

Nightingale Health

Company report

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✓ Inderes corporate customer

This report is a summary translation of the report “Odottavan riskisijoittajan aika on pitkä” published on 2/25/2022 at 9:00 am

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Risk investors must play the waiting game

Commercialization of Nightingale's technology is still progressing on a broad front. The story combining the company's high risks and potential has, in our opinion, only strengthened after the IPO. Pricing of future promises has fallen dramatically as the time horizon has shortened on the market, which is also reflected in Nightingale. Concrete supporting points for the company's valuation can in the short term already be found in the balance sheet focusing on cash (2022e P/B 1.2x). Still believing in the preconditions of successful commercialization, we reiterate our Buy recommendation, but in the absence of short-term share price drivers, cut our target price further to EUR 4.0 (prev. EUR 6.0).

Commercialization of technology is progressing on a broad front

Nightingale's fiscal year H1 report (7/1/21-12/31/21) was in line with expectations. The company has continued to actively work on the commercialization of its technology, which, despite several progressing projects, is still in its initial stage. Nightingale has built a health information platform for preventive health care with which it can provide risk predictions for more than 1,000 lifestyle-dependent diseases with one blood sample. The company has already launched the business by offering its solution directly to consumers (Yliopiston Apteekki) and in cooperation with its health service partners in Finland (Terveystalo) and Japan (Welltus). These projects are still at a very early stage but based on the report seem to be progressing well. As expected, H1 revenue was still low (H1'22 1.3 MEUR) and investments in commercialization depressed EBIT into red (H1'22 -4.8 MEUR) as expected. The company did not yet report its order book, which it intends to raise to EUR 5 million by the end of June.

Based on the report, we raised our growth investment estimates for the next few years

The final parameters of Nightingale's business model and the success of commercial projects will only materialize over the years. Therefore, any estimates concerning company business are highly imprecise and the estimates risks are high. Despite this uncertainty, we believe the company has potential to build a significant and profitable business. In our estimates, the fixed point is 2026, when the company would achieve around EUR 108 million in revenue and EUR 23 million in EBIT. Our scenario requires large-scale international success of the commercialization of Nightingale's technology in coming years. Based on the report, we raised our estimates on the investments required for growth.

You can jump on board long-term potential with a better return/risk ratio than before

Nightingale's valuation is based on expectations of significant future business. Business is only now being built, so fundamentals-based valuation is extremely difficult. Based on scenarios, M&A transactions of peer companies and a DCF model, we still estimate the value per share to be EUR 5-10. This will require successful international commercialization of the technology in the next 10 years and without it, the risk of losing at least part of capital is genuine. On the other hand, the expected long-term return on the share is very attractive if commercialization succeeds. The valuations of growth companies have recently relied on supporting points that are closer in time which has also been visible in Nightingale's valuation. Our assessment of market's attitude toward the company has also proven far too optimistic. However, the return/risk ratio has been significantly strengthened by the share price drop and more concrete support for the valuation is now provided by the balance sheet that focuses on cash (2022e P/B 1.2x). In addition, the value of the company's technology and the data it collects starts to curb the downside in the share at the current valuation level. On the other hand, we do not expect the company's business to generate sufficiently high figures to strengthen valuation in the short term, so in the current market environment we estimate the realistic target price to be below our fair value range.

Recommendation

Buy

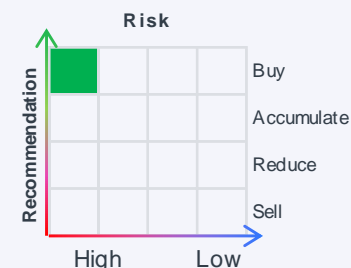
(previous Buy)

EUR 4.00

(previous EUR 6.00)

Share price:

