

# Nexstim

## Company report

02/28/2023 07:30



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✓ Inderes corporate customer

This report is a summary translation of the report “Kohti uusien avausten vuotta” published on 2/28/2023 at 7:29 am

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# Toward a year of new openings

We raise our target price to EUR 4.5 (previous 4.3) and our recommendation to Accumulate (previous Reduce) based on the profitability outlook that was better than expected and increased confidence in the materialization and timing of new business openings. In H2, net sales were well below our estimates while the operating loss was in line with our expectation. We lowered our net sales estimates for the next few years but left our longer-term growth expectations unchanged. Our EBIT estimates rise with a better profitability outlook. The valuation picture is more attractive than before with the outlook and lower share price.

## Net sales were clearly below our expectations, but cost management was a positive surprise

Nexstim's net sales in H2 were EUR 2.7 million, which was clearly below our estimate (3.4 MEUR). Equipment was sold in the quantity we expected, but we estimate that some of the equipment was leased. This means net sales is not recorded from these equipment immediately, but over a number of years. Recurring net sales also fell short of our expectations. According to the company, this was partly due to the timing of contracts, but tighter competition also played a part in the underperformance. Profitability was slightly weaker than we estimated, the main reason being the sales margin remaining good and lower personnel costs.

## We raised profitability estimates with realized figures and the company's guidance

Nexstim reported that it expects 2023 comparable net sales (adjusted for license fee) to increase and EBITDA to be profitable. The company's outlook surprised us positively in terms of profitability. In the interview, Nexstim also specified the concrete measures of the 2023 cost savings program, where the company reported it had succeeded in finding EUR 0.6 million in savings targets. We lowered our net sales estimate for the next few years but left our longer-term outlook unchanged. Our confidence increased with the launch of the new NBS equipment generation later this year, Nexstim saying there is potential to increase the network of partner clinics not only in the US but also in Europe, and the prospect of continued license fees later this year. We have revised our cost expectations slightly downwards due to realized figures, company guidance and the success of the cost savings program. This is visible in our estimates as slightly better profitability than before.

## Valuation picture turned more attractive thanks to the share price drop and better profitability outlook

Our valuation is based on the DCF model and EV/S ratio. Our DCF model indicates that current value of cash flows is EUR 4.5 (previous EUR 4.2) because of the improved profitability outlook. The fair EV/S ratio for the share is 3-4x as estimated in the Initiation of coverage report. With our 2023 estimates, Nexstim's ratio is at the top of the range, but falls to 2.9x with our 2024 growth estimates, which we consider attractive. The share's risk level is still highish due to continued losses and high estimate risk, but we believe that the growth and improved profitability outlook offer a sufficient expected return to bear the risk.

## Recommendation

### Accumulate

(previous Reduce)

### EUR 4.50

(previous EUR 4.30)

### Share price:

EUR 3.96



## Key figures

	2022	2023e	2024e	2025e
<b>Revenue</b>	9.5	7.4	9.9	12.4
<b>growth-%</b>	49%	-22%	34%	25%
<b>EBIT adj.</b>	0.8	-1.2	0.3	1.9
<b>EBIT-% adj.</b>	8.8 %	-16.4 %	2.8 %	15.4 %
<b>Net Income</b>	1.3	-1.3	0.2	1.8
<b>EPS (adj.)</b>	0.18	-0.18	0.02	0.25

<b>P/E (adj.)</b>	22.2	neg.	>100	15.9
<b>P/B</b>	7.1	10.5	9.8	6.1
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %	0.0 %
<b>EV/EBIT (adj.)</b>	33.6	neg.	>100	14.1
<b>EV/EBITDA</b>	21.4	neg.	37.0	10.7
<b>EV/S</b>	3.0	3.9	2.9	2.2

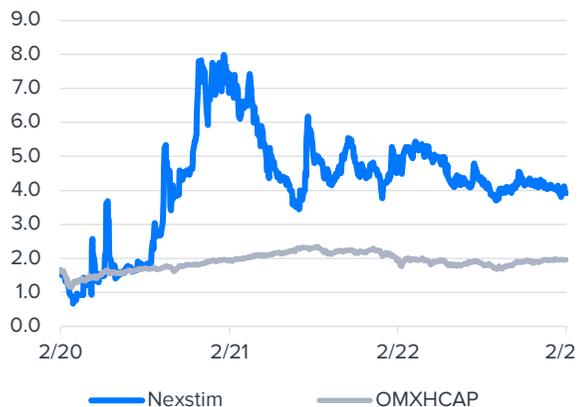
Source: Inderes

## Guidance

(New guidance)

Based on business forecasts, the company expects that its comparable net sales will grow in 2023 and its EBITDA (operating result before depreciations) for the financial year will be positive.

