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SYNBIOTIC SE

Germany | Pharmaceuticals | MCap EUR 15.2m

13 October 2025

UPDATE

Political headwind leads to profit warning. Spec. BUY confirmed.

Spec. BUY (Spec. BUY)

Target price	**EUR 7.00** (9.60)
Current price	EUR 2.71
Up/downside	157.8%

ResearchHub

SCAN ME

What's it all about?

SYNBIOTIC issued a profit warning following a sharp 50% qoq revenue drop in its Medical Cannabis segment during Q2 25, driven by political shifts under the new German government, regulatory uncertainty in online distribution, and oversupply pressures. FY25 revenue is now expected at around EUR 17m (previously ~EUR 30m) with a net loss of EUR 1.5m (previously EUR 1.7m profit). While sentiment remains weak, SYNBIOTIC's pharmacy-based model still offers relative resilience amid tightening rules. We cut our estimates further and lower our price target to EUR 7.00 (old EUR 9.60), maintaining our Spec. BUY rating.

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SYNBIOTIC SE

Germany | Pharmaceuticals | MCap EUR 15.2m | EV EUR 18.0m

Spec. BUY (Spec. BUY)

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Political headwind leads to large profit warning. Spec. BUY.

Profit warning amid sector turbulence. SYNBIOTIC issued a profit warning following a sharp revenue decline in its Medical Cannabis (MedCan) segment during Q2 25. After strong trading in Q1 25, sales dropped by roughly 50% qoq due to political changes under the new German government, regulatory uncertainty in online distribution, and price pressure from oversupply. Management now expects FY25 revenue of about EUR 17m (previously ~EUR 30m) and a net loss of EUR 1.5m (previously a EUR 1.7m profit). Additional drag stems from delayed implementation of the Industrial Hemp Liberalization Act (NLG), limiting growth in the hemp and CBD product range.

Reassessment of market dynamics. The abrupt policy reversal underlines the government's restrictive stance toward cannabis liberalization and highlights renewed execution risk for domestic operators. Hence, the short-term conditions remain adverse, but the impact weights not fully on the company. SYNBIOTIC retains a defensible position through its pharmacy-based distribution platform WEECO Pharma, which is less exposed to telemedicine and mail-order restrictions. The company is now implementing cost-containment measures and operational adjustments to safeguard liquidity and preserve optionality across its verticals.

Forecast adjustments. Our previous assumptions already implied lower momentum than management's guidance, projecting FY25 sales of EUR 25.9m and a breakeven EBITDA. Given the new outlook, we now reduce our estimates further but continue to assume a gradual recovery from FY26, driven by normalization in MedCan volumes and strategic cost discipline. Despite elevated volatility, SYNBIOTIC remains one of few integrated European cannabis platforms with meaningful exposure to regulated medical demand and long-term optionality in future market liberalization, backed by the Industrial Hemp Liberalization Act (NLG).

Conclusion. We lower our price target to EUR 7.00 (old EUR 9.60) to reflect the low near-term earnings visibility while maintaining our Spec. BUY rating due to the above average long-term upside.

SYNBIOTIC SE	2022	2023	2024E	2025E	2026E	2027E
Sales	8.2	3.9	15.7	16.3	18.9	22.4
Growth yoy	-5.6%	-52.7%	306.8%	4.0%	15.9%	18.1%
EBITDA	-7.4	-7.2	-2.5	-1.5	-0.1	1.0
EBIT	-25.9	-11.7	-3.2	-2.1	-0.7	0.5
Net profit	-24.4	-10.6	-2.0	-2.2	-0.9	0.1
Net debt (net cash)	2.8	3.6	2.8	9.5	11.8	10.4
Net debt/EBITDA	-0.4x	-0.5x	-1.1x	-6.4x	-124.8x	10.3x
EPS reported	-5.97	-2.24	-0.35	-0.39	-0.16	0.02
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	43.7%	39.0%	44.8%	49.4%	51.0%	52.0%
EBITDA margin	-90.8%	-186.3%	-15.7%	-9.1%	-0.5%	4.5%
EBIT margin	-317.5%	-304.2%	-20.1%	-13.0%	-3.6%	2.0%
ROCE	-73.2%	-42.4%	-11.0%	-9.4%	-3.5%	2.3%
EV/Sales	2.2x	4.9x	1.1x	1.5x	1.4x	1.1x
EV/EBITDA	-2.4x	-2.6x	-7.3x	-16.6x	-285.4x	25.4x
EV/EBIT	-0.7x	-1.6x	-5.7x	-11.6x	-39.4x	56.2x
PER	-0.5x	-1.2x	-7.7x	-7.0x	-17.2x	109.1x

Source: Company data, mwb research

Source: Company data, mwb research

High/low 52 weeks	7.02 / 2.55
Price/Book Ratio	0.9x

Ticker / Symbols

ISIN	DE000A3E5A59
WKN	A3E5A5
Bloomberg	SBX:GR

Changes in estimates

		Sales	EBIT	EPS
2024E	old	15.7	-3.7	-0.44
	Δ	0.0%	na%	na%
2025E	old	25.9	-0.5	-0.13
	Δ	-37.0%	na%	na%
2026E	old	33.7	1.9	0.26
	Δ	-43.8%	na%	na%

Key share data

Number of shares: (in m pcs)	5.60
Book value per share: (in EUR)	2.93
Ø trading vol.: (12 months)	5,728

Major shareholders

Main Shareholders	26.0%
Free Float	74.0%

Company description
SYNBIOTIC SE is a leading German listed company focusing on hemp, cannabis and cannabinoids (e.g. THC and CBD). The company is pursuing a pan-European buy and build strategy and plans to become a leading hemp platform for R&D, production and distribution of hemp and cannabis products. This includes pharmaceuticals, cosmetics, nutrition and supplements as well as lifestyle products.