2.26



Key figures

| | 2021 | 2022e | 2023e | 2024e |
|-------------|-------|-------|-------|-------|
| Revenue | 2.1 | 3.0 | 8.9 | 25.0 |
| growth-% | 32% | 44% | 197% | 182% |
| EBIT adj. | -5.3 | -10.2 | -13.7 | -16.5 |
| EBIT-% adj. | -254% | -340% | -155% | -66% |
| PTP | -11.2 | -10.7 | -14.2 | -17.1 |
| EPS (adj.) | -0.13 | -0.18 | -0.23 | -0.28 |

| | | | | |
|----------------|------|------|------|------|
| P/E (adj.) | neg. | neg. | neg. | neg. |
| P/B | 2.8 | 1.2 | 1.4 | 1.7 |
| EV/EBIT (adj.) | neg. | neg. | neg. | neg. |
| EV/EBITDA | neg. | neg. | neg. | neg. |
| EV/S | >100 | 15.8 | 7.8 | 3.6 |

Source: Inderes. Years are fiscal years ending June 30th.

Guidance

(Unchanged)

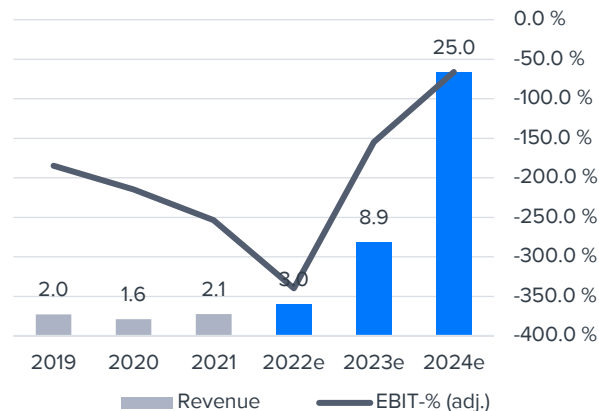
Nightingale has not provided guidance for 2022.

Share price



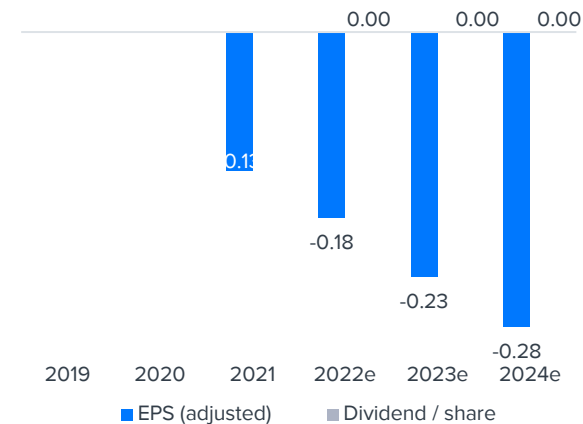
Source: Thomson Reuters

Revenue and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Huge growing global market supported by mega trends
- Competitive and cost-efficient technology for predicting disease risks from blood samples
- Platform-based, scalable business model that complement current players
- Strong position as analyzer of Biobanks' blood samples
- Credible investors support internationalization as partners



Risk factors

- Business model proving inoperative
- Falling behind ambitious objectives and drop in valuation that expects successful commercialization
- Slower than expected progress in the implementation of new technology in a conservative industry
- Data breach including personal health data
- Need for new financing
- Competing technologies

| Valuation | 2022e | 2023e | 2024e |
|----------------------------|-------|-------|-------|
| Share price | 2.26 | 2.26 | 2.26 |
| Number of shares, millions | 60.9 | 60.9 | 60.9 |
| Market cap | 138 | 138 | 138 |
| EV | 47 | 69 | 91 |
| P/E (adj.) | neg. | neg. | neg. |
| P/E | neg. | neg. | neg. |
| P/FCF | neg. | neg. | neg. |
| P/B | 1.2 | 1.4 | 1.7 |
| P/S | 46.1 | 15.5 | 5.5 |
| EV/Sales | 15.8 | 7.8 | 3.6 |
| EV/EBITDA | neg. | neg. | neg. |
| EV/EBIT (adj.) | neg. | neg. | neg. |
| Payout ratio (%) | 0.0 % | 0.0 % | 0.0 % |
| Dividend yield-% | 0.0 % | 0.0 % | 0.0 % |

Source: Inderes

Small steps on a wide front

Building of business and service seems to be on track

Over the past six months, Nightingale has promoted its commercial projects and partnerships, progress of which has been sporadically reported in press releases. In addition, the company launched Nightingale Home consumer sales in December, and the Nightingale Pro service carried out with partners was launched in Finland with Terveystalo and in Japan with Mitsui. The company did not discuss the progress of the projects in much detail but doubling of laboratory capacity in Japan at least indicates that the company believes that the projects will generate growth in service use.