## Share price



Source: Millistream Market Data AB

## Revenue and EBIT %



Source: Inderes



### Value drivers

- Growing markets and underlying megatrends
- Growth in system base drives profitable and scalable recurring net sales
- Licensing agreement generates strong cash flow in the ongoing decade
- Opportunities for value creation from expanding the network of exclusive partner clinics



### Risk factors

- Tough competition in the therapy business can chip away at growth and margins
- Considerable uncertainty about the timing and level of license fees
- The company may fall behind the competition if the development of accelerated treatment protocols fails
- The company's resources are small compared to its competitors
- Possibility of new share issues cannot be excluded

Valuation	2023e	2024e	2025e
Share price	3.96	3.96	3.96
Number of shares, millions	7.27	7.27	7.27
Market cap	29	29	29
EV	29	29	27
P/E (adj.)	neg.	>100	15.9
P/E	neg.	>100	15.9
P/FCF	neg.	53.8	15.3
P/B	10.5	9.8	6.1
P/S	3.9	2.9	2.3
EV/Sales	3.9	2.9	2.2
EV/EBITDA	neg.	37.0	10.7
EV/EBIT (adj.)	neg.	>100	14.1
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

# Net sales failed expectations while profitability surprised positively

## Estimates vs. outcome H2'22

- Net sales at EUR 2.7 million fell short of our estimate by 20%.
- The difference was based on both net sales from equipment sales and recurring net sales.
- Profitability was close to our estimate, despite the lower net sales level. This was due to better than expect sales margin and lower personnel costs.
- EPS was lower than we expected due to financial expenses, which had no cash flow impact, however.
- Nexstim reported that it had succeeded in finding EUR 0.6 million in cost savings for 2023. Savings were found, e.g., in trading holiday bonuses for time off, travel expenses and delisting of the share from the Stockholm Stock Exchange. Some of the savings are permanent.
- Operating cash flow in H2 was EUR -1.4 million. The company had no net debt at the end of 2022 and EUR 4.4 million in cash assets. We do not believe Nexstim has any financing needs on the horizon thanks to the improved profitability outlook. However, any large investments in the network of partner clinics can change the outlook.

Estimates MEUR / EUR	H2'21	H2'22	H2'22e	H2'22e	Consensus		Difference (%)	2022
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Actualized
Revenue	3.4	2.7	3.4				-20 %	9.5
EBIT	-0.5	-1.5	-1.4				8 %	0.8
EPS (reported)	0.01	-0.26	-0.20				30 %	-0.26
DPS	0.00	0.00	0.00					0.00
Revenue growth-%	37.6 %	-20.5 %	-1.1 %				-19.4 pp.	48.9 %
EBIT-% (adj.)	-16.0 %	-54.6 %	-40.6 %				-14 pp.	8.8 %

Source: Inderes

# Net sales cut and profitability improved for the next few years

## Estimate revisions 2023e-2024e

- We have lowered our net sales estimates due to more modest growth than expected in recurring net sales, which we believe is partly due to permanent reasons such as tightening price competition.
- We have also moved our expectations of the network of partner clinics expanding from H1'23 to H2'23, as the expansion of the network is delayed from our previous expectation.
- We have, in turn, raised our EBIT estimates slightly based on actual costs and the information reported by the company on the cost savings program.
- Nexstim's outlook, i.e. profitable at EBITDA level in 2023 also surprised us positively and partly guided our estimate revisions concerning profitability.
- The longer-term growth outlook remains unchanged.
- In addition to the equipment business, growth is based on license fees and expanding the network of partner clinics. Our confidence in the latter was strengthened by the report and management interview.
- Nexstim said it was in discussions about establishing clinics not only in the US, but also in Europe.

