

# Nexstim

## Company report

06/09/2024 19:47 EEST



**Antti Siltanen**  
+358 45 119 6869  
antti.siltanen@inderes.fi

✓ Inderes corporate customer

This report is a summary translation of the report "Ässä hihassa" published on 6/9/2024 at 8:10 pm EEST

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# An ace up the sleeve

Nexstim surprised the market positively by announcing a planned collaboration in Alzheimer's disease, which is a new area for the company. It is only a letter of intent, but the plans seem to be quite advanced. We raise our forecasts in anticipation of the signing of the actual agreement and the related sizeable returns in Nexstim's size class. We reiterate our Accumulate recommendation and raise our target price to EUR 4.0 (was 3.0).

## The new opening planned in Alzheimer's disease starts with a Phase 3 trial and may continue for a long time

Nexstim and the new partner Sinaptica Therapeutics have signed a letter of intent for exclusive cooperation in the treatment of Alzheimer's disease. The worldwide partnership is a 10-year exclusive arrangement renewable in 3-year increments. Based on the plan, Nexstim develops, manufactures and supplies a system based on existing products and solutions to Sinaptica, to be used first in a pivotal Phase 3 trial scheduled for 2025. This first stage of the collaboration will last about 2 years, includes the delivery of 20 systems and is worth 6 MEUR for Nexstim. This sum consists of a signing fee, milestone payments and system sales. During the study, Nexstim also expects recurring revenue based on the use and maintenance of the system. The letter of intent is not binding, so implementation of the plan is not absolutely certain at this point.

Sinaptica's brain stimulation therapy for Alzheimer's disease has resulted in excellent Phase 2 results. The device has also been granted FDA Breakthrough Device designation. The Phase 3 trial aims at FDA approval and commercialization of the system in the US. We believe this would be the first TMS treatment approved for Alzheimer's disease. After Phase 3, the plan is that Nexstim develops, manufactures and supplies a commercial system for the treatment of Alzheimer's disease to Sinaptica.

## We raise our forecasts based on the letter of intent, but also consider the risks

In the absence of an actual agreement, the revenue related to the project is not yet certain. However, the plans are well underway and we believe that an agreement is likely to be reached. We raise our revenue forecasts by 11-14% for 2024-2026. In euros, growth is 33% less than the announced 6 MEUR, so that the uncertainty related to the agreement is considered. Our earnings forecasts also rise clearly, as development-related payments and system sales have very high margins. We expect that project implementation only requires moderate investments from Nexstim.

## The valuation is moderate despite the share price rise

Our valuation is based on EV/S multiples and the DCF model. Nexstim's 2024e EV/S is 3.0x and decreases to 2.1x in 2025. The multiples have increased slightly, which is acceptable considering the improved outlook. We still find the multiples moderate relative to the company's potential, although visibility for growth materializing is low. The DCF model gives the share a value of EUR 4.0 after a forecast hikes and the drop in the cost of capital reflecting the lower financing risk. We feel the share is reasonably priced relative to growth and profitability expectations and the risk/reward ratio is sufficiently attractive to reiterate the positive recommendation.

## Recommendation

**Accumulate**

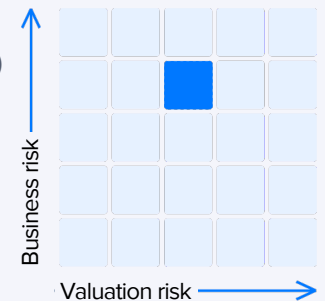
(previous Accumulate)

**EUR 4.00**

(previous EUR 3.00)

**Share price:**

3.64



## Key figures

	2023	2024e	2025e	2026e
<b>Revenue</b>	7.2	9.3	12.3	14.6
<b>growth-%</b>	-24%	29%	32%	18%
<b>EBIT adj.</b>	-1.2	0.0	1.5	2.4
<b>EBIT-% adj.</b>	-16.9 %	0.0 %	12.2 %	16.1 %
<b>Net Income</b>	-1.3	-0.1	1.4	2.2
<b>EPS (adj.)</b>	-0.18	-0.01	0.19	0.30

<b>P/E (adj.)</b>	neg.	neg.	18.9	12.3
<b>P/B</b>	6.9	9.7	6.4	4.2
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %	2.0 %
<b>EV/EBIT (adj.)</b>	neg.	neg.	17.5	10.3
<b>EV/EBITDA</b>	neg.	34.1	12.2	8.4
<b>EV/S</b>	3.1	3.0	2.1	1.7

