tonies SE

Luxembourg | Personal & Household Goods | MCap EUR 769.1m

4 February 2025

UPDATE



Trading update: FY24 guidance achieved, profit beat; BUY

BUY (BUY)

Target price	**EUR 11.00** (11.00)
Current price	EUR 6.78
Up/downside	62.2%

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What's it all about?

tonies SE issued a trading update for FY24, meeting its guidance across the board. Q4 revenues of EUR 238m (+41% yoy) were also largely in line with market expectations, though the geographic split showed some surprises. US revenues in Q4 of EUR 118m (+47% yoy) missed expectations slightly due to a timing issue with a large retail order. However, this was offset by strong performance in the DACH region, which saw 21% yoy growth to EUR 70m, driven by a trend towards personalized ownership within families with multiple kids. The Rest of the World region performed well, with 58% yoy growth to EUR 49m. The company's adjusted EBITDA and free cash flow performance were positive surprises. We reiterate our BUY recommendation with a price target of EUR 11.00

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tonies SE

Luxembourg | Personal & Household Goods | MCap EUR 769.1m | EV EUR 751.1m

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Trading update: FY24 guidance achieved, profit beat; BUY

Trading update: FY24 guidance achieved. tonies issued a trading update for Q4 and FY24 this morning. Overall, FY24 guidance has been met across the board: group revenues were at the low end of guidance of at least EUR 480m, with US revenues at EUR 210m (guidance: at least EUR 200m). The adjusted EBITDA margin is expected to be in the upper half of the guidance range of 6% to 8%, and free cash flow is "well above" the guidance of EUR 10m.

US revenues miss consensus, DACH beat. While overall Q4 revenues of EUR 238m (+41% yoy) were roughly in line with expectations (EUR 242m mwb est.), the geographic split surprised. Q4 US revenues of EUR 118m (+47% yoy) were comfortably in line with guidance, but missed our expectations by around EUR 10m and the miss was even slightly wider versus consensus. However, this does not seem to be an indication of weaker than expected sell-through, but rather a timing issue as a large order from a retail partner slipped into Q1. The US miss was more or less offset by a surprisingly strong performance in DACH, with revenues of EUR 70m and a growth rate of +21% yoy, versus an expected 8%. It seems that tonies is benefiting from the trend for parents to buy Tonieboxes for each child rather than sharing them, reducing sibling conflicts. If this is a blueprint for other geographic markets as they mature, the addressable market may need to be revised upwards. In the Rest of the World region, revenues were in line at EUR 49m, representing a healthy 58% yoy growth, driven by strong performances in the UK and France and the successful launch of tonies in Australia and New Zealand in August 2024.

Adjusted EBITDA and FCF a positive surprise, BUY. Adjusted EBITDA in the upper half of the guidance range of 6% to 8% is a positive surprise versus our estimate of 7.0%. The extent of the beat will only become clearer when the final numbers are reported on 10 April, but assuming a 7.3% adj. EBITDA margin for FY24 would imply a 9.3% margin for H2 24, up 430bp yoy. We suspect the beat is due to the higher-than-expected share of the most profitable DACH region. Finally, the FY24 FCF was "well above" the EUR 10m guidance and thus the H2 FCF was in the EUR 50m range, a very strong performance probably due to improved working capital management. We confirm our price target of EUR 11.00 and reiterate our BUY recommendation.

tonies SE	2021	2022	2023	2024E	2025E	2026E
Sales	188.0	258.3	360.9	480.3	589.9	691.4
Growth yoy	39.7%	37.4%	39.7%	33.1%	22.8%	17.2%
EBITDA	-15.3	-5.3	8.7	35.1	50.6	67.0
EBIT	-29.5	-23.8	-10.8	17.1	32.2	47.8
Net profit	-240.5	-32.5	-11.9	10.6	21.9	34.0
Net debt (net cash)	-74.4	-42.5	-24.9	-43.1	-60.4	-97.6
Net debt/EBITDA	4.9x	8.0x	-2.9x	-1.2x	-1.2x	-1.5x
EPS reported	-2.14	-0.29	-0.10	0.09	0.19	0.30
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	54.1%	54.2%	62.0%	63.7%	63.7%	64.0%
EBITDA margin	-8.1%	-2.1%	2.4%	7.3%	8.6%	9.7%
EBIT margin	-15.7%	-9.2%	-3.0%	3.6%	5.5%	6.9%
ROCE	-9.1%	-6.4%	-2.8%	4.1%	7.2%	10.0%
EV/Sales	3.7x	2.8x	2.1x	1.5x	1.2x	1.0x
EV/EBITDA	-45.9x	-137.1x	86.8x	21.0x	14.3x	10.3x
EV/EBIT	-23.8x	-30.8x	-69.4x	43.2x	22.4x	14.4x
PER	-3.2x	-23.7x	-64.9x	72.9x	35.1x	22.7x

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks	8.34 / 4.59
Price/Book Ratio	2.4x

Ticker / Symbols

ISIN	LU2333563281
WKN	A3CM2W
Bloomberg	TNIE:GR

Changes in estimates

		Sales	EBIT	EPS
2024E	old	488.1	16.2	0.09
	Δ	-1.6%	5.5%	6.8%
2025E	old	589.9	32.2	0.19
	Δ	0.0%	0.2%	0.2%
2026E	old	691.4	47.7	0.30
	Δ	0.0%	0.1%	0.1%

Key share data

Number of shares: (in m pcs)	113.44
Book value per share: (in EUR)	2.87
Ø trading vol.: (12 months)	31,618

Major shareholders

Armira	27.5%
Treasury Shares	10.6%
Höllenhunde GmbH	8.5%
Free Float	42.6%

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.

