

# Efecte

## Company report

2/12/2022 18:15



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This report is a summary translation of the report “Kasvua sietää omistaa myös epävarmuudessa” published on 2/12/2022 at 6:15 pm

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# Owning growth still worth it despite uncertainty

Efecte's Q4 report was stronger than we expected as services net sales exceeded our estimates. The company's growth investments have borne fruit nicely thus far and we feel there are excellent drivers for continued growth. We consider the current valuation (2022 EV/S 3.9x) attractive considering the company's growth outlook even if we do not see that the expected return is supported by increasing valuation multiples in the current uncertain valuation landscape. We reiterate our Accumulate recommendation and revise our target price to EUR 15.0 (previously EUR 16.5).

## Perkier end to year than expected

Efecte's Q4 figures were stronger than we expected as a whole as net sales grew by 20% (Inderes: 11%) and the EBIT margin was -1% (Inderes: -15%). SaaS growth was quite stable (+24%) as usual but services net sales continued growing more strongly than we estimated (+21%, Inderes: +5%). Accelerated recruitment after summer to support growth raised expenses but the strong growth in services net sales that surprised us compensated for the effects. The guidance for 2022 was in line with our expectations but it now also provides for the option of inorganic growth.

## Long term growth engine still being built steadily and gives confidence in continued growth

Thanks to the progressing cloud revolution the target market for SaaS companies like Efecte is growing strongly. The company has found a competitive market niche for its product in medium-sized European companies and actively expanded its geographical cover (customers/partners in 12 countries at the end of 2021) to more strongly growing markets. To benefit from market growth, Efecte has invested in a partner program, digital sales and marketing, and recruitment which form a significant share of its future growth conditions. The company received nearly one-half (17 customers of 38) of last year's new customers through the partner network, and it also plans to pilot its own direct sales channel in one new market during 2022. We feel Efecte has excellent preconditions to maintain stable and scalable growth for several years to come.

## Growth estimates nearly unchanged but we raised our estimate of short-term growth investments

We expect 2022 SaaS growth to be 22% (guidance: over 20%) and EBITDA margin to be 4%. For 2022-2025 we estimate around 22% annual SaaS net sales growth and a 17-32% combination of net sales growth and profitability (adj. EBIT %). In the long-term we see potential for over 20% net sales level which is supported by the company's high gross margin of recurring net sales (2021: 81%) if growth continues. In the short term we expect profitability to rise more slowly as the company accelerates its growth investments. We also find it possible that the company removes the limit set for growth investments in the targets of its previous strategy (2023 EBIT % at least 10%). Instead of speculating we do, however, assume for the time being that the company tries to achieve this target.

## Strength of growth outlook weighs more than risks related to the valuation landscape

We believe Efecte's valuation relies on scalable growth. The company implements this by reinvesting its high margin (2021 gross margin of recurring net sales %: 81%) income flow into sales and product development which chips away at profitability in the short term. We feel the company's valuation (2022e EV/S 3.9x) is attractive as scalable growth continues. Due to the pressure on the valuation levels of growth companies, we do not see drivers for valuation multiple growth in the short term but feel the company's growth in itself offers an attractive expected return.

## Recommendation

### Accumulate

(previous Accumulate)

### EUR 15.00

(previous EUR 16.50)

### Share price:

13.60



## Key figures

	2021	2022e	2023e	2024e
<b>Revenue</b>	17.8	20.3	23.5	27.1
<b>growth-%</b>	19%	14%	16%	16%
<b>SaaS revenue</b>	10.9	13.3	16.5	20.2
<b>growth-%</b>	24%	22%	24%	23%
<b>EBIT adj.</b>	0.4	0.3	2.4	3.7
<b>EBIT-% adj.</b>	2.4 %	1.6 %	10.0 %	13.6 %
<b>Net Income</b>	0.4	0.3	2.2	3.3
<b>EPS (adj.)</b>	0.07	0.05	0.35	0.51
<b>EV/EBIT (adj.)</b>	>100	>100	33.4	20.8
<b>EV/EBITDA</b>	80.1	>100	26.8	17.4
<b>EV/S</b>	4.2	3.9	3.3	2.8

