

# DIGITAL WORKFORCE

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DIGITAL™  
WORKFORCE

INDERES CORPORATE CUSTOMER  
**COMPANY REPORT**

# We expect guidance indicating earnings growth and a dividend

The software robotics automation pioneer Digital Workforce will publish its financial statements on Wednesday, February 19. We anticipate continued good revenue growth in Q4. The extent to which growth is scaled depends largely on the level of investment. We expect the company to provide guidance on revenue and EBITDA growth for 2025. In addition, the company announced a new dividend policy yesterday and we assume that the company will pay a dividend as early as this spring. We reiterate our target price of EUR 4.7 and our Accumulate recommendation.

## We expect Q4 growth to have continued ahead of the sector

We estimate Digital Workforce's revenue growth to have continued to clearly outperform the sector and to have been 12% or 7.2 MEUR in Q4 (Q3'24 company 10% and sector -3%). By business area, we forecast Q3 revenue of 4.5 MEUR (+17%) for Continuous Services and 2.7 MEUR (5%) for Professional Services. In line with the industry focus, we estimate that the Finnish healthcare market and the North American market, which is the geographic focus of growth, drove growth in Q4 as well. We are also monitoring comments on customer sales and recent technology partnerships.

## Scaling of growth depends on investments

We expect an EBITDA margin of 0.3 MEUR or 4.4% of revenue in Q4. The improvement in profitability compared to the weak comparison period is driven by revenue growth, the closure of the Danish and Norwegian offices in Q4'23 and administrative efficiency measures (EBITDA-% Q4'23 -11%). The result will continue to be constrained by accelerated investments in AI-based solutions in Q3, recruitment and a shift in the employee profile towards more expensive roles. We don't expect any surprises on the other earnings lines. As a result, we expect Q4 EPS to have increased to EUR 0.02 (Q4'23 EUR -0.08).

## Digital Workforce starts paying dividends

Yesterday, Digital Workforce announced its new dividend policy and the start of dividend payments. In the future, the company aims

to pay a dividend of at least 30% of the profit for the financial year. We expect the company to pay a dividend as early as this spring. We forecast a dividend of 3 cents per share, which corresponds to just under 50% of earnings or a dividend yield of 1%.

In our view, the dividend payment is a logical decision, as the company has shifted from a strong growth strategy to also emphasizing profitability in recent years. Thus, the strengthening cash flow further strengthens the already strong balance sheet as the company has not used the capital raised in the IPO. The current strong balance sheet and cash flow should be well sufficient for the inorganic growth the company is aiming for and the dividend payment, as organic growth hardly ties up any capital.

## We expect the company to provide guidance on revenue and EBITDA growth in 2025

We have added the dividend payout to our forecasts, corresponding to 30-50% of the result in the coming years. Naturally, the amount of dividends will ultimately depend on the number and timing of acquisitions. In addition, we expect the company's revenue to grow by 13% year-on-year in 2025 and EBITDA to increase to 2.4 MEUR (2024e 1.0 MEUR). We expect the company to provide cautious guidance for year-on-year revenue and EBITDA growth. In December, Digital Workforce refined its strategy and the strategy period's financial targets for 2025-2026, our comments on this can be read [here](#).

## In the future, dividend payments will bring a new element to the investor story

In terms of investment profile, Digital Workforce is still a turnaround company whose turnaround in profitable growth progressed well last year, which has reduced the risk level of the stock. Based on our forecasts and the valuation multiples we accept for the company for the next few years (2025e EV/EBIT 12x, EV/L 0.9x), the sum of the parts (EUR 4.6), the scenario analysis and the DCF (EUR 5.7), we estimate that the fair value range of Digital Workforce's share is EUR 4.2-5.7 per share.

## Recommendation

**Accumulate**

(was Accumulate)

## Target price:

**EUR 4.70**

(was EUR 4.70)

## Share price:

3.98

## Business risk



## Valuation risk



	2023	2024e	2025e	2026e
<b>Revenue</b>	24.9	27.4	31.0	35.5
<b>growth-%</b>	-2%	10%	13%	14%
<b>EBIT adj.</b>	0.0	0.8	2.2	4.0
<b>EBIT-% adj.</b>	-0.2 %	3.1 %	7.2 %	11.4 %
<b>Net Income</b>	-0.7	0.7	2.0	3.4
<b>EPS (adj.)</b>	0.01	0.08	0.19	0.32
<b>P/E (adj.)</b>	>100	51.4	20.8	12.6
<b>P/B</b>	2.3	2.9	2.6	2.3
<b>Dividend yield-%</b>	0.0 %	0.7 %	1.5 %	2.2 %
<b>EV/EBIT (adj.)</b>	neg.	35.7	12.7	6.3
<b>EV/EBITDA</b>	neg.	30.1	11.7	6.0
<b>EV/S</b>	0.87	1.11	0.92	0.72