## Operational earnings drivers 2023-2024e:

- Increasing equipment sales and recurring net sales.
- Investments in the network of partner clinics and building related service business.
- Expanding the clinic network was a strategic focus area of the company in 2022 and we expect news on the network this year.
- License income is based on an agreement with Nexstim's partner Magnus Medical, according to which Nexstim receives royalties based on Magnus Medical's equipment sales.
- According to the latest information, Magnus Medical's equipment sales should start this year.
- Nexstim is entitled to license income for 5 years.

Estimate revisions MEUR / EUR	2022e			2023e			2024e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
Revenue	10.2	9.5	-7%	8.5	7.4	-12%	10.8	9.9	-8%
EBIT	0.9	0.8	-9%	-1.3	-1.2	8%	0.2	0.3	15%
PTP	0.8	1.3	60%	-1.4	-1.3	8%	0.1	0.2	27%
EPS (excl. NRIs)	0.11	0.18	60%	-0.20	-0.18	8%	0.02	0.02	27%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

# Valuation has become more attractive

## Valuation is based on the DCF model and EV/S ratio

We use the EV/S ratio as the valuation multiple as earnings-based multiples become more moderate only in a few years. A key tool is also the DCF model that calculates the current value of cash flows. We do not expect a dividend from Nexstim for several years, so the investor's return is based on value changes in the share.

## DCF model indicates an upside in the share

Our DCF model indicates that current value of Nexstim's cash flows is EUR 4.5 per share (previous EUR 4.2). The change in the value indicated by the model is mainly based on the improved profitability outlook through the company's guidance and cost management. We also raised our medium-term growth estimates slightly as our confidence in expanding the network of partner clinics and the timing of license fees has improved.

The DCF model indicates a moderate undervaluation of the share and an upside that exceeds the required return. However, there is considerable uncertainty about the estimate materializing, which raises the share's risk profile. The DCF value can therefore be expected to fluctuate in the future as estimates are updated with company development. The weighted average cost of capital (WACC) we use in the model is 10.4%, which reflects the still loss-making business and, on the other hand, the potential for high profitability in a defensive industry. Investors should note that there are considerable uncertainties about the realization of estimated cash flows. The DCF model is also very sensitive to the assumptions used, especially when cash flows are far in the future.

## The EV/S ratio becomes attractive with growth

In the still relevant [Initiation of coverage report](#), we outlined an EV/S ratio of 3-4x as the fair value of the share. With our estimates for 2023, the valuation is at the top of the range, but falls to an attractive level of 2.9x with 2024 estimates. The ratio continues to fall rapidly in the following years, provided that our growth estimate materializes.

## Share price drop has improved the valuation picture

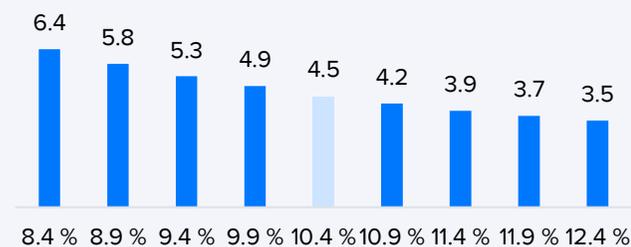
During our coverage, Nexstim's share has decreased by about 20% (from May 2022) which has helped moderate the share's valuation picture. Based on the EV/S ratio, the share is valued at a cautiously attractive level as the ratio falls below our fair value range of 3-4x with 2024 estimates. The DCF model shows potential of exceeding our required return with a reasonable margin. We feel the risk level of a share is highish (level 3) due to continuing losses and high estimate risk. However, we believe that the risk is currently adequately compensated, so we update our recommendation to Accumulate. The target price is set at EUR 4.5 (previous 4.3) reflecting the increased DCF value.

Supported by its business model and good sales margin, Nexstim has the chance to achieve excellent profitability. If the company reaches our growth estimate, the share has precondition for good development from the current share price level.