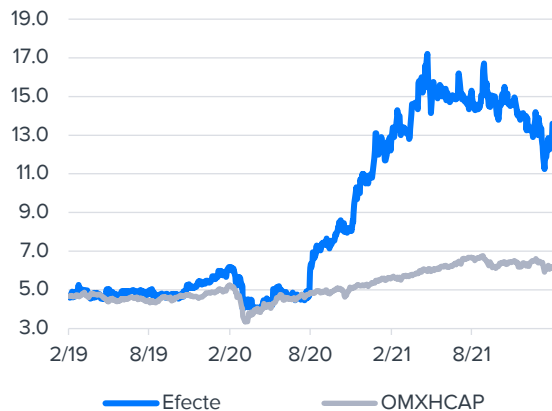
Source: Inderes

## Guidance

(New guidance)

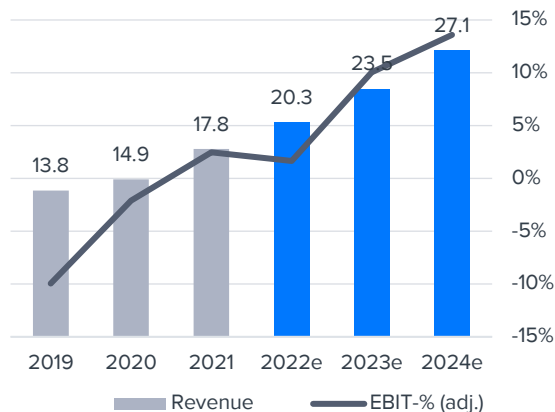
SaaS net sales is expected to grow over 20% and EBITDA to be positive, excluding any potential costs from inorganic activities.

## Share price



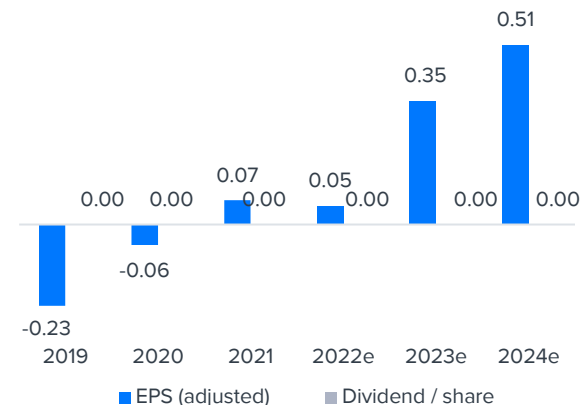
Source: Thomson Reuters

## 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 in growth investments and international expansion
- Changes in the competitive field and position
- Technological changes and security risks

Valuation	2022e	2023e	2024e
Share price	13.6	13.6	13.6
Number of shares, millions	6.26	6.40	6.54
Market cap	85	87	89
EV	79	79	77
P/E (adj.)	>100	38.9	26.8
P/E	>100	38.9	26.8
P/FCF	neg.	41.3	23.6
P/B	23.5	14.9	9.7
P/S	4.2	3.7	3.3
EV/Sales	3.9	3.3	2.8
EV/EBITDA	>100	26.8	17.4
EV/EBIT (adj.)	>100	33.4	20.8
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

# Estimates

Estimates	Q4'20	Q4'21	Q4'21e	Q4'21e	Consensus		Difference (%)	2021
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Actualized
Revenue	4.0	4.9	4.5				8%	17.8
SaaS revenue	2.4	2.9	2.9				2%	10.9
EBITDA	0.1	0.1	-0.5					0.9
EBIT	0.0	0.0	-0.7					0.4
Revenue growth-%	8.3 %	20.1 %	11.2 %				8.9 pp	19.3 %
EBIT-%	1.0 %	-0.8 %	-14.9 %				14.2 pp	2.4 %

