

Recommendation: Buy

Price target: 38.00 BGN (previously: 37.00 BGN)

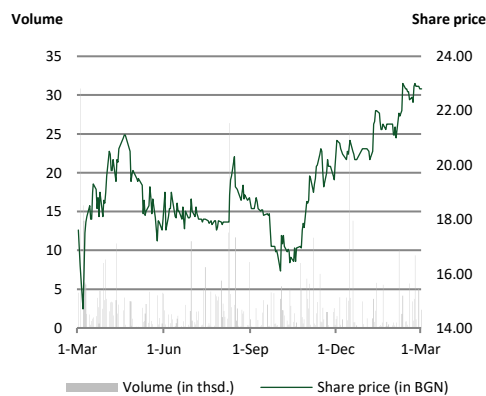
Upside potential: +67 percent

Share data

Share price	22.80 BGN
Number of shares (in m)	18.00
Market cap. (in BGN m)	410.4
Enterprise Value (in BGN m)	384.4
Code	BUL:A4L
ISIN	BG1100003166

Performance

52 week-high (in BGN)	23.00
52 week-low (in BGN)	14.00
3 M relative to CDAX	+5.3%
6 M relative to CDAX	+7.2%



Quelle: Capital IQ

Shareholder

Free float	35.0%
Dimitar Dimitrov	32.5%
Svetlin Todorov	32.5%

Calendar

Annual Report 2022 28 April 2023

Changes in estimates

	2023e	2024e	2025e
Sales (old)	129.0	172.0	218.0
Δ in %	-	-	-
EBIT (old)	31.6	42.1	54.5
Δ in %	-	-	-
EPS (old)	1.45	1.92	2.45
Δ in %	-	-	-

Analysts

Tim Kruse, CFA	Nils Scharwächter
+49 40 41111 37 84	+49 40 41111 37 86
t.kruse@montega.de	n.scharwaechter@montega.de

Publication

Comment 2nd March 2023

Company visit confirms investment case – Preliminary annual results in line with expectations

Recently we had the opportunity to visit the company’s warehouse in Sofia together with Dimitar Dimitrov, founder and co-CEO of Allterco. Moreover, the company yesterday has published preliminary consolidated full-year figures after the markets closed. Overall, they came in as expected. We are increasingly under the impression that Allterco is just at the beginning of a promising further development.

Full-year figures in line with expectations – Significantly positive free cash flow in Q4: The full-year results published today were more or less in line with our estimates. Sales of BGN 93.2m were slightly above the preliminary figure which had been posted in January (BGN 92.9m). EBIT of BGN 20.4m did not fully meet our expectation (BGN 21.3m), which is mainly due to a stronger than anticipated currency effect in Q4. Free cash flow was slightly negative for the full year as expected (BGN -0.12 per share vs. MONE BGN -0.11 per share). That said, the company achieved a significantly positive contribution in Q4 with an FCF of BGN 4.3m due to an improvement of the working capital ratio, which underpins our expectation of a solid FCF trend in the current financial year. Based on the 2022 numbers, we have slightly reduced our forecast for investments and slightly raised our FCF expectation for 2023 et seq. accordingly.

Well-stocked warehouse – Demand continues to be high: During our visit of the warehouse in Sofia, we got an impression of the well-stocked warehouse. However, it also empties rather quickly again according to management, as Allterco has seen a very strong start to 2023 and currently does not expect demand to fall. On the contrary: the sales structures established in 2022 and the continuing strong demand for energy management products ensure that top line momentum remains strong. For instance, Allterco has concluded framework agreements with several new key accounts in Northern Europe according to management. This is seen to boost sales in this region. The Shelly app which has been launched this week offers much more possibilities with regard to energy monitoring and energy management and is expected to continue to drive demand. Allterco also plans to introduce paid premium services in the app, which can be considered a first move towards the stronger monetarisation of the community.

Continued next page →

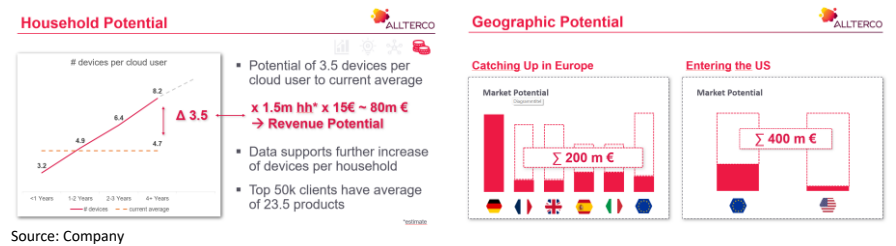
FYend: 31.12.	2021	2022	2023e	2024e	2025e
Sales	59.5	93.2	129.0	172.0	218.0
Growth yoy	28.4%	56.7%	38.4%	33.3%	26.7%
EBITDA	19.8	21.3	34.4	46.3	61.0
EBIT	18.7	20.4	31.6	42.1	54.5
Net income	16.0	17.4	26.2	34.5	44.1
Gross profit margin	55.1%	50.2%	49.0%	48.0%	47.0%
EBITDA margin	33.2%	22.9%	26.7%	26.9%	28.0%
EBIT margin	31.4%	21.9%	24.5%	24.5%	25.0%
Net Debt	-28.0	-24.0	-35.6	-52.5	-77.8
Net Debt/EBITDA	-1.4	-1.1	-1.0	-1.1	-1.3
ROCE	51.5%	44.1%	52.2%	58.3%	64.6%
EPS	0.89	0.97	1.45	1.92	2.45
FCF per share	0.36	-0.12	0.84	1.23	1.79
Dividend	0.20	0.19	0.29	0.38	0.49
Dividend yield	0.9%	0.8%	1.3%	1.7%	2.1%
EV/Sales	6.5	4.1	3.0	2.2	1.8
EV/EBITDA	19.4	18.0	11.2	8.3	6.3
EV/EBIT	20.5	18.8	12.2	9.1	7.1
PER	25.6	23.5	15.7	11.9	9.3
P/B	6.3	5.2	4.0	3.1	2.4

