AlsterResearch

tonies SE

Germany | Retail | MCap EUR 534.1m

16 February 2024

UPDATE



Getting to know the new CEO Tobias Wann; BUY

BUY (BUY)

Target price	**EUR 7.70 (7.70)**
Current price	EUR 4.76
Up/downside	61.8%

ResearchHub

SCAN ME

What's it all about?

tonies hosted a conference call today to introduce the new CEO Tobias Wann to analysts. Tobias succeeds co-founders Patric Faßbender and Marcus Stahl, who have stepped down from their roles but will remain shareholders and advisors. With 20 years of executive experience, Tobias brings expertise in scaling platform businesses internationally, demonstrated through his previous roles at VeriSign, HomeAway, @Leisure Group, OYO and Xempus. We believe his background makes him well suited to lead tonies' further growth. We reiterate our BUY rating on tonies with an unchanged target price of EUR 7.70.

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

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AlsterResearch

tonies SE

Germany | Retail | MCap EUR 534.1m | EV EUR 497.6m

BUY (BUY)

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Getting to know the new CEO Tobias Wann; BUY

Call with CEO Tobias Wann and analysts. tonies hosted a conference call today to introduce new CEO Tobias Wann to analysts. Tobias has been appointed as CEO effective 1 January 2024 for an initial period of three years. The two co-founders Patric Faßbender and Marcus Stahl have stepped down from their roles as co-CEOs effective 31 December 2023, but will remain shareholders and senior advisors.

20 years of executive experience, expert in platforms and scaling up. Prior to joining tonies, Tobias co-founded and ran a domain registration company that was sold to VeriSign in 2001. He then spent nearly a decade at VeriSign in a variety of leadership roles, with a focus on scaling the business in Europe. In 2011, Tobias joined HomeAway, an online marketplace for vacation rentals, as VP and General Manager. He was on board from the IPO until shortly before HomeAway's successful sale to Expedia in 2015. He then became CEO of @Leisure Group, which was acquired in 2019 by OYO, one of the fastest growing hospitality groups in the world (backed by Softbank, Lightspeed, Sequoia and Airbnb). After serving as CEO of OYO Vacation Homes, Tobias spent about 2 years as CEO of Xempus, an Insurtech now backed by Goldman Sachs Asset Management.

A good fit for tonies. Tobias brings significant expertise in scaling platform businesses internationally, with extensive experience in the US. This seems to be a good prerequisite to keep the company on a growth path, and it also seems to be one of his priorities to accelerate international expansion. In addition, his experience in taking over from the founders should ease the transition at tonies.

Confirm BUY. Overall, tonies seems poised for continued growth under the leadership of Tobias Wann. The biggest challenge will probably be to find the right balance between growth and profitability. Trading conditions currently appear favorable. We reiterate our BUY recommendation with unchanged estimates and a PT of EUR 7.70.

tonies SE	2020	2021	2022	2023P	2024E	2025E
Sales	134.6	188.0	258.3	358.1	461.3	527.0
Growth yoy	32.4%	39.7%	37.4%	38.6%	28.8%	14.2%
EBITDA	-0.3	-15.3	-5.3	10.9	29.8	44.1
EBIT	-11.6	-29.5	-23.8	-7.0	11.7	25.2
Net profit	-16.2	-240.5	-32.5	-10.2	7.6	16.9
Net debt (net cash)	49.2	-74.4	-42.5	-20.7	-7.3	-19.5
Net debt/EBITDA	-163.9x	4.9x	8.0x	-1.9x	-0.2x	-0.4x
EPS reported	-0.17	-2.14	-0.29	-0.09	0.07	0.15
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	50.1%	54.1%	54.2%	59.2%	61.8%	62.8%
EBITDA margin	-0.2%	-8.1%	-2.1%	3.0%	6.5%	8.4%
EBIT margin	-8.6%	-15.7%	-9.2%	-2.0%	2.5%	4.8%
ROCE	-3.9%	-9.1%	-6.4%	-1.8%	3.0%	6.1%
EV/Sales	4.4x	2.5x	1.9x	1.5x	1.2x	1.0x
EV/EBITDA	-1,955.7x	-30.5x	-93.1x	48.0x	18.0x	12.0x
EV/EBIT	-50.4x	-15.8x	-20.9x	-74.1x	46.0x	20.9x
PER	-28.8x	-2.2x	-16.4x	-52.6x	69.8x	31.7x

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks	6.00 / 4.40
Price/Book Ratio	1.6x

Ticker / Symbols

ISIN	LU2333563281
WKN	A3CM2W
Bloomberg	TNIE:GR

Changes in estimates

		Sales	EBIT	EPS
2023P	old	358.1	-7.0	-0.09
	Δ	0.0%	na%	na%
2024E	old	461.3	11.7	0.07
	Δ	0.0%	0.0%	0.0%
2025E	old	527.0	25.2	0.15
	Δ	0.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs)	112.20
Book value per share: (in EUR)	2.98
Ø trading volume: (12 months)	22,742

Major shareholders

Armira	27.5%
468 SPAC Sponsors	5.1%
Höllenhunde GmbH	8.5%
Santo Ella Co-Invest	5.5%
Treasury Shares	10.6%
Free Float	42.8%

Company description

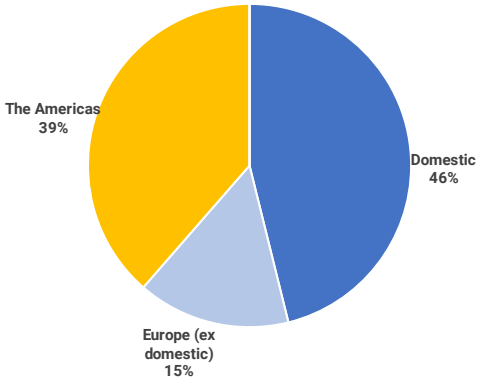
tonies SE provides audio entertainment systems. The company offers products with audio storytelling which allows children to ignite their imagination and immerse themselves in storytelling and audio adventures. tonies serves customers worldwide.