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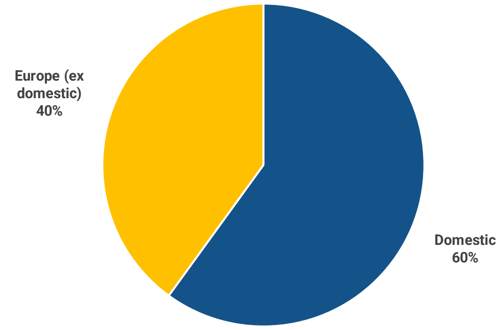
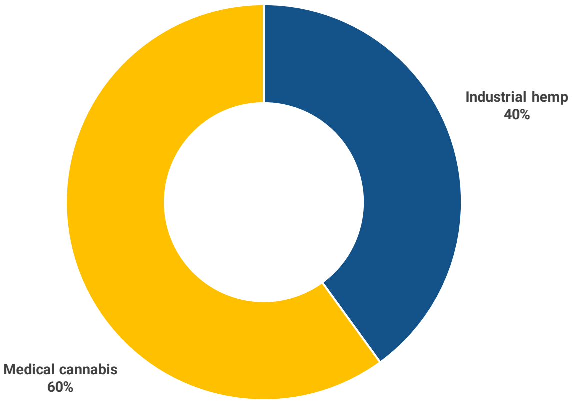
Investment case in six charts

Products & Services

Regional sales split in %

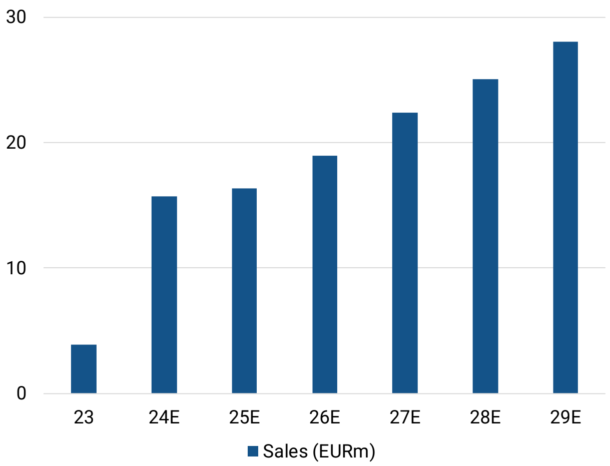


Segmental breakdown in % FY25E

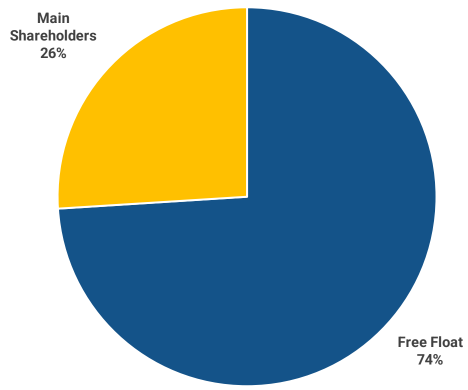


Business Sector & Holdings

Expected sales development



Major Shareholders



Source: Company data, mwb research

Company background

SYNBIOTIC – in a nutshell

SYNBIOTIC SE is a leading German listed company focusing on hemp, cannabis and cannabinoids (e.g. THC and CBD). The company is pursuing a pan-European buy and build strategy and plans to become a leading platform for R&D, production and distribution of hemp and cannabis products. This includes cannabis, pharmaceuticals, cosmetics, food, nutrition and supplements as well as lifestyle products. SYNBIOTIC is based in Germany and has entered Austria and Croatia with recent acquisitions.

SYNBIOTIC's broad and complementary product portfolio: The Cannabis Company

SYNBIOTIC has positioned itself broadly through its buy-and-build strategy. Through its various subsidiaries, the company is a leading player in the hemp and cannabis markets, which are further subdivided into the recreational and medical markets. As one of the few cannabis companies in Europe, SYNBIOTIC stands out from the competition and offers investors the opportunity to participate in the attractive potential of a growing market in Europe.

Management

Following the acquisition of the Hempro International consortium from Daniel Kruse in December 2021. Daniel Kruse has three decades of experience in the hemp and cannabis market and has been instrumental in shaping the market in Germany. He is known as a pioneer, expert, and shaper of this industry.

Since 2002, Kruse has founded Hempro International GmbH, Hemp Factory GmbH, MH medical hemp GmbH, Hanf Farm GmbH and HempConsult GmbH. Today, all companies are part of SYNBIOTIC. Kruse has been a board member of the European Industrial Hemp Association (EIHA) since 2013 and was elected president in 2019. He is also Vice President of the Federation of International Hemp Organizations (FIHO).

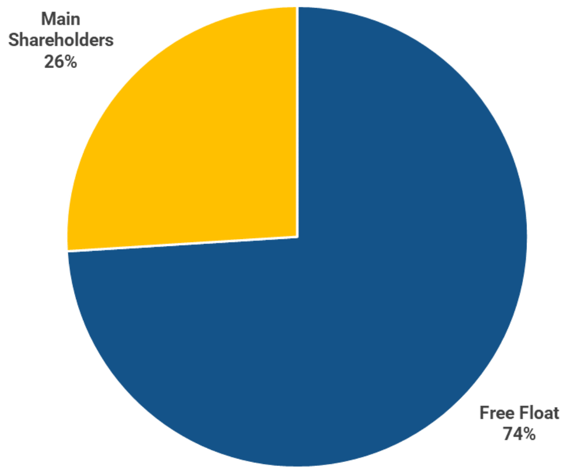
Daniel Kruse
CEO since 09/2023

Source: Company data; mwb research

Shareholders

The current shareholder structure looks as follows.

