

SGT German Private Equity

Germany | Financial Services | MCap EUR 62.5m

12 December 2023

UPDATE



Sales shift into FY24 triggers downgrade in FY23 outlook; BUY

What's it all about?

SGT German Private Equity (SGF) disclosed a shift of approximately EUR 4m in revenues from its "PE Asset Management" segment to the next fiscal year, impacting its 2023 outlook. Despite this, SGF expects FY23 revenues around EUR 14m, just EUR 1m lower than its initial guidance, indicating robust performance in the underlying PE business. The PE segment is anticipated to contribute EUR 6m to total profits, while the investment segment (e.g. the former Heritage VC portfolio) faces challenges with lower valuations, resulting in an unchanged net loss of EUR 1.5m. The planned Q4 2023 share buyback offer is postponed, but SGF remains committed to annual dividends and buybacks. Despite the revenue shift, SGF's strong PE business and shareholder-friendly initiatives lead to a reiterated BUY rating with an unchanged price target of EUR 3.00.

BUY (BUY)

Target price	EUR 3.00 (3.00)
Current price	EUR 1.35
Up/downside	122.2%

 **ResearchHub** 

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IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

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SGT German Private Equity

Germany | Financial Services | MCap EUR 62.5m | EV EUR 59.1m

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Sales shift into FY24 triggers downgrade in FY23 outlook; BUY

Shift in revenues. Yesterday, SGT German Private Equity ("SGF") announced in a press release that it expects certain revenues within its "PE Asset Management" division to be deferred into next year. In total, SGF quantifies the amount of revenues to be postponed at approximately EUR 4m, and we believe that these revenues are customary one-off payments in connection with PE transactions. Despite this delay, management expects FY23 revenues to be in the region of EUR 14m, only EUR 1m lower than originally guided, suggesting that the underlying PE business has been stronger than previously expected. Bottom-line, SGF now expects a net profit of about EUR 4.5m or 10 cents per share, which is about 30% below AlsterResearch's previous estimates of EUR 6.6m or EUR 0.14 per share.

The PE segment remains the key earnings driver. Despite the lower expectations, SGF's PE Asset Management division remains the main contributor to the group's revenues and profits. While the PE segment is expected to contribute EUR 6m to the total profit in 2023, SGF's investment segment is still struggling with lower valuations and hence (book) losses on its investment portfolio. As a result, the investment segment is expected to report an unchanged net loss of EUR 1.5m, subject to market developments and potential surprises until early 2024.

Share buyback postponed. In addition, management no longer expects to execute the planned share buyback offer in Q4 23, but maintains committed to pay dividends and offer a share buyback annually, with the possibility of even two buybacks in a calendar year if a previous year's offer is postponed to the following year. In 2022, the company returned 16 cents per share to shareholders through these initiatives or 12% on the current share price.

Conclusion. The deferral of certain sales into the next fiscal year and the resulting lower outlook for 2023 is less good news in our view. However, these are one-time payments that now fall into the next fiscal year due to the reporting date. We therefore adjust our estimates for 2023 (-) and 2024 (+) accordingly. On the positive side, however, we note that the underlying PE business continues to perform well and that the company remains committed to sharing its success with shareholders in the form of dividends and share buybacks. We therefore reiterate our BUY rating with an unchanged price target of EUR 3.00.

SGT German PE	2020	2021	2022	2023E	2024E	2025E
Sales*	0.9	12.2	10.9	14.0	22.7	20.9
Growth yoy	-94.6%	1,279.3%	-10.5%	28.7%	62.3%	-8.0%
EBITDA	-1.2	6.8	2.6	6.2	13.2	12.1
EBIT	-1.3	5.6	-5.3	5.2	12.2	11.1
Net profit	-0.6	14.5	6.9	4.5	10.7	9.8
Net debt (net cash)	-5.9	-4.7	-3.4	-6.0	-15.8	-24.5
Net debt/EBITDA	4.8x	-0.7x	-1.3x	-1.0x	-1.2x	-2.0x
EPS reported	-0.05	0.44	0.16	0.10	0.23	0.21
DPS	0.00	0.02	0.02	0.01	0.03	0.03
Dividend yield	0.0%	1.5%	1.5%	1.1%	2.6%	2.3%
Gross profit margin	100.0%	80.0%	63.9%	76.0%	83.0%	83.0%
EBITDA margin	-141.4%	55.8%	23.9%	44.0%	58.0%	58.0%
EBIT margin	-142.3%	46.1%	-48.8%	36.9%	53.6%	53.2%
ROCE	-4.4%	13.2%	-5.2%	5.0%	10.7%	9.1%
EV/EBITDA	-45.4x	8.5x	22.7x	9.2x	3.5x	3.1x
EV/EBIT	-45.1x	10.3x	-11.1x	10.9x	3.8x	3.4x
PER	-26.2x	3.1x	8.2x	13.8x	5.8x	6.4x
FCF yield	-12.2%	-13.0%	19.1%	5.6%	16.8%	16.8%