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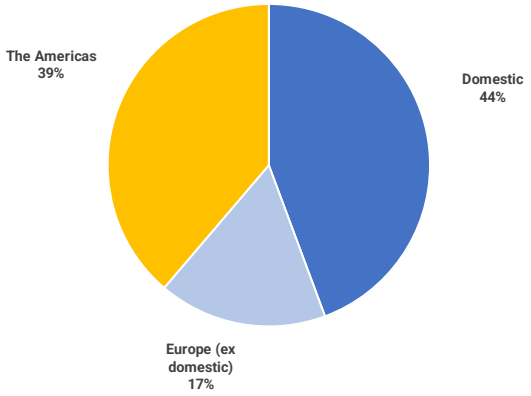
Investment case in six charts

Products & Services



Regional sales split in %



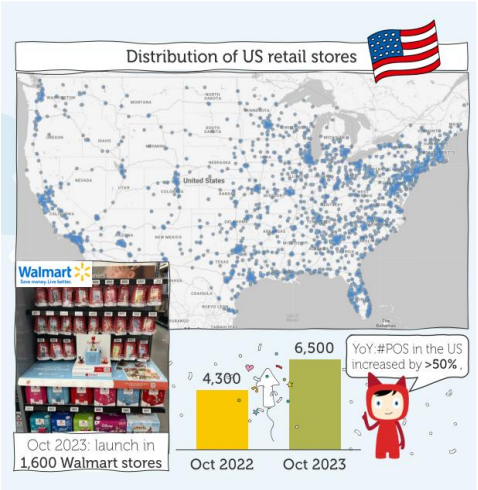
First one in child's room



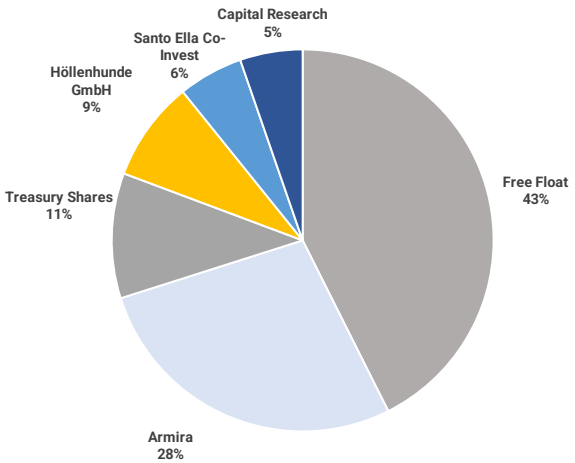
Guidance

	Results FY 2023	Guidance FY 2024
Group revenue (EURm)	361	>480[1] (>33% YoY)
North America revenue (EURm)	140	>200[1] (>42% YoY)
Adjusted EBITDA margin (%)	+4.0%	6-8%
Free cash flow (EURm)	-5	>10

U.S. Expansion



Major Shareholders



Source: Company data, mwb research

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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 market)
- 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 11.16 per share**:

Top-line growth: We expect tonies SE to grow revenues at a CAGR of 10.3% between 2024E and 2031E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 4.1% in 2024E to 14.9% in 2031E.

WACC. Starting point is a historical equity beta of 1.04. 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)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal value
NOPAT	12.8	24.2	35.8	49.8	63.0	75.1	81.2	87.8	
Depreciation & amortization	18.0	18.3	19.3	20.6	22.4	24.2	26.0	27.5	
Change in working capital	-6.6	-9.1	0.5	2.8	5.5	7.2	8.4	-0.3	
Chg. in long-term provisions	14.1	7.9	9.1	9.0	6.6	5.0	1.7	1.7	
Capex	-17.8	-21.8	-25.6	-29.3	-32.0	-34.0	-34.7	-28.7	
Cash flow	20.5	19.5	39.1	52.9	65.5	77.4	82.6	88.0	1,497.7
Present value	20.7	18.2	33.8	42.3	48.5	53.1	52.4	51.7	880.6
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	1,201.2
Mid-year adj. total present value	1,248.4
Net debt / cash at start of year	-24.9
Financial assets	0.1
Provisions and off b/s debt	6.8
Equity value	1,266.5
No. of shares outstanding	113.4
Discounted cash flow / share	**11.16**
upside/(downside)	**64.7%**
Share price	**6.78**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2024E-2031E)	10.3%
Terminal value growth (2031E - infinity)	2.0%
Terminal year ROCE	14.9%
Terminal year WACC	8.0%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	1.04
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%	7.6	7.9	8.3	8.7	9.1
1.0%	8.6	9.1	9.5	10.1	10.7
0.0%	9.9	10.5	11.2	11.9	12.9
-1.0%	11.7	12.5	13.5	14.7	16.2
-2.0%	14.1	15.4	16.9	19.0	21.7