Sales contribution by business sector



Source: Company data; mwb research

SWOT analysis

Strengths

- Diversified business model in key market sectors offers diversification of sales streams
- Experienced management team
- Barriers to entry high due to know-how-needs and complex process engineering/ R&D
- Platform/ business model offers synergies (e.g., R&D, sourcing, distribution)
- Pioneer in German and European market for cannabis-based products
- Lean organizational structure
- Patents, IP and process know-how protect business activities

Weaknesses

- Limited control over external input costs and limited pricing power
- M&A leads to weak balance sheet structure given high goodwill
- Low level of interim reporting, but to be improved
- Several capital measures expected to finance growth
- Research and development can lead to high ongoing costs

Opportunities

- Increased public acceptance of cannabis-based products
- Structurally growing market provides above-average growth potential
- Rising demand for natural and plant-based remedies can strengthen market position.
- Expansion into further European markets – e.g., Bushdoctor in Austria or Ilesol Pharmaceuticals in Croatia

Threats

- (Partial) reversal or changes of the liberalization of cannabis-based products as the CDU is aiming to revise the legalization
- Advertising for hemp and cannabis still prohibited
- Rather competitive market environment with several other German players (e.g., Dermapharm, Cantourage, Cannovum, Sanity Group)
- Canadian competitors, as the market leaders, could further enhance their market dominance in Europe (e.g., Aurora Cannabis, Canopy Growth, Tilray)
- New entrants expected due to overall growth potential
- Executions risk regarding M&A driven expansion
- Economic downturns or uncertainties can affect consumer spending

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Valuation

DCF Model

The DCF model results in a **fair value of EUR 7.03 per share**:

Top-line growth: We expect SYNBIOTIC SE to grow revenues at a CAGR of 10.9% between 2024E and 2031E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from -9.4% in 2025E to 13.2% in 2031E.

WACC. Starting point is a historical equity beta of 1.50. Unlevering and correcting for mean reversion yields an asset beta of 1.18. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 16.5%. With pre-tax cost of borrowing at 5.0%, a tax rate of 30.0% and target debt/equity of 1.5 this results in a long-term WACC of 8.7%.

DCF (EURm) (except per share data and beta)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal value
NOPAT	-2.9	-1.9	-0.6	0.4	1.9	2.9	3.6	3.8	
Depreciation & amortization	0.7	0.6	0.6	0.6	0.5	0.5	0.5	0.5	
Change in working capital	-0.3	-1.0	-0.9	0.5	-0.2	0.2	0.2	0.1	
Chg. in long-term provisions	-0.0	-3.7	-0.9	0.5	0.5	0.9	0.6	0.3	
Capex	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	
Cash flow	-2.7	-6.2	-2.0	1.7	2.4	4.2	4.6	4.4	66.9
Present value	-2.9	-6.1	-1.8	1.4	1.8	2.9	2.8	2.5	39.8
WACC	9.7%	9.7%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	8.7%

DCF per share derived from	
Total present value	40.6
Mid-year adj. total present value	42.5
Net debt / cash at start of year	3.6
Financial assets	0.5
Provisions and off b/s debt	na
Equity value	39.4
No. of shares outstanding	5.6
Discounted cash flow / share	**7.03**
upside/(downside)	**158.8%**
Share price	**2.71**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2024E-2031E)	10.9%
Terminal value growth (2031E - infinity)	2.0%
Terminal year ROCE	13.2%
Terminal year WACC	8.7%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	30.0%
Equity beta	1.50
Unlevered beta (industry or company)	1.18
Target debt / equity	1.5
Relevered beta	2.41
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	16.5%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth 1.0%	1.5%	2.0%	2.5%	3.0%
2.0%	4.0	4.3	4.6	4.9	5.3
1.0%	4.9	5.2	5.6	6.1	6.6
0.0%	6.0	6.5	7.0	7.7	8.4
-1.0%	7.4	8.1	8.9	9.8	11.0
-2.0%	9.4	10.4	11.6	13.0	14.9

Share of present value	
2024E-2027E	-22.9%
2028E-2031E	24.8%
terminal value	98.2%

Source: mwb research

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 -7.32 per share based on 2024E and EUR 3.81 per share on 2028E estimates.

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	2024E	2025E	2026E	2027E	2028E
EBITDA	**-2.5**	**-1.5**	**-0.1**	**1.0**	**2.6**
- Maintenance capex	0.5	0.4	0.4	0.4	0.4
- Minorities	-0.2	-0.2	-0.1	0.0	0.2
- tax expenses	-0.0	-0.0	-0.0	0.0	0.0
= Adjusted FCF	**-2.7**	**-1.7**	**-0.4**	**0.6**	**2.0**
Actual Market Cap	**15.2**	**15.2**	**15.2**	**15.2**	**15.2**
+ Net debt (cash)	2.8	9.5	11.8	10.4	8.1
+ 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	0.5	0.5	0.5	0.5	0.5
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
EV Reconciliations	2.3	9.0	11.3	9.9	7.6
= Actual EV'	**17.5**	**24.2**	**26.5**	**25.1**	**22.8**
Adjusted FCF yield	**-15.5%**	**-7.0%**	**-1.5%**	**2.4%**	**8.9%**
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	**-38.7**	**-24.1**	**-5.8**	**8.7**	**29.0**
- EV Reconciliations	2.3	9.0	11.3	9.9	7.6
Fair Market Cap	**-41.0**	**-33.1**	**-17.1**	**-1.2**	**21.4**
No. of shares (million)	5.6	5.6	5.6	5.6	5.6
Fair value per share in EUR	**-7.32**	**-5.90**	**-3.06**	**-0.21**	**3.81**
Premium (-) / discount (+)	**-369.7%**	**-317.4%**	**-212.6%**	**-107.7%**	**40.4%**