As regards service development, Nightingale says it is on schedule and that the new mobile app will be launched during Q1. To support this development, the company acquired Yolife that develops digital health

solutions last summer. In January, Nightingale expanded to genetics through an acquisition, aiming to achieve the ability to consider genetic factors next to current lifestyle-related disease risks.

Revenue is still only forming, growth investments depressed profitability

H1 revenue grew slightly and remained as expected at EUR 1.3 million. We believe revenue is still mainly generated from revenues received from universities and research projects. Profitability was also clearly in red as expected and EBIT was EUR -4.8 million. The low profitability is explained by Nightingale's growth strategy that is in its investment phase, as well as the virtually non-existent revenue that will slowly start to form during the ongoing calendar year. The company's fiscal year ends on June 30 and, therefore, differs from the calendar year.

There should be enough momentum in the ongoing six months

Nightingale has several objectives for the ongoing half-year period related to promoting services (Q1: new mobile app and risk predictions) and commercialization (FDA approval, new international commercial agreement). The company also targets an order book of EUR 5 million by the end of the fiscal year ending on June 30, 2022, where we estimate the company's current R&D revenue corresponds with EUR 2 million of the order book. The company did not yet report its order book, so we expect that the growth of new commercial projects will focus on spring. As a whole, the company must continue to build its business on several fronts, but the successes and progress made so far support confidence in further development.

| Estimates | H1'21 | H1'22 | H1'22e | H1'22e | Consensus | | Difference (%) | 2022e |
|------------------|------------|------------|----------|-----------|-----------|------|------------------|----------|
| MEUR / EUR | Comparison | Actualized | Inderes | Consensus | Low | High | Act. vs. Inderes | Inderes |
| Revenue | 1.0 | 1.3 | 1.2 | | | | 10% | 3.0 |
| EBIT | -2.3 | -4.8 | -3.2 | | | | -50% | -10.2 |
| PTP | -3.0 | -5.1 | -3.5 | | | | -46% | -10.7 |
| EPS (reported) | -0.07 | -0.09 | -0.06 | | | | -57% | -0.18 |
| Revenue growth-% | | 30.3 % | 18.5 % | | | | 11.8 pp | 43.7 % |
| EBIT-% (adj.) | -230.9 % | -362.1 % | -264.8 % | | | | -97.3 pp | -339.8 % |

Source: Inderes

We raised our cost estimates based on H1 figures

Estimate changes 2021e-2023e

- We have raised our estimate of costs and investments in the next few years based on the actual figures of H1
- We added the Negen acquisition to our estimates
- We made several minor adjustments to balance sheet estimates based on actual figures

Operational result drivers 2020-2023e:

- Investments in product development, technology commercialization and laboratories will significantly raise costs in the next few years
- Revenue streams from the use of company technology will grow with a delay in the short term, which pushes short-term profitability into red

| Estimate revisions | 2022e | 2022e | Change | 2023e | 2023e | Change | 2024e | 2024e | Change |
|--------------------|-------|-------|--------|-------|-------|--------|-------|-------|--------|
| MEUR / EUR | Old | New | % | Old | New | % | Old | New | % |
| Revenue | 2.9 | 3.0 | 3% | 8.8 | 8.9 | 1% | 25.0 | 25.0 | 0% |
| EBITDA | -5.7 | -7.1 | -24% | -10.0 | -9.9 | 1% | -7.4 | -7.4 | 0% |
| EBIT (exc. NRIs) | -7.1 | -10.2 | -43% | -13.2 | -13.7 | -4% | -14.0 | -16.5 | -18% |
| EBIT | -7.1 | -10.2 | -43% | -13.2 | -13.7 | -4% | -14.0 | -16.5 | -18% |
| PTP | -7.7 | -10.7 | -39% | -14.0 | -14.2 | -1% | -15.1 | -17.1 | -13% |
| EPS (excl. NRIs) | -0.13 | -0.18 | -38% | -0.23 | -0.23 | -1% | -0.25 | -0.28 | -13% |
| DPS | 0.00 | 0.00 | | 0.00 | 0.00 | | 0.00 | 0.00 | |