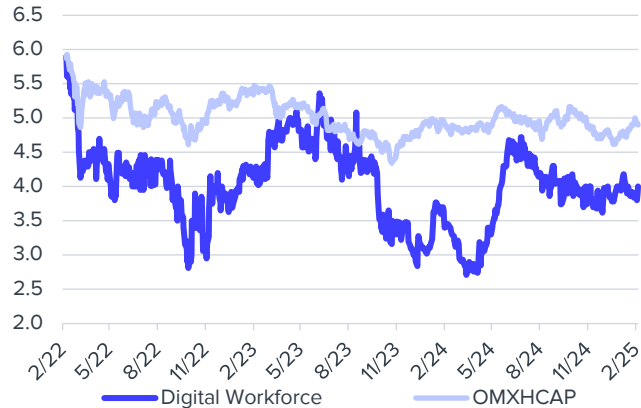
Source: Inderes

## Guidance

(Unchanged)

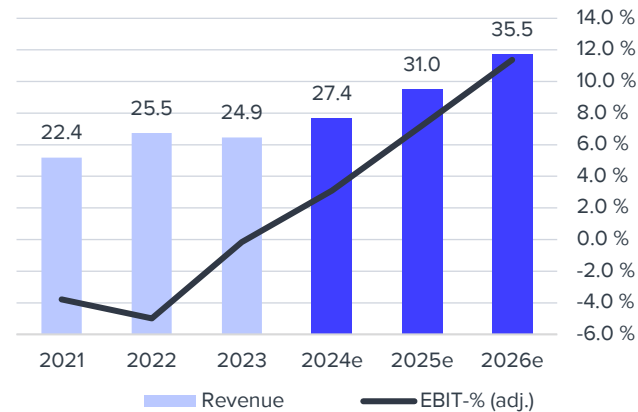
Digital Workforce estimates that full-year revenue in 2024 will be higher and adjusted EBITDA will be positive and improve compared to 2023.

## Share price



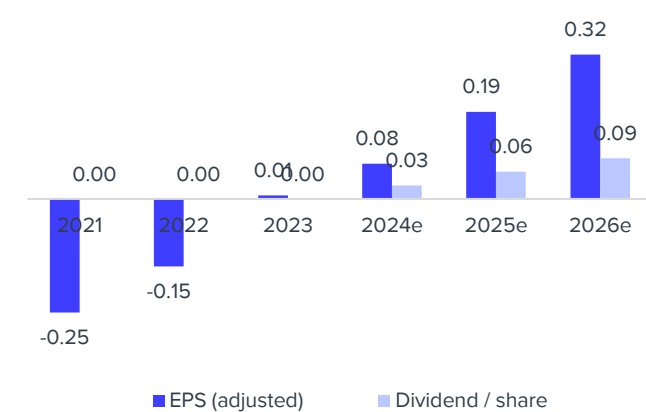
Source: Millstream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Success in new markets (US, UK and Ireland) and accelerating growth
- The Outsmart platform should strengthen the competitive advantage, accelerate growth and improve scalability
- Increasing the revenue share of Continuous services with better margins drives earnings growth and makes the investor profile more attractive
- Improving scalability
- Acquisitions

## Risk factors

- Dependence on large customers
- Developing large RPA technologies and their expansion to maintenance
- Success of the growth strategy especially in the US
- Successful commercialization of the Outsmart platform
- Productivity of investments
- RPA expertise becoming bulk work and increasing in-house teams for clients.
- Acquisitions

Valuation	2024e	2025e	2026e
<b>Share price</b>	4.02	4.02	4.02
<b>Number of shares, millions</b>	11.1	11.1	11.1
<b>Market cap</b>	45	45	45
<b>EV</b>	30	28	26
<b>P/E (adj.)</b>	51.4	20.8	12.6
<b>P/E</b>	62.7	22.3	13.2
<b>P/FCF</b>	21.6	23.1	12.9
<b>P/B</b>	2.9	2.6	2.3
<b>P/S</b>	1.6	1.4	1.3
<b>EV/Sales</b>	1.1	0.9	0.7
<b>EV/EBITDA</b>	30.1	11.7	6.0
<b>EV/EBIT (adj.)</b>	35.7	12.7	6.3
<b>Payout ratio (%)</b>	46.8 %	33.3 %	29.6 %
<b>Dividend yield-%</b>	0.7 %	1.5 %	2.2 %

Source: Inderes

# Estimate revisions and Q4 estimates

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	27.4	27.4	0%	31.0	31.0	0%	35.5	35.5	0%
EBITDA	1.0	1.0	0%	2.4	2.4	0%	4.3	4.3	0%
EBIT (exc. NRIs)	0.8	0.8	0%	2.2	2.2	0%	4.0	4.0	0%
EBIT	0.6	0.6	0%	2.1	2.1	0%	3.9	3.9	0%
PTP	0.8	0.8	0%	2.4	2.4	0%	4.0	4.0	0%
EPS (excl. NRIs)	0.08	0.08	0%	0.19	0.19	0%	0.32	0.32	0%
DPS	0.00	0.03		0.00	0.06		0.00	0.09	