Source: Inderes

Estimate revisions	2021	2021	Change	2022e	2022e	Change	2023e	2023e	Change
MEUR / EUR	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	17.4	17.8	2%	20.0	20.3	1%	23.2	23.5	1%
EBITDA	0.3	0.9	194%	0.9	0.8	-14%	2.9	2.9	2%
EBIT (exc. NRIs)	-0.2	0.4	-321%	0.5	0.3	-27%	2.4	2.4	-1%
EBIT	-0.2	0.4	-314%	0.5	0.3	-27%	2.4	2.4	-1%
PTP	-0.2	0.4	-314%	0.5	0.3	-27%	2.4	2.4	-1%
EPS (excl. NRIs)	-0.03	0.07	-314%	0.07	0.05	-27%	0.35	0.35	-1%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

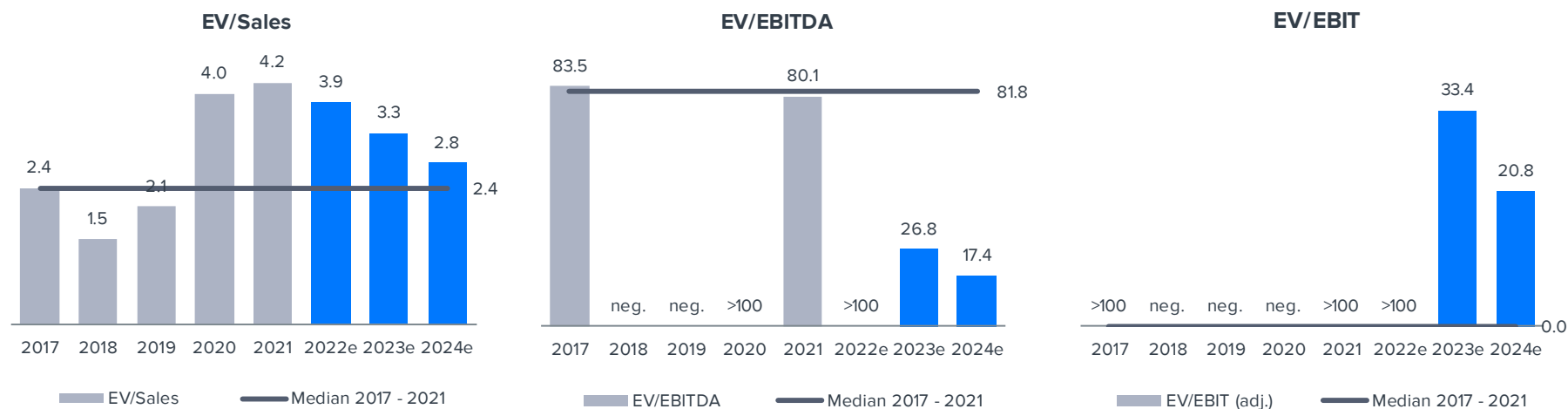
# Scenarios for 2025

In 2025	Pessimistic	Current estimates	Optimistic
Variable net sales growth, %	4 %	15 %	22 %
Variable EBIT %	8 %	17 %	22 %
Variable net sales, MEUR	22	31	36
x multiple net sales	2.0	3.5	5.0
x multiple EBIT	17	21	25
("Rule of 40")	12 %	32 %	44 %
= EV (EV/Sales)	45	109	179
= EV (EV/EBIT)	32	111	196
Average (EV)	38	110	187
+Net cash+dividends	7	17	22
=Market cap	46	128	210
Share price 2025 (incl. dividends)	7.0	19.5	32.1
Return	-48 %	44 %	136 %
Annual return (5 years)	-16 %	10 %	25 %

# Valuation table

Valuation	2017	2018	2019	2020	2021	2022e	2023e	2024e	2025e
Share price	5.62	3.86	5.40	10.8	13.1	13.6	13.6	13.6	13.6
Number of shares, millions	5.60	5.81	5.88	6.00	6.24	6.26	6.40	6.54	6.54
Market cap	31	22	32	65	82	85	87	89	89
EV	25	18	29	60	75	79	79	77	72
P/E (adj.)	>100	neg.	neg.	neg.	>100	>100	38.9	26.8	19.2
P/E	neg.	neg.	neg.	neg.	>100	>100	38.9	26.8	19.2
P/FCF	>100	neg.	neg.	31.6	72.6	neg.	41.3	23.6	17.2
P/B	5.6	6.6	14.8	32.7	24.9	23.5	14.9	9.7	6.4
P/S	3.0	1.8	2.3	4.4	4.6	4.2	3.7	3.3	2.8
EV/Sales	2.4	1.5	2.1	4.0	4.2	3.9	3.3	2.8	2.3
EV/EBITDA	83.5	neg.	neg.	>100	80.1	>100	26.8	17.4	11.8
EV/EBIT (adj.)	>100	neg.	neg.	neg.	>100	>100	33.4	20.8	13.5
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	50.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	2.6 %

