

# Efecte

## Company report

10/18/2022



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✓ Inderes corporate customer

This report is a summary translation of the report “Arvostus jättää tilaa heikentyvän markkinan haasteille” published on 10/18/2022 at 08:00 pm

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# Low valuation leaves room for the challenges of a weakening market

The economic outlook has weakened significantly since the summer, which we expect to increase uncertainty among Efecte's customer base and increase the risk of a slowdown in customer acquisition. We updated our growth estimates to a more negative scenario, where the company's organic growth relies more heavily on growth in existing accounts and new customer acquisition would slow down significantly in 2023. With updated estimates, we believe that the downside valuation of the stock (2023e EV/S 2.0x) is still low given the company's growth trajectory and outlook and leaves ample room for near-term growth challenges. We lower our target price to a more cautious EUR 10.0 (was EUR 13.0), but we raise our recommendation to Buy as the share price has fallen (was Accumulate).

## Efecte is positioned to benefit from growth in its market, but the weak economic outlook increases risks

Efecte's target market is large and growing strongly (>15% annually) due to the cloud transformation boom. In our view, the company is well positioned in the mid-cap segment, as its European competitors are generally lagging in SaaS transformation. As proof of this, Efecte has maintained an annual SaaS growth rate of >20% throughout its stock market history since 2017. In our view, Efecte is still clearly positioned for growth with its strengthened growth engine (partner program, new direct markets, digital sales & marketing, IGA sales spearhead, cross-selling of IntelliWISE technology) and its track record. We believe that demand for Efecte's products is quite resilient due to the efficiency benefits they bring to customers. However, since our July report, the economic outlook has deteriorated further, and we don't believe the company is immune to further deterioration. We expect the growing uncertainty of Efecte's customer base to be reflected in slower customer acquisition.

## Safety margin added to estimates for a more negative scenario

As the economic outlook continued to weaken, we increased the caution in our estimates. We now expect Efecte's SaaS growth to rely more heavily on growth in existing customers in the coming years and service revenue growth driven by new customer integrations to be significantly slower than in recent years. However, with the acquisition and the billing of the Kela agreement commencing, there are still good drivers for Efecte's growth for the rest of the year. For 2022, we continue to forecast SaaS growth of 26% and an EBITDA margin of 2%. For 2023-2025, we forecast SaaS growth of around 20% (was 23%) and around 15% growth in total net sales (was 18%). Our 2025 forecast for the EBITDA margin remains at around 11% (target: >10%) and for net sales including the IntelliWISE acquisition EUR 32.5 million (was 34.5 MEUR, target: organically >35 MEUR). Our growth forecasts are already well below the company's targets.

## We find the valuation very attractive after the estimate cuts

We believe Efecte's valuation relies on scalable growth. The company implements this by reinvesting its high margin (Q2'22 LTM gross margin of recurring net sales %: 81%) income flow into sales and product development which chips away at profitability in the short term. In our view, the company's valuation (2023e EV/S 2.0x) is very attractive in the short term, both in absolute terms and relative to peers' medians (2023e EV/S 3.0x and 12%), given its organic growth prospects (2023e 12%, 23-26e ca. 15% p.a.) and track record. In the longer term, we also see an option for stronger growth than our forecasts if the IntelliWISE deal is a success. In our view, valuation levels in the sector are generally already quite attractive.

## Recommendation

**Buy**

(previous Accumulate)

**EUR 10.00**

(previous EUR 13.00)

**Share price:**

8.12



## Key figures

	2021	2022e	2023e	2024e
<b>Revenue</b>	17.8	21.2	24.5	28.1
<b>growth-%</b>	19%	19%	16%	15%
<b>SaaS-revenue</b>	10.9	13.7	16.6	19.8
<b>growth-%</b>	24%	26%	21%	19%
<b>EBITDA</b>	0.9	0.4	1.0	1.7
<b>EBITDA-%</b>	5.3 %	1.9 %	4.0 %	6.2 %
<b>EBIT adj.</b>	0.4	0.1	0.4	1.0
<b>EBIT-% adj.</b>	2.4 %	0.3 %	1.6 %	3.6 %
<b>PTP</b>	0.4	-0.7	-0.8	-0.1
<b>Net Income</b>	0.4	-0.1	-0.8	-0.1
<b>EPS (adj.)</b>	0.07	-0.01	0.04	0.18
<b>EV/EBIT (adj.)</b>	>100	>100	>100	48.0
<b>EV/EBITDA</b>	80.1	>100	50.4	28.2
<b>EV/S</b>	4.2	2.3	2.0	1.7

