

CHAPTERS Group AG

Germany | Financial Services | MCap EUR 324.9m

31 January 2024

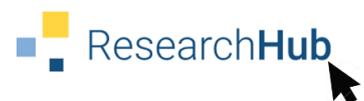
UPDATE



Increased shareholdings,
profile becoming more
distinct; PT up

BUY (BUY)

Target price	EUR 22.00 (21.00)
Current price	EUR 17.90
Up/downside	22.9%



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What's it all about?

Last week, CHAPTERS Group announced that the shareholdings in two portfolio companies was increased. Firstly, CHAPTERS expanded its share in Fintiba from 39.9% to 55%. After an initial shareholding through a capital increase, CHAPTERS increased its share in stock-listed Software Circle (formerly: Grafenia plc), a UK based serial acquirer of vertical market software (VMS) companies, to 29.9%. The increased shares will be contributed as part of a non-cash capital increase. In total, CHAPTERS will be issuing c. 1.4m new shares at a price of EUR 17.61 per share, which is in line with the recent capital increase in November 2023. While Software Circle reflects a strategic fit, we consider the increase in the shareholding in Fintiba to be a logical progression in order to leverage its potential and take the company to a new level. We confirm to BUY with PT EUR 22.00 (prev. EUR 21.00).

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

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Increased shareholdings, profile becoming more distinct; PT up

Now holding a majority stake in Fintiba: Last week, CHAPTERS Group announced that the shareholdings in two portfolio companies was increased. The company expanded its share in Fintiba from 39.9% to 55%. Fintiba offers blocked accounts for foreigners coming to Germany, particularly international students and expats. The company has quickly gained a very high market share by enabling customers to open blocked accounts quickly and cost-effectively. In our view, Fintiba could offer unforeseen potential - not least due to rising interest rates, but also due to newly implemented cross-selling opportunities, e.g. from offering add-on financial products and services.

30% in Software Circle: After an initial shareholding through a capital increase, CHAPTERS increased its share in UK-based Software Circle (formerly: Grafenia plc) to 29.9%. Like CHAPTERS itself, Software Circle is a serial acquirer of vertical market software (VMS) companies, also following a similar long-term strategy. According to its last annual report, Software Circle generated annual revenue of GBP 12.6m (~ EUR 14m), and an adj. EBITDA of GBP 1.7m (before central costs, ~EUR 2m).

Capital increase in kind. The increase in shareholding for the two companies will be carried out by issuing new CHAPTERS shares. Fintiba's management will receive 587,911 in new CHAPTERS shares, after part of the purchase price has been paid in cash or via the deferral of a vendor loan. For Software Circle, CHAPTERS has agreed on a share deal with some of its existing shareholders, who will receive 810,602 new CHAPTERS shares. In total, the company will be issuing c. 1.4m new shares at a price of EUR 17.61 per share, which is in line with the recent capital increase in November 2023. This translates to a value of the Fintiba consideration of EUR 10.4m, and EUR 14.3m for Software Circle.

Conclusion: We consider the increase in the shareholding in Fintiba to be a logical progression in order to leverage its potential and take the company to a new level. The investment in Software Circle has now more significance as we see this as a strategic expansion into the UK and a further contribution to sharpening the profile. Our model adjustments include a dilutive effect from a higher number of shares, which is more than offset by the inclusion of Software Circle (29.9%, at equity consolidation), and the full consolidation of Fintiba from FY24E onwards. We come to a new PT of EUR 22.00 (old: EUR 21.00), confirming our BUY rating.

CHAPTERS Group AG	2020	2021	2022	2023E	2024E	2025E
Sales	15.7	28.7	42.1	65.2	83.5	96.0
<i>Growth yoy</i>	0.0%	82.5%	46.8%	55.0%	28.0%	15.0%
EBITDA	4.6	6.2	10.5	12.1	20.4	25.4
EBIT	1.1	0.9	2.5	-0.7	6.3	11.4
Net profit	3.3	-1.2	-5.9	-0.4	8.0	12.9
Net debt (net cash)	27.8	35.1	26.1	-15.5	-27.9	-43.6
Net debt/EBITDA	6.0x	5.7x	2.5x	-1.3x	-1.4x	-1.7x
EPS reported	0.98	-0.11	-0.37	-0.02	0.41	0.66
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	84.7%	81.7%	83.2%	82.0%	82.0%	82.0%
EBITDA margin	29.3%	21.7%	25.0%	18.5%	24.5%	26.5%
EBIT margin	7.0%	3.3%	6.0%	-1.1%	7.5%	11.9%
ROCE	2.7%	1.1%	1.7%	-0.4%	3.3%	5.7%
EV/Sales	22.5x	12.6x	8.3x	4.7x	3.6x	2.9x
EV/EBITDA	76.7x	57.9x	33.4x	25.7x	14.5x	11.1x
EV/EBIT	321.9x	383.9x	139.8x	-437.3x	47.4x	24.6x
PER	18.3x	-167.9x	-48.9x	-845.4x	43.5x	27.0x