Source: Inderes

## Guidance

(Unchanged)

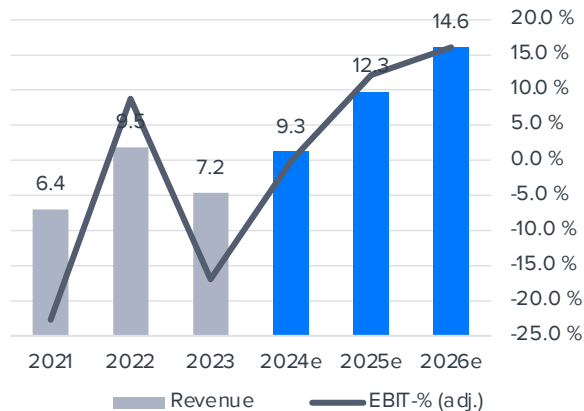
Based on business forecasts, the company expects that in 2024 the company's comparable revenue will grow and EBIT will improve in 2024.

## Share price



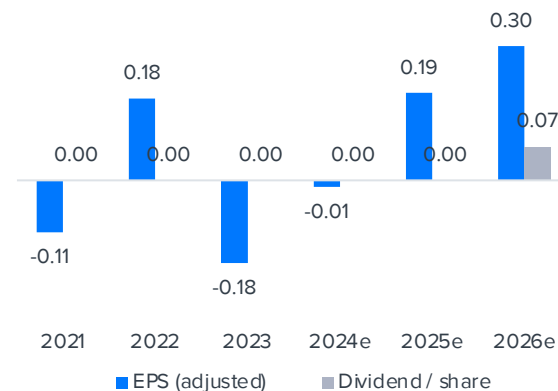
Source: Millstream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes



## Value drivers

- Growing markets and underlying megatrends
- Growth in system base drives profitable and scalable recurring revenue
- 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	2024e	2025e	2026e
Share price	3.64	3.64	3.64
Number of shares, millions	7.27	7.27	7.27
Market cap	26	26	26
EV	28	26	24
P/E (adj.)	neg.	18.9	12.3
P/E	neg.	18.9	12.3
P/B	9.7	6.4	4.2
P/S	2.8	2.1	1.8
EV/Sales	3.0	2.1	1.7
EV/EBITDA	34.1	12.2	8.4
EV/EBIT (adj.)	neg.	17.5	10.3
Payout ratio (%)	0.0 %	0.0 %	25.0 %
Dividend yield-%	0.0 %	0.0 %	2.0 %

Source: Inderes

# Forecasts raised considering the risks

## The letter of intent bodes a 10-year collaboration in Alzheimer's disease treatment technology

The planned collaboration between Nexstim and Sinaptica would last for 10 years, including an option for 3-year extensions. Based on the plan, Nexstim develops, manufactures and delivers a new system to Sinaptica's Phase 3 clinical trial for treating Alzheimer's disease using TMS technology. If the actual agreement is signed, it will be worth 6 MEUR in the first two years. We believe the value consists of a signing fee, payments based on advances in development and system sales. Sinaptica's Phase 3 study should start in 2025. During the study, Nexstim will also receive recurring revenue related to the use and maintenance of the system. Later on, the cooperation can continue with the development of the actual commercial system, provided that the results of Phase 3 support commercialization.

## Revenue forecasts rise considering the risks

We have raised our revenue forecasts by 4 MEUR in 2024-2026. Our forecast increases by 33% less than the announced 6 MEUR value of the agreement. Thus, we consider the risk of uncertainties related to the signing and implementation of the agreement. The signing of the binding agreement would thus lead to new forecast hikes closer to the reported 6 MEUR. We have raised our 2024 revenue forecast by 1 MEUR based on the expectation of the advance payment of the contract. Our revenue forecast for 2025-2026 increases by 1.5 MEUR/year due to development payments and system sales.

## Earnings improve with a nice leverage

The amount of the advance payment relative to the total 6 MEUR was not given in the press release. We estimate that the advance payment has a very high

margin high and is likely to increase the operating result almost as such. System development will probably require Nexstim to allocate moderate resources, which we have considered in costs. At this stage, we do not yet know whether the company will recruit additional personnel to implement the project. In our forecasts, we assume additional recruitment of one person. According to our estimate, the majority of the 6 MEUR revenue comes from system sales. This part of revenue also has quite high margins, even though Nexstim does not report the profitability of the system business separately. In summary, our earnings forecasts increase with a strong leverage for 2024-2026. If the final agreement is fulfilled, it appears to mean Nexstim achieves more permanent profitability.