Source: Inderes

Valuation has slipped towards cash

A lot of risks and potential in commercialization

Nightingale's valuation is based on expectations related to the commercialization potential of the technology and significant future business. However, this business is only now being built. Thus, fundamentals-based valuation is extremely difficult for the next few years and only imprecise valuation methods are available.

Based on scenarios, M&A transactions of peer companies and a DCF model, we still estimate the value per share to be EUR 5-10. This will require successful international commercialization of the technology in the next 10 years and without it, the risk of losing at least part of capital is genuine. On the other hand, the expected long-term return on the share is very attractive if commercialization succeeds, which is visible in the expected returns of our scenarios.

Return/risk ratio has strengthened and better support is already found for the present valuation

We feel Nightingale's story has only strengthened since the IPO, especially with several forward steps taken in commercialization. The valuations of growth companies have recently relied on supporting points that are closer in time which has also been visible in Nightingale's valuation. Our assessment of market's attitude toward the company has also proven far too optimistic. Nightingale's current valuation level has fallen well below the level that would be justified considering the expected returns that the scenarios we have built indicate.

However, the return/risk ratio has been significantly strengthened by the share price drop and more concrete support for the valuation is now provided by the balance sheet that focuses on cash (2022e P/B 1.2x). In addition, the value of the company's technology and the data it collects starts to curb the downside in the share at the current valuation level.

However, the market seems to require much stronger evidence of the rate of business growth, which is hard for the company to provide in the short term due to the early development phase. The first more concrete check point of growth progress will be in summer, when we will know whether Nightingale has increased its order book to EUR 5 million as targeted. However, at this moment in time we do not believe that this would provide a sufficiently strong driver for the company's pricing to settle in our fair value range. In the current market environment, we estimate that the realistic target price is below our fair value range.

If growth in the next few years is successful, revenue-based multiples would start supporting the valuation (2024-2025 EV/S 7.8x-3.6x). However, these multiples rely on very uncertain estimates, so their credibility will strengthen only when visibility into business growth improves over the next few years.

| Valuation | 2022e | 2023e | 2024e |
|----------------------------|-------|-------|-------|
| Share price | 2.26 | 2.26 | 2.26 |
| Number of shares, millions | 60.9 | 60.9 | 60.9 |
| Market cap | 138 | 138 | 138 |
| EV | 47 | 69 | 91 |
| P/E (adj.) | neg. | neg. | neg. |
| P/E | neg. | neg. | neg. |
| P/FCF | neg. | neg. | neg. |
| P/B | 1.2 | 1.4 | 1.7 |
| P/S | 46.1 | 15.5 | 5.5 |
| EV/Sales | 15.8 | 7.8 | 3.6 |
| EV/EBITDA | neg. | neg. | neg. |
| EV/EBIT (adj.) | neg. | neg. | neg. |
| Payout ratio (%) | 0.0 % | 0.0 % | 0.0 % |
| Dividend yield-% | 0.0 % | 0.0 % | 0.0 % |

Source: Inderes

Valuation scenarios

| In 2026 (6/30/26) | Pessimistic | Current estimates | Optimistic |
|------------------------------------|-------------|-------------------|------------|
| Variable revenue MEUR | 35 | 108 | 301 |
| Variable EBIT MEUR | neg. | 23 | 130 |
| x multiple revenue | 4 | 8 | 12 |
| x multiple EBIT | | 25 | 30 |
| = EV (EV/S) | 140 | 862 | 3 614 |
| = EV (EV/EBIT) | | 567 | 3 885 |
| Average (EV) | 140 | 715 | 3 750 |
| +Net cash | 16 | 48 | 182 |
| =Market cap | 156 | 763 | 3932 |
| Share price 2026 (incl. dividends) | 2,56 | 12,53 | 64,59 |
| Return | 13 % | 454 % | 2755 % |
| Annual return (~5 years) | 3 % | 48 % | 116 % |

NB! The return percentages for the scenarios should be examined bearing in mind the very high risk level of the company. Current estimates contain exceptionally high uncertainty and the possibility of the pessimistic scenario is considerable.

