

Rubean AG

Germany | Technology | MCap EUR 20.0m

5 April 2024

UPDATE



Impressive preliminary sales in Q1; Reiterate to BUY

BUY (BUY)

Target price	EUR 12.00 (12.00)
Current price	EUR 6.10
Up/downside	96.7%



ResearchHub

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What's it all about?

Rubean reported a remarkable fivefold increase in revenues to EUR 0.5m in Q1'24, driven by software roll-outs and new contracts with major customers. Rubean continued to win important new customers, including a strategic alliance with Discover and a transformational deal with Global Payments Europe. We expect the latter to generate several million euros of annual recurring revenue over the next 2-3 years. Rubean has also made progress in improving profitability. Cost reduction measures resulted in 10% savings compared to Q1 last year. Overall, management reaffirmed its guidance for a doubling of revenues to EUR 2.2-2.5m, anticipating seasonal weakness in Q2 but positive results in Q3 and Q4 driven by increasing momentum from its strategic alliances. We reiterate our BUY rating with a PT of EUR 12.00, reflecting an upside of around 100%.

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

Rubean AG

Germany | Technology | MCap EUR 20.0m | EV EUR 24.2m

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Impressive preliminary sales in Q1; Reiterate to BUY

5-fold increase in sales After Rubean had already announced a good start into the year, the company has now published preliminary sales figures for Q1 '24. According to these figures, revenues more than quintupled in Q1 to EUR 0.5m (previous year EUR 0.1m). The company is benefiting from a significant rollout of its software and in particular from new contracts with major customers acquired last year. In Q1 '24, Rubean also announced that it had again won major customers in various regions, including a strategic alliance with the global payment network Discover. In addition, Rubean secured a transformational contract with Global Payments Europe to provide its PhonePOS payment solution to customers in Germany. We believe this contract is directly related to a joint venture between Commerzbank and Global Payments. The launch is scheduled for H1'24 and assuming conservative conversion rates, this contract alone could generate several million euros in annual recurring revenue (ARR) over the next 2-3 years.

Moving closer to break-even On the bottom line, Rubean also appears to be on track to increase profitability. In addition to economies of scale, Rubean has implemented cost reduction measures. According to the company, this has resulted in savings of approx. 10% compared to Q1 of last year. All of this is expected to contribute to Rubean's goal of achieving monthly recurring revenues covering total costs by the end of the year, bringing Rubean closer to its break-even target.

Outlook to double sales confirmed Based on the strong Q1 performance, management reaffirmed its guidance for revenues to reach around EUR 2.2-2.5m, representing a midpoint of ~140% yoy revenue growth (mwb est.: EUR 2.2m). While Q2 is expected to be seasonally weaker, Q3 and Q4 are likely to show first positive signs of the above mentioned strategic alliance with Global Payments and other newly acquired customers. Furthermore, management expects exponential growth to continue, with double-digit revenues targeted by 2026 / 2027.

Conclusion Yesterday's announcement is clearly positive. The very fact that Rubean has finally entered hyper scaling mode is reassuring in our view. We also believe that the Q1 results increase confidence that the company will indeed reach its targeted revenue range of EUR 2.2-2.5m. Therefore, we reiterate our BUY rating with an unchanged PT of EUR 12.00, offering c. 100% upside.

Rubean AG	2021	2022	2023E	2024E	2025E	2026E
Sales	0.7	0.8	1.1	2.2	5.1	7.7
<i>Growth yoy</i>	39.8%	26.0%	25.8%	109.5%	131.8%	50.0%
EBITDA	-3.9	-3.8	-3.5	-2.5	0.8	1.7
EBIT	-4.1	-4.0	-3.5	-2.6	0.6	1.4
Net profit	-4.2	-4.2	-3.6	-2.4	0.4	0.9
Net debt (net cash)	-1.2	4.1	3.8	6.5	6.7	6.5
Net debt/EBITDA	0.3x	-1.1x	-1.1x	-2.6x	8.2x	3.8x
EPS reported	-1.60	-1.55	-1.08	-0.74	0.11	0.27
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	56.2%	71.1%	73.0%	75.0%	93.0%	95.0%
EBITDA margin	-590.9%	-459.8%	-337.0%	-113.0%	16.0%	22.0%
EBIT margin	-619.1%	-480.4%	-337.5%	-117.6%	12.6%	18.4%
ROCE	-459.0%	-357.1%	-147.4%	-287.4%	49.6%	129.6%
EV/Sales	28.7x	29.2x	23.0x	12.4x	5.6x	3.8x
EV/EBITDA	-4.9x	-6.4x	-6.8x	-11.0x	34.9x	17.3x
EV/EBIT	-4.6x	-6.1x	-6.8x	-10.6x	44.4x	20.7x
PER	-3.8x	-3.9x	-5.6x	-8.3x	55.6x	22.6x