Source: Company data, AlsterResearch; incl. losses from fin. invest. & services received



Source: Company data, AlsterResearch

High/low 52 weeks 2.04 / 1.30
Price/Book Ratio 0.6x

Ticker / Symbols

ISIN DE000A1MMEV4
WKN A1MMEV
Bloomberg SGF:GR

Changes in estimates

		Sales	EBIT	EPS
2023E	old	15.1	7.5	0.14
	Δ	-7.5%	-31.0%	-31.0%
2024E	old	19.7	10.4	0.20
	Δ	15.2%	16.7%	16.7%
2025E	old	19.9	10.6	0.20
	Δ	4.9%	5.4%	5.4%

Key share data

Number of shares: (in m pcs) 46.30
Book value per share: (in EUR) 2.38
Ø trading volume: (12 months) 5,000

Major shareholders

SGT Capital LLC 79.5%
Free Float 20.5%

Company description

SGT German Private Equity formerly known as "German Startup Group" via its 100% subsidiary SGT Capital Pte. Ltd, Singapore, is a global alternative investment and private equity asset manager generating sustainable and highly predictable asset management fees. The capital commitments are agreed upon on a long-term basis. In addition, its heritage venture capital portfolio consists of minority stakes in startups, which however will be sold over time.

As a reminder: SGF's "PE Asset Management" segment consists of its wholly-owned private equity company SGT Capital Pte. Ltd - a Singapore-based private equity asset manager, which was acquired through a reverse takeover in 2021. This transaction transformed the former German Startups Group from a pure asset owner into an asset manager, including recurring and highly predictable management fees on AuM. This shift in focus is also reflected in the renaming of the German Startups Group to today's SGT German Private Equity.

Half year performance table

P&L data	H2 2019	H1 2020	H2 2020	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023
Sales	13.5	1.0	1.4	2.9	11.1	9.1	1.8	4.7
yoy growth in %	35.4%	-88.4%	-89.9%	185.8%	716.8%	213.6%	-83.7%	-48.7%
Gross profit	10.5	1.0	1.4	2.9	8.7	7.8	-0.8	2.7
Gross margin in %	78.0%	100.0%	100.0%	100.0%	78.1%	85.5%	-44.5%	57.1%
EBITDA	3.4	-0.1	-1.0	0.6	6.2	6.3	-3.7	0.5
EBITDA margin in %	25.0%	-7.4%	-76.6%	21.9%	55.5%	69.6%	-205.3%	11.3%
EBIT	3.2	-0.1	-1.0	-0.4	6.0	5.7	-11.0	0.3
EBIT margin in %	23.8%	-7.8%	-76.8%	-14.0%	54.2%	62.8%	-609.2%	6.8%
EBT	2.9	-0.3	-0.5	-0.3	16.4	17.6	-10.9	0.5
taxes paid	-0.0	-0.1	0.0	-0.1	2.1	1.2	-1.3	0.3
tax rate in %	-1.3%	40.3%	-4.0%	39.9%	12.8%	6.7%	12.2%	61.6%
net profit	2.8	-0.2	-0.6	-0.2	14.3	16.5	-9.6	0.2
yoy growth in %	na%	na%	na%	na%	na%	na%	na%	-98.7%
EPS	0.25	-0.02	-0.05	-0.02	0.26	0.34	-0.18	0.00

Source: Company data; Sales incl. losses from financial investments and services received