Valuation table

| Valuation | 2021 | 2022e | 2023e | 2024e | 2025e |
|----------------------------|-------|-------|-------|-------|-------|
| Share price | 5.77 | 2.26 | 2.26 | 2.26 | 2.26 |
| Number of shares, millions | 51.1 | 60.9 | 60.9 | 60.9 | 60.9 |
| Market cap | 349 | 138 | 138 | 138 | 138 |
| EV | 240 | 47 | 69 | 91 | 100 |
| P/E (adj.) | neg. | neg. | neg. | neg. | neg. |
| P/E | neg. | neg. | neg. | neg. | neg. |
| P/FCF | 3.1 | neg. | neg. | neg. | neg. |
| P/B | 2.8 | 1.2 | 1.4 | 1.7 | 1.7 |
| P/S | >100 | 46.1 | 15.5 | 5.5 | 2.5 |
| EV/Sales | >100 | 15.8 | 7.8 | 3.6 | 1.8 |
| EV/EBITDA | neg. | neg. | neg. | neg. | 12.2 |
| EV/EBIT (adj.) | neg. | neg. | neg. | neg. | neg. |
| Payout ratio (%) | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Dividend yield-% | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |

Source: Inderes

Income statement

| Income statement | 2019 | 2020 | 2021 | H1'22 | H2'22e | 2022e | 2023e | 2024e | 2025e |
|---------------------|------|------|-------|-------|--------|-------|-------|-------|-------|
| Revenue | 2.0 | 1.6 | 2.1 | 1.3 | 1.7 | 3.0 | 8.9 | 25.0 | 56.0 |
| EBITDA | -3.6 | -3.2 | -4.8 | -3.3 | -3.8 | -7.1 | -9.9 | -7.4 | 8.2 |
| Depreciation | -0.2 | -0.2 | -0.5 | -1.5 | -1.6 | -3.1 | -3.8 | -9.1 | -9.4 |
| EBIT (excl. NRI) | -3.8 | -3.4 | -5.3 | -4.8 | -5.4 | -10.2 | -13.7 | -16.5 | -1.2 |
| EBIT | -3.8 | -3.4 | -5.3 | -4.8 | -5.4 | -10.2 | -13.7 | -16.5 | -1.2 |
| Net financial items | -0.2 | -0.4 | -6.0 | -0.3 | -0.3 | -0.6 | -0.4 | -0.6 | -0.8 |
| PTP | -4.0 | -3.8 | -11.2 | -5.1 | -5.7 | -10.7 | -14.2 | -17.1 | -2.0 |
| Taxes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net earnings | -4.0 | -3.8 | -11.2 | -5.1 | -5.7 | -10.7 | -14.2 | -17.1 | -1.9 |
| EPS (adj.) | | | -0.13 | -0.08 | -0.09 | -0.18 | -0.23 | -0.28 | -0.03 |
| EPS (rep.) | | | -0.22 | -0.08 | -0.09 | -0.18 | -0.23 | -0.28 | -0.03 |

