	-0.1	4.2	6.3	10.3
- 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	0.0	-0.1	0.4	1.1	2.9
= Adjusted FCF	-4.0	-0.0	3.8	5.2	7.4
Actual Market Cap	62.1	62.1	62.1	62.1	62.1
+ Net debt (cash)	4.8	5.9	3.3	-0.3	-5.7
+ 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	2.1	2.1	2.1	2.1	2.1
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	2.7	3.7	1.2	-2.5	-7.9
= Actual EV'	64.9	65.9	63.3	59.7	54.3
Adjusted FCF yield	-6.1%	-0.1%	6.0%	8.7%	13.7%
base hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
Fair EV	-66.4	-0.8	63.3	86.4	123.6
- <i>EV Reconciliations</i>	2.7	3.7	1.2	-2.5	-7.9
Fair Market Cap	-69.1	-4.6	62.1	88.9	131.4
No. of shares (million)	2.2	2.2	2.2	2.2	2.2
Fair value per share in EUR	-30.91	-2.04	27.80	39.76	58.81
Premium (-) / discount (+)	-208.8%	-107.2%	-2.1%	40.0%	107.1%

Sensitivity analysis FV

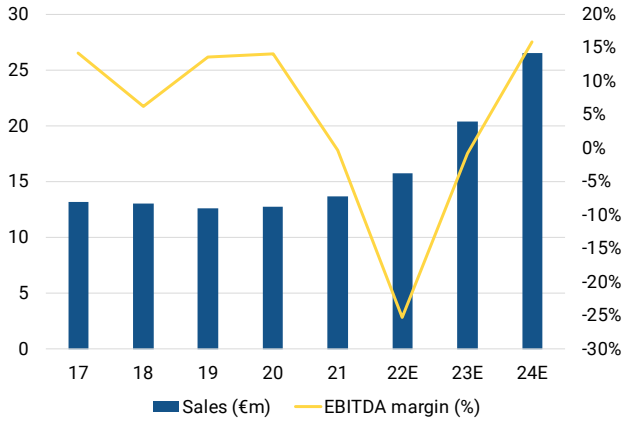
Adjusted hurdle rate	4.0%	-45.8	-2.2	42.0	59.1	86.5
	5.0%	-36.8	-2.1	33.5	47.5	69.9
	6.0%	-30.9	-2.0	27.8	39.8	58.8
	7.0%	-26.7	-2.0	23.8	34.2	50.9
	8.0%	-23.5	-1.9	20.7	30.1	45.0

Source: Company data; AlsterResearch

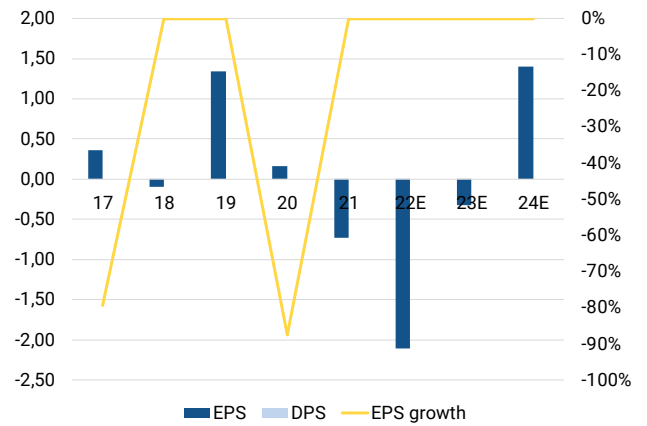
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