Investment case in six charts

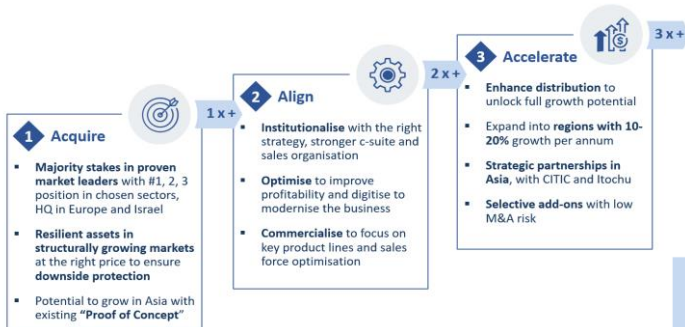
Products & Services



New corporate structure



Strategy - PE fund



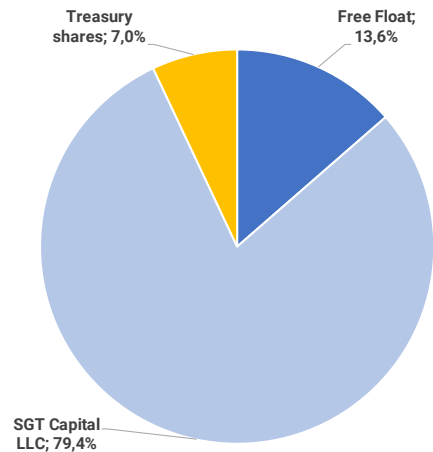
Themes and Sectors



Heritage VC portfolio - core holdings



Major shareholder



Source : Company data; AlsterResearch

SWOT analysis

Strengths

- Experienced and high caliber management team with over 100 years of cumulative investment experience.
- Background of market leading private equity, asset management, investment banking, and consulting firms.
- Access to deal flow.
- Network of financing banks, partnering co-investors, institutional clients, portfolio company managers, investment banks and consulting firms.
- Track record of the predecessor fund with > USD 1bn AuM and a return in excess of 2.2x MoM.
- Highly scalable and profitable business with EBIT margins of ~60%

Weaknesses

- Heritage venture capital value creation highly volatile and therefore less appropriate for a stock market listing
- Complex merger structure that needs capital market education.
- Limited free float.

Opportunities

- Once capital has been raised, highly predictable sales and earnings streams.
- Stock listing offers access to fresh capital and publicity of being the only German listed PE company.
- Presence in Germany and Singapore could offer unique opportunities to grow.

Threats

- Costly and time-consuming regulations could become a burden for market participants.
- Fierce competition among PE investors could drive up acquisition multiples and consequently dilute investors' returns.
- Follow-up investment funds depend on future investment success.

Valuation

DCF Model

The DCF model results in a **fair value of EUR 3.09 per share**:

Top-line growth: We expect SGT German Private Equity to continue benefitting from structural growth. Hence our growth estimates for 2023E-2030E is in the range of 6.7% p.a. The long-term growth rate is set at 2.0%.

EBIT margins. In accordance with other PE firms, we are modelling EBIT margin in the 50% range. Given the asset light business model, we keep EBIT margins constant at these levels.

WACC. The averaged 1-, 3- and 5-year historical equity beta is calculated as 1.30. Unlevering and correcting for mean reversion yields an asset beta of 1.10. Combined with a risk free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 11.1%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 0.5 this results in a long-term WACC of 8.6%.

DCF (EUR m) (except per share data and beta)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	4.5	10.7	9.8	8.8	8.5	8.4	8.1	8.2	
Depreciation & amortization	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Change in working capital	-2.2	-1.7	-0.3	-0.6	-0.6	-0.6	-0.7	-0.7	
Chg. in long-term provisions	0.1	0.5	0.0	0.0	0.0	0.0	0.0	0.0	
Capex	0.0	0.0	-0.2	-0.4	-0.6	-0.9	-1.1	-1.1	
Cash flow	3.5	10.5	10.3	8.7	8.3	7.9	7.4	7.5	114.8
Present value	3.5	9.6	8.7	6.8	5.9	5.2	4.5	4.2	64.0
WACC	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%