Sensitivity analysis FV

	5.0%	-10.1	-7.6	-3.5	0.4	5.9
	6.0%	-8.5	-6.6	-3.2	0.1	4.7
Adjusted hurdle rate	**7.0%**	**-7.3**	**-5.9**	**-3.1**	**-0.2**	**3.8**
	8.0%	-6.5	-5.4	-2.9	-0.4	3.2
	9.0%	-5.8	-4.9	-2.8	-0.6	2.7

Source: Company data; mwb research

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. 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.**

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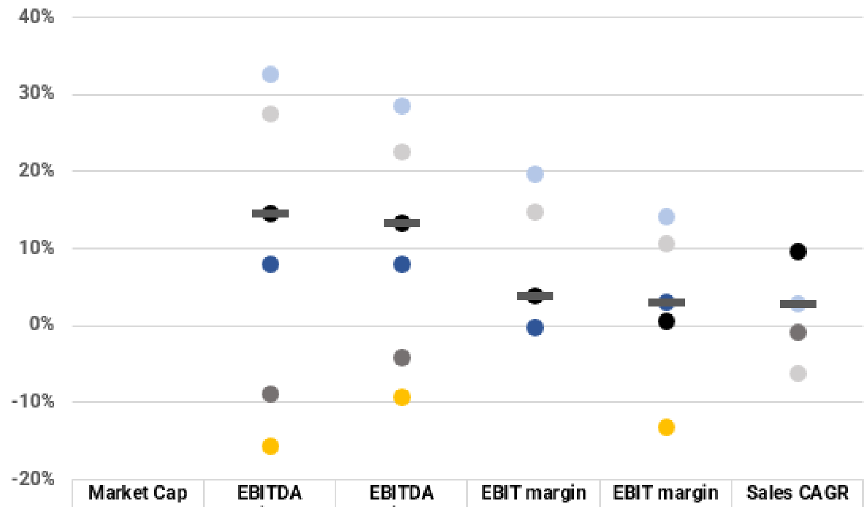
Peer group analysis

A peer group or comparable company ("comps") analysis is a methodology that calculates a company's relative value — how much it should be worth based on how it compares to other similar companies. Given that **SYNBIOTIC SE** differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a support for other valuation methods. The peer group of SYNBIOTIC SE consists of the stocks displayed n the below. As of 13 October 2025 the median market cap of the peer group was EUR 369.6m, compared to EUR 15.2m for SYNBIOTIC SE. In the period under review, the peer group was more profitable than SYNBIOTIC SE.

Peer Group – Key data

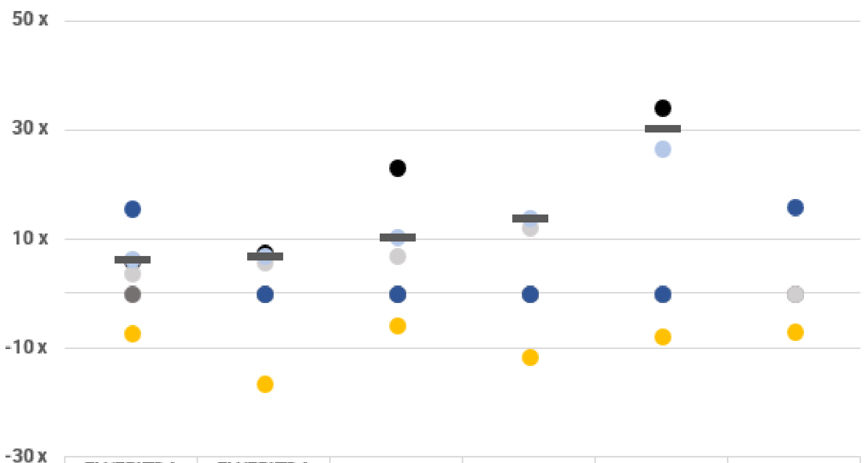


13-Oct-25	Market Cap (EURm)	EBITDA margin 2024	EBITDA margin 2025	EBIT margin 2024	EBIT margin 2025	Sales CAGR 2023-2026
● Aurora Cannabis Inc.	258	14,7%	13,4%	3,9%	0,7%	9,7%
● Canopy Growth Corporation	370	-8,8%	-4,1%	-44,3%	-24,8%	-0,7%
● Cresco Labs, Inc.	387	27,6%	22,7%	14,8%	10,8%	-6,0%
● Cantourage Group SE	37	8,0%	8,0%	-0,1%	3,2%	298,6%
● Green Thumb Industries Inc.	1.468	32,7%	28,7%	19,7%	14,3%	2,9%
● SYNBIOTIC SE	15	-15,7%	-9,1%	-20,1%	-13,0%	69,9%
– Peer Group Median	370	14,7%	13,4%	3,9%	3,2%	2,9%

Source: FactSet, mwb research

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2024, EV/EBITDA 2025, EV/EBIT 2024, EV/EBIT 2025, P/E 2024 and P/E 2025. Applying these to SYNBIOTIC SE results in a range of fair values from EUR na to EUR -2.31.