Source: Inderes



# Peer group valuation

Peer group valuation	Share price	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		Lv:n kasvu-%		EBIT-%		Rule of 40
Company		MEUR	MEUR	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e
Basware Oyj	23.8	338	391	44.6	25.2	15.8	13.0	2.4	2.2	6%	9%	5%	9%	11%
FormPipe Software AB	39.7	209	207	35.1	26.0	19.8	16.2	4.6	4.2	2%	10%	13%	16%	16%
Fortnox AB	39.5	2448	2374	54.4	37.5	44.5	32.1	20.2	15.5	33%	30%	37%	41%	70%
F-Secure Oyj	4.4	710	697	22.7	18.4	16.1	13.9	2.7	2.6	8%	7%	12%	14%	20%
Heeros Oyj	4.8	25	24	24.4	24.4	24.4	8.1	2.0	1.9	33%	8%	8%	8%	42%
Leaddesk Oyj	19.0	103	105	69.8	29.9	19.0	15.0	3.3	2.8	21%	21%	5%	9%	26%
Lime Technologies AB (publ)	285.0	377	390	41.5	33.0	26.2	22.4	8.7	7.5	4%	9%	5%	12%	9%
Mercell Holding AS	5.2	253	403	79.6	23.9	16.7	11.3	4.5	3.9	27%	15%	6%	16%	33%
Qt Group Oyj	100.2	2517	2525	56.5	36.7	51.1	34.3	16.1	12.5	31%	29%	29%	34%	59%
Safeture AB	8.1	23	21				74.3	5.6	3.8	18%	19%	8%	8%	26%
Serviceware SE	14.1	147	114	28.5	16.0	15.4	11.5	1.3	1.1	14%	15%	4%	7%	18%
Simcorp A/S	607.40	3334	3315	23.3	20.9	21.3	19.3	6.2	5.8	9%	8%	27%	28%	36%
Teamviewer AG	14.92	3102	3429	19.1	15.6	14.0	11.8	5.9	5.2	15%	15%	31%	33%	46%
USU Software AG	24.00	253	249	19.7	15.8	14.7	12.7	2.0	1.8	13%	11%	10%	11%	23%
Vitec Software Group AB (publ)	408.00	1311	1367	40.7	34.8	21.5	19.1	8.1	7.4	13%	10%	20%	21%	33%
<b>Efecte (Inderes)</b>	<b>13.60</b>	<b>85</b>	<b>79</b>	<b>neg.</b>	<b>&gt;100</b>	<b>neg.</b>	<b>26.8</b>	<b>3.9</b>	<b>3.3</b>	<b>14%</b>	<b>16%</b>	<b>2%</b>	<b>10%</b>	<b>16%</b>
<b>Average</b>		<b>914</b>	<b>1041</b>	<b>40.0</b>	<b>25.6</b>	<b>22.9</b>	<b>21.0</b>	<b>6.2</b>	<b>5.2</b>	<b>17%</b>	<b>14%</b>	<b>11%</b>	<b>13%</b>	<b>33%</b>
<b>Peer group median</b>		<b>253</b>	<b>391</b>	<b>37.9</b>	<b>24.8</b>	<b>19.4</b>	<b>15.0</b>	<b>4.6</b>	<b>3.9</b>	<b>14%</b>	<b>12%</b>	<b>8%</b>	<b>11%</b>	<b>29%</b>
<b>Diff.% to median</b>		<b>-66%</b>	<b>-80%</b>				<b>79%</b>	<b>-16%</b>	<b>-14%</b>	<b>0%</b>	<b>26%</b>	<b>-80%</b>	<b>-10%</b>	<b>-46%</b>