Source: Inderes

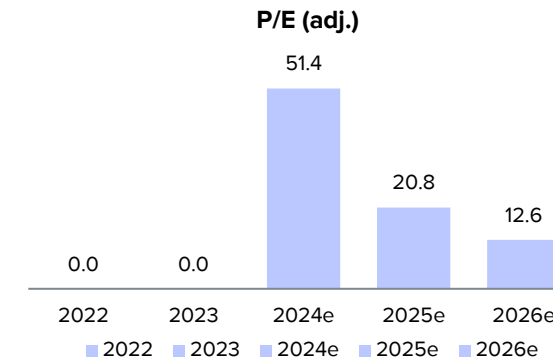
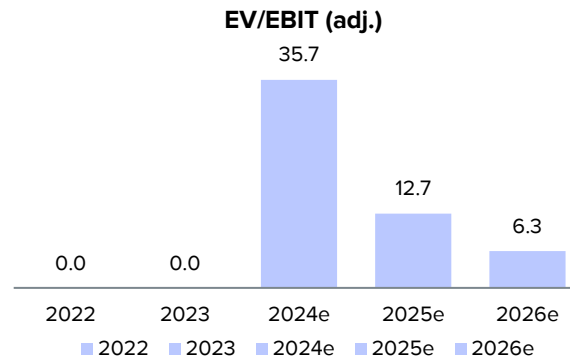
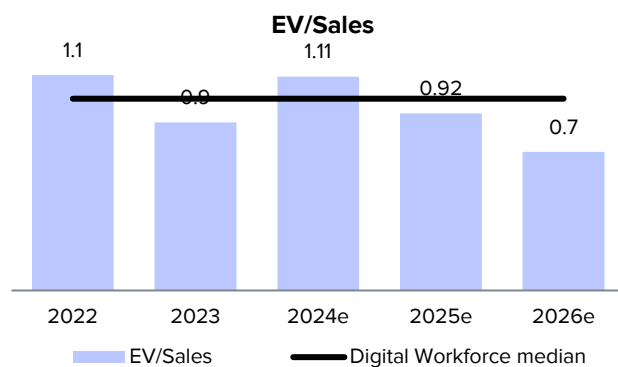
Estimates	Q4'23	Q4'24	Q4'24e	Q4'24e	Consensus		2024e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	6.4		7.2				27.4
EBITDA	-0.79		0.31				1.0
EBIT	-0.88		0.22				0.6
EPS (reported)	-0.08		0.02				0.06
DPS	0.00		0.03				0.03
Revenue growth-%	-5.5 %		12.1 %				9.8 %
EBITDA-%	-12.4 %		4.4 %				3.7 %