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 9.10 / 15.90
Price/Book Ratio 3.2x

Ticker / Symbols

ISIN DE0006618309
WKN 661830
Bloomberg CHG:GR

Changes in estimates

		Sales	EBIT	EPS
2023E	old	65.2	-0.7	-0.01
	Δ	0.0%	na%	na%
2024E	old	78.2	5.8	0.27
	Δ	6.7%	8.6%	54.2%
2025E	old	90.0	10.9	0.50
	Δ	6.7%	5.1%	31.3%

Key share data

Number of shares: (in m pcs) 18.15
Book value per share: (in EUR) 5.64
Ø trading volume: (12 months) 1,800

Major shareholders

Sator Grove 18.1%
Mitchell Rales Trust /Foundation 15.4%
MIT 9.7%
TGV Langfrist 9.4%
Sun Mountain 7.2%
Free Float 35.2%

Company description

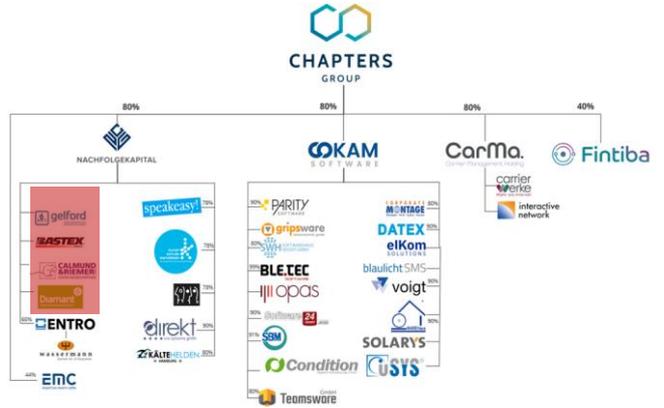
CHAPTERS Group is a holding company based in Hamburg, Germany. Through its investment platforms, CHAPTERS invests in companies with leading positions in attractive niches. The investment portfolio comprises of companies in the DACH region, but also in the Czech Republic and France.

Investment case in six charts

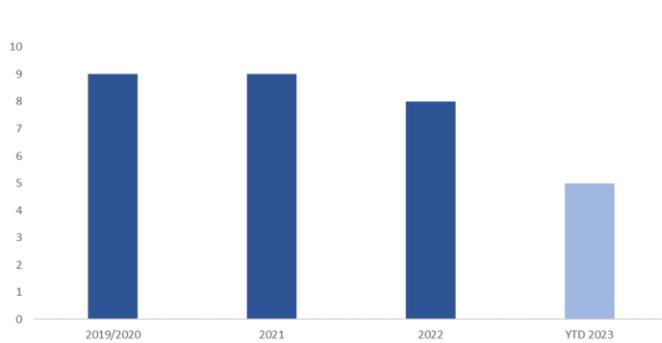
Business model

Platform	Add-on
<ul style="list-style-type: none"> Stand-alone companies in the lower midmarket Revenues <EUR 10m Equity ticket up to 15m 	<ul style="list-style-type: none"> Add-on investments for existing portfolio companies Strengthening platform investments Expanding value chain

Group structure



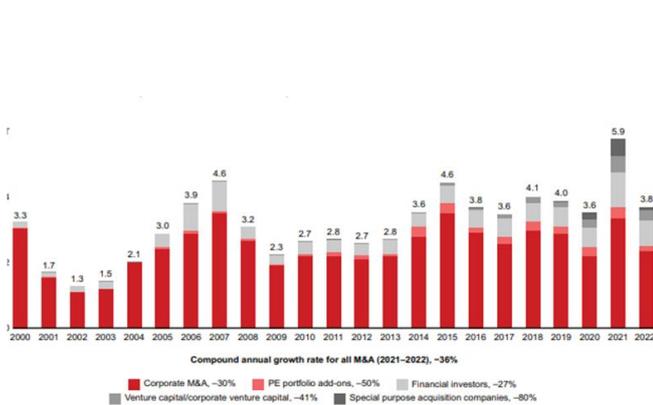
Number of deals (majority stakes)