Share of present value	
2024E-2027E	9.6%
2028E-2031E	17.1%
terminal value	73.3%

Source: mwb research

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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 3.80 per share based on 2024E and EUR 11.57 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	**35.1**	**50.6**	**67.0**	**87.0**	**106.3**
- Maintenance capex	3.6	4.2	5.1	6.1	7.1
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	3.5	7.3	11.3	16.1	21.0
= Adjusted FCF	**28.0**	**39.0**	**50.6**	**64.9**	**78.2**
Actual Market Cap	**860.0**	**860.0**	**860.0**	**860.0**	**860.0**
+ Net debt (cash)	-43.1	-60.4	-97.6	-149.0	-214.5
+ Pension provisions	11.5	13.6	15.9	18.2	19.9
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	0.1	0.1	0.1	0.1	0.1
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
EV Reconciliations	-31.7	-46.9	-81.8	-130.9	-194.7
= Actual EV'	**828.3**	**813.2**	**778.2**	**729.1**	**665.3**
Adjusted FCF yield	**3.4%**	**4.8%**	**6.5%**	**8.9%**	**11.8%**
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	**399.3**	**557.2**	**723.2**	**926.9**	**1,117.7**
- EV Reconciliations	-31.7	-46.9	-81.8	-130.9	-194.7
Fair Market Cap	**431.0**	**604.1**	**805.0**	**1,057.8**	**1,312.4**
No. of shares (million)	113.4	113.4	113.4	113.4	113.4
Fair value per share in EUR	**3.80**	**5.33**	**7.10**	**9.33**	**11.57**
Premium (-) / discount (+)	**-44.0%**	**-21.5%**	**4.7%**	**37.5%**	**70.6%**

Sensitivity analysis FV						
Adjusted hurdle rate	5.0%	5.2	7.3	9.6	12.6	15.5
	6.0%	4.4	6.1	8.2	10.7	13.2
	7.0%	**3.8**	**5.3**	**7.1**	**9.3**	**11.6**
	8.0%	3.4	4.7	6.3	8.3	10.3
	9.0%	3.0	4.2	5.7	7.5	9.4

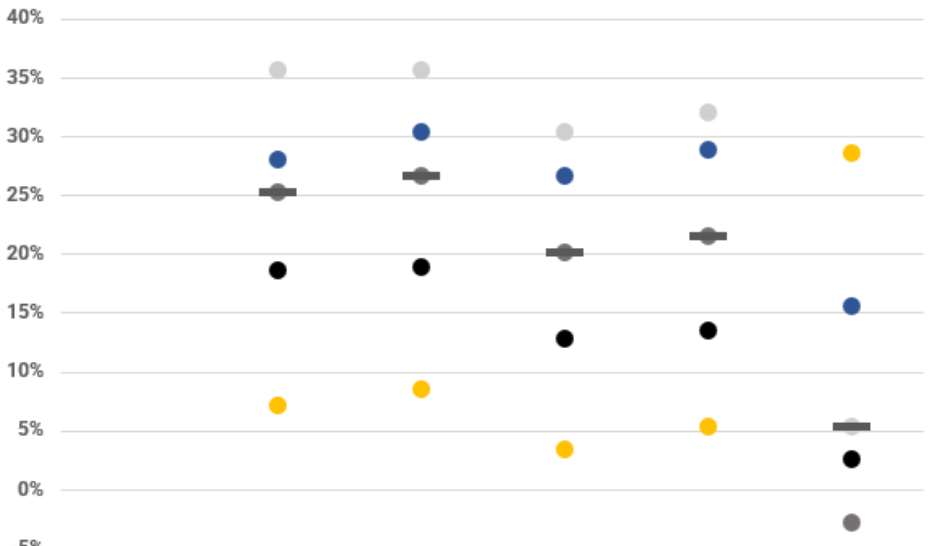
Source: Company data; mwb research

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.**

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 4 February 2025 the median market cap of the peer group was EUR 31,253.0m, compared to EUR 769.1m 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



4-Feb-25	Market Cap (EURm)	EBITDA margin 2024	EBITDA margin 2025	EBIT margin 2024	EBIT margin 2025	Sales CAGR 2023-2026
Mattel, Inc.	5.807	18,7%	19,0%	13,0%	13,6%	2,6%
Hasbro, Inc.	7.660	25,4%	26,7%	20,2%	21,6%	-2,7%
Electronic Arts Inc.	31.253	35,8%	35,7%	30,5%	32,1%	5,4%
Netflix, Inc.	405.980	28,1%	30,4%	26,7%	29,0%	15,6%
tonies SE	860	7,3%	8,6%	3,6%	5,5%	28,7%
Peer Group Median	31.253	25,4%	26,7%	20,2%	21,6%	5,4%