Investment case in six charts

Products & Services



Regional sales split in % (2023)



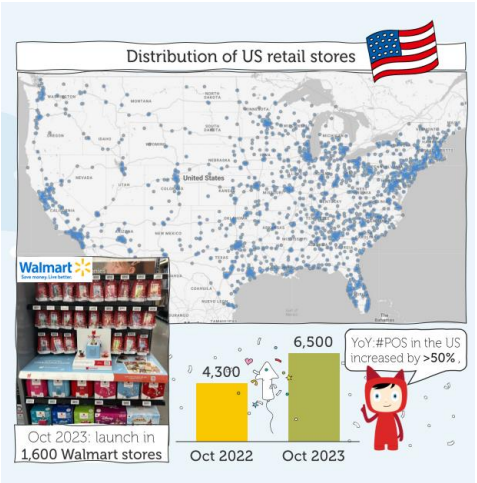
First one in child's room



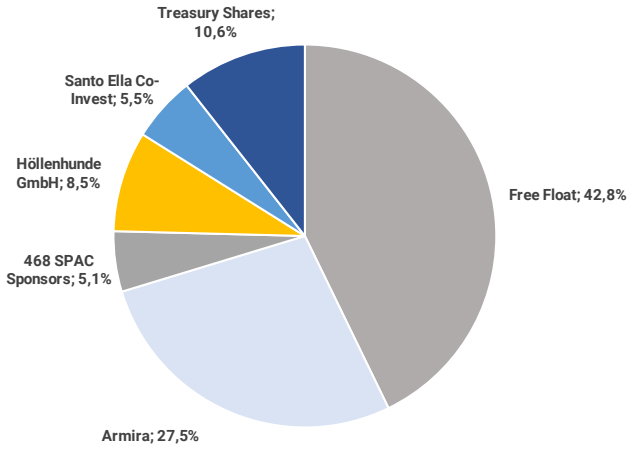
Guidance

	Results FY 2022	Guidance from IPO FY 2023	Guidance FY 2023
Group revenue (EURm)	258	354	354 (+37% YoY)
US revenue (EURm)	66	108	116* (+77% YoY)
Group adjusted EBITDA in % of revenue	-2.4%	na	"positive"

U.S. Expansion



Major Shareholders



Source: Company data; AlsterResearch

SWOT analysis

Strengths

- Pioneer for the new product category of child-friendly connected audio systems
- strong portfolio and pipeline of licensed blockbuster content (Disney, Universal, Warner Bros., Pixar etc.)
- Loyal customer base of kids aged 3 to 8 who do not pay for the product
- Large installed base drives recurring sales of ecosystem products
- Scalable asset-light business model
- Strong brand in core DACH markets
- Positive network externalities as a moat against competition

Weaknesses

- Margins burdened by high costs for international rollout
- No brand recognition in many international markets yet
- expensive incentive programs

Opportunities

- replicate DACH-success in other regions (esp. vast US and China markets)
- licensing cost reduction through shift to in-house recordings
- stronger leverage of installed base through category innovation

Threats

- market entry of deep-pocketed tech / media / entertainment / toy companies
- forward integration of content owners
- increasing competition with yoto
- knock-off products

Valuation

DCF Model

The DCF model results in a **fair value of EUR 7.73 per share**:

Top-line growth: We expect tonies SE to grow revenues at a CAGR of 11.3% between 2023P and 2030E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from -1.8% in 2023P to 13.1% in 2030E.

WACC. Starting point is a historical equity beta of 1.02. Unleverering and correcting for mean reversion yields an asset beta of 1.00. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 8.0%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 0.5 this results in a long-term WACC of 8.0%.

DCF (EURm) (except per share data and beta)	2023P	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	-5.3	8.8	18.0	26.8	35.5	43.7	52.2	58.3	
Depreciation & amortization	17.9	18.1	18.9	19.7	20.5	21.3	22.0	22.4	
Change in working capital	-31.9	-16.7	-0.8	-6.9	0.1	3.6	4.9	6.9	
Chg. in long-term provisions	22.1	0.6	0.1	6.6	6.1	4.0	3.4	1.4	
Capex	-19.7	-23.1	-23.7	-23.9	-24.5	-24.0	-23.0	-21.2	
Cash flow	-16.9	-12.4	12.5	22.2	37.7	48.6	59.4	67.7	1,154.8
Present value	-17.0	-11.6	10.8	17.8	28.0	33.4	37.8	39.9	681.4
WACC	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