Estimates MEUR / EUR	H1'23	H1'24	H1'24e	H1'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	2.5	4.7	3.4				39%	9.3
EBITDA	-1.1	0.6	-0.5				212%	0.8
EBIT	-1.4	0.2	-0.9				121%	0.0
EPS (reported)	-0.20	0.02	-0.14				115%	-0.20
DPS								0.00
Revenue growth-%	-63.1 %	87.7 %	34.9 %				52.8 pp	28.6 %
EBIT-% (adj.)	-55.4 %	-19.9 %	-40.8 %				21 pp	0.0 %

Source: Inderes

# Valuation still moderate with forecast hikes

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

Among the valuation multiples, we use the EV/S multiple in valuing Nexstim when earnings-based multiples are not yet applicable. A key tool is also the DCF model that models the current value of cash flows. We do not expect a dividend from Nexstim in the next few years, so the investor's return is based on value changes in the share. The margin of error in valuation is high due to the estimate risk and low business visibility. The valuation multiples may, therefore, fluctuate significantly as we have seen throughout the history of the share.

## DCF model indicates an upside in the share

Our DCF model indicates that the current value of Nexstim's cash flows is EUR 4.0 per share. The DCF model suggests that the upside exceeds the stock's required return. However, there is considerable uncertainty about the estimate materializing, which raises the share's risk profile. With our forecast hikes, the financial risk has decreased, reflecting which we reduce the cost of capital of our DCF model. The weighted average cost of capital we use in the model, WACC 11% (was 11.5%) reflects, on the one hand, the low profitability and low visibility and, on the other hand, the potential for high profitability in a defensive industry in the long term. Investors should note that there are considerable uncertainties about the realization of estimated cash flows. The DFC model is also very sensitive to the assumptions used, especially when cash flows are far in the future.

## EV/S ratio is cautiously attractive

In a recent [extensive report](#), we outlined the fair range of the EV/S ratio to be about 2.5-3.5x. With this year's forecasts, the EV/S ratio is 3.0x. With 2025-2026

forecasts, the ratio falls to 2.1x-1.7x. The 2024 multiples for the closest peers, Neuronetics and Brainsways are 1.1x and 2.2x, respectively, Neuronetics' multiple reflects the company being heavily loss-making. We find the multiples moderate considering the profitability potential of the business. The multiples have risen slightly since the last update, but this is perfectly acceptable due to the positive letter of intent news.

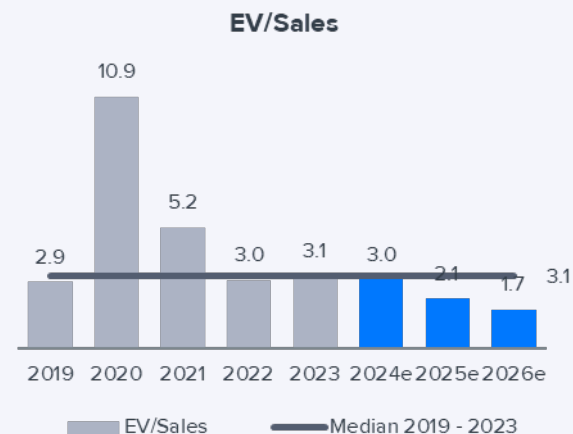
## Valuation still favors a positive recommendation

The share price has risen clearly since the last update. However, our forecasts, which increased with the letter of intent, compensate for this rise, so the valuation picture remains largely unchanged. The lower financial risk also favors the repeating the positive recommendation. However, based on the EV/S ratio, the share is moderately valued as the ratio is at the middle of the range with 2024 estimates. The DCF model also indicates a moderate upside in the share. Low predictability and still low profitability keep the risk level quite high. However, we believe that the risk is currently adequately compensated, so we reiterate our Accumulate recommendation and raise our target price to EUR 4.0 (was 3.0) with forecast hikes.

