

Modulight Oyj

Company report

8/21/2023



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✓ Inderes corporate customer

This report is a summary translation of the report “Ennusteet leikkuriin” published on 8/21/2023 at 7:45 am EEST.

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Growth not picking up yet

We reiterate our Reduce recommendation and lower our target price to EUR 1.6 (was EUR 2.3). The Q2 report was disappointing compared to our expectations and the market reaction was also strongly negative. The company's revenue of EUR 1.1 million was modest, especially when considering the large contract that still supported the figures in this quarter. We are lowering our estimates for the short and long term in view of the difficulties in the business and the continuing very low visibility. Despite the fall in the share price, the valuation seems even more challenging than before, as in addition to our estimates, our view on the acceptable multiples for the stock has gone down.

Revenue remained at a very low level and the outlook remains foggy

Modulight's Q2 revenue landed at EUR 1.1 million, well below our estimate. The company's revenue in the previous 12 months totals EUR 5.1 million, of which a single large contract has generated around EUR 3.7 million. The remaining almost 30 projects have therefore generated around EUR 1.4 million over the past 12 months. Revenue is at a very low level compared to the company's history and cost structure. As in the past, Modulight no longer referred to significant revenue potential in several projects in 2023, which we interpret as a negative change in outlook. The operating result was EUR -2.1 million, which was also below our expectations. Costs were largely in line with our expectations, so the lower-than-expected result was mainly due to lower revenue. The company continues to report a high level of ongoing investments, with a free cash flow after investments of EUR -4.7 million. Cash and cash equivalents have decreased by about EUR 11 million during H1, but with a net cash position of EUR 25 million, the company's balance sheet remains strong in relation to cash flow prospects.

We cut our estimates heavily

Our estimates have assumed a rapid recovery of Modulight's business towards previous years' levels, followed by a sustained period of profitable growth. Development in H1 has been significantly slower than we expected, and we currently see no signs of a rapid return to 2020-2021 levels. Revenue from the single large contract having ended increases risks for H2. We have therefore cut our revenue estimates by around a third in the coming years and also revised our view of the company's long-term growth potential downwards. As a result of the estimate cut, our expected turnaround is pushed forward by one year and we expect a positive result in 2026. However, our more conservative projections still require the company to deliver strong relative growth, which should be facilitated by a low absolute starting level.

The valuation picture is not yet attractive in the absence of evidence of growth

EV/S multiples are 6.7x-5.1x (previously 6.8x-5.0x) for 2023-2024 and still clearly above the valuation of peer companies. Our view on acceptable multiples has declined due to sluggish business performance, heavy losses and a foggy growth outlook. The DCF model does not suggest significant upside for the stock. The risk level of the stock is relatively high and has increased from the past due to the still high valuation level, losses and low predictability of the business. In general, we will shift our monitoring focus to more concrete evidence of business performance and rely less on the less predictable future.

Recommendation

Reduce

(previous Reduce)

EUR 1.60

(previous EUR 2.30)

Share price:

1.50



Key figures

	2022	2023e	2024e	2025e
Revenue	4.6	5.8	8.4	12.0
growth-%	-49%	26%	44%	43%
EBIT adj.	-7.8	-6.0	-3.2	-1.5
EBIT-% adj.	-169.5%	-103.3 %	-37.9 %	-12.5 %
Net Income	-8.6	-5.6	-3.1	-1.1
EPS (adj.)	-0.20	-0.13	-0.07	-0.03

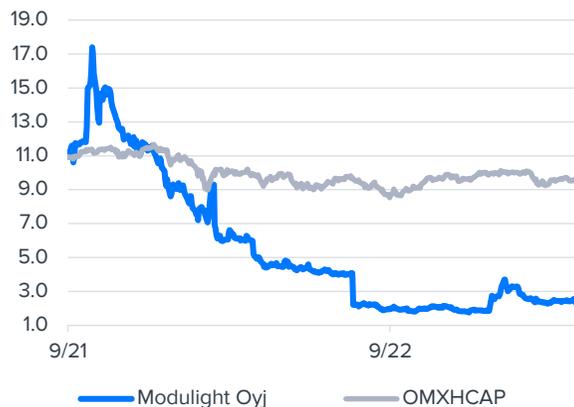
P/E (adj.)	neg.	neg.	neg.	neg.
P/B	1.9	1.0	1.1	1.1
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	22.2
EV/S	19.6	6.7	5.1	3.7