Source: Inderes

# Valuation table

Valuation	2022	2023	2024e	2025e	2026e	2027e	2028e
Share price	3.94	3.02	<b>4.02</b>	<b>4.02</b>	<b>4.02</b>	<b>4.02</b>	<b>4.02</b>
Number of shares, millions	11.2	11.3	<b>11.1</b>	<b>11.1</b>	<b>11.1</b>	<b>11.1</b>	<b>11.1</b>
Market cap	44	34	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>
EV	28	22	<b>30</b>	<b>28</b>	<b>26</b>	<b>22</b>	<b>19</b>
P/E (adj.)	neg.	>100	<b>51.4</b>	<b>20.8</b>	<b>12.6</b>	<b>10.6</b>	<b>9.1</b>
P/E	neg.	neg.	<b>62.7</b>	<b>22.3</b>	<b>13.2</b>	<b>10.6</b>	<b>9.1</b>
P/FCF	neg.	neg.	<b>21.6</b>	<b>23.1</b>	<b>12.9</b>	<b>10.4</b>	<b>9.0</b>
P/B	2.9	2.3	<b>2.9</b>	<b>2.6</b>	<b>2.3</b>	<b>1.9</b>	<b>1.7</b>
P/S	1.7	1.4	<b>1.6</b>	<b>1.4</b>	<b>1.3</b>	<b>1.1</b>	<b>1.0</b>
EV/Sales	1.1	0.9	<b>1.11</b>	<b>0.92</b>	<b>0.7</b>	<b>0.5</b>	<b>0.4</b>
EV/EBITDA	neg.	neg.	<b>30.1</b>	<b>11.7</b>	<b>6.0</b>	<b>4.1</b>	<b>2.9</b>
EV/EBIT (adj.)	neg.	neg.	<b>35.7</b>	<b>12.7</b>	<b>6.3</b>	<b>4.5</b>	<b>3.1</b>
Payout ratio (%)	0.0 %	0.0 %	<b>46.8 %</b>	<b>33.3 %</b>	<b>29.6 %</b>	<b>40.0 %</b>	<b>40.0 %</b>
Dividend yield-%	0.0 %	0.0 %	<b>0.7 %</b>	<b>1.5 %</b>	<b>2.2 %</b>	<b>3.8 %</b>	<b>4.4 %</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 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
Admicom*	264	253	19.4	16.6	19.1	15.9	6.5	5.7	24.6	21.7	1.3	1.6	6.6
Leaddesk*	38	45	14.3	9.8	6.5	5.2	1.1	1.0	20.5	12.9			2.4
Qt Group*	2014	1882	21.3	16.5	20.5	16.0	7.5	6.1	27.9	23.1			6.3
Lime Technologies AB	398	417	28.4	23.9	19.7	17.0	6.1	5.3	37.3	30.0	1.4	1.7	11.8
Upsales Technology AB	46	44	16.5	14.2	11.8	10.5	2.9	2.5	20.8	18.4	4.8	4.8	20.8
Carasent ASA													
FormPipe Software AB	114	114	16.4	11.4	8.7	6.9	2.3	2.1	20.2	13.9	4.2	5.4	2.5
Digja*	178	177	8.0	7.1	6.7	6.1	0.8	0.8	10.2	9.8	3.2	3.3	1.7
Gofore*	338	297	11.5	9.6	9.9	8.4	1.5	1.3	15.8	13.8	2.7	3.1	2.7
Loihde*	63	58	10.3	7.4	4.7	4.0	0.4	0.4	13.2	9.9	5.4	6.6	0.6
Innofactor*	60	65	11.5	9.3	7.5	6.3	0.8	0.7	14.4	11.8	5.3	5.9	2.1
Netum Group*	35	40	8.4	7.5	8.0	7.2	0.9	0.8	10.9	9.3	5.8	6.6	3.8
Siili Solutions*	41	45	9.6	6.6	5.4	4.1	0.4	0.4	12.3	8.8	3.0	4.0	0.9
Solteq*	12	34	14.3	9.3	7.9	6.7	0.7	0.7		23.4			0.7
Tietoevry*	2172	3121	8.8	8.3	7.4	7.1	1.1	1.1	8.9	8.5	8.5	8.7	1.4
Vincit*	29	20	6.8	5.3	5.6	4.4	0.3	0.2	12.3	9.2	8.6	9.7	1.2
Witted Megacorp*	25	16	8.6	6.1	8.2	5.9	0.3	0.3	14.6	12.0			1.5
Bouvet	723	755	15.7	13.8	12.9	11.6	2.0	1.8	19.4	17.3	4.7	5.2	15.4
CombinedX	53	53	7.2	6.4	4.4	4.1	0.6	0.6	9.0	8.0			
Avensia AB	28	31	8.0	7.3	5.8	5.7	0.8	0.8	9.0	8.2	5.9		5.0
Knowit	337	406	15.3	11.3	7.3	6.4	0.7	0.7	19.0	13.4	2.9	4.2	0.9
Netcompany Group	1866	2163	16.2	13.7	12.5	11.0	2.3	2.1	18.6	14.8	0.1		3.3
<b>Digital Workforce (Inderes)</b>	<b>45</b>	<b>30</b>	<b>12.7</b>	<b>6.3</b>	<b>11.7</b>	<b>6.0</b>	<b>0.9</b>	<b>0.7</b>	<b>20.8</b>	<b>12.6</b>	<b>1.5</b>	<b>2.2</b>	<b>2.6</b>
<b>Average</b>			13.2	10.5	9.5	8.1	1.9	1.7	16.9	14.2	4.2	5.1	4.6
<b>Median (all)</b>			11.5	9.3	7.9	6.7	0.9	0.8	15.2	12.9	4.5	5.0	2.5
<b>Diff-% to median</b>			<i>n.a.</i>	-32%	<i>n.a.</i>	-10%	5%	-9%	<i>n.a.</i>	-3%	<i>n.a.</i>	<i>n.a.</i>	5%
<b>Median (software companies)</b>			16.5	14.2	11.8	10.5	2.9	2.5	20.8	18.4	3.2	3.3	6.3
<b>Diff-% to median</b>			<i>n.a.</i>	-55%	<i>n.a.</i>	-43%	-69%	-71%	<i>n.a.</i>	-32%	<i>n.a.</i>	<i>n.a.</i>	-59%
<b>Median (IT service companies)</b>			10.0	7.9	7.4	6.4	0.8	0.7	13.2	10.8	5.3	5.9	1.5
<b>Diff-% to median</b>			<i>n.a.</i>	-20%	<i>n.a.</i>	-6%	22%	3%	<i>n.a.</i>	16%	<i>n.a.</i>	<i>n.a.</i>	77%

Source: Refinitiv and \*adjusted Inderes estimate / Inderes. Note: The market value used by Inderes does not take into consideration treasury shares.