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

Valuation	2024e	2025e	2026e
Share price	3.64	3.64	3.64
Number of shares, millions	7.27	7.27	7.27
Market cap	26	26	26
EV	28	26	24
P/E (adj.)	neg.	18.9	12.3
P/E	neg.	18.9	12.3
P/B	9.7	6.4	4.2
P/S	2.8	2.1	1.8
EV/Sales	3.0	2.1	1.7
EV/EBITDA	34.1	12.2	8.4
EV/EBIT (adj.)	neg.	17.5	10.3
Payout ratio (%)	0.0 %	0.0 %	25.0 %
Dividend yield-%	0.0 %	0.0 %	2.0 %

Source: Inderes



# Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	0.12	0.10	4.78	4.00	2.69	<b>3.64</b>	<b>3.64</b>	<b>3.64</b>	<b>3.64</b>
Number of shares, millions	62.8	439.6	7.27	7.27	7.27	<b>7.27</b>	<b>7.27</b>	<b>7.27</b>	<b>7.27</b>
Market cap	7.5	43	35	29	20	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>
EV	9.5	45	33	28	23	<b>28</b>	<b>26</b>	<b>24</b>	<b>23</b>
P/E (adj.)	neg.	neg.	neg.	22.2	neg.	<b>neg.</b>	<b>18.9</b>	<b>12.3</b>	<b>10.4</b>
P/E	neg.	neg.	neg.	22.2	neg.	<b>neg.</b>	<b>18.9</b>	<b>12.3</b>	<b>10.4</b>
P/B	neg.	neg.	10.9	7.1	6.9	<b>9.7</b>	<b>6.4</b>	<b>4.2</b>	<b>3.2</b>
P/S	2.3	10.5	5.4	3.1	2.7	<b>2.8</b>	<b>2.1</b>	<b>1.8</b>	<b>1.6</b>
EV/Sales	2.9	10.9	5.2	3.0	3.1	<b>3.0</b>	<b>2.1</b>	<b>1.7</b>	<b>1.4</b>
EV/EBITDA	neg.	neg.	neg.	21.4	neg.	<b>34.1</b>	<b>12.2</b>	<b>8.4</b>	<b>7.1</b>
EV/EBIT (adj.)	neg.	neg.	neg.	33.6	neg.	<b>neg.</b>	<b>17.5</b>	<b>10.3</b>	<b>8.7</b>
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>25.0 %</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>2.0 %</b>	<b>4.8 %</b>