Source: FactSet, mwb research

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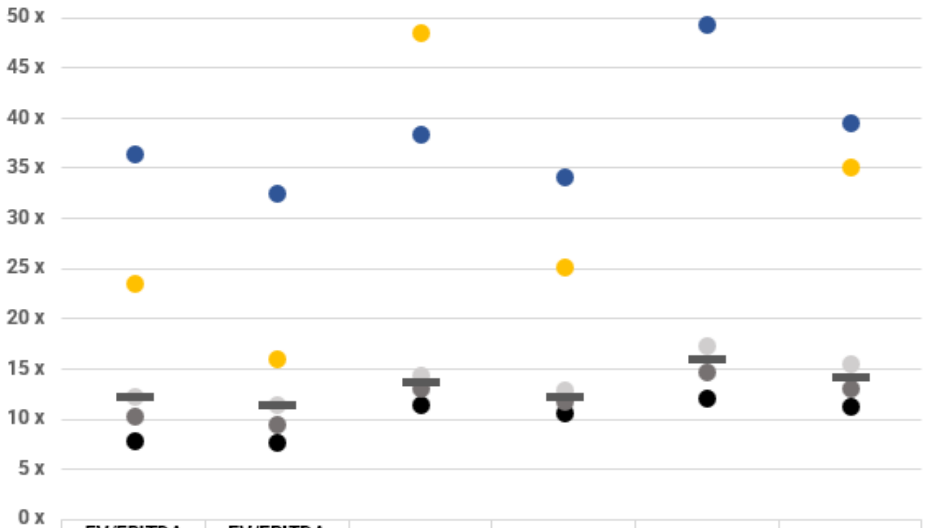
Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2024, EV/EBITDA 2025, EV/EBIT 2024, EV/EBIT 2025, P/E 2024 and P/E 2025.

Applying these to tonies SE results in a range of fair values from EUR 1.49 to EUR 5.43.

Peer Group – Multiples and valuation



	EV/EBITDA 2024	EV/EBITDA 2025	EV/EBIT 2024	EV/EBIT 2025	P/E 2024	P/E 2025
Mattel, Inc.	7,9x	7,6x	11,5x	10,7x	12,1x	11,3x
Hasbro, Inc.	10,4x	9,5x	13,0x	11,8x	14,7x	13,1x
Electronic Arts Inc.	12,3x	11,6x	14,4x	12,9x	17,3x	15,5x
Netflix, Inc.	36,5x	32,5x	38,4x	34,1x	49,4x	39,5x
tonies SE	23,6x	16,1x	48,5x	25,2x	72,9x	35,1x
Peer Group Median	12,3x	11,6x	13,7x	12,3x	16,0x	14,3x
Fair Value (EUR)	4,07	5,43	2,34	3,79	1,49	2,76

Source: FactSet, mwb research

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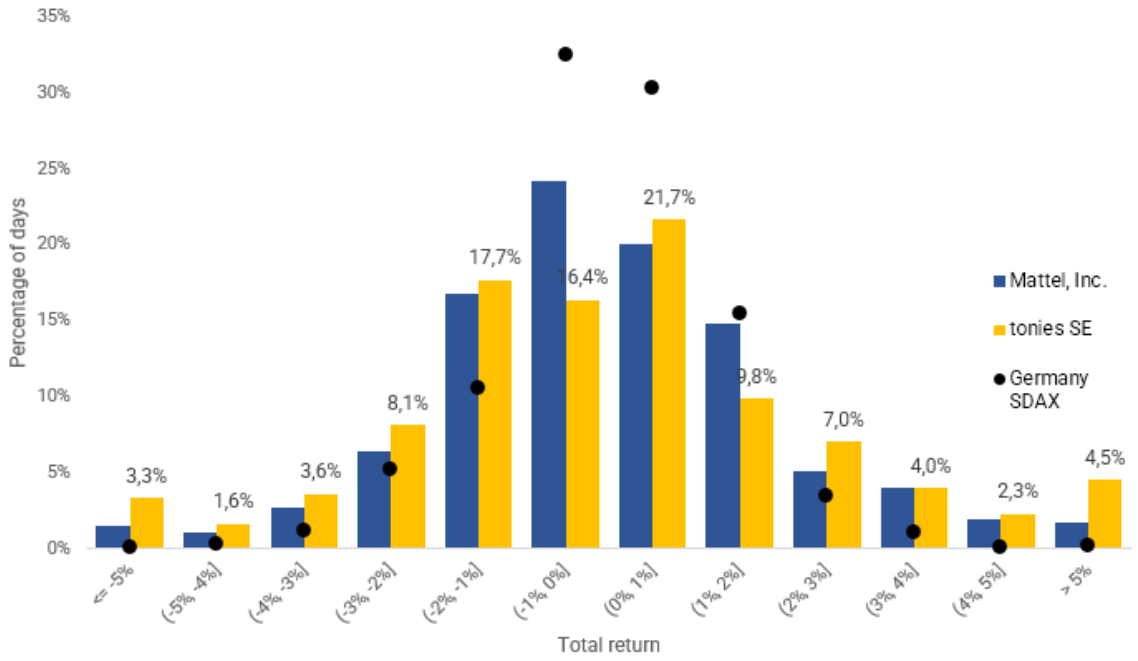
Risk

The chart displays the **distribution of daily returns of tonies SE** over the last 3 years, compared to the same distribution for Mattel, Inc.. We have also included the distribution for the index Germany SDAX. 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 24/02/2022 with a share price decline of -9.5%. The best day was 25/07/2022 when the share price increased by 14.6%.