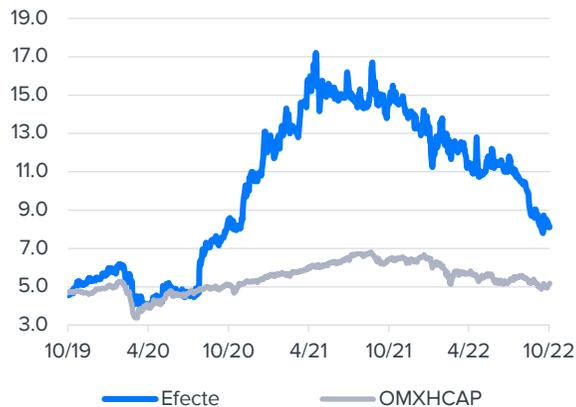
Source: Inderes

## Guidance

(Unchanged)

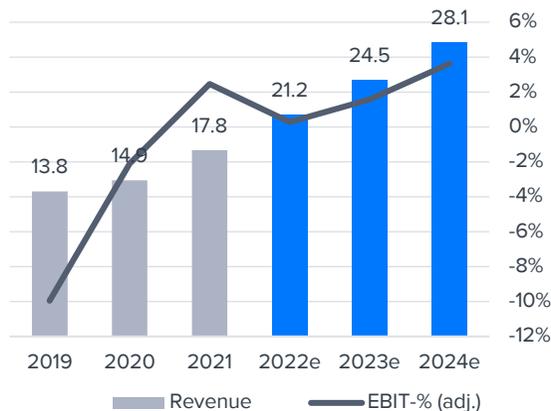
SaaS net sales is expected to grow approximately 25% and EBITDA to be positive, excluding costs from inorganic activities.

## Share price



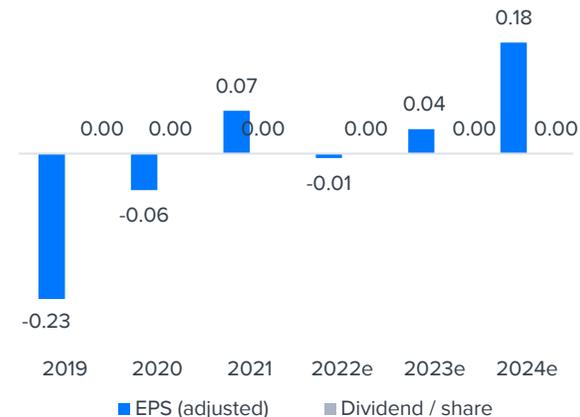
Source: Millistream Market Data AB

## Revenue and EBIT %



Source: Inderes

## EPS and dividend



Source: Inderes



## Value drivers

- Considerable market potential and strongly growing demand
- Proven SaaS-based business model that strongly relies on scalability and continued returns
- Ready, scalable technology and clear competitive advantage in medium-sized companies
- International expansion and additional sales to existing customers



## Risk factors

- Failure of international expansion and the effect of growth efforts weakening
- Changes in the competitive field and position
- Technological changes and security risks

Valuation	2022e	2023e	2024e
Share price	8.12	8.12	8.12
Number of shares, millions	6.35	6.38	6.43
Market cap	52	52	52
EV	50	50	49
P/E (adj.)	neg.	>100	46.1
P/E	neg.	neg.	neg.
P/FCF	neg.	>100	37.7
P/B	11.7	14.3	14.8
P/S	2.4	2.1	1.9
EV/Sales	2.3	2.0	1.7
EV/EBITDA	>100	50.4	28.2
EV/EBIT (adj.)	>100	>100	48.0
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

# We lowered growth estimates and revised the amortization period for goodwill to be shorter

## Key estimate revisions 2022e-2024e

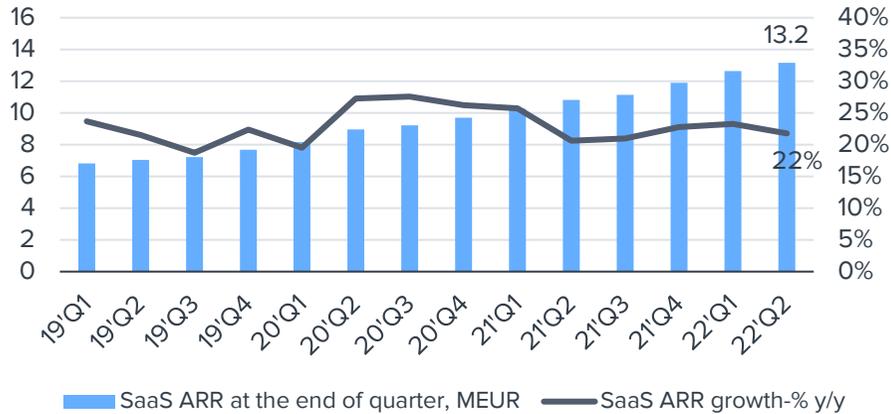
- We lowered our growth estimates to a more negative scenario, where the company's growth relies more heavily on growth in existing accounts and new customer acquisition and related service revenues develop less strongly.
- We raised our profitability forecasts slightly as we expect the company to need less growth inputs to meet our current growth forecasts and net sales will be more heavily weighted towards high margin SaaS business than in our previous forecasts.
- We updated our expectation for the realization of goodwill amortization for the IntelliWISE acquisition to a shorter period of 5 years in line with the company's amortization policy
- We revised our required return slightly upwards to reflect the forecast risks and the rising interest rate outlook (WACC 10.0%, was 9.7%)