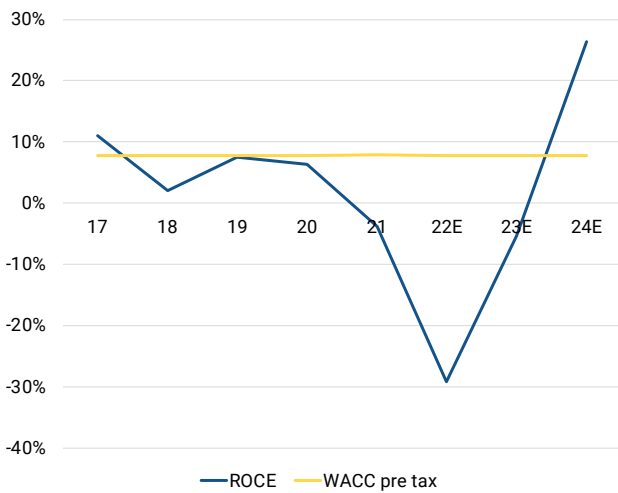
Sales vs. EBITDA margin development



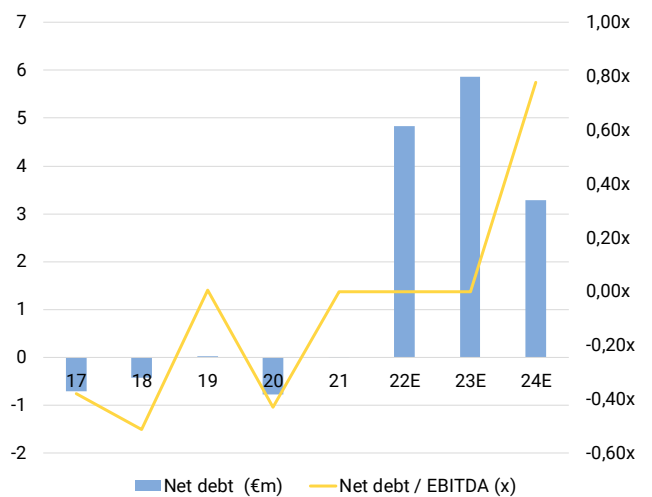
EPS, DPS in EUR & yoy EPS growth



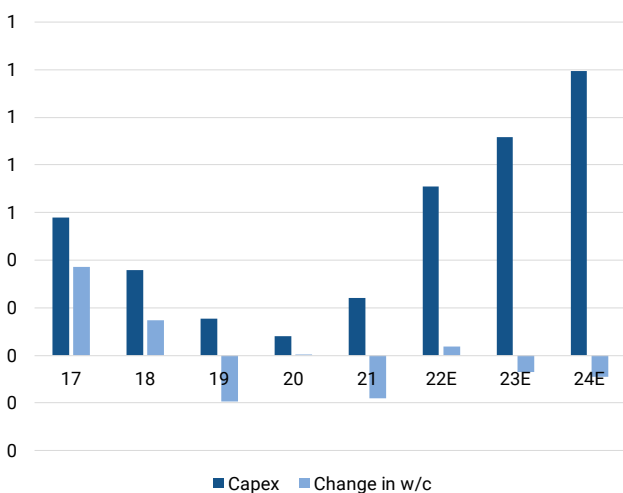
ROCE vs. WACC (pre tax)



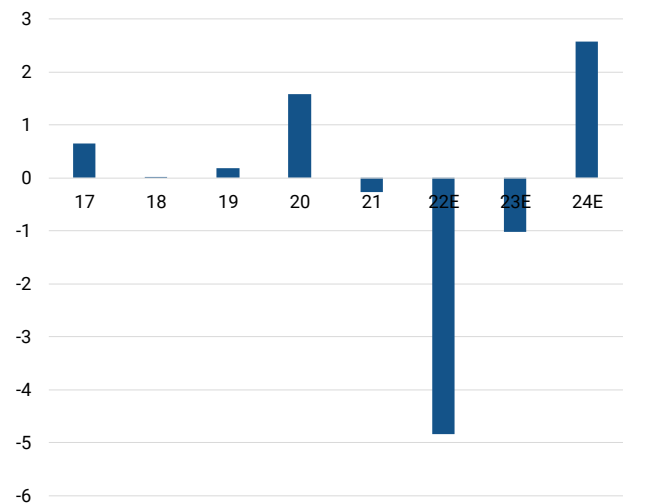
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EUR m)	2019	2020	2021	2022E	2023E	2024E
Net sales	12.6	12.8	13.7	15.8	20.4	26.5
Sales growth	-3.4%	1.1%	7.4%	15.1%	29.3%	30.3%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	12.6	12.8	13.7	15.8	20.4	26.5
Material expenses	0.0	0.0	0.0	0.3	0.4	0.5
Gross profit	12.6	12.8	13.7	15.4	20.0	26.0
Other operating income	0.1	0.1	0.1	0.1	0.1	0.1
Personnel expenses	8.2	8.7	10.5	13.2	17.2	19.8
Other operating expenses	2.9	2.3	3.3	6.3	3.1	2.1
EBITDA	1.7	1.8	-0.0	-4.0	-0.1	4.2
Depreciation	0.1	0.1	0.1	0.2	0.2	0.2
EBITA	1.6	1.7	-0.2	-4.1	-0.3	4.0
Amortisation of goodwill and intangible assets	0.6	0.5	0.6	0.4	0.4	0.4
EBIT	1.0	1.1	-0.7	-4.6	-0.7	3.7
Financial result	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Recurring pretax income from continuing operations	0.9	1.0	-0.8	-4.7	-0.8	3.6
Extraordinary income/loss	0.0	-0.0	0.0	0.0	0.0	0.0
Earnings before taxes	0.9	1.0	-0.8	-4.7	-0.8	3.6
Taxes	-2.1	0.6	0.8	0.0	-0.1	0.4
Net income from continuing operations	3.0	0.4	-1.6	-4.7	-0.7	3.1
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	3.0	0.4	-1.6	-4.7	-0.7	3.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	3.0	0.4	-1.6	-4.7	-0.7	3.1
Average number of shares	2.23	2.23	2.23	2.23	2.23	2.23
EPS reported	1.34	0.17	-0.73	-2.10	-0.32	1.41