Source: Inderes

Guidance

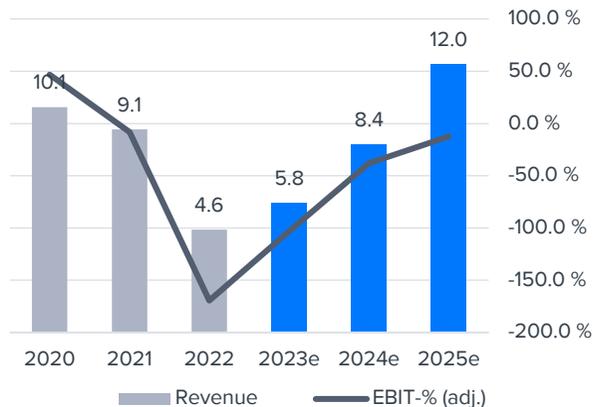
Modulight does not provide any guidance.

Share price



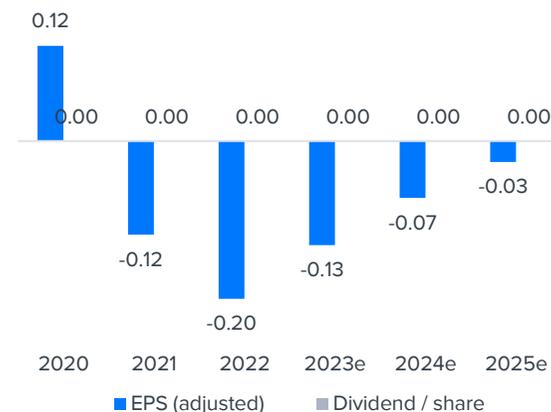
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- A defensive market with growth well into the future
- The company's technological expertise, ability to tailor products and build cloud services gives Modulight a competitive advantage
- A model based on license fees and pay-per-treatment pricing can be highly scalable if successful



Risk factors

- The project-based model has been unreliable, at least for 2022, and we believe its long-term performance requires further evidence.
- Revenue and profitability are poorly predictable
- Low visibility of projects and their progress
- Immature and concentrated customer base brings more risk

Valuation	2023e	2024e	2025e
Share price	1.50	1.50	1.50
Number of shares, millions	42.6	42.6	42.6
Market cap	64	64	64
EV	39	43	44
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/FCF	neg.	neg.	neg.
P/B	1.0	1.1	1.1
P/S	11.0	7.6	5.3
EV/Sales	6.7	5.1	3.7
EV/EBITDA	neg.	neg.	22.2
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Revenue remained at a very low level

Revenue below expectations

Modulight's Q2 revenue landed at EUR 1.1 million, clearly below our estimate. Revenue had fallen by around 80% year-on-year, so the level of revenue seen now is still at a very low level compared to two years ago. Revenue in the last 12 months totaled EUR 5.1 million, of which the majority (~3.7 MEUR) has come from one large project. Now in Q2, revenue from this project has ended. Our estimate was based on the recovery of revenue from other projects, of which the company says there are 27, in addition to this major project. In the Q1 report, Modulight pointed to significant revenue potential in several projects during 2023, which contributed to our growth forecasts. However, in the latest report, references to 2023 have been removed, which we interpret as a negative sign.

EBIT was also worse than expected

EBIT was EUR -2.1 million, which was also below our estimate due to the lower-than-expected level of revenue. Costs were close to our expectations. Modulight appears to be investing heavily in growth. For example, the number of staff increased and averaged 67 during H1 (H1:'22: EUR 59). The company said in its Q2 webcast that it plans to recruit up to 20 people this year. Other operating expenses remained at a high level; we believe due to continued active investments. EUR 1.8 million of development costs were capitalized compared to the beginning of the year, which contributed to the improved reported result.

Investments in production continued and weighed on cash flow

In the balance sheet, tangible fixed assets increased by around EUR 4 million in H1, mainly due to new

machinery and equipment for the production plant. Trade receivables, previously the focus of attention, decreased slightly to EUR 2.6 million (3.0 MEUR at the end of 2022).

