

LeadDesk

Company report

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✓ Inderes corporate customer

This report is a summary translation of the report "Kasvuloikka osui lankulle" published on 08&30&2021 at 8:00 am

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The growth leap hit the board

LeadDesk almost doubled its revenue in H1 driven by acquisitions. Overall, the H1 report confirmed that the company's growth story is still on track. LeadDesk has progressed systematically in expanding to the European market that is growing with the cloud revolution, and we still see good drivers for the company to continue on the same path. After the short-term uncertainty dispersed, the share's valuation has increased (2021e EV/S 5.3x), but not too much to keep up with the stably progressing growth story. We raise our target price for LeadDesk to EUR 28.0 (previously EUR 27.0) and lower our recommendation to Accumulate (previously Buy).

Overall, H1 figures confirmed that the growth story is on track

LeadDesk's H1 revenue nearly doubled and grew by 94% to EUR 12.0 million (H1'20 MEUR 6.2). Especially the acquisitions carried out in 2020 (Nordcom, Capricode Systems and Loxysoft) were responsible for the very strong growth in H1. Comparable organic growth of the new entity formed through the acquisitions was 15%. We believe this is a good level considering the slowing effect acquisition integration has on organic growth. Profitability in H1 was at a neutral level as expected, as LeadDesk continuously invests the growing income flow in strengthening its growth.

Good preconditions for European conquest to move forward supported by the cloud revolution

LeadDesk's target market is growing strongly supported by the cloud revolution, and the company has good preconditions for continued growth in this revolution. We believe that LeadDesk's product is highly competitive in Europe, and most recently in July this competitiveness strengthened with the chatbot company GetJenny acquisition. On the customer front, LeadDesk has stepped up its investments in the Enterprise segment over the past year, with which the company expands its target market. The company's European conquest has recently progressed with acquisitions, but underlying investments in organic growth also continue. We expect the company to make moves to open the French and Italian markets, and the company mentioned it was again looking into this in the H1 report.

Our growth estimates rose slightly driven by the acquisition

Our estimates lacked the GetJenny acquisition so there was pressure to raise them. On the other hand, ARR at the end of H1 was not quite at the level of our organic growth estimate for the rest of the year. In hindsight, this probably tells more about the unnecessarily aggressive assumptions of our previous estimates about the pickup in organic growth of acquisition targets than about the company's own performance, where we see nothing wrong. We increased the caution in our growth estimates slightly and, overall, our revenue estimates rose slightly (+2-3%). We expect LeadDesk to maintain an average over 30% combination of organic revenue growth and profitability (adjusted EBIT-%) in 2021-2024. In the long term, we still see preconditions for LeadDesk for over 20% EBIT levels.

No longer cheap, but worth staying on board the stably progressing growth story

The key driver of LeadDesk's growth story is in our opinion the expectation of growth and strengthening profitability. The valuation of the share (2021e EV/Sales 5.3x) is still high in absolute terms but we believe that it is still acceptable considering our expectations of a strong combination of organic growth and profitability in the next few years ("Rule of 40"). In the long term, investors also receive an option of new acquisitions that accelerate growth of which the company has provided good short-term evidence in the last year.

Recommendation

Accumulate

(previous Buy)

EUR 28.00

(previous EUR 27.00)

Share price:

25.70



Key indicators

	2020	2021e	2022e	2023e
Revenue	13.8	26.2	32.7	39.4
growth-%	12%	90%	25%	21%
EBIT (adj.)	0.4	2.3	3.0	5.0
EBIT-% (adj.)	3.2 %	8.9 %	9.1 %	12.8 %
Net Income	0.2	-0.1	0.4	2.1
EPS (adj.)	0.07	0.31	0.40	0.70
P/E (adj.)	>100	83.3	64.3	36.8
P/B	17.9	7.5	7.0	6.4
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	>100	60.0	47.4	27.0
EV/EBITDA	94.0	35.4	27.8	20.3
EV/S	11.7	5.3	4.3	3.4