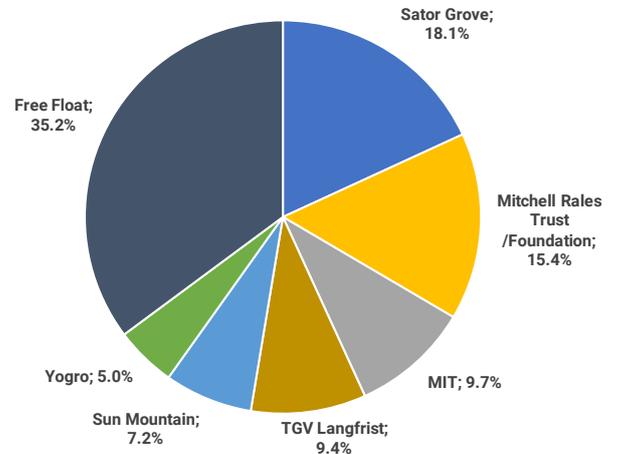
Competitive landscape



M&A deal market value (in trillions USD)



Major shareholders



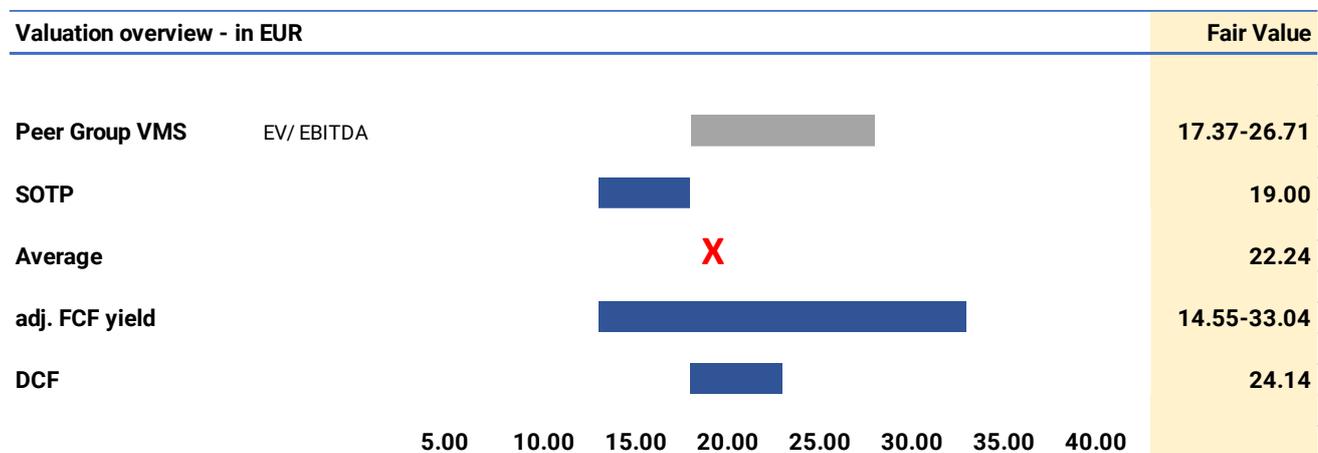
Source: Company data, AlsterResearch

Valuation

In order to derive at a fair value for CHAPTERS Group we have conducted several valuation approaches. We note however that valuing an asset management firm, traditional valuation techniques often provide pitfalls and hence do not 100% accurately reflect the true value of the company. These are:

1. DCF Model
2. Adj. FCF yield
3. Peer group analysis
4. Sum of the part (SOTP) valuation

The following table summarizes the potential range of fair values for CHAPTERS, using the different valuation approaches.



Source: AlsterResearch

DCF Model

The DCF model results in a **fair value of EUR 24.14 per share**:

Top-line growth: We expect CHAPTERS Group AG to grow revenues at a CAGR of 12.4% between 2023E and 2030E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from -0.4% in 2023E to 11.9% in 2030E.