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 7.90 / 5.15
Price/Book Ratio -5.8x

Ticker / Symbols

ISIN DE0005120802
WKN 512080
Bloomberg R1B:GR

Changes in estimates

		Sales	EBIT	EPS
2024E	old	2.2	-2.6	-0.74
	Δ	0.0%	na%	na%
2025E	old	5.1	0.6	0.11
	Δ	0.0%	0.0%	0.0%
2026E	old	7.7	1.4	0.27
	Δ	0.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs) 3.28
Book value per share: (in EUR) -1.06
Ø trading vol.: (12 months) 500

Major shareholders

Founders 11.0%
Management & staff 7.0%
BMK Holding GmbH 15.0%
Free Float 37.0%

Company description

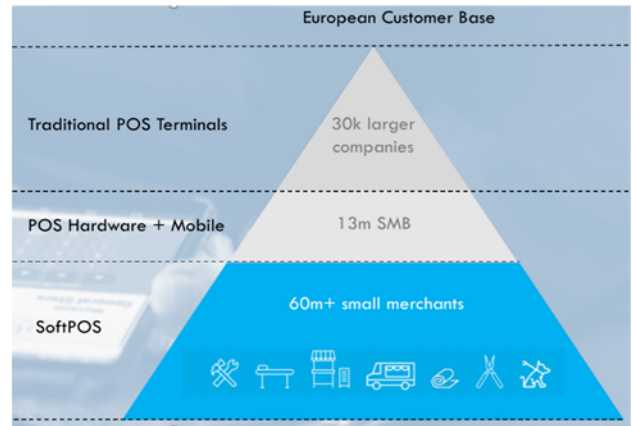
Rubean AG is a Germany-based Fintech that develops software for banks and online payment companies. It develops the payment acceptance solution phonePOS, which turns smartphones into merchant terminals at the point of sale (POS). Rubean partners with the German saving banks "Sparkassen" as well as BBVA and Global Payments.