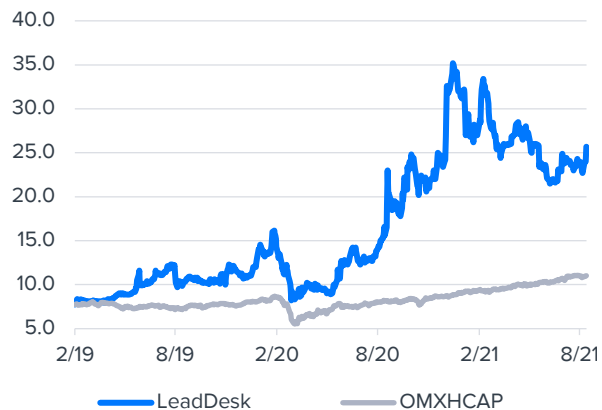
Source: Inderes

Guidance

(Unchanged)

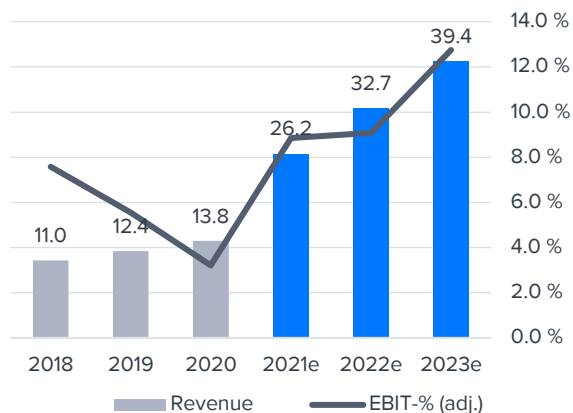
The company will maintain strong comparable revenue growth and continue operating profitably.

Share price



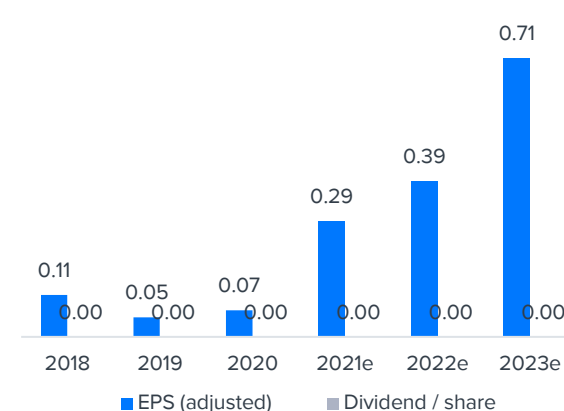
Source: Thomson Reuters

Net sales and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- A strongly growing target market and significant market potential
- Strong competitiveness compared to the smallest and local players in the target market
- Scalable business model and cost structure
- Expanding customer relationships to new solutions and value-added services
- New market areas
- Acquisitions



Risk factors

- Limited visibility to success of new sales
- Changes in the competitive situation
- Technology and security risks
- Successful integration of acquisitions and opening of new markets
- Dividing focus between developing productized offering for fast sales cycles and Enterprise customers that require tailoring

Valuation	2020	2021e	2022e
Share price	35.0	25.7	25.7
Number of shares, millions	4.67	5.34	5.54
Market cap	166	137	142
EV	161	139	141
P/E (adj.)	>100	83.3	64.3
P/E	>100	>100	>100
P/FCF	neg.	neg.	35.6
P/B	17.9	7.5	7.0
P/S	12.0	5.2	4.4
EV/Sales	11.7	5.3	4.3
EV/EBITDA	94.0	35.4	27.8
EV/EBIT (adj.)	>100	60.0	47.4
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Overall, H1 figures confirmed that the growth story is on track

Growth in H1 was very strong as expected

LeadDesk's H1 revenue nearly doubled and grew by 94% to EUR 12.0 million (H1'20 MEUR 6.2). Growth in the period was weakened by the one-off revenue recognition policy of the service number business and adjusted for this H1 revenue was EUR 12.5 million.

Especially the acquisitions carried out in 2020 (Nordcom, Capricode Systems and Loxysoft) were responsible for the very strong growth in H1. Considering the comparison figures of the acquired businesses, comparable organic growth of the new entity was 15%. We believe that the level is good, considering the short-term slow-down in organic growth brought about by the integration of acquisition targets.

According to the company, organic growth measured in euros was strongest in Spain, where the company has had a subsidiary only since 2019. In connection with the report, the company again stated that its expansion into France and Italy is possible, which, if implemented, we believe would bring new energy to organic growth.