Q2 cash flow from operating activities was EUR -1.4 million and cash flow from investing activities EUR -3.3 million, which added up to a free cash flow after investments of EUR -4.7 million. The change in cash and cash equivalents was EUR -5.0 million in the quarter and EUR -11.2 million since the beginning of the year. The company has said that investments will decrease towards the end of the year, which should slow the decline in cash. With a net cash position of EUR 25 million, Modulight's balance sheet remains strong, although the position has weakened significantly since the IPO (Q3'21 net cash was 52.3 MEUR). In the future, as investments calm down, cash flow will be determined more by cash flow from operating activities.

Estimates MEUR / EUR	Q2'22	Q2'23	Q2'23e	Q2'23e	Consensus		Difference (%)	2023e
	Comparator	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	0.5	1.1	2.5				-56%	5.8
EBIT	-2.6	-2.1	-1.5				44%	-6.0
EPS (reported)	-0.07	-0.05	-0.03				57%	-0.13
Revenue growth-%	-78.9 %	120.0 %	400.0 %				-280 pp	
EBIT-% (adj.)	-520.0 %	-17.5 %	-58.3 %				40,9 pp	

Lähde: Inderes

Listen to Q2 webcast:



Sizable cuts to estimates

Estimate revisions 2023e-2025e

- We are lowering our revenue estimates for the coming years 2023-2025 by 33% based on Modulight's weak start to the year and our view of delayed commercial successes.
- Visibility to the future of the business remains very weak. We are therefore more conservative in our outlook and expect the company to provide more concrete evidence of growth.
- We have also revised our longer-term growth estimates downwards based on our assessment of the company's long-term growth potential.
- Our updated estimates expect Modulight to continue to deliver strong relative growth, supported by a low absolute starting level.
- We are also lowering our earnings forecasts for the coming years, which will result in a shift in our previously expected 2025 earnings turnaround to 2026.

Revenue development by quarter, MEUR



Estimate revisions MEUR / EUR	2023e			2024e			2025e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
Revenue	8.7	5.8	-33%	12.6	8.4	-33%	17.9	12.0	-33%
EBIT	-5.7	-6.0	4%	-2.9	-3.2	11%	0.2	-1.5	-746%
EPS (excl. NRIs)	-0.13	-0.13	5%	-0.06	-0.07	12%	0.01	-0.03	-522%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Valuation not attractive yet

EV/S ratios indicate that the share is expensive

Because of the loss-making business, we cannot use earnings-based multiples in valuation, but rely on revenue-based EV/S ratios and DCF calculation that models the present value of future cash flows. The valuation is inherently imprecise, as it relies on highly uncertain forecasts.

On a revenue basis, the valuation of the stock is broadly unchanged from the update before the Q2 results and also from the [Initiation of coverage report](#). Our updated projections have EV/S multiples of 6.7x and 5.1x for 2023-2024 (previously 6.8x and 5.0x). The ratios are high compared to Lumibird SA which we consider the most suitable peer (EV/S: 1.9x and 1.7x). The median of the laser manufacturer peer group is 2.1x-1.0x and the EV/S median of medical device manufacturers is 4.2x-3.9x.

Given the sluggish performance of the business and the uncertain outlook, we lower our view on an acceptable 2023e multiple range for the stock to 4x-6x (was 5x-7x). At the current valuation, we therefore estimate that the stock is expensive. We note that our estimates still include the assumption of a strengthening H2'23, so a valuation of 6.7x EV/S assumes the company will succeed in growth.