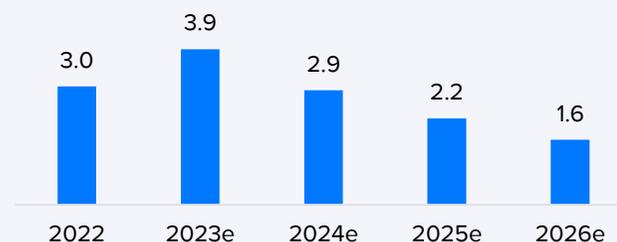
Valuation	2023e	2024e	2025e
Share price	3.96	3.96	3.96
Number of shares, millions	7.27	7.27	7.27
Market cap	29	29	29
EV	29	29	27
P/E (adj.)	neg.	>100	15.9
P/E	neg.	>100	15.9
P/FCF	neg.	53.8	15.3
P/B	10.5	9.8	6.1
P/S	3.9	2.9	2.3
EV/Sales	3.9	2.9	2.2
EV/EBITDA	neg.	37.0	10.7
EV/EBIT (adj.)	neg.	>100	14.1
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

## Sensitivity of DCF value (EUR/share) to WACC used



## EV/S ratio



# Valuation table

Valuation	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e
Share price	0.60	0.12	0.10	4.78	4.00	<b>3.96</b>	<b>3.96</b>	<b>3.96</b>	<b>3.96</b>
Number of shares, millions	3.25	62.8	439.6	7.27	7.27	<b>7.27</b>	<b>7.27</b>	<b>7.27</b>	<b>7.27</b>
Market cap	2.0	7.5	43	35	29	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>
EV	3.0	9.5	45	33	28	<b>29</b>	<b>29</b>	<b>27</b>	<b>24</b>
P/E (adj.)	neg.	neg.	neg.	neg.	22.2	<b>neg.</b>	<b>&gt;100</b>	<b>15.9</b>	<b>9.0</b>
P/E	neg.	neg.	neg.	neg.	22.2	<b>neg.</b>	<b>&gt;100</b>	<b>15.9</b>	<b>9.0</b>
P/FCF	neg.	neg.	neg.	neg.	neg.	<b>neg.</b>	<b>53.8</b>	<b>15.3</b>	<b>9.4</b>
P/B	neg.	neg.	neg.	10.9	7.1	<b>10.5</b>	<b>9.8</b>	<b>6.1</b>	<b>3.6</b>
P/S	0.7	2.3	10.5	5.4	3.1	<b>3.9</b>	<b>2.9</b>	<b>2.3</b>	<b>2.0</b>
EV/Sales	1.1	2.9	10.9	5.2	3.0	<b>3.9</b>	<b>2.9</b>	<b>2.2</b>	<b>1.6</b>
EV/EBITDA	neg.	neg.	neg.	neg.	21.4	<b>neg.</b>	<b>37.0</b>	<b>10.7</b>	<b>6.3</b>
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	33.6	<b>neg.</b>	<b>&gt;100</b>	<b>14.1</b>	<b>7.3</b>
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>50.0 %</b>
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>5.6 %</b>