DCF per share derived from	
Total present value	820.5
Mid-year adj. total present value	852.7
Net debt / cash at start of year	-20.7
Financial assets	9.3
Provisions and off b/s debt	6.0
Equity value	867.4
No. of shares outstanding	112.2
Discounted cash flow / share	**7.73**
upside/(downside)	**62.4%**
Share price	**4.76**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2023P-2030E)	11.3%
Terminal value growth (2030E - infinity)	2.0%
Terminal year ROCE	13.1%
Terminal year WACC	8.0%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	1.02
Unlevered beta (industry or company)	1.00
Target debt / equity	0.5
Relevered beta	1.00
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	8.0%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth 1.0%	1.5%	2.0%	2.5%	3.0%
2.0%	5.0	5.2	5.5	5.8	6.2
1.0%	5.8	6.1	6.5	6.9	7.4
0.0%	6.8	7.2	7.7	8.3	9.1
-1.0%	8.1	8.8	9.5	10.5	11.6
-2.0%	10.0	11.0	12.2	13.8	16.0

Share of present value	
2023P-2026E	0.0%
2027E-2030E	17.0%
terminal value	83.0%

Source: AlsterResearch

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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 1.45 per share based on 2023P and EUR 7.14 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	2023P	2024E	2025E	2026E	2027E
EBITDA	**10.9**	**29.8**	**44.1**	**57.2**	**70.2**
- Maintenance capex	3.7	3.7	4.0	4.4	4.8
- Minorities	0.0	0.0	0.9	1.4	1.8
- tax expenses	-3.4	2.5	5.9	9.0	12.1
= Adjusted FCF	**10.5**	**23.6**	**33.3**	**42.5**	**51.5**
Actual Market Cap	**534.1**	**534.1**	**534.1**	**534.1**	**534.1**
+ Net debt (cash)	-20.7	-7.3	-19.5	-42.0	-80.3
+ Pension provisions	9.0	11.1	12.1	13.7	15.3
+ 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
EV Reconciliations	-11.8	3.8	-7.4	-28.2	-65.1
= Actual EV'	**522.3**	**537.9**	**526.7**	**505.8**	**469.0**
Adjusted FCF yield	**2.0%**	**4.4%**	**6.3%**	**8.4%**	**11.0%**
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	**150.4**	**336.8**	**475.7**	**607.5**	**736.1**
- EV Reconciliations	-11.8	3.8	-7.4	-28.2	-65.1
Fair Market Cap	**162.2**	**333.0**	**483.1**	**635.7**	**801.2**
No. of shares (million)	112.2	112.2	112.2	112.2	112.2
Fair value per share in EUR	**1.45**	**2.97**	**4.31**	**5.67**	**7.14**
Premium (-) / discount (+)	**-69.6%**	**-37.6%**	**-9.6%**	**19.0%**	**50.0%**

Sensitivity analysis FV						
Adjusted hurdle rate	5.0%	2.0	4.2	6.0	7.8	9.8
	6.0%	1.7	3.5	5.0	6.6	8.2
	7.0%	**1.4**	**3.0**	**4.3**	**5.7**	**7.1**
	8.0%	1.3	2.6	3.8	5.0	6.3
	9.0%	1.1	2.3	3.4	4.5	5.7

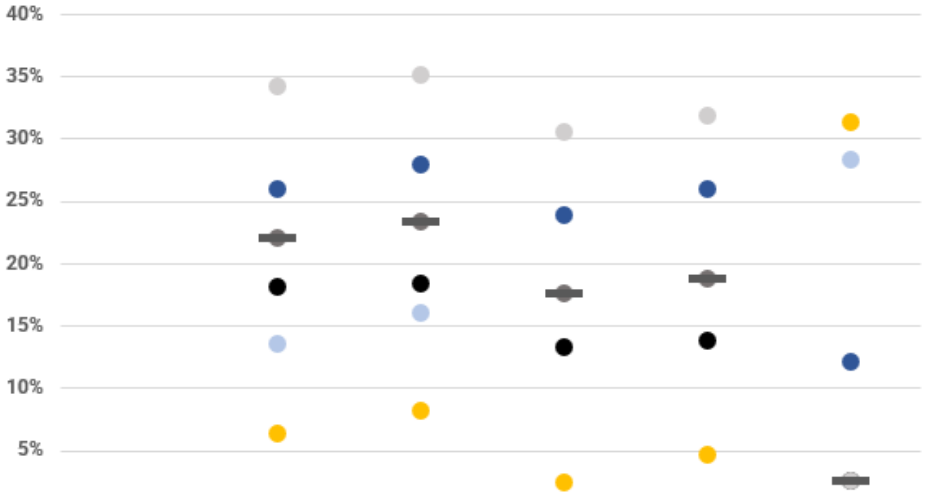
Source: Company data; AlsterResearch

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

Peer group analysis

A peer group or comparable company ("comps") analysis is a methodology that calculates a company's relative value — how much it should be worth based on how it compares to other similar companies. Given that **tonies SE** differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a support for other valuation methods. The peer group of tonies SE consists of the stocks displayed in the chart below. As of 16 February 2024 the median market cap of the peer group was EUR 26,030.1m, compared to EUR 534.1m for tonies SE. In the period under review, the peer group was more profitable than tonies SE. The expectations for sales growth are lower for the peer group than for tonies SE.