Source: Inderes

# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2024e
			2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Neuronetics	62	73					1.1	1.0					
Brainsway	104	63		55.8			2.2	1.8		230.4			
Ambu	4940	4972	129.8	58.8	60.4	37.3	7.8	6.9	236.0	78.6	0.1		6.9
C Rad	128	115	22.6	16.4	19.9	14.6	3.2	2.7	37.5	21.6			5.3
Elekta	2190	2583	17.9	12.8	10.5	8.6	1.8	1.6	22.0	16.4	3.3	3.9	2.9
Getinge	4515	4973	15.0	13.3	9.8	8.9	1.8	1.7	19.9	18.2	2.1	2.5	1.6
Irras													
Medstim	286	273	22.0	21.4	19.2	18.9	6.0	5.8	29.1	30.1	2.6	2.6	5.6
Optomed	117	116					7.4	7.0					5.6
Vitrolife	2155	2253	35.8	32.6	22.5	21.3	7.3	7.0	53.7	44.9	0.6	0.7	1.5
Xvivo Perfusion	1260	1218	307.1	128.7	142.2	79.1	22.6	16.8	396.1	166.1			7.4
<b>Nexstim (Inderes)</b>	<b>26</b>	<b>28</b>	<b>-6849.7</b>	<b>17.5</b>	<b>34.1</b>	<b>12.2</b>	<b>3.0</b>	<b>2.1</b>	<b>-254.5</b>	<b>18.9</b>	<b>0.0</b>	<b>0.0</b>	<b>9.7</b>
<b>Average</b>			<b>78.6</b>	<b>42.5</b>	<b>40.6</b>	<b>26.9</b>	<b>6.1</b>	<b>5.2</b>	<b>113.5</b>	<b>75.8</b>	<b>1.7</b>	<b>2.4</b>	<b>4.6</b>
<b>Median</b>			<b>22.6</b>	<b>27.0</b>	<b>19.9</b>	<b>18.9</b>	<b>4.6</b>	<b>4.3</b>	<b>37.5</b>	<b>37.5</b>	<b>2.1</b>	<b>2.5</b>	<b>5.5</b>
<b>Diff-% to median</b>			<b>-30368%</b>	<b>-35%</b>	<b>72%</b>	<b>-35%</b>	<b>-36%</b>	<b>-50%</b>	<b>-778%</b>	<b>-50%</b>	<b>-100%</b>	<b>-100%</b>	<b>78%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	H1'23	H2'23	2023	H1'24e	H2'24e	2024e	H1'25e	H2'25e	2025e	2026e	2027e
<b>Revenue</b>	<b>2.5</b>	<b>4.7</b>	<b>7.2</b>	<b>3.4</b>	<b>5.9</b>	<b>9.3</b>	<b>5.0</b>	<b>7.4</b>	<b>12.3</b>	<b>14.6</b>	<b>16.7</b>
Nexstim	2.5	4.7	7.2	3.4	5.9	9.3	5.0	7.4	12.3	14.6	16.7
<b>EBITDA</b>	<b>-1.1</b>	<b>0.6</b>	<b>-0.5</b>	<b>-0.5</b>	<b>1.3</b>	<b>0.8</b>	<b>-0.2</b>	<b>1.7</b>	<b>2.1</b>	<b>2.9</b>	<b>3.3</b>
Depreciation	-0.3	-0.4	-0.7	-0.4	-0.4	-0.8	0.0	0.0	-0.6	-0.5	-0.6
<b>EBIT (excl. NRI)</b>	<b>-1.4</b>	<b>0.2</b>	<b>-1.2</b>	<b>-0.9</b>	<b>0.9</b>	<b>0.0</b>	<b>-0.2</b>	<b>1.7</b>	<b>1.5</b>	<b>2.4</b>	<b>2.7</b>
<b>EBIT</b>	<b>-1.4</b>	<b>0.2</b>	<b>-1.2</b>	<b>-0.9</b>	<b>0.9</b>	<b>0.0</b>	<b>-0.2</b>	<b>1.7</b>	<b>1.5</b>	<b>2.4</b>	<b>2.7</b>
Nexstim	-1.4	0.2	-1.2	-0.9	0.9	0.0	-0.2	1.7	1.5	2.4	2.7
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	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	0.0	0.0	-0.1	-0.2	-0.1
<b>PTP</b>	<b>-1.4</b>	<b>0.1</b>	<b>-1.3</b>	<b>-1.0</b>	<b>0.9</b>	<b>-0.1</b>	<b>-0.2</b>	<b>1.7</b>	<b>1.4</b>	<b>2.2</b>	<b>2.5</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>-1.4</b>	<b>0.1</b>	<b>-1.3</b>	<b>-1.0</b>	<b>0.9</b>	<b>-0.1</b>	<b>-0.2</b>	<b>1.7</b>	<b>1.4</b>	<b>2.2</b>	<b>2.5</b>
<b>EPS (adj.)</b>	<b>-0.20</b>	<b>0.02</b>	<b>-0.18</b>	<b>-0.14</b>	<b>0.12</b>	<b>-0.01</b>	<b>-0.02</b>	<b>0.23</b>	<b>0.19</b>	<b>0.30</b>	<b>0.35</b>
<b>EPS (rep.)</b>	<b>-0.20</b>	<b>0.02</b>	<b>-0.18</b>	<b>-0.14</b>	<b>0.12</b>	<b>-0.01</b>	<b>-0.02</b>	<b>0.23</b>	<b>0.19</b>	<b>0.30</b>	<b>0.35</b>
<b>Key figures</b>	<b>H1'23</b>	<b>H2'23</b>	<b>2023</b>	<b>H1'24e</b>	<b>H2'24e</b>	<b>2024e</b>	<b>H1'25e</b>	<b>H2'25e</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
<b>Revenue growth-%</b>	-63.1 %	73.5 %	-23.9 %	34.9 %	25.3 %	28.6 %	47.4 %	23.9 %	32.4 %	18.5 %	14.0 %
<b>Adjusted EBIT growth-%</b>	-159.5 %	-110.6 %	-246.7 %	-32.6 %	485.3 %	-99.7 %	-83.4 %	78.2 %	-37474.6 %	56.5 %	13.4 %
<b>EBITDA-%</b>	-43.0 %	11.6 %	-7.3 %	-15.8 %	22.6 %	8.7 %	-3.1 %	22.5 %	17.4 %	19.8 %	19.5 %
<b>Adjusted EBIT-%</b>	-55.4 %	3.4 %	-16.9 %	-27.7 %	15.7 %	0.0 %	-3.1 %	22.5 %	12.2 %	16.1 %	16.0 %
<b>Net earnings-%</b>	-57.6 %	2.4 %	-18.3 %	-29.1 %	14.8 %	-1.1 %	-3.1 %	22.5 %	11.4 %	14.7 %	15.3 %