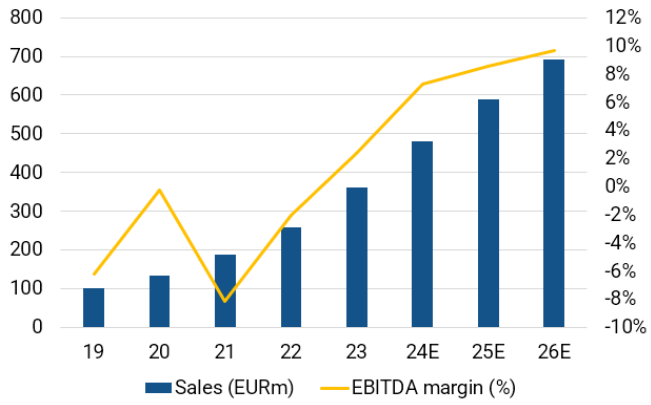
Risk – Daily Returns Distribution (trailing 3 years)



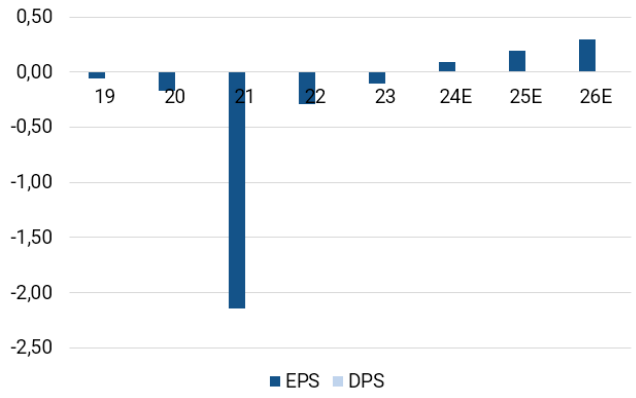
Source: FactSet, mwb research

Financials in six charts

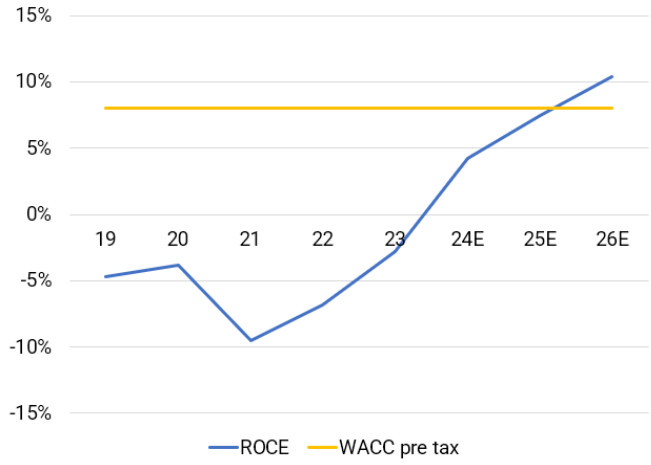
Sales vs. EBITDA margin development



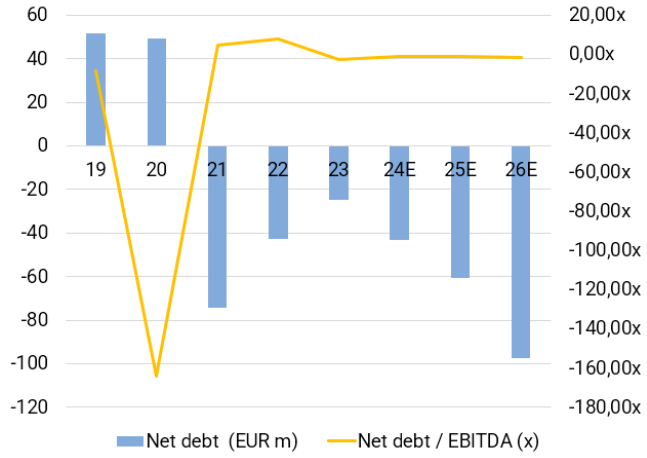
EPS, DPS in EUR & yoy EPS growth



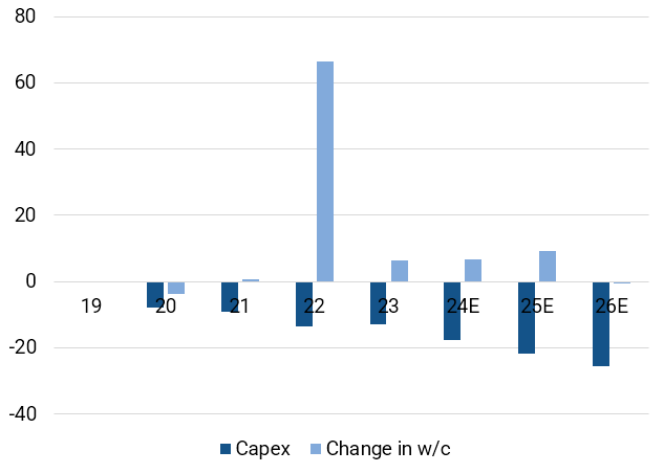
ROCE vs. WACC (pre tax)