Estimate revisions	2022e			2023e			2024e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
MEUR / EUR									
Revenue	21.2	21.2	0%	25.2	24.5	-3%	29.6	28.1	-5%
EBITDA	0.4	0.4	5%	1.0	1.0	2%	1.6	1.7	9%
EBIT (exc. NRIs)	0.1	0.1	-7%	0.3	0.4	25%	0.9	1.0	13%
EBIT	-0.4	-0.7	-65%	-0.2	-0.7	-194%	0.3	-0.1	-124%
PTP	-0.4	-0.7	-62%	-0.2	-0.8	-244%	0.3	-0.1	-124%
EPS (excl. NRIs)	-0.01	-0.01	-12%	0.05	0.04	-29%	0.14	0.18	24%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

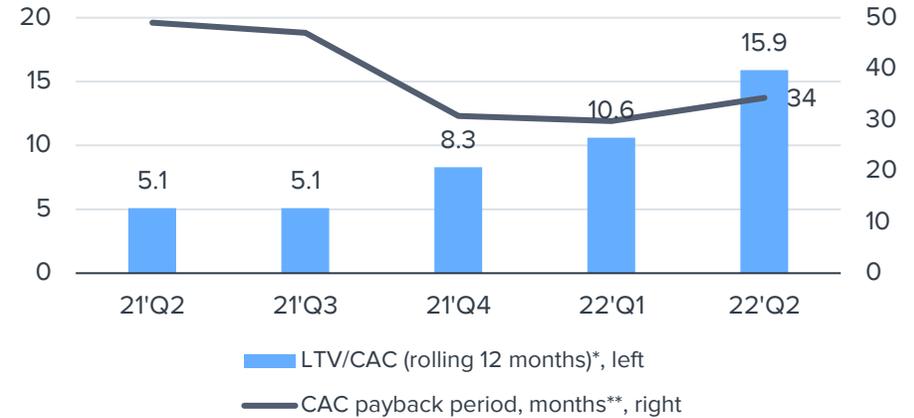
Source: Inderes

# Key figures

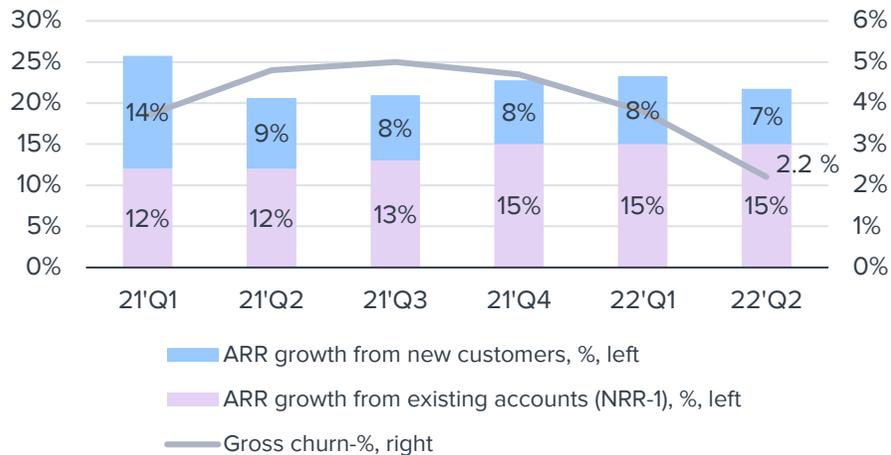
### Development of SaaS billing, growth-% and MEUR