DCF per share derived from	
Total present value	112.4
Mid-year adj. total present value	117.2
Net debt / cash at start of year	-3.4
Financial assets	22.7
Provisions and off b/s debt	0.0
Equity value	143.2
No. of shares outstanding	46.3
Discounted cash flow / share upside/(downside)	3.09 / 129.1%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2023E-2030E)	6.7%
Terminal value growth (2030E - infinity)	2.0%
Terminal year ROCE	7.6%
Terminal year WACC	8.6%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	1.30
Unlevered beta (industry or company)	1.10
Target debt / equity	0.5
Relevered beta	1.51
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	11.1%

Share price	1.35
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Sensitivity analysis DCF									
Change in WACC (%-points)		Long term growth					Share of present value		
		1.0%	0.5%	1.0%	1.5%	2.0%	2023E-2026E	2027E-2030E	terminal value
2.0%		2.4	2.4	2.5	2.5	2.6	25.4%		
1.0%		2.5	2.6	2.7	2.7	2.8	17.6%		
0.0%		2.7	2.8	2.9	3.0	3.1		57.0%	
-1.0%		3.0	3.1	3.2	3.3	3.5			
-2.0%		3.3	3.4	3.6	3.8	4.0			

Source: AlsterResearch

FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

The adjusted Free Cash Flow Yield results in a fair value between EUR 2.35 per share based on 2023E and EUR 4.39 per share on 2027E estimates. **We value SGT German Private Equity on 2023 estimates and which supports the DCF based fair value calculations.**

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

FCF yield in EURm	2023E	2024E	2025E	2026E	2027E
EBITDA	6.2	13.2	12.1	12.2	12.4
- Maintenance capex	0.0	0.0	0.0	0.0	0.0
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	0.6	1.5	1.3	2.5	2.8
= Adjusted FCF	5.5	11.7	10.8	9.8	9.5
Actual Market Cap	62.5	62.5	62.5	62.5	62.5
+ Net debt (cash)	-6.0	-15.8	-24.5	-31.8	-38.8
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	22.7	22.7	22.7	22.7	22.7
- Acc. dividend payments	0.8	1.5	3.1	4.6	5.9
<i>EV Reconciliations</i>	-29.5	-40.0	-50.3	-59.1	-67.3
= Actual EV'	33.0	22.5	12.2	3.4	-4.8
Adjusted FCF yield	16.8%	52.1%	88.6%	284.0%	-197.3%
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
Fair EV	79.2	167.4	154.2	139.6	136.1
- <i>EV Reconciliations</i>	-29.5	-40.0	-50.3	-59.1	-67.3
Fair Market Cap	108.7	207.4	204.5	198.7	203.4
No. of shares (million)	46.3	46.3	46.3	46.3	46.3
Fair value per share in EUR	2.35	4.48	4.42	4.29	4.39
Premium (-) / discount (+)	73.9%	231.8%	227.1%	217.8%	225.5%

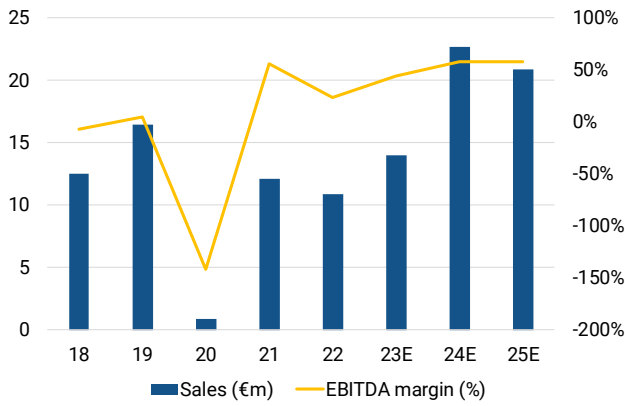
Sensitivity analysis FV						
	5.0%	3.0	5.9	5.7	5.5	5.6
Adjusted hurdle rate	6.0%	2.6	5.1	5.0	4.8	4.9
	7.0%	2.3	4.5	4.4	4.3	4.4
	8.0%	2.1	4.0	4.0	3.9	4.0
	9.0%	2.0	3.7	3.7	3.6	3.7