# Income statement

Income statement	2022	H1'23	H2'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
<b>Revenue</b>	<b>25.5</b>	<b>12.6</b>	<b>12.3</b>	<b>24.9</b>	<b>6.7</b>	<b>7.0</b>	<b>6.6</b>	<b>7.2</b>	<b>27.4</b>	<b>31.0</b>	<b>35.5</b>	<b>40.5</b>
Professional Services	10.5	5.0	4.7	9.7	2.7	2.6	2.2	2.7	10.2	10.9	11.8	13.4
Continuous Services	15.0	7.6	7.6	15.2	4.0	4.3	4.4	4.5	17.2	20.1	23.7	27.1
<b>EBITDA</b>	<b>-1.7</b>	<b>0.1</b>	<b>-0.8</b>	<b>-0.6</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>1.0</b>	<b>2.4</b>	<b>4.3</b>	<b>5.3</b>
Depreciation	-0.9	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	-0.4	-0.4	-0.4	-0.4
<b>EBIT (excl. NRI)</b>	<b>-1.3</b>	<b>0.1</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.8</b>	<b>2.2</b>	<b>4.0</b>	<b>4.9</b>
<b>EBIT</b>	<b>-2.6</b>	<b>0.0</b>	<b>-0.9</b>	<b>-0.8</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.6</b>	<b>2.1</b>	<b>3.9</b>	<b>4.9</b>
Net financial items	-0.4	0.2	0.0	0.1	0.0	0.0		0.1	0.2	0.3	0.2	0.2
<b>PTP</b>	<b>-3.0</b>	<b>0.2</b>	<b>-0.9</b>	<b>-0.7</b>	<b>0.2</b>	<b>0.1</b>		<b>0.3</b>	<b>0.8</b>	<b>2.4</b>	<b>4.0</b>	<b>5.1</b>
Taxes	0.0	0.0	0.0	0.0	0.0	0.0		-0.1	-0.1	-0.4	-0.6	-0.9
<b>Net earnings</b>	<b>-3.0</b>	<b>0.2</b>	<b>-0.9</b>	<b>-0.7</b>	<b>0.2</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.7</b>	<b>2.0</b>	<b>3.4</b>	<b>4.2</b>
<b>EPS (adj.)</b>	<b>-0.15</b>	<b>0.03</b>	<b>-0.02</b>	<b>0.01</b>	<b>0.02</b>	<b>0.01</b>	<b>0.02</b>	<b>0.02</b>	<b>0.08</b>	<b>0.19</b>	<b>0.32</b>	<b>0.38</b>
<b>EPS (rep.)</b>	<b>-0.27</b>	<b>0.02</b>	<b>-0.08</b>	<b>-0.06</b>	<b>0.02</b>	<b>0.01</b>	<b>0.01</b>	<b>0.02</b>	<b>0.06</b>	<b>0.18</b>	<b>0.30</b>	<b>0.38</b>
<b>Key figures</b>	<b>2022</b>	<b>H1'23</b>	<b>H2'23</b>	<b>2023</b>	<b>Q1'24</b>	<b>Q2'24</b>	<b>Q3'24</b>	<b>Q4'24e</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
<b>Revenue growth-%</b>	13.9 %	5.2 %	-8.7 %	-2.2 %	3.0 %	14.4 %	10.0 %	12.1 %	9.8 %	13.3 %	14.5 %	14.1 %
<b>EBITDA-%</b>	-6.7 %	1.1 %	-6.4 %	-2.6 %	4.2 %	3.0 %	3.1 %	4.4 %	3.7 %	7.9 %	12.0 %	13.2 %
<b>Adjusted EBIT-%</b>	-5.0 %	1.0 %	-1.4 %	-0.2 %	3.5 %	2.2 %	2.9 %	3.7 %	3.1 %	7.2 %	11.4 %	12.1 %
<b>Net earnings-%</b>	-11.8 %	1.5 %	-7.2 %	-2.8 %	2.7 %	2.0 %	2.3 %	3.4 %	2.6 %	6.5 %	9.5 %	10.5 %

Source: Inderes

# Balance sheet

Assets	2022	2023	2024e	2025e	2026e
<b>Non-current assets</b>	<b>1.6</b>	<b>2.1</b>	<b>2.1</b>	<b>2.0</b>	<b>2.0</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	1.5	2.1	1.9	1.9	1.8
Tangible assets	0.0	0.0	0.1	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>26.3</b>	<b>21.3</b>	<b>22.3</b>	<b>25.1</b>	<b>28.2</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	8.2	8.1	6.8	7.7	8.9
Cash and equivalents	18.1	13.2	15.5	17.4	19.3
<b>Balance sheet total</b>	<b>27.9</b>	<b>23.4</b>	<b>24.4</b>	<b>27.1</b>	<b>30.1</b>

Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
<b>Equity</b>	<b>15.4</b>	<b>14.7</b>	<b>15.5</b>	<b>17.1</b>	<b>19.8</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-12.7	-13.3	-12.6	-10.9	-8.2
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	28.0	28.0	28.0	28.0	28.0
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>2.3</b>	<b>0.8</b>	<b>1.0</b>	<b>1.0</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
Interest bearing debt	2.3	0.8	1.0	1.0	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>10.2</b>	<b>7.9</b>	<b>7.9</b>	<b>9.0</b>	<b>10.3</b>
Interest bearing debt	0.2	0.2	0.0	0.0	0.0
Payables	10.0	5.1	7.9	9.0	10.3
Other current liabilities	0.0	2.6	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>27.9</b>	<b>23.4</b>	<b>24.4</b>	<b>27.1</b>	<b>30.1</b>