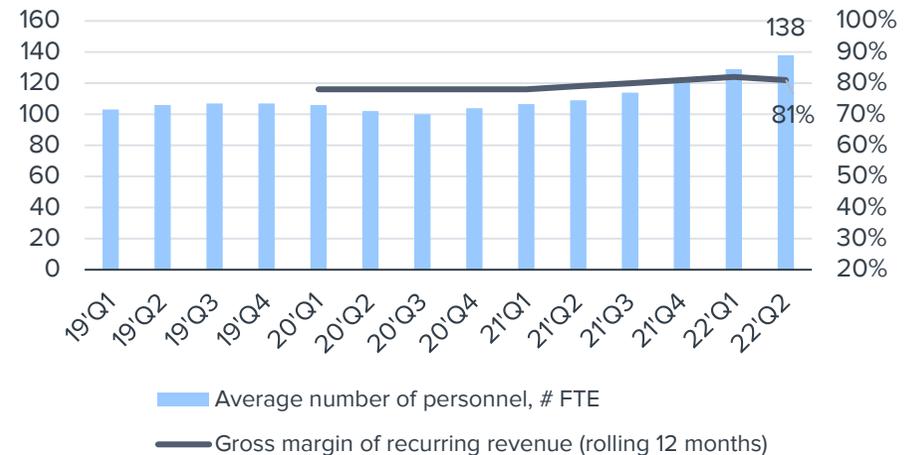
### CAC payback, multiple and months



### SaaS billing growth drivers



### Key cost structure drivers



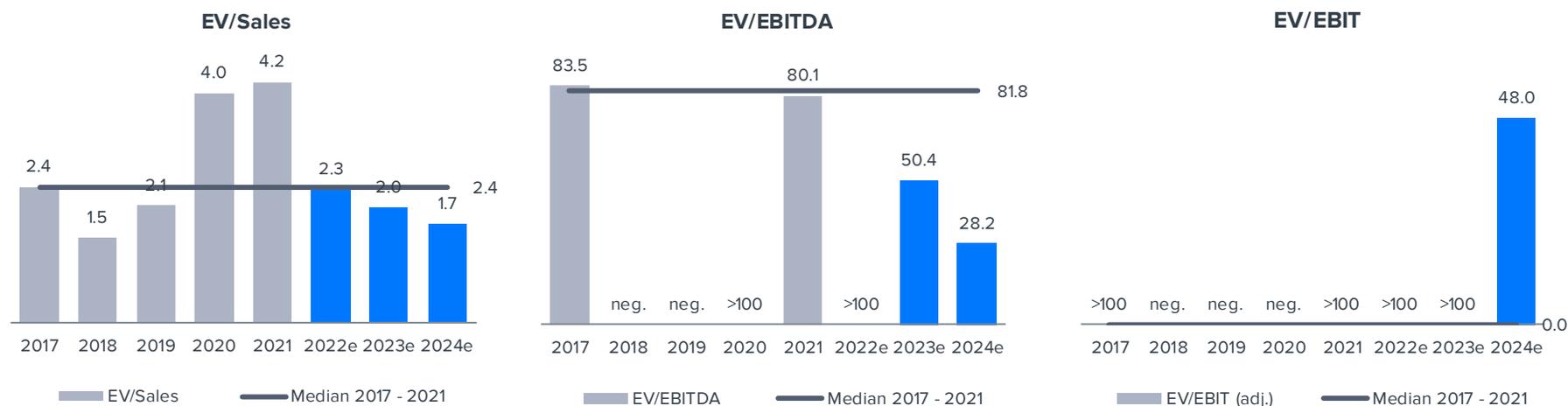
Source: Efecte, Inderes

\*The major Kela contract raises the LTV/CAC ratio exceptionally high. \*\*  $12 / (\text{LTV/CAC} \times \text{Churn})$

# Valuation table

Valuation	2017	2018	2019	2020	2021	2022e	2023e	2024e	2025e
Share price	5.62	3.86	5.40	10.8	13.1	8.12	8.12	8.12	8.12
Number of shares, millions	5.6	5.8	5.9	6.0	6.2	6.3	6.4	6.4	6.5
Market cap	31	22	32	65	82	52	52	52	52
EV	25	18	29	60	75	50	50	49	46
P/E (adj.)	>100	neg.	neg.	neg.	>100	neg.	>100	46.1	20.0
P/E	neg.	neg.	neg.	neg.	>100	neg.	neg.	neg.	37.8
P/FCF	>100	neg.	neg.	31.6	72.6	neg.	>100	37.7	18.0
P/B	5.6	6.6	14.8	32.7	24.9	11.7	14.3	14.8	10.6
P/S	3.0	1.8	2.3	4.4	4.6	2.4	2.1	1.9	1.6
EV/Sales	2.4	1.5	2.1	4.0	4.2	2.3	2.0	1.7	1.4
EV/EBITDA	83.5	neg.	neg.	>100	80.1	>100	50.4	28.2	13.5
EV/EBIT (adj.)	>100	neg.	neg.	neg.	>100	>100	>100	48.0	17.1
Payout ratio (%)	0.0 %	0.0 %	0.0 %	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 %	0.0 %	0.0 %	0.0 %