Source: Company data; AlsterResearch

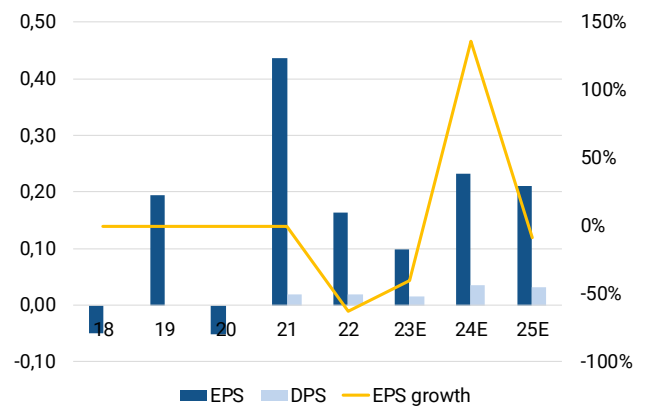
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable, based on the overall Leeway ESG Score. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

Financials in six charts

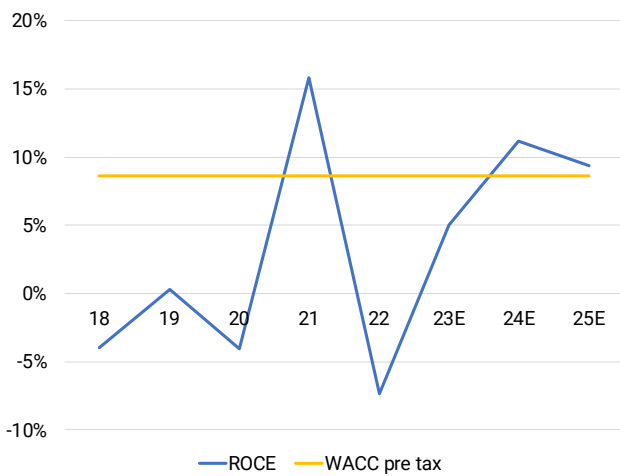
Sales vs. EBITDA margin development



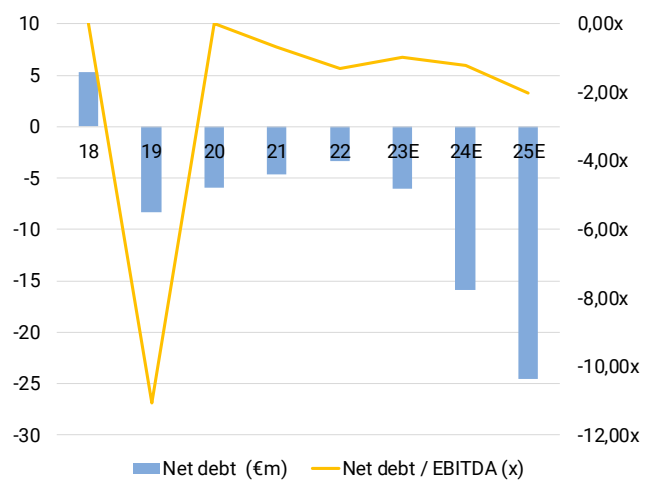
EPS, DPS in EUR & yoy EPS growth



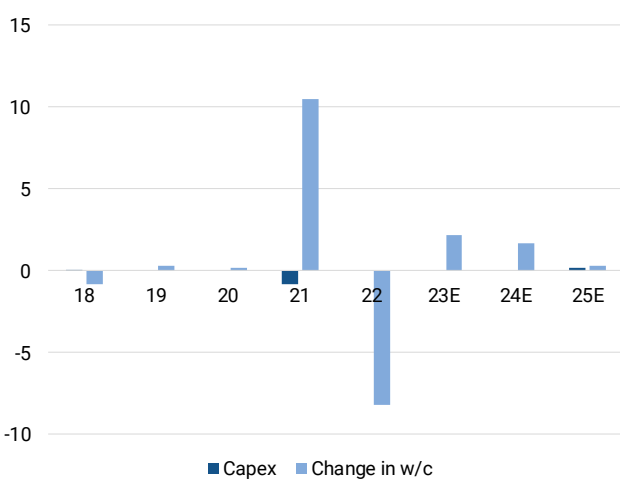
ROCE vs. WACC (pre tax)