Investment case in six charts

Business model PhonePOS



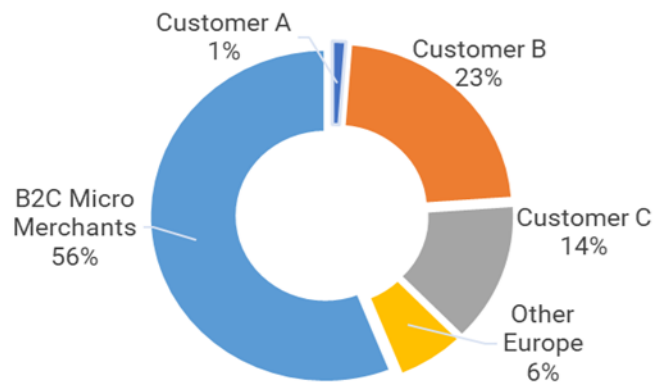
Market potential



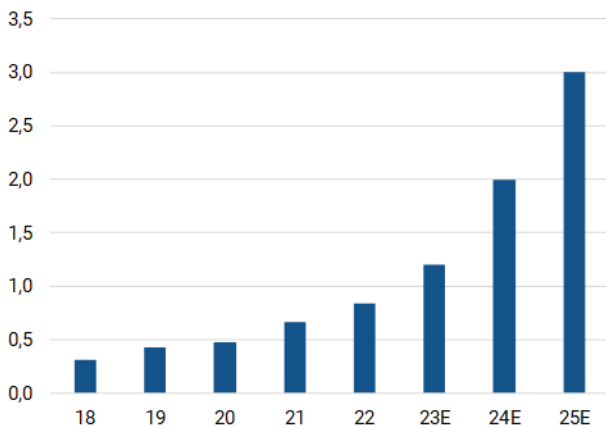
Customers



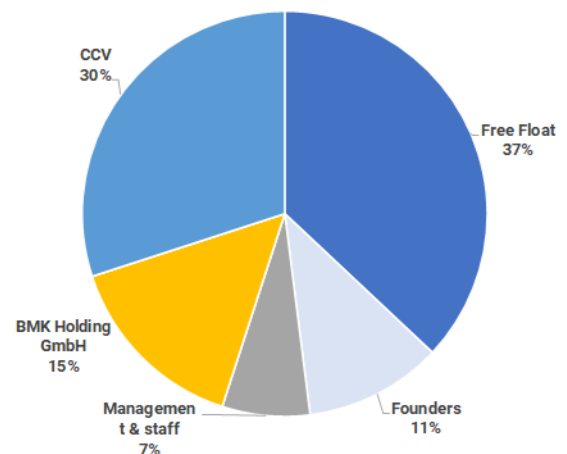
2024E sales by white label channel in %



Sales development in EURm



Major shareholder (after capital measures)



Source: Company data, mwb research

SWOT analysis

Strength

- 20 years of track record of working at the neuralgic interfaces of large banks, enabling them to connect with all kinds of legacy banking peripherals
- Software know-how which conforms to the most demanding quality and safety standards
- Very close partnership with EU market leader CCV
- Significant research and development initiatives of EUR 14m occurred during the last 5 years
- Powerful white label clients with the German Savings Bank organization "Sparkassen", Global Payments and BBVA
- Accredited with PCI SSC, the global head organization that develops standards and defines common security levels
- Accredited with Deutsche Kreditwirtschaft the head organization of the issuing institutes in Germany...
- ... as well as with the two major credit card institutes – Visa and Mastercard
- Talented and well incentivized management and employees

Weaknesses

- Relatively "small fish in a large pond"
- Lack of a real international footprint
- Dependency on a few large white label banking partner
- Still loss making
- Stretched balance sheet – additional funding required

Opportunities

- Increasing the share-of-wallet with own B2C Micro Merchant solution
- International expansion
- Potential takeover candidate
- Covid-19 induced structural change in payment behaviour of clients – card payments increasingly substitute cash payments – even for smaller amounts, could drive additional growth
- Potential future growth financing via capital markets – no banks needed

Threats

- Currently, Rubean's App only runs on Android systems. Apple could remain a closed shop
- Execution risks of building up the necessary organizational structure

Valuation

DCF Model

The DCF model results in a **fair value of EUR 12.06 per share**:

Top-line growth: We expect Rubean AG to grow revenues at a CAGR of 40.7% between 2024E and 2031E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from -287.4% in 2024E to 42.8% in 2031E.

WACC. Starting point is a historical equity beta of 1.20. Unlevering and correcting for mean reversion yields an asset beta of 1.18. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 11.7%. With pre-tax cost of borrowing at 6.0%, a tax rate of 25.0% and target debt/equity of 0.5 this results in a long-term WACC of 9.3%.

DCF (EURm) (except per share data and beta)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal value
NOPAT	-2.2	0.5	1.0	1.5	2.2	3.5	4.2	5.1	
Depreciation & amortization	0.1	0.2	0.3	0.4	0.5	0.6	0.6	0.6	
Change in working capital	-0.5	-1.1	-1.0	-0.7	-1.6	-1.0	-1.1	-1.4	
Chg. in long-term provisions	0.4	1.0	0.9	1.1	1.1	1.0	1.2	1.4	
Capex	-0.3	-0.7	-0.8	-0.9	-0.8	-0.7	-0.6	-0.7	
Cash flow	-2.5	0.0	0.4	1.4	1.4	3.4	4.2	5.0	69.7
Present value	-2.3	0.0	0.3	1.0	0.9	2.1	2.3	2.5	35.0
WACC	9.6%	9.6%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.3%