Profitability was neutral as expected

H1 profitability at EUR 1.2 million or 10 % of revenue (H1'20 MEUR 0.0) was at the level of EBIT adjusted for acquisition depreciation. Similarly, profit before tax was at a neutral level of EUR 0.0 million (H1'20 MEUR -0.1). Adjusted EBIT (adjusted for acquisition depreciation) was stronger than our expectations, although neutral profitability in terms of the result was expected. LeadDesk continuously invests income flow generated from growth to boost its growth. Thus, the result remaining neutral in the short term is mainly a reflection of the success of the recruitment process, and is not a cause for concern, as the company generates continuous growth in return for the investments.

H2 organic growth outlook slightly weaker than expected but growth story remains on track

For 2021, LeadDesk's guidance is still that it maintains strong revenue growth and continues operating profitably. Acquisitions account for most of 2021 growth, but organic growth is still an important growth driver.

ARR increased slightly more than revenue, by 96% to EUR 19.1 million by the end of H1, which we believe is a good performance for the company. However, after a more detailed analysis, the ARR does not seem at the end of H1 to have been at exactly the level that we would have demanded for our high organic growth expectations for H2. In SaaS business, growth is created by a steady effort during the year and most of the acquisition targets have not been part of LeadDesk for this long. In retrospect, our previous estimate therefore contained an overly optimistic assumption of the organic growth of acquisition targets strengthening.

However, the H1 report confirmed that LeadDesk's growth story is stably on track. Risks related to acquisitions seem not to have been realized at least yet and short-term slowdown in organic growth seems to have remained very moderate.

Estimates MEUR / EUR	H1'20	H1'21	H1'21e	H1'21e	Consensus		Difference (%)	2021e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	6.2	12.0	11.7				3%	26.2
EBIT (adj.)	0.0	1.2	0.7				65%	2.3
PTP	-0.1	0.0	0.0					0.0
EPS (reported)	-0.02	-0.01	0.00					-0.01
Revenue growth-%	1.5 %	93.6 %	87.9 %				5.6 pp	90.0 %
EBIT-% (adj.)	0.3 %	9.6 %	6.0 %				3.6 pp	8.9 %

Source: Inderes

Estimate changes

Estimate changes 2021e-2023e

- We added the GetJenny acquisition (2020 revenue MEUR 1.4) to our growth estimates for the next few years.
- We also lowered our organic growth estimates slightly, as the ARR at the end of H1 should have been even stronger to support our estimates. In retrospect, our previous estimates were too optimistic in the assumption of the company's ability to affect the organic growth of acquisition targets in the short term. We are now a degree more cautious in our organic growth estimates.
- We also made minor adjustments to the cost structure of the new entity, financing costs and balance sheet structure. We also revised the level of depreciation after acquisitions upwards. However, acquisition depreciation has no cash-flow effect, so this revision is of a technical nature.

Operational result drivers 2020-2023e:

- LeadDesk's cost structure focuses on fixed costs. However, the company's business generates very high margins (sales margin % >75%). With the scalable business model, growth is the company's most important profitability driver.
- In the short term, the company will invest its growing income flow to strengthen its growth, so profitability will only increase more strongly when the size of the company grows. We expect this to materialize more clearly only after the next few years.
- In addition, we believe that the acquisitions have created certain overlaps with LeadDesk's product family, management of which slows down the scalability of product development in the short term.

Estimate revisions MEUR / EUR	2021e			2022e			2023e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
Revenue	25.6	26.2	2%	31.8	32.7	3%	38.6	39.4	2%
EBITDA	3.4	3.9	15%	4.3	5.1	19%	6.3	6.7	7%
EBIT (exc. NRIs)	2.0	2.3	15%	2.9	3.0	2%	5.0	5.0	1%
EBIT	0.8	0.4	-54%	1.6	0.8	-50%	3.6	2.8	-22%
PTP	0.6	0.0	-84%	1.5	0.5	-68%	3.5	2.5	-29%
EPS (excl. NRIs)	0.30	0.31	2%	0.43	0.40	-7%	0.74	0.70	-5%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Valuation

No longer cheap, but worth staying on board the stably progressing growth story

LeadDesk's continued revenue growth and gradually increasing profitability are in our view the main drivers of the company's value creation and valuation. The company continues to invest heavily in growth, and earnings-based valuation multiples cannot yet be relied on.