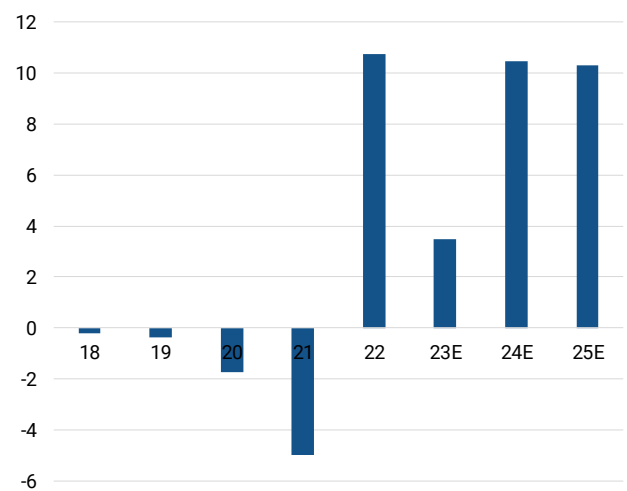
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EURm)	2020	2021	2022	2023E	2024E	2025E
Net sales	0.9	12.2	10.9	14.0	22.7	20.9
Sales growth	-94.6%	1,279.3%	-10.5%	28.7%	62.3%	-8.0%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	0.9	12.2	10.9	14.0	22.7	20.9
Material expenses	0.0	2.4	3.9	3.4	3.9	3.6
Gross profit	0.9	9.7	7.0	10.6	18.9	17.4
Other operating income	0.1	0.1	0.8	0.4	0.0	0.0
Personnel expenses	0.1	0.4	0.8	1.0	1.6	1.5
Other operating expenses	2.1	2.7	4.4	3.9	4.1	3.8
EBITDA	-1.2	6.8	2.6	6.2	13.2	12.1
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	-1.3	6.8	2.6	6.2	13.2	12.1
Amortisation of goodwill and intangible assets	0.0	1.2	7.9	1.0	1.0	1.0
EBIT	-1.3	5.6	-5.3	5.2	12.2	11.1
Financial result	0.4	10.4	12.0	0.0	0.0	0.0
Recurring pretax income from continuing operations	-0.8	16.0	6.7	5.2	12.2	11.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-0.8	16.0	6.7	5.2	12.2	11.1
Taxes	-0.1	2.0	-0.1	0.6	1.5	1.3
Net income from continuing operations	-0.7	14.1	6.9	4.5	10.7	9.8
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-0.7	14.1	6.9	4.5	10.7	9.8
Minority interest	0.2	0.4	0.0	0.0	0.0	0.0
Net profit (reported)	-0.6	14.5	6.9	4.5	10.7	9.8
Average number of shares	10.74	33.13	41.74	46.30	46.30	46.30
EPS reported	-0.05	0.44	0.16	0.10	0.23	0.21