Peer Group – Key data



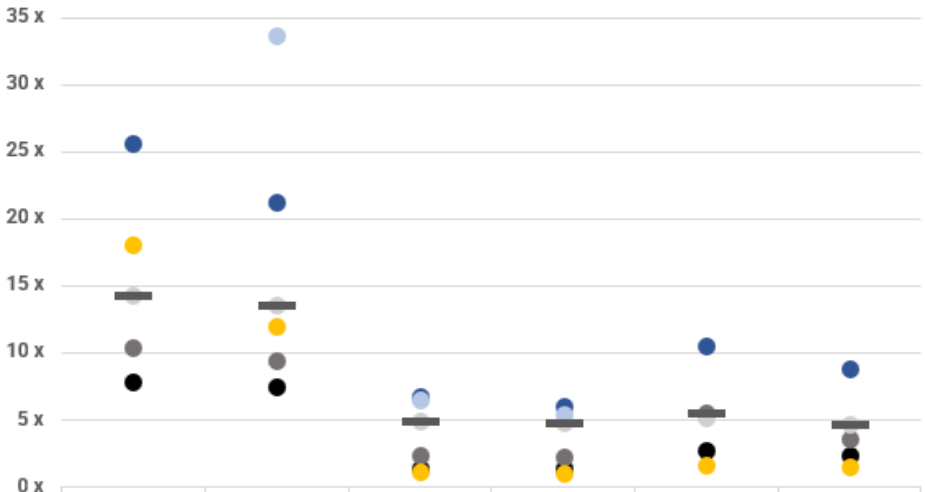
16-Feb-24	Market Cap (EURm)	EBITDA margin 2024	EBITDA margin 2025	EBIT margin 2024	EBIT margin 2025	Sales CAGR 2023-2026
Mattel Inc	6.264	18,2%	18,5%	13,4%	13,9%	2,7%
Hasbro Inc	6.817	22,2%	23,4%	17,7%	18,9%	-1,7%
Electronic Arts Inc	35.667	34,3%	35,2%	30,7%	32,0%	2,6%
Netflix Inc	233.763	26,0%	28,0%	24,0%	26,1%	12,2%
Roblox Corp	26.030	13,6%	16,1%	-33,9%	-27,0%	28,5%
tonies SE	534	6,5%	8,4%	2,5%	4,8%	31,4%
Peer Group Median	26.030	22,2%	23,4%	17,7%	18,9%	2,7%

Source: Sentieo, AlsterResearch

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2024, EV/EBITDA 2025, EV/Sales 2024, EV/Sales 2025, P/BV 2024 and P/BV 2025.

Applying these to tonies SE results in a range of fair values from EUR 3.76 to EUR 22.31.

Peer Group – Multiples and valuation



16-Feb-24	EV/EBITDA 2024	EV/EBITDA 2025	EV/Sales 2024	EV/Sales 2025	P/BV 2024	P/BV 2025
Mattel Inc	7,9x	7,5x	1,4x	1,4x	2,8x	2,3x
Hasbro Inc	10,4x	9,5x	2,3x	2,2x	5,6x	3,6x
Electronic Arts Inc	14,3x	13,5x	4,9x	4,8x	5,1x	4,7x
Netflix Inc	25,7x	21,3x	6,7x	6,0x	10,5x	8,8x
Roblox Corp	47,2x	33,7x	6,4x	5,4x	9999,0x	9999,0x
tonies SE	18,0x	12,0x	1,2x	1,0x	1,6x	1,5x
Peer Group Median	14,3x	13,5x	4,9x	4,8x	5,6x	4,7x
Fair Value (EUR)	3,76	5,27	20,08	22,31	16,52	14,59

Source: Sentieo, AlsterResearch

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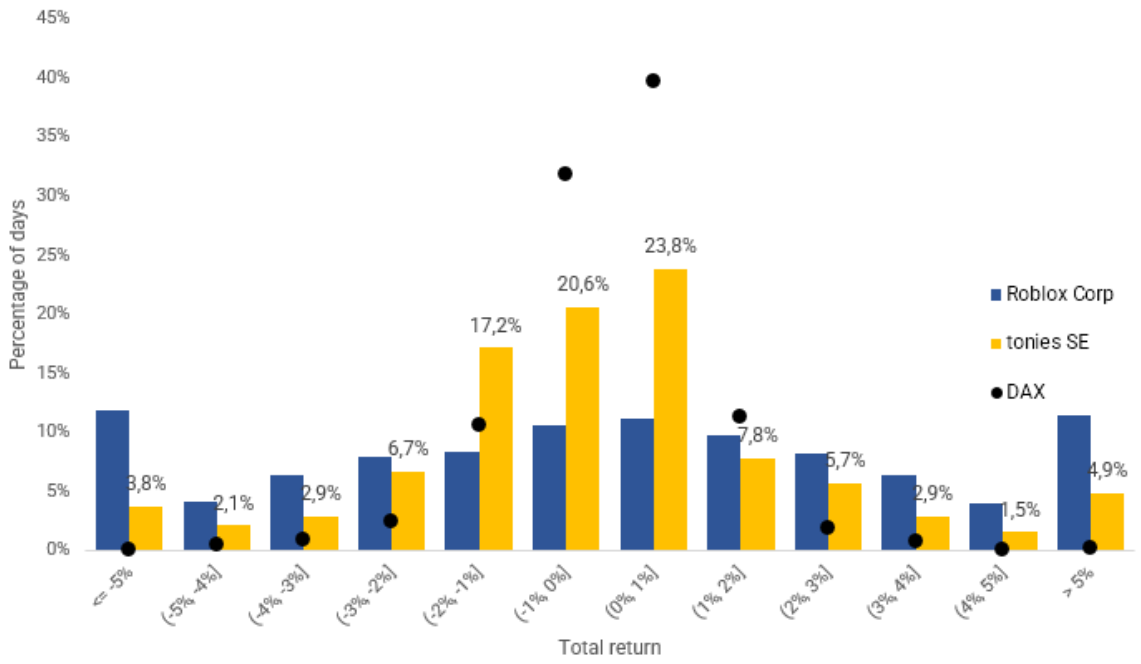
Risk