Source: Inderes

# Income statement

Income statement	H1'22	H2'22	2022	H1'23e	H2'23e	2023e	H1'24e	H2'24e	2024e	2025e	2026e
<b>Revenue</b>	<b>6.8</b>	<b>2.7</b>	<b>9.5</b>	<b>3.2</b>	<b>4.3</b>	<b>7.4</b>	<b>4.7</b>	<b>5.3</b>	<b>9.9</b>	<b>12.4</b>	<b>14.7</b>
Nexstim	6.8	2.7	9.5	3.2	4.3	7.4	4.7	5.3	9.9	12.4	14.7
<b>EBITDA</b>	<b>2.5</b>	<b>-1.2</b>	<b>1.3</b>	<b>-0.9</b>	<b>0.1</b>	<b>-0.8</b>	<b>0.2</b>	<b>0.6</b>	<b>0.8</b>	<b>2.5</b>	<b>3.8</b>
Depreciation	-0.2	-0.3	-0.5	-0.2	-0.2	-0.5	-0.3	-0.3	-0.5	-0.6	-0.5
<b>EBIT (excl. NRI)</b>	<b>2.3</b>	<b>-1.5</b>	<b>0.8</b>	<b>-1.1</b>	<b>-0.1</b>	<b>-1.2</b>	<b>-0.1</b>	<b>0.3</b>	<b>0.3</b>	<b>1.9</b>	<b>3.3</b>
<b>EBIT</b>	<b>2.3</b>	<b>-1.5</b>	<b>0.8</b>	<b>-1.1</b>	<b>-0.1</b>	<b>-1.2</b>	<b>-0.1</b>	<b>0.3</b>	<b>0.3</b>	<b>1.9</b>	<b>3.3</b>
Nexstim	2.3	-1.5	0.8	-1.1	-0.1	-1.2	-0.1	0.3	0.3	1.9	3.3
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	0.9	-0.4	0.5	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
<b>PTP</b>	<b>3.2</b>	<b>-1.9</b>	<b>1.3</b>	<b>-1.1</b>	<b>-0.2</b>	<b>-1.3</b>	<b>-0.1</b>	<b>0.3</b>	<b>0.2</b>	<b>1.8</b>	<b>3.2</b>
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net earnings</b>	<b>3.2</b>	<b>-1.9</b>	<b>1.3</b>	<b>-1.1</b>	<b>-0.2</b>	<b>-1.3</b>	<b>-0.1</b>	<b>0.3</b>	<b>0.2</b>	<b>1.8</b>	<b>3.2</b>
<b>EPS (adj.)</b>	<b>0.44</b>	<b>-0.26</b>	<b>0.18</b>	<b>-0.16</b>	<b>-0.03</b>	<b>-0.18</b>	<b>-0.02</b>	<b>0.04</b>	<b>0.02</b>	<b>0.25</b>	<b>0.44</b>
<b>EPS (rep.)</b>	<b>0.44</b>	<b>-0.26</b>	<b>0.18</b>	<b>-0.16</b>	<b>-0.03</b>	<b>-0.18</b>	<b>-0.02</b>	<b>0.04</b>	<b>0.02</b>	<b>0.25</b>	<b>0.44</b>

Key figures	H1'22	H2'22	2022	H1'23e	H2'23e	2023e	H1'24e	H2'24e	2024e	2025e	2026e
<b>Revenue growth-%</b>	129.6 %	-20.5 %	48.9 %	-53.3 %	56.4 %	-21.8 %	47.4 %	23.3 %	33.5 %	24.6 %	18.3 %
<b>Adjusted EBIT growth-%</b>	-358.1 %	171.8 %	-157.6 %	-146.5 %	-90.7 %	-246.0 %	-94.2 %	-341.8 %	-122.5 %	596.6 %	73.6 %
<b>EBITDA-%</b>	37.2 %	-44.4 %	13.8 %	-27.0 %	2.0 %	-10.4 %	4.0 %	11.2 %	7.8 %	20.4 %	26.2 %
<b>Adjusted EBIT-%</b>	34.3 %	-54.6 %	8.8 %	-34.1 %	-3.3 %	-16.4 %	-1.3 %	6.4 %	2.8 %	15.4 %	22.6 %
<b>Net earnings-%</b>	47.3 %	-69.6 %	13.7 %	-35.7 %	-4.4 %	-17.8 %	-2.4 %	5.4 %	1.8 %	14.6 %	21.9 %

Source: Inderes

# Balance sheet

Assets	2021	2022	2023e	2024e	2025e
<b>Non-current assets</b>	<b>2.0</b>	<b>3.0</b>	<b>3.1</b>	<b>3.2</b>	<b>3.3</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	1.1	2.1	2.3	2.4	2.4
Tangible assets	0.4	0.4	0.4	0.3	0.4
Associated companies	0.5	0.5	0.5	0.5	0.5
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
<b>Current assets</b>	<b>8.0</b>	<b>7.3</b>	<b>8.3</b>	<b>9.0</b>	<b>9.9</b>
Inventories	1.0	0.9	0.9	0.8	1.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	1.8	1.9	2.2	3.0	3.7
Cash and equivalents	5.2	4.4	5.2	5.2	5.2
<b>Balance sheet total</b>	<b>10.0</b>	<b>10.2</b>	<b>11.5</b>	<b>12.2</b>	<b>13.2</b>