# Income statement

Income statement	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22e	Q2'22e	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>4.8</b>	<b>5.0</b>	<b>4.8</b>	<b>5.6</b>	<b>20.3</b>	<b>23.5</b>	<b>27.1</b>	<b>31.2</b>
SaaS	8.8	2.5	2.7	2.8	2.9	10.9	3.1	3.2	3.4	3.7	13.3	16.5	20.2	24.4
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	0.5	0.2	0.0
Services	5.0	1.4	1.6	1.2	1.6	5.8	1.5	1.6	1.3	1.8	6.2	6.5	6.7	6.9
<b>EBITDA</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.4</b>	<b>0.1</b>	<b>0.9</b>	<b>-0.2</b>	<b>0.2</b>	<b>0.5</b>	<b>0.3</b>	<b>0.8</b>	<b>2.9</b>	<b>4.4</b>	<b>6.1</b>
Depreciation	-0.5	-0.1	-0.1	-0.2	-0.1	-0.5	-0.1	-0.1	-0.1	-0.1	-0.5	-0.6	-0.7	-0.8
<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>-0.3</b>	<b>0.1</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>2.4</b>	<b>3.7</b>	<b>5.3</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>-0.3</b>	<b>0.1</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>2.4</b>	<b>3.7</b>	<b>5.3</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	0.0	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>-0.3</b>	<b>0.1</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>2.4</b>	<b>3.7</b>	<b>5.3</b>
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.4	-0.7
<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>-0.3</b>	<b>0.1</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>2.2</b>	<b>3.3</b>	<b>4.6</b>
<b>EPS (adj.)</b>	<b>-0.06</b>	<b>0.02</b>	<b>0.02</b>	<b>0.04</b>	<b>-0.01</b>	<b>0.07</b>	<b>-0.04</b>	<b>0.01</b>	<b>0.06</b>	<b>0.03</b>	<b>0.05</b>	<b>0.35</b>	<b>0.51</b>	<b>0.71</b>
<b>EPS (rep.)</b>	<b>-0.06</b>	<b>0.02</b>	<b>0.02</b>	<b>0.04</b>	<b>-0.01</b>	<b>0.07</b>	<b>-0.04</b>	<b>0.01</b>	<b>0.06</b>	<b>0.03</b>	<b>0.05</b>	<b>0.35</b>	<b>0.51</b>	<b>0.71</b>

Key figures	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22e	Q2'22e	Q3'22e	Q4'22e	2022e	2023e	2024e	2025e
<b>Revenue growth-%</b>	7.6 %	13.7 %	21.2 %	19.8 %	22.3 %	19.3 %	15.3 %	12.4 %	13.3 %	16.0 %	14%	16%	16%	15%
<b>Adjusted EBIT growth-%</b>	-77.3 %	-125.1%	-160.3 %	36.5 %	-151.0 %	-239.0 %	-377.5 %	-49.3 %	32.0 %	-715.0 %	-23.4 %	606.7 %	-56.7 %	43.6 %
<b>EBITDA-%</b>	0.8 %	4.8 %	5.1 %	9.9 %	1.9 %	5.3 %	-3.4 %	3.3 %	9.7 %	5.8 %	3.9 %	12.5 %	16.3 %	19.4 %
<b>Adjusted EBIT-%</b>	-2.1%	2.4 %	2.3 %	6.2 %	-0.7 %	2.4 %	-5.7 %	1.1 %	7.3 %	3.7 %	1.6 %	10.0 %	13.6 %	17.0 %
<b>Net earnings-%</b>	-2.5 %	2.4 %	2.2 %	6.3 %	-1.0 %	2.4 %	-5.7 %	1.1 %	7.3 %	3.7 %	1.6 %	9.5 %	12.2 %	14.8 %