Peer Group – Multiples and valuation



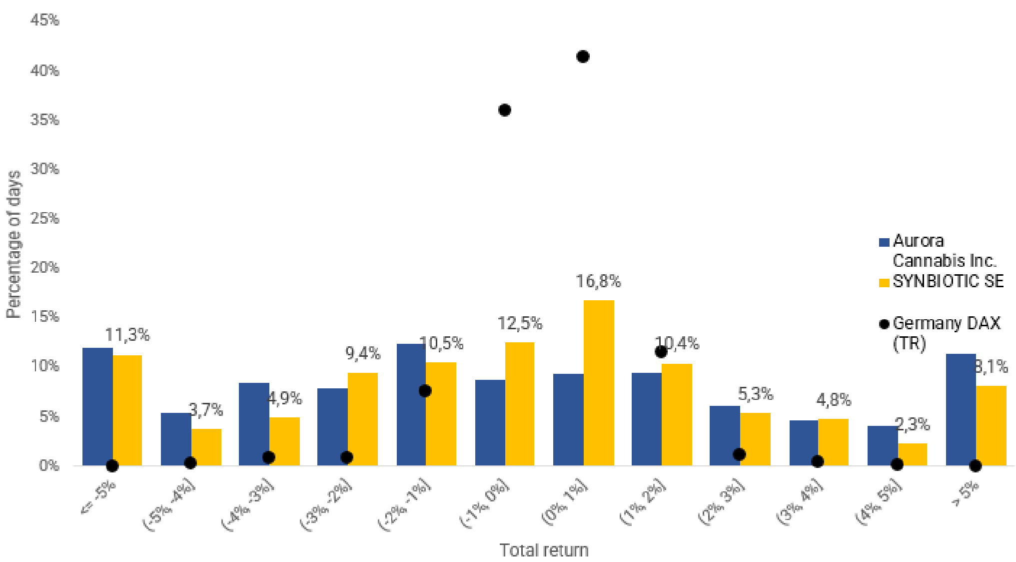
13-Oct-25	EV/EBITDA 2024	EV/EBITDA 2025	EV/EBIT 2024	EV/EBIT 2025	P/E 2024	P/E 2025
● Aurora Cannabis Inc.	6,1x	7,4x	23,0x	138,0x	34,0x	1235,0x
● Canopy Growth Corporation	0,0x	0,0x	0,0x	0,0x	0,0x	0,0x
● Cresco Labs, Inc.	3,6x	5,7x	6,8x	12,0x	0,0x	0,0x
● Cantourage Group SE	15,5x	0,0x	0,0x	0,0x	0,0x	15,8x
● Green Thumb Industries Inc.	6,3x	6,8x	10,4x	13,7x	26,5x	83,0x
● SYNBIOTIC SE	-7,3x	-16,6x	-5,7x	-11,6x	-7,7x	-7,0x
– Peer Group Median	6,2x	6,8x	10,4x	13,7x	30,3x	83,0x
Fair Value (EUR)	-3,23	-2,31	-6,36	-5,70	-10,61	-32,24

Source: FactSet, mwb research

Risk

The chart displays the distribution of daily returns of SYNBIOTIC SE over the last 3 years, compared to the same distribution for Aurora Cannabis Inc.. We have also included the distribution for the index Germany DAX (TR). The distribution gives a better understanding of risk than measures like volatility, which assume that log returns are normally distributed. In reality, they are skewed (down moves are larger) and have fat tails (large moves occur more often than predicted). Also, volatility treats up and down moves the same, while investors are more worried about down moves. For SYNBIOTIC SE, the worst day during the past 3 years was 28/02/2024 with a share price decline of -22.7%. The best day was 15/01/2024 when the share price increased by 37.3%.

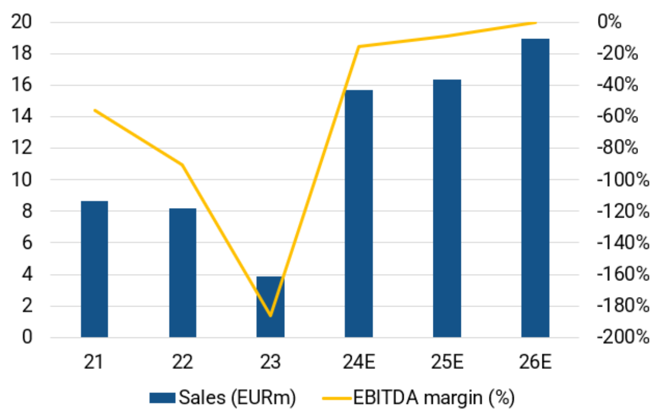
Risk – Daily Returns Distribution (trailing 3 years)