Source: Inderes



# Peer group valuation

Peer group valuation Company	Market cap	EV	EV/EBITDA		EV/EBIT		EV/S		Lv:n kasvu-%		EBIT-%		Rule of 40	
	MEUR	MEUR	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2023e	
Admicom	219	220	15.0	14.1	15.5	14.3	6.9	6.1	27%	10%	45%	43%	53%	
Basware Oyj	573	627	24.9	19.6	149.2	40.6	3.9	3.6	5%	10%	3%	9%	19%	
Heeros Oyj	19	21	10.3	8.8	63.3	33.5	1.9	1.7	21%	5%	3%	5%	10%	
Leaddesk Oyj	30	33	11.4	7.8	85.1	22.2	1.2	1.1	13%	12%	1%	5%	17%	
Lemonsoft Oyj	191	182	26.1	20.1	26.8	21.4	8.0	6.5	32%	20%	30%	31%	50%	
FormPipe Software AB	122	124	17.1	11.5	60.3	22.6	2.8	2.5	6%	12%	5%	11%	23%	
Fortnox AB	2472	2476	45.6	32.9	57.3	39.8	21.2	15.9	37%	33%	37%	40%	73%	
House of Control Group AS	60	62	30.7	14.3			3.0	2.7	21%	10%	-14%	-3%	7%	
Lime Technologies AB (publ)	253	271	19.5	17.3	33.1	27.8	6.2	5.4	20%	14%	19%	20%	34%	
Qt Group Oyj	982	984	23.4	17.5	27.7	20.1	6.3	4.9	34%	29%	23%	24%	53%	
Safeture AB	10	10		35.7			2.9	2.3	33%	28%	-42%	-7%	21%	
Serviceware SE	76	47		9.5			0.6	0.6		6%	-6%	-3%	3%	
Simcorp A/S	2298	2321	17.9	15.4	19.8	16.7	4.3	4.0	12%	7%	22%	24%	31%	
Teamviewer AG	1556	2081	8.6	7.6	11.4	9.6	3.7	3.3	13%	11%	32%	34%	45%	
USU Software AG	175	164	10.1	8.2	14.7	10.9	1.3	1.2	11%	10%	9%	11%	21%	
Vitec Software Group AB (publ)	1142	1195	19.5	16.0	39.6	31.0	6.8	6.0	21%	14%	17%	19%	33%	
Wisekey	30	17					0.7	0.6	8%	15%	-60%	-52%		
WithSecure Oyj	275	210					1.6	1.5	4%	14%	-25%	-12%	2%	
<b>Efecte* (Inderes)</b>	<b>52</b>	<b>50</b>	<b>neg.</b>	<b>&gt;100</b>	<b>neg.</b>	<b>50.4</b>	<b>2.3</b>	<b>2.0</b>	<b>16%</b>	<b>12%</b>	<b>0%</b>	<b>2%</b>	<b>14%</b>	
<b>Average</b>	<b>582</b>	<b>614</b>	<b>20.0</b>	<b>16.0</b>	<b>46.4</b>	<b>23.9</b>	<b>4.6</b>	<b>3.9</b>	<b>19%</b>	<b>14%</b>	<b>5%</b>	<b>11%</b>	<b>29%</b>	
<b>Peer group median</b>	<b>205</b>	<b>196</b>	<b>18.7</b>	<b>14.9</b>	<b>33.1</b>	<b>22.2</b>	<b>3.3</b>	<b>3.0</b>	<b>20%</b>	<b>12%</b>	<b>7%</b>	<b>11%</b>	<b>23%</b>	
<b>Diff-% to median</b>	<b>-75%</b>	<b>-75%</b>					<b>1.3</b>	<b>-30%</b>	<b>-32%</b>	<b>-18%</b>	<b>4%</b>	<b>-96%</b>	<b>-86%</b>	<b>-39%</b>

Source: Refinitiv / Inderes. NB: The market cap Inderes uses does not consider own shares held by the company. \*Inderes organic estimates, EBIT-% is adjusted