Source: Company data, Montega, Capital IQ

Figures in Lev (BGN) m, EPS in BGN / 1 BGN = 0.51129 EUR Price: 22.80 BGN

Further customer and market penetration provides for visible growth potential: The management has pointed out the mid-term growth potential in a company presentation (see figure below) at the HIT in February. Thanks to the users of the Shelly Cloud the company has a resilient database to determine the penetration of the customers in terms of time. The average user adds roughly two new Shelly devices each year. Based on some 1.5 million Shelly households, it can be concluded that the existing customers alone result in an annual sales potential of c. EUR 45m. What is more, Allterco is still far from achieving a comparable market penetration in the European countries as it has achieved in its core market Germany and the company is continuously generating new customers.

Excerpt from Allterco’s company presentation at the HIT



Conclusion: The impressions gained during the company visit and the presentation at the HIT have confirmed our expectation that Allterco is just at the beginning of an impressive growth story. The free cash flow development in Q4 makes us confident that the expected improvement in profitability should go hand in hand with a positive liquidity development. We therefore continue to view the stock as attractively valued in terms of visible growth with a 2023e FCF yield of 3.9% and confirm our buy recommendation with a slightly higher price target of BGN 38.00 (previously: BGN 37.00) based on our raised FCF forecast.

COMPANY BACKGROUND

Allterco is a joint stock company under Bulgarian law (JSCo) headquartered in Sofia, which is specialized in the development and distribution of products from the smart home sector. The company also distributes tracking products, but they rather play a minor financial role (revenue share: < 5%).

Allterco's reporting currency is lev (BGN). Bulgaria has planned to join the euro with effect of 1 January 2024. As the lev was tied to the Deutsche Mark for historical reasons (at a ratio of 1:1 since 1999), the lev to euro conversion rate corresponds to the DM at that time, namely 1 lev = 0.51129 euros and 1 euro = 1.95583 lev. This rate has been fixed by Bulgarian law and does not change.

Allterco's smart home products are sold under the „Shelly” brand. Alongside plug-and-play solutions and sensors, the portfolio mainly includes relays which are installed hidden behind the socket or switch, and which can be directly controlled via a Wi-Fi connection or Bluetooth. Allterco differs essentially from many other providers (Philips Hue, Tado or Fibaro amongst others), whose product often can only be controlled via a hub/bridge within their own ecosystem. Furthermore, the products can be combined with other smart home applications and are in the entry-level price segment with a starting price of less than EUR 20. In addition to smart home products, Allterco's product portfolio also includes smartwatches specifically for children as well as tracking devices, for instance for baggage, pets, or health care data.

Key Facts

Code	A4L	Revenue	93.2 BGN m / 47.7 EUR m
Sector	Technology	EBIT	20.2 BGN m / 10.4 EUR m
Employees	160	EBIT margin	21.9%
Core competence	Development, production as well as marketing of high-quality IoT products, especially in the field of Smart Home		
Locations	Headquarters Sofia (Bulgaria), other locations are in Munich (Germany) and Las Vegas (USA)		
Regions	DACH (35%), Southern Europe (25%), Northern Europe (14%), Rest of Europe (14%), RoW (12%)		

Source: Company

Status: 31.12.2022

Organizational structure

Allterco JSCO, which is based in Sofia, is the group's parent company. The holding includes five subsidiaries which are all fully consolidated and fully owned by Allterco JSCO. The companies are in Bulgaria, Germany, and the USA. Overall, Allterco has c. 160 employees (at the end of FY 2022), 45% of which are working in the technology area, 20% in sales & support, 15% in logistics and 20% in the remaining areas.



Source: Company

Major events in the company's history

- 2003** Foundation of Teracomm Ltd. in the field of telecommunications services
- 2012** Foundation of today's Allterco JSCO holding company with the intention to bundle the structure
- 2013** Development of "Shelly", the first home automation device
- 2015** Reorganization of the company and focus on IoT sector
- 2016** IPO at the Bulgarian BVB stock exchange
- 2018** Establishment and expansion of Shelly and MyKi products with international distribution
- 2019** Sale of the European telco business and exclusive focus on smart home and tracking products
- 2019** Expansion in the USA
- 2020** Capital increase for growth financing and increase in trading liquidity (gross emission proceeds: BGN 9.2m)
- 2021** Additional listing at the Frankfurt Stock Exchange
- 2021** Disposal of non-relevant subsidiaries in Asia from a strategic point of view
- 2023** Acquisition of Slovenian IoT provider GOAP d.o.o.

Products

Allterco's product portfolio spans from various smart home products and smartwatches specifically for children to monitoring and tracking products. Smart home products account for the lion's share (> 95%) of Allterco's revenues and thus are at the center of the company's equity story.