DCF does not indicate upside for the stock

The baseline scenario in our DCF calculation falls to EUR 1.6 (was EUR 2.3). In a positive forecast scenario, the DCF is EUR 3.1 (was EUR 4.9), and in a negative one EUR 0.7 (was EUR 1.1). The main factor explaining the differences between the scenarios is revenue growth, which is followed by profitability. In particular, the higher terminal profitability (EBIT of 30%) used in the positive scenario has a clear upward effect on the

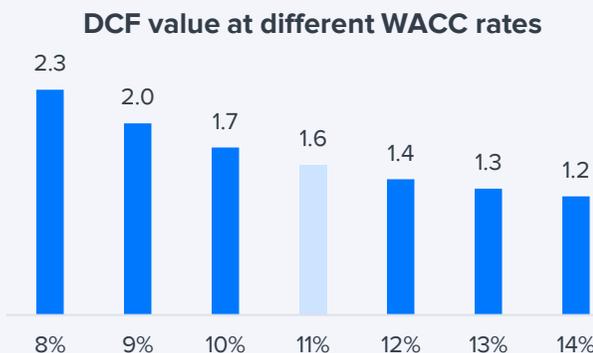
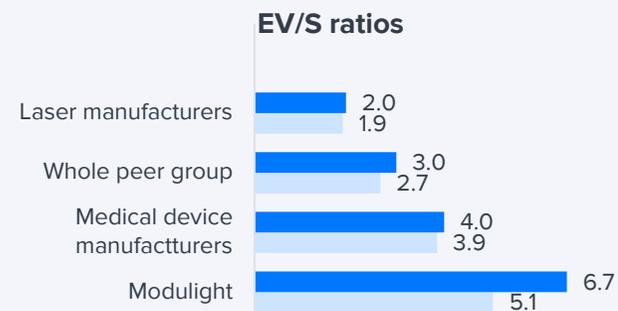
value. In the negative scenario, terminal profitability remains at 20%. We note that the scenarios do not represent our view of the best and worst possible path for the business but are intended to provide investors with a perspective on the sensitivity of the valuation assumptions used, which in the case of Modulight is high.