# Income statement

Income statement	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22e	Q4'22e	2022e	2023e	2024e	2025e
<b>Revenue</b>	<b>14.9</b>	<b>4.2</b>	<b>4.5</b>	<b>4.2</b>	<b>4.9</b>	<b>17.8</b>	<b>5.1</b>	<b>5.3</b>	<b>5.1</b>	<b>5.7</b>	<b>21.2</b>	<b>24.5</b>	<b>28.1</b>	<b>32.5</b>
SaaS	8.8	2.5	2.7	2.8	2.9	10.9	3.1	3.3	3.5	3.7	13.7	16.6	19.8	23.8
Licences	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Support and maintenance	1.0	0.2	0.3	0.3	0.3	1.0	0.2	0.2	0.2	0.2	0.8	0.7	0.6	0.4
Services	5.0	1.4	1.6	1.2	1.6	5.8	1.7	1.8	1.4	1.8	6.7	7.1	7.7	8.2
<b>EBITDA</b>	<b>0.1</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>	<b>0.1</b>	<b>0.9</b>	<b>0.1</b>	<b>-0.1</b>	<b>0.4</b>	<b>0.0</b>	<b>0.4</b>	<b>1.0</b>	<b>1.7</b>	<b>3.4</b>
Depreciation	-0.5	-0.1	-0.1	-0.2	-0.1	-0.5	-0.1	-0.1	-0.4	-0.4	-1.1	-1.7	-1.8	-1.8
<b>EBIT (excl. NRI)</b>	<b>-0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.0</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>-0.2</b>	<b>0.1</b>	<b>0.4</b>	<b>1.0</b>	<b>2.7</b>
<b>EBIT</b>	<b>-0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.0</b>	<b>0.4</b>	<b>0.0</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.5</b>	<b>-0.7</b>	<b>-0.7</b>	<b>-0.1</b>	<b>1.6</b>
Net financial items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
<b>PTP</b>	<b>-0.4</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.0</b>	<b>0.4</b>	<b>0.0</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.5</b>	<b>-0.7</b>	<b>-0.8</b>	<b>-0.1</b>	<b>1.6</b>
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.7	0.0	0.0	-0.2
<b>Net earnings</b>	<b>-0.4</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.0</b>	<b>0.4</b>	<b>0.0</b>	<b>0.4</b>	<b>-0.1</b>	<b>-0.5</b>	<b>-0.1</b>	<b>-0.8</b>	<b>-0.1</b>	<b>1.4</b>
<b>EPS (adj.)</b>	<b>-0.06</b>	<b>0.01</b>	<b>0.02</b>	<b>0.04</b>	<b>-0.01</b>	<b>0.07</b>	<b>0.00</b>	<b>-0.01</b>	<b>0.04</b>	<b>-0.03</b>	<b>-0.01</b>	<b>0.04</b>	<b>0.18</b>	<b>0.41</b>
<b>EPS (rep.)</b>	<b>-0.06</b>	<b>0.01</b>	<b>0.02</b>	<b>0.04</b>	<b>-0.01</b>	<b>0.07</b>	<b>0.00</b>	<b>0.07</b>	<b>-0.01</b>	<b>-0.08</b>	<b>-0.01</b>	<b>-0.13</b>	<b>-0.01</b>	<b>0.21</b>
<b>Key figures</b>	<b>2020</b>	<b>Q1'21</b>	<b>Q2'21</b>	<b>Q3'21</b>	<b>Q4'21</b>	<b>2021</b>	<b>Q1'22</b>	<b>Q2'22</b>	<b>Q3'22e</b>	<b>Q4'22e</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>
<b>Revenue growth-%</b>	7.6 %	13.7 %	21.2 %	19.8 %	22.3 %	19.3 %	20.2 %	18.0 %	21.1 %	18.0 %	19%	16%	15%	16%
<b>Adjusted EBIT growth-%</b>	-77.3 %	-117.5 %	-177.6 %	36.5 %	-151.0 %	-239.0 %	-82.9 %	-80.7 %	-14.8 %	496.8 %	-86.2 %	540.8 %	-163.9 %	164.7 %
<b>EBITDA-%</b>	0.8 %	4.0 %	5.8 %	9.9 %	1.9 %	5.3 %	2.9 %	-1.2 %	7.0 %	-0.8 %	1.9 %	4.0 %	6.2 %	10.5 %
<b>Adjusted EBIT-%</b>	-2.1%	1.7 %	3.0 %	6.2 %	-0.7 %	2.4 %	0.2 %	0.5 %	4.4 %	-3.5 %	0.3 %	1.6 %	3.6 %	8.3 %
<b>Net earnings-%</b>	-2.5 %	1.7 %	2.9 %	6.3 %	-1.0 %	2.4 %	0.2 %	8.4 %	-1.0 %	-8.3 %	-0.3 %	-3.3 %	-0.3 %	4.3 %

Source: Inderes

# Balance sheet

Assets	2020	2021	2022e	2023e	2024e
<b>Non-current assets</b>	<b>1.4</b>	<b>1.5</b>	<b>7.1</b>	<b>6.2</b>	<b>5.3</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	1.3	1.4	6.9	6.0	5.2
Tangible assets	0.0	0.1	0.1	0.2	0.2
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
<b>Current assets</b>	<b>7.3</b>	<b>9.1</b>	<b>6.1</b>	<b>7.1</b>	<b>8.8</b>
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	1.9	2.5	4.0	4.7	5.3
Cash and equivalents	5.4	6.5	2.1	2.4	3.5
<b>Balance sheet total</b>	<b>8.7</b>	<b>10.5</b>	<b>13.2</b>	<b>13.3</b>	<b>14.2</b>

Source: Inderes

Liabilities & equity	2020	2021	2022e	2023e	2024e
<b>Equity</b>	<b>2.0</b>	<b>3.3</b>	<b>4.4</b>	<b>3.6</b>	<b>3.5</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-9.0	-8.6	-8.6	-9.4	-9.5
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	10.9	11.8	13.0	13.0	13.0
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</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	0.0	0.0	0.0	0.0	0.0
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
<b>Current liabilities</b>	<b>6.7</b>	<b>7.2</b>	<b>8.8</b>	<b>9.7</b>	<b>10.6</b>
Short term debt	0.0	0.0	0.1	0.3	0.0
Payables	5.9	6.4	7.8	8.6	9.8
Other current liabilities	0.8	0.8	0.8	0.8	0.8
<b>Balance sheet total</b>	<b>8.7</b>	<b>10.5</b>	<b>13.2</b>	<b>13.3</b>	<b>14.2</b>