Selection of smart home products from the shelly brand



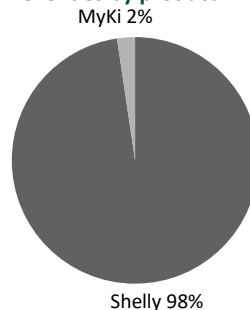
Source: Company

Allterco's smart home products are sold and distributed under the "Shelly" brand. Relays build the basis of these products. They allow for remote control of lights, electric devices, or sensors. These relays are connected to the power supply behind a socket or a switch and can be controlled through Wi-Fi via the Shelly app or one of many different providers from the IoT sector (Amazon Alexa, Google Home, SmartThings, Home Assistant etc.) entirely without additional hub. Besides controlling the devices in case of need, Shelly also allows for establishing routines (e.g. retracting the awning in the event of storm warnings) and monitoring energy consumption. Because of the Wi-Fi standard used, the relays can be combined with other smart home devices with Wi-Fi standard without any problems.

In addition to the traditional relays, which people can easily install in their own home, the Shelly brand also offers products within their **Pro line** for an installation in the fuse box. The Pro products can be controlled both via Wi-Fi and LAN and thus are more secure and reliable. Consequently, the Shelly Pro line is often also installed in office buildings, retail stores or production sites. We believe it is also of major interest for B2B customers (such as electricians). Allterco’s **Plus line** introduced a new generation of Shelly relays, which are characterized by newer technology (processor, W-Fi and Bluetooth module) and a slightly smaller design.

Alongside the relays, which are not visible after their installation, Allterco also offers various **plug-and-play** products. The assortment includes the Shelly Plug (WiFi socket), the Shelly Bulb (smart bulb), the Shelly Button (programmable Wi-Fi button) and the Shelly TRV (WiFi heating thermostat). Additionally, the Shelly product portfolio provides various **detectors and sensors** (motion detectors, temperature and humidity sensors, smoke detectors as well as door and window sensors).

Revenues by product line



Source: Company

Smartwatch and tracking products from Allterco



Source: Company

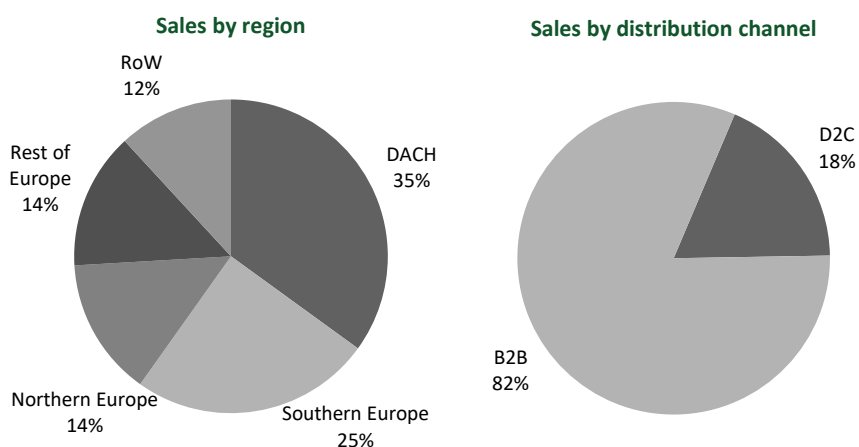
Smartwatch and tracking products of the **MyKi** brand play a subordinate role in our view (revenue share: < 5%). The product portfolio is composed of **smartwatches** specifically designed for children. Primarily, these are watches equipped with a nano sim card and different localization technologies (Wi-Fi, GPS, AGPS, LBS) so that parents can locate and call their children at any time. Children, in turn, can call contacts that were defined by their parents. The **tracking device spot** is another MyKi product. It enables tracking of baggage or pets, for instance, with the help of a micro sim card and the localization technologies above. Additionally, an SOS function (panic button) is programmable here as well.

Most of Allterco’s products are developed in Sofia. The key parts of the raw materials – most notably chips – are procured by Allterco itself and made available to the suppliers in Asia. Procurement is almost exclusively done in China among a couple of core suppliers (Top 5 suppliers > 90% of material expenses). Allterco always strives to be the largest customer of every supplier to have a good bargaining position. As the products have a very low pack size, they are shipped by air and sea freight. The share of sea freight is planned to be significantly increased to continue to lower ancillary costs of procurement.

Markets and sales

The company does not provide segment reporting pursuant to IFRS 8 so far. The 2022 Annual Report is based on a regional segment analysis as primary segment.

Allterco generates the largest portion of revenues in the DACH region (35%) and in South Europe (25%). The North European market ranks third with only 14% but the company wants to expand this share over the next few years. The rest of Europe and the rest of the world (RoW) account for another 14% and 12% respectively. Allterco still sees significant growth potential in all the regions. There are currently no regional sales teams except for the DACH region. It is planned to establish teams in the European core regions over the next few quarters. The North American market is a key growth region in the RoW sector, which has hardly been developed so far. According to the company, inorganic growth may also be an option here to accelerate the development of the market.



Source: Company

Just under 20% of the products are currently distributed through the Shelly and MyKi websites (D2C online). The company wants to significantly professionalize D2C sales over the next few quarters. As a start, the web shops will be relaunched in all relevant languages. In parallel, however, Allterco also pushes ahead the backend processes for faster delivery times as well as the SEO and SEA optimization.