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	0%	0%	0%	0%	0%	0%
Total sales	100%	100%	100%	100%	100%	100%
Material expenses	0%	0%	0%	2%	2%	2%
Gross profit	100%	100%	100%	98%	98%	98%
Other operating income	1%	1%	0%	1%	1%	1%
Personnel expenses	65%	68%	77%	84%	84%	75%
Other operating expenses	23%	18%	24%	40%	15%	8%
EBITDA	14%	14%	-0%	-25%	-1%	16%
Depreciation	1%	1%	1%	1%	1%	1%
EBITA	12%	13%	-1%	-26%	-2%	15%
Amortisation of goodwill and intangible assets	5%	4%	4%	3%	2%	1%
EBIT	8%	9%	-5%	-29%	-3%	14%
Financial result	-1%	-1%	-1%	-1%	-1%	-0%
Recurring pretax income from continuing operations	7%	8%	-6%	-30%	-4%	13%
Extraordinary income/loss	0%	-0%	0%	0%	0%	0%
Earnings before taxes	7%	8%	-6%	-30%	-4%	13%
Taxes	-17%	5%	6%	0%	-0%	2%
Net income from continuing operations	24%	3%	-12%	-30%	-4%	12%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	24%	3%	-12%	-30%	-4%	12%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	24%	3%	-12%	-30%	-4%	12%

Source: Company data; AlsterResearch

Balance sheet (EUR m)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (exl. Goodwill)	1.8	1.6	1.5	1.3	1.2	1.2
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	8.9	8.6	8.3	8.6	9.0	9.6
Financial assets	3.5	2.8	2.1	2.1	2.1	2.1
FIXED ASSETS	14.3	13.0	11.9	12.0	12.3	13.0
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	1.2	1.0	1.3	1.3	1.7	2.2
Other current assets	0.0	0.4	0.3	0.3	0.3	0.3
Liquid assets	2.6	7.8	6.3	1.2	0.1	2.7
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.1	0.2	0.2	0.2	0.3	0.4
CURRENT ASSETS	4.0	9.4	8.1	3.0	2.4	5.6
TOTAL ASSETS	18.2	22.4	20.0	14.9	14.7	18.6
SHAREHOLDERS EQUITY	13.1	13.4	11.9	7.2	6.4	9.6
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	2.0	5.9	6.1	6.0	6.0	6.0
Provisions for pensions and similar obligations	0.0	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	2.0	5.9	6.1	6.0	6.0	6.0
short-term liabilities to banks	0.7	1.1	0.2	0.0	0.0	0.0
Accounts payable	0.2	0.1	0.2	0.0	0.0	0.0
Advance payments received on orders	0.6	0.6	0.8	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	1.6	1.2	0.5	1.6	2.0	2.7
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.1	0.1	0.3	0.2	0.2	0.3
Current liabilities	3.1	3.1	2.0	1.8	2.3	3.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	18.2	22.4	20.0	14.9	14.7	18.6