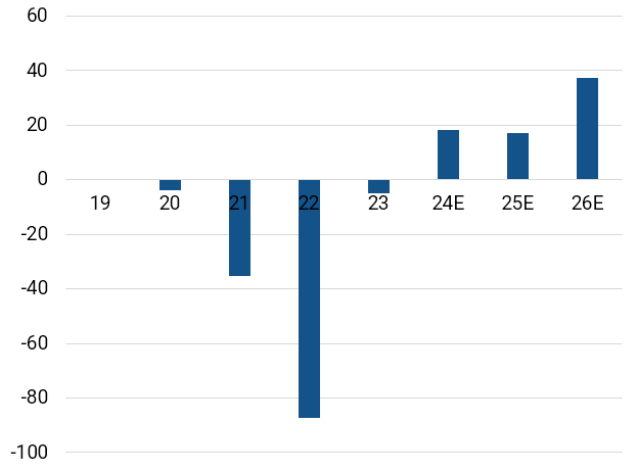
Net debt and net debt/EBITDA



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	2023	2024E	2025E	2026E
Net sales	**188.0**	**258.3**	**360.9**	**480.3**	**589.9**	**691.4**
Sales growth	39.7%	37.4%	39.7%	33.1%	22.8%	17.2%
Change in finished goods and work-in-process	2.8	47.6	-7.4	0.0	0.0	0.0
Total sales	**190.7**	**305.9**	**353.5**	**480.3**	**589.9**	**691.4**
Material expenses	89.0	165.9	129.7	174.4	214.3	248.9
Gross profit	**101.8**	**140.0**	**223.8**	**306.0**	**375.6**	**442.5**
Other operating income	0.4	1.3	8.1	4.8	5.9	6.9
Personnel expenses	25.1	57.2	48.6	64.4	77.3	88.5
Other operating expenses	92.4	89.5	174.7	211.3	253.7	293.8
EBITDA	**-15.3**	**-5.3**	**8.7**	**35.1**	**50.6**	**67.0**
Depreciation	2.3	3.7	4.3	3.6	4.2	5.1
EBITA	-17.6	-9.0	4.4	31.5	46.3	61.9
Amortisation of goodwill and intangible assets	11.9	14.8	15.2	14.4	14.1	14.2
EBIT	**-29.5**	**-23.8**	**-10.8**	**17.1**	**32.2**	**47.8**
Financial result	13.5	16.5	5.7	-3.0	-3.0	-2.5
Recurring pretax income from continuing operations	-16.0	-7.2	-5.1	14.1	29.2	45.3
Extraordinary income/loss	-232.0	-29.4	0.0	0.0	0.0	0.0
Earnings before taxes	-248.0	-36.6	-5.1	14.1	29.2	45.3
Taxes	-7.5	-4.2	6.7	3.5	7.3	11.3
Net income from continuing operations	-240.5	-32.5	-11.9	10.6	21.9	34.0
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**-240.5**	**-32.5**	**-11.9**	**10.6**	**21.9**	**34.0**
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-240.5	-32.5	-11.9	10.6	21.9	34.0
Average number of shares	112.20	113.44	113.44	113.44	113.44	113.44
EPS reported	**-2.14**	**-0.29**	**-0.10**	**0.09**	**0.19**	**0.30**

Profit and loss (common size)	2021	2022	2023	2024E	2025E	2026E
Net sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Change in finished goods and work-in-process	1%	18%	-2%	0%	0%	0%
Total sales	**101%**	**118%**	**98%**	**100%**	**100%**	**100%**
Material expenses	47%	64%	36%	36%	36%	36%
Gross profit	**54%**	**54%**	**62%**	**64%**	**64%**	**64%**
Other operating income	0%	1%	2%	1%	1%	1%
Personnel expenses	13%	22%	13%	13%	13%	13%
Other operating expenses	49%	35%	48%	44%	43%	43%
EBITDA	**-8%**	**-2%**	**2%**	**7%**	**9%**	**10%**
Depreciation	1%	1%	1%	1%	1%	1%
EBITA	-9%	-3%	1%	7%	8%	9%
Amortisation of goodwill and intangible assets	6%	6%	4%	3%	2%	2%
EBIT	**-16%**	**-9%**	**-3%**	**4%**	**5%**	**7%**
Financial result	7%	6%	2%	-1%	-1%	-0%
Recurring pretax income from continuing operations	-9%	-3%	-1%	3%	5%	7%
Extraordinary income/loss	-123%	-11%	0%	0%	0%	0%
Earnings before taxes	-132%	-14%	-1%	3%	5%	7%
Taxes	-4%	-2%	2%	1%	1%	2%
Net income from continuing operations	-128%	-13%	-3%	2%	4%	5%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	**-128%**	**-13%**	**-3%**	**2%**	**4%**	**5%**
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	**-128%**	**-13%**	**-3%**	**2%**	**4%**	**5%**