Source: Inderes



# Balance sheet

Assets	2022	2023	2024e	2025e	2026e
<b>Non-current assets</b>	<b>3.0</b>	<b>3.9</b>	<b>3.6</b>	<b>3.6</b>	<b>3.8</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	2.1	2.9	2.9	2.8	2.9
Tangible assets	0.4	0.3	0.2	0.3	0.4
Associated companies	0.5	0.7	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>7.3</b>	<b>5.9</b>	<b>8.8</b>	<b>10.6</b>	<b>11.5</b>
Inventories	0.9	1.0	1.3	1.7	1.9
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	1.9	3.4	2.8	3.7	4.4
Cash and equivalents	4.4	1.5	4.7	5.2	5.2
<b>Balance sheet total</b>	<b>10.2</b>	<b>9.9</b>	<b>12.3</b>	<b>14.2</b>	<b>15.3</b>

Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
<b>Equity</b>	<b>4.1</b>	<b>2.8</b>	<b>2.7</b>	<b>4.1</b>	<b>6.3</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-51.0	-52.3	-52.4	-51.0	-48.8
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	55.0	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>2.6</b>	<b>3.6</b>	<b>4.3</b>	<b>3.8</b>	<b>2.2</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
Interest bearing debt	2.6	3.6	4.3	3.8	2.2
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>3.5</b>	<b>3.4</b>	<b>5.3</b>	<b>6.4</b>	<b>6.8</b>
Interest bearing debt	0.9	0.8	1.4	1.3	0.7
Payables	2.7	2.6	3.9	5.1	6.1
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>10.2</b>	<b>9.9</b>	<b>12.3</b>	<b>14.2</b>	<b>15.3</b>

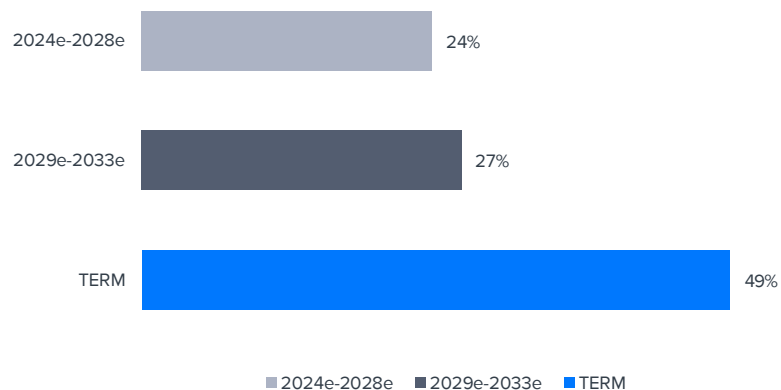
# DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-23.9 %	28.6 %	32.4 %	18.5 %	14.0 %	12.0 %	10.0 %	6.0 %	3.0 %	3.0 %	2.5 %	2.5 %
EBIT-%	-16.9 %	0.0 %	12.2 %	16.1 %	16.0 %	20.0 %	26.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %
<b>EBIT (operating profit)</b>	<b>-1.2</b>	<b>0.0</b>	<b>1.5</b>	<b>2.4</b>	<b>2.7</b>	<b>3.7</b>	<b>5.3</b>	<b>4.4</b>	<b>4.5</b>	<b>4.6</b>	<b>4.7</b>	
+ Depreciation	0.7	0.8	0.6	0.5	0.6	0.6	0.7	0.6	0.6	0.6	0.6	
- Paid taxes	0.0	0.0	0.0	0.0	0.0	-0.4	-1.0	-0.9	-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	-1.7	1.6	-0.1	0.1	-0.8	-0.1	-0.1	-0.1	0.0	0.0	0.0	
<b>Operating cash flow</b>	<b>-2.2</b>	<b>2.4</b>	<b>2.1</b>	<b>3.0</b>	<b>2.5</b>	<b>3.9</b>	<b>4.8</b>	<b>4.0</b>	<b>4.1</b>	<b>4.2</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	-1.5	-0.6	-0.7	-0.7	-0.8	-0.9	-0.9	-0.5	-0.5	-0.5	-0.8	
<b>Free operating cash flow</b>	<b>-3.7</b>	<b>1.8</b>	<b>1.4</b>	<b>2.3</b>	<b>1.7</b>	<b>3.0</b>	<b>4.0</b>	<b>3.5</b>	<b>3.6</b>	<b>3.8</b>	<b>3.5</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	-3.7	1.8	1.4	2.3	1.7	3.0	4.0	3.5	3.6	3.8	3.5	42.3
<b>Discounted FCFF</b>		<b>1.7</b>	<b>1.2</b>	<b>1.7</b>	<b>1.2</b>	<b>1.9</b>	<b>2.2</b>	<b>1.8</b>	<b>1.7</b>	<b>1.5</b>	<b>1.3</b>	<b>15.6</b>
Sum of FCFF present value		31.8	30.1	28.9	27.2	26.0	24.1	21.9	20.1	18.5	16.9	15.6
<b>Enterprise value DCF</b>		<b>31.8</b>										
- Interest bearing debt		-4.4										
+ Cash and cash equivalents		1.5										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>28.9</b>										
<b>Equity value DCF per share</b>		<b>4.0</b>										