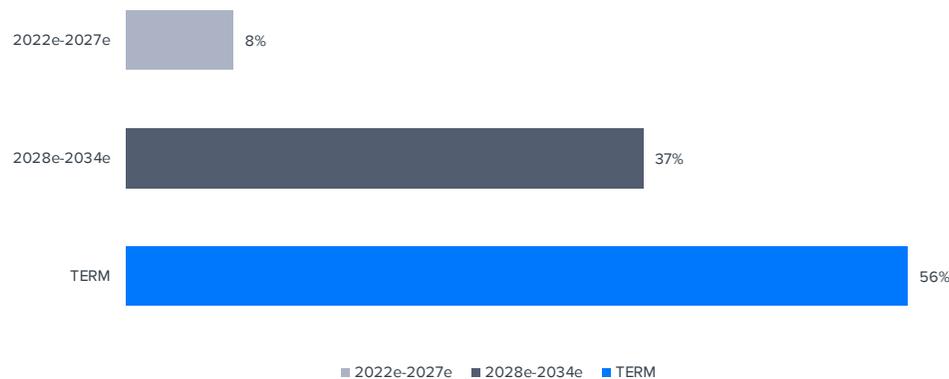
# DCF calculation

DCF model	2021	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	19.3 %	19.3 %	15.5 %	14.6 %	15.7 %	15.5 %	13.0 %	11.0 %	9.0 %	7.0 %	5.0 %	4.0 %	3.0 %	2.0 %	
EBIT-%	2.4 %	-3.4 %	-2.9 %	-0.3 %	4.9 %	9.1 %	12.3 %	16.0 %	18.5 %	21.0 %	22.5 %	21.0 %	20.0 %	20.0 %	
<b>EBIT (operating profit)</b>	<b>0.4</b>	<b>-0.7</b>	<b>-0.7</b>	<b>-0.1</b>	<b>1.6</b>	<b>3.4</b>	<b>5.2</b>	<b>7.5</b>	<b>9.5</b>	<b>11.5</b>	<b>13.0</b>	<b>12.6</b>	<b>12.3</b>	<b>12.6</b>	
+ Depreciation	0.5	1.1	1.7	1.8	1.8	1.9	1.4	0.9	1.0	1.0	1.1	1.1	1.2	1.2	
- Paid taxes	0.0	0.7	0.0	0.0	-0.2	-0.5	-1.0	-1.9	-2.4	-2.9	-3.2	-3.1	-3.1	-3.1	
- 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	0.0	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	0.0	0.0	0.0	
- Change in working capital	-0.1	-0.1	0.1	0.6	0.7	0.8	0.8	0.7	0.7	0.6	0.4	0.4	0.3	0.2	
<b>Operating cash flow</b>	<b>0.8</b>	<b>1.0</b>	<b>1.1</b>	<b>2.3</b>	<b>3.9</b>	<b>5.6</b>	<b>6.3</b>	<b>7.3</b>	<b>8.8</b>	<b>10.2</b>	<b>11.2</b>	<b>10.9</b>	<b>10.7</b>	<b>10.9</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	0.0	0.0	0.0	
- Gross CAPEX	-0.6	-6.7	-0.8	-0.9	-1.0	-1.1	-1.2	-1.2	-1.2	-1.2	-1.3	-1.3	-1.3	-1.3	
<b>Free operating cash flow</b>	<b>0.2</b>	<b>-5.7</b>	<b>0.3</b>	<b>1.4</b>	<b>2.9</b>	<b>4.5</b>	<b>5.2</b>	<b>6.1</b>	<b>7.6</b>	<b>9.0</b>	<b>10.0</b>	<b>9.6</b>	<b>9.4</b>	<b>9.5</b>	
+/- Other	0.9	1.2	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	1.1	-4.5	0.3	1.4	2.9	4.5	5.2	6.1	7.6	9.0	10.0	9.6	9.4	9.5	
<b>Discounted FCFF</b>		<b>-4.4</b>	<b>0.2</b>	<b>1.1</b>	<b>2.2</b>	<b>3.0</b>	<b>3.1</b>	<b>3.4</b>	<b>3.8</b>	<b>4.1</b>	<b>4.2</b>	<b>3.7</b>	<b>3.2</b>	<b>3.0</b>	<b>38.4</b>
Sum of FCFF present value		69.1	73.5	73.2	72.1	70.0	66.9	63.8	60.4	56.6	52.4	48.3	44.6	41.4	38.4
<b>Enterprise value DCF</b>		<b>69</b>													
- Interesting bearing debt		0.0													
+ Cash and cash equivalents		6.5													
- Minorities		0.0													
- Dividend/capital return		0.0													
<b>Equity value DCF</b>		<b>76</b>													
<b>Equity value DCF per share</b>		<b>11.9</b>													

Wacc	
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	5.0 %
Equity Beta	1.15
Market risk premium	4.75%
Liquidity premium	2.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>10.0 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>10.0 %</b>