The B2B sector includes all sales to commercial customers. Most of them resell the products via online channels such as Amazon. At present, Amazon Germany is exclusively addressed by partners. Allterco assumes that only some 10% of B2B revenue are currently generated with electricians. Professional providers likewise hold significant growth potential. For instance, Allterco is currently negotiating with a major electrical wholesaler for a listing of the Shelly products.

ESG positioning

In line with Allterco’s product portfolio, which includes a broad variety of products for energy metering and energy conservation, the company also pursues ambitious ESG goals. Amongst others, this includes the conversion to 100% renewable energy and the reduction of energy consumption by 70% by 2030 at the latest. Furthermore, Allterco aims to establish more diversity at management level and to provide a concerted work-life balance for the employees. The table below summarizes the ESG goals of Allterco.

ESG objective of Allterco

The infographic is divided into three main columns: Ecological, Social, and Governance. Each column has a header with a circular icon and a descriptive subtitle. Below each header are three specific objectives, each with an icon and a brief description.

Ecological	Social	Governance
<i>Developing a sustainable future</i>	<i>Connecting communities across the globe</i>	<i>Guiding the industry through early adoption</i>
Enabling On target to reduce company energy consumption latest by 70% by 2030	Communities Committed to a sustainable environment for the communities we serve	Diverse Leadership Committed to a diverse leadership & supervisory board
Sustainability On Track to shift internal Products & Services to sustainable alternatives latest by 2030	Employees & Neighbors Engaged as employees & neighbors, actively working together to benefit our community	Empowering Delivering results while empowering employees to make key decisions
100% renewables In-line with company commitment to have a net zero carbon footprint latest by 2030	Outreach Actively communicating to benefit our community & environment	Enabling Balance Flexible employee workplaces

Source: Company

Management

Allterco JSCO has a one-tier governance model with an executive and non-executive board structure. Dimitar Dimitrov and Wolfgang Kirsch are executive board members responsible for the company's operational management.



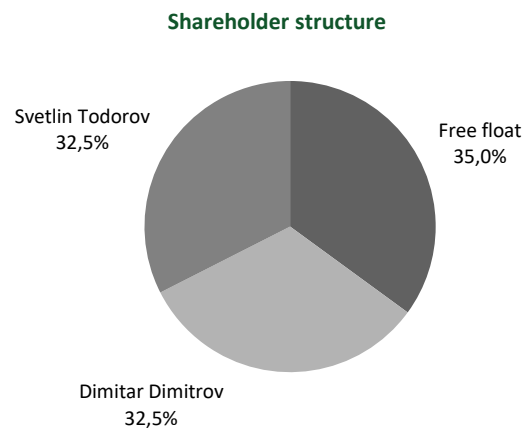
Dimitar Dimitrov is the founder of Allterco, CEO of the Bulgarian holding company, and one of the biggest individual shareholders with a stake of some 33%. In addition to administrative topics at group level, Mr. Dimitrov is primarily responsible for R&D. Mr. Dimitrov had already established other IT companies before, such as a software company for 8- and 16-bit computers and a television channel (REAL TV) as well as IT magazines such as PC Review, Computers, and GSM Review.



Wolfgang Kirsch has been the CEO of Allterco Europe since end-2021 and is primarily focused on the expansion of the European business. Prior to this, Mr. Kirsch had been active in the retail business for over 25 years. He held the position of Chief Operating Officer (COO) at the MediaMarktSaturn retail group. Following his job at MediaMarktSaturn, Mr. Kirsch worked as an external consultant of McKinsey & Company and of private equity companies and was involved in various projects related to the digital transformation of international conglomerates and midsize companies.

Shareholder structure

The shares of Allterco JSCo are traded on the regulated market of the Frankfurt Stock Exchange. The share capital is divided in 17,999,999 ordinary shares. Board member Dimitar Dimitrov and co-founder Svetlin Todorov are the largest individual shareholders with a stake of 33% each. The stakes of the other shareholders are below the 3% threshold and are therefore included in the free float (35%).



Source: Company

APPENDIX

DCF Model

Figures (in Lev m)	2023e	2024e	2025e	2026e	2027e	2028e	2029e	Terminal Value
Sales	129.0	172.0	218.0	270.0	337.5	388.1	426.9	437.6
<i>Change yoy</i>	38.4%	33.3%	26.7%	23.9%	25.0%	15.0%	10.0%	2.5%
EBIT	31.6	42.1	54.5	67.5	84.4	91.2	93.9	87.5
<i>EBIT margin</i>	24.5%	24.5%	25.0%	25.0%	25.0%	23.5%	22.0%	20.0%
NOPAT	26.2	34.6	44.1	54.0	67.5	73.0	75.1	71.8
Depreciation	2.8	4.1	6.5	9.7	10.1	10.5	10.4	10.6
<i>in % of Sales</i>	2.2%	2.4%	3.0%	3.6%	3.0%	2.7%	2.4%	2.4%
Change in Liquidity from								
- Working Capital	-11.0	-12.5	-13.4	-19.3	-10.9	-12.8	-3.9	-1.0
- Capex	-3.0	-4.0	-5.0	-4.9	-13.5	-11.6	-10.7	-10.9
<i>Capex in % of Sales</i>	2.3%	2.3%	2.3%	1.8%	4.0%	3.0%	2.5%	2.5%
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow (WACC model)	15.1	22.2	32.3	39.6	53.6	59.3	71.2	70.5
WACC	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%
Present value	13.9	18.6	24.7	27.6	34.1	34.4	37.7	475.9
Total present value	13.9	32.5	57.2	84.7	118.8	153.2	190.9	666.8