DCF per share derived from	
Total present value	41.8
Mid-year adj. total present value	43.7
Net debt / cash at start of year	3.8
Financial assets	1.6
Provisions and off b/s debt	0.4
Equity value	39.5
No. of shares outstanding	3.3
Discounted cash flow / share upside/(downside)	12.06 / 97.6%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2024E-2031E)	40.7%
Terminal value growth (2031E - infinity)	2.0%
Terminal year ROCE	42.8%
Terminal year WACC	9.3%

Terminal WACC derived from	
Cost of borrowing (before taxes)	6.0%
Long-term tax rate	25.0%
Equity beta	1.20
Unlevered beta (industry or company)	1.18
Target debt / equity	0.5
Relevered beta	1.62
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	11.7%

Share price	6.10
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Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth					Share of present value	
	1.0%	1.5%	2.0%	2.5%	3.0%		
2.0%	7.5	7.9	8.3	8.8	9.3	2024E-2027E	-2.4%
1.0%	8.9	9.4	9.9	10.6	11.3	2028E-2031E	18.8%
0.0%	10.6	11.3	12.1	12.9	13.9	terminal value	83.6%
-1.0%	12.9	13.8	14.9	16.1	17.6		
-2.0%	15.8	17.2	18.8	20.7	23.0		

Source: mwb research

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 -11.66 per share based on 2024E and EUR 6.98 per share on 2028E estimates.

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	2024E	2025E	2026E	2027E	2028E
EBITDA	-2.5	0.8	1.7	2.5	3.6
- Maintenance capex	0.1	0.2	0.3	0.4	0.5
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	-0.4	0.1	0.4	0.6	0.9
= Adjusted FCF	-2.2	0.6	1.0	1.5	2.2
Actual Market Cap	20.0	20.0	20.0	20.0	20.0
+ Net debt (cash)	6.5	6.7	6.5	5.1	3.7
+ Pension provisions	0.8	1.8	2.7	3.8	5.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	0.0	0.0	0.0	0.0	0.0
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	7.3	8.5	9.2	8.9	8.7
= Actual EV'	27.3	28.5	29.2	28.9	28.7
Adjusted FCF yield	-7.9%	2.0%	3.5%	5.1%	7.7%
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	-30.9	8.3	14.8	21.0	31.6
- <i>EV Reconciliations</i>	7.3	8.5	9.2	8.9	8.7
Fair Market Cap	-38.2	-0.3	5.6	12.1	22.9
No. of shares (million)	3.3	3.3	3.3	3.3	3.3
Fair value per share in EUR	-11.66	-0.08	1.70	3.68	6.98
Premium (-) / discount (+)	-291.2%	-101.3%	-72.1%	-39.6%	14.5%

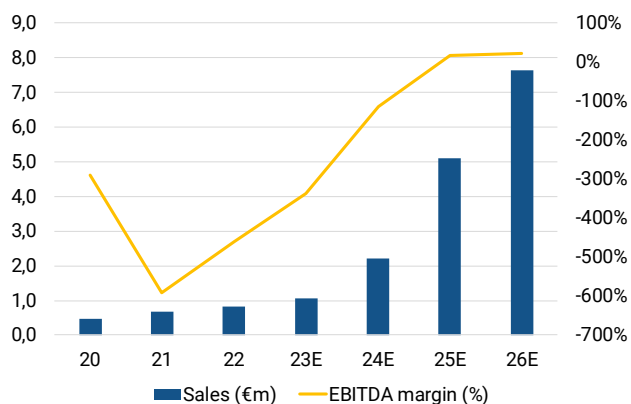
Sensitivity analysis FV						
Adjusted hurdle rate	5.0%	-15.4	0.9	3.5	6.2	10.8
	6.0%	-13.2	0.3	2.5	4.8	8.6
	7.0%	-11.7	-0.1	1.7	3.7	7.0
	8.0%	-10.5	-0.4	1.1	2.9	5.8
	9.0%	-9.6	-0.6	0.7	2.3	4.8