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	5.0 %
Equity Beta	1.63
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>11.7 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>11.0 %</b>

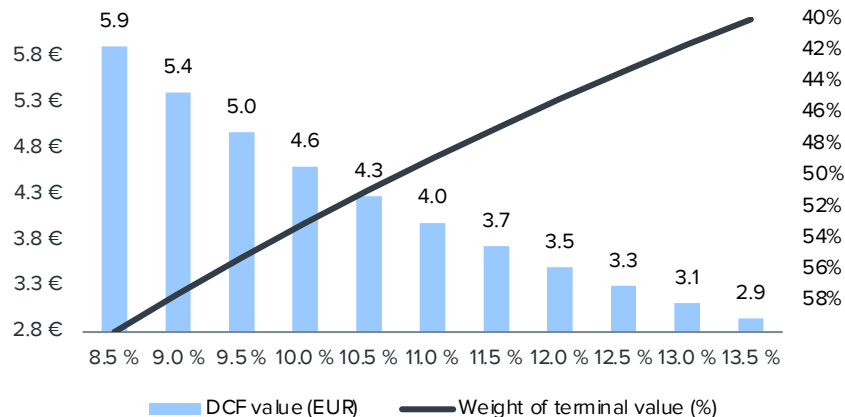
Source: Inderes

## Cash flow distribution

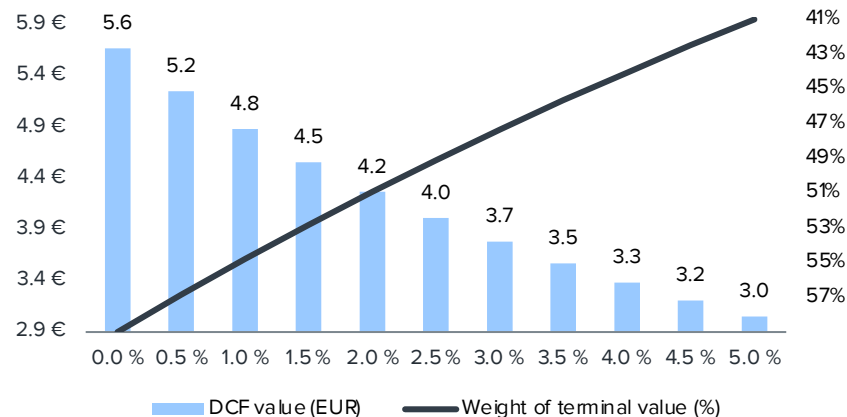


# DCF sensitivity calculations and key assumptions in graphs

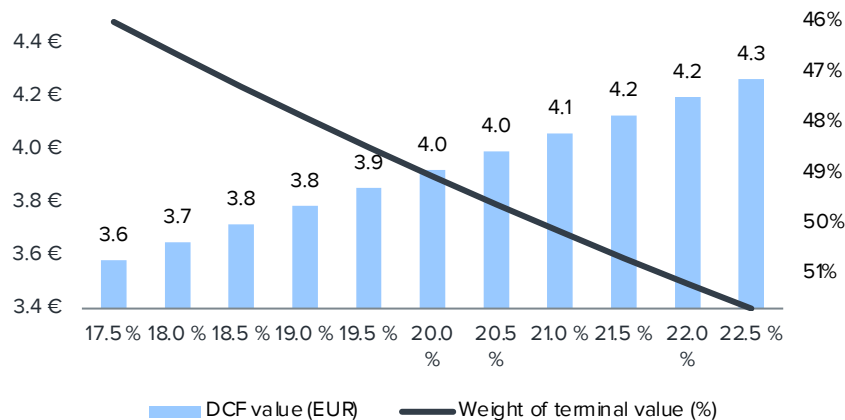
Sensitivity of DCF to changes in the WACC-%