WACC. Starting point is a historical equity beta of 1.25. Unlevering and correcting for mean reversion yields an asset beta of 1.05. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 10.5%. With pre-tax cost of borrowing at 6.0%, a tax rate of 30.0% and target debt/equity of 0.5 this results in a long-term WACC of 8.4%.

DCF (EURm) (except per share data and beta)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	-0.6	6.5	11.4	15.2	19.0	22.7	25.3	29.4	
Depreciation & amortization	12.8	14.2	14.0	15.2	14.7	14.2	15.0	14.4	
Change in working capital	-0.7	-0.3	1.2	0.9	-0.2	-1.6	0.6	0.7	
Chg. in long-term provisions	1.1	0.8	0.6	0.4	0.5	0.5	0.4	0.5	
Capex	-6.5	-8.3	-9.6	-10.6	-11.6	-12.8	-13.7	-14.8	
Cash flow	6.0	12.9	17.5	21.1	22.4	23.1	27.6	30.2	480.3
Present value	6.0	12.0	15.0	16.7	16.4	15.6	17.2	17.3	274.9
WACC	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.4%

DCF per share derived from	
Total present value	391.2
Mid-year adj. total present value	407.2
Net debt / cash at start of year	26.1
Financial assets	57.1
Provisions and off b/s debt	na
Equity value	438.2
No. of shares outstanding	18.1
Discounted cash flow / share upside/(downside)	24.14 / 34.9%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2023E-2030E)	12.4%
Terminal value growth (2030E - infinity)	2.0%
Terminal year ROCE	11.9%
Terminal year WACC	8.4%

Terminal WACC derived from	
Cost of borrowing (before taxes)	6.0%
Long-term tax rate	30.0%
Equity beta	1.25
Unlevered beta (industry or company)	1.05
Target debt / equity	0.5
Relevered beta	1.42
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	10.5%

Share price	17.90
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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%		17.4	18.0	18.7	19.4	20.2	2023E-2026E	12.7%
1.0%		19.4	20.2	21.0	22.0	23.2	2027E-2030E	17.0%
0.0%		21.9	22.9	24.1	25.6	27.2	terminal value	70.3%
-1.0%		25.2	26.6	28.4	30.5	33.2		
-2.0%		29.7	31.9	34.7	38.1	42.6		

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 14.55 per share based on 2023E and EUR 33.04 per share on 2027E 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	2023E	2024E	2025E	2026E	2027E
EBITDA	12.1	20.4	25.4	30.6	34.3
- Maintenance capex	0.7	1.1	1.6	2.1	2.6
- Minorities	0.1	-2.1	-3.4	-4.3	-5.3
- tax expenses	-0.1	2.6	4.1	5.3	6.5
= Adjusted FCF	11.5	18.9	23.1	27.5	30.5
Actual Market Cap	324.9	324.9	324.9	324.9	324.9
+ Net debt (cash)	-15.5	-27.9	-43.6	-61.9	-80.6
+ 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	57.1	57.1	57.1	57.1	57.1
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	-72.6	-85.0	-100.7	-119.0	-137.7
= Actual EV'	252.3	239.9	224.2	205.9	187.2
Adjusted FCF yield	4.6%	7.9%	10.3%	13.4%	16.3%
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	191.4	314.7	384.6	458.9	508.2
- <i>EV Reconciliations</i>	-72.6	-85.0	-100.7	-119.0	-137.7
Fair Market Cap	264.0	399.6	485.2	578.0	645.9
No. of shares (million)	18.1	19.5	19.5	19.5	19.5
Fair value per share in EUR	14.55	20.44	24.82	29.57	33.04
Premium (-) / discount (+)	-18.7%	14.2%	38.7%	65.2%	84.6%

Sensitivity analysis FV

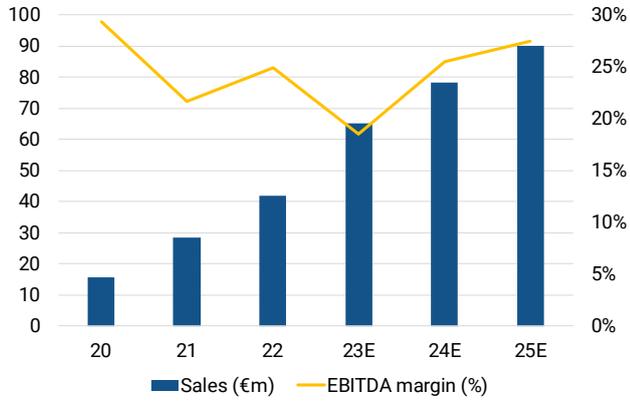
	4.0%	19.8	28.5	34.7	41.3	46.0
Adjusted hurdle rate	5.0%	16.7	23.7	28.8	34.3	38.2
	6.0%	14.5	20.4	24.8	29.6	33.0
	7.0%	13.0	18.1	22.0	26.2	29.3
	8.0%	11.9	16.4	19.9	23.7	26.5