Valuation

Total present value (Tpv)	666.8
Terminal Value	475.9
Share of TV on Tpv	71%
Liabilities	4.1
Liquidity	28.2
Equity value	690.9

Growth: sales and margin

Short term: Sales growth	2023-2026	27.9%
Mid term: Sales growth	2023-2029	22.1%
Long term: Sales growth	from 2030	2.5%
EBIT-margin	2023-2026	24.8%
EBIT-margin	2023-2029	24.2%
Long term: EBIT margin	from 2030	20.0%

Number of shares (mln)	18.00
Value per share (EUR)	38.38
+Upside / -Downside	68%
Share price	22.80
Model parameter	
Debt ratio	25.0%
Costs of Debt	7.0%
Market return	9.0%
Risk free rate	2.50%

Sensitivity Value per Share (Lev)

WACC	Terminal Growth				
	1.75%	2.25%	2.50%	2.75%	3.25%
10.15%	33.44	34.81	35.57	36.37	38.16
9.90%	34.61	36.10	36.92	37.80	39.76
9.65%	35.87	37.49	38.38	39.34	41.48
9.40%	37.21	38.97	39.95	41.00	43.35
9.15%	38.65	40.57	41.64	42.79	45.39

Sensitivity Value per Share (Lev)

WACC	EBIT-margin from 2030e				
	19.50%	19.75%	20.00%	20.25%	20.50%
10.15%	34.96	35.26	35.57	35.87	36.17
9.90%	36.29	36.61	36.92	37.24	37.56
9.65%	37.71	38.05	38.38	38.72	39.06
9.40%	39.24	39.60	39.95	40.31	40.66
9.15%	40.89	41.27	41.64	42.01	42.39

Source: Montega

P&L (in Lev m) Allterco JSCO	2020	2021	2022	2023e	2024e	2025e
Sales	46.3	59.5	93.2	129.0	172.0	218.0
Cost of sales	24.6	26.7	46.4	65.8	89.4	115.5
Gross profit	21.7	32.8	46.8	63.2	82.6	102.5
Research and development	0.0	0.0	0.0	0.0	0.0	0.0
Sales and marketing	0.5	2.7	3.9	5.8	7.7	10.9
General and administration	8.7	12.2	20.5	25.8	32.7	37.1
Other operating expenses	1.1	0.7	2.8	1.3	1.7	2.2
Other operating income	1.0	1.5	0.9	1.3	1.7	2.2
EBITDA	13.4	19.8	21.3	34.4	46.3	61.0
Depreciation on fixed assets	0.6	0.5	0.3	1.3	2.1	3.3
EBITA	12.8	19.2	21.0	33.2	44.2	57.8
Amortisation of intangible assets	0.5	0.5	0.6	1.5	2.1	3.3
Impairment charges and Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	12.4	18.7	20.4	31.6	42.1	54.5
Financial result	2.6	0.0	-0.2	-0.1	-0.1	-0.1
Result from ordinary operations	14.9	18.7	20.2	31.5	42.1	54.4
Extraordinary result	0.0	0.0	0.0	0.0	0.0	0.0
EBT	14.9	18.7	20.2	31.5	42.1	54.4
Taxes	1.5	2.8	2.8	5.4	7.6	10.3
Net Profit of continued operations	13.4	16.0	17.4	26.2	34.5	44.1
Net Profit of discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	13.4	16.0	17.4	26.2	34.5	44.1
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	13.4	16.0	17.4	26.2	34.5	44.1

Source: Company (reported results), Montega (forecast)

P&L (in % of Sales) Allterco JSCO	2020	2021	2022	2023e	2024e	2025e
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	53.2%	44.9%	49.8%	51.0%	52.0%	53.0%
Gross profit	46.8%	55.1%	50.2%	49.0%	48.0%	47.0%
Research and development	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sales and marketing	1.2%	4.5%	4.2%	4.5%	4.5%	5.0%
General and administration	18.8%	20.5%	22.0%	20.0%	19.0%	17.0%
Other operating expenses	2.4%	1.2%	3.1%	1.0%	1.0%	1.0%
Other operating income	2.2%	2.5%	0.9%	1.0%	1.0%	1.0%
EBITDA	28.9%	33.2%	22.9%	26.7%	26.9%	28.0%
Depreciation on fixed assets	1.2%	0.9%	0.4%	1.0%	1.2%	1.5%
EBITA	27.7%	32.3%	22.5%	25.7%	25.7%	26.5%
Amortisation of intangible assets	1.1%	0.9%	0.7%	1.2%	1.2%	1.5%
Impairment charges and Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT	26.7%	31.4%	21.9%	24.5%	24.5%	25.0%
Financial result	5.6%	0.0%	-0.2%	-0.1%	0.0%	0.0%
Result from ordinary operations	32.3%	31.5%	21.7%	24.4%	24.5%	25.0%
Extraordinary result	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBT	32.3%	31.5%	21.7%	24.4%	24.5%	25.0%
Taxes	3.3%	4.6%	3.0%	4.2%	4.4%	4.7%
Net Profit of continued operations	29.0%	26.8%	18.7%	20.3%	20.1%	20.2%
Net Profit of discontinued operations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit before minorities	29.0%	26.8%	18.7%	20.3%	20.1%	20.2%
Minority interests	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit	29.0%	26.8%	18.7%	20.3%	20.1%	20.2%