The chart displays the **distribution of daily returns of tonies SE** over the last 3 years, compared to the same distribution for Roblox Corp. We have also included the distribution for the index DAX. The distribution gives a better understanding of risk than measures like volatility, which assume that log returns are normally distributed. In reality, they are skewed (down moves are larger) and have fat tails (large moves occur more often than predicted). Also, volatility treats up and down moves the same, while investors are more worried about down moves. For tonies SE, the worst day during the past 3 years was 21/01/2022 with a share price decline of -10.2%. The best day was 29/11/2021 when the share price increased by 18.8%.

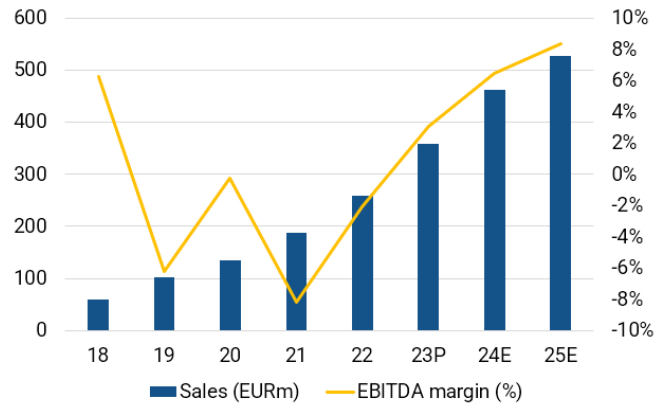
Risk – Daily Returns Distribution (trailing 3 years)