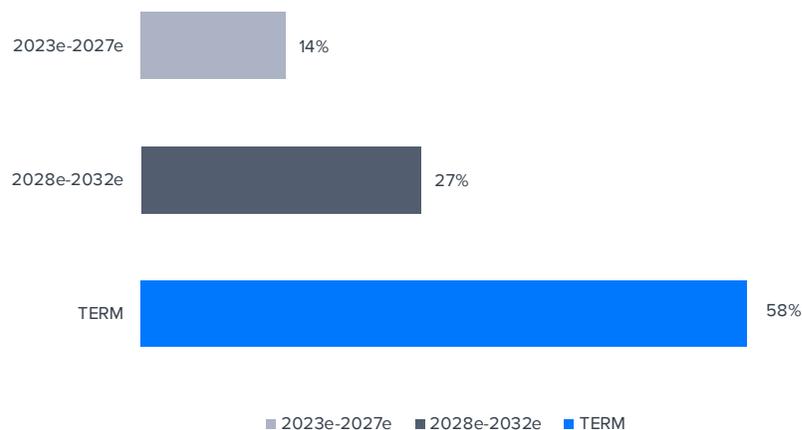
Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
<b>Equity</b>	<b>3.2</b>	<b>4.1</b>	<b>2.7</b>	<b>2.9</b>	<b>4.7</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-51.8	-51.0	-52.3	-52.1	-50.3
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	54.9	55.0	55.0	55.0	55.0
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>3.3</b>	<b>2.6</b>	<b>4.5</b>	<b>4.1</b>	<b>2.6</b>
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	3.3	2.6	4.5	4.1	2.6
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
<b>Current liabilities</b>	<b>3.6</b>	<b>3.5</b>	<b>4.2</b>	<b>5.1</b>	<b>5.9</b>
Short term debt	0.6	0.9	1.2	1.1	0.9
Payables	2.9	2.7	3.0	4.0	5.0
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>10.0</b>	<b>10.2</b>	<b>11.5</b>	<b>12.2</b>	<b>13.2</b>

# DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	48.9 %	-21.8 %	33.5 %	24.6 %	18.3 %	16.0 %	13.0 %	10.0 %	6.0 %	3.0 %	2.5 %	2.5 %
EBIT-%	8.8 %	-16.4 %	2.8 %	15.4 %	22.6 %	24.0 %	25.0 %	26.0 %	20.0 %	20.0 %	20.0 %	20.0 %
<b>EBIT (operating profit)</b>	<b>0.8</b>	<b>-1.2</b>	<b>0.3</b>	<b>1.9</b>	<b>3.3</b>	<b>4.1</b>	<b>4.8</b>	<b>5.5</b>	<b>4.5</b>	<b>4.6</b>	<b>4.7</b>	
+ Depreciation	0.5	0.5	0.5	0.6	0.5	0.6	0.6	0.6	6.0	0.6	0.6	
- Paid taxes	0.0	0.0	0.0	0.0	0.0	0.0	-0.5	-1.1	-0.9	-0.9	-0.9	
- 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	
+ 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	
- Change in working capital	-0.3	-0.2	0.0	0.0	0.1	-0.4	-0.3	-0.1	-0.3	-0.3	0.0	
<b>Operating cash flow</b>	<b>1.0</b>	<b>-1.0</b>	<b>0.8</b>	<b>2.6</b>	<b>3.9</b>	<b>4.2</b>	<b>4.6</b>	<b>5.0</b>	<b>3.9</b>	<b>4.0</b>	<b>4.3</b>	
+ 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	
- Gross CAPEX	-1.4	-0.6	-0.6	-0.7	-0.7	-0.8	-0.9	-0.9	-0.5	-0.5	-0.6	
<b>Free operating cash flow</b>	<b>-0.4</b>	<b>-1.6</b>	<b>0.2</b>	<b>1.9</b>	<b>3.2</b>	<b>3.5</b>	<b>3.8</b>	<b>4.1</b>	<b>3.4</b>	<b>3.5</b>	<b>3.8</b>	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-0.4	-1.6	0.2	1.9	3.2	3.5	3.8	4.1	3.4	3.5	3.8	48.8
<b>Discounted FCFF</b>		<b>-1.4</b>	<b>0.1</b>	<b>1.4</b>	<b>2.2</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>1.5</b>	<b>1.4</b>	<b>1.4</b>	<b>18.4</b>
Sum of FCFF present value		31.5	32.9	32.8	31.4	29.2	27.0	24.9	22.8	21.3	19.8	18.4
<b>Enterprise value DCF</b>		<b>31.5</b>										
- Interesting bearing debt		-3.5										
+ Cash and cash equivalents		4.4										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>32.4</b>										
<b>Equity value DCF per share</b>		<b>4.5</b>										
<b>Wacc</b>												
Tax-% (WACC)		20.0 %										
Target debt ratio (D/(D+E))		10.0 %										
Cost of debt		5.0 %										
Equity Beta		1.50										
Market risk premium		4.75%										
Liquidity premium		1.50%										
Risk free interest rate		2.5 %										
<b>Cost of equity</b>		<b>11.1 %</b>										
<b>Weighted average cost of capital (WACC)</b>		<b>10.4 %</b>										