With our estimates, LeadDesk's 2021 and 2022 EV/Sales ratios are 5.3x and 4.3x with the current share price, which are approximately 15-30% below peers' corresponding median ratios (7.7x and 5.2x). However, revenue-based multiples must be proportioned to the company's growth and profitability profile. The combination of organic growth and profitability we expect for LeadDesk in 2022 (adjusted EBIT-%) is around 30%, which is some 30% below the corresponding level of the peers (median 40%). Thus, the company's current valuation level will fall below the peer group next year. The smaller size class and liquidity of the company speak for a discount. However, we believe pricing at peer level would also be justified, considering the company's existing proof of implementing value-creating

acquisitions, and thus the valuation is not too tight.

We want to point out that the valuation multiples of the peer group are at an absolute high level but justifiable with the long-term strong growth outlook of the industry, the scalable business model, and the visibility from continuous income. We compare the relative valuation of LeadDesk's total revenue mainly with the valuation multiples of the Nordic technology companies. The peer group reflects the growth expectations of software companies well and these companies are clearly closer to LeadDesk in terms of scale and risk profile than international SaaS peers.

With the updated DCF valuation, the fair value of the company is EUR 28.0 per share, which supports our positive view. Our terminal assumption is 3% growth.

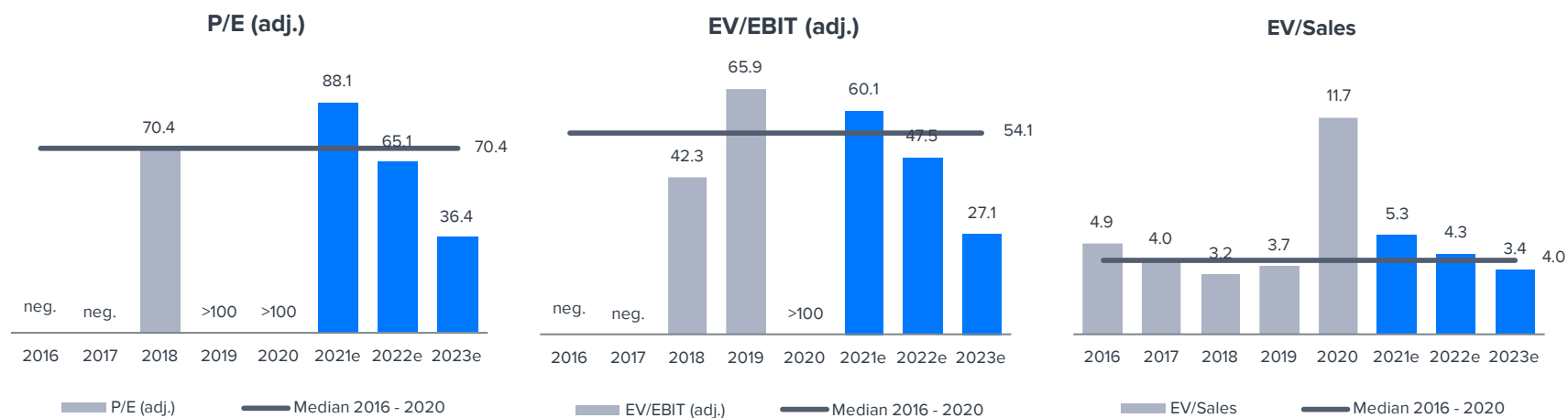
Valuation	2020	2021e	2022e
Share price	35.0	25.7	25.7
Number of shares, millions	4.67	5.34	5.54
Market cap	166	137	142
EV	161	139	141
P/E (adj.)	>100	83.3	64.3
P/E	>100	>100	>100
P/FCF	neg.	neg.	35.6
P/B	17.9	7.5	7.0
P/S	12.0	5.2	4.4
EV/Sales	11.7	5.3	4.3
EV/EBITDA	94.0	35.4	27.8
EV/EBIT (adj.)	>100	60.0	47.4
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Valuation table