Source: Company (reported results), Montega (forecast)

Balance sheet (in Lev m) Allterco JSCO	2020	2021	2022	2023e	2024e	2025e
ASSETS						
Intangible assets	6.4	3.4	4.7	5.7	7.1	8.2
Property, plant & equipment	5.1	4.8	4.7	3.8	2.2	-0.4
Financial assets	6.6	2.7	1.2	1.2	1.2	1.2
Fixed assets	18.1	10.9	10.5	10.6	10.4	8.9
Inventories	3.7	7.6	23.0	25.8	28.7	31.1
Accounts receivable	13.9	19.2	22.7	31.8	42.4	53.8
Liquid assets	26.1	30.5	28.2	39.7	56.6	82.0
Other assets	3.9	4.3	4.5	4.5	4.5	4.5
Current assets	47.6	61.5	78.3	101.8	132.2	171.3
Total assets	65.6	72.4	88.8	112.4	142.7	180.2
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	57.1	65.6	79.0	101.7	131.0	168.2
Minority Interest	-0.3	0.0	0.0	0.0	0.0	0.0
Provisions	1.2	0.0	2.0	2.0	2.0	2.0
Financial liabilities	3.0	2.6	2.2	2.2	2.2	2.2
Accounts payable	1.5	1.5	1.9	2.8	3.8	4.2
Other liabilities	3.0	2.8	3.8	3.8	3.8	3.8
Liabilities	8.8	6.8	9.8	10.7	11.7	12.1
Total liabilities and shareholders' equity	65.6	72.4	88.8	112.4	142.7	180.2

Source: Company (reported results), Montega (forecast)

Balance sheet (in %) Allterco JSCO	2020	2021	2022	2023e	2024e	2025e
ASSETS						
Intangible assets	9.8%	4.7%	5.3%	5.1%	5.0%	4.5%
Property, plant & equipment	7.7%	6.6%	5.2%	3.3%	1.5%	-0.2%
Financial assets	10.0%	3.7%	1.3%	1.0%	0.8%	0.6%
Fixed assets	27.5%	15.0%	11.8%	9.4%	7.3%	5.0%
Inventories	5.6%	10.4%	25.9%	23.0%	20.1%	17.3%
Accounts receivable	21.3%	26.5%	25.5%	28.3%	29.7%	29.9%
Liquid assets	39.7%	42.2%	31.7%	35.3%	39.7%	45.5%
Other assets	6.0%	5.9%	5.0%	4.0%	3.1%	2.5%
Current assets	72.5%	85.0%	88.2%	90.5%	92.7%	95.1%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	87.1%	90.6%	89.0%	90.5%	91.8%	93.3%
Minority Interest	-0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Provisions	1.8%	0.0%	2.2%	1.7%	1.4%	1.1%
Financial liabilities	4.6%	3.6%	2.4%	1.9%	1.5%	1.2%
Accounts payable	2.4%	2.1%	2.1%	2.5%	2.7%	2.3%
Other liabilities	4.6%	3.8%	4.3%	3.4%	2.6%	2.1%
Total Liabilities	13.4%	9.4%	11.0%	9.5%	8.2%	6.7%
Total Liabilities and Shareholders' Equity	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company (reported results), Montega (forecast)

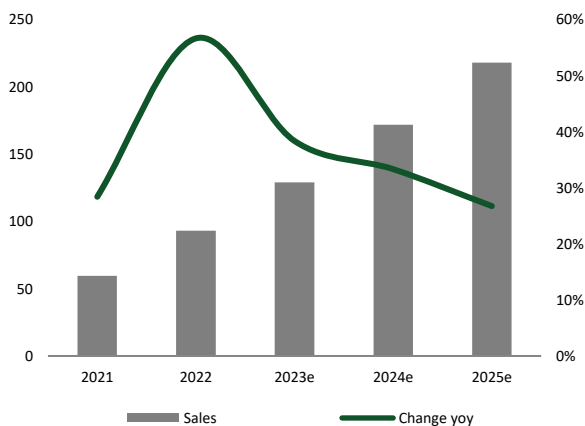
Statement of cash flows (in Lev m) Allterco JSCo	2020	2021	2022	2023e	2024e	2025e
Net income	13.4	16.0	17.4	26.2	34.5	44.1
Depreciation of fixed assets	0.6	0.5	0.3	1.3	2.1	3.3
Amortisation of intangible assets	0.5	0.5	0.6	1.5	2.1	3.3
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash related payments	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow	14.5	17.0	18.4	29.0	38.6	50.6
Increase / decrease in working capital	-10.4	-8.9	-18.2	-11.0	-12.5	-13.4
Cash flow from operating activities	4.1	8.1	0.2	18.0	26.1	37.2
CAPEX	-2.9	-1.6	-2.3	-3.0	-4.0	-5.0
Other	4.8	2.1	2.8	0.0	0.0	0.0
Cash flow from investing activities	1.9	0.5	0.5	-3.0	-4.0	-5.0
Dividends paid	-0.2	-3.4	-1.7	-3.5	-5.2	-6.9
Change in financial liabilities	0.1	-0.5	-0.6	0.0	0.0	0.0
Other	9.3	-0.2	-0.9	0.0	0.0	0.0
Cash flow from financing activities	9.2	-4.1	-3.2	-3.5	-5.2	-6.9
Effects of exchange rate changes on cash	0.0	0.0	0.2	0.0	0.0	0.0
Change in liquid funds	15.2	4.5	-2.6	11.5	17.0	25.3
Liquid assets at end of period	26.1	30.5	28.1	39.7	56.6	82.0