Source: Company data; mwb research

Balance sheet (EURm)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (exl. Goodwill)	**119.2**	**114.6**	**108.6**	**106.2**	**106.8**	**110.0**
Goodwill	162.2	162.2	162.2	162.2	162.2	162.2
Property, plant and equipment	7.4	12.4	12.0	14.1	17.0	20.2
Financial assets	9.3	0.0	0.1	0.1	0.1	0.1
FIXED ASSETS	**298.2**	**289.3**	**282.8**	**282.6**	**286.1**	**292.4**
Inventories	32.0	84.3	76.1	81.2	93.9	102.3
Accounts receivable	22.3	34.8	49.1	59.2	80.8	94.7
Other current assets	10.0	18.5	25.1	25.1	25.1	25.1
Liquid assets	75.6	54.9	59.3	77.6	94.8	119.8
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	**139.9**	**192.6**	**209.6**	**243.1**	**294.7**	**342.0**
TOTAL ASSETS	**438.0**	**481.8**	**492.4**	**525.7**	**580.8**	**634.4**
SHAREHOLDERS EQUITY	**281.3**	**334.6**	**325.4**	**335.9**	**357.8**	**391.8**
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.7	11.8	12.2	12.2	12.2	12.2
Provisions for pensions and similar obligations	7.9	6.0	6.8	11.5	13.6	15.9
Other provisions	34.5	20.2	24.3	33.6	39.5	46.3
Non-current liabilities	**43.1**	**38.1**	**43.3**	**57.3**	**65.3**	**74.4**
short-term liabilities to banks	0.5	0.6	22.2	22.2	22.2	10.0
Accounts payable	35.4	39.4	38.9	43.0	52.8	61.4
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)	77.0	69.0	62.6	67.2	82.6	96.8
Deferred taxes	0.6	0.1	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	**113.6**	**109.1**	**123.8**	**132.5**	**157.7**	**168.2**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**438.0**	**481.8**	**492.4**	**525.7**	**580.8**	**634.4**

Balance sheet (common size)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	**27%**	**24%**	**22%**	**20%**	**18%**	**17%**
Goodwill	37%	34%	33%	31%	28%	26%
Property, plant and equipment	2%	3%	2%	3%	3%	3%
Financial assets	2%	0%	0%	0%	0%	0%
FIXED ASSETS	**68%**	**60%**	**57%**	**54%**	**49%**	**46%**
Inventories	7%	18%	15%	15%	16%	16%
Accounts receivable	5%	7%	10%	11%	14%	15%
Other current assets	2%	4%	5%	5%	4%	4%
Liquid assets	17%	11%	12%	15%	16%	19%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	**32%**	**40%**	**43%**	**46%**	**51%**	**54%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**64%**	**69%**	**66%**	**64%**	**62%**	**62%**
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	2%	2%	2%	2%	2%
Provisions for pensions and similar obligations	2%	1%	1%	2%	2%	3%
Other provisions	8%	4%	5%	6%	7%	7%
Non-current liabilities	**10%**	**8%**	**9%**	**11%**	**11%**	**12%**
short-term liabilities to banks	0%	0%	5%	4%	4%	2%
Accounts payable	8%	8%	8%	8%	9%	10%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	18%	14%	13%	13%	14%	15%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	**26%**	**23%**	**25%**	**25%**	**27%**	**27%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

ResearchHub

Cash flow statement (EURm)	2021	2022	2023	2024E	2025E	2026E
Net profit/loss	-240.5	-31.7	-11.8	10.6	21.9	34.0
Depreciation of fixed assets (incl. leases)	14.2	18.4	4.3	3.6	4.2	5.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	15.2	14.4	14.1	14.2
Others	200.5	5.8	6.9	14.1	7.9	9.1
Cash flow from operations before changes in w/c	-25.8	-7.4	14.6	42.6	48.2	62.3
Increase/decrease in inventory	-8.5	-52.8	8.3	-5.1	-12.7	-8.3
Increase/decrease in accounts receivable	-5.5	-12.5	-14.3	-10.1	-21.6	-13.9
Increase/decrease in accounts payable	10.5	4.1	-0.5	4.1	9.9	8.5
Increase/decrease in other w/c positions	2.9	-5.2	0.0	4.6	15.3	14.2
Increase/decrease in working capital	-0.6	-66.4	-6.5	-6.6	-9.1	0.5
Cash flow from operating activities	**-26.4**	**-73.8**	**8.1**	**36.0**	**39.1**	**62.8**
CAPEX	-8.9	-13.6	-13.0	-17.8	-21.8	-25.6
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.1	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	**-8.9**	**-13.6**	**-12.9**	**-17.8**	**-21.8**	**-25.6**
Cash flow before financing	-35.4	-87.4	-4.8	18.3	17.2	37.3
Increase/decrease in debt position	-62.9	9.1	15.0	0.0	0.0	-12.2
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	60.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	165.4	-1.8	-3.4	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.6	0.0	-2.5	0.0	0.0	0.0
Cash flow from financing activities	**101.9**	**67.3**	**9.1**	**0.0**	**0.0**	**-12.2**
Increase/decrease in liquid assets	66.5	-20.1	4.3	18.3	17.2	25.0
Liquid assets at end of period	**75.6**	**54.9**	**59.3**	**77.5**	**94.8**	**119.8**