Valuation	2016	2017	2018	2019	2020	2021e	2022e	2023e	2024e
Share price	7.50	7.50	7.50	11.0	35.0	25.7	25.7	25.7	25.7
Number of shares, millions	4.54	4.54	4.54	4.43	4.67	5.34	5.54	5.54	5.54
Market cap	34	34	34	51	166	137	142	142	142
EV	36	36	35	45	161	139	141	136	129
P/E (adj.)	neg.	neg.	70.4	>100	>100	83.3	64.3	36.8	25.4
P/E	neg.	neg.	>100	64.3	>100	>100	>100	68.8	37.5
P/FCF	neg.	neg.	18.7	6.4	neg.	neg.	35.6	27.7	21.6
P/B	77.2	90.5	47.0	6.7	17.9	7.5	7.0	6.4	5.4
P/S	4.7	3.7	3.1	4.1	12.0	5.2	4.4	3.6	3.0
EV/Sales	4.9	4.0	3.2	3.7	11.7	5.3	4.3	3.4	2.8
EV/EBITDA	neg.	>100	19.3	25.6	94.0	35.4	27.8	20.3	15.1
EV/EBIT (adj.)	neg.	neg.	42.3	65.9	>100	60.0	47.4	27.0	18.4
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	Share price	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		Lv:n kasvu-%		EBIT-%		Rule of 40
Company		MEUR	MEUR	2021e	2022e	2021e	2022e	2021e	2022e	2021e	2022e	2021e	2022e	2022e
Admicom Oyj	92.0	453	440	44.0	36.7	36.7	33.9	17.6	15.2	14%	16%	40%	41%	57%
Artificial Solutions International AB	7.0	45	55	neg.	neg.	neg.	neg.	8.4	5.2		63%	-86%	-23%	40%
Basware Oyj	38.8	560	606	89.8	41.2	27.6	19.6	3.9	3.5	2%	11%	4%	9%	20%
Briox AB	6.0	27	27	neg.	neg.	neg.	neg.	45.2	27.1	20%	67%	-333%	-200%	
Efecte Oyj	14.4	89	82		82.1	82.1	41.1	4.8	4.1	15%	16%	2%	7%	23%
Fortnox AB	499.6	2979	2950	96.7	66.7	75.6	54.4	31.9	24.2	37%	32%	33%	36%	68%
FormPipe Software AB	32.8	172	174	32.3	32.9	14.0	15.6	3.8	3.8	13%	2%	12%	11%	13%
F-Secure Oyj	4.3	675	662	30.1	24.2	18.7	15.7	2.8	2.6	8%	7%	9%	11%	17%
Heeros Oyj	6.0	26	26	25.7	25.7	12.9	8.6	2.9	2.6	6%	9%	7%	14%	23%
IAR Systems Group AB	115.2	154	152	14.4	10.5	9.7	7.4	3.8	3.2	10%	20%	26%	30%	50%
Lime Technologies AB (publ)	386.8	502	525	61.7	49.7	38.5	31.7	13.1	11.0	20%	19%	21%	22%	41%
Qt Group Oyj	158.40	3973	3974	133.7	81.0	123.7	80.7	33.3	24.8	50%	34%	25%	31%	65%
Safeture AB	10.15	30	27	neg.	neg.	neg.	neg.	7.7	5.0	29%	56%	-56%	-14%	41%
Simcorp A/S	852.60	4645	4637	34.7	30.6	31.4	28.3	9.3	8.5	8%	10%	27%	28%	37%
Sinch AB (publ)	192.15	13578	12483	154.1	54.9	101.6	41.3	8.0	5.4	107%	48%	5%	10%	58%
SSH Communications Security Oyj	2.55	99	104	neg.	41.7	104.2	23.2	6.1	4.6	42%	32%	-6%	11%	43%
Talenom Oyj	16.22	709	746	49.6	38.0	27.5	22.6	9.1	7.7	26%	17%	18%	20%	37%
Vitec Software Group AB (publ)	475.00	1393	1468	49.0	43.0	25.3	22.8	9.5	8.7	24%	10%	19%	20%	30%
24SevenOffice Scandinavia AB	20.50	135	77			46.4	20.8	3.3	2.6	35%	29%	-5%	-3%	26%
Bimobject AB	6.90	94	59					4.8	3.9		24%	-54%	-24%	
Addnode Group AB (publ)	382.00	1219	1173	26.9	24.7	22.4	20.5	3.0	2.8	3%	5%	11%	11%	17%
Smart Eye AB (publ)	197.20	384	365					30.3	10.8	86%	180%	-72%	-21%	159%
Carasent ASA	43.30	328	283	101.3	67.5	59.9	47.0	21.8	16.6	89%	32%	22%	25%	56%
Litium AB	21.40	30	28		94.0		20.1	4.5	3.5	24%	29%	-19%	4%	33%
Mercell Holding AS	The record could not be found	387	460	129.2	33.4	23.4	14.2	6.4	5.0		28%	5%	15%	43%
Pexip Holding ASA	66.30	667	577					7.3	5.2	29%	40%	-36%	-30%	10%
Bambuser AB	15.10	299	239					15.7	7.6	420%	107%	-116%	-52%	55%
LeadDesk (Inderes)*	25.70	137	139	47.4	27.0	27.8	20.3	5.3	4.3	20%	21%	9%	9%	29%
Average				67.1	46.2	46.4	28.5	11.8	8.3	47%	35%	-18%	0%	43%
Median				49.3	41.2	31.4	22.7	7.7	5.2	24%	28%	5%	11%	40%
Diff-% to median				-4%	-34%	-12%	-11%	-31%	-17%	-17%	-26%	70%	-18%	-28%