Source: Company data; mwb research

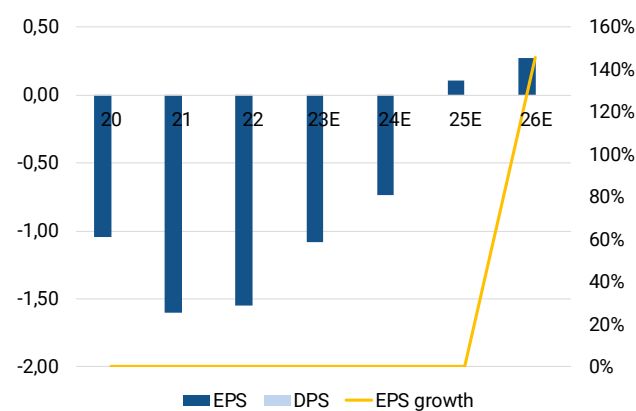
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

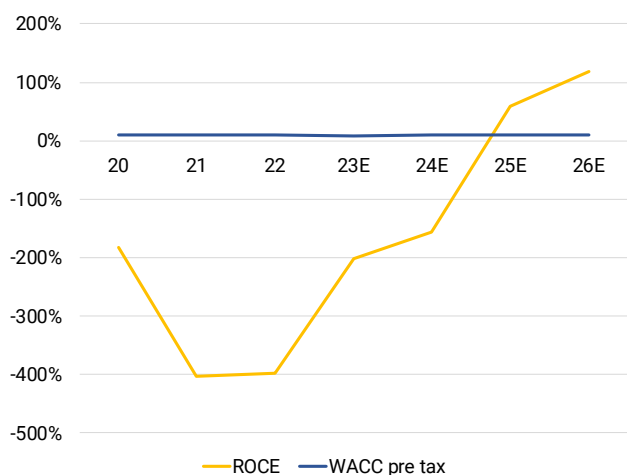
Sales vs. EBITDA margin development



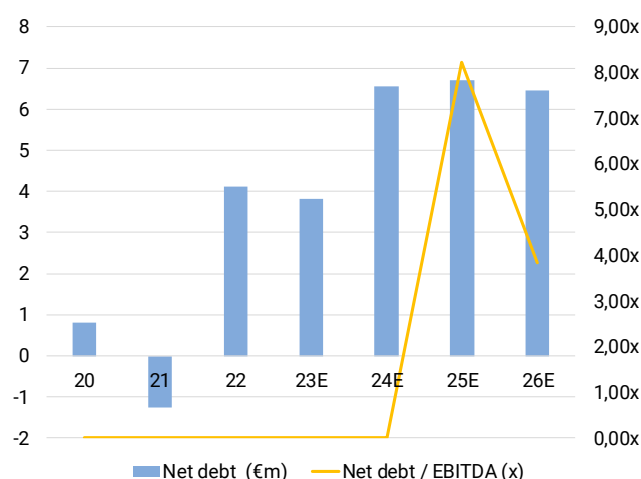
EPS, DPS in EUR & yoy EPS growth



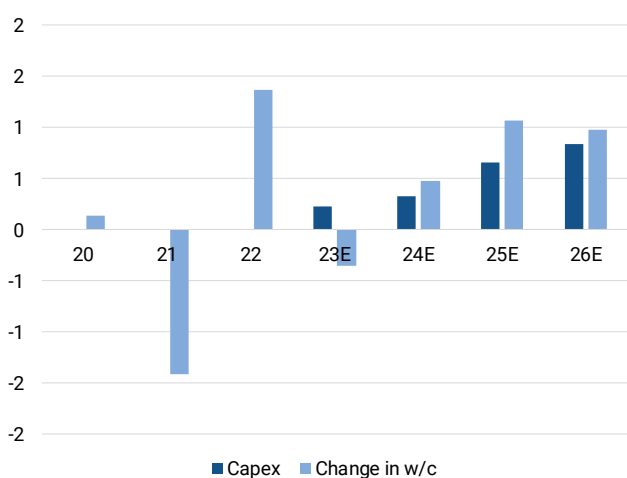
ROCE vs. WACC (pre tax)