Source: Company (reported results), Montega (forecast)

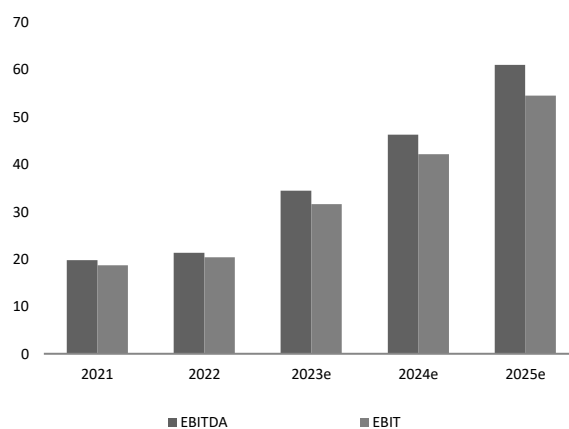
Key figures Allterco JSCo	2020	2021	2022	2023e	2024e	2025e
Earnings margins						
Gross margin (%)	46.8%	55.1%	50.2%	49.0%	48.0%	47.0%
EBITDA margin (%)	28.9%	33.2%	22.9%	26.7%	26.9%	28.0%
EBIT margin (%)	26.7%	31.4%	21.9%	24.5%	24.5%	25.0%
EBT margin (%)	32.3%	31.5%	21.7%	24.4%	24.5%	25.0%
Net income margin (%)	29.0%	26.8%	18.7%	20.3%	20.1%	20.2%
Return on capital						
ROCE (%)	43.0%	51.5%	44.1%	52.2%	58.3%	64.6%
ROE (%)	44.3%	28.1%	26.6%	33.1%	33.9%	33.7%
ROA (%)	20.5%	22.0%	19.6%	23.3%	24.2%	24.5%
Solvency						
YE net debt (in EUR)	-21.9	-28.0	-24.0	-35.6	-52.5	-77.8
Net debt / EBITDA	-1.6	-1.4	-1.1	-1.0	-1.1	-1.3
Net gearing (Net debt/equity)	-0.4	-0.4	-0.3	-0.3	-0.4	-0.5
Cash Flow						
Free cash flow (EUR m)	1.2	6.5	-2.1	15.0	22.2	32.2
Capex / sales (%)	6.2%	2.7%	2.5%	2.3%	2.3%	2.3%
Working capital / sales (%)	26%	36%	38%	39%	36%	34%
Valuation						
EV/Sales	8.3	6.5	4.1	3.0	2.2	1.8
EV/EBITDA	28.7	19.4	18.0	11.2	8.3	6.3
EV/EBIT	31.1	20.5	18.8	12.2	9.1	7.1
EV/FCF	321.0	58.8	-	25.6	17.3	11.9
PE	25.3	25.6	23.5	15.7	11.9	9.3
KBV	7.2	6.3	5.2	4.0	3.1	2.4
Dividend yield	0.4%	0.9%	0.9%	1.3%	1.7%	2.1%

Source: Company (reported results), Montega (forecast)