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	10%	7%	7%	8%	8%	7%
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	49%	38%	41%	58%	61%	52%
Financial assets	19%	13%	11%	14%	14%	11%
FIXED ASSETS	78%	58%	59%	80%	84%	70%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	6%	4%	7%	9%	11%	12%
Other current assets	0%	2%	1%	2%	2%	1%
Liquid assets	14%	35%	32%	8%	1%	15%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	1%	1%	1%	2%	2%	2%
CURRENT ASSETS	22%	42%	41%	20%	16%	30%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	72%	60%	59%	48%	44%	52%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	11%	26%	31%	40%	41%	32%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	0%	0%	0%	0%	0%	0%
Non-current liabilities	11%	26%	31%	40%	41%	32%
short-term liabilities to banks	4%	5%	1%	0%	0%	0%
Accounts payable	1%	0%	1%	0%	0%	0%
Advance payments received on orders	3%	2%	4%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	9%	5%	3%	11%	14%	14%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	1%	1%	2%	1%	2%	2%
Current liabilities	17%	14%	10%	12%	15%	16%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	3.0	0.4	-1.6	-4.7	-0.7	3.1
Depreciation of fixed assets (incl. leases)	0.7	0.7	0.7	0.2	0.2	0.2
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	0.4	0.4	0.4
Others	-3.6	0.6	0.7	0.0	0.0	0.0
Cash flow from operations before changes in w/c	0.1	1.7	-0.2	-4.1	-0.2	3.7
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.2	0.2	-0.3	0.0	-0.4	-0.5
Increase/decrease in accounts payable	-0.1	-0.1	0.1	-0.2	0.0	0.0
Increase/decrease in other w/c positions	0.1	-0.1	0.4	0.1	0.4	0.6
Increase/decrease in working capital	0.2	-0.0	0.2	-0.0	0.1	0.1
Cash flow from operating activities	0.3	1.7	-0.0	-4.1	-0.1	3.8
CAPEX	-0.2	-0.1	-0.2	-0.7	-0.9	-1.2
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-0.1	-0.1	-0.2	-0.7	-0.9	-1.2
Cash flow before financing	0.2	1.6	-0.3	-4.8	-1.0	2.6
Increase/decrease in debt position	0.6	4.3	-0.7	-0.3	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	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	0.6	4.3	-0.6	-0.3	0.0	0.0
Increase/decrease in liquid assets	0.8	5.9	-0.9	-5.2	-1.0	2.6
Liquid assets at end of period	2.6	7.8	6.3	1.2	0.1	2.7

Source: Company data; AlsterResearch

Ratios	2019	2020	2021	2022E	2023E	2024E
Per share data						
Earnings per share reported	1.34	0.17	-0.73	-2.10	-0.32	1.41
Cash flow per share	0.08	0.68	-0.07	-1.85	-0.04	1.69
Book value per share	5.87	6.00	5.31	3.21	2.89	4.29
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	21.2x	170.2x	-38.8x	-13.5x	-88.5x	20.2x
P/CF	335.6x	41.5x	-392.1x	-15.3x	-631.2x	16.8x
P/BV	4.8x	4.7x	5.3x	8.9x	9.8x	6.6x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	0.3%	2.4%	-0.3%	-6.5%	-0.2%	5.9%
EV/Sales	5.0x	4.9x	4.6x	4.3x	3.4x	2.5x
EV/EBITDA	37.0x	34.9x	-1,773.9x	-17.2x	-472.5x	15.8x
EV/EBIT	64.8x	55.2x	-86.1x	-14.9x	-99.8x	18.1x
Income statement (EURm)						
Sales	12.6	12.8	13.7	15.8	20.4	26.5
yoy chg in %	-3.4%	1.1%	7.4%	15.1%	29.3%	30.3%
Gross profit	12.6	12.8	13.7	15.4	20.0	26.0
Gross margin in %	100.0%	100.0%	100.0%	98.0%	98.0%	98.0%
EBITDA	1.7	1.8	-0.0	-4.0	-0.1	4.2
EBITDA margin in %	13.6%	14.1%	-0.3%	-25.3%	-0.7%	15.9%
EBIT	1.0	1.1	-0.7	-4.6	-0.7	3.7
EBIT margin in %	7.8%	8.9%	-5.4%	-29.1%	-3.4%	13.9%
Net profit	3.0	0.4	-1.6	-4.7	-0.7	3.1
Cash flow statement (EURm)						
CF from operations	0.3	1.7	-0.0	-4.1	-0.1	3.8
Capex	-0.2	-0.1	-0.2	-0.7	-0.9	-1.2
Maintenance Capex	0.1	0.1	0.1	0.0	0.0	0.0
Free cash flow	0.2	1.6	-0.3	-4.8	-1.0	2.6
Balance sheet (EURm)						
Intangible assets	1.8	1.6	1.5	1.3	1.2	1.2
Tangible assets	8.9	8.6	8.3	8.6	9.0	9.6
Shareholders' equity	13.1	13.4	11.9	7.2	6.4	9.6
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	2.6	7.0	6.3	6.0	6.0	6.0
Net financial debt	0.0	-0.8	-0.0	4.8	5.9	3.3
w/c requirements	0.4	0.4	0.4	1.3	1.7	2.2
Ratios						
ROE	22.8%	2.8%	-13.8%	-65.6%	-11.1%	32.8%
ROCE	6.2%	5.6%	-4.1%	-34.8%	-5.6%	23.7%
Net gearing	0.1%	-5.8%	-0.0%	67.6%	90.8%	34.2%
Net debt / EBITDA	0.0x	-0.4x	0.2x	-1.2x	-39.9x	0.8x

Source: Company data; AlsterResearch

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