Cash flow distribution



# Summary

Income statement	2020	2021	2022	2023e	2024e	Per share data	2020	2021	2022	2023e	2024e
Revenue	4.1	6.4	9.5	7.4	9.9	EPS (reported)	-0.01	-0.11	0.18	-0.18	0.02
EBITDA	-3.0	-1.0	1.3	-0.8	0.8	EPS (adj.)	-0.01	-0.11	0.18	-0.18	0.02
EBIT	-3.3	-1.5	0.8	-1.2	0.3	OCF / share	0.00	-0.25	0.14	-0.10	0.16
PTP	-4.1	-0.7	1.3	-1.3	0.2	FCF / share	0.00	-0.41	-0.05	-0.18	0.07
Net Income	-4.1	-0.8	1.3	-1.3	0.2	Book value / share	0.00	0.44	0.56	0.38	0.40
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	6.2	10.0	10.2	11.5	12.2	Revenue growth-%	23%	56%	49%	-22%	34%
Equity capital	-1.5	3.2	4.1	2.7	2.9	EBITDA growth-%	-52%	-66%	-230%	-159%	-201%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-49%	-56%	-158%	-246%	-122%
Net debt	1.6	-1.3	-1.0	0.5	0.1	EPS (adj.) growth-%	-91%	1121%	-257%	-201%	-113%
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	-72.1 %	-15.8 %	13.8 %	-10.4 %	7.8 %
EBITDA	-3.0	-1.0	1.3	-0.8	0.8	EBIT (adj.)-%	-81.0 %	-22.7 %	8.8 %	-16.4 %	2.8 %
Change in working capital	0.8	-0.6	-0.3	0.0	0.4	EBIT-%	-81.0 %	-22.7 %	8.8 %	-16.4 %	2.8 %
Operating cash flow	-2.2	-1.8	1.0	-0.7	1.1	ROE-%	373.1 %	-96.0 %	36.0 %	-38.8 %	6.2 %
CAPEX	0.0	-1.2	-1.4	-0.6	-0.6	ROI-%	-73.1 %	-27.2 %	11.4 %	-15.3 %	3.3 %
Free cash flow	-2.2	-3.0	-0.4	-1.3	0.5	Equity ratio	-23.5 %	31.9 %	39.8 %	24.0 %	23.9 %
Valuation multiples	2020	2021	2022	2023e	2024e	Gearing	-108.1 %	-40.6 %	-23.4 %	19.0 %	3.0 %
EV/S	10.9	5.2	3.0	3.9	2.9						
EV/EBITDA (adj.)	neg.	neg.	21.4	neg.	37.0						
EV/EBIT (adj.)	neg.	neg.	33.6	neg.	>100						
P/E (adj.)	neg.	neg.	22.2	neg.	>100						
P/B	neg.	10.9	7.1	10.5	9.8						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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## Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
30-05-22	Reduce	4.60 €	4.85 €
15-08-22	Reduce	4.40 €	4.73 €
08-09-22	Reduce	4.40 €	4.06 €
10-01-23	Reduce	4.30 €	4.25 €
28-02-23	Accumulate	4.50 €	3.96 €



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