Source: Inderes



# Balance sheet

Assets	2020	2021	2022e	2023e	2024e
<b>Non-current assets</b>	<b>1.4</b>	<b>1.5</b>	<b>1.8</b>	<b>2.0</b>	<b>2.2</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	1.3	1.4	1.6	1.9	2.0
Tangible assets	0.0	0.1	0.2	0.1	0.1
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>9.8</b>	<b>12.9</b>	<b>17.3</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	3.5	4.5	5.2
Cash and equivalents	5.4	6.5	6.3	8.4	12.2
<b>Balance sheet total</b>	<b>8.7</b>	<b>10.5</b>	<b>11.5</b>	<b>14.9</b>	<b>19.5</b>

Source: Inderes

Liabilities & equity	2020	2021	2022e	2023e	2024e
<b>Equity</b>	<b>2.0</b>	<b>3.3</b>	<b>3.6</b>	<b>5.9</b>	<b>9.2</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-9.0	-8.6	-8.2	-6.0	-2.7
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	10.9	11.8	11.8	11.8	11.8
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>7.9</b>	<b>9.0</b>	<b>10.3</b>
Short term debt	0.0	0.0	0.0	0.0	0.0
Payables	5.9	6.4	7.1	8.2	9.5
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>11.5</b>	<b>14.9</b>	<b>19.5</b>

# DCF calculation

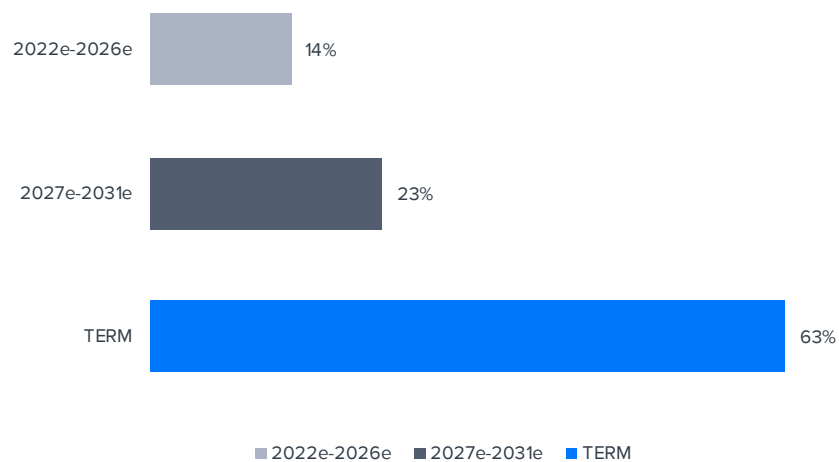
DCF model	2021	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	TERM
<b>EBIT (operating profit)</b>	<b>0.4</b>	<b>0.3</b>	<b>2.4</b>	<b>3.7</b>	<b>5.3</b>	<b>7.2</b>	<b>9.1</b>	<b>10.0</b>	<b>10.9</b>	<b>11.5</b>	<b>11.8</b>	
+ Depreciation	0.5	0.5	0.6	0.7	0.8	0.8	0.9	0.9	1.0	1.0	1.0	
- Paid taxes	0.0	0.0	-0.1	-0.4	-0.7	-1.1	-1.8	-2.5	-2.7	-2.9	-3.0	
- 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	-0.1	-0.2	0.1	0.6	0.7	0.7	0.6	0.6	0.5	0.4	0.2	
<b>Operating cash flow</b>	<b>0.8</b>	<b>0.6</b>	<b>2.9</b>	<b>4.6</b>	<b>6.1</b>	<b>7.7</b>	<b>8.8</b>	<b>8.9</b>	<b>9.7</b>	<b>10.0</b>	<b>10.2</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	-0.6	-0.8	-0.8	-0.9	-0.9	-0.9	-1.0	-1.0	-1.1	-1.1	-1.1	
<b>Free operating cash flow</b>	<b>0.2</b>	<b>-0.2</b>	<b>2.1</b>	<b>3.8</b>	<b>5.2</b>	<b>6.7</b>	<b>7.8</b>	<b>7.9</b>	<b>8.6</b>	<b>8.9</b>	<b>9.1</b>	
+/- Other	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	1.1	-0.2	2.1	3.8	5.2	6.7	7.8	7.9	8.6	8.9	9.1	
<b>Discounted FCFF</b>		<b>-0.2</b>	<b>1.8</b>	<b>2.9</b>	<b>3.6</b>	<b>4.3</b>	<b>4.5</b>	<b>4.2</b>	<b>4.1</b>	<b>3.9</b>	<b>3.6</b>	<b>55.8</b>
Sum of FCFF present value		88.5	88.7	86.9	84.0	80.4	76.1	71.6	67.4	63.3	59.4	55.8
<b>Enterprise value DCF</b>		<b>89</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>95</b>										
<b>Equity value DCF per share</b>		<b>15.2</b>										