Profit and loss (common size)	2020	2021	2022	2023E	2024E	2025E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
Total sales	100%	100%	100%	100%	100%	100%
Material expenses	0%	20%	36%	24%	17%	17%
Gross profit	100%	80%	64%	76%	83%	83%
Other operating income	12%	1%	8%	3%	0%	0%
Personnel expenses	15%	3%	7%	7%	7%	7%
Other operating expenses	239%	22%	41%	28%	18%	18%
EBITDA	-141%	56%	24%	44%	58%	58%
Depreciation	1%	0%	0%	0%	0%	0%
EBITA	-142%	56%	24%	44%	58%	58%
Amortisation of goodwill and intangible assets	0%	10%	73%	7%	4%	5%
EBIT	-142%	46%	-49%	37%	54%	53%
Financial result	48%	86%	110%	0%	0%	0%
Recurring pretax income from continuing operations	-94%	132%	62%	37%	54%	53%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-94%	132%	62%	37%	54%	53%
Taxes	-10%	16%	-1%	4%	6%	6%
Net income from continuing operations	-84%	116%	63%	32%	47%	47%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-84%	116%	63%	32%	47%	47%
Minority interest	21%	3%	0%	0%	0%	0%
Net profit (reported)	-63%	119%	63%	32%	47%	47%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	0.1	10.4	2.5	1.5	0.5	-0.3
Goodwill	0.0	72.2	72.2	72.2	72.2	72.2
Property, plant and equipment	0.0	0.0	0.2	0.2	0.2	0.2
Financial assets	22.2	17.6	22.7	22.7	22.7	22.7
FIXED ASSETS	22.3	100.2	97.6	96.6	95.6	94.8
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.0	11.0	1.7	3.8	6.2	6.3
Other current assets	0.4	0.1	0.2	0.2	0.2	0.2
Liquid assets	5.9	4.8	6.1	6.0	15.8	24.5
Deferred taxes	0.0	0.1	0.1	0.1	0.1	0.1
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	6.3	16.1	8.2	10.2	22.4	31.2
TOTAL ASSETS	28.6	116.3	105.8	106.8	118.0	126.0
SHAREHOLDERS EQUITY	28.2	42.3	99.4	103.1	113.1	121.3
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	2.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.0	0.5	0.6	1.0	1.0
Non-current liabilities	0.0	0.0	2.5	0.6	1.0	1.0
short-term liabilities to banks	0.0	0.2	0.7	0.0	0.0	0.0
Accounts payable	0.2	0.7	1.4	1.2	1.4	1.3
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.0	70.2	0.6	0.8	1.3	1.2
Deferred taxes	0.1	1.9	1.2	1.2	1.2	1.2
Deferred income	0.0	1.0	0.0	0.0	0.0	0.0
Current liabilities	0.3	73.9	4.0	3.2	3.9	3.7
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	28.6	116.3	105.8	106.8	118.0	126.0

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	0%	9%	2%	1%	0%	-0%
Goodwill	0%	62%	68%	68%	61%	57%
Property, plant and equipment	0%	0%	0%	0%	0%	0%
Financial assets	78%	15%	21%	21%	19%	18%
FIXED ASSETS	78%	86%	92%	90%	81%	75%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	0%	9%	2%	4%	5%	5%
Other current assets	1%	0%	0%	0%	0%	0%
Liquid assets	21%	4%	6%	6%	13%	19%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	22%	14%	8%	10%	19%	25%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	99%	36%	94%	96%	96%	96%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	0%	2%	0%	0%	0%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	0%	0%	0%	1%	1%	1%
Non-current liabilities	0%	0%	2%	1%	1%	1%
short-term liabilities to banks	0%	0%	1%	0%	0%	0%
Accounts payable	1%	1%	1%	1%	1%	1%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	0%	60%	1%	1%	1%	1%
Deferred taxes	0%	2%	1%	1%	1%	1%
Deferred income	0%	1%	0%	0%	0%	0%
Current liabilities	1%	64%	4%	3%	3%	3%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	-0.7	14.1	6.9	4.5	10.7	9.8
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	1.2	7.9	1.0	1.0	1.0
Others	-0.9	-10.6	-6.3	0.1	0.5	0.0
Cash flow from operations before changes in w/c	-1.6	4.7	8.5	5.6	12.2	10.8
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-0.0	-11.0	9.3	-2.1	-2.4	-0.1
Increase/decrease in accounts payable	0.0	0.5	0.8	-0.2	0.2	-0.1
Increase/decrease in other w/c positions	-0.1	0.0	-1.9	0.2	0.5	-0.1
Increase/decrease in working capital	-0.2	-10.5	8.2	-2.2	-1.7	-0.3
Cash flow from operating activities	-1.8	-5.8	10.8	3.5	10.5	10.5
CAPEX	0.0	0.8	0.0	0.0	0.0	-0.2
Payments for acquisitions	-0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	-9.2	0.0	-2.4	0.0	0.0	0.0
Income from asset disposals	11.3	4.8	0.1	0.0	0.0	0.0
Cash flow from investing activities	2.1	5.6	-2.4	0.0	0.0	-0.2
Cash flow before financing	0.3	-0.2	8.4	3.5	10.5	10.3
Increase/decrease in debt position	-3.3	0.0	2.6	-2.8	0.0	0.0
Purchase of own shares	-1.1	0.0	-7.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	-0.7	-0.8	-0.7	-1.6
Others	-0.3	0.0	-2.9	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	-4.6	0.0	-8.0	-3.6	-0.7	-1.6
Increase/decrease in liquid assets	-4.3	-0.2	0.4	-0.1	9.8	8.7
Liquid assets at end of period	0.5	0.4	0.8	0.7	10.5	19.2