Source: Company data; AlsterResearch

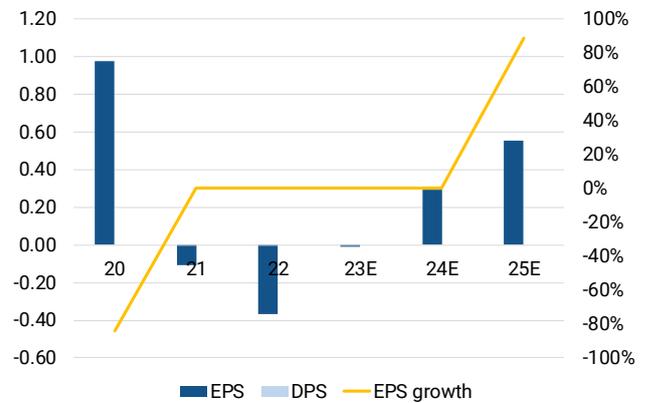
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

Financials in six charts

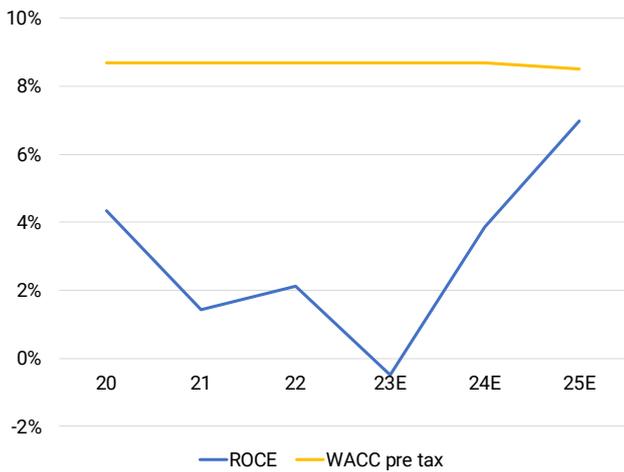
Sales vs. EBITDA margin development



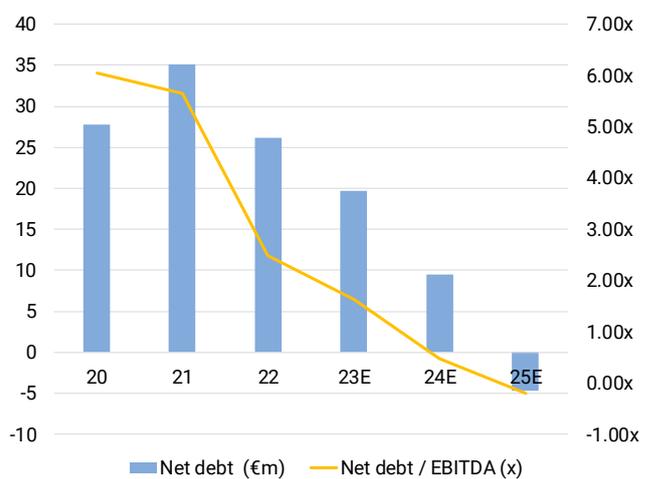
EPS, DPS in EUR & yoy EPS growth



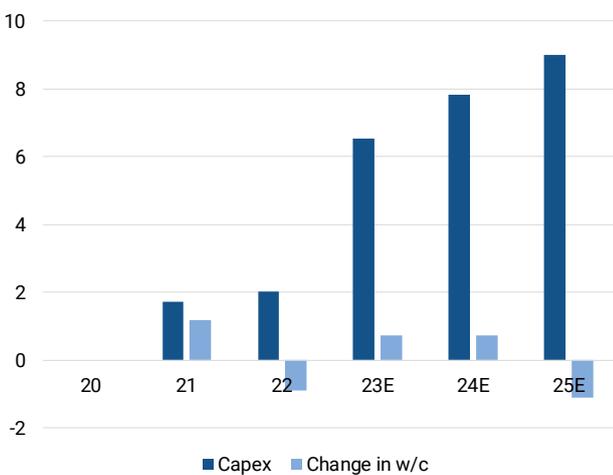
ROCE vs. WACC (pre tax)