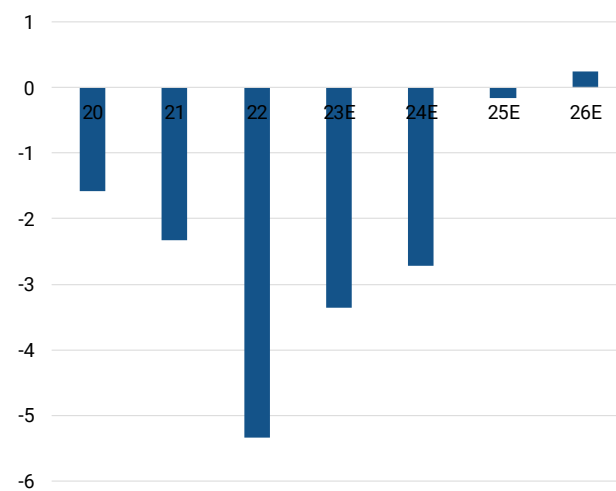
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

Profit and loss (EURm)	2021	2022	2023E	2024E	2025E	2026E
Net sales	0.7	0.8	1.1	2.2	5.1	7.7
Sales growth	39.8%	26.0%	25.8%	109.5%	131.8%	50.0%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	0.7	0.8	1.1	2.2	5.1	7.7
Material expenses	0.3	0.2	0.3	0.6	0.4	0.4
Gross profit	0.4	0.6	0.8	1.6	4.7	7.3
Other operating income	0.0	0.1	0.1	0.2	0.5	0.5
Personnel expenses	2.6	3.3	3.4	4.0	3.9	5.0
Other operating expenses	1.7	1.1	1.1	0.4	0.5	1.1
EBITDA	-3.9	-3.8	-3.5	-2.5	0.8	1.7
Depreciation	0.2	0.2	0.0	0.0	0.0	0.1
EBITA	-4.1	-4.0	-3.5	-2.5	0.8	1.6
Amortisation of goodwill and intangible assets	0.0	0.0	0.0	0.1	0.1	0.2
EBIT	-4.1	-4.0	-3.5	-2.6	0.6	1.4
Financial result	-0.1	-0.2	-0.2	-0.3	-0.2	-0.1
Recurring pretax income from continuing operations	-4.2	-4.2	-3.8	-2.8	0.4	1.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-4.2	-4.2	-3.8	-2.8	0.4	1.3
Taxes	0.0	0.0	-0.2	-0.4	0.1	0.4
Net income from continuing operations	-4.2	-4.2	-3.6	-2.4	0.4	0.9
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-4.2	-4.2	-3.6	-2.4	0.4	0.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-4.2	-4.2	-3.6	-2.4	0.4	0.9
Average number of shares	2.60	2.72	3.28	3.28	3.28	3.28
EPS reported	-1.60	-1.55	-1.08	-0.74	0.11	0.27

Profit and loss (common size)	2021	2022	2023E	2024E	2025E	2026E
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	44%	29%	27%	25%	7%	5%
Gross profit	56%	71%	73%	75%	93%	95%
Other operating income	4%	6%	10%	10%	10%	7%
Personnel expenses	397%	399%	320%	180%	77%	65%
Other operating expenses	254%	138%	100%	18%	10%	15%
EBITDA	-591%	-460%	-337%	-113%	16%	22%
Depreciation	28%	21%	1%	1%	1%	1%
EBITA	-619%	-480%	-338%	-114%	15%	21%
Amortisation of goodwill and intangible assets	0%	0%	0%	4%	3%	2%
EBIT	-619%	-480%	-338%	-118%	13%	18%
Financial result	-10%	-23%	-23%	-12%	-4%	-2%
Recurring pretax income from continuing operations	-629%	-503%	-360%	-129%	8%	16%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-629%	-503%	-360%	-129%	8%	16%
Taxes	0%	0%	-22%	-19%	1%	5%
Net income from continuing operations	-629%	-503%	-339%	-110%	7%	12%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-629%	-503%	-339%	-110%	7%	12%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	-629%	-503%	-339%	-110%	7%	12%