Source: Thomson Reuters / Inderes NB: The market cap Inderes uses does not consider own shares held by the company

Income statement

Income statement	H1'19	H2'19	2019	H1'20	H2'20	2020	H1'21	H2'21e	2021e	2022e	2023e	2024e
Revenue	6.1	6.2	12.4	6.2	7.6	13.8	12.0	14.2	26.2	32.7	39.4	46.8
Group	6.1	6.2	12.4	6.2	7.6	13.8	12.0	14.2	26.2	32.7	39.4	46.8
EBITDA	0.7	2.6	3.4	0.6	1.1	1.7	1.9	2.1	3.9	5.1	6.7	8.6
Depreciation	-0.6	-0.5	-1.1	-0.7	-0.8	-1.4	-1.7	-1.9	-3.6	-4.3	-3.9	-3.7
EBIT (excl. NRI)	0.3	0.4	0.7	0.0	0.4	0.4	1.2	1.2	2.3	3.0	5.0	7.0
EBIT	0.1	2.1	2.2	0.0	0.3	0.3	0.2	0.2	0.4	0.8	2.8	4.8
Group	0.1	2.1	2.2	0.0	0.3	0.3	0.2	0.2	0.4	0.8	2.8	4.8
Net financial items	-1.2	-0.2	-1.4	-0.1	0.0	-0.1	-0.2	-0.2	-0.3	-0.3	-0.3	-0.2
PTP	-1.1	1.9	0.9	-0.1	0.3	0.3	0.0	0.0	0.1	0.5	2.6	4.6
Taxes	0.0	-0.1	-0.1	0.0	0.0	0.0	-0.1	0.0	-0.1	-0.1	-0.5	-0.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-1.1	1.9	0.8	-0.1	0.3	0.2	-0.1	0.0	0.0	0.4	2.1	3.8
EPS (adj.)	0.02	0.03	0.05	-0.02	0.09	0.07	0.14	0.16	0.31	0.40	0.70	1.01
EPS (rep.)	-0.26	0.42	0.17	-0.02	0.07	0.04	-0.01	0.00	0.00	0.07	0.37	0.69

Key figures	H1'19	H2'19	2019	H1'20	H2'20	2020	H1'21	H2'21e	2021e	2022e	2023e	2024e
Revenue growth-%	18.7 %	6.1 %	12.0 %	1.5 %	21.7 %	11.7 %	93.6 %	87.1 %	90.0 %	24.7 %	20.6 %	18.6 %
Adjusted EBIT growth-%	-539.7 %	-59.8 %	-17.9 %	-93.8 %	16.0 %	-35.4 %	5680.0 %	175.3 %	423.8 %	27.9 %	69.3 %	40.0 %
EBITDA-%	11.7 %	42.3 %	27.1 %	10.4 %	14.0 %	12.4 %	15.5 %	14.5 %	15.0 %	15.5 %	17.0 %	18.3 %
Adjusted EBIT-%	5.2 %	5.9 %	5.5 %	0.3 %	5.6 %	3.2 %	9.6 %	8.2 %	8.9 %	9.1 %	12.8 %	15.0 %
Net earnings-%	-18.2 %	30.0 %	6.1 %	-1.7 %	4.0 %	1.5 %	-0.4 %	-0.1 %	0.1 %	1.2 %	5.3 %	8.1 %