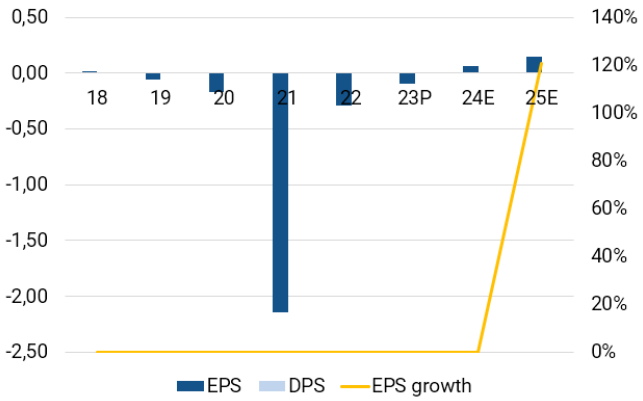
Source: Sentieo, AlsterResearch

Financials in six charts

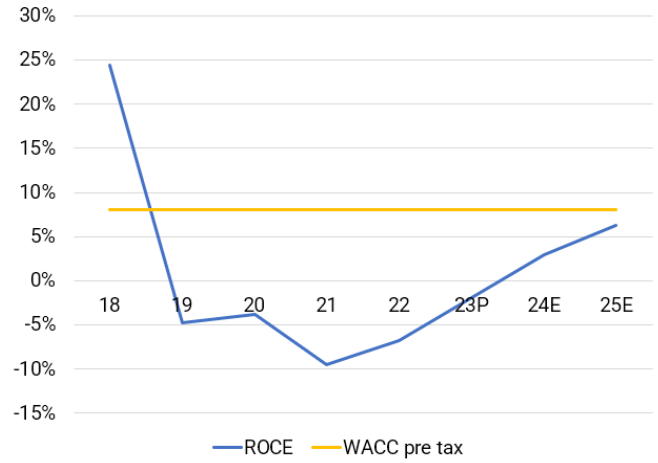
Sales vs. EBITDA margin development



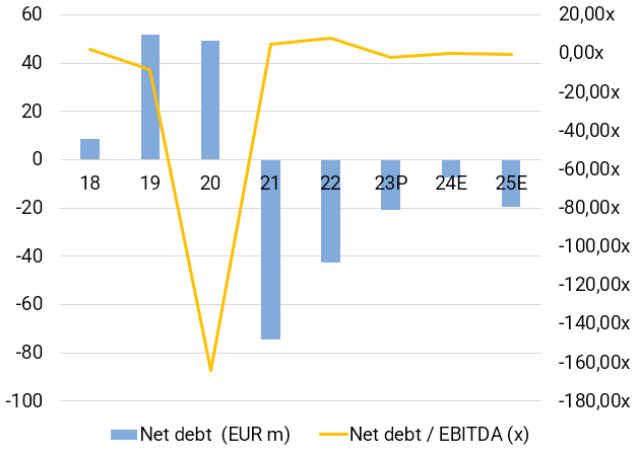
EPS, DPS in EUR & yoy EPS growth



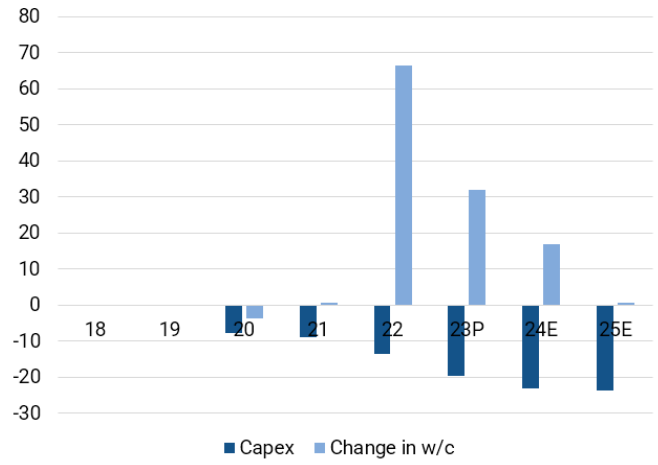
ROCE vs. WACC (pre tax)



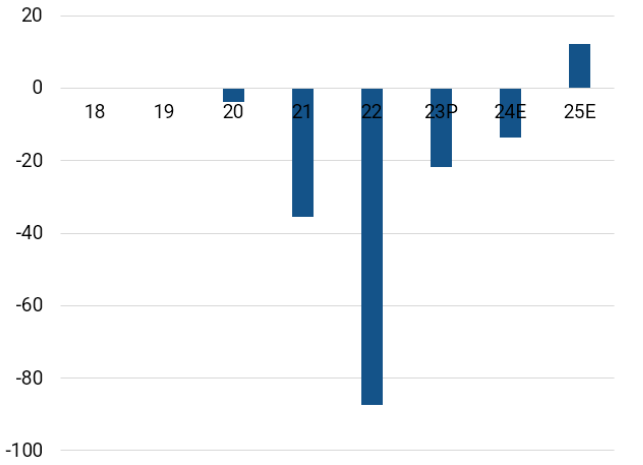
Net debt and net debt/EBITDA



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	2023P	2024E	2025E
Net sales	**134.6**	**188.0**	**258.3**	**358.1**	**461.3**	**527.0**
Sales growth	32.4%	39.7%	37.4%	38.6%	28.8%	14.2%
Change in finished goods and work-in-process	8.4	2.8	47.6	10.7	13.8	15.8
Total sales	**143.0**	**190.7**	**305.9**	**368.8**	**475.2**	**542.8**
Material expenses	75.5	89.0	165.9	156.7	190.1	211.7
Gross profit	**67.5**	**101.8**	**140.0**	**212.1**	**285.1**	**331.1**
Other operating income	0.6	0.4	1.3	1.8	2.4	2.7
Personnel expenses	12.2	25.1	57.2	71.6	96.9	110.7
Other operating expenses	56.2	92.4	89.5	131.4	160.8	179.1
EBITDA	**-0.3**	**-15.3**	**-5.3**	**10.9**	**29.8**	**44.1**
Depreciation	1.8	2.3	3.7	3.7	3.7	4.0
EBITA	-2.1	-17.6	-9.0	7.1	26.1	40.1
Amortisation of goodwill and intangible assets	9.5	11.9	14.8	14.2	14.4	14.9
EBIT	**-11.6**	**-29.5**	**-23.8**	**-7.0**	**11.7**	**25.2**
Financial result	-3.5	13.5	16.5	-1.5	-1.5	-1.5
Recurring pretax income from continuing operations	-15.1	-16.0	-7.2	-8.5	10.2	23.7
Extraordinary income/loss	-6.2	-232.0	-29.4	-5.0	0.0	0.0
Earnings before taxes	-21.3	-248.0	-36.6	-13.5	10.2	23.7
Taxes	-3.1	-7.5	-4.2	-3.4	2.5	5.9
Net income from continuing operations	-18.2	-240.5	-32.5	-10.2	7.6	17.8
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**-18.2**	**-240.5**	**-32.5**	**-10.2**	**7.6**	**17.8**
Minority interest	2.0	0.0	0.0	0.0	0.0	-0.9
Net profit (reported)	-16.2	-240.5	-32.5	-10.2	7.6	16.9
Average number of shares	98.44	112.20	112.20	112.20	112.20	112.20
EPS reported	**-0.17**	**-2.14**	**-0.29**	**-0.09**	**0.07**	**0.15**