Source: Company data; mwb research

Balance sheet (EURm)	2021	2022	2023E	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	0.5	0.4	0.5	0.7	0.9	1.2
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.1	0.0	0.1	0.2	0.4	0.7
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	0.6	0.4	0.6	0.9	1.4	1.9
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.1	0.4	0.5	1.0	2.3	3.4
Other current assets	0.2	0.2	0.2	0.2	0.2	0.2
Liquid assets	1.2	0.3	1.7	-0.5	-1.7	-3.5
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.1	0.0	0.0	0.0	0.0
CURRENT ASSETS	1.6	0.8	2.3	0.6	0.7	0.1
TOTAL ASSETS	2.1	1.3	2.9	1.5	2.1	2.0
SHAREHOLDERS EQUITY	0.7	-3.6	-3.5	-5.9	-5.5	-4.6
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	3.9	5.5	6.0	5.0	3.0
Provisions for pensions and similar obligations	0.2	0.3	0.4	0.8	1.8	2.7
Other provisions	0.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	0.2	4.2	5.9	6.8	6.8	5.7
short-term liabilities to banks	0.0	0.5	0.0	0.0	0.0	0.0
Accounts payable	0.1	0.1	0.0	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)	1.2	0.0	0.5	0.6	0.8	0.9
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	1.2	0.6	0.5	0.6	0.8	0.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	2.1	1.3	2.9	1.5	2.1	2.0

Balance sheet (common size)	2021	2022	2023E	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	24%	30%	18%	46%	46%	61%
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	3%	3%	4%	13%	20%	35%
Financial assets	0%	0%	0%	0%	0%	0%
FIXED ASSETS	27%	33%	22%	60%	66%	96%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	7%	29%	16%	67%	109%	168%
Other current assets	8%	12%	5%	10%	7%	8%
Liquid assets	58%	21%	57%	-37%	-83%	-172%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	4%	0%	0%	0%	0%
CURRENT ASSETS	73%	67%	78%	40%	34%	4%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	30%	-284%	-118%	-406%	-268%	-231%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	313%	188%	414%	243%	149%
Provisions for pensions and similar obligations	11%	24%	13%	54%	88%	136%
Other provisions	0%	0%	0%	0%	0%	0%
Non-current liabilities	11%	337%	200%	468%	331%	286%
short-term liabilities to banks	0%	37%	0%	0%	0%	0%
Accounts payable	3%	8%	0%	0%	0%	0%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	55%	0%	18%	38%	37%	46%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	2%	0%	0%	0%	0%
Current liabilities	58%	47%	18%	38%	37%	46%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Cash flow statement (EURm)	2021	2022	2023E	2024E	2025E	2026E
Net profit/loss	-4.2	-4.2	-3.6	-2.4	0.4	0.9
Depreciation of fixed assets (incl. leases)	0.2	0.2	0.0	0.0	0.0	0.1
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	0.1	0.1	0.2
Others	0.2	0.1	0.1	0.4	1.0	0.9
Cash flow from operations before changes in w/c	-3.7	-4.0	-3.5	-1.9	1.6	2.1
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-0.1	-0.2	-0.1	-0.5	-1.3	-1.1
Increase/decrease in accounts payable	-0.1	0.0	-0.1	0.0	0.0	0.0
Increase/decrease in other w/c positions	1.6	-1.2	0.6	0.0	0.2	0.2
Increase/decrease in working capital	1.4	-1.4	0.4	-0.5	-1.1	-1.0
Cash flow from operating activities	-2.3	-5.3	-3.1	-2.4	0.5	1.1
CAPEX	0.0	0.0	-0.2	-0.3	-0.7	-0.8
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	0.0	0.0	-0.2	-0.3	-0.7	-0.8
Cash flow before financing	-2.3	-5.3	-3.4	-2.7	-0.2	0.2
Increase/decrease in debt position	-1.4	4.4	1.1	0.5	-1.0	-2.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	2.3	0.0	3.6	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	4.3	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	5.3	4.4	4.8	0.5	-1.0	-2.0
Increase/decrease in liquid assets	2.9	-1.0	1.4	-2.2	-1.2	-1.8
Liquid assets at end of period	1.3	0.3	1.7	-0.5	-1.7	-3.4