We reiterate our recommendation with a slightly weaker valuation picture

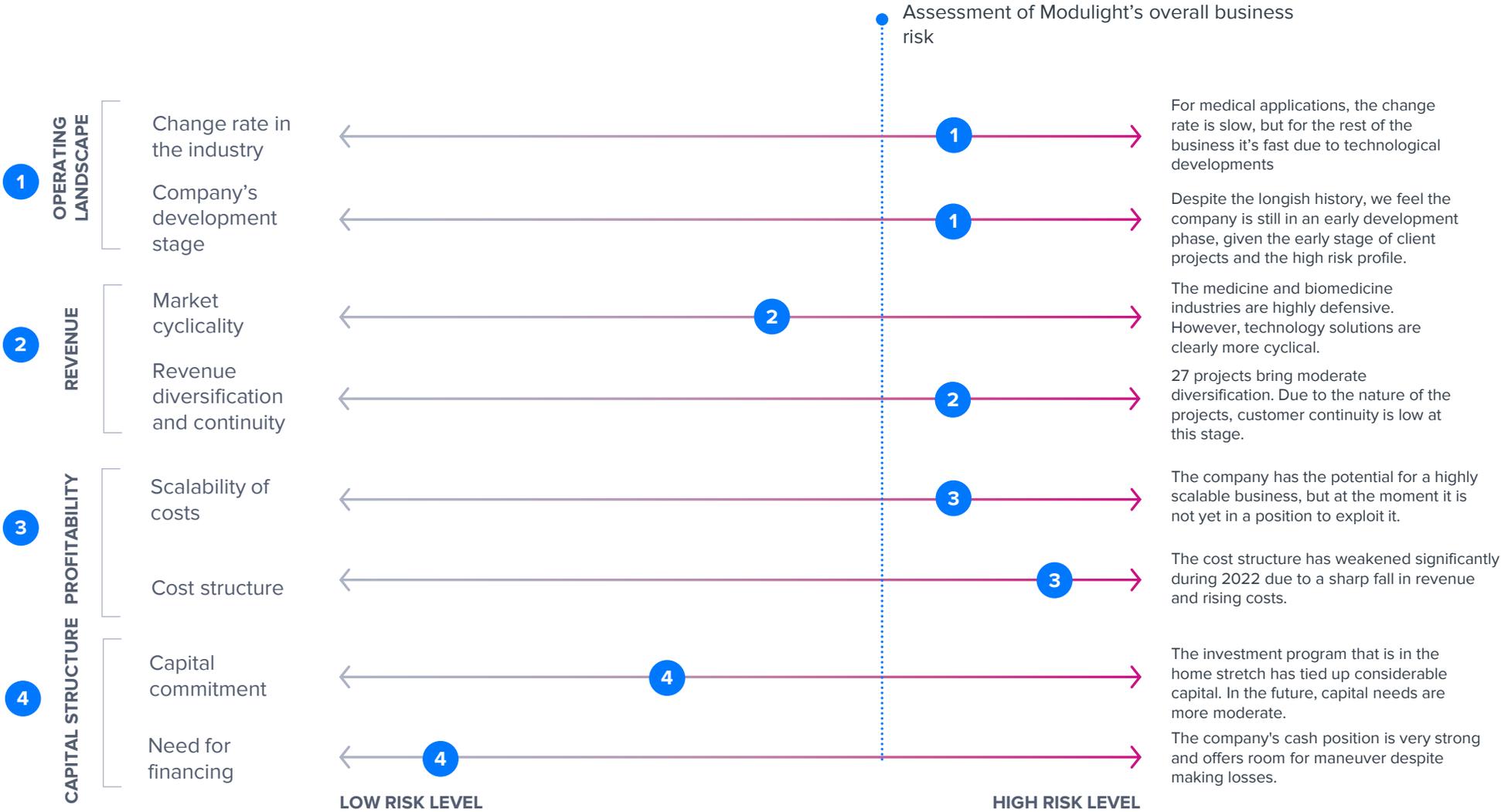
We reiterate our Reduce recommendation on the stock and lower the target price to EUR 1.6 as the valuation picture has weakened slightly due to slightly lower acceptable multiples. Our view on the fair value of Modulight's share is EUR 1.0-2.5 (previously EUR 2.0-3.0). Given the company's profile, significant estimate risk and low visibility, we believe a relatively wide fair value range is justified. Central to the view are the EV/S multiple and DCF model and its scenarios, which suggest that the stock is slightly overvalued with our assumptions in the neutral scenario. The DCF suggests a significant upside or downside for the share in high and low growth scenarios. In case the low estimate materializes, the risk of permanently losing capital is considerable.