Profit and loss (common size)	2020	2021	2022	2023P	2024E	2025E
Net sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Change in finished goods and work-in-process	6%	1%	18%	3%	3%	3%
Total sales	**106%**	**101%**	**118%**	**103%**	**103%**	**103%**
Material expenses	56%	47%	64%	44%	41%	40%
Gross profit	**50%**	**54%**	**54%**	**59%**	**62%**	**63%**
Other operating income	0%	0%	1%	1%	1%	1%
Personnel expenses	9%	13%	22%	20%	21%	21%
Other operating expenses	42%	49%	35%	37%	35%	34%
EBITDA	**-0%**	**-8%**	**-2%**	**3%**	**6%**	**8%**
Depreciation	1%	1%	1%	1%	1%	1%
EBITA	-2%	-9%	-3%	2%	6%	8%
Amortisation of goodwill and intangible assets	7%	6%	6%	4%	3%	3%
EBIT	**-9%**	**-16%**	**-9%**	**-2%**	**3%**	**5%**
Financial result	-3%	7%	6%	-0%	-0%	-0%
Recurring pretax income from continuing operations	-11%	-9%	-3%	-2%	2%	4%
Extraordinary income/loss	-5%	-123%	-11%	-1%	0%	0%
Earnings before taxes	-16%	-132%	-14%	-4%	2%	4%
Taxes	-2%	-4%	-2%	-1%	1%	1%
Net income from continuing operations	-14%	-128%	-13%	-3%	2%	3%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	**-14%**	**-128%**	**-13%**	**-3%**	**2%**	**3%**
Minority interest	1%	0%	0%	0%	0%	-0%
Net profit (reported)	**-12%**	**-128%**	**-13%**	**-3%**	**2%**	**3%**

Source: Company data; AlsterResearch

Balance sheet (EURm)	2020	2021	2022	2023P	2024E	2025E
Intangible assets (exl. Goodwill)	**125.5**	**119.2**	**114.6**	**116.5**	**120.5**	**124.1**
Goodwill	162.2	162.2	162.2	162.2	162.2	162.2
Property, plant and equipment	5.8	7.4	12.4	12.3	13.2	14.5
Financial assets	4.4	9.3	0.0	0.0	0.0	0.0
FIXED ASSETS	**297.9**	**298.2**	**289.3**	**291.0**	**296.0**	**300.8**
Inventories	23.1	32.0	84.3	85.9	93.7	92.8
Accounts receivable	16.9	22.3	34.8	49.0	63.2	72.2
Other current assets	3.3	10.0	18.5	18.5	18.5	18.5
Liquid assets	9.1	75.6	54.9	33.2	19.7	32.0
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	**52.3**	**139.9**	**192.6**	**186.6**	**195.2**	**215.5**
TOTAL ASSETS	**350.2**	**438.0**	**481.8**	**477.7**	**491.1**	**516.3**
SHAREHOLDERS EQUITY	**177.2**	**281.3**	**334.6**	**324.5**	**332.1**	**349.9**
MINORITY INTEREST	21.3	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.3	0.7	11.8	11.8	11.8	11.8
Provisions for pensions and similar obligations	3.5	7.9	6.0	9.0	11.1	12.1
Other provisions	37.3	34.5	20.2	39.4	37.8	36.9
Non-current liabilities	**41.1**	**43.1**	**38.1**	**60.2**	**60.7**	**60.8**
short-term liabilities to banks	57.9	0.5	0.6	0.6	0.6	0.6
Accounts payable	24.9	35.4	39.4	38.6	46.9	52.2
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)	27.0	77.0	69.0	53.7	50.7	52.7
Deferred taxes	0.8	0.6	0.1	0.1	0.1	0.1
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	**110.5**	**113.6**	**109.1**	**93.0**	**98.3**	**105.6**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**350.2**	**438.0**	**481.8**	**477.7**	**491.1**	**516.3**

Balance sheet (common size)	2020	2021	2022	2023P	2024E	2025E
Intangible assets (excl. Goodwill)	**36%**	**27%**	**24%**	**24%**	**25%**	**24%**
Goodwill	46%	37%	34%	34%	33%	31%
Property, plant and equipment	2%	2%	3%	3%	3%	3%
Financial assets	1%	2%	0%	0%	0%	0%
FIXED ASSETS	**85%**	**68%**	**60%**	**61%**	**60%**	**58%**
Inventories	7%	7%	18%	18%	19%	18%
Accounts receivable	5%	5%	7%	10%	13%	14%
Other current assets	1%	2%	4%	4%	4%	4%
Liquid assets	3%	17%	11%	7%	4%	6%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	**15%**	**32%**	**40%**	**39%**	**40%**	**42%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**51%**	**64%**	**69%**	**68%**	**68%**	**68%**
MINORITY INTEREST	6%	0%	0%	0%	0%	0%
Long-term debt	0%	0%	2%	2%	2%	2%
Provisions for pensions and similar obligations	1%	2%	1%	2%	2%	2%
Other provisions	11%	8%	4%	8%	8%	7%
Non-current liabilities	**12%**	**10%**	**8%**	**13%**	**12%**	**12%**
short-term liabilities to banks	17%	0%	0%	0%	0%	0%
Accounts payable	7%	8%	8%	8%	10%	10%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	8%	18%	14%	11%	10%	10%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	**32%**	**26%**	**23%**	**19%**	**20%**	**20%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; AlsterResearch