# DCF-calculation

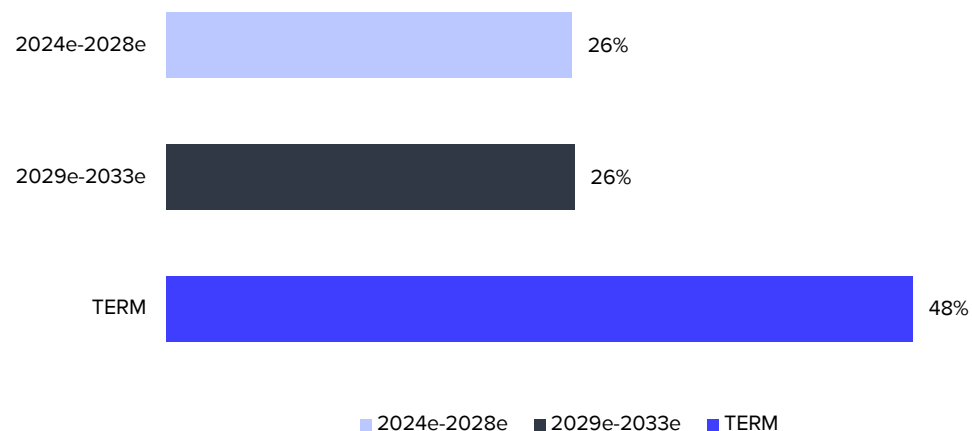
DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-2.2 %	9.8 %	13.3 %	14.5 %	14.1 %	12.4 %	8.0 %	7.0 %	7.0 %	7.0 %	2.0 %	2.0 %
EBIT-%	-3.4 %	2.3 %	6.6 %	10.9 %	12.1 %	13.0 %	13.0 %	12.0 %	12.0 %	11.0 %	11.0 %	11.0 %
<b>EBIT (operating profit)</b>	<b>-0.8</b>	<b>0.6</b>	<b>2.1</b>	<b>3.9</b>	<b>4.9</b>	<b>5.9</b>	<b>6.4</b>	<b>6.3</b>	<b>6.8</b>	<b>6.6</b>	<b>6.8</b>	
+ Depreciation	0.2	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	
- Paid taxes	0.0	-0.1	-0.4	-0.6	-0.9	-1.2	-1.3	-1.3	-1.4	-1.4	-1.4	
- 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	0.1	0.1	0.1	0.1	0.1	
- Change in working capital	-2.1	1.5	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.0	
<b>Operating cash flow</b>	<b>-2.7</b>	<b>2.4</b>	<b>2.3</b>	<b>3.8</b>	<b>4.7</b>	<b>5.4</b>	<b>5.8</b>	<b>5.7</b>	<b>6.1</b>	<b>6.0</b>	<b>6.0</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	-0.8	-0.3	-0.3	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.6	-1.0	
<b>Free operating cash flow</b>	<b>-3.5</b>	<b>2.1</b>	<b>1.9</b>	<b>3.5</b>	<b>4.3</b>	<b>5.0</b>	<b>5.3</b>	<b>5.2</b>	<b>5.5</b>	<b>5.4</b>	<b>5.0</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	-3.5	2.1	1.9	3.5	4.3	5.0	5.3	5.2	5.5	5.4	5.0	59.7
<b>Discounted FCFF</b>		<b>2.1</b>	<b>1.8</b>	<b>2.9</b>	<b>3.2</b>	<b>3.4</b>	<b>3.2</b>	<b>2.9</b>	<b>2.8</b>	<b>2.5</b>	<b>2.0</b>	<b>24.5</b>
Sum of FCFF present value		51.3	49.2	47.4	44.6	41.3	38.0	34.7	31.8	29.0	26.6	24.5
<b>Enterprise value DCF</b>		<b>51.3</b>										
- Interest bearing debt		-1.0										
+ Cash and cash equivalents		13.2										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>63.6</b>										
<b>Equity value DCF per share</b>		<b>5.7</b>										

## WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	6.0 %
Equity Beta	1.40
Market risk premium	4.75%
Liquidity premium	2.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>11.2 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>10.5 %</b>