Source: Inderes

Balance sheet

Assets	2019	2020	2021e	2022e	2023e
Non-current assets	3.8	4.0	8.6	22.7	21.9
Goodwill	0.1	0.0	0.0	0.0	0.0
Intangible assets	2.8	3.1	7.7	21.8	21.0
Tangible assets	0.0	0.1	0.1	0.1	0.1
Associated companies	0.8	0.8	0.8	0.8	0.8
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	6.7	6.2	5.9	9.2	13.2
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	1.2	1.3	2.6	3.3	3.9
Cash and equivalents	5.5	4.8	3.2	5.9	9.3
Balance sheet total	10.6	13.1	29.2	31.2	33.0

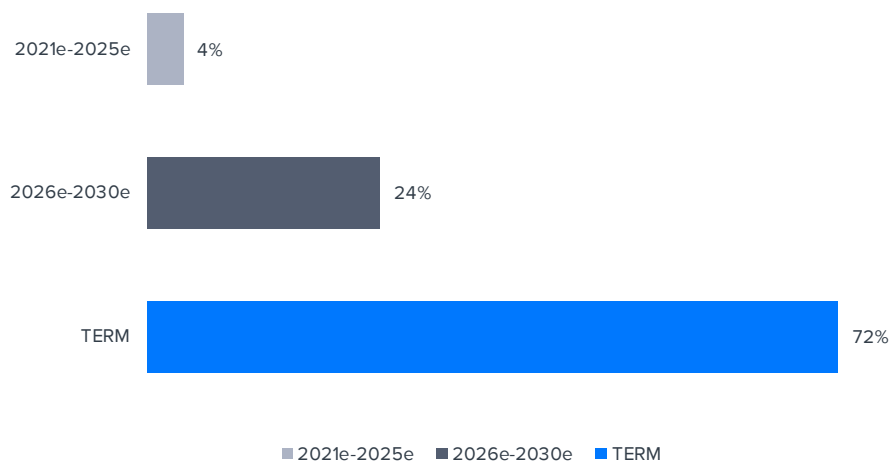
Source: Inderes

Liabilities & equity	2019	2020	2021e	2022e	2023e
Equity	7.6	9.3	18.4	20.3	22.4
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-4.1	-3.9	-3.9	-3.5	-1.4
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	11.6	13.1	22.2	23.7	23.7
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	0.4	0.2	5.1	4.0	3.0
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	0.4	0.1	5.1	4.0	3.0
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	2.5	3.7	5.7	6.9	7.6
Short term debt	0.3	0.4	1.0	1.0	0.5
Payables	2.2	3.3	4.7	5.9	7.1
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	10.5	13.1	29.2	31.2	33.0

DCF calculation

DCF model	2020	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	TERM
EBIT (operating profit)	0.3	0.4	0.8	2.8	4.8	6.9	9.6	12.5	15.3	17.9	18.5	
+ Depreciation	1.4	3.6	4.3	3.9	3.7	3.8	3.8	3.9	4.0	3.6	3.3	
- Paid taxes	0.0	-0.1	-0.1	-0.5	-0.8	-1.3	-1.8	-2.5	-3.1	-3.6	-3.7	
- Tax, financial expenses	0.0	-0.1	-0.1	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	0.9	0.1	0.5	0.5	0.6	0.6	0.6	0.5	0.4	0.4	0.2	
Operating cash flow	2.6	3.9	5.5	6.7	8.3	10.0	12.3	14.4	16.6	18.3	18.3	
+ 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	-4.5	-20.0	-3.0	-1.6	-1.7	-1.7	-1.8	-1.9	-1.9	-2.0	-2.0	
Free operating cash flow	-1.9	-16.1	2.5	5.1	6.6	8.2	10.5	12.6	14.7	16.4	16.3	
+/- Other	0.3	3.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-1.6	-13.1	4.0	5.1	6.6	8.2	10.5	12.6	14.7	16.4	16.3	248
Discounted FCFF		-12.6	3.5	4.1	4.8	5.5	6.4	7.0	7.4	7.5	6.8	104
Sum of FCFF present value		145	157	154	150	145	139	133	126	119	111	104
Enterprise value DCF		145										
- Interesting bearing debt		-0.5										
+ Cash and cash equivalents		4.8										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		150										
Equity value DCF per share		28.0										