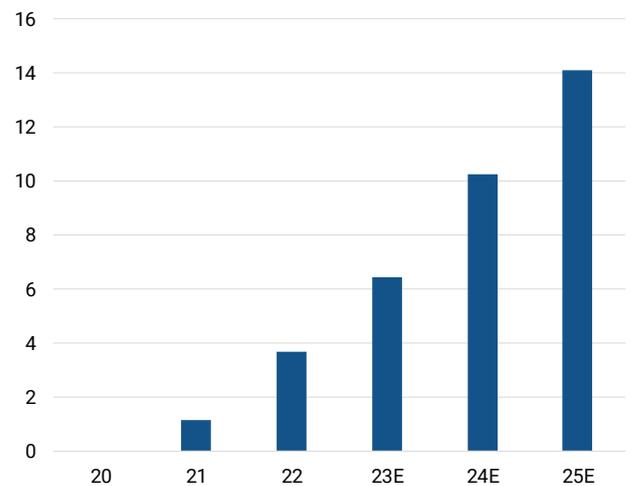
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EURm)	2020	2021	2022	2023E	2024E	2025E
Net sales	15.7	28.7	42.1	65.2	83.5	96.0
Sales growth	0.0%	82.5%	46.8%	55.0%	28.0%	15.0%
Change in finished goods and work-in-process	0.0	-0.7	0.1	0.0	0.0	0.0
Total sales	15.7	27.9	42.2	65.2	83.5	96.0
Material expenses	2.4	4.5	7.2	11.7	15.0	17.3
Gross profit	13.3	23.4	35.0	53.5	68.4	78.7
Other operating income	2.1	3.0	7.7	6.5	14.2	16.3
Personnel expenses	8.1	13.6	20.2	31.6	38.4	42.2
Other operating expenses	2.7	6.6	12.0	16.3	23.8	27.4
EBITDA	4.6	6.2	10.5	12.1	20.4	25.4
Depreciation	0.0	0.1	0.0	0.9	1.5	2.1
EBITA	4.6	6.1	10.5	11.2	19.0	23.3
Amortisation of goodwill and intangible assets	3.5	5.2	8.0	11.9	12.7	11.9
EBIT	1.1	0.9	2.5	-0.7	6.3	11.4
Financial result	2.2	-2.6	-8.3	0.3	2.3	2.3
Recurring pretax income from continuing operations	3.3	-1.6	-5.8	-0.5	8.5	13.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	3.3	-1.6	-5.8	-0.5	8.5	13.7
Taxes	0.0	0.6	0.8	-0.1	2.6	4.1
Net income from continuing operations	3.3	-2.3	-6.6	-0.3	6.0	9.6
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	3.3	-2.3	-6.6	-0.3	6.0	9.6
Minority interest	0.0	1.1	0.7	-0.1	2.1	3.4
Net profit (reported)	3.3	-1.2	-5.9	-0.4	8.0	12.9
Average number of shares	3.33	11.00	16.07	18.15	19.55	19.55
EPS reported	0.98	-0.11	-0.37	-0.02	0.41	0.66