Source: Company data; mwb research

Regional sales split (EURm)	2021	2022	2023E	2024E	2025E	2026E
Domestic	0.7	0.8	-0.3	-1.1	-3.0	-12.7
Europe (ex domestic)	0.0	0.0	1.3	3.3	8.1	20.3
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	0.7	0.8	1.1	2.2	5.1	7.7

Regional sales split (common size)	2021	2022	2023E	2024E	2025E	2026E
Domestic	100.0%	100.0%	-23.8%	-47.7%	-59.3%	-165.5%
Europe (ex domestic)	0.0%	0.0%	123.8%	147.7%	159.3%	265.5%
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; mwb research

Ratios	2021	2022	2023E	2024E	2025E	2026E
Per share data						
Earnings per share reported	-1.60	-1.55	-1.08	-0.74	0.11	0.27
Cash flow per share	-0.97	-2.03	-0.95	-0.76	0.10	0.25
Book value per share	0.25	-1.31	-1.06	-1.80	-1.69	-1.42
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-3.8x	-3.9x	-5.6x	-8.3x	55.6x	22.6x
P/CF	-6.3x	-3.0x	-6.4x	-8.0x	60.9x	24.4x
P/BV	24.3x	-4.7x	-5.8x	-3.4x	-3.6x	-4.3x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-15.8%	-33.2%	-15.6%	-12.5%	1.6%	4.1%
EV/Sales	28.7x	29.2x	23.0x	12.4x	5.6x	3.8x
EV/EBITDA	-4.9x	-6.4x	-6.8x	-11.0x	34.9x	17.3x
EV/EBIT	-4.6x	-6.1x	-6.8x	-10.6x	44.4x	20.7x
Income statement (EURm)						
Sales	0.7	0.8	1.1	2.2	5.1	7.7
yoy chg in %	39.8%	26.0%	25.8%	109.5%	131.8%	50.0%
Gross profit	0.4	0.6	0.8	1.6	4.7	7.3
Gross margin in %	56.2%	71.1%	73.0%	75.0%	93.0%	95.0%
EBITDA	-3.9	-3.8	-3.5	-2.5	0.8	1.7
EBITDA margin in %	-590.9%	-459.8%	-337.0%	-113.0%	16.0%	22.0%
EBIT	-4.1	-4.0	-3.5	-2.6	0.6	1.4
EBIT margin in %	-619.1%	-480.4%	-337.5%	-117.6%	12.6%	18.4%
Net profit	-4.2	-4.2	-3.6	-2.4	0.4	0.9
Cash flow statement (EURm)						
CF from operations	-2.3	-5.3	-3.1	-2.4	0.5	1.1
Capex	0.0	0.0	-0.2	-0.3	-0.7	-0.8
Maintenance Capex	0.2	0.2	0.0	0.1	0.2	0.3
Free cash flow	-2.3	-5.3	-3.4	-2.7	-0.2	0.2
Balance sheet (EURm)						
Intangible assets	0.5	0.4	0.5	0.7	0.9	1.2
Tangible assets	0.1	0.0	0.1	0.2	0.4	0.7
Shareholders' equity	0.7	-3.6	-3.5	-5.9	-5.5	-4.6
Pension provisions	0.2	0.3	0.4	0.8	1.8	2.7
Liabilities and provisions	0.2	4.7	5.9	6.8	6.8	5.7
Net financial debt	-1.2	4.1	3.8	6.5	6.7	6.5
w/c requirements	0.1	0.3	0.5	1.0	2.3	3.4
Ratios						
ROE	-638.9%	118.0%	102.4%	41.0%	-6.5%	-19.0%
ROCE	-459.0%	-357.1%	-147.4%	-287.4%	49.6%	129.6%
Net gearing	-191.2%	-115.7%	-110.3%	-111.2%	-121.3%	-139.0%
Net debt / EBITDA	0.3x	-1.1x	-1.1x	-2.6x	8.2x	3.8x

Source: Company data; mwb research

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