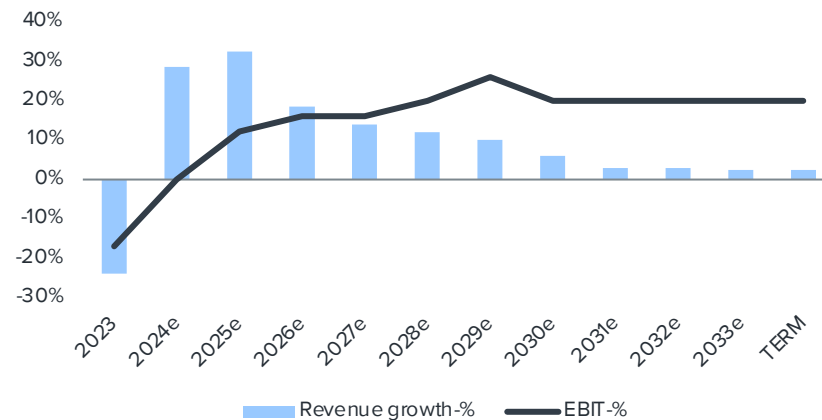
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

# Summary

Income statement	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	6.4	9.5	7.2	9.3	12.3	EPS (reported)	-0.11	0.18	-0.18	-0.01	0.19
EBITDA	-1.0	1.3	-0.5	0.8	2.1	EPS (adj.)	-0.11	0.18	-0.18	-0.01	0.19
EBIT	-1.5	0.8	-1.2	0.0	1.5	OCF / share	-0.25	0.14	-0.31	0.33	0.28
PTP	-0.7	1.3	-1.3	-0.1	1.4	FCF / share	-0.41	-0.05	-0.51	0.25	0.19
Net Income	-0.8	1.3	-1.3	-0.1	1.4	Book value / share	0.44	0.56	0.39	0.37	0.57
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	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	10.0	10.2	9.9	12.3	14.2	Revenue growth-%	56%	49%	-24%	29%	32%
Equity capital	3.2	4.1	2.8	2.7	4.1	EBITDA growth-%	-66%	-230%	-140%	-254%	166%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-56%	-158%	-247%	-100%	-37475%
Net debt	-1.3	-1.0	3.0	1.1	-0.2	EPS (adj.) growth-%	1121%	-257%	-201%	-92%	-1449%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	-15.8 %	13.8 %	-7.3 %	8.7 %	17.4 %
EBITDA	-1.0	1.3	-0.5	0.8	2.1	EBIT (adj.)-%	-22.7 %	8.8 %	-16.9 %	0.0 %	12.2 %
Change in working capital	-0.6	-0.3	-1.7	1.6	-0.1	EBIT-%	-22.7 %	8.8 %	-16.9 %	0.0 %	12.2 %
Operating cash flow	-1.8	1.0	-2.2	2.4	2.1	ROE-%	-96.0 %	36.0 %	-38.5 %	-3.8 %	41.0 %
CAPEX	-1.2	-1.4	-1.5	-0.6	-0.7	ROI-%	-27.2 %	11.4 %	-16.6 %	-0.1 %	17.1 %
Free cash flow	-3.0	-0.4	-3.7	1.8	1.4	Equity ratio	31.9 %	39.8 %	28.6 %	22.1 %	28.9 %
						Gearing	-40.6 %	-23.4 %	105.6 %	39.8 %	-4.6 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	5.2	3.0	3.1	3.0	2.1						
EV/EBITDA	neg.	21.4	neg.	34.1	12.2						
EV/EBIT (adj.)	neg.	33.6	neg.	neg.	17.5						
P/E (adj.)	neg.	22.2	neg.	neg.	18.9						
P/B	10.9	7.1	6.9	9.7	6.4						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Date	Recommendation	Target	Share price
5/30/2022	Reduce	4.60 €	4.85 €
8/15/2022	Reduce	4.40 €	4.73 €
9/8/2022	Reduce	4.40 €	4.06 €
1/10/2023	Reduce	4.30 €	4.25 €
2/28/2023	Accumulate	4.50 €	3.96 €
7/5/2023	Accumulate	4.20 €	3.51 €
8/21/2023	Accumulate	3.60 €	3.05 €
9/26/2023	Reduce	3.00 €	2.89 €
1/3/2024	Accumulate	3.00 €	2.69 €
2/28/2024	Accumulate	3.00 €	2.40 €
4/28/2024	Accumulate	3.00 €	2.26 €
6/10/2024	Accumulate	4.00 €	3.64 €



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