Profit and loss (common size)	2020	2021	2022	2023E	2024E	2025E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	0%	-2%	0%	0%	0%	0%
Total sales	100%	98%	100%	100%	100%	100%
Material expenses	15%	16%	17%	18%	18%	18%
Gross profit	85%	82%	83%	82%	82%	82%
Other operating income	13%	11%	18%	10%	17%	17%
Personnel expenses	52%	47%	48%	49%	46%	44%
Other operating expenses	17%	23%	29%	25%	29%	28%
EBITDA	29%	22%	25%	18%	24%	27%
Depreciation	0%	0%	0%	1%	2%	2%
EBITA	29%	21%	25%	17%	23%	24%
Amortisation of goodwill and intangible assets	22%	18%	19%	18%	15%	12%
EBIT	7%	3%	6%	-1%	8%	12%
Financial result	14%	-9%	-20%	0%	3%	2%
Recurring pretax income from continuing operations	21%	-6%	-14%	-1%	10%	14%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	21%	-6%	-14%	-1%	10%	14%
Taxes	0%	2%	2%	-0%	3%	4%
Net income from continuing operations	21%	-8%	-16%	-0%	7%	10%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	21%	-8%	-16%	-0%	7%	10%
Minority interest	0%	4%	2%	-0%	2%	3%
Net profit (reported)	21%	-4%	-14%	-1%	10%	13%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	6.4	9.6	9.5	9.5	9.5	9.5
Goodwill	21.6	41.9	59.5	50.9	42.3	35.3
Property, plant and equipment	0.5	1.4	3.5	5.9	8.6	11.2
Financial assets	6.9	27.5	57.1	57.1	57.1	57.1
FIXED ASSETS	35.4	80.5	129.6	123.4	117.5	113.1
Inventories	0.3	1.2	2.4	3.1	3.9	4.5
Accounts receivable	1.2	1.8	3.9	5.9	7.5	8.7
Other current assets	0.7	2.3	2.2	2.2	2.2	2.2
Liquid assets	4.2	11.1	26.3	67.9	80.3	96.0
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	8.0	6.6	4.9	8.2	10.4	12.0
CURRENT ASSETS	14.4	23.0	39.7	87.1	104.3	123.3
TOTAL ASSETS	49.8	103.5	169.3	210.5	221.8	236.4
SHAREHOLDERS EQUITY	8.4	41.1	90.6	125.6	131.6	141.2
MINORITY INTEREST	-0.2	0.7	1.6	1.6	1.6	1.6
Long-term debt	32.1	46.2	52.4	52.4	52.4	52.4
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.6	1.1	1.9	3.0	3.8	4.4
Non-current liabilities	32.7	47.3	54.3	55.4	56.2	56.8
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.4	1.1	1.8	3.0	3.8	4.4
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)	6.8	9.9	16.9	19.6	22.5	25.9
Deferred taxes	1.4	2.5	2.7	2.7	2.7	2.7
Deferred income	0.3	0.9	1.3	2.6	3.3	3.8
Current liabilities	8.9	14.4	22.8	27.9	32.4	36.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	49.8	103.5	169.3	210.5	221.8	236.4

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	13%	9%	6%	5%	4%	4%
Goodwill	43%	41%	35%	24%	19%	15%
Property, plant and equipment	1%	1%	2%	3%	4%	5%
Financial assets	14%	27%	34%	27%	26%	24%
FIXED ASSETS	71%	78%	77%	59%	53%	48%
Inventories	1%	1%	1%	1%	2%	2%
Accounts receivable	2%	2%	2%	3%	3%	4%
Other current assets	1%	2%	1%	1%	1%	1%
Liquid assets	9%	11%	16%	32%	36%	41%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	16%	6%	3%	4%	5%	5%
CURRENT ASSETS	29%	22%	23%	41%	47%	52%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	17%	40%	54%	60%	59%	60%
MINORITY INTEREST	-0%	1%	1%	1%	1%	1%
Long-term debt	64%	45%	31%	25%	24%	22%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	1%	1%	1%	1%	2%	2%
Non-current liabilities	66%	46%	32%	26%	25%	24%
short-term liabilities to banks	0%	0%	0%	0%	0%	0%
Accounts payable	1%	1%	1%	1%	2%	2%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	14%	10%	10%	9%	10%	11%
Deferred taxes	3%	2%	2%	1%	1%	1%
Deferred income	1%	1%	1%	1%	2%	2%
Current liabilities	18%	14%	13%	13%	15%	16%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	0.0	-2.2	-6.6	-0.3	6.0	9.6
Depreciation of fixed assets (incl. leases)	0.0	0.5	0.5	0.9	1.5	2.1
Amortisation of goodwill	0.0	3.3	5.6	11.9	12.7	11.9
Amortisation of intangible assets	0.0	1.3	1.8	0.0	0.0	0.0
Others	0.0	1.1	3.4	1.1	0.8	0.6
Cash flow from operations before changes in w/c	0.0	4.1	4.8	13.5	21.0	24.1
Increase/decrease in inventory	0.0	-1.4	-1.1	-0.7	-0.9	-0.6
Increase/decrease in accounts receivable	0.0	0.0	0.0	-2.0	-1.7	-1.1
Increase/decrease in accounts payable	0.0	0.2	2.0	1.2	0.8	0.6
Increase/decrease in other w/c positions	0.0	0.0	0.0	0.7	1.4	2.3
Increase/decrease in working capital	0.0	-1.2	0.9	-0.7	-0.3	1.2
Cash flow from operating activities	0.0	2.9	5.7	12.8	20.7	25.3
CAPEX	0.0	-1.7	-2.0	-6.5	-8.3	-9.6
Payments for acquisitions	0.0	-27.2	-17.1	0.0	0.0	0.0
Financial investments	0.0	-18.5	-34.1	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	-47.4	-53.2	-6.5	-8.3	-9.6
Cash flow before financing	0.0	-44.5	-47.5	6.2	12.4	15.7
Increase/decrease in debt position	0.0	11.7	2.5	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	36.0	57.2	35.4	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	3.8	3.1	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	0.0	51.5	62.7	35.4	0.0	0.0
Increase/decrease in liquid assets	0.0	7.0	15.2	41.6	12.4	15.7
Liquid assets at end of period	4.2	11.2	26.4	68.0	80.4	96.1