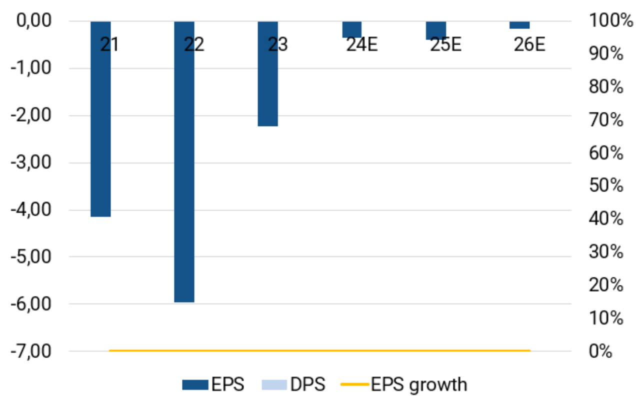
Source: FactSet, mwb research

Financials in six charts

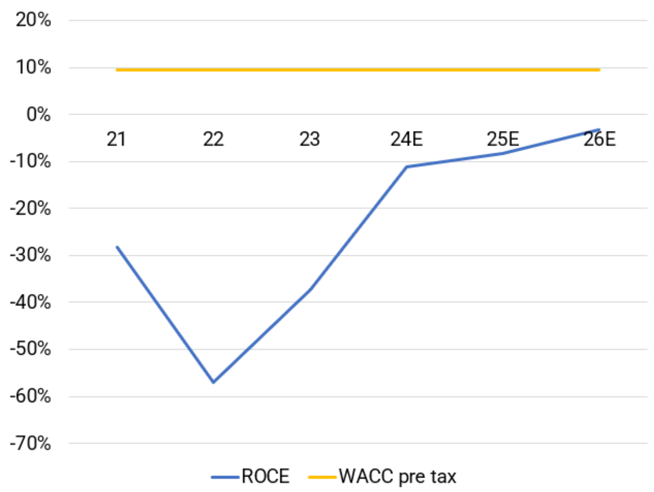
Sales vs. EBITDA margin development



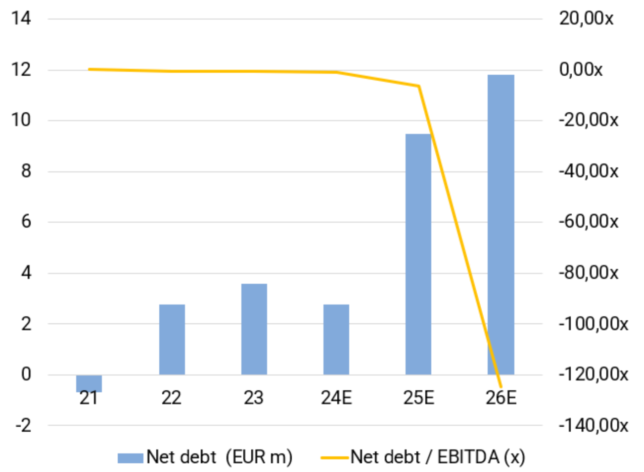
EPS, DPS in EUR & yoy EPS growth



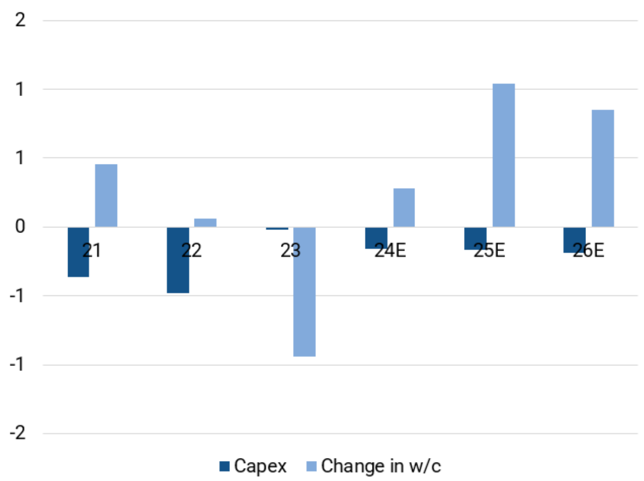
ROCE vs. WACC (pre tax)



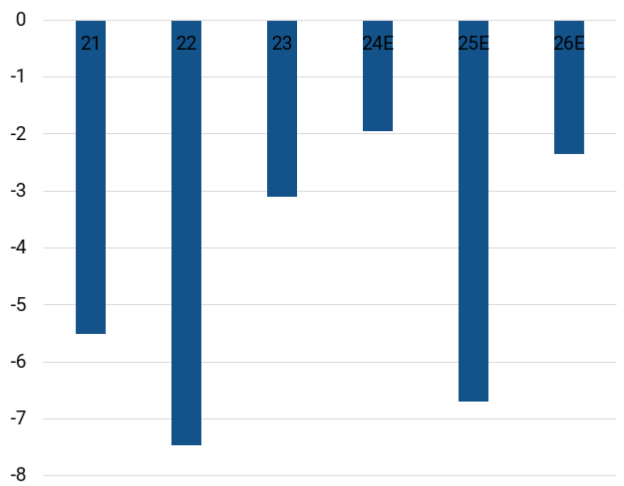
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

Profit and loss (EURm)	2022	2023	2024E	2025E	2026E	2027E
Net sales	**8.2**	**3.9**	**15.7**	**16.3**	**18.9**	**22.4**
Sales growth	-5.6%	-52.7%	306.8%	4.0%	15.9%	18.1%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	**8.2**	**3.9**	**15.7**	**16.3**	**18.9**	**22.4**
Material expenses	4.6	2.4	8.7	8.3	9.3	10.7
Gross profit	**3.6**	**1.5**	**7.0**	**8.1**	**9.7**	**11.6**
Other operating income	0.5	0.2	0.1	0.1	0.1	0.1
Personnel expenses	4.7	2.1	3.6	3.3	3.6	4.2
Other operating expenses	6.8	6.8	6.0	6.4	6.2	6.5
EBITDA	**-7.4**	**-7.2**	**-2.5**	**-1.5**	**-0.1**	**1.0**
Depreciation	1.6	1.1	0.5	0.4	0.4	0.4
EBITA	-9.0	-8.3	-2.9	-1.9	-0.5	0.6
Amortisation of goodwill and intangible assets	16.9	3.5	0.2	0.2	0.2	0.2
EBIT	**-25.9**	**-11.7**	**-3.2**	**-2.1**	**-0.7**	**0.5**
Financial result	-0.3	-0.1	-0.3	-0.3	-0.3	-0.3
Recurring pretax income from continuing operations	-26.2	-11.9	-3.5	-2.4	-1.0	0.2
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-26.2	-11.9	-3.5	-2.4	-1.0	0.2
Taxes	-0.2	-0.1	-0.0	-0.0	-0.0	0.0
Net income from continuing operations	-26.0	-11.7	-3.5	-2.4	-1.0	0.2
Result from discontinued operations (net of tax)	0.0	0.0	1.3	0.0	0.0	0.0
Net income	**-26.0**	**-11.7**	**-2.2**	**-2.4**	**-1.0**	**0.2**
Minority interest	1.6	1.1	0.2	0.2	0.1	-0.0
Net profit (reported)	-24.4	-10.6	-2.0	-2.2	-0.9	0.1
Average number of shares	4.08	4.75	5.60	5.60	5.60	5.60
EPS reported	**-5.97**	**-2.24**	**-0.35**	**-0.39**	**-0.16**	**0.02**