Source: Company data; mwb research

Regional sales split (EURm)	2021	2022	2023	2024E	2025E	2026E
Domestic	151.3	145.7	160.0	164.9	167.1	182.1
Europe (ex domestic)	16.3	47.0	61.0	81.2	88.0	103.1
The Americas	20.3	65.6	139.9	234.2	323.0	378.6
Asia	0.0	0.0	0.0	0.0	11.8	27.7
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	**188.0**	**258.3**	**360.9**	**480.3**	**589.9**	**691.4**

Regional sales split (common size)	2021	2022	2023	2024E	2025E	2026E
Domestic	80.5%	56.4%	44.3%	34.3%	28.3%	26.3%
Europe (ex domestic)	8.7%	18.2%	16.9%	16.9%	14.9%	14.9%
The Americas	10.8%	25.4%	38.8%	48.8%	54.8%	54.8%
Asia	0.0%	0.0%	0.0%	0.0%	2.0%	4.0%
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

ResearchHub

Ratios	2021	2022	2023	2024E	2025E	2026E
Per share data						
Earnings per share reported	-2.14	-0.29	-0.10	0.09	0.19	0.30
Cash flow per share	-0.24	-0.65	0.07	0.29	0.31	0.51
Book value per share	2.51	2.95	2.87	2.96	3.15	3.45
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-3.2x	-23.7x	-64.9x	72.9x	35.1x	22.7x
P/CF	-28.8x	-10.4x	94.8x	23.7x	22.1x	13.3x
P/BV	2.7x	2.3x	2.4x	2.3x	2.1x	2.0x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-3.5%	-9.6%	1.1%	4.2%	4.5%	7.5%
EV/Sales	3.7x	2.8x	2.1x	1.5x	1.2x	1.0x
EV/EBITDA	-45.9x	-137.1x	86.8x	21.0x	14.3x	10.3x
EV/EBIT	-23.8x	-30.8x	-69.4x	43.2x	22.4x	14.4x
Income statement (EURm)						
Sales	188.0	258.3	360.9	480.3	589.9	691.4
yoy chg in %	39.7%	37.4%	39.7%	33.1%	22.8%	17.2%
Gross profit	101.8	140.0	223.8	306.0	375.6	442.5
Gross margin in %	54.1%	54.2%	62.0%	63.7%	63.7%	64.0%
EBITDA	-15.3	-5.3	8.7	35.1	50.6	67.0
EBITDA margin in %	-8.1%	-2.1%	2.4%	7.3%	8.6%	9.7%
EBIT	-29.5	-23.8	-10.8	17.1	32.2	47.8
EBIT margin in %	-15.7%	-9.2%	-3.0%	3.6%	5.5%	6.9%
Net profit	-240.5	-32.5	-11.9	10.6	21.9	34.0
Cash flow statement (EURm)						
CF from operations	-26.4	-73.8	8.1	36.0	39.1	62.8
Capex	-8.9	-13.6	-13.0	-17.8	-21.8	-25.6
Maintenance Capex	0.0	0.0	0.0	3.6	4.2	5.1
Free cash flow	-35.4	-87.4	-4.9	18.3	17.2	37.3
Balance sheet (EURm)						
Intangible assets	281.4	276.8	270.8	268.4	269.0	272.2
Tangible assets	7.4	12.4	12.0	14.1	17.0	20.2
Shareholders' equity	281.3	334.6	325.4	335.9	357.8	391.8
Pension provisions	7.9	6.0	6.8	11.5	13.6	15.9
Liabilities and provisions	43.7	38.7	65.5	79.6	87.5	84.4
Net financial debt	-74.4	-42.5	-24.9	-43.1	-60.4	-97.6
w/c requirements	18.9	79.7	86.2	97.4	121.9	135.6
Ratios						
ROE	-85.5%	-9.7%	-3.6%	3.1%	6.1%	8.7%
ROCE	-9.1%	-6.4%	-2.8%	4.1%	7.2%	10.0%
Net gearing	-26.4%	-12.7%	-7.6%	-12.8%	-16.9%	-24.9%
Net debt / EBITDA	4.9x	8.0x	-2.9x	-1.2x	-1.2x	-1.5x

Source: Company data; mwb research

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