Source: Company data; AlsterResearch

Regional sales split (EURm)	2020	2021	2022	2023E	2024E	2025E
Domestic	15.7	28.7	42.1	65.2	83.5	96.0
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	15.7	28.7	42.1	65.2	83.5	96.0

Regional sales split (common size)	2020	2021	2022	2023E	2024E	2025E
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	2020	2021	2022	2023E	2024E	2025E
Per share data						
Earnings per share reported	0.98	-0.11	-0.37	-0.02	0.41	0.66
Cash flow per share	-0.00	0.25	0.35	0.67	1.00	1.21
Book value per share	2.53	3.74	5.64	6.92	6.73	7.22
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	18.3x	-167.9x	-48.9x	-845.4x	43.5x	27.0x
P/CF	-13,421.4x	71.2x	50.5x	26.8x	17.8x	14.8x
P/BV	7.1x	4.8x	3.2x	2.6x	2.7x	2.5x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-0.0%	1.4%	2.0%	3.7%	5.6%	6.8%
EV/Sales	22.5x	12.6x	8.3x	4.7x	3.6x	2.9x
EV/EBITDA	76.7x	57.9x	33.4x	25.7x	14.5x	11.1x
EV/EBIT	321.9x	383.9x	139.8x	-437.3x	47.4x	24.6x
Income statement (EURm)						
Sales	15.7	28.7	42.1	65.2	83.5	96.0
yoy chg in %	0.0%	82.5%	46.8%	55.0%	28.0%	15.0%
Gross profit	13.3	23.4	35.0	53.5	68.4	78.7
Gross margin in %	84.7%	81.7%	83.2%	82.0%	82.0%	82.0%
EBITDA	4.6	6.2	10.5	12.1	20.4	25.4
EBITDA margin in %	29.3%	21.7%	25.0%	18.5%	24.5%	26.5%
EBIT	1.1	0.9	2.5	-0.7	6.3	11.4
EBIT margin in %	7.0%	3.3%	6.0%	-1.1%	7.5%	11.9%
Net profit	3.3	-1.2	-5.9	-0.4	8.0	12.9
Cash flow statement (EURm)						
CF from operations	0.0	2.9	5.7	12.8	20.7	25.3
Capex	0.0	-1.7	-2.0	-6.5	-8.3	-9.6
Maintenance Capex	0.0	0.1	0.0	0.7	1.1	1.6
Free cash flow	0.0	1.2	3.7	6.2	12.4	15.7
Balance sheet (EURm)						
Intangible assets	28.0	51.6	69.0	60.4	51.9	44.8
Tangible assets	0.5	1.4	3.5	5.9	8.6	11.2
Shareholders' equity	8.4	41.1	90.6	125.6	131.6	141.2
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	32.7	47.3	54.3	55.4	56.2	56.8
Net financial debt	27.8	35.1	26.1	-15.5	-27.9	-43.6
w/c requirements	1.0	1.9	4.5	6.0	7.6	8.8
Ratios						
ROE	38.6%	-5.5%	-7.3%	-0.3%	4.5%	6.8%
ROCE	2.7%	1.1%	1.7%	-0.4%	3.3%	5.7%
Net gearing	329.7%	85.5%	28.8%	-12.3%	-21.2%	-30.9%
Net debt / EBITDA	6.0x	5.7x	2.5x	-1.3x	-1.4x	-1.7x

Source: Company data; AlsterResearch

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