Profit and loss (common size)	2022	2023	2024E	2025E	2026E	2027E
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	56%	61%	55%	51%	49%	48%
Gross profit	**44%**	**39%**	**45%**	**49%**	**51%**	**52%**
Other operating income	6%	6%	1%	1%	1%	1%
Personnel expenses	58%	56%	23%	20%	19%	19%
Other operating expenses	83%	175%	38%	39%	33%	29%
EBITDA	**-91%**	**-186%**	**-16%**	**-9%**	**-1%**	**5%**
Depreciation	20%	28%	3%	3%	2%	2%
EBITA	-110%	-215%	-19%	-12%	-3%	3%
Amortisation of goodwill and intangible assets	207%	89%	1%	1%	1%	1%
EBIT	**-317%**	**-304%**	**-20%**	**-13%**	**-4%**	**2%**
Financial result	-3%	-3%	-2%	-2%	-2%	-1%
Recurring pretax income from continuing operations	-321%	-307%	-22%	-15%	-5%	1%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-321%	-307%	-22%	-15%	-5%	1%
Taxes	-2%	-3%	-0%	-0%	-0%	0%
Net income from continuing operations	-318%	-304%	-22%	-15%	-5%	1%
Result from discontinued operations (net of tax)	0%	0%	8%	0%	0%	0%
Net income	**-318%**	**-304%**	**-14%**	**-15%**	**-5%**	**1%**
Minority interest	20%	29%	1%	1%	0%	-0%
Net profit (reported)	**-298%**	**-275%**	**-12%**	**-13%**	**-5%**	**1%**

Source: Company data; mwb research

Balance sheet (EURm)	2022	2023	2024E	2025E	2026E	2027E
Intangible assets (exl. Goodwill)	**0.7**	**2.0**	**1.9**	**1.8**	**1.7**	**1.7**
Goodwill	26.3	20.9	20.9	20.9	20.9	20.9
Property, plant and equipment	5.4	4.9	4.5	4.1	3.8	3.5
Financial assets	0.2	0.5	0.5	0.5	0.5	0.5
FIXED ASSETS	**32.6**	**28.3**	**27.8**	**27.3**	**26.9**	**26.6**
Inventories	3.3	2.8	2.4	2.0	2.2	2.4
Accounts receivable	0.3	0.5	0.6	0.7	0.8	0.9
Other current assets	0.2	3.1	3.1	3.1	3.1	3.1
Liquid assets	1.0	0.1	1.3	-5.4	-9.0	-7.9
Deferred taxes	0.0	0.1	0.1	0.1	0.1	0.1
Deferred charges and prepaid expenses	3.2	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	**8.0**	**6.6**	**7.5**	**0.5**	**-2.9**	**-1.4**
TOTAL ASSETS	**40.6**	**34.9**	**35.3**	**27.9**	**24.0**	**25.2**
SHAREHOLDERS EQUITY	**22.6**	**15.8**	**16.4**	**14.0**	**13.0**	**13.2**
MINORITY INTEREST	0.2	-0.5	-0.5	-0.5	-0.5	-0.5
Long-term debt	3.1	2.9	2.8	2.6	2.0	2.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	8.9	8.7	8.6	4.9	4.0	4.5
Non-current liabilities	**12.0**	**11.6**	**11.5**	**7.5**	**6.0**	**6.5**
short-term liabilities to banks	0.7	0.8	1.2	1.5	0.8	0.5
Accounts payable	2.0	2.4	2.7	2.0	2.0	2.4
Advance payments received on orders	0.1	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	3.0	4.9	3.9	3.3	2.7	3.1
Deferred taxes	0.1	0.0	0.0	0.0	0.0	0.0
Deferred income	0.1	0.0	0.0	0.0	0.0	0.0
Current liabilities	**5.9**	**8.0**	**7.9**	**6.8**	**5.5**	**6.0**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**40.6**	**34.9**	**35.3**	**27.9**	**24.0**	**25.2**

Balance sheet (common size)	2022	2023	2024E	2025E	2026E	2027E
Intangible assets (excl. Goodwill)	**2%**	**6%**	**5%**	**6%**	**7%**	**7%**
Goodwill	65%	60%	59%	75%	87%	83%
Property, plant and equipment	13%	14%	13%	15%	16%	14%
Financial assets	0%	1%	1%	2%	2%	2%
FIXED ASSETS	**80%**	**81%**	**79%**	**98%**	**112%**	**106%**
Inventories	8%	8%	7%	7%	9%	9%
Accounts receivable	1%	1%	2%	2%	3%	4%
Other current assets	0%	9%	9%	11%	13%	12%
Liquid assets	2%	0%	4%	-19%	-38%	-31%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	8%	0%	0%	0%	0%	0%
CURRENT ASSETS	**20%**	**19%**	**21%**	**2%**	**-12%**	**-6%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**56%**	**45%**	**47%**	**50%**	**54%**	**52%**
MINORITY INTEREST	0%	-1%	-1%	-2%	-2%	-2%
Long-term debt	8%	8%	8%	9%	8%	8%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	22%	25%	24%	18%	17%	18%
Non-current liabilities	**29%**	**33%**	**33%**	**27%**	**25%**	**26%**
short-term liabilities to banks	2%	2%	3%	5%	3%	2%
Accounts payable	5%	7%	8%	7%	8%	9%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	7%	14%	11%	12%	11%	12%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	**14%**	**23%**	**22%**	**24%**	**23%**	**24%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