## Wacc

Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	5.0 %
Equity Beta	1.10
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	2.0 %
<b>Cost of equity</b>	<b>9.7 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>9.7 %</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	20.3	23.5	EPS (reported)	-0.23	-0.06	0.07	0.05	0.35
EBITDA	-1.0	0.1	0.9	0.8	2.9	EPS (adj.)	-0.23	-0.06	0.07	0.05	0.35
EBIT	-1.4	-0.3	0.4	0.3	2.4	OCF / share	-0.05	0.38	0.13	0.09	0.46
PTP	-1.4	-0.4	0.4	0.3	2.4	FCF / share	-0.14	0.35	0.18	-0.03	0.33
Net Income	-1.4	-0.4	0.4	0.3	2.2	Book value / share	0.37	0.33	0.53	0.58	0.92
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	2019	2020	2021	2022e	2023e	Growth and profitability	2019	2020	2021	2022e	2023e
Balance sheet total	7.5	8.7	10.5	11.5	14.9	Revenue growth-%	13%	8%	19%	14%	16%
Equity capital	2.2	2.0	3.3	3.6	5.9	EBITDA growth-%	-49%	-112%	648%	-16%	270%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-35%	-77%	-239%	-23%	607%
Net debt	-3.4	-5.4	-6.5	-6.3	-8.4	EPS (adj.) growth-%	-38%	-75%	-217%	-22%	557%
Cash flow	2019	2020	2021	2022e	2023e	EBITDA-%	-7.3 %	0.8 %	5.3 %	3.9 %	12.5 %
EBITDA	-1.0	0.1	0.9	0.8	2.9	EBIT (adj.)-%	-10.0 %	-2.1 %	2.4 %	1.6 %	10.0 %
Change in working capital	0.6	2.1	-0.1	-0.2	0.1	EBIT-%	-10.1%	-2.2 %	2.4 %	1.6 %	10.0 %
Operating cash flow	-0.3	2.3	0.8	0.6	2.9	ROE-%	-49.2 %	-17.7 %	15.9 %	9.7 %	47.2 %
CAPEX	-0.6	-0.5	-0.6	-0.8	-0.8	ROI-%	-50.0 %	-16.0 %	16.3 %	9.7 %	49.7 %
Free cash flow	-0.9	2.1	1.1	-0.2	2.1	Equity ratio	42.1%	34.7 %	45.4 %	47.9 %	57.8 %
						Gearing	-159.3 %	-269.7 %	-198.1%	-174.3 %	-143.7 %
Valuation multiples	2019	2020	2021	2022e	2023e						
EV/S	2.1	4.0	4.2	3.9	3.3						
EV/EBITDA (adj.)	neg.	>100	80.1	>100	26.8						
EV/EBIT (adj.)	neg.	neg.	>100	>100	33.4						
P/E (adj.)	neg.	neg.	>100	>100	38.9						
P/B	14.8	32.7	24.9	23.5	14.9						
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
25-03-20	Reduce	4.75 €	4.51 €
12-08-20	Accumulate	6.00 €	5.85 €
<i>Analyst changes</i>			
19-08-20	Reduce	7.00 €	6.90 €
07-09-20	Accumulate	8.00 €	7.05 €
27-10-20	Accumulate	9.20 €	8.45 €
02-12-20	Accumulate	11.00 €	10.00 €
26-02-21	Accumulate	15.50 €	14.30 €
30-04-21	Reduce	16.00 €	16.60 €
14-05-21	Accumulate	16.00 €	14.15 €
19-07-21	Reduce	16.50 €	15.75 €
28-10-21	Accumulate	16.50 €	14.95 €
12-02-22	Accumulate	15.00 €	13.60 €



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