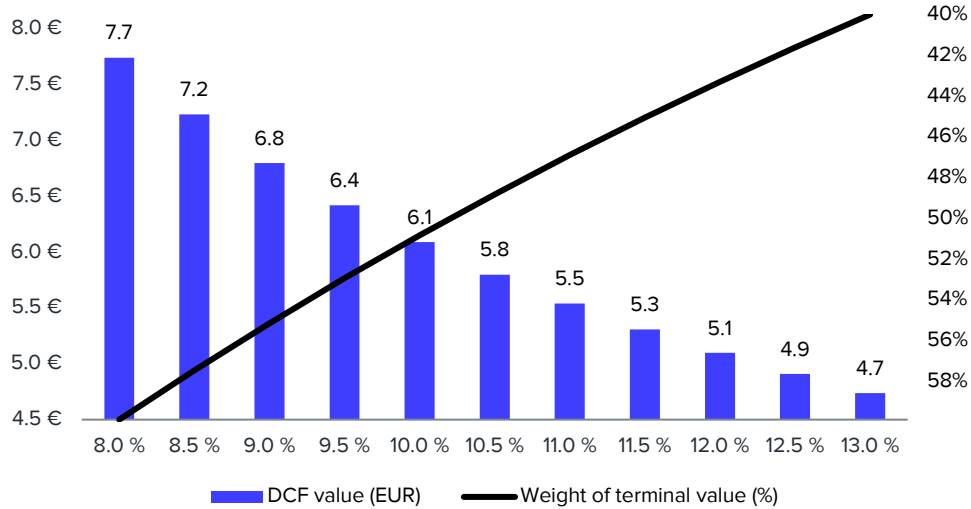
Source: Inderes

## Cash flow distribution

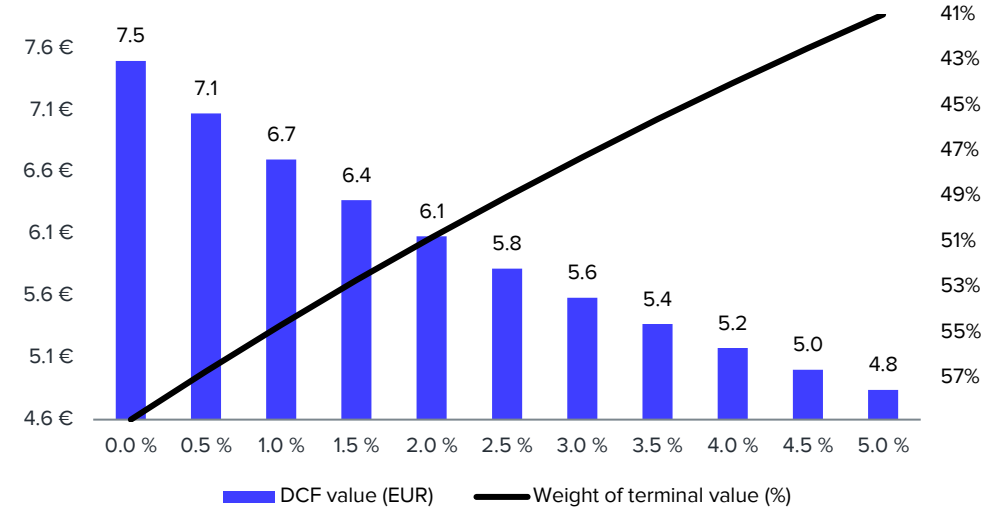


# DCF sensitivity calculations and key assumptions in graphs

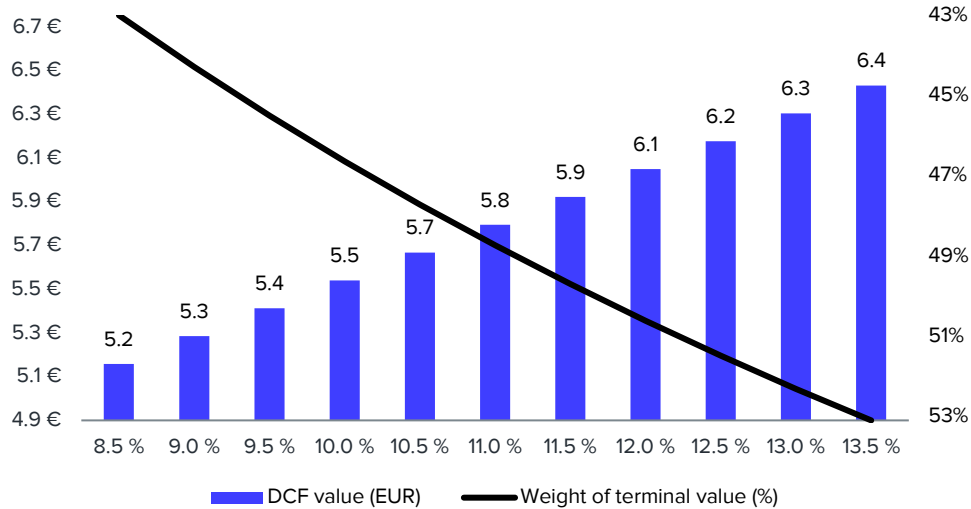
Sensitivity of DCF to changes in the WACC-%



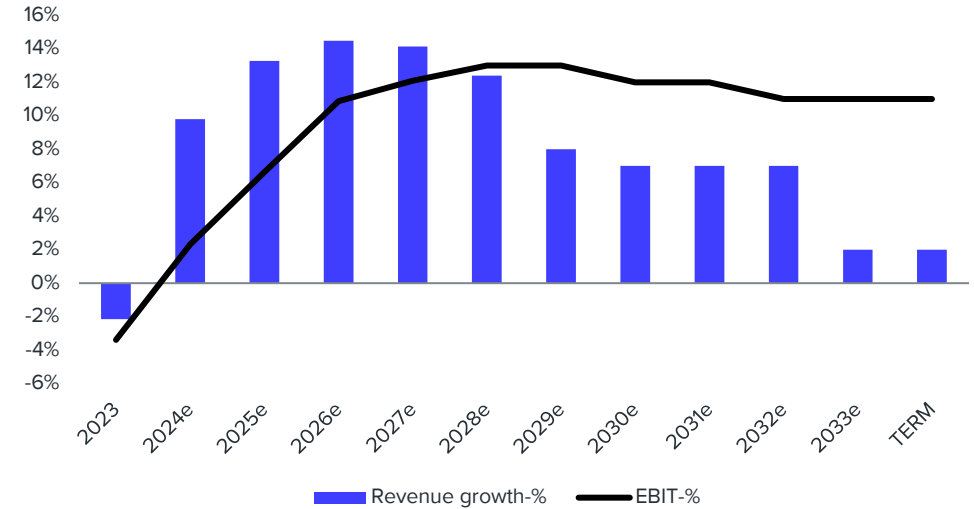
Sensitivity of DCF to changes in the risk-free rate