Source: Inderes

Cash flow distribution



# Summary

Income statement	2019	2020	2021	2022e	2023e	Per share data	2019	2020	2021	2022e	2023e
Revenue	13.8	14.9	17.8	<b>21.2</b>	<b>24.5</b>	EPS (reported)	-0.23	-0.06	0.07	<b>-0.01</b>	<b>-0.13</b>
EBITDA	-1.0	0.1	0.9	<b>0.4</b>	<b>1.0</b>	EPS (adj.)	-0.23	-0.06	0.07	<b>-0.01</b>	<b>0.04</b>
EBIT	-1.4	-0.3	0.4	<b>-0.7</b>	<b>-0.7</b>	OCF / share	-0.05	0.38	0.13	<b>0.16</b>	<b>0.18</b>
PTP	-1.4	-0.4	0.4	<b>-0.7</b>	<b>-0.8</b>	FCF / share	-0.14	0.35	0.18	<b>-0.71</b>	<b>0.04</b>
Net Income	-1.4	-0.4	0.4	<b>-0.1</b>	<b>-0.8</b>	Book value / share	0.37	0.33	0.53	<b>0.70</b>	<b>0.57</b>
Extraordinary items	0.0	0.0	0.0	<b>-0.8</b>	<b>-1.1</b>	Dividend / share	0.00	0.00	0.00	<b>0.00</b>	<b>0.00</b>
Balance sheet	2019	2020	2021	2022e	2023e	Growth and profitability	2019	2020	2021	2022e	2023e
Balance sheet total	7.5	8.7	10.5	<b>13.2</b>	<b>13.3</b>	Revenue growth-%	13%	8%	19%	<b>19%</b>	<b>16%</b>
Equity capital	2.2	2.0	3.3	<b>4.4</b>	<b>3.6</b>	EBITDA growth-%	-49%	-112%	648%	<b>-58%</b>	<b>151%</b>
Goodwill	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	EBIT (adj.) growth-%	-35%	-77%	-239%	<b>-86%</b>	<b>541%</b>
Net debt	-3.4	-5.4	-6.5	<b>-2.0</b>	<b>-2.1</b>	EPS (adj.) growth-%	-38%	-75%	-217%	<b>-110%</b>	<b>-643%</b>
Cash flow	2019	2020	2021	2022e	2023e	EBITDA-%	-7.3 %	0.8 %	5.3 %	<b>1.9 %</b>	<b>4.0 %</b>
EBITDA	-1.0	0.1	0.9	<b>0.4</b>	<b>1.0</b>	EBIT (adj.)-%	-10.0 %	-2.1 %	2.4 %	<b>0.3 %</b>	<b>1.6 %</b>
Change in working capital	0.6	2.1	-0.1	<b>-0.1</b>	<b>0.1</b>	EBIT-%	-10.1 %	-2.2 %	2.4 %	<b>-3.4 %</b>	<b>-2.9 %</b>
Operating cash flow	-0.3	2.3	0.8	<b>1.0</b>	<b>1.1</b>	ROE-%	-49.2 %	-17.7 %	15.9 %	<b>-1.8 %</b>	<b>-19.9 %</b>
CAPEX	-0.6	-0.5	-0.6	<b>-6.7</b>	<b>-0.8</b>	ROI-%	-50.0 %	-16.0 %	16.3 %	<b>-18.1 %</b>	<b>-16.8 %</b>
Free cash flow	-0.9	2.1	1.1	<b>-4.5</b>	<b>0.3</b>	Equity ratio	42.1 %	34.7 %	45.4 %	<b>48.7 %</b>	<b>43.2 %</b>
Valuation multiples	2019	2020	2021	2022e	2023e	Gearing	-159.3 %	-269.7 %	-198.1 %	<b>-44.7 %</b>	<b>-59.0 %</b>
EV/S	2.1	4.0	4.2	<b>2.3</b>	<b>2.0</b>						
EV/EBITDA (adj.)	neg.	>100	80.1	<b>&gt;100</b>	<b>50.4</b>						
EV/EBIT (adj.)	neg.	neg.	>100	<b>&gt;100</b>	<b>&gt;100</b>						
P/E (adj.)	neg.	neg.	>100	<b>neg.</b>	<b>&gt;100</b>						
P/B	14.8	32.7	24.9	<b>11.7</b>	<b>14.3</b>						
Dividend-%	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>						

Source: Inderes

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## Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
10/27/2020	Accumulate	9.20 €	8.45 €
12/2/2020	Accumulate	11.00 €	10.00 €
2/26/2021	Accumulate	15.50 €	14.30 €
4/30/2021	Reduce	16.00 €	16.60 €
5/14/2021	Accumulate	16.00 €	14.15 €
7/19/2021	Reduce	16.50 €	15.75 €
10/28/2021	Accumulate	16.50 €	14.95 €
2/12/2022	Accumulate	15.00 €	13.60 €
3/30/2022	Accumulate	14.00 €	12.25 €
5/1/2022	Buy	14.00 €	11.00 €
7/1/2022	Accumulate	13.00 €	11.60 €
7/20/2022	Accumulate	13.00 €	11.50 €
10/19/2022	Buy	10.00 €	8.12 €



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