| Key figures | 2019 | 2020 | 2021 | H1'22 | H2'22e | 2022e | 2023e | 2024e | 2025e |
|------------------------|----------|----------|----------|----------|----------|----------|----------|---------|---------|
| Revenue growth-% | | -22.9 % | 31.9 % | 30.5 % | 56.2 % | 43.7 % | 197.2 % | 181.8 % | 123.6 % |
| Adjusted EBIT growth-% | | -10.5 % | 55.9 % | 104.4 % | 83.1 % | 92.5 % | 35.3 % | 20.0 % | -92.7 % |
| EBITDA-% | -173.5 % | -200.1 % | -231.0 % | -246.1 % | -228.2 % | -236.1 % | -111.7 % | -29.5 % | 14.7 % |
| Adjusted EBIT-% | -184.7 % | -214.5 % | -253.6 % | -361.6 % | -322.6 % | -339.8 % | -154.7 % | -65.9 % | -2.2 % |
| Net earnings-% | -196.3 % | -238.9 % | -537.8 % | -383.1 % | -339.3 % | -358.7 % | -159.3 % | -68.1 % | -3.4 % |

Source: Inderes

Balance sheet

| Assets | 2020 | 2021 | 2022e | 2023e | 2024e |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Non-current assets | 13.5 | 18.2 | 26.7 | 33.7 | 36.0 |
| Goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Intangible assets | 12.1 | 17.4 | 24.6 | 30.3 | 31.1 |
| Tangible assets | 1.4 | 0.7 | 2.1 | 3.5 | 5.0 |
| 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 |
| Current assets | 10.3 | 116 | 98.6 | 79.9 | 65.0 |
| Inventories | 0.2 | 0.7 | 0.0 | 0.0 | 0.0 |
| Other current assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Receivables | 9.2 | 1.6 | 2.0 | 4.0 | 7.0 |
| Cash and equivalents | 0.9 | 114 | 96.6 | 75.9 | 58.0 |
| Balance sheet total | 23.8 | 134 | 125 | 114 | 101 |

Source: Inderes

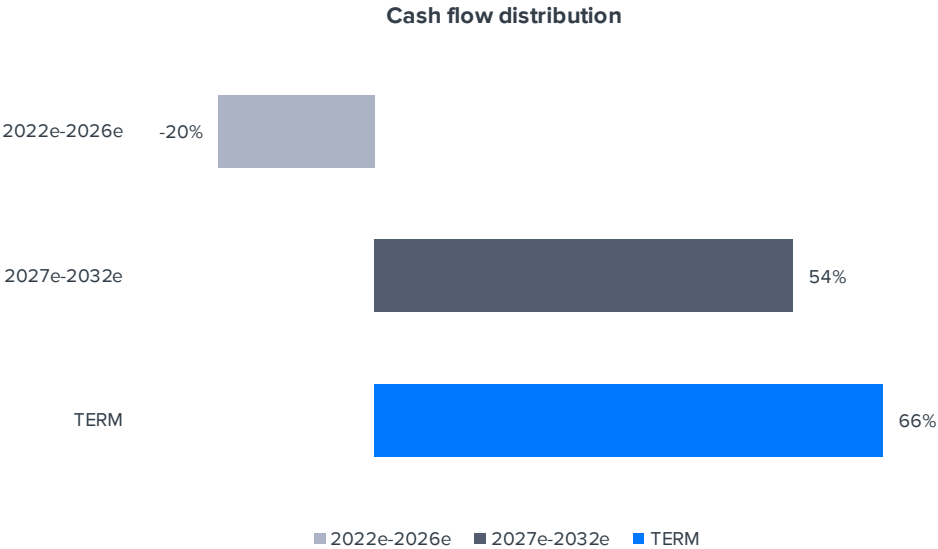
| Liabilities & equity | 2020 | 2021 | 2022e | 2023e | 2024e |
|--------------------------------|-------------|------------|------------|------------|-------------|
| Equity | 8.7 | 124 | 114 | 100 | 83.0 |
| Share capital | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 |
| Retained earnings | -10.9 | -22.0 | -32.8 | -46.9 | -64.0 |
| Hybrid bonds | 6.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Revaluation reserve | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other equity | 12.8 | 146 | 147 | 147 | 147 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-current liabilities | 4.5 | 3.2 | 4.0 | 5.0 | 8.0 |
| 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 | 4.5 | 3.2 | 4.0 | 5.0 | 8.0 |
| 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 | 10.6 | 6.6 | 7.0 | 8.5 | 10.0 |
| Short term debt | 1.4 | 1.9 | 2.0 | 2.5 | 3.0 |
| Payables | 9.2 | 4.7 | 5.0 | 6.0 | 7.0 |
| Other current liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Balance sheet total | 23.8 | 134 | 125 | 114 | 101 |