Valuation	2023e	2024e	2025e
Share price	1.50	1.50	1.50
Number of shares, millions	42.6	42.6	42.6
Market cap	64	64	64
EV	39	43	44
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/FCF	neg.	neg.	neg.
P/B	1.0	1.1	1.1
P/S	11.0	7.6	5.3
EV/Sales	6.7	5.1	3.7
EV/EBITDA	neg.	neg.	22.2
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes



Risk profile of the business model



Source: Inderes

Valuation table

Valuation	2021	2022	2023e	2024e	2025e	2026e
Share price	11.4	2.95	1.50	1.50	1.50	1.50
Number of shares, millions	42.6	42.6	42.6	42.6	42.6	42.6
Market cap	484	126	64	64	64	64
EV	430	90	39	43	44	43
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	74.2
P/E	neg.	neg.	neg.	neg.	neg.	74.2
P/FCF	neg.	neg.	neg.	neg.	neg.	55.6
P/B	6.4	1.9	1.0	1.1	1.1	1.1
P/S	53.3	27.3	11.0	7.6	5.3	4.1
EV/Sales	47.4	19.6	6.7	5.1	3.7	2.7
EV/EBITDA	>100	neg.	neg.	neg.	22.2	9.3
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.	43.6
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e
Carl Zeiss Meditech	7941	8188	21.9	19.4	17.9	16.4	3.9	3.6	29.3	26.7	1.2	1.3	3.7
Coherent Corp	4765	7962	8.9	11.8	7.1	7.9	1.7	1.9	11.7	25.7			0.8
Cutera Inc	202	382					1.8	1.8					5.7
IPG Photonics Corp	4321	3313	13.6	11.1	10.3	8.6	2.7	2.5	21.1	17.3			1.9
Lumentum	2930	3537	11.3	24.4	7.9	15.0	2.2	2.7	10.6	23.7			2.1
Lumibird SA	344	396	15.3	12.4	10.2	8.5	1.9	1.7	19.6	15.4			1.6
Medtronic	99800	115052	15.2	15.6	13.4	13.8	4.0	3.9	15.4	16.1	3.3	3.4	2.0
Nexstim	21	20					2.8	2.2					7.8
nLIGHT	472	378			534.2	61.5	2.0	1.7					
Optomed	52	53				105.5	3.2	2.6					3.2
Revenio Group	601	604	23.6	20.1	20.4	17.7	6.2	5.7	31.3	26.3	1.7	1.9	6.0
Stryker	97067	107615	23.8	21.6	22.0	19.7	5.8	5.4	26.8	24.3	1.1	1.1	5.7
Theralase	35	34					45.8	29.2					7.8
Xvivo Perfusion	701	689	141.1	51.6	81.7	37.4	13.0	9.8	105.9	60.3			5.4
Modulight Oyj (Inderes)	64	39	-6.4	-13.4	-11.1	-82.2	6.7	5.1	-11.3	-20.8	0.0	0.0	1.0
Average			30.5	20.9	72.5	28.4	6.9	5.3	30.2	26.2	1.8	1.9	4.1
Median			15.3	19.4	15.7	16.4	3.0	2.7	21.1	24.3	1.5	1.6	3.7
Diff-% to median			-142%	-169%	-171%	-601%	120%	89%	-154%	-186%	-100%	-100%	-72%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue	9.1	1.6	0.5	1.2	1.3	4.6	1.5	1.0	1.5	1.8	5.8	8.4	12.0	15.6
Group	9.1	1.6	0.5	1.2	1.3	4.6	1.5	1.0	1.5	1.8	5.8	8.4	12.0	15.6
EBITDA	0.4	-1.9	-0.7	-1.8	-1.5	-5.9	-1.9	0.8	-1.1	-0.9	-3.0	-0.5	2.0	4.6
Depreciation	-1.2	0.0	-0.9	0.0	-1.0	-1.9	0.0	-1.0	-1.0	-1.0	-3.0	-2.7	-3.5	-3.6
EBIT	-0.8	-1.9	-1.6	-1.8	-2.5	-7.8	-1.9	-0.2	-2.0	-1.9	-6.0	-3.2	-1.5	1.0
Net financial items	-4.3	0.0	-0.9	0.0	0.1	-0.8	0.0	0.1	0.1	0.1	0.3	0.1	0.1	0.1
PTP	-5.1	-1.9	-2.5	-1.8	-2.4	-8.6	-1.9	-0.1	-1.9	-1.8	-5.7	-3.1	-1.4	1.1
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	-0.2
Net earnings	-5.1	-1.9	-2.5	-1.8	-2.4	-8.6	-1.9	-0.1	-1.9	-1.8	-5.7	-3.1	-1.1	0.9
EPS (adj.)	-0.12	-0.04	-0.06	-0.04	-0.06	-0.20	-0.04	0.00	-0.05	-0.04	-0.13	-0.07	-0.03	0.02
EPS (rep.)	-0.12	-0.04	-0.06	-0.04	-0.06	-0.20	-0.04	0.00	-0.05	-0.04	-0.13	-0.07	-0.03	0.02

Key figures	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e	0.00
Revenue growth-%	-9.8 %	0.0 %	-89.0 %	#####	-86.0 %	-49.3 %	-6.7 %	101.4 %	21.9 %	42.0 %	26.1 %	44.4 %	43.0 %	30.0 %	
Adjusted EBIT growth-%	-116.0 %		-160.7 %	-30.4 %	232.4 %	935.2 %	0.2 %	-87.8 %	12.7 %	-26.0 %	-23.2 %	-46.9 %	-52.8 %	-165.1 %	
EBITDA-%	4.9 %	-118.8 %	-138.0 %	-147.2 %	-120.9 %	-129.0 %	-127.5 %	79.2 %	-70.2 %	-47.7 %	-52.0 %	-6.2 %	16.5 %	29.4 %	
Adjusted EBIT-%	-8.3 %	-118.8 %	-316.0 %	-147.2 %	-197.4 %	-169.5 %	-127.5 %	-19.1 %	-136.2 %	-102.8 %	-103.3 %	-37.9 %	-12.5 %	6.3 %	
Net earnings-%	-55.8 %	-118.8 %	-493.8 %	-147.2 %	-186.8 %	-185.9 %	-127.5 %	-9.1 %	-129.5 %	-97.3 %	-98.1 %	-36.7 %	-9.4 %	5.5 %	