Source: Company data; AlsterResearch

Regional sales split (EURm)	2020	2021	2022	2023E	2024E	2025E
Domestic	0.9	12.2	10.9	14.0	22.7	20.9
Europe (ex domestic)	0.0	0.0	0.0	0.0	0.0	0.0
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	0.9	12.2	10.9	14.0	22.7	20.9

Regional sales split (common size)	2020	2021	2022	2023E	2024E	2025E
Domestic	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Europe (ex domestic)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Ratios	2020	2021	2022	2023E	2024E	2025E
Per share data						
Earnings per share reported	-0.05	0.44	0.16	0.10	0.23	0.21
Cash flow per share	-0.16	-0.18	0.26	0.08	0.23	0.23
Book value per share	2.63	1.28	2.38	2.23	2.44	2.62
Dividend per share	0.00	0.02	0.02	0.01	0.03	0.03
Valuation						
P/E	-26.2x	3.1x	8.2x	13.8x	5.8x	6.4x
P/CF	-8.2x	-7.7x	5.2x	17.9x	6.0x	5.9x
P/BV	0.5x	1.1x	0.6x	0.6x	0.6x	0.5x
Dividend yield (%)	0.0%	1.5%	1.5%	1.1%	2.6%	2.3%
FCF yield (%)	-12.2%	-13.0%	19.1%	5.6%	16.8%	16.8%
EV/Sales	64.2x	4.8x	5.4x	4.0x	2.1x	1.8x
EV/EBITDA	-45.4x	8.5x	22.7x	9.2x	3.5x	3.1x
EV/EBIT	-45.1x	10.3x	-11.1x	10.9x	3.8x	3.4x
Income statement (EURm)						
Sales	0.9	12.2	10.9	14.0	22.7	20.9
yoy chg in %	-94.6%	1,279.3%	-10.5%	28.7%	62.3%	-8.0%
Gross profit	0.9	9.7	7.0	10.6	18.9	17.4
Gross margin in %	100.0%	80.0%	63.9%	76.0%	83.0%	83.0%
EBITDA	-1.2	6.8	2.6	6.2	13.2	12.1
EBITDA margin in %	-141.4%	55.8%	23.9%	44.0%	58.0%	58.0%
EBIT	-1.3	5.6	-5.3	5.2	12.2	11.1
EBIT margin in %	-142.3%	46.1%	-48.8%	36.9%	53.6%	53.2%
Net profit	-0.6	14.5	6.9	4.5	10.7	9.8
Cash flow statement (EURm)						
CF from operations	-1.8	-5.8	10.8	3.5	10.5	10.5
Capex	0.0	0.8	0.0	0.0	0.0	-0.2
Maintenance Capex	0.0	0.0	0.0	0.0	0.0	0.0
Free cash flow	-1.8	-5.0	10.8	3.5	10.5	10.3
Balance sheet (EURm)						
Intangible assets	0.1	82.6	74.7	73.7	72.7	72.0
Tangible assets	0.0	0.0	0.2	0.2	0.2	0.2
Shareholders' equity	28.2	42.3	99.4	103.1	113.1	121.3
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	0.0	0.2	3.2	0.6	1.0	1.0
Net financial debt	-5.9	-4.7	-3.4	-6.0	-15.8	-24.5
w/c requirements	-0.2	10.3	0.3	2.6	4.8	5.0
Ratios						
ROE	-2.6%	33.3%	6.9%	4.4%	9.5%	8.1%
ROCE	-4.4%	13.2%	-5.2%	5.0%	10.7%	9.1%
Net gearing	-21.0%	-11.0%	-3.4%	-5.9%	-14.0%	-20.2%
Net debt / EBITDA	4.8x	-0.7x	-1.3x	-1.0x	-1.2x	-2.0x

Source: Company data; AlsterResearch

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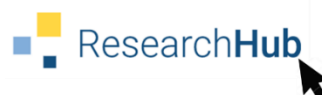
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