DCF calculation

| DCF model | 2021 | 2022e | 2023e | 2024e | 2025e | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | TERM |
|---|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| EBIT (operating profit) | -5.3 | -10.2 | -13.7 | -16.5 | -1.2 | 22.7 | 51.3 | 77.4 | 106 | 127 | 140 | 144 | |
| + Depreciation | 0.5 | 3.1 | 3.8 | 9.1 | 9.4 | 8.2 | 8.7 | 9.4 | 10.1 | 10.7 | 11.4 | 12.0 | |
| - Paid taxes | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | -3.2 | -10.0 | -15.1 | -20.8 | -25.1 | -27.6 | -28.4 | |
| - Tax, financial expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.2 | -0.3 | -0.3 | -0.4 | -0.4 | -0.4 | -0.4 | |
| + 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 | 0.0 | |
| - Change in working capital | 2.7 | 0.5 | -1.0 | -2.0 | -5.0 | -2.5 | 0.0 | 1.4 | -1.8 | -1.6 | -1.0 | -0.3 | |
| Operating cash flow | -2.2 | -6.5 | -10.9 | -9.4 | 3.3 | 24.9 | 49.7 | 72.7 | 92.9 | 111 | 122 | 127 | |
| + 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 | 0.0 | |
| - Gross CAPEX | -5.1 | -11.6 | -10.9 | -11.4 | -12.0 | -13.4 | -15.1 | -16.5 | -17.8 | -18.6 | -19.5 | -19.6 | |
| Free operating cash flow | -7.3 | -18.2 | -21.8 | -20.8 | -8.7 | 11.5 | 34.6 | 56.2 | 75.1 | 92.1 | 103 | 107 | |
| +/- Other | 119 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| FCFF | 112 | -17.6 | -21.8 | -20.8 | -8.7 | 11.5 | 34.6 | 56.2 | 75.1 | 92.1 | 103 | 107 | 794 |
| Discounted FCFF | | -16.7 | -17.6 | -14.4 | -5.2 | 5.8 | 15.0 | 20.8 | 23.8 | 25.0 | 23.8 | 21.3 | 157 |
| Sum of FCFF present value | | 239 | 256 | 273 | 288 | 293 | 287 | 272 | 251 | 227 | 202 | 179 | 157 |
| Enterprise value DCF | | 239 | | | | | | | | | | | |
| - Interesting bearing debt | | -5.1 | | | | | | | | | | | |
| + Cash and cash equivalents | | 114 | | | | | | | | | | | |
| -Minorities | | 0.0 | | | | | | | | | | | |
| -Dividend/capital return | | 0.0 | | | | | | | | | | | |
| Equity value DCF | | 348 | | | | | | | | | | | |
| Equity value DCF per share | | 5.7 | | | | | | | | | | | |

| | |
|---|--------|
| Wacc | |
| Tax-% (WACC) | 20.0 % |
| Target debt ratio (D/(D+E)) | 20.0 % |
| Cost of debt | 6.0 % |
| Equity Beta | 3.6 |
| Market risk premium | 4.75% |
| Liquidity premium | 1.00% |
| Risk free interest rate | 2.0 % |
| Cost of equity | 20.0 % |
| Weighted average cost of capital (WACC) | 16.9 % |