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	22.4	25.5	24.9	<b>27.4</b>	<b>31.0</b>	EPS (reported)	-0.62	-0.27	-0.06	<b>0.06</b>	<b>0.18</b>
EBITDA	-1.0	-1.7	-0.6	<b>1.0</b>	<b>2.4</b>	EPS (adj.)	-0.25	-0.15	0.01	<b>0.08</b>	<b>0.19</b>
EBIT	-1.2	-2.6	-0.8	<b>0.6</b>	<b>2.1</b>	OCF / share	-0.43	-0.07	-0.24	<b>0.21</b>	<b>0.20</b>
PTP	-3.5	-3.0	-0.7	<b>0.8</b>	<b>2.4</b>	FCF / share	-0.49	-0.22	-0.31	<b>0.19</b>	<b>0.17</b>
Net Income	-3.6	-3.0	-0.7	<b>0.7</b>	<b>2.0</b>	Book value / share	3.18	1.38	1.31	<b>1.39</b>	<b>1.54</b>
Extraordinary items	-0.4	-1.3	-0.8	<b>-0.2</b>	<b>-0.2</b>	Dividend / share	0.00	0.00	0.00	<b>0.03</b>	<b>0.06</b>
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	26.5	27.9	23.4	<b>24.4</b>	<b>27.1</b>	Revenue growth-%	17%	14%	-2%	<b>10%</b>	<b>13%</b>
Equity capital	18.3	15.4	14.7	<b>15.5</b>	<b>17.1</b>	EBITDA growth-%	136%	79%	-62%	<b>-255%</b>	<b>142%</b>
Goodwill	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	EBIT (adj.) growth-%	42%	50%	-97%	<b>-2224%</b>	<b>163%</b>
Net debt	-18.3	-15.6	-12.2	<b>-14.5</b>	<b>-16.4</b>	EPS (adj.) growth-%	-86%	-41%	-105%	<b>872%</b>	<b>147%</b>
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	-4.3 %	-6.7 %	-2.6 %	<b>3.7 %</b>	<b>7.9 %</b>
EBITDA	-1.0	-1.7	-0.6	<b>1.0</b>	<b>2.4</b>	EBIT (adj.)-%	-3.8 %	-5.0 %	-0.2 %	<b>3.1 %</b>	<b>7.2 %</b>
Change in working capital	-1.5	1.0	-2.1	<b>1.5</b>	<b>0.1</b>	EBIT-%	-5.5 %	-10.2 %	-3.4 %	<b>2.3 %</b>	<b>6.6 %</b>
Operating cash flow	-2.4	-0.7	-2.7	<b>2.4</b>	<b>2.3</b>	ROE-%	-40.5 %	-17.8 %	-4.6 %	<b>4.7 %</b>	<b>12.3 %</b>
CAPEX	0.0	-1.7	-0.8	<b>-0.3</b>	<b>-0.3</b>	ROI-%	-11.5 %	-13.8 %	-5.0 %	<b>5.7 %</b>	<b>13.8 %</b>
Free cash flow	-2.8	-2.4	-3.5	<b>2.1</b>	<b>1.9</b>	Equity ratio	69.0 %	55.4 %	70.8 %	<b>63.4 %</b>	<b>63.2 %</b>
Valuation multiples	2021	2022	2023	2024e	2025e	Gearing	-100.0 %	-101.2 %	-83.1 %	<b>-93.7 %</b>	<b>-95.5 %</b>
EV/S	2.4	1.1	0.9	<b>1.1</b>	<b>0.9</b>						
EV/EBITDA	neg.	neg.	neg.	<b>30.1</b>	<b>11.7</b>						
EV/EBIT (adj.)	neg.	neg.	neg.	<b>35.7</b>	<b>12.7</b>						
P/E (adj.)	neg.	neg.	>100	<b>51.4</b>	<b>20.8</b>						
P/B	4.0	2.9	2.3	<b>2.9</b>	<b>2.6</b>						
Dividend-%	0.0 %	0.0 %	0.0 %	<b>0.7 %</b>	<b>1.5 %</b>						

Source: Inderes

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Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
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	Share price
5/14/2022	Accumulate	4.50 €	3.85 €
8/19/2022	Accumulate	4.50 €	4.03 €
11/4/2022	Buy	4.50 €	2.95 €
3/1/2023	Buy	5.50 €	4.26 €
8/18/2023	Accumulate	5.50 €	4.75 €
8/24/2023	Accumulate	5.00 €	4.35 €
11/27/2023	Accumulate	3.80 €	3.20 €
2/29/2024	Reduce	3.40 €	3.16 €
4/11/2024	Accumulate	3.40 €	2.85 €
5/6/2024	Accumulate	4.00 €	3.45 €
8/26/2024	Accumulate	4.70 €	4.16 €
11/4/2024	Accumulate	4.70 €	3.98 €
2/6/2025	Accumulate	4.70 €	4.02 €



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