Cash flow statement (EURm)	2022	2023	2024E	2025E	2026E	2027E
Net profit/loss	-26.0	-11.7	-2.2	-2.4	-1.0	0.2
Depreciation of fixed assets (incl. leases)	18.5	0.5	0.5	0.4	0.4	0.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.6	0.2	0.2	0.2	0.2
Others	0.6	6.6	-0.0	-3.7	-0.9	0.5
Cash flow from operations before changes in w/c	-6.9	-4.0	-1.5	-5.5	-1.3	1.2
Increase/decrease in inventory	0.0	0.0	0.5	0.3	-0.1	-0.2
Increase/decrease in accounts receivable	0.0	0.0	-0.2	-0.0	-0.1	-0.1
Increase/decrease in accounts payable	0.0	0.3	0.4	-0.7	-0.0	0.3
Increase/decrease in other w/c positions	-0.1	0.6	-0.9	-0.7	-0.6	0.5
Increase/decrease in working capital	-0.1	0.9	-0.3	-1.0	-0.9	0.5
Cash flow from operating activities	**-7.0**	**-3.1**	**-1.8**	**-6.5**	**-2.2**	**1.7**
CAPEX	-0.5	-0.0	-0.2	-0.2	-0.2	-0.2
Payments for acquisitions	0.0	0.0	-2.7	0.0	0.0	0.0
Financial investments	0.3	-0.7	0.0	0.0	0.0	0.0
Income from asset disposals	0.1	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	**-0.1**	**-0.7**	**-2.9**	**-0.2**	**-0.2**	**-0.2**
Cash flow before financing	-7.1	-3.8	-4.7	-6.7	-2.3	1.4
Increase/decrease in debt position	0.8	-0.2	0.4	0.1	-1.3	-0.3
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	4.2	3.2	2.7	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.2	0.0	2.8	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	**4.8**	**2.9**	**5.8**	**0.1**	**-1.3**	**-0.3**
Increase/decrease in liquid assets	-2.2	-0.9	1.2	-6.6	-3.6	1.1
Liquid assets at end of period	**1.0**	**0.1**	**1.3**	**-5.4**	**-9.0**	**-7.9**

Source: Company data; mwb research

Regional sales split (EURm)	2022	2023	2024E	2025E	2026E	2027E
Domestic	7.0	2.3	9.4	9.8	11.4	13.4
Europe (ex domestic)	1.6	1.5	6.3	6.5	7.6	8.9
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	**8.2**	**3.9**	**15.7**	**16.3**	**18.9**	**22.4**

Regional sales split (common size)	2022	2023	2024E	2025E	2026E	2027E
Domestic	85.7%	60.0%	60.0%	60.0%	60.0%	60.0%
Europe (ex domestic)	19.3%	40.0%	40.0%	40.0%	40.0%	40.0%
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; mwb research

Ratios	2022	2023	2024E	2025E	2026E	2027E
Per share data						
Earnings per share reported	-5.97	-2.24	-0.35	-0.39	-0.16	0.02
Cash flow per share	-1.71	-0.65	-0.41	-1.25	-0.46	0.23
Book value per share	5.54	3.32	2.93	2.50	2.33	2.36
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-0.5x	-1.2x	-7.7x	-7.0x	-17.2x	109.1x
P/CF	-1.6x	-4.2x	-6.6x	-2.2x	-5.9x	11.8x
P/BV	0.5x	0.8x	0.9x	1.1x	1.2x	1.2x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-63.1%	-23.9%	-15.0%	-46.0%	-16.9%	8.5%
EV/Sales	2.2x	4.9x	1.1x	1.5x	1.4x	1.1x
EV/EBITDA	-2.4x	-2.6x	-7.3x	-16.6x	-285.4x	25.4x
EV/EBIT	-0.7x	-1.6x	-5.7x	-11.6x	-39.4x	56.2x
Income statement (EURm)						
Sales	8.2	3.9	15.7	16.3	18.9	22.4
yoy chg in %	-5.6%	-52.7%	306.8%	4.0%	15.9%	18.1%
Gross profit	3.6	1.5	7.0	8.1	9.7	11.6
Gross margin in %	43.7%	39.0%	44.8%	49.4%	51.0%	52.0%
EBITDA	-7.4	-7.2	-2.5	-1.5	-0.1	1.0
EBITDA margin in %	-90.8%	-186.3%	-15.7%	-9.1%	-0.5%	4.5%
EBIT	-25.9	-11.7	-3.2	-2.1	-0.7	0.5
EBIT margin in %	-317.5%	-304.2%	-20.1%	-13.0%	-3.6%	2.0%
Net profit	-24.4	-10.6	-2.0	-2.2	-0.9	0.1
Cash flow statement (EURm)						
CF from operations	-7.0	-3.1	-1.8	-6.5	-2.2	1.7
Capex	-0.5	-0.0	-0.2	-0.2	-0.2	-0.2
Maintenance Capex	0.0	0.0	0.5	0.4	0.4	0.4
Free cash flow	-7.5	-3.1	-2.0	-6.7	-2.3	1.4
Balance sheet (EURm)						
Intangible assets	27.0	23.0	22.8	22.7	22.6	22.6
Tangible assets	5.4	4.9	4.5	4.1	3.8	3.5
Shareholders' equity	22.6	15.8	16.4	14.0	13.0	13.2
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	12.6	12.4	12.7	9.0	6.8	7.0
Net financial debt	2.8	3.6	2.8	9.5	11.8	10.4
w/c requirements	1.6	0.9	0.3	0.7	0.9	0.9
Ratios						
ROE	-115.1%	-74.3%	-13.2%	-17.1%	-7.5%	1.2%
ROCE	-73.2%	-42.4%	-11.0%	-9.4%	-3.5%	2.3%
Net gearing	12.3%	22.7%	16.8%	67.6%	90.6%	78.6%
Net debt / EBITDA	-0.4x	-0.5x	-1.1x	-6.4x	-124.8x	10.3x

Source: Company data; mwb research

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