Source: Inderes

Balance sheet

Assets	2021	2022	2023e	2024e	2025e
Non-current assets	15.8	27.7	33.6	34.1	33.9
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	5.5	7.7	10.0	10.7	11.1
Tangible assets	10.3	19.9	23.5	23.4	22.8
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	71.7	50.7	36.4	33.2	32.6
Inventories	1.1	2.3	1.2	1.5	1.8
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	7.6	4.5	2.9	3.4	3.7
Cash and equivalents	63.0	43.9	32.3	28.3	27.1
Balance sheet total	87.5	78.3	69.9	67.3	66.5

Source: Inderes

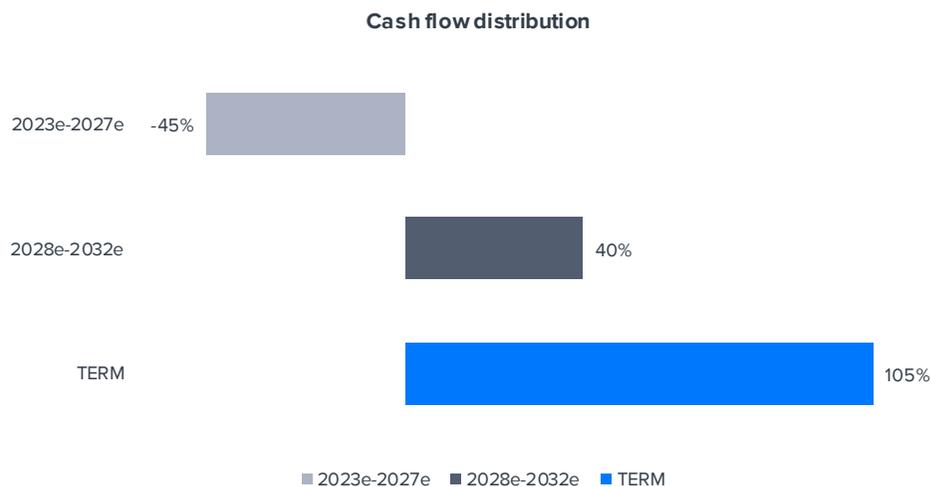
Liabilities & equity	2021	2022	2023e	2024e	2025e
Equity	76.2	67.6	61.9	58.9	57.7
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	0.7	-7.8	-13.5	-16.6	-17.7
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	75.3	75.3	75.3	75.3	75.3
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	8.2	6.6	5.0	5.0	5.0
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Long term debt	8.2	6.6	5.0	5.0	5.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	3.1	4.1	3.0	3.4	3.8
Short term debt	1.3	1.7	2.0	2.0	2.0
Payables	1.8	2.5	1.0	1.4	1.8
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	87.5	78.3	69.9	67.3	66.5

DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-49.3 %	26.1 %	44.4 %	43.0 %	30.0 %	25.0 %	20.0 %	15.0 %	12.0 %	8.0 %	6.0 %	3.0 %	3.0 %
EBIT-%	-169.5 %	-103.3 %	-37.9 %	-12.5 %	6.3 %	12.0 %	18.0 %	22.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %
EBIT (operating profit)	-7.8	-6.0	-3.2	-1.5	1.0	2.3	4.2	5.9	7.5	8.1	8.6	8.9	
+ Depreciation	1.9	2.5	2.7	3.5	3.6	3.5	3.5	3.6	3.6	3.6	3.7	3.7	
- Paid taxes	0.0	0.0	0.0	0.3	-0.2	-0.4	-0.8	-1.2	-1.5	-1.6	-1.7	-1.9	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	
- Change in working capital	2.6	1.3	-0.4	-0.3	0.1	-0.3	-0.5	-0.4	-0.1	-0.2	-0.1	-0.2	
Operating cash flow	-3.3	-2.2	-0.9	2.0	4.5	5.1	6.4	7.9	9.5	9.9	10.4	10.7	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-13.7	-8.4	-3.2	-3.3	-3.4	-3.5	-3.5	-3.6	-3.7	-3.8	-3.9	-3.7	
Free operating cash flow	-17.0	-10.6	-4.1	-1.3	1.1	1.6	2.8	4.3	5.8	6.1	6.5	7.0	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-17.0	-10.6	-4.1	-1.3	1.1	1.6	2.8	4.3	5.8	6.1	6.5	7.0	89.6
Discounted FCFF		-10.2	-3.5	-1.0	0.8	1.0	1.6	2.2	2.7	2.5	2.4	2.4	30.3
Sum of FCFF present value		31.1	41.3	44.9	45.9	45.1	44.1	42.5	40.3	37.6	35.1	32.6	30.3
Enterprise value DCF		31.1											
- Interest bearing debt		-8.3											
+ Cash and cash equivalents		43.9											
- Minorities		0.0											
- Dividend/capital return		0.0											
Equity value DCF		66.7											
Equity value DCF per share		1.6											