Cash flow distribution



Wacc	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	6.0 %
Equity Beta	1.00
Market risk premium	4.75%
Liquidity premium	3.00%
Risk free interest rate	2.0 %
Cost of equity	9.8 %
Weighted average cost of capital (WACC)	9.8 %

Source: Inderes

Summary

Income statement	2018	2019	2020	2021e	2022e	Per share data	2018	2019	2020	2021e	2022e
Revenue	11.0	12.4	13.8	26.2	32.7	EPS (reported)	0.07	0.17	0.04	-0.01	0.07
EBITDA	1.8	3.4	1.7	3.9	5.1	EPS (adj.)	0.11	0.05	0.07	0.31	0.40
EBIT	0.8	2.2	0.3	0.4	0.8	OCF / share	0.48	0.67	0.57	0.74	0.98
PTP	0.4	0.9	0.3	0.1	0.5	FCF / share	0.40	1.78	-0.35	-2.44	0.72
Net Income	1.0	0.8	0.2	0.0	0.4	Book value / share	0.16	1.70	1.99	3.44	3.66
Extraordinary items	-0.1	1.5	-0.1	-2.0	-2.2	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2018	2019	2020	2021e	2022e	Growth and profitability	2018	2019	2020	2021e	2022e
Balance sheet total	5.2	10.6	13.1	29.2	31.2	Revenue growth-%	21%	12%	12%	90%	25%
Equity capital	0.7	7.6	9.3	18.4	20.3	EBITDA growth-%	12152%	-4%	-3%	129%	29%
Goodwill	0.1	0.1	0.0	0.0	0.0	EBIT (adj.) growth-%	-207%	-18%	-35%	424%	28%
Net debt	1.2	-4.8	-4.3	2.9	-0.9	EPS (adj.) growth-%	-145%	-53%	36%	355%	29%
Cash flow	2018	2019	2020	2021e	2022e	EBITDA-%	16.6 %	14.3 %	12.4 %	15.0 %	15.5 %
EBITDA	1.8	3.4	1.7	3.9	5.1	EBIT (adj.)-%	7.6 %	5.5 %	3.2 %	8.9 %	9.1 %
Change in working capital	0.4	-0.1	0.9	0.1	0.5	EBIT-%	7.0 %	17.9 %	2.2 %	1.3 %	2.4 %
Operating cash flow	2.2	3.0	2.6	3.9	5.5	ROE-%	60.8 %	18.3 %	2.4 %	0.2 %	2.0 %
CAPEX	-1.0	-1.1	-4.5	-20.0	-3.0	ROI-%	24.6 %	40.2 %	3.3 %	2.1 %	3.1 %
Free cash flow	1.8	7.9	-1.6	-13.0	4.0	Equity ratio	13.9 %	71.5 %	70.8 %	63.0 %	65.1 %
						Gearing	168.2 %	-63.9 %	-46.4 %	15.7 %	-4.3 %
Valuation multiples	2018	2019	2020	2021e	2022e						
EV/S	3.2	3.7	11.7	5.3	4.3						
EV/EBITDA (adj.)	19.3	25.6	94.0	35.4	27.8						
EV/EBIT (adj.)	42.3	65.9	>100	60.0	47.4						
P/E (adj.)	70.4	>100	>100	83.3	64.3						
P/E	47.0	6.7	17.9	7.5	7.0						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
05-11-19	Accumulate	10.80 €	10.10 €
22-01-20	Reduce	13.10 €	13.80 €
17-02-20	Reduce	14.00 €	14.30 €
19-03-20	Accumulate	9.00 €	8.40 €
09-06-20	Accumulate	11.50 €	10.70 €
<i>Analyst changes</i>			
31-08-20	Accumulate	16.50 €	15.60 €
29-09-20	Accumulate	20.00 €	18.70 €
30-11-20	Accumulate	25.50 €	23.40 €
07-01-21	Sell	26.00 €	34.20 €
19-02-21	Reduce	27.00 €	31.00 €
19-03-21	Accumulate	27.00 €	25.40 €
07-07-21	Buy	27.00 €	21.80 €
30-08-21	Accumulate	28.00 €	25.70 €



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