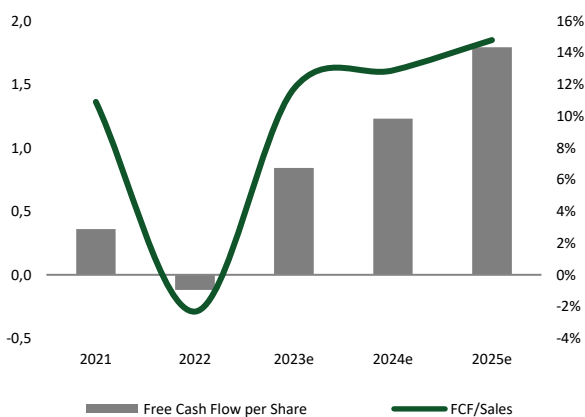
Sales development



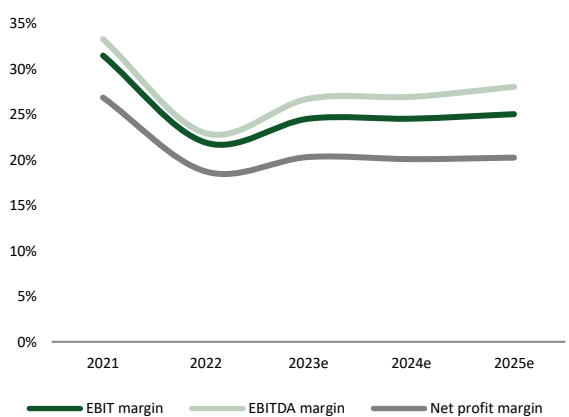
Earnings development



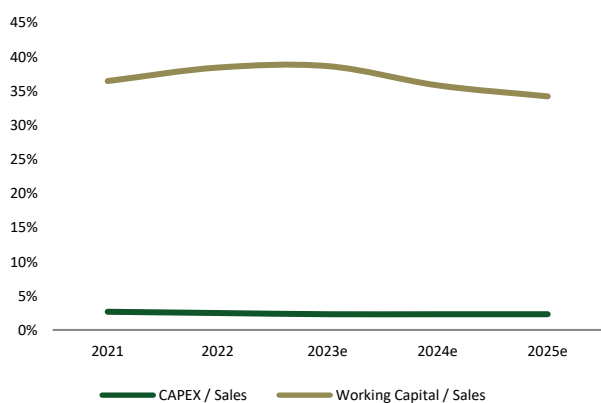
Free-Cash-Flow development



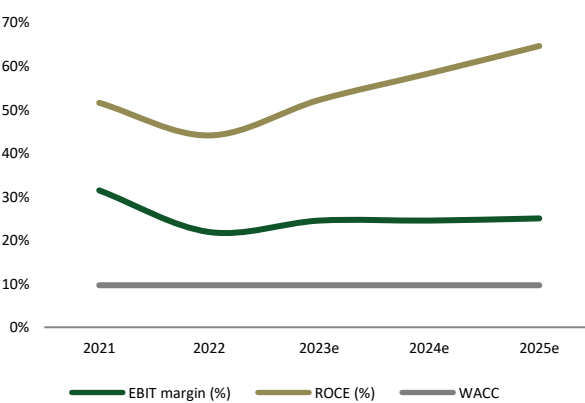
Margin development



CAPEX / Working Capital



EBIT-Yield / ROCE



DISCLAIMER

This document does not represent any offer or invitation to buy or sell any kind of securities or financial instruments. The document serves for information purposes only. This document only contains a non-binding opinion on the investment instruments concerned and non-binding judgments on market conditions at the time of publication. Due to its content, which serves for general information purposes only, this document may not replace personal, investor- or issue-specific advice and does also not provide basic information required for an investment decision that are formulated and expressed in other sources, especially in properly authorised prospectuses. All data, statements and conclusions drawn in this document are based on sources believed to be reliable but we do not guarantee their correctness or their completeness. The expressed statements reflect the personal judgement of the author at a certain point in time. These judgements may be changed at any time and without prior announcement. No liability for direct and indirect damages is assumed by either the analyst or the institution employing the analyst. This confidential report is made available to a limited audience only. This publication and its contents may only be disseminated or distributed to third parties following the prior consent of Montega. All capital market rules and regulations governing the compilation, content, and distribution of research in force in the different national legal systems apply and are to be complied with by both suppliers and recipients. Distribution within the United Kingdom: this document is allotted exclusively to persons who are authorized or appointed in the sense of the Financial Services Act of 1986 or on any valid resolution on the basis of this act. Recipients also include persons described in para 11(3) of the Financial Act 1986 (Investments Advertisements) (Exemptions) Order 1996 (in each currently valid amendment). It is not intended to remit information directly or indirectly to any other groups or recipients. It is not allowed to transmit, distribute, or to make this document or a copy thereof available to persons within the United States of America, Canada, and Japan or to their overseas territories.

Declaration according to Section 85 of the German Securities Trading Act (WpHG) and Art. 20 Regulation (EU) No. 596/2014 in conjunction with Commission Delegated Regulation (Delegierte Verordnung) 2016/958 (as of 21 July 2022): Montega has made an agreement with this company about the preparation of a financial analysis. The research report has been made available to the company prior to its publication / dissemination. A company affiliated with Montega may hold an interest in the issuer's share capital or other financial instruments.

Prices of financial instruments mentioned in this analysis are closing prices of the publishing date (respectively the previous day) if not explicitly mentioned otherwise. Any updating of this publication will be made in the case of events that Montega considers to be possibly relevant to the stocks' price performance. The end of regular comments on events in context with the issuer (coverage) will be announced beforehand.

Sources of information: The main sources of information for the preparation of this financial analysis are publications of the issuer as well as publicly available information of national and international media, which Montega regards as reliable. There have also been discussions with members of the management team or the investor relations division of the company concerned when preparing this analysis.

Reference pursuant to MiFID II (as of 21 July 2022): This publication was prepared on the basis of a contract between Montega AG and the issuer and will be paid by the issuer. This document has been widely published and Montega AG makes it simultaneously available for all interested parties. Its receipt therefore is considered a permissible minor non-monetary benefit in the sense of section 64 Paragraph 7 Sentence 2 No. 1 and 2 of the German Securities Trading Act (WpHG).

Fundamental basics and principles of the evaluative judgements contained in this document: Assessments and valuations leading to ratings and judgements given by Montega AG are generally based on acknowledged and broadly approved methods of analysis i.e. a DCF model, a peer group comparison, or sum-of-the-parts model.

Our ratings:

Buy: The analysts at Montega AG believe the share price will rise during the next twelve months.

Hold: Upside/downside potential limited. No immediate catalyst visible.

Sell: The analysts at Montega AG believe the share price will fall during the next twelve months.

Authority responsible for supervision:

Bundesanstalt für Finanzdienstleistungsaufsicht
Graurheindorfer Str. 108 and Marie-Curie-Str. 24-28
53117 Bonn 60439 Frankfurt

Contact Montega AG:

Schauenburgerstraße 10
20095 Hamburg
www.montega.de
Tel: +49 40 4 1111 37 80

Share price and recommendation history

Recommendation	Date	Price (BGN)	Price target (BGN)	Potential
Buy (Initiation)	21 July 2022	17.90	28.00	+56%
Buy	17 August 2022	19.20	28.00	+46%
Buy	10 October 2022	17.00	28.00	+65%
Buy	16 November 2022	20.60	31.00	+50%
Buy	6 December 2022	20.80	31.00	+49%
Buy	18 January 2023	21.60	37.00	+71%
Buy	2 nd March 2023	22.80	38.00	+67%