Source: Inderes



Summary

| Income statement | 2019 | 2020 | 2021 | 2022e | 2023e | Per share data | 2019 | 2020 | 2021 | 2022e | 2023e |
|---------------------------|------|-------|--------|-------|-------|--------------------------|----------|----------|----------|----------|----------|
| Revenue | 2.0 | 1.6 | 2.1 | 3.0 | 8.9 | EPS (reported) | | | -0.22 | -0.18 | -0.23 |
| EBITDA | -3.6 | -3.2 | -4.8 | -7.1 | -9.9 | EPS (adj.) | | | -0.13 | -0.18 | -0.23 |
| EBIT | -3.8 | -3.4 | -5.3 | -10.2 | -13.7 | OCF / share | | | -0.04 | -0.11 | -0.18 |
| PTP | -4.0 | -3.8 | -11.2 | -10.7 | -14.2 | FCF / share | | | 2.18 | -0.29 | -0.36 |
| Net Income | -4.0 | -3.8 | -11.2 | -10.7 | -14.2 | Book value / share | | | 2.43 | 1.88 | 1.64 |
| Extraordinary items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | Dividend / share | | | 0.00 | 0.00 | 0.00 |
| Balance sheet | 2019 | 2020 | 2021 | 2022e | 2023e | Growth and profitability | 2019 | 2020 | 2021 | 2022e | 2023e |
| Balance sheet total | 14.4 | 23.8 | 134.2 | 125.2 | 113.6 | Revenue growth-% | 17% | -23% | 32% | 44% | 197% |
| Equity capital | 5.7 | 8.7 | 124.4 | 114.2 | 100.1 | EBITDA growth-% | 60% | -11% | 52% | 47% | 41% |
| Goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | EBIT (adj.) growth-% | 54% | -10% | 56% | 93% | 35% |
| Net debt | 0.8 | 4.9 | -108.7 | -90.6 | -68.4 | EPS (adj.) growth-% | | | | 33% | 32% |
| | | | | | | EBITDA-% | -173.5 % | -200.1 % | -231.0 % | -236.1 % | -111.7 % |
| | | | | | | EBIT (adj.)-% | -184.7 % | -214.5 % | -253.6 % | -339.8 % | -154.7 % |
| | | | | | | EBIT-% | -184.7 % | -214.5 % | -253.6 % | -339.8 % | -154.7 % |
| | | | | | | ROE-% | -52.1 % | -52.2 % | -16.8 % | -9.0 % | -13.2 % |
| | | | | | | ROI-% | -24.9 % | -24.6 % | -7.2 % | -8.1 % | -12.1 % |
| | | | | | | Equity ratio | 39.6 % | 37.0 % | 92.7 % | 91.2 % | 88.1 % |
| | | | | | | Gearing | 13.5 % | 56.5 % | -87.4 % | -79.3 % | -68.3 % |
| Cash flow | 2019 | 2020 | 2021 | 2022e | 2023e | | | | | | |
| EBITDA | -3.6 | -3.2 | -4.8 | -7.1 | -9.9 | | | | | | |
| Change in working capital | -0.3 | 0.4 | 2.7 | 0.5 | -1.0 | | | | | | |
| Operating cash flow | -3.8 | -2.8 | -2.2 | -6.5 | -10.9 | | | | | | |
| CAPEX | -3.1 | -7.8 | -5.1 | -11.6 | -10.9 | | | | | | |
| Free cash flow | -6.9 | -10.6 | 11.5 | -17.6 | -21.8 | | | | | | |
| Valuation multiples | 2019 | 2020 | 2021 | 2022e | 2023e | | | | | | |
| EV/S | | | >100 | 15.8 | 7.8 | | | | | | |
| EV/EBITDA (adj.) | | | neg. | neg. | neg. | | | | | | |
| EV/EBIT (adj.) | | | neg. | neg. | neg. | | | | | | |
| P/E (adj.) | | | neg. | neg. | neg. | | | | | | |
| P/B | | | 2.8 | 1.2 | 1.4 | | | | | | |
| Dividend-% | | | 0.0 % | 0.0 % | 0.0 % | | | | | | |

Source: Inderes

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| | |
|------------|--|
| Buy | The 12-month risk-adjusted expected shareholder return of the share is very attractive |
| 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 price | Share price |
|----------|----------------|--------------|-------------|
| 20-04-21 | Buy | 7.00 € | 5.00 € |
| 16-09-21 | Buy | 6.00 € | 4.04 € |
| 25-02-22 | Buy | 4.00 € | 2.26 € |



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