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	8.0 %
Equity Beta	1.80
Market risk premium	4.75%
Liquidity premium	0.50%
Risk free interest rate	2.5 %
Cost of equity	11.6 %
Weighted average cost of capital (WACC)	11.0 %

Source: Inderes



Summary

Income statement	2020	2021	2022	2023e	2024e	Per share data	2020	2021	2022	2023e	2024e
Revenue	10.1	9.1	4.6	5.8	8.4	EPS (reported)	0.12	-0.12	-0.20	-0.13	-0.07
EBITDA	5.8	0.4	-5.9	-3.5	-0.5	EPS (adj.)	0.12	-0.12	-0.20	-0.13	-0.07
EBIT	4.7	-0.8	-7.8	-6.0	-3.2	OCF / share	0.14	-0.01	-0.08	-0.05	-0.02
PTP	4.6	-5.1	-8.6	-5.6	-3.1	FCF / share	0.07	-0.23	-0.40	-0.25	-0.10
Net Income	3.7	-5.1	-8.6	-5.6	-3.1	Book value / share	0.31	1.79	1.59	1.45	1.38
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2020	2021	2022	2023e	2024e	Growth and profitability	2020	2021	2022	2023e	2024e
Balance sheet total	19.7	87.5	78.3	69.9	67.3	Revenue growth-%	40%	-10%	-49%	26%	44%
Equity capital	9.6	76.2	67.6	61.9	58.9	EBITDA growth-%	98%	-92%	-1428%	-41%	-85%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	60%	-116%	935%	-23%	-47%
Net debt	3.9	-53.4	-35.6	-25.3	-21.3	EPS (adj.) growth-%	-99%	-198%	69%	-34%	-45%
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	57.8 %	4.9 %	-129.0 %	-60.2 %	-6.2 %
EBITDA	5.8	0.4	-5.9	-3.5	-0.5	EBIT (adj.)-%	46.8 %	-8.3 %	-169.5 %	-103.3 %	-37.9 %
Change in working capital	-1.5	-0.9	2.6	1.3	-0.4	EBIT-%	46.8 %	-8.3 %	-169.5 %	-103.3 %	-37.9 %
Operating cash flow	4.3	-0.4	-3.3	-2.2	-0.9	ROE-%	46.7 %	-11.8 %	-11.9 %	-8.7 %	-5.1 %
CAPEX	-2.1	-9.6	-13.7	-8.4	-3.2	ROI-%	35.0 %	-1.5 %	-9.6 %	-8.3 %	-4.7 %
Free cash flow	2.2	-10.0	-17.0	-10.6	-4.1	Equity ratio	48.6 %	87.0 %	86.3 %	88.6 %	87.5 %
Valuation multiples	2020	2021	2022	2023e	2024e	Gearing	41.1 %	-70.1 %	-52.7 %	-40.9 %	-36.2 %
EV/S	0.4	47.4	19.6	6.7	5.1						
EV/EBITDA (adj.)	0.7	>100	neg.	neg.	neg.						
EV/EBIT (adj.)	0.8	neg.	neg.	neg.	neg.						
P/E (adj.)	0.0	neg.	neg.	neg.	neg.						
P/B	0.0	6.4	1.9	1.0	1.1						
Dividend-%		0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
3/15/2023	Reduce	2.30 €	2.42 €
5/2/2023	Reduce	2.30 €	2.31 €
8/11/2023	Reduce	2.30 €	2.15 €
8/21/2023	Reduce	1.60 €	1.50 €



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