ResearchHub

Cash flow statement (EURm)	2020	2021	2022	2023P	2024E	2025E
Net profit/loss	-18.2	-240.5	-31.7	-10.2	7.6	17.8
Depreciation of fixed assets (incl. leases)	11.3	14.2	18.4	3.7	3.7	4.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	14.2	14.4	14.9
Others	6.9	200.5	5.8	22.1	0.6	0.1
Cash flow from operations before changes in w/c	0.0	-25.8	-7.4	29.8	26.3	36.8
Increase/decrease in inventory	-10.4	-8.5	-52.8	-1.6	-7.9	0.9
Increase/decrease in accounts receivable	0.2	-5.5	-12.5	-14.3	-14.1	-9.0
Increase/decrease in accounts payable	11.3	10.5	4.1	-0.8	8.2	5.3
Increase/decrease in other w/c positions	2.6	2.9	-5.2	-15.3	-3.0	2.0
Increase/decrease in working capital	3.7	-0.6	-66.4	-31.9	-16.7	-0.8
Cash flow from operating activities	**3.8**	**-26.4**	**-73.8**	**-2.1**	**9.6**	**36.0**
CAPEX	-7.7	-8.9	-13.6	-19.7	-23.1	-23.7
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	**-7.7**	**-8.9**	**-13.6**	**-19.7**	**-23.1**	**-23.7**
Cash flow before financing	-3.9	-35.4	-87.4	-21.8	-13.5	12.3
Increase/decrease in debt position	-4.1	-62.9	9.1	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	10.4	0.0	60.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.2	165.4	-1.8	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.1	-0.6	0.0	0.0	0.0	0.0
Cash flow from financing activities	**6.2**	**101.9**	**67.3**	**0.0**	**0.0**	**0.0**
Increase/decrease in liquid assets	2.2	66.5	-20.1	-21.8	-13.5	12.3
Liquid assets at end of period	**9.1**	**75.6**	**54.9**	**33.2**	**19.7**	**32.0**

Source: Company data; AlsterResearch

Regional sales split (EURm)	2020	2021	2022	2023P	2024E	2025E
Domestic	121.1	151.3	158.3	165.1	282.8	323.0
Europe (ex domestic)	8.1	16.3	34.4	54.7	61.4	70.2
The Americas	5.4	20.3	65.6	138.1	117.2	133.8
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	**134.6**	**188.0**	**258.3**	**358.1**	**461.3**	**527.0**

Regional sales split (common size)	2020	2021	2022	2023P	2024E	2025E
Domestic	90.0%	80.5%	61.3%	46.1%	61.3%	61.3%
Europe (ex domestic)	6.0%	8.7%	13.3%	15.3%	13.3%	13.3%
The Americas	4.0%	10.8%	25.4%	38.6%	25.4%	25.4%
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	2023P	2024E	2025E
Per share data						
Earnings per share reported	-0.17	-2.14	-0.29	-0.09	0.07	0.15
Cash flow per share	0.04	-0.24	-0.66	-0.05	0.05	0.29
Book value per share	1.80	2.51	2.98	2.89	2.96	3.12
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-28.8x	-2.2x	-16.4x	-52.6x	69.8x	31.7x
P/CF	124.9x	-20.2x	-7.2x	-92.3x	90.5x	16.7x
P/BV	2.6x	1.9x	1.6x	1.6x	1.6x	1.5x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	0.8%	-4.9%	-13.8%	-1.1%	1.1%	6.0%
EV/Sales	4.4x	2.5x	1.9x	1.5x	1.2x	1.0x
EV/EBITDA	-1,955.7x	-30.5x	-93.1x	48.0x	18.0x	12.0x
EV/EBIT	-50.4x	-15.8x	-20.9x	-74.1x	46.0x	20.9x
Income statement (EURm)						
Sales	134.6	188.0	258.3	358.1	461.3	527.0
yoy chg in %	32.4%	39.7%	37.4%	38.6%	28.8%	14.2%
Gross profit	67.5	101.8	140.0	212.1	285.1	331.1
Gross margin in %	50.1%	54.1%	54.2%	59.2%	61.8%	62.8%
EBITDA	-0.3	-15.3	-5.3	10.9	29.8	44.1
EBITDA margin in %	-0.2%	-8.1%	-2.1%	3.0%	6.5%	8.4%
EBIT	-11.6	-29.5	-23.8	-7.0	11.7	25.2
EBIT margin in %	-8.6%	-15.7%	-9.2%	-2.0%	2.5%	4.8%
Net profit	-16.2	-240.5	-32.5	-10.2	7.6	16.9
Cash flow statement (EURm)						
CF from operations	3.8	-26.4	-73.8	-2.1	9.6	36.0
Capex	-7.7	-8.9	-13.6	-19.7	-23.1	-23.7
Maintenance Capex	0.0	0.0	0.0	3.7	3.7	4.0
Free cash flow	-3.9	-35.4	-87.4	-21.8	-13.5	12.3
Balance sheet (EURm)						
Intangible assets	287.7	281.4	276.8	278.8	282.8	286.3
Tangible assets	5.8	7.4	12.4	12.3	13.2	14.5
Shareholders' equity	177.2	281.3	334.6	324.5	332.1	349.9
Pension provisions	3.5	7.9	6.0	9.0	11.1	12.1
Liabilities and provisions	99.0	43.7	38.7	60.8	61.3	61.4
Net financial debt	49.2	-74.4	-42.5	-20.7	-7.3	-19.5
w/c requirements	15.0	18.9	79.7	96.3	110.1	112.8
Ratios						
ROE	-10.3%	-85.5%	-9.7%	-3.1%	2.3%	5.1%
ROCE	-3.9%	-9.1%	-6.4%	-1.8%	3.0%	6.1%
Net gearing	27.7%	-26.4%	-12.7%	-6.4%	-2.2%	-5.6%
Net debt / EBITDA	-163.9x	4.9x	8.0x	-1.9x	-0.2x	-0.4x

Source: Company data; AlsterResearch

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